



Results Briefing Materials

FY03/2018 3Q Results

Oisix.daichi Inc.

Farm for Tomorrow, Table for Tomorrow

We provide services that enable a better food life for more people.

We realize a society where good farmers are rewarded and proud.

We evolve continuously to 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.

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1. FY3/2018 3Q Results Overview

1. Consolidated Results Overview

2. Results Overview by Segment

- **Summary**
- **Oisix KPI**
- **Daichi wo Mamoru Kai (DMK) KPI**

1. FY3/2018 3Q Results Overview

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FY3/2018 3Q Results Overview

- With the addition this term of Daichi wo Mamoru Kai's (DMK) results, sales were up +75.3% YoY. Sales & earnings were ahead of plan, driven by *Osechi* sales & robust subscriber numbers.
- Achieved Operating Profit forecast for the year, EBITDA was up +58.3% YoY.

(Units: ¥mn)	FY3/2017 3Q Actual	FY3/2018 3Q Actual	FY3/2018 Plan	+/- YoY	YoY %	Plan Achievement Rate
Sales	17,113	30,007	38,000	12,894	175.3%	79.0%
Operating profit	625	692	670	67	110.7%	103.3%
EBITA※1	654	981	1,020	327	150.0%	96.2%
EBITDA※2	810	1,282	1,390	472	158.3%	92.2%
Excluding extraordinary factors ※3	-	1,459	1,570	-	-	92.9%
EBITDA per share (¥)	137.89	160.22	175.11	22.33	116.2%	91.5%

※1 EBITA = Operating profit + amortisation of goodwill

※2 EBITDA = Operating profit + depreciation + amortisation of goodwill

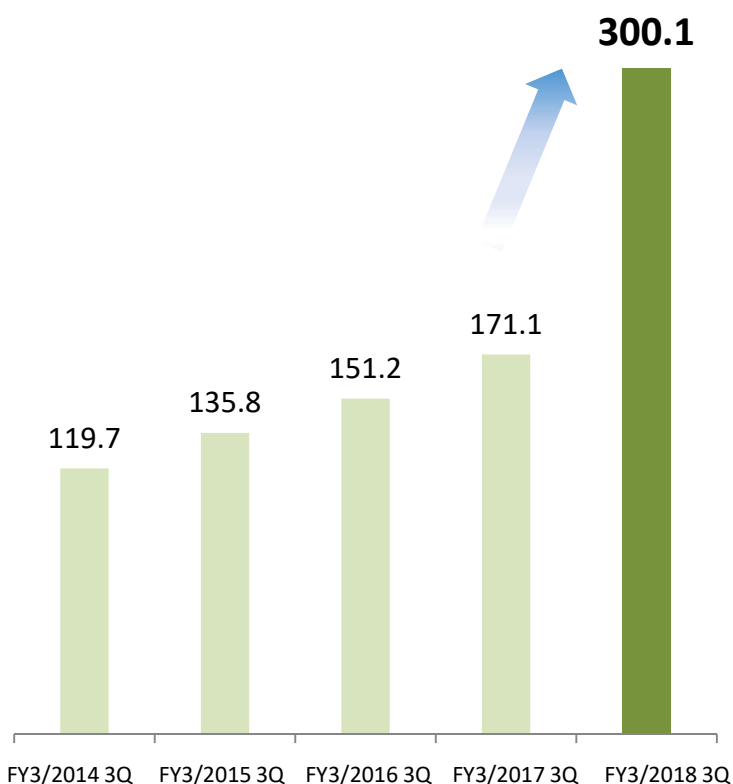
※3 Extraordinary factors = One-off merger-related costs (cost of moving HQ, etc.)

Consolidated Sales & EBITDA Trends

Robust Oisix new subscriber acquisitions delivered +75.3% YoY growth in sales & +58.3%YoY growth in EBITDA

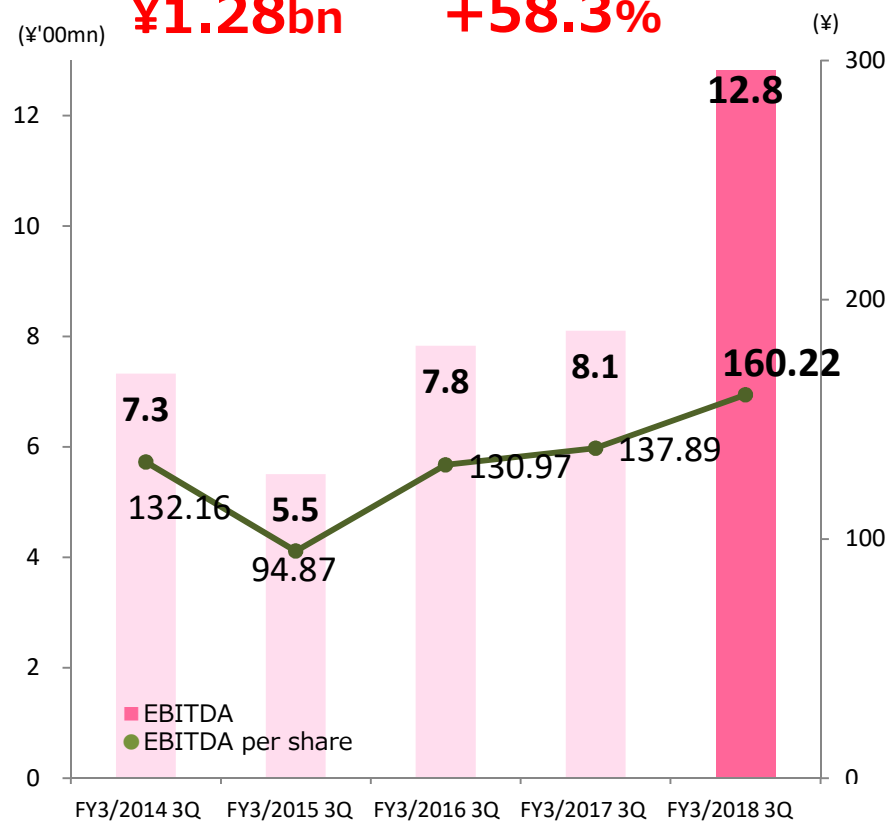
■ Sales

FY3/2018 3Q YoY
¥30.01bn **+75.3%** (¥'00mn)



■ EBITDA/EBITDA per share

FY3/2018 3Q YoY
¥1.28bn **+58.3%**



※ EBITDA= Operating Profit + depreciation + amortisation of goodwill

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FY3/2018 3Q Results Overview by Segment

- Oisix: Sales above plan thanks to robust subscriber growth. Strength in new customer acquisitions saw an increase in sales of high CoGS trial boxes, which translated into slightly low marginal profits.
- DMK: Conservative forecasts translated into above plan sales & marginal profits.

FY3/2018 3Q		Plan	Actual	Achievement rate
Home Delivery Business				
Oisix				
	Sales	23,988	18,481	77.0%
	Marginal profit	3,465	2,421	69.9%
	Margin (%)	14.4	13.1%	-
DMK				
	Sales	10,841	8,508	78.5%
	Marginal profit	2,039	1,650	80.9%
	Margin (%)	18.8	19.4%	-
Other Business				
	Sales	3,171	3,017	95.1%
	Marginal profit	629	571	90.8%
	Margin (%)	19.8	18.9%	-
Company total				
	Total sales	38,000	30,007	79.0%
	Marginal profit	6,133	4,644	75.7%
	Margin (%)	16.1	15.5%	-
	Fixed costs (※1)	5,463	3,951	72.3%
	Operating profit	670	694	103.6%

※1 Includes amortisation of goodwill (included in each business segment in the *kessan tanshin* & quarterly reports)

1. FY3/2018 3Q Results Overview

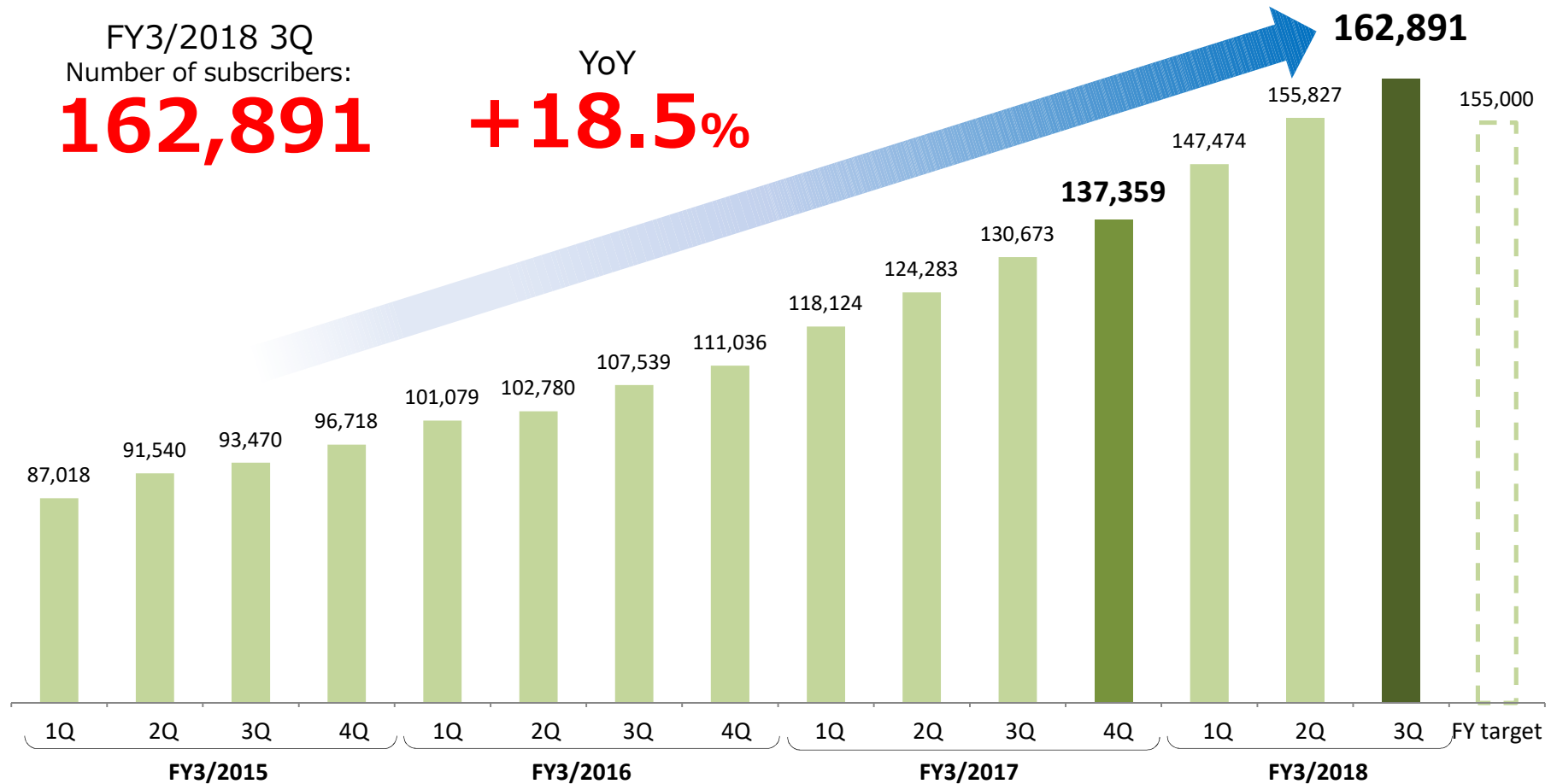
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- Daichi wo Mamoru Kai (DMK) KPI

