



FY2021/3 3Q Results Explanatory Materials

Oisix ra daichi
2021.2.10

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.

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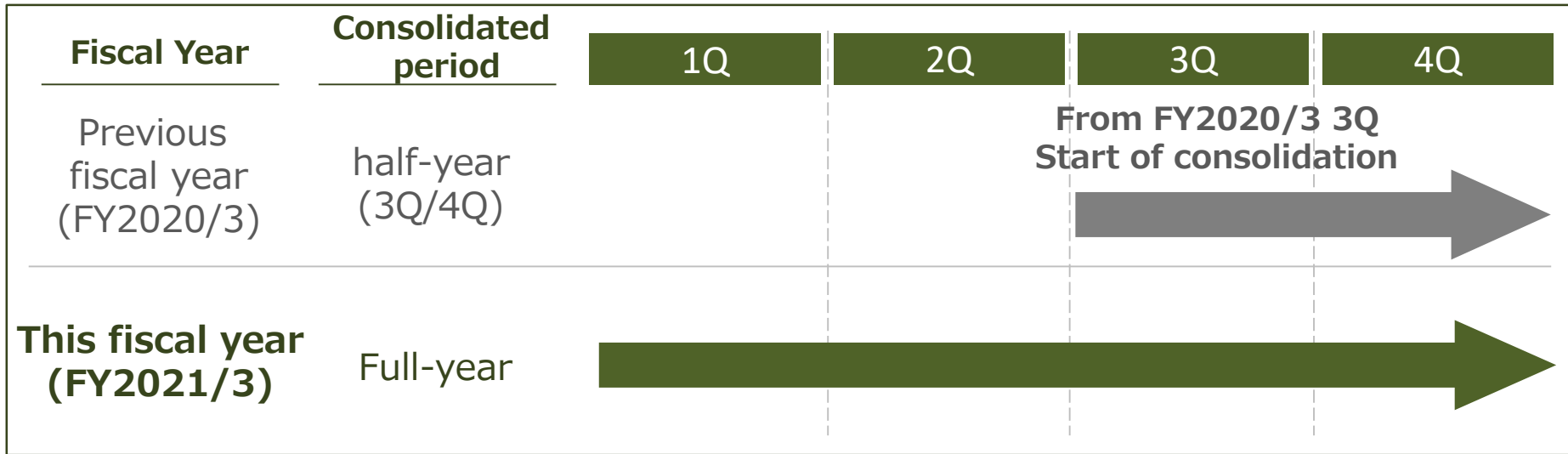
■ APPENDIX·DATA SHEET

1-1. Consolidated Financial Results

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.
- ✓ Compared to the previous term, the Purple Carrot result will be added in 1H.



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

Executive summary

–FY2021/3 3Q Results

Sales

- ✓ Whilst there have been signs of stabilization in home delivery demand versus 1H, **3Q sales continued to rise on steady growth in subscriptions and ARPU.**
- ✓ Led by Oisix, **total subscriptions for the three brands in 3Q increased by roughly 10,000** as new subscriber acquisitions continued to be strong and churn remained constrained.
- ✓ **ARPU increased 7-15% YoY** on expanded stay-at-home needs vis-à-vis measures to contain the third Covid wave as well as strong sales of high-priced items such as Osechi and Christmas cakes
- ✓ The overseas home delivery businesses – both at Purple Carrot and in Hong Kong, saw **maintenance of 3Q sales.**
- ✓ Real brick-and-mortar businesses, such as nursery school wholesale, saw **sales recovery to near year-earlier levels.**

Profits

- ✓ **Marginal profit margins continued to improve in 3Q** reflecting higher sales driven profits and enhanced logistical efficiencies stemming from higher ARPU.
- ✓ The 1H accumulation of unspent sales promotional expenses continued in 3Q. A large-scale subscriber acquisition promotion using such unspent funds is planned in spring, however.

FY2021/3 3Q Highlights

Sales : Whilst there has been signs of stabilization in spiking home delivery demand, **3Q subscriptions and ARPU saw YoY growth.**

Income : Profit margins improved on increased sales/ARPU as well as the continued accumulation of unimplemented sales promotion expenses.

Sales

74.79^{bn yen}

(YoY **+43%**)

EBITDA

7.19^{bn yen}

(YoY **+202%**)

Operating
Income

6.13^{bn yen}

(YoY **+284%**)

Net
income

Attributable to
owners of the
parent

3.90^{bn yen}

(YoY **+460%**)

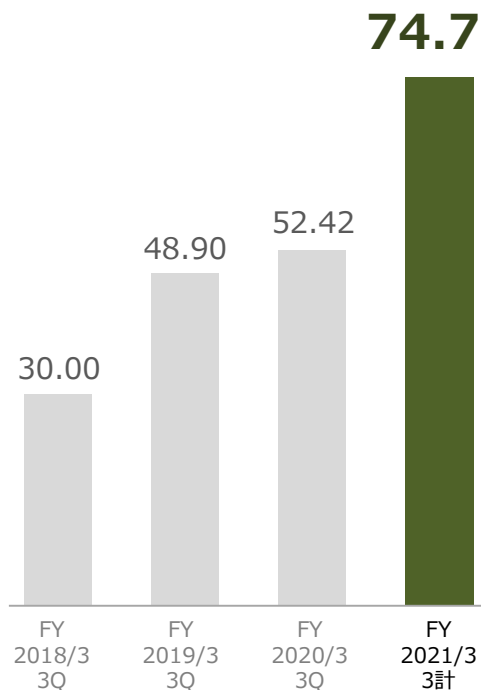
Consolidated Results Overview

Strong YoY growth owing to a near 10,000 increase in new subscription for the 3 home delivery brands and robust sales of high-priced items during the New Year holidays

■ Sales

74.79 bn yen

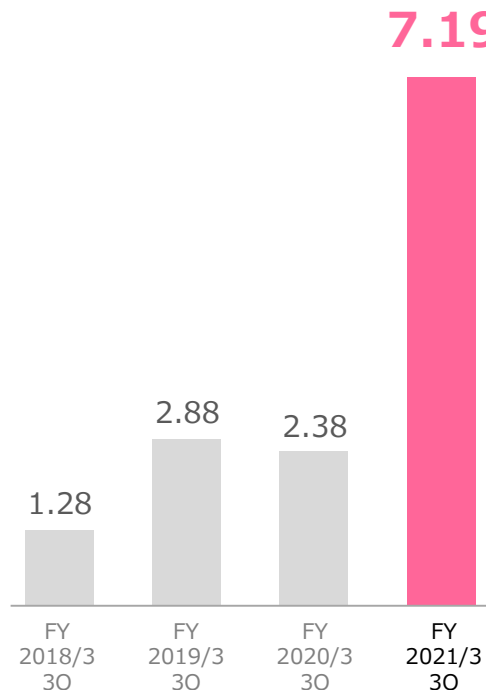
(YoY +43%)



■ EBITDA

7.19 bn yen

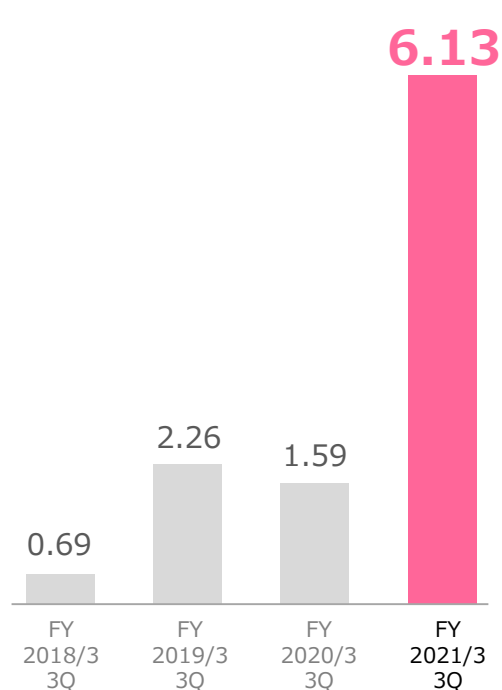
(YoY +202%)



■ Operating Income

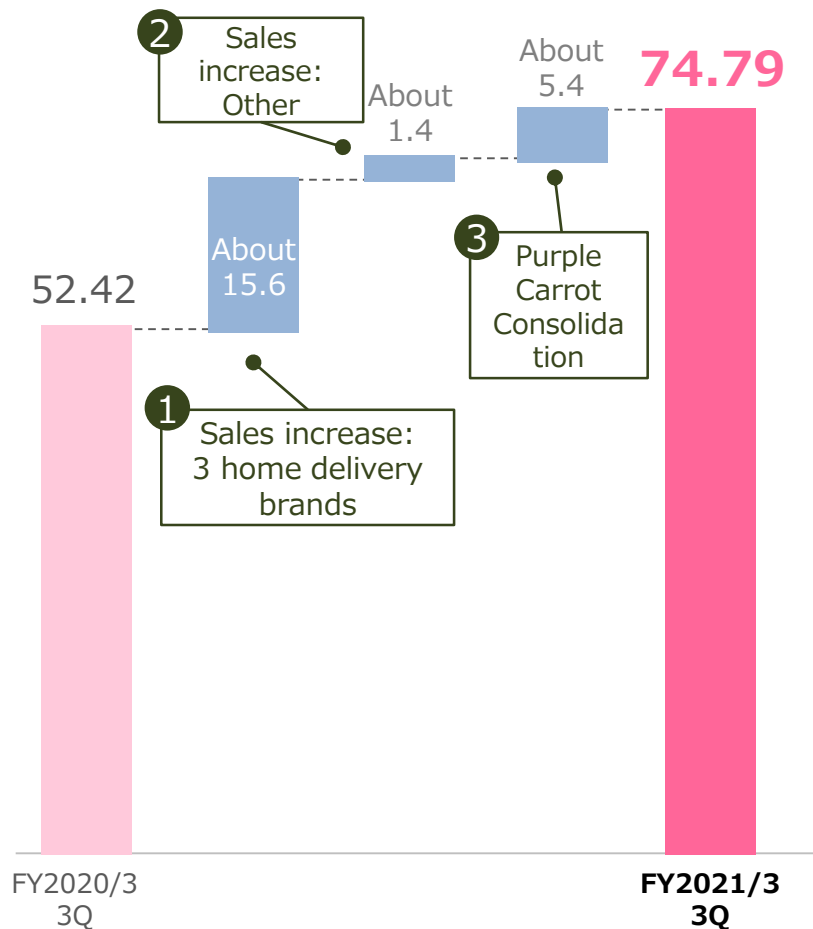
6.13 bn yen

(YoY +284%)



YoY : Sales

■ Sales (bn yen)



