



FY2021/3 1Q Results Explanatory Materials

Oisix ra daichi
2020.8.14

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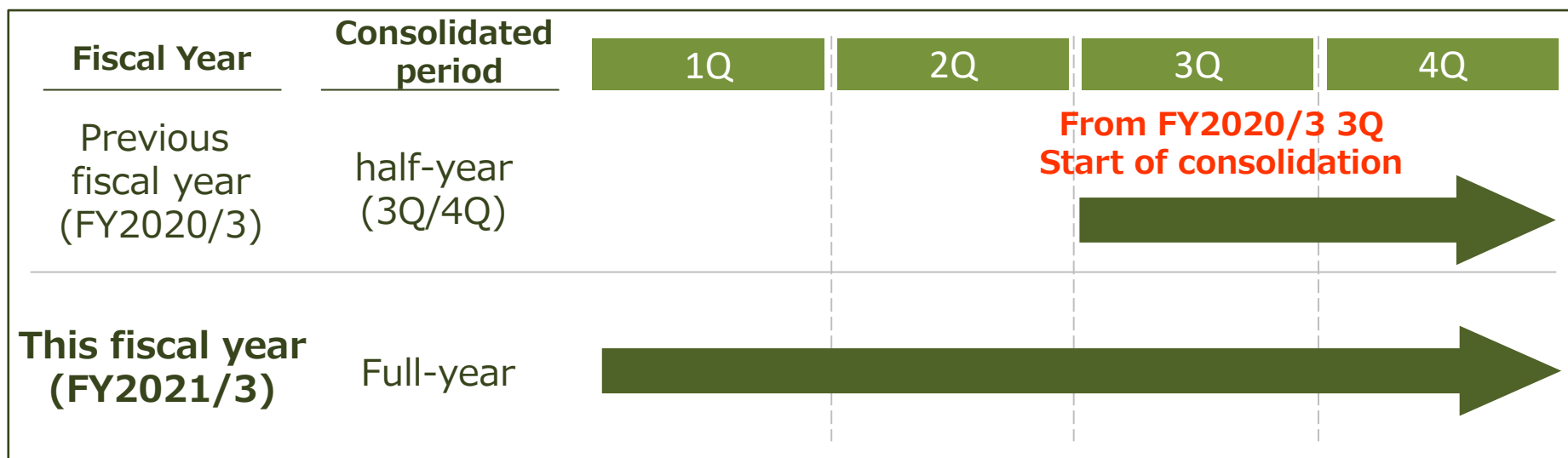
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1. FY2021/3 1Q Achievements

Special factor in comparison with the same period of the previous year

【Consolidation of Purple Carrot】

- ✓ Purple Carrot, a U.S. meal-kit home delivery service specialized in vegan, became a subsidiary in Apr.2019. Recognition of sales, profits/losses and goodwill began in FY2020/3 3Q.
- ✓ Full-year recognition in consolidated reports this fiscal year versus half-year (3Q/4Q) last year.



*Due to the difference in fiscal year-ends, consolidated results are delayed by 3 months (1Q is consolidated from Jun to Mar).

Executive summary

—FY2021/3 1QResults

Against Initial Target,

● Sales

- ✓ Owing to COVID-19, the increase in home delivery demand has exceeded initial forecast. Led by the domestic business, **both subscriptions and ARPU have increased.**
- ✓ Regarding subscriber numbers, Oisix implemented a about 1-month suspension of new customer acquisitions. **Since May, however, acquisitions have gradually been resumed.**
- ✓ Daichi and Radish Boya have seen subscriptions rise reflecting both an organic increase in customer inquiries as well as inquiries being redirected to them from Oisix (owing to Oisix's temporary suspension of new customer acquisitions).
- ✓ **ARPU increased significantly by about 25 to 30% YoY** for all three brands

● Profits

- ✓ Marginal profit ratio improved due to increased ARPU in addition to increased profits due to increased sales
- ✓ Also, due to the tight capacity of Oisix, we stopped new acquisition for about 1 month, **resulting in unused new promotional costs of about 650 min yen, which was temporarily added.**

FY2021/3 1Q Highlights

Sales : Affected by COVID-19, the number of subscribers and ARPU exceeds the initial forecast.

Profits : In addition to the sales boost from COVID-19, unspent customer acquisition expenses at Oisix resulted in profits above normalized growth.

Sales

23.13bn yen

vsTarget **+19%**
YoY **+42%**

EBITDA

2.41bn yen

vsTarget **+60%**
YoY **+222%**

Operating Income

2.07bn yen

vsTarget **+76%**
YoY **+282%**

Net income

Attributable to owners of the parent

1.18bn yen

YoY **+338%**

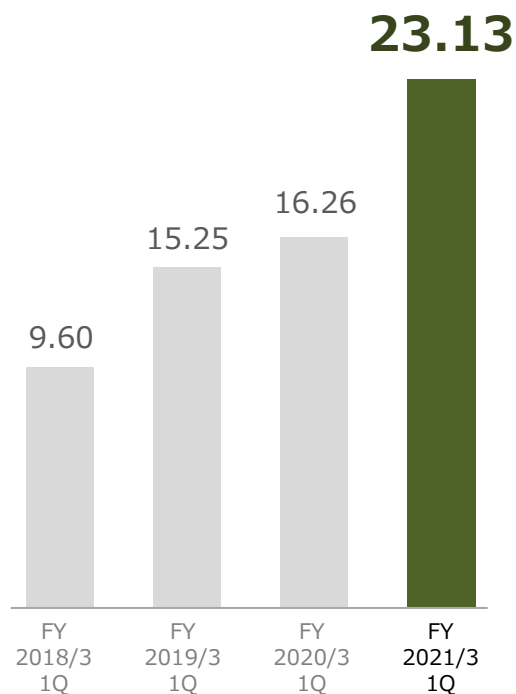
Consolidated Results Overview

Sales and profit both increased YoY. For profits, in addition to the impact of COVID-19, Oisix's new sales promotion expenses have not yet been used. Temporarily greatly exceeded the forecast.

■ Sales

23.13 bn yen

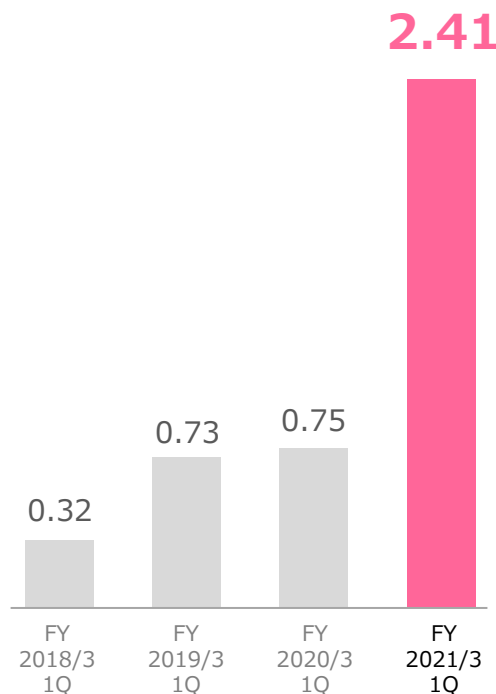
[vs Target **+19%**
YoY **+42%**



■ EBITDA

2.41 bn yen

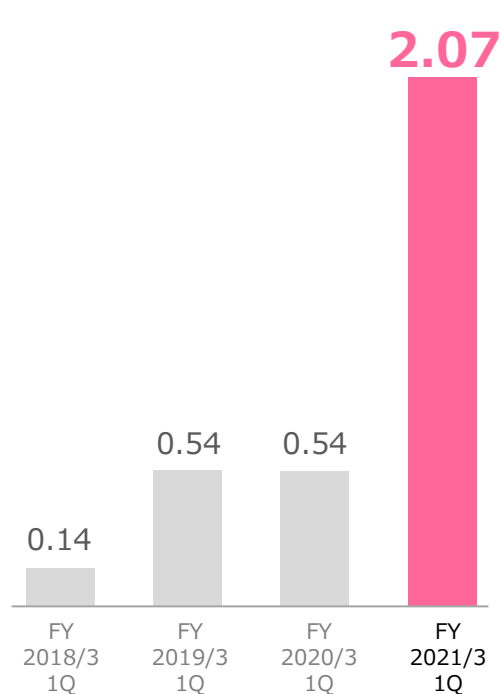
[vs Target **+60%**
YoY **+222%**



■ Operating Income

2.07 bn yen

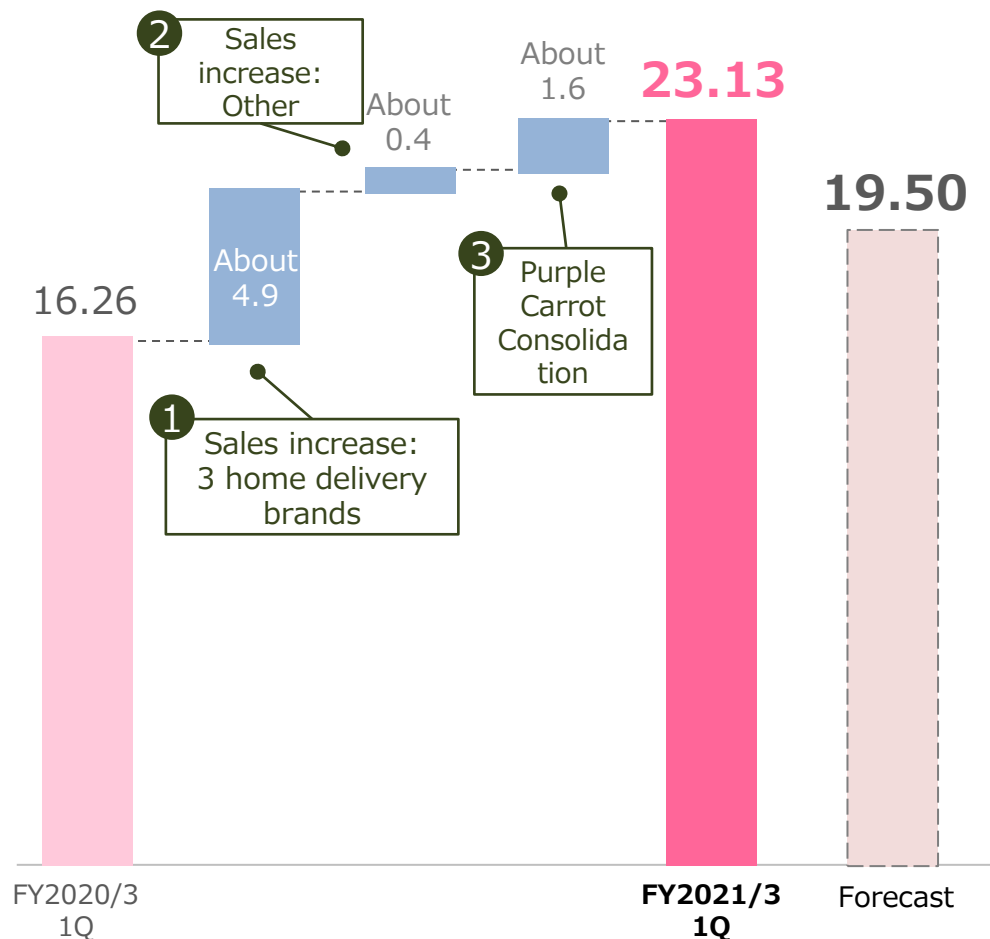
[vs Target **+76%**
YoY **+282%**



YoY: Sales

ARPU and subscribers increased due to increased demand for home delivery due to COVID-19

