



FY2021/3 Results Explanatory Materials

Oisix ra daichi
2021.5.13

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. FY2021/3 Achievements

1-1. Consolidated Financial Results

1-2. Results on Business segment

1-3. Social Topics

2. Growth Strategy with Food Subscription Model

3. Sustainable retail

4. 2022/3 Forecast

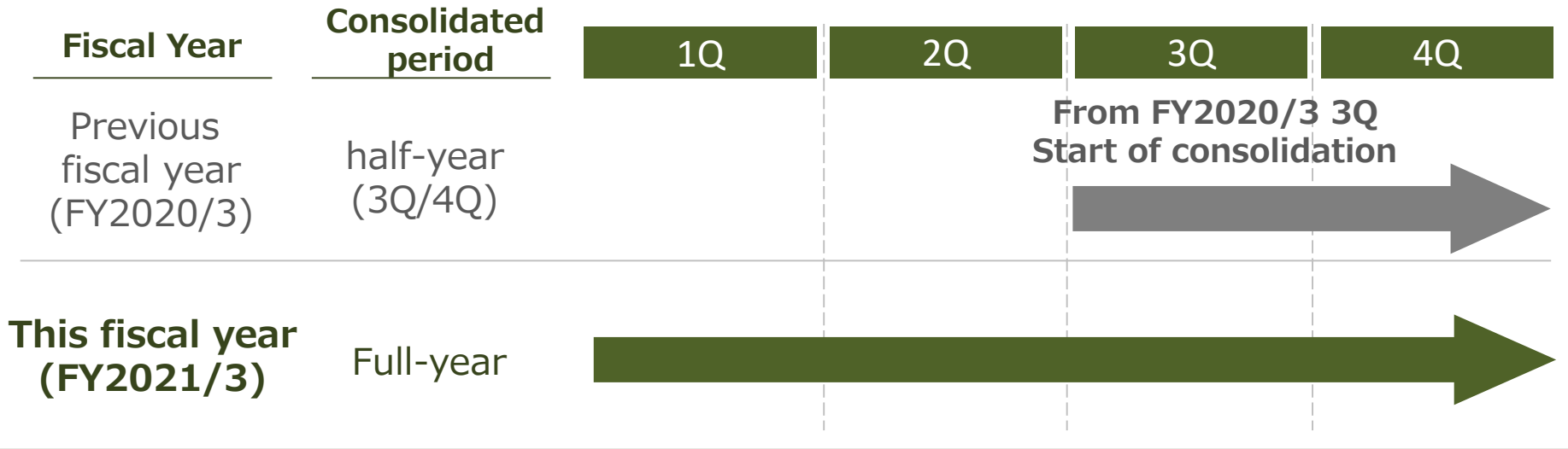
■ APPENDIX・DATA SHEET

1-1. Consolidated Financial Results

Special factor in comparison with
the same period of the previous year

【Consolidation of Purple Carrot】

- ✓ Purple Carrot, a U.S. meal-kit home delivery service specialized in vegan, became a subsidiary in Apr.2019. Recognition of sales, profits/losses and goodwill began in FY2020/3 3Q.
- ✓ Full-year recognition in consolidated reports this fiscal year versus half-year (3Q/4Q) last year.
- ✓ Compared to the previous term, the Purple Carrot result will be added in 1H.



*Due to the difference in fiscal year-ends, consolidated results are delayed by 3 months

Executive summary

–2021/3 4Q Results

4Q performance summary

Sales

- ✓ Although the growing needs for home delivery are gradually settling down, **subscribers and ARPU continued to steadily increase** in 4Q as well.
- ✓ Conducted a large-scale new promotion campaign including TV commercials at Oisix. Subscribers acquisition progressed more efficiently than planned, and **subscribers increased by about 20,000 in 4Q alone.**
- ✓ Although ARPU has gradually settled down from the peak, it has remained higher than expected due to the effects of the state of emergency due to the re-expansion of the COVID-19, and increased by **about 10% from the same period of the previous year.**
- ✓ Real businesses such as nursery wholesalers, which were negatively affected, **also achieved sales plans as of 4Q.**

EBITDA

- ✓ In addition to the increase in profit due to the increase in sales, **the marginal profit temporarily increased** due to the efficiency improvement of logistics and delivery due to the increase in ARPU in 4Q.
- ✓ The promotion cost was used as planned, centered on Oisix.

Executive summary

—2021/3 Full-year Results

Full-year performance summary

vs Target As of Jan.

Sales 100.0bn yen (+3%) 、 EBITDA 8.9bn yen (+11%)

Operating Income 7.4bn yen (+15%) 、 Net income 5.0bn yen (+26%)

Sales

✓ Due to tight capacity due to COVID-19, new acquisition was suspended in 1Q. However, subscribers has been steadily increasing since 2Q, and subscribers of 3 major brands has reached a **net increase of about 80,000 per year.**

✓ ARPU is also gradually settling down after peaking in 1Q. However, due to the increase in demand for nesting due to corona and service proposals in line with customer needs, **the average YoY increase was about 15%.**

✓ The Purple Carrot in U.S. **achieved a full-year surplus for the first time** due to a significant increase in subscribers.

✓ Sales of real businesses such as nursery wholesalers declined significantly due to the impact of corona closures and closures centered on 1Q.

EBITDA

✓ Temporary costs such as the construction of a new Oisix Sayama station for capacity expansion will be incurred.

However, **profits increased significantly due to an increase in profits due to increased sales and a temporary improvement in the segment profit margin due to an increase in ARPU.**

FY2021/3 Highlights

Sales : Both subscribers and ARPU have increased significantly.

The plan has been pushed forward and exceeded 100bn yen for the full year.

EBITDA : Significant increase in sales due to temporary improvement in profit margin due to increased sales and ARPU.

Sales

100.06bn yen

vsTarget As of Jan. 103%

As of beginning 128%

YoY 141%

EBITDA

8.90bn yen

vsTarget As of Jan. 111%

As of beginning 202%

YoY 248%

Operating Income

7.46bn yen

vsTarget As of Jan. 115%

As of beginning 249%

YoY 303%

Net income

Attributable to owners of the parent

5.03bn yen

vsTarget As of Jan. 126%

As of beginning 420%

YoY 641%

Actual value Highlights

excluded the effect of temporary increase in ARPU by covid-19

The actual value refers to "temporary ARPU increase in domestic delivery business (Three major brands) "

Both subscribers and ARPU increased significantly due to the influence of COVID-19. Subscribers are a subscription contract, and the accumulation effect will continue from the next fiscal year onward. On the other hand, ARPU is temporarily increasing due to the influence of COVID-19, and it is expected that it will return to the level before COVID-19 in FY2022 / 3.

Achieved significant increases in sales and profits even in terms of actual value excluding the temporary increase in ARPU.

Sales

about 90.0bn yen

(actual value YoY +27%)

EBITDA

about 5.4bn yen

(actual value YoY +52%)

Operating
Income

about 4.0bn yen

(actual value YoY +64%)

Net income

Attributable to
owners of the
parent

about 3.0bn yen

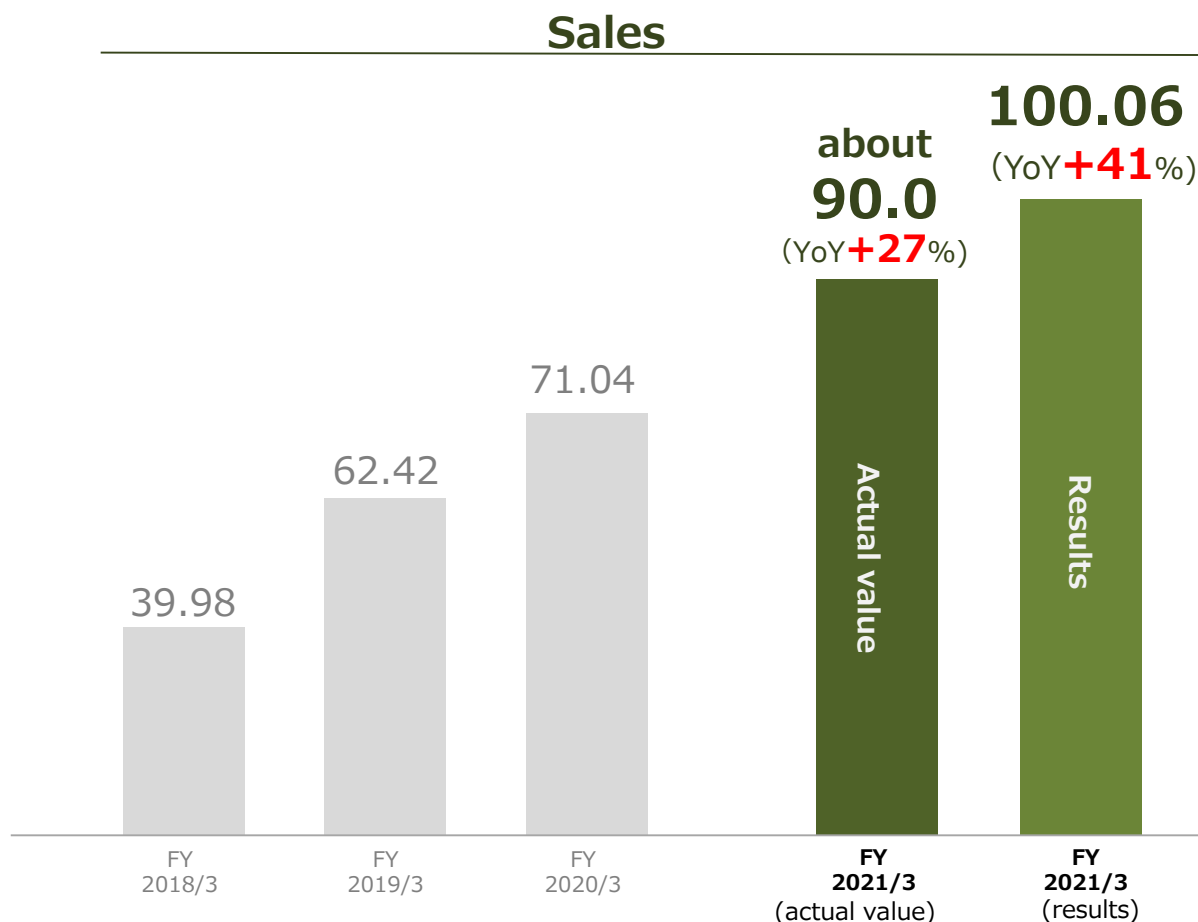
(actual value YoY +280%)

Consolidated Results Overview

-Sales

The actual value refers to "temporary ARPU increase in domestic delivery business (Three major brands) "

Actual value : Sales increased by about 20bn yen due to the effect of increasing subscribers (YoY+27%)
Results : Approximately 30 bn yen sales increase due to ability and the effect of temporary increase in ARPU by COVID-19 (YoY+41%)



Consolidated Results Overview

-Profits

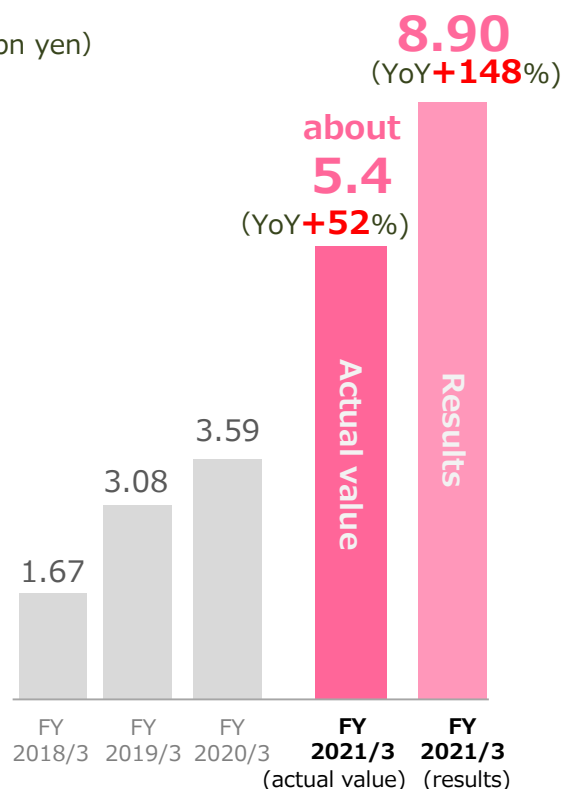
The actual value refers to "temporary ARPU increase in domestic delivery business (Three major brands) "

Actual value : Approximately 1.8 bn yen increase in profit due to the effect of increasing subscribers (YoY +52%)

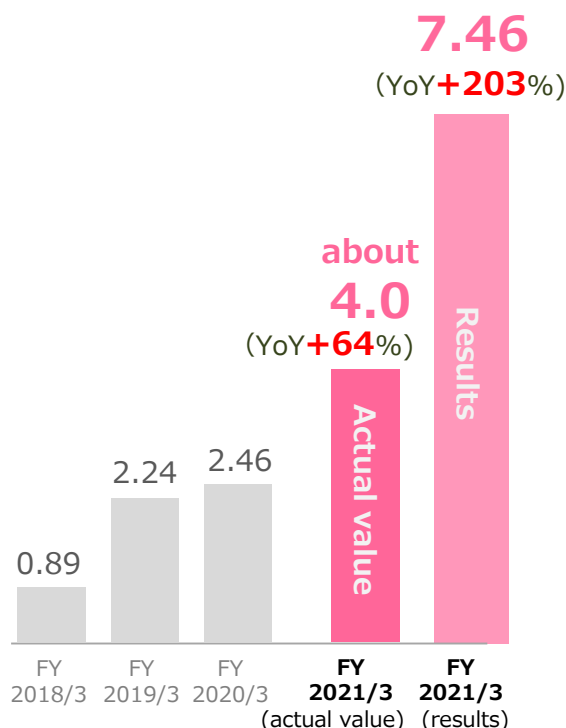
Result : Approximately 5.3 bn yen increase in sales due to the ability and the effect of temporary increase in ARPU (YoY+148%)

EBITDA

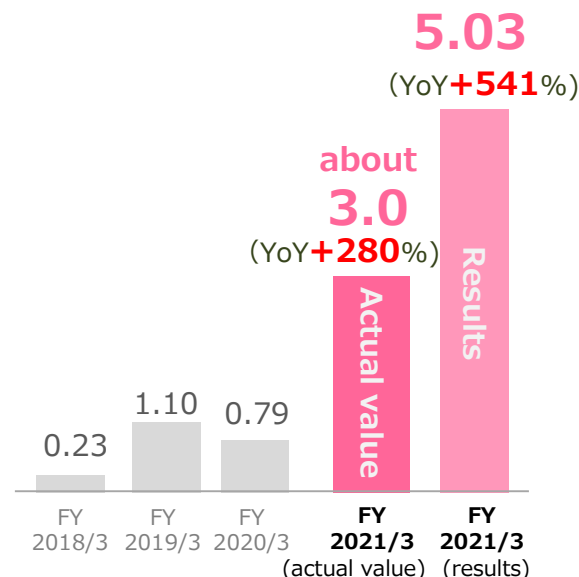
(bn yen)



Operating Income



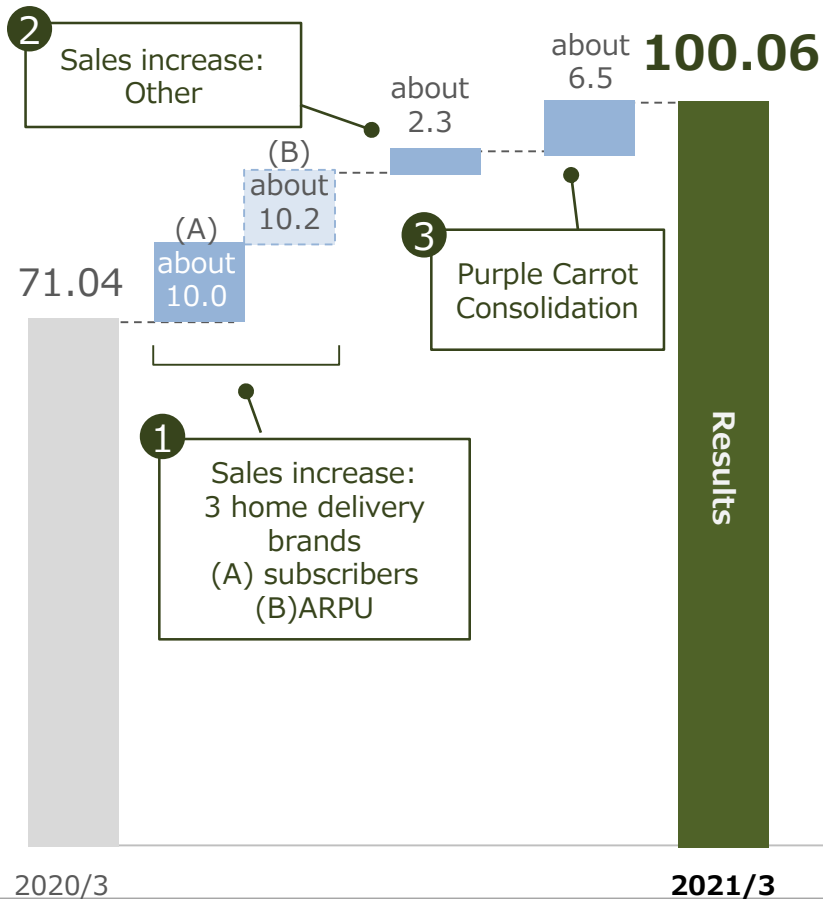
Attributable to owners of the parent Net income



YoY : Sales

Sales increased by about 30 bn yen from the previous year, mainly due to the effect of sales increase of 3 domestic delivery businesses and the effect of new consolidation and business growth of Purple Carrot.

