



2023.3 Q1 Results Explanatory Materials

Oisix ra daichi Inc.

2022.8.10

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.

1. 2023/3 Q1 Achievements

1-1. Consolidated Financial Results

1-2. Strategy and Progress for 2022.3

1-3. Results on Business Segment

2. Acquisition of Shares of SHiDAX

3. ESG Topics

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1. 2023.3 Q1 Achievements

1-1. Consolidated Financial Results

1-2. Strategy and Progress for 2022.3

1-3. Results on Business Segment

1-1. Achievements

Executive Summary

-2023.3 Q1 Results

Sales

Q1 sales were in line with initial forecast. With the lifting of behavioral restrictions, changes in the post-COVID-19 environment have accelerated resulting in a gradual worsening of churn rates and ARPU. However, versus pre-COVID-19 levels, they remain at elevated levels.

◆ 3 home delivery business

- ✓ Subscribers : Subscriber churn is seen to return to levels seen prior to COVID-19. New customer acquisitions, however, grew moderately YoY owing to curtailment of PR expenses previous term. Net subscriptions were roughly +4,500 (versus end-March). (Net increase of approx. +3,000 for 3 brands)
- ✓ ARPU : Gradual decline after surging and peaking in Q1 2021.3 on the back of COVID-19. ARPU came in at ▲5% YoY (+4%~+11% versus pre-COVID-19) but all three of the major brands exceeded initial forecasts.

EBITDA

Whilst EBITDA fell YoY versus inflated COVID-19 driven profitability last year, thanks to new Ebina Station (distribution Center) firm recovery **it was higher than initial forecast.**

◆ 3 home delivery business

- ✓ Profitability fell YoY reflecting an inflated EBITDA margin over the past 2 years on high unit purchase prices.
- ✓ New Ebina Station (Oisix's distribution center), having overcome some issues, is now on a firm recovery and distribution costs have improved.

◆ Other Business

- ✓ Purple Carrot (U.S.) posted a loss in line with forecast reflecting lower sales, the impact of inflation on the company's profit structure, and the depreciation of the yen.

2023.3 Q1 Achievements

Sales : Developments in AfterCOVID-19 , such as the lifting of action restrictions, have accelerated, and the churn rate and ARPU are returning to pre-COVID-19 levels, **largely in line with initial forecasts.**

EBITDA : Whilst EBITDA fell YoY versus inflated COVID-19 driven profitability last year, it was **higher than initial forecast.** With recovery efforts at the new logistics center progressing smoothly, Returned to profitability from a quarterly loss Q4 the previous fiscal year.

Sales

27.90bn yen
(YoY - 0%)

EBITDA

1.49bn yen
(YoY - 35%)

Operating
Income

0.96bn yen
(YoY - 51%)

Net
income
Attributable to
owners of the
parent

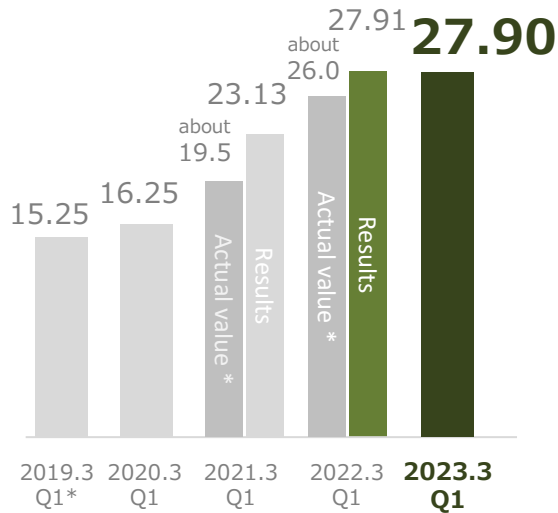
0.58bn yen
(YoY - 55%)

Consolidated Results Overview

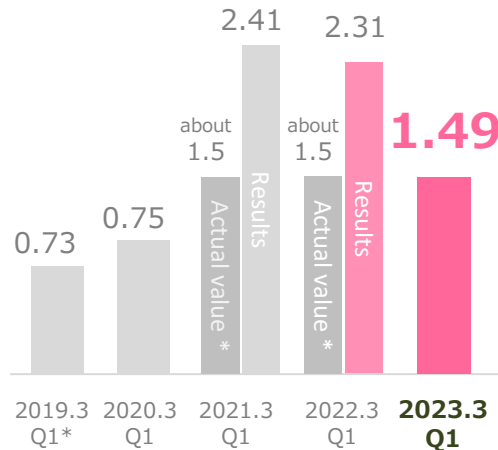
*(Note) Calculation of ARPU assumption.
To eliminate the one-off boost effects of COVID-19 on ARPU, we assume ARPU to be equal to 2020.3 or the level posted before COVID-19.

Whilst ARPU fell YoY, **sales were flat supported** by subscriptions that grew by 15K for the three brands. Whilst EBITDA fell YoY reflecting a difficult comparison against a one-off increase in profit margins last year as well as the impact of inflation on margins in the US business along with the weaker Yen, **adjusted real EBITDA, excluding the impact of COVID-19, was flat.**

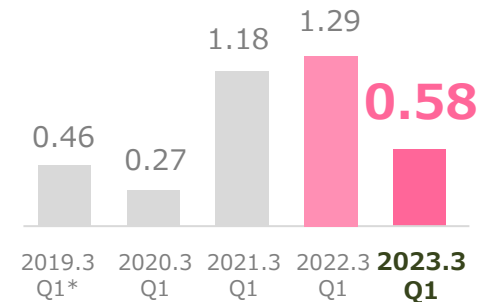
Sales



EBITDA



Attributable to owners of the parent
Net income

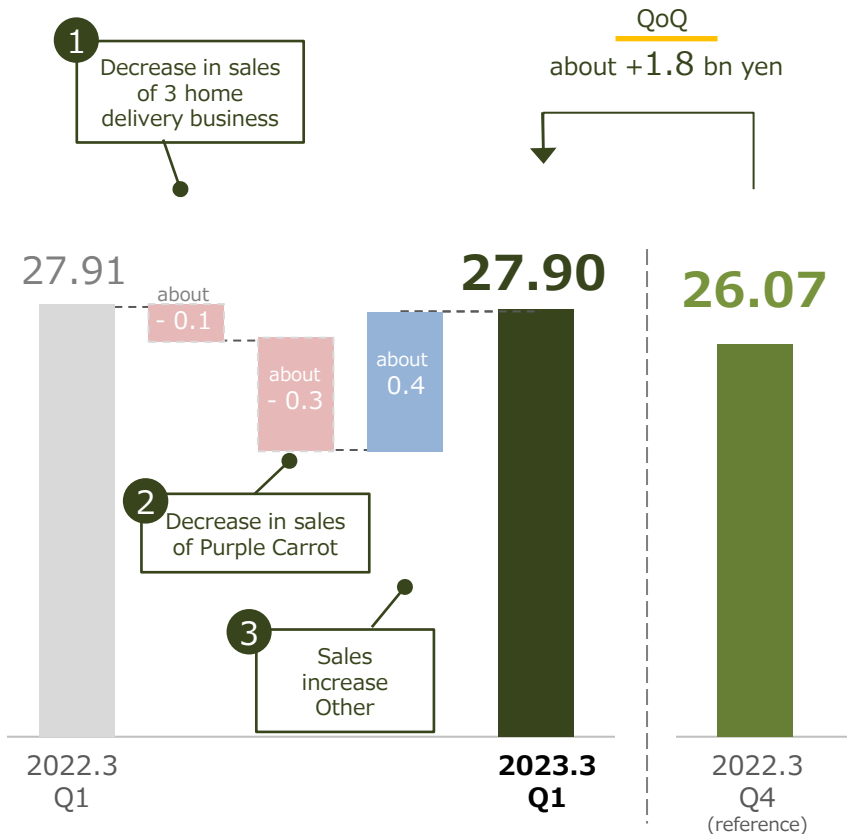


(bn yen)

YoY : Sales

Domestic home delivery business centered on Oisix increased by approx. 15,000 subscribers YoY
 Relative to inflated COVID-19 driven performance last year, ARPU declined YoY.
 And as a result, **we were in line with initial forecasts.**

- Sales (bn yen)



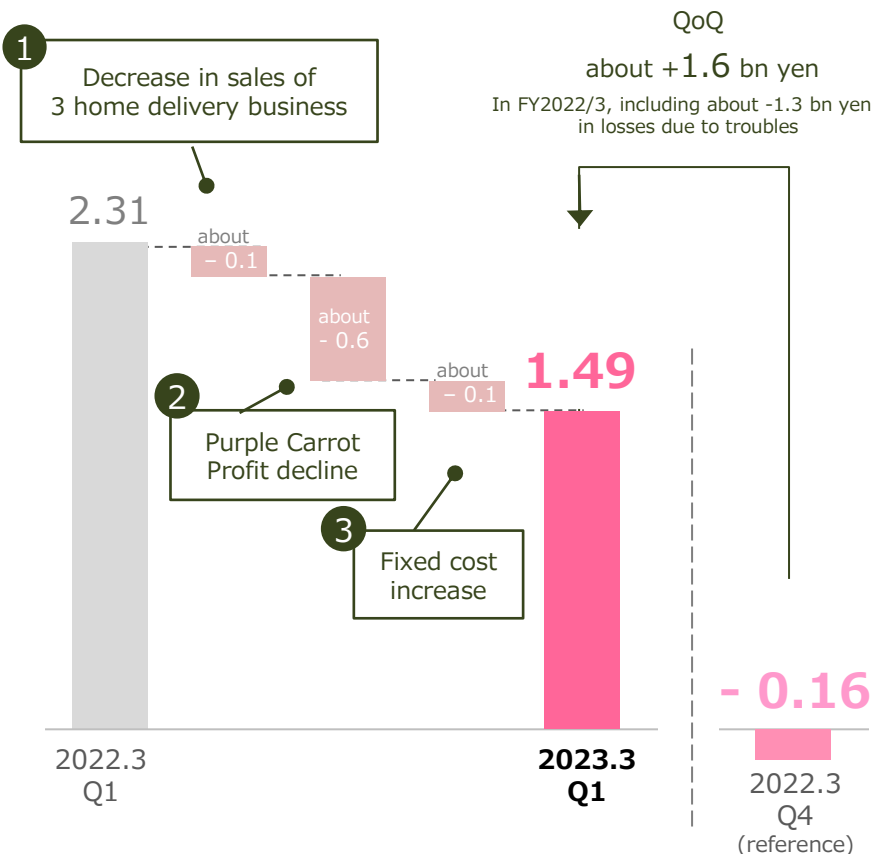
Breakdown

- 1 Decrease in sales of 3 home delivery business**
 : about **-0.1**bn yen
- 2 Decrease in sales of Purple Carrot**
 : about **-0.3**bn yen
 • Downward trend in Subscriber after peaking in the previous Q1
- 3 Sales increase of Other**
 : about **+0.4** bn yen
 • EC support
 • Kindergarten wholesale
 • Hong Kong/ Shanghai
 • Consolidated subsidiaries

YoY : EBITDA

EBITDA fell owing to the negative repercussion effect of COVID-19 driven inflated profitability last year. Purple Carrot (US) meanwhile, saw a large decline in profits relative to the record highs posted last year. With recovery efforts at the new logistics center progressing smoothly, returned to profitability from a quarterly loss Q4 the previous fiscal year.

-EBITDA (bn yen)



