

Summary of Consolidated Financial Results  
for the Year Ended March 31, 2008(Unaudited)

May 15, 2008

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  
 Contact Information: Katsumi Hatokawa, Managing Director Tel +81-3-3235-0021

## 1. Consolidated Financial Results for the Years Ended March 31, 2008 and 2007

(1) Operating Results (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, 2008	9,778	11.4	747	(10.8)	714	(14.1)	259	(20.2)
March 31, 2007	8,774	37.0	838	13.6	831	8.9	324	15.9

	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, 2008	19.95	7.1	9.7	7.6
March 31, 2007	25.00	9.4	11.9	9.6

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

Current fiscal year : -

Last fiscal year : -

## (2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of Yen	Millions of Yen	%	Yen
As of				
March 31, 2008	7,265	4,474	51.2	286.81
March 31, 2007	7,510	4,209	47.3	273.73

Note: Shareholders' equity As of March 31, 2008: 3,721 million yen As of March 31, 2007: 3,554 million yen

## (3) 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, 2008	604	(283)	(333)	1,045
March 31, 2007	304	(188)	(24)	1,058

## 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, 2007	3.00	3.00	6.00	77	24.0	2.3
March 31, 2008	3.00	3.00	6.00	77	30.1	2.1
March 31, 2009 (expected)	4.00	4.00	8.00		22.1	

## 3. Consolidated Earnings Forecast for the Year Ending March 2009(April 1,2008 ~ March 31, 2009):

(%: Change from the previous fiscal half year for First half 2008)

(%: Change from the previous fiscal year for Year ending march31,2009)

	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 2008	4,900	0.9	385	(16.2)	390	(13.3)	210	23.1	16.18
Year ending march 31,2009	10,200	4.3	855	14.4	860	20.4	470	81.5	36.22

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 31,2008: None

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

a. Related to accounting standard revisions: Applicable

b. Other changes: Applicable

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

a. Number of shares outstanding(including treasury stock)

As of March 31, 2008: 13,029,500      As of March 31, 2007: 13,029,500

b. Number of treasury stock

As of March 31, 2008: 53,507      As of March 31, 2007: 42,735

## Consolidated Balance Sheets

(Thousands of Japanese yen)

	March 31,2007	March 31,2008
<Assets>		
Current assets:		
Cash and time deposits	1,058,231	1,045,404
Notes and accounts receivable, trade	1,996,977	1,871,233
Securities	1,000	1,000
Inventories	1,755,048	1,661,959
Deferred tax assets	55,749	54,443
Others	42,958	11,624
Allowance for doubtful accounts	(6,510)	(5,972)
Total current assets	4,903,456	4,639,693
Fixed assets:		
Buildings and structures	665,401	686,289
Machinery and equipments	583,816	631,843
Land	812,378	812,378
Construction in progress	5,200	2,630
Total tangible fixed assets	2,066,797	2,133,141
Goodwill	28,339	-
Others	25,074	21,553
Total intangible fixed assets	53,414	21,553
Investments in securities	312,914	293,819
Deferred tax assets	55,193	78,875
Others	119,081	98,850
Total investments and others	487,189	471,545
Total fixed assets	2,607,401	2,626,240
Total assets	7,510,857	7,265,933
<Liabilities>		
Current liabilities		
Notes and accounts payable, trade	1,174,996	850,486
Short-term loans	852,500	671,250
Accounts payable, other	116,622	93,739
Accrued income taxes	178,410	155,186
Accrued bonuses	92,041	92,386
Others	151,256	180,062
Total current liabilities	2,565,826	2,043,111
Non-current liabilities		
Long-term loans	321,250	300,000
Allowance for retirement benefits of employee	262,577	282,051
Allowance for retirement benefits of directors and corporate auditors	50,450	63,175
Deferred tax liabilities	67,734	71,330
Others	33,656	31,403
Total non-current liabilities	735,667	747,959
Total liabilities	3,301,494	2,791,071
<Net assets>		
Shareholders' equity		
Common stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	1,970,081	2,151,186
Treasury stock	(16,653)	(20,187)
Total shareholders' equity	3,536,279	3,713,851
Valuation and translation adjustments		
Net unrealized gains on available-for-sale securities	18,553	7,797
Minority interests	654,529	753,213
Total net assets	4,209,362	4,474,862
Total liabilities and net assets	7,510,857	7,265,933

