

(2) Financial Position

Fiscal Year Ended	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
March 31, 2022	52,634	23,872	42.0	605.63
March 31, 2021	38,360	19,991	49.8	522.62

(Reference)

Shareholders' equity (million yen):

As of March 31, 2022 : 22,132 As of March 31, 2021 : 19,090

(3) Cash Flow

Fiscal Year Ended	Operating Activities	Investing Activities	Financing Activities	Cash and Cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
March 31, 2022	924	- 4,110	636	13,033
March 31, 2021	8,819	- 2,780	1,894	15,552

2. Dividends

Fiscal Year ended or ending	Dividend per Share					Amounts of Dividend (total)	Dividend Ratio	Dividend on Equity
	1Q	2Q	3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
March 31, 2021	—	0.00	—	0.00	0.00	—	—	—
March 31, 2022	—	0.00	—	0.00	0.00	—	—	—
March 31, 2023 (Forecast)	—	0.00	—	0.00	0.00	—	—	—

3. Forecast for the Fiscal Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages represent year-on-year changes)

	Net Sales		Operating Income		EBITDA		Net Income		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	120,000	5.7	4,500	7.9	6,500	4.6	2,5	△8.3	68.41

(Note)

EBITDA stands for earnings before depreciation and amortisation.

*** Notes**

(1) Significant changes in scope of consolidation

(Changes of specific subsidiaries in accordance with changes in the scope of consolidation):

Yes

Newly consolidated: One company

Future Food Lab Inc.

(2) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards:

Yes

2) Changes in accounting policies other than 1) above:

None

3) Changes in accounting estimates:

None

4) Restatements:

None

(3) Number of shares issued (common shares)

1) Number of shares issued (including treasury stock):

As of March 31, 2022	38,014,892shares
As of March 31, 2021	37,998,908shares

2) Number of treasury stocks:

As of March 31, 2022	1,469,831shares
As of March 31, 2021	1,469,655shares

3) Number of average shares during the period:

Fiscal year ended March 31, 2022	36,542,689shares
Fiscal year ended March 31, 2021	37,615,348shares

(Reference)

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021
(from April 1, 2020 to March 31, 2021)**

(1) Operating Results

(% of change from previous year)

Fiscal Year Ended	Net Sales		Operating Income		Ordinary income		Net Income*2	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	101,541	12.4	4,009	△45.3	4,036	△45.4	2,544	△44.2
March 31, 2021	90,349	32.8	7,323	151.7	7,397	148.6	4,563	292.0

Fiscal Year Ended	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
March 31, 2022	69.64	69.60
March 31, 2021	121.33	121.12

(2) Financial Position

Fiscal Year Ended	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
March 31, 2022	48,624	21,821	44.9	597.12
March 31, 2021	35,350	19,271	54.5	527.56

(Reference)

Shareholders' equity(million yen) As of March 31, 2022 : 21,821 As of March 31, 2021 : 19,271

* This financial report is outside the scope of the audit by certified public accountants or auditing firms.

* Explanation of the proper use of forecast and other notes

The forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. They are not intended as the Company's commitment to achieve such forecasts, and actual results may differ significantly from these forecasts due to a wide range of factors.

1. Overview

(1) Overview of Results for the Fiscal Year under Review

The economic impact of COVID-19 on Japan's economy was significant during the previous fiscal year and remained so during the consolidated fiscal year under review. However, as of H2 of the fiscal year, due to the improvements in the rate of vaccination and other factors, dining out and other leisure activities gradually returned, coinciding with a change in consumer trends and consumption. In addition to lifestyle changes such as remote work becoming a mainstay, the speed of the e-commerce market expansion is accelerating, and consumer demand for food delivery continues to be bullish.

