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September 27, 2023

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 (Securities code: 4979; Prime Market)
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Notice Concerning Decision to Apply for Selection to the Standard Market

OAT Agrio Co., Ltd. (the “Company”) hereby announces that it resolved at its Board of Directors meeting held on September 27, 2023 to apply for selection to the Standard Market, as it has an opportunity to re-select a market segment following the revision of the Tokyo Stock Exchange rules effective on April 1, 2023, as detailed below. This decision was made after comprehensively considering the recent global situation, the environment surrounding the agriculture industry, and the current status of the Company.

1. Status of compliance with the Prime Market continued listing criteria

The Company’s status of compliance with the Prime Market as of December 31, 2022, is as follows. The Company complies with all continued listing criteria.

| | Number of shareholders | Number of tradable shares (Units) | Market capitalization of tradable shares (Billions of yen) | Tradable share ratio (%) |
|--|------------------------|-----------------------------------|--|--------------------------|
| The Company’s status of compliance as of December 31, 2022*1 | 11,115 | 63,205 | 10.57 | 57.0 |
| Prime Market continued listing criteria | 800 | 20,000 | 10.0 | 35 |
| Status of compliance | ○ | ○ | ○ | ○ |

*1 The Company’s status of compliance is calculated based on the distribution of the Company’s shares, etc. as known by the Tokyo Stock Exchange as of the record date.

2. Status of compliance with the Standard Market continued listing criteria

| | Number of shareholders | Number of tradable shares (Units) | Market capitalization of tradable shares (Billions of yen) | Tradable share ratio (%) | Monthly average trading volume (Units)*2 | Net assets (Billions of yen) |
|--|------------------------|-----------------------------------|--|--------------------------|--|------------------------------|
| The Company’s status of compliance as of December 31, 2022*1 | 11,115 | 63,205 | 10.57 | 57.0 | 2,184 | 11.9 |
| Standard Market continued listing criteria | 400 | 2,000 | 1.0 | 25 | 10 | Positive |
| Status of compliance | ○ | ○ | ○ | ○ | ○ | ○ |

- *1 The “number of shareholders,” “number of tradable shares,” “market capitalization of tradable shares,” and “tradable share ratio” as of December 31, 2022, are calculated based on the distribution of the Company’s shares, etc. as known by the Tokyo Stock Exchange as of the record date.
- *2 Monthly average trading volume is calculated based on trading volume from June 2022 to December 2022.

3. Reasons for selection to the Standard Market

The Company selected the Prime Market when the market segments of the Tokyo Stock Exchange were revised in April 2022. At the time of the transition, the market capitalization of the Company’s tradable shares did not meet the continued listing criteria of the Prime Market, but the Company has complied with all of the continued listing criteria since December 31, 2022. However, in accordance with the revision of the Tokyo Stock Exchange’s rules in April 2023, the Company has reconsidered the appropriate market segment.

The Company believes that it is most important to allocate the management resources required for continued compliance with the Prime Market continued listing criteria not to maintain the criteria, but to invest in businesses that create new value, engage in research and development, and revitalize the organization and human resources, in order to increase corporate value and shareholder returns over the medium to long term. Therefore, the Company resolved at today’s Board of Directors meeting to select the new “Standard Market” segment.

Even after transitioning to the Standard Market, the Company will, as a publicly traded company, continue to enhance its corporate governance and promote sustainability initiatives, aiming to be a company that is trusted by its stakeholders and contributes broadly to society.

In the future, the Company will select market segments in a timely and appropriate manner in order to further increase corporate value and shareholder returns, taking the business scale and environment of the Group and other factors at that time into consideration.

4. Procedures for transition to the Standard Market

The Company will proceed with the stipulated procedures in accordance with the schedule set forth by the Tokyo Stock Exchange. The scheduled date of transition to the Standard Market is October 20, 2023. Following this date, trading of the Company’s shares will transition to the Standard Market and trading will continue on the Standard Market.

End.