

Summary of Consolidated Financial Results  
for the Third Quarter Ended December 31, 2017(Unaudited)

February 2, 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 Third Quarter Ended December 31, 2017 and 2016

## (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 Third quarter ended								
December 31, 2017	10,928	31.4	1,184	75.0	1,168	75.9	827	82.0
December 31, 2016	8,318	(9.9)	677	33.5	664	32.8	455	41.6

Note: Comprehensive income:

As of December 31, 2017: 867 million yen 93.1% As of December 31, 2016: 449 million yen 41.0%

	EPS
For the Third quarter ended	Yen
December 31, 2017	339.10
December 31, 2016	186.29

※The Company conducted a 1-for-5 reverse stock split of common shares with an effective date of October 1, 2017. Earnings per share(EPS) has been calculated assuming the reverse stock split was conducted at the start of the previous fiscal year.

## (2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
As of			
December 31, 2017	11,592	6,466	55.8
March 31, 2017	10,716	5,754	53.7

Note: Shareholders' equity As of December 31, 2017: 6,466 million yen As of March 31, 2017: 5,754 million yen

## 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, 2017	-	5.00	-	5.00	10.00
March 31, 2018	-	7.50			
March 31, 2018(expected)			-	37.50	-

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

※The Company conducted a 1-for-5 reverse stock split of common shares with an effective date of October 1, 2017. The per share year-end cash dividend forecast for the fiscal year ending March 31, 2018 takes into account the impact of the reverse stock split, and the total for the annual dividend has been left blank. Excluding the impact of the reverse stock split, the year-end dividend forecast for the fiscal year ending March 31, 2018 is ¥7.50 per share and the annual dividend forecast is ¥15.00 per share.



## Consolidated quarterly balance sheets

(Thousands of Japanese yen)

	March 31,2017	December 31,2017
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,393,613	2,375,838
Notes and accounts receivable-trade	1,836,923	2,390,646
Merchandise and finished goods	1,027,819	1,342,387
Work in process	227,470	196,460
Raw materials and supplies	790,838	884,586
Other	143,313	116,534
Allowance for doubtful accounts	(5,645)	(7,640)
<b>Total current assets</b>	<b>6,414,333</b>	<b>7,298,813</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	1,448,823	1,408,524
Machinery, equipment and vehicles, net	697,429	759,246
Land	1,478,590	1,478,590
Other, net	203,351	233,246
<b>Total property, plant and equipment</b>	<b>3,828,194</b>	<b>3,879,609</b>
Intangible assets	45,673	43,411
Investments and other assets	428,735	370,354
<b>Total non-current assets</b>	<b>4,302,604</b>	<b>4,293,375</b>
<b>Total assets</b>	<b>10,716,938</b>	<b>11,592,189</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	924,271	970,506
Electronically recorded obligations-operating	335,338	360,374
Short-term loans payable	1,632,000	1,652,250
Income taxes payable	218,346	196,081
Provision for bonuses	134,141	75,181
Other	337,801	600,784
<b>Total current liabilities</b>	<b>3,581,899</b>	<b>3,855,178</b>
<b>Non-current liabilities</b>		
Long-term loans payable	938,000	822,500
Net defined benefit liability	328,931	338,094
Asset retirement obligations	35,680	36,033
Other	77,897	73,702
<b>Total non-current liabilities</b>	<b>1,380,509</b>	<b>1,270,330</b>
<b>Total liabilities</b>	<b>4,962,408</b>	<b>5,125,509</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	4,295,556	4,970,914
Treasury shares	(149,135)	(152,193)
<b>Total shareholders' equity</b>	<b>5,729,272</b>	<b>6,401,573</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	20,217	59,099
Foreign currency translation adjustment	5,038	6,006
<b>Total accumulated other comprehensive income</b>	<b>25,256</b>	<b>65,106</b>
<b>Total net assets</b>	<b>5,754,529</b>	<b>6,466,679</b>
<b>Total liabilities and net assets</b>	<b>10,716,938</b>	<b>11,592,189</b>

## Consolidated quarterly statements of income

(Thousands of Japanese yen)

	Nine months ended December 31,2016	Nine months ended December 31,2017
Net sales	8,318,986	10,928,654
Cost of sales	6,926,498	9,016,616
Gross profit	1,392,488	1,912,038
Selling, general and administrative expenses	715,289	727,139
Operating profit	677,199	1,184,898
Non-operating income		
Dividend income	2,268	2,937
Subsidy income	60	3,928
Other	14,816	9,063
Total non-operating income	17,144	15,928
Non-operating expenses		
Interest expenses	16,151	16,286
Care and maintenance costs of suspended mine	8,854	10,157
Other	5,005	5,539
Total non-operating expenses	30,011	31,983
Ordinary profit	664,331	1,168,843
Extraordinary income		
Gain on sales of non-current assets	2,999	—
Gain on sales of investment securities	—	29,100
Total extraordinary income	2,999	29,100
Extraordinary losses		
Loss on sales of non-current assets	21	—
Loss on retirement of non-current assets	1,084	3,622
Total extraordinary losses	1,106	3,622
Profit before income taxes	666,225	1,194,320
Income taxes-current	181,686	354,566
Income taxes-deferred	29,522	11,784
Total income taxes	211,209	366,351
Profit	455,015	827,969
Profit attributable to owners of parent	455,015	827,969

## Consolidated quarterly statements of comprehensive income

(Thousands of Japanese yen)

	Nine months ended December 31,2016	Nine months ended December 31,2017
Profit	455,015	827,969
Other comprehensive income		
Valuation difference on available-for-sale securities	6,364	38,882
Foreign currency translation adjustment	(12,053)	967
Total other comprehensive income	(5,688)	39,849
Comprehensive income	449,327	867,819
Comprehensive income attributable to owners of parent	449,327	867,819

## Segment Information

(1) For the six months ended December 31, 2016

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	4,126,719	4,174,938	8,301,657	17,328	8,318,986	–	8,318,986
Inter-segment	99	37,185	37,285	–	37,285	(37,285)	–
Total	4,126,819	4,212,123	8,338,943	17,328	8,356,271	(37,285)	8,318,986
Operating income	104,516	551,081	655,598	17,066	672,664	4,534	677,199

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

(2) For the six months ended December 31, 2017

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	5,804,301	5,107,053	10,911,355	17,299	10,928,654	–	10,928,654
Inter-segment	–	43,043	43,043	–	43,043	(43,043)	–
Total	5,804,301	5,150,097	10,954,398	17,299	10,971,697	(43,043)	10,928,654
Operating income	415,410	748,895	1,164,305	16,992	1,181,298	3,599	1,184,898

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