



Fiscal Year August 2020 Full-Year Financial Results Briefing

Demae-can Co.,Ltd

(JASDAQ : 2484)

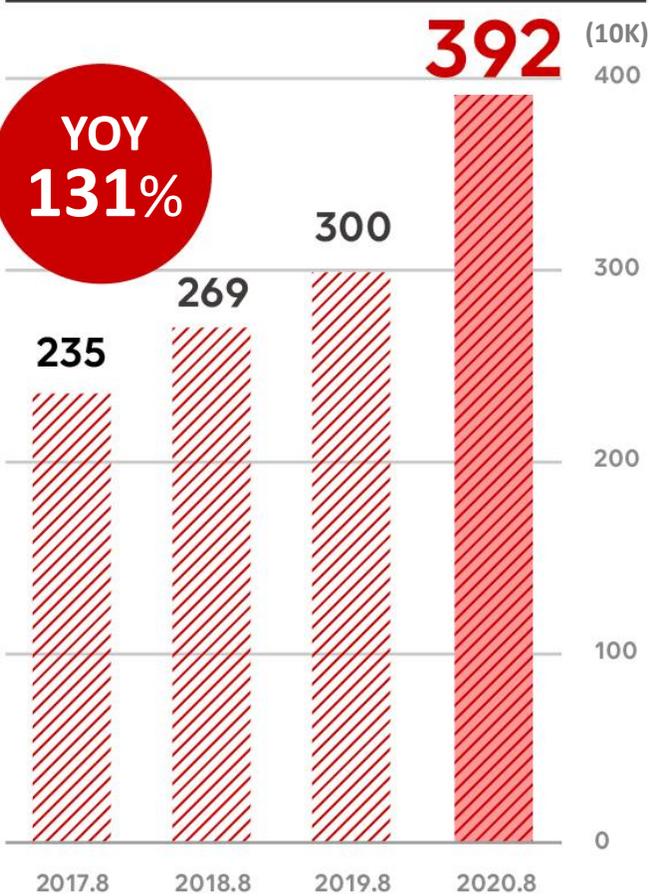
October 15, 2020

Performance of Main KPIs



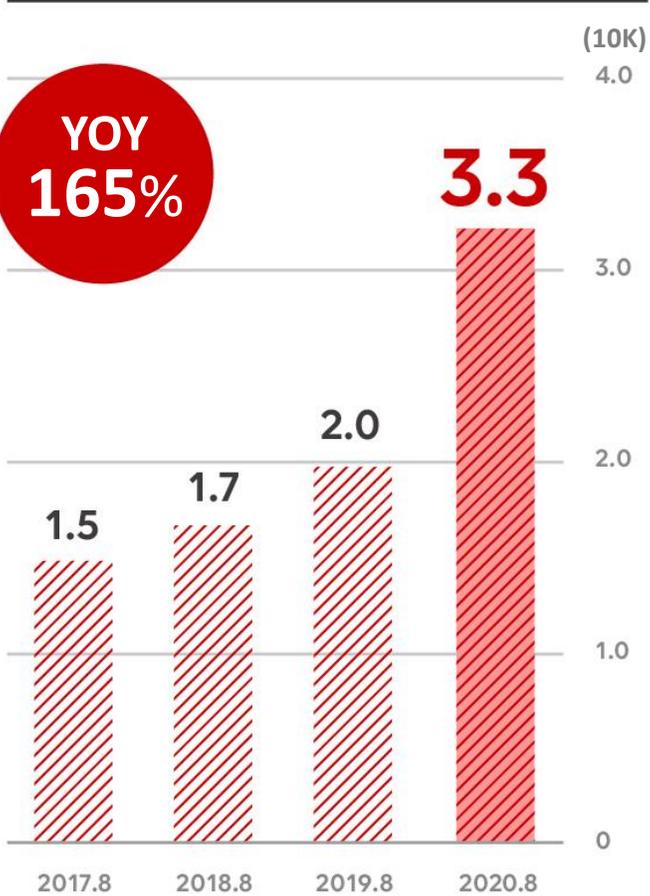
Changes in the Number of Active Users

(As of the end of Aug each FY)



