



2022/3 Q1 Results Explanatory Materials

Oisix ra daichi
2021.8.12

Farm for Tomorrow, Table for Tomorrow

We provide services that enable a better food life for more people.

We evolve continuously where good farmers are rewarded and proud.

We realize a society that deliver a sustainable framework that links farm and table.

We solve social issues related to food through business approaches.

We create and expand Tomorrow's Food.

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1-1. Consolidated Financial Results

Executive summary

-2022/3 Q1 Results

Sales

Led by Oisix, sales saw solid growth **increasing +21%**

◆ Domestic Delivery business (Three major brands)

- ✓ subscribers : Led by Oisix, spring promotions performed strongly.
Total subscribers for the three brands grew by about 27 thousand QoQ.
- ✓ ARPU : **Remained high relative to initial forecasts**. Whilst there was a YoY decline, the impact of COVID-19's resurgence needs to be considered.

◆ Other Business

- ✓ Whilst subscription growth has stabilized at Purple Carrot (U.S.), **sales grew roughly 70% YoY**. EC support services and SinS/nursery school wholesale also saw solid business expansion.

EBITDA

EBITDA exceeded initial forecasts owing to solid sales growth led by Oisix and Purple Carrot (U.S.).

- ✓ **EBITDA exceeded initial forecasts** on the back of steady subscription/ ARPU growth and higher sales.
- ✓ EBITDA decreased YoY due to the irregular year in which sales increased while new acquisitions were not possible due to Oisix logistics capacity restrictions.
- ✓ On the back of a strong spring promotion campaign this term, Oisix implemented new PR investments as initially planned.

Net income

Non-operating income improved reflecting a profit turnaround at Welcome (DEAN & DELUCA, affiliate). **Quarterly net income increased roughly +9%**

Future Outlook

Sales : By adjusting to lifestyle changes post COVID-19, we aim to secure a healthy increase in subscribers. Although ARPU is expected to see gradual decline, we aim to maintain purchasing frequency at a high level even after COVID-19.

Costs : we anticipate gradual reduction to CoGS via such initiatives as transitioning to in-house processing. New PR investments for customer acquisitions will be implemented to the maximum within the appropriate CPA range. With startup of operations at Oisix's new distribution center, one-off additional logistical costs are expected in the 2H. With full integration of distribution, however, we anticipate gradual cost reductions from next fiscal year.

		2022/3	2023/3
Sales	Subscribers	Expansion By adjusting to lifestyle changes post COVID-19, we aim to secure a healthy increase	Expansion By adjusting to lifestyle changes post COVID-19, we aim to secure a healthy increase
	ARPU	Decrease Although the decline has been less than initially expected, we anticipate a gradual reduction going forward.	Retain ~ Increase Maintaining a high level of purchasing frequency even post COVID-19. Via enhanced value propositions, we aim for still higher levels.
Costs	product	Improve Reduced product and manufacturing costs by promoting in-house production of processing processes.	Improve Reduced product and manufacturing costs by promoting in-house production of processing processes.
	PR	Increase Implemented to the maximum within the appropriate CPA range.	increase Implemented to the maximum within the appropriate CPA range.
	logistics	Temporally increase With the startup of Oisix's new distribution center, temporally expenses of roughly 700~800 mn yen is expected.	Improve With one-off increases eliminated, full integration of distribution and enhanced efficiencies will allow for gradual cost reduction.
	Other SG&A	Improve With expanding sales, the ratio of fixed SG&A to sales declined.	Improve With expanding sales, the ratio of fixed SG&A to sales declined.

2022/3 Q1 Highlights

Sales : Led by Oisix, sales saw solid growth **increasing +21%**

EBITDA : **EBITDA exceeded initial forecasts** owing to solid sales growth led by Oisix and Purple Carrot (U.S.).

Sales

27.91 bn yen

(YoY **+21%**)

EBITDA

2.31 bn yen

(YoY **▲4%**)

Operating
Income

1.95 bn yen

(YoY **▲6%**)

Net income

Attributable to
owners of the
parent

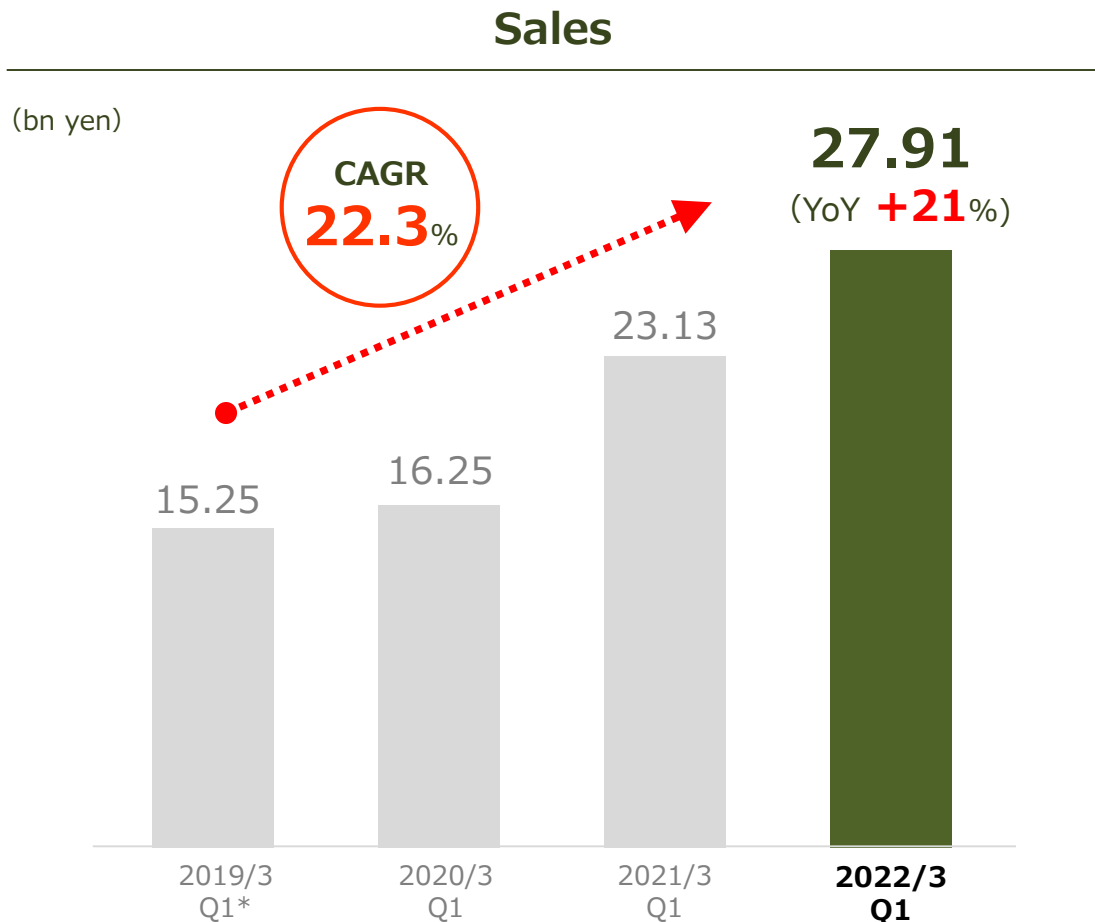
1.29 bn yen

(YoY **+9%**)

Consolidated Results Overview

-Sales

Post integration of the 3 domestic home delivery brands, sales growth continued at a high level. **Average annual growth rate was roughly +22%.**



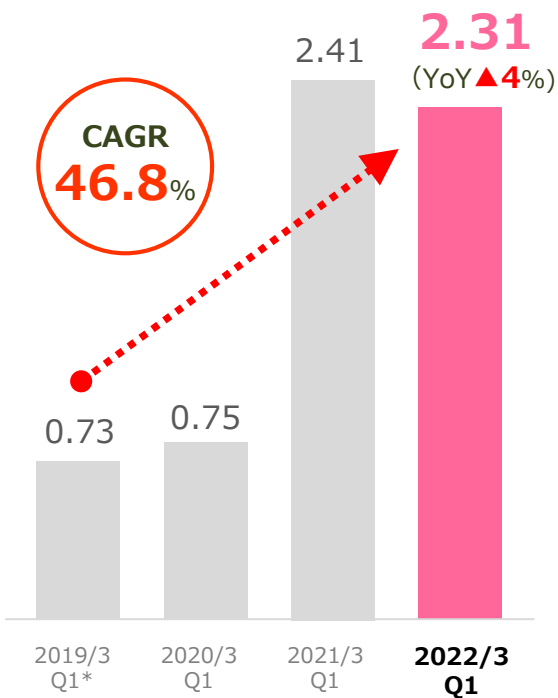
Consolidated Results Overview

-Profits

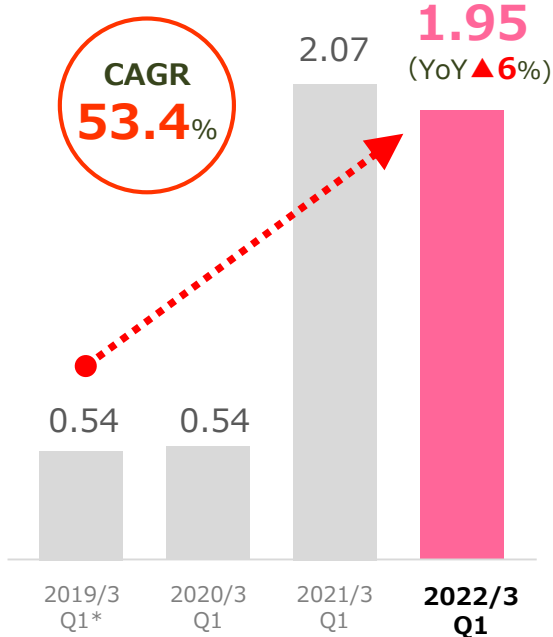
Post integration of the three domestic home delivery brands, profit growth continued at a high level. **Average annual growth was over +40%.**

EBITDA

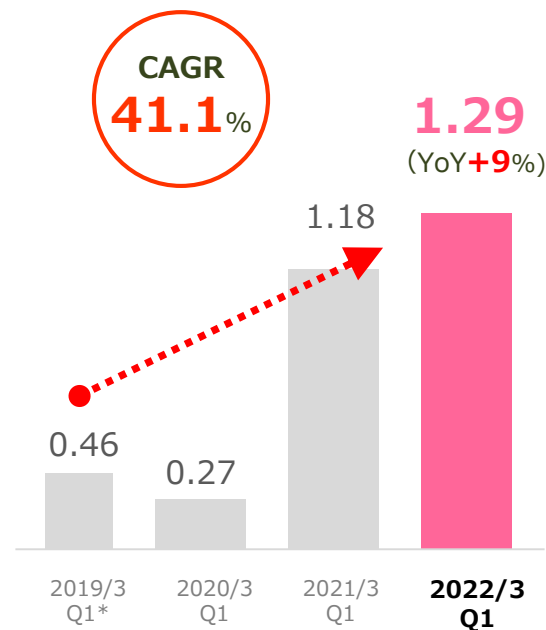
(bn yen)



Operating Income



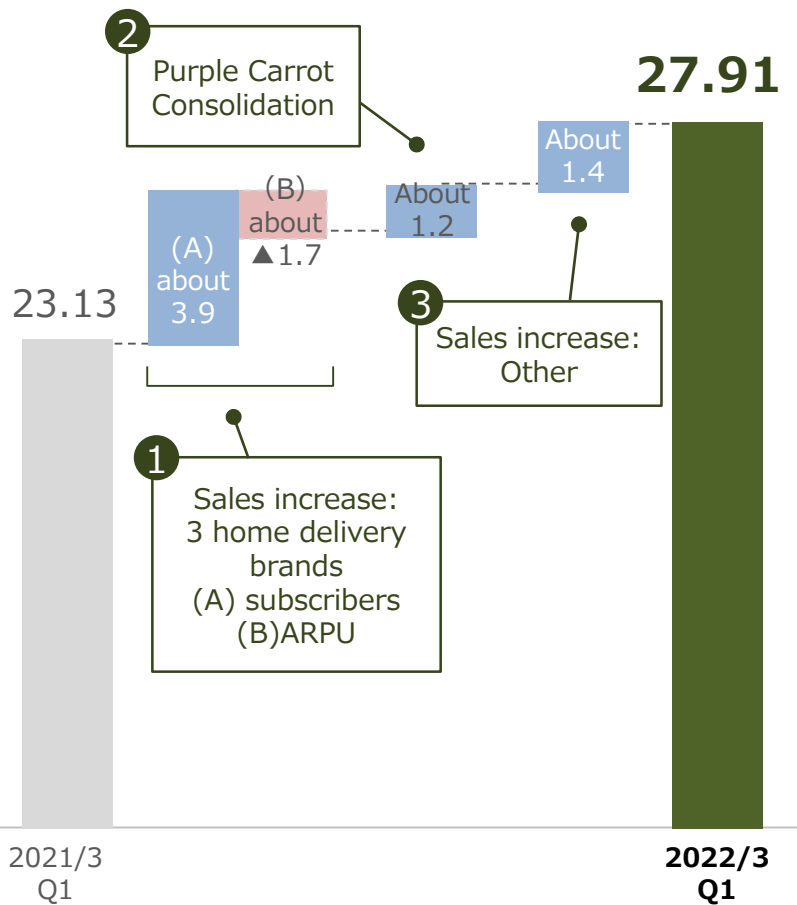
Attributable to owners of the parent Net income



YoY : Sales

Driven largely by the effects of growth at Oisix and Purple Carrot (U.S.), sales increased by roughly 4.8bn yen (+21% YoY).

