

***Oisix ra daichi***

**Oisix ra daichi Inc.**

Q2 Financial Results Briefing for the Fiscal Year Ending March 2025

November 14, 2024

## Event Summary

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[Company Name]	Oisix ra daichi Inc.	
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[Venue]	Webcast	
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[Participants]		
[Number of Speakers]	1	
	Kohey Takashima	Representative Director, CEO
[Analyst Names]*	Hideki Sumi	Tokai Tokyo Intelligence Laboratory

\*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.

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# Presentation

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**Komine:** Well, it's the scheduled time so let's get started. Thank you very much for taking time out of your busy schedule today to participate in the Oisix ra daichi Inc. Q2 Financial Results Briefing for the Fiscal Year Ending March 31, 2025.

My name is Komine from Oisix ra daichi, and I will be facilitating today. Thank you very much for your cooperation.

Today's financial results presentation will consist of two major parts. In the first half of the meeting, Takashima, Representative Director, CEO, will report on our business performance in H1 of the year and explain our business strategy for H2 of the year in about 30 minutes. The second half will then move on to a Q&A session with participants. The Q&A session will use Zoom's raise-your-hand feature to accept questions at the beginning of the session.

For those participants who have difficulty speaking due to the environment in which they are participating, we will also be accepting questions via the Q&A button on the webinar. We will explain the details again.

Let me now move on to the briefing. President Takashima, thank you very much.

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*Oisix ra daichi*

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**Takashima:** Hello everyone. My name is Takashima from Oisix ra daichi. Thank you for your time today.

This time, Oisix ra daichi and SHiDAX have been working together for six months since April, and this will be the first explanation after we joined together, so I would like to focus a little on the BtoB part of the business. Regarding the SHiDAX, I would like to explain the strategy in a bit more detail. I would also like to report on H1 of the year and talk about what we are thinking for H2 of the year. Thank you.

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I would like to start with a summary of H1's overall performance, and then move on to H2. I would like to talk a little about the BtoB part of H2 and what the strategy was in the first place, and then I would like to talk about H2 as well.

## Executive Summary

### H1 Results

- ✓ Sales : Due to the consolidation of the SHiDAX as a subsidiary from Q4 of the previous year, **sales increased by +119% YoY.**
- ✓ EBITDA : In addition to the increase in profits due to the consolidation of the SHiDAX, there was also an improvement in COGS and logistics/delivery costs for BtoC, **EBITDA increased by +91% YoY**

### H2 Strategy

- ✓ -BtoC: We launch of new Kit Oisix products collaborating with famous brands and specialising in functionalities such as intestinal activity, with the aim of expanding the number of members and increasing ARPU.
- ✓ -BtoB: We establish the "Time Performance food Provide model", which maximises the strengths developed under the BtoC brand, and accelerate actions to meet the challenges and needs of the four food service segments.

*Oisix ra daichi*4

First of all, here are the results for H1 of this fiscal year. Sales were JPY125.7 billion, but with the addition of SHiDAX, we were able to grow our business to more than double the size of the Company.

EBITDA is about JPY6.2 billion, which is roughly double. With the addition of SHiDAX and some BtoC subscriptions, and the improved profitability of Oisix La Daichi - Radish on the Oisix La Daichi side, the Company has roughly doubled in terms of EBITDA.

I will discuss our strategy for H2 of the year later.

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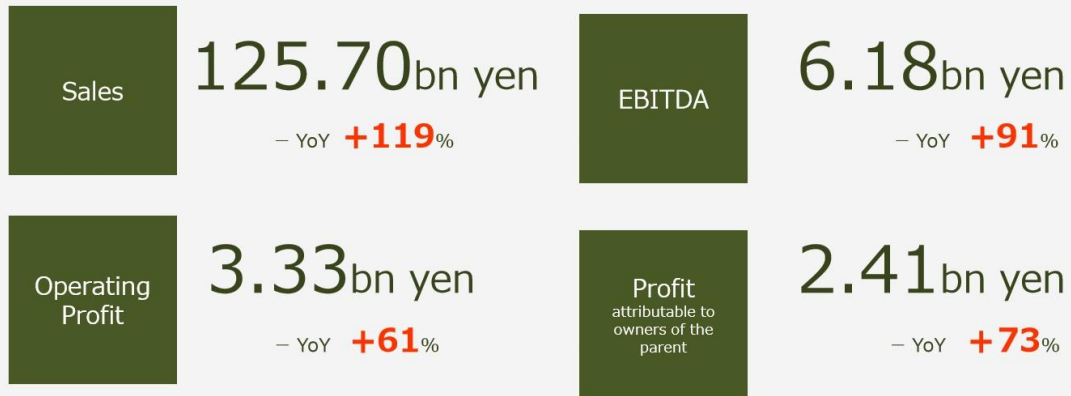
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## FY2025.3 Summary of H1 Results

- Sales** : Due to the consolidation of the SHiDAX as a subsidiary, sales increased by +119% YoY.
- EBITDA** : In addition to the increase in profits due to the consolidation of the SHiDAX, there was also an improvement in COGS and logistics/delivery costs for BtoC, EBITDA increased by +91% YoY. Both the amount and rate of profit have exceeded the initial plan.
- Profit** : Due to one-off profit effects such as gains on the sale of businesses of affiliated companies, profits increased by +73% YoY. Actual net income excluding one-off profit (about 1.3 billion yen) also progressed as planned.



*Oisix ra daichi*

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This is the summary of the company-wide performance for H1 of the year that I just mentioned.

Sales of JPY125.7 billion, then EBITDA of JPY6.18 billion, about double. Operating profit was JPY3.33 billion due to the goodwill, et cetera; EBITDA and operating profit were slightly down compared to the same period last year, which was, however, a 61% increase; and net profit was JPY2.4 billion, a 73% increase.

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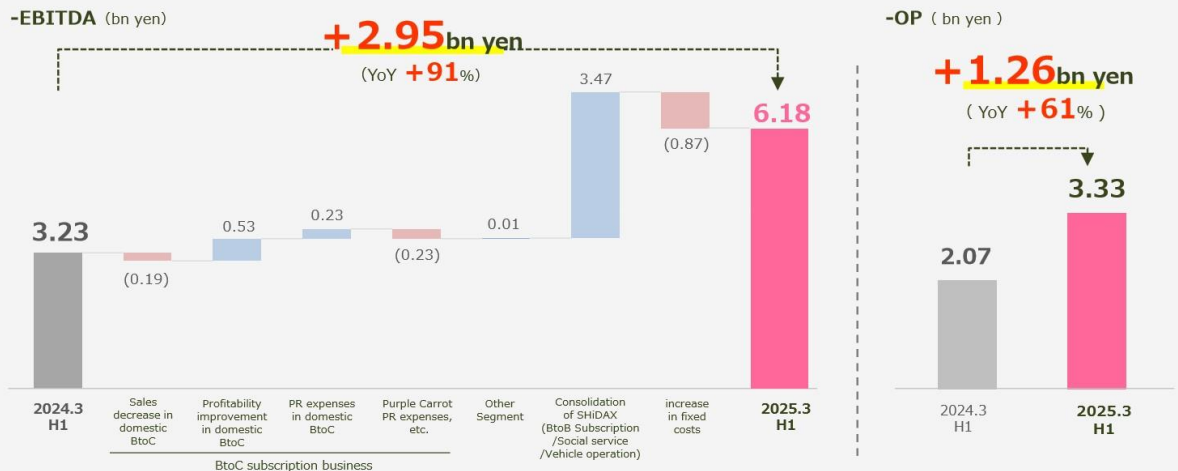
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## YoY : EBITDA/Operating Profit

Increased profits due to the acquisition of the SHIDAX Group as a consolidated subsidiary. In the BtoC subscription business, the effects of improvements in COGS and logistics and delivery costs at Oisix are steadily being expressed. Purple Carrot in the US has strategically invested in new promotional expenses to acquire new subscribers.



*Oisix ra daichi*

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This is what the profit trend looks like.

As I will explain later, the BtoC business, Oisix ra daichi, had a six-month period during which we focused on profitability. Although profits declined slightly due to a slight decrease in sales, the improvement in profitability was greater, with improved profitability in the BtoC business and the addition of profitability in the BtoB business, which resulted in an overall increase in EBITDA of about JPY3 billion to JPY6.18 billion.

