



FOODiSON

Q4 and Full-Year FY2022 Earnings Report

Foodison, Inc.

Ticker: TSE Growth 7114

- 1 | **FY2022 Q4 and Full-Year Results**
- 2 | **FY2023 Forecasts**
- 3 | **Company Overview**
- 4 | **Growth Strategy**



Grunts

FY2022 Q4 Results

Q4 FY2022 Highlights

<p>Financial Highlights</p>	<ul style="list-style-type: none"> ▪ Due to the negative impact of the COVID-19 pandemic in Q4-FY21, revenue and gross profit have experienced significant growth, with Y/Y increases of +53.6%, +35.6%, respectively. ▪ After accounting for higher recruitment, bonus, and testing costs, EBITDA⁽¹⁾ increased by 18 million JPY year-over-year, reflecting a certain improvement in profitability. <ul style="list-style-type: none"> ○ Revenue 1,385MM JPY ○ Gross Profit 474MM JPY ○ EBITDA 18MM JPY ▪ In BtoB Commerce, the number of Active Users and ARPU (Average Revenue Per User) have shown strong growth, with Y/Y increases of +31.1% and +35.0%, respectively. <ul style="list-style-type: none"> ○ Active Users 3,621 users ○ ARPU 99K JPY ▪ As a result of the planned expansion in the revenue composition ratio of BtoB Commerce, which has increased from 67.6% in Q4-FY21 to 77.6% in Q4-FY22, the gross profit margin has declined. 	
<p>Topics</p>	<p>Business</p>	<ul style="list-style-type: none"> ▪ Preparations for the opening of the new fulfillment center in August 2023 (New FFC Establishment) ▪ Preparations for the opening of the sakana bacca store in Tokyo Marunouchi (scheduled to open in April). ▪ Conducting the second edition of "Fukushima Onahama Minato Marche" featuring seafood products from Onahama, Fukushima Prefecture.
	<p>Software</p>	<ul style="list-style-type: none"> ▪ Product filtering function enhancement ▪ Delivery efficiency enhancement

4 (1) EBITDA = Operating income + depreciation and amortization, hereinafter referred to as "EBITDA"

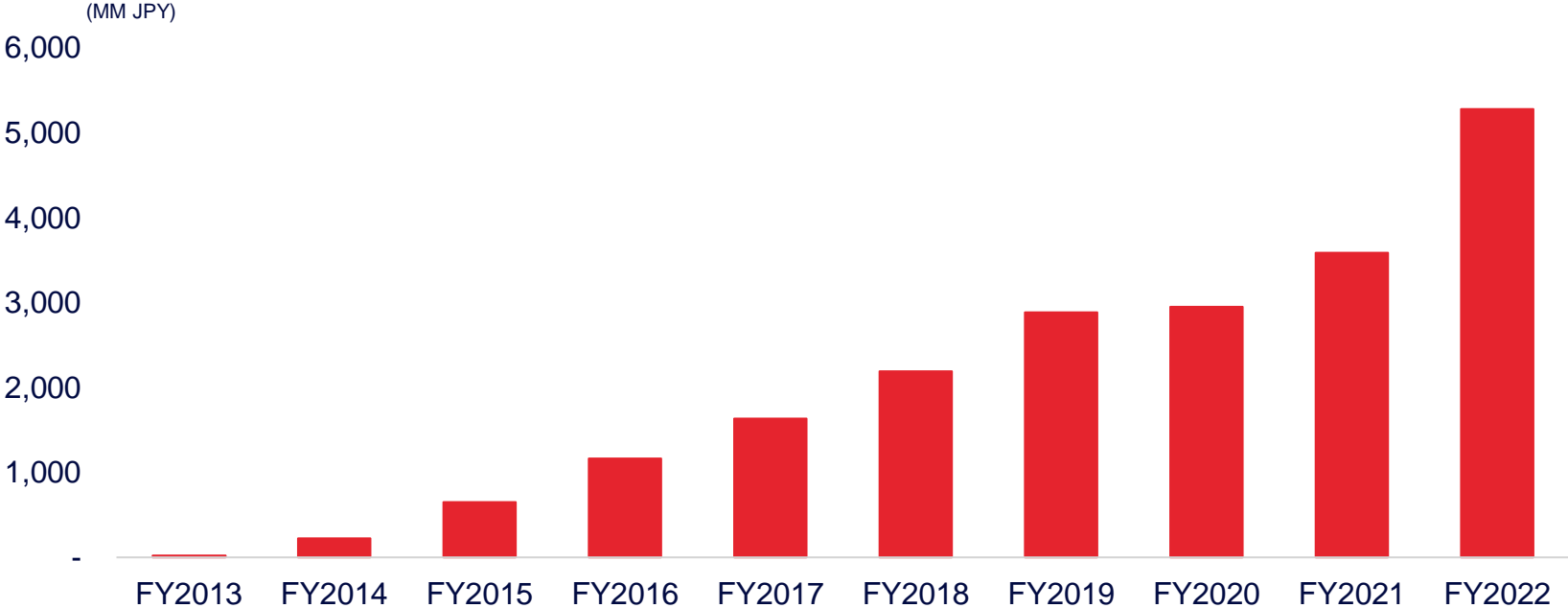
Q4 FY2022 Financial Results

- Revenue and EBITDA have shown steady growth, with Y/Y growth of +53.6% and increase of +18MM JPY, respectively.
- The performance of Q4-FY21 was adversely impacted by the COVID-19 pandemic, which subsequently resulted in significant growth during Q4-FY22.

	FY2022 Q4 (Jan – Mar 2023)			FY2022 Full-Year	
	(MM JPY)	Actual	Y/Y	Actual	Y/Y
Revenue		1,385	+53.6%	5,279	+47.0%
BtoB Commerce		1,075	+76.3%	4,346	+82.4%
BtoC Commerce		233	+18.5%	942	+15.5%
HR		75	-12.8%	361	+5.5%
Gross Profit		474	+35.6%	1,895	+35.8%
Gross Profit Margin		34.2%	-4.6pts	35.9%	-1.7pts
Operating Profit		14	+16 _{MM} JPY	136	+180 _{MM} JPY
EBITDA		18	+18 _{MM} JPY	155	+186 _{MM} JPY
Ordinary Profit		18	+19 _{MM} JPY	139	+147 _{MM} JPY
Net Income		26	+28 _{MM} JPY	100	+113 _{MM} JPY

Revenues since establishment

- Since founding in 2013, we have expanded our platform and achieved 10 consecutive years of revenue growth



(1) Non-consolidated before FY2015, Consolidated after FY2016

FY2023 Full-Year Highlights

Financial Highlights

Revenue (Y/Y growth rate)

5.28Bn (+47.0%)

Gross Profit (Y/Y growth rate)

1.90Bn (+35.8%)

EBITDA (Y/Y Increase)

0.16Bn (+0.19Bn)

Business KPI

Company

OPEX Ratio ⁽¹⁾
(Y/Y Increase)

33.0% (-6.7pts)

Ad Expenditure Ratio
(Y/Y growth rate)

1.7% (-0.2pts)

BtoB Commerce

Q4 Active Users
(Y/Y growth rate)

3,621 (+31.1%)

Q4 ARPU
(Y/Y growth rate)

99k (+35.0%)

(1) OPEX refers to Operating Expenditure which is calculated by subtracting depreciation and amortization expenses from SG&A.

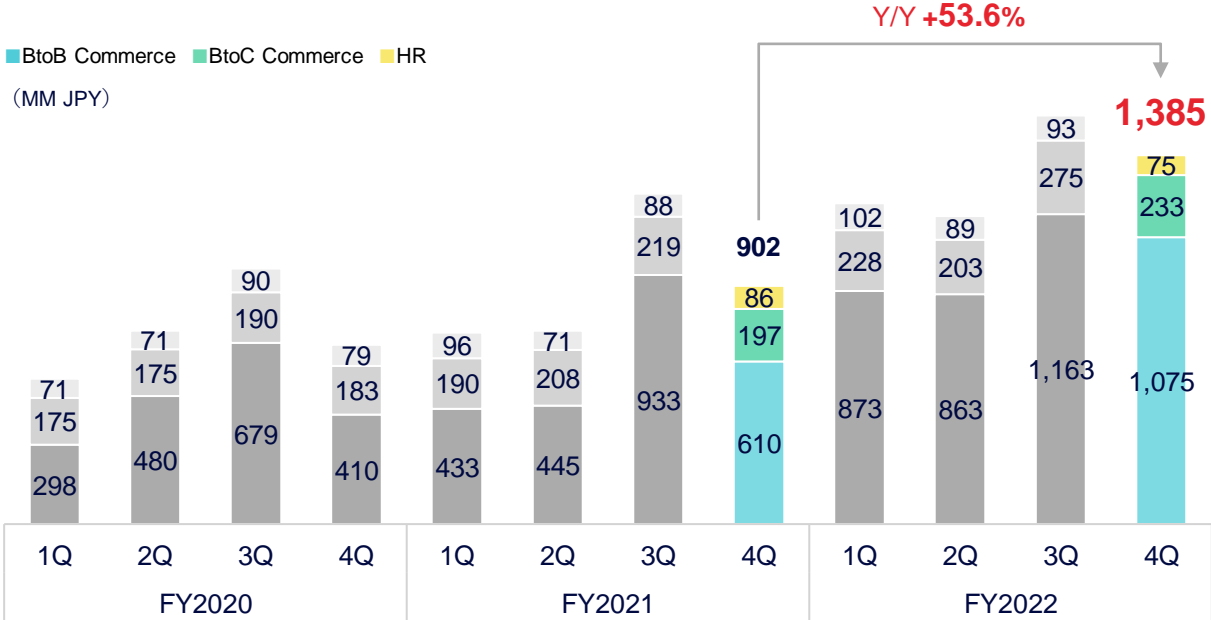
FY2022 Full-Year Actual vs Forecast

- Revenue, operating profit, and recurring profit are slightly above the forecast
- Net income has exceeded forecast due to the inclusion of a corporate tax adjustment of +16MM JPY

	Full Year	Forecast (Disclosed 2/13/23)	Actual vs Forecast	Reasons for Change
	(MM JPY) Actual	Forecast	Change %	
Revenue	5,279	5,200	+1.5%	Active Users and ARPU in BtoB Commerce have exceeded projections
Operating Profit	136	130	+4.6%	-
Ordinary Profit	139	130	+6.9%	-
Net Income	100	78	+28.2%	Corporate tax adjustment was recorded for anticipated deferred tax assets

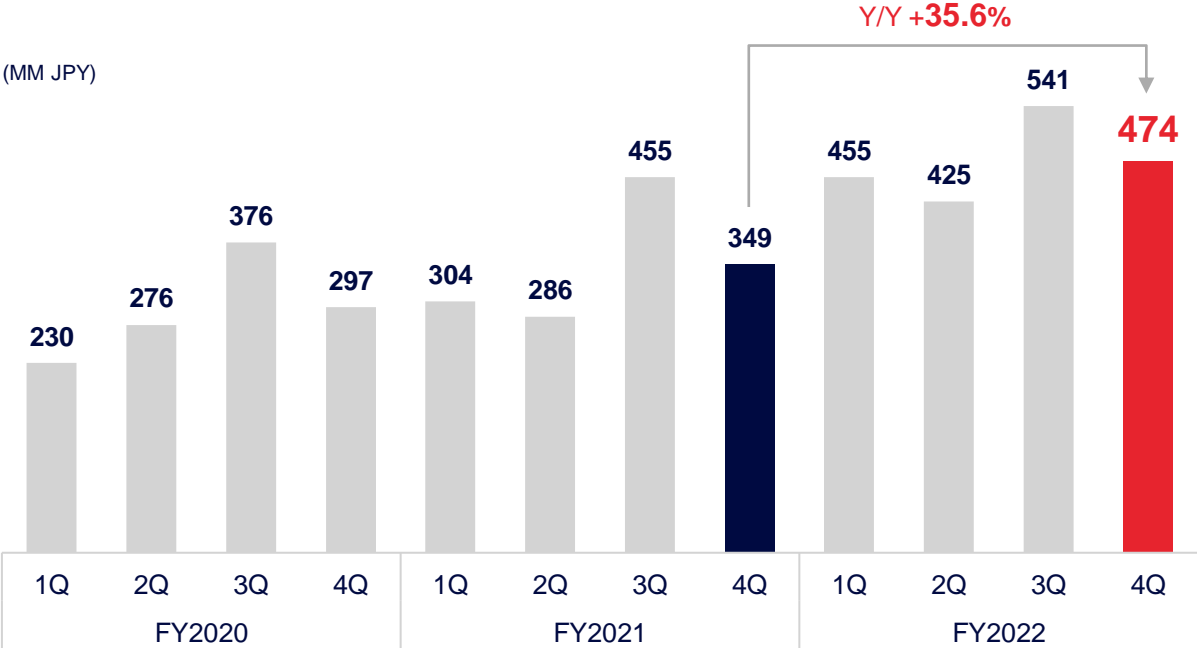
Revenue

- BtoB Commerce experienced significant growth with a increase of 76.3% (Y/Y), primarily due to the reopening effect from the pandemic
- BtoC Commerce showed steady growth, benefiting from the effect of new store openings
- HR faced a decline of 12.6% (Y/Y) due to delays in hiring plans caused by leaves of absence



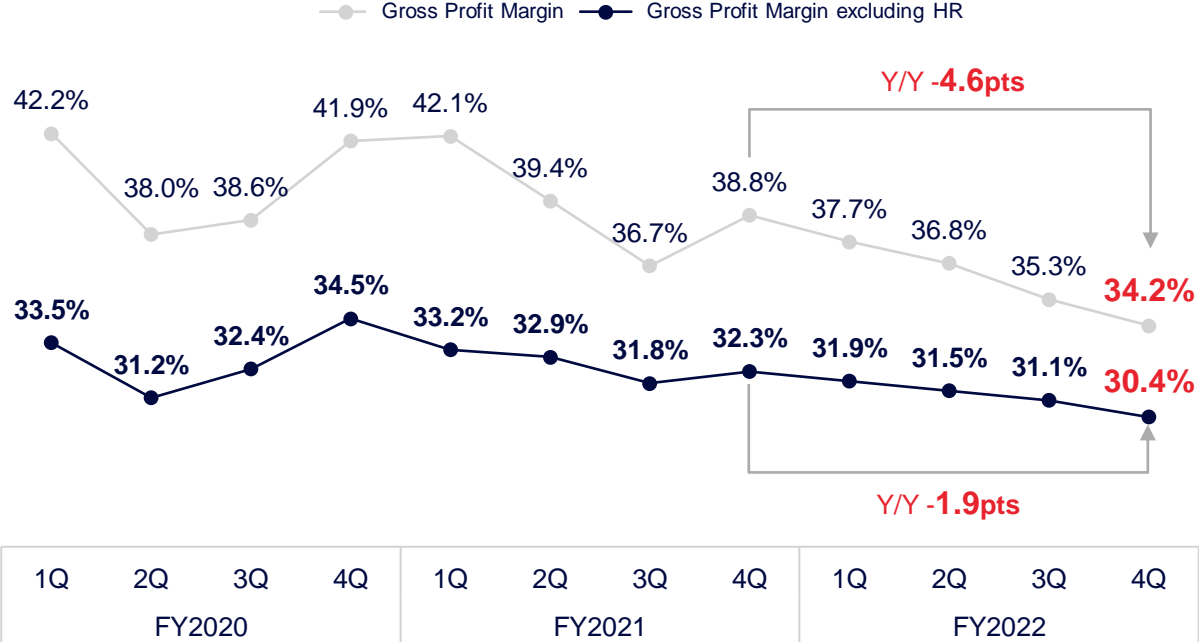
Gross Profit

- Gross profit remains firm, driven by the growth in BtoB Commerce



Gross Profit Margin

- Gross profit margin is affected by the margin mix of each service
- The strong growth in BtoB Commerce has led to a 4.6pts (Y/Y) decrease in the overall company's gross profit margin. Excluding HR, the gross profit margin also decreased by 1.9pts (Y/Y)

