

Summary of Consolidated Financial Results
for the Second Quarter Ended September 30, 2020(Unaudited)

November 6, 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 Second Quarter Ended September 30, 2020 and 2019

(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 Second quarter ended								
September 30, 2020	4,931	(10.9)	484	292.8	484	373.4	337	465.5
September 30, 2019	5,537	(25.3)	123	(82.9)	102	(85.6)	59	(87.9)

Note: Comprehensive income:

As of September 30, 2020: 346 million yen 601.8% As of September 30, 2019: 49 million yen (89.9)%

	EPS
For the Second quarter ended	Yen
September 30, 2020	138.09
September 30, 2019	24.42

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
As of	Millions of Yen	Millions of Yen	%
September 30, 2020	11,071	7,540	68.1
March 31, 2020	10,784	7,286	67.6

Note: Shareholders' equity As of September 30, 2020: 7,540 million yen As of March 31, 2020: 7,286 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, 2020	-	37.50	-	37.50	75.00
March 31, 2021	-	25.00	-	-	-
March 31, 2021(expected)	-	-	-	25.00	50.00

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

3. Consolidated Earnings Forecast for the Year Ending March 2021(April 1, 2020 ~ March 31, 2021):

(%: Change from the previous fiscal year for Year ending March 31,2021)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	EPS
For the year ending March 31, 2021	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen
Full year	9,300 (14.8)	640 42.7	650 49.9	440 53.8	180.29

Note: Revision of outlook for fiscal 2020 consolidated earnings results in the Second 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 September 30, 2020: 2,605,900	As of March 31, 2020: 2,605,900
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 - 2. Number of treasury shares at the end of the period:

As of September 30, 2020: 165,355	As of March 31, 2020: 165,331
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 - 3. Average number of outstanding shares during period:

For the 2nd Quarter ending March 31, 2021: 2,440,556	For the 2nd Quarter ended March 31, 2020: 2,440,875
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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 31,2020	September 30,2020
Assets		
Current assets		
Cash and deposits	2,905,207	3,537,350
Notes and accounts receivable – trade	1,602,997	1,312,497
Merchandise and finished goods	1,061,471	999,009
Work in process	234,670	287,206
Raw materials and supplies	566,576	535,544
Other	131,545	82,233
Allowance for doubtful accounts	(4,793)	(3,820)
Total current assets	6,497,675	6,750,022
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,524,923	1,555,033
Machinery, equipment and vehicles, net	695,098	631,602
Land	1,474,191	1,474,191
Other, net	198,505	230,697
Total property, plant and equipment	3,892,719	3,891,524
Intangible assets	46,520	53,751
Investments and other assets	348,003	375,840
Total non-current assets	4,287,243	4,321,116
Total assets	10,784,918	11,071,139
Liabilities		
Current liabilities		
Notes and accounts payable – trade	627,157	490,668
Electronically recorded obligations – operating	241,512	167,072
Short-term borrowings	1,450,000	1,591,500
Income taxes payable	11,161	169,574
Provision for bonuses	110,627	111,289
Other	377,429	270,191
Total current liabilities	2,817,888	2,800,297
Non-current liabilities		
Long-term borrowings	240,000	286,000
Retirement benefit liability	347,423	353,392
Asset retirement obligations	36,792	37,044
Other	56,726	53,757
Total non-current liabilities	680,942	730,194
Total liabilities	3,498,831	3,530,492
Net assets		
Shareholders' equity		
Share capital	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	5,843,835	6,089,336
Treasury shares	(153,575)	(153,625)
Total shareholders' equity	7,273,112	7,518,563
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,382	22,906
Foreign currency translation adjustment	592	(822)
Total accumulated other comprehensive income	12,975	22,083
Total net assets	7,286,087	7,540,646
Total liabilities and net assets	10,784,918	11,071,139

Consolidated quarterly statements of income

(Thousands of Japanese yen)

	2nd Quarter ended September 30,2019	2nd Quarter ended September 30,2020
Net sales	5,537,987	4,931,909
Cost of sales	4,928,434	4,010,434
Gross profit	609,552	921,475
Selling, general and administrative expenses	486,135	436,750
Operating profit	123,416	484,725
Non-operating income		
Dividend income	2,639	2,444
Subsidy income	2,482	9,281
Surrender value of insurance policies	4,142	2,249
Other	4,494	5,639
Total non-operating income	13,758	19,614
Non-operating expenses		
Interest expenses	7,137	5,822
Foreign exchange losses	11,519	8,300
Care and maintenance costs of suspended mine	14,909	3,324
Other	1,223	2,191
Total non-operating expenses	34,789	19,638
Ordinary profit	102,385	484,701
Extraordinary income		
Gain on sales of non-current assets	—	15
Total extraordinary income	—	15
Extraordinary losses		
Loss on retirement of non-current assets	728	1,097
Total extraordinary losses	728	1,097
Profit before income taxes	101,656	483,620
Income taxes – current	32,225	157,901
Income taxes – deferred	9,829	(11,304)
Total income taxes	42,054	146,597
Profit	59,602	337,022
Profit attributable to owners of parent	59,602	337,022

Consolidated quarterly statements of comprehensive income

(Thousands of Japanese yen)

	2nd Quarter ended September 30,2019	2nd Quarter ended September 30,2020
Profit	59,602	337,022
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,547)	10,524
Foreign currency translation adjustment	(1,738)	(1,415)
Total other comprehensive income	(10,285)	9,108
Comprehensive income	49,317	346,131
Comprehensive income attributable to owners of parent	49,317	346,131

Segment Information

(1) For the Second quarter ended September 30,2019

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	3,036,108	2,490,478	5,526,586	11,400	5,537,987	–	5,537,987
Inter-segment	–	14,739	14,739	–	14,739	(14,739)	–
Total	3,036,108	2,505,217	5,541,326	11,400	5,552,727	(14,739)	5,537,987
Operating income	99,863	(3,897)	95,966	11,199	107,166	16,250	123,416

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

(2) For the Second quarter ended September 30,2020

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	2,133,694	2,787,085	4,920,779	11,129	4,931,909	–	4,931,909
Inter-segment	–	14,028	14,028	–	14,028	(14,028)	–
Total	2,133,694	2,801,114	4,934,808	11,129	4,945,938	(14,028)	4,931,909
Operating income	12,889	456,816	469,705	10,955	480,660	4,064	484,725

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