

Summary of Consolidated Financial Results
for the Year Ended March 31, 2013(Unaudited)

May 15, 2013

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 Years Ended March 31,2013 and 2012

(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 31,2013	11,671	(10.5)	637	(36.0)	622	(34.5)	385	(39.5)
March 31,2012	13,048	19.9	996	13.6	949	15.0	636	(7.1)

Note: Comprehensive income:

Fiscal year ended March 31, 2013: 390 million yen (38.6)% Fiscal year ended March 31, 2012: 635 million yen (7.8)%

	EPS	Return on equity	Recurring profit to total assets ratio	Operating income to net sales ratio
	Yen	%	%	%
For the years ended				
March 31,2013	31.53	9.3	6.0	5.5
March 31,2012	51.91	16.8	9.5	7.6

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

Fiscal year ended March 31, 2013: – million yen Fiscal year ended March 31, 2012: – 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 31,2013	10,430	4,282	41.1	350.47
March 31,2012	10,404	4,014	38.6	328.51

Note: Shareholders' equity As of March 31, 2013 4,282 million yen As of March 31,2012: 4,014 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 31,2013	1,232	(1,125)	293	2,040
March 31,2012	(193)	(874)	680	1,639

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 31,2012	—	5.00	—	5.00	10.00	122	19.3	3.2
March 31,2013	—	5.00	—	5.00	10.00	122	31.7	2.9
March 31,2014 (expected)	—	5.00	—	5.00	10.00		29.8	

3. Consolidated Earnings Forecast for the Year Ending March 2014(April 1,2013 ~ March 31, 2014):

(%: Change from the previous fiscal half year for First half 2013)

(%: Change from the previous fiscal year for Year ending March 31,2014)

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First half 2013	6,200	(1.1)	340	(19.3)	320	(20.4)	200	(20.2)	16.37
Year ending March 31,2014	12,400	6.2	720	12.9	670	7.6	410	6.4	33.56

4. Others

(1) Changes in major subsidiaries during the fiscal year ended March 31,2013 : No

(2) 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

(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, 2013: 13,029,500 As of March 31, 2012: 13,029,500

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

As of March 31, 2013: 811,306 As of March 31, 2012: 809,055

3. Average number of outstanding shares during period:

As of March 31, 2013: 12,219,368 As of March 31, 2012: 12,257,442

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 31,2012	March 31,2013
Assets		
Current assets		
Cash and deposits	1,639,499	2,040,248
Notes and accounts receivable-trade	2,578,564	1,888,087
Securities	1,000	1,000
Merchandise and finished goods	1,141,701	1,200,872
Work in process	143,307	182,427
Raw materials and supplies	694,497	770,831
Deferred tax assets	55,453	49,149
Other	63,943	41,479
Allowance for doubtful accounts	(8,669)	(6,184)
Total current assets	6,309,298	6,167,911
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	2,413,684	3,288,835
Accumulated depreciation	(1,841,674)	(1,943,069)
Buildings and structures, net	572,010	1,345,766
Machinery, equipment and vehicles	3,960,663	4,865,955
Accumulated depreciation	(3,612,683)	(3,825,429)
Machinery, equipment and vehicles, net	347,979	1,040,525
Tools, furniture and fixtures	396,693	419,453
Accumulated depreciation	(353,245)	(374,935)
Tools, furniture and fixtures, net	43,447	44,518
Land	1,478,590	1,478,590
Construction in progress	1,341,885	25,456
Total property, plant and equipment	3,783,914	3,934,858
Intangible assets		
Other	50,318	66,115
Total intangible assets	50,318	66,115
Investments and other assets		
Investment securities	66,460	74,247
Deferred tax assets	79,129	76,777
Other	109,085	106,413
Total investments and other assets	254,675	257,437
Total noncurrent assets	4,088,909	4,258,411
Deferred assets		
Bond issuance cost	6,033	4,525
Total deferred assets	6,033	4,525
Total assets	10,404,240	10,430,848

Consolidated balance sheets

(Thousands of Japanese yen)