Oisix: Subscriber Trends

There was accelerated growth in subscriber numbers on the back of widening awareness of Kit courses via media exposure and the growing popularity of meal kits.



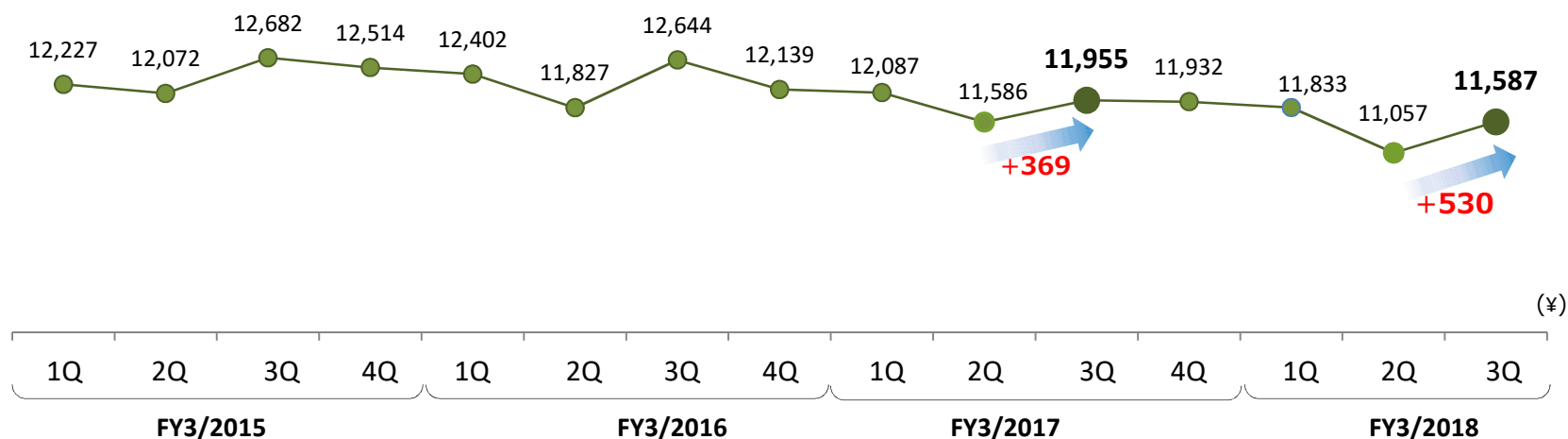
※ What are meal kits? : A meal package containing a recipe, pre-prepared ingredients & seasonings for a set number of people.

Oisix: ARPU Trends

On strong year-end sales, QoQ ARPU expansion in 3Q saw improvement. But the healthy acquisition of new subscribers meant an increase in the weight of lower-value monthly orders typical of beginners. YoY contraction resulted.

FY3/2018 3Q YoY
¥11,587 96.9%

Annual average 12,373 12,253 11,889



※ARPU : Average Revenue Per User
※Regular subscriber frequency of purchase x amount spent/purchase

