



FOODiSON

FY24/3 Q4 and Full-Year Earnings Report

Foodison, Inc.

Ticker : TSE Growth 7114

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- 2 | FY25/3 Forecasts**
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FY24/3 Q4 and Full-Year Financial Results

FY24/3 Q4 Key Metrics

Financial Highlights

Revenue
(Y/Y growth rate)

1,607MM (+16.0%)

Growth Profit
(Y/Y growth rate)

583MM (+23.0%)

EBITDA⁽¹⁾
(Y/Y growth rate)

52MM (+180.4%)

Key Business Metrics

Company

OPEX Ratio⁽²⁾
(Y/Y Increase)

33.0%
(+0.1pts)

Ad Expenditure Ratio
(Y/Y Increase)

1.9%
(-0.4pts)

BtoB Commerce

Q3 Active Users⁽³⁾
(Y/Y growth rate)

4,012
(+10.8%)

Q2 ARPU⁽⁴⁾
(Y/Y growth rate)

10.4万円
(+5.5%)

(1) EBITDA = Operating Profit + depreciation and amortization, hereinafter referred to as "EBITDA"

(2) OPEX refers to Operating Expenditure which is calculated by subtracting depreciation and amortization expenses from SG&A. OPE X Ratio refers to a ratio of OPEX versus revenue.

(3) Refers to the number of users who placed at least one order each month. Figures are quarterly averages of monthly Active Users

(4) ARPU (Average Revenue Per User) refers to the average monthly revenue per active user

FY24/3 Q4 Financial Highlights

Quarterly Financial Highlights

Revenue and profits increased steadily compared to the previous year

- In particular, profits grew significantly

- Revenue 1,607 MM JPY (Y/Y +16.0%)
- EBITDA 52 MM JPY (Y/Y +180.4%)

BtoB Commerce led the overall growth

- The growth of active users and ARPU remains robust

- BtoB Commerce Revenue 1,266 MM JPY (Y/Y +17.7%)
- Active Users 4,012 Users (Y/Y +10.8%)
- ARPU 104,538 JPY (Y/Y +5.5%)

Both BtoB Commerce and BtoC Commerce continue to experience an upward trend in gross profit margin

- BtoB Commerce is undergoing structural changes aimed at expanding gross profit margin, which has shown promising results

- Gross Profit Margin excluding HR 32.8% (Q/Q +0.2pts, Y/Y +2.4pts)

Business Highlights

- Number of SKUs⁽¹⁾ increased with the opening of the new Fulfilment Center⁽²⁾
- Co-hosting scallop marketing event with supermarket giant Beisia
- New search algorithm released for Uopochi (BtoB Commerce)
- Opened sakana bacca's pop-up store
- HR remains committed to prioritizing the execution of its recruitment plan, however, there have been slight delays in both the timing of hiring and the training of new hires

(1) SKU (Stock Keeping Unit)
(2) "FFC" hereinafter

FY24/3 Annual Financial Highlights

Annual Financial Highlights

Overall | Revenue, operating revenue, and EBITDA reached a record high

- The profits surpassed company forecasts due to higher than projected utilization rate to cover the increased fixed costs of the new FFC
- Sales fell short by 3% compared to company forecast, mainly affected by closures and delayed hiring
 - Revenue (Full Year) 6,351 MM JPY (Y/Y +20.3%, vs Forecast -2.9%)
 - Operating Profit (Full Year) 196 MM JPY (Y/Y +43.7%, vs Forecast +19.5%)
 - EBITDA (Full Year) 220 MM JPY (Y/Y +42.5%)

BtoB Commerce Revenue and gross profit margin have shown solid growth, driving the overall sales and profits of the entire company

- The launch of the new FFC proceeded smoothly, contributing to a successful year
 - BtoB Commerce Revenue (Full Year) 4,979 MM JPY (Y/Y +25.2%)

BtoC Commerce A slight increase in revenue, but laid the groundwork for medium-term growth

- The new store opened smoothly in April and had a promising start, however another store closure resulted in only a slight increase in revenue
 - BtoC Commerce Revenue (Full Year) 1,002 MM JPY (Y/Y +6.5%)

HR Despite a year of struggle due to recruitment and training falling below expectations, there was some recovery in the latter half

- The foundation of the organization has been established, setting the stage for a leap in FY25/3
 - HR Revenue (Full Year) 369 MM JPY (Y/Y +3.1%)

FY24/3 Q4 Financial Results

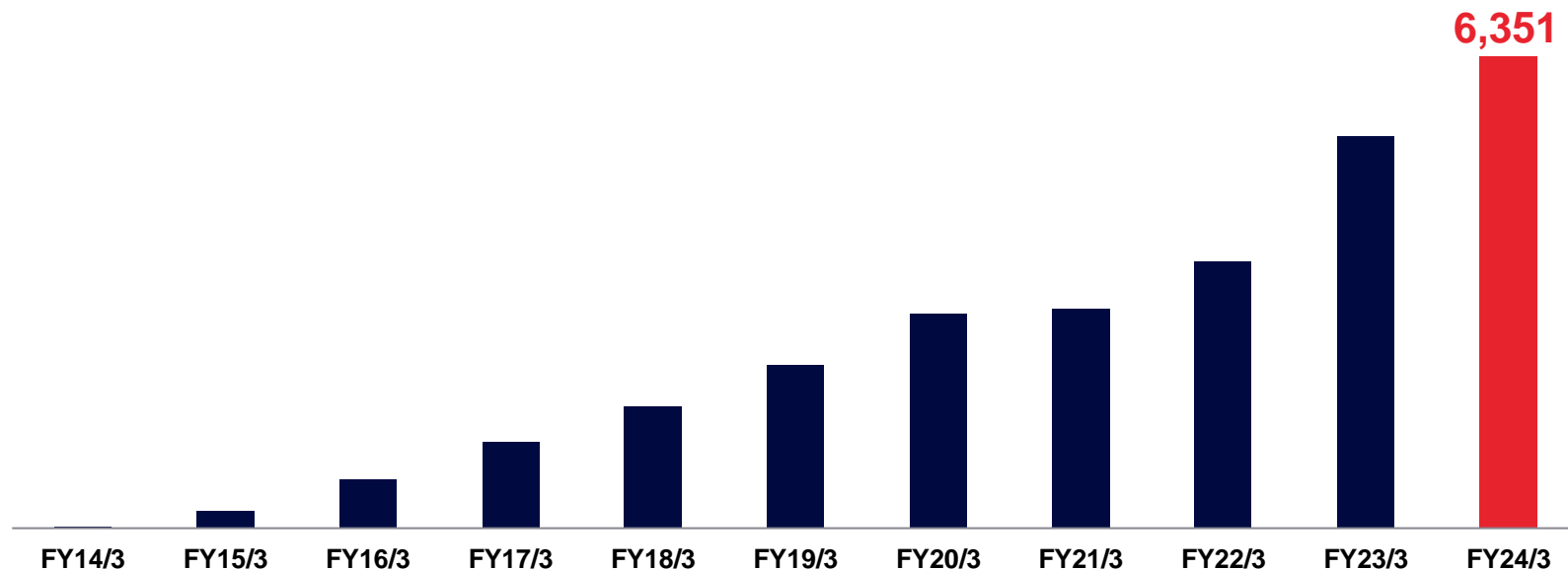
- Quarterly revenue increased by +16.0% (Y/Y), while EBITDA saw a notable increase of +180.4% (Y/Y)
- For the full year, both revenue and EBITDA grew by more than 20% year-on-year
- In particular, the revenue growth rate of BtoB Commerce was solid at 25.2%

(MM JPY)	FY24/3 Q4 (Jan - Mar 2024)	FY23/3 Q4 (Jan - Mar 2023)	Y/Y	FY24/3 Full-Year (Apr 2023 - Mar 2024)	FY23/3 Full-Year (Apr 2023 - Mar 2024)	Y/Y
Revenue	1,607	1,385	+16.0%	6,351	5,279	+20.3%
BtoB Commerce	1,266	1,075	+17.7%	4,979	3,976	+25.2%
BtoC Commerce	258	233	+10.5%	1,002	941	+6.5%
HR	82	75	+9.2%	369	358	+3.1%
Gross Profit	583	474	+23.0%	2,292	1,895	+20.9%
Gross Profit Margin	36.3%	36.1%	+0.2pts	36.1%	36.0%	+0.1pts
Operating Profit	45	14	+218.0%	196	136	+43.7%
EBITDA	52	18	+180.4%	220	155	+42.5%
EBITDA Margin	3.2%	1.3%	+1.9pts	3.5%	2.9%	+0.6pts
Ordinary Profit	45	18	+144.1%	196	139	+40.6%
Net Income	53	26	+99.7%	191	100	+90.0%

Revenues since establishment

- Since founding in 2013, we have expanded our platform and achieved 11 consecutive years of revenue growth

(MM JPY)



(1) Non-consolidated before FY2015, Consolidated after FY2016

FY24/3 Full-Year Actual vs Forecast

- With the improvement in BtoB Commerce profit margins, profit indicators were higher than expected

	FY24/3 Full Year		Actual vs Forecast	Reasons for Change	
	(MM JPY)	Actual	Forecast ⁽¹⁾		Change %
Revenue		6,351	6,541	-2.9%	<ul style="list-style-type: none"> The closure of a BtoC store The delay in HR revenue progress
Operating Profit		196	164	+19.5%	<ul style="list-style-type: none"> Improvement in BtoB Commerce gross profit margin Increased productivity due to the smooth launch of the new FFC
Ordinary Profit		196	167	+17.4%	N/A
Net Income		191	172	+10.4%	N/A

Business Model

- The assessment of value creation is based on gross profit, OPEX ratio, and EBITDA, while the business growth is assessed by Active Users and ARPU in BtoB Commerce. In the short term, the most critical KPI is the growth of gross profit

Financial KPI

Business KPI

Revenue

BtoB Commerce

Active Users

×

ARPU

BtoC Commerce

Revenue

HR

Revenue

×

Gross Margin

×

OPEX Ratio

||

Gross Profit

-

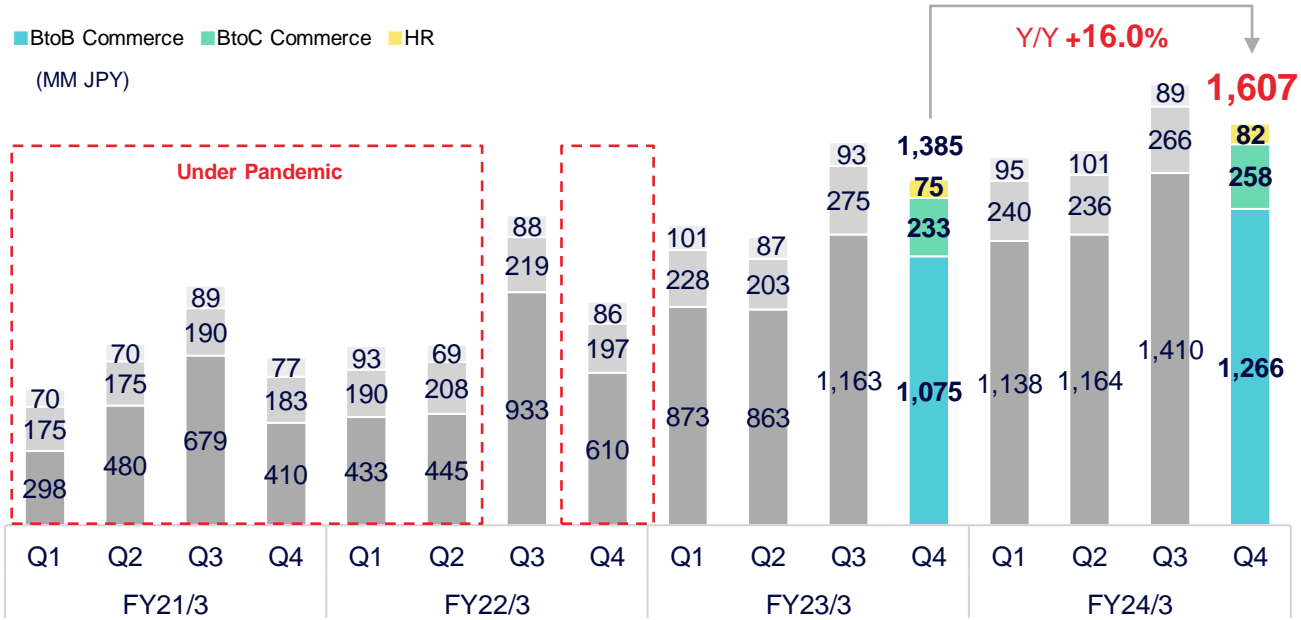
OPEX

=

EBITDA

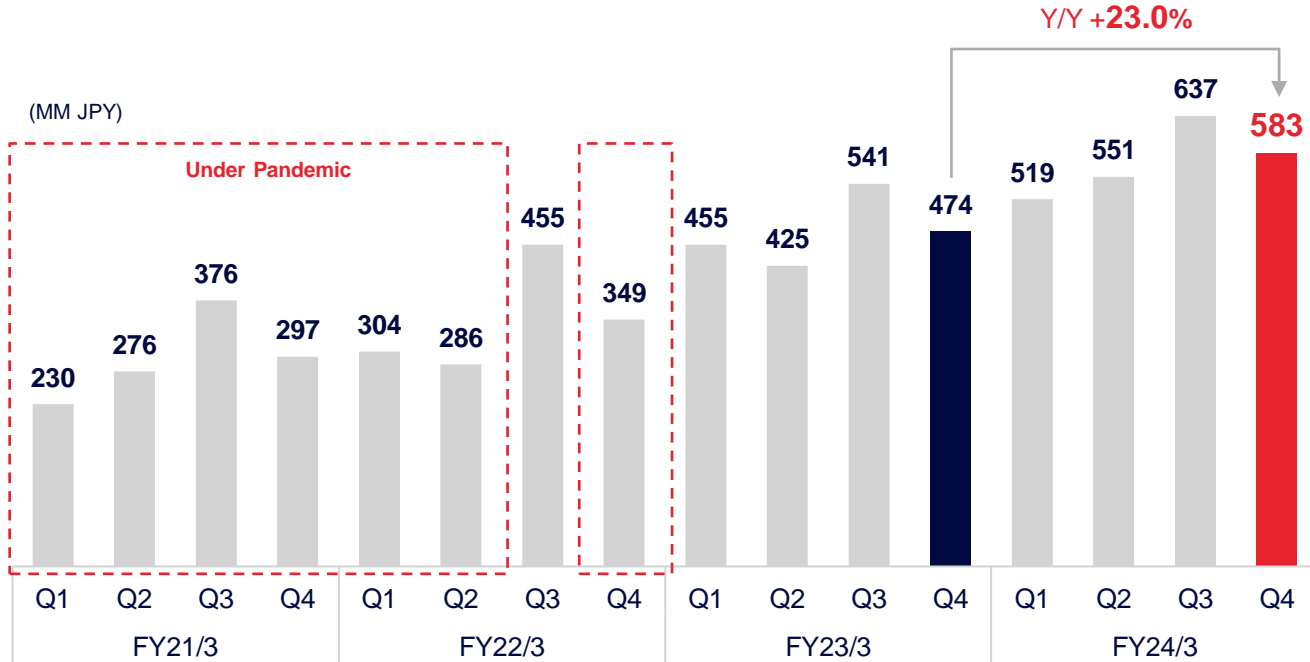
Consolidated Revenue

- Both Active Users and ARPU had consistent growth which led to growth of +17.7% (Y/Y) in BtoB Commerce revenue
- BtoC Commerce revenue increased of +10.6% (Y/Y) due to the outstanding performance of existing stores despite the closure of a store at the end of September
- HR revenue increased of +9.2% (Y/Y) due to progress in hiring and training sales personnel



