



2024.3 2Q Results

Oisix ra daichi Inc.

2023.11.10

Farm for Tomorrow, Table for Tomorrow

We provide services that enable better food lives for more people.

We create systems where good farmers are rewarded and take proud in their work.

We realize sustainable society through evolving frameworks that link farm and table continuously.

We solve social issues related to food through business approaches.

We create and expand Tomorrow's Food.

- ✓ **Sales increased YoY** driven by mainstay Oisix
EBITDA increased by double-digit YoY driven by the effect of increased sales and efforts to improve profitability
- ✓ As for the subscribers, the impact of churns of subscribers acquired by the extraordinary promotions of the previous fiscal year's 4Q have remained greater than expected at the beginning of the fiscal year. On the other hand, the continuous acquisition of new subscribers led a net increase in the subscribers
- ✓ As for the full year forecast, **we will disclose the revised one at the 3Q financial results announcement**, considering the deal related to SHiDAX announced today

2024.3 Summary of 2Q Results

Sales : Although ARPU declined from the previous year, when the impact of COVID-19 was seen, **sales increased YoY** due to an increase in the number of subscribers, mainly in Oisix

EBITDA: Although the expenses for new subscriber acquisitions increased from last year, when they are controlled, **EBITDA increased by double-digit YoY** driven by the effect of increased sales and efforts to improve profitability

Sales

57.43bn yen

(YoY + 4 %)

EBITDA

3.23bn yen

(YoY + 17 %)

Operating Profit

2.07bn yen

(YoY + 24 %)

Net income attributable to owners of the parent

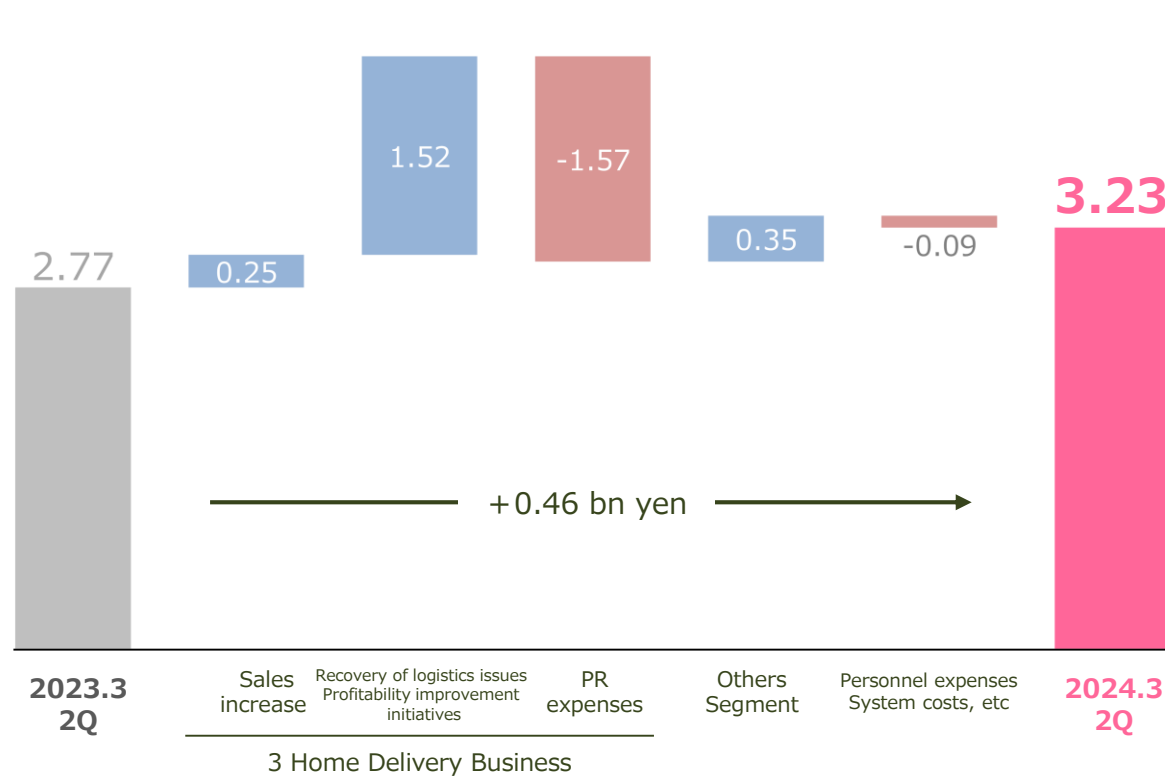
1.40bn yen

(YoY + 57 %)

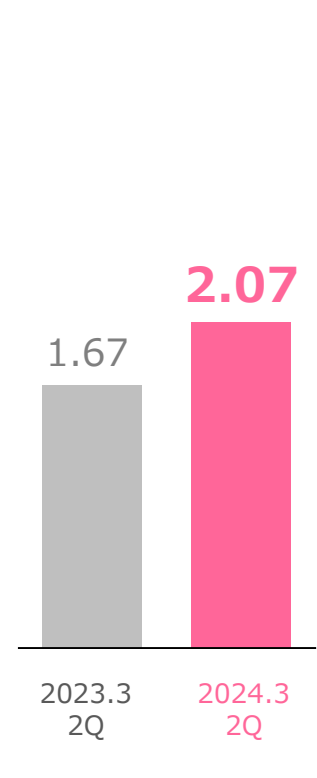
YoY : EBITDA/Operating Profit

Profits increased YoY due to structural improvement in profitability by optimizing prices and reviewing sales promotions, as well as the effect of sales increase, including the impact of approx. 0.3 bn yen related to the recovery of previous year's logistics issues.

