

Summary of Consolidated Financial Results  
for the Six Months Ended September 30, 2010(Unaudited)

November 5, 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  
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## 1. Consolidated Financial Results for the Second Quarter Ended September 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 Second quarter ended								
September 30, 2010	5,007	62.3	461	-	441	-	345	-
September 30, 2009	3,085	(30.4)	(74)	-	(61)	-	(386)	-

	EPS
	Yen
For the Second quarter ended	
September 30, 2010	28.13
September 30, 2009	(30.68)

## (2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of Yen	Millions of Yen	%	Yen
As of				
September 30, 2010	8,302	3,229	38.9	263.29
March 31, 2010	7,523	2,925	38.9	238.53

Note: Shareholders' equity As of September 30, 2010: 3,229 million yen As of March 31, 2010: 2,925 million yen

## 2. Cash Dividends

	Cash Dividends per Share				
	Second 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 Second 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 Second quarter : Yes

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 September 30, 2010: 13,029,500	As of March 31, 2010: 13,029,500
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  - 2. Number of treasury shares at the end of the period:

As of September 30, 2010: 764,467	As of March 31, 2010: 763,726
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  - 3. Average number of outstanding shares during period:

For the 2nd Quarter ending March 31, 2011: 12,265,329	For the 2nd Quarter ended March 31, 2010: 12,602,287
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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)

	September 30,2010	March 31,2010
<b>Assets</b>		
Current assets		
Cash and deposits	2,345,097	2,355,887
Notes and accounts receivable-trade	1,850,611	1,587,094
Short-term investment securities	1,000	1,000
Merchandise and finished goods	935,714	719,409
Work in process	141,105	139,165
Raw materials and supplies	546,251	411,931
Other	162,967	197,845
Allowance for doubtful accounts	(6,056)	(4,985)
Total current assets	5,976,690	5,407,350
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	642,362	662,567
Machinery, equipment and vehicles, net	477,696	382,481
Land	812,378	812,378
Other, net	157,045	58,624
Total property, plant and equipment	2,089,483	1,916,051
Intangible assets	24,430	22,577
Investments and other assets	209,156	174,037
Total noncurrent assets	2,323,069	2,112,666
Deferred assets	3,186	3,469
Total assets	8,302,947	7,523,485
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	1,379,558	1,028,548
Short-term loans payable	1,543,200	1,359,200
Income taxes payable	127,610	90,526
Provision for bonuses	71,680	72,800
Other	366,183	229,114
Total current liabilities	3,488,233	2,780,190
Noncurrent liabilities		
Bonds payable	144,000	158,000
Long-term loans payable	833,900	1,072,500
Provision for retirement benefits	369,182	351,498
Other provision	18,350	21,042
Negative goodwill	79,833	95,642
Asset retirement obligations	35,550	—
Other	104,645	118,873
Total noncurrent liabilities	1,585,462	1,817,556
Total liabilities	5,073,695	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	1,803,766	1,495,555
Treasury stock	(132,131)	(131,974)
Total shareholders' equity	3,254,487	2,946,432
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(25,236)	(20,693)
Total net assets	3,229,251	2,925,739
<b>Total liabilities and net assets</b>	<b>8,302,947</b>	<b>7,523,485</b>

## Consolidated quarterly statements of income

(Thousands of Japanese yen)

	Six months ended September 30,2009	Six months ended September 30,2010
Net sales	3,085,569	5,007,181
Cost of sales	2,825,872	4,169,283
Gross profit	259,696	837,897
Selling, general and administrative expenses	333,844	376,338
Operating income (loss)	(74,147)	461,559
Non-operating income		
Dividends income	508	880
Amortization of negative goodwill	15,809	15,809
Subsidy income	21,896	3,045
Other	4,272	1,605
Total non-operating income	42,486	21,340
Non-operating expenses		
Interest expenses	25,900	28,876
Foreign exchange losses	—	8,352
Other	3,444	3,829
Total non-operating expenses	29,344	41,059
Ordinary income (loss)	(61,006)	441,840
Extraordinary income		
Extraordinary loss		
Loss on retirement of noncurrent assets	3,190	41
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	30,389
Total extraordinary losses	3,190	30,430
Income (loss) before income taxes and minority interests	(64,197)	411,409
Income taxes—current	2,697	120,199
Income taxes—deferred	319,686	(53,798)
Total income taxes	322,383	66,400
Income before minority interests	—	345,008
Net income (loss)	(386,580)	345,008

## Consolidated quarterly statements of income

(Thousands of Japanese yen)

