



FY 3/2020 3Q Results Explanatory Materials

Oisix ra daichi
February 13, 2020

Table of Contents

- 1. FY 3/2020 3Q Achievements**
- 2. Results on Business segment**
- 3. ESG Topics**
- 4. APPENDIX·DATA SHEET**

1. FY 3/2020 3Q Achievements

Executive summary

- ✓ **Sales is progressing nicely versus initial forecasts.**
EBITDA and OP fell short of forecasts owing to the profit impact of typhoons etc.,
- ✓ An extraordinary loss item of 54 million yen was recognized owing to the impact of typhoon No. 19.
We expect **profits to be reduced by roughly 100 million yen** owing to an inability to make shipments as per normal.
- ✓ Purple Carrot will recognize consolidated sales and profits(losses) and goodwill from 3Q.
Profitability at Purple Carrot is on an improving trend, but as of 3Q, fell short of internal targets.

*Due to the difference in fiscal year-ends, Purple Carrot's results for the Jul to Sep quarter are consolidated.

【FY 3/2019】

① Radish Boya irregular fiscal year-end associated with the business merger

- Due to a change in the consolidated fiscal year of Radish Boya, FY2019/3 includes one extra month (4-months in 1Q resulting in 13-months total)
- The section marked “Exclude special factors” excludes the March 2018 performance of the Radish boya business.
(sales: approx. 1.600 billion, operating income: approx. 0.07 billion).

② Tax effects from merger of Radish Boya

- Tax effects of operating loss carryforwards and deferred tax assets resulting from the merger of Radish Boya (About 1.2bn yen)

【FY 3/2020】

③ New consolidation through M&A

- Welcome (Dean & DeLuca) is accounted for by the equity method from 1Q resulting in recognition of consolidated income and goodwill.
- Purple Carrot will recognize consolidated sales and profits(losses) and goodwill from 3Q

*Due to the difference in fiscal year-ends, consolidated results are delayed by 3 months (3Q is consolidated from Jul to Sep).

3Q Highlights

Sales is **progressing nicely versus initial forecasts**. EBITDA and OP fell short of forecasts, owing to loss of profits caused by typhoons and shortfall of Purple Carrot, which started to be consolidated from 3Q.

Sales

52.42bn yen
(vs Target +1%)

EBITDA

2.38bn yen
(vs Target ▲5%)

Operating
Profit

1.59bn yen
(vs Target ▲9%)

Net income
Attributable to
owners of the
parent

0.69bn yen

Consolidated Results Overview

※For the purposes of like-for-like YoY comparisons, one extra month of Radish Boya data (March 2018) was deducted from FY 3/2019 data.

Sales increased compared with the same period of the previous year, EBITDA and OP decreased owing to increased temporary expenses for Kit Oisix expansion etc.,

■ Sales

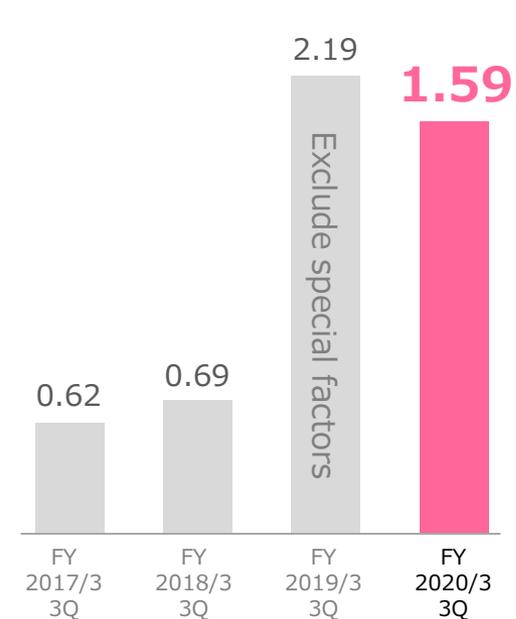
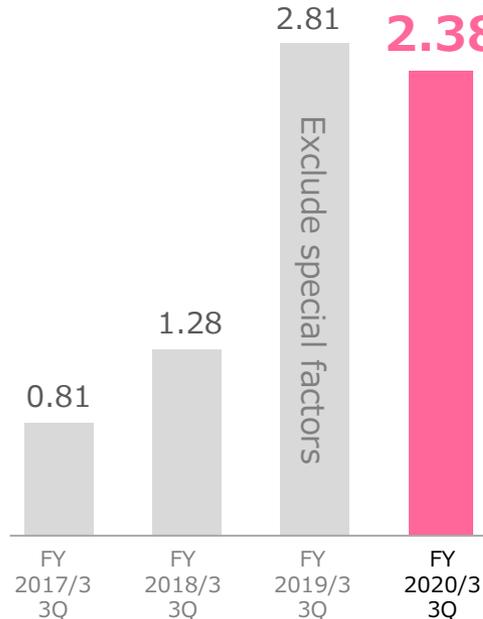
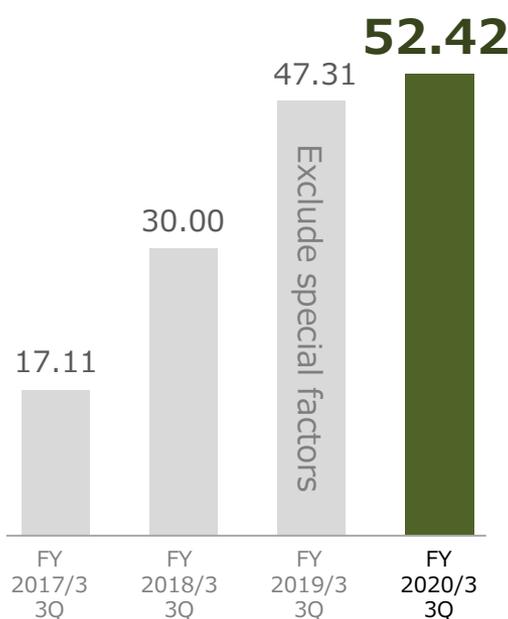
52.42 bn yen

■ EBITDA

2.38 bn yen

■ Operating Profit

1.59 bn yen



Impact of typhoon disaster

Typhoons damages disrupted the entire supply chain. **We expect profits to be reduced by roughly 100 million yen.** We implemented a review of BCP (Business Continuity Plan) for disaster contingencies.

◆ Typhoons damages

Producers

Significant damage occurred in about 20 Producers



Distribution Center

Due to the impact of planned suspension, the operation of the distribution center was partially suspended



Last one mile

Disposal response due to suspension of delivery services



◆ BCP improvement

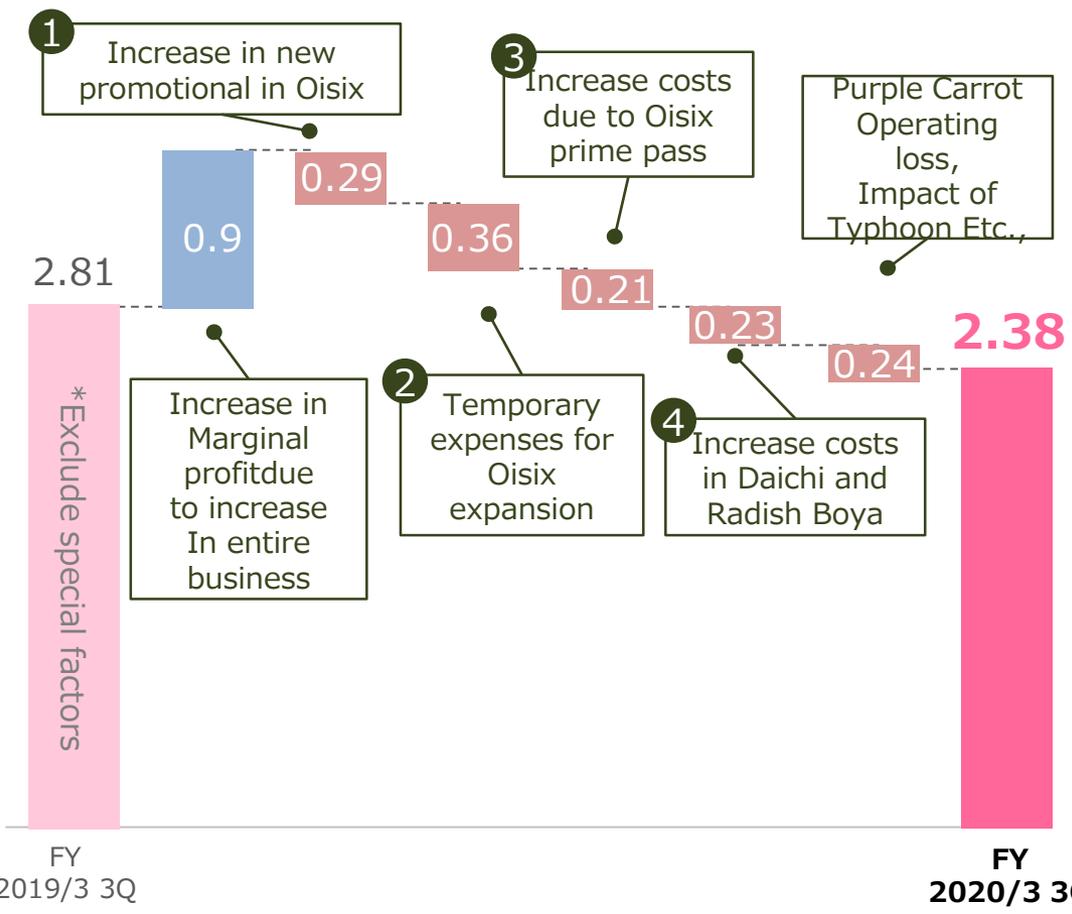
- ✓ In the short term, the disaster response manual was updated. We also plan to revise our BCP plan in the future.
- ✓ We plans to invest in upgrades to enable quick response in the event of a similar-scale disaster

EBITDA comparison with FY3/2019 3Q

※For the purposes of like-for-like YoY comparisons, one extra month of Radish Boya data (March 2018) was deducted from FY 3/2019 data.

