

For a Sustainable Future

Sustainability Report 2026



OAT Agrio Co., Ltd.

Demonstrating profitable agriculture by addressing on-the-ground challenges with agritechnology

Addressing on-the-ground challenges with technologies for food production

Food production is suffering tremendous losses due to such concerns as pests, diseases, and stress caused by climate change. OAT Agrio has been addressing challenges in agricultural production since its founding in 2010 with technologies that contribute to food production. Today, we strive to develop food production technologies (agritechnology) based on our core expertise in plant protection, fertilizers and drip irrigation, and biostimulants.

For example, our drip fertigation system supplies crops with the necessary amounts of water and nutrients at the optimal growth stage and timing through precise control of fertilization and irrigation. By cutting back on unnecessary inputs, the system reduces fertilizer usage and environmental impact, while stabilizing yield and quality. This system has been selected as an implementation plan for the Ministry of Agriculture, Forestry and Fisheries (MAFF)'s Program for Establishing Foundations based on the MIDORI (Green) Act.

In the field of plant protection, we have expanded our lineup of eco-friendly Green PPPs (plant protection products). These products utilize food additives and naturally occurring substances and thus are not restricted on the number of applications.

While established frameworks ensure the safety of chemical pesticides and fertilizers by defining proper rules and management approaches, it is essential to expand the range of options for consumers and producers alike. We propose practical, field-oriented solutions—with the effective use of chemical inputs as needed—to support safer and more secure food production.

Global warming has brought heat, aridity, and other stress factors to crops, undermining yield and quality. As a

result, the importance of biostimulants, which enhance plants' inherent immunity and resistance, continues to grow. We are committed as a business group to reducing risks for producers by promoting scientifically validated materials and proposing their appropriate use.

One example is "Enten Master," biostimulant specifically developed to resist heat, launched in May 2025. Since its release, our sales representatives have worked closely with producers to verify the effectiveness of the product on a wide variety of crops across more than 1,000 sites nationwide. Although the product has demonstrated clear effectiveness in many cases, there have been instances where the difference was less prominent. We aim to enhance reproducibility by gathering and analyzing further data on timing, frequency, and other application conditions, thereby making a greater contribution to producers.

Focusing our investment in areas directly linked to solving social challenges

Research and development (R&D) does not always quickly bear fruit; it requires 5–10 years, including the selection of raw materials. We set aside R&D funding from a medium- to long-term perspective and make focused investments in areas directly linked to solving social challenges, such as biostimulants, smart agriculture, and Green PPPs.

For example, the use of AI provides a promising solution to the structural challenge of labor shortages. We promote Agrio Ichigo Master, a solution for strawberries (*ichigo*) that leverages diagnostic imaging and integrates AI with our drip fertigation system. By automatically adjusting fertilizer use and reporting crop growth status to producers, the solution facilitates the entry and participation of new farmers. We aim to further sophisticate remote operation during the cultivation period, so that more people can confidently engage in agriculture. For experienced producers, the solution also offers significant value by validating their traditional decision making, based on intuition and experience, with data. We will promote this by steadily accumulating case studies and boosting the level of satisfaction of agricultural practitioners.

As far as resource constraints are concerned, key ingredients of chemical fertilizers—nitrogen, phosphate, and potassium—are scarce in Japan and must be imported. Should geopolitical instability disrupt their supply or drive price hikes, agricultural production would be exposed to stability

risks. To address this structural challenge, domestically sourced organic fertilizers present a vital alternative. Recycling food waste and untapped by-products from sea-food processing is part of Japan's long-rooted traditions. More recently, a circular cultivation technology known as probioponics has been gaining attention. This approach enables the use of organic fertilizers in hydroponics by establishing a microbial ecosystem in the nutrient solution. With hydroponics as our core competence, we are actively using organic fertilizers not only for cherry tomatoes and leaf lettuce but also for melons and other crops that have been considered difficult to grow under such systems, while accelerating the adoption of probioponics. Fueled by the government's MIDORI Strategy for Sustainable Food Systems, we continue to advocate the optimal combination of "organic" and "chemical" approaches that reduce reliance on chemical fertilizers while reliably maintaining yield and quality.

Developing human resource and delivering global value through freshness preservation, loss reduction, and decarbonized logistics

Our group has 20 overseas affiliates, with international sales exceeding 70% of total revenue. The Chrysal Group in the Netherlands, for instance, specializes in the flower industry, working to keep cut flowers fresh longer and reduce waste.

Cut flowers are typically transported by air due to freshness requirements even though shifting to sea freight would significantly reduce CO₂ emissions. However, while air transport delivers flowers from Africa (Kenya or Ethiopia) to Europe in just a matter of days, sea freight takes 4–6 weeks. To address this challenge, Chrysal, utilizing freshness-preserving agents, has developed the "Sea Freight" service, which maintains optimal in-container conditions, including temperature, humidity, and concentrations of agents. This innovation makes it possible to transport cut flowers by sea, thereby slashing CO₂ emissions to approximately one twelfth that of the previous method. In the United States, we are promoting the same kind of modal shift tailored to local production characteristics, while also providing services that support in-store management, in an effort to reduce losses in both the distribution and retail phases.

In Japan, to support these global initiatives, we recruit talent who can play key roles on the global stage and provide opportunities for those who wish to engage in business and research support at overseas locations after gaining experience at home. Moreover, recognizing diverse work styles, we recruit mid-career job seekers year-round and foster an environment that allows employees to continue working regardless of life stage by encouraging childcare leave, supporting reentry into the workforce, and implementing other measures. We believe that diverse perspectives enhance the

quality of R&D and field-based proposals, leading to our prowess in solving social challenges.

This ability to make field-based proposals is one of our strengths. Simply discussing products without having a holistic view of agriculture does not resonate with producers. That is why we visit farms, carefully listen to the challenges voiced by producers, and place importance on ongoing dialogue, recognizing that we cannot necessarily solve all issues at once. For employee development, we provide experiential training at our research center in Naruto City, Tokushima Prefecture, and hold town hall meetings twice a year, creating opportunities to discuss alignment between the company's direction and each employee's individual endeavors.

Our recent discussions on risk and opportunity disclosures in line with the Task Force on Climate-related Financial Disclosures (TCFD) gave us a chance to reaffirm that climate change presents not just risks but also opportunities to develop technologies that address unprecedented challenges. We can create value for producers and drive business growth by spotting new difficulties faced by producers, translating them into R&D themes, and delivering tangible results.

We are convinced that R&D provides the foundation for connecting the resolution of social challenges and the enhancement of corporate value. Although results are not always immediate, both R&D and field-based proposals lead to real-world implementation only through careful analysis of failures, refinement of hypotheses, and persistent, incremental effort. I am personally committed to upholding this attitude.