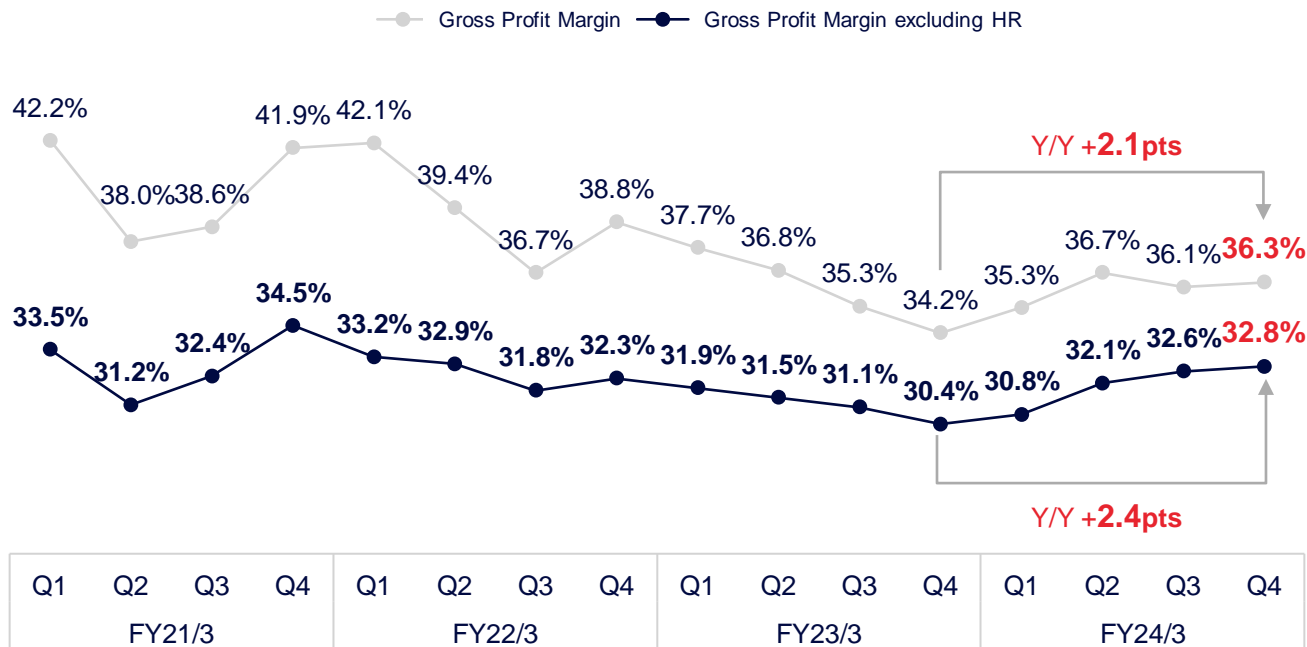
Consolidated Gross Profit

- Gross profit has been steadily progressing, with a +23.0% growth (Y/Y)



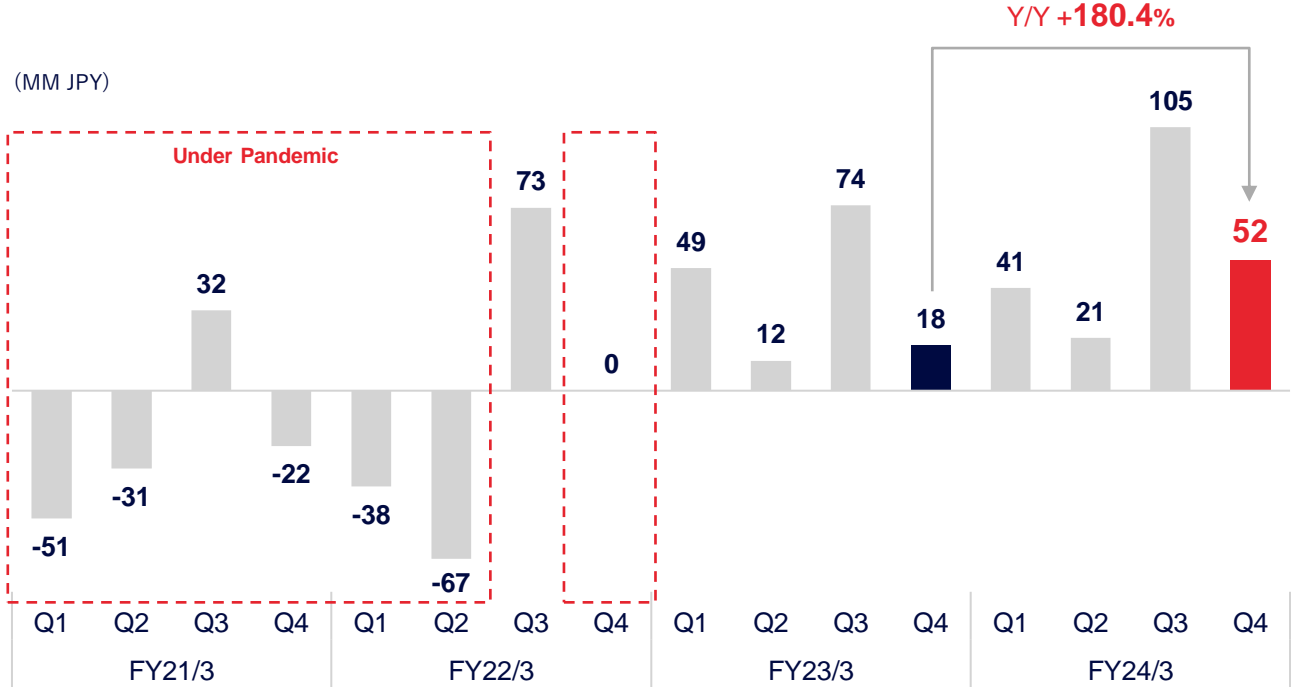
Consolidated Gross Profit Margin

- BtoB Commerce is undergoing structural changes aimed at expanding gross profit margin since Q2, which has shown promising results



Consolidated EBITDA

- EBITDA increased by +180.4%(Y/Y) due to an improvement in gross profit margin



EBITDA Change Analysis

vs FY23/3 Q4



Increase in Gross Profit

- Increase in Active Users and ARPU of BtoB Commerce
- Increase in Gross Profit Margin

Increase in SG&A

- **O&S (Operations and Support)**
Increase in fixed costs due to the opening of new FFCs, and increase in shipping and delivery costs and settlement fees due to increased shipment volumes
- **S&M (Sales and Marketing)**
Increase in labor costs due to increased sales personnel
- **G&A (General and Administrative)**
Increase in the number of personnel in the corporate development department due to the expansion of business
- **R&D (Research and Development)**
Decreased due to resource adjustment to existing businesses

(1) Abbreviation for "Operations and Support". It refers to, a total of personnel costs and other expenses related to business operations other than sales promotion (logistics, call center, management, etc.)

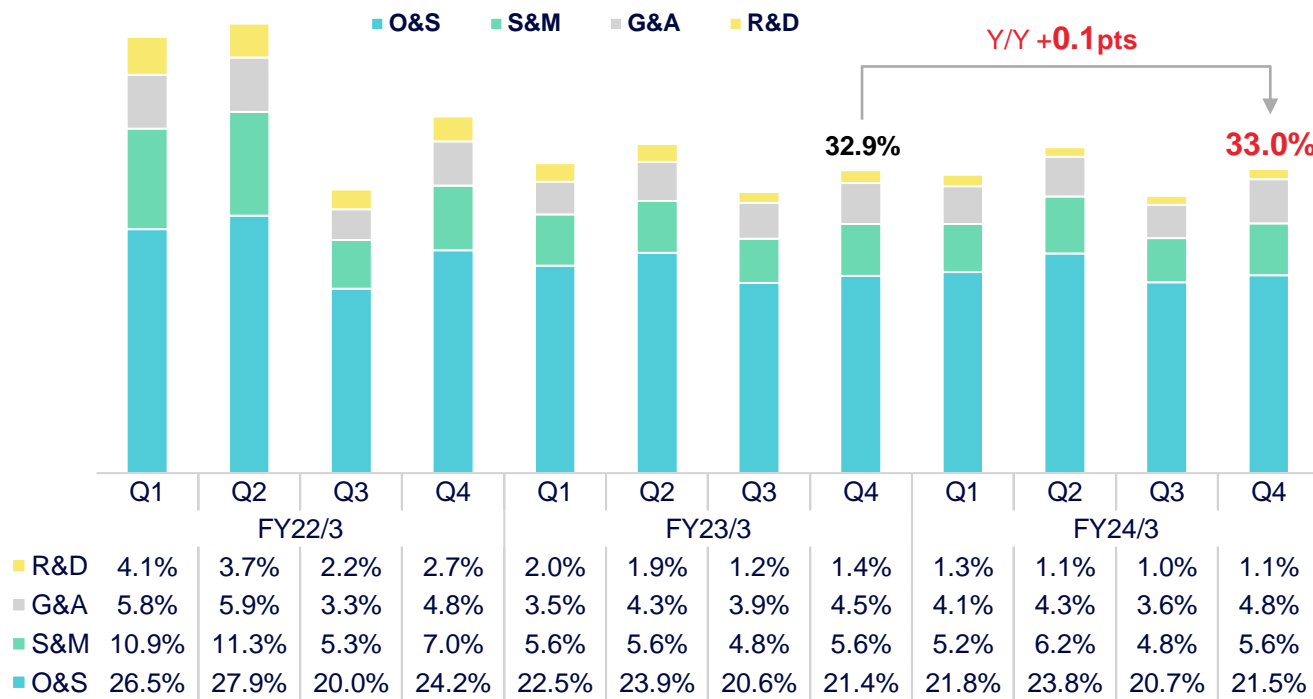
(2) Abbreviation for "Sales and Marketing". It refers to, a total of advertising expenses, personnel costs and other expenses related to sales promotion.

(3) Abbreviation for "General and Administrative". It refers to, a total of personnel costs and other expenses related to corporate development department.

(4) Abbreviation for "Research and Development". It refers to, a total of personnel costs and other expenses for engineers and personnel involved in new business development.

Company | OPEX Ratio

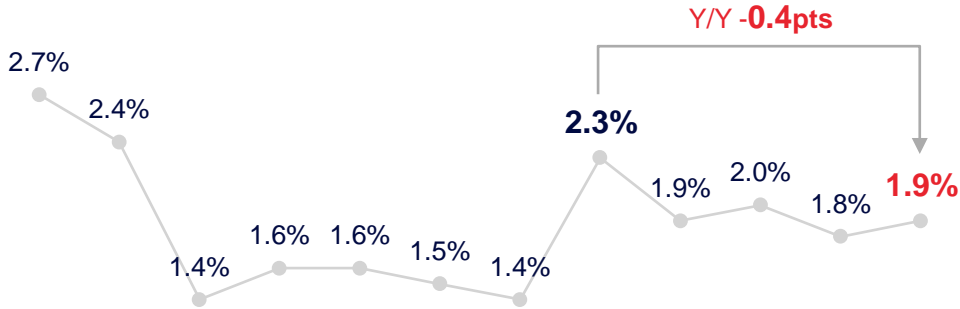
- OPEX Ratio increased by 0.1pts (Y/Y) due to the increased fixed costs associated with the new FFC



(1) The figures in the chart represent sales revenue ratios

Company | Advertising-to-Sales Ratio

- Although the advertising-to-sales ratio decreased by 0.4pts (Y/Y), it remained at around 2% as originally planned



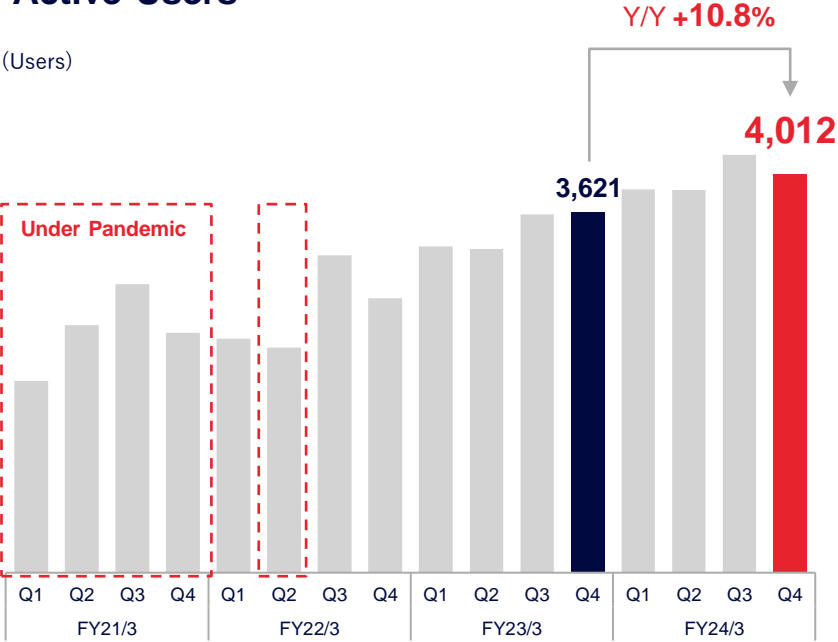
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FY22/3				FY23/3				FY24/3			

BtoB Commerce | Active Users and ARPU

- Active users and ARPU have both grown steadily

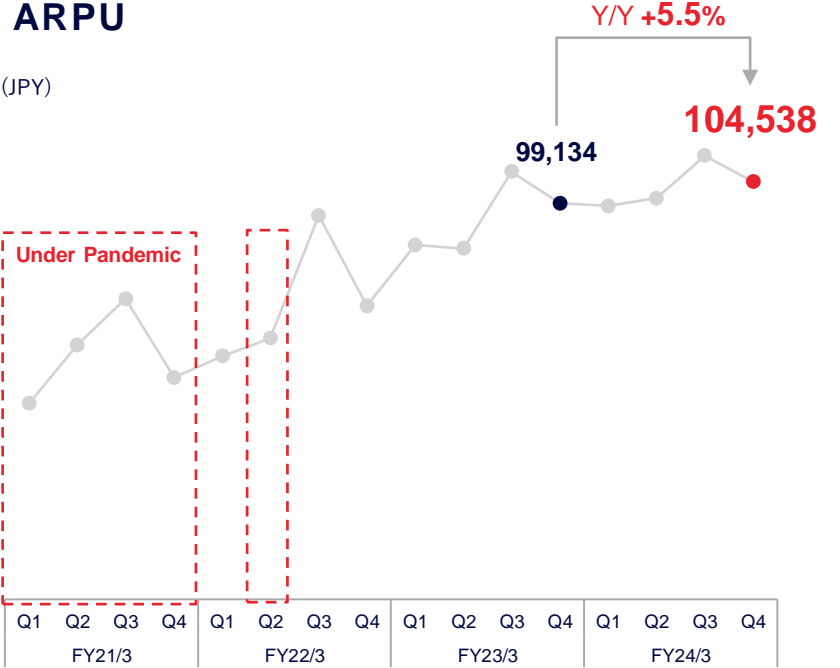
Active Users

(Users)



ARPU

(JPY)

