

Summary of Consolidated Financial Results  
for the Third Quarter Ended December 31, 2016(Unaudited)

February 3, 2017

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, 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 Third quarter ended								
December 31, 2016	8,318	(9.9)	677	33.5	664	32.8	455	41.6
December 31, 2015	9,235	(4.9)	507	(26.8)	500	(29.7)	321	(28.7)

Note: Comprehensive income:

As of December 31, 2016: 449 million yen 41.0% As of December 31, 2015: 318 million yen (31.6)%

	EPS
For the Third quarter ended	Yen
December 31, 2016	37.26
December 31, 2015	26.31

## (2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
As of	Millions of Yen	Millions of Yen	%
December 31, 2016	10,399	5,540	53.3
March 31, 2016	10,257	5,213	50.8

Note: Shareholders' equity As of December 31, 2016: 5,540 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	-	5.00	-		
March 31, 2017(expected)				5.00	10.00

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

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

(%: 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
For the year ending March 31, 2017	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen
Full year	10,500 (11.0)	630 18.3	590 16.7	400 27.8	32.75

Note: Revision of outlook for fiscal 2016 consolidated earnings results in the Third 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 December 31, 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 December 31, 2016: 817,839	As of March 31, 2016: 816,772
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  3. Average number of outstanding shares during period:
 

For the 3rd Quarter ending March 31, 2017: 12,212,372	For the 3rd Quarter ended March 31, 2016: 12,213,506
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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	December 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	2,563,260	2,229,184
Notes and accounts receivable—trade	1,465,015	1,737,871
Merchandise and finished goods	1,037,012	978,357
Work in process	194,650	271,998
Raw materials and supplies	512,114	733,778
Other	130,246	112,907
Allowance for doubtful accounts	(4,442)	(5,288)
Total current assets	5,897,856	6,058,810
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,534,334	1,469,862
Machinery, equipment and vehicles, net	751,712	762,283
Land	1,478,590	1,478,590
Other, net	121,515	169,198
Total property, plant and equipment	3,886,153	3,879,934
Intangible assets	52,279	47,953
Investments and other assets	421,312	412,765
Total non-current assets	4,359,745	4,340,654
Deferred assets	77	—
Total assets	10,257,680	10,399,464
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	618,375	799,840
Electronically recorded obligations—operating	290,612	275,551
Short-term loans payable	2,082,000	1,762,000
Income taxes payable	83,257	94,933
Provision for bonuses	103,783	51,601
Other	474,486	488,067
Total current liabilities	3,652,515	3,471,994
Non-current liabilities		
Long-term loans payable	960,000	954,750
Net defined benefit liability	312,755	316,385
Asset retirement obligations	35,571	35,833
Other	83,393	80,257
Total non-current liabilities	1,391,720	1,387,227
Total liabilities	5,044,235	4,859,221
<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	4,105,607
Treasury shares	(148,476)	(148,880)
Total shareholders' equity	5,207,092	5,539,579
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(4,702)	1,662
Foreign currency translation adjustment	11,054	(998)
Total accumulated other comprehensive income	6,352	663
Total net assets	5,213,444	5,540,243
Total liabilities and net assets	10,257,680	10,399,464

## Consolidated quarterly statements of income

(Thousands of Japanese yen)

	Nine months ended December 31,2015	Nine months ended December 31,2016
Net sales	9,235,690	8,318,986
Cost of sales	8,030,891	6,926,498
Gross profit	1,204,798	1,392,488
Selling, general and administrative expenses	697,380	715,289
Operating income	507,417	677,199
Non-operating income		
Dividend income	2,118	2,268
Foreign exchange gains	1,528	5,121
Subsidy income	16,710	60
Insurance premiums refunded cancellation	3,560	4,570
Other	4,938	5,124
Total non-operating income	28,855	17,144
Non-operating expenses		
Interest expenses	23,794	16,151
Care and maintenance costs of suspended mine	6,509	8,854
Other	5,688	5,005
Total non-operating expenses	35,992	30,011
Ordinary income	500,280	664,331
Extraordinary income		
Gain on sales of non-current assets	—	2,999
Total extraordinary income	—	2,999
Extraordinary losses		
Loss on sales of non-current assets	—	21
Loss on retirement of non-current assets	6,170	1,084
Total extraordinary losses	6,170	1,106
Profit before income taxes	494,109	666,225
Income taxes-current	145,737	181,686
Income taxes-deferred	27,048	29,522
Total income taxes	172,785	211,209
Profit	321,324	455,015
Profit attributable to owners of parent	321,324	455,015

## Consolidated quarterly statements of comprehensive income

(Thousands of Japanese yen)

	Nine months ended December 31,2015	Nine months ended December 31,2016
Profit	321,324	455,015
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,077)	6,364
Foreign currency translation adjustment	(1,575)	(12,053)
Total other comprehensive income	(2,653)	(5,688)
Comprehensive income	318,671	449,327
Comprehensive income attributable to owners of parent	318,671	449,327

## Segment Information

(1) For the nine months ended December 31, 2015

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	4,999,292	4,222,322	9,221,615	14,074	9,235,690	-	9,235,690
Inter-segment	-	28,123	28,123	-	28,123	(28,123)	-
Total	4,999,292	4,250,446	9,249,739	14,074	9,263,813	(28,123)	9,235,690
Operating income	32,127	454,734	486,861	13,376	500,238	7,179	507,417

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

(2) For the nine 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.