

ANNUAL REPORT 2009

FROM APRIL 1ST, 2008 TO MARCH 31ST, 2009



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Review of Operations**● Instrument Sales**

Sales of Instrument clusters for automobiles, motorcycles, agricultural/construction machines and boats decreased 12.3% to ¥117,772 million, from the previous fiscal year.

● Consumer-use Product Sales

Sales decreased by 27.8% to ¥19,996 million from the previous fiscal year, due to a decrease in orders for PCB assemblies for amusement products and so on.

● Display Product Sales

Display product sales decreased by 38.7% to ¥6,291 million from the previous fiscal year due to a decrease in orders for Organic Light Emitting Diode displays for mobile-phones.

● Other businesses

Sales of other products and services totaled ¥23,234 million, a 6.2% decrease from the previous fiscal year, due to a decrease in the sales of cars, software and office automation equipment and so on.

In conclusion, the company's consolidated business operations for fiscal year 2009, ending March 31, 2009, resulted in annual sales of ¥167,296 million, down 15.1% from the previous year. At the same time, ordinary income for the year decreased by 28.3%, to ¥12,896 million, and net income decreased by 26.1%, to ¥8,245 million, respectively.

● Consolidated sales by business segment

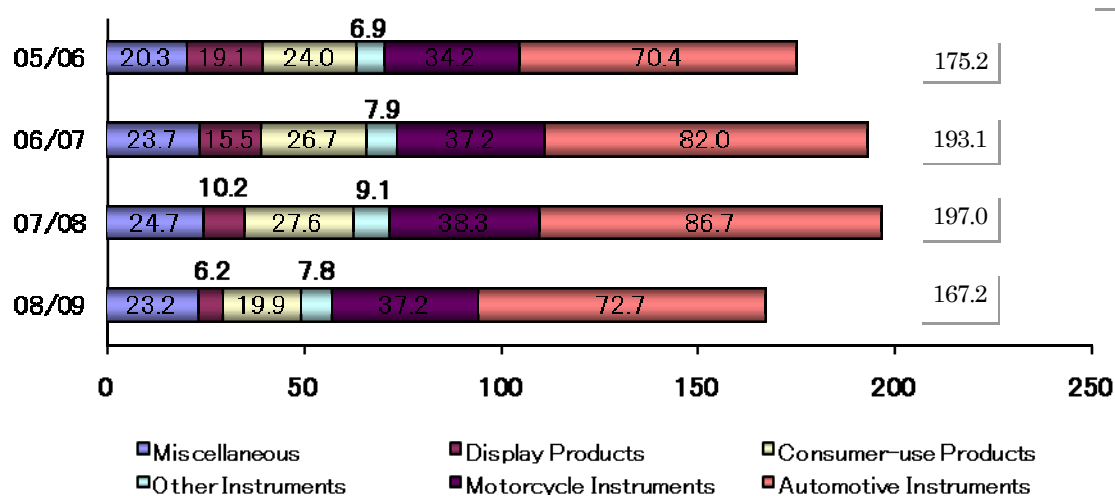
(¥ million)

	Annual sales in F.Y. 2007/2008	Annual sales in F.Y. 2008/2009	Increase (Decrease)
Instrument clusters for automobiles, motorcycles, agricultural/construction machines and boats	134,291	117,772	(12.3%)
Consumer-use products	27,689	19,996	(27.8%)
Display products	10,262	6,291	(38.7%)
Other businesses	24,770	23,234	(6.2%)
Total	197,013	167,296	(15.1%)

