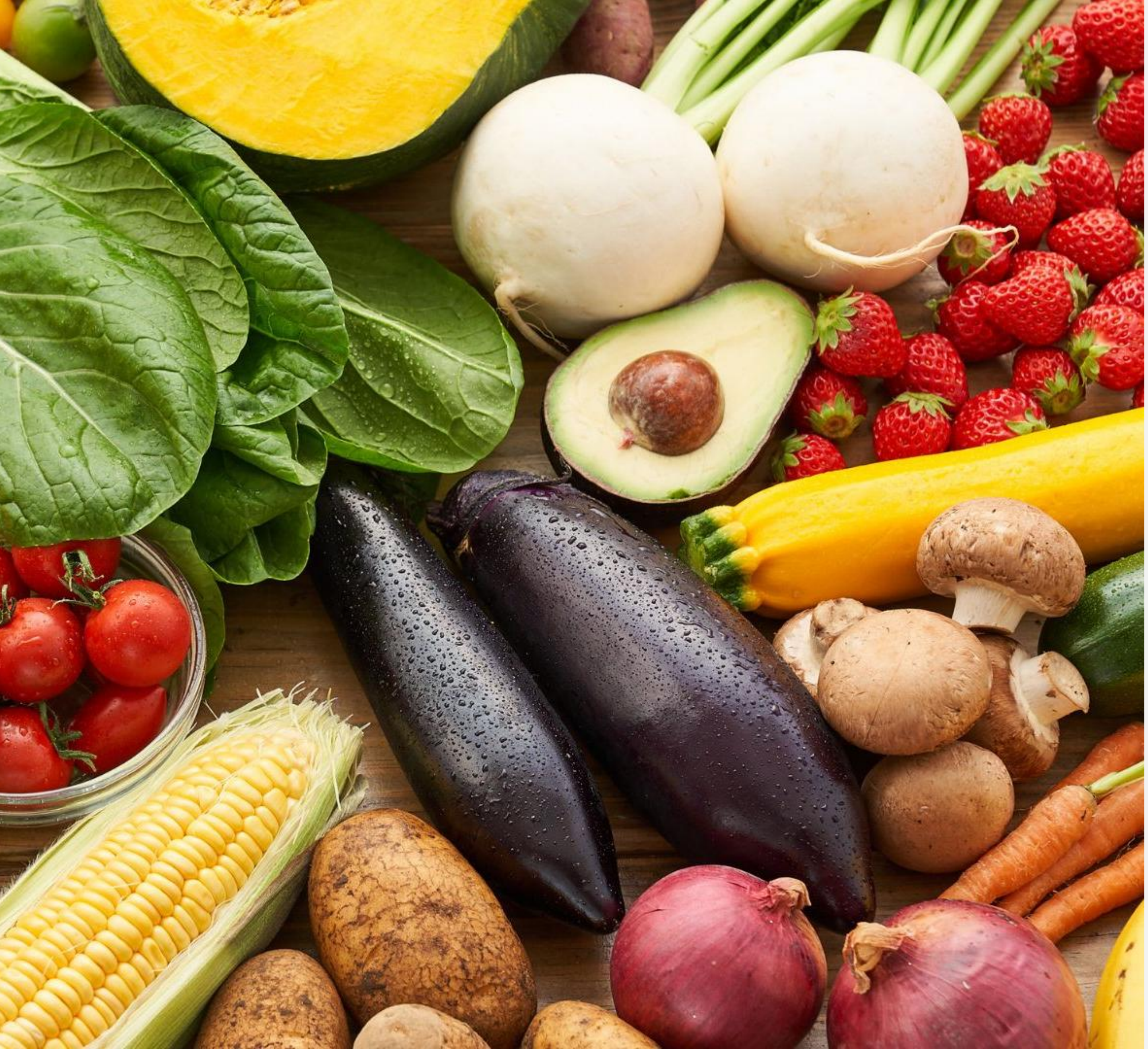

First Quarter of FY25 FAQ

Oisix ra daichi Inc.

August 13, 2025

Summary

Oisix ra daichi

EBITDA and Operating Profit

Oisix ra daichi

Q What is an update on EBITDA and operating profit?

