

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 12, 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 Motohiro Nagai TEL +81-3-6361-1400
 Department
 Scheduled date to file Quarterly Securities Report: November 12, 2020
 Scheduled date to commence dividend payments: December 11, 2020
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2020 (from April 1, 2020 to September 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	%
Six months ended September 30, 2020	29,041	–	1,571	–	1,060	–	1,220	–
Six months ended March 31, 2020	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	15.51	–
Six months ended March 31, 2020	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	97,016	57,676	58.5
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	Yen	Yen	Yen	Yen
Fiscal period ended March 31, 2020	–	–	–	4.00	4.00
Year ending March 31, 2021	–	7.50	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	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
Full year	67,100	–	3,700	–	2,800	–	2,000	–	25.41

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2020	3,329,949 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)

Six months ended September 30, 2020	78,704,422 shares	Six months ended March 31, 2020	– shares
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Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	14,010	21,683
Notes and accounts receivable - trade	31,231	21,374
Electronically recorded monetary claims - operating	1,574	1,477
Merchandise and finished goods	15,556	14,147
Work in process	693	862
Raw materials and supplies	5,962	5,939
Other	3,435	2,738
Allowance for doubtful accounts	(133)	(135)
Total current assets	72,331	68,089
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,804	4,598
Machinery, equipment and vehicles, net	3,476	3,446
Land	5,917	5,874
Other, net	657	678
Total property, plant and equipment	14,855	14,597
Intangible assets		
Goodwill	2,941	2,804
Other	1,251	1,188
Total intangible assets	4,192	3,993
Investments and other assets		
Investment securities	5,147	5,534
Other	6,053	5,127
Allowance for doubtful accounts	(366)	(325)
Total investments and other assets	10,834	10,336
Total non-current assets	29,882	28,927
Total assets	102,214	97,016

(Millions of yen)

As of March 31, 2020

As of September 30, 2020

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,699	12,377
Electronically recorded obligations - operating	1,054	648
Short-term borrowings	10,136	5,124
Current portion of bonds payable	264	191
Income taxes payable	1,124	518
Provision for bonuses	656	673
Provision for environmental measures	–	1,200
Other provisions	52	20
Electronically recorded obligations - non-operating	82	84
Other	6,484	6,884
Total current liabilities	32,555	27,722
Non-current liabilities		
Bonds payable	2,149	1,362
Long-term borrowings	6,508	7,600
Retirement benefit liability	658	674
Other provisions	52	57
Other	1,915	1,923
Total non-current liabilities	11,285	11,617
Total liabilities	43,841	39,340
Net assets		
Shareholders' equity		
Share capital	14,939	14,939
Capital surplus	15,068	15,068
Retained earnings	31,553	32,458
Treasury shares	(1,728)	(1,801)
Total shareholders' equity	59,832	60,664
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	583	733
Foreign currency translation adjustment	(4,607)	(5,230)
Remeasurements of defined benefit plans	630	620
Total accumulated other comprehensive income	(3,392)	(3,876)
Non-controlling interests	1,933	888
Total net assets	58,372	57,676
Total liabilities and net assets	102,214	97,016

Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
Quarterly consolidated statements of income

	(Millions of yen)
	Six months ended September 30, 2020
Net sales	29,041
Cost of sales	19,769
Gross profit	9,272
Selling, general and administrative expenses	7,700
Operating profit	1,571
Non-operating income	
Interest income	38
Dividend income	45
Rental income from real estate	37
Share of profit of entities accounted for using equity method	400
Gain on valuation of derivatives	236
Other	86
Total non-operating income	844
Non-operating expenses	
Interest expenses	212
Foreign exchange losses	1,037
Other	104
Total non-operating expenses	1,355
Ordinary profit	1,060
Extraordinary income	
Gain on sales of non-current assets	1,689
Total extraordinary income	1,689
Extraordinary losses	
Loss on disposal of non-current assets	35
Environmental expenses	1,390
Total extraordinary losses	1,425
Profit before income taxes	1,324
Income taxes	693
Profit	631
Loss attributable to non-controlling interests	(589)
Profit attributable to owners of parent	1,220

Quarterly consolidated statements of comprehensive income

	(Millions of yen)
	Six months ended September 30, 2020
Profit	631
Other comprehensive income	
Valuation difference on available-for-sale securities	150
Foreign currency translation adjustment	(1,012)
Remeasurements of defined benefit plans, net of tax	(10)
Share of other comprehensive income of entities accounted for using equity method	(54)
Total other comprehensive income	(927)
Comprehensive income	(296)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	736
Comprehensive income attributable to non-controlling interests	(1,032)

Quarterly consolidated statements of cash flows

(Millions of yen)

Six months ended
September 30, 2020

Cash flows from operating activities	
Profit before income taxes	1,324
Depreciation	712
Amortization of goodwill	117
Interest and dividend income	(83)
Interest expenses	212
Share of loss (profit) of entities accounted for using equity method	(400)
Loss (gain) on sales of non-current assets	(1,689)
Loss on retirement of non-current assets	35
Decrease (increase) in trade receivables	8,270
Decrease (increase) in inventories	377
Increase (decrease) in trade payables	379
Increase (decrease) in provision for environmental measures	1,200
Other, net	1,871
Subtotal	12,328
Interest and dividends received	206
Interest paid	(190)
Income taxes paid	(1,136)
Net cash provided by (used in) operating activities	11,208
Cash flows from investing activities	
Purchase of property, plant and equipment	(482)
Proceeds from sales of property, plant and equipment	1,700
Purchase of intangible assets	(94)
Payments into time deposits	(1,744)
Proceeds from withdrawal of time deposits	1,376
Other, net	(15)
Net cash provided by (used in) investing activities	740
Cash flows from financing activities	
Proceeds from short-term borrowings	716
Repayments of short-term borrowings	(5,187)
Proceeds from long-term borrowings	1,774
Repayments of long-term borrowings	(536)
Redemption of bonds	(196)
Repayments of lease obligations	(71)
Dividends paid	(315)
Dividends paid to non-controlling interests	(12)
Proceeds from disposal of treasury shares	1
Purchase of treasury shares	(75)
Net cash provided by (used in) financing activities	(3,902)
Effect of exchange rate change on cash and cash equivalents	(743)
Net increase (decrease) in cash and cash equivalents	7,302
Cash and cash equivalents at beginning of period	12,586
Cash and cash equivalents at end of period	19,888