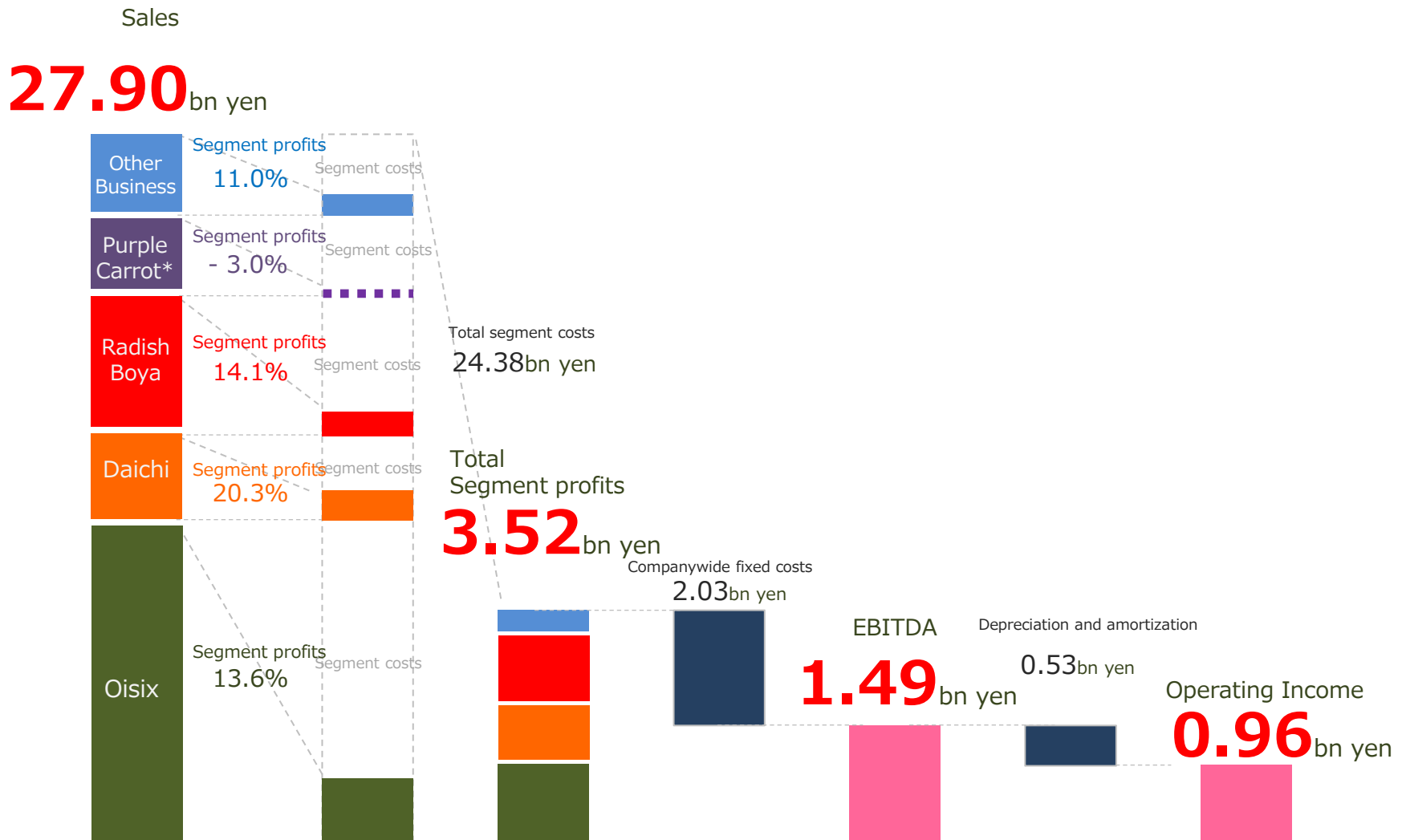
Breakdown

- 1 Decrease in profit due to lower sales in the three home delivery businesses**
 : about - **0.1** bn yen
- 2 Purple Carrot (U.S) Reaching a deficit**
 : about - **0.6** bn yen
 (2022.3 Q4 +0.5bn yen⇒2023.3 1Q : -0.1bn yen)
 • Loss in the current fiscal year due to the impact of inflation in addition to the decrease in sales
- 3 Companywide fixed costs increase**
 : about - **0.1** bn yen
 • Preparatory expenses for renewal of system infrastructure (enhancement of speed and data utilization).
 • Strengthening personnel for business enhancement and expansion

Business segment Results

	Sales	Segment profit*	Overview
Oisix	14.39 bn yen (YoY +2%)	1.95 bn yen (YoY - 5%)	<ul style="list-style-type: none"> •In subscribers increased by about 17,000 YoY. Subscriber churn is seen to return to levels seen prior to COVID-19. New customer acquisitions, however, grew moderately YoY owing to curtailment of PR expenses previous term. • ARPU was maintained at a level of -5% YoY despite lifestyle changes concomitant with increased opportunities to go out.
Daichi	3.07 bn yen (YoY - 7%)	0.62 bn yen (YoY - 6%)	<ul style="list-style-type: none"> •We continue to experiment with the development of new subscriber acquisition methods. Net decrease both YoY and Q4-end due to insufficient promotional efforts •Unit purchase prices have been gradually settling down due to lifestyle changes, ARPU came in at -4% YoY but exceeded initial forecasts.
Radish Boya	4.19 bn yen (YoY - 3%)	0.59 bn yen (YoY +1%)	<ul style="list-style-type: none"> •Subscribers remained almost unchanged from the same period of the previous fiscal year. Whilst the churn rate worsened in Q1 reflecting the lifting of behavioral restrictions and revisions to delivery fees aimed at enhancing profitability, subscriptions managed a slight increase. •ARPU came in at -6% YoY but exceeded initial forecasts.
Purple Carrot* (Results for Jan to Mar)	2.58 bn yen (YoY - 9%)	-0.07 bn yen (YoY -0.62bn yen)	<ul style="list-style-type: none"> •Sales increased QoQ reflecting seasonal factors. The overall trend, however, is seen to be downward in the post-COVID-19 environment. •Profits are posted a loss in line with forecast reflecting lower sales, the impact of inflation on the company's profit structure, and the depreciation of the yen.
Other Business*	3.96 bn yen (YoY +18%)	0.43 bn yen (YoY +3%)	<ul style="list-style-type: none"> •The EC Support business continued to grow on membership increases. •The Nursery School Wholesale business has implemented measures to expand the business partner base as well as to develop meal kits for commercial use. •Hong Kong and Shanghai continue to develop localized products and services

Business segment Results Overview



1-2. Strategy and Progress for 2022.3

Strategy and Progress for 2022.3

Our strategy is to work on a set of priority themes each half year.

1H: The highest priority on improve profitability in new Ebina Station (new distribution center).

2H: Resumption of growth investments such as promotions

Entering profitability : Earnings-wise, recovery plans were underway at New Ebina Station and logistical costs were 1ppt improvement in June(versus end-March). **The Kit manufacturing plant and the Food Rescue Center began operations in July.**

Strengthen value proposition : We are making steady progress in development of products/services that enhance our specialty value proposition.

Strategy of 2023.3



Recent progress

Entering profitability

- ① **To quickly improve profitability from new distribution center troubles**
 - ✓ Logistics cost improvement progressed steadily and improved by 1ppt.
 - ✓ Lower stock-out rate than before the transfer of the center
- ② **Reduce product costs by operating the Food Rescue Center and Kit manufacturing plants**
 - ✓ Started operation of Kit manufacturing plants in July
 - ✓ Food Rescue Initiatives Begin Full-Scale in the 2H

Strengthen value proposition

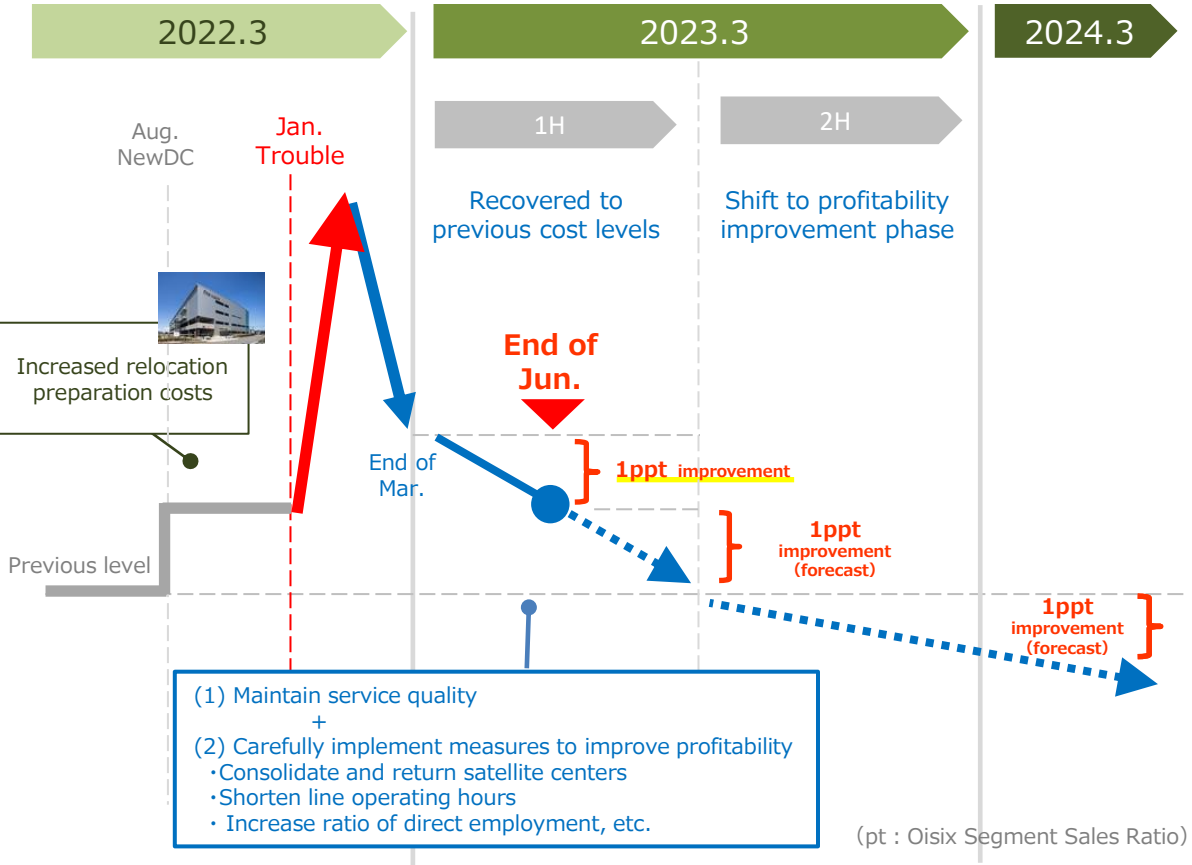
- ③ **Develop methods of attracting subscribers, products and services after-COVID-19 and inflation-compliant**
 - ✓ Sales of Kit Oisix of Kurihara, a famous Japanese cook
 - ✓ Develop “premiums for extremely short time” such as Otasuke Oisix and Super Easy Kit

Recent progress

① Improved stability of new DC · Enhance profitability

Regarding improving profitability following issues related to relocation of distribution centers, plans are underway to reduce costs within 1H to levels prior to problems. Logistics costs, which had deteriorated by 2ppts as of end-March, **improved by 1ppt as of end-June** (relative to Oisix sales). Additionally, **service quality is improving as demonstrated by the recent drop in the out-of-stock rate which fell to 0.1% or half the rate prior to relocation problems.**

-Oisix Distribution cost reduction



Recent recovery progress

- ✓ Logistics costs, which had deteriorated by 2ppts as of end-March, **improved by 1ppt as of end-June**
 - Planning to improve by another 1ppt during Q2
 - In May, the Zama satellite center was closed and shipments were integrated into the new distribution center.
 - In September, we plan to close another satellite center (Fujisawa).
- ✓ With logistics line operating hours and temporary staffing proportions both declining, we are **gradually reaching operating stability.**
- ✓ Improving as demonstrated by the recent drop in the **out-of-stock rate which fell to 0.1% or half** the rate prior to relocation problems.

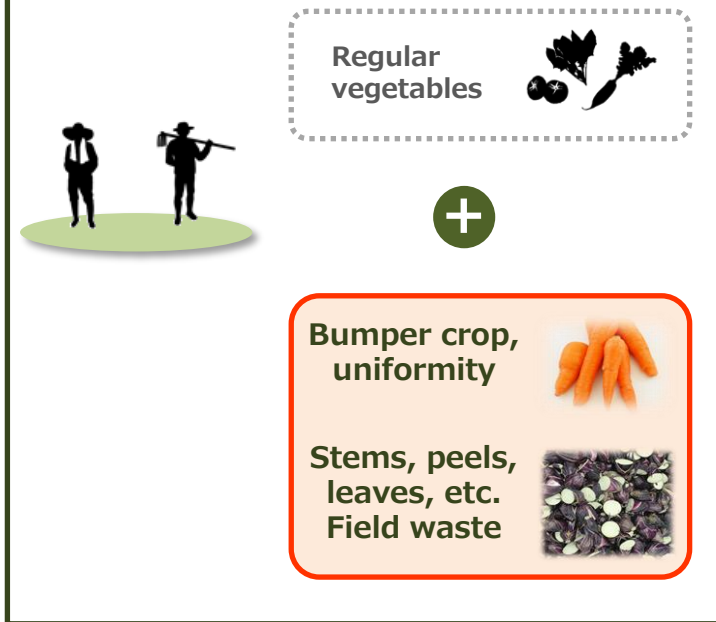
Recent progress

② Kit manufacturing plant and Food Rescue Center

Facilities at the old Ebina Station have been converted to a "Food Rescue Center" and a "New Kit Manufacturing Plant" that specialize in manufacturing. **Kit manufacturing plant will start operation in July 2022**, and food rescue efforts will begin in the second half of the year, **aiming to reduce costs by approximately 3%** (compared to March 2022) in stages.

Fields

All crops from the field



Bulk purchase of crops

- Zero Food Waste
- Use of discarded spare parts

Jul.



- Kit manufacturing plant
- Food Rescue Center

Cost improvement about 3%
in stages by 2025.3

A new processing center was established and Improved efficiency of the Kit
• Reducing food waste

Old DC → • Kit manufacturing plant (Jul.~)
• Food Rescue Center(2H~)



Recent progress

③ Developing products and services of specialties

Via establishment of a capital/business alliance, **Yutori no Kukan (Rep. Director: Shinpei Kurihara), founded by the prominent Japanese chef Harumi Kurihara, has become an affiliated entity.**

As Kit Oisix products supervised in the past by Mr. Kurihara have been well received by customers, **we plan to initiate sales/reservations of said meal kits in Sep.**

-Became an affiliate company of Yutori no Kukan

- ✓ Given the high level of affinity between Yutori no Kukan's cooking expertise and our products, we are strengthening collaborative work, especially in the area of supervision.



yutori no kūkan

-Kit Oisix supervised by Harumi Kurihara

Sep.

- ✓ Scheduled to resume sales and accept reservations for meal kits, which have sold a cumulative total of 150,000 meals in the past, in Sep.



Recent progress

③ Developing products and services of specialties

As countermeasures to the post COVID-19 environment and inflation, we are in development of services/products under the themes of "premium value enhancement" and "extremely-time-savings" that further strengthen our specialty position.

2nd Aug.

