

Summary of Consolidated Financial Results
for the Year Ended March 31, 2009(Unaudited)

May 15, 2009

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: Osamu Iwayama, President & CEO
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1. Consolidated Financial Results for the Years Ended March 31, 2009 and 2008

(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, 2009	7,163	(26.7)	(513)	-	(518)	-	(443)	-
March 31, 2008	9,778	11.4	747	(10.8)	714	(14.1)	259	(20.2)

	EPS	Return on equity	Recurring profit to total assets ratio	Operating income to net sales ratio
	Yen	%	%	%
For the years ended				
March 31, 2009	(34.52)	(13.0)	(7.2)	(7.2)
March 31, 2008	19.95	7.1	9.7	7.6

Note: Equity in earnings of unconsolidated subsidiaries and affiliate during the period:(Millions of Yen)

Current fiscal year : -

Last fiscal year : -

(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, 2009	7,123	3,098	43.5	245.79
March 31, 2008	7,265	4,474	51.2	286.81

Note: Shareholders' equity As of March 31, 2009: 3,098 million yen As of March 31, 2008: 3,721 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, 2009	(79)	(816)	1,921	2,071
March 31, 2008	604	(283)	(333)	1,045

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, 2008	-	3.00	-	3.00	6.00	77	30.1	2.1
March 31, 2009	-	4.00	-	2.00	6.00	77	-	2.2
March 31, 2010 (expected)	-	0.00	-	-	-		-	

Note: Dividends per share for the fiscal year ending March 31, 2010, are yet to be determined.

3. Consolidated Earnings Forecast for the Year Ending March 2010(April 1,2009 ~ March 31, 2010):

(%: Change from the previous fiscal half year for First half 2009)

(%: Change from the previous fiscal year for Year ending March 31,2010)

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First half 2009	2,200	(54.7)	(140)	—	(140)	—	(90)	—	(7.14)
Year ending March 31,2010	5,400	(24.6)	130	—	140	—	100	—	7.93

4. Others

(1) Changes in major subsidiaries during the fiscal year ended March 31,2009 : No

(2) 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

(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, 2009: 12,605,288

As of March 31, 2008: 12,975,993

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

As of March 31, 2009: 424,212

As of March 31, 2008: 53,507

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 31,2008	March 31,2009
Assets		
Current assets		
Cash and deposits	1,045,404	2,071,276
Notes and accounts receivable-trade	1,871,233	688,298
Short-term investment securities	1,000	1,000
Inventories	1,661,959	—
Merchandise and finished goods	—	933,048
Work in process	—	63,144
Raw materials and supplies	—	643,349
Deferred tax assets	54,443	74,512
Other	11,624	126,321
Allowance for doubtful accounts	(5,972)	(2,256)
Total current assets	4,639,693	4,598,695
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	2,320,292	2,339,637
Accumulated depreciation	(1,634,002)	(1,674,208)
Buildings and structures, net	686,289	665,429
Machinery, equipment and vehicles	3,673,787	3,667,439
Accumulated depreciation	(3,099,881)	(3,214,240)
Machinery, equipment and vehicles, net	573,905	453,199
Tools, furniture and fixtures	310,748	339,522
Accumulated depreciation	(252,811)	(274,878)
Tools, furniture and fixtures, net	57,937	64,644
Land	812,378	812,378
Construction in progress	2,630	37,900
Total property, plant and equipment	2,133,141	2,033,551
Intangible assets		
Other	21,553	23,153
Total intangible assets	21,553	23,153
Investments and other assets		
Investment securities	293,819	61,374
Deferred tax assets	78,875	321,400
Other	98,850	85,000
Total investments and other assets	471,545	467,775
Total noncurrent assets	2,626,240	2,524,480
Total assets	7,265,933	7,123,175

(Thousands of Japanese yen)

	March 31,2008	March 31,2009
Liabilities		
Current liabilities		
Notes and accounts payable-trade	850,486	134,274
Short-term loans payable	671,250	1,882,300
Accounts payable-other	93,739	21,624
Income taxes payable	155,186	4,986
Provision for bonuses	92,386	65,969
Provision for directors' bonuses	7,500	—
Other	172,562	117,833
Total current liabilities	2,043,111	2,226,987
Noncurrent liabilities		
Long-term loans payable	300,000	1,181,700
Deferred tax liabilities	71,330	14,359
Provision for retirement benefits	282,051	347,713
Provision for directors' retirement benefits	63,175	26,400
Metal and mining pollution prevention reserve	3,617	3,617
Negative goodwill	—	127,261
Other	27,786	96,839
Total noncurrent liabilities	747,959	1,797,890
Total liabilities	2,791,071	4,024,878
Net assets		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	2,151,186	1,616,733
Treasury stock	(20,187)	(78,296)
Total shareholders' equity	3,713,851	3,121,288
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7,797	(22,991)
Total valuation and translation adjustments	7,797	(22,991)
Minority interests	753,213	—
Total net assets	4,474,862	3,098,297
Total liabilities and net assets	7,265,933	7,123,175

