

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended September 30, 2015  
(Based on Japanese GAAP)**

November 13, 2015

Company name: NIHON NOHYAKU CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 4997 URL <http://www.nichino.co.jp/>  
 Representative: President Yohichi Kohyama  
 Inquiries: Executive Officer, General Manager of Toyokazu Iijima TEL +81-3-6361-1400  
 General Affairs Department  
 Scheduled date of ordinary general meeting of shareholders: December 22, 2015  
 Scheduled date to file Securities Report: December 24, 2015  
 Scheduled date to commence dividend payments: December 24, 2015  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended September 30, 2015 (from October 1, 2014 to September 30, 2015)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2015	56,930	0.4	9,951	5.8	9,375	0.2	5,625	(8.4)
Year ended September 30, 2014	56,696	19.0	9,407	26.3	9,361	31.0	6,137	30.2

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2015	84.16	–	11.8	12.5	17.5
Year ended September 30, 2014	91.82	–	14.4	14.6	16.6

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2015	81,237	51,034	61.6	748.99
As of September 30, 2014	68,790	45,719	66.1	680.08

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 30, 2015	6,745	(13,063)	7,341	7,835
Year ended September 30, 2014	3,694	(11,592)	(1,059)	6,731

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended September 30, 2014	–	6.50	–	8.50	15.00	1,002	16.3	2.3
Year ended September 30, 2015	–	7.50	–	7.50	15.00	1,002	17.8	2.1
Year ending September 30, 2016 (Forecast)	–	7.50	–	7.50	15.00		35.8	

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 year ended September 30, 2015

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of September 30, 2015	70,026,782 shares	As of September 30, 2014	70,026,782 shares
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Number of treasury shares at the end of the period

As of September 30, 2015	3,188,266 shares	As of September 30, 2014	3,186,445 shares
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Average number of shares during the period

Year ended September 30, 2015	66,839,260 shares	Year ended September 30, 2014	66,851,093 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of September 30, 2014	As of September 30, 2015
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	8,188	9,382
Notes and accounts receivable - trade	15,169	14,181
Electronically recorded monetary claims - operating	182	585
Merchandise and finished goods	8,792	9,485
Work in process	455	436
Raw materials and supplies	1,975	4,239
Deferred tax assets	685	730
Other	3,177	2,435
Allowance for doubtful accounts	(3)	(19)
<b>Total current assets</b>	<b>38,623</b>	<b>41,455</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	4,713	5,191
Machinery, equipment and vehicles	1,660	3,172
Land	5,565	6,382
Construction in progress	568	124
Other	956	949
<b>Total property, plant and equipment</b>	<b>13,465</b>	<b>15,820</b>
<b>Intangible assets</b>		
Goodwill	2,509	5,836
Software	199	173
Other	720	836
<b>Total intangible assets</b>	<b>3,429</b>	<b>6,845</b>
<b>Investments and other assets</b>		
Investment securities	11,945	13,438
Long-term loans receivable	0	1,920
Deferred tax assets	250	194
Net defined benefit asset	–	403
Other	1,173	1,216
Allowance for doubtful accounts	(96)	(58)
<b>Total investments and other assets</b>	<b>13,271</b>	<b>17,115</b>
<b>Total non-current assets</b>	<b>30,166</b>	<b>39,781</b>
<b>Total assets</b>	<b>68,790</b>	<b>81,237</b>

(Millions of yen)

