



# *2024.3 3Q Results*

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*Oisix ra daichi Inc.*

*2024.2.13*

# Farm for Tomorrow, Table for Tomorrow

We provide services that enable better food lives for more people.

We create systems where good farmers are rewarded and take proud in their work.

We realize sustainable society through evolving frameworks that link farm and table continuously.

We solve social issues related to food through business approaches.

We create and expand Tomorrow's Food.

## Executive Summary

### -2024.3 3Q Results

- ✓ **EBITDA continued to increase by double digits YoY** mainly due to steady progress in measures to improve profitability.  
Sales increased YoY in the mainstay Oisix business and overall sales increased +2% YoY.
- ✓ The number of Oisix subscribers declined compared to 3Q. This was within the expected range due to the continued churn of subscribers acquired in the first half of this fiscal year and the impact of the shipping fee revision implemented in 3Q.  
The number of subscribers increased by approximately 19,000 YoY.
- ✓ **Revised full-year consolidated earnings forecast after consolidation of SHiDAX as follows**  
**Sales 147.0bn yen / EBITDA 7.2bn yen / Operating Profit 4.2bn yen / Profit attributable to owners of the parent 3.5bn yen**

The forecast for Oisix ra daichi alone, excluding one-time gains and losses\*, is as follows

\*One-time gains/losses:

- Gains and losses arising from the consolidation of SHiDAX as a consolidated subsidiary
- ORD Atsugi freezing station (distribution center) relocation impacts, etc.

**Sales 116.5bn yen (YoY+1%) / EBITDA 7.3bn yen (YoY+30%) /**

**Operating Profit 4.8bn yen (YoY+43%) /**

**Profit attributable to owners of the parent 3.0bn yen (YoY+66%)**

※Details are on P10 - P12

## 2024.3 Summary of 3Q Results

Sales : Sales in the mainstay Oisix and other businesses increased YoY and **overall sales rose +2% YoY**.

EBITDA : **Double-digit profit growth YoY continued**, despite higher new subscriber acquisition costs, due to progress in measures to improve profitability and the effect of increased revenues.

Sales

89.65bn yen

( YoY + 2 %)

EBITDA

6.05bn yen

( YoY + 22 %)

Operating  
Profit

4.29bn yen

( YoY + 30 %)

Profit  
attributable to  
owners of the  
parent

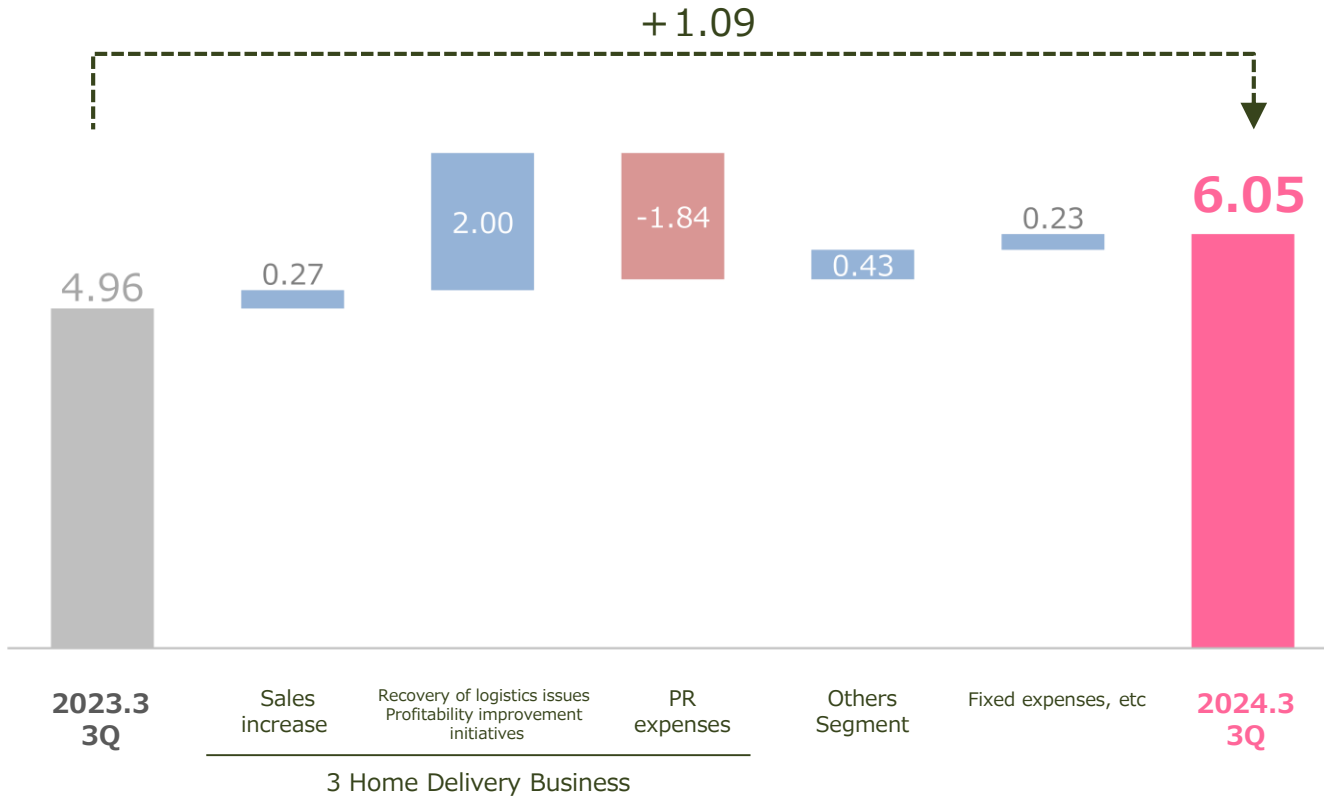
3.01bn yen

( YoY + 55 %)

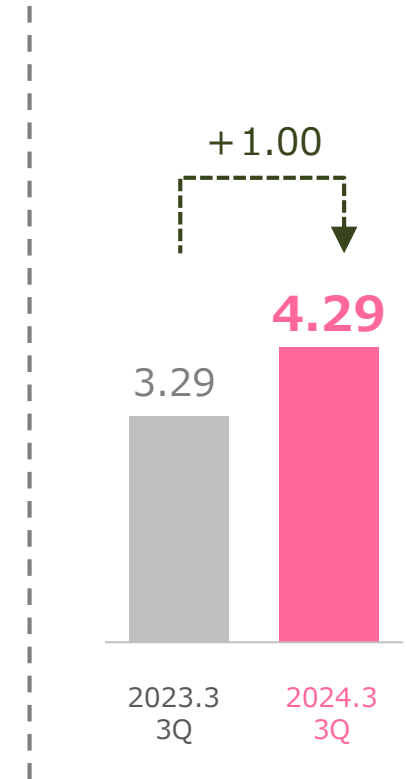
# YoY : EBITDA/Operating Profit

Profitability has steadily improved due to reviews of sales methods including price increases and logistics operations, including the impact of approx. 0.3bn yen related to the recovery of previous year's logistics issues.

