

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended March 31, 2016
(Based on Japanese GAAP)**

May 13, 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: May 13, 2016
 Scheduled date to commence dividend payments: June 9, 2016
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended March 31, 2016 (from October 1, 2015 to March 31, 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	%
Six months ended March 31, 2016	29,996	(14.2)	5,011	(49.7)	4,521	(52.1)	2,935	(54.2)
Six months ended March 31, 2015	34,948	(0.3)	9,956	18.6	9,438	13.0	6,402	13.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended March 31, 2016	43.91	—
Six months ended March 31, 2015	95.80	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2016	95,760	52,003	53.4
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	Yen	Yen	Yen	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	57,500	1.0	5,700	(42.7)	4,900	(47.7)	2,800	(50.2)	41.89

4. Notes

- (1) Changes in significant subsidiaries during the six months ended March 31, 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 March 31, 2016	70,026,782 shares	As of September 30, 2015	70,026,782 shares
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Number of treasury shares at the end of the period

As of March 31, 2016	3,188,596 shares	As of September 30, 2015	3,188,266 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended March 31, 2016	66,838,328 shares	Six months ended March 31, 2015	66,839,714 shares
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Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Millions of yen)

	As of September 30, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	9,382	12,495
Notes and accounts receivable - trade	14,181	26,103
Electronically recorded monetary claims - operating	585	1,085
Merchandise and finished goods	9,485	9,636
Work in process	436	619
Raw materials and supplies	4,239	4,324
Other	3,166	3,855
Allowance for doubtful accounts	(19)	(25)
Total current assets	41,455	58,095
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,191	5,175
Machinery, equipment and vehicles, net	3,172	3,082
Land	6,382	6,324
Other, net	1,073	865
Total property, plant and equipment	15,820	15,448
Intangible assets		
Goodwill	5,836	5,287
Other	1,009	998
Total intangible assets	6,845	6,286
Investments and other assets		
Investment securities	13,438	12,633
Other	3,734	3,306
Allowance for doubtful accounts	(58)	(9)
Total investments and other assets	17,115	15,930
Total non-current assets	39,781	37,664
Total assets	81,237	95,760

(Millions of yen)

As of September 30, 2015

As of March 31, 2016

	As of September 30, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,947	7,331
Electronically recorded obligations - operating	501	1,061
Short-term loans payable	3,161	9,965
Income taxes payable	1,029	1,424
Provision for bonuses	669	644
Other provision	50	44
Electronically recorded obligations - non-operating	55	70
Other	6,256	5,900
Total current liabilities	16,672	26,441
Non-current liabilities		
Long-term loans payable	9,020	13,070
Net defined benefit liability	1,900	1,818
Other provision	97	82
Other	2,511	2,344
Total non-current liabilities	13,530	17,315
Total liabilities	30,202	43,756
Net assets		
Shareholders' equity		
Capital stock	10,939	10,939
Capital surplus	13,235	13,235
Retained earnings	26,319	28,753
Treasury shares	(1,725)	(1,726)
Total shareholders' equity	48,768	51,202
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,766	1,730
Foreign currency translation adjustment	(314)	(1,664)
Remeasurements of defined benefit plans	(159)	(165)
Total accumulated other comprehensive income	1,292	(99)
Non-controlling interests	972	900
Total net assets	51,034	52,003
Total liabilities and net assets	81,237	95,760

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

	(Millions of yen)	
	Six months ended March 31, 2015	Six months ended March 31, 2016
Net sales	34,948	29,996
Cost of sales	17,400	17,405
Gross profit	17,548	12,590
Selling, general and administrative expenses	7,592	7,579
Operating income	9,956	5,011
Non-operating income		
Interest income	5	21
Dividend income	43	38
Real estate rent	38	40
Foreign exchange gains	–	102
Other	30	44
Total non-operating income	117	247
Non-operating expenses		
Interest expenses	36	77
Foreign exchange losses	87	–
Loss on abandonment of inventories	42	70
Share of loss of entities accounted for using equity method	369	539
Other	99	50
Total non-operating expenses	635	737
Ordinary income	9,438	4,521
Extraordinary losses		
Loss on disposal of non-current assets	3	30
Total extraordinary losses	3	30
Income before income taxes and minority interests	9,435	4,490
Income taxes	3,011	1,547
Profit	6,423	2,942
Profit attributable to non-controlling interests	20	7
Profit attributable to owners of parent	6,402	2,935

Quarterly consolidated statements of comprehensive income

	(Millions of yen)	
	Six months ended March 31, 2015	Six months ended March 31, 2016
Profit	6,423	2,942
Other comprehensive income		
Valuation difference on available-for-sale securities	619	(36)
Foreign currency translation adjustment	0	(724)
Remeasurements of defined benefit plans, net of tax	5	(5)
Share of other comprehensive income of entities accounted for using equity method	(101)	(685)
Total other comprehensive income	524	(1,451)
Comprehensive income	6,947	1,491
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,928	1,543
Comprehensive income attributable to non-controlling interests	19	(52)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended March 31, 2015	Six months ended March 31, 2016
Cash flows from operating activities		
Income before income taxes and minority interests	9,435	4,490
Depreciation	639	707
Amortization of goodwill	207	224
Decrease (increase) in net defined benefit asset	(282)	(123)
Increase (decrease) in net defined benefit liability	(190)	(95)
Increase (decrease) in provision for bonuses	(92)	(25)
Interest and dividend income	(49)	(60)
Interest expenses	36	77
Share of (profit) loss of entities accounted for using equity method	369	539
Decrease (increase) in notes and accounts receivable - trade	(9,843)	(12,572)
Decrease (increase) in inventories	(2,901)	(658)
Increase (decrease) in notes and accounts payable - trade	259	3,062
Other, net	1,667	(1,012)
Subtotal	(744)	(5,446)
Interest and dividend income received	40	42
Interest expenses paid	(20)	(61)
Income taxes paid	(2,583)	(1,132)
Net cash provided by (used in) operating activities	(3,308)	(6,597)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,184)	(461)
Purchase of intangible assets	(63)	(51)
Purchase of investment securities	–	(533)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(7,202)	–
Payments into time deposits	(201)	(134)
Proceeds from withdrawal of time deposits	151	175
Other, net	147	(186)
Net cash provided by (used in) investing activities	(8,353)	(1,191)
Cash flows from financing activities		
Increase in short-term loans payable	4,665	6,448
Decrease in short-term loans payable	(507)	(187)
Proceeds from long-term loans payable	8,000	6,000
Repayments of long-term loans payable	(400)	(1,200)
Repayments of lease obligations	(52)	(62)
Purchase of treasury shares	(1)	(0)
Cash dividends paid	(568)	(501)
Dividends paid to non-controlling interests	(29)	(20)
Net cash provided by (used in) financing activities	11,106	10,477
Effect of exchange rate change on cash and cash equivalents	57	(27)
Net increase (decrease) in cash and cash equivalents	(497)	2,660
Cash and cash equivalents at beginning of period	6,731	7,835
Cash and cash equivalents at end of period	6,233	10,495