	2nd Quarter ended September 30,2009	2nd Quarter ended September 30,2010
Net sales	1,724,322	2,474,021
Cost of sales	1,533,297	2,054,288
Gross profit	191,024	419,732
Selling, general and administrative expenses	172,128	188,452
Operating income	18,896	231,279
Non-operating income		
Amortization of negative goodwill	7,904	7,904
Subsidy income	10,974	2,000
Other	3,026	1,240
Total non-operating income	21,905	11,144
Non-operating expenses		
Interest expenses	14,079	14,421
Foreign exchange losses	—	6,182
Other	1,867	2,719
Total non-operating expenses	15,946	23,323
Ordinary income	24,854	219,101
Extraordinary income		
Extraordinary loss		
Loss on retirement of noncurrent assets	2,628	33
Total extraordinary losses	2,628	33
Income before income taxes and minority interests	22,226	219,068
Income taxes—current	1,348	31,088
Income taxes—deferred	359,214	(49,667)
Total income taxes	360,563	(18,579)
Income before minority interests	—	237,647
Net income (loss)	(338,337)	237,647

## Consolidated quarterly statements of cash flows

(Thousands of Japanese yen)

	Six months ended September 30,2009	Six months ended September 30,2010
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(64,197)	411,409
Depreciation and amortization	126,082	124,951
Amortization of negative goodwill	(15,809)	(15,809)
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	30,389
Increase (decrease) in allowance for doubtful accounts	1,706	1,070
Increase (decrease) in provision for bonuses	6,870	(1,120)
Increase (decrease) in provision for retirement benefits	(420)	17,684
Increase (decrease) in provision for directors' retirement benefits	(11,255)	925
Interest and dividends income	(723)	(1,255)
Interest expenses	25,900	28,876
Foreign exchange losses (gains)	92	—
Loss on retirement of property, plant and equipment	3,190	41
Decrease (increase) in notes and accounts receivable-trade	(576,698)	(263,517)
Decrease (increase) in inventories	498,695	(352,564)
Increase (decrease) in notes and accounts payable-trade	705,557	351,010
Other, net	5,353	(13,205)
Subtotal	704,346	318,887
Interest and dividends income received	723	1,255
Interest expenses paid	(17,486)	(27,713)
Income taxes paid	(2,770)	(88,677)
Income taxes refund	90,899	38,139
Net cash provided by (used in) operating activities	775,712	241,890
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	(106,542)	(137,955)
Purchase of intangible assets	(58)	(3,037)
Payments for investments in capital	—	(6,134)
Net cash provided by (used in) investing activities	(106,600)	(147,126)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(50,000)	(50,000)
Proceeds from long-term loans payable	100,000	100,000
Repayment of long-term loans payable	(146,000)	(104,600)
Proceeds from issuance of bonds	195,845	—
Redemption of bonds	—	(14,000)
Purchase of treasury stock	(804)	(156)
Cash dividends paid	(25,210)	(36,797)
Net cash provided by (used in) financing activities	73,830	(105,554)
Effect of exchange rate change on cash and cash equivalents	(92)	—
Net increase (decrease) in cash and cash equivalents	742,849	(10,790)
Cash and cash equivalents at beginning of period	2,071,276	2,355,887
Cash and cash equivalents at end of period	2,814,126	2,345,097

## Segment Information

(1) For the second quarter ended September 30, 2009 (Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	929,187	795,134	1,724,322	-	1,724,322
Inter-segment	-	5,950	5,950	(5,950)	-
Total	929,187	801,085	1,730,273	(5,950)	1,724,322
Operating income(loss)	(57,068)	74,859	17,791	1,105	18,896

(2) For the second quarter ended September 30, 2010 (Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	1,422,034	1,045,977	2,468,011	6,009	2,474,021	-	2,474,021
Inter-segment	-	13,465	13,465	754	14,219	(14,219)	-
Total	1,422,034	1,059,442	2,481,476	6,763	2,488,240	(14,219)	2,474,021
Operating income	124,081	99,782	223,864	6,565	230,429	850	231,279

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

(3) For the six months ended September 30, 2009 (Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	1,661,344	1,424,224	3,085,569	-	3,085,569
Inter-segment	-	11,297	11,297	(11,297)	-
Total	1,661,344	1,435,522	3,096,867	(11,297)	3,085,569
Operating income(loss)	(241,105)	164,542	(76,563)	2,415	(74,147)

(4) For the six months ended September 30, 2010 (Thousands of Japanese yen)

	Reportable Segments			Others	Total	Elimination & corporate	Consolidated
	Antimony products	Atomized metal powders	Total				
Net sales							
Outside customers	2,819,724	2,175,022	4,994,746	12,434	5,007,181	-	5,007,181
Inter-segment	-	19,398	19,398	754	20,153	(20,153)	-
Total	2,819,724	2,194,420	5,014,145	13,189	5,027,334	(20,153)	5,007,181
Operating income	147,867	298,614	446,482	12,768	459,250	2,309	461,559

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