



Results Briefing Material

FY3/2018 Q1
Oisix.daichi Inc.

Farm for Tomorrow, Table for Tomorrow

We provide services that enable a better food life for more people.

We realize a society where good farmers are rewarded and proud.

We evolve continuously to deliver a sustainable framework that links farm and table.

We solve social issues related to food through business approaches.

We create and expand Tomorrow's Food.

Contents

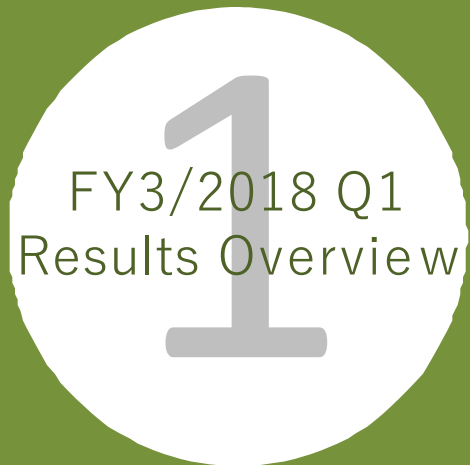
1
FY3/2018 Q1
Results
Overview

2
FY3/2018
Activities
Overview

3
FY3/2018
Social
Activities

This material is intended to provide an understanding of OisixDaichi activities, not to solicit investment. Forecasts of OisixDaichi's operating results and future performance are based on information available to OisixDaichi 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.

Contents



1. FY3/2018 Q1 Results Overview

1. Consolidated results overview

2. Results by segment

- **Overview**
- **Oisix KPI**
- **Daichitakuha KPI**

1. FY3/2018 Q1 Results Overview

1. Consolidated results overview

2. Results by segment

- Overview
- Oisix KPI
- Daichitakuha KPI

FY3/2018 Q1 Consolidated Results Overview

- With the addition this term of Daichi Wo Mamoru Kai's results, **sales** were up **78.5%** YoY
- **EBITDA** was up **42.2%** YoY

(Units: ¥mn)	FY3/2017 Q1 Actual	FY3/2018 Q1 Actual	FY3/2018 Plan	+/- YoY	+/- YoY %	Achievement Rate
Sales	5,379	9,602	38,000	4,223	178.5%	25.3%
Operating Profit	169	141	670	-28	83.3%	21.1%
EBITA*1	176	235	1,020	59	134.0%	23.1%
EBITDA*2	225	320	1,390	95	142.2%	23.1%
Excluding extraordinary factors *3	-	-	1,570	-	-	-
EBITDA per share (¥)	38.47	40.12	175.11	1.65	104.3%	22.9%

※1 EBITA = Operating Profit + amortisation of goodwill

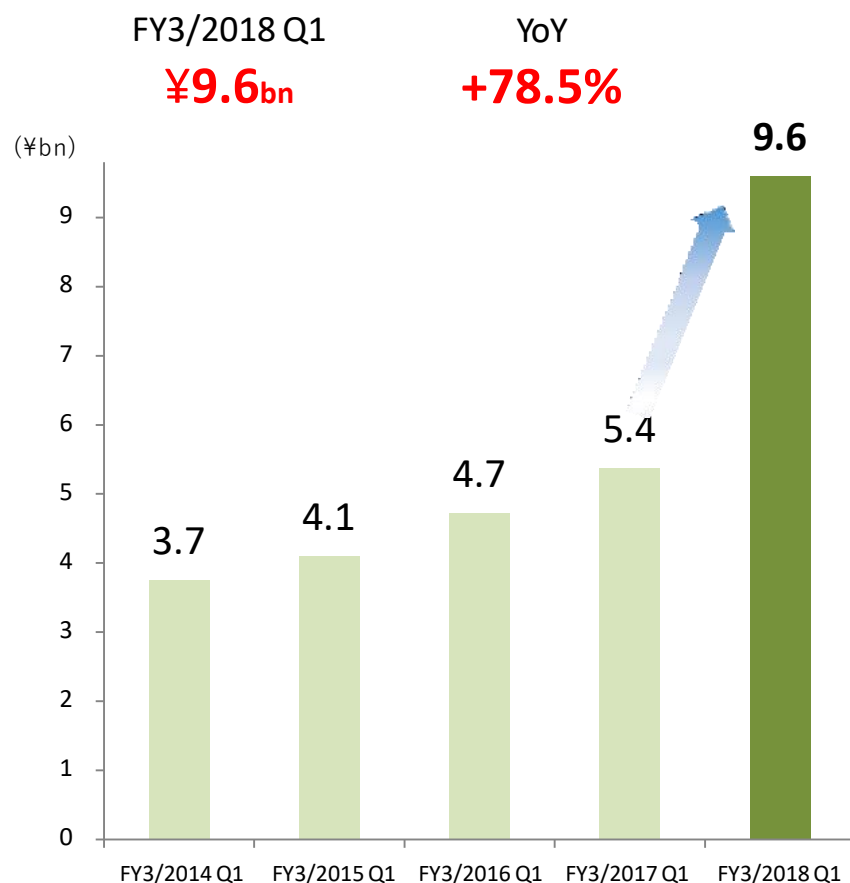
※2 EBITDA = Operating Profit + depreciation + amortisation of goodwill

※3 Extraordinary factors = One-off merger-related costs (cost of moving HQ, etc.)