Oisix: Frequency of Purchase (FoP) Trends

FY3/2018 3Q

1.96x

YoY

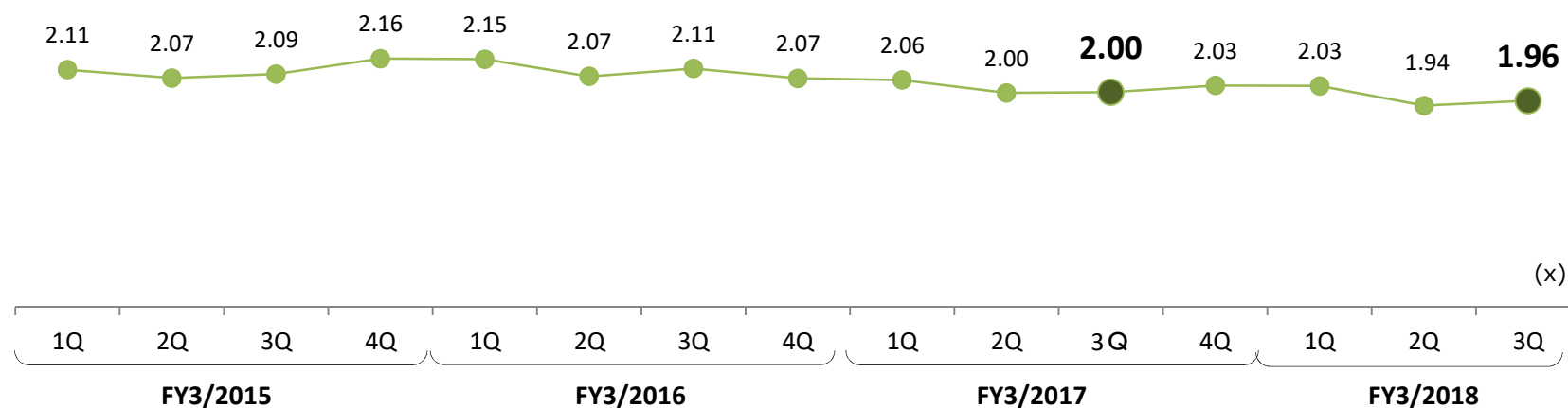
98.0%

Annual
average

2.10

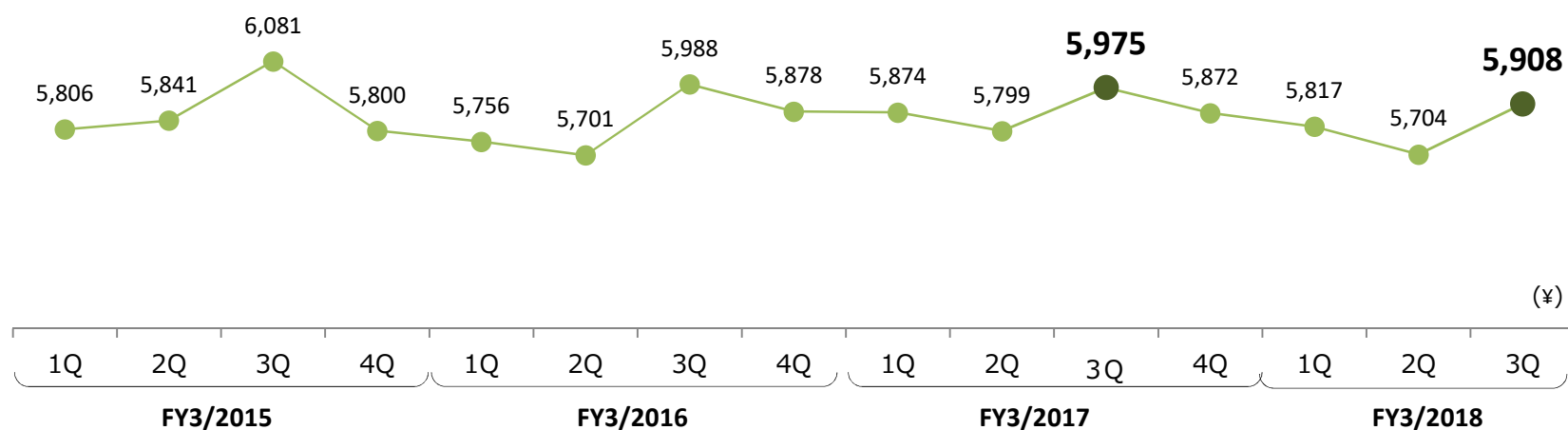
2.10

2.02



Oisix: Average Customer Spend (Basket) Trends

FY3/2018 3Q YoY
¥5,908 98.8%



1. FY3/2018 3Q Results Overview

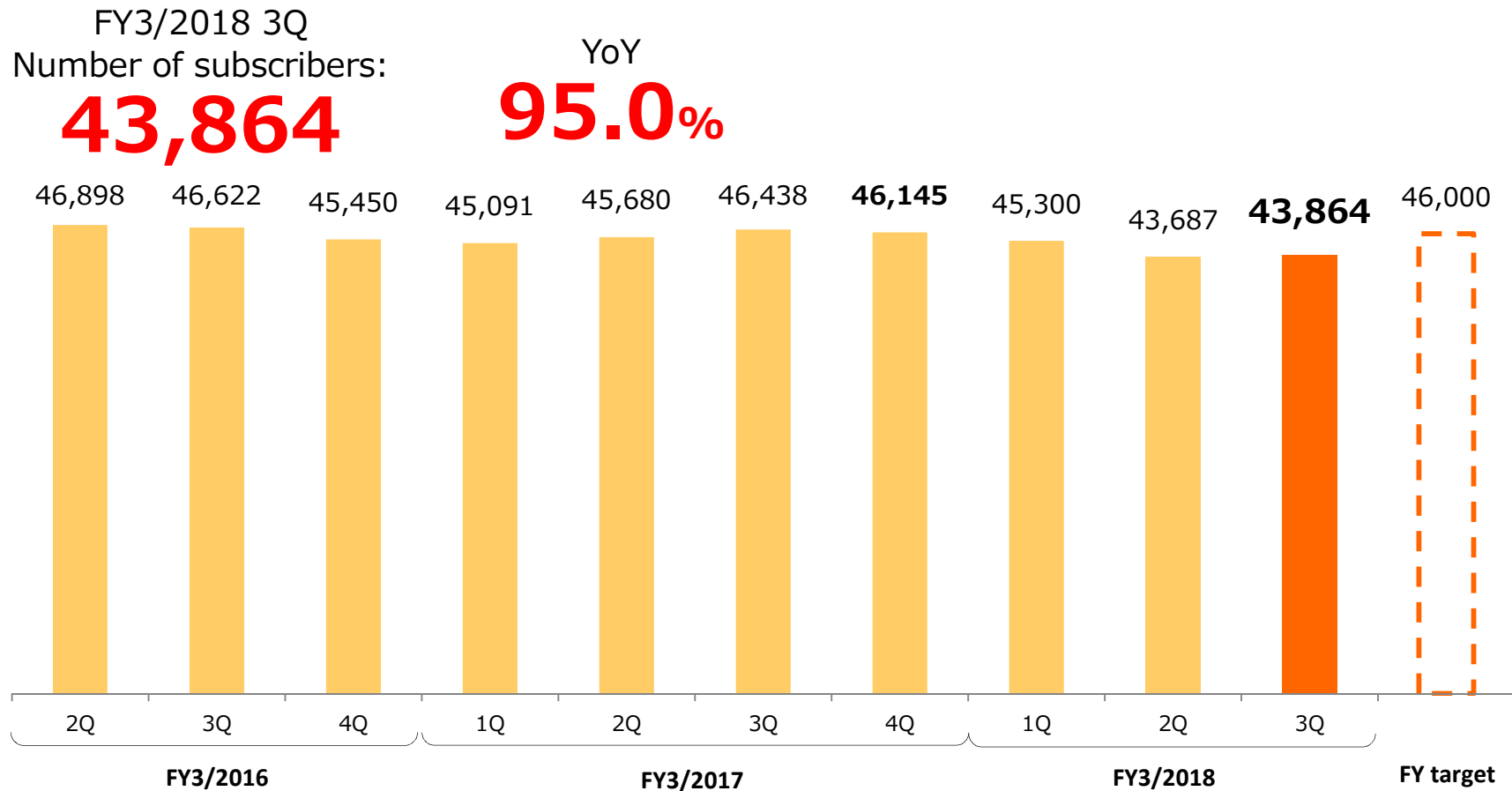
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DMK: Subscriber Trends

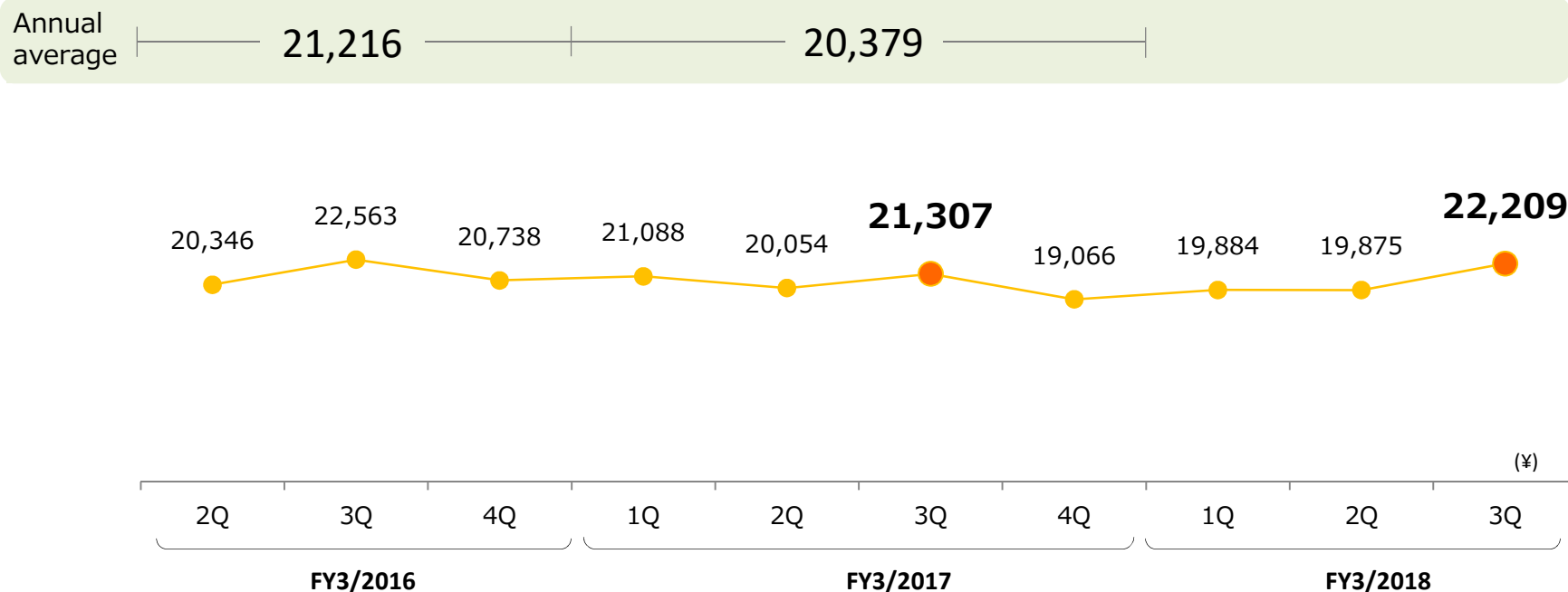
With unit acquisition costs coming under control, subscriber acquisition activity was reinitiated. Whilst slight, subscriber numbers have begun an upward trend.



DMK: ARPU Trends

ARPU improved QoQ thanks to strong year-end sales. Improvement in the average customer spend has translated into a YoY ARPU improvement.

FY3/2018 3Q YoY
¥22,209 104.2%



※ARPU : Average Revenue Per User
※Regular subscriber frequency of purchase x amount spent/purchase

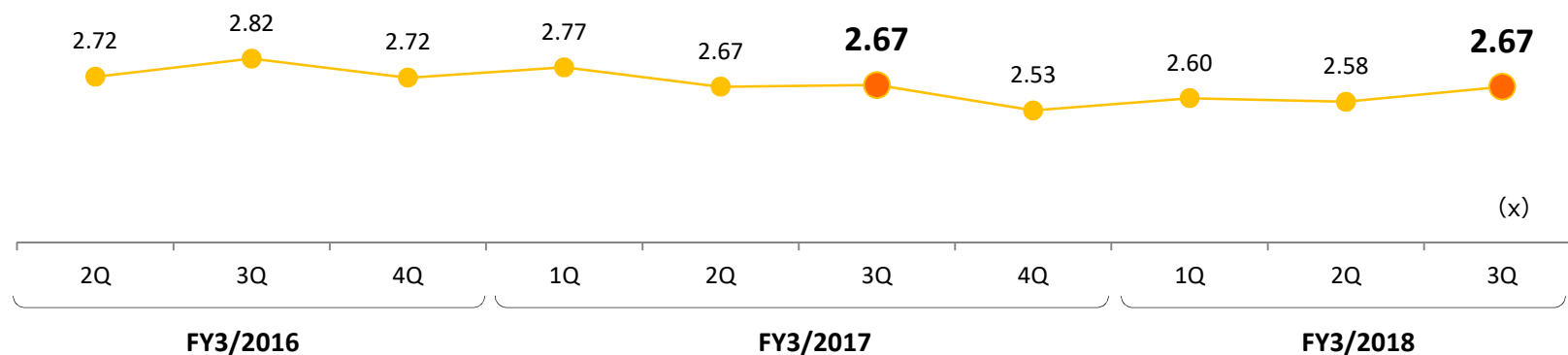
DMK: Frequency of Purchase (FoP) Trends

FY3/2018 3Q YoY
2.67x 100.0%

Annual
average

2.75

2.66



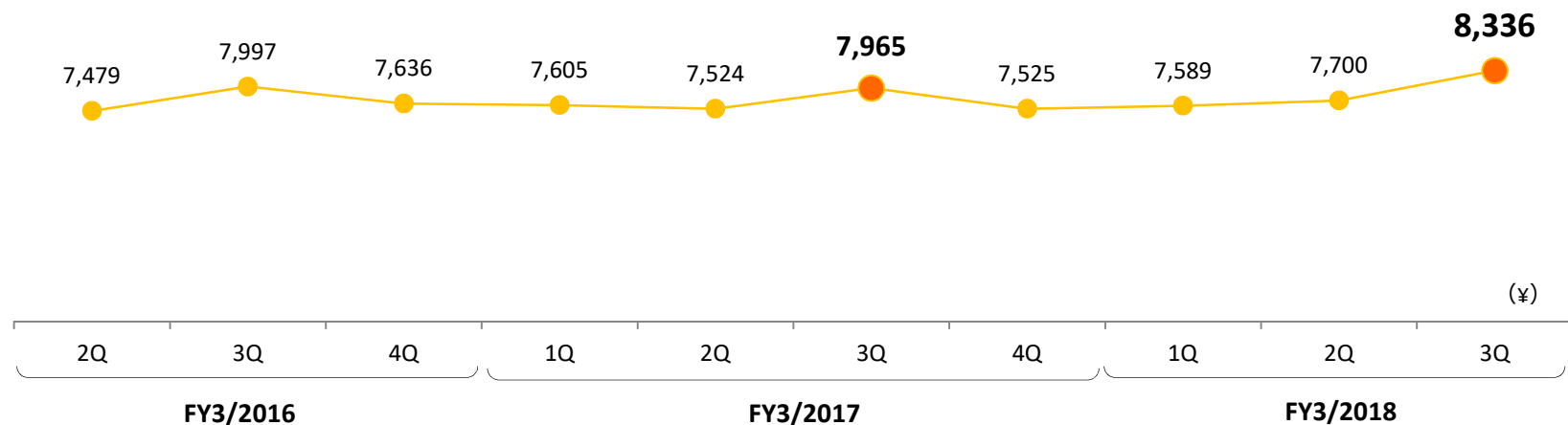
DMK: Average Customer Spend (Basket) Trends

FY3/2018 3Q YoY
¥8,336 104.6%

Annual
average

7,704

7,655



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TABLE FOR TWO (TFT)

Oisix donates 3% of revenue to TFT from the sale of TFT-accredited products purchased by our customers. The proceeds are used to fund meals and the construction of dining facilities for children in developing countries to eat.