Despite sales growth, profit decreased owing to increased temporary expenses for Oisix expansion etc.,

EBITDA (bn yen)



Major increase in costs

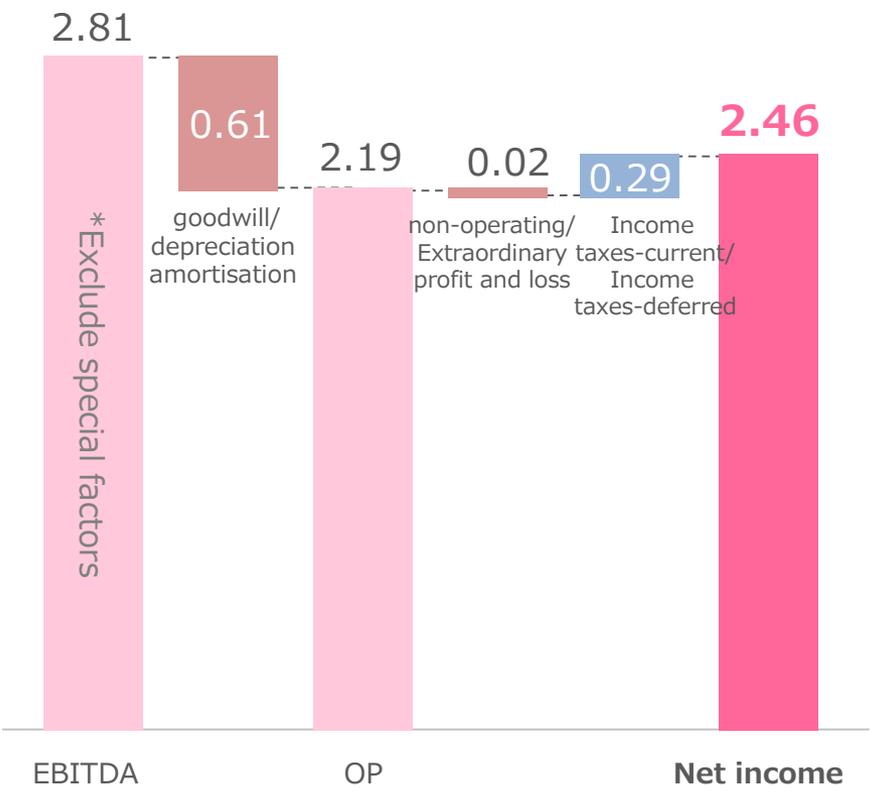
- Promotional in Oisix : 0.29bn yen**
 - Large-scale promotions of 1Q
 - Strengthen promotions in Sep. when lifestyle changes
- Temporary expenses for Oisix expansion : 0.36bn yen**
 - Additional warehouse leasing expenses, transport expenses, etc. due to the rapid growth
- Oisix prime pass : 0.21bn yen**
 - Discounts cost : Upfront investment to improve LTV
- Daichi and Radish-Boya : 0.23bn yen**
 - Increase in fixed cost ratio due to decrease in sales

Net Income comparison with FY3/2019 3Q

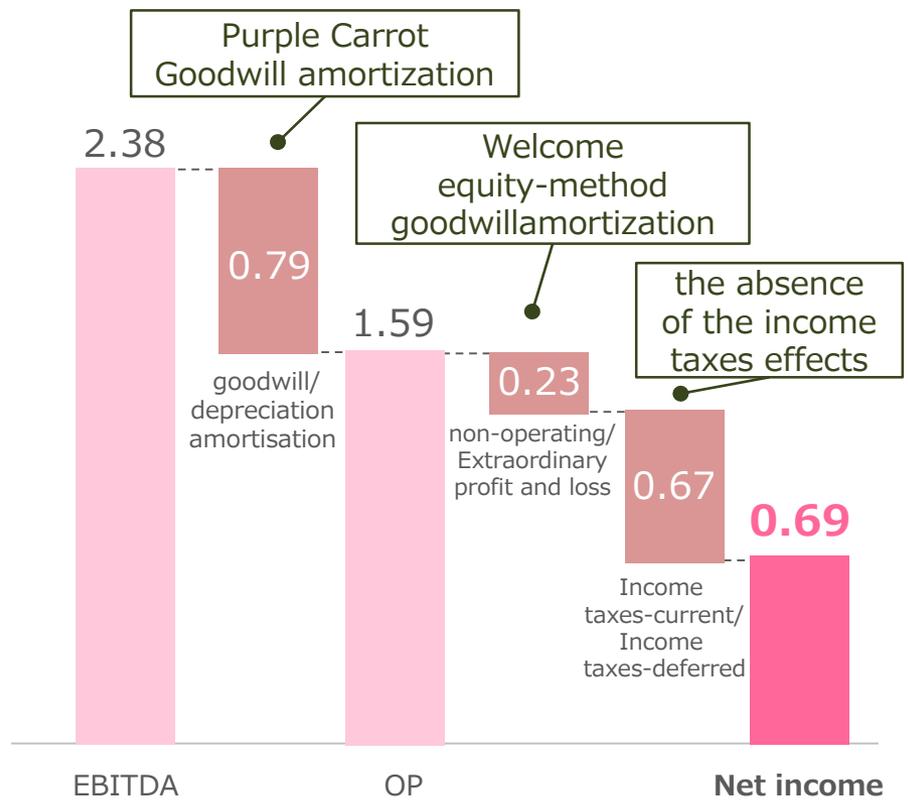
※For the purposes of like-for-like YoY comparisons, one extra month of Radish Boya data (March 2018) was deducted from FY 2019/03 data.

Net income decreased due to the absence of the income taxes effects from merger of Radish Boya.

■ FY3/2019 3Q (bn yen)



■ FY3/2020 3Q (bn yen)

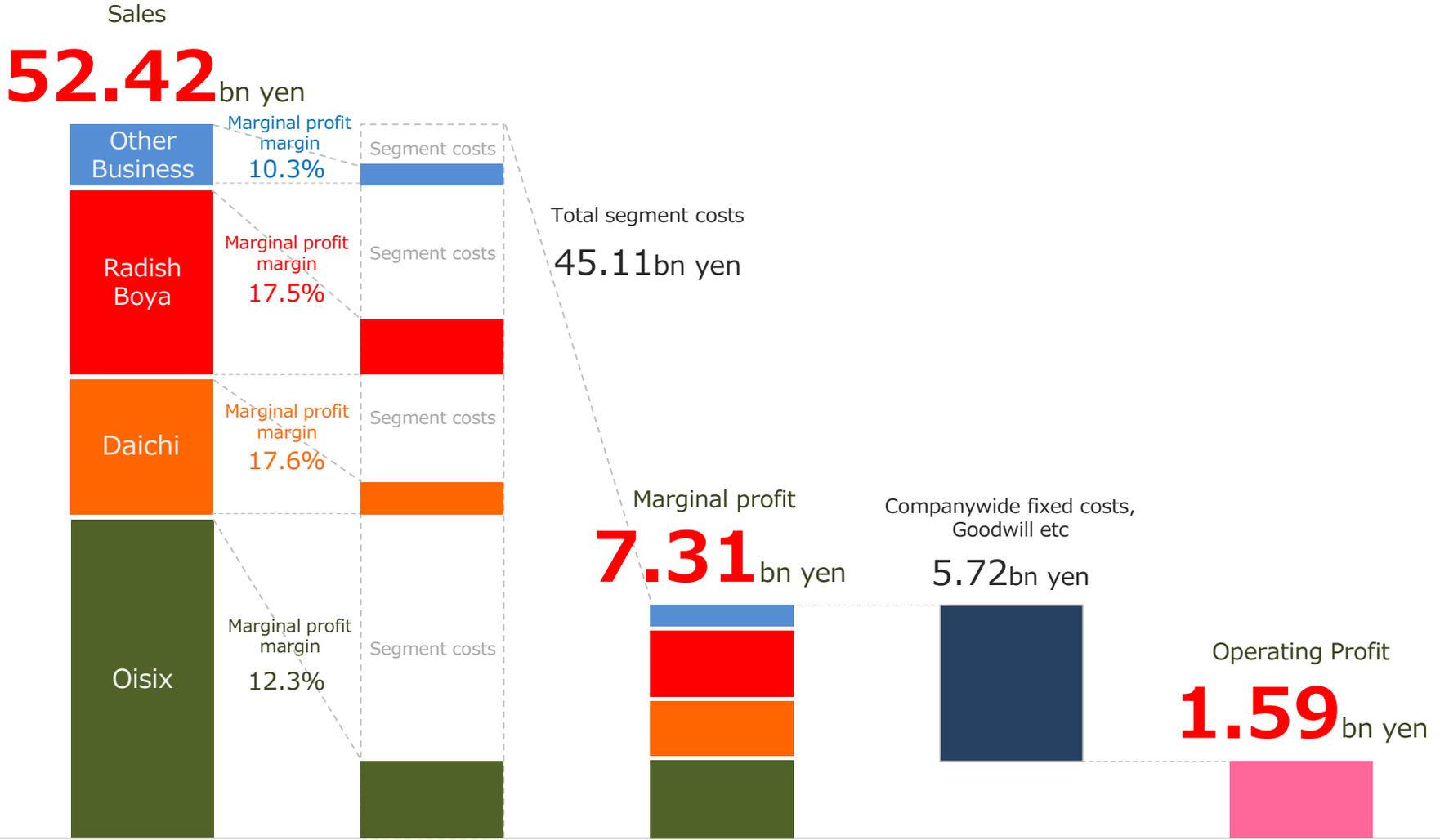


Business segment Results

* For the purposes of like-for-like YoY comparisons, one extra month of Radish Boya data (March 2018) was deducted from FY 2019/03 data.

	Sales	Marginal profit	Overview
Oisix	26.52bn yen (YoY +20%)	3.26bn yen (YoY ▲3%)	Typhoons notwithstanding, growth has continued at +20%. Key KPIs such as churn and order frequency have improved.
Daichi	7.93bn yen (YoY ▲6%)	1.39bn yen (YoY ▲9%)	Rate of decline in subscriptions shrinking. With targeted product/service development nearly complete, we aim to start testing new services from 4Q onward.
Radish Boya *	11.41bn yen (YoY ▲11%)	2.00bn yen (YoY ▲17%)	Reduction of unprofitable subscriptions completed. Good signs emerging from operational excellence measures and efforts to align product propositions with customer needs.
Other Business	6.38bn yen (YoY +55%)	0.65bn yen (YoY +42%)	Sales increased due to the consolidation of Purple Carrot from 3Q, but profits were down. Profits benefit from big turnaround in the wholesale business for nursery schools. Also seeing steady growth in the alliance business.

Business segment Results Overview



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)

- 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

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

Business phase of the Home delivery business

Implementing brand strategies that consider each of the brands' business phases.