**-EBITDA** (bn yen)



**-Operating Profit** (bn yen)



# 2024.3 3Q Business Segment Results

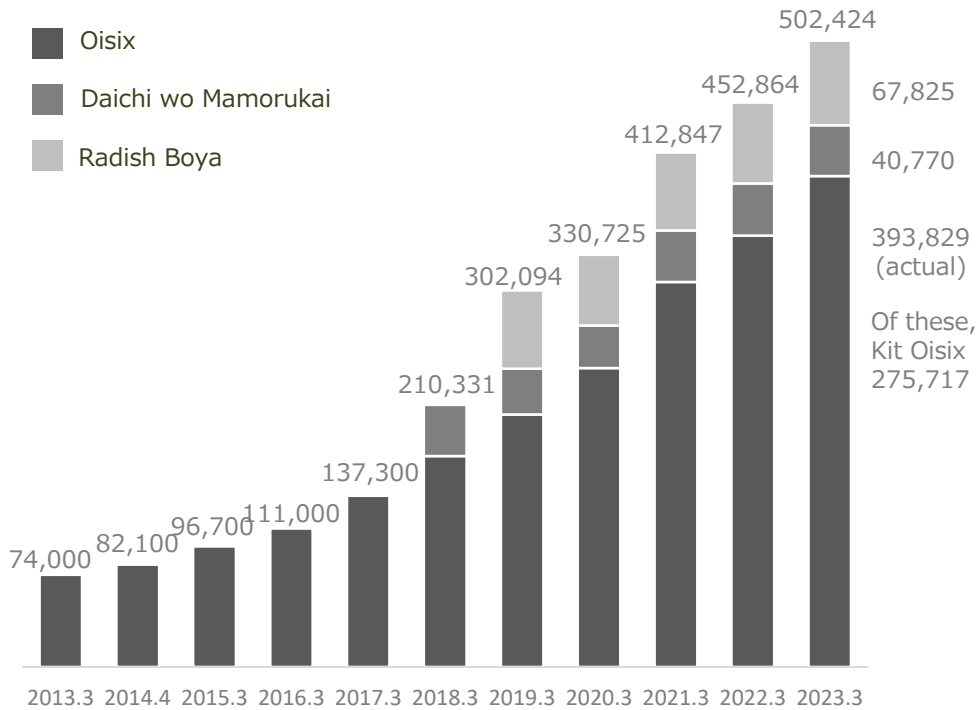
(bn yen)

	Sales		Profit		Profit ratio	Overview
	2024.3 3Q	YoY	2024.3 3Q	YoY		
Oisix	<b>47.73</b>	+6%	<b>6.89</b>	+8%	14.4%	Subscribers increased YoY. New services are being developed to attract and retain new subscribers. Transition of frozen DC went as planned.
Daichi	<b>8.74</b>	- 8%	<b>1.86</b>	- 3%	21.3%	Suppressed to acquire new subscribers and continued to develop new services.
Radish Boya	<b>12.67</b>	- 2%	<b>1.91</b>	- 1%	15.1%	Subscribers increased steadily. Strengthen measures to increase purchase frequency.
Purple Carrot* - Results for Jan to Sep	<b>6.88</b> USD: 49M	- 9%	<b>- 0.07</b> USD: - 2M	-	- 1.1%	Continued to strengthen the business structure. (Development of new menus, relocation of logistics bases, etc.) Subscribers: Decreased, ARPU: Increased
Other Business	<b>14.89</b>	+9%	<b>1.66</b>	+35%	11.2%	Growth in other companies' EC support business and Nursery School Wholesale (Suku-Suku Oisix)
<b>Total Segment</b>	<b>90.94</b>	<b>+3%</b>	<b>12.25</b>	<b>+8%</b>	<b>13.5%</b>	
Adjustments / Corporate expenses Segment depreciation and amortization	- 1.28		- 7.43 1.22	-	-	
<b>EBITDA</b>	<b>-</b>		<b>6.05</b>	<b>+22%</b>	<b>6.8%</b>	
Depreciation and amortization	-		- 0.2 - 1.55	-	-	
<b>Operating Profit</b>	<b>-</b>		<b>4.29</b>	<b>+30%</b>	<b>4.8%</b>	

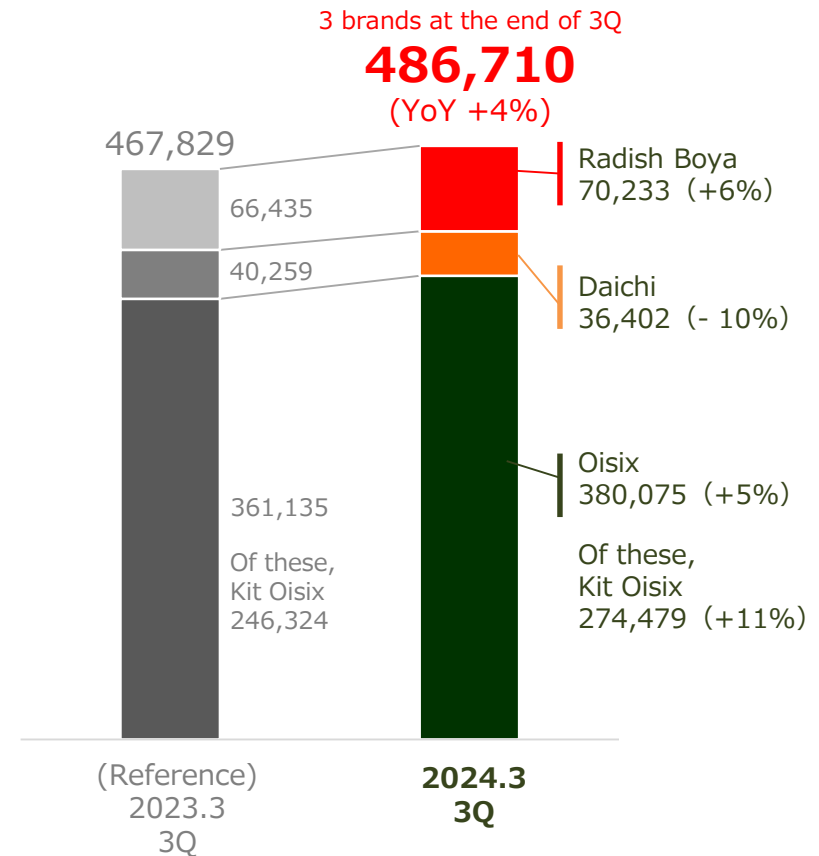
# Domestic B2C Subscription Subscriber Numbers

- Oisix : Decreased compared to 3Q, but within expectations and higher than in YoY.
- Radish Boya : Maintained net growth driven by an increase in the number of subscribers, mainly among those who are interested in supporting producers, which is the target of the brand.
- Daichi wo Mamorukai : Developing services to resume acquiring new subscribers with low PR expenses.

## - Subscribers Trend



## - 2024.3 3Q



# Domestic B2C Subscription ARPU

※Purchase price and purchase frequency, which are components of ARPU, are shown on the next page.

Oisix and Radish Boya revised their service contents including the revision of free shipping charges, and each business improved unit purchase price. On the other hand, due to the impact of changes in consumer purchasing behavior and each business's subscriber composition, purchase frequency declined, resulting in lower ARPU YoY in all businesses.

