

FY3/2018 Results Explanatory Materials

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.

Contents

1
FY3/2018
Results
Overview

2
FY3/2018
Activities
Overview

3
FY3/2018
Social
Activities

4
TOPICS

5
FY3/2019
Action Plan

6
FY3/2019
Performance
Outlook

This material is intended to provide an understanding of Oisix.Daichi activities, not to solicit investment. Forecasts of Oisix.Daichi's operating results and future performance are based on information available to Oisix.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.

Contents



1. FY3/2018 Results Overview

- 1. Consolidated Results Overview**
- 2. Results Overview by Segment**
 - **Summary**
 - **Oisix KPI**
 - **Daichi wo Mamoru Kai (DMK) KPI**

1. FY3/2018 Results Overview

1. Consolidated Results Overview

2. Results Overview by Segment

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

FY3/2018 Consolidated Results Overview

- With the addition of DMK earnings this term and better than anticipated Oisix subscriber acquisitions, sales grew **+73%YoY**, **+5%** above plan.
- Operating profit grew **+18%** to achieve **historical high** (+15% vs. ¥774m in FY3/2016)
- EBITDA grew **+67%**

| Units: ¥mn | FY3/2017 Results | FY3/2018 Results | FY3/2018 Plan | YoY | YoY % | Plan Achievement Rate |
|---|---------------------|---------------------|------------------|--------|--------|-----------------------------|
| Sales | 23,016 | 39,987 | 38,000 | 16,971 | 173.7% | 105.2% |
| Operating Profit | 752 | 891 | 670 | 139 | 118.4% | 132.9% |
| EBITA *1 | 787 | 1,275 | 1,020 | 488 | 162.0% | 125.0% |
| EBITDA *2 | 996 | 1,670 | 1,390 | 674 | 167.6% | 120.1% |
| Excluding extraordinary factors *3 | 1,103 | 1,847 | 1,570 | - | - | 117.6% |
| EBITDA per share (¥) *4 | 84.6 | 104.0 | 87.5 | 19.4 | 122.9% | 118.9% |

*1 EBITA = Operating profits + amortization of goodwill

*2 EBITDA = Operating profits + depreciation + amortization of goodwill

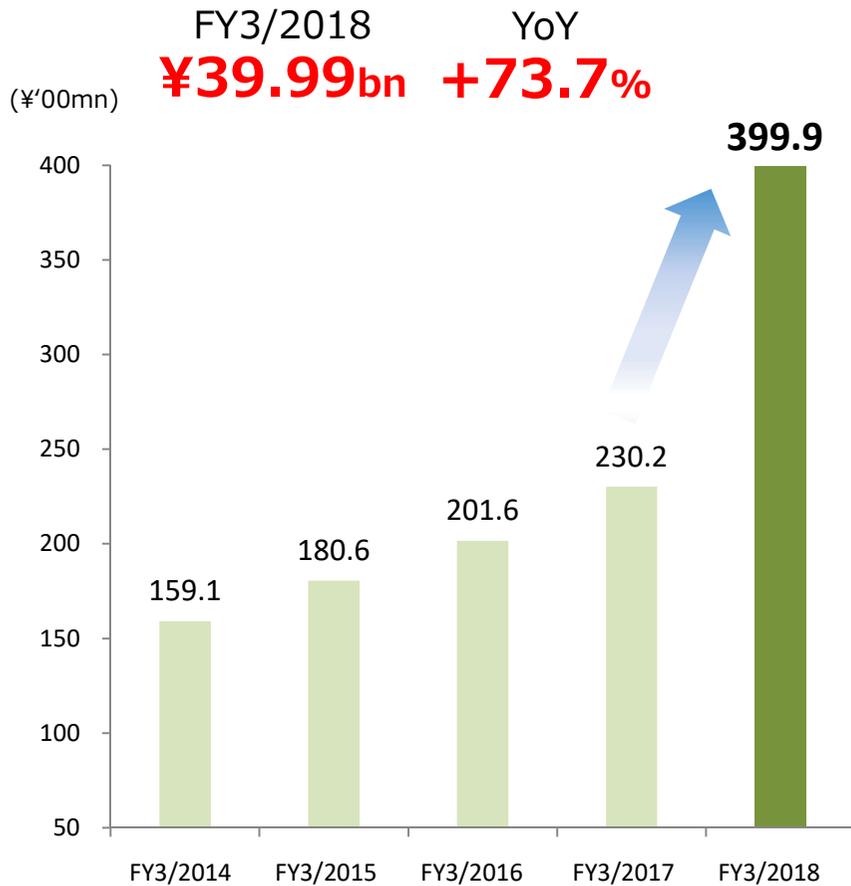
*3 Extraordinary factors = One-off merger related costs (cost of moving HQ, etc.)

*4 EBITDA per share= Calculation adjusted for 1:2 stock split implemented on April 1, 2018

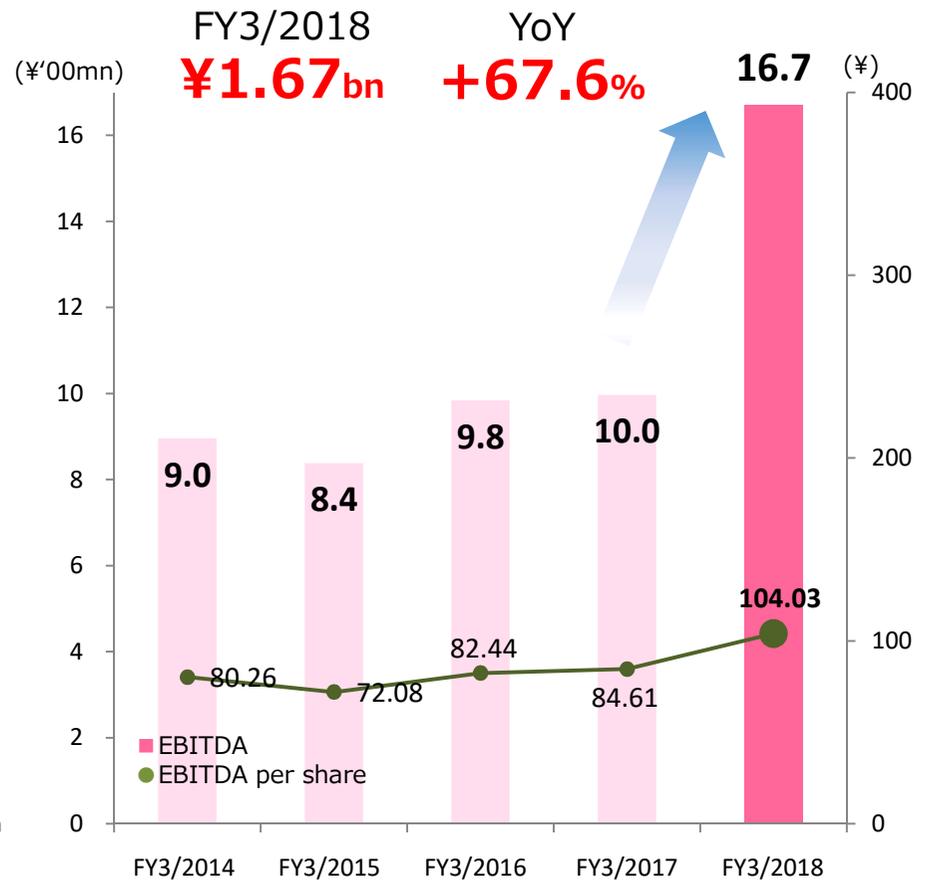
Consolidated Sales & EBITDA Trends

Sales grew +73.7%YoY, EBITDA grew +67.6%YoY

■ Sales



■ EBITDA/EBITDA per share



*EBITDA = Operating profits + depreciation + amortization of goodwill

*EBITDA per share amended to reflect the number of shares outstanding post stock split

1. FY3/2018: Results Overview

1. Consolidated Results Overview

2. Results Overview by Segment

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

FY3/2018: Results Overview by Segment

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

| Units: ¥mn | FY3/2018 | Plan | Actual | Achievement |
|------------------------|------------------|--------|--------|-------------|
| Home Delivery Business | | | | |
| Oisix | | | | |
| | Sales | 23,988 | 24,799 | 103.4% |
| | Marginal profit | 3,465 | 3,288 | 94.9% |
| | | 14.4% | 13.3% | - |
| DMK | | | | |
| | Sales | 10,841 | 11,215 | 103.5% |
| | Marginal profit | 2,039 | 2,095 | 102.8% |
| | | 18.8% | 18.7% | - |
| Other Business *2 | | | | |
| | Sales | 3,171 | 3,972 | 125.3% |
| | Marginal profit | 629 | 760 | 120.8% |
| | | 19.8% | 19.1% | - |
| Company total | | | | |
| | Sales | 38,000 | 39,987 | 105.2% |
| | Marginal profit | 6,133 | 6,143 | 100.2% |
| | | 16.1% | 15.4% | - |
| | Fixed costs *1 | 5,463 | 5,253 | 96.2% |
| | Operating profit | 670 | 891 | 133.0% |

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

*2 Other business: solutions, media, shops, overseas, wholesale, etc.

1. FY3/2018 Results Overview

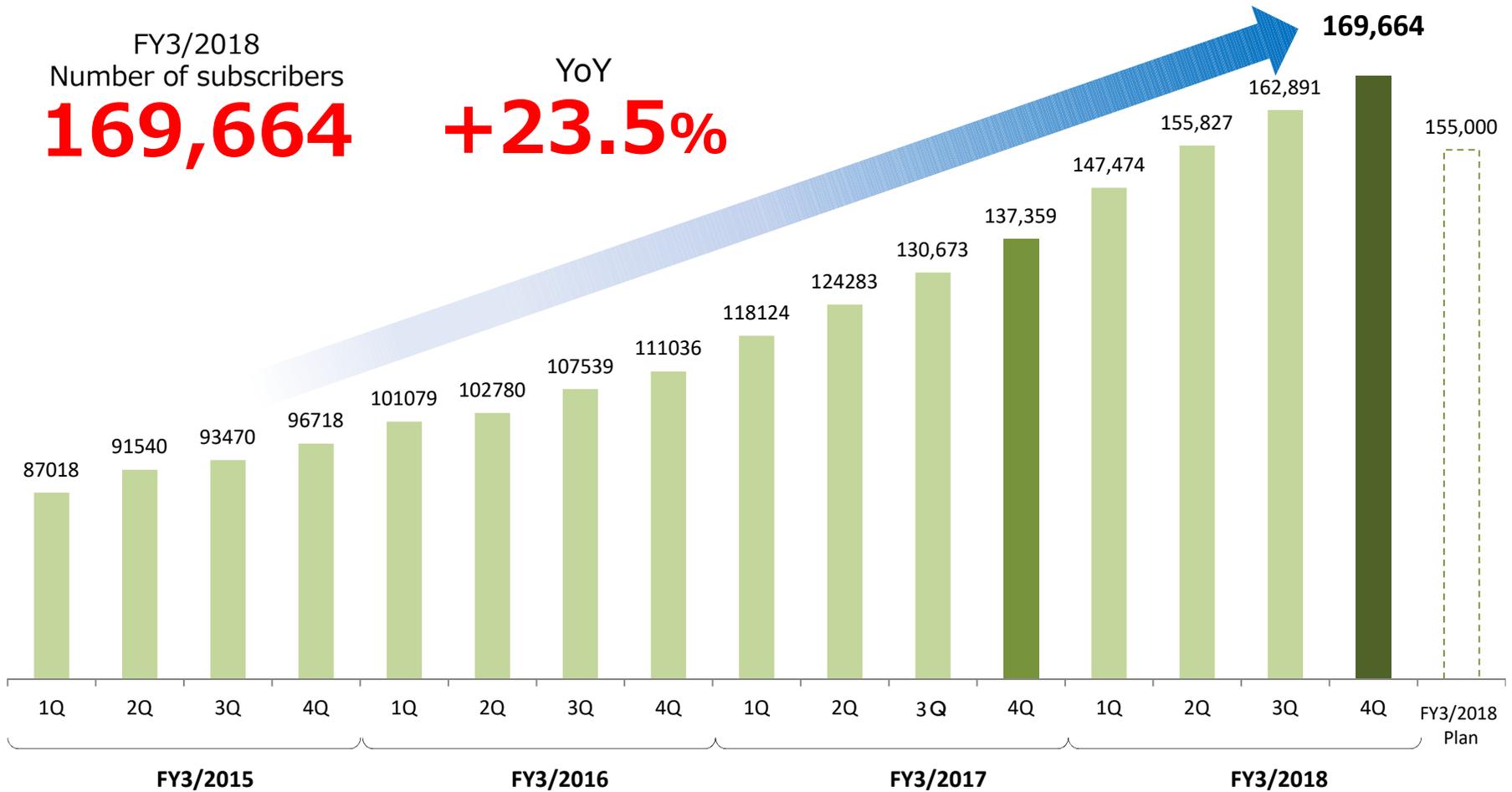
1. Consolidated Results Overview

2. Results Overview by Segment

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

Oisix: Subscriber Trends

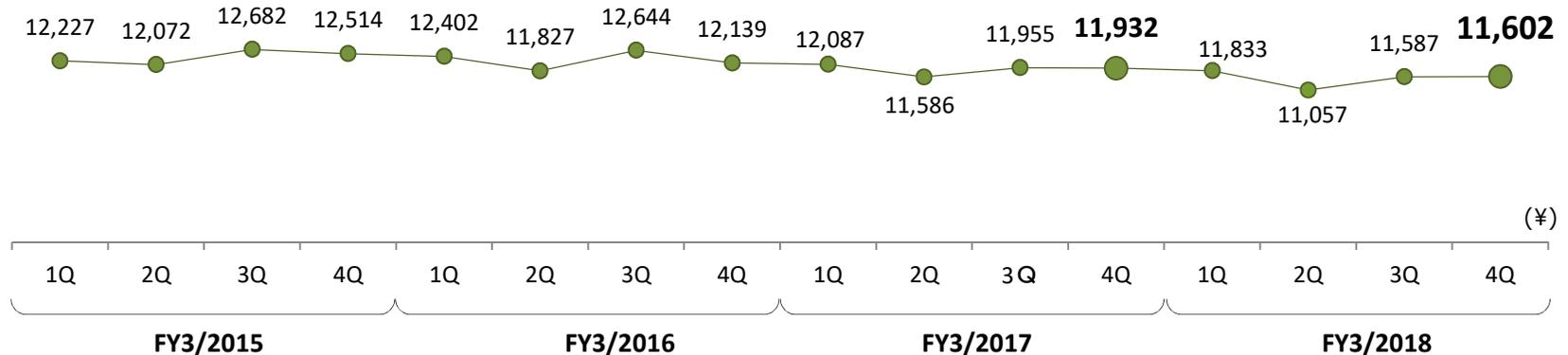
Subscriber acquisition via LINE & SEO robust. Led by Kit Courses, subscriber growth saw acceleration to **+23.5%**, significantly outperforming plan.



