

Summary of Consolidated Financial Results  
for the Second Quarter Ended September 30, 2016(Unaudited)

November 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 Second Quarter Ended September 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 Second quarter ended								
September 30, 2016	5,357	(17.2)	385	(14.0)	335	(23.0)	232	(17.9)
September 30, 2015	6,469	(1.4)	447	(2.9)	436	(4.1)	282	(2.0)

Note: Comprehensive income:

As of September 30, 2016: 217 million yen (22.4)% As of September 30, 2015: 280 million yen (4.6)%

	EPS
For the Second quarter ended	Yen
September 30, 2016	19.01
September 30, 2015	23.14

## (2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
As of	Millions of Yen	Millions of Yen	%
September 30, 2016	10,303	5,369	52.1
March 31, 2016	10,257	5,213	50.8

Note: Shareholders' equity As of September 30, 2016: 5,369 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 Second 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 Second quarter : Yes

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 September 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 September 30, 2016: 817,388	As of March 31, 2016: 816,772
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  3. Average number of outstanding shares during period:
 

For the 2nd Quarter ending March 31, 2017: 12,212,593	For the 2nd Quarter ended March 31, 2016: 12,213,801
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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	September 30,2016
<b>Assets</b>		
Current assets		
Cash and deposits	2,563,260	2,504,966
Notes and accounts receivable-trade	1,465,015	1,613,908
Merchandise and finished goods	1,037,012	902,375
Work in process	194,650	202,415
Raw materials and supplies	512,114	651,019
Other	130,246	95,832
Allowance for doubtful accounts	(4,442)	(4,932)
Total current assets	5,897,856	5,965,584
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,534,334	1,485,489
Machinery, equipment and vehicles, net	751,712	764,396
Land	1,478,590	1,478,590
Other, net	121,515	148,658
Total property, plant and equipment	3,886,153	3,877,135
Intangible assets	52,279	48,731
Investments and other assets	421,312	411,911
Total non-current assets	4,359,745	4,337,778
Deferred assets	77	—
Total assets	10,257,680	10,303,363
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	618,375	850,218
Electronically recorded obligations-operating	290,612	293,172
Short-term loans payable	2,082,000	1,792,000
Income taxes payable	83,257	123,994
Provision for bonuses	103,783	96,497
Other	474,486	367,365
Total current liabilities	3,652,515	3,523,247
Non-current liabilities		
Long-term loans payable	960,000	989,000
Net defined benefit liability	312,755	303,473
Asset retirement obligations	35,571	35,725
Other	83,393	82,176
Total non-current liabilities	1,391,720	1,410,375
Total liabilities	5,044,235	4,933,623
<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	3,943,792
Treasury shares	(148,476)	(148,704)
Total shareholders' equity	5,207,092	5,377,940
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(4,702)	(8,616)
Foreign currency translation adjustment	11,054	416
Total accumulated other comprehensive income	6,352	(8,200)
Total net assets	5,213,444	5,369,739
Total liabilities and net assets	10,257,680	10,303,363

## Consolidated quarterly statements of income

(Thousands of Japanese yen)

	Six months ended September 30,2015	Six months ended September 30,2016
Net sales	6,469,507	5,357,277
Cost of sales	5,559,026	4,496,833
Gross profit	910,481	860,443
Selling, general and administrative expenses	462,645	475,132
Operating income	447,835	385,311
Non-operating income		
Dividend income	1,587	1,654
Foreign exchange gains	4,300	—
Other	6,358	3,304
Total non-operating income	12,245	4,958
Non-operating expenses		
Interest expenses	16,393	11,654
Foreign exchange losses	—	32,518
Other	7,282	10,265
Total non-operating expenses	23,676	54,438
Ordinary income	436,405	335,831
Extraordinary income		
Gain on sales of non-current assets	—	2,999
Total extraordinary income	—	2,999
Extraordinary losses		
Loss on retirement of non-current assets	5,880	545
Total extraordinary losses	5,880	545
Profit before income taxes	430,524	338,285
Income taxes-current	142,691	108,096
Income taxes-deferred	5,232	(1,951)
Total income taxes	147,924	106,145
Profit	282,599	232,139
Profit attributable to owners of parent	282,599	232,139

## Consolidated quarterly statements of comprehensive income

(Thousands of Japanese yen)

	Six months ended September 30,2015	Six months ended September 30,2016
Profit	282,599	232,139
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,682)	(3,914)
Foreign currency translation adjustment	1,517	(10,637)
Total other comprehensive income	(2,165)	(14,552)
Comprehensive income	280,434	217,587
Comprehensive income attributable to owners of parent	280,434	217,587

## Segment Information

(1) For the six months ended September 30, 2015

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	3,428,624	3,030,941	6,459,565	9,942	6,469,507	-	6,469,507
Inter-segment	-	19,604	19,604	-	19,604	(19,604)	-
Total	3,428,624	3,050,545	6,479,170	9,942	6,489,112	(19,604)	6,469,507
Operating income	71,415	362,073	433,489	9,463	442,952	4,882	447,835

※ 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, 2016

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	2,637,069	2,708,634	5,345,704	11,572	5,357,277	-	5,357,277
Inter-segment	99	24,443	24,543	-	24,543	(24,543)	-
Total	2,637,169	2,733,078	5,370,247	11,572	5,381,820	(24,543)	5,357,277
Operating income	17,929	352,471	370,400	11,389	381,790	3,520	385,311

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