

Summary of Consolidated Financial Results
for the Year Ended March 31, 2015(Unaudited)

May 15, 2015

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 Years Ended March 31,2015 and 2014

(1) Operating Results (Rounded down to millions of Japanese Yen)
 (%: Changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the years ended								
March 31,2015	13,167	9.2	969	44.2	973	48.9	603	52.3
March 31,2014	12,054	3.3	672	5.4	653	5.0	396	2.8

Note: Comprehensive income:

Fiscal year ended March 31, 2015: 625 million yen 55.2% Fiscal year ended March 31, 2014: 402 million yen 3.2%

	EPS	Return on equity	Recurring profit to total assets ratio	Operating income to net sales ratio
	Yen	%	%	%
For the years ended				
March 31,2015	49.38	12.5	9.0	7.4
March 31,2014	32.41	9.0	6.2	5.6

Note: Equity in earnings of unconsolidated subsidiaries and affiliate during the period:

Fiscal year ended March 31, 2015: – million yen Fiscal year ended March 31, 2014: – million yen

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of Yen	Millions of Yen	%	Yen
As of				
March 31,2015	11,053	5,057	45.8	414.04
March 31,2014	10,685	4,562	42.7	373.46

Note: Shareholders' equity As of March 31, 2015: 5,057 million yen As of March 31,2014: 4,562 million yen

(3) Statements of Cash Flows

	Operating activities	Investing activities	Financing activities	Cash & cash equivalents at the end of the period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For the years ended				
March 31,2015	602	(312)	(473)	2,380
March 31,2014	1,370	(627)	(318)	2,465

2. Cash dividends

	Cash dividends per share					Total amount of cash dividends (Annual)	Payout ratio (Consolidated)	Cash dividends to net assets ratio (consolidated)
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual			
For the years ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31,2014	—	5.00	—	5.00	10.00	122	30.9	2.8
March 31,2015	—	5.00	—	7.00	12.00	146	24.3	3.0
March 31,2016 (expected)	—	5.00	—	5.00	10.00		20.0	

3. Consolidated Earnings Forecast for the Year Ending March 2016(April 1,2015 ~ March 31, 2016):

(%: Change from the previous fiscal half year for First half 2015)

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

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First half 2015	6,900	5.2	500	8.4	480	5.5	300	4.1	24.56
Year ending March 31,2016	13,900	5.6	1,000	3.2	980	0.6	610	1.1	49.94

4. Others

(1) Changes in major subsidiaries during the fiscal year ended March 31,2015 : No

(2) Changes in accounting policies, accounting estimates and retrospective restatements in the consolidated financial statements

1. Changes due to amendment of accounting standards : No

2. Changes due to other reasons : No

3. Changes in accounting estimates : No

4. Retrospective restatements : No

(3) Number of outstanding shares at the end of the period

1. Number of outstanding shares at the end of the period:

As of March 31, 2015: 13,029,500 As of March 31, 2014: 13,029,500

2. Number of treasury shares at the end of the period:

As of March 31, 2015: 815,030 As of March 31, 2014: 813,368

3. Average number of outstanding shares during period:

As of March 31, 2015: 12,215,033 As of March 31, 2014: 12,217,297

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 balance sheets

(Thousands of Japanese yen)

	March 31,2014	March 31,2015
Assets		
Current assets		
Cash and deposits	2,465,032	2,380,841
Notes and accounts receivable-trade	1,810,231	1,927,010
Merchandise and finished goods	1,208,028	1,342,062
Work in process	185,574	215,462
Raw materials and supplies	642,561	1,028,701
Deferred tax assets	46,117	61,926
Other	33,389	45,857
Allowance for doubtful accounts	(5,775)	(6,309)
Total current assets	6,385,160	6,995,551
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,313,409	3,323,401
Accumulated depreciation	(2,045,634)	(2,138,637)
Buildings and structures, net	1,267,774	1,184,763
Machinery, equipment and vehicles	5,020,732	5,194,177
Accumulated depreciation	(4,083,569)	(4,361,299)
Machinery, equipment and vehicles, net	937,163	832,878
Tools, furniture and fixtures	417,965	440,273
Accumulated depreciation	(384,672)	(397,778)
Tools, furniture and fixtures, net	33,293	42,495
Land	1,478,590	1,478,590
Construction in progress	33,498	41,991
Total property, plant and equipment	3,750,321	3,580,719
Intangible assets		
Other	59,452	60,053
Total intangible assets	59,452	60,053
Investments and other assets		
Investment securities	191,575	203,024
Deferred tax assets	83,879	63,627
Net defined benefit asset	5,158	33,537
Other	206,719	115,302
Total investments and other assets	487,332	415,491
Total non-current assets	4,297,106	4,056,264
Deferred assets		
Bond issuance cost	3,016	1,508
Total deferred assets	3,016	1,508
Total assets	10,685,283	11,053,325

