

Results Briefing Material

FY3/2017 Q3 Oisix Inc.

Our Corporate Philosophy

Fabulous food. To as many people as possible.

At Oisix (pronounced oishix), we are driven to provide a service that simply allows more families to enjoy a greater and healthier variety in what they eat.

Our philosophy is not to think like a producer, but to deliver delicious ingredients to our customers wherever and whenever they want them.



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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 Q3 Cumulative Results



■ Sales

EC sales grew (+12.9% YoY) thanks to an increase in subscribers and an increase in transaction volumes centered around Kits. New EC Consultancy projects won and other business resulted in overall growth of 13.2% YoY

Operating Profits

Profits fell slightly to 98.5% YoY as a result of an increase in goodwill amortization and the booking of some costs relating to evaluation of the Daichi wo Mamoru Kai merger, etc.

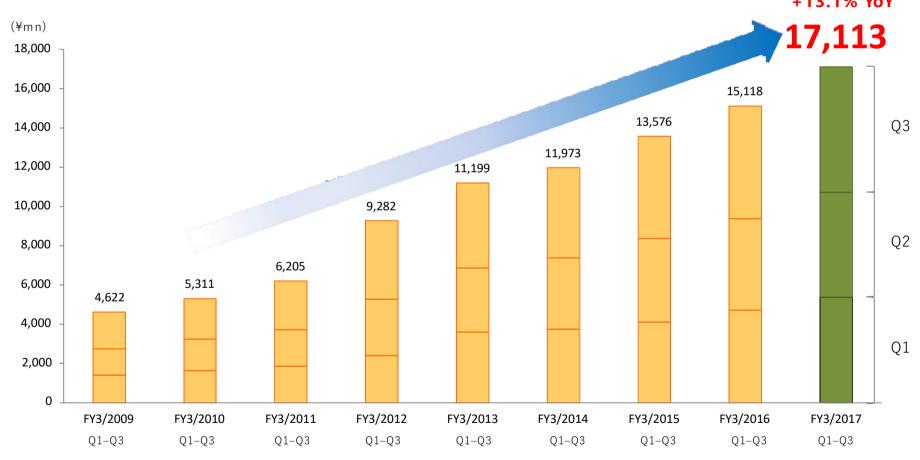
Unit: Million yen	FY3/2016 Q3 Result (Parent)	FY3/2017 Q3 Result (Consolidated)	FY3/2017 Target (Consolidated)	Increase/ Decrease (YoY)	As percentage (YoY)	Target Achievemen t rate
Sales	15,117	17,113	23,000	+1,996	113.2%	74.4%
Operating	634	625	820	-9	98.5%	76.2%
Recurring Profit	657	647	830	-10	98.4%	77.9%
Quarterly Net Profit (Quarterly Net Profit attributable to Oisix)	427	429	580	+2	100.4%	73.9%



Q3 Cumulative Sales Trends



Strong acquisition of new subscribers translated into 13.1% YoY sales growth and the recording of a historical high for the sixteenth consecutive year +13.1% YoY





Subscriber Trends



There has been strong growth in our most important KPI, the number of subscribers who make regular purchases (NRPS), thanks to healthy sales of our Premium Jitan Service centered around Kit Oisix. Aided by the success of events such as Oisix Day (Oct 16th) and our Black Friday Sale, NRPS grew from 111,000 at the end of FY3/2016 to 130,000

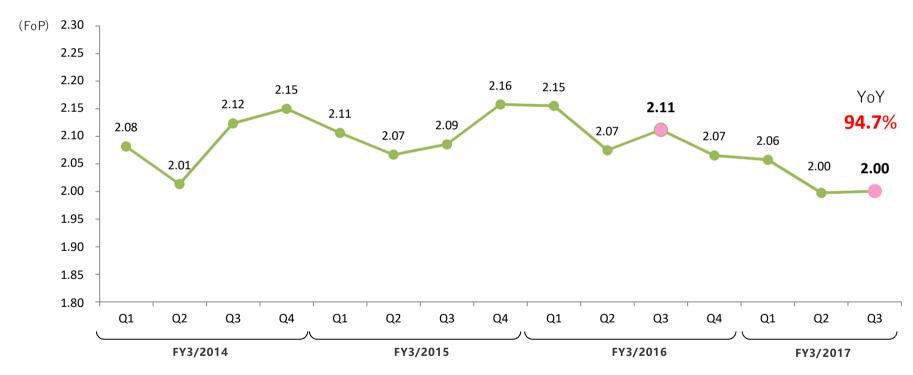




Frequency of Purchase Trends



While there were signs of improvement with the success of Collabo Kits and PR events, fine-tuning of sales campaigns that had been growing experimentally meant frequency of purchases (FoP) fell to 2.00 (94.7% YoY).