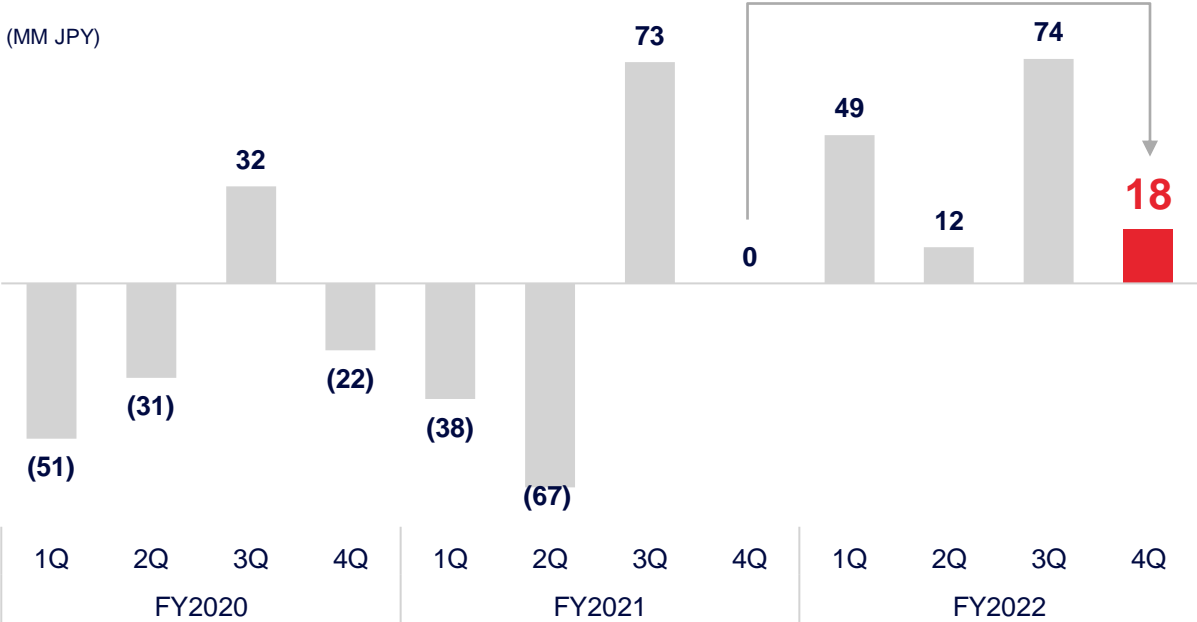


EBITDA

- EBITDA remained strong at +18MM JPY increase (Y/Y)

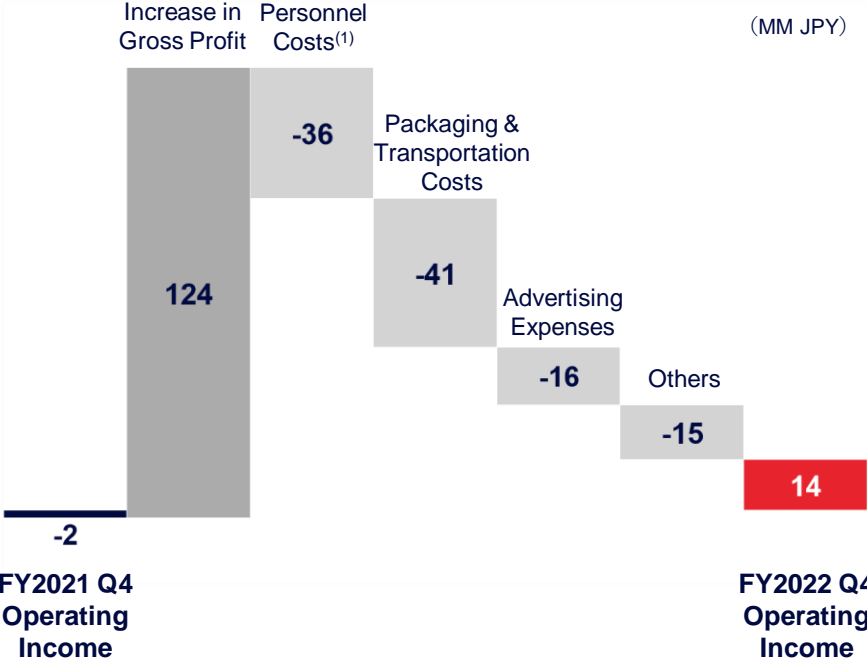
Quarterly EBITDA

(MM JPY)



Operating Income | Change Analysis

vs Q4-FY21



Increase in Gross Profit

- Increase in BtoB Commerce Active Users and ARPU

Increase in SG&A

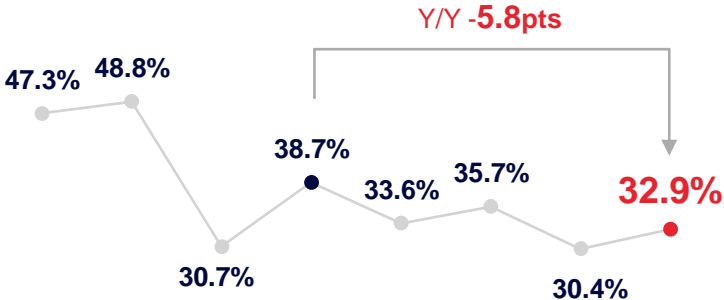
- Increase in personnel costs due to increased shipment volume and performance bonuses
- Increase in packaging and transportation costs due to increased shipment volume and new testing
- Increase in advertising expenses
- Increased transaction fees and consumables costs

(1) Personnel costs include salaries and allowances, bonuses, executive remuneration, and statutory welfare expenses

Company | OPEX Ratio and Advertising / Sales Ratio

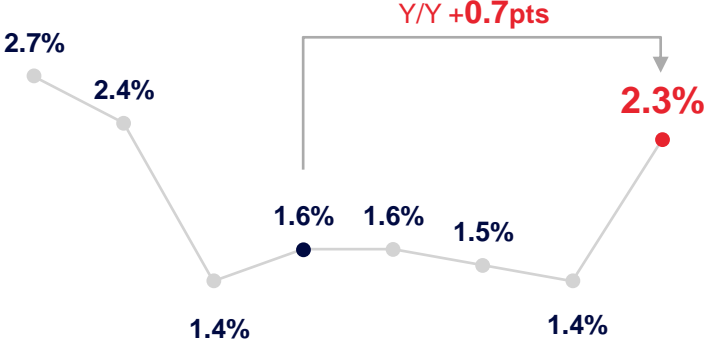
- Increased occupancy rate due to increased sales, resulted in an OPEX ratio of -5.8pts (Y/Y)
- In anticipation of capacity increase with the New FFC Establishment, the Advertising / Sales ratio for user acquisition increased by +0.7pts (Y/Y)

OPEX Ratio



1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
FY2021				FY2022			

Advertising / Sales Ratio



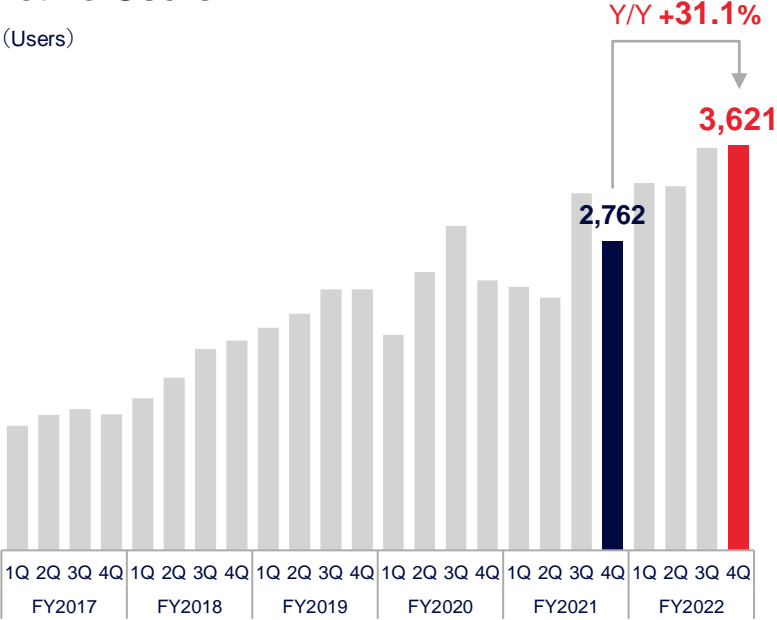
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
FY2021				FY2022			

BtoB Commerce | Active Users and ARPU

- The performance of Q4-FY21 was adversely impacted by the COVID-19 pandemic, which subsequently resulted in significant growth during Q4-FY22

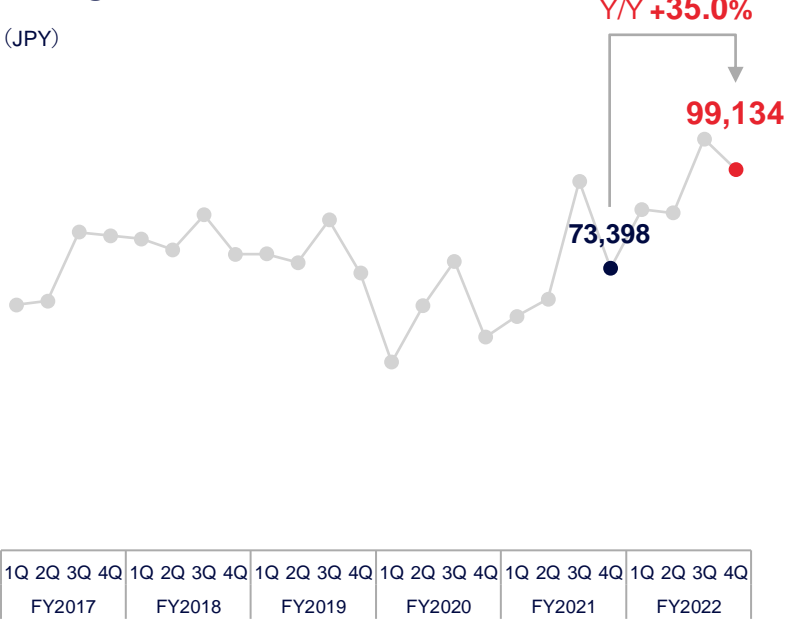
Active Users⁽¹⁾

(Users)



ARPU⁽²⁾

(JPY)

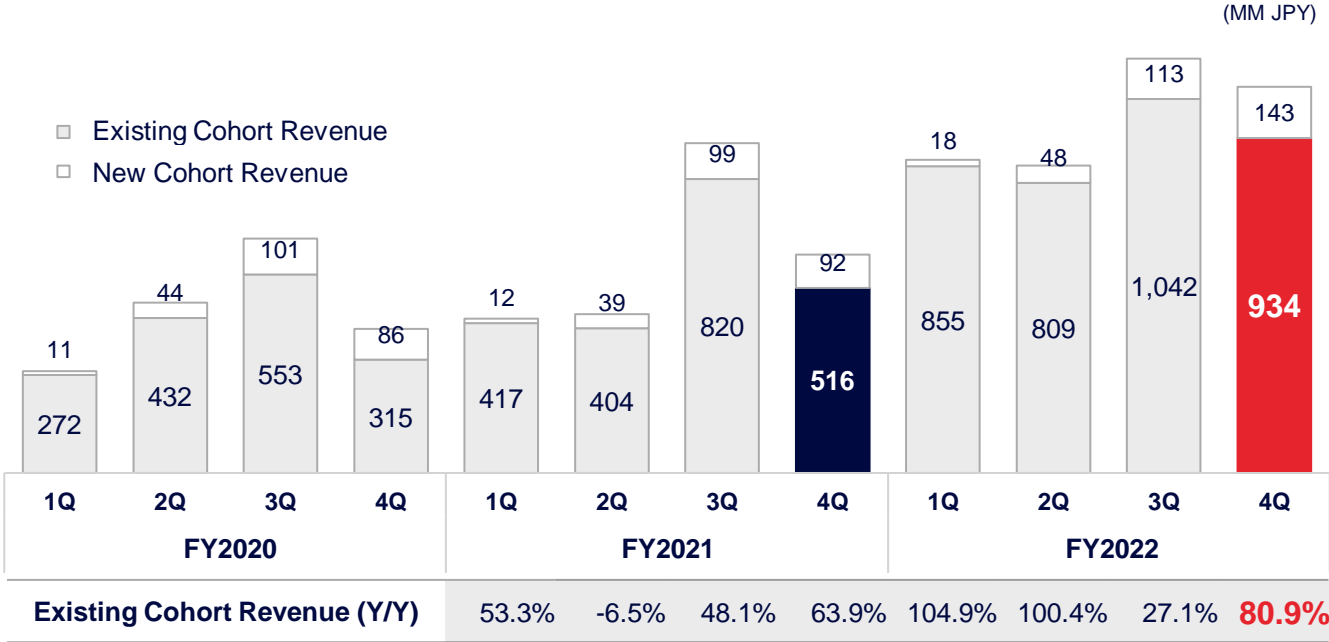


(1) Refers to the number of users who placed at least one order each month. Figures are quarterly averages of monthly Active Users

(2) ARPU (Average Revenue Per User) refers to the average monthly revenue per active user

BtoB Commerce | Revenue by Cohort

- The existing cohort's revenue growth rate was 80.9%, with the existing users driving the growth in revenue



(1) 新規コホート売上高は、新規登録したユーザーが登録年度と同会計年度にもたらした四半期ごとの売上合計
 (2) 既存コホート売上高は、前会計年度以前に登録したユーザーがもたらした四半期ごとの売上合計

Balance Sheet

- Cash balance increased due to improvements in working capital

(MM JPY)	FY2022 Q4 (Mar 31, 2023)	FY2021 Q4 (Mar 31, 2022)	(Y/Y)	FY2022 Q3 (Dec 31, 2022)	(Q/Q)
Current Assets	2,857	1,397	104.5%	2,985	-4.3%
Cash and Deposits	2,235	830	169.3%	1,861	20.1%
Non-Current Assets	159	139	14.4%	148	7.4%
Total Assets	3,017	1,537	96.3%	3,133	-3.7%
Current Liabilities	563	599	-6.0%	692	-18.6%
Short-term Debt	0	248	-100.0%	100	-100.0%
Current portion of Long-term Debt	38	30	26.7%	38	0.0%
Non-Current Liabilities	510	548	-6.9%	525	-2.9%
Total Liabilities	1,073	1,147	-6.5%	1,218	-11.9%
Total Stockholders' Equity	1,943	389	399.5%	1,915	1.5%
Total Liabilities and Stockholders' Equity	3,017	1,537	96.3%	3,133	-3.7%
Capital Adequacy Ratio	64.4%	25.3%	+39.1pts	61.1%	+3.3pts