Consolidated balance sheets

(Thousands of Japanese yen)

	March 31,2014	March 31,2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,146,542	814,736
Electronically recorded obligations – operating	–	402,099
Short-term loans payable	1,841,900	1,873,500
Accounts payable-other	81,358	200,862
Income taxes payable	152,620	239,525
Provision for bonuses	89,114	115,149
Provision for directors' bonuses	8,786	13,620
Other	303,976	437,676
Total current liabilities	3,624,298	4,097,169
Non-current liabilities		
Bonds payable	246,000	18,000
Long-term loans payable	1,798,000	1,444,500
Deferred tax liabilities	55,830	54,073
Net defined benefit liability	313,730	313,759
Asset retirement obligations	34,826	35,220
Other	50,311	33,313
Total non-current liabilities	2,498,698	1,898,868
Total liabilities	6,122,997	5,996,037
Net assets		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	3,133,067	3,606,284
Treasury shares	(147,286)	(147,832)
Total shareholders' equity	4,568,633	5,041,303
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(6,346)	1,126
Foreign currency translation adjustment	–	14,857
Total accumulated other comprehensive income	(6,346)	15,984
Total net assets	4,562,286	5,057,287
Total liabilities and net assets	10,685,283	11,053,325

Consolidated statements of income

(Thousands of Japanese yen)

	FY2014	FY2015
Net sales	12,054,978	13,167,474
Cost of sales	10,522,099	11,292,570
Gross profit	1,532,879	1,874,903
Selling, general and administrative expenses		
Freight-out and storage expense	147,914	163,065
Salaries and allowances	346,682	340,961
Provision for bonuses	21,123	40,212
Provision for directors' bonuses	8,786	13,620
Retirement benefit expenses	3,552	4,909
Welfare expenses	52,504	53,580
Depreciation	8,651	8,447
Traveling and communication expenses	47,295	48,980
Rent expenses	17,508	24,034
Other	206,648	207,976
Total selling, general and administrative expenses	860,666	905,787
Operating income	672,212	969,115
Non-operating income		
Interest income	393	1,531
Dividend income	3,996	4,472
Foreign exchange gains	19,644	17,600
Subsidy income	5,350	19,600
Amortization of negative goodwill	787	—
Insurance income	2,047	9,858
Insurance premiums refunded cancellation	5,984	1,324
Other	3,617	3,570
Total non-operating income	41,820	57,957
Non-operating expenses		
Interest expenses	40,536	39,120
Care and maintenance costs of suspended mine	5,749	7,038
Loss on valuation of interest swaps	7,556	—
Other	6,444	7,192
Total non-operating expenses	60,287	53,351
Ordinary income	653,745	973,720
Extraordinary income		
Gain on sales of non-current assets	—	241
Total extraordinary income	—	241
Extraordinary losses		
Loss on retirement of non-current assets	8,683	6,986
Total extraordinary losses	8,683	6,986
Income before income taxes and minority interests	645,061	966,976
Income taxes-current	257,663	365,103
Income taxes-deferred	(8,608)	(1,289)
Total income taxes	249,054	363,814
Income before minority interests	396,006	603,162
Net income	396,006	603,162

Consolidated statements of comprehensive income

(Thousands of Japanese yen)

	FY2014	FY2015
Income before minority interests	396,006	603,162
Other comprehensive income		
Valuation difference on available-for-sale securities	6,951	7,472
Foreign currency translation adjustment	—	14,857
Total other comprehensive income	6,951	22,330
Comprehensive income	402,958	625,492
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	402,958	625,492

Consolidated statements of changes in net assets

FY2014

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of current period	1,018,126	564,725	2,859,236	(146,705)	4,295,383	(13,297)	—	(13,297)	4,282,086
Changes of items during period									
Dividends of surplus			(122,176)		(122,176)				(122,176)
Net income			396,006		396,006				396,006
Purchase of treasury shares				(581)	(581)				(581)
Change of scope of consolidation			—		—				—
Net changes of items other than shareholders' equity						6,951	—	6,951	6,951
Total changes of items during period	—	—	273,830	(581)	273,249	6,951	—	6,951	280,200
Balance at end of current period	1,018,126	564,725	3,133,067	(147,286)	4,568,633	(6,346)	—	(6,346)	4,562,286

