

Translation

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**Summary of Consolidated Financial Results  
for the Nine Months Ended June 30, 2018  
(Based on Japanese GAAP)**

August 10, 2018

Company name: NIHON NOHYAKU CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 4997 URL <http://www.nichino.co.jp/>  
 Representative: President Yosuke Tomoi  
 Inquiries: General Manager of General Affairs & Legal Department Motohiro Nagai TEL +81-3-6361-1400  
 Scheduled date to file Quarterly Securities Report: August 10, 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 nine months ended June 30, 2018 (from October 1, 2017 to June 30, 2018)

(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	%
Nine months ended June 30, 2018	48,280	3.8	3,974	14.3	3,905	8.3	2,407	10.7
Nine months ended June 30, 2017	46,502	18.6	3,478	(30.8)	3,606	(23.0)	2,175	(20.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2018	36.02		–	
Nine months ended June 30, 2017	32.55		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	95,369	49,474	49.6
As of September 30, 2017	88,713	48,867	52.8

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, 2017	–	7.50	–	7.50	15.00
Year ending September 30, 2018	–	7.50	–		
Year ending September 30, 2018 (Forecast)				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
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 nine months ended June 30, 2018  
 (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: 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, 2018	70,026,782 shares	As of September 30, 2017	70,026,782 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	3,190,656 shares	As of September 30, 2017	3,189,804 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2018	66,836,439 shares	Nine months ended June 30, 2017	66,837,547 shares
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**Quarterly consolidated financial statements**  
**Quarterly consolidated balance sheets**

(Millions of yen)

	As of September 30, 2017	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	11,620	7,843
Notes and accounts receivable - trade	21,220	29,101
Electronically recorded monetary claims - operating	895	2,686
Merchandise and finished goods	9,986	11,610
Work in process	660	800
Raw materials and supplies	4,465	4,590
Other	3,868	3,920
Allowance for doubtful accounts	(441)	(506)
Total current assets	52,276	60,047
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,648	5,423
Machinery, equipment and vehicles, net	3,521	3,484
Land	6,458	6,402
Other, net	908	1,018
Total property, plant and equipment	16,536	16,328
Intangible assets		
Goodwill	6,745	6,049
Other	1,078	1,225
Total intangible assets	7,824	7,275
Investments and other assets		
Investment securities	7,156	7,066
Other	4,947	4,680
Allowance for doubtful accounts	(27)	(27)
Total investments and other assets	12,076	11,718
Total non-current assets	36,436	35,322
Total assets	88,713	95,369

(Millions of yen)

As of September 30, 2017

As of June 30, 2018

Liabilities	As of September 30, 2017	As of June 30, 2018
Current liabilities		
Notes and accounts payable - trade	9,546	9,406
Electronically recorded obligations - operating	753	1,223
Short-term loans payable	3,838	10,212
Income taxes payable	642	752
Provision for bonuses	722	391
Provision for product recall related costs	137	-
Provision for environmental measures	114	-
Other provision	30	52
Electronically recorded obligations - non-operating	100	199
Other	7,282	6,889
Total current liabilities	23,168	29,128
Non-current liabilities		
Bonds payable	2,014	1,906
Long-term loans payable	10,405	11,001
Net defined benefit liability	1,423	1,381
Other provision	58	47
Other	2,775	2,430
Total non-current liabilities	16,676	16,766
Total liabilities	39,845	45,895
Net assets		
Shareholders' equity		
Capital stock	10,939	10,939
Capital surplus	11,057	11,057
Retained earnings	27,067	28,472
Treasury shares	(1,726)	(1,727)
Total shareholders' equity	47,337	48,741
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,077	1,718
Foreign currency translation adjustment	(2,487)	(3,049)
Remeasurements of defined benefit plans	(97)	(101)
Total accumulated other comprehensive income	(507)	(1,431)
Non-controlling interests	2,038	2,164
Total net assets	48,867	49,474
Total liabilities and net assets	88,713	95,369

**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, 2017	Nine months ended June 30, 2018
Net sales	46,502	48,280
Cost of sales	30,495	31,636
Gross profit	16,007	16,644
Selling, general and administrative expenses	12,528	12,669
Operating profit	3,478	3,974
Non-operating income		
Interest income	266	100
Dividend income	93	113
Real estate rent	62	59
Foreign exchange gains	206	–
Share of profit of entities accounted for using equity method	216	268
Other	147	129
Total non-operating income	993	670
Non-operating expenses		
Interest expenses	355	375
Foreign exchange losses	–	189
Loss on valuation of derivatives	227	32
Other	282	142
Total non-operating expenses	865	740
Ordinary profit	3,606	3,905
Extraordinary income		
Gain on sales of investment securities	169	133
Total extraordinary income	169	133
Extraordinary losses		
Loss on disposal of non-current assets	12	92
Product recall related costs	113	57
Environmental expenses	–	113
Total extraordinary losses	125	263
Profit before income taxes	3,650	3,776
Income taxes	1,438	1,131
Profit	2,211	2,644
Profit attributable to non-controlling interests	35	237
Profit attributable to owners of parent	2,175	2,407

**Quarterly consolidated statements of comprehensive income**

	(Millions of yen)	
	Nine months ended June 30, 2017	Nine months ended June 30, 2018
Profit	2,211	2,644
Other comprehensive income		
Valuation difference on available-for-sale securities	428	(358)
Foreign currency translation adjustment	1,702	(812)
Remeasurements of defined benefit plans, net of tax	(6)	(3)
Share of other comprehensive income of entities accounted for using equity method	(299)	148
Total other comprehensive income	1,824	(1,025)
Comprehensive income	4,036	1,618
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,737	1,483
Comprehensive income attributable to non-controlling interests	298	135