A EBITDA and operating profit increased by 28% and 49% YoY, and are progressing steadily at 24% and 23% of the full-year forecast, respectively. The significant YoY increase was due to a low progress rate of 20% in the first quarter of FY24. In FY25, however, our progress is in line with the full-year forecast.

Of the JPY 17.5 billion in selling, general and administrative expenses, the main items were labor costs of JPY 5.3 billion (31%), freight and packaging materials of JPY 3.5 billion (21%), and advertising and promotion expenses of JPY 2.4 billion (14%).

Depreciation and amortization, which is the difference between EBITDA and operating profit, amounted to JPY 1,173 million (including JPY 295 million related to customer-related assets), and amortization of goodwill amounted to JPY 347 million.

Operating Profit and Net Profit Attributable to Parent Company (1/2)

Oisix ra daichi

Q

What is the difference between operating profit and net profit attributable to the parent company?

A

The difference is comprised of four elements: non-operating income/expenses, extraordinary income/expenses, income taxes, and profit attributable to non-controlling interests.

The non-operating income/expenses include a gain on equity-method investments of JPY 50 million and interest expenses of JPY 211 million. Investment gain/loss on equity method fluctuates depending on the progress of quarterly results. Interest expenses increased due to higher interest rates compared to the previous fiscal year, but we refinanced a portion of our borrowings at the end of June, so interest expenses are expected to decrease slightly from the second quarter onwards.

The main item of extraordinary profit is a gain of JPY 58 million on the liquidation of SHiDAX affiliates. In addition, extraordinary profit may arise depending on the performance of consolidated subsidiaries and equity-method affiliates, including the reorganization of subsidiaries.
(continued on the following page)

Operating Profit and Net Profit Attributable to Parent Company (2/2)

Oisix ra daichi

Q

What is the difference between operating profit and net profit attributable to the parent company?

A

The effective tax rate after applying tax effects is expected to be around 45% for the full year, considering the statutory effective tax rate (30.6%) and the impact of amortization of goodwill and valuation allowances, which include accumulated losses carried forward. The effective tax rate for the first quarter was 46.9%, which was close to the forecast. In addition, the effective tax rate may fluctuate in the future due to the reorganization of subsidiaries announced in June.

Net profit attributable to non-controlling interests increased significantly compared to the first quarter of the previous fiscal year due to an increase in profit at the SHiDAX Group, in which the Company holds a 66% stake. Other factors include the portion of profit/losses of Future Food Fund (investment business) and other subsidiaries that are not attributable to the Company. As a result of the reorganization of subsidiaries announced in June, net profit attributable to noncontrolling interests of the SHiDAX Group is not expected to be recorded after the reorganization.

Change in Reportable Segments

Oisix ra daichi

Q

What is the reason for reclassifying the school lunch business from social service segment to B2B subscription segment?

A

In June 2025, the Company announced to make the SHiDAX Groups food and social service businesses wholly owned subsidiaries and to sell the vehicle operation service business in September 2025 or later, with the aim of concentrating and optimizing management resources on its core B2C and B2B subscription businesses.

The school lunch business is very similar in nature to the food business for senior care facilities, nurseries, and company cafeterias, which is the Companys main B2B subscription business. Therefore, we have decided to integrate it into the B2B subscription business as part of the reorganization of our subsidiaries. This segment change will have no impact on the Companys consolidated financial results.

Adjusted Segment Profit

Oisix ra daichi

Q What is the difference between segment profit and adjusted segment profit?

A Adjusted segment profit is calculated by adding amortization of goodwill and depreciation of intangible fixed assets associated with M&A to segment profit in the financial results summary.

Since 2016, the Company has acquired approximately 20 companies through M&A. Most recently, the Company completed the integration of SHiDAX, a company with sales on a scale similar to that of the Company. Given these circumstances to enable a clear comparison of the underlying profitability of each business segment, and to exclude the impact of factors like M&A, the Company calculates and discloses adjusted segment profit in its financial results.

Going forward, we will continue to disclose both figures that include amortization and depreciation expenses related to goodwill and intangible fixed assets associated with M&A, and figures that do not take these into account, in our financial results presentation materials and financial results summary, in order to provide a clearer picture of the state of our business.

Segment Sales and Adjusted Segment Profit

Oisix ra daichi

Q What is an update on segment sales and adjusted segment profit?