TO DATE, OISIX HAS DELIVERED (AS AT END OF DECEMBER 2017)

APPROX. 3.99 MILLION LUNCHES

*Cumulative 2009 – December 2017 1 lunch = ¥20

Hosting of Tokyo Harvest 2017 !

Tokyo Harvest 2017, a harvest festival to express our thanks and respect to farmers, was hosted at the Roppongi Hills Arena. The event was covered by numerous TV & media companies, including NHK & TV Tokyo.



2017 was the event's fifth year. A variety of contests that involved eating, playing or learning about Japanese food culture were held for the enjoyment of all – from parents with small children to visitors from overseas. There were 30 stalls from which to buy food & ingredients.

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3. Non-*takuhai* Business Growth Strategy

- (1) Real retail (Physical Stores, Wholesale)
- (2) Overseas business
- (3) Novelty business

4. Tokushimaru

FY3/2018 Strategy & Action

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(1) Oisix : Strengthen Value of *Premium Jitan*

■ What is Kit Oisix?

Recipes and ingredients for main and side dishes in just 20-minutes



point
1 Includes recipe for cooking main/side dishes in just 20-minutes.

point
2 Have only what you need in optimal form! Lots of vegetables to boot!


point
3 Encountering a new repertoire ... together.

※ What is Premium Jitan? : Not only do Premium Jitan kits shorten cooking time, they also provide the reassurance, safety & deliciousness of Oisix standards, whilst resolving the stress associated with menu planning, buying ingredients, cooking, waste reduction, and tidying up. There is a top quality, large, and varied menu of time-saving Premium Jitan kits for more robust meals.

(1) Oisix : Enhancing Value of *Premium Jitan*

Sales have continued to expand on strength of well received new menus.
Course subscriber numbers hit the 66,000 mark, surpassing the seasonal *shun* course figure of roughly 61,000.


■ Kit Oisix: Examples



一風堂監修! 野菜たっぷり豚骨スープ鍋

クール グリーンチェック 到着日保証 1人分673kcal
七太アレルギー: 卵、乳、小麦


2人前 1,940円(税抜) 定期ボックス 限定 3人前 2,740円(税抜) 定期ボックス 限定



とろーりモッツアレラ入りオリーブ鍋

クール グリーンチェック 到着日保証 1人分889kcal
七太アレルギー: 乳、小麦


2人前 2,380円(税抜) 定期ボックス 限定 こちらの商品は2人前のみ販売



[Kit]かぼちゃときのこのチースクリームスープ

クール グリーンチェック 到着日+2日保証 1人分218kcal
七太アレルギー: 乳、小麦

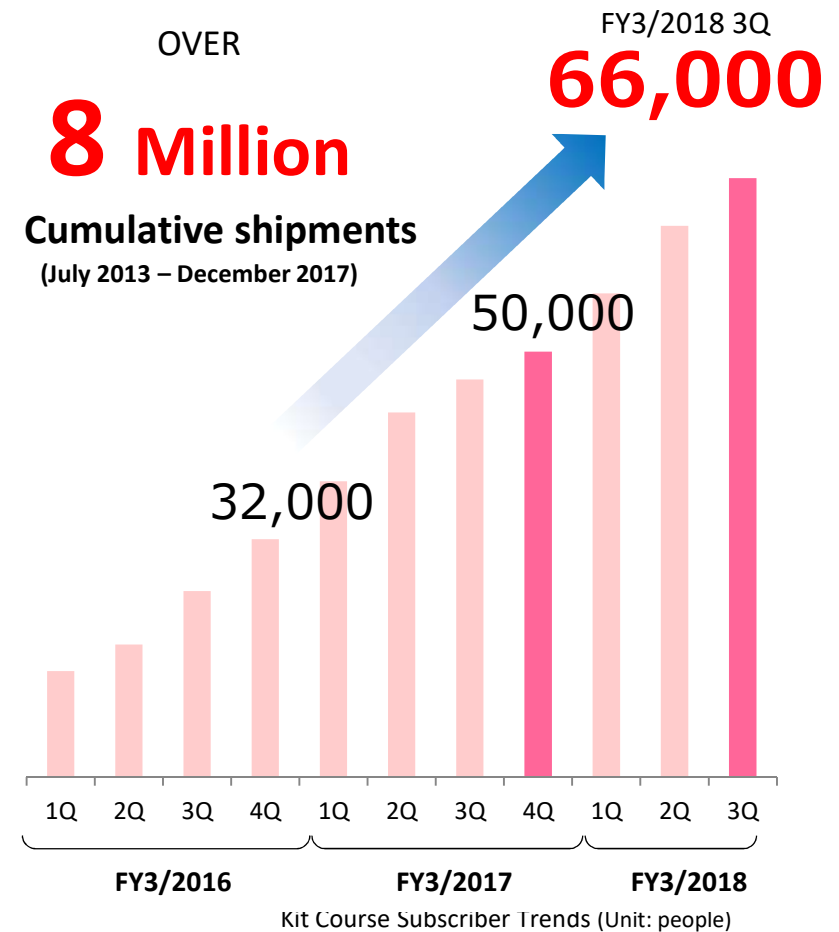
2人前 650円(税抜) 定期ボックス 限定 こちらの商品は2人前のみ販売



主菜: 便利な肉巻き豆腐のオースター焼
副菜: スプーンでどうぞ味噌じゃががぼちゃ

冷凍 グリーンチェック 到着日+7日保証 1人分642kcal
七太アレルギー: 小麦

2人前 1,380円(税抜) 売り切れました 3人前 1,980円(税抜) 入れる



(1) Oisix : Enhancing Value of *Premium Jitan*

Jitan Mama, a site that supports working mothers, has opened in a 5 company collaboration. We are hiring staff to monitor merchandise and services aimed at busy mothers (and/or fathers).



P. G. C. D.

洗顔石鹸とファンデ。
人をキレイにするのは
どちらだろう。



(1) Oisix : Enhancing Value of *Premium Jitan*

Produced under Ippudo supervision, the 'Ippudo Supervised! Yasai Tappuri Veggy-pota Ramen' meal kit sold out in less than 24 hours!



By popular demand, new shipment made available on January 25th!

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(1) Oisix : Enhancing Value of *Premium Jitan*

Second in the 'Kit Oisix: Cooking for Couples' series, a warming 'Hokkori Pork Stew', was launched. The series is supervised by Unjash's Ken Watanabe.



期間限定
11/23(木)
朝 10:00 まで

渡部建監修

2人で
つくる

第2弾

Kit Oisix

ミールキット

が食べられるおためしセット

渡部建が今話題のミールキットを監修。
第二弾として「2人でつくるKit Oisix」を
発売します。
渡部建の希望を詰め込んだミールキット
です。

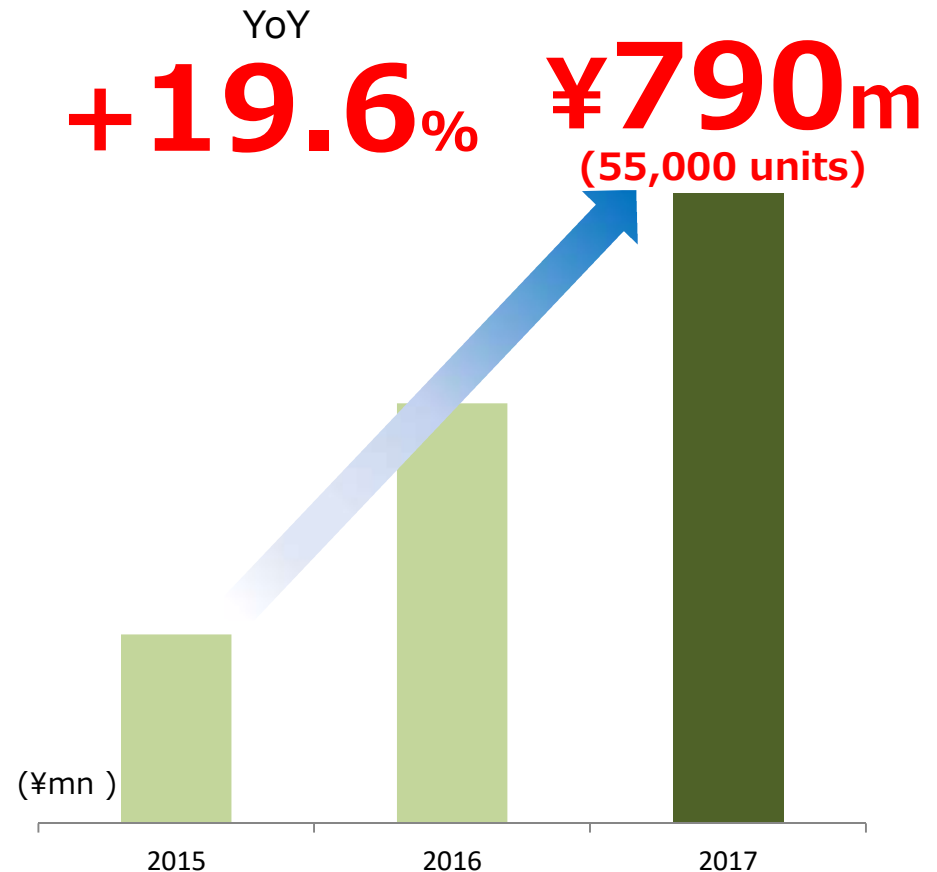


Oisix.daichi

(2) Osechi Sales: Oisix

Initiatives including extension of selling period and LP* improvements for higher CVR** resulted in historical highs for unit volumes & sales (55,000 units & ¥790 million, respectively).