## Oisix

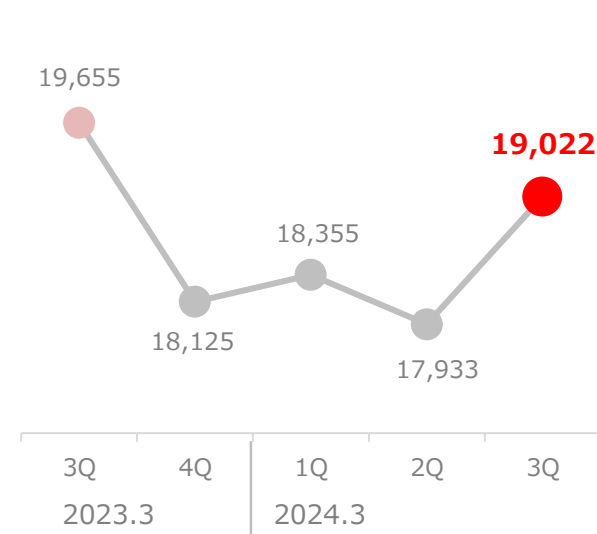
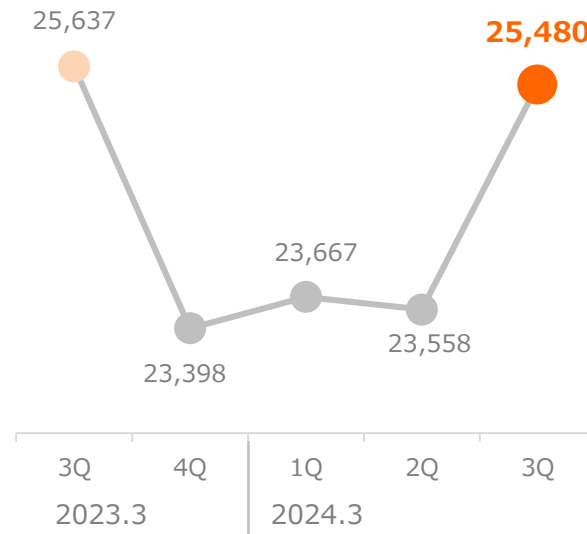
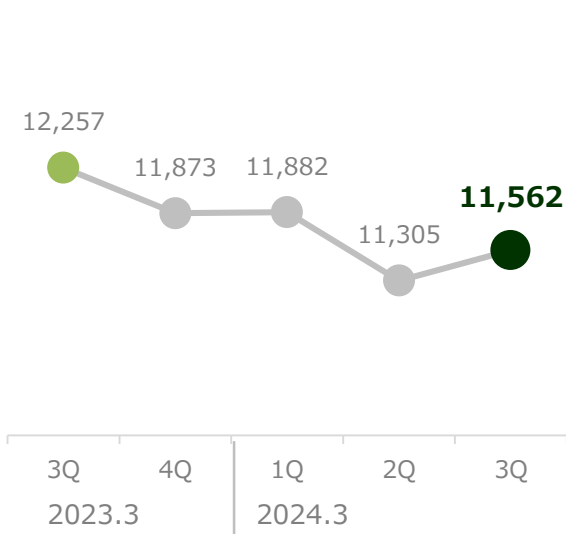
**11,562**yen  
( YoY - 6 % )

## Daichi wo Mamorukai

**25,480**yen  
( YoY - 1 % )

## Radish Boya

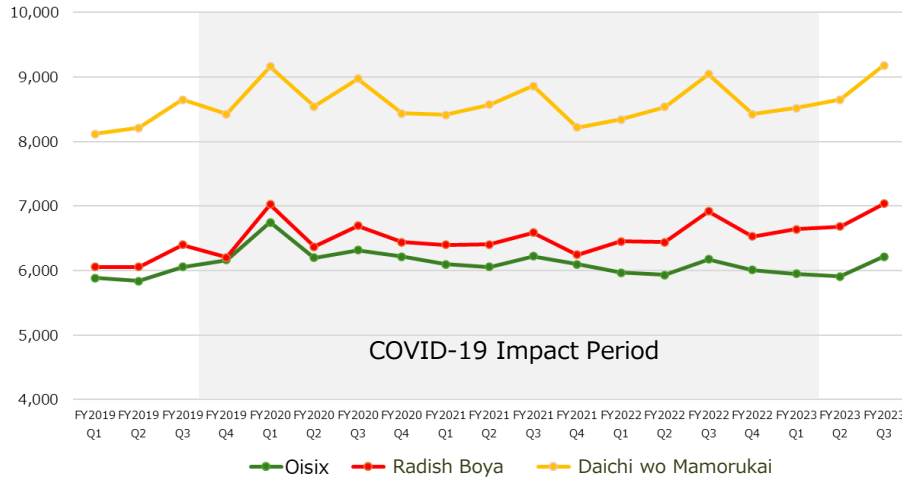
**19,022**yen  
( YoY - 3 % )





# Changes in ARPU Components

## - Purchase Price (yen)



### 【Oisix】

- The recent upward trend has been seen due to a review of the free shipping charge implemented in 3Q of this fiscal year and a review of product unit prices in response to higher raw material prices, etc.  
※For 4Q of this fiscal year, a temporary decline is expected due to the relocation of the frozen distribution center

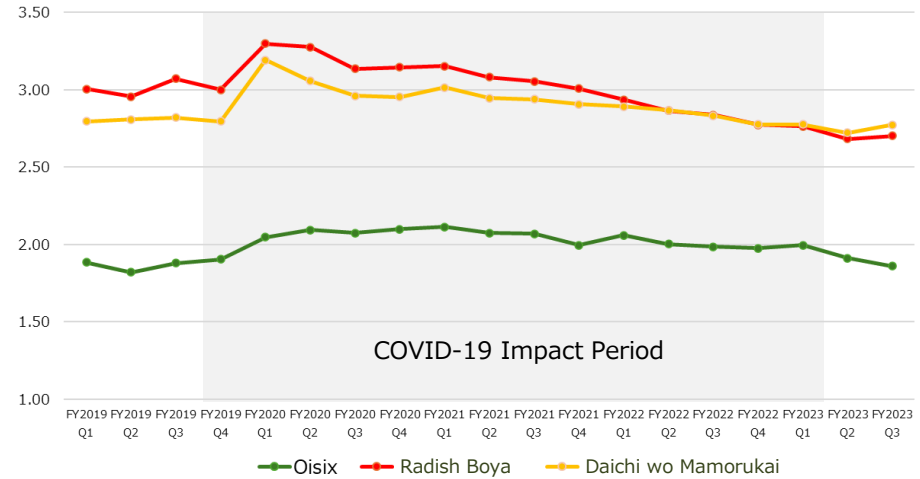
### 【Radish Boya】

- The upward trend is continuing driven by the effects of the unit price increases of main products implemented in the previous fiscal year and a review of the free shipping charge implemented in 3Q of this fiscal year, etc.

### 【Daichi wo Mamorukai】

- Continuous increases of unit price of products, and the purchase price in 3Q of this fiscal year exceeded the COVID-19 period.

## - Purchase Frequency (number/month)



### 【Oisix】

- The COVID-19 period saw an increase but has returned to pre-COVID-19 levels in the current period.

### 【Radish Boya】

- The trend of a large increase immediately after the start of the COVID-19 period, followed by a gradual decline, is continuing. This is largely due to the increase in the composition of low frequent users as the number of subscribers increases.

### 【Daichi wo Mamorukai】

- Like Radish Boya, it was affected by the COVID-19 period. However, the subscriber composition is returning to the previous levels, and purchase frequency is approaching pre-COVID-19 levels.

# Other Businesses

## Tokushimaru

: Steady increase in the number of vehicles in operation. Received an award sponsored by the Consumer Affairs Agency.

## Nursery School Wholesale

: Continue to promoting awareness through events and seminars for managements, etc. Increased processing ratio of commercial meal kits and expanded introduction of meal kits to major corporations driven by DX process of food service-related operations.

### Tokushimaru

No. of vehicles in operation

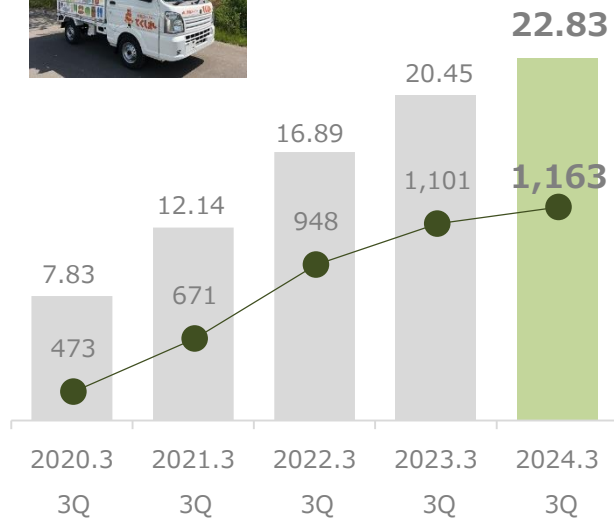
**1,163**

(YoY +6%)

GMV

**22.83** bn yen

(YoY +12%)



