

Results Briefing Material

FY3/2017 Oisix Inc.

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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 Results



- Sales: 14% growth in line with plan
- Operating Income: Better than plan, when costs associated with stock swap with DWMK (approx. ¥100mn) excluded (*1)

(Units: ¥mn)	FY3/2016 Results (Non-Cons.)	FY3/2017 Results (Cons. *2)(C	FY3/2017 Plan consolidated)	+/- YoY	+/- YoY %	Plan Achievement Rate
Sales	20,158	23,016	23,000	2,858	114.1%	100.0%
Operating Income	774	752	820	-22	97.1%	91.7%
Excluding extraordinary factors (*1)	774	858	820	84	110.9%	104.6%
Net Income	538	515	580	-23	95.7%	88.7%

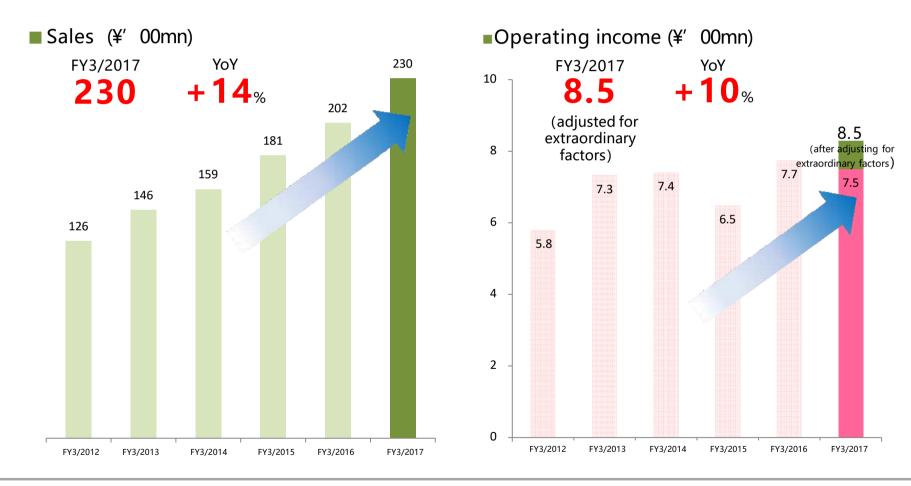
*2 : Consolidated financial statements prepared from FY3/2017





FY3/2017 Sales & Operating Income Trends

Healthy growth in sales and operating income (adjusted for extraordinary factors)

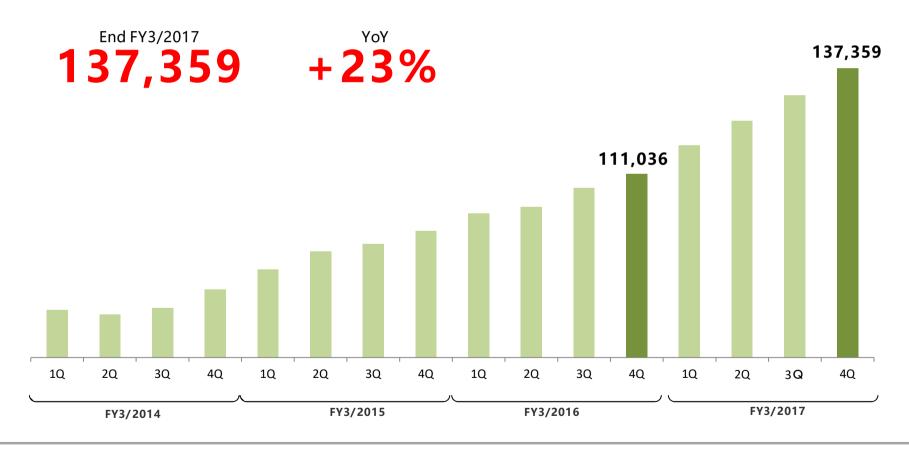








125,000 subscriber target significantly exceeded thanks to stronger focus on Premium Jitan Service needs and an increase in Kit Course subscribers





ARPU Trends



Broader subscriber base translated into an increase in low-frequency users and a slight ARPU decline YoY

FY3/2017 average YoY **¥11,890 97.0%**



X ARPU: Average Revenue Per User (monthly sales attributable to each subscriber)