A Please refer to our financial results presentation materials for segment sales and adjusted segment profit for major segments.

Purple Carrot, one of B2C subscription business, is expected to report lower sales than in FY24, as new customer acquisitions in January, which is typically the most promising month for new customer acquisitions in the U.S., fell short of initial expectations. We will continue to improve costs and other measures, but we expect adjusted segment profit to remain in the red. The loss widened in the first quarter due to new PR expenses, but it narrowed in the second quarter. As a result, we expect the adjusted segment loss for the first half to be around USD 2.4 million.

Other businesses include a number of growing subsidiaries that have recently joined the group through M&A, and as we plan to focus on expanding our business and improving profitability throughout the fiscal year, profits are expected to be concentrated in the second half.

Social Service Business

Oisix ra daichi

Q What is the overview of social service business?

A Social service businesses are broadly divided into two segments: after-school care and other social services.

After-school care involves the operation and management of after-school care centers and other social services involves the operation of municipal facilities such as tourist facilities and libraries.

The market for after-school childcare, which accounts for approximately 70% of sales, is expanding annually due to increased outsourcing to private companies, supported by government policies aimed at reducing the number of children on waiting lists. We have secured the top share in this market and will continue to pursue growth by leveraging increased outsourcing, ensuring a stable workforce, and differentiating our services.

Vehicle Operation Service Business (1/2)

Oisix ra daichi

Q What is the overview of vehicle operation service business?

A The vehicle operation service business is divided into three segments: executive vehicle management, general vehicle management, and passenger transportation.

Executive vehicle management manages the operation of vehicles used by executives of companies and local governments, general vehicle management manages the operation of school buses and community buses nationwide, and passenger transportation manages the operation of express buses and other passenger transportation services.

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Vehicle Operation Service Business (2/2)

Oisix ra daichi

Q What is the overview of the vehicle operation service business?

A Executive vehicle management, which accounts for approximately 40% of sales, is expected to experience gradual growth in the external outsourcing market due to the aging of drivers employed by the company. We have secured the top share in this market and will continue to aim for stable business growth by strengthening new contracts with small and medium-sized enterprises and government agencies in addition to large companies and implementing measures to secure drivers.

Due to the reorganization of subsidiaries, the vehicle operation service business will be excluded from the Companys group from the second half of FY25.

Shareholder Returns

Oisix ra daichi

Q What is your shareholder return policy?

A Based on the capital allocation policy announced in May 2025, we have decided to pay dividends for the first time.

We have actively invested in business expansion, including large-scale facility investments like the Ebina Station (Refrigeration) and the Atsugi Frozen Station, and executed multiple M&A transactions, such as the acquisition of SHiDAX.

Now that large-scale capital investments are mostly complete and stable cash flow is expected to continue, we have decided to provide returns to our shareholders.

Given the growth of our stable revenue base, we plan to deliver shareholder returns with a target dividend payout ratio of 15% (total return ratio of 15-30%), along with capital gains from stock price appreciation.

Q What is your M&A policy?

A We plan to actively pursue M&A opportunities with businesses that can deliver synergies by leveraging our expertise.

In the B2C subscription, we have acquired companies that share similar corporate philosophies and business models, such as Daichi wo Mamoru-Kai, Radish Boya, and Purple Carrot (U.S.). We will continue to explore opportunities with companies that can expand our lineup of attractive products, such as Toyoichi and Agrigate.

In the B2B subscription, the performance of food service providers has deteriorated, and some have gone bankrupt due to soaring food and labor costs and a shortage of human resources. This has accelerated industry consolidation, with the entry of companies from other industries.

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M&A (2/2)

Oisix ra daichi

Q What is your M&A policy?

A Taking advantage of this market environment, we aim to establish a "time-efficient food service model," by leveraging our expertise in meal kit manufacturing cultivated through our B2C subscription business, and to accelerate its expansion into food service companies.

We believe that the "time-efficient food service model" will solve the long-standing issues of the food service market, and we plan to pursue M&A to lead industry restructuring.

Beyond major financial risks like goodwill and financial leverage, we will establish appropriate management systems for operational risks. These include risks related to diversification of management resources, organizational bloat, and legal and compliance. We will also execute PMI (post-merger integration).

Mid-Term Targets (EPS) (1/2)

Oisix ra daichi

Q What is your mid-term EPS target?

