

May 25, 2018

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President CEO  
OAT Agrio Co., Ltd.

### **Announcement regarding the concluding of an agreement to acquire stock in the Spanish companies LIDA and CAPA**

This is to announce that OAT Agrio Co., Ltd. (hereinafter referred to as “OAT Agrio”) has agreed with Mr. Ricardo Villuendas Segui to acquire shares in the companies LIDA and CAPA, and that a stock acquisition agreement has been concluded on May 25, 2018.

#### **1. Purpose of this transaction and future management policy**

Based on our corporate philosophy of contributing to the people in the world by our agritechnology (food production enhancement technology) and sincerity, OAT Agrio provides technologies and services that contribute to the three domains of plant protection, fertilization and irrigation, and biostimulants. In terms of the situation in which agriculture finds itself today, it is expected that there will be an increased global demand for agriculture in the future as the world population continues to grow, and it is becoming extremely important to make effective use of limited arable land and to develop agricultural production materials and cultivation technologies that will enhance agricultural production. Against this backdrop, with the provision of products and technology that will contribute to food production enhancement as the basic policy of our overseas expansion, OAT Agrio has been looking for opportunities for overseas business expansion. As a result, OAT Agrio has agreed to acquire the Spanish companies LIDA and CAPA, both involved in the development, manufacture and sales of plant protection materials, fertilizers and biostimulants.

Both LIDA and CAPA are involved in the development, manufacture and sales of fertilizers and biostimulants, with LIDA founded in 1987 and CAPA in 1996. They are currently active in the research and development of natural plant protection materials called phytochemicals, which apply the innate immunities that plants have against diseases, and are developing their own products throughout the world.

Through this acquisition OAT Agrio will acquire the businesses of LIDA and CAPA, and it is expected that we will be able to strengthen our existing portfolio and enhance our market competitiveness. In addition, further synergy is anticipated by the deployment of OAT Agrio products through the sales channels currently possessed by LIDA and CAPA.

#### **2. Corporate outline of LIDA**

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|----------------------------|--------------------------------------------------------------|
| (1) Name                   | LIDA Plant Research, S.L.                                    |
| (2) Head office            | Valencia, Spain                                              |
| (3) Established            | 1987                                                         |
| (4) Main businesses        | Development, manufacture and sales of agricultural materials |
| (5) Employees              | 31                                                           |
| (6) Location of facilities | Spain                                                        |
| (7) Sales turnover         | €7 million                                                   |

#### **3. Corporate outline of CAPA**

- (1) Name CAPA Ecosystems, S.L.U.
- (2) Head office Valencia, Spain
- (3) Established 1996
- (4) Main businesses Development, manufacture and sales of agricultural materials
- (5) Employees 3
- (6) Location of facilities Spain
- (7) Sales turnover €1.4 million

#### **4. Stock acquisition outline**

- (1) Acquisition structure  
OAT Agrio Co., Ltd. will be acquiring 75% of the stock of LIDA, and 76% of the stock of CAPA.
- (2) Future schedule  
Closing end June, 2018 (scheduled)

#### **5. Impact on business results for the current term**

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.