X Frequency of purchase by subscriber x amount spent/purchase



Frequency of Purchase (FoP) Trends



While there was a decline due to aforementioned factors, sales campaigns such as "drink as much milk as you like" led to a rise QoQ

FY3/2017 average YoY 96.1%



*Drink as much milk as you like: Fixed-price service where up to 3 items can be purchased at ¥0 when placing an order

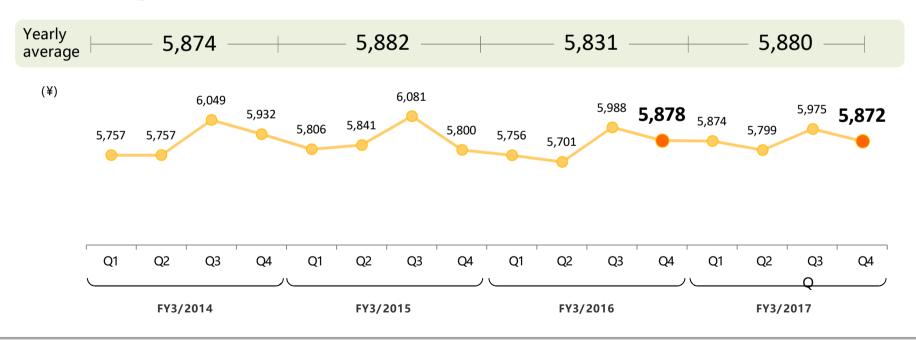






Versus New Year Q3 peak, decline in Average Customer Spend in Q4 (-¥103) lower than last year (-¥110) on back of well-received introduction of mixed-ingredient recipes

FY3/2017 average YoY **¥5,880** + 0.8%







FY3/2017 Strategy & Action

- 1. Evolution of Oisix.com
 - Strengthen Premium Jitan Service
- 2. Performance of other businesses
- 3. Expansion of infrastructure for mobile sales platforms for "Shopping Refugees"
- 4. Set up and running of Food Tech Fund

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Kit Oisix



We have beefed up our Premium Jitan Service to support the expanding number of women in the workforce for whom time is tighter than ever

What is Kit Oisix?



Point 主菜・副菜が 20分で作れるレシピが ついています。
 文字により
 必要な分だけ、

 2
 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。







In addition to Jitan needs, new line-up introduced for parties and the simple enjoyment of cooking









In response to increased demand for Kit Oisix, production capacity at our manufacturing plant has been doubled

Introduction of new equipment

Kit Oisix Series cumulative shipments (Unit: '0,000 kits)



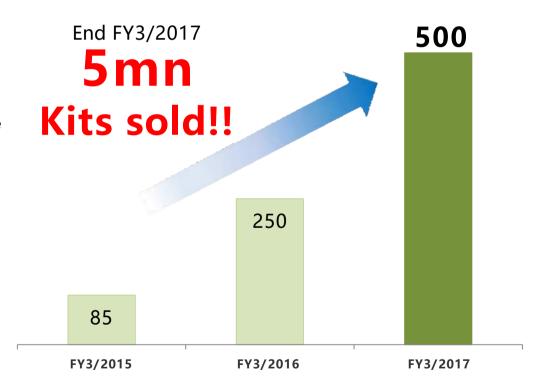


Frozen meat slicer Va

Vacuum packaging machine

Oisix Dining Center

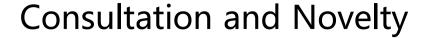






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Making the most of Oisix's EC knowhow and assets, our EC Consultation and Media businesses doing well

DEAN & DELUCA



Suntory Holdings









Recipient of newly established 'Export Excellence Award,' which promotes greater export of agricultural produce