In such an environment, Oisix ra daichi, as a food infrastructure company, has worked to ensure stable shipment capacity and product supply chain. In addition, we proposed products and services in line with consumers' new needs, such as their "heightened awareness of general and immune health" and the "increased frequency and number of meals at home", which has influenced dramatic changes to the way our customers eat at home. In accordance, we have prioritized responding to changes in our customers' lifestyles.

In addition, to achieve our goal of "strengthening the growth and profitability of the domestic (Japanese) home delivery business," which is an important key in our management strategy, we (1) evolved our customer experience, (2) worked on low-cost operations, and (3) increased our efforts to reduce food loss and greenhouse gases to become a more sustainable retailer.

As a result,

Net sales : 113,476mn yen (YoY +13.4%)

Operating income : 4,171mn yen (YoY Δ 44.1%)

EBITDA : 6,216mn yen (YoY Δ 30.2%)

Net income Attributable to owners of the parent : 2,727mn yen (YoY Δ 45.8%)

1) Home Delivery Business (Oisix)

Oisix primarily conducts direct-to-consumer sales of foodstuffs via e-commerce and has a customer focus on dual-income, child-raising generations. Oisix provides products and services that realize premium-based time savings.

Compared to the initial forecast, both sales and segment income were steadily increasing in terms of membership and ARPU. However, due to complications related to the relocation to the new distribution center that occurred during Q4, both sales and profits experienced a loss of 1- 1.5 billion yen. Yet, the number of subscribers increased from 308,899 at the end of the previous fiscal year (end of Mar. 2021) to 346,083 at the end of the current fiscal year (end of Mar. 2022), an increase of approximately 37 thousand.

As a result of these factors, the business results for the fiscal year under review were as follows.

Net sales : 58,546mn yen (YoY +17.4%)

Segment profit : 7,036mn yen (YoY Δ 21.7%)

2) Home Delivery Business (Daichi wo Mamoru kai)

Daichi wo Mamoru kai, which predominately sells foodstuffs directly through catalogs as well as e-commerce, focuses on seniors' 2-person household consumer segment.

We are developing and refining new services in accordance with the customer segment's needs, based on the concept of "easy and healthy dietary lifestyles."

In the current fiscal year, we are taking on the challenge of acquiring new customers using the "Maru Gohan", (meal planning course), which makes it easy for senior households to realize their health goals.

The number of subscribers increased slightly from 45,307 at the end of the previous fiscal year (end of Mar. 2021) to 45,534 at the end of the current fiscal year (end of Mar. 2022).

Daichi wo Mamoru kai experienced normalization of sales and segment income as compared to the previous fiscal year, which was marked by an irregular increase relating to Covid-19.

In counterbalance, ARPU progressed steadily compared to assumptions made in the initial forecast due to measures such as strengthening the development of products and services.

As a result of these factors, the business results for the fiscal year under review were as follows.

Net sales : 13,240mn yen (YoY Δ 5.3%)

Segment profit : 2,270mn yen (YoY Δ 5.5%)

3) Home Delivery Business (Radish Boya)

Radish Boya, which mainly sells foodstuffs directly through catalogs and e-commerce, offers products to households who desire to contribute to society through cooking. As such we are developing products and services such as “*Fuzoroi Radish*, (Irregular Radish).

The number of subscribers increased from 62,751 at the end of the previous fiscal year (end of Mar. 2021) to 65,093 at the end of the current fiscal year (end of Mar. 2022) as new acquisitions were strong, particularly in H1.

Compared to the exceptional increase due to the impact of COVID-19 in the previous fiscal year, sales and segment income decreased, although ARPU progressed steadily compared to the assumptions made in the initial forecast due to measures including strengthening the development of products and services.

As a result of these factors, the business results for the fiscal year under review were as follows.

Net sales : 17,432mn yen (YoY Δ 1.5%)

Segment profit : 2,429mn yen (YoY Δ 19.7%)

4) Home Delivery Business (Purple Carrot)

The U.S. Purple Carrot home delivery business specializes in the sales of plant-based meal kits. During the current fiscal year, in correspondence to the easing of COVID-19 related restrictions in the U. S. and the resumption of economic activity, consumer purchasing has returned to physical retail stores, as reflected by a decrease in subscribers compared to the end of the previous fiscal year.

