



# *FY2020/3 Results Explanatory Materials*

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Oisix ra daichi  
2020.5.28

# Update Information

**The following pages have been updated  
since the previous version**

**Update Pages : P3・P19・P55・56・P64～P80**

# Table of Contents

- 1. FY2020/3 Achievements**
  - 2. Our Current Situation and Response to COVID-19**
  - 3. Results on Business segment**
  - 4. FY2021/3 Strategy**
  - 5. FY2021/3 Outlook**
- APPENDIX・DATA SHEET**

# Farm for Tomorrow, Table for Tomorrow

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

We evolve continuously where good farmers are rewarded and proud.

We realize a society that 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.

## *1. FY2020/3 Achievements*

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# Executive summary

## –FY2020/3 Results

- ✓ **Achieved sales, EBITDA, and operating income against vsTarget**
- ✓ In the outlook before COVID-19,  
Sales: Steady growth mainly on Oisix business – expect to achieve initial forecast  
Profit: Reflecting the impact of typhoons, one-off expansion of Kit Oisix related costs, and operating losses at Purple Carrot (consolidated in 3Q), there remained the possibility of a slight shortfall relative to forecast.
- ✓ Homehome delivery demand increased from March onward by COVID-19, Sales and profits increased by ¥900mn and ¥250mn, respectively, mainly on the domestic business.
- ✓ Net income has not reached outlook.  
We recorded approximately 300 million goodwill impairment loss, Because sales of affiliated company Welcome (DEAN & DELUCA) decline caused by the impact due to COVID-19  
(Non-operating expenses: Recorded as equity method loss)

## 【FY2019/3】

### ① Radish Boya irregular fiscal year-end associated with the business merger

- Due to a change in the consolidated fiscal year of Radish Boya, FY2020/3/3 includes one extra month (4-months in 1Q resulting in 13-months total)
- The section marked “Exclude special factors” excludes the March 2018 performance of the Radish boya business.  
(sales: approx. 1.600 billion, operating income: approx. 0.07 billion).

### ② Tax effects from merger of Radish Boya

- Tax effects of operating loss carryforwards and deferred tax assets resulting from the merger of Radish Boya (About 1.2bn yen)

## 【FY2020/3】

### ③ New consolidation through M&A

- Welcome (Dean & DeLuca) is accounted for by the equity method from 1Q resulting in recognition of consolidated income and goodwill.
  - Purple Carrot will recognize consolidated sales and profits(losses) and goodwill from 3Q
- \*Due to the difference in fiscal year-ends, consolidated results are delayed by 3 months (4Q is consolidated from Oct to Dec).

# FY2020/3 Highlights

※For the purposes of like-for-like YoY comparisons, one extra month of Radish Boya data (March 2018) was deducted from FY 3/2019 data.

Achieved sales, EBITDA, and operating income against vsTarget  
Net income was not reached due to the impact of impairment loss of DEAN & DELUCA (details will be described later)

## Sales

71.04<sup>bn</sup> yen

vsTarget **+2%**  
YoY **+14%※**

## EBITDA

3.59<sup>bn</sup> yen

vsTarget **+12%**  
YoY **+17%※**

## Operating Income

2.46<sup>bn</sup> yen

vsTarget **+12%**  
YoY **+10%※**

## Net income

Attributable to owners of the parent

0.79<sup>bn</sup> yen

vsTarget **-21%**  
YoY **about -30%※**



# Consolidated Results Overview

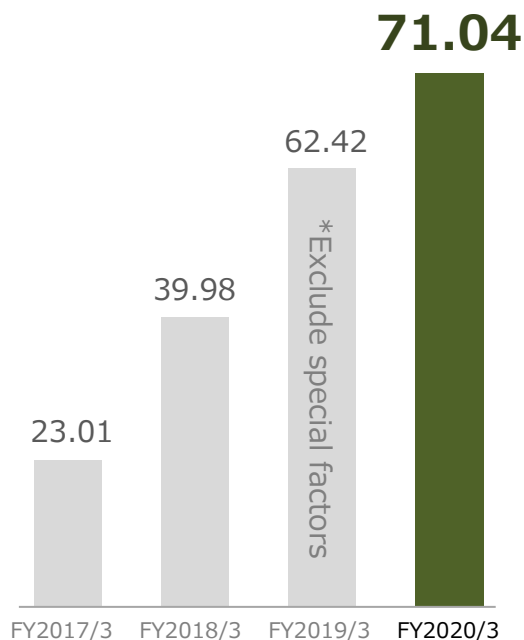
※For the purposes of like-for-like YoY comparisons, one extra month of Radish Boya data (March 2018) was deducted from FY 3/2019 data.

**Both sales and profit have increased YoY.**

**Demand for home delivery has increased since Mar. in 4Q**

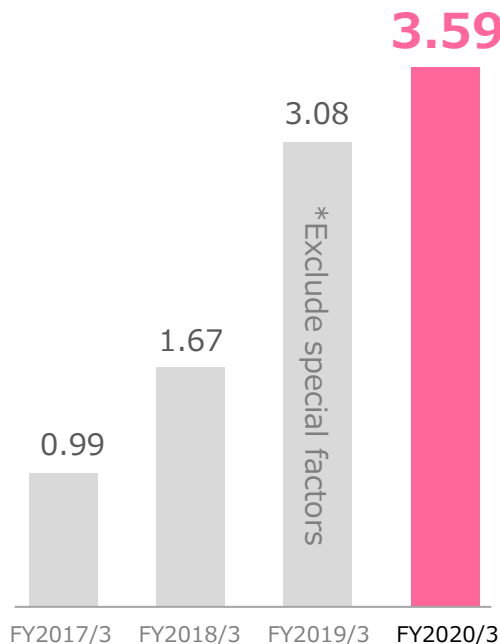
## ■ Sales

**71.04** bn yen  
(YoY +14%)



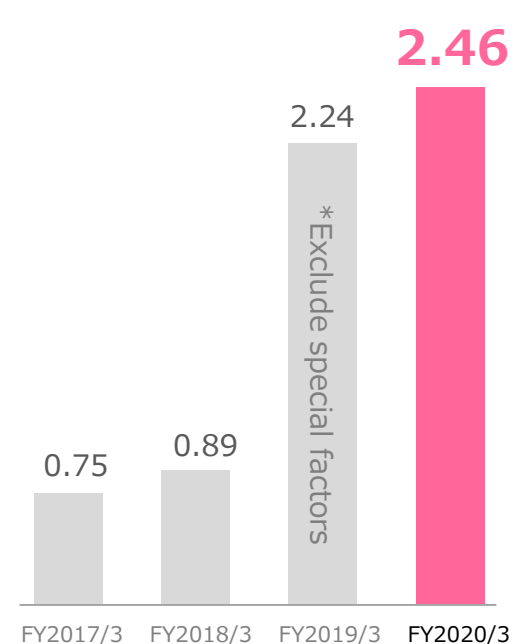
## ■ EBITDA

**3.59** bn yen  
(YoY +17%)



## ■ Operating Income

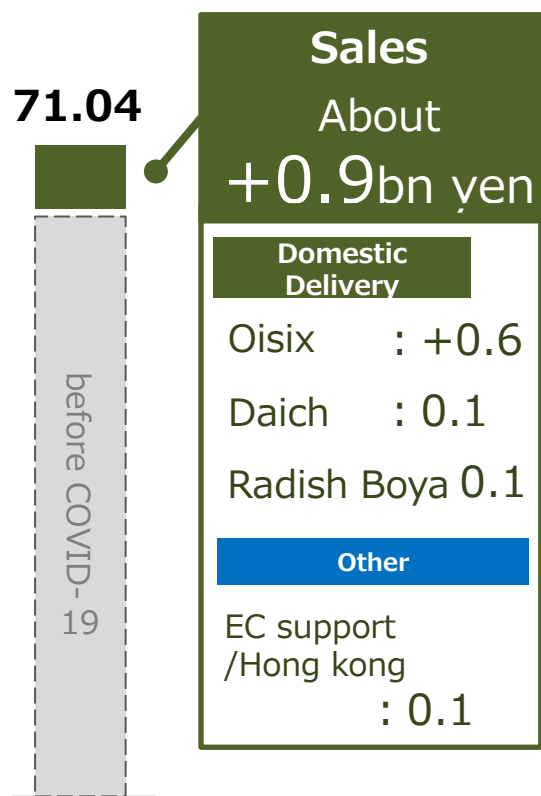
**2.46** bn yen  
(YoY +10%)



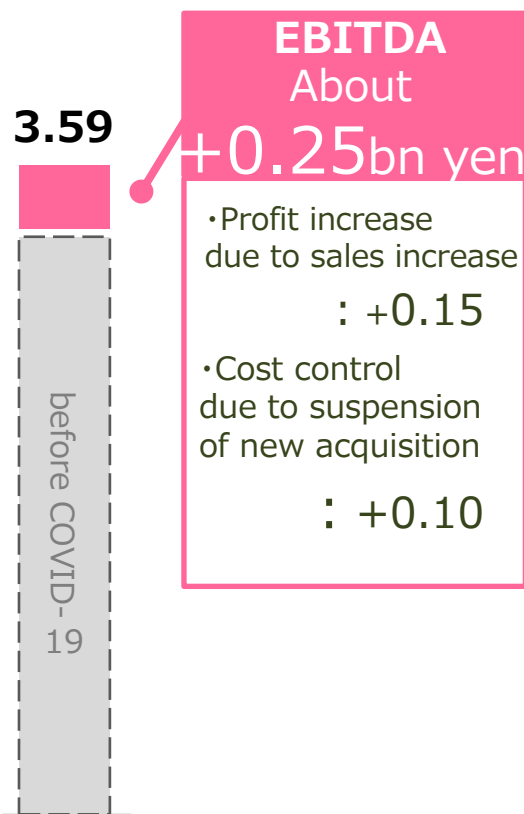
## Comparison with the outlook before COVID-19

In FY2020/3, in the forecast before COVID-19, sales are expected to be achieved against Outlook, but profit may be slightly underachieved. Achieved with increased sales and profits due to the impact of COVID-19 after March

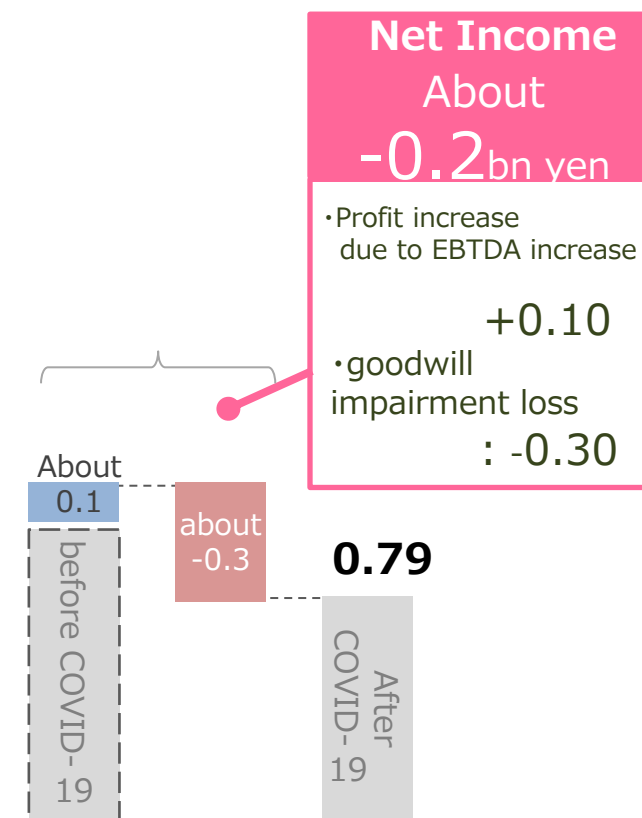
### ■ Sales



### ■ EBITDA

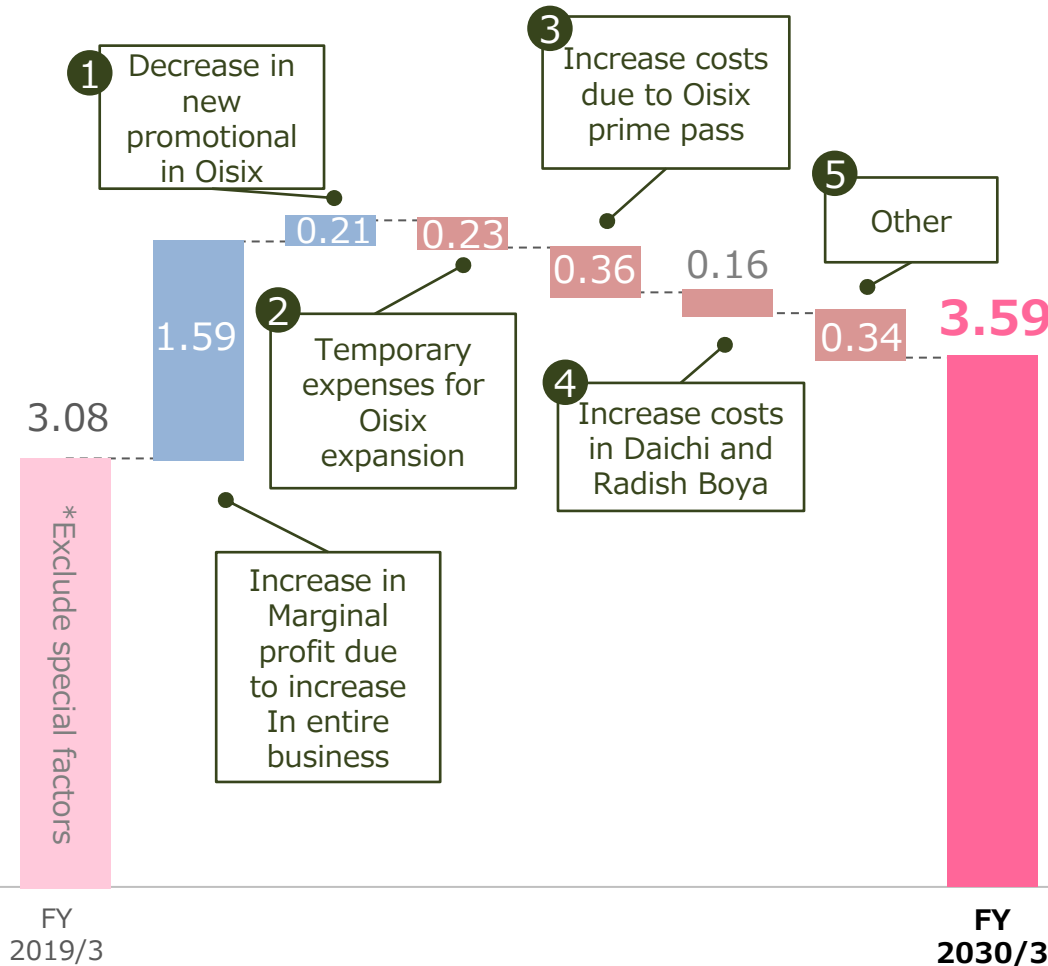


### ■ Net Income



## EBITDA increase in profit at YoY due to an increase in segment profit due to an increase in entire business sales

### EBITDA (bn yen)



### Major increase in costs

- Promotional in Oisix : -0.21**
  - Given large expenditures on TV commercials and other PR activities last year, current year 4Q expenses saw an YoY decline.
- Temporary expenses for Oisix expansion : 0.23**
  - Additional warehouse leasing expenses, transport expenses, etc. due to the rapid growth
- Oisix prime pass : 0.36**
  - Discounts cost : Upfront investment to improve LTV
- Daichi and RadishBoya : 0.16**
  - Increase in fixed cost ratio due to decrease in sales
- Other : 0.34**
  - Purple Carrot loss 0.25
  - Typhoon 0.05 etc,

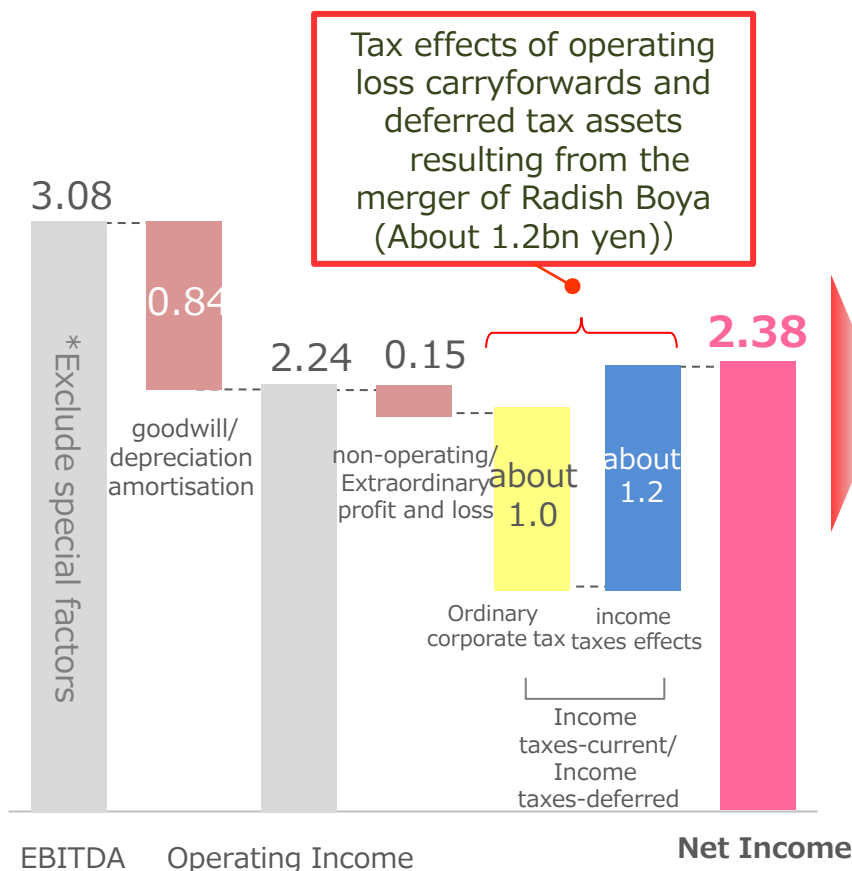
# YoY : Net Income

\* For the purposes of like-for-like YoY comparisons, one extra month of Radish Boya data (March 2018) was deducted from FY 2019/03 data.

