


We hold the top Japanese market share in the one-shot paddy rice herbicide field for four consecutive years.
By further expanding business, we will contribute to stable food supply in Japan.

Our group sells agricultural chemicals indispensable for maintaining and improving crop (food) production. We provide safe and secure agricultural chemical products based on integrated processes covering every phase from chemical discovery through to manufacturing and sales. We have set our Ultimate Goals as “a corporate group with flexibility and a strong presence that enriches the lives of people through its unique technologies, and that contributes to sustainable development of society in harmony with nature,” and conduct our business toward these goals. To realize these goals, we are committed to developing and promoting new products and technologies that contribute to the “Strategy for Sustainable Food Systems, MIDORI” and the Act on Promoting the Utilization of Smart Agricultural Technology set forth by the Ministry of Agriculture, Forestry and Fisheries(MAFF), thus helping ensure the stable supply of food.



Director, Managing Executive Officer, Head of Domestic Sales Division IWATA Kouichi

Opportunities

- Increase in the number of large-scale growers and agricultural corporations
- Mitigation of environmental impact in accordance with the Strategy for Sustainable Food Systems, MIDORI
- Expanding demand for low- or reduced agricultural chemicals cultivation and physical pest control
- Technological innovations encouraged by the Act on Promoting the Utilization of Smart Agricultural Technology

Strengths

- In-house development and manufacturing of active ingredients and products
- One-of-a-kind products (MAMETSUBU® products)
- Strong, community-based sales network

Threats

- Reduction in the area of cropland
- Termination of sales of agricultural chemicals whose registration is difficult to maintain
- Increase in raw materials cost

Weaknesses

- Decrease in sales of products for horticulture

Business Environment

Japanese agriculture is facing various issues, including large-scale natural disasters, the effects of global warming (high temperature damage to crops), aging of farmers and a shortage of its successors, an increase of abandoned cropland, and rising prices of agricultural inputs. In these circumstances, the strengthening of food security and a change to sustainable agriculture are called for in Japan. The MAFF formulated the Strategy for Sustainable Food Systems, MIDORI, in 2021, which aims to achieve both productivity improvement and sustainability in the food industry and agriculture, forestry, and fisheries through innovation in order to establish a sustainable food system. The targets to be achieved by 2050 under the strategy include zero emissions of CO₂ from agriculture, forestry, and fisheries, a shift to low-risk agricultural chemicals, the establishment and promotion of an integrated pest management system, and organic farming initiatives.

The initiatives and technologies to be realized by 2030

include pinpoint application of fertilizers and agricultural chemicals using smart agriculture technology, pest control technology using indigenous natural enemies and light, pest outbreak prediction technology by sensing using IT and AI technology, promotion of integrated pest and weed management (IPM), and expansion of organic farming. Development and promotion of new agricultural chemicals meeting these needs, biostimulants, and new pest control technologies are required.

Under the revised Agricultural Chemicals Regulation Act, a system for reevaluating registered agricultural chemicals was introduced to further improve the safety of agricultural chemicals. Agricultural chemicals have been gradually reevaluated since 2021.

In these environments, shipment volumes in the Japanese agricultural chemical market are declining, but the market size has increased to around 365.0 billion yen from that in the previous fiscal year (a survey by CropLife JAPAN in FY2024) due to higher agricultural chemical prices reflecting cost increases.

Business Strategy

Initiatives and Future Targets for the Period Covered by the Medium-Term Business Plan

Under the Medium-Term Business Plan, we have been further strengthening our efforts in the paddy rice field, our business foundation in Japan, rebuilding the business in the horticultural field, and transforming the profit structure by

focusing on our proprietary active ingredients, based on the medium- to long-term marketing strategy.

● **Paddy Rice Field**

In the paddy rice field, the core of our domestic agricultural chemicals business, we will propose one-shot herbicides that meet the needs of growers from our extensive lineup,

centering on our proprietary active ingredients such as EFFEEDA®, a herbicide for paddy rice. By expanding the area of application of our products from 340,000 hectares in FY2024 to 390,000 hectares in FY2027, we aim to continue holding the top share in the market.

Regarding paddy rice nursery box application products, we will establish a foundation for the dissemination of our proprietary active ingredient DISARTA® to expand the area of application from 230,000 hectares in FY2024 to 260,000 hectares in FY2027, and increase our market share for paddy rice nursery box application products.