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## FY2025.3 H1 Segment Results

(billion yen)					
	Sales		Segment Profit		Profit Margin
	2025.3 H1	YoY	2025.3 H1	YoY	
<b>BtoC subscription business</b> <sup>-(1) *</sup>	<b>48.17</b>	△3%	<b>4.27</b>	+9%	8.9%
(Oisix)	29.03	△6%	3.05	+23%	10.5%
(Daichi wo Mamorukai)	5.30	△8%	0.72	(7)%	13.6%
(Radish Boya)	8.19	△1%	0.74	+7%	9.0%
(Purple Carrot*) - Jan. - Jun	5.64 USD: 36M	+21%	(0.23) USD: (1.5)M	(0.23) bn yen	(4.1)%
<b>BtoB subscription business</b> <sup>-(2) *</sup>	<b>30.43</b>	-	<b>0.89</b>	-	3.0%
<b>Social service business</b> <sup>-(3) *</sup>	<b>25.74</b>	-	<b>1.19</b>	-	4.7%
<b>Vehicle operation service business</b> <sup>-(4) *</sup>	<b>13.38</b>	-	<b>1.38</b>	-	10.3%
<b>Other business</b> <sup>-(5)</sup>	<b>9.12</b>	+11%	<b>0.67</b>	+1%	7.4%
<b>Corporate adjustments and expenses, etc</b> <sup>-(6)</sup>	<b>(1.16)</b>	-	<b>(2.25)</b>	-	-
<b>Sales/EBITDA</b> <sup>-total of (1) ~ (6)</sup>	<b>125.70</b>	+119%	<b>6.18</b>	+91%	4.9%
Amortization of goodwill Depreciation	-	-	(0.60) (2.24)	-	-
<b>Operating Profit</b>	<b>-</b>	-	<b>3.33</b>	+61%	2.7%

*Oisix ra daichi*

\* Segment profit other than Other business differs from the segment figures in the financial results of Tanshin because the effects of amortization of goodwill is deducted.

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In explaining our business areas in the future, we will use this form of segmentation to explain our business areas.

First, the BtoC subscription. Oisix ra daichi, Radish Boya, and Purple Carrot in the US are all relatively large four companies with annual sales of over JPY10 billion. Adding these up, we had sales of just under JPY50 billion and a profit of JPY4.2 billion in H1 of the year, so sales decreased a little, but profits increased.

Then there is the BtoB subscription, the food service provider business. This is about JPY30 billion in sales and about JPY900 million in profit. Then we have the social service business of JPY25.7 billion, with a profit of a little over JPY1 billion, or about JPY1.2 billion, and the vehicle operation service business of JPY13.3 billion, with a profit of JPY1.38 billion.

The four main business areas or categories will be explained in accordance with these categories.

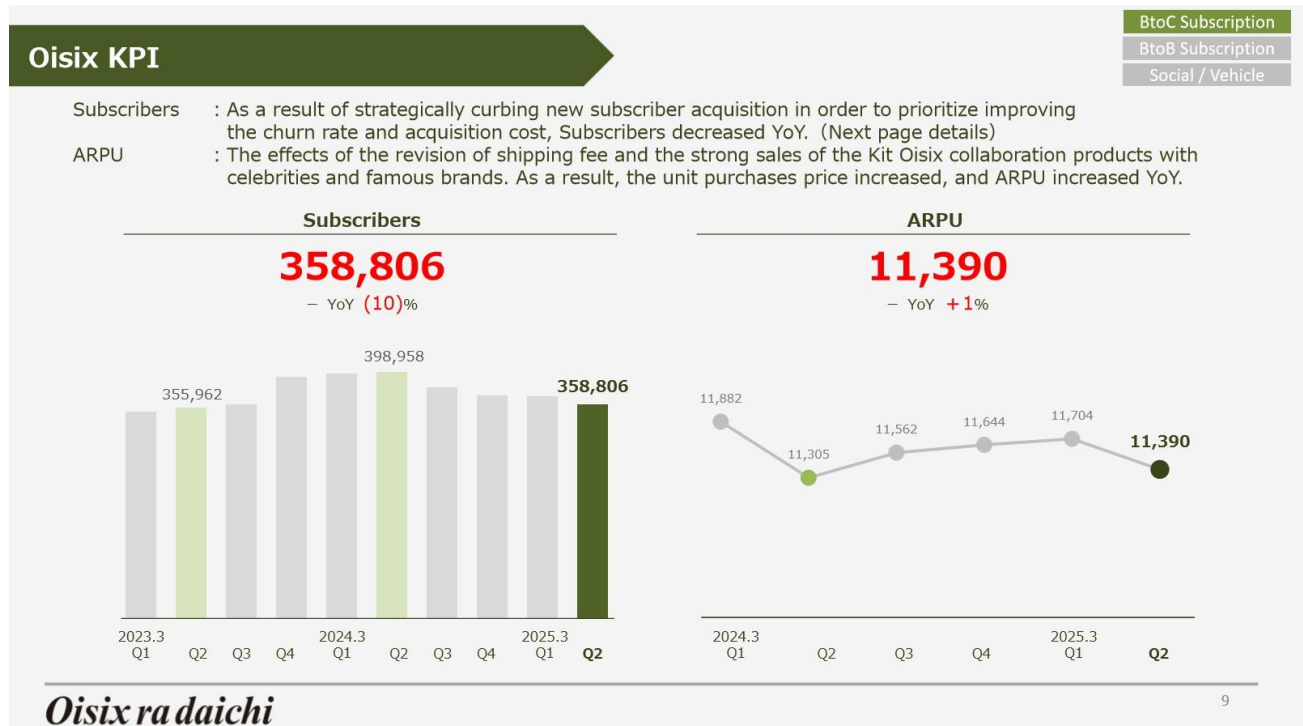
In particular, in terms of the food business, the top two are the BtoC subscription and the BtoB subscription, so I would like to focus my report on these areas.

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I would like to look at H1 of the year by business segment, starting with BtoC.

For BtoC, today I would like to talk about Oisix, Radish Boya, and Daichi wo Mamorukai.

Sales in H1 amounted to about JPY29 billion. As I will discuss quite a bit about promotions later, this is a period when we are focusing on efficiency, so the number of regular purchasers has decreased a bit, but we are doing this within our expectations.

As for ARPU, ARPU is the active orders multiplied by the unit price, the number of orders multiplied by the unit price. It's like the frequency of purchases, and that has remained about the same, but the breakdown has changed quite a bit, and the unit price has grown quite a bit, and the frequency of purchases has gone down by that amount. There is the issue that if the purchase price is too low, people will stop buying. On the other hand, the higher unit price makes it easier to generate revenue, which also contributes to higher earnings.

The reason for the increase in unit prices is partly due to the infrastructure of the world. However, other factors such as revisions to shipping costs and product development are also significant. The unit price has remained high compared to last year, and the situation is that profits are improving as it is.

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## Oisix –Details of Subscribers

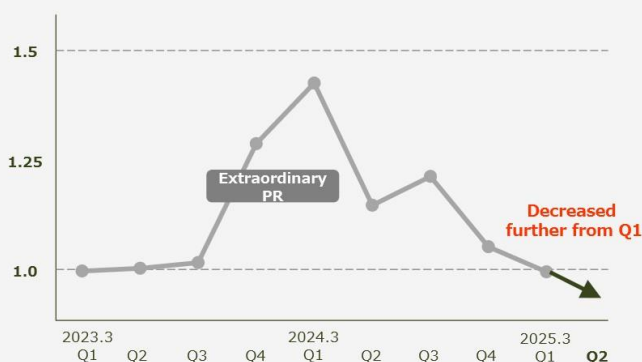
BtoC Subscription  
BtoB Subscription  
Social / Vehicle

In H1, actions were implemented with the main focus on reducing churn rate and acquisition costs, and progress was generally in line with the plan.

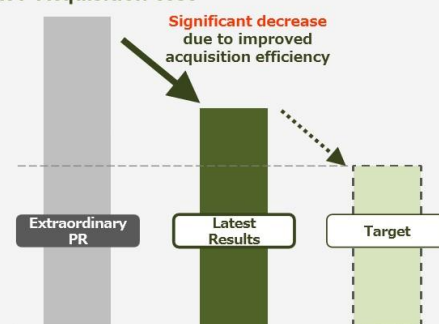
**Churn Rate** : The deterioration in the churn rate due to the extraordinary PR carried out in the Q4 of the 2023.3 term has improved compared to the level before the extraordinary PR.

**Acquisition cost** : As a result of a complete review of methods with low acquisition efficiency and a focus on developing efficient acquisition methods, there has been a significant decrease compared to the peak level.

