

**Translation**

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 9, 2023

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 Stock exchange listing: Tokyo  
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 Scheduled date to file Quarterly Securities Report: February 9, 2023  
 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 December 31, 2022 (from April 1, 2022 to December 31, 2022)

## (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 December 31, 2022	66,006	29.9	5,119	76.4	4,626	42.7	3,043	21.6
Nine months ended December 31, 2021	50,820	–	2,902	–	3,241	–	2,503	–

(Note) Comprehensive income: Nine months ended December 31, 2022: 4,548 million yen [71.6%]  
 Nine months ended December 31, 2021: 2,650 million yen [-%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	38.81		–	
Nine months ended December 31, 2021	31.85		–	

The figures for the nine months ended December 31, 2021 are presented after being retrospectively restated reflecting changes in accounting policies.

The year-on-year percentage changes for the nine months ended December 31, 2021 are not presented due to the retrospective application of the changes in accounting policies.

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	130,677	70,263	52.3
As of March 31, 2022	118,247	66,956	55.5

(Reference) Equity: As of December 31, 2022: 68,349 million yen  
 As of March 31, 2022: 65,593 million yen

The figures for the fiscal year ended March 31, 2022 are presented after being retrospectively restated reflecting changes in accounting policies.

## 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 year ended March 31, 2022	–	7.50	–	7.50	15.00
Fiscal year ending March 31, 2023	–	8.00	–		
Fiscal year ending March 31, 2023 (Forecast)				8.00	16.00

(Note) Revision to the forecast of cash dividends announced most recently: No

## 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	98,000	22.3	8,800	52.7	7,800	37.7	5,400	22.6	68.86

(Note) Revision to the forecast of financial results announced most recently: No

Due to the retrospective application of the changes in accounting policies, the year-on-year percentage changes are calculated using figures for the previous period retrospectively restated.

## 4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No  
Notes on changes in significant subsidiaries during the period

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes  
Notes on application of special accounting methods for preparing quarterly consolidated financial statements

(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: Yes  
Changes in accounting estimates: No  
Restatement of prior period financial statements: No  
Notes on changes in accounting policies

### (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, 2022	81,967,082 shares	As of March 31, 2022	81,967,082 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	3,543,455 shares	As of March 31, 2022	3,542,965 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	78,423,861 shares	Nine months ended December 31, 2021	78,593,138 shares
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Shares of the Company held by the share grant trust for the Company's officers are included in treasury shares which are deducted from the calculation of the number of treasury shares at the end of the period and the average number of shares during the period.

\* These quarterly financial results are outside the scope of quarterly review by certified public accountants or an audit corporation.

\* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly from these forecasts due to various factors.

## Table of Contents

1. Qualitative information on quarterly financial results .....	2
(1) Explanation of operating results .....	2
(2) Explanation of financial position .....	3
(3) Explanation of the forecast of consolidated financial results and other forward-looking information.....	3
2. Quarterly consolidated financial statements and primary notes .....	4
(1) Quarterly consolidated balance sheets .....	4
(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income .....	6
(3) Notes to quarterly consolidated financial statements .....	8
(Notes on going concern assumption) .....	8
(Notes in case of significant changes in shareholders' equity) .....	8
(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements) .....	8
(Changes in accounting policies) .....	8
(Additional information) .....	9
(Segment information, etc.) .....	10

## 1. Qualitative information on quarterly financial results

### (1) Explanation of operating results

During the nine months ended December 31, 2022, the global economy experienced a stagnation in economic recovery due to the resurgence of infections, despite the easing of the zero-COVID policy in China. In the U.S. and Europe, economies continued to pick up moderately with economic activities returning to normal, but there arose concerns about economic downturns, mainly in consumer spending, due to monetary tightening to tame the escalating inflation. Meanwhile, in Japan, the depreciation of the Japanese yen resulting from interest rate gaps with Europe and the U.S. caused prices to rise, resulting in a sharp decline in consumer sentiment. Furthermore, as supply chains remained tight and resource prices continued to spike amid the prolonged military invasion of Ukraine by Russia, an unstable economic climate persisted.

Under such circumstances, the Group engaged in the initiatives of the medium-term management plan, “Ensuring Growing Global 2 (EGG 2)” and has been aiming to improve profitability, establish technological innovation and next-generation businesses, and sustainably enhance corporate value.