-EBITDA (bn yen)



-Operating Profit (bn yen)



2024.3 2Q Business Segment Results

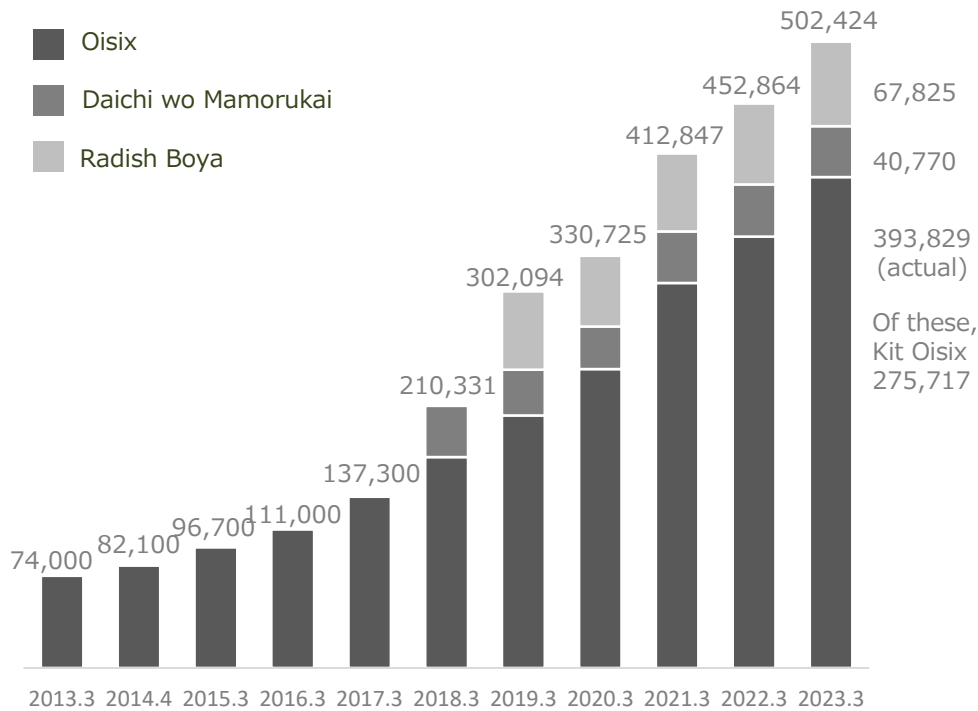
(bn yen)

	Sales		Profit		Profit ratio	Overview
	2024.3 2Q	YoY	2024.3 2Q	YoY		
Oisix	30.74	+8%	4.05	+6%	13.2%	Net increased in subscribers continued although the number of subscribers fell short of the initial plan. Transition of frozen DC went as planned.
Daichi	5.73	- 5%	1.14	- 3%	20.1%	We have suppressed to acquire new subscribers actively and continued to develop new services.
Radish Boya	8.24	- 2%	1.13	+0%	13.7%	Subscribers increased steadily. Profit margin improved due to profit structure reforms progress.
Purple Carrot* - Results for Jan to Mar	4.66 USD: 34M	- 10%	-0.02 USD: -0.1M	-	-0.6%	We continued to strengthen the business structure. Subscribers: Decreased, ARPU: Increased
Other Business	8.96	+13%	1.08	+43%	12.1%	Growth in other companies' EC support business and Nursery School Wholesale (Suku-Suku Oisix)
Total Segment	58.34	+4%	7.38	+10%	12.7%	
Adjustments / Corporate expenses	-0.90		-4.98			
Segment depreciation and amortization			0.83			
EBITDA	-		3.23	+17%	5.6%	
Depreciation and amortization	-		-0.13 -1.03	-	-	
Operating Profit	-		2.07	+24%	3.6%	

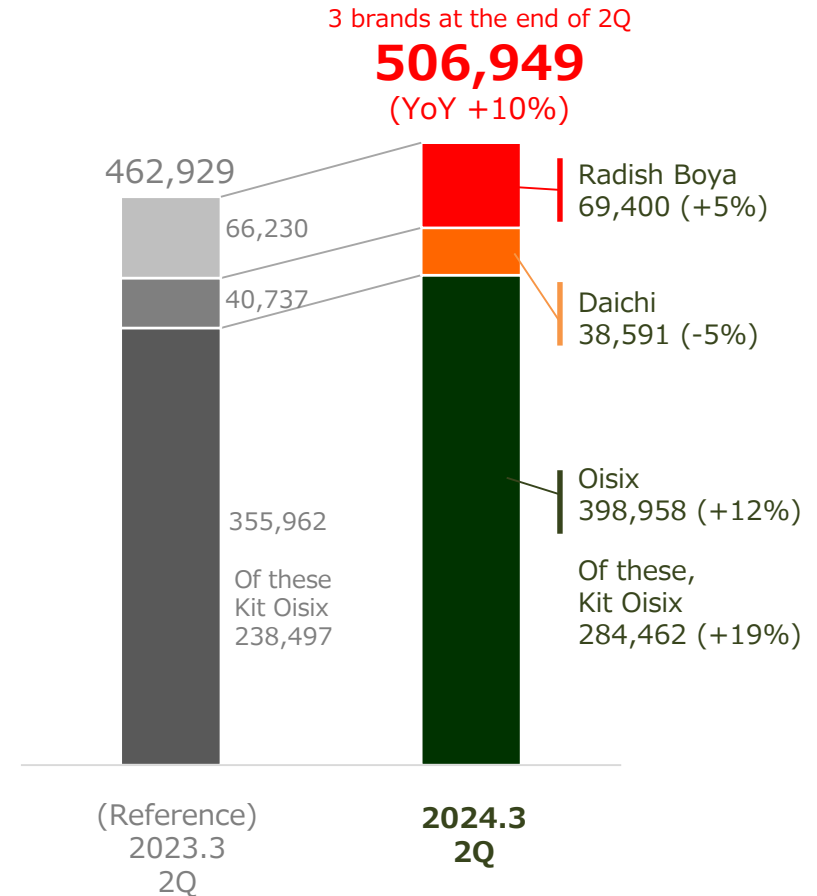
Domestic B2C Subscription Subscriber Numbers

We continued to acquire new subscribers and maintain net increases for each quarter in Oisix and Radish Boya and have developed new services for acquiring subscribers proactively in Daichi wo Mamorukai.

