



# Fiscal Year August 2020 Full-Year Financial Results Briefing

**Demae-can Co.,Ltd**

(JASDAQ : 2484)

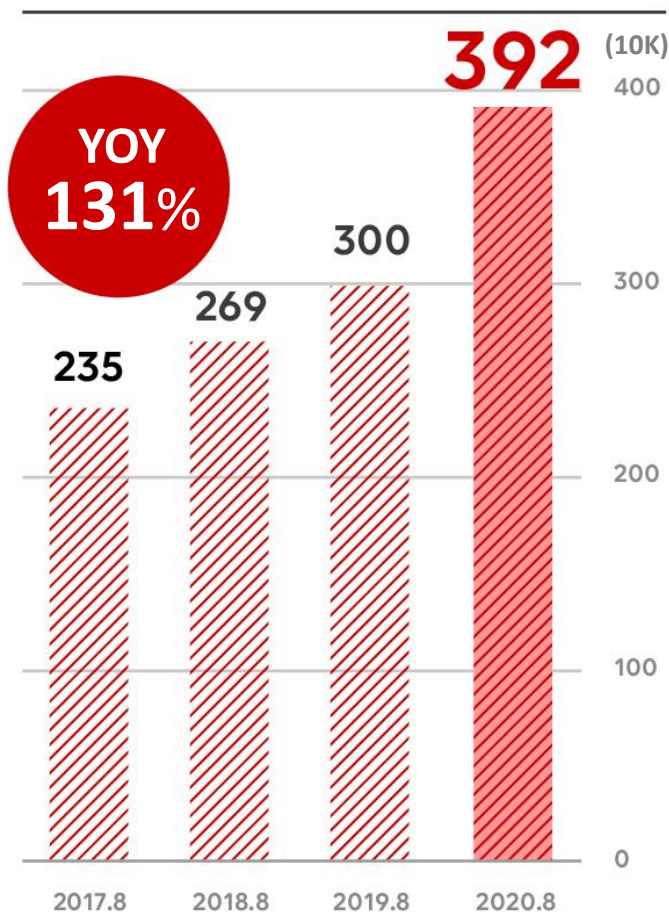
October 15, 2020

# Performance of Main KPIs



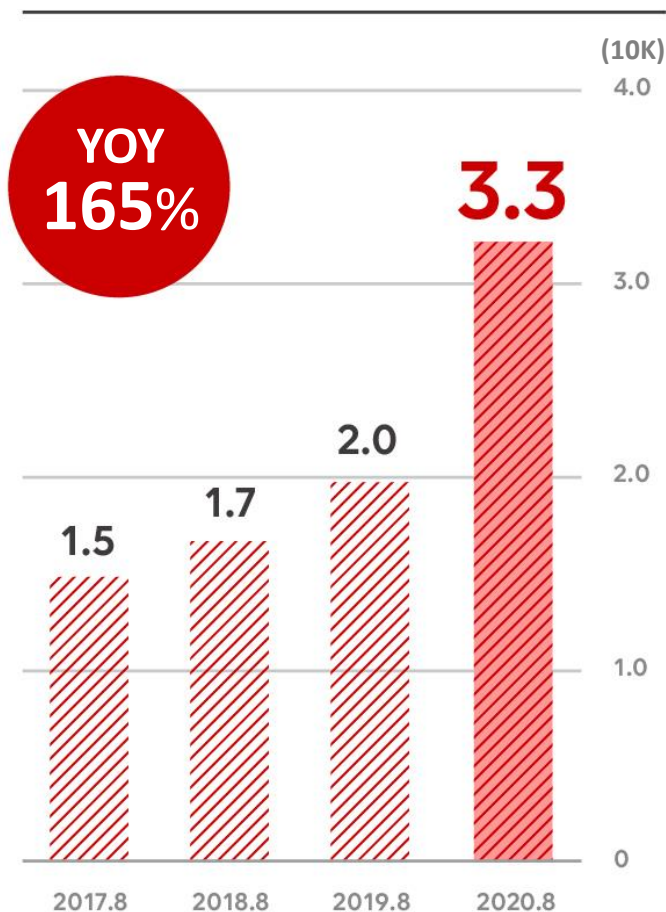
## Changes in the Number of Active Users

