



2Q/FY2017

Earnings Conference

May 31, 2017

(Note) The earnings forecasts and other forward-looking statements indicated in these materials are based on currently available information and certain assumptions deemed to be reasonable, and there is a possibility that these statements may differ from actual performance due to a variety of factors.

 **NIHON NOHYAKU CO., LTD.**

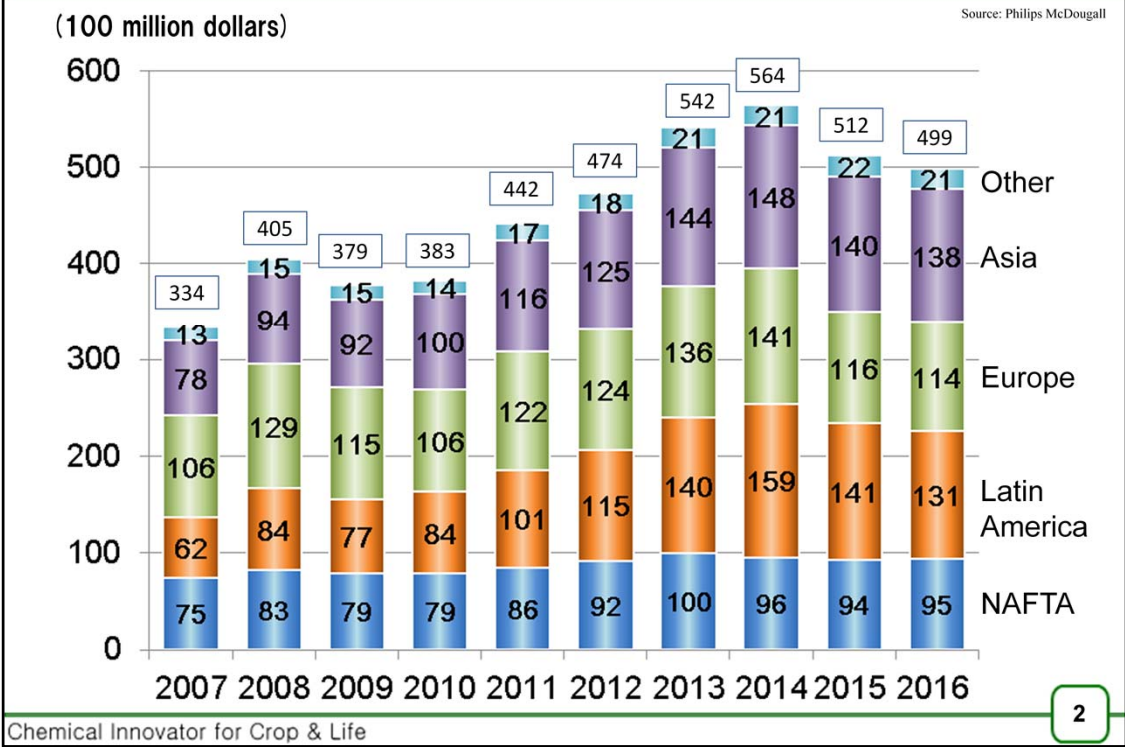
<http://www.nichino.co.jp>

Earnings Conference Program

- I. Global Agrochemical Markets
- II. 2Q/FY2017 Earnings
- III. FY2017 Forecasts
- IV. Growth Strategy Progress
- V. Q&A

I. Global Agrochemical Markets

Global Agrochemical Markets



This graph shows region-specific transitions in global agrochemical markets for the 10-year period between 2007 and 2016.

Global agrochemical demand grew from 33.4 billion dollars in 2007 to 56.4 billion dollars in 2014 because of population growth and economic growth in developing nations.

However, 2015 saw a decline in sales due to poor weather in certain regions resulting in low outbreaks of pest infestations and the impact of distribution inventory from previous years. Furthermore, 2016 saw sales decline by 2.5% year on year to 49.9 billion dollars, resulting in two consecutive years of declines.

We are particularly affected by the market contraction in Brazil.

Global Agrochemical Markets

North America

Largely unchanged. Stable weather, increased planting of cotton but decline in planting of major grains

Latin America

Demand down. Minor pest infestations due to poor weather, impact of distribution inventory

Asia

Monsoons did not recover to normal levels, decreased demand in India, etc. China is significantly impacted by inventory adjustments and drops in crop prices

Japan

Aging of farmers, lack of successors, increased abandoning of farming land leading to trend of gradual decline

Region-specific trends in the global agrochemical market during 2016 are as above.

North America, which benefitted from favorable weather conditions, expanded farm land for maize and cotton but rising distribution inventory and the reduction of farm land used for wheat and barley resulted in agrochemical sales that were largely unchanged from the previous year.

On the other hand, in Latin America, Brazil suffered from a dry climate during harvest season due to the effects of El Niño. In addition to resulting in low outbreaks of pest infections, inventory adjustments and a drop in crop prices led to lower revenues for farmers and resulted in a 6.6% decline year on year.

In Europe, a cool summer in the northern region led to lower demand for agrochemicals, and resulted in a slight year-on-year decline sales.

In Asia, overall the climate was on a recovery trend. However, monsoons did not recover to normal levels, resulting in weak sales in markets in India, Indonesia, and Thailand. China saw decreased demand for agrochemicals due to the impact of inventory adjustments and a drop in crop prices. As a result, sales of agrochemicals in Asia declined slightly compared to the previous year.

The domestic agrochemical market continues on a gradual downward trend due to population aging among farmers, the growing problem of a lack of successors, declining crop land area, and government policies reducing expenditures for agricultural resources.

As we can see, the short-term outlook indicates that severe conditions will continue to impact our industry but the global population is projected to grow moving forward.

Meeting growing food demand resulting from population growth will require increased food production. Thus, we believe that demand for agrochemicals, an important agricultural resource, will also increase in the future.

II. 2Q/FY2017 Earnings

2Q/FY2017 Earnings

Increased revenues, decreased income

(Unit: 100 million yen, %)

	1H/FY2017	1H/FY2016	YoY	Growth %
Net Sales	355	300	55	18.3
Domestic agrochemical sales	135	136	Δ 1	Δ 1.0
Overseas agrochemical sales	177	106	71	66.5
Chemical products/ pharmaceuticals	20	21	Δ 1	Δ 4.3
Revenues from licensing	13	28	Δ 14	Δ 52.5
Other	10	9	1	11.7
Cost of sales	233	174	59	33.7
Gross profit	122	126	Δ 4	Δ 2.9
SG&A	86	76	10	13.8
Operating income	36	50	Δ 14	Δ 28.2
Ordinary income	38	45	Δ 7	Δ 16.1
Profit attributable to owners of parent	24	29	Δ 6	Δ 18.8

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Q2 net sales were 35.5 billion yen, up 5.5 billion yen, or 18.3%, year on year.

Revenues increased significantly thanks to the inclusion of earnings from Sipcam Nichino Brasil, which became a consolidated subsidiary at the end of the previous fiscal year, in consolidated earnings.

Operating income was 3.6 billion yen, down 1.4 billion yen (28.2% decrease) year on year. Ordinary income was 3.8 billion yen, down 700 million yen (16.1% decrease) year on year. This was largely due to a decline in revenues from licensing from Bayer and foreign currency transition on a trend of yen appreciation.

Furthermore, quarterly profit attributable to owners of parent was 2.4 billion yen, down 600 million yen (18.8% decrease) year on year.