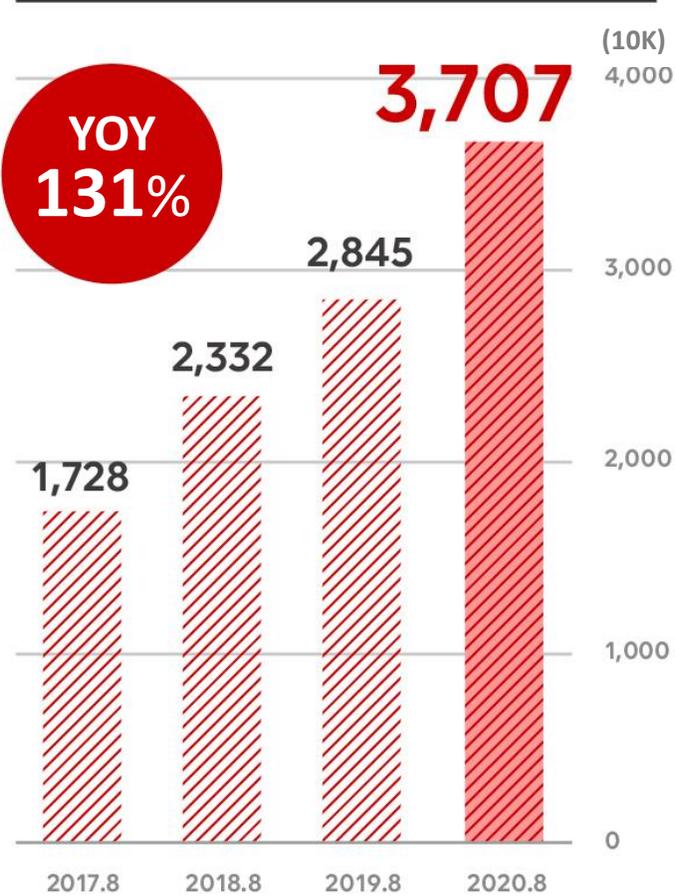
Changes in the Number of Partner Restaurant

(As of the end of Aug each FY)



Changes in the Number of Orders per year

(Ttl of Aug to Sep each FY)



* Active users: Number of users who ordered at least once in the last year

Summary of Consolidated Financial Statement (Income Statement)



Sales increased 54.6% compared to the preceding period, and operating loss of 2,623 million yen due to strategic investment

(Primary reasons for revenue growth and decline in profit)

Increase in the number of orders due to the increase in number of active users and partner restaurants

Increase in delivery commission due to the expansion of Sharing Delivery

Increase in SG&A expenses due to the proactive expansion of Sharing Delivery and marketing investment

Recording of extraordinary loss due to impairment loss of fixed assets

(Million yen)	Full-year Results of Aug. 2020	Full-year Results of Aug. 2019	Difference from the Preceding Period	YOY	Comparison to Sales of Full-year Results of Aug. 2019
Net Sales	10,306	6,666	3,640	154.6%	100.0%
Gross Profit	7,282	4,196	3,086	173.5%	70.7%
SG&A	9,906	4,235	5,671	233.9%	96.1%
Operating Income	(2,623)	(39)	(2,584)	-	(25.5%)
Ordinary Income	(2,919)	(7)	(2,912)	-	(28.3%)
Net Income	(4,112)	(103)	(4,009)	-	(39.9%)

Summary of Consolidated Financial Statement (Balance Sheet)