Assets	Liabilities / Stockholders' Equity (MM JPY)
Cash and Deposits 2,235	Current Liabilities 563
	Non-current Liabilities 510
	Net Assets 1,943
Other Current Assets 622	
Non-current Assets 159	

FY2023 Forecast

FY2023 Forecast

- In the fiscal year ending March 2024 (FY2023), we forecast revenue of 6.5 Bn JPY, gross profit of 2.35 Bn JPY, and operating profit of 170 MM JPY
- New FFC Establishment, scheduled to open in Aug '23, will include a transaction to receive assets resulting in an extraordinary income of 41 MM JPY

	FY2022	FY2023		
	Actual	Forecast	Y/Y Change	Y/Y (%)
(MM JPY)				
Revenue	5,279	6,500	+1,221	+23.1%
Gross Profit	1,895	2,370	+475	+25.0%
Gross Profit Margin	35.9%	36.2%	+0.3pts	-
Operating Profit	136	169	+33	+24.3%
Operating Profit Margin	2.6%	2.6%	+0.0pts	-
Ordinary Profit	139	169	+30	+21.6%
Net Income	100	176	+76	+76.0%

Results Explanation for FY2022 and Key Assumptions for FY2023

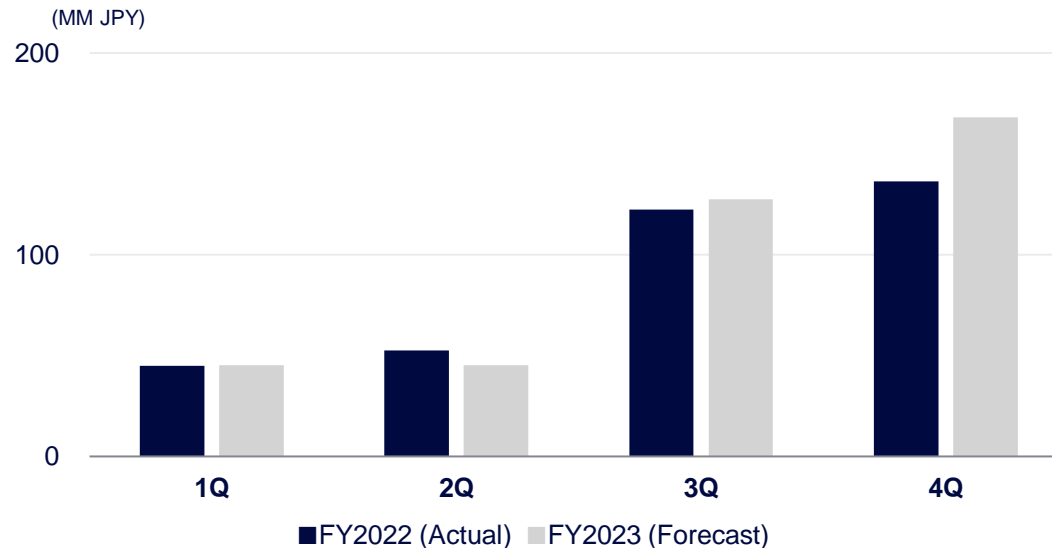
- Operating profit margin remains flat due to an increase in fixed costs associated with New FFC Establishment
- In order to accelerate long-term growth, we plan an increase in advertising expenses and recruitment expenses
- Growth rate in HR was limited in FY22 due to delays in hiring plans, but FY23 is expected to grow constantly, which is expected to improve gross profit margin by +0.3pts

	FY2022		FY2023	
	Actual (MM JPY) (Y/Y)	Explanation	Actual (Y/Y)	Explanation
Revenue	5,279 (+46.9%)	(+) BtoB Commerce growth +1.5 Bn JPY	6,500 (+23.1%)	(+) BtoB Commerce growth +1 Bn JPY
Operating Profit	136 (-)	(+) Advertising expenditure -0.2pts (-) Increase in taxes due to capital increase 20MM JPY	169 (+23.8%)	(+) Increased labor cost efficiency (-) Advertising expenditure +0.2pts (-) Increase in recruitment and education costs (-) FFC Opening and operating expenses (-) Increase in depreciation
Others	—	(-) Non-operating expenses IPO-related expenses 14MM JPY (+) Adjustment of corporate tax, etc. 16MM JPY	—	(+) Extraordinary profit: Transfer of assets at the time of establishment of FFC 41 million yen
Market Environment			Assuming that the pandemic will subside and stable demand can be expected	

FY2023 Operating Profit Progress Figure

- In Q2, the contribution to earnings is expected to be small due to an increase in expenses associated with New FFC Establishment
- The contribution to profits is expected to be large as usual in Q3
- In Q4, the contribution was low in FY22 due to the recording of advertising and testing costs, but the contribution is expected to be higher in FY23

Figure of Cumulative Progress in Quarterly Operating Profit



Effects of the New FFC Establishment

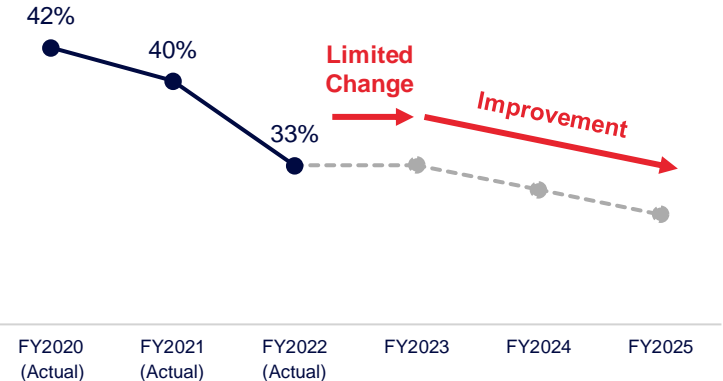
- As for functional effects, the number of SKUs is expected to increase due to the consolidation of decentralized warehouse functions, and the increase in space is expected to contribute to improving productivity and ARPU in the long term
- As for the P/L effects, the OPEX ratio will have limited change in FY23, but expected to improve again from FY24
- Given that the existing FFC function will remain, the risk in the event of a malfunction of the new FFC can be hedged

Functional Effects

	Inventory Features	Shipping Features
Ability	More than 300% vs Current	More than 200% vs Current
Effect	<ul style="list-style-type: none"> Inventory consolidation Increased availability of SKUs 	<ul style="list-style-type: none"> Eliminate shipping capacity concerns

P/L Effects

OPEX Ratio Trending Image



Company Overview

COMPANY OVERVIEW

Company Name	Foodison, Inc.
Founded	April 1, 2013
Founder and CEO	Tohru Yamamoto
Headquarter	Ken Media Building 5F, 3-3-7, Kachidoki, Chuou-ku, Tokyo
Group Company	Foodison Ota Corporation (Wholly-owned subsidiary and a wholesaler in Ota Market)
No. of Employees	234⁽¹⁾

(1) As of end of March, 2023, consolidated figures including temporary employees

OUR MISSION

Changing the World's Food Experience More Enjoyable

OUR VISION

Creating A Better Cycle in Fresh Food Distribution

The food industry is immense.

From production to wholesale, distribution, retail, and consumers, the population involved is the highest of all industries.

That is why there are countless challenges that can be seen locally. The players are highly specialized, but there is no role to optimize the overall. We tend to blame someone else for this. That's why nothing changes. Foodison, takes a bird's eye view of it.

By becoming the conductor of the huge orchestra of the food industry, we will draw out the potential of professionals and create a new circulation in the fresh food distribution.

Imagine a world where you can source a variety of ingredients from all over Japan with just one fingertip.

Imagine a world filled with aspiring craftsmen passionate about working for food.

Imagine a world where the first taste of an unknown fish reaches your dining table.

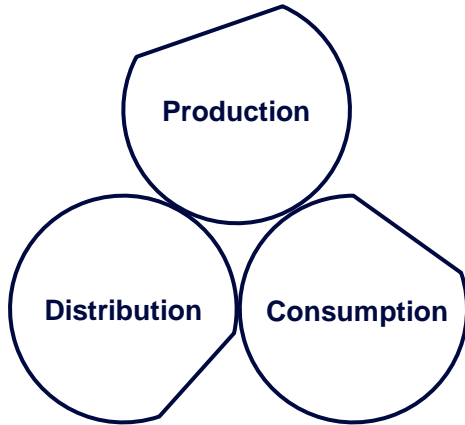
The food culture that Japan is proud of has only begun.

FOODISON



Challenges facing the food industry

The food industry, which is at the core of our daily lives, has been experiencing a shift in balance due to change in the environment



1

Lack of sales channels for small and medium-sized producers and manufacturers

2

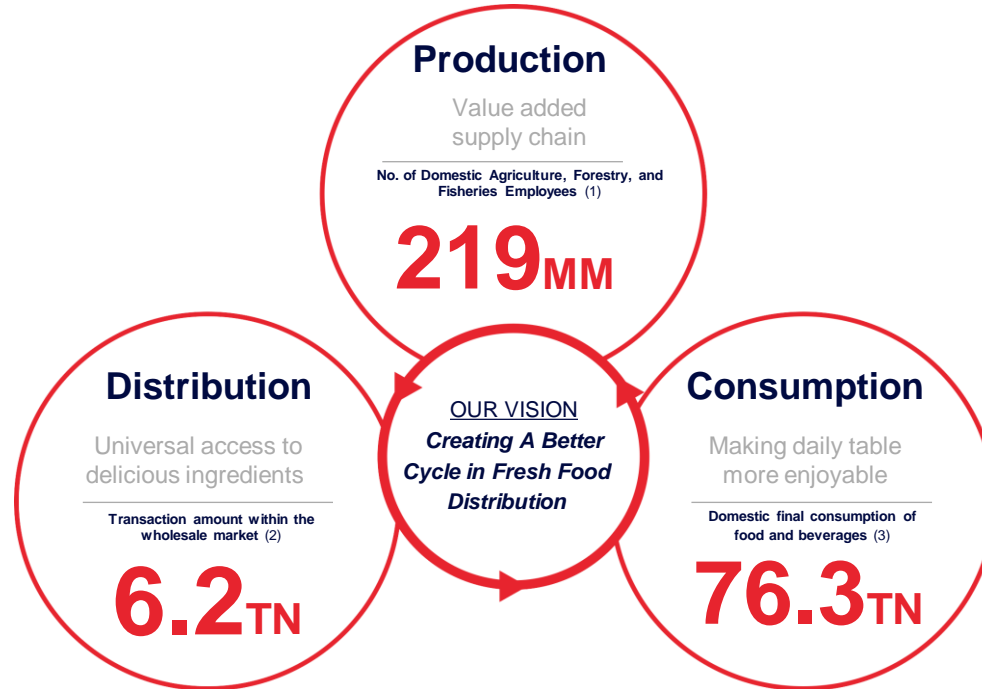
Lack of logistics in response to diversifying consumer needs

3

Supply shortage due to labor shortage

Updating fresh food distribution as a platformer

Updating fresh food distribution, which has lagged in the use of information technology, to a digital-centric distribution system to realize a world where a wide variety of food products can be enjoyed



(1) Ministry of Internal Affairs and Communications, September 2022 "Labor Force Survey"

(2) Ministry of Agriculture, Forestry and Fisheries, Fiscal Year 2023 "Wholesale Market Data Collection"

(3) Ministry of Agriculture, Forestry and Fisheries, October 2017 "About the distribution structure including wholesale markets"

Regulatory easing in food distribution

The legal reform brings tailwinds for EC businesses utilizing wholesale markets

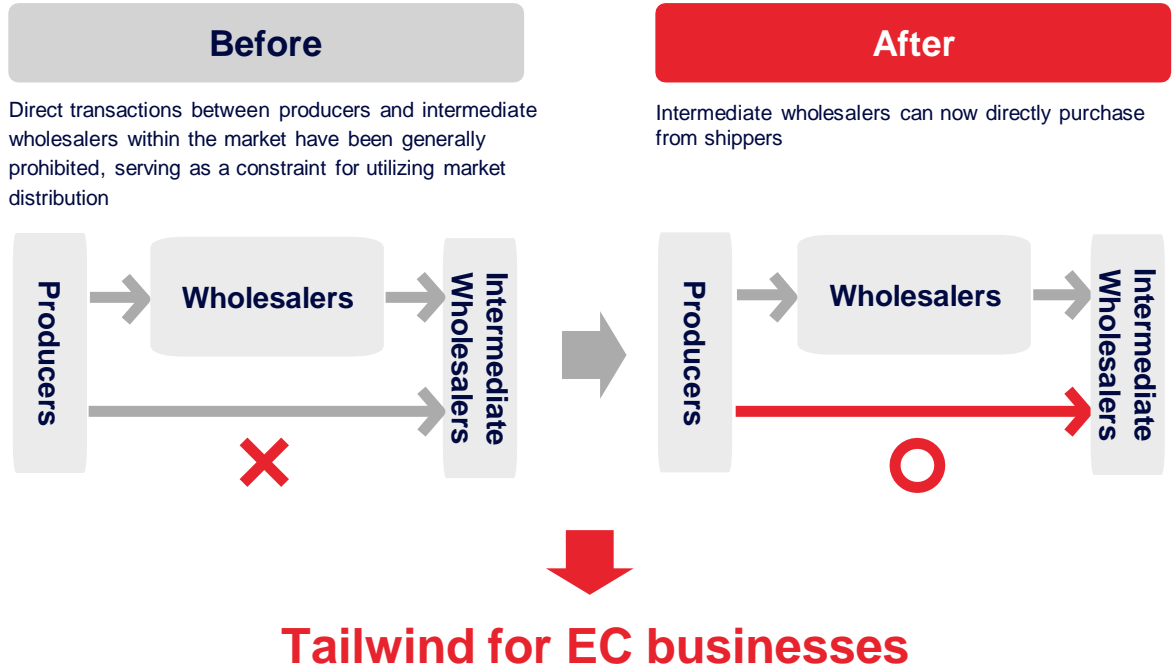
Reform in the Wholesale Market Act (June 2020)

Aim of the Reform

To promote the rationalization of food distribution and ensure a fair trading environment for fresh food and other products

Major Changes

- Abolition of the prohibition of direct transactions between producers and intermediate wholesalers
- Abolition of the requirement for consistency between the flow of payment and logistics

