



2023.3 Q3 Results Explanatory Materials

Oisix ra daichi Inc.

2023.2.9

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 Q3 Achievements

1-1. Consolidated Financial Results

1-2. Strategy and Progress

1-3. Results on Business Segment

2. Cooperation with SHiDAX

3. ESG Topics

■ APPENDIX・DATA SHEET

1. 2023.3 Q3 Achievements

1-1. Consolidated Financial Results

1-2. Strategy and Progress

1-3. Results on Business Segment

1-1. Achievements

Executive Summary

-2023/3 Q3 Achievements

Sales

Led by Oisix, we have continued to increase subscribers whilst at the same time maintaining ARPU at levels exceeding initial forecasts. In addition the “Other Businesses” segment are recovering.

As a result, Q3 alone sales increased YoY for the first time since 4Q FY3/22.

◆ 3 home delivery business

- ✓ Subscribers : The number of subscribers, mainly in Oisix, increased by roughly +14,000 YoY. (3 brands total)
While implementing initiatives to expand brand recognition so as to maximize new customer acquisitions in 4Q, we have continued to steadily increase net subscriptions.
- ✓ ARPU : Despite the headwinds from the deregulation of COVID-19 ARPU remained at a high level.

◆ Other Business

- ✓ Wholesale businesses (such as nursery school wholesale, fishery products wholesale) that had been declined by COVID-19 are seeing signs of recovery.

EBITDA

Against COVID-19 driven rising profit margins last year, EBITDA fell YoY.

Owing to profitability enhancement measures implemented in 1H,

EBITDA margins have improved in line with initial expectations and began spending to acquire subscribers.

◆ 3 home delivery business

- ✓ EBITDA margin **improved by about 1pt structurally** compared to 2Q due to the effect of efforts to strengthen profitability, which have been implemented continuously since 1H. Further improved by approximately 1pt due to seasonality, resulting in a **total improvement of approximately 2pt.**
- ✓ Profitability has improved, and we will step up spending on new acquisitions as planned from the 2H.

◆ Other Business

- ✓ **Purple Carrot (U.S.) is expected to be less deficit than initial forecast.**
This is due to the impact of the 2Q price increase and the fact that subscribers remain more than expected.

2023/3 Q3 total Achievements (Nine months)

- Sales : 3Q recovered to exceed last year's level, and **cumulative 3Q recovered to 100% YoY for the first time in half a year.**
- EBITDA : Against COVID-19 driven rising profit margins last year, EBITDA fell YoY. However, **the EBITDA margin has landed as planned.**

Sales

87.47 bn yen
(YoY **+ 0** %)

EBITDA

4.96 bn yen
(YoY **- 22** %)

Operating
Income

3.29 bn yen
(YoY **- 34** %)

**Net
income**
Attributable to
owners of the
parent

1.94 bn yen
(YoY **- 41** %)

2023/3 Q3 alone Achievements (Three months)

- Sales : In spite of headwinds presented by relaxation of COVID-19 related activity restrictions, was a net increase in Subscribers for three brands, sales **increased YoY** reflecting in part the recovery of other businesses.
- EBITDA : Profit margins saw large improvement versus 1H on success **Q3 alone EBITDA recovered to 100% YoY.**

Sales

32.02bn yen
(YoY **+3** %)

EBITDA

2.18bn yen
(YoY **0** %)

Operating
Income

1.62bn yen
(YoY **-1** %)

**Net
income**
Attributable to
owners of the
parent

1.04bn yen
(YoY **-8** %)

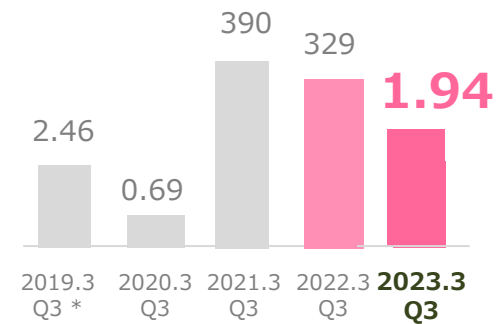
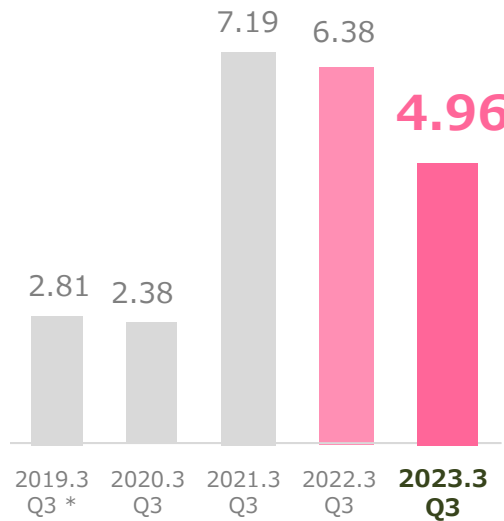
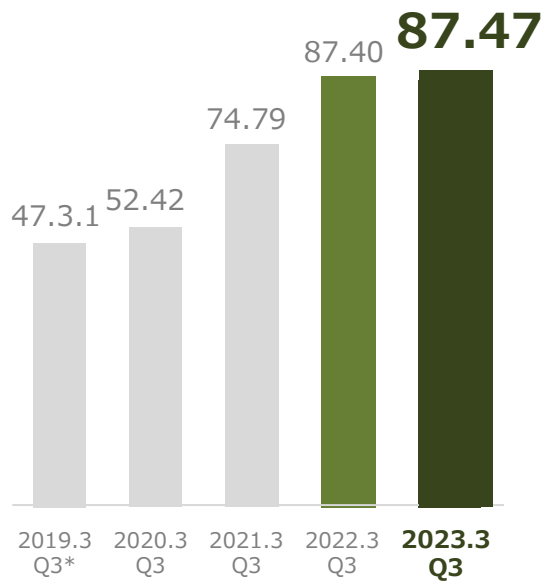
Consolidated Results Overview

- Sales** : Sales were flat YoY reflecting in part the recovery of the “other businesses”.
Subscribers for the three brands increased by a total of about +14,000 YoY (3 brands total).
- EBITDA** : EBITDA fell YoY reflecting last year’s high one-off profit margins and inflation’s impact on profitability at Purple Carrot (US). On the other hand, profitability has been improving since 3Q meaning the **Landing in line with initial forecasts**.

Sales

EBITDA

Attributable to owners of the parent
Net income



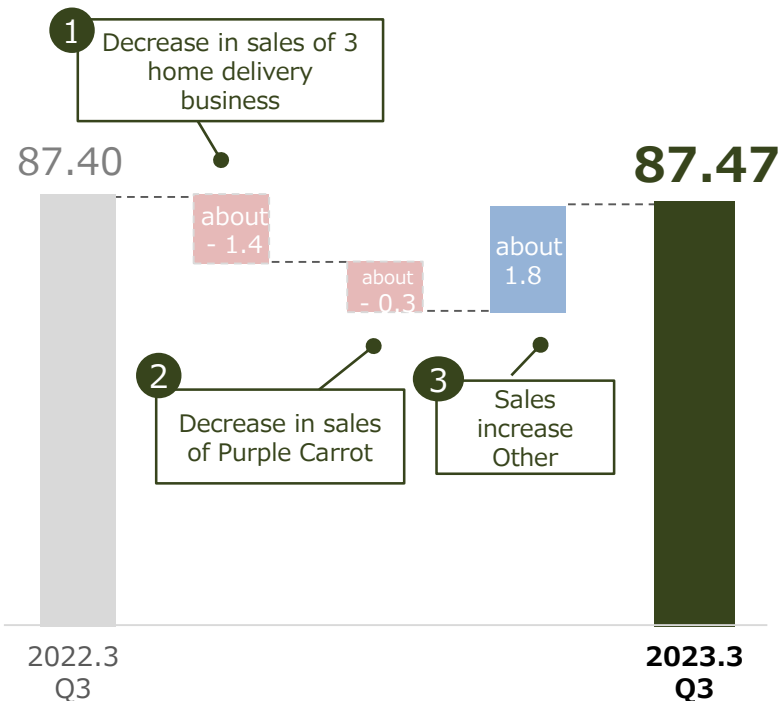
(bn yen)

YoY : Sales

Domestic home delivery business centered on Oisix increased by about +14,000 subscribers YoY. ARPU remained at a high level, exceeding the level prior to COVID-19.

Sales were flat YoY reflecting in part the recovery of the “Other businesses”.

- Sales (bn yen)



① Decrease in sales of 3 home delivery business : about - 1.4 bn yen

- Increase in sales due to increase in subscribers : about +0.4 bn yen
- Decrease in sales due to decrease in ARPU : about - 1.8 bn yen

② Decrease in sales of Purple Carrot : about - 0.3 bn yen

- Downward trend in Subscriber after peaking in the previous Q1

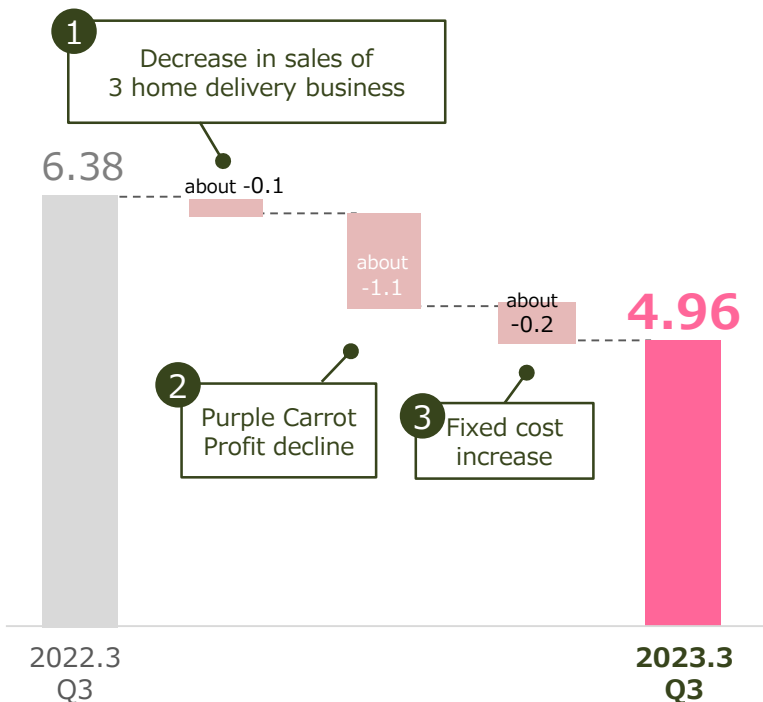
③ Sales increase of Other : about + 1.8 bn yen

- 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. Whilst Purple Carrot posted a loss reflecting such factors as soaring raw material and labor costs, losses are expected to narrow more than expected.