-Oisix : Churn Rate Trends (2023.3 1Q as 1.0)



-Oisix : Acquisition cost



*Oisix ra daichi*

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In the area of promotion of acquired customers, we are still trying to break out of the effects of the rather large investment of money in PR last year.

If I talk about what we did last year, as a result of our large-scale promotions, we ended up attracting a lot of light users. As a result, cancellations were much higher last year. From about two years ago, we did it over a period of three to four quarters, from the end of FY2023 to Q2 of FY2024. As a result of that, we are now educating ourselves and trying to do appropriate promotions again.

The churn rate has dropped considerably, as shown in the graph on the left, and is even lower than it was before the massive promotion.

Also, we have been able to find more affordable ways to promote our products. In fact, we are focusing on this. This has also helped us improve our economics. However, while our profitability has improved, the question is how we can expand this. We are currently experimenting with ways to expand our business at this level of efficiency, and we are starting to see some signs of progress.

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## Oisix –Details of ARPU

BtoC Subscription  
BtoB Subscription  
Social / Vehicle

Many Kit Oisix products have been launched in collaboration with celebrities and famous brands, such as actress Anne and Pokémon, and unit purchase prices have increased.



*Oisix ra daichi*

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In terms of the products we have sold in H1 of the year, we have done quite a lot of collaborations.

In particular, we collaborated with the actress Ms. Anne and Pokémon, which were both new things for us. However, they became very popular on social networking sites and sold well, so we saw the expansion of the scope of our collaborations. This is what we have experienced in H1 of the year.

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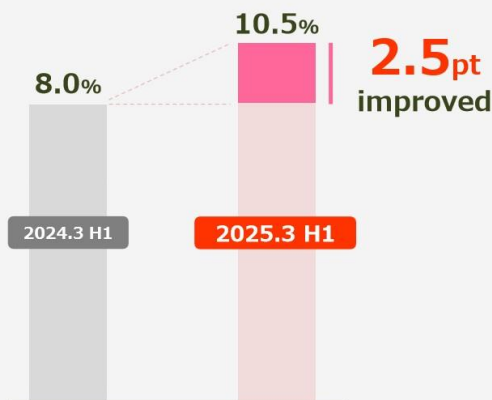
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## Oisix –Rate of Profit

BtoC Subscription  
BtoB Subscription  
Social / Vehicle

Oisix's profit margin improved by 2.5 percentage points in H1. Improvements in the company's fundamental profit structure, centered on COGS and logistics and delivery costs

-Oisix: Rate of Profit (YoY)



### COGS

- ✓ Improving the cost ratio of in-house manufactured products such as Kit Oisix
- ✓ Increasing the sales ratio of in-house manufactured products, which have a higher profit margin than purchased products.

### logistics and delivery Costs

- ✓ Reduction in fixed costs due to increased unit purchase price
- ✓ Reduction in last-mile delivery costs through optimization of the number of boxes delivered per order.

*Oisix ra daichi*

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Profitability has increased by 2.5 percentage points compared to the same period last year, which means that profitability has increased by more than 1.2 times.

We are making a profit of around JPY3 billion from the Oisix business. However, it is not just about improving the efficiency of promotional costs, as I have mentioned repeatedly. We have also been able to improve our purchasing and have had many hits with our own manufactured products. We are also making steady efforts to further improve distribution efficiency. The profitability of Oisix is improving considerably.

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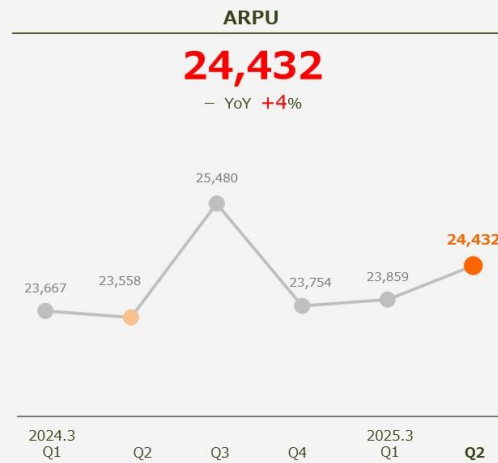
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## Daichi wo Mamorukai KPI

BtoC Subscription  
BtoB Subscription  
Social / Vehicle

**Subscribers** : Service development is progressing steadily, and PR expenses can be gradually invested, and from the current 1Q, subscribers has been increasing continuously.  
**ARPU** : Both the unit purchase price and frequency have increased YoY due to strong sales of seasonal products and high-unit-price products.



*Oisix ra daichi*

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Next is Daichi wo Mamorukai.

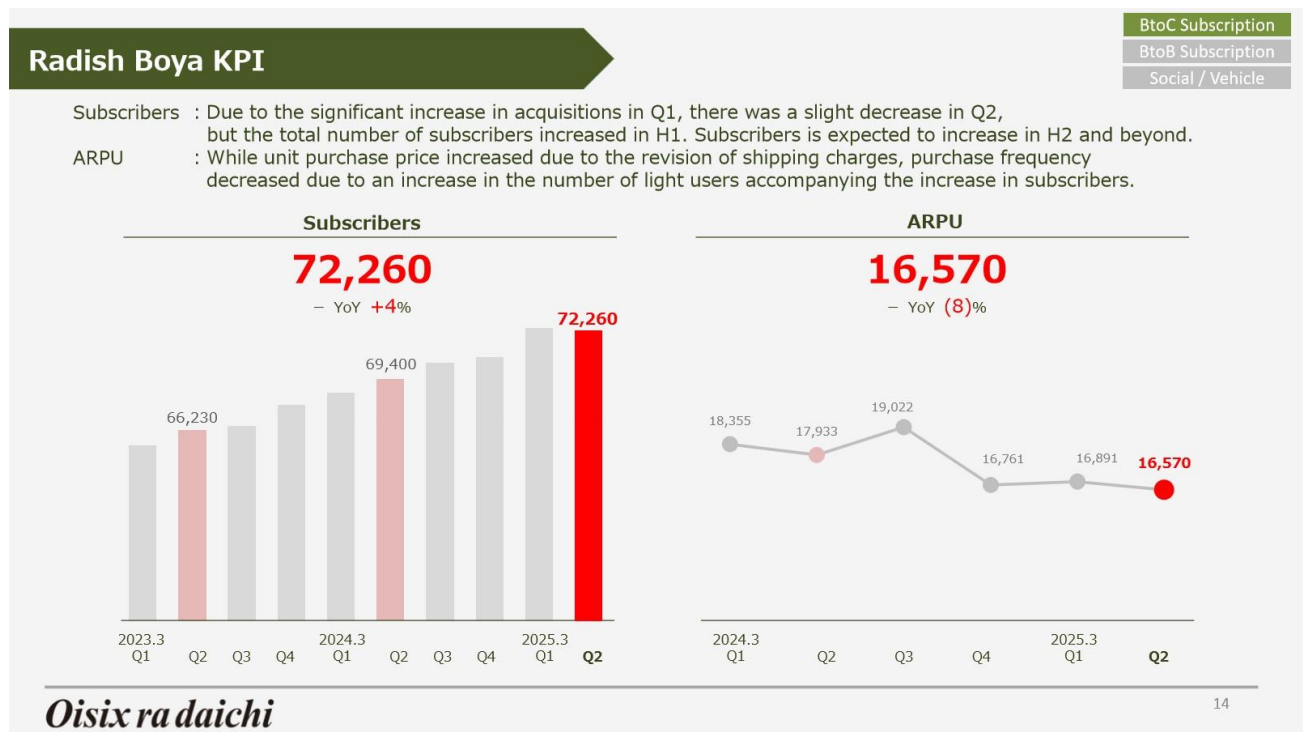
Sales here are about JPY5.3 billion. H1 of the year results in about JPY700 million in profit. It is subtle, but the number of members is slightly increasing net, and Daichi wo Mamorukai, which has always had a time losing members except for during the COVID-19 pandemic, is at least starting to increase a little from flat to increasing, which I think is a great good situation.

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Radish Boya, for example, had sales of JPY8.2 billion and a profit of about JPY740 million in H1 of the year. The number of members is increasing, but there was a slight decrease in Q2 compared to Q1 due to seasonal factors.

However, the basic trend is one of growth, and services such as the new irregular Radish are having a significant effect. I think that we are gradually growing in terms of revenue and are on a growth curve. However, on the other hand, as we continue to ride this growth curve, the number of light users is increasing. So, ARPU is decreasing slightly.

However, in terms of profit margins, the situation has not worsened, in fact, it has improved, but only a little. These are the explanations for H1 of BtoC.

