

Summary of Consolidated Financial Results  
for the Third Quarter Ended December 31, 2010(Unaudited)

February 4, 2011

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 Third Quarter Ended December 31, 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 Third quarter ended								
December 31, 2010	7,731	51.1	653	389.1	626	336.8	538	-
December 31, 2009	5,118	(20.7)	133	71.4	143	104.1	(244)	-

	EPS
For the Third quarter ended	Yen
December 31, 2010	43.94
December 31, 2009	(19.40)

## (2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of Yen	Millions of Yen	%	Yen
As of				
December 31, 2010	8,756	3,388	38.7	276.35
March 31, 2010	7,523	2,925	38.9	238.53

Note: Shareholders' equity As of December 31, 2010: 3,388 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	-	3.00	-		
March 31, 2011(expected)				5.00	8.00

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

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

(%: 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									
Full year	10,000	37.2	760	136.4	730	125.2	600	-	48.92

Note: Revision of outlook for fiscal 2010 consolidated earnings results in the Third quarter : No

4. Others

- (1) Changes in major subsidiaries during the current quarter (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 December 31, 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 December 31, 2010: 766,343 | As of March 31, 2010: 763,726 |
|----------------------------------|-------------------------------|
3. Average number of outstanding shares during period:
- |   |  |
|---|--|
| For the 3rd Quarter ending March 31, 2011: 12,265,085 | For the 3rd Quarter ended March 31, 2010: 12,601,589 |
|---|--|

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)

	December 31,2010	March 31,2010
<b>Assets</b>		
Current assets		
Cash and deposits	1,709,472	2,355,887
Notes and accounts receivable-trade	2,291,325	1,587,094
Short-term investment securities	1,000	1,000
Merchandise and finished goods	975,625	719,409
Work in process	148,467	139,165
Raw materials and supplies	574,668	411,931
Other	179,607	197,845
Allowance for doubtful accounts	(7,546)	(4,985)
Total current assets	5,872,621	5,407,350
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	631,171	662,567
Machinery, equipment and vehicles, net	458,299	382,481
Land	1,478,590	812,378
Other, net	96,723	58,624
Total property, plant and equipment	2,664,784	1,916,051
Intangible assets	23,903	22,577
Investments and other assets	191,962	174,037
Total noncurrent assets	2,880,650	2,112,666
Deferred assets	3,044	3,469
Total assets	8,756,316	7,523,485
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	1,737,648	1,028,548
Short-term loans payable	1,793,200	1,359,200
Income taxes payable	111,606	90,526
Provision for bonuses	32,769	72,800
Other	376,994	229,114
Total current liabilities	4,052,218	2,780,190
Noncurrent liabilities		
Bonds payable	130,000	158,000
Long-term loans payable	652,600	1,072,500
Provision for retirement benefits	297,715	351,498
Other provision	19,250	21,042
Negative goodwill	71,928	95,642
Asset retirement obligations	35,338	—
Other	108,310	118,873
Total noncurrent liabilities	1,315,142	1,817,556
Total liabilities	5,367,361	4,597,746
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	1,960,927	1,495,555
Treasury stock	(132,638)	(131,974)
Total shareholders' equity	3,411,140	2,946,432
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(22,186)	(20,693)
Total net assets	3,388,954	2,925,739
<b>Total liabilities and net assets</b>	<b>8,756,316</b>	<b>7,523,485</b>

## Consolidated quarterly statements of income

(Thousands of Japanese yen)

	Nine months ended December 31,2009	Nine months ended December 31,2010
Net sales	5,118,145	7,731,499
Cost of sales	4,478,963	6,496,531
Gross profit	639,181	1,234,968
Selling, general and administrative expenses	505,484	580,990
Operating income	133,697	653,977
Non-operating income		
Dividends income	862	1,352
Amortization of negative goodwill	23,713	23,713
Subsidy income	24,723	3,045
Other	5,232	2,133
Total non-operating income	54,531	30,245
Non-operating expenses		
Interest expenses	40,842	42,313
Foreign exchange losses	1,130	10,891
Other	2,901	4,851
Total non-operating expenses	44,874	58,056
Ordinary income	143,354	626,166
Extraordinary income		
Gain on revision of retirement benefit plan	—	69,753
Total extraordinary income	—	69,753
Extraordinary loss		
Loss on retirement of noncurrent assets	4,035	207
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	30,389
Total extraordinary losses	4,035	30,597
Income before income taxes and minority interests	139,318	665,322
Income taxes—current	16,825	144,679
Income taxes—deferred	366,979	(18,321)
Total income taxes	383,805	126,357
Income before minority interests	—	538,964
Net income (loss)	(244,486)	538,964

## Consolidated quarterly statements of income

(Thousands of Japanese yen)

