Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2025 (Based on Japanese GAAP)

May 13, 2025

Company name:	NIHON NOHYAKU CO., LTD.			
Stock exchange listing:	Tokyo			
Stock code:	4997 URL https://www.nichino.co.jp/			
Representative:	President	Hiroyuki Iwata		
Inquiries:	General Manager of General Affairs & Legal Department	Masaki Yoshioka	TEL	+81-570-09-1177
Scheduled date of ordinary general meeting of shareholders:		June 18, 2025		
Scheduled date of commencement of dividend payments:		June 19, 2025		
Scheduled date to file Securities Report:		June 18, 2025		
Preparation of supplementary material on financial results:		No		
Holding of financial results meeting:		Yes	(for analysts and institutional investors)	

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

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	%
Fiscal year ended March 31, 2025	99,966	(3.0)	8,576	15.3	7,086	19.5	2,356	(50.7)
Fiscal year ended March 31, 2024	103,033	0.9	7,438	(14.9)	5,932	(23.7)	4,777	6.4

(Note) Comprehensive income: Fiscal year ended March 31, 2025: 698 million yen [(91.9)%]
Fiscal year ended March 31, 2024: 8,607 million yen [16.2%]

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	30.06	–	3.0	4.6	8.6
Fiscal year ended March 31, 2024	60.89	–	6.4	4.0	7.2

(Reference) Share of profit of entities accounted for using equity method: Fiscal year ended March 31, 2025: 508 million yen
Fiscal year ended March 31, 2024: 404 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	152,216	79,423	50.8	987.63
As of March 31, 2024	157,983	80,396	49.4	994.96

(Reference) Equity: As of March 31, 2025: 77,288 million yen
As of March 31, 2024: 78,068 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	10,405	(354)	(6,940)	22,219
Fiscal year ended March 31, 2024	(344)	(4,808)	9,835	19,264

2. Cash dividends

	Annual dividends per share					Total cash dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	–	9.00	–	9.00	18.00	1,417	29.6	1.9
Fiscal year ended March 31, 2025	–	10.00	–	12.00	22.00	1,732	73.2	2.2
Fiscal year ending March 31, 2026 (Forecast)	–	12.00	–	13.00	25.00		40.8	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

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
First half	42,900	9.6	1,400	36.0	1,300	150.4	1,000	61.1	12.76
Full year	107,500	7.5	8,000	(6.7)	7,200	1.6	4,800	103.7	61.24

Notes

(1) Significant changes in the scope of consolidation during the period ended March 31, 2025: Yes

Newly included: One company (Nichino Vietnam Co., Ltd.)

Excluded: None

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	81,967,082 shares	As of March 31, 2024	81,967,082 shares

Number of treasury shares at the end of the period

As of March 31, 2025	3,710,277 shares	As of March 31, 2024	3,503,567 shares

Average number of shares during the period

Fiscal year ended March 31, 2025	78,385,260 shares	Fiscal year ended March 31, 2024	78,451,314 shares

Shares of the Company held by the Board Benefit Trust are included in the treasury shares which are excluded from the calculation of the number of treasury shares at the end of the period and the average number of shares during the period.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2025	53,821	1.9	4,138	8.6	5,499	6.6	(2,731)	–
Fiscal year ended March 31, 2024	52,811	0.1	3,809	(5.6)	5,161	(2.2)	4,054	(2.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2025	(34.85)	–
Fiscal year ended March 31, 2024	51.68	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	96,228	65,168	67.7	832.76
As of March 31, 2024	104,301	69,414	66.6	884.67

(Reference) Equity: As of March 31, 2025: ¥ 65,168 million
As of March 31, 2024: ¥ 69,414 million

* These financial results are outside the scope of audit 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 - Attachments

1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year under review

Operating results of the fiscal year ended March 31, 2025

During the fiscal year ended March 31, 2025 (the "fiscal year under review"), the global economy saw varied trends. The U.S. economy continued to expand as personal consumption showed an upward trend. In Europe, the economy saw a rebound due to a recovery in consumption and capital investment. The Japanese economy continued on a gradual recovery path as there were signs of improvement in corporate earnings and employment conditions. Meanwhile, in China, the economy experienced slower growth as the sluggish real estate market continued. Additionally, there were growing concerns about the risk of a global economic downturn due to U.S. policy trends, such as trade policies, and the impact of financial and capital market fluctuations, increasing uncertainty about the economic outlook.

In the environment surrounding agriculture, farm production continued steadily growing since demand for agricultural products expanded on the background of an increasing global population and the economic development of emerging markets. Meanwhile, the market size contracted from the previous year in 2024 due to the impact of unfavorable weather conditions in many regions and significant price decline in major regions caused by increased distribution inventories of some commodities such as non-selective herbicides and other products used for general purposes, despite an upward trend thanks to increasing demand in the U.S. and other regions in recent years.

Looking at major sales territories of the Group, in the domestic market, demand for agrochemicals remained strong. This was due to several factors, including an increase in pests such as Pentatomorpha caused by continued high temperatures, the impact of increased rice planting areas caused by soaring rice prices, and other factors.