■ Sales (bn yen)



① Sales increase (3 home delivery brands) : about 20.2bn yen

- (A) Increase in subscribers : about 10.0bn yen
- (B) Increase in ARPU : about 10.2bn yen

② Sales increase: Other : about 2.3bn yen

- EC support/Hong Kong : about 2.4bn yen
- Kindergarten wholesale : about ▲0.1bn yen
- Etc.,

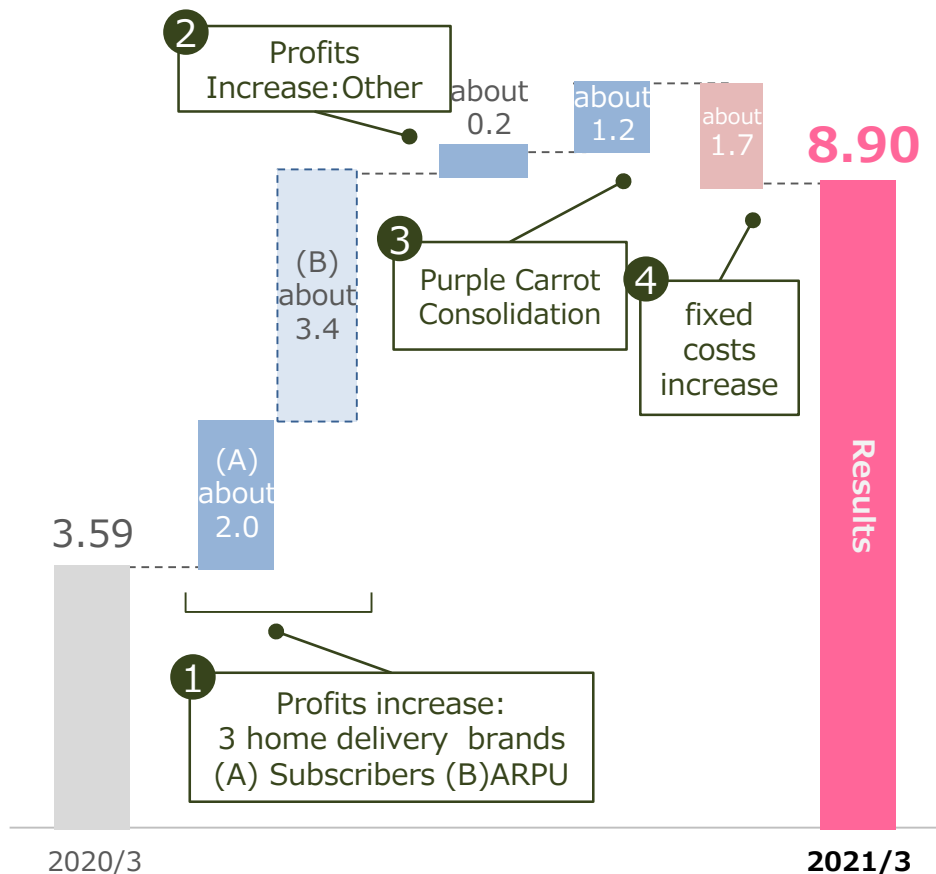
③ Purple Carrot Consolidation : about 6.5bn yen

- New consolidation in 1st 1H : about 4.1bn yen
(See page 5 for details)
- Business growth in 2nd 1H : about 2.4bn yen

YoY : EBITDA

Mainly due to the increase in profits of the three domestic home delivery businesses and the effects of new consolidation and business growth of Purple Carrot, **the actual value increased by about 5.3 bn yen from the previous year.**

■ EBITDA (bn yen)



1 Profits increase(3 home delivery brands) : about 5.4bn yen

- (A) Increase in subscribers : about 2.0bn yen
- (B) Increase in ARPU : about 3.4bn yen

2 Profits increase(Other) : about 0.2bn yen

- EC support/Hong Kong : about 0.2bn yen
- Kindergarten wholesale : about ±0bn yen
- Etc.,

3 Purple Carrot Consolidation : about 1.2bn yen

- New consolidation in 1st 1H : about 0.4bn yen
(See page 5 for details)
- Business growth in 2nd 1H : about 0.8bn yen

⇒ **Turn into surplus in 1 year after consolidation**

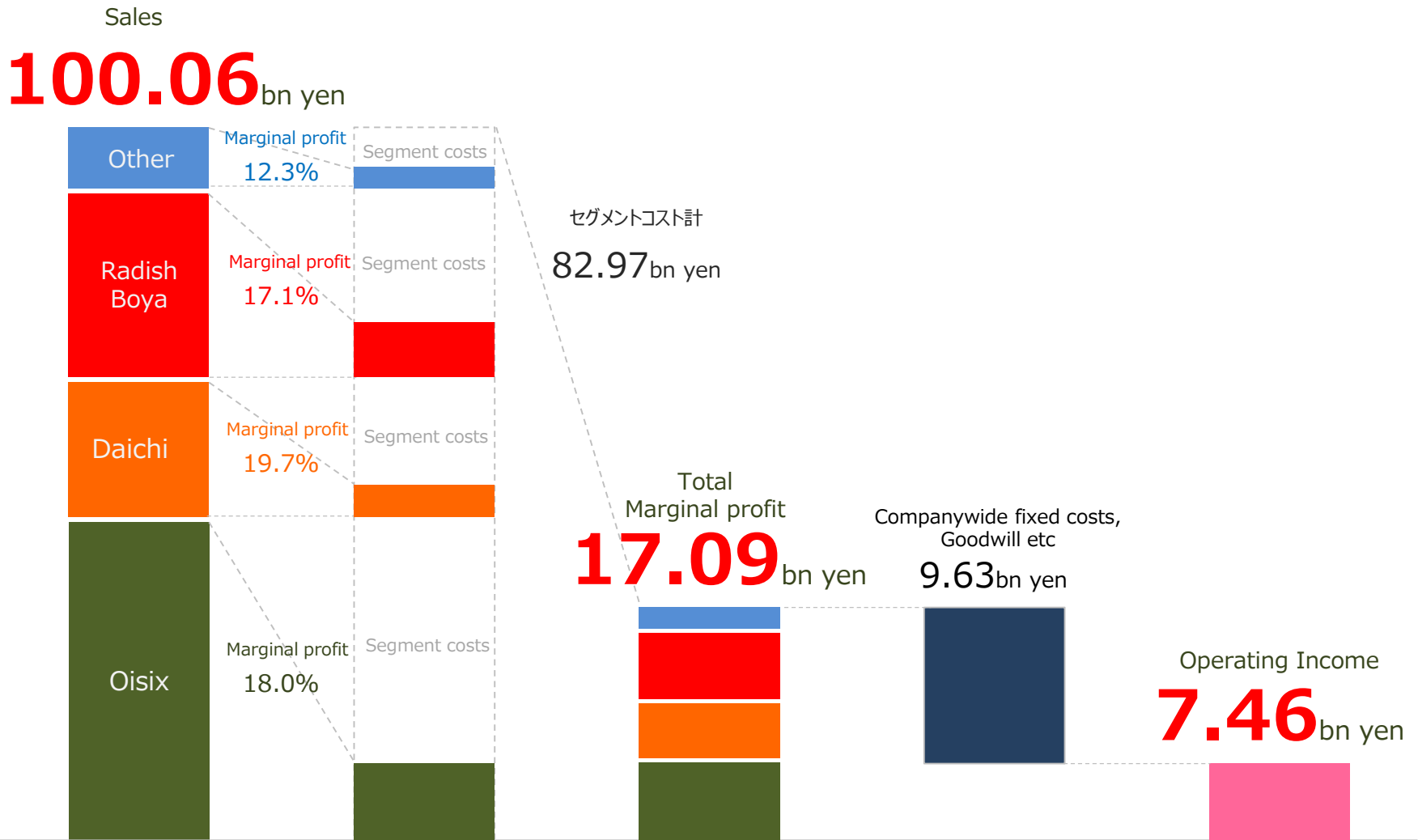
4 Companywide fixed costs increase : about 1.7bn yen

- Costs for COVID-19/Bonus for COVID-19 support
- Costs for Listing to First Section of the TSE
- Costs for labor due to business expansion Etc.,

Business segment Results

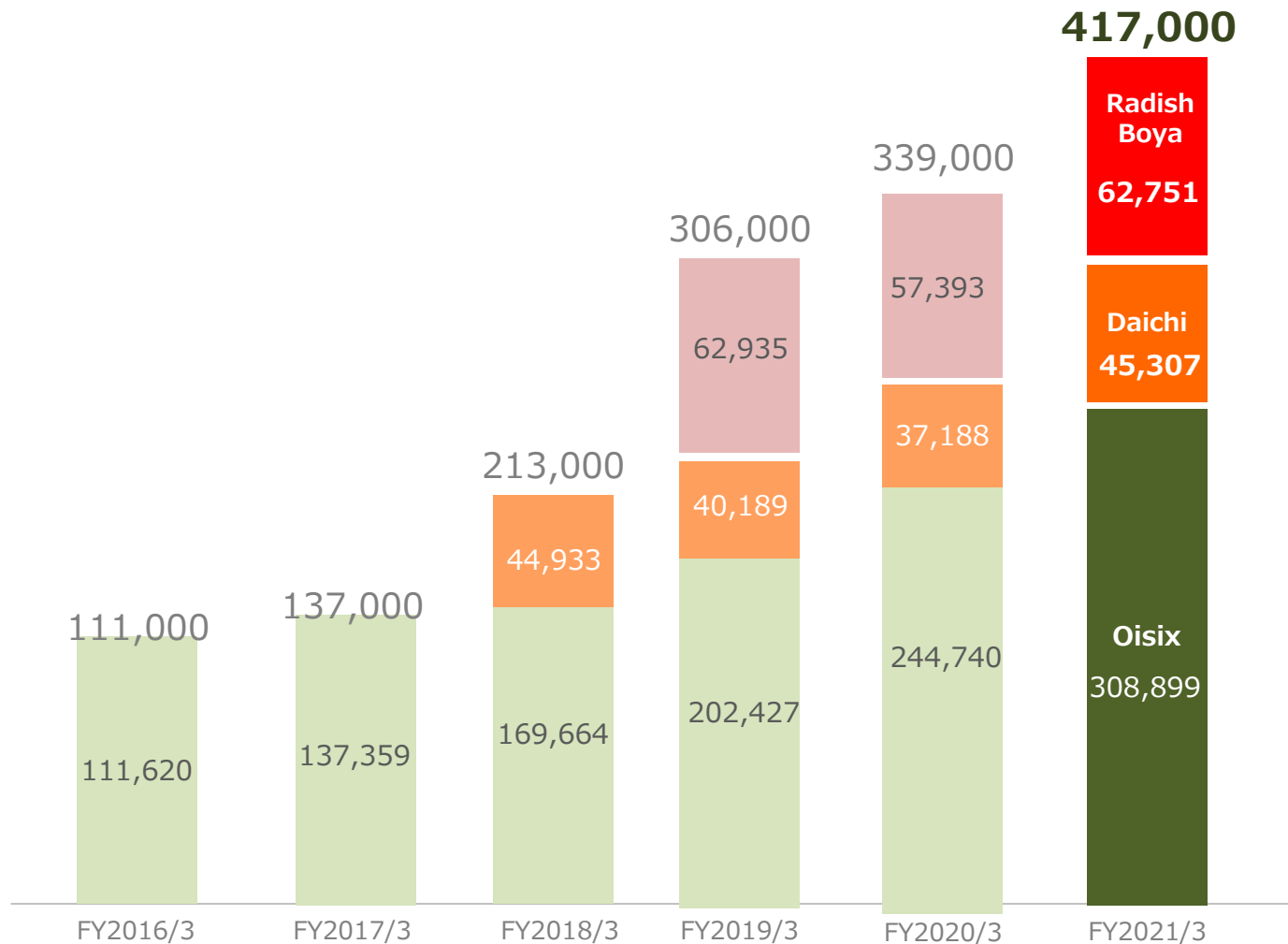
	Sales	Segment profit	Overview
Oisix	49.86bn yen (YoY +39%)	8.98bn yen (YoY +87%)	<p>Subscribers A halt in new subscriber acquisitions owing to shipping capacity issues was resolved in 2Q. Full-year subscriptions grew by 70,000.</p> <p>ARPU increased by about 18%YoY in full-year</p>
Daichi	13.97bn yen (YoY +33%)	2.75bn yen (YoY +46%)	<p>Subscribers Due to increased demand for home delivery, net increase in all quarters and about 8,000 people for the full year</p> <p>ARPU increased by about 15%YoY in full-year</p>
Radish Boya	17.70bn yen (YoY +18%)	3.02bn yen (YoY +13%)	<p>Subscribers Whilst priority has been on improving operations, full-year subscriptions increased by roughly 6,000 on Covid-19 driven demand for home delivery.</p> <p>ARPU increased by about 15%YoY in full-year</p>
Other business	18.92bn yen (YoY +99%)	2.33bn yen (YoY +176%)	<ul style="list-style-type: none"> • EC support from other companies, overseas business continues to perform well • Purple Carrot's first half results are newly consolidated. Also, the first return to profitability

Business segment Results Overview



Subscribers (3 home delivery)

Due to the growing demand for home delivery due to Corona, the total number of members of the three brands **increased by about 80,000**.



1-2. Results on Business segment

Overview of Business Segments

① Domestic Delivery business (Three major brands)

- Oisix
- Daichi
- Radish Boya

② Domestic Delivery business (Other)

- EC support business for other companies (Alliance)
- Tokushimaru (Subsidiary)

③ Other Business

- Overseas Business
- Real Retail Business

Overview of Business Segments

① Domestic Delivery business (Three major brands)

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Oisix KPI

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

Subscribers : In 1Q, the impact of suspension of new acquisition due to excess shipping capacity occurred.

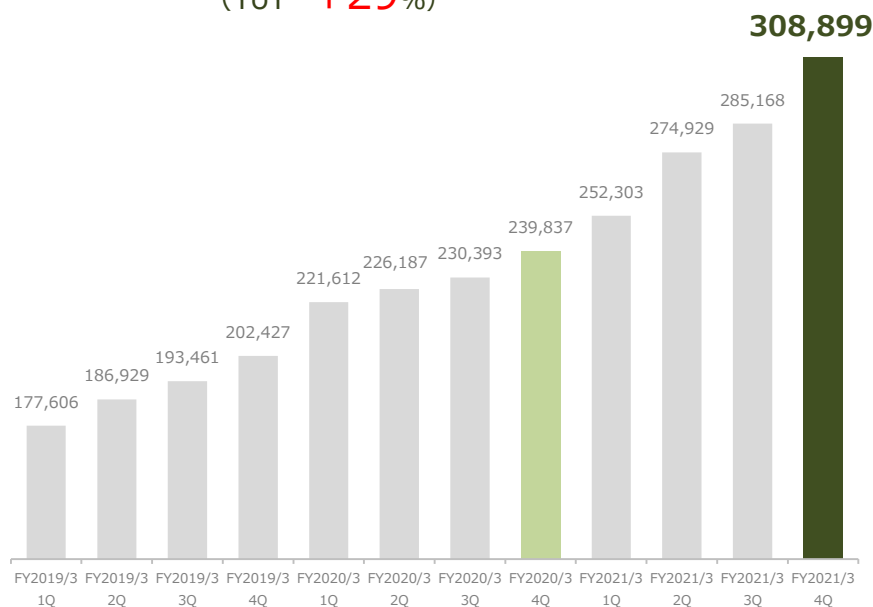
However, it recovered after 2Q and **increased by about 70,000 a year (YoY+29%)**

ARPU : Full-year average ARPU rose roughly 18% on successful capture of new needs born from customers staying home.

No. of subscribers

308,899

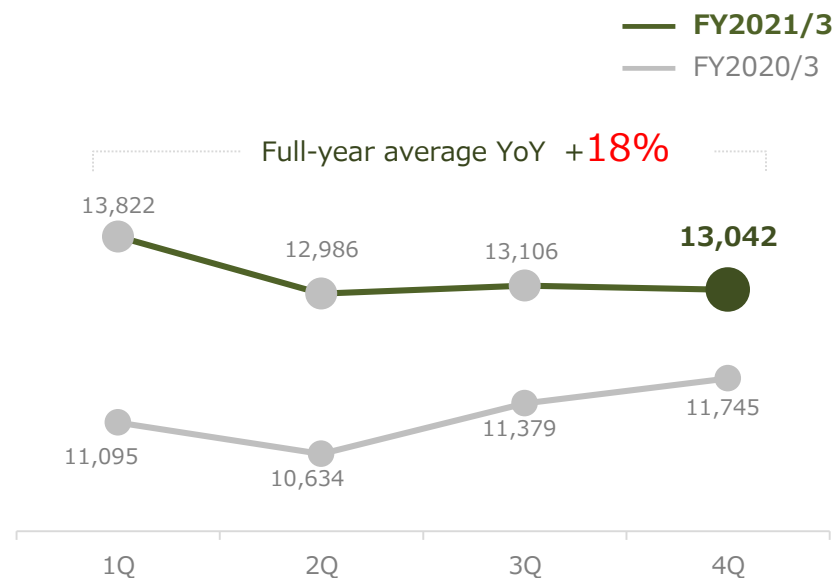
(YoY **+29%**)



ARPU_※

13,042_{yen}

(YoY **+11%**)



Oisix KPI

Covid-19 has led to changes in lifestyles – home cooking and enjoyment of seasonal events at home have increased. Reflecting such changes, subscriptions to Kit Oisix courses where a variety of collaborative and value propositions have been implemented, increased significantly.

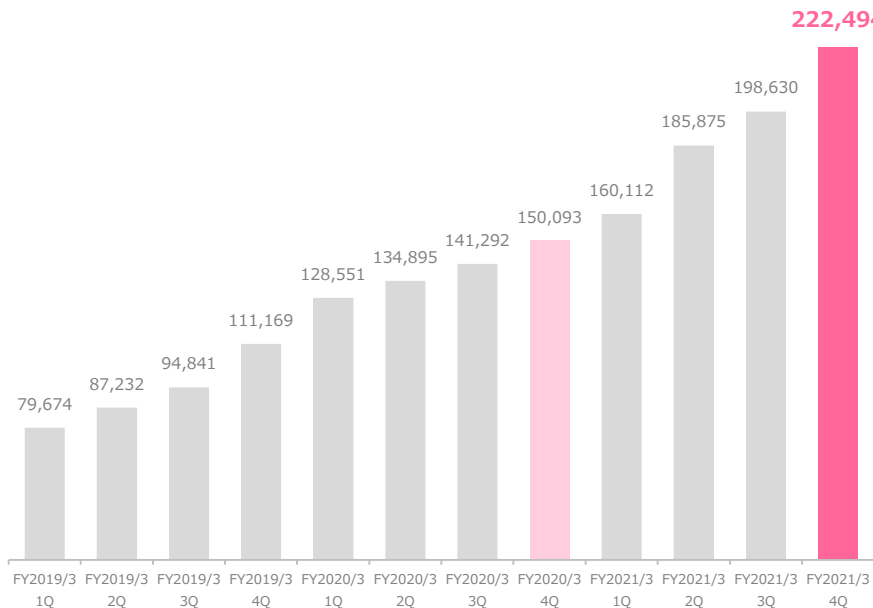
No. of meal kit course subscribers

(Includes Oisix subscribers)

222,494

(YoY +48%)

Cumulative
8,000mn meals



◆ Features of Kit Oisix

- ✓ You can make two main dishes and side dishes in less than 20 minutes.
- ✓ Uses 5 or more kinds of vegetables collected from contract farmers.
- ✓ Reduced food loss because the ingredients are used up

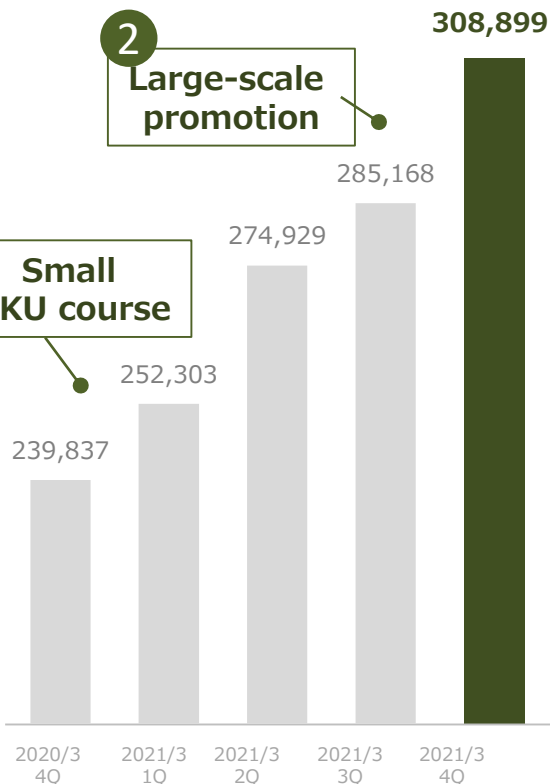


Subscribers increased by about 70,000 from the end of the previous year due to the growing needs for home delivery due to COVID-19. In 4Q, we implemented a large-scale promotion measure including a TV commercial that was broadcast in a limited area.

YoY+70,000

2 Large-scale promotion

1 Small SKU course



1 Small SKU course

サクッと! Oisix

KitOisixと厳選商品から
お好きなものを選べる新しいコースです



- ✓ Launched a new course "Sakutto Oisix" specializing in "easy shopping"
- ✓ Achieve membership expansion while controlling tight shipping capacity.

2 Large-scale promotion to a wide range of targets



- ✓ Conducted TV commercials only in the west Japan.
- ✓ Development of channels other than WEB advertising

Strengthen the value provision of "food education" at home by combining Oisix's favorite meal data and meal kit manufacturing know-how with the knowledge of partner children to learn happily.

■ Strengthening the value provision of food education

Oisix's strengths

Children's favorite meal data



※コロナ前に実施した際のイメージ

- Knowledge of children's favorite menus accumulated by "Kodo Monitor" where children judge taste
- Creating a mechanism for parents and children to cook

◆ Disney

- 「Table for Tomorrow」Project
- Providing products and contents that children are actively involved in food



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◆ Benesse

- Offering a 6-month dietary education program
- Aiming to help solve food education issues at home with help and manners



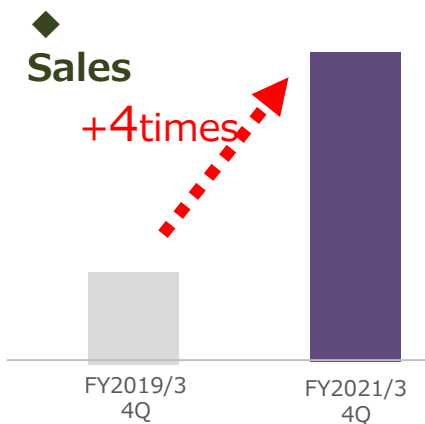
Oisix Topics

-Purple Carrot(Japan) /Home Restaurant

To capture changing home dietary needs, new value propositions depend on products/initiatives viewed from diverse perspectives. These include “Vegan” which aims to meet growing health needs vis-a-vis Covid-19 and “Home Restaurant” which aims to replicate the restaurant feel at home.

