

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: 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 September 30, 2024	11,072,000 shares
As of December 31, 2023	11,072,000 shares

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

As of September 30, 2024	761,894 shares
As of December 31, 2023	788,582 shares

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

Nine months ended September 30, 2024	10,297,524 shares
Nine months ended September 30, 2023	10,580,937 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* 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

Index

- 1. Overview of operating results and others 2
 - (1) Overview of operating results for the first nine months 2
 - (2) Overview of financial position for the first nine months 2
 - (3) Information regarding consolidated earnings forecasts and other forward-looking statements 3
- 2. Quarterly consolidated financial statements and significant notes thereto 4
 - (1) Consolidated balance sheet..... 4
 - (2) Consolidated statement of income and consolidated statement of comprehensive income..... 6
 - (3) Notes to quarterly consolidated financial statements 8
 - Notes on segment information, etc. 8
 - Notes on substantial changes in the amount of shareholders’ equity..... 8
 - Notes on premise of going concern 8
 - Notes on quarterly consolidated statement of cash flows 8
 - Revenue recognition 9
 - Significant subsequent events..... 10

1. Overview of operating results and others

(1) Overview of operating results for the first nine months

In the first nine months of the fiscal year ending December 31, 2024, the Japanese economy showed a moderate trend of recovery, supported by a continuation of robust inbound tourism demand and the expansion of construction demand for infrastructure and other projects. The economy is expected to progress steadily in the future as a result of corporate capital investment. However, elements of concern remain, such as accelerating inflation, due to the rising cost of logistics, etc., the accompanying weakening of personal consumption and ongoing international tensions, the future remains uncertain.

Under such business conditions, in the first nine months under review, net sales was ¥22,177 million, down ¥102 million or 0.5% year on year, operating profit was ¥2,680 million, down ¥967 million or 26.5% year on year, ordinary profit was ¥2,609 million, down ¥1,247 million or 32.3% year on year, and profit attributable to owners of parent was ¥1,696 million, down ¥829 million or 32.8% year on year.

During the first nine months under review, the Company has been actively investing in research and development, which has led to a year-on-year increase in research and development expenses. As a result, selling, general and administrative expenses came to ¥8,165 million, up ¥869 million or 11.9% 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 in Japan, the Group maintained steady sales results for a variety of products including the Company's mainstay pest control materials *Orion* and *Hachi-Hachi*, and our green agrochemicals^(Note 1) *Suffoil* and *Toarrow*, which are the Company's focus.

However, sales of the pest control materials *Oncol*, *Cyflumetofen*, *Kaligreen* and others declined year on year. In the overseas markets, the pest control material *Gatten* maintained favorable sales, while green agrochemicals such as *Kaligreen* performed well. Meanwhile, sales of *Cyflumetofen* declined year on year but has nonetheless maintained smooth performance since June. As a result, net sales in the agrichemicals field amounted to ¥8,360 million, down ¥1,304 million or 13.5% year on year.

In the fertilizer and biostimulant field in Japan, we saw continued sales of the biostimulants^(Note 2). This included *Potetoru*, as well as *Lidavital*, *Algamix*, and *Fullbody*, which are products of our affiliate LIDA Plant Research, S.L. However, sales for greenhouse fertilizers, drip-fertigation fertilizers and others fell year on year, in part due to the impact of surplus inventories in the supply chain during the first six months. In the overseas markets, the mainstay product *Atonik* drove sales. At Blue Wave Holding B.V., an affiliate in the Netherlands, in addition to sales to North and South America, sales to South-East Asia also grew year on year. As a result, net sales in the fertilizer and biostimulant field and other fields increased by ¥1,201 million, or 9.5% year on year, to ¥13,817 million.

We are pressing forward with "Aggressive Investments for Further Growth," as mentioned in our "New Mid-Term Business Plan [2024-2026]," announced in February 2024. We are confident that by realizing our management philosophy of "We contribute to the people in the world with our agritechnology and sincerity," we will solve various challenges faced by global agriculture and contribute to achieving the SDGs. By actively investing in research and development, in which we aim to find the best balance of environmental consideration and stable food supply, we aim to contribute to the advancement of agriculture from a technological and sincere perspective, thereby enhancing our corporate value.

(Note 1) Green agrochemicals: Safe and environmentally-friendly plant protection materials that provide peace of mind and can be used without any restriction on frequency, such as agents with agrochemical registrations derived naturally or from food additives, and organic JAS-compliant agrochemicals.

(Note 2) Biostimulant: General name for the materials and technologies that enhance the immune strength inherent in plants, and promote cold resistance, heat resistance, pest tolerance and growth stimulation.

(2) Overview of financial position for the first nine months

Total assets as of September 30, 2024, was ¥33,996 million, a decrease of ¥3 million compared to December 31, 2023. This was mainly the result of an increase of ¥634 million in cash and deposits, a

decrease of ¥330 million in accounts receivable - trade, an increase of ¥581 million in work in process, a decrease of ¥456 million in merchandise and finished goods, and a decrease of ¥445 million in goodwill.

Total liabilities was ¥17,720 million, a decrease of ¥1,406 million compared to December 31, 2023. This was mainly the result of a decrease of ¥360 million in income taxes payable, a decrease of ¥452 million in notes and accounts payable - trade, a decrease of ¥877 million in short-term borrowings, and an increase of ¥346 million in long-term borrowings.

Net assets was ¥16,275 million, an increase of ¥1,402 million compared to December 31, 2023. This was mainly the result of the recording of ¥1,696 million in profit attributable to owners of parent, ¥565 million in payment of dividends of surplus, and an increase of ¥102 million in foreign currency translation adjustment.