■ Sales (bn yen)



① Sales increase (3 home delivery brands) : about 4.9bn yen

- Increase in ARPU : about 3.7bn yen
- Increase in subscribers : about 1.2bn yen

② Sales increase: Other : about 0.4bn yen

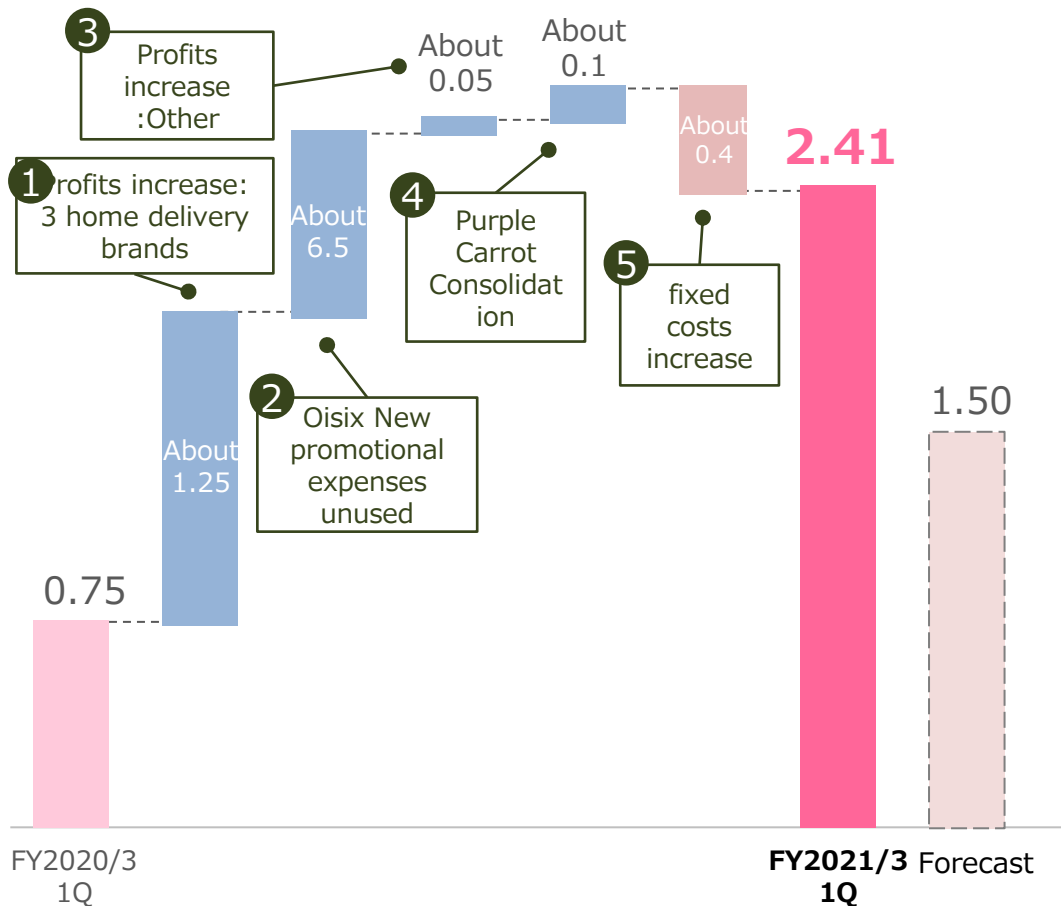
- EC support/Hong Kong : about 0.5bn yen
- Kindergarten wholesale : about ▲0.1bn yen
- Etc.,

③ Purple Carrot Consolidation : about 1.6bn yen

YoY: EBITDA

Marginal profit ratio improved due to increased ARPU in addition to increased profits due to increased sales. Oisix's new sales promotion expenses have not yet been used, resulting in a temporary increase in profit.

EBITDA (bn yen)



1 Profits increase: (3 home delivery brands) : about 1.25bn yen

- Increase in ARPU : about 0.95bn yen
- Increase in subscribers : about 0.3bn yen

2 Oisix New promotional expenses unused : about 0.65bn yen

3 Profits increase (Other) : about 0.05bn yen

- EC support/Hong Kong : about 0.05bn yen
- Kindergarten wholesale : ±0bn yen
- Etc.,

4 Purple Carrot Consolidation : about 0.1bn yen

5 Companywide fixed costs increase : about 0.4bn yen

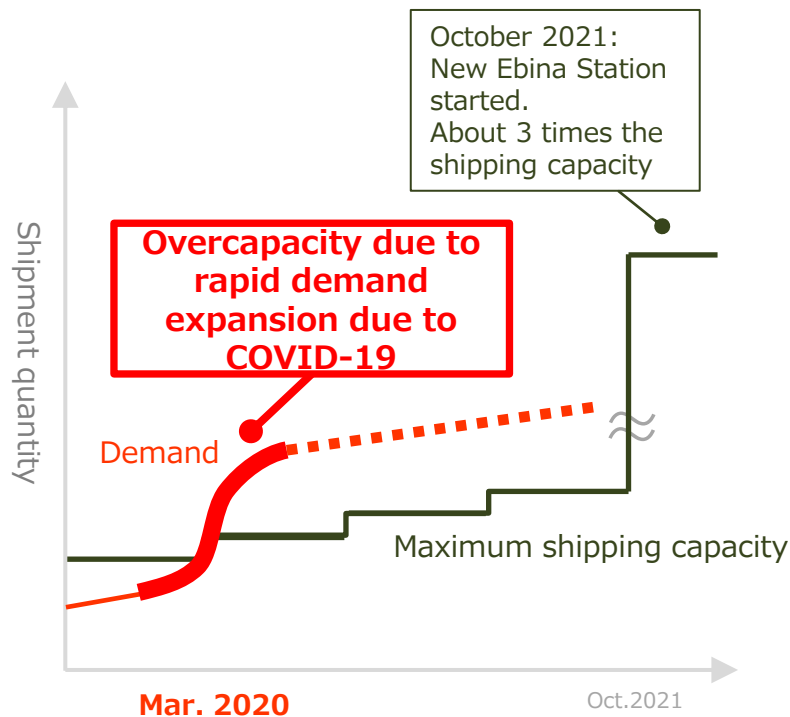
- Costs for COVID-19 : about 0.05bn yen
- Costs for Listing to First Section of the TSE : about 0.25bn yen
- Personnel expenses, etc. : about 0.1bn yen

Unused Oisix new promotional expenses

Existing shipping capacity exceeded due to rapid demand expansion. **The suspension of new customer acquisitions for a period of roughly one month (March-end and April-end) resulted in promotional expense savings of roughly 450 mn yen**

■ Exceeded shipping capacity due to COVID-19

- Expanding the shipping capacity upper limit, but could not cover



■ Suspension of new subscribers acquisitions

- Give priority to delivering products to existing subscribers and suspension of new subscribers acquisition during 1-month.

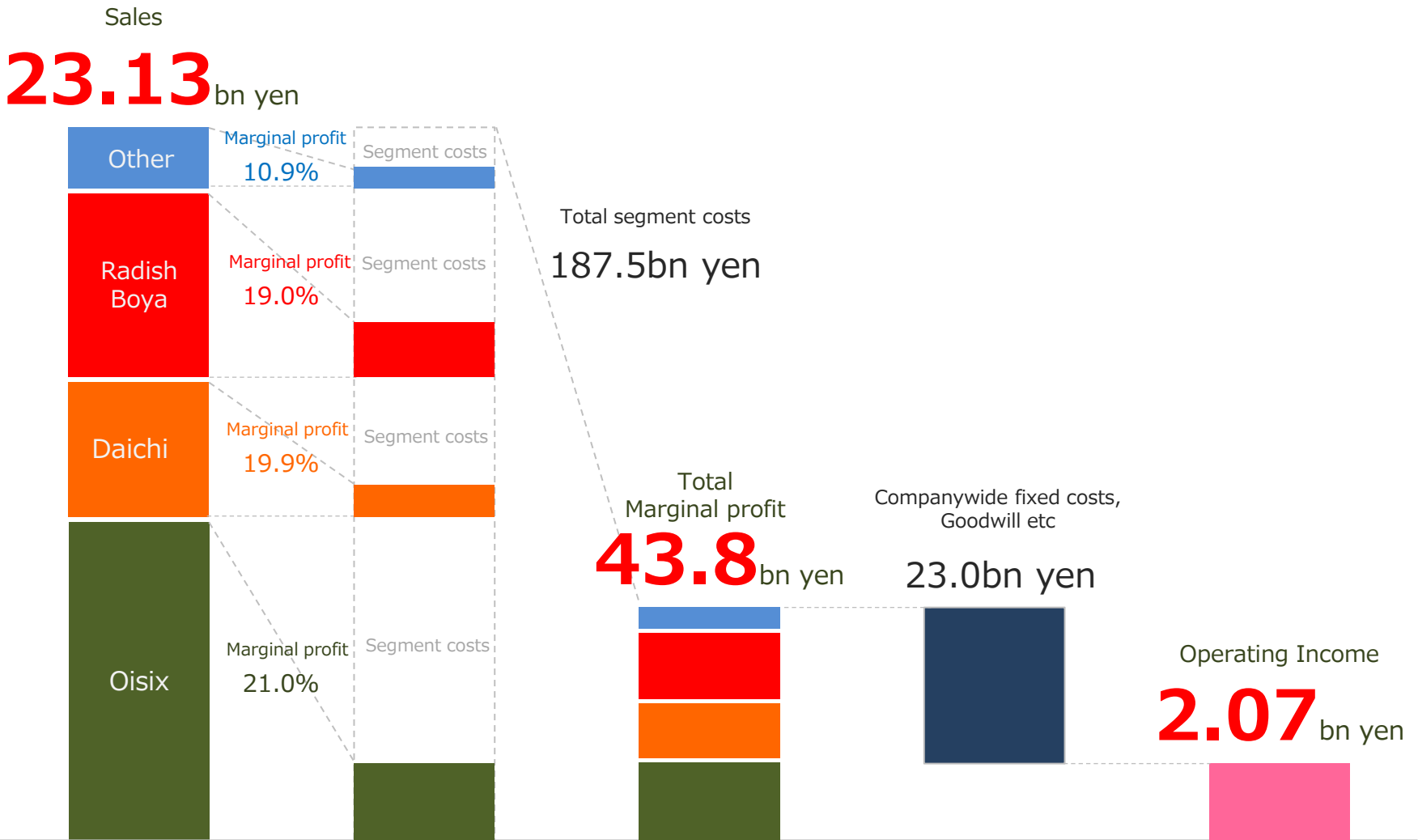


- ✓ new promotional expenses : **About 650 mn yen unused**
- ✓ Subscribers : **Lost about 10,000 net increase**

Business segment Results

	Sales	Marginal profit	Overview
Oisix	11.26bn yen (YoY +36%)	2.36bn yen (YoY +154%)	ARPU increased significantly, and both sales and profits increased. Suspension of new acquisition for about 1 month. It gradually resumed acquisition from the end of April, and even with increased subscribers, it has not been completely resumed. Profit temporarily increased due to unused new promotional expenses
Daichi	3.63bn yen (YoY +41%)	0.72bn yen (YoY +59%)	ARPU increased significantly, and both sales and profits increased. Significant increase of subscribers also due to an increase in natural inquiries and the effect derived from Oisix new acquisition page.
Radish Boya*	4.72bn yen (YoY +25%)	0.89bn yen (YoY +31%)	ARPU increased significantly, and both sales and profits increased. Originally, the number of subscribers was in the phase of prioritizing service improvement and suppressing new acquisitions, but due to the increase in natural queries and the effect derived from Oisix new acquisition page, it temporarily increased.
Other business	3.60bn yen (YoY +117%)	0.39bn yen (YoY +53%)	In the real business, such as the kindergarten wholesale, both sales and profits declined, but EC support from and overseas business grew steadily. In addition, due to the impact of the consolidation of Purple Carrot, both sales and profits increased overall.