■ Vegan Kit“Purple Carrot”

- ✓ Seeing good growth under the concept of "Occasional Vegan" which enables users to easily prepare menus that reflect concerns about their bodies and the environment.
- ✓ Awarded the Social Products Award for the ease with which “Vegan at Home,” a difficult task, can be realized.



■ Home Restaurant

- ✓ “Home Restaurant” which started as an initiative to support restaurants, has been well received as a new service for special occasions
- ✓ You can enjoy an exciting experience at home, such as delivering a menu table.



Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

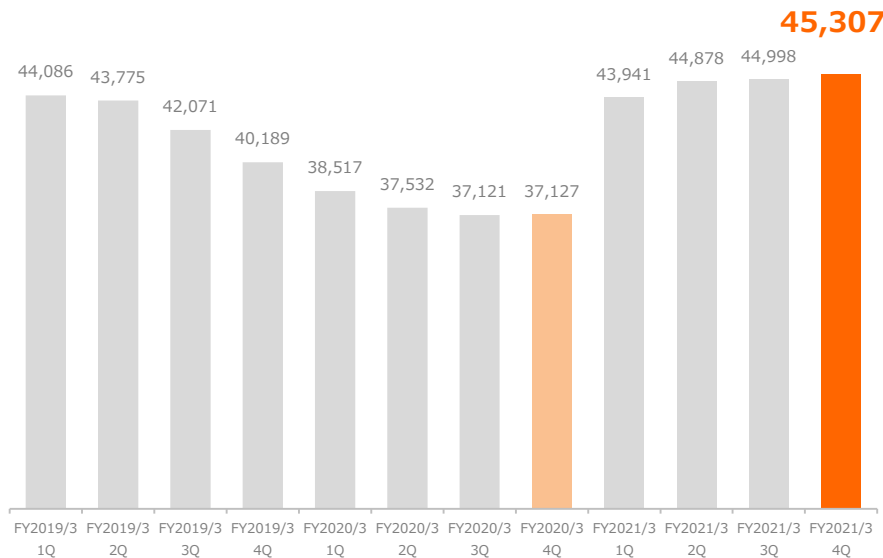
Other Business

Daichi KPI

Subscribers : Achieved net increase in all quarters, partly due to the tailwind of home delivery demand
ARPU : Full-year average ARPU rose roughly 15% on successful capture of new Covid-19 driven health awareness.

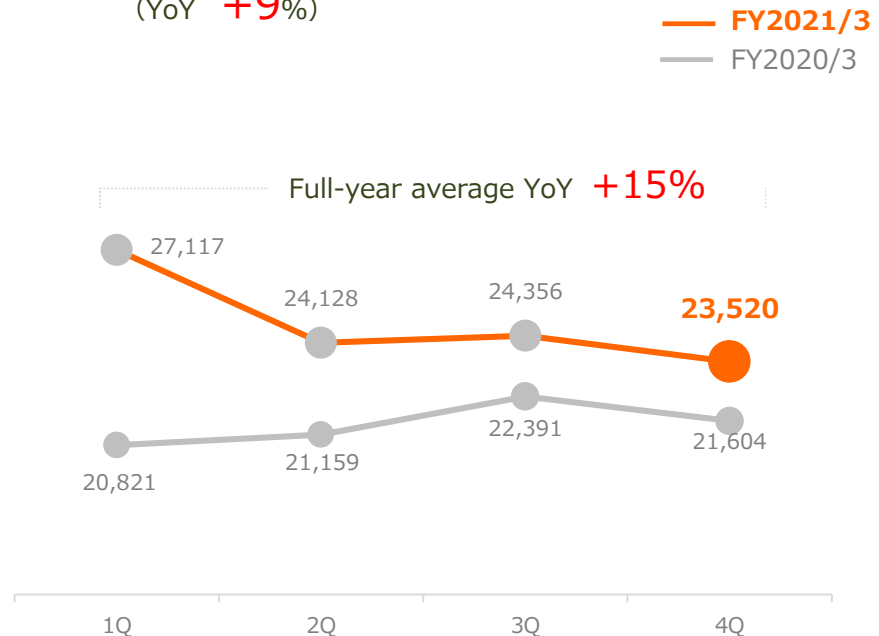
No. of subscribers

45,307
(YoY **+22%**)



ARPU[※]

23,520 yen
(YoY **+9%**)



Daichi Topics

We implemented initiatives to enhance planning proposals/product lineup commensurate with the target needs of senior couples living alone.

Maintaining high ARPU despite the stabilization of Covid-19 driven home delivery demand.

■ 2 people × Seasonal Events

- ✓ Capturing target needs via matching of product volume/solutions to empty-nest households.



■ Seniors × Health

- ✓ Offering a lineup of products that respond to high level health consciousness such as the “Connoisseur Seasonal Fish” series and fermented items.



Radish Boya KPI

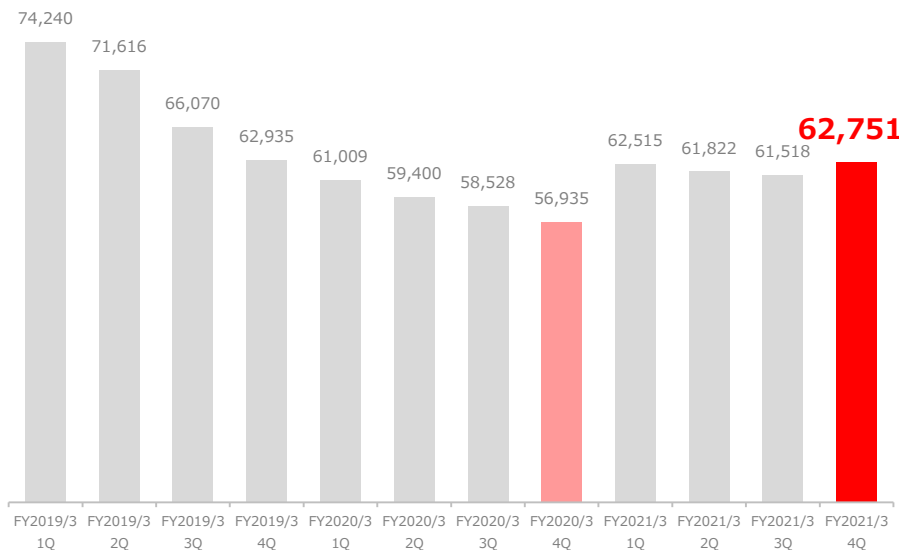
Subscriptions: We have nearly completed our operation improvement phase. In 4Q, we plan to carry out an acquisition trial ahead of next fiscal year where we look for a net increase.

ARPU : Full-year average ARPU rose roughly 15% reflecting successful service improvements that took into account increased time spent cooking at home.

No. of subscribers

62,751

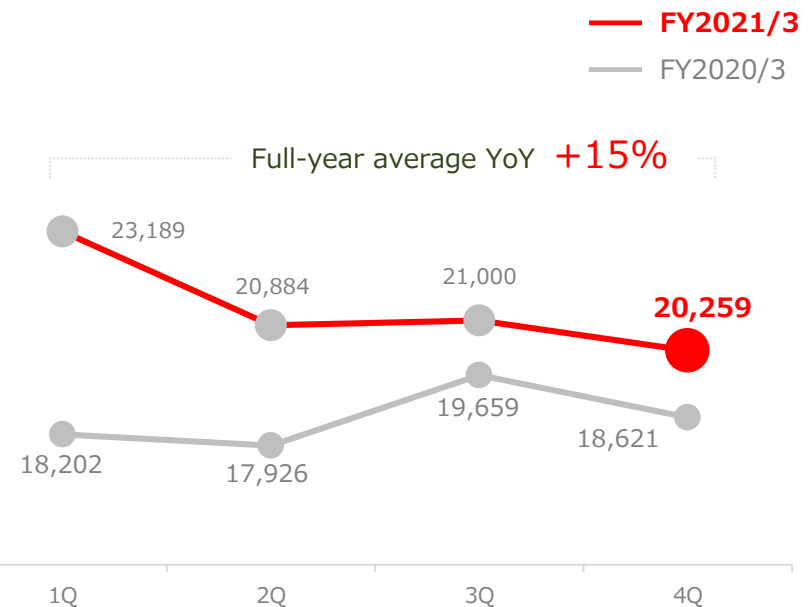
(YoY +10%)



ARPU[※]

20,259 yen

(YoY +9%)



Radish Boya Topics

Operational excellence activities, which we have been working on continuously, such as improving the quality of fruits and vegetables and improving the usability of "Pallet", will be completed in 2021/3.

■ Operational excellence efforts

① Improvement of fruit and vegetable quality



② Strengthen customer communication



③ Review of delivery form



④ Improved usability of Pallet



✓ Operational excellence completed in 2021/3

✓ "From the next fiscal year, we will build services that meet customer needs, such as "Fuzoroi Radish."

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③ Other Business

- Overseas Business
- Real Retail Business

As with the domestic Home Delivery Business, subscriptions saw a healthy increase. Owing to the benefits of plans that successfully matched the needs of customers, average basket size has been maintained at levels exceeding levels prior to Covid-19.

ISETAN DOOR

Support for Isetan Mitsukoshi's EC business
Commissioned from operation and management of EC
sites to distribution and delivery.



- ✓ The number of members has grown steadily, partly due to the influence of covid-19, **reaching 37,000** in about three years from the start of the service. (As of 31 Mar.2021)
- ✓ Basket size has also been maintained at high levels via use of special features utilizing the strengths of department stores in areas such as overseas and local product exhibitions.

d-meal kit

Started in July 2019 in collaboration with NTT Docomo. Offer regular delivery services, mainly meal kit for NTT Docomo's customers.



- ✓ The number of regular members is steadily increasing.
- ✓ In addition to Docomo subscriber solicitations, we have initiated new customer acquisition trials at store counters.

Tokushimaru(subsidiary)

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

Partly owing to Covid-19 driven demand for mobile sales channels, total transaction value grew over 50% YoY. Vehicles in operation also posted a record increase of 225 vehicles reflecting a new business expansion initiative.

Impact scale

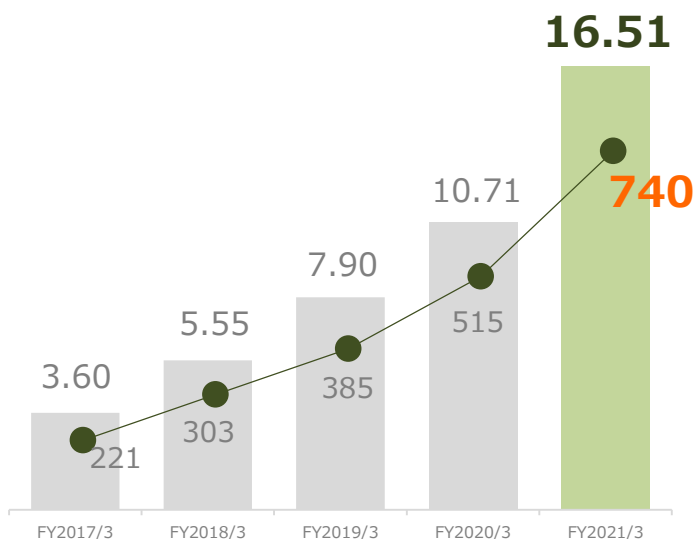
FY2021/3 value of circulation

16.51 by yen

vs Target **+16%**
YoY **+54%**

Number of vehicles
in operation

740



Development Scale

Number of affiliated
supermarkets

143



Overview of Business Segments

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(Three major brands)

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(Other)

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Purple Carrot(U.S.)

※Purple Carrot shows the business situation from Oct. to Dec.

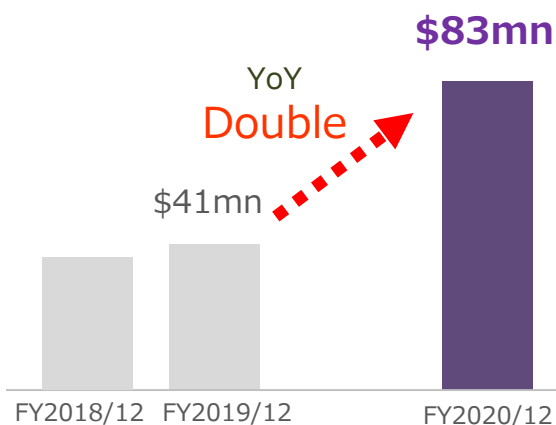
Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

The tailwind from Covid-19 helped boost both subscriptions and ARPU and allowed for full-year profitability ahead of schedule. The wholesale business to supermarkets has also successfully achieved the plan, and we are working to expand the number of stores.

Sales

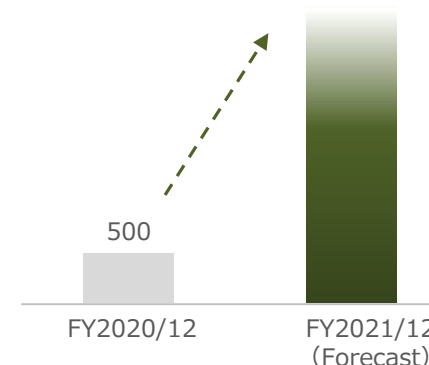


- ✓ Return to profitability in full-year(Jan. to Dec.)
- ✓ Whilst subscription growth has been stabilizing, at roughly double prior year levels, large expansion was still realized. Full-year ARPU has also increased by roughly 10% YoY.

◆Vegan frozen food wholesale business



◆Number of trading stores



- ✓ Frozen food wholesale business is handled at 500 stores of "WHOLE FOODS MARKET", the largest organic retailer in the United States
- ✓ In the next fiscal year, we will significantly expand the number of stores we deal with and aim to increase brand awareness.

Hong Kong/Shanghai

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

Hong Kong: Reflecting the tailwind from Covid-19, the fiscal year saw significant increase in subscriptions. Achieved profitability in all four quarters.

Shanghai : We are advancing localization of menus and tastes for the meal kit service launched this term. Additionally, we will be refining our customer acquisition strategies.

Hong Kong

Launched the service in 2009.
Cross-border delivery of Japanese products



- ✓ Achieved profitability in all quarters. The number of subscribers has increased significantly, mainly from local Hong Kongers.
- ✓ Since it will be the service of choice for Hong Kongers, in addition to the value of "safety", we will strengthen the appeal of the value of deliciousness and freshness.

Shanghai

Launched the service in 2017. Deliver products that meet Oisix product standards by local procurement



- ✓ Due to the influence of COVID-19, it was not possible to travel to the site, delaying the speed of business development
- ✓ We are accelerating localization of menus and tastes for meal kit services. Along with menu advances, we are promoting development of sales channels that lead to repeat purchases.

Shop in Shop

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

The impact of retail store closures in 1H notwithstanding, solid progress was made in 2H. Successful shop meal kit sales patterns that have emerged are being implemented at other existing stores.

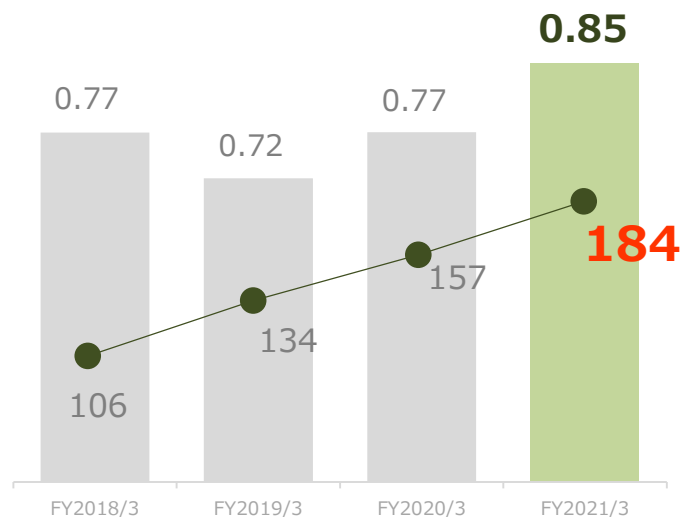
Impact scale

FY2021/3 Sales

0.85 bn yen

No. of shops

184



■ Established a meal kit sales model at stores

Development of the store meal kit sales model was finalized. Relative to what has been the biggest issue facing our customers – that of “menu mannerisms,” we implemented “a product lineup centered on weekly menus” as well as “creating a sales floor that conveys departure from mannerisms.”

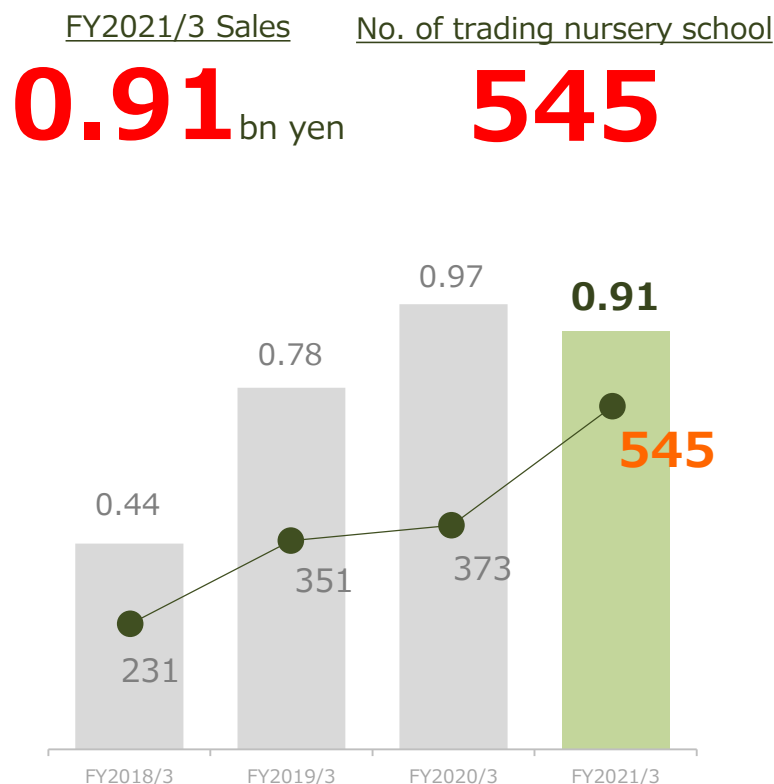


◆ Model store daily sales



Kindergarten Wholesale: Despite the impact of nursery school closures in 1H, 4Q sales caught up to year earlier levels. In March we changed the service name to "Sukusuku Oisix" and reinforced the value proposition as a B2B subscription service

Impact scale



■ food education content

Expanded "food education content" that is in high demand from many nursery schools and parents.



■ Advance into western Japan

In response to demand, we have started the service in western Japan.

