

Summary of Consolidated Financial Results
for the Year Ended March 31, 2011(Unaudited)

May 13, 2011

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: Hideaki Fukui, President & CEO
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1.Consolidated Financial Results for the Years Ended March 31,2011 and 2010

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the years ended								
March 31,2011	10,878	49.2	876	172.7	826	154.9	685	-
March 31,2010	7,289	1.8	321	-	324	-	(95)	-

Note: Comprehensive income:

Fiscal year ended March 31, 2011: 688 million yen (-%) Fiscal year ended March 31, 2010: (93) million yen (-%)

	EPS	Return on equity	Recurring profit to total assets ratio	Operating income to net sales ratio
	Yen	%	%	%
For the years ended				
March 31,2011	55.87	21.2	9.7	8.1
March 31,2010	(7.63)	(3.2)	4.4	4.4

Note: Equity in earnings of unconsolidated subsidiaries and affiliate during the period:

Fiscal year ended March 31, 2011: - million yen Fiscal year ended March 31, 2010: - million yen

(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 31,2011	9,530	3,539	37.1	288.67
March 31,2010	7,523	2,925	38.9	238.53

Note: Shareholders' equity As of March 31, 2011: 3,539 million yen As of March 31,2010: 2,925 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 31,2011	507	(987)	150	2,026
March 31,2010	990	(177)	(529)	2,355

2. Cash dividends

	Cash dividends per share					Total amount of cash dividends (Annual)	Payout ratio (Consolidated)	Cash dividends to net assets ratio (consolidated)
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual			
For the years ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31,2010	-	0.00	-	3.00	3.00	36	-	1.2
March 31,2011	-	3.00	-	7.00	10.00	122	17.9	3.8
March 31,2012 (expected)	-	5.00	-	5.00	10.00		20.4	

3. Consolidated Earnings Forecast for the Year Ending March 2012(April 1,2011 ~ March 31, 2012):

(%: Change from the previous fiscal half year for First half 2011)

(%: Change from the previous fiscal year for Year ending March 31,2012)

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First half 2011	6,700	33.8	480	4.0	450	1.8	300	(13.0)	24.47
Year ending March 31,2012	14,000	28.7	970	10.6	930	12.5	600	(12.4)	48.93

4. Others

(1) Changes in major subsidiaries during the fiscal year ended March 31,2011 : No

(2) Changes in accounting policies, procedures or method of presentation for preparing quarterly consolidated financial statements

1. Changes due to amendment of accounting standards : Yes

2. Change due to other reasons : No

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

1. Number of outstanding shares at the end of the period:

As of March 31, 2011: 13,029,500 As of March 31, 2010: 13,029,500

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

As of March 31, 2011: 767,964 As of March 31, 2010: 763,726

3. Average number of outstanding shares during period:

As of March 31, 2011: 12,264,297 As of March 31, 2010: 12,574,546

Note concerning the Appropriate Use of Forecast

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 balance sheets

(Thousands of Japanese yen)

	March 31,2010	March 31,2011
Assets		
Current assets		
Cash and deposits	2,355,887	2,026,257
Notes and accounts receivable-trade	1,587,094	2,234,189
Short-term investment securities	1,000	1,000
Merchandise and finished goods	719,409	1,117,160
Work in process	139,165	144,150
Raw materials and supplies	411,931	893,056
Deferred tax assets	130,486	183,869
Other	67,359	75,860
Allowance for doubtful accounts	(4,985)	(7,371)
Total current assets	5,407,350	6,668,172
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	2,399,106	2,404,802
Accumulated depreciation	(1,736,539)	(1,788,178)
Buildings and structures, net	662,567	616,624
Machinery, equipment and vehicles	3,697,821	3,948,092
Accumulated depreciation	(3,315,340)	(3,486,925)
Machinery, equipment and vehicles, net	382,481	461,166
Tools, furniture and fixtures	365,123	394,367
Accumulated depreciation	(309,923)	(345,105)
Tools, furniture and fixtures, net	55,200	49,262
Land	812,378	1,478,590
Construction in progress	3,424	29,630
Total property, plant and equipment	1,916,051	2,635,274
Intangible assets		
Other	22,577	25,752
Total intangible assets	22,577	25,752
Investments and other assets		
Investment securities	78,920	82,312
Other	95,117	111,344
Total investments and other assets	174,037	193,656
Total noncurrent assets	2,112,666	2,854,683
Deferred assets		
Bond issuance cost	3,469	7,611
Total deferred assets	3,469	7,611
Total assets	7,523,485	9,530,466

Consolidated balance sheets

(Thousands of Japanese yen)