Oisix: ARPU Trends

Signs of a slight improvement in customer spend thanks to a successful 'buy a side dish' campaign were outweighed by a fall in purchase frequency. ARPU fell 2.8% YoY.

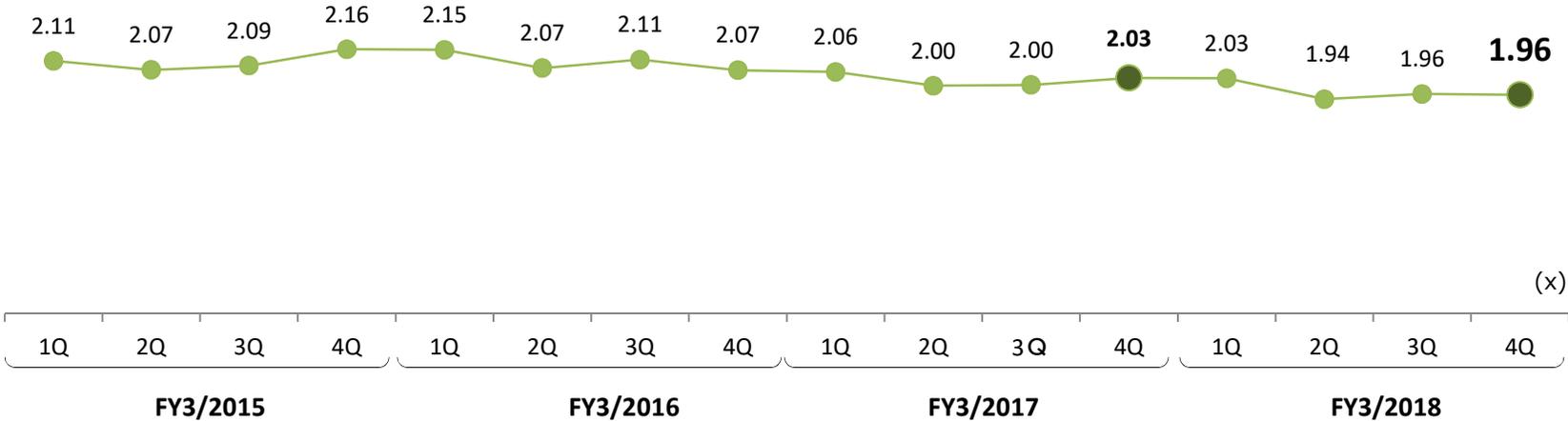
FY3/2018 YoY
¥11,602 97.2%



※ARPU : Average Revenue Per User
 ※Frequency of purchase x amount spent per purchase

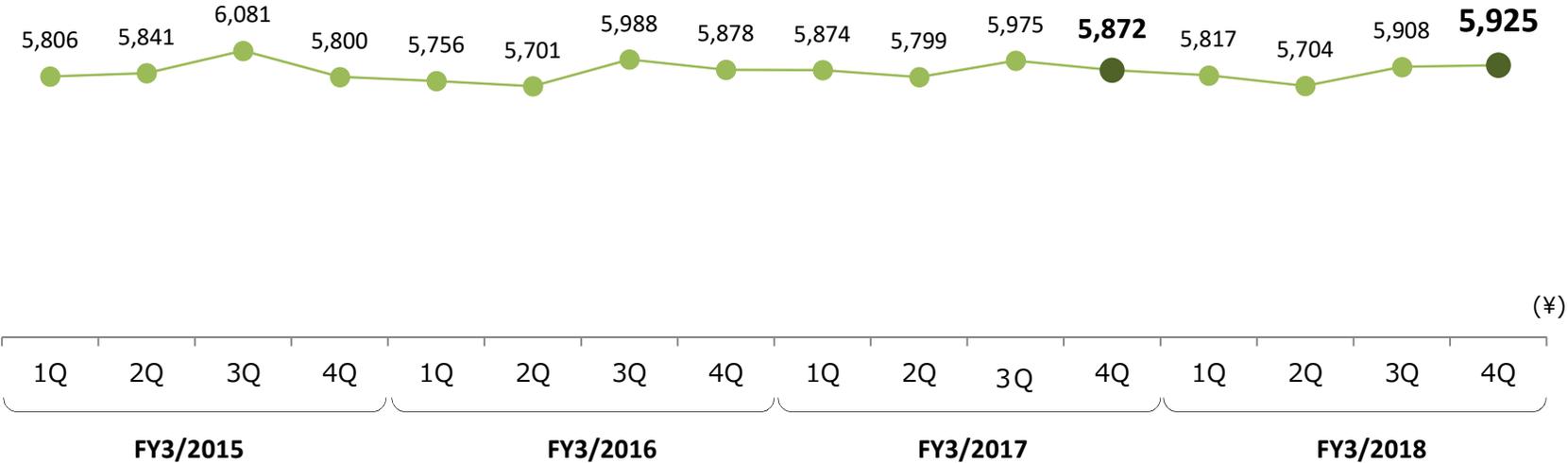
Oisix: Frequency of Purchase (FoP) Trends

FY3/2018 4Q **1.96x** YoY **96.5%**



Oisix: Average Customer Spend (Basket) Trends

FY3/2018 4Q YoY
¥5,925 100.9%



1. FY3/2018 Results Overview

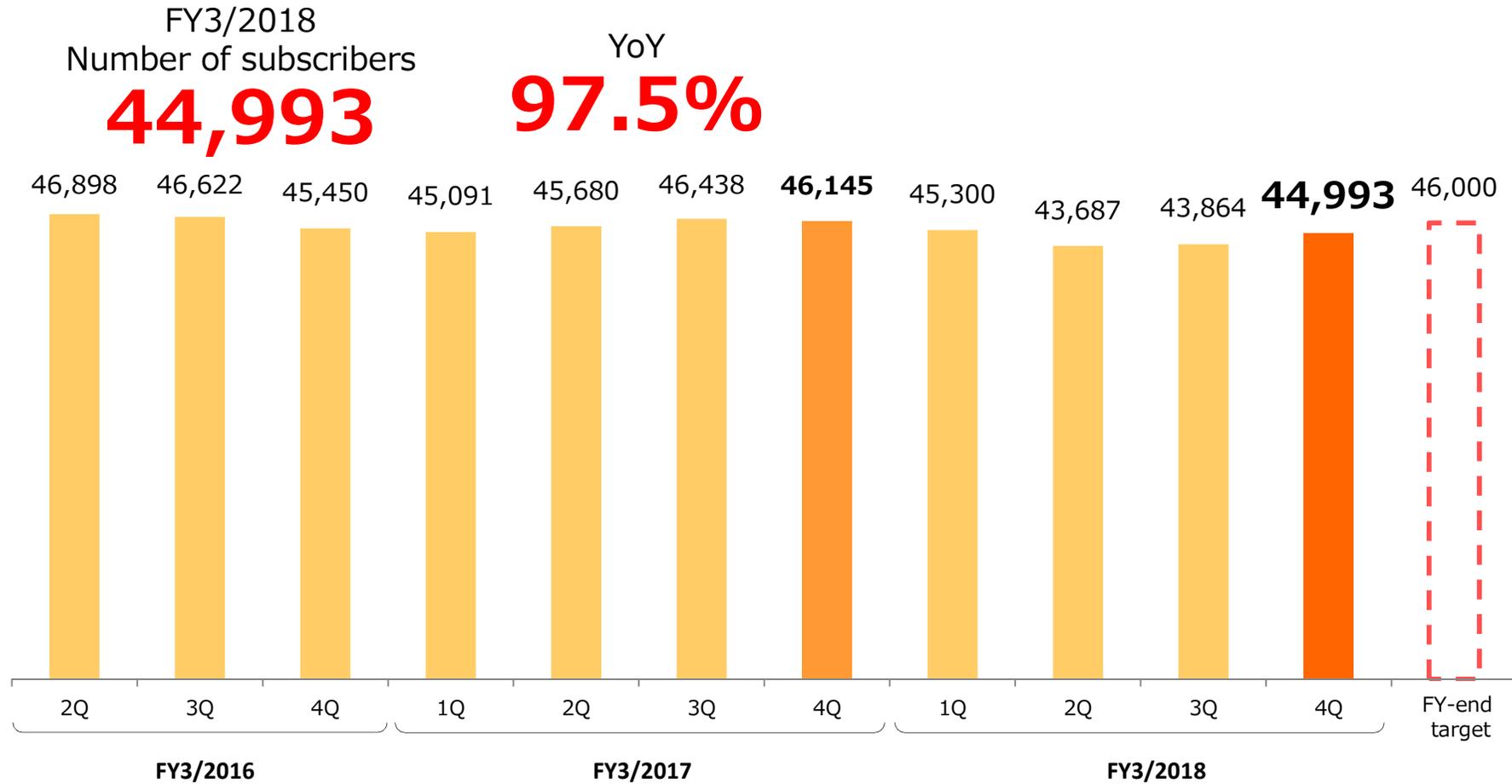
1. Consolidated Results Overview

2. Results Overview by Segment

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

DMK: Subscriber Trends

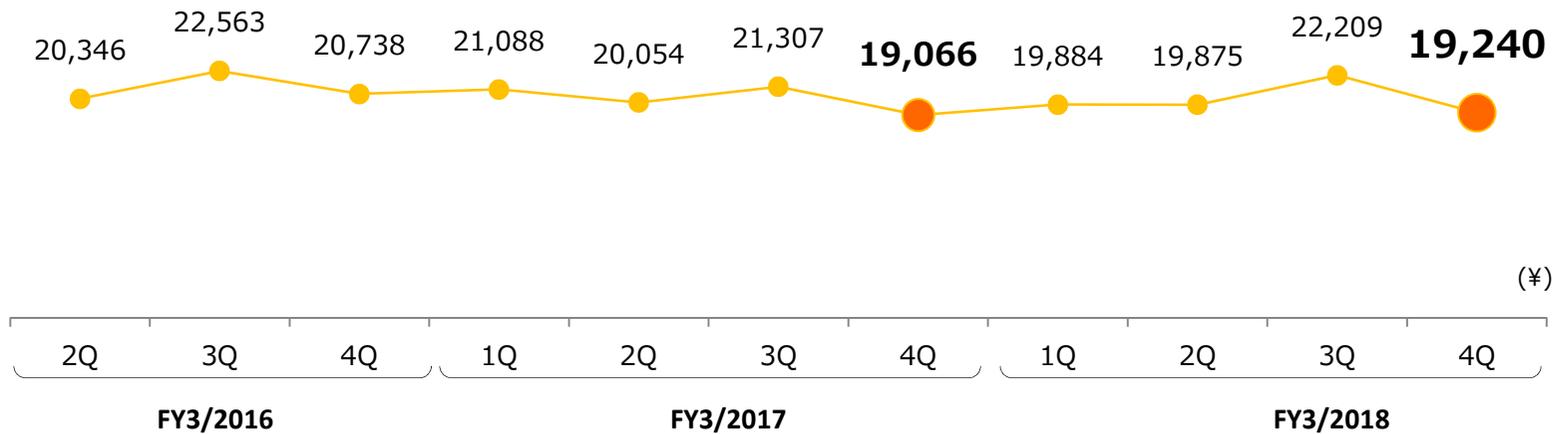
Expansion of subscriber acquisition activities in 2H FY3/2018 led to a recovery trend from 3Q.



DMK: ARPU Trends

Expanded subscriber acquisition activity meant an increase in the ratio of low frequency beginners resulting in a slight YoY increase in ARPU.

