



Fiscal 2017 Earnings Conference

November 27, 2017

(Note)

The earnings forecasts and other forward-looking statements indicated in these materials are based on currently available information and certain assumptions deemed to be reasonable, and there is a possibility that these statements may differ from actual performance due to a variety of factors.



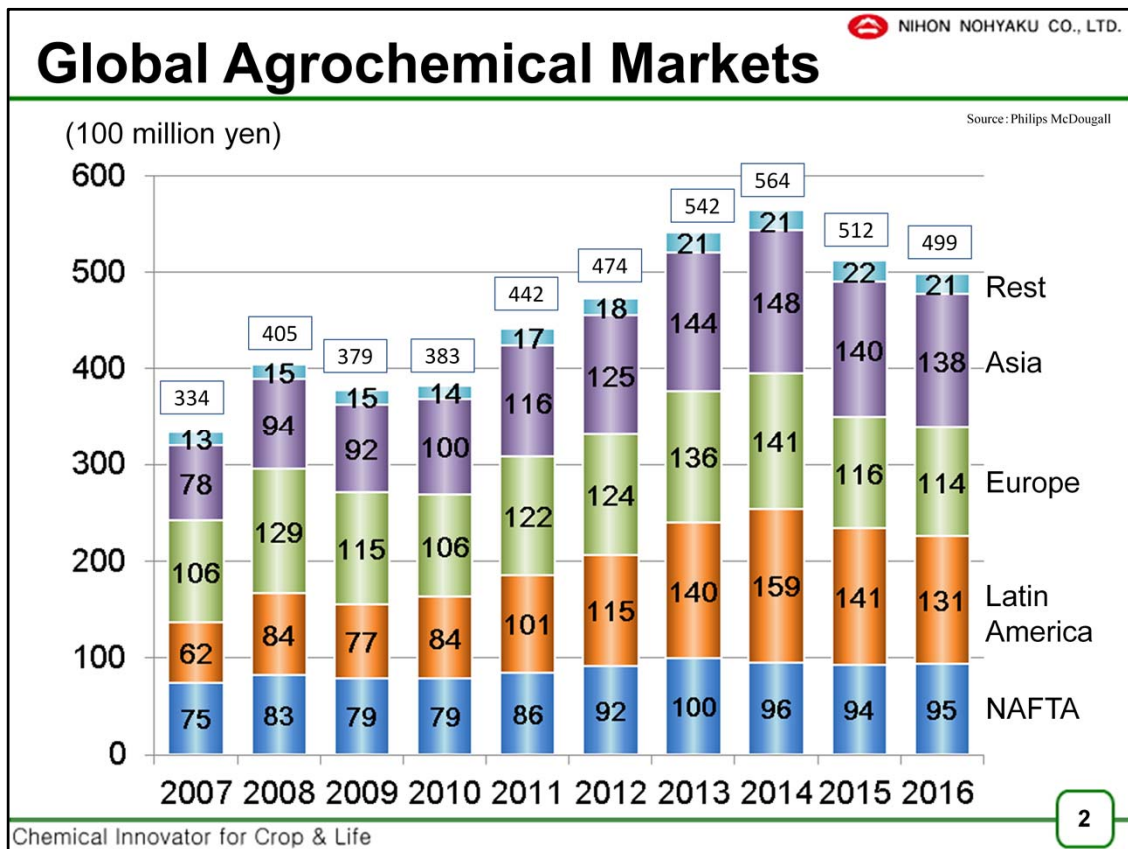
NIHON NOHYAKU CO., LTD.

<http://www.nichino.co.jp>

Earnings Conference Program

- I . Global Agrochemical Markets
- II. Fiscal 2017 Earnings
- III. Progress of Medium-Term Business Plan
- IV. Fiscal 2018 Plans

I. Global Agrochemical Markets



This graph shows region-specific transitions in global agrochemical markets for the 10-year period between 2007 and 2016.

The scale of the global agrochemical market grew significantly, by 170%, from 33.4 billion dollars in 2007 to 56.4 billion dollars in 2014 because of population growth and economic growth in developing nations.

However, the global agrochemical market has been stagnant over the past few years. Especially in Brazil, the world's largest market, faced minor pest infestations and a build-up of distribution inventory from previous years, and declining economic conditions.

Global Agrochemical Markets

North America

The agrochemical market was firm thanks to stable weather and increased planting of cotton.

Latin America

Brazil, the world's largest market, was down due to minor pest infestations and stagnant distribution inventory in previous fiscal years.

Asia

Market was weaker due to certain regions seeing lower rain fall in the rainy season compared to previous years.

Japan

Aging of farmers, lack of successors, increased abandoning of farming land leading to trend of gradual decline
Most recent performance is largely unchanged due to progressing inventory contraction on secondary markets.

Region-specific trends in the global agrochemical market during the previous year are as above.

The North American agrochemical market was firm thanks to stable weather conditions and the expansion of crop land for cotton.


On the other hand, as explained with the previous slide, the Latin American market remained stagnant due to contraction on the Brazil market.

Asian markets are weaker due to India and other regions seeing lower rain fall in the rainy season compared to previous years.

In Japan, the government has implemented an "Agricultural Competitiveness Enhancement Program" as it aims to improve agricultural worker income. At the same time, the industry faces unresolved structural issues, including the growing problem of population aging among farmers, a lack of successors, and increasing abandoned farmland as gradual decline continues.

However, the domestic agrochemical market during fiscal 2017 was largely unchanged year on year thanks to progressing inventory contraction on secondary markets.

II. Fiscal 2017 Earnings

<div>  NIHON NOHYAKU CO., LTD. </div>				
Fiscal 2017 Earnings (YoY Comparison)				
Revenues increased on growth of overseas businesses (Unit: 100 million yen, %)				
	Fiscal 2017	Fiscal 2016	YoY	Growth %
Net Sales	600	506	94	18.5
Domestic Agrochemical Sales	196	196	0	0.1
Overseas Agrochemical Sales	323	214	109	50.6
Chemical Products/ Pharmaceuticals	48	49	Δ 1	Δ 1.7
Revenues from Licensing	14	29	Δ 15	Δ 51.8
Other	19	18	1	6.4
Cost of Sales	390	305	85	27.8
Gross Profit	211	201	9	4.5
SG&A	176	157	18	11.7
Operating Income	35	44	Δ 9	Δ 21.0
Ordinary Income	36	39	Δ 3	Δ 6.9
Extraordinary Losses	10	15	Δ 5	Δ 34.1
Profit Attributable to Owners of	17	10	7	65.9

Chemical Innovator for Crop & Life

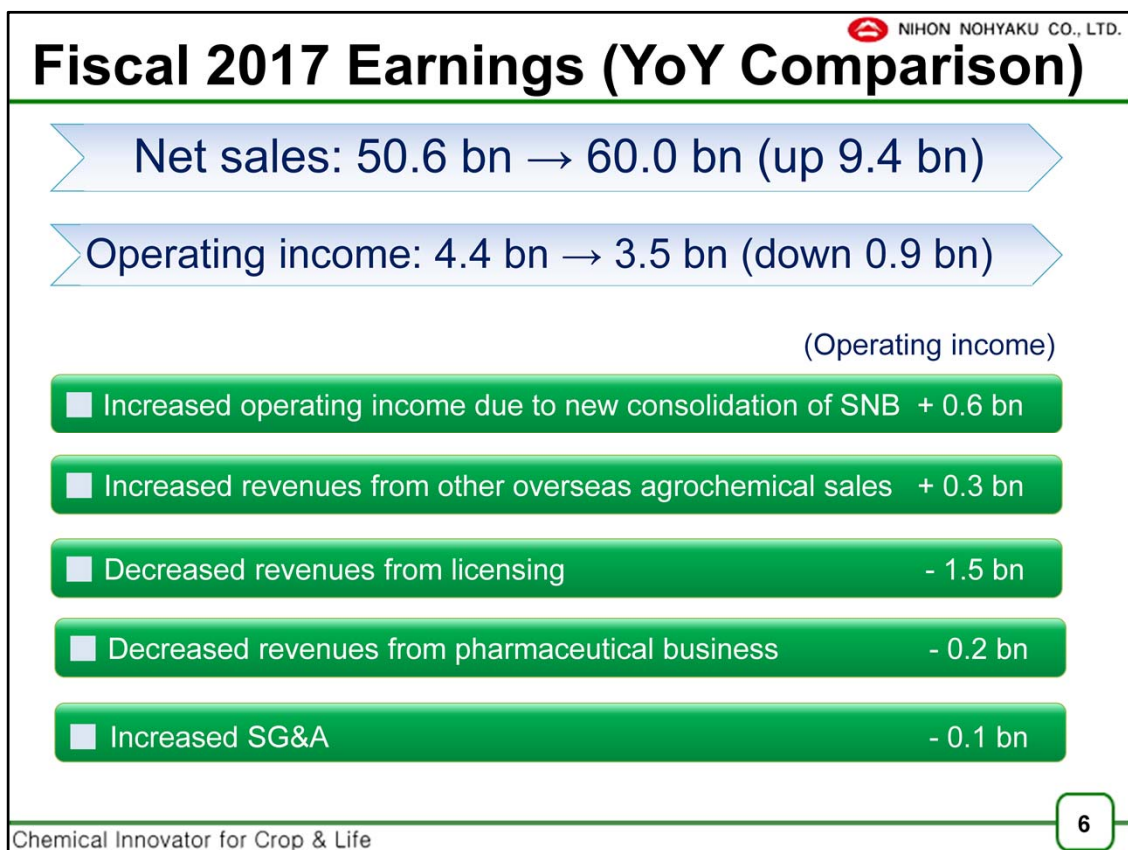
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Fiscal 2017 net sales were 60 billion yen, up 9.4 billion yen, or 18.5%, year on year.

Revenues increased significantly thanks to the inclusion of earnings from Sipcam Nichino Brasil (SNB), which became a consolidated subsidiary at the end of the previous fiscal year, in consolidated earnings.

Income was down due to a significant decline in revenues from licensing. Operating income was 3.5 billion yen, down 0.9 billion yen, or 21.0%, year on year and ordinary income was 3.6 billion yen, down 0.3 billion yen, or 6.9%, year on year.

