# Summary of Consolidated Financial Results for the Third Quarter Ended December 31, 2018(Unaudited)

February 5, 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: <a href="http://www.nihonseiko.co.jp">http://www.nihonseiko.co.jp</a>

Listed stock exchange: The second section of Tokyo Stock Exchange

Securities Code: 5729

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

Tel +81-3-3235-0021

### 1. Consolidated Financial Results for the Third Quarter Ended December 31, 2018 and 2017

(1) Operating Results

(Rounded down to millions of Japanese Yen)

	Net	et sales Operating income Ordinary income			Profit attributable to owners of parent					
For the Third quarter ended	Millions of	Yen	%	Millions of Yen	%	Millions of	Yen %	Millions of	Yen	%
December 31, 2018	10,975	0.4		1,034	(12.7)	1,014	(13.2)	700	(15.4)	
December 31, 2017	10,928	31.4		1,184	75.0	1,168	75.9	827	82.0	

Note: Comprehensive income:

As of December 31, 2018: 676 million yen (22.1)% As of December 31, 2017: 867 million yen 93.1%

	EPS
For the Third quarter ended	Yen
December 31, 2018	286.80
December 31, 2017	339.10

### (2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
As of	Millions of Yen	Millions of Yen	%
December 31, 2018	11,477	7,074	61.6
March 31, 2018	11,781	6,581	55.9

Note: Shareholders' equity As of December 31, 2018: 7,074 million yen As of March 31, 2018: 6,581 million yen

%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	ı								
March 31, 2019(expected)				37.50	75.00						

Note: Revision of outlook for dividends in the Third quarter: 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 sale	s	Operating	g income	Ordinary	income	Pro- attributa owner pare	able to	EPS
For the year ending March 31, 2019	Millions of Ye	ո %	Millions of	Yen %	Millions of	Yen %	Millions of	Yen %	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 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, 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 December 31, 2018: 164,884 As of March 31, 2018: 164,820

3. Average number of outstanding shares during period: For the 3rd Quarter ending March 31, 2019: 2,441,026

For the 3rd Quarter ended March 31, 2018: 2,441,655

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		
Assets	March 31,2018	December 31,2018		
Current assets  Cash and deposits	2 507 001	2 200 265		
,	2,597,981	2,298,365		
Notes and accounts receivable-trade	2,353,533	2,205,622		
Merchandise and finished goods	1,319,246	1,421,986		
Work in process	246,288	252,541		
Raw materials and supplies	873,465	1,025,876		
Other	70,748	42,840		
Allowance for doubtful accounts	(7,296)	(7,146		
Total current assets	7,453,967	7,240,085		
Non-current assets				
Property, plant and equipment				
Buildings and structures, net	1,390,113	1,350,958		
Machinery, equipment and vehicles, net	759,455	593,770		
Land	1,474,166	1,474,191		
Other, net	266,722	396,950		
Total property, plant and equipment	3,890,457	3,815,87		
Intangible assets	42,242	47,89		
Investments and other assets	394,676	373,189		
Total non-current assets	4,327,376	4,236,95		
Total assets	11,781,344	11,477,037		
Liabilities				
Current liabilities				
Notes and accounts payable-trade	973,951	788,975		
Electronically recorded obligations-operating	374,496	318,586		
Short-term loans payable	1,640,500	1,570,000		
Income taxes payable	309,077	73,598		
Provision for bonuses	161,450	83,12		
Other	626,334	439,086		
Total current liabilities	4,085,809	3,273,368		
Non-current liabilities	.,,			
Long-term loans payable	707,500	672,500		
Net defined benefit liability	335,717	363,838		
Asset retirement obligations	35,907	36,269		
Other	35,179	56,991		
Total non-current liabilities	1,114,304	1,129,599		
Total liabilities	5,200,114	4,402,967		
Net assets	0,200,114	4,402,30		
Shareholders' equity				
Capital stock	1,018,126	1,018,126		
Capital stock Capital surplus	564,725	564,72		
Retained earnings	5,094,036	5,611,04		
Treasury shares	(152,376)	(152,599		
Total shareholders' equity	6,524,511	7,041,29		
Accumulated other comprehensive income	10	**		
Valuation difference on available-for-sale securities	49,678	29,07		
Foreign currency translation adjustment	7,040	3,70		
Total accumulated other comprehensive income	56,718	32,77		
Total net assets	6,581,230	7,074,06		
Total liabilities and net assets	11,781,344	11,477,037		

# Consolidated quarterly statements of income

	Nine months ended	Nine months ended
	December 31,2017	December 31,2018
Net sales	10,928,654	10,975,867
Cost of sales	9,016,616	9,154,528
Gross profit	1,912,038	1,821,339
Selling, general and administrative expenses	727,139	786,919
Operating profit	1,184,898	1,034,419
Non-operating income		
Dividend income	2,937	3,435
Foreign exchange gains	-	3,595
Subsidy income	3,928	6,879
Other	9,063	10,435
Total non-operating income	15,928	24,345
Non-operating expenses		
Interest expenses	16,286	13,578
Care and maintenance costs of suspended mine	10,157	26,898
Other	5,539	3,841
Total non-operating expenses	31,983	44,317
Ordinary profit	1,168,843	1,014,447
Extraordinary income		
Gain on sales of investment securities	29,100	_
Total extraordinary income	29,100	_
Extraordinary losses		
Loss on retirement of non-current assets	3,622	2,178
Total extraordinary losses	3,622	2,178
Profit before income taxes	1,194,320	1,012,268
Income taxes-current	354,566	297,070
Income taxes-deferred	11,784	15,111
Total income taxes	366,351	312,181
Profit	827,969	700,087
Profit attributable to owners of parent	827,969	700,087

# Consolidated quarterly statements of comprehensive income

	Nine months ended December 31,2017	Nine months ended December 31,2018
Profit	827,969	
Other comprehensive income		
Valuation difference on available-for-sale securities	38,882	(20,607)
Foreign currency translation adjustment	967	(3,339)
Total other comprehensive income	39,849	(23,946)
Comprehensive income	867,819	676,140
Comprehensive income attributable to owners of parent	867,819	676,140

### Segment Information

### (1) For the six months ended December 31, 2017

(Thousands of Japanese yen)

	Rep	ortable Segm	ents			Elimination	
	Antimony products	Atomized metal powders	Total	Others	Total	& corporate	Consolidated
Net sales							
Outside customers	5,804,301	5,107,053	10,911,355	17,299	10,928,654	_	10,928,654
Inter-segment	-	43,043	43,043	-	43,043	(43,043)	_
Total	5,804,301	5,150,097	10,954,398	17,299	10,971,697	(43,043)	10,928,654
Operating income	415,410	748,895	1,164,305	16,992	1,181,298	3,599	1,184,898

<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 December 31, 2018

	Rep	ortable Segm	ents			Elimination		
	Antimony products	Atomized metal powders	Total Others		Total	& corporate	Consolidated	
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	1	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	16,959	1,015,310	19,108	1,034,119	

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