In North America and Central and South America, demand for agrochemicals remained weak due to the impact of distribution inventories and declining prices for certain products, such as generic agrochemicals. In Europe, demand for agrochemicals remained weak due to the impact of unfavorable weather conditions in some regions. In Asia, agrochemical prices and demand remained weak due to reduced application opportunities caused by heavy rainfall in India, as well as the impact of distribution inventories.

Under such circumstances, the Group engaged in the initiatives of the medium-term management plan, "Growing Global for Sustainability (GGS)," and has been aiming to deepen its business strategies, advance environmental management, and promote human capital management, while achieving a balance of sustainability between the entire society and the Group.

Major efforts during the fiscal year under review included the launch of "Ryoga®," a new formulation for rice nursery box treatment that contributes to CO2 reduction through innovative agent formulation technology in the domestic market. The efforts to expand the business other than agrochemicals include obtaining rights related to the registration, development, sales, and other matters of a novel microbial biofungicide. As for efforts related to smart agriculture, we integrated our smartphone application "Leime AI Disease, Pest & Weed Analysis" ("Application") with "Z-GIS" provided by the ZEN-NOH under the JA Group and provided our disease, pest, and weed AI diagnosis system for "KSAS," the farm management system of Kubota Corporation. In addition, as part of our efforts to enhance the features of the Application, we installed a new "AI Forecast" function as well as expanded crops for diagnosis. Furthermore, we expanded the areas for "AcroSeeker™," an overseas edition of the Application, to be used in local languages in Laos and Indonesia. The English version of "AcroSeeker™" has become available in over 160 countries and regions worldwide.

For the consolidated fiscal year under review, net sales amounted to 99,966 million yen (down 3,066 million yen or 3.0% year-on-year) due to a decrease in sales of flubendiamde ingredients to Bayer AG as well as the impact of unfavorable weather conditions in some regions, in the agrochemicals business, the Group's core business. In terms of profits, mainly due in part to improved profitability as a result of a decline in prices of raw materials in Brazil, operating profit came to 8,576 million yen (up 1,138 million yen or 15.3% year-on-year), and ordinary profit was 7,086 million yen (up 1,154 million yen or 19.5% year-on-year), and profit attributable to owners of parent was 2,356 million yen (down 2,421 million yen or 50.7% year-on-year), mainly due to the recognition of an impairment loss on goodwill associated with Nichino India Pvt. Ltd., caused by sluggish sales at the company.

The state of the reportable segments during the fiscal year under review 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 benzpyrimoxan, an insecticide for paddy rice (product name: "Orchestra") and pyraziflumid, a fungicide for horticulture (product name: "Parade"). In addition, sales of products of Corteva were robust, resulting in total net sales of agrochemicals in Japan exceeding those in the previous fiscal year.

For overseas agrochemicals sales, sales increased due to factors such as robust sales of pyraflufen-ethyl for Canada, driven by increased demand for herbicides caused by heavy rainfall in North America. In Europe, sales of Nichino Europe Co., Ltd.

reported increased net sales due to robust sales of acaricide owing to the drought in southern regions, despite a decrease in sales of the active ingredient flubendiamide to Bayer AG. In Central and South America, in Brazil, the world's largest agrochemical market, although sales of Sipcam Nichino Brasil S.A. decreased slightly when converted to Japanese yen due to the stronger yen against the Brazilian real, the company's sales in local currency increased compared to the previous fiscal year. This was achieved through successful efforts to meet the increased demand for fungicides caused by heavy rainfall, as well as our initiatives in cultivating new business fields for internally developed products. In Asia, sales remained stagnant due to the sluggish sales results in India, owing from fewer opportunities to apply agrochemicals caused by the impact of torrential rain in some regions, as well as the impact of slow-moving distribution inventories caused by the drought in the previous year, among other factors. Consequently, total overseas net sales fell below the figures from the same period of the previous year.

As a result of the above, net sales of the agrochemicals business amounted to 94,571 million yen (down 2,981 million yen or 3.1% year-on-year) and operating profit amounted to 8,730 million yen (up 1,570 million yen or 21.9% year-on-year) due to the impact of the improvement in profitability in Brazil.

[Chemicals other than agrochemicals business]

In the chemicals business, sales in the termiticide sector remained robust. In the chemicals business, sales in the termiticide sector remained robust. In the pharmaceutical business, sales of topical antifungal drug luliconazole for onychomycosis were sluggish due to the impact of overstocking at sales dealers.

As a result of the above, net sales of the chemicals other than agrochemicals business amounted to 3,520 million yen (down 236 million yen or 6.3% year-on-year) and operating profit amounted to 476 million yen (down 413 million yen or 46.5% year-on-year).

(2) Overview of financial position for the fiscal year under review

Status of assets, liabilities and net assets

Total assets as of March 31, 2025 decreased by 5,767 million yen from the end of the previous fiscal year to 152,216 million yen. Total liabilities as of March 31, 2025 decreased by 4,794 million yen to 72,792 million yen from the end of the previous fiscal year. Net assets as of March 31, 2025 decreased by 972 million yen to 79,423 million yen.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents ("net cash") as of March 31, 2025 increased by 2,955 million yen from the end of the previous year to 22,219 million yen.

