

Summary of Consolidated Financial Results
for the Year Ended March 31, 2007(Unaudited)

May 15, 2007

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: Osamu Iwayama, President & CEO
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1. Consolidated Financial Results for the Years Ended March 31, 2007 and 2006

(1) Operating Results(Consolidated) (Rounded down to millions of Japanese Yen)
(%: Changes form the previous fiscal year)

	Net sales		Operating income		Recurring profit		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the years ended								
March 31, 2007	8,774	37.0	838	13.6	831	8.9	324	15.9
March 31, 2006	6,405	12.6	737	23.1	763	21.6	280	18.4

	Net income per share	Return on equity	Recurring profit to total assets ratio	Operating income to net sales ratio
	Yen	%	%	%
For the years ended				
March 31, 2007	25.00	9.4	11.9	9.6
March 31, 2006	20.96	8.7	12.2	11.5

Note: Equity in earnings of unconsolidated subsidiaries and affiliate during the period:(Millions of Yen)

Current fiscal year : -

Last fiscal year : -

(2) Financial Position(Consolidated)

	Total assets	Total net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of Yen	Millions of Yen	%	Yen
As of				
March 31, 2007	7,510	4,209	47.3	273.73
March 31, 2006	6,487	3,317	51.1	254.78

Note: Shareholders' equity As of March 31, 2007: 3,554 million yen As of March 31, 2006: 3,317 million yen

(3) Consolidated Statements of Cash Flows

	Operating activities	Investing activities	Financing activities	Cash & cash equivalents at the end of the period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For the years ended				
March 31, 2007	304	(188)	(24)	1,058
March 31, 2006	172	(1)	(13)	965

2. Cash dividends

	Cash dividends per share			Total amount of cash dividends (Annual)	Payout ratio (Consolidated)	Cash dividends to net assets ratio (consolidated)
	Interim	Year-end	Annual			
For the years ended	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2006	2.50	2.50	5.00	64	23.9	2.0
March 31, 2007	3.00	3.00	6.00	77	24.0	2.3
March 31, 2008 (expected)	3.00	3.00	6.00		26.0	

3. Consolidated Earnings Forecast for the Year Ending March 2008(April 1,2007 ~ March 31, 2008):

(%: Change from the previous fiscal half year for First half 2007)

(%: Change from the previous fiscal year for Year ended march31,2008)

	Net sales		Operating income		Recurring profit		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First half 2007	4,600	7.3	410	(3.8)	400	(5.2)	150	(10.5)	11.55
Year ended march 31,2008	9,300	6.0	810	(3.3)	800	(3.8)	300	(7.6)	23.10

Note : The above-mentioned forecast is based on available information at present.

Therefore,actual results may differ materially from the forecast due to many factors.

4. Others

(1)Changes for important subsidiaries during the fiscal year ended March 31,2007: None

(2)Changes on the basis of consolidated financial statement preparation

a. Related to accounting standard revisions: Applicable

b. Other changes: Not applicable

(3)Number of outstanding shares at the end of the period:

a. Number of shares outstanding(including treasury stock)

As of March 31, 2007: 13,029,500 As of March 31, 2006: 13,029,500

b. Number of treasury stock

As of March 31, 2007: 42,735 As of March 31, 2006: 37,778

Consolidated Balance Sheets

(Thousands of Japanese yen)

	March 31,2006	March 31,2007
<Assets>		
Current assets:		
Cash and time deposits	965,181	1,058,231
Notes and accounts receivable, trade	1,431,877	1,996,977
Securities	11,845	1,000
Inventories	1,377,139	1,755,048
Deferred tax assets	53,099	55,749
Others	47,474	42,958
Allowance for doubtful accounts	(3,549)	(6,510)
Total current assets	3,883,067	4,903,456
Fixed assets:		
Buildings and structures	688,132	665,401
Machinery and equipments	640,509	583,816
Land	822,657	812,378
Construction in progress	-	5,200
Total tangible fixed assets	2,151,300	2,066,797
Goodwill	56,679	28,339
Others	30,143	25,074
Total intangible fixed assets	86,822	53,414
Investments in securities	269,789	312,914
Others	96,274	174,275
Total investments and others	366,063	487,189
Total fixed assets	2,604,186	2,607,401
Total assets	6,487,254	7,510,857

(Thousands of Japanese yen)

	March 31,2006	March 31,2007
<Liabilities>		
Current liabilities		
Notes and accounts payable, trade	696,116	1,174,996
Short-term loans	592,500	852,500
Accounts payable, other	83,570	116,622
Accrued income taxes	203,156	178,410
Accrued bonuses	75,874	92,041
Others	117,659	151,256
Total current liabilities	1,768,878	2,565,826
Non-current liabilities		
Long-term loans	483,750	321,250
Allowance for retirement benefits of employee	240,275	262,577
Allowance for retirement benefits of directors and corporate auditors	78,200	50,450
Deferred tax liabilities	12,403	67,734
Others	35,909	33,656
Total non-current liabilities	850,538	735,667
Total liabilities	2,619,416	3,301,494
<Minority interests>	550,191	—
<Shareholders' equity>		
Common stock	1,018,126	—
Capital surplus	564,725	—
Retained earnings	1,724,455	—
Net unrealized gains on available-for-sale securities	25,029	—
Treasury stock	(14,690)	—
Total shareholders' equity	3,317,646	—
Total liabilities, minority interests and shareholders' equity	6,487,254	—
<Net assets>		
Shareholders' equity		
Common stock	—	1,018,126
Capital surplus	—	564,725
Retained earnings	—	1,970,081
Treasury stock	—	(16,653)
Total shareholders' equity	—	3,536,279
Valuation and translation adjustments		
Net unrealized gains on available-for-sale securities	—	18,553
Minority interests	—	654,529
Total net assets	—	4,209,362
Total liabilities and net assets	—	7,510,857

