

Consolidated Financial Results for the Fiscal year Ended March 31, 2020 [Japanese GAAP]

Company name:	Oisix ra daichi Inc.	Stock exchange listings:	TSE
Securities code:	3182	URL:	http://www.oisixradaichi.co.jp
Representative:	Kohey Takashima, Representative Director, CEO		
Contact:	Hajime Yamanaka, Corporate Officer, Administration		
Scheduled date of Ordinary General Meeting of Shareholders:		June 25, 2020	
Scheduled date of payment of dividend:		-	
Scheduled date of filing of Quarterly Report:		June 26, 2020	
Preparation of supplementary materials for financial results:		Yes	
Holding of quarterly financial results meeting:		Yes	

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

1. Financial Results for the Fiscal Year Ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Operating Results

(% of change from previous year)

Fiscal Year Ended	Net Sales		Operating Income		EBITDA*1		Net Income Attributable to Owners of the Parent*3	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2020	71,040	11.0	2,467	6.7	3,595	14.0	790	△66.9
March 31, 2019*2	64,026	60.1	2,312	159.4	3,154	88.8	2,387	906.4

1. Comprehensive income: Fiscal Year Ended (As of March 31, 2020) 726 million yen (△69.5%)
Fiscal Year Ended (As of March 31, 2019) 2,384 million yen (881.8%)

(Note)

- *1. EBITDA stands for earnings before depreciation and amortisation. Goodwill amortisation for the current fiscal year includes depreciation costs of three Limes, Inc. (hereafter The Purple Carrot), which has been consolidated since the 3Q of the current fiscal year.
- *2. The result for the FY2018 include the 7-month profits and losses (from March 1 to September 30, 2018) of Radish Boya Co., Ltd. (fiscal year end is February, absorption-type merged in October 2018). Comparing the results for the FY2019 with the result for 12-month period excluding the profit and loss of Radish Boya Co., Ltd. in March 2018, net sales increased by 13.8%, operating income increased by 10.0%, EBITDA increased by 16.6%, and net income attributable to owners of the parent decreased by 65.9% from the previous year.
- *3. Net income attributable to owners of the parent for the same period of the previous fiscal year was significantly increased than normal compared to operating income due to special factors such as the restrained amount of expenses for income taxes in Radish Boya Co., Ltd. In addition, Welcome Co., Ltd., which became an equity-method affiliate in the fiscal year under review, is unlikely to earn the earnings initially anticipated due to the impact of the spread of the new coronavirus. Consequently, a portion of goodwill was recorded as equity in net losses of affiliates in the consolidated fiscal year under review.

Fiscal Year Ended	Net Income per Share	Diluted Net Income per Share	Return on Equity	Return on Assets	Operating Income Margin
	Yen	Yen	%	%	%
March 31, 2020	23.19	23.03	6.0	7.5	3.5
March 31, 2019	71.38	70.47	21.2	10.8	3.6

(Reference)

Equity in earnings (losses) of affiliates (million yen):

Fiscal Year Ended (As of March 31, 2020) △659 Fiscal Year Ended (As of March 31, 2019) △107

(Note)

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

(2) Financial Position

Fiscal Year Ended	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
March 31, 2020	26,087	14,195	53.7	408.53
March 31, 2019	22,749	12,505	54.8	371.30

(Reference)

Shareholders' equity (million yen):

As of March 31, 2020 : 14,020 As of March 31, 2019 : 12,472

(Note)

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

(3) Cash Flow

Fiscal Year Ended	Operating Activities	Investing Activities	Financing Activities	Cash and Cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
March 31, 2020	1,080	△1,754	254	7,654
March 31, 2019	3,115	△2,215	6	8,093

2. Dividends

Fiscal Year ended or ending	Dividend per Share					Amounts of Dividend (total)	Dividend Ratio	Dividend on Equity
	1Q	2Q	3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
March 31, 2019	—	0.00	—	0.00	0.00	—	—	—
March 31, 2020	—	0.00	—	0.00	0.00	—	—	—
March 31, 2021 (Forecast)	—	0.00	—	0.00	0.00	—	—	—

3. Forecast for the Fiscal Year Ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Percentages represent year-on-year changes)

	Net Sales		Operating Income		EBITDA		Net Income		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	78,000	9.8	3,000	21.6	4,400	22.4	1,200	51.9	34.96

(Note)

EBITDA stands for earnings before depreciation and amortisation.

