

Summary of Consolidated Financial Results  
for the Year Ended March 31, 2010(Unaudited)

May 14, 2010

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, 2010 and 2009

(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, 2010	7,289	1.8	321	-	324	-	(95)	-
March 31, 2009	7,163	(26.7)	(513)	-	(518)	-	(443)	-

	EPS	Return on equity	Recurring profit to total assets ratio	Operating income to net sales ratio
	Yen	%	%	%
For the years ended				
March 31, 2010	(7.63)	(3.2)	4.4	4.4
March 31, 2009	(34.52)	(13.0)	(7.2)	(7.2)

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, 2010	7,523	2,925	38.9	238.53
March 31, 2009	7,123	3,098	43.5	245.79

Note: Shareholders' equity As of March 31, 2010: 2,925 million yen As of March 31, 2009: 3,098 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, 2010	990	(177)	(529)	2,355
March 31, 2009	(79)	(816)	1,921	2,071

## 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, 2009	-	4.00	-	2.00	6.00	77	-	2.2
March 31, 2010	-	0.00	-	3.00	3.00	36	-	1.2
March 31, 2011 (expected)	-	3.00	-	5.00	8.00		24.5	

## 3. Consolidated Earnings Forecast for the Year Ending March 2011(April 1,2010 ~ March 31, 2011):

(%: Change from the previous fiscal half year for First half 2010)

(%: Change from the previous fiscal year for Year ending March 31,2011)

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First half 2010	4,100	32.9	180	—	170	—	130	—	10.60
Year ending March 31,2011	8,800	20.7	550	71.0	530	63.5	400	—	32.61

## 4. Others

(1) Changes in major subsidiaries during the fiscal year ended March 31,2010 : 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 : No

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, 2010: 13,029,500

As of March 31, 2009: 13,029,500

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

As of March 31, 2010: 763,726

As of March 31, 2009: 424,212

## 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 31,2009	March 31,2010
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,071,276	2,355,887
Notes and accounts receivable-trade	688,298	1,587,094
Short-term investment securities	1,000	1,000
Merchandise and finished goods	933,048	719,409
Work in process	63,144	139,165
Raw materials and supplies	643,349	411,931
Deferred tax assets	74,512	130,486
Other	126,321	67,359
Allowance for doubtful accounts	(2,256)	(4,985)
<b>Total current assets</b>	<b>4,598,695</b>	<b>5,407,350</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	2,339,637	2,399,106
Accumulated depreciation	(1,674,208)	(1,736,539)
Buildings and structures, net	665,429	662,567
Machinery, equipment and vehicles	3,667,439	3,697,821
Accumulated depreciation	(3,214,240)	(3,315,340)
Machinery, equipment and vehicles, net	453,199	382,481
Tools, furniture and fixtures	339,522	365,123
Accumulated depreciation	(274,878)	(309,923)
Tools, furniture and fixtures, net	64,644	55,200
Land	812,378	812,378
Construction in progress	37,900	3,424
<b>Total property, plant and equipment</b>	<b>2,033,551</b>	<b>1,916,051</b>
<b>Intangible assets</b>		
Other	23,153	22,577
<b>Total intangible assets</b>	<b>23,153</b>	<b>22,577</b>
<b>Investments and other assets</b>		
Investment securities	61,374	78,920
Deferred tax assets	321,400	—
Other	85,000	95,117
<b>Total investments and other assets</b>	<b>467,775</b>	<b>174,037</b>
<b>Total noncurrent assets</b>	<b>2,524,480</b>	<b>2,112,666</b>
<b>Deferred assets</b>		
Bond issuance cost	—	3,469
<b>Total deferred assets</b>	<b>—</b>	<b>3,469</b>
<b>Total assets</b>	<b>7,123,175</b>	<b>7,523,485</b>

(Thousands of Japanese yen)