Major efforts during the nine months ended December 31, 2022 included technology dissemination activities aimed at expanding sales of benzpyrimoxan, a novel insecticide for paddy rice that was fully launched in India. Moreover, as part of our efforts to establish technological innovation and next-generation businesses, we started the distribution of “NICHINO AI DIAGNOSIS” in India, Vietnam and Taiwan, which is an overseas edition of the smartphone application “Leime AI Disease, Pest & Weed Analysis” that we have been distributing since April 2020. Through these smart agriculture initiatives, we are working to further improve convenience for producers.

For the nine months ended December 31, 2022, net sales amounted to 66,006 million yen (up 15,185 million yen or 29.9% year-on-year), due mainly to the strong performance of our core business, the agrochemicals business, in overseas countries. In terms of profits, operating profit came to 5,119 million yen (up 2,217 million yen or 76.4% year-on-year), ordinary profit was 4,626 million yen (up 1,384 million yen or 42.7% year-on-year), and profit attributable to owners of parent was 3,043 million yen (up 539 million yen or 21.6% year-on-year).

To translate revenue and expenses of consolidated subsidiaries overseas, etc. into Japanese yen, we changed methods effective from the first quarter of the fiscal year under review from the one using the spot market exchange rate prevailing on the respective balance sheet dates of these companies to the one using the average exchange rate for the respective periods. Accordingly, year-on-year comparisons are drawn based on the figures adjusted retrospectively. For details, see “2. Quarterly consolidated financial statements and primary notes, (3) Notes to quarterly consolidated financial statements, (Changes in accounting policies).”

The state of the reportable segments during the nine months ended December 31, 2022 is as follows.

#### [Agrochemicals business]

Regarding agrochemicals sales in Japan, the Company worked to promote and expand the sales of core internally developed products such as pyrifluquinazon, an insecticide for horticultural (product name: COLT). The Company concluded a sales agreement with Corteva Agriscience Japan Limited and Dow AgroSciences Japan Limited (currently, Corteva Japan Ltd.; hereinafter collectively referred to as “Corteva”) in May 2021 in order to expand the share in the domestic agrochemicals market. Overall domestic sales increased year on year owing in part to the start of selling Corteva products from October 2021.

For overseas agrochemicals sales, with demand for agrochemicals in Brazil, the world’s largest agrochemical market, on an upward trend, Sipcam Nichino Brasil S.A. reported increased net sales, mainly due to an increasing demand for herbicides for sugar cane plants. In North America, with heavy infestation of whiteflies on cotton, sales of the insecticide buprofezin were strong, which primarily increased net sales for Nichino America Inc. In addition, in Europe, strong sales of the herbicide pyraflufen-ethyl used in potato production led to higher sales at Nichino Europe Co., Ltd., and sales of the active ingredient flubendiamide to Bayer were strong. Moreover, in Asia, we engaged in the technology dissemination activities aimed at expanding sales of benzpyrimoxan, an insecticide for paddy rice, in India. Consequently, overseas agrochemicals sales overall exceeded the levels of the same period of the previous fiscal year.

As a result of the above, net sales of the agrochemicals business amounted to 61,820 million yen (up 14,892 million yen or 31.7% year-on-year) and operating profit amounted to 4,695 million yen (up 2,336 million yen or 99.0% year-on-

year).

[Chemicals other than agrochemicals business]

In the chemicals business, AgriMart Corporation experienced strong sales of anti-infectives.

In the pharmaceutical business, sales of topical antifungal drug were strong.

As a result of the above, net sales of the chemicals other than agrochemicals business amounted to 2,929 million yen (up 137 million yen or 4.9% year-on-year) and operating profit amounted to 817 million yen (down 94 million yen or 10.4% year-on-year).

(2) Explanation of financial position

Total assets as of December 31, 2022 increased by 12,430 million yen from the end of the previous fiscal year to 130,677 million yen. This was due primarily to increases in cash and deposits and inventories exceeding the decrease in notes and accounts receivable.

Total liabilities as of December 31, 2022 increased by 9,123 million yen from the end of the previous fiscal year to 60,413 million yen. This was due primarily to increases in trade payables and long-term borrowings.

Net assets as of December 31, 2022 increased by 3,307 million yen from the end of the previous fiscal year to 70,263 million yen. This was due primarily to increases in accumulated other comprehensive income including foreign currency translation adjustment and retained earnings resulting from profit attributable to owners of parent.

(3) Explanation of the forecast of consolidated financial results and other forward-looking information

There have been no changes to the forecast of consolidated financial results for the fiscal year ending March 31, 2023, announced on August 9, 2022.

