

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, 2018 (Based on Japanese GAAP)

February 13, 2019

Company name: NIHON NOHYAKU CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 4997 URL <http://www.nichino.co.jp/>  
 Representative: President Yosuke Tomoi  
 Inquiries: General Manager of General Affairs & Legal Department Motohiro Nagai TEL +81-3-6361-1400  
 Scheduled date to file Quarterly Securities Report: February 13, 2019  
 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, 2018 (from October 1, 2018 to December 31, 2018)

(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, 2018	11,608	1.2	(236)	–	(150)	–	(201)	–
Three months ended December 31, 2017	11,468	(10.5)	(404)	–	(237)	–	(223)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended December 31, 2018	(2.56)	–
Three months ended December 31, 2017	(3.34)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	96,202	56,005	56.2
As of September 30, 2018	98,003	57,576	56.8

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, 2018	–	7.50	–	7.50	15.00
Year ending September 30, 2019	–				
Year ending September 30, 2019 (Forecast)		7.50	–	7.50	15.00

3. Forecast of consolidated financial results for the year ending September 30, 2019 (from October 1, 2018 to September 30, 2019)

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, 2019	39,000	5.5	3,600	(3.6)	3,600	(9.0)	2,000	(20.8)	25.39
Full year	68,000	11.1	3,800	(8.9)	3,400	(6.9)	2,500	(0.3)	31.74

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 2018  
(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, 2018	81,967,082 shares	As of September 30, 2018	81,967,082 shares
-------------------------	-------------------	--------------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2018	3,191,205 shares	As of September 30, 2018	3,190,978 shares
-------------------------	------------------	--------------------------	------------------

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

Three months ended December 31, 2018	78,775,936 shares	Three months ended December 31, 2017	66,836,769 shares
--------------------------------------	-------------------	--------------------------------------	-------------------

Quarterly consolidated financial statements  
Quarterly consolidated balance sheets

(Millions of yen)

	As of September 30, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	18,889	14,288
Notes and accounts receivable - trade	21,986	19,317
Electronically recorded monetary claims - operating	1,817	1,047
Merchandise and finished goods	11,518	16,583
Work in process	849	943
Raw materials and supplies	5,859	7,515
Other	2,940	3,357
Allowance for doubtful accounts	(455)	(449)
Total current assets	63,405	62,603
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,294	5,254
Machinery, equipment and vehicles, net	3,688	3,742
Land	6,126	6,129
Other, net	948	711
Total property, plant and equipment	16,056	15,838
Intangible assets		
Goodwill	5,625	5,527
Other	1,218	1,172
Total intangible assets	6,844	6,700
Investments and other assets		
Investment securities	5,618	5,047
Shares of parent	1,539	1,257
Other	4,554	4,771
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	11,697	11,060
Total non-current assets	34,597	33,599
Total assets	98,003	96,202

(Millions of yen)

As of September 30, 2018

As of December 31, 2018

	As of September 30, 2018	As of December 31, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	10,610	12,688
Electronically recorded obligations - operating	776	966
Short-term loans payable	6,261	6,986
Income taxes payable	715	303
Provision for bonuses	734	362
Provision for environmental measures	778	778
Other provision	68	39
Electronically recorded obligations - non-operating	89	181
Other	6,783	5,210
<b>Total current liabilities</b>	<b>26,818</b>	<b>27,517</b>
<b>Non-current liabilities</b>		
Bonds payable	1,710	1,694
Long-term loans payable	8,639	7,976
Net defined benefit liability	756	764
Other provision	54	40
Other	2,447	2,203
<b>Total non-current liabilities</b>	<b>13,608</b>	<b>12,679</b>
<b>Total liabilities</b>	<b>40,427</b>	<b>40,197</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	14,939	14,939
Capital surplus	15,057	15,057
Retained earnings	28,571	27,779
Treasury shares	(1,727)	(1,727)
<b>Total shareholders' equity</b>	<b>56,840</b>	<b>56,047</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,981	1,347
Foreign currency translation adjustment	(3,477)	(3,661)
Remeasurements of defined benefit plans	317	313
<b>Total accumulated other comprehensive income</b>	<b>(1,178)</b>	<b>(2,001)</b>
<b>Non-controlling interests</b>	<b>1,913</b>	<b>1,958</b>
<b>Total net assets</b>	<b>57,576</b>	<b>56,005</b>
<b>Total liabilities and net assets</b>	<b>98,003</b>	<b>96,202</b>

**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, 2017	Three months ended December 31, 2018
Net sales	11,468	11,608
Cost of sales	7,691	7,567
Gross profit	3,777	4,041
Selling, general and administrative expenses	4,182	4,277
Operating loss	(404)	(236)
Non-operating income		
Interest income	53	51
Dividend income	43	53
Real estate rent	20	19
Foreign exchange gains	177	–
Share of profit of entities accounted for using equity method	140	131
Gain on valuation of derivatives	–	57
Other	62	41
Total non-operating income	496	354
Non-operating expenses		
Interest expenses	135	125
Foreign exchange losses	–	102
Loss on valuation of derivatives	134	–
Other	59	40
Total non-operating expenses	329	268
Ordinary loss	(237)	(150)
Extraordinary income		
Gain on sales of investment securities	8	–
Total extraordinary income	8	–
Extraordinary losses		
Loss on disposal of non-current assets	3	3
Product recall related costs	57	–
Total extraordinary losses	61	3
Loss before income taxes	(289)	(153)
Income taxes	(250)	(33)
Loss	(39)	(120)
Profit attributable to non-controlling interests	184	81
Loss attributable to owners of parent	(223)	(201)

**Quarterly consolidated statements of comprehensive income**

	(Millions of yen)	
	Three months ended December 31, 2017	Three months ended December 31, 2018
Loss	(39)	(120)
Other comprehensive income		
Valuation difference on available-for-sale securities	63	(634)
Foreign currency translation adjustment	543	(140)
Remeasurements of defined benefit plans, net of tax	(1)	(3)
Share of other comprehensive income of entities accounted for using equity method	(50)	(69)
Total other comprehensive income	556	(848)
Comprehensive income	516	(968)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	143	(1,024)
Comprehensive income attributable to non-controlling interests	373	55