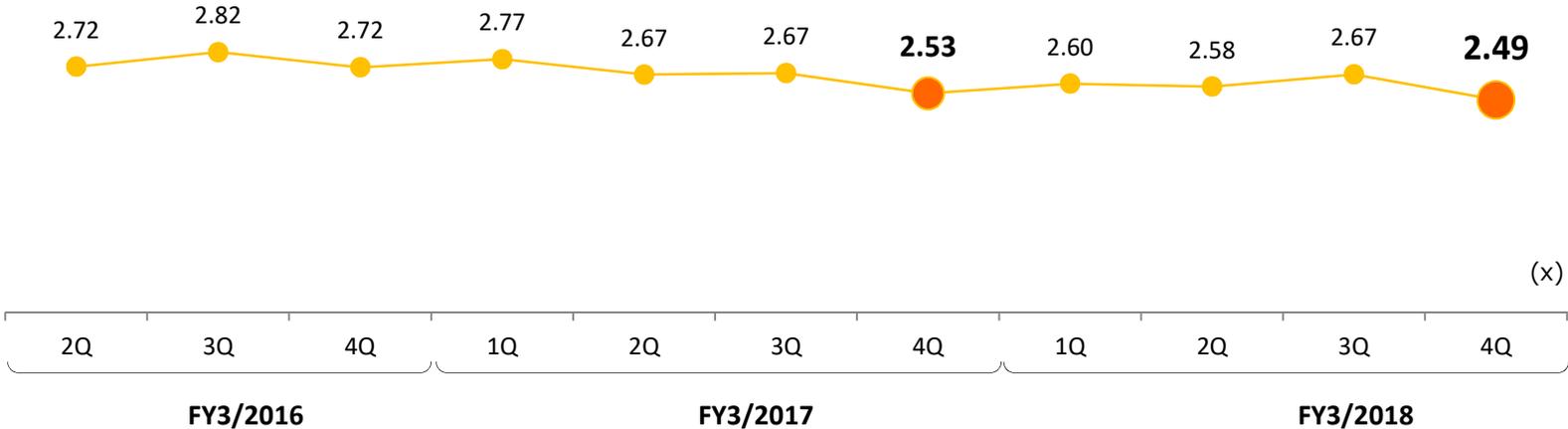
FY3/2018 4Q YoY
¥19,240 100.9%



※ARPU : Average Revenue Per User
 ※Frequency of purchase x amount spent per purchase

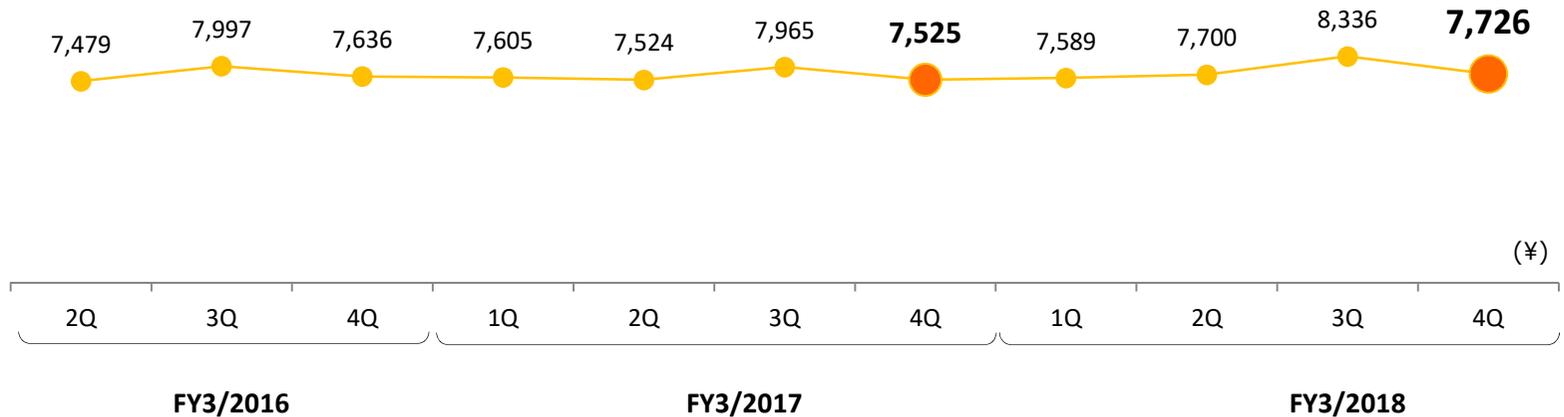
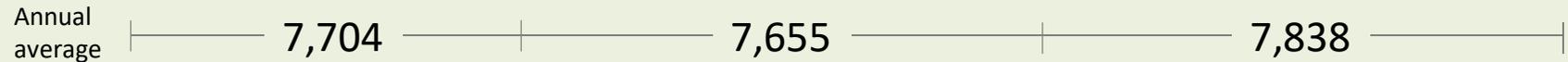
DMK: Frequency of Purchase (FoP) Trends

FY3/2018 4Q YoY
2.49x **98.4%**



DMK: Average Customer Spend (Basket) Trends

FY3/2018 4Q YoY
¥7,726 102.6%



Contents



FY3/2018
Activities
Overview

FY3/2018 Strategy & Action

1. Growth Strategy: *Takuhai* Home Delivery Business

- (1) Oisix : Strengthen value of *Premium Jitan*
- (2) Daichi wo Mamoru Kai: Reform earnings structures, reinitiate subscriber acquisition activity
- (3) Action to Create Synergy : Designated DMK area on Oisix.com

2. Growth Strategy: Non-*takuhai* Business

- (1) Physical store retail business (Physical Stores, Wholesale)
- (2) Overseas business
- (3) Alliance business

3. Tokushimaru

FY3/2018 Strategy & Action

1. Growth Strategy: *Takuhai* Home Delivery Business

- (1) Oisix : Strengthen value of *Premium Jitan*
- (2) Daichi wo Mamoru Kai: Reform earnings structures, reinitiate subscriber acquisition activity
- (3) Action to Create Synergy : Designated DMK area on Oisix.com

2. Growth Strategy: *Non-takuhai* Business

- (1) Physical store retail business (Physical Stores, Wholesale)
- (2) Overseas business
- (3) Alliance business

3. Tokushimaru

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

■ Kit Oisix (Meal Kits)



POINT
1

Delivery of precisely the amount of ingredients you need. Cook a main and side dish in just 20-minutes.



POINT
2

All menus have at least 5 different vegetables allowing for a balanced meal!



POINT
3

Safe and secure because it's Oisix.

- ※ 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 that can come from thinking about menus, buying ingredients, cooking, wasting reduction & tidying up. There is a top quality, large & varied menu of time-saving Premium Jitan kits for healthier meals on the table.
- ※ What is a meal kit? A product comprising a recipe, seasonings and ingredients pre-prepared for a designated number of people.

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

“Meals”. Top of “things to get right” in the home. Continuous growth in meal kits to help with this saw cumulative shipments exceed 10 million!

■ Kit Oisix: Examples

主菜: 五十嵐シェフ特製チンジャオ焼きそば
副菜: ほのあまクリーミー中華コーンスープ

クール **グリーンチェック** 到着日保証 1人分1047kcal
 七大アレルギー: 卵、乳、小麦

2人前 1,640円(税抜) **入れる** 3人前 2,340円(税抜) **入れる**

主菜: 長ねぎが主役! 香ばし鶏の照り炒め
副菜: なすと味噌油揚げのさっぱりナムル

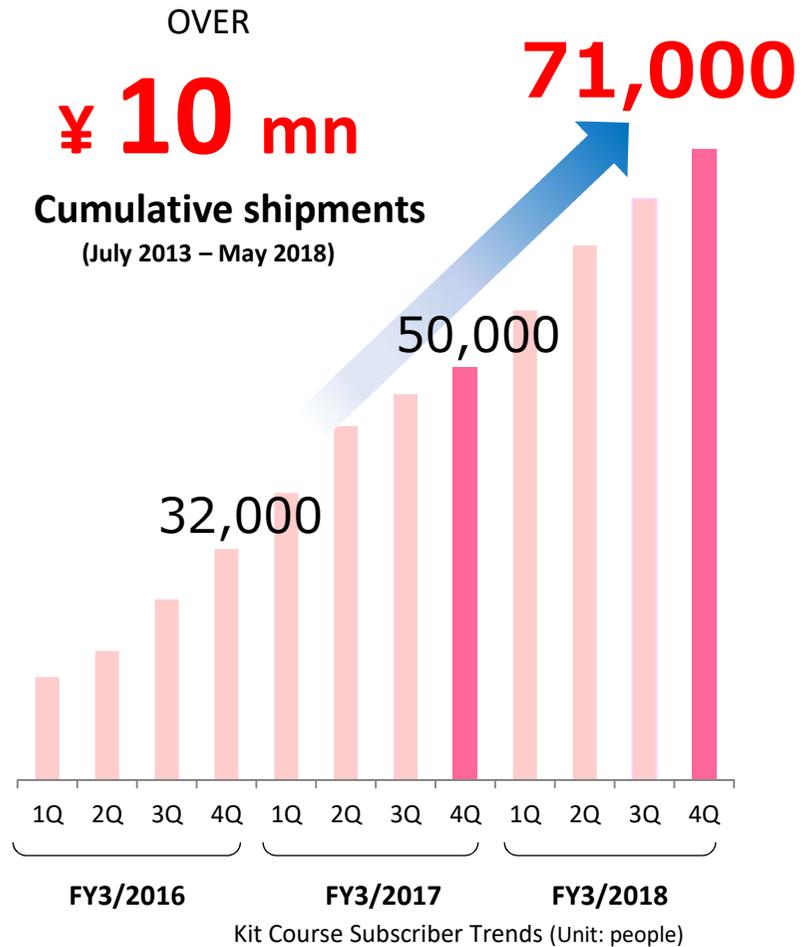
クール **グリーンチェック** 到着日+2日保証 1人分449kcal
 七大アレルギー: 小麦

2人前 1,430円(税抜) **入れる** 3人前 2,030円(税抜) **入れる**

主菜: 鶏の洋風煮 新玉ねぎと紫ケール添え
副菜: 旬のきんかんとなす さっぱりマリネ

クール **グリーンチェック** 到着日保証 1人分429kcal
 七大アレルギー: 卵

2人前 1,540円(税抜) **入れる** こちらの商品が2人前のみ販売



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

“Kit Oisix Morning Soup” launched to help with busy breakfast hours! Well-received selling-out immediately.



2人前のスープが3種類入って **1200円(税抜)**

野菜ごろごろスープであったか朝ごはん
朝の冷えた体を芯から温めて元気な一日をスタートしよう

ゴロっと野菜がたっぷり

煮るだけ8分で完成!

包丁まな板不要

忙しい朝でも本当はちゃんとあったかいごはんを作りたいって思った!

Good morning

冷凍だから、「今朝何もない!」という時のストックにも◎



[Kit]morning soup(クリーム/かきたま/ミネスト)

冷凍 グリーンチェック 到着日+22日保証
七大アレルゲン: 乳、小麦

2人前×3食、売り切れました
1,200円(税抜)

こちらの商品は2人前×3食のみ販売

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

Launched the “Vege Gohan Kit” – an easy vegetable centric meal for busy people. The many recipe variations using seasonal vegetables have proved popular.



Delivered with recipes!
Your own three day meal set



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

Test launch of the “Umami Diet Kit” developed by Chef Keisuke Matsushima!
Full-fledged roll-out planned for FY2018.

うまみを感じやすい食習慣に改善

先着
200
名様

うまみダイエットKit

1週間分のお届けイメージ

| | 月 | 火 | 水 | 木 | 金 |
|---|--------------------|---------------------------|---------------------------|---------------------|----------------------|
| 朝 | ツナとねぎのニース風ごはん | 蒲たまとからめて! かぶの旨みお返し | めかふとレタス! シャッキリおきーる | ごろっと地中海野菜の即席マリネ | ごぼう入りピリッとチキンチャイナ |
| 夜 | たっぷり野菜と白山鶏の筑前煮 | 豚塩鮭レモンソテー 塩茹で野菜添え | バター香る! 和風高菜ハスタ | 霧たらの西京風ごまだれ煮込み | ハンバーグの和風野菜ソース |



■ What is the Umami Diet Kit?

The Umami Diet Kit comprises a two week course of meals that are designed to help make umami more discernable and thereby help improve eating habits. The easier a person is able to sense umami, the more they come to prefer healthy food. People feel sated even when only eating small amounts.

Sold out despite its high price point: ¥29,800/set

(2) DMK: Reform of Earnings Structures

Catalogue Renewal Efforts #2

Increased appeal via creativity review. Contributed to improvement in marine product sales which had been weak.

Catch the eye!



Prominent catchy title and image at the top of a two page spread to catch the eye of the reader.

Tell the story!



Having caught the reader's attention, draw them in with details of the product presented in a fun & informative style.

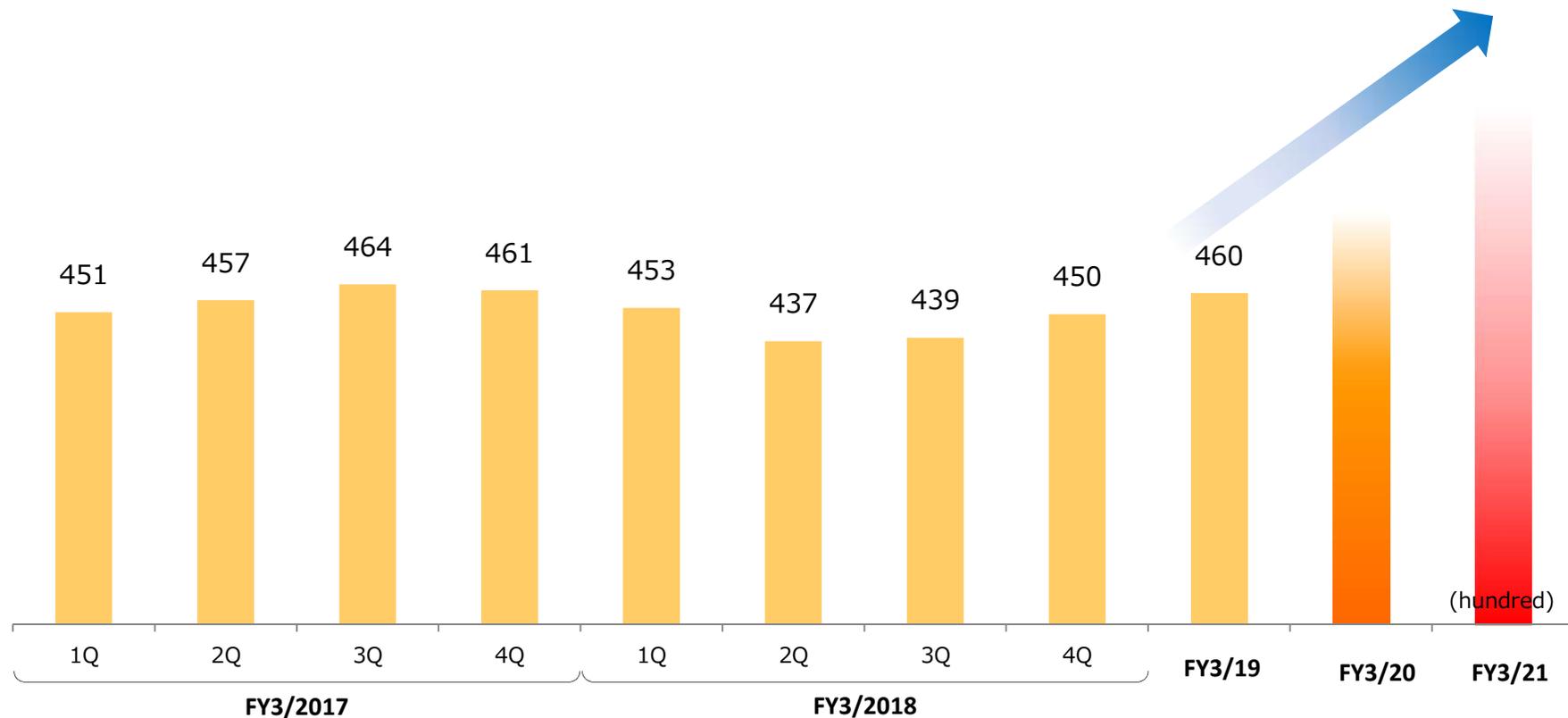
Clinch the sale with catchy naming!