Business segment Results Overview



2. Our Current Situation and Response to COVID-19

Executive summary

—Response to COVID-19

Domestic delivery business

- ✓ Demand was strong with a peak occurring in April-May when a state of emergency was declared. **Average ARPU in 1Q was up 25%~ 30% YoY.**
- ✓ New customer inquiries also saw an **increase resulting in 25,000 new subscriptions for the three brands combined.** New subscribers continue to use our services more than initially expected.
- ✓ Oisix's most important management issue, the increase in shipping capacity, **is expected to be resolved by the operation of the Sayama station from October.**

Other

- ✓ In the real business such as nursery wholesale, although sales decreased in April and May, Since June, it is gradually recovering to pre-COVID-19 levels

- ① **Business Impact in 1Q**
- ② Support activities with COVID-19

Business impact summary

—Oisix

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

Oisix

As of end of 4Q

- Owing to stronger home delivery demand vis-à-vis stay home initiatives, existing subscriber ARPU increased by some 20% on Mar.
 - 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.

Current status

- Demand was strong with a peak occurring in April-May when a state of emergency was declared. **Average ARPU in 1Q was up 25%YoY.**
 - Increased sales of Harumi Kurihara Kit and Vegan Kit due to increased meal opportunities at home and increased health awareness.
 - △ With the rapid increase in access, Access delay occurs. Stabilized by carrying out maintenance in Jun.
-
- ✕ Due to suspension of new acquisition for 1-month, Lost increase in subscribers of about 10,000.
 - From the end of April, Resuming new customers gradually. The expansion of the Sayama station made it possible to eliminate capacity.

Business impact in Oisix —Kit Oisix

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

Vis-à-vis COVID-19, sales of meal kits designed to address new customer behavior - "increasing cooking time at home" and "increasing health awareness" - were strong.

■ Kit Oisix supervised by cook Harumi Kurihara



- ✓ Kurihara Harumi's online video Kit "Harumi Lesson" captures the growing needs of cooking more at home. **In June alone, 36,000 meals sold.**

■ Vegan Kit



- ✓ Awareness of healthy eating habits have increased with COVID-19. Unit Vegan Kit sales has **increased by roughly 1.6 times QoQ.**

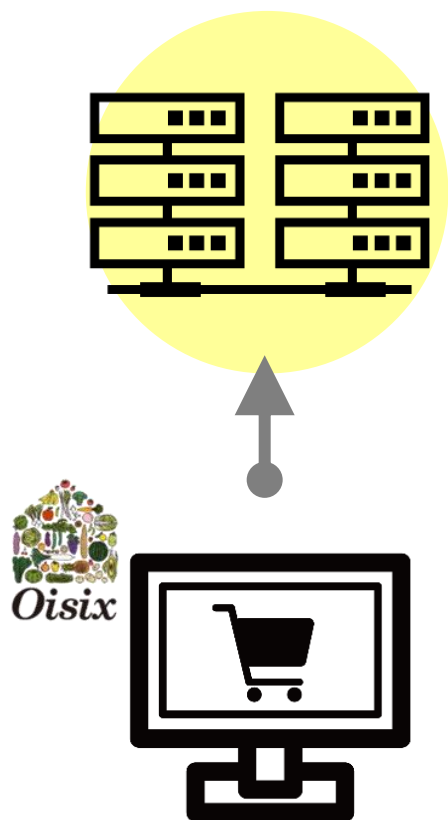
Business impact in Oisix —Server maintenance

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

Owing to the sudden increase in server access, the EC site experienced slowing processing speeds. Stabilized by carrying out maintenance in June



Accident

- ✓ Vis-à-vis COVID-19, the sudden increase in access resulted in the Oisix EC data server experiencing significant slowing.



Action

- ✓ In early June, the EC site was shut down (about 24-hours) to carry out large-scale inspection/repair and stabilization.
- ✓ We plan continuation of environmental measures in line with the pace of business expansion,

Business impact in Oisix

—Sakutto Oisix

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

The new subscription course "Sakutto Oisix" with limited SKUs is seeing levels of ARPU that are in line with other subscription courses. In 2Q, we aim to continue with new customer acquisitions using "Sakutto Oisix" as a core driver.

■ Sakutto Oisix

サクッと! Oisix

KitOisixと厳選商品から

お好きなものを選べる新しいコースです



- ✓ Specialized service for shortening cooking time and shopping time launched in end of Apr.
- ✓ Despite a small number of SKUs, it is **used with the same ARPU as other subscription courses.** While improving the service, we will continue to acquire new customers centered on *Sakutto Oisix* in 2Q.

(Re-posting) Oisix Sayama Station

1. Facility name (tentative)

Oisix Sayama Station

2. address (planned)

Sayama city Saitama Pre.

3. Scheduled start date

Oct. 2020



4. Increased shipping capacity

We plan to cover the capacity until the start of operation of the Shin-Ebina Station **in October 2021**

– Up to +50% higher than current capacity

5. Initial investment

About 300 million (vehicles, in-house management system, initial rent cost, etc.)

(Re-posting) Future shipping system

Oisix's most important management issue, the increase in shipping capacity, is expected to be resolved by the operation of the Sayama station from October.

Apr.2020 → **Oct.2020** → Oct.2021

Status /Measures	Exceeding logistics capacity	NEW		
		<ul style="list-style-type: none"> •Launch of <i>Sakutto Oisix</i>, a small SKU service •Expansion of satellite center ⇒Resuming new acquisitions gradually from the end of April 	<ul style="list-style-type: none"> •With the start of operation of the Sayama station, there was a goal to solve the capacity problem •Actively resume new acquisitions 	<ul style="list-style-type: none"> •Large increase in capacity due to operation of Shin-Ebina Station
		<ul style="list-style-type: none"> •Current Ebina Station + •Fujisawa •Zama 	<ul style="list-style-type: none"> •Current Ebina Station •Fujisawa •Zama + •Sayama 	Shin-Ebina Station (※Fujisawa and Sayama will be closed after Oct. 2021. Zama is dedicated to shipping radish)
Shipping Capacity		+10% increase in shipping capacity	Up to +50% increase in shipping capacity *Covers capacity up to the start of operation of the Shin-Ebina Station	Maximum shipping capacity +200% increase

Business impact summary

—Daichi/Radish Boya

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

Daichi

Radish Boya

As of end of 4Q

○ Owing to stronger home delivery demand vis-à-vis stay home initiatives, existing subscriber ARPU increased by some 20%.

○ Number of new subscribers 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.

Current status

○ Demand was strong with a peak occurring in April-May when a state of emergency was declared. **Average ARPU in 1Q was up 25%~ 30% YoY.**

○ The number of subscribers also increased by about 6,000 in the 1Q with the Daichi and Radish-Boya

○ Continued stable supply at existing distribution centers and improved center utilization rate

△ Although the out-of-stock rate has improved significantly compared to peak demand, it has remained slightly higher than during normal .

Business impact in Daichi/Radish Boya

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

Responding to changes in customer needs such as “increasing health/immunity awareness” and “increasing cooking opportunities” according to the target segment of each brand

✓ Response to health / immunity improvement



- Collaboration with "Dr. Croissant"



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



✓ Providing services that make cooking fun



- Weekend Meal Kit cooked with Kids



- Present edible flower



Business impact summary

—Other

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

As of end of 4Q

Current status

Domestic Delivery business (Other)

EC support (ISETAN DOOR、d-meal 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



Both purchasing frequency and price have increased from April to May. Resuming new acquisitions gradually from the end of April

Tokushimaru

- Owing to COVID-19, the number of customers and the unit price for purchase increase, and the daily sales amount increases by about 10%.



Daily sales amount continuously increased by about 10%. Strengthening the business of watching over elderly people in partnership with the community

Overseas Delivery Business

Oisix Hong Kong

- Earlier than Japan, home delivery demand began growing in mid-Feb.



The number of local Hong Kong subscribers is increasing rapidly. Sales have increased to about 3 times YoY

Purple Carrot (US)

- The number of shipments doubled as the demand for home delivery increased sharply.



Demand increased from March, peaking from April to May. Completed measures for shipping capacity

Business impact summary

—Other

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

As of end of 4Q

Current status

Other business

SinS



From April, both positive factors of increased store visits and negative effects of department store closures are expected to occur.



Owing to the COVID-19, 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



After April, expected to deteriorate due to the Kindergarten closures.



Owing to the Kindergarten closure, sales decreased by about 50% in April and May, but gradually recovered to normal levels after June.

Advertisement



After April, expected to deteriorated due to the curbing advertising expenses of business partners



Performance in the real-media advertising business deteriorated, but the flyer business for parcel delivery subscribers performed well

DEAN&DELUCA



Significant decrease in sales and profit due to temporary closure



Significant increase in April and May due to temporary closure. The decline in sales and profits also gradually recovered from June. Online shop sales remain strong

Other support activities —We support

“We Support,” which is a food support platform for medical professionals, has supplied a cumulative total of 100,000 food items to medical institutions. We look to continue our efforts in light of recent increases in new COVID-19 cases and inpatient hospitalizations.

■ We support

- A platform that connects medical institutions with food support companies



Support achievement

◆Total amount of support :

About
0.24 bn yen

◆Total amount of support meals :

About
250,000 meals

◆Support company :

82

- Ajinomoto
- Ito-en
- Kameda Seika etc.

◆Support medical institution :

71

- Eiju General Hospital
- Tokyo shinagawa Hospital etc.

- ① Business Impact in 1Q
- ② **Support activities with COVID-19**

Support activities with COVID-19 —Restaurant support

The “Home Restaurant” initiative which supports restaurants affected by COVID-19 saw large expansion in users. Customer satisfaction also rose beyond 80%. Going forward, product offerings will be expanded and support measures continued.

■ Oisix Home resuaurant

- ✓ Since launch in April, we have **expanded to 16 shops and 24 items** with our alliance partners. We will continue to expand the products we handle and provide ongoing support.