The status of the respective cash flows during the fiscal year under review and the factors of changes are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 10,405 million yen. This was mainly due to profit before income taxes of 4,556 million yen and a decrease in inventories by 2,937 million yen, causing an increase in net cash.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 354 million yen. This was mainly due to the purchase of property, plant and equipment of 2,299 million yen and purchase of intangible assets of 814 million yen, despite proceeds from sale of property, plant and equipment of 2,491 million yen.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 6,940 million yen. This was mainly due to a net decrease in short-term borrowings of 6,100 million yen.

(4) Future outlook

Based on the medium-term management plan, “Growing Global for Sustainability (GGS),” the Group is engaging in initiatives of deepening its business strategies, advancing its environmental management, and promoting human capital management as well as achieving sustainability of both the entire society and the Group.

Our outlook for the next fiscal year is as follows.

[Agrochemicals business]

Regarding agrochemicals sales in Japan, the Group expects to face a continued severe situation such as a contracting trend in the agrochemicals market and intensifying sales competition. We aim to increase sales and profits by accelerating the development of mainly internally developed products in the fruit tree and vegetable market, and by expanding our product lineup through the introduction of other companies’ products.

For overseas agrochemicals sales, in Asia, we will implement a reconstruction measure of Nichino India Pvt. Ltd. and work on recovering its sales and improving its profitability. In North America, Nichino America, Inc. will work on the expansion of business by cultivating the fruit tree and vegetable market with a focus on internally developed products, while also establishing a direct sales system in Mexico. In Central and South America, Sipcam Nichino Brasil S.A. will work to improve profitability by increasing the sales composition ratio of internally developed products. In Europe, we will strive to expand the product portfolio other than agrochemicals and work on expanding sales of agrochemicals, adjuvants, biostimulants, etc. This will be achieved through two initiatives: Nichino Europe Co., Ltd. beginning to handle Interagro (UK) Ltd. products, and strengthening the sales structure in the UK and Ireland, along with cultivating the market for fruit trees, vegetables, potatoes, etc.

[Chemicals other than agrochemicals business]

In the chemicals business, the Group will further strengthen cooperation with AgriMart Corporation in the termiticides segment and expand sales of major product NEXUS Z. Meanwhile, in the pharmaceutical business, we will aim to expand sales of luliconazole through disease awareness activities for onychomycosis patients in Japan, as well as to accelerate the development of this drug in the Asia-Oceania region.

In light of the operational environment of the respective business segments under review, the Company forecasts net sales of 107,500 million yen (up 7.5% year-on-year), operating profit of 8,000 million yen (down 6.7% year-on-year), ordinary profit of 7,200 million yen (up 1.6% year-on-year), and profit attributable to owners of parent of 4,800 million yen (up 103.7% year-on-year).

2. Basic Policy on Selection of Accounting Standards

The Group intends to prepare its consolidated financial statements based on Japanese GAAP for the time being, taking into account the comparability of the consolidated financial statements between periods and across companies. Meanwhile, the Group will address the adoption of IFRS in an appropriate manner, taking into account the relevant situations both in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	20,555	23,332
Notes and accounts receivable - trade, and contract assets	47,867	47,513
Electronically recorded monetary claims - operating	2,598	3,084
Merchandise and finished goods	28,086	22,827
Work in process	878	760
Raw materials and supplies	12,986	14,150
Other	6,417	5,744
Allowance for doubtful accounts	(759)	(775)
Total current assets	118,632	116,639
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,282	3,961
Machinery, equipment and vehicles, net	3,819	5,098
Land	5,956	5,548
Construction in progress	860	326
Other, net	1,075	1,171
Total property, plant and equipment	15,994	16,106
Intangible assets		
Goodwill	2,645	–
Software	1,170	1,385
Other	792	592
Total intangible assets	4,608	1,977
Investments and other assets		
Investment securities	11,598	11,883
Deferred tax assets	1,701	1,263
Retirement benefit asset	3,438	2,427
Other	2,104	2,166
Allowance for doubtful accounts	(95)	(248)
Total investments and other assets	18,748	17,492
Total non-current assets	39,351	35,576
Total assets	157,983	152,216

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,333	21,646
Electronically recorded obligations - operating	1,049	652
Short-term borrowings	16,294	12,742
Current portion of bonds payable	1,755	3,826
Accrued expenses	6,519	5,839
Income taxes payable	742	1,158
Provision for bonuses	853	967
Provision for bonuses for directors (and other officers)	41	32
Provision for environmental measures	–	809
Electronically recorded obligations - non-operating	173	63
Liabilities related to charged supply	1,192	1,241
Other	3,241	2,889
Total current liabilities	52,196	51,870
Non-current liabilities		
Bonds payable	4,381	1,505
Long-term borrowings	17,252	15,435
Deferred tax liabilities	1,133	446
Provision for retirement benefits for directors (and other officers)	71	84
Provision for share awards	134	161
Provision for environmental measures	–	927
Retirement benefit liability	1,003	937
Other	1,414	1,423
Total non-current liabilities	25,390	20,922
Total liabilities	77,587	72,792
Net assets		
Shareholders’ equity		
Share capital	14,939	14,939
Capital surplus	15,071	15,071
Retained earnings	45,561	46,420
Treasury shares	(1,887)	(2,026)
Total shareholders’ equity	73,685	74,405
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,297	1,421
Foreign currency translation adjustment	1,488	796
Remeasurements of defined benefit plans	1,596	665
Total accumulated other comprehensive income	4,382	2,883
Non-controlling interests	2,327	2,134
Total net assets	80,396	79,423
Total liabilities and net assets	157,983	152,216