Backed up by not normally seen illustrations for greater effect, catchy product names clinch the sale.

(2) DMK: Reinitiating Subscriber Acquisition Efforts

Improvements and more effective subscriber acquisition methods developed in 1H FY3/2018. In 2H, subscriber acquisition activity reinitiated. Recovery in subscriber numbers expected in FY3/2019 and beyond.



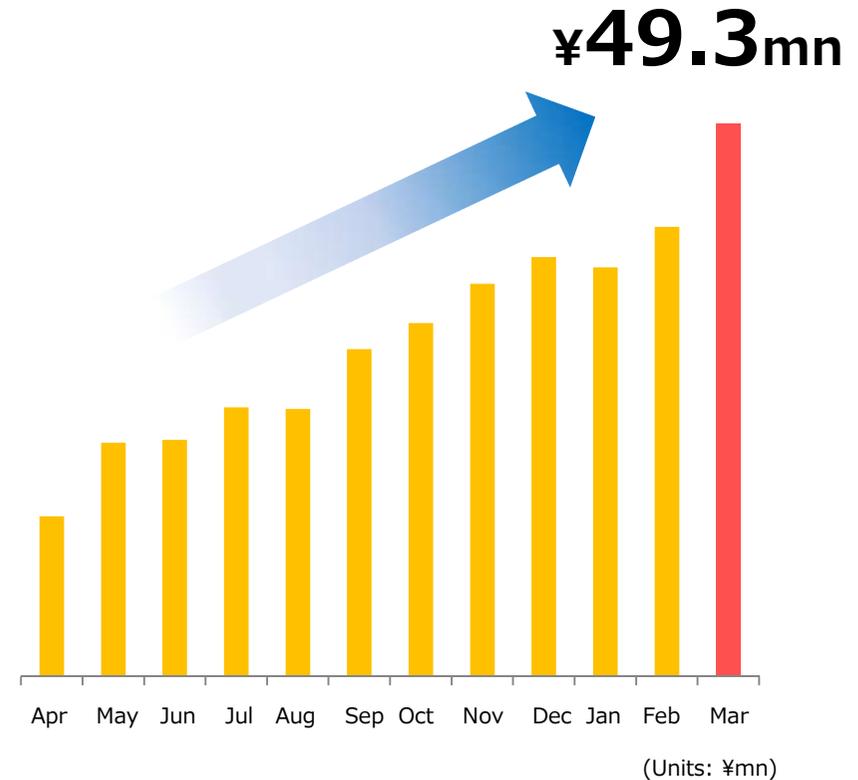
(3) Efforts to Create Synergy : Designated DMK area on Oisix.com

Stable operation of DMK's site within a Oisix site has translated into healthy sales growth

■ Designated DMK area on Oisix.com



■ Sales trend since launch



FY3/2018 Strategy & Action

1. Growth Strategy: *Takuhai* Home Delivery Business

- (1) Oisix : Strengthen value of *Premium Jitan*
- (2) Daichi wo Mamoru Kai: Reform earnings structures, reinitiate subscriber acquisition activity
- (3) Action to Create Synergy : Designated DMK area on Oisix.com

2. Growth Strategy: **Non-*takuhai* Business**

- (1) Physical store retail business (Physical Stores, Wholesale)
- (2) Overseas business
- (3) Alliance business

3. Tokushimaru

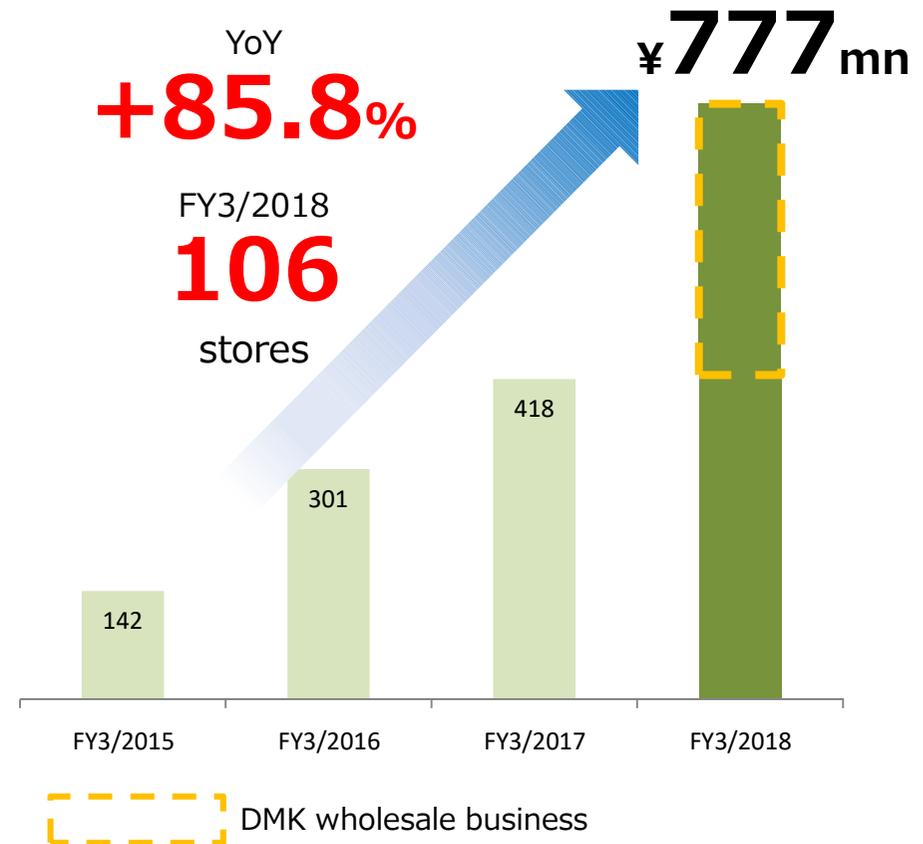
(1) Physical Retail (Physical Stores, Wholesale) : Shop in Shop

Boosted by the addition of DMK, sales were up +85.8%YoY. Sales also benefited from exhibition events and the acquisition of new shop venues including the Miuraya & Inageya stores.

■ New shop in Isetan Urawa Store



■ Sales trend (¥mn)



(2) Overseas Business – China (Shanghai)

Limited service for Japanese expats launched in November 2017. Preparations underway for full-fledged roll out in FY2018.

■ 1st : Start of limited sales to Japanese for monitoring

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

愛宜食 Oisix
モニター販売キャンペーン
40セット限定販売
12月21日(木) AM10:00迄

多くの反響を頂いている、Oisix上海のモニター販売、この機会にぜひお求めください。

※数日で売り切れてしまうため、お早めにご購入ください。

■ 2nd : Planned start of sales to Chinese in FY2018

再度限量登場 清甜爽口!
雪凍食! 宮崎金貨粟米

粒粒服ト 粟米!

入貨機會來了!
上星期金貨粟米於山內售罄
很多顧客表示「想再買都無機會!」

宮崎金貨粟米 夏日水果對決 父親節贈禮禮物 Oisix自信蔬菜

推薦商品 9/6 Updated

| | | | |
|--------------------|------------------------------|-----------------------------|--------------------------|
| 新之波菓子 小豆葛餅 (梅井 監製) | 健康美顏由內而外 巴西莓混 合果汁 720g (...) | 歐陸風味牛奶 Mozzarella Cheese... | 蘇式意大利焗肉燻 焗理油 500ml (...) |
| 348日圓 = 25.21 港幣 | 1,380日圓 = 99.98 港幣 | 650日圓 = 47.67 港幣 | 1,200日圓 = 92.74 港幣 |

(3) Alliance Business

FY3/18 summer & autumn 'Kin Mugi 75% Sugar-off' campaign to be repeated in FY3/19. Foreseeable expansion could include Premium Malts, ALL-Free and other Suntory products.



春のバランス野菜、絶対もらえる!

バランス野菜で楽しむ野菜レシピ公開中!

麦増量 うまみUP!

SUNTORY 金麦 ENJOY HIGH TASTE IN RELAXING TIME 糖質75%オフ

96点コース 春のバランス野菜セット

48点コース 春のバランス野菜丼セット

応募期間：2018年2月26日(月)～2018年4月6日(金)

FY3/2018 Strategy & Action

1. Growth Strategy: *Takuhai* Home Delivery Business

- (1) Oisix : Strengthen value of *Premium Jitan*
- (2) Daichi wo Mamoru Kai: Reform earnings structures, reinitiate subscriber acquisition activity
- (3) Action to Create Synergy : Designated DMK area on Oisix.com

2. Growth Strategy: Non-*takuhai* Business

- (1) Physical store retail business (Physical Stores, Wholesale)
- (2) Overseas business
- (3) Alliance business

3. Tokushimaru

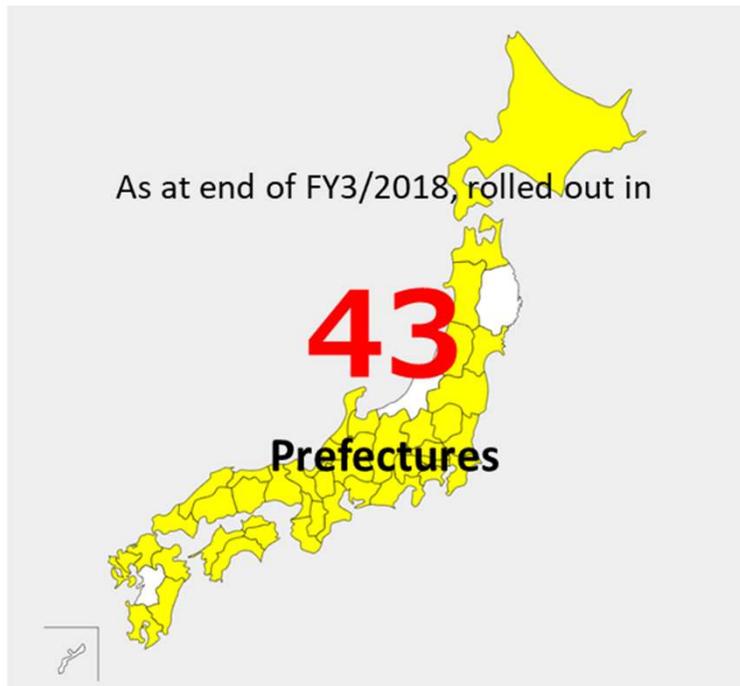
Tokushimaru: Expansion of Mobile Sales Infrastructure for “Shopping Refugees”

New agreement entered into with major supermarket operator Sunlive, with 147 stores predominantly in the KitaKyushu/Chugoku region under management.



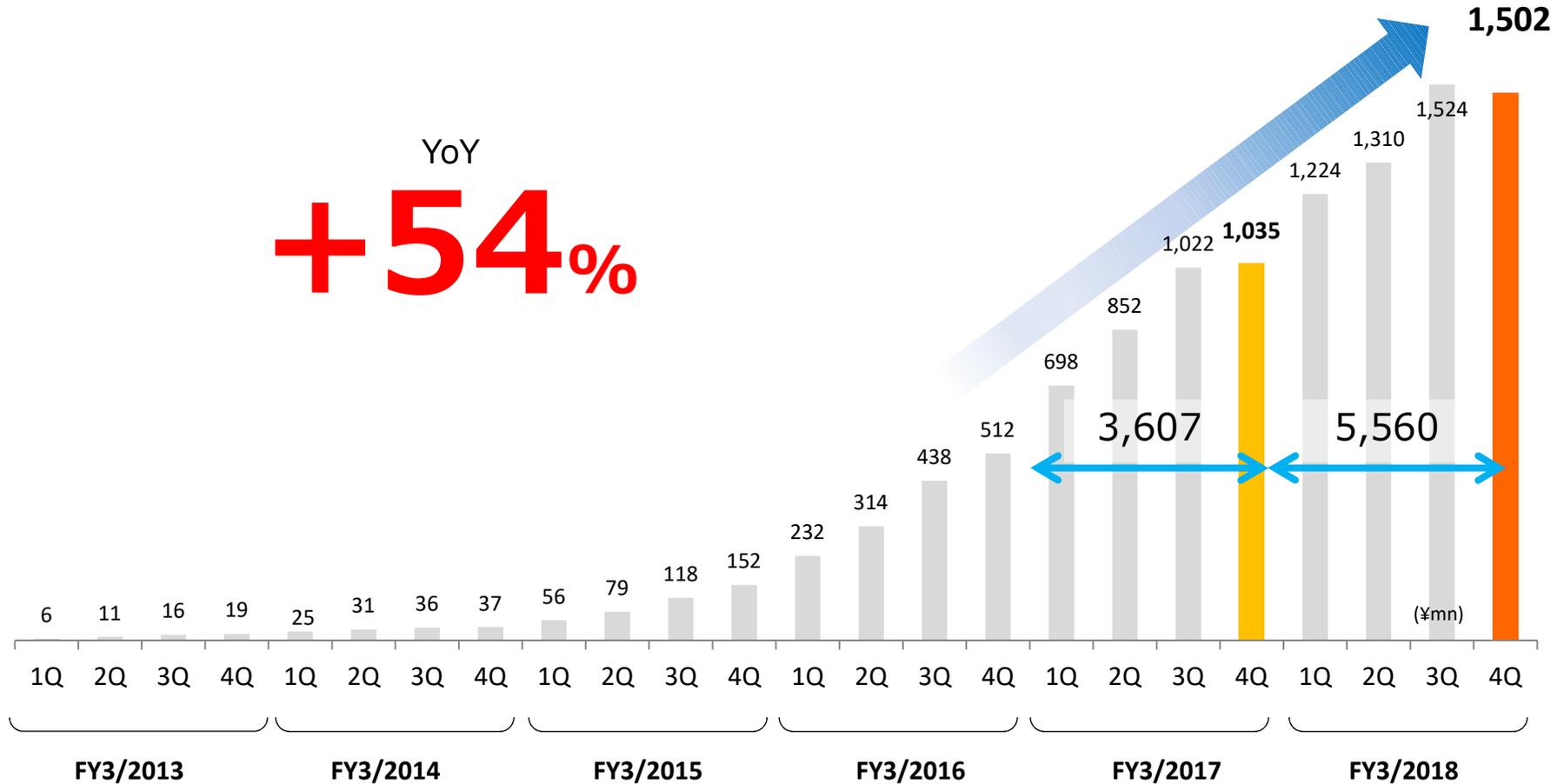
Tokushimaru: Number of Vehicles in Operation

Management support with subsidiarization, as well as a boost in staffing, have led to 83 more operating vehicles or **+40%** YoY. In April, vehicles surpassed **300**.



