

**Summary of Consolidated Financial Results
for the Six months Ended September 30, 2006**

November 16, 2006

Company name : Nihon Seiko Co., Ltd.
 (URL <http://www.nihonseiko.co.jp>)
 Listed stock exchange: The second section of Tokyo Stock Exchange
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 Securities Code : 5729
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1. Consolidated Financial Results for the Six months Ended September 30, 2006 and 2005

(1) Operating Results(Consolidated) (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 Six months ended								
September 30, 2006	4,285	41.9	426	21.9	422	21.1	167	27.5
September 30, 2005	3,019	3.9	349	4.2	348	(7.1)	131	(13.2)
(Ref)FY 2005	6,405		737		763		280	

	Net Income per share
For the Six months ended	Yen
September 30, 2006	12.90
September 30, 2005	10.11
(Ref)FY 2005	20.96

Notes :

- Equity in Earnings of Unconsolidated subsidiaries and affiliate during the period : (Millions of Yen)
 Current interim period : - Preceding interim period : - Last fiscal year : -
- Average number of outstanding shares during the period :
 Current interim period : 12,990,700 Preceding interim period : 12,997,606 Last fiscal year : 12,995,759
- Change in accounting policies during the period : No
- Percentage indicate changes in net sales, operating income, recurring profit and net income are compared with preceding period.

(2) Financial Position(Consolidated)

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Shareholder's Equity per share
	Millions of Yen	Millions of Yen	%	Yen
As of				
September 30, 2006	7,667	4,030	44.8	264.29
September 30, 2005	5,964	3,199	53.6	246.15
(Ref)March 31, 2006	6,487	3,317	51.1	254.78

Notes :

- Number of outstanding shares at the end of the period:
 Current interim period : 12,988,757 Preceding interim period : 12,996,258 Last fiscal year : 12,991,722
- a. Total net assets as of September 30, 2005 and March 31, 2006 do not include minority interests.
 b. Shareholder's equity ratio and shareholder's equity per share calculations are as follows:
 Shareholder's equity ratio : (Total net assets at end of period - minority interests at end of period) ÷ total assets x 100
 Shareholder's equity per share : (Total net assets at end of period - minority interests at end of period) ÷ number of shares outstanding at end of period

(3) Consolidated Statements of Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash & Cash Equivalents at the end of the period
For the Six months ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
September 30, 2006	(276)	(70)	354	973
September 30, 2005	87	(97)	(171)	626
(Ref)FY 2005	172	(1)	(13)	965

(4) Consolidated subsidiaries : 1

Unconsolidated subsidiaries(accounted for by the equity method) : -
 Unconsolidated affiliates(accounted for by the equity method) : -

(5) Consolidated subsidiaries : (Increase) - (Decrease) -

Affiliated companies accounted for by the equity method : (Increase) - (Decrease) -

2. Consolidated Earnings Forecast for the Year Ending March 2007 (April 1, 2006 ~ March 31, 2007) :

	Net Sales	Recurring Profit	Net Income
	Millions of Yen	Millions of Yen	Millions of Yen
For the year ending march 31, 2007	8,500	850	320

(Ref) Net income per share(projection) : JPY15.40

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.

Consolidated Balance Sheets

(Thousands of Japanese yen)

	Sept 30,2006	March 31,2006	Sept 30,2005
<Assets>			
Current assets:			
Cash and time deposits	973,660	965,181	626,807
Notes and accounts receivable, trade	2,059,260	1,431,877	1,269,717
Inventories	1,899,101	1,377,139	1,164,629
Others	120,434	108,868	162,241
Total current assets	5,052,456	3,883,067	3,223,396
Fixed assets:			
Tangible fixed assets	2,136,535	2,151,300	2,201,555
Intangible fixed assets	69,169	86,822	105,857
Investments and others	408,866	366,063	433,448
Total fixed assets	2,614,572	2,604,186	2,740,862
Total assets	7,667,028	6,487,254	5,964,258
<Liabilities>			
Current liabilities			
Notes and accounts payable, trade	1,261,448	696,116	667,063
Short-term loans	1,152,500	592,500	449,500
Others	484,345	480,261	421,650
Total current liabilities	2,898,295	1,768,878	1,538,215
Non-current liabilities			
Long-term loans	342,500	483,750	410,250
Allowance for retirement benefits of employee	247,243	240,275	238,215
Others	148,060	126,512	93,386
Total non-current liabilities	737,805	850,538	741,852
Total liabilities	3,636,100	2,619,416	2,280,068
<Minority interests>	-	550,191	485,188
<Shareholders' equity>			
Common stock	-	1,018,126	1,018,126
Capital surplus	-	564,725	564,725
Retained earnings	-	1,724,455	1,608,319
Net unrealized gains on available-for-sale securities	-	25,029	20,520
Treasury stock	-	(14,690)	(12,690)
Total shareholders' equity		3,317,646	3,199,002
Total liabilities, minority interests and shareholders' equity		6,487,254	5,964,258
<Net assets>			
Shareholders' equity			
Common stock	1,018,126	-	-
Capital surplus	564,725	-	-
Retained earnings	1,851,995	-	-
Treasury stock	(15,883)	-	-
Total shareholders' equity	3,418,963	-	-
Valuation and translation adjustments			
Net unrealized gains on available-for-sale securities	13,896	-	-
Minority interests	598,067	-	-
Total net assets	4,030,928	-	-
Total liabilities and net assets	7,667,028	-	-

