

Material relating to the merger with  
Daichi wo Mamoru Kai Co., Ltd

February 27, 2017

Oisix Inc.

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① About Daichi wo Mamoru Kai

② Aim of the Merger

③ Merger Scheme

④ Current status and future plans

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## Company Overview

Name : Daichi wo Mamoru Kai Co., Ltd.



大地を守る会  
DAICHI wo MAMORU KAI  
おいしいオーガニック革命

Representative : Kazuyoshi Fujita

Established : November 8, 1977 (40<sup>th</sup> year of operation)

Capital : ¥347.425mn

No. Employees : 193 (incl. Directors and secondees; as at end 3/2016)

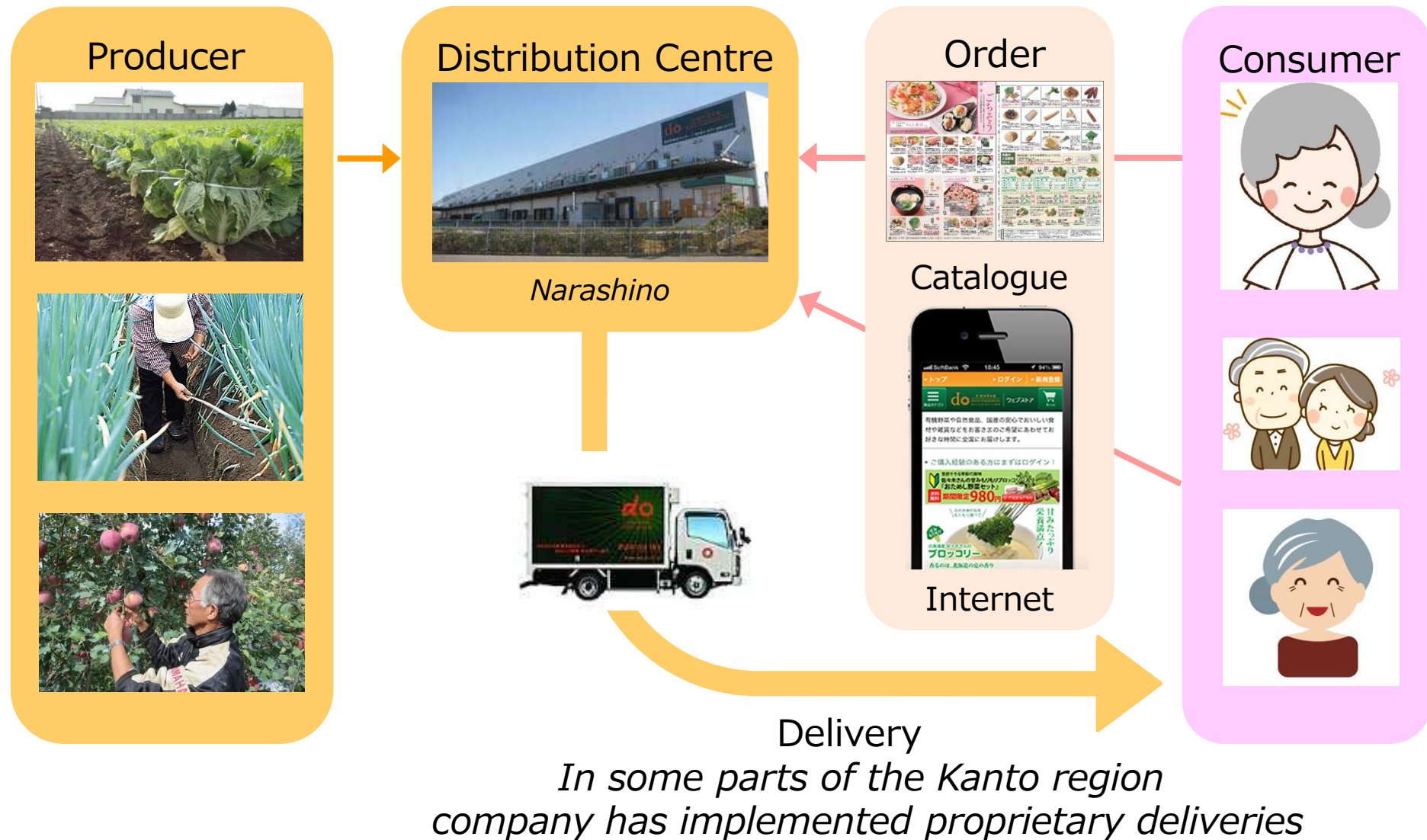
Sales : ¥13.572bn (as at end 3/2016)