Net income decreased by YoY. Impact of goodwill impairment loss on DEAN & DELUCA and loss of corporate tax reduction due to Radish Boya business integration

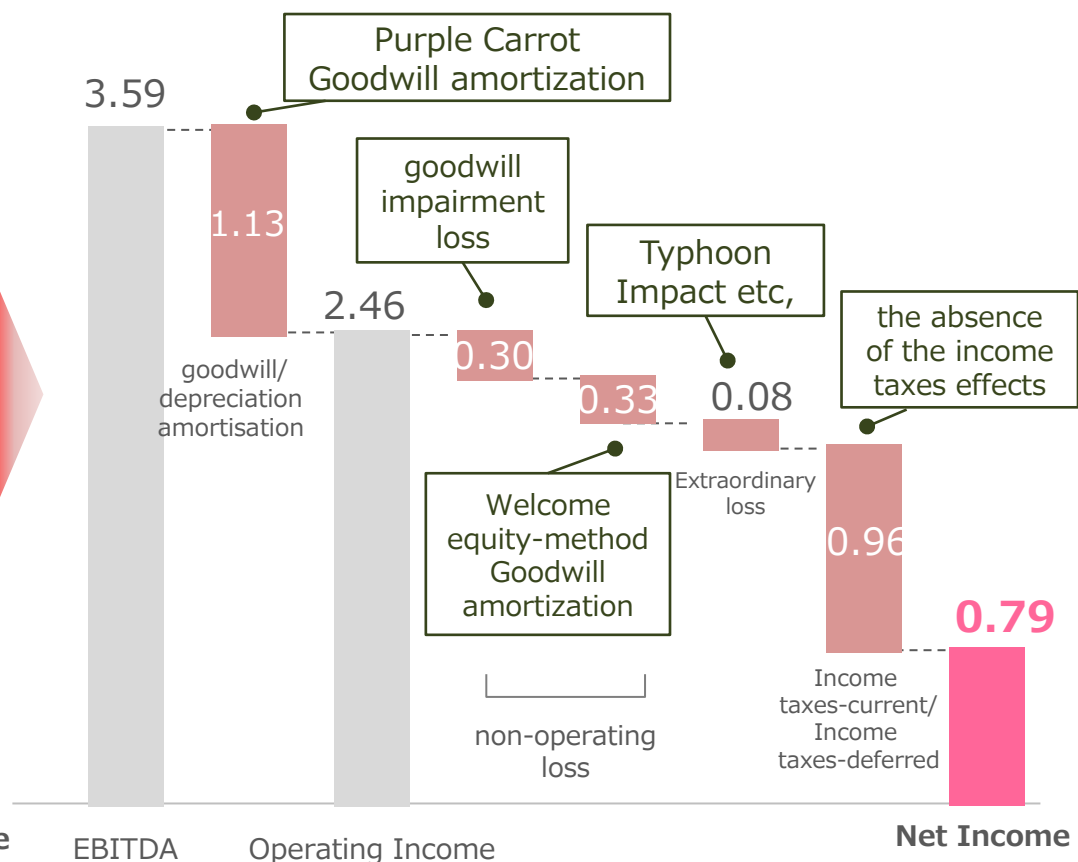
■ FY2019/3

(bn yen)



■ FY2020/3

(bn yen)

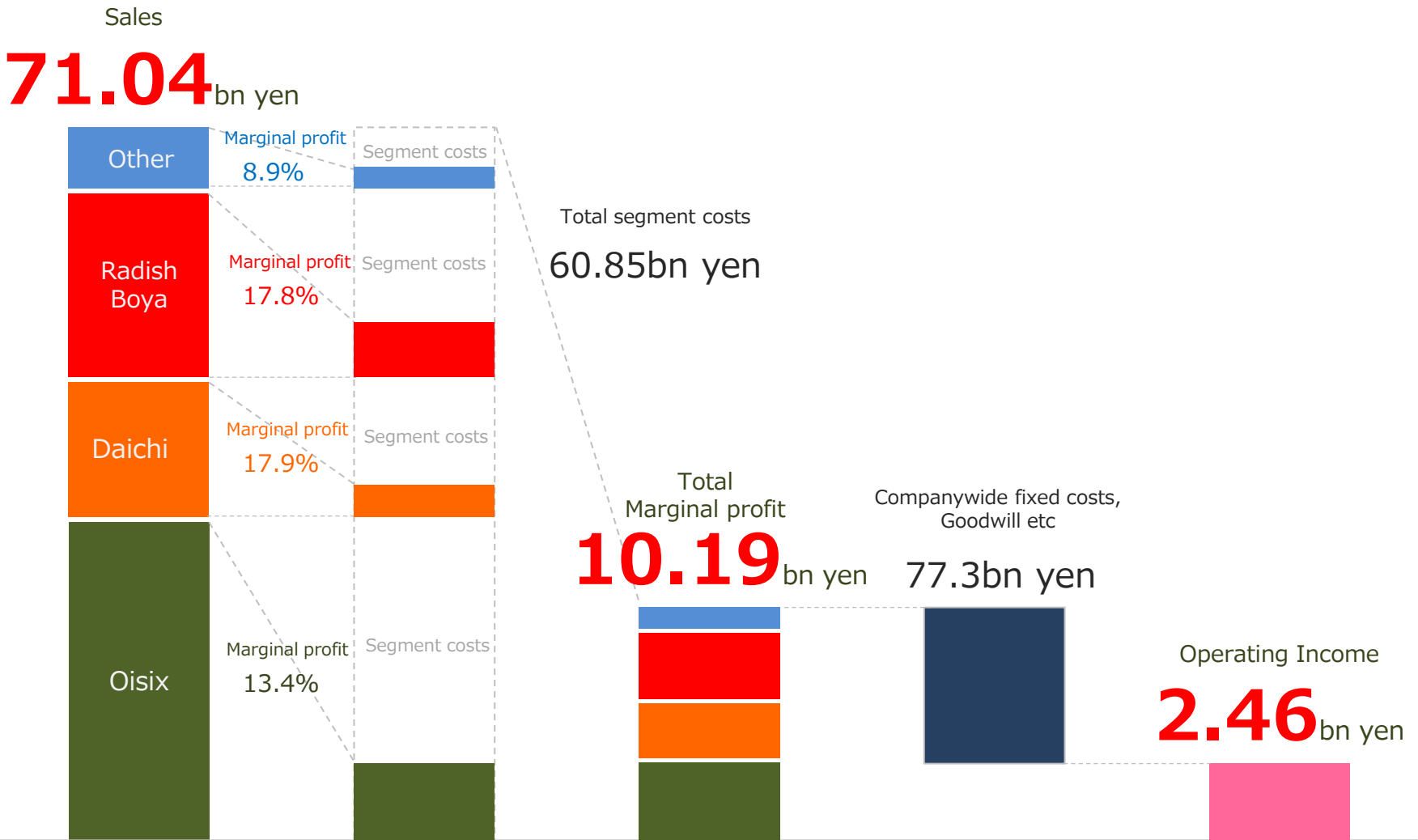


# Business segment Results

**\* For the purposes of like-for-like YoY comparisons, one extra month of Radish Boya data (March 2018) was deducted from FY 2019/03 data.**

	Sales	Marginal profit	Overview
Oisix	35.82bn yen (YoY +21%)	4.80bn yen (YoY +19%)	The number of subscribers has increased by about 40,000 since the end of the previous term. Expenses associated with Kit Oisix expansion expected to be reduced in stages. From Mar onward, sales and income increased owing to higher existing subscriber ARPU in the face of COVID-19
Daichi	10.54bn yen (YoY -3%)	1.88bn yen (YoY -5%)	We are focused on developing products and services for the target senior market. Number of subscribers expected to have effectively bottomed out in the current fiscal year. From Mar onward, sales and income increased owing to higher existing subscriber ARPU in the face of COVID-19
Radish Boya*	14.98bn yen (YoY -9%)	2.66bn yen (YoY -14%)	In the 1H, we completed measures to reduce unprofitable orders thereby establishing a base for stable revenue generation. In the 2H, we implemented measures to improve subscription service operations that have led to a decline in the cancellation rate. From Mar onward, sales and income increased owing to higher existing subscriber ARPU in the face of COVID-19
Other business	9.49bn yen (YoY +66%)	0.84bn yen (YoY +16%)	Sales increased significantly due to growth in the e-commerce support business of other companies and the consolidation of Purple Carrot. Despite losses at Purple Heart, profit increased thanks to the significant return to profitability of Kindergarten Wholesale.

# Business segment Results Overview



## **2. Our Current Situation and Response to COVID-19**

# Executive summary

## —Response to COVID-19

- ✓ **In order to play a role as a food lifeline, we have given top priority to responding to changes in logistics and the way employees work. As a result we achieve stable business continuity**
- ✓ The effect has been one of stronger home delivery demand that has boosted sales/profits for the three domestic delivery brands, the EC support business, and the overseas delivery business.  
**Providing services that capture changes in customer needs with COVID-19**  
In the Kindergarten Wholesale and Advertising segments, sales fell owing to the impact of school closings and restrained ad spending by partner companies.
- ✓ On the other hand, new customer acquisitions have been stopped as shipments at Oisix are nearing capacity,  
In the short-term, profits have benefited from lower implementation of PR expenses.  
But this suggests lost sales in the future.
- ✓ **We have rapidly implemented several support measures in response to newly emerging social issues related to food.**



- ① **Business continuity system**
- ② Business impact and support activities through business
- ③ Other support activities

# Business continuity system

Established a distribution and delivery network that ensures hygiene management. On the other hand, more than 80% of head office staff perform normal operations while working at remote work

## ■ Strengthening of logistics / delivery system

### ✓ Strengthening hygiene and safety management system



Raise the level of hygiene control at distribution centers across Japan  
Make all-out efforts to prevent coronavirus infection

### ✓ Order / delivery system to prevent the spread of infection

••Strengthening the telephone orders for senior customers



••Reduce physical contact opportunities during shipping

## ■ Way of working

✓ From February 26th, COVID-19 meetings are held every day for quick decision  
In addition, we send a video message to our employees at least once a week from management to communicate our management policy closely.

✓ We implement immediate infrastructure measures. **As a result, more than 80% of head office staff perform normal operations while working at remote work**

✓ **Special rewards will be provided** to staff and delivery crews at distribution centers



- ① Business continuity system
- ② **Business impact and support activities through business**
- ③ Other support activities

# Main support summary

Support  
sales of  
milk

Support  
Hokkaido

*Oisix ra daichi*

120,000 ℓ

About

0.15bn yen

••Supporting sales of milk for about 17 days provided by affiliated dairy farmers for school lunch

••About 50,000 people support Hokkaido ingredients

Home  
Restaurant

Home  
Economics  
at Home"

We  
Support

8shops10items

About

1,700

About

0.2bn yen

••We have grasped the needs of customers who want to easily enjoy the taste of restaurants at home.

••Many posts centered on Twitter and Instagram

••Deliver foods from 73 support companies to 32 medical institutions through the We Support

*Oisix ra daichi*

# Business impact summary

## —Oisix

Domestic Delivery business  
(Three major brands)

Domestic Delivery business  
(Other)

Other Business

### Oisix

- Owing to stronger home delivery demand vis-à-vis stay home initiatives, existing subscriber ARPU increased by some 20%.  
(Boost to sales of roughly ¥600mn/month)
- We have been implementing various support initiatives related to COVID-19. Examples are the "Sale of School Lunch Milk" and the "Hokkaido Product Exhibition."
- ✗ Due to shipments exceeding capacity, we stopped new customer acquisitions for a period of 1 month from Mar 26th to Apr 29th.  
We are now guiding new Oisix inquiries to Daichi and Radish Boya.
- ✗ In the short-term, profits have benefited from lower implementation of PR expenses.  
But this suggests lost sales in the future.

# Business impact summary

## —Responding to the needs by COVID-19

Domestic Delivery business  
(Three major brands)

Domestic Delivery business  
(Other)

Other Business

Support sales of surplus milk due to suspension of school lunch.

And we have opened a dedicated site for children to work on cooking at home.

### Provide Support for Dairy Farmers Affected by the Suspension of School Lunch

- ✓ Provided support for dairy farmers to sell excess milk due to an across-the-board school closure and sold all the volume initially planned in two hours of time. A recipe using milk is also introduced.



心の「ほっとミルク」をありがとう

先行きが真暗でしたが、みなさまのご支援のおかげで、現在はタンクから溢れることなく、大切な生乳の製造が続けられています。皆様のおかげで立ち直ることが出来ました。また、メッセージをくれた方々の誠実さやあたたかさに感動!! 本当にありがとうございます。



四日市酪農さん



### Establishment of the “Home Economics at Home” Site

- ✓ Launched a website where students at home for a school closure can engage in active learning at home through cooking practice. Expanded exposure on SNS





# Business impact summary

## —Responding to the needs by COVID-19

Domestic Delivery business  
(Three major brands)

Domestic Delivery business  
(Other)

Other Business

The frequency of eating at home increased by COVID-19.

We implement plans to meet new customer needs, such as “Eating at home”

### ■ Expanding demand for "Eating at home"



- ✓ "Miso-making Kit Oisix" **increased YoY +20%**  
Sales of canned goods and other stock products **exceeded YoY+30%**



- ✓ As family meals increase, Kit Oisix's sales of products for 3 people grow



### •Increase in media exposure

- ✓ **The demand of customers cooped up in their homes was featured** mainly on TV programs of **23medias**, including “Saturday Plus” by Mainichi Broadcasting System and “news every” by Nippon Television Network Corporation.  
Our products caught people’s eye as their concept meets the market needs

## Business impact summary

—Responding to the needs by COVID-19

Domestic Delivery business  
(Three major brands)

Domestic Delivery business  
(Other)

Other Business

We sell a restaurant product whose sales have dropped significantly by COVID-19 as a "home restaurant" on the Oisix special site

### ■ Home restaurant

- ✓ We sell products of restaurants whose sales have decreased by COVID-19 on a special site.  
**There were 124 reports mainly on TV and WEB media.**

塚田農場

ボリューム満点

塚田農場の看板メニューがおうちで楽しめる!  
黒さつま鶏 食べ比べセット



大阪伝統の味  
名物串カツ田中

＼ 休日は家族で串カツパーティー /  
大阪伝統の味 串カツ田中  
お家で楽しむ串カツセット



KURKKUFIELDS

クルックフィールズ

＼ おうちでバルスタイルを楽しもう /  
大人の贅沢なひとときを演出する  
ジビエソーセージセット





# Business impact summary

## –Shipping capacity of Oisix

Domestic Delivery business  
(Three major brands)

Domestic Delivery business  
(Other)

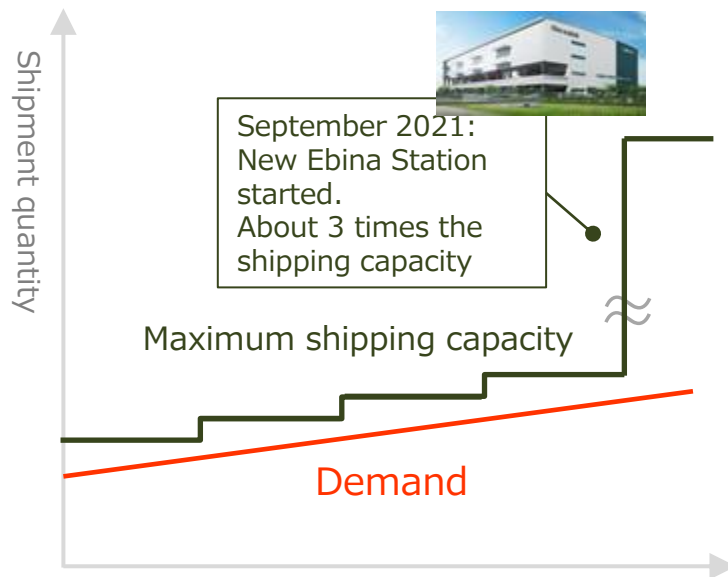
Other Business

According to the initial assumption, the shipment capacity will be exceeded due to a sudden increase in demand, even though we plan to do things at the existing distribution center until the completion of the new Ebina station in September 2021.

### ■ Shipping capacity status

#### ✓ the Initial assumption

• Until the start of operation of the new Ebina Station, which plans to invest about 3.7 billion, we will be to gradually expand capacity between the current Ebina Station and the satellite center.

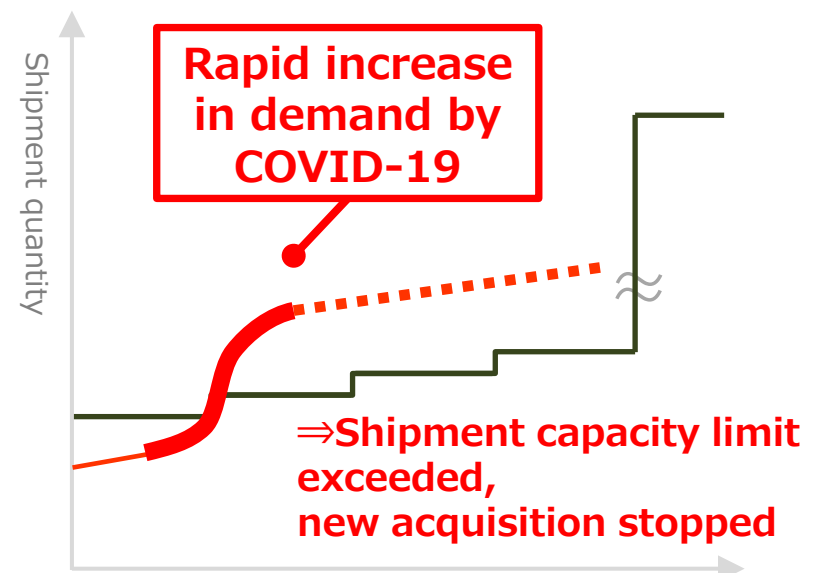


#### ✓ Change by COVID-19

In order to cope with the rapid expansion of capacity, we have set up a logistics center operation system.

But we couldn't cover it though I increased it and raised the upper limit of shipping capacity.

We prioritize delivery to existing customers and stop new acquisitions from the end of March



## Business impact summary

### —Shipping capacity of Oisix

Domestic Delivery business  
(Three major brands)

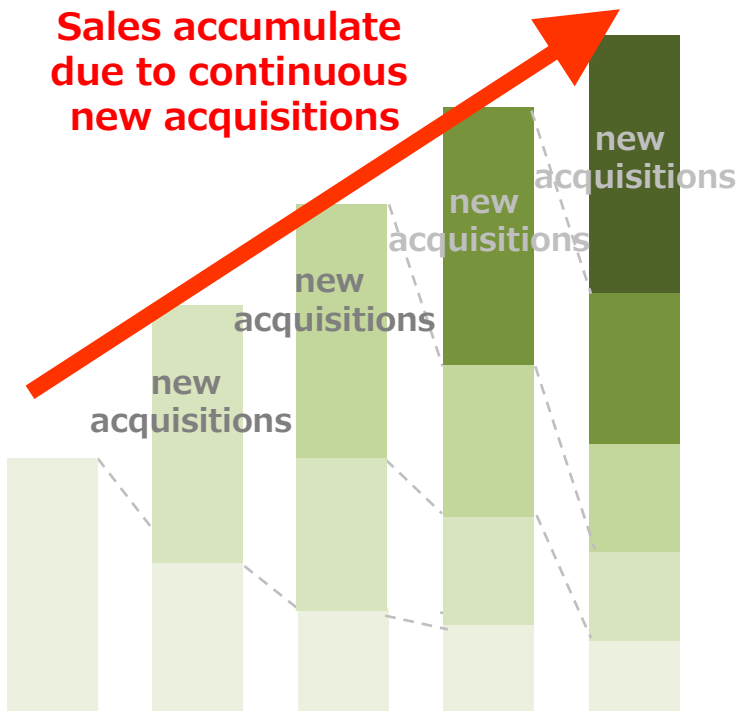
Domestic Delivery business  
(Other)

Other Business

In the short-term, profits have benefited from lower implementation of PR expenses. On the other hand, future sales have been lost, and immediate measures are needed.