1. Consolidated Financial Highlights

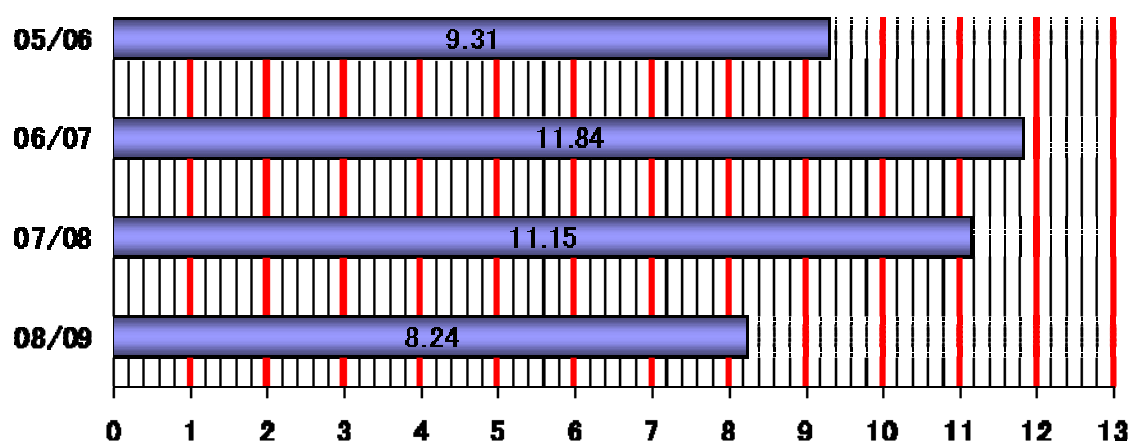
1 – 1. Consolidated Progress in Sales

In billions of yen



1 – 2 . Consolidated Progress in Net Income

In billions of yen



Consolidated sales for the fiscal year ending March 31, 2009, decreased by 15.1% to ¥167,296 million, Ordinary income decreased by 28.3% to ¥12,896 million, and net income decreased by 26.1% to ¥8,245 million.

1 – 3. Consolidated Financial Highlights

	F.Y.2005/2006 ending March 31 2006	F.Y.2006/2007 ending March 31 2007	F.Y.2007/2008 ending March 31 2008	F.Y.2008/2009 ending March 31 2009
Sales (¥ million)	175,229	193,178	197,013	167,296
Ordinary income (¥ million)	17,925	20,770	17,996	12,896
6Net income (¥ million)	9,318	11,840	11,153	8,245
Net income per share (¥)	152.15	195.09	184.90	142.75
Total assets (¥ million)	137,798	150,592	161,212	132,164
Net assets (¥ million)	68,128	85,514	87,829	81,822
Net assets per share (¥)	1,117.37	1,322.80	1,390.71	1,361.82

Notes:

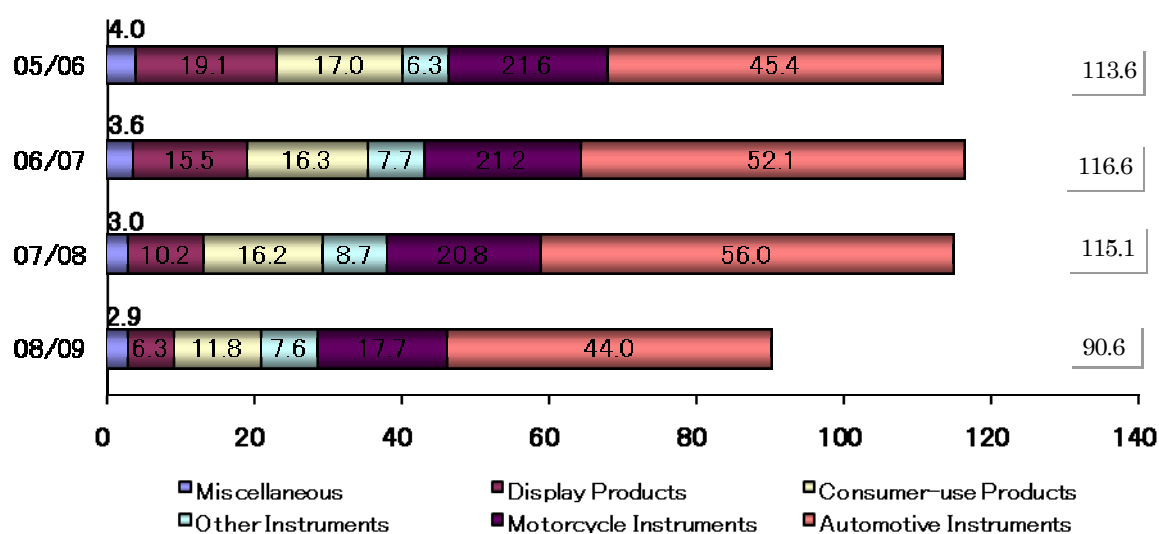
※ Net income per share is calculated by the average number of all issued shares in the F.Y.

