

Summary of Consolidated Financial Results  
for the Second Quarter Ended September 30, 2014(Unaudited)

October 31, 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 Second Quarter Ended September 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 Second quarter ended								
September 30, 2014	6,558	8.5	461	16.0	454	14.8	288	19.2
September 30, 2013	6,045	(3.5)	397	(5.6)	396	(1.4)	241	(3.5)

Note: Comprehensive income:

As of September 30, 2014: 293 million yen 17.5%      As of September 30, 2013: 250 million yen 1.5%

	EPS
For the Second quarter ended	Yen
September 30, 2014	23.60
September 30, 2013	19.79

## (2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
As of			
September 30, 2014	10,768	4,786	44.5
March 31, 2014	10,685	4,562	42.7

Note: Shareholders' equity      As of September 30, 2014: 4,786 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	-	5.00			
March 31, 2015(expected)			-	5.00	10.00

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

## 3. Consolidated Earnings Forecast for the Year Ending March 2015(April 1, 2014 ~ March 31, 2015):

(%: 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									
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 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, 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 September 30, 2014: 814,741	As of March 31, 2014: 813,368
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  - 3. Average number of outstanding shares during period:

For the 2nd Quarter ending March 31, 2015: 12,215,511	For the 2nd Quarter ended March 31, 2014: 12,217,867
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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	September 30, 2014
<b>Assets</b>		
Current assets		
Cash and deposits	2,465,032	2,297,219
Notes and accounts receivable—trade	1,810,231	2,094,346
Merchandise and finished goods	1,208,028	1,195,593
Work in process	185,574	182,368
Raw materials and supplies	642,561	825,154
Other	79,507	73,672
Allowance for doubtful accounts	(5,775)	(6,592)
Total current assets	6,385,160	6,661,762
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,267,774	1,226,617
Machinery, equipment and vehicles, net	937,163	883,368
Land	1,478,590	1,478,590
Other, net	66,792	57,836
Total property, plant and equipment	3,750,321	3,646,414
Intangible assets	59,452	64,112
Investments and other assets	487,332	393,942
Total non-current assets	4,297,106	4,104,469
Deferred assets	3,016	2,261
Total assets	10,685,283	10,768,493
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	1,146,542	1,248,186
Short-term loans payable	1,841,900	1,865,200
Income taxes payable	152,620	153,659
Provision for bonuses	89,114	86,408
Other	394,121	344,765
Total current liabilities	3,624,298	3,698,219
Non-current liabilities		
Bonds payable	246,000	232,000
Long-term loans payable	1,798,000	1,625,500
Net defined benefit liability	313,730	296,796
Asset retirement obligations	34,826	35,046
Other	106,141	94,152
Total non-current liabilities	2,498,698	2,283,494
Total liabilities	6,122,997	5,981,714
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	3,133,067	3,352,515
Treasury shares	(147,286)	(147,738)
Total shareholders' equity	4,568,633	4,787,628
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(6,346)	(1,841)
Foreign currency translation adjustment	—	991
Total accumulated other comprehensive income	(6,346)	(849)
Total net assets	4,562,286	4,786,779
Total liabilities and net assets	10,685,283	10,768,493

## Consolidated quarterly statements of income

(Thousands of Japanese yen)

	Six months ended September 30,2013	Six months ended September 30,2014
Net sales	6,045,202	6,558,220
Cost of sales	5,219,577	5,653,719
Gross profit	825,625	904,500
Selling, general and administrative expenses	428,056	443,182
Operating income	397,569	461,317
Non-operating income		
Dividend income	1,524	1,841
Amortization of negative goodwill	787	—
Foreign exchange gains	20,829	4,753
Insurance income	206	9,833
Subsidy income	450	801
Other	6,228	3,907
Total non-operating income	30,024	21,136
Non-operating expenses		
Interest expenses	20,223	20,380
Other	11,068	7,206
Total non-operating expenses	31,291	27,586
Ordinary income	396,302	454,867
Extraordinary income		
Gain on sales of non-current assets	—	241
Total extraordinary income	—	241
Extraordinary losses		
Loss on retirement of non-current assets	2,073	324
Total extraordinary losses	2,073	324
Income before income taxes and minority interests	394,229	454,785
Income taxes-current	157,293	159,256
Income taxes-deferred	(4,897)	7,208
Total income taxes	152,396	166,465
Income before minority interests	241,833	288,319
Net income	241,833	288,319

## Consolidated quarterly statements of comprehensive income

(Thousands of Japanese yen)

	Six months ended September 30,2013	Six months ended September 30,2014
Income before minority interests	241,833	288,319
Other comprehensive income		
Valuation difference on available-for-sale securities	8,252	4,505
Foreign currency translation adjustment	—	991
Total other comprehensive income	8,252	5,496
Comprehensive income	250,086	293,816
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	250,086	293,816

## Segment Information

(1) For the six months ended September 30, 2013

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	3,453,140	2,585,194	6,038,335	6,867	6,045,202	–	6,045,202
Inter-segment	–	19,565	19,565	–	19,565	(19,565)	–
Total	3,453,140	2,604,760	6,057,900	6,867	6,064,768	(19,565)	6,045,202
Operating income	96,533	283,181	379,715	6,402	386,118	11,450	397,569

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

(2) For the six months ended September 30, 2014

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	3,677,580	2,869,660	6,547,240	10,979	6,558,220	–	6,558,220
Inter-segment	–	23,689	23,689	–	23,689	(23,689)	–
Total	3,677,580	2,893,349	6,570,930	10,979	6,581,909	(23,689)	6,558,220
Operating income	164,453	279,285	443,738	10,524	454,262	7,054	461,317

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