



26 June 2019

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**Notice of Issuance of New Shares via Third-Party Allotment to Yamato Holdings Co., Ltd.  
 and Agriculture, Forestry and Fisheries Fund corporation for Innovation, Value-Chain and Expansion**

Oisix ra daichi Inc (hereafter the Company) hereby announces that at a meeting of its Board of Directors on 26 June 2019, an issuance of new shares via third-party allotment (hereafter the Third-Party Allotment) to Yamato Holdings Co., Ltd. (hereafter Yamato HD) and Agriculture, Forestry and Fisheries Fund corporation for Innovation, Value-Chain and Expansion (hereafter A-FIVE).

NOTICE

1. Overview of Offering

(1)	Payment Date	17 July 2019
(2)	Number of New Shares to be Issued	586,000 Shares of Common Stock
(3)	Issue Price	JPY 1,365 per Share
(4)	Aggregate Funding Amount	JPY 799,890,000
(5)	Method of Offering/ Allotment (Subscriber of Allocated Shares)	The following allocations will be made by third-party allotment. (1) Yamato HD: 219,700 shares (2) A-FIVE: 366,300 shares
(6)	Other	Above items conditional on the Securities Notice taking effect pursuant to the Financial Instruments and Exchange Act

2. Purpose and Reason for Current Offering

In the EC industry in recent years, sales channels are diversifying by the spread of smartphones and the use of SNS. Furthermore, the competition in the market is intensifying because of the increasing in logistics costs due to the shortage of delivery personnel, and the entry into the home delivery service business of major retailers. On the other hand, as a result of the diversification of human resources, demand for meal kits, which allow people to enjoy handmade meals without having to take time, is growing dramatically. The global meal kit market is expected to reach nearly \$9 billion by 2025, and similar market growth is expected to continue in Japan.

Against this backdrop, in February 2018, we made Radishboya Co., Ltd., a member-based food delivery company with a history of approximately 30 years, a subsidiary. In October 2018, we merged the two companies to maximize their synergies. In the domestic food e-commerce market, we worked to establish the uniqueness and competitive advantage of the three brands, including Oisix, Daichi Wo Mamoru Kai, and Radishboya.

As a result, for the fiscal year ending March 31, 2019, we achieved net sales of 64.0 billion yen and operating income of 2.3 billion yen, which is significantly higher than the previous fiscal year's net sales of 40.0 billion yen and operating income of 0.9 billion yen.

At the same time, in order to achieve further competitive advantage in this field, we must reduce costs in procurement logistics and consolidate the logistics and delivery functions of each of our 3 brands to solve problems and improve efficiency across the entire supply chain.

Yamato HD aims to contribute to the realization of a prosperous society by leveraging the information, logistics, settlement, and other functions as well as the delivery network consisting of approximately 60 thousand sales drivers and approximately 7 thousand distribution centers throughout Japan.

Yamato Transport, a subsidiary of Yamato HD, is a business partner that consigns the majority of our logistics.

In 2017, the Company and Yamato Transport have launched the "VegeNeco project" as a joint effort to build an open platform that offers 1-stop, efficient delivery from Producers ordering to customers.

It was under such circumstances that the Company and Yamato Transport concluded a basic agreement on the promotion "VegeNeco project", as well as on mutual cooperation and consideration to resolve social issues in the entire food distribution supply chain that make full use of the marketing and logistics assets of both companies.

In addition, through this third-party allotment, we determined that building a capital alliance and promoting comprehensive mutual cooperation in the food distribution supply chain would contribute to the improvement of the future corporate value of the Company.

A-FIVE, the other recipient of the allotment, is providing investment and growth support to businesses in order to further strengthen and grow the Japanese agriculture, forestry and fisheries industries. The Company and A-FIVE are committed to developing the Japanese food industry, the Company and A-FIVE will engage in activities that contribute to the enhancement of the value of businesses in which A-FIVE invests and supports growth.

The Company will launch "Craft Market" on June 27 at our sales site, which gathers ingredients from small-scale producers, manufacturers and start-up companies with unique technologies and manufacturing methods. And we will sell the products of businesses in which A-FIVE invests and supports growth, such as Tsuno Wine Co., Ltd., which has received high praise worldwide, at this new section.

Through the Third-Party Allotment, the Company we determined that building a capital alliance and promote comprehensive mutual cooperation in the food distribution supply chain would contribute to the improvement of the future corporate value of the Company.