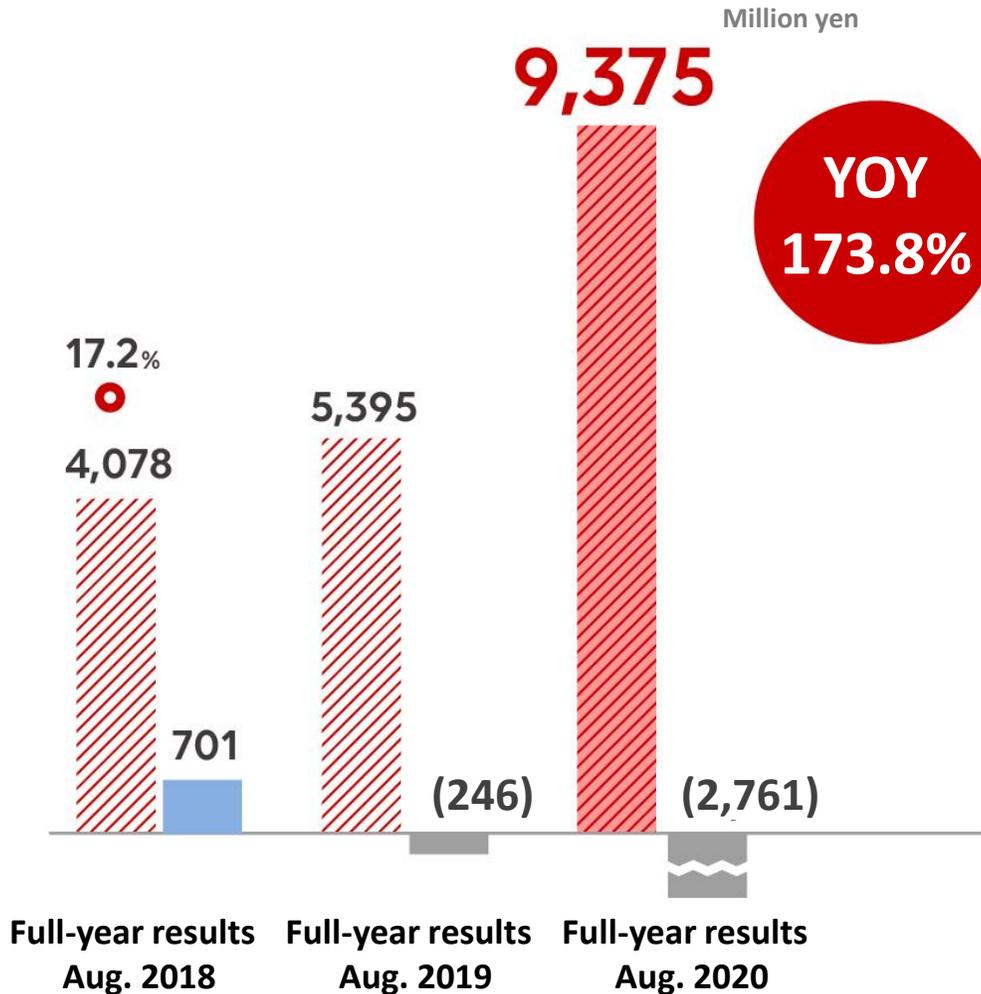


(Million yen)	Year-end Results of Aug. 2020	Year-end Results of Aug. 2019	Difference from the Preceding Year-end	YOY
Current Assets	35,580	5,555	30,025	640.4%
Cash	28,966	2,185	26,781	1,325.2%
Accounts receivable	6,375	2,994	3,381	212.9%
Other current assets	238	375	(137)	63.6%
Fixed Assets	405	1,528	(1,123)	26.5%
Intangible fixed assets	9	821	(812)	1.2%
Other fixed assets	395	706	(311)	56.0%
Total Assets	35,985	7,084	28,901	508.0%
Current Liabilities	7,461	4,203	3,258	177.5%
Short term loans	0	803	(803)	-
Accounts payable	6,866	3,069	3,797	223.7%
Other current liabilities	594	330	264	180.0%
Fixed Liabilities	44	40	4	108.6%
Total Liabilities	7,506	4,244	3,262	1,002.9%
Net Assets	28,479	2,839	25,640	508.0%