NEW(From August)



•Voice from support resuaurant

While sales at stores could not be expected, as a result of online sales in July, we were able to cover about 40% of sales. Up until now, I had no particular EC know-how, but I was able to gain a great deal of momentum. Not only e-commerce but also store recognition has increased for customers nationwide. I am very grateful.

焼うな富士

Support activities with COVID-19 —Sightseeing spot support

With ongoing travel and hometown visit restrictions extending into summer holidays, we launched in August “Oisix Home Travel”, an initiative that supports local specialty sales and allows users to enjoy local specialties at home.

■ “Oisix Home Travel”

• We support the sales effort of locally produced specialty products that have effectively lost normal sales channels owing to travel restrictions and their impact on tourism and hometown visits.



✓ Sakmon (Hokkaido)



✓ Matcha sweets (Kyoto)



✓ Oyster/Shrimp (Hiroshima)

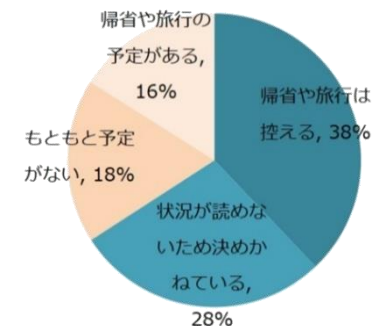


✓ Seafood (Saga)



(Reference)
Questionnaire on how to spend this summer

✓ Over 70% of the respondents said that they would refrain from going home or travel or who could not decide



3. Results on Business segment

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)

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③ Other Business

- Overseas Business
- Real Retail Business

Oisix KPI

* From this term, the definition of the number of members and ARPU has been changed to reflect more appropriate business conditions. Please refer to page 76 for figures for the past two periods

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

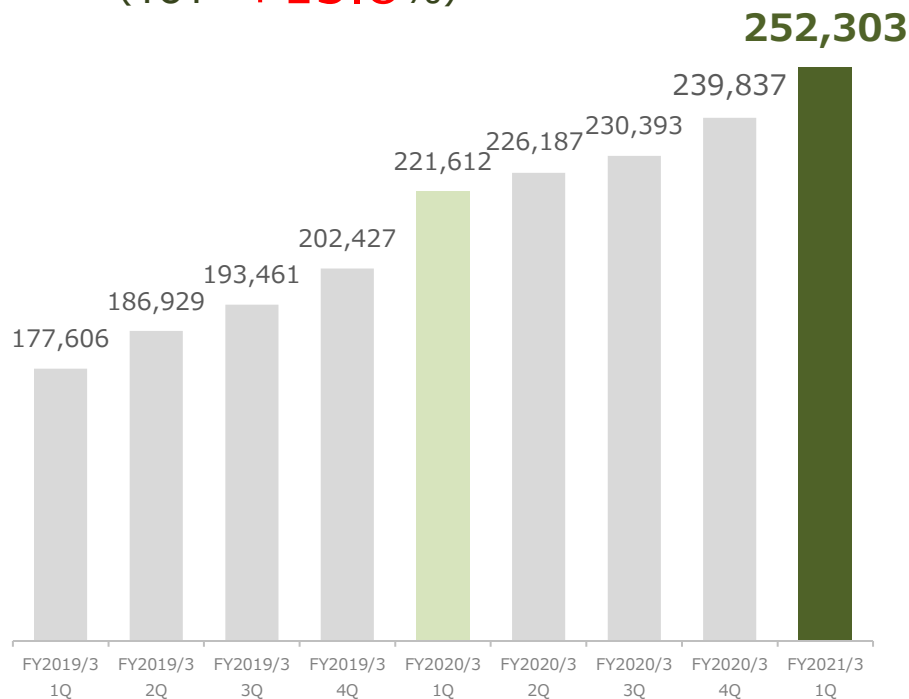
No. of subscribers : Although suspended for roughly 1-month, new customer acquisitions have gradually been restarted since May resulting in an increase of roughly 12,000.

ARPU : Vis-à-vis COVID-19, both customer baskets and purchase frequency have risen reflecting increased orders from existing members.

■ No. of subscribers

252,303

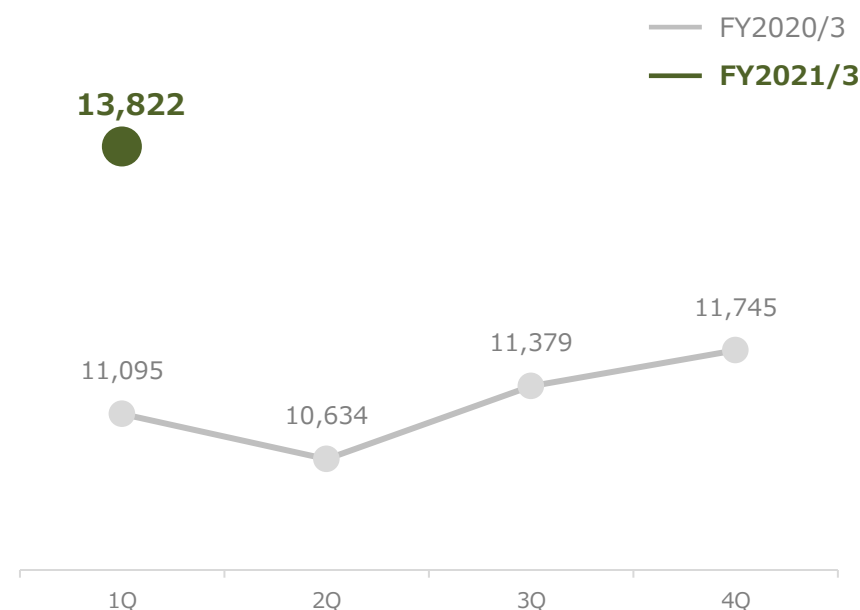
(YoY +13.8%)



■ ARPU※

13,822 yen

(YoY +24.6%)

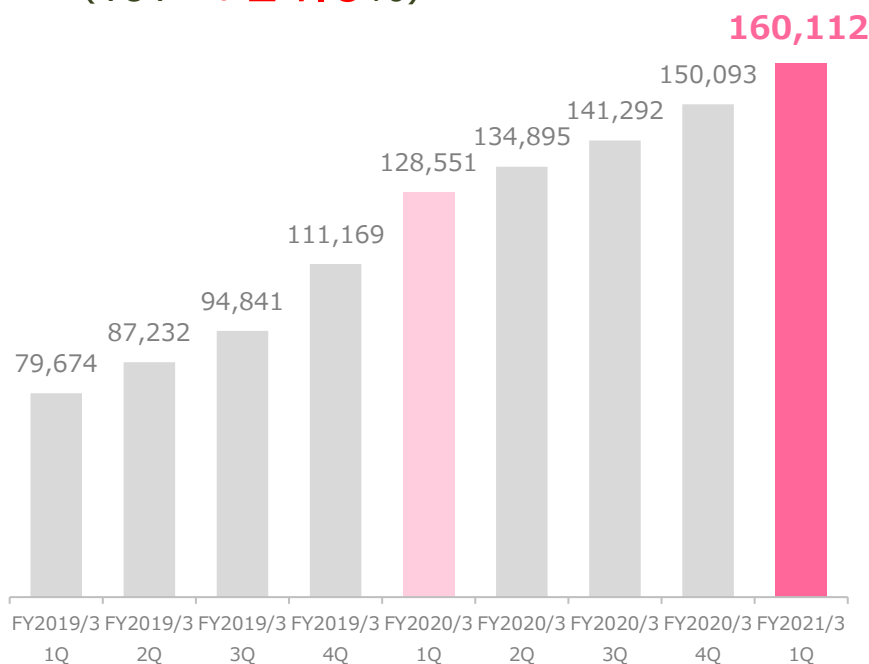


Kit Oisix sales steadily expanded due to increased opportunities for home rice. **Cumulative number of meals sold exceeds 55 million**

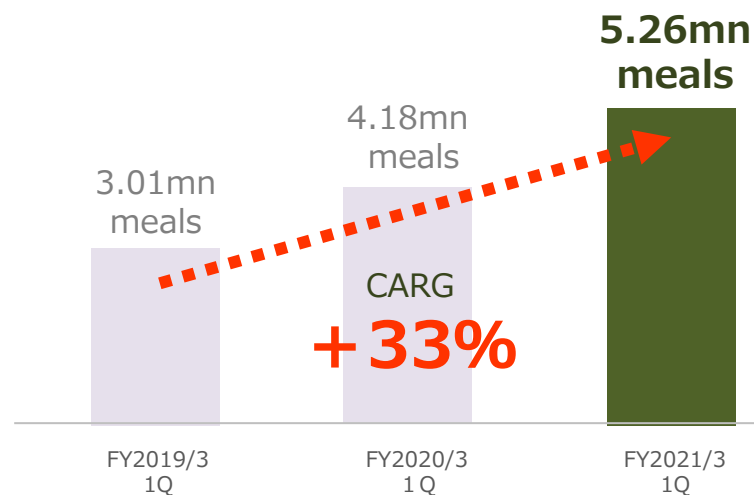
■ No. of meal kit course subscribers (Includes Oisix subscribers)

160,112

(YoY **+24.6%**)



■ Kit Oisix Quarterly Sales Meals



✓ Sales increased due to an increase in meal opportunities at home, **surpassing a cumulative total of 55 million meals**

Oisix Topics

In June we celebrated our 20th anniversary and held an "Oisix Thanksgiving Day" on our EC site.

With Kit Oisix, we continue to release various collaborative menus.

■ Oisix Thanksgiving Day



- ✓ Loved for many years, we promote mainly PB products that contribute to frequency and Price.

■ Collaboration in 1Q

- ✓ Collaboration Kit with Benesse "Kodomo Challenge"



Kit Oisix
with
しまじろう



- ✓ Collaboration Salad Kit with "Lifestyle Navigator" Emi Sugiyama



Daichi KPI

*From this term, the definition of the number of members and ARPU has been changed to reflect more appropriate business conditions. Please refer to page 76 for figures for the past two periods

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

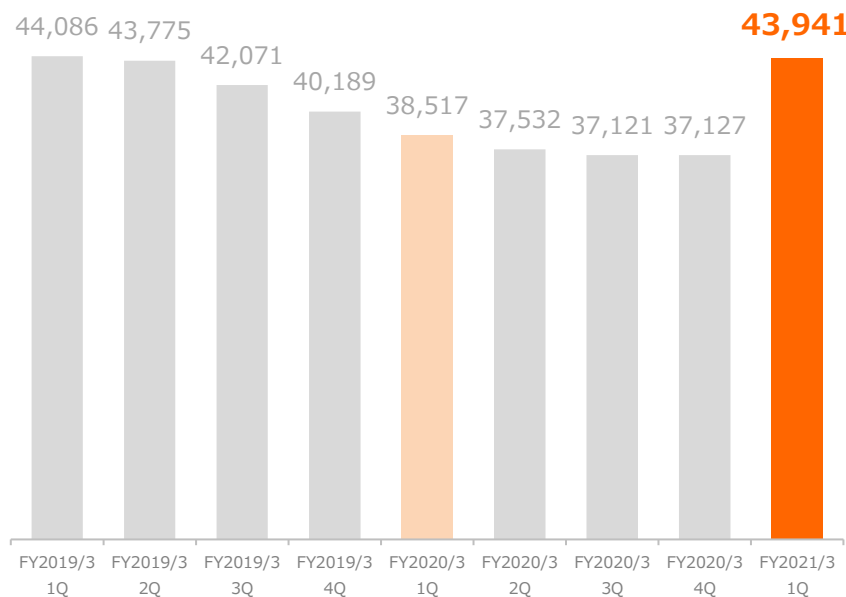
No. of subscribers : **Significant increase** due to increase in new queries by natural search and induction from Oisix page

