Translation

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Summary of Consolidated Financial Results for the Three Months Ended December 31, 2017 (Based on Japanese GAAP)

February 13, 2018

NIHON NOHYAKU CO., LTD. Company name:

Stock exchange listing: Tokyo

Stock code: 4997 URL http://www.nichino.co.jp/

Representative: President Yosuke Tomoi

Inquiries: Executive Officer, General Manager of

Shirou Takahashi TEL +81-3-6361-1400 General Affairs & Legal Department

Scheduled date to file Quarterly Securities Report: February 13, 2018

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 three months ended December 31, 2017 (from October 1, 2017 to December 31, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended December 31, 2017	11,468	(10.5)	(404)	_	(237)	_	(223)	_
Three months ended December 31, 2016	12,817	72.0	(388)	_	(216)	_	(581)	_

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended December 31, 2017	(3.34)	-
Three months ended December 31, 2016	(8.70)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	91,312	48,873	50.9
As of September 30, 2017	88,713	48,867	52.8

2. Cash dividends

		Annual dividends per share					
	1st quarter-end	1st quarter-end 2nd quarter-end 3rd quarter-end Fiscal year-end To					
	Yen	Yen	Yen	Yen	Yen		
Year ended September 30, 2017	_	7.50	_	7.50	15.00		
Year ending September 30, 2018	_						
Year ending September 30, 2018 (Forecast)		7.50	_	7.50	15.00		

3. Forecast of consolidated financial results for the year ending September 30, 2018 (from October 1, 2017 to September 30, 2018)

Percentages indicate year-on-year changes

		Net sales		Operating profit Ordinary profit		Profit attributable to owners of parent		Earnings per share		
		Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months end March 31, 20	_	39,500	11.3	3,600	-	3,400	(10.4)	2,400	0.6	35.91
Full year		68,000	13.3	4,400	25.8	3,800	5.6	2,200	28.1	32.92

4. Notes

(1) Changes in significant subsidiaries during the three months ended December 31, 2017 (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:

No Changes in accounting policies due to other reasons:

No Changes in accounting estimates:

No

Restatement of prior period financial statements:

(4) Number of issued shares (common shares)

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

	1 \	3 /		
As of December 31, 2017	70,026,782 shares	As of September 30, 2017	70,026,782 shares	
Number of treasury shares at the end of the J	period			
As of December 31, 2017	3,190,066 shares	As of September 30, 2017	3,189,804 shares	
Average number of shares during the period (cumulative from the beginning of the fiscal year)				
Three months ended December 31, 2017	66,836,769 shares	Three months ended December 31, 2016	66,837,700 shares	

Quarterly consolidated financial statements **Quarterly consolidated balance sheets**

(Millions of yen)

		(Williams of year
	As of September 30, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	11,620	9,754
Notes and accounts receivable - trade	21,220	19,038
Electronically recorded monetary claims - operating	895	311
Merchandise and finished goods	9,986	13,782
Work in process	660	1,043
Raw materials and supplies	4,465	5,84
Other	3,868	4,694
Allowance for doubtful accounts	(441)	(517
Total current assets	52,276	53,950
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,648	5,67
Machinery, equipment and vehicles, net	3,521	3,71
Land	6,458	6,48
Other, net	908	842
Total property, plant and equipment	16,536	16,72
Intangible assets		
Goodwill	6,745	6,88
Other	1,078	1,20
Total intangible assets	7,824	8,08
Investments and other assets		
Investment securities	7,156	7,330
Other	4,947	5,25
Allowance for doubtful accounts	(27)	(3
Total investments and other assets	12,076	12,55
Total non-current assets	36,436	37,362
Total assets	88,713	91,312

Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income Non-controlling interests Total net assets 48,867 46,612		As of September 30, 2017	As of December 31, 2017
Notes and accounts payable - trade 9,346 11,960 Electronically recorded obligations - operating 753 989 Short-term loans payable 3,838 6,623 Income taxes payable 642 236 Provision for bonuses 722 331 Provision for product recall related costs 137 - Provision for environmental measures 114 34 Other provision 30 38 Electronically recorded obligations - non-operating 100 225 Other 7,282 5,785 Total current liabilities 23,168 26,224 Non-current liabilities 2,014 2,118 Long-term loans payable 2,014 2,118 Long-term loans payable 10,405 9,836 Net defined benefit liability 1,423 1,409 Other provision 58 40 Other provision 58 40 Other provision 58 40 Other provision 58 40 Other provision	Liabilities		
Electronically recorded obligations - operating 753 989 Short-term loans payable 3,838 6,623 Income taxes payable 642 236 Provision for bonuses 722 331 Provision for product recall related costs 137 - Provision for environmental measures 114 34 Other provision 30 38 Electronically recorded obligations - non-operating 100 225 Other 7,282 5,785 Total current liabilities 23,168 26,224 Non-current liabilities 2,014 2,118 Bonds payable 2,014 2,118 Long-term loans payable 10,405 9,836 Net defined benefit liability 1,423 1,409 Other provision 58 40 Other provision 58 10,6	Current liabilities		
Short-term loans payable 3,838 6,623 Income taxes payable 642 236 Provision for bonuses 722 331 Provision for product recall related costs 137 — Provision for environmental measures 114 34 Other provision 30 38 Electronically recorded obligations - non-operating 100 225 Other 7,282 5,785 Total current liabilities 23,168 26,224 Non-current liabilities 2,014 2,118 Long-term loans payable 1,0405 9,836 Net defined benefit liability 1,423 1,409 Other provision 58 40 Other 2,775 2,807 Total non-current liabilities 16,676 16,213 Total solitities 10,676 16,213 Net assets Sharcholders' equity 2,706 26,342 Valuation current liabilities 11,057 11,057 Retained earnings 27,067 26,342	Notes and accounts payable - trade	9,546	11,960
Income taxes payable 642 236 Provision for bonuses 722 331 Provision for product recall related costs 137 — Provision for environmental measures 114 34 Other provision 30 38 Electronically recorded obligations - non-operating 100 225 Other 7,282 5,785 Total current liabilities 2,014 2,118 Non-current liabilities 2,014 2,118 Long-term loans payable 10,405 9,836 Net defined benefit liability 1,423 1,409 Other provision 5 40 Other 2,775 2,807 Total non-current liabilities 16,676 16,213 Total iabilities 39,845 42,438 Net assets Shareholders' equity 2,075 2,634 Capital stock 10,939 10,939 Capital surplus 11,057 11,057 Retained earnings 27,067 26,342 Total shareholders' equ	Electronically recorded obligations - operating	753	989
Provision for bonuses 722 331 Provision for poduct recall related costs 137 — Provision for environmental measures 114 34 Other provision 30 38 Electronically recorded obligations - non-operating 100 225 Other 7,282 5,785 Total current liabilities 23,168 26,224 Non-current liabilities 2,014 2,118 Bonds payable 2,014 2,118 Long-term loans payable 10,405 9,836 Net defined benefit liability 1,423 1,409 Other provision 58 40 Other provision 58 50 Total non-current liab	Short-term loans payable	3,838	6,623
Provision for product recall related costs 137 — Provision for environmental measures 114 34 Other provision 30 38 Electronically recorded obligations - non-operating 100 225 Other 7,282 5,785 Total current liabilities 23,168 26,224 Non-current liabilities 2,014 2,118 Long-term loans payable 10,405 9,836 Net defined benefit liability 1,423 1,409 Other provision 58 40 Ottal incurrent liabilities	Income taxes payable	642	236
Provision for environmental measures 114 34 Other provision 30 38 Electronically recorded obligations - non-operating 100 225 Other 7,282 5,785 Total current liabilities 23,168 26,224 Non-current liabilities 2,014 2,118 Bonds payable 2,014 2,118 Long-term loans payable 10,405 9,836 Net defined benefit liability 1,423 1,409 Other 2,775 2,807 Total non-current liabilities 16,676 16,213 Total liabilities 39,845 42,438 Net assets 39,845 42,438 Net assets 11,057 11,057 Capital stock 10,939 10,939 Capital storylus 11,057 11,057 Retained earnings 27,067 26,342 Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income 2,07	Provision for bonuses	722	331
Other provision 30 38 Electronically recorded obligations - non-operating 100 225 Other 7,282 5,785 Total current liabilities 23,168 26,224 Non-current liabilities 2,014 2,118 Bonds payable 10,405 9,836 Net defined benefit liability 1,423 1,409 Other provision 58 40 Other 2,775 2,807 Total non-current liabilities 16,676 16,213 Total inabilities 39,845 42,438 Net assets Shareholders' equity 10,939 10,939 Capital stock 10,939 10,939 10,939 Capital surplus 11,057 11,057 11,057 Retained earnings 27,067 26,342 Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income 2,077 2,141 Foreign currency translation adjustment (Provision for product recall related costs	137	_
Electronically recorded obligations - non-operating 100 225 Other 7,282 5,785 Total current liabilities 23,168 26,224 Non-current liabilities 2,014 2,118 Bonds payable 2,014 2,118 Long-term loans payable 10,405 9,836 Net defined benefit liability 1,423 1,409 Other provision 58 40 Other 2,775 2,807 Total non-current liabilities 16,676 16,213 Total inabilities 39,845 42,438 Net assets 8 40 Shareholders' equity 10,939 10,939 Capital stock 10,939 10,939 Capital surplus 11,057 11,057 Retained earnings 27,067 26,342 Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income 2,077 2,141 Foreign currency translation adjustment	Provision for environmental measures	114	34
Other 7,282 5,885 Total current liabilities 23,168 26,224 Non-current liabilities 2,014 2,118 Bonds payable 2,014 2,118 Long-term loans payable 10,405 9,836 Net defined benefit liability 1,423 1,409 Other provision 58 40 Other 2,775 2,807 Total non-current liabilities 39,845 42,438 Net assets 8 40 Shareholders' equity 11,057 11,057 Capital stock 10,939 10,939 Capital surplus 11,057 26,342 Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income 2,077 2,141 Foreign currency translation adjustment (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507) (140) Non-controllin	Other provision	30	38
Total current liabilities 23,168 26,224 Non-current liabilities 2014 2,118 Bonds payable 2,014 2,118 Long-term loans payable 10,405 9,836 Net defined benefit liability 1,423 1,409 Other provision 58 40 Other 2,775 2,807 Total non-current liabilities 16,676 16,213 Total iabilities 39,845 42,438 Net assets Shareholders' equity 10,939 10,939 Capital stock 10,939 10,939 Capital surplus 11,057 11,057 Retained earnings 27,067 26,342 Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income 2,077 2,141 Foreign currency translation adjustment (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507	Electronically recorded obligations - non-operating	100	225