## Corporate Philosophy

To nurture Japan's primary sector, protect the health and well-being of humans, and create a sustainable society. As a social business, we aim for the realization of a world that prioritizes the harmonious existence of life and the natural environment.

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- A history of 40-years. First to launch an organic farm produce delivery service in Japan.
  - Sells organic vegetables that have been grown in chemical-free soil using only organic fertilizers.
  - A pioneer of Social Business, where social issues are resolved through business.

# Delivery Business (Daichi-takuhai) Business Model *Oisix*





# Delivery Business (Daichi-takuhai) KPI

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Customers

Active Users  
**55,000**  
Over 40s : 89%

Average  
Purchase  
Amount

Approx.  
**¥7,500**

Frequency  
of  
Purchase

Approx.  
**3**  
times/month

Contracted  
Producers

Approx.  
**2,500**



## Food Wholesale



### Main customers

- Odakyu Shoji Co., Ltd.
- Super Yamazaki Co., Ltd.
- Lawson, Inc.
- Tsuruya Co., Ltd.

## Marche



Daichi wo Mamoru Deli, the first deli in Japan to serve additive-free side dishes on which 'food mileage' is displayed.

Serves bento lunch boxes and side dishes cooked from ingredients provided by Daichi wo Mamoru Kai and where even the seasoning is additive-free.



## Candle light via a million people

Held every year, on the nights of the summer and winter solstice. It is an event that invites us all to share in a life of environmental sustainability.



## Fair Trade

The Company donates a portion of its product sales revenue to support the education and nutritional improvement of the children of East Timor.



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## COMMON VISION

**Connect and increase the number of people who grow and eat good food for the betterment of society.**



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Oisix

Fabulous food.  
To as many people as possible.

## Merger Opportunity

Strengths



大地を守る会  
DAICHI wo MAMORU KAI  
おいしいオーガニック革命

- Good network with excellent growers
- Organic, additive-free product line-up
- Proprietary logistics infrastructure, etc.

Strengths



Oisix

- Online marketing skills
- Product development ability e.g. Kit Oisix
- Distribution centre efficiencies, etc.

# Expansion of our target customer base

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## Products & Services

Products for customers with strong preference for organic/chemical-free ingredients and additive-free processed foods.

Safe, consistent and convenient services. For example Premium Jitan Services like Kit Oisix and Services for mothers.