- Subscribers Trend

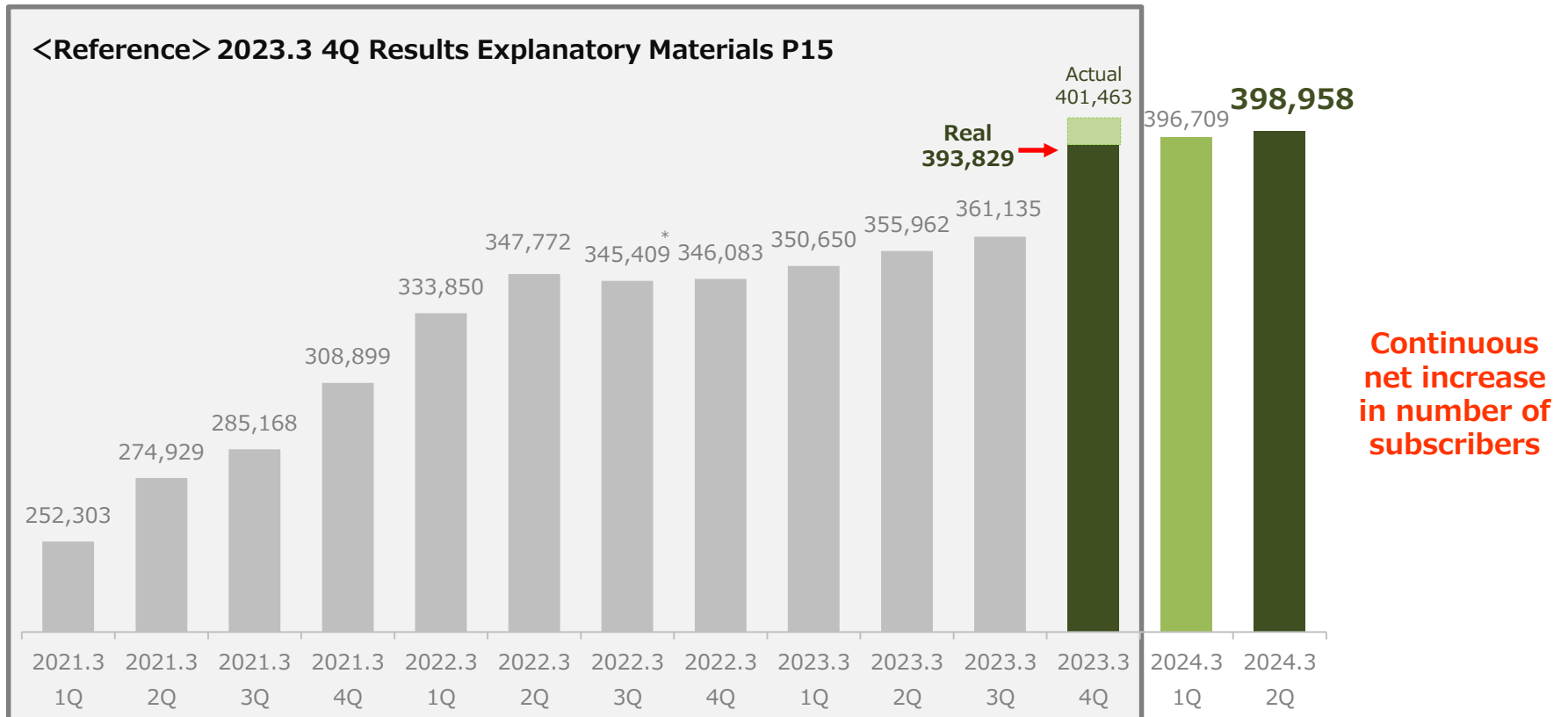


- 2024.3 2Q



Trend of Oisix Subscriber Numbers

The trend of number of subscribers in Oisix was becoming difficult to grasp due to the impact of the 4Q initiatives in the previous fiscal year. We continued to acquire new subscribers and maintain net increases for each quarter.



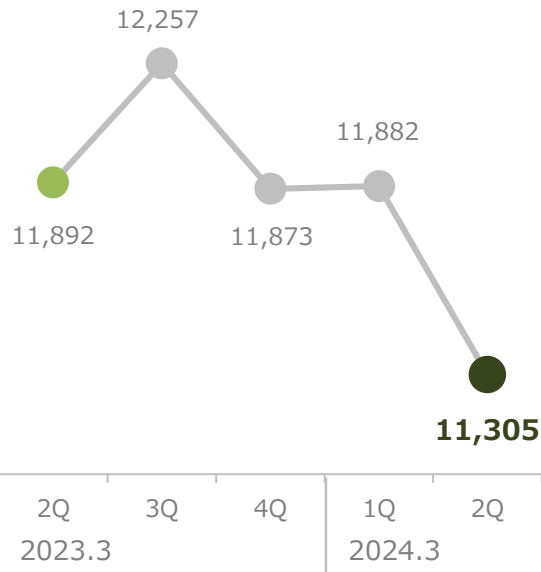
Domestic B2C Subscription ARPU

Each brand's ARPU declined YoY and QoQ due to seasonality and the rebound from the impact of COVID-19.

Oisix

11,305 yen

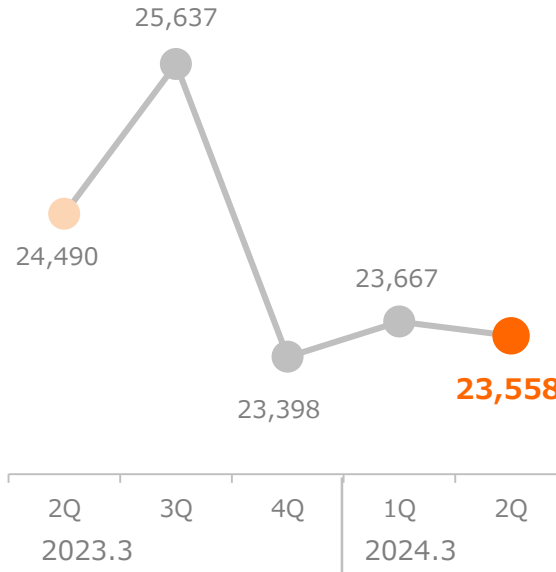
(YoY - 5 %)



Daichi wo Mamorukai

23,558 yen

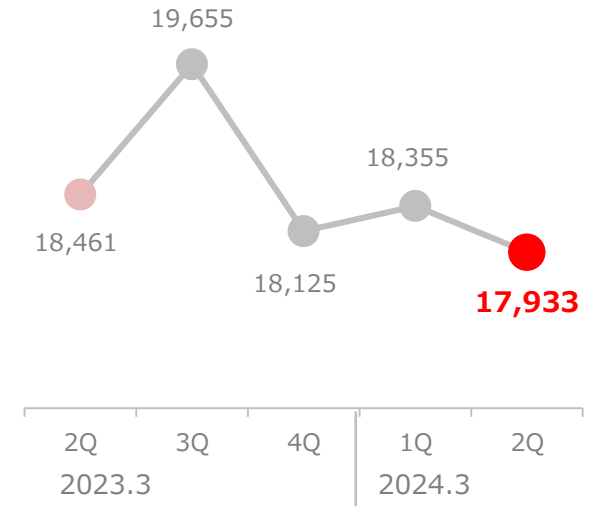
(YoY - 4 %)



Radish Boya

17,933 yen

(YoY - 3 %)



Other Businesses

Tokushimaru: Strengthening sales structure to increase the number of vehicles in operation.
Nursery School Wholesale: Promoting awareness through events and seminars for managements, etc.