### Nursery School Wholesale

No. of trading nursery school

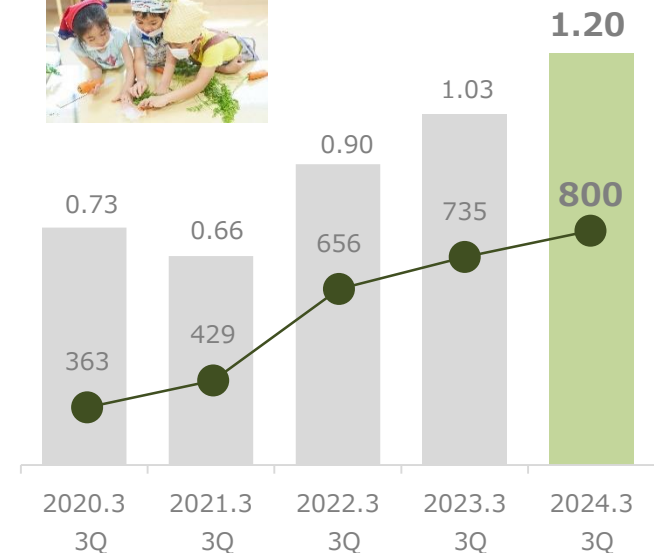
**800**

(YoY +9%)

Sales

**1.20** bn yen

(YoY +16%)



## Overview of Revisions of Full Year Results Forecast

- ① Include 4Q results and the related gains/losses from the consolidation of SHiDAX and SHIDA HD.
- ② Reflects current business outlook.  
(including revisions to business performance associated with the relocation of the ORD Atsugi freezing station)

\*Overall breakdown is on P11; detail on operating profit is on P12.

Sales

147.00bn yen  
( YoY + 28 %)

EBITDA

7.20bn yen  
( YoY + 29 %)

Operating Profit

4.20bn yen  
( YoY + 26 %)

Profit  
attributable to  
owners of the  
parent

3.50bn yen  
( YoY + 94 %)

# Revisions of Full Year Results Forecast - Breakdown

These effects are expected to occur in 4Q: 1) temporary impact on profit/loss due to making SHiDAX a consolidated subsidiary, 2) intentional sales restraint due to the relocation of ORD Atsugi Freezing Station, and 3) one-time expenses related to the relocation of that station.

SHiDAX expects to increase the revenue YoY and the impact of higher raw material and labor costs, mainly in the food service business, will continue in 4Q.

Unit: bn yen

	Initial Forecast	Revised Full Year Forecast (A+B)	A 3Q cumulative	B 4Q forecast				
	ORD*			Total (①+②+③+④)	ORD* Excluding ② ①	(*1) special factors ②	new consolidation SHiDAX ③	(*2) TOB fee ④
Sales	126.5	147.0	89.7	57.4	26.7	-0.2	30.9	0.0
EBITDA **	8.0	7.2	6.1	1.2	1.3	-0.6	0.7	-0.2
Operating Profit	6.0	4.2	4.3	-0.1	0.5	-0.6	0.6	-0.6
Profit attributable to owners of the parent	3.8	3.5	3.0	0.5	0.0	1.6	0.2	-1.3

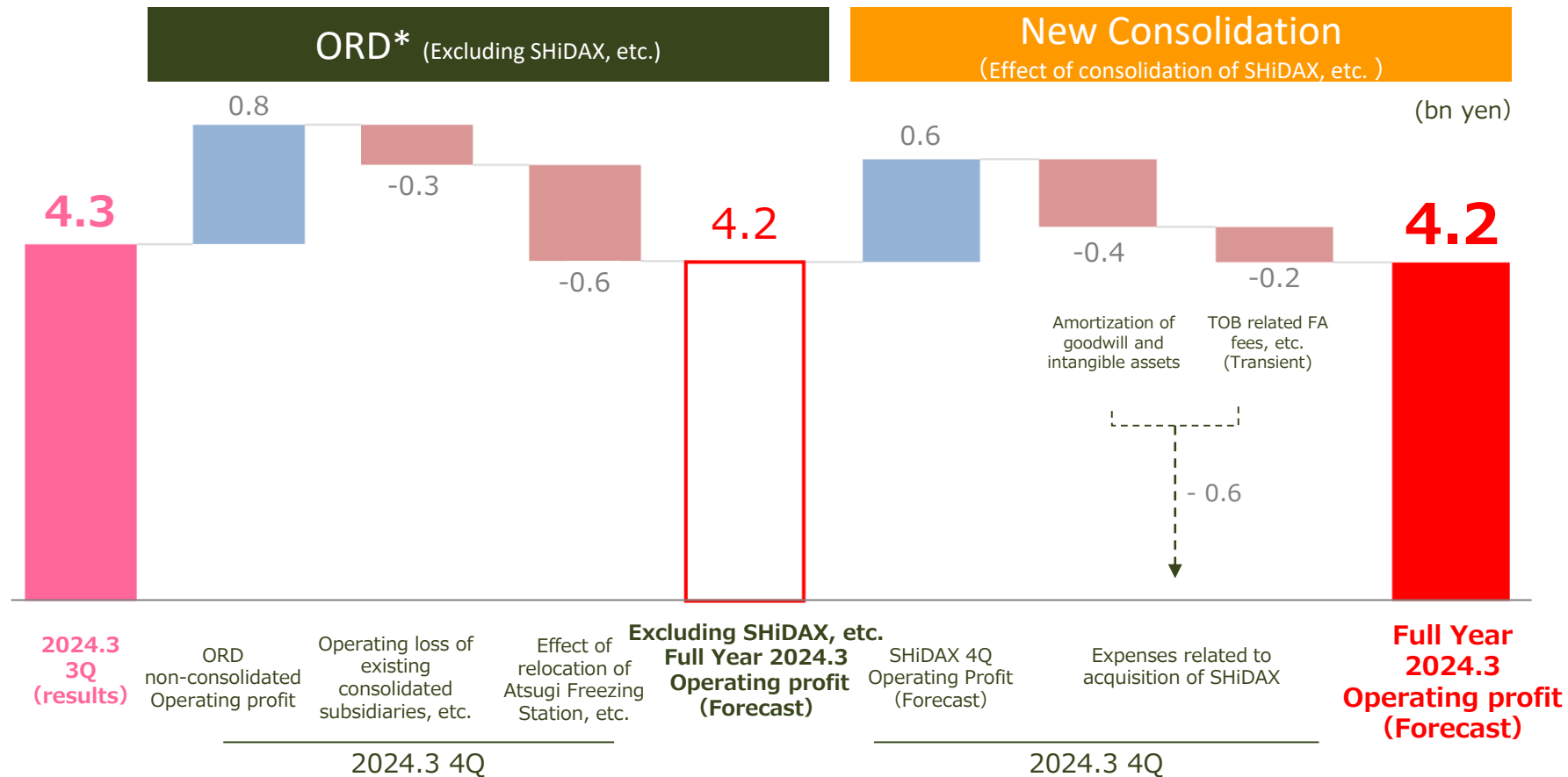
	*1	*2
Sales	Sales restraint due to the relocation -0.4	
EBITDA **	Sales restraint, transition fee, rent fee increase Others -0.5 -0.1	TOB related FA fee -0.2
Operating Profit	Above impacts	Above impacts and Amortization of goodwill and intangible assets -0.4
Profit attributable to owners of the parent	Above impacts and Extraordinary income related to TOB Corporation tax related to extraordinary income Others +3.4 -1.3 -0.2	Above impacts and Bank borrowing fees Others -0.5 -0.2

# Appendix: Revisions of Forecast

## - Operating Profit Outlook for the Full Year

In 4Q, Oisix ra daichi on a non-consolidated basis (excluding consolidated subsidiaries) expects to generate operating profits of 0.8bn yen due to progress in improving profitability, while testing new marketing measures including TV commercials. On the other hand, total ORD operating profit will remain almost flat due to special factors such as the relocation of the ORD Atsugi freezing station.

In the forecast after consolidation of SHiDAX, expenses associated with the consolidation of SHiDAX as a subsidiary are expected to be approximately the same amount as the operating profits of SHiDAX.



# Schedule for taking SHiDAX private, and changes in funds

After SHiDAX's extraordinary shareholders' meeting on February 28 and other events, we plan to complete the process of taking SHiDAX private by the end of March and announce the future business plan at the time of this fiscal year's closing. Acquired shares of SHIDA HD by utilizing the extraordinary profit generated from the tender offer for shares of SHiDAX and completed the conversion of SHIDA HD and SHiDAX into subsidiaries.