2Q/FY2017 Earnings (YoY comparison)

billion yen

Net sales: 30.0 bn → 35.5 bn (up 5.5 bn)

Operating income: 5.0 bn → 3.6 bn (down 1.4 bn)

(Operating income)

■ Increased operating income due to new consolidation of SNB	+ 0.8 bn
■ Decreased revenues from licensing	- 1.4 bn
■ Increase in Nihon Nohyaku's SG&A (non-consolidated)	- 0.3 bn
■ Delay in launch of US sales	- 0.3 bn
■ Domestic sales of technical grades down	- 0.2 bn

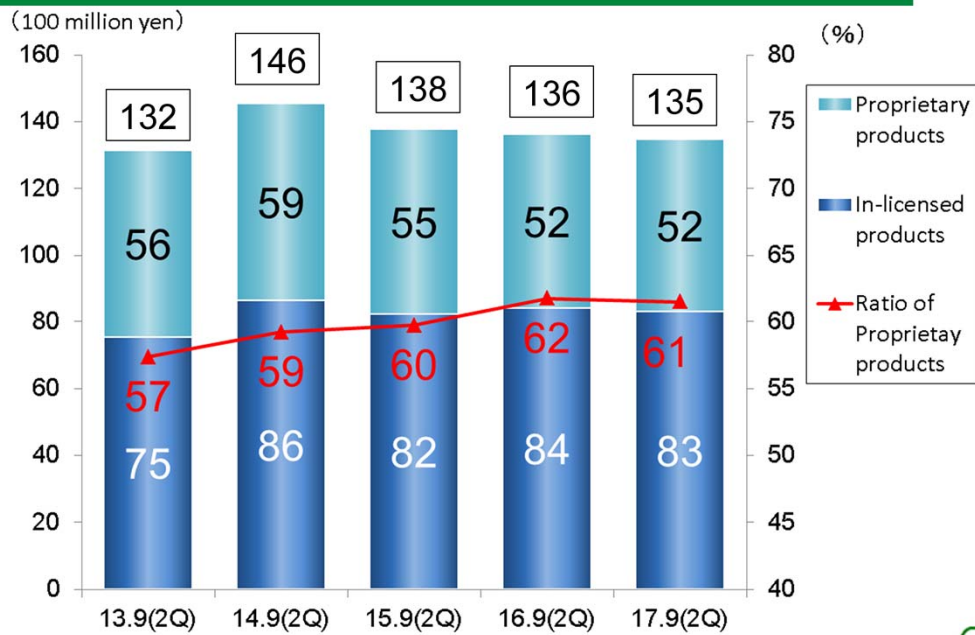
2Q earnings saw operating income decline by 1.4 billion yen year on year.

Factors behind increased income included the consolidation of Sipcam Nichino Brasil (SNB), which resulted in a 0.8 billion yen increase in operating earnings.

Factors behind decreased revenues included a 1.4 billion yen decline in revenues from licensing, a 300 million yen increase in parent company SG&A expenses, 300 million yen attributable to the sales launch delay in the US, and 0.2 billion yen attributable to lower domestic sales of technical grades. Collectively, this resulted in a 1.4 billion yen decline in income.

Domestic Agrochemical Sales - Percentage of Net Sales

Revenues decreased due to impact of inventory adjustments

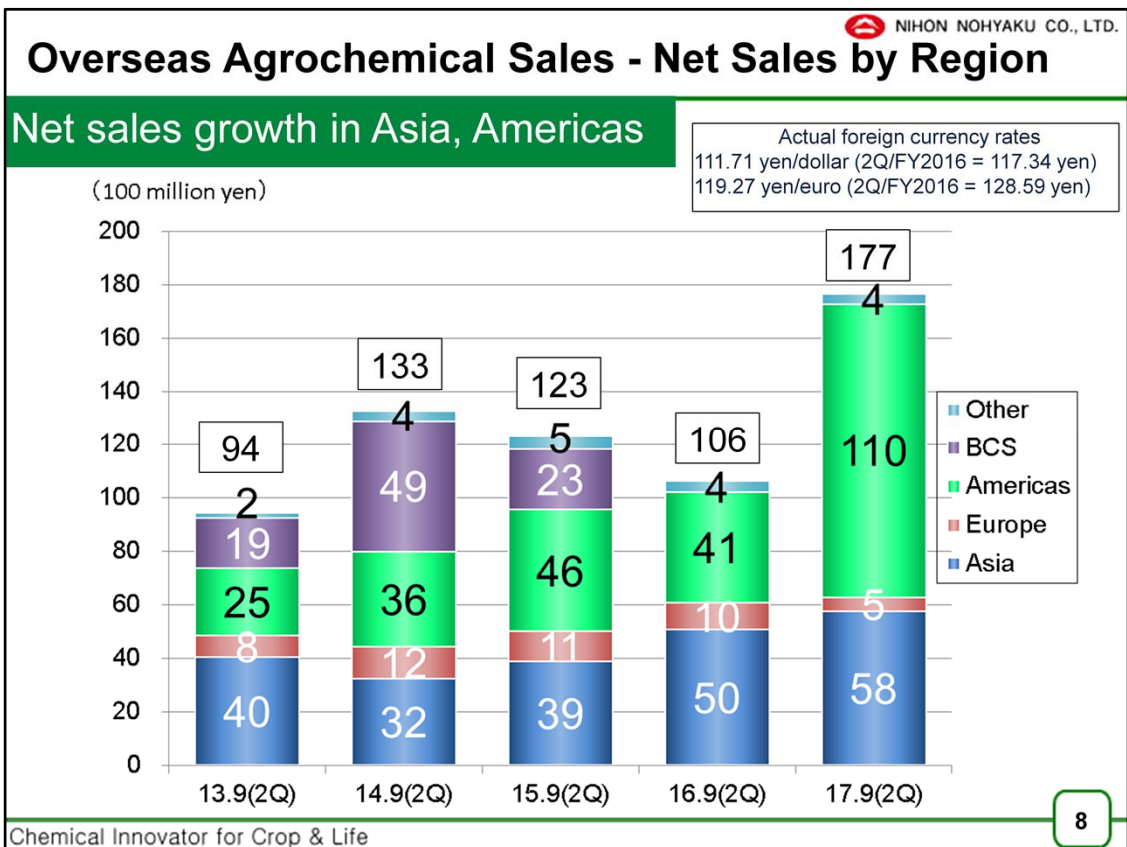


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This graph shows transitions in net sales composition for domestic agrochemical sales. During 2Q, we launched sales of “Beet up”, a new herbicide for sugar beets, as we worked to expand our portfolio while also working to popularize mainstay original products such as horticultural insecticide “PHEONIX” and the rice paddy fungicide “V-GET”.

On the other hand, overall domestic sales for agrochemical technical grades were 13.5 billion yen, down 0.1 billion yen year on year, due to struggling sales attributable to the impact of inventory adjustments.



This graph shows transitions in net sales overseas for agrochemicals by region.

So far sales of the "PHEONIX" technical grade to Bayer have been included in Europe but due to the transient nature, we are distinguishing the number by showing it in purple color.

