

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2016	11,411	4,716	38.0	878.97
December 31, 2015	10,212	4,382	41.6	788.88

Reference: Equity As of September 30, 2016: ¥4,335 million
As of December 31, 2015: ¥4,244 million

2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2015	–	0.00	–	30.00	30.00
Fiscal year ending December 31, 2016	–	0.00	–		
Fiscal year ending December 31, 2016 (Forecast)				30.00	30.00

Note: Revisions to the dividends forecasts most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2016 (from January 1, 2016 to December 31, 2016)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2016	12,500	3.1	1,250	12.4	1,245	12.6	770	13.5	143.12

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
New: 2 Companies PT.OAT MITOKU AGRIO, Runhe (Zhoushan) Plant Science Co., Ltd.

(2) Application of special accounting for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- a. Changes in accounting policies in accordance with changes in accounting standards, etc.: Yes
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None
- d. Restatement: None

Note: For the details, please refer to “2. Matters regarding summary information (Notes), (3) Changes in accounting policies, changes in accounting estimates, and restatement” on page 3 of the attached materials.

(4) Number of shares issued (common shares)

a. Number of shares issued at the end of the period (including treasury shares)

As of September 30, 2016	5,536,000 shares
As of December 31, 2015	5,536,000 shares

b. Number of treasury shares at the end of the period

As of September 30, 2016	603,624 shares
As of December 31, 2015	156,024 shares

c. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2016	5,212,647 shares
Nine months ended September 30, 2015	5,379,998 shares

Note: The Company conducted a 2-for-1 share split on July 1, 2015. The number of shares issued (common shares) was calculated as though the said share split was conducted at the beginning of the fiscal year ended December 31, 2015.

*** Indication regarding execution of quarterly review procedures**

The completion of quarterly review procedures in accordance with the Financial Instruments and Exchange Act is not required for preparing this quarterly financial results report. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly consolidated financial statements in accordance with the Financial Instruments and Exchange Act have been completed.

*** Proper use of earnings forecasts, and other special matters**

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company’s actual results. Actual financial and other results may differ substantially from the statements herein due to various factors.

Attached Materials

Index

- 1. Qualitative information regarding financial results for the first nine months..... 2
 - (1) Information regarding operating results 2
 - (2) Information regarding financial position 2
 - (3) Information regarding consolidated earnings forecasts and other forward-looking statements 2
- 2. Matters regarding summary information (Notes) 3
 - (1) Changes in significant subsidiaries during the period 3
 - (2) Application of special accounting for preparing quarterly consolidated financial statements 3
 - (3) Changes in accounting policies, changes in accounting estimates, and restatement 3
- 3. Quarterly consolidated financial statements 4
 - (1) Consolidated balance sheet..... 4
 - (2) Consolidated statement of income and consolidated statement of comprehensive income..... 6
 - Consolidated statement of income (cumulative) 6
 - Consolidated statement of comprehensive income (cumulative) 7
 - (3) Notes to quarterly consolidated financial statements 8
 - Notes on premise of going concern 8
 - Notes on substantial changes in the amount of shareholders’ equity..... 8
 - Segment information, etc..... 8

1. Qualitative information regarding financial results for the first nine months

(1) Information regarding operating results

In the first nine months of the fiscal year ending December 31, 2016, although the Japanese economy showed signs of modest recovery, the global economic outlook remained uncertain amid concerns of economic slowdown largely in China and other developing countries in Asia, combined with other factors such as a steeply rising yen and falling share prices in wake of the United Kingdom's decision to leave the EU.

As for operating results of the OAT Agrio Group (the "Group"), because the first six months of the fiscal year bring peak demand particularly in the domestic agrichemicals business, results in that period tend to account for a higher proportion of net sales, operating income and other full-year earnings figures.

Amid this situation, the Group actively engaged in sales initiatives to expand sales of all products both in Japan and overseas.

Nevertheless, foreign exchange losses recorded under non-operating expenses were ¥193 million in the first nine months under review, due to adverse effects of the rapidly strengthening yen on the Group's net sales and earnings.