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	103,033	99,966
Cost of sales	73,132	66,744
Gross profit	29,900	33,221
Selling, general and administrative expenses	22,462	24,645
Operating profit	7,438	8,576
Non-operating income		
Interest income	1,646	1,756
Dividend income	207	163
Share of profit of entities accounted for using equity method	404	508
Foreign exchange gains	273	–
Gain on valuation of derivatives	–	1,395
Rental income from real estate	99	105
Other	194	305
Total non-operating income	2,826	4,236
Non-operating expenses		
Interest expenses	2,862	2,649
Foreign exchange losses	–	2,936
Loss on valuation of derivatives	1,319	–
Other	149	140
Total non-operating expenses	4,331	5,726
Ordinary profit	5,932	7,086
Extraordinary income		
Gain on sale of non-current assets	15	2,129
Gain on sale of investment securities	4	13
Total extraordinary income	19	2,142
Extraordinary losses		
Loss on disposal of non-current assets	11	48
Impairment losses	–	2,328
Environmental expenses	15	1,984
Other	66	311
Total extraordinary losses	94	4,672
Profit before income taxes	5,858	4,556
Income taxes - current	620	2,161
Income taxes - deferred	624	(32)
Total income taxes	1,245	2,129
Profit	4,612	2,427
Profit (loss) attributable to non-controlling interests	(164)	71
Profit attributable to owners of parent	4,777	2,356

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	4,612	2,427
Other comprehensive income		
Valuation difference on available-for-sale securities	335	121
Foreign currency translation adjustment	3,108	(896)
Remeasurements of defined benefit plans, net of tax	(120)	(931)
Share of other comprehensive income of entities accounted for using equity method	671	(22)
Total other comprehensive income	3,995	(1,728)
Comprehensive income	8,607	698
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,471	856
Comprehensive income attributable to non-controlling interests	135	(157)

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,939	15,071	42,123	(1,907)	70,227
Changes during period					
Dividends of surplus			(1,339)		(1,339)
Profit attributable to owners of parent			4,777		4,777
Disposal of treasury shares				20	20
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,437	20	3,458
Balance at end of period	14,939	15,071	45,561	(1,887)	73,685

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	956	(1,985)	1,716	688	2,209	73,125
Changes during period						
Dividends of surplus						(1,339)
Profit attributable to owners of parent						4,777
Disposal of treasury shares						20
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	340	3,474	(120)	3,694	117	3,812
Total changes during period	340	3,474	(120)	3,694	117	7,270
Balance at end of period	1,297	1,488	1,596	4,382	2,327	80,396

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,939	15,071	45,561	(1,887)	73,685
Changes during period					
Dividends of surplus			(1,496)		(1,496)
Profit attributable to owners of parent			2,356		2,356
Disposal of treasury shares				13	13
Purchase of treasury shares				(152)	(152)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	859	(139)	720
Balance at end of period	14,939	15,071	46,420	(2,026)	74,405

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,297	1,488	1,596	4,382	2,327	80,396
Changes during period						
Dividends of surplus						(1,496)
Profit attributable to owners of parent						2,356
Disposal of treasury shares						13
Purchase of treasury shares						(152)
Net changes in items other than shareholders' equity	123	(691)	(931)	(1,499)	(193)	(1,693)
Total changes during period	123	(691)	(931)	(1,499)	(193)	(972)
Balance at end of period	1,421	796	665	2,883	2,134	79,423

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	5,858	4,556
Depreciation	1,871	2,041
Impairment losses	–	2,328
Amortization of goodwill	231	238
Increase (decrease) in provision for environmental measures	(18)	1,736
Interest and dividend income	(1,854)	(1,920)
Interest expenses	2,862	2,649
Share of loss (profit) of entities accounted for using equity method	(404)	(508)
Loss (gain) on sale of property, plant and equipment	(15)	(2,129)
Loss on retirement of property, plant and equipment	11	48
Decrease (increase) in trade receivables	(6,656)	(2,248)
Decrease (increase) in inventories	2,696	2,937
Increase (decrease) in trade payables	(1,923)	2,077
Other, net	(2,245)	471
Subtotal	413	12,280
Interest and dividends received	2,326	2,285
Interest paid	(2,437)	(3,404)
Income taxes paid	(646)	(1,792)
Income taxes refund	–	1,036
Net cash provided by (used in) operating activities	(344)	10,405
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,595)	(2,299)
Proceeds from sale of property, plant and equipment	14	2,491
Purchase of intangible assets	(543)	(814)
Purchase of investment securities	(66)	–
Proceeds from sale of investment securities	7	153
Purchase of shares of subsidiaries and associates	(2,621)	(45)
Payments into time deposits	(1,288)	(1,245)
Proceeds from withdrawal of time deposits	1,288	1,421
Loan advances	(64)	(39)
Other, net	60	22
Net cash provided by (used in) investing activities	(4,808)	(354)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6,152	(6,100)
Proceeds from long-term borrowings	9,343	3,617
Repayments of long-term borrowings	(4,062)	(2,328)
Proceeds from issuance of bonds	–	1,619
Redemption of bonds	–	(1,768)
Repayments of lease liabilities	(240)	(296)
Purchase of treasury shares	(0)	(152)
Dividends paid	(1,339)	(1,496)
Dividends paid to non-controlling interests	(17)	(35)
Net cash provided by (used in) financing activities	9,835	(6,940)
Effect of exchange rate change on cash and cash equivalents	214	(1,011)
Net increase (decrease) in cash and cash equivalents	4,897	2,098
Cash and cash equivalents at beginning of period	14,366	19,264
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	857
Cash and cash equivalents at end of period	19,264	22,219