Tokushimaru

No. of vehicles in operation

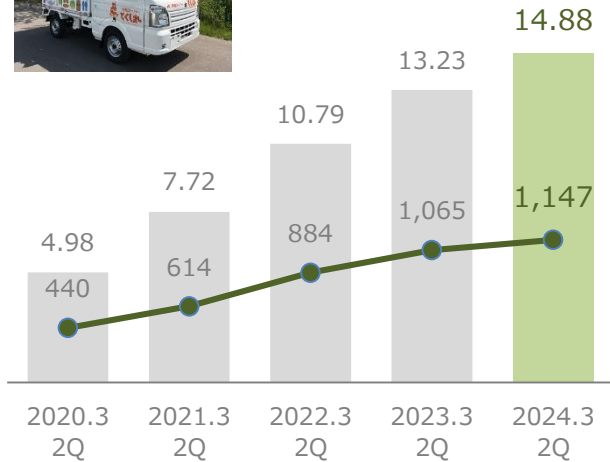
1,147

(YoY +8%)

GMV

14.88 bn yen

(YoY +12%)



Nursery School Wholesale

No. of trading nursery school

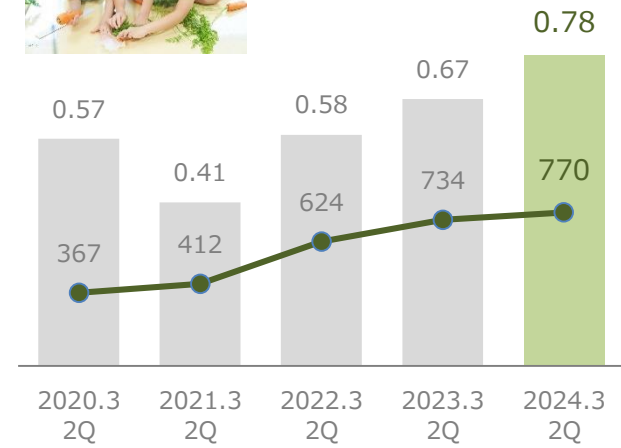
770

(YoY +5%)

Sales

0.78 bn yen

(YoY +15%)



Joint Management with SHiDAX

TOB for SHiDAX with SHIDA HD as the purchaser commenced on Nov. 13, 2023, and we intends to tender its shares in this TOB

Subsequently, we will subscribe for 66% of SHIDA HD shares through a third-party allotment, and from early January, the founding family of SHiDAX and we will be united in joint management of SHiDAX.



B2B subscription business based on food service business (meal service) at 1,785 locations (as of March 31, 2023)



B2C subscription business with over 500,000 domestic home delivery subscribers



Become one of the largest food subscription companies in Japan with B2B and B2C business



Oisix ra daichi

Unique company that provides solutions to social issues through enriching food and life

Sales: approx. **240.0** bn yen

OP: approx. **7.6** bn yen

No. of meals served per year

Approx. **500** mn meals

(Individual 230 mn, Corporate 280 mn)

No. of clients served

Approx. **2,000** companies

No. of annual service users

Approx. **10** mn persons over

No. of employees: approx. **37,000** people

The environment surrounding the food service business is changing due to human resource shortages and rising prices, and the timing is ripe for change that requires a shift to a more productive model.

Risk

Increase in the number of businesses with deteriorating performances

Manifestation of business operators leading to business shutdown

- ✓ Soaring costs of raw materials, labor, utilities, etc.
- ✓ Price competition and difficulty in passing on prices

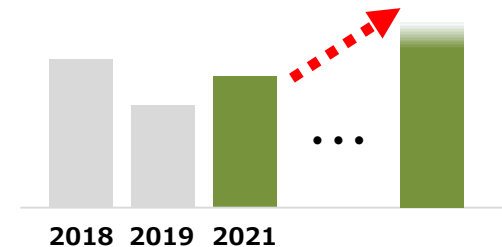
Opportunities

Trend of increasing number of facilities outsourcing to meal service providers

- ✓ The need for outsourcing is rising, due to labor shortages at facilities
- ✓ Increase in the number of facilities of childcare, welfare, etc.

Meal Service Market Size*

Market size is expected to expand again from 4.5 trillion yen (FY2021)



Timing of Industry Transformation

Collaboration with SHiDAX

① Food Service Business: Productivity Enhancement

By introducing "meal kits for meal service," which were launched in June 2022, utilizing development know-how in B2C, we have been proven to shorten cooking time and reduce food and labor costs by 15-20%.

Meal Kits for Meal Service



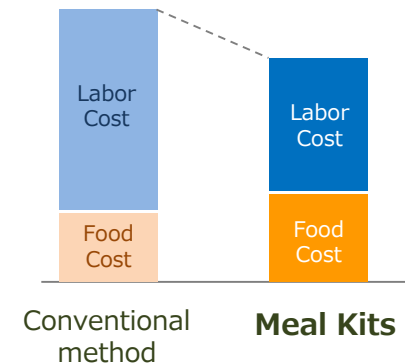
-Achievements through the introduction of meal kits for meal service

Cooking Time
Approx. **30% reduction**

Food and Labor Costs
Approx. **18% reduction**

Before introduction
8.5 hours

After introduction
6 hours



Collaboration with SHiDAX

① Food Service Business: Satisfaction Improvement

Aiming to maximize the value provided to end-users (facility users) through meal service, we will improve the satisfaction level by providing high-value-added food services, such as menu improvement through visualization of satisfaction levels and introduction of meal recreation.