Sales (bn yen)



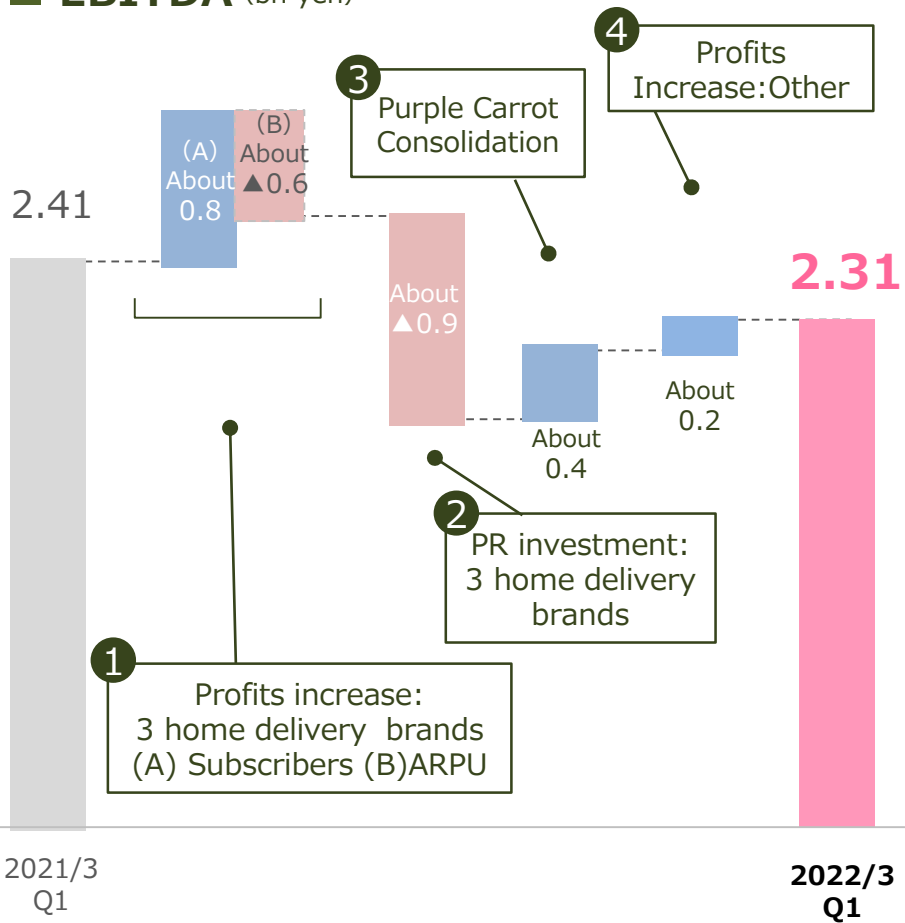
- 1 Sales increase of three domestic major brands : about 2.2bn yen**
 - (A) Increase in subscribers : about 3.9bn yen
 - (B) Increase in ARPU : about ▲1.7bn yen
- 2 Sales increase of Purple Carrot : about 1.2bn yen**
- 3 Sales increase of Other : about 1.4bn yen**
 - EC support
 - Kindergarten wholesale
 - Hong Kong/ Shanghai
 - Consolidated subsidiaries (include new consolidation by "Toyoichi")

YoY : EBITDA

Profit fell by roughly 0.1 bn yen (▲4% YoY) reflecting lower margins from weaker EBTDA/ARPU as well as aggressive PR investment.

As a result, **the number of subscribers grew steadily, exceeding the initial plans.**

EBITDA (bn yen)

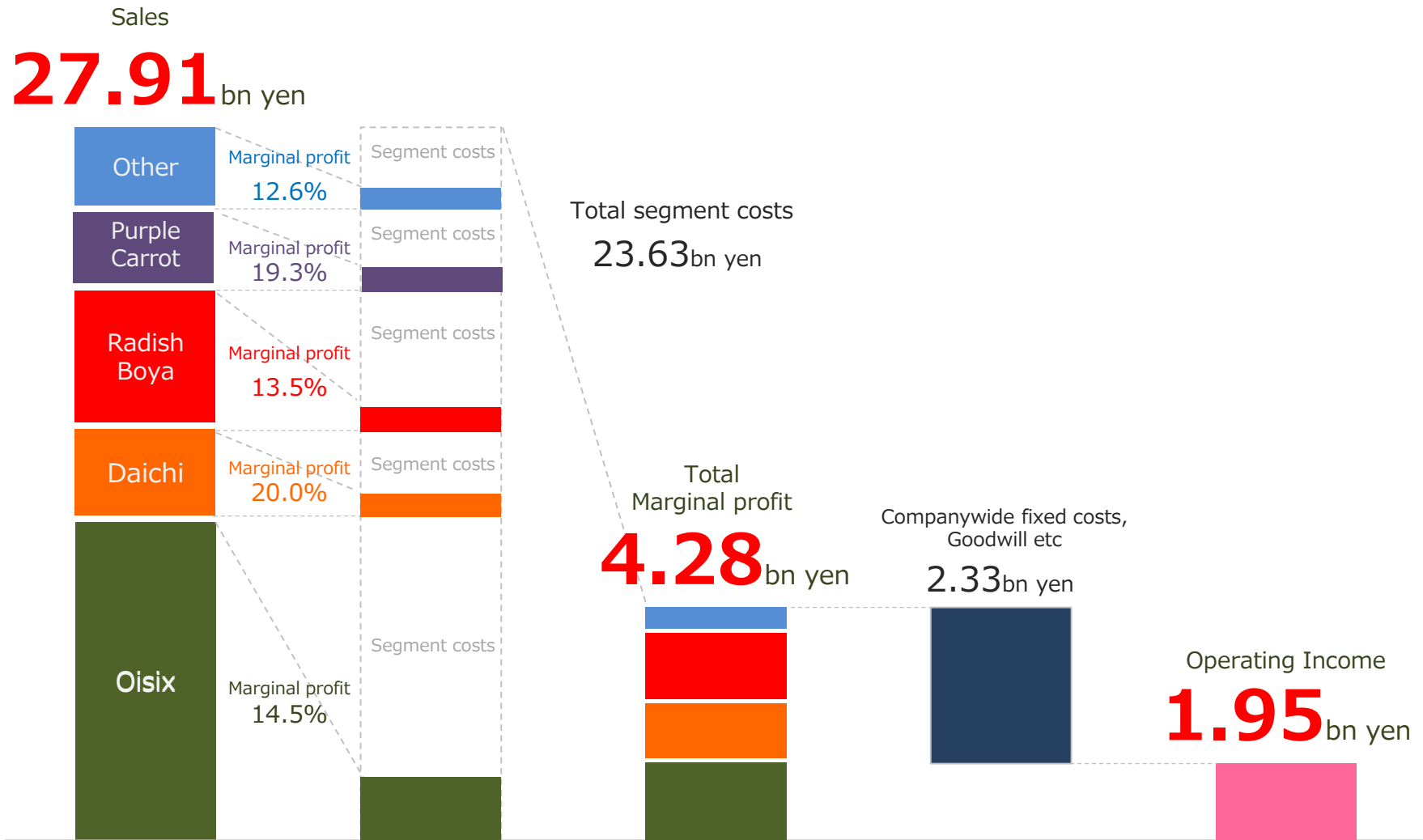


- Profits increase of three domestic major brands : about 0.2bn yen**
 - (A) Increase in subscribers : about 0.8bn yen
 - (B) Increase in ARPU : about ▲0.6bn yen
- PR investment of about ▲0.9bn yen**
- Profit increase of Purple Carrot : about 0.4bn yen**
 ⇒ Turn into surplus in 1 year after consolidation
- Profits increase of Other about 0.2bn yen**
- Companywide fixed costs increase : about ±0bn yen**
 - Costs increase by labor due to business expansion
 - On the other hand, costs for Listing to First Section of the TSE and costs for COVID-19 that occurred in Q1 in the previous term will not occur in this term.

Business segment Results

	Sales	Segment profit	Overview
Oisix	14.14bn yen (YoY +26%)	2.05bn yen (YoY ▲13%)	<ul style="list-style-type: none"> • Spring PR progressed better than planned resulting in a Q1 increase of about 25,000 new subscribers. • ARPU remained high and was up roughly +16% versus pre-COVID-19 levels.
Daichi	3.31bn yen (YoY ▲9%)	0.66bn yen (YoY ▲8%)	<ul style="list-style-type: none"> • Continuing to develop new acquisition methods that align with target markets such as the new "Marugohan" service. • ARPU remained high and was up roughly +11% versus pre-COVID-19 levels.
Radish Boya	4.33bn yen (YoY ▲8%)	0.58bn yen (YoY ▲35%)	<ul style="list-style-type: none"> • Media exposure of "Fuzoroi-Radish", a new service that handles food rescue products, is expanding. • ARPU remained high and was up roughly +11% versus pre-COVID-19 levels.
Purple Carrot (Jan to Mar results)	2.84bn yen (YoY +72%)	0.54bn yen (YoY +403%)	<ul style="list-style-type: none"> • Whilst the large COVID-19 driven growth in subscriptions is stabilizing, both sales and profits continue to increase. *Figures are consolidated with a 3-month delay (Q1: Jan to Mar)
Other business	3.37bn yen (YoY +74%)	0.42bn yen (YoY +56%)	<ul style="list-style-type: none"> • EC support services continued to see strong performance. • The SinS/Nursery School Wholesale business saw sales expansion on steady growth in the number of customers

Business segment Results Overview

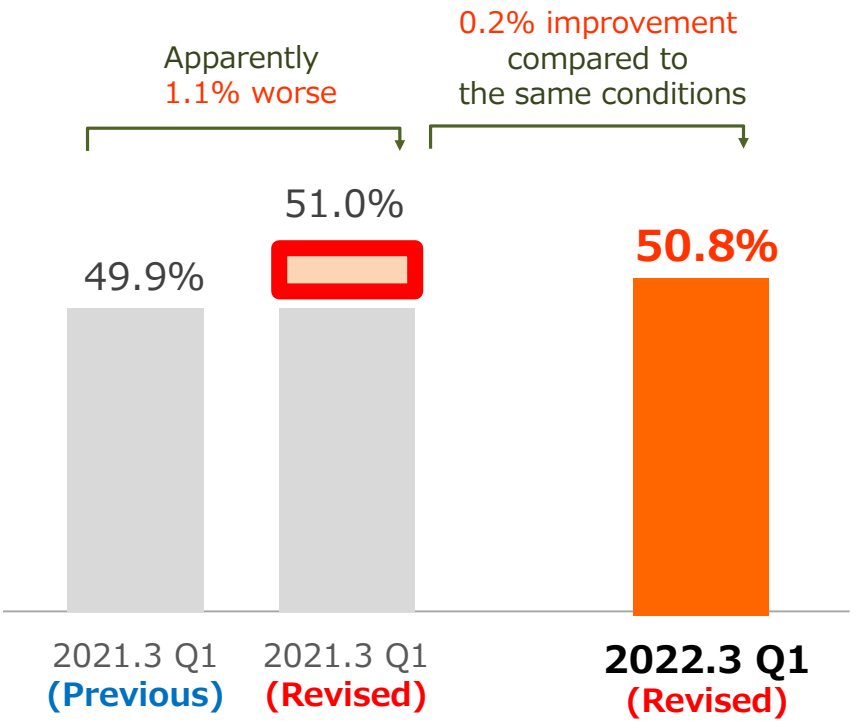


(Supplemental Information)
Impact of changes to revenue recognition standards.

Sales and profits will not be significantly affected by changes to revenue recognition standards.

Although the CoGS ratio shows nominal deterioration, adjusted for conditional differences,

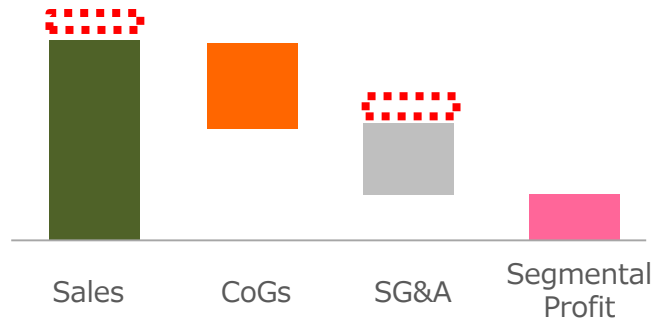
◆ Changes CoGs



◆ Main change schemes

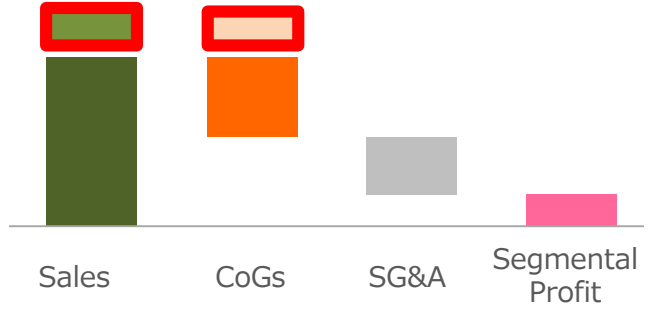
① Domestic Delivery

- ✓ Some sales promotion expenses, such as point discounts, are offset against sales



② EC Support

- ✓ Sales and expenses that were shown on a net basis are now shown separately
- ✓ Expenses are accounted for in CoGS.