Demonstrating profitable agriculture through deeper engagement in production

We believe that our business activities themselves contribute to sustainability and accomplishment of the Sustainable Development Goals (SDGs). Stepping beyond the provision of technologies and products, we are committed to engaging in hands-on production and demonstrating practical mechanisms of profitable agriculture. I have a strong personal commitment to presenting practical models, ranging from establishing an agricultural production corporation to cultivating crops ourselves and verifying the earnings structure, with the close involvement of our employees. This is no doubt a tough challenge, but we will take one step at a time toward real-world implementation.

Our group will continue to tap our technologies and on-the-ground competence in bringing forward solutions to the three key challenges: the stable supply of food, lower environmental impact, and higher profitability of agriculture. We will also place greater emphasis on communicating our initiatives to a wider community. We sincerely appreciate your continued understanding and support.



President, CEO
Hisashi Oka

The OAT Agrio Group contributes to the people in the world with our agritechology and sincerity.

Our mission is to contribute to the people in the world with our agritechology and sincerity. Under this philosophy, we strive to develop and systematize comprehensive technologies that help increase crops through the development, manufacturing, and marketing of agrochemicals, fertilizers, and proprietary cultivation systems. We aim to solve food issues

to support an ever-increasing global population and maximize our corporate value to obtain high trust and evaluation from stakeholders and society overall. We fulfill these management principles by continuously developing new food production technologies based on our accumulated technologies and know-how.



Plant protection products
We study safer and more effective chemicals for plants.

- Two research centers (Naruto, Japan, and Rajasthan, India)
- Discovery of new safe and effective substances

Fertilizers and drip irrigation
We develop nutrients for plants that promise abundant harvests.

- Cultivation technology
- Fertilizers for hydroponics (largest share in Japan)

Biostimulants
We help plants increase immunity to diseases, pests, and environmental stress.

- Stronger immunity of crops against diseases, pests, and environmental stress
- Respect for biodiversity

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CSR Priority Areas

We contribute to sustainable agriculture friendly to humans and the environment and enhance our corporate value by proposing and promoting our technologies and products. We also actively incorporate environmental, social, and

governance (ESG) perspectives into our management. We strongly believe that our activities as a corporate group will help build a sustainable future together with society, thereby contributing to accomplishment of the SDGs.

ESG	Priority Areas	Initiatives for 2025	2025 Results	2026 Targets
Environment	Reducing and recycling waste	Complete a review on a new fully in-house integrated system 3% down per ton of production compared with 2023	Completed a review on a new fully in-house integrated system 57% up per ton of production compared with 2023, as the repackaging of outsourced liquid fertilizer into smaller units is counted in total production volume	3% down per ton of production compared with 2023
	Use of renewable energy and reduction of GHG emissions	Electricity: 10% down YoY Steam: 15% down YoY	Electricity: 43% down YoY Steam: 73% down YoY Due to the suspension of certain plant operations	Maintain the same levels as 2025, by curbing increases in emissions from reopened plants
	Management of exhaust gas and wastewater	Complete a review on a new fully in-house integrated system and started preparations for its put in action	Determined that the original implementation approach was infeasible, requiring a reassessment of current hurdles	Re-examine the feasibility with a different approach, based on the results from the reassessment of current hurdles
Society	Working environment	-Implement monthly training on health and safety (e.g., by the Safety and Health Committee) -Implement training, drills, and safety measures for preventing accidents on a continuous basis	-Carried out monthly training on health and safety (e.g., by the Safety and Health Committee) -Participated in external safety training programs and joint drills -Strengthened safety measures to prevent accidents and implemented disaster preparedness drills -Examined business continuity plan (BCP) measures	-Conduct monthly training on health and safety (e.g., by the Safety and Health Committee) -Implement training, drills, and safety measures for preventing accidents on a continuous basis -Ensure 3S (Sort, Set in Order, and Shine) practices at the Naruto Factory
	Quality of products	-Plan for reviews, revisions, and provisions of Safety Data Sheets (SDSs) for our products in connection with the scheduled 2025 revisions of JIS standards (JIS Z 7252/7253) based on the UN Globally Harmonized System of Classification and Labelling of Chemicals (GHS) documents -Maintain ISO 9001 status	-Undertook preparatory work for the review and revision of SDSs for our products following the revision of JIS standards (JIS Z 7252/7253) based on the UN GHS, effective December 25, 2025, while monitoring regulatory developments through participation in seminars -Underwent ISO 9001 audits and maintained ISO 9001 status	-Plan for reviews, revisions, and provisions of SDSs for our products in connection with the revision of JIS standards (JIS Z 7252/7253) and amendments to the Industrial Safety and Health Act -Renew ISO 9001 certification
	Personnel	-Create a comfortable working environment for all -Establish in-house systems keeping up with the times -Examine measures to promote female participation and career advancement in the workplace -Continue promoting business management for health	-Revised the compensation structure -Launched information exchange sessions and seminars for employees with eldercare responsibilities -Conducted career development training programs for female employees -Selected as one of the 2025 Outstanding Organizations of KENKO Investment for Health by the Ministry of Economy, Trade and Industry -Established a group-wide No Smoking Day	-Develop systems and working environments that enable diverse talents to thrive -Examine measures to promote female participation and career advancement -Continue promoting business management for health
	Human resource development	-Examine measures to promote early career development of young employees -Continue improving group-wide business efficiency and digital transformation -Conduct various types of training	-Implemented career development training for young employees -Executed improvement policies following the group-wide business efficiency enhancement initiatives -Promoted AI utilization and digital transformation through the introduction of AI and the launch of AI-related projects -Strengthened internal communication through feedback training for managers (performance evaluators) -Provided training programs on self-managed stress coping methods and harassment prevention -Implemented asset-building and other seminars	-Develop employees with a proactive, self-driven mindset -Promote the early career development of younger employees -Streamline workflows through the wider use of AI and further advancement of digital transformation -Accelerate digital transformation through the restructuring of core business systems
	Supply chain management	-Utilize the group's global network to further diversify procurement sources -Continue the effort to revise and strengthen the BCP -Establish an environment for joint shipping	-Diversified procurement sources from multiple countries -Strengthened BCP by enhancing outsourced production of liquid fertilizers and agrochemical products -Implemented joint purchasing of raw materials, etc. and shared logistics across group companies	-Continue utilizing our global network to further diversify procurement sources -Continue reviewing and enhancing BCP measures across all product categories -Continue the efforts toward joint purchasing and shared logistics among group companies
Governance	Corporate governance	-Continue with business management for sustainability -Tighten governance and internal controls -Maintain transparency in management through disclosure -Pursue a higher CDP score	-Released Sustainability Report 2025 (March 2025) -Continued with the activities of the Sustainability Promotion Committee -Responded to the CDP questionnaire (scores disclosed in December 2025) -Undertook preparatory work for TCFD-aligned disclosures	-Continue with business management for sustainability -Strengthen governance and internal controls -Maintain transparency in management through disclosure -Pursue a higher CDP score
	Risk management	-Establish a group-wide risk management system -Develop and put in action a concrete road map for introducing AI -Roll out a group-wide business improvement campaign based on the digital transformation implementation plan	-Integrated systems for downstream shipment data -Prepared for core system upgrades -Strengthened security measures against ransomware -Streamlined workflows through the development of AI applications tailored to business needs	-Upgrade core business systems -Continue strengthening security measures and maintain risk management frameworks -Identify and assess risks associated with the use of AI and the advancement of digital transformation
	Compliance	-Adhere to compliance standards -Eliminate any harassment ("Do not engage in, allow, or tolerate harassment") -Continue providing compliance training	-Conducted compliance awareness activities (including regular inspections and meetings) -Continued efforts toward the eradication of harassment, aiming for zero incidents -Carried out compliance training, including one group-wide session	-Adhere to compliance standards -Eliminate harassment ("Do not engage in, allow, or tolerate harassment") -Continue providing compliance training