## - Major Schedules

<u>① Affiliated to SHiDAX</u> *now a subsidiary as a result of ②	
2022	
Oct 25.	Acquisition of 28% of SHiDAX shares
<u>② Third-party allotment of SHIDA HD shares</u> (SHIDA HD and SHiDAX become subsidiaries)	
2023	
Dec 26.	Decision to underwrite a third-party allotment of SHIDA HD and tender its shares in the tender offer for SHiDAX shares
2024	
Jan 5	Third-Party Allotment of SHIDA HD SHIDA HD and SHiDAX become subsidiaries
Feb 28 (scheduled)	Extraordinary General Meeting of Shareholders of SHiDAX held
Mar 18 (scheduled)	SHiDAX shares are privatized.
Mid-May (scheduled)	Business plan to be announced at the time of this earnings announcement

## - Business Structure and Funds

### ■ Purchase and sale of SHiDAX shares

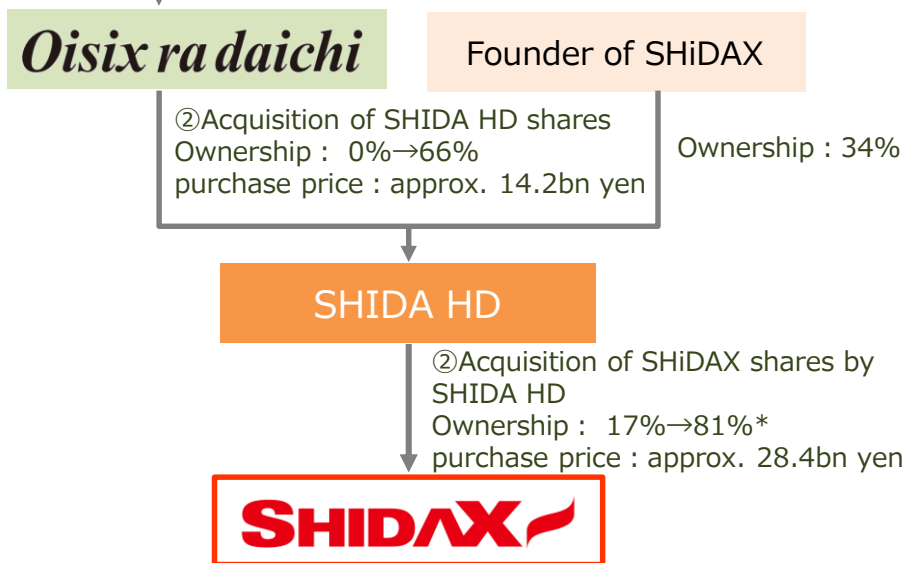
① Acquisition (Oct. 2022)

Ownership : 0%→28%  
purchase price : approx. 8.4bn yen  
(@541yen)

② Tender offer application  
(Dec. 2023)

ownership : 28%→0%  
sales amount : approx. 12.5bn yen (@800yen)

Gain on sales of stocks  
(non-consolidated): 4.0bn  
yen on this 4Q  
\*3.4bn yen as reflected in consolidated results



## Sustainability Topics

### -Support for the Noto Region Earthquake

SHiDAX : Continued to provide meals at facilities in the affected areas under contract.

Tokushimaru : Free distribution of relief goods in cooperation with the government at a total of 204 locations.

Home Delivery : Joint delivery of ordered products and relief supplies to customers in areas where regular home delivery is difficult.



Group companies collaborate flexibly and utilize facilities, product procurement capabilities, etc.



# Sustainability Topics

## -Family Support : WeSupport Family

We continued the support through WeSupport Family, a food assistance platform for needy families with children. Held a Christmas event that leads to donations. Expanding initiatives that easily lead to donation actions.

Cumulative number  
of donated goods

Amount of Donation

**1.72** mn pieces

**620** mn yen

✓ 6 pairs of 14 parents and children participated

Participants

Families supported

Food Education Experience

Christmas Gift Giving



Food support platform for poor households with children, mainly single parents.



## ***DATA SHEET • APPENDIX***

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# Data Sheet : Results

	2022.3				2023.3				2024.3		
mn yen	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q
Oisix	14,145	28,580	45,190	58,546	14,393	28,458	44,946	59,413	15,819	30,740	47,736
Daichi	3,314	6,628	10,154	13,240	3,070	6,141	9,464	12,345	2,926	5,731	8,746
Radish Boya	4,331	8,732	13,336	17,432	4,190	8,370	12,892	16,939	4,164	8,244	12,671
Purple Carrot	2,842	5,536	7,893	10,208	2,586	5,171	7,544	9,798	2,371	4,663	6,888
Other Business	3,373	6,911	11,194	14,578	3,969	7,958	13,630	17,946	4,448	8,966	14,898
Adjusted amount	- 94	- 221	- 370	- 529	- 309	- 649	- 1,003	- 1,267	- 462	- 907	- 1,284
<b>Sales</b>	<b>27,911</b>	<b>56,167</b>	<b>87,400</b>	<b>113,476</b>	<b>27,901</b>	<b>55,450</b>	<b>87,475</b>	<b>115,176</b>	<b>29,268</b>	<b>57,438</b>	<b>89,656</b>
Oisix	2,057	4,045	6,525	7,036	1,953	3,821	6,390	7,562	2,026	4,053	6,892
Daichi	663	1,319	2,010	2,619	624	1,188	1,924	2,480	587	1,149	1,860
Radish Boya	584	1,143	1,883	2,429	591	1,126	1,927	2,540	608	1,131	1,912
Purple Carrot*	549	811	985	959	- 78	- 49	- 74	- 40	21	- 28	- 74
Other Business	427	869	1,295	1,423	435	758	1,230	1,690	553	1,084	1,664
Adjusted amount	- 2,329	- 4,842	- 7,720	- 10,296	- 2,564	- 5,174	- 8,105	- 10,886	- 2,695	- 5,319	- 7,962
<b>Operating Profit</b>	<b>1,950</b>	<b>3,347</b>	<b>4,979</b>	<b>4,171</b>	<b>962</b>	<b>1,672</b>	<b>3,293</b>	<b>3,346</b>	<b>1,101</b>	<b>2,070</b>	<b>4,293</b>
<b>EBITDA</b>	<b>2,316</b>	<b>4,188</b>	<b>6,385</b>	<b>6,216</b>	<b>1,498</b>	<b>2,771</b>	<b>4,960</b>	<b>5,595</b>	<b>1,677</b>	<b>3,234</b>	<b>6,052</b>
<b>Profit attributable to Owners of Parent</b>	<b>1,293</b>	<b>2,156</b>	<b>3,294</b>	<b>2,727</b>	<b>587</b>	<b>892</b>	<b>1,942</b>	<b>1,807</b>	<b>817</b>	<b>1,401</b>	<b>3,015</b>