1 Sales increase (3 home delivery brands) : about 15.6bn yen

- Increase in ARPU : about 8.8bn yen
- Increase in subscribers : about 6.8bn yen

2 Sales increase: Other : about 1.4bn yen

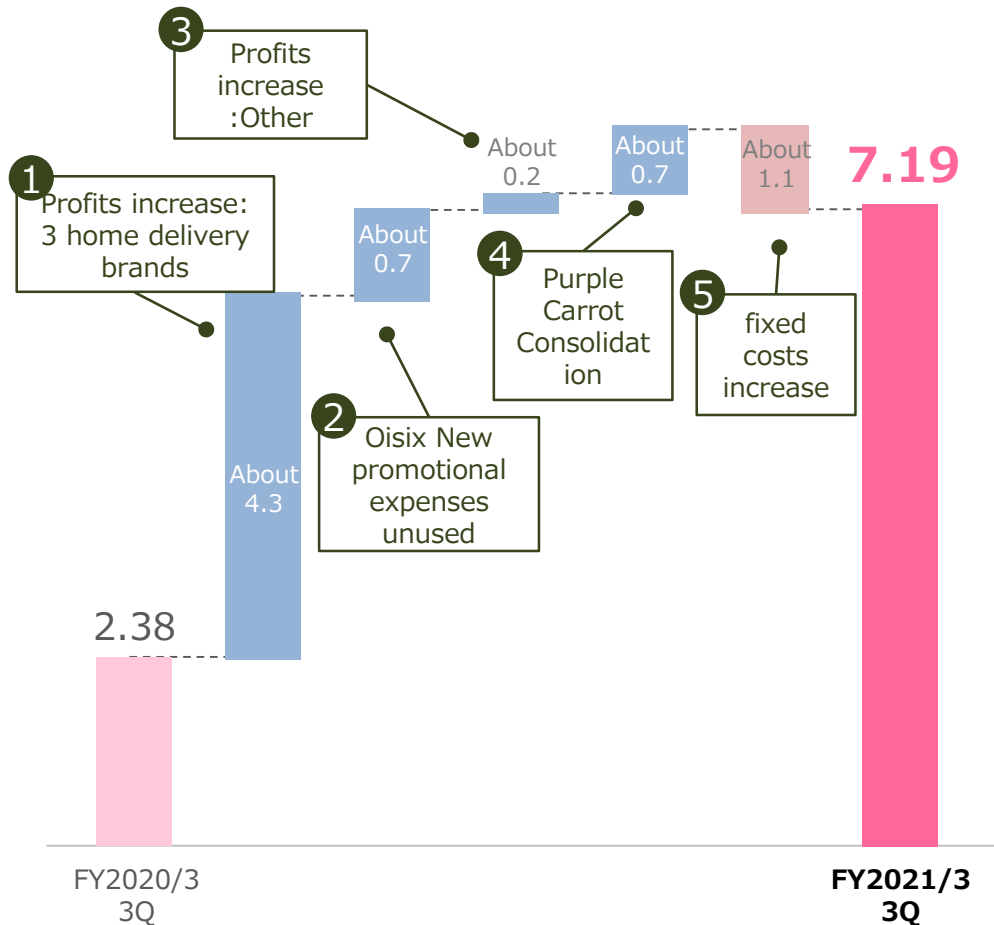
- EC support/Hong Kong : about 1.7bn yen
- Kindergarten wholesale : about ▲0.3bn yen
- Etc.,

3 Purple Carrot Consolidation : about 5.4bn yen

Compared to the previous term, the Purple Carrot result will be added in 1H. (See page 3 for details)

YoY : EBITDA

EBITDA (bn yen)



1 Profits increase: (3 home delivery brands) : about 4.3bn yen

- Increase in ARPU : about 2.59bn yen
- Increase in subscribers : about 1.8bn yen

2 Oisix New promotional expenses unused : about 0.7bn yen

3 Profits increase(Other) : about 0.2 bn yen

- EC support/Hong Kong : about 0.2bn yen

4 Purple Carrot Consolidation : about 0.7bn yen

- Return to profitability for the first time
- Compared to the previous term, the Purple Carrot result will be added in 1H. (See page 3 for details)

- Includes earn-out costs due to strong performance

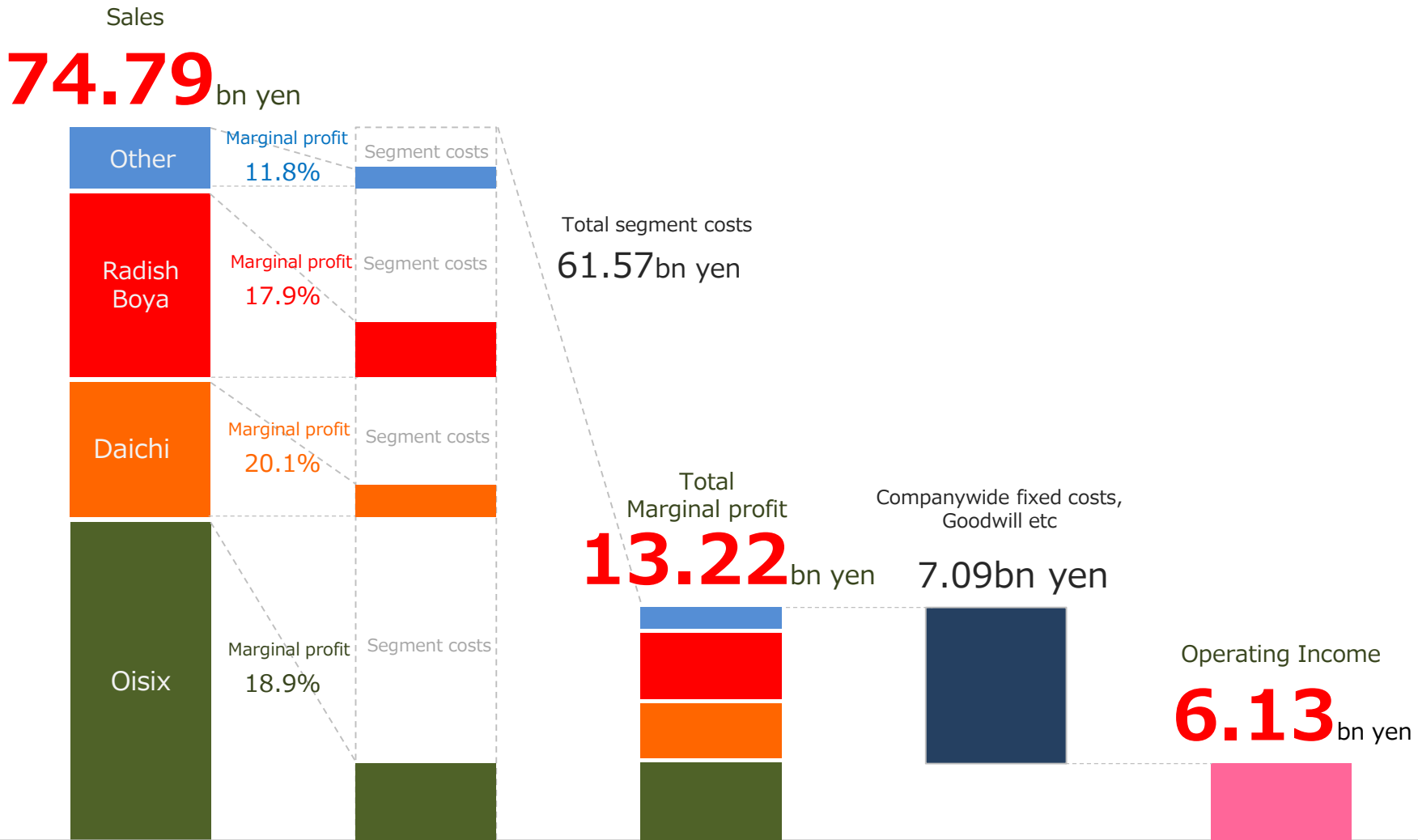
5 Companywide fixed costs increase : about 1.1bn yen

- Costs for COVID-19
- Costs for Listing to First Section of the TSE
- Costs for labor due to business expansion Etc.,

Business segment Results

	Sales	Segment profit	Overview
Oisix	37.03bn yen (YoY +40%)	7.01bn yen (YoY +115%)	<ul style="list-style-type: none"> •Subscribers increased by roughly 10,000 reflecting our ability to implement new subscriber acquisition activities as per usual. •ARPU increased by about 15%YoY
Daichi	10.76bn yen (YoY +36%)	2.16bn yen (YoY +55%)	<ul style="list-style-type: none"> •A good balance between new acquisitions and churn has allowed us to maintain a slight increase in 3Q subscriptions. •ARPU increased by about 10%YoY
Radish Boya	13.65bn yen (YoY +20%)	2.44bn yen (YoY +22%)	<ul style="list-style-type: none"> •Subscribers down slightly as priority continues to be placed on service-quality enhancement. •ARPU increased by about 10%YoY
Other business	13.60bn yen (YoY +113%)	1.59bn yen (YoY +144%)	<ul style="list-style-type: none"> •EC support business and overseas business are growing steadily. •rick-and-mortar (real) businesses, such as nursery school wholesale, saw sales recovery to near year-earlier levels. •Purple Carrot's 1H sales/profits were consolidated providing a boost to earnings. Business there has remained robust in 3Q.

Business segment Results Overview



1-2. 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

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- Real Retail Business

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

Oisix KPI

Subscribers : Increase in subscribers of roughly 10,000 in 3Q reflects not only healthy new subscriber acquisitions, but continued declines in the churn rate.

ARPU : Increased roughly 15% YoY on strong sales of such items as collaborative kits and seasonal New Year holiday products.

■ No. of subscribers

285,168

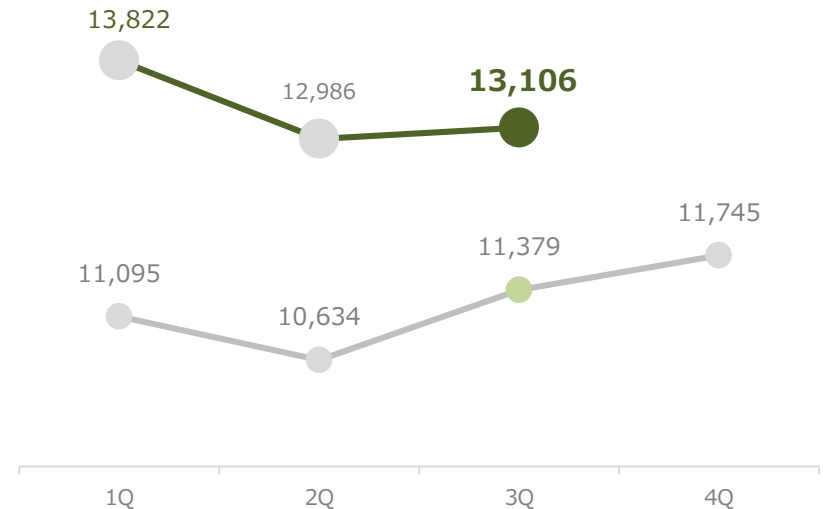
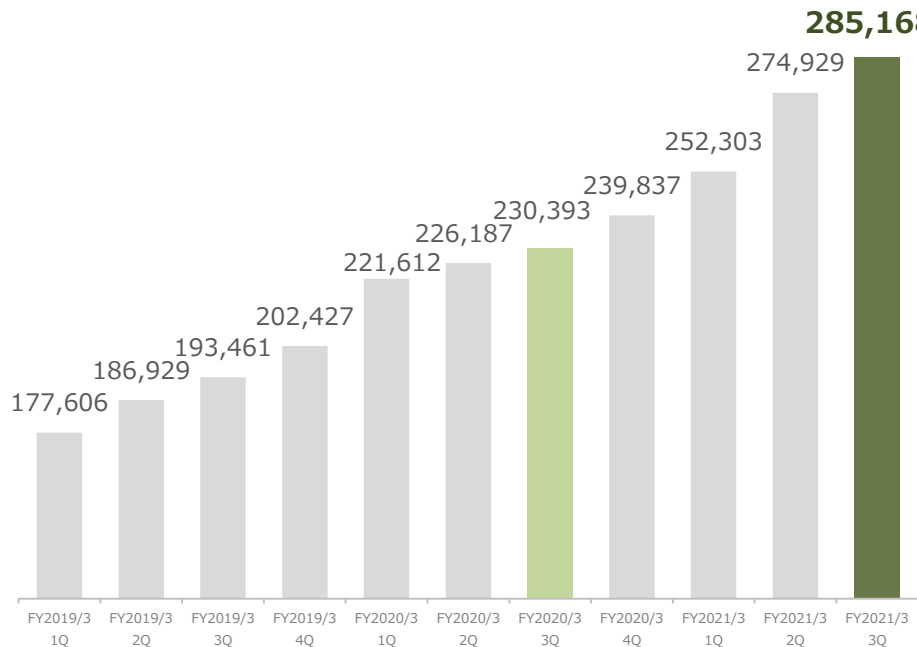
(YoY +24%)

■ ARPU[※]

13,106 yen

(YoY +15%)

— FY2020/3
— FY2021/3



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

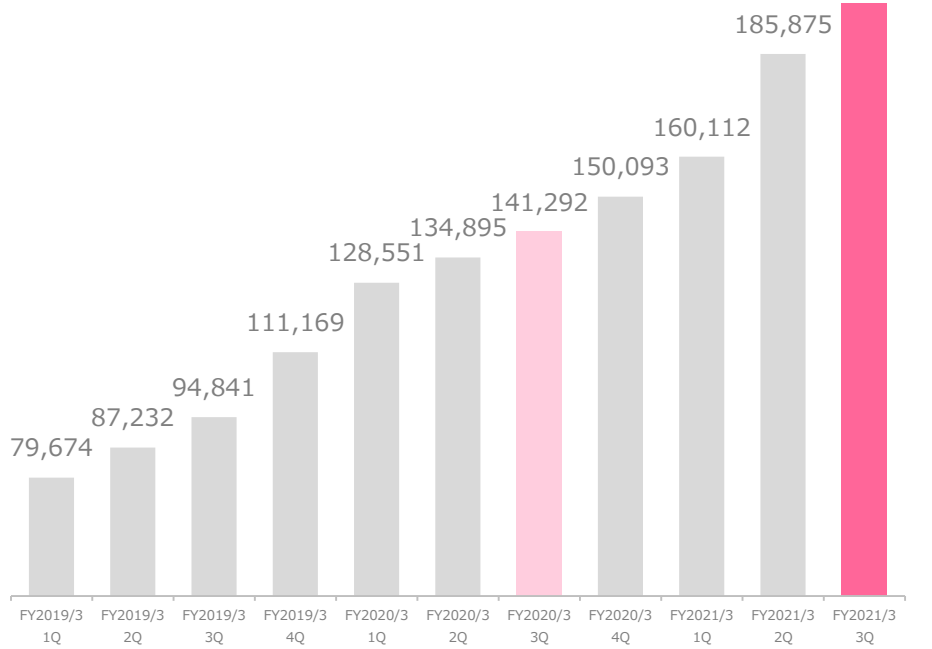
Oisix KPI

Prolonged stay-at-home practices by COVID-19 has led to the emergence of “getting tired of eating at home” as a problem. Offering time savings and premium cooking experiences, subscriptions to Kit Oisix Courses have increased substantially.