2. Non-Consolidated Business Results

-as of March 31, 2009

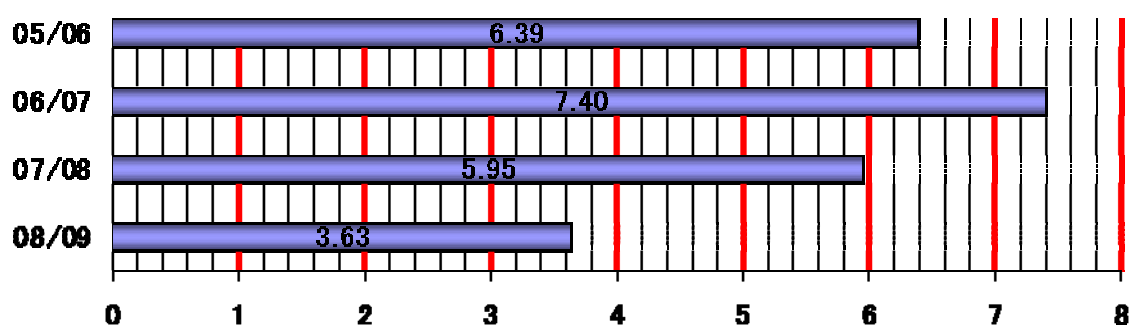
2-1. Non-Consolidated Progress in Sales

In billions of yen



2-2. Non-Consolidated Progress in Net Income

In billions of yen



2-3. Non-Consolidated Progress in Business Results

	F.Y. 2005/2006 ending March 31 2006	F.Y. 2006/2007 ending March 31 2007	F.Y. 2007/2008 ending March 31 2008	F.Y. 2008/2009 ending March 31 2009
Sales (¥ million)	113,640	116,682	115,146	90,642
Ordinary income (¥ million)	11,555	12,362	8,048	6,199
Net income (¥ million)	6,392	7,405	5,951	3,633
Net income per share (¥) ※	105.04	122.02	98.66	62.91
Dividend per share (¥)	19.00	21.00	21.00	19.50
Total assets (¥million)	107,397	110,545	119,136	99,321
Net assets (¥million)	57,906	64,453	62,501	59,471
Common stock capital (¥ million)	14,401	14,406	14,470	14,470
Equity ratio (%)	53.9	58.3	52.5	59.9

Notes:

※ Net income per share is calculated by the average number of all issued shares in the F.Y.

Consolidated Balance Sheets

	March 31, 2009	March 31, 2008
	(Millions of Japanese Yen)	(Millions of Japanese Yen)
ASSETS		
Current Assets		
Cash and bank deposits (Note 8)	¥ 20,669	¥ 26,305
Notes receivable	664	895
Accounts receivable	23,433	34,711
Marketable securities (Note 2)	298	3,100
Merchandise and finished goods	6,990	7,998
Work in process	2,973	2,970
Raw materials and supplies	10,970	13,909
Deferred tax assets (Note 4)	1,933	1,740
Other current assets	3,147	3,933
Allowance for doubtful accounts	(190)	(101)
CURRENT ASSETS — TOTAL	70,891	95,463
Fixed Assets		
Tangible Fixed Assets (Note 3)		
Buildings and Structures	11,778	13,069
Machinery, Equipment and Vehicles	9,621	12,171
Tools, Jigs and Fixtures	3,788	4,428
Land	14,088	14,360
Lease Assets	280	—
Construction in Progress	1,762	1,240
Total	41,319	45,271
Intangible Fixed Assets		
Goodwill	72	105
Other intangible fixed assets	1,201	1,366
Total	1,274	1,471
Investment and Other Assets		
Investment securities (Note 2)	16,332	16,475
Deferred tax assets (Note 4)	1,507	871
Other investment and assets	870	1,700
Allowance for doubtful accounts	(31)	(165)
Total	18,678	18,882
FIXED ASSETS — TOTAL	61,272	65,625
Deferred Assets		
Research and Development expenses	—	123
TOTAL ASSETS	¥ 132,164	¥ 161,212

