

March 28, 2019

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Notice Regarding Revision of Consolidated Financial Forecast

In light of the recent trend in business performance, Yume no Machi Souzou Iinkai Co., Ltd. (hereinafter “the Company”) resolved at a meeting of the Board of Directors held on March 28, 2019, to revise its consolidated financial forecast of the fiscal year ending August 31, 2019 (September 1, 2018 to August 31, 2019) which was announced on October 11, 2018. Details are as follows:

1. Revision of the consolidated financial forecast for the fiscal year ending August 31, 2019 (September 1, 2018 to August 31, 2019)

	Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net profit per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	7,681	100	117	79	1.96
Revised forecast (B)	7,000	(300)	(290)	(300)	(7.34)
Variance in amount (B-A)	(681)	(400)	(407)	(379)	(9.30)
Variance in percentage (%)	(8.9)	-	-	-	-
(Ref.) Previous fiscal year results	5,430	837	849	558	13.79

2. Reason for the revision

While continuing with its efforts to expand its market share in the *Demae-can* business, the Group developed a medium-term management plan in October 2018, and has been working to expand the *Share Delivery* business and increase active users as the pillars of its growth strategy, in order to build a stronger business foundation.

As for the first half of the fiscal year ending August 31, 2019, the number of orders is increasing significantly at 125% year on year and the locations of *Sharing Delivery* is expanding steadily as originally planned. On the other hands, the number of active users is growing at a slower pace than originally planned due to the low conversion rate compared with our expectation. As a result, consolidated sales are expected to fall below the initial forecast made at the beginning of the fiscal year.

With regard to selling, general and administrative expenses, the Company has actively been investing in businesses in order to achieve the growth strategy like the expansion of *Sharing Delivery* locations, the improvement of UX and the efficiency operation for restaurants and delivery locations. Consequently not only net sales but also operating profit, ordinary profit, and profit attributable to owners of parent are expected to fall below the full-year forecasts.

Based on the above, the Company revised the forecast for the full fiscal year ending August 31, 2019 (September 1, 2018 to August 31, 2019) announced on October 11, 2018 as stated above.

The impact on its medium-term management plan announced on the same day is currently under review, and the Company will promptly announce any revision that becomes necessary.