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

198,630

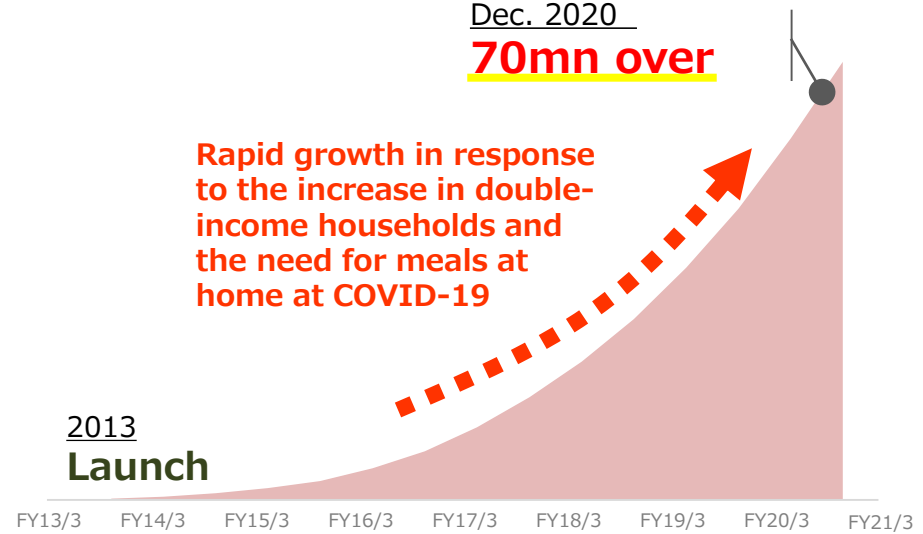
(YoY +41%)



◆ The number of meals sold by Kit Oisix

Dec. 2020
70mn over

Rapid growth in response to the increase in double-income households and the need for meals at home at COVID-19



✓ Cumulative sales exceeded **70 min meals**



Oisix Topics

-Kit Oisix/Vegan Kit

The second collaborative Disney Kit, like the first, was well received with lots of favorable customer feedback. On heightened health awareness, demand for Kit Oisix using only vegan ingredients also saw strong growth.

■ Disney Kit

- ✓ To create the future of children's food, we developed a product jointly developed with Disney in 3Q.
- ◆ Family-made Kit Oisix
<Frozen> Snow stew in the ice world



■ Vegan Kit

- ✓ Increased demand for vegan kits due to reduced outing opportunities and increased awareness of healthy eating habits
- ◆ <Supervised by cook Emi Sugiyama>
Tomato cream stew with plenty of mushrooms



Oisix Topics

-“Chanto” Oisix

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

With time spent at home increasing, desire for more sophisticated cooking is expanding. Subscriptions for CHANTO Oisix, which provides 5-days of ingredients and menus that help eliminate food waste, is growing.

■ Popular Life information magazine “Lettuce Club” Collaboration

- ✓ Supervised by a popular life information magazine, we provide recipes for smart cut-out techniques and the use of vegetables that tend to be left over.



5 days of ingredients
and recipes
for using up 1 cabbage



■ Handmade “Osechi” set

- ✓ We respond to the needs of customers who want to take on the challenge of making “Osechi”, which they have never had the opportunity to make.



13 ingredients and recipes



Oisix Topics

-Restaurant support

With announcement of another state-of-emergency, initiatives for “Home Bundle Restaurants” have been strengthened. We supply not only food ingredients, but pots/pans and other cooking utensils for a “restaurant experience.”

■ Delivery set including special equipment

- ✓ Delivered as a set with special equipment.
A plan to enjoy a restaurant experience while staying at home



Motsunabe & Vegetable Set



- Pot
- Ladle
- Non-woven apron
- Store menu table



3 kinds of hamburger steak comparison set



- Iron plate
- Wooden plate
- Store menu table



■ Restaurant support Campaign

- ✓ We distribute coupons to those who purchase our restaurant products. Promote restaurant menu sales
- ✓ We also solicit support comments and foster a mindset that "eating a restaurant menu at home will help".



Oisix Topics

–Sayama Station

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

As scheduled, test operations were completed in 3Q and normal operations were commenced in January. Shipping operations running without major trouble.

Status of shipping capacity

- ✓ After 3Q test operation, normal operation started in January
- ✓ Due to the effect of test operation, it can be operated without major shipping troubles.
- ✓ On the other hand, shipping capacity increased 50% and systems have been put in place to handle sudden surges in demand should COVID-19 reaccelerate.



Initial investment and increase in logistics costs

- ① Initial investment : About 50 million (Depreciation period: 7 to 10 years planned)
- ② Increase in logistics costs : About 15 million/month (during 4Q of this term to 3Q of next term)

(Re-posting) Future shipping system

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

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

Exceeding logistics capacity

Status / Measures	<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 	<p>NOW</p> <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 	<ul style="list-style-type: none"> Shin-Ebina Station (※Fujisawa and Sayama will be closed after Oct. 2021. Zama is dedicated to shipping radish)
	<p>+10% increase in shipping capacity</p>	<p>Up to +50% increase in shipping capacity</p> <p>*Covers capacity up to the start of operation of the Shin-Ebina Station</p>	<p>Maximum shipping capacity +200% increase</p>

Daichi KPI

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

Subscribers : A good balance between new acquisitions and churn has allowed us to maintain a slight increase in 3Q subscriptions.

ARPU : **Increase roughly 10% YoY** reflecting higher demand as customers refrained from hometown travels and elected to stay home during New Year holidays.

■ No. of subscribers

44,998

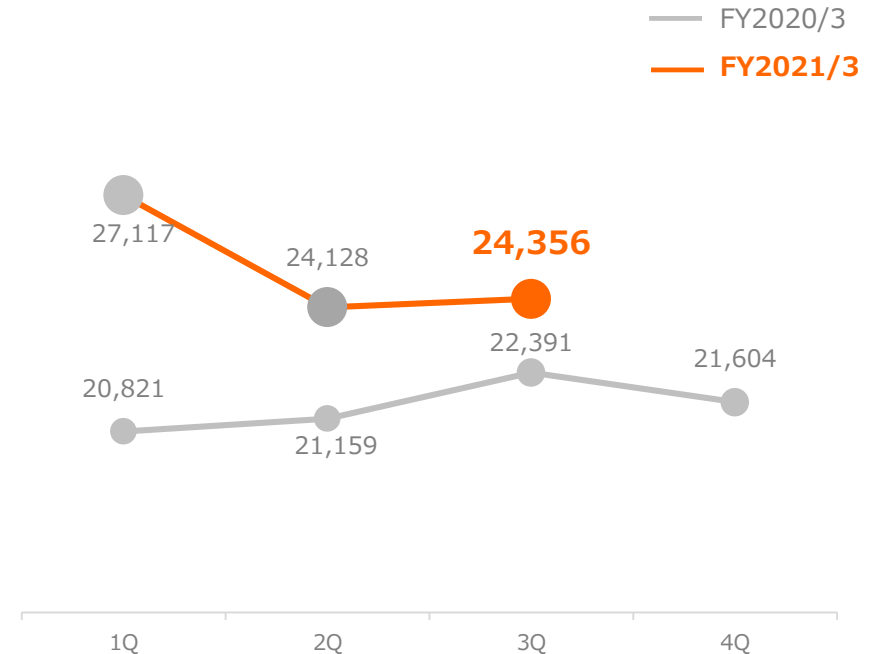
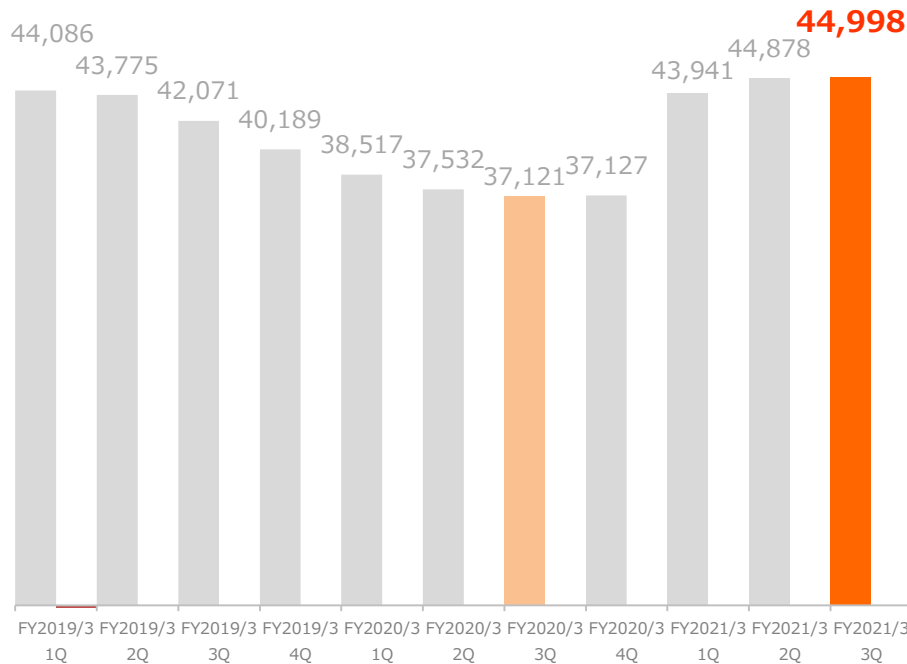
(YoY +21%)

■ ARPU*

24,356

 yen

(YoY +9%)



Promoting product development to meet the needs of two-person senior households. Also looking to expand fermented items whose demand has increased with COVID-19.

■ Products for seniors living with two people

- ✓ The seasonal fish series launched in October is popular with seniors who want to have a healthy diet.
- ✓ By introducing new items frequently,
Contributes to overall I TV increase



■ Expansion of fermented items

- ✓ New product "Lactic Acid Bacteria Drink Born from Domestic Soybeans" is off to a good start selling more than 20,000 bottles in roughly three months.
- ✓ In light of heightened health awareness by COVID-19, we aim to expand the fermented product line-up to meet growing needs.



Radish Boya KPI

Domestic Delivery business
(Three major brands)

Domestic Delivery business
(Other)

Other Business

Subscribers : Subscriptions down slightly as priority continues to be placed on service-quality enhancement.

ARPU : Increase roughly 7% YoY reflecting higher demand as customers refrained from hometown travels and elected to stay home during New Year holidays.