ARPU : Due to the rapid increase in needs due to COVID-19, **both purchasing frequency and price increased significantly**

■ No. of subscribers

43,941

(YoY +14.1%)

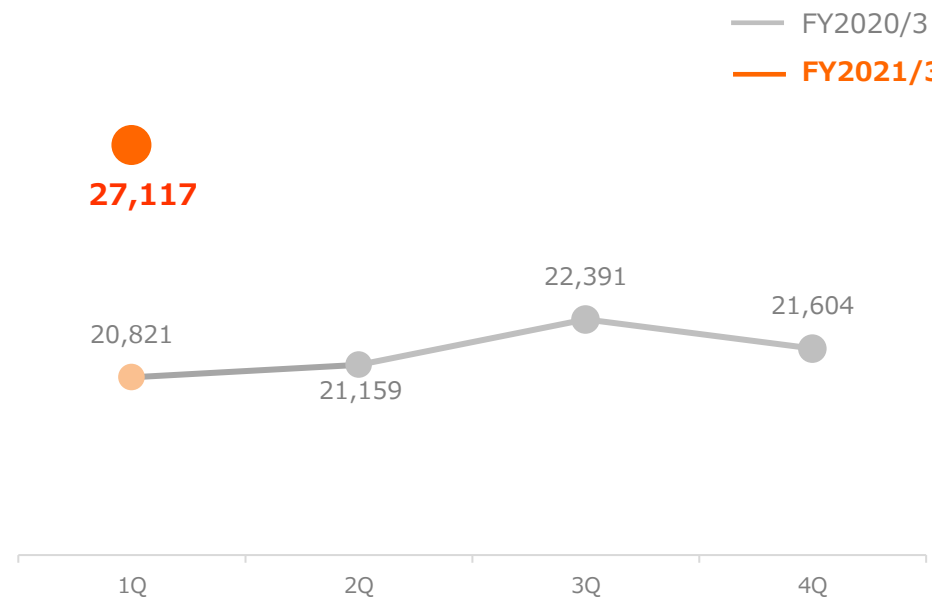


■ ARPU※

27,117

 yen

(YoY +30.2%)



らでいっしょばーや KPI

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

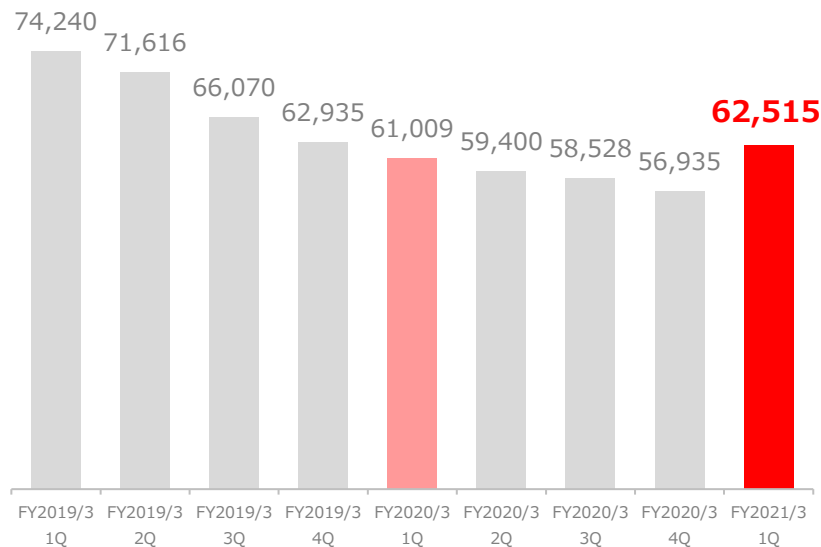
No. of subscribers : **Significant increase** due to increase in new queries by natural search and induction from Oisix page

ARPU : Due to the rapid increase in needs due to COVID-19, **both purchasing frequency and price increased significantly**

■ No. of subscribers

62,515

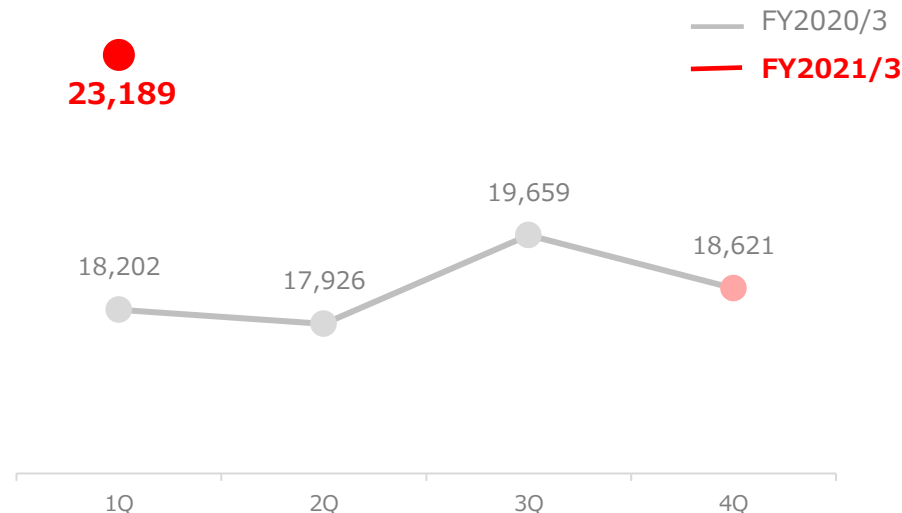
(YoY **2.8%**)



■ ARPU※

23,189円

(YoY **+27.4%**)



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

Whilst shipping capacity was tight and COVID-19 led to suspension of new customer acquisitions similar to Oisix, acquisitions have gradually resumed since May. Like the domestic Home Delivery business, ARPU has seen significant increase.

■ ISETAN DOOR

- ✓ Support for Isetan Mitsukoshi's EC business
Commissioned from operation and management of EC sites to distribution and delivery
- ✓ Subscribers continues to grow steadily in 1Q



■ D-meal Kit

- ✓ Started in July 2019 in collaboration with NTT DOCOMO. Offer regular delivery services, mainly meal kit for NTT DOCOMO's customers
- ✓ Responding to changing customer needs by expanding the lineup of retorts and frozen side dishes



Tokushimaru(subsidiary)

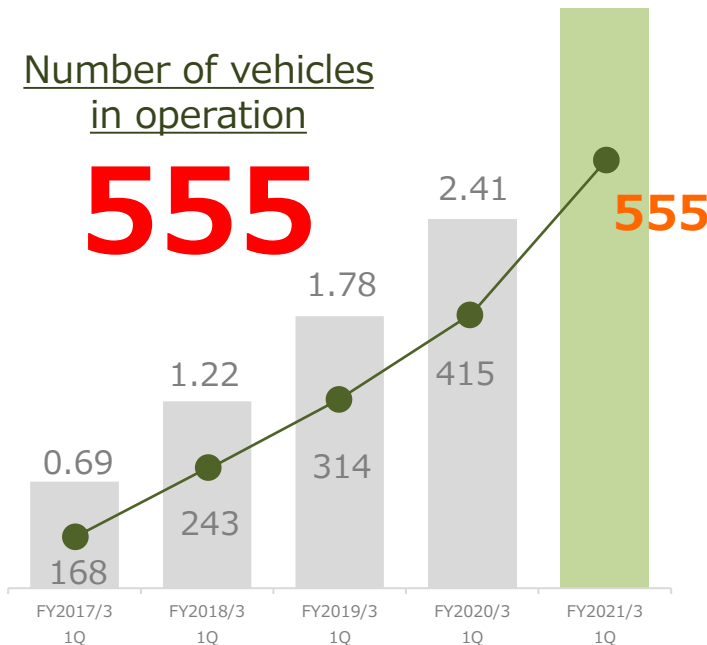
Significant growth in both total distribution and operating units.
Daily sales amount continuously increased by about 10%. We started a new partnership with Ito-Yokado in April and aim to further accelerate expansion.

■ The value of circulation

3.79 bn yen
(YoY +57.1%)

Number of vehicles
in operation

555



■ Development Scale

Number of affiliated
supermarkets

130



(Re-posting) Changes in Tokushimaru's management structure and future growth strategies

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

While continuing efforts to expand our mobile sales business for shopping refugees, we are also advancing development of new businesses such as the media business.

■ Changes in Tokushimaru's management structure

Name	New position	Previous position
Shingu Ayumu	President and Representative Director	Director
Sumitomo Tatsuya	Director, Founder, In charge of new business	President and Representative Director

■ Future growth strategies

Strategy1

Accelerate expansion of mobile sales business for shopping refugees

⇒Until the number of vehicles in operation reaches 1,000 we are prioritizing infrastructure development over profitability.

Mr. Shingu is in charge of strengthening cooperation with the Oisix ra daichi to accelerate expansion

Strategy2

New business development such as media business

⇒We look to develop new businesses that leverage our ability to make in-person contact with roughly 150,000 senior citizens twice a week.

Mr. Sumitomo, who has strengths in the media business, is in charge of.

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.)

※Purple Carrot shows the business situation from Jan. to Mar.

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

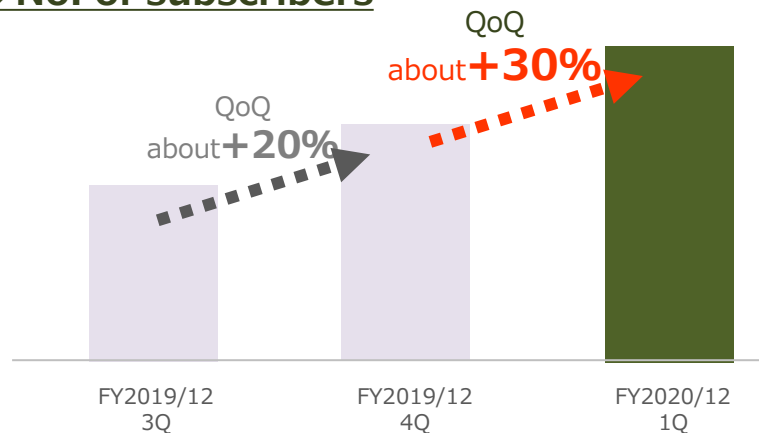
Other Business

We achieved a quarterly profitability earlier than initially expected.
Since this is a temporary increase in sales, we aim to continuously generate revenue.
Started selling meal kits at "Whole Foods Markets" from July

Business status

- ✓ On the back of Netflix's "Vegan Dietary Life Special Issue" in the U.S. and the effect of COVID-19, subscriptions increased by roughly 30% QoQ.
- ✓ Even in the phase of increasing the number of subscribers, the main complaint rate continued to decrease by 30% YoY.

