

Results Briefing Material

Q2 FY3/2017 Oisix Inc.

Our Corporate Philosophy

Fabulous food. To as many people as possible.

At Oisix (pronounced oishix) we strive to provide services that allow more ordinary families to easily and readily enjoy greater and healthier variety in what they eat.

We think not as a producer, but as a customer to whom we aim to deliver delicious ingredients wherever and whenever they are desired.



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This material is intended to provide an understanding of Oisix activities, not to solicit investment. Forecasts of Oisix's operating results and future performance are based on information available to Oisix at the time this material was drafted and are not guaranteed to be accurate. Actual operating results may differ from the future outlooks contained in this material.

FY3/2017 Q2 Results Overview

FY3/2017 Q2 Cumulative Results



■ Sales

EC sales trended well (112.4% YoY) thanks to an increase in subscribers. Adding EC Consultancy growth, overall performance was 114.3% YoY (100.2% Q2 achievement rate).

Operating Profits

Profits from increased sales were used for such items as upfront investments needed for new subscriber acquisitions. As a result, OP was 103.6% YoY (100.3% Q2 achievement rate).

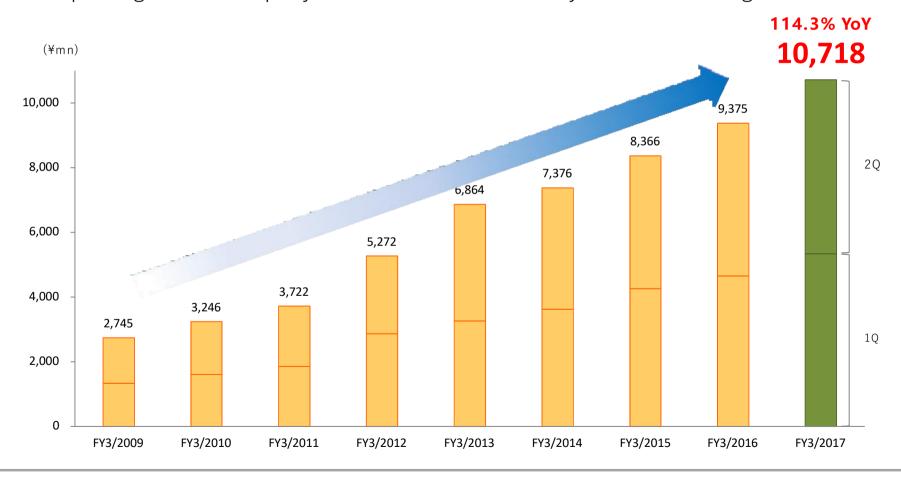
Unit: Million yen	FY3/2016 Q2 Actual (Parent)	Q2 Actua	- <i>-</i> -	Increase (YoY)	Rate of principle (Poy)	Achievement rate
Sales	9,375	10,718	23,000	1,343	114.3%	46.6%
Operating Profit	261	270	820	9	103.6%	33.0%
Recurring Profit	279	285	830	6	102.3%	34.4%
Net Profit (attributable to Oisix)	177	187	580	9	105.4%	32.3%



Q2 Cumulative Sales Trends



Strong acquisition of new subscribers translated into sales of 114.3% YoY and the posting of the company's sixteenth consecutive year of record highs.