A After a comprehensive review of corporate expenses, depreciation and goodwill amortization, and businesses outside our B2C and B2B subscriptions, our normalized EPS target for 2030 is JPY 175. This is 1.7 times higher than FY24, representing a CAGR of 11%.

Over the next five years, we will expand our B2C and B2B subscriptions and promote the development and expansion of the "time-efficient food service model." This will improve profitability by reducing labor costs and delivering high value-added services in our B2B subscription. As a result, segment profits for B2C and B2B subscriptions are expected to approximately double, with a CAGR of 15% by FY29.

(continued on the following page)

*Normalized EPS = EPS × (Net income before taxes and other adjustments − Extraordinary gains and losses) ÷ Net income before taxes and other adjustments

Mid-Term Targets (EPS) (2/2)

Oisix ra daichi

Q What is your mid-term EPS target?

A Given that normalized EPS increased by approximately JPY 79, from JPY 24.2 in FY19 to JPY 103.1 in FY24, we believe it is possible to achieve an increase of approximately JPY 72, from JPY 103.1 to JPY 175.0, over the next five years (FY24 to FY29).

Our groups net income fluctuates due to non-recurring gain/loss, including non-operating and extraordinary profit/losses. These are easily affected by changes in the performance of consolidated subsidiaries and equity method affiliates.

Net profit attributable to non-controlling interests includes the SHiDAX Group, Future Food Fund (investment business), and other subsidiaries that is not attributable to the company.

We have set our mid-term EPS target using normalized EPS, excluding extraordinary gain/loss.

*Normalized EPS = EPS × (Net income before taxes and other adjustments − Extraordinary gains and losses) ÷ Net income before taxes and other adjustments

Mid-Term Targets (KPIs) (1/2)

Oisix ra daichi

Q What are the KPIs for your mid-term goals?

A Progress in our two main businesses is critical to achieving our mid-term goals.

The targets of JPY 300 billion sales and 9% EBITDA margin from both our B2C and B2B subscriptions by FY29 are based on organic growth and discontinuous growth, including M&A. If the targeted M&A in the B2B businesses does not materialize, sales may fall short of the target. However, the EBITDA margin is expected to exceed the target due to the increased proportion of high-margin B2C subscription business.

Mid-Term Targets (KPIs) (2/2)

Oisix ra daichi

Q What are the KPIs for your mid-term goals?

A In addition, the number of Oisix subscribers is expected to increase gradually in FY25. From FY 2026 onward, we will focus on maximizing the number of continuing subscribers and accelerate growth toward its target of 600,000 subscribers by FY29.

We have set a target for the number of contracted facilities for B2B subscription business. This target is based on both organic growth, driven by enhanced products/services, and sales capabilities, as well as inorganic growth, including M&A. Our policy is to accelerate this growth towards our FY29 target of 3,000 facilities, while also continuing to optimize pricing.

*The total number of contracted facilities for B2B subscription, excluding school lunch, for the Life Care Food (formerly Medical) and Contract Food.

Mid-Term Targets (Capital Allocation)

Oisix ra daichi

Q What is your capital allocation policy?

A Over the next five years, we plan to allocate capital based on core operating cash flow, with 70-85% for M&A and 15-30% for shareholder returns. If core operating cash flow exceeds our projections or we do not pursue M&A, we will evaluate our cash on hand and capital structure to determine loan repayments and shareholder returns.

Our financial leverage targets are a 20-25% equity ratio and a maximum 2.0x net debt-to-EBITDA ratio. Based on our core operating cash flow, we do not currently anticipate any significant additional borrowings.

In addition, to achieve B2C and B2B sales of JPY 300 billion (target for FY29), we expect to generate JPY 75 billion in sales over five years through discontinuous growth, including M&A. This capital allocation ratio assumes that all of these sales will be achieved through M&A.

＊Core operating cash flow = operating CF - capital expenditures for growth in existing businesses. Discontinuous growth encompasses M&A and new product development. Additionally, the capital used for M&A is estimated based on the valuation of the retail industry, but it may fluctuate depending on the deal.

(B2C) Number of Subscribers/ARPU

Oisix ra daichi

Q What is your outlook for the number of subscribers and ARPU for the three major brands in Japan?

