

Consolidated Financial Results for the Nine months Ended December 31, 2019 [Japanese GAAP]

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:		February 14, 2020	
Scheduled date of payment of dividend:		-	
Preparation of supplementary materials for financial results:		Yes	
Holding of quarterly financial results meeting:		None	

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

1. Consolidated Financial Results for Nine Months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

(1) Consolidated Operating Results (% of change from previous year)

Three months ended	Net Sales		Operating Income		EBITDA*1		Net Income Attributable to Owners of the Parent*3	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2019	52,425	7.2	1,597	△29.5	2,381	△17.4	695	△72.5
December 31, 2018 *2	48,906	63.0	2,265	227.2	2,882	124.7	2,533	653.7

Comprehensive income: 3rd Quarter of FY2019 (As of December 31, 2019) 632 million yen (△75.0%)
 3rd Quarter of FY2018 (As of December 31, 2018) 2,530 million yen (629.3%)

(Note)

*1. EBITDA stands for earnings before depreciation and amortisation.

*2. The result for the 3Q on FY2018 include the 7-month profits and losses (from March 1 to September 30, 2018) of Radish Boya Co., Ltd. (fiscal year end is February, absorption-type merged in October 2018). Comparing the results for the 3Q on FY2019 with the result for 9-month period excluding the profit and loss of Radish Boya Co., Ltd. in March 2018, net sales increased by 10.8%, operating income decreased by 27.3%, EBITDA decreased by 15.3%, and net income attributable to owners of the parent decreased by 71.7% from the previous year.

*3. Net income attributable to owners of the parent for the same period of the previous fiscal year was increased than normal compared to operating income due to special factors such as the restrained amount of expenses for income taxes in Radish Boya Co., Ltd. In addition, as a factor related to the first 9 months of the fiscal year under review, Welcome Co., Ltd., an equity-method affiliate, was consolidated from the 1Q of the fiscal year under review, and Three Limes Inc. (hereafter Purple carrot), a subsidiary, was consolidated from the 3Q of the fiscal year under review. As a result, amortisation expenses for each goodwill were incurred.

Three months ended	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
December 31, 2019	20.47	20.32
December 31, 2018	75.84	74.78

(2) Consolidated Financial Position

Period ended	Total Assets	Net Assets	Shareholders' Equity Ratio
	Million yen	Million yen	%
December 31, 2019	26,798	13,950	51.9
March 31, 2019	22,749	12,505	54.8

2. Dividends

Fiscal Year ended or ending	Dividend per Share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
March 31, 2019	—	0.00	—	0.00	0.00
March 31, 2020	—	—	—	—	—
March 31, 2020 (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, 2020 (from April 1, 2019 to March 31, 2020)

(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	70,000	9.3	2,200	△4.9	3,200	1.4	1,000	△58.1	29.77

(Note)

*1.Revisions to the most recently announced forecast: None

*2.EBITDA stands for earnings before depreciation and amortisation.

* Notes

(1) Changes of important subsidiaries during the period

(Changes of specific subsidiaries in accordance with changes in the scope of consolidation): Yes

Newly consolidated: One company

Future Food Fund No.1 investment limited partnership

From the 3Q of the current consolidated fiscal year, Future Food Fund Corporation, our subsidiary, assigned an unlimited partner of the Future Food Fund No.1 investment limited partnership. Therefore, this partnership was included in the scope of consolidation.

(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

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|---|------|
| 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 December 31, 2019	34,316,516shares
As of March 31, 2019	33,595,156shares

2) Number of treasury stocks:

As of December 31, 2019	3,780shares
As of March 31, 2019	3,780shares

3) Number of average shares during the period:

Three months ended December 31, 2019	33,996,061shares
Three months ended December 31, 2018	33,403,388shares

(Note)