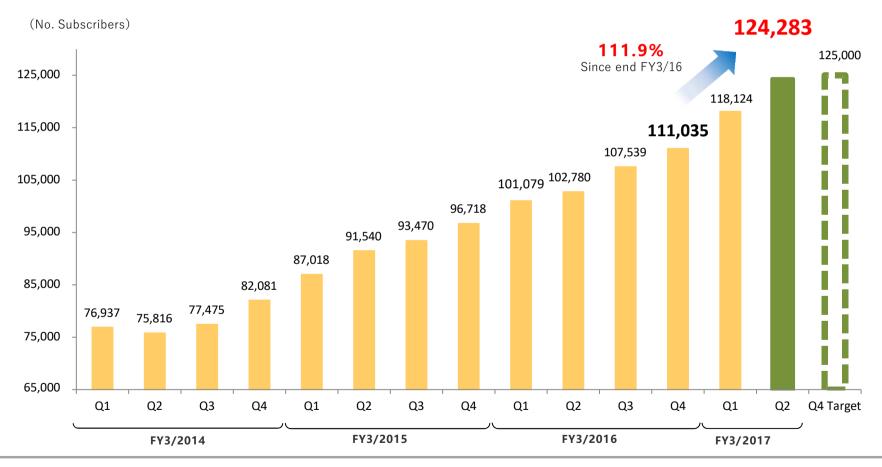




Subscriber Trends



Our most important KPI, the number of subscribers, grew from 111K in 4Q FY3/16 to 124K on the back of strengthened promotions.

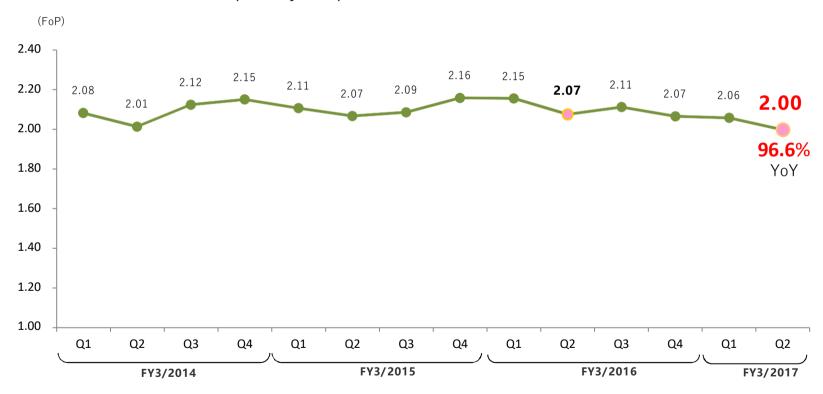




Frequency of Purchase Trends



Experimental increases to sales promotions were optimized and reduced in Q2. While this saw a slight decline in frequency of purchases, earnings per order increased. Frequency of purchases was 2.00 (96.6% YoY).



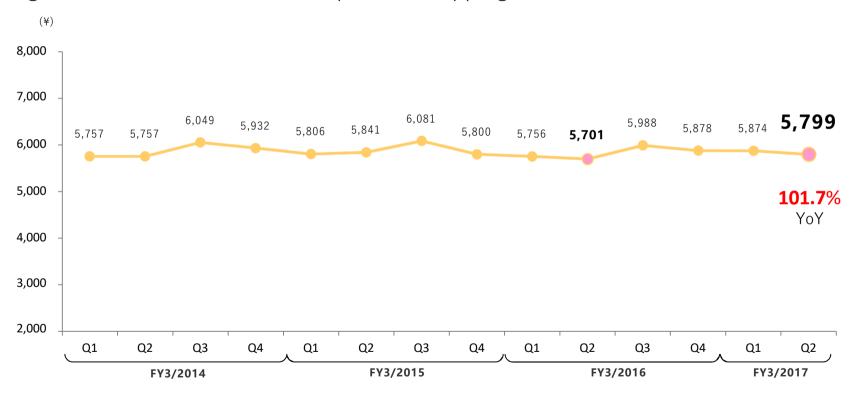
※From this fiscal year, figures have changed from end-of-quarter monthly to quarterly average.



Customer Spending Trends



Average customer spend was ¥5,799 (101.7% YoY). Contributing to the rise were improvements in smartphone usability and higher unit prices for fruits & vegetables on the back of an improved shopping sites.



※From this fiscal year, figures have changed from end-of-quarter monthly to quarterly average.



ARPU Trends



ARPU was ¥11,586 (97.9% YoY) with average frequency of purchase of 2.00 (96.6% YoY) and average customer spend of ¥5,799 (101.7% YoY).



XARPU: Average Revenue Per User (Monthly sales attributable to each subscriber)

%Purchase frequency of regular customers x amount spent/no. purchases

*From this fiscal year, figures have changed from end-of-quarter monthly to quarterly average.

