Oisix ra daichi Inc.

Q2 Financial Results Briefing for the Fiscal Year Ending March 2024

November 10, 2023

Event Summary

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[Participants]	
[Number of Speakers]	1 Kohei Takashima — Representative Director, CEO
[Analyst Names]*	Hideki Sumi — Tokai Tokyo Research Institute

*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A or whose questions were read by moderator/company representatives.

Presentation

Moderator: Now that we are at the appointed time, we will begin. Thank you very much for taking time out of your busy schedule today to attend the Oisix ra daichi Inc. Q2 financial results briefing.

Today's financial results briefing will be divided into two major parts. In the first half of the meeting, Takashima, our CEO, will give a 20-minute presentation on the interim financial results. We will then move on to a Q&A session with participants in the second half of the briefing.

Let me now move on to the briefing. President Takashima, thank you for your time.

Takashima: Hello everyone. Thank you for your time today. As just mentioned, today I would like to talk about two things, the announcement this morning and the other about SHiDAX. I usually talk for about 30 minutes, but today I'd like to keep it short and talk for about 20 minutes, followed by Q&A.

Thank you in advance.

Executive Summary -2024.3 2Q Results

- ✓ **Sales increased YoY** driven by mainstay Oisix **EBITDA increased by double-digit YoY** driven by the effect of increased sales and efforts to improve profitability
- ✓ As for the subscribers, the impact of churns of subscribers acquired by the extraordinary promotions of the previous fiscal year's 4Q have remained greater than expected at the beginning of the fiscal year. On the other hand, the continuous acquisition of new subscribers led a net increase in the subscribers
- ✓ As for the full year forecast, **we will disclose the revised one at the 3Q financial results announcement**, considering the deal related to SHiDAX announced today

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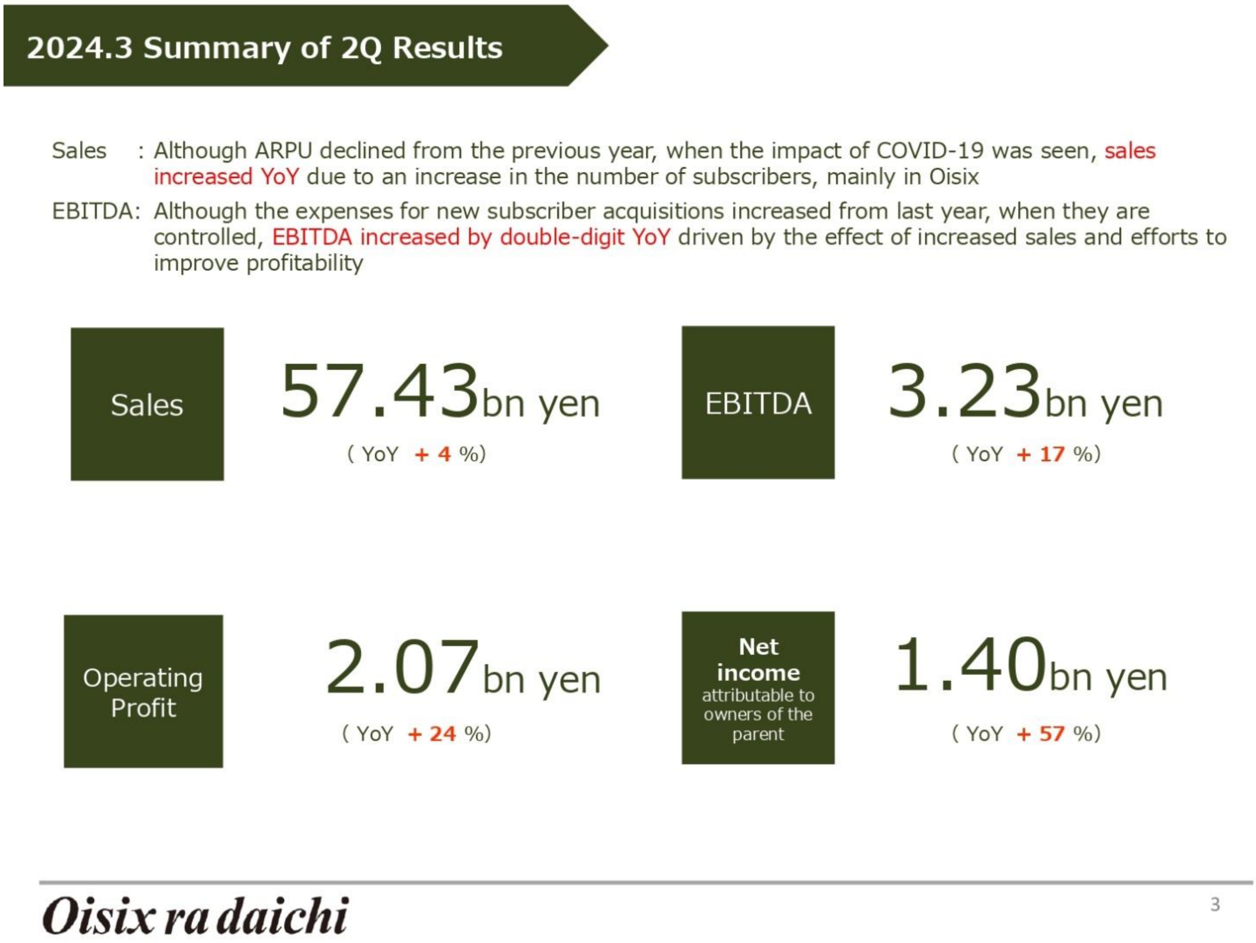
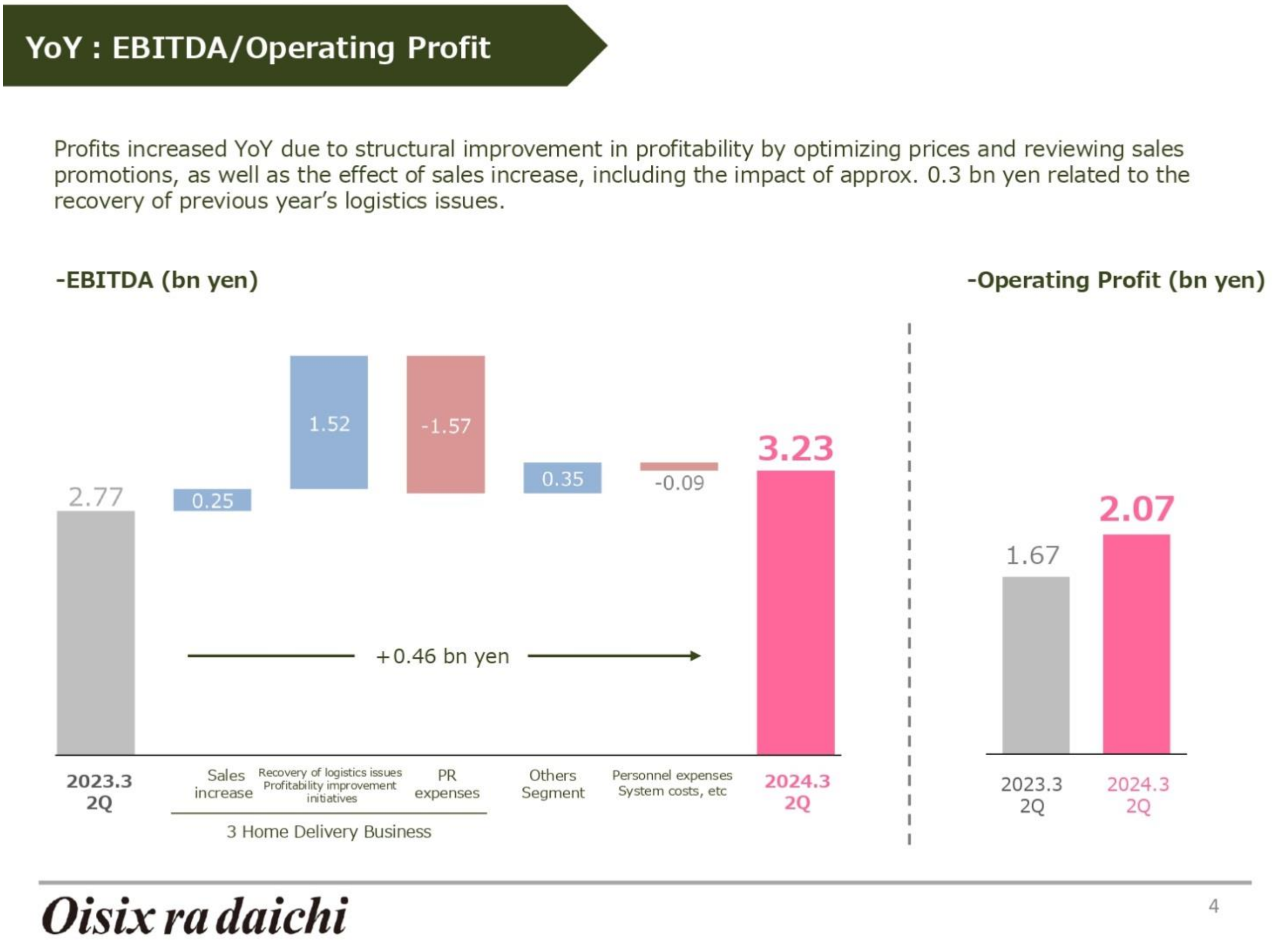
First, let me briefly mention the executive summary.