*** Notes**

(1) Significant changes in scope of consolidation

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

Yes

Exclusion: Three company

Purple carrot, Future Food Fund Co., Ltd. ,Future Food Fund No.1 investment limited partnership

(Note)

From the 2Q of the current consolidated fiscal year Oisix Inc., a subsidiary of the Company, acquired all the shares of Purple Carrot. Accordingly, Purple Carrot has been included in the scope of consolidation from the first half of the fiscal year under review. In addition, Future Food Fund Co., Ltd., which was newly established during the second quarter of the fiscal year under review, was included in the scope of consolidation.

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

(2) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards:

None

2) Changes in accounting policies other than 1) above:

None

3) Changes in accounting estimates:

None

4) Restatements:

None

(3) Number of shares issued (common shares)

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

As of March 31, 2020	34,324,116shares
As of March 31, 2019	33,595,156shares

2) Number of treasury stocks:

As of March 31, 2020	3,780shares
As of March 31, 2019	3,780shares

3) Number of average shares during the period:

Fiscal year ended March 31, 2020	34,075,643shares
Fiscal year ended March 31, 2019	33,448,590shares

(Note)

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

(Reference)

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Operating Results

(% of change from previous year)

Fiscal Year Ended	Net Sales		Operating Income		Ordinary income		Net Income*2	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2020	68,018	28.2	2,909	61.5	2,975	56.9	1,164	△47.9
March 31, 2019*1	53,065	58.5	1,802	109.8	1,896	109.0	2,236	524.1

Fiscal Year Ended	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
March 31, 2020	34.17	33.93
March 31, 2019	66.85	66.00

(Note)

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

*1. The results for the previous fiscal year include the results for the 2H of Radishbo-ya Co. Ltd.,(the fiscal year ends in February) merged on Oct 1, 2018. As a result, the year-on-year rate of increase or decrease was larger than in the previous fiscal year.

*2. Net income for the previous fiscal year was significantly increased than normal compared to operating income due to special factors such as the restrained amount of expenses for income taxes in Radish Boya Co., Ltd.

(2) Financial Position

Fiscal Year Ended	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
March 31, 2020	24,987	14,582	58.4	424.90
March 31, 2019	22,604	12,606	55.8	375.28

(Reference)

Shareholders' equity(million yen) As of March 31, 2020 : 14,582 As of March 31, 2019 : 12,606

(Note)

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

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

* Explanation of the proper use of forecast and other notes

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

2.Outlook going forward

About the outlook for the future, due to the worldwide pandemic of COVID-19 infectious disease, demand for food delivery services is expected to increase recently due to heightened awareness of the need to refrain from going outside. On the other hand, once the spread of infectious diseases has eased, there is concern about a recession due to the stagnation of consumer sentiment in Japan. Therefore, it is expected that the environment surrounding us, company as how to eat at home, will change and have a major impact on business results.

It is under such circumstances that the Company are keenly aware of our role as an infrastructure company that supports food, and we place top priority on providing stable services. In addition, as the spread of COVID-19 infectious disease greatly changes people's lives, we will continue to provide customers with products and services that meet new needs. In addition, the Company seeks to continue to realize high business growth and secure its position as the topbrand in high value-added food products and ingredients and/or food delivery via EC.

In the fiscal year ending Mar 31, 2021, the Company's business strategy will be to establish a capacity and secure product supplies that enable stable shipments in response to the increase in demand for food home delivery services caused by request of staying at home. In addition, we will swiftly implement measures to respond to changes in the new needs of customers.

Subsequently, once the spread of infectious diseases has eased, new customer needs such as "increased health / immunity awareness", "increased frequency of meals at home", and "saving-mindedness due to recession" are expected. For this reason, the Company will evolve our services, mainly in the domestic Home Delivery Business, in order to provide value proposals that match the way we eat at home.

With all things considered, the forecast for the following consolidated fiscal year (the fiscal year ending Mar 31) is premised that the self-restriction of going out will be relaxed gradually from June.

While including the impact of the recent increase in demand for food home delivery services, we are also taking into account the impact of stagnant consumer sentiment and the impact of increased costs for COVID-19 infections, such as infrastructure improvements for remote work.

Consequently the Company expect to result in Sales of JPY 78,000 million (+9.8% YoY), Operation Income of JPY 3,000 million (+21.6% YoY), and EBITDA of JPY 4,400 million (+22.4% YOY), Net income attributable to owners of parent of JPY 1,200 million (+51.9% YOY)

As a footnote, the Company, in consideration of the impact to earnings of depreciation and amortization costs such as goodwill (non-cash expense items), has opted to disclose EBITDA (OP + depreciation expenses +goodwill amortization expense) as it accurately shows the cash flow generation of the business.

The above forward-looking statements may change due to the spread of the COVID-19. In the future, we will promptly inform any matters that need to be disclosed.