#### ■ Appropriate growth image of the subscribe model

Sales accumulate due to continuous new acquisitions



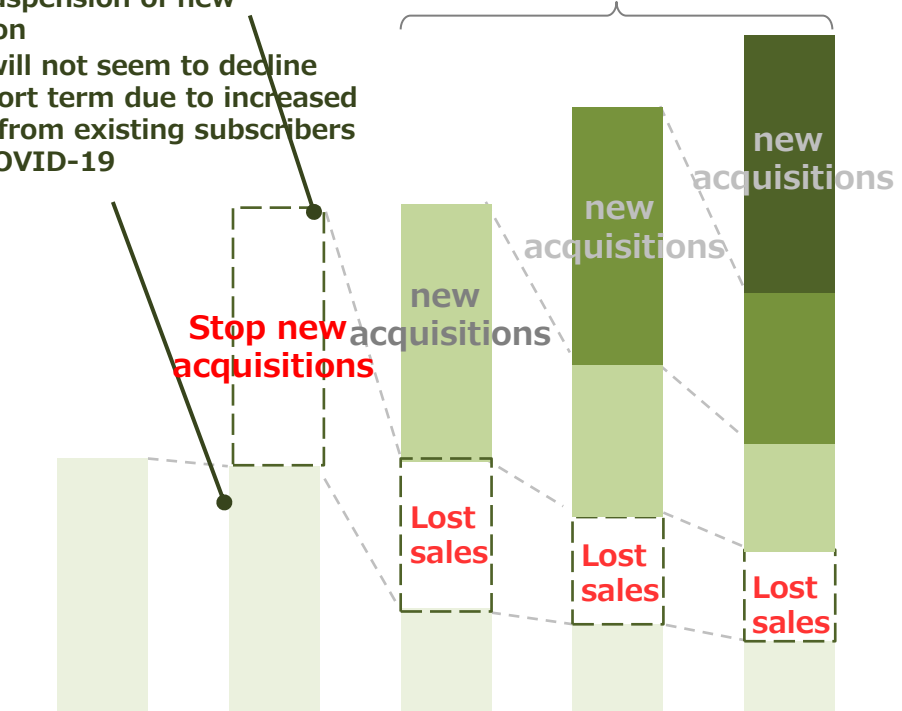
※ When new acquisition is stopped,

#### ◆ In the short term

- ✓ Profit increased due to unspending of PR expenses due to suspension of new acquisition
- ✓ Sales will not seem to decline in the short term due to increased demand from existing subscribers due to COVID-19

#### ◆ In the short term

✓ Continued loss of sales of newly suspended subscribers



## Business impact summary —Daichi/Radish-Boya

Domestic Delivery business  
(Three major brands)

Domestic Delivery business  
(Other)

Other Business

**Daichi**

**Radish Boya**

- Owing to stronger home delivery demand vis-à-vis stay home initiatives, existing subscriber ARPU increased by some 20%.  
(Boost to sales of roughly ¥100mn/month each)
- Number of new customers grew as a result of more new inquiries from natural searches and introductions via Oisix inquiries
- △ There are no issues with shipment capacity currently, but with increased demand in the future, there is the possibility capacity will be increased in the future.
- ✗ Due to the sudden increase in demand, some products became out of stock or were sold out.

## Business impact summary

—Responding to the needs by COVID-19

Domestic Delivery business  
(Three major brands)

Domestic Delivery business  
(Other)

Other Business

Supporting sales for Hokkaido specialty products, whose demand decreased significantly due to the impact of COVID-19, under five brands operated by Oisix-La-Daichi

### ■ Supporting sales for Hokkaido

- ✓ Implement a project to provide support for producers and manufacturers in Hokkaido due to decreased demand of travelers refraining from going out for the fear of being infected

**Approximately 48,000 people helped through purchases and achieved sales of approximately 0.15bn yen for all brands**

*Oisix ra daichi*



*Oisix ra daichi*

# Business impact summary

## —Other Business

Domestic Delivery business  
(Three major brands)

Domestic Delivery business  
(Other)

Other Business

### Domestic Delivery business (Other)

#### ■ EC support (ISETAN DOOR、dmeal kit)

- Increased sales due to increased demand for home deliver
- ✗ Similar to Oisix, shipping capacity is approaching the upper limit and new acquisition is stopped

#### ■ Tokushimaru

- Due to the refraining from going out, the number of customers and the unit price for purchase increase, and the daily sales amount increases by about 10%.

### Other Business

#### ■ HongKong

- Earlier than Japan, home delivery demand began growing in mid-Feb. Sales increased by roughly 30%. Establish a stable shipping system by securing alternative international transportation

#### ■ Purple Carrot

- The number of shipments doubled as the demand for home delivery increased sharply. Promote expansion of shipping capacity

# Business impact summary

## —Other Business

Domestic Delivery business  
(Three major brands)

Domestic Delivery business  
(Other)

Other Business

### Other Business

#### ■ SinS

△ Owing to stay home pressures and the resultant increase in supermarket visits, some stores saw higher sales. Others have been hurt by temporary closure of fresh produce sections within department stores.

#### ■ kindergarten wholesale

✗ Business deteriorated with kindergarten closures that began in April.

#### ■ Other Business

✗ In the advertising business, business performance deteriorated due to the effect of curbing advertising expenses of business partners

✗ Sales at affiliate Welcome Co., Ltd. (Dean & DeLuca) fell sharply owing to temporary suspension of operations. (goodwill impairment in 4Q as noted above)

**Sales at affiliate Welcome Co., Ltd. (Dean & DeLuca) fell sharply owing to temporary suspension of operations.**

## WELCOME GROUP

✓ Lifestyle business through retail and restaurant businesses

- Main Brand : DEAN & DELUCA (46 shops)  
GEORGE'S (21shops) etc,



### ■ Goodwill impairment loss

- ✓ Owing to the special factor noted below, profits at Welcome Co., Ltd. were below initial forecasts.
  - Temporary closure by COVID-19
  - Typhoon impact, etc.
- ✓ On the other hand, online sales remained strong



- ✓ Whilst business deterioration stems from special factors only, roughly ¥300mn in goodwill was written down as an impairment loss.  
(Accounted as a non-operating expense).
- ✓ Goodwill amortization expenses are expected to fall beginning next fiscal year.  
(Amortization amount of about 90 mn yen / year)  
  
※ This item is wholly unrelated to the April 1st announcement of "US Dean & DeLuca's Chapter 11 Bankruptcy Protection Filing."

- ① Business continuity system
- ② Business impact and support activities through business
- ③ **Other support activities**



# Other support activities

We established “We Support,” a platform linking medical/healthcare institutions to companies in food-support.

**We support healthcare professionals from the “Food” angle.**

## ■ We support

- A platform that connects medical institutions with food support companies



## Support achievement

- ◆Total amount of support : **About 0.2bn yen**
- ◆Support company : **73**
  - Ajinomoto
  - Ito-en
  - Kagome
  - Kameda Seika etc.
- ◆Support medical institution : **32**
  - Eiju General Hospital
  - Tokyo Hikihone Hospital
  - Tokyo shinagawa Hospital etc.

# Other support activities

Implement support measures such as agricultural experience for high school students at contract producers and provision of juice to kindergarten that are rushed for emergency response

## ■ Agricultural Experience for High School Students

- ✓ Offer an agricultural experience learning program at the production sites of our contract farmers for high-school students at home for a school closure



## ■ Juice to kindergarten

- ✓ Providing support for our brand of juice to 280 partner nursery schools that are under pressure to respond due to the impact of COVID-19



### *3. Results on Business segment*

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# Overview of Business Segments

## ① Domestic Delivery business (Three major brands)

- Oisix
- Daichi
- Radish Boya

## ② Domestic Delivery business (Other)

- EC support business for other companies (Alliance)
- Tokushimaru (Subsidiary)

## ③ Other Business

- Overseas Business
- Real Retail Business

# Overview of Business Segments

## ① Domestic Delivery business (Three major brands)

- Oisix
- Daichi
- Radish Boya

## ② Domestic Delivery business (Other)

- EC support business for other companies (Alliance)
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## ③ Other Business

- Overseas Business
- Real Retail Business

# Oisix KPI

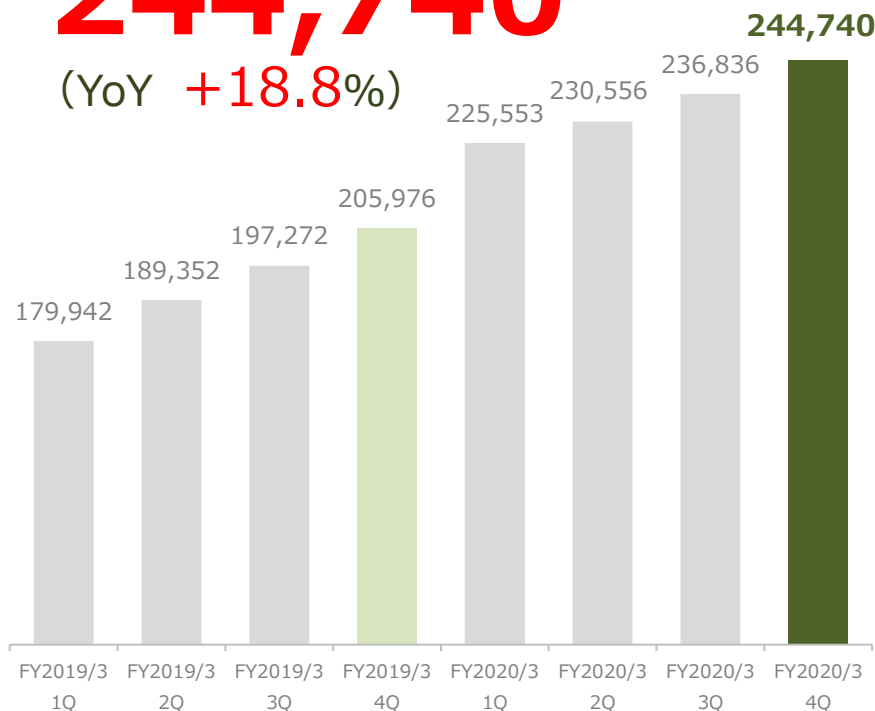
No. of subscribers : Year-on-year, subscriptions increased by roughly 40,000 exceeding our initial forecast by 10,000.

ARPU : Both customer basket size and purchase frequency rose due to increased orders from existing subscribers by COVID-19.

## ■ No. of subscribers

# 244,740

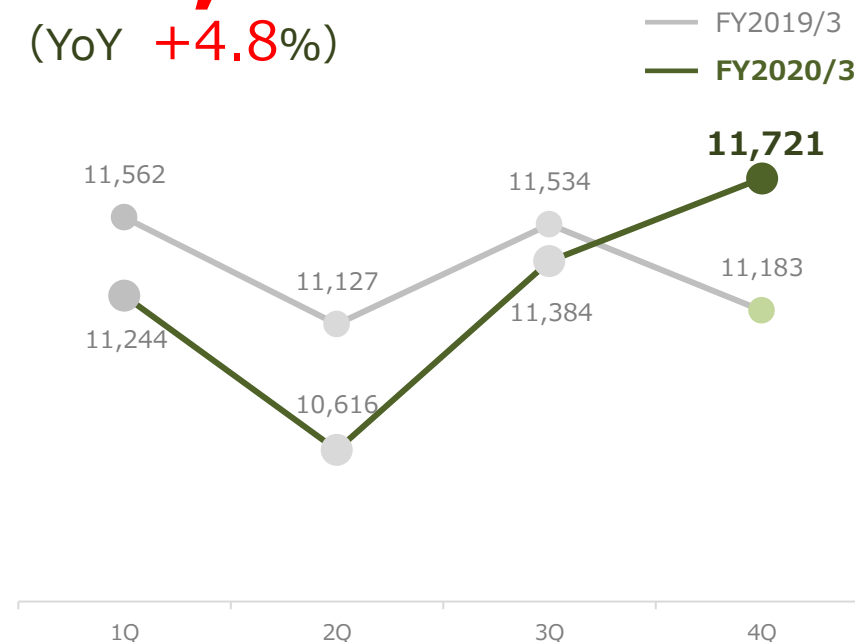
(YoY +18.8%)



## ■ ARPU※

# 11,721

(YoY +4.8%)



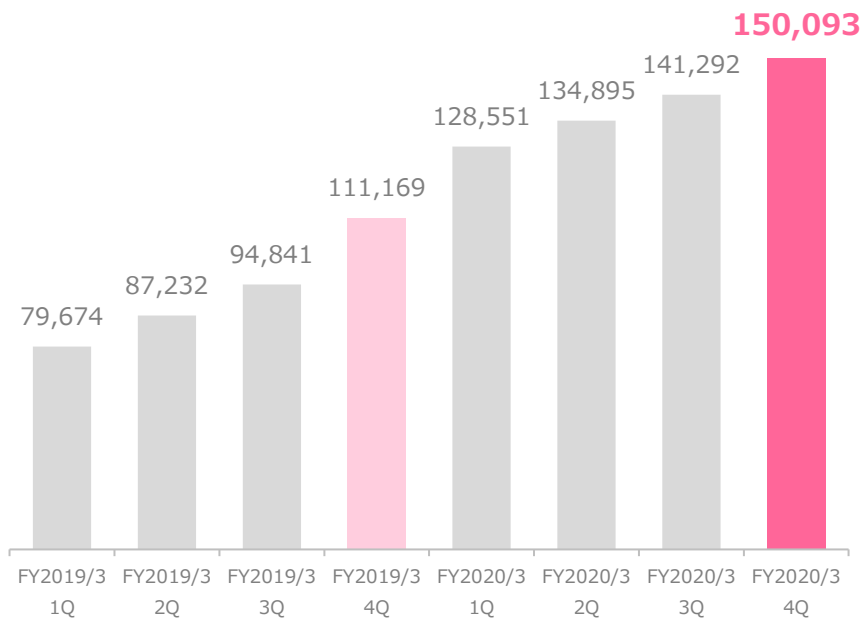
# Oisix KPI

Kit Oisix subscribers :  
Increased demand for meal kits resulted in over 150K subscribers. **Continued growth of over 130% at YoY**

## ■ No. of meal kit course subscribers (Includes Oisix subscribers)

# 150,093

(YoY **+35.0%**)



## ■ Feature of Kit Oisix

1

Delivers volumes/quantities of food suitable for a given family size. Allows preparation of the main dish and side dish in 20 minutes.



2

All menus contain five or more types of vegetables and reflect consideration for well-balanced nutrition.

3

Uses only safe, reliable ingredients from farmers and manufacturers under contract to us.





# Oisix Topics

Cumulatively, total unit sales of Kit Oisix has now exceeded 50mn meals.  
We continue to develop a variety of menus and services that meet customer needs.  
In 4Q, carry out a collaboration project with VERY targeting child-raising moms

## ■ Total sales of Kit Oisix



## ■ Collaboration in 4Q

✓ collaboration project with VERY

**Oisix × VERY 特別企画**

忙しい春を応援！  
もう献立に悩まない  
朝・昼・晩ごはん

*Morning* *Lunch* *Dinner*

**Saga's recommend**  
7種の具材の  
ベジタブルピラフ

学校から帰ってきたらとにかくお腹の空いている子供達。小学生なら火を使わずにレンジでチンするだけでできる立派な一皿にお腹は満足。オイシックスの冷凍食品なら「冷凍食品でごめん！」という気持ちゼロ。

♡ Oisix Lover 01  
牧野紗弥さん  
(VERYモデル)

子供が3人いると好き嫌いもさまざま。野菜をたくさん食べてくれるKit Oisixのピビンパはうちでも活用中。バリエーションを頼んだ日も炒めるだけで美味しく安心！



# Daichi KPI

Domestic Delivery business  
(Three major brands)

Domestic Delivery business  
(Other)

Other Business

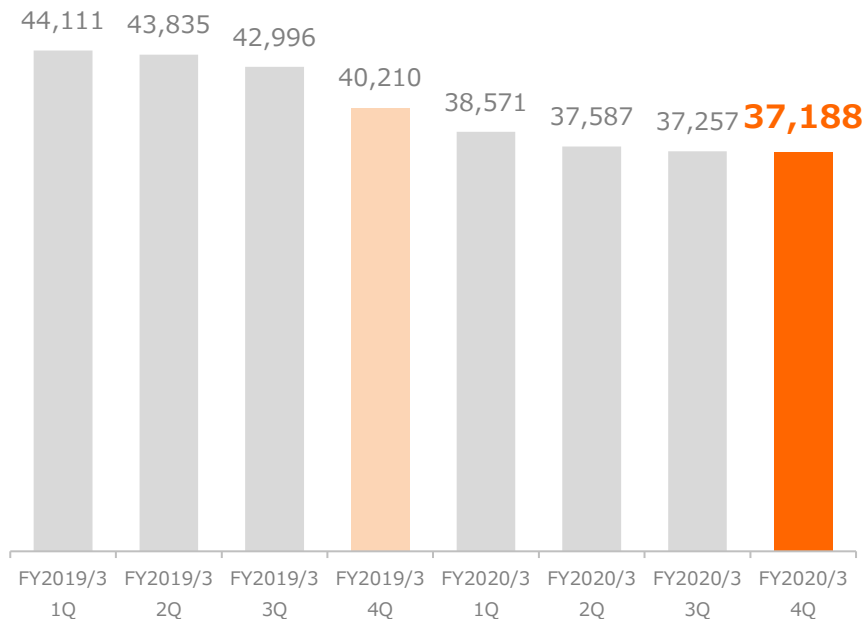
No. of subscribers : Rate of decline in subscriptions has been shrinking and we expect a near-bottoming in the second half.

ARPU : Via service solutions that mirror target needs, we aim to achieve consistent YoY growth.