On the other hand, in the event of the Third-Party Allotment, the Company temporarily dilutes the shareholding ratio of the Company's shareholders. Therefore, the Company has been carefully considering the scale of the third-party allotment and the selection of the companies to be allotted.

As a result, we determined that it would be reasonable to allot funds to third parties, considering the urgent need to raise funds quickly and reliably for the construction of the supply chain network and the scale of our management and fund procurement, and that it would be in the interests of our shareholders to improve our corporate value through the Third-Party Allotment.

The total amount of funds to be raised through the issuance of new shares will be JPY 799,890,000 (the estimated net proceeds will be JPY 796,890,000)

※Source : Global Meal kit Delivery Service Market Size And Forecast, By Type (Fresh Food, Process Food) And Trend Analysis, 2015 – 2025

<<https://www.hexaresearch.com/research-report/meal-kit-delivery-service-market>>

### 3. Amount, Use, and Planned Timing of Disbursement Funding

#### (1) Aggregate Funding Amount

(1)	Aggregate Paid-in Amount	JPY 799,890,000
(2)	Estimated Expense of Funding Issuance	JPY 3,000,0000
(3)	Estimated Net Funding after Expenses	JPY 796,890,000

- (Note) 1. The estimated issuance expense does not include consumption tax or other taxes.
2. The estimated issuance expense consists of approximate amount of issuance cost calculation expenses, registration expenses, investigation expenses, etc..

#### (2) Specific Use of Funds Procured

Plans call for the estimated JPY 796 million cash on hand described above to be invested for capital expenditures to build a network for the entire food distribution chain.

Specific Use	Amount (JPY millions)	Planned Timing of Disbursement
Costs of capital expenditures to build a network for the entire food distribution chain	796	From July 2019 to March 2022

Specifically, we plan to allocate funds to the construction of our distribution centers and system costs for the construction of our supply chain network.

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

### 4. Use of Funds - Consideration of Rationality

In order to acquire a more competitive advantage in the domestic food e-commerce delivery field, as described in 3. (2) Specific Use of Funds Procured, the Company considers it is essential to make capital investments in the construction of a network of the entire food distribution supply chain. Further, the Company believes that contributing to our earnings more quickly will lead to the enhancement of our medium-to long-term corporate value and the benefit of our existing shareholders.

### 5. Issuance Terms - Consideration of Rationality.

#### (1) Grounds for Estimation of Paid-in Amount and Specific Details

The issue price of the Third-Party Allotment was JPY 1,365 (all averages rounded to the nearest 1 JPY) which is the average closing price of our common stock on the Tokyo Stock Exchange Mothers Market on the 30 business days immediately preceding the meeting of the Board of Directors held on 26 June 2019 (from 15 May 2019 to 25 June 2019).

In calculating the issue price, we believe it is reasonable, in principle, to use an average value for a certain period in order to eliminate the effects of temporary fluctuations in stock prices and other extraordinary factors. The 30 business days immediately prior to the announcement (15 May 2019 to 25 June 2019) are considered to be formed by incorporating our consolidated results for the FY03/19 and our consolidated results forecasts for the FY03/20.

The issue price of JPY 1,365 is a 3.2% discount to the closing price of ¥1,410 on 25 June 2019, which is the business day immediately preceding the meeting of the Board of Directors held on 26 June 2019.

This is a 10.0% discount to the average closing price of JPY 1,516 for the 3-month period up to the immediately preceding business day, and 18.3% discount to the average closing price of JPY 1,670 for the 6-month period up to the latest business day.

The above issuance price was based on the guidelines of the Japan Securities Dealers Association, and 3 of the Company's corporate auditors (including 3 outside corporate auditors) agreed that the issuance price was legal because it did not fall under the amount that would be particularly favorable to the proposed allottee for the same reason as described above.

#### (2) Grounds for determining that the number of shares issued and the scope of dilution of shares are reasonable

The number of 586,000 shares (5,860 voting rights) to be allocated to the planned subscriber of the allocated shares through the Third-Party Allotment corresponds to 1.74% (1.75% of total voting rights) of the total number of 33,595,156 shares (335,512 total voting rights) of the Company stock issued and outstanding as of March 31, 2019. Accordingly, it is recognized that it will result in some dilution.