	March 31, 2009	March 31, 2008
	(Millions of Japanese Yen)	(Millions of Japanese Yen)
LIABILITIES		
Current Liabilities		
Notes payable	¥ 1,240	¥ 2,142
Accounts payable	19,766	32,025
Short-term loans payable (Note 3)	16,882	22,524
Lease obligations	105	—
Accrued income taxes (Note 4)	552	2,615
Accrued bonuses to employees	1,393	1,754
Allowance for compensation for products	900	64
Other current liabilities	4,502	6,122
CURRENT LIABILITIES — TOTAL	45,345	67,248
Long-term Liabilities		
Bonds	533	533
Long-term loans payable (Note 3)	316	645
Lease obligations	139	—
Deferred tax liability (Note 4)	1,204	1,979
Allowance for employees' retirement benefits (Note 5)	2,084	2,017
Allowance for directors' retirement benefits	439	418
Negative goodwill	213	467
Other long-term liabilities	64	73
LONG-TERM LIABILITIES — TOTAL	4,996	6,134
TOTAL LIABILITIES	50,341	73,383
CONTINGENT LIABILITIES (Note10)		
NET ASSETS		
Shareholders' Equity		
Common stock	14,470	14,470
Capital surplus	6,686	6,695
Retained earnings	68,183	61,492
Treasury stock	(6,697)	(2,626)
SHAREHOLDERS' EQUITY — TOTAL	82,642	80,032
Valuation, Translation Adjustments		
Unrealized gain on investment securities	1,219	2,584
Adjustment from foreign currency translation	(6,230)	442
VALUATION, TRANSLATION ADJUSTMENTS — TOTAL	(5,010)	3,026
Minority Interests	4,190	4,769
TOTAL NET ASSETS	81,822	87,829
TOTAL LIABILITIES AND NET ASSETS	¥ 132,164	¥ 161,212

See notes to consolidated financial statements.

Consolidated Statements of Income

	Year ended March 31, 2009	Year ended March 31, 2008
	(Millions of Japanese Yen)	(Millions of Japanese Yen)
Sales	¥ 167,296	¥ 197,013
Cost of Sales	137,298	155,379
GROSS PROFIT	29,997	41,634
Selling, General and Administrative Expenses		
Packing and Transportation	3,409	3,900
Salaries	6,546	6,783
Provision for allowance for doubtful accounts	4	16
Provision for bonuses	308	417
Provision for compensation for products allowance	878	58
Provision for retirement benefits	65	52
Provision for directors' retirement benefits	63	65
Depreciation	881	856
Other expenses	7,457	8,132
Total	19,615	20,283
OPERATING INCOME	10,382	21,351
Non Operating Income		
Interest income	481	433
Dividend income	302	325
Amortization of negative goodwill	152	138
Equity in gain of affiliates	—	26
Profits on foreign exchange	863	—
Other non operating income	966	735
Total	2,766	1,658
Non Operating Expenses		
Interest expense	196	173
Equity in loss of affiliates	14	—
Loss on foreign exchange	—	4,785
Other non operating expenses	42	53
Total	252	5,012
ORDINARY INCOME	12,896	17,996
Special Income		
Gain on sales of fixed assets	14	107
Profits on sales of Investment securities	—	1,377
Other special income	—	80
Total	14	1,565
Special Loss		
Loss on sales of fixed assets	3	120
Loss on disposal of fixed assets	91	59
Impairment loss	69	268
Loss on investment security revaluation	0	57
Provision for allowance for doubtful accounts	—	146
Loss on support to related company	—	111
Loss on valuation of inventories	527	—
Other special loss	55	15
Total	748	779
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	12,163	18,783
Income taxes (Note 4)	2,942	6,688
Minority Interests in Income	975	941
NET INCOME (Note 6)	¥ 8,245	¥ 11,153

See notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

(From April 1, 2008 to March 31, 2009)

(Millions of Japanese Yen)

	Shareholders' equity				
	Common Stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance as of March 31, 2008	¥ 14,470	¥ 6,695	¥ 61,492	¥ (2,626)	¥ 80,032
Effect of changes in accounting policies applied to foreign subsidiaries			(123)		(123)
Changes in the year					
Dividends from surplus			(1,227)		(1,227)
Net income			8,245		8,245
Change of scope of consolidation			(175)		(175)
Employee welfare fund			(28)		(28)
Acquisition of treasury stock				(4,089)	(4,089)
Disposal of treasury stock		(9)		18	9
Net changes in items other than those in shareholders' equity					
Total of changes in the year	—	(9)	6,814	(4,071)	2,733
Balance as of March 31, 2009	¥ 14,470	¥ 6,686	¥ 68,183	¥ (6,697)	¥ 82,642