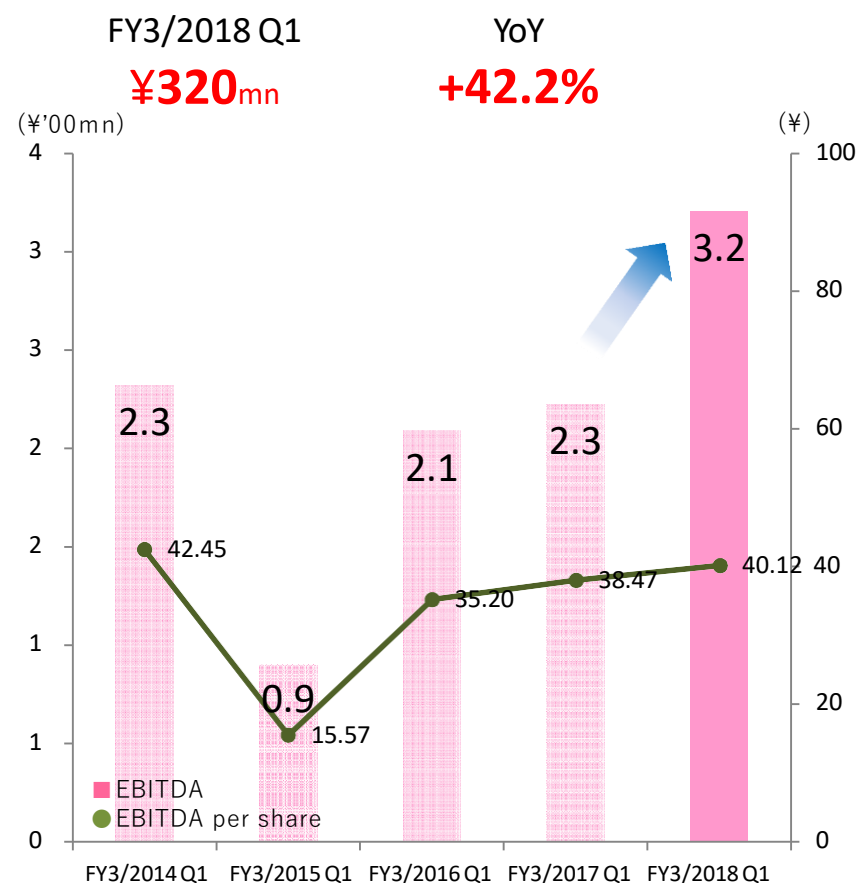
Consolidated sales & EBITDA trends

Addition of DWMK's results accelerated growth in sales and EBITDA

■ Sales



■ EBITDA/EBITDA per share



※ EBITDA = Operating Profit + depreciation + amortisation of goodwill

1. FY3/2018 Q1 Results Overview

1. Consolidated results overview

2. Results by segment

- Overview
- Oisix KPI
- Daichitakuha KPI

FY3/2018 Q1 Results Overview by Segment

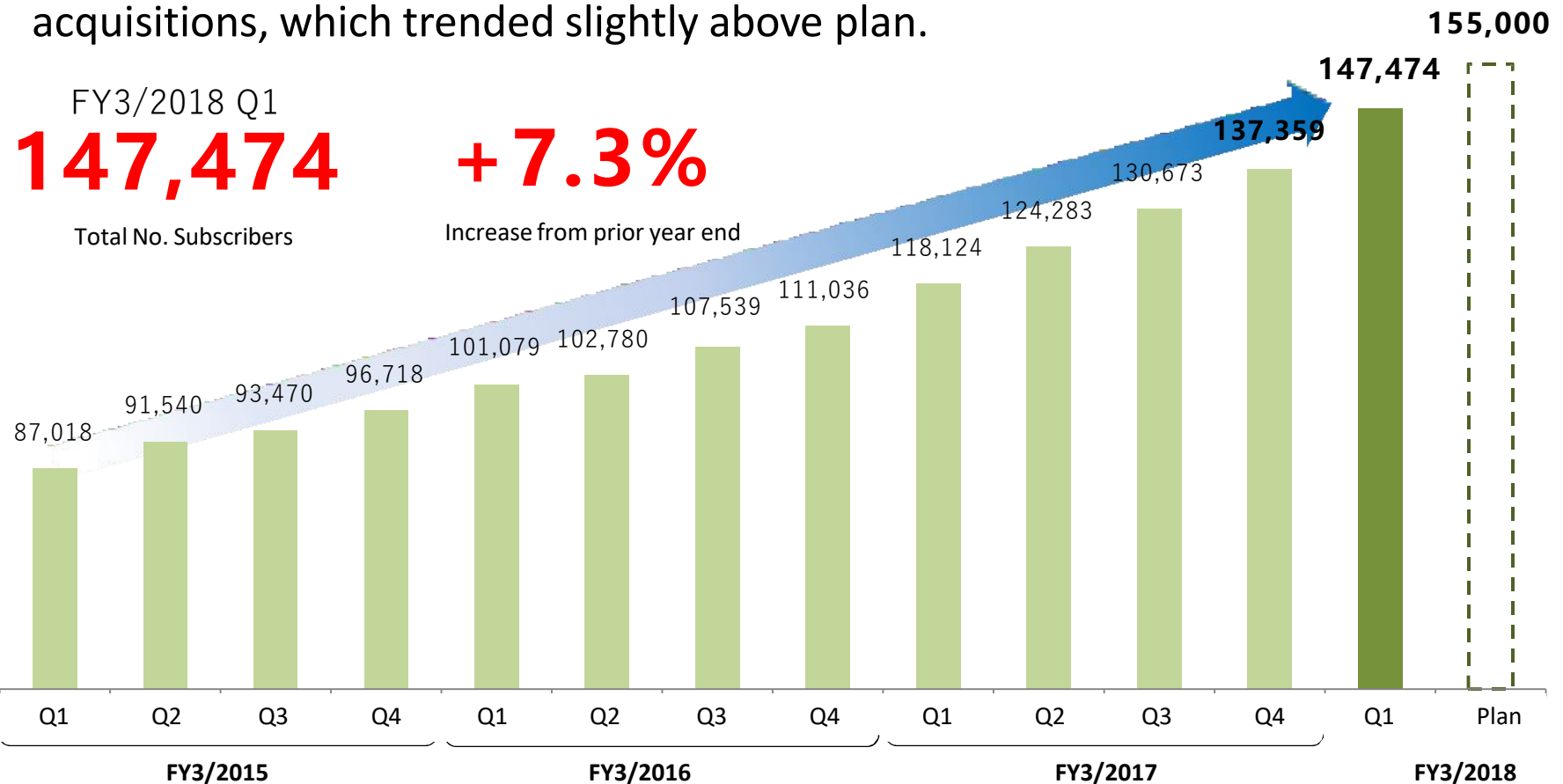
Sales at Oisix and Daichitakuhai were in line with plan. Healthy new customer acquisition saw an increase in sales of high-cost ratio 'otameshi' trial boxes, which meant Oisix's marginal profits were slightly low. Total company profits were in line with plan.

(Units: ¥mn)

FY3/2018 Q1		Plan	Actual	Achievement rate
Takuhai delivery business				
Oisix				
	Sales	23,988	5,790	24.1%
	Marginal profit	3,465	674	19.5%
	Margin	14.4%	11.7%	-
Daichitakuhai				
	Sales	10,841	2,790	25.7%
	Marginal profit	2,039	539	26.5%
	Margin	18.8%	19.3%	-
Other businesses				
	Sales	3,171	1,021	32.2%
	Marginal profit	629	185	29.4%
	Margin	19.8%	18.1%	-
Total company				
	Sales	38,000	9,602	25.3%
	Marginal profit	6,133	1,399	22.8%
	Margin	16.1%	14.6%	-
	Fixed costs	5,463	1,257	23.0%
	Operating profit	670	141	21.1%

Oisix Subscriber Trends

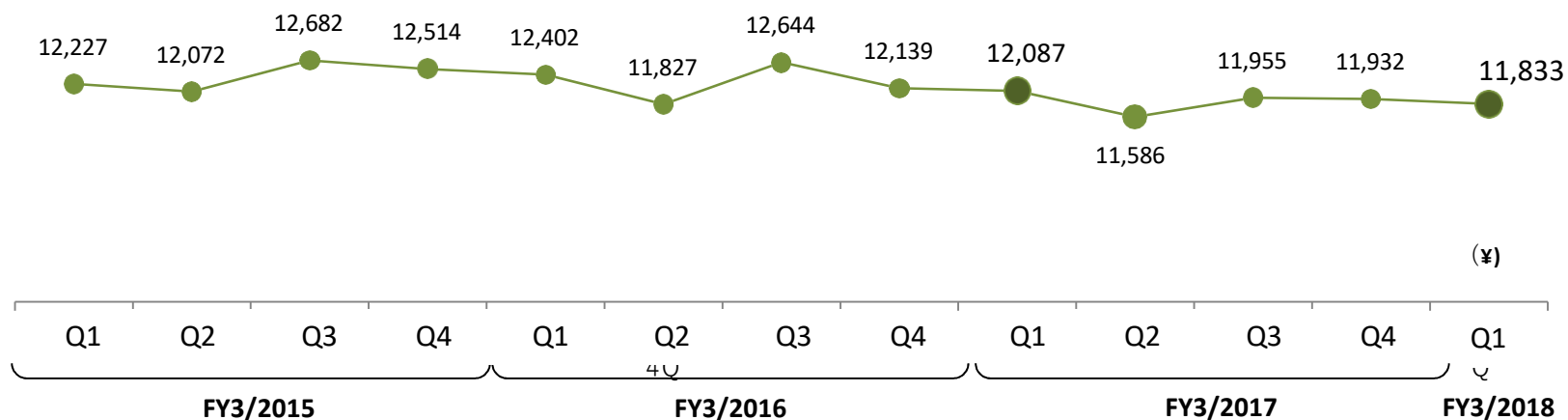
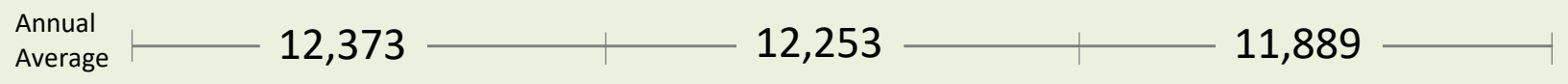
In addition to SEO measures to optimize the path from company-name search to subscription, media exposure provided a tail-wind to new subscriber acquisitions, which trended slightly above plan.



Oisix ARPU Trends

Slight decline in ARPU from increase in beginners, who spend less.