A In FY25, the number of subscribers and ARPU of the three major brands, including Oisix, is expected to increase gradually, with fluctuations from quarter to quarter.

To maximize cost effectiveness, we will carefully analyze acquisition costs and LTV (customer lifetime value) to identify the best acquisition channels and improve the conversion rate of trial sets to regular subscriptions. In particular, we aim to increase the number of Oisix subscribers to 600,000 by FY29 and continue to acquire regular subscribers.

Regarding ARPU, we aim to steadily increase it by strengthening existing products, developing new products and courses, and capturing demand on special occasions.

(B2C) Acquisition Cost (1/3)

Oisix ra daichi

Q

What is the trend in the customer acquisition cost?

A

While the customer acquisition cost has steadily decreased from the peak during the extraordinary PR campaign in Q4 of FY22, it has not yet reached our internal target. We will continue to focus on cost-effective measures to acquire new subscribers, optimizing our marketing spend and channel mix.

Acquiring new subscribers using trial sets, which have the greatest impact on customer acquisition cost, begins with them purchasing a trial set before becoming a regular subscriber. The next stage is the process of conversion to regular subscribers, which leads to acquiring new subscribers.

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Q What is the trend in the customer acquisition cost?

A For the trial set purchase stage, we reviewed acquisition channels and increased our use of short-form video advertising. For the subscription conversion stage, we improved the trial set product lineup and revised the conversion form UI. As a result, acquisition costs have improved. We will continue to focus on maximizing subscriber numbers.

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(B2C) Acquisition Cost (3/3)

Q

What is the trend in the customer acquisition cost?

A

During the first half of FY25, we are implementing various test measures aimed at raising awareness, such as advertisements on trains and local television commercials. Based on the insights gained from these measures, we are currently considering specific plans for the second half of FY25, including the use of social media and television media. We will carefully analyze the results of these tests and move forward with the formulation of more specific measures for our promotion strategy for FY26 and beyond.

Please note that the costs associated with these promotions have already been included in the budget for FY25, and we do not anticipate any significant deviation from the current ratio of marketing expenses to sales for FY26 and beyond.

(B2C) Churn Rate

Oisix ra daichi

Q What is the trend in the churn rate?

A The churn rate has returned to pre-COVID-19 levels and is highest immediately after subscription, with many subscribers canceling due to a lack of understanding of the services and products. Therefore, we have implemented measures to strengthen CRM in the early stages of subscription, such as distributing service information booklets, to prevent the churn rate from increasing as the number of subscribers grows.

Going forward, we will continue to acquire new subscribers with a focus on cost-effectiveness while also increasing subscriber retention.

Synergies between B2C and B2B (1/3)

Oisix ra daichi

Q What are the potential synergies between B2C and B2B subscriptions?

A We believe that B2C and B2B subscriptions are similar businesses in that they both stably and largely procure ingredients, process and distribute them through a centralized center, and offer different menus to the same customers every day.

Based on these similarities, we believe we can reduce FL costs (food costs + labor costs) by streamlining operations and increase added value in the meal service industry. We aim to do this by establishing and expanding a "time-efficient food service model" centered on three measures: developing meal kits that offer both premium quality and time savings; creating a network for centralized procurement of high-quality ingredients; and refining food distribution DX through e-commerce. This model is based on the know-how we have cultivated through our B2C subscription.

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Synergies between B2C and B2B (2/3)

Oisix ra daichi

Q What are the potential synergies between B2C and B2B subscriptions?

A In meal kit development, we have achieved both time savings and premium value in nursery school food service by reducing preparation time and promoting food education. We will continue to expand this service to other stores and other meal service areas.

In the centralized procurement network, we will leverage the strengths of the subscription model, particularly its highly accurate demand forecasting. By expanding its procurement network to food service, we believe this will lead to large-scale, low-cost, and stable procurement across the entire group.

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Synergies between B2C and B2B (3/3)

Oisix ra daichi

Q What are the potential synergies between B2C and B2B subscriptions?

A In the food distribution DX, we will enable labor savings and reduce food loss in the workplace by applying our system design expertise in UI/UX from the customers perspective, cultivated through B2C subscription, to the food service business.

By quickly establishing and expanding the "time-efficient food service model," we aim to increase the added value of B2B subscription and improve profitability by streamlining operations.