Phase:
Launch of Business

Phase:
Creation of products and services

Phase:
Business Expansion



Accelerating Business Growth
by capturing increased needs "Premium time savings"

- "Chanto" Oisix
- Oisix
- Kit Oisix



Completed
(FY3/2020 2Q)

Product and service development
in line with targets

Ongoing
("Daichi no Yasai Okazu Set" Etc.,)



Executing operation
excellence

Ongoing
(FY3/2020/3 4Q
Expected completion)

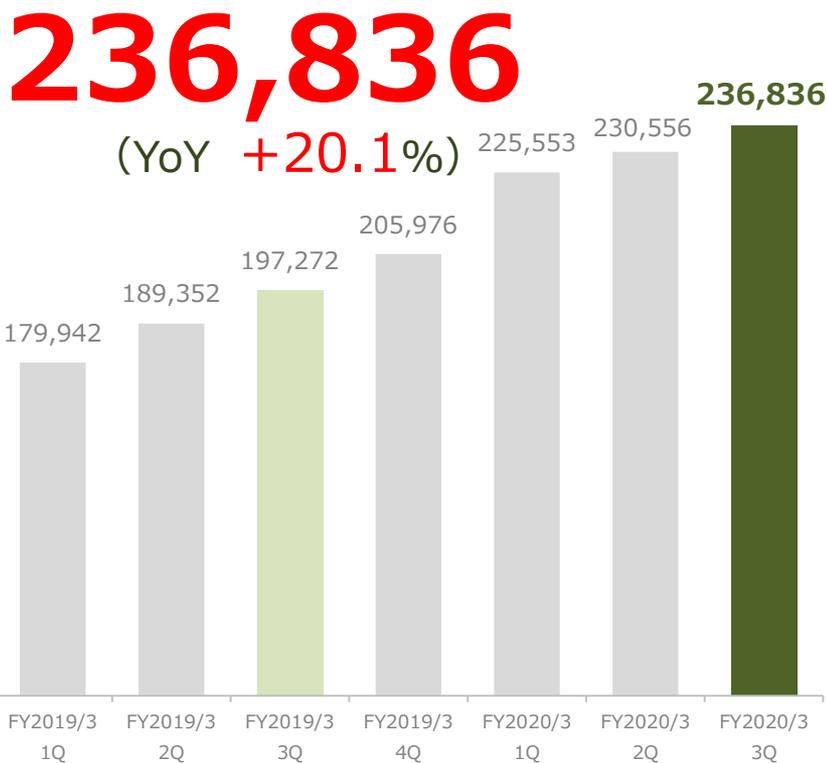
Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Other Business

Oisix KPI

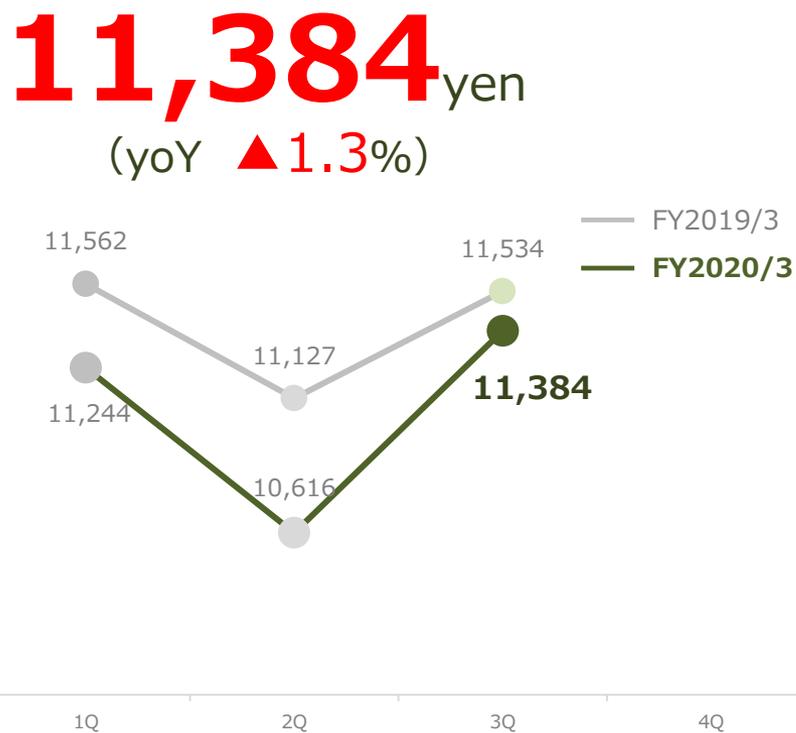
No. of subscribers :
235,000 person target achieved ahead of plan in the 3Q.

ARPU :
 Reflecting efforts to improve the conversion rate, **purchase frequency exceeded year-earlier figures helping to shrink the YoY ARPU gap.**

■ No. of subscribers



■ ARPU[※]

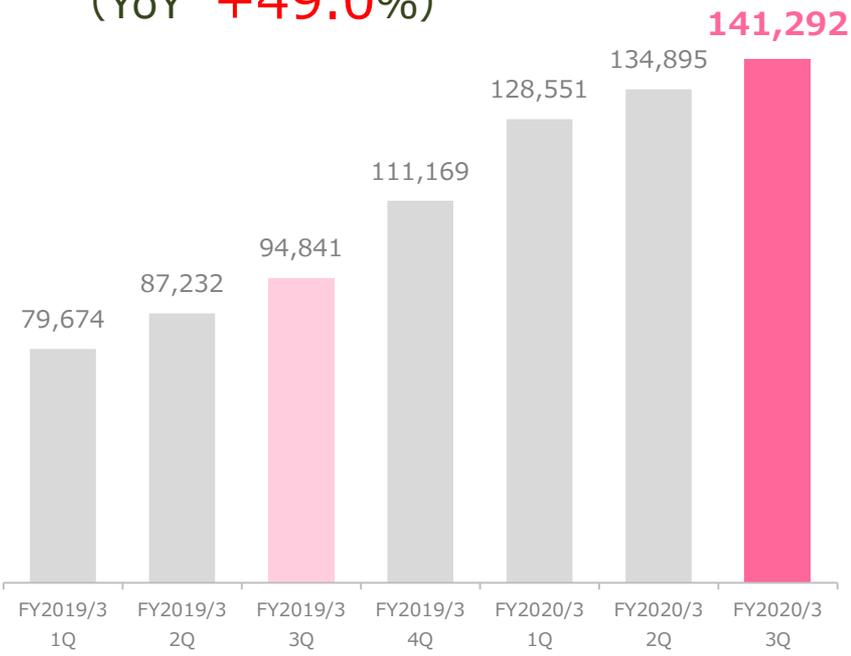


Oisix KPI

Exceeded **140,000** by capturing growing demand for meal kits.
 Significant year-on-year **growth of about 150%**

No. of meal kit course subscribers (Includes Oisix subscribers)

141,292
 (YoY **+49.0%**)



Feature of Kit Oisix

1

Delivers volumes/quantities of food suitable for a given family size. Allows preparation of the main dish and side dish in 20 minutes.



2

All menus contain five or more types of vegetables and reflect consideration for well-balanced nutrition.



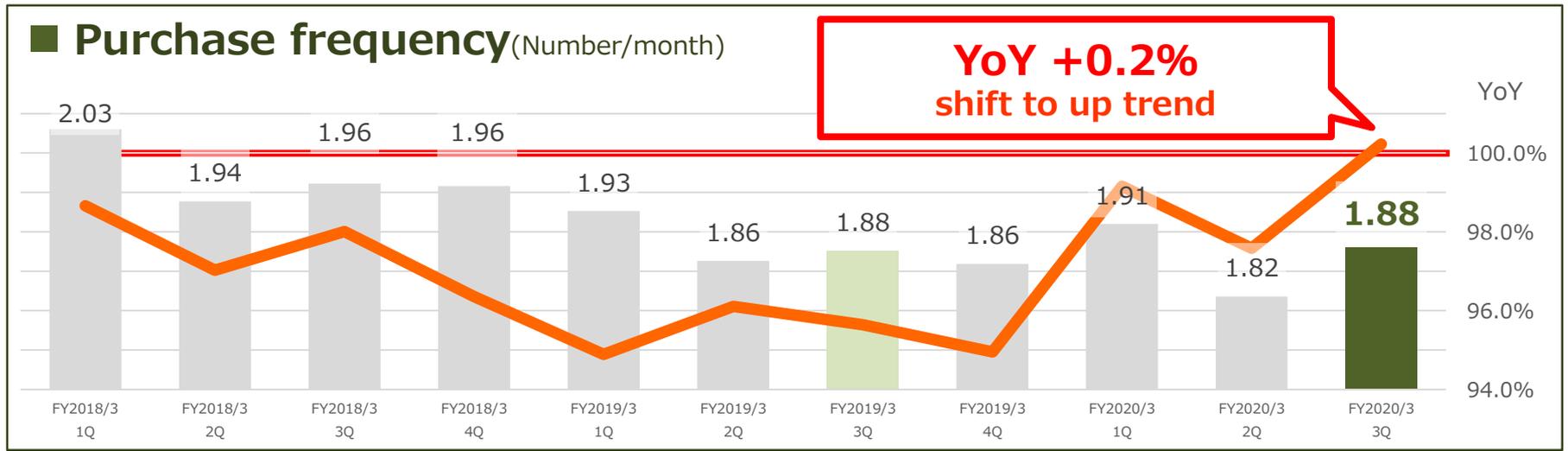
3

Uses only safe, reliable ingredients from farmers and manufacturers under contract to us.



Oisix Topics

Reflecting 1) a push to high conversion rate “Chanto Oisix,” 2) an increase in users of “Oisix Prime Pass,” and 3) changes to delivery fees, purchase frequency, hitherto a point of issue, shift to up trend.



◆ Shifting to “chanto oisix”
a push to high conversion rate “Chanto Oisix,”

◆ Increase in users “Oisix prime pass”
Increase in subscribers of the flat-rate service “Oisix prime pass”

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

Oisix Topics

Churn fell reflecting improvements to the cancellation page layout. Further, subscriptions of "Chanto Oisix," a service for those disliking cut vegetables, grew steadily and versus other courses, purchase frequency rose 30%.

Reduction of churn rate

Churn fell roughly 10% YoY reflecting the effects of changes in the layout of the cancellation application page.

定期会員の退会手続き

退会すると、定期会員限定の特典がご利用できなくなります

季節のアイテムや人気商品の先行予約ができなくなります



Promote special delivery fees, advance reservation planning and other benefits for regular subscribers.

Actively propose solutions that mirror lifestyles to circumvent subscription cancellations stemming from such factors as moving, travel, and excessive generation of unused food ingredients.

お客様のライフスタイルに合わせて定期会員を続けることも可能です

引越しを考えたのだけど...



引越し後もOisixでお得にお買い物いただけます！
今なら新住居のご登録で、お引越し応援特典をご用意しております。

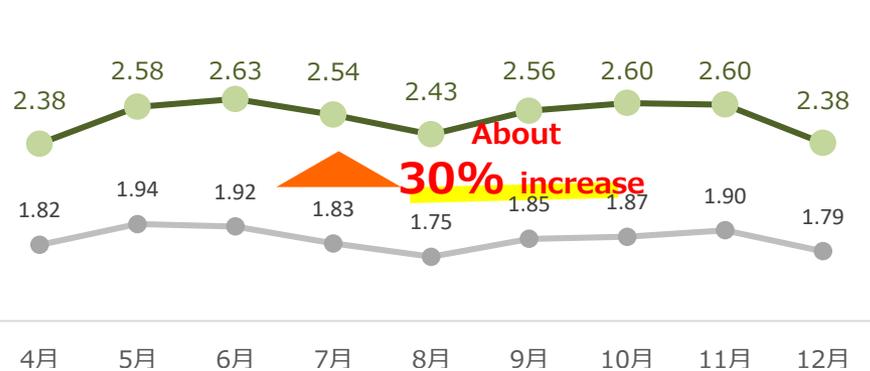
"Chanto Oisix"

Subscribers of "Chanto Oisix," for those who do not like cut vegetables, has surpassed 12,000*. We look to continue refining our services and expand PR for new services to follow on the heels of "Kit Oisix."