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## BtoB - H1 Financial Results

BtoC Subscription

BtoB Subscription

Social / Vehicle

The development of weapons planned at the beginning of the term is progressing steadily, and new contracts are increasing steadily, resulting in an increase in revenue YoY. In earnings, despite the difficult business environment, including the rising cost of materials and labor, we are continuing to implement activities to improve profitability (Next page details).

### H1 Results

**Sales** 30.43bn yen

**Profit** 0.89bn yen

### Number of locations

✓ Office/Nursery : 1,044 (+14)

✓ Hospital/Elderly : 792 (+26)

### BtoB Subscription

We provide food services in a wide range of fields, from office cafeterias to hospitals, nursing homes, and nurseries.



*Oisix ra daichi*

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Next is BtoB. In the food service provider business, sales were JPY30.4 billion and profit was JPY890 million.

The number of business contracts has increased to 1,044 for office cafeterias and nursery schools, and 792 for hospitals and elderly care homes.

In addition to this, there is also a business that wholesales foodstuffs, but not on consignment, and there are about 1,000 nursery schools alone, but what is written here is the number of cases where we are on consignment.

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## BtoB - New Contract Acquisition

BtoC Subscription  
BtoB Subscription  
Social / Vehicle

Acquiring new contracts is progressing steadily, as is the planned development of weapons. We have also been picked up by economic TV programs, and we are receiving many inquiries. Sales of new contracts in H1 increased by 30% YoY, and the rate of winning competitions has improved by more than 1.5 times compared to the end of the FY2024.3

### H1 Action

- 1 Accelerating the development of meal kits for meal services and fully cooked products
- 2 Planning and experimenting with products in collaboration with Oisix brands
- 3 Started introducing Oisix food ingredients

### H1 Results

- ✓ Sales of new contracts YoY **+30%**
- ✓ Rate of winning competitions improved by more than **1.5times** in H1



*Oisix ra daichi*

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The food service business has been with us since this past April. We are seeing some signs, and there have been some successes in sales that we could not get before.

One of the main reasons for this is that we started offering services like meal kits for food services, which can be received by a small number of people. We also started offering services like delicious salads that can be eaten in the office cafeterias. As a result, the number of new orders received has increased by 30% compared to the same period last year, and our rate of winning tenders has also increased. Although this is only a sign, there are signs that our sales are going to be more successful than before.

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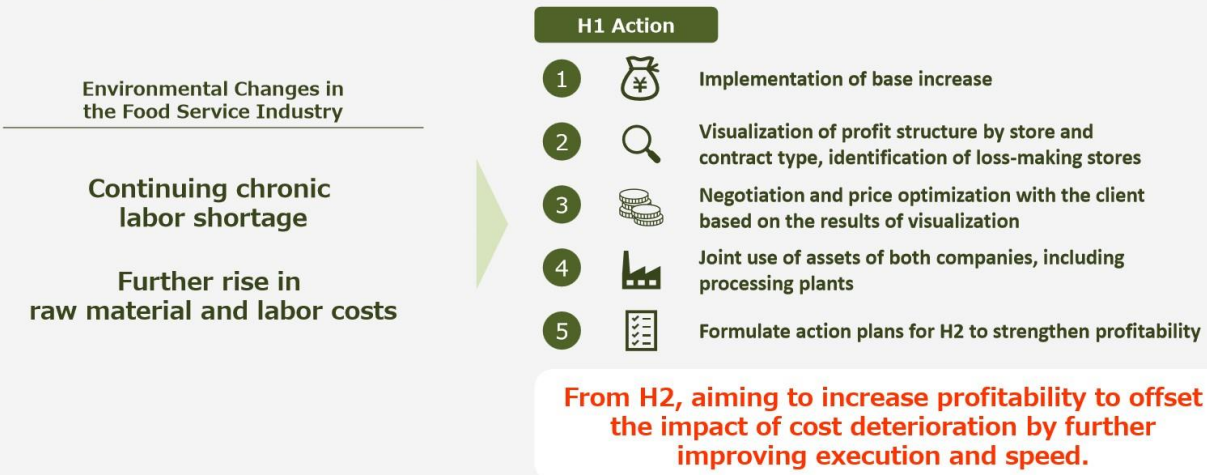
## BtoB - Improving profitability

BtoC Subscription

BtoB Subscription

Social / Vehicle

The impact of rising raw material and labor costs continues. Even in a difficult business environment, we will continue to implement activities to improve profitability. In H2, we will aim to improve profitability to a level that exceeds the impact of rising costs by increasing our ability to take action and speed (details in H2 Part).



*Oisix ra daichi*

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On the other hand, the industry as a whole was originally faced with the problem of a labor shortage and the rising costs of raw materials and labor. That continues to be the case in 2024, with the difficulty level of the questions further worsening, or rather, becoming more difficult. This is not just about us at SHiDAX but a common issue for the entire industry.

One of the things we did in H1 of the year was to control the high labor costs by holding down hourly wages, but this resulted in a high turnover rate, and eventually employees had to work overtime to keep the Company running. In order to break out of this situation, we decided that we needed to raise base salaries, so we raised salaries for the first time in several years.

At the same time, we visualize the performance of each store or type of store and negotiate prices for stores with poor profitability.

In addition, we have been working together with Oisix and SHiDAX to improve profitability in procurement and logistics for H1 of the year.

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## Social Business Social/Vehicle Operation

BtoC Subscription  
BtoB Subscription  
Social / Vehicle

In both the social and vehicle operation businesses, actively approaching and steadily acquiring new orders by meeting the needs that are increasing due to changes in social conditions, such as the shortage of manpower due to the declining birthrate and aging population and the need for transportation in rural areas. The number of contracts has increased, and revenue has increased YoY.

### Social Service

Operational management of childcare for school children, tourist facilities, school meals, etc.

**H1 Results** Sales **25.74**bn yen Profits **1.19**bn yen



- ✓ Progressing with **increased revenue**, with sales growth mainly in the after-school childcare service outsourcing business. The company has successfully responded to the needs of the government to outsource administrative services to the private sector due to the shortage of manpower and rising costs caused by the declining birthrate and aging population.

### Vehicle Operation Service

We provide vehicle fleet management services, including management of executive vehicles, route buses, and community/demand/school buses.

**H1 Results** Sales **13.38**bn yen Profits **1.38**bn yen



- ✓ By approaching the needs of local transportation, such as the demand for school buses due to the withdrawal of route buses and the consolidation and closure of schools, we steadily acquired projects and achieved **YoY revenue growth**.

*Oisix ra daichi*

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The next is social services, which has sales of JPY25.7 billion and profit of JPY1.19 billion. This segment is involved in outsourcing various services for local governments.

We are the largest operator of childcare services for school children, with about 2,000 locations, and we are also entrusted with the operation of local libraries, parks, and other facilities.

The vehicle business had sales of JPY13.38 billion and profit of JPY1.38 billion. Here, this was an increase in sales and profit. This business includes the operation of black vehicles, such as the one pictured on the left, as well as local school buses and other transportation services. These are the results for H1 of the year.

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## BtoC Subs

### -New products and services to focus on in H2

BtoC Subscription

BtoB Subscription

We will focus on new products and services such as "Collaboration Kits" with famous restaurants, "Functional Kits" for people with a high level of health awareness, such as those who are interested in gut health, and "Deli Oisix", with the aim of increasing the number of members and ARPU.

### Collaboration Kit



- ✓ Continuing from H1, collaborations with TV programs and famous restaurants, etc.
- ✓ Developing products for this season only, such as Christmas and hot pot dishes.

### Functionality Kit



- ✓ Developing functional kits for people with a high level of health awareness
- ✓ Launching the Kit for Gut Health at the end of October.

### Deli Oisix



- ✓ Launch of Deli Oisix, which can be prepared simply by taking it out of the refrigerator and heating it up, in response to the need for time-saving
- ✓ Full-scale promotion of improved pricing and quality in response to customer feedback in H1

*Oisix ra daichi*

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Then, we will move on to H2 of the year.

For H2, I would like to focus a little bit on BtoB and BtoC, BtoC and BtoB, and food products only.

I would like to focus only on Oisix in the BtoC area, but there are several collaborations planned for H2 of the year, including some that I cannot announce at this time. We are also planning to tie up with a major movie drama, et cetera, so we would like to make sure that our customers are happy there as well.

We are also starting a new functional Kit, which will focus on the theme of gut health, and we will promote the idea that the body can be in better condition by eating.

