

Summary of Consolidated Financial Results
for the First Quarter Ended June 30, 2019(Unaudited)

August 1, 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: <https://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 First Quarter Ended June 30, 2019 and 2018

(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 First quarter ended								
June 30, 2019	2,945	(19.6)	197	(49.9)	185	(54.0)	124	(55.0)
June 30, 2018	3,663	(0.3)	393	(8.8)	402	(6.0)	276	(12.8)

Note: Comprehensive income:

As of June 30, 2019: 120 million yen (56.2)%

As of June 30, 2018: 275 million yen (16.9)%

	EPS
	Yen
For the First quarter ended	
June 30, 2019	50.99
June 30, 2018	113.21

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
As of			
June 30, 2019	11,548	7,235	62.7
March 31, 2019	11,746	7,206	61.3

Note: Shareholders' equity

As of June 30, 2019: 7,235 million yen

As of March 31, 2019: 7,206 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, 2019	-	37.50	-	37.50	75.00
March 31, 2020	-				
March 31, 2020(expected)		37.50	-	37.50	75.00

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

3. Consolidated Earnings Forecast for the Year Ending March 2020(April 1, 2019 ~ March 31, 2020):

(%: Change from the previous fiscal half year for First half 2019)

(%: Change from the previous fiscal year for Year ending March 31,2020)

	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, 2020									
First half 2019	5,800	(21.8)	390	(45.9)	350	(50.9)	240	(51.1)	98.32
Full year	12,000	(14.8)	1,000	(20.2)	920	(24.7)	630	(24.1)	258.09

Note: Revision of outlook for fiscal 2019 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, 2019: 2,605,900	As of March 31, 2019: 2,605,900
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 2. Number of treasury shares at the end of the period:

As of June 30, 2019: 164,979	As of March 31, 2019: 164,892
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 3. Average number of outstanding shares during period:

For the 1st Quarter ending March 31, 2020: 2,440,977	For the 1st Quarter ended March 31, 2019: 2,441,047
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Explanation on appropriate use of business forecasts, and other special notes

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 31,2019	June 30,2019
Assets		
Current assets		
Cash and deposits	2,733,777	2,583,244
Notes and accounts receivable – trade	2,068,435	1,999,175
Merchandise and finished goods	1,417,086	1,449,941
Work in process	282,138	277,447
Raw materials and supplies	870,124	839,430
Other	50,399	73,635
Allowance for doubtful accounts	(6,721)	(6,398)
Total current assets	7,415,241	7,216,477
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,394,609	1,390,295
Machinery, equipment and vehicles, net	787,308	788,046
Land	1,474,191	1,474,191
Other, net	238,553	239,509
Total property, plant and equipment	3,894,662	3,892,042
Intangible assets	46,238	49,276
Investments and other assets	390,366	390,212
Total non-current assets	4,331,266	4,331,530
Total assets	11,746,508	11,548,008
Liabilities		
Current liabilities		
Notes and accounts payable – trade	803,284	769,954
Electronically recorded obligations – operating	301,443	274,505
Short-term borrowings	1,657,500	1,667,500
Income taxes payable	162,346	30,575
Provision for bonuses	155,433	77,278
Other	553,717	594,778
Total current liabilities	3,633,724	3,414,593
Non-current liabilities		
Long-term borrowings	470,000	450,000
Retirement benefit liability	361,319	353,696
Asset retirement obligations	36,389	36,512
Other	38,679	57,724
Total non-current liabilities	906,388	897,934
Total liabilities	4,540,112	4,312,527
Net assets		
Shareholders' equity		
Share capital	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	5,740,730	5,773,657
Treasury shares	(152,619)	(152,791)
Total shareholders' equity	7,170,963	7,203,718
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,957	28,072
Foreign currency translation adjustment	2,474	3,689
Total accumulated other comprehensive income	35,431	31,762
Total net assets	7,206,395	7,235,480
Total liabilities and net assets	11,746,508	11,548,008

Consolidated quarterly statements of income

(Thousands of Japanese yen)

	1st Quarter ended June 30,2018	1st Quarter ended June 30,2019
Net sales	3,663,241	2,945,399
Cost of sales	3,019,830	2,508,898
Gross profit	643,411	436,500
Selling, general and administrative expenses	249,828	239,478
Operating profit	393,583	197,022
Non-operating income		
Dividend income	2,577	2,639
Foreign exchange gains	9,342	—
Other	6,473	2,386
Total non-operating income	18,393	5,026
Non-operating expenses		
Interest expenses	4,734	3,581
Foreign exchange losses	—	11,158
Care and maintenance costs of suspended mine	3,302	1,618
Other	1,563	659
Total non-operating expenses	9,599	17,017
Ordinary profit	402,377	185,030
Extraordinary losses		
Loss on retirement of non-current assets	981	297
Total extraordinary losses	981	297
Profit before income taxes	401,395	184,733
Income taxes – current	96,632	37,112
Income taxes – deferred	28,410	23,155
Total income taxes	125,043	60,268
Profit	276,352	124,465
Profit attributable to owners of parent	276,352	124,465

Consolidated quarterly statements of comprehensive income

(Thousands of Japanese yen)

	1st Quarter ended June 30,2018	1st Quarter ended June 30,2019
Profit	276,352	124,465
Other comprehensive income		
Valuation difference on available-for-sale securities	904	(4,884)
Foreign currency translation adjustment	(1,500)	1,215
Total other comprehensive income	(596)	(3,669)
Comprehensive income	275,756	120,795
Comprehensive income attributable to owners of parent	275,756	120,795

Segment Information

(1) For the first quarter ended June 30, 2018

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	1,981,329	1,676,131	3,657,460	5,781	3,663,241	–	3,663,241
Inter-segment	–	11,238	11,238	–	11,238	(11,238)	–
Total	1,981,329	1,687,369	3,668,699	5,781	3,674,480	(11,238)	3,663,241
Operating income	117,220	267,409	384,629	5,661	390,290	3,292	393,583

※ 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, 2019

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	1,637,030	1,302,609	2,939,639	5,759	2,945,399	–	2,945,399
Inter-segment	–	8,522	8,522	–	8,522	(8,522)	–
Total	1,637,030	1,311,132	2,948,162	5,759	2,953,921	(8,522)	2,945,399
Operating income	72,567	110,763	183,330	5,661	188,992	8,029	197,022

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