First of all, in terms of business performance, company sales grew slightly due to a slight growth in Oisix. Profits increased by double digits from the same period of the previous year as a result of ongoing efforts to improve profitability, despite various difficulties such as rising raw material costs and labor costs. I would like to talk a little more about the number of people later.

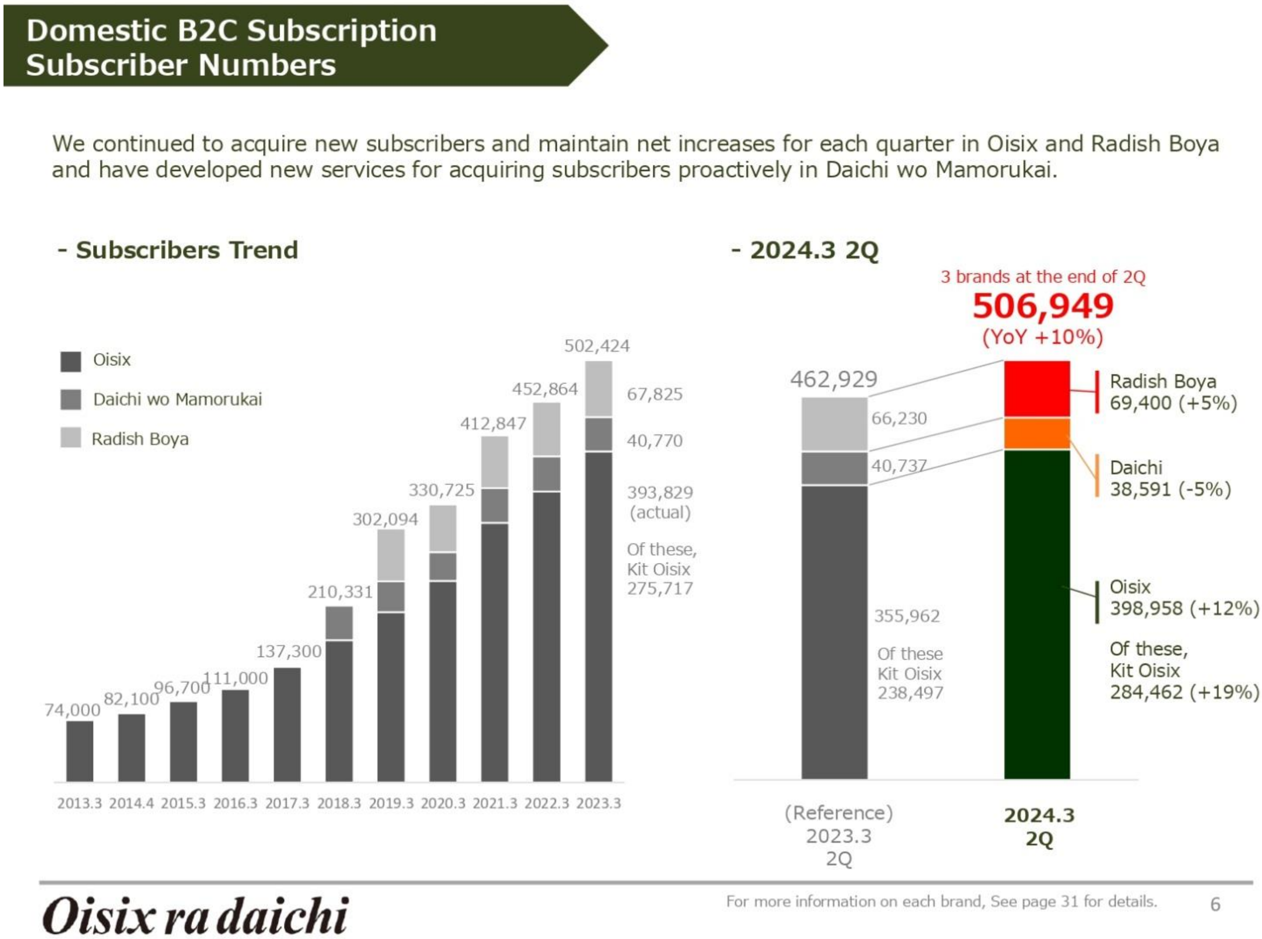
Also, today we announced a deal with SHiDAX and SHiDAX, which is often the case, for joint management. Since some details are still unknown, we plan to clearly disclose the figures at the time of the announcement of the next Q3 financial results.



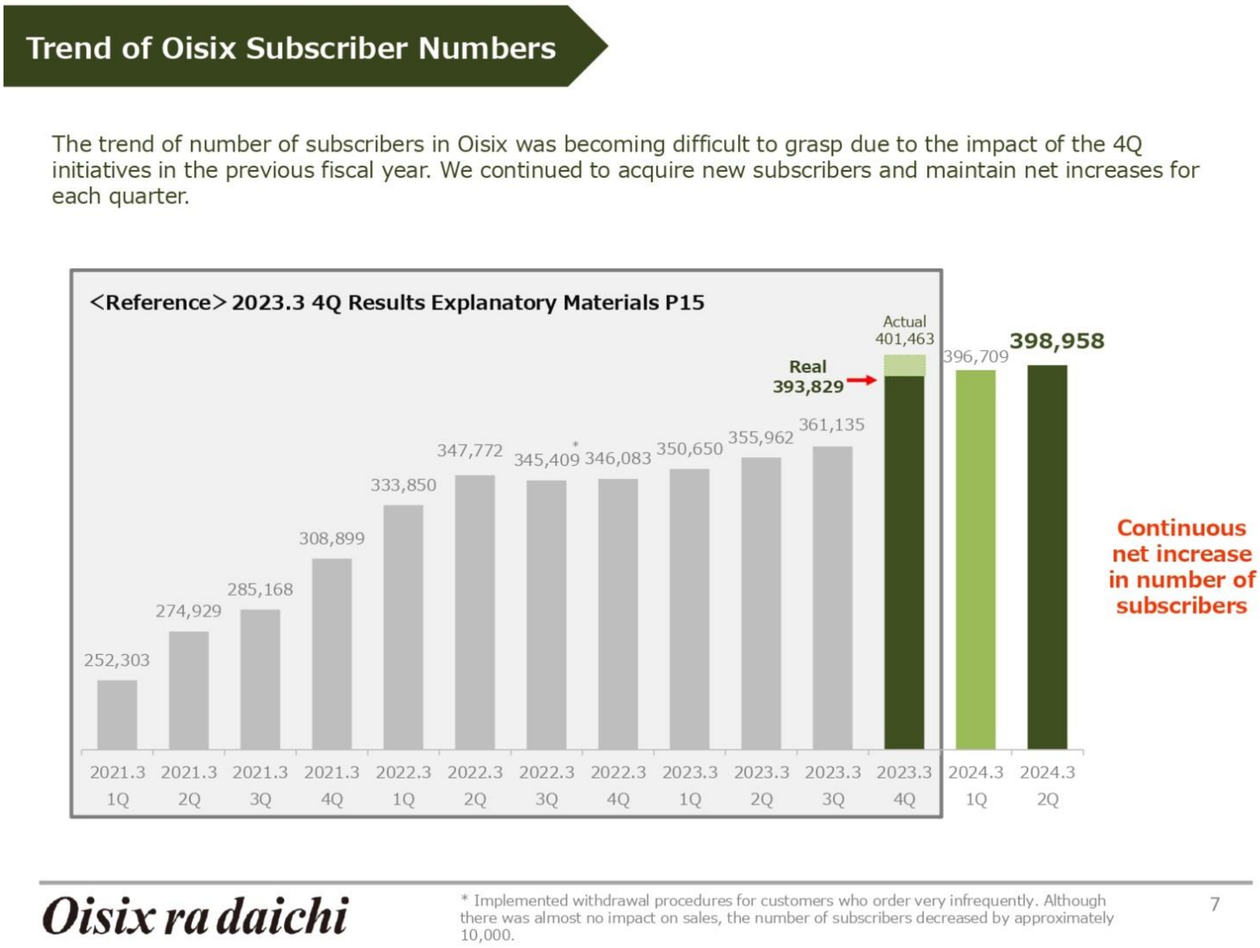
As for the numbers, as shown on slide three, we landed on sales of JPY57.4 billion and EBITDA of JPY3.2 billion.