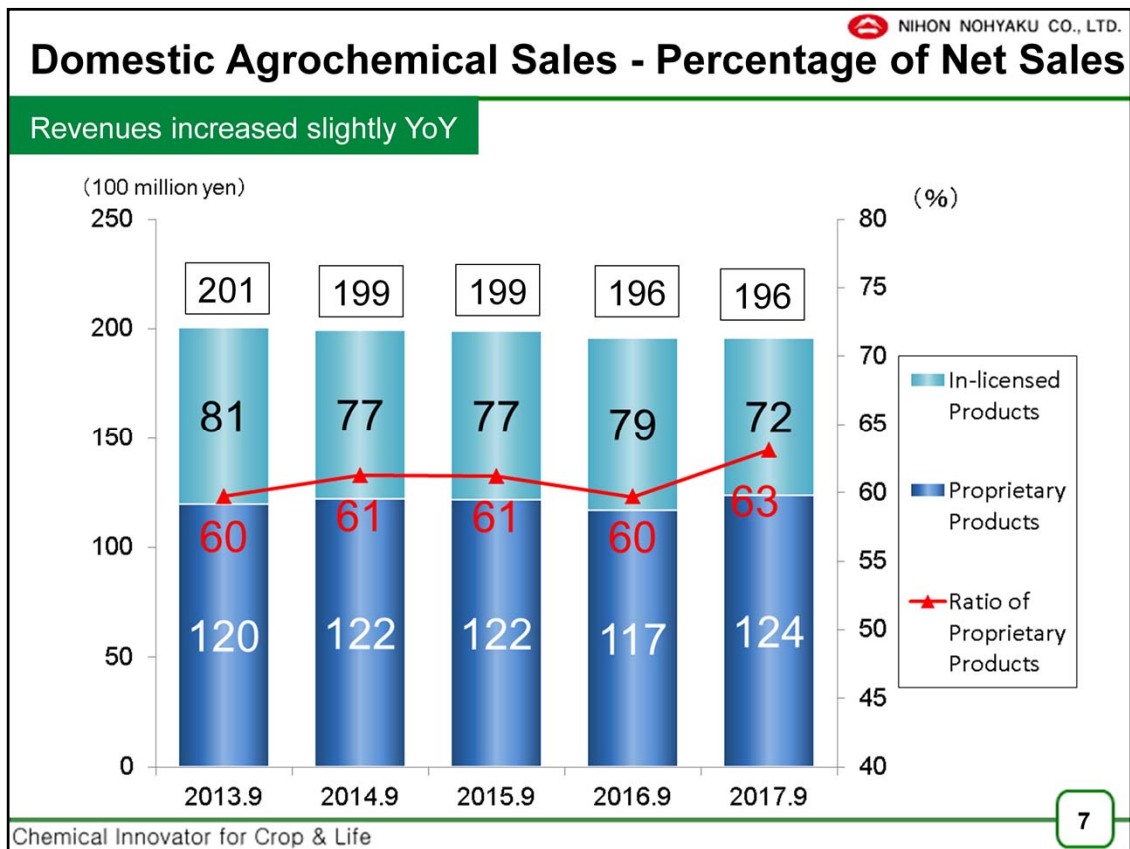
Profit attributable to owners of parent increased. Although we recorded impairment loss of goodwill on the product acquisition of “orthosulfamuron” but the recording of extraordinary losses declined year on year, resulting in profit attributable to owners of parent of 1.7 billion yen, up 0.7 billion yen, or 65.9%, year on year.



Previous year earnings saw operating income decline by 0.9 billion yen year on year.

Factors behind increased income included the consolidation of SNB , which resulted in a 0.6 billion yen increase in operating earnings, and 0.3 billion yen from increased revenues from other overseas agrochemical sales.

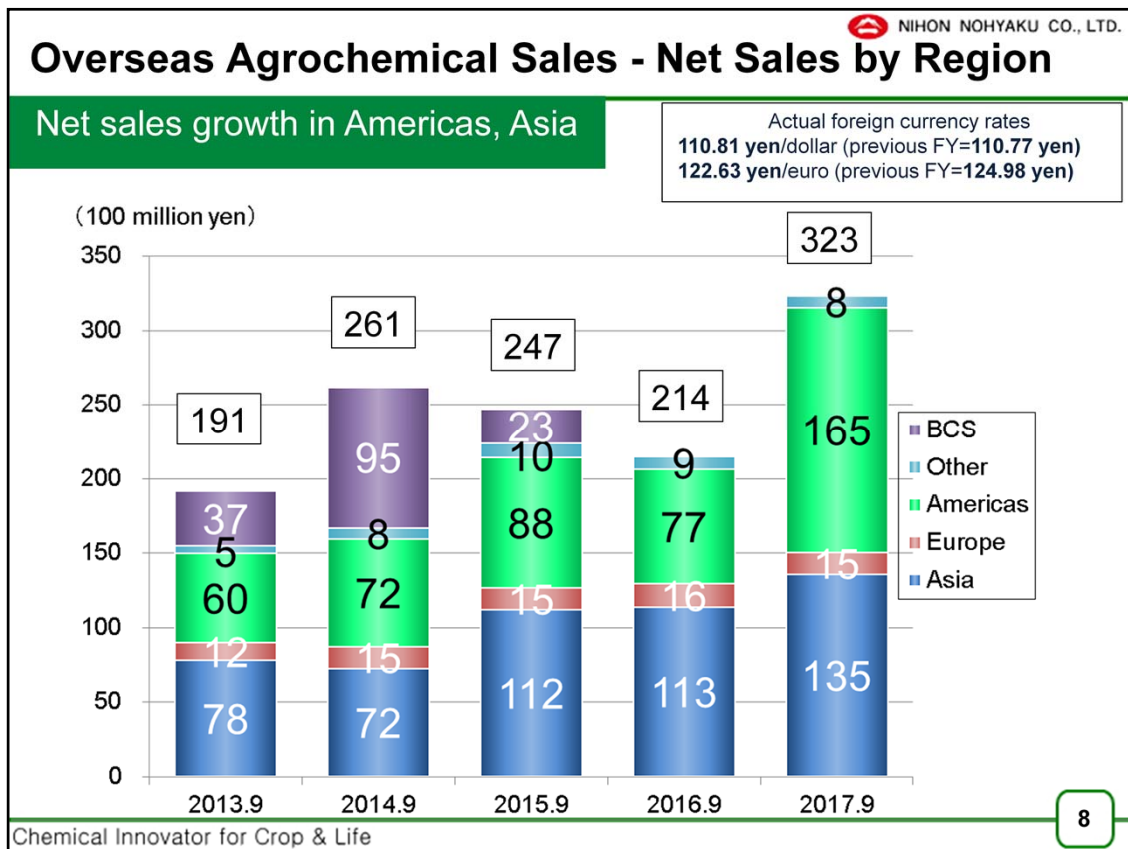
Factors behind decreased revenues included a 1.5 billion yen decline in revenues from licensing, a 0.2 billion yen decline in revenues from the pharmaceuticals business, and 0.1 billion yen in increased SG&A expenses. Collectively, this resulted in 0.9 billion yen decline in income.



This graph shows transitions in net sales composition for domestic agrochemical sales.

During the previous fiscal year, we launched sales of “Beet up”, a new herbicide for sugar beets, as we worked to expand our portfolio. Furthermore, we worked to expand sales of our mainstay rice paddy fungicide “V-GET” and other products.

Overall domestic sales for agrochemical technical grades was 19.6 billion yen, a slight increase year on year due to favorable sales of our horticultural insecticide “PHOENIX” and other mainstay products.



This graph shows transitions in net sales overseas for agrochemicals by region.

So far sales of the "PHEONIX" technical grade to Bayer CropScience (BCS) have been included in Europe but due to the transient nature, we are distinguishing the number by showing it in purple color.

As you can see, overseas sales continue to grow when we exclude transient sales of technical grades.

During the previous fiscal year, sales in the Americas and Asia were favorable. Due to the inclusion of earnings from SNB, sales in the Americas represented the largest percentage of overseas sales.

In Asia, performance by Hyderabad Chemical Private Limited (HCL) * in India improved significantly following the previous two consecutive years that were impacted by drought.

Based on the above, our overseas net sales were 32.3 billion yen, a year on year increase of 10.9 billion yen.

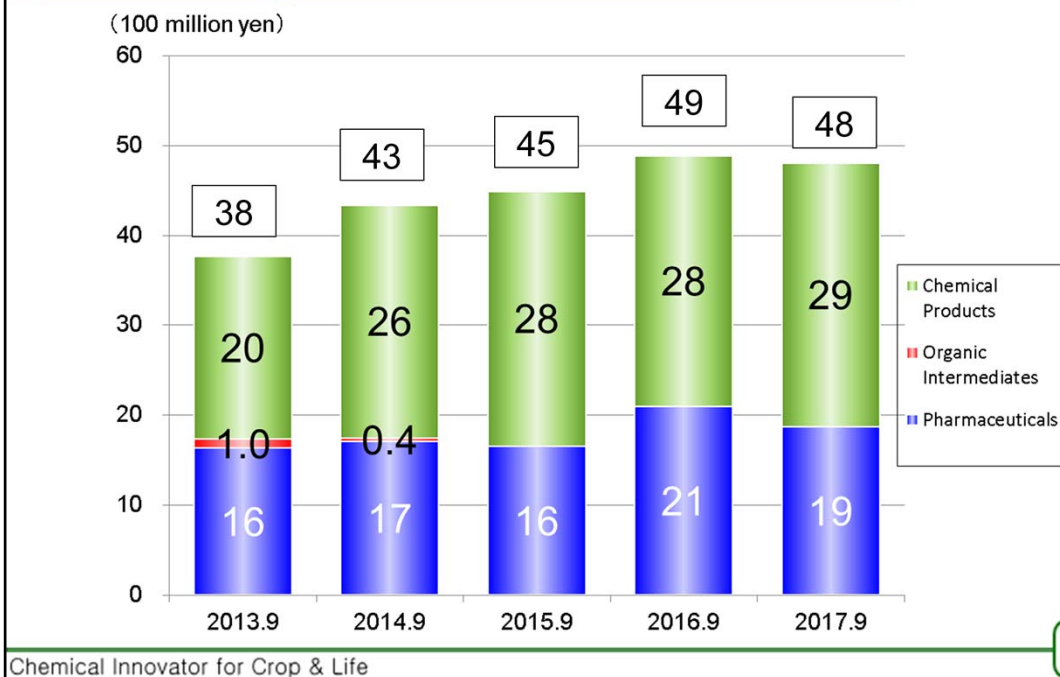
Furthermore, actual currency rates for the previous fiscal year were as shown here.

*HCL changed its name into Nichino India Private Limited in December 2017.

Chemical Products, Pharmaceutical Products, and Others - Net Sales by Business Segment

NIHON NOHYAKU CO., LTD.