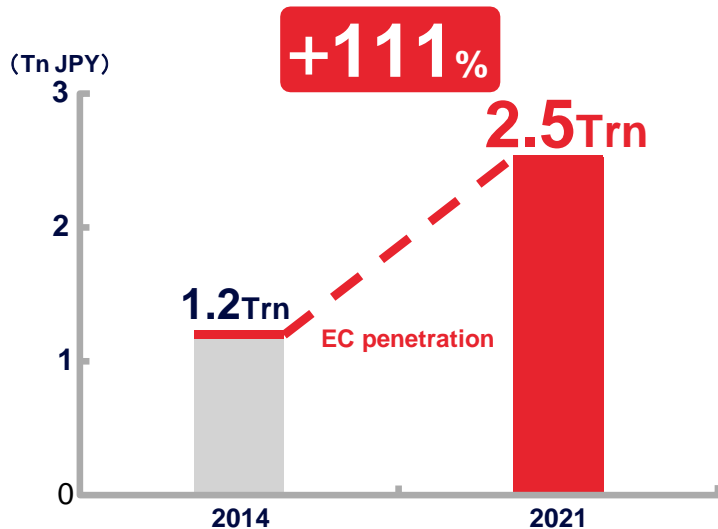


Food EC market in Japan is entering a growth phase

The E-Commerce (EC) ratio in the food industry was 3.8% in 2021, which is lower compared to other categories, indicating a high growth potential for the EC market

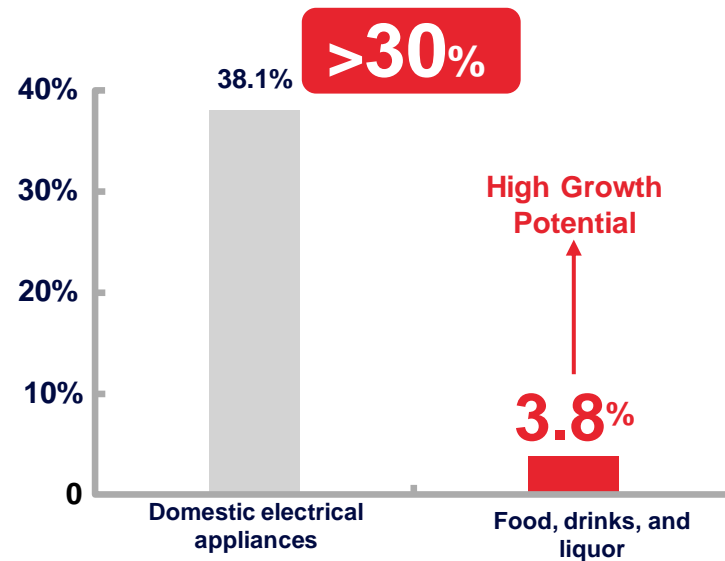
Expansion of Food EC

Food EC Market Growth Rate



High Growth Potential

Difference in EC Ratios



(1) E-commerce market size and e-commerce ratio refer to the "FY2021 E-Commerce Market Survey" and the "FY 2014 Infrastructure Development for Informatization and Servitization of Japan's Economy and Society (E-Commerce Market Survey)" by the Ministry of Economy, Trade and Industry. Graphs are prepared by the Company.

BtoB



Connecting local suppliers nationwide for the best encounters between food ingredients and chefs

“Uopochi”

BtoB Commerce Food EC for restaurants

“Uopochi” is a procurement service for restaurants primary focusing on fresh food. Our own logistics base in the Ota wholesale market connects information and logistics to ensure smooth procurement of fresh fish and other food ingredients.

Core Users

Small and Medium-sized Restaurants

Problem

Limited resource

Have to go to the market in the morning to select supplies

Desire for high-quality ingredients and rare food items

Value Proposition

- Easy ordering with smartphone
- Delivery from the market to the door
- Accepting orders until 3AM, with delivery as early as the next day

- Orders for the next day can be placed from 3:30 pm
- Detail information about products provided by professional buyers

- A variety of fresh fish procured direct from all over Japan

BtoC



Adding a touch of excitement and adventure to dishes at home

“sakana bacca”

BtoB Commerce

The seafood store always has something new to discover

“sakana bacca” is a modern style seafood store with a focus on high-quality fish from nationwide, high design, and product planning. Currently expanding to 9 stores in Tokyo.

Core Users

Local Consumer



Problem

Unsatisfied with the freshness and product lineup of fish at supermarkets

The difficulty of cooking fish, even if you want to eat it

There are limited opportunities for learning and experiencing about food and ingredients

Value Proposition

- Direct from the market
- Variety of fresh seafood that can only be found in a specialty store

- Easy-to-understand explanations by professionals

- Events focused on enhancing the food experience
- Promotion of private brands in collaboration with producers and suppliers

HR



Aspiring to make the job of the food industry a desirable career, making specialized skills available to everyone

“Food Talent Bank”

HR

A recruitment agency for the food industry

Strong understanding of the industry and are able to make the best match for talented individuals

Core Users

Restaurants, supermarkets, food factories, etc.



Problem

The database of major staffing companies is mainly focused on office workers

When talking to recruitment agents, they don't understand the level of skill required

Recruitment channels only target part-time workers

Value Proposition

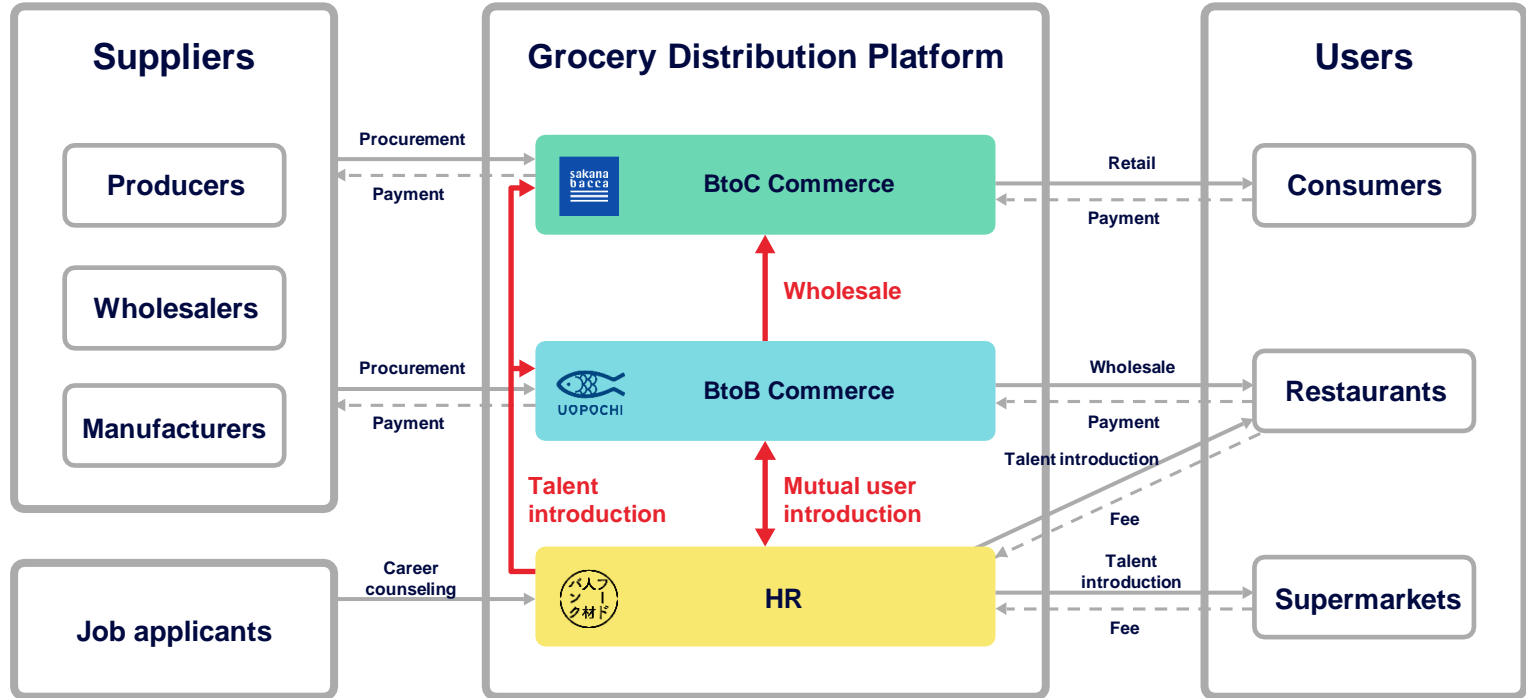
▶ A database specialized in the food industry

▶ Agents with a high level of understanding of the industry

▶ Introduction of regular employment in the food industry

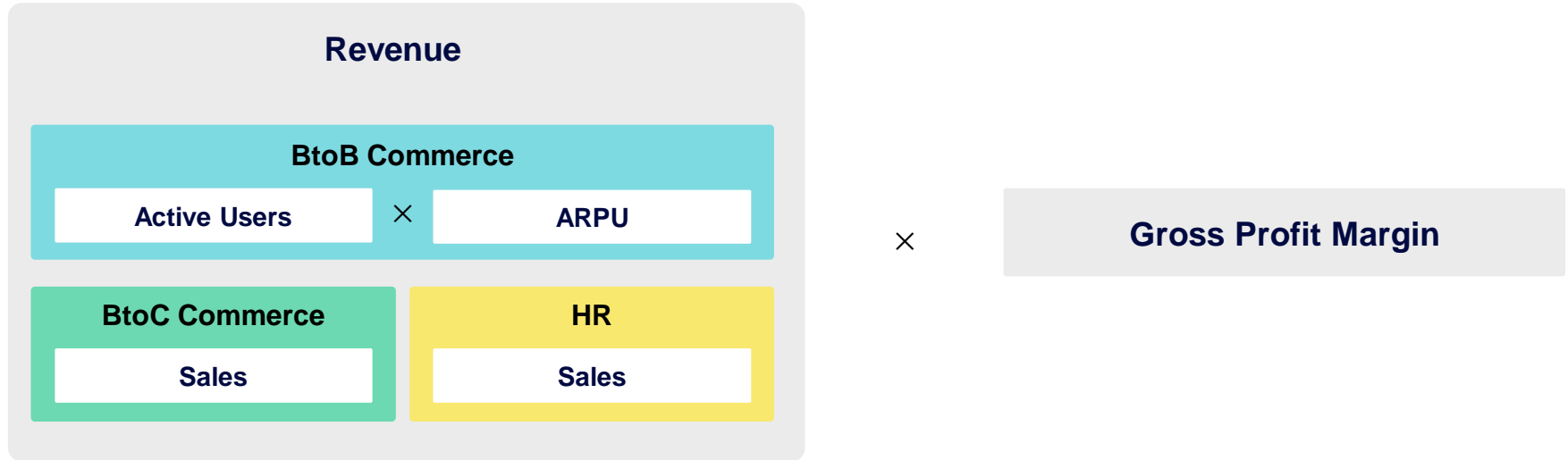
Business Diagram

With a focus on BtoB Commerce, we aim to cover a wide range of the food industry, allowing each service to organically create synergies



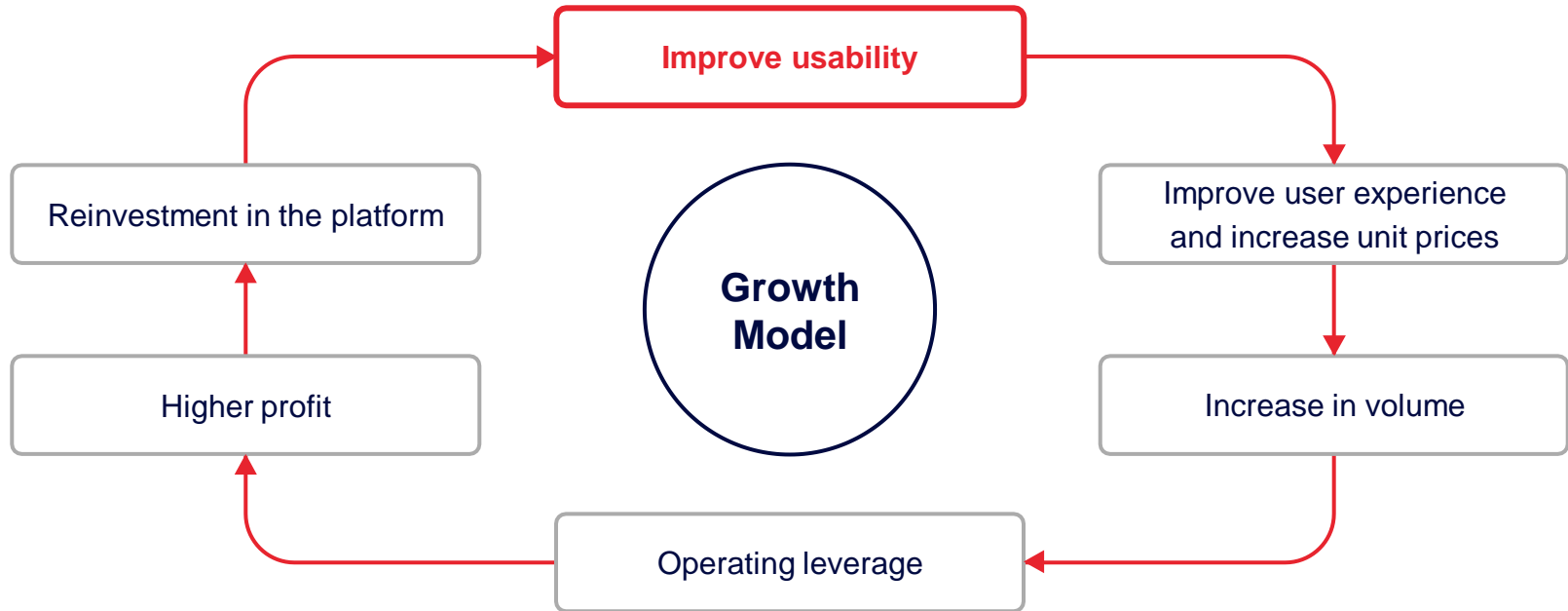
Business Model

We evaluate our business growth by gross profit and KPIs are Active Users and ARPU of BtoB Commerce and overall gross profit margin



A growth model based on usability

Our goal is to achieve sustainable growth by improving usability for food industry users

