





**\* 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, 2021	5,536,000 shares
As of December 31, 2020	5,536,000 shares

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

As of March 31, 2021	124,042 shares
As of December 31, 2020	124,042 shares

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

Three months ended March 31, 2021	5,411,958 shares
Three months ended March 31, 2020	5,412,046 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

**\* 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, 2021, the Japanese economy showed improvements in capital expenditures, production and other areas, yet faced challenging conditions, such as weakness being seen in corporate profits and personal consumption as a result of restrictions on economic activity due to the impact of the third wave of the novel coronavirus disease (COVID-19) and another declaration of a state of emergency in January 2021 because of this. On the other hand, weakness has been seen in overseas economies as restrictions on activities have been prolonged because of a resurgence of COVID-19 in various European countries, despite seeing improvement in some countries, such as the United States and China. Going forward, the future is likely to remain uncertain due to facing causes for concern, such as the spread of COVID-19 variants and delays in vaccine administration, despite expectations that economic activity will normalize in various countries due to the administration of vaccines and expectations for economic policy from the new administration in the United States.

Under such business conditions, although sales volumes fell in domestic markets year on year, OAT Agrio Group (the “Group”) achieved an increase in net sales as a result of a significant increase in sales volume in overseas markets. Furthermore, each item of profit increased year on year despite the impact of rising raw material costs and freight expenses. On the other hand, R&D expenses increased year on year as a result of proactively carrying out R&D activities.

As a result, in the first three months under review, net sales was ¥6,824 million, up ¥574 million or 9.2% year on year, operating profit was ¥974 million, up ¥22 million or 2.3% year on year, ordinary profit was ¥1,051 million, up ¥162 million or 18.2% year on year and profit attributable to owners of parent was ¥745 million, up ¥191 million or 34.6% year on year.

Net sales and operating profit of 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.

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 decreased as a result of a year-on-year decrease in sales of the insecticide *Hachi-Hachi*, the acaricide *Cyflumetofen*, etc. due to the impact of new insecticides, etc. from competing agrichemical manufacturers in the domestic agrichemical market. Meanwhile in the overseas agrichemical market, net sales increased as a result of a year-on-year increase in sales of the insecticide *Oncol* and the acaricide *Cyflumetofen*. As a result, net sales in the agrichemicals field increased by ¥159 million, or 4.5% year on year, to ¥3,686 million.

In the fertilizer and biostimulant field, net sales increased due to the year on year increase in sales of products such as the biostimulant *Atonik*. Furthermore, at Blue Wave Holding B.V. of the Netherlands, net sales increased due to the increased flower demand, mainly for personal uses. As a result, net sales in the fertilizer and biostimulant field increased by ¥414 million, or 15.2% year on year, to ¥3,137 million.

### (2) Information regarding financial position

Total assets as of March 31, 2021, was ¥30,913 million, an increase of ¥2,065 million compared to December 31, 2020. This was mainly the result of an increase of ¥2,390 million in notes and accounts receivable - trade.

Total liabilities was ¥22,384 million, an increase of ¥1,169 million compared to December 31, 2020. This was mainly the result of increases of ¥1,194 million in notes and accounts payable - trade and ¥620 million in short-term borrowings, and a decrease of ¥560 million in long-term borrowings.

Net assets was ¥8,528 million, an increase of ¥895 million compared to December 31, 2020. This was mainly the result of increases of ¥528 million in retained earnings and ¥277 million in foreign currency translation adjustment.

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

COVID-19 is spreading worldwide and there are many uncertainties concerning the future impact on earnings such as the government's future response and customer purchasing trends, which makes it extremely difficult to calculate appropriate and meaningful earnings forecasts at the current point in time. Therefore, regarding the earnings forecast for the fiscal year ending December 31, 2021, we have decided to leave the new mid-term business plan that we announced on February 12, 2021 unchanged. We will make a prompt disclosure when a meaningful forecast can be calculated, and we determine that disclosure is required.

## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Consolidated balance sheet

(Millions of yen)

	As of December 31, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	3,736	3,402
Notes and accounts receivable - trade	5,418	7,808
Merchandise and finished goods	2,642	2,602
Work in process	355	525
Raw materials and supplies	1,475	1,401
Other	870	702
Allowance for doubtful accounts	(55)	(66)
Total current assets	14,441	16,375
Non-current assets		
Property, plant and equipment	3,623	3,599
Intangible assets		
Goodwill	6,497	6,491
Software	100	97
Customer relation Assets	2,780	2,791
Other	293	335
Total intangible assets	9,672	9,716
Investments and other assets	1,110	1,221
Total non-current assets	14,406	14,537
Total assets	28,848	30,913
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,031	3,225
Short-term borrowings	6,558	7,179
Income taxes payable	192	355
Accounts payable - other	522	332
Provision for bonuses	31	121
Provision for sales rebates	42	87
Provision for sales returns	16	17
Provision for compensation for damage	46	46
Other	1,365	1,289
Total current liabilities	10,807	12,655
Non-current liabilities		
Long-term borrowings	8,673	8,112
Retirement benefit liability	280	271
Long-term deposits received	173	72
Deferred tax liabilities	938	943
Other	341	328
Total non-current liabilities	10,408	9,729
Total liabilities	21,215	22,384

(Millions of yen)

	As of December 31, 2020	As of March 31, 2021
Net assets		
Shareholders' equity		
Share capital	461	461
Capital surplus	2,410	2,411
Retained earnings	4,680	5,209
Treasury shares	(162)	(162)
Total shareholders' equity	7,390	7,919
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	90	128
Foreign currency translation adjustment	(557)	(280)
Remeasurements of defined benefit plans	(41)	(39)
Total accumulated other comprehensive income	(509)	(191)
Non-controlling interests	751	800
Total net assets	7,632	8,528
Total liabilities and net assets	28,848	30,913

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

### Consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Net sales	6,250	6,824
Cost of sales	3,345	3,637
Gross profit	2,904	3,187
Selling, general and administrative expenses	1,952	2,212
Operating profit	952	974
Non-operating income		
Interest income	4	3
Foreign exchange gains	–	83
Dividend income	2	2
Insurance fee income	–	19
Other	7	13
Total non-operating income	15	124
Non-operating expenses		
Interest expenses	50	45
Foreign exchange losses	25	–
Other	2	1
Total non-operating expenses	78	47
Ordinary profit	888	1,051
Extraordinary income		
Gain on sales of non-current assets	0	–
Total extraordinary income	0	–
Extraordinary losses		
Impairment loss	–	4
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	4
Profit before income taxes	889	1,046
Income taxes - current	366	354
Income taxes - deferred	(44)	(75)
Total income taxes	321	278
Profit	567	767
Profit attributable to non-controlling interests	14	21
Profit attributable to owners of parent	553	745

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

(Millions of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Profit	567	767
Other comprehensive income		
Valuation difference on available-for-sale securities	(40)	38
Foreign currency translation adjustment	(497)	305
Remeasurements of defined benefit plans, net of tax	28	2
Total other comprehensive income	(509)	345
Comprehensive income	58	1,112
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	81	1,062
Comprehensive income attributable to non-controlling interests	(23)	49

**(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.