However, compared to the initial forecast the reduction was limited, and both net sales and segment income increased from the previous fiscal year.

As a result of these factors, the business results for the fiscal year under review were as follows.

Net sales : 10,208mn yen (YoY +17.3%)

Segment profit : 387mn yen (YoY +53.4%)

5) Other businesses

The Other Business segment is comprised of the Solutions Business, Store Business, International Business (excluding Purple Carrot), and Wholesale Business.

The Solutions Business including e-commerce support for other companies (ISETAN DOOR and D-Meal Kits) is performing well.

In addition, the performance of the wholesale business of “SinS”, shop-in-shop, and nursery school wholesale, which were negatively affected by COVID-19 in the previous fiscal year, recovered and flourished. As a result, both net sales and segment income increased significantly overall.

As a result of these factors, the business results for the fiscal year under review were as follows.

Net sales : 14,578mn yen (YoY +42.6%)

Segment profit : 1,416mn yen (YoY Δ 3.9%)

(2) Future Outlook

Regarding the future outlook, due to the global prevalence of COVID-19, sales from food delivery services continue to be strong at the present.

However, after overcoming the pandemic phase, there are concerns regarding the trend of an economic slowdown due to the stagnation of consumer sentiment in Japan.

We anticipate the environment surrounding our business, such as the way meals are enjoyed at home, will also change, which will likely have an impact on our business results.

Furthermore, the global movement toward the actualization of a sustainable society is accelerating, and as a company that supports food infrastructure, we foresee the increasing importance to realize such a sustainable food system.

Under such circumstances, where consumers are facing dramatic changes in their lifestyles in response to the pervasiveness of COVID-19, we will strengthen our new value propositions related to food, including creating unique products and experiences that can only be satisfied by our services.

Regarding sustainability, we will also make efforts to reduce greenhouse gas emissions and further reduce food loss. Through these initiatives, we aim to establish a position and achieve high growth as a leading brand in the high-value-added food market and the food delivery market using e-commerce.

In the following fiscal year (the fiscal year ending Mar. 2023), we will strengthen our value proposition by refining our existing services, centered around Kit Oisix, creating new value to offer, such as “Patto Oisix”, (Quick Oisix) and shifting the entire service to become more sustainable.

To improve profitability, we will work to streamline the logistics process through the operation of the new Oisix Ebina Station which was relocated in Jan. 2022, and will quickly implement cost-cutting initiatives through the operation of the Food Rescue Center.

In light of the above conditions, in the forecast for the next consolidated fiscal year (ending Mar. 31, 2023), We expect,

Net sales : 120,000mn yen (YoY +5.7%)

Operating income : 4,500mn yen (YoY +7.9%)

EBITDA : 6,500mn yen (YoY +4.6%)

Net income Attributable to owners of the parent : 2,500mn yen (YoY Δ8.3%)

We disclose business results through EBITDA (operating income + depreciation and amortization + amortization of goodwill) in order to properly represent the status of cash income and expenditures generated by the business, considering the impact of amortization of goodwill (non-cash expenses) on business results.

The above forecasts may fluctuate depending on the development of COVID-19. We will promptly announce any matters that need to be disclosed in the future.