	March 31,2009	March 31,2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	134,274	1,028,548
Short-term loans payable	1,882,300	1,359,200
Accounts payable-other	21,624	49,048
Income taxes payable	4,986	90,526
Provision for bonuses	65,969	72,800
Other	117,833	180,065
Total current liabilities	2,226,987	2,780,190
Noncurrent liabilities		
Bonds payable	—	158,000
Long-term loans payable	1,181,700	1,072,500
Deferred tax liabilities	14,359	84,350
Provision for retirement benefits	347,713	351,498
Provision for directors' retirement benefits	26,400	17,425
Metal and mining pollution prevention reserve	3,617	3,617
Negative goodwill	127,261	95,642
Other	96,839	34,523
Total noncurrent liabilities	1,797,890	1,817,556
Total liabilities	4,024,878	4,597,746
Net assets		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	1,616,733	1,495,555
Treasury stock	(78,296)	(131,974)
Total shareholders' equity	3,121,288	2,946,432
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(22,991)	(20,693)
Total valuation and translation adjustments	(22,991)	(20,693)
Minority interests	—	—
Total net assets	3,098,297	2,925,739
Total liabilities and net assets	7,123,175	7,523,485

## Consolidated statements of income

(Thousands of Japanese yen)

	FY2008	FY2009
Net sales	7,163,283	7,289,761
Cost of sales	6,945,485	6,290,583
Gross profit	217,798	999,177
Selling, general and administrative expenses		
Freight-out and storage expense	129,039	133,782
Salaries and allowances	300,086	269,376
Provision for bonuses	14,935	17,325
Retirement benefit expenses	18,657	5,704
Provision for directors' retirement benefits	7,625	4,858
Welfare expenses	36,573	35,646
Depreciation	4,479	4,222
Traveling and communication expenses	40,101	28,359
Rent expenses	15,836	17,289
Other	163,621	161,063
Total selling, general and administrative expenses	730,955	677,628
Operating income (loss)	(513,156)	321,548
Non-operating income		
Interest income	391	826
Dividends income	2,325	862
Subsidy income	—	25,047
Amortization of negative goodwill	33,084	31,618
Other	8,078	5,765
Total non-operating income	43,879	64,119
Non-operating expenses		
Interest expenses	33,459	55,325
Foreign exchange losses	11,706	1,932
Care and maintenance costs of suspended mine	2,913	2,705
Other	1,503	1,546
Total non-operating expenses	49,582	61,510
Ordinary income (loss)	(518,860)	324,158
Extraordinary income		
Reversal of allowance for doubtful accounts	3,715	—
Total extraordinary income	3,715	—
Extraordinary loss		
Loss on retirement of noncurrent assets	12,302	11,095
Loss on valuation of inventories	12,790	—
Loss on valuation of investment securities	180,000	—
Loss on valuation of golf club membership	10,000	—
Compensation for damage	—	6,337
Other	2,649	—
Total extraordinary losses	217,741	17,432
Income (loss) before income taxes and minority interests	(732,886)	306,726
Income taxes—current	5,396	82,554
Income taxes—deferred	(298,489)	320,139
Total income taxes	(293,092)	402,693
Minority interests in income	3,883	—
Net loss	(443,677)	(95,967)

## Consolidated statements of cash flows

(Thousands of Japanese yen)

	FY2008	FY2009
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(732,886)	306,726
Depreciation and amortization	285,527	265,396
Amortization of negative goodwill	(33,084)	(31,618)
Increase (decrease) in provision for retirement benefits	65,662	3,784
Increase (decrease) in provision for directors' retirement benefits	(36,775)	(8,975)
Increase (decrease) in provision for bonuses	(26,417)	6,831
Increase (decrease) in provision for directors' bonuses	(7,500)	—
Increase (decrease) in allowance for doubtful accounts	(3,715)	2,728
Interest and dividends income	(2,708)	(1,688)
Interest expenses	33,459	55,325
Foreign exchange losses (gains)	(1,002)	(3)
Loss on retirement of property, plant and equipment	12,302	11,095
Loss (gain) on valuation of investment securities	180,000	—
Loss on valuation of golf club memberships	10,000	—
Decrease (increase) in notes and accounts receivable-trade	1,182,935	(898,796)
Decrease (increase) in inventories	22,417	369,035
Increase (decrease) in notes and accounts payable-trade	(716,212)	894,274
Other, net	(41,643)	14,029
Subtotal	190,357	988,144
Interest and dividends income received	2,708	1,688
Interest expenses paid	(32,098)	(48,588)
Income taxes paid	(240,905)	(41,175)
Income taxes refund	—	90,899
Net cash provided by (used in) operating activities	(79,937)	990,968
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	(227,315)	(172,939)
Payments for retirement of property, plant and equipment	(9,135)	(2,733)
Purchase of intangible assets	(4,182)	(1,343)
Purchase of investments in subsidiaries	(575,700)	—
Net cash provided by (used in) investing activities	(816,333)	(177,017)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,100,000	(500,000)
Proceeds from long-term loans payable	1,160,000	100,000
Repayment of long-term loans payable	(167,250)	(232,300)
Proceeds from issuance of bonds	—	195,845
Redemption of bonds	—	(14,000)
Purchase of treasury stock	(58,108)	(53,678)
Cash dividends paid	(90,775)	(25,210)
Cash dividends paid to minority shareholders	(22,725)	—
Net cash provided by (used in) financing activities	1,921,140	(529,343)
Effect of exchange rate change on cash and cash equivalents	1,002	3
Net increase (decrease) in cash and cash equivalents	1,025,872	284,611
Cash and cash equivalents at beginning of period	1,045,404	2,071,276
Cash and cash equivalents at end of period	2,071,276	2,355,887