Consolidated Statements of income

(Thousands of Japanese yen)

	1st Half ended Sept30,2006	1st Half ended Sept30,2005	FY2005
Net sales	4,285,180	3,019,943	6,405,649
Cost of sales	3,503,399	2,338,445	5,003,894
Gross profit	781,781	681,497	1,401,754
Selling, general and administrative expenses	355,513	331,734	664,153
Operating income	426,267	349,763	737,600
Other income			
Interest income & Dividends	1,075	2,750	4,695
Others	9,088	6,419	44,672
Total other income	10,166	9,171	49,367
Other expenses			
Interest expenses	11,228	9,080	18,376
Others	3,186	1,287	5,210
Total other expenses	14,415	10,368	23,587
Recurring profit	422,018	348,566	763,381
Extraordinary income	-	21,437	22,131
Extraordinary loss	3,726	21,584	23,933
Income before income taxes and minority interests	418,291	348,419	761,578
Income taxes	172,343	145,452	313,820
Minority interests in consolidated subsidiaries	78,328	71,540	167,704
Net income	167,618	131,426	280,053

Consolidated Statements of Cash Flows

(Thousands of Japanese yen)

	1st Half ended Sept30,2006	1st Half ended Sept30,2005	FY2005
Cash flows from operating activities			
Income before income taxes and minority interests	418,291	348,419	761,578
Depreciation and amortization	107,889	125,706	261,756
Increase(decrease)in allowance for retirement benefits of employee	6,968	(13,542)	(11,482)
Increase(decrease) in allowance for retirement benefits of directors and corporate auditors	(34,408)	8,133	15,633
Increase(decrease) in accrued bonuses	8,370	(1,656)	3,252
Increase(decrease)in allowance for doubtful accounts	3,216	453	(645)
Interest and dividend income(accrual basis)	(1,075)	(2,751)	(5,013)
Interest expense(accrual basis)	11,228	9,080	18,376
Foreign exchange gain	(440)	(327)	(356)
(Increase)decrease in notes and accounts receivable, trade	(627,382)	11,716	(150,443)
(Increase) in inventories	(521,961)	(224,922)	(437,431)
Increase in notes and accounts payable, trade	565,331	31,391	60,444
Others	(1,862)	(6,459)	(10,699)
Interest and dividend income(cash basis)	1,088	2,596	4,744
Interest expense(cash basis)	(11,159)	(9,414)	(18,738)
Income taxes(cash basis)	(200,547)	(190,624)	(318,728)
Net cash provided by operating activities	(276,451)	87,800	172,246
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	(1,354)	–	(17,240)
Redemption of investments in securities	–	–	100,000
Proceeds from sale of investments in securities	–	20,639	120,639
Acquisition of tangible fixed assets	(66,432)	(126,811)	(234,554)
Proceeds from sale of tangible fixed assets	–	12,800	32,968
Acquisition of intangible fixed assets	–	(1,337)	(1,794)
Others	(2,500)	(2,591)	(1,100)
Net cash used in investing activities	(70,287)	(97,300)	(1,080)
Cash flows from financing activities			
Net increase in short-term loans	240,000	(50,000)	200,000
Proceeds from long-term loans	200,000	–	100,000
Repayments of long-term loans	(21,250)	(39,550)	(173,050)
Payments for purchase of treasury stock	(1,192)	(784)	(17,084)
Proceeds from sale of treasury stock	–	–	5,719
Cash dividends	(32,479)	(64,992)	(97,483)
Cash dividends to minority shareholders	(30,300)	(15,750)	(31,500)
Net cash used in financing activities	354,777	(171,077)	(13,398)
Effect of exchange rate changes on cash and cash equivalents	440	327	356
Net increase in cash and cash equivalents	8,479	(180,250)	158,123
Cash and cash equivalents at beginning of period	965,181	807,057	807,057
Cash and cash equivalents at end of period	973,660	626,807	965,181

Industrial Segment Information

(1) For the six months ended September 30, 2006 (Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	2,492,979	1,792,200	4,285,180	-	4,285,180
Inter-segment	-	6,915	6,915	(6,915)	-
Total	2,492,979	1,799,115	4,292,095	(6,915)	4,285,180
Operating expenses	2,343,192	1,525,055	3,868,248	(9,335)	3,858,912
Operating income	149,787	274,059	423,847	2,420	426,267

(2) For the six months ended September 30, 2005 (Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	1,691,032	1,328,911	3,019,943	-	3,019,943
Inter-segment	-	8,756	8,756	(8,756)	-
Total	1,691,032	1,337,667	3,028,699	(8,756)	3,019,943
Operating expenses	1,604,685	1,076,402	2,681,087	(10,908)	2,670,179
Operating income	86,346	261,264	347,611	2,151	349,763

(3) For the year ended March 31, 2006 (Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	3,552,736	2,852,912	6,405,649	-	6,405,649
Inter-segment	-	16,734	16,734	(16,734)	-
Total	3,552,736	2,869,647	6,422,384	(16,734)	6,405,649
Operating expenses	3,374,766	2,315,009	5,689,776	(21,728)	5,668,048
Operating income	177,969	554,637	732,607	4,993	737,600