# Data Sheet : Main KPI

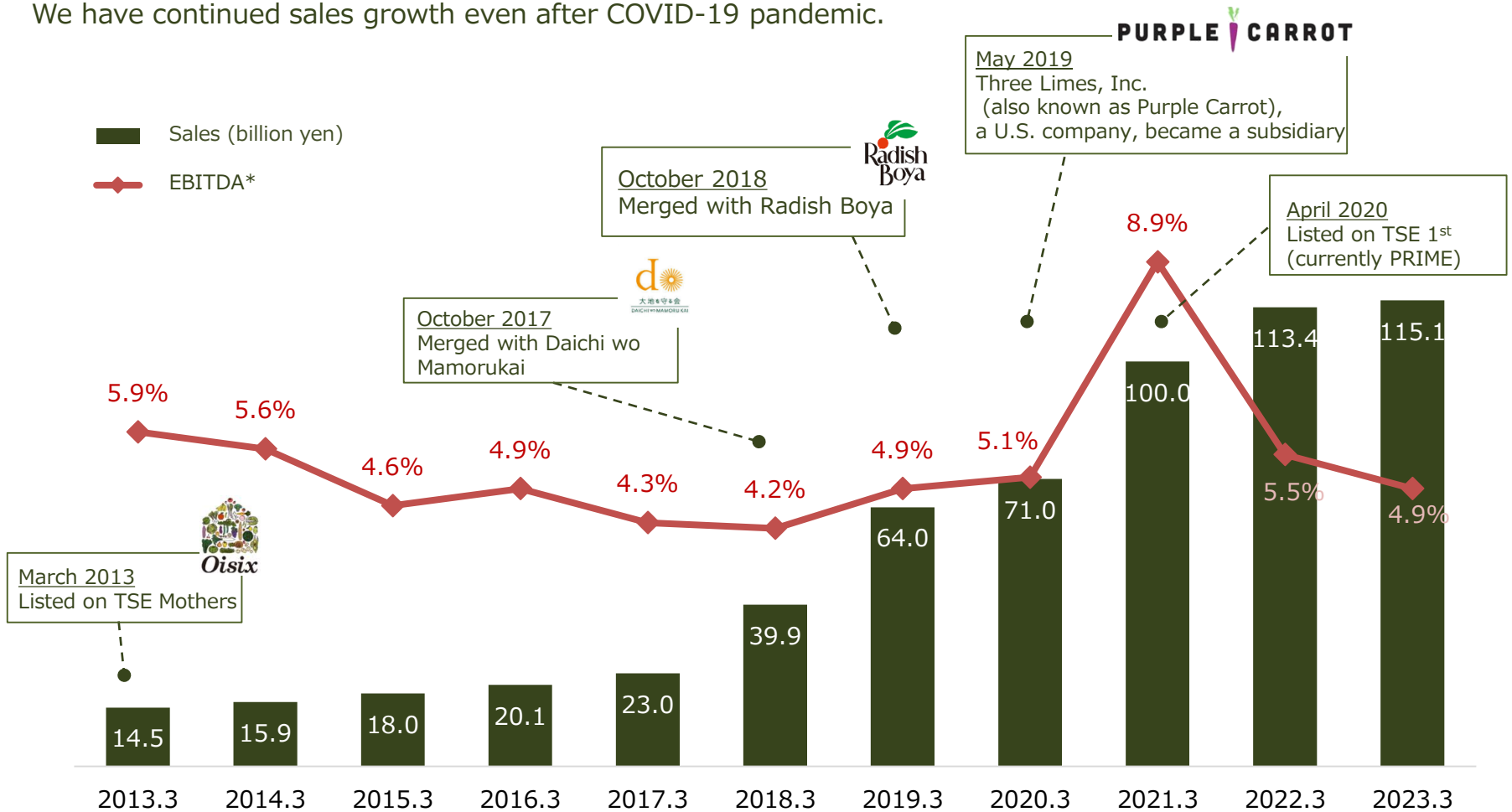
## KPI trend

		2022.3				2023.3				2024.3		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Oisix	Subscribers (number)	333,850	347,772	345,409	346,083	350,650	355,962	361,135	(actual) 393,829	396,709	398,958	380,075
	ARPU (yen)	12,891	12,564	12,880	12,166	12,302	11,892	12,257	11,873	11,882	11,305	11,562
	Price/Purchase (yen)	6,098	6,057	6,220	6,096	5,970	5,934	6,174	6,010	5,949	5,910	6,214
	Purchase Frequency (monthly)	2.11	2.07	2.07	2.00	2.06	2.00	1.99	1.98	2.00	1.91	1.86
Daichi	Subscribers (number)	41,205	41,733	41,459	41,688	40,234	40,737	40,259	40,770	39,538	38,591	36,402
	ARPU (yen)	25,630	25,268	26,052	23,890	24,138	24,490	25,637	23,398	23,667	23,558	25,480
	Price/Purchase (yen)	8,411	8,576	8,864	8,219	8,345	8,537	9,048	8,428	8,523	8,652	9,182
	Purchase Frequency (monthly)	3.02	2.95	2.94	2.91	2.89	2.87	2.83	2.78	2.78	2.72	2.78
Radish Boya	Subscribers (number)	65,320	66,464	66,206	65,093	65,297	66,230	66,435	67,825	68,477	69,400	70,233
	ARPU (yen)	20,188	19,748	20,137	18,790	18,947	18,461	19,655	18,125	18,355	17,933	19,022
	Price/Purchase (yen)	6,402	6,407	6,589	6,247	6,451	6,442	6,922	6,531	6,641	6,684	7,035
	Purchase Frequency (monthly)	3.15	3.08	3.06	3.01	2.94	2.87	2.84	2.78	2.76	2.68	2.70

# Growth Trajectory

The Company has expanded business scale significantly based on Oisix with mergers with Daichi wo Mamorukai and Radish Boya.

We have continued sales growth even after COVID-19 pandemic.



# Enhance Profitability

## - ①Improvement of COGS

We enhanced functions of Food Rescue Center and a Kit manufacturing plant to produce value-added products using foodstuffs that had been discarded in production areas and plants.

We aim to incrementally achieve a **reduction of COGS (vs. Mar. 2023) by approx. 2%** driven by increasing efficiency in manufacturing/procurement and making efficient use of foodstuffs.



### - Food Rescue Center - Kit manufacturing plant

At centers specializing in the manufacture of in-house products, including meal kits

**Cost improvement about 2% in stages by 2025.3**

- ✓ We are able to make good use of bumper crops and unused foodstuffs via proprietary food texture/preservation control know-how.



- ✓ Extension of quality guarantee deadlines made possible via packaging and other technologies.



- ✓ Acceleration of in-house processing via expansion of manufacturing capacity.