As for the Deli, which is not a Kit, but a ready-made one, we are making a lot of progress in improving the service, and we expect to launch it as a new course during H2 of this half year.

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## Other initiatives in H2

Subscribers : We aim to increase the touch points with the brand and improve the conversion rate of subscribers.  
ARPU : We aim to increase the average unit price of purchases by expanding the sales categories.

### Subscribers

#### Expanding touch points with brands

- ✓ Strengthen marketing of Oisix products in other supermarkets.
- ✓ In H1, Kit, a collaboration with Pokémon Co. Achieved record sales at supermarkets



#### Increased conversion rates

- ✓ Improve the customer experience after initial use, such as with service usage guides and leaflets that explain the appeal of products.



▲ Handout explaining Oisix's services in an easy-to-understand way

### ARPU

#### Expansion of sales categories

- ✓ Expansion of non-food categories such as home and kitchen
- ✓ Sales of supplements and health-support foods



*Oisix ra daichi*

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In H2 of the year, many of you may have seen meal kits in supermarkets, where collaborative products such as the Pokémon collaboration have been very successful. We would like to expand such collaborations with supermarkets in H2 of the year as well.

Then, for ARPU, until now, Oisix has only sold food. However, we are thinking of expanding our range, and we are planning to start selling supplements and home & kitchen products from H2 of the year.

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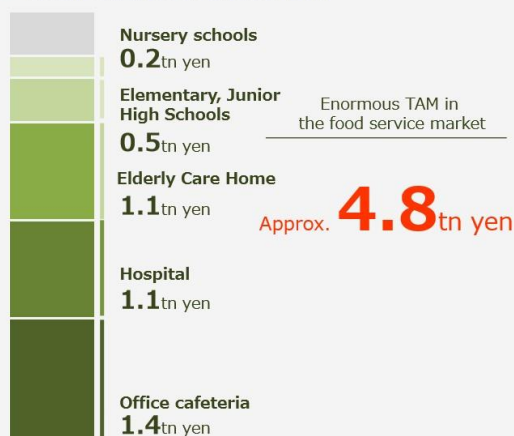
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## Overview of the meal services market

The meal services market is very large, at around 4.8 trillion yen, and is growing steadily. On the other hand, there is no trend towards oligopoly, and there is an acceleration of restructuring, including entry from other industries.

### ● meal services market TAM



### ● -The absence of oligopolistic players



*Oisix ra daichi*

Source): 2024 Food Service Market Outlook and Strategies (Yano Research Institute Ltd.) 23

Next is BtoB.

On the BtoB side, as I mentioned earlier at the beginning, I would like to explain a little bit about the base strategy.

The food service business is a very large market of JPY4.8 trillion, including office cafeterias, hospitals, senior citizens, elementary and junior high schools, and nursery schools, but there is no oligopoly, and even the top 10 or top 10 companies account for only a quarter of the total market.

SHiDAX is currently one of the top 10 companies in this industry. I think that the industry will become more and more oligopolistic in the future, and that there will be further restructuring. We want to make sure that we are one of the winners in this process.

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## Revenue Structure

About 80-90% of costs are made up of materials and labor costs. Recently, chronic labor shortages and rapid rises in various costs have led to deteriorating business performance and bankruptcies, and the difficult business environment continues.

### Profit structure of meal services



### Increase in FL costs due to changes in the external environment

**Labor shortage** due to lack of manpower

**The soaring cost of labor**  
due to wage increases

**The rising cost of material prices**  
due to rising energy prices, etc.

**Deterioration in performance and bankruptcy of meal services providers**

*Oisix ra daichi*

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In terms of the profit structure of this food service business, raw material and labor costs account for 80% to 90% of sales, and both of these costs are currently a major issue.

In the first place, it's difficult to find people, and even if we can, it's expensive, and the prices of raw materials are rising rapidly.

On the other hand, in the case of food service, hospital meals are typical, but the price is set by law. It is not something that can be raised in price immediately. They are unable to raise prices as quickly as restaurants can. This is one of the reasons why the performance of food service providers has deteriorated considerably, and some have even gone bankrupt.

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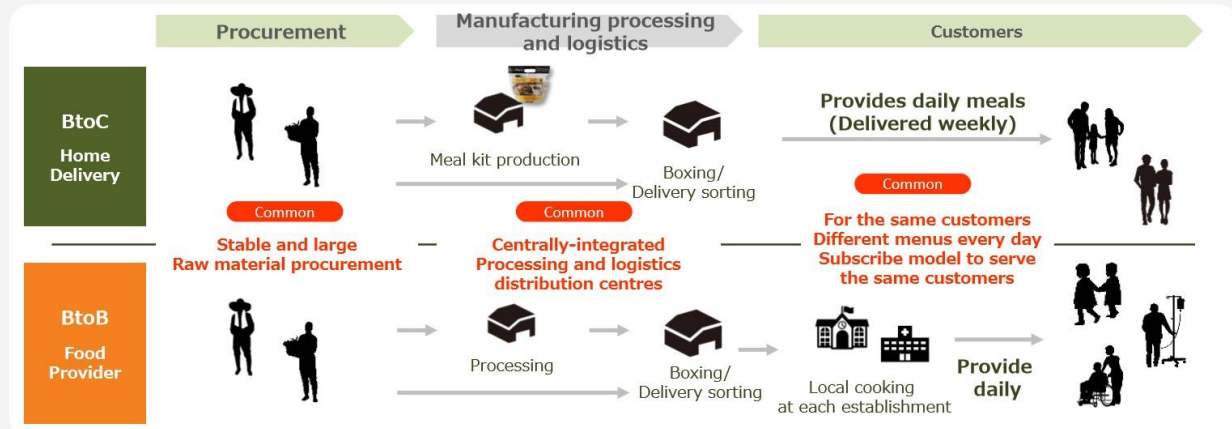
## Commonalities with BtoC businesses

BtoB business

Strategy

Action

The subscription model is common to both home delivery and food provide service, in that they both source consistently and offer different menus to the same customers. The know-how built up in BtoC subs can be horizontally extended to BtoB business to solve problems in the food provide service industry.



The business model is common and the strengths and know-how developed in the BtoC business can be deployed horizontally.

*Oisix ra daichi*

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We see this as both a pinch and an opportunity for us, and under these circumstances, we would like to use the skills we have developed at Oisix to do this BtoB food service business as well.

There are many similarities, the most common being that, as noted on the right, the customers are generally the same for both us and food services, but the menu we serve is different every week, every day. Rather, the same menu is served to different customers in restaurants. We deliver something like "this is this month's menu" to different customers. I think supermarkets are similar to that.

However, we are quite different from that, and the premise is to deliver different things to the same customers. We have set up a supply chain to make that happen, so we can say that there are quite a few things in common.

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## Horizontal development of BtoC know-how into BtoB.

BtoB business

Strategy

Action

Reduce food/labor costs and increase the added value of food service by horizontally extending the strengths built up in the BtoC subsector to the BtoB Business.

### Strengths of BtoC business.

#### 1 Combining "premium" and "time-saving" Meal kit development

- ✓ Meal kit production plants capable of producing a wide variety of products in small quantities.
- ✓ Know-how to develop original menus, including collaboration and plant-based menus.



#### 2 Producer network for centralised procurement of high-quality raw materials

- ✓ 4,000 highly skilled contract farmers nationwide



#### 3 Food distribution DX refined through e-commerce

- ✓ Order and supply system that reduces the administrative workload of daycare centres.
- ✓ Demand and supply matching system using field and table data.



### Horizontal expansion to BtoB

Premium and time-saving in meal kits for school lunches, creating high added value and improving productivity.

Improved ability to procure foodstuffs, including school lunches, and stable, large-scale procurement of high-quality raw materials.

Realisation of cost savings through DX promotion, including labour-saving administrative work at food service sites and reduction of food loss through improved supply and demand accuracy.

*Oisix ra daichi*

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We are trying to take advantage of these many commonalities and leverage the strengths we have developed in that BtoC. There are about three things, one of which is a tool that would provide premium value in a short period of time, which is the value represented by this meal kit. This would be the first weapon.

Second, we have procurement capabilities through our direct network of production areas.

Third, we have built our food distribution business almost entirely on the premise of DXing, which we intend to apply to the BtoB food service business.

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## Horizontal development of BtoC know-how into BtoB

### - 1. Development of meal kits that combine "premium" and "time-saving".

BtoB business

Strategy

Action

In the B-to-C domain, Oisix has expanded its business through the value of 'premium shortening', moving away from the mindset that shortening time-easy but cutting corners. Maximise that value in BtoB business as well.