-EBITDA (bn yen)



Breakdown

- 1 Decrease in profits in the 3 domestic home delivery businesses**
: about **- 0.1** bn yen
- 2 Purple Carrot (U.S) Reaching a deficit**
: about **- 1.1** bn yen
 - 2022.3 Q3 1.0bn yen ⇒ 2023.3 Q3 : -0.7bn 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 **- 0.2** bn yen
 - Preparatory expenses for renewal of system infrastructure (enhancement of speed and data utilization).
 - Strengthening personnel for business enhancement and expansion

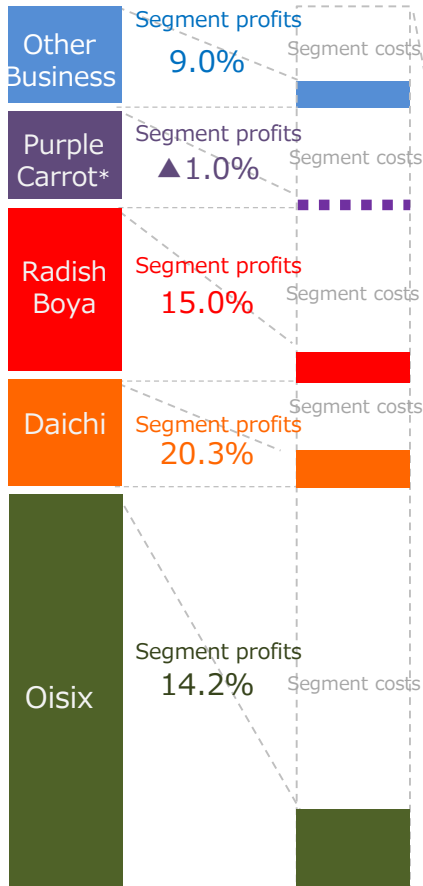
Business segment Results

	Sales	Segment profit*	Overview
Oisix	44.94 bn yen (YoY - 1%)	6.39 bn yen (YoY - 2%)	<ul style="list-style-type: none"> • Subscriptions increased by roughly 16,000 YoY. Net increase of +5200 persons due to strengthening of new PR. • ARPU was maintained at a level of -5% YoY despite lifestyle changes concomitant with increased opportunities to go out.
Daichi	9.46 bn yen (YoY - 7%)	1.92 bn yen (YoY - 4%)	<ul style="list-style-type: none"> • We continue to experiment with the development of new subscriber acquisition methods. Net decrease both YoY and end-Q due to insufficient promotional efforts. • ARPU was maintained at a level of -3% YoY despite lifestyle changes concomitant with increased opportunities to go out.
Radish Boya	12.89 bn yen (YoY - 3%)	1.92 bn yen (YoY + 2%)	<ul style="list-style-type: none"> • Whilst price increases resulted in churn rate, Customer acquisitions at "fuzoroi Radish" saw progress and were flat even as a review of services has been in progress. • ARPU returned to levels prior to COVID-19 when highly loyal customers played a major role. Unit prices, however, are rising and profitability has improved.
Purple Carrot* (Q3)	7.54 bn yen (YoY - 4%)	-0.07 bn yen (YoY - 1.06 bn yen)	<ul style="list-style-type: none"> • Sales continued to decline as a reaction to post-COVID-19's Subscribers, resulting in a decline in YoY. • Profits are remains on a downward trend owing to inflation and weaker sales. Reflecting, however, 2Q implementation of price hikes and delivery fee effects, full-year profits are likely to exceed initial forecasts.
Other Business*	13.63 bn yen (YoY +22%)	1.23 bn yen (YoY - 5%)	<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

Sales

87.47 bn yen



Total segment costs
76.08bn yen

Total Segment profits
11.39 bn yen

Companywide fixed costs
7.61bn yen

(Of depreciation and amortization
Segment costs posted)
* *
1.17bn yen

EBITDA

4.96 bn yen

Depreciation and amortization

1.66bn yen

Operating Income

3.29 bn yen

1-2. Strategy and Progress

Strategy and Progress

Continue to promote Enhance profitability measures initiated by the 1H of the fiscal year. and improve profitability structurally. Initiated activities to resume growth-oriented investments such as promotions. **Since Jan, the pace of net increases in subscriptions has accelerated.**

Promotion of initiatives from the beginning of the period

1 continuation of profitability enhancement measures initiated in the 1H

- ✓ Recovery process relating to problems at our logistics center complete, **which have now recovered to levels prior to relocation.**
- ✓ Price optimization and profitability enhancement as a countermeasure against inflation
- ✓ **EBITDA margins saw a structural improvement of 1 ppt versus 2Q.**

2 Developing high-value-added products in response to changes in the external environment

- ✓ Responding to Changes in Behavioral Patterns by COVID-19
- ✓ Enhancement of lineup in preparation for heightened awareness of life defense due to higher prices

3 Green Shift: Addressing new challenges in the food domain.

- ✓ Development of products that solve social issues
- ✓ Started in-house production and sales of next-generation foods (P-meat)



Full-fledged from the 2H of 2023.3

4 Resumption of growth investments such as promotions

Increasing subscriber acquisitions via expanded brand recognition.

- ✓ Television programs featuring idols 20th Century
- ✓ Reaching new customer segments by building on brands with strong affinity with Oisix

Refining customer acquisition methods

- ✓ Expanding customer acquisition channels via posting-flyers and introductions at physical stores

Accelerate net increase in subscribers from Jan. onward

④ 2H Strategy : Full fledged acquisition of subscribers

We are implementing measures to expand brand recognition via TV program content and promotions using collaborative kits with high affinity brands as bait. We aim also to accelerate new customer acquisitions ahead of the spring season via development of non-Web based acquisition channels.

- TV program

We have been airing TV shows employing celebrities



- Brand Collaboration

Expansion of brand collaboration planning and development through channel advertising



▲ Collaboration products with Harumi Kurihara and DEAN&DELUCA

- Development of acquisition channels

Develop methods other than WEB, such as leaflets and actual Shop



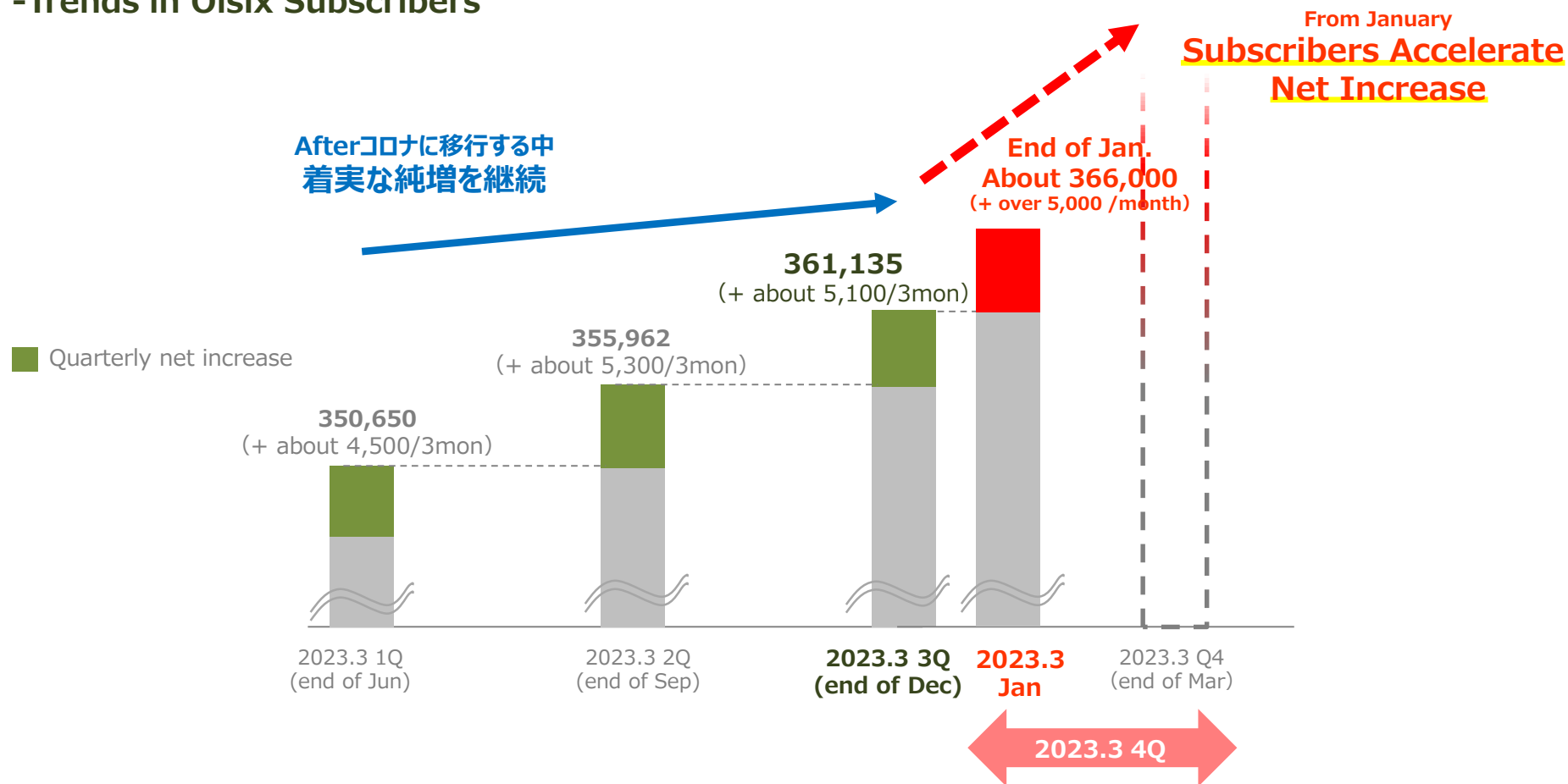
▲ How fliers and AKACHAN HONPO Store front

Resume
investment for growth
from the 2H
of the fiscal year

④ 2H Strategy : Full fledged acquisition of subscribers

Despite headwinds in the current fiscal year, the number of Oisix subscribers continued to increase steadily by approximately +5,000 per quarter. In addition, the pace of net membership growth accelerated with an increase of approximately 5,000 members in one month since the resumption of membership acquisition in Jan.

-Trends in Oisix Subscribers

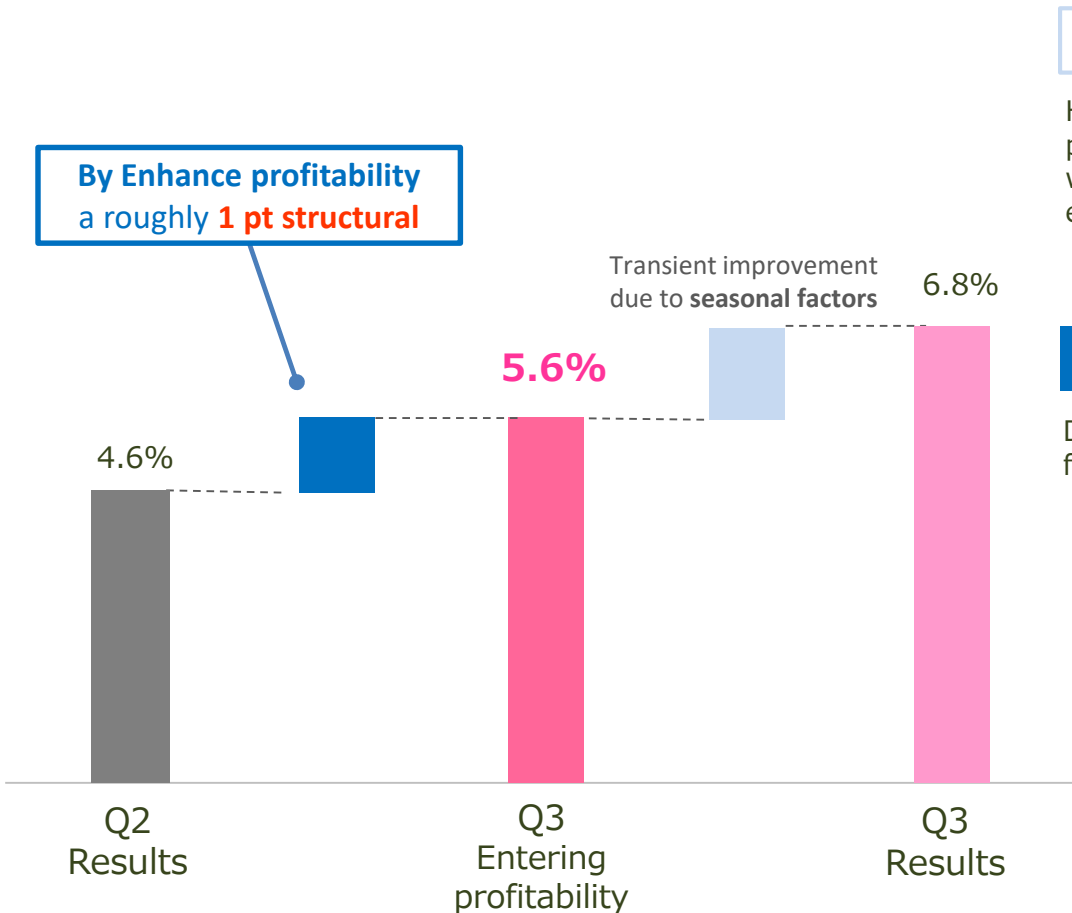


① Enhance profitability

With logistics problems at Oisix New Ebina behind and implementation of profitability enhancement measures, profitability recovered led by the three main brands.