1-2. Results on Business segment

① Domestic Delivery business (Three major brands)

- Oisix
- Daichi
- Radish Boya

② Domestic Delivery business (other)

- EC support business for other companies (Alliance)
- Tokushimaru (Subsidiary)

③ Overseas Business

- Purple Carrot(U.S.)
- Hong Kong, Shanghai

④ Other Business

① Domestic Delivery business (Three major brands)

- Oisix
- Daichi
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Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Overseas Business
Other Business

Oisix KPI

Subscribers: Strong spring promotions resulted in **an increase of 25 thousand QoQ**. Additionally, whilst there is the effect of having halted new customer acquisitions in Q1 last year, new subscriber acquisitions grew **+32% YoY**.

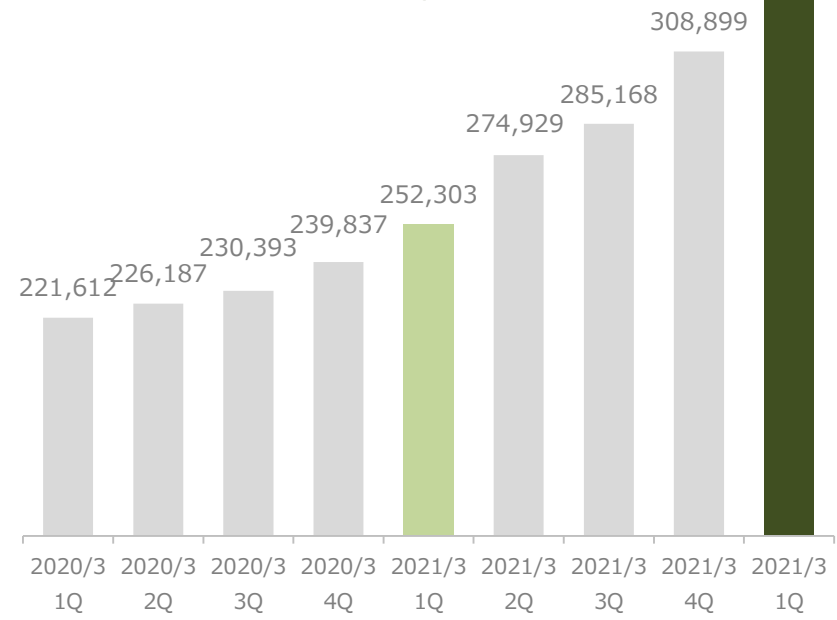
ARPU : Despite a YoY decline relative to an irregular COVID-19 driven increase last year, **ARPU remained high and beat initial forecasts**.

No. of subscribers

333,850

(YoY **+32%**)

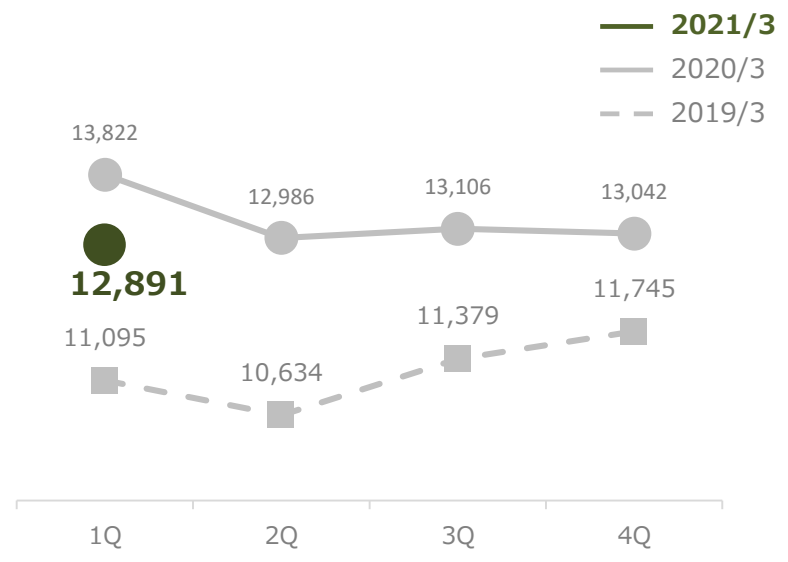
333,850



ARPU[※]

12,891 yen

(YoY **▲7%**, vs 2019/3 **+16%**)



Oisix KPI

Meal kit "Kit Oisix" course subscribers also **increased by 16 thousand QoQ**.

Lifestyle changes that have led to an increase in home dining, such as remote work and an inability to dine-out, have continued. By providing value propositions that match those lifestyle changes, we have been able to enjoy the support of subscribers.

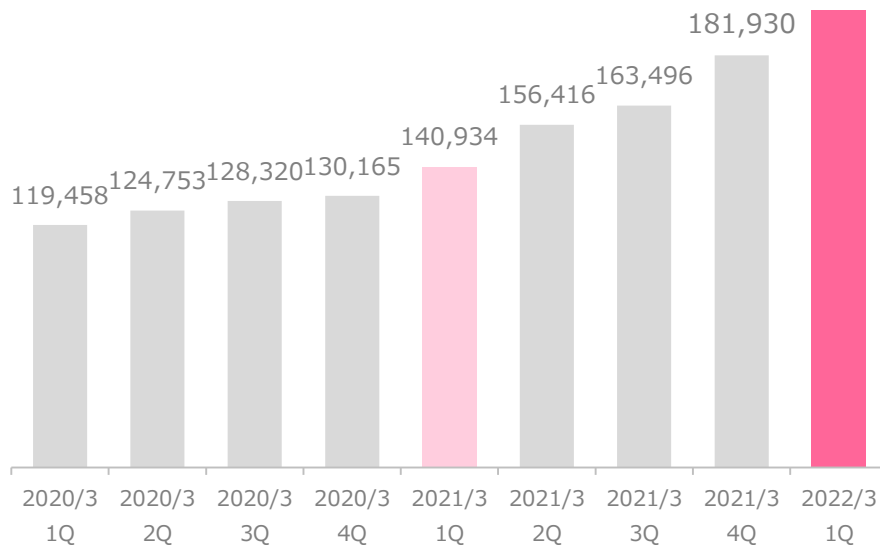
No. of Kit Oisix course subscribers*

(Includes Oisix subscribers)

198,821

(YoY **+41%**)

198,821



◆ Features of Kit Oisix

- ✓ You can make two main dishes and side dishes **in less than 20 minutes**.
- ✓ **Uses 5 or more kinds of vegetables** collected from contract farmers.
- ✓ **Reduced food waste** because the ingredients are used up



Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Overseas Business
Other Business

Oisix Topics

-“Kit Oisix” value proposition

By **expanding the breadth of the meal kit “Kit Oisix” value proposition**, we increase usage scenes at the dining table as well as create opportunities for information dissemination and thereby create touchpoints for latent customers.

Value proposition of “Kit Oisix”

Premium time saving



- The feeling of cooking by yourself
- With many kinds of vegetables
- Rich menu that is not continuous

With the exception of the dinner menu

All menus have been expanded.
Soup Kit allows for fast meals in the morning.



Food education

Collaboration kits allow parents and children to enjoy cooking together.



©Disney

The occasional vegan lifestyle

A vegan kit that responds to growing health consciousness.



Reducing professional food loss

Salad kit utilizes surplus vegetables intended for restaurants.



Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Overseas Business
Other Business

Oisix Topics

-Capacity Expansion ①refrigerate

New ORD Ebina Station:
 Preparations are proceeding smoothly ahead of start of operations in Oct 2021.
 Implementing facilities to reduce environmental burdens such as solar panels and use of only green electricity.

■ Enhancement of refrigeration equipment refrigerate (New ORD Ebina Station)



Current state

- Completion ceremony held on Aug. 5th
- Scheduled to start operation in October. Preparation is going well

Expected effect

- Doubled refrigerate capacity compared to Mar. 2021
- Improved distribution efficiency by unifying the new ORD Ebina station

Initial investment

About 4bn yen

Features

- All electrical power consumed is procured from renewable energy sources.
- BCP (Business Continuity Plan) facilities in the event of natural disaster.

Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Overseas Business
Other Business

Oisix Topics

-Capacity Expansion ②frozen

ORD Atsugi frozen Station:

To allow for further growth, we have decided to invest roughly 4 bn yen in new refrigeration facilities. Operations are scheduled to begin in autumn 2023 at which time shipping capacity will expand by roughly 3-fold.

■ Enhancement of frozen equipment (ORD Atsugi frozen Station)

frozen



▲Image: ORD Atsugi frozen Station

Current state

Decided to invest for operation in the autumn of 2023

Expected effect

- Doubled frozen capacity compared to Mar. 2021
- **Improve logistics costs** by promoting automation

Initial investment

About 4bn yen

Features

Plans to install solar power generation equipment to reduce the burden on the environment of the distribution center

Daichi KPI

Subscribers : Continuing to develop new acquisition methods that align with target markets such as the new "Marugohan" service.

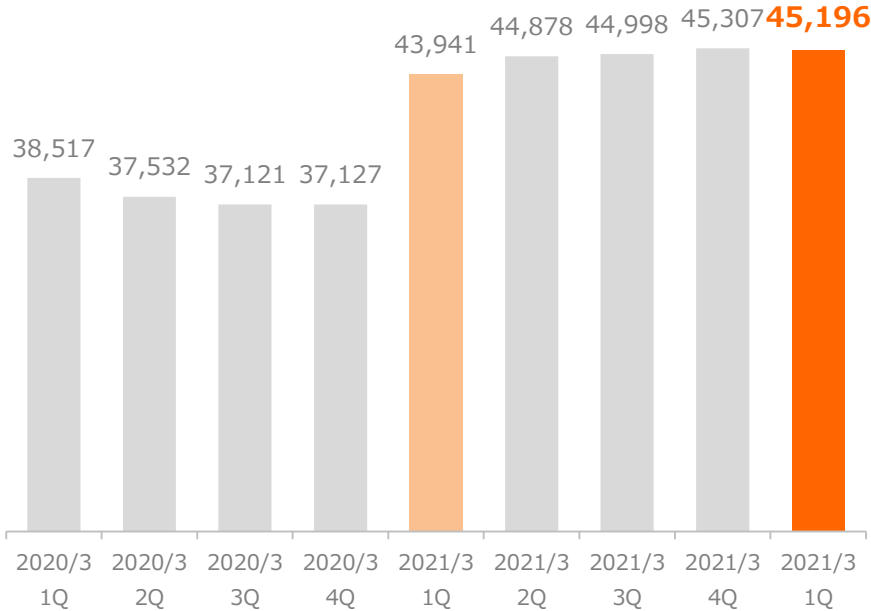
ARPU : Among seniors as well, demand for food delivery continues to be strong and has **remained at high levels that have exceeded initial forecasts.**

Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Overseas Business
Other Business

No. of subscribers

45,196

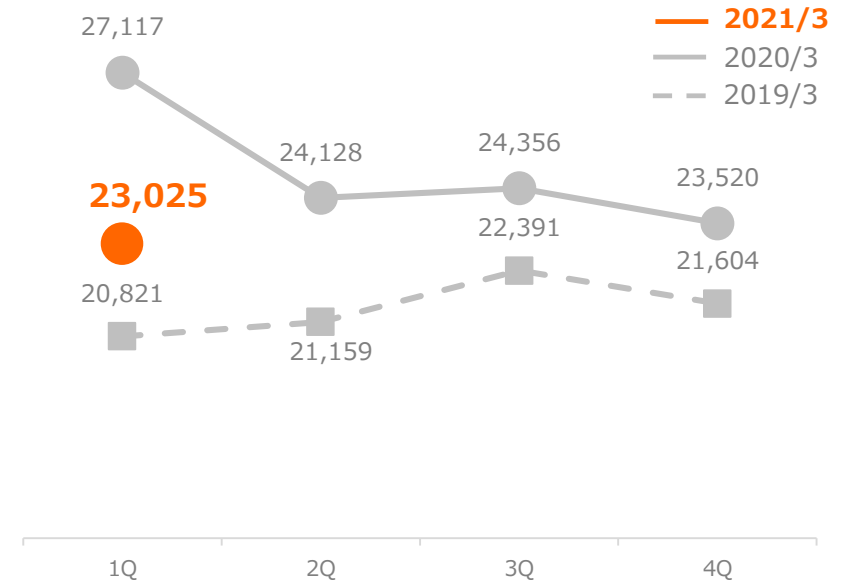
(YoY +3%)



ARPU[※]

23,025 yen

(YoY ▲15%, vs 2019/3 +11%)



Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Overseas Business
Other Business

Radish Boya KPI

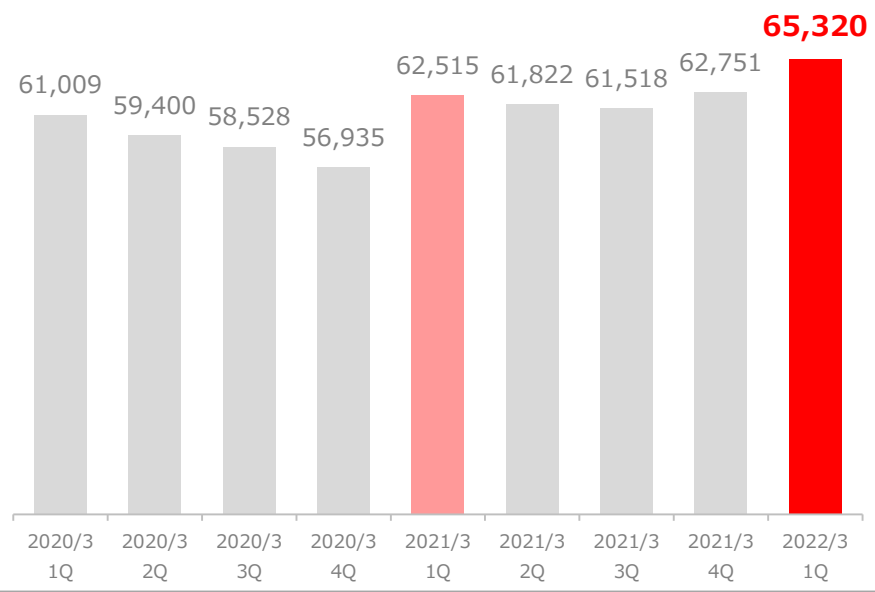
Subscribers : Media exposure of new service "Fuzoroi-Radish" has been expanding.
 Subscriptions **increased by 2,500 in Q1.**

ARPU : Notwithstanding growth in new subscribers,
 purchase frequency has been **maintained at a high level that have exceeded initial forecasts.**

No. of subscribers

65,320

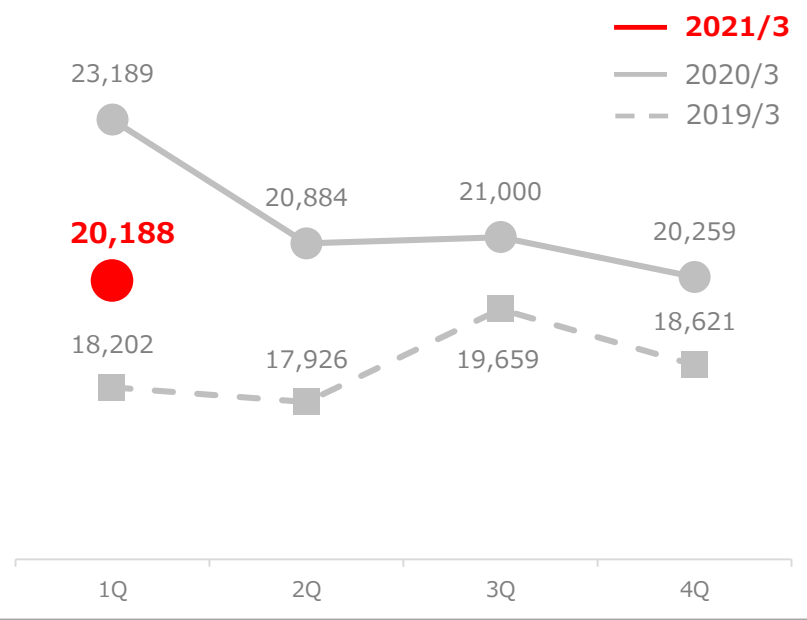
(YoY **+5%**)



ARPU*

20,188 yen

(YoY **▲13%**, vs 2019/3 **+11%**)



Daichi/Radish Boya Topics

- Daichi : By refining the new "Marugohan" service, we aim to make it into a tool for new customer acquisitions.
- Radish Boya : Services that allow for the practice of ethical consumption is finding popularity. One example is "Fuzoroi-Radish" that allows food loss reduction.



- ✓ A service that provides a sense of health and delivers a menu/ingredient set that meets subscriber needs.
- ✓ Enhanced services designed to improve usage continuity. Implementation of an easy to start 3-day course is an example.

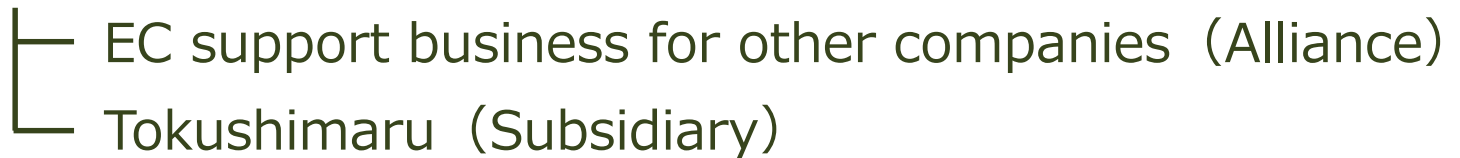
- ✓ "Fuzoroi-Radish," which specializes in non-standard products, has developed a series of new products that have resulted in **monthly sales of roughly 40 mn yen.**
- ✓ By selecting food products without excessive selection criteria, we offer an opportunity to participate in food reduction whether it be from the fields or the sea.

Overview of Business Segments

① Domestic Delivery business (Three major brands)



② Domestic Delivery business (other)



③ Overseas Business



④ Other Business

Continuing from the previous fiscal year, **both subscriptions and ARPU have been steadily increasing**. Average basket price has also remained at levels higher than pre-COVID-19 reflecting planning proposals that mirror subscriber needs.

ISETAN DOOR

Support for Isetan Mitsukoshi's EC business
Commissioned from operation and management of EC sites to distribution and delivery.



- ✓ In Q1, both sales and the number of subscribers has grown steadily, partly due to the influence of COVID-19.
- ✓ With prolongation of stay-at-home measures, we have implemented exhibitions of products from popular tourist destinations such as France, Kyoto, and Hokuriku.

d-meal kit

Started in July 2019 in collaboration with NTT Docomo. Offer regular delivery services, mainly meal kit for NTT Docomo's customers.



- ✓ In Q1, both sales and the number of subscribers has grown steadily, partly due to the influence of COVID-19.
- ✓ We renovated the UI of our website in June to enhance a stress-free shopping experience.

Tokushimaru(subsidiary)

Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Overseas Business
Other Business

Strong mobile sales demand, triggered by COVID-19, has continued.

The value of circulation maintained high growth at +37% YoY.

Vehicles in operation in Q1 rose at a record high pace of 93 units reflecting demand in urban areas.

Impact scale

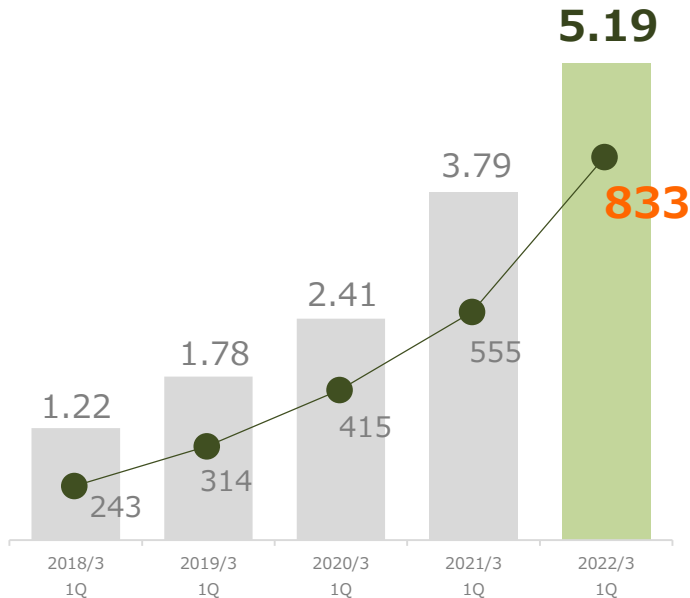
2022/3 Q1 value of circulation

5.19 bn yen

(YoY +37%)

Number of vehicles
in operation

833



Development Scale

Number of affiliated
supermarkets

142

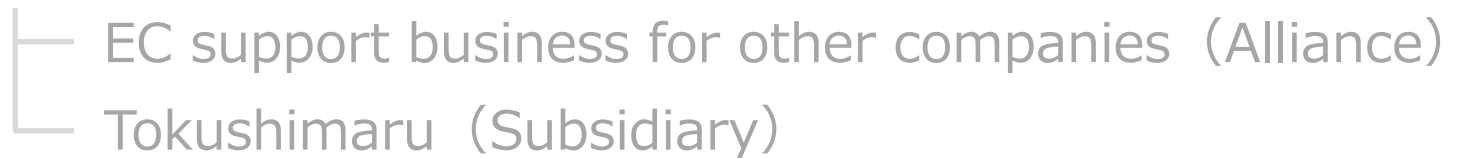


Overview of Business Segments

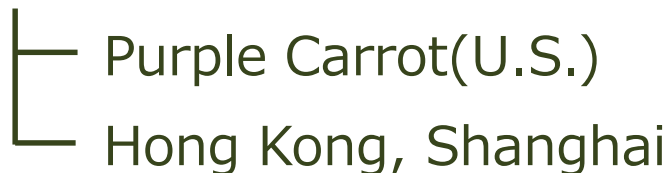
① Domestic Delivery business (Three major brands)



② Domestic Delivery business (other)



③ Overseas Business



④ Other Business

Purple Carrot(U.S.)

Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Overseas Business
Other Business

Purple carrot is a 100% vegan meal meal delivery business in the United States. It will recognize consolidated from last Q3. Immediately following consolidation, **knowledge of vegan recipes was utilized for meal kits at Oisix** as well.



- Courier service that offers meal kits only for plant-based meals
- Weekly subscription model for 48 states across the U.S.

◆ Vegan Lifestyle

Lifestyle that does not consume animal-derived ingredients. In recent years, in consideration of the global environment, the style of enjoying vegan food only a few days a week has spread mainly in Europe and the United States.



Oisix ra daichi



PURPLE CARROT



- ✓ Global Expansion of Vegan Food × Health Conscious Food of Japanese Food in both Asia and the U.S.
- ✓ Management know-how in the food subscription model was implemented at Purple Carrot. **PC returned to profitability in 2021/3.**

Oisix ra daichi

Purple Carrot(U.S.)

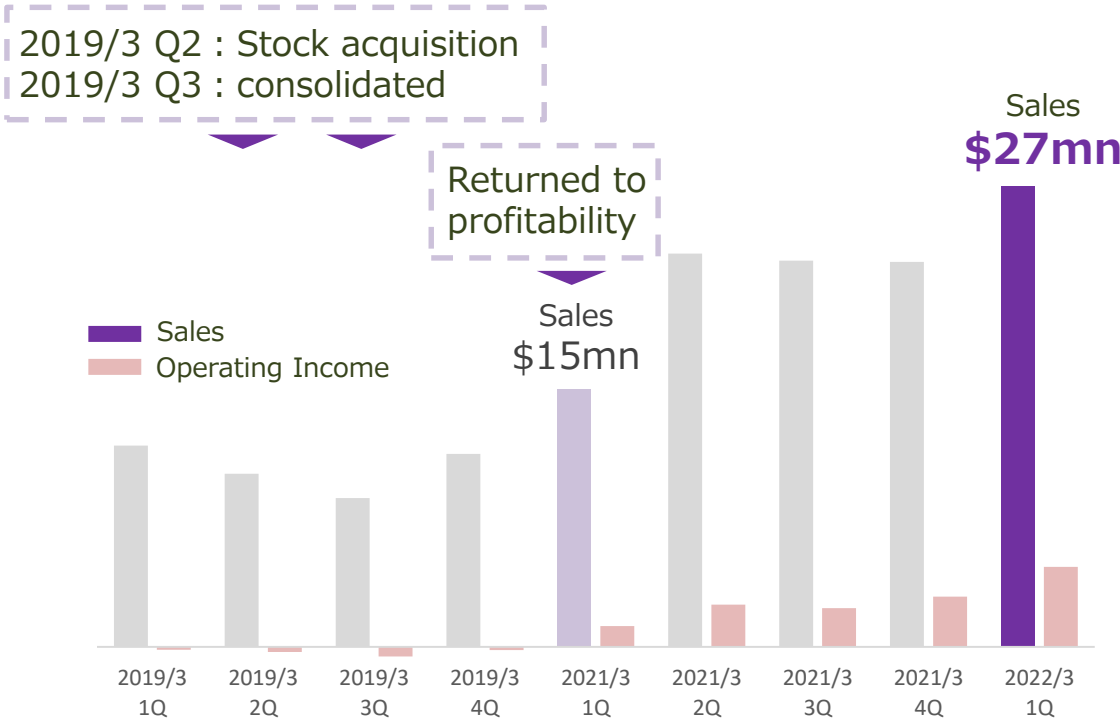
※Purple Carrot shows the business situation from Jan. to Mar.

Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Overseas Business
Other Business

Whilst subscription growth at Purple Carrot (U.S.) has been stabilizing, **sales and profits have continued to rise**. This year we will be strengthening the product lineup to meet a wide range of needs such as Ready to Eat.

① Executing operation excellence

② Changes by COVID-19



◆ Business activities

① Executing operation excellence

Knowledge of food delivery from ORD

Improved quality
and lower complaint rate

② Changes by COVID-19

Change responsiveness expanded from ORD

Early start to build and acquire a shipping system.
As a result, sales doubled YoY

Product and service development

Development and sales of Ready to eat products completed by microwave oven cooking

Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Overseas Business
Other Business

Hong Kong/Shanghai

Hong Kong : The COVID-19 driven increase in subscriptions has stabilized. Brand recognition has benefited however, and we look to focusing on appealing to our customers the deliciousness and freshness of our products.

Shanghai : New initiatives include development of localized meal kit “Kit Oisix” products as well as new subscriber acquisition channels.

Hong Kong

Launched the service in 2009.
Cross-border delivery of Japanese products



- ✓ Whilst subscription growth has stabilized, purchase frequency remained high in Q1.
- ✓ We look to achieve high frequency sales of popular but rare fruit. We also aim to appeal to our subscribers not only the safety of Japanese produce, but the value of deliciousness and freshness.

Shanghai

Business experiment started in 2017. Deliver products that meet Oisix product standards by local procurement



- ✓ Due to the influence of COVID-19, it was not possible to travel to the site, delaying the speed of business development
- ✓ We are accelerating localization of menus and tastes for meal kit services. Along with menu advances, we are promoting development of sales channels (such as cooking class) that lead to repeat purchases.

Overview of Business Segments

① Domestic Delivery business (Three major brands)

- Oisix
- Daichi
- Radish Boya

② Domestic Delivery business (other)

- EC support business for other companies (Alliance)
- Tokushimaru (Subsidiary)

③ Overseas Business

- Purple Carrot(U.S.)
- Hong Kong, Shanghai

④ Other Business

We have consummated the sales model of meal kit equipped stores and implemented lateral dissemination. Introduction at a new supermarket was also decided. As a result, **total meal kit equipped stores increased by 40 QoQ.**

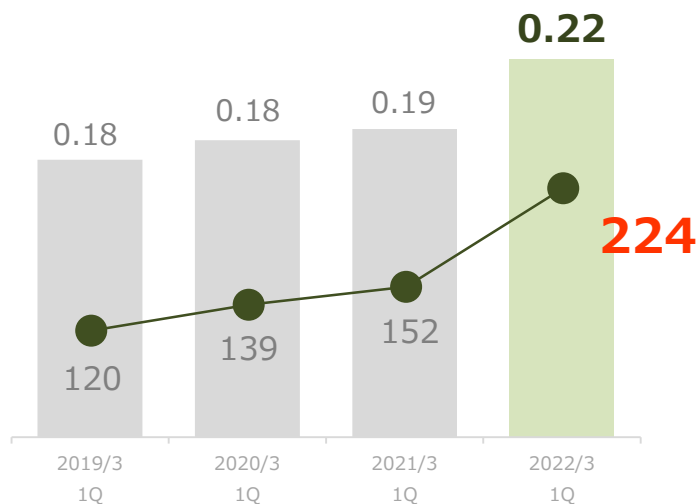
Impact scale

FY2022/3 Q1 Sales

0.22 bn yen

No. of shops

224



■ Spread of model stores



- ✓ Meal kit sales model started by 3 companies after April.
- ✓ We look forward to repeat customers visiting supermarkets as they seek meal kits.

Nursery School Wholesale (*suku-suku Oisix*)

Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Overseas Business
Other Business

With fiscal year change, the number of vendor farms was **increased significantly to over 600**. In collaboration with nursery schools and families, we plan starting a new food education program designed to stimulate children's interest in food.

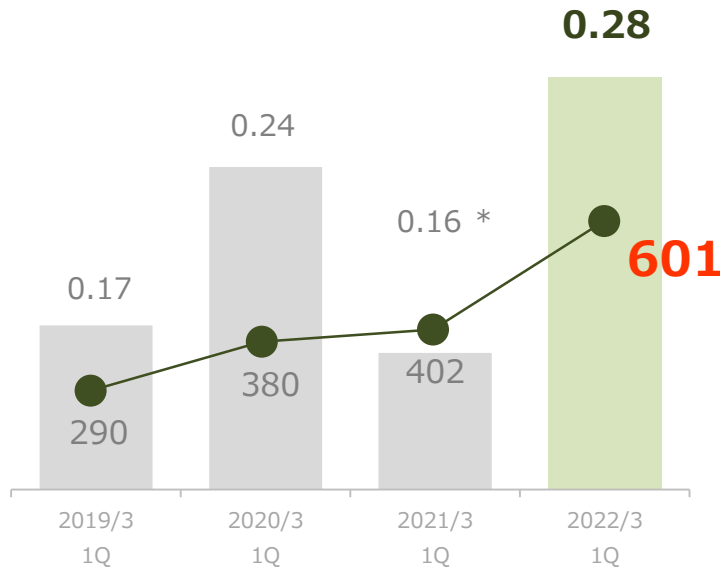
Impact scale

2022/3 Q1 Sales

0.28 bn yen

No. of trading nursery school

601



■ Food education projects at nursery school and home



- ✓ Total support for nursery school and home dietary education
- ✓ By combining Oisix's menu development capabilities for children with the knowhow of school lunches at nursery schools, we enhance a focus on "eating" among children.

Toyoichi (subsidiary)

Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Overseas Business
Other Business

In the 6-months following the consolidation of "Toyoichi" (March 2021), product development in several areas have already been started. We continue to enhance the fishery category by developing new products that leverage the product procurement capabilities of "Toyoichi."

New product development



▲(left)Boiled scallops for sale as a standard item.
(upper)Local fish (lower) Sardines that can be eaten whole

- ✓ Product development at each of the domestic home delivery businesses is progressing well. In roughly 4-months, **16 new products have been developed.**
- ✓ New initiatives are accelerating as manifested by the decision to go forward with the plan on distribution-style.

Food waste prevention



▲(left)Large scallops that were mainly wholesaled to restaurants
(upper)Processed high-grade fish (lower) Freshly caught Shirasu

- ✓ Large scallops being one example, we sell to households products that were essentially sold only to restaurants via an easier-to-use format.
- ✓ As a seasonal year-end product, we plan developing marine products that have hitherto only been available in the localities they were harvested.

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Overseas Business

Other Business

DEAN & DELUCA (Affiliated company)

Whilst DEAN & DELUCA (Welcome, 20% stake) has been negatively affected by continued shortened sales hours stemming from COVID-19, it has returned to profitability with gradual pick-up in business along with the help of COVID-19 subsidies.

performance overview

- ✓ Although the impact of COVID-19 continues, business performance gradually recovers
- ✓ Online sales continue to be strong. In addition, They will focus on sales through new channels such as event sales at department stores.

outlook

- ✓ Although uncertainties about the impact of COVID-19 will continue, continuous improvement in business performance is expected.
- ✓ Inclusive of likely employment adjustment subsidies, **we believe the possibility of a large non-operating loss is low.**

WELCOME GROUP

- Lifestyle business through retail and restaurant businesses
- ◆ Main Brand : DEAN & DELUCA (47 shops)
GEORGE'S (21 shops)
etc,



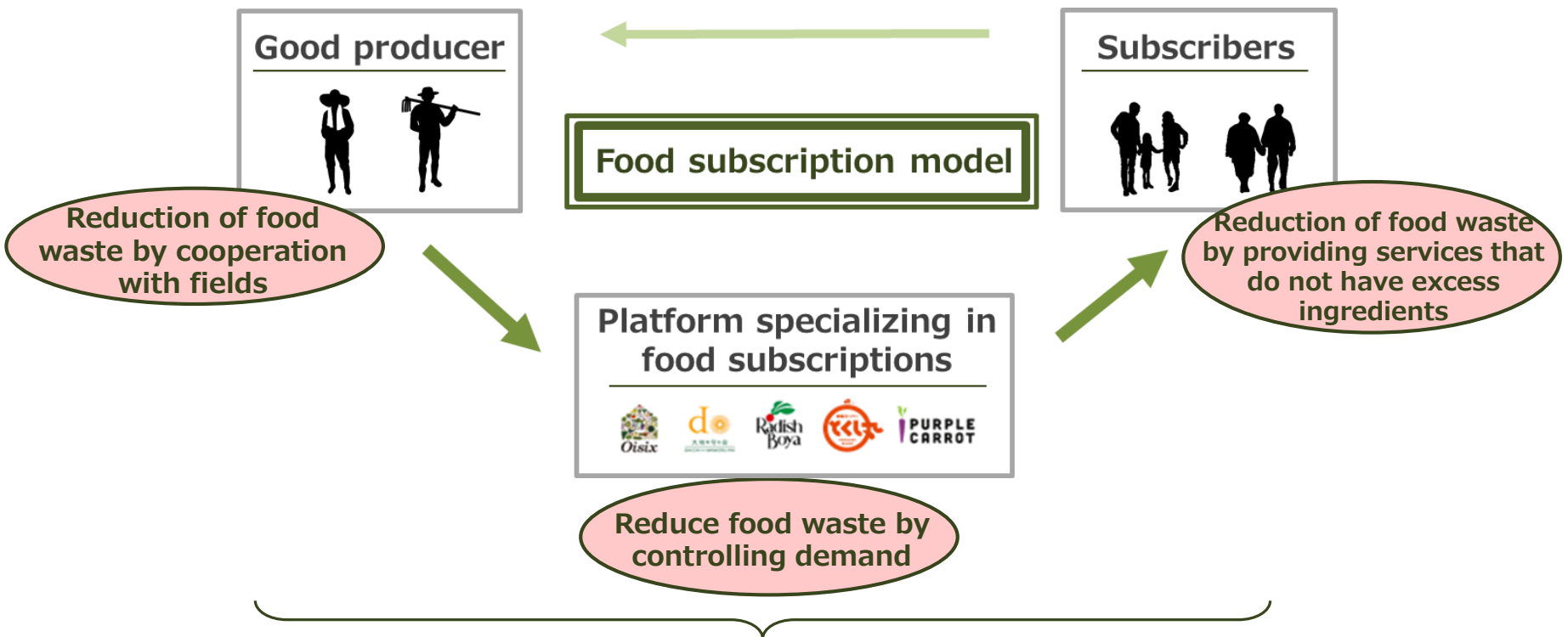
2. Promotion of "Sustainable retail"

2-1. Zero food waste

Zero food waste

-Relation for subscription model

By leveraging a food subscription model
Aiming to eradicate food loss by embodying "Sustainable Retail"



Aiming for zero food waste

by utilizing the subscription model growth model

Zero food waste -Supplychain

In our business model, food loss is low in each supply chain of "field", "logistics", and "dining table", but we aim to eliminate food loss by further reduction.

Fields

Contributing to reducing food loss in fields by directly connecting and cooperating with fields



Non-standard products and Sales volume of food loss reduction products (April-July)

About
58t

(Does not include usage with Kit Oisix)

Logistics

Reduce food loss in the company's distribution process with a subscription model that makes it easy to forecast demand and control demand



Rate of food loss in distribution.

Retail Ave
About 5~10% **>** *Oisix ra daichi*
About **0.2%**

Home

Contributing to reducing household food loss by providing services that are not left over at home, such as Kit Oisix and Oisix properly.



Volume of food loss using Kit Oisix which packages only the required amount of ingredients.

Reduced to
about **1/3**

Amount of food loss reduction at home (April-July)

About **600t**

Zero food waste -latest Topics

As manifested by “Upscale by Oisix” and “Fuzoroi” which handle upcycle products and substandard products respectively, we have implemented sales platforms dedicated to food waste. **Contributes to reduction in food waste at site of production.**

Upscale by Oisix

Selling "Upscale" that adds value to what was previously abandoned



▲ Broccoli stalks remaining in frozen vegetable factories are sold as chips

- ✓ A special site was opened in July, contributing to the **prevention of food waste of about 1.5 tons** in just one month.
- ✓ **Create a market with sales of over 2 bn yen** within 3 years

“Fuzoroi” Radish

Selling products that did not meet the shipping standards and were abandoned at the production site



▲ Tomatoes that are ugly in shape but have a strong umami taste

- ✓ Contributed to the **prevention of food waste of about 57 tons** since its launch in April, centering on irregular vegetables and fishery products
- ✓ **Monthly sales of about 40 mn yen** at the permanent sales floor

Making possible both food loss eradication and business growth.