## Consolidated statements of changes in net assets

(Thousands of Japanese yen)

	FY2008	FY2009
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	2,151,186	1,616,733
Changes of items during the period		
Dividends from surplus	(90,775)	(25,210)
Net loss	(443,677)	(95,967)
Total changes of items during the period	(534,453)	(121,177)
Balance at the end of current period	1,616,733	1,495,555
Treasury stock		
Balance at the end of previous period	(20,187)	(78,296)
Changes of items during the period		
Purchase of treasury stock	(58,108)	(53,678)
Total changes of items during the period	(58,108)	(53,678)
Balance at the end of current period	(78,296)	(131,974)
Total shareholders' equity		
Balance at the end of previous period	3,713,851	3,121,288
Changes of items during the period		
Dividends from surplus	(90,775)	(25,210)
Net loss	(443,677)	(95,967)
Purchase of treasury stock	(58,108)	(53,678)
Total changes of items during the period	(592,562)	(174,855)
Balance at the end of current period	3,121,288	2,946,432
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	7,797	(22,991)
Changes of items during the period		
Net changes of items other than shareholders' equity	(30,788)	2,298
Total changes of items during the period	(30,788)	2,298
Balance at the end of current period	(22,991)	(20,693)
Minority interests		
Balance at the end of previous period	753,213	—
Changes of items during the period		
Net changes of items other than shareholders' equity	(753,213)	—
Total changes of items during the period	(753,213)	—
Balance at the end of current period	—	—
Total net assets		
Balance at the end of previous period	4,474,862	3,098,297
Changes of items during the period		
Dividends from surplus	(90,775)	(25,210)
Net loss	(443,677)	(95,967)
Purchase of treasury stock	(58,108)	(53,678)
Net changes of items other than shareholders' equity	(784,002)	2,298
Total changes of items during the period	(1,376,564)	(172,557)
Balance at the end of current period	3,098,297	2,925,739

## Industrial Segment Information

(1) For the Year ended March 31, 2010

(Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	3,893,197	3,396,563	7,289,761	—	7,289,761
Inter-segment	—	27,548	27,548	(27,548)	—
Total	3,893,197	3,424,112	7,317,310	(27,548)	7,289,761
Operating expenses	3,983,435	3,016,932	7,000,367	(32,155)	6,968,212
Operating income(loss)	(90,237)	407,180	316,942	4,606	321,548
Identifiable assets	4,371,457	3,155,346	7,526,804	(3,318)	7,523,485
Depreciation	137,790	126,266	264,056	260	246,317
Capital expenditures	78,550	80,557	159,108	—	159,108

(2) For the Year ended March 31, 2009

(Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	4,113,683	3,049,600	7,163,283	—	7,163,283
Inter-segment	—	25,691	25,691	(25,691)	—
Total	4,113,683	3,075,292	7,188,975	(25,691)	7,163,283
Operating expenses	4,459,015	3,248,018	7,707,033	(30,593)	7,676,440
Operating income(loss)	(345,332)	(172,725)	(518,058)	4,901	(513,156)
Identifiable assets	4,155,846	2,969,583	7,125,430	(2,254)	7,123,175
Depreciation	164,110	121,095	285,206	321	285,527
Capital expenditures	75,650	119,745	195,396	—	195,396