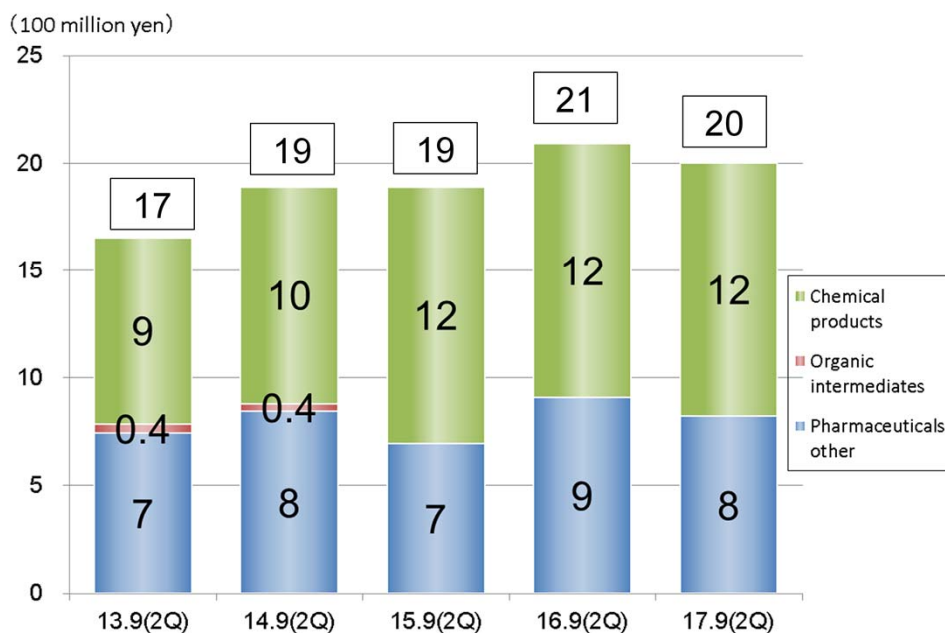
As you can see, overseas sales continue to grow when we exclude transient sales of technical grades.

Q2 net sales for the Americas grew significantly due to the inclusion of Sipcam Nichino Brasil earnings in Nihon Nohyaku's consolidated earnings. As a result, despite the trend of yen appreciation, total overseas net sales were 17.7 billion yen, up 7.1 billion yen year on year.

Furthermore, actual currency rates for Q2 were as shown in the graph.

Chemical products, pharmaceutical products, and others - net sales by business segment

Pharmaceutical business revenues declined



This graph shows transitions in chemical product and pharmaceutical product sales by business segment.

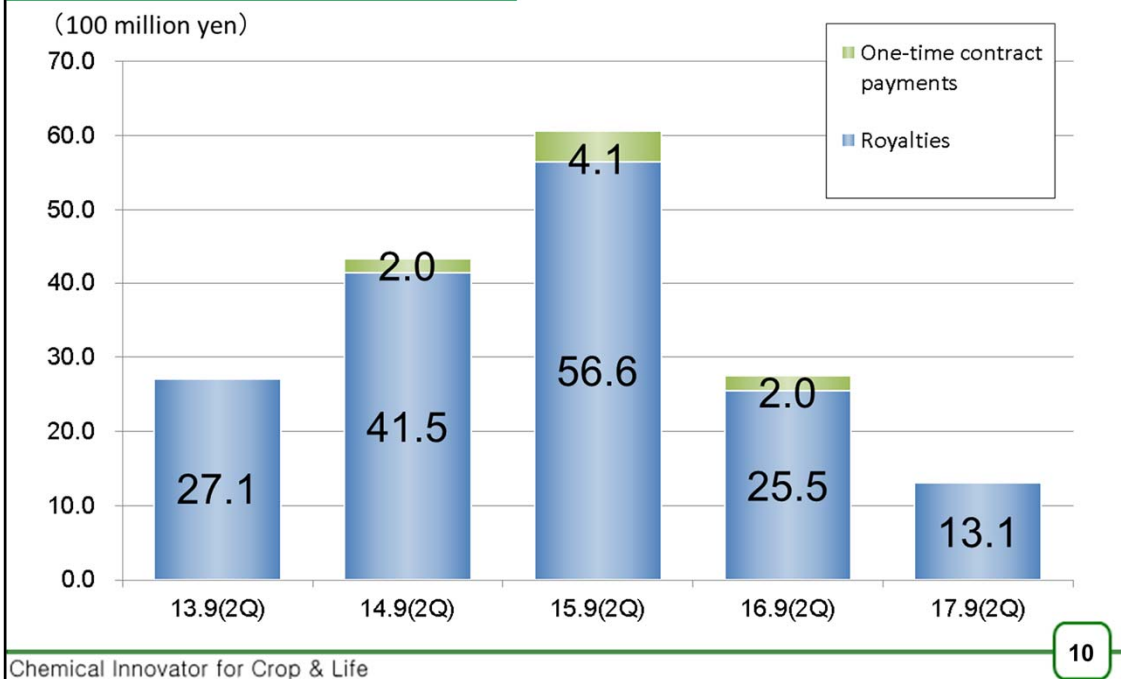
The chemical products business recorded net sales growth for newly launched home & garden product but net sales for termiticide were largely unchanged year on year.

On the other hand, net sales for the pharmaceutical business were down year on year due to intensifying competition for the antifungal agent Ianoconazole and luliconazole.

As a result, overall net sales for chemical and pharmaceutical products were 2 billion yen, a year-on-year decline of 100 million yen.

Revenues from licensing

Royalties declined



This graph indicates transitions in revenues from licensing. Blue indicates royalties and green indicates one-time contract payments.

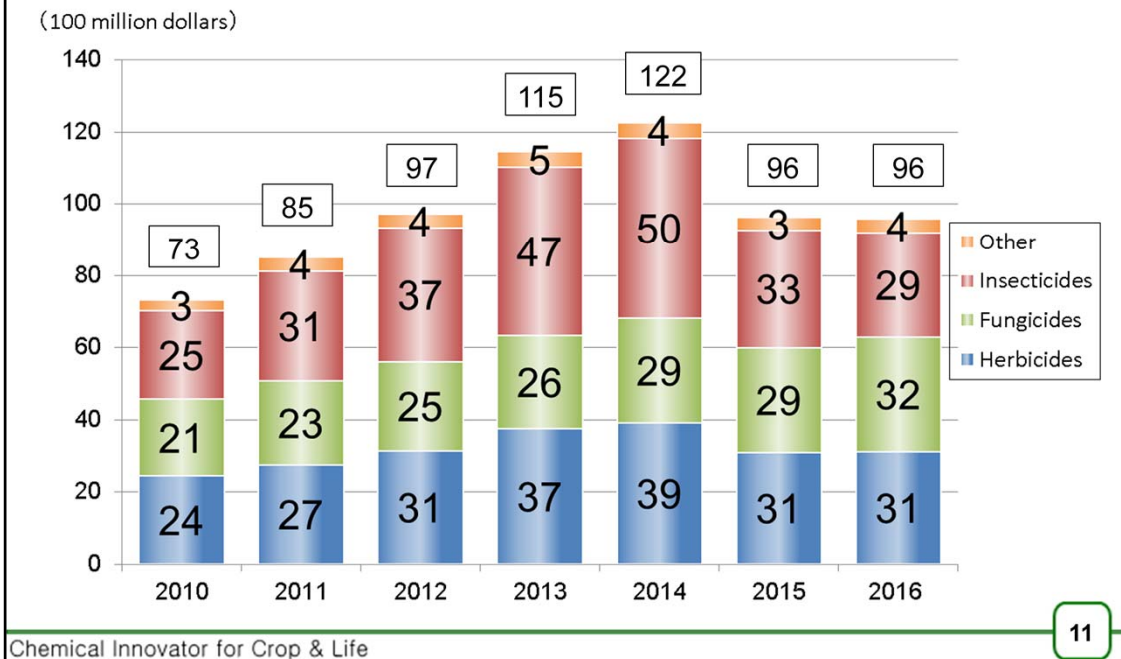
Q2 saw a decline in royalties. Net sales in Brazil, a major target region for sales of licensing products, experienced low outbreaks of pest infestations.