-Dealing with "mottainai" foodstuffs

- ✓ Response to "mottainai" arising from external factors such as climate. **Friendly to households and contributing to reduction of food loss**
- ✓ 10,000 people enrolled in a week, partly due to exposure in TV and other mass media



11th Aug.

-Shifting to the "super" time-saving

- ✓ **New "Super Easy Kit Series"** that even beginner cooks can make in a short time released
- ✓ Support for easy cooking in the face of an increase in the number of people who cook at home



1-3. Business Segment Summary

① Main Business Segments

- | Oisix (domestic B2C, Three major brands)
- | Daichi (domestic B2C, Three major brands)
- | Radish Boya (domestic B2C, Three major brands)
- | Purple Carrot (oversea B2C <U.S.>)

② Other Business

- | Business Overview
- | Tokushimaru (domestic B2C, Subsidiary)
- | Nursury School Wholesale (Domestic B2B)

Oisix KPI

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

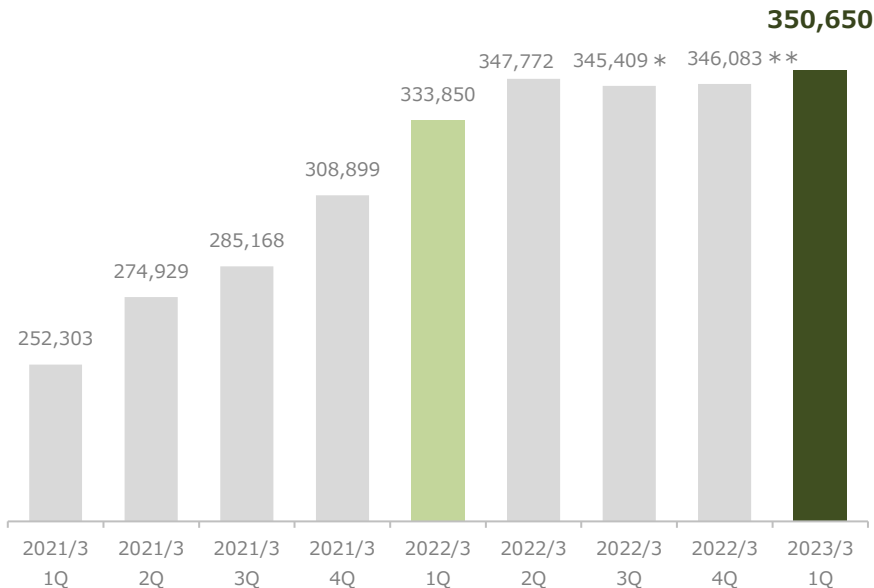
Subscribers : Subscriber churn is seen to return to levels seen prior to COVID-19. New customer acquisitions, however, grew moderately YoY owing to curtailment of PR expenses previous term. **Net subscriptions were roughly +4500 (versus end-March).**

ARPU : **Maintained at a level of ▲5% YoY (+11% versus pre-COVID-19)** despite lifestyle changes concomitant with increased opportunities to go out.

Subscribers

350,650

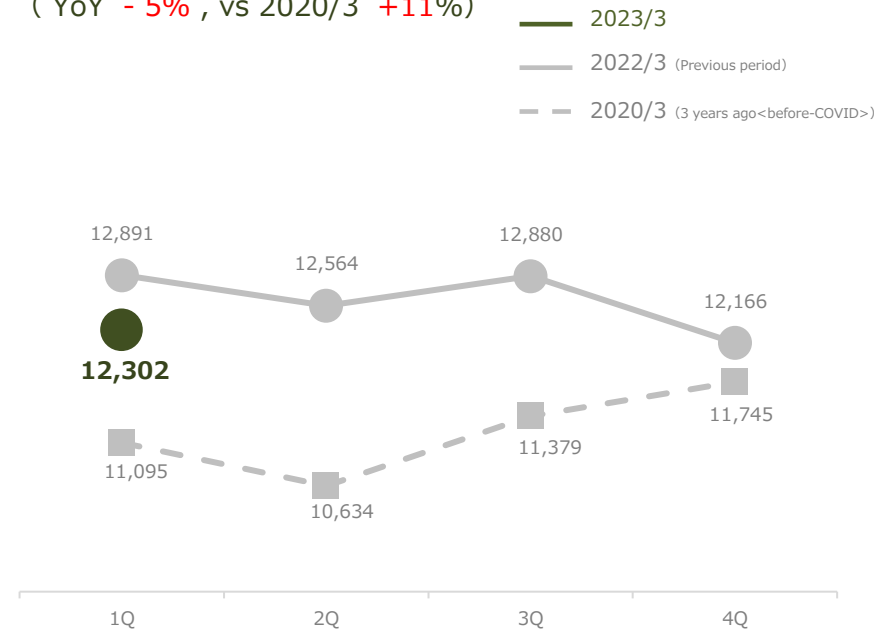
(YoY + 5%)



ARPU

12,302 yen

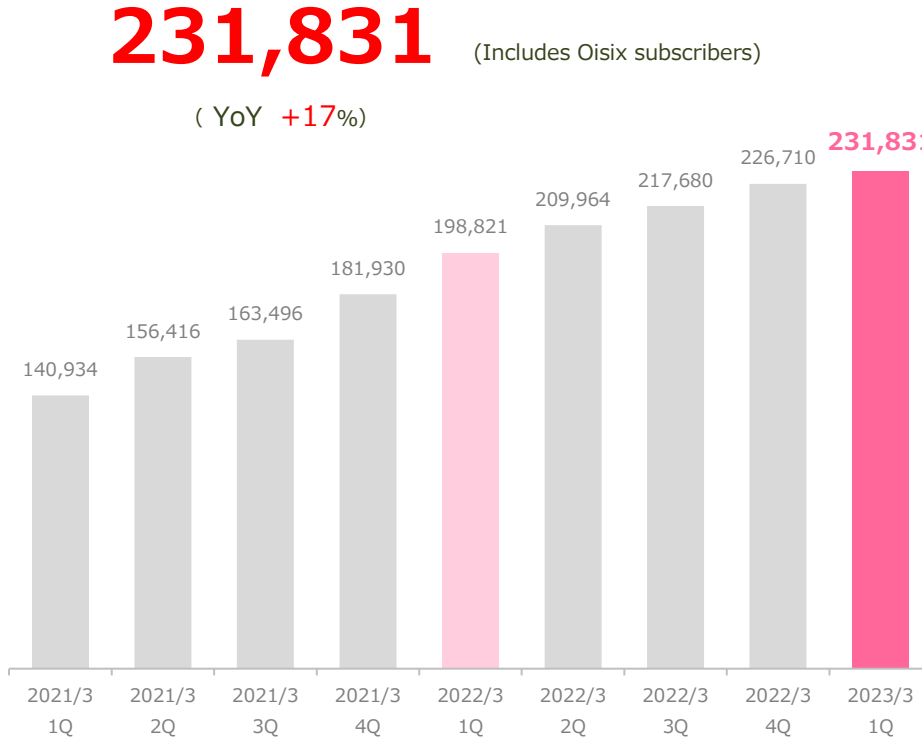
(YoY - 5% , vs 2020/3 +11%)



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

Kit Oisix Course subscriptions (included in Oisix subscriptions) grew **17% YoY** driving growth in overall

No. of Kit Oisix course subscribers*



◆ Features of Kit Oisix

- ✓ You can make one main and one side dishes in **less than 20 minutes**
- ✓ **Uses 5 or more kinds of vegetables** collected from contract farmers.
- ✓ **Reducing food loss** by using up all ingredients



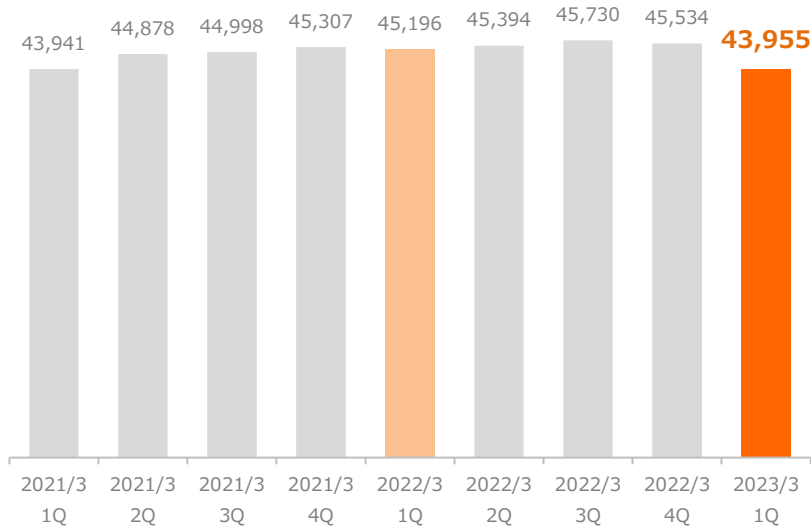
Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Overseas Business
Other Business

Subscribers : We continue to experiment with the development of new subscriber acquisition methods.
 Net decrease due to lack of stronger promotions
 ARPU : Unit purchase prices have been gradually settling down due to lifestyle changes,
 Maintained high unit prices, **-4% YoY (+6% before COVID-19)**

Subscribers

43,955

(YoY - 3%)

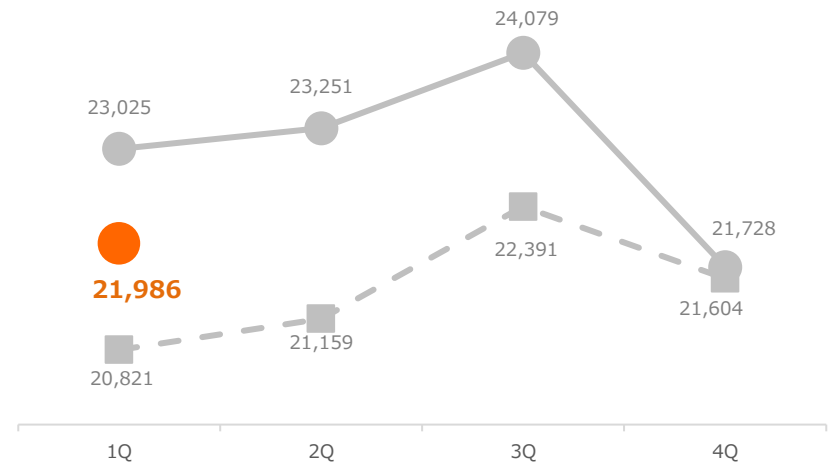


ARPU

21,986 yen

(YoY - 4% , vs 2020/3 +6%)

- 2023/3
- 2022/3 (Previous period)
- 2020/3 (3 years ago <before-COVID>)



Radish Boya KPI

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

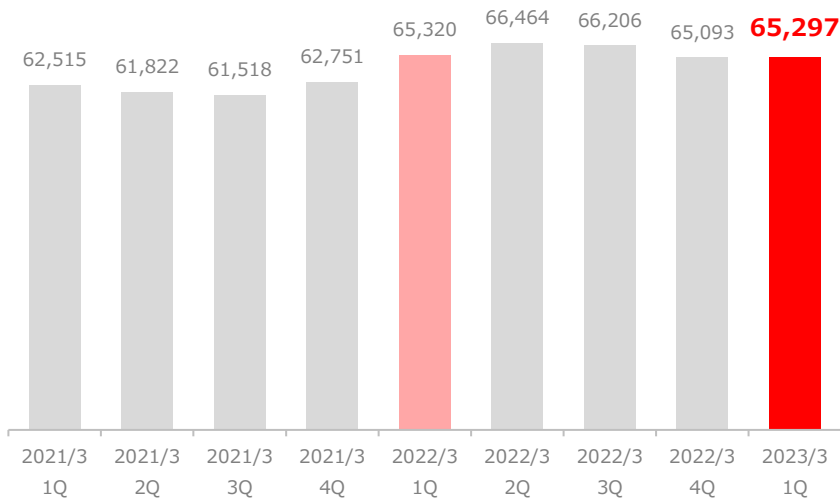
Subscribers : Whilst the churn rate worsened in Q1 reflecting the lifting of behavioral restrictions and revisions to delivery fees aimed at enhancing profitability, **subscriptions managed a slight increase.**

ARPU : Reflecting the March revision to shipping fees and high unit prices, ARPU was maintained at **▲6% YoY (+4% versus pre-COVID-19)** despite a gradual slowdown in purchasing frequency.

