

Oisix ra daichi

Oisix ra daichi Inc.

Q2 Financial Results Briefing for the Fiscal Year Ending March 2020

November 14, 2019

Event Summary

[Company Name]	Oisix ra daichi Inc.
[Event Type]	Earnings Announcement
[Event Name]	Q2 Financial Results Briefing for the Fiscal Year Ending March 2020
[Fiscal Period]	FY2019 Q2
[Date]	November 14, 2019
[Number of Pages]	49
[Time]	16:05 – 17:00 (Total: 55 minutes, Presentation: 36 minutes, Q&A: 19 minutes)
[Venue]	TKP Tokyo Station Central Conference Center 10A Hall Shinmakicho Building, 10F 1-8-16 Yaesu Chuo-ku, Tokyo 103-0028
[Venue Size]	199.44 m ²
[Participants]	95
[Number of Speakers]	1 Kohey Takashima President

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Presentation

Moderator: I would like to thank you for taking time out of your busy schedule to come here today. Now, we will start the briefing for the interim financial results of Oisix ra daichi Inc. for the fiscal year ending March 2020.

Our president, Kohei Takashima, will explain the interim settlement during the March 2020 period, though, as soon as possible. President Takashima, thank you for your support.

Takashima: Hello. Thanks for taking time out of your tight schedule to come here today. The elevator has stopped, so we have delayed the time. Some of you may have come to the 10th floor by using the stairs, but I would like to try hard to have a briefing that is worth using the stairs to reach the 10th floor. Particularly, to those who have climbed up the stairs, please enjoy the briefing over our drink Vegeel. This is good when you are thirsty, and additionally, it contains two days' worth of vegetables. However, the human body can absorb only a day's worth, so it does not mean that if you drink it, you don't have to eat any vegetables tomorrow. We were just eager to put two days' worth of vegetables in. You can at least get your daily amount of vegetables today via our drink, so please listen while drinking.

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2Q業績エグゼクティブサマリ

✓ 計画比において、売上・EBITDA・営業利益ともに**順調に進捗**

✓ 前年同条件比※で、売上は**8.1%増収**、
EBITDAは、Oisixの費用増などの影響により**6.6%減益**

※次ページ特別要因参照

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I would like to explain for 20 to 30 minutes about the interim financial results for the first half of the fiscal year, and then we will move onto the question and answer session.

As for the overall structure, I would like to talk about the numerical parts of the business results, the specific details of each segment, and what we are thinking about in future topics, and then talk about some topics.

Firstly, in terms of the interim results, including 1Q and 2Q, sales, profits, and overall results, were favorable overall. Although “favorable” means “borderline”, it has been progressing according to our plan. Sales are also growing. Profits are also progressing as planned. As I will explain later, there is a slight increase in costs due to Oisix, but most of them are as planned.

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前年同期比較時の特別要因

【昨年度発生の特別要因 (FY2019/3期)】

① らでいっしゅぼーや決算期変更に伴う変則決算

- ・昨年度はらでいっしゅぼーや事業は決算期変更により、**13ヶ月計上**（1Qに4ヶ月計上）
- ・前年同条件比と記載がある箇所は、らでいっしゅぼーや事業の2018年3月業績(売上：約16.0億、営業利益：約0.7億)の1か月分を控除し比較

② らでいっしゅぼーや経営統合に伴う税効果発生

- ・昨年度はらでいっしゅぼーや統合による、**繰越欠損金、繰延税金資産の法人税軽減効果が発生** (FY2019/3期の税効果は約12億円)

【今年度発生の特別要因 (FY2020/3期)】

③ M&Aによる新規連結

- ・ウェルカム社(DEAN & DELUCA)は、**1Q**から持分法適用により利益連結・のれん償却費発生 (2Q決算時点で連結済)
- ・Purple Carrotは、**3Q**から売上・利益ともに連結・のれん償却費発生 (2Q決算時点で未連結)

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Before starting my explanation, I believe that it is necessary to explain this to the public every time this fiscal year, but there are a few specific factors that I will explain in detail. First of all, there are two special factors behind the financial results for the previous fiscal year, with one being management integration with Radish Boya and the other having last year's sales be recorded for 13 months. For Radish Boya, about 1.5 billion yen was recorded for one month, but it's a lot more in last year.

Another special factor was tax effects, partly due to Radish Boya recording losses for a long time, and net income for the fiscal year ended March 31, 2019 being extremely large for a time. Net income was also larger than operating income for the fiscal year ended March 31, 2019 due to the tax effects. As it has returned to normal from the current fiscal year, looking only at the superficial figures of the year-on-year rate does not seem to be so good, but it does not mean that particularly negative things have occurred this year.

In addition, I would like to mention what has been occurring since this year. In terms of M&A or consolidation through equity investments, we invested 20% in Dean & Deluca, which has been included in the scope of consolidation since this fiscal year. This has already been consolidated from the previous quarter, and the amortization of goodwill has begun.

On the other hand, we made an acquisition in spring in May this year of Purple Carrot, which is a US company. But, as we will explain today, neither sales nor profit figures are consolidated, so we will consolidate them from the second half of the year. Specifically speaking, since it is in the United States, its financial results briefing is in December, so in the second half of the current fiscal year, we will record its results from July to December. Before the acquisition, the company had sales of about 4 billion yen and profits of negative 400 million yen, approximately. However, since the July-to-December quarter figures for the current fiscal year

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will be recorded from the second half of our current fiscal year, in terms of the current fiscal year, only half of the figures will be recorded.

2Q業績サマリ

計画比において、売上・EBITDA・営業利益ともに順調に進捗

売上高

325.5億円
(計画比 100%)

EBITDA

13.4億円
(計画比 107%)

営業利益

9.0億円
(計画比 117%)

親会社株主に
帰属する

四半期
純利益

3.9億円

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This is the explanation of the special factors behind this year's presentation. As a result, both sales and profit are in line with our plan. However, as you can see, there are some areas that seem to be in line with the marginal plan, and although we were aiming for a slightly higher level of performance, we feel that it is exactly in line with the plan.

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2Q業績推移

※FY2019/3期は、5でいつしゅばーやは決算期変更のため、
13ヶ月計上（1Qに4ヶ月計上）
同条件比較のため、5でいつしゅの1か月分（18年3月分）を除外

前年同条件比で、売上は**増収**、

EBITDA・営業利益については、Oisixの費用増などにより**減益**

■ 売上高

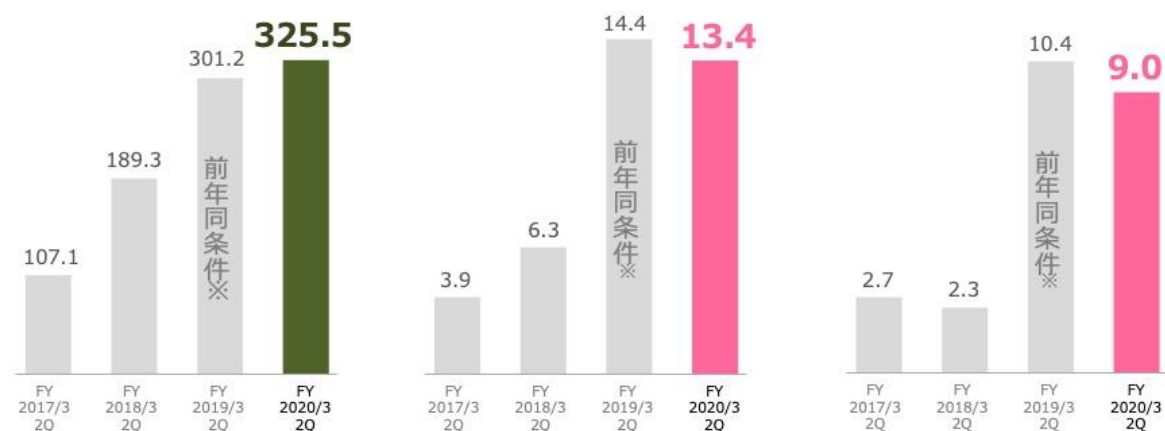
325.5 億円

■ EBITDA

13.4 億円

■ 営業利益

9.0 億円



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If I partly correct the conditions I have just mentioned and look at them under the same conditions, sales are also growing slightly. On the other hand, EBITDA has slightly declined operating income, and the breakdown is shown on the next page. One of the factors behind this is that, in the spring, the rate of growth in Oisix has increased slightly from the previous year, but in order to achieve this growth, we launched large-scale advertising campaigns, including TV commercials, in the spring.

