

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2017 (Based on Japanese GAAP)

August 8, 2017

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: August 8, 2017
 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, 2017 (from October 1, 2016 to June 30, 2017)

(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	%
Nine months ended June 30, 2017	46,502	18.6	3,478	(30.8)	3,606	(23.0)	2,175	(20.2)
Nine months ended June 30, 2016	39,217	(14.8)	5,030	(50.7)	4,681	(51.5)	2,727	(57.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2017	32.55		–	
Nine months ended June 30, 2016	40.81		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	96,706	51,719	50.7
As of September 30, 2016	88,791	48,697	52.1

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, 2016	–	7.50	–	7.50	15.00
Year ending September 30, 2017	–	7.50	–		
Year ending September 30, 2017 (Forecast)				7.50	15.00

3. Forecast of consolidated financial results for the year ending September 30, 2017 (from October 1, 2016 to September 30, 2017)

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	59,500	17.5	3,900	(11.9)	3,600	(6.9)	2,200	112.5	32.92

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended June 30, 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: 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, 2017	70,026,782 shares	As of September 30, 2016	70,026,782 shares
---------------------	-------------------	--------------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2017	3,189,456 shares	As of September 30, 2016	3,189,034 shares
---------------------	------------------	--------------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2017	66,837,547 shares	Nine months ended June 30, 2016	66,838,281 shares
---------------------------------	-------------------	---------------------------------	-------------------

Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Millions of yen)

	As of September 30, 2016	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	15,159	11,953
Notes and accounts receivable - trade	19,465	26,518
Electronically recorded monetary claims - operating	603	2,000
Merchandise and finished goods	10,065	11,129
Work in process	454	704
Raw materials and supplies	4,273	4,373
Other	3,741	4,196
Allowance for doubtful accounts	(418)	(442)
Total current assets	53,344	60,435
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,565	5,665
Machinery, equipment and vehicles, net	3,553	3,471
Land	6,354	6,467
Other, net	1,018	840
Total property, plant and equipment	16,491	16,444
Intangible assets		
Goodwill	7,150	7,451
Other	978	1,085
Total intangible assets	8,128	8,537
Investments and other assets		
Investment securities	6,156	6,684
Other	4,684	4,631
Allowance for doubtful accounts	(13)	(27)
Total investments and other assets	10,827	11,288
Total non-current assets	35,446	36,270
Total assets	88,791	96,706

As of September 30, 2016

As of June 30, 2017

	As of September 30, 2016	As of June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,833	8,229
Electronically recorded obligations - operating	460	825
Short-term loans payable	4,449	10,507
Income taxes payable	119	759
Provision for bonuses	630	322
Provision for product recall related costs	1,044	137
Other provision	23	39
Electronically recorded obligations - non-operating	138	72
Other	6,809	6,794
Total current liabilities	22,509	27,688
Non-current liabilities		
Bonds payable	1,848	2,014
Long-term loans payable	11,567	11,093
Other provision	91	54
Net defined benefit liability	1,418	1,374
Other	2,657	2,762
Total non-current liabilities	17,583	17,297
Total liabilities	40,093	44,986
Net assets		
Shareholders' equity		
Capital stock	10,939	10,939
Capital surplus	13,235	13,235
Retained earnings	26,351	27,525
Treasury shares	(1,726)	(1,726)
Total shareholders' equity	48,801	49,973
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,353	1,782
Foreign currency translation adjustment	(3,766)	(2,626)
Remeasurements of defined benefit plans	(101)	(108)
Total accumulated other comprehensive income	(2,514)	(951)
Non-controlling interests	2,410	2,697
Total net assets	48,697	51,719
Total liabilities and net assets	88,791	96,706

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, 2016	Nine months ended June 30, 2017
Net sales	39,217	46,502
Cost of sales	23,132	30,495
Gross profit	16,085	16,007
Selling, general and administrative expenses	11,054	12,528
Operating income	5,030	3,478
Non-operating income		
Interest income	30	266
Dividend income	84	93
Real estate rent	61	62
Foreign exchange gains	313	206
Share of profit of entities accounted for using equity method	–	216
Other	64	147
Total non-operating income	555	993
Non-operating expenses		
Interest expenses	120	355
Loss on valuation of derivatives	–	227
Share of loss of entities accounted for using equity method	646	–
Other	138	282
Total non-operating expenses	905	865
Ordinary income	4,681	3,606
Extraordinary income		
Gain on disposal of non-current assets	9	–
Gain on sales of investment securities	–	169
Total extraordinary income	9	169
Extraordinary losses		
Loss on disposal of non-current assets	54	12
Product recall related costs	311	113
Total extraordinary losses	365	125
Profit before income taxes	4,325	3,650
Income taxes	1,586	1,438
Profit	2,738	2,211
Profit attributable to non-controlling interests	11	35
Profit attributable to owners of parent	2,727	2,175

Quarterly consolidated statements of comprehensive income

	(Millions of yen)	
	Nine months ended June 30, 2016	Nine months ended June 30, 2017
Profit	2,738	2,211
Other comprehensive income		
Valuation difference on available-for-sale securities	(487)	428
Foreign currency translation adjustment	(1,627)	1,702
Remeasurements of defined benefit plans, net of tax	(8)	(6)
Share of other comprehensive income of entities accounted for using equity method	(2,206)	(299)
Total other comprehensive income	(4,329)	1,824
Comprehensive income	(1,591)	4,036
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,456)	3,737
Comprehensive income attributable to non-controlling interests	(134)	298