## Customer Age Range

Late 40's - 60's

Late 30's

Quality

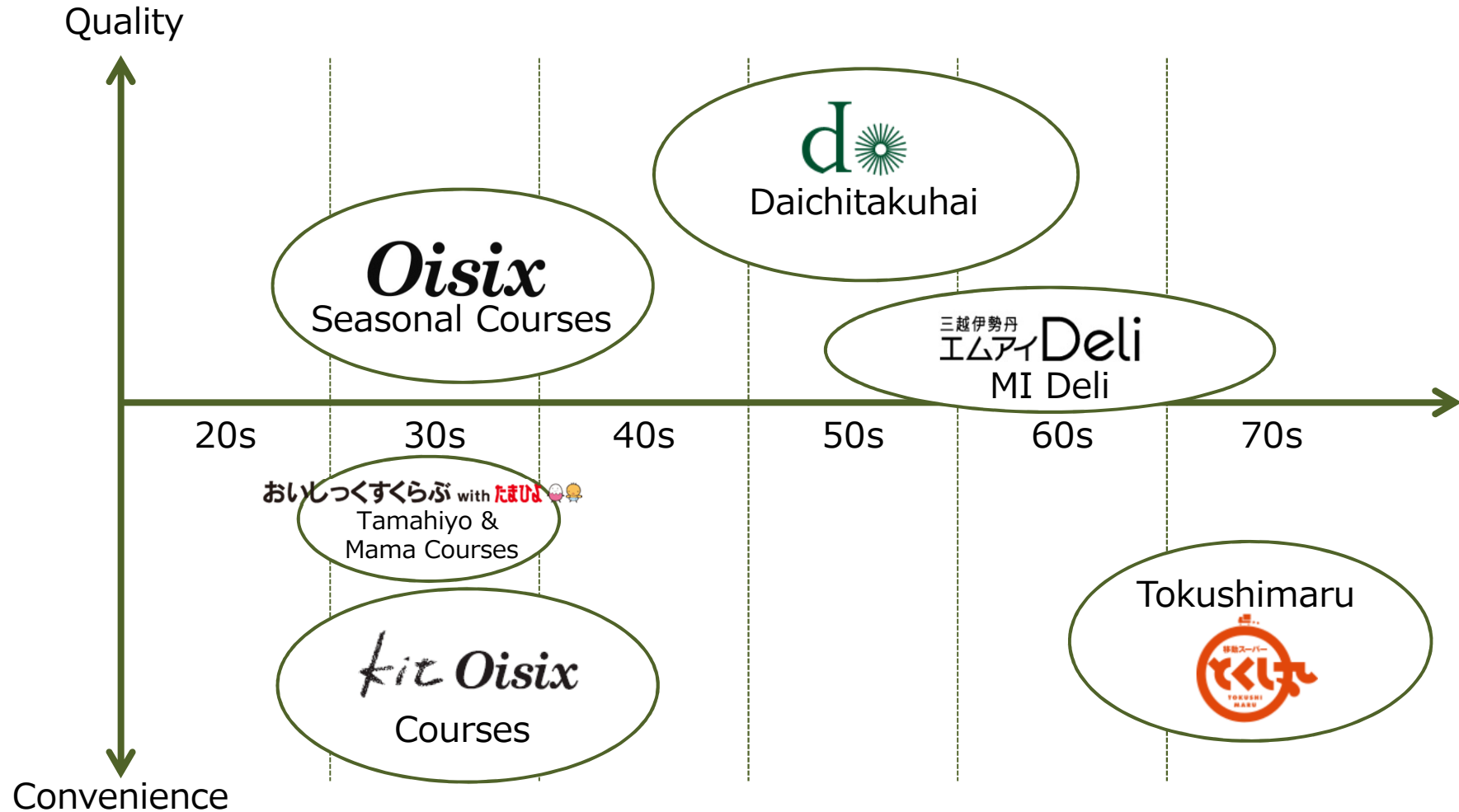
Convenience

Wide Age Range

Capturing broader needs/ wider age bracket:  
Expansion of the target customer base

# Subscription Commerce Coverage

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The addition of Daichi wo Mamoru Kai to our existing platform broadens our subscription commerce coverage



# Anticipated Merger Effects (Synergy Effect)

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## Marketing

- Broader offline sales channels such as catalogues
- Wider customer base & enhanced customer acquisition

## Product Procurement

- Streamlined manufacture of existing products
- In-house production of meat and side dishes, etc.
- Lower costs through integrated supply chain

## Warehousing & Distribution

- Suppressed fixed costs through joint warehousing
- Reduced unit delivery costs from increased volumes and a shared logistics network

## Other Functions

- Volume discounts on settlement fees, material costs, etc.
- Streamlining of common functions for both companies (e.g. Customer support)