Subscribers

65,297

(YoY - 0 %)

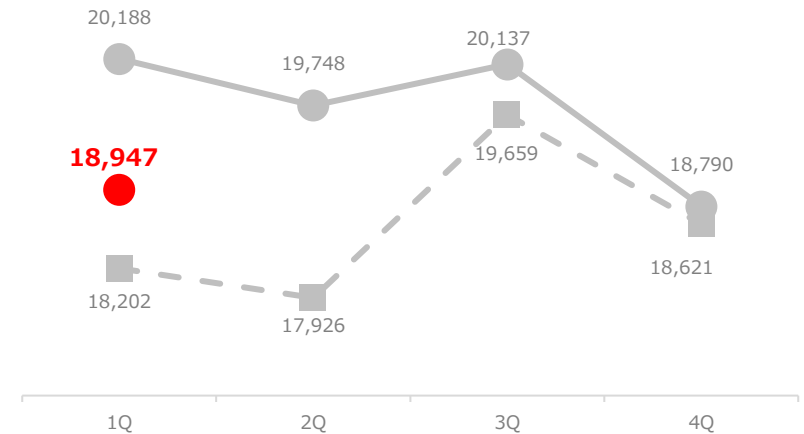


ARPU

18,947 yen

(YoY - 6% , vs 2020/3 +4%)

— 2023/3
 — 2022/3 (Previous period)
 - - 2020/3 (3 years ago <before-COVID>)

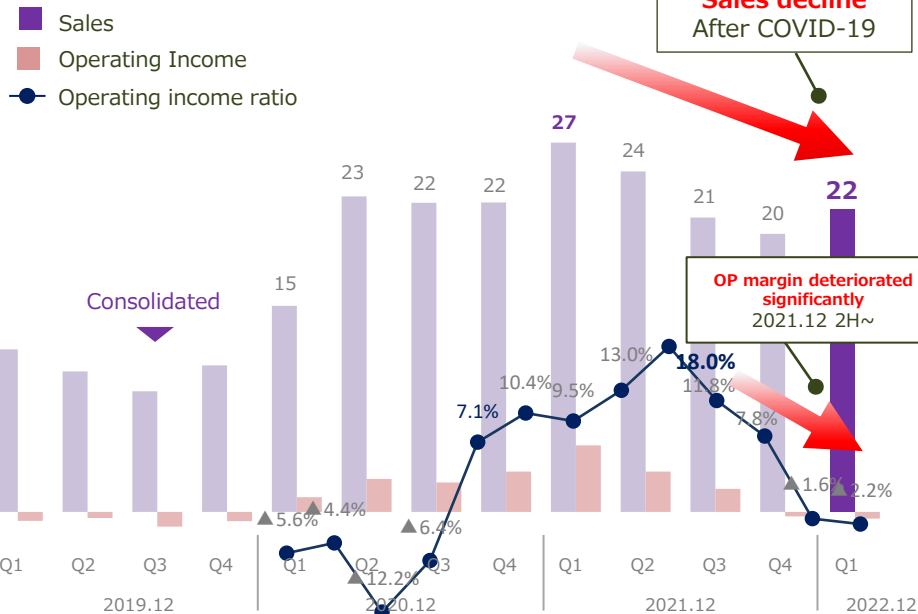


※Purple Carrot shows the business period from Jan. to Mar of 2022.

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

Sales increased QoQ reflecting seasonal factors. The overall trend, however, is seen to be downward in the post-COVID-19 environment. Whilst Q1 continued to see the impact of inflation on operating margins, **we are implementing a series of measures to improve profitability, including a price increase in May.**

Quarterly results (\$mn)



Recent progress

-Product price increase·Change the shipping bar

- ✓ Price revision implemented in May, 2022
- ✓ Profitability is expected to improve as planned.

-“Ready to eat” expand sales of products

- ✓ Adding it to the meal kit and changing the specifications so that Ready to eat (range cooked foods) can be chosen freely

-Review of logistics workflows

- ✓ By dispatching staff from Japan, **we are building a management structure able to quickly address management issues including that of logistics.**

① Main Business Segments

- | Oisix (domestic B2C, Three major brands)
- | Daichi (domestic B2C, Three major brands)
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- | Purple Carrot (oversea B2C <U.S.>)

② Other Business

- | Business Overview
- | Tokushimaru (domestic B2C, Subsidiary)
- | Nursury School Wholesale (Domestic B2B)

Other Business Summary

■ EC Support (Domestic B2C)



We offer our strengths to other companies, such as our domestic B2C know-how and logistics assets specialized in food delivery.

■ Tokushimaru (Domestic B2C)



Operates mobile supermarkets for seniors and shopping refugees nationwide. About twice a week, drivers visit customer neighborhoods and provide products from affiliated supermarkets.

■ Oisix HongKong・Oisix Shanghai (Overseas B2C)



HongKong (since 2009~)、Shanghai (since 2017~)
Deliver Oisix-standard products through local procurement or cross-border EC model

■ Nursery School Wholesale (Domestic B2B)



Sells nutritionally controlled menus, ingredients, and meal kits for nursery schools. Food education tools are also being strengthened to foster interest in food

■ SinS

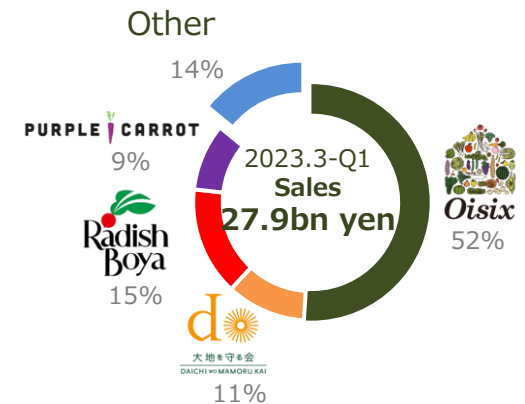


Selling own products such as Kit Oisix at client supermarkets. Implemented marketing initiatives leveraging customer points of contact at stores

■ Others

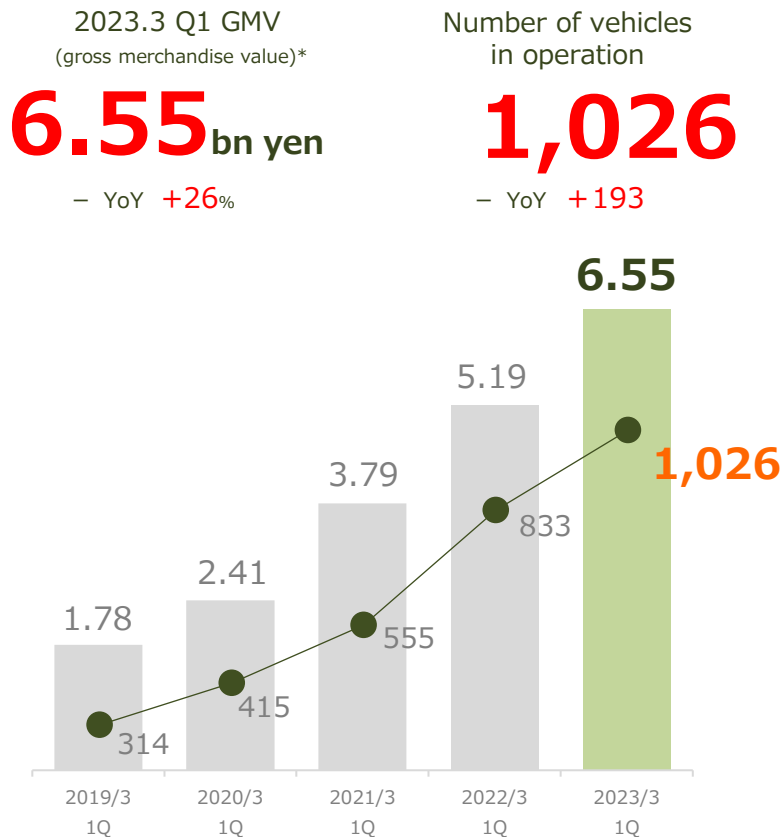
Subsidiary (Wholesale of marine products, etc.)

Sales ratio of business segments



Growth in the number of vehicles as well as average sales/vehicle remained solid. Total transaction value continued to see high growth at +26% YoY. Within the mobile supermarket space, we became the first to exceed 1,000 operating units. To further support enhanced quality of life, we aim to continue to build new services.

Impact scale



◆ Number of vehicles in operation exceeded 1,000

- ✓ Providing services to approximately 150,000 customers nationwide through partnerships with 143 supermarkets
- ✓ We will continue to rebuild systems and mechanisms to expand the scope of solutions to the daily life issues of the elderly.



Nursery School Wholesale (Domestic B2B)

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

The number of customer kindergartens continues to see steady growth. Launched in May, the “Commercial Meal Kit” service quickly initiated services with 15 nursery schools. Via facility interviews, we were able to fine-tune issues relating to taste, meal preparation, and reduction to kitchen operational burdens.

Nursery School Wholesale (*suku-suku Oisix*)

Sales of nutritionally controlled menus and ingredients for nursery schools

Sales

0.33 bn yen

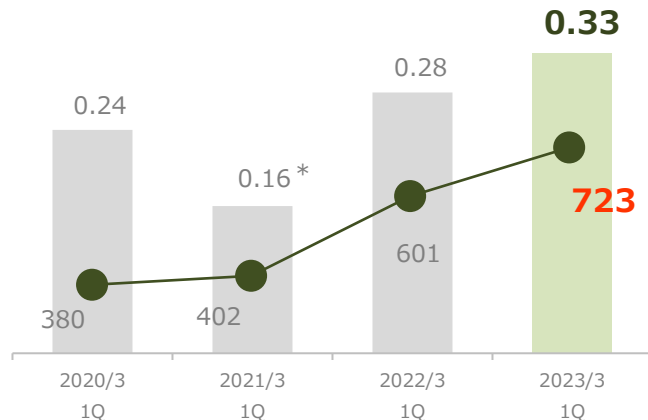
- YoY +15%



No. of trading nursery school

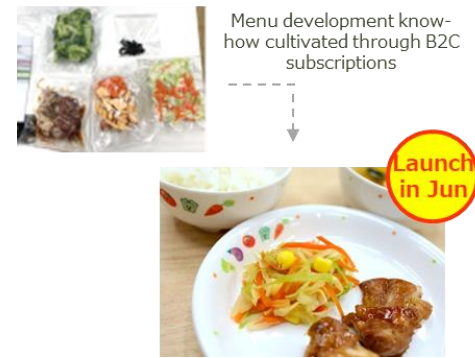
723

- YoY +122



◆ Launch of "B2B Meal Kit" service

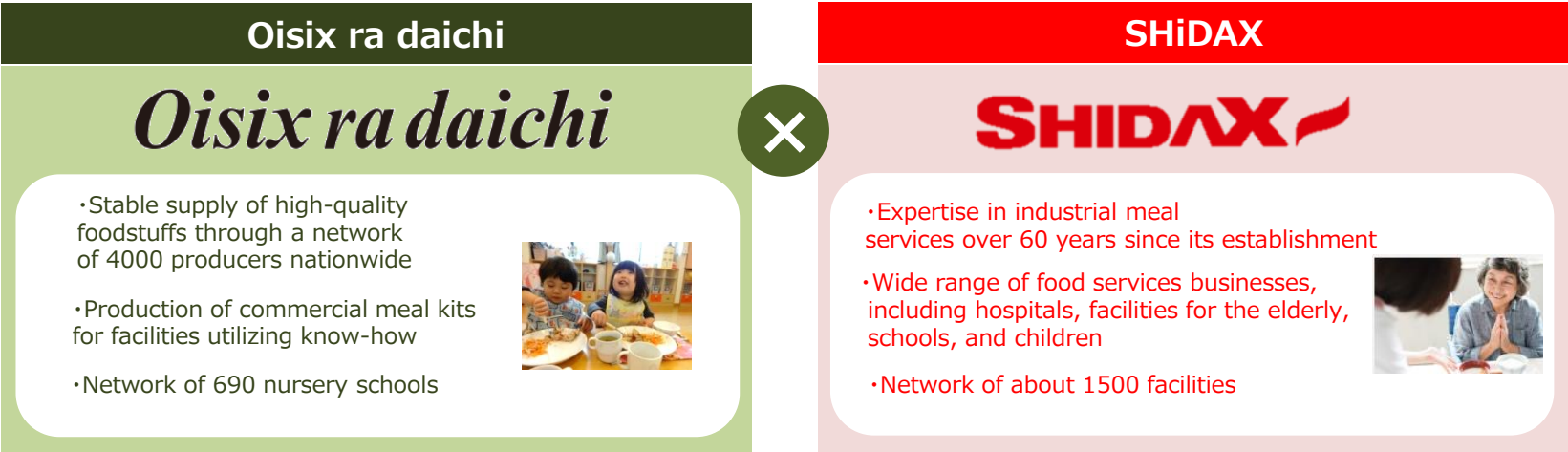
- ✓ We aim to achieve a sales target of 10 billion yen within five years
- ✓ Began working with 15 nursery schools (end of July)
- ✓ Through dialogue with nursery schools, refine and contribute to reducing the workload of the food service field.



2. Acquisition of Shares of SHiDAX

Acquisition of Shares of SHiDAX

As previously disclosed, we have resolved to acquire shares of SHiDAX CORPORATION which has strengths in food services for hospitals, elderly care facilities, schools, and daycare centers. Going forward, we look to leverage the assets of both companies to explore collaborative efforts in the food and social services businesses.



3. ESG Topics

Upcycle by Oisix

Since its launch one-year ago, “Upcycle by Oisix” - a brand dedicated to help solving food waste, has developed 18 original products and contributed to a 46-ton reduction in food waste. Besides test sales at the likes of concept and convenience stores, special courses were initiated at junior high schools that further the scope of our efforts.

-Opened upcycling store

- ✓ First Concept Shop Held at Yurakucho Marui, a Prominent Department Store in Japan
- ✓ 264 kg of food waste was reduced over the 19 days of the event



-Food waste reduction education in collaboration with junior high schools

- ✓ Special 6-month-long classes held at the school's SDGs Seminar
- ✓ Students learn about upcycling, leading to actual product development and sales



Expansion of Sustainability Information Disclosure

In addition to promoting sustainability initiatives, we look also to enhance disclosure of relevant information. Since June we have supported TCFD and implemented information disclosure in line with its proposals. This also contributed to our higher MSCI ESG rating.



▲ Sustainability Page on our website
<https://en.oisixradaichi.co.jp/sustainability/>

-Endorsed for the Task Force on Climate-related Financial Disclosures (TCFD)

- ✓ Endorsement in June 2022.
- ✓ Disclose information in accordance with TCFD recommendations in the Annual Securities Report for the fiscal year ending March 31, 2022 and on the Sustainability website.