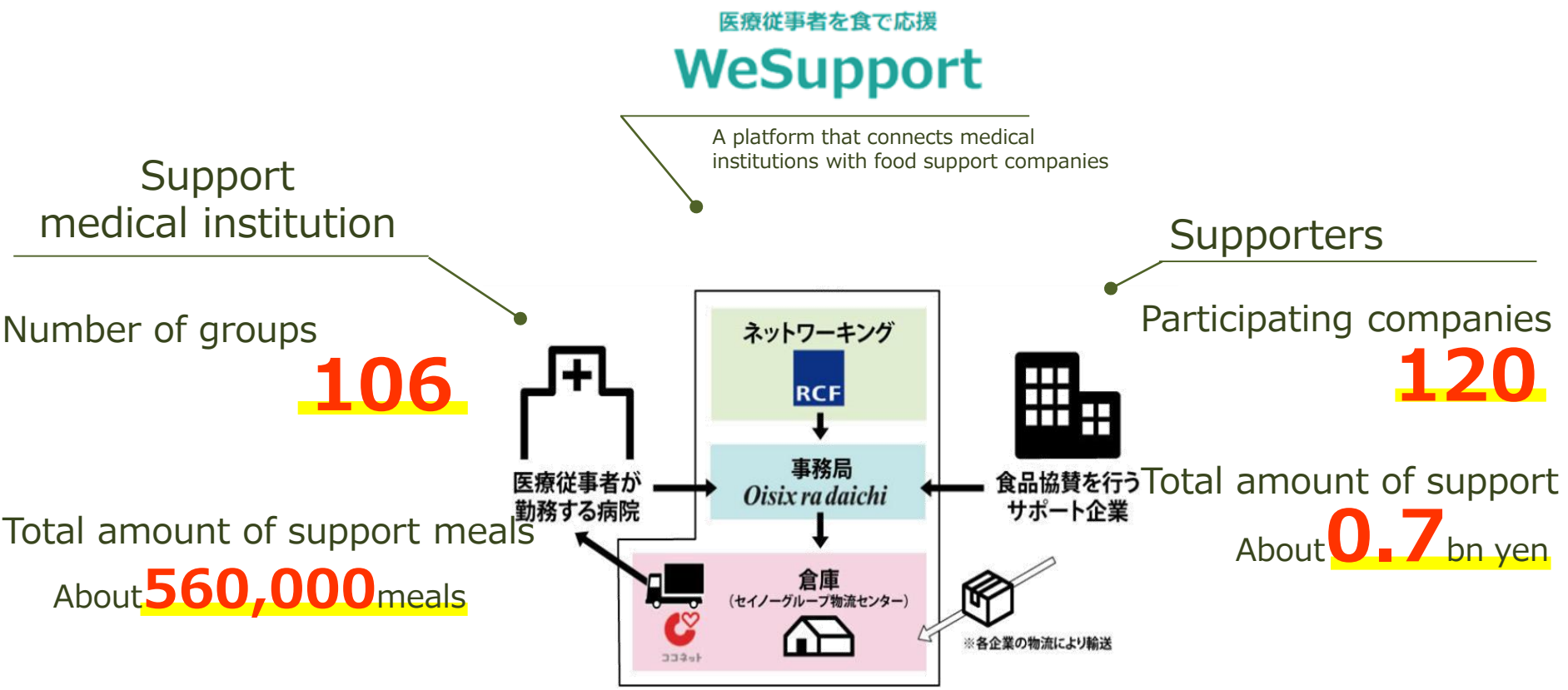
Expanded to 46 Nursery Schools
in the Kansai area in just two months of
service development

1-3. Social Topics

Social Topics①

-Healthcare worker support

“We Support,” which is a food support platform for medical professionals, has supplied a total of 560,000 foods Provided to medical institutions, the total amount of support has reach 0.7 bn yen.

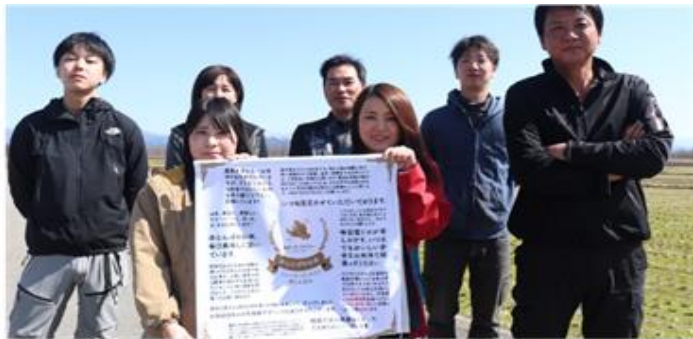


Social Topics②

We hold online meetings for exchanges between producers and events that connect producers and customers. We added content unique to online to interact with each other and deepened mutual understanding so that we could provide better food.

N-1 Summit

Producers and manufacturers from 264 organizations nationwide participate online.
"Farmer of the Year Award" held by customers to evaluate "deliciousness"



Organic Festa

From the traditional Marche-style event where producers and customers gather, to an online event.
Efforts unique to online such as connecting with overseas producers



Social Topics③

Various efforts to solve social issues were evaluated, and received various evaluations such as promoting the active participation of women by utilizing Kit Oisix.

Entrepreneur of the Year

This award is given to individuals who challenge new business areas and innovate, and evaluates the value we provide to solve social issues and the global universality of our business model.



HAPPY WOMAN AWARD for SDGs

This award is given to companies that have contributed to the promotion of active participation by developing products and services that support women, and is highly evaluated for providing premium time-saving experiences such as Kit Oisix.



Japan Resilience Award






This award encourages efforts toward a resilience society for the next generation, and the "We Support" mechanism was awarded as an advanced initiative for infectious disease control.



2. Growth Strategy with Food Subscription Model

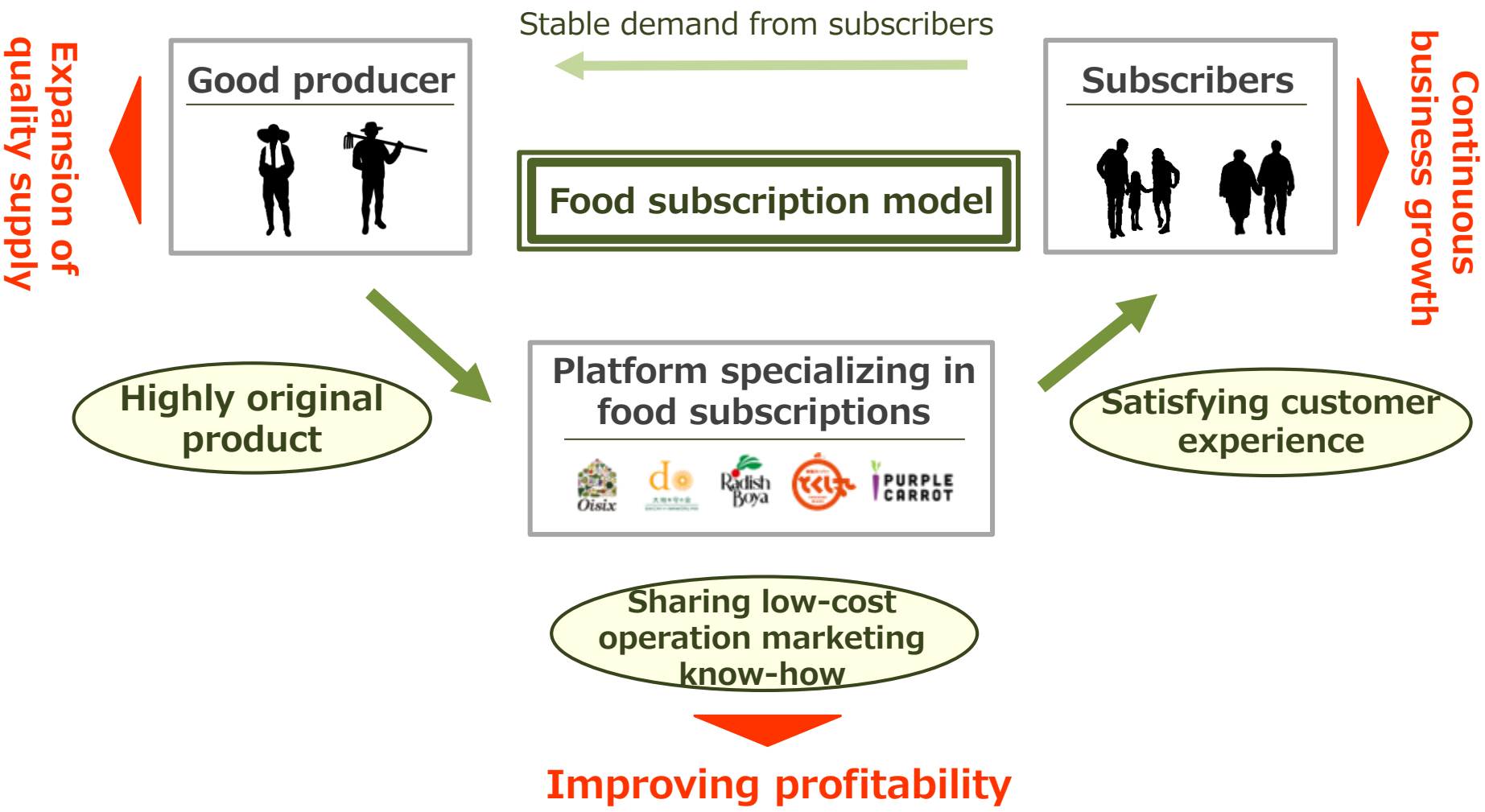
Value provided by each brand

We offer food subscription services mainly in Japan, with five main brands: Oisix, daichi, Radishbo-ya, Purple Carrot, and Tokushimaru.

	Main Target	Value	Total sales / distribution (2021/3)
	Double-income households busy balancing childcare and work	Premium time saving	About 50bn yen
	Senior couple living with two people with healthy food needs	Easy feeling of health	About 14bn yen
	Households who want to enjoy cooking	Cooking makes everyday life more enjoyable	About 18bn yen
	Elderly people in their 80s and above	Healthy, comfortable and energetic You can spend a long time at home	About 17bn yen *distribution
	Households interested in ethical vegans	Easily and healthily enjoy vegan	About 9bn yen

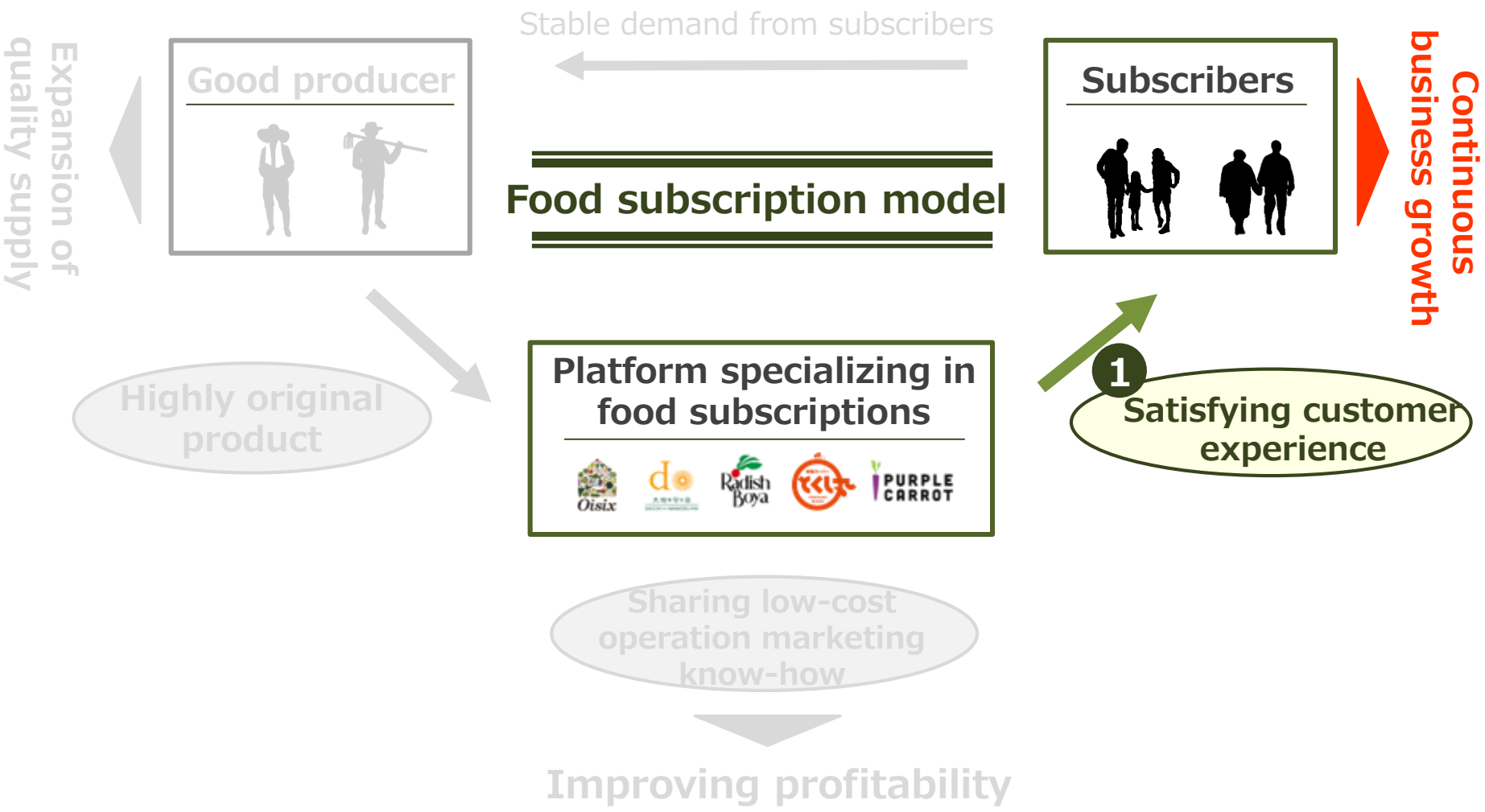
Growth Strategy with Food Subscription Model

We have a unique growth model for food subscription services, and refine the model while developing it under each brand.



Growth Strategy with Food Subscription Model

A "satisfying customer experience" based on food subscription marketing know-how
Achieve continuous business growth through the subscription model by providing



① Satisfying customer experience

-Oisix



✓ Evolution of Kit Oisix

① Breadth expansion of our value proposition:

- Enhancing menus for "breakfast," "lunch," and special events as seasonal activities are increasingly enjoyed at home.
- Enhancing exposure of vegan (Purple Carrot) vis-a-vis heightened health consciousness.
- Further expansion of value in the "food education" area



② Enhancement of functions to products that are easy to continue

- Extension of sale expiry dates and expansion of frozen kits.
- Expansion of products in the low-price range/ large capacity items.
- Promotion of deplasticization of materials, etc.



✓ Stress-free shopping experience

- ① UI improvement for ordering app
- ② Sales floor design in a short time and with high satisfaction



✓ Reduction of customer pain points

- ① Consideration of easy-to-understand shipping fees
- ② improvements to the customer delivery experience.
- ③ Eradication of out-of-stock/sold-out situations caused by the company.



① Satisfying customer experience -Daichi/Radish

① customer experience

② Highly original product

③ Low-cost Operation



大地を守る会
DAICHI WO MAMORU KAI

✓ Development of services allowing users to readily experience healthy food

- Expansion of subscription course
"Marugohan" for senior couples living alone.



✓ New value proposition via "social contribution through cooking"

- Launch of "Irregular Radish," a service specializing
in non-standard agricultural
and marine products.



✓ Product enhancement to improve cooking skills

- Reinforce support to help enable users to
make full use of all "Palette"



① Satisfying customer experience -Tokushimaru/Purple Carrot

① customer experience

② Highly original product

③ Low-cost Operation



✓ Providing products and services that allow the elderly to spend a long time in good health

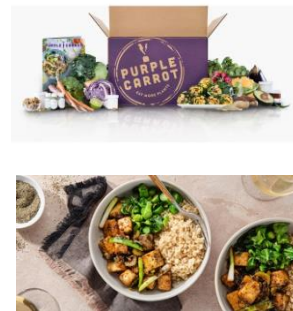
- Development of Tokushimaru's private brand products
- Providing product categories and unique services that exceed the product lineup of supermarkets
- Creating a platform to eliminate loneliness



✓ Development of Ready to eat items specializing in shorter hours

- In addition to the Ready to cook kit, the product category has been expanded to meet a wider range of needs.

Ready to Cook

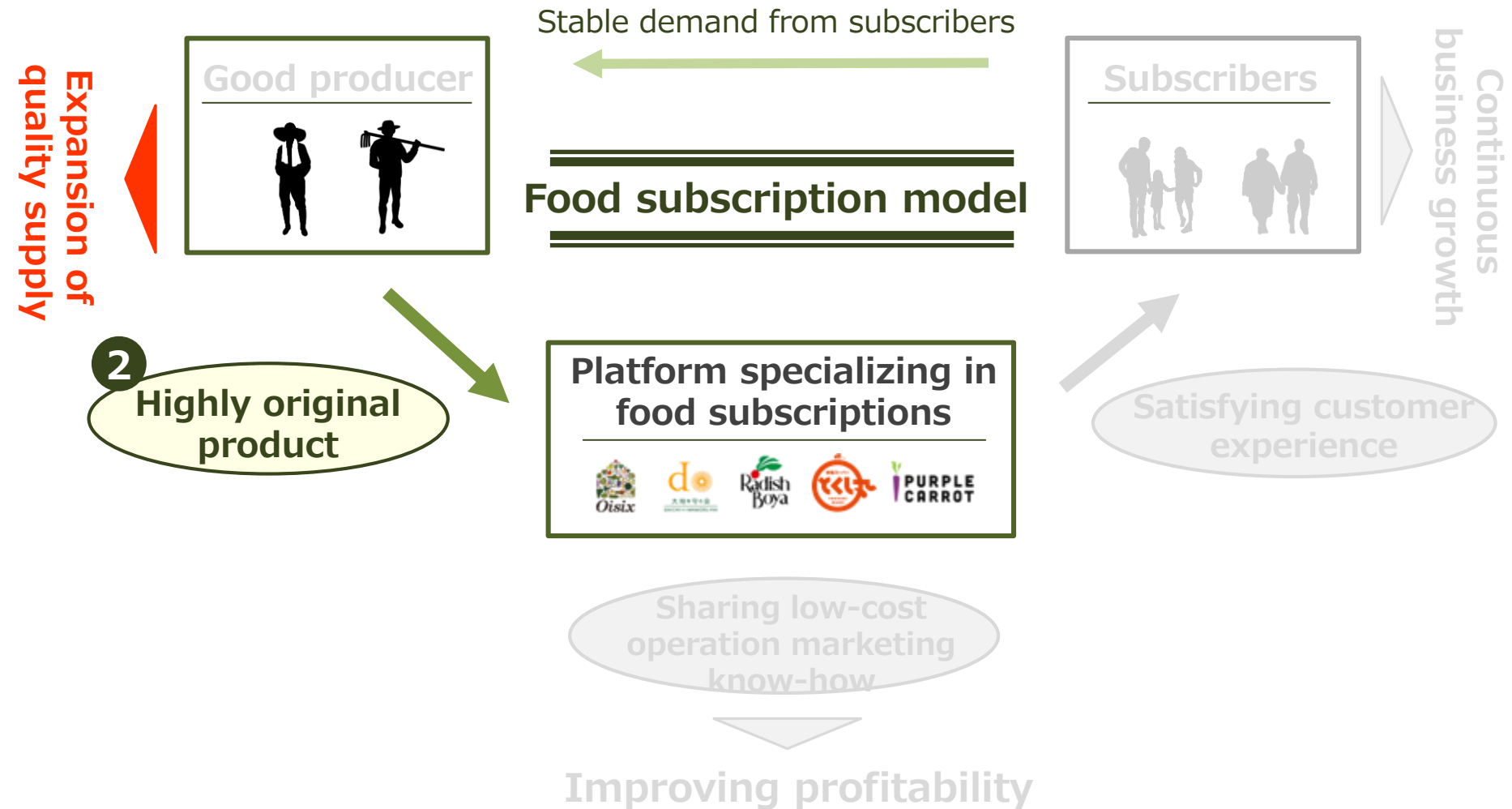


Ready to Eat (Respond to shorter time needs)



② Highly original product

Stable demand from the subscription model enables transactions with excellent producers and product development with high originality, realizing high-quality supplies.



② Highly original product

We can provide original products that combine our know-how with various categories of ingredients such as "Kit Oisix", "Chanto Oisix", "Palette", and "Marugohan".