## ■ No. of subscribers

# 37,188

(YoY -7.5%)

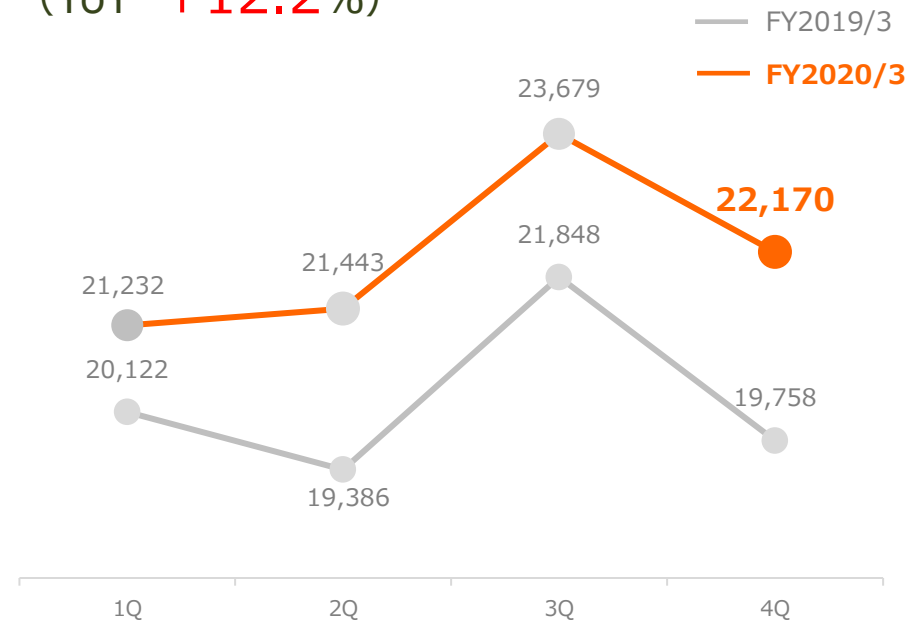


## ■ ARPU※

# 22,170

 yen

(YoY +12.2%)



# Daichi Topics

In 4Q, we are trying out acquisition methods targeting seniors in their 50s and beyond. We tried to collaborate with NHK "Today Cuisine" and develop offline channels such as newspaper advertisements

## Offline channel development trial

### ◆ Collaboration with NHK "Today Cuisine"



- Recorded about 1.5 times more sales than the normal trial set

### ◆ Offline channels



- Approaching seniors who do not shop online

# Radish Boya KPI

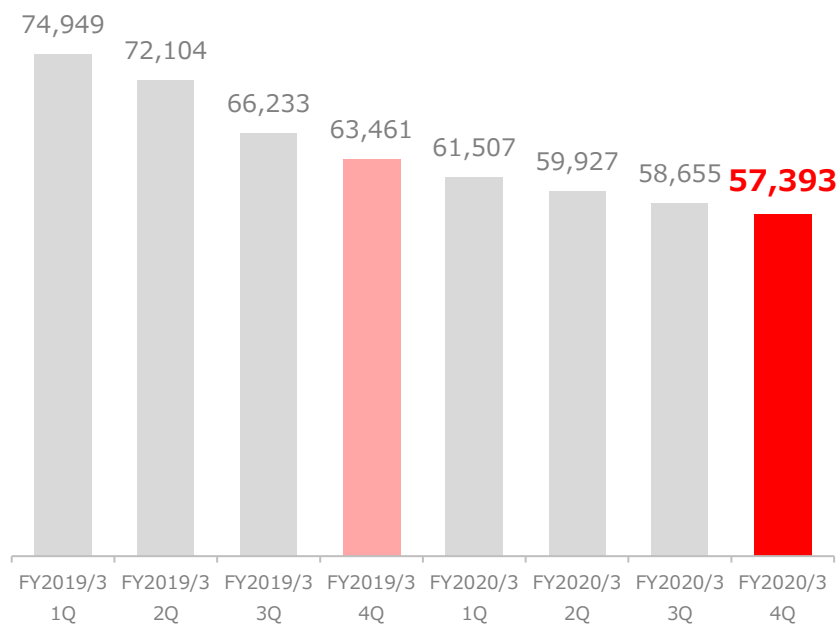
No. of subscribers : Reduction attained via continued prioritization of enhanced service levels and restraint in new customer acquisitions.

ARPU : Promote the use of multiple subscription courses and increase both purchase unit price and frequency

## ■ No. of subscribers

# 57,393

(YoY -9.6%)

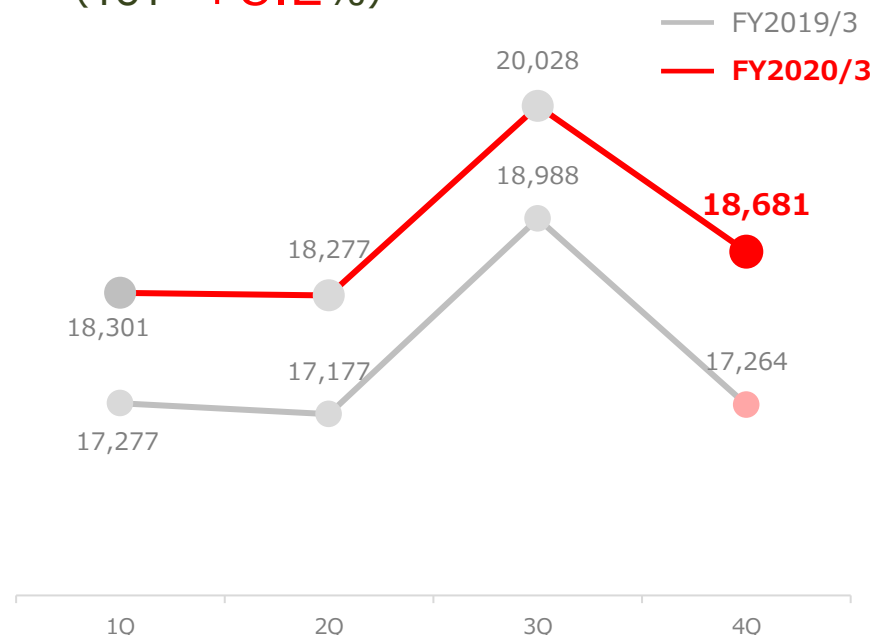


## ■ ARPU※

# 18,681

 yen

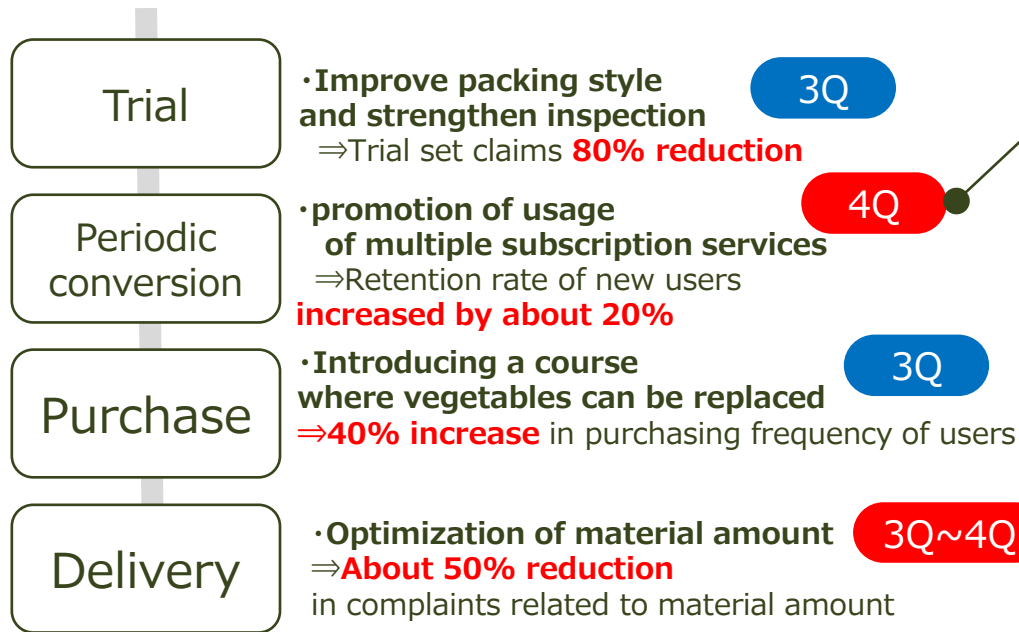
(YoY +8.2%)



# Radish Boya Topics

In 2H, we will continue to implement measures for operational excellence.  
In 4Q, churn rate decreased mainly new users  
due to promotion of usage of multiple subscription services,

## ■ operational excellence



Churn rate

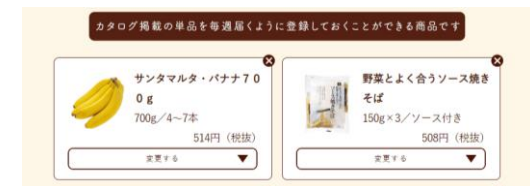
**YoY about 15% decrease**

### ◆ promotion of usage of multiple subscription services

subscription①:  
「Random Vegetable Box」



subscription②:  
「Subscribe to catalog products」



• Retention rate of new users increased by about 20%

# Overview of Business Segments

Domestic Delivery business  
(Three major brands)

Domestic Delivery business  
(Other)

Other Business

## ① Domestic Delivery business (Three major brands)

- Oisix
- Daichi
- Radish Boya

## ② Domestic Delivery business (Other)

- EC support business for other companies (Alliance)
- Tokushimaru (Subsidiary)

## ③ Other Business

- Overseas Business
- Real Retail Business

**ISETAN DOOR : No. of subscribers continued to grow steadily in 4Q**

**dmeal-kit : Preparation for establishment of acquisition channel for next term**

## ■ ISETAN DOOR

- ✓ Support for Isetan Mitsukoshi's EC business Commissioned from operation and management of EC sites to distribution and delivery
- ✓ No. of subscribers continued to grow steadily in 4Q



## ■ dmeal kit

- ✓ Started in July 2019 in collaboration with NTT DOCOMO. Offer regular delivery services, mainly meal kit for NTT DOCOMO's customers
- ✓ Preparation for establishment of acquisition channel for next term



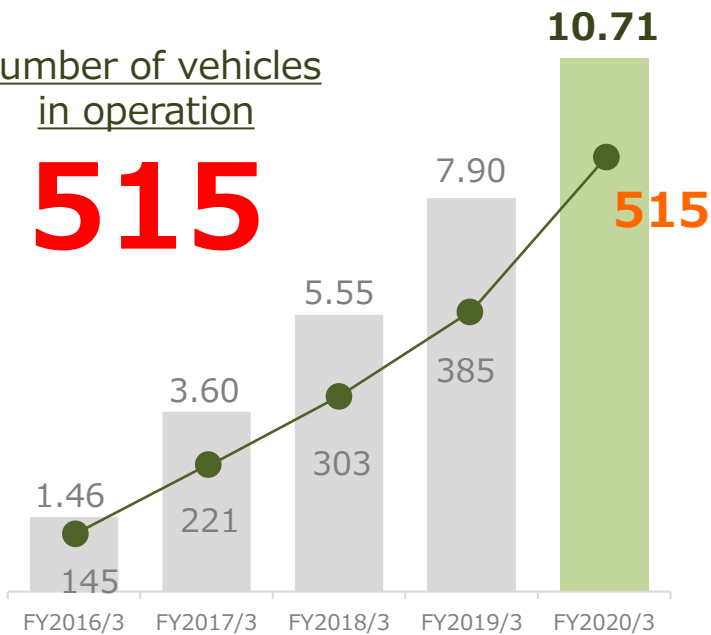
# Tokushimaru(subsidiary)

The value of circulation exceeds 10 bn yen .The number of operating vehicles increased by 42 units in 4Q, exceeding 500 units  
 The number of affiliated supermarkets increased by 6 in 4Q as a result of strengthening the in-house supervisor system.

## ■ The value of circulation

**10.71** bn yen  
 (YoY +35.4%)

Number of vehicles  
 in operation



## ■ Development Scale

Number of affiliated  
 supermarkets

**125**



# Overview of Business Segments

Domestic Delivery business  
(Three major brands)

Domestic Delivery business  
(Other)

Other Business

## ① Domestic Delivery business (Three major brands)

- Oisix
- Daichi
- Radish Boya

## ② Domestic Delivery business (Other)

- EC support business for other companies (Alliance)
- Tokushimaru (Subsidiary)

## ③ Other Business

- Overseas Business
- Real Retail Business



# Purple Carrot(U.S.)

Domestic Delivery business  
(Three major brands)

Domestic Delivery business  
(Other)

Other Business

Purple carrot is a 100% vegan meal delivery business in the United States. It will recognize consolidated from 3Q

**PURPLE CARROT**



- Courier service that offers meal kits only for plant-based meals
- Weekly subscription model for 48 states across the United States

*Oisix ra daichi*



**PURPLE CARROT**



- ✓ Global Expansion of Vegan Food × Health Conscious Food of Japanese Food in both Asia and the U.S.
- ✓ Expanding management expertise in food Subscription Model to Purple Carrot to achieve profitability at an early stage

*Oisix ra daichi*

# Purple Carrot(U.S.)

※Purple Carrot shows the business situation from October to December.

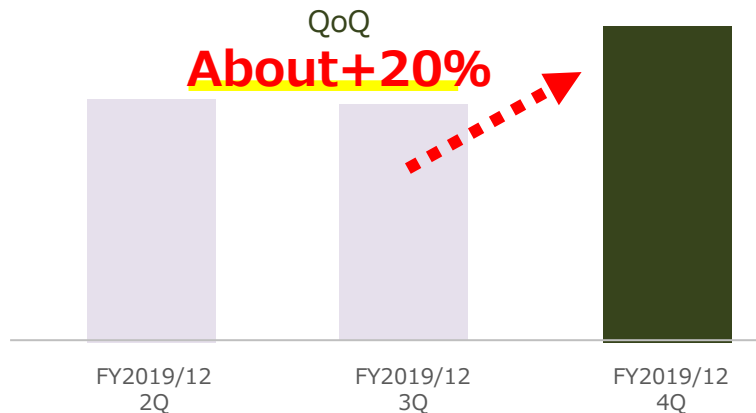
Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Other Business

Subscribers increased due to the effects of TV publicity.  
Achieved a significant reduction in major complaints regarding quality improvement

## Promotion/Sales

- ✓ New inquiries saw substantial increase with the airing of a special program on vegan eating habits on Netflix.
- ✓ Leveraging our domestic delivery know-how, Purple Carrot introduced set-boxes limited to Thanksgiving at the end of November. As a result, falling orders during holidays were suppressed

## ◆No. of subscribers



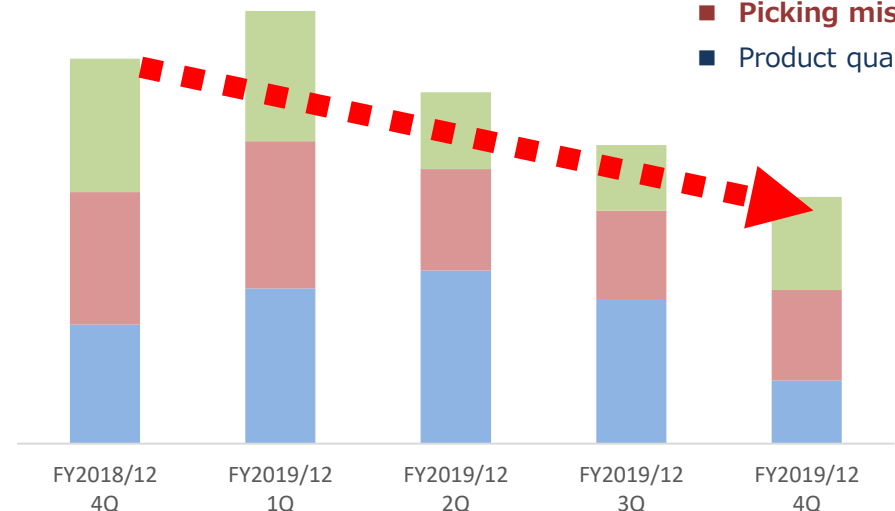
## Quality improvement

- ✓ "Product quality" "Picking mistakes"  
"Delivery" claims achieved a significant reduction

YoY

**Reduction of over 30%  
of major claims**

■ Delivery  
■ Picking mistake  
■ Product quality



**Hong Kong : Focus on establishing a subscription model for Hong Kong people**

**Shanghai : Decided to develop service centering on "Kit Oisix"**

## ■ Hong Kong

- ✓ Focused on improving the model of subscribe for Hong Kong people.  
The ratio of subscribers sales is improving, and the establishment of a model unique to Hong Kong is steadily progressing.
- ✓ In 4Q , we started sales of Japanese fresh milk.



## ■ Shanghai

- ✓ With the aim of establishing a Chinese subscription model, CXO will be based in China to identify needs
- ✓ Having confirmed a healthy low-fat diet, room for cooking skills improvement, and the role "Kit Oisix" could play as a potential solution, we look to expand locally.



# Real Retail Business

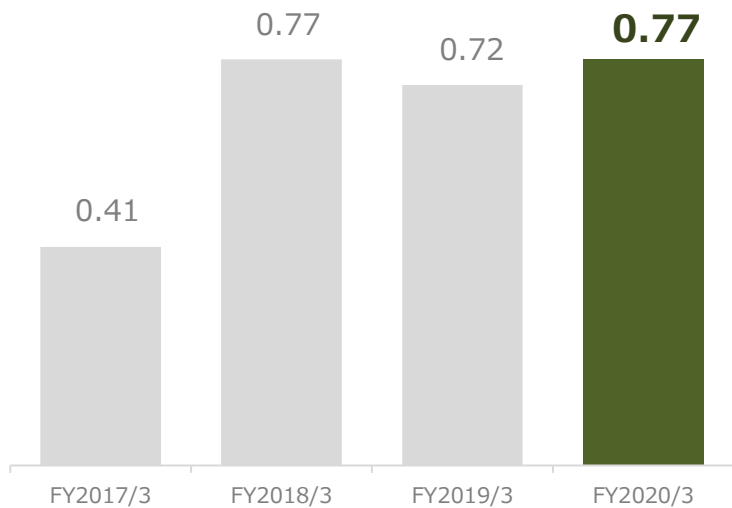
**SinS** : We have continued to expand Kit Oisix sales shops to enhance brand touch-points

**Kindergarten Wholesale** : Steadily expanding the No. of trading kindergartens

## Shop in Shop

Sales  
**0.77** bn yen

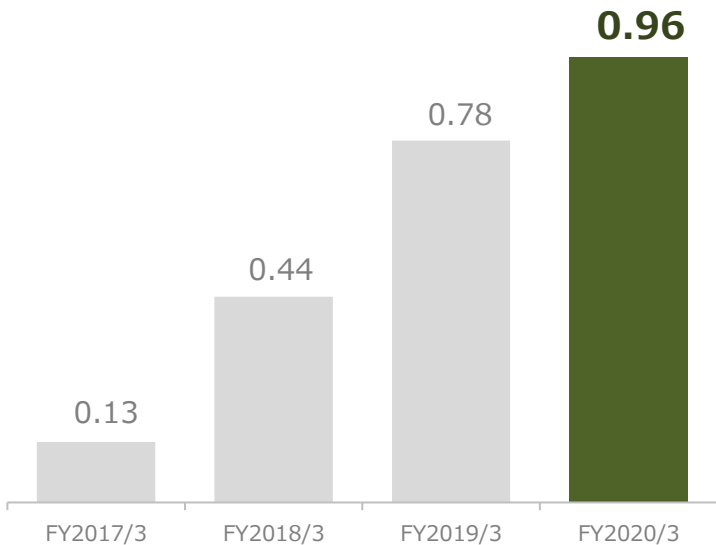
No. of shops  
**157**



## Kindergarten Wholesale

Sales  
**0.96** bn yen

No. of trading kindergartens  
**373**



Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Other Business

# Future Food Fund

The CVC "Future Food Fund," a fund specialized in the food innovation field, has successfully raised about ¥2bn. We have decided to invest in HiOLi Co., Ltd., the operator of Craft Icecream Shop

Future Food Fund *Oisix ra daichi*



NEW



## Food Start-ups

### ◆ HiOLi Co. Ltd., (Tokyo, Japan)

- Operation of craft ice cream shop "HiO ICE CREAM"



NEW

### ◆ FarmNote Co. Ltd., (Hokkaido, Japan)

- Development of cattle-herd management cloud system/wearable devices



### ◆ MiL Co. Ltd., (Tokyo, Japan)

- Develop and sell "Mi+Mitas" subscription milk-free foods



### ◆ Fifty Food Inc.

- (San Francisco, U.S.)
- Development and sales of vegan instant noodles





# BCP improvement progress

In addition to measures to prevent the recurrence of the trouble itself,  
In the event of an emergency, we will formulate a plan that will enable swift response and immediate resumption of business.