Non-current liabilities 2,014 2,118 Bonds payable 10,405 9,836 Net defined benefit liability 1,423 1,409 Other provision 58 40 Other 2,775 2,807 Total non-current liabilities 16,676 16,213 Total liabilities 39,845 42,438 Net assets Shareholders' equity 2 Capital stock 10,939 10,939 Capital surplus 11,057 11,057 Retained earnings 27,067 26,342 Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income 2,077 2,141 Foreign currency translation adjustment (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507) (140) Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Other	7,282	5,785
Bonds payable 2,014 2,118 Long-term loans payable 10,405 9,836 Net defined benefit liability 1,423 1,409 Other provision 58 40 Other 2,775 2,807 Total non-current liabilities 16,676 16,213 Total liabilities 39,845 42,438 Net assets Shareholders' equity 8 10,939 10,939 Capital stock 10,939 10,939 10,939 10,939 11,057 Retained earnings 27,067 26,342 17,200 17,270	Total current liabilities	23,168	26,224
Long-term loans payable 10,405 9,836 Net defined benefit liability 1,423 1,409 Other provision 58 40 Other 2,775 2,807 Total non-current liabilities 16,676 16,213 Total liabilities 39,845 42,438 Net assets Shareholders' equity Very company of the payon of	Non-current liabilities		
Net defined benefit liability 1,423 1,409 Other provision 58 40 Other 2,775 2,807 Total non-current liabilities 16,676 16,213 Total liabilities 39,845 42,438 Net assets Shareholders' equity Valuation difference on available accuration adjustment 10,939 10,939 Capital surplus 11,057 11,057 11,057 Retained earnings 27,067 26,342 17 Treasury shares (1,726) (1,727) 46,612 Accumulated other comprehensive income 2,077 2,141 50 50 10,213 10,	Bonds payable	2,014	2,118
Other provision 58 40 Other 2,775 2,807 Total non-current liabilities 16,676 16,213 Total liabilities 39,845 42,438 Net assets Shareholders' equity Valuation display 10,939 10,939 Capital surplus 11,057 11,057 11,057 Retained earnings 27,067 26,342 Treasury shares (1,726) (1,727) Accumulated other comprehensive income 47,337 46,612 Valuation difference on available-for-sale securities 2,077 2,141 Foreign currency translation adjustment (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507) (140) Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Long-term loans payable	10,405	9,836
Other 2,775 2,807 Total non-current liabilities 16,676 16,213 Total liabilities 39,845 42,438 Net assets Shareholders' equity Capital stock 10,939 10,939 Capital surplus 11,057 11,057 Retained earnings 27,067 26,342 Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income 2,077 2,141 Foreign currency translation adjustment (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507) (140) Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Net defined benefit liability	1,423	1,409
Total non-current liabilities 16,676 16,213 Total liabilities 39,845 42,438 Net assets Shareholders' equity Capital stock 10,939 10,939 Capital surplus 11,057 11,057 Retained earnings 27,067 26,342 Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income 2,077 2,141 Foreign currency translation adjustment (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507) (140) Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Other provision	58	40
Total liabilities 39,845 42,438 Net assets 39,845 42,438 Shareholders' equity 10,939 10,939 Capital stock 10,939 11,057 Retained earnings 27,067 26,342 Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income 2,077 2,141 Foreign currency translation adjustment (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507) (140) Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Other	2,775	2,807
Net assets Shareholders' equity Capital stock 10,939 10,939 Capital surplus 11,057 11,057 Retained earnings 27,067 26,342 Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income 2,077 2,141 Foreign currency translation adjustment (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507) (140) Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Total non-current liabilities	16,676	16,213
Shareholders' equity 10,939 10,939 Capital stock 10,939 10,939 Capital surplus 11,057 11,057 Retained earnings 27,067 26,342 Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income 2,077 2,141 Foreign currency translation adjustment (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507) (140) Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Total liabilities	39,845	42,438
Capital stock 10,939 10,939 Capital surplus 11,057 11,057 Retained earnings 27,067 26,342 Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income 2,077 2,141 Foreign currency translation adjustment (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507) (140) Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Net assets		
Capital surplus 11,057 11,057 Retained earnings 27,067 26,342 Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income Valuation difference on available-for-sale securities 2,077 2,141 Foreign currency translation adjustment (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507) (140) Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Shareholders' equity		
Retained earnings 27,067 26,342 Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income 2,077 2,141 Foreign currency translation adjustment (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507) (140) Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Capital stock	10,939	10,939
Treasury shares (1,726) (1,727) Total shareholders' equity 47,337 46,612 Accumulated other comprehensive income 2,077 2,141 Foreign currency translation adjustment (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507) (140) Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Capital surplus	11,057	11,057
Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507) (140) Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Retained earnings	27,067	26,342
Accumulated other comprehensive income Valuation difference on available-for-sale securities Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income (2,487) (2,183) (97) (98) Total accumulated other comprehensive income (507) (140) Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Treasury shares	(1,726)	(1,727)
Valuation difference on available-for-sale securities2,0772,141Foreign currency translation adjustment(2,487)(2,183)Remeasurements of defined benefit plans(97)(98)Total accumulated other comprehensive income(507)(140)Non-controlling interests2,0382,402Total net assets48,86748,873	Total shareholders' equity	47,337	46,612
Foreign currency translation adjustment (2,487) (2,183) Remeasurements of defined benefit plans (97) (98) Total accumulated other comprehensive income (507) (140) Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Accumulated other comprehensive income		
Remeasurements of defined benefit plans(97)(98)Total accumulated other comprehensive income(507)(140)Non-controlling interests2,0382,402Total net assets48,86748,873	Valuation difference on available-for-sale securities	2,077	2,141
Remeasurements of defined benefit plans(97)(98)Total accumulated other comprehensive income(507)(140)Non-controlling interests2,0382,402Total net assets48,86748,873	Foreign currency translation adjustment	(2,487)	(2,183)
Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Remeasurements of defined benefit plans		(98)
Non-controlling interests 2,038 2,402 Total net assets 48,867 48,873	Total accumulated other comprehensive income	(507)	(140)
Total net assets 48,867 48,873		<u>-</u>	
	_	-	
	Total liabilities and net assets	88,713	91,312

