

**Summary of Consolidated Financial Results  
for the Third Quarter Ended December 31, 2007(Unaudited)**

February 5, 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 Third Quarter Ended December 31, 2007 and 2006

(1) Operating Results (Rounded down to millions of Japanese Yen)

	Net Sales		Operating Income		Recurring Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the Third quarter ended								
December 31, 2007	7,447	12.8	670	(4.5)	653	(7.2)	239	(13.1)
December 31, 2006	6,600	41.2	701	28.7	703	23.9	275	36.3
(Ref)FY 2006	8,774	-	838	-	831	-	324	-

	Net Income per share
For the Third quarter ended	Yen
December 31, 2007	18.47
December 31, 2006	21.24
(Ref)FY 2006	25.00

Note:

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

## (2) Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Shareholder's Equity per share
As of	Millions of Yen	Millions of Yen	%	Yen
December 31, 2007	7,593	4,446	48.8	285.58
December 31, 2006	7,567	4,133	46.3	269.51
(Ref)March 31, 2007	7,510	4,209	47.3	273.73

## (3) Consolidated Statements of Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash & Cash Equivalents at the end of the period
For the Third quarter ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
December 31, 2007	476	(98)	(373)	1,062
December 31, 2006	(282)	(131)	341	893
(Ref)March 31, 2007	304	(188)	(24)	1,058

## 2. Consolidated Earnings Forecast for the Year Ending March 2008(April 1,2007 ~ March 31, 2008):

The forecast for the year ending March 2008 remains unchanged from the prior forecast that was released on November 15,2007.

	Net Sales	Operating Income	Recurring Profit	Net Income
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For the year ending March 31, 2008	9,800	900	890	325

Note : The above-mentioned forecast is based on available information at present.

Therefore,actual results may differ materially from the forecast due to many factors.

## 3. Basis for Preparation of Financial Results

- (1) Adoption of simplified accounting policies : Yes
- (2) Changes in accounting policies from the previous fiscal year : Yes
- (3) Changes in scope of consolidation and equity method of accounting : None
- (4) Involvement of independent auditors : None

## Consolidated Balance Sheets

(Thousands of Japanese yen)

	December 31,2006	December 31,2007	Increase (Decrease)	March 31,2007
<Assets>				
Current assets:				
Cash and time deposits	893,917	1,062,828	168,910	1,058,231
Notes and accounts receivable, trade	2,072,635	2,117,210	44,574	1,996,977
Inventories	1,940,867	1,668,947	(271,920)	1,755,048
Others	59,803	71,911	12,107	93,197
Total current assets	4,967,224	4,920,897	(46,326)	4,903,456
Fixed assets:				
Tangible fixed assets	2,082,757	2,139,319	56,562	2,066,797
Intangible fixed assets	59,782	29,517	(30,265)	53,414
Investments and others	457,854	503,305	45,451	487,189
Total fixed assets	2,600,394	2,672,142	71,747	2,607,401
Total assets	7,567,618	7,593,039	25,421	7,510,857
<Liabilities>				
Current liabilities				
Notes and accounts payable, trade	1,113,945	1,199,650	85,704	1,174,996
Short-term loans	1,202,500	631,875	(570,625)	852,500
Others	386,861	581,960	195,099	538,330
Total current liabilities	2,703,307	2,413,486	(289,820)	2,565,826
Non-current liabilities				
Long-term loans	331,875	300,000	(31,875)	321,250
Allowance for retirement benefits of employee	243,042	270,935	27,892	262,577
Others	155,648	162,118	6,469	151,840
Total non-current liabilities	730,566	733,053	2,486	735,667
Total liabilities	3,433,874	3,146,540	(287,333)	3,301,494
<Net assets>				
Shareholders' equity				
Common stock	1,018,126	1,018,126	–	1,018,126
Capital surplus	564,725	564,725	–	564,725
Retained earnings	1,921,375	2,131,897	210,521	1,970,081
Treasury stock	(16,360)	(19,912)	(3,551)	(16,653)
Total shareholders' equity	3,487,866	3,694,836	206,969	3,536,279
Valuation and translation adjustments				
Net unrealized gains on available-for-sale securities	12,436	11,190	(1,246)	18,553
Minority interests	633,441	740,472	107,031	654,529
Total net assets	4,133,744	4,446,499	312,755	4,209,362
Total liabilities and net assets	7,567,618	7,593,039	25,421	7,510,857