Having not recorded any one-time contract payments, overall revenues from licensing were approximately 1.3 billion yen, a year-on-year decline of approximately 1.4 billion yen.

Revenues from licensing

Transitions in Brazil agriculture market

Source: SINDIVEG



The reasons for Q2’s significant royalty decrease are as follows.

The royalties from Bayer that are related to “PHOENIX” account for many of our royalties. Also, the largest region for sales of Bayer’s “PHEONIX” is Latin America, especially, Brazil.

As such, royalties recieved from Bayer are greatly impacted by trends in Brazil's agrochemical market.

This graph shows transitions in Brazil's agrochemical market from 2010 to 2016.

The Brazil’s agrochemical market expanded significantly from 7.3 billion dollars in 2010 to 12.2 billion dollars in 2014.

However, 2015 was impacted by distribution inventory from the previous year, the expanded use of GMO crops, small outbreaks of pest infestations due to poor weather, and other factors. The result was a 21.6% year-on-year decline to 9.6 billion dollars.

In 2016, net sales were largely unchanged year on year but the insecticide market, shown in red, was down 11.7% year on year to 2.9 billion dollars. In particular, demand for “PHEONIX” and other lepidoptera insecticides continues on a downward trend due to the expanding use of GMO crops.

As a result of these factors, Q2 royalties decreased significantly.

Major Earnings of Group Companies

NIHON NOHYAKU CO., LTD.

(Unit: million yen, %)

		1H/FY2017	1H/FY2016	YoY	Growth %
Nichino America	Net sales	3,300	3,421	Δ 121	Δ 3.5
	Operating income	176	146	29	20.3
	Net income	98	77	21	28.1
Nichino Service	Net sales	2,193	2,051	141	6.9
	Operating income	106	39	66	168.7
	Net income	54	9	45	494.7
Nichino Ryokka	Net sales	813	819	Δ 6	Δ 0.8
	Operating income	0	Δ 0	-	-
	Net income	0	0	0	26.1
Japan EcoTech	Net sales	408	412	Δ 3	Δ 0.9
	Operating income	22	33	Δ 10	Δ 32.4
	Net income	18	25	Δ 7	Δ 29.1
Nichino Rec	Net sales	83	85	Δ 2	Δ 2.4
	Operating income	7	3	3	132.7
	Net income	4	1	2	133.9
Taiwan Nihon Nohyaku	Net sales	158	188	Δ 29	Δ 15.5
	Operating income	12	24	Δ 12	Δ 50.0
	Net income	10	21	Δ 11	Δ 52.2
AgriMart	Net sales	554	539	15	2.9
	Operating income	42	33	8	26.0
	Net income	26	26	0	0.7
HCL	Net sales	2,956	2,003	953	47.6
	Operating income	54	Δ 4	-	-
	Net income	17	Δ 11	-	-
SNB	Net sales	6,819	-	-	-
	Operating income	828	-	-	-
	Net income	374	-	-	-

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This table shows major Q2 earnings for consolidated subsidiaries.

Nichino America saw a decline in revenues due to small outbreaks of pest infections because of poor weather but income improved thanks to operating cost reduction efforts.

India's Hyderabad Chemical (HCL) saw a significant recovery in earnings compared to the previous year, which had been impacted by two consecutive years of drought, and greatly contributed to the growth of overseas agrochemical sales.

Q2 earnings for Sipcam Nichino Brasil (SNB) are as indicated here.

III. FY2017 Forecasts

FY2017 Targets (YoY comparison)

Increased revenues, decreased income (Unit: 100 million yen, %)

	FY2017 (full-year)	FY2016 (full-year)	YoY	Growth %
Net Sales	595	506	89	17.5
Domestic agrochemical sales	207	196	11	5.7
Overseas agrochemical sales	307	214	93	43.1
Chemical products/ pharmaceuticals	46	49	Δ 3	Δ 5.7
Revenues from licensing	15	29	Δ 14	Δ 49.0
Other	20	18	2	11.4
Cost of sales	371	305	66	21.7
Gross profit	224	201	23	11.2
SG&A	185	157	27	17.7
Operating income	39	44	Δ 5	Δ 11.9

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Regarding our forecasts for FYE September 2017, there is no change in our initial plans. We are targeting net sales of 59.5 billion yen, up 8.9 billion yen (17.5% increase) year on year. This will be driven mainly by growth in overseas agrochemical sales, including the consolidation of Sipcam Nichino Brasil.

We will target operating income of 3.9 billion yen, down 500 million yen (11.9% decrease) year on year and ordinary income of 3.6 billion yen, down 300 million yen (6.9% decrease) year on year. This mainly reflects future business expansion in line with our Medium-Term Business Plan and increased SG&A expenses of 2.7 billion yen.

On the other hand, during the previous fiscal year we recorded extraordinary losses, however this fiscal year, conditions will normalize, thus we are targeting profit attributable to owners of parent of 2.2 billion yen, up 1.2 billion yen (112.5% increase) year on year.

FY2017 Targets (YoY comparison)

billion yen

Net sales: 50.6 bn → 59.5 bn (up 8.9 bn)

Operating income: 4.4 bn → 3.9 bn (down 0.5 bn)

(Operating income)

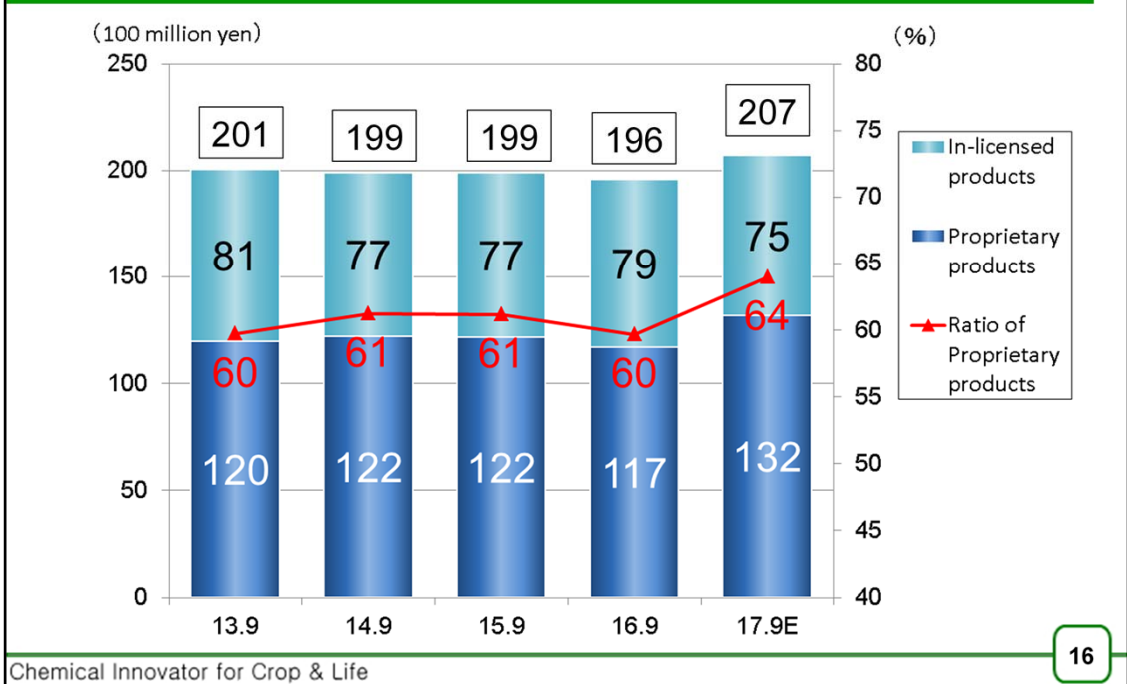
■ Increased operating income due to new consolidation of SNB	+ 0.8 bn
■ HCL revenues	- 1.4 bn
■ Increased overseas agrochemical sales	- 0.3 bn
■ Decreased revenues from licensing	- 0.3 bn
■ Increase in Nihon Nohyaku's SG&A (non-consolidated)	- 0.2 bn