	2022.3(Result)	2023.3(Forecast)	YoY
Net sales	113,476	120,000	5.7
Operating income	4,171	4,500	7.9
EBITDA	6,216	6,500	4.6
Net income Attributable to owners of the parent	2,727	2,500	Δ8.3
EBITDA per share	170.12	177.86	-
Net income per share	74.64	68.41	-

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	※ 2 15,580	※ 2 13,071
Accounts receivable - trade	8,485	8,964
Merchandise and finished goods	1,730	1,950
Work in process	85	83
Raw materials and supplies	422	532
Accounts receivable - other	2,789	2,927
Other	412	1,217
Allowance for doubtful accounts	△205	△232
Total current assets	29,301	28,514
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,333	2,018
Accumulated depreciation	△683	△771
Buildings and structures, net	650	1,247
Machinery, equipment and vehicles	1,125	2,651
Accumulated depreciation	△619	△492
Machinery, equipment and vehicles, net	506	2,158
Leased assets	500	13,266
Accumulated depreciation	△457	△936
Leased assets, net	43	12,330
Other	1,310	1,067
Accumulated depreciation	△276	△320
Other, net	1,034	747
Total property, plant and equipment	2,234	16,482
Intangible assets		
Goodwill	1,698	1,261
Other	2,064	2,271
Total intangible assets	3,763	3,533
Investments and other assets		
Investment securities	1,217	1,796
Leasehold and guarantee deposits	943	1,513
Deferred tax assets	813	656
Other	87	137
Total investments and other assets	3,062	4,103
Total non-current assets	9,059	24,119
Total assets	38,360	52,634

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	6,173	6,188
Short-term borrowings	1,040	1,010
Current portion of long-term borrowings	9	39
Lease liabilities	25	692
Accounts payable - other	6,178	5,855
Income taxes payable	2,292	226
Contract liabilities	—	250
Provision for point card certificates	279	151
Other	1,541	1,501
Total current liabilities	17,540	15,914
Non-current liabilities		
Long-term borrowings	245	101
Lease liabilities	30	11,956
Provision for retirement benefits for directors (and other officers)	6	8
Asset retirement obligations	325	561
Deferred tax liabilities	13	29
Other	206	190
Total non-current liabilities	828	12,847
Total liabilities	18,369	28,762
Net assets		
Shareholders' equity		
Share capital	3,993	3,994
Capital surplus	8,014	8,015
Retained earnings	11,718	14,448
Treasury shares	△4,502	△4,503
Total shareholders' equity	19,223	21,954
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25	16
Foreign currency translation adjustment	△158	160
Total accumulated other comprehensive income	△133	177
Non-controlling interests	900	1,739
Total net assets	19,991	23,872
Total liabilities and net assets	38,360	52,634

(2) Consolidated Statement of Income

(Millions of yen)

	Period ended March 31, 2021	Period ended March 31, 2022
Net sales	100,061	113,476
Cost of sales	49,439	58,921
Gross profit	50,622	54,555
Selling, general and administrative expenses	43,156	50,383
Operating profit	7,465	4,171
Non-operating income		
Interest income	0	0
Dividend income	0	0
Reversal of long-term deposits received	5	6
Compensation income	21	16
Material recycling revenue	6	6
Revocation gains of gift cards	1	1
Recoveries of written off receivables	12	24
Subsidy income	6	43
Other	37	34
Total non-operating income	92	134
Non-operating expenses		
Interest expenses	24	93
Foreign exchange losses	16	14
Share issuance costs	17	—
Loss of compensation	—	18
Share of loss of entities accounted for using equity method	448	15
Provision of allowance for doubtful accounts	6	—
Other	5	10
Total non-operating expenses	520	152
Ordinary profit	7,037	4,153
Extraordinary income		
Gain on extinguishment of debt	—	223
Total extraordinary income	—	223
Extraordinary losses		
Impairment losses	20	9
Loss on valuation of investment securities	25	9
Total extraordinary losses	46	18
Profit before income taxes	6,991	4,358
Income taxes - current	2,506	1,494
Income taxes - deferred	△488	205
Total income taxes	2,018	1,700
Profit	4,973	2,657
Profit attributable to non-controlling interests	△57	△69
Profit attributable to owners of parent	5,031	2,727