Tokushimaru : Total Transaction Value

A steady rise in the number of vehicles in operation saw FY3/18 total transaction value* **exceed ¥5.0bn!**



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

Contents



TABLE FOR TWO

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 DATE, OISIX HAS DELIVERED (AS OF FY3/2018 END)



*Cumulative 2009 – FY3/18 1 lunch = ¥20

N-1 SUMMIT 2018 hosted by Oisix.Daichi

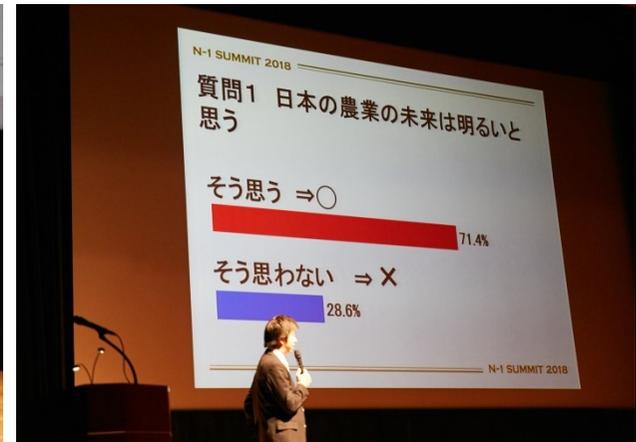
The theme of this year's summit was "The Future of Farming lies in a Revolution in Logistics". Approx. 160 producers attended the event to explore new ways of delivering food !



What is the added value of agricultural produce? Consumers gave their frank opinions.



Farmer of the Year award ceremony.



Live Q&A session participated in by all 160+ attendees.

Organic Festa 2108

Organic Festa 2018, an event to link farm and table, was staged by Oisix.daichi. 350 farmers chosen by DMK interacted with 2,000 attendees!



Beefing-up support for Para-sports ahead of 2020

Appointed official supplier to Team Japan! Helping para-athletes build up their strength by supplying training camp lunches and snacks.



Beefing-up support for Para-sports ahead of 2020

m-flo's DJ Taku, the first celebrity to take part in our pro-bono program implemented in collaboration with The Japan Committee for Economic Development & The Nippon Foundation Paralympic Support Center, provided the BGM for the Japanese Paralympic Powerlifting Competition!



In collaboration with JCED we are also staging meet & greet events to match para-athletic bodies with professionals who can help with the running of competitions and PR, etc.

Oisix.daichi

Contents



TOPICS

- 1. Business and Capital Alliance with NTT DOCOMO**
- 2. Business Combination of Radishbo-ya Co., Ltd.**

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. ¥200bn, source: Nikkei Trendy)
- Growth in home delivery market from further developments in women entering the work force (approx. 2 trillion yen, 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

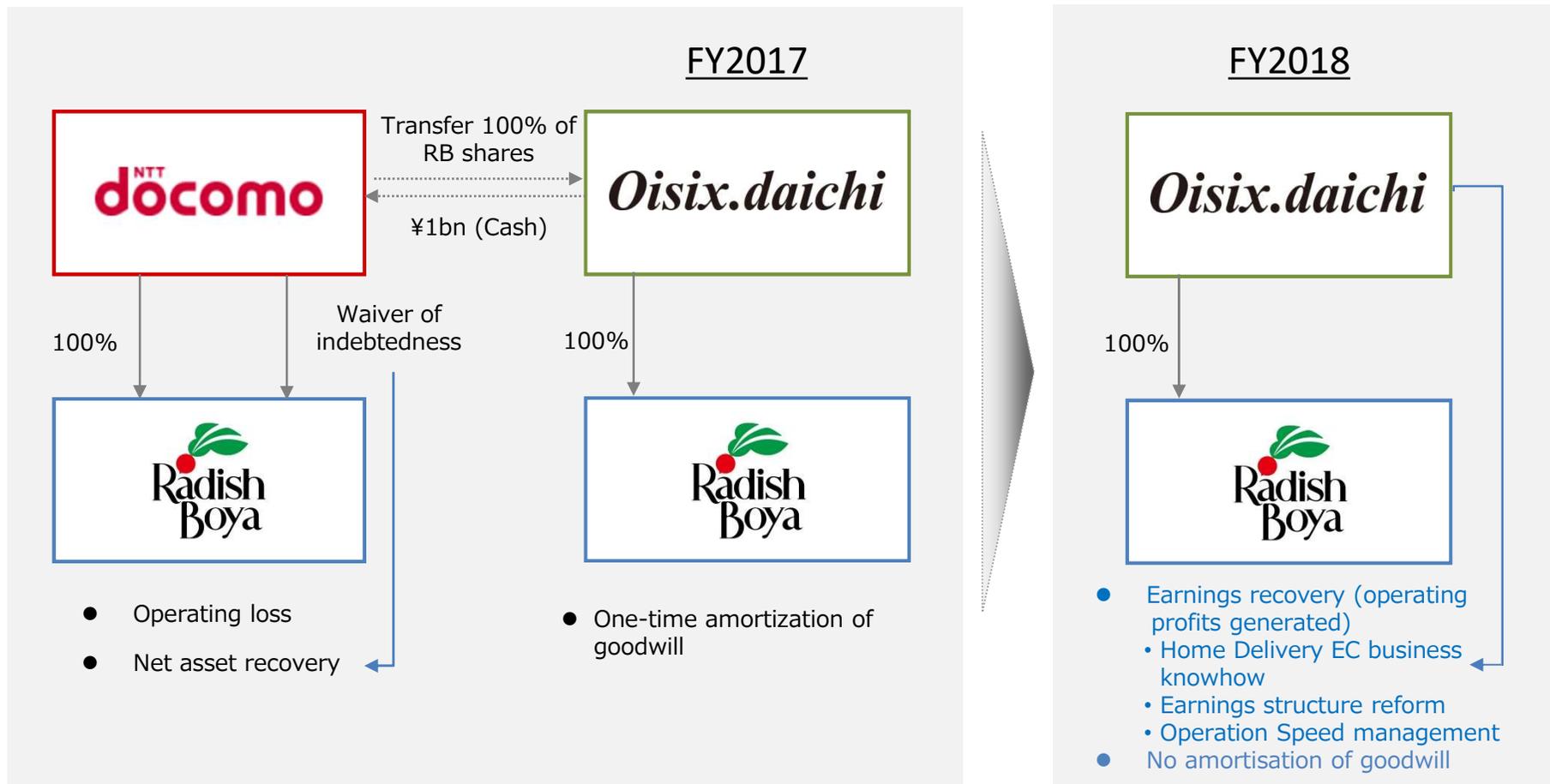
2. Business Combination of Radishbo-ya Co., Ltd.

2. About Radishbo-ya

| | |
|-------------------------|---|
| Company name | Radishbo-ya Co., Ltd. |
| Representative Director | Kohey Takashima (Representative Director & CEO) |
| Year of establishment | May 17, 1988 |
| Major shareholders | Oisix.daichi 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) 236, part-time/temporary 119 ✕as at end February, 2018 |
| No. farmers, etc. | Approx. 2,400 |
| Performance | Sales : ¥ 18.9 bn , Operating losses : ¥ 0.6 bn (FY02/2018) |

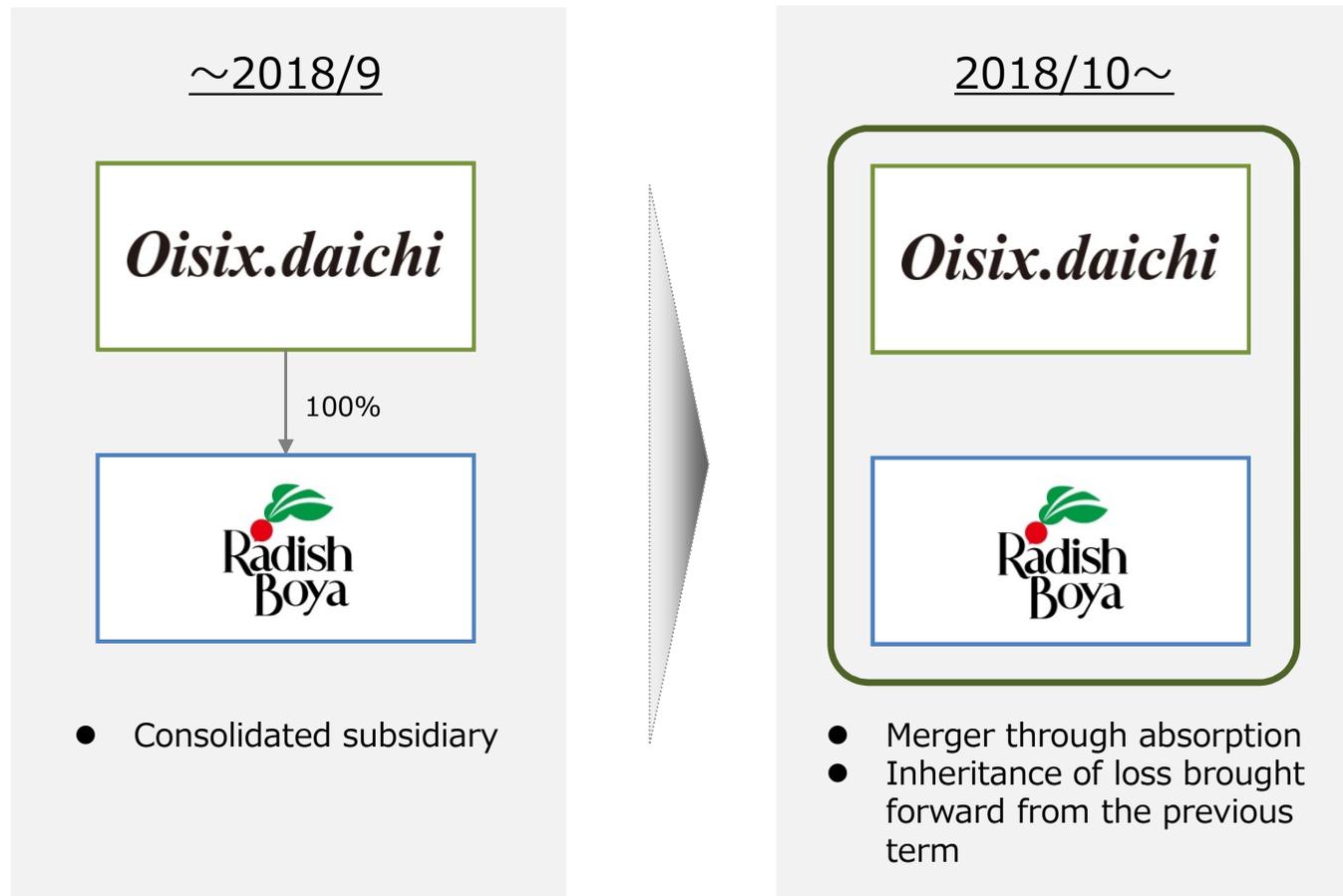
2. Business Combination of Radishbo-ya (RB)

- On February 28, 2018, DOCOMO transferred its 100% holding in RB to Oisix.daichi
- Recovery in earnings power via introduction of home delivery business expertise & reforms to earnings structure.



Business Combination of Radishbo-ya (RB)

- Merger planned in FY3/19 (assuming authorisation at Annual General Meeting of Shareholders in June 2018).
- Profitability improvement via coalescence of management and integration of group resources.