### Example of Conventional Food Loss

- good harvest
- Uneven shape



### - Unused foodstuffs



▲Hard skin of onion

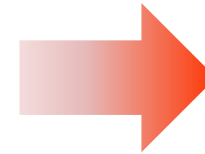


▲Paprika with scars



▲tips of eggplant

**Speedy  
processing and  
value-added  
food  
rescue**



### Examples of Application



▲Meal Kit Ingredients



▲Frozen to maintain freshness

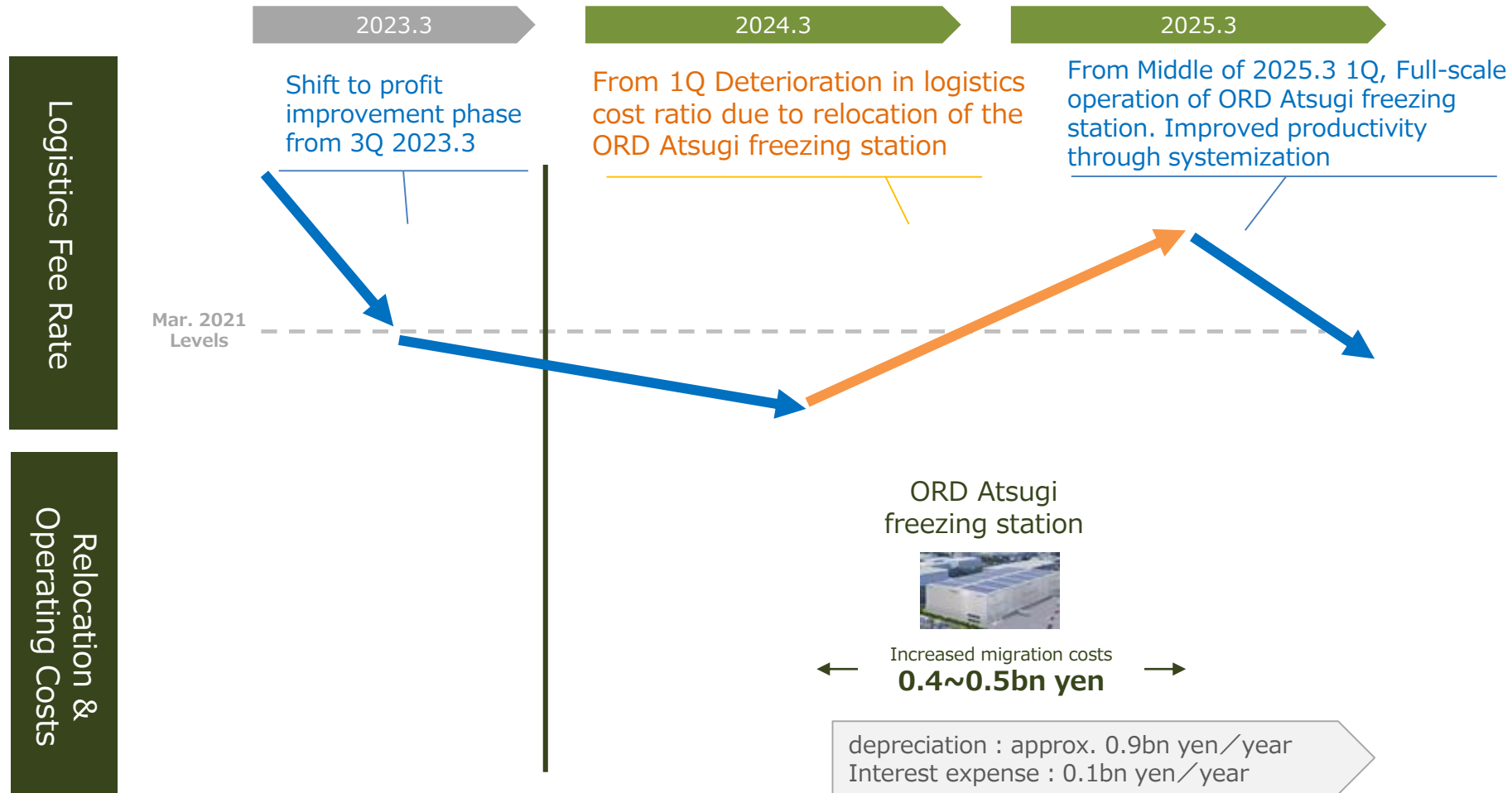


▲Upcycle Products

# Enhance Profitability

## - ② Logistics Efficiency

Ebina Logistics Station (refrigerator) has moved to a phase of improving profitability. We work to improve logistics costs by relocating of Atsugi Logistics Station (frozen) and taking other initiatives to improve logistics efficiency.



# Our Subscription Model

Our main business is subscription-type food EC. We delivered safe and secure foods that are carefully selected based on our own standards to the customers nationwide.  
We hold assets and know-hows related to whole supply chain specializing in food X subscription home delivery.

## Producers



Procurement

## Oisix ra daichi



Oisix



Radish Boya



Daichi wo Mamorukai



Regular delivery

## Customers



1

With Producers  
Direct Network

2

Subscription  
Marketing

3

One of the largest in Japan  
Food x Subscription distribution center and meal kit manufacturing plant

Our Strengths

# What Our Three Brands Deliver

Based on the distribution of safe, reliable food products, each of our three brands delivers products tailored to the lives and values of each brands' customers.

Two-worker households  
with small children



Meals that can be boasted  
without taking time



Households who want to  
enjoy cooking



Contributing to society  
through cooking



Senior household  
with two people



Easy feeling of health



Producers





## Overview of Consolidated Financial Results (April-December)

(¥Million)	Q3 FYE3/23	Q3 FYE 3/24	YoY	Difference	Factors behind the change
<b>Net Sales</b>	90,860	<b>96,412</b>	106.1%	+5,552	Social Services +2,299, Food Services +1,998 Vehicle Operation Services +1,015
Gross Profit	12,685	<b>13,051</b>	102.9%	+365	[Sales cost ratio] Previous term: 86.0% Current term: 86.5%
SGA	9,045	<b>9,650</b>	106.7%	+604	[SG&A ratio] Previous term: 10.0% Current term: 10.0%
<b>Operating Profit</b>	3,640	<b>3,401</b>	93.4%	(238)	[Operating profit margin] Previous term: 4.0% Current term: 3.5%
Non-operating income	203	<b>215</b>	105.8%	+11	Vehicle Operation Services +141, Others +75 Social Services (56), Food Services (328)
Non-operating expenses	389	<b>109</b>	28.2%	(279)	Previous term: Fee for syndicated loans 248
<b>Ordinary Profit</b>	3,454	<b>3,506</b>	101.5%	+52	Decrease in non-operating expenses
Extraordinary income	264	<b>96</b>	36.6%	(167)	
Extraordinary losses	76	<b>72</b>	94.7%	(4)	
Profit before income taxes	3,642	<b>3,531</b>	96.9%	(111)	
Taxes/ Others	869	<b>1,483</b>	170.7%	+614	[Income taxes-deferred] Previous period: 430 Current period: 1070
<b>Profit attributable to owners of parent</b>	2,773	<b>2,047</b>	73.8%	(725)	Increase in income taxes

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## Food Services Business

■ Net sales continued to increase steadily by ¥1,990 million due to the recovery at existing locations mainly in the Contract Division, but operating profit decreased by ¥320 million due to the deterioration of sales cost ratio caused by soaring raw material prices and rising labor costs.

(¥Million)	3Q FYE3/23	3Q FYE3/24	YoY	Difference
<b>Net sales</b>	<b>39,113</b>	<b>41,112</b>	<b>105.1%</b>	<b>+1,998</b>
(Contract FS)	15,404	16,467	106.9%	+1,062
(Medical FS)	23,229	23,997	103.3%	+767
(Other)	479	647	135.1%	+168
<b>Operating profit</b>	<b>1,619</b>	<b>1,291</b>	<b>79.7%</b>	<b>(328)</b>
Operating profit margin (%)	4.1%	3.1%	-	(1.0)pt

### Major Positive/ Negative Factors

- (+) Existing locations in the Contract Division recovered following the reclassification of COVID-19 as a Category 5 infectious disease.
- (+) Increase of client locations
- (-) Rising raw material prices (ongoing negotiations to pass through cost increases)
- (-) Slowing recovery in the Medical Division
- (-) Increase in labor costs



Continue price increase negotiations and strengthen measures to improve food and labor costs through cost control, such as switching to price-stable ingredients and limiting material costs by changing menus.

## Vehicle Operation Services Business

■ Continued to achieve increases in sales and profits. In addition to the increase in the number of vehicles from the beginning of the fiscal year, the recovery in demand for overtime operations due to the normalization of economic activities contributed to sales increase, absorbing the impact of operating fewer extra buses and of soaring fuel unit prices

(¥Million)	Q3 FYE3/23	Q3 FYE3/24	YoY	Difference
<b>Net sales</b>	<b>17,571</b>	<b>18,586</b>	<b>105.8%</b>	<b>+1,015</b>
(Executive vehicle management)	7,625	8,082	106.0%	+456
(General vehicle management)	7,257	7,515	103.6%	+257
(Passenger transport)	2,641	2,941	111.4%	+300
(Other)	47	47	101.2%	+0
<b>Operating profit</b>	<b>1,664</b>	<b>1,806</b>	<b>108.5%</b>	<b>+141</b>
Operating profit margin (%)	9.5%	9.7%	-	+0.2pt

Major Positive/ Negative Factors

- (+) Increase of 167 vehicles from the end of the previous fiscal year
- (+) Profit contribution through recovery in other sales (overtime and holiday operations)
- (+) New sales offices/routes for expressway bases
- (-) Decrease in the number of extra buses, which were operated during the COVID-19 pandemic
- (-) Impact of soaring fuel unit price

↓

- Strengthen B2B/B2G sales activities through web promotions and cross-selling, focusing on acquiring orders for additional vehicles.
- Implementing recruitment measures to secure human resources

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### Social Services Business

■ Strong performance with sales increase of ¥2,290 million due to expanded growth in after-school childcare services, and an increase in the number of libraries and other facilities operated under contract. Operating profit declined, but the imbalances in the first and second half of the fiscal year are expected to be resolved to a certain extent.