However, the Third-Party Allotment is designed to establish a comprehensive business and capital-related alliance with Yamato HD and A-FIVE to resolve issues and improve the efficiency of the entire food distribution supply chain. In light of the fact that it contributes to the continuous improvement of corporate value, the amount of issuance and dilution of shares through the Third-Party Allotment were judged to be reasonable.

## 6. Reasons for Selecting Planned Subscriber of Shares via the Third-party Allotment

### (1) Overview of the planned purchaser of the allotted shares

#### 1. Yamato HD

(1)	Name	Yamato Holdings Co., Ltd.	
(2)	Location (Head Office)	Ginza Chuo-ku, Tokyo 2-16-10	
(3)	Name & Title of Representative	Nagao Yutaka, President	
(4)	Business Description	Business management of companies engaged in the delivery business, etc.	
(5)	Capital	JPY 127,234 million (As of Mar 31, 2019)	
(6)	Date of Establishment	Nov 29, 1919	
(7)	Shares Outstanding	411,339,992 shares (As of Mar 31, 2019)	
(8)	End of Accounting Year	March	
(9)	Number of employees	(Consolidated) 225,125 (As of Mar 31, 2019)	
(10)	Main Customers	—	
(11)	Main Bank	Mizuho Bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Norinchukin Bank.	
(12)	Major shareholders and shareholding ratio (as of 31 March 2019)	The Master Trust Bank of Japan, Ltd. (Trust Account)	10.70%
		Japan Trustee Service Bank, Ltd. (Trust Account)	6.57%
		JP Morgan Chase Bank, N.A. 380055	6.23%
		Yamato Group Employee Shareholding Association	4.76%
		Yamato Holdings Co., Ltd.	4.15%
		Nippon Life Insurance Company	3.59%
		Meiji Yasuda Life Insurance Company	3.48%
		Mizuho Bank, Ltd.	2.49%
		SSBTC client omnibus account	2.29%
		Yamato Group Business Partner Shareholding Association	1.99%
(13)	Relationship between Companies	Capital Ties	There are no notable capital ties.
		Personal Ties	There are no notable personal ties
		Business Ties	The Company outsource transportation to Yamato Transport, a subsidiary of Yamato HD, and are working together with Yamato Transport on the "VegeNeco project".
		Related Parties	Neither Yamato HD 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 03/17	FY 03/18	FY 03/19
Consolidated net assets	545,559	557,586	573,388
Consolidated total assets	1,114,672	1,114,870	1,123,659
Consolidated net assets per share (yen)	1,367.51	1,395.74	1,435.15
Consolidated operating revenue	1,466,852	1,538,813	1,625,315
Consolidated operating income	34,885	35,685	58,345
Consolidated Net Income Attributable to the Company	18,053	18,231	25,682
Consolidated Net Income per Share (yen)	45.37	46.24	65.14
Dividend per Share (JPY)	27.00	27.00	28.00

## 2. A-FIVE

(1) Name	Agriculture, Forestry and Fisheries Fund corporation for Innovation, Value-Chain and Expansion		
(2) Location (Head Office)	5th Floor, PMO Hanzomon, 2-1 Kojimachi, Chiyoda-ku, Tokyo		
(3) Name & Title of Representative	Mitsumasu yasuihiro		
(4) Business Description	Investment, etc. in Supported Business Operators and Supported Business Restructuring, etc.		
(5) Capital	JPY 17,551 million (As of Mar 31, 2018)		
(6) Date of Establishment	Jan 23, 2013		
(7) Shares Outstanding	638,040 shares (as of Mar 31, 2018)		
(8) End of Accounting Year	March		
(9) Number of employees	35 (as of Mar 31, 2018)		
(10) Main Customers	—		
(11) Main Bank	—		
(12) Major shareholders and shareholding ratio (as of 31 March 2018)	Minister of Finance		94.04%
(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 A-FIVE 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 03/16	FY 03/17	FY 03/18
Net assets	28,785	27,354	25,533
Total assets	28,889	27,504	25,704
net assets per share (JPY)	45,257	42,873	40,018
Net sales	119	215	400
Operating income	Δ1,158	Δ1,540	Δ1,816
Ordinary income	Δ1,161	Δ1,527	Δ1,803
Consolidated Net Income Attributable to the Company	Δ1,165	Δ1,530	Δ1,821
Consolidated Net Income per Share (JPY)	Δ1,832	Δ2,401	Δ2,855
Dividend per Share (JPY)	0.00	0.00	0.00

