



30 January 2018.

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**Resolution of Basic Agreement Regarding Business Alliance with NTT DOCOMO and
Subscription of New Shares via Third-party Allocation**

Oisix.daichi Inc (hereafter the Company) hereby announces that at a meeting of its Board of Directors on 30 January 2018, a resolution was passed to enter into a Basic Business Alliance Agreement with NTT DOCOMO, Inc. (hereafter DOCOMO) and to issue new shares for third-party allocation (hereafter 3rd Party Allocation) to DOCOMO.

NOTICE

1. Entry into Basic Agreement

1.1. Background to and Objectives of Entry into this Basic Agreement

The Company has built its business on the principle of providing services that enable a better food life for more people, to become a pioneer in the field of fresh food home delivery. In an environment focused on reforms in work practices and support for women entering the work force, our home delivery service, armed with a network of producer farmers supplying safe and secure ingredients on the one hand, and easy on-line ordering systems on the other, has found strong support among the busy households in the 30~40 year-old category. In particular, our core “Kit Oisix” products (meal kits containing recipes and all necessary ingredients) have proven to be especially popular.

DOCOMO, meanwhile, commands an enormous subscriber customer base, and under its “Smart Life” business initiative, has been developing and implementing such services as ABC Cooking Studio and the likes of “d-gourmet” a total food service initiative. DOCOMO also owns as a subsidiary a membership-type food delivery business called Radishbo-ya Co., Ltd (hereafter Radishbo-ya). Through Radishbo-ya, DOCOMO provides to its members uncompromised security and safety in fresh produce, livestock, fishery, and additive-free processed food products.

In recent years, amid increased smartphone penetration and the growing diversification of sales channels utilizing SNS and other services, consumer requirements of the EC industry have also diversified in tandem with changes in lifestyles and values, such as the increase of double income households and a greater awareness of health issues. Meanwhile, in the field of fresh produce/ food home delivery, competition is anticipated to intensify with new entries from the GMS retail sector, the on-line sector, and other domestic and overseas businesses. Competition is

being driven by rapid growth in demand for meal kits and other time-saving products that has fed into expansion in demand for food and food ingredient home delivery services.

It was under such circumstances that the Company, beginning in autumn 2017, began discussions with DOCOMO pertaining to the possibility of collaborative business opportunities. In the wake of many discussions, the Company decided to enter into a Basic Business Alliance Agreement (hereafter, Basic Agreement) with DOCOMO with respect to EC related businesses focused on meal kits (hereafter, “The Business”).

The Basic Agreement makes assumption that efficient allocation and utilization of the assets and skill set of the parties to the transaction will be promoted. In this regard, the two companies have agreed to initiate discussion of the particular aspects to bring about the early realization of the Business.

1.2. Details of Parties Entering into Basic Agreement

Details of DOCOMO are as described below in “Article 2: Issuance of New Shares via Third-party Allocation - Paragraph 2.6.1 Overview of the planned purchaser of the allotted shares.”

1.3. Schedule

(1)	Board of Director Resolution	30 January 2018
(2)	Conclusion of Basic Agreement	30 January 2018

2. **Issuance of New Shares via Third-party Allocation**

2.1. Overview of Offering

(1)	Payment Date	28 February 2018
(2)	Number of New Shares to be Issued	250,000 Shares of Common Stock
(3)	Issue Price	JPY 2,520 per Share
(4)	Aggregate Funding Amount	JPY 630,000,000
(5)	Method of Offering/ Allocation (Subscriber of Allocated Shares)	Third-party Allocation NTT DOCOMO, Inc.
(6)	Other	Above items conditional on the Securities Notice taking effect pursuant to the Financial Instruments and Exchange Act.

2.2. Purpose and Reason for Current Offering

As noted under paragraph 1 “Entry into Basic Agreement 1.1. Background to and Objectives of Entry into this Basic Agreement,” the Company has agreed to enter into a business alliance with DOCOMO to enhance competitive advantages in the stated business realm but has also decided to enter into a capital alliance. The Company has come to determination that the advancement of current business alliance will contribute to advancement of the Company’s future corporate value. Thus, the Company made determination to issue new shares for third-party allocation to DOCOMO, the planned subscriber of the allocated shares.

2.3. Amount, Use, and Planned Timing of Disbursement Funding

2.3.1. Aggregate Funding Amount

(1)	Aggregate Paid-in Amount	JPY 630,000,000
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(2)	Estimated Expense of Funding Issuance	JPY 3,000,000
(3)	Estimated Net Funding after Expenses	JPY 627,000,000

Note: 1. The estimated issuance expense does not include consumption tax or other taxes.
2. The estimated issuance expense consists of legal fees and other administrative costs (e.g., cost of preparing securities notice).