(As of the end of Aug each FY)



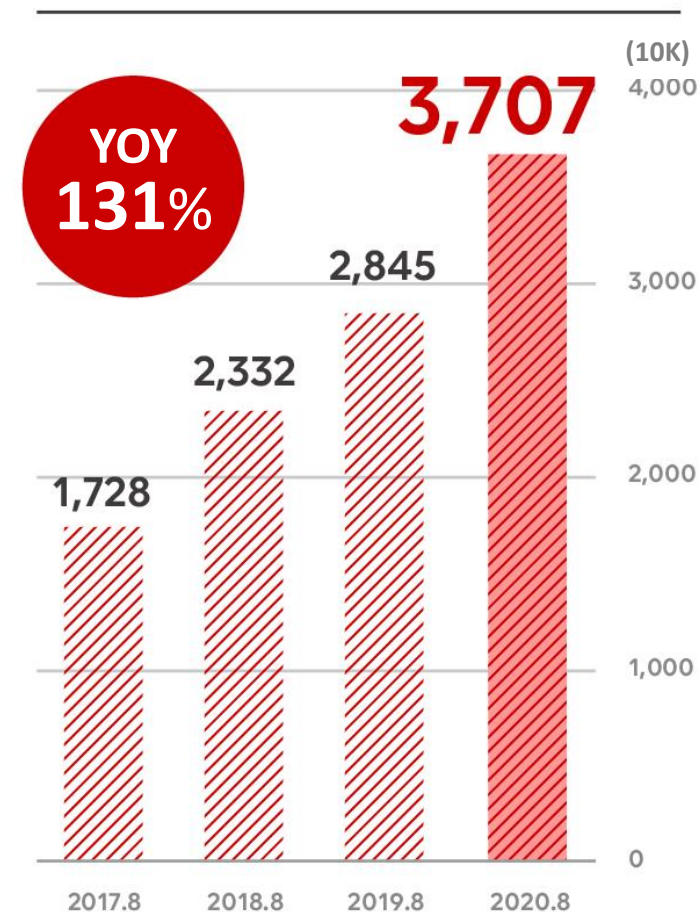
## Changes in the Number of Partner Restaurant

(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)

