

Summary of Consolidated Financial Results
for the First Quarter Ended June 30, 2014(Unaudited)

August 1, 2014

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 First Quarter Ended June 30, 2014 and 2013

(1) Operating Results (Rounded down to millions of Japanese Yen)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the First quarter ended								
June 30, 2014	3,389	13.3	242	19.5	227	6.3	145	11.1
June 30, 2013	2,991	(9.4)	202	(19.5)	213	(11.0)	131	(13.2)

Note: Comprehensive income:

As of June 30, 2014: 147 million yen 11.0%

As of June 30, 2013: 133 million yen (13.1)%

	EPS
	Yen
For the First quarter ended	
June 30, 2014	11.94
June 30, 2013	10.74

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
As of			
June 30, 2014	11,050	4,641	42.0
March 31, 2014	10,685	4,562	42.7

Note: Shareholders' equity As of June 30, 2014: 4,641 million yen

As of March 31, 2014: 4,562 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, 2014	-	5.00	-	5.00	10.00
March 31, 2015	-				
March 31, 2015(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 2015(April 1, 2014 ~ March 31, 2015):

(%: Change from the previous fiscal half year for First half 2014)

(%: Change from the previous fiscal year for Year ending March 31,2015)

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the year ending March 31, 2015									
First half 2014	6,200	2.6	350	(12.0)	340	(14.2)	200	(17.3)	16.38
Full year	12,600	4.5	710	5.6	690	5.5	410	3.5	33.56

Note: Revision of outlook for fiscal 2014 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 : No
 - 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, 2014: 13,029,500	As of March 31, 2014: 13,029,500
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 - 2. Number of treasury shares at the end of the period:

As of June 30, 2014: 814,032	As of March 31, 2014: 813,368
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 - 3. Average number of outstanding shares during period:

For the 1st Quarter ending March 31, 2015: 12,215,979	For the 1st Quarter ended March 31, 2014: 12,218,167
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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, 2014	June 30, 2014
Assets		
Current assets		
Cash and deposits	2,465,032	2,614,723
Notes and accounts receivable—trade	1,810,231	2,119,800
Merchandise and finished goods	1,208,028	1,162,407
Work in process	185,574	164,383
Raw materials and supplies	642,561	771,211
Other	79,507	88,369
Allowance for doubtful accounts	(5,775)	(6,731)
Total current assets	6,385,160	6,914,164
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,267,774	1,244,418
Machinery, equipment and vehicles, net	937,163	897,986
Land	1,478,590	1,478,590
Other, net	66,792	64,503
Total property, plant and equipment	3,750,321	3,685,499
Intangible assets	59,452	58,954
Investments and other assets	487,332	389,498
Total non-current assets	4,297,106	4,133,952
Deferred assets	3,016	2,640
Total assets	10,685,283	11,050,756
Liabilities		
Current liabilities		
Notes and accounts payable—trade	1,146,542	1,534,499
Short-term loans payable	1,841,900	1,853,650
Income taxes payable	152,620	70,430
Provision for bonuses	89,114	85,797
Other	394,121	431,191
Total current liabilities	3,624,298	3,975,568
Non-current liabilities		
Bonds payable	246,000	232,000
Long-term loans payable	1,798,000	1,776,250
Net defined benefit liability	313,730	297,849
Asset retirement obligations	34,826	34,936
Other	106,141	93,132
Total non-current liabilities	2,498,698	2,434,168
Total liabilities	6,122,997	6,409,737
Net assets		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	3,133,067	3,210,059
Treasury shares	(147,286)	(147,482)
Total shareholders' equity	4,568,633	4,645,429
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(6,346)	(6,739)
Foreign currency translation adjustment	—	2,329
Total accumulated other comprehensive income	(6,346)	(4,409)
Total net assets	4,562,286	4,641,019
Total liabilities and net assets	10,685,283	11,050,756

Consolidated quarterly statements of income

(Thousands of Japanese yen)

	1st Quarter ended June 30,2013	1st Quarter ended June 30,2014
Net sales	2,991,426	3,389,311
Cost of sales	2,577,244	2,923,674
Gross profit	414,181	465,637
Selling, general and administrative expenses	211,365	223,307
Operating income	202,815	242,329
Non-operating income		
Dividend income	1,524	1,841
Amortization of negative goodwill	787	—
Foreign exchange gains	21,457	—
Subsidy income	—	801
Other	1,953	936
Total non-operating income	25,721	3,578
Non-operating expenses		
Interest expenses	10,620	9,545
Foreign exchange losses	—	4,336
Other	3,967	4,662
Total non-operating expenses	14,588	18,544
Ordinary income	213,949	227,363
Extraordinary losses		
Loss on retirement of non-current assets	251	208
Total extraordinary losses	251	208
Income before income taxes and minority interests	213,697	227,154
Income taxes-current	90,991	79,011
Income taxes-deferred	(8,568)	2,278
Total income taxes	82,422	81,290
Income before minority interests	131,274	145,864
Net income	131,274	145,864

Consolidated quarterly statements of comprehensive income

(Thousands of Japanese yen)

	1st Quarter ended June 30,2013	1st Quarter ended June 30,2014
Income before minority interests	131,274	145,864
Other comprehensive income		
Valuation difference on available-for-sale securities	1,923	(393)
Foreign currency translation adjustment	—	2,329
Total other comprehensive income	1,923	1,936
Comprehensive income	133,197	147,800
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	133,197	147,800

Segment Information

(1) For the first quarter ended June 30, 2013

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	1,701,947	1,286,305	2,988,252	3,173	2,991,426	-	2,991,426
Inter-segment	-	11,419	11,419	-	11,419	(11,419)	-
Total	1,701,947	1,297,724	2,999,671	3,173	3,002,845	(11,419)	2,991,426
Operating income	37,212	157,146	194,359	2,935	197,294	5,521	202,815

※ 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, 2014

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	1,954,236	1,429,742	3,383,978	5,332	3,389,311	-	3,389,311
Inter-segment	-	11,054	11,054	-	11,054	(11,054)	-
Total	1,954,236	1,440,796	3,395,033	5,332	3,400,365	(11,054)	3,389,311
Operating income	88,130	143,414	231,544	5,086	236,630	5,698	242,329

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