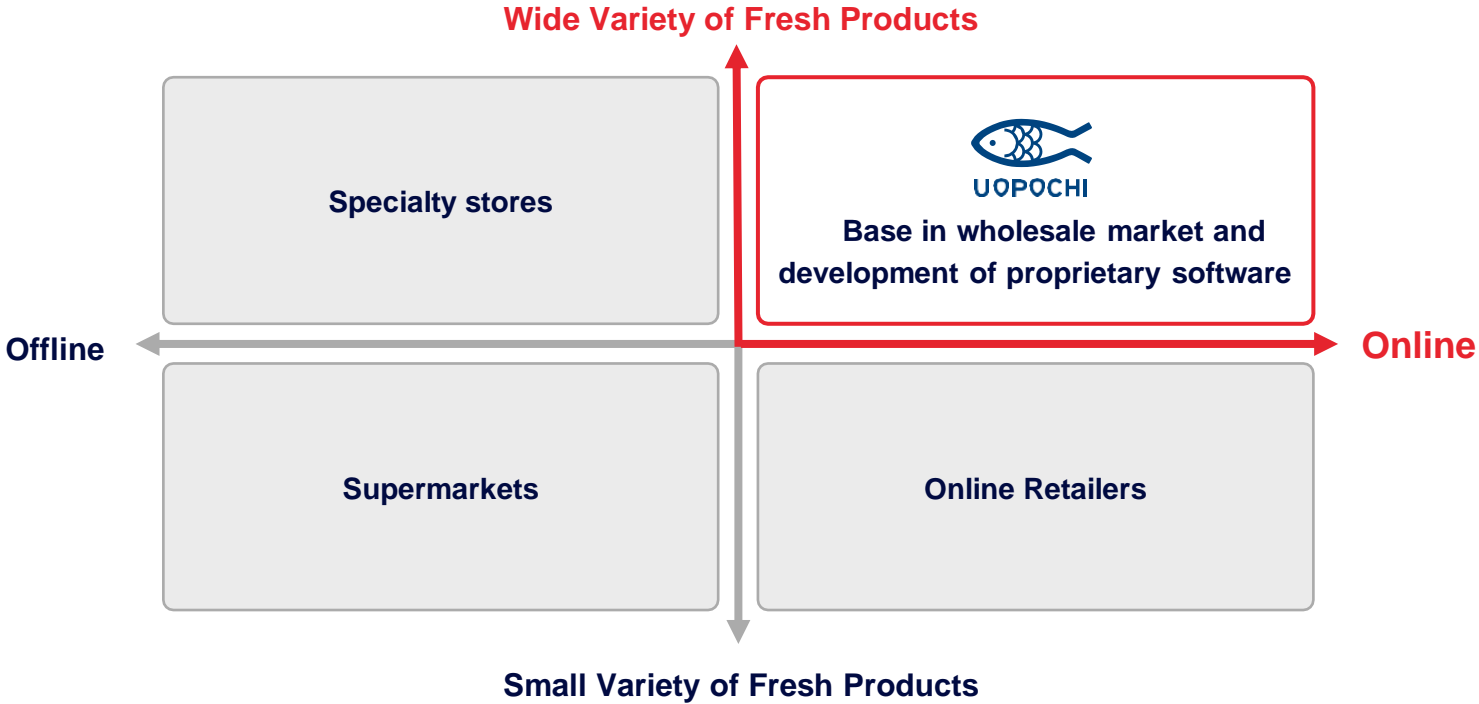


COMPANY HIGHLIGHT

- 1 | **A seamless platform connected from upstream to downstream**
- 2 | **Access to fresh wholesale markets and a strong supplier network**
- 3 | **High barriers to entry for digital transformation in fresh food distribution**
- 4 | **Attractive business model and growth potential**

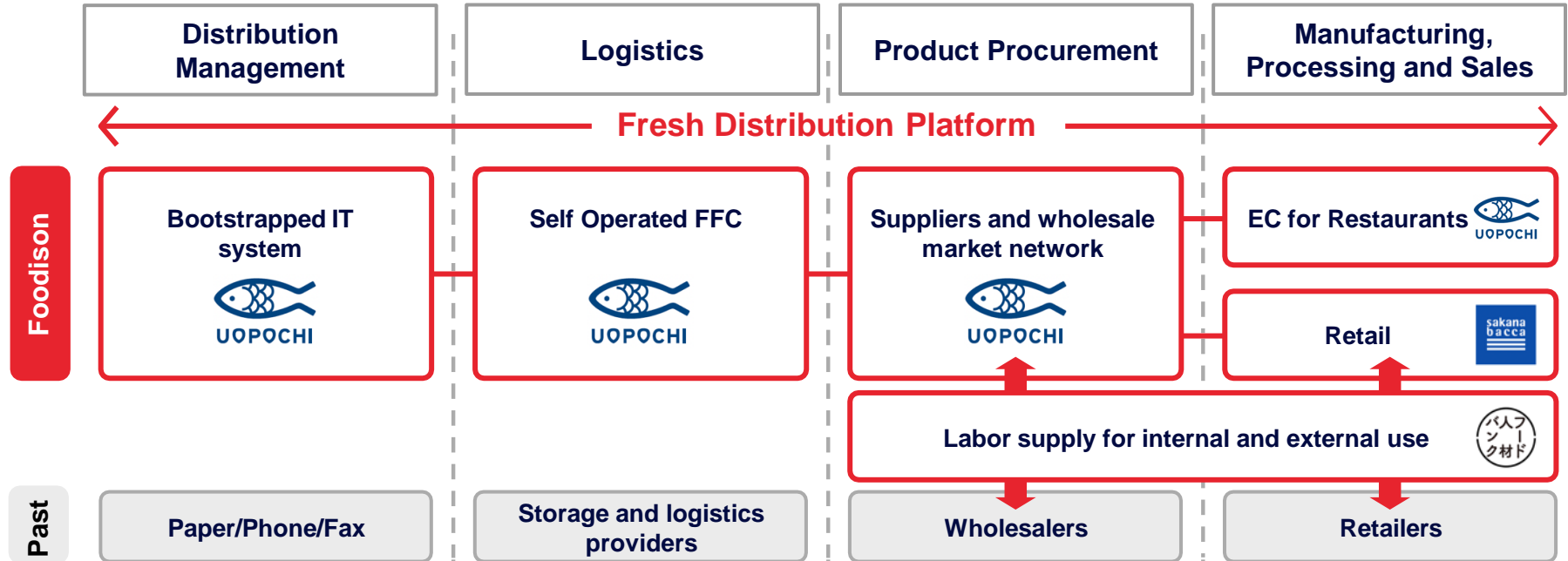
Unique positioning as an EC operator with access to wholesale market

Holding a FFC base within the wholesale market and building an e-commerce around it provides unique advantage because of its superiority in product procurement and logistics



Establishing a fresh food distribution platform centered on Uopochi

Current fresh food distribution systems were designed before AI and the Internet were invented, and more convenient distribution systems can be realized by utilizing the latest technologies. We built a system that integrates distribution functions that have been divided into different branches of industry in a single integrated system to improve productivity



Competitive Advantage

We have developed each function independently and has a competitive advantage in each function

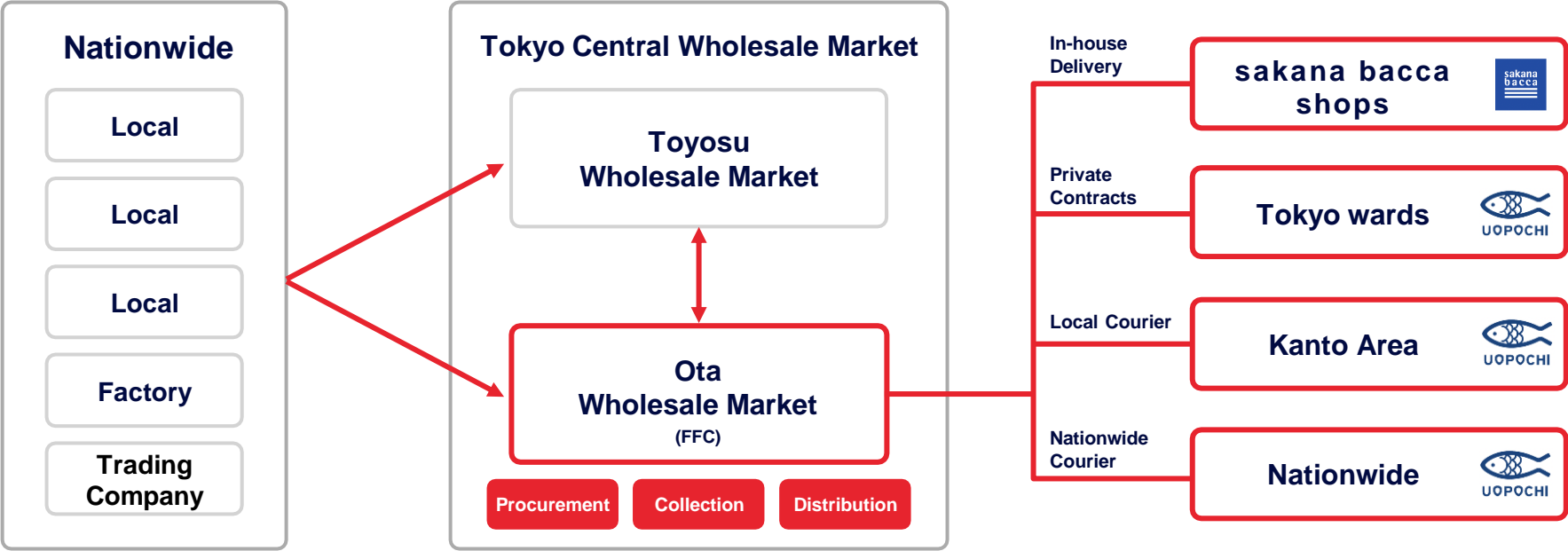
Distribution Management	Logistics	Product Procurement	Manufacturing, Processing and Sales
<p>DX and high-efficiency management</p> <ul style="list-style-type: none"> • System network connecting with local producers and marketers • Proprietary distribution management system • Sales Management System • Mechanism to minimize inventory loss 	<p>Courteous and speedy delivery</p> <ul style="list-style-type: none"> • FFC built within the central wholesale market • Unique delivery network that enables same-day delivery 	<p>Broad procurement capabilities</p> <ul style="list-style-type: none"> • Procurement network with more than 70 areas and long-tail products • Various licenses to operate in the market 	<p>High sales force and brand</p> <ul style="list-style-type: none"> • User database of more than 20,000 stores • Hedged sales credit risk • Conveniently located store in the station • Good branding

Past

Analog and inefficient management	Logistics dependent on third party	Market-centric procurement	Difficult to differentiate and inefficient
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A unique distribution platform connecting to the world's largest fresh market

Through our unique network with production areas and manufacturers nationwide and our network within wholesale markets, we have a well-balanced and robust product procurement foundation. By cooperating with the optimal delivery method, it enables to construct a service that efficiently delivers a diverse range of food categories with quality freshness



Access to the fresh markets and nationwide unique network of suppliers

Building a strong network of local suppliers based on our own distribution functions to provide reliable value

Access to the Fresh Wholesale Markets

The proprietary distribution functions within wholesale markets enables fast procurement and delivery



Nationwide unique network of suppliers

Listing Frequency

- High
- Medium
- Low
- None

※As of May, 2023

**More than 70
local regions**



Barriers to Entry | Regulated Market

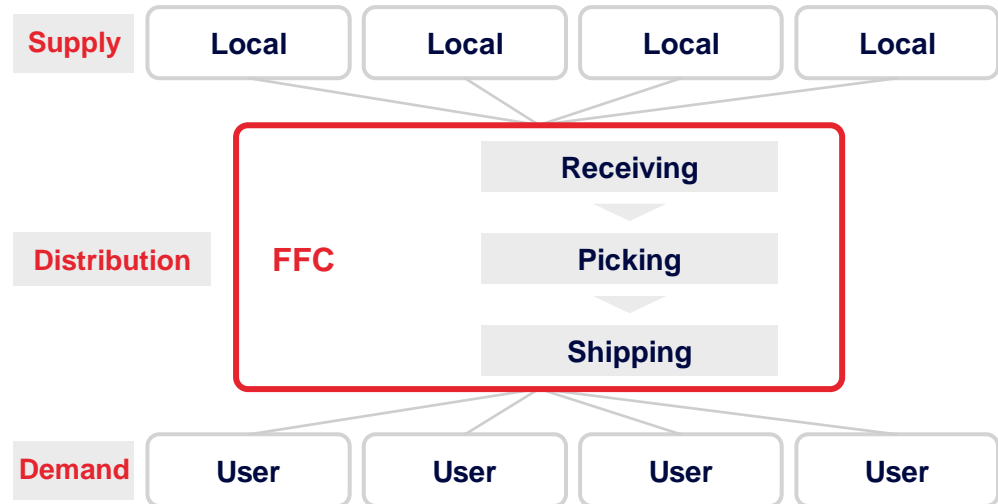
We have obtained various permits and licenses to operate in the Tokyo Central Wholesale Market and have secured space for large-scale shipping operations at the Ota Market

Obtained licenses to enter wholesale market

- Wholesale business license within the market
- Auction participation license
- Seafood manufacturing permitted facilities in the market

Securing large-scale FFC directly connect to the market

With the demand and supply spread across the country, large-scale FFC that is connected to the market provides competitive advantage



Characteristics and Attractions of BtoB EC Business Model

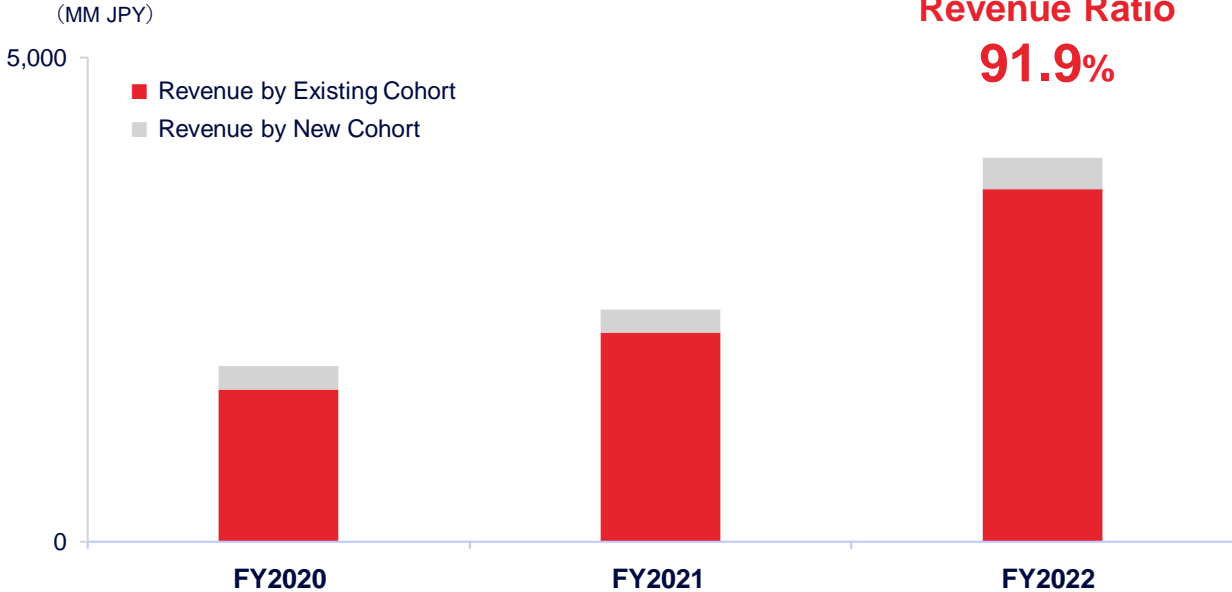
Due to the higher unit price in BtoB EC, efficiency and cost savings are high, and there is a high level of engagement given the demand is for business purposes. Therefore, it is important to ensure service quality

Features of BtoC and BtoB EC		BtoC EC	BtoB EC	BtoB EC Attractiveness of the Business Model
Typical examples		Mall Type	Self Operated	
Product Category		Wide Home appliances, clothes, etc.	Narrow Food, tools, etc.	
ARPU	Purchase Frequency	Low When necessary	High Always required	
	Unit Price	Low Personal use	High Business use	
Marketing Cost	New user acquisition	High High competition	Low Low competition	
	Existing users	High Need to stimulate	Minimal Business demand	