FY3/2018 Q1
¥11,833 YoY **97.8%**



※ARPU : Average Revenue Per User

※Regular subscriber frequency of purchase x amount spent/no.visits

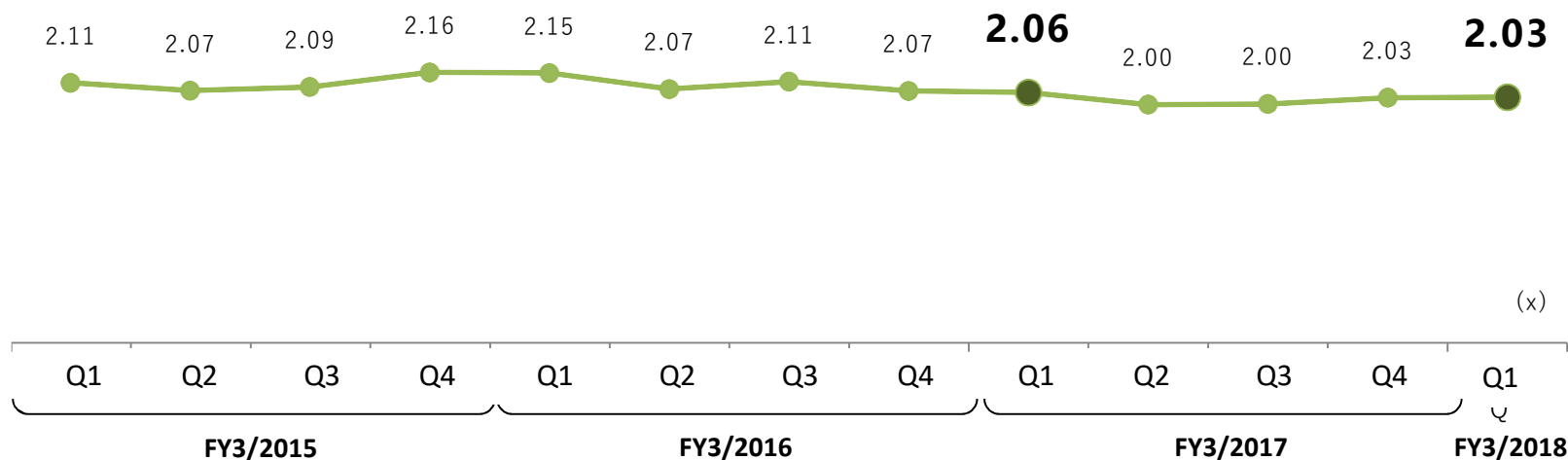
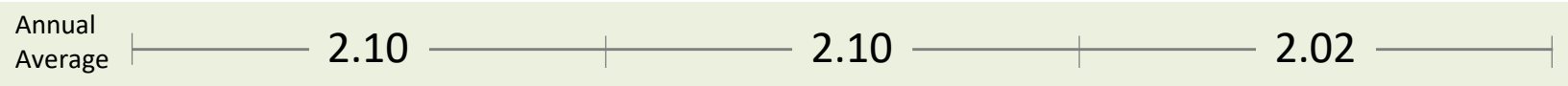
Oisix Frequency of Purchase (FoP) Trends

FY3/2018 Q1

2.03x

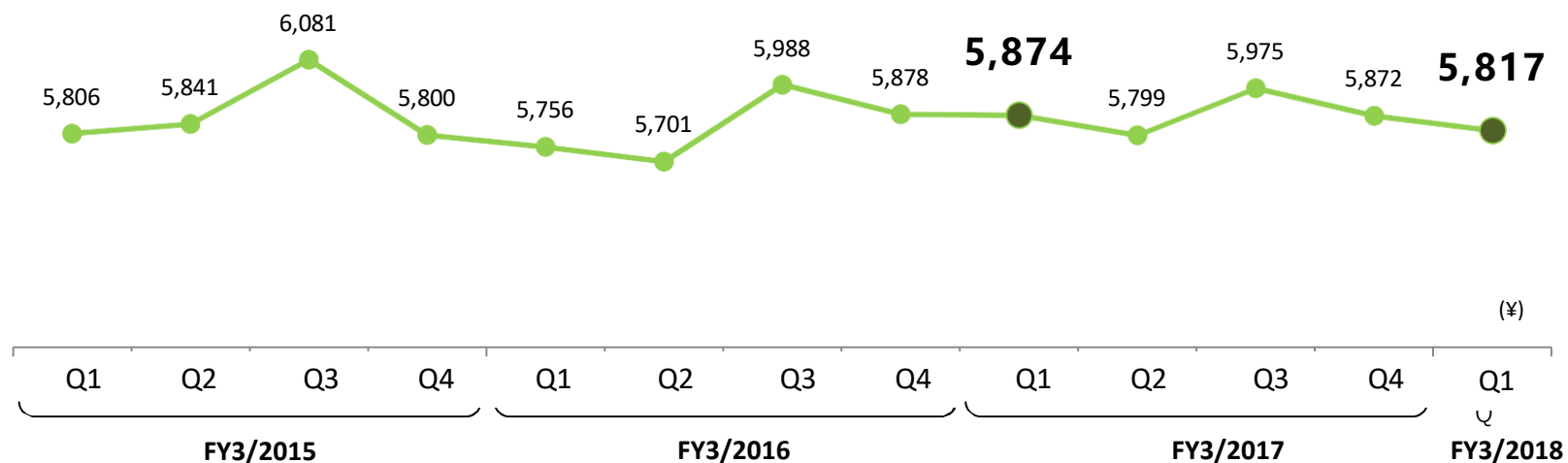
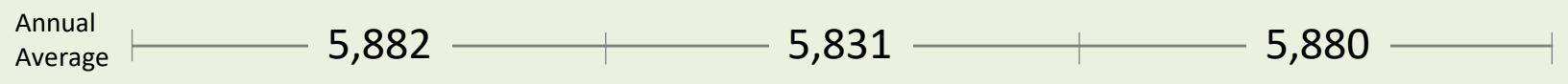
YoY