	March 31,2010	March 31,2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,028,548	2,071,138
Short-term loans payable	1,359,200	1,993,200
Accounts payable-other	49,048	93,596
Income taxes payable	90,526	187,147
Provision for bonuses	72,800	101,952
Provision for directors' bonuses	—	11,300
Other	180,065	176,261
Total current liabilities	2,780,190	4,634,596
Noncurrent liabilities		
Bonds payable	158,000	330,000
Long-term loans payable	1,072,500	512,300
Deferred tax liabilities	84,350	81,898
Provision for retirement benefits	351,498	276,574
Provision for directors' retirement benefits	17,425	20,150
Metal and mining pollution prevention reserve	3,617	—
Asset retirement obligations	—	35,385
Negative goodwill	95,642	64,024
Other	34,523	35,971
Total noncurrent liabilities	1,817,556	1,356,303
Total liabilities	4,597,746	5,990,899
Net assets		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	1,495,555	2,107,110
Treasury stock	(131,974)	(133,145)
Total shareholders' equity	2,946,432	3,556,817
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(20,693)	(17,249)
Total accumulated other comprehensive income	(20,693)	(17,249)
Total net assets	2,925,739	3,539,567
Total liabilities and net assets	7,523,485	9,530,466

Consolidated statements of income

(Thousands of Japanese yen)

	FY2010	FY2011
Net sales	7,289,761	10,878,569
Cost of sales	6,290,583	9,209,448
Gross profit	999,177	1,669,121
Selling, general and administrative expenses		
Freight-out and storage expense	133,782	148,123
Salaries and allowances	269,376	285,571
Provision for bonuses	17,325	34,595
Provision for directors' bonuses	—	11,300
Retirement benefit expenses	5,704	8,473
Provision for directors' retirement benefits	4,858	3,725
Welfare expenses	35,646	39,159
Depreciation	4,222	5,105
Traveling and communication expenses	28,359	37,306
Rent expenses	17,289	17,914
Other	161,063	200,892
Total selling, general and administrative expenses	677,628	792,168
Operating income	321,548	876,952
Non-operating income		
Interest income	826	535
Dividends income	862	1,352
Subsidy income	25,047	3,045
Amortization of negative goodwill	31,618	31,618
Other	5,765	3,251
Total non-operating income	64,119	39,802
Non-operating expenses		
Interest expenses	55,325	56,944
Foreign exchange losses	1,932	12,461
Commission for syndicate loan	—	15,000
Care and maintenance costs of suspended mine	2,705	3,948
Other	1,546	2,019
Total non-operating expenses	61,510	90,373
Ordinary income	324,158	826,381
Extraordinary income		
Gain on revision of retirement benefit plan	—	69,753
Total extraordinary income	—	69,753
Extraordinary loss		
Loss on retirement of noncurrent assets	11,095	8,420
Loss on valuation of golf club membership	—	7,990
Compensation for damage	6,337	—
Loss on disaster	—	2,782
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	30,389
Total extraordinary losses	17,432	49,582
Income before income taxes and minority interests	306,726	846,552
Income taxes-current	82,554	217,188
Income taxes-deferred	320,139	(55,783)
Total income taxes	402,693	161,404
Income before minority interests	—	685,147
Net income (loss)	(95,967)	685,147

Consolidated statements of comprehensive income

(Thousands of Japanese yen)

	FY2010	FY2011
Income before minority interests	—	685,147
Other comprehensive income		
Valuation difference on available-for-sale securities	—	3,443
Total other comprehensive income	—	3,443
Comprehensive income	—	688,591
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	—	688,591

Consolidated statements of cash flows

(Thousands of Japanese yen)