■ Takasago – No.1 for 4 years in a row



*1 : LP . . . Landing Page

**2 : CVR . . . Conversion Rate - indicator of proportion of purchases made or orders placed by visitors to the site.

(2) Osechi Sales: DMK

Launched new 2-tier boxed product *Ayame* for two-person households.
Posted historical highs for sales & unit volumes.

Sales **¥37million**
(YoY +242%)

Units **1,600**



■ New product *Ayame*, aimed at two-person households. ■ No.1 seller *Houkasen*

(3) DMK: Reform of Earnings Structures

Undergoing Catalogue Renewal



Time taken to produce printed catalogue reduced to

1/3



Accelerated PDCA



Early discovery of successful patterns

SALES UP

FY3/2018 Strategy & Action

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Action to Create Synergy

Home Delivery Business	Synergy	Effect	Progress
Marketing	<ul style="list-style-type: none"> Wider customer base & enhanced customer acquisition Greater customer spend (baskets) with cross-selling of product Streamlined promotion through knowledge sharing 	<ul style="list-style-type: none"> Improved Oisix ARPU Sales of DMK merchandise on Oisix's website Improved DMK subscriber acquisition 	<ul style="list-style-type: none"> Completion of non-food merchandise menu this FY for full-fledged roll out next FY Launched April 2017, 2.7x sales since start Marginal profits improvement
Procurement & Production	<ul style="list-style-type: none"> Expansion of supplier networks Internalization of production 	<ul style="list-style-type: none"> Stabilization of supply Mitigation of growth bottlenecks. Improved costs from merging of manufacturing facilities & increase in scale. 	<ul style="list-style-type: none"> Realization in FY2017 Ongoing process in facilities includes optimisation of logistics process
Distribution	<ul style="list-style-type: none"> Collaborative distribution using proprietary delivery trucks & Yamato Transport Distribution diversification – e.g. non-face to face delivery 	<ul style="list-style-type: none"> Increased convenience factor for customers to benefit subscriber numbers & FoP* 	<ul style="list-style-type: none"> Carrying out trials in FY17 to grasp customer needs & optimize collaborative delivery routes for full-fledged roll out in FY2018.
Other Operations	<ul style="list-style-type: none"> Volume discounts with centralization of accounts 	<ul style="list-style-type: none"> Reduced packaging material costs Reduced settlement & other fees 	<ul style="list-style-type: none"> FY2017 incremental results: <ul style="list-style-type: none"> - Material costs (¥20m) - Settlement related (¥30m) - Back office (¥10m)

*FoP: Frequency of purchase

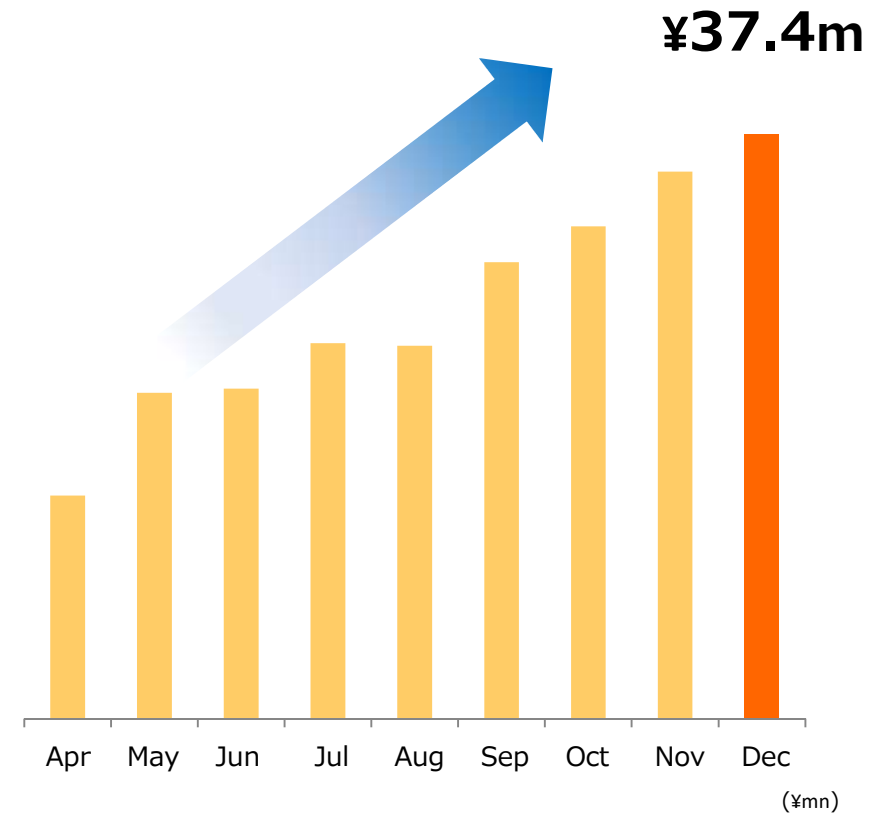
Action to Create Synergy: Special DMK Site at Oisix.com

Introduction of recommended recipes & meal photographs to stimulate demand.
Seeing healthy sales growth.

■ Designated DMK area on Oisix.com



■ Sales Trend Since Launch



FY3/2018 Strategy & Action

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(1) Real Retail (Physical Stores, Wholesale) : Shop in Shop

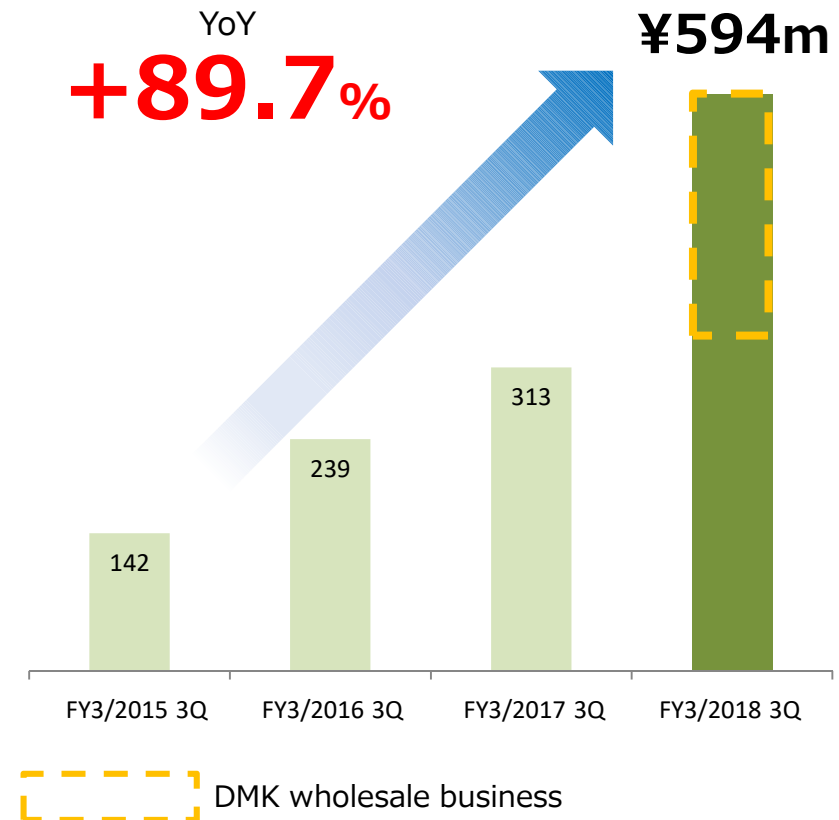
Boosted by the addition of DMK, sales were +89.7%YoY. Sales also benefited from exhibition events and the acquisition of new shop venues including the Miuraya & Inageya stores.

■ FY3/18 Activity example



Oisix corner: Inageya Hachioji Store

■ Sales trend (¥mn)



(1) Real Retail (Physical Stores, Wholesale) : Shop in Station

Oisix's new shop in-station format (Ecute Omiya): Altered layout maximizes Kit visibility and via POP, impart a sense of straight from the cooker pop & sizzle.

■ Shop layout changed from this...



...to this!



Weekly Kit sales have **doubled** since the change of layout!

Oisix.daichi

(2) Overseas Business

In September 2017, Oisix China was incorporated and established.
Restricted services launched in Nov. Full-fledged roll out planned for FY2018.

1st: Limited Monitoring Sales to Japanese Expats

The screenshot shows the Oisix China website with a banner for a "モニター販売キャンペーン" (Monitor Sales Campaign). The banner features the Oisix logo and text in Japanese. Below the banner, there are images of various products: potatoes, carrots, and a pumpkin. The text "黄金ジャガイモ" (Golden Potatoes) and "自然な甘みと香りの人参" (Natural sweetness and aroma of carrots) are visible. The campaign is for 40 sets, limited to 12/21 (Thu) AM 10:00.

商品紹介
※商品内容は例示です。

黄金ジャガイモ

自然な甘みと香りの人参

甘みしっとり

2nd: Launch of Services to Chinese Locals (2018)

The screenshot shows the Oisix China website with a banner for a "再度限量登場 清甜爽口!" (Again limited edition, refreshing and sweet!). The banner features the Oisix logo and text in Chinese. Below the banner, there are images of various products: rice, fruit, and vegetables. The text "再度限量登場 清甜爽口!" and "雪凍食! 宮崎金貨栗米" (Frozen food! Miyazaki Gold Medal Rice) are visible. The campaign is for 40 sets, limited to 12/21 (Thu) AM 10:00.

再度限量登場 清甜爽口!

雪凍食! 宮崎金貨栗米

粒粒服ト栗米!

人貨機會來了!

宮崎金貨栗米

夏日水果對決

父親節體面禮物

Oisix自信蔬菜

Email solicitation made to Japanese expats - 50 sets sold out in 2 days!

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(3) Novelty Business

Carrying on from the summer, taking autumn orders for 'Kin Mugi 75% Sugar-off'. Campaigns to be repeated in 2018 summer & autumn. Foreseeable expansion could include Premium Malts, ALL-Free and other Suntory products.



