

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2019 (Based on Japanese GAAP)

August 8, 2019

Company name: NIHON NOHYAKU CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 4997 URL <https://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: August 8, 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 nine months ended June 30, 2019 (from October 1, 2018 to June 30, 2019)

(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	%
Nine months ended June 30, 2019	48,223	(0.1)	3,534	(11.1)	3,460	(11.4)	2,526	5.0
Nine months ended June 30, 2018	48,280	3.8	3,974	14.3	3,905	8.3	2,407	10.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2019	32.07		–	
Nine months ended June 30, 2018	36.02		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2019	99,836		57,697		55.8	
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				
Year ended September 30, 2018	–	7.50	–	7.50	15.00
Year ending September 30, 2019	–	7.50	–		
Year ending September 30, 2019 (Forecast)				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
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 nine months ended June 30, 2019
 (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, 2019	81,967,082 shares	As of September 30, 2018	81,967,082 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	3,191,818 shares	As of September 30, 2018	3,190,978 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2019	78,775,630 shares	Nine months ended June 30, 2018	66,836,439 shares
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Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Millions of yen)

	As of September 30, 2018	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	18,889	12,293
Notes and accounts receivable - trade	21,986	29,957
Electronically recorded monetary claims - operating	1,817	2,927
Merchandise and finished goods	11,518	14,345
Work in process	849	943
Raw materials and supplies	5,859	4,517
Other	2,940	2,080
Allowance for doubtful accounts	(455)	(152)
Total current assets	63,405	66,911
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,294	5,096
Machinery, equipment and vehicles, net	3,688	3,466
Land	6,126	6,121
Other, net	948	650
Total property, plant and equipment	16,056	15,335
Intangible assets		
Goodwill	5,625	5,303
Other	1,218	1,177
Total intangible assets	6,844	6,480
Investments and other assets		
Investment securities	5,618	5,291
Shares of parent	1,539	619
Other	4,554	5,497
Allowance for doubtful accounts	(15)	(300)
Total investments and other assets	11,697	11,108
Total non-current assets	34,597	32,924
Total assets	98,003	99,836

(Millions of yen)

As of September 30, 2018

As of June 30, 2019

	As of September 30, 2018	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,610	9,486
Electronically recorded obligations - operating	776	1,131
Short-term loans payable	6,261	9,874
Income taxes payable	715	873
Provision for bonuses	734	440
Provision for environmental measures	778	315
Other provision	68	55
Electronically recorded obligations - non-operating	89	34
Other	6,783	6,405
Total current liabilities	26,818	28,616
Non-current liabilities		
Bonds payable	1,710	2,523
Long-term loans payable	8,639	8,188
Net defined benefit liability	756	653
Other provision	54	46
Other	2,447	2,109
Total non-current liabilities	13,608	13,522
Total liabilities	40,427	42,138
Net assets		
Shareholders' equity		
Capital stock	14,939	14,939
Capital surplus	15,057	15,057
Retained earnings	28,571	29,916
Treasury shares	(1,727)	(1,728)
Total shareholders' equity	56,840	58,185
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,981	1,022
Foreign currency translation adjustment	(3,477)	(3,827)
Remeasurements of defined benefit plans	317	305
Total accumulated other comprehensive income	(1,178)	(2,499)
Non-controlling interests	1,913	2,011
Total net assets	57,576	57,697
Total liabilities and net assets	98,003	99,836

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, 2018	Nine months ended June 30, 2019
Net sales	48,280	48,223
Cost of sales	31,636	32,315
Gross profit	16,644	15,907
Selling, general and administrative expenses	12,669	12,372
Operating profit	3,974	3,534
Non-operating income		
Interest income	100	101
Dividend income	113	118
Real estate rent	59	56
Share of profit of entities accounted for using equity method	268	323
Other	129	126
Total non-operating income	670	727
Non-operating expenses		
Interest expenses	375	417
Foreign exchange losses	189	125
Loss on valuation of derivatives	32	107
Other	142	151
Total non-operating expenses	740	801
Ordinary profit	3,905	3,460
Extraordinary income		
Gain on sales of investment securities	133	–
Gain on sales of parent company's stocks	–	515
Total extraordinary income	133	515
Extraordinary losses		
Loss on disposal of non-current assets	92	24
Loss on valuation of investment securities	–	14
Product recall related costs	57	–
Environmental expenses	113	135
Total extraordinary losses	263	173
Profit before income taxes	3,776	3,802
Income taxes	1,131	1,137
Profit	2,644	2,665
Profit attributable to non-controlling interests	237	138
Profit attributable to owners of parent	2,407	2,526

Quarterly consolidated statements of comprehensive income

	(Millions of yen)	
	Nine months ended June 30, 2018	Nine months ended June 30, 2019
Profit	2,644	2,665
Other comprehensive income		
Valuation difference on available-for-sale securities	(358)	(959)
Foreign currency translation adjustment	(812)	(331)
Remeasurements of defined benefit plans, net of tax	(3)	(11)
Share of other comprehensive income of entities accounted for using equity method	148	(48)
Total other comprehensive income	(1,025)	(1,351)
Comprehensive income	1,618	1,314
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,483	1,205
Comprehensive income attributable to non-controlling interests	135	108