•Purchase frequency of "Chanto Oisix" (number/month)

— "Chanto Oisix"
— Other course



*The number of "Chanto Oisix" members is included in the number of "Kit Oisix" members.

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

Oisix Topics

Initiated sales of Purple Carrot's Vegan Kit in October. Since inception, sales have grown steadily based on the concept of "Occasional Vegan." Servings have **exceeded 30,000 in the two months since launch.**

■ Vegan Kit



Provide **15** or more vegan recipes in the first 2 months



Exceeded
30 thousand meals

◆ Vegan Lifestyle

Lifestyle that does not consume animal-derived ingredients. In recent years, in consideration of the global environment, the style of enjoying vegan food only a few days a week has spread mainly in Europe and the United States.



■ Collaborative events with AVEDA

Aimed at helping expand the Japanese vegan market, we held a Purple Carrot collaborative event with Organic Cosmetics Brand "AVEDA."



Kit Oisix was awarded the Tomorrow Women's Grand Prize (an award program recognizing products/services contributing to a brilliant tomorrow for women).



◆ Reasons for winning the award

Amidst many home delivery meal kit services, Kit Oisix was highly appraised for its positive emotive effect among working women and mothers. For example, the first step in a given recipe might be: ① Provide a slice of cheese to child. With a big smile, instruct child to enjoy the cheese whilst you prepare the main meal. Indeed, our popularity stems not only from relief from menu planning, but from our thoughtful consideration of child-rearing itself.



Daichi KPI

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

No. of subscribers :

Rate of decline in subscriptions has been shrinking and we expect a near-bottoming in the second half. From the 4Q, we aim to propel subscription conversions via a focus on media having strong affinity with our services.

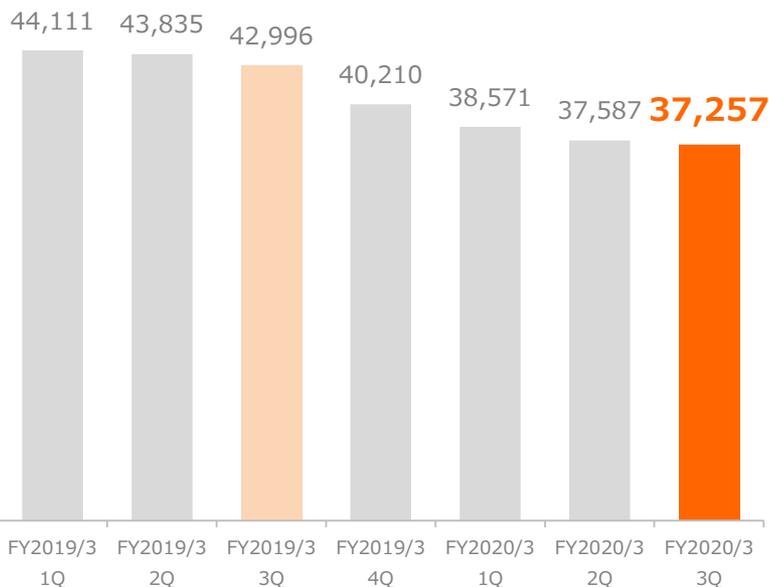
ARPU :

Via service solutions that mirror target needs, we aim to achieve consistent YoY growth.

■ No. of subscribers

37,257

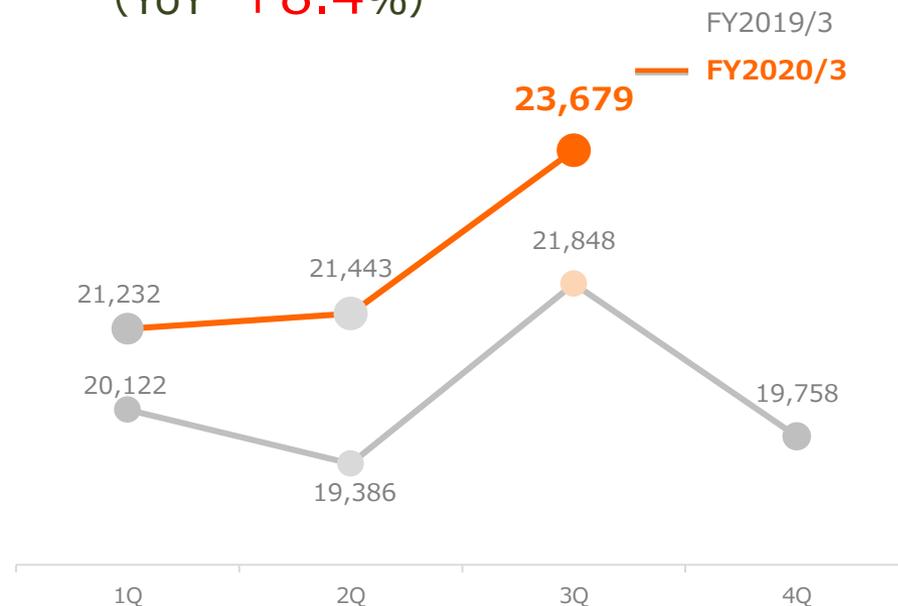
(YoY ▲13.3%)



■ ARPU[※]

23,679 yen

(YoY +8.4%)



Whilst continuing to develop products and services that mirror target needs, we look to keep close tabs on customer acquisition efficiencies and utilize new service and start experiment to expand regular members

■ Subscribe conversion trial using new services

“Daichi no Yasai Okazu Set”



Existing members
(NOT subscribers)



Increasing the frequency and price of purchases by subscribing to customers who purchase individual items

Attracting
new customers



Scheduled to be rolled out to new customers after approaching existing members

■ Product reorganization in line with target needs

Major renewal of the product line-up of subscription courses. **About 1/4 of the courses were reorganized to motivate existing subscribers to purchase.**

Sales **increased by about 20%** compared to before renewal.



Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

Radish Boya KPI

No. of subscribers :

Reduction of unprofitable orders completed. Reduction attained via continued prioritization of enhanced service levels and restraint in new customer acquisitions.

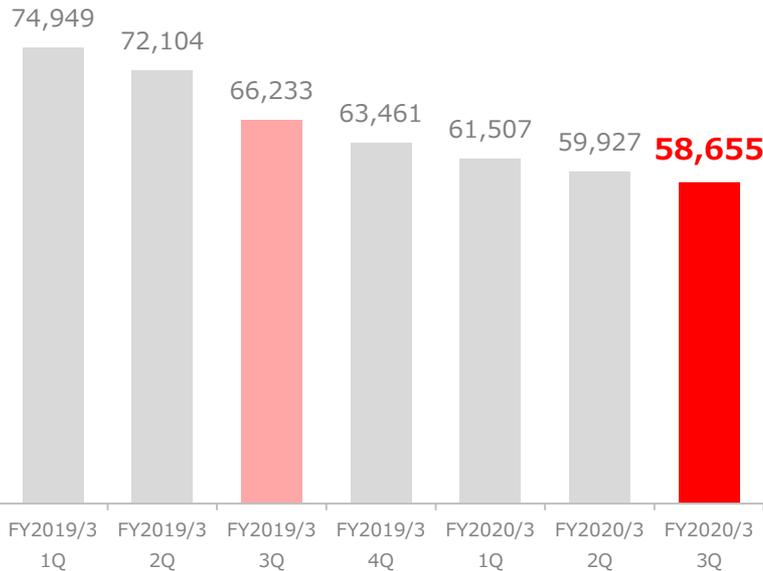
ARPU :

Continuously rising in YoY due to the effects of operational excellence measures.

■ No. of subscribers

58,655人

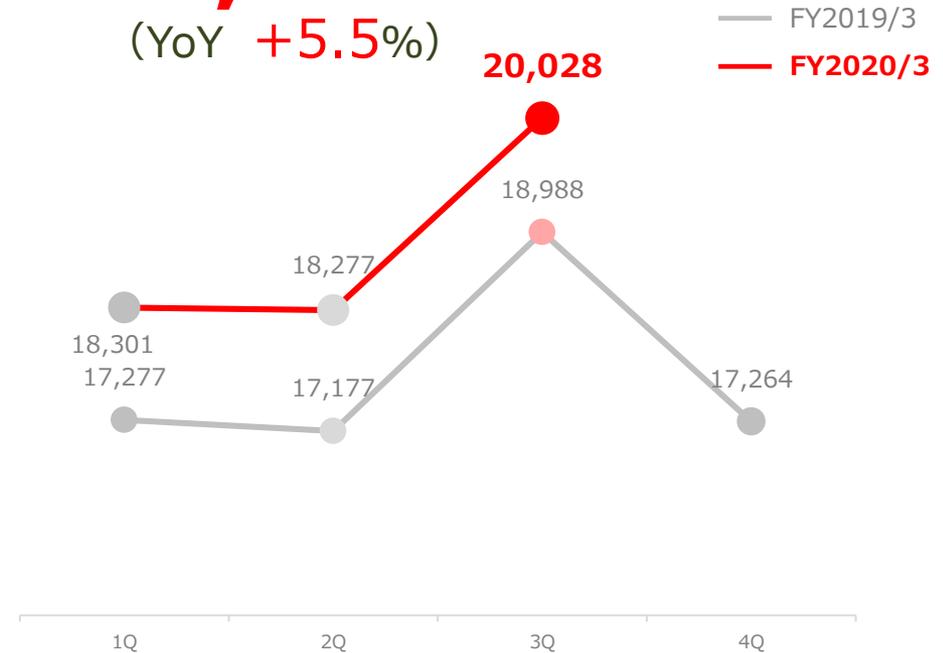
(YoY ▲11.4%)



■ ARPU[※]

20,028yen

(YoY +5.5%)



Radish Boya KPI

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

Reduction of unprofitable orders is completed in 2Q.
Reduction of complaints and churn rate
due to the effects of operational excellence measures.

■ New user complaints and churn rates decreased due to trial set improvement

Reflecting efforts to improve the appearance of trial sets, customer claims here roughly **80% reduction**. Additionally, churn for new users subsequent to regular conversion fell by roughly **a third**.

- ✓ Appearance :
Improvement of filling rate by changing box size etc.
- ✓ Taste :
Conduct weekly taste tests



■ “Palette” customization

“Arrange Palette”, which enables customers to replace vegetables they dislike, enjoys a high purchase frequency versus other courses. Expansion plans underway as the product represents a good match to those users wishing to eliminate waste and leftovers.



•Purchase frequency of “Arrange palette”



"Osechi" sales in 2020

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

All three delivery brands saw substantial YoY sales growth. Sales to general consumers also saw substantial growth via focus on closed membership websites. Overall, sales grew 25% YoY.

