

Summary of Consolidated Financial Results  
for the Second Quarter Ended September 30, 2012(Unaudited)

November 2, 2012

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: Masanori Kishima, President & CEO  
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## 1. Consolidated Financial Results for the Second Quarter Ended September 30, 2012 and 2011

(1) Operating Results (Rounded down to millions of Japanese Yen)

|                              | Net sales       |        | Operating income |        | Ordinary income |        | Net income      |        |
|------------------------------|-----------------|--------|------------------|--------|-----------------|--------|-----------------|--------|
|                              | Millions of Yen | %      | Millions of Yen  | %      | Millions of Yen | %      | Millions of Yen | %      |
| For the Second quarter ended |                 |        |                  |        |                 |        |                 |        |
| September 30, 2012           | 6,267           | (13.9) | 421              | (37.9) | 401             | (38.3) | 250             | (35.2) |
| September 30, 2011           | 7,278           | 45.4   | 677              | 46.9   | 651             | 47.5   | 386             | 12.0   |

Note: Comprehensive income:

As of September 30, 2012: 246 million yen (33.3)% As of September 30, 2011: 369 million yen 8.5%

|                              | EPS   |
|------------------------------|-------|
|                              | Yen   |
| For the Second quarter ended |       |
| September 30, 2012           | 20.50 |
| September 30, 2011           | 31.51 |

## (2) Financial Position

|                    | Total assets    | Total net assets | Shareholders' equity ratio |
|--------------------|-----------------|------------------|----------------------------|
|                    | Millions of Yen | Millions of Yen  | %                          |
| As of              |                 |                  |                            |
| September 30, 2012 | 10,950          | 4,199            | 38.4                       |
| March 31, 2012     | 10,404          | 4,014            | 38.6                       |

Note: Shareholders' equity As of September 30, 2012: 4,199 million yen As of March 31, 2012: 4,014 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, 2012           | -                        | 5.00           | -             | 5.00     | 10.00  |
| March 31, 2013           | -                        | 5.00           |               |          |        |
| March 31, 2013(expected) |                          |                | -             | 5.00     | 10.00  |

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

## 3. Consolidated Earnings Forecast for the Year Ending March 2013(April 1, 2012 ~ March 31, 2013):

(%: Change from the previous fiscal year for Year ending March 31, 2013)

|                                    | Net sales       |       | Operating income |        | Ordinary income |        | Net income      |        | EPS   |
|------------------------------------|-----------------|-------|------------------|--------|-----------------|--------|-----------------|--------|-------|
|                                    | Millions of Yen | %     | Millions of Yen  | %      | Millions of Yen | %      | Millions of Yen | %      | Yen   |
| For the year ending March 31, 2013 |                 |       |                  |        |                 |        |                 |        |       |
| Full year                          | 12,700          | (2.7) | 570              | (42.8) | 540             | (43.2) | 310             | (51.3) | 25.37 |

Note: Revision of outlook for fiscal 2012 consolidated earnings results in the Second 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 : Yes
  - 2. Changes due to other reasons : No
  - 3. Changes in accounting estimates : Yes
  - 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 September 30, 2012: 13,029,500 | As of March 31, 2012: 13,029,500 |
|--------------------------------------|----------------------------------|
  - 2. Number of treasury shares at the end of the period:

|                                   |                               |
|-----------------------------------|-------------------------------|
| As of September 30, 2012: 810,212 | As of March 31, 2012: 809,055 |
|-----------------------------------|-------------------------------|
  - 3. Average number of outstanding shares during period:

|   |  |
|---|--|
| For the 2nd Quarter ending March 31, 2013: 12,219,955 | For the 2nd Quarter ended March 31, 2012: 12,261,311 |
|---|--|