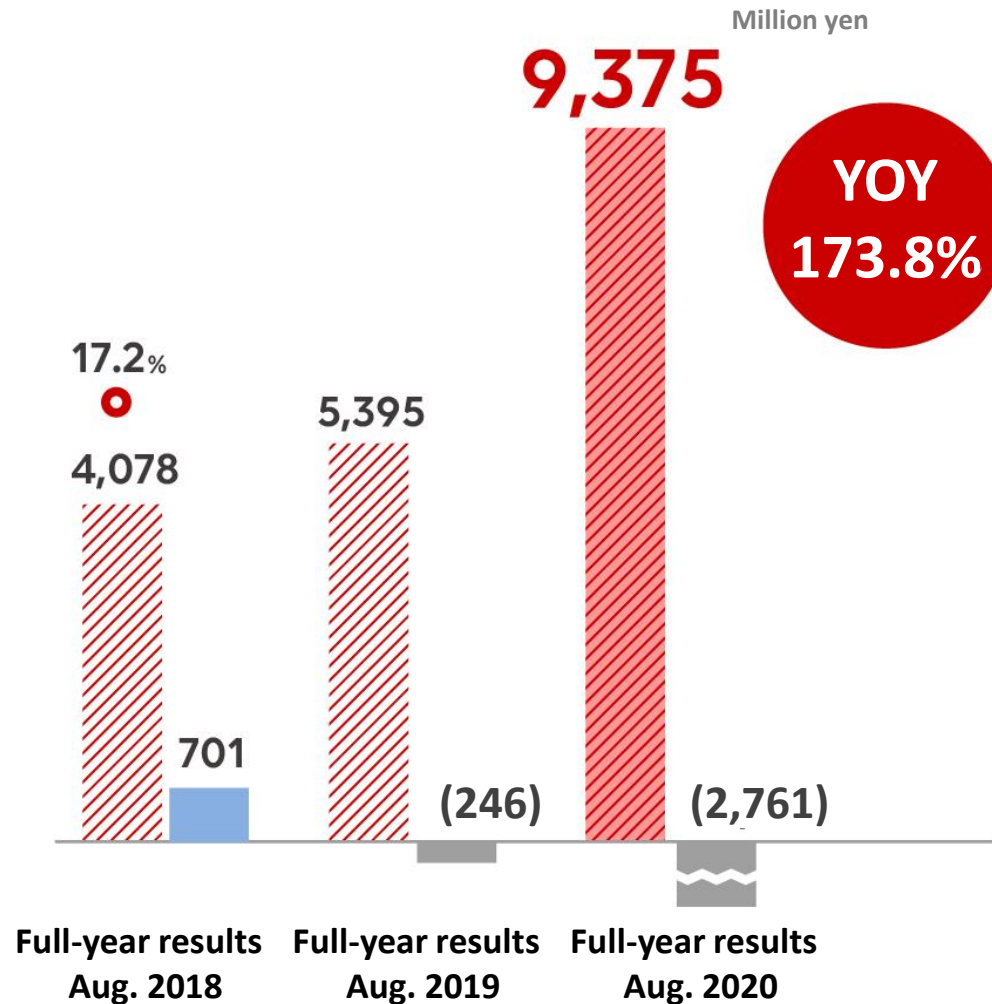


(Million yen)	Year-end Results of Aug. 2020	Year-end Results of Aug. 2019	Difference from the Preceding Year-end	YOY
Current Assets	35,580	5,555	30,025	640.4%
Cash	28,966	2,185	26,781	1,325.2%
Accounts receivable	6,375	2,994	3,381	212.9%
Other current assets	238	375	(137)	63.6%
Fixed Assets	405	1,528	(1,123)	26.5%
Intangible fixed assets	9	821	(812)	1.2%