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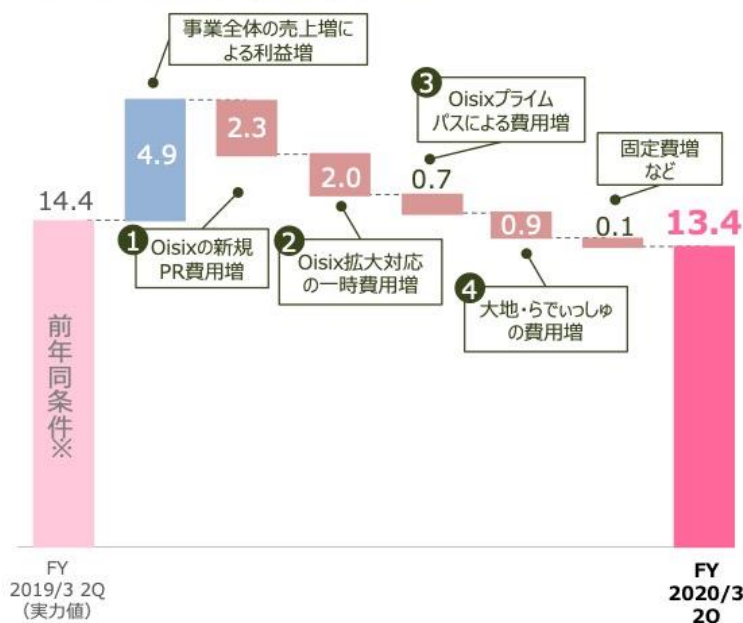
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前年上期との比較：EBITDA

※FY2019/3期は、らでいっしゅばーやは決算期変更のため、13ヶ月計上（1Qに4ヶ月計上）
同条件比較のため、らでいっしゅの1か月分（18年3月分）を除外

EBITDA：売上伸長するも、Oisix新規PR費増などの影響により減益

EBITDAの前年上期推移（億円）



主な費用増について

- OisixPR費用：2.3億**
 ・1Qの大規模プロモーション
 ・ライフスタイルが変わる9月にも集客強化
- Oisix拡大対応の一時費用：2.0億**
 ・急速な成長に伴う物流キャパ増強による追加の倉庫賃借費・横持ち輸送費など
- Oisixプライムパス費用：0.7億**
 ・定額制の選り放題サービス「Oisixプライムパス」による費用増。LTV上昇に向けた先行投資
- 大地・らでいっしゅ費用増：0.9億**
 ・売上減に伴う固定的費用の上昇など

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Second, the ratio of meal kits, called Kit Oisix, to sales has risen more than expected, and the profitability itself is in a good condition. However, in the first half of the fiscal year, we have exceeded the production capacity of meal kits and tried to make it through the excessive demand. It was temporarily quite expensive. Then we were incurring upfront costs for the new Prime Pass subscription service. I think the profit margin has fallen slightly due to these factors, but the planned content, other than the one-time costs associated with this expansion have not been so well planned, is in line with the plan.

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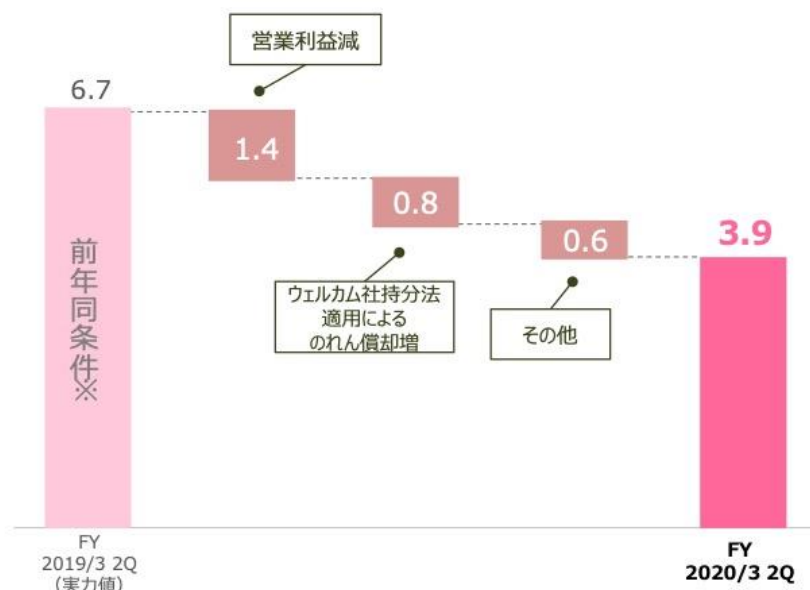
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前年上期との比較：四半期純利益

※①FY2019/3期は、らでいつしゅぼーやは決算期変更のため、13ヶ月計上（1Qに4ヶ月計上）
同条件比較のため、らでいつしゅの1か月分（18年3月分）を除外
②らでいつしゅぼーや経営統合に伴う法人税軽減効果（上期で約1.5億）を除外

四半期純利益：営業利益減に加え、持分法適用などの影響により減益

■ 四半期純利益（億円）



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The same is true of net income. In addition, this fiscal year, Dean & Deluca, along with its equity stake, the consolidation of equity-method affiliates, and the subsequent amortization of goodwill, have occurred.

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セグメント別業績サマリ

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13ヶ月計上（1Qに4ヶ月計上）
同条件比較のため、らでいつしゅの1か月分（18年3月分）を除外

	売上	限界利益	事業概況
Oisix	165.2億円 (前年同期比 120%)	18.6億円 (前年同期比 96%)	ミールキット需要増を捉え、 成長スピードが加速。集客 拡大に向け、先行投資実施
大地を守る会	51.3億円 (前年同期比 94%)	8.8億円 (前年同期比 92%)	プロモーションを抑制し、オペレーション エクセレンスやサービスレベル向上作業完了。 サービス作り開始。 売上減に伴う一時的な 固定的な運営費用の比率上昇
らでいつしゅ ぼーや	74.5億円 (前年同期比 89%)	12.7億円 (前年同期比 84%)	プロモーションを抑制し、オペレーション エクセレンスやサービスレベル向上に取組中。 赤字受注削減。 売上減に伴う一時的な固定的な 運営費用の比率上昇
その他事業	35.2億円 (前年同期比 132%)	5.5億円 (前年同期比 187%)	保育園卸の大幅な黒字化による 利益増。アライアンス事業も順調に伸長

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In terms of segments, Oisix has grown 120%, and in terms of growth rates, we are in touch with our targets. In order to achieve this, we are spending budget to some extent, but I think it is good to say that it is going smoothly.

DAICHI WO MAMORUKAI has gradually calmed down the decline in sales, and in this third quarter, it has come to a halt, and in order to do that, we are working to raise the level of our base service considerably. As a result, there are fixed operating costs, such as rent for distribution centers, but the ratio of these costs that falls under what we call marginal profits is temporarily rising.

With regard to Radish Boya, we are still working to make it leaner, and I believe it will continue, probably until the end of this fiscal year.

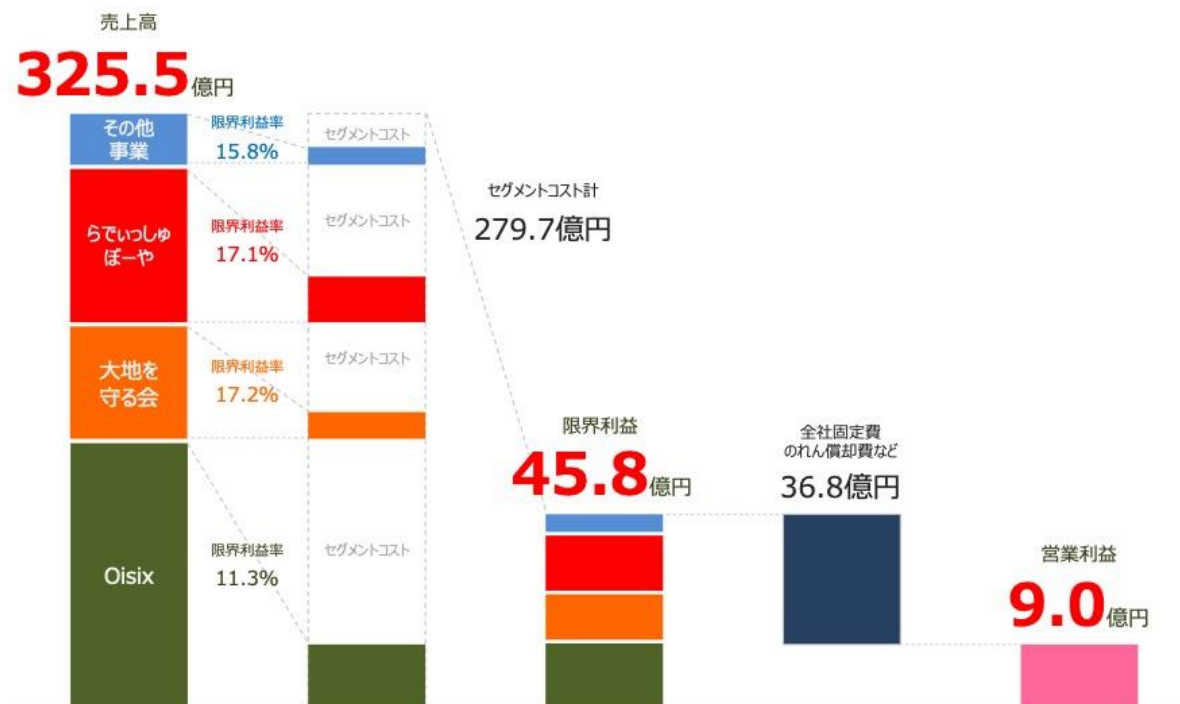
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事業セグメント概要



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Other B to B businesses are growing, and, as a whole, the sales and operating income I mentioned earlier are 32.55 billion yen and 900 million yen, respectively.