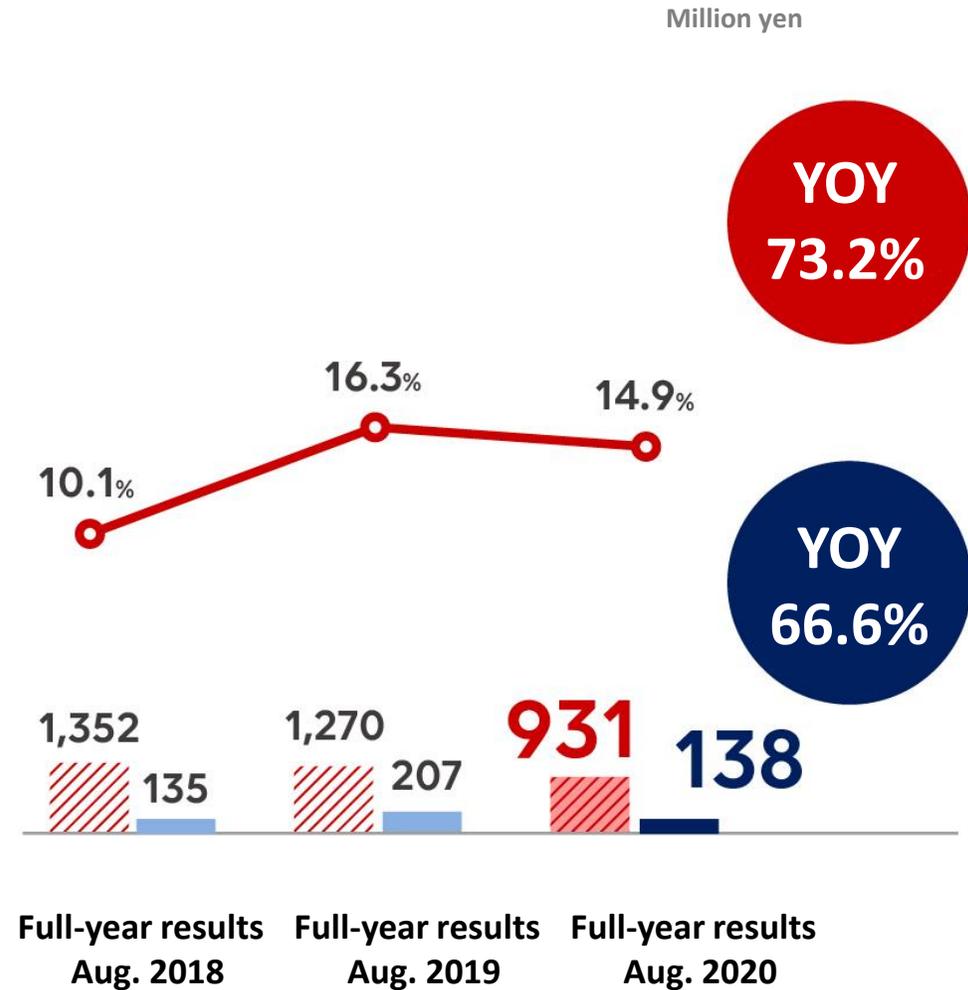
Summary of Financial Results by Segment



Demae-can Business

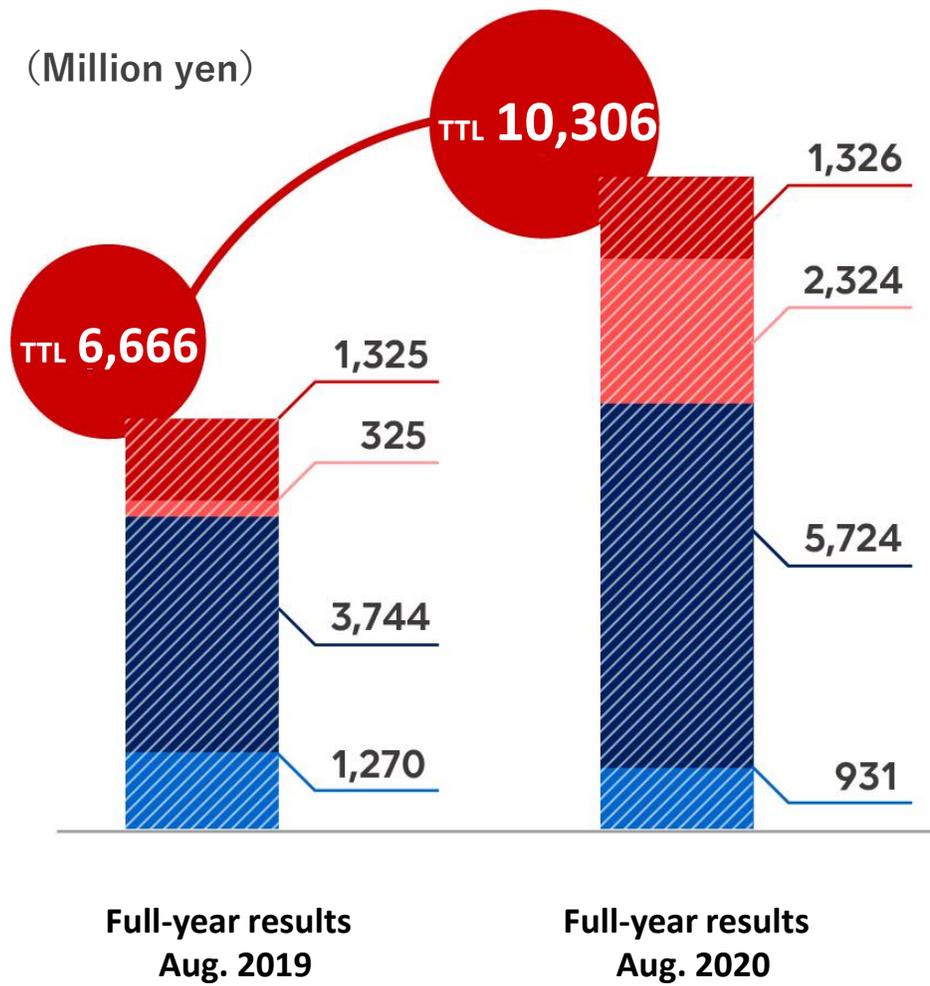


Mail Order Business



Net Sales
 Operating Income
 Operating Income Margin

Net Sales Increase/Decrease by Segment



- Demae-can Business Sales Others
 YOY +1 million yen (YOY 100.9%)

- Demae-can Business Delivery Commission
 YOY +1,999 million yen (YOY 713%)
Major increase in the number of deliveries at delivery base directly managed by Demae-can

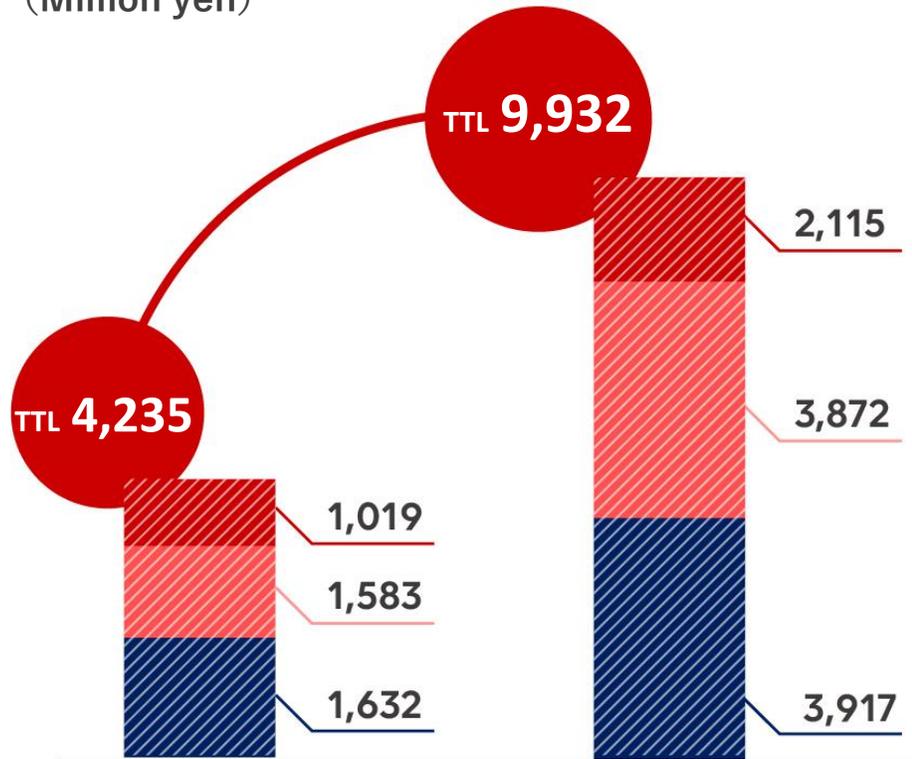
- Demae-can Business Order Fee
 YOY +1,980 million yen (YOY 152.9%)
Increase in revenue due to increase in the number of orders and changes in the rate structure