Pharmaceutical business revenues declined despite chemical products business growth



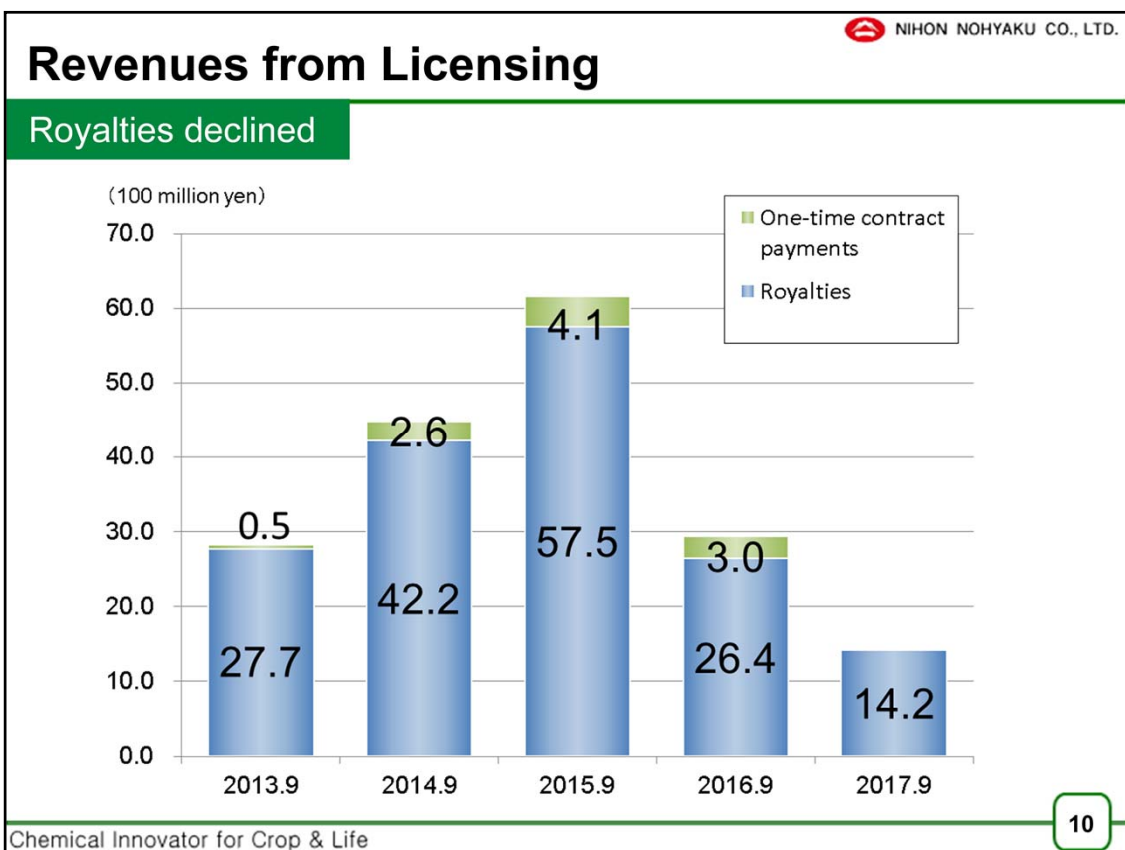
This graph shows transitions in chemical product and pharmaceutical product sales by business segment.

The chemical products business recorded net sales growth thanks to newly launched products in the home & garden product segment.

Net sales for termite solutions increased year on year thanks to the benefits of sales strategies based on collaborations with our consolidated subsidiary AgriMart Corporation.

The pharmaceutical business struggled to grow net sales. Although sales of the topical antifungal agent luliconazole were favorable in the athlete's foot segment, the onychomycosis segment struggled due to excessive distribution inventory from previous fiscal years.

As a result, overall net sales for chemical and pharmaceutical products were 4.8 billion yen, a decline of 0.1 billion yen year on year.

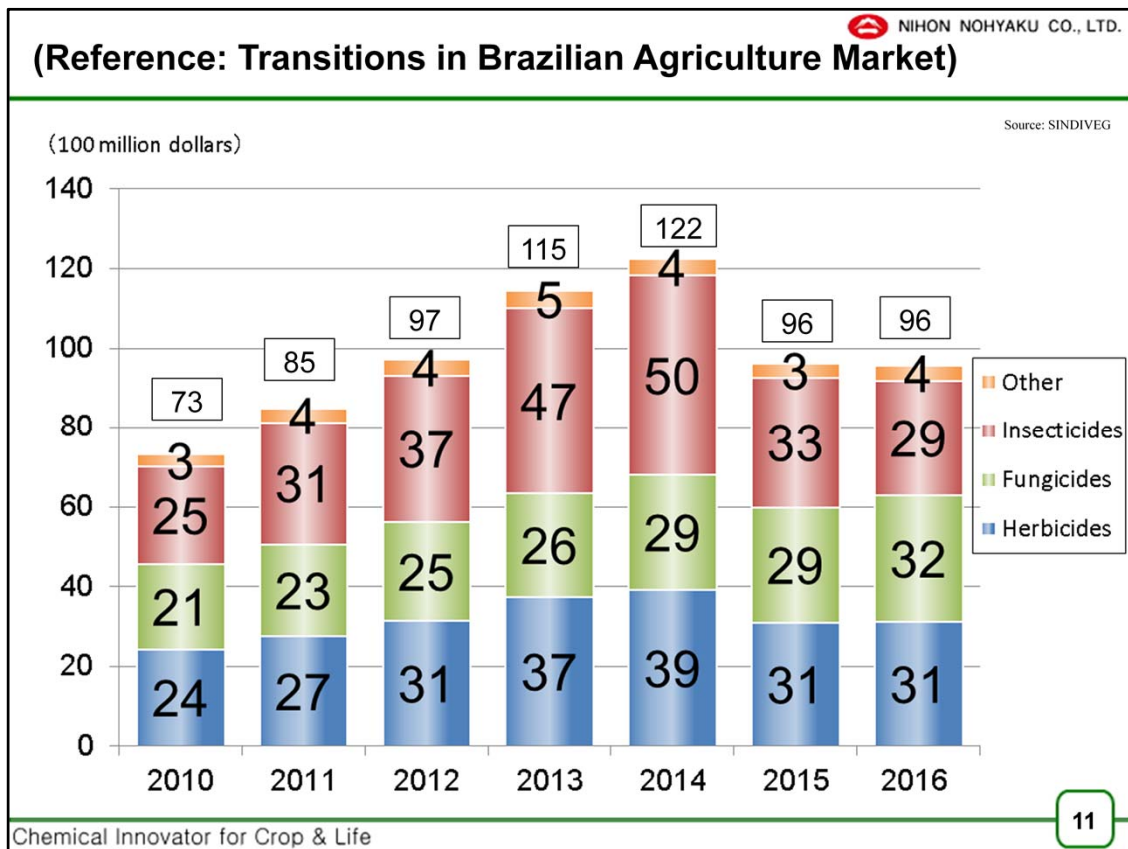


This graph indicates transitions in revenues from licensing.

Blue indicates royalties and green indicates one-time contract payments.

The previous year saw a decline in royalties. Net sales in Brazil, a major target region for sales of licensing products, experienced low outbreaks of pest infestations.

Having not recorded any one-time contract payments, overall revenues from licensing were approximately 1.4 billion yen, a year on year decline of approximately 1.5 billion yen.



The reasons for the previous year's significant royalty decrease are as follows.

The royalties from BCS that are related to "PHOENIX" account for many of our royalties. Also, the largest region for sales of BCS's "PHEONIX" is Latin America, especially, Brazil.

As such, royalties received from BCS are greatly impacted by trends in Brazilian agrochemical market.

This graph shows transitions in Brazil's agrochemical market from 2010 to 2016.

The Brazilian agrochemical market expanded significantly from 7.3 billion dollars in 2010 to 12.2 billion dollars in 2014.

However, 2015 was impacted by distribution inventory from the previous year, the expanded use of GMO crops, small outbreaks of pest infestations due to poor weather, and other factors. The result was a 22% year on year decline to 9.6 billion dollars.

In 2016, net sales were largely unchanged year on year but the insecticide market, shown in red, was down 12% year on year to 2.9 billion dollars. In particular, demand for "PHEONIX" and other lepidoptera insecticides continues on a downward trend due to the expanding use of GMO crops.

As a result of these factors, fiscal 2017 royalties decreased significantly.

Though not shown in the graph, results for the Brazil market during the first half of 2017 were 2.0 billion dollars, a decline of 8% and indication that the market remains stagnant.

Major Earnings of Group Companies in Japan

(Unit: million yen, %)

		Fiscal 2017	Fiscal 2016	YoY	Growth %
Nichino Service	Net Sales	4,119	3,863	255	6.6
	Operating Income	165	80	84	104.5
	Net Income	244	Δ 917	-	-
Nichino Ryokka	Net Sales	1,739	1,672	67	4.0
	Operating Income	10	0	9	4430.8
	Net Income	4	2	2	105.2
Japan Ecotech	Net Sales	770	807	Δ 38	Δ 4.6
	Operating Income	5	31	Δ 26	Δ 81.7
	Net Income	Δ 30	25	-	-
Nichino Rec	Net Sales	117	175	Δ 59	Δ 33.2
	Operating Income	Δ 21	21	-	-
	Net Income	Δ 39	12	-	-
AgriMart	Net Sales	1,408	1,275	132	10.4
	Operating Income	127	97	30	31.3
	Net Income	77	66	11	17.6

This table shows main earnings for Group companies in Japan.

At the very top of the table is Nichino Service Co., Ltd., which is responsible for Group production and logistics functions. Revenues increased by 255 million yen thanks to firm contract manufacturing from other companies except for Nihon Nohyaku.

Second from the bottom of the table is Nichino Rec Co., Ltd., which operated sports facilities. The company was dissolved on June 30, 2017 due to the deterioration of its golf range facilities.

AgriMart Corporation, which offers termite and sanitary insect pest control agents, recorded three consecutive years of increased revenues and income.