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 quarterly balance sheets

(Thousands of Japanese yen)

|   | March 31,2012 | September 30,2012 |
|---|---------------|-------------------|
| <b>Assets</b>   |               |                   |
| Current assets  |               |                   |
| Cash and deposits                                     | 1,639,499     | 1,973,943         |
| Notes and accounts receivable-trade                   | 2,578,564     | 2,360,124         |
| Short-term investment securities                      | 1,000         | 1,000             |
| Merchandise and finished goods                        | 1,141,701     | 1,160,962         |
| Work in process                                       | 143,307       | 179,880           |
| Raw materials and supplies                            | 694,497       | 989,753           |
| Other   | 119,397       | 93,397            |
| Allowance for doubtful accounts                       | (8,669)       | (7,837)           |
| Total current assets                                  | 6,309,298     | 6,751,225         |
| Noncurrent assets                                     |               |                   |
| Property, plant and equipment                         |               |                   |
| Buildings and structures, net                         | 572,010       | 1,383,364         |
| Machinery, equipment and vehicles, net                | 347,979       | 946,681           |
| Land  | 1,478,590     | 1,478,590         |
| Other, net  | 1,385,333     | 85,823            |
| Total property, plant and equipment                   | 3,783,914     | 3,894,461         |
| Intangible assets                                     | 50,318        | 48,693            |
| Investments and other assets                          | 254,675       | 250,577           |
| Total noncurrent assets                               | 4,088,909     | 4,193,732         |
| Deferred assets                                       | 6,033         | 5,278             |
| Total assets  | 10,404,240    | 10,950,236        |
| <b>Liabilities</b>                                    |               |                   |
| Current liabilities                                   |               |                   |
| Notes and accounts payable-trade                      | 977,176       | 1,355,231         |
| Short-term loans payable                              | 1,925,700     | 2,039,600         |
| Income taxes payable                                  | 137,472       | 149,043           |
| Provision for bonuses                                 | 103,021       | 103,024           |
| Other   | 1,026,667     | 407,381           |
| Total current liabilities                             | 4,170,038     | 4,054,281         |
| Noncurrent liabilities                                |               |                   |
| Bonds payable   | 302,000       | 288,000           |
| Long-term loans payable                               | 1,436,600     | 1,928,600         |
| Provision for retirement benefits                     | 301,249       | 318,976           |
| Other provision                                       | 12,287        | —                 |
| Negative goodwill                                     | 32,405        | 16,596            |
| Asset retirement obligations                          | 35,687        | 35,069            |
| Other   | 99,417        | 109,099           |
| Total noncurrent liabilities                          | 2,219,647     | 2,696,340         |
| Total liabilities                                     | 6,389,686     | 6,750,622         |
| <b>Net assets</b>                                     |               |                   |
| Shareholders' equity                                  |               |                   |
| Capital stock   | 1,018,126     | 1,018,126         |
| Capital surplus                                       | 564,725       | 564,725           |
| Retained earnings                                     | 2,596,217     | 2,785,684         |
| Treasury stock  | (146,171)     | (146,433)         |
| Total shareholders' equity                            | 4,032,897     | 4,222,102         |
| Accumulated other comprehensive income                |               |                   |
| Valuation difference on available-for-sale securities | (18,343)      | (22,488)          |
| Total accumulated other comprehensive income          | (18,343)      | (22,488)          |
| Total net assets                                      | 4,014,554     | 4,199,614         |
| Total liabilities and net assets                      | 10,404,240    | 10,950,236        |

## Consolidated quarterly statements of income

(Thousands of Japanese yen)