New Medium-Term Business Plan

Progress on the New Medium-Term Business Plan

Under our new Medium-Term Business Plan (2024–2026), formulated in February 2024, we are accelerating investment in R&D to realize our vision for 2030: to become a company that “contributes to food production, ecofriendly agriculture, and human health” and “delivers the joy of cultivating, the excitement of viewing, and the contentment of eating.” In 2025, we invested approximately 2,662 million yen, or 8.3% of net sales, in R&D. Here are some of the results achieved to date.

Probioponics

Probioponics is a term coined from *probiotics* (beneficial microorganisms) and *hydroponics* (liquid nutrient-based cultivation), referring to a technology that utilizes beneficial microbes in hydroponics. This approach aims to achieve sustainable, ecofriendly agriculture without relying solely on chemical fertilizers and pesticides.

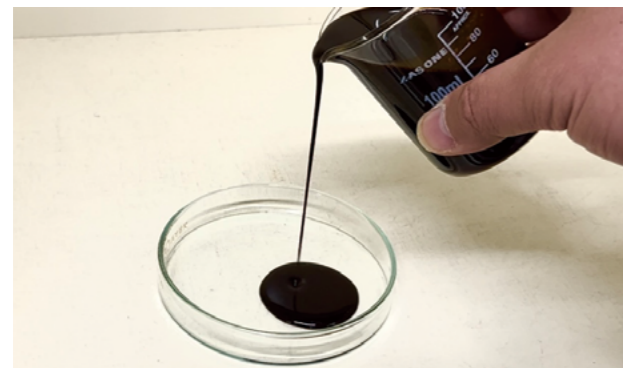
In October 2025, we obtained domestic fertilizer registration for a fertilizer dedicated to probioponics cultivation. This specialized fertilizer meets the Japanese Agricultural Standards

(JAS) for probioponics as being composed of nitrogen, phosphorus, and potassium derived from biomass or seawater-based sources. In principle, this fertilizer alone enables hydroponic cultivation of leafy vegetables (such as lettuce and green onions) and fruit vegetables (such as cherry tomatoes and melons).

We are also aggressively developing cultivation techniques. At our Miyazaki Farm, we are conducting forcing culture of cherry tomatoes on a commercial scale—beginning in August and continuing through next June—with stable and healthy crop growth.

Additionally, at our Cultivation Research Center in Naruto City, Tokushima Prefecture, we are conducting trials on crops beyond cherry tomatoes, melons, and lettuce that have proven records. We have successfully harvested strawberries, large tomatoes, and small watermelons with quality equal to or exceeding that of conventional methods.

We will continue to expand the scope of trial crops and develop cultivation technologies that surpass conventional methods as a step toward a circular society.



Probioponics JAS-compliant specialized fertilizer (Registration No. Sei 109716: OAT organic-blended liquid fertilizer 416)



Probioponics cultivation—Forcing culture of strawberries



Probioponics cultivation at Miyazaki Farm—Forcing culture of cherry tomatoes



Probioponics cultivation—Off-season cultivation of small watermelons

Agrio Ichigo Master

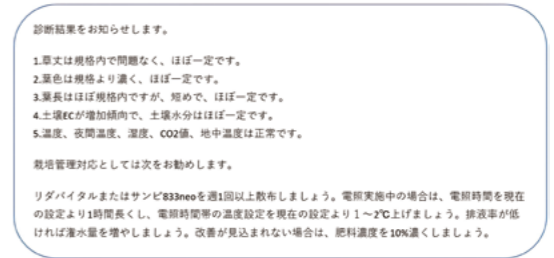
“Agrio Ichigo Master” is a subscription-based support service for higher yields and stabler quality of strawberries launched in 2022. The package combines the products and services we have developed over many years in strawberry cultivation, including our drip fertigation system, fertilizer products, biostimulants, Green PPPs, and cultivation know-how. The core of this service is an automated growth diagnosis system: our proprietary AI evaluates the condition of strawberry growth using image data from fixed-point cameras together with environmental data such as temperature and humidity.

This AI-powered diagnosis system was upgraded in October 2025, to make growth conditions easier for producers to understand. The modified diagnostic messages now provide information on the current situation (compared to standard values) and trends (changes over the past three days), as well as recommendations on tailored cultivation management in line with the latest plant conditions.

Furthermore, alongside the improvements to the diagnosis system, we integrated the AI Consultant function as a customer helpdesk within the Ichigo Master app. Under the concept of “AI assistance available around the clock,” this feature instantly responds to questions related to strawberry

cultivation, ranging from issues with drip fertigation machines to crop growth concerns and pesticide selection.

Through continuous improvements driven by updates and further refinement, fueled by advances in AI and sensing technologies, Agrio Ichigo Master will further contribute to the realization of profitable agriculture.



A diagnostic message



AI Consultant

FY2025 Summary

Based on our long-term vision for 2030, we are working to create new businesses that contribute to the building of a sustainable society. Our particular focus is placed on proposing and actualizing profitable agriculture, leveraging our cultivation technologies to promote farming practices friendly to both people and the environment. We have been

advancing product development that incorporates innovative technologies and emerging trends through focused R&D investment. This has led us to take one step closer to a sustainable future by solving challenges around the world and launching one product after another on the market.

Business Indicators

	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Results	FY2026 Plan
Net sales (billions of yen)	26.96	28.99	29.77	31.95	33.82
Operating profit (billions of yen)	3.35	3.77	3.11	3.45	3.80
Ordinary profit (billions of yen)	3.39	3.80	3.24	3.58	3.70
Profit attributable to owners of parent (billions of yen)	2.26	2.49	2.08	2.32	2.41
Operating profit margin	12.4%	13.0%	10.5%	10.8%	11.2%
Consolidated ROE	23.4%	20.0%	13.9%	13.4%	12.3%
R&D expenditures (billions of yen)	1.96	2.04	2.73	2.66	2.79
Ratio of R&D expenditures to net sales	7.3%	7.0%	9.2%	8.3%	8.2%

Environment

Initiatives for Calculating and Reducing GHG Emissions

(1) Background

Since our founding, we have been promoting management for sustainability and utilizing renewable energies while reducing and recycling waste. We started calculating GHG emissions in FY2020 and will continue to calculate, verify, and reduce emissions to achieve carbon neutrality by 2050. Collaboration with our affiliates in quantifying our emissions and identifying key areas for reduction also serve to increase employees' awareness of sustainability. We will continue to proactively communicate to our stakeholders how our agritechnology can contribute to solving the environmental problems outlined in the SDGs.