Domestic delivery brands

- Reform the product lineup from frozen to chilled "Osechi" in line with customer needs
- Both Online and offline media appeal, Creative weekly updates
- Advance reservation period, Redesign prior reservation incentives



Sales to general consumers

- Limited sales channels to only closed membership sites
- Create and update creative in line with each site's target



Sales **over YoY +25%**

Overview of Business Segments

① Domestic Delivery business (Three major brands)



② Domestic Delivery business (Other)



③ Other Business



Alliance Projects

ISETAN DOOR :

The fastest increase in Number of subscribers among our e-commerce support businesses.

d-meal Kit :

Construction of the basic model for subscriptions is complete.
We scheduled to move to an expansion phase in the next fiscal year.

■ ISETAN DOOR

- ✓ The fastest increase in Number of subscribers among our e-commerce support businesses. Steady expansion with better-than-expected progress



■ d-meal Kit

- ✓ Introducing our know-how to establish a marketing model that encompasses everything from attracting customers to purchasing subscribers. We scheduled to move to an expansion phase in the next fiscal year.



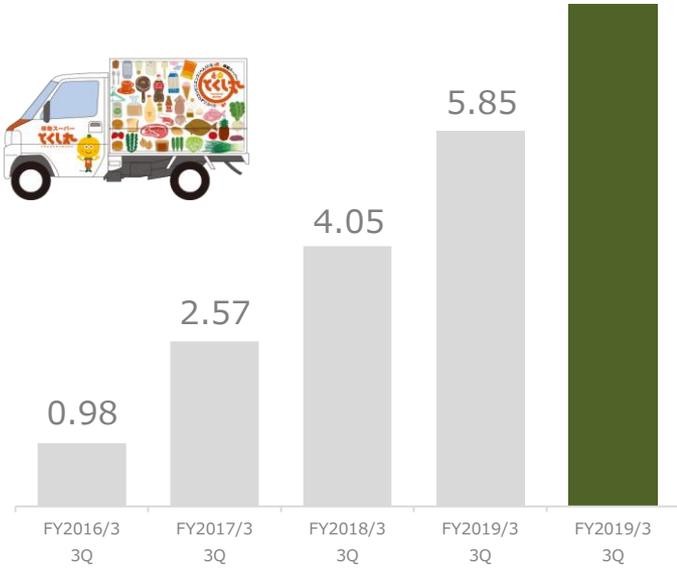
Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Other Business

Tokushimaru(subsidiary)

The monthly value of circulation exceeded 1 bn yen.
 We expect to exceed 10 bn yen in this fiscal year.
 In addition, the pace of increase in the number of vehicles in operation is rising,
 and it is expected to reach 500 by the end of this fiscal year.

The value of circulation (3Q cumulative amount)

7.83 bn yen
(YoY +33.9%)



Development Scale

Number of affiliated supermarkets Number of vehicles in operation

119 **473**



Tokushimaru Topics

We were awarded the *“Furusato Dukuri Grand Prize”* Group Category Award in recognition of our community revitalization efforts. Via the effective use of paper bags, we have also been working to reduce plastic waste – a major social issue.

■ *“Furusato Dukuri Grand Prize”*

In recognition of our efforts to mitigate the social issue of food “shopping refugees,” we received the *“Furusato Dukuri Grand Prize”* (sponsored by the Ministry of Internal Affairs and Communications).



■ working to reduce plastic waste

As part of our efforts to reduce plastic waste, we are working with “Kyo-Ei” – a Tokushima-based food supermarket, as well as with Tokushima Prefecture itself, to reduce plastic grocery bags. Collection of paper bags from local residents were implemented.



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

Purple Carrot(U.S.)

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

Purple carrot is a 100% vegan meal delivery business in the United States. It will recognize consolidated from 3Q

PURPLE CARROT



- Courier service that offers meal kits only for plant-based meals
- Weekly subscription model for 48 states across the United States

Oisix ra daichi



PURPLE CARROT



- ✓ Global Expansion of Vegan Food × Health Conscious Food of Japanese Food in both Asia and the U.S.
- ✓ Expanding management expertise in food Subscription Model to Purple Carrot to achieve profitability at an early stage

Oisix ra daichi

Purple Carrot(U.S.)

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

We have introduced our business and KPI management methods. Although **profitability has been on an improving trend**, we have not achieved our internal targets. Competition in the U.S. vegan market has intensified, so operation improvement has been prioritized. **We achieve complaint reductions by actively exchanging human resources and horizontally developing our know-how.**

Quality improvement

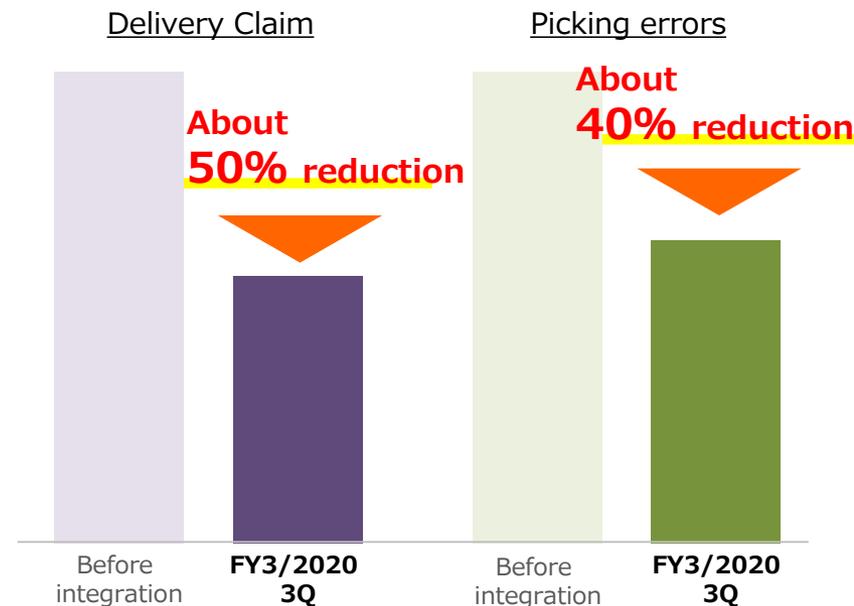
✓ We prioritize quality improvement and implement measures to improve logistics operations

- Optimize packaging materials to prevent damage
- Change of box layout for quality assurance of fruits and vegetables

✓ Actively promote human resource exchange



Since implementation of efforts to achieve lateral diffusion of our expertise last year June, we have been able to achieve significant reduction to customer claims relating to key KPIs - delivery and picking errors, within the home delivery business.



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

Hong Kong/Shanghai

Hong Kong :

We aim of identifying and establishing a winning pattern to attract customers

Shanghai :

We have confirmed the need for "Kit Oisix" in Shanghai and aim to grow our business by focusing on it.

■ Hong Kong

- ✓ We aim of identifying and establishing a winning pattern to attract customers in Hong Kong, and focus on maximizing sales in Lunar New Year
- ✓ We will engage in local processing of domestic products in order to reduce international transportation costs,
- ✓ We received "Most Valuable Company Awards in Hong Kong 2020"

•Award ceremony
(Left: Takahashi Daiju, Oisix Hong Kong CEO)



■ Shanghai

- ✓ With the aim of establishing a Chinese subscription model, CXO will be based in China to identify needs
- ✓ Having confirmed a healthy low-fat diet, room for cooking skills improvement, and the role "Kit Oisix" could play as a potential solution, we look to expand locally.



Real Retail Business

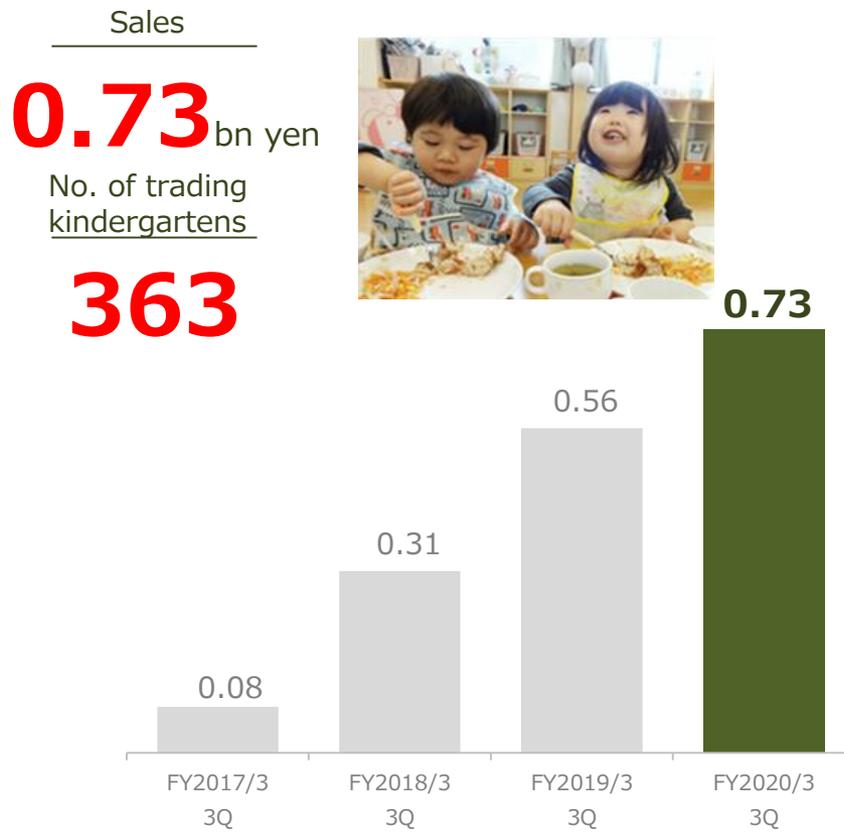
Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Other Business

Sales grew steadily at both SinS/ Kindergarten Wholesale. For Kindergarten Wholesale business, **profitability improved significantly owing** to ongoing measures from 2Q, such as reviewing suppliers and distribution routes.

Shop in Shop

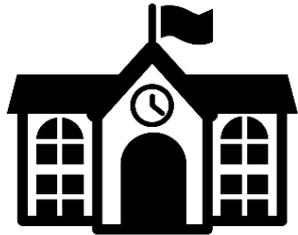


Kindergarten Wholesale



We look to utilize the Kindergarten and Shop in Shop businesses as a medium to enhance Kit Oisix brand recognition and/or broaden the needs of user demand.

◆ Kinder Garden



We have begun to pick-up service of Oisix on a trial basis. Noting that parents picking up children do not always have a dinner menu planned, or may not have time to go to the grocery store, we plan to sell Kit Oisix at kindergarten.

◆ Shop in Shop



Regarding Shop in Shop, via expansion of Kit Oisix sales, we look to achieve brand recognition and increased use of services for even those not requiring home delivery.



Future Food Fund

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

We have decided on three companies to be the initial investment destination of the "Future Food Fund," a CVC in the food innovation arena. Including support for growth, we look to derive synergies from these investments.

