

Translation

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Summary of Consolidated Financial Results for the Three Months Ended December 31, 2019 (Based on Japanese GAAP)

February 13, 2020

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: February 13, 2020
 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, 2019 (from October 1, 2019 to December 31, 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	%
Three months ended December 31, 2019	11,683	0.6	(192)	–	(345)	–	(170)	–
Three months ended December 31, 2018	11,608	1.2	(236)	–	(150)	–	(201)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended December 31, 2019	(2.17)	–
Three months ended December 31, 2018	(2.56)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	96,645	57,356	57.6
As of September 30, 2019	94,464	58,198	59.5

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, 2019	–	7.50	–	7.50	15.00
Fiscal year from October 1, 2019 to March 31, 2020	–				
Fiscal year from October 1, 2019 to March 31, 2020 (Forecast)		–	–	7.50	7.50

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2020 (from October 1, 2019 to March 31, 2020)

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
Fiscal year from October 1, 2019 to March 31, 2020	37,000	(0.5)	3,200	(21.8)	3,200	(21.6)	2,400	(19.5)	30.47

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 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: Yes
- 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, 2019	81,967,082 shares	As of September 30, 2019	81,967,082 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	3,192,243 shares	As of September 30, 2019	3,191,971 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2019	78,774,991 shares	Three months ended December 31, 2018	78,775,936 shares
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Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Millions of yen)

	As of September 30, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	17,721	14,379
Notes and accounts receivable - trade	22,029	21,014
Electronically recorded monetary claims - operating	1,648	934
Merchandise and finished goods	13,477	16,696
Work in process	798	936
Raw materials and supplies	4,877	8,296
Other	1,939	2,357
Allowance for doubtful accounts	(139)	(146)
Total current assets	62,354	64,466
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,992	4,874
Machinery, equipment and vehicles, net	3,464	3,365
Land	6,061	6,052
Other, net	721	671
Total property, plant and equipment	15,240	14,964
Intangible assets		
Goodwill	5,124	4,882
Other	1,133	1,297
Total intangible assets	6,257	6,179
Investments and other assets		
Investment securities	5,206	5,629
Shares of parent	521	644
Other	5,192	5,108
Allowance for doubtful accounts	(308)	(347)
Total investments and other assets	10,611	11,034
Total non-current assets	32,109	32,178
Total assets	94,464	96,645

(Millions of yen)

As of September 30, 2019

As of December 31, 2019

	As of September 30, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,378	13,219
Electronically recorded obligations - operating	345	826
Short-term borrowings	7,819	8,304
Current portion of bonds	273	251
Income taxes payable	550	341
Provision for bonuses	739	373
Provision for environmental measures	342	342
Other provisions	59	33
Electronically recorded obligations - non-operating	74	133
Other	6,250	5,557
Total current liabilities	25,834	29,383
Non-current liabilities		
Bonds payable	2,220	2,047
Long-term borrowings	6,035	5,691
Retirement benefit liability	164	124
Other provisions	49	42
Other	1,961	1,999
Total non-current liabilities	10,431	9,905
Total liabilities	36,266	39,289
Net assets		
Shareholders' equity		
Share capital	14,939	14,939
Capital surplus	15,068	15,068
Retained earnings	30,464	29,702
Treasury shares	(1,728)	(1,728)
Total shareholders' equity	58,744	57,982
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,055	1,320
Foreign currency translation adjustment	(4,128)	(4,237)
Remeasurements of defined benefit plans	573	568
Total accumulated other comprehensive income	(2,499)	(2,348)
Non-controlling interests	1,953	1,722
Total net assets	58,198	57,356
Total liabilities and net assets	94,464	96,645

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, 2018	Three months ended December 31, 2019
Net sales	11,608	11,683
Cost of sales	7,567	7,596
Gross profit	4,041	4,086
Selling, general and administrative expenses	4,277	4,279
Operating loss	(236)	(192)
Non-operating income		
Interest income	51	19
Dividend income	53	43
Rental income from real estate	19	18
Share of profit of entities accounted for using equity method	131	175
Gain on valuation of derivatives	57	39
Other	41	19
Total non-operating income	354	316
Non-operating expenses		
Interest expenses	125	143
Foreign exchange losses	102	306
Other	40	19
Total non-operating expenses	268	469
Ordinary loss	(150)	(345)
Extraordinary losses		
Loss on disposal of non-current assets	3	19
Total extraordinary losses	3	19
Loss before income taxes	(153)	(365)
Income taxes	(33)	(90)
Loss	(120)	(275)
Profit (loss) attributable to non-controlling interests	81	(104)
Loss attributable to owners of parent	(201)	(170)

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended December 31, 2018	Three months ended December 31, 2019
Loss	(120)	(275)
Other comprehensive income		
Valuation difference on available-for-sale securities	(634)	264
Foreign currency translation adjustment	(140)	(204)
Remeasurements of defined benefit plans, net of tax	(3)	(4)
Share of other comprehensive income of entities accounted for using equity method	(69)	(19)
Total other comprehensive income	(848)	35
Comprehensive income	(968)	(239)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,024)	(19)
Comprehensive income attributable to non-controlling interests	55	(220)