Award Ceremony









Recipient of Most Valuable Companies in Hong Kong Award 2017





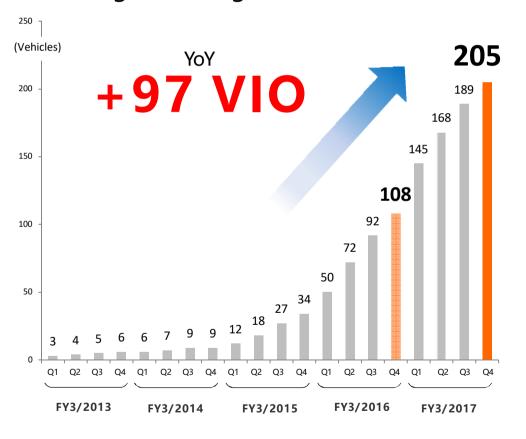
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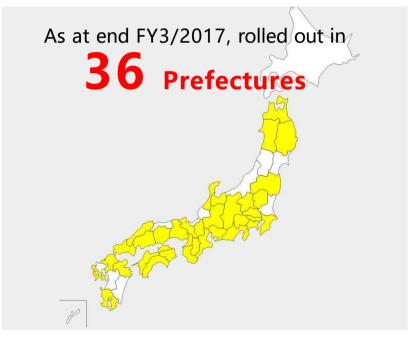
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Tokushimaru: Number of Vehicles in Operation (VIO)

Positive effects of becoming a subsidiary, ie., management support and stronger staffing – have translated into +90% YoY growth



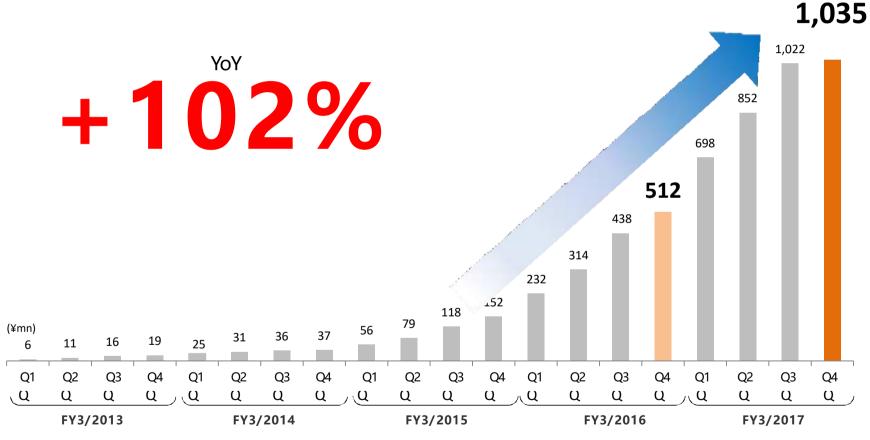






Tokushimaru: Total Transaction Value

FY3/2017 Q4 Total Transaction Value* grew to ¥1.035bn



*Total Transaction Value = Value of Goods Sold (Oisix revenue = Royalties per each vehicle)



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Japan's first strategic investment division to specialise in food. The fund offers support making the most of Oisix's knowhow to facilitate the speedier delivery and commercialisation of new technologies and services.



Oisix Subscription model Food e-Commerce

- 130,000 customer database
- Page creation
- Data analysis
- Product development
- Logistics

Domestic & Overseas Food Tech Healthcare

- Big data
- IoT
- · Advances in medicine



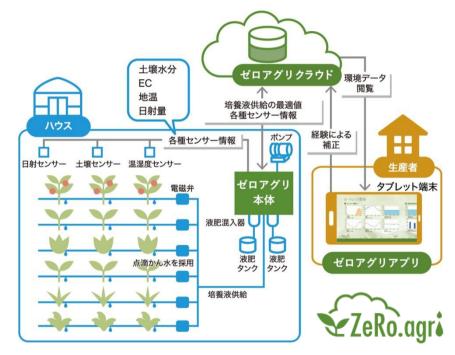


Project No.1: Routrek Networks Inc.

Funds an Agri-Tech Business



- Routrek Networks Inc.
 - Established Aug 2005
 - CEO: Shinichi Sasaki
 - Funds: ¥30mn



Business Summary
 Development and provision of ZeRo.Agri, a system that backs up increased productivity and profitability via the gathering, analysis and provision of region-specific agricultural data



FY3/2017 Social Contribution Activities





With sights on the 2020 Tokyo Olympics, Oisix is an official supplier and supporter of these exceptional para-athletes. The team won Bronze at the Rio 2016 Paralympics!!