■ No. of subscribers

61,518

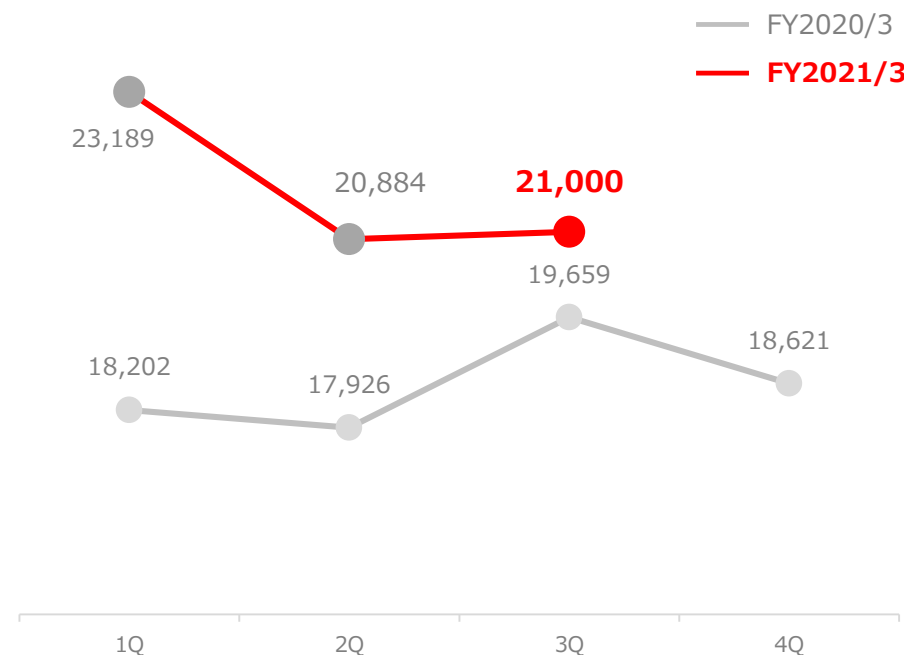
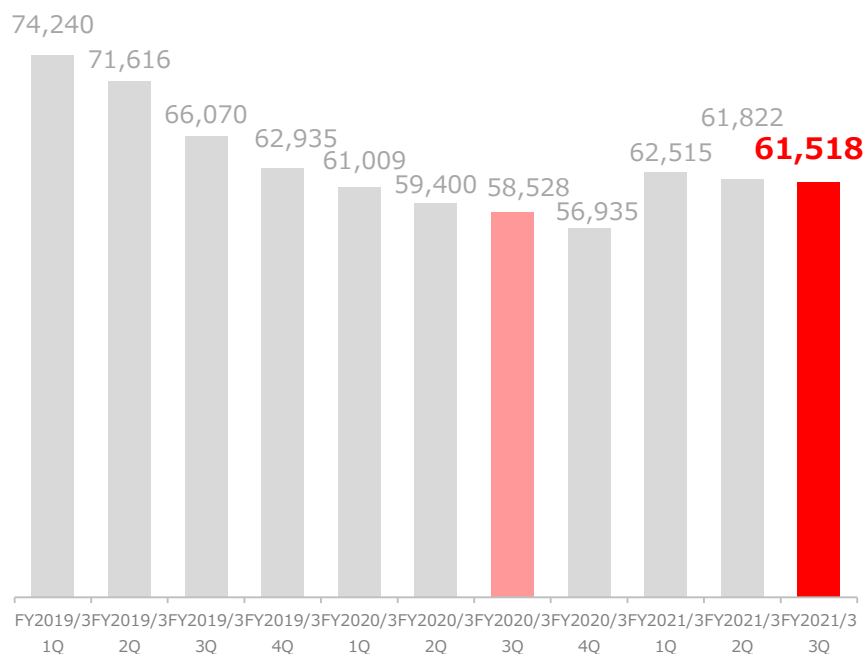
(YoY +5%)

■ ARPU[※]

21,000

 yen

(YoY +7%)



Radish Boya Topics

The churn rate for Palette, a major subscription course, declined due to negative improvement measures. In addition, the number of subscription courses, such as meat and fish, increased, contributing to an overall improvement in LTV

■ Palette reduction of churn rate

- ✓ Reduced churn rate by implementing measures such as "changing vegetable combination rules" and "reflecting difficult-to-use and easy-to-use vegetables in planting plans"



◆ <Palette> Assorted boxes of seasonal vegetables

■ Increased contracts for meat and fish subscription courses

- ✓ Due to specification changes based on customer feedback, the number of subscribers who make regular contracts in addition to Palette is increasing.
- ✓ Sales promotion utilizing the resources of sales staff who acquired new subscribers is also strong



Domestic Delivery business Topics

-Year-end and New Year product sales

Duo to COVID-19, as customers refrained from hometown travels during New Year holidays, time spent at home increased. Helped by robust demand for seasonal New Year holiday products, sales rose 40% YoY.

■ Osechi

- ✓ Due to measures such as strengthening advance reservations and selling pairs to home + parents' home, sales will end earlier than originally planned



■ Other year-end and New Year products

- ✓ Due to the influence of stay homes, purchases of high-priced year-end and New Year products increased. Sales of hot pots and seafood are strong.



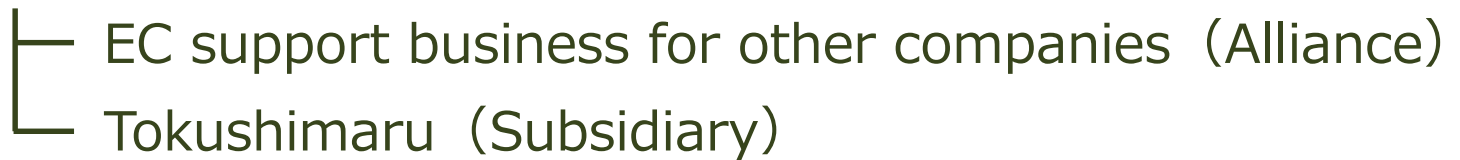
The Company as a whole achieved seasonal year-end product sales of **over +40% YoY.**

Overview of Business Segments

① Domestic Delivery business (Three major brands)



② Domestic Delivery business (Other)



③ Other Business



Subscriptions have continued to increase on Covid driven demand for home delivery. Similar to the domestic Home Delivery Business, ARPU, whilst showing signs of stabilizing, has been YoY positive.

■ ISETAN DOOR

••Support for Isetan Mitsukoshi's EC business Commissioned from operation and management of EC sites to distribution and delivery.



- ✓ Subscribers grew about + 10% QoQ
- ✓ Home delivery needs are gradually settling down, but sales of Christmas products increased by 140% YoY.

■ d-meal kit

••Started in July 2019 in collaboration with NTT Docomo. Offer regular delivery services, mainly meal kit for NTT Docomo's customers.



- ✓ Subscribers grew about + 20% QoQ
- ✓ New acquisitions from docomo owned media and new acquisitions through telework support projects are strong.

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

Tokushimaru(subsidiary)

Both transaction value and vehicles in operation saw robust growth. COVID-19 driven demand for mobile sales has remained high and we have continued to add over 50 new vehicles each quarter.

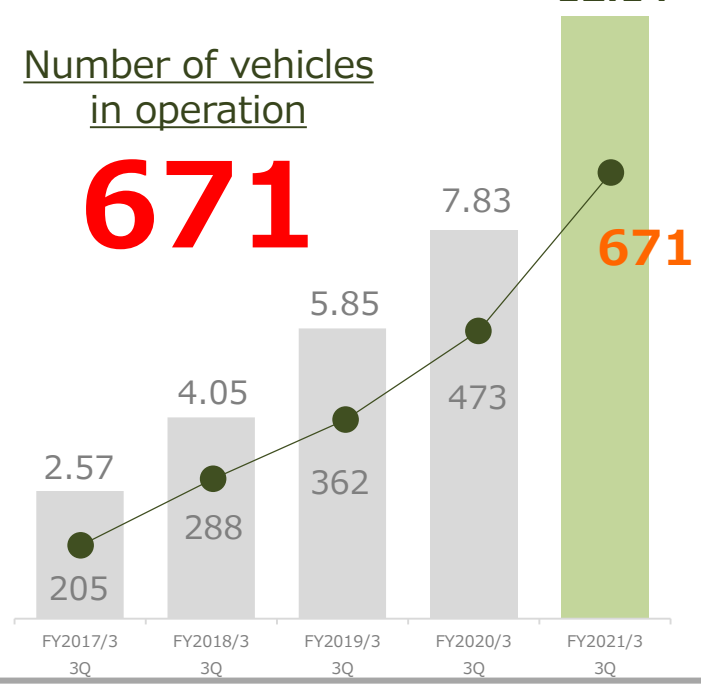
The 1H value of circulation

12.14bn yen

(YoY +55%)

Number of vehicles
in operation

671



Development Scale

Number of affiliated
supermarkets

140



Overview of Business Segments

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- Tokushimaru (Subsidiary)

③ Other Business

- Overseas Business
- Real Retail Business

Purple Carrot(U.S.)

※Purple Carrot shows the business situation from Jul. to Sep.

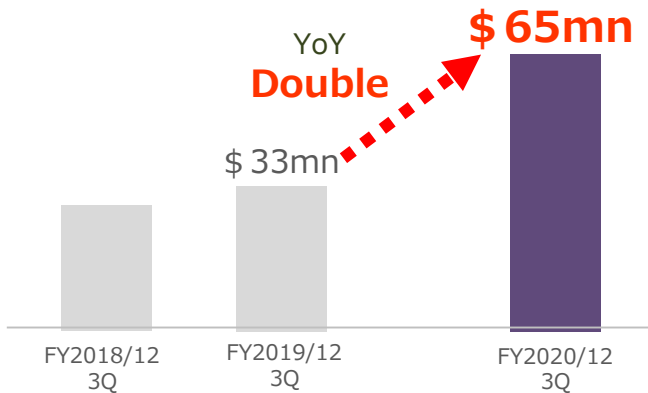
Domestic Delivery business (Three major brands)
Domestic Delivery business (Other)
Other Business

Whilst Covid driven growth in subscriptions is beginning to stabilize, we have maintained quarterly profitability. With next fiscal year in mind, we aim to position ourselves for scale expansion and advance our intrinsic earnings power.

Business status

- ✓ Similar to 1H, quarterly profit was achieved in 3Q (Jul.~Sep).
- ✓ Although the growth of subscribers is gradually settling down, churn has been suppressed more than expected and the net increase continues.
- ✓ LTV increased by about + 10% YoY

◆Changes in sales over 2 Fiscal Year



Business Topics

- ✓ Purple Carrot's Vegan Meal Kit Contributes to Cholesterol and Weight Loss*
- ✓ Clinically proven to contribute to a healthy diet in addition to the convenience of meal kits



Hong Kong/Shanghai

Hong Kong : Whilst the effects of Covid are settling down, we expect continued profitability this year.

Via service/product refinement, we aim to actively grow and secure sales/profit.

Shanghai : Developing new subscriber acquisition programs to attract new members.

■ Hong Kong

- Launched the service in 2009. Cross-border delivery of Japanese products



- ✓ Whilst the effects of Covid are settling down, we expect continued profitability this year.
- ✓ LTV has benefited from implementation of the "\$0 Pass" subscription service which borrows from Oisix's "Prime Pass" program.

■ Shanghai

- Launched the service in 2017. Deliver products that meet Oisix product standards by local procurement



- ✓ Collaborate with local cooking classes and chefs to further increase the value of the meal kit service
- ✓ Building a service that can be used continuously to expand the meal kit business

Real Retail Business

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

SinS : As measures to generate repeat purchases, we have implemented weekly menu postings and digital advertisements.

Nursery School Wholesale :

Reflecting expansion of participating nursery schools, parent 3Q sales increased YoY. Profitability improving with completion of the distribution warehouse relocation.