- Mail Order Business
 YOY (339) million yen (YOY 73.3%)
Declined due to voluntary closure of restaurants under COVID-19 pandemic

Increase/Decrease in SG&A expenses



(Million yen)



Full-year results
Aug. 2019

Full-year results
Aug. 2020

- SG&A Others
YOY +1,096 million yen (YOY 207.5%)
Increase in costs due to the expansion of the business and increase in operating costs for directory managed delivery base
- Labor Costs
YOY +2,289 million yen (YOY 244.6%)
Addition of new personnel along with the expansion of the business and increase in costs for delivery staff in directory managed delivery base
- Advertising Expenses
YOY +2,285 million yen (YOY 239.9%)
Increased costs for promotion and boosting brand awareness

Brand Awareness Increased



Brand awareness of Demae-can reached about 70%, which is 12.4pt increase compared to before the start of TV commercial

1. Brand Appeal



2. Delivery Quality Appeal



3. OOH Advertising



Awareness Survey

July 2020 (Before TV Commercial)	August 2020
57.2%	69.6%

Source : Survey conducted by Demae-can (Aug. 25 2020 ~ Aug. 27)
Method : Smartphone survey utilizing LINE Research Platform
Target : Sample of 2,500 ppl between 15 and 69 years old throughout Japan

Highly supported delivery company in Japan!!



Selected No.1 in three categories by users:
Reliability, Quality of Delivery Staff, and Better Deals

デリバリーサービス3冠獲得

第1位
信頼できる

第1位
配達員の質

第1位
お得に利用できる

調査方法：インターネット調査 調査期間：2020年9月8日～9日 調査概要：宅配デリバリーサービスを対象にしたサイト比較イメージ調査
調査対象：665名、男女、20～69歳、その他条件 宅配デリバリーサービス 利用経験者 調査実施：株式会社ショッパーズアイ
比較対象企業：「宅配デリバリーサービス」Google検索 検索上位7社及びその他選定企業2社 (2020年8月14日20:15時点)



On the Medium-term Management Plan



The world “Demaecan × LINE” envisions:

“**Food delivery is a routine part of life**”

Medium-term Management Plan : Management Goals

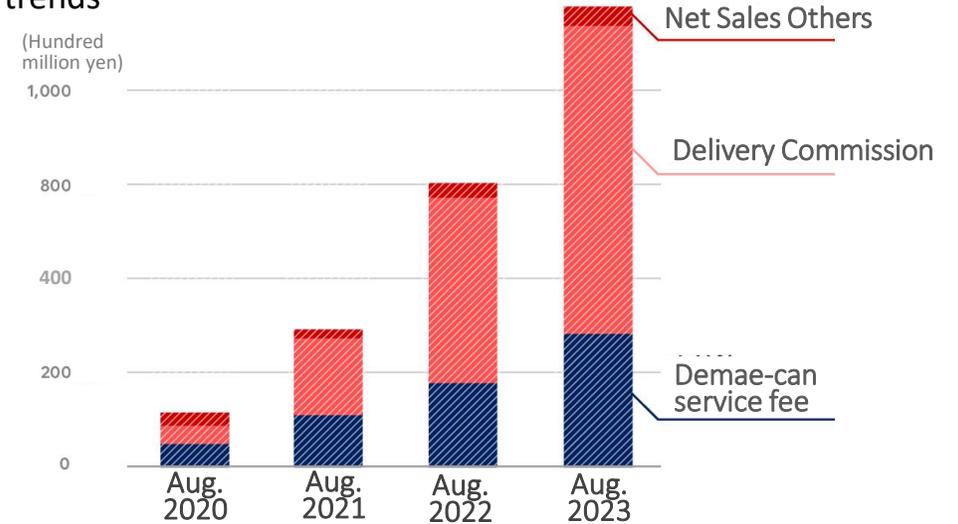


August 2021: Execute large-scale investment to expand Demae-can business

August 2022: Monetize Demae-can site

August 2023: Achieve full-year surplus of Sharing Delivery

Sales trends



(Hundred million yen)	Results of Aug 2020	Plans for Aug 2021	Plans for Aug 2022	Plans for Aug 2023
Demae-can GMV	1,027 (YOY 131%)	1,600 (YOY 156%)	2,500 (YOY 156%)	3,400 (YOY 136%)
Consolidated Net Sales	103	280	600	970
Consolidated Operating Income	(27)	(130)	(20)	120