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事業セグメント全体像

① 国内宅配事業（主要3ブランド）

- Oisix
- 大地を守る会
- らでいっしゅぼーや

② 国内宅配事業（その他）

- 他社EC宅配支援（アライアンス）
- とくし丸（子会社）

③ その他事業

- 海外宅配事業
- 店舗外販事業

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I will discuss in detail, but I would like to talk about three main points. The first is the domestic delivery business for the three major brands. And then, I would like to explain other delivery businesses and other businesses.

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Oisix KPI

会員数：1Qの大規模PR施策入会者の初期離脱が発生も、
前年同期比で**20%以上の伸長**を継続

ARPU：大型PR施策による新規ライトユーザ増により低下

国内宅配 主要3ブランド

国内宅配 その他

その他 事業

■ 会員数

230,556人

(前年同期比 121.8%)



■ ARPU※

10,616円

(前年同期比 95.4%)



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※ ARPU=Average Revenue Per User: 一人当たり月単価

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Oisix KPI

国内宅配 主要3ブランド

国内宅配 その他

その他 事業

Kit Oisix会員数：ミールキットのニーズ増を捉え13万人を突破。
前年同期比150%超と大幅な伸長を継続

■ Kit Oisixコース会員数推移

(Oisix会員数に含む)

134,895人

(前年同期比 154.6%)



■ Kit Oisixの特長

1

家族の人数に合わせた適量をお届け。主菜と副菜の2品が20分で完成



2

全てのメニューに5種類以上の野菜が入っており、栄養バランスも考慮



3

当社の契約農家、メーカーの安心安全な食材のみを利用



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Looking at each of the brands, the ARPU of Oisix declines a little, but the number of members is 121.8%, indicating that regular members are growing continuously. In particular, the year-on-year growth of Kit Oisix, the meal kits, is around 150%, and the majority of the overall growth is associated with the growth of this Kit Oisix. I think this is still promising.

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Oisix トピックス

国内宅配 主要3ブランド

国内宅配 その他

その他 事業

子育てをする母親にエールを送る「クレヨンしんちゃん」とのコラボ広告の拡散や
13件に及ぶテレビパブリシティなど、メディア露出が増え、社会の関心を集めた

■ Oisixに関する累計Twitter口コミ数



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Indeed, there has been a great increase in exposure related to Kit Oisix, and this slide shows the number of tweets. It is considerably high compared with last year and is continuously growing. In the first half of the year, there were many opportunities for media exposure where the meal kit was introduced to the market, and I feel that it has become a commodity known to many people.

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Oisix トピックス

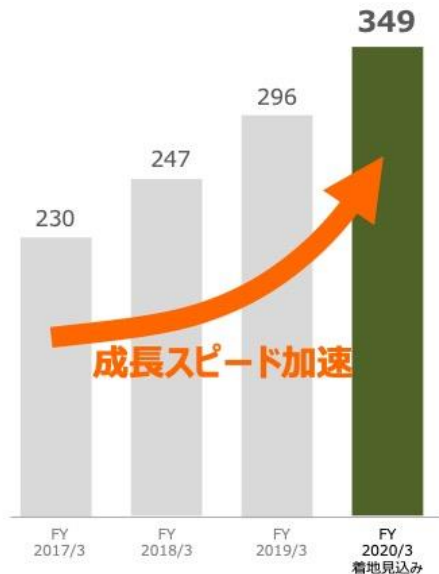
国内宅配 主要3ブランド

国内宅配 その他

その他 事業

Kitに続くサービス開発も順調に進捗。数日間の献立&食材セットや、
定額サービスの拡充など、新たな価値提案に向けたサービスをリリース

■ Oisix事業の売上推移 (億円)



■ ちゃんとOisix



カット野菜が苦手な方向けの
素材と献立セット「ちゃんとOisix」の
利用者が1万人突破※。
「Kit Oisix」に続く新サービスとして、
磨き上げを継続しつつ、PR拡大予定

■ Oisix プライムパス



6月末ローンチの「Oisixプライム
パス」も順調に推移。
短期的なコスト増も、
LTV向上の兆しあり

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※ 「ちゃんとOisix」の会員数は「Kit Oisix」会員数に内含む 17

We have quietly started Chanto Oisix services that differ from other meal kit services. The meal kit provides cut or prepared vegetables, but Chanto Oisix is a service for people who do not like to cut vegetables. It's a service that provides recipes and ingredients, and when they make dishes based on a weekly menu, they can finish off all of the ingredients. We're quietly doing this service. The company has gained support from people who don't want to be concerned about the menu, but are resistant to cutting vegetables, and around 10,000 people have supported this service. It is now in a phase where we can further increase the number of such people.

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Oisix トピックス

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国内宅配 その他

その他 事業

10月に米国子会社Purple Carrot監修のヴィーガンKitの販売スタート。
日本における“時々ヴィーガン”を楽しむ市場創出へ

■ ヴィーガンKit



- ✓ 日本初上陸の
“ヴィーガンの食材とレシピの献立セット”を
共同開発。年内には10種類超の
ヴィーガンレシピを展開予定
- ✓ 日本での“時々ヴィーガン”市場の
牽引を目指し、リアルイベントも開催



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Another topic is the US meal kit business, which we acquired in the spring of this year, that offers food made solely from vegetable-based ingredients for vegans, and the menu has also been launched in Japan. This has just started about a week ago. A good thing about its service is that 80% of its users are non-vegan, although many people often feel that it is impossible for them to not eat meat.

In other words, rather than targeting people who don't believe in consuming animal products or who have such a style of eating, it is a part-time vegan service for those who generally eat meat and fish, but don't eat animal products some days. We sometimes use the word “vegan” in Japan, but the term “vegetarian” no longer references an eating lifestyle, but rather refers to a certain identity or moniker for people who live like vegetarians. We don't want “vegan” to end up like that. Rather than serving people who have vegan lifestyles, we have launched a service based on the concept that people who, say, eat too much meat yesterday or who will eat tempura tomorrow can have vegetable-based meals that satisfy them once or twice a week. So far, so good.

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国内宅配 主要3ブランド

国内宅配 その他

その他 事業

Kit Oisixの想定以上の伸長により、一時的な製造キャパ要因の売切れや短期的な費用増が発生するも、**製造機能を新工場に移設することにより物流製造のキャパシティ増加し下期から安定稼働を見込む**

■ Kit Oisixの製造キャパ増強



9月から横浜市金沢区にKit Oisixのプロセスセンターの稼働開始

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As I mentioned earlier, for the first half of the fiscal year, Oisix has been constantly caught up due to Kit Oisix capacity overruns. However, we built a new plant in the autumn, so it will settle down the situation to a certain level and ensure production in the future.

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大地を守る会 KPI

国内宅配 主要3ブランド

国内宅配 その他

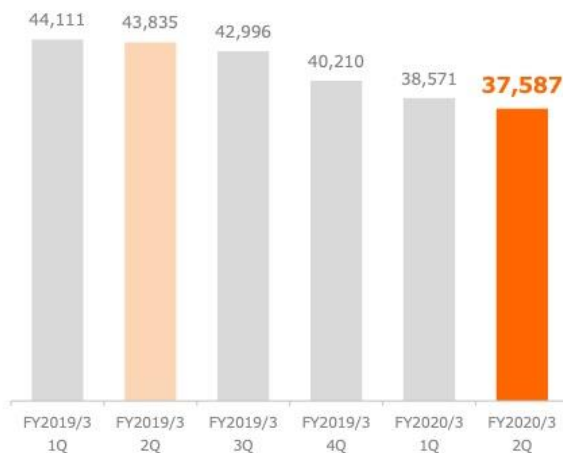
その他 事業

会員数：LTV向上させるサービス作りを優先。集客は低LTVチャネルを抑制し**減少**

ARPU：新規集客の抑制およびターゲットニーズに沿ったサービス提案により、頻度・単価ともに**上昇**

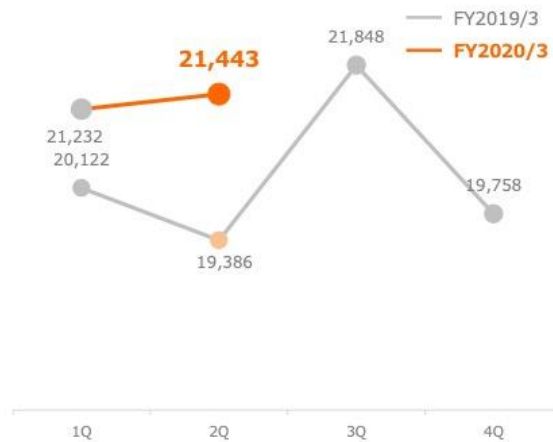
■ 会員数

37,587 人
(前年同期比 **85.7%**)



■ ARPU※

21,443 円
(前年同期比 **110.6%**)



Oisix ra daichi

※ ARPU=Average Revenue Per User: 一人当たり月単価 20

Next, I would like to talk about DAICHI WO MAMORUKAI. The number of members has gradually decreased since we almost stopped promotions. However, the number of people has stopped declining in 3Q and is gradually increasing slightly. As for the ARPU, since it has already risen considerably and there are only very good customers left, sales per employee are increasing.