---

## ◆ Troubles in FY2020/3

Mainly at Oisix Ebina Station

- ✓ elevator trouble
- ✓ Typhoon Impact

Business continuity risk has become apparent



## ◆ BCP improvement progress

- ✓ Installation of collision prevention sensors near elevators in the warehouse
- ✓ Emergency manual update
- ✓ Regular risk assessment for each distribution center

## *4.FY2021/3 Strategy*

---

# Strengths of Our Business Model

We have assets and know-how exclusively focused on end-to-end food delivery and subscription services.

## Producers

### Fruit and Vegetable Producers

**4,000 producers nationwide**



### Manufacturers

**5,000 companies**



Procurement

## Oisix ra daichi



Oisix



Radish Boya



Daichi



Regular delivery

## Consumers

### Subscribers

**340,000 households**

(Total of Oisix, Daichi and Radish Boya)



1

**Direct Network with Producers**

2

**Subscription Marketing**

3

**One of the largest distribution centers in Japan supporting our food and subscription services and meal kit manufacturing plant**



# Business phase of the Home delivery business

Implementing brand strategies that consider each of the brands' business phases.

## Main Target

Phase:  
Launch of Business

Phase:  
Creation of products  
and services

Phase:  
Business Expansion



Working mothers busy  
balancing work and  
childcare

**Accelerating Business Growth  
by capturing increased needs  
"Premium time savings"**

• "Chanto" Oisix

• Oisix  
• Kit Oisix



Seniors in their late  
50s and older with  
health concerns

Completed  
(FY3/2020 2Q)

**Product and service  
development  
in line with targets**

Ongoing  
("Daichi no Yasai  
Okazu Set" Etc.,)



Full-time housewives in their  
40s and 50s who want to  
improve their cooking skills

**Executing operation  
excellence**

Ongoing

Scheduled  
(FY3/2021 3Q~)

# Executive summary

## –FY2021/3 strategy

- ✓ The FY2020/3 strategy assumed that in addition to growth measures according to each business phase, we implement profitability enhancement measures
- ✓ However, new needs such as “increased demand for home delivery” and “increased meal opportunities at home”  
It is expected that the trend will continue in the future, although the temporary increase in needs will come to an end.  
**We will prioritize expansion of logistics capacity and securing of products for stable shipment.**
- ✓ For business growth of the three home delivery brands,  
**we implement measures based on the customer needs that have changed with COVID-19, centered on the measures for each brand phase**
- ✓ Regarding the profitability enhancement of the home delivery business, which was a priority strategy in FY2020, some measures need to be reviewed due to the impact of COVID-19  
However, by implementing new measures, **we will continue activities so that we can achieve the existing impact of strengthening profits.**

# FY2021/3 New strategy

## Past Strategy

- ◆ Implement a growth strategy according to business phases
- +
- ◆ profitability enhancement



## New strategy

### New strategy1

**Build a stable shipping system**

### New strategy2

**Implement a growth strategy that responds to changes in food needs with COVID-19**

- Responding to customer needs by COVID-19 based on existing strategies

### New strategy3

**Implement profitability enhancement measures that reflect COVID-19**

- Review some measures and add new measures by COVID-19

## New strategy

### New strategy1

**Build a stable  
shipping system**

### New strategy 2

Implement a growth strategy  
that responds to changes  
in food needs with COVID-19

### New strategy3

Implement profitability  
enhancement measures  
that reflect COVID-19

# New strategy No.1

## -Build a stable shipping system

We implemented multiple measures to expand physical capacity.  
And we aim to completely resume acquisition of new members as soon as possible

### ■ Logistics Capacity Outlook of Oisix

Past

- ✓ Only the current Ebina station

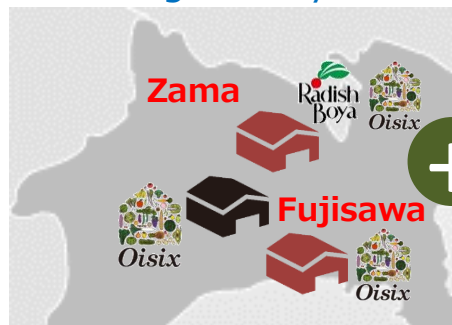
⇒New acquisition stopped for 1 month due to capacity



Current

- ✓ Launch new service with small SKUs
- ✓ Expanded satellite center in Fujisawa (for small SKU service only)
- ✓ Use a part of Radish Boya Zama station (trial set)

⇒Resumed new acquisitions gradually from the end of Apr.



Satellite center expansion planned in autumn 2020

Sep. 2021~

- ✓ New Ebina station consolidation  
(About 3 times the shipping capacity of the current distribution center)



# New strategy No.1

## -Build a stable shipping system

Expanded shipping capacity by starting small SKU service and utilizing Fujisawa's satellite center.

Also, in order to secure product supply, we will expand cropping and cultivate new contract producers.

### ■ Launch new service with small SKUs



✓ **Expand shipping capacity** by launching services with small SKUs and utilizing satellite centers

✓ Specialized service for shortening cooking time and shopping time

### ■ Securing a stable product supply



- ✓ To meet the increasing demand,
  - **Increase in cropping amount with existing contract producers**
  - **Develop new contract producers**

✓ At the same time, we support for producers who are suffering from reduced demand for restaurants

## New strategy

### New strategy1

Build a stable  
shipping system

### New strategy 2

**Implement a growth strategy  
that responds to changes  
in food needs with COVID-19**

### New strategy3

Implement profitability  
enhancement measures  
that reflect COVID-19

# New strategy No.2

-Implement a growth strategy that responds to changes in food needs with COVID-19

Develop services that respond to changing customer needs with COVID-19, centered on business strategies in line with the growth phase of each business segment



Strengthen premium  
time saving value  
+  
Response to diversification  
of meal needs at home  
By COVID-19



Transition to re-expansion phase  
+  
Response to health  
and immune improvement  
by COVID-19



Continue to refine operations  
+  
Providing services  
that make cooking time at home  
more enjoyable with COVID-19



Accelerate the speed of expansion of  
operating number  
+  
Shopping support for the elderly  
revealed by COVID-19



Continue to improve operations  
+  
Expand shipping capacity  
to meet increased home delivery  
needs by COVID-19



Expand / establish subscription  
services  
+  
Response to food needs revealed  
by COVID-19



Start service of meal kit  
+  
COVID-19 to meet diversified  
home meal needs



# Oisix Strategy

## -Kit Oisix/ Chanto Oisix

Not only will “Kit Oisix” and “Chanto Oisix” be strengthened in their “Premium Jitan (time saving)” value aspect, we will also be addressing the ever more diverse needs of our customers vis-à-vis COVID-19.

### Main Strategy

#### ✓ Improve product value



- Shelf life extension
- Review price range etc.,

### For With COVID-19

#### ✓ Response to diversification of meal needs at home by COVID-19

- Food education  
⇒ **Shimajiro Collaboration**



- Health / immunity  
⇒ **Part Time Vegan**



- Expanded menu with multiple patterns to choose from etc.,

- Increased family dining opportunities  
⇒ **Menu for 3-4 people**

- New needs for dine  
⇒ **Saving / Lunch Menu**

# Oisix Strategy Topics

Reservation for Kit Oisix "Harumi Lesson" with online video first supervised by cook Harumi Kurihara started from 5/21

## ■ Kit Oisix supervised by cook Harumi Kurihara

- ✓ We provide a set of lesson videos to provide you with a fun cooking time for home dining needs increased by COVID-19



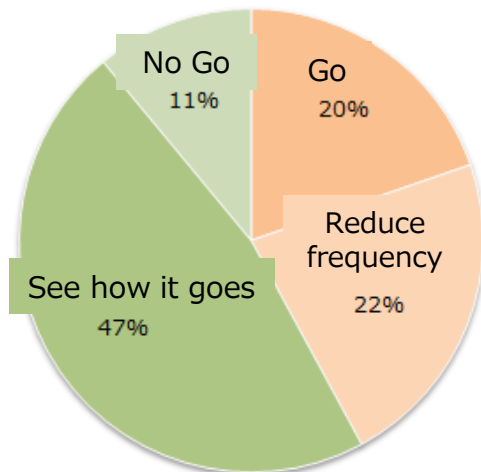
# Oisix Strategy Topics

The "home restaurant", which was started as a support for the restaurant business that was affected by corona, was well received by many customers and opened as a permanent site. We will continue to strengthen our alliance with the restaurant business

## ■ Restaurant in Home

✓ It is expected that eating out will be restrained even in With COVID-19, and a "Restaurant in Home" will be permanently installed as a new table proposal.

Q: Would you like to go out to eat in with COVID-19?



Current

塚田農場

大阪伝統の味  
名物串カツ田中

KURKKUFIELDS  
クルックフィールズ

四十八漁場

Cucina  
gianni



NEW

Collaboration  
with 3 top  
chefs(5/28~)



New partnership  
with popular  
restaurants  
(After Jun.)



# Daichi Strategy

As we implement initiatives for subscriber growth once more, we aim to enhance our appeal via content related to heightened health and immunology interests stimulated by COVID-19.

## Main Strategy

### ✓ Re-expand subscribers

- Development of media for attracting customers to seniors



### ✓ Improving the value of Daichi vegetable sets

- Development of new products that you want to buy together
- Review the price range of the set itself and the side dishes



## For With COVID-19

### ✓ Response to health / immunity improvement

- Collaboration with "Dr. Croissant"



- Proposal of "immune diet" under the supervision of "NHK Publishing"





# Radish Boya Strategy

To ensure continued decline in churn, operational excellence measures will be continued. We will also be providing a variety of services to retain subscribers joining as a result of COVID-19.

## Main Strategy

### ✓ Eliminating negative experiences that lead to cancellation

- Eliminating the experience of discarding too much vegetables
- Further improvement of product quality
- Reduction of cardboard boxes



## For With COVID-19

### ✓ Improving subscribers loyalty due to COVID-19

- Providing services that make cooking fun  
⇒ Farmer's online cooking class



### ⇒ Weekend meal Kit



# Tokushimaru Strategy

As part of social infrastructure for shopping refugees, we look to accelerate expansion of vehicle fleets to not only realize overwhelming presence, but to fulfill needs of the elderly newly made apparent by COVID-19.

## Main Strategy

✓ Accelerate the speed of expansion of operating units to establish social infrastructure

• New partnership with Ito-Yokado



⇒ Started operation at Minami Osawa store from 4/30

• Achieved development in 47 prefectures nationwide



## For With COVID-19

✓ Responding to the needs of various elderly people revealed by COVID-19

- Prevention of 100,000 yen benefit fraud etc.,
- Strengthening the business of watching over elderly people in partnership with the community

# Overseas delivery Strategy

While maintaining core strategies, we are developing overseas services/infrastructure able to provide subscription services in a robust manner as home dining needs grow.

## Main Strategy



- ✓ Further improvement of delivery quality and operation
  - Launching a department specializing in improving customer satisfaction

*Oisix*  
*Hong Kong*

- ✓ Expand and establish services that utilize Japanese know-how

- Start a new subscribe course
- Establishing a channel to attract customers that can be stably acquired



*Oisix*  
*Shanghai*

- ✓ Start of subscription service centered on meal kits
  - Scheduled to be released around the summer of 2020



## For With COVID-19

- ✓ Expanding capacity to meet the rapidly increasing demand for COVID-19
- + Strengthen customer support

- ✓ Response to diversification of meal needs at home by COVID-19

(Hong Kong)

- Expanded lineup of frozen side dishes that can be easily cooked and stocked (Shanghai)

- Proposal of meal kit for overseas cuisine

# Outlook for CRAZY KITCHEN/ DEAN&DELUCA

The impact of self-restraint measures to mitigate the spread of COVID-19 has worsened. We aim to resume business and recover business performance while exploring new possibilities amidst new lifestyles and values.

## ■ CRAZY KITCHEN(subsidiary)

### ◆Current

- ✓ Since March, orders for catering and events have been canceled and business is suspended

### ◆Outlook

- ✓ Project participation in medical support (We support)
- ✓ Focus on activities to create new businesses, such as providing food for online weddings



## ■ WELCOME(DEAN & DELUCA)(Affiliate)

### ◆Current

- ✓ Significant sales decrease as a result of shortening business hours and implementing temporary closures

### ◆Outlook

- ✓ Starting from May 11th, some stores will resume operations centered on delivery and takeout
- ✓ Although the impact of corona will continue in the first half of the year, we aim to recover earnings from the second half





## New strategy

### New strategy1

**Build a stable  
shipping system**

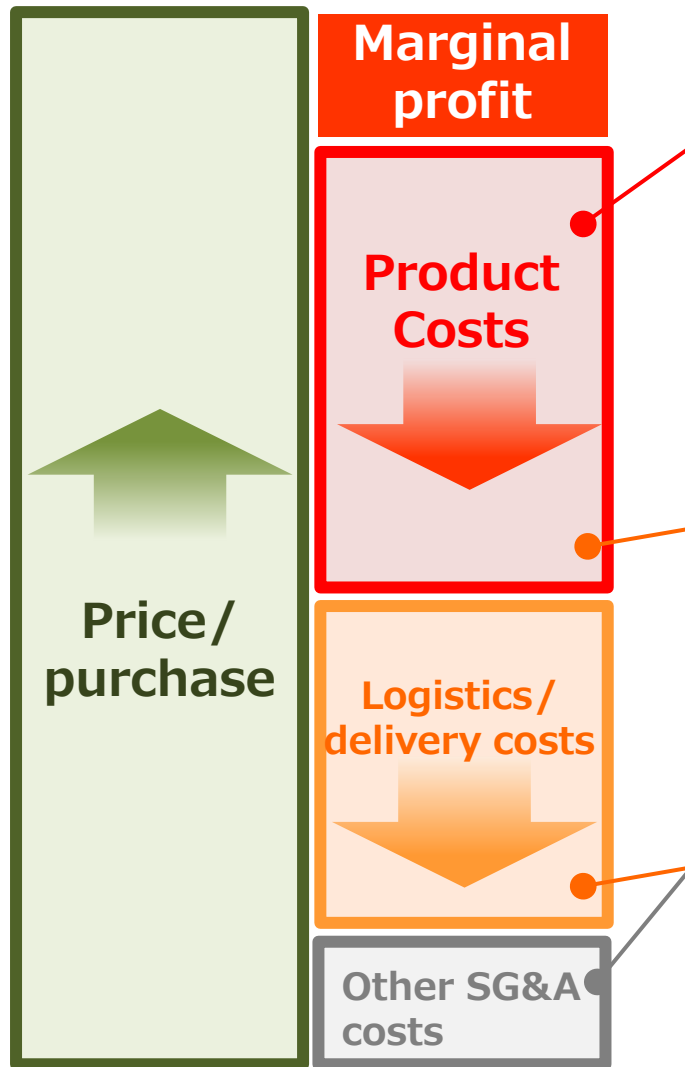
### New strategy 2

**Implement a growth strategy  
that responds to changes  
in food needs with COVID-19**

### New strategy3

**Implement profitability  
enhancement measures  
that reflect COVID-19**

# 4 conventional strategies



## 4 conventional strategies

### ■ Efforts to improve product costs

- 1 Improvement of Procurement Logistics through "VegeNeco" Project
- 2 Reduce products cost by accelerating the shift to SPA

### ■ Initiatives to improve distribution centers and distribution costs

- 3 Reduce distribution center costs by starting operation of a new distribution station in Oisix

COVID-19  
Effect

⇒Until the new logistics ST operation (September 2021), productivity is deteriorated due to expansion of satellite center

### ■ To reduce the ratio of fixed operating costs

- 4 Improve average customer spend by strengthening product lineup

COVID-19  
Effect

⇒SKUs are difficult to increase due to tight shipping capacity

# New profitability Enhancement strategy

## Before 4 Strategy

Marginal profit

Product Costs

Logistics/  
delivery costs

Other SG&A costs

### ■ Efforts to improve product costs

- 1 Improvement of Procurement Logistics through "VegeNeco" Project
- 2 Reduce products cost by accelerating the shift to SPA

### ■ Initiatives to improve distribution centers and distribution costs

- 3 Reduce distribution center costs by starting operation of a new distribution station in Oisix

### ■ To reduce the ratio of fixed operating costs

- 4 Improve average customer spend by strengthening product lineup

## New 4+1 Strategy

### Marginal profit +3.0pt~5.0pt

※Scheduled to be completed in 3 years

### ■ Efforts to improve product costs

- 1 Improvement of Procurement Logistics through "VegeNeco" Project  
▲0.5pt~▲1.0pt
- 2 Reduce products cost by accelerating the shift to SPA  
▲1.0pt~▲3.0pt

### ■ Initiatives to improve distribution centers and distribution costs

- 3 Reduce distribution center costs by starting operation of a new distribution station in Oisix  
▲1.0pt
- 3' Cost reduction by consolidating collection centers  
▲0.3pt

NEW

### ■ To reduce the ratio of fixed operating costs

- 4 Unit price improvement due to increased use of multiple subscription services

NEW

▲0.3pt~▲0.5pt

# “VegeNeco”Project

Good progress in our joint project with Yamato Transport.  
We commenced joint transport logistics in Nagasaki Prefecture  
and aim to operate in the whole of Kyushu Area by 2Q

## 1 “VegeNeco”Project : ▲0.5pt ~ ▲1.0pt

Before



After



### Progress

- ✓ Started full-scale operation of consolidated procurement in Nagasaki Prefecture from 4Q
- ✓ By the 2nd quarter of this term, operation is planned to start all over Kyushu area. Completion of service information for producers nationwide by the end of this fiscal year
- ✓ We will also promote development to processed products

# Accelerating the shift to SPA

Rather than merely becoming a "platforms," we will strengthen development and manufacturing.

We are focusing on pork processing, vegetable/fruit packaging and others to reduce manufacturing costs.