## 2. Quarterly consolidated financial statements and primary notes

### (1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	12,224	17,490
Notes and accounts receivable - trade, and contract assets	36,010	25,300
Electronically recorded monetary claims - operating	2,077	1,782
Merchandise and finished goods	22,395	30,323
Work in process	769	1,088
Raw materials and supplies	9,531	17,244
Other	4,709	5,941
Allowance for doubtful accounts	(366)	(524)
Total current assets	87,351	98,647
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,180	4,116
Machinery, equipment and vehicles, net	3,682	3,492
Land	5,898	5,490
Other, net	1,019	1,377
Total property, plant and equipment	14,781	14,477
Intangible assets		
Goodwill	2,794	2,601
Other	1,424	1,350
Total intangible assets	4,218	3,952
Investments and other assets		
Investment securities	6,955	7,740
Other	5,318	5,865
Allowance for doubtful accounts	(377)	(6)
Total investments and other assets	11,896	13,599
Total non-current assets	30,895	32,029
Total assets	118,247	130,677

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,406	21,453
Electronically recorded obligations - operating	1,117	1,531
Short-term borrowings	10,477	11,085
Current portion of bonds payable	202	–
Income taxes payable	955	684
Provision for bonuses	869	478
Other provisions	41	–
Electronically recorded obligations - non-operating	47	162
Other	8,062	10,685
Total current liabilities	41,180	46,081
Non-current liabilities		
Bonds payable	1,226	1,596
Long-term borrowings	6,128	9,833
Retirement benefit liability	839	858
Other provisions	132	158
Other	1,782	1,884
Total non-current liabilities	10,110	14,331
Total liabilities	51,290	60,413
Net assets		
Shareholders' equity		
Share capital	14,939	14,939
Capital surplus	15,071	15,071
Retained earnings	38,855	40,678
Treasury shares	(1,906)	(1,907)
Total shareholders' equity	66,960	68,782
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	846	942
Deferred gains or losses on hedges	–	26
Foreign currency translation adjustment	(2,895)	(2,046)
Remeasurements of defined benefit plans	682	643
Total accumulated other comprehensive income	(1,367)	(432)
Non-controlling interests	1,363	1,914
Total net assets	66,956	70,263
Total liabilities and net assets	118,247	130,677

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income  
Quarterly consolidated statements of income

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	50,820	66,006
Cost of sales	34,928	45,666
Gross profit	15,892	20,339
Selling, general and administrative expenses	12,990	15,220
Operating profit	2,902	5,119
Non-operating income		
Interest income	47	188
Dividend income	73	96
Rental income from real estate	83	77
Foreign exchange gains	–	433
Share of profit of entities accounted for using equity method	605	615
Other	74	99
Total non-operating income	883	1,511
Non-operating expenses		
Interest expenses	324	586
Foreign exchange losses	110	–
Loss on valuation of derivatives	10	1,303
Other	97	114
Total non-operating expenses	543	2,004
Ordinary profit	3,241	4,626
Extraordinary income		
Gain on sale of non-current assets	209	29
Other	32	–
Total extraordinary income	242	29
Extraordinary losses		
Loss on disposal of non-current assets	18	11
Environmental expenses	28	–
Other	3	–
Total extraordinary losses	50	11
Profit before income taxes	3,433	4,644
Income taxes	963	1,365
Profit	2,469	3,278
Profit (loss) attributable to non-controlling interests	(33)	235
Profit attributable to owners of parent	2,503	3,043

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,469	3,278
Other comprehensive income		
Valuation difference on available-for-sale securities	(112)	95
Deferred gains or losses on hedges	–	53
Foreign currency translation adjustment	245	829
Remeasurements of defined benefit plans, net of tax	(47)	(38)
Share of other comprehensive income of entities accounted for using equity method	96	328
Total other comprehensive income	181	1,269
Comprehensive income	2,650	4,548
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,646	3,977
Comprehensive income attributable to non-controlling interests	4	570

### (3) Notes to quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Tax expenses)

The Company calculates tax expenses by producing a reasonable estimate of the effective tax rate after applying tax-effect accounting to profit before income taxes for the fiscal year under review, and then multiplying profit before income taxes by this estimated effective tax rate.