In the area of increased profits, the most significant point is that several initiatives have improved profitability. Although we spent a considerable amount of money on promotions, we were still able to increase profits compared to the previous year.



As for the number of people, Oisix, Radish, and Daichi have a combined total of about 507,000 subscribers for H1 of this fiscal year.



In particular, I think I should explain a little bit about Oisix properly, so let me explain it first.

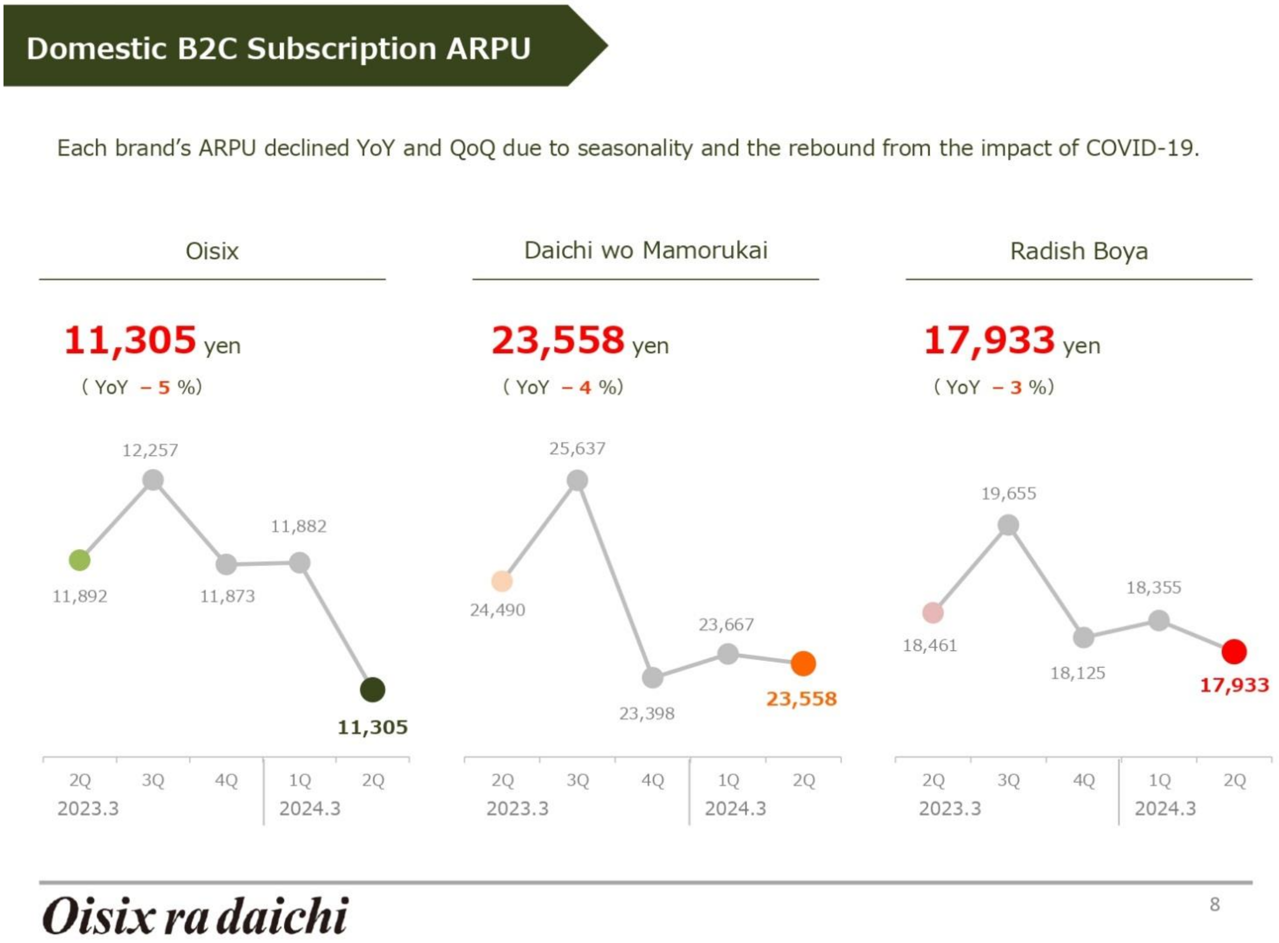
I mentioned at the last earnings announcement that Q4 saw an unprecedented growth of about 50,000, which was the result of large-scale promotions.

However, the reality is that there were people who quit immediately despite the apparent increase of 50,000, so we said at the time of the announcement of the financial results that the number of employees was about 390,000. After that, we continued the program for the past six months, and to be honest, those people continued to quit quite a bit, and I have to reflect on the fact that they continued to quit over the past six months.

On the other hand, we have continued that promotional approach all the way up to H1 of this year, and those people are still with us today. We estimated 390,000 in real terms last time, but I think the real figure was probably around 370,000.

The figure is 398,000 this time, but the numbers are what they are, in real terms, the situation is about 375,000. The net increase is relatively smooth. This is 398,000 right now, but we are thinking of something like 375,000 to 380,000 in real terms.