◆No. of subscribers



New Topics

- ✓ In July we commenced sales of meal kits at "Whole Foods Markets," the largest organic retailer in the United States.



Hong Kong/Shanghai

Hong Kong : Owing to COVID-19, subscriptions in Hong Kong has seen strong growth. We reinforced Ec site to meet the needs of the residents of HK.

Shanghai : Started trial service of meal kit from June

■ Hong Kong

- ✓ Owing to COVID-19, subscriptions in Hong Kong has seen strong growth. We reinforced Ec site to meet the needs of the residents of HK.
- ✓ We sales of Oisix branded agricultural products and juices in Hong Kong's largest newly opened MUJI stores. We Aim to increase local recognition and induct to home delivery business



▲ Sales floor for newly opened MUJI store

■ Shanghai

- ✓ Started trial service of meal kit from June
- ✓ Through continuous customer hearings, we look to adjust recipe content, marketing, and refine our products to a level that meets the needs of the Chinese people.



Real Retail Business

SinS : We have continued to expand Kit Oisix sales shops to enhance brand touch-points
 kindergarten wholesale : About 100 mn yen in sales declined due to the effects of kindergarten closures, but gradually recovered to previous levels from June

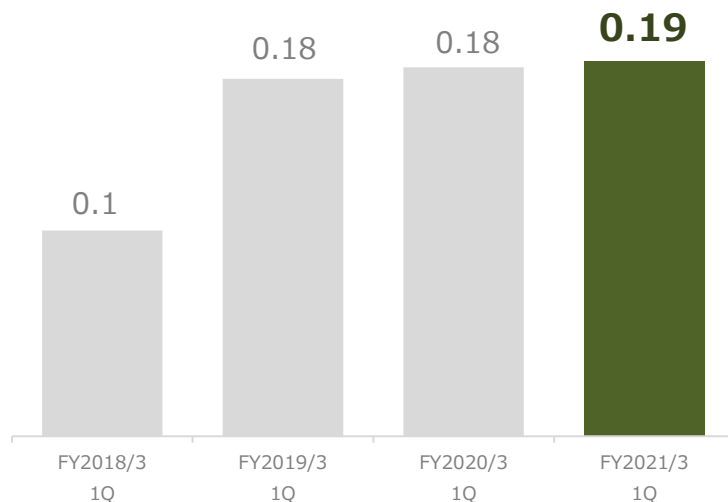
Shop in Shop

Sales

0.19 bn yen

No. of shops

152



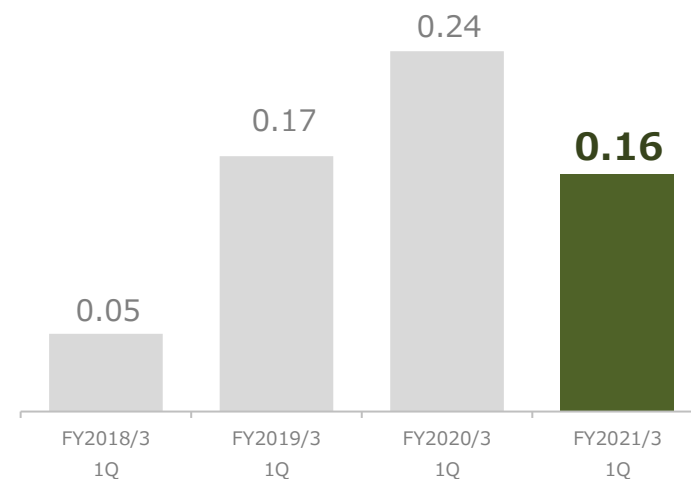
Kindergarten Wholesale

Sales

0.16 bn yen

No. of trading
kindergartens

402



Kindergarten Wholesale Topics

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

In addition to providing lunch menus and ingredients, since April we have begun offering "food education content" at nursery schools. Demand has been high as many nursery schools lack the resources for food education. Already more than 100 nurseries have introduced the program.



保育園で「とうもろこし」のお話をしました 7月

いろいろなとうもろこし

とうもろこし

夏野菜の代表。ひげが特徴的ですが、ひげの本数はとうもろこしの粒の数に比例しています。

とうもろこし(白)

旬は黄色のとうもろこしと違い夏。皮が柔らかく水分が多いため生でそのまま食べられるものもあります。

ポップコーン

ポップコーンという菓子の皮が硬い品種。収穫は秋。一本一本皮をむき、皮と実が離れないように注意しながらさおに吊るして約二ヶ月間、自然乾燥させます。

ベビーコーン

とうもろこしが大きく成長する前に摘み取られたもの(糖質されたもの)です。やわらかく芯まで食べられます。ヤングコーンとも呼ばれます。

Future Food Fund

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

Toyota Tsusho Corp. and TV Tokyo Direct Co., Ltd. will newly invest in the Future Food Fund as LPs. For its part, FFF has determined to make new investments in Base Food and Foods Cacao.

Future Food Fund

The only corporate venture capital in Japan that specializes in the area of food innovation.

As a business in the food sector, we aim to build an entire ecosystem by actively investing in advanced processes in "food, agriculture, and healthcare" both in Japan and overseas.

Limited Partner



Food Start-ups

◆ Base Food

Subscription sales of full meal pasta and whole grain bread



◆ Foods cacao

- Cacao bean development in Southeast Asia
- Sale of original chocolate brand



MiL

Farmnote

Fifty Food Inc.

HiOLL Inc.

Oisix ra daichi

Impact of heavy rain in July

Whilst the heavy rainfall in July, mainly in the Kyushu region, had no major business impact, we continue to implement risk reduction measures under BCP for natural disasters.

Impact

- ✓ there was no major impact on harvest of fruits and vegetables
- ✓ Although some suppliers of processed products suffered flood damage, there was no major impact.

Although impact was minimal this time around, as part of a continuous BCP program against natural disasters, **we aim to build a more robust supply network via a geographical portfolio of suppliers.**

Support for disaster area

- ✓ Supporting our products such as vegetable juice and donuts according to the needs of the disaster area.



4. New Business Topics

Business alliance with OOTOYA Holdings

An alliance was concluded with OOTOYA Holdings, a chain with roughly 350 restaurants nationwide. Utilizing a new EC site where users can readily access OOTOYA menus at home, we aim to build a 3 bn yen (annual Circulation) business

Oisix ra daichi

Oisix ra daichi

- Direct transactions with producers
- Meal kit own factory
- Manufacturing and logistics infrastructure specialized for subscribers
- About 360,000 subscription members



OOTOYA

OOTOYA 大戸屋 ごはん処。

- Brand power
- High customer loyalty
- Product planning ability/
Menu development ability
- About 460 restaurant networks nationwide*

"Home OOTOYA Subscription Business (tentative name)"

- ✓ Launch subscription service for frozen side dishes, bosed lunch
- ✓ Kit Oisix supervised by "OOTOYA restaurant"
- ✓ Providing a collaboration menu with us at "OOTOYA restaurant"

Strengthening joint business with other companies' EC

We will use our subscription know-how and assets to strengthen joint business with other companies' EC



Oisix ra daichi

- Direct transactions with producers
- Meal kit own factory
- Manufacturing and logistics infrastructure specialized for subscribers
- About 360,000 subscription members

- ✓ According to the Oisix user survey, "OOTOYA" was selected as the most satisfying store*. We believe that the affinity between Oisix users and OOTOYA is very high.
- ✓ There is a great need for eating at a restaurant menu at home, and the "home restaurant" project is also well received. The joint business with OOTOYA matches the needs of with COVID-19 period.

5. Profits outlook after FY2021/3 2Q

Profits outlook after FY2021/3 2Q

Given that tight shipping capacity issues will not be completely resolved in 2Q. In the 2H, we plan to increase in logistics costs associated with the operation of the Sayama station and a large-scale PR investment. On the other hand, it is difficult to forecast the impact of COVID-19, so the forecast announced in May remains unchanged.

	Profits outlook	Sales	Costs
2Q	Sustained boost to sales vis-a-vi COVID-19 and restrained new promotional spending suggest continuation of growth above normalized levels.	<div>+</div> Shorter summer vacation and increased demand due to self-restraint	Continue to suppress new sales promotion expenses to adjust shipping capacity <div>-</div> Oisix autumn PR costs
3Q	Sales are expected to increase during the year-end/New Year holidays. On the other hand, expenses are expected to rise reflecting the start-up of Sayama Station and autumn PR spending.	<div>+</div> Sales increase due to year-end and New Year sales promotion (Same as usual) <div>-</div> Possibility that ARPU will gradually decrease to pre-COVID-19 levels	<div>-</div> Initial fee of Sayama station <div>-</div> Increase in logistics costs associated with Sayama station operation
4Q	To secure growth next fiscal year and beyond, we plan in spring a large-scale PR campaign which will likely impact profit margins.		<div>-</div> Oisix Spring large-scale PR costs (Planned large-scale upfront investment for the next term, including unused portion of this term)

6. ESG Topics

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.

Hosting events online

Social events previously held offline were reviewed and held online for the first time. In short order, we built a new model overcoming physical constraints to deliver new value.

■ Tokyo Harvest

- ✓ One of Japan's top harvest festivals in honor of those who produce our food.
- ✓ It was pleased to talk from the field.
- ✓ Over 10,000 views have been delivered.



▲Online relay from the ship and farm

■ A Million People Candle night

- ✓ We proposed a slow life without using electricity.
- ✓ It was held in conjunction with the radio station.
- ✓ The number of views were more than 4 times the plan



▲Unmanned live by online

Sustainable food culture

Proposing sustainable means to enjoy the endangered Japanese eel.
Daily promotions reflecting customer desire for "preservation of food culture" and "alternative eating styles" being implemented

■ Change the sell way

- ✓ Accept reservations, sell the required amount.
- ✓ Handling only frozen products with long shelf life.



■ Suggest how to eat

- ✓ We suggest sustainable "Doyo no Ushinohi". By telling you how to enjoy smaller amounts and eat alternative ingredients.



■ For next generation

- ✓ We established "Sasaeel Unagi Fund".
- ✓ The donation is used for joint research with the university and contributes to the elucidation of eel ecology



New producer group “F5”

We consolidated several producers and manufacturers and aim to make the resulting organization “the foremost group challenging the future of food in Japan.”

■ Farmers & Fishermen For Future Food (F5)

- ✓ Further improve agricultural technology and acquire expertise by facilitating interactions between producers and experts.
- ✓ Develop products that meet needs by providing opportunities for dialogue with customers.



-
- technique, experience, knowledge
 - product background

Oisix ra daichi

- product development, logistics
- network with customers

Increase our brand value by continue to provide best products.

Welcome Back Ceremony

Since 2017, we have held an annual “Return-to-Work Ceremony” to smooth the process of mothers returning to the workforce. In FY3/21, three male employees are scheduled to take childcare leave.