98.5%



Customer Spending Trends

FY3/2018 Q1 YoY
¥5,817 **99.0%**



1. FY3/2018 Q1 Results Overview

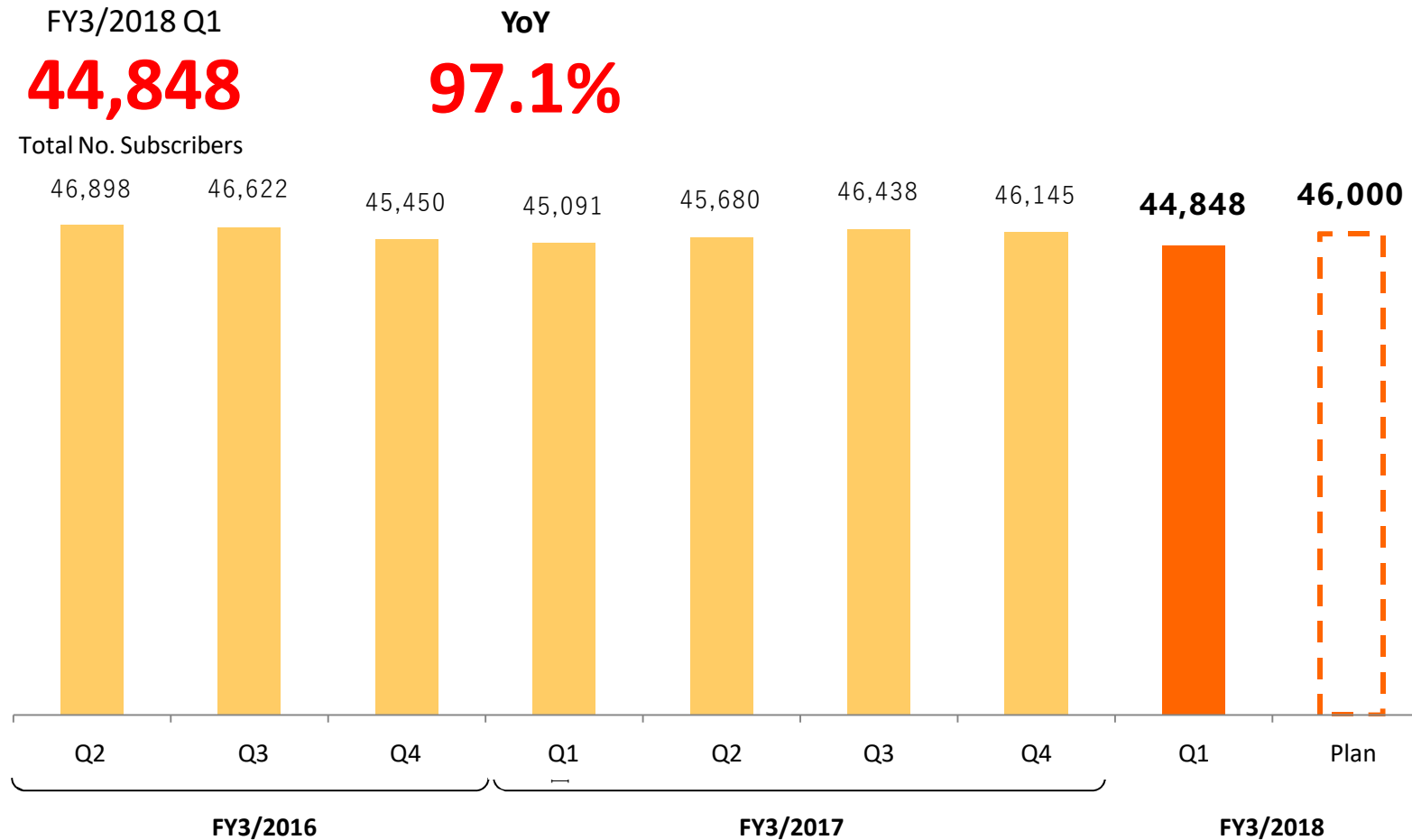
1. Consolidated results overview

2. Results by segment

- Overview
- Oisix KPI
- **Daichitakuhaï KPI**

Daichitakuhaï Subscriber Trends

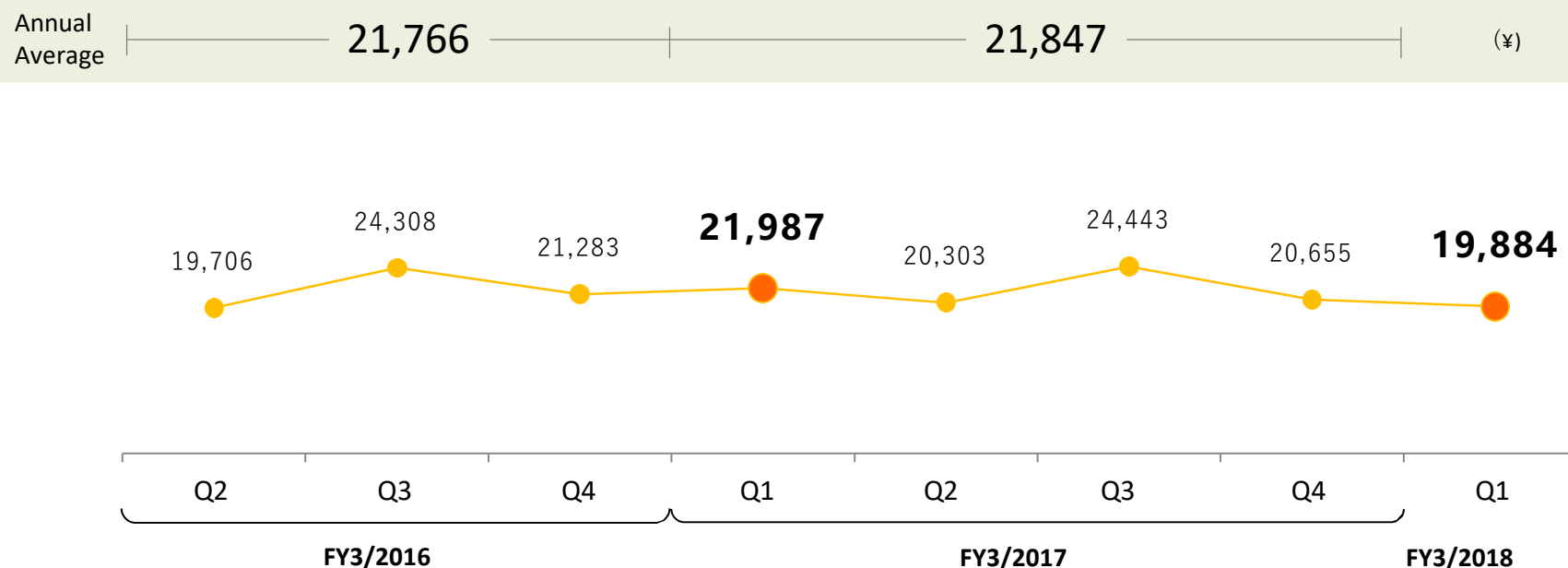
Careful scrutiny of new subscriber acquisition methods translated into a one-off tightening and slight reduction.



Daichitakuha ARPU Trends

Despite customer spend trended on a par with FY3/2017 Q1, we are undertaking issues of how to obtain repeat orders from subscribers. As a result, ARPU was down slightly YoY.

FY3/2018 Q1 YoY
¥19,884 90.4%



※ARPU : Average Revenue Per User

※Regular subscriber frequency of purchase x amount spent/no.visits

※FY3/2016 Q2 – FY3/2017 Q4 ARPU on the last day of each quarter. From FY3/2018 Q1, average over the quarter.

Frequency of Purchase (FoP) Trends

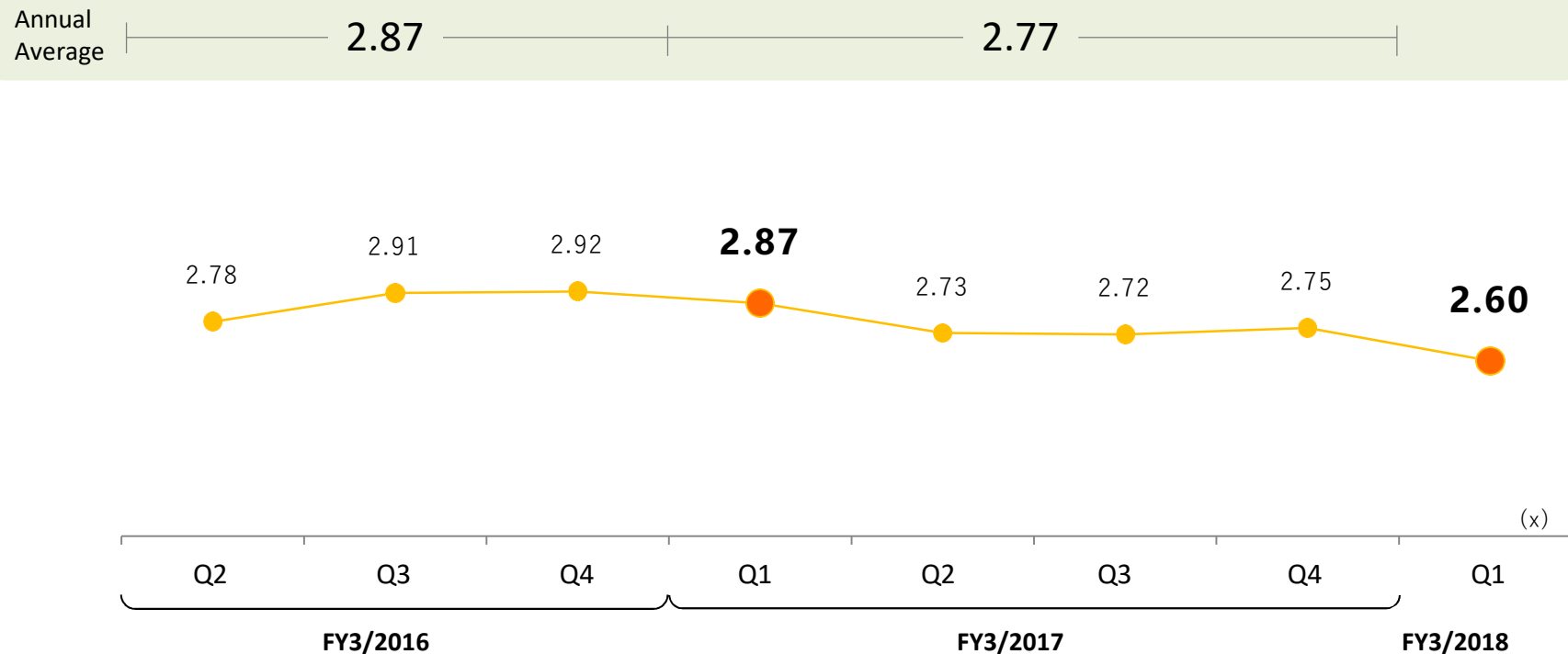
Increase in portion of subscribers with low frequency of orders.
Improvement on the issue is underway.

FY3/2018 Q1

2.6x

YoY

90.5%



※FY3/2016 Q2 – FY3/2017 Q4 ARPU on the last day of each quarter. From FY3/2018 Q1, average over the quarter.

