

[Provisional Translation Only]

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Ichigo Inc. (Tokyo Stock Exchange First Section, 2337)
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Business Alliance with OSMIC

Ichigo entered into a business alliance today with Organic Soil (hereafter “OSMIC” in anticipation of its name change on May 1, 2019). OSMIC is a pioneer in smart agricultural solutions, including high-microbe-density organic soils and intelligent greenhouse climate-control systems.

1. Business Alliance Rationale

Ichigo subsidiary Tenuto develops sensor-based technologies for greenhouses that can accelerate plant photosynthesis, and thus increase output of fruits and vegetables by making pin-point adjustments in levels of carbon dioxide.

In turn, OSMIC works with its partner farmers by providing greenhouses that use its microbe-rich soil and climate-control systems to grow high-value produce, which OSMIC then purchases and sells to consumers via its extensive sales and distribution network.

The alliance will combine Tenuto’s carbon dioxide control systems with OSMIC’s greenhouses, generating technology and business synergies that will further boost farmers’ productivity and produce quality. In support of these synergies, Ichigo will swap its 49% stake in Tenuto for a 2.4% stake in OSMIC.

The alliance will also extend to an investment by OSMIC to build a new farm-themed recreational park. The park will run on clean energy and feature smart greenhouses, a restaurant led by a celebrity chef, a farmers’ market, camping sites, and lodging facilities. Ichigo will support the creation of the park by offering its extensive experience and know-how in real estate, hotels, clean energy, and smart greenhouses.

More broadly, Ichigo will work with OSMIC and Tenuto to offer farmers innovative ways to raise their productivity and incomes in support of a broader revival of Japan’s rural economies.

2. Transaction Details

On March 31, 2019, Tenuto became a wholly-owned subsidiary of OSMIC via a share swap in which Ichigo and Tenuto’s founder tendered to OSMIC all of Tenuto’s shares. (Please see “4. Share Swap Details” below.)

Ichigo also signed an agreement today with OSMIC to jointly develop the new farm-themed recreational park.

3. OSMIC Overview

Name	Organic Soil Co., Ltd. (to be renamed OSMIC Co., Ltd. on May 1, 2019)
Address	2-9-8 Nihombashi Kayabacho, Chuo-ku, Tokyo
Representative	Hideyuki Nakagawa, Representative Director
Main Business	<ul style="list-style-type: none"> • Import, manufacture, and sale of soil ingredients • Manufacture and sale of fertilizer and soil • Agricultural business development and consulting • Sale and promotion of agricultural produce
Paid-In Capital	JPY 99.9 million
Establishment Date	May 2015

4. Share Swap Details

	Tenuto Shares	
	Share Swap	Number Held After Swap
Ichigo	-845	0
OSMIC	+1,725	1,725 (100%)

(Note) Includes Tenuto shares swapped between OSMIC and Keita Fujiwara, the founder and Representative Director of Tenuto.

	OSMIC Shares	
	Share Swap	Number Held After Swap
Ichigo	+1,521	1,521 (2.4%)

5. Earnings Outlook

The impact of the business alliance will be reflected in Ichigo's FY20/2 consolidated earnings forecast to be announced on April 17, 2019. Via the business alliance, Ichigo expects both to generate new earnings streams and contribute to the development of Japan's Smart Agriculture industry.