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大地を守る会 トピックス

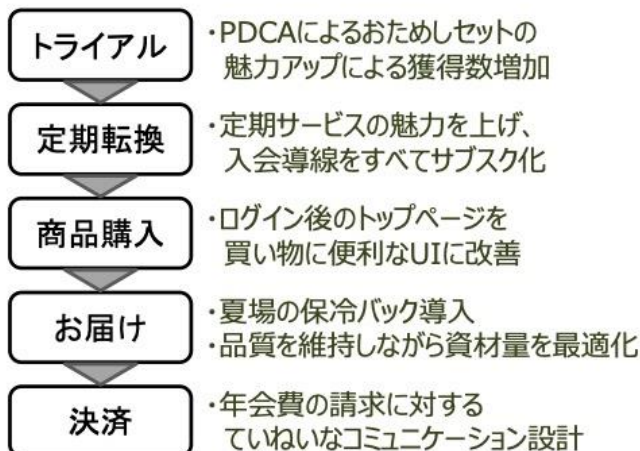
国内宅配 主要3ブランド

国内宅配 その他

その他 事業

サービス作りを進め、拡大に向けた準備が完了
会員数は3Q中に下げ止まり、下期は再拡大を目指す

■ オペレーションエクセレンス・サービス向上



お客様の行動に沿ってサービスの負を改善し、
獲得と解約が均衡した状態

■ サービス作り



「まいにち野菜おかずセット」
野菜中心の副菜2品を5日分、
献立と一緒にお届けする食材
セット

お客さまが「体に良い食卓を
通して畑とつながる」ことが
感じられるサービスへ

Oisix ra daichi

21

How we raised the base service level in the first half of the fiscal year is roughly described. They are basic points for mail-order sales of foods, but there were many basic points that we had not conducted, so we tried to do them little by little to make up for cancellations by frustrated customers.

If the number of cancellations and customers who leave us decreases, we can focus on promotions little by little, so there is a slight increase in the number of customers entering 3Q. However, we have not created a new service, so we are currently developing a new, health-oriented service for our users in their 60s in order to not to stay with a slight increase. So far, it is also going well, but in the second half of this fiscal year, I would like to make this a reality and accelerate our promotions.

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らでいっしゅばーや KPI

国内宅配 主要3ブランド

国内宅配 その他

その他 事業

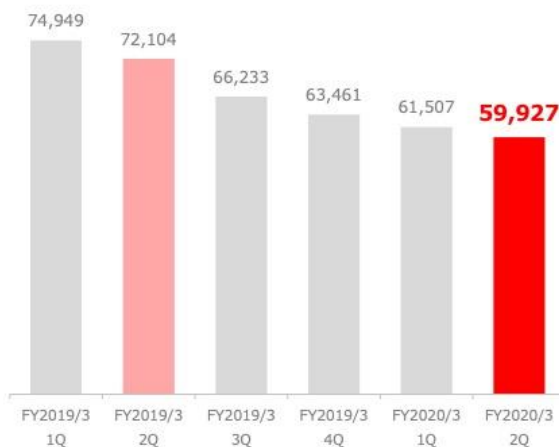
会員数：引き続き、既存会員の収益構造の改善および新規集客の抑制により**減少**

ARPU：赤字ユーザの削減により購買単価が上昇し**増加**

■ 会員数

59,927 人

(前年同期比 **83.1%**)



■ ARPU※

18,277 円

(前年同期比 **106.4%**)



Oisix ra daichi

※ ARPU=Average Revenue Per User: 一人当たり月単価

22

Regarding Radish Boya, the number of customers has considerably decreased, and the trend has not stopped. Although it has largely been improved, 40% of the orders were originally in the red. At the time we merged, 40% of the orders were in the red, so we knew we had to reduce it, so we have been continually doing this.

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赤字受注の低減活動は完了したが、引き続き再拡大に向けた準備、サービス作りを進める。
これに伴い、今期中は会員数の減少が続く見込み

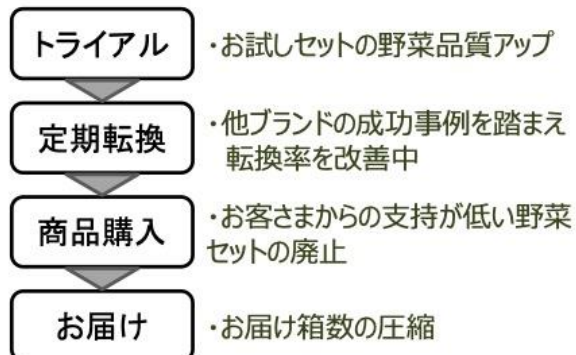
■ 赤字受注の削減



昨年の配送料改定以降、日常使いの商品の定期購入販促を強化し購買の習慣づけを図るなどアップセルを継続

赤字受注を統合前の約40%から
上期末時点で全体の約6%まで削減

■ オペレーションエクセレンス・サービス向上



引き続き負の解消による解約削減、獲得の改善を
進め、“獲得と解約が均衡した状態”を作る

Oisix ra daichi

23

I believe that the problem has been largely improved since the first half of this fiscal year, and it is now 6%, so we think this issue is almost resolved. Other than that, we have not yet completed what I said that we completed for DAICHI WO MAMORUKAI. Therefore, if we continue to raise the base level in the second half of the fiscal year under review, we will not be able to increase new customers unless we lower the ratio of people who get disappointed when they tried the service. We have almost completed the process of raising the level of our base service and eliminating unprofitable orders, but by raising the level of our base service, we will be able to reduce the number of cancellations and start promotions, like DAICHI WO MAMORUKAI today. In terms of image, it is about half a year to a year behind DAICHI Wo MAMORUKAI, and there was a year's difference in terms of the integration, so it explains its phase.

3ブランドの統合シナジー

国内宅配 主要3ブランド

国内宅配 その他

その他 事業



マーケティング

フルフィルメント

前年度

今期上半期

今後

- ・大地 in Oisix、ら in Oisixの立ち上げ
⇒売上3.3億/年
- ・大地、らでいっしゅ1ユーザー獲得コストの改善
⇒統合前と比較し約半減
- ・プロモーション・販促費用の合理化
⇒約8億/年減

- ・相互販促手法の導入
 - ・魚や新米の頒布会
 - ・Oisixで非食品販促
 - ・おせち早期受注 など
- ・ECサイトのUX改善ノウハウ横展開
 - ・解約ページのUX変更 など
- ・災害発生時の被災地支援に対する機動的連携

- ・Oisixの新サービス導入ノウハウを活用した大地・らでいっしゅの新サービス展開
- ・らでいっしゅが保有していた保育園卸事業のOisixとのマーケティングシナジー活用

- ・小規模配送拠点の統合による物流センター費減(和光デポ)
⇒0.2億/年減
- ・梱包資材の共通化
⇒0.2億/年減
- ・決済コスト効率化
⇒0.5億/年減
- ・バックオフィス効率化
⇒1.6億/年減

- ・小規模配送拠点の統合による物流センター費減(港北デポ)
⇒0.2億/年減
- ・BtoB拠点の集約による物流センターキャパシティの融通
- ・ブランド間のサプライ調整による欠品減少

- ・物流センターの全体最適化(一部着手済)
- ・3ブランドの生産者ネットワーク「ORD生産者の会(仮)」の組織化
- ・社内基盤システム共通化

Oisix ra daichi

24

I would like to summarize the three-brand integration synergy that investors often ask about. Honestly, I feel that it's been a long time since we became one company, and that the integration synergy is not new to us anymore. As management, I feel that it's a very old thing, but after looking back a little into the past, we have divided what kind of things we have done so far onto either the marketing side or the operations side, and then integrate them a little. The range is in hundreds of millions of yen and the biggest monetary impact is from promotion efficiency, and this has been the case. In the first half of the fiscal year, something like linked marketing has already been started. In addition, we have begun a campaign that simultaneously raises three brands to address social issues and concerns about eels from the standpoint of sustainability on the Day of the Ox.

Looking ahead, the company will make a full-fledged effort to raise the level of the mail-order service, as I mentioned earlier. Since DAICHI WO MAMORUKAI and Radish Boya will enter the phase of increasing sales, we will work on it. On the cost side, there are still quite a few heavy things left, and the overall optimization of the distribution centers takes more than three years or five years for some. Over time, we will work to optimize the current eight locations. This is the overall sense of the home delivery business.

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アライアンス

国内宅配 主要3ブランド

国内宅配 その他

その他 事業

当社のアセットを活用した、EC宅配支援のアライアンスも順調に伸長

■ dミールキット

- ✓ サービス開始2ヶ月で、**お試しセット8,000食、**
定期会員数 1,000人超と順調に推移



■ ISETAN DOOR

- ✓ 当社のEC支援事業において最速で成長中。
定期会員数 14,000人を突破。



Oisix ra daichi

26

Looking at other topics, in the domestic business, the initiative with DOCOMO started about two months ago. Although the launch was quite difficult compared to what we did in the past, it was done successfully, and we are showing progress as planned so far. DOCOMO's real traffic is so great that we are now building a foundation that will be able to handle it.

Meanwhile, ISETAN DOOR, which has been in operation for a little over a year, has already gained 14,000 regular members, and is performing very well at an unprecedented pace. Performance by collaboration with ISETAN DOOR exceeds our plans.