Providing nutritionally balanced ingredients & Kit Oisix





 Helping attract new fans e.g. by supporting rejuvenation of Wheelchair Rugby's website





EAT and SEND for Kumamoto



To provide support to Kumamoto and help aid recovery from the Kumamoto Earthquake, which struck on April 14, 2016, Oisix set up the EAT and SEND for KUMAMOTO website

We collected messages from our customers and delivered them to our producers





まゆみ農園さんからお客さまへ

自分の野菜を指名して買ってくれているのがすごく嬉しいです。 こういった声を読むと、また頑張って出荷しようと思いますし、 期待を裏切らないようもっともっと美味しいにんじんを作ろうと 思います。今は被災して働けない従業員にもきっと 励みになるので、みんなにも見せたいと思います。 ありがとうございました。



TABLE FOR TWO



Oisix donates 3% of revenue from TFT-accredited products purchased by our customers to TFT, which goes towards meals and the construction of cafeterias for children in developing countries







TOKYO HARVEST



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).



*Tokyo Harvest is a Japanese harvest festival intended to express our thanks and respect to producers of food such as farmers, fishermen and diary farmers.



N-1 Summit



Oisix hosts N-1 Summit, an event intended to stimulate the farming industry. This fiscal year the event features in-depth debate about agri-tech, the source of next-generation farming in Japan.

■ Agri-Tech Pitch Battle
Participants make presentations about
new agri-tech businesses that are judged
according to whether they are 'something
we really want to use'



Winners: JR Freight/South Kanto Logistics Cool SO Containers', a container transportation system that keeps easily damaged fruit fresh. ■ Agri-Tech performance On-site demonstration of HopeField's Ecat Kit which makes it easy to put an electric motor on a wheelbarrow







Daichi wo Mamoru Kai (DWMK)





About DWMK

- In business for 40 years. First to launch an organic farm produce delivery service in Japan.
- Committed to selling organic vegetables that have been grown in chemical-free soil using only organic fertilizers
- A pioneer of Social Business, where business methods are applied to resolve social issues

Company Overview

Name: Daichi wo Mamoru KaiRepresentative: Kazuyoshi FujitaEstablished: November 8, 1977

• Sales: ¥13.6bn (FY3/2016)

· No. Employees: 193 (as at end March 2016)

Corporate Philosophy

To nurture Japan' s primary sector, to protect the health and well-being of people, and to create a sustainable society. As a social business, DWMK strives for a society in which living in harmony with the natural environment is taken seriously.



Home Delivery Business Model











Order



Delivery In some parts of the Kanto region, company makes deliveries itself

Significance of the Merger





■Corporate Philosophy

To nurture Japan's primary sector, to protect the health and well-being of people, and to create a sustainable society. As a social business, to strive for a society in which living in harmony with the natural environment is taken seriously.





StrengthsCustomer age-range

- Network with excellent growers
- Organic, agrichem-free product line-up
- Proprietary logistics infrastructure
- Customer age-range: late 40s to 60s

Merger Opportunity



COMMON VISION

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

Larger target customer base with a greater scope of needs and broader age-range

■Corporate Philosophy

Fabulous food. To as many people as possible.



■Strengths
Customer age-range

- Online Marketing skills
- Product development (e.g. Kit Oisix)
- Distribution Center efficiencies
- Convenience of service
- Customer age-range: Mainly 30s



Merger Scheme





Stock Swap
March 31, 2017

Stock Swap Ratio Oisix: DWMK = 1:261

Shares Swapped 2,026,404 (New Share Issuance: 1,766,321)

Merger Autumn 2017





Launch New Entity

Management Structure (plan)

Chairman Kazuyoshi Fujita President Kohey Takashima





- 1. Growth of Home Delivery Business
 - (1) Business Portfolio
 - (2) Strengthening of Premium Jitan value
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 - (4) Exploring synergies with Daichi Takuhai
 - (5) Initiatives with Lawson, Inc.
- 2. Growth of Businesses other than Home Delivery
- 3. Expansion of infrastructure for mobile sales platforms for "Shopping Refugees"
- 4. Food Tech Fund
- 5. Earnings Forecasts

