

Summary of Consolidated Financial Results
for the Year Ended March 31, 2012(Unaudited)

May 15, 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 Years Ended March 31,2012 and 2011

(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 31,2012	13,048	19.9	996	13.6	949	15.0	636	(7.1)
March 31,2011	10,878	49.2	876	172.7	826	154.9	685	-

Note: Comprehensive income:

Fiscal year ended March 31, 2012: 635 million yen (7.8)% Fiscal year ended March 31, 2011: 688 million yen (-%)

	EPS	Return on equity	Recurring profit to total assets ratio	Operating income to net sales ratio
	Yen	%	%	%
For the years ended				
March 31,2012	51.91	16.8	9.5	7.6
March 31,2011	55.87	21.2	9.7	8.1

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

Fiscal year ended March 31, 2012: - million yen Fiscal year ended March 31, 2011: - 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 31,2012	10,404	4,014	38.6	328.51
March 31,2011	9,530	3,539	37.1	288.67

Note: Shareholders' equity As of March 31, 2012 4,014 million yen As of March 31,2011: 3,539 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 31,2012	(193)	(874)	680	1,639
March 31,2011	507	(987)	150	2,026

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 31,2011	—	3.00	—	7.00	10.00	122	17.9	3.8
March 31,2012	—	5.00	—	5.00	10.00	122	19.3	3.2
March 31,2013 (expected)	—	5.00	—	5.00	10.00		39.4	

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

(%: Change from the previous fiscal half year for First half 2012)

(%: 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
First half 2012	6,200	(14.8)	305	(55.0)	295	(54.7)	180	(53.4)	14.73
Year ending March 31,2013	12,700	(2.7)	570	(42.8)	540	(43.2)	310	(51.3)	25.37

4. Others

(1) Changes in major subsidiaries during the fiscal year ended March 31,2012 : No

(2) Changes in accounting policies, accounting estimates and retrospective restatements in the consolidated financial statements

1. Changes due to amendment of accounting standards : No

2. Changes due to other reasons : No

3. Changes in accounting estimates : No

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, 2012: 13,029,500 As of March 31, 2011: 13,029,500

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

As of March 31, 2012: 809,055 As of March 31, 2011: 767,964

3. Average number of outstanding shares during period:

As of March 31, 2012: 12,257,442 As of March 31, 2011: 12,264,297

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 31,2011	March 31,2012
Assets		
Current assets		
Cash and deposits	2,026,257	1,639,499
Notes and accounts receivable-trade	2,234,189	2,578,564
Short-term investment securities	1,000	1,000
Merchandise and finished goods	1,117,160	1,141,701
Work in process	144,150	143,307
Raw materials and supplies	893,056	694,497
Deferred tax assets	183,869	55,453
Other	75,860	63,943
Allowance for doubtful accounts	(7,371)	(8,669)
Total current assets	6,668,172	6,309,298
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	2,404,802	2,413,684
Accumulated depreciation	(1,788,178)	(1,841,674)
Buildings and structures, net	616,624	572,010
Machinery, equipment and vehicles	3,948,092	3,960,663
Accumulated depreciation	(3,486,925)	(3,612,683)
Machinery, equipment and vehicles, net	461,166	347,979
Tools, furniture and fixtures	394,367	396,693
Accumulated depreciation	(345,105)	(353,245)
Tools, furniture and fixtures, net	49,262	43,447
Land	1,478,590	1,478,590
Construction in progress	29,630	1,341,885
Total property, plant and equipment	2,635,274	3,783,914
Intangible assets		
Other	25,752	50,318
Total intangible assets	25,752	50,318
Investments and other assets		
Investment securities	82,312	66,460
Deferred tax assets	—	79,129
Other	111,344	109,085
Total investments and other assets	193,656	254,675
Total noncurrent assets	2,854,683	4,088,909
Deferred assets		
Bond issuance cost	7,611	6,033
Total deferred assets	7,611	6,033
Total assets	9,530,466	10,404,240