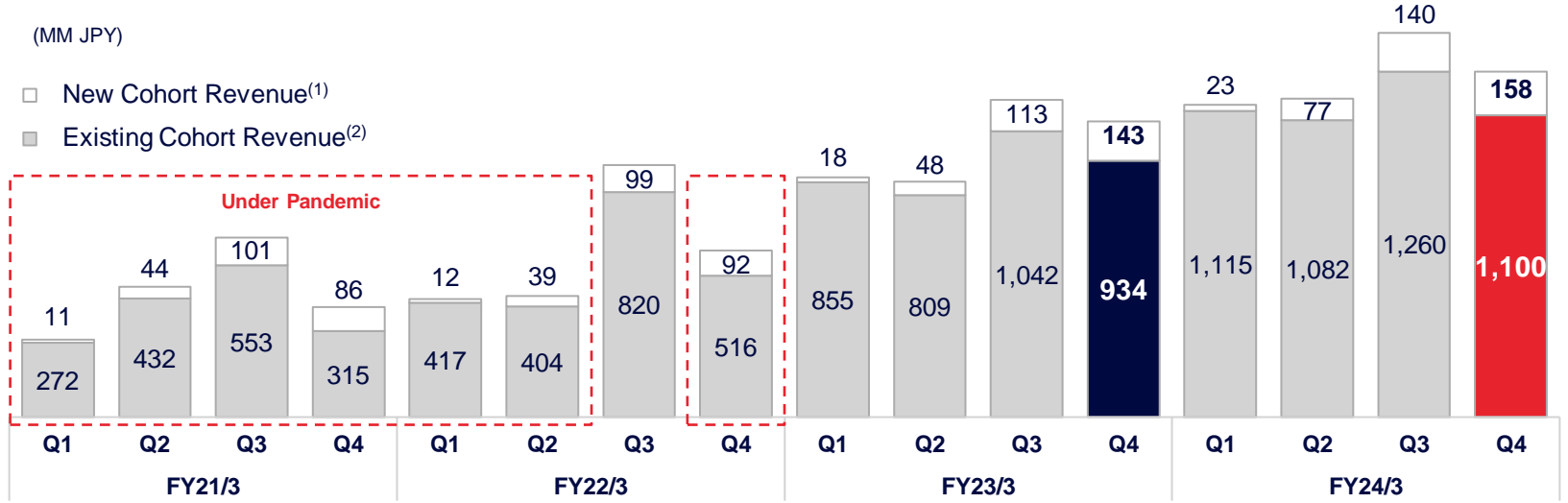


BtoB Commerce | Revenue by Cohort

- Existing Cohort Revenue had steady growth of +17.8% due to the high retention of the existing users
- New Cohort Revenue had steady growth of +10.5%

(MM JPY)

- New Cohort Revenue⁽¹⁾
- Existing Cohort Revenue⁽²⁾



New Cohort Revenue (Y/Y)	11.5%	-10.5%	-1.2%	7.1%	50.2%	24.1%	13.9%	55.2%	26.8%	59.4%	23.6%	10.5%
Existing Cohort Revenue (Y/Y)	53.3%	-6.5%	48.1%	63.9%	104.9%	100.4%	27.1%	80.9%	30.4%	33.7%	20.9%	17.8%

(1) "New Cohort Revenue" are the sum of quarterly sales brought by newly registered users in the same fiscal year as the year of enrollment

(2) "Existing Cohort Revenue" are the sum of quarterly sales generated by users enrolled before the previous fiscal year

FY25/3 Forecasts

FY25/3 Consolidated Forecast

- While maximizing the benefits from the capital investments made in FY24/3, we aim to maintain discipline and proceed with growth investments for FY26/3 and onward

(MM JPY)	FY25/3 Forecast	FY24/3 Actual	FY23/3 Actual	Y/Y Change	Y/Y (%)
Revenue	7,450	6,351	5,279	+1,099	+17.3%
Operating Profit	325	196	136	+129	+65.8%
Operating Profit Margin	4.4%	3.1%	2.6%	+1.3pts	-
Ordinary Profit	320	196	139	+124	+63.3%
Net Income	270	191	100	+81	+41.4%

FY25/3 Consolidated Forecast | Key Assumptions

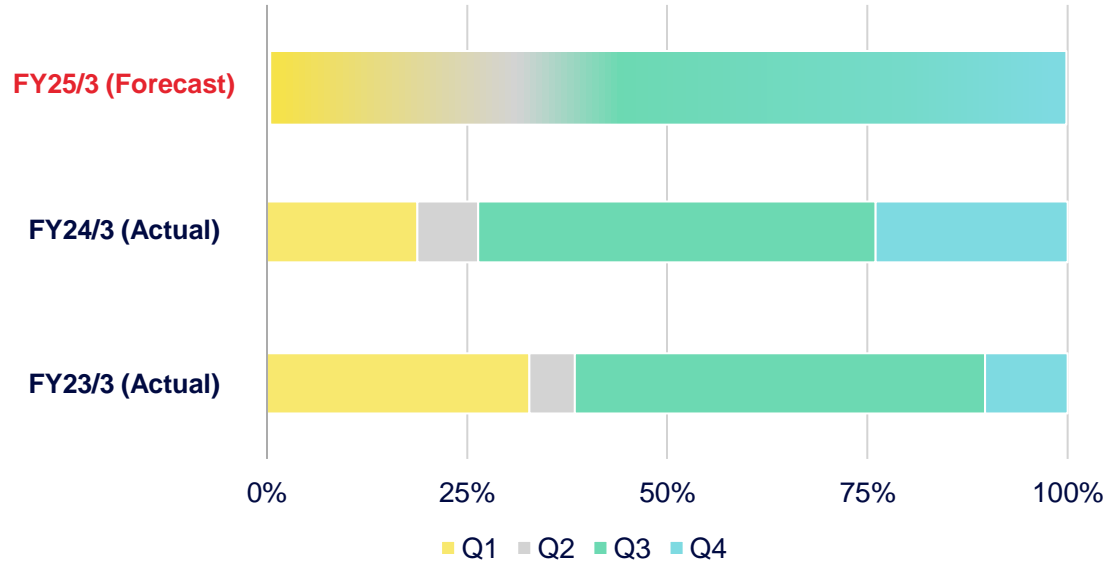
- BtoB Commerce budgets for steady increase in both active users and ARPU
- BtoC Commerce budgets for new store openings in Q4
- HR budgets to further accelerate the recruitment of sales personnel
- To accelerate medium to long-term growth, an increase in advertising expenses, as well as recruitment and education expenses, is incorporated into the budget

(MM JPY)	Forecast (Y/Y)	Key Assumptions
Revenue	7,450 (+17.3%)	(+) BtoB Commerce Growth +1,000 MM JPY (+) HR Growth +100 MM JPY
Operating Profit	325 (+65.8%)	(+) Increased personnel costs efficiency (-) Increased fixed costs from the launch of new FFC in 23/8 (-) Increased advertising expenses +0.1pts (-) Increased recruiting costs
Others	—	No planned major CAPEX investment

FY25/3 Consolidated Forecast | Operating Profit Progress Figure

- Due to the seasonality, the profit contribution is expected to be low in Q2 and high in Q3

Figure of Cumulative Progress in Quarterly Operating Profit



Company Overview

OUR MISSION

***Changing the World's Food
Experience More Enjoyable***

OUR VISION

***Creating A Better Cycle in
Fresh Food Distribution***

The food industry is immense.

From production to wholesale, distribution, retail, and consumers, the population involved is the highest of all industries.

That is why there are countless challenges that can be seen locally.

The players are highly specialized, but there is no role to optimize the overall.

We tend to blame someone else for this. That's why nothing changes.

Foodison, takes a bird's eye view of it.

By becoming the conductor of the huge orchestra of the food industry, we will draw out the potential of professionals and create a new circulation in the fresh food distribution.

Imagine a world where you can source a variety of ingredients from all over Japan with just one fingertip.

Imagine a world filled with aspiring craftsmen passionate about working for food.

Imagine a world where the first taste of an unknown fish reaches your dining table.

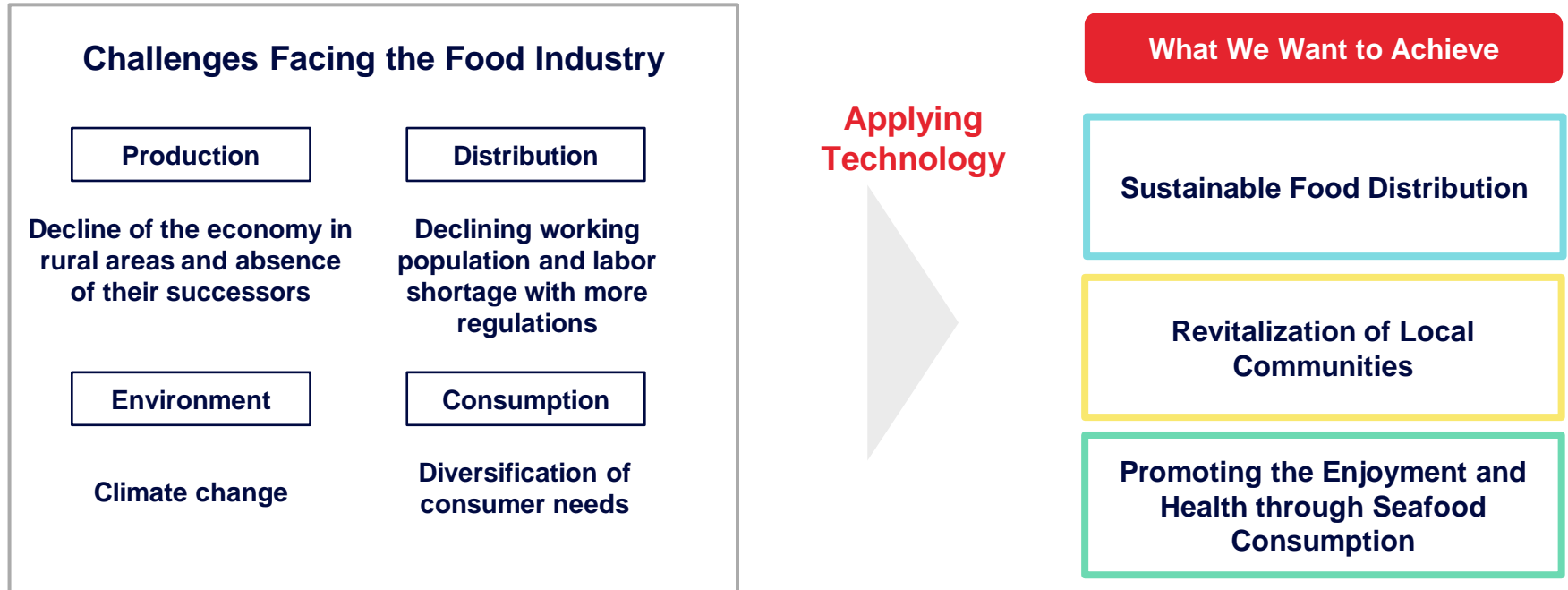
The food culture that Japan is proud of has only begun.

FOODISON



Our Vision

The food industry, which is at the core of our daily lives, has been experiencing a shift in balance due to change in the environment, and there is an urgent need to introduce a new system that utilizes technology

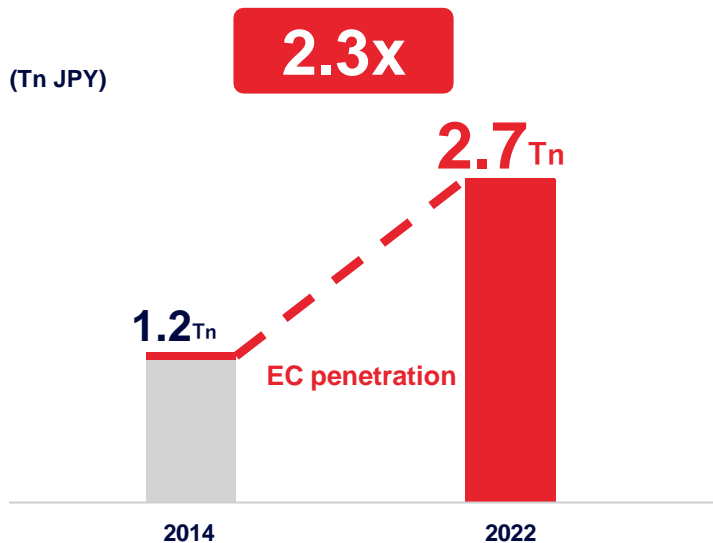


Food EC market in Japan is Entering a Growth Phase

The E-Commerce (EC) ratio in the food industry was 4.2% in 2022, which is lower compared to other categories, indicating a high growth potential for the EC market

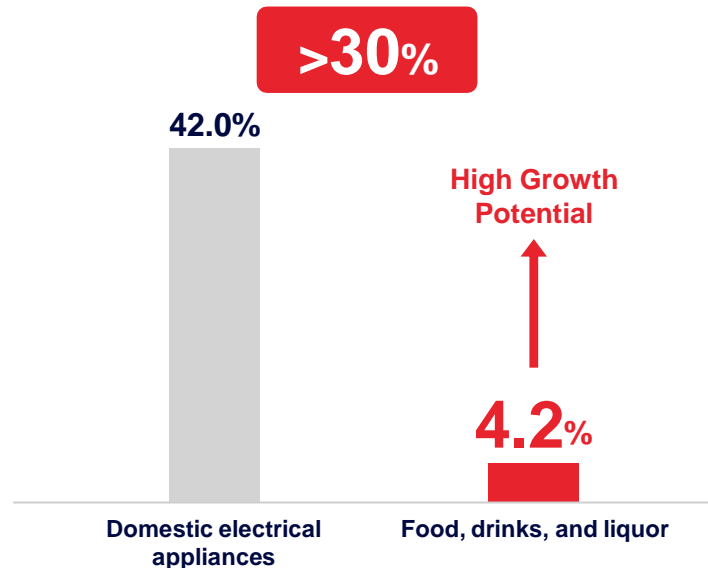
Expansion of Food EC

Food EC Market Size



High Growth Potential

Difference in EC Ratios

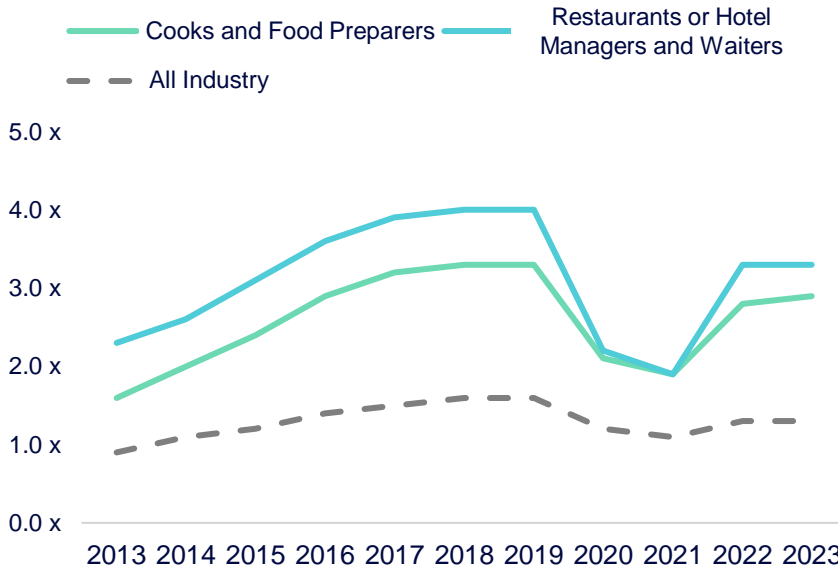


(1) E-commerce market size and e-commerce ratio refer to the "FY2022 E-Commerce Market Survey" and the "FY 2014 Infrastructure Development for Informatization and Servitization of Japan's Economy and Society (E-Commerce Market Survey)" by the Ministry of Economy, Trade and Industry. Graphs are prepared by the Company.