EBITDA margins saw a 1 pt structural improvement, Growth investment resumed in the 2H as planned.

-EBITDA



Transient improvement due to **seasonal factors**

High unit-price items, such as seasonal year-end products and caldron products, saw good growth in 3Q which allowed for a temporary increase in ARPU and expanding profits.

Improved by Enhance profitability

Due to the effects of measures initiated in the 1H of the fiscal year, Structurally improve return on about **1pt**

- ✓ Completion of recovery from relocation problems
- ✓ Execution of measures to improve profitability

Including new promotions
Resume growth-oriented

② Developing time-saving and low price products

Reinforcing product development meeting changing customer needs vis-à-vis the impact of rising prices and such factors as expanding participation of those new to cooking and new lunch demand owing to remote work.

-Super Easy Kit Series

- ✓ Develop 21 series that can be made in 10 minutes in response to the trend of new to cooking.



-Patto Oisix

- ✓ Sales of the vegetable-rich series of frozen foods 1,260,000 meals in 1 year in response to ultra-short times needs.



-980yen Kit

- ✓ Meal kits in low price range to prepare for food cost revision due to price hikes.



③ Sustainable Retail

~Promote sales of products that solve social issues~

To attain “Sustainable Retail,” we promote product development that seeks to solve social issues. In “Upcycle by Oisix” we are also jointly developing products, contributed to a near 70-ton reduction in food loss. We plan expanded sales of crops utilizing biochar which promises .

-Expansion of Upcycle by Oisix initiatives

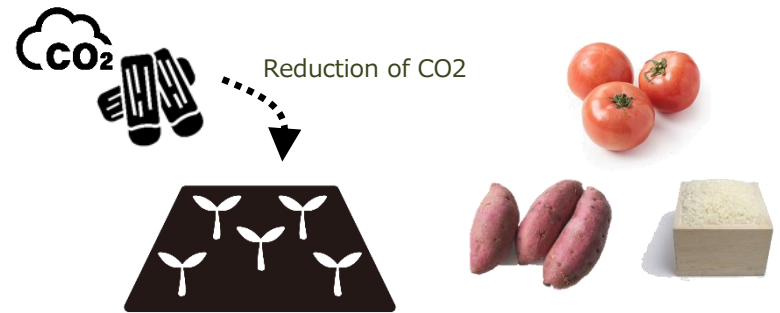
- ✓ “Upcycle by Oisix” contributing to a near 70-ton reduction in food loss.
- ✓ Commenced sales of products jointly developed with CHOYA Inc. and Published a total of 14 media on information programs and Web media.



▲Joint product presentation at a hands-on Shop

-Sales of crops utilizing biochar

- ✓ Via the use of “biochar” in agricultural production, as demonstrated by tests, it is hoped that CO2 emissions can be reduced to 50-0% of conventional methods.
- ✓ 10 agricultural products are available for sale, with plans to expand in the future.



▲Examples of Crops for Sale

③ Sustainable Retail

~Next generation food Start of production and sales~

Started sales of plant meat "P meat" manufactured in-house ,in Dec.

Three processed products using "P meat" are now available at Oisix. New products are under development, and the lineup will be expanded.

-Plant Meat "P-meat" production and sales begins

- ✓ We look to expand the breadth of food options friendly to both the body and planet earth.
- ✓ We began sales on Oisix in Dec, Acquired a high evaluation of 4.3 points (out of 5 points) for healthy taste



▲Dumplings made with "P-meat"

-Customer Voice

healthy and delicious

I was surprised at the quality of the dumplings, they didn't even look like soy meat! If I had been served it without being told, I would have eaten it as a normal dumpling. I would eat them again, even though they are a bit pricey, because they are healthy and don't upset my stomach, but they are still a good side dish.

New protein for those who don't like meat

I am eating less meat. It's not so much that it tastes amazing, but I am satisfied with the taste without meat.

1-3. Results on Business Segment

Oisix KPI

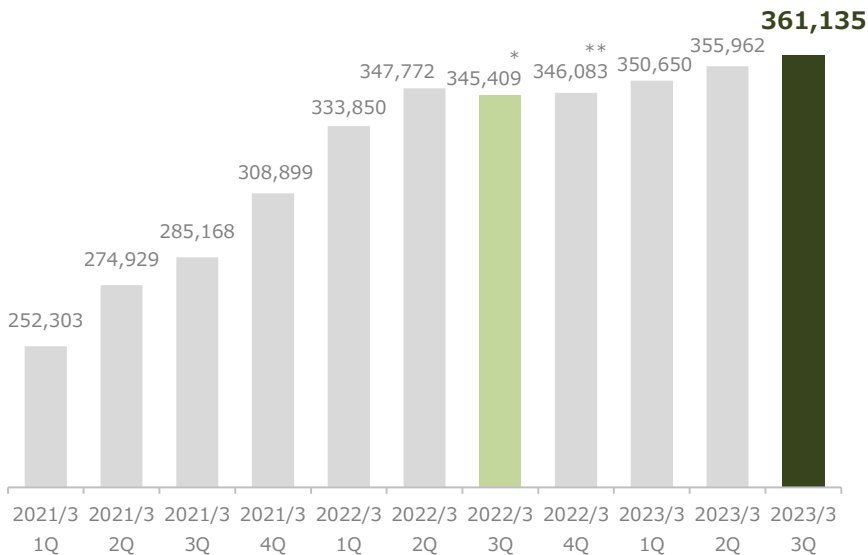
Subscribers : **Subscriptions maintained a net increase of +5200** on 4Q improvements to brand recognition, adjustments to advertising strategies, and ongoing member acquisition efforts.

ARPU : Continued to exceed initial forecasts, up **+8%** from the pre-COVID-19 (-5% YoY), and remained at a high level compared to the pre-COVID-19 level.

Subscribers

361,135

(YoY + 5%)



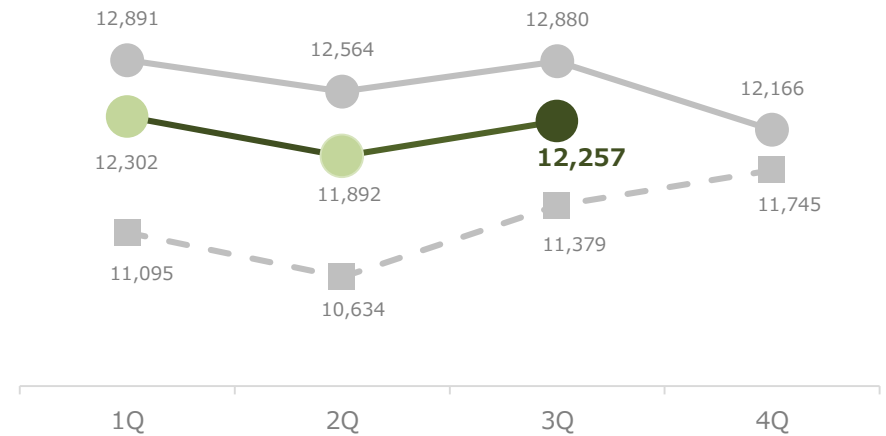
ARPU

12,257

 yen

(YoY - 5% , vs 2020/3 +8%)

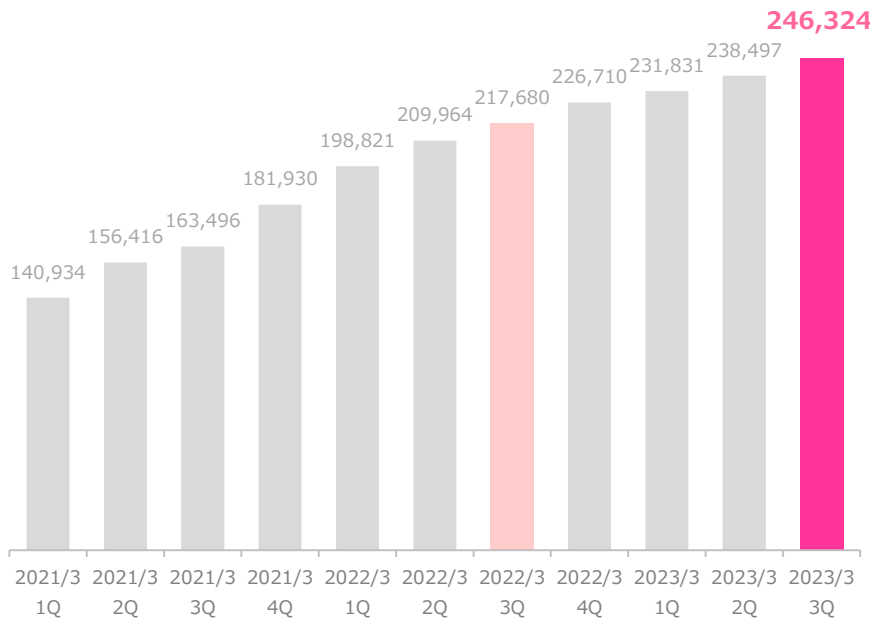
—●— 2023.3
—●— 2022.3 (Previous period)
- - -●- - - 2020/3 (3 years ago<before-COVID>)



Kit Oisix Course subscriptions (included in Oisix subscriptions) grew **13% YoY** driving growth in overall.

No. of Kit Oisix course subscribers*

246,324 (Includes Oisix subscribers)
(YoY **+13%**)



◆ 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



Daichi KPI

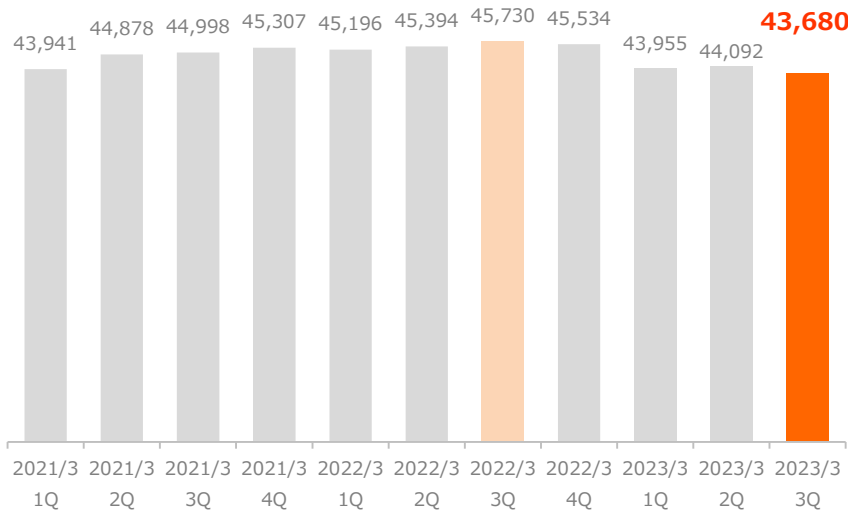
Subscribers : Continue to prioritize the creation of products and services aimed at acquiring new subscribers, subscribers trended flat.

ARPU : Despite gradual stabilization due to the relaxation of action restrictions, up +5% from the pre-COVID-19 (-3% YoY) and remained at a high level compared to the pre-COVID-19 level.