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とくし丸（子会社）

国内宅配 主要3ブランド

国内宅配 その他

その他 事業

稼働台数の増加ペースは上がってきており、稼働車両台数は440台まで伸長。

流通額も大幅に伸長し、今期の流通総額は100億を突破見込み

■ 流通額

49.8 億円

(前年同期比 135.5%)



■ 展開規模

提携スーパー様

稼働車両台数

118 社

440 台



Oisix ra daichi

27

Next, I will speak about TOKUSHIMARU. Delivery services for homebound elderly people is also growing steadily, and the number of vehicles is increasing. When we acquired it, I think there were around 100 cars, but now there are around 440 cars. I think the transaction value will surpass 10 billion yen in this fiscal year and nearly 5 billion yen in the first half of the fiscal year. As the number of vehicles is increasing, we are aiming for 1,000 vehicles for the time being, and we are steadily expanding toward that goal. I believe that it will not be long before we can contribute to consolidated profits, but I believe that we will expand the scale of our business while maintaining the break-even point, rather than a net loss.

However, considering the number of homebound people throughout Japan, it wouldn't be strange even if there were 4,000 to 5,000 cars in this business, so reaching 1,000 cars is not the goal, and we are already the number one for sure in this field. After we reach 1,000 cars on the road, we intend to build a solid social infrastructure for this business.

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海外宅配事業

国内宅配 主要3ブランド

国内宅配 その他

その他 事業

Oisix香港・上海：香港人・中国人向けのサービスの再構築を実施
アメリカ(Purple Carrot)：梱包資材変更の施策によりエラー率削減

■ Oisix 香港



- ✓ 香港人の新規獲得の勝ちパターンの確立に向け、お試しセット経由からの転換集客を実施

■ アメリカ(Purple Carrot)



■ Oisix 上海



- ✓ 中国人サブスクモデルの確立に向け、当社CXOが現地在住し、ニーズ確認、新戦略の策定を行う

- ✓ エラー率改善については、資材変更の取り組みにより、約20%削減
- ✓ 配送クレーム率についても、配送パートナーとの継続的な取り組みにより、約20%削減

Oisix ra daichi

29

Other than this, overseas operations are being conducted not only in Asia, where we have already started our service, but also in other parts of Asia. In China, the Chief Customer Experience Officer, the CXO in charge of Japan, has moved to Shanghai this month, and is starting to work there steadily. In the United States, we will introduce our operations excellence and know-how through Purple Carrot, starting with areas that are likely to have a significant impact. In the future, I believe that the US will take the initiative to make promotions more efficient, as we have always been in Japan, such as reforming the services or optimization.

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店舗外販事業

国内宅配 主要3ブランド

国内宅配 その他

その他 事業

SinS・保育園卸ともに売上伸長。特に保育園卸事業は上半期に
収益構造が大幅に改善し黒字転換。今後は取引先の拡大を加速させる

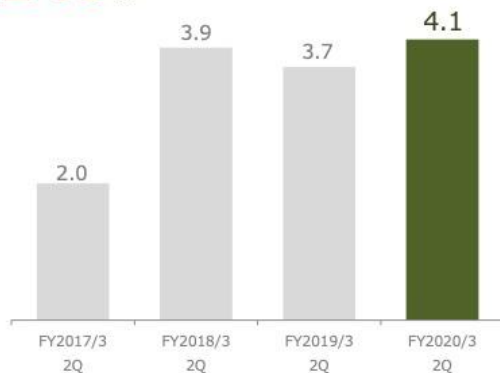
■ Shop in Shop

売上高

4.1 億円

取引店舗

145 店



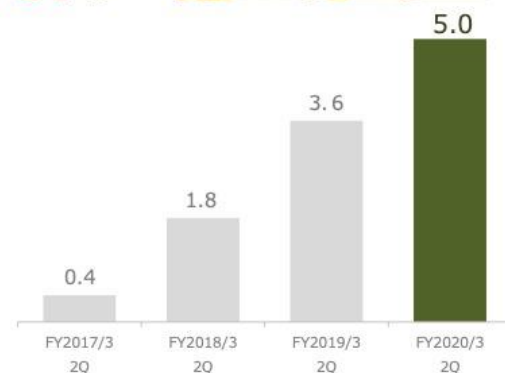
■ 保育園卸

売上高

5.0 億円

取引園数

367 園



Oisix ra daichi

30

For the store business, we are selling in around 150 supermarkets. There is also a business, which was owned by Radish Boya, for food delivery to kindergartens. At the time of the merger, there was a considerable loss, but in the first half or the second quarter, we were finally able to turn a profit. In terms of brands, customers in kindergartens and nursery schools have a considerable affinity with Oisix, so we have entered this expansion phase and are now able to generate marketing synergies.

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DEAN & DELUCA (関連会社)

国内宅配 主要3ブランド

国内宅配 その他

その他 事業

5月に関連会社化したDEAN & DELUCAとも、
共同でのKit oisixレシピ開発やコラボおせちなどの取組強化を実施していく

■ 手作りスコーンkit



■ 2020年おせちコラボ



※本日11月14日（木）22時～ テレビ東京系列「カンブリア宮殿」で放映予定

Oisix ra daichi

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In terms of affiliated companies, I am pleased to say that we have invested in Dean & Deluca and have started a variety of collaborations, and there are some other things besides meal kits and “osechi” seasonal meal sets that we have been working on in the past. We made the announcement at the Cambria Kyuden about two months ago, and today, Dean & Deluca will be on that show. It was our fault that their website stopped and it seems to have been stopped for a little while, but we are also cooperating on this website.

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日本農業（関連会社）

国内宅配 主要3ブランド

国内宅配 その他

その他 事業

国産青果物の海外輸出を手掛ける日本農業も順調に事業拡大。

今期売上は前期比で約2.5倍を見込む。

オイシックス・ラ・大地の契約生産者の青果なども取引開始

■ 日本農業



国産青果物の海外輸出を
バリューチェーン構築から手掛ける

- ✓ 青森県産のリンゴを主に海外輸出を展開。
直近では、当社の契約産地の青果も
取扱を開始し、品目拡充。
輸出先もタイを中心に6か国に広がった
- ✓ スタートアップ企業の祭典である
ICCサミット「カタパルトグランプリ」で、
ビジネスモデルが評価され優勝



