

Summary of Consolidated Financial Results  
for the First Quarter Ended June 30, 2016(Unaudited)

August 2, 2016

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 First Quarter Ended June 30, 2016 and 2015

(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 First quarter ended								
June 30, 2016	2,705	(19.3)	184	(28.4)	152	(41.2)	105	(38.1)
June 30, 2015	3,352	(1.1)	257	6.4	258	13.8	170	16.7

Note: Comprehensive income:

As of June 30, 2016: 96 million yen (44.9%)

As of June 30, 2015: 175 million yen 18.6%

	EPS
For the First quarter ended	Yen
June 30, 2016	8.63
June 30, 2015	13.94

## (2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
As of	Millions of Yen	Millions of Yen	%
June 30, 2016	10,145	5,248	51.7
March 31, 2016	10,257	5,213	50.8

Note: Shareholders' equity As of June 30, 2016: 5,248 million yen As of March 31, 2016: 5,213 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, 2016	-	5.00	-	5.00	10.00
March 31, 2017	-				
March 31, 2017(expected)		5.00	-	5.00	10.00

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

## 3. Consolidated Earnings Forecast for the Year Ending March 2017(April 1, 2016 ~ March 31, 2017):

(%: Change from the previous fiscal half year for First half 2016)

(%: Change from the previous fiscal year for Year ending March 31,2017)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the year ending March 31, 2017									
First half 2016	4,900	(24.3)	240	(46.4)	220	(49.6)	150	(46.9)	12.28
Full year	10,000	(15.2)	540	1.4	520	2.9	350	11.8	28.66

Note: Revision of outlook for fiscal 2016 consolidated earnings results in the first quarter : No

4. Others

- (1) Changes in major subsidiaries during the fiscal year (changes in specified subsidiaries accompanying changes in scope of consolidation). : No
- (2) Application of special accounting for preparing quarterly consolidated financial statements : No
- (3) Changes in accounting policies, accounting estimates and retrospective restatements in the consolidated financial statements
1. Changes due to amendment of accounting standards : Yes
  2. Changes due to other reasons : No
  3. Changes in accounting estimates : No
  4. Retrospective restatements : No
- (4) Number of outstanding shares at the end of the period:
1. Number of outstanding shares at the end of the period:
 

As of June 30, 2016: 13,029,500	As of March 31, 2016: 13,029,500
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  2. Number of treasury shares at the end of the period:
 

As of June 30, 2016: 816,871	As of March 31, 2016: 816,772
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  3. Average number of outstanding shares during period:
 

For the 1st Quarter ending March 31, 2017: 12,212,702	For the 1st Quarter ended March 31, 2016: 12,214,288
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Note concerning the Appropriate Use of Forecast

The aforementioned forecasts are based on certain assumptions that Company has deemed relevant and appropriate as of the date of publication.

Actual results may differ materially from the forecast due to many factors.

## Consolidated quarterly balance sheets

(Thousands of Japanese yen)

	March 31,2016	June 30,2016
<b>Assets</b>		
Current assets		
Cash and deposits	2,563,260	2,399,433
Notes and accounts receivable–trade	1,465,015	1,643,822
Merchandise and finished goods	1,037,012	918,339
Work in process	194,650	202,209
Raw materials and supplies	512,114	517,753
Other	130,246	187,603
Allowance for doubtful accounts	(4,442)	(4,820)
Total current assets	5,897,856	5,864,341
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,534,334	1,509,532
Machinery, equipment and vehicles, net	751,712	698,014
Land	1,478,590	1,478,590
Other, net	121,515	138,160
Total property, plant and equipment	3,886,153	3,824,297
Intangible assets	52,279	49,482
Investments and other assets	421,312	407,001
Total non-current assets	4,359,745	4,280,782
Deferred assets	77	–
Total assets	10,257,680	10,145,124
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	618,375	641,618
Electronically recorded obligations–operating	290,612	359,509
Short-term loans payable	2,082,000	1,892,000
Income taxes payable	83,257	59,747
Provision for bonuses	103,783	49,777
Other	474,486	475,461
Total current liabilities	3,652,515	3,478,113
Non-current liabilities		
Long-term loans payable	960,000	1,005,750
Net defined benefit liability	312,755	293,321
Asset retirement obligations	35,571	35,623
Other	83,393	83,327
Total non-current liabilities	1,391,720	1,418,022
Total liabilities	5,044,235	4,896,136
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	3,772,716	3,817,041
Treasury shares	(148,476)	(148,509)
Total shareholders' equity	5,207,092	5,251,384
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(4,702)	(9,838)
Foreign currency translation adjustment	11,054	7,442
Total accumulated other comprehensive income	6,352	(2,396)
Total net assets	5,213,444	5,248,987
Total liabilities and net assets	10,257,680	10,145,124

## Consolidated quarterly statements of income

(Thousands of Japanese yen)

	1st Quarter ended June 30,2015	1st Quarter ended June 30,2016
Net sales	3,352,671	2,705,235
Cost of sales	2,867,345	2,278,022
Gross profit	485,326	427,212
Selling, general and administrative expenses	227,449	242,576
Operating income	257,876	184,636
Non-operating income		
Dividend income	1,587	1,654
Foreign exchange gains	8,344	—
Other	2,157	1,330
Total non-operating income	12,088	2,984
Non-operating expenses		
Interest expenses	7,778	5,242
Foreign exchange losses	—	25,434
Other	3,411	4,903
Total non-operating expenses	11,189	35,580
Ordinary income	258,775	152,041
Extraordinary losses		
Loss on retirement of non-current assets	946	89
Total extraordinary losses	946	89
Profit before income taxes	257,828	151,951
Income taxes-current	86,506	48,908
Income taxes-deferred	1,029	(2,345)
Total income taxes	87,535	46,562
Profit	170,292	105,389
Profit attributable to owners of parent	170,292	105,389

## Consolidated quarterly statements of comprehensive income

(Thousands of Japanese yen)

	1st Quarter ended June 30,2015	1st Quarter ended June 30,2016
Profit	170,292	105,389
Other comprehensive income		
Valuation difference on available-for-sale securities	4,987	(5,136)
Foreign currency translation adjustment	33	(3,612)
Total other comprehensive income	5,021	(8,748)
Comprehensive income	175,314	96,640
Comprehensive income attributable to owners of parent	175,314	96,640

## Segment Information

(1) For the first quarter ended June 30, 2015

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	1,843,161	1,503,972	3,347,133	5,537	3,352,671	-	3,352,671
Inter-segment	-	10,755	10,755	-	10,755	(10,755)	-
Total	1,843,161	1,514,727	3,357,889	5,537	3,363,427	(10,755)	3,352,671
Operating income	37,522	212,512	250,035	5,315	255,350	2,526	257,876

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

(2) For the first quarter ended June 30, 2016

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	1,346,838	1,352,695	2,699,534	5,701	2,705,235	-	2,705,235
Inter-segment	99	10,920	11,020	-	11,020	(11,020)	-
Total	1,346,938	1,363,616	2,710,555	5,701	2,716,256	(11,020)	2,705,235
Operating income	(24,881)	201,727	176,846	5,292	182,139	2,497	184,636

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