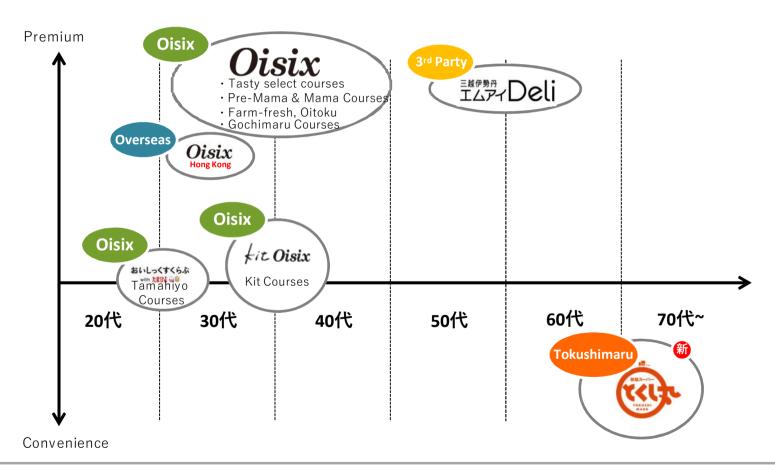


Medium Term Growth Strategy



- Pursuit of the Outright No. 1 Player in Food x Subscription Commerce -

Answer to the needs of all age-groups via Subscription Commerce and accelerate growth to become the outright No. 1 Player in the industry



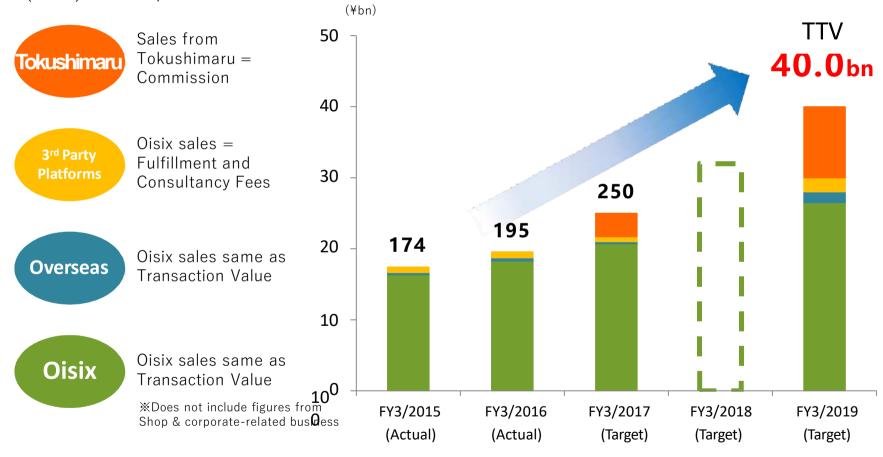


Medium Term Growth Strategy



- Target Total Transaction Value -

Through initiatives to expand each business, aim for Total Transaction Value (TTV) in FY3/19 of ¥40.0bn