## Consolidated Statements of income

(Thousands of Japanese yen)

	Third quarter ended December31,2006	Third quarter ended December31,2007	Increase (Decrease)	FY2006
Net sales	6,600,816	7,447,557	846,740	8,774,508
Cost of sales	5,379,002	6,180,242	801,240	7,235,693
Gross profit	1,221,814	1,267,314	45,500	1,538,814
Selling, general and administrative expenses	520,243	597,110	76,867	700,812
Operating income	701,570	670,203	(31,366)	838,002
Other income				
Interest income & Dividends	1,082	2,384	1,302	1,166
Others	24,592	6,222	(18,370)	26,733
Total other income	25,675	8,607	(17,068)	27,900
Other expenses				
Interest expenses	18,151	19,400	1,249	24,814
Others	5,663	6,306	643	9,813
Total other expenses	23,814	25,707	1,892	34,627
Recurring profit	703,431	653,103	(50,327)	831,274
Extraordinary income	751	594	(156)	751
Extraordinary loss	5,289	654	(4,634)	15,204
Income before income taxes and minority interests	698,893	653,043	(45,849)	816,821
Income taxes	290,889	276,849	(14,040)	339,083
Minority interests in consolidated subsidiaries	132,038	136,481	4,443	153,066
Net income	275,965	239,713	(36,252)	324,671

## Consolidated Statements of Changes in Net Assets

(1) For the Third quarter ended December 31, 2007

(Thousands of Japanese yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity total
Balance as of March 31, 2007	1,018,126	564,725	1,970,081	(16,653)	3,536,279
Changes of items during the period					
Cash dividends paid			(77,897)		(77,897)
Net income			239,713		239,713
Treasury stock purchased				(3,259)	(3,259)
Net changes of items other than shareholders' equity					
Total	-	-	161,816	(3,259)	158,556
Balance as of September 30, 2007	1,018,126	564,725	2,131,897	(19,912)	3,694,836

	Valuation and translation adjustments and others	Minority interests	Net assets total
	Net unrealized gains on available-for-sale securities		
Balance as of March 31, 2007	18,553	654,529	4,209,362
Changes of items during the period			
Cash dividends paid			(77,897)
Net income			239,713
Treasury stock purchased			(3,259)
Net changes of items other than shareholders' equity	(7,363)	85,943	78,579
Total	(7,363)	85,943	237,136
Balance as of September 30, 2007	11,190	740,472	4,446,499

(2) For the year ended March 31, 2007

(Thousands of Japanese yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity total
Balance as of March 31, 2006	1,018,126	564,725	1,724,455	(14,690)	3,292,616
Changes of items during the period					
Cash dividends paid * 1			(32,479)		(32,479)
Cash dividends paid			(38,966)		(38,966)
Bonuses to directors and statutory auditors *1			(7,600)		(7,600)
Net income			324,671		324,671
Treasury stock purchased				(1,962)	(1,962)
Net changes of items other than shareholders' equity					
Total	-	-	245,625		243,663
Balance as of March 31, 2007	1,018,126	564,725	1,970,081	(16,653)	3,536,279

	Valuation and translation adjustments and others	Minority interests	Net assets total
	Net unrealized gains on available-for-sale securities		
Balance as of March 31, 2006	25,029	550,191	3,867,837
Changes of items during the period			
Cash dividends paid * 1			(32,479)
Cash dividends paid			(38,966)
Bonuses to directors and statutory auditors *1			(7,600)
Net income			324,671
Treasury stock purchased			(1,962)
Net changes of items other than shareholders' equity	(6,476)	104,338	97,862
Total	(6,476)	104,338	341,525
Balance as of March 31, 2007	18,553	654,529	4,209,362

\* 1 Appropriation approved at the annual meeting of shareholders held in June 2006.