(Note) Through Nikkei Telecon and Tokyo Shoko Research, the Company investigated the fact that Yamato HD is not an individual, juridical person or other organization (hereinafter Specified Organization, Etc.) who intends to enjoy economic benefits by using violence or power, or by committing fraud or other criminal acts, and that the destination of the allocation is not related to any specified organization, etc. Yamato HD is a listed company on the Tokyo Stock Exchange, and the Company confirmed the "Basic Approach to Eliminating Anti-Social Forces and Development Status" in the "Items Related to the Corporate Governance Report IV Internal Control System, etc." filed by Yamato HD with the Tokyo Stock Exchange on April 1, 2019, and concluded that Yamato HD is not a Specified Organization, Etc.

Similarly, the Company conducted a survey of A-FIVE through Nikkei Telecon Co., Ltd. and Tokyo Shoko Research, Ltd. and submitted a written confirmation to the Tokyo Stock Exchange in light of the fact that the Company was a joint-venture company established by the public and private sectors under the Agriculture, Forestry and Fisheries Development Corporation Assistance Corporation Law and that the major shareholder is the Government of Japan, and that the scheduled allottee has no relationship with the specific organizations, etc. and has submitted a written confirmation to the Tokyo Stock Exchange.

## (2) Reasons for selecting the proposed allottee

In 2017, the Company and Yamato Transport, a subsidiary of Yamato HD, launched the "VegeNeco project" to build an open platform that offers 1-stop, efficient delivery of Producers from ordering to delivery to customers.

As a result of repeated discussions between the Company and Yamato HD regarding the development of a network for the entire food distribution chain in the future, we determined that promoting comprehensive mutual cooperation, including capital alliances, would contribute to the enhancement of our corporate value in the future. Therefore we have selected Yamato HD as the proposed allottee.

With regard to A-FIVE, The policy of investment and growth support to agroforestry and fishery businesses for further development of agroforestry and fisheries aimed by A-FIVE is close to our business philosophy

In addition, the Company will launch "Craft Market" on June 27 at our sales site, which gathers ingredients from small-scale producers, manufacturers and start-up companies with unique technologies and manufacturing methods. the Company is going to sell the products of businesses in which A-FIVE invests and supports growth, such as Tsuno Wine Co., Ltd., which has received high praise worldwide, at this new section.

Under these circumstances, as a result of repeated discussions between the Company and A-FIVE regarding establishing a capital alliance and promoting comprehensive mutual cooperation in the agricultural business support and food distribution supply chain would contribute to the improvement of the future corporate value of the Company. Therefore we have selected A-FIVE as the proposed allottee.

## (3) Shareholding policies of the planned purchaser of the allocated shares

The Company have confirmed orally and in writing that the shares to be acquired through the Third-Party Allotment are held from a long-term strategic perspective and are not for short-term trading purposes from the planned allottee

Regarding Yamato HD, according to the its policy relating to strategic shareholdings described in the Corporate Governance Report submitted by the planned subscriber of the share allotment, the planned subscriber of the share allotment 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.

We plan to acquire a firm commitment from each scheduled allottee that, in the event of the transfer of all or part of such shares within 2 years from the payment date, we will promptly report the contents thereof in writing to us, that we will report the contents of the report to the Tokyo Stock Exchange, and that the contents of the report will be made available for public inspection.

(4) Confirmation of the presence of the assets needed for payment by the planned subscriber of the allocated shares

With regard to the funds required for the payment of new shares issued by the Third-Party Allotment, the Company has grasped the status of total assets and net assets based on the latest financial statements of the parties scheduled for both allotments, and has held hearings with the parties scheduled for allotment as to the means of funding procurement, holding status, future prospects, and certainty of the funds. The Company has determined that there is no problem as the status of funds required for the payment.