Consolidated balance sheets

(Thousands of Japanese yen)

	March 31,2011	March 31,2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,071,138	977,176
Short-term loans payable	1,993,200	1,925,700
Accounts payable-other	93,596	755,695
Income taxes payable	187,147	137,472
Provision for bonuses	101,952	103,021
Provision for directors' bonuses	11,300	21,000
Other	176,261	249,972
Total current liabilities	4,634,596	4,170,038
Noncurrent liabilities		
Bonds payable	330,000	302,000
Long-term loans payable	512,300	1,436,600
Deferred tax liabilities	81,898	60,628
Provision for retirement benefits	276,574	301,249
Provision for directors' retirement benefits	20,150	12,287
Asset retirement obligations	35,385	35,687
Negative goodwill	64,024	32,405
Other	35,971	38,788
Total noncurrent liabilities	1,356,303	2,219,647
Total liabilities	5,990,899	6,389,686
Net assets		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	2,107,110	2,596,217
Treasury stock	(133,145)	(146,171)
Total shareholders' equity	3,556,817	4,032,897
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(17,249)	(18,343)
Total accumulated other comprehensive income	(17,249)	(18,343)
Total net assets	3,539,567	4,014,554
Total liabilities and net assets	9,530,466	10,404,240

Consolidated statements of income

(Thousands of Japanese yen)

	FY2011	FY2012
Net sales	10,878,569	13,048,210
Cost of sales	9,209,448	11,208,636
Gross profit	1,669,121	1,839,574
Selling, general and administrative expenses		
Freight-out and storage expense	148,123	143,230
Salaries and allowances	283,571	304,360
Provision for bonuses	36,595	23,142
Provision for directors' bonuses	11,300	21,000
Retirement benefit expenses	8,473	12,125
Provision for directors' retirement benefits	3,725	2,137
Welfare expenses	39,159	45,338
Depreciation	5,105	6,387
Traveling and communication expenses	37,306	37,390
Rent expenses	17,914	20,426
Other	200,892	227,798
Total selling, general and administrative expenses	792,168	843,337
Operating income	876,952	996,236
Non-operating income		
Interest income	535	225
Dividends income	1,352	1,742
Subsidy income	3,045	1,705
Amortization of negative goodwill	31,618	31,618
Other	3,251	6,302
Total non-operating income	39,802	41,594
Non-operating expenses		
Interest expenses	56,944	52,097
Foreign exchange losses	12,461	15,520
Care and maintenance costs of suspended mine	3,948	14,561
Other	17,019	5,702
Total non-operating expenses	90,373	87,883
Ordinary income	826,381	949,947
Extraordinary income		
Gain on sales of noncurrent assets	—	136
Gain on revision of retirement benefit plan	69,753	—
Total extraordinary income	69,753	136
Extraordinary loss		
Loss on sales of noncurrent assets	—	44
Loss on retirement of noncurrent assets	8,420	18,012
Loss on liquidation of subsidiaries	—	611
Loss on valuation of golf club membership	7,990	1,700
Loss on disaster	2,782	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	30,389	—
Total extraordinary losses	49,582	20,368
Income before income taxes and minority interests	846,552	929,715
Income taxes-current	217,188	255,698
Income taxes-deferred	(55,783)	37,776
Total income taxes	161,404	293,474
Income before minority interests	685,147	636,240
Net income	685,147	636,240

Consolidated statements of comprehensive income

(Thousands of Japanese yen)

	FY2011	FY2012
Income before minority interests	685,147	636,240
Other comprehensive income		
Valuation difference on available-for-sale securities	3,443	(1,093)
Total other comprehensive income	3,443	(1,093)
Comprehensive income	688,591	635,147
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	688,591	635,147

Consolidated statements of cash flows

Nihon Seiko Co., Ltd.