## ② Accelerating the shift to SPA : ▲1.0pt ~ ▲3.0pt

### ■ In-house meat processing



✓ We are focusing on in-house meat processing where significant cost reductions can be had and where quality improvement potential is large

✓ We aim to increase in-house production from 30% currently to roughly 70% by March-end 2021.

### ■ in-house packaging/cutting operation for vegetables and fruits



✓ We look to bring in-house packaging/cutting operations for vegetables and fruits by shifting such work to our own fruit and vegetable centers

## Investing in and reorganizing distribution centers

Construction of a new Ebina Station, which is scheduled to start operation in September 2021, has started.

In addition, financing is completed

### ③ Started operation of a new distribution station in Oisix : ▲1.0pt

◆ Image of a new distribution station in Oisix



- ✓ About 300% increase in shipping capacity. Function conversion of the current center into a manufacturing base for Kit Oisix
- ✓ Initial investment is expected to be about 3 billion, but return on investment is expected as soon as possible by reducing logistics center costs by 1.0pt.

#### Progress

- ✓ We completed fund raising of roughly ¥4.5 billion for capital investment in distribution centers via issuance of new shares in March.
- ✓ Construction work will start as scheduled from April this year. Scheduled to start operation in September 2021

## (Ref) Public offering on Mar.2020

In March 2020, a public offering was conducted to raise capital for the New Ebina Station.

Financing of about 4.6 bn yen completed.

### ■ Use of Funds Raised

Office (Location)	Business segment	Equipment	Expected investment amount		Funding method	Scheduled start and completion		Increased capacity after completion
			Total (1,000 yen)	Amount paid (1,000 yen)		Start	Completion	
New Ebina Station (Ebina, Kanagawa)	Home delivery business (Oisix)	Building and machinery equipment	3,200,000	—	capital increase fund own fund	April 2020	October 2021	Shipping scale: up to 300%
New Ebina Station (Ebina, Kanagawa)	Home delivery business (Oisix)	Software development, etc.	470,000	—	capital increase fund own fund	August 2020	October 2021	Shipping scale: up to 300%
Head office (Shinagawa-ku, Tokyo)	Common to all divisions	Software development, etc.	880,000	—	capital increase fund own fund	April 2020	March 2023	Improvement in investment efficiency and development speed

✓ Invest in new Oisix distribution stations :about 3.7bn yen



✓ Invest to improve the productivity and development speed of the system infrastructure for three home delivery service brands :about 0.9bn yen

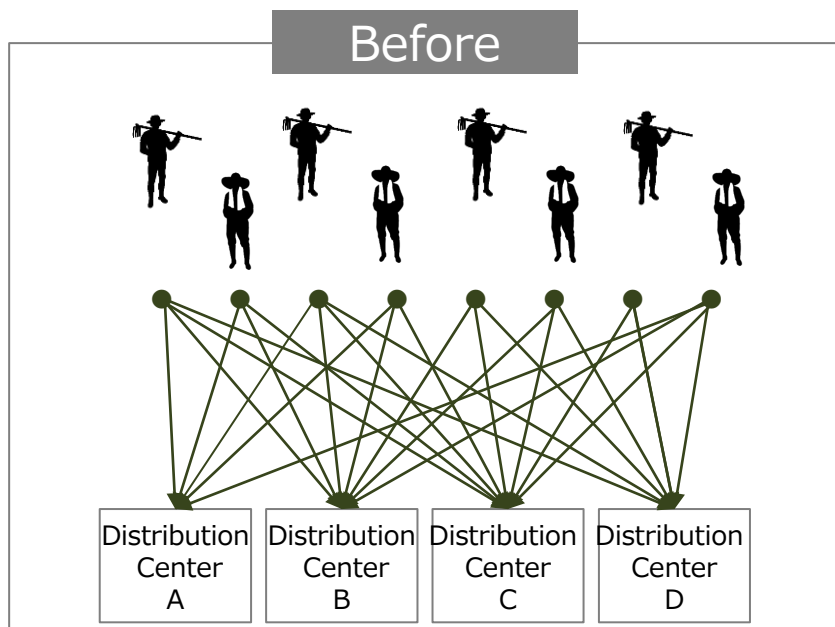


# Establishing of collection center of Radish Boya

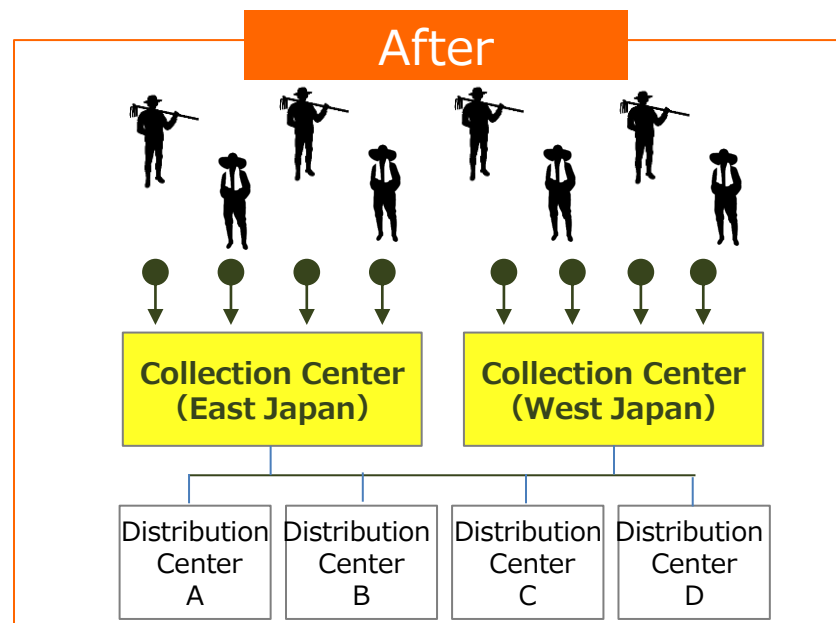
NEW

Where producers nationwide have been delivering individually, enhanced efficiencies and CoGS reduction are expected by establishing the collection center of Radish Boya's distribution center.

## • Establishing of collection center of Radish Boya : ▲0.3pt



✓ Procurement and logistical costs are high under existing practices where producers nationwide deliver individually to varying distribution centers.



✓ **Reducing procurement costs by consolidating suppliers**



# Promoting the use of several subscription courses

NEW

By promoting the use of several subscription courses, we aim to enhance average customer baskets and reduce the proportion of fixed operating expenses.

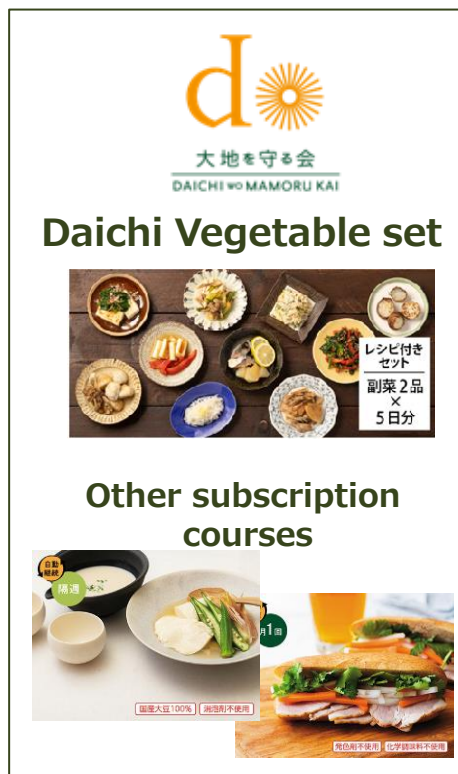
## 4 Promoting the use of several subscription courses

: ▲0.3pt ~ ▲0.5pt

Main  
subscription  
courses



Additional  
subscription  
courses



## *5. FY2021/3 Outlook*

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## Consolidated Outlook Overview

Sales and profits are expected to increase, reflecting the increased demand for home delivery due to COVID-19 and the impact of stagnation in consumer sentiment.

---

Sales

78.00bn yen

(YoY +10%)

EBITDA

4.40bn yen

(YoY +22%)

Operating  
Income

3.00bn yen

(YoY +22%)

Net  
income

Attributable to  
owners of the  
parent

1.20bn yen

(YoY +52%)

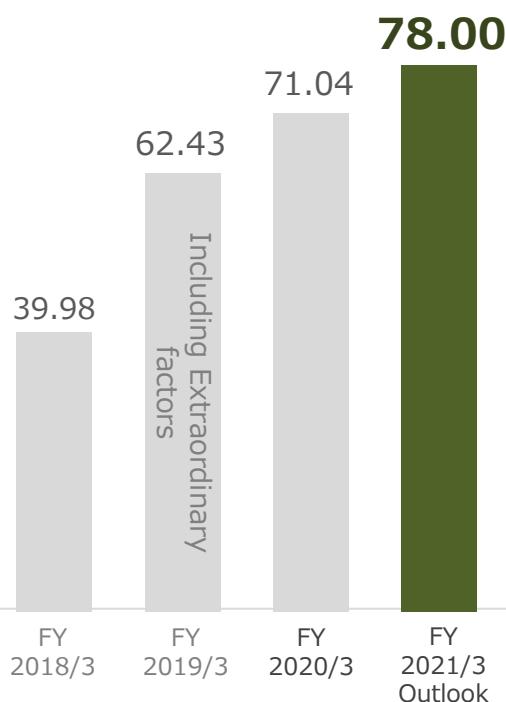
# Consolidated Outlook Overview

※For the purposes of like-for-like YoY comparisons, one extra month of Radish Boya data (March 2018) was deducted from FY 3/2019 data.

Sales and profits are expected to increase, reflecting the increased demand for home delivery due to COVID-19 and the impact of stagnation in consumer sentiment.

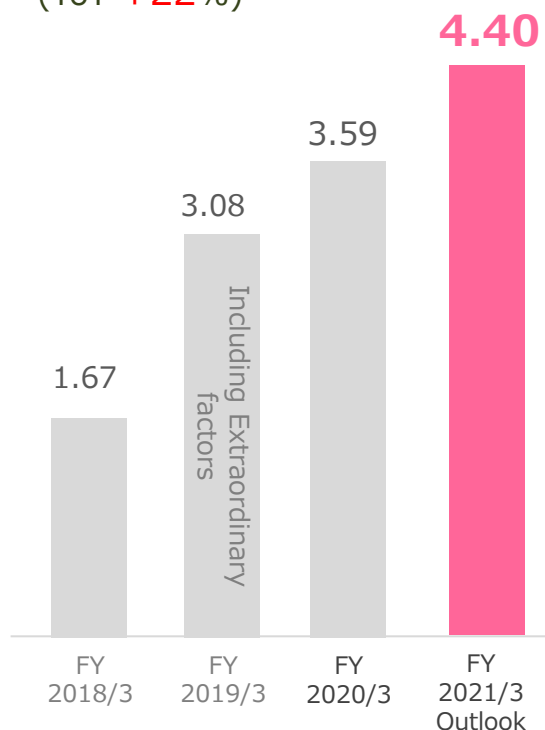
## ■ Sales

**78.00** bn yen  
(YoY +10%)



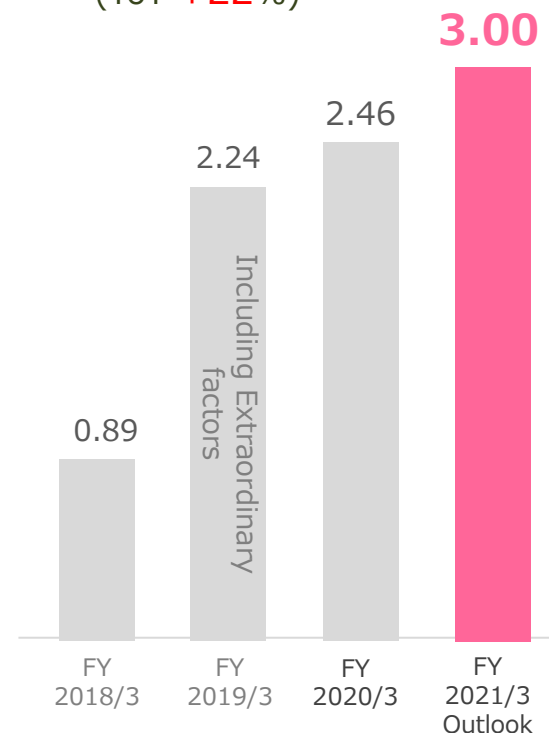
## ■ EBITDA

**4.40** bn yen  
(YoY +22%)



## ■ Operating Income

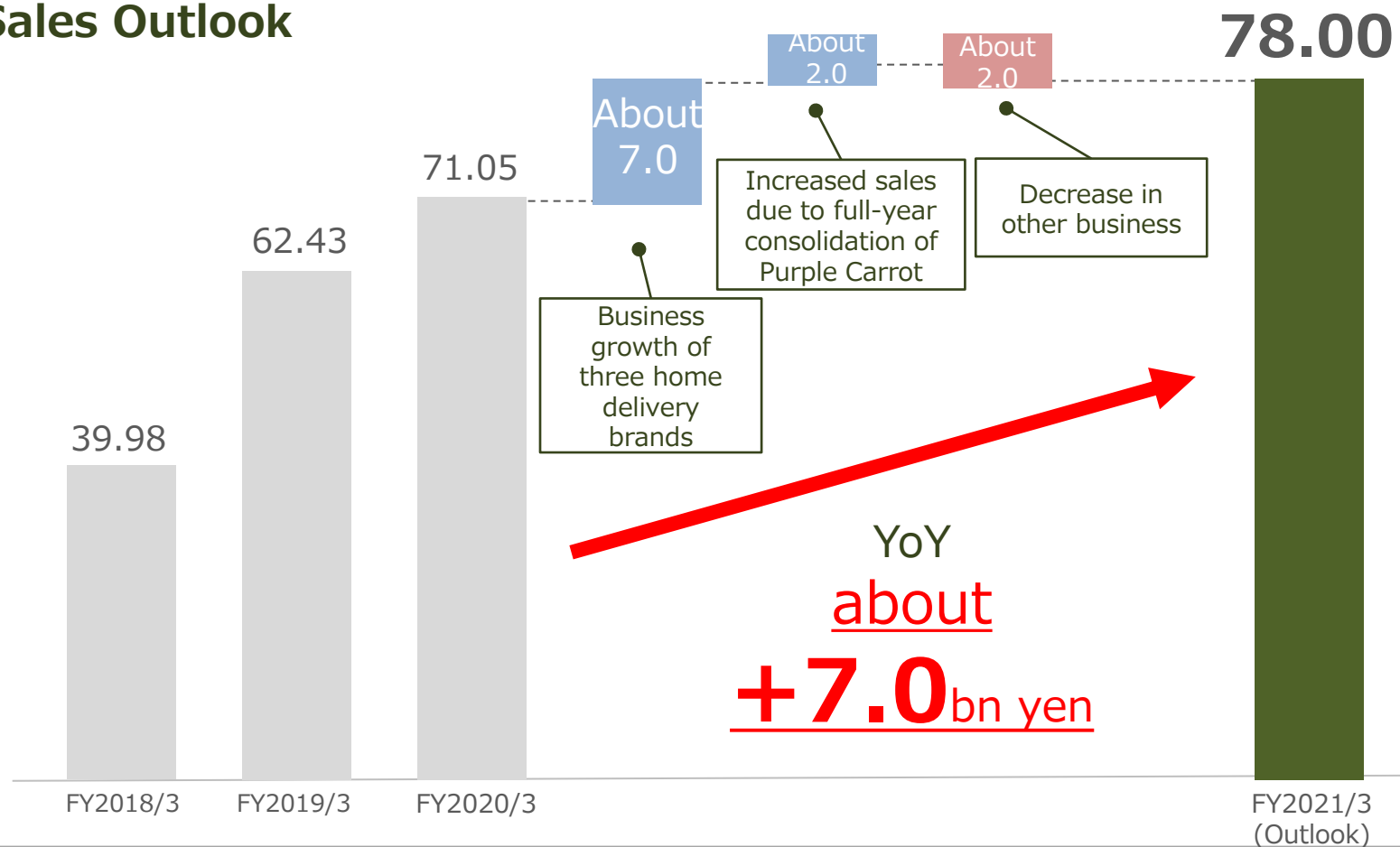
**3.00** bn yen  
(YoY +22%)



# FY2021/3 Sales Outlook

Sales will grow steadily with the three home delivery brands. On the other hand, the real business is expected to decrease due to the large impact of COVID-19

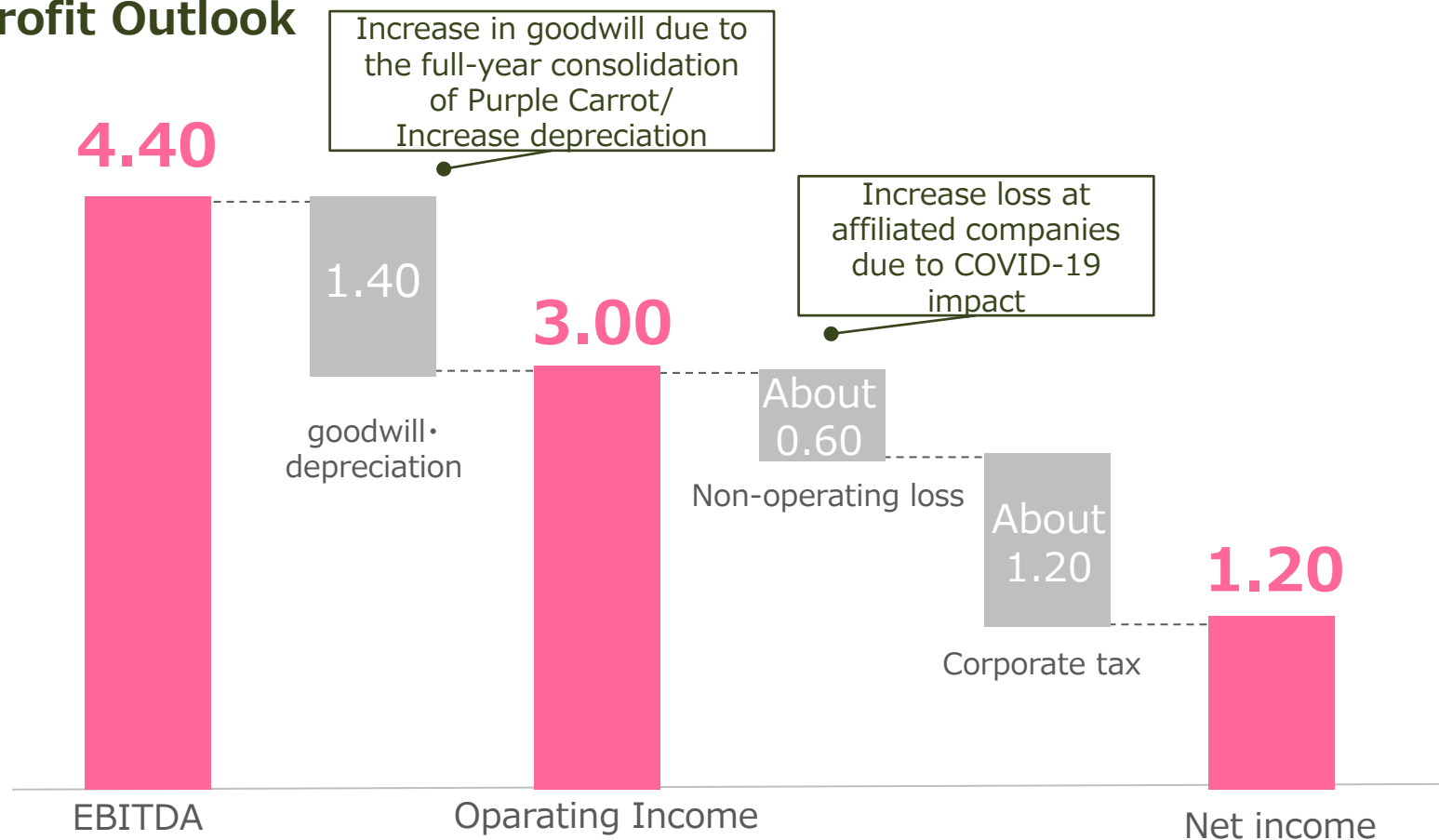
## ■ Sales Outlook



# FY2021/3 Profit Outlook

Profit significantly increased in EBITDA, operating income and net income. The difference from the previous term is that of Purple Carrot Expected to increase goodwill due to full-year consolidation and increase loss at affiliated companies due to COVID-19 impact

