

Consolidated Financial Results for the Six months Ended September 30, 2018 [Japanese GAAP]

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| Company name: Oisix ra daichi Inc. | Stock exchange listings: TSE Mothers |
| Securities code: 3182 | URL: http://www.oisixradaichi.co.jp |
| Representative: Kohey Takashima, Representative Director, CEO | |
| Contact: Hajime Yamanaka, Corporate Officer, Administration | |
| Scheduled date of filing of Quarterly Report: | November 14, 2018 |
| Scheduled date of payment of dividend: | - |
| Preparation of supplementary materials for financial results: | Yes |
| Holding of quarterly financial results meeting: | Yes |

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for Six Months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)

(1) Consolidated Operating Results

(% of change from previous year)

| Six months ended | Net Sales | | Operating Income | | EBITDA | | Net Income Attributable to Owners of the Parent | |
|--------------------|-------------|------|------------------|-------|-------------|-------|---|-------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| September 30, 2018 | 31,720 | 67.5 | 1,115 | 369.5 | 1,513 | 138.1 | 893 | 856.2 |
| September 30, 2017 | 18,935 | 76.7 | 237 | Δ12.3 | 635 | 62.5 | 93 | Δ50.2 |

(Note)

1. Comprehensive income: 2nd Quarter of FY2018(As of September 30, 2018) 894 million yen(854.9%)
 2nd Quarter of FY2017(As of September 30, 2017) 93 million yen(Δ50.0%)
2. Radish Boya figures are for 7 months, March to September, to reflect a change in fiscal year end.

| Six months ended | Net Income per Share | Diluted Net Income per Share |
|--------------------|----------------------|------------------------------|
| | Yen | Yen |
| September 30, 2018 | 26.83 | 26.39 |
| September 30, 2017 | 2.92 | 2.85 |

(Note)

1. EBITDA stands for earnings before depreciation and amortisation.
2. On April 1st, 2018, the Company implemented a 2 for 1 stock split of common shares, and on October 1st, 2018, the Company implemented a 2 for 1 stock split of common shares. For the previous consolidated accounting year, said stock split is assumed to have occurred at the beginning of that accounting year for the purposes of calculating comparable Net Income per Share and Diluted Net Income per Share figures.

(2) Consolidated Financial Position

| Period ended | Total Assets | Net Assets | Shareholders' Equity Ratio |
|--------------------|--------------|-------------|----------------------------|
| | Million yen | Million yen | % |
| September 30, 2018 | 20,648 | 11,013 | 53.2 |
| March 31, 2018 | 19,846 | 10,048 | 50.6 |

(Reference)

Shareholders' equity(million yen) As of September 30, 2018 : 10,983 As of March 31, 2018 : 10,045

2. Dividends

| Fiscal Year ended or ending | Dividend per Share | | | | |
|-----------------------------|--------------------|-------------|----------|-------------|-------------|
| | 1Q | 2Q | 3Q | Year-end | Total |
| March 31,2018 | Yen — | Yen 0.00 | Yen — | Yen 0.00 | Yen 0.00 |
| March 31,2019 | — | | | | |
| March 31,2019 (Forecast) | | 0.00 | — | 0.00 | 0.00 |

(Note)

Revisions to the most recently announced forecast: None

3. Forecast for the Fiscal Year Ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Percentages represent year-on-year changes)

| | Net Sales | | Operating Income | | EBITDA | | Net Income | | Net Income per Share |
|-----------|-------------|------|------------------|-------|-------------|------|-------------|-------|----------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 64,000 | 60.1 | 1,800 | 101.9 | 2,600 | 55.6 | 1,500 | 532.2 | 45.31 |

(Note)

Revisions to the most recently announced forecast: None

EBITDA stands for earnings before depreciation and amortisation.

On October 1st, 2018, the Company implemented a 2 for 1 stock split of common shares. For the previous consolidated accounting year, said stock split is assumed to have occurred at the beginning of that accounting year for the purposes of calculating comparable Net Income per Share

* Notes

(1) Changes of important subsidiaries during the period

(Changes of specific subsidiaries in accordance with changes in the scope of consolidation): None

(2) Adoption of specific accounting treatments to the preparation of consolidated quarterly financial statements:

None

(3) Changes in accounting policies and accounting estimates, and restatements □

1) Changes in accounting policies due to revisions in accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of shares issued (common shares)

1) Number of shares issued (including treasury stock):

| | |
|--------------------------|------------------|
| As of September 30, 2018 | 33,580,164shares |
| As of March 31, 2018 | 33,102,356shares |

2) Number of treasury stocks:

| | |
|--------------------------|-------------|
| As of September 30, 2018 | 3,516shares |
| As of March 31, 2018 | 3,340shares |

3) Number of average shares during the period:

| | |
|---------------------------------------|------------------|
| Three months ended September 30, 2018 | 33,316,155shares |
| Three months ended September 30, 2017 | 32,003,500shares |

On April 1st, 2018, the Company implemented a 2 for 1 stock split of common shares, and on October 1st, 2018, the Company implemented a 2 for 1 stock split of common shares. For the previous consolidated accounting year, said stock split is assumed to have occurred at the beginning of that accounting year for the purposes of calculating comparable Number of shares issued, Number of treasury stocks and Number of average shares during the period.