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, 2019	As of december 31, 2019
Assets		
Current assets		
Cash and deposits	8,136,173	6,813,439
Accounts receivable-trade	5,555,456	8,087,962
Merchandise and finished goods	1,173,552	1,391,336
Work in process	45,077	33,497
Raw materials and supplies	184,228	377,946
Accounts receivable-other	1,308,693	1,643,659
Others	394,685	387,970
Allowance for doubtful accounts	△196,069	△223,516
Total current assets	16,601,798	18,512,295
Noncurrent assets		
Property, plant and equipment	1,007,751	1,404,480
Intangible assets		
Goodwill	1,137,486	2,527,489
Others	1,009,106	1,813,321
Total intangible assets	2,146,592	4,340,811
Investments and other assets	2,993,343	2,541,212
Total noncurrent assets	6,147,686	8,286,503
Total assets	22,749,485	26,798,799

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Accounts payable-trade	4,240,280	5,948,338
Short-term loans payable	9,552	6,897
Accounts payable-other	3,649,938	4,389,732
Income taxes payable	255,659	337,790
Provision for points certificates	145,468	188,431
Asset retirement obligations	-	10,351
Others	1,149,101	1,165,204
Total current liabilities	9,450,000	12,046,744
Noncurrent liabilities		
Long-term loans	53,404	48,895
Lease obligations	42,289	37,307
Provision for directors' retirement benefits	4,500	5,400
Retirement benefit liabilities	-	1,665
Asset retirement obligations	296,218	299,947
Others	397,852	408,119
Total noncurrent liabilities	794,264	801,333
Total liabilities	10,244,264	12,848,078
Net assets		
Shareholders' equity		
Capital stock	1,284,022	1,690,928
Capital surplus	5,298,392	5,704,705
Retained earnings	5,897,781	6,593,721
Treasury stocks	△2,800	△2,800
Total shareholders' equity	12,477,395	13,986,554
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,284	1,156
Foreign currency translation adjustments	△8,274	△69,248
Total accumulated other comprehensive income	△4,989	△68,092
Non-controlling interests	32,815	32,258
Total net assets	12,505,220	13,950,720
Total liabilities and net assets	22,749,485	26,798,799

(2) Consolidated Statement of Income

(Thousands of yen)

	Period ended December 31, 2018	Period ended December 31, 2019
Net sales	48,906,257	52,425,426
Cost of sales	25,592,895	27,741,799
Gross profit	23,313,362	24,683,627
Selling, general and administrative expenses	21,047,500	23,086,154
Operating income	2,265,861	1,597,472
Non-operating income		
Interest income	153	969
Dividend received	5,648	0
Compensation income	9,208	9,509
Others	61,004	37,879
Total non-operating income	76,015	48,359
Non-operating expenses		
Interest expenses	1,501	5,789
Stock issuance cost	477	1,099
Foreign exchange losses	3,751	9,989
Liabilities from application of equity method	43,361	198,546
Others	4,886	7,310
Total non-operating expenses	53,978	222,735
Ordinary income	2,287,898	1,423,096
Extraordinary Income		
Gain on sales of investments in affiliated companies	3,123	-
Total extraordinary Income	3,123	-
Extraordinary loss		
Cancellation charges of facility leasing arrangements	40,159	-
Loss on sales of noncurrent assets	11,741	-
Loss on disaster	-	54,601
Total extraordinary loss	51,900	54,601
Income before income taxes	2,239,121	1,368,495
Income taxes-current	311,441	436,711
Income taxes-deferred	△610,369	236,400
Total income taxes	△298,928	673,112
Net income	2,538,049	695,383
Net income attributable to non-controlling interests	4,676	△556
Net income attributable to owners of the parent	2,533,372	695,939

(3) Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Period ended December 31, 2018	Period ended December 31, 2019
Net income	2,538,049	695,383
Other comprehensive income		
Valuation difference on available-for-sale securities	△1,349	△922
Foreign currency translation adjustments	△6,261	△60,974
Share of other comprehensive income of companies accounted for by the equity method	-	△1,204
Total other comprehensive income	△7,610	△63,102
Comprehensive income	2,530,438	632,280
Total comprehensive income attributable to		
Owners of the parent	2,525,762	632,837
Non-controlling interests	4,676	△556