■ An example of an original product

Original subscription product

Proposal by combining various ingredients of producers and know-how such as our original recipes



Traditional vegetables/irregular vegetables

Proposal of sales floor specializing in rare traditional vegetables and irregular vegetables



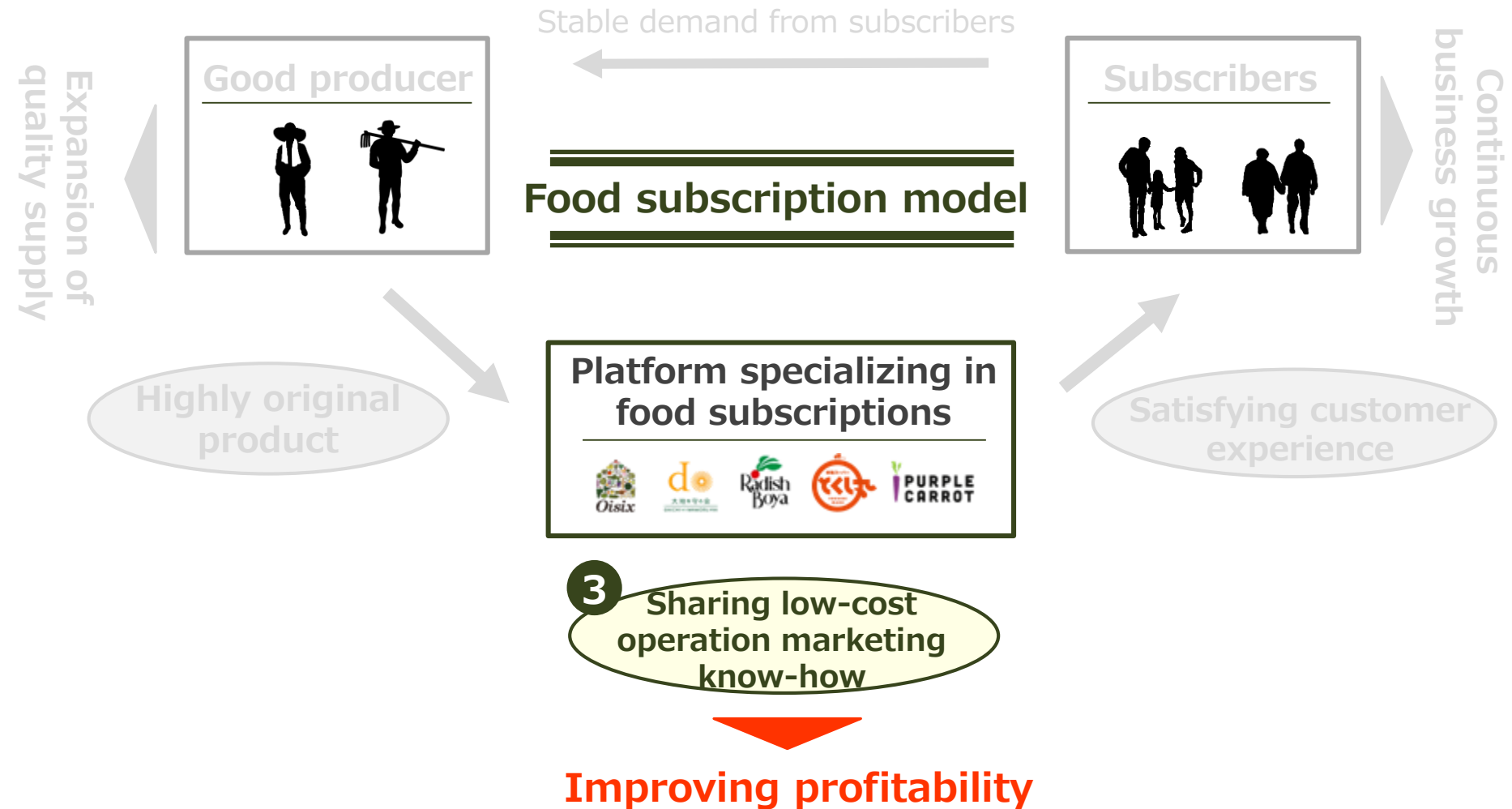
Private brand products

Private brand products with few additives developed jointly with our producers



③ Low cost operation

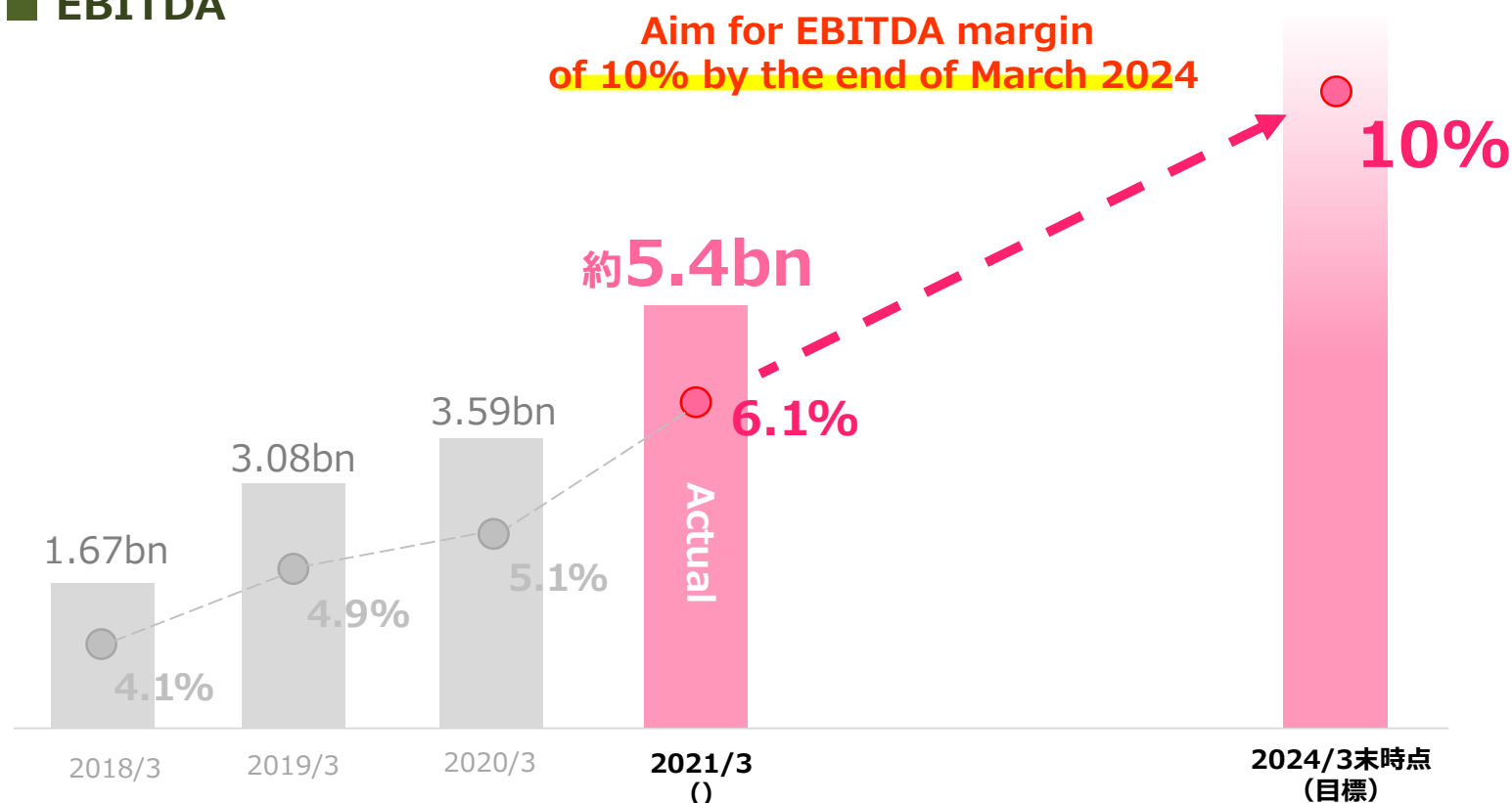
By building a fulfillment platform specializing in food subscriptions, low-cost operations will be possible and high profitability will be achieved even in the food retail industry.



③ Low-cost Operation -EBITDA margin

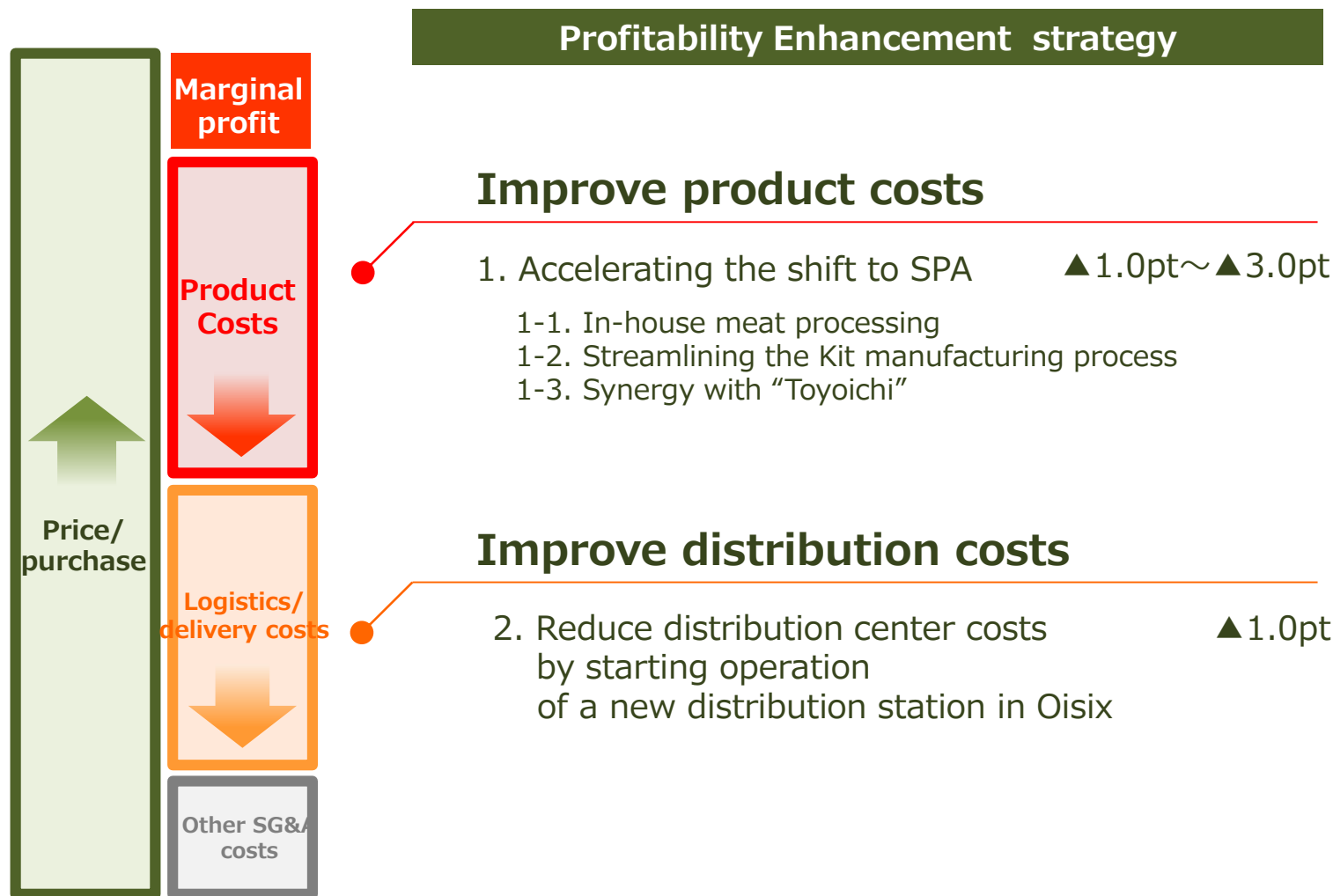
In 2021/3, the EBITDA margin increased by 1.0pt even in the actual value excluding the temporary ARPU increase effect.
As of the end of March 2024, we will implement continuous profitability enhancement measures with the goal of achieving an EBITDA margin of 10% on an ability basis.

■ EBITDA



③ Low-cost Operation - Profitability Enhancement

Aim to achieve the EBITDA margin target
by implementing the following profitability enhancement measures



③ Low-cost Operation - Improve product costs

Reduced product and manufacturing costs by promoting in-house production of processing processes.
FY2021 / 3 realizes cost reduction by focusing on in-house production of pork and efficiency of kit production.

1. Accelerating the shift to SPA

1-1. In-house meat processing

End of 2020/3

About 30%



End of 2021/3

About 70%



Promote in-house production such as pork cutting work and **reduce processing costs in the manufacturing process**

1-2. Streamlining the Kit manufacturing process



Reduce manufacturing costs by improving order forecast accuracy and work line efficiency in Kit Oisix manufacturing

③ Low-cost Operation

- Improve product costs

Utilizing the efficient purchasing and product proposal assets of "Toyoichi" integrated in March 2009, we will sell jointly developed products in just one month after the integration. We will continue to reduce costs in the marine products category.

1. Accelerating the shift to SPA

1-3. Synergy with "Toyoichi"

Oisix ra daichi



豊洲漁商産直市場

Only one month after the integration, we will sell a new jointly developed product. Implemented efforts to raise unit prices and reduce costs in the marine products category



◆ "Toyoichi" Model

Toyosu Market

25 Fisheries
cooperatives



Right to buy

Unique direct production network

豊洲漁商産直市場

✓ Efficient purchasing and product proposals that utilize both the market and direct production networks

③ Low-cost Operation -Logistics cost reduction

Oisix's new Ebina Station is scheduled to commence operations in Oct. 2021. Whilst the transition will likely mean a temporary decline in profit margins in FY22/3, we expect logistical costs savings to kick-in in the following fiscal year.

2. Oisix new distribution station starts operation

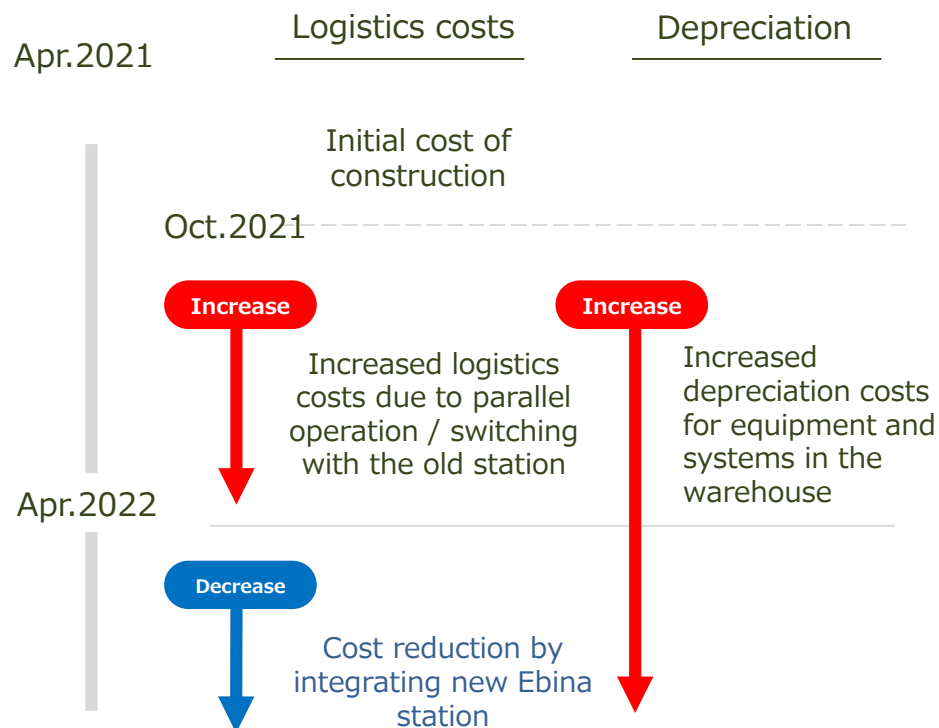
◆ New Ebina Station

- ✓ Operation started in October 2021. Capacity is expected to double compared to March 2021
- ✓ Approximately 3.7 billion capital investment is expected, but after the integration, a 1% reduction in logistics costs is expected.

◆ New Ebina Station

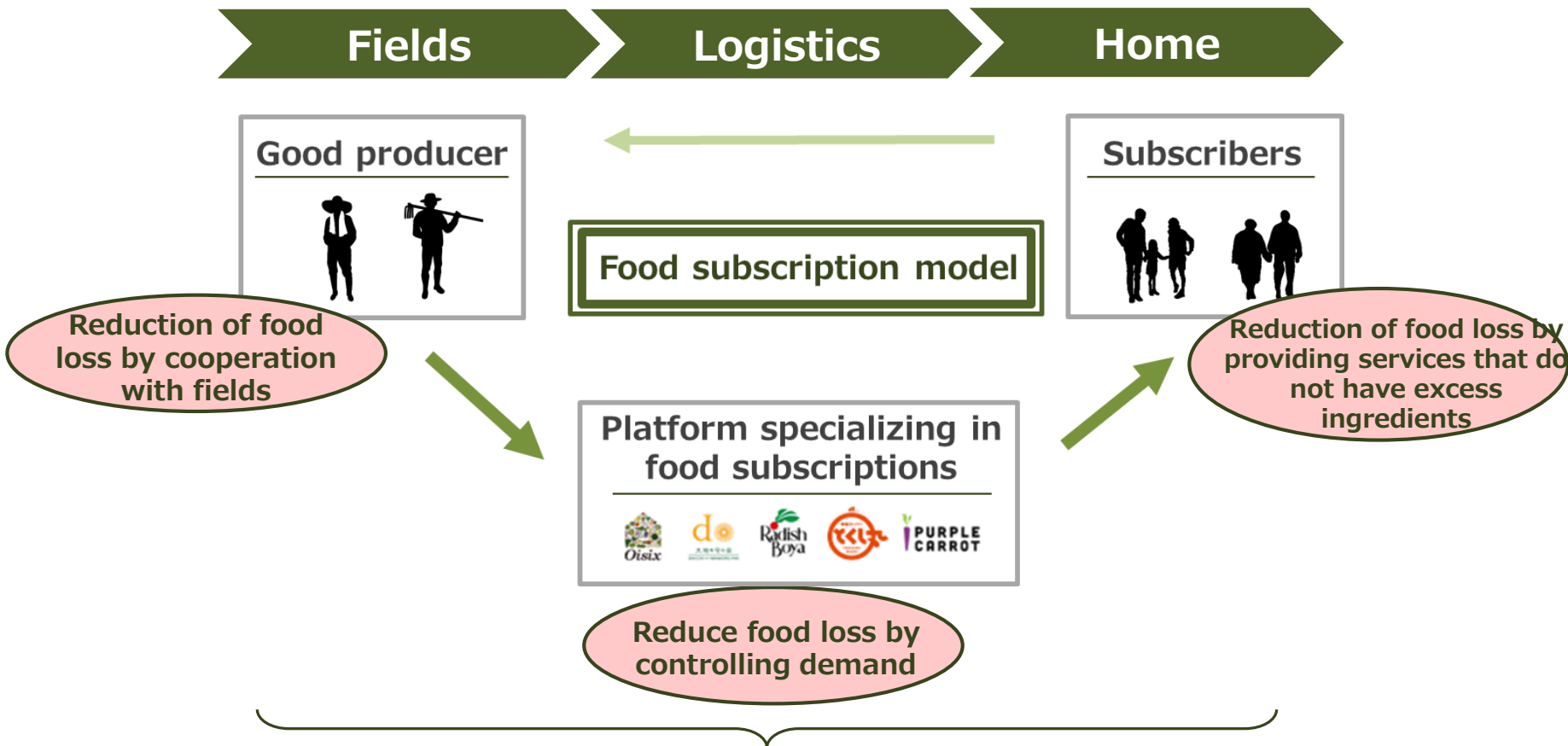


■ Cost image



3. Sustainable Retail

By leveraging a food subscription model
Aiming to eradicate food loss by embodying "Sustainable Retail"



Aiming for zero food loss

by utilizing the subscription model growth model

Zero food loss

-Supply chain overview

In our business model, food loss is low in each supply chain of "field", "logistics", and "dining table", but we aim to eliminate food loss by further reduction.

Fields

Contributing to reducing food loss in fields by directly connecting and cooperating with fields



Logistics

Reduce food loss in the company's distribution process with a subscription model that makes it easy to forecast demand and control demand



Home

Contributing to reducing household food loss by providing services that are not left over at home, such as Kit Oisix and Oisix properly.



Zero food loss throughout the supply chain

In the fields, we actively utilize vegetables that are overcaught due to a good harvest and vegetables that are not uniform. In addition, we have launched a sales floor specializing in upcycling, contributing to the reduction of food loss in the fields.

■ Reduction of food loss in fields

Utilization of abundant vegetables

Vegetables that have been harvested abundantly due to weather factors are also used as raw materials for kits and frozen vegetables.