As a result, in the first nine months under review, net sales was ¥10,126 million, up ¥77 million or 0.8% year on year, operating income was ¥1,860 million, up ¥286 million or 18.2% year on year, ordinary income was ¥1,658 million, up ¥86 million or 5.5% year on year and profit attributable to owners of parent was ¥1,056 million, up ¥1 million or 0.2% year on year.

The Group has a single business segment, the AgriTechno Business. The operating results by business fields in this segment are as follows.

In the agrichemicals field, net sales in the domestic market were down year on year largely due to a downturn in shipment volumes of certain products such as the acaricide *Cyflumetofen* and rice herbicides, but sales of agricultural chemicals to overseas markets grew, particularly of *Cyflumetofen*. As a result, overall net sales in the agrichemicals field increased by ¥21 million, or 0.3% year on year, to ¥7,995 million.

In the fertilizer and biostimulant field, the Group secured shipment volume on par with that of the previous fiscal year in the domestic market, and growth in shipment volume primarily of *Atonik*, a plant growth agent, in overseas markets. As a result, overall net sales in the fertilizer and biostimulant field increased by ¥56 million, or 2.7% year on year, to ¥2,130 million.

(2) Information regarding financial position

Total assets as of September 30, 2016, was ¥11,411 million, an increase of ¥1,198 million compared to December 31, 2015. This was mainly the result of increases of ¥1,024 million in cash and deposits and ¥50 million in notes and accounts receivable - trade.

Total liabilities was ¥6,694 million, an increase of ¥864 million compared to December 31, 2015. This was mainly the result of a decrease of ¥214 million in notes and accounts payable - trade and an increase of ¥800 million in short-term loans payable.

Total net assets was ¥4,716 million, an increase of ¥334 million compared to December 31, 2015. This was mainly the result of an increase in retained earnings from profit attributable to owners of parent.

(3) Information regarding consolidated earnings forecasts and other forward-looking statements

The consolidated earnings forecasts for the fiscal year ending December 31, 2016, announced in "Consolidated Financial Results for the Fiscal Year Ended December 31, 2015" on February 10, 2016, have not been changed.

2. Matters regarding summary information (Notes)

(1) Changes in significant subsidiaries during the period

PT.OAT MITOKU AGRIO is included in the scope of consolidation effective from the first quarter ended March 31, 2016, due to being newly established. In addition, Runhe (Zhoushan) Plant Science Co., Ltd., a newly established subsidiary, is included in the scope of consolidation in the third quarter ended September 30, 2016.

Although this matter does not constitute a change in a specified subsidiary, Asahi Chemical Europe s.r.o., which was a non-consolidated subsidiary, is included in the scope of consolidation effective from the first quarter ended March 31, 2016, due to an increase in its materiality. Also, OAT AgriFrontier Co., Ltd., a newly established subsidiary, is included in the scope of consolidation in the third quarter ended September 30, 2016.

(2) Application of special accounting for preparing quarterly consolidated financial statements

No items to report.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(Application of Accounting Standard for Business Combinations, etc.)

Effective from the first quarter ended March 31, 2016, the Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc. As a result, the method of recording the amount of difference caused by changes in the Company’s ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after the beginning of the first quarter ended March 31, 2016, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the provisional accounting treatment is reflected in the quarterly consolidated financial statements for the quarterly period to which the date of business combination belongs. In addition, the presentation method for “net income” and other related items was changed, and the presentation of “minority interests” was changed to “non-controlling interests.” To reflect these changes, the Company has reclassified its quarterly and full-year consolidated financial statements for the first nine months of the previous fiscal year and the previous fiscal year.

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided for in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. The Company is applying the said standard, etc. prospectively from the beginning of the first quarter ended March 31, 2016.

These changes in accounting policies have no impact on profit and loss.

(Application of Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016)

Following the revision to the Corporation Tax Act, the Company has applied the “Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016” (ASBJ PITF No. 32, June 17, 2016) from the second quarter ended June 30, 2016, and changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining balance method to the straight line method.