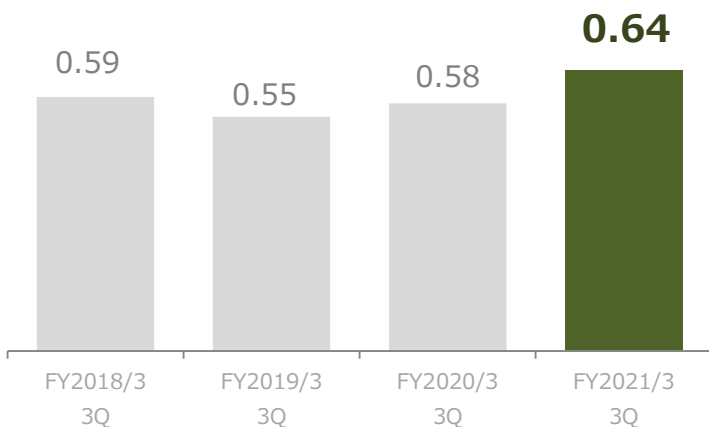
Shop in Shop

Sales

0.64 bn yen

No. of shops

158



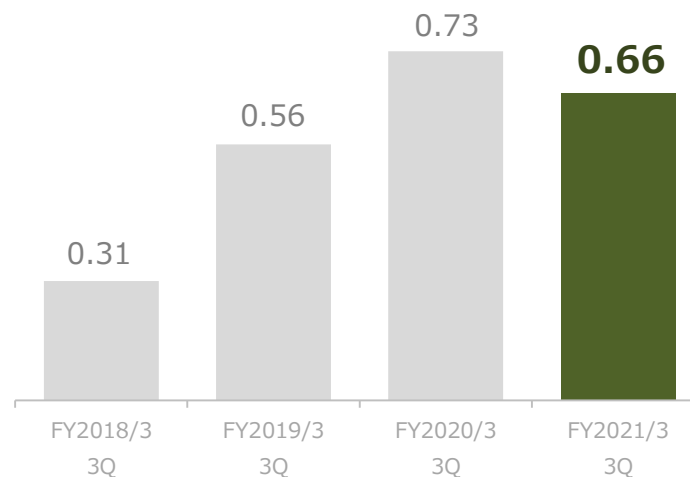
Nursery School Wholesale

Sales

0.66 bn yen

No. of trading
nursery school

429



1-3. Results Forecast Revisions

Highlights of Results Forecast Revisions

The decline in subscriptions/ARPU has been limited relative to October guidance. Given better visibility of COVID-19 impact on real brick-and-mortar businesses, we have revised our full-year forecast.

	Initial forecast	Previous Forecast(Oct.)	Revised forecast	Change	%
Sales	78.00 bn yen	90.00 bn yen	97.50 bn yen	+7.50bn yen	+8.3%
EBITDA	4.40 bn yen	6.40 bn yen	8.00 bn yen	+1.60bn yen	+25.0%
Operating Income	3.00 bn yen	5.00 bn yen	6.50 bn yen	+1.50bn yen	+30.0%
Net income Attributable to owners of the parent	1.20 bn yen	2.50 bn yen	4.00 bn yen	+1.50bn yen	+60.0%

Outlook for FY2021/3

Increase in subscriptions up to 3Q is assumed to continue to contribute to sales/profits. The COVID-19 driven tail wind boosting ARPU, however, is assumed to weaken. In 4Q, we assume new PR spending, higher logistical costs with full-scale operations at Sayama Station, and higher recruitment costs.

	Revised forecast	Results as of 3Q (Achievement Rate)	4Q Outlook
Sales	97.50 bn yen	74.79bn yen (77%)	Sales <ul style="list-style-type: none"> + Sales increase due to the number of subscribers increases + Affiliates that saw a downward trend in 1H earnings by COVID-19, are now seeing recovery. - Possibility that ARPU will gradually decrease
EBITDA	8.00 bn yen	7.19bn yen (90%)	Costs <ul style="list-style-type: none"> ✓ Oisix: Investing large-scale upfront PR expenses for next season and unspent PR expenses in the 1H. ✓ Daichi/Radishbo-ya: Investing PR expenses for up-front investment for the next FY. ✓ Increase in logistics costs due to the operation of Sayama station. (4Q) ✓ Expenses for strengthening recruitment in line with business expansion
Operating Income	6.50 bn yen	6.13bn yen (94%)	
Net income Attributable to owners of the parent	4.00 bn yen	3.90bn yen (98%)	

Forecast revision by segment

		Previous Forecast (Oct.)		Revised forecast	
		Sales	Segment profit (Exclude the impact of goodwill amortization)	Sales	Segment profit (Exclude the impact of goodwill amortization)
Home Delivery Business	Oisix	45.00bn yen	7.00bn yen	49.00bn yen (change rate +9%)	8.00bn yen (change rate +14%)
	Daichi	12.00bn yen	2.45bn yen	13.50bn yen (change rate +13%)	2.60bn yen (change rate +6%)
	Radish Boya	16.50bn yen	3.00bn yen	17.00bn yen (change rate +3%)	3.00bn yen (change rate ±0%)
Other Business		16.50bn yen	1.40bn yen	18.00bn yen (change rate +9%)	1.80bn yen (change rate +29%)

Forecast revision by subscribers

* 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

■ Outlook of subscribers

FY2021/3

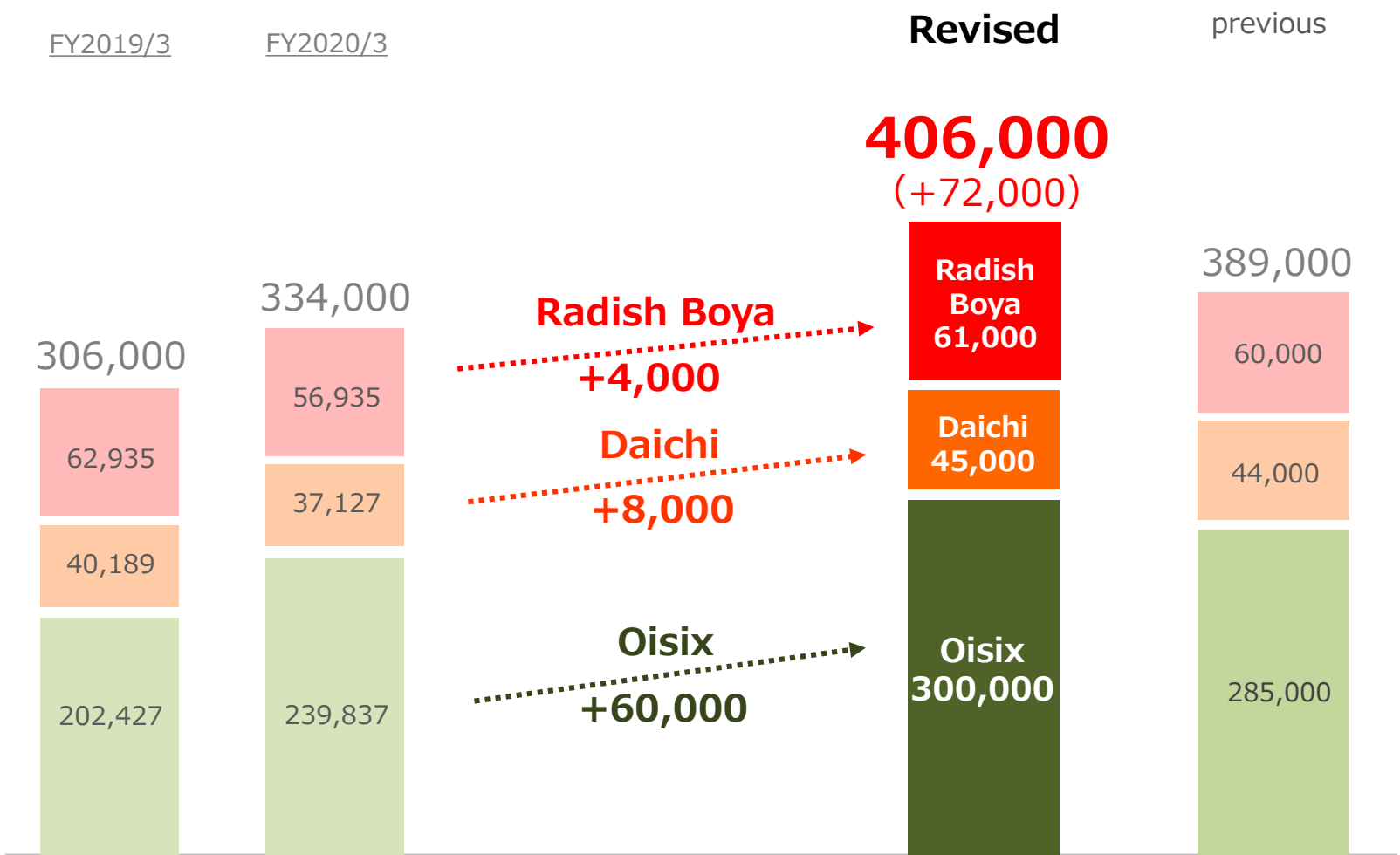


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2-2. Social activities under COVID-19 circumstances

2-3. ESG Topics

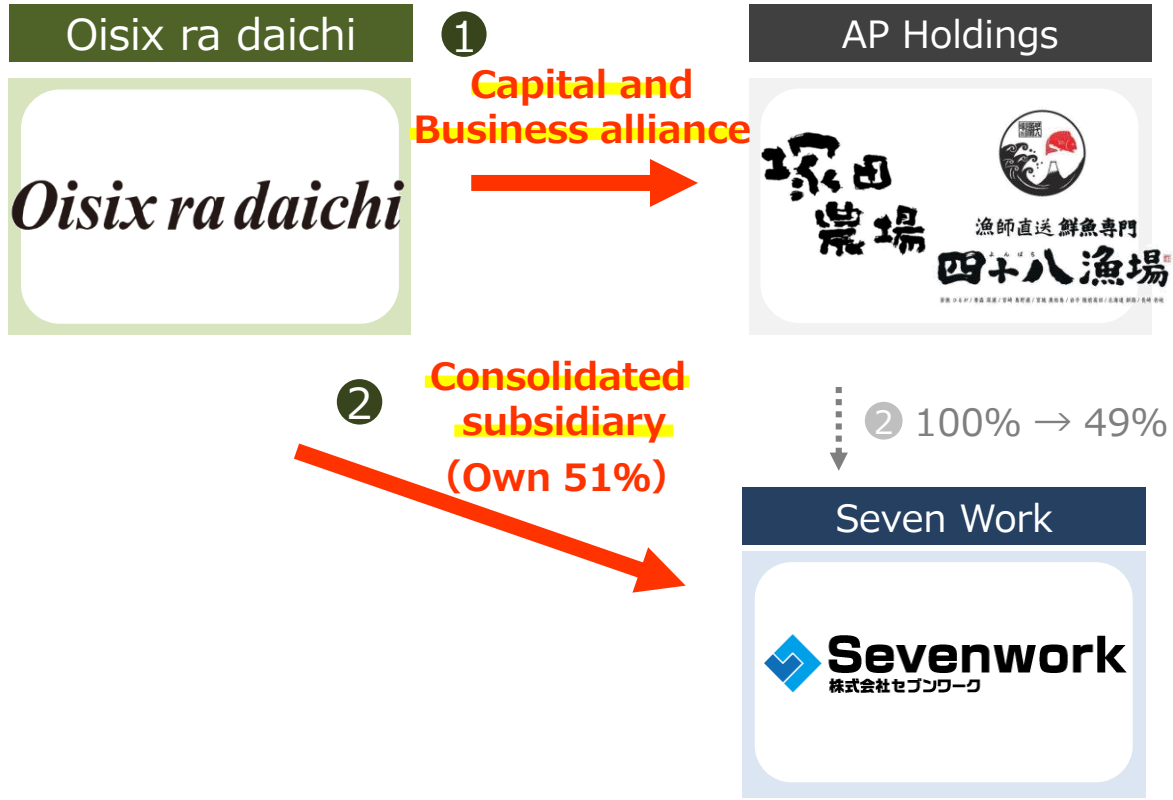
■ APPENDIX·DATA SHEET

2-1. Business Topics

- ① **Capital and business alliance with AP Holdings Co., Ltd./ a consolidated subsidiary of Seven Work Co., Ltd.**
- ② Repurchase of shares
- ③ Progress of food tech business

**Capital and Business alliance formed with APHD/
Made Seven Work a consolidated subsidiary**

**Capital and business alliance formed with AP Holdings Co., Ltd. (APHD).
Seven Work Co., Ltd., a marine products wholesale subsidiary of APHD,
became a consolidated subsidiary via share transfer.**



① Capital and business alliance formed with APHD
(Investment: 2/28)

- ✓ About ¥240 million was invested by underwriting a part of APHD's third-party allotment of capital.