Major Earnings of Overseas Group Companies

(Unit: million yen, %)

		Fiscal 2017	Fiscal 2016	YoY	Growth %
Nichino America	Net Sales	6,977	5,932	1,044	17.6
	Operating Income	551	526	24	4.7
	Net Income	388	297	90	30.2
Taiwan Nihon Nohyaku	Net Sales	418	448	Δ 30	Δ 6.8
	Operating Income	45	51	Δ 6	Δ 11.9
	Net Income	37	43	Δ 6	Δ 13.8
HCL	Net Sales	7,584	4,615	2,969	64.4
	Operating Income	260	167	92	55.6
	Net Income	146	109	36	33.1
SNB	Net Sales	7,626	-	-	-
	Operating Income	725	-	-	-
	Net Income	73	-	-	-

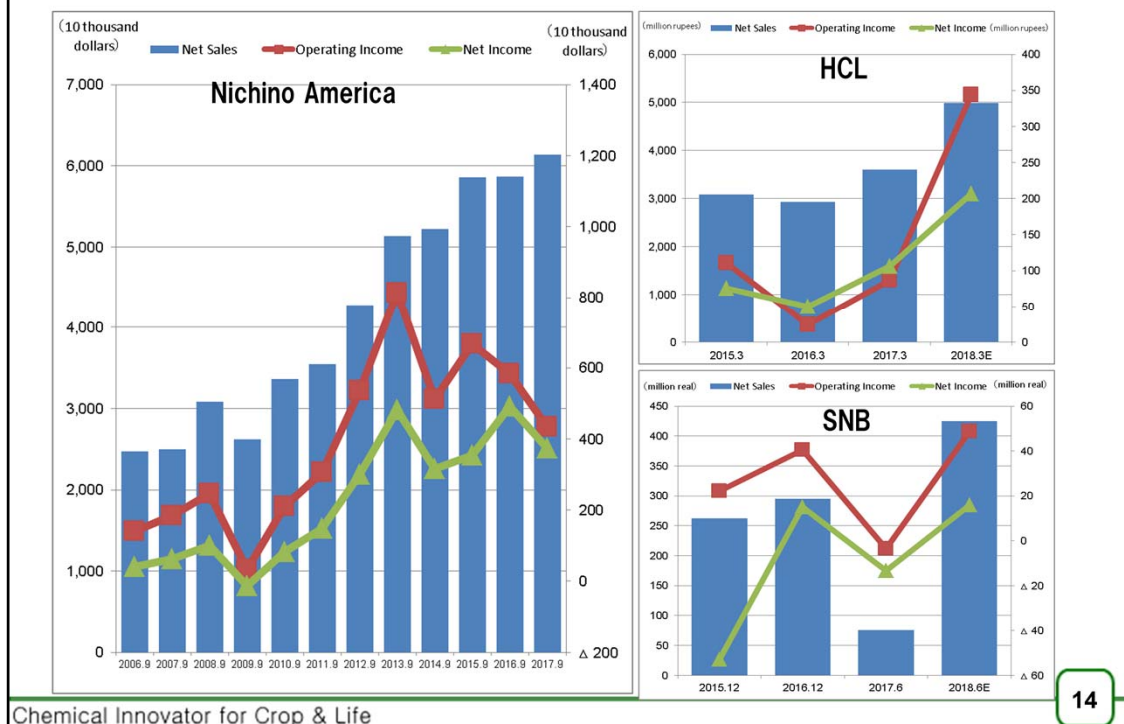
The table displayed here shows main earnings for overseas Group companies.

Nichino America, Inc. (NAI) shown at the very top of the table recorded increased revenues and income thanks to favorable sales of the horticultural insecticide “APPLAUD” as a result of numerous pest infestations of cotton.

HCL in India, shown second from the bottom in the table, contributed significantly to the growth of overseas agrochemical sales thanks to a major recovery in performance compared to Fiscal 2016 when the company was impacted by drought.

Previous year earnings for SNB, shown at the bottom of the table, are as indicated here.

Transitions in Earnings of Major Overseas Group Companies

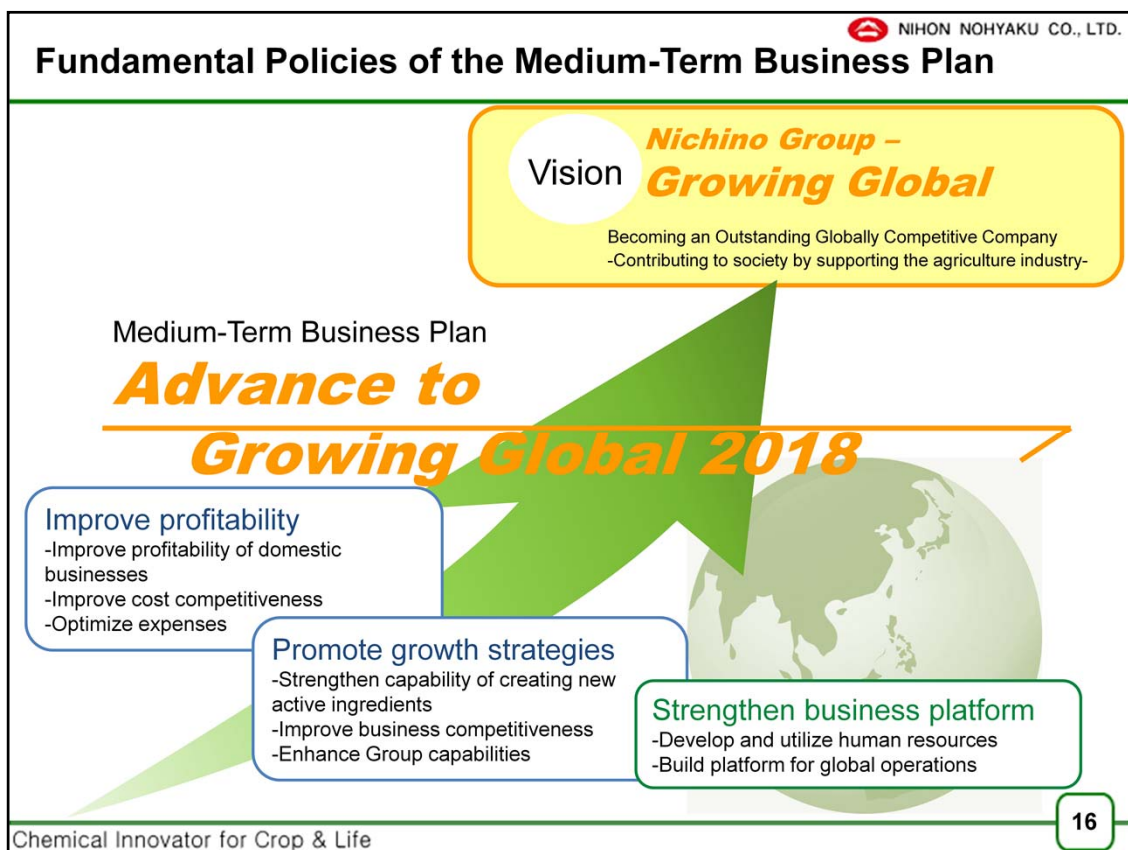


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This graph shows transitions in earnings for our three major overseas group companies. NAI shown to the left is smoothly expanding business, having recorded eight consecutive years of revenue growth based on local currency. However, income is sluggish due to increased development expenses.

From Fiscal 2017, SNB shown to the bottom right changed its accounting period from December to June, meaning that the previous year's consolidated accounting includes earnings for only a nine-month period. This fiscal year, we will see the full contributions of the company's earnings for the full year.

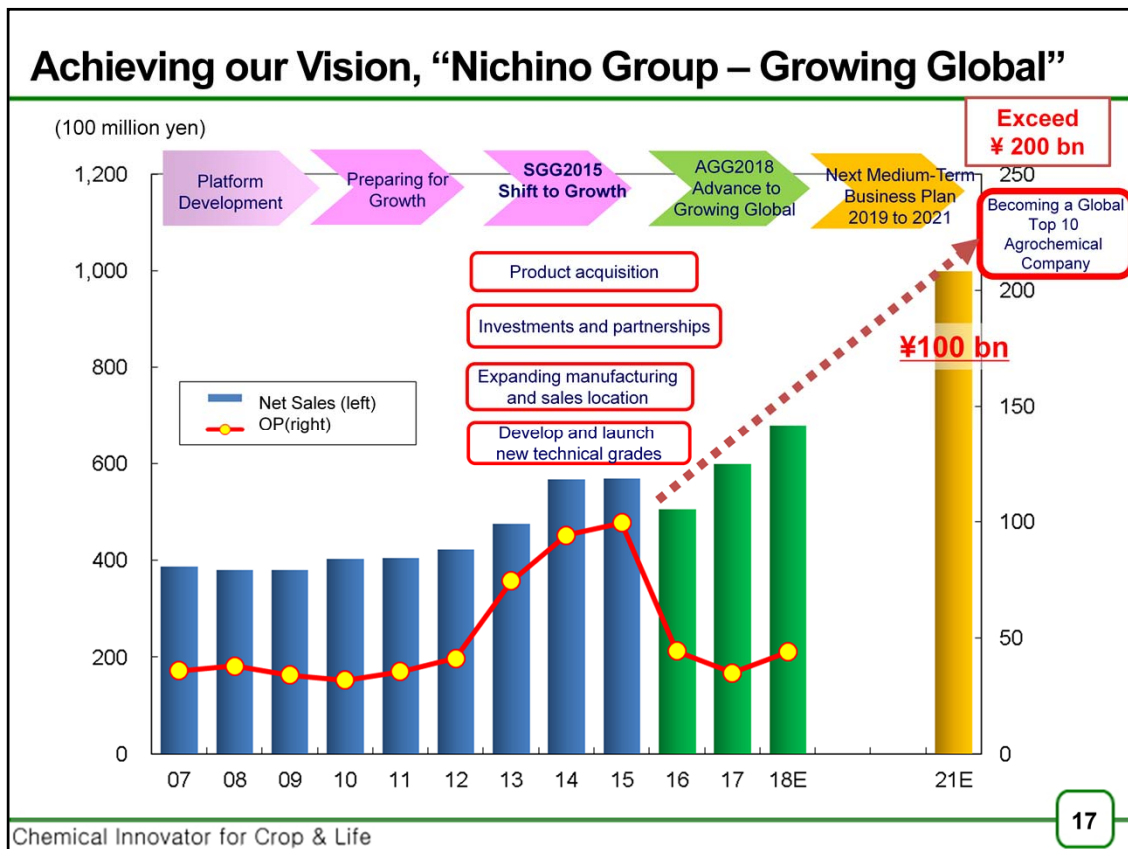
III. Progress of Medium-Term Business Plan



Our Group is implementing our three-year Medium-Term Business Plan “Advance to Growing Global 2018”, which was launched in fiscal 2016.