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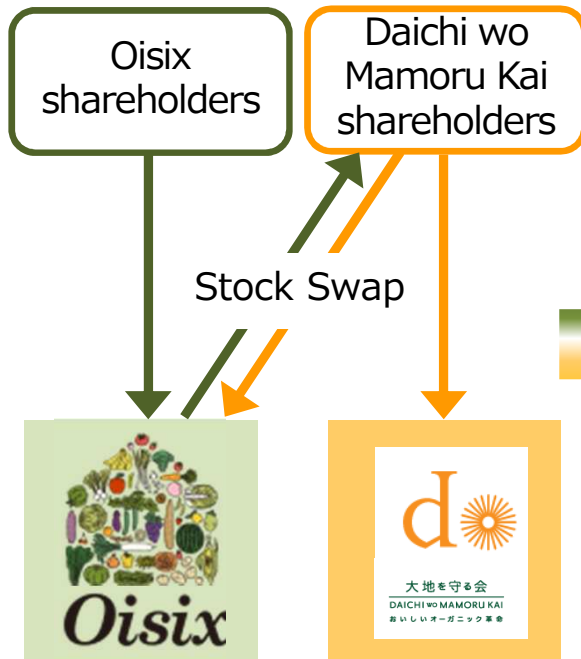
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# Merger Scheme

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## Stock Swap : March 31, 2017

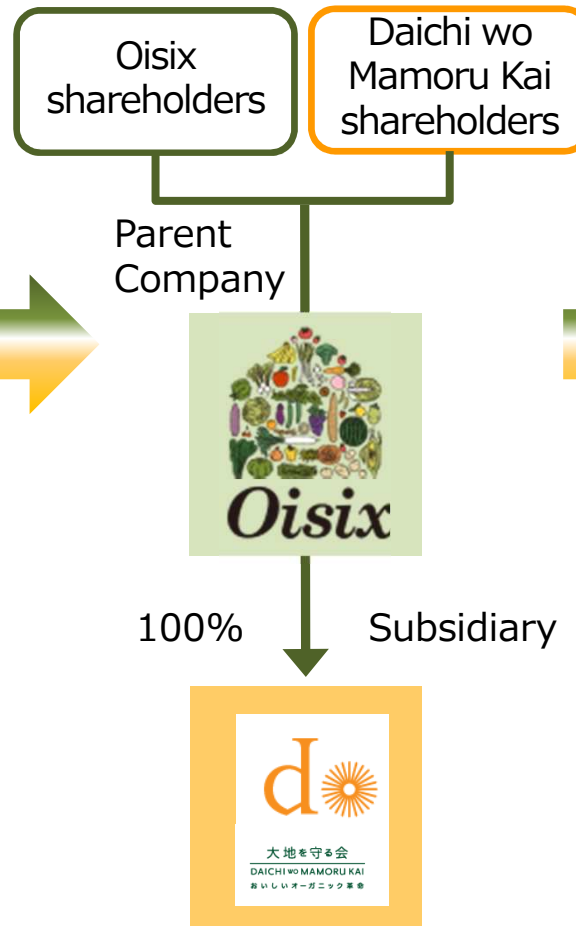
At present



Stock Swap Ratio  
Oisix : DWMK = 1:261

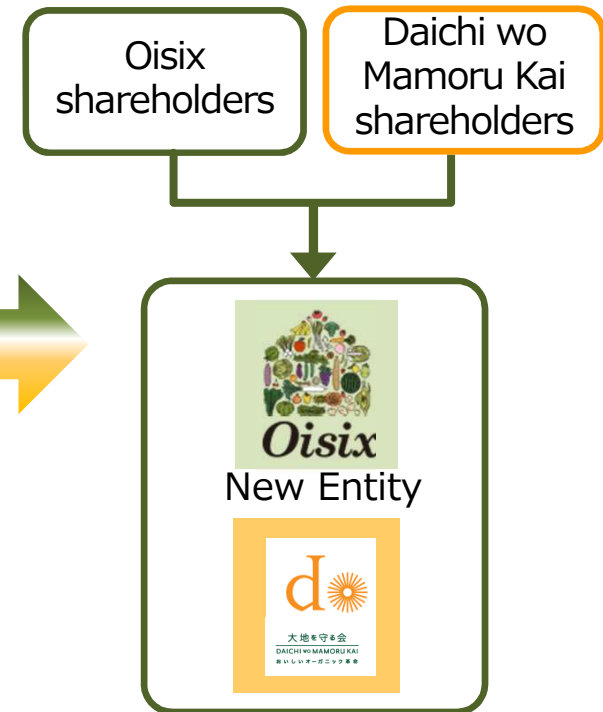
Shares Swapped  
2,026,665 (plan)