② Made Seven Work a consolidated subsidiary
(Consolidated : 3/31)

- ✓ Made Seven Work Co., Ltd., a subsidiary of APHD and a wholesaler of marine products, a consolidated subsidiary by transferring 51% of shares
- ✓ Company name is also scheduled to be changed to *"Toyosu Gyosho Sanchoku Ichiba"*

Business synergies

We aim to create business synergies with both companies at an early stage, such as strengthening the marine products category by utilizing the unique distribution network and product proposal capabilities of "*Toyosu Gyosho Sanchoku Ichiba*" (Seven Work)"

Oisix ra daichi

Oisix ra daichi

- Direct transactions with producers
- Manufacturing and processing factory
- About 380,000 subscription members
- Restaurant support EC "Ouchi Restaurant"



AP Holdings

- Brand power
- Production and distribution network of ingredients such as local chicken and fresh fish
- Domestic and overseas 235 store network

Toyosu Gyosho Sanchoku Ichiba

- Unique procurement and distribution network that can be purchased from both "market" and "direct delivery"
- Purchasing culture from the customer's perspective

- ✓ **Increase SKU / Propose high value products, reduce costs** in our marine products category
- ✓ **Cost reduction** through joint procurement of ingredients and joint use of manufacturing and processing factories
- ✓ **Strengthening collaboration** at "Ouchi Restaurants"

- ① Capital and business alliance with AP Holdings Co., Ltd./ a consolidated subsidiary of Seven Work Co., Ltd.
- ② **Repurchase of shares**
- ③ Progress of food tech business

Repurchase of shares

Implemented Repurchase of shares of roughly 4.5 bn yen in January.
As we look to business expansion, treasury stock will be used to accelerate capital alliances and/or M&A activities.

■ Details of Share Repurchase

◆ Total number of shares repurchased

: 1,465,700 shares
(3.86% of the total issued shares (excluding treasury shares))

◆ Total repurchase price

: About 4.5 bn yen

◆ Reason for Share Repurchase

: We considers the policy for the disposal of acquired treasury stock is the use for M&A or business alliances.

- ① Capital and business alliance with AP Holdings Co., Ltd./ a consolidated subsidiary of Seven Work Co., Ltd.
- ② Repurchase of shares
- ③ **Progress of food tech business**

Future Food Fund

Established as Japan's first CVC specializing in Food Tech, and completed raising 2 billion funds from LP14 companies. A wide range of investments such as New Food/ Agritech including investees and overseas start-up companies

Future Food Fund

Japan's "First" Food Tech specialized CVC



Completed 2 billion financing from 14 LPs

Food Tech Startup

Invest in various startups both domestically and internationally

Food Tech/New Food

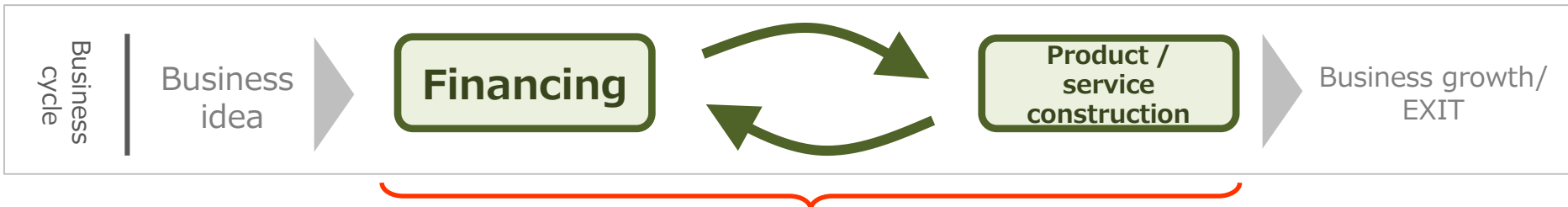


Agriculture Tech



Features of the Food Tech Ecosystem

Utilizing our experience at the time of our founding, we will build an ecosystem of food tech that provides a wide range of support by making maximum use of the platforms of operating companies that participate as LPs, not just investment activities.



By comprehensively following the business growth of startups, the speed of business growth will be significantly accelerated.

Utilization of various LP assets and know-how

◆ Example

- Sales
 - MOS BURGER
 - コングルサート
 - KOKUBU
 - SEVEN ELEVEN HOLDINGS
- Import /Logistics
 - 豊田通商株式会社
- Infrastructure
 - K4 Ventures
 - 西松建設

Collaboration and support with proven American VCs and incubators

Service experiment utilizing startup specialty EC sales floor

*2-2. Social activities
under COVID-19 circumstances*

Social activities

-Healthcare worker support

“We Support,” which is a food support platform for medical professionals, has supplied a total of 440,000 foods Provided to medical institutions, the total amount of support exceeded 0.42 bn yen.

医療従事者を食で応援

WeSupport

••A platform that connects medical institutions with food support companies

Support achievement

- ◆ Total amount of support : About **0.42** bn yen
- ◆ Total amount of support meals : About **440,000** meals
- ◆ Support company : **104**
- ◆ Support medical institution : **80**

Voices from supported medical institutions

<surprise Christmas presents!>



At every workplace I saw scenes where smiles overflowed. We also posted your good-luck card on the hospital bulletin board for viewing by all staff.

<Delivering our “Osechi” to hospitals.>

“The Osechi taste was just right, delicious, and was well received by all. The grandeur was much greater than anyone expected to everyone’s surprise. Thank you!”



Social activities

-Producer / Local support

Supporting sales of "Chef Purveyor Vegetables" for hotels/restaurants where demand has evaporated. Measures implemented to support local governments with the B-1 Grand Prix collaboration kit being one example.

【For Producer】

■ Support sales of "chef purveyor vegetables"

- ✓ Support sales of colorful vegetables shipped to restaurants and hotels
- ✓ Delivered as a meal kit or menu set, contributing to reducing food loss in the fields



▲カラフル野菜のグリルサラダ



【For Local support】

■ B-1 Grand Prix collaboration Kit

- ✓ Local gourmet Kit Oisix is on sale to support the postponement of the town revitalization event "B-1 Grand Prix"



▲Hachinohe rice cracker soup

■ Collaboration kit with high school students in Hokkaido

- ✓ We received a proposal from a high school student in Hokkaido to develop Kit Oisix for "Katsumeshi", a soul food in Urakawa, and sold it.



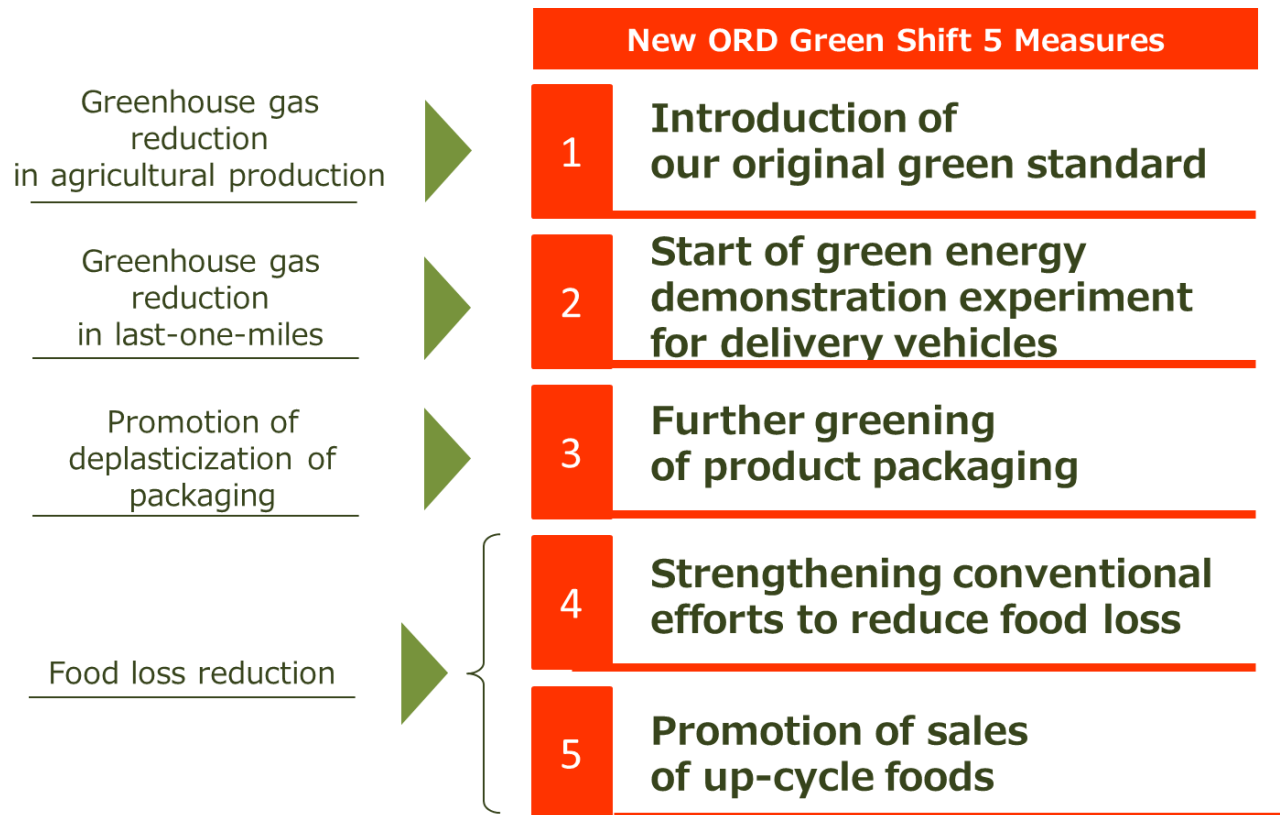
▲Urakawa Katsume

2-3. ESG Topics

(Re-posting) New ORD Green Shift 5 Measures

We have formulated a new green-shift strategy aimed at reducing greenhouse gases and plastics use. Based on five core initiatives, we look to implementation next.

■ New ORD Green Shift 5 Measures



Progress of new ORD green shift measures

		Goal	Current progress
1	Introduction of our original green standard 	Within the next five years, we aim to reduce by one-half the greenhouse gas emissions that relate to our agricultural production.	<ul style="list-style-type: none"> • Under investigation of greenhouse gas emissions
2	Start of green energy demonstration experiment for delivery vehicles 	Reducing greenhouse gas emissions via conversion of in-house delivery vehicles to EV	<ul style="list-style-type: none"> • Preparing for the introduction of EV vehicles with <i>Tokushimaru</i> sales vehicles
3	Further greening of product packaging 	Switching our product packaging to environmentally friendly materials to over 50% within the next 5 years	<ul style="list-style-type: none"> • Started investigation and study for changing materials such as outer bag and cushioning material of Kit Oisix
4	Strengthening conventional efforts to reduce food loss 	Eliminate food loss for each home delivery brand	<ul style="list-style-type: none"> • Examination of methods for zeroization
5	Promotion of sales of up-cycle foods 	Building Oisix's own up-cycle sales site	<ul style="list-style-type: none"> • Started trial production of up-cycle products • Investing in up-cycle companies/ purchasing products through Future Food Fund

IR Excellent Company Encouragement Award/ Consumer-oriented management best practices awards

Recipient of the "IR Excellent Company Promotion Award" for small and medium-sized companies actively engaged in IR. Also received the "Excellence Award for Consumer-oriented Management Practices" which recognizes superior consumer-oriented management practices.

■ IR Excellent Company Promotion Award



- ✓ We were recognized for the clarity of our financial results reporting, the aggressiveness with which we provide English disclosure, and the content of investor dialogue.

■ Excellence Award for Consumer-oriented Management Practices



- ✓ We were recognized for our efforts to help solve social issues such as time-saving needs, health, and the environment as they relate to food, and for achievements in our consumer perspective driven Home Delivery Business.

