

Summary of Consolidated Financial Results
for the Second Quarter Ended September 30, 2008(Unaudited)

October 30, 2008

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 Second Quarter Ended September 30, 2008 and 2007

(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, 2008	4,853	-	286	-	285	-	48	-
September 30, 2007	4,855	13.3	459	7.8	449	6.6	170	1.8

	EPS
	Yen
For the Second quarter ended	
September 30, 2008	3.75
September 30, 2007	13.14

Note:

Percentage indicate changes in net sales, operating income, ordinary income and net income are compared with preceding period.

(2) Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Shareholder's Equity per share
	Millions of Yen	Millions of Yen	%	Yen
As of				
September 30, 2008	7,301	3,711	50.8	286.32
March 31, 2008	7,265	4,474	51.2	286.81

Note:

Millions of Yen Millions of Yen

Shareholders' Equity As of September 30, 2008: 3,711 As of March 31, 2008: 3,721

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, 2008	-	3.00	-	3.00	6.00
March 31, 2009	-	4.00	-	-	-
March 31, 2009(expected)	-	-	-	4.00	8.00

Note:

Revision of outlook for dividends in the first quarter : No

3. Consolidated Earnings Forecast for the Year Ending March 31, 2009(April 1, 2008 ~ March 31, 2009):

	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, 2009									
Full year	9,700	(0.8)	560	(25.1)	550	(23.0)	160	(38.2)	12.33

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 September 30, 2008 : 13,029,500	As of March 31, 2008 : 13,029,500
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 - 2. Number of treasury shares at the end of the period:

As of September 30, 2008 : 67,507	As of March 31, 2008 : 53,507
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 - 3. Average number of outstanding shares during period:

For the 2nd Quarter ending March 31, 2009 : 12,973,494	For the 2nd Quarter ended March 31, 2008 : 12,983,532
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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 30,2008	March 31,2008
Assets		
Current assets		
Cash and deposits	764,652	1,045,404
Notes and accounts receivable-trade	1,860,434	1,871,233
Short-term investment securities	1,000	1,000
Finished goods	765,746	662,392
Semi-finished goods	180,142	172,065
Raw materials	989,650	632,061
Work in process	237,793	195,440
Other	121,134	66,067
Allowance for doubtful accounts	-5,870	-5,972
Total current assets	4,914,683	4,639,693
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	661,028	686,289
Machinery, equipment and vehicles, net	529,418	573,905
Land	812,378	812,378
Other, net	81,659	60,568
Total property, plant and equipment	2,084,485	2,133,141
Intangible assets	23,678	21,553
Investments and other assets	278,961	471,545
Total noncurrent assets	2,387,124	2,626,240
Total assets	7,301,807	7,265,933
Liabilities		
Current liabilities		
Notes and accounts payable-trade	813,915	850,486
Short-term loans payable	1,222,000	671,250
Income taxes payable	84,038	155,186
Provision for bonuses	87,927	92,386
Other	180,301	273,801
Total current liabilities	2,388,182	2,043,111
Noncurrent liabilities		
Long-term loans payable	568,000	300,000
Provision for retirement benefits	287,794	282,051
Other provision	27,397	66,792
Negative goodwill	148,098	2,253
Other	171,042	96,863
Total noncurrent liabilities	1,202,332	747,959
Total liabilities	3,590,514	2,791,071
Net assets		
Shareholders' equity		
Capital stock	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	2,156,806	2,151,186
Treasury stock	-23,527	-20,187
Total shareholders' equity	3,716,131	3,713,851
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-4,838	7,797
Minority interests		753,213
Total net assets	3,711,293	4,474,862
Total liabilities and net assets	7,301,807	7,265,933

Consolidated quarterly statements of income

(Thousands of Japanese yen)

	2nd Quarter ended September 30,2008
Net sales	4,853,420
Cost of sales	4,180,974
Gross profit	672,446
Selling, general and administrative expenses	385,650
Operating income	286,795
Non-operating income	
Dividends income	1,853
Amortization of negative goodwill	16,354
Other	3,285
Total non-operating income	21,493
Non-operating expenses	
Interest expenses	17,076
Other	5,688
Total non-operating expenses	22,745
Ordinary income	285,542
Extraordinary income	
Reversal of allowance for doubtful accounts	101
Total extraordinary income	101
Extraordinary loss	
Loss on retirement of noncurrent assets	5,844
Loss on valuation of inventories	12,790
Loss on valuation of investment securities	180,000
Total extraordinary losses	198,634
Income before income taxes and minority interests	87,009
Income taxes-current	78,237
Income taxes-deferred	-43,796
Total income taxes	34,440
Minority interests in income	3,883
Net income	48,685

Consolidated quarterly statements of cash flows

(Thousands of Japanese yen)

