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MEMBERSHIP
May 10, 2017

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending December 31, 2017 <under Japanese GAAP>

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 Listing: Tokyo Stock Exchange
 Securities code: 4979
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Scheduled date to file Quarterly Securities Report: May 10, 2017
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results presentation meeting: None

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the first three months of the fiscal year ending December 31, 2017 (from January 1, 2017 to March 31, 2017)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

Three months ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2017	5,307	(3.1)	1,526	(7.4)	1,481	(5.6)	1,010	(7.1)
March 31, 2016	5,478	10.5	1,648	31.3	1,568	25.3	1,087	32.4

Note: Comprehensive income Three months ended March 31, 2017: ¥986 million [(2.7)%]
 Three months ended March 31, 2016: ¥1,014 million [20.9%]

Three months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2017	204.86	194.65
March 31, 2016	201.80	191.49

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (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.: None
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement: None

(4) Number of shares issued (common shares)

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

As of March 31, 2017	5,536,000 shares
As of December 31, 2016	5,536,000 shares

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

As of March 31, 2017	603,624 shares
As of December 31, 2016	603,624 shares

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

Three months ended March 31, 2017	4,932,376 shares
Three months ended March 31, 2016	5,387,889 shares

*** Quarterly financial results reports are not required to be subjected to quarterly reviews.**

*** 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

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

(1) Information regarding operating results

In the first three months of the fiscal year ending December 31, 2017, the Japanese economy showed resilience, due primarily to exports, against the background of economic recovery in developing countries and a robust trend in the economies of Europe and the U.S. However, due to issues arising from the political management of the Trump administration in the U.S. and the United Kingdom's decision to leave the EU, the outlook for the global economy, including the trend for foreign exchange, remains uncertain.

Net sales and operating income of OAT Agrio Group (the "Group"), tend to be higher in the first quarter of the consolidated fiscal year compared with the other three quarters because it is the period for deliveries in preparation for peak demand seasons, particularly with respect to the domestic agrichemicals business.

As a result, in the first three months under review, net sales was ¥5,307 million, down ¥171 million or 3.1% year on year, operating income was ¥1,526 million, down ¥121 million or 7.4% year on year, ordinary income was ¥1,481 million, down ¥87 million or 5.6% year on year and profit attributable to owners of parent was ¥1,010 million, down ¥76 million or 7.1% 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, shipments in the domestic market were robust and net sales rose year on year, but shipments to overseas markets were hit by year-on-year declines in shipment volumes of the acaricide *Cyflumetofen*, leading to lower net sales. As a result, net sales in the agrichemicals field decreased by ¥466 million, or 9.9% year on year, to ¥4,227 million.

In the fertilizer and biostimulant field, shipments to the domestic market were robust. In the biostimulant field, net sales increased as a result of growth in shipments of *Atonik* through subsidiary Asahi Chemical Europe in Europe, and through subsidiary PT. OAT MITOKU AGRIO in Indonesia. As a result, net sales in the fertilizer and biostimulant field increased by ¥294 million, or 37.5% year on year, to ¥1,079 million.

(2) Information regarding financial position

Total assets as of March 31, 2017, was ¥14,048 million, an increase of ¥2,501 million compared to December 31, 2016. This was mainly the result of an increase of ¥3,071 million in notes and accounts receivable - trade.

Total liabilities was ¥8,423 million, an increase of ¥1,662 million compared to December 31, 2016. This was mainly the result of increases of ¥567 million in notes and accounts payable - trade and ¥878 million in short-term loans payable.

Total net assets was ¥5,624 million, an increase of ¥838 million compared to December 31, 2016. This was mainly the result of an increase of ¥862 million in retained earnings.

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

The consolidated earnings forecasts for the fiscal year ending December 31, 2017, announced in "Consolidated Financial Results for the Fiscal Year Ended December 31, 2016" on February 10, 2017, have not been changed.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of December 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	2,774	2,473
Notes and accounts receivable - trade	3,064	6,136
Merchandise and finished goods	2,019	1,791
Work in process	199	385
Raw materials	632	470
Other	429	403
Allowance for doubtful accounts	(18)	(32)
Total current assets	9,100	11,628
Non-current assets		
Property, plant and equipment	1,766	1,742
Intangible assets		
Goodwill	119	108
Other	119	114
Total intangible assets	239	223
Investments and other assets		
Other	440	454
Total investments and other assets	440	454
Total non-current assets	2,446	2,419
Total assets	11,547	14,048
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,169	2,736
Short-term loans payable	1,979	2,857
Income taxes payable	272	490
Provision for sales returns	24	20
Provision for sales rebates	50	121
Provision for bonuses	89	133
Other	594	522
Total current liabilities	5,179	6,882
Non-current liabilities		
Long-term loans payable	1,032	1,015
Provision for directors' retirement benefits	12	1
Net defined benefit liability	216	211
Deferred tax liabilities	48	50
Other	273	262
Total non-current liabilities	1,581	1,541
Total liabilities	6,761	8,423

(Millions of yen)

	As of December 31, 2016	As of March 31, 2017
Net assets		
Shareholders' equity		
Capital stock	461	461
Capital surplus	2,721	2,721
Retained earnings	2,078	2,940
Treasury shares	(788)	(788)
Total shareholders' equity	4,474	5,336
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(23)	(23)
Foreign currency translation adjustment	(73)	(87)
Remeasurements of defined benefit plans	(19)	(19)
Total accumulated other comprehensive income	(116)	(130)
Subscription rights to shares	3	3
Non-controlling interests	425	415
Total net assets	4,785	5,624
Total liabilities and net assets	11,547	14,048

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

Consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017
Net sales	5,478	5,307
Cost of sales	2,889	2,779
Gross profit	2,589	2,528
Selling, general and administrative expenses	940	1,001
Operating income	1,648	1,526
Non-operating income		
Interest income	3	5
Dividend income	0	0
Insurance premiums refunded cancellation	–	2
Other	1	2
Total non-operating income	5	10
Non-operating expenses		
Interest expenses	6	8
Foreign exchange losses	77	47
Other	0	0
Total non-operating expenses	84	56
Ordinary income	1,568	1,481
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	1,568	1,481
Income taxes - current	494	455
Income taxes - deferred	(13)	16
Total income taxes	481	471
Profit	1,087	1,009
Profit (loss) attributable to non-controlling interests	0	(0)
Profit attributable to owners of parent	1,087	1,010

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017
Profit	1,087	1,009
Other comprehensive income		
Valuation difference on available-for-sale securities	(29)	(0)
Foreign currency translation adjustment	(44)	(22)
Remeasurements of defined benefit plans, net of tax	0	0
Total other comprehensive income	(73)	(22)
Comprehensive income	1,014	986
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,027	996
Comprehensive income attributable to non-controlling interests	(13)	(9)

(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

No items to report.

Segment information, etc.

[Segment information]

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