Supporting the development of depopulated areas

Selling products made in collaboration with the "Home of the Art Festival of the Earth" which engages in regional revitalization through the power of art. Returning a portion of profits to support the sustainable development of depopulated areas.

■ Organic African Louis Bostee is a collaborative product of the "Home of the Art Festival of the Earth."

- ✓ Supporting efforts to solve problems in depopulated areas via pairing of designs by artists from the Art Festival of the Earth with our sales capabilities.



■ Art Festival of the Earth Echigo-Tsumari Art Triennale

- ✓ A triennial international art festival aimed at 'disseminating information' about and 'invigorating' Echigo-Tsumari.



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 million yen

Employees : 860 (consolidated), as of the end of March 2020

Overview of Affiliates

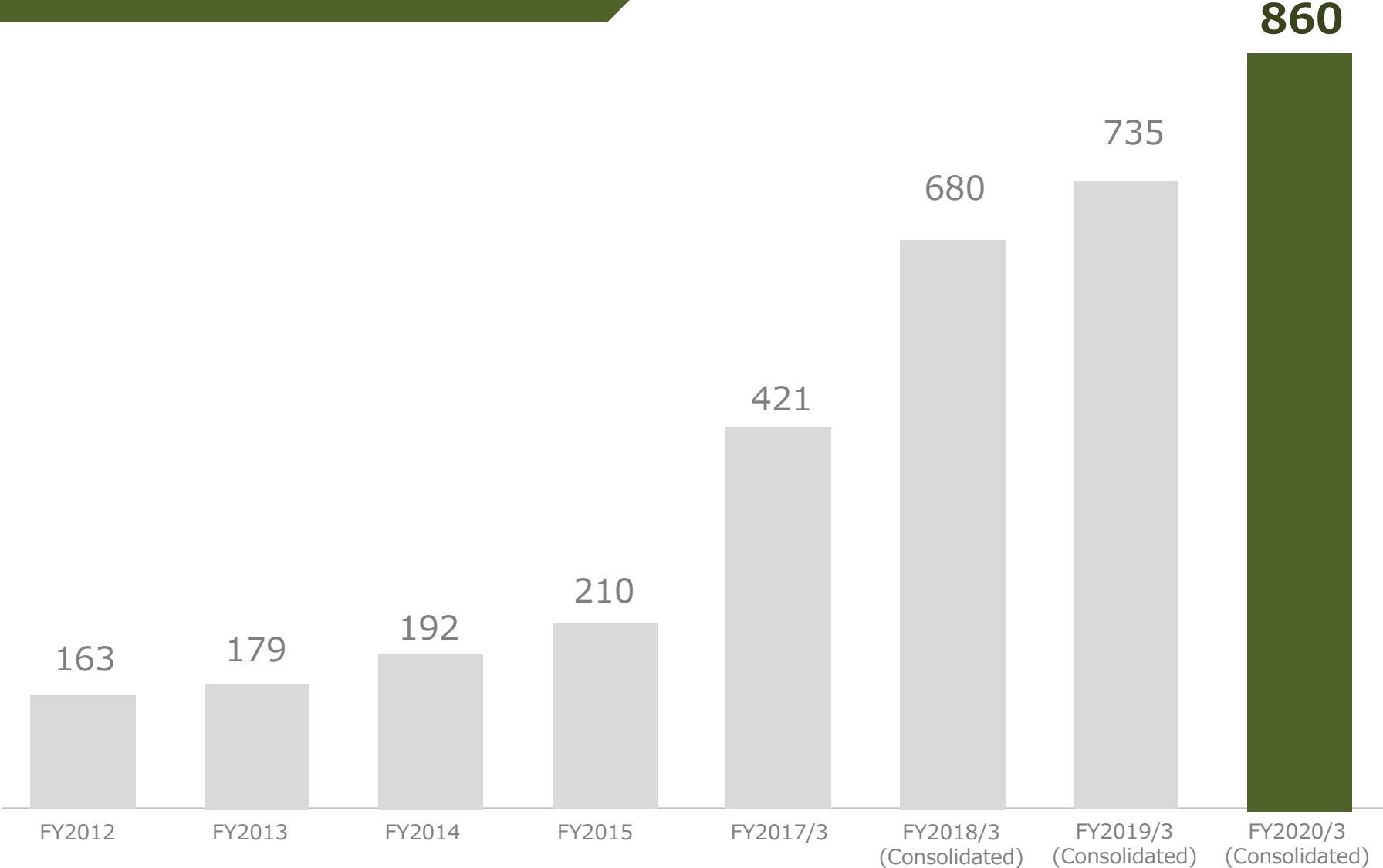
■ Consolidated subsidiaries

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

■ Main 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.

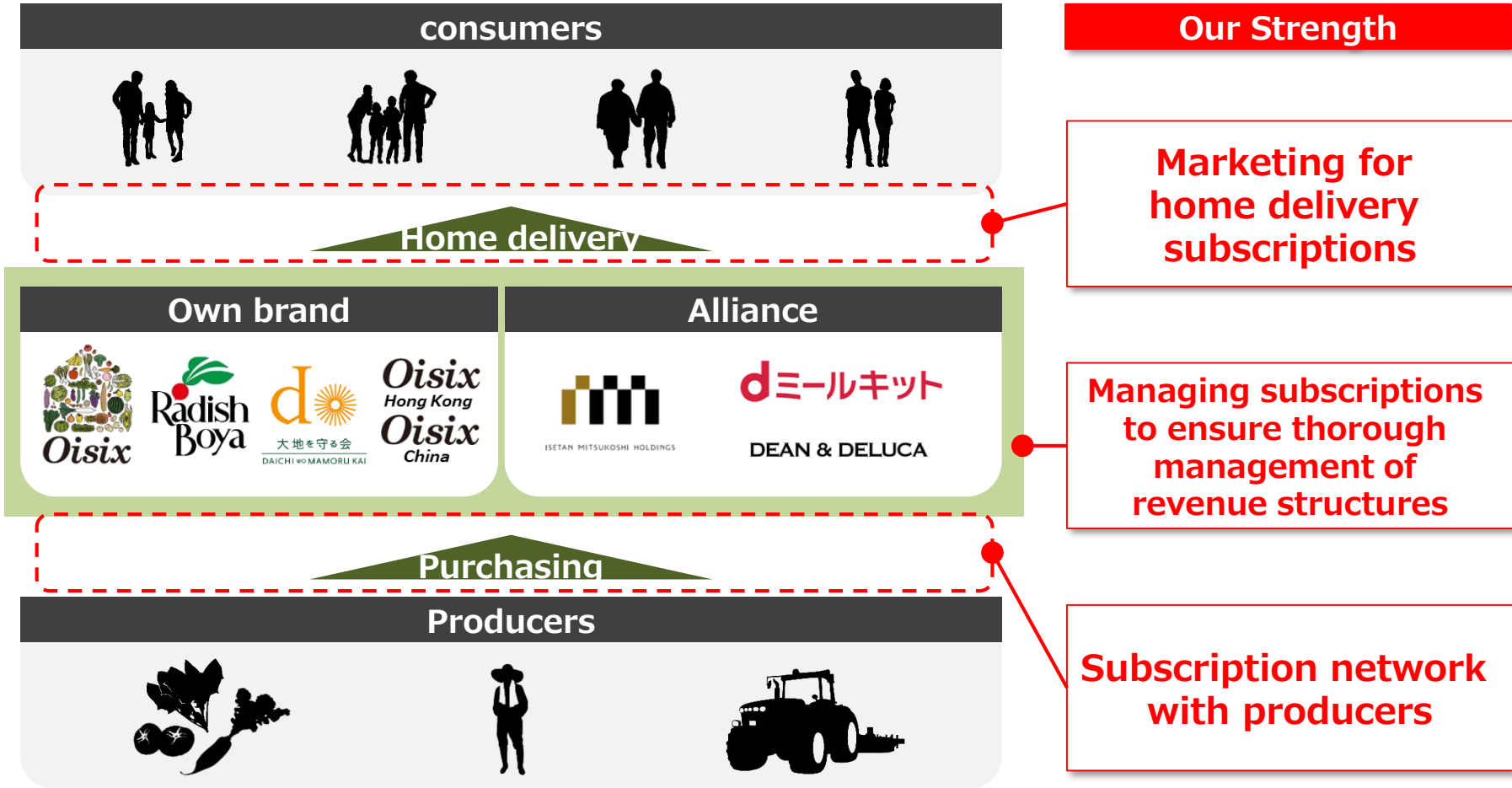
■ Effects of relationship with Yamato Transport Co., Ltd.