Other fixed assets	395	706	(311)	56.0%
<b>Total Assets</b>	<b>35,985</b>	<b>7,084</b>	<b>28,901</b>	<b>508.0%</b>
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%
<b>Total Liabilities</b>	<b>7,506</b>	<b>4,244</b>	<b>3,262</b>	<b>1,002.9%</b>
<b>Net Assets</b>	<b>28,479</b>	<b>2,839</b>	<b>25,640</b>	<b>508.0%</b>

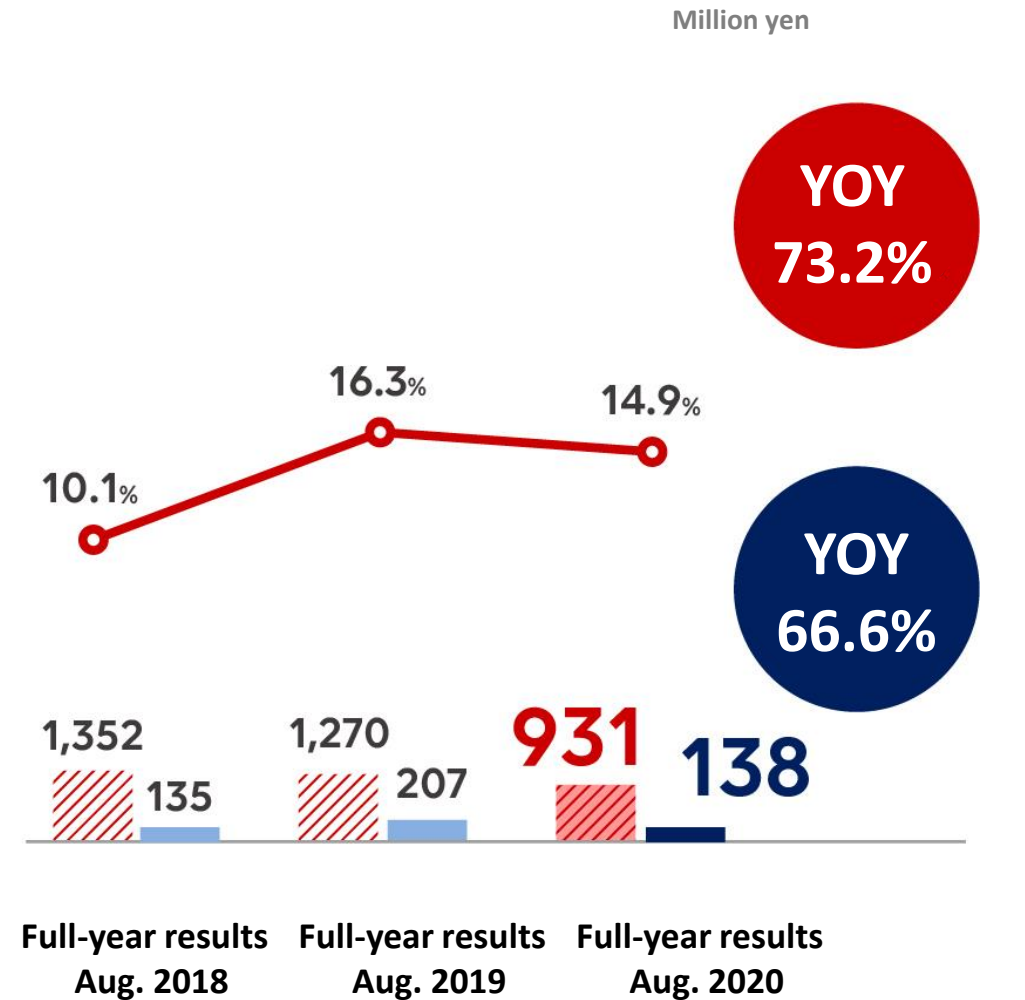
# Summary of Financial Results by Segment