Improvement of eating up ratio

- ✓ Visualizing factors that lead to satisfaction and improving services

Eating Up Ratio

+6%

Before introduction
64%



After introduction

70%



Introduction of meal recreation

- ✓ Providing an opportunity to develop an interest in food and become more excited about eating

- ✓ Providing food education activities using rare ingredients and offering kits for easy enjoyment of seasonal handicrafts



Collaboration with SHiDAX

① Food Service Business: Value Added Examples

Combining SHiDAX's expertise and assets in facility meal services with Oisix's high-quality ingredients and diverse menus, we are promoting new collaborations in "employee cafeterias," "facilities for the elderly," and "school children" in addition to nursery schools.

Large-scale employee cafeteria

- ✓ First collaboration with a 1,000-person company cafeteria in Tokyo to begin in January 2024.
- ✓ Collaboration with restaurant chains, which are popular in Oisix, and plant-based menus that are both healthy and environmentally friendly, with the aim of improving employee satisfaction at the introduced companies.

DEAN & DELUCA



Facilities for the elderly

- ✓ Benesse's "Granda Kunitachi," a private-pay nursing home for the elderly, will be the first facility to adopt the system.
- ✓ Develop and offer collaborative menus using ingredients that meet Oisix's strict cultivation standards and utilizing SHiDAX's knowledge of food related to medical and nursing care.



- ▲Left: Grand Kunitachi, Benesse's private-pay nursing home for the elderly
- ▲right: Seasonal menus and handicraft cooking recreation using Kit

Collaboration with SHiDAX

② Social Service Business: Value Added Examples

Combining SHiDAX's expertise and assets in facility meal services with Oisix's high-quality ingredients and diverse menus, we are promoting new collaborations in "employee cafeterias," "facilities for the elderly," and "school children" in addition to nursery schools.

Lunch menus will be offered to school children

- ✓ Plans to collaborate with approx. 10 facilities for school children that SHiDAX, which operates 1,570 school children facilities nationwide, is entrusted to operate
- ✓ Plans to begin offering original lunch menus this winter during long vacations when school lunch is not available, a service in high demand from parents who use school children and facilities.
- ✓ Develop microwavable Oisix-standard lunch menus that can be prepared at school children facilities.



▲ SHiDAX is entrusted with the operation of 1,570 school children facilities nationwide.



▲ Offer Oisix-standard lunch menus

Collaboration with SHiDAX

③ Building up B2B2C Business Model

Envisioned synergies by mutually attracting users of facilities serviced by SHiDAX and subscribers of Oisix
Aim to build a B2B2C model that enriches "food" and "life" by leveraging the resources of both companies



Expanding opportunities to approach food and life

With a future-oriented corporate philosophy that aims to solve social issues through business methods,
we will work together to maximize corporate value through agile decision-making and business development through joint management

SHIDAX

未来の子供たちのために



これからの食卓
これからの笑顔



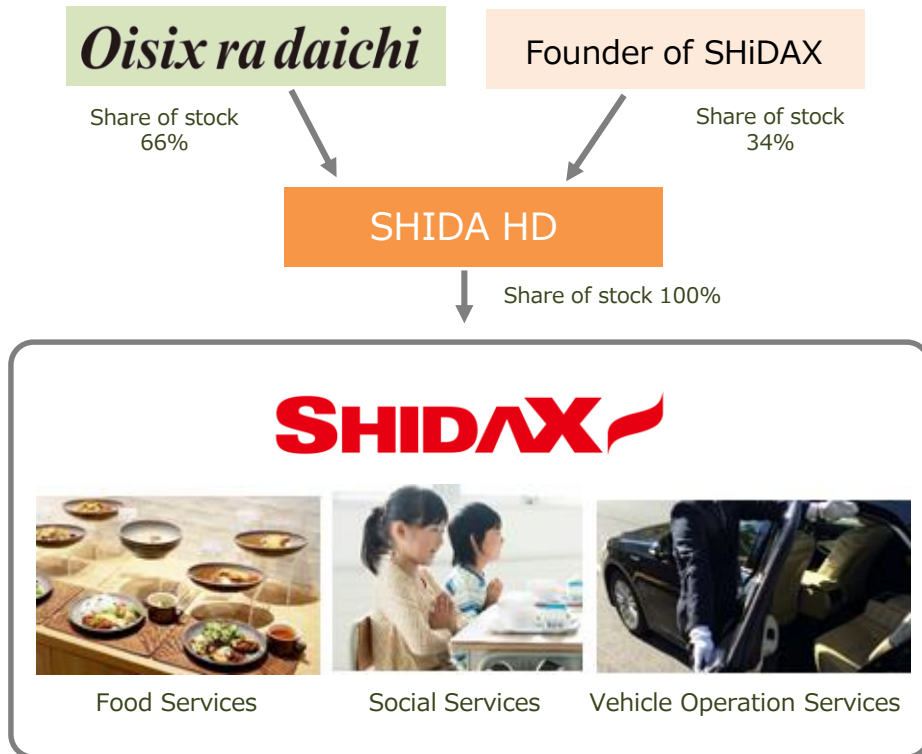
Oisix ra daichi

Joint Management with SHiDAX

Business Impact and Upcoming Schedule

Accelerate collaboration and create greater impact in solving social issues through a joint management structure by making SHiDAX a subsidiary and taking it private. Plans to apply for TOB for shares of SHiDAX, which will commence on November 13, with SHIDA HD as the purchaser, with the aim of making SHiDAX a consolidated subsidiary from 4Q of this fiscal year. Specific business plan after the joint management system is scheduled to be announced in May 2024, at the time of the announcement of the financial results for FY2024.3.

- Business structure after completion of the deal



- Business impact and Schedule

	Consolidated Business Impact	Plan
3 Q	<p>Equity-method affiliates (28%)</p> <p>Equity in earnings of affiliates * Consolidation of a portion of net income, etc. of SHiDAX</p>	<p>TOB</p> <p>Schedule: 11/13~12/25 (planned) Plans to sell shares of SHiDAX by subscribing to a TOB for shares of SHiDAX with SHIDA HD as the purchaser.</p>
4 Q	<p>Consolidated Subsidiary (66%)</p> <p>All consolidated after 4Q *OP will be 100% consolidated, offset by net income attributable to noncontrolling interests</p>	<p>Third-Party Allotment</p> <p>Invested in a third-party allotment of new shares by SHIDA HD and plans to acquire 66% of the shares</p>
<p>End of March: Procedures for taking SHiDAX private to be completed</p>		

Full Year Forecast Revision Schedule

- ① It is difficult to foresee the trend on 3Q, which will increase demand normally, after COVID-19.
- ② The deal related to SHiDAX have not been completed yet.