Looking at the policies and main strategies of this plan, our Group has identified two core pillars for this Medium-Term Business Plan: “Improve profitability” and “Promote growth strategies”. In these strategies, we are expanding business scope by implementing initiatives focused on business expansion, including M&A, partnerships, and product acquisitions.

We will work aggressively to strengthen our business platform in order to implement these strategies as we aim to achieve our Medium-Term Business Plan and our Group Vision.

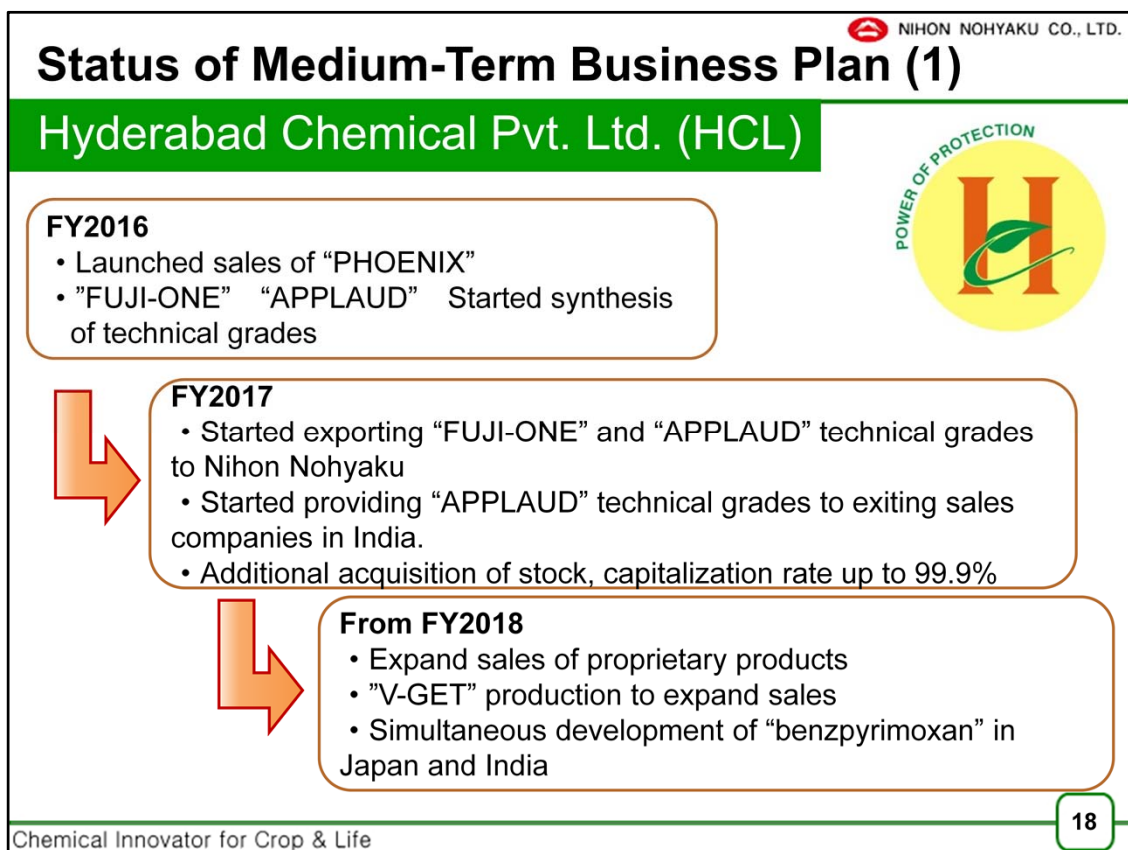


This graph shows actual versus planned performance for net sales and operating income between fiscal 2007 and 2021.

Fiscal 2007 to 2012 is a period which we laid our business foundation and prepared growth. Earnings during this period were stable but in order to strengthen research and development investments, embody our corporate principles, and to aim for further growth and achievements in the future, we realized we needed to set aggressive goals and develop strategies. Thus, from 2013, we shifted our focus to growth initiatives.

Our Group views the goal of 100 billion yen in net sales by fiscal 2021 as a milestone towards achieving our Group Vision of becoming a research and development-oriented company with net sales exceeding 200 billion yen and ranks as a Global Top 10 company.

As shown in the graph, the earnings target outlined for the current fiscal year, the final year of the current Medium-Term Business Plan, is net sales of 68.0 billion yen but we will increase existing and new business performance to aim for net sales of 70.0 billion yen.

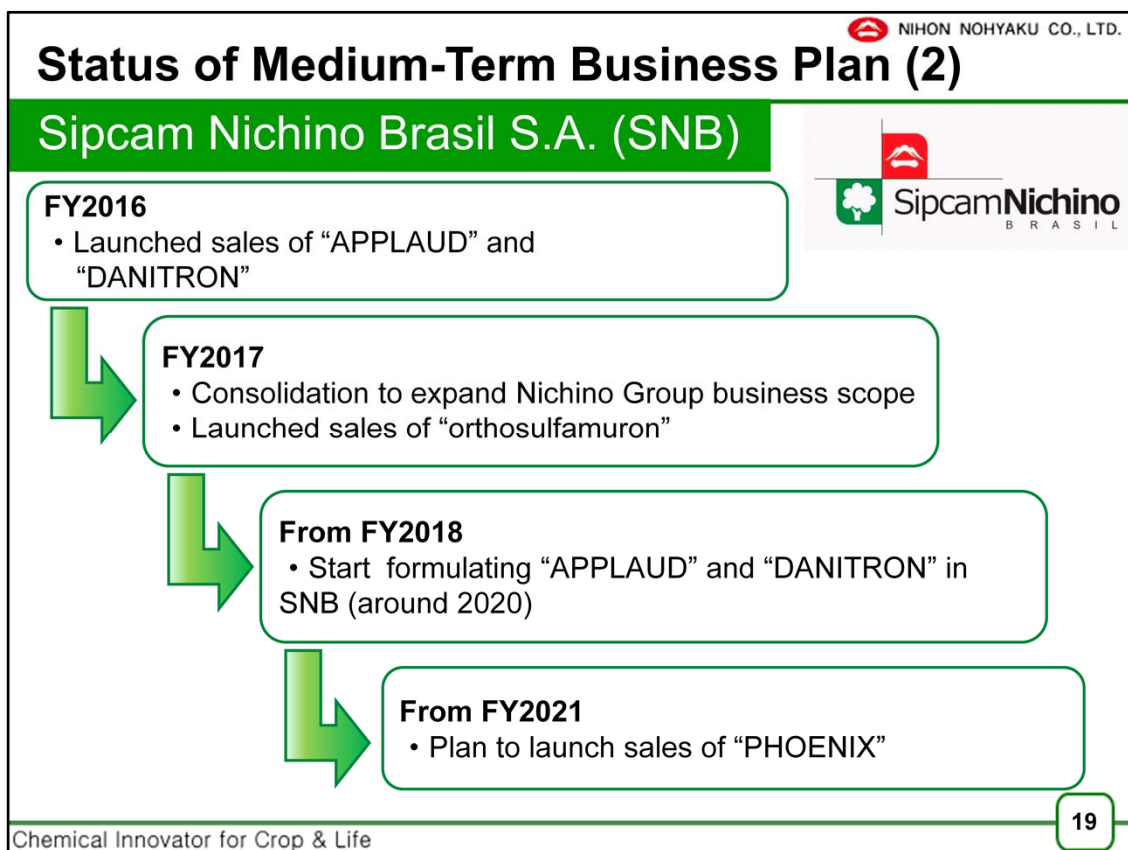


During the previous Medium-Term Business Plan period, we invested in HCL and SNB to build a growth platform for overseas business.

During the current Medium-Term Business Plan, as part of our promotion of growth strategies we will strengthen our partnerships with these two companies as we aim to rapidly create synergy.

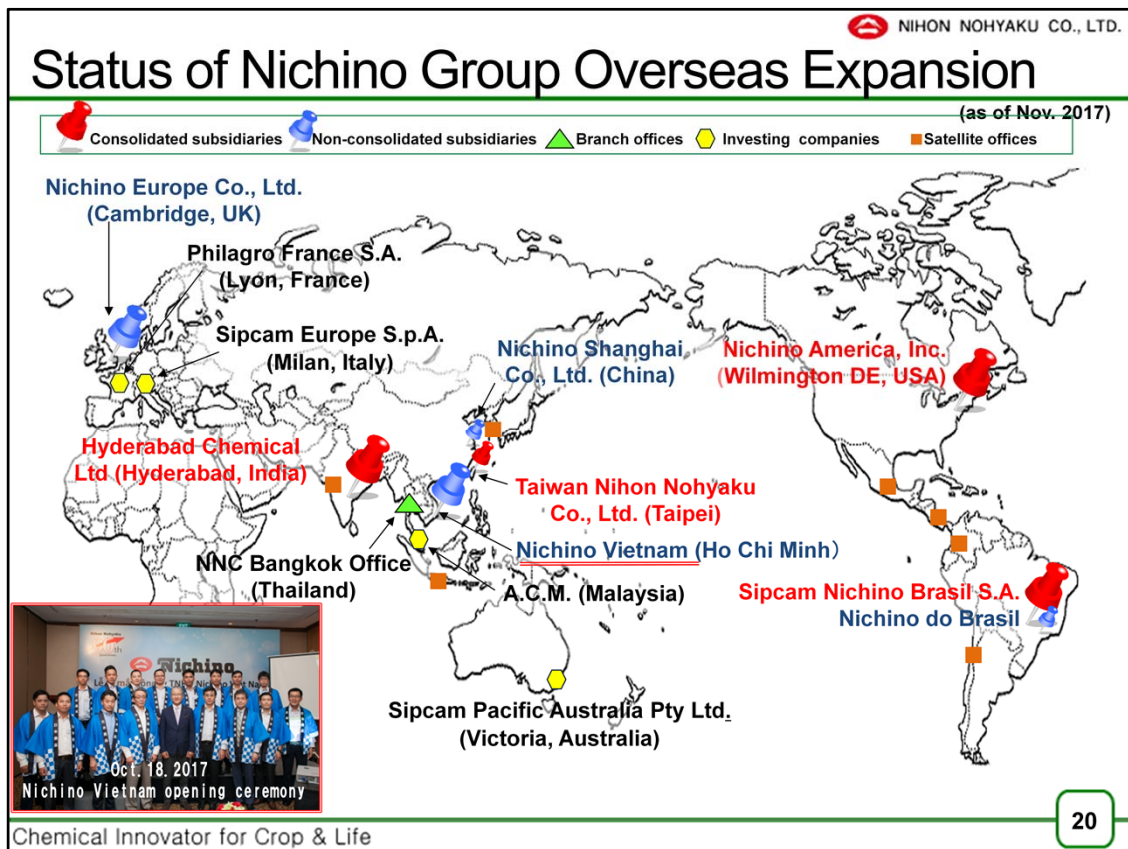
Specifically regarding the status of progress for the Medium-Term Business Plan, as part of our initiative to enhance Group manufacturing functions for technical grades, from fiscal 2016 we began production of the rice paddy fungicide “FUJI-ONE” and the horticultural insecticide “APPLAUD” at HCL. And last fiscal year, we began exporting these technical grades to Nihon Nohyaku and providing the technical grade “APPLAUD” to existing sales companies. We also increase stock acquisition to a capitalization rate of 99.9%.

