## Summary of Consolidated Financial Results for the Second Quarter Ended September 30, 2018(Unaudited)

October 30, 2018

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

The second section of Tokyo Stock Exchange Listed stock exchange:

Securities Code:

Company Representative: Michifumi Watanabe, President & CEO Contact Information: Shigeki Watanabe, Executive Vice President

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### 1. Consolidated Financial Results for the Second Quarter Ended September 30, 2018 and 2017

(Rounded down to millions of Japanese Yen)

	Net sa	Net sales Operating income Ordinary income			income	owners of		
For the Second quarter ended	Millions of Ye	en %	Millions of `	Yen %	Millions of `	Yen %	Millions of Y	'en %
September 30, 2018	7,417	1.0	721	(12.9)	712	(12.9)	490	(16.2)
September 30, 2017	7,347	37.2	828	115.0	818	143.6	585	152.3

Note: Comprehensive income:

As of September 30, 2018: 487 million yen (22.6)% As of September 30, 2017: 630 million yen 189.6%

	EPS
For the Second quarter ended	Yen
September 30, 2018	201.13
September 30, 2017	239.89

### (2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
As of	Millions of Yen	Millions of Yen	%
September 30, 2018	11,436	6,977	61.0
March 31, 2018	11,781	6,581	55.9

As of September 30, 2018: 6,977 million yen As of March 31, 2018: 6,581 million yen Note: Shareholders' equity

\*\*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	ı	37.50							
March 31, 2019(expected)			_	37.50	75.00				

Note: Revision of outlook for dividends in the Second guarter: 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.

3. Consolidated Earnings Forecast for the Year Ending March 2019(April 1, 2018 ~ March 31, 2019):

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

	Net sales		J		Ordinary		Prof attributa	fit able to s of	EPS
For the year ending March 31, 2019	Millions of Yen	%	Millions of	Yen %	Millions of	Yen %	Millions of		Yen
Full year	15,000	3.2	1,240	(12.7)	1,180	(14.0)	810	(14.8)	331.82

Note: Revision of outlook for fiscal 2018 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, 2018: 2,605,900 As of March 31, 2018: 2,605,900

2. Number of treasury shares at the end of the period:

As of September 30, 2018: 164,884 As of March 31, 2018: 164,820

 ${\it 3. Average \ number \ of \ outstanding \ shares \ during \ period:}\\$ 

For the 2nd Quarter ending March 31, 2019: 2,441,031 For the 2nd Quarter ended March 31, 2018: 2,441,849

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

	M   01 0010	(Thousands of Japanese yer
Assets	March 31,2018	September 30,2018
Cook and denosite	2 507 001	2 127 603
Cash and deposits	2,597,981	2,127,683
Notes and accounts receivable-trade	2,353,533	2,422,456
Merchandise and finished goods	1,319,246	1,407,151
Work in process	246,288	220,300
Raw materials and supplies	873,465	956,936
Other	70,748	38,032
Allowance for doubtful accounts	(7,296)	(7,410
Total current assets	7,453,967	7,165,14
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,390,113	1,364,955
Machinery, equipment and vehicles, net	759,455	648,750
Land	1,474,166	1,474,191
Other, net	266,722	338,412
Total property, plant and equipment	3,890,457	3,826,308
Intangible assets	42,242	46,782
Investments and other assets	394,676	398,476
Total non-current assets	4,327,376	4,271,567
Total assets	11,781,344	11,436,715
Liabilities		
Current liabilities		
Notes and accounts payable-trade	973,951	804,120
Electronically recorded obligations-operating	374,496	316,859
Short-term loans payable	1,640,500	1,594,500
Income taxes payable	309,077	215,604
Provision for bonuses	161,450	161,578
Other	626,334	364,862
Total current liabilities	4,085,809	3,457,525
Non-current liabilities	· · ·	, ,
Long-term loans payable	707,500	582,500
Net defined benefit liability	335,717	348,284
Asset retirement obligations	35,907	36,148
Other	35,179	35,052
Total non-current liabilities	1,114,304	1,001,985
Total liabilities	5,200,114	4,459,51
Net assets	0,200,111	1,100,01
Shareholders' equity		
Capital stock	1,018,126	1,018,12
Capital surplus	564,725	564,72
Retained earnings	5,094,036	5,493,460
-	(152,376)	
Treasury shares	6,524,511	(152,59 6,923,71
Total shareholders' equity	0,324,311	0,923,717
Accumulated other comprehensive income	40.070	40.07
Valuation difference on available-for-sale securities	49,678	49,07
Foreign currency translation adjustment	7,040	4,41
Total accumulated other comprehensive income	56,718	53,49
Total net assets	6,581,230	6,977,20
Total liabilities and net assets	11,781,344	11,436,71