* This financial report is outside the scope of the audit by certified public accountants or auditing firms.

* Explanation of the proper use of forecast and other notes

The forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. They are not intended as the Company's commitment to achieve such forecasts, and actual results may differ significantly from these forecasts due to a wide range of factors.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

| | As of March 31, 2018 | As of September 30, 2018 |
|---------------------------------|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 7,236,330 | 8,008,478 |
| Accounts receivable-trade | 5,415,701 | 5,154,216 |
| Merchandise and finished goods | 918,137 | 1,036,173 |
| Work in process | 4,435 | 28,220 |
| Raw materials and supplies | 207,590 | 253,802 |
| Accounts receivable-other | 1,335,994 | 1,334,209 |
| Others | 300,077 | 372,012 |
| Allowance for doubtful accounts | △156,696 | △156,614 |
| Total current assets | 15,261,572 | 16,030,499 |
| Noncurrent assets | | |
| Property, plant and equipment | 878,426 | 904,464 |
| Intangible assets | | |
| Goodwill | 1,506,089 | 1,348,403 |
| Others | 877,657 | 1,020,422 |
| Total intangible assets | 2,383,747 | 2,368,825 |
| Investments and other assets | 1,323,134 | 1,344,451 |
| Total noncurrent assets | 4,585,307 | 4,617,742 |
| Total assets | 19,846,880 | 20,648,241 |

(Thousands of yen)

| | As of March 31, 2018 | As of September 30, 2018 |
|---|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable-trade | 4,097,110 | 4,008,247 |
| Short-term loans payable | 6,012 | 7,952 |
| Accounts payable-other | 3,076,648 | 2,860,699 |
| Income taxes payable | 266,572 | 315,650 |
| Provision for bonuses | 90,477 | — |
| Provision for points certificates | 147,754 | 132,075 |
| Asset retirement obligations | 66,000 | 66,000 |
| Others | 979,109 | 1,173,750 |
| Total current liabilities | 8,729,685 | 8,564,376 |
| Noncurrent liabilities | | |
| Long-term loans | 41,296 | 59,780 |
| Provision for directors' retirement benefits | 3,300 | 3,900 |
| Retirement benefit liabilities | 458,874 | 428,886 |
| Asset retirement obligations | 282,649 | 297,320 |
| Others | 282,787 | 280,623 |
| Total noncurrent liabilities | 1,068,907 | 1,070,509 |
| Total liabilities | 9,798,592 | 9,634,886 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 1,259,797 | 1,282,961 |
| Capital surplus | 5,274,175 | 5,297,335 |
| Retained earnings | 3,510,139 | 4,403,891 |
| Treasury stocks | Δ2,065 | Δ2,230 |
| Total shareholders' equity | 10,042,046 | 10,981,958 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 4,693 | 4,182 |
| Foreign currency translation adjustments | Δ1,030 | Δ2,700 |
| Total accumulated other comprehensive income | 3,662 | 1,482 |
| Non-controlling interests | 2,578 | 29,915 |
| Total net assets | 10,048,288 | 11,013,355 |
| Total liabilities and net assets | 19,846,880 | 20,648,241 |

(2) Consolidated Statement of Income

(Thousands of yen)