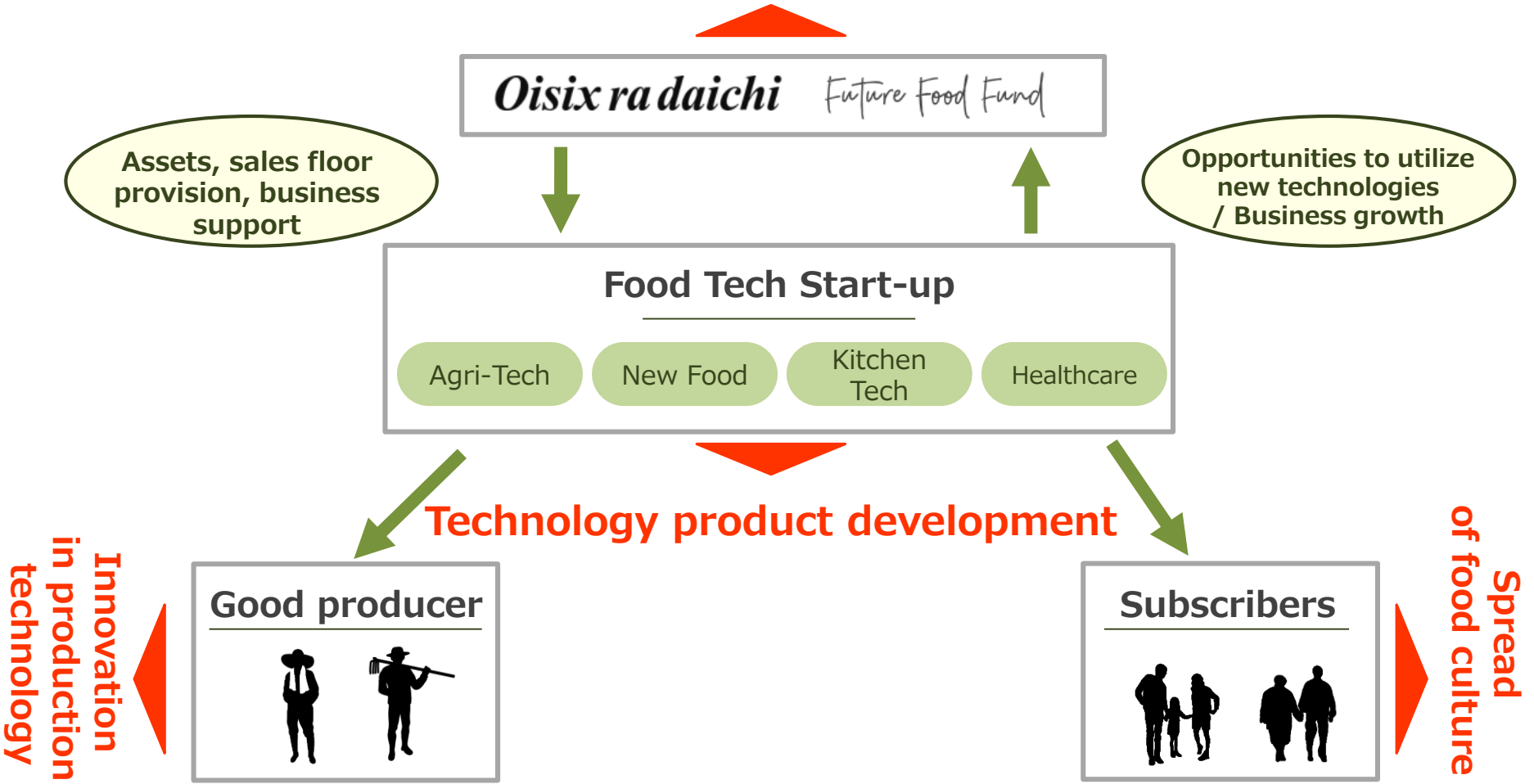
2-2. Food Tech

Food Tech

-Relation for subscription model

By aggressively utilizing/investing in food-tech, we aim to not only energize the food market, but to realize sustainability across the entire supply chain

Activation of the food market



Food Tech

-Capital and business alliance with Green Culture

A capital and business alliance was finalized with Green Culture Co., Ltd., a firm conducting R&D of vegetable meat. Via food-tech, we look to increase the exposure of vegetable meat thereby lending support to a sustainable food culture.

Oisix ra daichi

Oisix ra daichi

- About 440,000 subscribers
- vegan menu from Purple Carrot
- New food section "Oisix Craft Market"

Future Food Fund

- Accelerate startup business growth by providing a food tech ecosystem



Green Culture



Under the theme of "Health and the Earth," we develop, manufacture, and sell vegetable meat in order to create a sustainable future.



- Plant-based food development know-how
- Vegetable meat products with a reputation for deliciousness
- Strong awareness toward the realization of a sustainable society



- ✓ **Strengthening the food-tech space** by participating in the vegetable meat business
- ✓ Responding to consumer demand heightened by health and environmental concerns.
- ✓ Development of new products have begun.
Plan to offer a multiple of new processed products in autumn.

3. Other ESG topics

website about sustainability

Established a dedicated website to address sustainability initiatives and information disclosure. Going forward, we aim to continue expanding information disclosure in accordance with the GRI international disclosure standard.



▲Image of sustainability site
<https://en.oisixradaichi.co.jp/sustainability/>

Main disclosure components

Environment

- Green Shift strategy overview
- Food waste reduction measures
- GHG emission results etc,

Society

- Employees/ occupational safety/ human resource development
- Contribution and support with local communities
- Efforts to improve product quality etc,

Governance

- Board of Directors Performance/ Compliance System
- Risk management system etc,

▶ Going forward, we will continue to proactively disclose sustainability information and expand our efforts.

We Support

“We Support,” which is a food support platform for medical professionals, has supplied a total of 640 thousand foods Provided to medical institutions, the total amount of support has reach 0.7 bn yen.

医療従事者を食で応援 WeSupport

A platform that connects medical institutions with food support companies

Support medical institution

Supporters

Number of groups

113



Participating companies

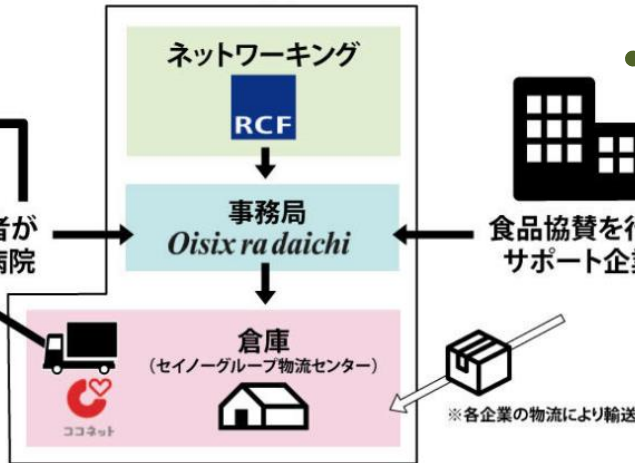
125

Total amount of support meals

About **640 thousand** meals

Total amount of support

About **0.7** bn yen



Welcome back /Work style support

We have implemented such programs as "welcome back ceremony" and "child-rearing coaching" to support a balance between work and family. We have also been promoting support for the workability of all employees (not limited to child rearing) in a variety of work environments

"Welcome back ceremony" for employees returning from childcare leave

A ceremony to convey to employees returning from childcare leave the company's appreciation and hopes. This year, the fifth year of the program, male employees also participated for the



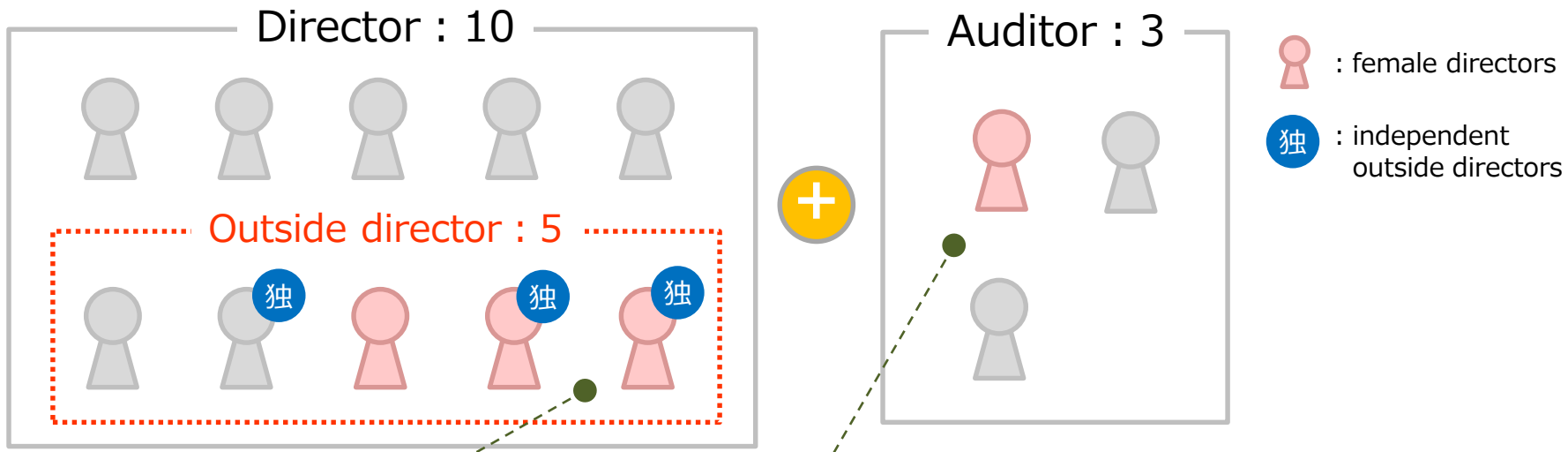
A "child-rearing coaching" course.

Thought to be useful both at home and at work, we held the first course for communication skills.



New corporate officer structure

At the Ordinary General Shareholders' Meeting in June, two new directors were appointed which resulted in **an increase in the ratio of independent outside directors and female directors**. Going forward, we aim to continue expanding board diversity to further strengthen our governance and promote both expeditious and equitable decision-making.



New Director



New Auditor



APPENDIX • DATA SHEET

Corporate Overview

Name :	Oisix ra daichi Inc.
Location :	Shinagawa-ku, Tokyo
Established :	June 2000
Representative :	Kohey Takashima, Representative Director & CEO
Capital :	3,993 million yen
Employees :	915 (consolidated), as of the end of March 2021

Overview of Affiliates

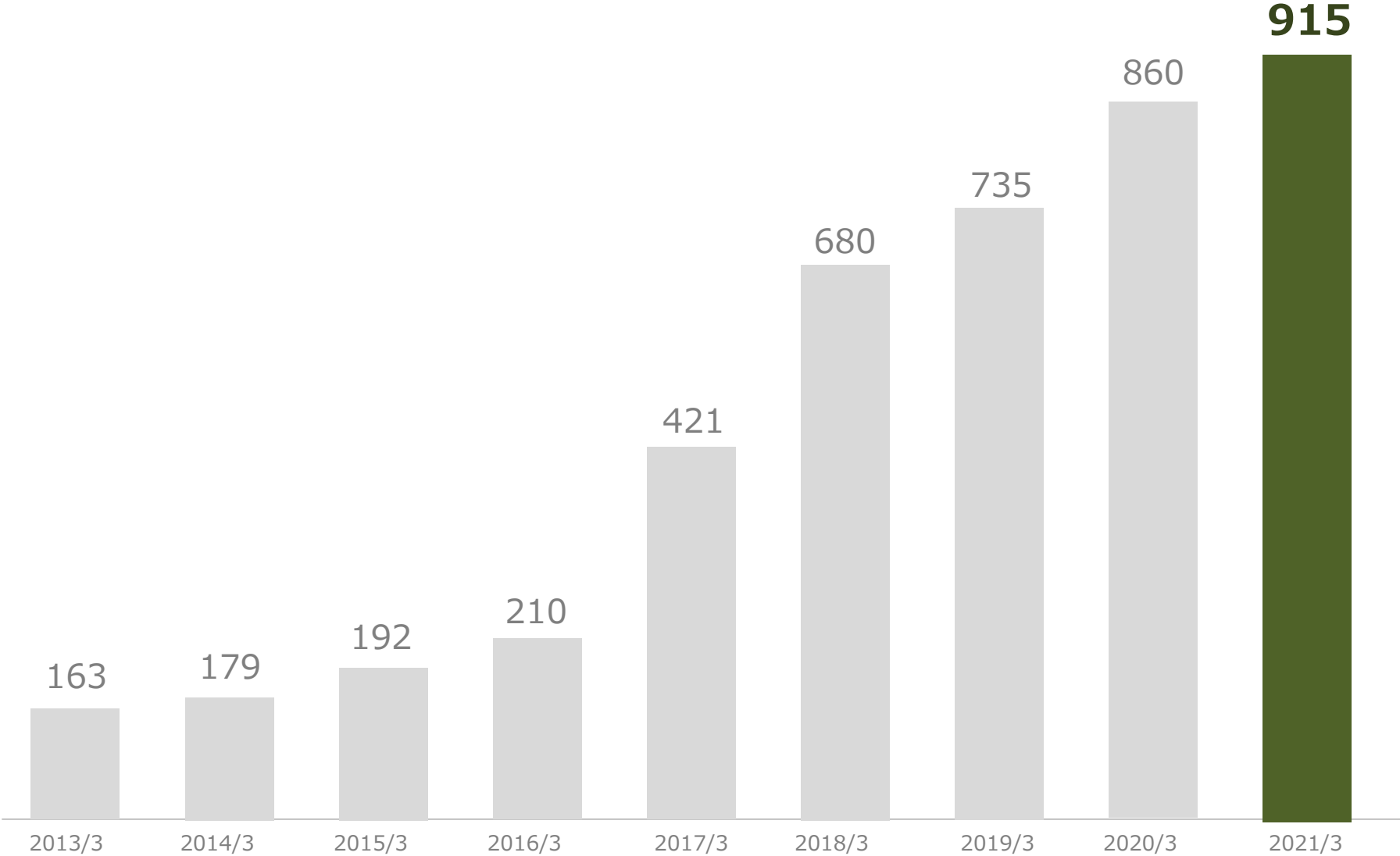
■ Consolidated subsidiaries

Tokushi-maru Inc.	Develops alliances with supermarkets in the mobile supermarket business; provides expertise to sales partners.
Fruits Basket Co., Ltd.	Handles processing, product development, and sales, for agricultural produce, including fruits and vegetables.
Karabiner Inc.	Develops and operates platform systems for EC sites; produces websites.
Crazy Kitchen Co., Ltd.	Handles catering, event production, and space production businesses.
Oisix Hong Kong Co.,Ltd.	Operates our businesses in Hong Kong under contract.
Oisix Shanghai Co., Ltd.	Operates the food products home delivery business in China.
Purple Carrot	Meal kit delivery service in the United States
Oisix Inc.	Overseas investment business
Future Food Fund No.1 investment limited partnership	Investment business for food-related startup companies
Future Food Fund Inc.	Investment business for food-related startup companies
Toyosu gyosho sanchoku ichiba (Toyoichi)	Wholesale sales of marine products mainly for the food service industry