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

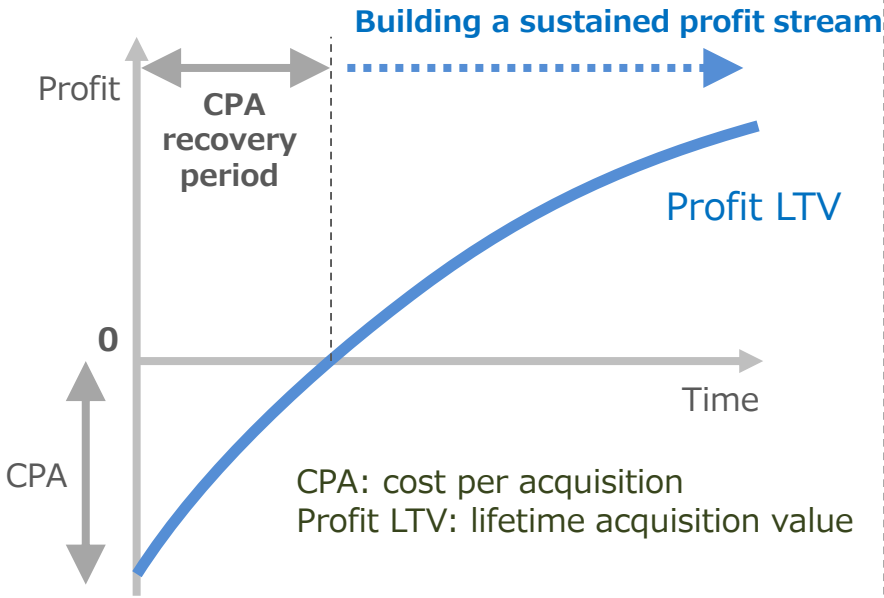


Subscription Management

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

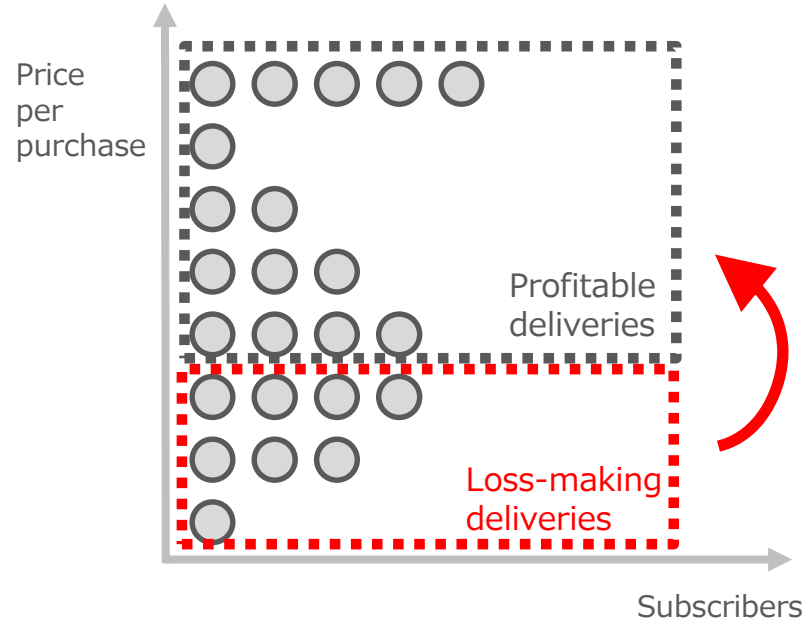
■ Rigorous CPA and LTV management

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



■ Rigorous management of unit revenues and expenditures

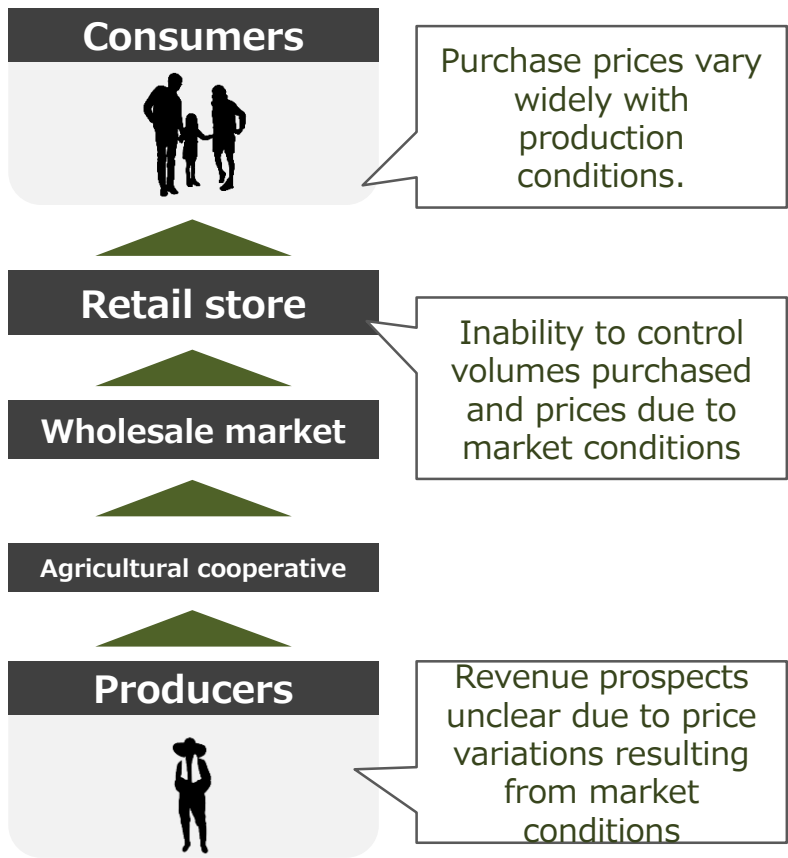
Making percentages of loss-making deliveries visible for each unit and reducing them structurally



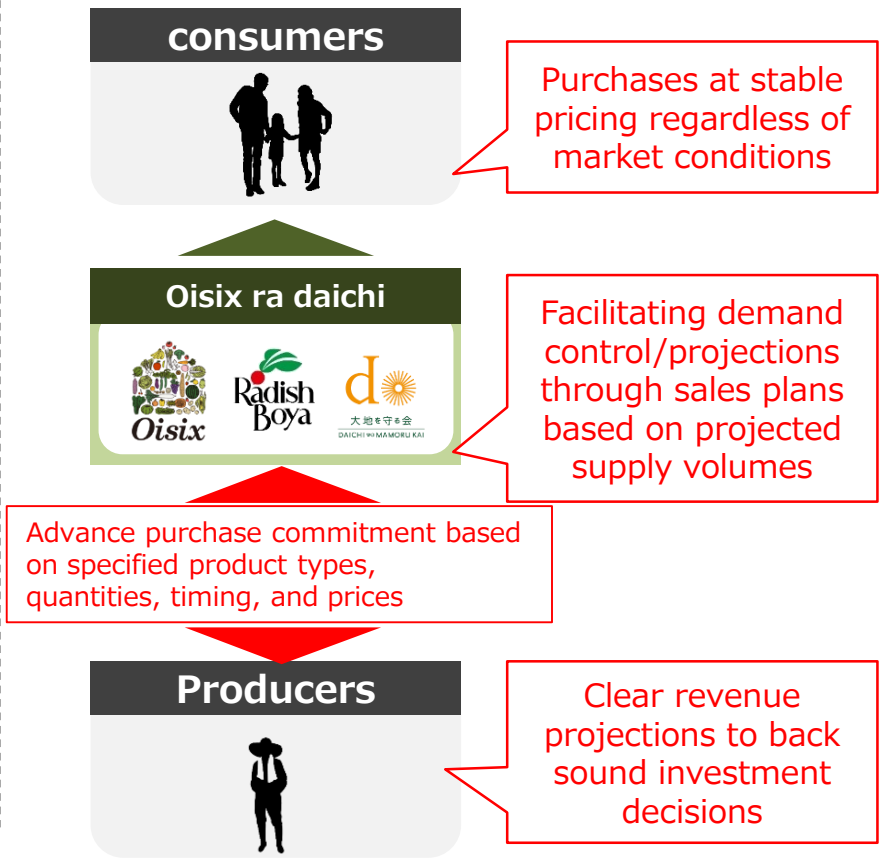
Subscription Network

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	4 place in Kanagawa	4 places in Hokkaido, Tokyo, Kanagawa, 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



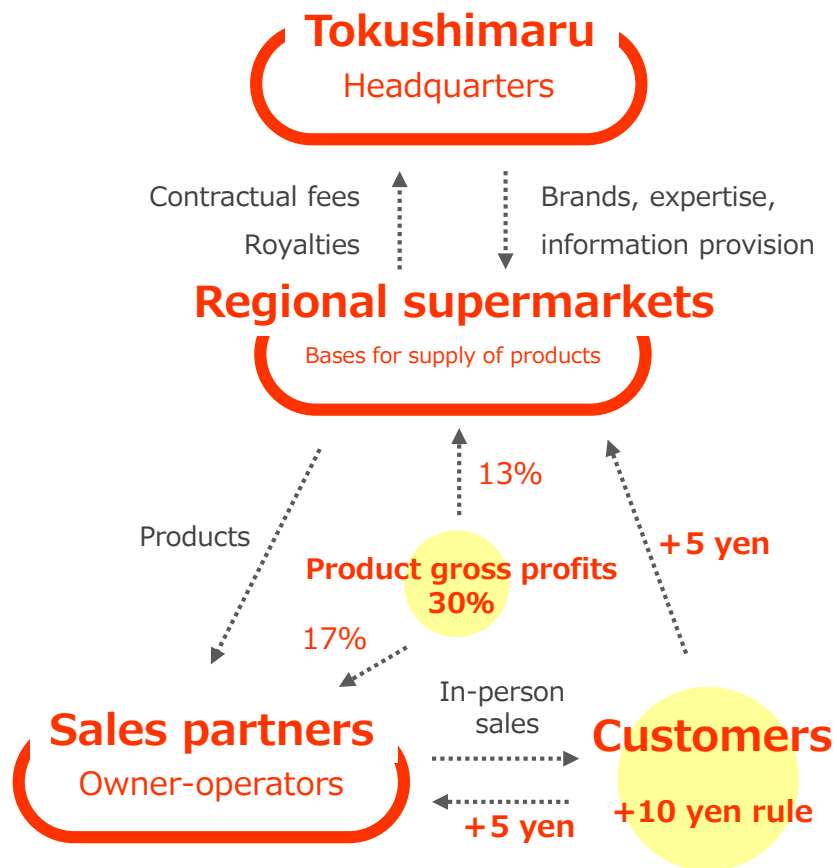
dミールキット powered by Oisix



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



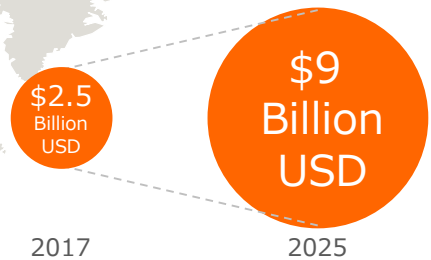
- ✓ Started the service in 2017. Grasp the needs to establish the subscription model for Chinese customers

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*



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



おまかせぼーや		品名	単価	数量	金額	単位	備考
1	1	りんご	100.00	10	1000.00	kg	
2	1	バナナ	150.00	5	750.00	kg	
3	1	トマト	80.00	10	800.00	kg	
4	1	ピーマン	120.00	5	600.00	kg	
5	1	ナス	100.00	5	500.00	kg	
6	1	ズッキーニ	150.00	5	750.00	kg	
7	1	パプリカ	100.00	5	500.00	kg	
8	1	ピーマン	120.00	5	600.00	kg	
9	1	ナス	100.00	5	500.00	kg	
10	1	ズッキーニ	150.00	5	750.00	kg	



Ordering

Delivery on Requested date

- ◆ 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

Oisix ra daichi

Omakase Boya system for receiving orders from kindergartens



品名	単価	数量	金額	単位	備考
りんご	100.00	10	1000.00	kg	
バナナ	150.00	5	750.00	kg	
トマト	80.00	10	800.00	kg	
ピーマン	120.00	5	600.00	kg	
ナス	100.00	5	500.00	kg	
ズッキーニ	150.00	5	750.00	kg	
パプリカ	100.00	5	500.00	kg	



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 400,000 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	2Q	3Q
Sales	16,853	31,720	48,906	64,026	16,265	32,552	52,425	71,040	23,132	47,567	74,790
Operating Profit	610	1,115	2,265	2,312	543	900	1,597	2,467	2,076	3,976	6,131
EBITDA	808	1,513	2,882	3,154	755	1,348	2,381	3,595	2,419	4,679	7,198
Net income Attributable to owners of the parent	537	893	2,533	2,387	270	390	695	790	1,184	2,452	3,900

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	2Q	3Q
Oisix	Sales	6,863	13,769	22,190	29,619	8,308	16,524	26,522	35,829	11,265	23,047	37,036
	Marginal profit	970	1,943	3,371	4,036	933	1,868	3,261	4,801	2,367	4,335	7,012
Daichi	Sales	2,769	5,440	8,405	10,902	2,587	5,137	7,936	10,541	3,636	7,094	10,761
	Marginal profit	479	960	1,536	1,989	457	885	1,397	1,889	724	1,368	2,160
Radish Boya	Sales	5,811	9,926	14,346	18,028	3,770	7,459	11,410	14,980	4,721	9,083	13,653
	Marginal profit	1,030	1,765	2,657	3,342	688	1,273	2,001	2,667	899	1,626	2,449
Other Business	Sales	1,482	2,755	4,198	5,793	1,663	3,529	6,383	9,497	3,601	8,522	13,600
	Marginal profit	154	290	479	724	256	557	656	846	391	1,038	1,599
Companywide fixed costs, Goodwill etc		2,024	3,844	5,779	7,779	1,792	3,683	5,719	7,736	2,305	4,391	7,089

Data Sheet : Main KPI

KPI trend

		FY2019/3				FY2020/3				FY2021/3		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Oisix	Subscribers (number)	177,606	186,929	193,461	202,427	221,612	226,187	230,393	239,837	252,303	274,929	285,168
	ARPU (yen)	11,558	11,118	11,522	11,173	11,095	10,634	11,379	11,745	13,822	12,986	13,106
	Price/purchase (yen)	6,005	5,973	6,149	6,013	5,884	5,840	6,055	6,166	6,748	6,201	6,315
	Purchase Frequency (number)	1.92	1.86	1.87	1.86	1.89	1.82	1.88	1.90	2.05	2.09	2.08
Daichi	Subscribers (number)	44,086	43,775	42,071	40,189	38,517	37,532	37,121	37,127	43,941	44,878	44,998
	ARPU (yen)	20,247	19,807	20,226	19,171	20,821	21,159	22,391	21,604	27,117	24,128	24,356
	Price/purchase (yen)	7,899	8,121	8,573	8,046	8,195	8,292	8,732	8,508	9,234	8,610	9,000
	Purchase Frequency (number)	2.56	2.44	2.36	2.38	2.54	2.55	2.56	2.54	2.94	2.80	2.71
Radish Boya	Subscribers (number)	74,240	71,616	66,070	62,935	61,009	59,400	58,528	56,935	62,515	61,822	61,518
	ARPU (yen)	17,158	17,076	18,439	17,401	18,202	17,926	19,659	18,621	23,189	20,884	21,000
	Price/purchase (yen)	5,460	5,616	6,114	5,869	6,055	6,060	6,398	6,206	7,028	6,373	6,696
	Purchase Frequency (number)	3.14	3.04	3.02	2.97	3.01	2.96	3.07	3.00	3.30	3.28	3.14

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