The plan for the current fiscal year call for increased revenues but operating income of 3.9 billion yen, a year-on-year decline of 0.5 billion yen.

Looking at the major factors impacting revenues and income, factors resulting in increased income include the consolidation of Sipcam Nichino Brasil (SNB) , accounting for increased operating income of 0.8 billion yen, and improved income at Hyderabad Chemical (HCL) and increased income due to higher revenues from overseas agrochemical sales contributing 0.4 billion yen and 0.3 billion yen, respective. Factors causing decreased income include 1.4 billion yen attributable to a decline in revenues from licensing and 0.6 billion yen attributable to increased parent company SG&A expenses. As a result, we are planning for a 0.5 billion yen decline in operating income.

Domestic Agrochemical Sales - Percentage of Net Sales

Composition of proprietary products up by 4%



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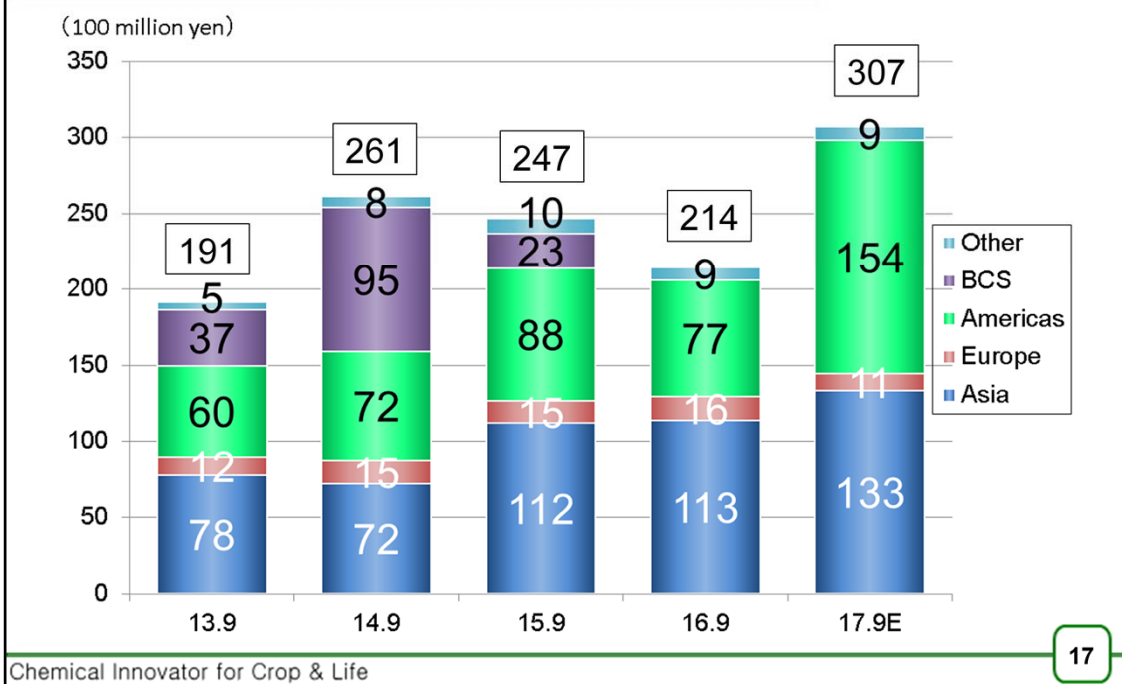
This graph shows the net sales composition for domestic agrochemical sales this fiscal year.

We will work to expand sales of “DANIKONG”, “V-GET”, and other major proprietary products as well as the horticultural fungicide “MAJOR” released last year and “Beet up” released this fiscal year. As a result, we are planning on net sales of 20.7 billion yen, up 1.1 billion yen year on year.

We forecast our proprietary product ratio will increase to 64%.

Overseas agrochemical sales - net sales by region

Net sales growth in Asia & Americas



This graph shows net sales of overseas agrochemical business by region for the current fiscal year.

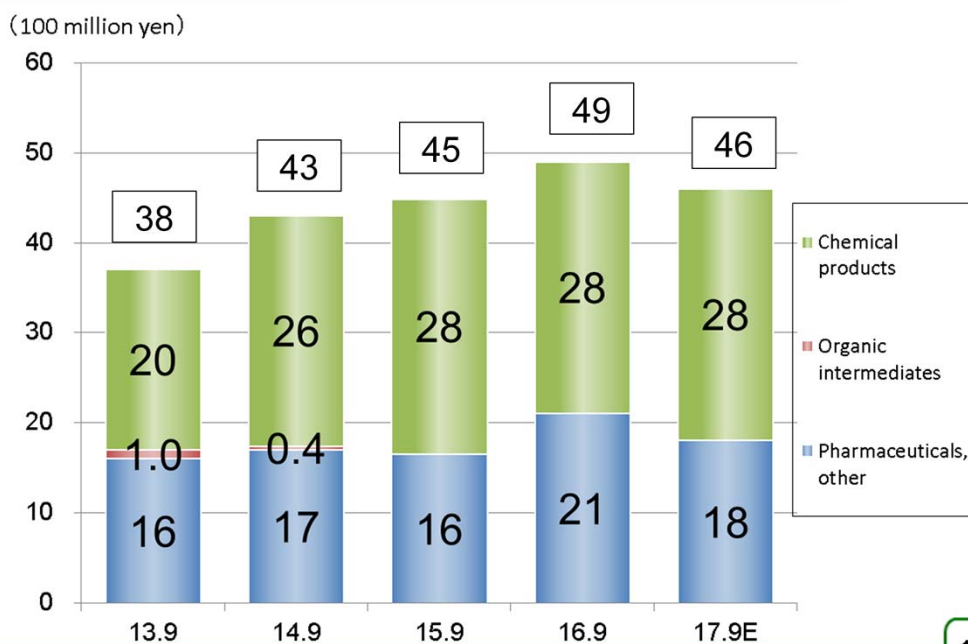
In the Asia region, we expect sales to grow as we expand use and popularity of “PHOENIX” in each country while accelerating efforts related to establishing manufacturing and sales systems at Hyderabad Chemical for our proprietary products.

