

December 19, 2018

To whom it may concern,

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(code: 4979, TSE 1<sup>st</sup> Section)  
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**Announcement regarding the completion of changes in subsidiaries (stock acquisition)  
(transition of matters to be disclosed)**

This is to announce that the procedures to acquire stock in 20 companies connected with Chrysal Group, as announced in “Announcement regarding the concluding of an agreement to acquire stock in Chrysal (Blue Wave Holding B.V.)”, dated November 19, 2018, were completed on December 19, 2018.

1. Purpose of the transaction and future management policy

Based on our corporate philosophy of “contributing to the people of the world through food production enhancement technologies (agri-technologies) with sincerity”, OAT Agrio provides technologies and services that contribute to the development of the three agri-technologies of pest control and plant protection, fertilization and irrigation, and bio-stimulants. Among our fertilization and irrigation products, in Japan we sell the post-harvest flower and plant care solution “Misaki”, which helps keep flowers and plants fresh post-harvest. Chrysal, the subject of this stock acquisition, is the world’s number one in the field of post-harvest flower and plant care solutions. Its strengths include (1) Chrysal’s global brand strength, (2) a robust supply chain that encompasses the entire range from producers to consumers and (3) a talented pool of human resources.

Chrysal sells its products in around 50 countries worldwide, not only in the main flower and plant producing nations of Colombia, Kenya and the Netherlands, but also demand regions such as Europe, America and Asia.

After the merger, OAT Agrio will be able to leverage Chrysal’s impressive supply chain to develop the global presence of Misaki. In addition, it will be possible to directly promote the spread of OAT products, as well as the products of LIDA, acquired in June of this year, to the manufacturers in the upstream of the supply chain, in other words, the huge pre-harvest market. In addition, we will be able to secure the services of highly talented personnel who are active on the global stage. From Chrysal’s perspective, they will be able to leverage our research centers at Naruto and in India to more rapidly develop more advanced freshness preservation agents and the kinds of new value post-harvest products that the market is demanding. Further, since the two companies share compound (mixing) technologies in the manufacture of powder based products, we will explore the possibilities of reducing costs as we ramp up production volume. In this way, we expect that there will be a synergistic effect in which both companies will be able to make the best use of each other’s strengths and open up the way forward to the next stage.

Through activities that are designed to promote the fostering of a culture of gifting flowers and plants, the newborn OAT Agrio will contribute to the people of the world with a “nutrition of the heart” that is ever more in demand in this day and age.

## 2. Corporate outline of subsidiary

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|---------------------|---|
| (1) Name            | Blue Wave Holding B.V.  |
| (2) Representative  | Peter Vriends (Director)  |
| (3) Head office     | Amsterdam, the Netherlands  |
| (4) Capital         | 1,259 million JPY *Converted at a rate of €1 = 128 JPY (as of December 19, 2018)                        |
| (5) Main businesses | Research and development, manufacture and sales of freshness preservation agents for flowers and plants |

## 3. Impact on business results

The impact on consolidated business results for the current term will be slight, but in the event of any likely impact on business results forecasts, once the details are determined they will be made public in an appropriate manner, in accordance with the Timely Disclosure Rule of the Tokyo Stock Exchange.