Subscribers

43,680

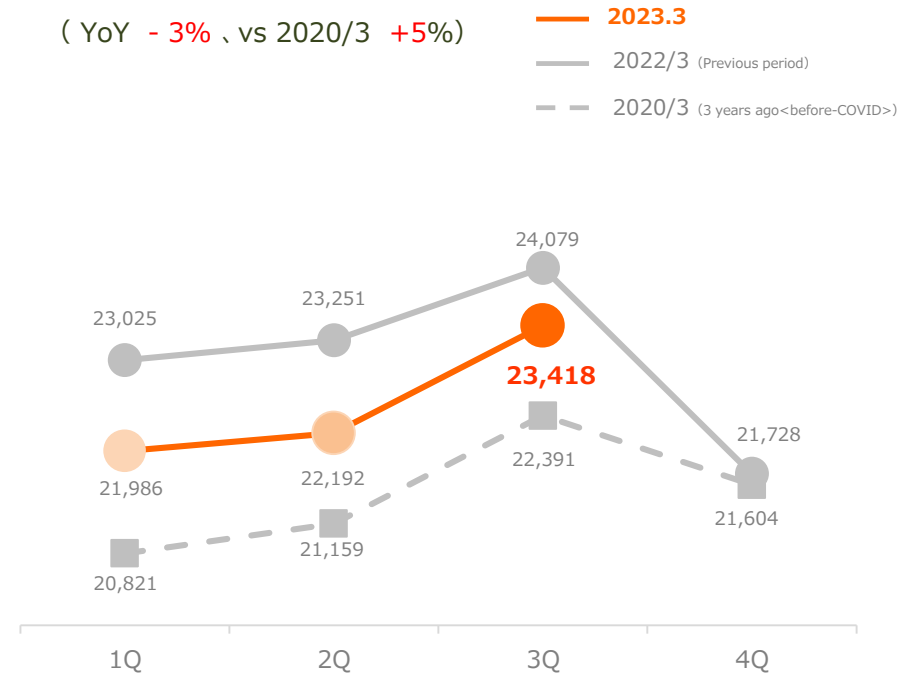
(YoY - 4%)



ARPU

23,418 yen

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



Radish Boya KPI

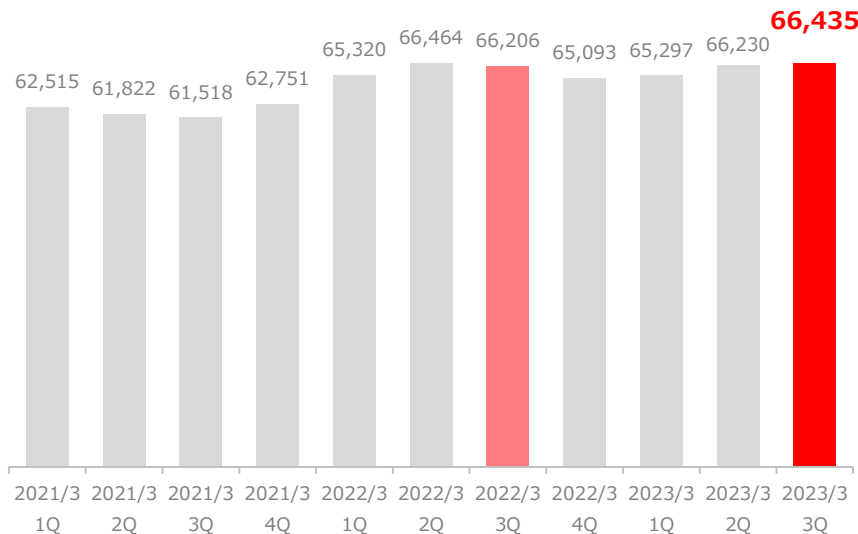
Subscribers : Customer acquisitions at “fuzoroiRadish” saw progress and were flat even as a review of services has been in progress.

ARPU : A revamp of delivery fees and mainstay vegetable “omakase” box services resulted in higher customer basket values and an **overall improvement to profitability.**

Subscribers

66,435

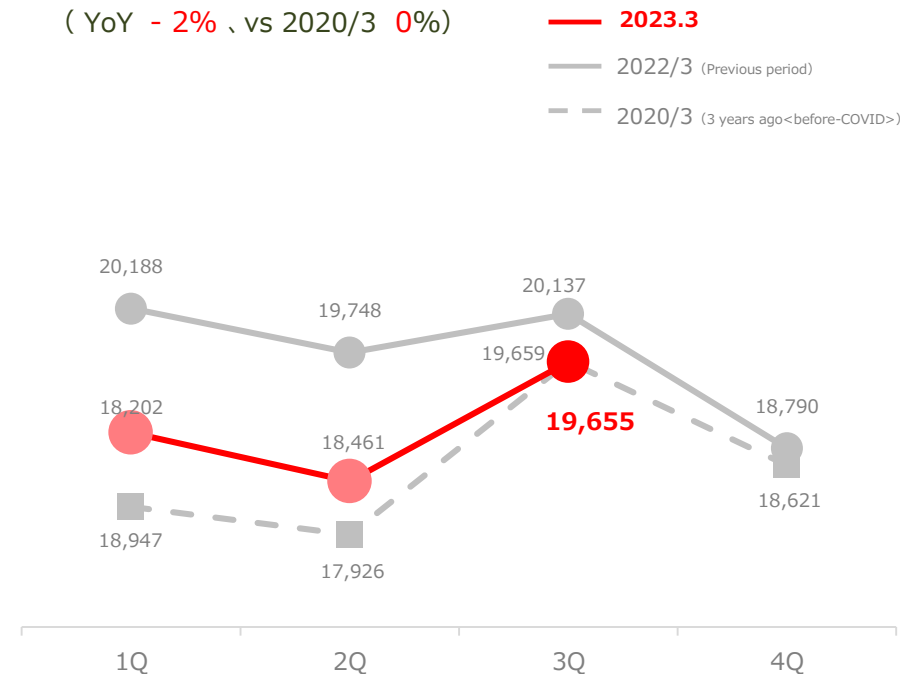
(YoY - 0 %)



ARPU

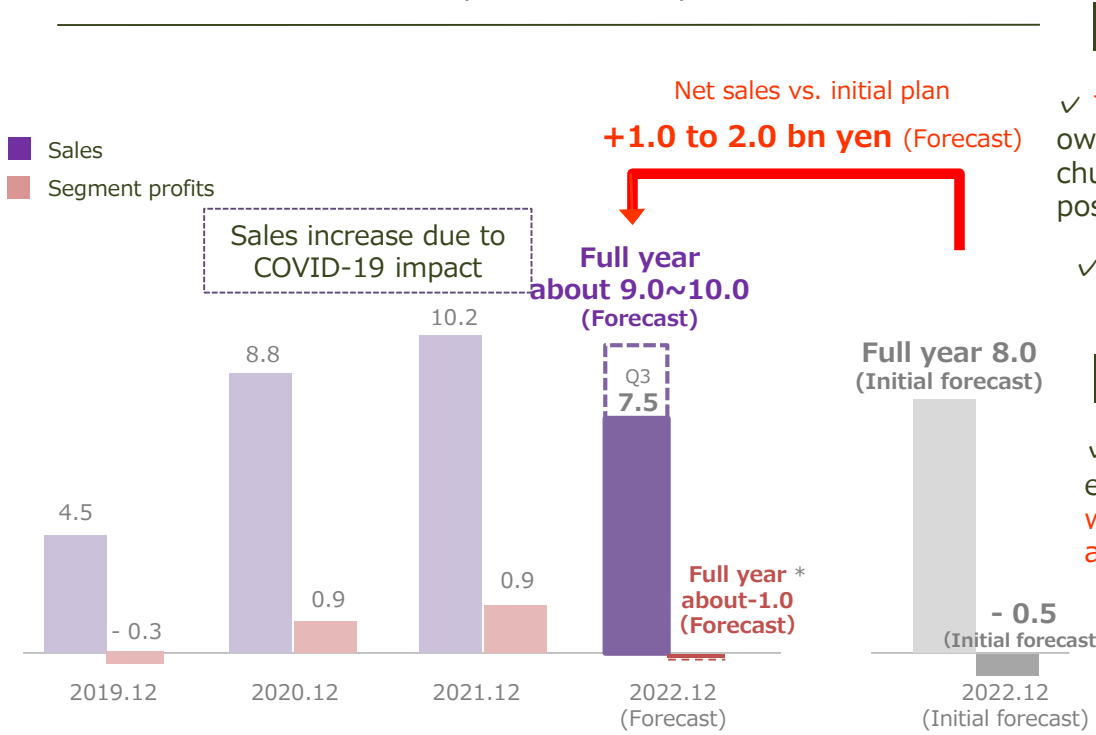
19,655 yen

(YoY - 2% \ vs 2020/3 0%)



Sales continued to decline due to the impact of AfterCOVID-19, but the initial forecast was exceeded. Profits are becoming more resilient as a result of price optimization efforts and operational excellence initiatives. Whilst full-year losses are still expected, even with the impact of sharp inflation, the magnitude of losses is likely to see significant shrinkage versus initial forecast.

Quarterly results (bn yen)



sales

- ✓ The decline in subscriptions has been less than forecast owing to development of logistics systems and reduced churn rates stemming from quality improvements made possible from transfer of domestic know-how.
- ✓ Rapid depreciation of the yen pushes up consolidated sales

profit

- ✓ Whilst profitability deteriorated sharply reflecting the effects of inflation, it is seeing structural improvement with 2Q implementation of price hikes for products and delivery services.
- ✓ We aim to increase both customer basket values and profitability through product expansion.

Segment profit vs. initial plan
Narrowing losses (Forecast)

In segment sales and profits
Expected to exceed the initial plan

Domestic Delivery Topics (Osechi)

With relaxation of COVID-19 related activity restrictions, home dining demand during year-end holidays was seen to weaken. As a countermeasure, sales efforts to non-subscribers were reinforced and new products were developed. **The end result was that both unit volumes and sales saw 9% growth.**



- Strengthen sales to people outside Regular subscribers
- On the back of high demand stemming from gatherings of relatives, products for large numbers of adults saw growth.

- Sales of new products were strong.
- In response to COVID-19 driven needs such as apportioning of dishes and/or a desire to eat at one's own pace, we developed new single-serving New Year's dishes.

- Progress through New Challenges in Sales Promotion
- Implementation of initiatives such as products sales to be used as thank you gifts under the hometown tax credit program as well as advance sales to past buyers.



All 3 brands sale record sales volume and sales

2. Cooperation with SHiDAX

Business alliance with SHiDAX

Subsequent to acquisition of SHiDAX shares, discussions for collaboration were initiated. Since Feb., collaborative ideas have moved to the implementation phase. We look firstly to create a service model development team in the medical field as it relates to childcare and senior citizen facilities. We aim to initiate test marketing in 1H FY3/24.

Consideration phase

Focusing on the 4 directions of collaboration studies,

Considering a wide range of specific collaborative proposals

- ① Improving productivity and value addition at Food services sites
- ② Strengthen added value in the sustainable field
- ③ Joint procurement and delivery of food ingredients
- ④ Food service for discharged patients



× *Oisix ra daichi*

Execution phase

In the medical field of childcare and senior citizen facilities

① Started collaboration on productivity improvement and high value-added creation

Creation of higher added value

✓ Differentiate from competitors by offering restaurant-like meals easily with menus supervised by famous restaurants and chefs.

Productivity improvement

✓ To address “human resource sourcing issue” in the meal services market, we have made effort to reduce on-site burdens via commercial meal kits and fully prepared foods.



Test marketing is scheduled to commence in 1H FY3/24.

Impact of acquisition of shares of SHiDAX

With regard to near-term business performance, the acquisition of SHiDAX shares is expected to affect non-operating income (ordinary profit).

① Equity in earnings of affiliates : Incorporated from 2023.3 Q4,

However, owing to goodwill amortization, the impact on equity method investment gains/losses (non-operating income) is expected to be minor.

② Dividend income: Based on shares acquired as of March-end, dividend income of 150 million yen is expected to be generated in 2024.3 Q1.

① Equity in earnings of affiliates

Estimated amount

Impact is expected to be minor

The following calculations would be made

A) profit contribution

Of the net income of SHiDACS for the quarter, the Company's share (28.47%) is included in the net income of SHiDAX's. Our share (28.47%)

-

B) Goodwill amortization

Amortization period of goodwill and goodwill is under calculation

Time **2023.3 (current term) Q4~**

② Dividend income

Dividend income (forecast)*

About 150 million yen

stock holdings

15,582,759 Stocks

×

Dividend per share (forecast)

10~17 yen/share

※SHiDAX's medium-term management plan

Time (planned) **2024.3 (coming term) Q1**

Scheduled to be recorded in Ordinary Profit

Resolution on the appointment of SHiDAX as a director

At the extraordinary general meeting of stockholders of SHiDAX held on Jan. 24, the appointment of our president and Takashima as directors was resolved.