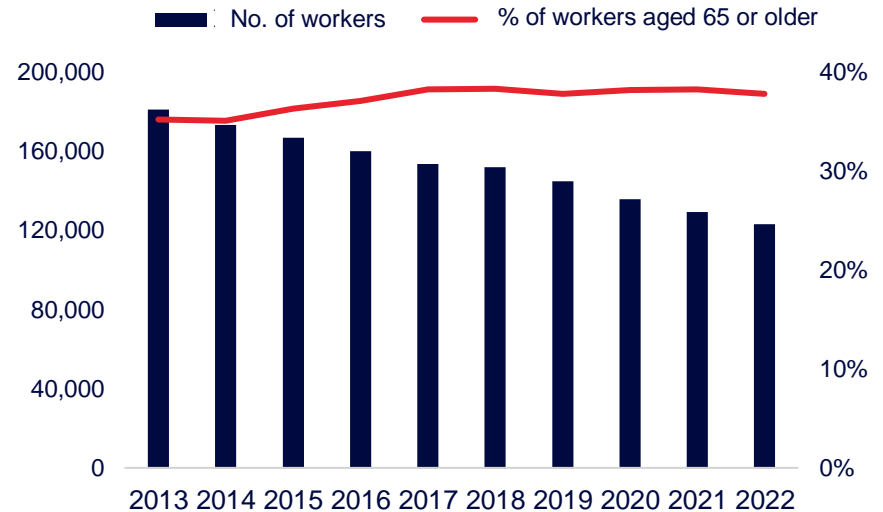
Labor Shortage in the Food Industry is Significant

- The jobs-to-applicants ratio in the food-related sector remains at a high level
- The number of fishery workers is decreasing year by year, and the proportion of elderly people is high

Jobs-to-Applicants Ratio⁽¹⁾



Number of Fishery Workers⁽²⁾



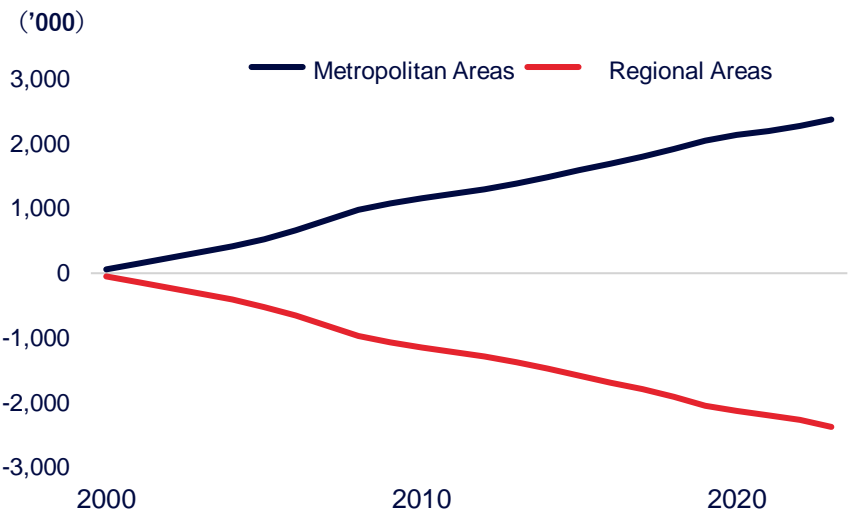
(1) Ministry of Health, Labor and Welfare "General Employment Placement Status (Employment Security Business Statistics)"

(2) Ministry of Agriculture, Forestry and Fisheries "Reiwa 4 Year Fishery Structural Dynamics Survey Results"

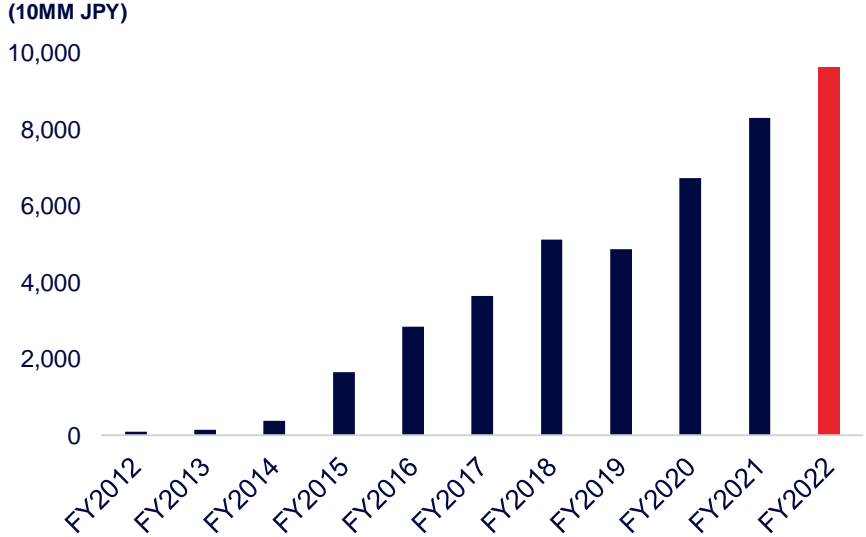
Population of rural areas are declining, but the financial resources for revitalization are increasing

- In rural areas, there is a shortage of high-quality employment opportunities in terms of wages, stability, and job satisfaction, leading to population outflow to urban areas
- On the other hand, as a new source of revenue for rural areas, the amount of donations received through the ‘hometown tax’ system has been increasing year by year

Net Migration Balance of the Metropolitan Areas and Regional Areas⁽¹⁾



The Amount of Donations through ‘hometown tax’ system⁽²⁾

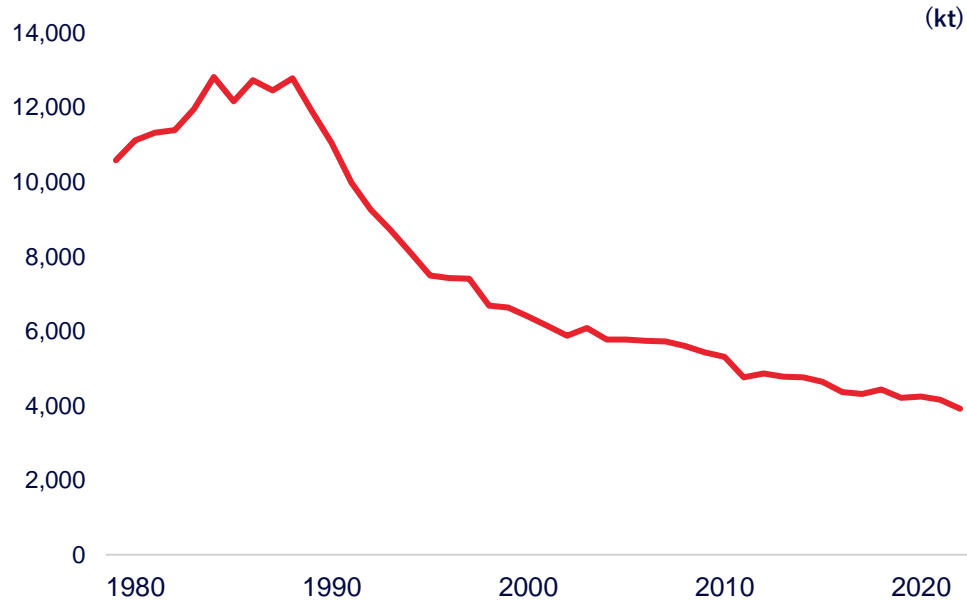


(1) Refer to the Ministry of Internal Affairs and Communications' "Basic Resident Register Population Movement Report". The three major metropolitan areas are Saitama, Chiba, Tokyo, Kanagawa, Gifu, Aichi, Mie, Kyoto, Osaka, Hyogo, and Nara
 (2) Refer to the Ministry of Internal Affairs and Communications' "Survey Results on Hometown Tax Payment (Conducted in FY5 of Reiwa)"

Seafood resources are declining affected by climate change

- Due to changes in seawater temperature and the progress of seashore burning, the amount of seafood caught in Japan is decreasing year by year

Total Domestic Fisheries and Aquaculture Production⁽¹⁾



(1) Ministry of Agriculture, Forestry and Fisheries "Reiwa 4 Year Fishery and Aquaculture Production Statistics"

Institutional Changes Related to the Distribution and the Environment

- Institutional changes that affect the food industry are progressing, and there is a need to respond

Category	Major Institutional Changes	Overview	Key Influences
Distribution Reform	Reform in the Wholesale Market Act (2020)	Revised rules for wholesale markets with the aim of promoting the rationalization of food distribution and ensuring a fair trading environment for fresh food and other products	It is easier to carry out off-market transactions and transactions that do not go through wholesalers, so that transactions such as farm-to-table delivery, exports, and e-commerce will be promoted
Resource Management	Implementation of the Fisheries Distribution Optimization System (2021)	With the aim of preventing the distribution of illegally harvested aquatic animals and plants, the obligations of harvesters, processors and distributors of abalone and sea cucumber are stipulated	Since it is necessary to assign and trace catch numbers and store transaction records, the demand for digitization of transactions is increasing
Climate Change Measures	Implementation of Sustainability Information Disclosure in Annual Securities Report (2023)	Mandatory inclusion of sustainability information in annual securities reports	In order to achieve the 2050 carbon neutrality target, regulations on companies will be tightened and specific means to achieve them will be developed
	Opening of the TSE Carbon Credit Market (2023)	Carbon credits ⁽¹⁾ trading market for J-Credits ⁽²⁾ opened by Tokyo Stock Exchange, Inc.	

(1) By certifying the amount of greenhouse gas emissions reduced, absorbed, or removed as credits, the results of these emissions are embodied in a form that can be traded with others.

(2) It is a baseline and credit system operated by the Ministry of the Environment, the Ministry of Economy, Trade and Industry, and the Ministry of Agriculture, Forestry and Fisheries, and certifies the amount of greenhouse gas emissions reduced and absorbed through the introduction of energy-saving and renewable energy facilities and forest management as J-credits

Updating Fresh Food Distribution as a Platformer

Updating fresh food distribution, which has lagged in the use of information technology, to a digital-centric distribution system to realize a world where a wide variety of food products can be enjoyed



BtoB



Connecting local suppliers nationwide for the best encounters between food ingredients and chefs

Uopochi

BtoB Commerce Food EC for restaurants

“Uopochi” is a procurement service for restaurants primary focusing on fresh food. Our own logistics base in the Ota wholesale market connects information and logistics to ensure smooth procurement of fresh fish and other food ingredients.

Core Users

Small and Medium-sized Restaurants

Problem

Limited resource

Have to go to the market in the morning to select supplies

Desire for high-quality ingredients and rare food items

Value Proposition

- Easy ordering with smartphone
- Delivery from the market to the door
- Accepting orders until 3AM, with delivery as early as the next day

- Orders for the next day can be placed from 3 : 30 pm
- Detail information about products provided by professional buyers

- A variety of fresh fish procured direct from all over Japan

BtoC



Adding a touch of excitement and adventure to dishes at home

sakana bacca

BtoB Commerce

The seafood store always has something new to discover

“sakana bacca” is a modern style seafood store with a focus on high-quality fish from nationwide, high design, and product planning. Currently expanding to 9 stores in Tokyo.

Core Users

Local Consumer



Problem

Unsatisfied with the freshness and product lineup of fish at supermarkets

The difficulty of cooking fish, even if you want to eat it

There are limited opportunities for learning and experiencing about food and ingredients

Value Proposition

- Direct from the market
- Variety of fresh seafood that can only be found in a specialty store

- Easy-to-understand explanations by professionals

- Events focused on enhancing the food experience
- Promotion of private brands in collaboration with producers and suppliers

HR



Aspiring to make the job of the food industry a desirable career, making specialized skills available to everyone

Food Talent Bank

HR

A recruitment agency for the food industry

Strong understanding of the industry and are able to make the best match for talented individuals

Core Users

Restaurants, supermarkets, food factories, etc.



Problem

The database of major staffing companies is mainly focused on office workers

When talking to recruitment agents, they don't understand the level of skill required

Recruitment channels only target part-time workers

Value Proposition

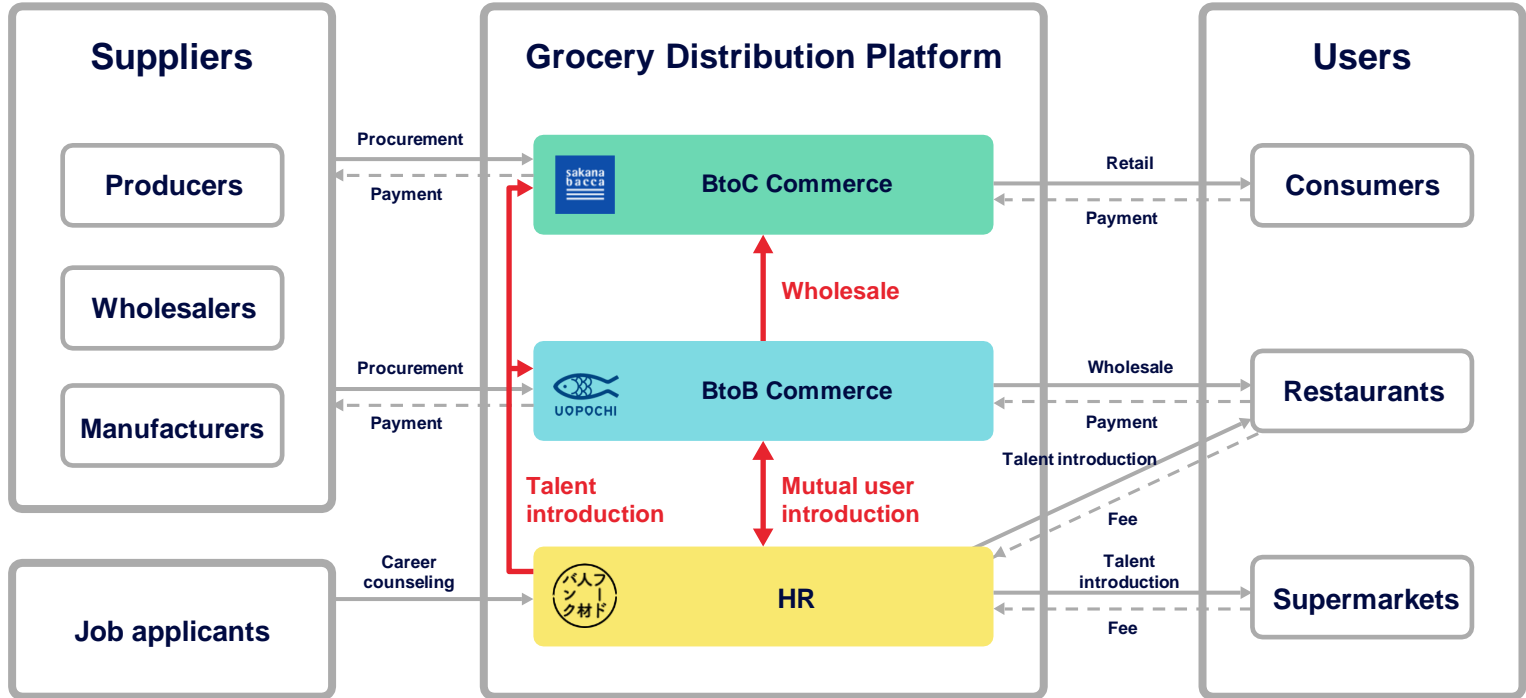
▶ A database specialized in the food industry

▶ Agents with a high level of understanding of the industry

▶ Introduction of regular employment in the food industry

Business Diagram

With a focus on BtoB Commerce, we aim to cover a wide range of the food industry, allowing each service to organically create synergies



COMPANY HIGHLIGHT

- 1 | A Seamless Platform Connected from Upstream to Downstream**
- 2 | Access to Fresh Wholesale Markets and Strong Supplier Network**
- 3 | High Barriers to Entry for Digital Transformation in Fresh Food Distribution**
- 4 | Attractive Business Model and Growth Potential**