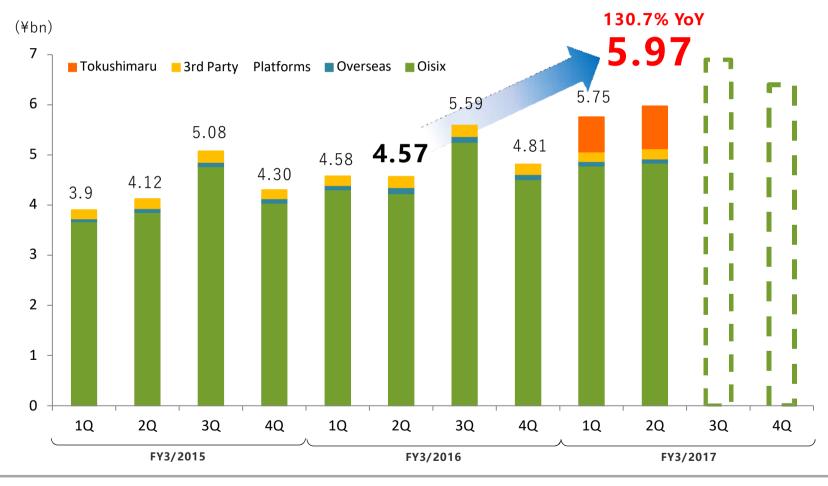


Medium-Term Growth Strategy



- Total Transaction Trends -

Total Transaction Value ¥5.97bn, 130.7% YoY





FY3/2017 Q2 Activities Overview

FY3/2017 Strategy & Action

1 Evolution of Oisix.com

- **2** Evolution of Subscription Platforms
- **3** Strengthening of the Brand
- (4) Food x Healthcare

FY3/2017 Strategy & Action

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Strengthening of Premium Jitan Speedy Service



Launched our "Quick 10" Series featuring a main and a side dish that can be cooked in just 10 minutes. To fit in with busy women's lifestyle.

■Crunchy! Shredded spring onion atop **mizoreni** poached mackerel dressed with cucumber, seaweed and **nametake** mushrooms.

■Colorful vegetables and meatballs fried in sweet vinegar, with melt-in-the-mouth corn and soy milk curd soup.





- · "Quick 10" is a series of recipes that can be completed in half the cooking time of our 20-minute "Kit Oisix"
- · Using Oisix-standard ingredients, more than five types of vegetable can be combined.
- · Enabling even the busiest of households to enjoy proper meals.



Evolution of Kit Oisix: Subscriber Trends



Net subscriber growth continued with introduction of Quick 10 and Free Research

Kits. Subscribers has grown to 44K (136.7% vs 4Q FY3/16).

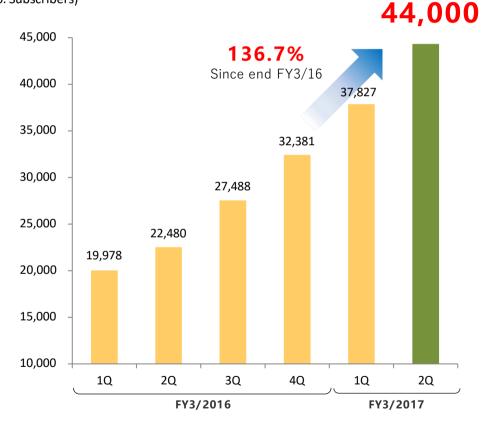


■ What is Kit Oisix?

· Only ingredients that meet Oisix standards used

しかも野菜たっぷり。

- · Main & side dish cooking time limited to 20 min.
- · Makes plentiful use of seasonal vegetables





Evolution of Kit Oisix: Launch of kits that enable free research



Launch of summer-only "Free Research Kits" that enable parents/children to enjoy cooking together whilst also helping children with homework.

■ From handmade mayo! Cooked salmon and tartar sauce ■3-types of aubergine curry gratin





- · Parents and their children are together able to enjoy themselves and create fond memories.
- By answering research sheet quizzes, participants are easily able to grasp key points.
- · Worksheets filled with advice from Tokyo University students support summarization skills.



Evolution of Kit Oisix: Launch of Gudetama Collaboration Kits



Introduction of "GudetamaDeko Meals" which require no heating using our Gudetama Collaboration Kit. Making life easier for mothers cooking during hot Japanese summers.





- · Kit to create meals on hot summer days when another heat source from cooking is undesirable.
- · Gudetama offers "100 recipes to help mothers cope with the summer holidays"



Start of Jitan Speedy Fruit/Vegetable Service

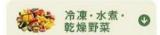


With Jitan Fruit/Vegetable Products and Kits, we broaden our offerings to make it easy for very busy mothers to put veggies on the table

■Offering vegetable products that make it easy to cook veggie side dishes

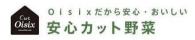












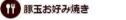


- ♂ カット時間「0分」!
- ♂ 次亜塩素酸ナトリウム不使用
- ♥ 鮮度キープ専用パック



■ Recipes for our products are also provided





豚バラ肉を使った定番人気メニューも、基本のお好み 焼き食材を活用すればパパッと完成!