Medium-term Management Plan



Speed up system development and bolster efforts towards the 3 pillars of business expansion

Increase Partner Restaurants

- Achieve 100,000 restaurants by the end of 2022
- Create synergy between delivery and pickup

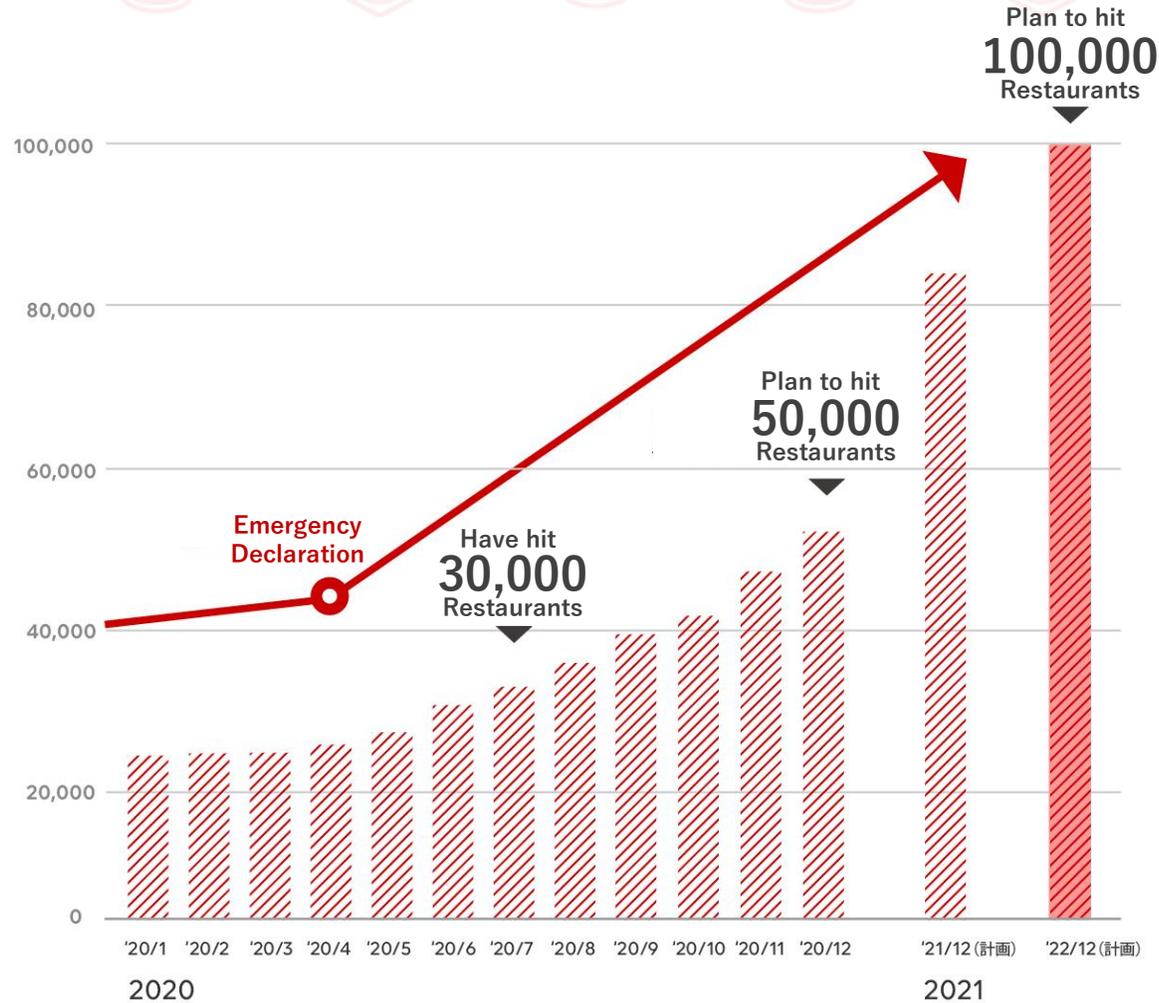
Increase Users

- Bolster user communication through rebranding
- Maximize marketing effectiveness via ID linkage with LINE ID

Expand Sharing Delivery

- Focus on delivery quality as a key differentiating factor
- Expand its population coverage to above 50%