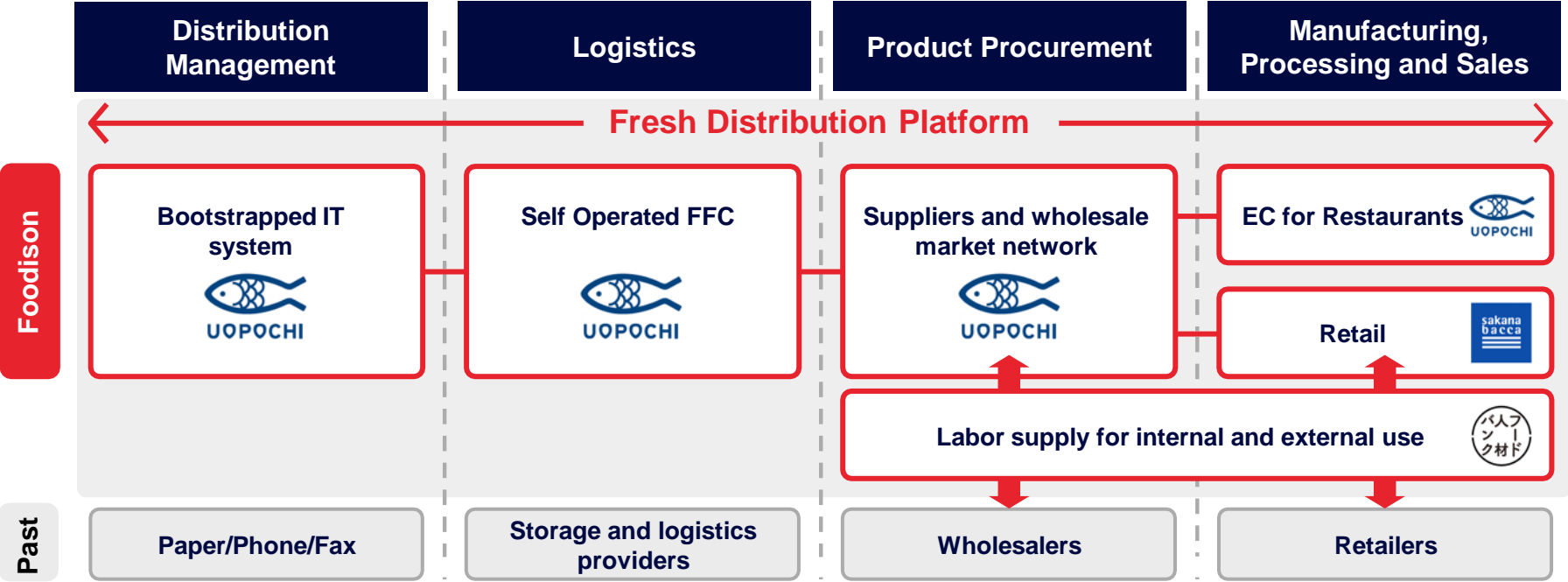
Unique Positioning as an EC Operator with Access to Wholesale Market

Holding a FFC base within the wholesale market and building an e-commerce around it provides unique advantage because of its superiority in product procurement and logistics



Establishing a Fresh Food Distribution Platform on Uopochi

Current fresh food distribution systems were designed before AI and the Internet were invented, and more convenient distribution systems can be realized by utilizing the latest technologies. We built a system that integrates distribution functions that have been divided into different branches of industry in a single integrated system to improve productivity



Access to the Fresh Markets and Nationwide Unique Network of Suppliers

Building a strong network of local suppliers based on our own distribution functions to provide reliable value

Access to the Fresh Wholesale Markets

The proprietary distribution functions within wholesale markets enables fast procurement and delivery



Nationwide Unique Network of Suppliers

Listing Frequency
■ High
■ Medium
■ Low
■ None
※As of May, 2023

More than 70 local regions



Analog and Complex Distribution Structures

Overcame barriers to entry for applying digital transformation in fresh distribution by developing proprietary software

Proprietary Software Development

Accumulated Database

Farm-side Merchandise Data Input App

Merchandise and Logistics Management App

Shipping Management App

Sales Interface



目方計量データ一覧

発注先	仕入先	品名	規格	単位	数量	計量
新平	FO産	トビウオ	200-400g	個	10	1.1
新平	FO産	イサキ	200-400g	個	10	1.2
新平	FO産	イサキ	200-400g	個	10	1.3
新平	FO産	イサキ	200-400g	個	10	1.4

Shipping Management App Screenshot

No.	希望	平均納品	顧客情報
1	午前 09:49	AM B	AM B
2	午前 09:54	AM D	AM D
3	午後 09:50	AM B	AM B
4	午前 10:04	AM B	AM B
5	午前 10:12	AM D	AM D



Regulated Market

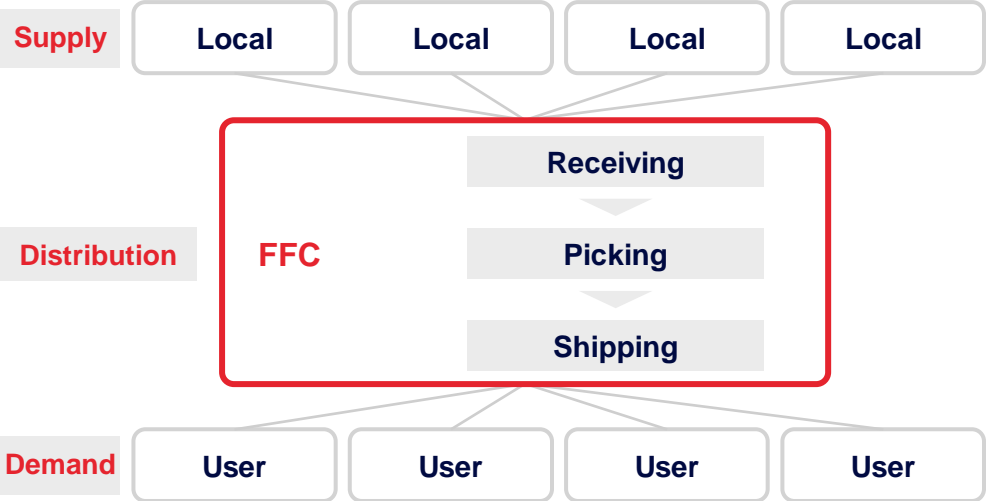
We have obtained various permits and licenses to operate in the Tokyo Central Wholesale Market and have secured space for large-scale shipping operations at the Ota Market

Obtained licenses to enter wholesale market

- Wholesale business license within the market
- Auction participation license
- Seafood manufacturing permitted facilities in the market

Securing large-scale FFC directly connect to the market

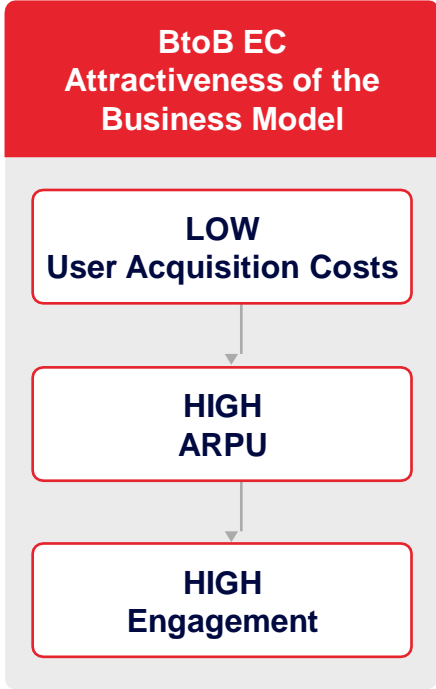
With the demand and supply spread across the country, large-scale FFC that is connected to the market provides competitive advantage



Characteristics and Attractions of BtoB EC Business Model

Due to the higher unit price in BtoB EC, efficiency and cost savings are high, and there is a high level of engagement given the demand is for business purposes. Therefore, it is important to ensure service quality

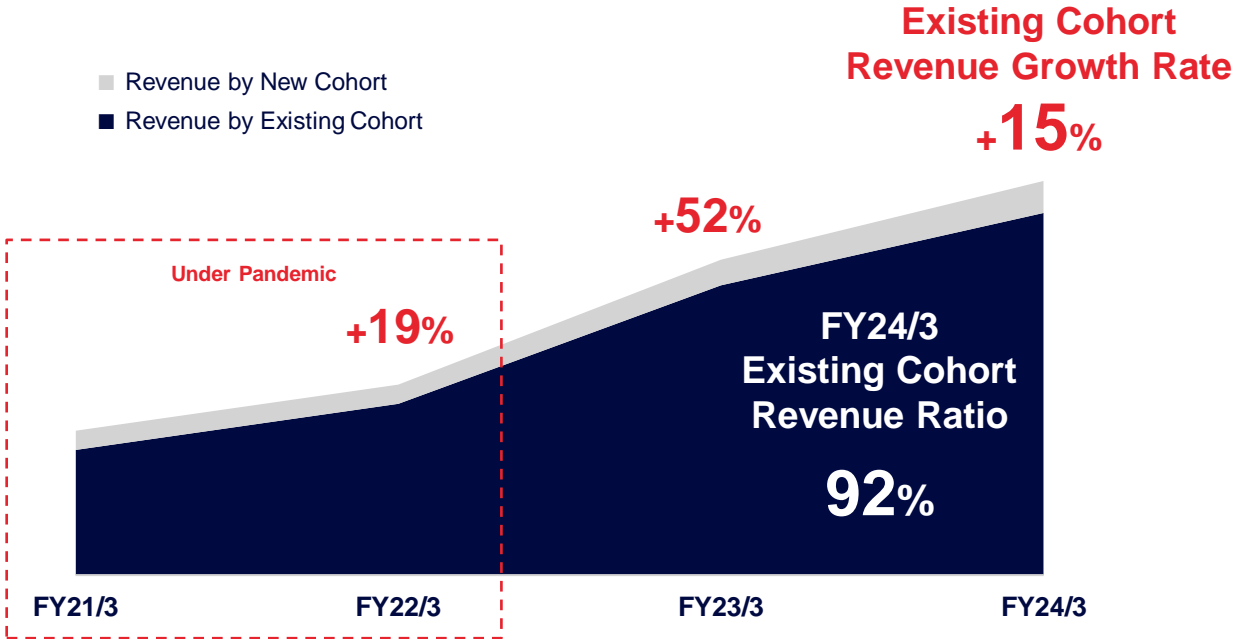
Features of BtoC and BtoB EC		BtoC EC	BtoB EC
Typical examples		Mall Type	Self Operated
Product Category		Wide Home appliances, clothes, etc.	Narrow Food, tools, etc.
ARPU	Purchase Frequency	Low When necessary	High Always required
	Unit Price	Low Personal use	High Business use
Marketing Cost	New user acquisition	High High competition	Low Low competition
	Existing users	High Need to stimulate	Minimal Business demand



User Engagement is High, and Existing Cohort is Driving Growth

Revenue has been expanding year by year due to the perceived convenience and gained trust from customers

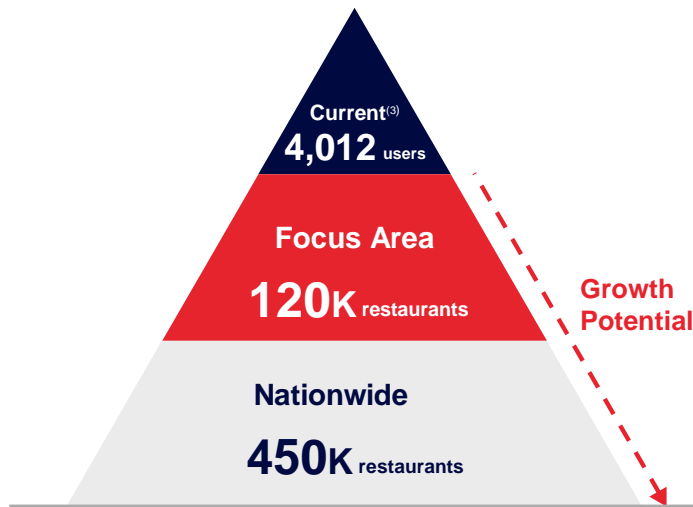
BtoB Commerce | Revenue by Cohort



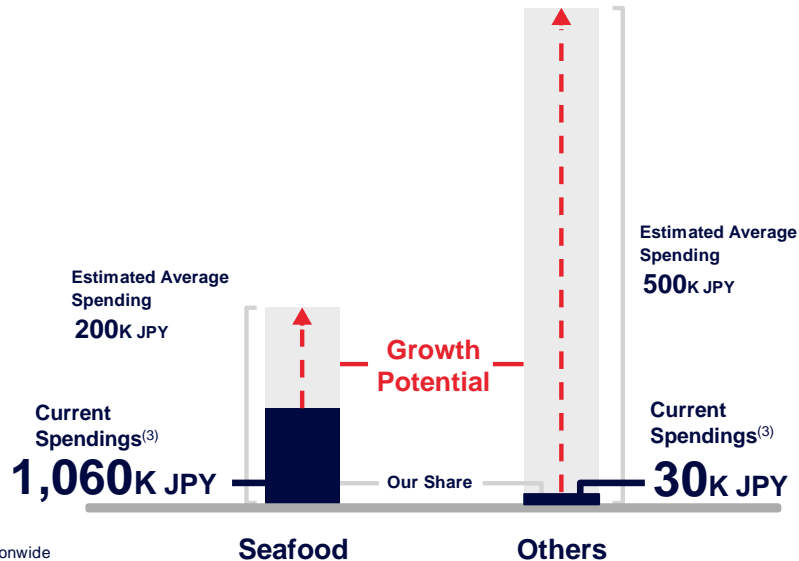
Growth potentials of KPIs in BtoB Commerce

There is ample room to expand the tail end of BtoB Commerce users and ARPU

Growth Potential of Users⁽¹⁾



Growth Potential of ARPU⁽²⁾



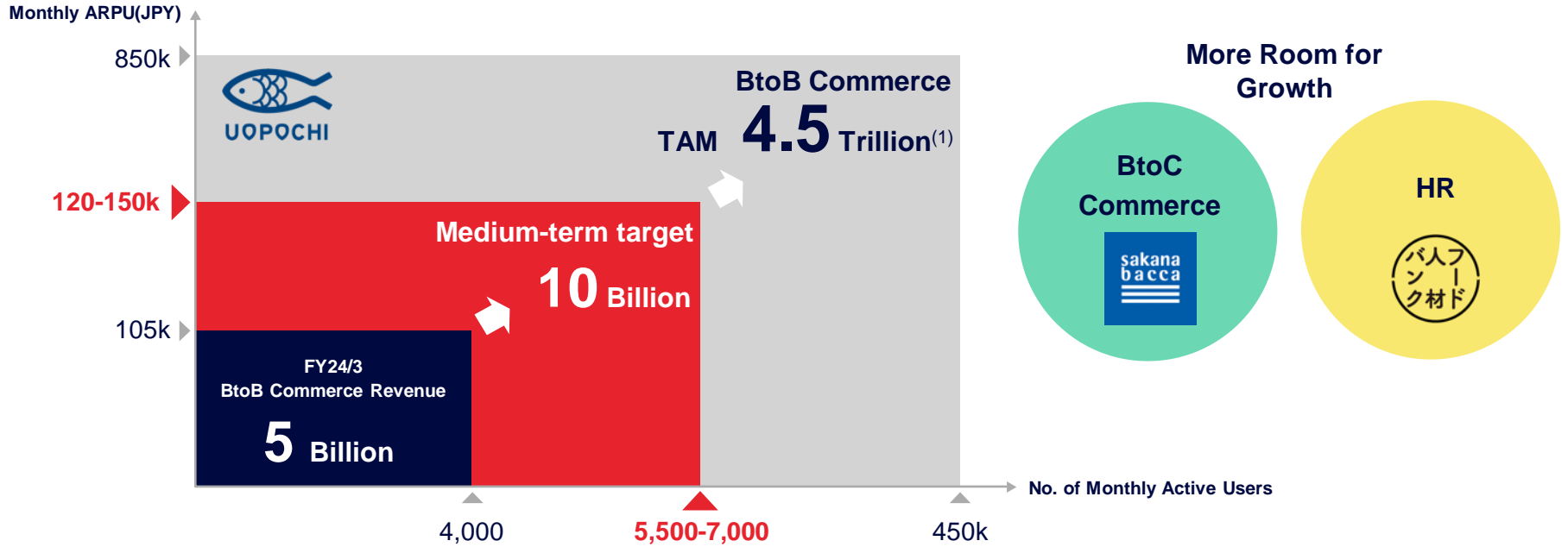
(1) Calculated by estimating the proportion of small and medium-sized restaurants to be 75% from the number of restaurants nationwide (Ministry of Internal Affairs and Communications / Ministry of Economy, Trade and Industry "2016 Economic Census - Activity Survey")

(2) Calculated based on the assumption that of monthly sales of 3.5 million yen and a cost ratio of 33%, of which food accounts for 60% and seafoods account for 30%.