2.3.2. Specific Use of Funds Procured

Plans call for the estimated 627 million yen cash on hand described above to be invested in the building of a backbone system relating to ordering systems, logistics, production and other elements of the business with DOCOMO, as well as in plant & machinery for the manufacture of meal kits.

	Specific Use	Amount (JPY millions)	Planned Timing of Disbursement
(1)	Cost of backbone system development	300	From April 2018 to March 2019
(2)	Cost of manufacturing plant construction	200	From April 2018 to March 2019
(3)	Cost of manufacturing equipment acquisition	127	From April 2018 to March 2019

*Funds procured will be managed in a bank account until actual disbursement.

2.4. Use of Funds - Consideration of Rationality

In order to advance the Business - EC businesses focused on meal kits, with DOCOMO, the Company considers it essential that funds be implemented as described above in “2.3.2 Specific Use of Procured Funds.” Further, it is the belief of the Company that the earlier the Business can be made to make contribution to the Company’s earnings, the greater will be the Company’s medium to long-term growth in corporate value and the greater the profits for all existing shareholders.

2.5. Issuance Terms - Consideration of Rationality

2.5.1. Grounds for Estimation of Paid-in Amount and Specific Details

The offering price for the current third-party share allocation, as a proxy for recent trends in the Company’s share price, has been set at JPY 2,520 and represents a discount of 10% relative to the JPY 2,800 closing price posted on 29 January 2018 (TSE Mothers Exchange, hereafter “Closing Price Prior to Resolution”), the trading day immediately prior to the holding of the Company’s board of director meeting (30 January 2018).

Computation of the offering price duly takes into consideration the fact that the use of an average over a period of time is deemed to be more rational than the use of single data points in that the former serves to help eliminate abnormalities attributable to peculiar short-term factors. However, it is noted that the average closing price of common shares (TSE Mothers Exchange) that would reasonably be expected to reflect 2Q FY03/2018 results and full-year FY03/2018 forecasts (50-day average closing price between and inclusive of 14 November 2017 and 29 January 2018) is equal to JPY 2,477. This represents an 11.5% discount relative to the JPY 2,800 Closing Price Prior to Resolution. This point was duly considered with the scheduled subscriber in reaching agreement on the offering price.

Note the offering price of JPY 2,520 is at a discount of 4.2% to the average JPY 2,631 closing price over the prior one-month up to 29 January 2018 (the day preceding the Board of Directors meeting on 30 January 2018), at a premium of 3.8% to the average JPY 2,428 closing price over the three month period until said day preceding, and at a premium of 10.6% to the average JPY 2,278 closing price over the six month period until said day preceding (all averages rounded to the nearest 1 JPY). Furthermore, this offering price is in accordance with the “Rules Concerning Handling of Allotment of New Shares to Third Party, Etc.” of the Japan Securities Dealers Association, which provide that the payment amount shall in principle be at least an amount determined by multiplying, by a ratio of 0.9, the closing price of the day immediately preceding the date of the Board of Directors’ resolution.

The Company has received from its three statutory auditors (all 3 of whom are external statutory auditors) an opinion stating that, having been determined to be in compliance with the above mentioned “Rules Concerning Handling of Allotment of New Shares to Third Party, Etc.” of the Japan Securities Dealers Association, the above mentioned offering price is reasonable and for the reasons given above does not constitute an amount particularly advantageous to the scheduled subscriber of the allocation of shares.

2.5.2. Grounds for determining that the number of shares issued and the scope of dilution of shares are reasonable

The number of 250,000 shares (2,500 voting rights) to be allocated to the planned subscriber of the allocated shares through this third-party allocation corresponds to 3.12% (3.14% of total voting rights) of the total number of 8,013,289 shares (79,665 total voting rights) of the Company stock issued and outstanding as of September 30, 2017. Accordingly, it is recognized that it will result in some dilution. However, we believe the establishment of a capital alliance with DOCOMO will strengthen our ties for the advancement of the Business with said company and also contribute to the future increase in our corporate value. For these reasons, we deemed the number of shares to be issued through this third-party allocation and the scope of dilution of shares to be reasonable.