(Unit: millionyen)

	FY3/2020 (Result)	FY3/2021 (Forecast)	+/- YoY (%)
Net sales	710,40	78,000	9.8
Operating income	2,467	3,000	21.6
EBITDA (Note)	3,595	4,400	22.4
Net income attributable to owners of the parent	790	1,200	51.9
EBITDA per share	105.51	128.20	—
Net income attributable to owners of the parent per share	23.19	34.96	—

(Note)

1. EBITDA stands for earnings before depreciation and amortisation.

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

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(2)

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	8,136,173	7,676,707
Accounts receivable - trade	5,555,456	6,824,692
Merchandise and finished goods	1,173,552	1,330,348
Work in process	45,077	15,954
Raw materials and supplies	184,228	265,575
Accounts receivable - other	1,308,693	1,989,298
Other	394,685	379,403
Allowance for doubtful accounts	△196,069	△231,970
Total current assets	16,601,798	18,250,009
Non-current assets		
Property, plant and equipment		
Buildings and structures	928,879	1,288,992
Accumulated depreciation	△565,048	△608,435
Buildings and structures, net	363,831	680,557
Machinery, equipment and vehicles	925,003	1,046,921
Accumulated depreciation	△436,176	△504,129
Machinery, equipment and vehicles, net	488,826	542,792
Leased assets	539,833	510,514
Accumulated depreciation	△499,815	△471,192
Leased assets, net	40,018	39,322
Other	357,140	412,547
Accumulated depreciation	△242,065	△242,449
Other, net	115,075	170,097
Total property, plant and equipment	1,007,751	1,432,768
Intangible assets		
Goodwill	1,137,486	2,375,132
Other	1,009,106	1,859,465
Total intangible assets	2,146,592	4,234,597
Investments and other assets		
Investment securities	1,354,129	833,178
Leasehold and guarantee deposits	855,735	798,030
Deferred tax assets	710,305	438,860
Other	73,171	100,185
Total investments and other assets	2,993,343	2,170,254
Total non-current assets	6,147,686	7,837,620
Total assets	22,749,485	26,087,630

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	4,240,280	4,975,996
Current portion of long-term borrowings	9,552	9,552
Lease obligations	34,083	29,191
Accounts payable - other	3,649,938	4,277,361
Income taxes payable	255,659	651,967
Provision for point card certificates	145,468	184,901
Other	1,115,018	914,537
Total current liabilities	9,450,000	11,043,508
Non-current liabilities		
Long-term borrowings	53,404	43,852
Lease obligations	42,289	35,544
Provision for retirement benefits for directors (and other officers)	4,500	5,700
Asset retirement obligations	296,218	322,003
Deferred tax liabilities	—	138,875
Other	397,852	302,378
Total non-current liabilities	794,264	848,354
Total liabilities	10,244,264	11,891,862
Net assets		
Shareholders' equity		
Share capital	1,284,022	1,691,323
Capital surplus	5,298,392	5,705,099
Retained earnings	5,897,781	6,687,977
Treasury shares	△2,800	△2,800
Total shareholders' equity	12,477,395	14,081,600
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,284	△21,023
Foreign currency translation adjustment	△8,274	△39,691
Total accumulated other comprehensive income	△4,989	△60,714
Non-controlling interests	32,815	174,881
Total net assets	12,505,220	14,195,767
Total liabilities and net assets	22,749,485	26,087,630

(3) Consolidated Statement of Income

(Thousands of yen)

	Period ended March 31, 2019	Period ended March 31, 2020
Net sales	64,026,120	71,040,906
Cost of sales	33,504,178	37,222,981
Gross profit	30,521,942	33,817,924
Selling, general and administrative expenses	28,209,498	31,350,670
Operating profit	2,312,443	2,467,254
Non-operating income		
Interest income	251	365
Dividend income	5,648	0
Reversal of Long-term deposits received	7,035	7,010
Compensation income	12,216	12,170
Material recycling revenue	16,249	9,362
Gain on unused gift card	3,243	3,134
Recoveries of written off receivables	6,661	3,563
Other	59,770	27,755
Total non-operating income	111,076	63,362
Non-operating expenses		
Interest expenses	1,940	10,708
Foreign exchange losses	5,641	14,591
Share issuance costs	563	1,099
Share of loss of entities accounted for using equity method	107,168	659,387
Other	6,503	19,260
Total non-operating expenses	121,816	705,046
Ordinary profit	2,301,702	1,825,570
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	3,123	—
Total extraordinary income	3,123	—
Extraordinary losses		
Loss on cancellation of rental contracts	40,159	—
Loss on disaster	—	54,601
Loss on sales of non-current assets	11,740	—
Impairment loss	96,487	23,113
Loss on valuation of investment securities	5,881	—
Total extraordinary losses	154,270	77,715
Profit before income taxes	2,150,556	1,747,854
Income taxes - current	356,689	706,672
Income taxes - deferred	△599,337	258,895
Total income taxes	△242,647	965,568
Profit	2,393,204	782,286
Profit attributable to non-controlling interests	5,561	△7,909
Profit attributable to owners of parent	2,387,642	790,196