(5) Notes to consolidated financial statements

(Going concern assumption)

Not applicable.

(Significant matters on the basis of preparation of consolidated financial statements)

1. Matters on the scope of consolidation
   (1) Number of consolidated subsidiaries: 10
   Names of consolidated subsidiaries
   Nichino Ryokka Co., Ltd.
   Nichino Service Co., Ltd.
   Nihon Ecotech Co., Ltd.
   AgriMart Corporation
   Nichino America, Inc.
   Taiwan Nihon Nohyaku Co., Ltd.
   Nichino India Pvt. Ltd.
   Sipcam Nichino Brasil S. A.
   Nichino Europe Co., Ltd.
   Nichino Vietnam Co., Ltd.
   Nichino Vietnam Co., Ltd., which was accounted for using the equity method in the previous consolidated fiscal year, has been included in the scope of consolidation from the consolidated fiscal year under review due to its increased materiality.
   (2) Names, etc. of major non-consolidated subsidiaries
   Nichino Do Brasil Agroquimicos Ltda.
   Nihon Nohyaku Andica S. A. S.
   Interagro (UK) Ltd.
   Reason for excluding from the scope of consolidation
   The non-consolidated subsidiaries above are excluded from the scope of consolidation as all of them are small-size entities and their total assets, net sales, net profit or loss (amount corresponding to equity) and retained earnings (amount corresponding to equity), etc. do not have a significant impact on the consolidated financial statements.

2. Matters on the application of the equity method
   (1) Number of non-consolidated subsidiaries accounted for using the equity method: 4
   Names of major companies, etc.
   Interagro (UK) Ltd.
   (2) Number of associates accounted for using the equity method: 3
   Names of the companies, etc.
   Agricultural Chemicals (Malaysia) Sdn. Bhd.
   Sipcam Europe S. p. A.
   Tama Kagaku Kogyo Co., Ltd.
   (3) Names of major entities among non-consolidated subsidiaries and associates not accounted for using the equity method
   Nichino Do Brasil Agroquimicos Ltda.
   Nihon Nohyaku Andica S. A. S.
   Reason for not applying the equity method
   The non-consolidated subsidiaries and associates not accounted for using the equity method would only have a minimal impact on the consolidated financial statements even if they are excluded from the scope of application of the equity method in view of their respective profit or loss (amount corresponding to equity) and their retained earnings (amount corresponding to equity), etc., and also, they are not regarded as material as a whole. Therefore, they are excluded from the scope of applying the equity method.
   (4) Matters of special note on procedures for applying the equity method

For companies with closing dates that are different from the consolidated closing date, the Company uses the financial statements for the fiscal year of such companies.

3. Matters on the fiscal year of consolidated subsidiaries

Among the consolidated subsidiaries, the closing date of Sipcam Nichino Brasil S. A. is December 31, and the Company uses the financial statements as of the closing date of the company when preparing the consolidated financial statements since the difference between the consolidated closing date and that of the overseas subsidiary is no more than three months. However, necessary adjustments for consolidation purposes are made when a significant transaction takes place before the consolidated closing date arrives. The closing dates of other consolidated subsidiaries fall on the same date as the consolidated closing date.

4. Matters on the accounting policy

(1) Valuation criteria and methods for significant assets

1) Securities

Available-for-sale securities

Securities other than stocks, etc. that do not have market price: Stated at fair value (with any valuation difference being directly credited into net assets in full, and the cost of securities sold being determined primarily using the moving average method)

Securities, etc. that do not have market price: Stated at cost by the moving average method

2) Inventories

Merchandise, finished goods, semi-finished goods, work in process, raw materials, supplies: Primarily stated at cost by the gross average method (with the carrying amount being written down in case of a decline in profitability)

(2) Depreciation method of significant depreciable assets

1) Property, plant and equipment (excluding leased assets)

The Company adopts the straight-line method, whereas the consolidated subsidiaries overseas adopt either the straight-line method or the declining-balance method depending on requirements of their local GAAP.
The consolidated subsidiaries in Japan adopt the declining-balance method.
However, the consolidated subsidiaries in Japan adopt the straight-line method for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and facilities attached to building and structures acquired on or after April 1, 2016.