-MSCI ESG Rating Rank Upgrade

- ✓ In the July 2022 MSCI ESG rating, we bettered our rating of last year and scored "A."
- ✓ Favorable appraisal was given to our sustainability website. Launched in June 2021, the site proactively provides supporting data for ESG. Going forward, we look to continue to expand efforts for effective disclosure of sustainability information.

▶ Continue to disclose sustainability information and expand initiatives with effectiveness.

WeSupport Family

WeSupport Family, a food support platform for children's distressed families, is offered by 39 food and retailing support corporates. The number of support households has greatly increased to 59,000 households. In addition, food aid for Ukrainian displaced persons visiting Japan has begun.

WeSupport Family

Mainly for those led by single parents, WeSupport Family is a food support platform for needy families. Via such initiatives as use of excess inventories among supporting entities, we also aim to help solve the problem of food waste.

Support
Company

Food and retail companies

39

Recipient of
support

Number of households approximate

59,000



子どもたちの栄養を考えた食支援
WeSupport Family



WeSupport

Through WeSupport platforms,
Started providing food assistance
to Ukrainian evacuees visiting Japan

- ✓ Supported 147 people in 5 prefectures (Fukuoka, Chiba, Nara, Tokyo, and Osaka)



APPENDIX • DATA SHEET

Company Profile and Financial Results

Corporate Overview

- Name :** Oisix ra daichi Inc.
- Location :** Shinagawa-ku, Tokyo
- Established :** June 2000
- Representative :** Kohey Takashima, Representative Director & CEO
- Capital :** 3,994 mm yen
- Employees :** 986 (consolidated), as of the end of March 2021



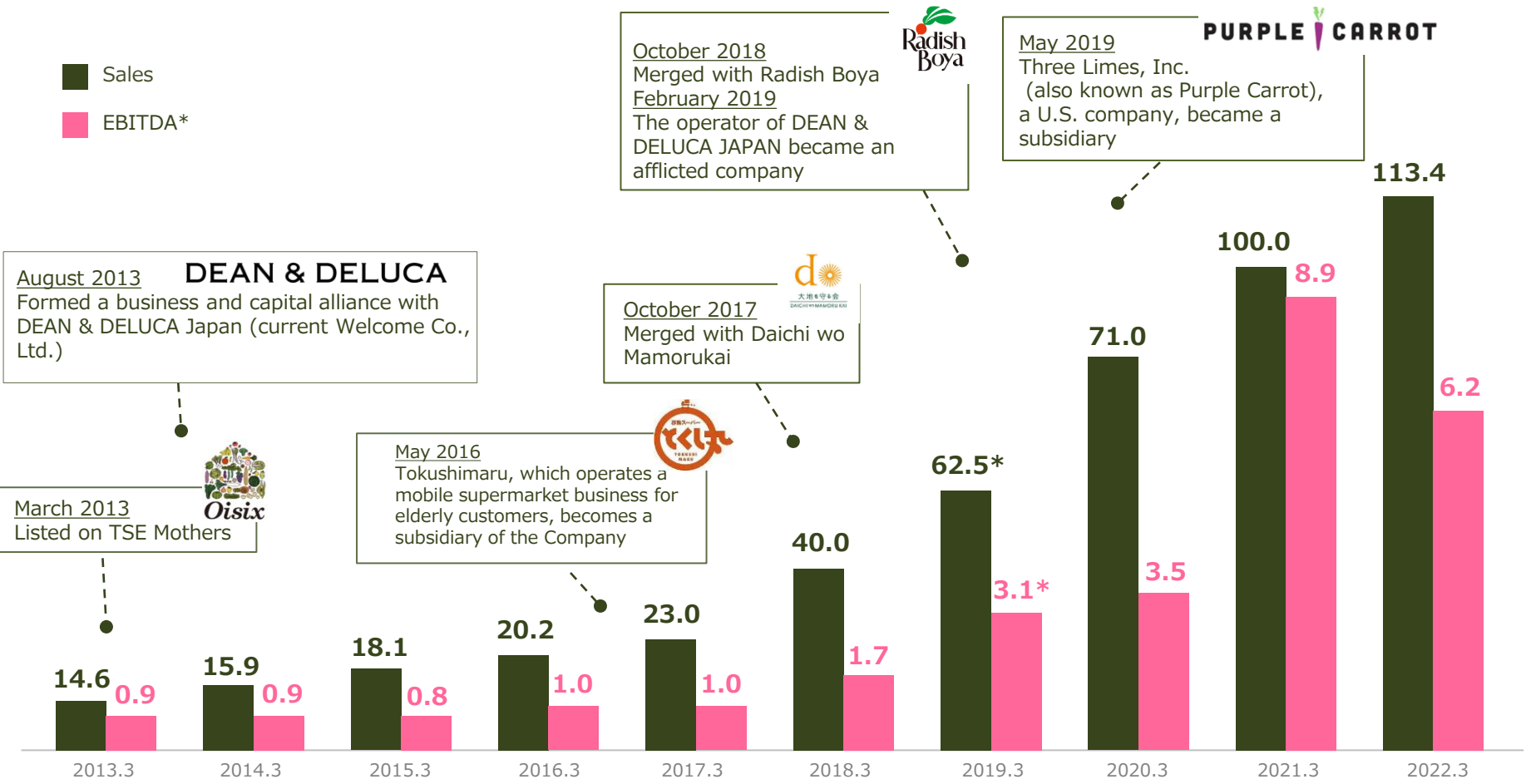
Overview of Affiliates

		Percentage of Shares Held	Main Businesses
Oisix ra daichi	Tokushi-maru	90%	Develops alliances with supermarkets in the mobile supermarket business; provides expertise to sales partners.
	Fruits Basket	100%	Handles processing, product development, and sales, for agricultural produce, including fruits and vegetables.
	Karabiner	70%	Develops and operates platform systems for EC sites; produces websites.
Subsidiary company	Crazy Kitchen	100%	Handles catering, event production, and space production businesses.
	Oisix Hong Kong	100%	Operates our businesses in Hong Kong under contract.
	Oisix Shanghai	100%	Operates the food products home delivery business in China.
	Oisix Inc	100%	Overseas investment business
	Purple Carrot	100%	Meal kit delivery service in the United States
	Future Food Fund	100%	Investment business for food-related startup companies
	Future Food Fund No.1 investment limited partnership	10%	Investment business for food-related startup companies
	Toyosu gyosho sanchoku ichiba (Toyoichi)	51%	Wholesale sales of marine products mainly for the food service industry
	Nihon Agri	34%	Exports agricultural products.
Main Affiliates	DEAN & DELUCA	20%	Lifestyle business through retail and restaurant businesses
	Yutori no kukan	20%	Recipes and product development by chefs Harumi Kurihara and Shinpei Kurihara

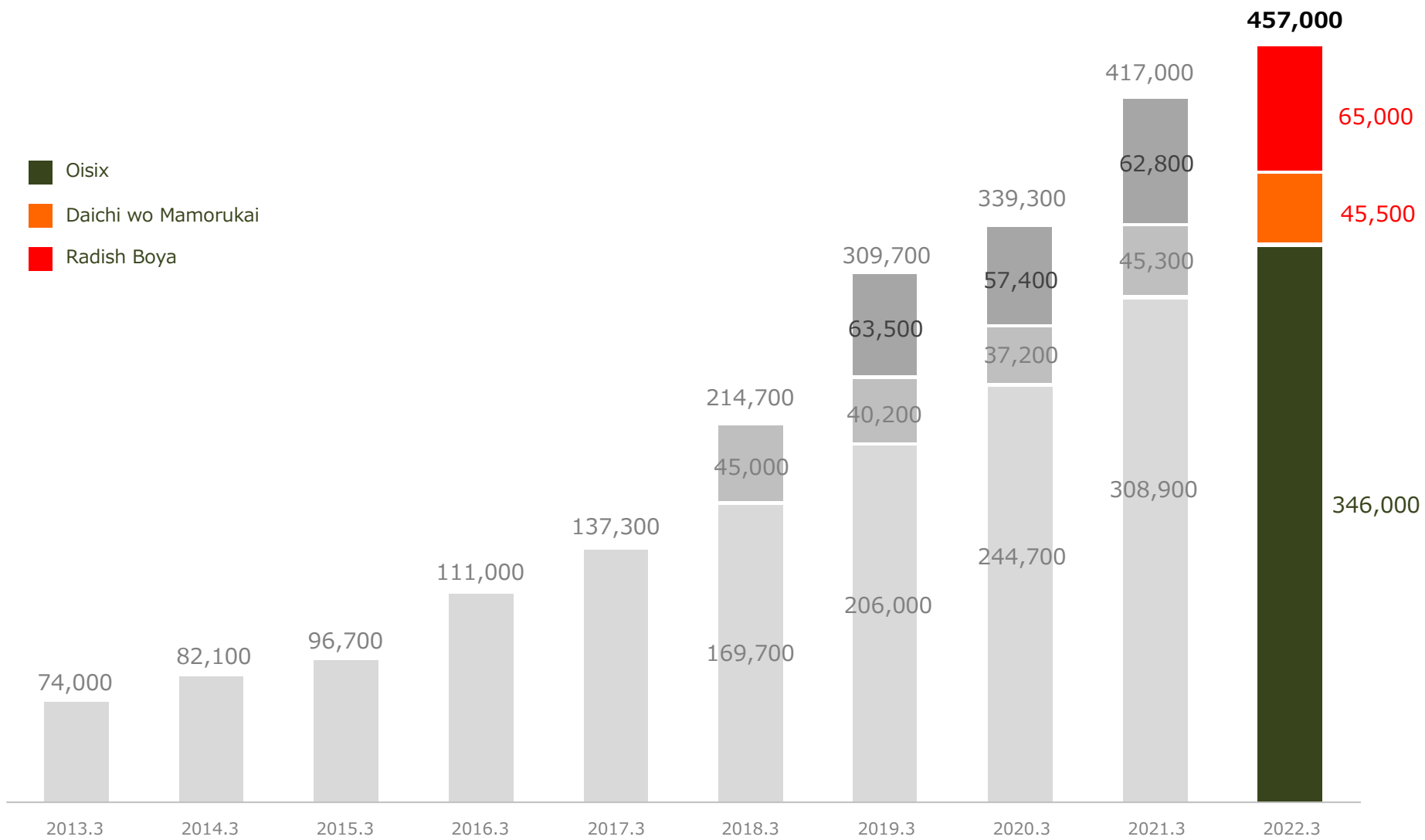
Growth Trajectory

The Company has been built and rapidly grown on Oisix with mergers with Daichi wo Mamorukai and Radish Boya. Steady progress in overseas expansion with the acquisition of the U.S. Purple Carrot

■ Sales
■ EBITDA*



Subscription subscriber numbers



*In the domestic B2C Subscription business
Strengths of Business Models*

Our Business Model

Our main business is safe and secure foods that are carefully selected based on our own standards, Subscription-type food EC-commerce business delivered to approximately 460000 households throughout Japan

Producers

fruit and vegetable producer

Approximately 4000 households nationwide



Manufacturer



Procurement

Oisix ra daichi

Domestic Delivery business

Oisix
Daichi wo Mamorukai
Radish Boya

Other Business

- EC support
 - Mobile supermarket business (Tokushimaru)
 - Overseas Home Delivery
 - Store business (Shop in Shop)
 - Nursery School Wholesale
- etc.

Regular delivery

consumers

About 460,000 people

(Oisix, Radish Boya, Daichi, 3 brands total)



Our Subscription Model

Holds asset know-how specializing in consistent food × subscription home delivery