## Demae-can Business

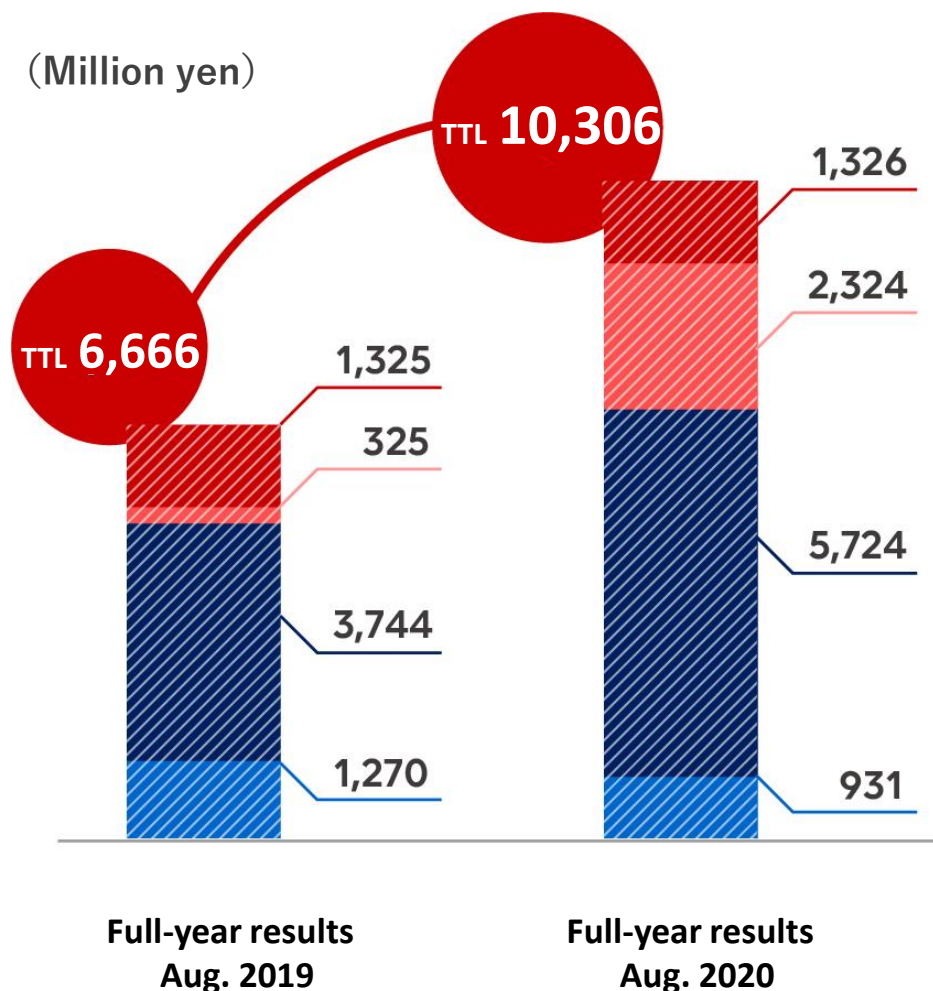


## Mail Order Business





# 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**

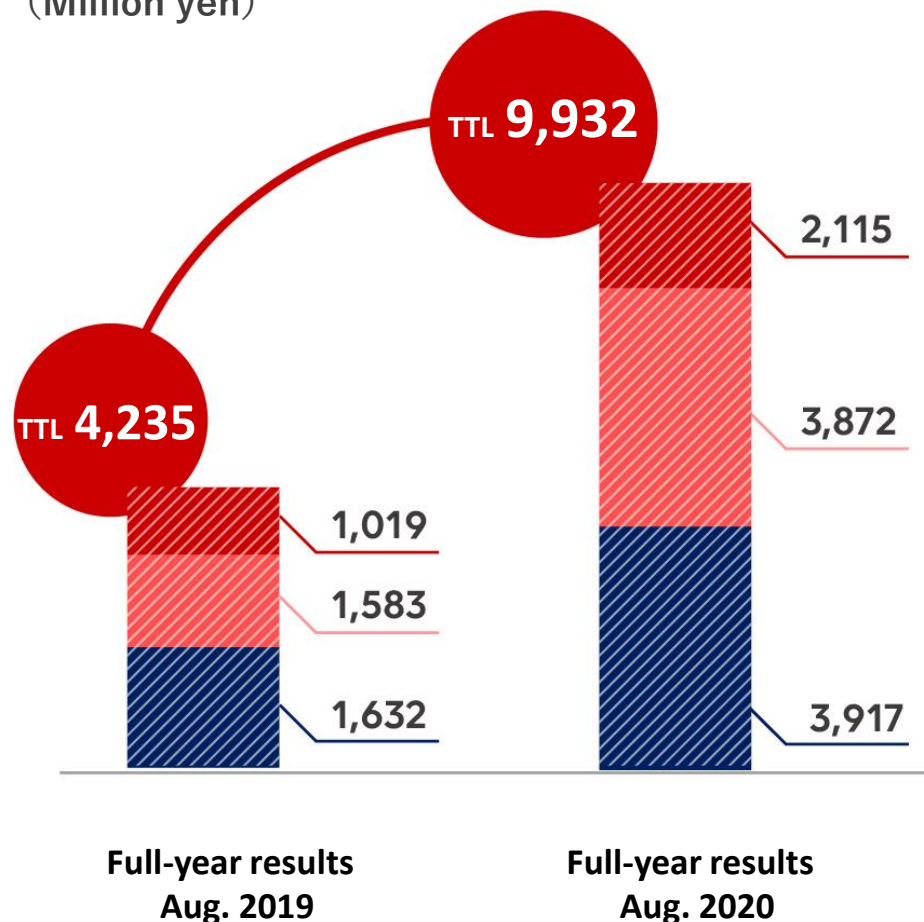
■ Mail Order Business  
YOY (339) million yen (YOY 73.3%)

**Declined due to voluntary closure of restaurants under COVID-19 pandemic**

# Increase/Decrease in SG&A expenses



(Million yen)



- 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 “Demae-can × LINE” envisions:

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



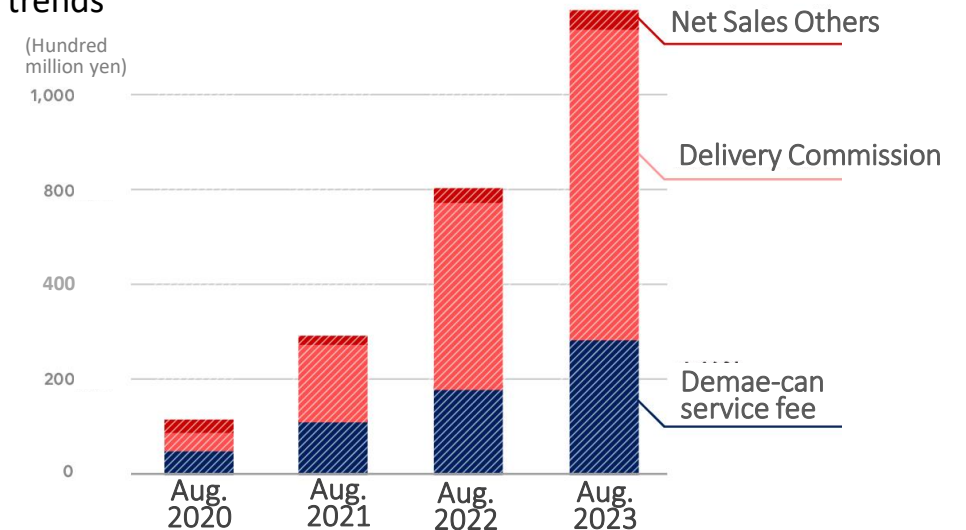
# Medium-term Management Plan : Management Goals