Taking maternity
and childcare leave

100%

Returning to work
after taking leave

95%

Number of
returned to work

59

APPENDIX • DATA SHEET

Corporate Overview

Name :	Oisix ra daichi Inc.
Location :	Shinagawa-ku, Tokyo
Established :	June 2000
Representative :	Kohey Takashima, Representative Director & CEO
Capital :	3,993,005 thousand yen
Employees :	860 (consolidated), as of the end of March 2020

Overview of Affiliates

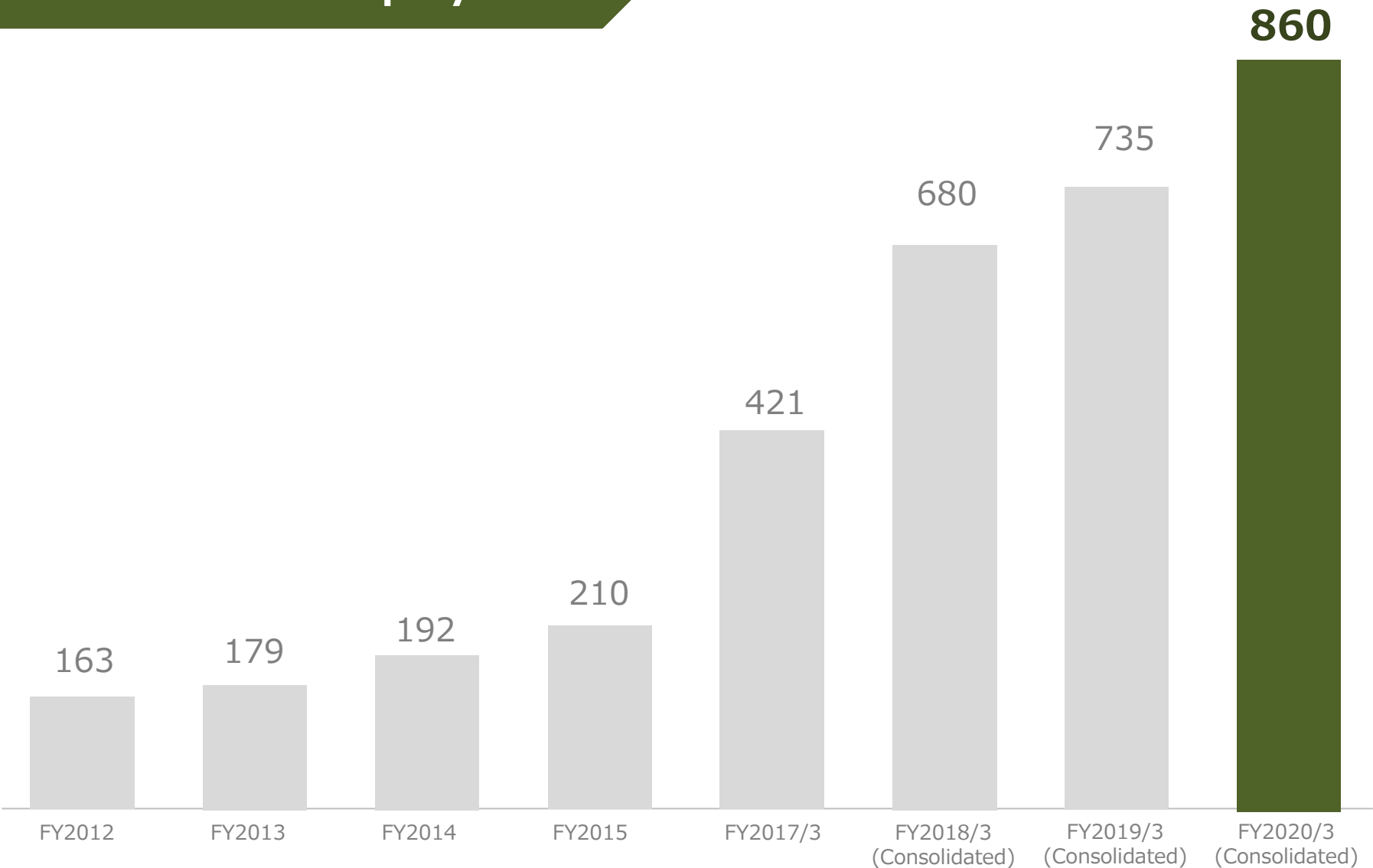
■ Consolidated subsidiaries

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 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.

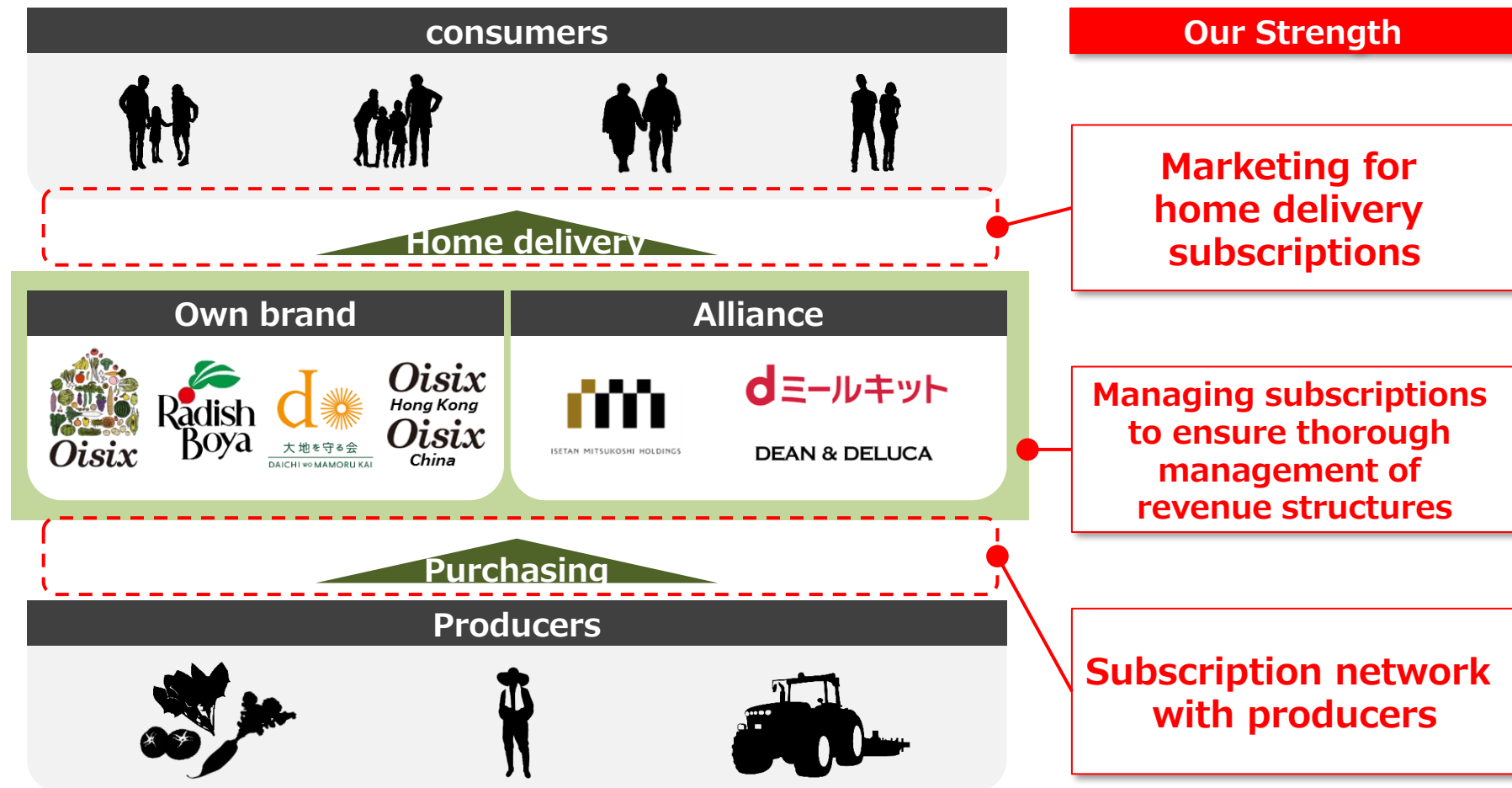
■ Effects of relationship with Yamato Transport Co., Ltd.