B2C Subscription (Food Delivery Market) (1/2)

Oisix ra daichi

Q

What is your outlook on the food delivery market, and what is your strategy to differentiate your services from those of other companies?

A

The domestic food delivery market is worth approximately JPY 3 trillion and is expected to continue growing at an annual rate of approximately 3%, indicating steady expansion. While our market share is only a few percent, we believe we can continue to grow in the domestic market, based on the experience of other global companies.

In addition, the ratio of e-commerce in the overall food market is only about 4%, which means it is still a niche market. The market as a whole, including other companies services, is expected to become more active.

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B2C Subscription (Food Delivery Market) (2/2)

Oisix ra daichi

Q What is your outlook on the food delivery market, and what is your strategy to differentiate your services from those of other companies?

A We provide specialized subscription services. We have established high barriers to entry in this field through our direct network of contract manufacturers who produce high value-added products and our service development skills based on customer insights. As a result, we have established ourselves as the No. 1 company in this field based on total sales.

Currently, approximately 40% of Oisix customers are concentrated in the Greater Tokyo Area (Tokyo and three neighboring prefectures). Going forward, we aim to expand our service user base and improve profitability beyond the Greater Tokyo Area.

B2B Subscription (Food Service Market) (1/2)

Oisix ra daichi

Q

What is your outlook on the food service market, and what is your strategy to differentiate your services from those of other companies?

A

The domestic food service market is extremely large, worth approximately JPY 5 trillion, and is stable, mainly in facilities for the elderly and company cafeterias. Food service providers are experiencing deteriorating performance and even bankruptcy due to concerns about declining meal quality from recent labor shortages and pressure on profits from increased ingredient and labor costs.

By applying the know-how we have cultivated in our B2C subscription to our food service business, we aim to establish and introduce a "time-efficient food service model" that achieves both labor savings and high added value.

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B2B Subscription (Food Service Market) (2/2)

Oisix ra daichi

Q What is your outlook on the food service market, and what is your strategy to differentiate your services from those of other companies?

A We will also actively pursue M&A opportunities with the aim of becoming a top player in the food service industry.

Currently, approximately 40% of our food services are concentrated in the Greater Tokyo Area (Tokyo and three neighboring prefectures). Going forward, we will aim to expand the number of facilities nationwide and improve profitability, not just in the Greater Tokyo Area.

Macro Environment (Food Costs) (1/2)

Oisix ra daichi

Q What is your view on the soaring prices of ingredients such as vegetables and rice?

A We leverage our ability to procure products through a direct network of contract producers, enabling us to enter into contracts in advance and purchase directly.

Therefore, B2C subscription services like Oisix are able to mitigate the impact of rising raw material prices compared to traditional distribution channels that rely on wholesalers. Additionally, we offer organic and low-pesticide vegetables and additive-free processed foods, which are generally higher-priced than standard products. As a result, the price gap with general retailers is expected to narrow in relative terms in an inflationary environment.

Additionally, we purchase non-standard and unused fresh produce and use it as raw ingredients for processed products, primarily meal kits. Going forward, we plan to implement measures to achieve both price normalization and reduced product costs.

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Macro Environment (Food Costs) (2/2)

Oisix ra daichi

Q What is your view on the soaring prices of ingredients such as vegetables and rice?

A The B2B subscription involves many traditional distribution channels through wholesalers and is a business model easily affected by market prices. Recently, we have responded to soaring market prices by optimizing our prices. However, in the future, our profit margins may be affected by a time lag between food price increases and price optimization. The Company remains cautious about the impact of rice prices, which have a significant effect on its business, and will continue to take measures to address this issue.

Macro Environment (Labor Costs) (1/2)

Oisix ra daichi

Q What is your view on the soaring labor costs caused by the tight labor market?

A In recent years, with a tight labor market and increases in the minimum wage as a backdrop, labor costs have steadily risen across the industry, including at our company. We expect labor shortages to continue to worsen and upward pressure on wages due to legal regulations to persist in the future.

We expect labor costs to increase, particularly in the B2B subscription, as we expand our business. In FY24, the SHiDAX Group implemented its first salary increase in approximately 20 years, though the outlook remains uncertain.

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Macro Environment (Labor Costs) (2/2)

Oisix ra daichi

Q What is your view on the soaring labor costs caused by the tight labor market?