Consolidated statements of income

(Thousands of Japanese yen)

	FY2007	FY2008
Net sales	9,778,331	7,163,283
Cost of sales	8,219,186	6,945,485
Gross profit	1,559,145	217,798
Selling, general and administrative expenses		
Freight-out and storage expense	157,799	129,039
Salaries and allowances	288,156	300,086
Provision for bonuses	29,553	14,935
Provision for directors' bonuses	7,500	—
Retirement benefit expenses	16,790	18,657
Provision for directors' retirement benefits	12,725	7,625
Welfare expenses	36,477	36,573
Depreciation	5,664	4,479
Amortization of goodwill	28,339	—
Traveling and communication expenses	47,694	40,101
Rent expenses	15,363	15,836
Other	165,560	163,621
Total selling, general and administrative expenses	811,624	730,955
Operating income (loss)	747,521	(513,156)
Non-operating income		
Interest income	474	391
Dividends income	2,266	2,325
Indemnity	1,291	—
Amortization of negative goodwill	—	33,084
Other	6,897	8,078
Total non-operating income	10,928	43,879
Non-operating expenses		
Interest expenses	25,465	33,459
Foreign exchange losses	13,182	11,706
Care and maintenance costs of suspended mine	1,383	2,913
Other	4,199	1,503
Total non-operating expenses	44,229	49,582
Ordinary income (loss)	714,219	(518,860)
Extraordinary income		
Reversal of allowance for doubtful accounts	562	3,715
Gain on sales of noncurrent assets	594	—
Total extraordinary income	1,157	3,715
Extraordinary loss		
Loss on sales of noncurrent assets	306	—
Loss on retirement of noncurrent assets	10,099	12,302
Loss on valuation of inventories	—	12,790
Loss on valuation of investment securities	—	180,000
Loss on valuation of golf club membership	—	10,000
Other	—	2,649
Total extraordinary losses	10,406	217,741
Income (loss) before income taxes and minority interests	704,970	(732,886)
Income taxes—current	307,729	5,396
Income taxes—deferred	(11,110)	(298,489)
Total income taxes	296,619	(293,092)
Minority interests in income	149,348	3,883
Net income (loss)	259,002	(443,677)

Consolidated statements of cash flows

(Thousands of Japanese yen)

	FY2007	FY2008
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	704,970	(732,886)
Depreciation and amortization	228,948	285,527
Amortization of goodwill	28,339	—
Amortization of negative goodwill	(2,253)	(33,084)
Increase (decrease) in provision for retirement benefits	19,474	65,662
Increase (decrease) in provision for directors' retirement benefits	12,725	(36,775)
Increase (decrease) in provision for bonuses	345	(26,417)
Increase (decrease) in provision for directors' bonuses	900	(7,500)
Increase (decrease) in allowance for doubtful accounts	(538)	(3,715)
Interest and dividends income	(2,740)	(2,708)
Interest expenses	25,465	33,459
Foreign exchange losses (gains)	(60)	(1,002)
Gain on sale of tangible fixed assets	(594)	—
Loss on sale of tangible fixed assets	306	—
Loss on retirement of property, plant and equipment	10,020	12,302
Loss (gain) on valuation of investment securities	—	180,000
Loss on valuation of golf club memberships	—	10,000
Decrease (increase) in notes and accounts receivable-trade	125,744	1,182,935
Decrease (increase) in inventories	93,089	22,417
Increase (decrease) in notes and accounts payable-trade	(324,510)	(716,212)
Other, net	38,101	(41,643)
Subtotal	957,733	190,357
Interest and dividends income received	2,736	2,708
Interest expenses paid	(25,248)	(32,098)
Income taxes paid	(330,826)	(240,905)
Net cash provided by (used in) operating activities	604,395	(79,937)
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	(283,402)	(227,315)
Proceeds from sales of property, plant and equipment	888	—
Payments for retirement of property, plant and equipment	—	(9,135)
Purchase of intangible assets	(843)	(4,182)
Purchase of investments in subsidiaries	—	(575,700)
Net cash provided by (used in) investing activities	(283,357)	(816,333)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	60,000	1,100,000
Proceeds from long-term loans payable	100,000	1,160,000
Repayment of long-term loans payable	(362,500)	(167,250)
Purchase of treasury stock	(3,533)	(58,108)
Cash dividends paid	(77,897)	(90,775)
Cash dividends paid to minority shareholders	(49,995)	(22,725)
Net cash provided by (used in) financing activities	(333,926)	1,921,140
Effect of exchange rate change on cash and cash equivalents	60	1,002
Net increase (decrease) in cash and cash equivalents	(12,827)	1,025,872
Cash and cash equivalents at beginning of period	1,058,231	1,045,404
Cash and cash equivalents at end of period	1,045,404	2,071,276