In the Americas, we will continue to support operations of Sipcam Nichino Brasil to achieve the quick establishment of the foundation for promotion and sales of our products in Brazil and increasing sales of proprietary products.

Based on the above, we are targeting overseas net sales of 30.7 billion yen (year -on-year increase of 9.3 billion yen).

Chemical products, pharmaceutical products, others - net sales by business segment

Pharmaceutical business revenues to decline



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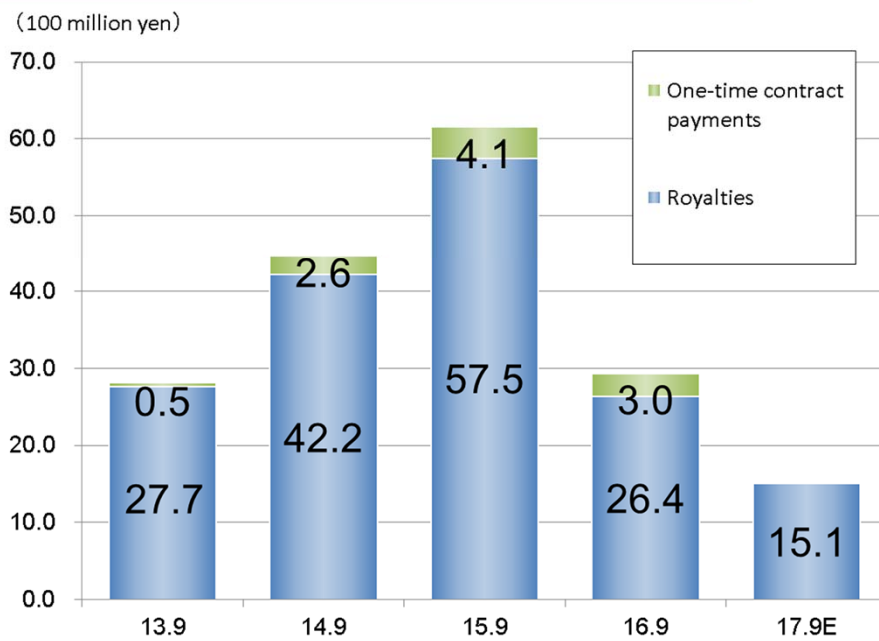
This graph shows current term targets for net sales of chemical and pharmaceutical products.

For the chemical products business, we will utilize the partnership with Agrimart to expand our technology into sales companies, thereby maintaining and expanding our termite control business.

On the other hand, we are forecasting lower revenues in the pharmaceutical business due to a projected decline in share and lower pricing attributable to the emergence of generic products after the expiration of our patent for the antifungal agent luliconazole.

Revenues from licensing

One-time revenues in the first half of the year



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This graph shows transitions in revenues from licensing.

Royalties are typically received as batch payments during the first half of the year so our full-year plan for revenues from licensing is approximately 1.5 billion yen.

Major Earnings of Group Companies (Unit: million yen, %)

		FY2017 (full-year)	FY2016 (full-year)	YoY	Growth %
Nichino America	Net sales	6,449	5,932	516	8.7
	Operating income	414	526	△ 112	△ 21.4
	Net income	235	297	△ 62	△ 21.1
Nichino Service	Net sales	4,076	3,863	212	5.5
	Operating income	84	80	3	3.7
	Net income	59	△ 917	976	-
Nichino Ryokka	Net sales	1,769	1,672	96	5.8
	Operating income	15	0	14	6644.7
	Net income	9	2	6	276.1
Japan EcoTech	Net sales	830	807	22	2.8
	Operating income	33	31	1	5.8
	Net income	26	25	0	0.7
Nichino Rec	Net sales	179	175	3	2.0
	Operating income	19	21	△ 2	△ 10.6
	Net income	12	12	△ 0	△ 5.0
Taiwan Nihon Nohyaku	Net sales	498	448	49	11.0
	Operating income	93	51	41	80.1
	Net income	73	43	29	66.2
AgriMart	Net sales	1,247	1,275	△ 28	△ 2.2
	Operating income	80	97	△ 17	△ 17.7
	Net income	49	66	△ 17	△ 25.9
HCL	Net sales	6,762	4,615	2,146	46.5
	Operating income	479	167	311	186.5
	Net income	368	109	258	234.6
SNB	Net sales	6,923	-	-	-
	Operating income	815	-	-	-
	Net income	49	-	-	-

This table shows major full-year earnings for consolidated subsidiaries.

Nichino America forecasts to record increased revenues but a decline in income due to increased development expenses.

Major earnings for Sipcam Nichino Brasil (SNB) are as indicated here.

IV. Growth Strategy Progress

Basic policies of the Medium-Term Business Plan

**(Vision) Nichino Group - Growing Global :
Becoming an Outstanding Globally Competitive Company**

-Contributing to society by supporting the agriculture industry-

**(Medium-Term Business Plan)
Advance to Growing Global 2018**

Improve profitability

- Improve profitability of domestic businesses
- Improve cost competitiveness
- Optimize expenses

Promote growth strategies

- Strengthen capability of creating new active ingredients
- Improve business competitiveness
- Enhance Group capabilities