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

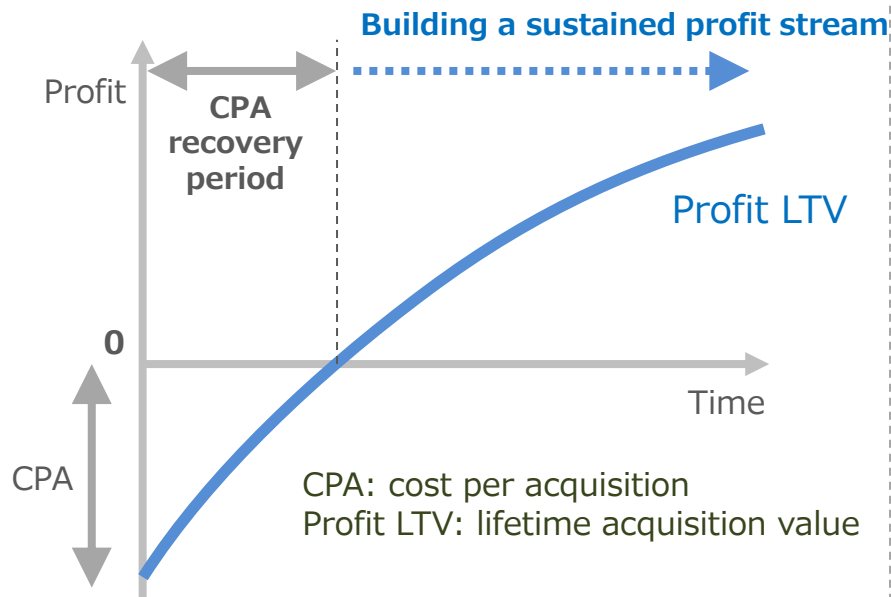


Subscription Management

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

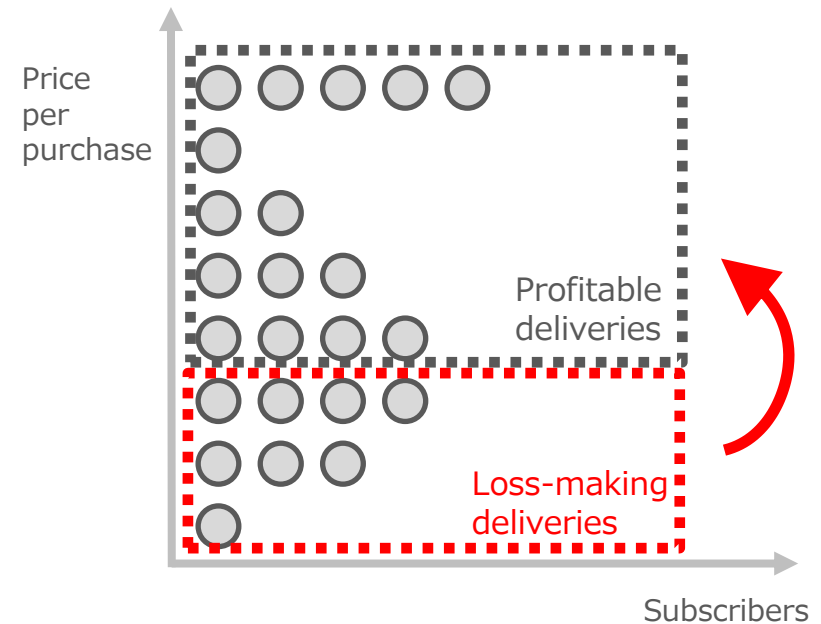
■ Rigorous CPA and LTV management

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



■ Rigorous management of unit revenues and expenditures

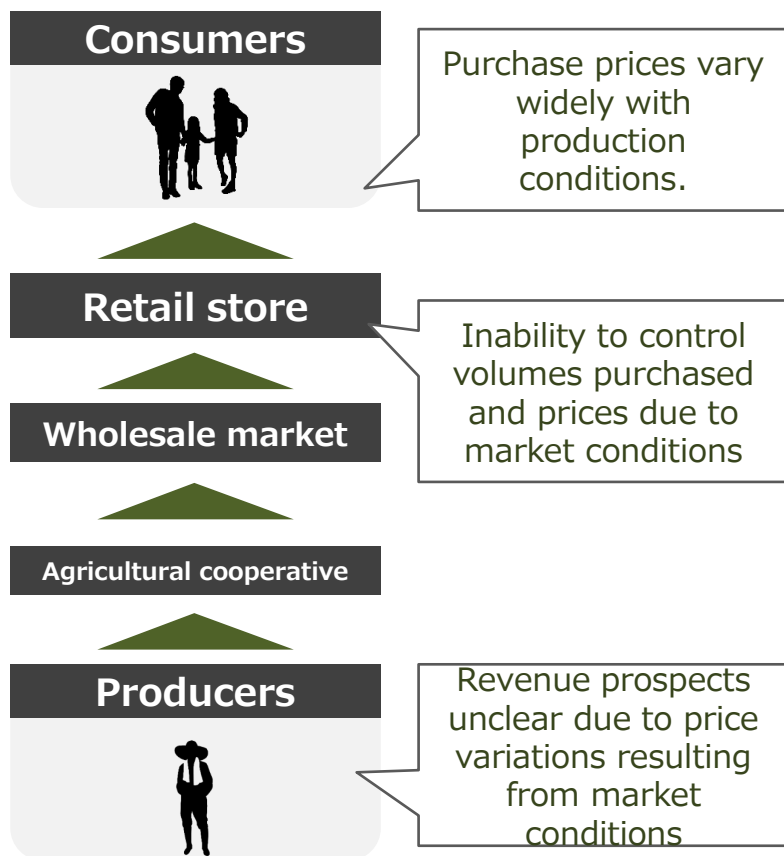
Making percentages of loss-making deliveries visible for each unit and reducing them structurally



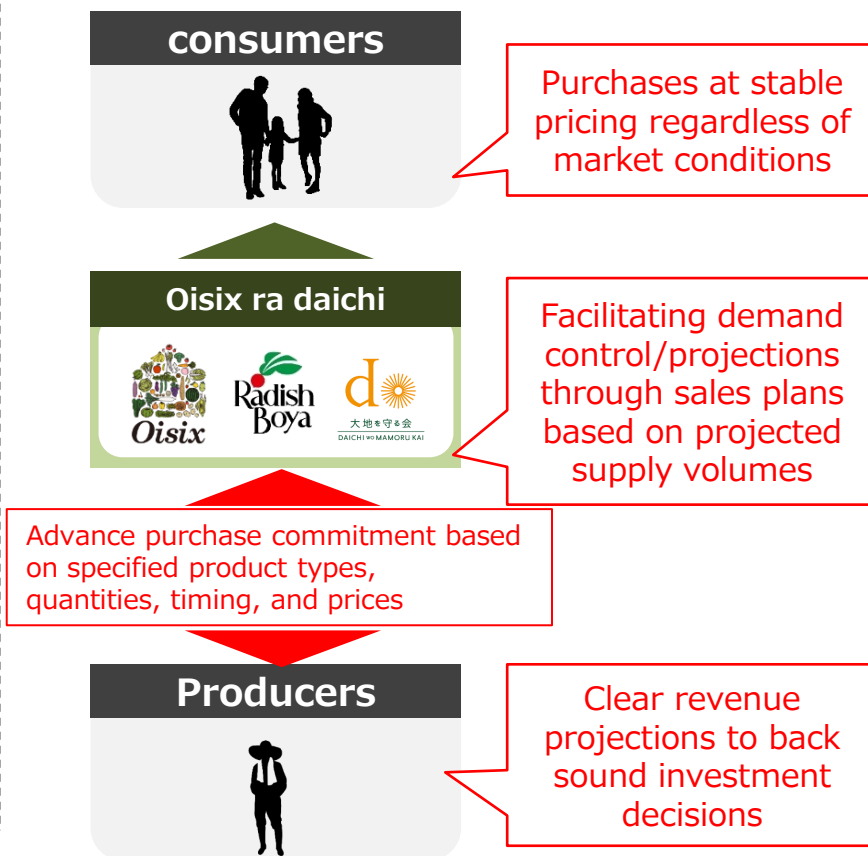
Subscription Network

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	2 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



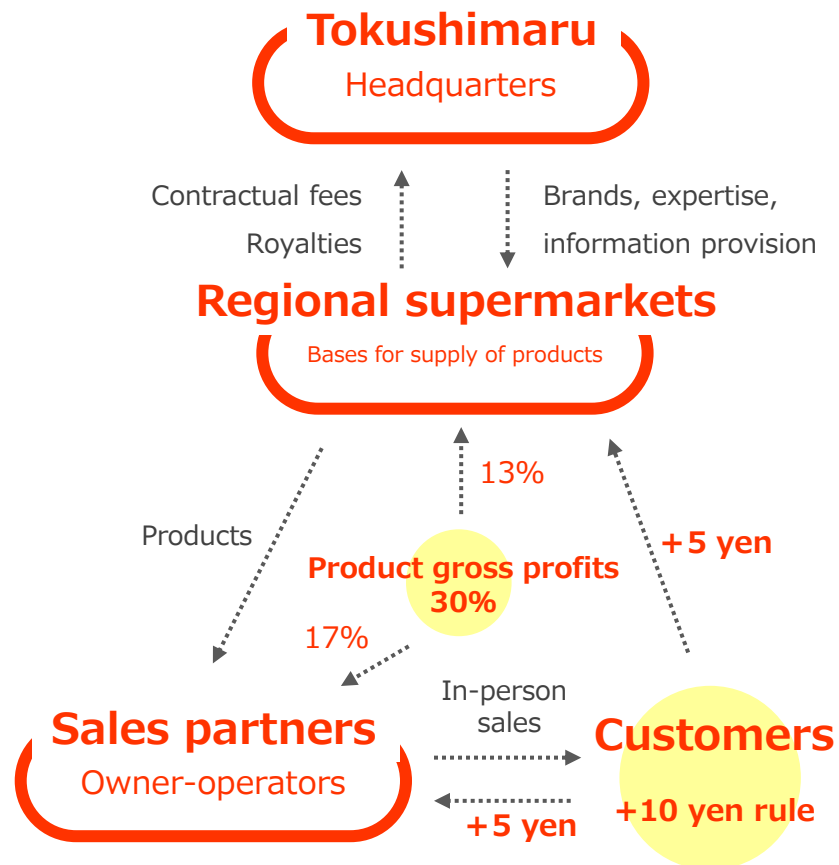
dミールキット powered by Oisix



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

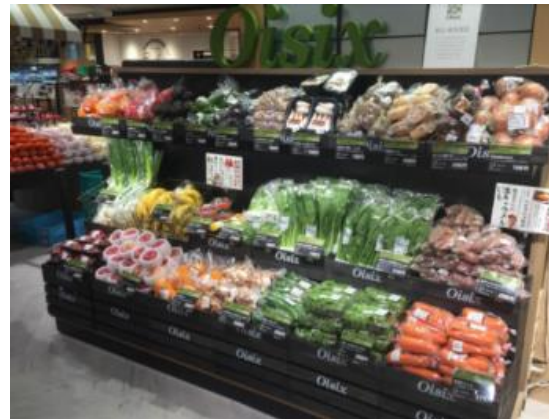
PURPLE CARROT



- ✓ 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



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	単価	小計	備考
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	



- ◆ 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	単価	小計	備考
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	
おまかせぼーや	箱	1	1000	1000	



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

	FY2019/3				FY2020/3				FY2021/3
(mn yen)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Sales	16,853	31,720	48,906	64,026	16,265	32,552	52,425	71,040	23,132
Operating Profit	610	1,115	2,265	2,312	543	900	1,597	2,467	2,076
EBITDA	808	1,513	2,882	3,154	755	1,348	2,381	3,595	2,419
381Net income Attributable to owners of the parent	537	893	2,533	2,387	270	390	695	790	1,184

DATA SHEET : Business Segment Result

■ Business Segment Result

		FY2019/3				FY2020/3				FY2021/3
(mn yen)		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Oisix	Sales	6,863	13,769	22,190	29,619	8,308	16,524	26,522	35,829	11,265
	Marginal profit	970	1,943	3,371	4,036	933	1,868	3,261	4,801	2,367
Daichi	Sales	2,769	5,440	8,405	10,902	2,587	5,137	7,936	10,541	3,636
	Marginal profit	479	960	1,536	1,989	457	885	1,397	1,889	724
Radish Boya	Sales	5,811	9,926	14,346	18,028	3,770	7,459	11,410	14,980	4,721
	Marginal profit	1,030	1,765	2,657	3,342	688	1,273	2,001	2,667	899
Other Business	Sales	1,482	2,755	4,198	5,793	1,663	3,529	6,383	9,497	3,601
	Marginal profit	154	290	479	724	256	557	656	846	391
Companywide fixed costs, Goodwill etc		2,024	3,844	5,779	7,779	1,792	3,683	5,719	7,736	2,305

Data Sheet : Main KPI

KPI trend

		FY2019/3				FY2020/3				FY2021/3
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Oisix	Subscribers (number)	177,606	186,929	193,461	202,427	221,612	226,187	230,393	239,837	252,303
	ARPU (yen)	11,558	11,118	11,522	11,173	11,095	10,634	11,379	11,745	13,822
	Price/ purchase (yen)	6,005	5,973	6,149	6,013	5,884	5,840	6,055	6,166	6,748
	Purchase Frequency (number)	1.92	1.86	1.87	1.86	1.89	1.82	1.88	1.90	2.05
Daichi	Subscribers (number)	44,086	43,775	42,071	40,189	38,517	37,532	37,121	37,127	43,941
	ARPU (yen)	20,247	19,807	20,226	19,171	20,821	21,159	22,391	21,604	27,117
	Price/ purchase (yen)	7,899	8,121	8,573	8,046	8,195	8,292	8,732	8,508	9,234
	Purchase Frequency (number)	2.56	2.44	2.36	2.38	2.54	2.55	2.56	2.54	2.94
Radish Boya	Subscribers (number)	74,240	71,616	66,070	62,935	61,009	59,400	58,528	56,935	62,515
	ARPU (yen)	17,158	17,076	18,439	17,401	18,202	17,926	19,659	18,621	23,189
	Price/ purchase (yen)	5,460	5,616	6,114	5,869	6,055	6,060	6,398	6,206	7,028
	Purchase Frequency (number)	3.14	3.04	3.02	2.97	3.01	2.96	3.07	3.00	3.30

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