Customer Spending Trends

FY3/2018 Q1

¥7,637

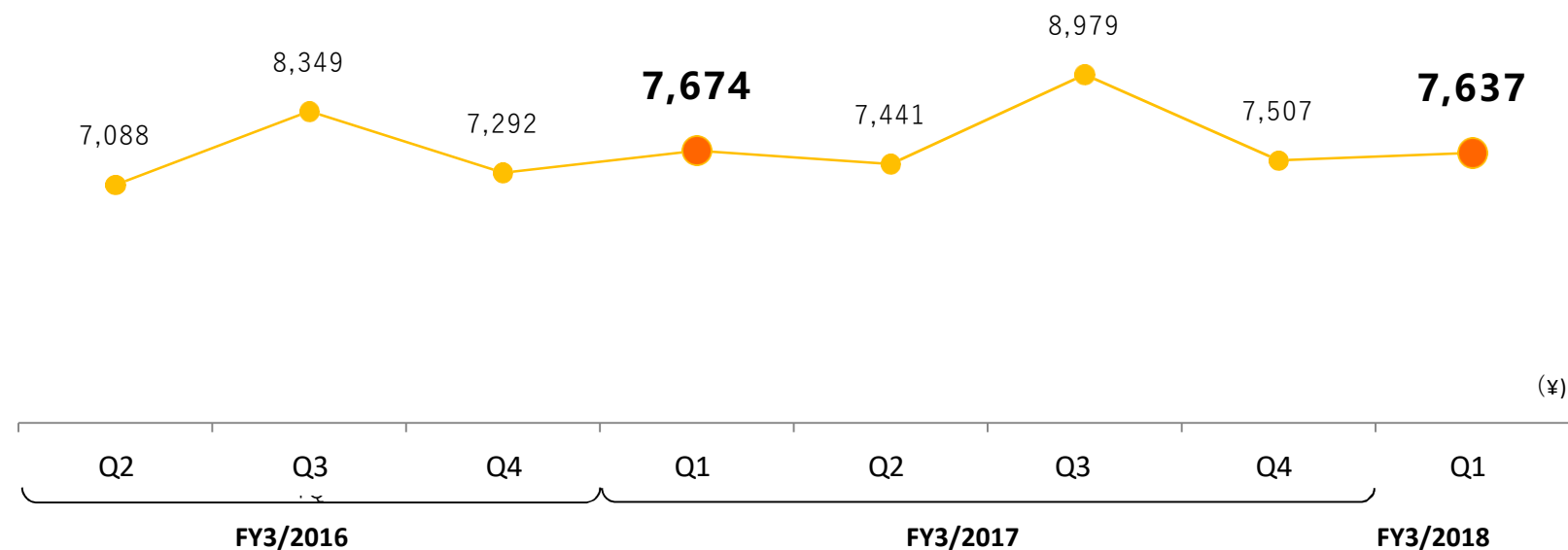
YoY

99.5%

Annual
Average

7,576

7,900



※FY3/2016 Q2 – FY3/2017 Q4 ARPU on the last day of the month of each quarter. From FY3/2018 Q1, average over the quarter.

Contents



FY3/2018
Activities
Overview

1. Growth of Home Delivery Business

- (1) Strengthening of Premium Jitan value
 - Evolution of Kit Oisix
 - Development of Premium Jitan products
- (2) Strengthening of the Brand
- (3) Exploring synergies with Daichitakuhai
- (4) Initiatives with Lawson, Inc.

1. Growth of Business other than Home Delivery

2. Expansion of infrastructure for mobile sales platforms for “Shopping Refugees”

FY3/2018 Strategy & Action

1. Growth of Home Delivery Business

- (1) Strengthening of Premium Jitan value
 - Evolution of Kit Oisix
 - Development of Premium Jitan products
- (2) Strengthening of the Brand
- (3) Exploring synergies with Daichitakuhai
- (4) Initiatives with Lawson, Inc.

2. Growth of Business other than Home Delivery

3. Expansion of infrastructure for mobile sales platforms for “Shopping Refugees”

Kit Oisix (Meal Kits)

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 1 主菜・副菜が
20分で作れるレシピが
ついています。

point 2 必要な分だけ、
最適な状態で。
しかも野菜たっぷり。

point 3 新しいレパートリー
との出会いも
一緒に。

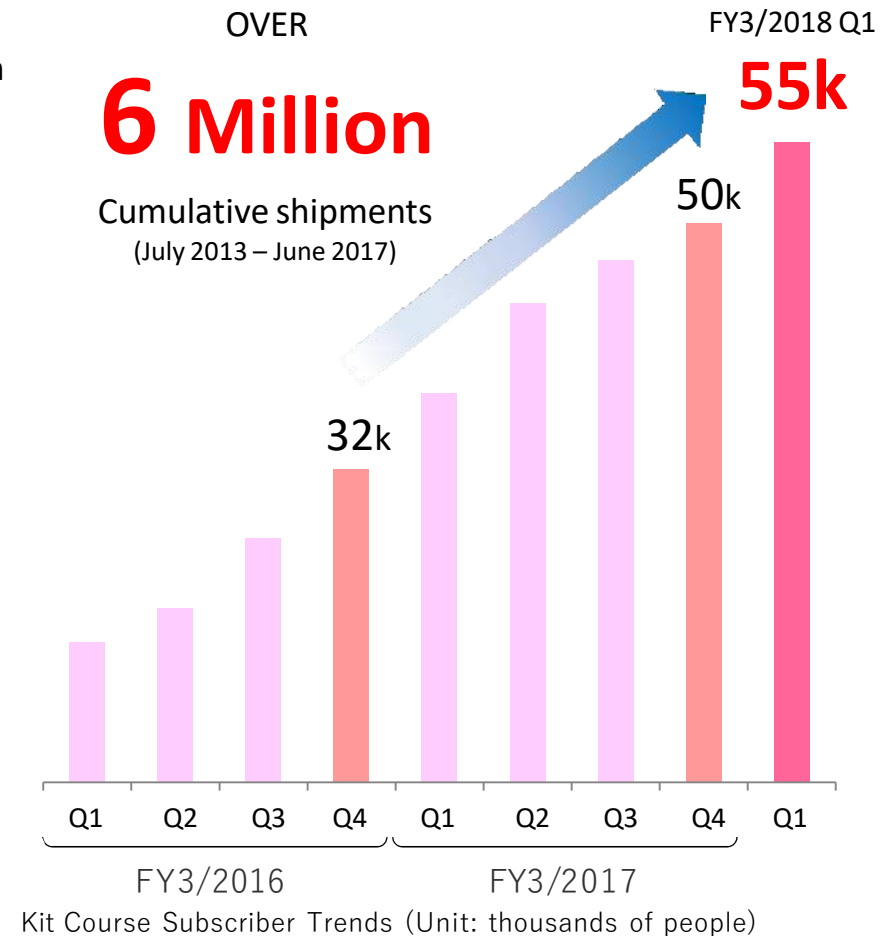
Oisix.daichi

Kit Oisix (Meal Kits)

Cumulative shipments **exceeded** the **6 million** mark with a line-up bolstered for the summer with a series of noodle Kits, beauty Kits and event Kits!

■ Summer event Kit Oisix, fun for all the family

Launch of Summer Event Kits to support free research homework, the toughest of all holiday assignments.



Kit Oisix (Meal Kits)

Kit Oisix New Series! Launch of Snow Peak Eat-compiled BBQ Kit Oisix, for BBQ fun at home or outdoors!



