

**Summary of Consolidated Financial Results
for the Third Quarter Ended December 31, 2006**

February 7, 2007

Company name : Nihon Seiko Co., Ltd.
(URL <http://www.nihonseiko.co.jp>)
Listed stock exchange: The second section of Tokyo Stock Exchange
Headquarters : Tokyo
Securities Code : 5729
Company Representative : Osamu Iwayama, President & CEO
Contact Information : Katsumi Hatokawa, Managing Director Tel +81-3-3235-0021

1. Basis for Preparation of Financial Results

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

2. Consolidated Financial Results for the Third Quarter Ended December 31, 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 third quarter ended								
December 31, 2006	6,600	41.2	701	28.7	703	23.9	275	36.3
December 31, 2005	4,676	7.8	545	14.5	567	11.7	202	(1.6)
(Ref)FY 2005	6,405		737		763		280	

	Net Income per share
	Yen
For the third quarter ended	
December 31, 2006	21.24
December 31, 2005	15.57
(Ref)FY 2005	20.96

Note:

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				
December 31, 2006	7,567	4,133	46.3	269.51
December 31, 2005	6,455	3,237	50.1	249.13
(Ref)March 31, 2006	6,487	3,317	51.1	254.78

Notes:

a. Total net assets as of December 31, 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
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For the third quarter ended				
December 31, 2006	-282	-131	341	893
December 31, 2005	-35	-118	57	711
(Ref)FY 2005	172	-1	-13	965

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

The forecast for the year ending March 2007 remains unchanged from the prior forecast that was released on November 16,2006.

	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

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)

	Dec 31,2006	Dec 31,2005	March 31,2006
<Assets>			
Current assets:			
Cash and time deposits	893,917	711,137	965,181
Notes and accounts receivable, trade	2,072,635	1,478,236	1,431,877
Inventories	1,940,867	1,346,678	1,377,139
Others	59,803	205,204	108,868
Total current assets	4,967,224	3,741,257	3,883,067
Fixed assets:			
Tangible fixed assets	2,082,757	2,182,735	2,151,300
Intangible fixed assets	59,782	96,565	86,822
Investments and others	457,854	435,250	366,063
Total fixed assets	2,600,394	2,714,550	2,604,186
Total assets	7,567,618	6,455,807	6,487,254
<Liabilities>			
Current liabilities			
Notes and accounts payable, trade	1,113,945	815,261	696,116
Short-term loans	1,202,500	649,500	592,500
Others	386,861	405,745	480,261
Total current liabilities	2,703,307	1,870,506	1,768,878
Non-current liabilities			
Long-term loans	331,875	497,875	483,750
Allowance for retirement benefits of employee	243,042	237,341	240,275
Others	155,648	114,344	126,512
Total non-current liabilities	730,566	849,560	850,538
Total liabilities	3,433,874	2,720,067	2,619,416
<Minority interests>	-	498,571	550,191
<Shareholders' equity>			
Common stock	-	1,018,126	1,018,126
Capital surplus	-	564,725	564,725
Retained earnings	-	1,646,809	1,724,455
Net unrealized gains on available-for-sale securities	-	21,119	25,029
Treasury stock	-	-13,612	-14,690
Total shareholders' equity	-	3,237,169	3,317,646
Total liabilities, minority interests and shareholders' equity	-	6,455,807	6,487,254
<Net assets>			
Shareholders' equity			
Common stock	1,018,126	-	-
Capital surplus	564,725	-	-
Retained earnings	1,921,375	-	-
Treasury stock	-16,360	-	-
Total shareholders' equity	3,487,866	-	-
Valuation and translation adjustments			
Net unrealized gains on available-for-sale securities	12,436	-	-
Minority interests	633,441	-	-
Total net assets	4,133,744	-	-
Total liabilities and net assets	7,567,618	-	-

Consolidated Statements of income

(Thousands of Japanese yen)