7. Major Shareholders and Percentages of Shares Held Post the Third-Party Allotment

Before (as of 31 March 2019)		After	
Kohey Takashima	15.34%	Kohey Takashima	15.08%
Lawson, Inc.	8.06%	Lawson, Inc.	7.92%
Recruit Holdings Co., Ltd.	7.88%	Recruit Holdings Co., Ltd.	7.75%
BNYM Treaty DTT 10 (Standard Proxy: The Bank of TokyoMitsubishi UFJ, Ltd.)	4.52%	BNYM Treaty DTT 10 (Standard Proxy: The Bank of TokyoMitsubishi UFJ, Ltd.)	4.44%
The Master Trust Bank of Japan, Ltd. (Trust Account))	3.57%	The Master Trust Bank of Japan, Ltd. (Trust Account)	3.52%
Japan Trustee Services Bank, Ltd. (Trust Account)	3.47%	Japan Trustee Services Bank, Ltd. (Trust Account)	3.41%
Kazuyoshi Fujita	3.07%	Kazuyoshi Fujita	3.02%
NTT DOCOMO, Inc.	2.97%	NTT DOCOMO, Inc.	2.93%
Yusuke Tsutsumi	2.14%	Yusuke Tsutsumi	2.11%
Daisuke Gomi	2.08%	Daisuke Gomi	2.05%

8. Future Prospects

We believe this basic agreement and the 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 03/2020 consolidated results will be slight.

9. Procedures under the Corporate Code of Conduct

Since the Third-Party Allotment (i) involves dilution of less than 25% and (ii) does not involve a change in controlling shareholders, said allotment 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.

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

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

Accounting perio	FY03/17	FY03/18	FY03/19
Consolidated Sales	23,016	39,987	64,026
Consolidated Operating Profit	752	891	2,312
Consolidated Recurring Profit	778	937	2,301
Net Income Attributable to Owners of the Parent	515	237	2,387
Consolidated Net Income per Share (JPY)	21.87	7.39	71.38
Dividends per Share (JPY)	0.00	0.00	0.00
Consolidated Net Assets per Share (JPY)	288.10	303.58	371.30

(2) Current number of shares issued and outstanding and dilutive number of shares (as of 31 March, 2019)

	Shares	Percentage of shares issued and outstanding
Shares issued and outstanding	33,595,156 shares	100.0%
Dilutive shares at current conversion price (exercise price)	327,056 shares	1.0%
Dilutive shares at minimum conversion price (exercise price)	—	—
Dilutive shares at maximum conversion price (exercise price)	—	—

(3) Recent share prices

1. Most recent three year period

	FY03/17	FY03/18	FY03/19
Opening	456	587.5	866
High	670	1,050	2,497
Low	446	515	752
Closing	584	864	1,679

2. Most recent six month period

	2019 January	2019 February	2019 March	2019 April	2019 May	2019 June
Opening	1,791	1,655	1,882	1,689	1,640	1,396
High	2,140	1,997	1,969	1,779	1,662	1,561
Low	1,621	1,575	1,590	1,591	1,118	1,350
Closing	1,661	1,887	1,679	1,648	1,420	1,410

(Note) June 2019 is up to June 25, 2019

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

	25 June 2019
Opening	1,386
High	1,424
Low	1,378
Closing	1,410



(4) Conditions of equity finance over the three most recent years

• Third-Party Allotment

Payment Date	28 February 2018
Aggregate Funding Amount	JPY 630,000,000
Issue Price	JPY 2,520 per Share
Number of shares outstanding at the time of subscription	8,013,289 shares
Number of New Shares to be Issued	250,000 shares
Number of shares outstanding after the offering	8,263,289 shares
Subscriber of Allocated Shares	NTT DOCOMO, Inc.
Initial use of funds at the time of issuance	In the e-commerce business centered on meal kits in collaboration with NTT DOCOMO. (1) Cost of backbone system development (2) Cost of manufacturing plant construction (3) Cost of manufacturing equipment acquisition
Planned Timing of Disbursement	From April 2018 to March 2019
Current status of appropriation	Fully appropriated

11. Overview of Offering

(1)	Number of New Shares Issued	586,000 shares of common stock
(2)	Issue Price	JPY 1,365 per share
(3)	Aggregate Funding Amount	JPY 799,890,000
(4)	Amount Credited to Equity	JPY 683 per share
(5)	Total Amount Credited to Equity	JPY 399,945,000
(6)	Method of Offering	Third-Party Allotment
(7)	Deadline for Application	26 June 2019
(8)	Payment Date	17 July 2019
(9)	Planned purchaser of the allotted shares & number of shares to be allotted	(1) Yamato HD : 219,700 shares (2) A-FIVE : 366,300 shares
(10)	Other	Above items conditional on the Securities Notice taking effect pursuant to the Financial Instruments and Exchange Act.

End