A Given these circumstances, we believe the labor shortage that has long plagued the food service market will worsen in the future. We see this situation as an opportunity to provide high value while reducing labor costs, and we plan to develop and introduce a "time-efficient food service model."

Through this model, we aim to help solve the labor shortage and improve operational efficiency across the food service industry.

Macro Environment (Shipping Costs)

Oisix ra daichi

Q What is your view on the soaring delivery costs caused by rising fuel costs and labor shortages?

A B2C subscription logistics can be broadly divided into delivery from producers to our logistics center and last-mile delivery from our logistics center to customers.

Of these, last-mile delivery from our distribution centers to customers, which has a significant impact, is primarily outsourced to YAMATO TRANSPORT. Therefore, given the current situation in the logistics industry, requests for delivery fee increases could negatively impact our business performance.

On the other hand, we have continued to build a good business relationship with YAMATO TRANSPORT through initiatives such as optimizing cargo sorting and delivery operations at our distribution centers. At present, we expect that the impact on our business results will be minimal.

Macro Environment (Monetary Policy)

Oisix ra daichi

Q

What is your view on the impact of macroeconomic factors such as rising interest rates and exchange rate fluctuations?

A

In addition to the current unstable international situation, fluctuations in the monetary policies and economic indicators of major countries mean that the outlook for interest rates and exchange rates remains uncertain.

Based on the current outstanding loan balance (JPY 31.7 billion) and interest rates (up to 1.9%), we expect that the direct impact of financial and tariff policies in Japan and the U.S. on interest rates will be limited. Additionally, regarding the impact of exchange rate fluctuations and tariffs on us, based on the revenue and profit of our Purple Carrot business in the U.S., we currently anticipate that the impact will be minimal.

We will continue to monitor the impact of the financial environment on our business and take appropriate measures as necessary.

Reference: Oisix Subscription Course

Oisix ra daichi

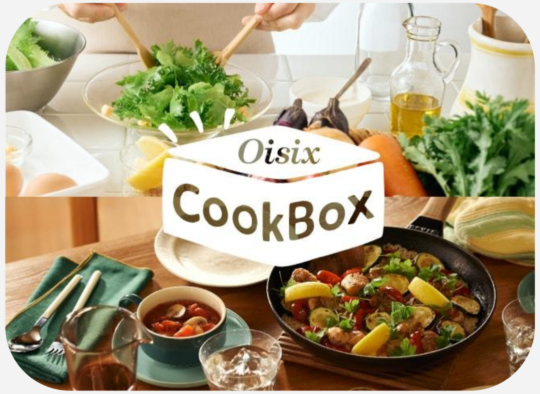
Kit Oisix Course

Meal kit
(two dishes in under 20 minutes)

Seasonal Fresh Produce Course

Selected seasonal ingredients
from across Japan

Cook Box

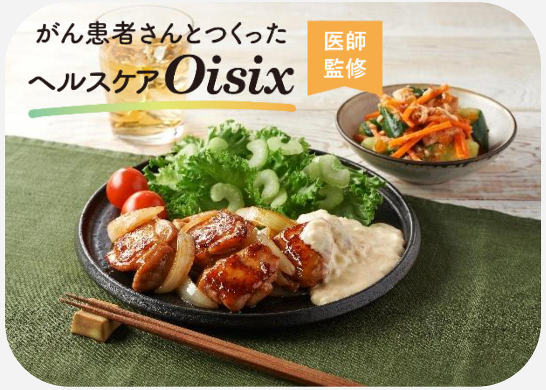


3 or 5 days of
meal kit with recipes

Deli Oisix Course

Ready-to-heat deli dishes

Health Care Course



Calorie- and sodium-conscious meal kits and products

Baby&Kids Course

Seasonal produce ideal for babies and children under 3

Disclaimers

This document contains forward-looking statements about the Company such as forecasts, outlooks, targets, and plans. These statements are based on forecasts made at the time of the preparation of this document using information currently available to the Company. In addition, certain assumptions are used for such statements. These statements or assumptions are subjective and may prove inaccurate in the future or may not be realized, due to a variety of inherent risks and uncertainties. The forward-looking information contained in this document is current as of the date of this document, and the Company is under no obligation and has no policy of regularly updating this information.

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