As of September 30, 2014

As of September 30, 2015

	As of September 30, 2014	As of September 30, 2015
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	7,208	4,947
Electronically recorded obligations - operating	512	501
Short-term loans payable	906	3,161
Current portion of bonds	200	-
Accrued expenses	3,861	4,617
Income taxes payable	1,774	1,029
Provision for bonuses	725	669
Provision for directors' bonuses	25	26
Provision for sales returns	29	24
Electronically recorded obligations - non-operating	300	55
Other	1,417	1,639
<b>Total current liabilities</b>	<b>16,961</b>	<b>16,672</b>
<b>Non-current liabilities</b>		
Long-term loans payable	2,300	9,020
Deferred tax liabilities	0	943
Provision for directors' retirement benefits	97	97
Net defined benefit liability	2,107	1,900
Other	1,602	1,568
<b>Total non-current liabilities</b>	<b>6,109</b>	<b>13,530</b>
<b>Total liabilities</b>	<b>23,070</b>	<b>30,202</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	10,939	10,939
Capital surplus	13,235	13,235
Retained earnings	21,509	26,319
Treasury shares	(1,723)	(1,725)
<b>Total shareholders' equity</b>	<b>43,961</b>	<b>48,768</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,410	1,766
Foreign currency translation adjustment	294	(314)
Remeasurements of defined benefit plans	(210)	(159)
<b>Total accumulated other comprehensive income</b>	<b>1,495</b>	<b>1,292</b>
<b>Minority interests</b>	<b>263</b>	<b>972</b>
<b>Total net assets</b>	<b>45,719</b>	<b>51,034</b>
<b>Total liabilities and net assets</b>	<b>68,790</b>	<b>81,237</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Year ended September 30, 2014	Year ended September 30, 2015
Net sales	56,696	56,930
Cost of sales	32,315	30,930
Gross profit	24,380	25,999
Selling, general and administrative expenses	14,973	16,047
Operating income	9,407	9,951
Non-operating income		
Interest income	10	19
Dividend income	98	158
Real estate rent	75	78
Share of profit of entities accounted for using equity method	78	–
Other	96	47
Total non-operating income	359	304
Non-operating expenses		
Interest expenses	74	113
Sales discounts	16	15
Loss on abandonment of inventories	97	100
Foreign exchange losses	56	62
Share of loss of entities accounted for using equity method	–	433
Other	159	155
Total non-operating expenses	405	880
Ordinary income	9,361	9,375
Extraordinary losses		
Loss on disposal of non-current assets	46	16
Impairment loss	–	948
Other	2	–
Total extraordinary losses	49	964
Income before income taxes and minority interests	9,312	8,411
Income taxes - current	3,167	2,862
Income taxes - deferred	(41)	(138)
Total income taxes	3,125	2,723
Income before minority interests	6,186	5,687
Minority interests in income	48	62
Net income	6,137	5,625

**Consolidated statements of comprehensive income**

	(Millions of yen)	
	Year ended September 30, 2014	Year ended September 30, 2015
Income before minority interests	6,186	5,687
Other comprehensive income		
Valuation difference on available-for-sale securities	320	355
Foreign currency translation adjustment	221	(503)
Remeasurements of defined benefit plans, net of tax	–	50
Share of other comprehensive income of entities accounted for using equity method	50	(161)
Total other comprehensive income	592	(258)
Comprehensive income	6,778	5,428
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,713	5,423
Comprehensive income attributable to minority interests	65	5

**Consolidated statements of changes in equity**

Year ended September 30, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,939	13,235	16,374	(1,665)	38,884
Cumulative effects of changes in accounting policies					–
Restated balance	10,939	13,235	16,374	(1,665)	38,884
Changes of items during period					
Dividends of surplus			(1,002)		(1,002)
Net income			6,137		6,137
Purchase of treasury shares				(58)	(58)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	5,135	(58)	5,076
Balance at end of current period	10,939	13,235	21,509	(1,723)	43,961

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,090	39	–	1,130	220	40,235
Cumulative effects of changes in accounting policies						–
Restated balance	1,090	39	–	1,130	220	40,235
Changes of items during period						
Dividends of surplus						(1,002)
Net income						6,137
Purchase of treasury shares						(58)
Net changes of items other than shareholders' equity	320	254	(210)	364	42	407
Total changes of items during period	320	254	(210)	364	42	5,483
Balance at end of current period	1,410	294	(210)	1,495	263	45,719