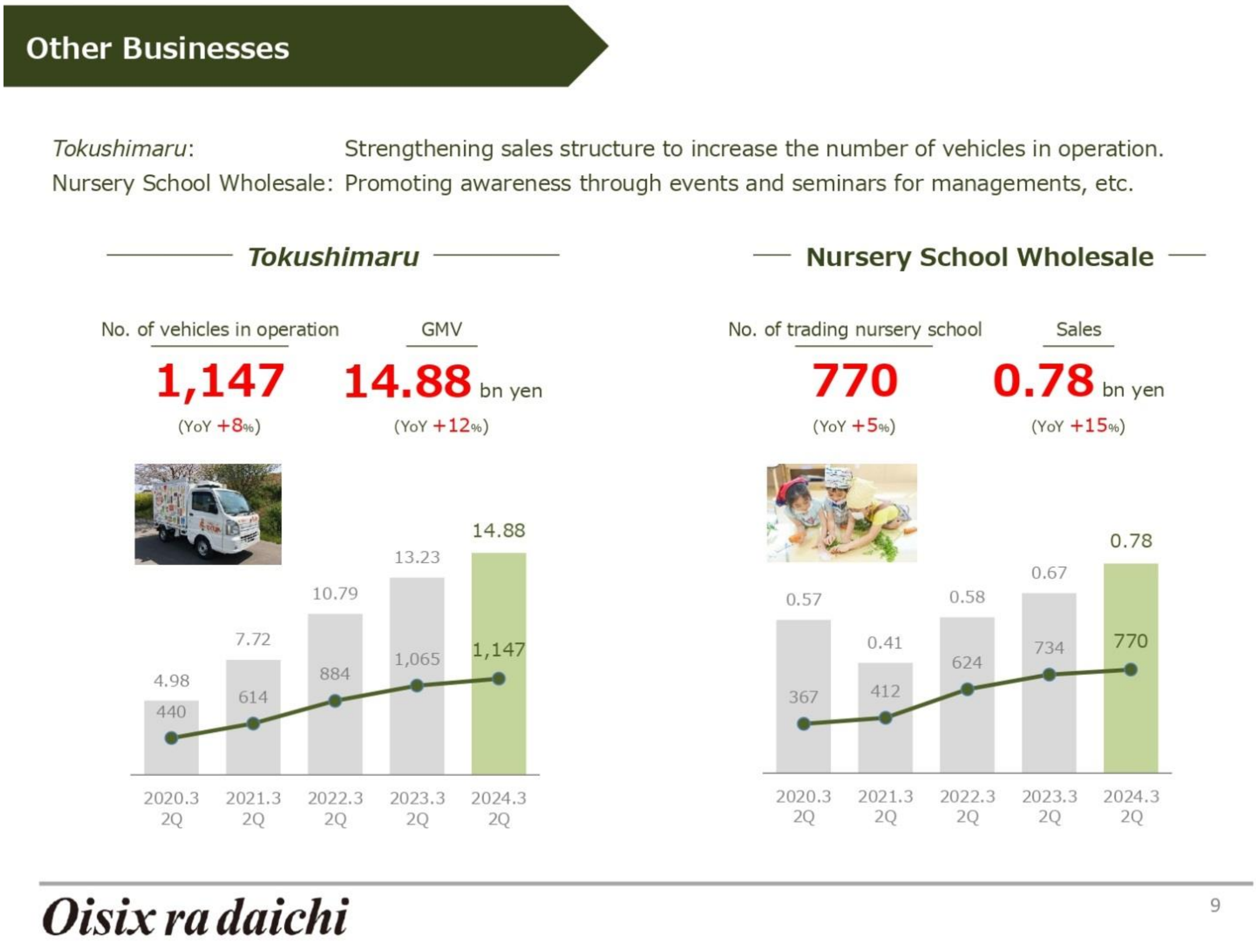
In that sense, we have stopped the promotion method that we have been using for H1of the year, from March through Q4 to H1 of the year, so I believe that the top-up portion of the promotion will be gone by the end of the fiscal year. We think that perhaps a fair situation is in the form of aiming for 400,000.



Then there is ARPU.

As I mentioned earlier, the number of members has not been slightly inflated in the case of Oisix, but the number of very light customers has increased, and the denominator includes such customers, resulting in a slight decline in ARPU.

However, looking at Q1 and Q2, I see it as if the impact of the COVID-19 disaster has probably moved away and is about normal, and that has largely stopped falling.



In other businesses, the number of vehicles of Tokushimaru has exceeded 1,000 and is now close to 1,150, and the total amount of distribution is expected to reach JPY30 billion this fiscal year.

Then there is the BtoB area, which is growing steadily, offering meal kits for commercial use, which is now close to 800. The above is an explanation of our business performance.

Next, I would like to talk about the partnership with SHiDAX, which we announced today.

The Shida family, the founding family of the company, and Oisix ra daichi will jointly conduct the TOB.

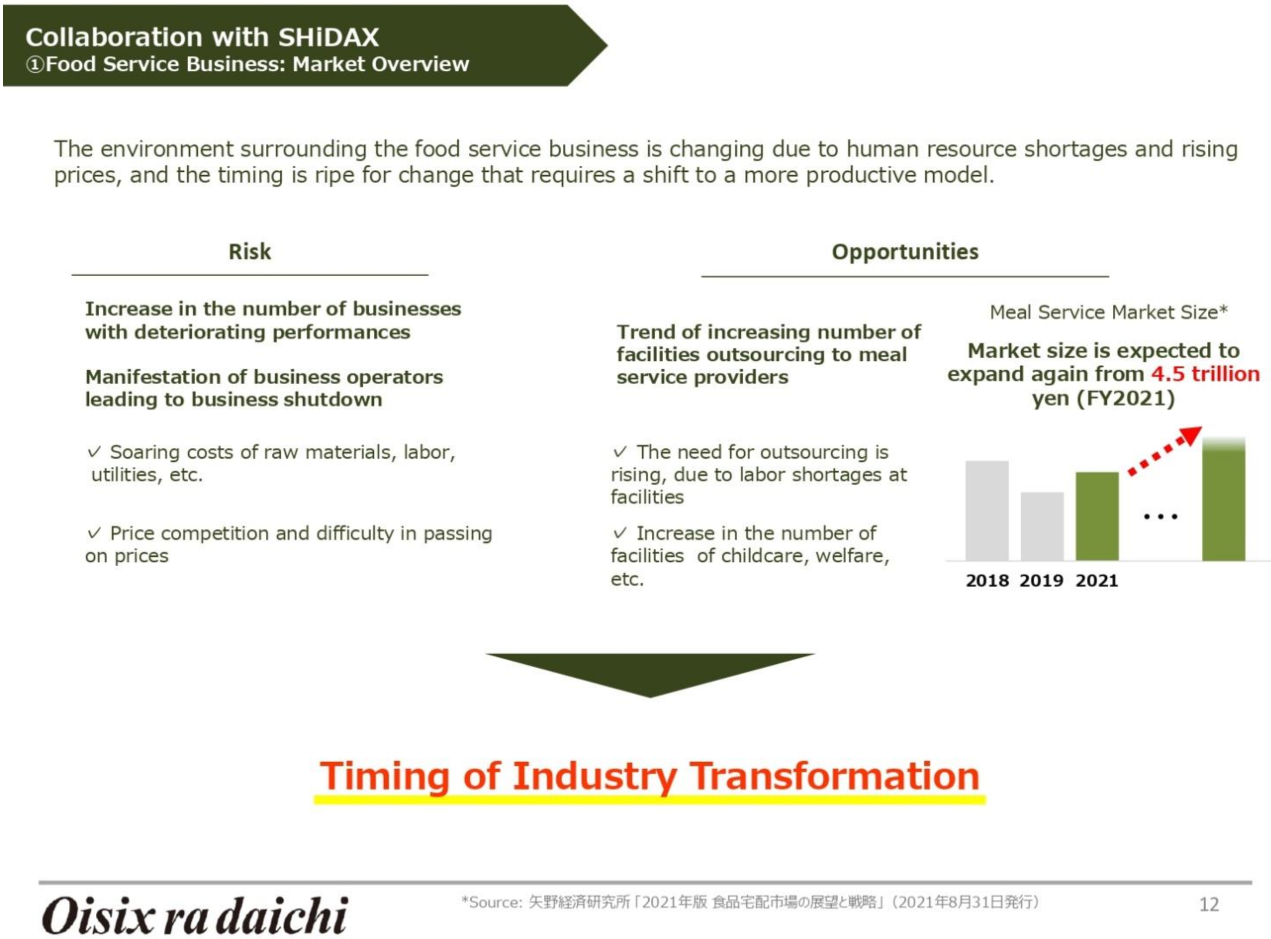
Once our shareholding is in the form of an application, the final result will be that we will own 66% of the shares of SHiDAX. The founding family will own 34% of the company, and the two companies will jointly manage SHiDAX.

Together, we will maximize synergies between SHiDAX and Oisix ra daichi.

Both companies are in the food subscription business. SHiDAX is a BtoB company and Oisix is a BtoC company, and the combined sales of the two companies are JPY240 billion.

