



## (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
March 31, 2015	13,016	4,568	34.0	1,645.60
December 31, 2014	9,675	3,852	38.3	1,379.32

Reference: Equity      As of March 31, 2015:      ¥4,426 million  
As of December 31, 2014:      ¥3,710 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, 2014	–	0.00	–	55.00	55.00
Fiscal year ending December 31, 2015	–				
Fiscal year ending December 31, 2015 (Forecast)		0.00	–	27.50	27.50

Note: Revisions to the dividends forecasts most recently announced: Yes

As per the news release “Notice Regarding Share Split, Partial Amendments to Articles of Incorporation and Revisions to Dividend Forecasts” dated May 11, 2015, the Company shall revise the year-end dividends forecast for the fiscal year ending December 31, 2015 that was previously announced on Tuesday, February 10, 2015 as shown above, as a result of a 2-for-1 share split of the Company’s common shares.

Note, this revised forecast presents the amount of dividends after the share split, and in real terms, there has not been any change to the year-end dividend of ¥55.00 per share that was announced in the previous forecast.

## 3. Consolidated earnings forecasts for the fiscal year ending December 31, 2015 (from January 1, 2015 to December 31, 2015)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2015	11,762	3.1	700	5.5	673	3.1	433	24.3	80.51

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

As the Company manages its operations on an annual basis, consolidated earnings forecasts for the first six months are omitted.

Following the 2-for-1 share split of the Company’s common shares as announced in the news release “Notice Regarding Share Split, Partial Amendments to Articles of Incorporation and Revisions to Dividend Forecasts” dated May 11, 2015, the basic earnings per share in the consolidated earnings forecasts is calculated based on the number of issued shares after the share split (excluding treasury shares).

**\* 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.: 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 March 31, 2015	2,768,000 shares
As of December 31, 2014	2,768,000 shares

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

As of March 31, 2015	78,000 shares
As of December 31, 2014	78,000 shares

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

Three months ended March 31, 2015	2,690,000 shares
Three months ended March 31, 2014	2,790,000 shares

**\* 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 are not complete.

**\* 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, 2015, the Japanese economy followed a trend of moderate recovery characterized by an upturn in corporate earnings, particularly among the large corporations, owing to such factors as economic measures taken by the government and aggressive monetary easing measures by the Bank of Japan. On the other hand, the recovery in individual consumption has been weak amid concerns about the rising prices, etc. and the economic outlook continues to be uncertain.

Amid this situation, the operating results of the OAT Agrio Group (the “Group”) in the first three months reflected a trend of considerably higher amounts for net sales and operating income, and so forth, in this period compared with other quarterly periods 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 ¥4,959 million, down 7.3% year on year, operating income was ¥1,255 million, up 0.1% year on year, ordinary income was ¥1,251 million, down 0.3% year on year and net income was ¥821 million, up 0.3% 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, there was a significant impact from the recoil following the rush in demand before the consumption tax hike of the previous fiscal year, and a decrease in domestic sales of the insecticide *Oncol* due to changes in Japan’s agricultural chemical registration system. Overseas, however, net sales increased considerably due to strong shipment volumes to North America and South America, and the effect of yen depreciation. As a result, net sales in the agrichemicals field decreased 4.5% year on year to ¥4,345 million.

In the fertilizer and biostimulant field, just as it did in the agrichemicals field, the recoil following the rush in demand before the consumption tax hike in the previous fiscal year had a significant impact. In addition, although *Atonik* is being sold in Europe, Asia and other markets, due to the effect of inventory adjustments in the main-stay Southeast Asian market, shipments will be more heavily concentrated from the second quarter onward. As a result, net sales in the fertilizer and biostimulant field decreased 23.3% to ¥614 million.

### **(2) Information regarding financial position**

Total assets as of March 31, 2015, was ¥13,016 million, an increase of ¥3,340 million compared to December 31, 2014. This was mainly the result of an increase of ¥2,200 million in notes and accounts receivable - trade.

Total liabilities was ¥8,447 million, an increase of ¥2,624 million compared to December 31, 2014. This was mainly the result of increases of ¥1,453 million in notes and accounts payable - trade and ¥894 million in short-term loans payable.

Net assets was ¥4,568 million, an increase of ¥716 million compared to December 31, 2014. This was the result of an increase of ¥698 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, 2015, announced in “Consolidated Financial Results for the Fiscal Year Ended December 31, 2014” on February 10, 2015, have not been changed.