Company	SHiDAX CORPORATION	
Established	January 1959	
Employees	9,499, as of the end of March 2022	
Board of Directors Composition	Inside	<ul style="list-style-type: none"> Kinichi Shida Tsutomu Shida Shinichi Shibayama
	Outside	<ul style="list-style-type: none"> Makoto Kawai Masatoshi Hori Kohey Takashima <div style="text-align: right; margin-top: 5px;"> new </div>



3. ESG Topics

Upcycle by Oisix

At the 10th Food Industry Mottainai Awards Ceremony which promotes sustainable development of the food industry, we received the **“MoAFF’s Secretary-General Award.”**

Additionally, Sonoko Toukairin, an executive officer who heads up “Upcycle by Oisix,” was **designated as a Specially Appointed Professor at Tohoku University.**

10th Food Industry Mottainai Award “MoAFF’s Secretary-General Award.”

•With the aim of realizing sustainable development of the food industry, the program seeks to recognize companies that have achieved exceptional results.



Executive Officers and Toukairin Appointed Special Professor at Tohoku University

•Appointed as a Specially Appointed Professor at Tohoku University on Nov. 1, 2022



未来型医療創造
卓越大学院プログラム

Advanced Graduate Program for Future Medicine and Health Care

WeSupport Family

Since 2021, we have been operating WeSupport Family, a food support platform for poor families with children. **Cumulative about Support for 120,000 households with 0.3 bn yen worth of food.** In addition, sales of donation products and continued support for Ukrainian evacuees.

子どもたちの栄養を考えた食支援

WeSupport Family

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



Supported households (Unique)

15,000
households

Amount of donations (cumulative)

0.3
bn yen

Number of Supported Meals

2,710,000
meals

Supported times

476

WeSupport

Food support for Ukrainian evacuees coming to Japan through the WeSupport platform.

✓ Provided food for approximately 2,500 evacuees from Ukraine



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 2022

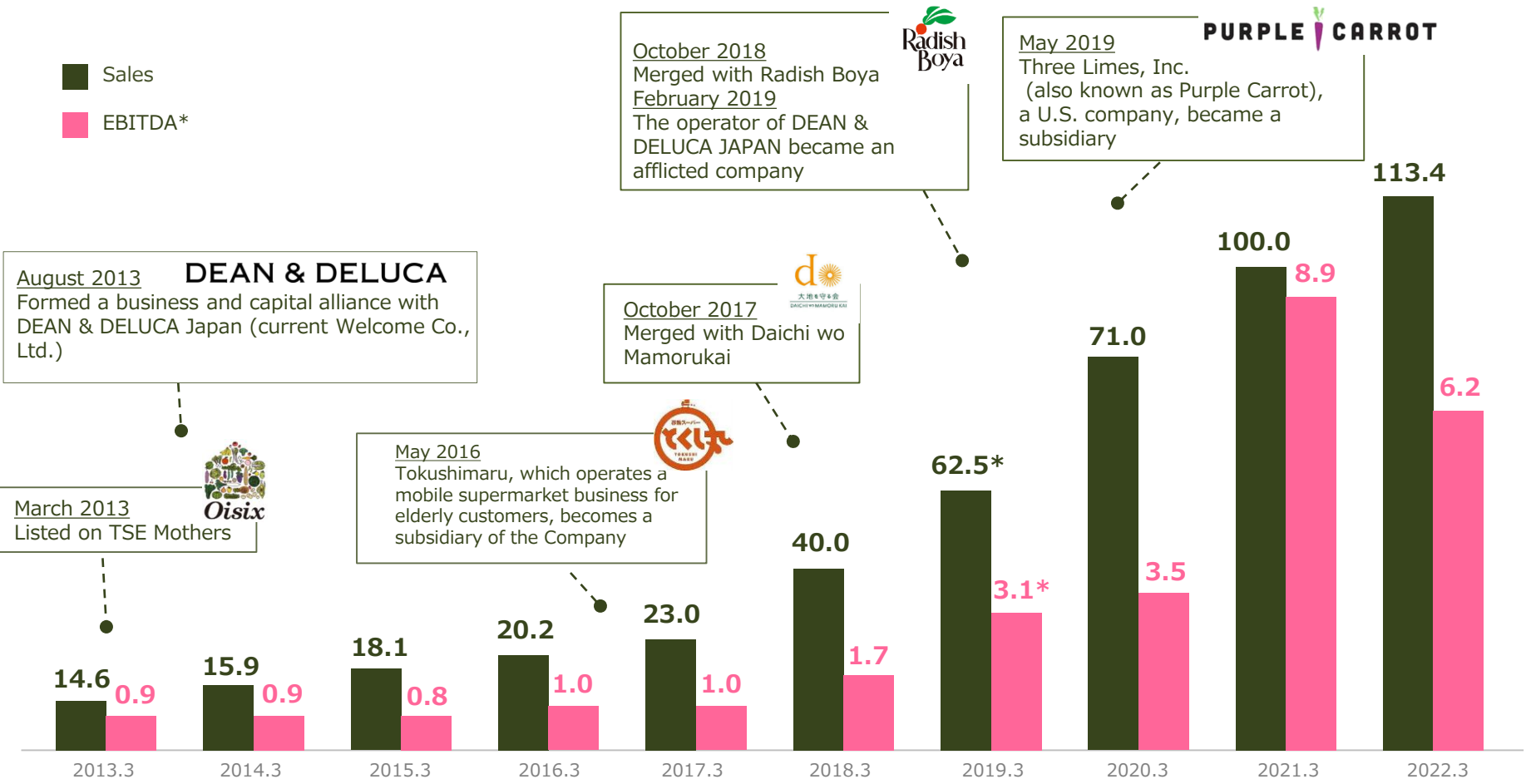
Overview of Affiliates

		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.	
	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%	Vegan food delivery service focusing on meal kits in the U.S.	
	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	
Subsidiary company	Future Food Lab	100%	Food-related R&D, manufacturing and sales, aiming to industrialize the technology	
	Toyoichi (Toyosu gyosho sanchoku ichiba)	51%	Wholesale of food products for the Company and the restaurant	
	Main Affiliates	Nihon Agri	34%	Exports agricultural products.
		SHiDAX	28%	Comprehensive service company aiming to address social issues in a wide range of life stages
		DEAN & DELUCA (WELCOME)	20%	Lifestyle business through retail and restaurant businesses
		Yutori no kukan	20%	Recipes and product development by chefs Harumi Kurihara and Shinpei Kurihara

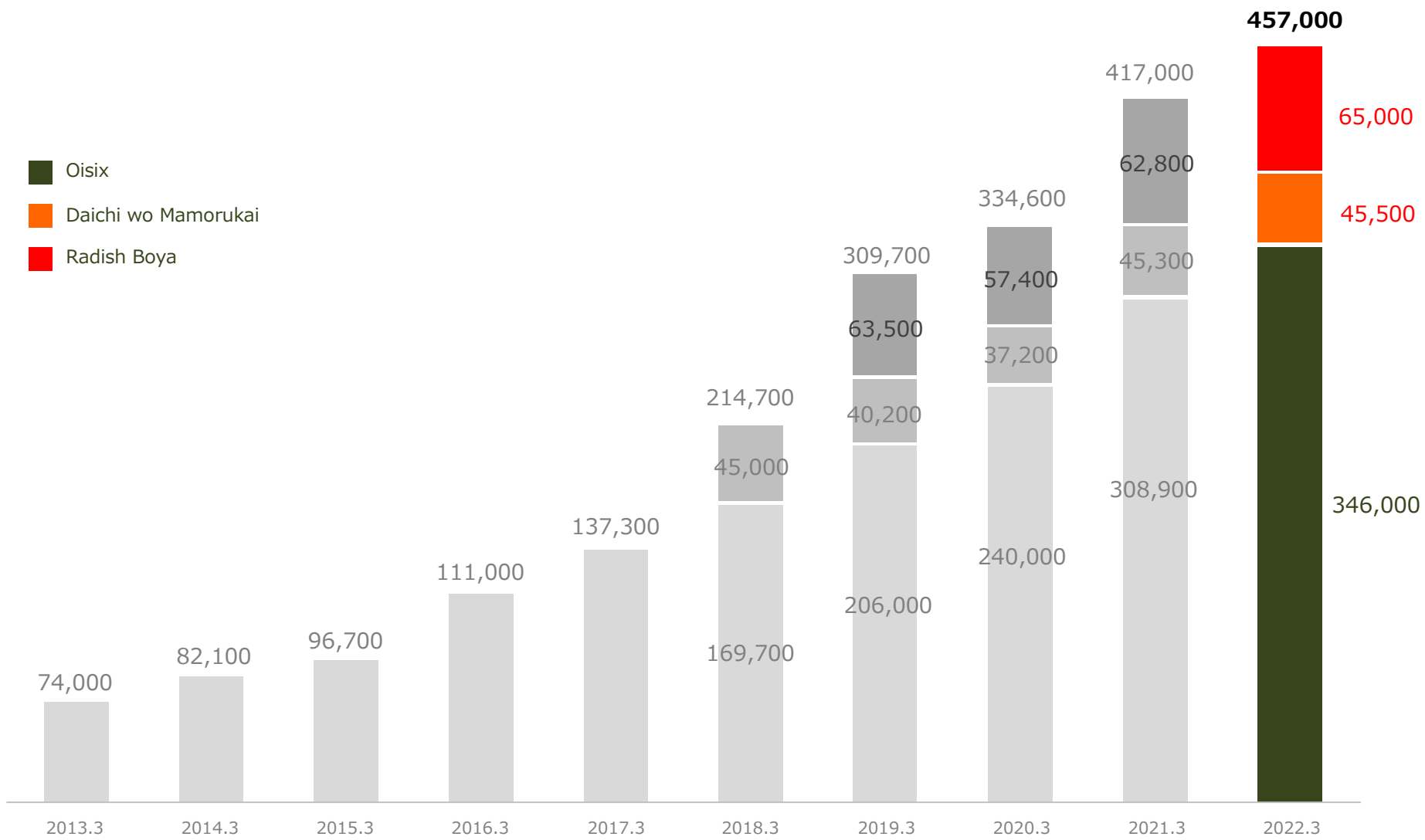
Growth Trajectory

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 470,000 households throughout Japan

Producers

fruit and vegetable producer

Approximately 4,000 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 470,000 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