Producers



Procurement

Oisix ra daichi



Oisix



Radish Boya



Daichi wo Mamorukai



Regular delivery

consumers



1 With Producers Direct Network

2 Subscription Marketing

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

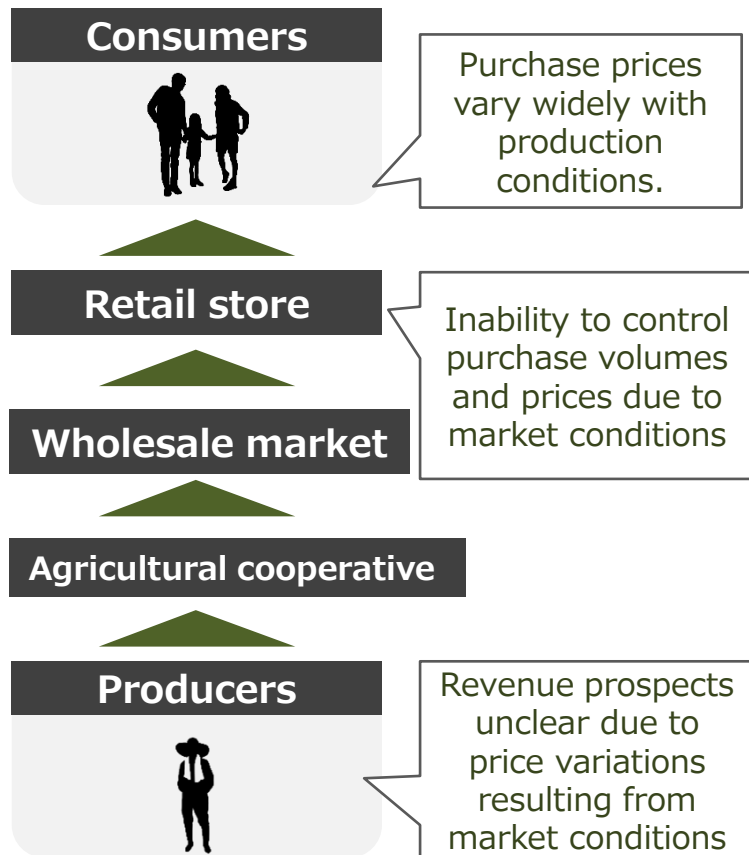
Our Strengths

① Direct network with producers

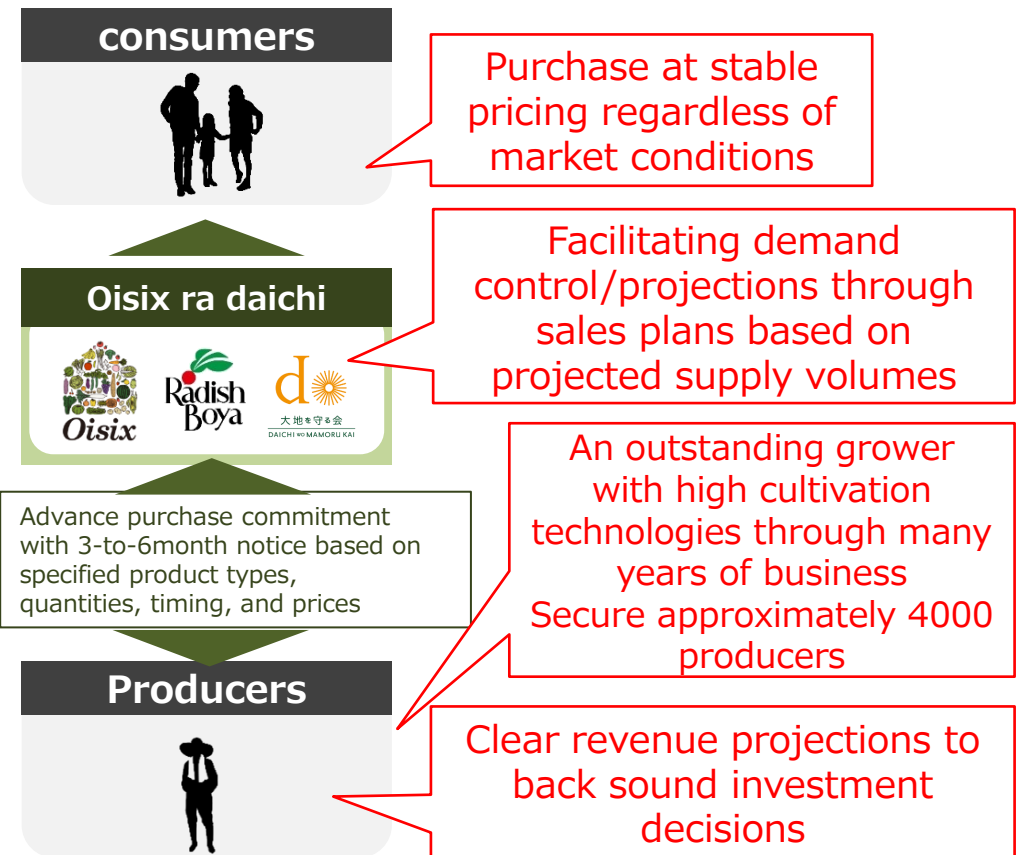
Direct transactions with about 4000 producers nationwide without going through markets or intermediate distributors.

Able to secure high-quality producers with high price stability and cultivation technologies

Typical distribution of agricultural products



Strengths of Direct Transactions

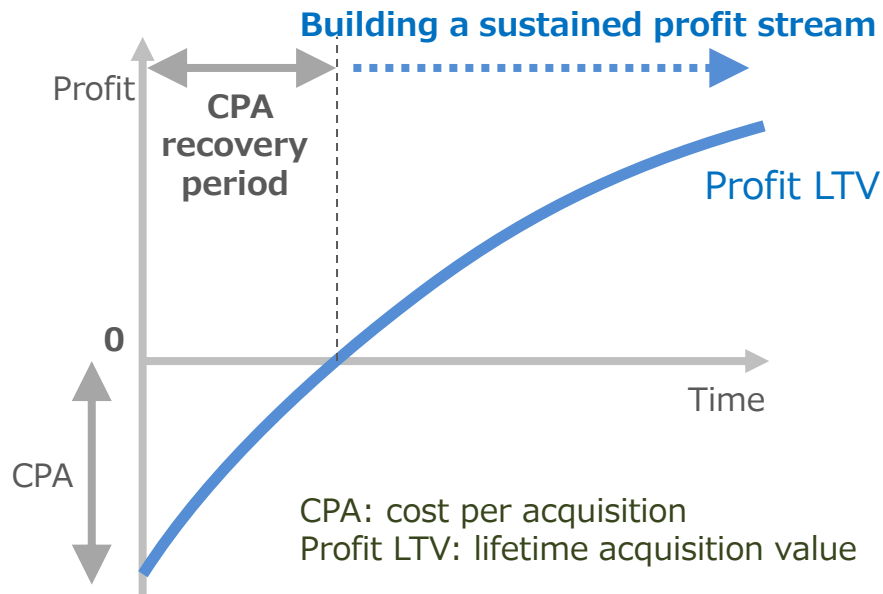


② Subscription Management

Introduced "Subscription management Accounting" which accurately measures the profitability per order and per customer,
Building a Sustainable Profitable Subscription Model

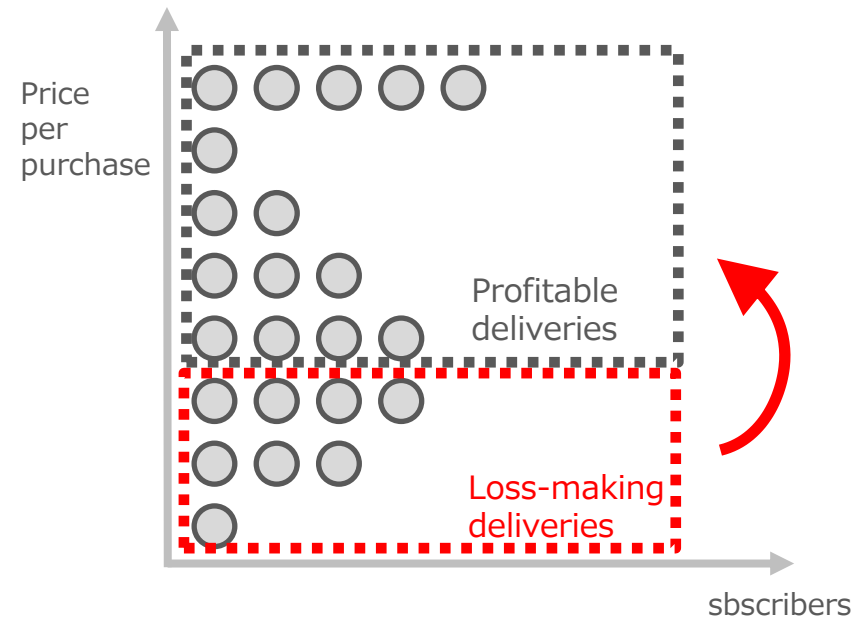
■ Rigorous CPA and LTV management

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



③ Support food x Subscription

Distribution center and meal kit production plant

Able to operate 1 of the largest domestic distribution centers and meal kit production plants of Food X Subscription, maintaining a level of quality control

■ One of the largest in Japan Food x Subscription distribution center

••Through strict temperature zone management specializing in food products, can maintain freshness until delivery

- ✓ Maximum shipment : **220,000**/week
- ✓ **24** hours a day, **365** days a year
- ✓ Room temperature, refrigerated, frozen, and vegetable
Strict temperature zone control



■ Uniquely developed Sales and inventory system

••With our proprietary sales and inventory system, reduce loss ratio and achieve high inventory turnover

- ✓ product loss : about **0.2%**
(Retail Store Average : 5~10%)



■ Meal kit production plant

••Rapidly growing original meal kit
Owned in-house plants with raw material processing and asset functions for 「Kit Oisix」

- ✓ Maximum shipment : **320,000set**/week
- ✓ Number of manufacturing menus per day : **50**type
- ✓ HACCP acquisition



Domestic B2C Subscription Business Details

Differences in the assets of the three brands



How to join

WEB mainly

WEB/
door-to-door sales

WEB mainly

How to order

WEB mainly

WEB/
Paper catalogs/
TEL

WEB/
Paper catalogs/
TEL

Logistics bases

2 place
in Kanagawa

4 places
in Hokkaido,
Tokyo, Kanagawa,
Osaka.

1 place
in Chiba

Last One Mile

Yamato trucks
about 99%

Our trucks
about 95%
(area around
Logistics bases)

Our trucks
about 80%
(area around
metropolitan area)

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.