Kit Material



Frozen Vegetable



Utilization of irregular vegetables (*Fuzoroi* Radish)

ふぞろい
Radish
見た目より、中身がごろごろ

Opened a sales floor specializing in "various vegetables" generated in the production process



New up-cycle sales floor

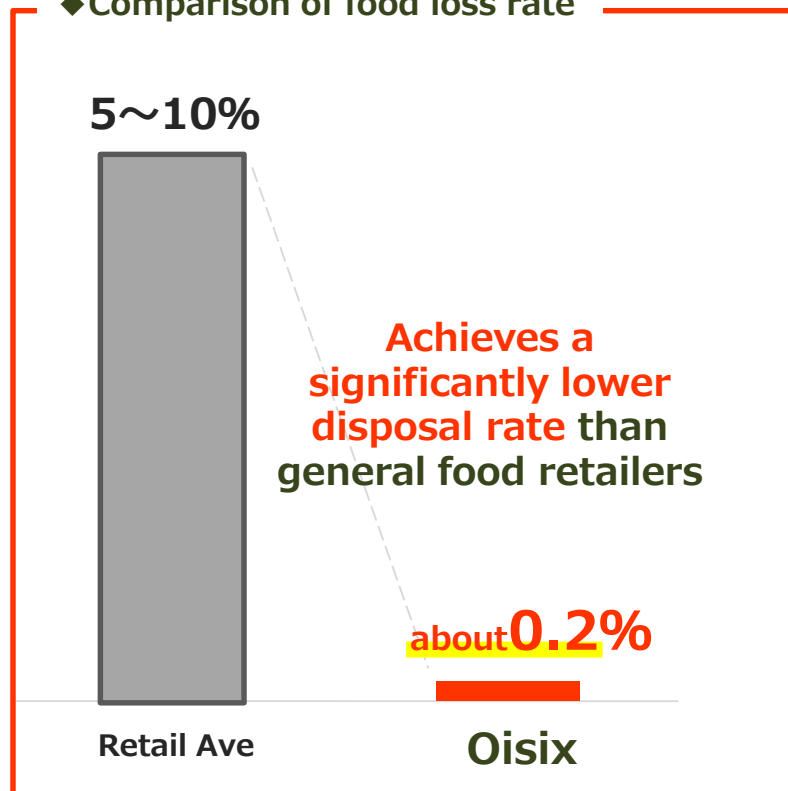
Upcycle products from July 2021
Scheduled to open a specialized sales floor



In the logistics, a subscription box system that matches the harvest status of the fields with the needs of the dining table using a unique algorithm has achieved a significantly lower disposal rate than general food retailers.

■ Reduction of food loss in Logistics

◆ Comparison of food loss rate



Original subscription BOX algorithm that connects the field and the dining table

Matching field harvest conditions and dining table needs with our unique data-driven algorithm



Original subscription BOX

Matching based on our unique
data-driven algorithm



At Home, the use of Kit Oisix has reduced food waste itself to one-third.
In addition, it contributes to the reduction of food loss at Home
by composting the generated food waste.

■ Reduction of food loss in Home

Kit Oisix reduces food loss

By using the necessary materials and
the necessary amount, food loss at
home is reduced to about 1/3.



Table food loss
reduced to about 1/3

Normal

Kit Oisix

Composting household waste

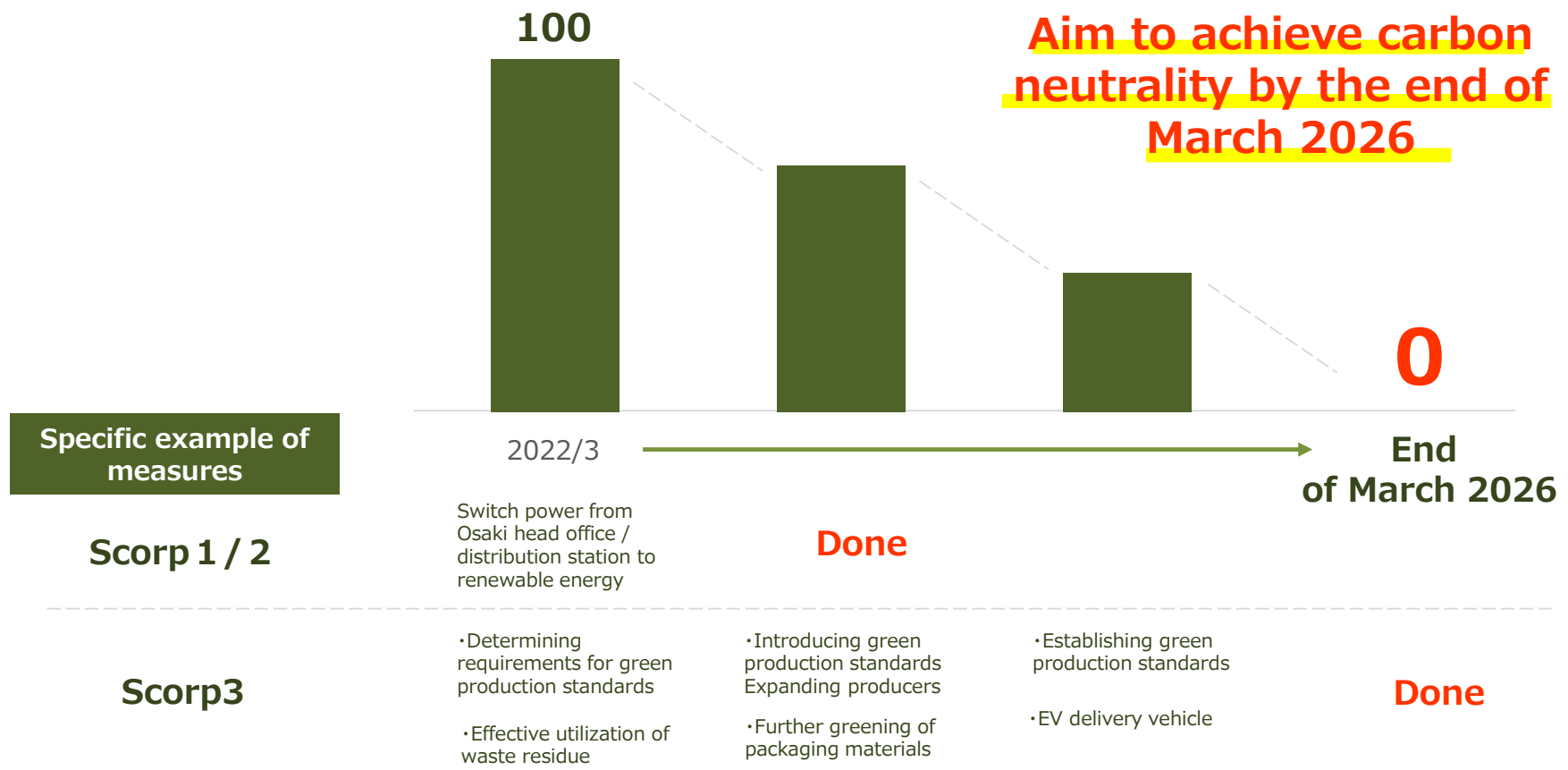
Dried kitchen waste is used as
compost for producers.



Achieving carbon neutrality in the supply chain

Aim to achieve carbon neutral greenhouse gas emissions in the entire supply chain, including production and delivery, by the end of March 2026

Carbon neutral goal



4. 2022/3 Forecast

FY2022/3 Forecast

The temporary increase in ARPU is planned on the assumption that it will return to the pre-Covid-19 level.

Sales: The number of members is expected to grow steadily even after Corona, and sales are expected to increase.

EBITDA: Profit is expected to decline due to the temporary increase in logistics costs associated with the construction of the new Ebina station, in addition to the decrease in the rate of return, which had been temporarily rising due to the normalization of ARPU.

Sales

105.00bn yen

[vs YoY (actual value) +16%
vs YoY (results) +5%

EBITDA

6.50bn yen

[vs YoY (actual value) +20%
vs YoY (results) ▲27%

Operating Income

5.00bn yen

[vs YoY (actual value) +25%
vs YoY (results) ▲33%

Net income

Attributable to
Owners of the Parent

3.00bn yen

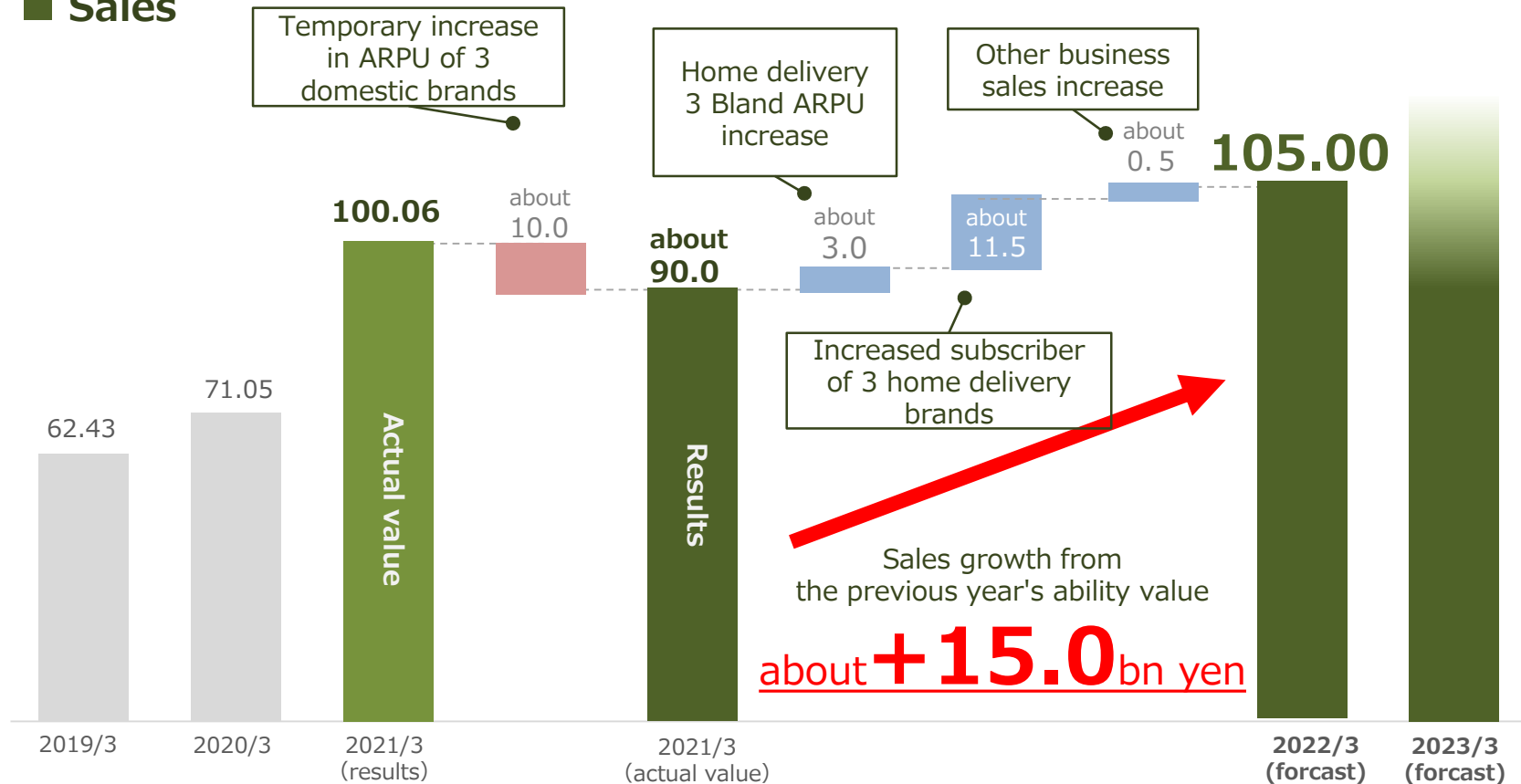
[vs YoY (actual value) +3%
vs YoY (results) ▲40%

FY2022/3 Sale

The actual value refers to "temporary ARPU increase in domestic delivery business (Three major brands) "

In a performance-based comparison that anticipates a temporary decline in ARPU due to COVID-19, sales are expected to increase by approximately 15 billion yen, mainly due to the effect of increasing the number of members of the three domestic brands.

■ Sales

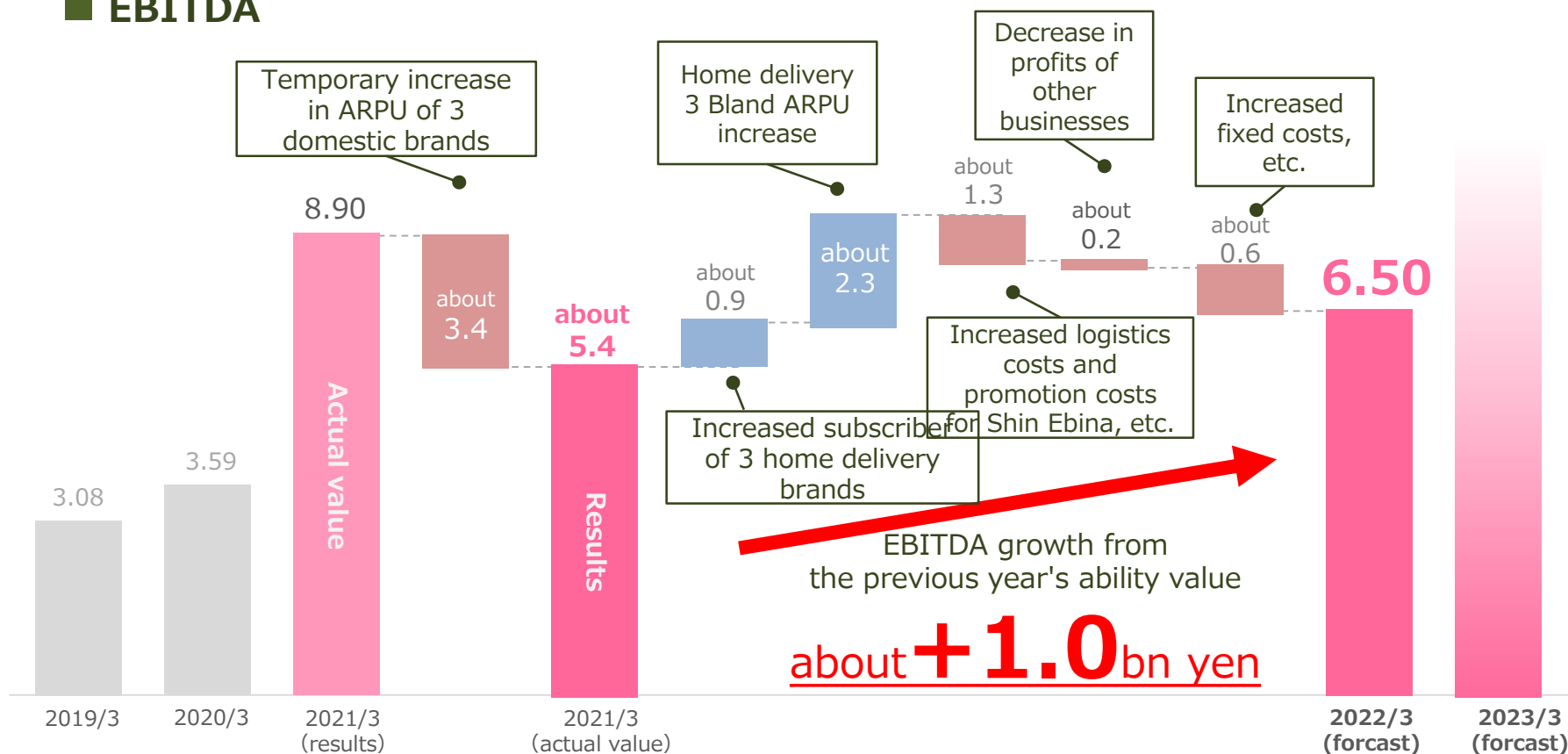


FY2022/3 EBITDA

The actual value refers to "temporary ARPU increase in domestic delivery business (Three major brands) "

Comparing the ability values of ARPU, which temporarily increased due to COVID-19, is expected to increase profits by about 1 billion yen, mainly due to the effect of increasing the number of members of the three domestic brands.

EBITDA



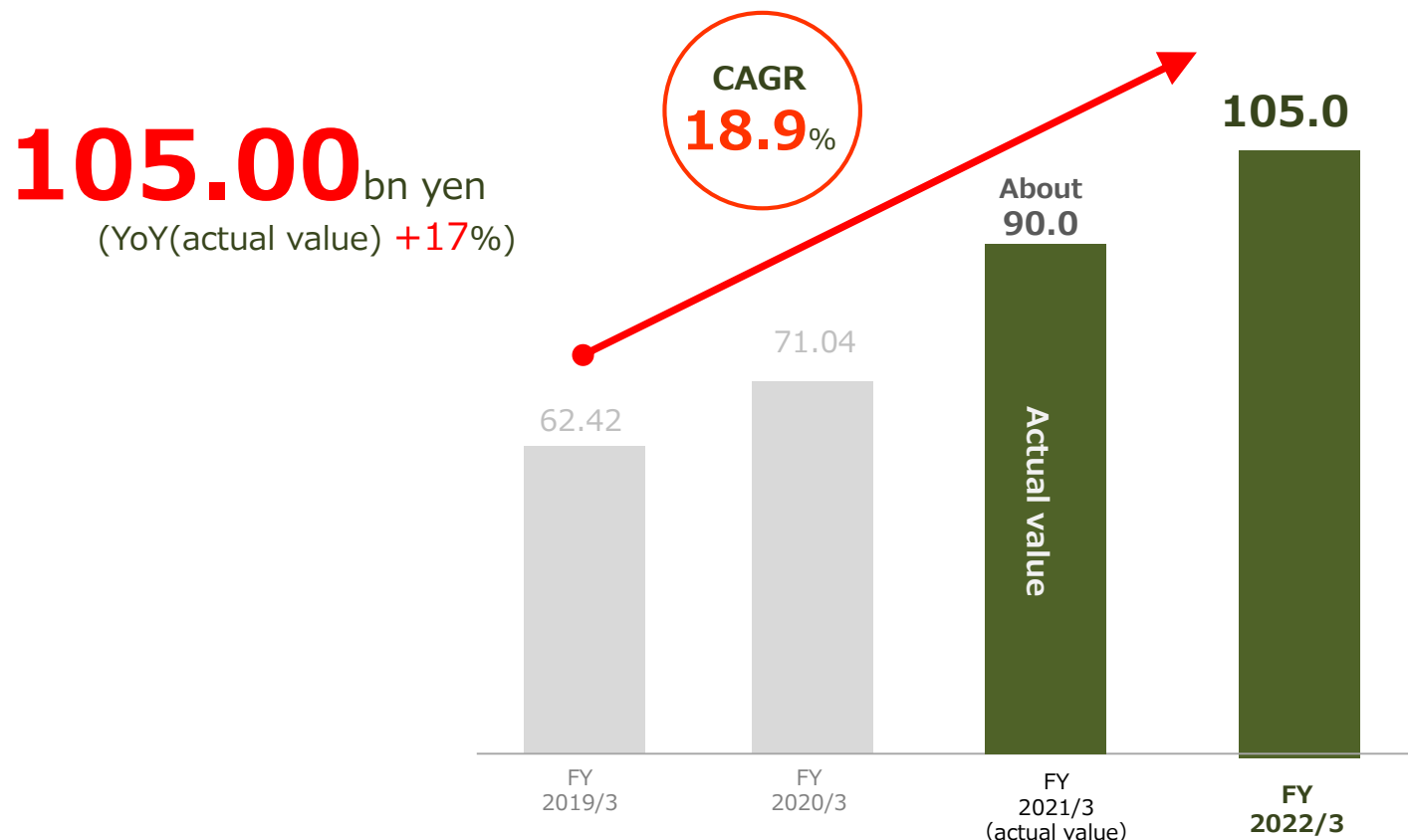
FY2022/3 Forecast -Sale

The actual value refers to "temporary ARPU increase in domestic delivery business (Three major brands) "

Achieved a compound annual growth rate of approximately 19% in the three years after the integration of the three companies.

In 2022/3, sales are expected to increase by approximately 15 billion yen, mainly due to the effect of the increase in the number of members in the domestic home delivery business.