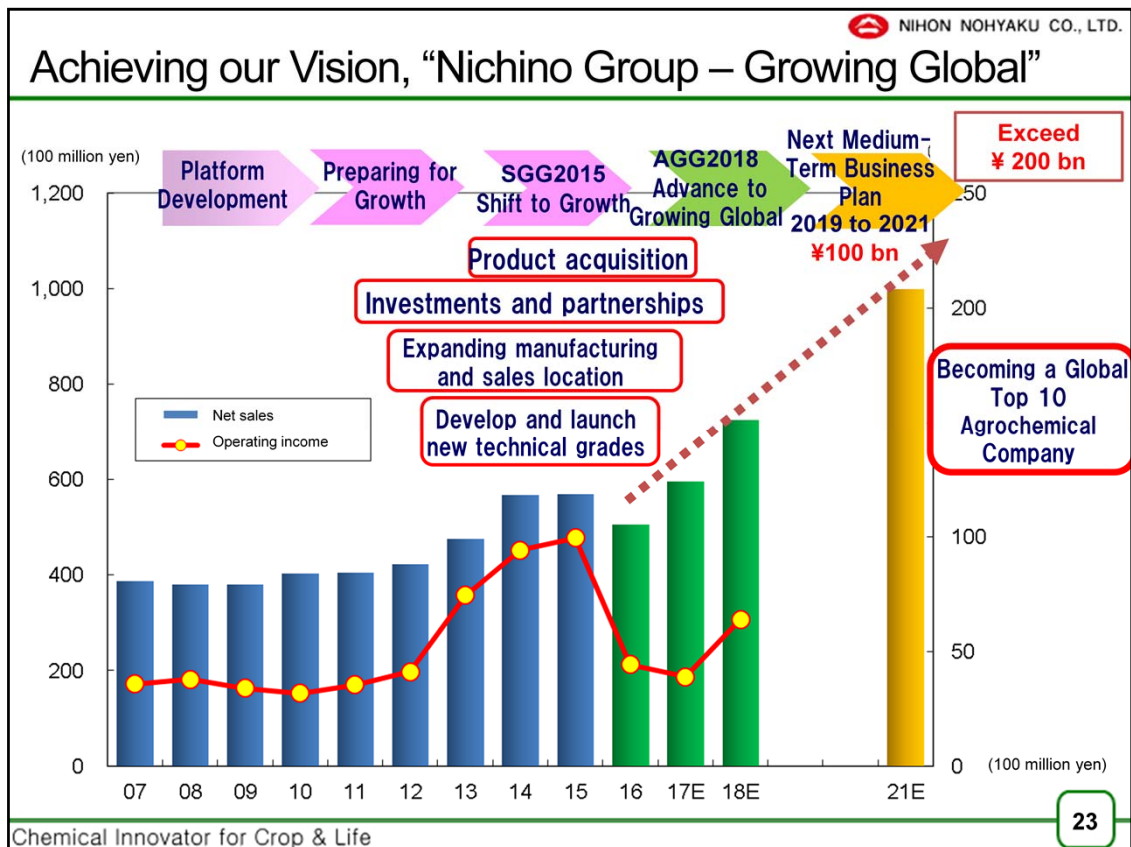
Strengthen business platform

- Develop and utilize human resources
- Build platform for global operations

Our Group is implementing our three-year Medium-Term Business Plan “Advance to Growing Global 2018: Becoming an Outstanding Globally Competitive Company”, which was launched in fiscal 2016.

Looking at the policies and main strategies of this plan, our Group has identified two core pillars for this Medium-Term Business Plan: “Improve profitability” and “Promote growth strategies”. In these strategies, we will expand business scope by implementing initiatives focused on business expansion, including M&A, partnerships, and product acquisitions.

We will work aggressively to strengthen our business platform in order to implement these strategies as we aim to achieve our Medium-Term Business Plan and our Group Vision.



This graph shows actual versus planned performance for net sales and operating income between fiscal 2007 and 2021.

Fiscal 2007 to 2012 is a period which we laid our business foundation and prepared growth. Earnings during this period were stable but in order to strengthen research and development investments, embody our corporate principles, and to aim for further growth and achievements in the future, we realized we needed to set aggressive goals and develop strategies. Thus, in fiscal 2013 we shifted our focus to growth initiatives.

When we drafted our previous medium-term management proposal, we set FY2018 as the year for achieving our interim goal of 100 billion yen in net sales.

However, currency markets have since transitioned towards yen appreciation, agriculture markets in emerging economies were down due to the expanded use of GMO crops and poor climate conditions, and the market dealt with excessive inventory on a global scale. With such changes in our business environment, we have decided to revise this goal to FY2021.

Furthermore, we view the goal of 100 billion yen in net sales by fiscal 2021 as a turning point along our path towards becoming achieving our Group Vision of becoming a research and development-oriented company with net sales exceeding 200 billion yen and ranks as a Global Top 10 company.

Earnings for the final year (FY2018) of our Medium-Term Business Plan are as shown in the graph. We are aiming for net sales of 72.7 billion yen.

However, we will aim to achieve net sales of 75.0 billion yen by further improving existing and new businesses during the plan period.

Status of Medium-Term Business Plan

Hyderabad Chemical Pvt. Ltd. (HCL)



FY2016

- Launched sales of “PHOENIX”
- “FUJI-ONE” “APPLAUD” Started synthesis of technical grades



FY2017

- Started exporting “FUJI-ONE” and “APPLAUD” technical grades to Nihon Nohyaku
- Started providing “APPLAUD” technical grades to exiting sales companies in India.



FY2018 ~

Expand sales of proprietary products

During the previous medium-term management plan period, we invested in Hyderabad Chemical and Sipcam Nichino Brasil to build a growth platform for overseas business.

During the current Medium-Term Business Plan, as part of our promotion of growth strategies we will strengthen our partnerships with these two companies as we aim to rapidly create synergy.

Specifically regarding the status of progress for the Medium-Term Business Plan, Hyderabad Chemical began sales of “PHOENIX” during the previous fiscal year.

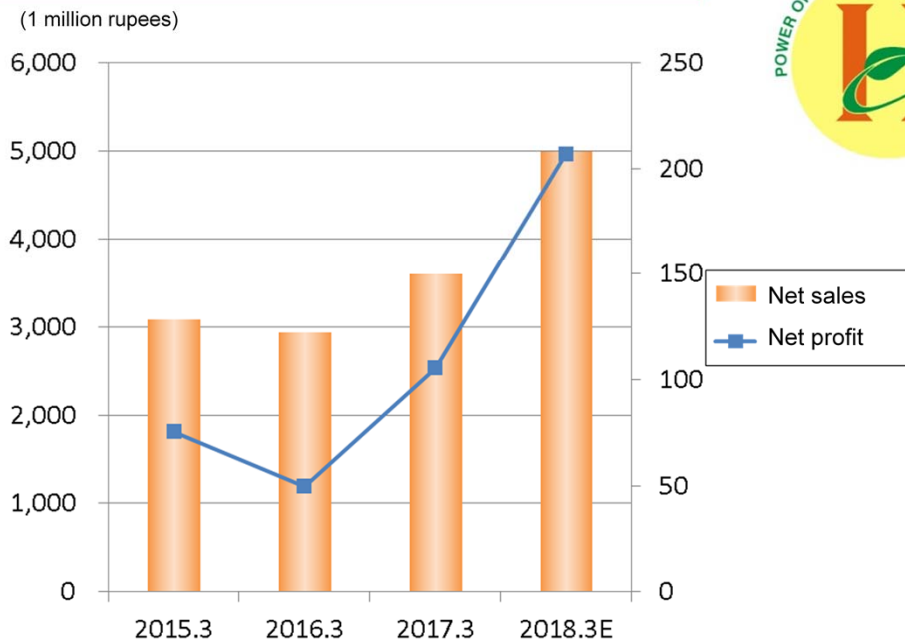
With the aim of strengthening Group manufacturing functions for technical grades, Hyderabad Chemical began manufacturing of the rice paddy insecticide “FUJI-ONE” and the horticultural insecticide “APPLAUD”.

This year, they began exporting these technical grades to Nihon Nohyaku and are supplying the technical grade “APPLAUD” to existing sales.

We will continue working to expand the manufacturing and sales of our proprietary products.

Status of Medium-Term Business Plan

Hyderabad Chemical Pvt. Ltd. (HCL)



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This graph shows transitions in Hyderabad Chemical earnings and our future forecast. During FY2015 and FY2016, earnings struggled due to consecutive years of drought in India but FY2017 saw earnings improve thanks to near-normal rain levels. We are forecasting further growth in FY2018 and beyond as we expand sales of proprietary products and production of technical grades.