Two-worker households
with small children



Meals that can be boasted
without taking time



Oisix

Households who want to
enjoy cooking



Contributing to Society
through Cooking



Radish
Boya

Senior household
with two people



Easy feeling of health



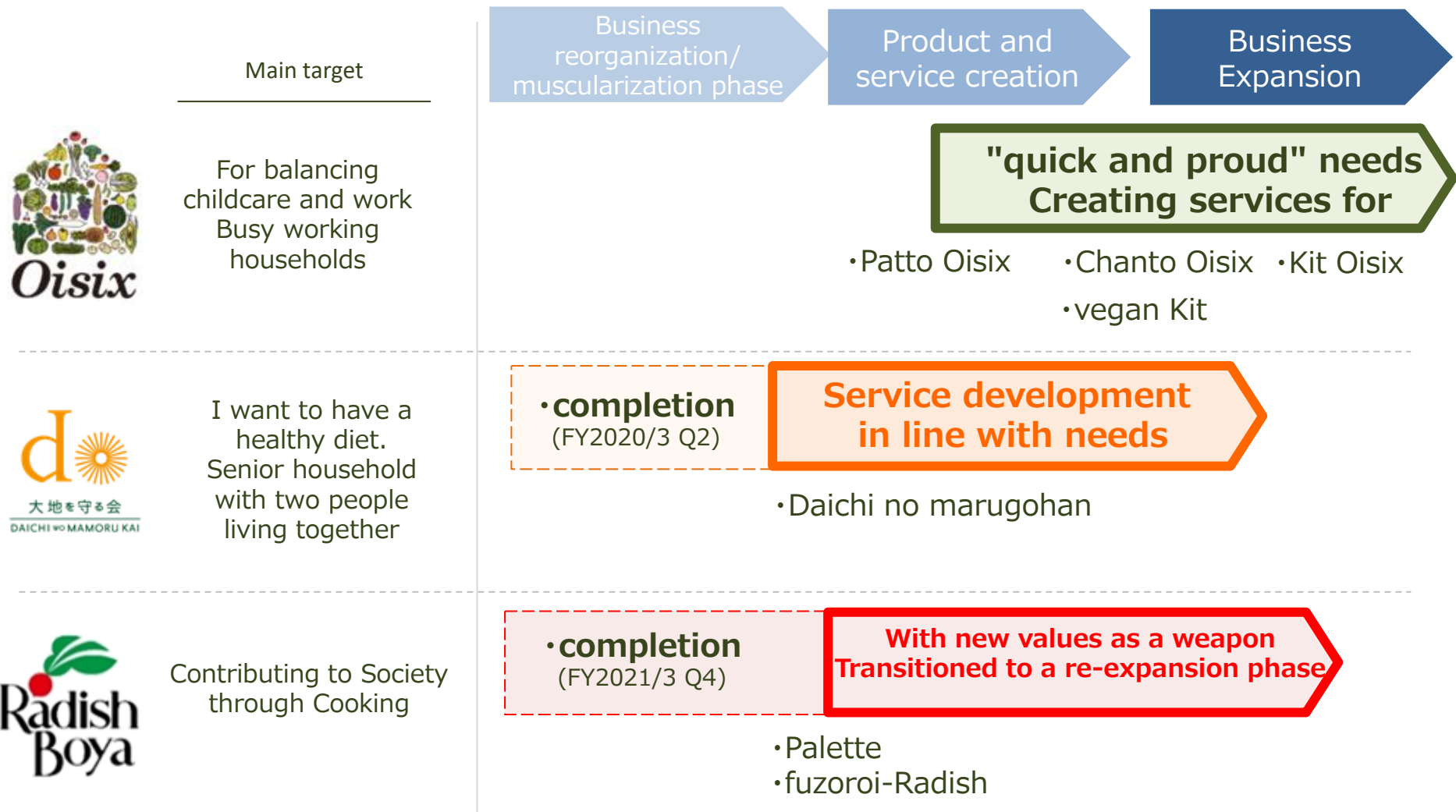
大地を守る会
DAICHI NO MAMORU KAI

Producers



Business Phase of the 3 Home Delivery Brands

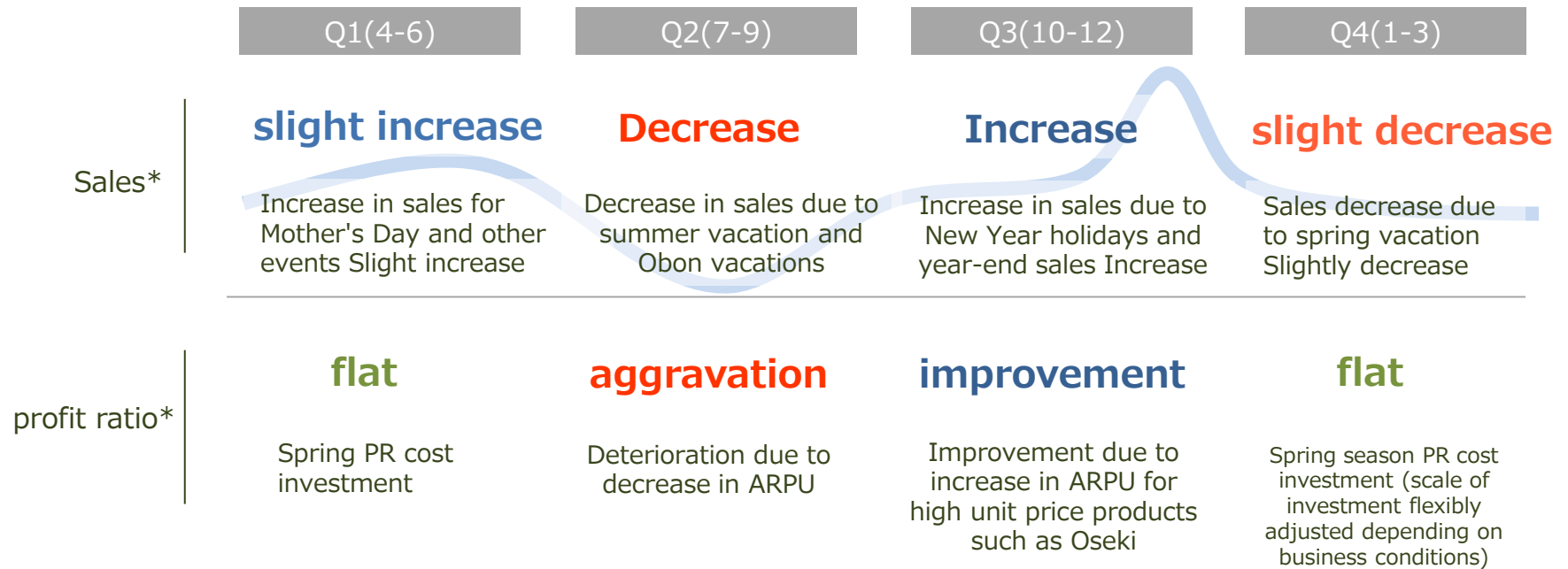
Appropriately implement business strategies in line with the business phases of each brand



Seasonal fluctuations in business performance

We have a business model in which sales and profit margins fluctuate from quarter to quarter. Sales and profit margins improved in Q3 due to sales of high unit price products during the year-end and New Year holidays, while sales and profit margins declined in Q2 due to the summer vacation.

- Seasonal changes in normal conditions



- Impact of COVID-19 Seasonal Variations

Due to the impact of COVID, seasonal fluctuations such as the impact of summer vacation are expected to be smaller than normal in FY2021.3 and FY2022.3, but seasonal fluctuations are expected to return to normal in the future.

EC support

We will provide our strengths and develop businesses to support other companies' EC.
For example, we will provide subscription know-how cultivated through our domestic food delivery business and logistics assets specialized in food delivery.

Oisix ra daichi

E-commerce Marketing

Operation and management of e-commerce sites focusing on food



Logistics and Distribution

Providing assets for food delivery



product development

Development and provision of products that meet client needs



DEAN & DELUCA

ISETAN
DOOR

dメールキット powered by *Oisix*

"Tokushimaru" (subsidiary)

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



overview

Operating a mobile supermarket for seniors

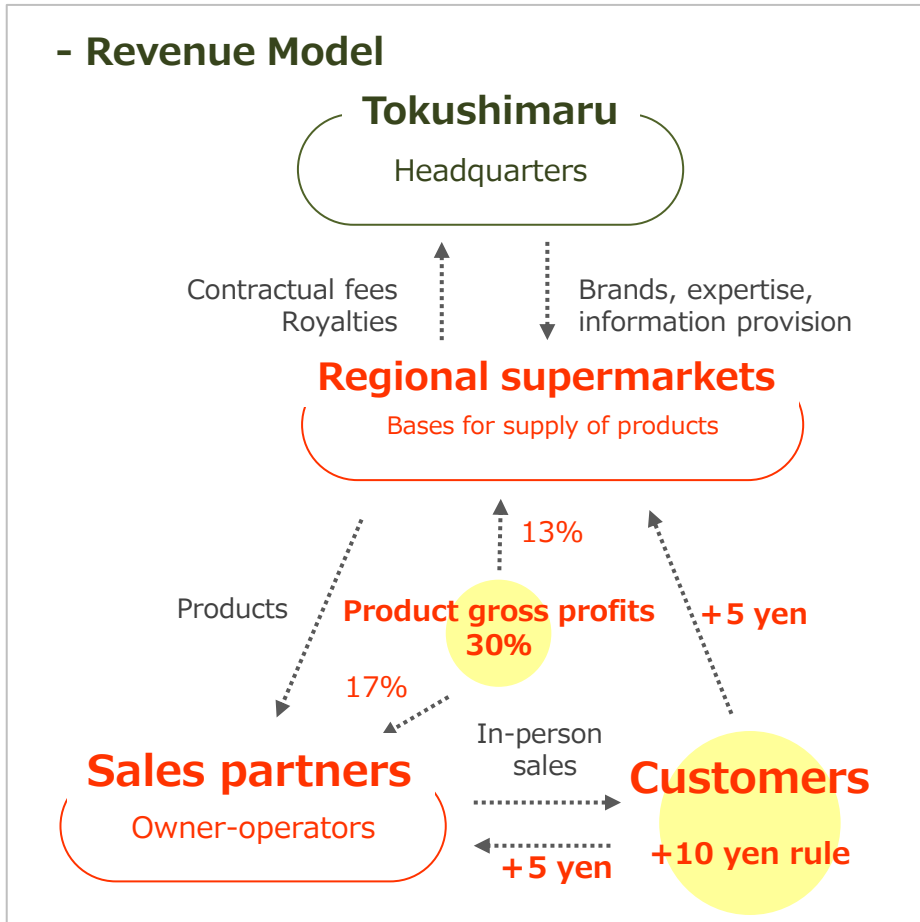
aim

Provide value to customers who cannot be approached through EC

- Solving the Social Problem of "Shopping Refugees" Who Cannot Go Out to the Neighborhood Supermarket

- Strong network of customers with weekly face-to-face sales.

- Revenue Model



Other Business

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



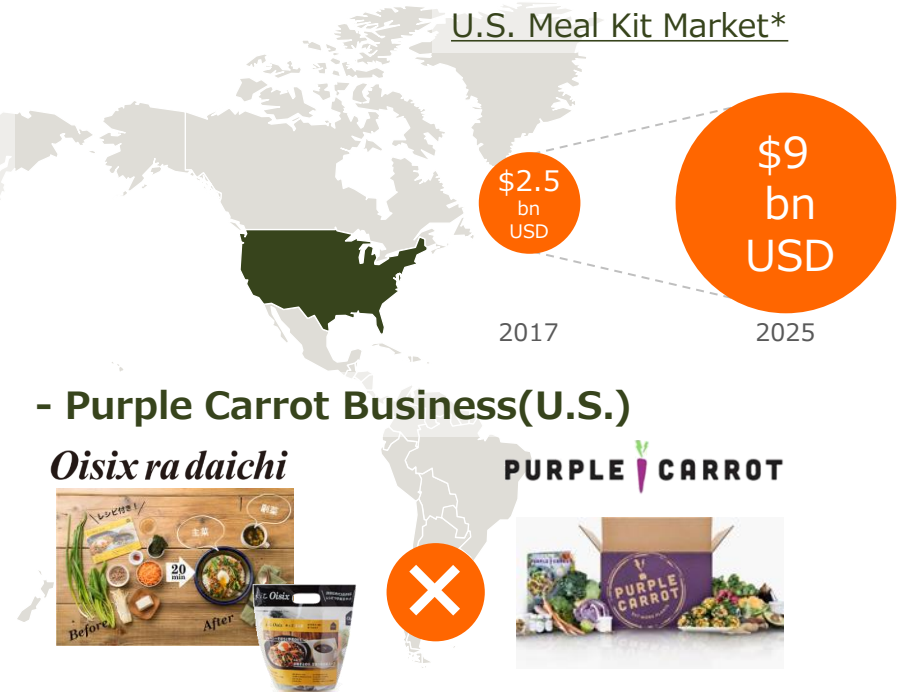
- Started the service in 2017. Grasp the needs to establish the subscription model for Chinese customers

- Oisix Hong Kong



- Launched the service in Hong Kong in 2009. **Cross-border delivery of Japanese products**
- With the spread of COVID-19 **both users and sales are dramatically increasing**

U.S. Meal Kit Market*



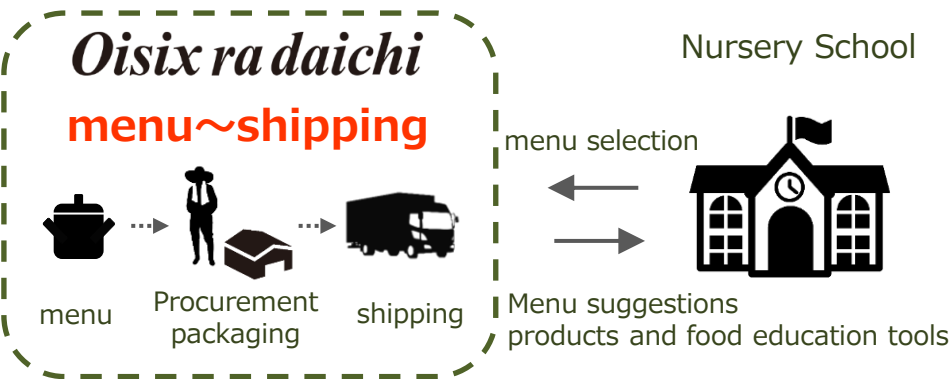
- Purple Carrot Business(U.S.)

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

Provide nursery schools with unique system to order food ingredients based on lunch menus, since 2015.



- Image of nursery school



overview

Support for nursery school facility management for food service and food education

aim

Fostering food awareness at an early age
Expanding awareness among parents

- The workload of nutritionists and nursery school teachers is reduced because menus can be ordered in bulk.
- Confronting children's food problems. And to raise awareness of our company among parents.

Shop in Shop

Domestic B2C Subscription

Overseas B2C Subscription

Domestic B2B Subscription

Food tech

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



- Image of affiliated supermarkets



overview

Wholesale of the Company's products to affiliated supermarkets

aim

Expand awareness to customers who cannot be reached online

- By selling our products in real supermarkets, we will expand our recognition to the segment that we cannot reach through online advertising.
- Our products are expected to attract customers to our partner stores.



Future Food Fund

Domestic B2C Subscription

Overseas B2C Subscription

Domestic B2B Subscription

Food tech

Established as a CVC specializing in Japan's first food tech, procured 2 billion from LP14 in Dec. 2020. Invested in a wide range of new food agritech, including overseas start-up companies

Future Food Fund

**Japan's "first" CVC
specializing in food tech**
(Corporate Venture Capital)



Raised 2 billion funding from LP14

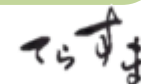
Food Tech Startups

**Both domestically and internationally
Investing in a variety of startups**

Food tech New Food



Agritech



Oisix ra daichi

Future Food Fund

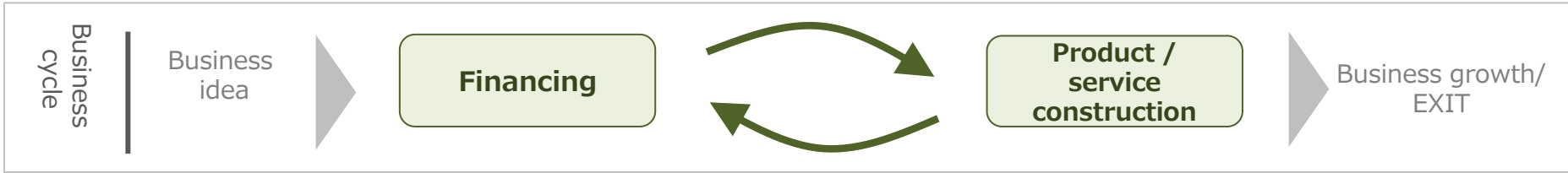
Domestic B2C Subscription

Overseas B2C Subscription

Domestic B2B Subscription

Food tech

Utilizing our experience at the time of our founding, we will build an ecosystem of food tech that provides a wide range of support by making maximum use of the platforms of operating companies that participate as LPs, not just investment activities.



Comprehensive support accelerates the speed of the business growth for startups.