	Valuation, translation adjustments			Minority interests	Total net assets
	Unrealized gain on investment securities	Adjustment from foreign currency translation	Total valuation, translation adjustments		
Balance as of March 31, 2008	¥ 2,584	¥ 442	¥ 3,026	¥ 4,769	¥ 87,829
Effect of changes in accounting policies applied to foreign subsidiaries					(123)
Changes in the year					
Dividends from surplus					(1,227)
Net income					8,245
Change of scope of consolidation					(175)
Employee welfare fund					(28)
Acquisition of treasury stock					(4,089)
Disposal of treasury stock					9
Net changes in items other than those in shareholders' equity	(1,364)	(6,672)	(8,037)	(579)	(8,616)
Total of changes in the year	(1,364)	(6,672)	(8,037)	(579)	(5,882)
Balance as of March 31, 2009	¥ 1,219	¥ (6,230)	¥ (5,010)	¥ 4,190	¥ 81,822

(From April 1, 2007 to March 31, 2008)

(Millions of Japanese Yen)

	Shareholders' equity				
	Common Stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance as of March 31, 2007	¥ 14,406	¥ 6,777	¥ 51,705	¥ (105)	¥ 72,784
Changes in the year					
Issuance of stock	63	63			127
Exercise of stock acquisition rights		(144)		215	70
Dividends from surplus			(1,329)		(1,329)
Net income			11,153		11,153
Exclusion of consolidated subsidiary			1		1
Change in ownership ratio of consolidated subsidiary			(17)		(17)
Employee welfare fund			(21)		(21)
Acquisition of treasury stock				(2,742)	(2,742)
Disposal of treasury stock		(0)		6	6
Net changes in items other than those in shareholders' equity					
Total of changes in the year	63	(81)	9,786	(2,520)	7,248
Balance as of March 31, 2008	¥ 14,470	¥ 6,695	¥ 61,492	¥ (2,626)	¥ 80,032

	Valuation, translation adjustments			Minority interests	Total net assets
	Unrealized gain on investment securities	Adjustment from foreign currency translation	Total valuation, translation adjustments		
Balance as of March 31, 2007	¥ 6,633	¥ 845	¥ 7,479	¥ 5,250	¥ 85,514
Changes in the year					
Issuance of stock					127
Exercise of stock acquisition rights					70
Dividends from surplus					(1,329)
Net income					11,153
Exclusion of consolidated subsidiary					1
Change in ownership ratio of consolidated subsidiary					(17)
Employee welfare fund					(21)
Acquisition of treasury stock					(2,742)
Disposal of treasury stock					6
Net changes in items other than those in shareholders' equity	(4,049)	(403)	(4,453)	(481)	(4,934)
Total of changes in the year	(4,049)	(403)	(4,453)	(481)	2,314
Balance as of March 31, 2008	¥ 2,584	¥ 442	¥ 3,026	¥ 4,769	¥ 87,829

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

	Year ended March 31, 2009	Year ended March 31, 2008
	(Millions of Japanese Yen)	(Millions of Japanese Yen)
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 12,163	¥ 18,783
Depreciation and amortization	7,939	7,642
Impairment loss	69	268
Amortization of goodwill	(120)	(105)
Accrued bonuses to employees, net of payment	(360)	(94)
Employees' retirement benefits, net of payments	35	20
Directors' retirement benefits, net of payment	21	(64)
Allowance for doubtful accounts	2	55
Allowance for compensation for products	836	(37)
Interest and dividend income	(783)	(758)
Interest expense	196	173
Loss (gain) on foreign exchange	(703)	1,762
Equity in loss (gain) of affiliates	14	(26)
Gain on sales of marketable securities	—	(4)
Loss (gain) on sales of Investment securities	55	(1,377)
Loss on sales or disposal of property, net	80	72
Loss on valuation of securities	1	—
Loss on investment securities revaluation	0	57
Loss on support to related company	—	111
Decrease in accounts and notes receivable	7,522	3,635
Decrease (increase) in inventories	1,303	(3,297)
Decrease in accounts and notes payable	(7,924)	(5,237)
Other, net	66	(1,102)
Sub-total	20,416	20,475
Interest and dividend received	819	597
Interest paid	(189)	(202)
Income taxes paid	(5,661)	(5,361)
Cash provided by operating activities	15,384	15,509
Cash flows from investing activities:		
Purchase of property	(7,596)	(7,977)
Proceeds from sale of property	703	717
Purchase of investment securities	(5,031)	(5,420)
Proceeds from sales of investment securities	1,410	2,468
Other, net	2,601	(2,049)
Cash used in investing activities	(7,911)	(12,260)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	(4,654)	20,079
Repayments of long-term loans	(1,039)	(1,771)
Repayment of lease obligations	(6)	—
Cash acquisition or sales of treasury stock	(4,080)	(2,736)
Cash dividend paid	(1,227)	(1,328)
Cash dividend paid to minority shareholders	(201)	(253)
Other, net	—	(65)
Cash provided by (used in) financing activities	(11,210)	13,923
Effect of exchange rate changes on cash and cash equivalents	(1,940)	(1,882)
Net increase (decrease) in cash and cash equivalents	(5,679)	15,289
Cash and cash equivalents at beginning of year	26,238	10,948
Increase in cash and cash equivalents from newly consolidated subsidiary	43	—
Cash and cash equivalents at end of year (Note 8)	¥ 20,601	¥ 26,238