Our Strengths

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

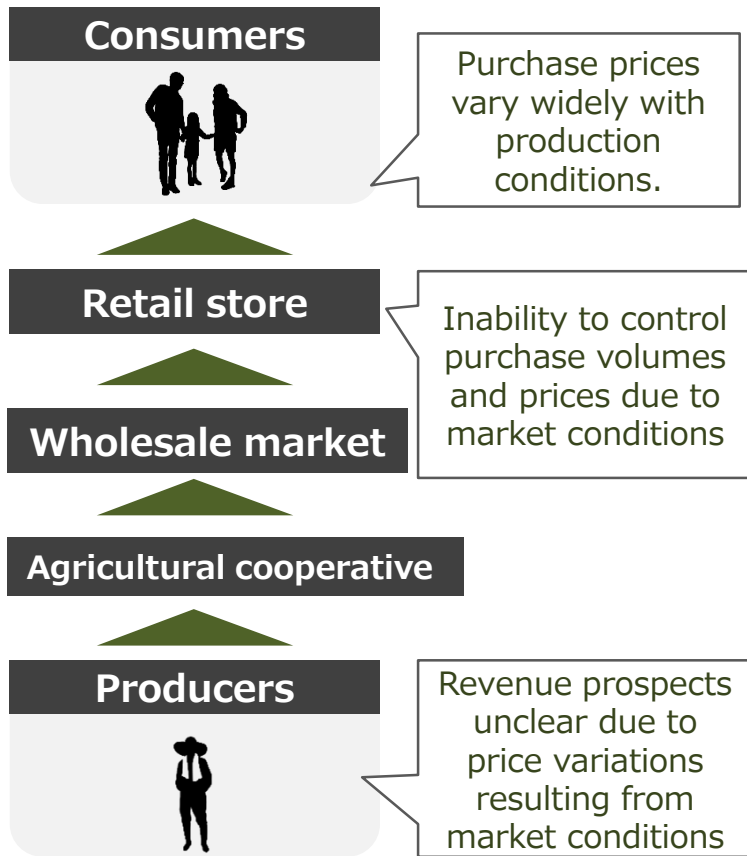
Oisix ra daichi

① Direct network with producers

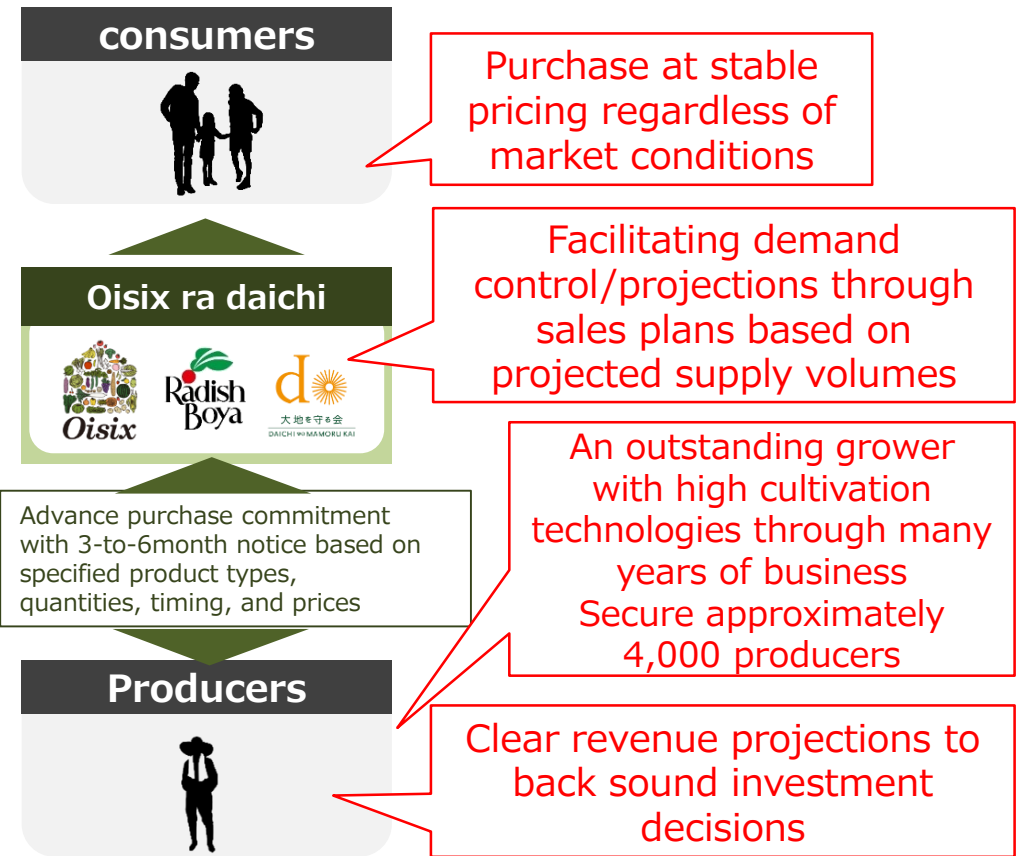
Direct transactions with about 4,000 producers nationwide without going through markets or intermediate distributors.