In addition to plans to expand sales by production of the rice paddy fungicide “V-GET,” we are conducting the simultaneous development of the new rice paddy insecticide “benzpyrimoxan” in Japan and India.



From Fiscal 2016, SNB launched sales of “APPLAUD” and “DANITRON”. The addition of the company as a consolidated subsidiary is contributing significantly to Group business expansion and the company launched sales of “orthosulfamuron”, an agent for sugar cane ripening.

In addition to aiming for further sales growth for proprietary products, while we currently assign exclusive licensing rights for “PHOENIX” in Brazil to BCS, we are planning to launch sales from fiscal 2021 after the product patent expires.



This global map shows the locations of our overseas offices.

As I explained earlier, in addition to our three main overseas Group companies NAI, HCL and SNB, our Group also includes a sales company in Taiwan, four non-consolidated subsidiaries, and four investing companies. We have established development, marketing, sales, and production sites around the globe as we advance towards growing global.

We also established a new subsidiary, Nichino Vietnam in March 2017 and have already begun sales activities.

Progress in R&D

-Successfully launching new agents amid growing difficulty of creation of new active ingredients

-Each year invest 10% of net sales in R&D

Product name	Classification/ characteristics	2017	2018	2019	2020	2021	2022	2023
PARADE/ DECIDE (pyraziflumid)	Horticultural fungicide	Domestic → ★						
	Effective a wide range of disease damage	USA →				★		
NNI-1501 (benzpyrimoxan)	Rice paddy insecticide	Domestic →				★		
	Effective against white back hoppers and leafhoppers	India →						★

★ Launch to market year (planned)

Our growth strategies, the strengthening of our research and development (R&D) capabilities are as above.

In recent years, discovering new bioactive compounds (creation of new active ingredients) has become more difficult. At the same time, safety assessment standards have risen and the cost of maintaining existing registrations has increased, resulting in a dramatic increase in research and development expenses.

Amid such conditions, we are investing more than 10% of annual net sales into R&D in order to further enhance our R&D capabilities.

Our new agent development and launch to market schedule is as shown in the table. We completed the registration application process in November 2015 for “PARADE”, “DECIDE”(general fungicide agents applicable in a wide variety of uses such as rice paddies, horticulture, and lawns) and are anticipating launch to market this fiscal year. We also are developing these products for the US market and are working with the goal of launch to market in 2021. We are anticipating peak net sales of 1.5 to 2.0 billion yen on the Japanese market and, including US development, anticipate approximately 4.0 billion yen.

Furthermore, in May 2015 the decision was made to conduct simultaneous development in Japan and India for the new rice paddy insecticide “benzpyrimoxan”, and began development in both countries with the goal of launching to market in 2021 and 2023, respectively. We are anticipating peak net sales of 1.0 billion yen on the Japanese market and approximately 5.0 billion yen in India.

Promote Overseas Release of Existing Proprietary Products

Miticide “DANIKONG” (pyflubumide)

- Launched sales in Korea in March 2017

Horticultural Insecticide “COLT” (pyrifluquinazon)

- Filed for registration in USA for food products, aiming to launch sales in 2018

General insecticide “HACHI-HACHI” (tolfenpyrad)

- Application expanding in California, USA, also registered in Brazil

Horticultural insecticide "PHEONIX" (flubendiamide)

- Application filed in Brazil, planning to launch sales in 2021

SU herbicide “orthosulfamuron”

- Continuing evaluation of new compound formula, aiming to expand to global markets

The status of overseas development of existing proprietary products is as above.

The miticide “DANIKONG” acquired product registration in March, 2017 in Korea and sales were also launched. We continue to evaluate development in the US, Brazil, and other countries.

We collaborated with our subsidiary, NAI to file for food product use registration for horticultural insecticide “COLT” in August 2016 and are aiming to launch sales in 2018.

The general insecticide “HACHI-HACHI” is already sold in parts of the US and use in its main market of California is expanding. We already have filed for registration in Brazil and continue to expand product registration to other countries and regions.

For the horticultural insecticide “PHOENIX”, we collaborated with Nichino do Brasil Agroquimicos Ltda. (NBA) to complete application procedures for the technical grade and formulation in Brazil in 2016 and are aiming to launch sales in 2021.

“Orthosulfamuron”, which we took over from ISEM in Italy in October 2013, is well-known agent for rice paddy herbicides and sugar cane ripening. With the adoption of new sales companies, we are forecasting gradual sales growth in the future. We will evaluate new compound formula development and are expanding application in new fields as we continue to support global sales growth.

IV. Fiscal 2018 Plans

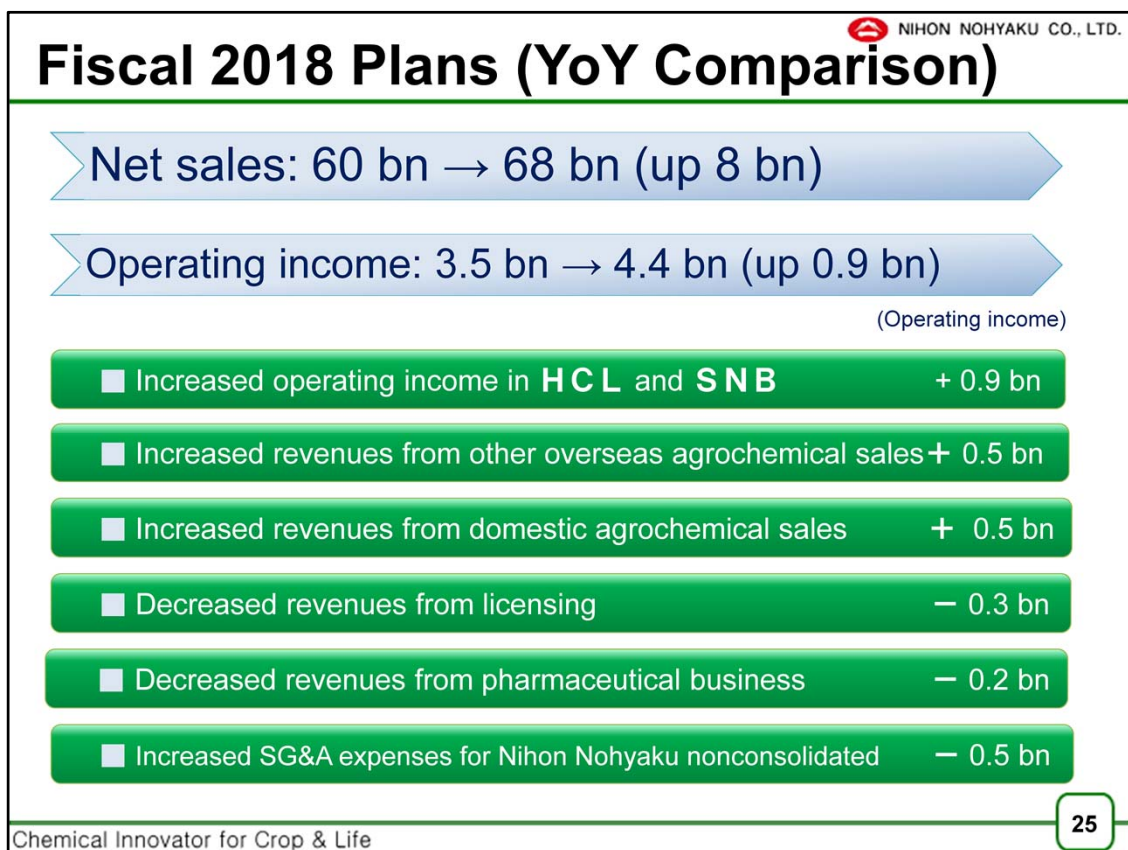
Fiscal 2018 Plans (YoY Comparison)

Increased revenues and income

(Unit: 100 million yen, %)

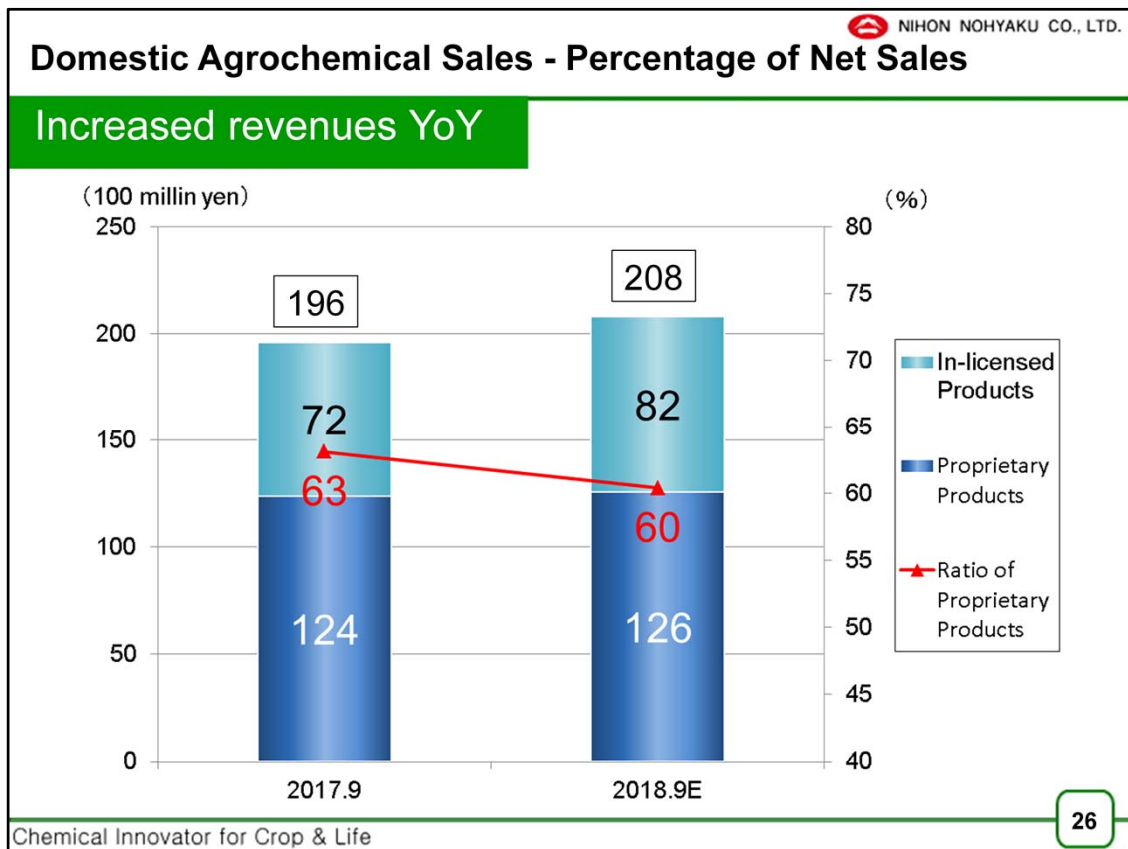
	Fiscal 2018 Plan	Fiscal 2017 Earnings	YoY	Growth %
Net Sales	680	600	80	13.3
Domestic Agrochemical Sales	208	196	12	6.1
Overseas Agrochemical Sales	394	323	71	22.0
Chemical Products/Revenues from Licensing	48	48	0	0.0
Other	11	14	△ 3	△ 22.5
	19	19	△ 0	△ 0.5
Cost of Sales	449	390	59	15.2
Gross Profit	231	211	20	9.7
SG&A	187	176	10	6.5
Operating Income	44	35	9	25.8
Ordinary Income	38	36	2	5.6
Profit Attributable to Owners of Parent	22	17	5	28.1