Consolidated statements of changes in net assets

(Thousands of Japanese yen)

	FY2007	FY2008
Shareholders' equity		
Capital stock		
Balance at the end of previous 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 end of previous period	564,725	564,725
Balance at the end of current period	564,725	564,725
Retained earnings		
Balance at the end of previous period	1,970,081	2,151,186
Changes of items during the period		
Dividends from surplus	(77,897)	(90,775)
Net income (loss)	259,002	(443,677)
Total changes of items during the period	181,105	(534,453)
Balance at the end of current period	2,151,186	1,616,733
Treasury stock		
Balance at the end of previous period	(16,653)	(20,187)
Changes of items during the period		
Purchase of treasury stock	(3,533)	(58,108)
Total changes of items during the period	(3,533)	(58,108)
Balance at the end of current period	(20,187)	(78,296)
Total shareholders' equity		
Balance at the end of previous period	3,536,279	3,713,851
Changes of items during the period		
Dividends from surplus	(77,897)	(90,775)
Net income (loss)	259,002	(443,677)
Purchase of treasury stock	(3,533)	(58,108)
Total changes of items during the period	177,571	(592,562)
Balance at the end of current period	3,713,851	3,121,288
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	18,553	7,797
Changes of items during the period		
Net changes of items other than shareholders' equity	(10,756)	(30,788)
Total changes of items during the period	(10,756)	(30,788)
Balance at the end of current period	7,797	(22,991)
Minority interests		
Balance at the end of previous period	654,529	753,213
Changes of items during the period		
Net changes of items other than shareholders' equity	98,683	(753,213)
Total changes of items during the period	98,683	(753,213)
Balance at the end of current period	753,213	—
Total net assets		
Balance at the end of previous period	4,209,362	4,474,862
Changes of items during the period		
Dividends from surplus	(77,897)	(90,775)
Net income (loss)	259,002	(443,677)
Purchase of treasury stock	(3,533)	(58,108)
Net changes of items other than shareholders' equity	87,927	(784,002)
Total changes of items during the period	265,499	(1,376,564)
Balance at the end of current period	4,474,862	3,098,297

Industrial Segment Information

(1) For the Year ended March 31, 2009

(Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	4,113,683	3,049,600	7,163,283	–	7,163,283
Inter-segment	–	25,691	25,691	(25,691)	–
Total	4,113,683	3,075,292	7,188,975	(25,691)	7,163,283
Operating expenses	4,459,015	3,248,018	7,707,033	(30,593)	7,676,440
Operating income(loss)	(345,332)	(172,725)	(518,058)	4,901	(513,156)
Identifiable assets	4,155,846	2,969,583	7,125,430	(2,254)	7,123,175
Depreciation	164,110	121,095	285,206	321	285,527
Capital expenditures	75,650	119,745	195,396	–	195,396

(2) For the Year ended March 31, 2008

(Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	5,518,054	4,260,277	9,778,331	–	9,778,331
Inter-segment	–	33,461	33,461	(33,461)	–
Total	5,518,054	4,293,738	9,811,792	(33,461)	9,778,331
Operating expenses	5,308,673	3,761,009	9,069,683	(38,872)	9,030,810
Operating income	209,380	532,728	742,109	5,411	747,521
Identifiable assets	4,205,812	3,065,602	7,271,415	(5,481)	7,265,933
Depreciation	150,670	106,221	256,891	396	257,288
Capital expenditures	137,218	164,057	301,275	–	301,275