**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

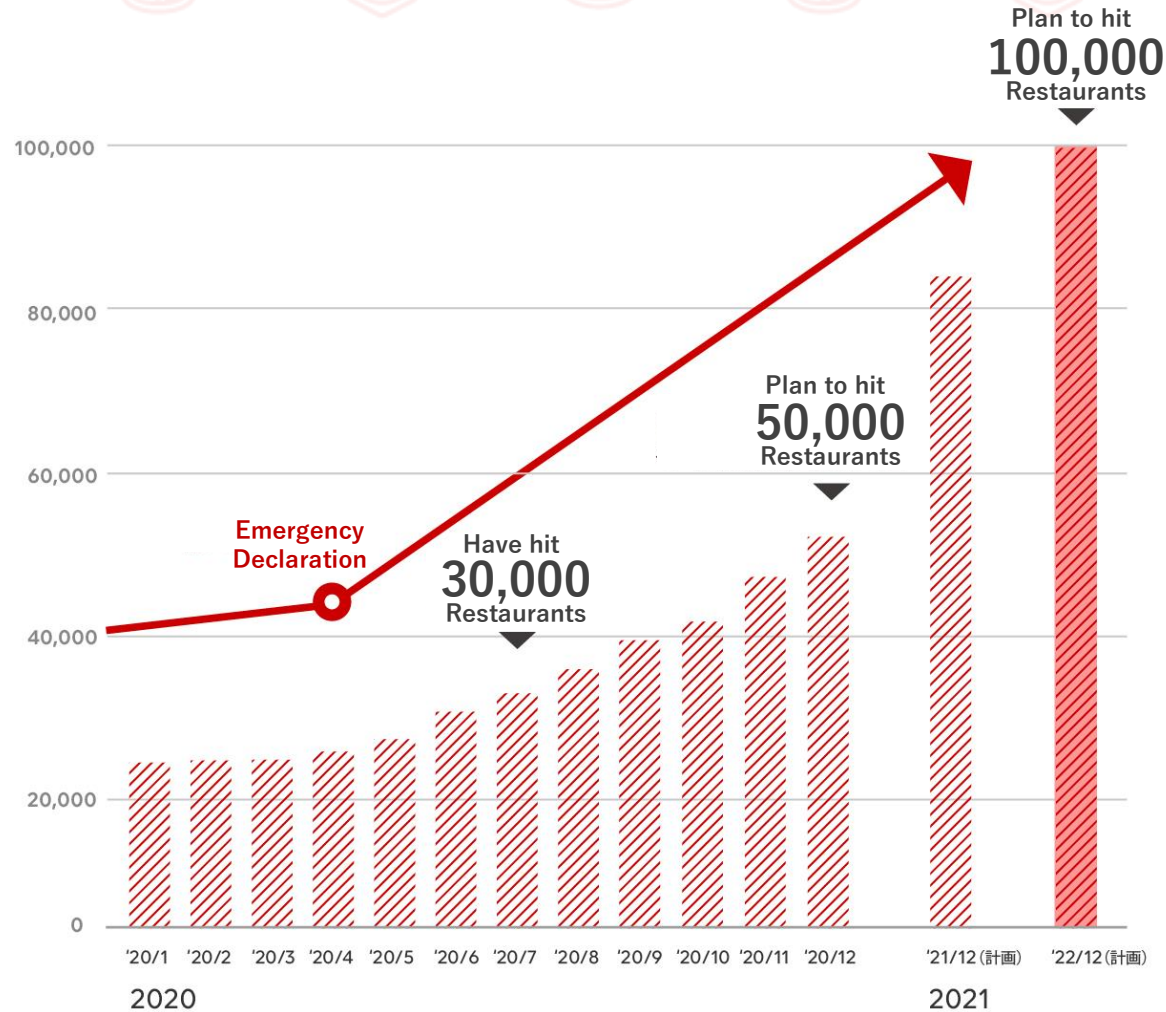
## Increase Users

- 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**



# 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%



# Rebranding Demae-can



**Delicious**

**Delivery**

**Delight**



# Utilizing LINE ID Linkage for Marketing



LINE ID linkage  
Starts in Nov

## Acquisition of new users

Customer  
Attraction

Official  
Account

Targeting with data provided by LINE

Current  
Location

Demo-  
graphic

Interest

90% of **Customer  
Attraction**

Issue new coupons  
Make them customers  
quickly

## Encourage purchasing users to order again

Recommend from purchase history

Browsing  
Log

Purchase  
History

Member  
Information

Customer  
Attraction

Send  
Recommend  
ation

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

## 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

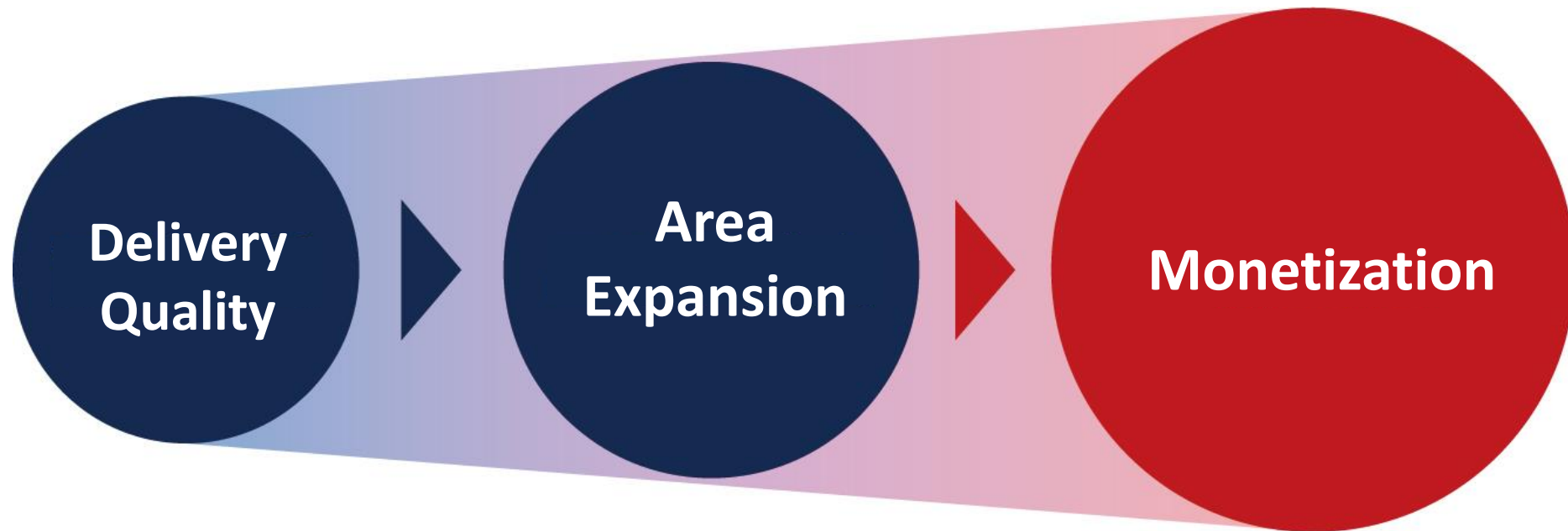
- Focus on delivery quality as a key differentiating factor
- Expand its population coverage to above 50%