|   | Six months<br>ended<br>September 30,2011 | Six months<br>ended<br>September 30,2012 |
|---|--|--|
| Net sales   | 7,278,034                                | 6,267,468                                |
| Cost of sales                                     | 6,190,819                                | 5,419,138                                |
| Gross profit                                      | 1,087,215                                | 848,330                                  |
| Selling, general and administrative expenses      | 409,221                                  | 427,249                                  |
| Operating income                                  | 677,993                                  | 421,080                                  |
| Non-operating income                              |  |  |
| Dividends income                                  | 1,270                                    | 1,016                                    |
| Amortization of negative goodwill                 | 15,809                                   | 15,809                                   |
| Subsidy income                                    | 715                                      | 4,584                                    |
| Other   | 4,430                                    | 4,292                                    |
| Total non-operating income                        | 22,225                                   | 25,702                                   |
| Non-operating expenses                            |  |  |
| Interest expenses                                 | 29,565                                   | 28,626                                   |
| Foreign exchange losses                           | 9,270                                    | 8,046                                    |
| Other   | 9,768                                    | 8,200                                    |
| Total non-operating expenses                      | 48,605                                   | 44,873                                   |
| Ordinary income                                   | 651,613                                  | 401,909                                  |
| Extraordinary loss                                |  |  |
| Loss on sales of noncurrent assets                | 44                                       | 2,881                                    |
| Loss on retirement of noncurrent assets           | 1,500                                    | 4,194                                    |
| Loss on liquidation of subsidiaries               | 611                                      | —  |
| Loss on sales of golf club memberships            | —  | 3,376                                    |
| Total extraordinary losses                        | 2,156                                    | 10,452                                   |
| Income before income taxes and minority interests | 649,457                                  | 391,456                                  |
| Income taxes—current                              | 127,776                                  | 147,895                                  |
| Income taxes—deferred                             | 135,268                                  | (7,008)                                  |
| Total income taxes                                | 263,045                                  | 140,887                                  |
| Income before minority interests                  | 386,412                                  | 250,569                                  |
| Net income  | 386,412                                  | 250,569                                  |

## Consolidated quarterly statements of comprehensive income

(Thousands of Japanese yen)

|   | Six months<br>ended<br>September 30,2011 | Six months<br>ended<br>September 30,2012 |
|---|--|--|
| Income before minority interests                          | 386,412                                  | 250,569                                  |
| Other comprehensive income                                |  |  |
| Valuation difference on available-for-sale securities     | (17,018)                                 | (4,145)                                  |
| Total other comprehensive income                          | (17,018)                                 | (4,145)                                  |
| Comprehensive income                                      | 369,393                                  | 246,423                                  |
| Comprehensive income attributable to                      |  |  |
| Comprehensive income attributable to owners of the parent | 369,393                                  | 246,423                                  |

## Segment Information

(1) For the six months ended September 30, 2011

(Thousands of Japanese yen)

|                   | Reportable Segments  |                           |           | Others | Total     | Elimination<br>& corporate | Consolidated |
|-------------------|----------------------|---------------------------|-----------|--------|-----------|----------------------------|--------------|
|                   | Antimony<br>products | Atomized metal<br>powders | Total     |        |           |                            |              |
| Net sales         |                      |                           |           |        |           |                            |              |
| Outside customers | 4,510,187            | 2,755,480                 | 7,265,668 | 12,365 | 7,278,034 | -                          | 7,278,034    |
| Inter-segment     | -                    | 22,091                    | 22,091    | 990    | 23,081    | (23,081)                   | -            |
| Total             | 4,510,187            | 2,777,571                 | 7,287,759 | 13,355 | 7,301,115 | (23,081)                   | 7,278,034    |
| Operating income  | 378,130              | 280,653                   | 658,784   | 12,852 | 671,636   | 6,356                      | 677,993      |

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

(2) For the six months ended September 30, 2012

(Thousands of Japanese yen)

|                   | Reportable Segments  |                           |           | Others | Total     | Elimination<br>& corporate | Consolidated |
|-------------------|----------------------|---------------------------|-----------|--------|-----------|----------------------------|--------------|
|                   | Antimony<br>products | Atomized metal<br>powders | Total     |        |           |                            |              |
| Net sales         |                      |                           |           |        |           |                            |              |
| Outside customers | 3,789,276            | 2,470,367                 | 6,259,643 | 7,825  | 6,267,468 | -                          | 6,267,468    |
| Inter-segment     | -                    | 15,547                    | 15,547    | -      | 15,547    | (15,547)                   | -            |
| Total             | 3,789,276            | 2,485,914                 | 6,275,190 | 7,825  | 6,283,016 | (15,547)                   | 6,267,468    |
| Operating income  | 189,154              | 209,134                   | 398,289   | 7,352  | 405,641   | 15,438                     | 421,080      |

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