## Consolidated Statements of income

(Thousands of Japanese yen)

	FY2006	FY2007
Net sales	8,774,508	9,778,331
Cost of sales	7,235,693	8,219,186
Gross profit	1,538,814	1,559,145
Selling, general and administrative expenses	700,812	811,624
Operating income	838,002	747,521
Other income		
Interest income	126	474
Dividends	1,040	2,266
Gain on sale of scrap metal	16,294	–
Indemnity	–	1,291
Others	10,439	6,897
Total other income	27,900	10,928
Other expenses		
Interest expenses	24,814	25,465
Foreign exchange loss	1,512	13,182
Others	8,300	5,582
Total other expenses	34,627	44,229
Recurring profit	831,274	714,219
Extraordinary income		
Reversal of allowance for doubtful accounts	–	562
Gain on sale of tangible fixed assets	242	594
Gain on redemption of investment in securities	508	–
Total extraordinary profit	751	1,157
Extraordinary loss		
Loss on sale of tangible fixed assets	779	306
Loss on disposal of tangible fixed assets	14,425	10,099
Total extraordinary loss	15,204	10,406
Income before income taxes and minority interests	816,821	704,970
Income taxes – current	337,082	307,729
Income taxes – deferred	2,001	(11,110)
Minority interests in consolidated subsidiaries	153,066	149,348
Net income	324,671	259,002

## Consolidated Statements of Changes in Net Assets

(1) For the year ended March 31, 2008

(Thousands of Japanese yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity total
Balance as of March 31, 2007	1,018,126	564,725	1,970,081	(16,653)	3,536,279
Changes of items during the period					
Cash dividends paid			(77,897)		(77,897)
Net income			259,002		259,002
Treasury stock purchased				(3,533)	(3,533)
Net changes of items other than shareholders' equity					
Total	-	-	181,105	(3,533)	177,571
Balance as of March 31, 2008	1,018,126	564,725	2,151,186	(20,187)	3,713,851

	Valuation and translation adjustments and others	Minority interests	Net assets total
	Net unrealized gains on available-for-sale securities		
Balance as of March 31, 2007	18,553	654,529	4,209,362
Changes of items during the period			
Cash dividends paid			(77,897)
Net income			259,002
Treasury stock purchased			(3,533)
Net changes of items other than shareholders' equity	(10,756)	98,683	87,927
Total	(10,756)	98,683	265,499
Balance as of March 31, 2008	7,797	753,213	4,474,862

(2) For the year ended March 31, 2007

(Thousands of Japanese yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity total
Balance as of March 31, 2006	1,018,126	564,725	1,724,455	(14,690)	3,292,616
Changes of items during the period					
Cash dividends paid * 1			(32,479)		(32,479)
Cash dividends paid			(38,966)		(38,966)
Bonuses to directors and statutory auditors *1			(7,600)		(7,600)
Net income			324,671		324,671
Treasury stock purchased				(1,962)	(1,962)
Net changes of items other than shareholders' equity					
Total	-	-	245,625	(1,962)	243,663
Balance as of March 31, 2007	1,018,126	564,725	1,970,081	(16,653)	3,536,279

	Valuation and translation adjustments and others	Minority interests	Net assets total
	Net unrealized gains on available-for-sale securities		
Balance as of March 31, 2006	25,029	550,191	3,867,837
Changes of items during the period			
Cash dividends paid * 1			(32,479)
Cash dividends paid			(38,966)
Bonuses to directors and statutory auditors *1			(7,600)
Net income			324,671
Treasury stock purchased			(1,962)
Net changes of items other than shareholders' equity	(6,476)	104,338	97,862
Total	(6,476)	104,338	341,525
Balance as of March 31, 2007	18,553	654,529	4,209,362

\* 1 Appropriation approved at the annual meeting of shareholders held in June 2006.