Increase Partner Restaurants



December 2021

Expecting
80,000 Restaurants

December 2022

Expecting
100,000 Restaurants

Rate of growth has been accelerating month by month
Changes in the mind of owners on restaurant management

More Major Chain Restaurants Joining Demae-can



Sharing Delivery allowing restaurants that haven't tried delivery before to join Demae-can and start delivery

McDonald's rapidly opening more locations
(850 locations by late Oct. 2020)



出前館で

マクドナルド頼めます

Hospitality Restaurant
Royal Host



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Rebranding Demae-can



Delicious

Delivery

Delight



Utilizing LINE ID Linkage for Marketing



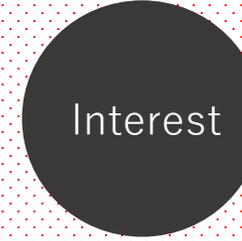

**LINE ID linkage
Starts in Nov**

Acquisition of new users

Customer
Attraction



Targeting with data provided by LINE

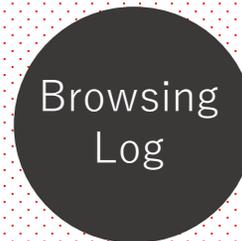


**90% of Customer
Attraction**

Issue new coupons
Make them customers
quickly

Encourage purchasing users to order again

Recommend from purchase history



Customer
Attraction



**10% of Customer
Attraction**

Existing customers:
Build royal customers

Attracting Customers from LINE after ID Linkage



Home Tab



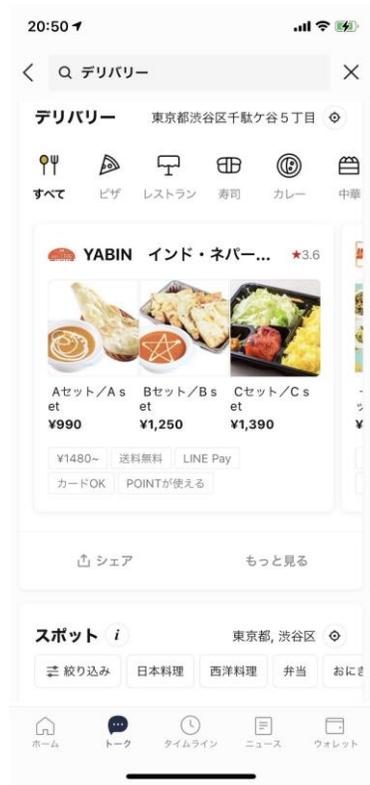
Official Account



Wallet Tab



LINE Search



LINE will be sending
8.4 million customers
Demae-can ID will be
assigned

Medium-term Management Plan



Speed up system development and bolster efforts towards the 3 pillars of business expansion

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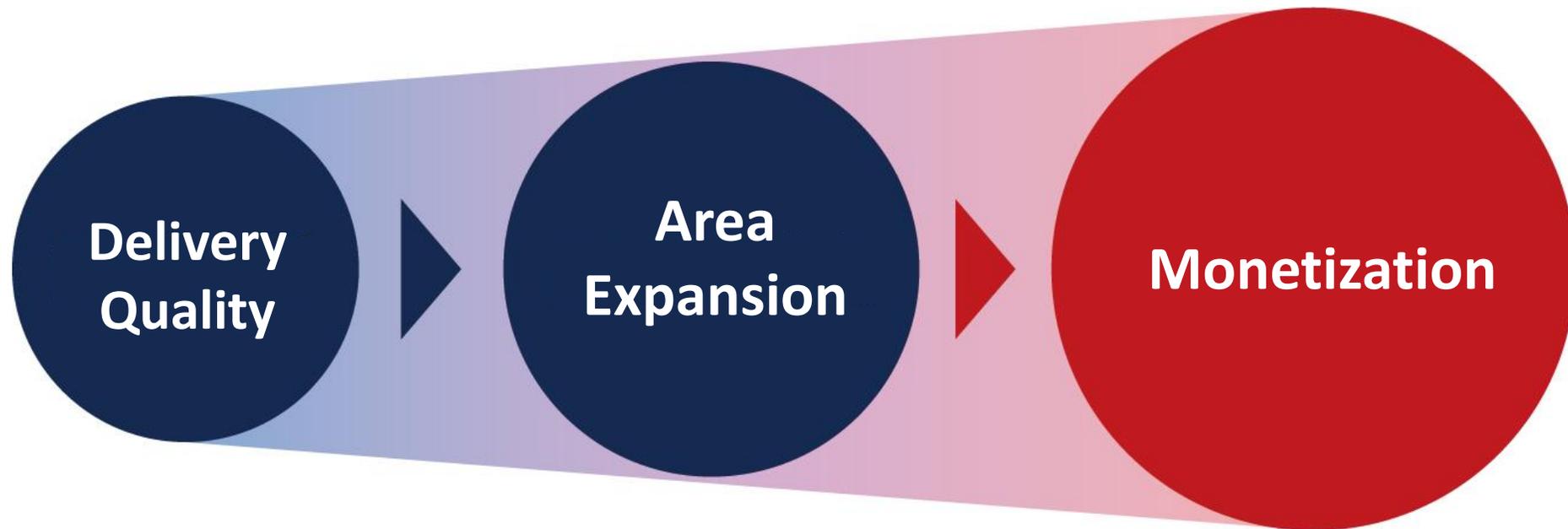
Expand Sharing Delivery