(Thousands of Japanese yen)

	FY2011	FY2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	846,552	929,715
Depreciation and amortization	279,126	272,626
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	(74,923)	24,674
Increase (decrease) in provision for directors' retirement benefits	2,725	(7,862)
Increase (decrease) in provision for bonuses	29,152	1,069
Increase (decrease) in provision for directors' bonuses	11,300	9,700
Increase (decrease) in allowance for doubtful accounts	2,386	1,297
Interest and dividends income	(1,887)	(1,967)
Interest expenses	56,944	52,097
Loss on sale of tangible fixed assets	—	44
Gain on sale of tangible fixed assets	—	(136)
Loss on retirement of property, plant and equipment	8,420	18,012
Loss on valuation of golf club memberships	7,990	1,700
Decrease (increase) in notes and accounts receivable-trade	(647,094)	(344,375)
Decrease (increase) in inventories	(883,859)	174,860
Increase (decrease) in notes and accounts payable-trade	1,042,589	(1,093,960)
Loss (gain) on liquidation of subsidiaries	—	611
Other, net	(11,930)	140,889
Subtotal	666,261	147,378
Interest and dividends income received	1,887	1,963
Interest expenses paid	(58,493)	(56,640)
Income taxes paid	(140,283)	(304,864)
Income taxes refund	38,139	19,162
Net cash provided by (used in) operating activities	507,510	(193,001)
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	(972,553)	(835,875)
Proceeds from sales of property, plant and equipment	—	30
Payments for retirement of property, plant and equipment	(47)	(10,425)
Purchase of intangible assets	(3,098)	(32,191)
Purchase of golf club memberships	(5,746)	—
Payments for investments in capital	(6,134)	—
Proceeds from liquidation of subsidiaries	—	4,388
Other, net	(131)	—
Net cash provided by (used in) investing activities	(987,710)	(874,073)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	200,000	70,000
Proceeds from long-term loans payable	100,000	1,450,000
Repayment of long-term loans payable	(226,200)	(663,200)
Proceeds from issuance of bonds	195,282	—
Redemption of bonds	(28,000)	(28,000)
Purchase of treasury stock	(1,171)	(298)
Cash dividends paid	(73,592)	(147,134)
Other, net	(15,750)	(1,050)
Net cash provided by (used in) financing activities	150,569	680,316
Net increase (decrease) in cash and cash equivalents	(329,630)	(386,758)
Cash and cash equivalents at beginning of period	2,355,887	2,026,257
Cash and cash equivalents at end of period	2,026,257	1,639,499

Consolidated statements of changes in net assets

(Thousands of Japanese yen)

	FY2011	FY2012
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	1,495,555	2,107,110
Changes of items during the period		
Dividends from surplus	(73,592)	(147,134)
Net income	685,147	636,240
Total changes of items during the period	611,555	489,106
Balance at the end of current period	2,107,110	2,596,217
Treasury stock		
Balance at the beginning of current period	(131,974)	(133,145)
Changes of items during the period		
Purchase of treasury stock	(1,171)	(13,025)
Total changes of items during the period	(1,171)	(13,025)
Balance at the end of current period	(133,145)	(146,171)
Total shareholders' equity		
Balance at the beginning of current period	2,946,432	3,556,817
Changes of items during the period		
Dividends from surplus	(73,592)	(147,134)
Net income	685,147	636,240
Purchase of treasury stock	(1,171)	(13,025)
Total changes of items during the period	610,384	476,080
Balance at the end of current period	3,556,817	4,032,897
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(20,693)	(17,249)
Changes of items during the period		
Net changes of items other than shareholders' equity	3,443	(1,093)
Total changes of items during the period	3,443	(1,093)
Balance at the end of current period	(17,249)	(18,343)
Total net assets		
Balance at the beginning of current period	2,925,739	3,539,567
Changes of items during the period		
Dividends from surplus	(73,592)	(147,134)
Net income	685,147	636,240
Purchase of treasury stock	(1,171)	(13,025)
Net changes of items other than shareholders' equity	3,443	(1,093)
Total changes of items during the period	613,828	474,987
Balance at the end of current period	3,539,567	4,014,554

Segment Information

(1) 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.

(2) 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.