Roughly speaking, if we include the food we send home and the food we provide as meal service through SHiDAX, we serve about 500 million meals a year.

The total number of employees, staff, and associates is in the form of 37,000. I also think it is very unique that we are doing both BtoB and BtoC food subscriptions. I think it is safe to say that the JPY210 billion in food subscription business is also the largest in Japan. We would like to form such a group to conduct our business.

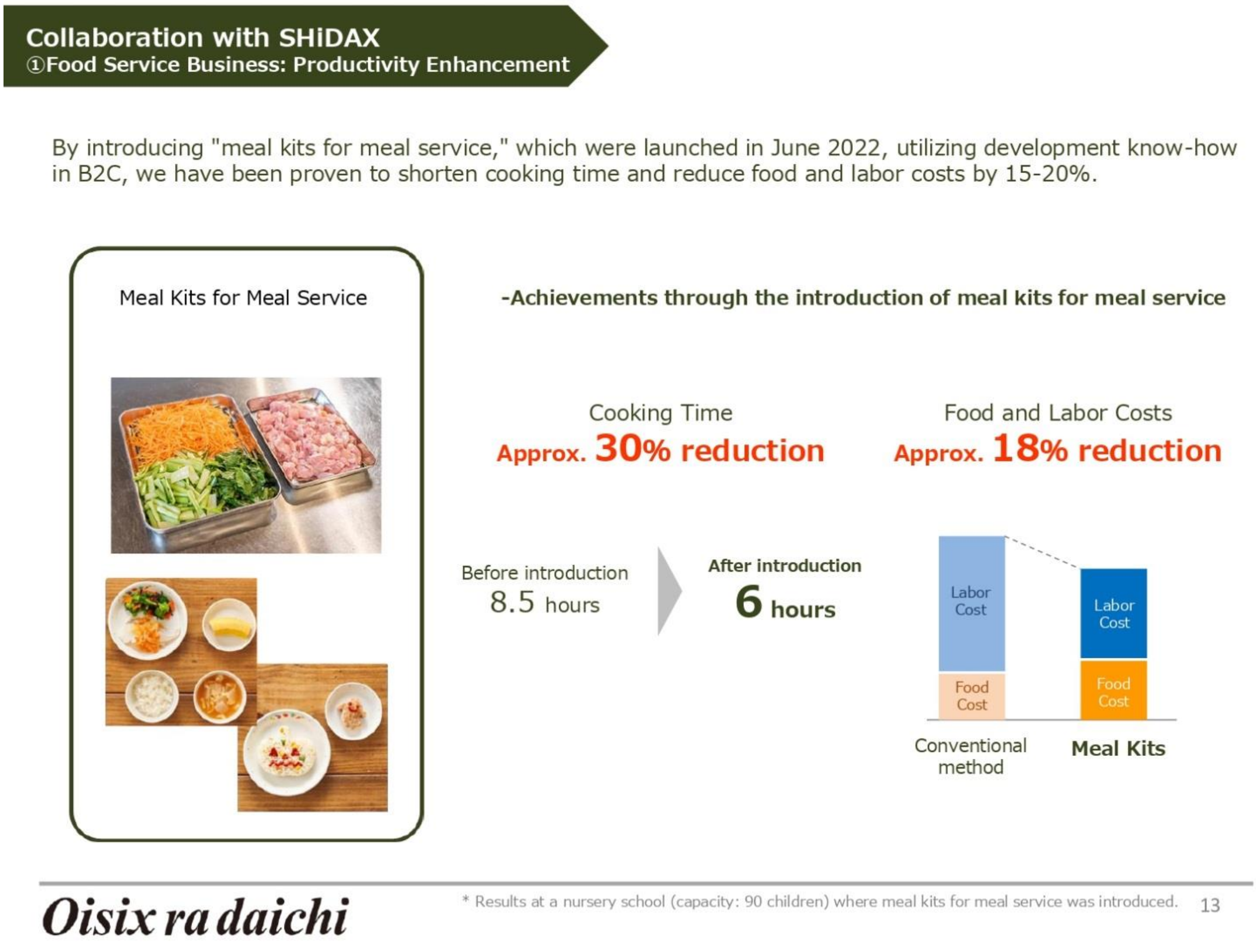


From this point forward, I would like to talk a little bit more specifically about meal service, especially BtoB subscriptions, as we say.

First of all, what kind of situation the meal service business is in right now. Well, simply speaking, we are facing a pinch and an opportunity at the same time. In terms of the pinch points, the cost of raw materials has skyrocketed, and the business type is such that it is difficult to pass on prices. Recently, there has been quite a bit of news coverage of meal service not being able to continue to be provided because the meal service providers are unable to continue their operations. This is the pinch point of such a very difficult business environment.

On the other hand, opportunity is also the flip side of the coin. A labor shortage is occurring within many client-side industries. Employee cafeterias, hospital meal service, and facilities for the elderly that used to operate their own meal service facilities are finding it difficult to continue to operate meal services on their own or are unable to secure the manpower to do so. We are in a situation where the need for meal services is increasing little by little.

Therefore, we see this as a time of change in the industry, where the market will grow, but only a limited number of players will be able to survive in the market.



I would like to talk about what we can use as our strategy in this environment.

One is to expand the meal kits that we at Oisix have been making for individuals to commercial use. For personal use, they have been delivered to busy families with the concept of shortening time.

What is happening now in the commercial sector is that there is a shortage of manpower, and something very close to shortening the time is happening in the meal service field, and by using meal kits, they can reduce the time.

This means that, in terms of commercial sites, it would lead to a reduction in labor costs. We are currently conducting some experiments at nursery schools and have found that the so-called FL cost, the cost of food and labor added together, can be reduced by roughly 15 to 20%, by using meal kits.

The meal kit format will, of course, increase the cost of ingredients slightly, but it will reduce labor costs considerably, and as a result, the meal service business can be developed with fewer people and at lower costs than now. This is the big hypothesis that we are beginning to see and experiment with. This is the first point.

Collaboration with SHiDAX
①Food Service Business: Satisfaction Improvement

Aiming to maximize the value provided to end-users (facility users) through meal service, we will improve the satisfaction level by providing high-value-added food services, such as menu improvement through visualization of satisfaction levels and introduction of meal recreation.

Improvement of eating up ratio

✓ Visualizing factors that lead to satisfaction and improving services

Eating Up Ratio
+6%

Before introduction
64%

After introduction
70%

Introduction of meal recreation

✓ Providing an opportunity to develop an interest in food and become more excited about eating

✓ Providing food education activities using rare ingredients and offering kits for easy enjoyment of seasonal handicrafts

Second, we are a BtoC company, so we are good at committing to the end, the value of the end user. In an experiment conducted at a nursery school, the food for meal services was changed from regular vegetables to Oisix vegetables, and the percentage of children who completed their meals increased by about 10%.

Originally, these kinds of indicators were not easily visualized. We would like to work with SHiDAX to provide meal services that increase the value of the end user by visualizing the percentage of meals completed and the health benefits of such meals in various settings, such as hospitals and facilities for the elderly, not limited to nursery schools.

I would like to mention a few other synergies that are already visible.

One is the employee cafeteria, which is a collaborative menu we have established through meal kits and other means. The idea was to bring this directly to employee cafeterias. I can't give you a proper name yet, but we already have a project in the works to start such a collaboration in the employee cafeteria.

The other is about facilities for the elderly, and Benesse has decided to hire us to do this as well, using our meal kits and ingredients, and using SHiDAX's operations. I have heard that Benesse will use Oisix ingredients as one of their sales pitches, and I have a feeling that we will be able to increase the use of such ingredients in the future.

Collaboration with SHiDAX
②Social Service Business: Value Added Examples

Combining SHiDAX's expertise and assets in facility meal services with Oisix's high-quality ingredients and diverse menus, we are promoting new collaborations in "employee cafeterias," "facilities for the elderly," and "school children" in addition to nursery schools.