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

(Millions of yen)

	Three months ended December 31, 2016	Three months ended December 31, 2017
Net sales	12,817	11,468
Cost of sales	8,920	7,691
Gross profit	3,896	3,777
Selling, general and administrative expenses	4,284	4,182
Operating loss	(388)	(404)
Non-operating income		
Interest income	55	53
Dividend income	40	43
Real estate rent	21	20
Foreign exchange gains	178	177
Share of profit of entities accounted for using equity method	97	140
Other	68	62
Total non-operating income	462	496
Non-operating expenses		
Interest expenses	126	135
Loss on valuation of derivatives	82	134
Other	81	59
Total non-operating expenses	290	329
Ordinary loss	(216)	(237)
Extraordinary income		
Gain on sales of investment securities	_	8
Total extraordinary income	_	8
Extraordinary losses		
Loss on disposal of non-current assets	1	3
Product recall related costs	_	57
Total extraordinary losses	1	61
Loss before income taxes	(218)	(289)
Income taxes	18	(250)
Loss	(236)	(39)
Profit attributable to non-controlling interests	345	184
Loss attributable to owners of parent	(581)	(223)
	()	(===)

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended December 31, 2016	Three months ended December 31, 2017
Loss	(236)	(39)
Other comprehensive income		
Valuation difference on available-for-sale securities	489	63
Deferred gains or losses on hedges	(4)	_
Foreign currency translation adjustment	2,142	543
Remeasurements of defined benefit plans, net of tax	(1)	(1)
Share of other comprehensive income of entities accounted for using equity method	(42)	(50)
Total other comprehensive income	2,582	556
Comprehensive income	2,346	516
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,661	143
Comprehensive income attributable to non-controlling interests	684	373