Ran the first 'Kin Mugi 75% Sugar-off' autumn campaign

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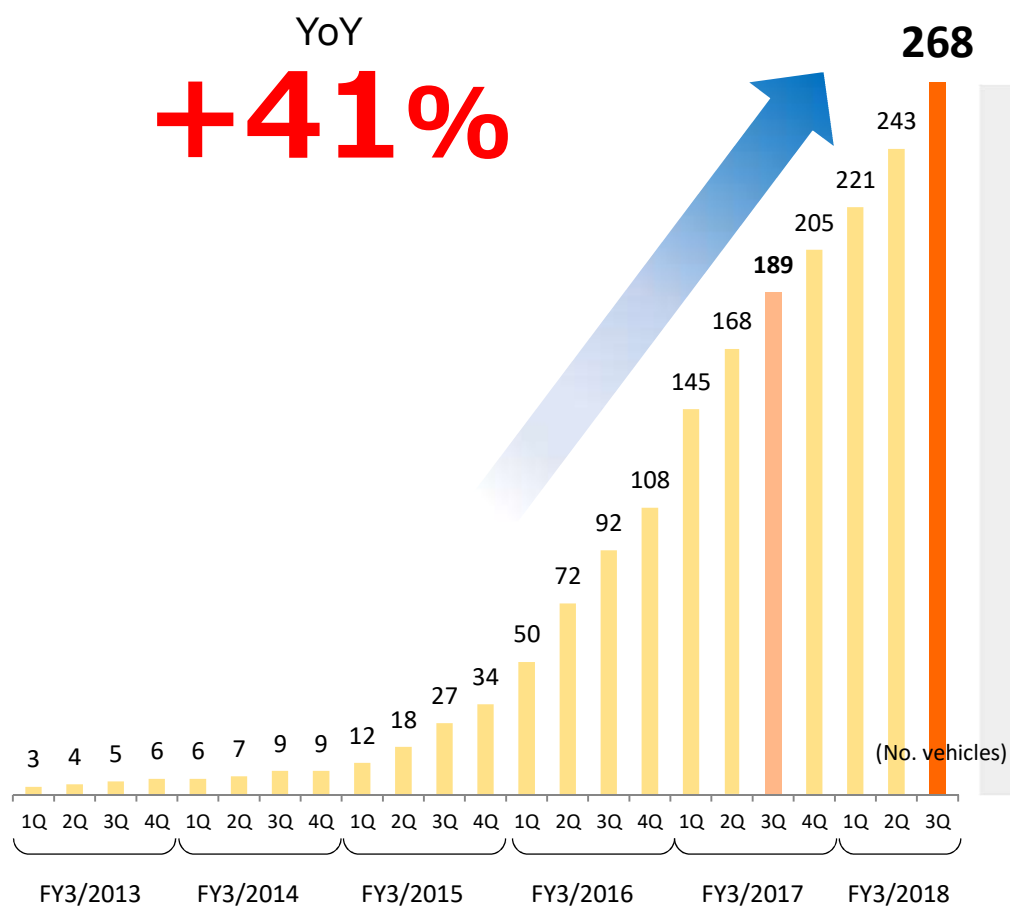
Tokushimaru: Expansion of Mobile Sales Infrastructure for “Shopping Refugees”

Alliances are underway with 12 supermarket operators including major operators Inageya & Comodi Iida. Together, they manage a total of 218 stores, mostly in the Kanto region.



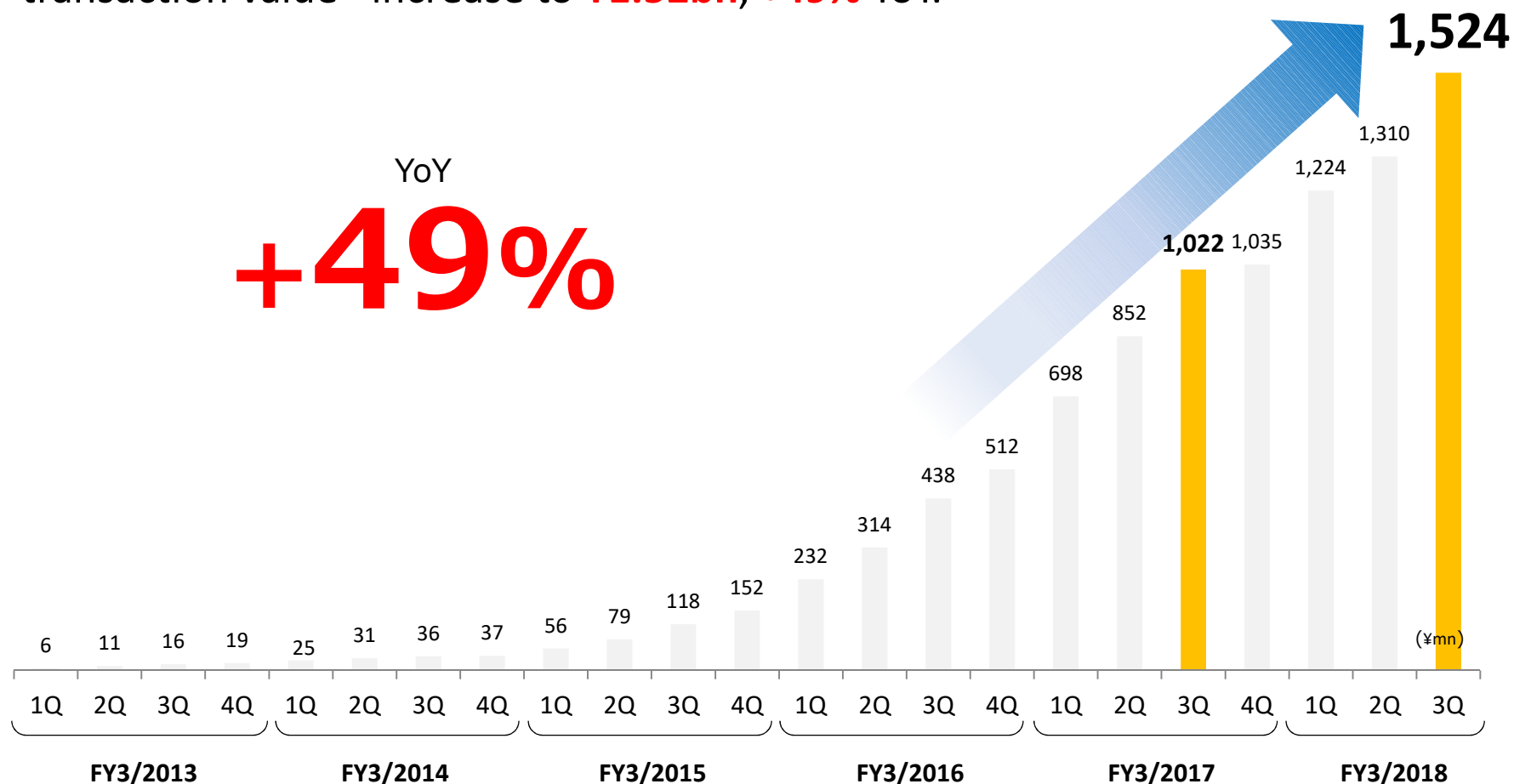
Tokushimaru: Number of Vehicles in Operation

Positive effects of becoming a subsidiary – e.g., management support and stronger staffing - translated into +79 vehicles or **+41%** YoY growth.



Tokushimaru : Total Transaction Value

A steady rise in the number of vehicles in operation saw FY3/18 3Q total transaction value* increase to **¥1.52bn, +49% YoY**.



*Total transaction value = Value of goods sold (Oisix.daichi revenue = royalties from each vehicle)

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TOPICS

1. Business and Capital Alliance with NTT DOCOMO

2. Business Combination of Radishbo-ya Co., Ltd.

1. Business Alliance with NTT DOCOMO

Food Home Delivery Market Strength

- The meal kit market, which is looking buoyant in the USA, is gaining traction in Japan (approx. Y200bn, source:Nikkei Trendy)
- Growth in home delivery market from further developments in women entering the work force (approx. Y2trn, source: Yano Research Institute)
- Possibility of further market expansion from the entry of traditional industry players and/or large capital-rich overseas players.

DOCOMO assets

- Database of approx. 75 million customers
- Overwhelming brand power
- ABC Cooking Studio
- dPOINT Collaboration
- AI Agents to attract customers



Oisix.daichi assets

- Network of excellent producers.
- Safe & secure brand
- Own food home delivery business infrastructure
 - 3 temperature zone warehousing
 - Production facilities
- No.1 in Meal Kits
- Network with home delivery major Yamato Transport

1. Capital Alliance with NTT DOCOMO

Capital alliance with DOCOMO through 3rd-party allocation.