# 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**



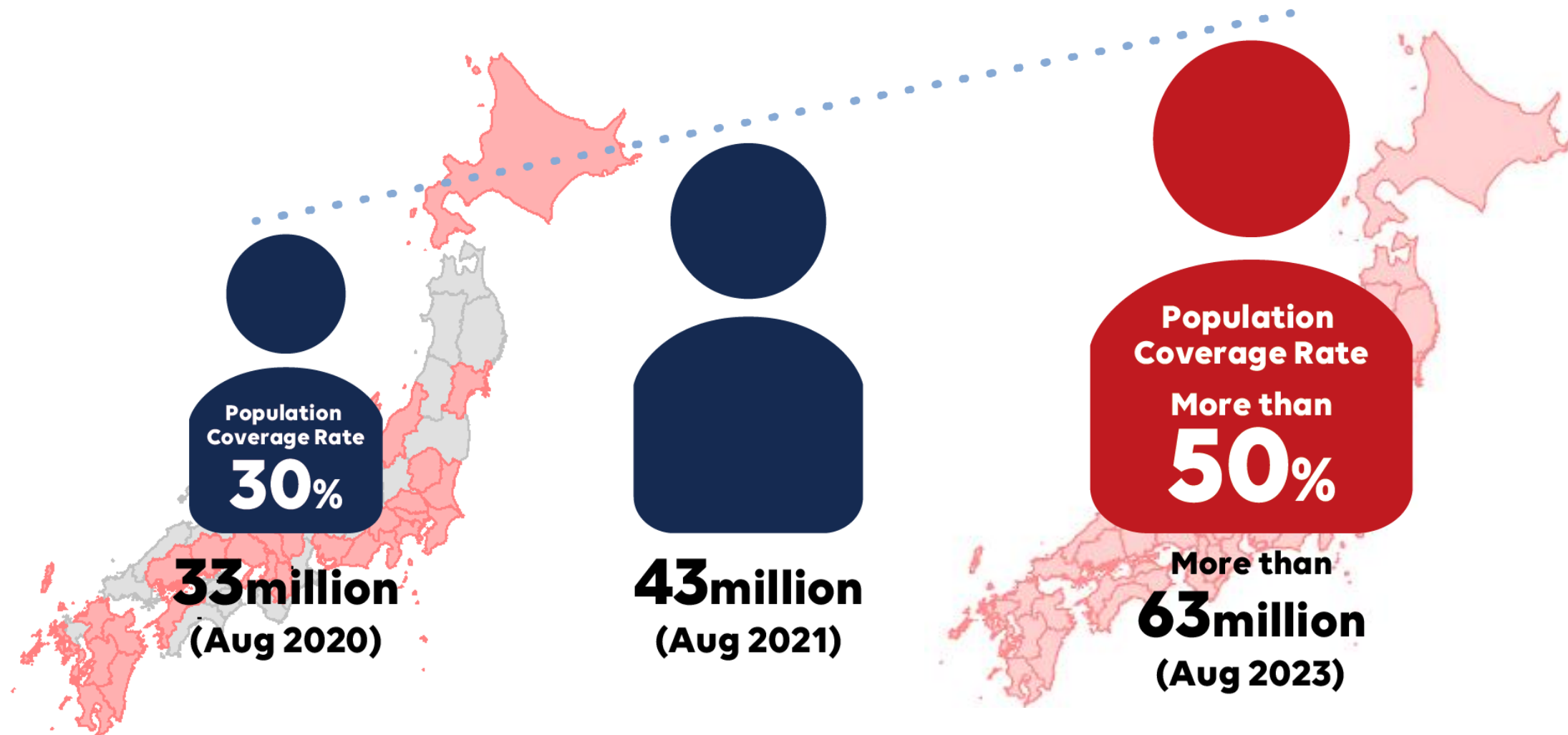
**Delivered by clean  
and tidy staff**

**Right on  
Time Delivery**



**Deliver on time**

# Expansion of Sharing Delivery Areas





The world “Demae-can × LINE” envisions:

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





The top of the slide features a decorative header with a repeating pattern of various food icons in a light red color, including donuts, pizza slices, burgers, and drinks. In the top right corner, there is a small, stylized red character that looks like a running figure or a stylized 'R'.

# 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.