	3rd Quarter ended December 31,2009	3rd Quarter ended December 31,2010
Net sales	2,032,575	2,724,318
Cost of sales	1,653,090	2,327,247
Gross profit	379,484	397,070
Selling, general and administrative expenses	171,639	204,652
Operating income	207,845	192,418
Non-operating income		
Dividends income	354	472
Amortization of negative goodwill	7,904	7,904
Subsidy income	2,827	—
Other	1,474	528
Total non-operating income	12,560	8,904
Non-operating expenses		
Interest expenses	14,941	13,436
Other	1,103	3,560
Total non-operating expenses	16,044	16,997
Ordinary income	204,360	184,325
Extraordinary income		
Gain on revision of retirement benefit plan	—	69,753
Total extraordinary income	—	69,753
Extraordinary loss		
Loss on retirement of noncurrent assets	844	166
Total extraordinary losses	844	166
Income before income taxes and minority interests	203,516	253,912
Income taxes-current	14,128	24,479
Income taxes-deferred	47,293	35,477
Total income taxes	61,421	59,956
Income before minority interests	—	193,955
Net income	142,094	193,955

## Consolidated quarterly statements of cash flows

(Thousands of Japanese yen)

	Nine months ended December 31,2009	Nine months ended December 31,2010
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	139,318	665,322
Depreciation and amortization	194,472	199,288
Amortization of negative goodwill	(23,713)	(23,713)
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	30,389
Increase (decrease) in allowance for doubtful accounts	2,950	2,561
Increase (decrease) in provision for bonuses	(33,323)	(40,031)
Increase (decrease) in provision for retirement benefits	(11,703)	(53,782)
Increase (decrease) in provision for directors' retirement benefits	(10,115)	1,825
Interest and dividends income	(1,084)	(1,734)
Interest expenses	40,842	42,313
Foreign exchange losses (gains)	(13)	21
Loss on retirement of property, plant and equipment	4,035	207
Decrease (increase) in notes and accounts receivable-trade	(938,614)	(704,231)
Decrease (increase) in inventories	308,731	(428,254)
Increase (decrease) in notes and accounts payable-trade	1,167,944	709,099
Other, net	87,304	28,604
Subtotal	927,032	427,885
Interest and dividends income received	1,091	1,741
Interest expenses paid	(28,395)	(41,136)
Income taxes paid	(40,777)	(140,254)
Income taxes refund	90,899	38,139
Net cash provided by (used in) operating activities	949,850	286,375
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	(146,522)	(835,376)
Payments for retirement of property, plant and equipment	(2,733)	—
Purchase of intangible assets	(126)	(3,098)
Payments for investments in capital	—	(6,134)
Other, net	—	(4,746)
Net cash provided by (used in) investing activities	(149,382)	(849,354)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(150,000)	100,000
Proceeds from long-term loans payable	100,000	100,000
Repayment of long-term loans payable	(192,000)	(185,900)
Proceeds from issuance of bonds	195,845	—
Redemption of bonds	(14,000)	(28,000)
Purchase of treasury stock	(890)	(664)
Cash dividends paid	(25,210)	(68,849)
Net cash provided by (used in) financing activities	(86,255)	(83,414)
Effect of exchange rate change on cash and cash equivalents	13	(21)
Net increase (decrease) in cash and cash equivalents	714,225	(646,415)
Cash and cash equivalents at beginning of period	2,071,276	2,355,887
Cash and cash equivalents at end of period	2,785,502	1,709,472

## Segment Information

(1) For the third quarter ended December 31, 2009 (Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	1,113,450	919,125	2,032,575	–	2,032,575
Inter-segment	–	6,510	6,510	(6,510)	–
Total	1,113,450	925,636	2,039,086	(6,510)	2,032,575
Operating income	113,027	93,680	206,708	1,136	207,845

(2) For the third quarter ended December 31, 2010 (Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	1,628,567	1,088,432	2,717,000	7,317	2,724,318	–	2,724,318
Inter-segment	–	11,072	11,072	495	11,567	(11,567)	–
Total	1,628,567	1,099,505	2,728,073	7,812	2,735,886	(11,567)	2,724,318
Operating income	100,373	83,121	183,495	7,599	191,095	1,323	192,418

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

(3) For the nine months ended December 31, 2009 (Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	2,774,794	2,343,350	5,118,145	–	5,118,145
Inter-segment	–	17,808	17,808	(17,808)	–
Total	2,774,794	2,361,158	5,135,953	(17,808)	5,118,145
Operating income(loss)	(128,078)	258,223	130,144	3,552	133,697

(4) For the nine months ended December 31, 2010 (Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	4,448,291	3,263,455	7,711,747	19,752	7,731,499	–	7,731,499
Inter-segment	–	30,471	30,471	1,249	31,721	(31,721)	–
Total	4,448,291	3,293,926	7,742,218	21,002	7,763,220	(31,721)	7,731,499
Operating income	248,240	381,736	629,977	20,367	650,345	3,632	653,977

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