After stock swap



## Merger: Autumn 2017

Launch new entity



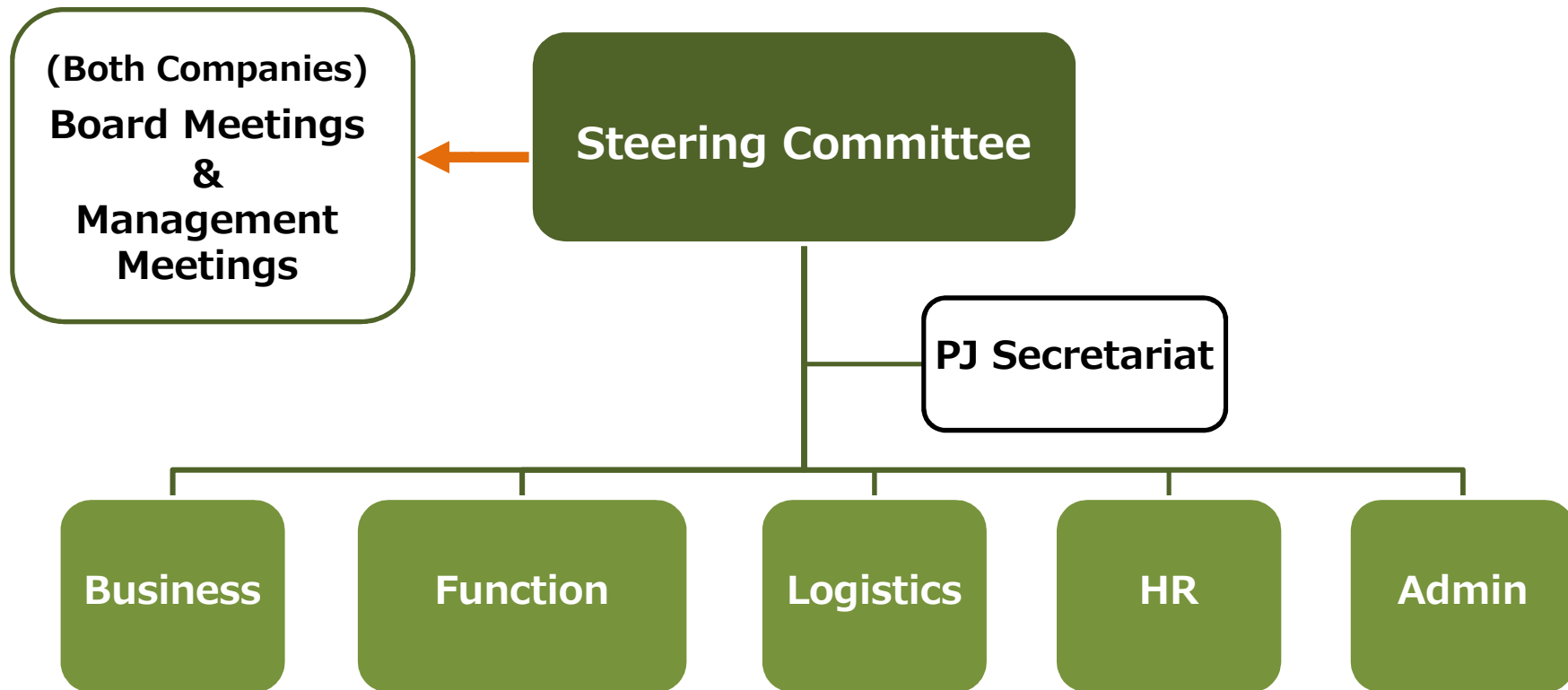
Management Structure (plan)  
Chairman Kazuyoshi Fujita  
President and CEO Kohei Takashima

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Departmental sub-meetings towards merger have begun.  
Grassroots level communication between staff at both companies increasing.



March 31, 2017

Effective Date of Stock Swap

June 20, 2017

Annual meeting of shareholders

Autumn 2017

Merger with Daichi wo Mamoru Kai Co., Ltd.

Launch of New Entity



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