User engagement is high, and existing cohort is driving growth

Revenue has been expanding year by year due to the perceived convenience and gained trust from customers

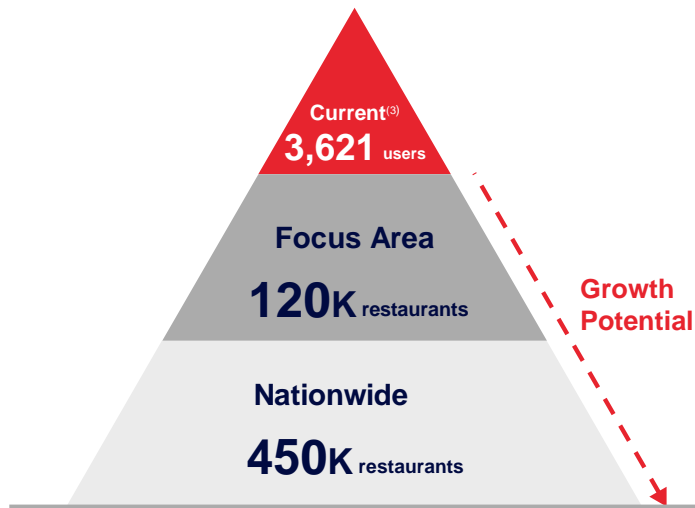
BtoB Commerce | Revenue by Cohort



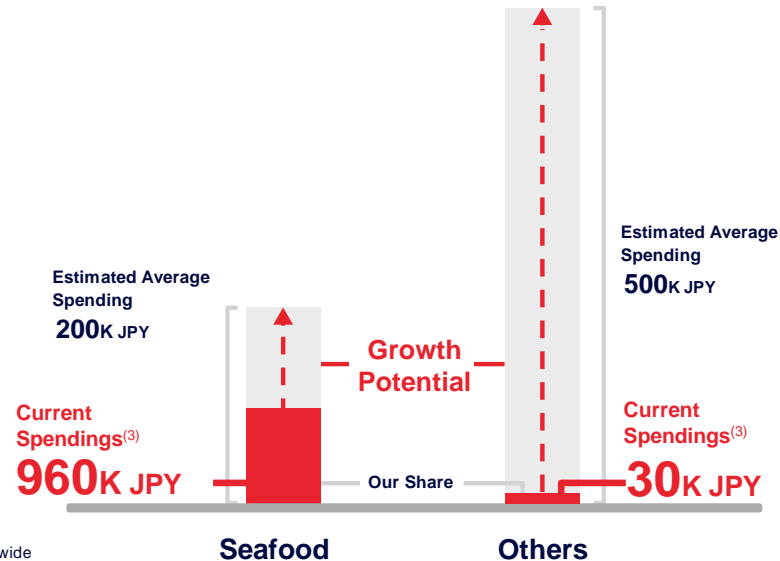
Growth potentials of KPIs in BtoB Commerce

There is ample room to expand the tail end of BtoB Commerce users and ARPU

Growth Potential of Users⁽¹⁾



Growth Potential of ARPU⁽²⁾



(1) Calculated by estimating the proportion of small and medium-sized restaurants to be 75% from the number of restaurants nationwide (Ministry of Internal Affairs and Communications / Ministry of Economy, Trade and Industry "2016 Economic Census - Activity Survey")

(2) Calculated based on the assumption that of monthly sales of 3.5 million yen and a cost ratio of 33%, of which food accounts for 60% and seafoods account for 30%.

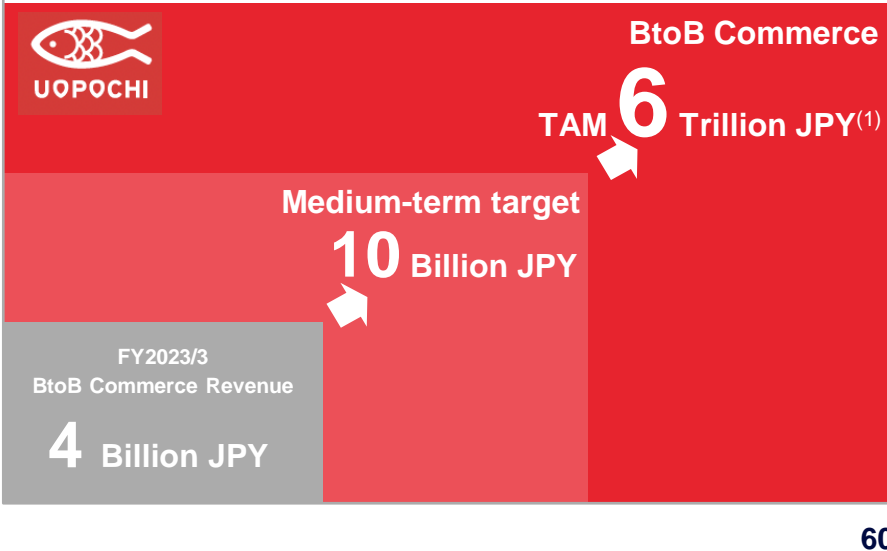
(3) As of Q4g FY2022

Market opportunities expand as we gain market share

There are approximately 600,000 food and beverage establishments nationwide, indicating ample room for expansion in BtoB Commerce alone. By further expanding into BtoC Commerce and establishing support functions such as HR services, there is significant potential to increase revenue and build upon the existing foundation

Cost of Goods (Annual)

10MM JPY



More Room for Growth

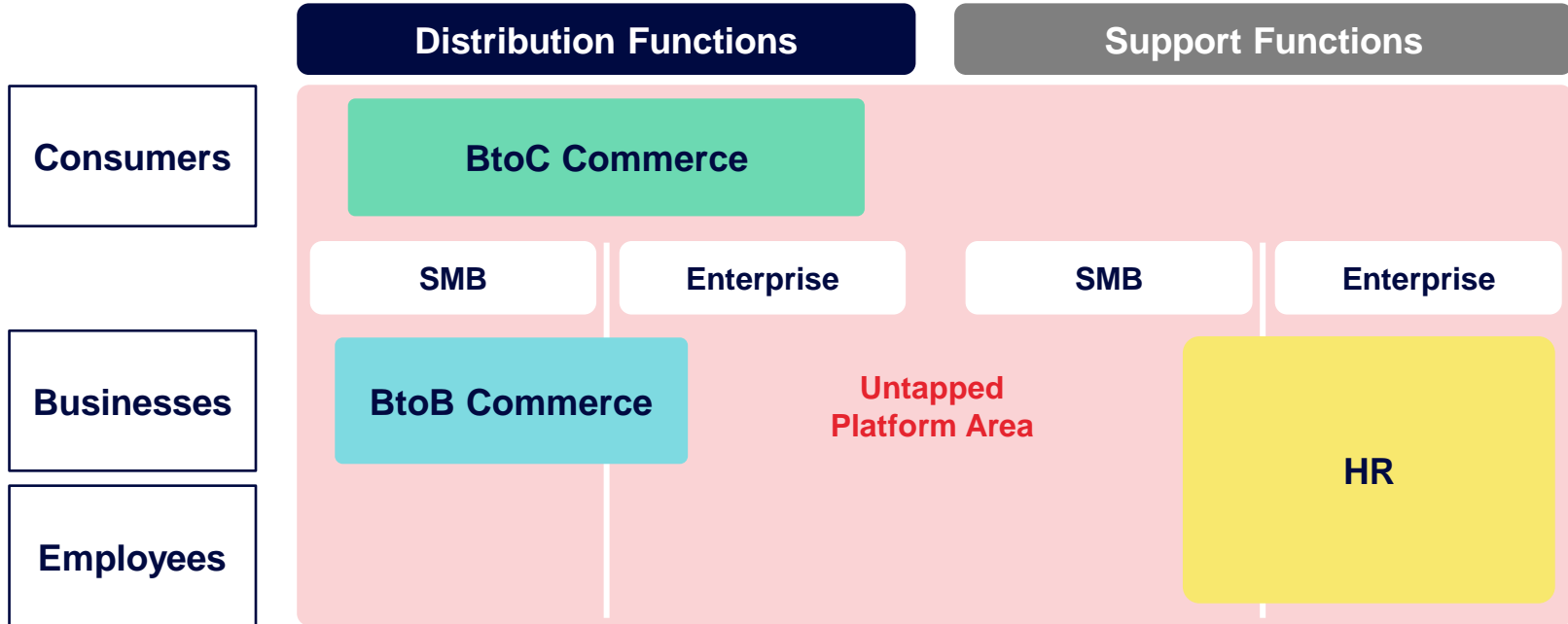


(1) TAM (Total Addressable Market) is the largest market size that our BtoB Commerce can capture, and is calculated by estimating from the number of restaurants nationwide and the sales amount of restaurants (Ministry of Internal Affairs and Communications / Ministry of Economy, Trade and Industry "2016 Economic Census - Activity Survey").
 The calculation formula is as follows: Number of establishments in the restaurant and take-out and delivery food and beverage service industries nationwide 567,000 × Total sales (income) per establishment: Approximately 31.73 million yen × Cost ratio of general restaurants 33% (estimated by the Company)

Growth Strategy

Building a platform from Distribution Functions and Support Functions to address challenges in the food industry

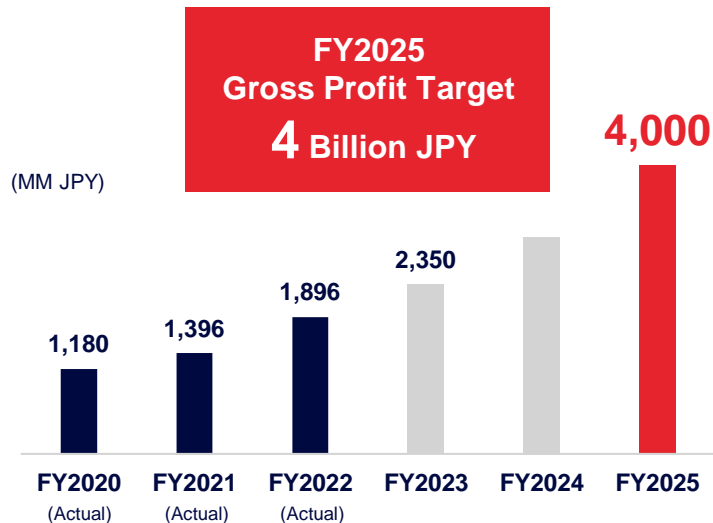
We plan to expand the scope of the platform by building distribution functions and support functions



To become a platformer to connect the food industry

- We will focus on expanding gross profit and aim to maximize long-term free cash flow
- Set a medium-term target of an annual growth rate of 25-30% for gross profit and a gross profit of 4 Bn JPY in FY2025
- The growth strategy consists of two main strategies, Core Growth Strategy and Platform Strategy

Medium-Term Target



Growth Strategy

Core Growth Strategy

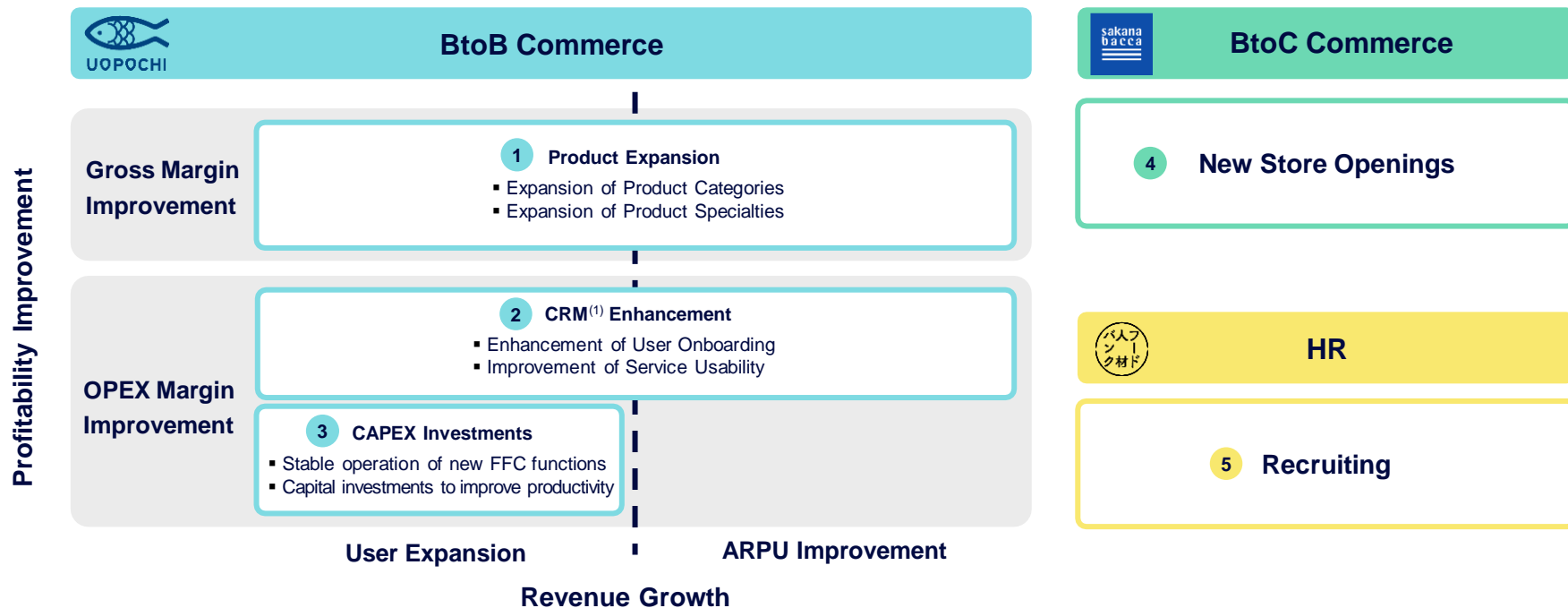
Growth strategy for existing services

Platform Strategy

Long-term platform building strategy

Core Growth Strategy

Our growth strategies are centered in improving usability



(1) CRM (Customer Relationship Management) is a series of initiatives aimed at building, maintaining, and improving good relationships with users

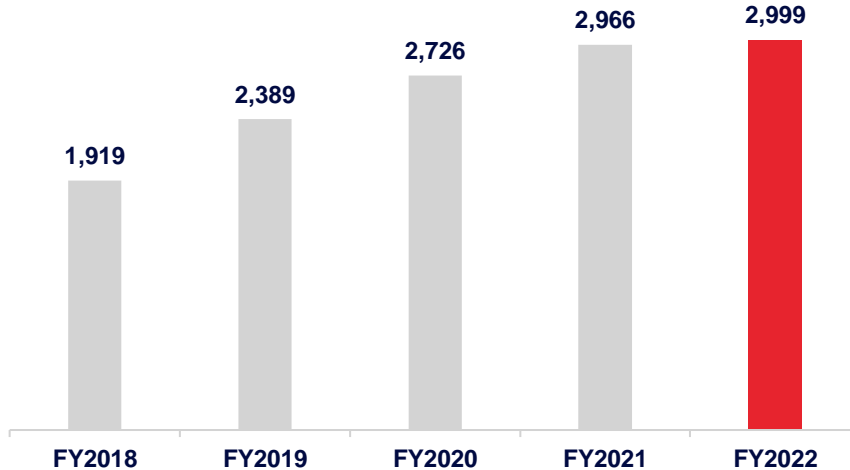
Core Growth Strategy | ① Product Expansion