## Consolidated Statements of Cash Flows

(Thousands of Japanese yen)

	Third quarter ended December31,2006	Third quarter ended December31,2007	FY2006
Cash flows from operating activities			
Income before income taxes and minority interests	698,893	653,043	816,821
Depreciation and amortization	182,994	190,375	244,146
Increase(decrease)in allowance for retirement benefits of employee	2,767	8,358	22,301
Increase(decrease) in allowance for retirement benefits of directors and corporate auditors	(31,183)	9,081	(27,750)
Increase(decrease) in accrued bonuses	(41,488)	(50,195)	16,166
Increase(decrease)in allowance for doubtful accounts	3,349	368	2,961
Interest and dividend income(accrual basis)	(1,082)	(2,384)	(1,166)
Interest expense(accrual basis)	18,151	19,400	24,814
Foreign exchange gain	(614)	–	(614)
(Increase)decrease in notes and accounts receivable, trade	(640,757)	(120,232)	(565,099)
(Increase)decrease in inventories	(563,727)	86,101	(377,909)
Increase in notes and accounts payable, trade	417,829	24,654	478,879
Others	57,108	2,223	55,186
Sub-total	102,239	820,794	688,737
Interest and dividend income(cash basis)	1,102	2,388	1,179
Interest expense(cash basis)	(18,645)	(16,354)	(23,638)
Income taxes(cash basis)	(366,795)	(330,692)	(361,407)
Net cash provided by operating activities	(282,099)	476,135	304,870
Cash flows from investing activities			
Acquisition of securities	(1,000)	(1,000)	(1,000)
Redemption of securities	1,000	1,000	1,000
Acquisition of investments in securities	(49,944)	–	(53,668)
Redemption of investments in securities	10,658	–	10,658
Acquisition of tangible fixed assets	(102,619)	(97,769)	(149,187)
Proceeds from sale of tangible fixed assets	10,000	101	10,000
Acquisition of intangible fixed assets	–	(843)	(2,281)
Others	200	–	(3,568)
Net cash used in investing activities	(131,705)	(98,511)	(188,046)
Cash flows from financing activities			
Net increase in short-term loans	290,000	10,000	(60,000)
Proceeds from long-term loans	200,000	100,000	200,000
Repayments of long-term loans	(31,875)	(351,875)	(42,500)
Payments for purchase of treasury stock	(1,670)	(3,259)	(1,962)
Cash dividends	(66,048)	(77,897)	(71,445)
Cash dividends to minority shareholders	(48,480)	(49,995)	(48,480)
Net cash used in financing activities	341,926	(373,026)	(24,388)
Effect of exchange rate changes on cash and cash equivalents	614	–	614
Net increase in cash and cash equivalents	(71,263)	4,596	93,050
Cash and cash equivalents at beginning of period	965,181	1,058,231	965,181
Cash and cash equivalents at end of period	893,917	1,062,828	1,058,231

## Industrial Segment Information

(1) For the Third quarter ended December 31, 2006 (Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	3,875,552	2,725,264	6,600,816	–	6,600,816
Inter-segment	–	11,356	11,356	(11,356)	–
Total	3,875,552	2,736,620	6,612,173	(11,356)	6,600,816
Operating expenses	3,627,356	2,286,935	5,914,292	(15,046)	5,899,245
Operating income	248,195	449,684	697,880	3,690	701,570

(2) For the Third quarter ended December 31, 2007 (Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	4,129,497	3,318,059	7,447,557	–	7,447,557
Inter-segment	–	21,566	21,566	(21,566)	–
Total	4,129,497	3,339,625	7,469,123	(21,566)	7,447,557
Operating expenses	3,950,348	2,852,825	6,803,173	(25,819)	6,777,353
Operating income	179,149	486,800	665,950	4,253	670,203

(3) For the Year ended March 31, 2007 (Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	5,163,449	3,611,059	8,774,508	–	8,774,508
Inter-segment	–	19,322	19,322	(19,322)	–
Total	5,163,449	3,630,382	8,793,831	(19,322)	8,774,508
Operating expenses	4,858,432	3,101,656	7,960,088	(23,581)	7,936,506
Operating income	305,017	528,725	833,742	4,259	838,002