Utilization of various LP assets and know-how

◆ Example

Sales



Import /Logistics



Infrastructure



Collaboration and support with proven American VCs and incubators



Service experiment utilizing startup specialty EC sales floor



Stock-Related and Governance Information

Stock Price and Trading Value

Compared to 2018, when the 3 companies merged, the stock price grew approximately 5 times.
Trading value: Approx. 1 billion/day, annual turnover rate of over 200%

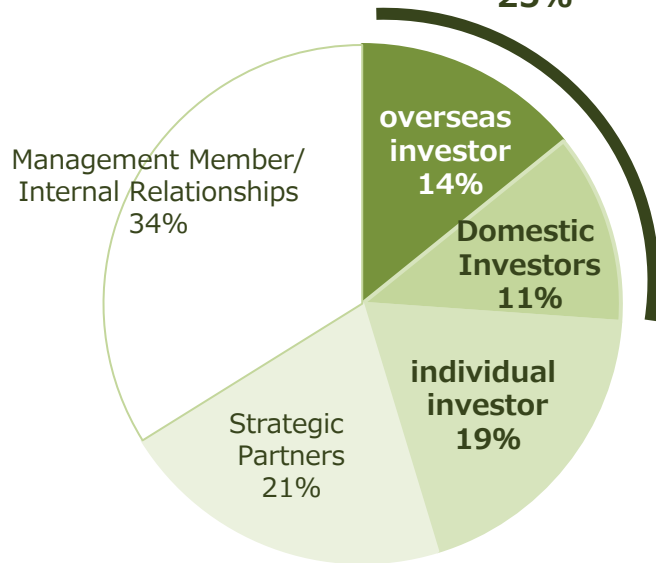


Trends in shareholder composition

Institutional shareholdings increased to about 50%, doubling from 3 years ago.
No shareholder with overhang concerns at present

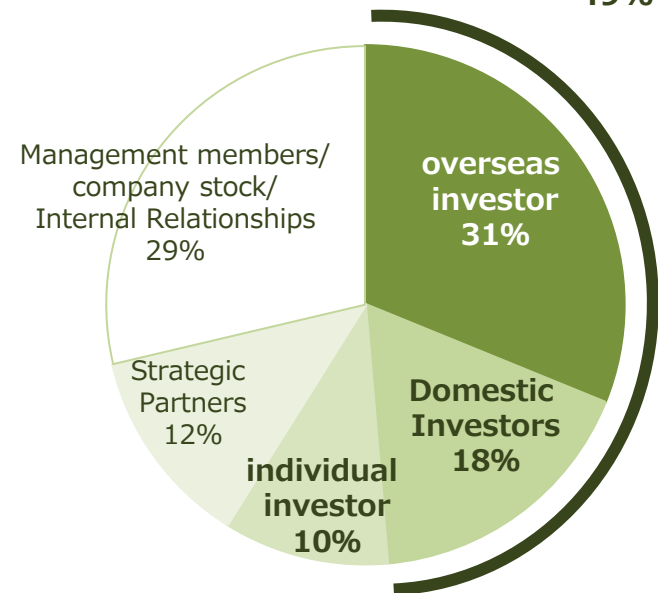
End of Mar. 2019

Ratio of institutional investors
25%



End of Mar. 2022

Ratio of institutional investors
49%



Financial Condition

• B/S

End of March 2022	(Millions)
Current assets	28,514
Cash and cash equivalents	13,071
Fixed assets	24,119
Total assets	52,634
Current liabilities	15,914
Short-term interest-bearing debts	1,010
Long-term liabilities	12,847
Long-term interest-bearing debt	101
Total liabilities	28,762
Shareholders' equity	21,954
Total net assets	23,887
Total liabilities and net assets	52,634

• Selected financial data

End of March 2022	
Equity Ratio	42.0%
ROA	9.1%
ROE	13.2%
Financial leverage	2.4
Total asset turnover	2.1
Net income margin	2.4%

• Level of cash holdings

2 year's worth of personnel expenses (including variable personnel expenses) is set at about 10 bn yen as a benchmark for an appropriate level of retention.

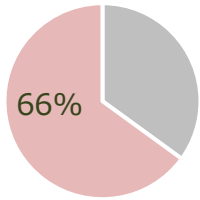
• ROE/ROIC target level

Continuous achievement of ROE10% above the assumed cost of capital (5-6%)

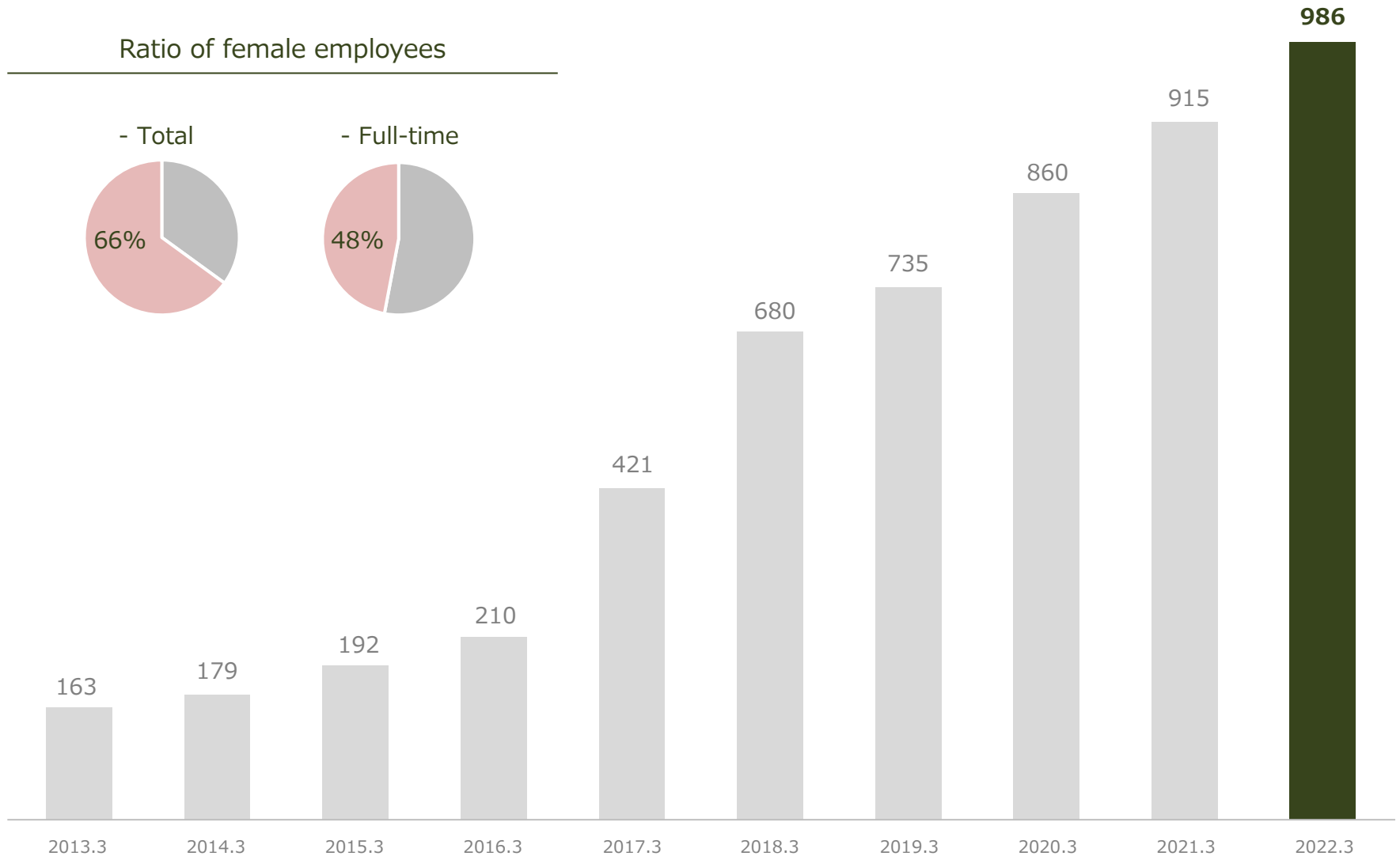
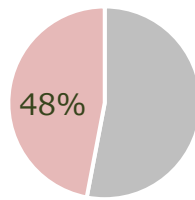
Trend in No. of Employees

Ratio of female employees

- Total



- Full-time



Directors Profile

The Board of Directors, consisting of five outside directors with variety of experience and knowledge, actively discuss sustainable growth of the company in the rapidly changing business environment.

■ Inside Directors



President and CEO
Kohey Takashima

Appointed 2000

Vice Chairman of Japan Association of Corporate Executives, Director of Benesse Holdings, Inc., Chief Director of Eat, and Energize the East., Japan Wheelchair Rugby Federation Chairman of the Board of Directors



Director

Yusuke Tsutsumi
Appointed 2000

Executive Officer of Oisix Inc., General Manager of Solution Business Division, Radish Boya Mail Order Division, Daichi wo Mamoru Kai Home Delivery Division, Director of Karabiner, Inc.



Director

Hiroyuki Ozaki

Appointed 2010

Executive Officer of Oisix Inc., General Manager of Human Resources Division



Director

Kouhei Matsumoto

Appointed 2018

Executive Officer of Oisix Inc., General Manager of Corporate Planning Division Representative Director of Future Food Fund, Inc.

■ Outside Directors



Director
Mitsuyo Hanada

Appointed 2008

Keio University Honorary Professor, Chief Director of FC Forum, Representative Director of Corporate University Platform, Inc.



Director
Hitoshi Tanaka

Appointed 2015

President and Representative Director of JINS Inc., President and Representative Director of Brand New Day Co., Ltd., President and Representative Director of JINS NORMA Co.



Director
Junko Watabe

Appointed 2019

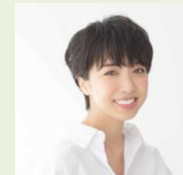
General Manager of Quality coordinate Office of Recruit Holdings Co., Ltd. Director of Loyalty Marketing, Inc.



Director
Wakako Sakurai

Appointed 2018

Department Manager of business alliance Department of NTT docomo Inc. President and Representative Director of Plus W, Inc. Director of Toretta, Inc. Director of AI CROSS Inc.



Director
Misato Kowaki

Appointed 2021

Sabae City Advisor, Female Advancement Promotion. Advisor Web media "MOTHERS editorial department" established

Main Business Risks

■ Effects of climate change

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.



■ 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 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.

■ Governance throughout the supply chain

The Group develops its business in collaboration with many business partners, from procurement to logistics and the last mile. If any of these supply chains were to experience an increase in occupational accidents caused by the working environment, or governance violations such as human rights abuses or concealment of wrongdoings, it could have an impact on our business and business performance.

The Group will strive to avoid or mitigate risks through close communication with business partners that make up the supply chain, jointly recognizing the possibility of incidents and security systems, and through collaborative work. We will also strive to transfer risks through the use of insurance and exemption and cancellation clauses in contracts.



KPI Data Sheets

DATA SHEET : Results

■ Results

	2021.3				2022.3				2023.3
mn yen	Q1	1-Q2	1-Q3	1-Q4	Q1	1-Q2	1-Q3	1-Q4	Q1
Sales	23,132	47,567	74,790	100,061	27,911	56,167	87,400	113,476	27,901
Operating Profit	2,076	3,976	6,131	7,465	1,950	3,347	4,979	4,171	962
EBITDA	2,419	4,679	7,198	8,902	2,316	4,188	6,385	6,216	1,498
Net income Attributable to owners of the parent	1,184	2,452	3,900	5,031	1,293	2,156	3,294	2,727	587

DATA SHEET : Business Segment Result

Business Segment Result

		2021.3				2022.3				2023.3
(mn yen)		Q1	1-Q2	1-Q3	1-Q4	Q1	1-Q2	1-Q3	1-Q4	Q1
Oisix	Sales	11,265	23,047	37,036	49,863	14,145	28,580	45,190	58,546	14,393
	Segment profits	2,367	4,335	7,012	8,984	2,057	4,045	6,525	7,036	1,953
Daichi	Sales	3,636	7,094	10,761	13,978	3,314	6,628	10,154	13,240	3,070
	Segment profits	724	1,368	2,160	2,751	663	1,319	2,010	2,619	624
Radish Boya	Sales	4,721	9,083	13,653	17,704	4,331	8,732	13,336	17,432	4,190
	Segment profits	899	1,626	2,449	3,023	584	1,143	1,883	2,429	591
Purple Carrot	Sales	-	-	-	-	2,842	5,536	7,893	10,208	2,586
	Segment profits	-	-	-	-	549	811	985	959	△78
Other Business*	Sales	3,601	8,522	13,600	18,922	3,373	6,911	11,194	14,578	3,969
	Segment profits	391	1,038	1,599	2,320	427	869	1,295	1,423	435
Companywide fixed costs, Goodwill etc		2,305	4,391	7,089	9,655	2,329	4,842	7,720	10,296	2,564

Data Sheet : Main KPI

KPI trend

		2021.3				2022.3				2023.3
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Oisix	Subscribers (number)	252,303	274,929	285,168	308,899	333,850	347,772	345,409	346,083	350,650
	ARPU (yen)	13,822	12,986	13,106	13,042	12,891	12,564	12,880	12,166	12,302
	Price/purchase (yen)	6,748	6,201	6,315	6,215	6,098	6,057	6,220	6,096	5,970
	Purchase Frequency (number)	2.05	2.09	2.08	2.10	2.11	2.07	2.07	2.00	2.06
Daichi	Subscribers (number)	43,941	44,878	44,998	45,307	45,196	45,394	45,730	45,534	43,955
	ARPU (yen)	27,117	24,128	24,356	23,520	23,025	23,251	24,079	21,728	21,986
	Price/purchase (yen)	9,234	8,610	9,000	8,729	8,425	8,557	9,002	8,218	8,344
	Purchase Frequency (number)	2.94	2.80	2.71	2.69	2.73	2.72	2.67	2.64	2.64
Radish Boya	Subscribers (number)	62,515	61,822	61,518	62,751	65,320	66,464	66,206	65,093	65,297
	ARPU (yen)	23,189	20,884	21,000	20,259	20,188	19,748	20,137	18,790	18,947
	Price/purchase (yen)	7,028	6,373	6,696	6,441	6,402	6,407	6,589	6,247	6,451
	Purchase Frequency (number)	3.30	3.28	3.14	3.15	3.15	3.08	3.06	3.01	2.94

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