## ■ Profit Outlook



# Business segment Results Outlook

## Sales Outlook

## Marginal profit Outlook (Exclude the impact of goodwill amortization)

## FY2020 Strategy

### Home Delivery Business

Oisix

43.00bn yen (YoY +20%)

6.15bn yen (YoY +28%)

Daichi

11.00bn yen (YoY +4%)

2.05bn yen (YoY +9%)

Radish  
Boya

14.00bn yen (YoY -7%)

2.55bn yen (YoY -4%)

Other  
Business

10.00bn yen (YoY +5%)

0.90bn yen (YoY +7%)

New acquisition stopped due to distribution capacity over. Working to increase capacity as a top priority. Profitability also increased in the short term due to undigested PR expenses

Increase sales by expanding the number of subscribers. In addition, continue to evolve products and services to improve LTV

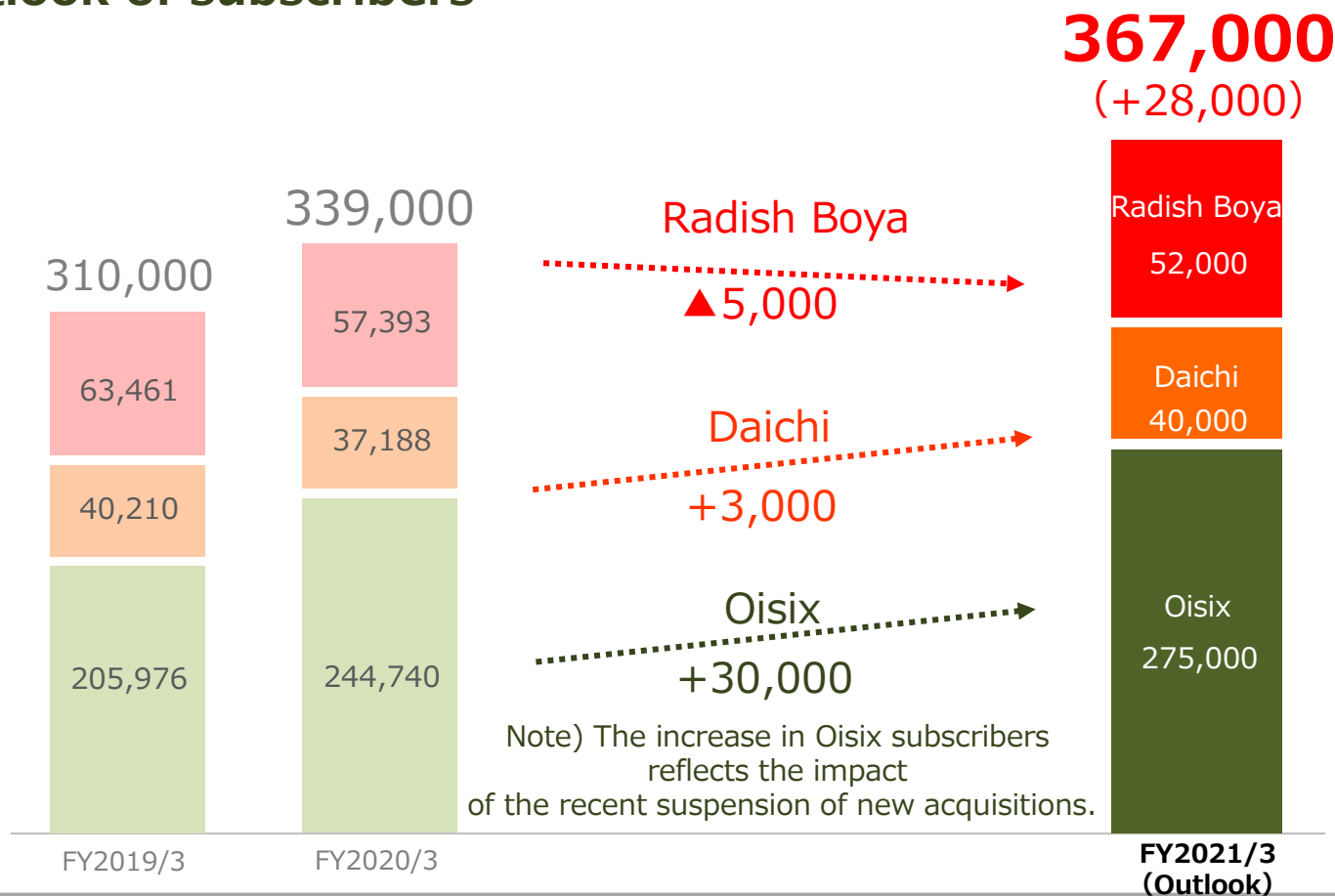
Subscribers aim to stop lowering this term. Thoroughly improve service levels as a preparation period for growth from next term

Due to the impact of COVID-19, sales will increase in the full-year consolidated period of Purple Carrot, while sales in the real segment will decline. Profit increased due to improvement in Purple Carrot's profit

## Outlook of subscribers/ 3 brands business growth

In accordance with management expertise in Subscription delivery, we properly implement business strategies in line with the business phases of each brand during the FY2020/3 period

### ■ Outlook of subscribers





# *Oisix ra daichi*

**On April 9, 2020, the Company changed its market from TSE Mothers to First Section of the TSE.**

**We would like to express our sincere gratitude for the support of many people.**

**We intend to fulfill our role faster and more flexibly with a greater sense of responsibility.**

**Thank you for your continued support.**

## *5. APPENDIX • DATA SHEET*

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# Corporate Overview

Name :	Oisix ra daichi Inc.
Location :	Shinagawa-ku, Tokyo
Established :	June 2000
Representative :	Kohey Takashima, Representative Director & CEO
Capital :	1,690,928 thousand yen
Employees :	860 (consolidated), as of the end of March 2020

# Overview of Affiliates

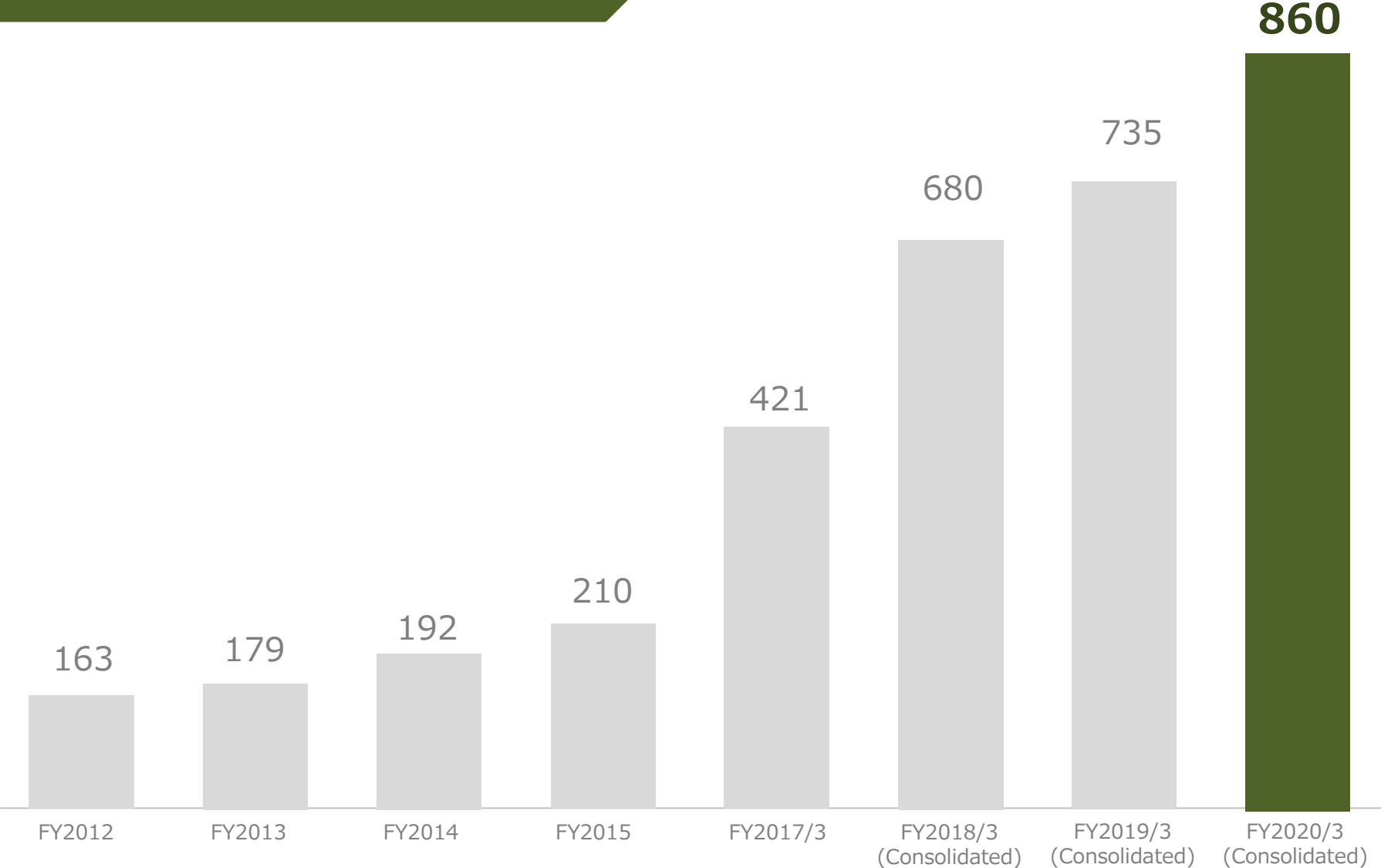
## ■ Consolidated subsidiaries

Tokushi-maru Inc.	Develops alliances with supermarkets in the mobile supermarket business; provides expertise to sales partners.
Fruits Basket Co., Ltd.	Handles processing, product development, and sales, for agricultural produce, including fruits and vegetables.
Karabiner Inc.	Develops and operates platform systems for EC sites; produces websites.
Crazy Kitchen Co., Ltd.	Handles catering, event production, and space production businesses.
Oisix Hong Kong Co.,Ltd.	Operates our businesses in Hong Kong under contract.
Oisix Shanghai Co., Ltd.	Operates the food products home delivery business in China.
Purple Carrot	Meal kit delivery service in the United States
Oisix Inc.	Overseas investment business
Future Food Fund Inc.	Investment business for food-related startup companies
Future Food Fund No.1 investment limited partnership	Investment business for food-related startup companies

## ■ Affiliates

Nihon Agri Inc.	Exports agricultural products.
DEAN & DELUCA	Lifestyle business through retail and restaurant businesses

# Trend in No. of Employees



# Main Business Risks

## ■ Effects of poor weather

Fresh produce accounts for about 30 % of Group sales. We deploy a structure for fresh produce that makes it possible to secure supplies from other regions if poor weather in specific regions prevents harvests or results in poor quality. The system distributes transactions and in principle allows procurement of key products from multiple producer regions. Nevertheless, poor weather lasting longer and having more broad-ranging effects than expected may lead to product shortages and quality issues, with potential consequences for Group businesses and business results.



## ■ Effects of concentration of logistics centers

We operate our own logistics centers, where logistics functions such as inspection, storage, sorting, and packing of our products are concentrated. For the most part, products under the Oisix brand are shipped to customers through our logistics center located in the city of Ebina, Kanagawa Prefecture. Those under the DWMK brand are shipped through a center located in the city of Narashino, Chiba Prefecture. If a natural disaster, fire, or other cause were to render either or both logistics centers unable to operate, potential consequences include inventory losses, shipping delay, and temporary suspension of services, which in turn would affect Group businesses and business results.

## ■ Issues related to food safety

We have established proprietary standards for the products handled for all our major brands. Whenever possible, we seek to offer produce grown without pesticides or chemical fertilizers. Our processed food products are made using the fewest possible additives. We have also established unique inspection systems for produce (including inspections of production sites and testing for residual pesticides) and processed food products (including use of third-party experts and independent institutions). We also strive to secure appropriate quality and safety that can be objectively demonstrated and evaluated through health and safety management guidance provided to suppliers and other means. Nevertheless, it remains possible that those who produce the products we offer may provide misleading or fraudulent labels regarding use of pesticides and similar matters or provide false quality information. Such cases could well lead to rebuke or penalties from regulators, customer complaints, and compensation for damages, in turn damaging the image of the Group's brands or leading to a loss of confidence in the Group and potentially affecting Group businesses and business results.

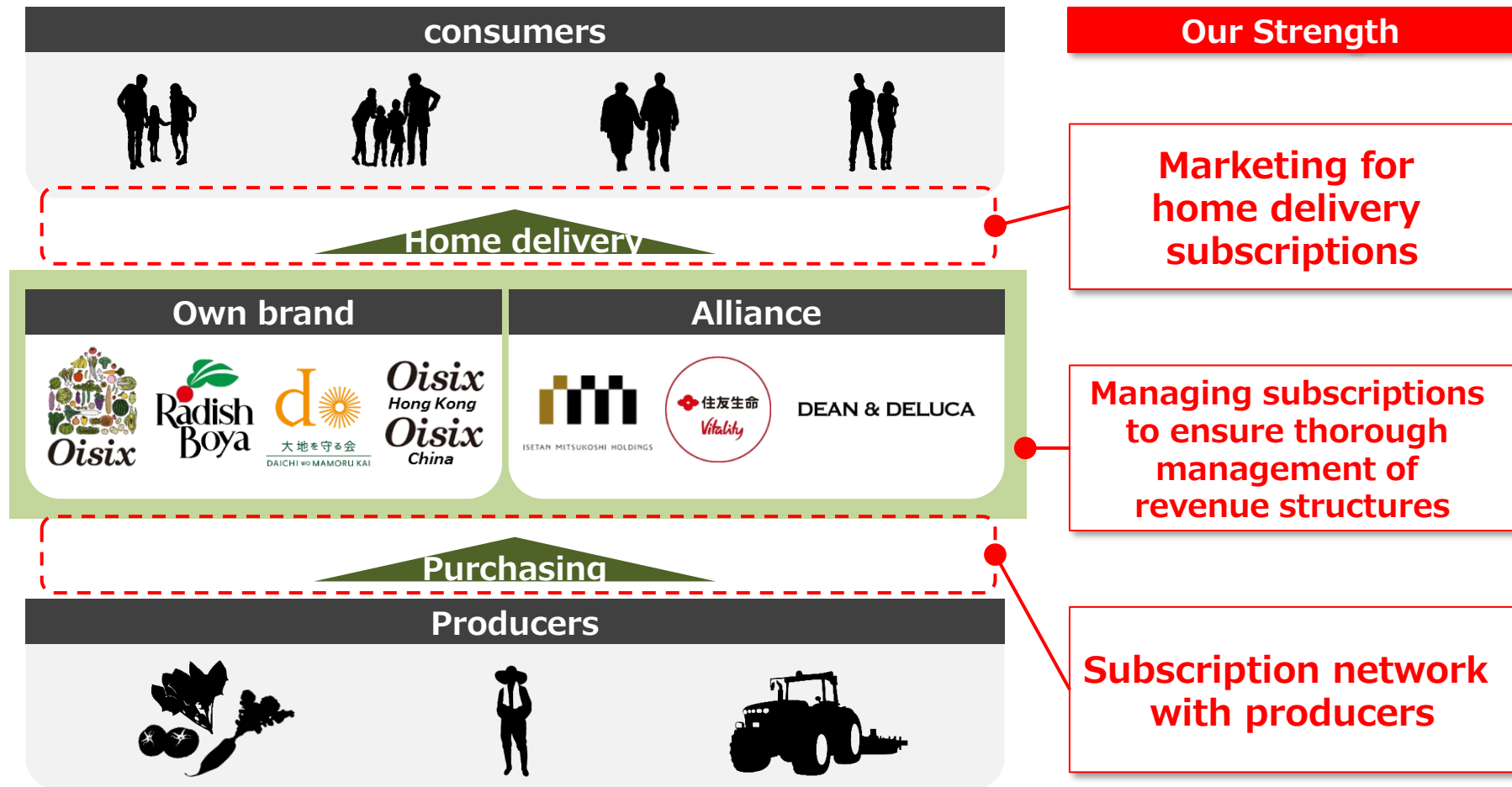
## ■ Effects of relationship with Yamato Transport Co., Ltd.

Most deliveries of the Group's products to subscribers are handled by Yamato Transport. While the Group strives to maintain a favorable ties to Yamato while building relationships with alternative delivery services, due to current conditions in the logistics business, if the Yamato Group were to demand a major increase in delivery fees or if transaction volumes between us were to shrink, the resulting changes may affect Group businesses and business results.



# Our Subscription Model

Expanding our business areas to include alliances and marketing support for other companies based on subscription model strengths in our three home delivery brands.



# What Our Three Brands Deliver

Based on the distribution of safe, reliable food products, each of our three brands delivers products tailored to the lives and values of our customers.