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

Typical distribution of agricultural products



Strengths of Direct Transactions

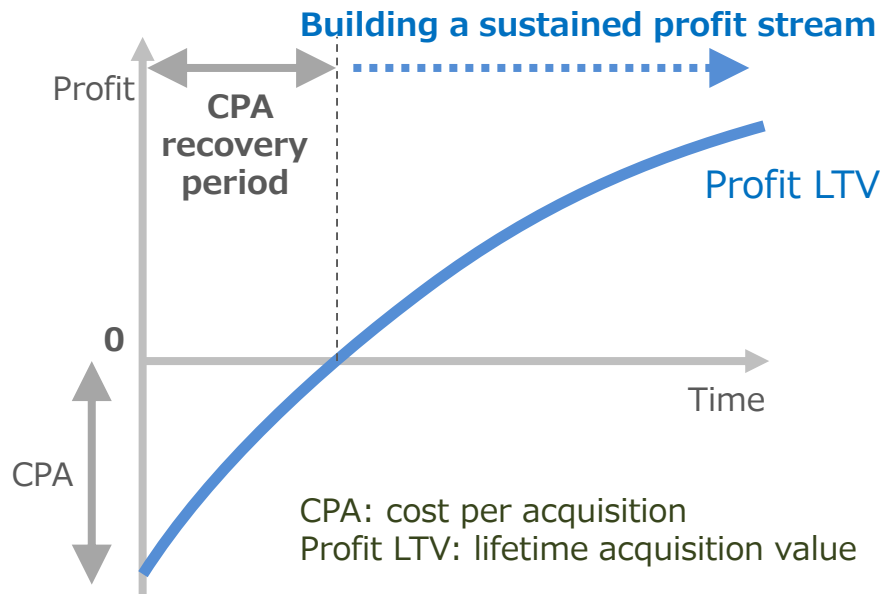


② Subscription Management

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

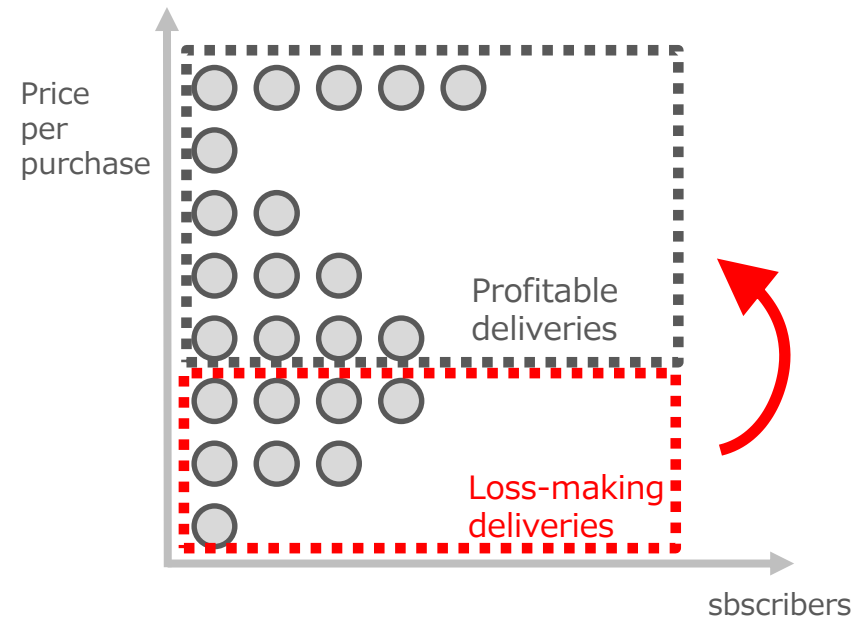
■ Rigorous CPA and LTV management

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

1 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



Households who want to
enjoy cooking



Contributing to Society
through Cooking



Senior household
with two people



Easy feeling of health

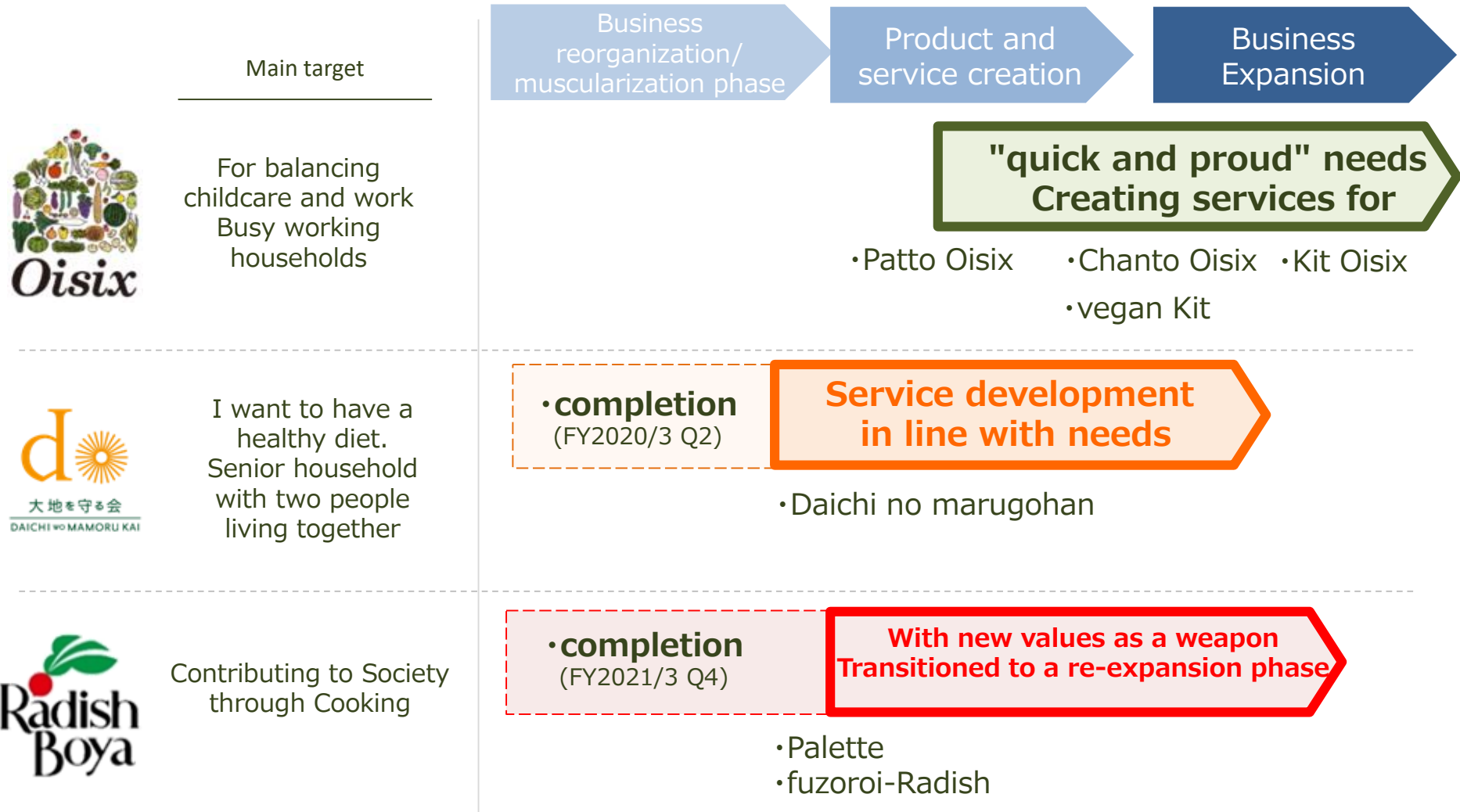


Producers



Business Phase of the 3 Home Delivery Brands

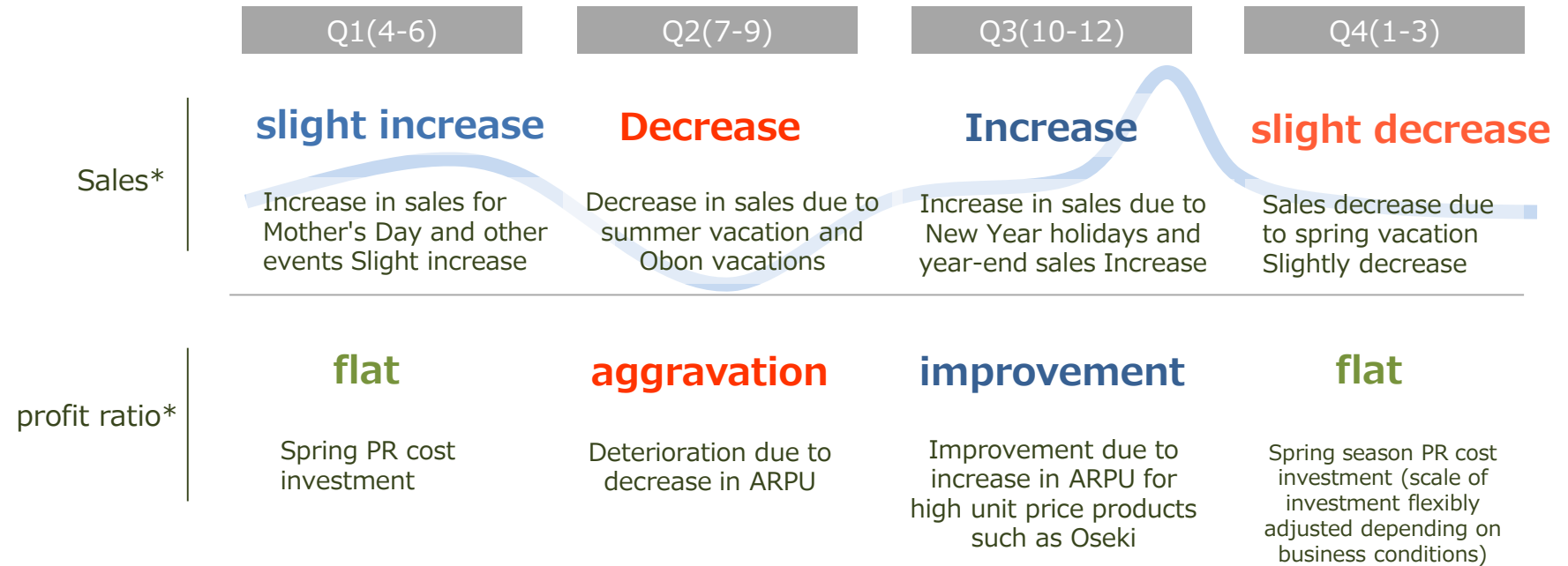
Appropriately implement business strategies in line with the business phases of each brand



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 returning to normal.

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

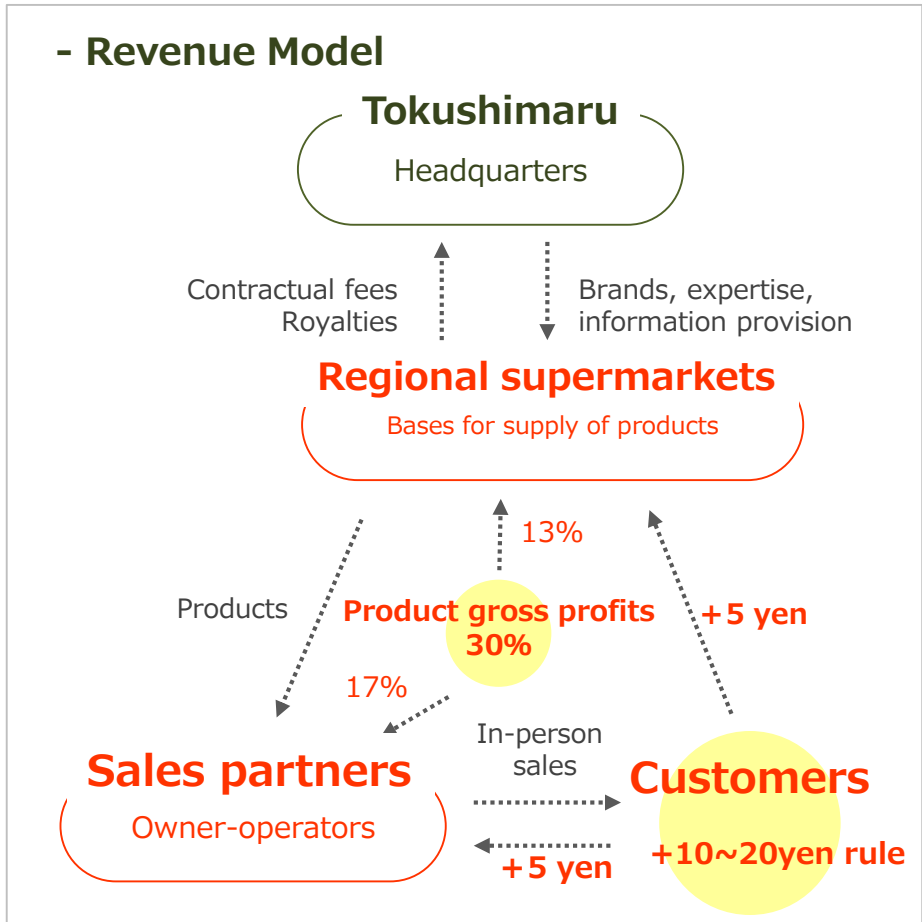
aim

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



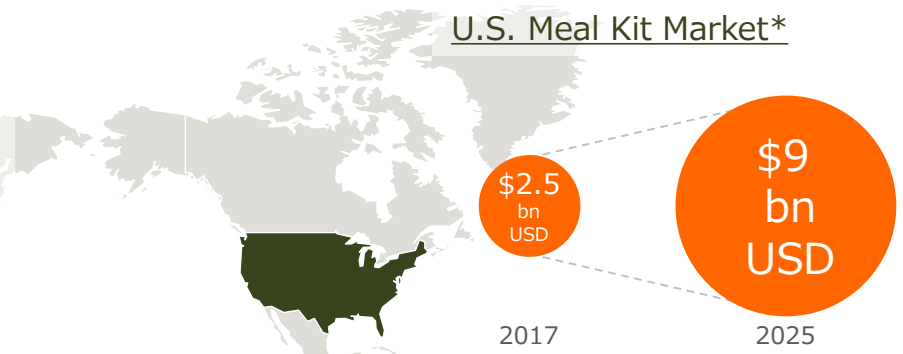
- Started the service in 2017. Grasp the needs to establish the subscription model for Chinese customers

- 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

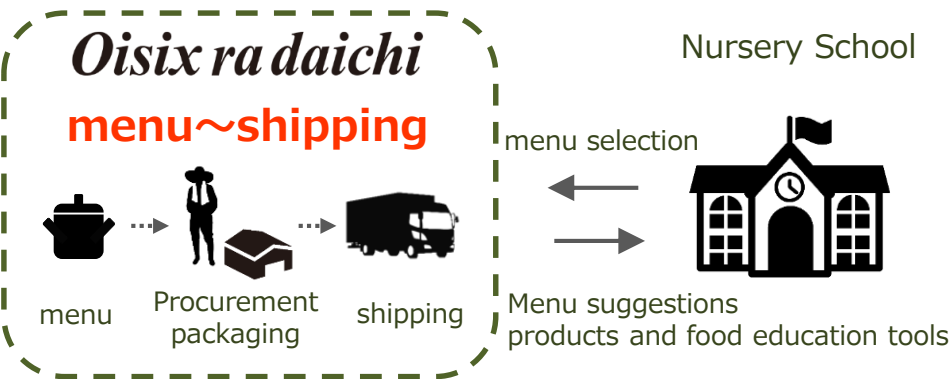


PURPLE CARROT



- **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.

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)

Food Tech Startups

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



Raised 2 billion funding from LP14

Food tech New Food



AgriTech



Oisix ra daichi

Future Food Fund

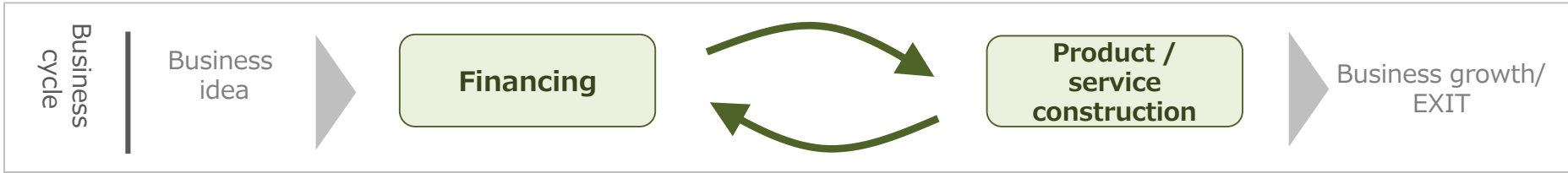
Domestic B2C Subscription

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 up.
Trading value: Approx. 900 million/day, annual turnover rate of over 200%

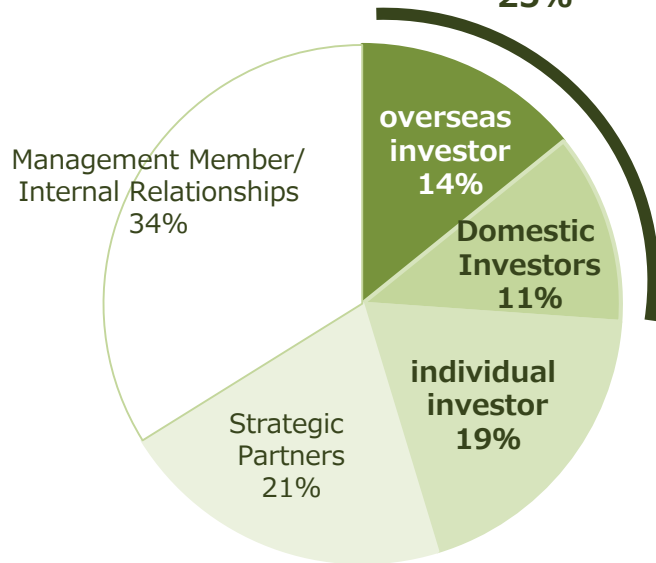


Trends in shareholder composition

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

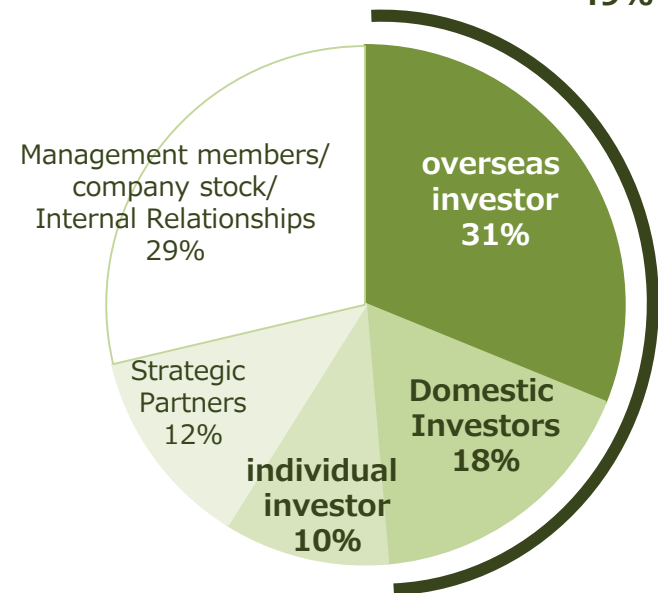
End of Mar. 2019

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	23,872
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.