	2nd Quarter ended September 30, 2008
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	87,009
Depreciation and amortization	136,111
Amortization of negative goodwill	-16,354
Increase (decrease) in allowance for doubtful accounts	-101
Increase (decrease) in provision for bonuses	-4,458
Increase (decrease) in provision for directors' bonuses	-7,500
Increase (decrease) in provision for retirement benefits	5,743
Increase (decrease) in provision for directors' retirement benefits	-39,395
Interest and dividends income	-2,114
Interest expenses	17,076
Foreign exchange losses (gains)	39
Loss on retirement of property, plant and equipment	5,844
Loss(gain) on valuation of investment securities	180,000
Decrease (increase) in notes and accounts receivable-trade	10,799
Decrease (increase) in inventories	-511,373
Increase (decrease) in notes and accounts payable-trade	-36,571
Other, net	4,336
Subtotal	-170,908
Interest and dividends income received	2,114
Interest expenses paid	-14,576
Income taxes paid	-153,127
Net cash provided by (used in) operating activities	-336,497
Net cash provided by (used in) investment activities	
Purchase of short-term investment securities	-1,000
Proceeds from redemption of securities	1,000
Purchase of property, plant and equipment	-109,562
Payments for retirement of property, plant and equipment	-9,135
Purchase of intangible assets	-3,574
Purchase of investments in subsidiaries	-575,700
Net cash provided by (used in) investment activities	-697,971
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	380,000
Proceeds from long-term loans payable	460,000
Repayment of long-term loans payable	-21,250
Purchase of treasury stock	-3,340
Cash dividends paid	-38,927
Cash dividends paid to minority shareholders	-22,725
Net cash provided by (used in) financing activities	753,756
Effect of exchange rate change on cash and cash equivalents	-39
Net increase (decrease) in cash and cash equivalents	-280,751
Cash and cash equivalents at beginning of period	1,045,404
Cash and cash equivalents at end of period	764,652

Industrial Segment Information

(1) For the second quarter ended September 30, 2008

(Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	2,708,130	2,145,290	4,853,420	–	4,853,420
Inter-segment	–	15,389	15,389	–15,389	–
Total	2,708,130	2,160,680	4,868,810	–15,389	4,853,420
Operating income	88,561	195,925	284,487	2,307	286,795

Supplementary Information

Consolidated Statements of Income

(Thousands of Japanese yen)

	2nd Quarter ended September 30, 2007
Net sales	4,855,418
Cost of sales	4,003,302
Gross profit	852,115
Selling, general and administrative expenses	392,469
Operating income	459,645
Non-operating income	
Interest income & Dividends	1,964
Other	5,214
Total non-operating income	7,178
Non-operating expenses	
Interest expenses	12,746
Other	4,132
Total non-operating expenses	16,878
Ordinary income	449,945
Extraordinary income	–
Extraordinary loss	654
Income before income taxes and minority interests	449,290
Income taxes	186,377
Minority interests in income	92,358
Net income	170,554

Supplementary Information

Consolidated Statements of Cash Flows

(Thousands of Japanese yen)

	2nd Quarter ended September 30, 2007
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	449,290
Depreciation and amortization	108,113
Amortization of goodwill	14,169
Amortization of negative goodwill	-1,126
Increase(decrease) in provision for retirement benefits	22,473
Increase(decrease) in provision for directors' retirement benefits	5,429
Increase(decrease) in provision for bonuses	-866
Increase(decrease) in provision for director's bonuses	-6,600
Increase(decrease) in allowance for doubtful accounts	33
Interest and dividends income	-1,964
Interest expense	12,746
Foreign exchange losses (gains)	616
Decrease(increase) in notes and accounts receivable-trade	-12,728
Decrease(increase) in inventories	-9,938
Increase(decrease) in notes and accounts payable-trade	-78,737
Other, net	-7,574
Subtotal	493,335
Interest and dividend income received	1,960
Interest expense paid	-12,121
Income taxes paid	-172,631
Net cash provided by (used in) operating activities	310,544
Net cash provided by (used in) investment activities	
Purchase of short-term investment securities	-1,000
Proceeds from redemption of securities	1,000
Purchase of property, plant and equipment	-82,289
Proceeds from sale of property, plant and equipment	101
Purchase of intangible assets	-609
Net cash provided by (used in) investing activities	-82,798
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	10,000
Proceeds from long-term loans payable	100,000
Repayments of long-term loans payable	-341,250
Purchase of treasury stock	-2,274
Cash dividends paid	-38,960
Cash dividends paid to minority shareholders	-27,270
Net cash provided by (used in) financing activities	-300,214
Effect of exchange rate change on cash and cash equivalents	-616
Net increase(decrease) in cash and cash equivalents	-73,085
Cash and cash equivalents at beginning of period	1,058,231
Cash and cash equivalents at end of period	985,146

Supplementary Information

Industrial Segment Information

(1) For the second quarter ended September 30, 2007

(Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	2,654,263	2,201,154	4,855,418	-	4,855,418
Inter-segment	-	13,610	13,610	-13,610	-
Total	2,654,263	2,214,765	4,869,029	-13,610	4,855,418
Operating income	128,103	328,518	456,621	3,024	459,645