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Nippon Seiki Co., Ltd. and Consolidated Subsidiaries
March 31, 2009

1. Summary of Significant Accounting Policies

(a) Basis of presentation

Nippon Seiki Co., Ltd. (the "Company") and its domestic subsidiaries maintain their accounting records and prepare their financial statements in accordance with accounting principles and practices generally accepted in Japan, and foreign subsidiaries maintain their books of account in conformity with those of their countries of domicile. The accompanying consolidated financial statements are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan. For the purposes of this document, certain reclassifications have been made to present the accompanying consolidated financial statements in a format that is familiar to readers outside Japan.

(b) Basis of consolidation and accounting for investments in affiliates

The consolidated financial statements include the accounts of the Company and its 25 significant subsidiaries (the "Companies") at March 31, 2009, except for seven subsidiaries whose gross assets, net sales, and net income were not significant in the aggregate in relation to the comparable figure in the consolidated financial statements. All significant inter-company balances and transactions have been eliminated in consolidation.

One affiliate which was accounted for by the equity method has been consolidated because of additional acquisition of shares. Investments in seven non-consolidated subsidiaries and one affiliate were stated at cost because the effect of application of the equity method would be immaterial.

One domestic subsidiary is consolidated on the basis of fiscal period ending last day of February, and twelve foreign subsidiaries are consolidated on the basis of fiscal period ending December 31. Significant transactions, which occurred during the period between these fiscal year-ends and March 31, are adjusted in the accompanying consolidated financial statements.

All assets and liabilities of the subsidiaries are revaluated at fair values on acquisition and the excess of cost over underlying net assets at the date of acquisition is amortized over a period of five years on a straight-line basis.

(c) Foreign currency translation

Monetary assets and liabilities of the Company and its domestic subsidiaries denominated in foreign currencies are translated at the current exchange rates in effect at each balance-sheet date. Resulting gains and losses are included in net profit or loss for the period.

Assets and liabilities of the foreign consolidated subsidiaries are translated at the current exchange rates in effect at each balance-sheet date and revenue and expense accounts are translated at the average rate of exchange in effect during the year. The Company has presented translation adjustments as a component of net assets in consolidated financial statements.

(d) Cash and cash equivalents

All highly liquid investments, generally with a maturity of three months or less when purchased, which are readily convertible into known amounts of cash and are so near maturity that they represent only an insignificant risk of any change in value attributable to changes in interest rates, are cash equivalents.

(e) Securities

Equity securities classified as trading securities are stated at fair value and the cost is determined by the moving average method. Equity securities not classified as trading securities are stated at fair value and the changes in fair value, net of applicable income taxes, have been directly included in net assets as unrealized gain on investment securities.

Other securities, for which fair values are unavailable, are stated at cost as determined by the moving average method.

(f) Inventories

Inventories for ordinary selling purpose are stated at cost by the method of write-down of book values due to the decline in profitability.

Finished goods and Work in process:

Instruments	Weighted average method
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Others	Identified method
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Materials	Weighted average method
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(g) Depreciation and Amortization

Depreciation of tangible assets is mainly calculated by the declining-balance method. Useful lives of the respective assets are based on the Corporation Tax Law.

Depreciation of intangible assets is mainly calculated by the straight-line method. Useful lives of the respective assets are based on the Corporation Tax Law.

Depreciation of lease assets under finance lease transactions that do not transfer ownership is calculated by the straight-line method, taking the useful lives of the respective assets as the term of the lease and depreciating the residual value to zero. The finance lease transactions that do not transfer ownership, which were acquired prior to April 1, 2008, continue to be accounted for by the method similar to the accounting for ordinary rental transactions

(h) Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount sufficient to cover possible losses on the collection of receivables. For the Company and its consolidated subsidiaries, the amount of the allowance is determined based on (1) past write-off experience, and (2) an estimated amount for probable doubtful accounts based on a review of the collectibility of individual receivables.