	FY2010	FY2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	306,726	846,552
Depreciation and amortization	265,396	279,126
Amortization of negative goodwill	(31,618)	(31,618)
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	30,389
Increase (decrease) in provision for retirement benefits	3,784	(74,923)
Increase (decrease) in provision for directors' retirement benefits	(8,975)	2,725
Increase (decrease) in provision for bonuses	6,831	29,152
Increase (decrease) in provision for directors' bonuses	—	11,300
Increase (decrease) in allowance for doubtful accounts	2,728	2,386
Interest and dividends income	(1,688)	(1,887)
Interest expenses	55,325	56,944
Foreign exchange losses (gains)	(3)	—
Loss on retirement of property, plant and equipment	11,095	8,420
Loss on valuation of golf club memberships	—	7,990
Decrease (increase) in notes and accounts receivable-trade	(898,796)	(647,094)
Decrease (increase) in inventories	369,035	(883,859)
Increase (decrease) in notes and accounts payable-trade	894,274	1,042,589
Other, net	14,029	(11,930)
Subtotal	988,144	666,261
Interest and dividends income received	1,688	1,887
Interest expenses paid	(48,588)	(58,493)
Income taxes paid	(41,175)	(140,283)
Income taxes refund	90,899	38,139
Net cash provided by (used in) operating activities	990,968	507,510
Net cash provided by (used in) investing activities		
Purchase of short-term investment securities	(1,000)	(1,000)
Proceeds from redemption of securities	1,000	1,000
Purchase of property, plant and equipment	(172,939)	(972,553)
Payments for retirement of property, plant and equipment	(2,733)	(47)
Purchase of intangible assets	(1,343)	(3,098)
Purchase of golf club memberships	—	(5,746)
Payments for investments in capital	—	(6,134)
Other, net	—	(131)
Net cash provided by (used in) investing activities	(177,017)	(987,710)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(500,000)	200,000
Proceeds from long-term loans payable	100,000	100,000
Repayment of long-term loans payable	(232,300)	(226,200)
Proceeds from issuance of bonds	195,845	195,282
Redemption of bonds	(14,000)	(28,000)
Purchase of treasury stock	(53,678)	(1,171)
Cash dividends paid	(25,210)	(73,592)
Other, net	—	(15,750)
Net cash provided by (used in) financing activities	(529,343)	150,569
Effect of exchange rate change on cash and cash equivalents	3	—
Net increase (decrease) in cash and cash equivalents	284,611	(329,630)
Cash and cash equivalents at beginning of period	2,071,276	2,355,887
Cash and cash equivalents at end of period	2,355,887	2,026,257

Consolidated statements of changes in net assets

(Thousands of Japanese yen)

	FY2010	FY2011
Shareholders' equity		
Capital stock		
Balance at the end of previous period	1,018,126	1,018,126
Balance at the end of current period	1,018,126	1,018,126
Capital surplus		
Balance at the end of previous period	564,725	564,725
Balance at the end of current period	564,725	564,725
Retained earnings		
Balance at the end of previous period	1,616,733	1,495,555
Changes of items during the period		
Dividends from surplus	(25,210)	(73,592)
Net income (loss)	(95,967)	685,147
Total changes of items during the period	(121,177)	611,555
Balance at the end of current period	1,495,555	2,107,110
Treasury stock		
Balance at the end of previous period	(78,296)	(131,974)
Changes of items during the period		
Purchase of treasury stock	(53,678)	(1,171)
Total changes of items during the period	(53,678)	(1,171)
Balance at the end of current period	(131,974)	(133,145)
Total shareholders' equity		
Balance at the end of previous period	3,121,288	2,946,432
Changes of items during the period		
Dividends from surplus	(25,210)	(73,592)
Net income (loss)	(95,967)	685,147
Purchase of treasury stock	(53,678)	(1,171)
Total changes of items during the period	(174,855)	610,384
Balance at the end of current period	2,946,432	3,556,817
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(22,991)	(20,693)
Changes of items during the period		
Net changes of items other than shareholders' equity	2,298	3,443
Total changes of items during the period	2,298	3,443
Balance at the end of current period	(20,693)	(17,249)
Total net assets		
Balance at the end of previous period	3,098,297	2,925,739
Changes of items during the period		
Dividends from surplus	(25,210)	(73,592)
Net income (loss)	(95,967)	685,147
Purchase of treasury stock	(53,678)	(1,171)
Net changes of items other than shareholders' equity	2,298	3,443
Total changes of items during the period	(172,557)	613,828
Balance at the end of current period	2,925,739	3,539,567

Segment Information

(1) For the Year ended March 31, 2011

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	6,313,129	4,540,798	10,853,928	24,641	10,878,569	-	10,878,569
Inter-segment	-	44,725	44,725	1,729	46,454	(46,454)	-
Total	6,313,129	4,585,523	10,898,653	26,370	10,925,024	(46,454)	10,878,569
Segment income	304,791	542,058	846,849	25,458	872,307	4,645	876,952
Segment assets	5,415,533	4,075,026	9,490,559	39,907	9,530,466	-	9,530,466
Other							
Depreciation and amortization	119,004	157,626	276,631	2,495	279,126	-	279,126
Property, plant and equipment and Intangible assets increase	61,109	938,819	999,929	1,062	1,000,992	-	1,000,992

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

(2) For the Year ended March 31, 2010

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	3,869,459	3,396,563	7,266,023	23,737	7,289,761	-	7,289,761
Inter-segment	-	27,548	27,548	-	27,548	(27,548)	-
Total	3,869,459	3,424,112	7,293,572	23,737	7,317,310	(27,548)	7,289,761
Segment income	(113,191)	407,180	293,988	22,954	316,942	4,606	321,548
Segment assets	4,330,850	3,151,912	7,482,762	40,723	7,523,485	-	7,523,485
Other							
Depreciation and amortization	135,293	127,592	262,886	2,509	265,396	-	265,396
Property, plant and equipment and Intangible assets increase	78,550	80,557	159,108	-	159,108	-	159,108

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