

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results
for the Nine Months Ended June 30, 2016
(Based on Japanese GAAP)**

August 5, 2016

Company name: NIHON NOHYAKU CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 4997 URL <http://www.nichino.co.jp/>
 Representative: President Yosuke Tomoi
 Inquiries: Executive Officer, General Manager of Toyokazu Iijima
 General Affairs Department TEL +81-3-6361-1400
 Scheduled date to file Quarterly Securities Report: August 5, 2016
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended June 30, 2016 (from October 1, 2015 to June 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended June 30, 2016	39,217	(14.8)	5,030	(50.7)	4,681	(51.5)	2,727	(57.5)
Nine months ended June 30, 2015	46,028	0.2	10,211	7.7	9,662	3.0	6,421	1.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2016	40.81		–	
Nine months ended June 30, 2015	96.08		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	86,600	48,420	55.0
As of September 30, 2015	81,237	51,034	61.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended September 30, 2015	–	7.50	–	7.50	15.00
Year ending September 30, 2016	–	7.50	–		
Year ending September 30, 2016 (Forecast)				7.50	15.00

3. Forecast of consolidated financial results for the year ending September 30, 2016 (from October 1, 2015 to September 30, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	51,500	(9.5)	4,000	(59.8)	3,500	(62.7)	1,000	(82.2)	14.96

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended June 30, 2016
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2016	70,026,782 shares	As of September 30, 2015	70,026,782 shares
---------------------	-------------------	--------------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2016	3,188,596 shares	As of September 30, 2015	3,188,266 shares
---------------------	------------------	--------------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2016	66,838,281 shares	Nine months ended June 30, 2015	66,839,473 shares
---------------------------------	-------------------	---------------------------------	-------------------

Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Millions of yen)

	As of September 30, 2015	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	9,382	10,492
Notes and accounts receivable - trade	14,181	22,106
Electronically recorded monetary claims - operating	585	1,631
Merchandise and finished goods	9,485	9,965
Work in process	436	517
Raw materials and supplies	4,239	3,456
Other	3,166	3,407
Allowance for doubtful accounts	(19)	(23)
Total current assets	41,455	51,554
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,191	5,125
Machinery, equipment and vehicles, net	3,172	3,214
Land	6,382	6,240
Other, net	1,073	865
Total property, plant and equipment	15,820	15,446
Intangible assets		
Goodwill	5,836	4,768
Other	1,009	962
Total intangible assets	6,845	5,730
Investments and other assets		
Investment securities	13,438	10,332
Other	3,734	3,545
Allowance for doubtful accounts	(58)	(8)
Total investments and other assets	17,115	13,869
Total non-current assets	39,781	35,046
Total assets	81,237	86,600

As of September 30, 2015

As of June 30, 2016

	As of September 30, 2015	As of June 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,947	5,149
Electronically recorded obligations - operating	501	699
Short-term loans payable	3,161	8,218
Income taxes payable	1,029	234
Provision for bonuses	669	377
Other provision	50	40
Electronically recorded obligations - non-operating	55	83
Other	6,256	6,439
Total current liabilities	16,672	21,243
Non-current liabilities		
Long-term loans payable	9,020	12,482
Net defined benefit liability	1,900	1,829
Other provision	97	87
Other	2,511	2,537
Total non-current liabilities	13,530	16,937
Total liabilities	30,202	38,180
Net assets		
Shareholders' equity		
Capital stock	10,939	10,939
Capital surplus	13,235	13,235
Retained earnings	26,319	28,044
Treasury shares	(1,725)	(1,726)
Total shareholders' equity	48,768	50,493
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,766	1,279
Foreign currency translation adjustment	(314)	(4,002)
Remeasurements of defined benefit plans	(159)	(167)
Total accumulated other comprehensive income	1,292	(2,891)
Non-controlling interests	972	818
Total net assets	51,034	48,420
Total liabilities and net assets	81,237	86,600

Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
Quarterly consolidated statements of income

	(Millions of yen)	
	Nine months ended June 30, 2015	Nine months ended June 30, 2016
Net sales	46,028	39,217
Cost of sales	24,189	23,132
Gross profit	21,839	16,085
Selling, general and administrative expenses	11,628	11,054
Operating income	10,211	5,030
Non-operating income		
Interest income	10	30
Dividend income	87	84
Real estate rent	58	61
Foreign exchange gains	–	313
Other	73	64
Total non-operating income	229	555
Non-operating expenses		
Interest expenses	75	120
Foreign exchange losses	149	–
Loss on abandonment of inventories	61	70
Share of loss of entities accounted for using equity method	374	646
Other	118	67
Total non-operating expenses	778	905
Ordinary income	9,662	4,681
Extraordinary income		
Gain on disposal of non-current assets	–	9
Total extraordinary income	–	9
Extraordinary losses		
Loss on disposal of non-current assets	7	54
Product recall related costs	–	311
Total extraordinary losses	7	365
Income before income taxes and minority interests	9,654	4,325
Income taxes	3,194	1,586
Profit	6,460	2,738
Profit attributable to non-controlling interests	38	11
Profit attributable to owners of parent	6,421	2,727

Quarterly consolidated statements of comprehensive income

	(Millions of yen)	
	Nine months ended June 30, 2015	Nine months ended June 30, 2016
Profit	6,460	2,738
Other comprehensive income		
Valuation difference on available-for-sale securities	786	(487)
Foreign currency translation adjustment	40	(1,627)
Remeasurements of defined benefit plans, net of tax	11	(8)
Share of other comprehensive income of entities accounted for using equity method	(295)	(2,206)
Total other comprehensive income	542	(4,329)
Comprehensive income	7,002	(1,591)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,958	(1,456)
Comprehensive income attributable to non-controlling interests	44	(134)