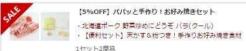
〈材料〉 2枚分

【便利セット】天かする粉つき!手作りお好み焼き食材 1袋 (その他の食材)

お好みソース・マヨネーズ・かつおぶし・青のり

<作り方>

- 1. 豚バラ肉を食べやすい大きさに切る。
- ボウルに本品のたまごを割り入れ、水 (または牛 乳) と粉2換を合わせ粉っぱさがなくなるまで混ぜ る。
- 3. 2にせん切りキャベツ1袋、天かす2袋を加えさっ
- フライパンに油大さじ1(分量外)を入れて中火に かけ、生地の半量を入れて豚肉の半量をのせて5分 様く。
- 5. 焼き色がついたら裏返しフタをして4分焼き、残り 1枚も同様に焼く。調味料をお好みでかけてどう ぶ。



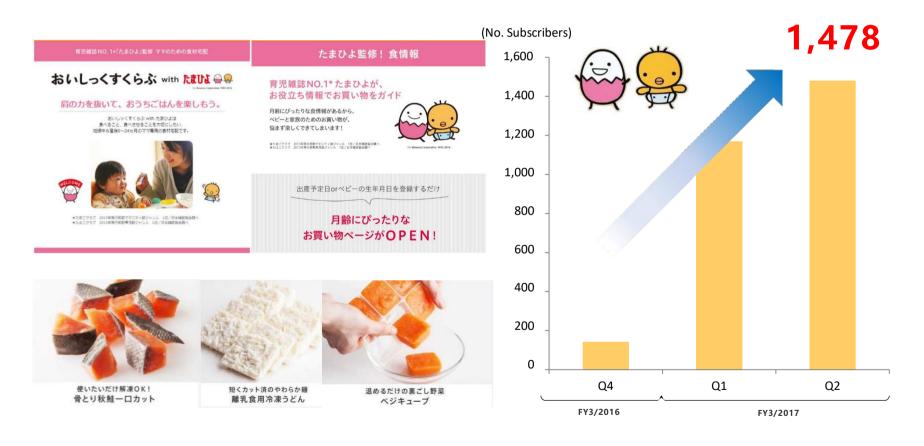




Strengthening Alliances: Benesse HD



Membership of our Oisix Club with Tamahiyo, a service launched in February 2016 for mothers-to-be and new mothers, has already exceeded the 1,400 mark!





FY3/2017 Strategy & Action

- **1** Evolution of Oisix.com
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Reached basic agreement for Food Delivery Business JV with Isetan Mitsukoshi Holdings Ltd. Contractor business centered around fulfillment, but also committed to sales as a JV owner.

<Illustration of Collaborative Business>





EC Consultation



Providing EC Site Consultation to time-honored soup-stock company Ninben Co., Ltd. Applying our expertise to increase traffic and raise conversion rates.







FY3/2017 Strategy & Action

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"Shop in Shop" renewal



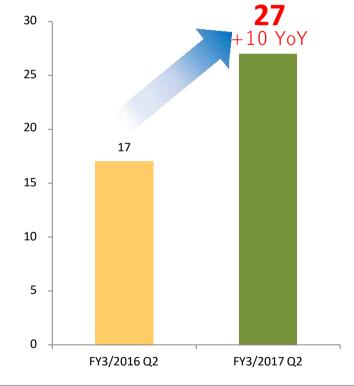
New Creative Director Manabu Mizuno has started refurbishment of our existing "Shop in Shop" spaces delivering average sales boost of 27% YoY.













Collaboration with DEAN & DELUCA

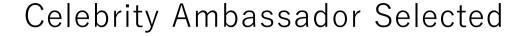


- Oisix Seasonal Vegetable corner opened within DEAN & DELUCA's Atre Shinagawa Store on a special limited time basis.
- Project to open Oisix physical stores in collaboration with DEAN & DELUCA is fully underway. Aiming to open first shop in the first half of FY17.