(2) Calculation Method

In FY2020, we began calculating our Scope 1 and 2 emissions at our major business offices and facilities. For Scope 3 emissions, the head office carried out calculations and identified three key categories: Category 1 (Purchased Goods and Services), Category 4 (Upstream Transportation and Distribution), and Category 5 (Waste Generated in Operations). These categories are directly related to our operations and, therefore, represent key areas for effective reduction efforts.

Since FY2021, we have been calculating Scope 3 emissions at all major business offices and facilities. For Category 1, we calculate emissions by multiplying respective emission factors based on domestic and international standards using purchasing information (type of substances and weight or monetary value as activity data the BCP). For Category 4, we calculate emissions based on the weight of purchased and shipped products combined with the transportation methods and distances. For Category 5, emissions are calculated using the type of waste and disposal method. For other categories as well, we calculate emissions using quantity and/or monetary data wherever possible, but for companies and categories with low emissions, we estimate the emissions using net sales and number of employees.

(3) Analysis of Results and Countermeasures

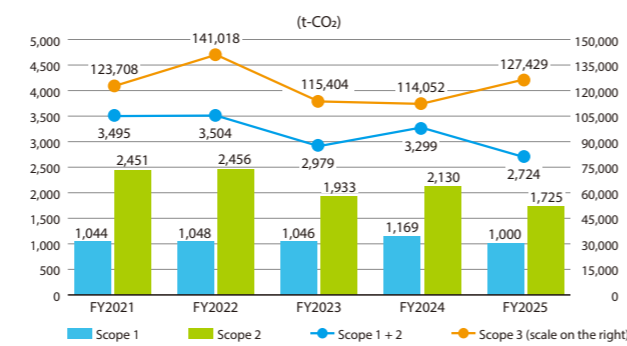
In FY2025, we decreased Scope 1 and 2 emissions by 17.4% year on year, primarily due to less steam and electricity consumption at the Naruto factory, where plant operations were partially suspended. Energy consumption will likely increase stemming from expanded business activities and R&D, combined with climate change-driven factors. We will therefore continue to ensure energy conservation, provide a good infrastructure for that, and promote the transition to renewable energy sources.

Scope 3 emissions increased by 11.7% year on year, largely due to higher procurement volumes and increased transportation and distribution associated with revenue growth. As Categories 1 and 4 account for more than 90% of Scope 3 emissions, we will continue to work with suppliers and review transportation means to further cut emissions.

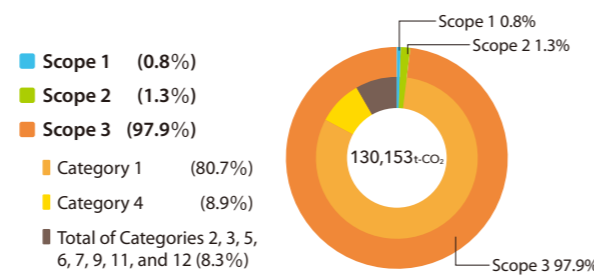
Emissions Performance for Scope 1, 2, and 3 (t-CO₂)

	FY2023	FY2024	FY2025	YoY
Scope 1	1,046	1,169	1,000	-14.5%
Scope 2	1,933	2,130	1,725	-19.0%
Scope 1 + 2	2,979	3,299	2,724	-17.4%
Scope 3	115,404	114,052	127,429	+11.7%
Category 1	95,135	92,857	105,033	+13.1%
Category 4	9,335	10,156	11,628	+14.5%
Sum of Categories 2, 3, 5, 6, 7, 9, 11, and 12	10,934	11,039	10,768	-2.5%
Scope 1 + 2 + 3	118,383	117,351	130,153	+10.9%

Note: For Chrysal Group, one of our affiliates, emissions from the shipments Chrysal is responsible for under Category 4 (upstream transportation and distribution) are excluded from the calculation due to the complexity of distribution channels. We will make improvements going forward to enhance calculation accuracy.



FY2025 Composition of Scope 1, 2, and 3 Emissions



Notes:
 1. Of the 15 Scope 3 categories, Categories 8, 10, 13, 14, and 15 are excluded from the calculation.
 2. Figures in parentheses represent the percentage share in the total Scope 1-3 emissions (130,153 t-CO₂) as the denominator.

Business Risks and Opportunities Brought About by Climate Change

Recognizing the impact of climate change on our business as a crucial management issue, we have conducted scenario analysis based on the TCFD recommendations. As a result, we have identified two types of risks: (i) transition risks, such as decreased demand due to tighter regulations on chemical fertilizers, higher costs from carbon taxes, and rising costs of procuring raw materials and manufacturing, and (ii) physical risks, including reduced revenue due to crop damage from intensifying natural disasters and long-term declines in farmland. Among these, we consider the increased costs of raw material procurement the most impactful. On the other hand,

the markets for Green PPPs and biostimulants are expected to grow as a response to climate change and the tighter regulations on chemical pesticides and fertilizers. This presents a major opportunity for expanding our revenues. We are also focused on the development of other technologies and products that address climate change, including smart agriculture, probiofonics, and our maritime transportation quality control service, Sea Freight/Long Storage. In this way, we promote management for sustainability by positioning climate change as an opportunity for growth.

Reference Scenarios

Future Pathway	Scenario Names
Below 2°C scenario (including the 1.5°C scenario)	IEA WEO 2024 "Net Zero Emissions by 2050 Scenario (NZE)," IPCC AR6 "Shared Socio-economic Pathways (SSP1-2.6)"
4°C scenario	IEA WEO 2024 "Stated Policy Scenario (STEPS)," IPCC AR6 "Shared Socio-economic Pathways (SSP5-8.5)"

