

Summary of Consolidated Financial Results
for the Third Quarter Ended December 31, 2019(Unaudited)

February 5, 2020

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 Third Quarter Ended December 31, 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 Third quarter ended								
December 31, 2019	8,148	(25.8)	220	(78.7)	209	(79.4)	134	(80.8)
December 31, 2018	10,975	0.4	1,034	(12.7)	1,014	(13.2)	700	(15.4)

Note: Comprehensive income:

As of December 31, 2019: 123 million yen (81.7%) As of December 31, 2018: 676 million yen (22.1%)

	EPS
For the Third quarter ended	Yen
December 31, 2019	55.05
December 31, 2018	286.80

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
As of			
December 31, 2019	10,947	7,146	65.3
March 31, 2019	11,746	7,206	61.3

Note: Shareholders' equity As of December 31, 2019: 7,146 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	-	37.50			
March 31, 2020(expected)			-	37.50	75.00

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

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

(%: Change from the previous fiscal year for Year ending March 31,2019)

	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									
Full year	10,300	(26.9)	390	(68.9)	360	(70.5)	240	(71.1)	98.33

Note: Revision of outlook for fiscal 2019 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 : 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 December 31, 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 December 31, 2019: 165,231	As of March 31, 2019: 164,892
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 - 3. Average number of outstanding shares during period:

For the 3rd Quarter ending March 31, 2020: 2,440,818	For the 3rd Quarter ended March 31, 2019: 2,441,026
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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	December 31,2019
Assets		
Current assets		
Cash and deposits	2,733,777	2,726,727
Notes and accounts receivable – trade	2,068,435	1,721,051
Merchandise and finished goods	1,417,086	1,112,290
Work in process	282,138	197,267
Raw materials and supplies	870,124	600,767
Other	50,399	199,073
Allowance for doubtful accounts	(6,721)	(5,274)
Total current assets	7,415,241	6,551,903
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,394,609	1,532,886
Machinery, equipment and vehicles, net	787,308	762,061
Land	1,474,191	1,474,191
Other, net	238,553	191,487
Total property, plant and equipment	3,894,662	3,960,627
Intangible assets	46,238	45,441
Investments and other assets	390,366	389,717
Total non-current assets	4,331,266	4,395,786
Total assets	11,746,508	10,947,689
Liabilities		
Current liabilities		
Notes and accounts payable – trade	803,284	616,175
Electronically recorded obligations – operating	301,443	222,538
Short-term borrowings	1,657,500	1,635,000
Income taxes payable	162,346	4,592
Provision for bonuses	155,433	77,255
Other	553,717	438,323
Total current liabilities	3,633,724	2,993,884
Non-current liabilities		
Long-term borrowings	470,000	357,500
Retirement benefit liability	361,319	347,825
Asset retirement obligations	36,389	36,755
Other	38,679	65,596
Total non-current liabilities	906,388	807,677
Total liabilities	4,540,112	3,801,562
Net assets		
Shareholders' equity		
Share capital	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	5,740,730	5,692,028
Treasury shares	(152,619)	(153,353)
Total shareholders' equity	7,170,963	7,121,526
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,957	25,989
Foreign currency translation adjustment	2,474	(1,389)
Total accumulated other comprehensive income	35,431	24,600
Total net assets	7,206,395	7,146,127
Total liabilities and net assets	11,746,508	10,947,689

Consolidated quarterly statements of income

(Thousands of Japanese yen)

	3rd Quarter ended December 31,2018	3rd Quarter ended December 31,2019
Net sales	10,975,867	8,148,655
Cost of sales	9,154,528	7,221,972
Gross profit	1,821,339	926,683
Selling, general and administrative expenses	786,919	706,304
Operating profit	1,034,419	220,378
Non-operating income		
Dividend income	3,435	3,559
Foreign exchange gains	3,595	-
Insurance claim income	1,254	11,780
Subsidy income	6,879	4,688
Other	9,181	10,105
Total non-operating income	24,345	30,134
Non-operating expenses		
Interest expenses	13,578	10,554
Care and maintenance costs of suspended mine	26,898	21,273
Other	3,841	9,438
Total non-operating expenses	44,317	41,266
Ordinary profit	1,014,447	209,247
Extraordinary losses		
Loss on retirement of non-current assets	2,178	1,648
Total extraordinary losses	2,178	1,648
Profit before income taxes	1,012,268	207,598
Income taxes – current	297,070	38,152
Income taxes – deferred	15,111	35,083
Total income taxes	312,181	73,235
Profit	700,087	134,362
Profit attributable to owners of parent	700,087	134,362

Consolidated quarterly statements of comprehensive income

(Thousands of Japanese yen)

	3rd Quarter ended December 31,2018	3rd Quarter ended December 31,2019
Profit	700,087	134,362
Other comprehensive income		
Valuation difference on available-for-sale securities	(20,607)	(6,967)
Foreign currency translation adjustment	(3,339)	(3,863)
Total other comprehensive income	(23,946)	(10,830)
Comprehensive income	676,140	123,532
Comprehensive income attributable to owners of parent	676,140	123,532

Segment Information

(1) For the nine 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	16,592	1,015,310	19,108	1,034,419

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

(2) For the nine months ended December 31,2019

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	4,370,236	3,761,415	8,131,651	17,003	8,148,655	–	8,148,655
Inter-segment	–	21,794	21,794	–	21,794	(21,794)	–
Total	4,370,236	3,783,209	8,153,446	17,003	8,170,450	(21,794)	8,148,655
Operating income	89,410	94,593	184,004	16,717	200,721	19,657	220,378

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