We remain the forecast unchanged this time and will disclose the revised one in the 3Q financial results after carefully examining the impact of these results.

<Reference> Initial Full Year Forecast for FY2024.3

Sales	126.50bn yen	EBITDA	8.00bn yen
Operating Profit	6.00bn yen	Net income attributable to owners of the parent	3.80bn yen

Sustainability Topics

-Zero Food Waste : Upcycle by Oisix

We won the Good Design Award 2023 which aims for improving lifestyle and society through design. It was highly evaluated for its efforts to solve food loss issues, involving not only its own supply chain but the food manufacturing and restaurant industries.



**GOOD
DESIGN
AWARD
2023**

▲ Good Design Award 2023 (Japan Institute of Design Promotion)

Sustainability Topics

-Family Support : WeSupport Family

We continued the support through WeSupport Family, a food assistance platform for needy families with children.

We provide opportunities for children from economically disadvantaged households, who are said to have few "hands-on" opportunities, to experience through our network of food producers.

Cumulative number
of donated goods

1.56 mn pieces

Amount of Donation

550 mn yen



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



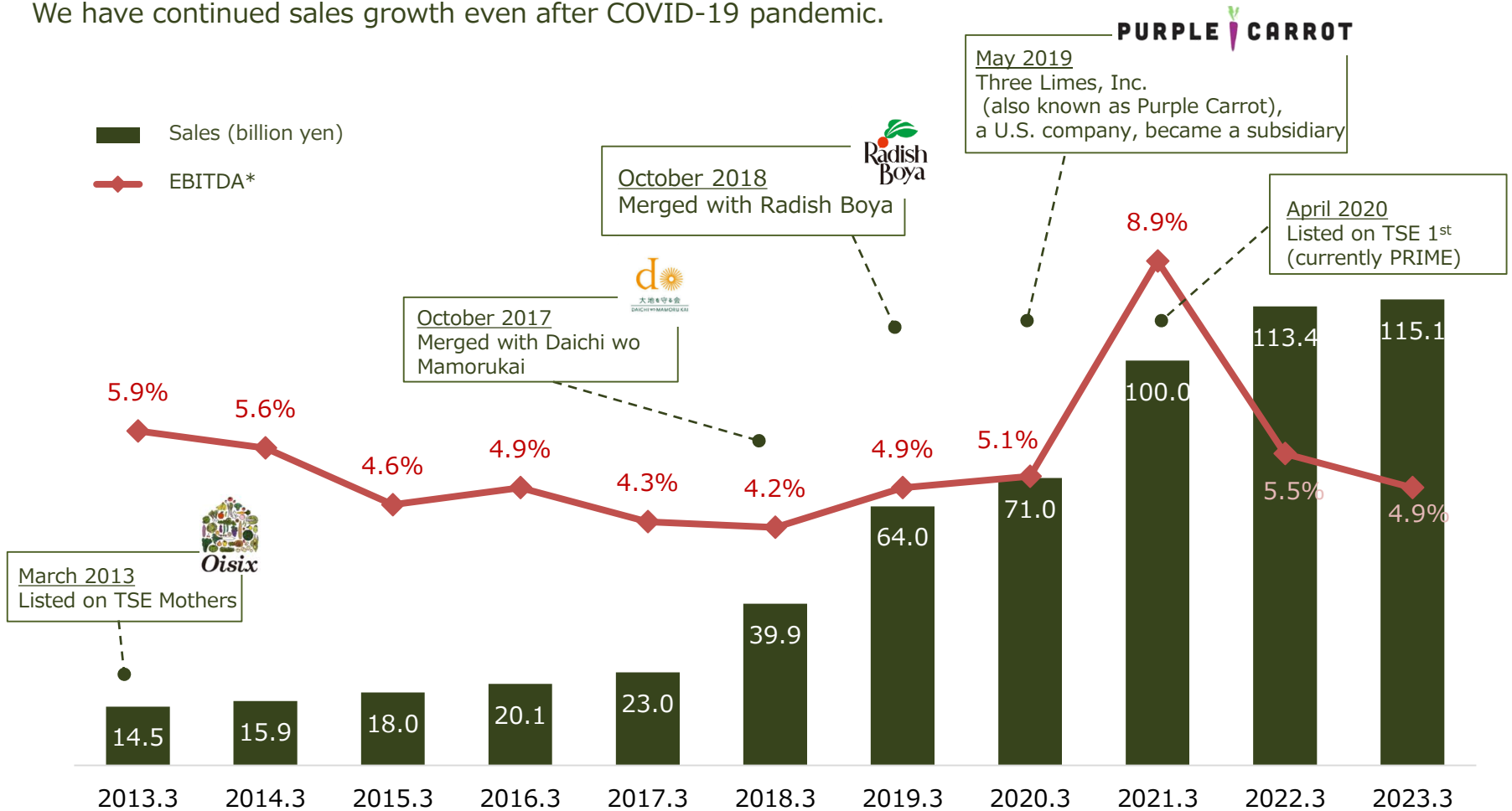
▲Tour of a soy source brewery and a class on making handmade sausage

APPENDIX • DATA SHEET

Growth Trajectory

The Company has expanded business scale significantly based on Oisix with mergers with Daichi wo Mamorukai and Radish Boya.

We have continued sales growth even after COVID-19 pandemic.