FY2015

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of current period	1,018,126	564,725	3,133,067	△147,286	4,568,633	△6,346	—	△6,346	4,562,286
Changes of items during period									
Dividends of surplus			△122,154		△122,154				△122,154
Net income			603,162		603,162				603,162
Purchase of treasury shares				△546	△546				△546
Change of scope of consolidation			△7,791		△7,791				△7,791
Net changes of items other than shareholders' equity						7,472	14,857	22,330	22,330
Total changes of items during period	—	—	473,216	△546	472,670	7,472	14,857	22,330	495,000
Balance at end of current period	1,018,126	564,725	3,606,284	△147,832	5,041,303	1,126	14,857	15,984	5,057,287

Consolidated statements of cash flows

(Thousands of Japanese yen)

	FY2014	FY2015
Cash flows from operating activities		
Income before income taxes and minority interests	645,061	966,976
Depreciation	484,463	446,357
Amortization of negative goodwill	(787)	—
Increase (decrease) in provision for retirement benefits	(304,535)	—
Increase (decrease) in provision for bonuses	(8,028)	26,034
Increase (decrease) in provision for directors' bonuses	(1,264)	4,834
Increase (decrease) in allowance for doubtful accounts	(408)	533
Increase (decrease) in net defined benefit liability	313,730	28
Decrease (increase) in net defined benefit asset	(5,158)	(28,379)
Interest and dividend income	(4,389)	(6,003)
Interest expenses	40,536	39,120
Foreign exchange losses (gains)	(160)	(1,000)
Loss (gain) on sales of property, plant and equipment	—	(241)
Loss on retirement of property, plant and equipment	8,683	6,986
Decrease (increase) in notes and accounts receivable – trade	77,855	(116,779)
Decrease (increase) in inventories	117,966	(548,252)
Increase (decrease) in notes and accounts payable–trade	257,478	69,843
Other, net	(6,726)	55,073
Subtotal	1,614,319	915,133
Interest and dividend income received	4,371	6,038
Interest expenses paid	(42,433)	(39,285)
Income taxes paid	(205,726)	(279,859)
Net cash provided by (used in) operating activities	1,370,531	602,027
Cash flows from investing activities		
Proceeds from redemption of securities	1,000	—
Purchase of property, plant and equipment	(419,904)	(305,678)
Proceeds from sales of property, plant and equipment	—	313
Payments for retirement of property, plant and equipment	(2,818)	(574)
Purchase of intangible assets	(3,231)	(6,049)
Purchase of investment securities	(106,600)	—
Payments for investments in capital of subsidiaries and associates	(95,256)	—
Other, net	(315)	(132)
Net cash provided by (used in) investing activities	(627,125)	(312,120)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	(100,000)
Proceeds from long-term loans payable	300,000	100,000
Repayments of long-term loans payable	(467,500)	(321,900)
Redemption of bonds	(28,000)	(28,000)
Purchase of treasury shares	(581)	(546)
Cash dividends paid	(122,176)	(122,154)
Other, net	(525)	(540)
Net cash provided by (used in) financing activities	(318,782)	(473,140)
Effect of exchange rate change on cash and cash equivalents	160	7,575
Net increase (decrease) in cash and cash equivalents	424,783	(175,658)
Cash and cash equivalents at beginning of period	2,040,248	2,465,032
Increase in cash and cash equivalents from newly consolidated subsidiary	—	91,467
Cash and cash equivalents at end of period	2,465,032	2,380,841

Segment Information

(1) For the Year ended March 31, 2014

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	6,818,761	5,221,719	12,040,480	14,498	12,054,978	-	12,054,978
Inter-segment	-	40,504	40,504	-	40,504	(40,504)	-
Total	6,818,761	5,262,223	12,080,984	14,498	12,095,483	(40,504)	12,054,978
Segment income	182,678	452,927	635,606	13,585	649,192	23,020	672,212
Segment assets	5,079,865	5,564,081	10,643,947	41,336	10,685,283	-	10,685,283
Other							
Depreciation and amortization	116,477	366,305	482,782	1,680	484,463	-	484,463
Property, plant and equipment and Intangible assets increase	57,019	243,499	300,519	-	300,519	-	300,519

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

(2) For the Year ended March 31, 2015

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	7,427,891	5,717,850	13,145,742	21,732	13,167,474	-	13,167,474
Inter-segment	-	38,643	38,643	-	38,643	(38,643)	-
Total	7,427,891	5,756,494	13,184,386	21,732	13,206,118	(38,643)	13,167,474
Segment income	282,559	652,161	934,721	20,864	955,585	13,530	969,115
Segment assets	5,054,356	5,959,176	11,013,533	39,792	11,053,325	-	11,053,325
Other							
Depreciation and amortization	104,748	340,064	444,813	1,544	446,357	-	446,357
Property, plant and equipment and Intangible assets increase	49,232	231,669	280,901	-	280,901	-	280,901

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