The useful lives of major assets are as follows:

Building and structures:	10 to 60 years
Machinery:	4 to 20 years
Tools, furniture and fixtures:	3 to 15 years

Additionally, the items of property, plant and equipment acquired on or before March 31, 2007 are depreciated by straight-line method over a five-year period from the year following the year in which depreciation up to the depreciable amounts is completed.

2) Intangible assets (excluding leased assets)

The Company and the consolidated subsidiaries in Japan adopt the straight-line method, whereas the consolidated subsidiaries overseas adopt the straight-line method based upon requirements of the local GAAP.
However, the Company adopts the straight-line method to amortize software (for internal use) for the period available internally, which is five years.

3) Leased assets

Leased assets in finance leases under which ownership is transferred

The Group applies the same depreciation method applicable to non-current assets owned by the Company.

Leased assets in finance leases under which ownership is not transferred

The Group applies the straight-line method with the useful life being equal to the lease term and the residual value being zero.

Certain consolidated subsidiaries overseas prepare their financial statements under IFRS and therefore apply IFRS 16 *Leases* (hereinafter "IFRS 16"). IFRS 16 requires lessee to account for all leases as assets and liabilities on its balance sheet, in principle, and to depreciate the capitalized right-of-use assets using the straight-line method.

(3) Recognition criteria for significant provisions

1) Allowance for doubtful accounts

To provide for potential loss on uncollectible receivables, the Company and its consolidated subsidiaries recognize allowance for doubtful accounts. Allowance for general receivables is estimated based on the historical rate of default, whereas allowance for specific receivables whose recovery is doubtful is estimated by considering the likelihood of collectability on an individual basis.

2) Provision for bonuses

To provide for the payment of bonuses to employees, the Company and the consolidated subsidiaries recognize the estimated amount of bonuses to be incurred for the fiscal year under review.

3) Provision for bonuses for directors (and other officers)

To provide for the payment of bonuses to directors and other officers, the Company and certain consolidated subsidiaries recognize the estimated amount of bonuses commensurate with the operating performance for the fiscal year under review.

4) Provision for retirement benefits for directors (and other officers)

To provide for the payment of retirement benefits to directors and other officers, the consolidated subsidiaries in Japan recognize the amount required to be paid at the end of each fiscal year based on internal rules.

5) Provision for environmental measures

To provide for expenditures required for soil improvement associated with redevelopment of owned land, etc., the Company recognizes a reasonable estimated amount deemed necessary at the end of the consolidated fiscal year under review.

6) Provision for share awards

To provide for granting shares of the Company to directors, etc. pursuant to the Share Grant Regulations, the Company recognizes provision for share awards based upon the expected amount of the share-based renumeration obligation as of the end of the fiscal year under review.

(4) Accounting for retirement benefits

1) Method for imputing the estimated retirement benefit into the fiscal year

When calculating the retirement benefit obligation, the Company refers to the benefit calculation formula standard for the method of imputing the estimated amount of retirement benefits to the period not later than this fiscal year under review.

2) Method for expensing actuarial difference

To account for actuarial difference, the Company proportionally divides the difference applying the straight-line method over a certain number of years (13 years) that is no longer than the average remaining service period of the employees measured at the time of occurrence in each consolidated fiscal year, and expenses the cost from the consolidated fiscal year following each fiscal year of occurrence.

3) Applying the simplified method for small-scale entities, etc.

Some of the consolidated subsidiaries adopt the simplified method by which an amount to be required at year end for voluntary retirement is regarded as retirement benefit obligation for the calculation of retirement benefit liability and retirement benefit expenses.

(5) Recognition criteria for revenue and expenses

1) Agrochemicals business

The Company mainly manufactures and sells insecticides, fungicides, insect-fungicides, herbicides, and active ingredients of agrochemicals. Regarding the sales of these products, the Company deems that when finished goods are transferred to customers, the customers gain control of the finished goods and the performance obligation of sales of such finished goods is satisfied. However, the duration from the shipment of finished goods until the timing when control of the relevant finished goods is transferred to the customer is a normal period and therefore, the Company recognizes revenues as of the timing of shipment in the case of domestic sales, and as of the timing of shipment of cargo in the case of sales to overseas. Meanwhile, revenues of the agrochemicals business are calculated by deducting rebates, discounts and the estimated amount of returns, etc.

from the price designated by the contract and is recognized only to the extent that it is very highly probable that there will be no significant reversal.

2) Chemicals other than agrochemicals business
The Company mainly manufactures and sells wood preservative agents such as termiticides, etc., and pharmaceuticals such as topical antifungal drugs. Regarding the sales of these products, the Company deems that when finished goods are transferred to customers, the customers gain control of the finished goods and the performance obligation of sales of such finished goods is satisfied. However, the duration from the shipment of finished goods until the timing when control of the relevant finished goods is transferred to the customer is a normal period and therefore, the Company recognizes revenues as of the timing of shipment.