Future Food Fund

Food Start-ups

◆ MiL Co. Ltd.,

(Tokyo, Japan)

- Develop and sell "Mi+Mitas" subscription milk-free foods



- Operation of Healthcare Creative Restaurant "Wa"



◆ FarmNote Co. Ltd.,

(Hokkaido, Japan)

- Development of cattle-herd management cloud system/wearable devices



◆ Fifty Food Inc.

(San Francisco, U.S.)

- Development and sales of vegan instant noodles



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

Affiliate Topics

DEAN&DELUCA : Business progress steadily such as TV publicity and new store opening

Nihon Agri : Export of domestic fruits and vegetables is expanding steadily

■ DEAN & DELUCA

- ✓ Featured in "Cambria Palace"
(Business TV show in Japan) in Nov.
Sales of introduced products continue to sell out.



- ✓ Actively refining existing stores but also opening new ones. In Jan, we opened a café-type store in the new outpatient wing of Jikei Univ. Hospital.

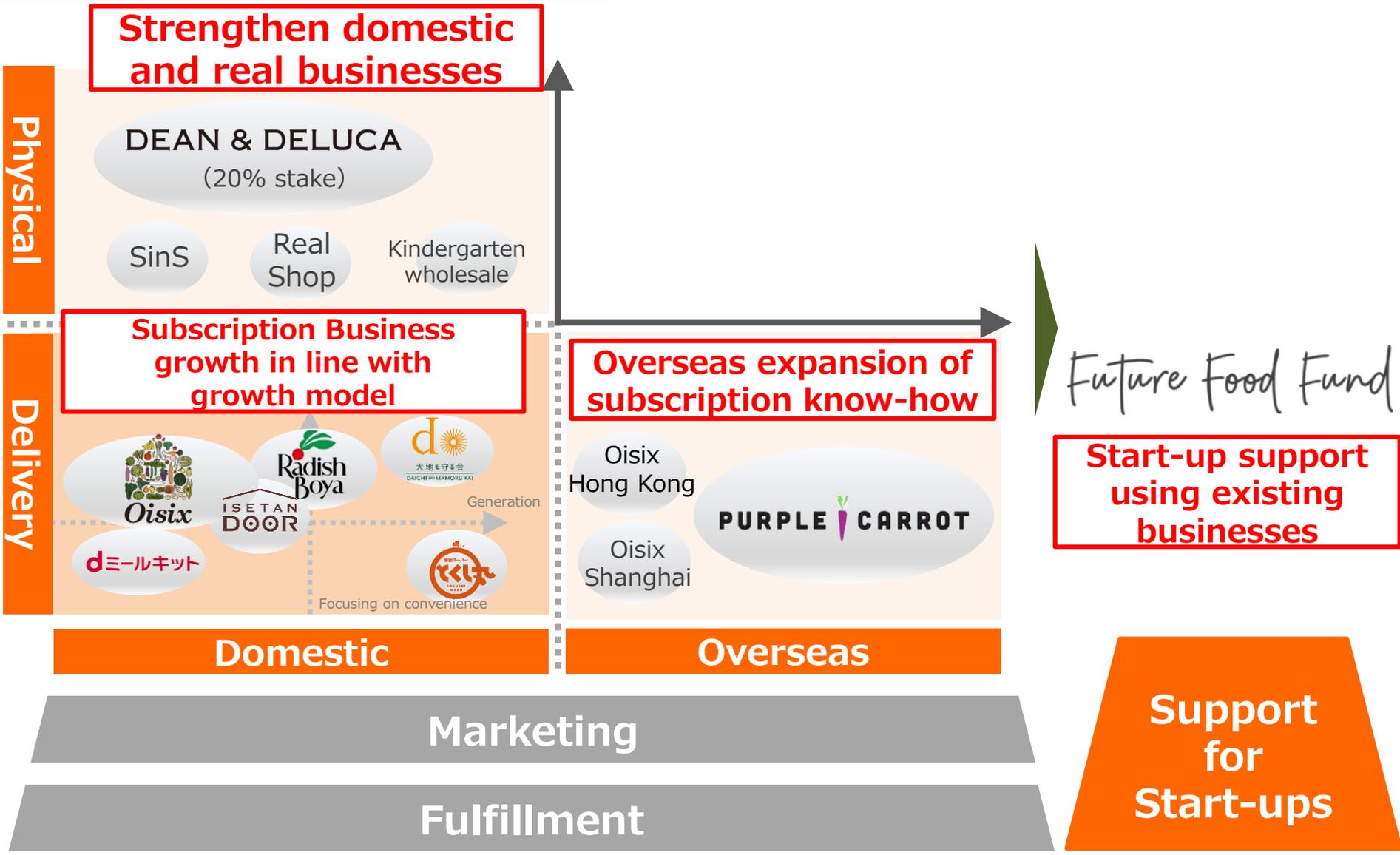


■ Nihon Agri

- ✓ Growth in the value of transactions between Nihon Agri and our contract producers has allowed stabilization of fruit and vegetable supply.
- ✓ Exports to Taiwan saw tremendous growth at 300% of year earlier levels.



Our business portfolio



3. ESG Topics

About coronavirus

To enable flexible response to varying circumstances, **a countermeasure task force was created within the company.** New memberships increased in Hong Kong reflecting coronavirus. Hygiene standards for domestic delivery were reinforced as a preventive measure.

■ Oisix Hong Kong

- ✓ For Hong Kong, demand for home delivery is expanding due to concerns about going out. Oisix has been featured in multiple media, and new members have increased.

武漢肺炎不宜外出! 3大本地、日本食材網購平台
輕鬆KO一日三餐!

網購 本地食材 熟食 武漢肺炎 日本食材

3. 日本新鮮蔬果直送網上超市Oisix



啱屋企一樣買到新鮮食材! 4間網上超市推介上網買
直送家中

3. Oisix

Oisix集合日本各地食材・有平到日本當造蔬菜・新鮮水菓・乳製品・冷凍食材・海鮮・肉類・罐頭等・所有食材均由日本直送。



■ Domestic delivery

- ✓ Hygiene standards for distribution center were reinforced as a preventive measure.



1. 社員及び荷物の衛生対策について、作業室に入る際は、マスクと帽子を着用しております。
2. 手はアルコール消毒をし、菌・ウイルスを持ち込むことの無い様に普段から徹底しています。
3. 商品につきましては、入荷後の検品で、傷みや腐敗などが見つかった場合は、お届けしないようにしております。
4. 体調不良作業者が荷物に触れることの無いように作業前にチェックしております。

Switch the external bags of all Kit Oisix to biomass-based plastic materials

We will switch the external bags of all Kit Oisix to biomass-based plastic materials. As a result, we can reduce CO2 emissions by 13 tons per year.

- ✓ From April 2020, we will gradually switch the external bags of all Kit Oisix to biomass-based plastic materials blended with plant materials derived from sugarcane.
- ✓ **We can reduced annual consumption of petroleum-derived plastics by about 3 tons and CO2 emissions by about 13 tons.**
- ✓ This is the first meal kit to use a biomass material (that uses all the elements (bags, recipe pockets, inks) of external bag.



TABLE FOR TWO receives Japan SDGs Award

“The Onigiri Action Project” of TABLE FOR TWO, a non-profit organization in which Oisix has participated since 2008, won the Japan SDGs Award as the deputy general manager of the division.



■ “Onigiri(rice balls) Action”

Initiatives to donate 5 meals to African and Asian children via TABLE FOR TWO for each photo posted rice balls



Career Select Ability Award

We received Career Select Ability Award for corporates that have the power to develop business people who will be needed by society in the future, backed by social contributions and high profits.



N-1 Summit/Organic Festa

We are going to hold two communication events with the aim of interacting of agriculture technologies between Producers, and Producers and consumers next March.

■ N-1 Summit

•Awarded "Farmers and of the Year" selected by customers and held discussions among Producers.About 400 ORD Producers nationwide participated last year.



■ Organic Festa

•Communication events linking 「Producers」「Oisix ra daichi」「Comsumer」More than 2,000 subscribers participated. Last year



4. APPENDIX • DATA SHEET

Corporate Overview

Name : Oisix ra daichi Inc.

Location : Shinagawa-ku, Tokyo

Established : June 2000

Representative : Kohey Takashima, Representative Director & CEO

Capital : 1,690,928 thousand yen

Employees : 735 (consolidated), as of the end of March 2019

Overview of Affiliates

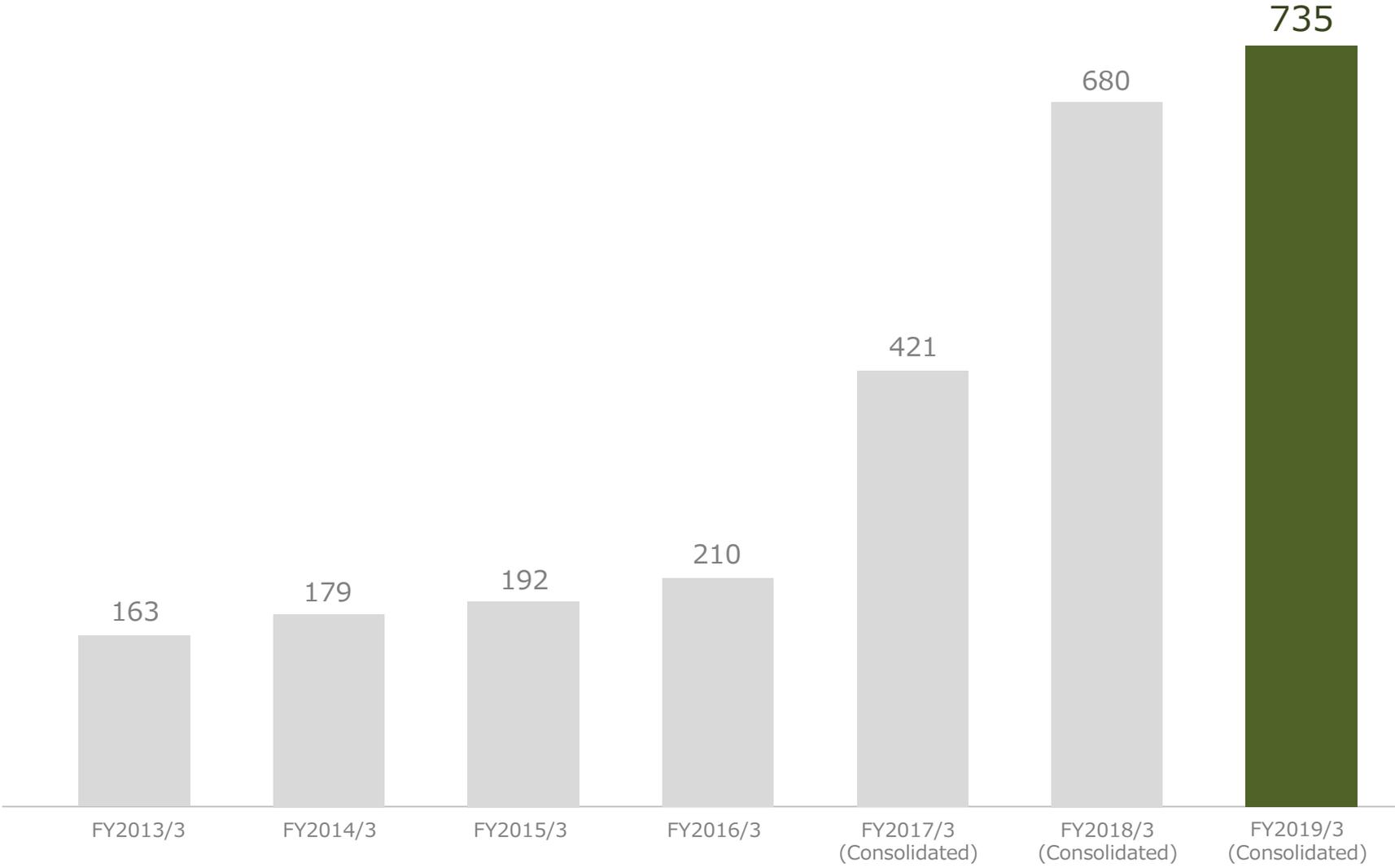
■ Consolidated subsidiaries

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 Inc.	Investment business for food-related startup companies

■ Affiliates

Nihon Agri Inc.	Exports agricultural products.
DEAN & DELUCA	Lifestyle business through retail and restaurant businesses Manufacture and sale of imported and processed foods, and operation of cafes

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.