	Risks	Business Impact	Countermeasures	Impact Level*	
Transition risks	Policy and regulation	Decreased demand due to tighter regulations on chemical fertilizers	Certain chemical fertilizers became subject to domestic and international regulations, resulting in reduced sales	<ul style="list-style-type: none"> Develop and provide technologies to reduce fertilizer input and optimize application efficiency Shift to products that comply with domestic and international regulations Develop and expand sales of low environmental impact products such as probiofonics 	Medium
	Policy and regulation	Tighter GHG emissions regulations	Increased financial burden due to the introduction of carbon pricing such as carbon taxes	<ul style="list-style-type: none"> Formulate reduction (transition) plans Promote energy conservation and the use of renewable energies to achieve reduction targets 	Low
	Market	Increased costs of procuring raw materials and manufacturing	Price hikes of raw materials and rising costs of manufacturing and transportation	<ul style="list-style-type: none"> Diversify procurement sources Revise and strengthen the BCP and diversify subcontractors Introduce high-efficiency equipment and facilities Optimize and streamline operations using the global network of affiliated companies 	High
Physical risks	Intensified and more frequent natural disasters leading to crop damage, diminished farmland, and shifts in cultivation areas	<ul style="list-style-type: none"> Revenue decline due to diminished farmland and farmer attrition Costs needed for market development to respond to changes in crops, pests, and diseases as a result of global warming and increased transportation costs Decline in sales of agrochemicals and fertilizers due to market changes 	<ul style="list-style-type: none"> Further innovate our cultivation technologies Develop biostimulant products that mitigate environmental stress Expand marketing to other regions 	Medium	

	Opportunity	Business Impact	Countermeasures	Impact Level*
Opportunity	Greater demand for Green PPPs and biostimulants due to tighter regulations on chemical pesticides and fertilizers and disclosure requirements related to biodiversity	Increased demand and sales of Green PPPs and biostimulants that contribute to biodiversity conservation and enhance resilience to climate change risks	<ul style="list-style-type: none"> Develop and expand sales of Green PPPs, biostimulants, and drip fertigation systems 	High
	Expanded smart agriculture driven by increased demand for environmental control	Higher sales of smart agriculture solutions, including Agrio Ichigo Master	<ul style="list-style-type: none"> Promote adoption of smart agriculture and develop new services utilizing big data Evolve along with AI and sensing technology advances and expand the scope of crops 	Low
	Tighter GHG emissions regulations	Modal shift support (transition from air freight to sea freight)	<ul style="list-style-type: none"> Enable maritime transportation of cut flowers through integrated quality control technologies using freshness-preserving agents Cover more crops 	Medium

*Impact on consolidated revenue is classified into three levels: High (¥3.0 billion or more), Medium (¥0.3 billion to less than ¥3.0 billion), and Low (less than ¥0.3 billion). These are indicative criteria based on qualitative factors. We will refine the financial impact for more details.





Working Together Toward a Sustainable Flower Industry

Collaborating with stakeholders to deliver our roadmaps for 2030

The OAT Agrio group positions improving sustainability in the flower and plant industry as a priority mission. We are tackling the challenges of reducing environmental impact and enhancing the value we provide by leveraging the strengths of our group companies.

At Chrysal, we have three key roadmaps in place to advance our sustainability goals toward 2030, for CO₂, packaging, and ingredients. This helps us clearly define and carry out all steps and actions to be taken to accomplish our goals via cross-functional project teams.

 <h4 style="text-align: center; color: white;">CO₂ roadmap</h4> <p style="color: white; font-size: small;">We take a data-driven approach, enhancing data completeness to consolidate global results, identify key emission hotspots, and drive targeted reduction efforts.</p> <ul style="list-style-type: none"> · CO₂ footprint calculations: Chrysal operations and product portfolio · International rollout completed · All data for Scope 1 and 2 and most of Scope 3 data available · New reduction plan following worldwide calculations · Working on SBTi commitment 	 <h4 style="text-align: center; color: white;">Packaging roadmap</h4> <p style="color: white; font-size: small;">We strive for fully circular packaging. With the packaging roadmap in place to determine our milestones in detail and projects like the transition of our sachets to only recyclable films, drums with recycled content, and improved circularity of boxes, we deliver circular solutions and achieve our targets.</p> <ul style="list-style-type: none"> · Roadmap on flexible and rigid packaging · Transition to fully recyclable films for our sachets · Increase of recycled content in all our packaging · Boxes made of recycled content · Data measurement of recycled and recyclable content 	 <h4 style="text-align: center; color: white;">Ingredients roadmap</h4> <p style="color: white; font-size: small;">We prioritize the sustainability of ingredients by reducing eco- and human-toxicity and improving biodegradability and the biobased content of our components. We have defined a method that quantifies the sustainability of our ingredients, and we now have short-, medium-, and long-term plans in place to improve that.</p> <ul style="list-style-type: none"> · Definition of sustainability aspects of ingredients · Research on ecotoxicity, human toxicity, biodegradability, biobased content, and CO₂ impact · Action plans first to target the top 20 highest-impact ingredients
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Packaging roadmap: transition to circular films in the Netherlands

Chrysal is transitioning to circular packaging solutions that reduce environmental impact. Our goal is to use non-virgin materials and ensure all packaging is recyclable or reusable. By focusing on circularity, we reduce the packaging waste of our products and support a more circular life cycle for our products. This direction also aligns with the ambitions of the European Packaging and Packaging Waste Regulation (PPWR).

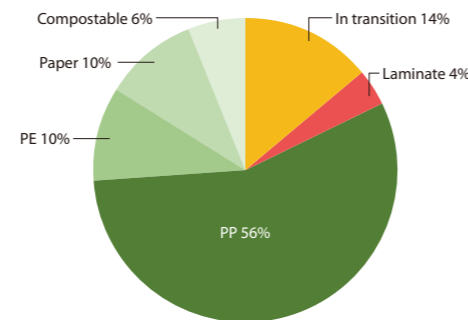
In 2025, Chrysal realized a challenging goal, changing almost all the films for sachets in the factory in the Netherlands to more recyclable options. At the beginning of the year, we still had 20% of our films being laminates, but by the end of the year the percentage decreased to only 4%, with 14% transitioning.

Emissions reduced by delivering fresh roses by sea

Sea freight is the future of flower transportation, as it offers a significant reduction in carbon emissions—81.6% to 98.2% less CO₂ compared to airfreight. However, it also presents unique challenges, including extended transit times and increased stress on flowers.

To overcome these hurdles, we have spent more than a decade developing the Chrysal Sea Freight Service, an advanced post-harvest and in-transit service concept designed to keep flowers fresh and protect them from botrytis during long journeys. It is a comprehensive solution, in which flowers are treated with Chrysal Rose Dip and anti-ethylene agents, and Chrysal Technical Assistants oversee every stage—from harvesting to shipping and reception in the final destination. This hands-on approach minimizes flower wastage and rejection rates, while ensuring transparency by sharing vital data with all parties throughout the transport phase.

Consumer Packs: Product Assortment (as of December 31, 2025)



ESG reporting in accordance with CSRD: from compliance to strategy

At Chrysal, sustainability is far more than a compliance exercise—it is deeply embedded in our core values, long-term vision, and daily way of working. ESG reporting with a view to the Corporate Sustainability Reporting Directive (CSRD) plays a key role in this commitment. We view it not only as a regulatory requirement but also as a powerful tool for strategic improvement across our business.