If the Company considers that the Company and its consolidated subsidiaries are acting as an agent in selling these finished goods, the Company recognizes revenues at the net amount after deducting the amount to be paid to the supplier of the goods from the total amount to be received from the customer. Additionally, with regard to charged supplying transactions that come under a repurchasing contract, the Company does not recognize the amount of consideration received from the customer as revenue.
Meanwhile, consideration from the sales contracts of finished goods or the purchase contracts of raw materials, etc. is recovered or paid mainly within a year from the time the goods are transferred to the customer or the time the Company or its consolidated subsidiaries receive the raw materials, etc. from the supplier, and does not include material financial elements. However, for some subsidiaries overseas, consideration may be recovered or paid more than a year later due to satisfaction of performance obligations. Therefore, the Company deems that the transaction price includes material financial elements and allocates the amount equivalent to the interest, which is a material financial element, to the amounts of profit or loss according to the period until the settlement date.

(6) Criteria for converting material foreign currency denominated assets and liabilities into Japanese yen
Monetary receivables and payables denominated in foreign currency are converted into Japanese yen in the spot exchange rate on the day of the consolidated closing date and the translation adjustments are recognized as amounts of profit or loss.

Meanwhile, assets and liabilities of subsidiaries overseas, etc. are converted into Japanese yen in the spot exchange rate on the day of the consolidated closing date while their revenue and expenses are converted into Japanese yen in the average exchange rate for the respective periods, and the translation adjustments are included into foreign currency translation adjustment and to the non-controlling interests in net assets.

(7) Significant hedge accounting methods

1) Method of hedge accounting
If interest rate swaps qualify for the exceptional accounting treatment (*tokurei shori*), the Company adopts this treatment.
Monetary receivables and payables denominated in foreign currency hedged by forward exchange contracts are accounted for using the designated hedge accounting treatment (*furiate shori*).

2) Hedging instruments and hedged items

Hedging instruments:	Interest rate swaps
	Forward exchange contracts
Hedged items:	Interest on borrowings
	Foreign currency denominated receivables and payables

3) Hedging policy
The Company enters into forward exchange contracts to hedge against the risk of exchange rate fluctuations in foreign currency transactions. The Company also entered into interest rate swap transactions to hedge against the risk of fluctuations in interest rates on borrowings. For foreign currency denominated receivables and payables, hedged items are identified on a contract-by-contract basis.

4) Method of evaluating hedging effectiveness
The Company does not judge the effectiveness of hedging because it adopts the exceptional accounting treatment (*tokurei shori*) for interest rate swaps and the designated hedge accounting treatment (*furiate shori*) for forward exchange contracts.

(8) Method for amortizing goodwill and the period of amortization
The Company sets a reasonable period of amortization within 20 years to amortize goodwill under the straight-line

method.

(9) The scope of funds in the consolidated statements of cash flows

Funds are comprised of cash on hand; demand deposits; and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with the maturity date arriving within 3 months from the date of acquisition.

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes)

The Company has applied the “Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter ‘Revised Accounting Standard 2022’)” and other accounting standards from the beginning of the consolidated fiscal year under review.

Revisions in the accounting classification of current income taxes (taxes on other comprehensive income) have been made in accordance with the transitional treatments stipulated in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatments stipulated in the proviso of Paragraph 65-2 (2) of the “Implementation Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter ‘Revised Guidance 2022.’)”

The Company has applied the Revised Guidance 2022 from the beginning of the consolidated fiscal year under review with respect to revisions regarding reviews on treatments in the consolidated financial statements in the case that gains or losses associated with sales of shares, etc. of subsidiaries among consolidated companies are deferred for tax purposes. The changes in accounting policies have been retrospectively applied and the consolidated financial statements for the previous fiscal year have been prepared after the retrospective application of the changes.

This has no impact on the consolidated financial statements.

(Additional information)

(Occurrence of a disputed incident)

A claim for damages was filed on October 10, 2023 against Sipcam Nichino Brasil S.A. (“SNB”), a consolidated subsidiary of the Company, which was served with the complaint on October 20, 2023. Details of the litigation are presented below.

1. Summary of the litigation

   On July 26, 2023, a heavily armed robbery took place at SNB, a consolidated subsidiary of the Company, during which products that SNB had been packaging in fulfillment of a contract with FMC QUÍMICA DO BRASIL LTDA. (“FMC”) were stolen. In response, FMC filed a claim for damages against SNB on October 10, 2023.

2. Details of the plaintiff

   (1) Name: FMC QUÍMICA DO BRASIL LTDA.

   (2) Address: Avenida Doutor José Bonifácio Coutinho Nogueira, No. 150, Commercial Complexes 103, 105, 107, 108 and 109, Jardim Madalena District, in the municipality of Campinas, State of São Paulo, CEP 13091-611

3. Amount of damages claimed (excluding delay damages)

   45 million reais

4. Future Outlook

   The Group has obtained an opinion from an external legal expert that the incident falls within the definition of force majeure. As there are significant differences in opinions regarding matters, including the interpretation of the scope of liabilities, we will carefully examine the contents of the complaint and take appropriate action. We will defend ourselves based on the opinion of the external legal expert mentioned above, among other things. It cannot be ruled out that the litigation may have an impact on our financial position and operating results depending on the progression of the litigation. Therefore, at this moment, it is difficult to reasonably estimate whether we will have to pay the damages and the amount of the impact they would have.

(Segment information, etc.)

[Segment information]

1. Summary of the reportable segments

The reportable segments of the Group are constituent units for which it is possible to obtain separate financial information and that are subject to a periodical review by the Board of Directors of the Company to decide the allocation of managerial resources and to evaluate the business performance.

