



21 May 2019

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Representative Director & CEO
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**Notice of Conclusion of Capital and Business Alliance Agreement with WELCOME Co., Ltd.
which operates DEAN & DELUCA**

Oisix ra daichi Inc. (hereafter the Company) hereby announces that the Company has made WELCOME Co., Ltd. (hereinafter "Welcome") an equity-method affiliate through a capital alliance to subscribe for a third-party allotment of shares, and has concluded a business alliance agreement with Welcome on May 21, 2019. Details are as follows.

Notice

I. Capital Alliance (Subscription of capital increase through third-party allotment)

1. Purpose of Share Acquisition

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, the Company 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, the Company forecasts net sales of 64.0 billion yen and operating income of 2.2 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.

Welcome was founded in 2002 and is engaged in the lifestyle business through retail and restaurant businesses, the manufacture and sale of imported and processed foods, as well as the operation of cafes. Its strengths lie in the management of its restaurant business and the sale of deli and groceries.

We entered into a capital and business alliance agreement in 2013 to provide marketing support for the "DEAN & DELUCA Online Store" operated by Welcome, and to sell DEAN & DELUCA branded products under the "Oichica" operated by the Company.

Under these circumstances, since the end of 2018, the Company has held consultations with Welcome on initiatives aimed at further expanding the businesses of both companies.

With the aim of deepening the business alliance between the two companies and generating greater synergies, the Company has decided to subscribe for a third-party allotment of shares and makes Welcome an affiliate.

2. Summary of Company whose Shares will be Acquired

(1)	Company Name	WELCOME Co., Ltd.		
(2)	Location (Head Office)	1F Daiwa Jingumae Bldg., 2-4-11 Jingumae, Shibuya-ku, Tokyo		
(3)	Name and Title of the Representative	Masaki Yokokawa		
(4)	Business Description	Lifestyle business through retail and food & beverage Manufacturing and sales of imported food and processed foods, cafe operations		
(5)	Year of Establishment	February 2002		
(6)	Relationship between Listed Entity and Current Company	Capital Relations	The Company own a 2.0% equity interest.	
		HR Relations	No relevant human resource relations.	
		Business Relations	We have business relationships including product sales and support for e-commerce businesses.	
(7)	3-Year Business Performance / Financial Standing of Current Company (Unit: million YEN)			
	Fiscal Year	FY 2/2017	FY 2/2018	FY 6/2018
	Net Assets	2,516	2,530	2,554
	Total Assets	8,163	9,033	9,342
	Sales	8,722	12,671	4,664
	EBITDA	491	619	285
	Net Profit	579	26	36

3. Number of Shares to be Acquired, Acquisition Value, and Holdings Before and After Transaction

(1)	Holdings Ratio Prior to Transaction	2.05%
(2)	Shares to be Acquired	18.03%
(3)	Acquisition Value	1.1 Billion YEN
(4)	Holdings Ratio Post Transaction	20.08 %

※As regards to Acquisition Value, the services of an independent third-party assessor was used to secure such data as stock valuation in the name of fairness and validity/ suitability.

4. Schedule of Events

(1)	Board of Director Resolution	21 February 2019
(2)	Transfer of Shares	25 February 2019

II. Business Alliance (Signing of Basic Agreement)

1. Background, Purpose and Content of the Basic Agreement

In connection with the subscription of this third-party allotment of shares, the Company has decided to conclude a basic agreement on a business alliance (hereinafter referred to as the "Basic Agreement") with the aim of generating further synergies.

Under the Basic Agreement, both companies have agreed to begin examining specific matters with the aim of realizing the Alliance Business at an early stage, on the premise that they will promote business alliances by sharing roles using the asset skills of both companies.

Looking ahead, in addition to strengthening our existing initiatives, such as marketing support for web channels and joint product development, we will work to create further synergies, such as launching a logistic reform project for Welcome in both companies.

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