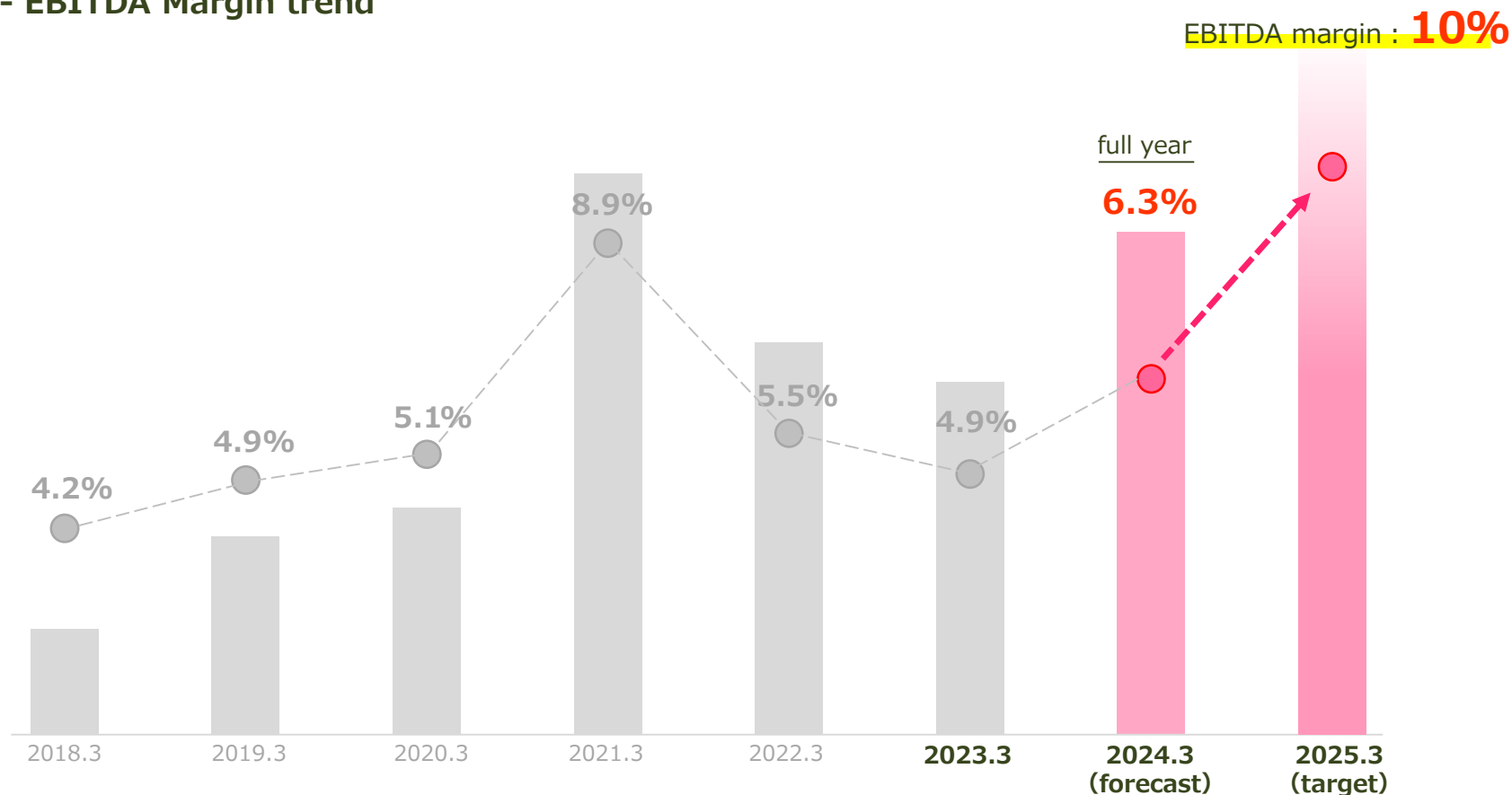
Enhance Profitability

- EBITDA Margin Target

In its mainstay domestic B2C subscription businesses, we aim to maintain a growth speed of over 10% CAGR in total distribution value.

We aim to achieve an **EBITDA margin of 10% in FY2025.3** through (1) COGS ratio improvement, (2) logistics efficiency improvement, and other ongoing profitability improvement measures.

- EBITDA Margin trend



Enhance Profitability

- ①Improvement of COGS

We enhanced functions of Food Rescue Center and a Kit manufacturing plant to produce value-added products using foodstuffs that had been discarded in production areas and plants.

We aim to incrementally achieve a **reduction of COGS (vs. Mar. 2023) by approx. 2%** driven by increasing efficiency in manufacturing/procurement and making efficient use of foodstuffs.



- Food Rescue Center - Kit manufacturing plant

At centers specializing in the manufacture of in-house products, including meal kits

Cost improvement about 2% in stages by 2025.3

- ✓ We are able to make good use of bumper crops and unused foodstuffs via proprietary food texture/preservation control know-how.



- ✓ Extension of quality guarantee deadlines made possible via packaging and other technologies.



- ✓ Acceleration of in-house processing via expansion of manufacturing capacity.