Our first celebrity ambassador has been selected. Throughout the year, the ambassador will market the allure and attractiveness of vegetable rich dishes.



<Date of Press Conference>

12th November (Sat) 11:00am @Roppongi Hills Arena

On stage on the first day of Tokyo Harvest, we will hold an unveiling ceremony and reveal our Collaboration Salad. Put it in your calendar!





<Planned Activities Going Forward>
From 12th November (Saturday) for a limited period, a co-developed Collaboration Salad Kit will be available for sale.



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Establishment of the Food Tech Fund (FTF)



We have created Japan's first strategic investment fund specializing in food. Investing will involve actively providing ground support and aim to facilitate the speedier delivery/commercialization of new technologies leveraging Oisix's own expertise.

Oisix Subscription based Food E-Commerce · 120.000 customer database Page creation · Data analysis · Product development Logistics Domestic and Overseas Food Tech Healthcare Big data · Internet Of Things Medical advances





Bussinness and Capital Alliance with Routrek Networks Inc.



A bussiness and capital alliance was agreed to with Routrek Networks, developer of ZeRo.agri, a next generation liquid nutrient system that quantifies the state of soil and automatically supplies appropriate amounts of liquid feed. Through this alliance, we are looking to both curb supply costs and expand supply capacity.

■ What is ZeRo.agri

- Quantifies water content, EC values, sunlight levels, moisture, and temperature to automatically determine the level of liquid feed required in the soil in greenhouses.
- Drastically cuts time required for watering and additional feeding, while the data-based delivery of liquid feed results in stable crops.





Overview of Business Alliance

- · Introduce ZeRo.agri to Oisix producers
- Provide some process analysis data relating to cultivation management
- Use of Beta versions of new services/functions
- Scope of Capital Alliance
 - ¥30mn ordinary shares



Capital Alliance with Taiwanese Organic Food Delivery Company



Following Hong Kong, Taiwanese alliance represents Oisix's 2nd foothold in East Asia. Research on the subscription model in Taiwan and test marketing will be conducted. Meanwhile, investment in other Asian companies and entry into other oversea markets will continue to be actively contemplated.

■ Wonderfulfood.com screenshots



■ Company Overview

Name: The Wonderful Food Co., Ltd.

Established: October 2011

Business: Organic Food Delivery

Service name: The Wonderful Food

CEO: Bell Chiang

(Former Finance Director of IBM Group Taiwan)

Director: Maggie Chen

(Member, Taiwan Council of Agriculture)

■ Scope of Capital Alliance

Ordinary shares worth approx. ¥64mn
 (= several % voting rights)



Opening of Umami Diet Research Laboratory



Program to develop the palate so one can taste umami is underway. Tests will begin in December and results are expected to be announced at America's largest business event, South by South West (SXSW) in early March 2017.

■ Co-Development Team



Following graduation from Tokyo University Faculty of Medicine, studied at the Harvard School of Public Health in USA. Completed masters in Public Health. Co-founder of Cancerscan Inc. and Campus for H Inc

Professor Yoshiki Ishikawa
Dr. of Medecine, Preventive Medicine Researcher



At 25 opened his own restaurant in Nice. In July 2010 he was not only the first Japanese chef to be awarded The Order of Arts and Letters by the French Government, but the youngest chef to have ever received this honour.

Keisuke Matsushima, Chef Chef and owner of Michelin Star Restaurant..

■ Service Illustration

①Taste test to see if a fixed concentration broth tastes weak or strong



②Undergo 2 week Palate Development Program (Breakfast and Supper)





③Re-measure palate, check for change in sense of taste and body weight





Others - Official Supplier to Japanese Wheelchair Rugby -



In the run-up to the 2020 Tokyo Olympics, Oisix has been providing backend support to the activities of para-athletes. Oisix was also chosen as an official supplier to support the spread and development of their discipline.