Contents



FY3/2019 Action Plan

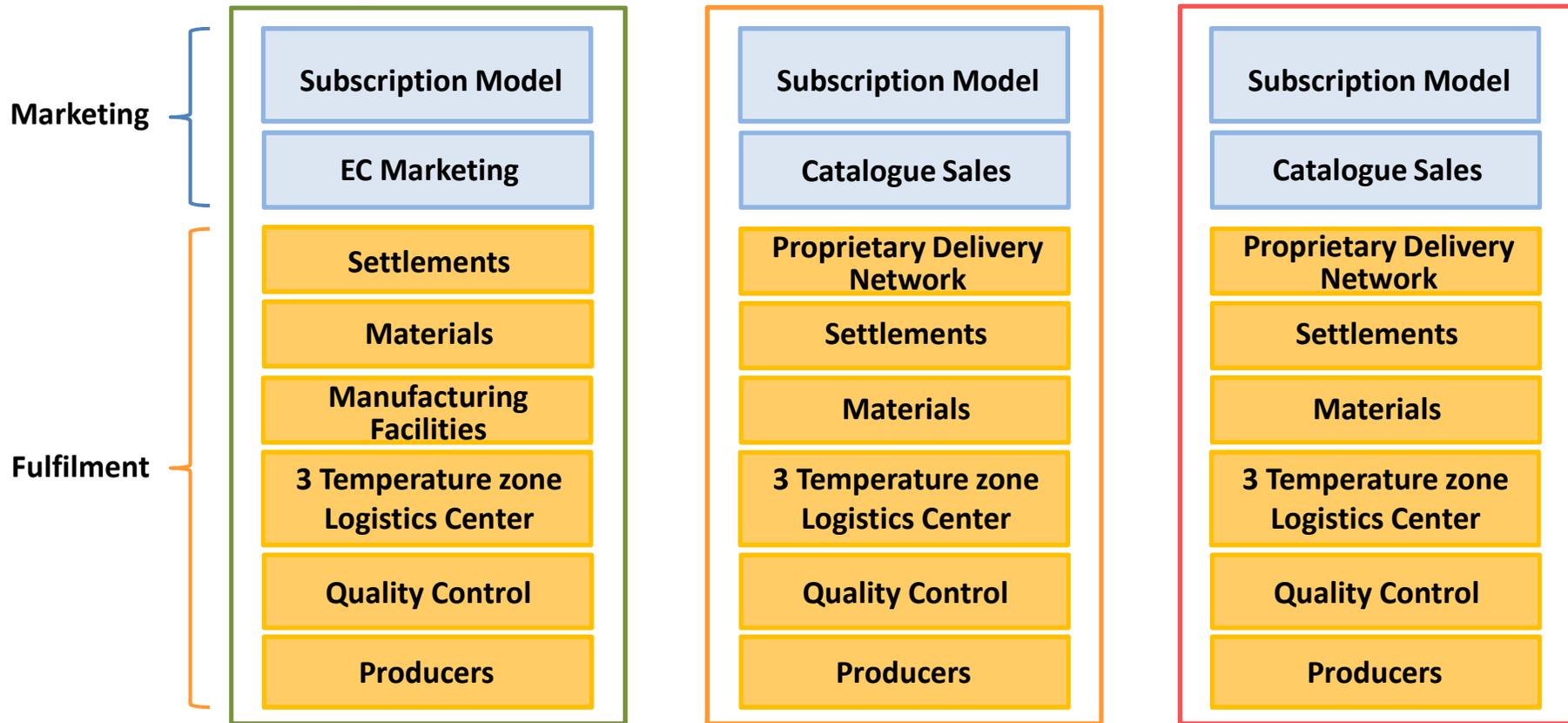
- 1. Platform for Growth of Food Delivery Business**
- 2. Progression of *Takuhai* Home Delivery Business**
 - (1) Oisix**
 - (2) DMK**
 - (3) Radishbo-ya**
- 3. Progression of non-*Takuhai* Business**
 - (1) Physical store retail**
 - (2) Solutions**
 - (3) Overseas**
- 4. Tokushimaru**

FY3/2019 Action Plan

- 1. Platform for Growth of Food Delivery Business**
2. Progression of *Takuhai* Home Delivery Business
 - (1) Oisix
 - (2) DMK
 - (3) Radishbo-ya
3. Progression of non-*Takuhai* Business
 - (1) Physical store retail
 - (2) Solutions
 - (3) Overseas
4. Tokushimaru

Standard Operational Structure for Each Home Delivery Brand

In the past, each business operated independently of one another, each with its own home delivery brand.



Food Delivery Business: Building the Platform for Growth

Going forward, aim is to create distinct platforms with unique functions that allow for sharing of knowhow & infrastructure. Promotes rationalization/social problem-solving.



Marketing Platform

- Subscription
- CRM
- UI/UX
- Web promotion, etc.

Fulfilment Platform

- Producers
- 3 temperature logistics centers
- Food processing/manufacturing facilities
- Delivery network/facilities
- Quality control, etc.

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

¥▲300m
(FY3/2019 Plan)

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
- Cost savings via centralization of catalogue printing

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

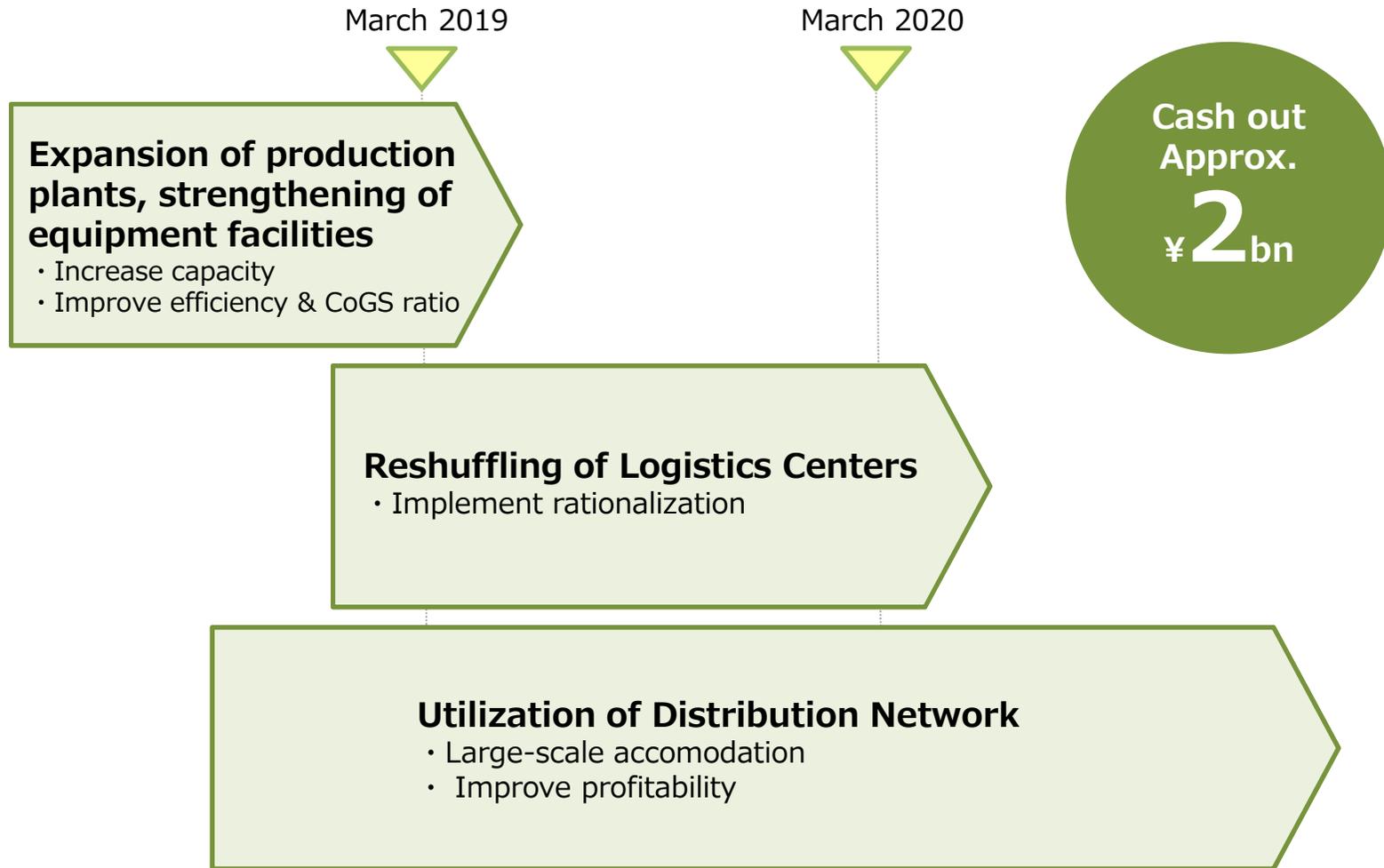
¥▲200m
(FY3/2019 Plan)

Others

- SG&A expenses from office/branch mergers (rent, telecom, fixtures, etc.)
- Collaboration in customer support

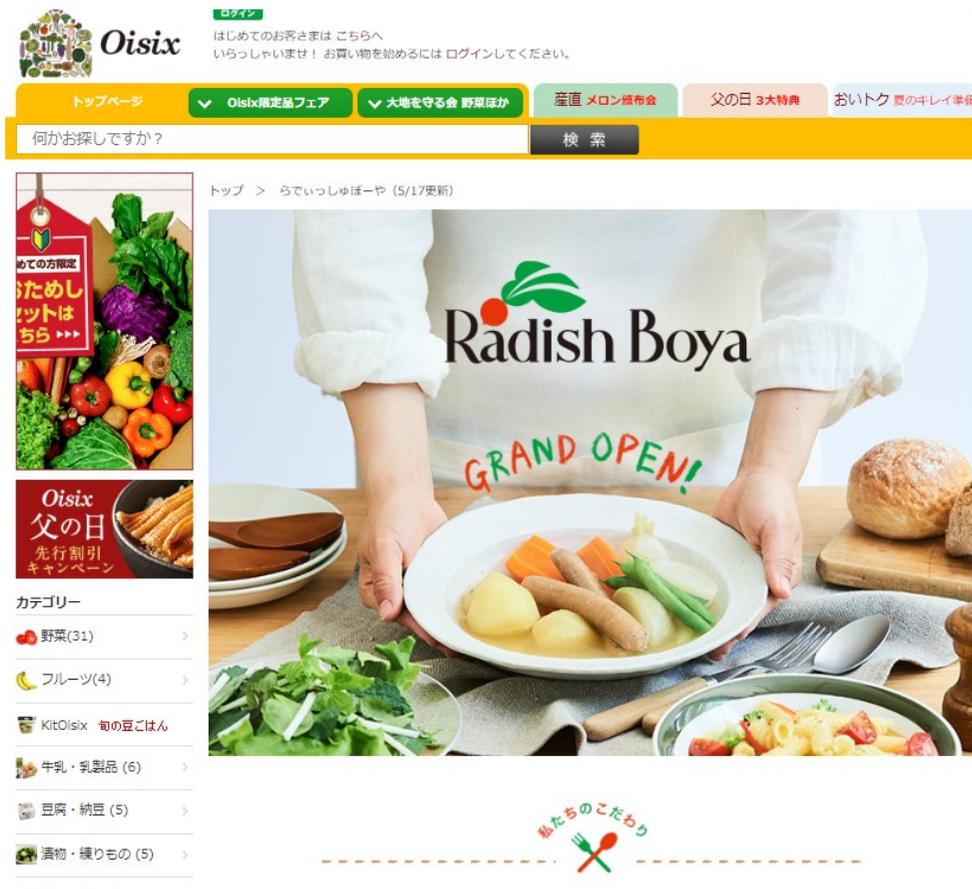
Investment Relating to Platform Development

With integration of the 3 brands, production capacity will be expanded and logistics centers will be reshuffled. Investments to be made for scaling-up and profitability enhancement to be promoted.



Start of Initial Collaborative Project “Ra in O”

A special Radishbo-ya sales site was opened on Oisix.com on 17 May. PB merchandise such as chemical free seasonings were offered. Aim is to quickly develop synergies from the formation of the group.



今週おすすめしたいO品

リピーター続出
和洋中、何でも合う顆粒タイプ

らでいっしゅぼーやの野菜ブイヨン

国産素材をふんだんに使用した野菜パウダー、青森県産の揚げにんにく、国産丸大豆と小麦を原料とする本醸造醤油など徹底的に国産素材にこだわって作りました。これを使うだけで、野菜スープやポトフなどいつもの味にグッと旨味が増しますよ。

商品開発より
担当 川本

溶けやすい顆粒状という使いやすさと野菜の旨味がギュッと凝縮されたおいしさをリピーター続出の人気商品です。動物性素材や化学調味料は使わず、本醸造醤油と天日塩で味と風味を加えました。

First 3 Brand Collaboration 'Next Break Tohoku' Begins

First 3 brand collaboration since Radish Boya became part of the Group. Sale of products new or reborn in Tokoku's 3 Prefectures since the 2011 earthquake and tsunami.

ネクストブレイク東北

～お客さまに愛される次の商品を見つけ、育てていく～



- Background of efforts

Sharing our producer networks & marketing knowhow, the 3 brands aim to identify and nurture produce that consumers will love in the Tohoku region's three prefectures of Iwate, Miyagi & Fukushima. Aim is to make them hit, flagship products. By nurturing hit products, we contribute to the economic development of these areas.

- Sold by RadishBo-ya Yagisawa Shoten's 'Kiseki no Hishio'



Soy sauce, miraculously being brewed again thanks to the accidental discovery of vital moromi biocultures thought to have been lost to the natural disaster

- DMK Isobe-kako Kumiai marine produce



Sale of seafood from the Isobe-kako Kumiai Union, formed by fishermen, their cooperatives & intermediaries to rebuild Fukushima's fishing industry

FY3/2019 Action Plan

1. Platform for Growth of Food Delivery Business
- 2. Progression of *Takuhai* Home Delivery Business**
 - (1) Oisix**
 - (2) DMK**
 - (3) Radishbo-ya**
3. Progression of non-*Takuhai* Business
 - (1) Physical store retail
 - (2) Solutions
 - (3) Overseas
4. Tokushimaru

Progression of *Takuhai* Home Delivery Business

(1) Oisix

To meet the diverse needs of varying lifestyles, **collection alternatives** made possible. Makes possible delivery to still more customers!