(3) As of FY24/3 Q4

Market Opportunities Expand as We Gain Market Share

There are approximately 450,000 restaurants nationwide, indicating ample room for expansion in BtoB Commerce alone. By further expanding into BtoC Commerce and establishing support functions such as HR services, there is significant potential to increase revenue and build upon the existing foundation



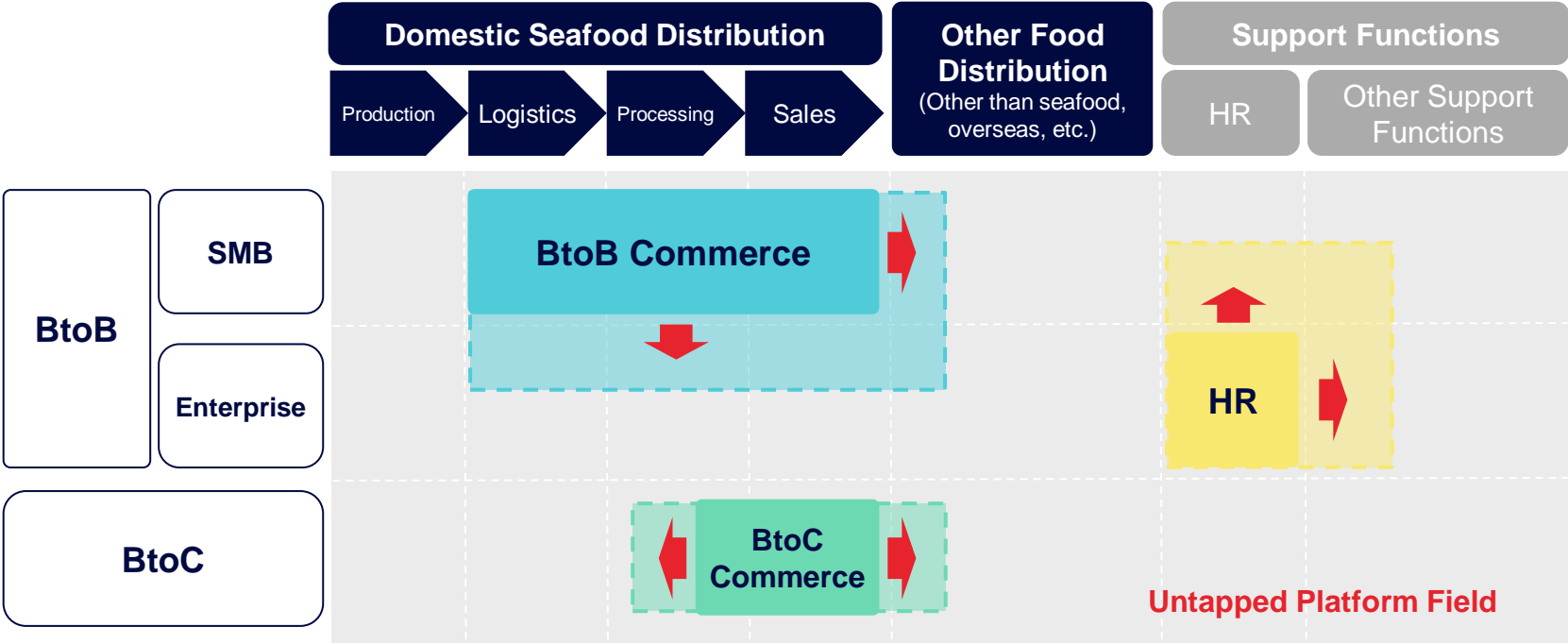
(1) TAM (Total Addressable Market) is the largest market size that our BtoB Commerce can capture, and is calculated by estimating from the number of restaurants nationwide and the sales amount of restaurants (Ministry of Internal Affairs and Communications / Ministry of Economy, Trade and Industry "2016 Economic Census - Activity Survey").
 The calculation formula is as follows : Number of restaurants nationwide 450,000 × Total sales (income) per establishment : Approximately 31.73 million yen × Cost ratio of general restaurants 33% (estimated by the Company)

Growth Strategy

General Concept of Our Platform Growth

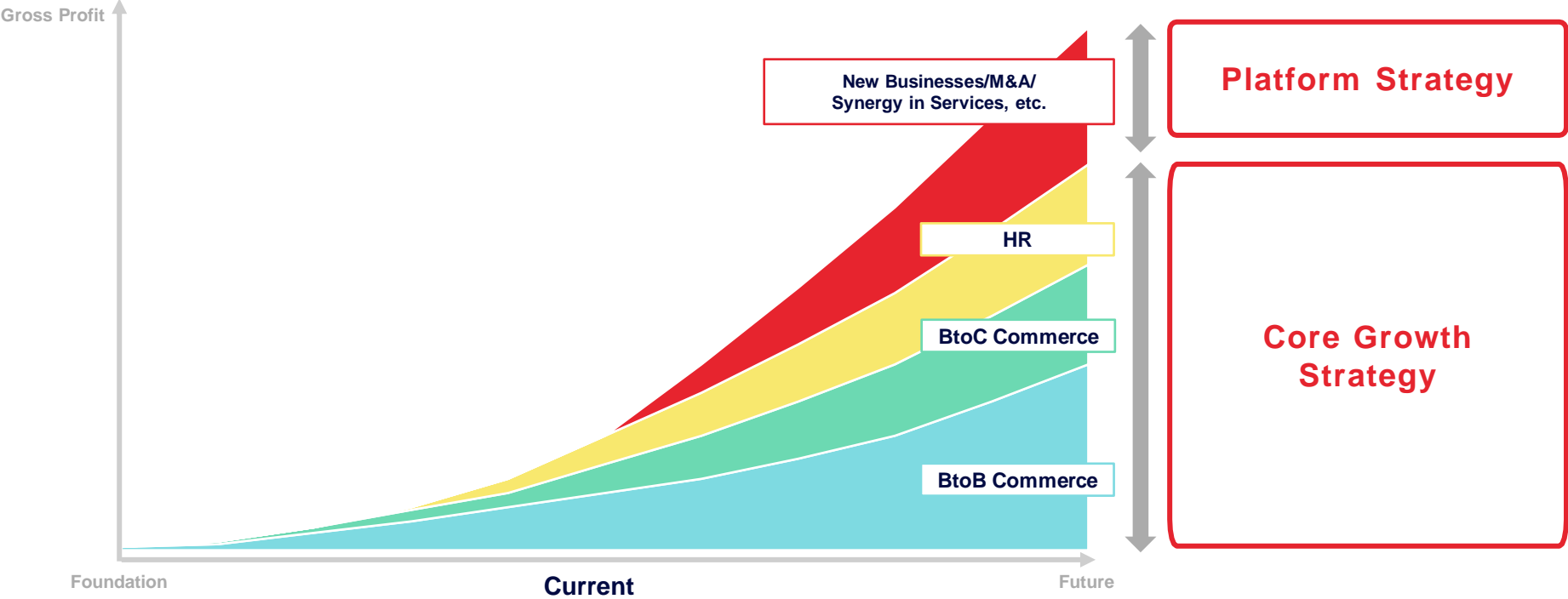
We intend to expand the scope of our platform in the long term by building distribution and support functions

Current Fresh Distribution Platform and Untapped Platform Field



Medium to Long-term Growth Image

We will ensure the growth of existing services through Core Growth Strategy, and accelerate growth through Platform Strategy that aims to build a long-term platform



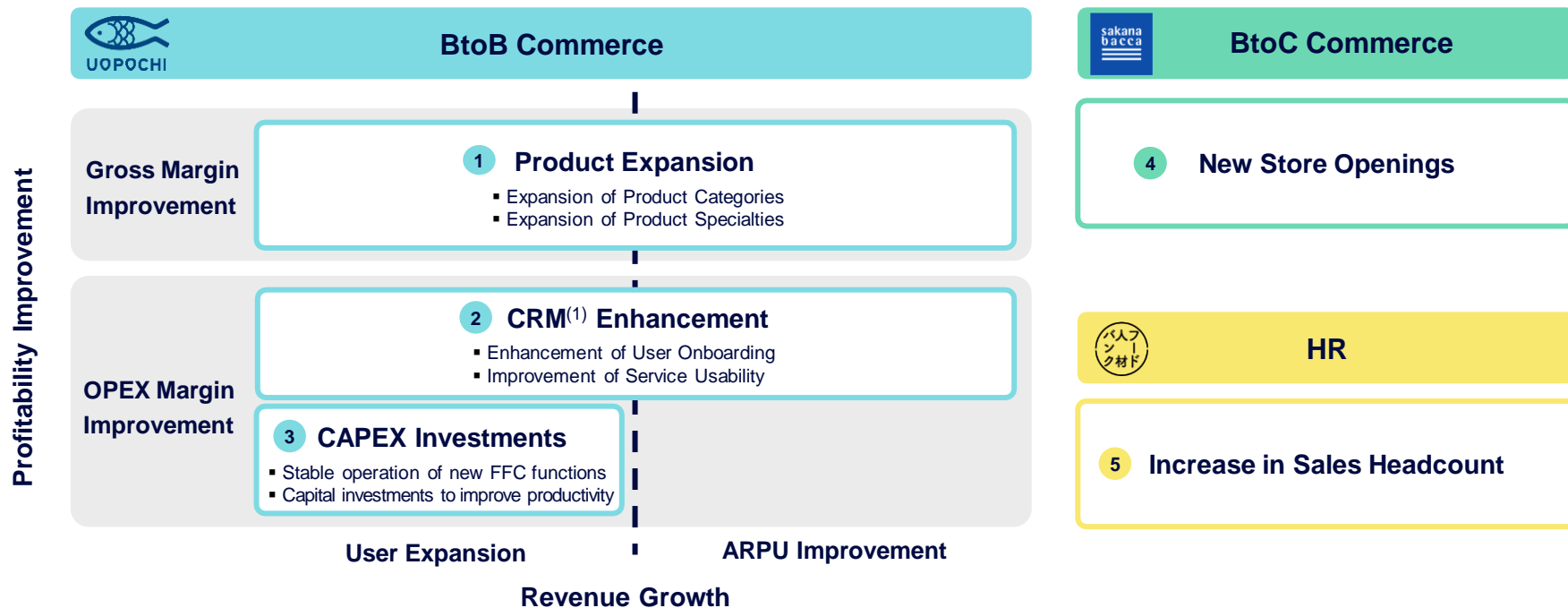
(1) CAGR = Compound Annual Growth Rate

GROWTH STRATEGY

Core Growth Strategy in Detail

Core Growth Strategy

Our growth strategies are centered in improving usability



(1) CRM (Customer Relationship Management) is a series of initiatives aimed at building, maintaining, and improving good relationships with users

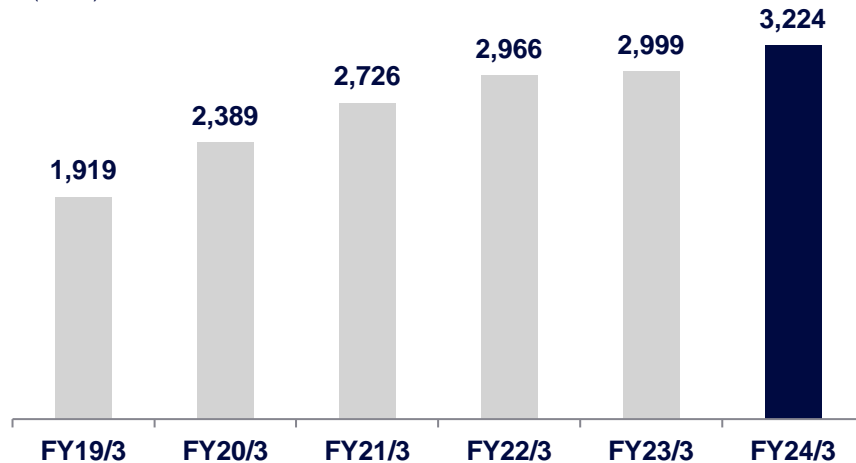
Core Growth Strategy | ① Product Expansion

Expand vegetable and meat products from a focus on seafood products, and enhance our product offerings with unique and distinctive items to further differentiate

Actual

Daily Average No. of SKUs on the website

(SKUs)



Tactics

Expansion of Product Categories

BtoB Commerce Sales Composition Ratio⁽²⁾



Expansion of Product Specialties

Product Specialties Required for Restaurants

- Simplicity of cooking
- Originality
- Stability

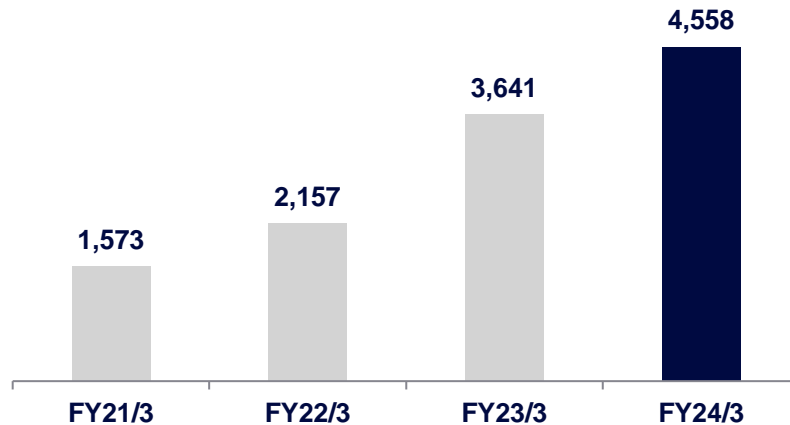
Core Growth Strategy | ② CRM Enhancement

We plan to continuously strengthen customer success and UI/UX to expand Active Users

Actual

Existing Cohort Revenue

(MM JPY)

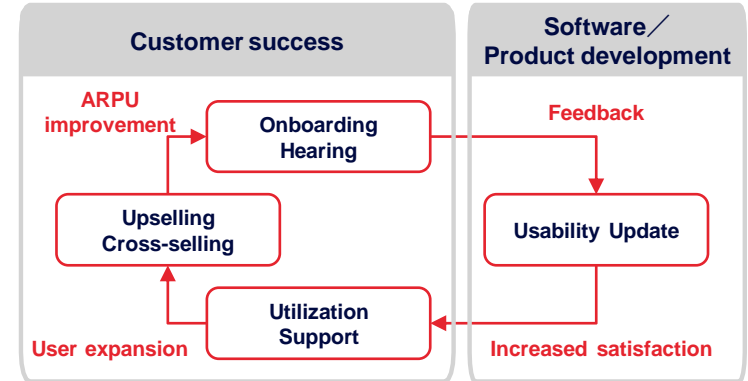


Tactics

Enhancement of User Onboarding

Improvement of Service Usability

Existing Cohort Sales Improvement Cycle



Core Growth Strategy | ③ CAPEX Investments

Expand new FFC functions to improve productivity over the medium to long term

Actual

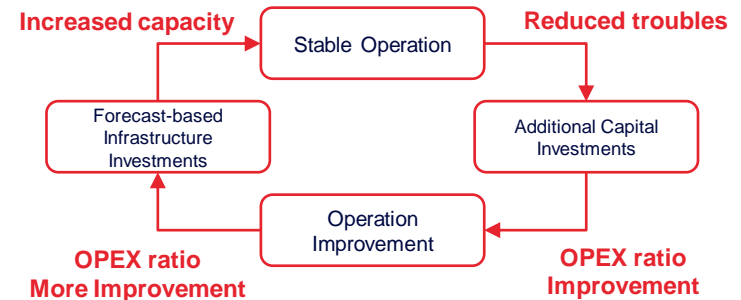
- 2014 Establishment of FFC function in the Tsukiji Market
- 2016 Opened FFC function in the Ota Market and started operation in two bases Tsukiji and Ota
- 2018 With the relocation to the Toyosu Market from Tsukiji, the FFC function was opened in the Toyosu Market, and started operation in two bases Toyosu and Ota
- 2019 In pursuit of efficiency, enhanced the FFC function in the Ota market and closed the Toyosu Market function. Started operation of one site in Ota
- 2021 Opened in-house processing function in Ota Market
- 2023 In order to increase shipping capacity, FFC functions was expanded outside the Ota market and have started two bases operation**