Sales



FY2022/3 Forecast -Profit

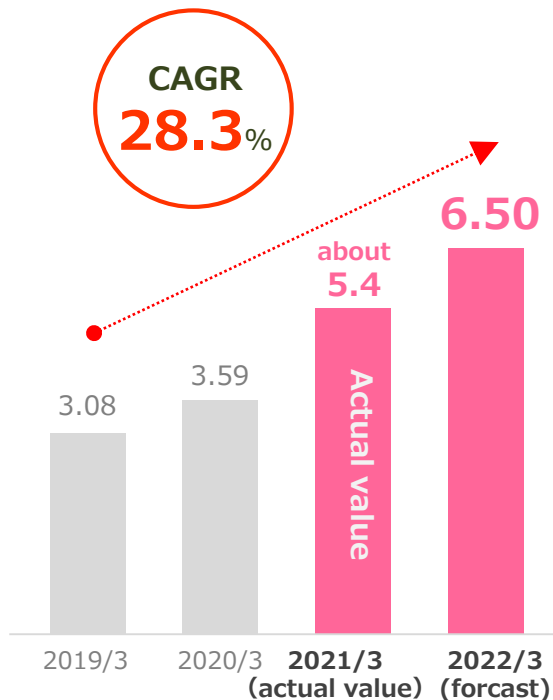
The actual value refers to "temporary ARPU increase in domestic delivery business (Three major brands) "

EBITDA achieved a compound annual growth rate of about 28% in the three years after the integration of the three companies. In 2022/3, sales are expected to increase by about 1 billion yen, mainly due to the effect of increasing the number of members in the domestic home delivery business.

EBITDA

6.50 bn yen
(YoY(actual value) +16%)

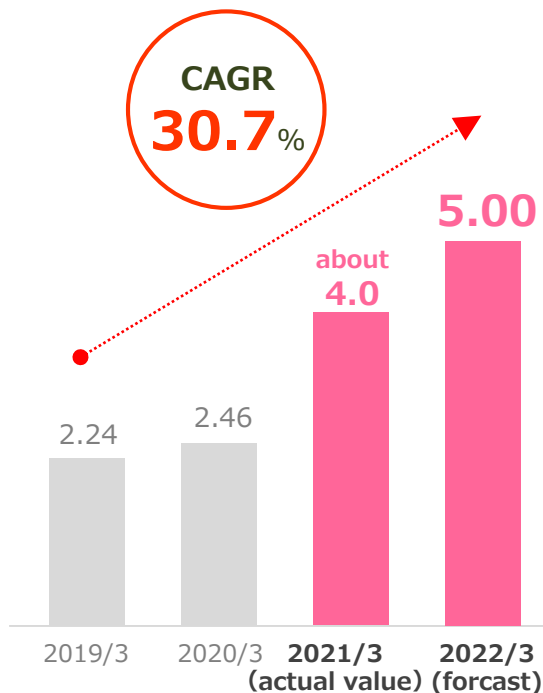
CAGR
28.3%



Operating Income

5.00 bn yen
(YoY(actual value) +19%)

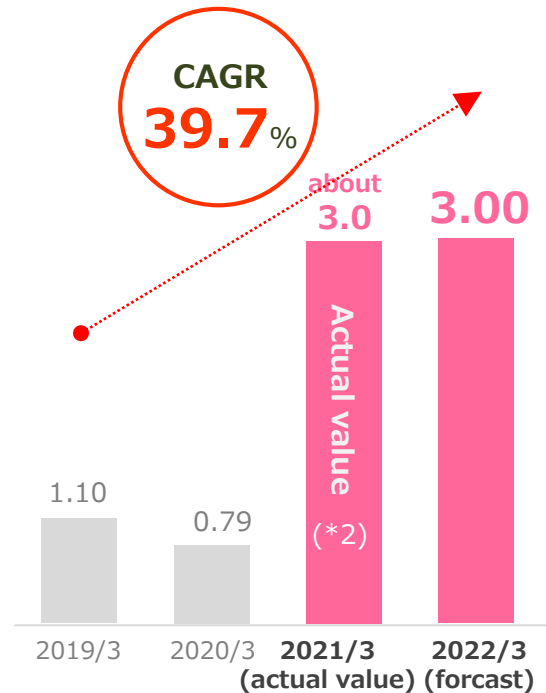
CAGR
30.7%



Attributable to owners of the parent Net income

3.00 bn yen
(YoY(actual value) ±0%)

CAGR
39.7%



Business segment Results

Sales Outlook

Marginal profit Outlook (Exclude the impact of goodwill amortization)

FY2022/3 Strategy

Home Delivery Business

Oisix

57.00bn yen 8.30bn yen

□ vs YoY (actual value) +29%
□ vs YoY (results) +14%

□ vs YoY (actual value) +15%
□ vs YoY (results) ▲8%

Daichi

13.00bn yen 2.50bn yen

□ vs YoY (actual value) +6%
□ vs YoY (results) ▲7%

□ vs YoY (actual value) +12%
□ vs YoY (results) ▲9%

Radish
Boya

15.50bn yen 2.50bn yen

□ vs YoY (actual value) +3%
□ vs YoY (results) ▲12%

□ vs YoY (actual value) +13%
□ vs YoY (results) ▲17%

Other
Business

19.50bn yen 1.60bn yen

(YoY +3%)

(YoY ▲10%)

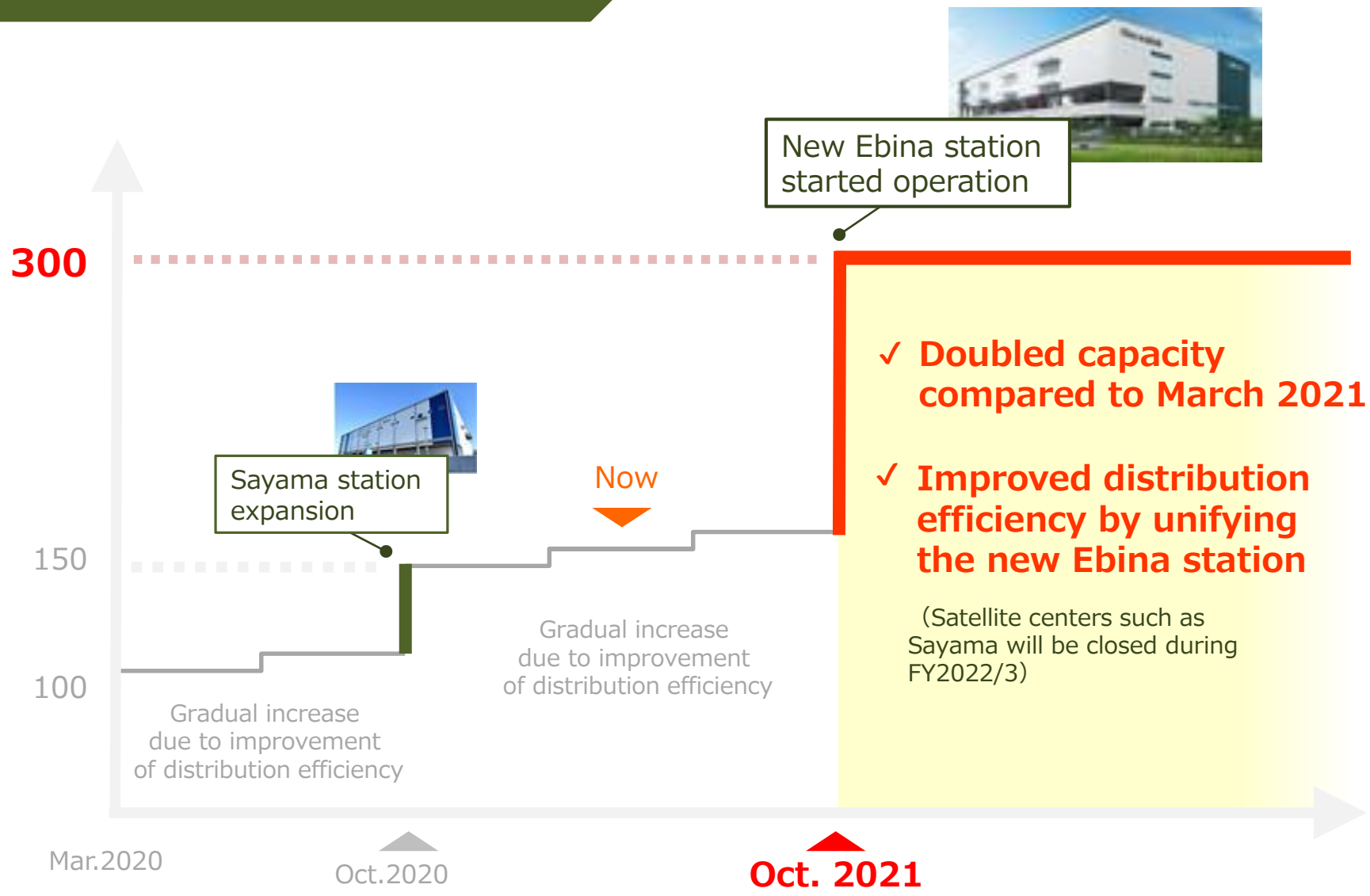
- Strengthen new acquisitions for the full year. Sales increased due to an increase in subscriber of about 50,000
- The cost is at New Ebina Station. Expect a temporary increase in promotion costs, etc.

• Promote product development that meets target needs, centered on whole rice, and lead to new acquisition

• Polishing the enjoyment of cooking and value propositions that contribute to society, such as the irregular Radish

- Steady growth in other companies' EC support and out-of-store sales business
- Purple Carrot expects sales and profits of After COVID-19 to decrease

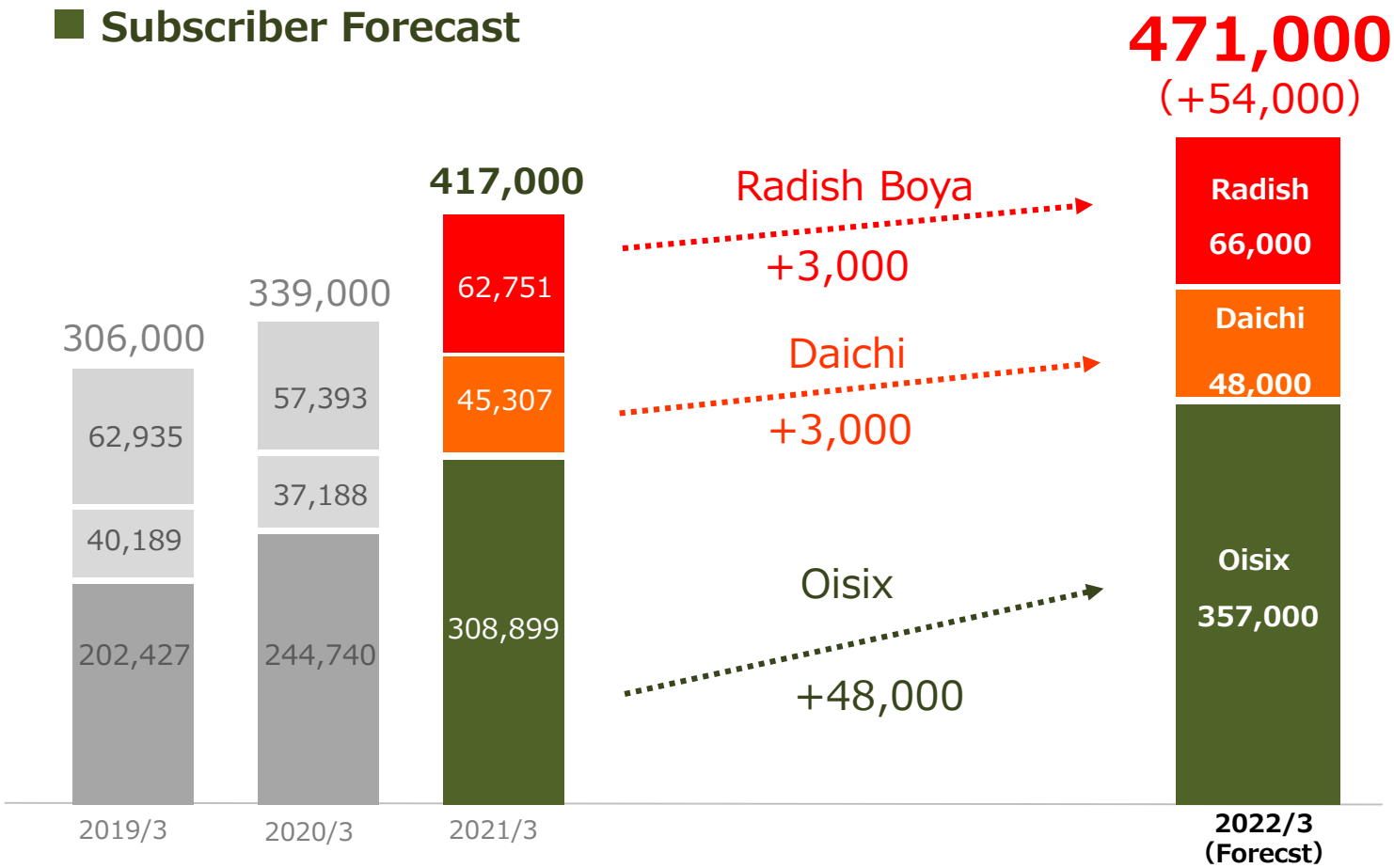
Oisix Capacite Expansion Expected



Subscribers Forecast for 3 domestic delivery brands

All 3 domestic home delivery brands will move to the re-expansion phase to accelerate business growth

Subscriber Forecast



APPENDIX • DATA SHEET

Corporate Overview

Name :	Oisix ra daichi Inc.
Location :	Shinagawa-ku, Tokyo
Established :	June 2000
Representative :	Kohey Takashima, Representative Director & CEO
Capital :	3,993 million yen
Employees :	915 (consolidated), as of the end of March 2021

Overview of Affiliates

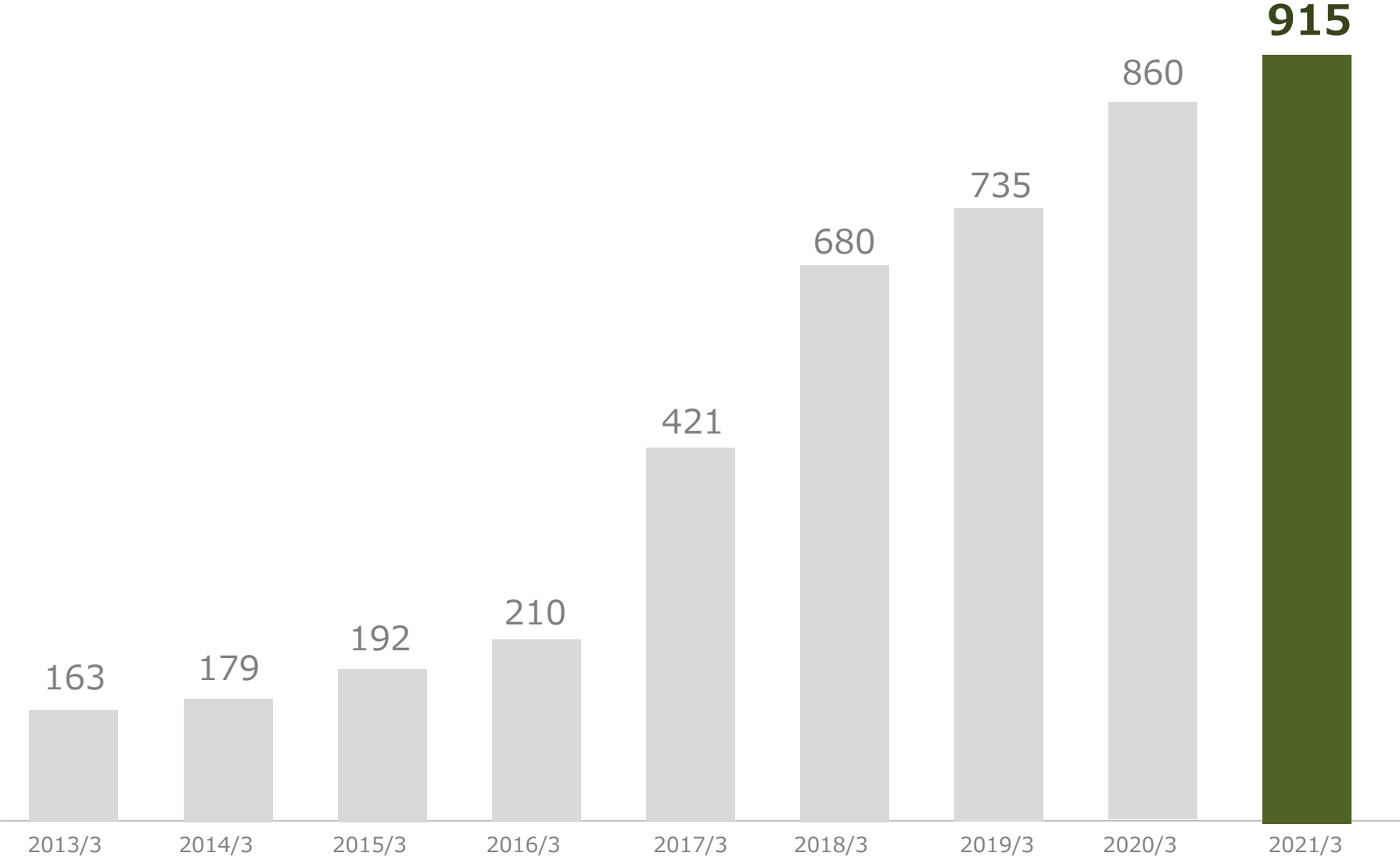
■ Consolidated subsidiaries

Tokushi-maru Inc.	Develops alliances with supermarkets in the mobile supermarket business; provides expertise to sales partners.
Fruits Basket Co., Ltd.	Handles processing, product development, and sales, for agricultural produce, including fruits and vegetables.
Karabiner Inc.	Develops and operates platform systems for EC sites; produces websites.
Crazy Kitchen Co., Ltd.	Handles catering, event production, and space production businesses.
Oisix Hong Kong Co.,Ltd.	Operates our businesses in Hong Kong under contract.
Oisix Shanghai Co., Ltd.	Operates the food products home delivery business in China.
Purple Carrot	Meal kit delivery service in the United States
Oisix Inc.	Overseas investment business
Future Food Fund No.1 investment limited partnership	Investment business for food-related startup companies
Future Food Fund Inc.	Investment business for food-related startup companies
Toyosu gyosho sanchoku ichiba	Wholesale sales of marine products mainly for the food service industry

■ Main Affiliates

Nihon Agri Inc.	Exports agricultural products.
DEAN & DELUCA	Lifestyle business through retail and restaurant businesses

Trend in No. of Employees



Main Business Risks

■ Effects of poor weather

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 to render either or both logistics centers unable to operate, potential consequences include inventory losses, shipping delay, and temporary suspension of services, which in turn would affect Group businesses and business results.

■ Issues related to food safety

We have established proprietary standards for the products handled for all our major brands. Whenever possible, we seek to offer produce grown without pesticides or chemical fertilizers. Our processed food products are made using the fewest possible additives. We have also established unique inspection systems for produce (including inspections of production sites and testing for residual pesticides) and processed food products (including use of third-party experts and independent institutions). We also strive to secure appropriate quality and safety that can be objectively demonstrated and evaluated through health and safety management guidance provided to suppliers and other means. Nevertheless, it remains possible that those who produce the products we offer may provide misleading or fraudulent labels regarding use of pesticides and similar matters or provide false quality information. Such cases could well lead to rebuke or penalties from regulators, customer complaints, and compensation for damages, in turn damaging the image of the Group's brands or leading to a loss of confidence in the Group and potentially affecting Group businesses and business results.