● **Horticultural Field**

In the horticultural field, we plan to concentrate on our proprietary active ingredients and achieve sales of 114% of the FY2024 level in FY2027. Specifically, in addition to further expanding sales of FANTASISTA®, a horticultural fungicide, and KITAXEEV®, a wheat herbicide containing AXEEV®, we will focus on widespread use and sales of VANENTA® (active ingredient name: Flupentiofenox), a new miticide, which is under development. VANENTA® is drawing attention as a new miticide effective for spider mites that are less susceptible to conventional agricultural chemicals used in Japan. We are preparing to launch it in the future. We are also preparing for widespread use of the new ECOARK® microbial pesticide, the only fungicide against crown gall, which is a difficult-to-control disease on grapevines, roses, and other plants. We are aiming to expand the business in the horticultural field while resolving growers’ issues.

Expansion of the Market Share in Existing Markets (Paddy Rice)

Regarding one-shot herbicides for paddy rice and paddy rice nursery box application products, we will expand the lineup of pre-mixtures of EFFEEDA® and DISARTA® to ensure suitability for the characteristics and needs of the regions in which they are applied, to further expand our market share.

To maintain our position at the top of the market for one-shot herbicides for paddy rice, which we have held for four consecutive years since 2021, we will continue to expand sales of AKATSUKI® products and low-cost LAOH® products, which are new pre-mixtures of EFFEEDA® launched in 2023. In 2025, we will introduce new EFFEEDA®-based TESSHIN® products, SEITEN® products, which are also effective for algae, and ISSEN® products, which are highly effective against cyperaceous weeds including *Scirpus juncoides*, to establish a foundation for their widespread use.

For paddy rice nursery box application products, we will endeavor to expand our market share, which is led by the fungicide DISARTA® pre-mixture. We will continue to establish a foundation for widespread use of the paddy rice nursery box application product BOON® HADES, a new DISARTA® pre-mixture launched in the western Japan market in 2024. The new pre-mixture is effective against flying insect pests that have become less susceptible to conventional insecticides. In 2025, we will launch the new nursery box application product BOON® ALLES® MONGALESS®, which is highly effective



against a wide range of pests, and BOON® granules, a single formulation of DISARTA® serving as a nursery box application product as well as a water-surface application formulation, aiming to further expand our market share of DISARTA® products in the new market.

Moreover, by expanding the lineup in the field of mid- to late-stage herbicides for paddy rice centering on our proprietary active ingredients, we aim to raise the overall level of our domestic agricultural chemicals business.

Expansion of the Market Share in Existing Markets (Non-Cropland)

We sell our products for non-cropland fields (golf courses, highways, railroad tracks, solar panels, etc.) through RIKENGREEN, a our company. In the golf course field, an important field, we aim to expand sales of our own products while maintaining the No.1 market share of SOLISTE SC and SPADA water dispersible granules, which are essential for the control of annual bluegrass and our of Cyperus (*Cyperus brevifolius*), which are difficult-to-control weeds. We will also continue to launch new products such as TRITON SC and flexibly respond to the market environment that keeps changing. We aim to expand our market share by strengthening measures to control difficult-to-control weeds and shrubs in the highway field, expanding sales to Shinkansen strack in the railway track field, and approaching constructors that have not yet applied chemicals in the solar panel field.

Responding to New Needs (Labor Saving, Environment)

To address issues facing agriculture in Japan, we are committed to developing and promoting new products and technologies that contribute to the Strategy for Sustainable Food Systems, MIDORI set forth by the MAFF with the aim of supporting stable food production and realize sustainable agriculture. We will also vigorously work on technological innovations in accordance with the Act on Promoting the Utilization of Smart Agricultural Technology.

Recognizing that smart agriculture is indispensable for sustainable productivity improvement, we are promoting collaboration with smart agriculture-related manufacturers, etc. Specifically, we are endeavoring to make agricultural work more efficient and labor-saving through the application of our proprietary labor-saving MAMETSUBU® formulations for paddy rice, in combination with drones for agricultural use, radio-controlled boats, and automatic irrigation systems, which are becoming increasingly popular. In addition, since there is a need to reduce the impact of chemical pesticides on the environment, our IPM efforts include the use of microbial pesticides, remote sensing technology, the spread of low-drift MAMETSUBU® formulations, and advanced agricultural inputs (biostimulants and new microbial pesticides), which we will promote for social implementation.

We will continue making efforts to improve productivity and agricultural sustainability while ensuring harmony with the environment by providing essential products for both cropland and non-cropland.