■ Main Affiliates

Nihon Agri Inc.	Exports agricultural products.
DEAN & DELUCA	Lifestyle business through retail and restaurant businesses

Trend in No. of Employees



Main Business Risks

■ Effects of poor weather

Fresh produce accounts for about 30 % of Group sales. We deploy a structure for fresh produce that makes it possible to secure supplies from other regions if poor weather in specific regions prevents harvests or results in poor quality. The system distributes transactions and in principle allows procurement of key products from multiple producer regions. Nevertheless, poor weather lasting longer and having more broad-ranging effects than expected may lead to product shortages and quality issues, with potential consequences for Group businesses and business results.



■ Effects of concentration of logistics centers

We operate our own logistics centers, where logistics functions such as inspection, storage, sorting, and packing of our products are concentrated. For the most part, products under the Oisix brand are shipped to customers through our logistics center located in the city of Ebina, Kanagawa Prefecture. Those under the DWMK brand are shipped through a center located in the city of Narashino, Chiba Prefecture. If a natural disaster, fire, or other cause were to render either or both logistics centers unable to operate, potential consequences include inventory losses, shipping delay, and temporary suspension of services, which in turn would affect Group businesses and business results.

■ Issues related to food safety

We have established proprietary standards for the products handled for all our major brands. Whenever possible, we seek to offer produce grown without pesticides or chemical fertilizers. Our processed food products are made using the fewest possible additives. We have also established unique inspection systems for produce (including inspections of production sites and testing for residual pesticides) and processed food products (including use of third-party experts and independent institutions). We also strive to secure appropriate quality and safety that can be objectively demonstrated and evaluated through health and safety management guidance provided to suppliers and other means. Nevertheless, it remains possible that those who produce the products we offer may provide misleading or fraudulent labels regarding use of pesticides and similar matters or provide false quality information. Such cases could well lead to rebuke or penalties from regulators, customer complaints, and compensation for damages, in turn damaging the image of the Group's brands or leading to a loss of confidence in the Group and potentially affecting Group businesses and business results.

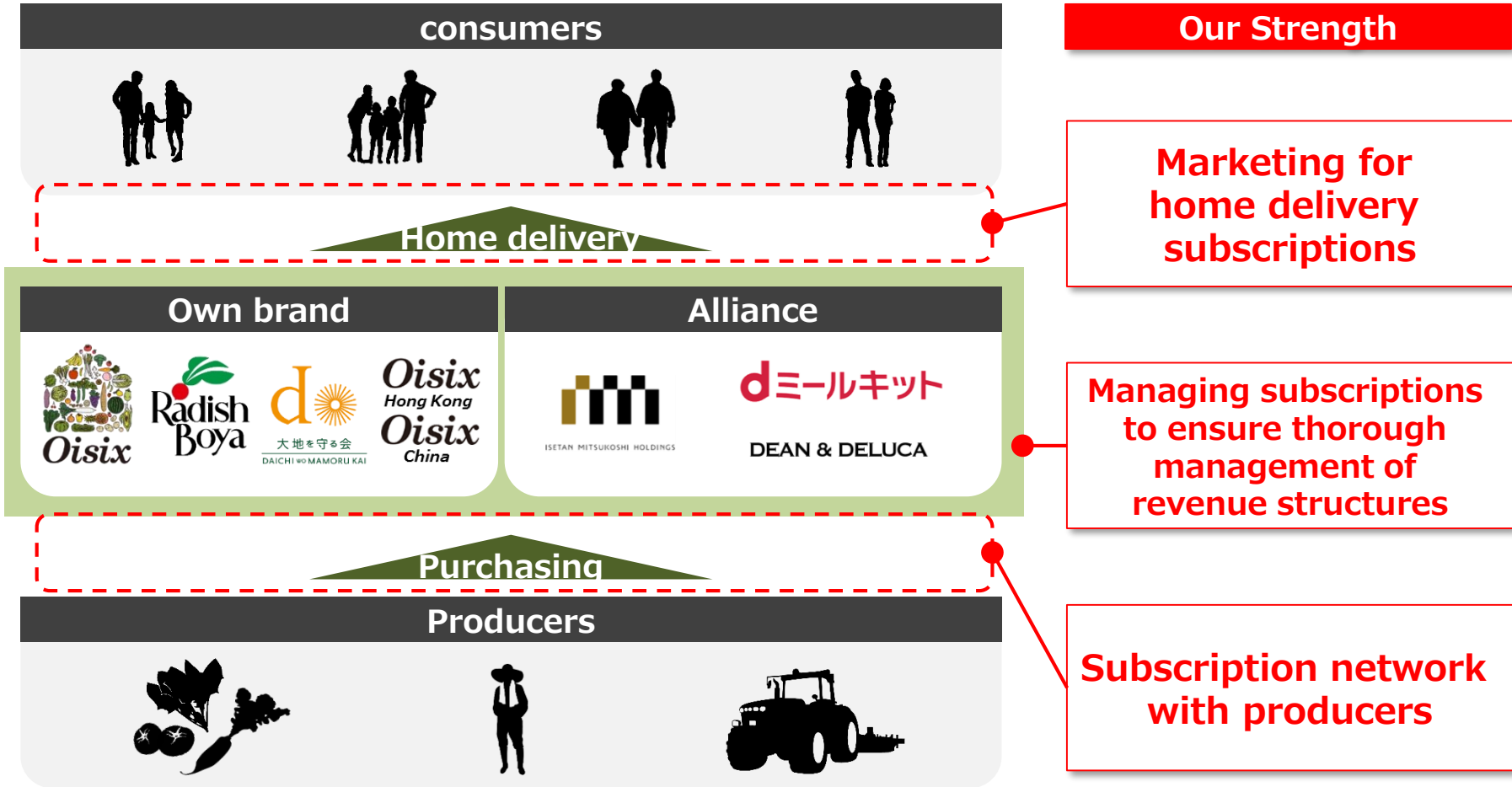
■ Effects of relationship with Yamato Transport Co., Ltd.

Most deliveries of the Group's products to subscribers are handled by Yamato Transport. While the Group strives to maintain a favorable ties to Yamato while building relationships with alternative delivery services, due to current conditions in the logistics business, if the Yamato Group were to demand a major increase in delivery fees or if transaction volumes between us were to shrink, the resulting changes may affect Group businesses and business results.



Our Subscription Model

Expanding our business areas to include alliances and marketing support for other companies based on subscription model strengths in our three home delivery brands.



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 our customers.

Working mothers with small children



Meals that can be boasted without taking time



Households who want to enjoy cooking



Self realization through Cooking



Senior women in two-person households



Easy feeling of health



Producers

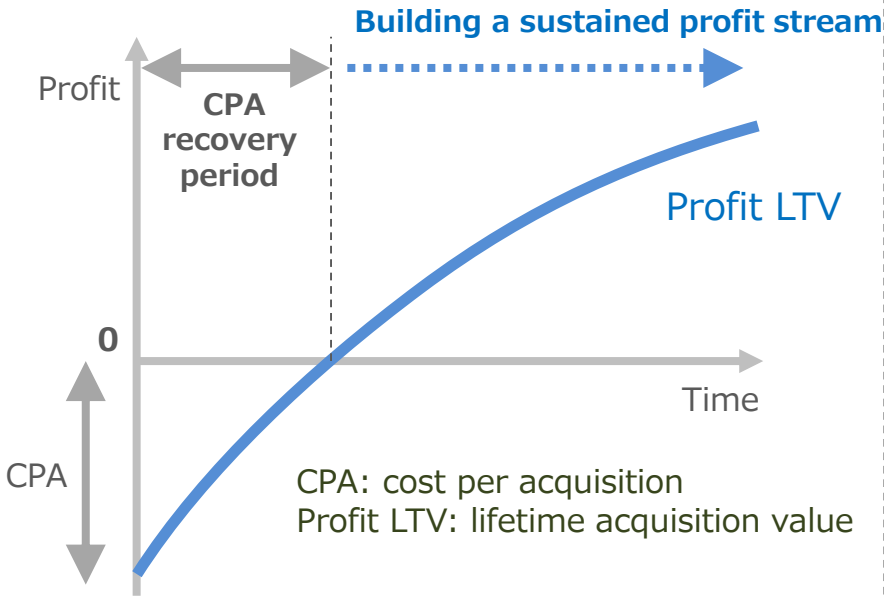


Subscription Management

Building a subscription model that generates sustained profits through rapid returns on investment to secure new customers and rigorous management of per delivery revenue and expenditures

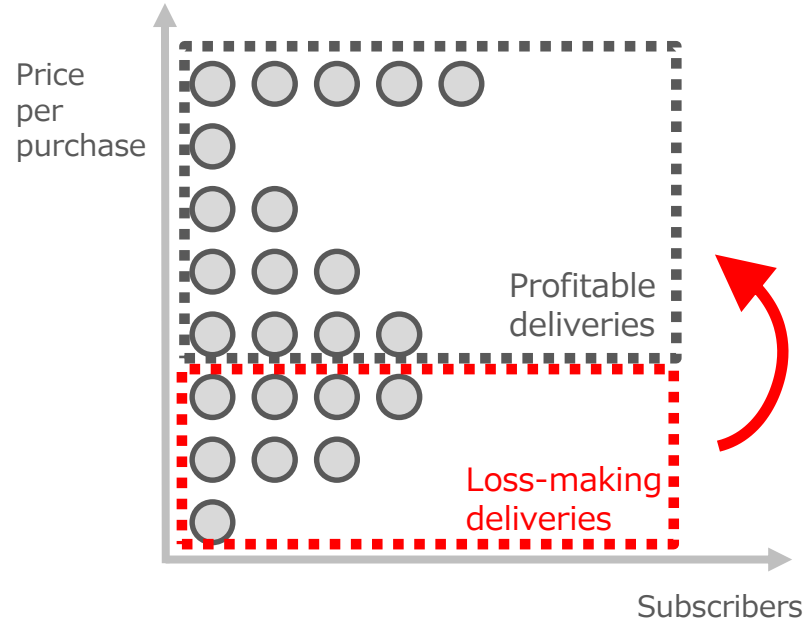
■ Rigorous CPA and LTV management

Setting a period to recoup CPA and rigorously managing CPA within this range



■ Rigorous management of unit revenues and expenditures

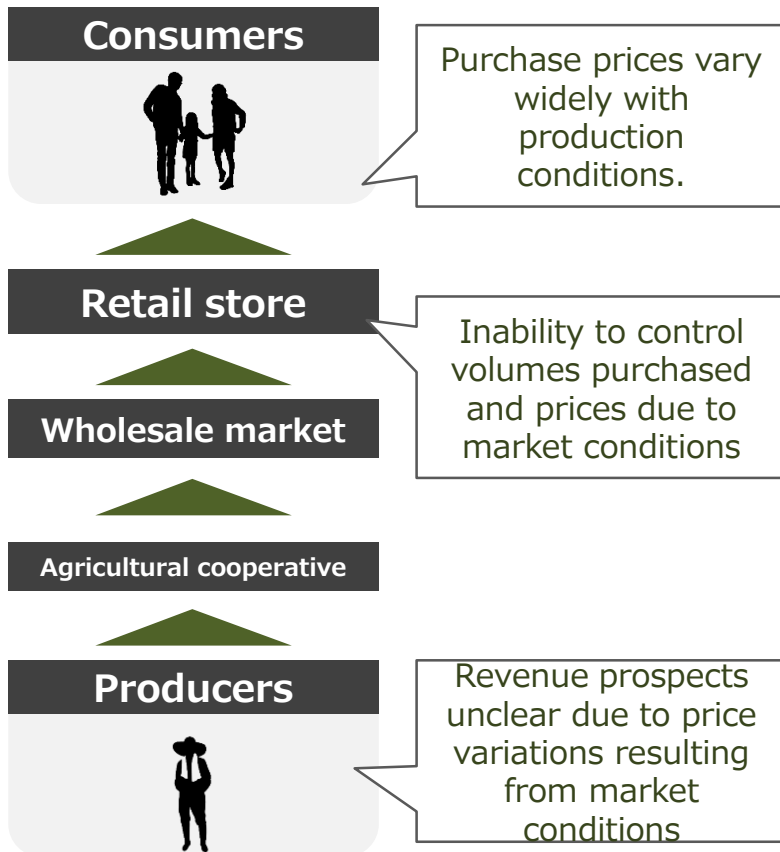
Making percentages of loss-making deliveries visible for each unit and reducing them structurally