Oisix ra daichi

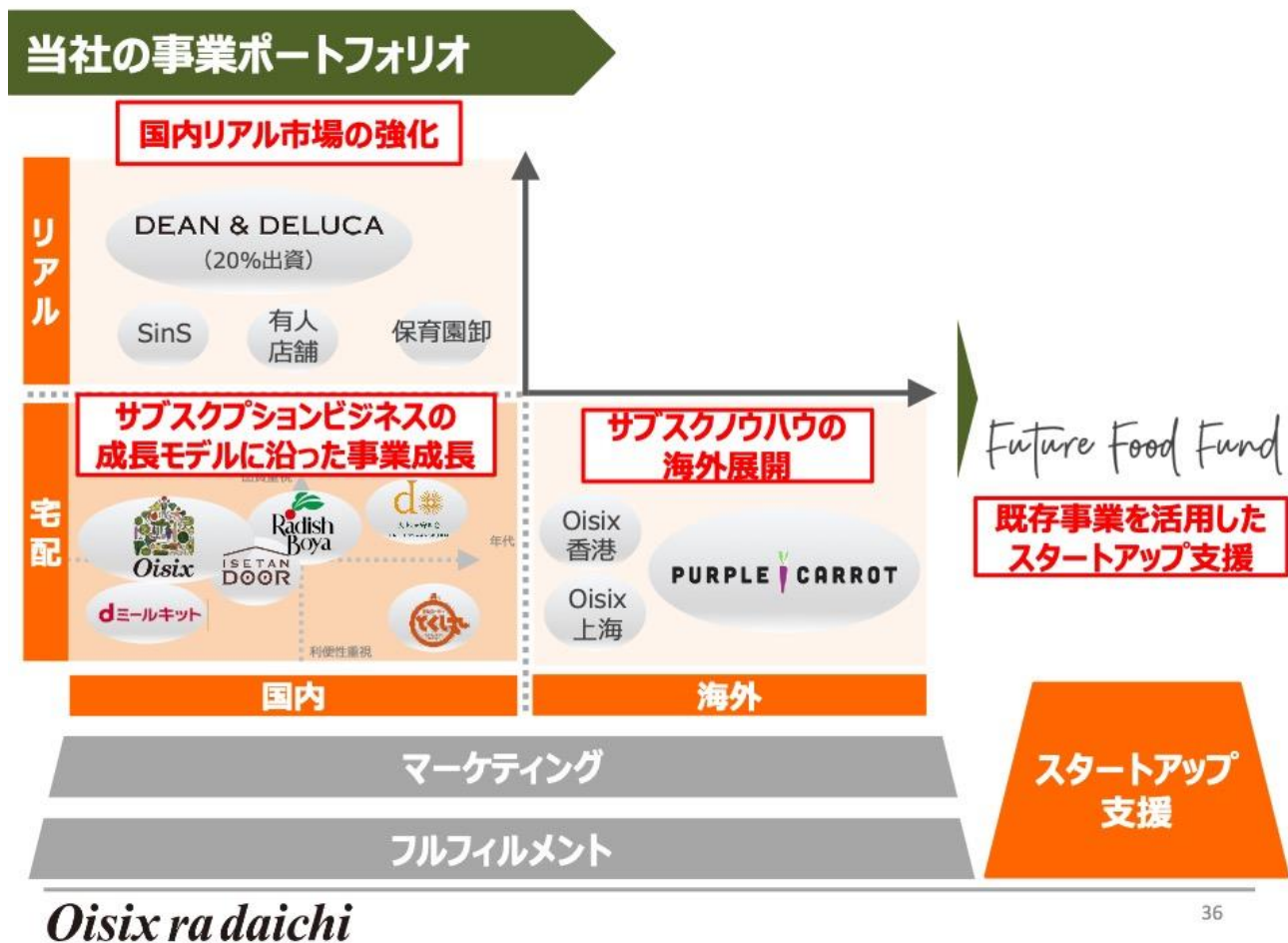
32

Here is our introduction of an investee company. We have invested in a company called Nihon Agri and are consolidated. It's a company that exports Japanese agricultural products. It has been growing quite well, and it has just been three years since they started up, but as of last year, it has become the number one exporter of apples for Thailand. This year, it is 2.5 times more. Looking at the scale, it will export fruits and vegetables in the range from 1.5 billion yen to 2 billion yen, and I think that it is growing in good condition as a company that specializes in the export business.

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Regarding future business development, I would like to talk separately about growth and earnings. First of all, regarding growth, this is similar to the materials that we have shown many times, but the strongest part is our founder's business. The domestic home delivery service is the field in which we are strong and it makes up most of our business. This is described in the top and the right, but also for the food business, which is not domestic home delivery, we are expanding this business by investing in kindergartens and Dean & Deluca. At the same time, we have begun to horizontally develop our know-how in overseas subscriptions, including acquiring Purple Carrot.

Furthermore, since there are a variety of businesses, it is easy to support startup companies, so we have started supporting startups by creating a Future Food Fund.

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宅配事業の事業フェーズ

サブスクリプション経営における全ての事業フェーズに応じた成功ノウハウを保有



Oisix ra daichi

37

In this context, regarding how we view the delivery field, which is our original business, we thought that the phases differ for each brand. Some brands are in a start-up or rebuilding phase, while others are in a phase where sales are ready but new services need to be created in order to accelerate promotions.

In Oisix, Chanto Oisix, as well as DAICHI WO MAMORUKAI and Mainichi Vegetable Set, are currently in development. There are others that can be accelerated, such as Kit Oisix, TOKUSHIMARU, et cetera. For these, we will conduct good promotions and expand our business. Therefore, we decide which service brands are in which phase, and then clarify what needs to be done according to that phase.

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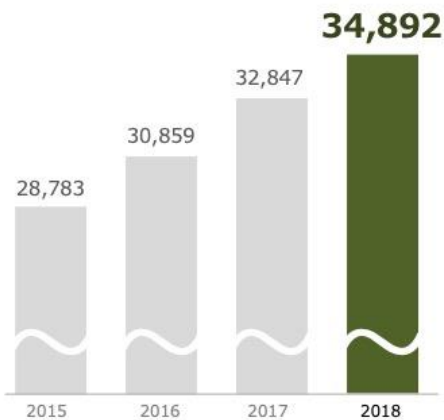
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リアル事業の拡大

保育園卸事業は、黒字転換したことで新規の園の開拓を強化。
数年以内に2,000園への導入を目指す

■ 日本の保育園数の推移※

(保育所、特定地域型保育事業、認定こども園の合計)



- ✓ 女性の社会進出の加速に伴い、
保育園数は年々増加

Oisix ra daichi



お子様の食卓を、保育園でも
自宅でも提供できる仕組みを構築

Oisix ra daichi

※出典：内閣府 子供・若者白書(2019) 38

Although I'm being a little redundant, we are moving into the black related to the kindergartens, as I mentioned earlier, and are accelerating the business. We do not simply expand sales, but can also create marketing synergies that support children and mothers both at home and in kindergartens, since many of Oisix's customers originally are mothers who have kindergarten-aged children.

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食イノベーションを活性化する エコシステム構築

当社の強みである“川上から川下までのネットワーク”を活かし、
食のスタートアップ企業を包括的に支援するエコシステムの構築が可能

Oisix ra daichi

リスクマネーの提供

Future Food Fund
(次ページ参照)

生産者とのマッチング

**ROUTREK
NETWORKS**

AI灌水施肥システム導入にあたり、
生産者とマッチング

● **NIHON AGRI, INC.**

農作物の輸出拡大にあたり、
生産者をマッチング

食領域の スタートアップ企業



販売支援



日本初上陸のグルテンフリー
スナックバー「YES BAR」



植物性原料だけでつくった
プロテインバー「CLR BAR」



特殊な冷凍テクノロジーで
凍結したフローズンフルーツ

Oisix ra daichi

39

Additionally, regarding the Future Food Fund that we announced the other day, we have also created a corner that sells innovative foods in Oisix. We are selling a variety of foods there. Something like cricket snacks, which I thought would not sell, sold out quickly. I think Oisix's customers are very challenging, but I would like to create corners to sell a variety of new foods as a gateway to success for startups.

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モスフードサービス社の出資と ミールキットコラボの検討

本年8月に設立した「Future Food Fund」において、リミテッドパートナーの一社として、株式会社モスフードサービスの出資が決定

並行してブランドコラボレーションについての協議を開始

■ FFFのLPとして出資決定



■ 2020年春の商品展開めざし協業検討開始



Oisix ra daichi

40

As one of the topics today, it has been decided that MOS BURGER will join in this Future Food Fund. We would like MOS BURGER to use this opportunity as an exit, not only to get money, but also to have the food from new startup foods in stores. At the moment, we are also considering a collaboration with MOS BURGER. That's the growth side.

Support

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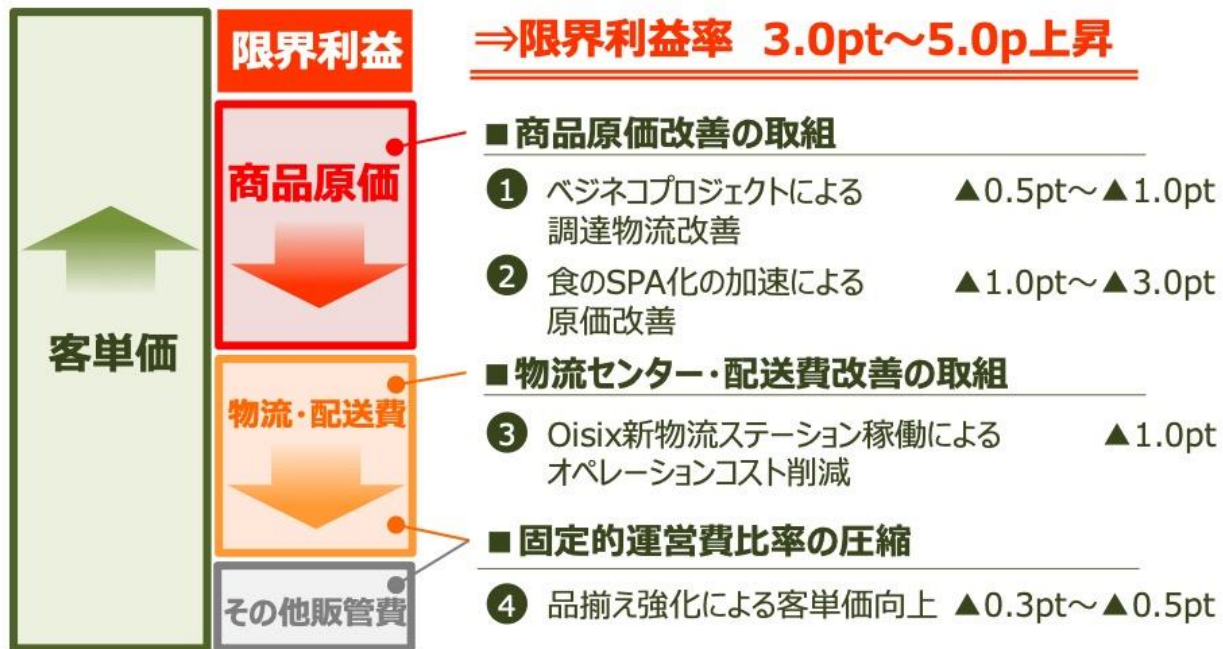
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収益力強化の全体像

利益構造の良化に向け、商品原価、物流配送費などの低減施策に取り組む



Oisix ra daichi

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Next, by strengthening profitability, we have hustled about the merger over the past few years. However, as a result, we realize that we have become a mail-order food business of about 70 billion yen, and it has become easier to see the impact of activities to increase profitability compared to when each of the brands existed separately. As the merger has settled down, we will work to raise profitability.

I think about four major points. Regarding costs, this is what we call horizontal logistics, from production areas to distribution centers. It is said that this is about 10% of the cost of sales: activities to improve this ratio, activities to improve the cost by proceeding steadily (SPA), activities to improve cost efficiency by large scale investment in the centers, and activities to lower the operating cost ratio by raising the unit price. These four points will be considered. I would like to raise the marginal profit ratio by around three to five points by doing each of these.