Lunch menus will be offered to school children

- ✓ Plans to collaborate with approx. 10 facilities for school children that SHiDAX, which operates 1,570 school children facilities nationwide, is entrusted to operate
- ✓ Plans to begin offering original lunch menus this winter during long vacations when school lunch is not available, a service in high demand from parents who use school children and facilities.
- ✓ Develop microwavable Oisix-standard lunch menus that can be prepared at school children facilities.

▲ SHiDAX is entrusted with the operation of 1,570 school children facilities nationwide.

▲Offer Oisix-standard lunch menus

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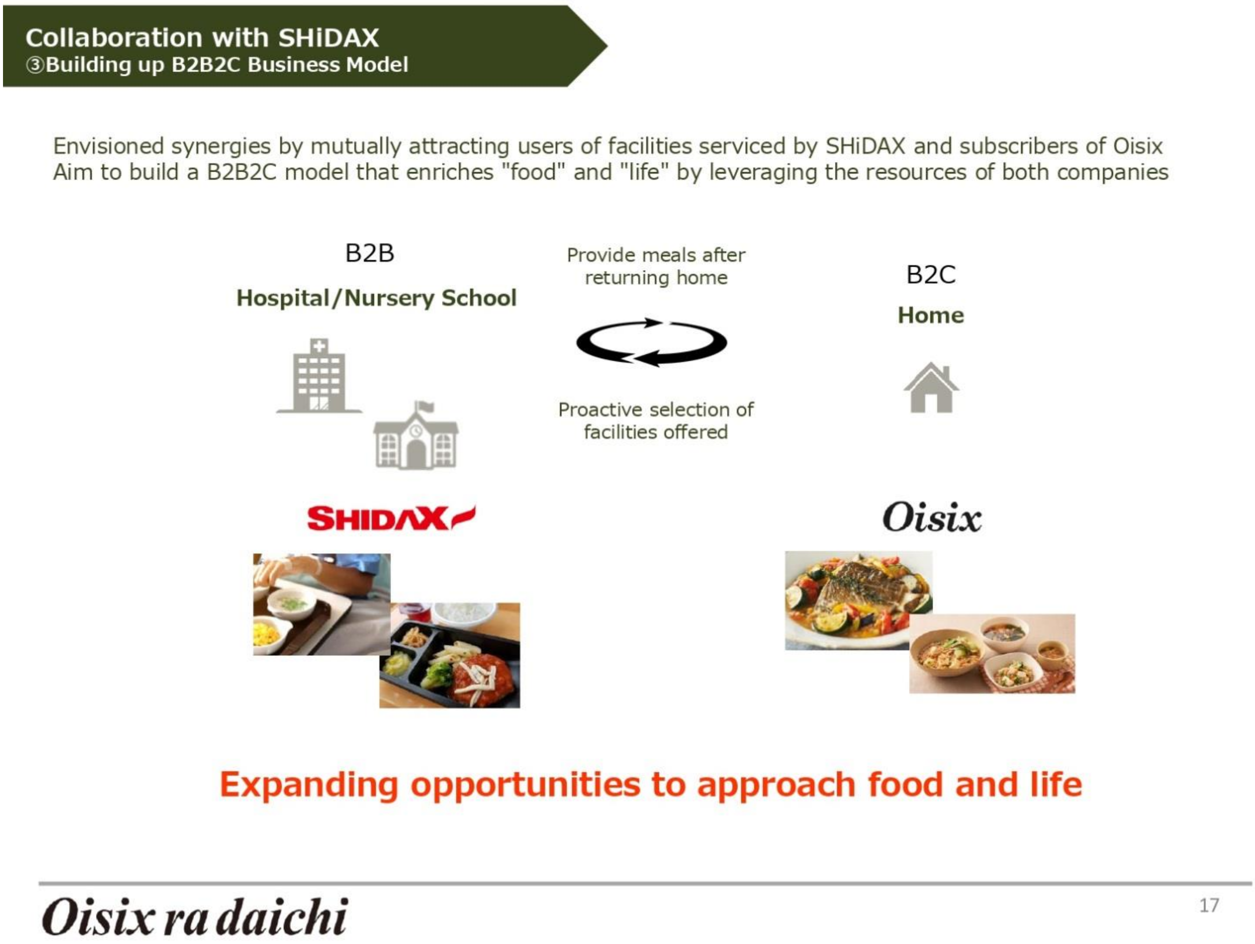
Furthermore, although slightly different from the meal service business, SHiDAX is entrusted with nearly 1,600 locations nationwide for school children and the management of school children. It is a very large company. Even there, it is not easy for children to get food at the facility for school children. So, many families send their children to a facility for school children during the summer and winter vacations. However, they have to make their own lunch box. I think this is a big problem for them.

We have already decided to start an experiment at 10 facilities to provide our lunchboxes to such places so that children can eat delicious and safe food, while at the same time reducing the burden on the families.



Also, a possible synergy in the future would be to guide customers from the field in BtoB to BtoC customers.

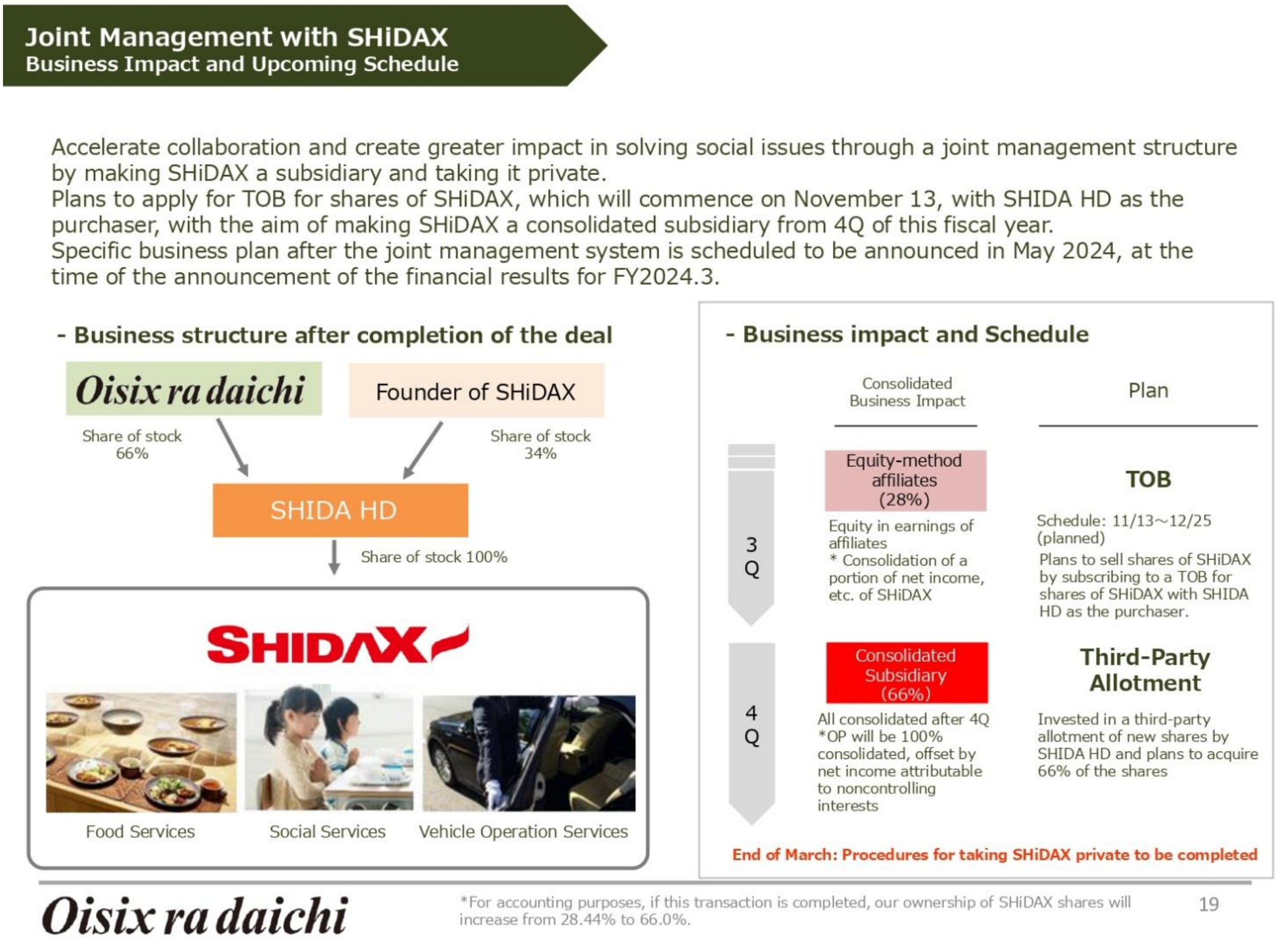
For example, a patient in a hospital would be managed nutritionally by hospital meal services while in the hospital. We believe that we can consider the use of our home delivery service in various facilities during the phase of treatment at home afterward.