Consolidated Statements of income

(Thousands of Japanese yen)

	FY2005	FY2006
Net sales	6,405,649	8,774,508
Cost of sales	5,003,894	7,235,693
Gross profit	1,401,754	1,538,814
Selling, general and administrative expenses	664,153	700,812
Operating income	737,600	838,002
Other income		
Interest income	3,645	126
Dividends	1,049	1,040
Foreign exchange profit	1,613	–
Gain on sale of scrap metal	36,062	16,294
Others	6,996	10,439
Total other income	49,367	27,900
Other expenses		
Interest expenses	18,376	24,814
Foreign exchange loss	–	1,512
Others	5,210	8,300
Total other expenses	23,587	34,627
Recurring profit	763,381	831,274
Extraordinary income		
Reversal of allowance for doubtful accounts	693	–
Reversal of allowance for retirement benefits of employee	9,953	–
Gain on sale of tangible fixed assets	49	242
Gain on sale of investment in securities	11,434	–
Gain on redemption of investment in securities		508
Total extraordinary profit	22,131	751
Extraordinary loss		
Loss on sale of tangible fixed assets	1,379	779
Loss on disposal of tangible fixed assets	3,033	14,425
Impairment losses on fixed assets	19,521	–
Total extraordinary loss	23,933	15,204
Income before income taxes and minority interests	761,578	816,821
Income taxes – current	325,716	337,082
Income taxes – deferred	(11,895)	2,001
Minority interests in consolidated subsidiaries	167,704	153,066
Net income	280,053	324,671

Consolidated Statements of Cash Flows

(Thousands of Japanese yen)

	FY2005	FY2006
Cash flows from operating activities		
Income before income taxes and minority interests	761,578	816,821
Depreciation and amortization	261,756	244,146
Increase(decrease)in allowance for retirement benefits of employee	(11,482)	22,301
Increase in allowance for retirement benefits of directors and corporate auditors	15,633	(27,750)
Increase in accrued bonuses	3,252	16,166
Increase(decrease)in allowance for doubtful accounts	(645)	2,961
Interest and dividend income(accrual basis)	(5,013)	(1,166)
Interest expense(accrual basis)	18,376	24,814
Foreign exchange gain	(356)	(614)
Gain on sale of investment in securities	(11,434)	–
Gain on sale of tangible fixed assets	(49)	(242)
Loss on sale of tangible fixed assets	1,379	779
Loss on disposal of tangible fixed assets	3,033	14,425
Gain on redemption of investment in securities		(508)
Impairment losses on fixed assets	19,521	–
Increase in notes and accounts receivable, trade	(150,443)	(565,099)
Increase in inventories	(437,431)	(377,909)
Increase in notes and accounts payable, trade	60,444	478,879
Others	(23,149)	40,733
Subtotal	504,968	688,737
Interest and dividend income(cash basis)	4,744	1,179
Interest expense(cash basis)	(18,738)	(23,638)
Income taxes(cash basis)	(318,728)	(361,407)
Net cash provided by operating activities	172,246	304,870
Cash flows from investing activities		
Acquisition of securities	(1,000)	(1,000)
Redemption of securities	1,000	1,000
Acquisition of investments in securities	(17,240)	(53,668)
Redemption of investments in securities	100,000	10,658
Proceeds from sale of investments in securities	120,639	–
Acquisition of tangible fixed assets	(234,554)	(149,187)
Proceeds from sale of tangible fixed assets	32,968	10,000
Payments for disposal of tangible fixed assets	(1,100)	(4,368)
Acquisition of intangible fixed assets	(1,794)	(2,281)
Proceeds from sale of intangible fixed assets	–	800
Net cash used in investing activities	(1,080)	(188,046)
Cash flows from financing activities		
Net increase(decrease) in short-term loans	200,000	(60,000)
Proceeds from long-term loans	100,000	200,000
Repayments of long-term loans	(173,050)	(42,500)
Payments for purchase of treasury stock	(17,084)	(1,962)
Proceeds from sale of treasury stock	5,719	–
Cash dividends	(97,483)	(71,445)
Cash dividends to minority shareholders	(31,500)	(48,480)
Net cash used in financing activities	(13,398)	(24,388)
Effect of exchange rate changes on cash and cash equivalents	356	614
Net increase in cash and cash equivalents	158,123	93,050
Cash and cash equivalents at beginning of period	807,057	965,181
Cash and cash equivalents at end of period	965,181	1,058,231

Industrial Segment Information

(1) For the Year ended March 31, 2007

(Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	5,163,449	3,611,059	8,774,508	–	8,774,508
Inter-segment	–	19,322	19,322	(19,322)	–
Total	5,163,449	3,630,382	8,793,831	(19,322)	8,774,508
Operating expenses	4,858,432	3,101,656	7,960,088	(23,581)	7,936,506
Operating income	305,017	528,725	833,742	4,259	838,002

(2) For the Year ended March 31, 2006

(Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	3,552,736	2,852,912	6,405,649	–	6,405,649
Inter-segment	–	16,734	16,734	(16,734)	–
Total	3,552,736	2,869,647	6,422,384	(16,734)	6,405,649
Operating expenses	3,374,766	2,315,009	5,689,776	(21,728)	5,668,048
Operating income	177,969	554,637	732,607	4,993	737,600