	3rd Quarter ended Dec31,2006	3rd Quarter ended Dec31,2005	FY2005
Net sales	6,600,816	4,676,289	6,405,649
Cost of sales	5,379,002	3,626,703	5,003,894
Gross profit	1,221,814	1,049,586	1,401,754
Selling, general and administrative expenses	520,243	504,512	664,153
Operating income	701,570	545,073	737,600
Other income			
Interest income & Dividends	1,082	3,896	4,695
Others	24,592	34,368	44,672
Total other income	25,675	38,265	49,367
Other expenses			
Interest expenses	18,151	13,705	18,376
Others	5,663	2,056	5,210
Total other expenses	23,814	15,761	23,587
Recurring profit	703,431	567,576	763,381
Extraordinary income	751	21,437	22,131
Extraordinary loss	5,289	21,584	23,933
Income before income taxes and minority interests	698,893	567,429	761,578
Income taxes	290,889	239,645	313,820
Minority interests in consolidated subsidiaries	132,038	125,377	167,704
Net income	275,965	202,407	280,053

Consolidated Statements of Cash Flows

(Thousands of Japanese yen)

	3rd Quarter ended Dec31,2006	3rd Quarter ended Dec31,2005	FY2005
Cash flows from operating activities			
Income before income taxes and minority interests	698,893	567,429	761,578
Depreciation and amortization	163,429	192,299	261,756
Increase(decrease)in allowance for retirement benefits of employee	2,767	-14,417	-11,482
Increase(decrease) in allowance for retirement benefits of directors and corporate auditors	-31,183	11,883	15,633
Increase(decrease) in accrued bonuses	-41,488	-37,201	3,252
Increase(decrease)in allowance for doubtful accounts	3,349	1,357	-645
Interest and dividend income(accrual basis)	-1,082	-3,896	-5,013
Interest expense(accrual basis)	18,151	13,705	18,376
Foreign exchange gain	-614	-377	-356
(Increase)decrease in notes and accounts receivable, trade	-640,757	-196,802	-150,443
(Increase) in inventories	-563,727	-406,971	-437,431
Increase in notes and accounts payable, trade	417,829	179,589	60,444
Others	76,673	-11,016	-10,699
Interest and dividend income(cash basis)	1,102	2,923	4,744
Interest expense(cash basis)	-18,645	-13,423	-18,738
Income taxes(cash basis)	-366,795	-320,387	-318,728
Net cash provided by operating activities	-282,099	-35,305	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	-49,944	-	-17,240
Redemption of investments in securities	10,658	-	100,000
Proceeds from sale of investments in securities	-	20,639	120,639
Acquisition of tangible fixed assets	-102,619	-167,416	-234,554
Proceeds from sale of tangible fixed assets	10,000	32,678	32,968
Acquisition of intangible fixed assets	-	-1,794	-1,794
Others	200	-2,591	-1,100
Net cash used in investing activities	-131,705	-118,483	-1,080
Cash flows from financing activities			
Net increase in short-term loans	290,000	250,000	200,000
Proceeds from long-term loans	200,000	100,000	100,000
Repayments of long-term loans	-31,875	-151,925	-173,050
Payments for purchase of treasury stock	-1,670	-16,005	-17,084
Cash dividends	-66,048	-93,077	-97,483
Cash dividends to minority shareholders	-48,480	-31,500	-31,500
Others	-	-	5,719
Net cash used in financing activities	341,926	57,491	-13,398
Effect of exchange rate changes on cash and cash equivalents	614	377	356
Net increase in cash and cash equivalents	-71,263	-95,919	158,123
Cash and cash equivalents at beginning of period	965,181	807,057	807,057
Cash and cash equivalents at end of period	893,917	711,137	965,181

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, 2005

(Thousands of Japanese yen)

	Antimony products	Atomized metal powders	Total	Elimination & corporate	Consolidated
Net sales					
Outside customers	2,601,346	2,074,943	4,676,289	-	4,676,289
Inter-segment	-	12,162	12,162	-12,162	-
Total	2,601,346	2,087,105	4,688,451	-12,162	4,676,289
Operating expenses	2,483,202	1,663,695	4,146,897	-15,681	4,131,216
Operating income	118,143	423,410	541,553	3,519	545,073

(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