The effect of this change in accounting policy on profit and loss is immaterial.

3. Quarterly consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of December 31, 2015	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	1,901	2,926
Notes and accounts receivable - trade	2,720	2,770
Merchandise and finished goods	2,185	2,159
Work in process	332	152
Raw materials	374	422
Other	384	797
Allowance for doubtful accounts	(17)	(19)
Total current assets	7,882	9,210
Non-current assets		
Property, plant and equipment	1,436	1,563
Intangible assets		
Goodwill	159	117
Other	143	117
Total intangible assets	303	235
Investments and other assets		
Other	634	402
Allowance for doubtful accounts	(44)	-
Total investments and other assets	590	402
Total non-current assets	2,330	2,201
Total assets	10,212	11,411
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,706	1,491
Short-term loans payable	1,597	2,398
Income taxes payable	204	482
Provision for sales returns	35	25
Provision for sales rebates	46	203
Provision for bonuses	29	122
Other	582	437
Total current liabilities	4,202	5,161
Non-current liabilities		
Long-term loans payable	1,057	1,032
Provision for directors' retirement benefits	13	11
Net defined benefit liability	286	206
Other	269	283
Total non-current liabilities	1,628	1,533
Total liabilities	5,830	6,694

(Millions of yen)

	As of December 31, 2015	As of September 30, 2016
Net assets		
Shareholders' equity		
Capital stock	461	461
Capital surplus	2,717	2,721
Retained earnings	1,261	2,193
Treasury shares	(78)	(788)
Total shareholders' equity	4,362	4,588
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(8)	(54)
Foreign currency translation adjustment	(57)	(186)
Remeasurements of defined benefit plans	(52)	(11)
Total accumulated other comprehensive income	(118)	(253)
Subscription rights to shares	3	3
Non-controlling interests	134	378
Total net assets	4,382	4,716
Total liabilities and net assets	10,212	11,411

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2015	Nine months ended September 30, 2016
Net sales	10,048	10,126
Cost of sales	5,590	5,489
Gross profit	4,458	4,637
Selling, general and administrative expenses	2,884	2,776
Operating income	1,574	1,860
Non-operating income		
Interest income	12	11
Dividend income	4	4
Foreign exchange gains	0	–
Other	2	9
Total non-operating income	19	24
Non-operating expenses		
Interest expenses	21	21
Foreign exchange losses	–	193
Other	0	11
Total non-operating expenses	21	226
Ordinary income	1,572	1,658
Extraordinary income		
Gain on sales of non-current assets	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on valuation of shares of subsidiaries and associates	–	119
Impairment loss	66	–
Total extraordinary losses	66	119
Profit before income taxes	1,505	1,539
Income taxes - current	508	614
Income taxes - deferred	(56)	(139)
Total income taxes	452	474
Profit	1,053	1,064
Profit (loss) attributable to non-controlling interests	(1)	7
Profit attributable to owners of parent	1,054	1,056

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2015	Nine months ended September 30, 2016
Profit	1,053	1,064
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	(46)
Foreign currency translation adjustment	(32)	(170)
Remeasurements of defined benefit plans, net of tax	7	40
Total other comprehensive income	(29)	(176)
Comprehensive income	1,024	888
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,030	921
Comprehensive income attributable to non-controlling interests	(7)	(33)

(3) Notes to quarterly consolidated financial statements

Notes on premise of going concern

No items to report.

Notes on substantial changes in the amount of shareholders' equity

Based on a Board of Directors resolution on June 10, 2016, the Company purchased 477,600 treasury shares. In addition, the Company issued 30,000 treasury shares upon the exercise of subscription rights to shares. As a result, treasury shares increased ¥709 million during the first nine months ended September 30, 2016, bringing the amount of treasury shares to ¥788 million as of September 30, 2016.

Segment information, etc.

[Segment information]

As the Group consists of a single business segment, the AgriTechno Business, this information is omitted.