(Changes in accounting policies)

(Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) effective from the beginning of the first quarter of the fiscal year under review and in accordance with the transitional treatment provided for in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the Company will prospectively apply the new accounting policy prescribed by the Implementation Guidance on Accounting Standard for Fair Value Measurement. This application has no impact on the quarterly consolidated financial statements.

(Change in the method of translating revenue and expenses of consolidated subsidiaries overseas, etc.)

Revenue and expenses of consolidated subsidiaries overseas, etc. were previously translated into Japanese yen using the spot market exchange rate prevailing on the respective balance sheet dates of these companies. However, effective from the first quarter of the fiscal year under review, the Company changed the translation method to the one using the average exchange rate for the respective periods.

The change was made as a result of alterations in control systems in the Group that had been made against the backdrop of an increasing significance of consolidated subsidiaries overseas, etc., including integration of budget control systems. The change was also made to mitigate the impact of temporary fluctuations in exchange rates on profit or loss for the period, etc. and reflect revenue and expenses of consolidated subsidiaries overseas, etc., which are earned and incurred throughout the consolidated fiscal year, more appropriately in the consolidated financial statements.

The change in the accounting policy has been applied retrospectively, and the quarterly consolidated financial statements for the nine months ended December 31, 2021 and the consolidated financial statements for the fiscal year ended March 31, 2022 have been adjusted retrospectively.

As a result of the change, net sales for the nine months ended December 31, 2021, decreased by 462 million yen, operating profit decreased by 291 million yen, ordinary profit decreased by 4 million yen, profit before income taxes decreased by 4 million yen, profit attributable to owners of parent decreased by 11 million yen, and earnings per share decreased by 0.15 yen, compared to the figures before the retrospective application of the change.

In addition, with the cumulative effects reflected on the net assets at the beginning of the previous fiscal year, the retained earnings balance at the beginning of the previous fiscal year decreased by 209 million yen and the foreign currency translation adjustment balance at the beginning of the previous fiscal year increased by 209 million yen.

(Additional information)

(Accounting estimates related to the impact of the spread of COVID-19)

There have been no material changes to the statements in the Annual Securities Report (Additional Information) for the fiscal year ended March 31, 2022 regarding the accounting estimates related to the impact of the spread of COVID-19 and the assumptions based on such estimates for the nine months ended December 31, 2022.

(Segment information, etc.)

[Segment information]

I For the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	Agrochemicals business	Chemicals other than agrochemicals business	Subtotal				
Net sales							
Net sales to outside customers	46,928	2,792	49,721	1,099	50,820	–	50,820
Inter-segment net sales or transfers	13	0	13	503	516	(516)	–
Total	46,941	2,793	49,734	1,602	51,337	(516)	50,820
Segment profit	2,359	911	3,270	231	3,502	(600)	2,902

- (Notes) 1. “Others” include business segments that are not included in reportable segments such as greenification and gardening construction, real estate leasing, logistics services, and agrochemical residue analysis.
2. The minus 600 million yen adjustment for segment profit includes minus 600 million yen in unallocated corporate expenses. Corporate expenses consist principally of general administrative expenses that are not attributable to reportable segments.
3. Segment profit was adjusted based on operating profit reported on the consolidated statements of income for the corresponding period.

II For the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	Agrochemicals business	Chemicals other than agrochemicals business	Subtotal				
Net sales							
Net sales to outside customers	61,820	2,929	64,750	1,255	66,006	–	66,006
Inter-segment net sales or transfers	16	–	16	535	552	(552)	–
Total	61,837	2,929	64,767	1,791	66,558	(552)	66,006
Segment profit	4,695	817	5,512	264	5,777	(657)	5,119

- (Notes) 1. “Others” include business segments that are not included in reportable segments such as greenification and gardening construction, real estate leasing, logistics services, and agrochemical residue analysis.
2. The minus 657 million yen adjustment for segment profit includes minus 657 million yen in unallocated corporate expenses. Corporate expenses consist principally of general administrative expenses that are not attributable to reportable segments.
3. Segment profit was adjusted based on operating profit reported on the consolidated statements of income for the corresponding period.

2. Matters pertaining to changes in reportable segments

Revenue and expenses of consolidated subsidiaries overseas, etc. were previously translated into Japanese yen using the spot market exchange rate prevailing on the respective balance sheet dates of these companies. However, effective from the first quarter of the fiscal year under review, the Company changed the translation method to the one using the average exchange rate for the respective periods. Accordingly, the figures presented above for the nine months ended December 31, 2021 are those that have been adjusted retrospectively to reflect the change in the accounting policy.