(¥Million)	Q3 FYE3/23	Q3 FYE3/24	YoY	Difference
<b>Net sales</b>	<b>10,306</b>	<b>11,672</b>	<b>113.3%</b>	<b>+1,366</b>
(Social services)	2,973	3,419	115.0%	+446
(After-school childcare services)	3,881	4,627	119.2%	+746
(Public school lunch services)	3,438	3,613	105.1%	+174
(Other)	12	11	90.6%	(1)
<b>Operating profit</b>	<b>718</b>	<b>802</b>	<b>111.7%</b>	<b>+84</b>
Operating profit margin (%)	7.0%	6.9%	-	(0.1)pt

Major Positive/ Negative Factors

- (+) Increase in the number of libraries and other facilities contracted
- (+) Increase of 265 after-school childcare classes (YoY)
- (-) Weather-related factors (such as extreme heat and bad weather) in tourist and leisure
- (-) Absence of special demand during the pandemic in the Social Services Division in the previous fiscal year

\*Progress in the 3 core businesses is roughly in line with the full-year



- Continue to concentration on sales to local governments, including dealing with bidding projects
- Further improve facility convenience and operational efficiency

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# Joint Management with SHiDAX

TOB for SHiDAX with SHIDA HD as the purchaser commenced on Nov. 13, 2023, and we tendered its shares in this TOB

Subsequently, we subscribed for 66% of SHIDA HD shares through a third-party allotment, and the founding family of SHiDAX and we are now united in joint management of SHiDAX.



B2B subscription business based on food service business (meal service) at 1,785 locations (as of March 31, 2023)



B2C subscription business with over 500,000 domestic home delivery subscribers



**Become one of the largest food subscription companies in Japan with B2B and B2C business**



*Oisix ra daichi*

Unique company that provides solutions to social issues through enriching food and life

Sales: approx. **240.0** bn yen

OP: approx. **7.6** bn yen

No. of meals served per year

Approx. **500** mn meals

(Individual 230 mn, Corporate 280 mn)

No. of clients served

Approx. **2,000** companies

No. of annual service users

Approx. **10** mn persons over

No. of employees: approx. **37,000** people



The environment surrounding the food service business is changing due to human resource shortages and rising prices, and the timing is ripe for change that requires a shift to a more productive model.

### Risk

**Increase in the number of businesses with deteriorating performances**

**Manifestation of business operators leading to business shutdown**

- ✓ Soaring costs of raw materials, labor, utilities, etc.
- ✓ Price competition and difficulty in passing on prices

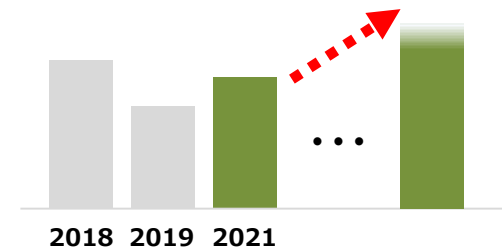
### Opportunities

**Trend of increasing number of facilities outsourcing to meal service providers**

- ✓ The need for outsourcing is rising, due to labor shortages at facilities
- ✓ Increase in the number of facilities of childcare, welfare, etc.

Meal Service Market Size\*

**Market size is expected to expand again from 4.5 trillion yen (FY2021)**



## Timing of Industry Transformation

# Collaboration with SHiDAX

## ① Food Service Business: Productivity Enhancement

By introducing "meal kits for meal service," which were launched in June 2022, utilizing development know-how in B2C, we have been proven to shorten cooking time and reduce food and labor costs by 15-20%.

Meal Kits for Meal Service



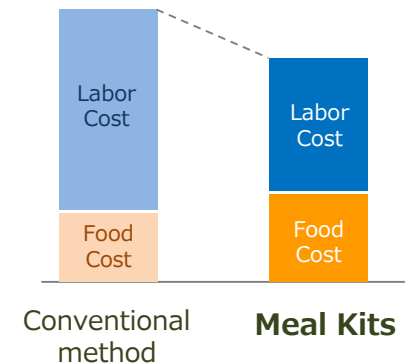
### -Achievements through the introduction of meal kits for meal service

Cooking Time  
**Approx. 30% reduction**

Food and Labor Costs  
**Approx. 18% reduction**

Before introduction  
**8.5 hours**

After introduction  
**6 hours**





# Collaboration with SHiDAX

## ① Food Service Business: Satisfaction Improvement

Aiming to maximize the value provided to end-users (facility users) through meal service, we will improve the satisfaction level by providing high-value-added food services, such as menu improvement through visualization of satisfaction levels and introduction of meal recreation.

### Improvement of eating up ratio

- ✓ Visualizing factors that lead to satisfaction and improving services

Eating Up Ratio

**+6%**

Before introduction  
64%



After introduction

**70%**



### Introduction of meal recreation

- ✓ Providing an opportunity to develop an interest in food and become more excited about eating

- ✓ Providing food education activities using rare ingredients and offering kits for easy enjoyment of seasonal handicrafts



# Collaboration with SHiDAX

## ① Food Service Business: Value Added Examples

Combining SHiDAX's expertise and assets in facility meal services with Oisix's high-quality ingredients and diverse menus, we are promoting new collaborations in "employee cafeterias," "facilities for the elderly," and "school children" in addition to nursery schools.

### Large-scale employee cafeteria

- ✓ First collaboration with a 1,000-person company cafeteria in Tokyo to begin in January 2024.
- ✓ Collaboration with restaurant chains, which are popular in Oisix, and plant-based menus that are both healthy and environmentally friendly, with the aim of improving employee satisfaction at the introduced companies.

DEAN & DELUCA



### Facilities for the elderly

- ✓ Benesse's "Granda Kunitachi," a private-pay nursing home for the elderly, will be the first facility to adopt the system.
- ✓ Develop and offer collaborative menus using ingredients that meet Oisix's strict cultivation standards and utilizing SHiDAX's knowledge of food related to medical and nursing care.



グラダ国立 / 外観イメージ図  
(土地建物の所有形態：事業主体非所有)



- ▲Left: Grand Kunitachi, Benesse's private-pay nursing home for the elderly
- ▲right: Seasonal menus and handicraft cooking recreation using Kit

## Collaboration with SHiDAX

### ② Social Service Business: Value Added Examples

Combining SHiDAX's expertise and assets in facility meal services with Oisix's high-quality ingredients and diverse menus, we are promoting new collaborations in "employee cafeterias," "facilities for the elderly," and "school children" in addition to nursery schools.

### Lunch menus will be offered to school children

- ✓ Plans to collaborate with approx. 10 facilities for school children that SHiDAX, which operates 1,570 school children facilities nationwide, is entrusted to operate
- ✓ Plans to begin offering original lunch menus this winter during long vacations when school lunch is not available, a service in high demand from parents who use school children and facilities.
- ✓ Develop microwavable Oisix-standard lunch menus that can be prepared at school children facilities.



▲ SHiDAX is entrusted with the operation of 1,570 school children facilities nationwide.



▲ Offer Oisix-standard lunch menus

# Collaboration with SHiDAX

## ③ Building up B2B2C Business Model

Envisioned synergies by mutually attracting users of facilities serviced by SHiDAX and subscribers of Oisix  
Aim to build a B2B2C model that enriches "food" and "life" by leveraging the resources of both companies



**Expanding opportunities to approach food and life**

With a future-oriented corporate philosophy that aims to solve social issues through business methods,  
**we will work together to maximize corporate value through agile decision-making and business development through joint management**

**SHIDAX**

未来の子供たちのために



これからの食卓  
これからの笑顔



*Oisix ra daichi*



- ◆ This material is intended to provide an understanding of Oisix ra daichi activities, not to solicit investment
- ◆ Forecasts of Oisix ra Daichi's operating results and future performance are based on information available to Oisix ra daichi at the time this material was drafted and are not guaranteed to be accurate.
- ◆ Actual operating results may differ from the future outlooks contained in this material.

*Oisix ra daichi*