We would like to expand this business in the future.

Lastly, I would like to talk a little bit about the last part of our conversation with SHiDAX. We decided to invest in the company in October last year because our corporate philosophies are very close. Actually, since January, I have had many conversations with the company as a director, and I can sense the closeness of our corporate culture.

The idea behind this is a common corporate philosophy, and as you can see here, both are future-oriented. SHiDAX is the children of the future, and Oisix ra daichi is the future of dining and the future of farming, both of which are expressed in our corporate philosophy of creating a good future.

And the idea of turning social issues into business is used very frequently at management meetings of both companies. In this sense, I feel that the cultural compatibility between the two companies is very good.



Next is the schedule for the future. We made the announcement today and the TOB period will be from next Monday to December 25. During this period, the company will remain in the same form as before, an affiliate of 28%.

And, after January, after Q4, the company will take the form of a subsidiary that we will own 66% of, and at the end of March, we will take SHiDAX private.

I am a little late in saying this, but going private is one of our major goals, and while there are many possible synergies that could theoretically be realized as I mentioned, the process is very time-consuming when both companies are listed.

When we thought that we needed to respond speedily to this drastically changing environment by repeating the PDCA cycle, we decided to take SHiDAX private to create a system that would allow us to invest resources from both companies in a trial-and-error manner. We plan to go private in March of next year.

Full Year Forecast Revision Schedule

① It is difficult to foresee the trend on 3Q, which will increase demand normaly, after COVID-19.

② The deal related to SHiDAX have not been completed yet.

We remain the forecast unchanged this time and will disclose the revised one in the 3Q financial results after carefully examining the impact of these results.

<Reference> Initial Full Year Forecast for FY2024.3

Sales	126.50bn yen	EBITDA	8.00bn yen
Operating Profit	6.00bn yen	Net income attributable to owners of the parent	3.80bn yen

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Next is page 20, full-year forecasts.

As of today, there is no revision to the initial plan, but we will make an announcement in the Q3 financial results because of the impact of the deal and other factors.

Sustainability Topics
-Zero Food Waste : Upcycle by Oisix

We won the Good Design Award 2023 which aims for improving lifestyle and society through design.
It was highly evaluated for its efforts to solve food loss issues, involving not only its own supply chain but the food manufacturing and restaurant industries.

GOOD DESIGN AWARD 2023

▲Good Design Award 2023 (Japan Institute of Design Promotion)

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The other two topics are a bit more.

The first is that we have been working on an initiative called "upcycling," which is the conversion of uneatable items into food products, and we have received the Good Design Award for this.

The other is to provide foodstuffs to those who are economically disadvantaged, especially children of single mothers, by collecting them from food companies under the auspices of our company. The number of households we offer this service to is also increasing rapidly.

In total, we provided 1.56 million pieces of food, equivalent to JPY550 million in monetary value.

That is all for now. Thank you very much.

Question & Answer

Moderator [M]: Thank you, President Takashima. We will now move on to the question-and-answer session.

When asking questions, please provide your company name and name at the beginning of your question, and limit each person to two questions. Please understand that if you have many questions, we may not be able to answer all of them. Confirmation of the progress of the figures will be provided by the IR staff after this briefing.

Now, Mr. Sumi, please ask your question.

Sumi [Q]: Thank you. My name is Sumi of Tokai Tokyo Research Institute. Please allow me to ask two major questions.

First of all, about your results, I would like to ask you about the number of Oisix members. You explained that you spent more on promotions, but I would like to ask you about the balance between customer churn and new acquisitions. You explained that there is still some customer churn due to temporary promotions, but are new acquisitions being made as expected? Is there any change to the per-customer acquisition cost that your company has been setting up? First of all, I would like to ask you about one point.

Regarding the second point, I would like to ask about future changes and expectations with SHiDAX. What do you expect to see in terms of changes in the way President Takashima has been involved in the past by becoming more involved in management, how quickly synergies can be created, and what kind of improvements are expected in these areas? This is a rough question, but I would like to ask it. These are the two points I would like to ask for.

Takashima [A]: Thank you, Mr. Sumi.

First of all, regarding the number of people we are acquiring, as you pointed out, at the end of last fiscal year, or rather at the end of Q4, customers who were acquired in Q4 have dropped out quite rapidly, but we are acquiring a lot of customers, so we are spending money.

We have been working on a slightly improved version of the acquisition method we used in Q4 of last year for H1 of the year. In that sense, I would say that acquisition costs have not risen dramatically. In the current situation, we have found that this approach has resulted in customers dropping out over a very long period of time.

We have continued to improve our acquisition methods, but we decided that our methods had not improved to the point where we were able to reach our goal, and we made a decision based on the figures after six months. It's not that the cost of acquiring one customer has gone up dramatically, but we have spent money on acquiring customers who don't bring the same value that we have in the past, and we have a policy of not doing that in the future.

So, not only are the customers we acquired in Q4 of last year continuing to drop out, but some of the customers we acquired in H1 of the year will also drop out, and we estimate that roughly half of the total, or 40% to 50% of the customers we acquired will be such people.

In terms of the second change in the collaboration with SHiDAX, one of the reasons is that both companies have been listed on the stock exchange until now. Every time we had various discussions, we had to go through the Board of Directors and confirm that the transaction did not constitute a conflict of interest, which was very time-consuming. And I think that area could be much better.

The hypothesis has become much more concrete this time around. Until now, we have been working together with a small group of people to create a special project team that conducts experiments and formulates several hypotheses. Since we have identified some hypotheses, I think we are entering a phase where we will expand this to the entire project.

In such a situation, I expect that I will be able to give instructions directly to both companies or rather, I will be able to establish a system to ensure the execution of such instructions, which is a very significant point. It's more like, expect it. I will do my best to make sure that happens. That is all.

Sumi [M]: Thank you for your response. That is all.

Moderator [M]: Thank you, Mr. Sumi.

Now, Mr. Tominaga, please continue with your question.

Tominaga [Q]: I am Tominaga from Toyo Keizai. Two points from me, please.

First of all, can you tell me how you will handle the other businesses of SHiDAX? I think SHiDAX has more than just a meal service. I would like to know from you whether you are consider about that as a synergy or if it was attached and how you will handle it in the future, if not to the point of selling it off.

Another thing is that Oisix seems to offer rather high-unit-price products, but I think meal services should be more reasonable. Thus, please tell me about your future approach to the meal service business, whether you will go with your company's upper-class meal service or if SHiDAX has the know-how to produce such low-unit-cost meals. Please.

Takashima [A]: Yes, thank you. First of all, about the non-food business of SHiDAX. The synergy study itself is a bit late, though, and we are starting with the food first. I think there may be a lot of other synergies as well.

As for the service for school children, I glanced at earlier, this is not actually a meal service project. In the case of SHiDAX, we have a business that is called “social service” and is commissioned by local governments to operate libraries and roadside stations, and we are also commissioned to operate facilities for school children. I think we are going to find synergy here for now.