Oisix.daichi

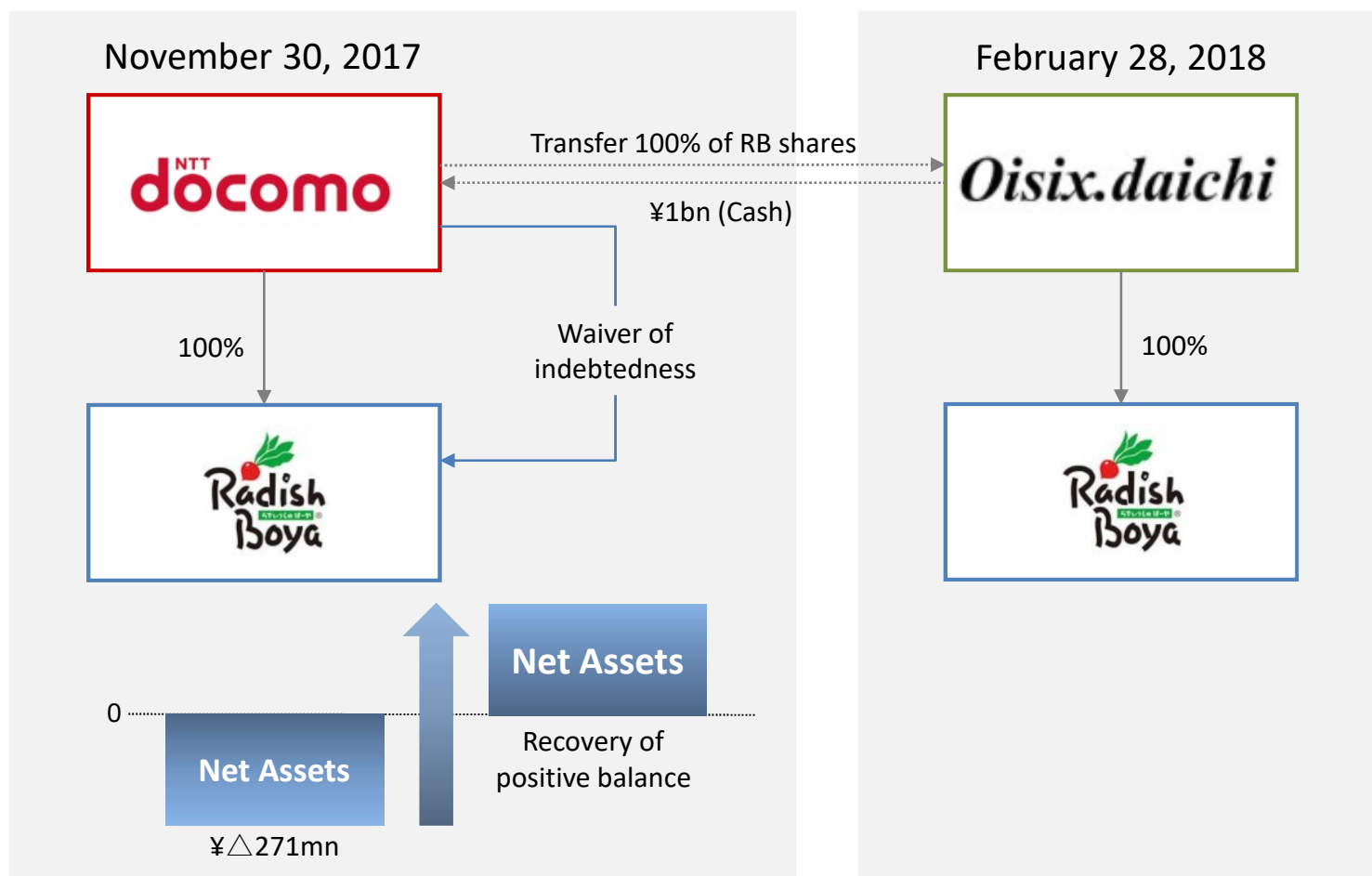
TOPICS

1. Business and Capital Alliance with NTT DOCOMO

2. Business Combination of Radishbo-ya Co., Ltd.

2. Business Combination of Radishbo-ya (RB)

DOCOMO transfers its 100% holding in RB to Oisix.daichi on February 28, 2018.

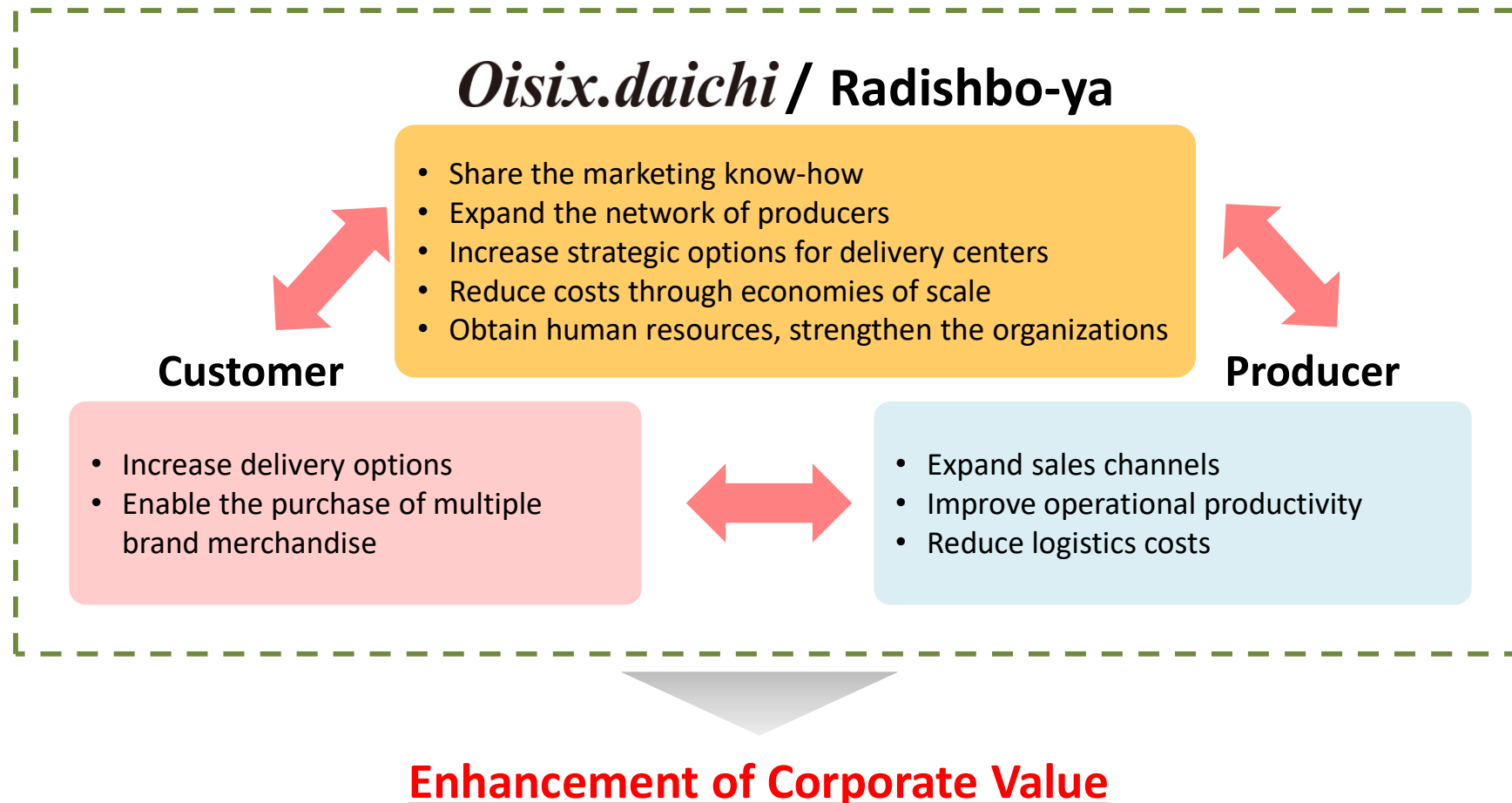


2. About Radishbo-ya

Company name	Radishbo-ya Co., Ltd.
Representative Director	Toshinari Kunieda (Representative Director & CEO)
Year of establishment	May 17, 1988
Major shareholders	NTT DOCOMO, Inc. 100%
Business Description	Delivery service of organic, low-chemical & non-additive foods.
Places of business	Headquarter (Tokyo), Hokkaido Center, Tohoku Center, Tokyo Area Center, Kanagawa Center, Chubu Center, Osaka Center
No. employees	Full time (including contractors) 240, part-time/temporary 162 ※as at end March, 2017
No. farmers, etc.	Approx. 2,400

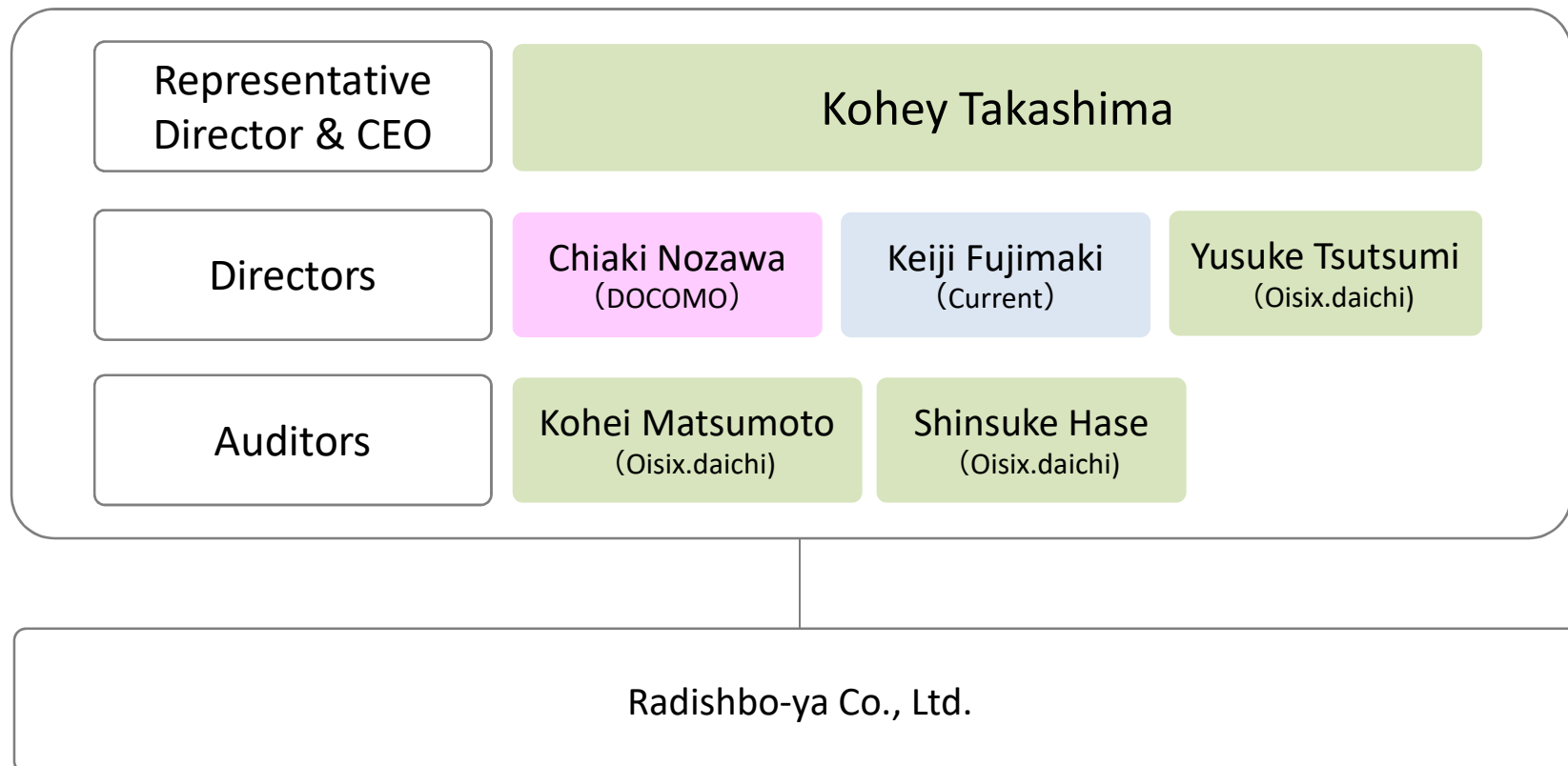
2. Aim of Business Combination of Radishbo-ya

Aim to utilise and make efficient both parties' platforms to optimise stakeholder value & increase corporate value.