Expand vegetable and meat products from a focus on seafood products, and enhance our product offerings with unique and distinctive items to further differentiate

Actual

Daily Average No. of SKUs on the website

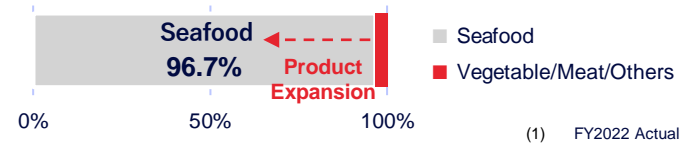
(SKUs)



Tactics

Expansion of Product Categories

BtoB Commerce Sales Composition Ratio⁽¹⁾



Expansion of Product Specialties

Product Specialties Required for Restaurants

- Simplicity of cooking
- Originality
- Stability

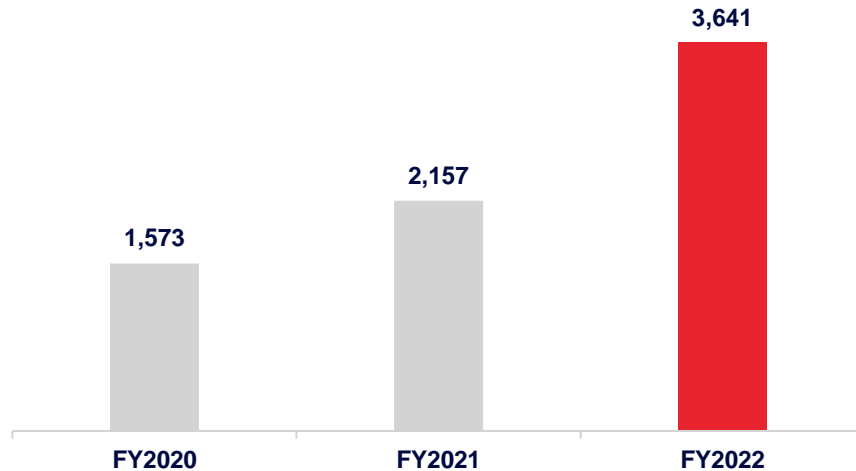
Core Growth Strategy | ② CRM Enhancement

We plan to continuously strengthen customer success and UI/UX to expand Active Users

Actual

Existing Cohort Revenue

(MM JPY)

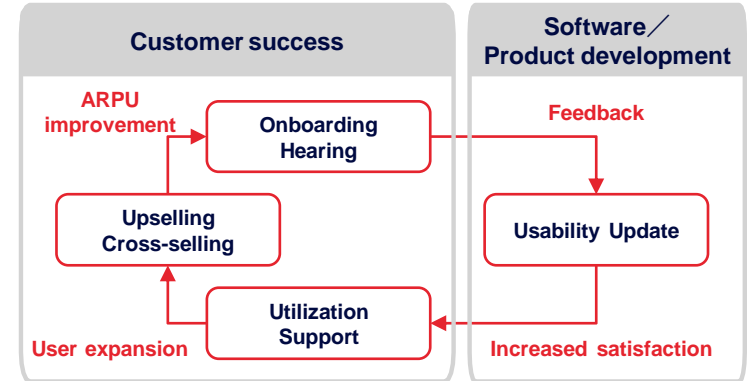


Tactics

Enhancement of User Onboarding

Improvement of Service Usability

Existing Cohort Sales Improvement Cycle



Core Growth Strategy | ③ CAPEX Investments

Expand new FFC functions to improve productivity over the medium to long term

Actual

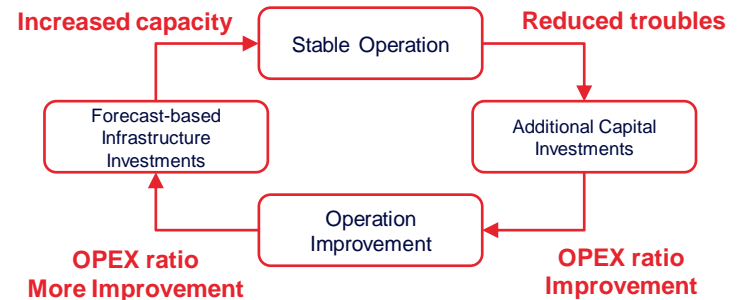
- 2014 Establishment of FFC function in the Tsukiji Market
- 2016 Opened FFC function in the Ota Market and started operation in two bases Tsukiji and Ota
- 2018 With the relocation to the Toyosu Market from Tsukiji, the FFC function was opened in the Toyosu Market, and started operation in two bases Toyosu and Ota
- 2019 In pursuit of efficiency, enhanced the FFC function in the Ota market and closed the Toyosu Market function. Started operation of one site in Ota
- 2021 Opened in-house processing function in Ota Market
- 2023 In order to increase shipping capacity, FFC functions will be expanded outside the Ota market and two bases will be put into operation**

Tactics

Stable operation of new FFC functions

Capital investments to improve productivity

Infrastructure Investment Plan and Improvement Cycle



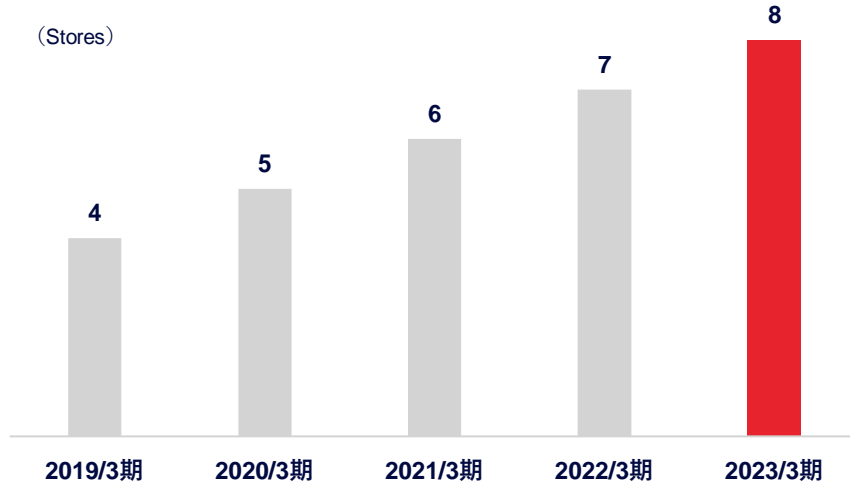
Core Growth Strategy | ④ New store openings

To open in-station stores with a focus on location conditions

Actual

Number of Stores⁽¹⁾

(Stores)



(1) As of the end of March in each fiscal years

Tactics

Open stores with good conditions

Room for New Store Opening

Area	Stations with more than 40,000 passengers ⁽²⁾
Tokyo, Kanagawa, Chiba, Saitama	About 300 stations
Tokyo wards	About 150 stations
Tokyo wards close to residential area	About 90 stations

(2) Based on our research from the information published by each railway company

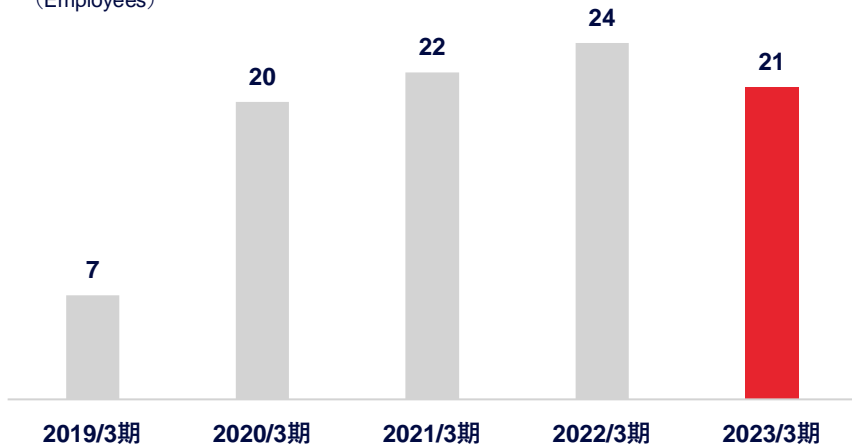
Core Growth Strategy | ⑤ Recruiting

Actively recruit mainly younger employees and aim to expand the scale of the organization

Actual

HR Services Number of Employees⁽¹⁾

(Employees)



(1) As of the end of March in each fiscal years

Tactics

Continuous recruitment

Hiring Strategy

- Proactive recruitment and promotions
- Creating an attractive work environment
- New graduate recruitment

Platform Strategy

We plan to expand distribution and support functions to provide services according to customer size, area, and product category

A Attractive Product Development

Supply

Producers

Brokerages/
Wholesalers

Trading
Companies

Manufacturers

B Creating Synergies Among Services

Distribution Functions

EC

Logistics

Transactions

Trading

Payments

Processing and
manufacturing

Support Functions

Talent Supply

Community
Support

Marketing
Support

Secondary
Distribution

Demand

C Expansion of Services for Businesses

Supermarkets

Restaurants

Overseas

Consumer

Platform Strategy | ① Attractive Product Development

We will work towards leveraging brands by enhancing our private labels products, with the expansion of the supplier network, the strengthening of product development capabilities, and private brand initiatives



Original Beer
『SAKANA TO ALE』



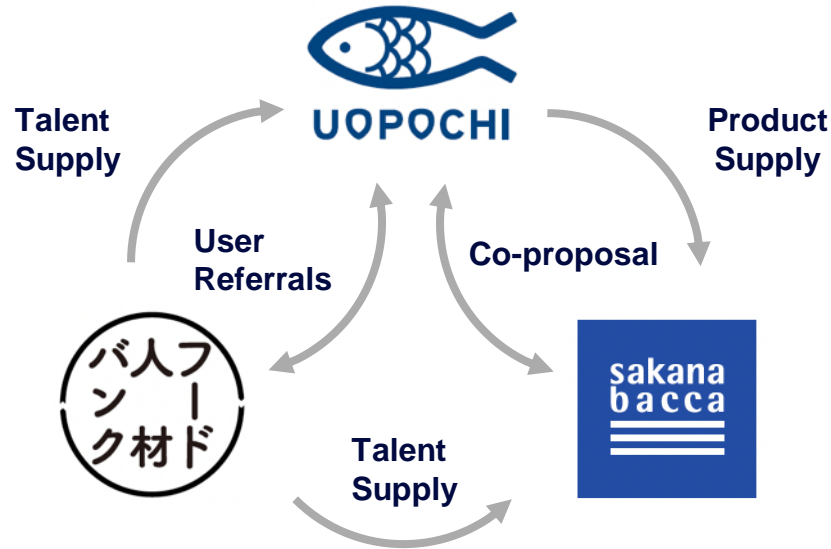
Whitebait Snack
『PARI PARY』



Collaboration with
a legacy seaweed manufacturer
『Shinise Densho Ariake Nori』

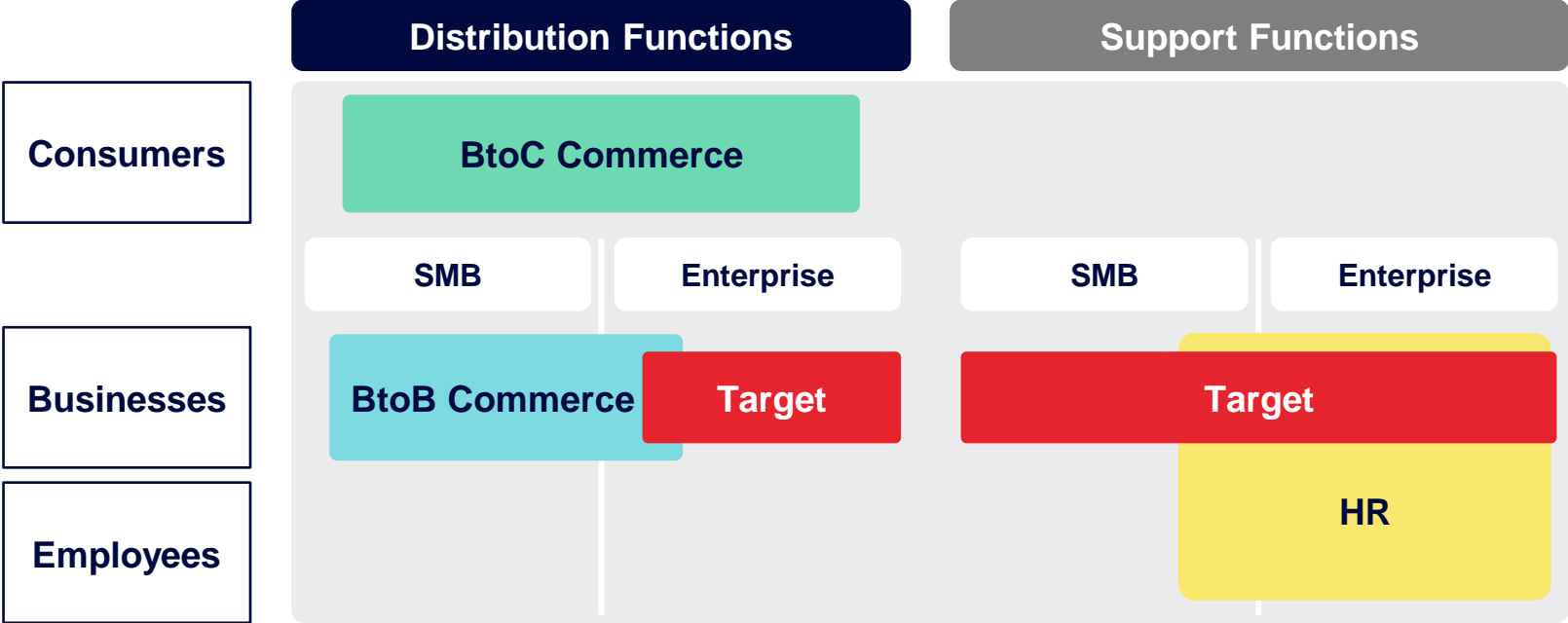
Platform Strategy | ② Creating Synergies Among Services

As we expand each service, there is increased potential to create synergies, and we aim to take those advantage of opportunities to improve productivity



Platform Strategy | © Expansion of Services for Businesses

While keeping a wide range of options such as expanding existing businesses, developing new businesses, and M&A, we will focus on expanding services for businesses



Investment Policy

We aim to achieve sustainable improvement in profit margins and maximize long-term free cash flow with a disciplined investment policy

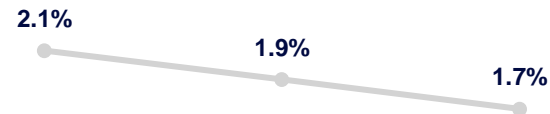
Marketing Investment Policy

- 1 | In principle, the Advertising / Sales Ratio will continue to be at the same level as in the past
- 2 | Assessing the web marketing market conditions

