

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 Three Months Ended December 31, 2017
(Based on Japanese GAAP)**

February 13, 2018

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 Shirou Takahashi TEL +81-3-6361-1400
 General Affairs & Legal Department
 Scheduled date to file Quarterly Securities Report: February 13, 2018
 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, 2017 (from October 1, 2017 to December 31, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended December 31, 2017	11,468	(10.5)	(404)	–	(237)	–	(223)	–
Three months ended December 31, 2016	12,817	72.0	(388)	–	(216)	–	(581)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended December 31, 2017	(3.34)	–
Three months ended December 31, 2016	(8.70)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	91,312	48,873	50.9
As of September 30, 2017	88,713	48,867	52.8

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, 2017	–	7.50	–	7.50	15.00
Year ending September 30, 2018	–				
Year ending September 30, 2018 (Forecast)		7.50	–	7.50	15.00

3. Forecast of consolidated financial results for the year ending September 30, 2018 (from October 1, 2017 to September 30, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		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, 2018	39,500	11.3	3,600	–	3,400	(10.4)	2,400	0.6	35.91
Full year	68,000	13.3	4,400	25.8	3,800	5.6	2,200	28.1	32.92

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 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 December 31, 2017	70,026,782 shares	As of September 30, 2017	70,026,782 shares
-------------------------	-------------------	--------------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2017	3,190,066 shares	As of September 30, 2017	3,189,804 shares
-------------------------	------------------	--------------------------	------------------

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

Three months ended December 31, 2017	66,836,769 shares	Three months ended December 31, 2016	66,837,700 shares
--------------------------------------	-------------------	--------------------------------------	-------------------

Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Millions of yen)

	As of September 30, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	11,620	9,754
Notes and accounts receivable - trade	21,220	19,038
Electronically recorded monetary claims - operating	895	311
Merchandise and finished goods	9,986	13,782
Work in process	660	1,043
Raw materials and supplies	4,465	5,841
Other	3,868	4,694
Allowance for doubtful accounts	(441)	(517)
Total current assets	52,276	53,950
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,648	5,673
Machinery, equipment and vehicles, net	3,521	3,718
Land	6,458	6,487
Other, net	908	842
Total property, plant and equipment	16,536	16,722
Intangible assets		
Goodwill	6,745	6,880
Other	1,078	1,204
Total intangible assets	7,824	8,084
Investments and other assets		
Investment securities	7,156	7,336
Other	4,947	5,251
Allowance for doubtful accounts	(27)	(31)
Total investments and other assets	12,076	12,555
Total non-current assets	36,436	37,362
Total assets	88,713	91,312

(Millions of yen)

As of September 30, 2017

As of December 31, 2017

	As of September 30, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,546	11,960
Electronically recorded obligations - operating	753	989
Short-term loans payable	3,838	6,623
Income taxes payable	642	236
Provision for bonuses	722	331
Provision for product recall related costs	137	–
Provision for environmental measures	114	34
Other provision	30	38
Electronically recorded obligations - non-operating	100	225
Other	7,282	5,785
Total current liabilities	23,168	26,224
Non-current liabilities		
Bonds payable	2,014	2,118
Long-term loans payable	10,405	9,836
Net defined benefit liability	1,423	1,409
Other provision	58	40
Other	2,775	2,807
Total non-current liabilities	16,676	16,213
Total liabilities	39,845	42,438
Net assets		
Shareholders' equity		
Capital stock	10,939	10,939
Capital surplus	11,057	11,057
Retained earnings	27,067	26,342
Treasury shares	(1,726)	(1,727)
Total shareholders' equity	47,337	46,612
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,077	2,141
Foreign currency translation adjustment	(2,487)	(2,183)
Remeasurements of defined benefit plans	(97)	(98)
Total accumulated other comprehensive income	(507)	(140)
Non-controlling interests	2,038	2,402
Total net assets	48,867	48,873
Total liabilities and net assets	88,713	91,312

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, 2016	Three months ended December 31, 2017
Net sales	12,817	11,468
Cost of sales	8,920	7,691
Gross profit	3,896	3,777
Selling, general and administrative expenses	4,284	4,182
Operating loss	(388)	(404)
Non-operating income		
Interest income	55	53
Dividend income	40	43
Real estate rent	21	20
Foreign exchange gains	178	177
Share of profit of entities accounted for using equity method	97	140
Other	68	62
Total non-operating income	462	496
Non-operating expenses		
Interest expenses	126	135
Loss on valuation of derivatives	82	134
Other	81	59
Total non-operating expenses	290	329
Ordinary loss	(216)	(237)
Extraordinary income		
Gain on sales of investment securities	–	8
Total extraordinary income	–	8
Extraordinary losses		
Loss on disposal of non-current assets	1	3
Product recall related costs	–	57
Total extraordinary losses	1	61
Loss before income taxes	(218)	(289)
Income taxes	18	(250)
Loss	(236)	(39)
Profit attributable to non-controlling interests	345	184
Loss attributable to owners of parent	(581)	(223)

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended December 31, 2016	Three months ended December 31, 2017
Loss	(236)	(39)
Other comprehensive income		
Valuation difference on available-for-sale securities	489	63
Deferred gains or losses on hedges	(4)	-
Foreign currency translation adjustment	2,142	543
Remeasurements of defined benefit plans, net of tax	(1)	(1)
Share of other comprehensive income of entities accounted for using equity method	(42)	(50)
Total other comprehensive income	2,582	556
Comprehensive income	2,346	516
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,661	143
Comprehensive income attributable to non-controlling interests	684	373