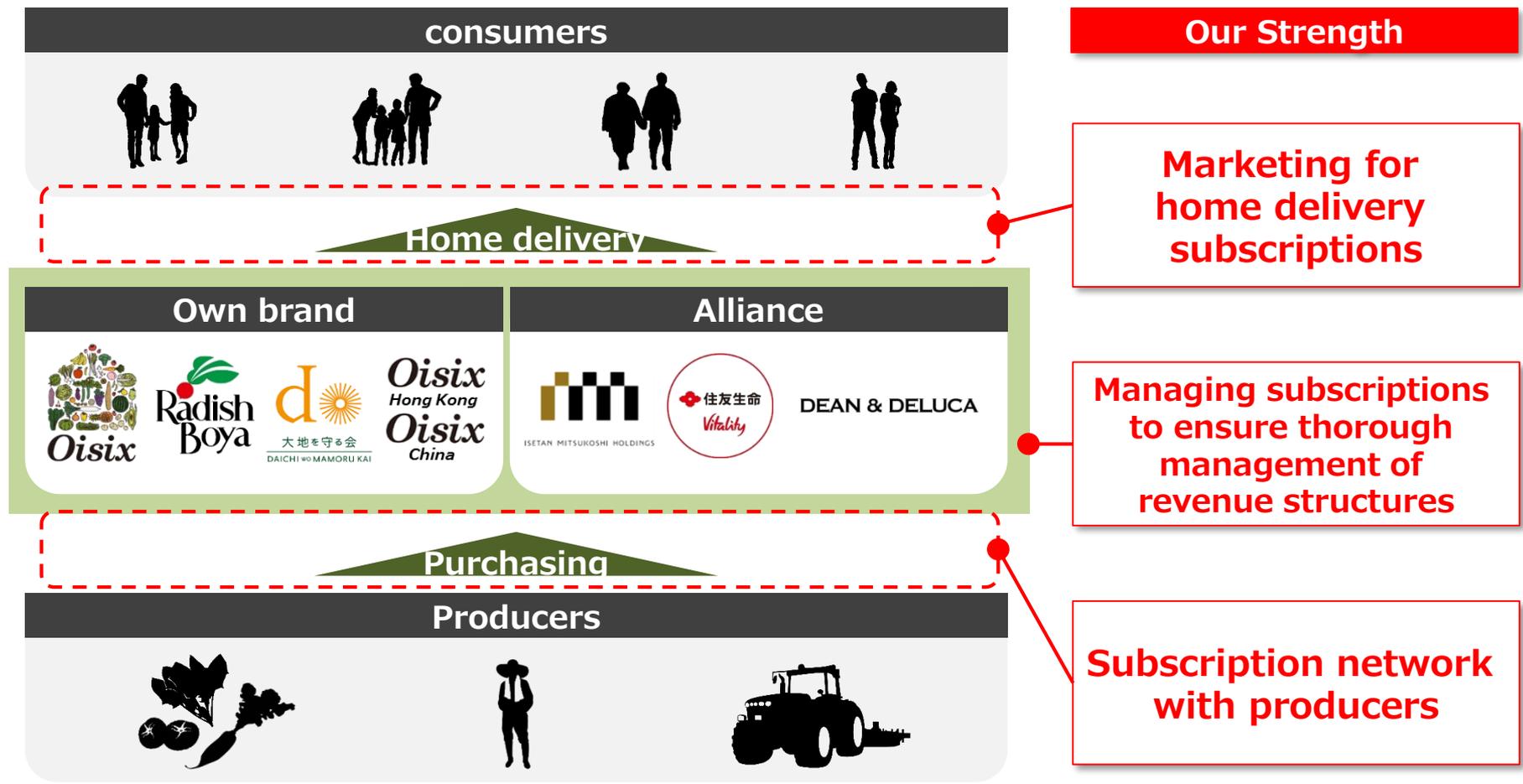
■ Effects of relationship with Yamato Transport Co., Ltd.

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



Mothers focusing on the home and children



Self realization through Cooking



Senior women in two-person households



Healthy daily living



Producers

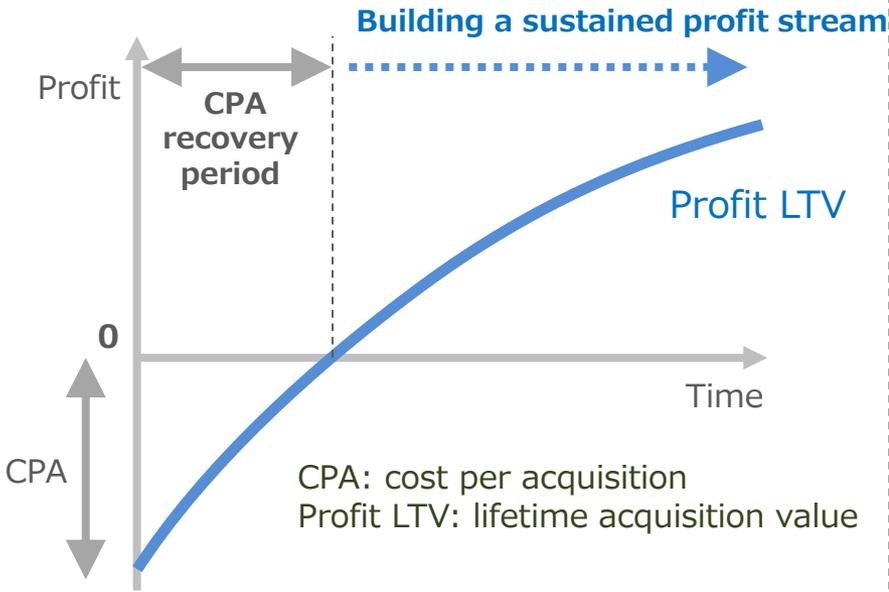


Subscription Management

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

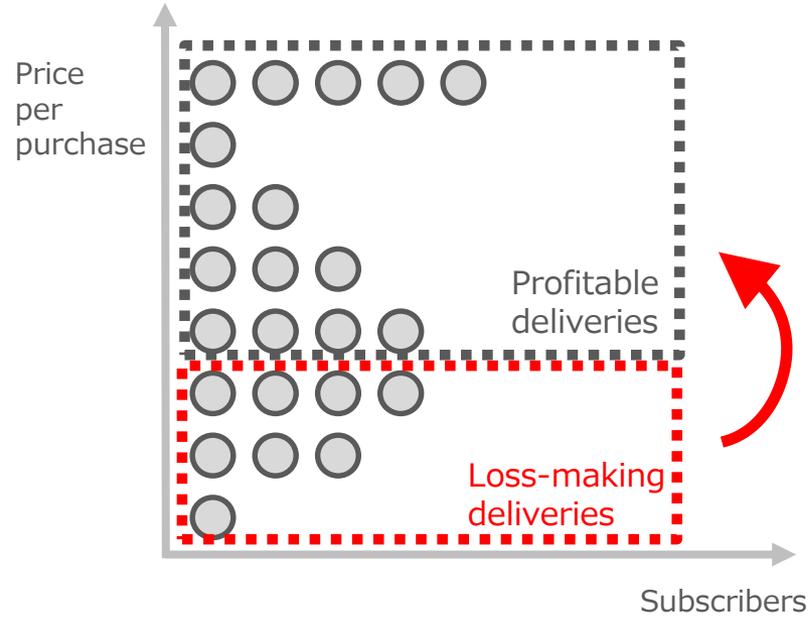
■ Rigorous CPA and LTV management

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



■ Rigorous management of unit revenues and expenditures

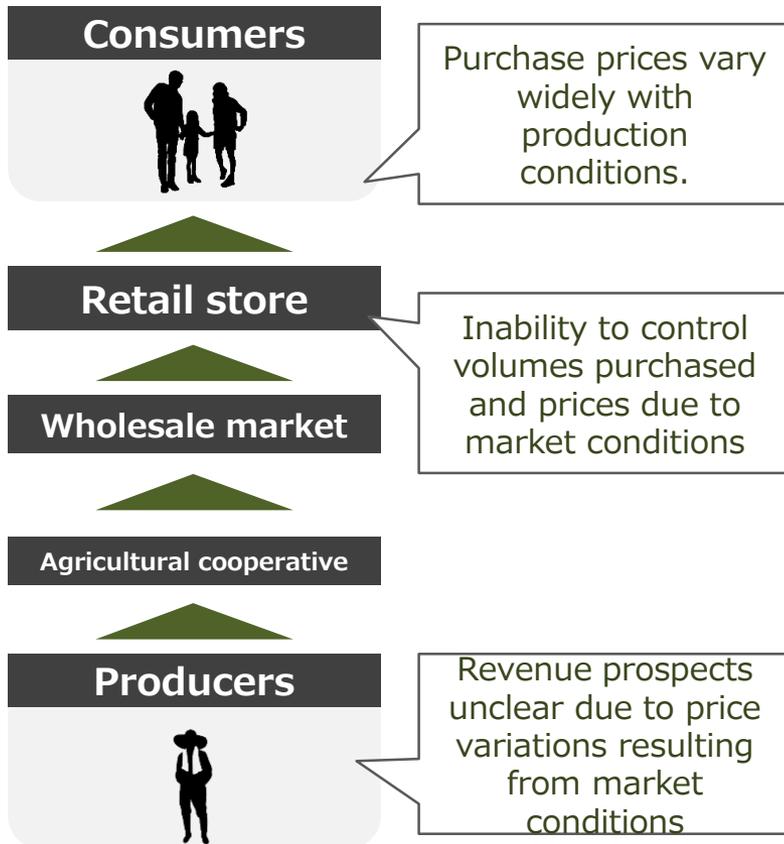
Making percentages of loss-making deliveries visible for each unit and reducing them structurally