Capital Investment Policy

- 1 | Upfront investment sufficient for service growth
- 2 | Investments expected to improve OPEX ratios

Advertising / Sales Ratio



FY2020

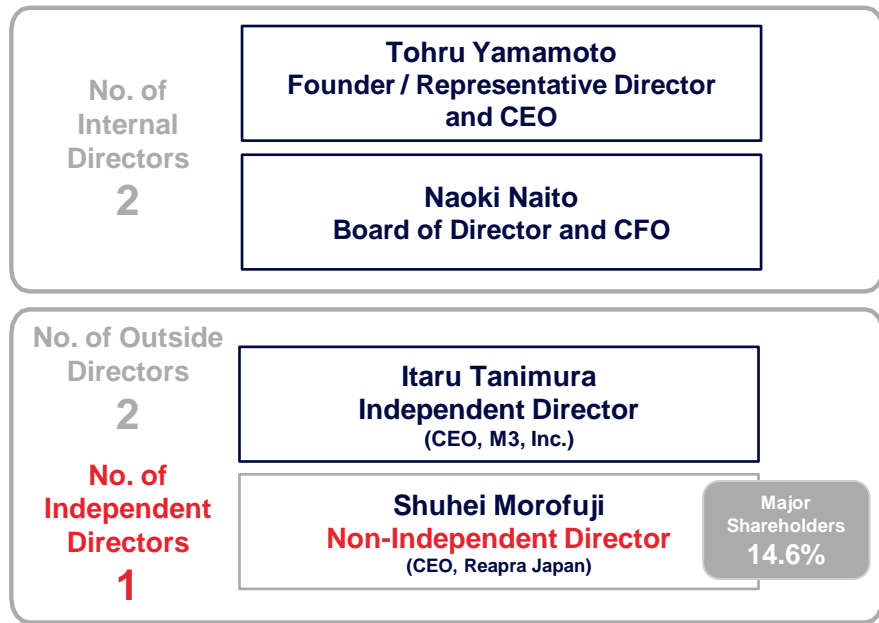
FY2021

FY2022

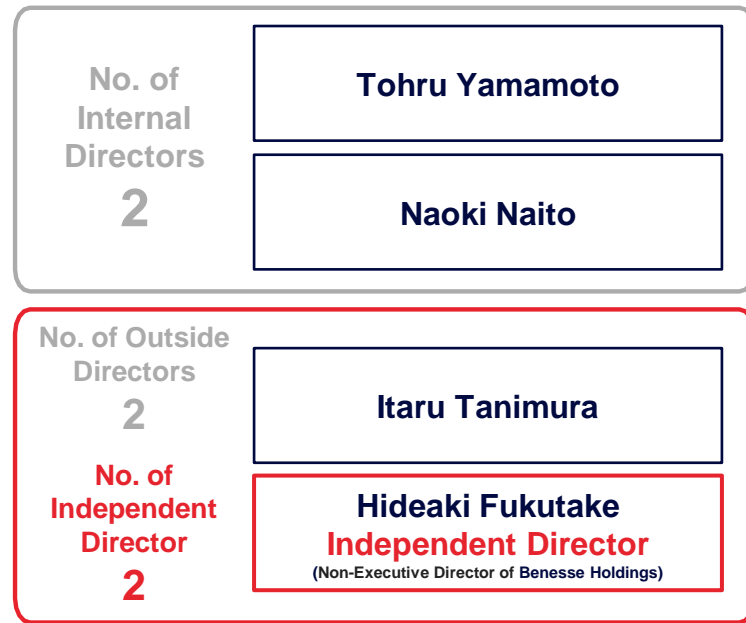
ESG Management Enhancement

In order to ensure higher rationality, fairness and to pursue further growth, we plan to increase the number of independent directors to strengthen the governance system⁽¹⁾

Board Meeting Structure (FY2022)



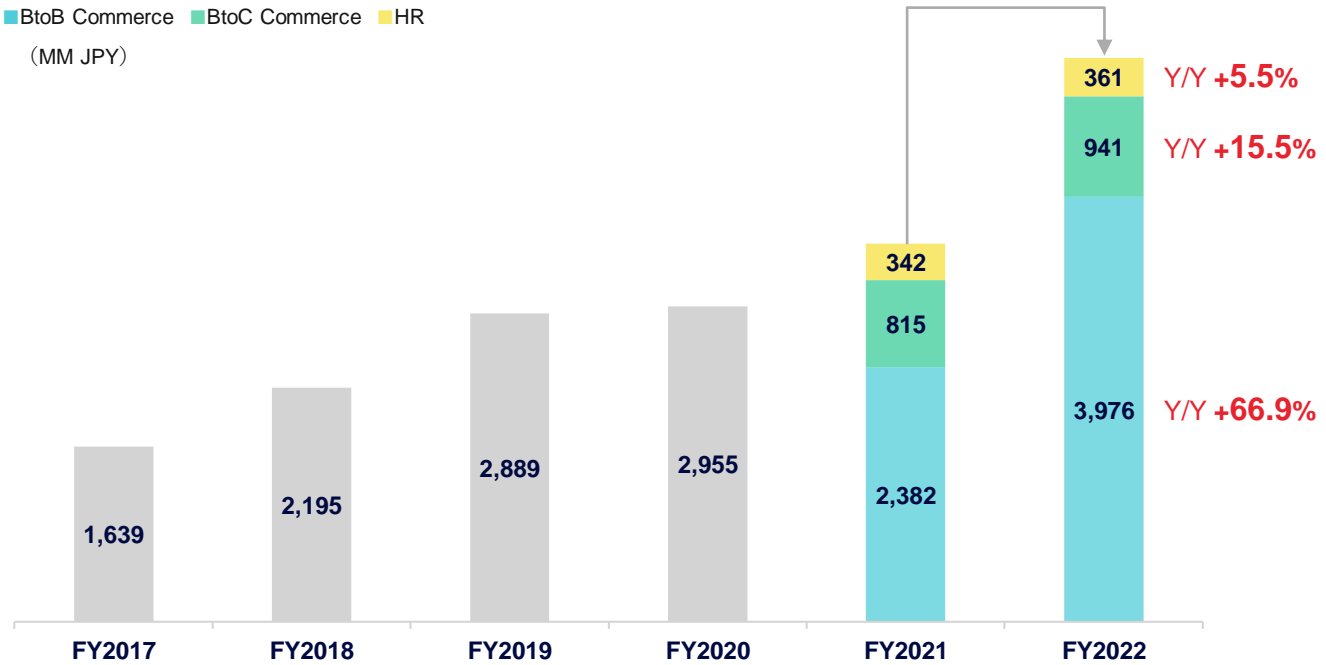
Board Meeting Structure (FY2023)



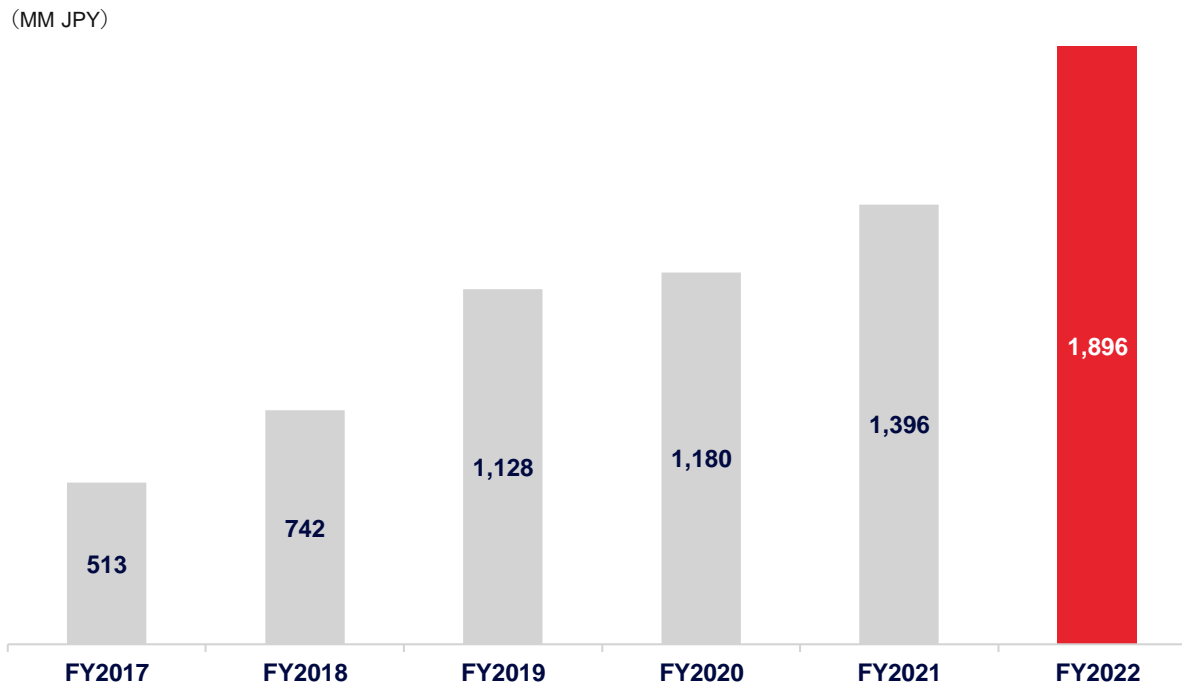
(1) After approval at the 10th Ordinary General Meeting of Shareholders

APPENDIX

Consolidated Revenue

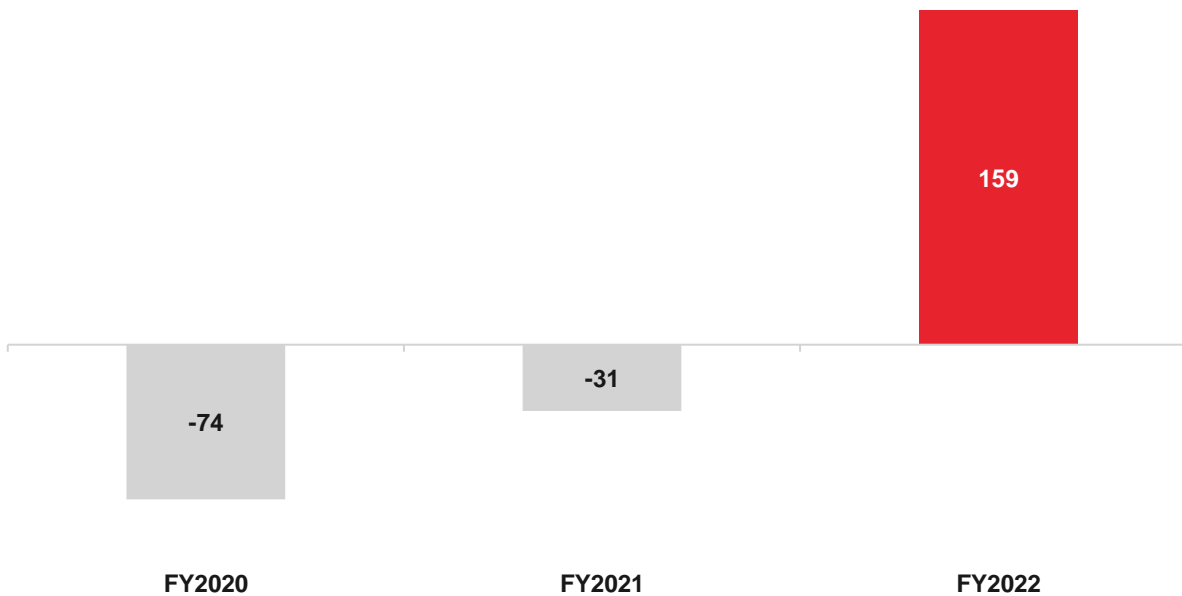


Consolidated Gross Profit



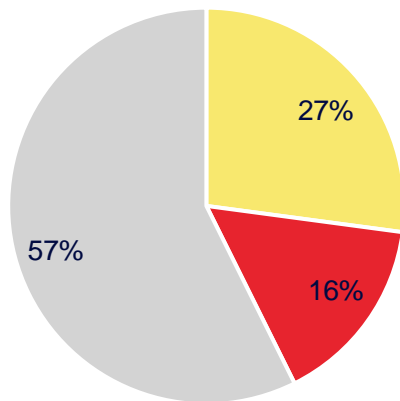
Consolidated EBITDA

(MM JPY)



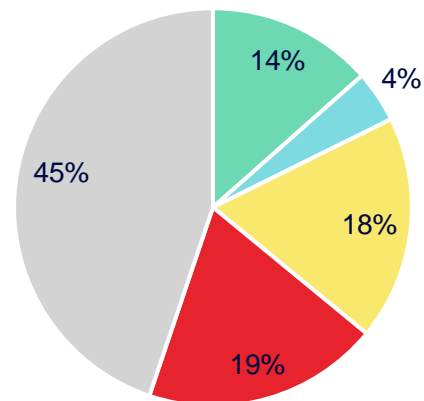
Shareholder Composition

End of September 2022



- Strategic Partners
- Individual Investors and Others
- Officers and Employees

End of March 2023



- Domestic Institutional Investors
- Overseas Institutional Investors
- Strategic Partners
- Individual Investors and Others
- Officers and Employees

Quarterly Performance Trends

	FY2020				FY2021				FY2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
(MM JPU)												
Revenue	544	726	974	709	723	725	1,241	902	1,205	1,155	1,533	1,385
BtoB Commerce	298	480	679	410	433	445	933	610	873	863	1,163	1,075
BtoC Commerce	175	175	190	183	190	208	219	197	228	203	275	233
HR	71	71	90	79	96	71	88	86	102	89	93	75
Gross Profit	230	276	376	297	304	286	455	349	455	425	541	474
EBITDA	-51	-31	32	-22	-38	-67	73	0	49	12	74	18
Operating Profit	-52	-34	29	-25	-40	-70	70	-2	44	7	69	14
Revenue Growth Rate	-	-	-	-	32.7%	-0.3%	27.4%	27.0%	66.8%	59.3%	23.5%	53.5%

Board of Directors

Representative Director and CEO

Tohru Yamamoto

- Joined SMS Co., Ltd. in 2003, as a founding member, and served as a director of HR business and new business development
- Founder and CEO of Foodison since 2013

Board of Director

Shuheji Morofuji

- Founder and former-CEO of SMS Co., Ltd., who led the company to its listing on the Tokyo Stock Exchange
- Founder and CEO of REAPRA Pte. Ltd. since 2014
- An outside director of Foodison since 2015

Board of Director and CFO

Naoki Naito

- Joined Mizuho Corporate Bank (currently Mizuho Bank, Ltd.) in April 2006, where he was engaged in investment banking with a focus on M&A and structured finance
- Joined Foodison in 2016 and became a Board of Director and CFO in 2018
- MBA from Wharton School, University of Pennsylvania

Board of Director

Itaru Tanimura

- Former Partner at McKinsey & Co.
- Founder and CEO of So-net M3 Inc. (currently M3, Inc.) since 2000
- An independent director of Foodison since 2015

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