Delivery to the home



Physical Store sales



Pick-up at CVS (trailing since March) Lawson Fresh Pick (Ropic)

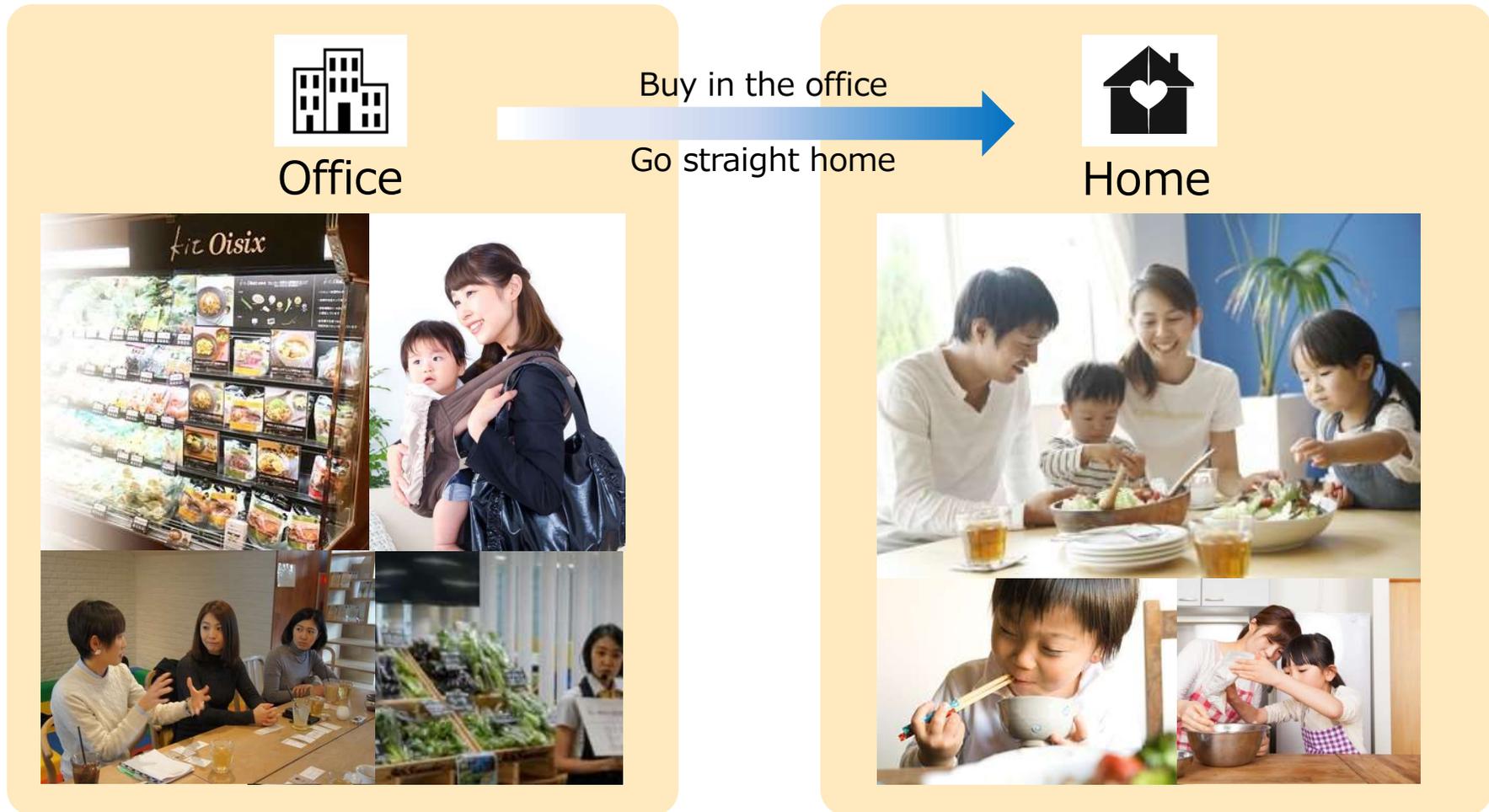


Mobile sales



Progression of *Takuhai* Home Delivery Business (1) Oisix

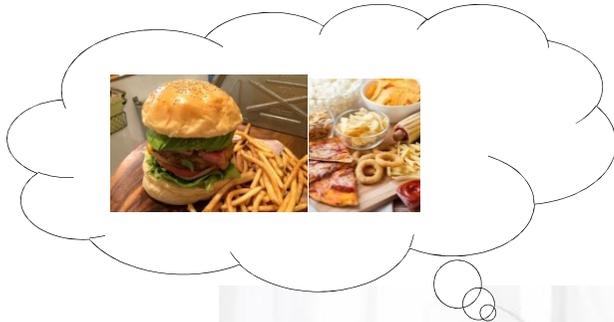
As well as increasing delivery points, expanding points of sale. Initiate **workplace sales** alongside Shop in Shop & other formats.



Progression of *Takuhai* Home Delivery Business

(1) Oisix

“I want it, but it’s too much like junk food… so I’ll pass…!” No need! Working with famous brands, we have developed **Healthy Junk Kits!**



Curry, Ramen noodles, Hamburgers, etc.
High Calories/Low Nourishment
Too much like junk food to eat…

Add lots of safe & nourishing ingredients & it becomes
Health Conscious
Healthy junk food!

Progression of *Takuhai* Home Delivery Business (2) DMK

A service offering “**a healthy food life**” without strain and one that is sustainable. Stimulate customer desire with ‘killer veg’ developed along this concept.

Killer veg



Amatoro Fukaya Negi (onions),
Nokoamamitsu Satsumaimo (sweet potato)

The seasons reward handwork



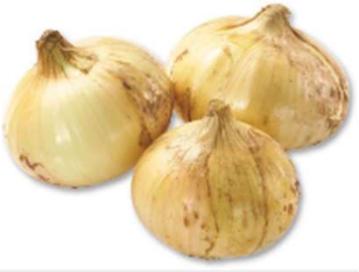
Miso, dried veg, jam making

Progression of *Takuhai* Home Delivery Business

(2) DMK

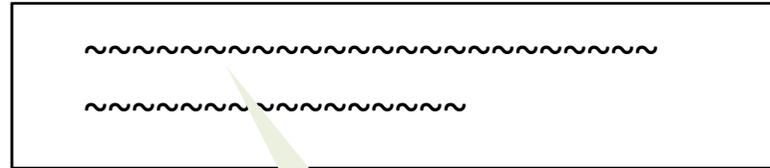
Enhancement of **small portion** offerings and bundling of **recipe cards** based on customer needs.

Small portions/no leftovers

| | |
|---|---|
|  <p>お気に入り(199) レビュー(8)</p> <p>この時期だけのみずみずしさをご堪能あれ</p> <p>九州の新玉ねぎ 500G</p> <p>334円 (税抜) 少量500g 定期会員価格:298円 (税抜)</p> <p>1 <input type="button" value="🛒 カートに入れる"/></p> |  <p>お気に入り(78) レビュー(12)</p> <p>使いきり！ハーフサイズの大根です！</p> <p>大根 1/2本 冷蔵</p> <p>222円 (税抜) 1/2本 定期会員価格:198円 (税抜)</p> <p>1 <input type="button" value="🛒 カートに入れる"/></p> |
|---|---|

Bundling of Recipe Card

An eye-catching cooking pictures and recipe on the front side



Preservation method and cooking tips on the back side

Progression of *Takuhai* Home Delivery Business (3) Radishbo-ya

Value Offering:

Thoughtful food
that rewards

“time & effort to life”

Enjoy time & effort,
live each day thoughtfully,
and a sustainable future
will follow



Progression of *Takuhai* Home Delivery Business (3) Radishbo-ya

■ More effective promotional methods

- ✓ Reduce overall sales promotion costs
- ✓ Restrain channels with low acquisition rates
- ✓ Reduce no. of pages in catalogues, Efficient pamphlet use

■ Solicitation of high margin services

- ✓ Reduce loss-making orders

■ Reform of cost structure

- ✓ Improve CoGS margin, reduce cost of materials, settlement fees, customer support operation

■ Introduction of management methods

- ✓ Visualisation of profitability, Increasing PDCA cycle rate



**Turn profitable quickly,
continually build and improve earnings structure**

FY3/2019 Action Plan

1. Platform for Growth of Food Delivery Business
2. Progression of *Takuhai* Home Delivery Business
 - (1) Oisix
 - (2) DMK
 - (3) Radishbo-ya
- 3. Progression of non-*Takuhai* Business**
 - (1) Physical store retail**
 - (2) Solutions**
 - (3) Overseas**
4. Tokushimaru

Progression of non-Takuhai Home Delivery Business

(1) Physical Store Retail

Through diverse channels, expand & complement Takuhai service awareness.
Focus on Kit Oisix brand recognition/increasing the number of first time users.



Progression of non-*Takuhai* Home Delivery Business

(2) Solutions

Secure revenue, increase the number of customers who buy Kit Oisix with initiatives making use of knowhow & data bases at each brand.



EC meal kit collaboration



Expand advertising database



Exploit brand to beef-up novelty

Progression of non-*Takuhai* Home Delivery Business: (3) Overseas

Begin procurement & sales in China, aim for full-fledged subscription model roll-out.

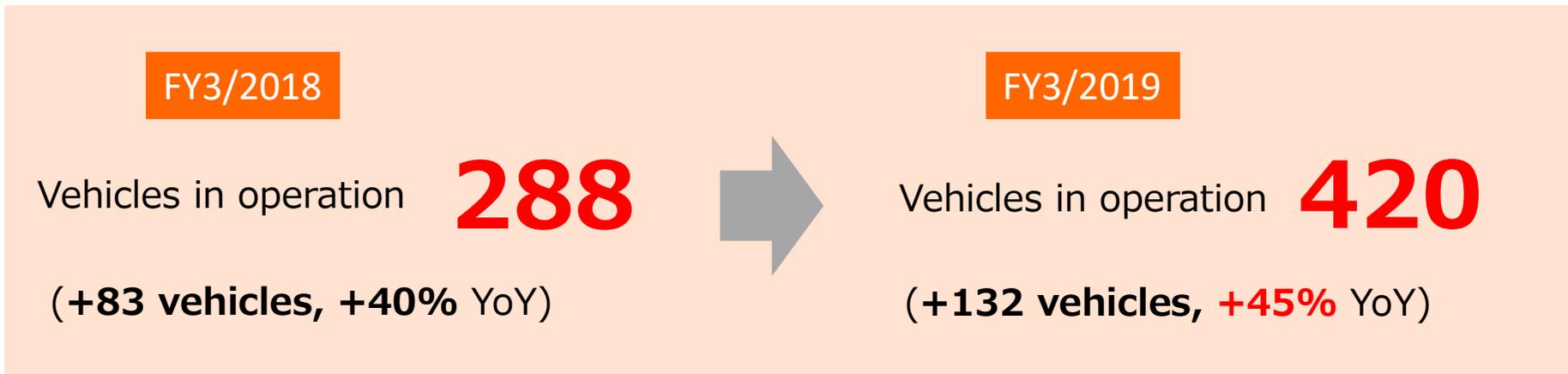


FY3/2019 Action Plan

1. Platform for Growth of Food Delivery Business
2. Progression of *Takuhai* Home Delivery Business
 - (1) Oisix
 - (2) DMK
 - (3) Radishbo-ya
3. Progression of non-*Takuhai* Business
 - (1) Physical store retail
 - (2) Solutions
 - (3) Overseas
- 4. Tokushimaru**

Progression of non-*Takuhaishi* Home Delivery Business: (4) Tokushimaru

Accelerate sales partner acquisitions and aim for 420 vehicles in operation via use of Oisix.Daichi's operation-building capabilities & CRM.



Acquisition of Sales Partners



Oisix Knowhow, staff secondment, etc.

Contents



FY3/2019 Consolidated Targets

- **+52%** sales growth via further growth of the *Takuhai* home delivery business & business combination of Radishbo-ya.
- **+34%** growth in operating profit, **+19%** growth in EBITDA.
- On the assumption that the Radishbo-ya merger will occur during the current FY3/2019, a significant increase in net income is expected owing to tax-loss carryforwards.