Tactics

Stable Operation of New FFC Functions

Capital Investments to Improve Productivity

Infrastructure Investment Plan and Improvement Cycle



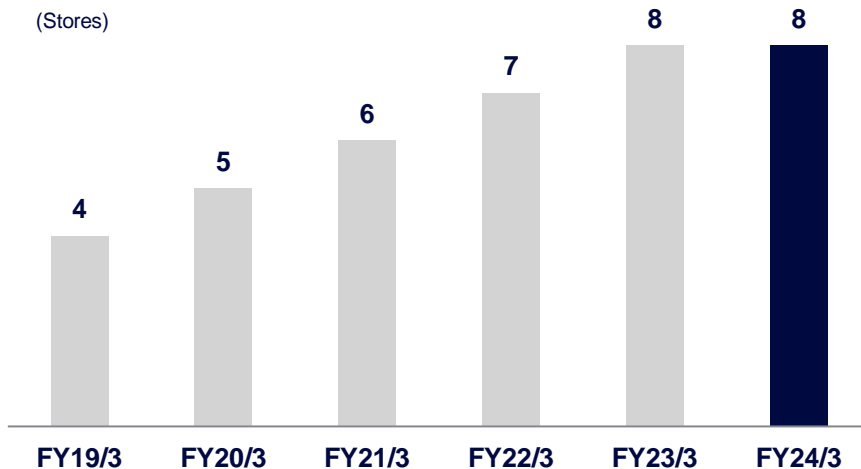
Core Growth Strategy | ④ New store openings

To open in-station stores with a focus on location conditions

Actual

Number of Stores⁽¹⁾

(Stores)



(1) As of the end of March in each fiscal years

Tactics

Open Stores in Good Terms

Room for New Store Opening

Area	Stations with more than 40,000 passengers ⁽²⁾
Tokyo, Kanagawa, Chiba, Saitama	About 300 stations
Tokyo wards	About 150 stations
Tokyo wards close to residential area	About 90 stations

(2) Based on our research from the information published by each railway company

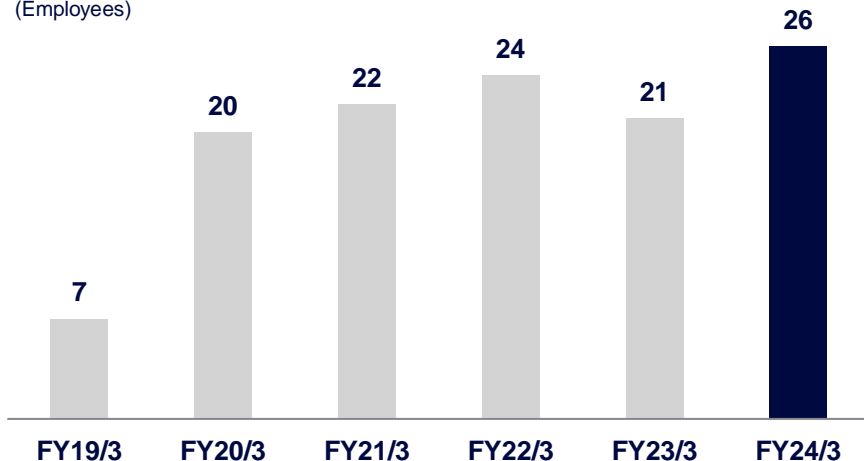
Core Growth Strategy | ⑤ Recruiting

Actively recruit mainly younger employees and aim to expand the scale of the organization

Actual

HR Services Number of Employees⁽¹⁾

(Employees)



(1) As of the end of March in each fiscal years

Tactics

Continuous recruitment

Hiring Strategy

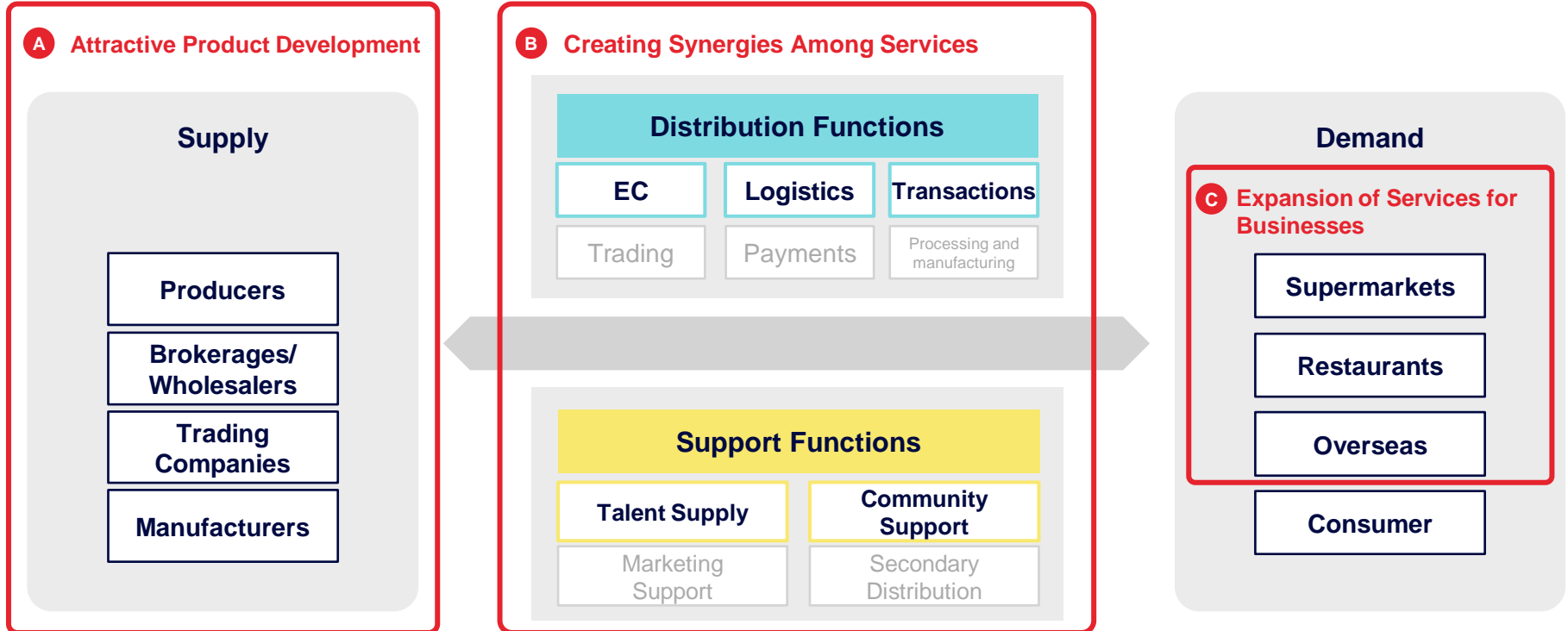
- Proactive recruitment and promotions
- Creating an attractive work environment
- New graduate recruitment

GROWTH STRATEGY

Platform Strategy in Detail

Platform Strategy

We plan to expand distribution and support functions to provide services according to customer size, area, and product category



Platform Strategy | ① Attractive Product Development

We will work towards leveraging brands by enhancing our private labels products, with the expansion of the supplier network, the strengthening of product development capabilities, and private brand initiatives



Original Beer
『SAKANA TO ALE』



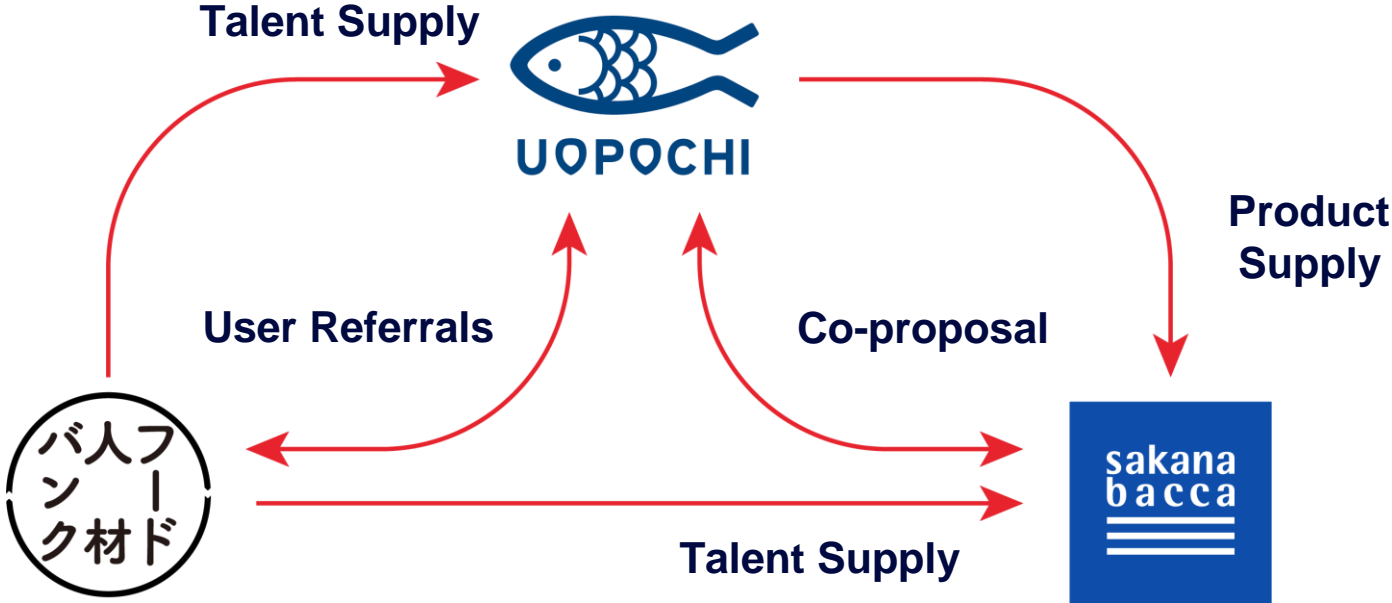
Whitebait Snack
『PARI PARY』



Collaboration with
a legacy seaweed manufacturer
『Shinise Denso Ariake Nori』

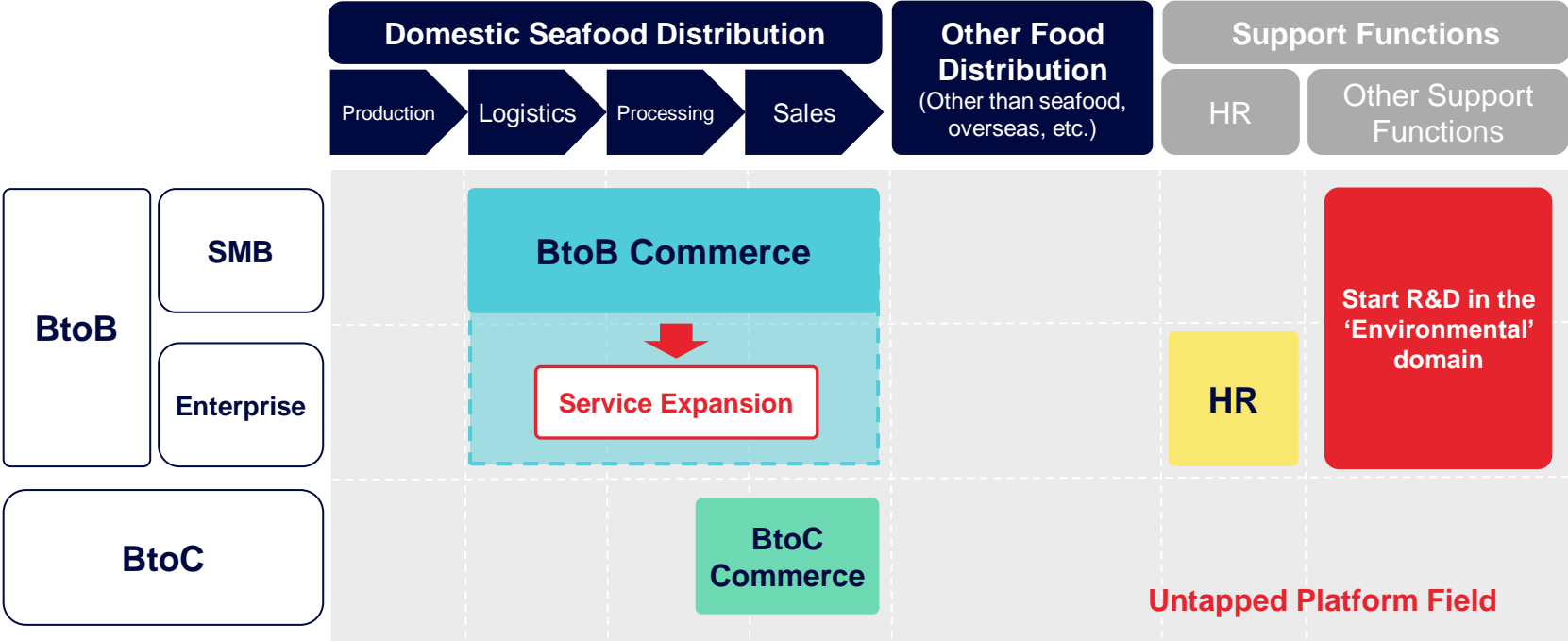
Platform Strategy | ② Creating Synergies Among Services

As we expand each service, there is increased potential to create synergies, and we aim to take those advantage of opportunities to improve productivity



Platform Strategy | © Expansion of Services for Businesses

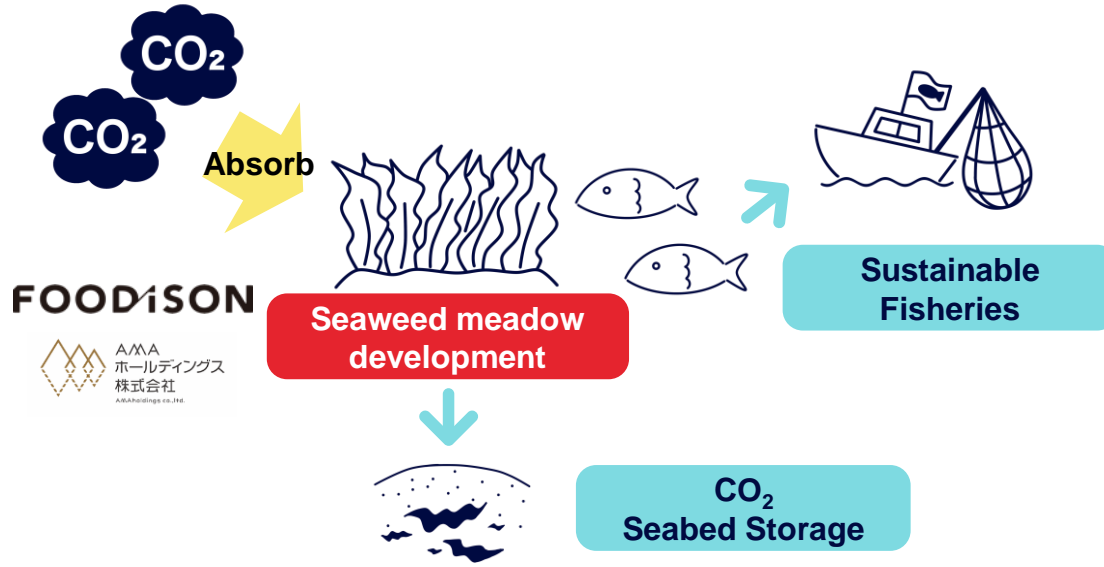
While keeping a wide range of options such as expanding existing businesses, developing new businesses, and M&A, we will focus on expanding services for businesses



