

Summary of Consolidated Financial Results
for the First Quarter Ended June 30, 2020(Unaudited)

August 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
 Contact Information: Takenori Wakabayashi, Managing Director, General Manager, Corporate Planning
 & Administration Dept. Tel +81-3-3235-0021

1. Consolidated Financial Results for the First Quarter Ended June 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 First quarter ended								
June 30, 2020	2,551	(13.4)	286	45.5	284	53.7	199	60.0
June 30, 2019	2,945	(19.6)	197	(49.9)	185	(54.0)	124	(55.0)

Note: Comprehensive income:

As of June 30, 2020: 205 million yen 69.9%

As of June 30, 2019: 120 million yen (56.2)%

	EPS
	Yen
For the First quarter ended	
June 30, 2020	81.60
June 30, 2019	50.99

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
As of			
June 30, 2020	11,005	7,399	67.2
March 31, 2020	10,784	7,286	67.6

Note: Shareholders' equity As of June 30, 2020: 7,399 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	-				
March 31, 2021(expected)		25.00	-	25.00	50.00

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

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

(%: Change from the previous fiscal half year for First half 2020)

(%: 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
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the year ending March 31, 2020									
First half 2020	4,400	(20.5)	260	110.7	270	163.7	180	202.0	73.75
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 first 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 June 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 June 30, 2020: 165,343	As of March 31, 2020: 165,331
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 3. Average number of outstanding shares during period:

For the 1st Quarter ending March 31, 2021: 2,440,565	For the 1st Quarter ended March 31, 2020: 2,440,977
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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	June 30,2020
Assets		
Current assets		
Cash and deposits	2,905,207	3,470,899
Notes and accounts receivable – trade	1,602,997	1,366,605
Merchandise and finished goods	1,061,471	998,394
Work in process	234,670	218,952
Raw materials and supplies	566,576	601,523
Other	131,545	98,459
Allowance for doubtful accounts	(4,793)	(3,915)
Total current assets	6,497,675	6,750,918
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,524,923	1,514,260
Machinery, equipment and vehicles, net	695,098	659,447
Land	1,474,191	1,474,191
Other, net	198,505	186,575
Total property, plant and equipment	3,892,719	3,834,475
Intangible assets	46,520	54,406
Investments and other assets	348,003	365,465
Total non-current assets	4,287,243	4,254,347
Total assets	10,784,918	11,005,265
Liabilities		
Current liabilities		
Notes and accounts payable – trade	627,157	521,527
Electronically recorded obligations – operating	241,512	237,369
Short-term borrowings	1,450,000	1,674,000
Income taxes payable	11,161	83,786
Provision for bonuses	110,627	56,236
Other	377,429	296,006
Total current liabilities	2,817,888	2,868,927
Non-current liabilities		
Long-term borrowings	240,000	296,000
Retirement benefit liability	347,423	346,182
Asset retirement obligations	36,792	36,918
Other	56,726	57,414
Total non-current liabilities	680,942	736,515
Total liabilities	3,498,831	3,605,442
Net assets		
Shareholders' equity		
Share capital	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	5,843,835	5,951,472
Treasury shares	(153,575)	(153,601)
Total shareholders' equity	7,273,112	7,380,722
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,382	19,674
Foreign currency translation adjustment	592	(574)
Total accumulated other comprehensive income	12,975	19,099
Total net assets	7,286,087	7,399,822
Total liabilities and net assets	10,784,918	11,005,265

Consolidated quarterly statements of income

(Thousands of Japanese yen)

	1st Quarter ended June 30,2019	1st Quarter ended June 30,2020
Net sales	2,945,399	2,551,471
Cost of sales	2,508,898	2,053,185
Gross profit	436,500	498,286
Selling, general and administrative expenses	239,478	211,647
Operating profit	197,022	286,638
Non-operating income		
Dividend income	2,639	2,444
Other	2,386	2,078
Total non-operating income	5,026	4,522
Non-operating expenses		
Interest expenses	3,581	2,820
Foreign exchange losses	11,158	1,798
Care and maintenance costs of suspended mine	1,618	1,253
Other	659	821
Total non-operating expenses	17,017	6,693
Ordinary profit	185,030	284,467
Extraordinary losses		
Loss on retirement of non-current assets	297	107
Total extraordinary losses	297	107
Profit before income taxes	184,733	284,360
Income taxes – current	37,112	82,900
Income taxes – deferred	23,155	2,302
Total income taxes	60,268	85,202
Profit	124,465	199,158
Profit attributable to owners of parent	124,465	199,158

Consolidated quarterly statements of comprehensive income

(Thousands of Japanese yen)

	1st Quarter ended June 30,2019	1st Quarter ended June 30,2020
Profit	124,465	199,158
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,884)	7,291
Foreign currency translation adjustment	1,215	(1,167)
Total other comprehensive income	(3,669)	6,124
Comprehensive income	120,795	205,283
Comprehensive income attributable to owners of parent	120,795	205,283

Segment Information

(1) For the first quarter ended June 30,2019

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	1,637,030	1,302,609	2,939,639	5,759	2,945,399	-	2,945,399
Inter-segment	-	8,522	8,522	-	8,522	(8,522)	-
Total	1,637,030	1,311,132	2,948,162	5,759	2,953,921	(8,522)	2,945,399
Operating income	72,567	110,763	183,330	5,661	188,992	8,029	197,022

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

(2) For the first quarter ended June 30,2020

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	1,129,244	1,416,589	2,545,834	5,637	2,551,471	-	2,551,471
Inter-segment	-	6,839	6,839	-	6,839	(6,839)	-
Total	1,129,244	1,423,429	2,552,673	5,637	2,558,311	(6,839)	2,551,471
Operating income	36,542	241,868	278,411	5,548	283,959	2,679	286,638

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