Oisix



Oisix.daichi

Strengthening of the Brand - Shop in Shop

Scrap and build from FY3/2017 translated into slow sales growth, but the acquisition of new locations in Q1 means the outlook is for accelerated growth

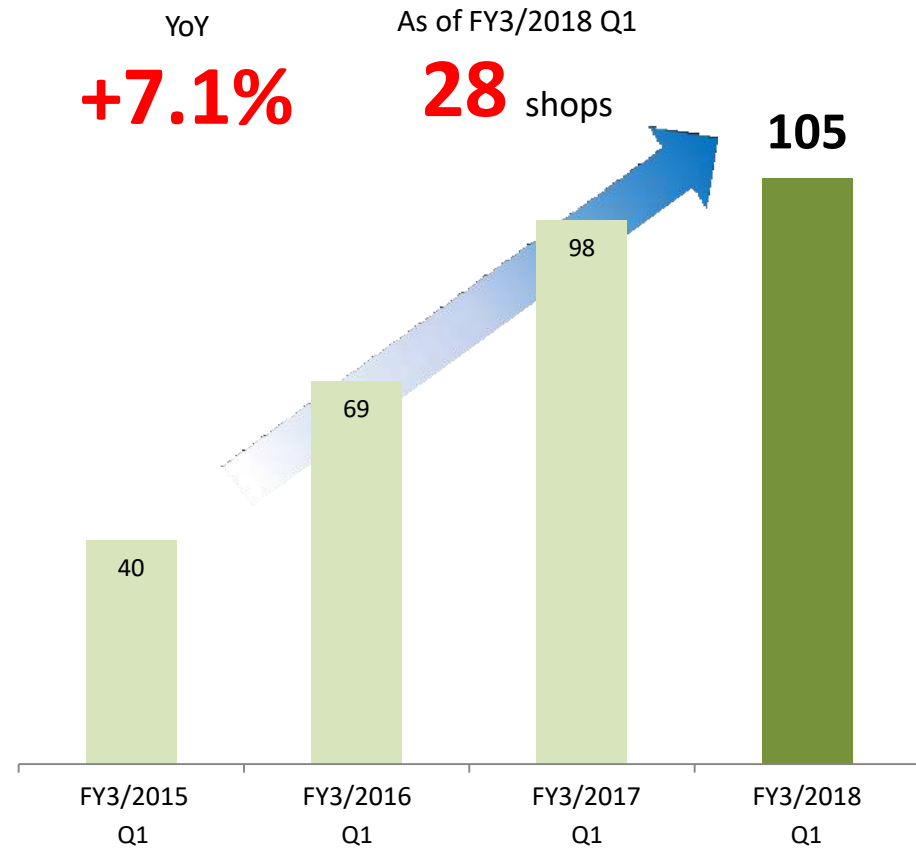
FY3/2018 Activity Details



Oisix corner in Marusho-chain stores

- Entered into new agreement with Marusho Inc
- Kit Oisix (Meal Kits) sales promotion using video and pamphlets

Sales Trends (unit: ¥mn)



Strengthening of the Brand – In-station Shop

Exhibition market space in ecute Omiya, our first in-station shop, to be extended until March 2018!



Oisix.daichi

Strengthening of the Brand

Oisix Crazy for Veggy, which provided a physical point of contact with customers and so contributed to increasing brand awareness, is to close on September 10, 2017. Resources are to be focused on in-station stores and Shop in Shops.



Merger Synergy with Daichitakuhei

Home Delivery Business	Anticipated Synergies	Envisaged effect	Progress
Marketing	<ul style="list-style-type: none"> Wider customer base & enhanced customer acquisition Improved sales price from cross-selling of Food Products 	Improved Oisix ARPU Daichitakuhei's non-food ARPU is approx. 20x that of Oisix	Discussion started towards increase of non-food items in Oisix
Product Procurement	<ul style="list-style-type: none"> Expansion of contracted producer network Sharing of delivery logistics Take manufacturing in-house 	Stable supply for Oisix Contracted producers: Daichi Takuhei approx. 1,500 Oisix approx. 1,200 Cost improvement	Price negotiation started with common suppliers
Warehousing & Distribution	<ul style="list-style-type: none"> Diversification of distribution methods Share distribution center knowhow 	Reduction of Yamato dependency risk Materials cost reduction (¥20mn*)	Unified suppliers to increase order lot *material cost reduction
Other Functions	<ul style="list-style-type: none"> Volume discounts on settlement fees Shared function efficiencies (e.g. Customer support) 	Cost reduction (¥30mn*)	Rate negotiation with common settlement company *unified with the lower commission rate

* Included in FY3/2018 full-year estimates

Merger Synergy with Daichitakuhei

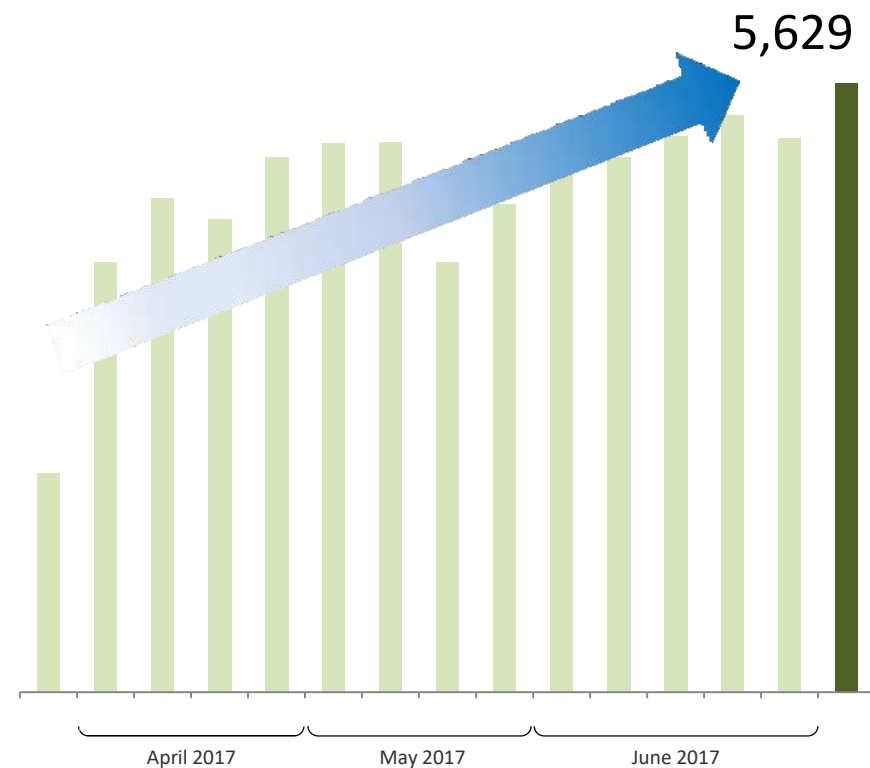
DWMK sales site had its grand opening on July 27! Sales have expanded beyond subscribers and there are now 100 items available, a threefold increase compared to the site opening in April.

DWMK site on Oisix.com



Sales since site opening

(Units: ¥'000)



Initiatives with Lawson, Inc.

First initiative - Kit Oisix launched on Lawson Fresh site!!

Sales in some Natural Lawson stores slated to begin during FY3/2018.



Oisix.daichi

FY3/2018 Strategy & Action

1. Growth of Home Delivery Business

- (1) Strengthening of Premium Jitan value
 - Evolution of Kit Oisix
 - Development of Premium Jitan products
- (2) Strengthening of the Brand
- (3) Exploring synergies with Daichitakuhai
- (4) Initiatives with Lawson, Inc.

2. Growth of Business other than Home Delivery

3. Expansion of infrastructure for mobile sales platforms for “Shopping Refugees”

Tie-Up Advertising

New client expansion! Tie-ups with strong brands Audi and Panasonic benefit the entire company.



Scene6 ビーチヨガの帰り道も快適シートで自然体
「週末の充実がストレスフリーの秘訣です」



最近ビーチヨガにはまっている。広々とした景色の中で、心地よくカラダをほぐすのが週末の楽しみ。海の近くまではちょっとしたドライブだけど、帰り道は程よくほぐれたカラダを極上のシートがつつみ込んでくれるから嬉しい。のんびり音楽を聞きながら、リラックスのつづき。

Won an order for a campaign in which Oisix points are awarded to customers who complete an Audi A1 survey

おいしい 7days × Oisix 共同企画

旬の食材をもっとおいしく
もっと効率よく活用できる
方法を知ってますか?

スマートに家事をこなすA子さんとどうしてもバタバタしてしまうB子さんの違いは何?ある1週間のA子さんとB子さんの過ごし方を比較してみました!

おいくら会員 A子さん

おいくら会員 B子さん

A子さんの時短の秘訣は?

パナソニック パーシャル搭載冷蔵庫で
肉や魚、作り置きを1Week保存
面倒な解凍作業不要
使いたい分だけとりやすい

パナソニック スチーム オープンレンジビストロで
10分で豪華レシピ
大火力極め焼きヒーターと
ビストログリル皿で
食材をひっくり返す手間なし

さらにもっといろんな機能が! /
おいしい 7days はこちら ▶

Proposed ways of using Panasonic products to efficiently get the most out of Oisix ingredients.