	March 31,2012	March 31,2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	977,176	889,063
Short-term loans payable	1,925,700	1,987,500
Accounts payable-other	755,695	270,367
Income taxes payable	137,472	99,698
Provision for bonuses	103,021	97,143
Provision for directors' bonuses	21,000	10,050
Other	249,972	253,939
Total current liabilities	4,170,038	3,607,762
Noncurrent liabilities		
Bonds payable	302,000	274,000
Long-term loans payable	1,436,600	1,819,900
Deferred tax liabilities	60,628	56,591
Provision for retirement benefits	301,249	304,535
Provision for directors' retirement benefits	12,287	—
Asset retirement obligations	35,687	35,279
Negative goodwill	32,405	787
Other	38,788	49,906
Total noncurrent liabilities	2,219,647	2,540,999
Total liabilities	6,389,686	6,148,762
Net assets		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	2,596,217	2,859,236
Treasury stock	(146,171)	(146,705)
Total shareholders' equity	4,032,897	4,295,383
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(18,343)	(13,297)
Total accumulated other comprehensive income	(18,343)	(13,297)
Total net assets	4,014,554	4,282,086
Total liabilities and net assets	10,404,240	10,430,848

Consolidated statements of income

(Thousands of Japanese yen)

	FY2012	FY2013
Net sales	13,048,210	11,671,797
Cost of sales	11,208,636	10,184,574
Gross profit	1,839,574	1,487,222
Selling, general and administrative expenses		
Freight-out and storage expense	143,230	143,814
Salaries and allowances	304,360	330,374
Provision for bonuses	23,142	23,460
Provision for directors' bonuses	21,000	10,050
Retirement benefit expenses	12,125	8,187
Provision for directors' retirement benefits	2,137	330
Welfare expenses	45,338	47,914
Depreciation	6,387	7,847
Traveling and communication expenses	37,390	44,861
Rent expenses	20,426	20,212
Other	227,798	212,508
Total selling, general and administrative expenses	843,337	849,560
Operating income	996,236	637,661
Non-operating income		
Interest income	225	284
Dividends income	1,742	1,488
Subsidy income	1,705	5,734
Amortization of negative goodwill	31,618	31,618
Other	6,302	10,508
Total non-operating income	41,594	49,634
Non-operating expenses		
Interest expenses	52,097	51,307
Foreign exchange losses	15,520	—
Care and maintenance costs of suspended mine	14,561	4,753
Other	5,702	8,556
Total non-operating expenses	87,883	64,617
Ordinary income	949,947	622,678
Extraordinary income		
Gain on sales of noncurrent assets	136	—
Total extraordinary income	136	—
Extraordinary loss		
Loss on sales of noncurrent assets	44	2,881
Loss on retirement of noncurrent assets	18,012	5,301
Loss on liquidation of subsidiaries	611	—
Loss on valuation of golf club membership	1,700	—
Loss on sales of golf club memberships	—	3,376
Total extraordinary losses	20,368	11,559
Income before income taxes and minority interests	929,715	611,118
Income taxes-current	255,698	224,022
Income taxes-deferred	37,776	1,877
Total income taxes	293,474	225,899
Income before minority interests	636,240	385,218
Net income	636,240	385,218

Consolidated statements of comprehensive income

(Thousands of Japanese yen)

	FY2012	FY2013
Income before minority interests	636,240	385,218
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,093)	5,045
Total other comprehensive income	(1,093)	5,045
Comprehensive income	635,147	390,264
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	635,147	390,264

Consolidated statements of cash flows

Nihon Seiko Co., Ltd.

(Thousands of Japanese yen)

	FY2012	FY2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	929,715	611,118
Depreciation and amortization	272,626	477,879
Amortization of negative goodwill	(31,618)	(31,618)
Increase (decrease) in provision for retirement benefits	24,674	3,286
Increase (decrease) in provision for directors' retirement benefits	(7,862)	330
Increase (decrease) in provision for bonuses	1,069	(5,878)
Increase (decrease) in provision for directors' bonuses	9,700	(10,950)
Increase (decrease) in allowance for doubtful accounts	1,297	(2,485)
Interest and dividends income	(1,967)	(1,772)
Interest expenses	52,097	51,307
Foreign exchange losses (gains)	—	56
Loss on sale of tangible fixed assets	44	2,881
Gain on sale of tangible fixed assets	(136)	—
Loss on retirement of property, plant and equipment	18,012	5,301
Loss on valuation of golf club memberships	1,700	—
Loss (gain) on sales of golf club memberships	—	3,376
Decrease (increase) in notes and accounts receivable-trade	(344,375)	690,477
Decrease (increase) in inventories	174,860	(174,625)
Increase (decrease) in notes and accounts payable-trade	(1,093,960)	(88,112)
Loss (gain) on liquidation of subsidiaries	611	—
Other, net	140,889	10,233
Subtotal	147,378	1,540,805
Interest and dividends income received	1,963	1,772
Interest expenses paid	(56,640)	(50,407)
Income taxes paid	(304,864)	(259,840)
Income taxes refund	19,162	—
Net cash provided by (used in) operating activities	(193,001)	1,232,330
Net cash provided by (used in) investing activities		
Purchase of securities	(1,000)	(1,000)
Proceeds from redemption of securities	1,000	1,000
Purchase of property, plant and equipment	(835,875)	(1,091,686)
Proceeds from sales of property, plant and equipment	30	408
Payments for retirement of property, plant and equipment	(10,425)	(14,408)
Purchase of intangible assets	(32,191)	(24,899)
Proceeds from sales of golf club memberships	—	5,390
Proceeds from liquidation of subsidiaries	4,388	—
Other, net	—	(179)
Net cash provided by (used in) investing activities	(874,073)	(1,125,375)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	70,000	100,000
Proceeds from long-term loans payable	1,450,000	950,000
Repayment of long-term loans payable	(663,200)	(604,900)
Redemption of bonds	(28,000)	(28,000)
Purchase of treasury stock	(298)	(533)
Cash dividends paid	(147,134)	(122,198)
Other, net	(1,050)	(516)
Net cash provided by (used in) financing activities	680,316	293,851
Effect of exchange rate change on cash and cash equivalents	—	(56)
Net increase (decrease) in cash and cash equivalents	(386,758)	400,749
Cash and cash equivalents at beginning of period	2,026,257	1,639,499
Cash and cash equivalents at end of period	1,639,499	2,040,248