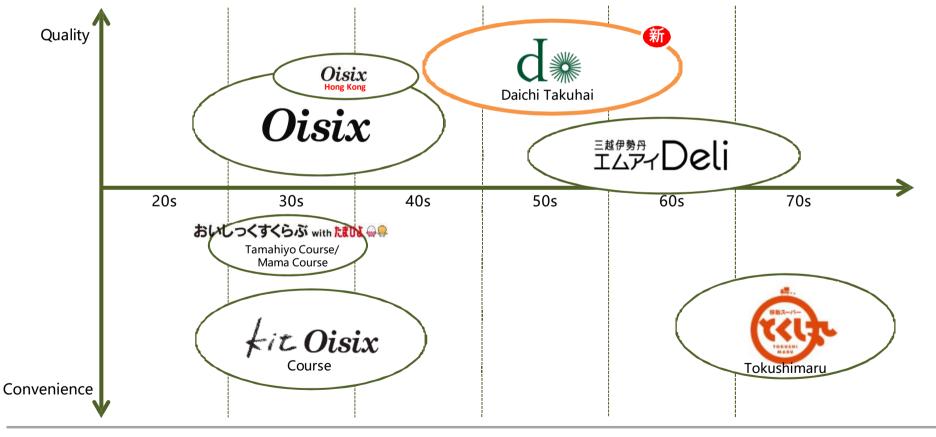
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Delivery Business Portfolio

Answer to the needs of various age-groups and by combining [food] with our [subscription platform], grow into the outright No. 1 Player

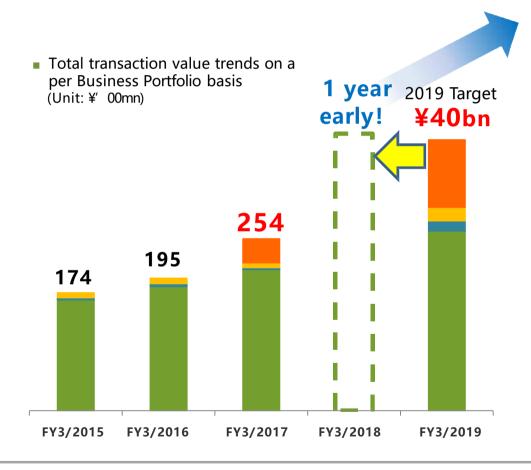








The outlook is that we will hit our 2019 target of ¥40bn one year ahead of plan. As such, we plan to draw up a new 3 year plan by the end of March 2018.



- Tokushimaru: Value of goods sold
- Other PF: Mainly value of MI Deli sales
- Oisix: Value of overseas site sales
- Oisix: Value of Oisix.com sales

Reason for targeting Total Transaction Value (TTV)

Because expansion of TTV is a direct expression of expansion in the value of what we offer via platforms in which we are involved in response to consumer needs, which links to 'providing a service that enables as many people as possible to enjoy fabulous food.'



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Evolution of Kit Oisix





Development and provision of Kits to enable those who are not so good in the kitchen to cook easily and successfully

Seasonal Meal Kit Noodle in Summer Kit Beginners Kit



*Images are serving suggestions, not pictures of the actual product.



Development of Premium Jitan Products **Q**





Killer Yasai cut vegetables









Super convenient & delicious frozen veg



Meat seasoned for kids



Amazing! Brilliant meat



Combo meal ideas!











*Images are serving suggestions, not pictures of the actual product.



Augmentation of Manufacturing Facilities **Q**





A new plant to be built with an eye on further growth in customer needs for our Kit Service. Integration with Daichi Wo Mamoru Kai sproduction facility will deliver stable supply and more efficient production.

Oisix manufacturing plant (Ebina Dining Center)



New Center



Production Capacity

2.5x

DWMK manufacturing plant (3rd party)



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Existing 19 Shop in Shops refurbished, 3 loss-making shops closed. Growth +25% YoY. Going forward, we are aiming for further growth by adopting an omni-channel approach.



Oisix corner in Queen's Isetan Shinagawa Store

- FY3/2017 Highlights
- Changed the brand logo and carried out shop refurb
- Opened new shops in Queen's Isetan Shinkoenji, Motoyawata & Hibarigaoka stores
- Began sales of Kit Oisix at Queen' s Isetan Shinagawa





Strengthening of the Brand





Opened Oisix Market in ecute Omiya on April 7, 2017. Our first in-station shop. To increase brand recognition among new customers and offer our online customers somewhere to do some extra shopping!