| | Period ended September 30, 2017 | Period ended September 30, 2018 |
|---|------------------------------------|------------------------------------|
| Net sales | 18,935,900 | 31,720,279 |
| Cost of sales | 10,090,709 | 16,651,328 |
| Gross profit | 8,845,190 | 15,068,950 |
| Selling, general and administrative expenses | 8,607,638 | 13,953,539 |
| Operating income | 237,551 | 1,115,411 |
| Non-operating income | | |
| Interest income | 211 | 94 |
| Dividend received | 4,452 | 4,235 |
| Compensation income | 3,625 | 6,940 |
| Others | 20,961 | 39,780 |
| Total non-operating income | 29,251 | 51,051 |
| Non-operating expenses | | |
| Interest expenses | 142 | 958 |
| Stock issuance cost | 428 | 472 |
| Foreign exchange losses | 1,320 | 1,084 |
| Liabilities from application of equity method | 1,274 | 22,447 |
| Others | 4,076 | 2,837 |
| Total non-operating expenses | 7,242 | 27,800 |
| Ordinary income | 259,560 | 1,138,662 |
| Extraordinary Income | | |
| Gain on sales of investments in affiliated companies | — | 3,123 |
| Total extraordinary Income | — | 3,123 |
| Extraordinary loss | | |
| Loss on revision of retirement benefit plan | 92,222 | — |
| Cancellation charges of facility leasing arrangements | — | 40,159 |
| Total extraordinary loss | 92,222 | 40,159 |
| Income before income taxes | 167,337 | 11,01,626 |
| Income taxes-current | 53,865 | 236,697 |
| Income taxes-deferred | 19,826 | △31,485 |
| Total income taxes | 73,691 | 205,212 |
| Net income | 93,645 | 896,414 |
| Net income attributable to non-controlling interests | 172 | 2,661 |
| Net income attributable to owners of the parent | 93,473 | 893,752 |

(3) Consolidated Statement of Comprehensive Income

(Thousands of yen)

| | Period ended September 30, 2017 | Period ended September 30, 2018 |
|---|------------------------------------|------------------------------------|
| Net income | 93,645 | 896,414 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | — | △511 |
| Foreign currency translation adjustments | △3 | △1,669 |
| Total other comprehensive income | △3 | △2,180 |
| Comprehensive income | 93,642 | 894,233 |
| Total comprehensive income attributable to | | |
| Owners of the parent | 93,469 | 891,572 |
| Non-controlling intetests | 172 | 2,661 |

(4) Consolidated Statement of Cash Flow

(Thousands of yen)

| | Period ended September 30, 2017 | Period ended September 30, 2018 |
|--|------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Income before income taxes | 167,337 | 1,101,626 |
| Depreciation | 204,474 | 207,408 |
| Retirement benefit plan amendments loss | 92,222 | — |
| Amortization on goodwill | 193,705 | 190,932 |
| (Increase) decrease on sales of affiliated companies stock | — | △3,123 |
| Cancellation charges of facility leasing arrangements | — | 40,159 |
| Increase (decrease) in allowance for doubtful accounts | 6,215 | △118 |
| Increase (decrease) in allowance for bonuses | △69,186 | △90,477 |
| Interest income and dividend received | △4,502 | △4,329 |
| Interest expense | 142 | 958 |
| Foreign currency exchange (gain) or loss | 2 | 220 |
| (Increase) decrease on income on equity method investments | 1,274 | 22,447 |
| (Increase) decrease in accounts receivable | △44,506 | 285,510 |
| (Increase) decrease in inventories | △151,012 | △179,472 |
| Increase (decrease) in accounts payable | 185,589 | △90,865 |
| Increase (decrease) in Accounts payable-other | 174,378 | △256,339 |
| Increase (decrease) in accrued expenses | 173,355 | 61,445 |
| Other | △91,520 | △22,124 |
| Subtotal | 837,972 | 1,263,857 |
| Interest and dividend received | 3,587 | 3,458 |
| Interest paid | △142 | △958 |
| Income taxes paid | △137,469 | △189,705 |
| Net cash provided by operating activities | 703,947 | 1,076,652 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | △13,524 | △28,480 |
| Payments for acquisition of investments | △131,503 | △284,580 |
| Payments for acquisition of affiliates | △34,990 | — |
| Income for sale of affiliates | — | 21,640 |
| Payments from acquisition of control over subsidiaries | △12,367 | △35,332 |
| Income from acquisition of control over subsidiaries | — | 19,766 |
| Payments for lease deposits and guarantee deposits | △349,464 | △38,734 |
| Other | △7,962 | 12,844 |
| Net cash used in investing activities | △549,812 | △332,877 |
| Cash flows from financing activities | | |
| Repayment of long-term loans payable | △18,006 | △3,891 |
| Proceeds from stock issuance | 25,742 | 45,930 |
| Income from payment from controlled shareholder | — | 10,000 |
| Purchase of treasury stock | △1,202 | △164 |
| Repayment of lease liabilities | △3,253 | △22,212 |
| Net cash provided by financing activities | 3,280 | 29,662 |
| Effect of exchange rate changes on cash and cash equivalents | △6 | △1,889 |
| Increase (decrease) in cash and cash equivalents | 157,409 | 771,547 |
| Cash and cash equivalents at the beginning of the year | 5,209,396 | 7,194,730 |
| Cash and cash equivalents at the end of the year | 5,366,806 | 7,966,278 |