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ベジネコプロジェクト

商品原価に含まれている調達物流の効率化に向け、ヤマト運輸との共同プロジェクトも順調に進捗。共同集荷の実験が完了し、4Q中の本格稼働を予定

① ベジネコプロジェクト : ▲0.5pt~▲1.0pt



Oisix ra daichi

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To explain a little bit at a time, we have been experimenting with Yamato to improve the efficiency of our horizontal procurement logistics, and we have made considerable progress so far. The experiment has been repeated, and the experiment has been doing well, but there are some minor adjustments to make the interface for farmers a little easier to understand. By doing this, if we introduce it to about 1,500 producers, the logistics costs that they pay when they put it in our center will be cheaper, and as a result, we expect that costs will be lower.

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食のSPA化の加速

単なる“プラットフォーム”に留まらず、開発・製造をより強化していくことで、
PB比率の向上と製造原価低減を進める

② 食のSPAの加速 : ▲1.0pt～▲3.0pt

■ 現状のPB比率（売上比）



- ✓ ミールキット・サラダキットなどの製造の機械化推進
- ✓ 精肉加工の内製化 など

サプライチェーンの上流にあたる
製造/開発機能を強化し、
商品原価を低減

Oisix ra daichi

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Second, for SPA, more than half of the products each brand sells are its own original products. We believe that raising this rate steadily is extremely effective in terms of both marketing and cost reduction, so we will raise this ratio to improve profitability.

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Oisix新物流ステーション稼働

Oisixの急速な成長に伴い、キャパ増強・効率化に先行して着手する事を決定。

庫内作業の自動化を進め、物流センター費の低減を見込む

③ Oisix新物流ステーション稼働 : ▲1.0pt

- ✓ 新海老名ステーション稼働による物流・Kit Oisix製造キャパ増強・効率化
- ✓ 初期投資を約30億見込むも、物流センター費1ptの低減で早期回収を見込む

◆新海老名ステーションイメージ



Oisix ra daichi

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Third, Prologis gave a presentation the other day, and for us we will launch the largest center in Ebina. We will spend about 3 billion yen on this project, and it is to be completed in the autumn of 2021. We will be able to improve the efficiency of the center cost by introducing some automatic systems. Including this improvement of the efficiency of the center cost, we are now slightly over capacity. Even Oisix brands are suffering from a deterioration in efficiency compared to the past, and we are also using warehouses located here and there, so we are planning to eliminate this and achieving both large-scale and efficiency improvements.

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品揃えの強化による客単価向上

現在扱っていない商品カテゴリや、高付加価値を訴求しやすい商品カテゴリを新設し、
客単価向上による1配送あたりの収益構造を良化させる

④ 品揃え強化による客単価向上 : ▲0.3pt~▲0.5pt



Oisix ra daichi

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Other than that, there is still plenty of room for unit prices to rise, so we have not yet decided what to do about them, but we are thinking of increasing unit prices and raising profit margins by creating new categories. That's the profit side.

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台風災害の影響について

発生事実

10月に発生した台風19号の影響により、
Oisix海老名ステーションで稼働が一部停止。
通常通り配送した場合と比べ、
Oisixブランドを中心に約1億円の
利益逸失の見込み



今後の対応

- ① 今回の事象を受け、
災害時のBCP(事業継続計画)の更なる強化に取り組む
- ② 当初の通期業績予想の修正は行わず、リカバリー実施

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台風災害の被災地支援

関東・東北など被害の大きかった台風被災地に対し、
義捐金募集に加え、青果の応援販売や救援物資お届けなど様々な形での支援を実施

■ 寄付金付スープ販売

東京ハーヴェストでは、
千葉応援コーナーを設け、
被災産地の食材を使った
寄付金付スープを販売



■ 規格外商品の応援販売

台風や豪雨の影響によって
表面に傷やあたりがついてしまった
規格外商品を応援販売



■ 救援物資のお届け

台風19号により、断水の続く
福島県相馬市、いわき市に
ミネラルウォーターをお届け



Oisix ra daichi

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Finally, I would like to mention a few individual topics. First of all, this is not very good news, but the impact of Typhoon 19 temporarily suspended Oisix functions. As a result, we suffered considerable damage and it had a significant impact on both profits and sales. I feel that the nature of the disaster is slightly different from that of the past.

Specifically, what we had to do in the past was to keep a close watch on the impact of the typhoon; however, these days, public transportation does keep running as long as it did in the past. Instead, it stops systematically, like when the JR or Keio train lines stop. Such schedules are often decided at the last minute, and our response to the decision was delayed. We will fundamentally review the BCP approach.

We would like to recover our business results without reviewing the full-year forecast. However, even though we had damage, there are many people in the production areas that have suffered even greater damage. This is a relatively good opportunity for us, so we have started to provide relief supplies and then offer support sales immediately.

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東京ハーヴェスト2019

今年で7回目を迎える「東京ハーヴェスト2019」を駒沢オリンピック公園で開催。
前年の来場者を大きく上回る45,000名が来場



Oisix ra daichi

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The second topic is the Tokyo Harvest, which is an event to celebrate harvest. It was held at Roppongi Hills this year, and at Toranomon Hills last year. However, I learned that it was affected by the Enthronement Ceremony. We could not use the street in front of Toranomon Hills. When we moved the location to Komazawa Olympic Park, there were more people than ever before, and the event was extremely flourishing.

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食品ロス・廃棄プラスチック

社会課題として顕在化している「食品ロス」「廃棄プラスチック」の削減についても、取組を推進していく

■ 食品ロス削減

- ✓ 10月の食品ロス削減月間に、宅配3ブランドでこれまで取り組みを伝える特設サイトをオープン



■ 廃棄プラスチック削減

- ✓ Kit Oisixの包装に使われる袋の原料を、プラスチック製から天然由来の袋へと切り替えを予定



Oisix ra daichi

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Last month, the food loss bill became effective. In the future, we will be talking about offshore plastics and other topics. Since we have been relatively involved in these activities, we ensure communication in regards to them. Since meal kits still includes a lot of plastics, we will also work to transform these areas into plant-based ones.

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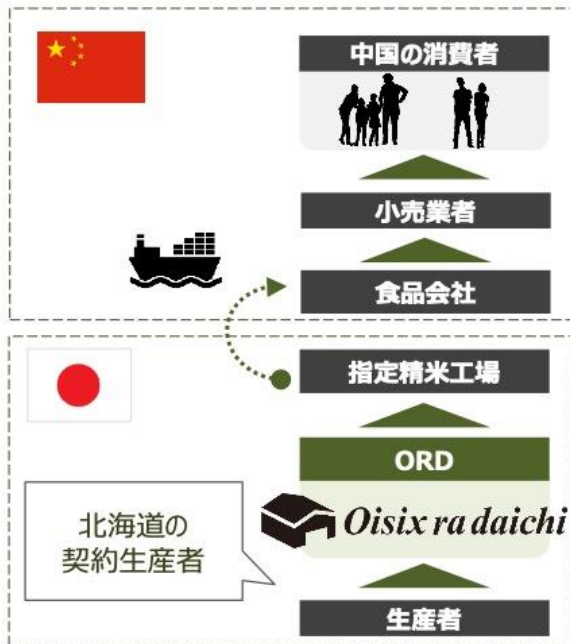
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中国への国産有機米卸

中国へのビジネスを展開していく中で、現地ニーズの高い国産有機米の卸を開始。
安定した販路構築に向けた活動を行い、事業拡大を進める



中国での販路拡大にむけて

- ✓ 米以外の取扱ラインナップを拡充、上海で開催された中国国際輸入博覧会（CIIE2019）に出展するなど、さらなる販路拡大活動を展開



Oisix ra daichi

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As for the last topic, I am engaged in the B to C business in China, but in the process of doing so, I have seen some B to B opportunities. This is something that has not been possible before, but basically speaking, Japanese foods, such as fruits and vegetables, are hardly available except for rice, and rice is still difficult to get. However, rice is steadily starting to show progress. We were not allowed to bring fruits to some exhibitions in the past, but the situation has been changed, and people ask us to bring fruits for exhibitions. Next year, I think that there is a possibility that the situation about this will largely change upon a visit by Mr. Xi Jinping, so I have started preparations for the Japanese vegetable export business for China as well.

That's the explanation from me. Thanks.

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Question & Answer

Moderator: Thank you, President Takashima. We would like to conclude the briefing for the interim financial results for the fiscal year ending March 2020.

We will move on to the Q&A session for the explanations that have been given. If you have any questions, please raise your hand.

Participant: Thanks for your explanation. Sorry to ask a basic question, but I would like to know something about Oisix that has not been shared yet today. Did Oisix initially start as a business that delivers various organic vegetables or the like? I'm sorry for such a fundamental question.

Takashima: I am the founder of Oisix. In 2000, we started out with 20 vegetables, but we started by selling organic and natural vegetables B to C via the Internet. DAICHI WO MAMORUKAI and Radish Boya started 44 years ago and 32 years ago, respectively, using catalogues to receive orders and to deliver organic products to consumers. First there was Oisix, and then we integrated with DAICHI WO MAMORUKAI the year before last, and then with Radish Boya last year and we have become one company.