- Focus on delivery quality as a key differentiating factor
- Expand its population coverage to above 50%

Strategy for Sharing Delivery Going Forward



Focusing on delivery quality as a key differentiating factor, and building a foundation for improving cost effectiveness



Our Definition of Delivery Quality



**Dishes
Delivered Fresh**



**Deliver while its hot –
No need to worry about
messed up dishes**

**Dress and
Appearance**



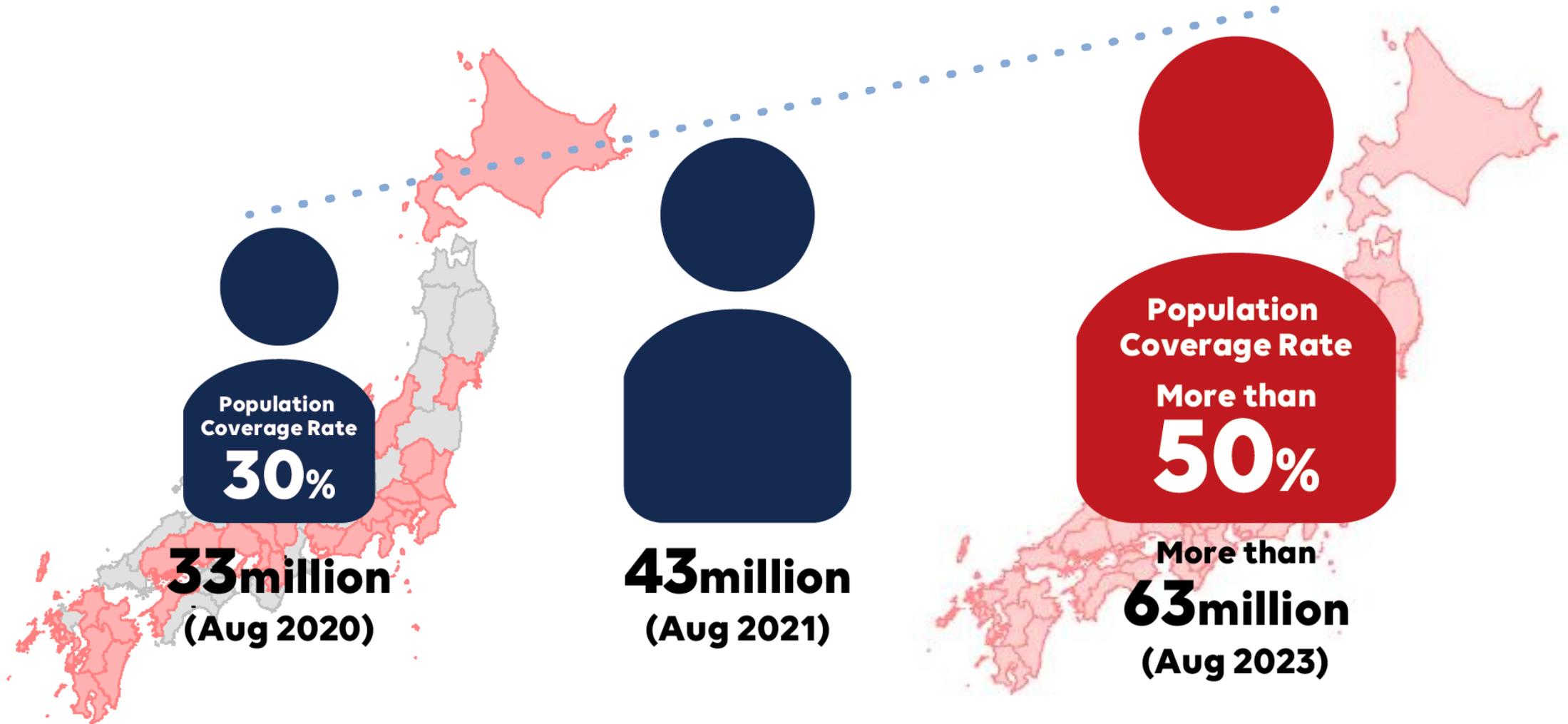
**Delivered by clean
and tidy staff**

**Right on
Time Delivery**



Deliver on time

Expansion of Sharing Delivery Areas





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“**Food delivery is a routine part of life**”



Demaecan

Please note that the future forecasts in this presentation material are based on the information available as of the date of publication of this material, and actual business results may differ significantly due to various factors. In addition, the stated amount is rounded down to the nearest million yen.