Overseas Service

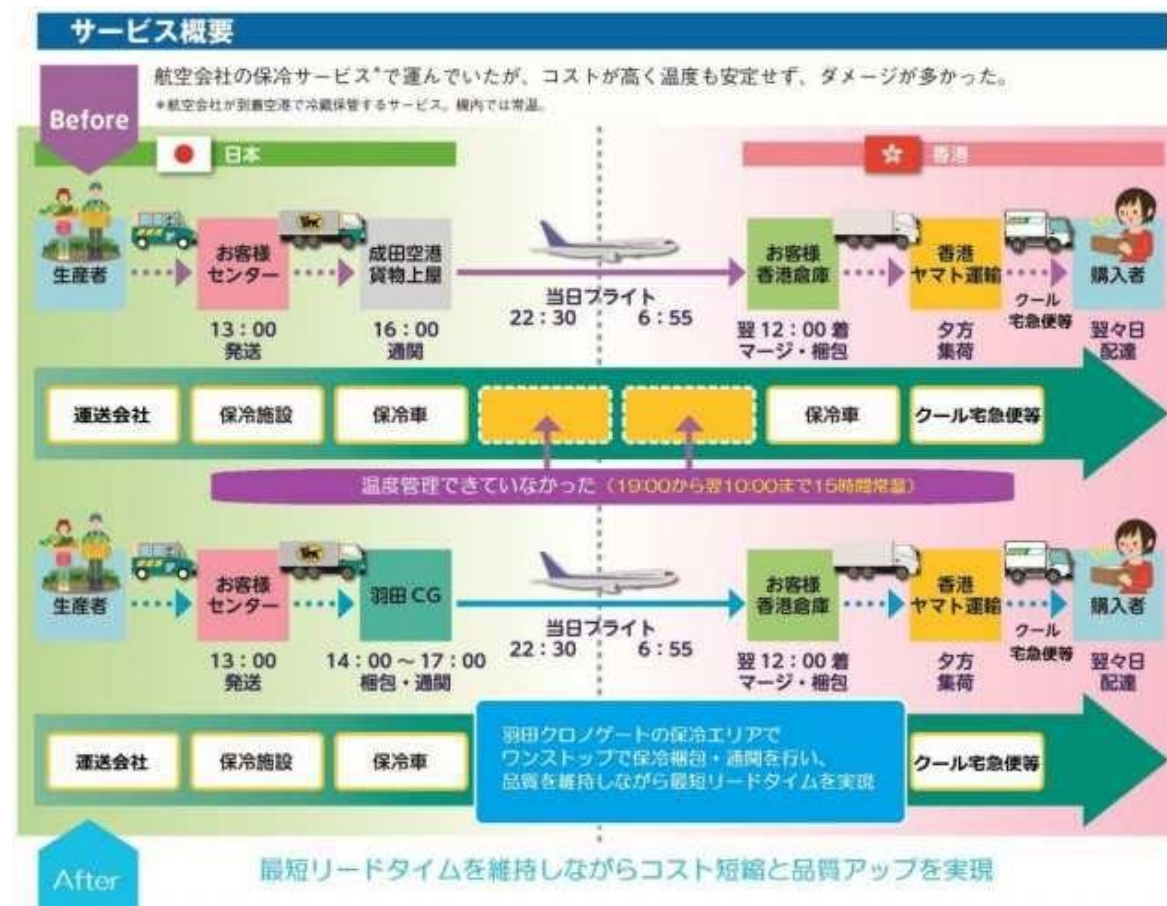
Yamato Global Logistics Japan have introduced a low temperature air cargo service with 15% reduction in product losses and 10% lower transportation costs.



ヤマトグローバルロジスティクスジャパン



Oisix.daichi



Oisix.daichi

Support for farmers to adopt GAP

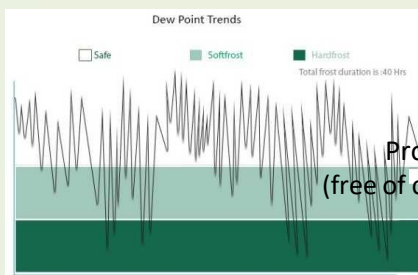
Supporting the adoption of Good Agricultural Practice by farmers, by providing guidance and paying certification inspection fees. Have begun development of a production management app which will make GAP easier to implement.

■ Oisix.daichi, DWMK



Oversight

■ Production Management App (launch slated for Autumn 2017)



Free GAP adoption guidance,
payment of inspection fees

Purchase of agricultural products

Delivery of agricultural products

■ GAP Certified Farmers

■ Farmers
under
contract



■ Farmers not under contract



Provided with app
(free of charge for time being)

Provided with app
(free of charge for time being)

※ GAP (Good Agricultural Practice) : A principled way to manage agricultural production processes

※ Images are for illustrative purposes

Oisix.daichi

FY3/2018 Strategy & Action

1. Growth of Home Delivery Business

- (1) Strengthening of Premium Jitan value
 - Evolution of Kit Oisix
 - Development of Premium Jitan products
- (2) Strengthening of the Brand
- (3) Exploring synergies with Daichitakuhai
- (4) Initiatives with Lawson, Inc.

1. Growth of Business other than Home Delivery

3. Expansion of infrastructure for mobile sales platforms for “Shopping Refugees”

Expansion of infrastructure for mobile sales platforms for “Shopping Refugees”

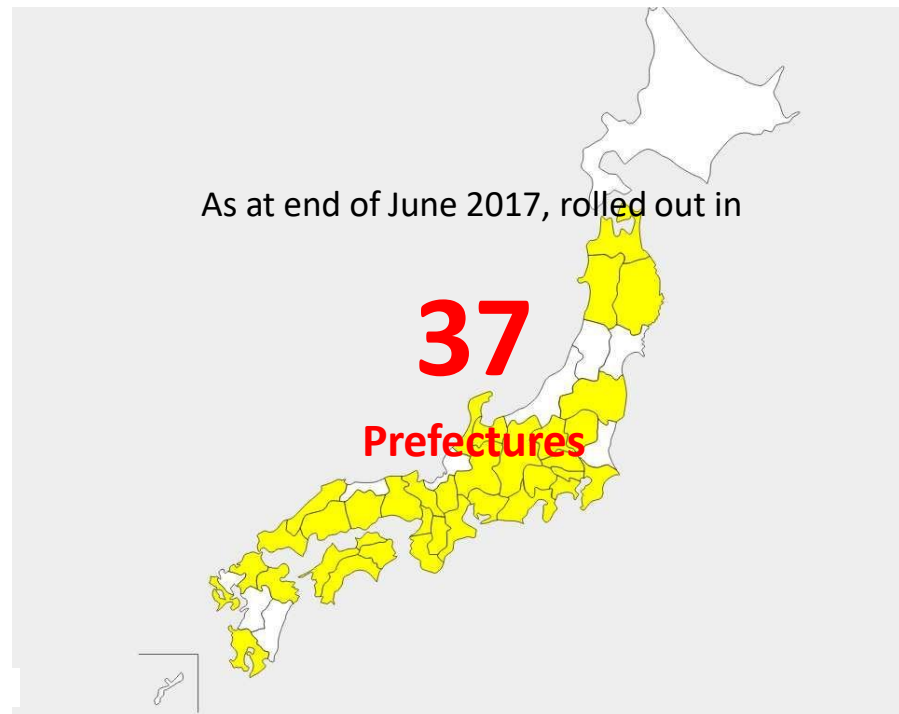
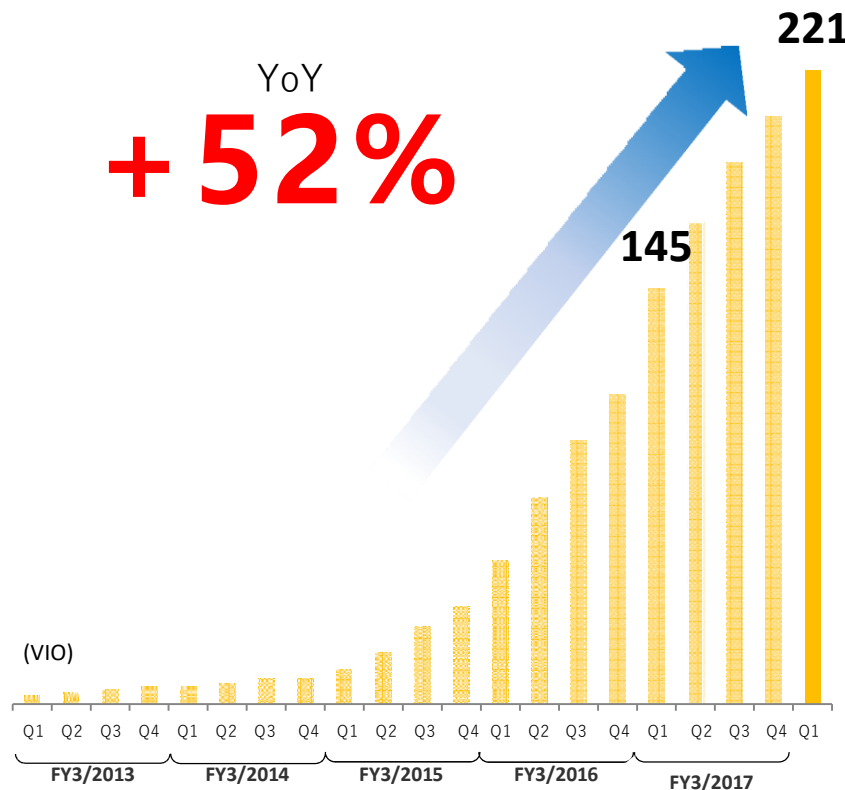
Tie-up with major supermarket operators Inageya and Comodilida (218 stores between them, mostly in the Kanto region)!