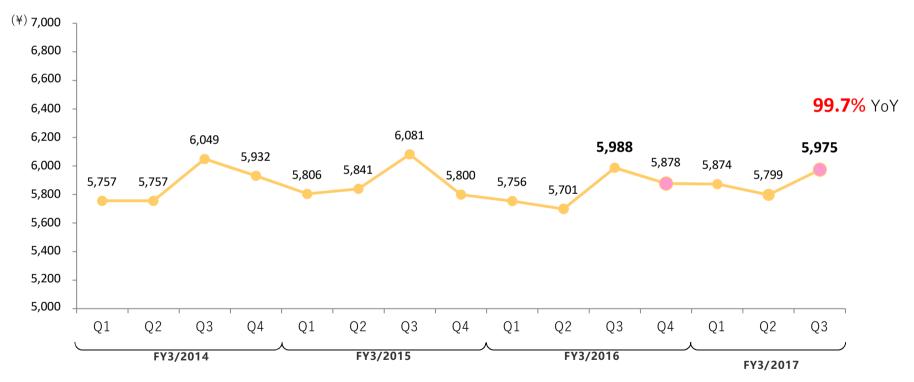
**From this fiscal year, figures have changed from end-of-quarter monthly to quarterly average.



Customer Spending Trends



Thanks to the contribution from special demand for Christmas-related products and a 'to-your-door' campaign, average customer spend came in at ¥5,975 (99.7% YoY)



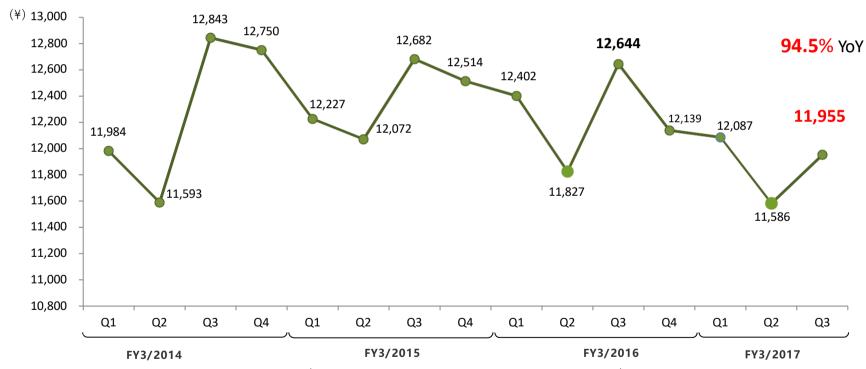
XFrom this fiscal year, figures have changed from end-of-quarter monthly to quarterly average.



ARPU Trends



Mainly as a result of a lower frequency of purchase compared to Q3 FY3/2016, ARPU was ¥11.955 (94.5% 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.





- **1** Evolution of Oisix.com
- 2) Brand Strengthening
- (3) Food x Healthcare
- (4) Business Affiliations and M&A

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Sales of OSECHI (traditional new year cuisine)



Launched in October, new OSECHI hors d'oeuvre and HONKAKU CHUKA hors d'oeuvre products were well received. Unit sales of the ever-popular standard OSECHI were also as buoyant as in previous years, translating into historical highs for both unit sales and revenue.

■ Top Seller Takasa Nidanju











■ New! OSECHI Hors d'Oeuvre



Unit sales 41,000 (+5.4% YoY)

Revenue ¥660mn

(+11.8% YoY)



Evolution of Kit Oisix



We have beefed up our Premium Jitan Service to support the significantly larger number of women in work for whom time is tighter than ever.

■ What is Kit Oisix?



Point 主菜・副菜が 20分で作れるレシビが ついています。 クタンプレイン 必要な分だけ、 最適な状態で。 しかも野菜たっぷり。 3

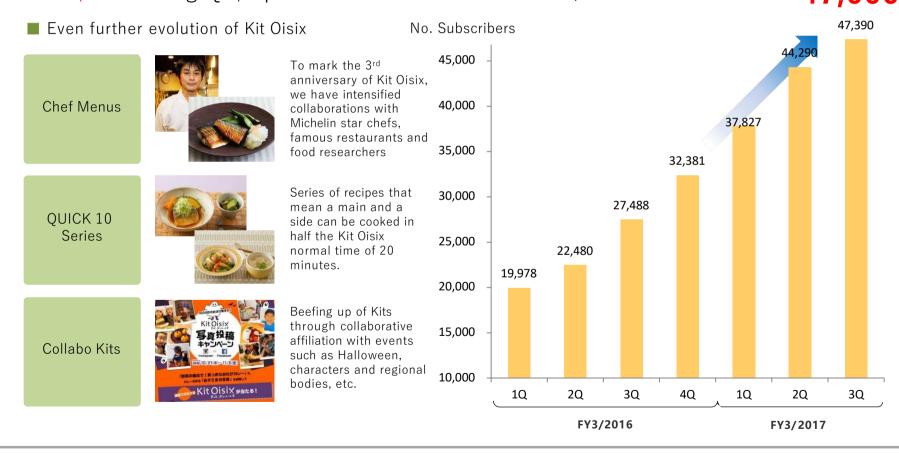
新しいレパートリー との出会いも ご一緒に。

Evolution of Kit Oisix: Subscriber No. Trends



Kit subscriber numbers have continued to rise thanks to the development of new menus and the success of Collabo Kits, reaching 47,000 during Q3, up 46.3% since the end of FY3/2016.