1

#### Meal kits



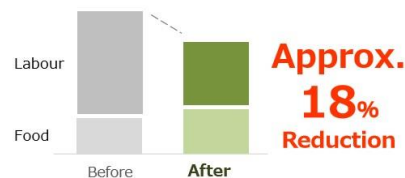
#### Shortening the time - Improving productivity -.

##### Reduced cooking time\*.

Before 8.5<sub>H</sub> After 6<sub>H</sub>

**Approx. 30% Reduction**

##### Food/Labour cost\*



#### Premium - improving satisfaction -.

##### Leveraging Oisix brands and popular menus with tasty vegetables

✓ Oisix popular menus and collaboration menus with famous brands



All eat Rates\*.

Before 64%

After 70%



*Oisix ra daichi*

\*Results at nursery schools (capacity: 90 children) where meal kits for school lunches have been introduced.

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To elaborate on the first one, the meal kits that combine premium and shortened working hours, we have been experimenting with meal kits at nursery schools and other such places, and the number of working hours has been reduced considerably, which in turn has lowered labor costs.

Raw material costs will go up a bit, but labor costs will go down, and in total, profitability will increase. Or we are seeing a form that will allow us to operate with a smaller number of people than before.

Also, the fact that we offer such a menu has led to an increase in the rate of children who finish their meals at this nursery school. However, because the rate of children who finish their meals is increasing, we are able to use fewer meal kits. Another point is that we are also able to increase the level of satisfaction of the children who eat the meals.

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Stable and large-scale purchasing of raw materials through a bulk procurement network of high-quality raw materials, which has been developed in the BtoC business. In addition, FL costs can be reduced by improving administrative efficiency at meal delivery sites and promoting loss reduction through system construction capabilities honed in e-commerce.

2

### Network for centralised procurement of high-quality raw materials

- ✓ -Builds a network capable of centrally procuring high-quality food ingredients, including BtoB, by utilising highly accurate demand forecasts based on a subscriber model and stable, large-scale food ingredient purchasing power.



3

### Food distribution DX refined through e-commerce

- ✓ Utilising know-how from the development of customer-oriented UI/UX design and algorithmic supply-demand matching systems to reduce manpower at catering sites and reduce losses by improving the accuracy of demand forecasts.

毎週の発注が約10分で完了する独自の発注システム



専用ツールで子どもの人数を入れるだけで必要量が計算  
調理指示書、検査簿、栄養出納帳など、運営と監査に必要な書類も提供

*Oisix ra daichi*

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The second is procurement, which, needless to say, will use our procurement network.

Third, as I mentioned earlier, we are also thinking of reflecting such functions in BtoB as well, such as information forecasting using Myware we have created for our system.

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## Building Time-performance Food Provide model

BtoB business

Strategy

Action

By having the Taipa School Meal Model built and introduced using this know-how, the existing school meal business will be expanded to 100 billion yen in sales by 2030,  
In addition, the company will actively pursue M&A opportunities, aiming to become a top-tier player.

### Time-performance Food Provide model



*Oisix ra daichi*

Combining "premium" and "Time-saving"  
Meal kit development

Producer network for centralised  
procurement of high-quality raw materials

Food distribution DX refined through e-commerce

#### Existing business

Sales: approx. 60 billion yen\* to

**100 billion yen by 2030**

+

#### Discontinuous growth

To be in the top tier of the market,  
Mergers and acquisitions are  
actively implemented.

*Oisix ra daichi*

\*Forecast for BtoB(food service) business in FY2025.3

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Through the above, we aim to achieve sales of around JPY60 billion by 2030.

We also aim to achieve sales of JPY100 billion by 2030, and we call this the Time Performance Food Provide Model. Our basic strategy is to make our presence felt in the school lunch industry, which is undergoing rapid change, by introducing this model.

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## 4 Segment and 5 Action policy

The food provide service market is divided into 4 business segments, and it was confirmed that the Time-Performance food provide model is useful and can be horizontally deployed in all segments. In the 2H of the year, actions will be formulated and implemented according to the key issues and business phases in each segment.

### 4 Business Segments

	Our Sales
Office	23bn yen
Hospital	15bn yen
Elderly Care Home	13bn yen
Nursery School	6bn yen

×

### Action policy for the 2H of the year

A	Reduction in raw material costs	Profit Improvement
B	DX promotion of food service sites	
C	Labor cost optimization	
D	Service differentiation through Oisix brands and know-how	Sales Expansion
E	Strengthening the sales structure	

*Oisix ra daichi*

What we are doing within that basic strategy.

The information is a little rich. There are four areas in the food service business, and we are working in four areas: office cafeterias, hospitals, elderly care homes, and nursery schools. We do school lunch services, but school lunch services are a little bit of a separate segment right now, so I'd like to talk about these four segments today, and then we'll talk about five of them.

Reduction of raw materials and DX at food service sites, I think these two things are common to all types of businesses.

We would also like to optimize labor costs, utilize the Oisix brand, and strengthen our sales structure.

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## H2 actions - Common to all segments

2H Action

Common

Office

Hospital

Elder

Kinder

In all segments, 'Reduce raw material costs' and 'Promote DX at meal sites' are implemented as common actions.

### Needs common to all segments

- ✓ Providing meals at a price point within each establishment's budget
- ✓ Providing food service with a stable and error-free personnel and operational structure.

#### A Reduction in food costs

- ✓ -Negotiation of price optimization and withdrawal from loss-making shops based on the results of the visualization of the profit structure (to be continued from the 2H of the year onwards).
- ✓ -Expanding the bulk procurement network of raw materials, including the introduction of Oisix foodstuffs.

#### B DX promotion

- ✓ Labor-saving administrative tasks through horizontal deployment of the food service ordering system developed by Oisix.
- ✓ -Labor-saving in menu planning work through the use of AI and reduction of food loss through the introduction of a demand forecasting system.



*Oisix ra daichi*

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In terms of common items, we will reduce raw materials by using Oisix's delivery and procurement capabilities, and we will also promote DX, which overlaps with what I mentioned earlier.

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## H2 actions - Office

In response to the need to improve employee lunch satisfaction and productivity, Oisix's brand strength in tasty vegetables has been used to actively develop the Oisix Salad Bar and other products. In parallel, the new acquisition system was strengthened.

### Office



#### Needs

- ✓ Increased productivity through stimulated interaction between employees.
- ✓ Reducing employee turnover and increasing recruitment through "food" benefits.
- ✓ Providing healthy lunch, including reducing vegetable deficiencies.

#### D Differentiation

##### Oisix menu with delicious vegetables

- ✓ Salad bar with Oisix vegetables, popular Oisix menus and famous brand collaborations.
- ✓ Expanded corporate event and party menu



#### E Sales structure

##### Increase in number of competition entries through expanded approach

- ✓ The competition win rate has steadily increased since the first half of the year, with the absolute number of competition entries being the main issue.
- ✓ Increased visibility of key indicators and online advertising media to increase the number of approaches.



*Oisix ra daichi*

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2H Action	
Common	
Office	Hospital
Elder	Kinder

As for the office cafeteria, it has a shortage of vegetables, and it is good if the employees are happy. Therefore, we have started to introduce a menu like "Oisix times Oisix Salad" to various office cafeterias as a selling point.

The strategy for H2 of the year for the office cafeteria will be to strengthen sales, as the sales win rate has increased considerably using this as leverage.

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## H2 actions - Hospital

The background of 24/7 operations has led to ongoing staff shortages, and stable operation of existing outlets is a key issue. Strengthening recruitment capabilities, including continuous compensation improvements and redesigning the training system, and reducing turnover are implemented as top priorities.

### Hospital



#### Needs

- ✓ Stable operations completed 24 hours a day, 365 days a year.
- ✓ Providing a wide variety of meal patterns, including general and therapeutic diets.

#### C Labour cost optimisation

##### Resolve of chronic staff shortages

- ✓ Reduce turnover and strengthen recruitment through continuous compensation improvements.
- ✓ Designing training programmes not only at the start of employment, but also afterwards, depending on the career path of the employee.
- ✓ Reduction of costly excess overtime by optimising human resource sufficiency and staffing levels.



#### E Sales structure

##### Establishment of a prioritised approach system for each type of hospital.

- ✓ As hospital meals are provided in a wide variety of patterns depending on the patient's situation, priority is given to hospitals where the time-performance meal delivery model can be easily rolled out horizontally.