By actively tracking and transparently reporting on our environmental and social impacts, risks, and opportunities, we are not only meeting requirements and ensuring accountability but also laying the groundwork for better decision making, continuous improvement, and sustainable long-term growth.

Society

Sustainable Value Creation Powered by Human Capital

Human resource development and corporate culture grounded on the management philosophy

Our group's management philosophy, "We contribute to the people in the world with our agritechology and sincerity," serves not only as the North Star of our business activities, but also as the foundation for developing our human capital. To accomplish this philosophy, we are building an organization in which each employee bolsters their expertise, respects one another, and collaborates with each other to generate innovative solutions. Through internal and external training programs and technical exchanges, we broaden knowledge and nurture talent capable of shaping the future of sustainable food production. Meanwhile, we foster a corporate culture rooted in sincerity and teamwork, strengthening trust with customers and partners and enhancing the value of our products and services.

Our training curriculum is structured around career development with programs tailored to different career stages, to support employees in thinking and acting for themselves to shape their careers. Feedback training for management (evaluator training) provides opportunities to learn how to communicate evaluation results with accountability and legitimacy and support the setting of future goals. The program also emphasizes the importance of day-to-day communication. Junior staff training also involves senior employees, wherever possible, to encourage mutual learning. Pre-employment programs offer prospective employees opportunities to learn how to gather and communicate information on social and economic trends, as the first step of talent development. We also provide training programs designed specifically for female employees from the perspective of promoting women's active participation. As of 2025, two of our 14 directors (including executive officers) are women. In our action plan based on the Act on the Promotion of Women's Active Engagement in Professional Life, we set our target as to increase the ratio of female managers from the current 9.6% to 20%. We provide career development training for female employees, offering opportunities to reassess their career paths while systematically developing female managers equipped with the leadership, management skills, active listening capability, and communication prowess necessary for effective workplace management.

Driving operational transformation and responsiveness to changes through digital transformation

With respect to digital transformation, more specifically the adoption of AI, and operational efficiency, we launched a group-wide business process improvement effort in 2024. In 2025, we transitioned to the phase to execute the policies we had formulated. We

established a special AI project to identify use cases across departments, present areas to be improved, and enhance AI applications, with the aim to accelerate workflow improvements.

Fostering adaptability and flexibility to respond to change is also a key objective. We will always keep digital transformation technologies in mind when streamlining our operations and continue to promote digital transformation through the more advanced use of AI to establish a culture that embraces challenges without fear of change.

Strengthening systems and governance for employees' well-being

To improve the internal work environment, we revised our compensation structure in view of price escalation, enhancing income stability and backing employees' life planning. In supporting the balance between work and childcare or eldercare responsibilities, we realized that the challenge was to make our systems flexible for individualizable in line with law revisions. Accordingly, in 2025, we held our first information-sharing sessions and seminars for employees facing eldercare responsibilities. We will continue to enhance systems that enable flexible responses in addition to information gathering and provision.

From the perspective of management for health, we have assigned a representative in each department as a champion for health buildup. We aim for a 100% health checkup participation rate and to thoroughly ensure that post-checkup action is taken. In March 2025, we were selected as one of the 2025 Outstanding Organizations of KENKO Investment for Health by the Ministry of Economy, Trade and Industry and again for 2026 next year. Through mental health support and the promotion of flexible work styles, we will continue to create an environment in which employees can work with peace of mind and demonstrate their best performance.

In the areas of human rights and compliance, we continuously conduct e-learning programs and training sessions to eliminate harassment. In 2025, our group-wide training incorporated numerous practical examples to enhance employees' sense of ownership. The self-assessments we conduct four times a year and compliance promotion leader meetings held twice a year provide opportunities to look into findings and share corrective actions, thereby driving continuous improvement. Through these initiatives, our group will strategically develop and leverage human capital and, building on the growth and well-being of our employees, create sustainable value and contribute to the people in the world.



Corporate Governance

Sustainability Governance

Guided by our corporate philosophy, “We contribute to the people in the world with our agritechology and sincerity,” we are committed to management that contributes to sustainable agriculture friendly to humans and the environment. Through our business activities, we strive to enhance our corporate value while contributing to the development of society.

In the effort to address social challenges through our agri-business, we have established the Sustainability Promotion Committee, chaired by the President. Its mission is to further promote sustainability initiatives while reinforcing medium- to long-term corporate value. Under the direction of the Chair, the Committee deliberates on basic management policies related to sustainability, addressing climate change and other challenges,

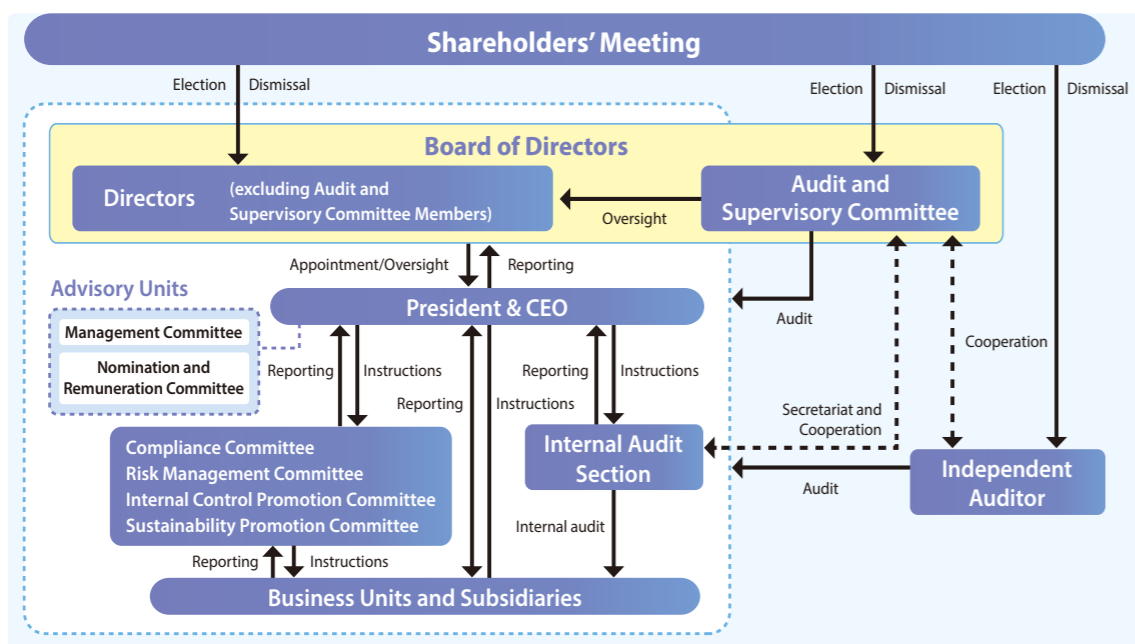
as well as designs for business policies and strategic initiatives. The outcomes from the deliberations are submitted to the Board of Directors for resolution. At the same time, the Risk Management Committee deliberates regarding business continuity, financial posture, and operating results on a consolidated basis, in association with climate change challenges, along with any events that may have a significant impact on cash flows. The Committee’s conclusions are again reported to the Board of Directors, together with other group-wide risks.