2.6. Reasons for Selecting Planned Subscriber of Shares via Third-party Allocation

2.6.1. Overview of the planned purchaser of the allotted shares

(1)	Name	NTT DOCOMO, Inc.	
(2)	Location (Head Office)	2-Chome 11-1 Nagatacho, Chiyoda-ku, Tokyo, Japan	
(3)	Name & Title of Representative	Kazuhiro Yoshizawa, President and Chief Executive Officer	
(4)	Business Description	Telecommunications, smart life business, other business	
(5)	Capital	949,679 million yen (as of 31 March 2017)	
(6)	Date of Establishment	14 August 1991	
(7)	Shares Outstanding	3,899,563 thousand shares (as of 31 March 2017)	
(8)	End of Accounting Year	March	
(9)	Number of employees	26,734 (Consolidated) (as of 31 March 2017)	
(10)	Main Customers	—	
(11)	Main Bank	Mizuho Bank, Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
(12)	Major shareholders and shareholding ratio	Nippon Telegraph and Telephone Corporation	63.32%
		The Master Trust Bank of Japan, Ltd. (Trust	1.85%

(as of 31 March 2017)	Account)		
	Japan Trustee Services Bank, Ltd. (Trust Account)	1.68%	
	Barclays Securities Japan Limited	1.03%	
	State Street Bank and Trust Company (Standard Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Business Department)	0.85%	
	Japan Trustee Services Bank, Ltd. (Trust Account 5)	0.69%	
	State Street Bank West Client – Treaty 505234 (Standard Proxy: Mizuho Bank, Settlement Department)	0.58%	
	The Bank of New York Mellon as Depositary Bank for Dr Holders (Standard Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	0.54%	
	Japan Trustee Services Bank, Ltd. (Trust Account 9)	0.54%	
	Japan Trustee Services Bank, Ltd. (Trust Account 1)	0.52%	
	(13) Relationship between Companies	Capital Ties	There are no notable capital ties.
Personal Ties		There are no notable personal ties.	
Business Ties		There are no notable business ties.	
Related Parties		Neither NTT DOCOMO nor any of its affiliates or affiliated companies is a related party of the Company.	
(14) Results of operations and financial conditions for the past 3 years (JPY millions)			
Accounting Period	FY 03/15	FY 03/16	FY 03/17
Consolidated Capital	5,402,616	5,343,105	5,561,146
Consolidated Assets	7,146,340	7,214,114	7,453,074
Shareholder Equity per Share (JPY)	1,386.09	1,409.94	1,492.91
Consolidated Sales	4,383,397	4,527,084	4,584,552
Consolidated Operating Profits	639,071	783,024	944,738
Consolidated Net Income Attributable to the Company	410,093	548,378	652,538
Consolidated Net Income per Share (JPY)	101.55	141.30	175.12
Dividend per Share (JPY)	65.00	70.00	80.00

Note: The planned subscriber of new shares is listed on the Tokyo Stock Exchange (TSE) and the Company has determined that neither the planned subscriber nor its officers are anti-social forces. The Corporate Governance Report (last updated 27 June 2017) submitted by the planned subscriber to the TSE describes its basic policies and status regarding the eradication of anti-social forces and its categorical rejection of any demands to engage in illegal or morally dubious activities.

2.6.2. Reasons for selecting the subscriber

See Paragraph “2.2 Purpose and Reason for Current Offering” above for the reasons why we selected DOCOMO as the planned subscriber.

N.B. Please refer to “1. Entry into Basic Agreement 1.1. Background to and Objectives of Entry into this Basic Agreement” above for the Basic Agreement’s main content.

2.6.3. Shareholding policies of the planned purchaser of the allocated shares

We have confirmed with the planned subscriber of the share allocation that it plans to hold the shares for the medium to long-term. Also, according to the its policy relating to strategic shareholdings described in the Corporate Governance Report submitted by the planned subscriber of the share allocation, the planned subscriber of the share allocation intends to maintain a level of stock deemed necessary from the perspective of increasing corporate value and in overall consideration of strengthening ties and advancing cooperation with partners in various industries, and that as regards its strategic shareholdings’ voting rights, it will exercise them appropriately as a shareholder from the perspective of sustainable growth and increased corporate value of the company in which they have invested.

2.6.4. Confirmation of the presence of the assets needed for payment by the planned subscriber of the allocated shares

Having confirmed the status of total assets, net assets and other items in financial statements submitted by the planned purchaser of the allotted shares for the second quarter of the fiscal year ending March 2018, and having carried out interviews to assess the authenticity of the planned purchaser’s means of fund procurement, its shareholding status and future outlook, we have determined there are no issues concerning the status of funds required for payment.