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

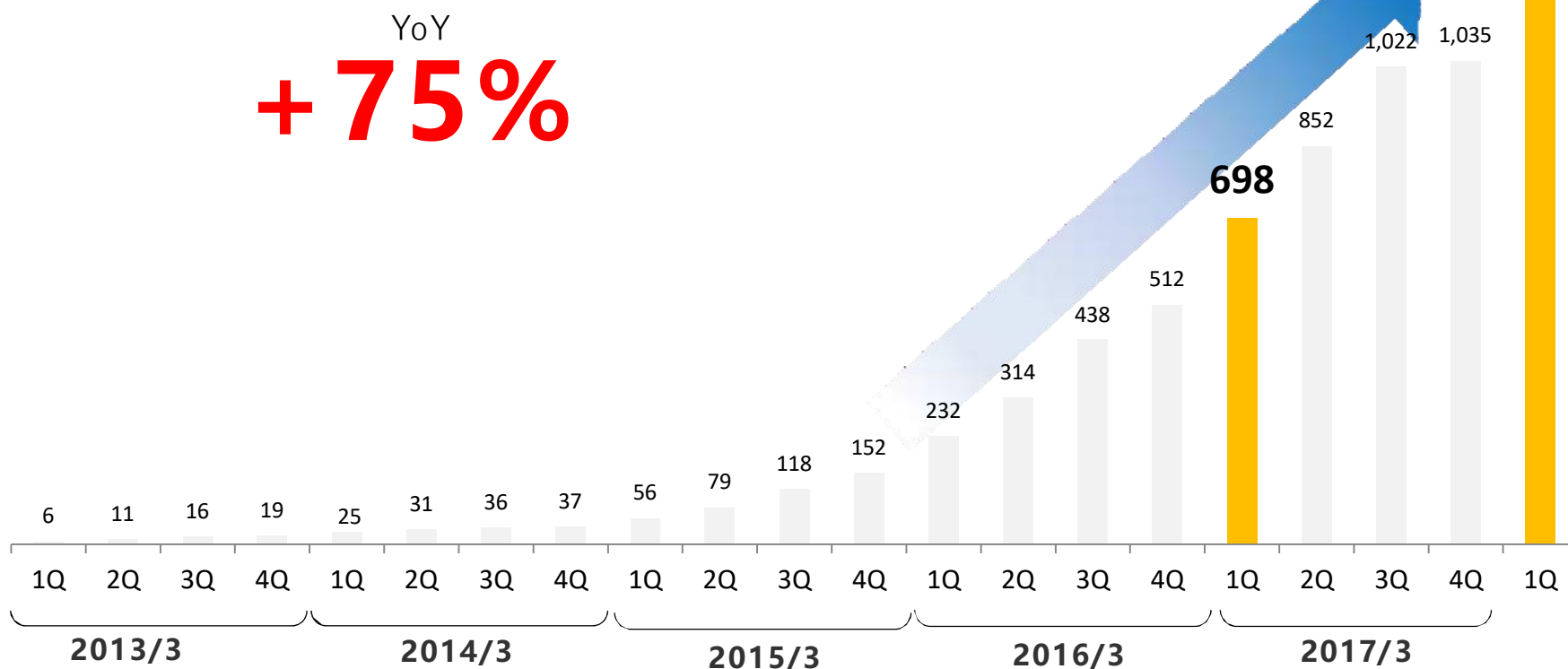
Tokushimaru : Number of Vehicles in Operation (VIO)

Positive effects of becoming a subsidiary, for example management support and stronger staffing, translated into +76 VIO and **52%** growth YoY.



Tokushimaru : Total Transaction Value

Strengthening of the supervising function on sales method resulted in the increase in sales per VIO. FY3/2018 Q1 Total Transaction Value* grew by **75%** YoY to **¥1.22bn**. (Unit ¥mn)



*Total transaction value = Value of goods sold (Oisix.daichi revenue = Royalties from each vehicle)

Contents



FY3/2018
Social
Activities

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 places for children in developing countries to eat



TO DATE, OISIX HAS DELIVERED (AS AT END OF JUNE 2018)

APPROX. 3.68 MILLION LUNCHES

*Cumulative 2009 – end-March 2017 1 lunch = ¥20

Official Supplier to Japanese Wheelchair Rugby

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



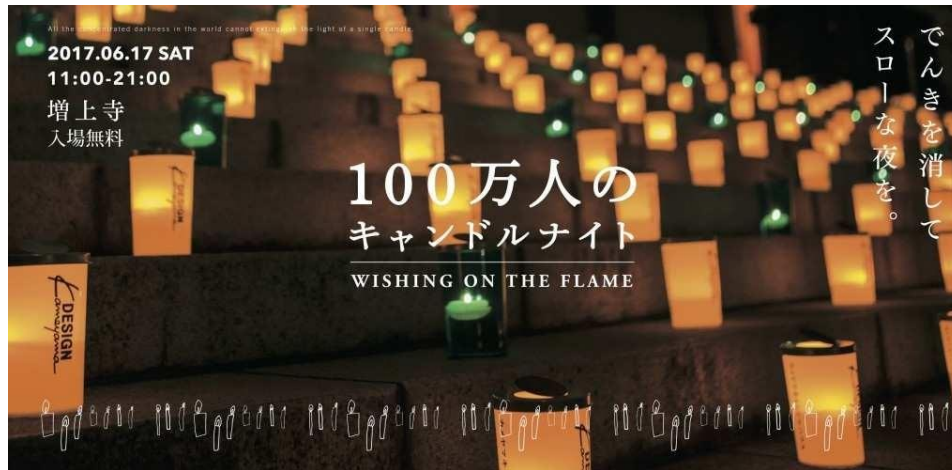
■ Supporting rejuvenation of Wheelchair Rugby's website



Oisix.daichi

Hosted “A Million People Candlesnight @ Zojoji 2017”

This year's theme: Peace. Candles inside lanterns on which messages of peace had been written were lit. The event was attended by around 5,500 visitors.



A Million People's Candlesnight Festival.

An event that advocates each one of us turns off the lights, etc., to spend two hours, from 8pm to 10pm on the nights of the summer and winter solstice, in quiet contemplation by candlelight.

Food-related Workshop Program

In collaboration with Mother Dictionary Co., we sponsor workshop programs that are all about food. Carrying out activities to create opportunities for kids to deepen their curiosity about food and enjoy eating it.



Mother Dictionary Co.,
CEO: Kisako Kuwahara

Operates “Diakanyama Teens Creative” a place where children can paint dreams and generate possibilities, and “Kazoku no Atelier” a support center for children and parents in Shibuya-ku. Also undertakes planning, creative and production work, as well as facility management, editing and administration, etc.

Oisix.daichi