The Board’s decisions are then rolled out across the group with the help of our business units under the auspices of the Sustainability Promotion Committee.

Risk Management and Compliance

In addition to the monthly Board of Directors meetings and management meetings, OAT Agrio has the Risk Management Committee, chaired by the President and composed of executive directors. The Committee is responsible for identifying potential risks associated with the execution of our operations, developing and maintaining internal regulations, and providing risk management training for employees. When necessary, we also consult with external attorneys and other experts. Meanwhile, the Sustainability Promotion Committee identifies and assesses sustainability-related risks that the group currently faces or might face in the future, formulates risk response plans, and monitors their progress. Any events that might have a significant impact on business continuity, financial posture, operating results, and

cash flows are also reviewed by the Risk Management Committee and reported to the Board of Directors together with group-wide risks. Furthermore, we have established the Compliance Committee, also chaired by the President and composed of executive officers, to ensure the thorough awareness of and adherence to compliance standards across the group. To encourage the early detection of any conduct that might violate laws or regulations, we have developed a whistleblowing policy and set up a reporting and consultation interface (hotline) accessible both internally and externally for any compliance-related concerns.



Message from an Outside Director

Linking Financial and Non-Financial Values for More Solid Governance

Minoru Kimura
Outside Director
(Audit and Supervisory Committee Member)

Expertise as an accounting professional and responsibilities as an outside director

As a certified public accountant, I have long pursued the ideal state of management control and governance that underpin corporate activities, through financial statement audits and internal control audits. OAT Agrio as a group is engaged in businesses that support the foundation of society, including food supply and environmental conservation. Financial performance and non-financial value are interwoven; it is not possible to talk about corporate value by separating one from the other. For this, I believe it is my key responsibility to carefully examine, on the basis of my accounting expertise, the alignment between financial and non-financial aspects, the validity of the assumptions underlying management decisions, and the factoring of risks in decision making, and constructively communicate my views for better quality of management.

Having a perspective of capital costs and stock prices in management is essential for enhancing corporate value. We have held repeated discussions in reviewing our businesses based on metrics such as ROE and ROIC, and in balancing growth investments with shareholder returns. The stock price is not determined merely by financial performance; it represents the sum of market expectations regarding the company’s medium- to long-term earning power, risk management, and future strategy. In this sense, the essence of quality management lies in objectively identifying and refining the elements that constitute the corporate value and persistently communicating the management process itself.

Focusing on the effectiveness of compliance and internal controls as Chair of the Audit and Supervisory Committee

Internal control should not be limited to mere legal compliance; it must function as a “living system” embedded throughout the organization. The regulations and societal demand surrounding our group’s businesses are so wide-ranging that decisions made in the field may immediately translate into management risks. In advising the Board of Directors, the Audit and Supervisory Committee is expected to verify and provide effective recommendations in terms of deepening discussions on the status of internal control implementation, ascertaining risks across overseas operations and the end-to-end supply chain, and creating mechanisms to detect signs of misconduct or fraud as early as possible and swiftly take corrective action.

In evaluating the effectiveness of the Board, we place particular emphasis on direct dialogue between the President and individual directors. It is essential to identify areas for improvement by applying the sense of reality in assessing factors such as the appropriateness of agenda setting, the quality and timing of materials, the allocation of deliberation time, and how to share information externally. Looking ahead, we will consider the introduction of objective evaluations by third parties.

Key discussions and future agenda at the Board

In addition to business strategy, investment decisions, and human capital strategy, the Board has recently been actively discussing the reduction of environmental impact. I see that deliberations have steadily progressed on topics such as environmental impact throughout product life cycle and the optimal business portfolio adaptive to evolving societal demand.

Discussions on long-term sustainability and environmental and social considerations—traditionally regarded as areas for improvement—have clearly increased at the Board level. Analytical, verification, and disclosure processes have become more established centering on the Sustainability Promotion Committee. As far as disclosure is concerned, we place greater importance on clearly and sincerely communicating to society the background of management decisions and associated risks, than on the volume of information. As an outside director, I remain committed to ensuring unbiased disclosure that accurately reflects reality, while enhancing the quality of communication.

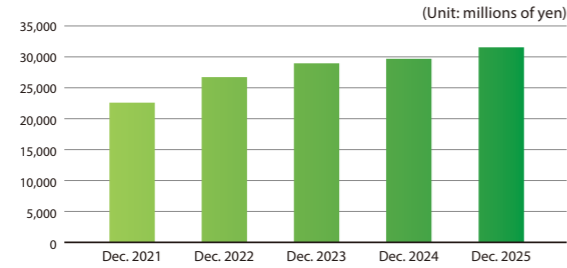
In the meantime, we remain challenged by the need to deepen discussions on medium- to long-term value creation and sustainability within limited meeting time, moving beyond simply addressing individual agenda items to enable more meaningful deliberation. This requires setting agenda from a longer-term perspective, enriching pre-meeting information that supports meaningful discussions, and strengthening coordination with the committees responsible for risk, compliance, and internal controls. I feel that we are entering a phase that calls for more concrete involvement in the setting and monitoring of KPIs and the alignment with financial strategies.

Expectation for achieving both social and economic values through contribution to sustainable agriculture

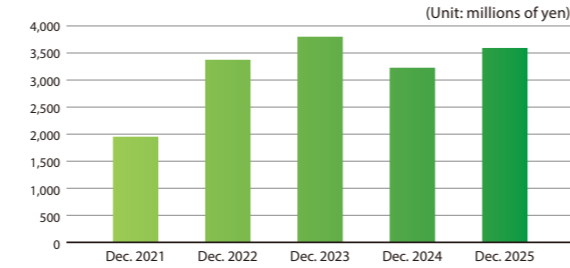
The agricultural sector currently confronts the difficult challenge of balancing environmental impact reduction with productivity improvement. Taking advantage of the technologies and expertise we have cultivated over the years, I have high expectations that our group will achieve both social and economic value at a high level through products and services that support sustainable agriculture. As an outside director, I will continue to engage in candid conversations from an independent standpoint, contributing to the group’s sustainable growth and higher corporate value.

