

Summary of Consolidated Financial Results
for the Third Quarter Ended December 31, 2018(Unaudited)

February 5, 2019

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
 Contact Information: Shigeki Watanabe, Executive Vice President Tel +81-3-3235-0021

1. Consolidated Financial Results for the Third Quarter Ended December 31, 2018 and 2017

(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, 2018	10,975	0.4	1,034	(12.7)	1,014	(13.2)	700	(15.4)
December 31, 2017	10,928	31.4	1,184	75.0	1,168	75.9	827	82.0

Note: Comprehensive income:

As of December 31, 2018: 676 million yen (22.1)% As of December 31, 2017: 867 million yen 93.1%

	EPS
For the Third quarter ended	Yen
December 31, 2018	286.80
December 31, 2017	339.10

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
As of	Millions of Yen	Millions of Yen	%
December 31, 2018	11,477	7,074	61.6
March 31, 2018	11,781	6,581	55.9

Note: Shareholders' equity As of December 31, 2018: 7,074 million yen As of March 31, 2018: 6,581 million yen

※The company applies ASBJ Statement No. 28, "Partial Amendments to Accounting Standard for Tax Effect Accounting" from FY2018. This accounting standard is retroactively applied to the amount of the financial position as of March 31, 2018.

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, 2018	-	7.50	-	37.50	-
March 31, 2019	-	37.50	-		
March 31, 2019(expected)				37.50	75.00

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

※The Company conducted a 1-for-5 reverse stock split of common shares with an effective date of October 1, 2017. The dividend at the end of the second quarter of the period ending March 2018 considering this reverse stock split was ¥37.50 per share and the total amount of dividends for the period ending March 2018 was ¥75.00 per share.

Consolidated quarterly balance sheets

(Thousands of Japanese yen)

	March 31,2018	December 31,2018
Assets		
Current assets		
Cash and deposits	2,597,981	2,298,365
Notes and accounts receivable-trade	2,353,533	2,205,622
Merchandise and finished goods	1,319,246	1,421,986
Work in process	246,288	252,541
Raw materials and supplies	873,465	1,025,876
Other	70,748	42,840
Allowance for doubtful accounts	(7,296)	(7,146)
Total current assets	7,453,967	7,240,085
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,390,113	1,350,958
Machinery, equipment and vehicles, net	759,455	593,770
Land	1,474,166	1,474,191
Other, net	266,722	396,950
Total property, plant and equipment	3,890,457	3,815,871
Intangible assets	42,242	47,891
Investments and other assets	394,676	373,189
Total non-current assets	4,327,376	4,236,951
Total assets	11,781,344	11,477,037
Liabilities		
Current liabilities		
Notes and accounts payable-trade	973,951	788,975
Electronically recorded obligations-operating	374,496	318,586
Short-term loans payable	1,640,500	1,570,000
Income taxes payable	309,077	73,598
Provision for bonuses	161,450	83,121
Other	626,334	439,086
Total current liabilities	4,085,809	3,273,368
Non-current liabilities		
Long-term loans payable	707,500	672,500
Net defined benefit liability	335,717	363,838
Asset retirement obligations	35,907	36,269
Other	35,179	56,991
Total non-current liabilities	1,114,304	1,129,599
Total liabilities	5,200,114	4,402,967
Net assets		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	5,094,036	5,611,045
Treasury shares	(152,376)	(152,599)
Total shareholders' equity	6,524,511	7,041,298
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	49,678	29,070
Foreign currency translation adjustment	7,040	3,700
Total accumulated other comprehensive income	56,718	32,771
Total net assets	6,581,230	7,074,069
Total liabilities and net assets	11,781,344	11,477,037

Consolidated quarterly statements of income

(Thousands of Japanese yen)

	Nine months ended December 31,2017	Nine months ended December 31,2018
Net sales	10,928,654	10,975,867
Cost of sales	9,016,616	9,154,528
Gross profit	1,912,038	1,821,339
Selling, general and administrative expenses	727,139	786,919
Operating profit	1,184,898	1,034,419
Non-operating income		
Dividend income	2,937	3,435
Foreign exchange gains	-	3,595
Subsidy income	3,928	6,879
Other	9,063	10,435
Total non-operating income	15,928	24,345
Non-operating expenses		
Interest expenses	16,286	13,578
Care and maintenance costs of suspended mine	10,157	26,898
Other	5,539	3,841
Total non-operating expenses	31,983	44,317
Ordinary profit	1,168,843	1,014,447
Extraordinary income		
Gain on sales of investment securities	29,100	-
Total extraordinary income	29,100	-
Extraordinary losses		
Loss on retirement of non-current assets	3,622	2,178
Total extraordinary losses	3,622	2,178
Profit before income taxes	1,194,320	1,012,268
Income taxes-current	354,566	297,070
Income taxes-deferred	11,784	15,111
Total income taxes	366,351	312,181
Profit	827,969	700,087
Profit attributable to owners of parent	827,969	700,087

Consolidated quarterly statements of comprehensive income

(Thousands of Japanese yen)

	Nine months ended December 31,2017	Nine months ended December 31,2018
Profit	827,969	700,087
Other comprehensive income		
Valuation difference on available-for-sale securities	38,882	(20,607)
Foreign currency translation adjustment	967	(3,339)
Total other comprehensive income	39,849	(23,946)
Comprehensive income	867,819	676,140
Comprehensive income attributable to owners of parent	867,819	676,140

Segment Information

(1) For the six months ended December 31, 2017

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	5,804,301	5,107,053	10,911,355	17,299	10,928,654	-	10,928,654
Inter-segment	-	43,043	43,043	-	43,043	(43,043)	-
Total	5,804,301	5,150,097	10,954,398	17,299	10,971,697	(43,043)	10,928,654
Operating income	415,410	748,895	1,164,305	16,992	1,181,298	3,599	1,184,898

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

(2) For the six months ended December 31, 2018

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	5,851,391	5,107,516	10,958,907	16,959	10,975,867	-	10,975,867
Inter-segment	-	35,321	35,321	-	35,321	(35,321)	-
Total	5,851,391	5,142,837	10,994,228	16,959	11,011,188	(35,321)	10,975,867
Operating income	291,171	707,546	998,718	16,959	1,015,310	19,108	1,034,119

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