Participant: For DAICHI WO MAMORUKAI, it was quite a while ago, but did Mr. Toshio Fujimoto establish it? I don't remember it exactly, but I think he entered what we call the organic vegetable delivery business in the beginning, but is my understanding correct?

Takashima: Yes. I heard that Fujita, currently our Chairman, was the President, and Mr. Fujimoto, who was just referred to now, was the Chairman when it was founded.

Participant: For example, this is mainly via the Internet or home delivery, but there are other channels, for example, the number of drugstores that handle food or are interested in organic food is increasing, but do you have collaboration with them in mind?

Takashima: It may have been difficult to understand my explanation, but as I have shown here, for domestic delivery business, there are Oisix, Radish Boya, and DAICHI WO MAMORUKAI. In addition to this, what we call Shop in Shop is sales at supermarkets, and then there's wholesale to kindergartens, and also manned stores, where we are selling meal kits at physical stores on a trial basis. So, we are conducting a variety of trials aiming at them.

Participant: Thanks.

Moderator: Thanks. Then, if you have any other questions, please raise your hand.

Matsushita: I'm Matsushita from Health Business Magazine. Thanks for your explanation today. In the explanation, you mentioned that you will continue to make efforts to make up for unprofitable orders in relation to Radish Boya. The material also includes a reduction in the percentage of unprofitable orders, but what specific measures are you planning to take?

Takashima: What it means is that we have almost finished measures. Unfortunately, it may have also been difficult to understand my explanation. Basically, the situation right after the management integration was that we were in the red and we didn't know what was profitable. Since this managerial accounting for subscriptions is a little difficult to understand, we thought it was a matter of course, but neither DAICHI WO MAMORUKAI nor Purple Carrot did this, but by making it visible, we realized that it was 40%.

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This is very simple, but if we lower the break-even point, we will lose money unless we buy thousands or more. Logistics costs are incurred. No matter how much you do, you need corrugated boxes, you need logistics, and you need payment fees if we are engaged in cost-cutting activities to lower the break-even point. On top of that, by having customers who are below it purchase more than that, we will change the shipping system or move the customers to a higher plan for a cheaper course.

Some people move like that through the process, and others leave. So, the decline in sales is due to those who leave, and in the case of Radish Boya, sales have declined by more than 10%, which means that a comparatively large number of customers have left. We had to sort it out, and we did it in the first half of the year.

Matsushita: Thanks. I have one more question. Oisix also handles a lot of local foods, and I think it contributes very much to the local industry. If you have any activities for local industries in mind for the next fiscal year onward, or some new attempts, I would like to know.

Takashima: Yes. We are not at that phase where we can tell specific plans, but last year we made a comprehensive alliance with Ibaraki Prefecture. Oisix did not have so many items from Ibaraki Prefecture, but as a result, the prefectural government introduced various crops from Ibaraki to us and proposal to sell a variety of items. In addition to vegetables, we were asked for advice on how they could handle unconsumed fish, so-called miscellaneous fish. We have been cooperating with Ibaraki Prefecture and have established a good relationship. Based on this, some local governments have offered some deals, although we do not have anything that we can share with you at this point. However, I think there is a possibility that we will collaborate with local governments.

Matsushita: Thanks.

Moderator: Thanks. If you have any other questions, please raise your hand.

Matsuo: I'm Matsuo from Diamond Chain Store. I have two questions. You said that the meal kit for vegans was released last month. How sales will increase in the future is one of my questions.

Second, after the wholesale business of kindergartens became profitable, I would like to know what specific measures have brought it into the black.

Takashima: Thank you very much. I'm not sure about the meal kit for vegans. It's been a week since we started sales. I feel that sales in the first week are about 1.2 times the planned level. I'm sorry that I don't know about feedback from customers after they tried it since we are going to receive it from now on. So, I'm still not sure. Sorry.

I think we will be able to tell you how much aspiration we have for that after a while. However, after the announcement of the acquisition of Purple Carrot for vegans, I believe that there has been an increase in the number of approaches from people who had not had contact with us, such as the yoga or Pilates community. What I can say is that Oisix was a brand for mothers who are raising children. However, in regards to the vegan meal service, if we generalize that lifestyle as something aspirational, our original target audience of mothers might get angry, but I feel that we have more contact with those kinds of people. We will be able to promote it in segments that we have not been able to try before. However, we are not yet at the phase where we can tell you that for sure.

The kindergartens field is close to the B to C of Radish Boya that I mentioned earlier, but what we have done is to change the centers to lower distribution costs, then change delivery methods, reduce delivery costs, and then replace almost all of the contents of the product to improve the cost-of-sales ratio while raising safety. It was like that, although it was a relatively common solution. To visualize the performance, we considered

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management accounting, and then lowered each cost item. Those are what we have done over the past six months, and, as a result, the company started to make profit.

Matsuo: Thanks.

Moderator: Thanks. Are there any other questions?

Sumi: Thanks for your explanation. I am Sumi from Tokai Tokyo Research Institute. I have two questions. Regarding the Vegenekko Project on page 43 of the slides, first of all, you are aiming at approximately 1,500 vendors. How many vendors do you have today, and how many vendors use this? What is your current outlook for those vendors who would use this?

The second point is food SPA on page 44. Please tell us if there is a target for the ratio of PB for each company's brand, and if this percentage increases, how much will it lead to a reduction in the cost of sales ratio. Those are my two questions.

Takashima: Thanks. Currently, we have just under 10,000 customers for processed and fresh products. The targets are relatively small. Large companies have already had efficient systems, and they use charter flights, but small companies use door-to-door delivery service. Yamato's door-to-door delivery service is not designed for farmers to ship vegetables, so the cost efficiency is very bad when they send ten boxes to one place.

Whether they use Yamato or Sagawa or Japan Post, logistics costs are very high. However, there are also many small-lot producers who use a transportation system for B to C to transport their foods, and they are the target of our Vegenekko Project. I think the targets will be at least about 1,500 vendors, and perhaps these 1,500 vendors will have lower costs, but I think we will be able to do business with those that we have not been able to have deals with before.

We do not have a clear goal for SPA. We are aiming at 100% for Oisix, and we have not made any clear any others, but this has a marketing-oriented sense, so I think that we will be targeting a cost ratio of around 1-3%, as described above.

Sumi: Thank you.

Moderator: Thanks. Then, a person who raised your hand, please ask questions if they are not the same as those that have already been asked before.

No? So, if anyone has any other questions, please raise your hand.

Takeshita: I'm Takeshita from Shokuhin Shogyo. The meal kit is doing well, but it is said that cooking time is gradually decreasing, so is there a possibility that you will move onto prepared foods, such as delis?

Takashima: Regarding our business?

Takeshita: Yes, as a business.

Takashima: I think it is very possible. However, delis and meal kits are different, and prepared foods have been there as a market. So, I think that meal kits were made as something between prepared foods and ingredients, but we also sell prepared foods. For example, we sell potato salads and other products, so there is a possibility that we will focus on that, and I think there is a possibility that we will deliver prepared foods that have been already available. The great potential as a white space is that there is a lot of space between prepared foods and ingredients, including what we are doing in this meal kit. The ingredients, in relation to

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Oisix that I mentioned earlier, come with recipes, and all of the ingredients can be used, so I feel that there is a great opportunity there.

Takeshita: Something like ready meals for a microwave oven.

Takashima: We've already started selling them, such as frozen pizzas, for example. We started selling them before we started the meal kit. In terms of growth, the meal kit area seems very large.

Takeshita: Thanks.

Moderator: Thanks. So, if there are any other questions, please ask.

The next question will be the last question, so if you have any questions, please raise your hand.

Participant: I think there is a great deal of potential for doing business in China. How do you plan to do this in the future?

Takashima: We are currently conducting business in two ways, and we are planning to establish a Chinese B to C system in order to sell products, and then take Japanese food to China. Regarding the Chinese B to C, I think it will take a lot of time. I am experimenting with Japanese living in China and Shanghai, and Japanese living in Shanghai still have a great need for safe foods. I am pleased with that, but I think it will be a challenge to extend it to Chinese people in the future.

When it comes to what is difficult, we will look for safe products in China and sell them, because we will never be able to bring all Japanese products into China. However, since many marketing activities are fraudulent, it will be fairly difficult for us to gain trust from Chinese customers, so B to C is what we will dot in the future.

For B to B, there is a lot of political dependence, but I often hear about whether Japanese fruits are being transported through Vietnam or Hong Kong for sales. There is a great deal of latent demand for Japanese fruits, and if they are allowed officially, we think that there will be opportunities regarding Japanese fruits. We do not know well about the political part of the latter, and we are planning to prepare for such an opportunity so that we can seize it.

Moderator: Thanks. It's time to conclude the Q&A session. Accordingly, we will close the interim financial results briefing of Oisix ra daichi Inc. for the fiscal year ending March 31, 2020. Thank you very much for today.

[END]

Document Notes

1. Portions of the document where the audio is unclear are marked as follows: [Inaudible].
2. This document has been translated by SCRIPTS Asia.

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