We are targeting net sales of 68.0 billion yen, up 8.0 billion yen, or 13.3%, year on year, driven mainly by growth in overseas agrochemical sales. We will target operating income of 4.4 billion yen, up 0.9 billion yen, or 25.8%, year on year and ordinary income of 3.8 billion yen, up 0.2 billion yen, or 5.6%, year on year. This mainly reflects growth in net sales. During the previous fiscal year we recorded extraordinary losses but this fiscal year will see conditions normalize. As a result, we are targeting profit attributable to owners of parent of 2.2 billion yen, up 0.5 billion yen, or 28.1%, year on year.



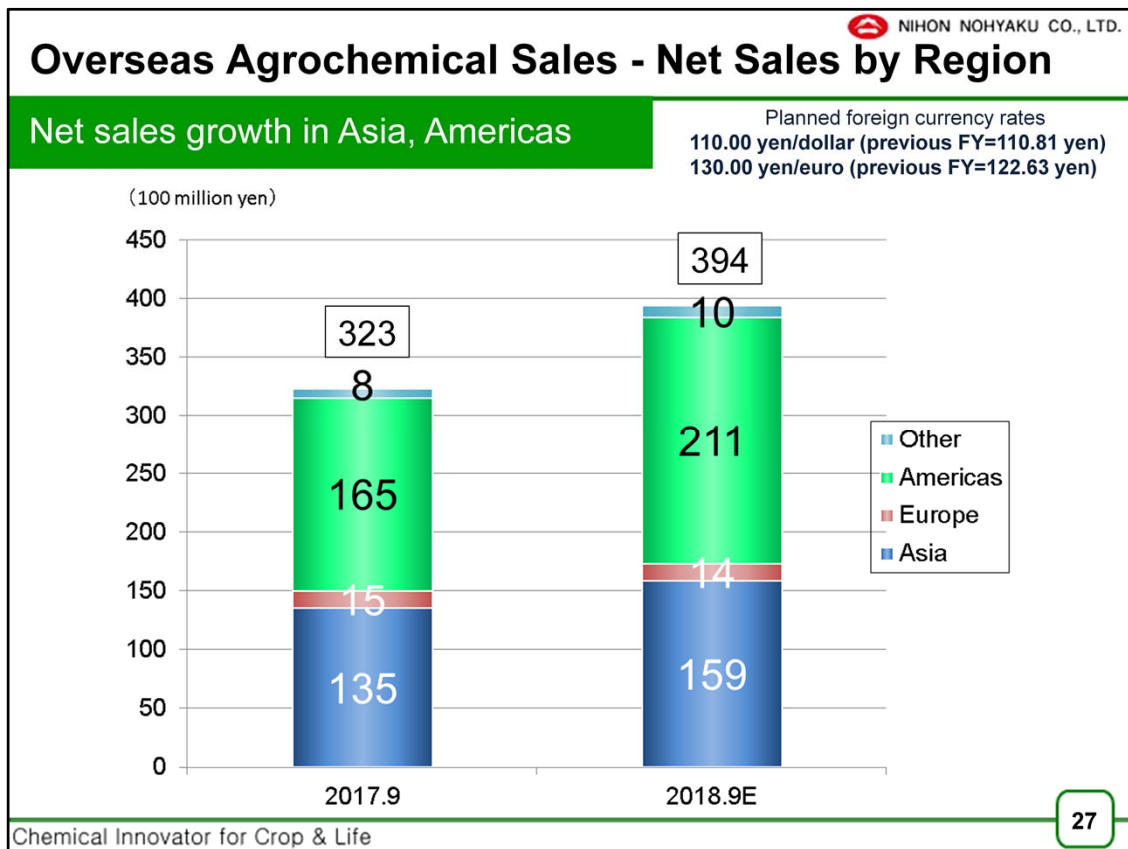
Our operating income target for the current fiscal year is, 4.4 billion yen, a year on year increase of 0.9 billion yen.

Looking at the major factors impacting revenues and income, factors resulting in income growth include increased revenues at HCL and SNB, accounting for increased operating income of 0.9 billion yen. Furthermore, other overseas and domestic agrochemical sales resulted in increased income of 0.5 billion yen, respectively. Factors causing decreased income include 0.3 billion yen attributable to a decline in revenues from licensing, 0.2 billion yen attributable to decreased revenues from the pharmaceutical business, and 0.5 billion yen in increased Nihon Nohyaku (nonconsolidated) R&D, SG&A, and other expenses. As a result, we are planning for a 0.9 billion yen increase in operating income.



This graph shows the net sales composition for domestic agrochemical sales this fiscal year.

We will work to expand sales of the miticide “DANIKONG,” the horticultural insecticide “PHOENIX,” and other mainstay proprietary products as well as the sugar beet herbicide “Beet up” released last fiscal year. We also are planning to release the new general fungicide agent “PARADE”. As a result, we are planning on net sales of 20.8 billion yen, up 1.2 billion yen year on year.



This graph shows net sales of overseas agrochemical business by region for the current fiscal year.

In Asia, we are forecasting net sales growth on expanded use and sales of “PHOENIX” in various countries as well as earnings recovery by HCL, which struggled from the impact of two consecutive years of drought.

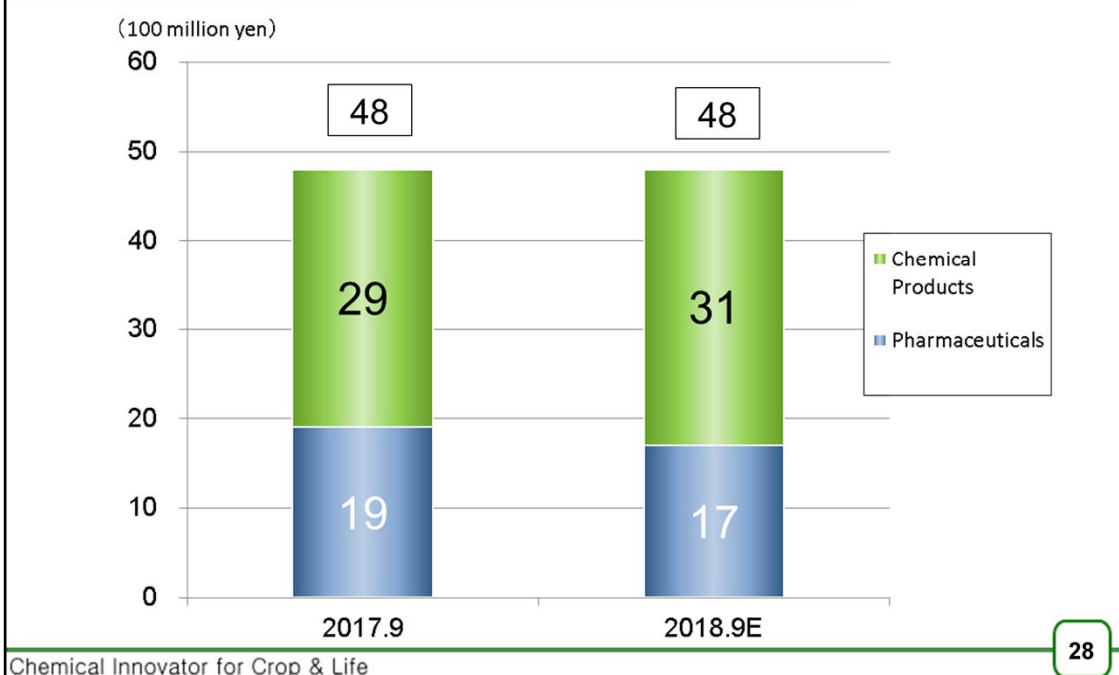
In the Americas, we will see full-year contributions from earnings at SNB and will continue to provide operational support to the company as we work to strengthen their sales promotion system for expanding sales of proprietary products in Brazil, the world's largest agrochemical market.

Based on the above, we are planning for total overseas net sales of 39.4 billion yen, a year-on-year increase of 7.1 billion yen. As a result, we forecast that overseas sales as a percentage of Group net sales will grow from 53.8% to 58%. Furthermore, currency targets for the current fiscal year are as shown here.