In addition, Tokushimaru, for example, our subsidiary Tokushimaru is also working with local governments in some cases, so I think Tokushimaru and others may be able to collaborate as well.

For example, SHiDAX is also doing the service of roadside stations commissioned. We have started discussions on the possibility of running the Tokushimaru from the roadside station, which SHiDAX is entrusted with. Therefore, our stance is not that it came with it, but we think that we should pursue synergy quite greedily.

And then the part about the price of the ingredients, there is also the difference between the purchase price and the selling price, could you go back to this a little bit earlier? As shown P13, the reason for the 18% reduction in food and labor costs is that the conventional cost of food ingredients was based on the use of ordinary ingredients.

On the other hand, in the case of the introduction of meal kits, we change the ingredients to those that meet our standards. In other words, if you change to premium ingredients and also go with a semi-cooked meal kit, the labor cost portion of that can be reduced quite significantly, so in total, the cost can be reduced a lot.

We do not believe that we only do high-value-added meal service. We believe that with our commercial products, we can probably accommodate facilities in the normal price range.

Also, the vegetable procurement prices are probably different in that we procure our vegetables directly from farmers, but in the case of SHiDAX, they procure from the market and grocery stores. So, I think there are some vegetables that are organic but are cheaper at Oisix. That is all.

Tominaga [M]: Can I ask one more point?

Moderator [M]: You must be Mr. Tominaga. Yes. Please ask your questions.

Tominaga [Q]: Thank you. This is Tominaga of Toyo Keizai.

Related to your earlier explanation, if you can gain a competitive advantage in terms of labor costs and FL costs even when using premium ingredients, then the conventional meal service market is quite inefficient. Is it correct to say that there is room for your company to make more inroads in the conventional meal service market, or that it is a market that is quite inefficient in some areas?

I have a question about the industry as a whole, President Takashima, and what you think about it.

Takashima [A]: I think it probably depends on the type of meal service and the size of the meal service program, and where we can compete and where we can't.

Meal service is a special case from our point of view, and even SHiDAX does not consider meal service as a food business. The reason is that it generally does not involve the purchase of foodstuffs. The school meal service business often involves dispatching personnel to the meal service facilities. It's more like a staffing business than a food business. I think such schools, or school meal services in general, would be very difficult for us.

Other than that, I think our method of using meal kits could be a solution. In the meal service industry, this is true even when meal service providers are commissioned to do so, and it is also true when hospitals and nursery schools operate their own meal service facilities. There are two major polarities: One is the method of purchasing regular ingredients and preparing them from scratch, and the other is the method of purchasing completely ready-made food and serving it ready-made, although it is in the form of a fully prepared product.

As you can see, it is very difficult to cook with ingredients, as I am sure you know at home. On the other hand, if everything is ready-made, it means that the repertoire of flavors and quality will not be sufficient. We wondered if there was anything in between, and meal kits were the way to do it at home. I think that the same thing can be said in the area of meal services.

However, there are people who have various ideas, and the cheaper the better, and for them, it is probably better to use ready-made, fully-cooked products. For a place that insists on handmade products, it would be better to purchase ingredients from scratch. I guess that depends on each facility's approach.

It is said it is good to get both of those things. They are also understaffed, so they only have a small number of people. But there is a need for something in between, where the cheaper the better, but also something that adds value well and makes the end customer happy. I feel that my approach can answer this need quite well. That is all.

Tominaga [Q]: Thank you. You have no idea now that the ingredients are basically for meal kits or that you are purchasing inexpensive items for the meal service business. Am I correct in my understanding in this way?

Takashima [A]: Yes, that's right. If you ask me if I would never do it, I don't know, but yes. Perhaps with our procurement method, regardless of whether they use pesticides or not, we already have the cost advantage of doing things directly, and the cost advantage of getting it directly from the farmer. Therefore, we want to use the initial standard that takes safety into consideration as much as possible.

Tominaga [M]: I understand very well. Thank you very much.

Moderator [M]: Thank you very much, Mr. Tominaga. Ms. Nakajima, please continue with your question.

Nakajima [Q]: I am interested in hearing what the primary reason is for making SHiDAX a subsidiary this time around. Thank you for your cooperation.

Takashima [A]: Yes, that's right. Originally, in our business plan, we wanted to expand into the BtoB business in addition to the BtoC business, which was our concept several years ago, regardless of SHiDAX.

We have considered both options of doing it in-house and working together with other companies, and have proceeded with both. Our own nursery schools are small, but now that we are providing services to about 800 nursery schools, we have learned a lot about them, even though our nursery schools are small in scale. It was very good in that sense, but I originally thought it would be nice if we could work together with some other party to accelerate this process.

When I thought about it, I realized that SHiDAX was the first company to invest in Oisix back in 2000, when we launched Oisix. At the time, I met with President Shida, and although it was right after the bursting of the bubble economy and no one was looking back at me, I was able to receive an investment from SHiDAX. As a result, we have a long relationship with them, and they saved us from almost dying as a newborn. In that sense, we decided to consult with SHiDAX first.

In that sense, we have had a long history of business partnerships and personnel exchanges on multiple levels. In that sense, we decided to consult with SHiDAX first in the BtoB business, and that is how we started. This led to a partial investment last year, or my becoming an outside director of the company.

Last year, we were thinking of starting from that point, but we also felt that there might be great opportunities if we were more serious about this and that it would be better to speed up the process.

And why now? As I mentioned earlier, the business environment is changing very rapidly. I think there will be a few companies that will survive after this period of change and that we, as a company, can survive if we create a speedy system at this time. We have made such a decision that we will have to speed up now in order to be one of those companies again. It was not my decision, but rather a natural consensus that we should come together at this time, which came about through conversations with the management of SHiDAX. Thank you for your question.

Moderator [M]: Thank you very much. Now, Mr. Sumi, please ask your question.

Sumi [Q]: Excuse me for repeating my question. My name is Sumi of Tokai Tokyo Research Institute. I would like to ask two additional questions again.

I would like to ask you about your progress toward your next plan, about the level of operating profit of JPY2.07 billion and EBITDA of JPY3.2 billion in H1 of the year. What is your response to this progress toward the JPY6 billion in operating profit, even before the current revision? This is the first point.

Regarding the second point, I would like to ask about the number of Oisix members and the outlook for the full year. I understand that you have not changed your original plan of 450,000 members, but will there be a certain number of members leaving in the future, perhaps 20,000 as you explained at the beginning of this presentation? I think you are expecting that from the figures for H1 of the year.

I would appreciate any suggestions on the outlook for Oisix's membership and the pace of net growth. Thank you for your cooperation.

Takashima [A]: Thank you very much. Let me summarize and answer a few questions. I really think we should say it properly, but I think some of the prospects are still difficult to see.

As for the number of members, as I mentioned earlier, the current figure is 398,000, but I think it is probably around 375,000 at this point.

We are expecting a change in shipping charges in November, which will not affect some of our sales that much, but we do expect some customers in the form of near-dormant to leave our membership. With that in mind, we are probably around 400,000 at the end of the fiscal year. Our target is now 375,000. After this, there will be a revision of shipping charges, so our target will be 400,000. I believe that our target will be 400,000 without adding numbers.

As for profits, it is difficult to forecast profits because sales have not reached the number of people we expected. In our case, Q3 is the most profitable period, so it is difficult to know until Q3 and the year-end sales season.

Currently, operating profit EBITDA is about 1.2x, although I expect this to increase to about 1.3 to 1.5 times, YoY, so I think we're a little bit short of JPY6 billion.

We would like to issue a forecast at the timing of Q3, taking into consideration the impact of the SHiDAX case and the extent to which the year-end sales this year will be used by our customers.

Thank you for your question.

Sumi [M]: Thank you for your response. It is very clear. Excuse me.

Moderator [M]: Thank you, Mr. Sumi.

Is there anyone else who wishes to ask a question? Now that we have received all of your questions.

Thank you very much for your time and reference today. Excuse me.

Takashima [M]: Thank you very much.

[END]

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