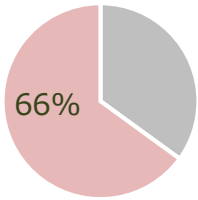
• ROE/ROIC target level

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

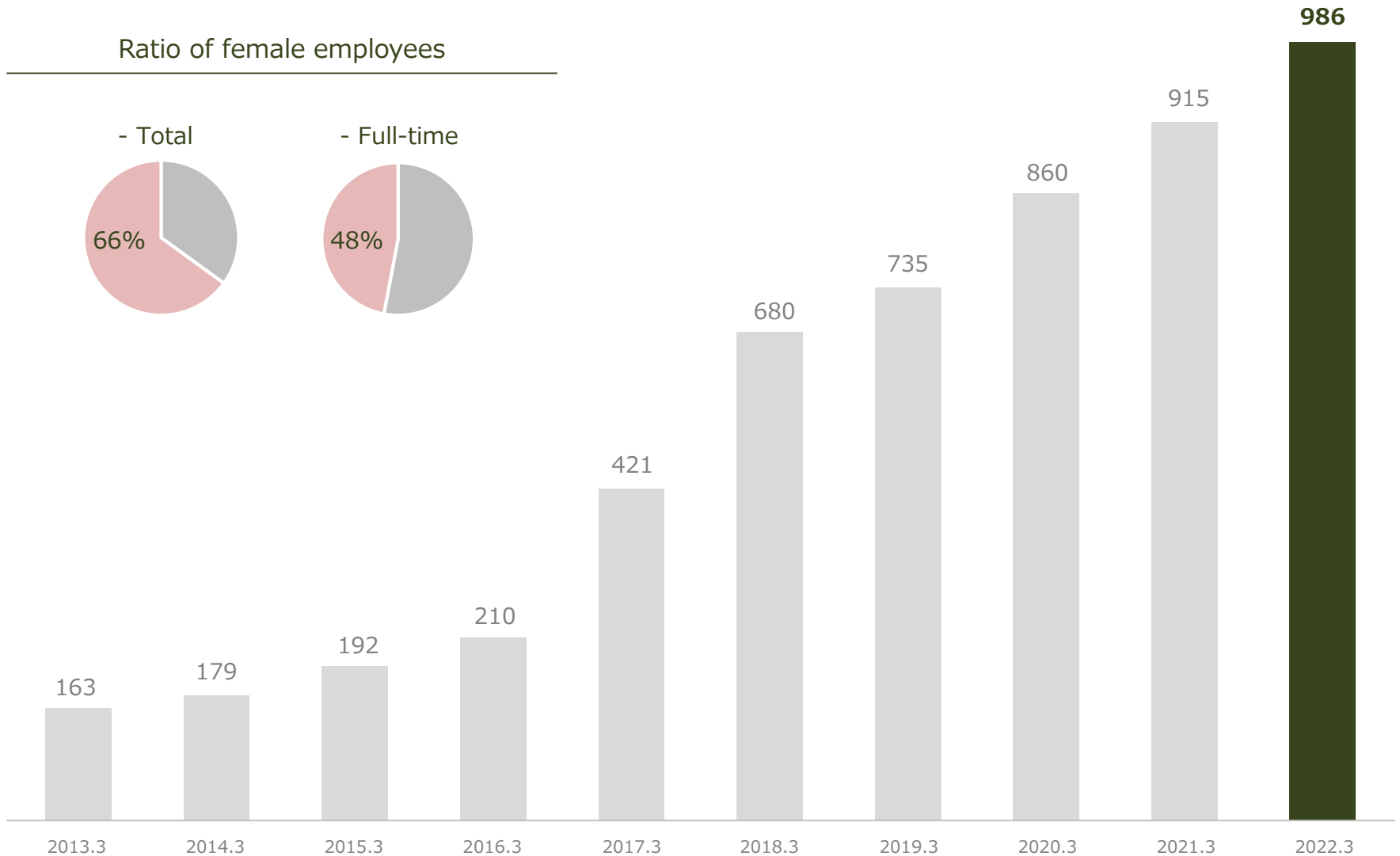
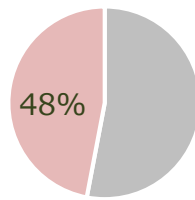
Trend in No. of Employees

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

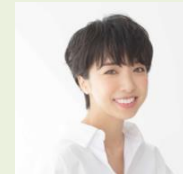
General Manager of Quality coordinate Office of Recruit Holdings Co., Ltd. Director of Loyalty Marketing, Inc.



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.



■ 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 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.

■ 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	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q
Sales	23,132	47,567	74,790	100,061	27,911	56,167	87,400	113,476	27,901	55,450	87,475
Operating Profit	2,076	3,976	6,131	7,465	1,950	3,347	4,979	4,171	962	1,672	3,293
EBITDA	2,419	4,679	7,198	8,902	2,316	4,188	6,385	6,216	1,498	2,771	4,960
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	892	1,942

DATA SHEET : Business Segment Result

Business Segment Result

(mn yen)		2021.3				2022.3				2023.3		
		1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q
Oisix	Sales	11,265	23,047	37,036	49,863	14,145	28,580	45,190	58,546	14,393	28,458	44,946
	Segment profits	2,367	4,335	7,012	8,984	2,057	4,045	6,525	7,036	1,953	3,821	6,390
Daichi	Sales	3,636	7,094	10,761	13,978	3,314	6,628	10,154	13,240	3,070	6,141	9,464
	Segment profits	724	1,368	2,160	2,751	663	1,319	2,010	2,619	624	1,188	1,924
Radish Boya	Sales	4,721	9,083	13,653	17,704	4,331	8,732	13,336	17,432	4,190	8,370	12,892
	Segment profits	899	1,626	2,449	3,023	584	1,143	1,883	2,429	591	1,126	1,927
Purple Carrot	Sales	-	-	-	-	2,842	5,536	7,893	10,208	2,586	5,171	7,544
	Segment profits	-	-	-	-	549	811	985	959	△78	△49	△74
Other Business*	Sales	3,601	8,522	13,600	18,922	3,373	6,911	11,194	14,578	3,969	7,958	13,630
	Segment profits	391	1,038	1,599	2,320	427	869	1,295	1,423	435	758	1,230
Companywide fixed costs, Goodwill etc		2,305	4,391	7,089	9,655	2,329	4,842	7,720	10,296	2,564	5,174	8,105

Data Sheet : Main KPI

KPI trend

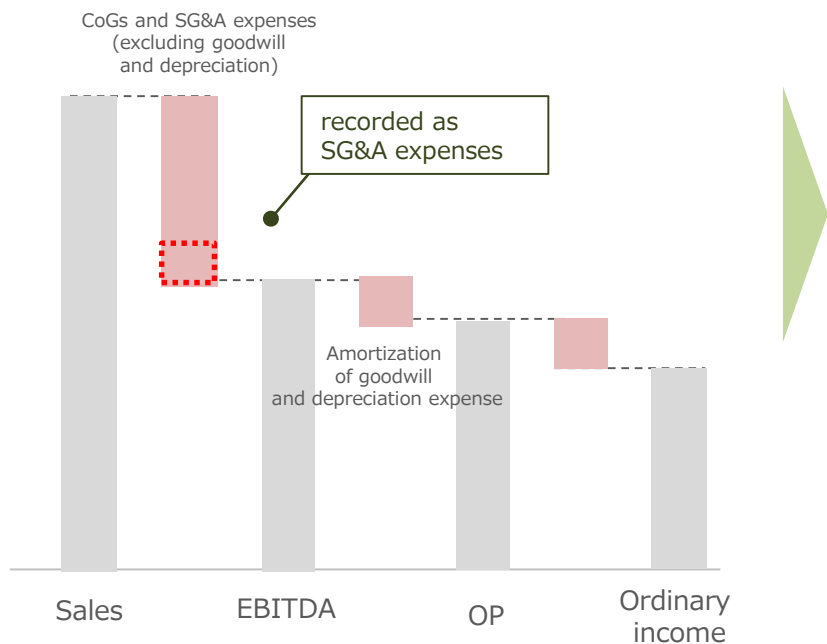
		2021.3				2022.3				2023.3		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Oisix	Subscribers (number)	252,303	274,929	285,168	308,899	333,850	347,772	345,409	346,083	350,650	355,962	361,135
	ARPU (yen)	13,822	12,986	13,106	13,042	12,891	12,564	12,880	12,166	12,302	11,892	12,257
	Price/purchase (yen)	6,748	6,201	6,315	6,215	6,098	6,057	6,220	6,096	5,970	5,934	6,174
	Purchase Frequency (number)	2.05	2.09	2.08	2.10	2.11	2.07	2.07	2.00	2.06	2.00	1.99
Daichi	Subscribers (number)	43,941	44,878	44,998	45,307	45,196	45,394	45,730	45,534	43,955	44,092	43,680
	ARPU (yen)	27,117	24,128	24,356	23,520	23,025	23,251	24,079	21,728	21,986	22,192	23,418
	Price/purchase (yen)	9,234	8,610	9,000	8,729	8,425	8,557	9,002	8,218	8,344	8,521	9,044
	Purchase Frequency (number)	2.94	2.80	2.71	2.69	2.73	2.72	2.67	2.64	2.64	2.60	2.59
Radish Boya	Subscribers (number)	62,515	61,822	61,518	62,751	65,320	66,464	66,206	65,093	65,297	66,230	66,435
	ARPU (yen)	23,189	20,884	21,000	20,259	20,188	19,748	20,137	18,790	18,947	18,461	19,655
	Price/purchase (yen)	7,028	6,373	6,696	6,441	6,402	6,407	6,589	6,247	6,451	6,442	6,922
	Purchase Frequency (number)	3.30	3.28	3.14	3.15	3.15	3.08	3.06	3.01	2.94	2.87	2.84

Effect of accounting change on depreciation and operating expenses

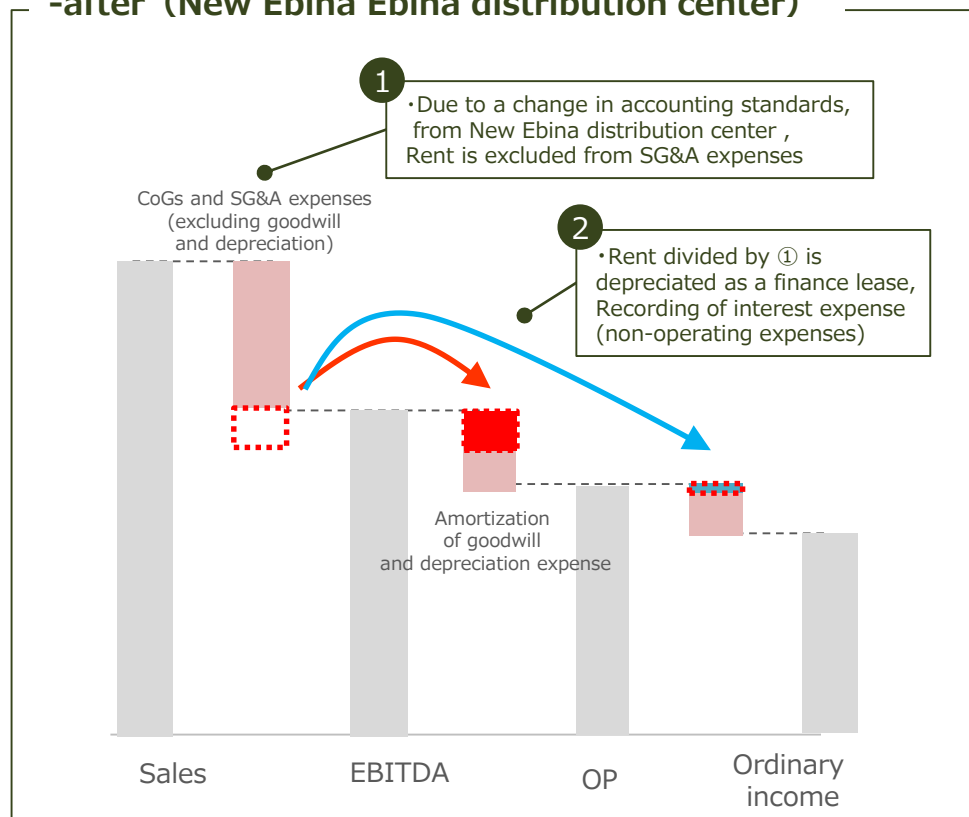
Rents for New Ebina distribution center was accounted for as finance leases in accordance with accounting standards. Due to the change in recorded items compared to the previous location Differences in EBITDA and ordinary income compared to the same period of the previous year. The accounting items have been changed from SG&A expenses to depreciation and interest expense before and after the accounting standard change.

-before

(Applicable to centers used from 2021.3 and before)



-after (New Ebina Ebina distribution center)



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