The Group engages in its business activities by creating a comprehensive strategy for the domestic and overseas business operations for each of the segments categorized by product and service, namely, “agrochemicals business,” and “chemicals other than agrochemicals business.”

Therefore, the Group considers “agrochemicals business” and “chemicals other than agrochemicals business” as its reportable segments.

Agrochemicals business manufacturers and sells agrochemicals, and chemicals other than agrochemicals business manufactures and sells pharmaceuticals, wood preservative agents, etc.

2. Method of calculating net sales, profit (loss), assets, liabilities, and other items by reportable segment

Accounting methods of the reported business segments are approximately the same as those described in the “Significant matters on the basis of preparation of consolidated financial statements.”

Profit presented in the reportable segment is a figure based upon the operating profit.

Inter-segment revenue and transfers are based upon the market price.

3. Information on net sales, profit or loss, assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated statements of income (Note 3)
	Agrochemicals business	Chemicals other than agrochemicals business	Subtotal				
Net sales							
Net sales to outside customers	97,552	3,756	101,309	1,723	103,033	–	103,033
Inter-segment net sales or transfers	18	–	18	791	810	(810)	–
Total	97,571	3,756	101,328	2,515	103,843	(810)	103,033
Segment profit	7,160	889	8,050	331	8,382	(943)	7,438
Segment assets	140,295	3,050	143,345	2,089	145,435	12,548	157,983
Other items							
Depreciation (Note 4)	1,714	31	1,745	125	1,871	–	1,871
Amortization of goodwill	231	–	231	–	231	–	231
Investment in entities accounted for using equity method	8,621	–	8,621	–	8,621	–	8,621
Increase in property, plant and equipment, and intangible assets	2,319	33	2,352	42	2,395	–	2,395

(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. Amount of adjustment is as follows.
   The minus 943 million yen adjustment for segment profit includes minus 943 million yen in unallocated corporate expenses. Corporate expenses consist principally of general administrative expenses that are not attributable to reportable segments.
   The 12,548 million yen adjustment for segment assets is mainly surplus funds (cash and deposits) and long-term investment funds (investment securities), etc. of the Company.
3. Segment profit was adjusted based on operating profit reported on the consolidated financial statements.
4. Depreciation includes amortization of the long-term prepaid expenses.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated statements of income (Note 3)
	Agrochemicals business	Chemicals other than agrochemicals business	Subtotal				
Net sales							
Net sales to outside customers	94,571	3,520	98,092	1,874	99,966	－	99,966
Inter-segment net sales or transfers	9	0	9	736	746	(746)	－
Total	94,581	3,520	98,102	2,610	100,713	(746)	99,966
Segment profit	8,730	476	9,206	317	9,524	(947)	8,576
Segment assets	131,358	2,700	134,059	2,075	136,134	16,081	152,216
Other items							
Depreciation (Note 4)	1,895	26	1,922	119	2,041	－	2,041
Amortization of goodwill	238	－	238	－	238	－	238
Investment in entities accounted for using equity method	8,239	－	8,239	－	8,239	－	8,239
Increase in property, plant and equipment, and intangible assets	2,777	36	2,813	58	2,872	－	2,872

(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. Amount of adjustment is as follows.
   The minus 947 million yen adjustment for segment profit includes minus 947 million yen in unallocated corporate expenses. Corporate expenses consist principally of general administrative expenses that are not attributable to reportable segments.
   The 16,081 million yen adjustment for segment assets is mainly surplus funds (cash and deposits) and long-term investment funds (investment securities), etc. of the Company.
3. Segment profit was adjusted based on operating profit reported on the consolidated financial statements.
4. Depreciation includes amortization of the long-term prepaid expenses.

(Per share information)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	Yen 994.96	Yen 987.63
Earnings per share	Yen 60.89	Yen 30.06

(Notes) 1. Diluted earnings per share is not indicated since the company has no potentially dilutive shares.
2. The Company has introduced “Share Grant Trust,” a stock-based remuneration system utilizing a trust for Directors, etc. The Company’s shares owned by the trust account are included in the treasury shares excluded in the calculation of the average number of shares during the period for the purpose of calculating earnings per share. Furthermore, the Company’s shares owned by the trust account are included in the number of the treasury shares excluded from the total number of issued shares at the end of the period, for the purpose of calculating net asset per share. In calculating earnings per share, the treasury shares excluded from the average number of shares were 321,566 shares during the previous period, and 387,016 shares during the period under review. In calculating net asset per share, the treasury shares excluded from the number of shares at the end of the period were 309,090 shares in the previous period, and 514,982 shares in the period under review.
3. The basis for calculating the basic earnings per share is shown in the below.

(Millions of yen, unless otherwise indicated)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent	4,777	2,356
Amount not attributable to common shareholders	–	–
Profit attributable to common shareholders of parent	4,777	2,356
Average number of common shares during the period	78,451,314 shares	78,385,260 shares

(Significant subsequent events)

Not applicable

4. Other matters

For the matter concerning changes in officers, please refer to the “Announcement of Personnel Change” announced today.