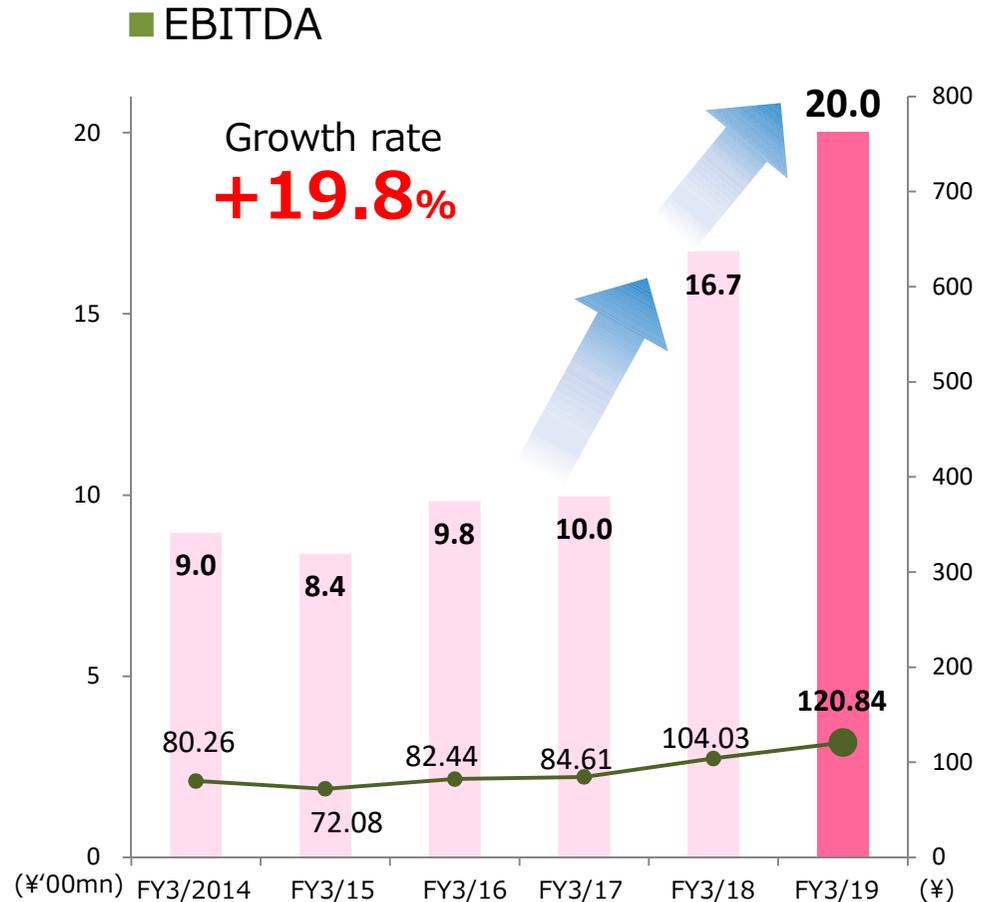
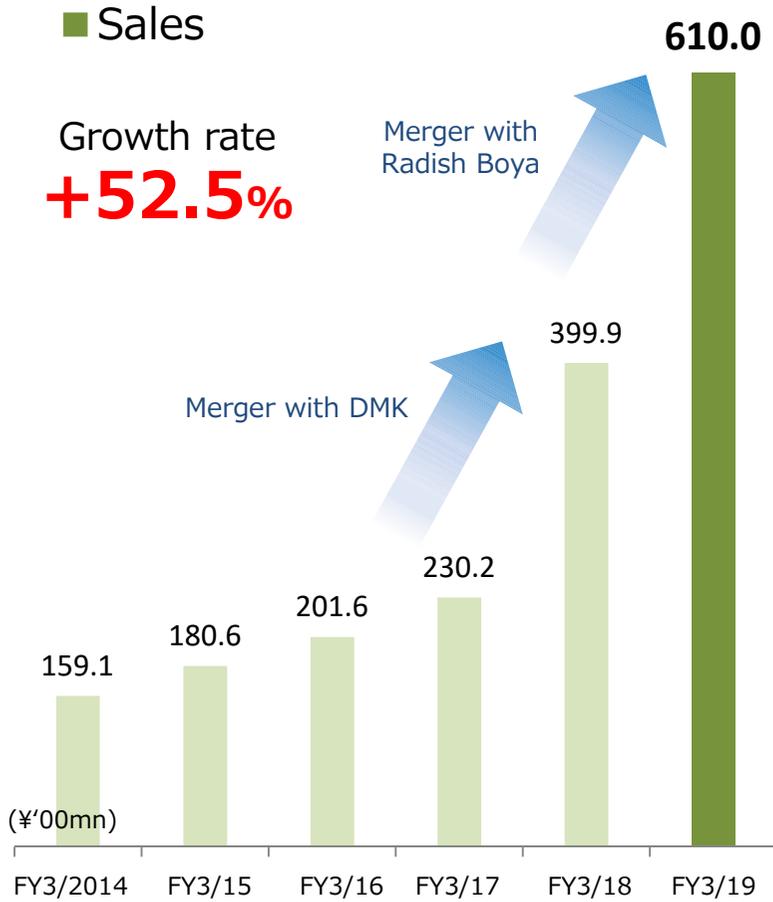
| Units: ¥mn | FY3/2018 Results | FY3/2019 Plan*1 | +/- YoY | +/- YoY % |
|--|---------------------|--------------------|------------|--------------|
| Sales | 39,987 | 61,000 | 21,013 | 152.5% |
| Operating Profit | 891 | 1,200 | 309 | 134.6% |
| EBITDA *2 | 1,670 | 2,000 | 330 | 119.8% |
| Net income attributable to owners of parent | 237 | 900 | 663 | 379.7% |
| EBITDA per share (¥) | 104.03 | 120.84 | 16.81 | 116.2% |

※1 From this FY includes Radishbo-ya earnings (became a consolidated subsidiary on February 28, 2018)

※2 EBITDA=Operating profit+ depreciation + goodwill amortisation

FY3/19 Target Sales & EBITDA Trends

Integration of *takuhai* home delivery business expected to result in a second continuous term of significant growth in sales and EBITDA.

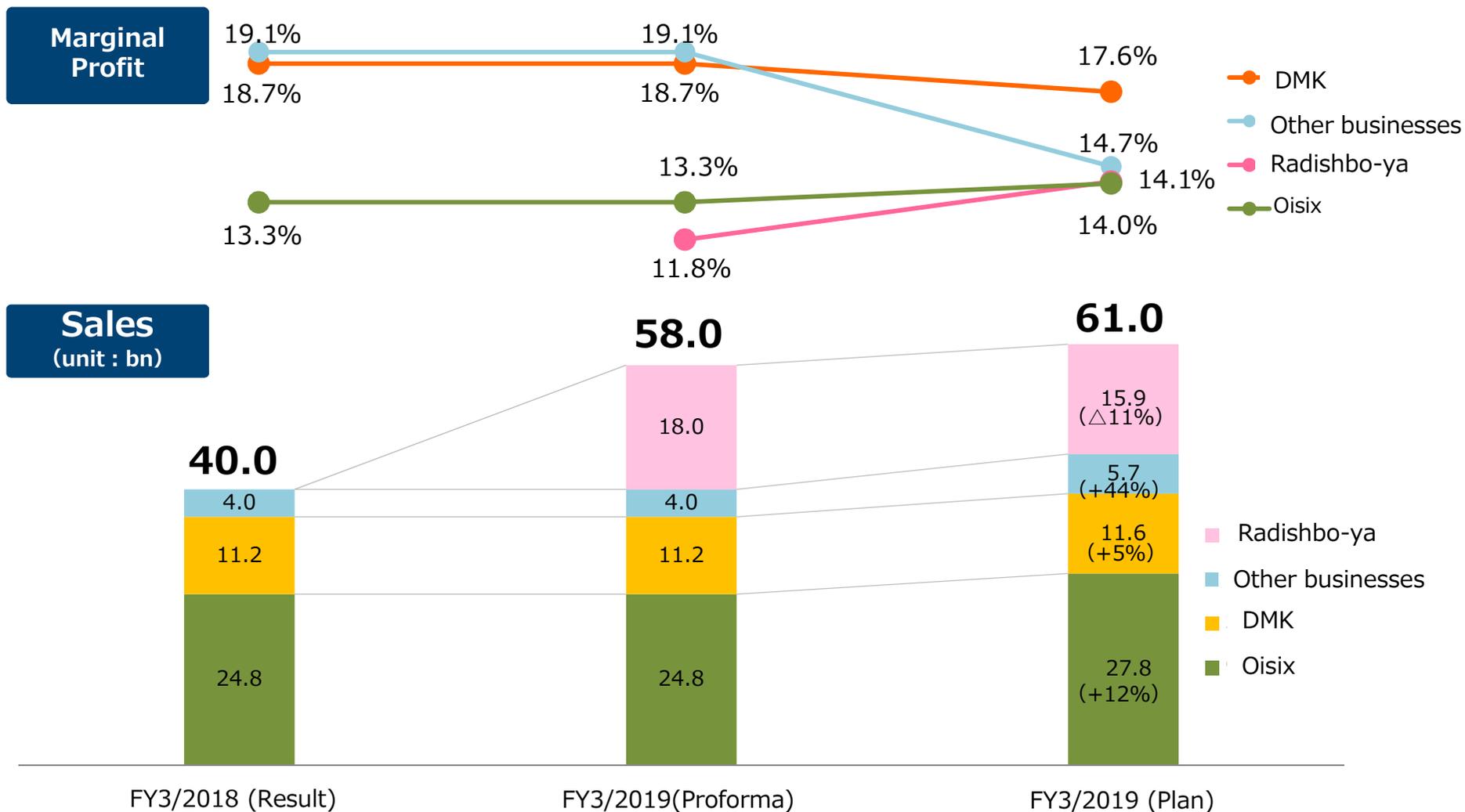


FY3/2019 Targets by Segment

- Oisix : Double digit sales growth & margin improvement driven by increase in subscribers.
- DMK: Sales growth & slight decrease in margin from reinitiation of promotional activity.
- Radishbo-ya: Margin improvement from cost structure reforms (previous FY approx. 12%) .

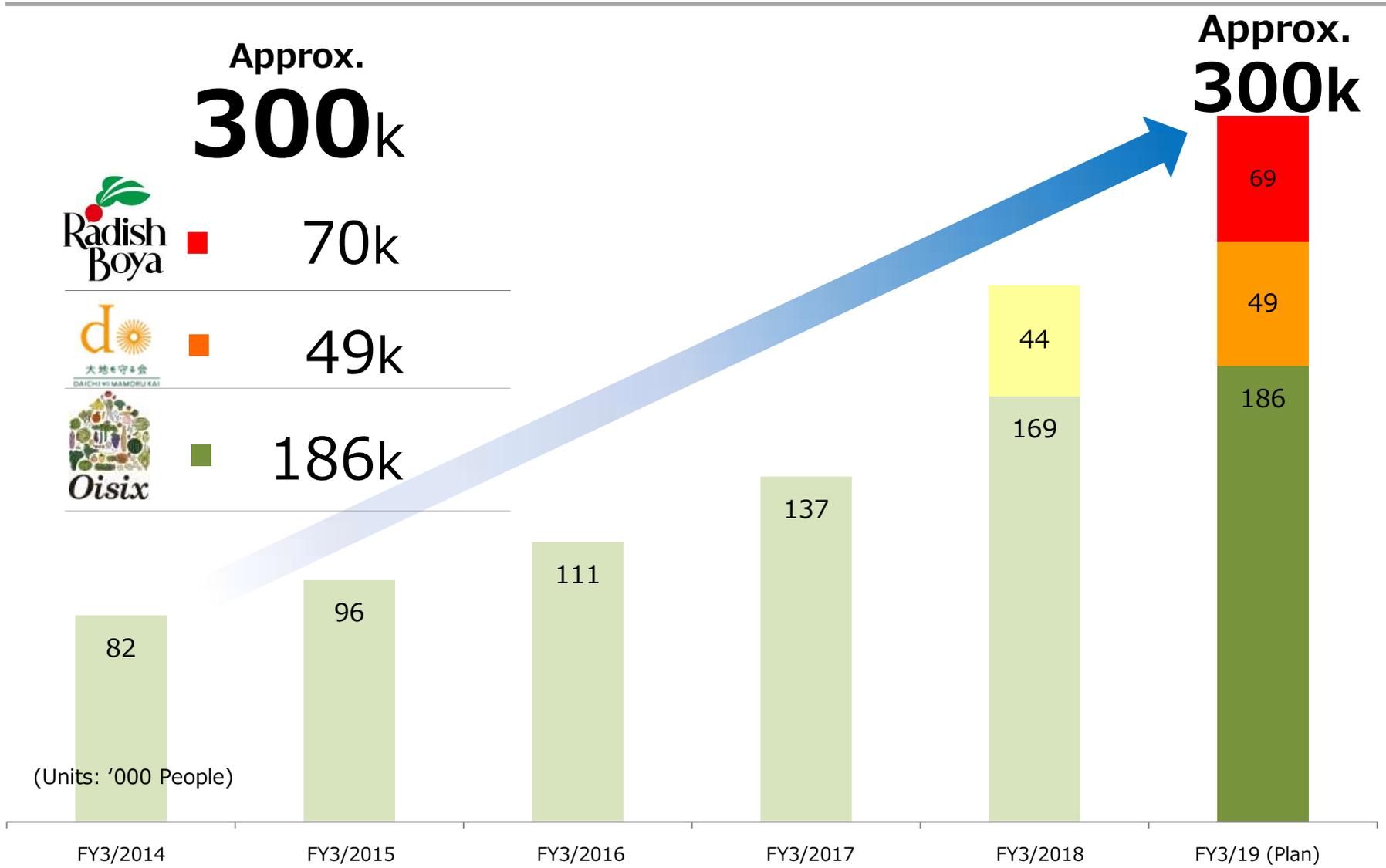
| (Unit:¥'00mn) | | FY3/2018 (Result) | FY3/2018 (Plan) | YoY | YoY |
|----------------------|------------------|----------------------|--------------------|---------|------|
| Takuha Home Delivery | | | | | |
| Oisix | Sales | 24,799 | 27,800 | +3,001 | 112% |
| | Marginal profit | 3,288 | 3,890 | +602 | 118% |
| | | 13.3% | 14.0% | +0.7% | - |
| DMK | Sales | 11,215 | 11,550 | +335 | 103% |
| | Marginal profit | 2,095 | 2,030 | △65 | 97% |
| | | 18.7% | 17.6% | △1.1% | - |
| Radishbo-ya | Sales | - | 15,920 | - | - |
| | Marginal profit | - | 2,240 | - | - |
| | | - | 14.1% | - | - |
| Other Business Sales | | | | | |
| | Sales | 3,972 | 5,730 | +1,758 | 144% |
| | Marginal profit | 760 | 840 | +80 | 111% |
| | | 19.1% | 14.7% | △4.5% | - |
| Company total | | | | | |
| | Sales | 39,987 | 61,000 | +21,013 | 153% |
| | Marginal profit | 6,143 | 9,000 | +2,857 | 147% |
| | | 15.4% | 14.8% | △0.6% | - |
| | Fixed costs | 5,253 | 7,800 | +2,547 | 148% |
| | Operating profit | 891 | 1,200 | +309 | 135% |
| | | 2.2% | 2.0% | △0.3% | - |
| | EBITDA | 1,670 | 2,000 | +330 | 120% |
| | | 4.2% | 3.3% | △0.9% | - |

FY3/2019 Targets by Segment – Sales & Marginal Profit



※ Sales of FY3/2019 (Proforma) include sales of Radishbo-ya's Takuhai Home Delivery.
 ※ Other business: solutions, media, shops, overseas, wholesale, etc.

FY3/2019 Subscriber No. Target



Oisix.daichi