

Summary of Consolidated Financial Results
for the Second Quarter Ended September 30, 2018(Unaudited)

October 30, 2018

English translation from the original Japanese-language document

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

Company name: Nihon Seiko Co., Ltd.
 URL: <http://www.nihonseiko.co.jp>
 Listed stock exchange: The second section of Tokyo Stock Exchange
 Securities Code: 5729
 Company Representative: Michifumi Watanabe, President & CEO
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1. Consolidated Financial Results for the Second Quarter Ended September 30, 2018 and 2017

(1) Operating Results (Rounded down to millions of Japanese Yen)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the Second quarter ended								
September 30, 2018	7,417	1.0	721	(12.9)	712	(12.9)	490	(16.2)
September 30, 2017	7,347	37.2	828	115.0	818	143.6	585	152.3

Note: Comprehensive income:

As of September 30, 2018: 487 million yen (22.6%) As of September 30, 2017: 630 million yen 189.6%

	EPS
For the Second quarter ended	Yen
September 30, 2018	201.13
September 30, 2017	239.89

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
As of	Millions of Yen	Millions of Yen	%
September 30, 2018	11,436	6,977	61.0
March 31, 2018	11,781	6,581	55.9

Note: Shareholders' equity As of September 30, 2018: 6,977 million yen As of March 31, 2018: 6,581 million yen

※The company applies ASBJ Statement No. 28, "Partial Amendments to Accounting Standard for Tax Effect Accounting" from FY2018. This accounting standard is retroactively applied to the amount of the financial position as of March 31, 2018.

2. Cash Dividends

	Cash Dividends per Share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
For the year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2018	-	7.50	-	37.50	-
March 31, 2019	-	37.50			
March 31, 2019(expected)			-	37.50	75.00

Note: Revision of outlook for dividends in the Second quarter : No

※The Company conducted a 1-for-5 reverse stock split of common shares with an effective date of October 1, 2017. The dividend at the end of the second quarter of the period ending March 2018 considering this reverse stock split was ¥37.50 per share and the total amount of dividends for the period ending March 2018 was ¥75.00 per share.

Consolidated quarterly balance sheets

(Thousands of Japanese yen)

	March 31,2018	September 30,2018
Assets		
Current assets		
Cash and deposits	2,597,981	2,127,683
Notes and accounts receivable-trade	2,353,533	2,422,456
Merchandise and finished goods	1,319,246	1,407,151
Work in process	246,288	220,300
Raw materials and supplies	873,465	956,936
Other	70,748	38,032
Allowance for doubtful accounts	(7,296)	(7,413)
Total current assets	7,453,967	7,165,147
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,390,113	1,364,955
Machinery, equipment and vehicles, net	759,455	648,750
Land	1,474,166	1,474,191
Other, net	266,722	338,412
Total property, plant and equipment	3,890,457	3,826,308
Intangible assets	42,242	46,782
Investments and other assets	394,676	398,476
Total non-current assets	4,327,376	4,271,567
Total assets	11,781,344	11,436,715
Liabilities		
Current liabilities		
Notes and accounts payable-trade	973,951	804,120
Electronically recorded obligations-operating	374,496	316,859
Short-term loans payable	1,640,500	1,594,500
Income taxes payable	309,077	215,604
Provision for bonuses	161,450	161,578
Other	626,334	364,862
Total current liabilities	4,085,809	3,457,525
Non-current liabilities		
Long-term loans payable	707,500	582,500
Net defined benefit liability	335,717	348,284
Asset retirement obligations	35,907	36,148
Other	35,179	35,052
Total non-current liabilities	1,114,304	1,001,985
Total liabilities	5,200,114	4,459,511
Net assets		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	5,094,036	5,493,460
Treasury shares	(152,376)	(152,599)
Total shareholders' equity	6,524,511	6,923,712
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	49,678	49,071
Foreign currency translation adjustment	7,040	4,419
Total accumulated other comprehensive income	56,718	53,490
Total net assets	6,581,230	6,977,203
Total liabilities and net assets	11,781,344	11,436,715

Consolidated quarterly statements of income

(Thousands of Japanese yen)

	2nd Quarter ended September 30,2017	2nd Quarter ended September 30,2018
Net sales	7,347,797	7,417,797
Cost of sales	6,037,162	6,200,340
Gross profit	1,310,635	1,217,457
Selling, general and administrative expenses	482,145	496,153
Operating profit	828,489	721,304
Non-operating income		
Dividend income	2,201	2,577
Foreign exchange gains	634	14,391
Other	8,813	11,865
Total non-operating income	11,648	28,834
Non-operating expenses		
Interest expenses	11,827	9,713
Care and maintenance costs of suspended mine	7,285	24,938
Other	2,857	2,714
Total non-operating expenses	21,970	37,366
Ordinary profit	818,168	712,772
Extraordinary income		
Gain on sales of investment securities	29,100	—
Total extraordinary income	29,100	—
Extraordinary losses		
Loss on retirement of non-current assets	1,110	2,169
Total extraordinary losses	1,110	2,169
Profit before income taxes	846,158	710,602
Income taxes-current	262,265	215,337
Income taxes-deferred	(1,871)	4,301
Total income taxes	260,394	219,638
Profit	585,764	490,964
Profit attributable to owners of parent	585,764	490,964

Consolidated quarterly statements of comprehensive income

(Thousands of Japanese yen)

	2nd Quarter ended September 30,2017	2nd Quarter ended September 30,2018
Profit	585,764	490,964
Other comprehensive income		
Valuation difference on available-for-sale securities	45,399	(606)
Foreign currency translation adjustment	(962)	(2,620)
Total other comprehensive income	44,437	(3,227)
Comprehensive income	630,201	487,736
Comprehensive income attributable to owners of parent	630,201	487,736

Segment Information

(1) For the six months ended September 30, 2017

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	3,895,208	3,441,050	7,336,259	11,537	7,347,797	-	7,347,797
Inter-segment	-	31,460	31,460	-	31,460	(31,460)	-
Total	3,895,208	3,472,511	7,367,720	11,537	7,379,257	(31,460)	7,347,797
Operating income	289,693	525,085	814,778	11,331	826,110	2,379	828,489

※ The above-mentioned "Others" category is a real estate lease business not included in the reportable segments.

(2) For the six months ended September 30, 2018

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	3,937,945	3,468,513	7,406,459	11,338	7,417,797	-	7,417,797
Inter-segment	-	24,468	24,468	-	24,468	(24,468)	-
Total	3,937,945	3,492,982	7,430,927	11,338	7,442,266	(24,468)	7,417,797
Operating income	220,577	478,295	698,873	11,108	709,981	11,322	721,304

※ The above-mentioned "Others" category is a real estate lease business not included in the reportable segments.