*Oisix ra daichi*

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In terms of hospitals, this is a situation where we need to protect them first before we can attack them. This is a place where there is a serious shortage of staff, and where operations need to be carried out 24 hours a day, 365 days a year, and where mistakes are not allowed.

I think that the most important thing is to replenish the staff, so we will resolve the shortage of staff by digitizing the workload and properly training the staff.

If the labor shortage is solved, there will be no overtime pay for employees, so I think the profitability will be better if the labor shortage is solved properly.

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## H2 actions - Nursery School

Further improvements to the nursery meal kits previously introduced by Oisix are being developed and rolled out horizontally to the nursery schools that Sidax is contracted to operate. In parallel, actions are being taken to maximise new acquisitions in conjunction with the Oisix sales team.

### Nursery School



#### Needs

- ✓ Labour-saving and manpower-saving cooking and clerical work at food service sites.
- ✓ Improvement All-eat rates for preschool children
- ✓ Differentiation from other facilities by adding value to Lunch

#### D Differentiation

##### Improved nursery meal kits with less workload on cooking sites.

- ✓ -Further UX improvements to meal kits, including more cut vegetables and larger volumes of seasonings.
- ✓ -Expansion of allergy-friendly snacks and fully cooked baby food.



#### E Sales structure

##### Establishment of a new acquisition system in conjunction with the Oisix sales team.

- ✓ Building a cooperative sales structure between Oisix and Shidax.
- ✓ In order to increase the number of approaches, visualisation of key indicators, revamping of online media and increased awareness through increased participation in seminars and events.

*Oisix ra daichi*

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As for the nursery schools, they are like office cafeterias, requiring only one meal per day, so there is not much of a human-power shortage problem.

On the other hand, the birthrate is declining rapidly, so it is very important for nursery schools to differentiate themselves from each other, and we will help them do so from the viewpoint of food.

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## Changes in management structure

BtoB business

Strategy

Action

From October 2024, Mr Tsutsumi, Director of Oisix ra Daichi, head the BtoB business of the Shidax Group. Accelerate the speed of action to build and introduce the Time-Performance food provide model.

### Three main companies in the BtoB business

Contract food  
service

Office

Food service

Hospital/Elder/Nursery

S Logics

Procurement  
and logistics



**Tsutsumi, Director of Oisix ra Daichi,  
is appointed President  
of the 3 BtoB company.**

**Further accelerate the speed of  
action towards building and  
introducing a "Time-performance  
Food provide model"**

*Oisix ra daichi*

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As for the organization, Tsutsumi, a board member of Oisix, will be in charge of SHiDAX Food from this October, and we would like to speed up the process.

These are the strategies for H2 of the year.

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## Support for the Noto Region

Since the earthquake, our group companies have been cooperating to provide ongoing support to the disaster area, including the provision of supplies. In addition to the above support, in response to disaster in September, we provided support supplies such as water and blankets, and our employees also volunteered to support the disaster area.

### Support activities after the Earthquake in Jan.

- ✓ Maintaining hospital meal services, distributing relief supplies, and delivering goods using our own logistics
- ✓ The mobile supermarket Tokushimaru continues to support disaster victims outside of non-shelter areas.



### Support activities after the Heavy Rain Disaster in Sep.

- ✓ We provided supplies such as mineral water and blankets.
- ✓ Due to the shortage of manpower in the disaster area, our employees also volunteered to support the disaster area.



*Oisix ra daichi*

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I would like to talk about the last sustainable topic as usual.

First of all, we are continuously committed to Noto, and in January, we were part of the SHiDAX soup kitchen team and also transported water and goods. We also delivered supplies by Tokushimaru to people who had taken refuge in places that were not evacuation centers, and they were very pleased with the service.

There was another torrential downpour this past September, and we provided supplies and volunteered at that time as well.

From now on, we will be entering the phase of recovery and reconstruction. In the reconstruction phase, that region will also have very delicious marine products and processed marine products. There will also be a lot of sake, rice, and Senmaida. We would like to provide support in those areas and make good products.

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## Expand sales channels for sustainable products -Plant-based meats

To realise sustainable retailing, P-Meat buns, a series of plant-based meat products are launched at all Natural Lawson stores.

### Plant-based meat



× **NATURAL  
LAWSON**

- ✓ **P-Meat buns with soya milk for the skin and plant-based meat\* and six domestic vegetables for the filling**  
(\*alternative meat made from beans and soy-derived plant materials).
- ✓ **-Sold at all Natural Lawson shops from 29 October 2024**  
(\*Some shops do not carry the product).

*Oisix ra daichi*

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Next, plant-based products have been available at Natural Lawson since the end of last month. It will be a bun made with a plant-based meat called P-meat. Regarding the meat buns, they do not contain meat. I really want you to try them. I think you will find that the flavor has soaked in more than in a regular meat bun, and you will be able to experience something new.

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**Expand sales channels for sustainable products  
-Upcycled items**

**Punk Baked Potato Baribori Chips, upcycled from out-of-spec baked potatoes, launched at Family Mart**

**Upcycled Chips**



**× FamilyMart**

- ✓ **Chips made by upcycling\* potatoes that have been popped or otherwise out of specification in the process of making baked potatoes.**

(\*Upgraded products by adding value to previously discarded products)

- ✓ **Sold at Family Mart from 12 November 2024.**

(\*Some shops do not carry this product)

***Oisix ra daichi***

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This is about FamilyMart.

These are FamilyMart stores in the Kansai and Tokai areas. This week, they started selling chips made from non-standard roasted sweet potatoes using chemicals. We have been making upcycled products like this at Oisix, and the number of cases where other distributors have picked them up has been increasing considerably.

**Support**

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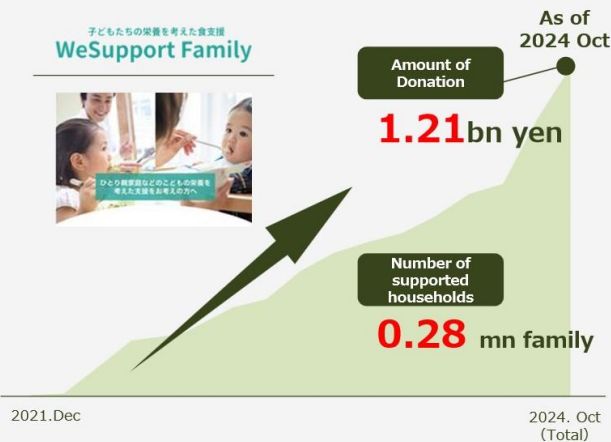
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## WeSupport Family

The “WeSupport Family” food support platform for poor households with children provides support to around 28,000 households, mainly by supplying food. The scale of the support is growing rapidly, with the value of supplies provided in July 2024 doubling from the previous year to over 1 billion yen.

### WeSupport Family



### Osaki Food Pantry & Ennichi

- ✓ A food pantry was held during the summer holidays when school lunch were not available, and various foods such as rice were provided
- ✓ Approximately 70 families visited on the day. A festival corner was set up where children could enjoy activities such as fishing for sweets and scooping up rice.



*Oisix ra daichi*

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We have also continued to support children through our WeSupport Family program, in which we serve as the secretariat for the delivery of food to children's cafeterias and food pantries. We are probably the largest food pantry in Japan, delivering food to nearly 30,000 households on an ongoing basis.

That is all from me. Thank you very much.

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## Question & Answer

**Komine [M]:** Thank you, President Takashima. We will now move on to the question-and-answer session. Questions and answers will be taken orally using Zoom's raise-your-hand function.

When asking a question, please state your company name and name at the beginning of your question, and limit each person to two questions.

We will now move on to accepting questions. If you have any questions, please let us know using the raise-your-hand button on the screen.

Now please unmute and ask your questions. Please also include your company name and name at the beginning.