Consolidated statements of changes in net assets

(Thousands of Japanese yen)

	FY2012	FY2013
Shareholders' equity		
Capital stock		
Balance at the beginning of current 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 beginning of current period	564,725	564,725
Balance at the end of current period	564,725	564,725
Retained earnings		
Balance at the beginning of current period	2,107,110	2,596,217
Changes of items during the period		
Dividends from surplus	(147,134)	(122,198)
Net income	636,240	385,218
Total changes of items during the period	489,106	263,019
Balance at the end of current period	2,596,217	2,859,236
Treasury stock		
Balance at the beginning of current period	(133,145)	(146,171)
Changes of items during the period		
Purchase of treasury stock	(13,025)	(533)
Total changes of items during the period	(13,025)	(533)
Balance at the end of current period	(146,171)	(146,705)
Total shareholders' equity		
Balance at the beginning of current period	3,556,817	4,032,897
Changes of items during the period		
Dividends from surplus	(147,134)	(122,198)
Net income	636,240	385,218
Purchase of treasury stock	(13,025)	(533)
Total changes of items during the period	476,080	262,486
Balance at the end of current period	4,032,897	4,295,383
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(17,249)	(18,343)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,093)	5,045
Total changes of items during the period	(1,093)	5,045
Balance at the end of current period	(18,343)	(13,297)
Total net assets		
Balance at the beginning of current period	3,539,567	4,014,554
Changes of items during the period		
Dividends from surplus	(147,134)	(122,198)
Net income	636,240	385,218
Purchase of treasury stock	(13,025)	(533)
Net changes of items other than shareholders' equity	(1,093)	5,045
Total changes of items during the period	474,987	267,531
Balance at the end of current period	4,014,554	4,282,086

Segment Information

(1) For the Year ended March 31, 2013

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	6,882,500	4,775,497	11,657,998	13,798	11,671,797	-	11,671,797
Inter-segment	-	33,513	33,513	-	33,513	(33,513)	-
Total	6,882,500	4,809,011	11,691,511	13,798	11,705,310	(33,513)	11,671,797
Segment income	273,940	323,967	597,908	12,885	610,793	26,867	637,661
Segment assets	5,112,960	5,274,871	10,387,831	43,017	10,430,848	-	10,430,848
Other							
Depreciation and amortization	118,834	356,930	475,765	2,114	477,879	-	477,879
Property, plant and equipment and Intangible assets increase	201,011	438,663	639,674	7,500	647,174	-	647,174

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

(2) For the Year ended March 31, 2012

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	8,154,719	4,871,334	13,026,054	22,156	13,048,210	-	13,048,210
Inter-segment	-	38,948	38,948	990	39,938	(39,938)	-
Total	8,154,719	4,910,282	13,065,002	23,146	13,088,148	(39,938)	13,048,210
Segment income	545,464	407,564	953,029	22,206	975,235	21,000	996,236
Segment assets	5,287,217	5,079,391	10,366,608	37,631	10,404,240	-	10,404,240
Other							
Depreciation and amortization	112,168	158,181	270,350	2,275	272,626	-	272,626
Property, plant and equipment and Intangible assets increase	77,738	1,374,017	1,451,756	-	1,451,756	-	1,451,756

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