2.7. Major Shareholders and Percentages of Shares Held Post Current Third-party Allocation

Before (as of 30 September 2017)		After	
Kohey Takashima	15.73%	Kohey Takashima	15.25%
Lawson, Inc.	8.44%	Lawson, Inc.	8.19%
Recruit Holdings Co., Ltd.	8.26%	Recruit Holdings Co., Ltd.	8.01%
BNYM Treaty DTT 10 (Standard Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	5.82%	BNYM Treaty DTT 10 (Standard Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	5.64%
The Master Trust Bank of Japan, Ltd. (Trust Account)	3.95%	The Master Trust Bank of Japan, Ltd. (Trust Account)	3.83%
Japan Trustee Services Bank, Ltd. (Trust Account)	3.90%	Japan Trustee Services Bank, Ltd. (Trust Account)	3.78%
Kazuyoshi Fujita	3.22%	Kazuyoshi Fujita	3.12%
Daisuke Gomi	2.49%	NTT DOCOMO, Inc.	3.02%
Yusuke Tsutsumi	2.24%	Daisuke Gomi	2.42%
Hiromasa Furufu	1.87%	Yusuke Tsutsumi	2.17%

2.8. Future Prospects

We believe this basic agreement and third-party allotment will contribute to the medium to long-term growth of the Company’s corporate value and greater value for our shareholders, and that its effect on FY 03/2018 consolidated results will be slight.

2.9. Procedures under the Corporate Code of Conduct

Since the current third-party allocation (i) involves dilution of less than 25% and (ii) does not

involve a change in controlling shareholders, said allocation does not require an opinion from an independent third-party or procedures to confirm the intentions of shareholders under Article 432 of the Tokyo Stock Exchange's listing regulations.

2.10. Business Performance over the Three Most Recent Years and Status of Equity Finance

2.10.1. Business performance over the three most recent years (consolidated) (JPY millions)

Accounting period	FY 03/15	FY 03/16	FY 03/17
Consolidated Sales	18,060	20,158	23,016
Consolidated Operating Profit	648	774	752
Consolidated Recurring Profit	668	806	778
Net Income Attributable to Owners of the Parent	347	538	515
Consolidated Net Income per Share (JPY)	59.74	90.26	87.47
Dividends per Share (JPY)	—	—	—
Consolidated Net Assets per Share (JPY)	638.07	667.05	1,152.41

*The company switched to consolidated accounting in FY 03/17. Values for previous years FY 03/15 and FY 03/16 are non-consolidated.

2.10.2. Current number of shares issued and outstanding and dilutive number of shares (as of September 30, 2017)

	Shares	Percentage of shares issued and outstanding
Shares issued and outstanding	8,013,289 shares	100.0%
Dilutive shares at current conversion price (exercise price)	219,788 shares	2.7%
Dilutive shares at minimum conversion price (exercise price)	—	—
Dilutive shares at maximum conversion price (exercise price)	—	—

2.10.3. Recent share prices

2.10.3.1 Most recent three year period

	FY 03/15	FY 03/16	FY 03/17
Opening	2,580	2,153	1,824
High	2,948	2,480	2,680
Low	1,555	1,650	1,784
Closing	2,166	1,840	2,336

2.10.3.2 Most recent six month period

	2017 August	2017 September	2017 October	2017 November	2017 December	2018 January
Opening	2,220	2,130	2,125	2,199	2,410	2,567
High	2,223	2,139	2,210	2,422	2,567	2,830
Low	2,087	2,061	2,120	2,155	2,265	2,480
Closing	2,130	2,125	2,182	2,407	2,566	2,800

Note: January 2018 is up to January 29, 2018.

2.10.3.3 Share price on trading day immediately preceding the date of decision on issue

	29 January 2018
Opening	2,796
High	2,830
Low	2,758
Closing	2,800

2.10.4. Conditions of equity finance over the three most recent years

Not applicable

2.11. Overview of Offering

(1)	Number of New Shares Issued	250,000 shares of common stock
(2)	Issue Price	JPY 2,520 per share
(3)	Aggregate Funding Amount	JPY 630,000,000
(4)	Amount Credited to Equity	JPY 1,260 per share
(5)	Total Amount Credited to Equity	JPY 315,000,000
(6)	Method of Offering	Third-party allocation
(7)	Deadline for Application	28 February 2018
(8)	Payment Date	28 February 2018
(9)	Planned purchaser of the allotted shares & number of shares to be allotted	NTT DOCOMO, Ltd 250,000 shares
(10)	Other	Above items conditional on the Securities Notice taking effect pursuant to the Financial Instruments and Exchange Act.

End