Chemical Products, Pharmaceutical Products, and Others - Net Sales by Business Segment

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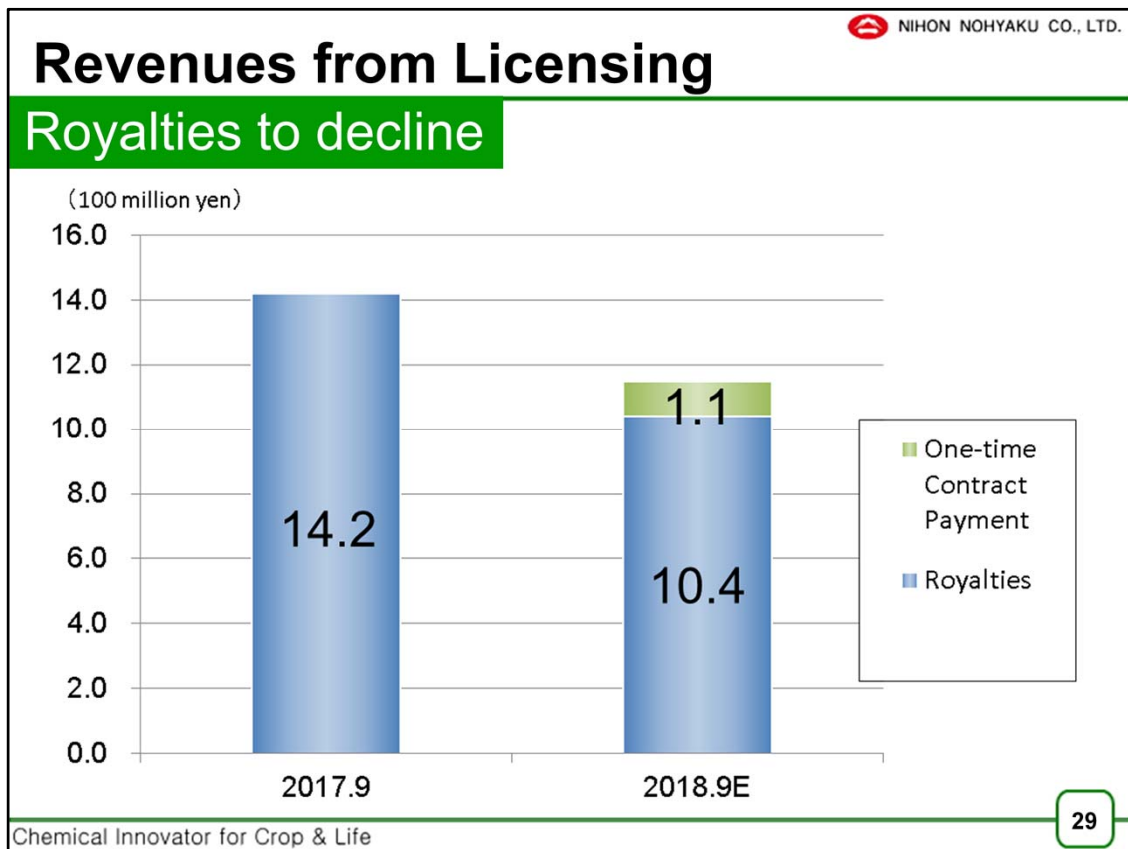
Pharmaceutical business revenues to decline



This graph shows current term targets for net sales of chemical and pharmaceutical products.

For the chemical products business, we are planning the launch to market of a new fungicide in the chemical product segment. Also, we will use the partnership with AgriMart Corporation to expand our technology into sales companies to maintain and expand the termiticide business.

On the other hand, we are forecasting lower revenues in the pharmaceutical business due to a projected decline in share and lower pricing attributable to the emergence of generic products after the expiration of our basic patent for the antifungal agent “luliconazole”.



This graph shows plans of revenues from licensing.

This fiscal year, we forecast royalties will continue to decline due to lower net sales by BCS, the technical license holder for “PHEONIX”.

Group Companies in Japan

(Unit: million yen, %)

		Fiscal 2018 Plan	Fiscal 2017 Earnings	YoY	Growth %
Nichino Service	Net Sales	4,227	4,119	107	2.6
	Operating Income	163	165	Δ 2	Δ 1.6
	Net Income	111	244	Δ 133	Δ 54.6
Nichino Ryokka	Net Sales	1,864	1,739	124	7.1
	Operating Income	17	10	6	68.7
	Net Income	9	4	4	83.3
Japan Ecotech	Net Sales	830	770	59	7.8
	Operating Income	72	5	66	1157.5
	Net Income	51	Δ 31	-	-
AgriMart	Net Sales	1,492	1,408	83	6.0
	Operating Income	123	127	Δ 4	Δ 3.6
	Net Income	75	77	Δ 2	Δ 3.5

This table shows major full-year earnings for consolidated subsidiaries in Japan.

This fiscal year, we are anticipating firm earnings by each company.

Overseas Group Companies

(Unit: million yen, %)

		Fiscal 2018 Plan	Fiscal 2017 Earnings	YoY	Growth %
Nichino America	Net Sales	7,205	6,977	227	3.3
	Operating Income	337	551	Δ 215	Δ 38.9
	Net Income	178	388	Δ 211	Δ 54.1
Taiwan Nihon Nohyaku	Net Sales	524	418	105	25.3
	Operating Income	67	45	21	47.2
	Net Income	54	37	16	42.7
HCL	Net Sales	9,908	7,584	2,323	30.6
	Operating Income	592	260	331	127.6
	Net Income	442	146	295	201.9
SNB	Net Sales	12,563	7,626	4,936	64.7
	Operating Income	1,262	725	536	73.8
	Net Income	277	73	203	276.3

This table shows major full-year earnings for overseas consolidated subsidiaries.

For NAI at the top of the table, we anticipate increased revenues but a decline in income due to increased development expenses, etc.

We are anticipating continued earnings growth by HCL, shown second from the bottom of the table. As explained previously, this fiscal year SNB, shown at the bottom of the table, will contribute 12 months' worth of earnings.

Dividend Plan

Continuous stable dividends

			14.9	15.9	16.9	17.9	18.9E
Net Income	Million Yen		6,137	5,625	1,035	1,717	2,200
Total Dividend Amount	Million Yen		1,002	1,002	1,002	1,002	1,002
Per Share Dividend	Interim	Yen	6.5	7.5	7.5	7.5	7.5
	Year-End	Yen	8.5	7.5	7.5	7.5	7.5
	Total	Yen	15.0	15.0	15.0	15.0	15.0
Dividend Payout Ratio	%		16.3	17.8	96.8	58.4	45.6

Based on our policy of continuous stable dividends, we are targeting an annual dividend of 15 yen for the current fiscal year. Moving forward, we will work to ensure appropriate profit returns based on a comprehensive evaluation of the economic environment, earnings, business plans, and financial conditions.

V. Nichino Group ESG

Nichino Group Basic Principles and CSR Activities

Basic Principles

- We contribute to society by ensuring a safe and steady food supply and improving the quality of life for all.
- We fulfill market needs by creating superior values with innovative technologies.
- We commit to be a trustworthy company for all stakeholders through our fair and vigorous business activities.

CSR Activities

- ✓ Provide high-quality agrochemicals based on the needs of agriculture producers around the world.
- ✓ Promote R&D and production activities with an emphasis on safety and the environment
- ✓ Acquired B environmental rating from the Development Bank of Japan as an "advanced environmentally-friendly enterprise".
- ✓ Each year, we provide scholarships to students from nine agriculture colleges in Japan
- ✓ Each year, numerous people visit our Research Center and the three plants of Nichino Service (Fukushima, Kashima, Saga) for training, etc.

Our Group strives to be a corporate group that is trusted by all our stakeholders, including shareholders, customers, employees, business partners, and the local community, while achieving sustainable growth and increasing our medium- to long-term corporate value. With these goals in mind, we have outlined our Basic Principles, which are based on the three principles shown here.

Through these principles, we recognize the importance of environmental and social issues and, as a company that handles chemical substances, we proactively engage in CSR activities to fulfill our social responsibilities while working to increase our corporate value.

Contributing to achievement of SDGs through our business activities

	Contribute to securing global food supply by providing agrochemicals.
	Contribute to agriculture field education by providing scholarships to agriculture colleges.
	Participate in Women in Agriculture projects promoted by the MAFF to contribute to support activities for women in agriculture. Define and promote specific numerical goals related to the Act for Measures to Support the Development of the Next-Generation Children and the Act on Promotion of Women's Participation and Advancement in the Workplace (Ratio of women: 30% of hires, 10% of management)
	Implement workstyle reform and offer fair benefits to contribute to workplace environment improvement.
	Research, develop, and create highly safe and effective agrochemicals.
	Cooperate with policies aimed at rectifying inequality. Ensure equality opportunity through equal pay for equal labor, and promote equality in company evaluations. Support developing companies by cooperating (financial and material support) with government ODA.
	Contribute to reducing environmental load by reducing waste and CO2 emissions.
	Outline and apply industry-wide voluntary guidelines for avian influenza. Educate on the proper use of agrochemicals to contribute to reduced environmental burden.

This table shows initiatives related to the achieving SDGs (sustainable development goals outlined by the UN) through our Group business activities.

As globalization progresses, we are seeing the emergence of problems that are threatening the lifestyles and environments of people around the world. Whether an advanced nation or an emerging economy, there is no change in the fact that we must face these issues and act towards finding resolutions. SDGs outlines 17 goals and 169 targets related to sustainable development towards 2030. SDGs are notable not only for demanding action of governments, but also encouraging proactive action by companies and general citizens. As a corporate entity engaged in global business, our Group aims to contribute to the achievement of SDGs and proactively engage in achieving various goals, including ending hunger by ensuring stable food supplies.

Initiatives to Enhance Corporate Governance

Established **Nihon Nohyaku Corporate Governance Guidelines** to further enhance corporate governance

Established a **Governance Committee**, which consists mainly of independent officers, as an advisory body for the Board of Directors. The committee provides opinions and recommendations on the selection of director candidates, on executive salary, and regarding the efficacy of the Board of Directors.

Each year, we **evaluate the need for strategic stock retention** and sell off stock as appropriate.

Lastly, our initiatives related to enhancing corporate governance are shown here.

In June 2015, the Corporate Governance Code was applied as listing regulations by the Tokyo Stock Exchange. In light of this, our company established the Nihon Nohyaku Corporate Governance Guidelines to ensure that we respect the intent and spirit of this code, and further enhance our corporate governance.

Through these guidelines, we already have started more detailed initiatives. As one example, we established a Governance Committee, which consists mainly of independent officers, to serve as an advisory body for the Board of Directors. The committee provides opinions and recommendations on the selection of director candidates, on executive salary, and regarding the efficacy of the Board of Directors.

Additionally, we evaluate the need for strategic stock retention by examining major holdings of interlocking shares to validate medium- to long-term economic practicality and benefit in terms of maintaining and strengthening general relations with business partners. We issue reports to the Board of Directors and then sell off applicable shares as appropriate.