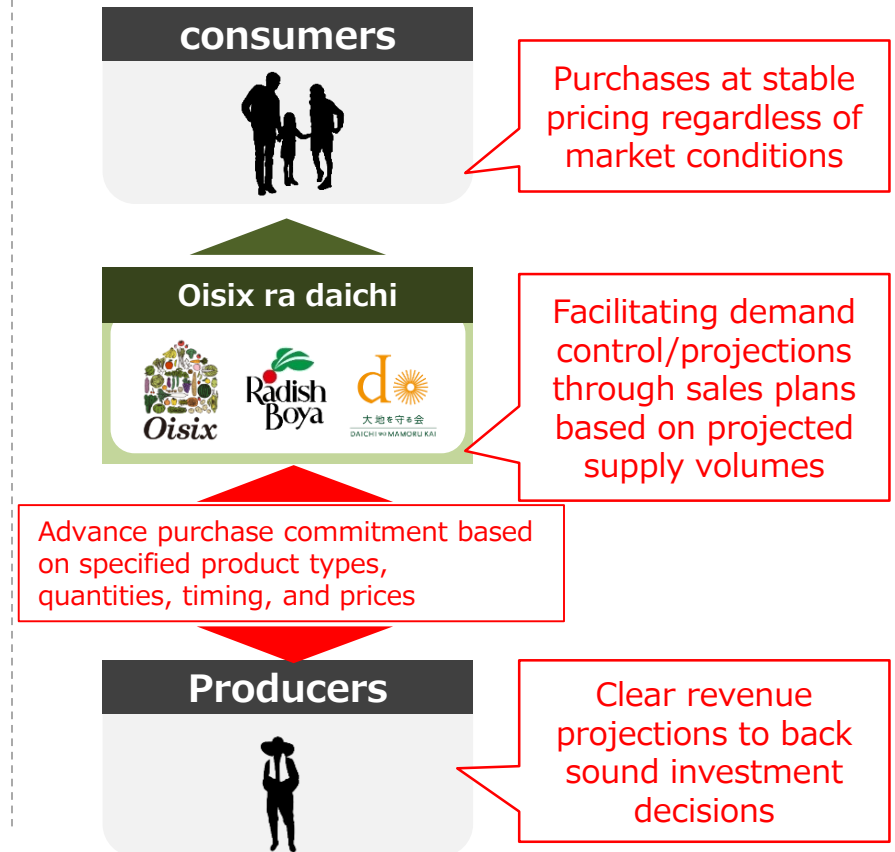
Subscription Network

Reducing risks and securing stable transactions through a subscription network based on 4,000 producers nationwide and procurement under transaction conditions arranged in advance

■ Typical distribution of agricultural products



■ Our efforts



Differences in the assets of the three brands



How to join

WEB mainly

WEB/
door-to-door sales

WEB mainly

How to order

WEB only

WEB/
Paper catalogs/
TEL

WEB/
Paper catalogs/
TEL

Logistics bases

4 place
in Kanagawa

4 places
in Hokkaido,
Tokyo, Kanagawa,
Osaka.

1 place
in Chiba

Last One Mile

Yamato trucks
approximately 99%

Our trucks
approximately 95%
(area around
Logistics bases)

Our trucks
approximately 80%
(area around
metropolitan area)

EC support

Utilizing the subscription know-how and assets that we have got in the domestic food delivery business, which is our strength, we develop the business of supporting other companies' EC

ISETAN
DOOR



DEAN & DELUCA



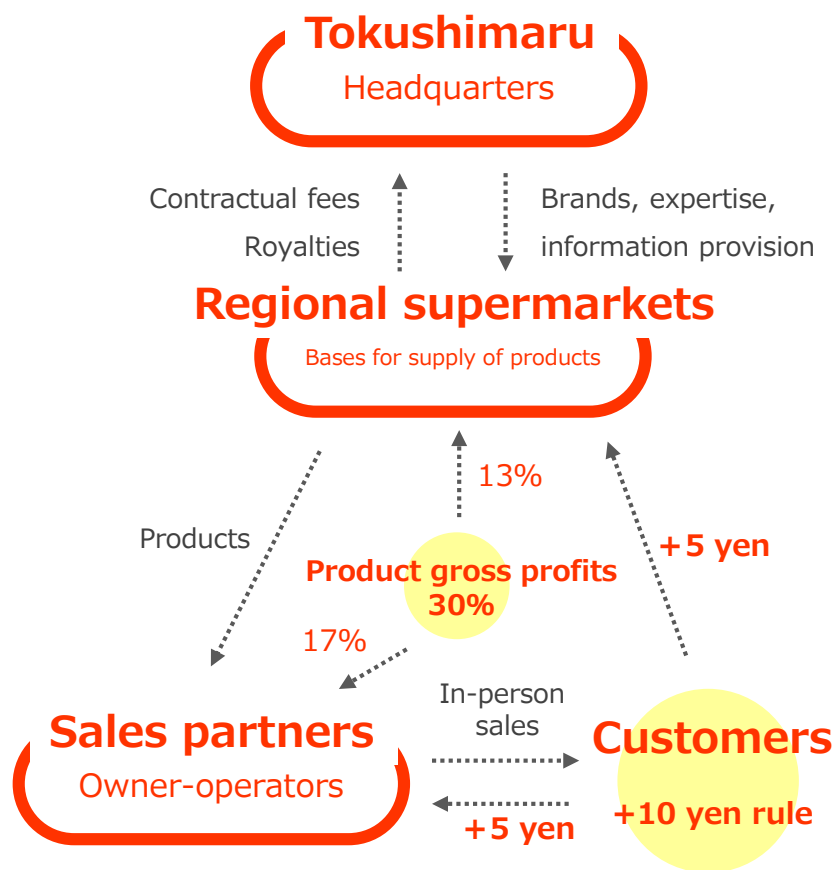
dミールキット powered by Oisix



“Tokushimaru” (subsidiary)

Offering mobile supermarkets for seniors and “shopping refugees” difficult to approach via the Internet

■ Business model



Overseas Home Delivery

Hong Kong / Shanghai: Aim to establish services that meet the needs of local Chinese consumers
 U.S.: Utilize management know-how in food subscription model for Purple Carrot

Oisix Shanghai



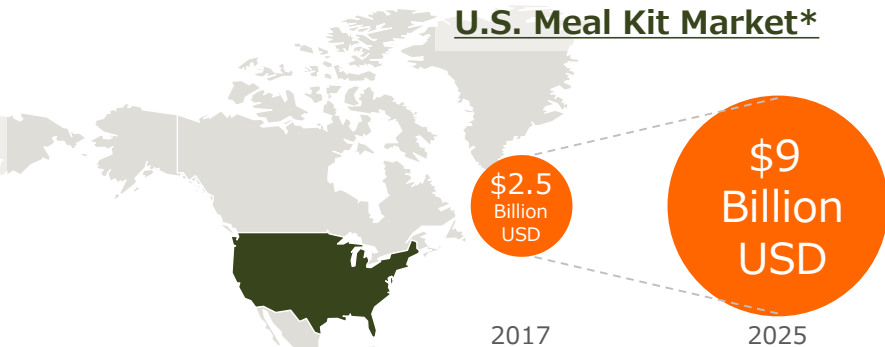
- ✓ Started the service in 2017. Grasp the needs to establish the subscription model for Chinese customers

Oisix Hong Kong



- ✓ Launched the service in Hong Kong in 2009. Cross-border delivery of Japanese products
- ✓ With the spread of coronavirus, both users and sales are dramatically increasing

U.S. Meal Kit Market*



Purple Carrot Business(U.S.)

Oisix ra daichi

PURPLE CARROT



- ✓ Global expansion of vegan food x Japanese food "Health Conscious Food" both in Asia and the U.S.
- ✓ Recognize consolidated from FY2020/3 Q3

* Hexa Research『Global Meal kit Delivery Service Market Size And Forecast, ByType (Fresh Food, Process Food) And Trend Analysis, 2015 - 2025』

Shop in Shop

Setting up booths for individual brands in the produce sections of partner supermarkets to sell produce and products that meet each brand's standards



Nursery School Wholesale (*suku-suku Oisix*)

The kindergarten wholesale business was launched in FY2015. Based on the Omakase Boya system that makes it possible to order ingredients for student meals based on menus, it provides support for kindergarten operations in both serving meals and nutrition.

Kindergarten




- ◆ Stable purchases of safe produce and processed food meeting strict standards
- ◆ A wide-ranging product lineup that eliminates the need for additional purchasing
- ◆ Full-time senior nutritionists develop unique menus for use by kindergartens; they also respond to requests for nutritional consultations.
- ◆ Easy ordering using a simplified Web form
- ◆ Simplified single supplier management

Ordering

Delivery on Requested date

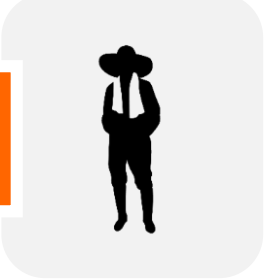
Oisix ra daichi

Omakase Boya system for receiving orders from kindergartens



Purchase

Producers



DATA SHEET : Results

■ Results

	2020/3				2021/3				2020/3
(mn yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Sales	16,265	32,552	52,425	71,040	23,132	47,567	74,790	100,061	27,911
Operating Profit	543	900	1,597	2,467	2,076	3,976	6,131	7,465	1,950
EBITDA	755	1,348	2,381	3,595	2,419	4,679	7,198	8,902	2,316
Net income Attributable to owners of the parent	270	390	695	790	1,184	2,452	3,900	5,031	1,293

DATA SHEET : Business Segment Result

■ Business Segment Result

		2020/3				2021/3				2022/3
(mn yen)		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Oisix	Sales	8,308	16,524	26,522	35,829	11,265	23,047	37,036	49,863	14,145
	Marginal profit	933	1,868	3,261	4,801	2,367	4,335	7,012	8,984	2,057
Daichi	Sales	2,587	5,137	7,936	10,541	3,636	7,094	10,761	13,978	3,314
	Marginal profit	457	885	1,397	1,889	724	1,368	2,160	2,751	663
Radish Boya	Sales	3,770	7,459	11,410	14,980	4,721	9,083	13,653	17,704	4,331
	Marginal profit	688	1,273	2,001	2,667	899	1,626	2,449	3,023	584
Purple Carrot	Sales	-	-	-	-	-	-	-	-	2,842
	Marginal profit	-	-	-	-	-	-	-	-	549
Other Business	Sales	1,663	3,529	6,383	9,497	3,601	8,522	13,600	18,922	3,373
	Marginal profit	256	557	656	846	391	1,038	1,599	2,320	427
Companywide fixed costs, Goodwill etc		1,792	3,683	5,719	7,736	2,305	4,391	7,089	9,655	2,329

Data Sheet : Main KPI

KPI trend

		2020/3				2021/3				2022/3
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Oisix	Subscribers (number)	221,612	226,187	230,393	239,837	252,303	274,929	285,168	308,899	333,850
	ARPU (yen)	11,095	10,634	11,379	11,745	13,822	12,986	13,106	13,042	12,891
	Price/purchase (yen)	5,884	5,840	6,055	6,166	6,748	6,201	6,315	6,215	6,098
	Purchase Frequency (number)	1.89	1.82	1.88	1.90	2.05	2.09	2.08	2.10	2.11
Daichi	Subscribers (number)	38,517	37,532	37,121	37,127	43,941	44,878	44,998	45,307	45,196
	ARPU (yen)	20,821	21,159	22,391	21,604	27,117	24,128	24,356	23,520	23,025
	Price/purchase (yen)	8,195	8,292	8,732	8,508	9,234	8,610	9,000	8,729	8,425
	Purchase Frequency (number)	2.54	2.55	2.56	2.54	2.94	2.80	2.71	2.69	2.73
Radish Boya	Subscribers (number)	61,009	59,400	58,528	56,935	62,515	61,822	61,518	62,751	65,320
	ARPU (yen)	18,202	17,926	19,659	18,621	23,189	20,884	21,000	20,259	20,188
	Price/purchase (yen)	6,055	6,060	6,398	6,206	7,028	6,373	6,696	6,441	6,402
	Purchase Frequency (number)	3.01	2.96	3.07	3.00	3.30	3.28	3.14	3.15	3.15

Disclaimers

◆ 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