

Summary of Consolidated Financial Results
for the First Quarter Ended June 30, 2010(Unaudited)

August 6, 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
 Contact Information: Shigeki Watanabe, Director Tel +81-3-3235-0021

1. Consolidated Financial Results for the First Quarter Ended June 30, 2010 and 2009

(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 First quarter ended								
June 30, 2010	2,533	86.1	230	-	222	-	107	-
June 30, 2009	1,361	(43.1)	(93)	-	(85)	-	(48)	-

	EPS
	Yen
For the First quarter ended	
June 30, 2010	8.75
June 30, 2009	(3.83)

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of Yen	Millions of Yen	%	Yen
As of				
June 30, 2010	8,168	2,994	36.7	244.16
March 31, 2010	7,523	2,925	38.9	238.53

Note: Shareholders' equity As of June 30, 2010: 2,994 million yen As of March 31, 2010: 2,925 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, 2010	-	0.00	-	3.00	3.00
March 31, 2011	-				
March 31, 2011(expected)		3.00	-	5.00	8.00

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

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
For the year ending March 31, 2011									
First half 2010	4,100	32.9	180	-	170	-	130	-	10.60
Full year	8,800	20.7	550	71.0	530	63.5	400	-	32.61

Note: Revision of outlook for fiscal 2010 consolidated earnings results in the first 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) Adoption of simplified accounting policies : No
- (3) 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
- (4) Number of outstanding shares at the end of the period:
1. Number of outstanding shares at the end of the period:
- | | |
|---------------------------------|----------------------------------|
| As of June 30, 2010: 13,029,500 | As of March 31, 2010: 13,029,500 |
|---------------------------------|----------------------------------|
2. Number of treasury shares at the end of the period:
- | | |
|------------------------------|-------------------------------|
| As of June 30, 2010: 764,179 | As of March 31, 2010: 763,726 |
|------------------------------|-------------------------------|
3. Average number of outstanding shares during period:
- | | |
|---|--|
| For the 1st Quarter ending March 31, 2011: 12,265,449 | For the 1st Quarter ended March 31, 2010: 12,603,511 |
|---|--|

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)

	June 30,2010	March 31,2010
Assets		
Current assets		
Cash and deposits	2,469,836	2,355,887
Notes and accounts receivable-trade	1,857,357	1,587,094
Short-term investment securities	1,000	1,000
Merchandise and finished goods	810,988	719,409
Work in process	145,418	139,165
Raw materials and supplies	552,642	411,931
Other	196,119	197,845
Allowance for doubtful accounts	(5,950)	(4,985)
Total current assets	6,027,411	5,407,350
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	652,052	662,567
Machinery, equipment and vehicles, net	376,148	382,481
Land	812,378	812,378
Other, net	96,426	58,624
Total property, plant and equipment	1,937,006	1,916,051
Intangible assets	24,001	22,577
Investments and other assets	177,140	174,037
Total noncurrent assets	2,138,148	2,112,666
Deferred assets	3,328	3,469
Total assets	8,168,889	7,523,485
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,479,689	1,028,548
Short-term loans payable	1,393,200	1,359,200
Income taxes payable	93,602	90,526
Provision for bonuses	72,282	72,800
Other	301,063	229,114
Total current liabilities	3,339,837	2,780,190
Noncurrent liabilities		
Bonds payable	144,000	158,000
Long-term loans payable	1,074,200	1,072,500
Provision for retirement benefits	362,622	351,498
Other provision	17,450	21,042
Negative goodwill	87,738	95,642
Asset retirement obligations	35,448	—
Other	112,944	118,873
Total noncurrent liabilities	1,834,403	1,817,556
Total liabilities	5,174,241	4,597,746
Net assets		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	1,566,118	1,495,555
Treasury stock	(132,072)	(131,974)
Total shareholders' equity	3,016,898	2,946,432
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(22,250)	(20,693)
Total net assets	2,994,647	2,925,739
Total liabilities and net assets	8,168,889	7,523,485