Working mothers with  
small children



Meals that can be boasted  
without taking time



Mothers focusing on  
the home and children



Self realization  
through Cooking



Senior women in two-  
person households



Healthy daily living



Producers



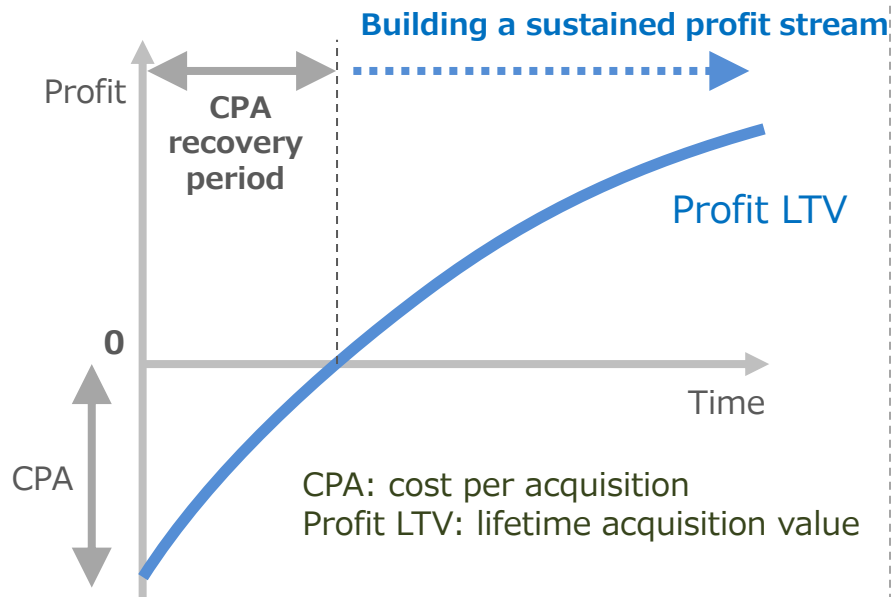


# Subscription Management

Building a subscription model that generates sustained profits through rapid returns on investment to secure new customers and rigorous management of per delivery revenue and expenditures

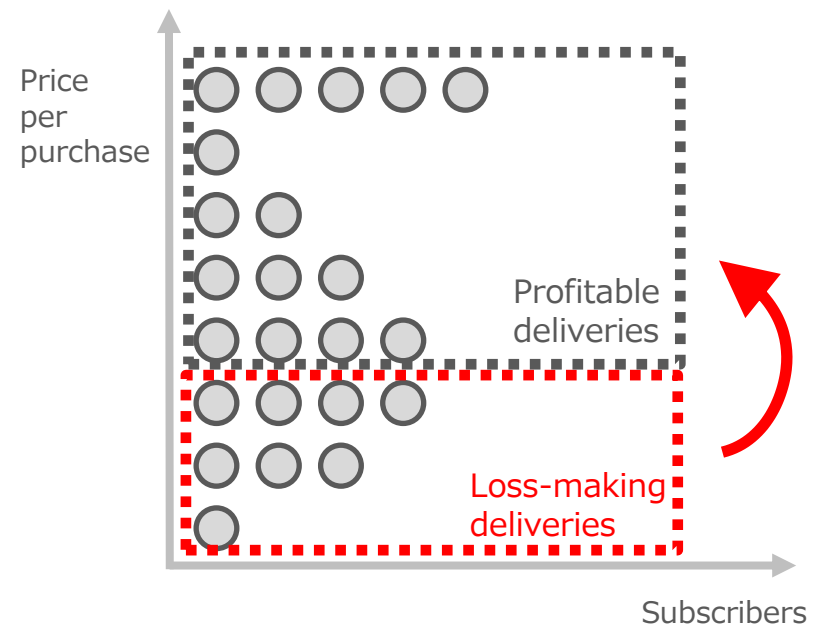
## ■ Rigorous CPA and LTV management

Setting a period to recoup CPA and rigorously managing CPA within this range



## ■ Rigorous management of unit revenues and expenditures

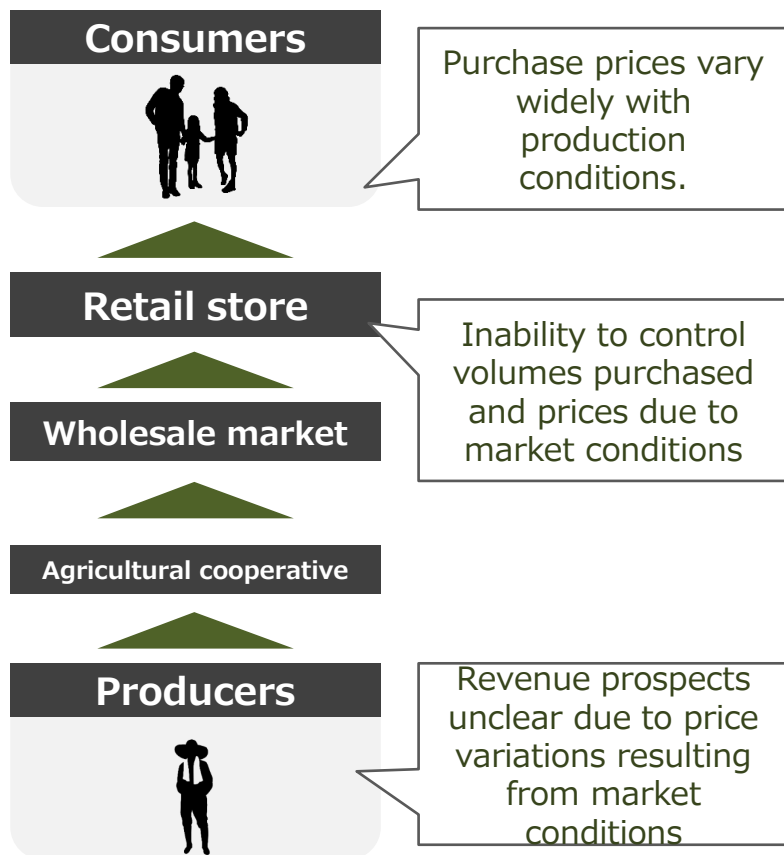
Making percentages of loss-making deliveries visible for each unit and reducing them structurally



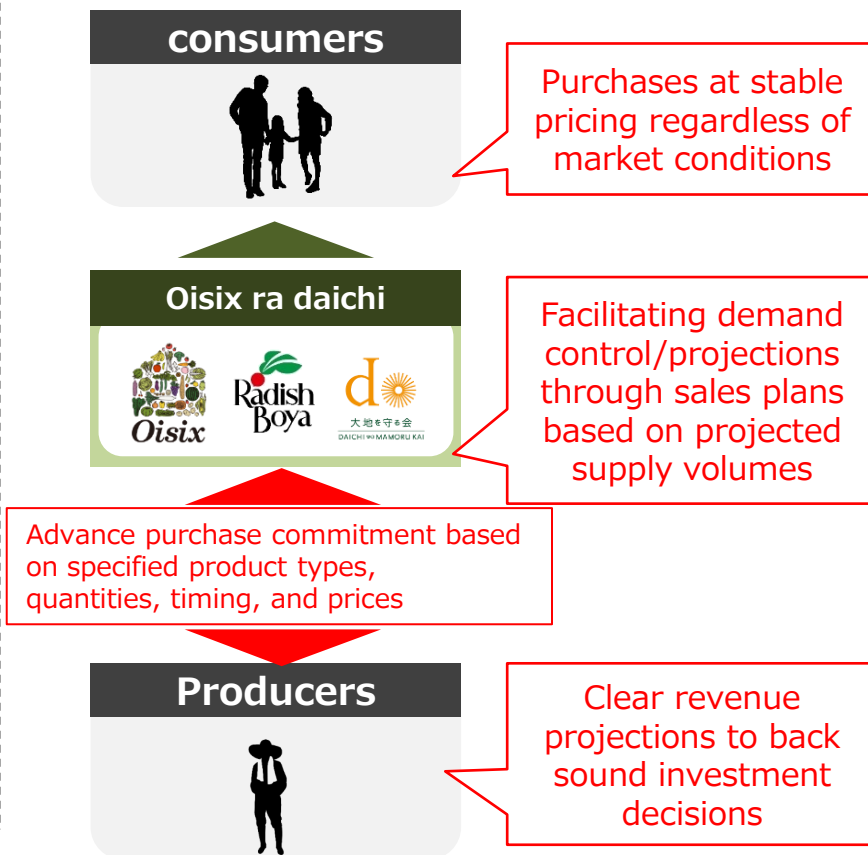
# Subscription Network

Reducing risks and securing stable transactions through a subscription network based on 4,000 producers nationwide and procurement under transaction conditions arranged in advance

## ■ Typical distribution of agricultural products



## ■ Our efforts



## Differences in the assets of the three brands



How to join	WEB mainly	WEB/ door-to-door sales	WEB mainly
How to order	WEB only	WEB/ Paper catalogs/ TEL	WEB/ Paper catalogs/ TEL
Logistics bases	1 place in Kanagawa	6 places in Hokkaido, Miyagi, Tokyo, Kanagawa, Aichi, Osaka,.	1 place in Chiba
Last One Mile	Yamato trucks approximately 99%	Our trucks approximately 95% (area around Logistics bases)	Our trucks approximately 85% (area around metropolitan area)

# EC support

Utilizing the subscription know-how and assets that we have got in the domestic food delivery business, which is our strength, we develop the business of supporting other companies' EC

ISETAN  
DOOR



DEAN & DELUCA



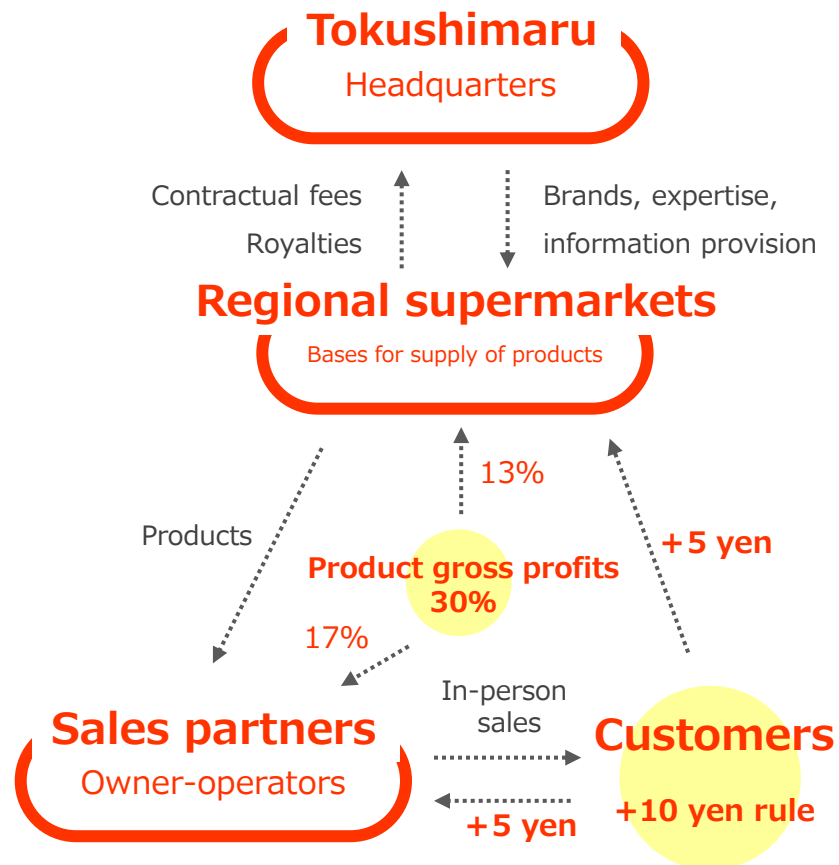
dミールキット powered by Oisix



# Tokushimaru

Offering mobile supermarkets for seniors and “shopping refugees” difficult to approach via the Internet

## ■ Business model



# Overseas Home Delivery

Hong Kong / Shanghai: Aim to establish services that meet the needs of local Chinese consumers

U.S.: Utilize management know-how in food subscription model for Purple Carrot

## ■ Oisix Shanghai



- ✓ Started the service in 2017. Grasp the needs to establish the subscription model for Chinese customers

## ■ Oisix Hong Kong



- ✓ Launched the service in Hong Kong in 2009. Cross-border delivery of Japanese products
- ✓ With the spread of coronavirus, both users and sales are dramatically increasing

## U.S. Meal Kit Market\*

\$2.5 Billion USD

\$9 Billion USD

2017

2025

## ■ Purple Carrot Business(U.S.)

*Oisix ra daichi*

PURPLE CARROT



- ✓ Global expansion of vegan food x Japanese food "Health Conscious Food" both in Asia and the U.S.
- ✓ Recognize consolidated from FY2020/3 3Q



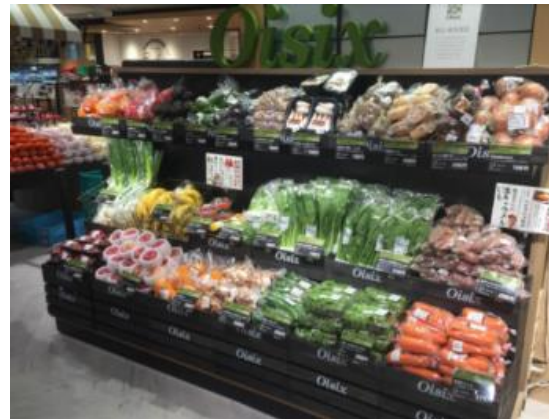
# Shop in Shop

Setting up booths for individual brands in the produce sections of partner supermarkets to sell produce and products that meet each brand's standards

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ISETAN MITSUKOSHI HOLDINGS



# Kindergarten wholesale

The kindergarten wholesale business was launched in FY2015. Based on the Omakase Boya system that makes it possible to order ingredients for student meals based on menus, it provides support for kindergarten operations in both serving meals and nutrition.

## Kindergarten



品名	単位	数量	単位	数量	単位	数量
卵	個	100	個	100	個	100
鶏肉	kg	10	kg	10	kg	10
豚肉	kg	10	kg	10	kg	10
牛肉	kg	10	kg	10	kg	10
魚	kg	10	kg	10	kg	10
野菜	kg	10	kg	10	kg	10
果物	kg	10	kg	10	kg	10
調味料	kg	10	kg	10	kg	10



- ◆ Stable purchases of safe produce and processed food meeting strict standards
- ◆ A wide-ranging product lineup that eliminates the need for additional purchasing
- ◆ Full-time senior nutritionists develop unique menus for use by kindergartens; they also respond to requests for nutritional consultations.
- ◆ Easy ordering using a simplified Web form
- ◆ Simplified single supplier management

Ordering

Delivery  
on  
Requested  
date

## Oisix ra daichi

Omakase Boya system  
for receiving orders from kindergartens



品名	単位	数量	単位	数量	単位	数量
卵	個	100	個	100	個	100
鶏肉	kg	10	kg	10	kg	10
豚肉	kg	10	kg	10	kg	10
牛肉	kg	10	kg	10	kg	10
魚	kg	10	kg	10	kg	10
野菜	kg	10	kg	10	kg	10
果物	kg	10	kg	10	kg	10
調味料	kg	10	kg	10	kg	10



Purchase

## Producers





# Business Solutions

We propose B2B business solutions based on our safe, reliable products, outstanding customer base, and expertise in subscription-based EC.

## ■ EC consulting

Solutions support based on our expertise in repeat marketing, site user interface/user experience improvements, food logistics in three temperature zones, securing new EC customers, and omni-channel management



## ■ Ad Oisix: Periodic advertisements delivered to subscribers

In addition to an EC site that boasts 1.2 million unique views per month, this service delivers advertising to about 300,000 households, including subscribers to DWMK and Radish Boya.



## ■ Tavelty : seasonal vegetable novelty products

We offer novelty products based on our expertise in service, products, and delivery, established through more than 3 million regular deliveries a year.



# DATA SHEET : Results

## ■ Results

	FY2018/3/3				FY2019/3/3				FY2020/3/3				FY2020/3			
(mn yen)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	5,379	10,718	17,113	23,016	9,602	18,935	30,007	39,987	16,853	31,720	48,906	64,026	16,265	32,552	52,425	71,040
Operating Profit	169	270	625	752	141	237	692	891	610	1,115	2,265	2,312	543	900	1,597	2,467
EBITDA	225	391	810	996	320	635	1,282	1,670	808	1,513	2,882	3,154	755	1,348	2,381	3,595
381Net income Attributable to owners of the parent	119	187	429	515	72	93	336	237	537	893	2,533	2,387	270	390	695	790

# DATA SHEET : Business Segment Result

## ■ Business Segment Result

		FY2018/3				FY2019/3				FY2020/3			
(mn yen)		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Oisix	Sales	5,790	11,470	18,481	24,799	6,863	13,769	22,190	29,619	8,308	16,524	26,522	35,829
	Marginal profit	674	1,392	2,421	3,288	970	1,943	3,371	4,036	933	1,868	3,261	4,801
DWMK	Sales	2,790	5,487	8,508	11,215	2,769	5,440	8,405	10,902	2,587	5,137	7,936	10,541
	Marginal profit	539	1,078	1,650	2,095	479	960	1,536	1,989	457	885	1,397	1,889
Radish Boya	Sales	-	-	-	-	5,811	9,926	14,346	18,028	3,770	7,459	11,410	14,980
	Marginal profit	-	-	-	-	1,030	1,765	2,657	3,342	688	1,273	2,001	2,667
Other Business	Sales	1,109	2,163	3,263	4,250	1,482	2,755	4,198	5,793	1,663	3,529	6,383	9,497
	Marginal profit	185	384	571	760	154	290	479	724	256	557	656	846
Companywide fixed costs, Goodwill etc		1,257	2,853	3,951	5,253	2,024	3,844	5,779	7,779	1,792	3,683	5,719	7,736

# Data Sheet : Main KPI

## KPI trend

		FY2018/3	FY2019/3				FY2020/3			
		4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Oisix	Subscribers (number)	169,664	179,942	189,352	197,272	205,976	225,553	230,556	236,836	244,740
	ARPU (yen)	11,602	11,562	11,127	11,534	11,183	11,244	10,616	11,384	11,721
	Price/purchase (yen)	5,925	6,002	5,973	6,150	6,015	5,887	5,839	6,056	6,152
	Purchase Frequency (number)	1.96	1.93	1.86	1.88	1.86	1.91	1.82	1.88	1.91
DWMK	Subscribers (number)	44,933	44,111	43,835	42,996	40,210	38,571	37,587	37,257	37,188
	ARPU (yen)	19,240	20,122	19,386	21,848	19,758	21,232	21,443	23,679	22,170
	Price/purchase (yen)	7,726	7,770	7,553	8,529	7,811	7,990	8,026	8,472	8,386
	Purchase Frequency (number)	2.49	2.59	2.57	2.56	2.53	2.66	2.67	2.79	2.64
Radish Boya	Subscribers (number)	78,062	74,949	72,101	66,233	63,144	61,507	59,927	58,655	57,393
	ARPU (yen)	16,639	17,277	17,177	18,988	17,264	18,301	18,277	20,028	18,681
	Price/purchase (yen)	5,278	5,460	5,616	6,114	5,869	6,055	6,060	6,398	6,296
	Purchase Frequency (number)	3.15	3.16	3.06	3.11	2.94	3.02	3.02	3.13	3.01

# Disclaimers

◆ This material is intended to provide an understanding of Oisix ra daichi activities, not to solicit investment

◆ Forecasts of Oisix ra Daichi's operating results and future performance are based on information available to Oisix ra 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.

*Oisix ra daichi*