Seaweed Meadow Regeneration to Initiate Creation of Blue Carbon⁽¹⁾

We have partnered with AMA Holdings to develop seaweed meadow regeneration development in Ama Town, Shimane

Overview of Ama Town Seaweed Meadow Development Project



Outlook

- **Entry into the environmental business**
 Contributing to the expansion of the carbon-neutral market
- **Creation of jobs in local communities**
 Creation of permanent employment through environmental restoration projects
- **Cultivate marine resources**
 Revitalization of the fisheries industry

Investment Policy

We aim to achieve sustainable improvement in profit margins and maximize long-term free cash flow with a disciplined investment policy

Marketing Investment Policy

- 1 | In principle, the Advertising / Sales Ratio will continue to be at the same level as in the past
- 2 | Assessing the web marketing market conditions

Capital Investment Policy

- 1 | Upfront investment sufficient for service growth
- 2 | Investments expected to improve OPEX ratios

Our Approach to Medium to Long-term Corporate Value Creation

We aim to improve corporate value by maximizing long-term free cash flow (EBITDA expansion) through the expansion of gross profit and the improvement of OPEX ⁽¹⁾ ratio

3 Financial KPIs to Maximize Free Cash Flow

Profit Growth Metric

Gross Profit

Operating Leverage Improvement Metric

OPEX Ratio

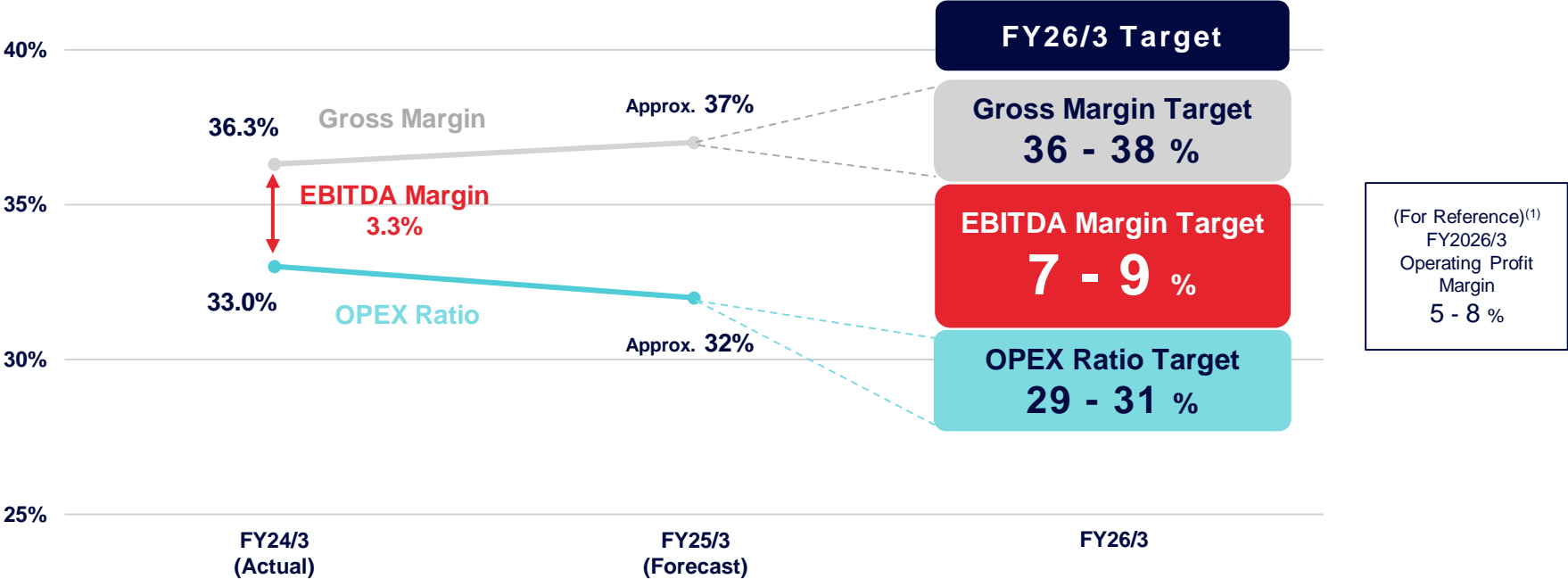


Free Cash Flow Growth Metric

EBITDA

Medium-term Revenue Structure Range

EBITDA margin is expected to improve with an increase in the capacity utilization rate of the new FFC for which capital expenditures were made in FY24/3



(1) Since EBITDA is our Financial KPI, EBITDA margin is an associated indicator and Operating Profit margin is shown for reference purpose only

Promotion of ESG Management

To pursue growth that ensures higher efficiency, diversity, and fairness, we plan to add one female independent director to the board of directors to strengthen our management structure⁽¹⁾

Board Meeting Structure

FY24/3

No. of Internal Directors 2	Tohru Yamamoto Founder / Representative Director and CEO
	Naoki Naito Board of Director and CFO
No. of Outside Directors 2	Itaru Tanimura Independent Director (CEO, M3, Inc.)
	Hideaki Fukutake Independent Director (Non-Executive Director of Benesse Holdings)



FY25/3⁽¹⁾

No. of Internal Directors 2	Tohru Yamamoto
	Naoki Naito
No. of Outside Directors 3	Itaru Tanimura Independent Director
	Hideaki Fukutake Independent Director
	Haruna Nochi Independent Director (COO newmo, Inc. / Ex-CEO Wolt Japan)

(1) After approval at the 11th Ordinary General Meeting of Shareholders

APPENDIX

Glossary (1/2)

EBITDA	Abbreviation for “Earnings Before Interest, Taxes, Depreciation and Amortization”, which is calculated by adding depreciation and amortization on operating profit
OPEX	Abbreviation for “Operating Expenditure”, which is calculated by subtracting depreciation and amortization expenses from SG&A. “OPEX Ratio” refers to a ratio of OPEX versus revenue
Active Users	Refers to the number of users who placed at least one order each month. Figures are quarterly averages of monthly Active Users
ARPU	Abbreviation for “Average Revenue Per User”
New Cohort Revenue	Refers to the sum of quarterly sales brought by newly registered users in the same fiscal year as the year of enrollment
Existing Cohort Revenue	Refers to the sum of quarterly sales generated by users enrolled before the previous fiscal year
FFC	Abbreviation for “Fulfillment Center”. It refers to a logistics base that is responsible for inventory storage, management, packaging, shipping, etc. The new fulfillment center refers to the logistics base opened in August 2023
SKU	Abbreviation for “Stock Keeping Unit”. It refers to the number of items in inventory management
Y/Y	Abbreviation for “Year-over-Year”

Glossary (2/2)

O&S	Abbreviation for “Operation and Support”. It refers to, a total of personnel costs and other expenses related to business operations other than sales promotion (logistics, call center, management, etc.)
S&M	Abbreviation for “Sales and Marketing”. It refers to, a total of advertising expenses, personnel costs and other expenses related to sales promotion
G&A	Abbreviation for “ General and Administrative”. It refers to, a total of personnel costs and other expenses related to corporate development department
R&D	Abbreviation for “ Research and Development”. It refers to, a total of personnel costs and other expenses for engineers and personnel involved in new business development

Quarterly Performance Trends (1/2)

	FY21/3				FY22/3				FY23/3				FY24/3			
	(MM JPY)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	544	726	974	709	723	725	1,241	902	1,205	1,155	1,533	1,385	1,474	1,502	1,766	1,607
BtoB Commerce	298	480	679	410	433	445	933	610	873	863	1,163	1,075	1,138	1,164	1,410	1,266
BtoC Commerce	175	175	190	183	190	208	219	197	228	203	275	233	240	236	266	258
HR	70	70	89	77	93	69	88	86	101	87	93	75	95	101	89	82
Gross Profit	230	276	376	297	304	286	455	349	455	425	541	474	519	551	637	583
EBITDA	-51	-31	32	-22	-38	-67	73	0	49	12	74	18	41	21	105	52
Operating Profit	-52	-34	29	-25	-40	-70	70	-2	44	7	69	14	37	15	98	45
Ordinary Profit	-52	-24	38	-19	-26	-56	77	-1	48	10	62	18	37	14	99	45
Net Income	-55	-27	37	-19	-29	-57	77	-2	47	-13	39	26	30	27	80	53

Quarterly Performance Trends (2/2)

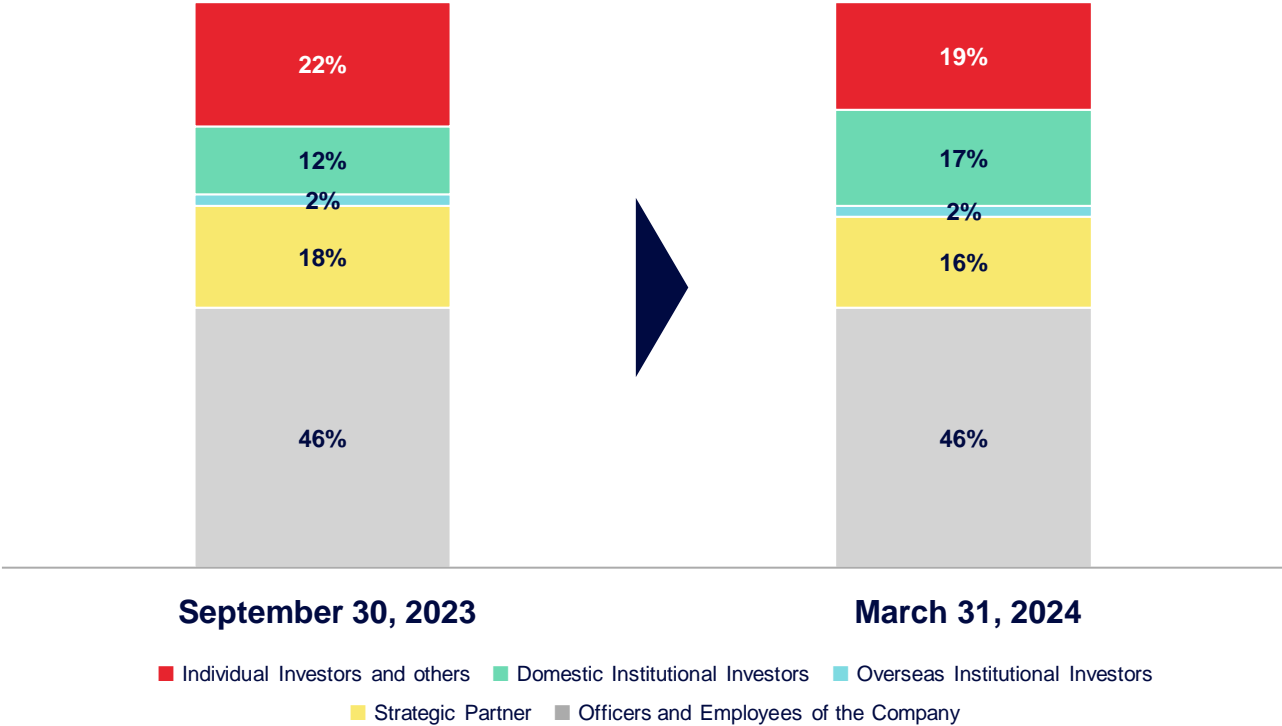
	FY21/3				FY22/3				FY23/3				FY24/3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Profit Margin	42.2%	38.0%	38.6%	41.9%	42.1%	39.4%	36.7%	38.8%	37.7%	36.8%	35.3%	34.2%	35.3%	36.7%	36.1%	36.3%
Excluding HR	33.5%	31.2%	32.4%	34.5%	33.2%	32.9%	31.8%	32.3%	31.9%	31.5%	31.1%	30.4%	30.8%	32.1%	32.6%	32.8%
OPEX Ratio	51.7%	42.3%	35.3%	45.1%	47.3%	48.8%	30.7%	38.7%	33.6%	35.7%	30.4%	32.9%	32.3%	35.3%	30.1%	33.0%
BtoB Commerce KPI																
Active Users	1,929	2,491	2,900	2,412	2,356	2,261	3,193	2,762	3,283	3,258	3,601	3,621	3,854	3,851	4,204	4,012
ARPU (K JPY)	48	63	75	55	60	65	95	73	88	87	106	99	98	100	110	104
Existing Cohort Revenue (MM JPY)	272	431	553	315	417	403	819	516	855	809	1,041	934	1,115	1,082	1,259	1,100
New Cohort Revenue (MM JPY)	10	43	100	85	12	38	99	92	18	48	113	142	22	77	140	157

Balance Sheet

(MM JPY)	FY24/3 Q4 (Mar 31, 2024)	FY23/3 Q4 (Mar 31, 2022)	(Y/Y)	FY24/3 Q4 (Dec 31, 2023)	(Q/Q)
Current Assets	3,089	2,857	8.1%	3,043	1.5%
Cash and Deposits	2,341	2,235	4.7%	2,175	7.6%
Non-Current Assets	317	159	99.4%	318	-0.3%
Total Assets	3,406	3,017	12.9%	3,361	1.3%
Current Liabilities	878	563	56.0%	898	-2.2%
Short-term Debt	0	0	-	0	-
Current portion of Long-term Debt	284	38	647.4%	285	-0.4%
Non-Current Liabilities	333	510	-34.7%	347	-4.0%
Total Liabilities	1,211	1,073	12.9%	1,245	-2.7%
Total Stockholders' Equity	2,195	1,943	13.0%	2,115	3.8%
Total Liabilities and Stockholders' Equity	3,406	3,017	12.9%	3,361	1.3%
Capital Adequacy Ratio	64.4%	64.4%	+0.0pts	62.9%	+1.5pts

Assets	Liabilities / Stockholders' Equity (MM JPY)
Cash and Deposits 2,341	Current Liabilities 878
	Non-current Liabilities 333
	Stockholders' Equity 2,195
Other Current Assets 878	
Non-current Assets 317	

Shareholder composition



Working to achieve sustainable fresh food distribution since establishment

Implementing a wide range of environmental initiatives through our own platform

Major Initiatives of ESG

Environment

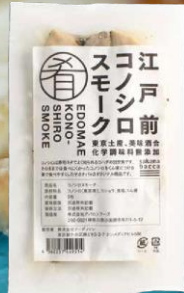
- Reuse of Styrofoam box
- De-plasticization initiatives
- Seaweed Meadow Regeneration Project
- Product development using underutilized fish

Social

- Providing job experience opportunities to the local community
- Efforts to popularize fish consumption
- Providing a seafood distribution system that utilizes IT
- Supporting the reconstruction of disaster-stricken areas

Governance

- Promoting Diversity in the Board of Directors
 - Sustainability Committee
-



Conoshiro-smoke

Reused Styrofoam box

Product Development using Underutilized Fish / Reuse of Styrofoam Boxes

Environment



Fukushima



Work Experience

Social

Supporting the Reconstruction of Fukushima / Efforts to Popularize Fish Consumption

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