Status of Medium-Term Business Plan

Sipcam Nichino Brasil S.A.(SNB)



FY2016

- Launched sales of “APPLAUD” and “DANITRON”



FY2017

- Full-scale launch of “orthosulfamuron”



FY2021 ~

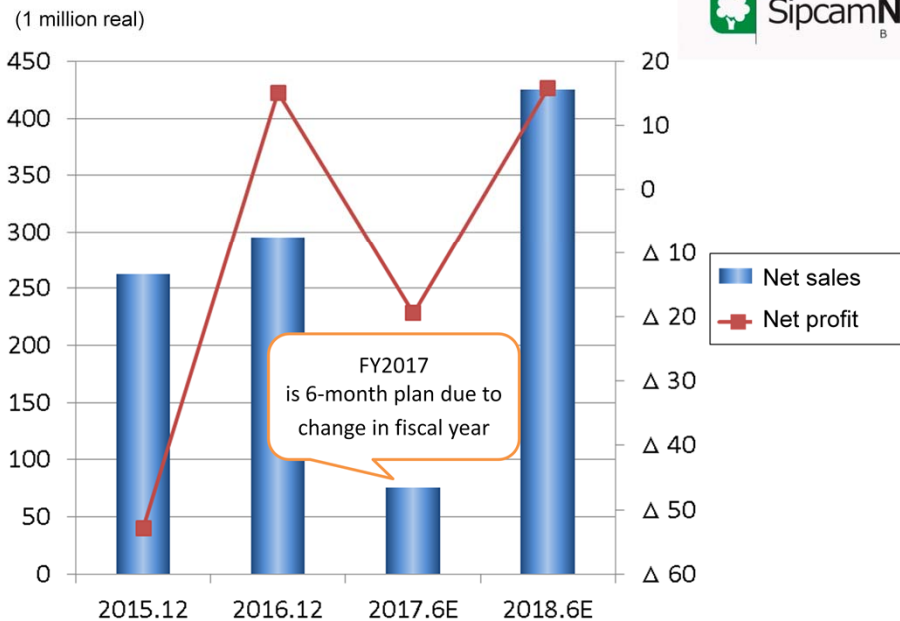
Plan to launch sales of “PHOENIX”

Sipcam Nichino Brasil launched sales of “APPLAUD” and “DANITRON” last year. This year, the company conducted the full-scale launch of sales for orthosulfamuron, an agent for sugar cane ripening.

In addition to aiming for further sales growth for proprietary products, while we currently assign exclusive licensing rights for “PHOENIX” in Brazil to Bayer, we are planning to launch sales from fiscal 2021, after the product patent expires.

Status of Medium-Term Business Plan

Sipcam Nichino Brasil S.A. (SNB)



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This graph shows transitions in Sipcam Nichino Brasil earnings and our future forecast.

The company's fiscal year had ended in December but beginning this fiscal year, they will switch to a fiscal year that ends in June. As a result, FY2017 forecasts are figures for a 6-month period.

In FY2015, earnings struggled due to a downturn in the Brazil's agrochemical market and the impact of depreciation of the Brazilian real. In FY2016, the recovery of sales for mainstay agents and increased development of new clients pushed earnings recovery above the impact of the continued downturn in Brazil's agrochemical market to record a profit for the full-year.

In FY2018, we are planning for increased revenues and income based on net sales exceeding 400 million real driven largely by expanded sales of our proprietary products.

Progress in R&D

- Successfully launching new agents amid growing difficulty of creation of new active ingredients
- Each year invest 10% of net sales in R&D

Product name	Classification/ characteristics	2017	2018	2019	2020	2021	2022	2023
PARADE DECIDE (pyraziflumid)	Horticultural fungicide		→ (Domestic release planned for 2018)					
	Effective a wide range of disease damage					→ (USA release planned for 2021)		
NNI-1501 (benzpyrimoxan)	Rice paddy insecticide			→ (Domestic release planned for 2021)				
	Effective against white back hoppers and leafhoppers						→ (India release planned for 2023)	

Our growth strategies, the strengthening of our research and development capabilities are as above.

In recent years, discovering new bioactive compounds (creation of new active ingredients) has become more difficult. At the same time, safety assessment standards have risen and the cost of maintaining existing registrations has increased, resulting in a dramatic increase in research and development expenses.

Amid such conditions, we are investing more than 10% of annual net sales into research and development (R&D) in order to further enhance our R&D capabilities.

Our new agent development and launch to market schedule is as shown in the table. We completed the registration application process in November 2015 for “PARADE”, “DECIDE”(general fungicide agents applicable in a wide variety of uses such as rice paddies, horticulture, and lawns) and are anticipating launch to market in 2018. We also are developing these products for the US market and are working with the goal of launch to market in 2021. We are anticipating peak net sales of 1.5 to 2.0 billion yen on the Japanese market and, including US development, anticipate approximately 4.0 billion yen.

Furthermore, in May 2015 the decision was made to conduct simultaneous development in Japan and India for the new rice paddy insecticide “benzpyrimoxan”, (NNI-1501), and began full-scale development in both countries with the goal of launching to market in 2021 and 2023, respectively. We are anticipating peak net sales of 1.0 billion yen on the Japanese market and 4.0 to 5.0 billion yen in India.

Promote overseas release of existing proprietary products**Miticide “DANIKONG” (pyflubumide)**

- Launched sales in Korea in February 2017

Insecticide “COLT” (pyrifluquinazon)

- Filed for registration in USA for food products, aiming to launch sales in 2018

General insecticide “HACHI-HACHI” (tolfenpyrad)

- Application expanding in California, USA, also in development in Brazil

SU herbicide “orthosulfamuron”

- Continuing evaluation of new compound formula, aiming to expand to global markets

The status of overseas development of existing proprietary products is as above.

The miticide “DANIKONG” acquired product registration in January of this year in Korea and sales were launched in February.

We collaborated with our subsidiary, Nichino America to file for food product use registration for insecticide “COLT” in August 2016 and are aiming to launch sales in 2018.

The general insecticide “HACHI-HACHI” is already sold in parts of the US and we are planning to file for registration in 2017 in order to expand use into California, a major market for this product. We are also developing the product for the Brazilian market.

For the rice paddy herbicide “orthosulfamuron”, we continue to evaluating new blended agents containing “orthosulfamuron” as we aim to expand the product to global markets.

Create a vibrant and motivating work environment

Workstyle reform initiatives

- Liberalization of the timing of summer vacations, lunch breaks, and expanding the scope of application for flex-time. Considering creation of workplace environment that allows employees to work anywhere, anytime, including via telecommuting

Increase productivity

- Visualization of work processes, contraction of total work hours, encouraging employees in taking annual leaves

Create framework that incorporates employee feedback

- Receptions with company president, vibrant and motivating proposal system, work reform proposal system

Respect individual personalities and human rights

- Response to “Act on Promotion of Women’s Participation and Advancement in the Workplace” in Japan, creation of harassment prohibition regulations, incorporation of multi-faceted evaluation system, etc.

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Lastly, we are engaged in our workplace environment improvement initiative “Energetic, Motivating, and Fun”.

Currently, the government is taking a leading role in promoting work-style reform that involves focusing on the perspective of the worker and making changes to corporate culture and customs. We are engaged in the initiatives in relation to workstyle reform as follows.

Amid an environment of diversifying values, we are progressing with the creation of a system that responds to the detailed needs of each employee.

As shown here, we created an environment that allows employees to flexibly take leave over the course of a year depending on their specific work situations.

Moving forward, we will continue to develop a work environment that allows employees to work anytime, anywhere, promote the visualization of work processes and shorten overall work hours, and promote the use of annual leave as we strive to implement an efficient, flexible work structure that leads to improved work productivity.

To improve our company, we also are creating the framework shown here that encourages employees to think and act autonomously. We are conducting receptions with company president, and promoting our vibrant and motivating proposal system, and work reform proposal system to ensure that employee feedback is conveyed directly to management.

This also includes proposals that will create future business opportunities, and we expected these to produce results in the future.

We also are proactively implementing initiatives related to respecting individuals and

human rights, including responses to the “Act on Promotion of Women’s Participation and Advancement in the Workplace” in Japan and harassment prohibition regulations.