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

There is no change to the consolidated earnings forecasts for the fiscal year ending December 31, 2024 announced in “Consolidated Financial Results for the Fiscal Year Ended December 31, 2023” on February 13, 2024.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	4,056	4,690
Notes receivable - trade	638	538
Electronically recorded monetary claims - operating	43	23
Accounts receivable - trade	6,736	6,406
Merchandise and finished goods	3,265	2,808
Work in process	1,613	2,195
Raw materials and supplies	2,332	2,199
Other	1,056	1,330
Allowance for doubtful accounts	(156)	(46)
Total current assets	19,586	20,145
Non-current assets		
Property, plant and equipment	3,979	3,933
Intangible assets		
Goodwill	5,915	5,469
Software	209	181
Customer relation assets	2,694	2,544
Other	411	386
Total intangible assets	9,230	8,581
Investments and other assets	1,204	1,335
Total non-current assets	14,414	13,850
Total assets	34,000	33,996
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,189	1,736
Short-term borrowings	9,949	9,071
Accounts payable - other	617	446
Income taxes payable	572	212
Provision for bonuses	38	139
Provision for compensation for damages	26	26
Refund liability	166	325
Other	1,674	1,610
Total current liabilities	15,233	13,569
Non-current liabilities		
Long-term borrowings	2,355	2,701
Retirement benefit liability	233	229
Deferred tax liabilities	948	902
Other	357	317
Total non-current liabilities	3,893	4,151
Total liabilities	19,127	17,720

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	461	461
Capital surplus	2,425	2,432
Retained earnings	9,918	11,050
Treasury shares	(973)	(940)
Total shareholders' equity	11,832	13,004
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	130	157
Foreign currency translation adjustment	1,934	2,037
Remeasurements of defined benefit plans	(8)	(1)
Total accumulated other comprehensive income	2,056	2,193
Non-controlling interests	983	1,078
Total net assets	14,872	16,275
Total liabilities and net assets	34,000	33,996

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

Consolidated statement of income

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Net sales	22,280	22,177
Cost of sales	11,336	11,331
Gross profit	10,944	10,845
Selling, general and administrative expenses	7,295	8,165
Operating profit	3,648	2,680
Non-operating income		
Interest income	25	26
Dividend income	6	7
Foreign exchange gains	287	–
Share of profit of entities accounted for using equity method	5	15
Insurance claim income	–	6
Other	39	24
Total non-operating income	364	80
Non-operating expenses		
Interest expenses	140	134
Foreign exchange losses	–	9
Other	15	7
Total non-operating expenses	155	151
Ordinary profit	3,857	2,609
Extraordinary income		
Gain on sale of non-current assets	14	0
Total extraordinary income	14	0
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on sale of non-current assets	–	20
Impairment losses	3	–
Total extraordinary losses	4	21
Profit before income taxes	3,867	2,588
Income taxes - current	1,471	958
Income taxes - deferred	(206)	(171)
Total income taxes	1,265	786
Profit	2,602	1,802
Profit attributable to non-controlling interests	75	105
Profit attributable to owners of parent	2,526	1,696

Consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Profit	2,602	1,802
Other comprehensive income		
Valuation difference on available-for-sale securities	31	26
Foreign currency translation adjustment	1,586	113
Remeasurements of defined benefit plans, net of tax	3	7
Total other comprehensive income	1,620	147
Comprehensive income	4,223	1,949
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,044	1,833
Comprehensive income attributable to non-controlling interests	178	116

(3) Notes to quarterly consolidated financial statements

Notes on segment information, etc.

[Segment information]

As the Group consists of a single business segment, the AgriTechno Business, this information is omitted.

Notes on substantial changes in the amount of shareholders' equity

No items to report.

Notes on premise of going concern

No items to report.

Notes on quarterly consolidated statement of cash flows

The Company has not prepared quarterly consolidated statement of cash flows for the first nine months under review. In addition, the amounts of depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended September 30, 2023 and the nine months ended September 30, 2024 are as stated below.

	(Millions of yen)	
	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Depreciation	738	839
Amortization of goodwill	503	549

Revenue recognition

The information on disaggregation of revenue from contracts with customers

Nine months ended September 30, 2023

As the Group consists of a single business segment, the AgriTechno Business, net sales is presented by service, and by domestic/overseas.

(1) By service

(Millions of yen)	
Service name	Amount
Agrichemicals	9,664
Fertilizer and biostimulant	12,489
Other	126
Revenue from contracts with customers	22,280
Other revenue	-
Sales to external customers	22,280

(2) By domestic/overseas

(Millions of yen)	
By domestic/overseas	Amount
Domestic	6,116
Overseas	16,163
Revenue from contracts with customers	22,280
Other revenue	-
Sales to external customers	22,280

Nine months ended September 30, 2024

As the Group consists of a single business segment, the AgriTechno Business, net sales is presented by service, and by domestic/overseas.

(1) By service

(Millions of yen)	
Service name	Amount
Agrichemicals	8,360
Fertilizer and biostimulant	13,654
Other	162
Revenue from contracts with customers	22,177
Other revenue	-
Sales to external customers	22,177

(2) By domestic/overseas

(Millions of yen)	
By domestic/overseas	Amount
Domestic	5,959
Overseas	16,218
Revenue from contracts with customers	22,177
Other revenue	-
Sales to external customers	22,177

Significant subsequent events

(Impact of fire at the Company's Naruto Factory)

A fire accident occurred at the Naruto Factory on October 7, 2024, causing damage to a part of the buildings and manufacturing equipment. The cause of the fire is under investigation by the relevant authorities, and the Company plans to identify the causes and take appropriate measures.

The impact of the fire on the Company's financial results is currently under investigation.