

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 11, 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: August 11, 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 June 30, 2020 (from April 1, 2020 to June 30, 2020)

#### (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 June 30, 2020	14,063	–	1,250	–	724	–	756	–
Three months ended December 31, 2019	11,683	0.6	(192)	–	(345)	–	(170)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	9.61		–	
Three months ended December 31, 2019	(2.17)		–	

#### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2020	94,726		57,488		59.6	
As of March 31, 2020	102,214		58,372		55.2	

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Fiscal period ended March 31, 2020	–	–	–	4.00	4.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	7.50	–	7.50	15.00

### 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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 September 30, 2020	27,000	–	300	–	(200)	–	200	–	2.54
Full year	65,300	–	3,000	–	2,400	–	1,800	–	22.85

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020  
 (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, 2020	81,967,082 shares	As of March 31, 2020	81,967,082 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	3,192,332 shares	As of March 31, 2020	3,192,332 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	78,774,750 shares	Three months ended December 31, 2019	78,774,991 shares
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**Quarterly consolidated financial statements**  
**Quarterly consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	14,010	12,423
Notes and accounts receivable - trade	31,231	28,268
Electronically recorded monetary claims - operating	1,574	2,390
Merchandise and finished goods	15,556	15,132
Work in process	693	753
Raw materials and supplies	5,962	5,258
Other	3,435	1,849
Allowance for doubtful accounts	(133)	(159)
Total current assets	72,331	65,916
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,804	4,606
Machinery, equipment and vehicles, net	3,476	3,278
Land	5,917	5,884
Other, net	657	647
Total property, plant and equipment	14,855	14,416
Intangible assets		
Goodwill	2,941	2,844
Other	1,251	1,211
Total intangible assets	4,192	4,056
Investments and other assets		
Investment securities	5,147	5,499
Other	6,053	5,132
Allowance for doubtful accounts	(366)	(294)
Total investments and other assets	10,834	10,337
Total non-current assets	29,882	28,810
Total assets	102,214	94,726

(Millions of yen)

As of March 31, 2020

As of June 30, 2020

	As of March 31, 2020	As of June 30, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	12,699	9,321
Electronically recorded obligations - operating	1,054	893
Short-term borrowings	10,136	9,033
Current portion of bonds payable	264	–
Income taxes payable	1,124	484
Provision for bonuses	656	337
Other provisions	52	37
Electronically recorded obligations - non-operating	82	128
Other	6,484	6,157
<b>Total current liabilities</b>	<b>32,555</b>	<b>26,392</b>
<b>Non-current liabilities</b>		
Bonds payable	2,149	1,651
Long-term borrowings	6,508	6,595
Retirement benefit liability	658	662
Other provisions	52	49
Other	1,915	1,885
<b>Total non-current liabilities</b>	<b>11,285</b>	<b>10,844</b>
<b>Total liabilities</b>	<b>43,841</b>	<b>37,237</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	14,939	14,939
Capital surplus	15,068	15,068
Retained earnings	31,553	31,995
Treasury shares	(1,728)	(1,728)
<b>Total shareholders' equity</b>	<b>59,832</b>	<b>60,274</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	583	731
Foreign currency translation adjustment	(4,607)	(5,177)
Remeasurements of defined benefit plans	630	625
<b>Total accumulated other comprehensive income</b>	<b>(3,392)</b>	<b>(3,820)</b>
<b>Non-controlling interests</b>	<b>1,933</b>	<b>1,034</b>
<b>Total net assets</b>	<b>58,372</b>	<b>57,488</b>
<b>Total liabilities and net assets</b>	<b>102,214</b>	<b>94,726</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, 2019	Three months ended June 30, 2020
Net sales	11,683	14,063
Cost of sales	7,596	9,190
Gross profit	4,086	4,873
Selling, general and administrative expenses	4,279	3,622
Operating profit (loss)	(192)	1,250
Non-operating income		
Interest income	19	18
Dividend income	43	41
Rental income from real estate	18	18
Share of profit of entities accounted for using equity method	175	239
Gain on valuation of derivatives	39	119
Other	19	27
Total non-operating income	316	464
Non-operating expenses		
Interest expenses	143	118
Foreign exchange losses	306	842
Other	19	29
Total non-operating expenses	469	989
Ordinary profit (loss)	(345)	724
Extraordinary income		
Gain on sales of non-current assets	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on disposal of non-current assets	19	2
Total extraordinary losses	19	2
Profit (loss) before income taxes	(365)	722
Income taxes	(90)	483
Profit (loss)	(275)	239
Loss attributable to non-controlling interests	(104)	(517)
Profit (loss) attributable to owners of parent	(170)	756

**Quarterly consolidated statements of comprehensive income**

	(Millions of yen)	
	Three months ended December 31, 2019	Three months ended June 30, 2020
Profit (loss)	(275)	239
Other comprehensive income		
Valuation difference on available-for-sale securities	264	148
Foreign currency translation adjustment	(204)	(864)
Remeasurements of defined benefit plans, net of tax	(4)	(5)
Share of other comprehensive income of entities accounted for using equity method	(19)	(74)
Total other comprehensive income	35	(796)
Comprehensive income	(239)	(557)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(19)	329
Comprehensive income attributable to non-controlling interests	(220)	(886)