

Translation

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Summary of Consolidated Financial Results for the Three Months Ended December 31, 2015 (Based on Japanese GAAP)

February 12, 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 TEL +81-3-6361-1400
 General Affairs
 Scheduled date to file Quarterly Securities Report: February 12, 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 three months ended December 31, 2015 (from October 1, 2015 to December 31, 2015)

(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	%
Three months ended December 31, 2015	7,450	(21.4)	(1,035)	–	(1,414)	–	(1,135)	–
Three months ended December 31, 2014	9,480	(9.6)	(54)	–	(301)	–	(206)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2015	(16.99)		–	
Three months ended December 31, 2014	(3.09)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2015	83,866	48,679	56.9
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	–				
Year ending September 30, 2016 (Forecast)		7.50	–	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
Six months ending March 31, 2016	31,500	(9.9)	5,700	(42.7)	5,100	(46.0)	3,100	(51.6)	46.38
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 three months ended December 31, 2015
(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 December 31, 2015	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 December 31, 2015	3,188,466 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)

Three months ended December 31, 2015	66,838,402 shares	Three months ended December 31, 2014	66,840,054 shares
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Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Millions of yen)

	As of September 30, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	9,382	7,648
Notes and accounts receivable - trade	14,181	12,580
Electronically recorded monetary claims - operating	585	318
Merchandise and finished goods	9,485	13,891
Work in process	436	828
Raw materials and supplies	4,239	4,983
Other	3,166	4,445
Allowance for doubtful accounts	(19)	(15)
Total current assets	41,455	44,682
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,191	5,122
Machinery, equipment and vehicles	3,172	3,081
Land	6,382	6,378
Other	1,073	1,075
Total property, plant and equipment	15,820	15,657
Intangible assets		
Goodwill	5,836	5,695
Other	1,009	1,021
Total intangible assets	6,845	6,717
Investments and other assets		
Investment securities	13,438	13,080
Other	3,734	3,786
Allowance for doubtful accounts	(58)	(57)
Total investments and other assets	17,115	16,809
Total non-current assets	39,781	39,184
Total assets	81,237	83,866

As of September 30, 2015

As of December 31, 2015

	As of September 30, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,947	8,527
Electronically recorded obligations - operating	501	970
Short-term loans payable	3,161	7,011
Income taxes payable	1,029	125
Provision for bonuses	669	331
Other provision	50	22
Electronically recorded obligations - non-operating	55	231
Other	6,256	4,759
Total current liabilities	16,672	21,978
Non-current liabilities		
Long-term loans payable	9,020	8,620
Net defined benefit liability	1,900	1,844
Other provision	97	78
Other	2,511	2,664
Total non-current liabilities	13,530	13,208
Total liabilities	30,202	35,186
Net assets		
Shareholders' equity		
Capital stock	10,939	10,939
Capital surplus	13,235	13,235
Retained earnings	26,319	24,682
Treasury shares	(1,725)	(1,726)
Total shareholders' equity	48,768	47,131
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,766	2,132
Foreign currency translation adjustment	(314)	(1,381)
Remeasurements of defined benefit plans	(159)	(162)
Total accumulated other comprehensive income	1,292	589
Non-controlling interests	972	958
Total net assets	51,034	48,679
Total liabilities and net assets	81,237	83,866

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, 2014	Three months ended December 31, 2015
Net sales	9,480	7,450
Cost of sales	5,813	4,806
Gross profit	3,667	2,644
Selling, general and administrative expenses	3,721	3,679
Operating loss	(54)	(1,035)
Non-operating income		
Interest income	1	9
Dividend income	37	33
Real estate rent	19	20
Other	13	33
Total non-operating income	72	97
Non-operating expenses		
Interest expenses	11	39
Foreign exchange losses	59	–
Loss on abandonment of inventories	22	23
Share of loss of entities accounted for using equity method	173	381
Other	52	32
Total non-operating expenses	319	476
Ordinary loss	(301)	(1,414)
Extraordinary losses		
Loss on disposal of non-current assets	1	3
Total extraordinary losses	1	3
Loss before income taxes and minority interests	(303)	(1,417)
Income taxes	(105)	(289)
Loss	(198)	(1,127)
Profit attributable to non-controlling interests	8	8
Loss attributable to owners of parent	(206)	(1,135)

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended December 31, 2014	Three months ended December 31, 2015
Loss	(198)	(1,127)
Other comprehensive income		
Valuation difference on available-for-sale securities	223	366
Deferred gains or losses on hedges	(103)	-
Foreign currency translation adjustment	200	(18)
Remeasurements of defined benefit plans, net of tax	8	(2)
Share of other comprehensive income of entities accounted for using equity method	(189)	(1,049)
Total other comprehensive income	139	(704)
Comprehensive income	(58)	(1,832)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(82)	(1,839)
Comprehensive income attributable to non-controlling interests	23	7