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Period ended March 31, 2021	Period ended March 31, 2022
Profit	4,973	2,657
Other comprehensive income		
Valuation difference on available-for-sale securities	23	△1
Foreign currency translation adjustment	△119	319
Share of other comprehensive income of entities accounted for using equity method	22	△7
Total other comprehensive income	△72	310
Comprehensive income	4,901	2,968
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,958	3,038
Comprehensive income attributable to non-controlling interests	△57	△69

(4) Consolidated Statement of Changes in Shareholders' Equity
 Period ended March 31, 2022

(Millions of
 yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,993	8,014	11,718	△4,502	19,223
Cumulative effects of changes in accounting policies			1		1
Restated balance	3,993	8,014	11,720	△4,502	19,225
Changes during period					
Issuance of new shares	1	1			2
Profit attributable to owners of parent			2,727		2,727
Purchase of treasury shares				△0	△0
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes in items other than shareholders' equity					
Total changes during period	1	1	2,727	△0	2,729
Balance at end of period	3,994	8,015	14,448	△4,503	21,954

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	25	△158	△133	900	19,991
Cumulative effects of changes in accounting policies					1
Restated balance	25	△158	△133	900	19,993
Changes during period					
Issuance of new shares					2
Profit attributable to owners of parent					2,727
Purchase of treasury shares					△0
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes in items other than shareholders' equity	△8	319	310	838	1,149
Total changes during period	△8	319	310	838	3,878
Balance at end of period	16	160	177	1,739	23,872

(4) Consolidated Statement of Cash Flow

(Millions of yen)

	Period ended March 31, 2021	Period ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	6,991	4,358
Depreciation	837	1,465
Amortization of goodwill	598	577
Impairment losses	20	9
Gain on extinguishment of debt	—	△223
Loss (gain) on valuation of investment securities	25	9
Increase (decrease) in allowance for doubtful accounts	△28	27
Interest and dividend income	△0	△0
Interest expenses	24	93
Foreign exchange losses (gains)	△1	2
Share of loss (profit) of entities accounted for using equity method	448	15
Decrease (increase) in trade receivables	△1,611	△461
Decrease (increase) in accounts receivable - other	△798	△137
Decrease(increase)accrued consumption tax refund	—	△367
Decrease (increase) in inventories	△565	△299
Increase (decrease) in trade payables	1,189	△38
Increase (decrease) in accounts payable - other	1,901	△396
Increase (decrease) in contract liabilities	—	250
Increase (decrease) in accrued expenses	260	56
Other, net	491	△451
Subtotal	9,784	4,487
Interest and dividends received	0	0
Interest paid	△24	△61
Income taxes paid	△940	△3,501
Net cash provided by (used in) operating activities	8,819	924
Cash flows from investing activities		
Purchase of property, plant and equipment	△1,026	△2,199
Purchase of intangible assets	△845	△673
Purchase of investment securities	△835	△648
Proceeds from sale of investment securities	10	—
Purchase of shares of subsidiaries and associates	△9	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	64	※2 —
Payments of leasehold and guarantee deposits	△140	△575
Proceeds from refund of leasehold and guarantee deposits	8	4
Payments for asset retirement obligations	—	△7
Other, net	△5	△9
Net cash provided by (used in) investing activities	△2,780	△4,110

Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,000	10
Proceeds from long-term borrowings	93	—
Repayments of long-term borrowings	△6	△61
Proceeds from issuance of shares	4,586	2
Proceeds from share issuance to non-controlling shareholders	750	900
Purchase of treasury shares	△4,500	△0
Repayments of lease liabilities	△27	△213
Net cash provided by (used in) financing activities	1,894	636
Effect of exchange rate change on cash and cash equivalents	△35	30
Net increase (decrease) in cash and cash equivalents	7,898	△2,519
Cash and cash equivalents at beginning of period	7,654	15,552
Cash and cash equivalents at end of period	※ 1 15,552	※ 1 13,033