Oisix original truck delivery service launched!





Strengthening of the Brand





Celebrity model and mother Yuri Ebihara is Oisix's Goodwill Ambassador. As our 'Beauty Vegetable Ambassador's he will both convey the appeal of vegetables and produce some dishes for us to sell.





Strengthening of the Brand





Preventative medicine consultant Dr Momo Hosokawa and midwife Dr Song Mihyong have been appointed as Oisix professional advisors to mums. We aim to broaden recognition of the brand through a series of columns aimed at pregnant women.

Happy mama Letter

かしこく食べるマタニティライフ



wol.1 お腹の赤ちゃんに届け! 栄養 たんぱく質

Oisixプロママアドバイザー

予防医療コンサルタント 細川モモ 先生

アメリカで販売幅の未接子を子び、未接アドバイリーの良格を取得。 医師、栄養士による予防医療チーム Fluvtelli Tokyo & New York」主宰。 1児のママ。著書に「妊娠中の食事(主婦の友社)」など。





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Merger Synergy with Daichi Takuhai





Home Delivery Business

Anticipated Synergies

Envisaged effect

Marketing

- Wider customer base & enhanced customer acquisition
- Improved sales price from cross- selling of Food Products



Improved Oisix ARPU

Daichi Takuhai's non-food ARPU is 20x that of Oisix

Product Procurement

- Expansion of supplier network
- · Sharing of delivery logistics
- Take manufacturing in-house



Stable supply for Oisix

Contracted agri producers: Daichi Takuhai approx. 1,500 Oisix approx. 1,200

Cost improvement

Warehousing & Distribution

- Diversification of distribution methods
- Share distribution center knowhow



Reduction of Yamato dependency risk Reduced materials cost (¥20mn)

Other Functions

- Volume discounts on settlement fees
- Shared function efficiencies (e.g. Customer support)



Cost reduction (¥30mn)









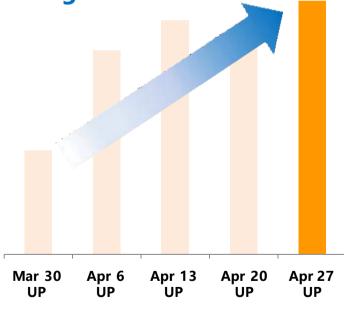
In April, Daichi Takuhai products became available on Oisix's platform

No. products to increase to 60 from 45 in May



Sales trend since site launched

For 5 consecutive weeks sales & profit targets hit!





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Initiation of collaborative work with Lawson, Inc.





Initiation of wide-ranging the thematic discussions on potential collaborative work

Product

LAWSON

- · Sale of KitOisix/Daichi Vegetables at Lawson
- · Reciprocal coordination re production facilities





Mobile Sales

- · Mobile sales coordination
- · Formulation of new business models
- Joint development of new business partners



Mutual access to logistics infrastructure &

Logistics/Delivery





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Consultation and Media





- Expand services such as repeat marketing based on customer purchasing history, consultation that makes the most of EC site operational knowhow and omni-channel support
- Expansion of advertising services such as tie-ups and sampling using Oisix's regular-delivery customer base

















Overseas Business



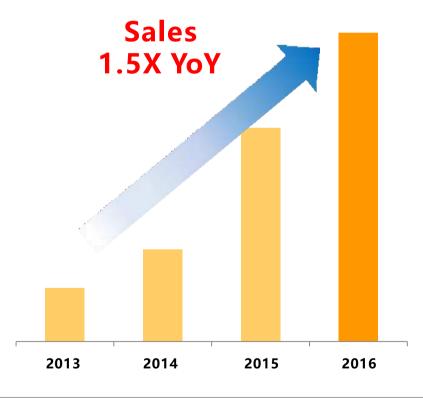


Solid performance at Taiwanese capital affiliate "The Wonderfulfood". Deliberation into entering other geographical markets is underway, in addition to our solo development of Oisix Hong Kong.











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Expansion of infrastructure for mobile sales platforms for "Shopping Refugees"





Working to take outright No.1 position as mobile seller for "shopping refugees". New tie-up with major supermarket chain finalized!