FY2025.3 Segment Forecast Revision					
Due to a review of the accounting rules of the SHiDAX Group, the breakdown of segment sales and profits has been revised from the initial plan.					
Initial Forecast			(billion yen)		
	Sales		Segment Profit		Profit Margin
	FY2023.3	YoY	FY2023.3	YoY	
BtoC subscription business*	100.00	+1%	9.10	+1%	9.1%
(Oisix)	61.00	△2%	6.00	+1%	9.8%
(Daichi wo Mamorukai)	11.00	△3%	1.45	△5%	13.2%
(Radish Boya)	17.00	+2%	1.80	+1%	10.6%
(Purple Carrot*)	11.00	+21%	△0.15	-	△1.4%
<small>* Jan. - Dec.</small>	<small>USD: 73M</small>		<small>USD: △1M</small>		
BtoB subscription business	66.60	+345%	2.40	+530%	3.6%
Social service business	51.30	+351%	2.45	+519%	4.8%
Vehicle operation service business	25.90	+312%	2.75	+583%	10.6%
Other business	11.20	△38%	1.20	△1%	10.7%
Corporate adjustments and expenses	-	-	△6.90	-	-
Sales/EBITDA	255.00	+72%	11.00	+34%	4.3%
Amortization of goodwill	-	-	△4.00	-	-
Depreciation	-	-	-	-	-
Operating Profit	-	-	7.00	+36%	2.7%
Revised plan			(Changes: Red)		
	Sales		Segment Profit		Profit Margin
	FY2023.3	YoY	FY2023.3	YoY	
BtoC subscription business*	100.00	+1%	9.10	+1%	9.1%
(Oisix)	61.00	△2%	6.00	+1%	9.8%
(Daichi wo Mamorukai)	11.00	△3%	1.45	△5%	13.2%
(Radish Boya)	17.00	+2%	18.0	+1%	10.6%
(Purple Carrot*)	11.00	+21%	△0.15	-	△1.4%
<small>* Jan. - Dec.</small>	<small>USD: 73M</small>		<small>USD: △1M</small>		
BtoB subscription business	59.70	+299%	1.75	+197%	3.1%
Social service business	51.30	+351%	2.40	+448%	4.7%
Vehicle operation service business	25.90	+312%	2.30	+354%	8.9%
Other business	18.10	+1%	1.65	+35%	9.1%
Corporate adjustments and expenses	-	-	△6.20	-	-
Sales/EBITDA	255.00	+72%	11.00	+34%	4.3%
Amortization of goodwill	-	-	△4.00	-	-
Depreciation	-	-	-	-	-
Operating Profit	-	-	7.00	+36%	2.7%

**Oisix ra daichi**

\* Segment profit other than Other business differs from the segment figures in the financial results of Tanshin because the effects of amortization of goodwill is deducted.

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**Sumi [Q]:** My name is Sumi from Tokai Tokyo Intelligence Laboratory. Two questions from me, please. Please begin by describing your business performance.

In terms of progress toward the full-year plan, you have indicated that operating profit and EBITDA exceeded the plan by JPY7 billion and JPY11 billion, respectively. I would like you to explain again the factors behind these increases.

I wonder if the improvement in Oisix's profitability was a major factor or if the consolidation of SHiDAX was more than expected. That is the first question.

Sorry. Now I will continue with the second question. Your full-year plan for the Oisix business is to increase the number of members by about 6,300; and I would like to ask about the progress on this.

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Also, how long do you expect to continue building a system to improve profitability, and when do you expect to see renewed growth? These are the two questions.

**Takashima [A]:** Thank you very much. I've just received two questions, and I think they are both very relevant. However, the first question is about the fact that Oisix's earnings improvement was better than expected.

In particular, the growth in unit price is higher than we had expected. The profit margin increases because the amount we deliver for each box is higher. I think that the unit price and profit margin themselves are increasing, and that is a big factor.

On the other hand, in order to further improve profitability, we need to increase the top line, and in Q2 of this year, the relocation of the Atsugi Refrigeration Center was successfully completed, and we are now ready for stable operation of both refrigerated and frozen products to ensure profitability in sales. In this sense, I believe that the top-line growth is expected to be a significant factor in improving profitability in the future.

In order to extend the top line, we are still trying to determine where the number of people will bottom out and grow.

We are careful to avoid repeating the same situation where we rush into promotions, invest in costs, increase the number of light users, and then they quit again soon afterward.

In our business category, the biggest timing is the timing of new life. Many of our clients move to a new place in March or April, or return to work, or start a nursery school or elementary school life, or change their lifestyle and food supply methods at such times, and many new members join at that time.

The most important thing we are targeting now is to firmly increase the number of people in the new life next year, around March and April.

Also, in some cases, people make resolutions in January, such as "I'm going to work hard on my cooking this year," "I'm going to live a healthy life this year," or "I'm going to lose weight this year." In January, many people make these kinds of resolutions, including myself, so I'd like to run a campaign in January too. I'd like to bring the number of new users up steadily from that time. That is all. Thank you for your question.

**Sumi [M]:** Very clear. Thank you very much.

**Komine [M]:** Thank you, Mr. Sumi. If you have any further questions, please let us know by using the raise-the-hand button. Since there does not appear to be anyone who wishes to ask a question, we will now move on to answering the questions we have received via text.

I'm sorry. I have checked the person with the raise-the-hand button. Mr. Yasuda, please give us your comments.

**Yasuda [Q]:** Yes. Thank you very much today. My name is Yasuda of TOYO SECURITIES.

I just have one question. I think you mentioned that the cost of labor and materials was rising in the food service business. It is difficult to stop the rise in material costs. Is it correct to understand that this part will continue to be affected in the medium term? That is all.

**Takashima [A]:** Yes, thank you. It is conceivable that they will continue to be affected. In particular, the price of rice continues to rise, and it is necessary to respond to that.

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In that sense, Mr. Sumi's question earlier about whether it is Oisix or SHiDAX that has improved its profitability, Oisix has improved, but in the case of SHiDAX, there are quite a few negative factors, labor costs have gone up, and raw material costs have gone up as well.

As a result of various measures taken in response, I think the current situation has remained flat.

However, we haven't done everything we planned to do, so we're going to do a lot of things in H2 of the year. Depending on the type of business, in the case of office cafeterias, it's relatively easy to negotiate with clients about things like raising prices in staff canteens or reviewing raw materials.

Since the office cafeteria is the part of the business where the probability of sales success is currently increasing, I believe that our basic policy is to increase the number of office cafeterias that can generate a solid revenue stream.

It is also relatively easy to raise prices for elderly care homes. On the other hand, hospital food services are the most difficult to raise prices for, and the amount is also determined by the calculations of the nutritionist. In addition, the price is basically within the scope of health insurance, so it is not easy to negotiate prices with the client. In the first place, it is also necessary to lobby the government, so the difficulty level is high in some cases.

As I have explained in each of the four segments today, I would like to separate the offensive and defensive areas in H2 of the year, while making a bit of a distinction between them.

In any case, labor costs will continue to be affected, as well as raw materials, so this is not just for us, but for everyone in the industry, and I think those who find solutions here will survive. That is all.

**Yasuda [M]:** Thank you very much.

**Komine [M]:** Thank you very much, Mr. Yasuda. Next, if you have any questions, please use the raise-hand button. I will now move on to answering the questions we have received in the text.

This will be your first question.

**Participant [Q]:** When do you expect the synergy effects with SHiDAX to be reflected in your business performance? Also, have you set any numerical targets for SHiDAX in terms of profitability?

**Takashima [A]:** In that sense, the profit effect with SHiDAX has already been realized. Essentially, it wouldn't be surprising if the profit margin had dropped considerably. However, we have maintained sufficient profitability in H1 of the year, so I think that has already been achieved.

Also, there are many things that are quite difficult in H2 of the year, but there are many solutions, and there are many things to do, such as logistics and procurement. So, in that sense, I think we will be able to do it in the future. What was the question again?

**Participant [Q]:** When do you expect to see the synergy results of SHiDAX? Has a numerical target been set for the profit side of SHiDAX?

**Takashima [A]:** Yes, that's right. In that sense, synergies are already in the numbers, in terms of revenue.

In terms of sales, this is probably similar to the BtoC business mentioned earlier, but the timing of the fiscal year is also the timing of sales, and the following March and April is a major time for switching vendors. I am now actively engaged in sales and marketing, and I wonder how far we can go during H2 of this fiscal year, which will be significant in terms of sales.

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If we can also create a model with SHiDAX and Oisix, I think we will be able to move away from the current era of many relatively small food service providers in each region to one of consolidation, and if we can create a solid model, we can actively develop M&A activities. We will work to create such a model in H2 of the year. If we can do that, we believe that we will be able to do more and more sales starting in 2025, and we will also be able to move forward with M&A.

We are targeting sales of JPY100 billion, but we would like to achieve this not in 2030, but much earlier, including through M&A.

As for profit margin, we are targeting 10% EBITDA for both BtoC and BtoB, which is the same as the BtoC business area.

**Komine [M]:** Thank you very much. Now that we have received all of your questions, we will conclude the briefing. Thank you very much for taking time out of your busy schedule to join us today. Excuse me.

**Takashima [M]:** Thank you very much.

[END]

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