Providing nutritionally balanced ingredients and Kit Oisix





Helping attract new fans, e.g. by renewing Wheelchair Rugby's website





Other - TABLE FOR TWO -



Oisix donates 3% of revenue from sale of TFT-accredited products to TFT. Donations contribute to school meals and the construction of cafeterias for children in developing countries







Other - Staging another TOKYO HARVEST on Nov 12 & 13 -



We are hosting Tokyo Harvest again this year, under the concept "Love Letters from Tokyo." Various professional artists and chefs are cooperating to make the event a success.











CRAZY KITCHEN

Hima Furuta

SHIORI

Fumio Yonezawa

Mifuyu Ando

Roppongi Farm







- Harvest Car visits producers
- LIVE video from the countryside is streamed on SNS



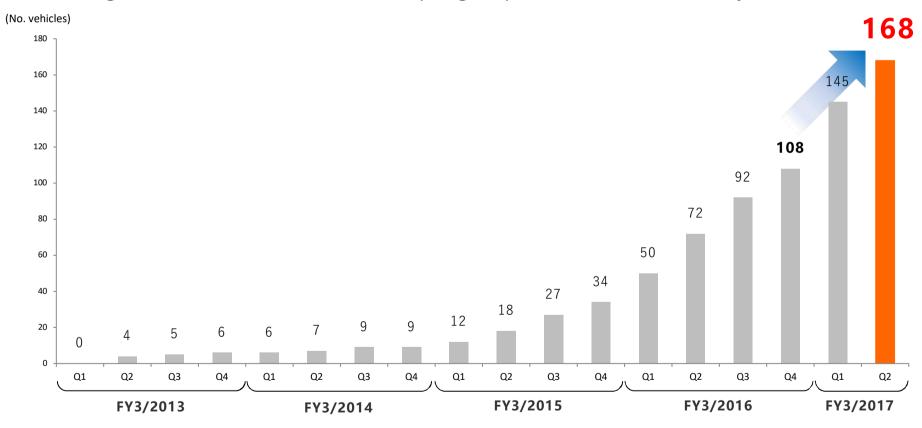




Number of Vehicles in Operation



Service Launch in new and existing partner supermarkets has been trending well resulting in an **increase of 60** vehicles since Q4 FY3/16. Company has begun new services such as sampling of products for the elderly.

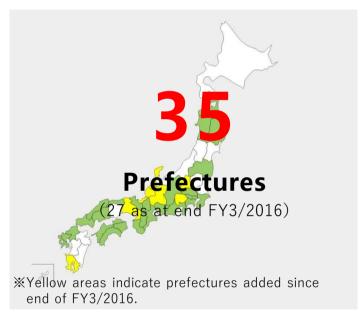




Operating Regions & Partner Supermarkets - As of Sept-end 2016 -



Operation Regions



- Top-ranking prefectures
 - Tokushima 24 vehicles
 - Okayama 16 vehicles
 - Kochi 14 vehicles

Partner Supermarkets

64

(53 as at end FY3/2016)

A-COPE WEST, FS-SATO, JA-Aichi Toyota, JA-Kishu
JA-North northeast, T-MART, Hasta la vista, Amano, Ichii,
Ichiyama mart, Valore, Uokatsu, Ushio, Ookita,
Okaya Fresh market, Ox, Kakemo, Kanehachi,
Kansai Supermarket, Gyu-tora, Kyorindo Pharmacy, Kyoei,
Kyoei (Kagawa), Komeya store, Sunny Mart,
Sankyo, Sanzen, Sunrise, JOINT(Kobayashi food market),
Maruaji super market (Sunny), Super Luck, Suehiro, Seven star,
Zennichishoku, Takasu(Sankyo), Tenmaya, Tobi,
Top world, Domannakatanuma, Dontaku, Nagaya,
Narizawa, Niko, Nisizawa, Nichie, Hashihama, Pariya,
Haruta, Hibariya, Fukuya, Bunkado, Bunkado (Kanagawa),
Benny, Belc, Marusho, Mitsumaru store, Yao department store,
Yamato, Yamanobu, Yours value, U-mart,
Yokomachi, Yoshiya, Yoneya



Total Transaction Value



Q2 (FY3/17) Total Transaction Value was **¥852mn** (166.4% vs. Q4 FY3/16)