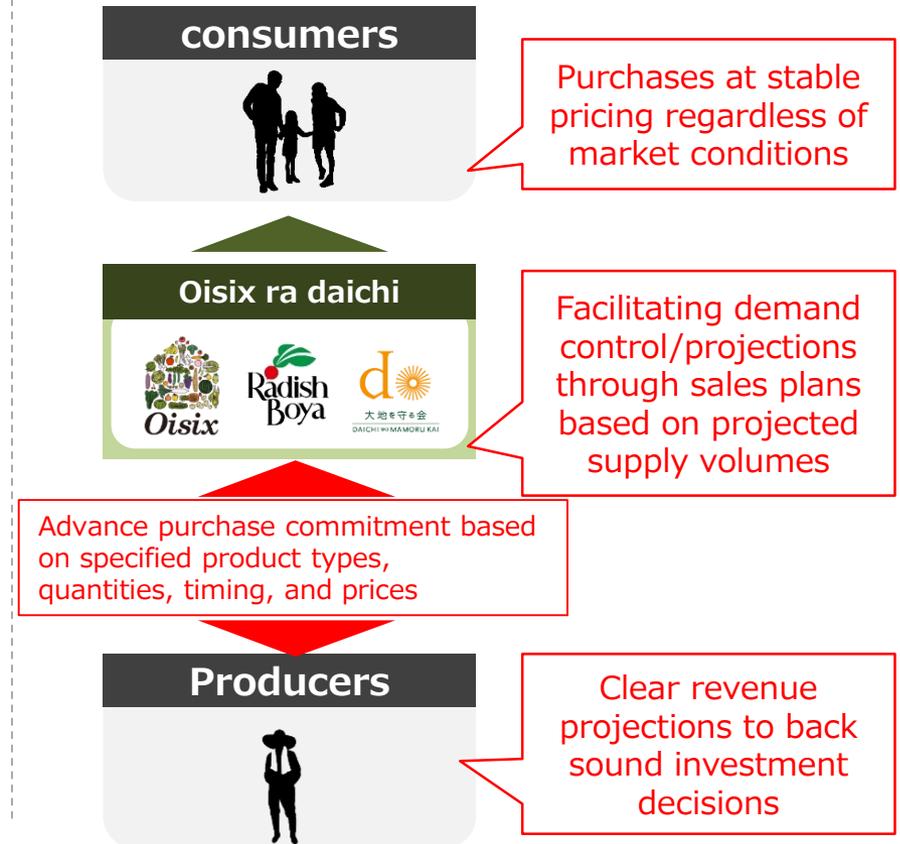
Subscription Network

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	1 place in Kanagawa	6 places in Hokkaido, Miyagi, Tokyo, Kanagawa, Aichi, 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)

International Business

Hong Kong



China



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



ISETAN MITSUKOSHI HOLDINGS



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



おまかせぼーや		品名	単位	数量	単位	数量	単位	数量	単位	数量
1	1	おまかせぼーや	箱	1	個	1	個	1	個	1
2	1	おまかせぼーや	箱	1	個	1	個	1	個	1
3	1	おまかせぼーや	箱	1	個	1	個	1	個	1
4	1	おまかせぼーや	箱	1	個	1	個	1	個	1
5	1	おまかせぼーや	箱	1	個	1	個	1	個	1
6	1	おまかせぼーや	箱	1	個	1	個	1	個	1
7	1	おまかせぼーや	箱	1	個	1	個	1	個	1
8	1	おまかせぼーや	箱	1	個	1	個	1	個	1
9	1	おまかせぼーや	箱	1	個	1	個	1	個	1
10	1	おまかせぼーや	箱	1	個	1	個	1	個	1



- ◆ 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

Ordering

Delivery on Requested date

Oisix ra daichi

Omakase Boya system for receiving orders from kindergartens



品名	単位	数量	単位	数量	単位	数量	単位	数量	単位	数量
1	1	おまかせぼーや	箱	1	個	1	個	1	個	1
2	1	おまかせぼーや	箱	1	個	1	個	1	個	1
3	1	おまかせぼーや	箱	1	個	1	個	1	個	1
4	1	おまかせぼーや	箱	1	個	1	個	1	個	1
5	1	おまかせぼーや	箱	1	個	1	個	1	個	1
6	1	おまかせぼーや	箱	1	個	1	個	1	個	1
7	1	おまかせぼーや	箱	1	個	1	個	1	個	1
8	1	おまかせぼーや	箱	1	個	1	個	1	個	1
9	1	おまかせぼーや	箱	1	個	1	個	1	個	1
10	1	おまかせぼーや	箱	1	個	1	個	1	個	1



Purchase

Producers



Business Solutions

We propose B2B business solutions based on our safe, reliable products, outstanding customer base, and expertise in subscription-based EC.

■ EC consulting

Solutions support based on our expertise in repeat marketing, site user interface/user experience improvements, food logistics in three temperature zones, securing new EC customers, and omni-channel management



■ Ad Oisix: Periodic advertisements delivered to subscribers

In addition to an EC site that boasts 1.2 million unique views per month, this service delivers advertising to about 300,000 households, including subscribers to DWMK and Radish Boya.



■ Tavelty : seasonal vegetable novelty products

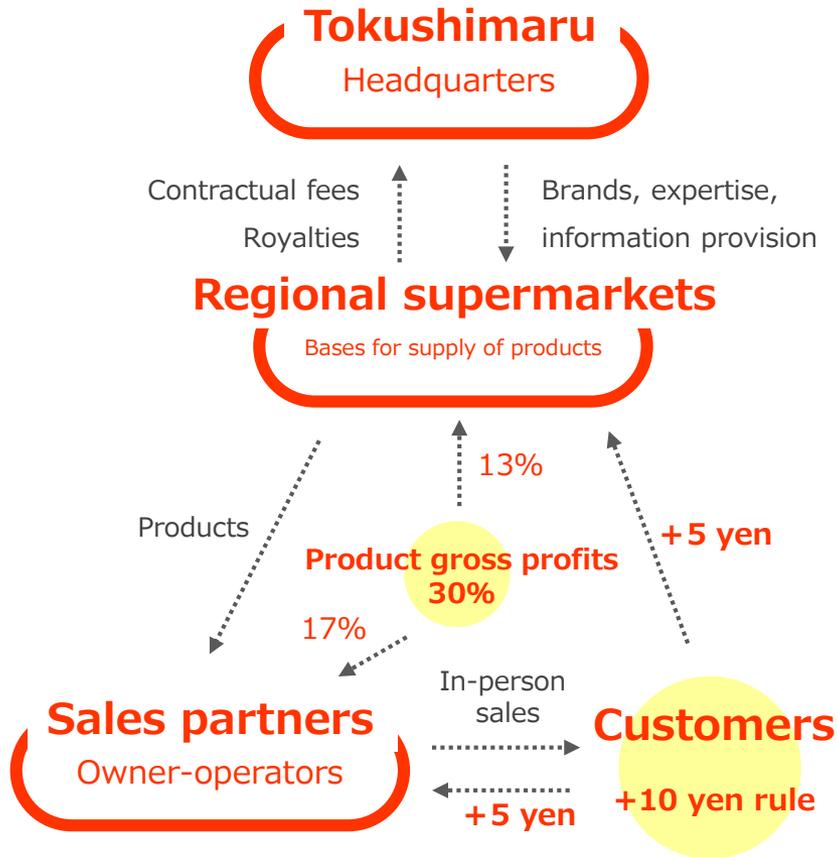
We offer novelty products based on our expertise in service, products, and delivery, established through more than 3 million regular deliveries a year.



Tokushimaru

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

■ Business model



DATA SHEET : Results

■ Results

	FY2017/3				FY2018/3				FY2019/3				FY2020/3		
(mn yen)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Sales	5,379	10,718	17,113	23,016	9,602	18,935	30,007	39,987	16,853	31,720	48,906	64,026	16,265	32,552	52,425
Operating Profit	169	270	625	752	141	237	692	891	610	1,115	2,265	2,312	543	900	1,597
EBITDA	225	391	810	996	320	635	1,282	1,670	808	1,513	2,882	3,154	755	1,348	2,381
381Net income Attributable to owners of the parent	119	187	429	515	72	93	336	237	537	893	2,533	2,387	270	390	695

DATA SHEET : Business Segment Result

■ Business Segment Result

		FY2018/3				FY2019/3				FY2020/3		
(mn yen)		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Oisix	Sales	5,790	11,470	18,481	24,799	6,863	13,769	22,190	29,619	8,308	16,524	26,522
	Marginal profit	674	1,392	2,421	3,288	970	1,943	3,371	4,036	933	1,868	3,261
Daichi	Sales	2,790	5,487	8,508	11,215	2,769	5,440	8,405	10,902	2,587	5,137	7,936
	Marginal profit	539	1,078	1,650	2,095	479	960	1,536	1,989	457	885	1,397
Radish Boya	Sales	-	-	-	-	5,811	9,926	14,346	18,028	3,770	7,459	11,410
	Marginal profit	-	-	-	-	1,030	1,765	2,657	3,342	688	1,273	2,001
Other Business	Sales	1,109	2,163	3,263	4,250	1,482	2,755	4,198	5,793	1,663	3,529	6,383
	Marginal profit	185	384	571	760	154	290	479	724	256	557	656
Companywide fixed costs, Goodwill etc		1,257	2,853	3,951	5,253	2,024	3,844	5,779	7,779	1,792	3,683	5,719

Data Sheet : Main KPI

KPI trend

		FY2018/3	FY2019/3				FY2020/3		
		4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Oisix	Subscribers (number)	169,664	179,942	189,352	197,272	205,976	225,553	230,556	236,836
	ARPU (yen)	11,602	11,562	11,127	11,534	11,183	11,244	10,616	11,384
	Price/purchase (yen)	5,925	6,002	5,973	6,150	6,015	5,887	5,839	6,056
	Purchase Frequency (number)	1.96	1.93	1.86	1.88	1.86	1.91	1.82	1.88
Daichi	Subscribers (number)	44,933	44,111	43,835	42,996	40,210	38,571	37,587	37,257
	ARPU (yen)	19,240	20,122	19,386	21,848	19,758	21,232	21,443	23,679
	Price/purchase (yen)	7,726	7,770	7,553	8,529	7,811	7,990	8,026	8,472
	Purchase Frequency (number)	2.49	2.59	2.57	2.56	2.53	2.66	2.67	2.79
Radish Boya	Subscribers (number)	78,062	74,949	72,101	66,233	63,144	61,507	59,927	58,655
	ARPU (yen)	16,639	17,277	17,177	18,988	17,264	18,301	18,277	20,028
	Price/purchase (yen)	5,278	5,460	5,616	6,114	5,869	6,055	6,060	6,398
	Purchase Frequency (number)	3.15	3.16	3.06	3.11	2.94	3.02	3.02	3.13

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