

Summary of Consolidated Financial Results
for the Third Quarter Ended December 31, 2015(Unaudited)

February 3, 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: Masanori Kishima, President & CEO
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1. Consolidated Financial Results for the Third Quarter Ended December 31, 2015 and 2014

(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, 2015	9,235	(4.9)	507	(26.8)	500	(29.7)	321	(28.7)
December 31, 2014	9,709	7.9	692	25.4	712	31.2	450	36.7

Note: Comprehensive income:

As of December 31, 2015: 318 million yen (31.6)% As of December 31, 2014: 465 million yen 37.5%

	EPS
For the Third quarter ended	Yen
December 31, 2015	26.31
December 31, 2014	36.88

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
As of	Millions of Yen	Millions of Yen	%
December 31, 2015	10,543	5,228	49.6
March 31, 2015	11,053	5,057	45.8

Note: Shareholders' equity As of December 31, 2015: 5,228 million yen As of March 31, 2015: 5,057 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, 2015	-	5.00	-	7.00	12.00
March 31, 2016	-	5.00			
March 31, 2016(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 2016(April 1, 2015 ~ March 31, 2016):

(%: Change from the previous fiscal year for Year ending March 31, 2016)

	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, 2016									
Full year	12,700	(3.6)	660	(31.9)	640	(34.3)	400	(33.7)	32.75

Note: Revision of outlook for fiscal 2015 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, 2015: 13,029,500	As of March 31, 2015: 13,029,500
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 2. Number of treasury shares at the end of the period:

As of December 31, 2015: 816,772	As of March 31, 2015: 815,030
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 3. Average number of outstanding shares during period:

For the 3rd Quarter ending March 31, 2016: 12,213,506	For the 3rd Quarter ended March 31, 2015: 12,215,212
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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, 2015	December 31, 2015
Assets		
Current assets		
Cash and deposits	2,380,841	2,462,577
Notes and accounts receivable—trade	1,927,010	1,816,215
Merchandise and finished goods	1,342,062	1,284,129
Work in process	215,462	149,769
Raw materials and supplies	1,028,701	665,016
Other	107,784	86,005
Allowance for doubtful accounts	(6,309)	(5,828)
Total current assets	6,995,551	6,457,884
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,184,763	1,249,208
Machinery, equipment and vehicles, net	832,878	733,163
Land	1,478,590	1,478,590
Other, net	84,486	161,527
Total property, plant and equipment	3,580,719	3,622,490
Intangible assets	60,053	55,134
Investments and other assets	415,491	407,389
Total non-current assets	4,056,264	4,085,013
Deferred assets	1,508	375
Total assets	11,053,325	10,543,273
Liabilities		
Current liabilities		
Notes and accounts payable—trade	814,736	588,953
Electronically recorded obligations—operating	402,099	283,497
Short-term loans payable	1,873,500	2,092,000
Income taxes payable	239,525	27,765
Provision for bonuses	115,149	48,246
Other	652,158	648,840
Total current liabilities	4,097,169	3,689,301
Non-current liabilities		
Bonds payable	18,000	—
Long-term loans payable	1,444,500	1,196,750
Net defined benefit liability	313,759	306,914
Asset retirement obligations	35,220	35,458
Other	87,387	86,098
Total non-current liabilities	1,898,868	1,625,222
Total liabilities	5,996,037	5,314,524
Net assets		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	3,606,284	3,781,041
Treasury shares	(147,832)	(148,476)
Total shareholders' equity	5,041,303	5,215,417
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,126	48
Foreign currency translation adjustment	14,857	13,282
Total accumulated other comprehensive income	15,984	13,331
Total net assets	5,057,287	5,228,749
Total liabilities and net assets	11,053,325	10,543,273

Consolidated quarterly statements of income

(Thousands of Japanese yen)

	Nine months ended December 31,2014	Nine months ended December 31,2015
Net sales	9,709,610	9,235,690
Cost of sales	8,347,355	8,030,891
Gross profit	1,362,254	1,204,798
Selling, general and administrative expenses	669,452	697,380
Operating income	692,801	507,417
Non-operating income		
Dividend income	2,372	2,118
Foreign exchange gains	24,390	1,528
Subsidy income	19,600	16,710
Other	14,653	8,498
Total non-operating income	61,016	28,855
Non-operating expenses		
Interest expenses	29,718	23,794
Other	12,037	12,197
Total non-operating expenses	41,755	35,992
Ordinary income	712,062	500,280
Extraordinary income		
Gain on sales of non-current assets	241	—
Total extraordinary income	241	—
Extraordinary losses		
Loss on retirement of non-current assets	426	6,170
Total extraordinary losses	426	6,170
Income before income taxes and minority interests	711,878	494,109
Income taxes-current	242,728	145,737
Income taxes-deferred	18,673	27,048
Total income taxes	261,401	172,785
Profit	450,476	321,324
Profit attributable to owners of parent	450,476	321,324

Consolidated quarterly statements of comprehensive income

(Thousands of Japanese yen)

	Nine months ended December 31,2014	Nine months ended December 31,2015
Profit	450,476	321,324
Other comprehensive income		
Valuation difference on available-for-sale securities	7,633	(1,077)
Foreign currency translation adjustment	7,618	(1,575)
Total other comprehensive income	15,251	(2,653)
Comprehensive income	465,727	318,671
Comprehensive income attributable to :		
owners of parent	465,727	318,671

Segment Information

(1) For the nine months ended December 31, 2014

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	5,371,456	4,321,534	9,692,990	16,619	9,709,610	-	9,709,610
Inter-segment	-	31,522	31,522	-	31,522	(31,522)	-
Total	5,371,456	4,353,056	9,724,513	16,619	9,741,132	(31,522)	9,709,610
Operating income	206,381	459,741	666,123	15,975	682,099	10,702	692,801

※ 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, 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.