Performance Highlights

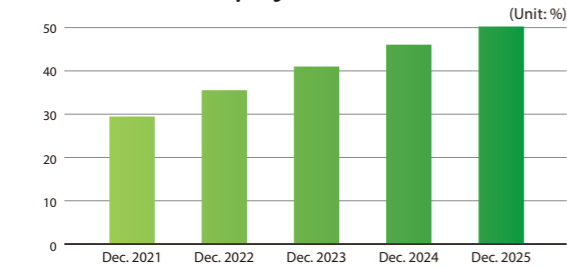
Net Sales



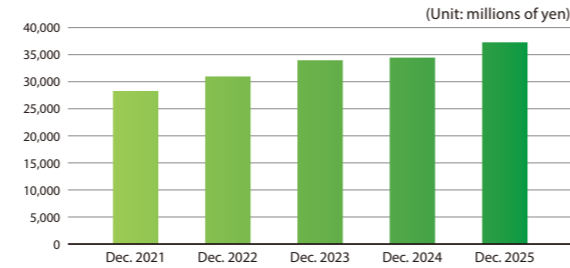
Ordinary Profit



Shareholders' Equity Ratio



Total Assets

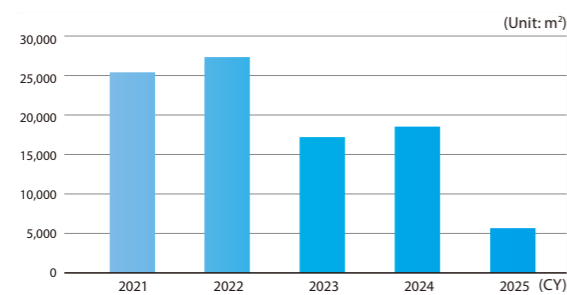


<Formula> Shareholders' Equity Ratio = Equity capital / Total Assets × 100
(Equity capital = Net Assets – Subscription rights – Share options – Non-controlling interests)

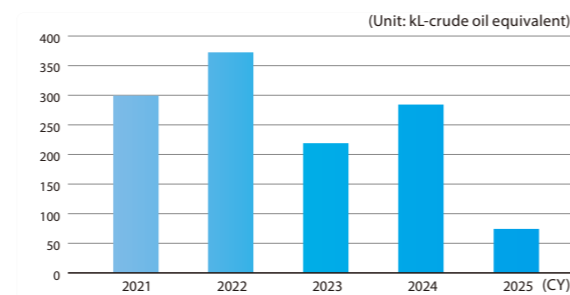
Note: OAT Agrio started applying the Accounting Standard for Revenue Recognition and other relevant standards from the fiscal year ended December 31, 2022. Data for the fiscal year ended December 31, 2021, are presented after retrospectively applying the said Standard.

Environmental Conservation Reports (Naruto Factory)

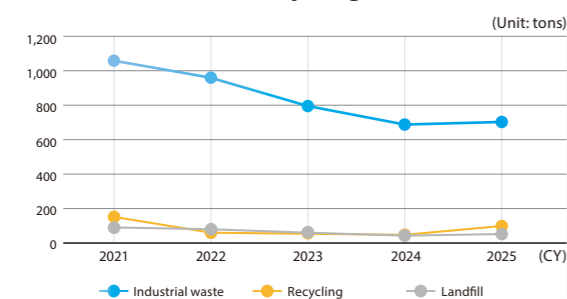
Water Consumption



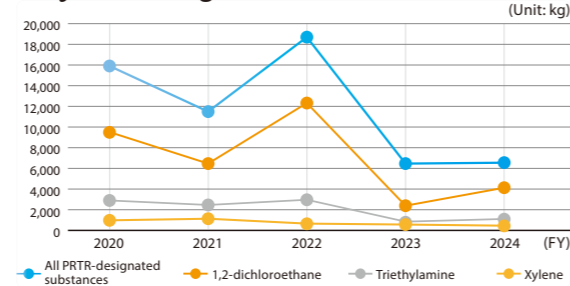
Steam Energy Consumption



Industrial Waste, Recycling, and Landfill



Transfer and Release of Class I Pollutant Release and Transfer Register (PRTR) System—Designated Chemical Substances



Heat Stress Countermeasure Biostimulant “Enten Master”

Biostimulants are a collective term for substances and technologies that enhance plants' innate immunity, boosting tolerance to cold and heat, resistance to pests and diseases, and overall growth. Amid the heightening concerns over global warming, these technologies are drawing attention both inside and outside Japan. In May 2025, we launched “Enten Master,” a biostimulant specifically developed to resist heat. We devoted considerable time to its development and hence are proud to see the product well received. Leveraging a proprietary component we found in our research that enhances plants' tolerance to heat stress, Enten Master helps mitigate the heat stress experienced by crops. Even under severe conditions, most notably the extreme heat observed in recent years, the product enables stable yields and improved crop quality, making a difference in the stability of the food supply. The product also supports our SDGs-derived goals of environmental conservation, improved resource efficiency, and eradication of hunger. We are poised to spread Enten Master more widely, thereby contributing to the accomplishment of these goals.

We regard the world's agriculture and the environmental and social challenges surrounding it as key priorities. We remain committed to developing and promoting products that are both useful and indispensable for modern agriculture, contributing to the realization of sustainable agriculture and food production worldwide.



高温対策専用バイオスティミュラント
炎天マスター®
高温ストレス軽減

● 自社独自に見出した高温ストレス耐性向上成分^(※1)により高温期の作物生産をサポート!^(※1)

日本バイオスティミュラント協議会自主基準に基づく表記	
BSの分類	植物抽出物
BSの主たる効果・効能	耐暑性改善、収量改善、秀品率の改善

炎天マスターを散布してあくと...
HSF (発現) ROS (増加↑)

炎天マスターを散布してあくと...
HSF (増加↑) ROS (減少↓)

● HSF^(※2)遺伝子の発現量の増加
● 活性酸素種 (ROS)^(※3)の減少

【HSF遺伝子】^(※2) Heat shock transcription factor
高温ストレスを感じると発現量が増加し高温に備える指令を伝える

【活性酸素種 (ROS)】^(※3) Reactive oxygen species
ストレスを感じると量が増えて植物を傷つける物質

OAT アグリオ株式会社

Editorial Policy

The OAT Agrio Group has been publishing the Sustainability Report since 2022, describing the group's environmental (E), social (S), and governance (G) initiatives aimed at building a sustainable society, as well as its management plans and other information. We hope that this report will help communication with stakeholders in our supply chain and other realms, be utilized by society, and enhance the understanding of OAT Agrio Co., Ltd., and its group companies. Your feedback is most welcome in order to improve our reporting.

Reported Period

January to December 2025

Reported Organizations

The Group (OAT Agrio and its affiliated companies) consists of OAT Agrio Co., Ltd., 26 consolidated subsidiaries (including Asahi Chemical Manufacturing Co., Ltd.; Runhe (Zhoushan) Plant Science Co., Ltd.; OAT&IIL India Laboratories Private Limited; Asahi Chemical Europe s. r. o.; PT. OAT MITOKU AGRIO; LIDA Plant Research, S.L.; Inplanta Innovations Inc.; and Blue Wave Holding B.V.), one unconsolidated company, and two associated companies.

Published

March 2026



<https://www.oat-agrio.co.jp/en/top-page-english/>