Consolidated quarterly statements of income

(Thousands of Japanese yen)

	1st Quarter ended June 30,2009	1st Quarter ended June 30,2010
Net sales	1,361,246	2,533,160
Cost of sales	1,292,574	2,114,995
Gross profit	68,671	418,165
Selling, general and administrative expenses	161,716	187,885
Operating income (loss)	(93,044)	230,279
Non-operating income		
Dividends income	508	880
Amortization of negative goodwill	7,904	7,904
Subsidy income	10,921	1,045
Other	1,246	364
Total non-operating income	20,581	10,195
Non-operating expenses		
Interest expenses	11,820	14,455
Other	1,577	3,280
Total non-operating expenses	13,397	17,736
Ordinary income (loss)	(85,861)	222,738
Extraordinary income		
Extraordinary loss		
Loss on retirement of noncurrent assets	562	8
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	30,389
Total extraordinary losses	562	30,397
Income (loss) before income taxes and minority interests	(86,423)	192,341
Income taxes-current	1,348	89,111
Income taxes-deferred	(39,528)	(4,130)
Total income taxes	(38,179)	84,980
Income before minority interests	—	107,360
Net income (loss)	(48,243)	107,360

Consolidated quarterly statements of cash flows

(Thousands of Japanese yen)

	1st Quarter ended June 30,2009	1st Quarter ended June 30,2010
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(86,423)	192,341
Depreciation and amortization	59,880	58,310
Amortization of negative goodwill	(7,904)	(7,904)
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	30,389
Increase (decrease) in allowance for doubtful accounts	841	965
Increase (decrease) in provision for bonuses	(14,712)	(517)
Increase (decrease) in provision for retirement benefits	(8,078)	11,124
Increase (decrease) in provision for directors' retirement benefits	(12,395)	25
Interest and dividends income	(515)	(887)
Interest expenses	11,820	14,455
Foreign exchange losses (gains)	323	—
Loss on retirement of property, plant and equipment	562	8
Decrease (increase) in notes and accounts receivable-trade	(305,699)	(270,262)
Decrease (increase) in inventories	473,081	(238,541)
Increase (decrease) in notes and accounts payable-trade	183,631	451,141
Other, net	36,877	(20,464)
Subtotal	331,289	220,182
Interest and dividends income received	522	894
Interest expenses paid	(9,185)	(12,812)
Income taxes paid	(2,730)	(88,605)
Net cash provided by (used in) operating activities	319,896	119,657
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	(46,495)	(11,981)
Net cash provided by (used in) investing activities	(46,495)	(11,981)
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	100,000	100,000
Repayment of long-term loans payable	(146,000)	(64,300)
Proceeds from issuance of bonds	195,845	—
Redemption of bonds	—	(14,000)
Purchase of treasury stock	(429)	(97)
Cash dividends paid	(11,061)	(15,330)
Net cash provided by (used in) financing activities	138,353	6,271
Effect of exchange rate change on cash and cash equivalents	(323)	—
Net increase (decrease) in cash and cash equivalents	411,431	113,948
Cash and cash equivalents at beginning of period	2,071,276	2,355,887
Cash and cash equivalents at end of period	2,482,708	2,469,836

Segment Information

(1) For the first quarter ended June 30, 2010

(Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	1,397,690	1,129,044	2,526,734	6,425	2,533,160	–	2,533,160
Inter-segment	–	5,933	5,933	–	5,933	(5,933)	–
Total	1,397,690	1,134,978	2,532,668	6,425	2,539,093	(5,933)	2,533,160
Operating income	23,785	198,832	222,618	6,202	228,820	1,458	230,279

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

(2) For the first quarter ended June 30, 2009

(Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	732,156	629,090	1,361,246	–	1,361,246
Inter-segment	–	5,346	5,346	(5,346)	–
Total	732,156	634,437	1,366,593	(5,346)	1,361,246
Operating income(loss)	(184,037)	89,682	(94,354)	1,310	(93,044)