## Consolidated Statements of Cash Flows

(Thousands of Japanese yen)

	FY2006	FY2007
Cash flows from operating activities		
Income before income taxes and minority interests	816,821	704,970
Depreciation and amortization	244,146	255,035
Increase in allowance for retirement benefits of employee	22,301	19,474
Increase(decrease) in allowance for retirement benefits of directors and corporate auditors	(27,750)	12,725
Increase in accrued bonuses	16,166	345
Increase(decrease)in allowance for doubtful accounts	2,961	(538)
Interest and dividend income(accrual basis)	(1,166)	(2,740)
Interest expense(accrual basis)	24,814	25,465
Foreign exchange gain	(614)	(60)
Gain on redemption of investment in securities	(508)	–
Gain on sale of tangible fixed assets	(242)	(594)
Loss on sale of tangible fixed assets	779	306
Loss on disposal of tangible fixed assets	14,425	10,020
(Increase)decrease in notes and accounts receivable, trade	(565,099)	125,744
(Increase)decrease in inventories	(377,909)	93,089
Increase(decrease) in notes and accounts payable, trade	478,879	(324,510)
Others	40,733	39,001
Subtotal	688,737	957,733
Interest and dividend income(cash basis)	1,179	2,736
Interest expense(cash basis)	(23,638)	(25,248)
Income taxes(cash basis)	(361,407)	(330,826)
Net cash provided by operating activities	304,870	604,395
Cash flows from investing activities		
Acquisition of securities	(1,000)	(1,000)
Redemption of securities	1,000	1,000
Acquisition of investments in securities	(53,668)	–
Redemption of investments in securities	10,658	–
Acquisition of tangible fixed assets	(149,187)	(283,402)
Proceeds from sale of tangible fixed assets	10,000	888
Payments for disposal of tangible fixed assets	(4,368)	–
Acquisition of intangible fixed assets	(2,281)	(843)
Proceeds from sale of intangible fixed assets	800	–
Net cash used in investing activities	(188,046)	(283,357)
Cash flows from financing activities		
Net increase(decrease) in short-term loans	(60,000)	60,000
Proceeds from long-term loans	200,000	100,000
Repayments of long-term loans	(42,500)	(362,500)
Payments for purchase of treasury stock	(1,962)	(3,533)
Cash dividends	(71,445)	(77,897)
Cash dividends to minority shareholders	(48,480)	(49,995)
Net cash used in financing activities	(24,388)	(333,926)
Effect of exchange rate changes on cash and cash equivalents	614	60
Net increase in cash and cash equivalents	93,050	(12,827)
Cash and cash equivalents at beginning of period	965,181	1,058,231
Cash and cash equivalents at end of period	1,058,231	1,045,404

## Industrial Segment Information

(1) For the Year ended March 31, 2008

(Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	5,518,054	4,260,277	9,778,331	–	9,778,331
Inter-segment	–	33,461	33,461	(33,461)	–
Total	5,518,054	4,293,738	9,811,792	(33,461)	9,778,331
Operating expenses	5,308,673	3,761,009	9,069,683	(38,872)	9,030,810
Operating income	209,380	532,728	742,109	5,411	747,521
Identifiable assets	4,205,812	3,065,602	7,271,415	(5,481)	7,265,933
Depreciation	150,670	106,221	256,891	396	257,288
Capital expenditures	137,218	164,057	301,275	–	301,275

(2) 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
Identifiable assets	4,359,044	3,155,514	7,514,558	(3,701)	7,510,857
Depreciation	142,834	103,564	246,399	–	246,399
Capital expenditures	66,249	82,600	148,850	–	148,850