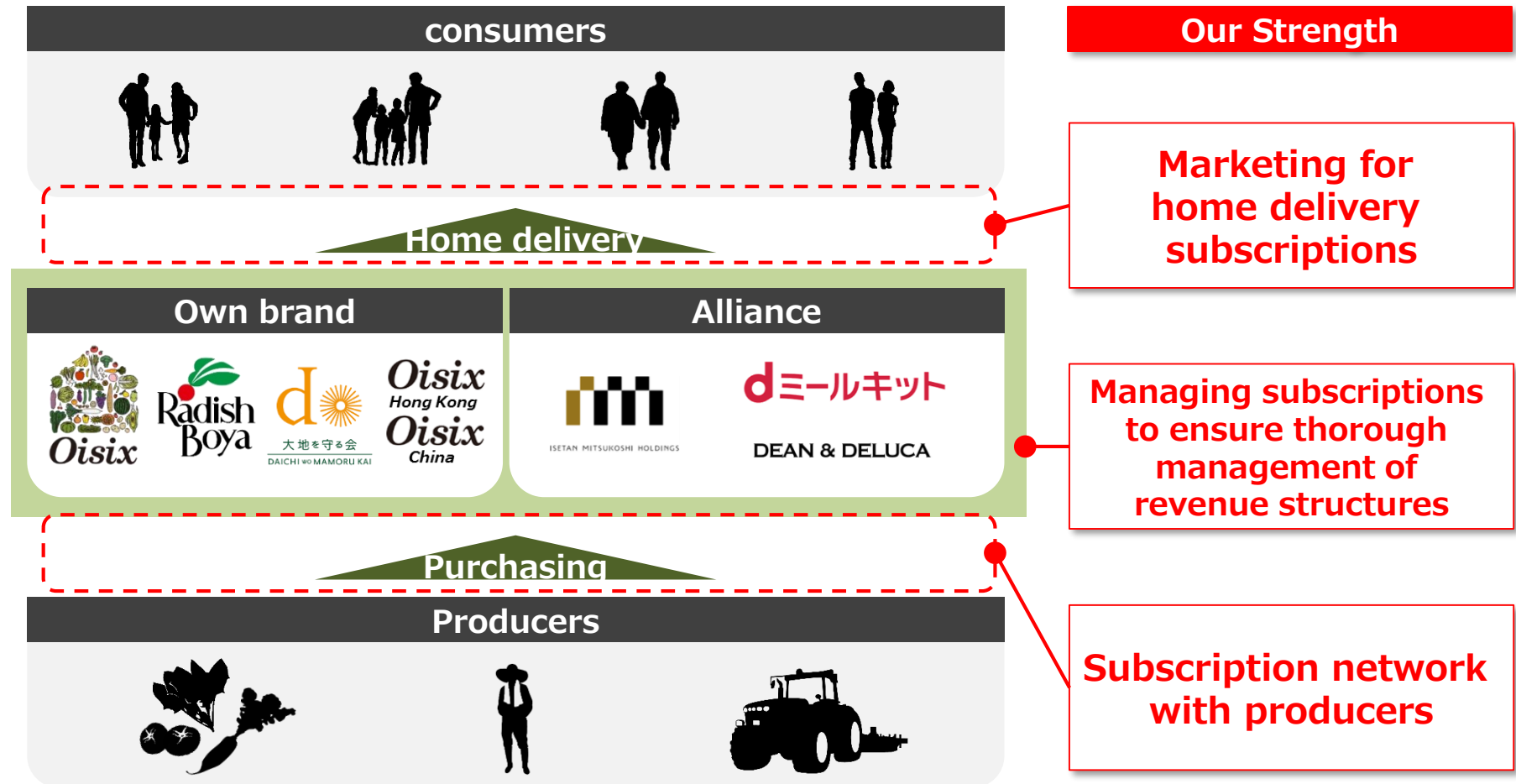
■ Effects of relationship with Yamato Transport Co., Ltd.

Most deliveries of the Group's products to subscribers are handled by Yamato Transport. While the Group strives to maintain a favorable ties to Yamato while building relationships with alternative delivery services, due to current conditions in the logistics business, if the Yamato Group were to demand a major increase in delivery fees or if transaction volumes between us were to shrink, the resulting changes may affect Group businesses and business results.



Our Subscription Model

Expanding our business areas to include alliances and marketing support for other companies based on subscription model strengths in our three home delivery brands.



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.

Working mothers with
small children



Meals that can be boasted
without taking time



Households who want to
enjoy cooking



Self realization
through Cooking



Senior women in two-
person households



Easy feeling of health



Producers

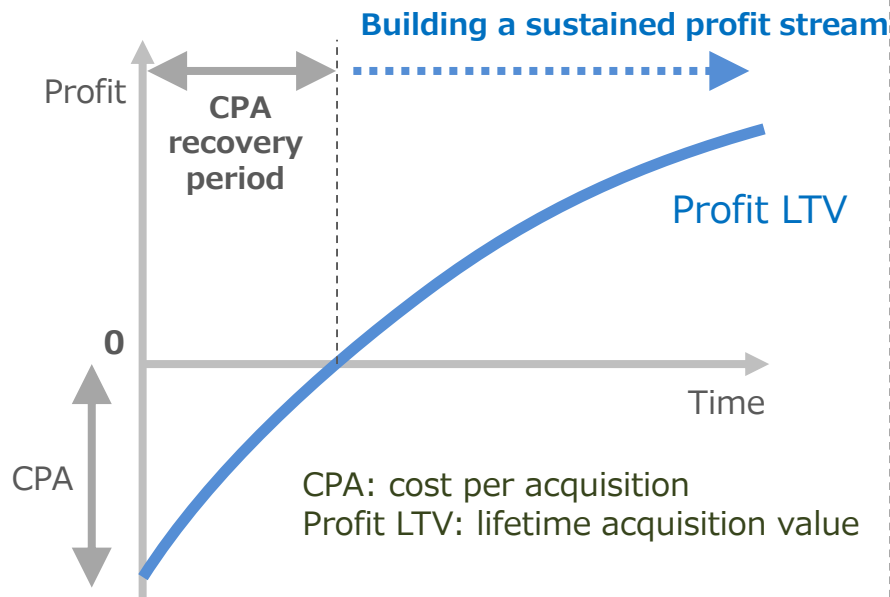


Subscription Management

Building a subscription model that generates sustained profits through rapid returns on investment to secure new customers and rigorous management of per delivery revenue and expenditures

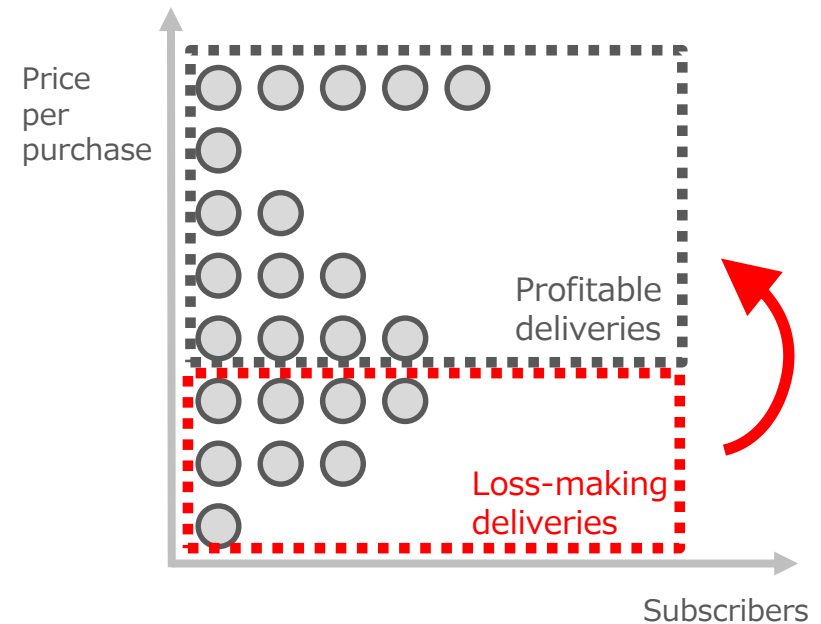
■ Rigorous CPA and LTV management

Setting a period to recoup CPA and rigorously managing CPA within this range



■ Rigorous management of unit revenues and expenditures

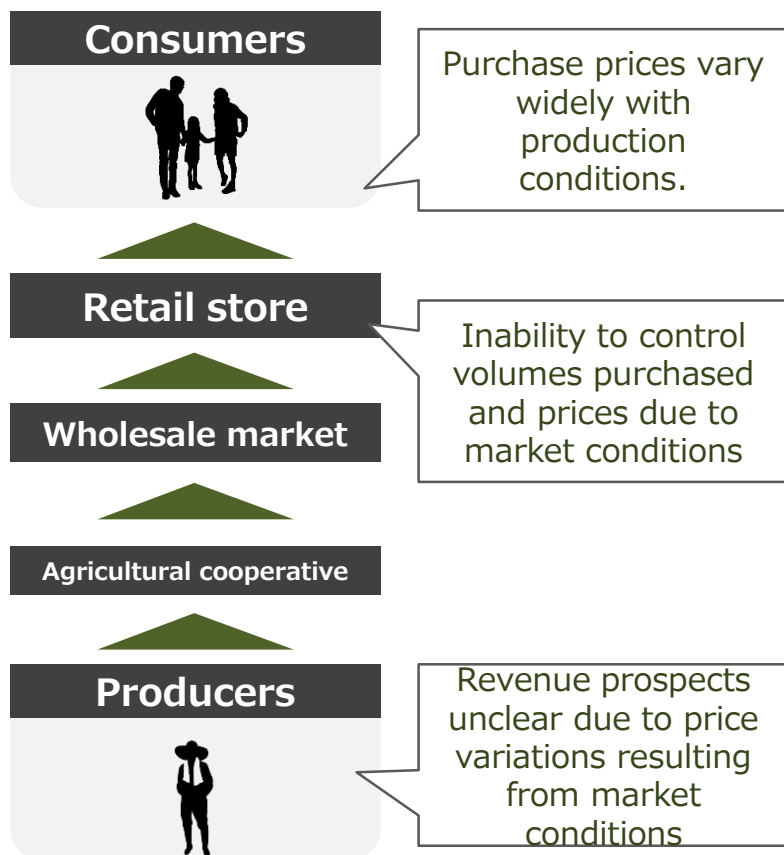
Making percentages of loss-making deliveries visible for each unit and reducing them structurally



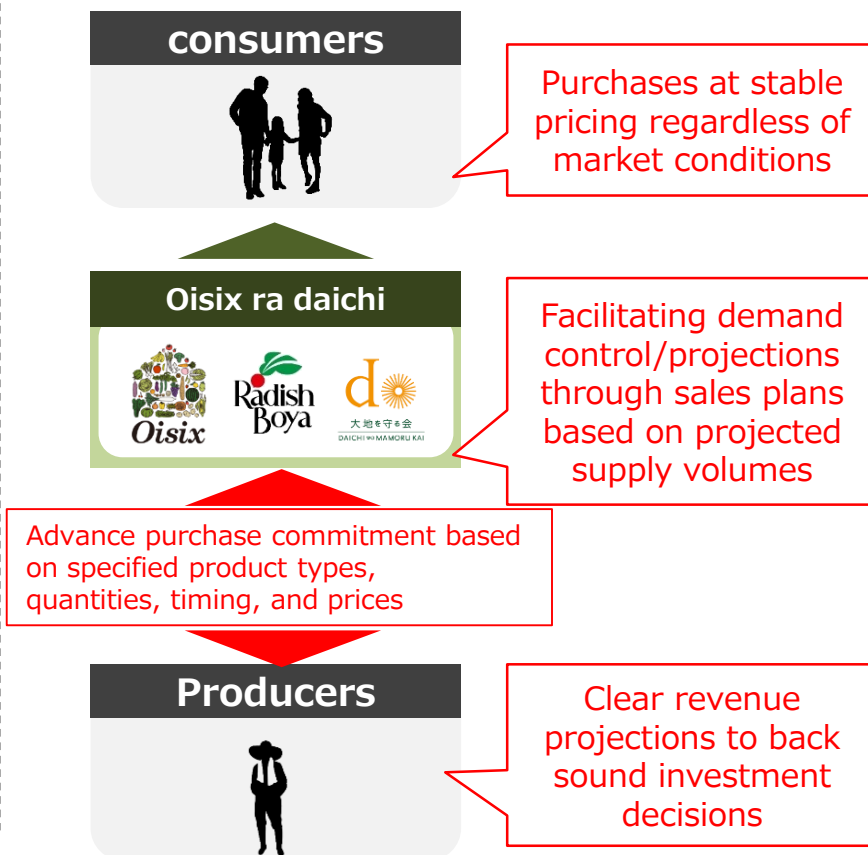
Subscription Network

Reducing risks and securing stable transactions through a subscription network based on 4,000 producers nationwide and procurement under transaction conditions arranged in advance

■ Typical distribution of agricultural products



■ Our efforts



Differences in the assets of the three brands



How to join	WEB mainly	WEB/ door-to-door sales	WEB mainly
How to order	WEB only	WEB/ Paper catalogs/ TEL	WEB/ Paper catalogs/ TEL
Logistics bases	4 place in Kanagawa	4 places in Hokkaido, Tokyo, Kanagawa, Osaka.	1 place in Chiba
Last One Mile	Yamato trucks approximately 99%	Our trucks approximately 95% (area around Logistics bases)	Our trucks approximately 85% (area around metropolitan area)

EC support

Utilizing the subscription know-how and assets that we have got in the domestic food delivery business, which is our strength, we develop the business of supporting other companies' EC

ISETAN
DOOR



DEAN & DELUCA



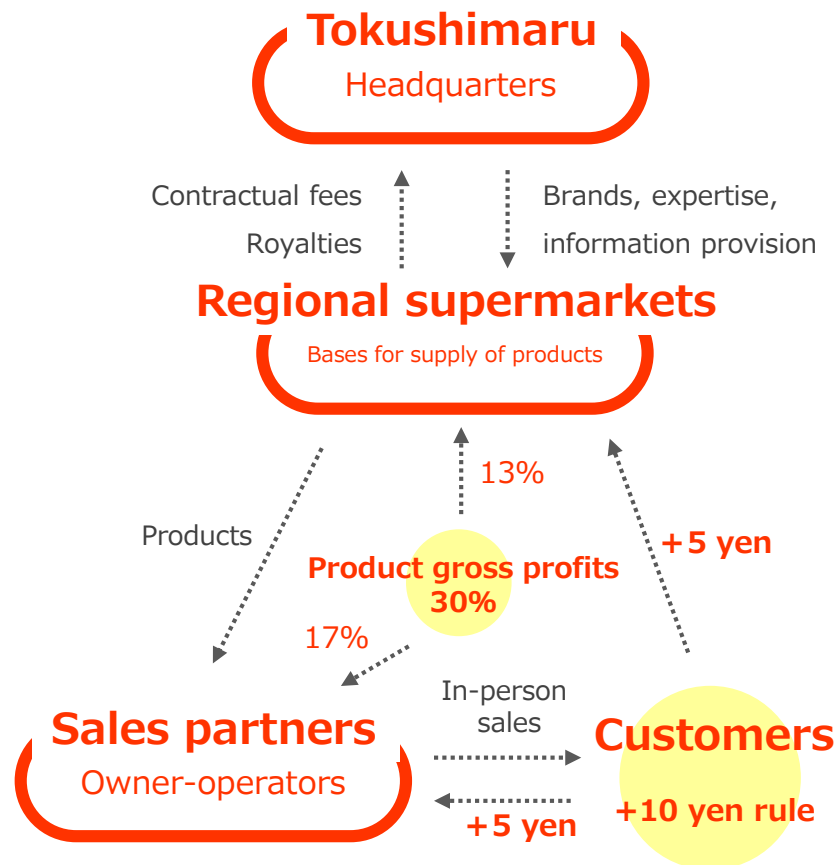
dミールキット powered by Oisix



Tokushimaru

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

■ Business model



Overseas Home Delivery

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



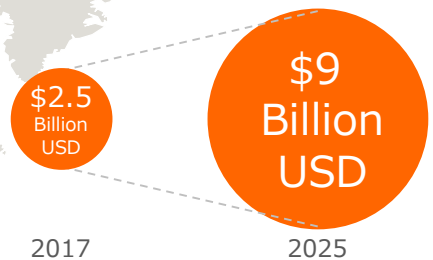
- ✓ Started the service in 2017. Grasp the needs to establish the subscription model for Chinese customers

■ Oisix Hong Kong



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

U.S. Meal Kit Market*



■ Purple Carrot Business(U.S.)

Oisix ra daichi



- ✓ Global expansion of vegan food x Japanese food "Health Conscious Food" both in Asia and the U.S.
- ✓ Recognize consolidated from FY2020/3 3Q

Shop in Shop

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



Kindergarten wholesale

The kindergarten wholesale business was launched in FY2015. Based on the Omakase Boya system that makes it possible to order ingredients for student meals based on menus, it provides support for kindergarten operations in both serving meals and nutrition.

Kindergarten



品名	単位	価格	在庫	注文	備考
おまかせぼーや					
...



Ordering

Delivery on
Requested
date

- ◆ Stable purchases of safe produce and processed food meeting strict standards
- ◆ A wide-ranging product lineup that eliminates the need for additional purchasing
- ◆ Full-time senior nutritionists develop unique menus for use by kindergartens; they also respond to requests for nutritional consultations.
- ◆ Easy ordering using a simplified Web form
- ◆ Simplified single supplier management

Oisix ra daichi

Omakase Boya system
for receiving orders from kindergartens



品名	単位	価格	在庫	注文	備考
...



Purchase

Producers



DATA SHEET : Results

■ Results

	FY2019/3				FY2020/3				FY2021/3			
(mn yen)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	16,853	31,720	48,906	64,026	16,265	32,552	52,425	71,040	23,132	47,567	74,790	100,061
Operating Profit	610	1,115	2,265	2,312	543	900	1,597	2,467	2,076	3,976	6,131	7,465
EBITDA	808	1,513	2,882	3,154	755	1,348	2,381	3,595	2,419	4,679	7,198	8,902
Net income Attributable to owners of the parent	537	893	2,533	2,387	270	390	695	790	1,184	2,452	3,900	5,031

DATA SHEET : Business Segment Result

■ Business Segment Result

		FY2019/3				FY2020/3				FY2021/3			
(mn yen)		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Oisix	Sales	6,863	13,769	22,190	29,619	8,308	16,524	26,522	35,829	11,265	23,047	37,036	49,863
	Marginal profit	970	1,943	3,371	4,036	933	1,868	3,261	4,801	2,367	4,335	7,012	8,984
Daichi	Sales	2,769	5,440	8,405	10,902	2,587	5,137	7,936	10,541	3,636	7,094	10,761	13,978
	Marginal profit	479	960	1,536	1,989	457	885	1,397	1,889	724	1,368	2,160	2,751
Radish Boya	Sales	5,811	9,926	14,346	18,028	3,770	7,459	11,410	14,980	4,721	9,083	13,653	17,704
	Marginal profit	1,030	1,765	2,657	3,342	688	1,273	2,001	2,667	899	1,626	2,449	3,023
Other Business	Sales	1,482	2,755	4,198	5,793	1,663	3,529	6,383	9,497	3,601	8,522	13,600	18,922
	Marginal profit	154	290	479	724	256	557	656	846	391	1,038	1,599	2,320
Companywide fixed costs, Goodwill etc		2,024	3,844	5,779	7,779	1,792	3,683	5,719	7,736	2,305	4,391	7,089	9,655

Data Sheet : Main KPI

KPI trend

		FY2019/3				FY2020/3				FY2021/3			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Oisix	Subscriber s (number)	177,606	186,929	193,461	202,427	221,612	226,187	230,393	239,837	252,303	274,929	285,168	308,899
	ARPU (yen)	11,558	11,118	11,522	11,173	11,095	10,634	11,379	11,745	13,822	12,986	13,106	13,042
	Price/ purchase (yen)	6,005	5,973	6,149	6,013	5,884	5,840	6,055	6,166	6,748	6,201	6,315	6,215
	Purchase Frequency (number)	1.92	1.86	1.87	1.86	1.89	1.82	1.88	1.90	2.05	2.09	2.08	2.10
Daichi	Subscriber s (number)	44,086	43,775	42,071	40,189	38,517	37,532	37,121	37,127	43,941	44,878	44,998	45,307
	ARPU (yen)	20,247	19,807	20,226	19,171	20,821	21,159	22,391	21,604	27,117	24,128	24,356	23,520
	Price/ purchase (yen)	7,899	8,121	8,573	8,046	8,195	8,292	8,732	8,508	9,234	8,610	9,000	8,729
	Purchase Frequency (number)	2.56	2.44	2.36	2.38	2.54	2.55	2.56	2.54	2.94	2.80	2.71	2.69
Radish Boya	Subscriber s (number)	74,240	71,616	66,070	62,935	61,009	59,400	58,528	56,935	62,515	61,822	61,518	62,751
	ARPU (yen)	17,158	17,076	18,439	17,401	18,202	17,926	19,659	18,621	23,189	20,884	21,000	20,259
	Price/ purchase (yen)	5,460	5,616	6,114	5,869	6,055	6,060	6,398	6,206	7,028	6,373	6,696	6,441
	Purchase Frequency (number)	3.14	3.04	3.02	2.97	3.01	2.96	3.07	3.00	3.30	3.28	3.14	3.15

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