- Accelerate growth 500 vehicles by end FY3/2019
- Promote an operating environment in which sales partners can thrive



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Project No.2: Furarieat Inc.







Furarieat Inc., a food sharing economy business started by a Tokyo University undergraduate to be made a subsidiary

Housewife





- Furarieat Inc.
- Established Nov. 2015
- CEO: Daito Saito
- Funds: ¥20mn

Summary of Business Development of meal sharing service that allows housewives, etc., to earn by cooking in their free time. 2017 service launch planned.

*A similar business has already been launched in China, providing 50,000 meals per day







Project No.3: Nihon Agri, Inc.

- Nihon Agri, Inc.
 - Established Nov. 2016
 - CEO: Shohei Naito (ex McKinsey & Company)
 - Funds: ¥40mn



Launch of Doscoy" brand apples in Thailand

Business Summary
 Total Coordination - from finding producers who want to export overseas
 and buying in produce to arranging logistics and sales to retailers/importers
 overseas



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- +65% sales growth on the back of merger with DWMK
- +43% EBITDA growth (excluding one-off merger costs)

Unit: ¥mn	FY3/2017 Result	FY3/2018 Forecast *1	+/- YoY	+/- YaY %
Sales	23,016	38,000	+14,984	165.1%
Operating Income	752	670	-82	90.0%
EBITA *2	961	1,020	+ 5 9	106.2%
EBITDA*3	995	1,390	+ 3 9 5	139.6%
Excluding extraordinary factors *4	1,095	1,570	+475	143.3%
EBITDA per share (¥)	169.34	175.11	+5.77	103.4%

- *1 From FY3/2018, includes performance of DWMK (consolidated on March 31, 2017)
- *2 EBITA = Operating income + goodwill amortisation
- *3 EBITDA = Operating income + depreciation + goodwill amortisation
- *4 Extraordinary factors = One-off costs associated with merger (moving headquarters, etc.)

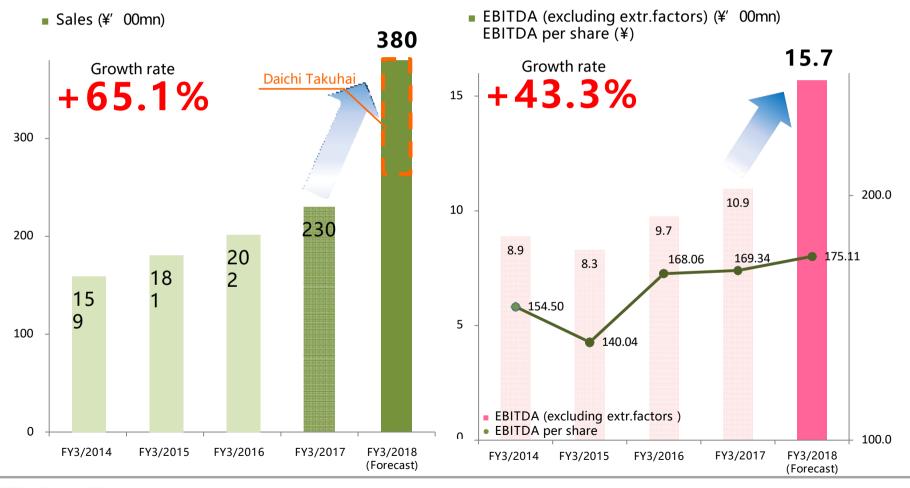








Even after issuance of new shares for stock swap, maintain EBITDA per share growth











Aiming for increased profits through Home Delivery synergy effect, review of profitability in other businesses and cost controls.

Unit : ¥mn	Home Delivery	Home Delivery	Other businesses	Fixed costs	Total
Sales	23,988	10,841	3,171	_	38,000
Variable costs	20,523	8,802	2,542	_	31,867
Marginal Profit (Segment profit) Margin	3,465 14.4%	2,039 18.8%	629 19.8%	_	6,133 16. 1%
Fixed costs	_	_	_	5,463	5,463
Operating Income	_	_	_	_	670

^{*}Other businesses: Solutions, media, shops, overseas, wholesale, etc.



FY3/2018 Target Number of Subscribers