2. Radishbo-ya New Management Structure

Kohey Takashima (Oisix.daichi CEO) to be appointed Representative Director and CEO at an extraordinary general shareholders' meeting on February 28, 2018.



2. Schedule of Business Combination of Radishbo-ya

January 30, 2018	<ul style="list-style-type: none">● Announcement of Business Combination
February 28, 2018	<ul style="list-style-type: none">● 100% Share transfer from DOCOMO● Radishbo-ya moves to new management structure
March 1, 2018~	<ul style="list-style-type: none">● Consolidate Radishbo-ya's business results (FY3/2019)

Contents



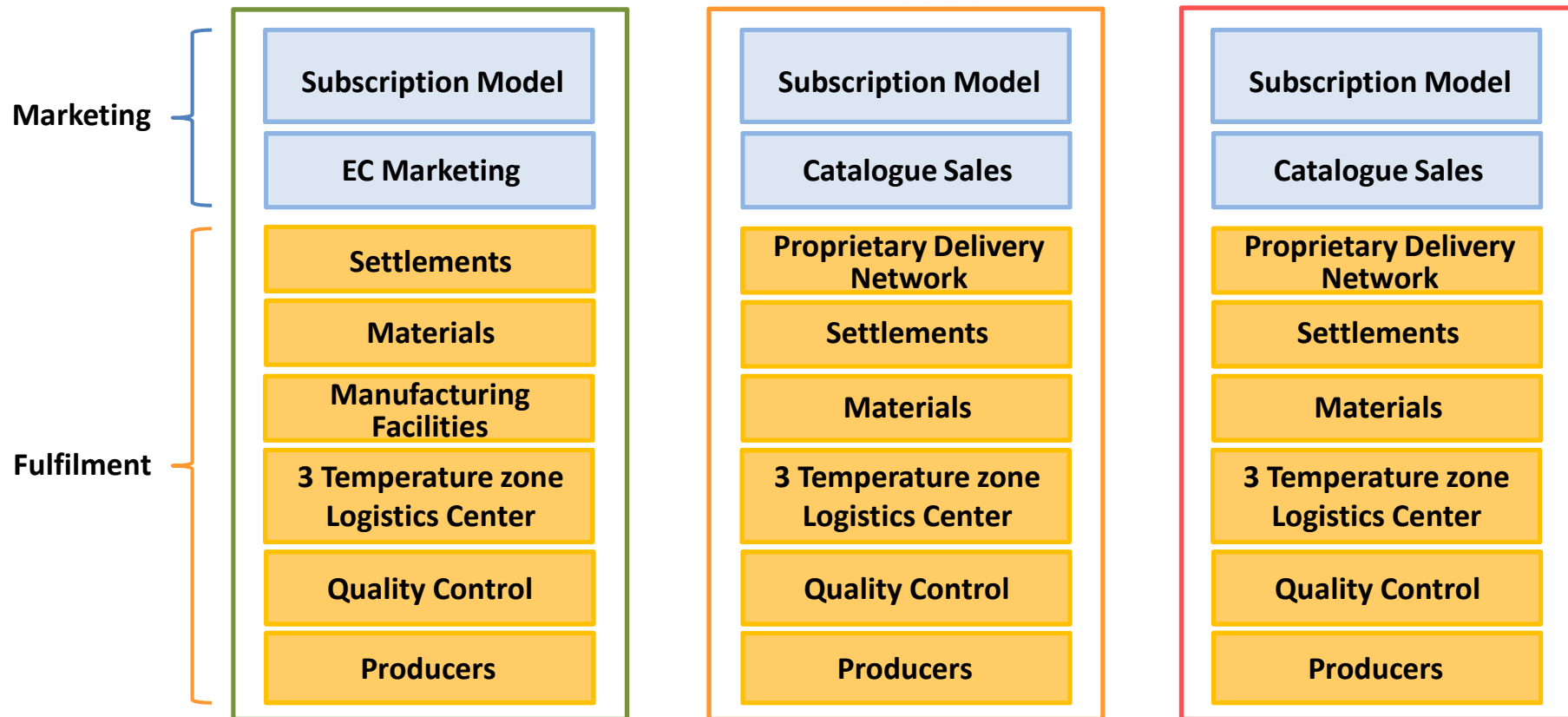
Basic Policy for
Future Growth
Strategies

Basic Policy for Future Growth Strategies

Food Delivery Business: Building the Platform for Growth

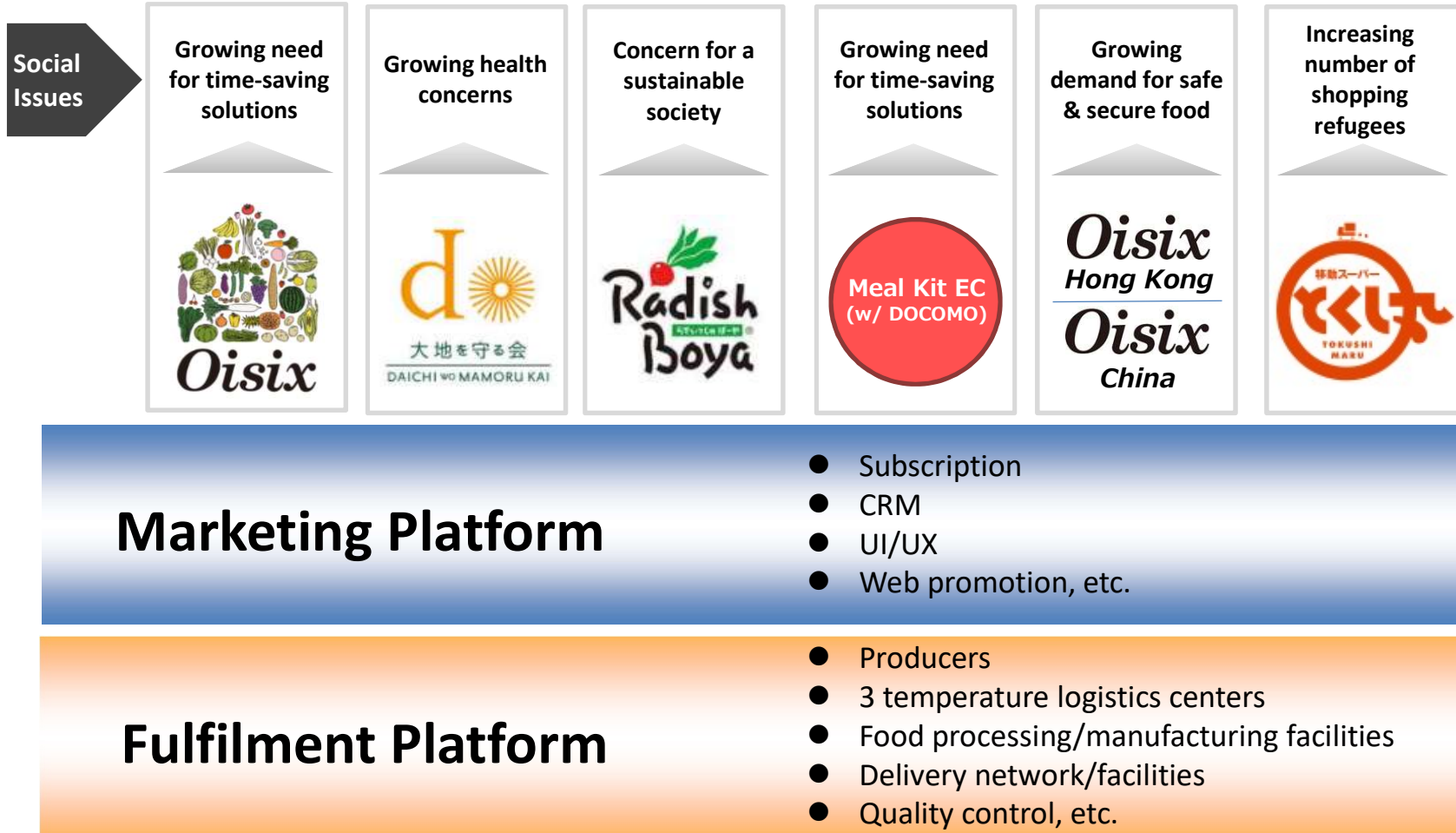
Conventional operations among each home delivery brand

Previously, each functions as its own home delivery brand and operates independently.



Food Delivery Business: Building the Platform for Growth

Going forward, creation of individual platforms with unique/common functions allowing for knowhow & infrastructure sharing. Promotes rationalization/social problem-solving.



Benefits of Platform Approach

Marketing Platform

Subscription /Promotion

- Development of subscription model to create a solid customer base & stable income streams
- Repeat marketing using access logs, purchase analysis & improved UI/UX, etc.
- Improved customer acquisition rates through use/promotion of web marketing
- Optimisation of customer acquisition methods using catalogues

Fulfilment Platform

Procurement /Production

- Stabilised supply through expanded supplier network
- Increased productivity through sharing operational knowhow of 3 temperature-zone food centers
- Merged processing & production facilities for increased productivity, lower costs & improved quality

Quality Control

- Unified product selection & quality checking functions to resolve differences in brand quality & reduce costs

Materials

- Unification of packaging materials to reduce costs & improve quality

Logistics

- Building of an effective delivery network using Yamato Transport, our own trucks & regional facilities
- Increased convenience for customers through delivery method diversification

Settlement

- Unification of vendors for volume discounts

Farm for Tomorrow, Table for Tomorrow

We provide services that enable a better food life for more people.

We realize a society where good farmers are rewarded and proud.

We evolve continuously to 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.

Oisix.daichi