+46.3% YoY 47,000





Evolution of Kit Oisix - Midnight Diner x Oisix



Under the supervision of Nami Iijima, launched Collabo Kits for Yakiniku Teishoku and Tonjiru soup, to enable our customers to enjoy dishes that feature in the movie Midnight Diner, in the comfort of their homes.





■ Tonjiru soup kits broke the record for single-item unit sales in a week! (approx. 1,300 kits sold [average 500]). Both products were so successful that we plan to make them available again.

Cumulative unit sales

Tonjiru Kits **2,345**

Yakiniku Teishoku Kits 3,134



- (1) Evolution of Oisix.com
- 2 Brand Strengthening
- **3** Food x Healthcare
- Business Affiliations and M&A

Report on result of TOKYO HARVEST 2016



TOKYO HARVEST 2016. Done! Professionals from many different areas of expertise provided a wealth of content that attracted approx. 40,000 visitors to our event which was covered by 37 media companies (+17 YoY).









Renewal of 19 existing Shop in Shops completed. During Q3 several new stores opened, including those in Queen's Isetan Motoyawata, Tachikawa and Hibarigaoka stores, bringing the total to 31.





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- (3) Food x Healthcare
- (4) Regarding Management Integration

Umami Diet Research Laboratory



Tests began after successful recruitment of Umami Diet Kit monitors. Resulted in some change in monitors' sense of taste and weight loss.

■1200 people applied for 100 places!





Umami Diet Kits, worth around \(\frac{4}{2}\)0,000, were provided for a two week course (week days only = 10 days). Taste tests, weight checks and state of health questionnaires were completed at the beginning, during, at the end, and four weeks after the course. Where possible, participants underwent sense of taste tests with a physician.

■Physicians conducted sense of taste tests

Liquid umami drops of different concentration were placed on various parts of the tongue to measure monitors' taste response (if any). Many participants also lost weight.













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Discussions underway towards establishment of JV with Isetan Mitsukoshi Holdings.



From contractor business centered around fulfillment to also committing to the sell side as a JV owner and partner.

■ What JV will look like





Commencement of consultations with Daichi wo Mamoru Kai towards merger





Together we'll be all about resolving society's problems by multiplying Food and Business

23 Feb 2017 Stock Swap Approval – General Shareholders' Meeting (Daichi wo Mamoru Kai)

27 Feb Stock Swap Approval – General Shareholders' Meeting (Oisix)

31 Mar Effective Date of Stock Swap

In accordance with initial plans, preparatory committees have been set up to begin concrete discussions towards the merger. Already, regular departmental sub-meetings are being held and deliberations at the grassroots level are going well with staff at both companies communicating.

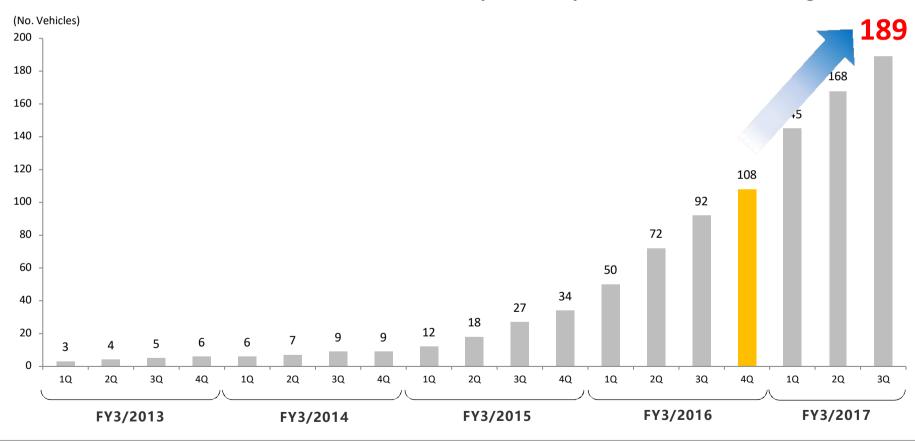




Number of Operational Vehicles



New business from new and existing partner supermarkets has been trending well, resulting in an **increase of 81** vehicles (mobile supermarkets) since the end of FY3/2016. Some new vehicles carry not only food but also clothing.





Total Transaction Value



FY3/2017 Q3 Total Transaction Value was ¥1.02bn
(99.6% growth since end FY3/2016)

1,022

1000

800

512

438

438

438

232

Q4

Q1

Q2

FY3/2017

Q3

FY3/2016

Q2



Q1

200

0

Q3