Example of Conventional Food Loss

- good harvest
- Uneven shape



- Unused foodstuffs



▲Hard skin of onion

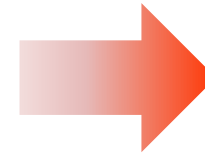


▲Paprika with scars



▲tips of eggplant

**Speedy
processing and
value-added
food
rescue**



Examples of Application



▲Meal Kit Ingredients



▲Frozen to maintain freshness

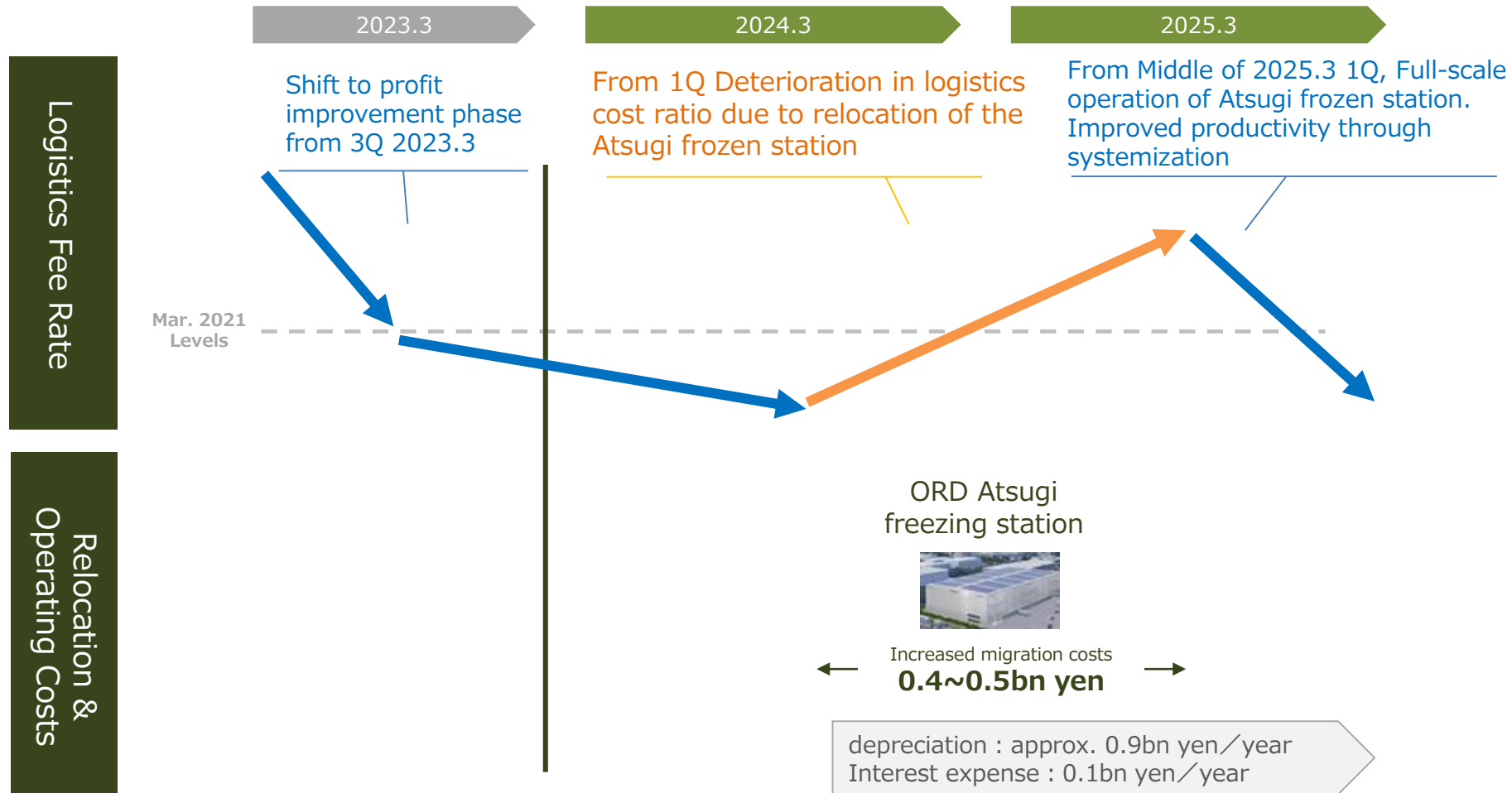


▲Upcycle Products

Enhance Profitability

- ② Logistics Efficiency

Ebina Logistics Station (refrigerator) has moved to a phase of improving profitability. We work to improve logistics costs by relocating of Atsugi Logistics Station (frozen) and taking other initiatives to improve logistics efficiency.



Our Subscription Model

Our main business is subscription-type food EC. We delivered safe and secure foods that are carefully selected based on our own standards to the customers nationwide. We hold assets and know-hows related to whole supply chain specializing in food X subscription home delivery.

Producers



Procurement

Oisix ra daichi



Oisix



Radish Boya



Daichi wo Mamorukai



Regular delivery

Customers



1

With Producers
Direct Network

2

Subscription
Marketing

3

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

Our Strengths

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 each brands' 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



Data Sheet : Results

	2022.3				2023.3				2024.3	
mn yen	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q
Oisix	14,145	28,580	45,190	58,546	14,393	28,458	44,946	59,413	15,819	30,740
Daichi	3,314	6,628	10,154	13,240	3,070	6,141	9,464	12,345	2,926	5,731
Radish Boya	4,331	8,732	13,336	17,432	4,190	8,370	12,892	16,939	4,164	8,244
Purple Carrot	2,842	5,536	7,893	10,208	2,586	5,171	7,544	9,798	2,371	4,663
Other Business	3,373	6,911	11,194	14,578	3,969	7,958	13,630	17,946	4,448	8,966
Adjusted amount	△94	△221	△370	△529	△309	△649	△1,003	△1,267	△462	△907
Sales	27,911	56,167	87,400	113,476	27,901	55,450	87,475	115,176	29,268	57,438
Oisix	2,057	4,045	6,525	7,036	1,953	3,821	6,390	7,562	2,026	4,053
Daichi	663	1,319	2,010	2,619	624	1,188	1,924	2,480	587	1,149
Radish Boya	584	1,143	1,883	2,429	591	1,126	1,927	2,540	608	1,131
Purple Carrot*	549	811	985	959	△78	△49	△74	△40	21	△28
Other Business	427	869	1,295	1,423	435	758	1,230	1,690	553	1,084
Adjusted amount	△2,329	△4,842	△7,720	△10,296	△2,564	△5,174	△8,105	△10,886	△2,695	△5,319
Operating Profit	1,950	3,347	4,979	4,171	962	1,672	3,293	3,346	1,101	2,070
EBITDA	2,316	4,188	6,385	6,216	1,498	2,771	4,960	5,595	1,677	3,234
Profit attributable to Owners of Parent	1,293	2,156	3,294	2,727	587	892	1,942	1,807	817	1,401

Data Sheet : Main KPI

KPI trend

		2022.3				2023.3				2024.3	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Oisix	Subscribers (number)	333,850	347,772	345,409	346,083	350,650	355,962	361,135	393,829	396,709	398,958
	ARPU (yen)	12,891	12,564	12,880	12,166	12,302	11,892	12,257	11,873	11,882	11,305
	Price/Purchase (yen)	6,098	6,057	6,220	6,096	5,970	5,934	6,174	6,010	5,949	5,910
	Purchase Frequency (number)	2.11	2.07	2.07	2.00	2.06	2.00	1.99	1.98	2.00	1.91
Daichi	Subscribers (number)	41,205	41,733	41,459	41,688	40,234	40,737	40,259	40,770	39,538	38,591
	ARPU (yen)	25,630	25,268	26,052	23,890	24,138	24,490	25,637	23,398	23,667	23,558
	Price/Purchase (yen)	8,411	8,576	8,864	8,219	8,345	8,537	9,048	8,428	8,523	8,652
	Purchase Frequency (number)	3.02	2.95	2.94	2.91	2.89	2.87	2.83	2.78	2.78	2.72
Radish Boya	Subscribers (number)	65,320	66,464	66,206	65,093	65,297	66,230	66,435	67,825	68,477	69,400
	ARPU (yen)	20,188	19,748	20,137	18,790	18,947	18,461	19,655	18,125	18,355	17,933
	Price/Purchase (yen)	6,402	6,407	6,589	6,247	6,451	6,442	6,922	6,531	6,641	6,684
	Purchase Frequency (number)	3.15	3.08	3.06	3.01	2.94	2.87	2.84	2.78	2.76	2.68

- ◆ 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