

Medium-term Management Plan

(Fiscal Years 2018 - 2022)

Will 2022

Thursday, February 15, 2018

Fundely Co., Ltd.

(Tokyo Stock Exchange Mothers 3137)

FY2022 goals

S a l e s

¥ 10 billion

O p e r a t i n g
p r o f i t

¥ 2 billion

O p e r a t i n g
p r o f i t r a t i o

20%

Business performance goals (by segment)

(Unit: billion Yen)

	FY2016 results		FY2022 goals		
	Sales	Operating profit	Sales	Operating profit	Operating profit ratio
M F D business	2.92	0.65	9.1	2.0	22%
Marketing business	0.30	0.20	0.6	0.4	67%
Media business (to be newly established)	—	—	0.3	0.2	67%
Company cost	—	-0.27	—	-0.6	—
Total	3.22	0.60	10.0	2.0	20%

Strategic policies

Goals

M F D
business

Making a structural shift in business

Establishing a top-class healthy food brand that dominates the market

Marketing
business

Pursuing the acquisition of major contracts

Developing superior products and providing services that can compete with TV commercials

Media business
(to be newly established)

Taking advantage of Fundely's strengths to create new business

Generating a profit of **¥0.2 billion** as a segment to become the third pillar of the company

M F D
b u s i n e s s

Making a structural shift in business

- (1) Improving the quality of products by achieving a shift to being a retailer with manufacturing capabilities
- (2) Building trust relationship with food producers under the concept of “quality menus made from quality food”
- (3) Making a shift from being a repeat–rate–focused business model to a stock–type business model that increases customer lifetime value
- (4) Increasing the Web order percentage from **21%** to **65%** to change service systems

M F D
b u s i n e s s

Establishing a top-class healthy food brand that dominates the market

Soft power

No. 1 counseling capability

+

Hard power

Quality food

Maintaining strengths in support provided by dietitians

Acquiring competitiveness even in product specifications

Marketing business

Pursuing the acquisition of major contracts

- (1) Enhancing personnel capabilities and enhancing relationship with clients**
- (2) Proactively proposing medically-recommended sampling to food product manufacturers, etc., frequently using mass marketing so that their ads can be more effective**
- (3) Creating new business – utilizing big data, implementing questionnaire surveys, etc. – in collaboration with MFD business**

**Marketing
business**

**Developing superior products and
providing services that can compete with
TV commercials**

**Leveraging medically-recommended
sampling as a driver for growth**

**Media business
(to be newly
established)**

Taking advantage of Fundely's strengths to create new business

- (1) Making the “Point Kaden” service profitable at an early point
- (2) Developing an internal environment that facilitates challenges for creating new business
- (3) Establishing know-how for monetizing health care business

* The Media business will take over the following three services from the Marketing business.

Community site for registered dietitians and dietitians

Site for recipes created by registered dietitians

Service for distributing information relating to food and health – AloT media

**Media business
(to be newly
established)**

**Generating a profit of ¥0.2 billion
as a segment to become the third pillar of
the company**

**Establishing a new department
focusing on the “Point Kaden” service**

Investment

¥ 5 billion in costs to build a new food factory (buildings and facilities)

Interest-bearing debt

¥ 5 billion as the upper limit

Equity ratio

30% as a guideline for the minimum level

Dividend policy

Internal reserves will be prioritized for the time being, but Fundely will start to distribute dividends when the company judges that the stable and continuous distribution of dividends can be expected.

Data and information provided in this presentation include what we call “forward-looking statements.”

These statements are only based on projections, forecasts and risk-bearing assumptions available at the moment and are subject to such uncertainty that the actual results can be substantially different.

These risk and uncertainty factors include general industry and market conditions, as well as general economic climates both inside and outside Japan, such as interest rates and currency exchange rate fluctuations.

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