# Consolidated quarterly statements of income

		inds of Japanese yen)	
	2nd Quarter ended	2nd Quarter ended	
	September 30,2017	ended September 30,2018	
Net sales	7,347,797	7,417,797	
Cost of sales	6,037,162	6,200,340	
Gross profit	1,310,635	1,217,457	
Selling, general and administrative expenses	482,145	496,153	
Operating profit	828,489	721,304	
Non-operating income			
Dividend income	2,201	2,577	
Foreign exchange gains	634	14,391	
Other	8,813	11,865	
Total non-operating income	11,648	28,834	
Non-operating expenses			
Interest expenses	11,827	9,713	
Care and maintenance costs of suspended mine	7,285	24,938	
Other	2,857	2,714	
Total non-operating expenses	21,970	37,366	
Ordinary profit	818,168	712,772	
Extraordinary income			
Gain on sales of investment securities	29,100	_	
Total extraordinary income	29,100	_	
Extraordinary losses			
Loss on retirement of non-current assets	1,110	2,169	
Total extraordinary losses	1,110	2,169	
Profit before income taxes	846,158	710,602	
Income taxes-current	262,265	215,337	
Income taxes-deferred	(1,871)	4,301	
Total income taxes	260,394	219,638	
Profit	585,764	490,964	
Profit attributable to owners of parent	585,764	490,964	

# Consolidated quarterly statements of comprehensive income

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	2nd Quarter	2nd Quarter
	ended	ended
	September 30,2017	September 30,2018
Profit	585,764	490,964
Other comprehensive income		
Valuation difference on available-for-sale securities	45,399	(606)
Foreign currency translation adjustment	(962)	(2,620)
Total other comprehensive income	44,437	(3,227)
Comprehensive income	630,201	487,736
Comprehensive income attributable to owners of parent	630,201	487,736

## Segment Information

## (1) For the six months ended September 30, 2017

### (Thousands of Japanese yen)

	Rep	ortable Segm	ents			Elimination	
	Antimony products	Atomized metal powders	Total	Others	Total	& corporate	Consolidated
Net sales							
Outside customers	3,895,208	3,441,050	7,336,259	11,537	7,347,797	_	7,347,797
Inter-segment	-	31,460	31,460	1	31,460	(31,460)	_
Total	3,895,208	3,472,511	7,367,720	11,537	7,379,257	(31,460)	7,347,797
Operating income	289,693	525,085	814,778	11,331	826,110	2,379	828,489

<sup>\*</sup> 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, 2018

	Rep	ortable Segm	ents			Elimination	
	Antimony products	Atomized metal powders	Total	Others	Total	& corporate	Consolidated
Net sales							
Outside customers	3,937,945	3,468,513	7,406,459	11,338	7,417,797	_	7,417,797
Inter-segment	-	24,468	24,468	-	24,468	(24,468)	-
Total	3,937,945	3,492,982	7,430,927	11,338	7,442,266	(24,468)	7,417,797
Operating income	220,577	478,295	698,873	11,108	709,981	11,322	721,304

<sup>\*</sup> The above-mentioned "Others" category is a real estate lease business not included in the reportable segments.