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,939	13,235	21,509	(1,723)	43,961
Cumulative effects of changes in accounting policies			253		253
Restated balance	10,939	13,235	21,763	(1,723)	44,215
Changes of items during period					
Dividends of surplus			(1,069)		(1,069)
Net income			5,625		5,625
Purchase of treasury shares				(2)	(2)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	4,555	(2)	4,553
Balance at end of current period	10,939	13,235	26,319	(1,725)	48,768

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,410	294	(210)	1,495	263	45,719
Cumulative effects of changes in accounting policies						253
Restated balance	1,410	294	(210)	1,495	263	45,973
Changes of items during period						
Dividends of surplus						(1,069)
Net income						5,625
Purchase of treasury shares						(2)
Net changes of items other than shareholders' equity	355	(609)	50	(202)	709	507
Total changes of items during period	355	(609)	50	(202)	709	5,061
Balance at end of current period	1,766	(314)	(159)	1,292	972	51,034

**Consolidated statements of cash flows**

(Millions of yen)

	Year ended September 30, 2014	Year ended September 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	9,312	8,411
Depreciation	1,195	1,349
Impairment loss	–	948
Amortization of goodwill	393	535
Increase (decrease) in net defined benefit liability	(18)	(239)
Increase (decrease) in provision for directors' retirement benefits	16	0
Increase (decrease) in allowance for doubtful accounts	79	(25)
Increase (decrease) in provision for bonuses	63	(56)
Increase (decrease) in provision for directors' bonuses	(3)	1
Increase (decrease) in provision for sales returns	(2)	(5)
Interest and dividend income	(108)	(178)
Interest expenses	74	113
Share of (profit) loss of entities accounted for using equity method	(78)	433
Loss on retirement of property, plant and equipment	36	4
Decrease (increase) in notes and accounts receivable - trade	(2,500)	1,804
Decrease (increase) in inventories	(2,987)	(1,210)
Increase (decrease) in notes and accounts payable - trade	3,036	(3,912)
Decrease (increase) in net defined benefit asset	–	(399)
Increase (decrease) in accrued consumption taxes	(98)	282
Other, net	(1,340)	2,439
Subtotal	7,069	10,296
Interest and dividend income received	109	200
Interest expenses paid	(74)	(100)
Income taxes paid	(3,409)	(3,650)
Net cash provided by (used in) operating activities	3,694	6,745
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,172)	(1,743)
Purchase of intangible assets	(2,699)	(168)
Purchase of investment securities	(7,049)	(1,699)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(477)	(7,202)
Payments into time deposits	(217)	(505)
Proceeds from withdrawal of time deposits	147	415
Payments of short-term loans receivable	(241)	(625)
Payments of long-term loans receivable	–	(1,920)
Collection of loans receivable	246	358
Other, net	(128)	26
Net cash provided by (used in) investing activities	(11,592)	(13,063)

(Millions of yen)

	Year ended September 30, 2014	Year ended September 30, 2015
Cash flows from financing activities		
Increase in short-term loans payable	9,196	6,168
Decrease in short-term loans payable	(9,200)	(5,731)
Proceeds from long-term loans payable	1,000	9,920
Repayments of long-term loans payable	(800)	(1,600)
Redemption of bonds	(75)	(200)
Repayments of lease obligations	(95)	(107)
Purchase of treasury shares	(58)	(2)
Cash dividends paid	(1,002)	(1,069)
Cash dividends paid to minority shareholders	(22)	(36)
Net cash provided by (used in) financing activities	(1,059)	7,341
Effect of exchange rate change on cash and cash equivalents	203	80
Net increase (decrease) in cash and cash equivalents	(8,752)	1,103
Cash and cash equivalents at beginning of period	15,484	6,731
Cash and cash equivalents at end of period	6,731	7,835