(4) Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Period ended March 31, 2019	Period ended March 31, 2020
Profit	2,393,204	782,286
Other comprehensive income		
Valuation difference on available-for-sale securities	△1,408	△1,516
Foreign currency translation adjustment	△7,243	△31,416
Share of other comprehensive income of entities accounted for using equity method	—	△22,791
Total other comprehensive income	△8,652	△55,724
Comprehensive income	2,384,551	726,561
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,378,989	734,471
Comprehensive income attributable to non-controlling interests	5,561	△7,909

(4) Consolidated Statement of Changes in Shareholders' Equity
 Period ended March 31, 2020

(Thousands
of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,284,022	5,298,392	5,897,781	△2,800	12,477,395
Changes during period					
Issuance of new shares	407,301	406,707			814,008
Profit attributable to owners of parent			790,196		790,196
Purchase of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	407,301	406,707	790,196	—	1,604,205
Balance at end of period	1,691,323	5,705,099	6,687,977	△2,800	14,081,600

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	3,284	△8,274	△4,989	32,815	12,505,220
Changes during period					
Issuance of new shares					814,008
Profit attributable to owners of parent					790,196
Purchase of treasury shares					
Net changes in items other than shareholders' equity	△24,307	△31,416	△55,724	142,066	86,341
Total changes during period	△24,307	△31,416	△55,724	142,066	1,690,547
Balance at end of period	△21,023	△39,691	△60,714	174,881	14,195,767

(5) Consolidated Statement of Cash Flow

(Thousands of yen)

	Period ended March 31, 2019	Period ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	2,150,556	1,747,854
Depreciation	457,460	594,110
Amortization of goodwill	384,939	506,376
Loss (gain) on sales of shares of subsidiaries and associates	△3,123	—
Impairment loss	96,487	23,113
Loss (gain) on valuation of investment securities	5,881	—
Increase (decrease) in allowance for doubtful accounts	39,336	35,900
Increase (decrease) in provision for bonuses	△90,477	—
Increase (decrease) in retirement benefit liability	△104,002	—
Interest and dividend income	△5,899	△366
Interest expenses	1,940	10,708
Foreign exchange losses (gains)	△141	149
Share of loss (profit) of entities accounted for using equity method	107,168	659,384
Decrease (increase) in trade receivables	△115,729	△1,268,810
Decrease (increase) in accounts receivable - other	27,315	△680,604
Decrease (increase) in inventories	△264,134	△157,599
Increase (decrease) in trade payables	141,166	500,538
Increase (decrease) in accounts payable - other	550,127	△340,234
Increase (decrease) in accrued expenses	49,444	△79,291
Other, net	51,028	△137,305
Subtotal	3,479,349	1,413,927
Interest and dividends received	4,601	84
Interest paid	△1,940	△10,708
Income taxes paid	△366,702	△323,101
Net cash provided by (used in) operating activities	3,115,308	1,080,201
Cash flows from investing activities		
Purchase of property, plant and equipment	△243,522	△559,475
Purchase of intangible assets	△717,760	△699,688
Purchase of investment securities	△31,053	△93,609
Purchase of shares of subsidiaries and associates	△1,100,000	△119,680
Proceeds from sales of shares of subsidiaries and associates	21,640	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△35,332	△362,706
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	19,766	—
Payments of leasehold and guarantee deposits	△109,567	△128,213
Proceeds from refund of leasehold and guarantee deposits	10,261	207,198
Payments for asset retirement obligations	△64,297	△19,131
Proceeds from cancellation of insurance funds	6,443	—
Other, net	27,828	20,840
Net cash provided by (used in) investing activities	△2,215,594	△1,754,465
Cash flows from financing activities		
Repayments of long-term borrowings	△8,667	△682,657
Proceeds from issuance of shares	47,958	812,909
Proceeds from share issuance to non-controlling shareholders	10,000	150,000

Purchase of treasury shares	△735	—
Repayments of lease obligations	△42,524	△25,436
Net cash provided by (used in) financing activities	6,031	254,815
Effect of exchange rate change on cash and cash equivalents	△7,102	△19,217
Net increase (decrease) in cash and cash equivalents	898,643	△438,665
Cash and cash equivalents at beginning of period	7,194,730	8,093,373
Cash and cash equivalents at end of period	8,093,373	7,654,707