## **2. Matters regarding summary information (Notes)**

### **(1) Changes in significant subsidiaries during the period**

No items to report.

### **(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**

#### **Changes in accounting policies**

##### **Application of the accounting standard for retirement benefits, etc.**

Regarding the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012), effective from the first quarter under review, the Company has applied the provisions of the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits, and reviewed its calculation method for retirement benefit obligations and current service costs. Accordingly, the Company changed the method of attributing expected retirement benefits to accounting periods from the straight-line basis to the benefit formula basis, and changed the method of determining the discount rate from one that uses a rate based on a maturity period of bonds that forms the basis for determining the discount rate, decided in accordance with a period of years approximate to the average remaining working lives of employees, to one that uses a single weighted average discount rate reflecting the estimated timing of retirement benefit payments and the amount of retirement benefit payment for each estimated payment timing.

Application of the Accounting Standard for Retirement Benefits and Guidance on Accounting Standard for Retirement Benefits is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard for Retirement Benefits, and the effect of the change to the calculation method for retirement benefit obligations and current service costs has been added to or deducted from retained earnings as of the beginning of the first quarter under review.

As a result of this change, as of the beginning of the first quarter under review, net defined benefit liability decreased ¥39 million and retained earnings increased ¥25 million. The effect of this change on operating income, ordinary income and income before income taxes and minority interests for the three months under review is immaterial.

### 3. Quarterly consolidated financial statements

#### (1) Consolidated balance sheet

(Millions of yen)

	As of December 31, 2014	As of March 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	1,442	2,190
Notes and accounts receivable - trade	2,401	4,601
Merchandise and finished goods	2,024	2,161
Work in process	386	610
Raw materials	364	323
Other	377	416
Allowance for doubtful accounts	(15)	(27)
Total current assets	6,983	10,276
Non-current assets		
Property, plant and equipment	1,559	1,560
Intangible assets		
Goodwill	334	290
Other	128	121
Total intangible assets	462	412
Investments and other assets		
Other	713	810
Allowance for doubtful accounts	(44)	(44)
Total investments and other assets	669	766
Total non-current assets	2,691	2,739
Total assets	9,675	13,016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,705	3,158
Short-term loans payable	1,404	2,299
Income taxes payable	84	499
Provision for sales returns	71	44
Provision for sales rebates	51	108
Provision for loss on abandonment of returned product	33	11
Provision for bonuses	28	115
Other	654	528
Total current liabilities	4,033	6,766
Non-current liabilities		
Long-term loans payable	1,130	1,073
Provision for directors' retirement benefits	11	12
Net defined benefit liability	374	323
Other	272	270
Total non-current liabilities	1,789	1,680
Total liabilities	5,822	8,447

(Millions of yen)

	As of December 31, 2014	As of March 31, 2015
Net assets		
Shareholders' equity		
Capital stock	461	461
Capital surplus	2,717	2,717
Retained earnings	707	1,405
Treasury shares	(78)	(78)
Total shareholders' equity	3,808	4,506
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(2)	5
Foreign currency translation adjustment	(29)	(20)
Remeasurements of defined benefit plans	(65)	(65)
Total accumulated other comprehensive income	(97)	(80)
Subscription rights to shares	3	3
Minority interests	138	138
Total net assets	3,852	4,568
Total liabilities and net assets	9,675	13,016

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

### Consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended March 31, 2014	Three months ended March 31, 2015
Net sales	5,351	4,959
Cost of sales	3,101	2,780
Gross profit	2,249	2,178
Selling, general and administrative expenses	994	922
Operating income	1,254	1,255
Non-operating income		
Interest income	6	6
Dividend income	2	2
Other	1	0
Total non-operating income	9	9
Non-operating expenses		
Interest expenses	8	7
Foreign exchange losses	0	5
Total non-operating expenses	8	13
Ordinary income	1,255	1,251
Income before income taxes and minority interests	1,255	1,251
Income taxes - current	547	489
Income taxes - deferred	(109)	(56)
Total income taxes	438	432
Income before minority interests	816	819
Minority interests in loss	(2)	(2)
Net income	819	821

**Consolidated statement of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended March 31, 2014	Three months ended March 31, 2015
Income before minority interests	816	819
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	8
Foreign currency translation adjustment	3	11
Remeasurements of defined benefit plans, net of tax	–	0
Total other comprehensive income	(0)	19
Comprehensive income	816	838
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	817	838
Comprehensive income attributable to minority interests	(1)	(0)

**(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.