(i) Accrued bonuses to employees

Accrued bonuses are recognized based on expected total expenditure at the end of fiscal year.

(j) Allowance for compensation for products

The allowance for compensation for products is provided in order to deal with occurred market claim.

(k) Pension and retirement benefits

Employees' retirement benefits

The allowance for employees' retirement benefits has been provided based on the projected retirement benefit obligation and pension assets.

The difference at change of accounting standard is amortized by the straight-line method over 5 years.

Past service costs are amortized by the straight-line method over 10 years which are shorter than the average remaining years of service of the employees.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over 10 years which are shorter than the average remaining years of service of the employees.

Directors' retirement benefits

The allowance for directors' retirement benefits has been provided 100% allowance under the internal rules.

(l) Income taxes

Deferred income taxes are recognized by the asset and liability method. Under this method, deferred assets and liabilities are determined based on the difference between financial reporting and the tax basis of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

2. Marketable Securities

Securities classified as trading securities

The following is a summary of the carrying amounts and valuation included in Consolidated Statement of Income for March 31, 2009.

Millions of Yen	
Carrying amounts	Valuation included in Consolidated Statement of Income
¥ 298	¥ (1)
¥ 298	¥ (1)

Securities not classified as trading securities

The following is a summary of the acquisition cost, carrying amounts, and gross unrealized holding gains and losses by each holding category at March 31, 2009.

	Millions of Yen		
	Acquisition cost	Carrying amounts	Gross unrealized gains/(losses)
Other securities:			
Equity securities	¥ 6,858	¥ 8,904	¥ 2,046
	¥ 6,858	¥ 8,904	¥ 2,046

The fair value of marketable securities has been estimated based on quoted market price.

Unlisted equity securities of ¥1,941 millions and money management fund of ¥978 millions have been excluded from the above summary.

The following is a summary of the acquisition cost, carrying amounts, and gross unrealized holding gains and losses on marketable securities for each holding category at March 31, 2008.

	Millions of Yen		
	Acquisition cost	Carrying amounts	Gross Unrealized gains/(losses)
Other securities:			
Equity securities	¥ 7,135	¥ 11,460	¥ 4,324
	¥ 7,135	¥ 11,460	¥ 4,324

The fair value of marketable securities has been estimated based on quoted market price.

Unlisted equity securities of ¥3,457 millions and unlisted other bonds in held-to-maturity bonds of ¥991 millions have been excluded from the above summary.

The contractual maturities of bonds and other securities of March 31, 2008 are summarized as follows:

	Millions of Yen
	<u>Carrying amount</u>
Due within one year	¥ 3,100
Due after one year through five years	—
Due after five years through ten years	991
Due after ten years	—
	<u>¥ 4,091</u>

3. Short-term Loans and Long-term Debt

The weighted average interest rate of short-term loans payable to banks was 0.8% at March 31, 2009.

Long-term loans as of March 31, 2009 consisted of the following:

	Millions of Yen
Loans from banks and insurance companies, due through 2014	
At average rates of 1.1% and 0.8% for current and non-current portion, respectively	¥ 628
Less: Current portion	<u>312</u>
	<u>¥ 316</u>

Aggregate annual maturities of long-term loans subsequent to March 31, 2009 are as follows:

<u>Year ending March 31,</u>	Millions of Yen
2010	¥ 312
2011	112
2012	111
2013	92
	<u>¥ 628</u>

Long-term lease obligations as of March 31, 2009 consisted of the following:

	Millions of Yen
Current and non-current portion	¥ 244
Less: Current portion	<u>105</u>
	<u>¥ 139</u>

Aggregate annual maturities of long-term lease obligations subsequent to March 31, 2009 are as follows:

<u>Year ending March 31,</u>	Millions of Yen
2010	¥ 105
2011	68
2012	50
2013	12
2014	5
	<u>¥ 242</u>

The assets mortgaged for short-term and long-term loans payable as of March 31, 2009 were as follows:

	Millions of Yen
Plant, net of accumulated depreciation	¥ 339

4. Income Taxes

Income taxes applicable to the Company and its domestic subsidiaries comprised corporation tax, inhabitant's taxes and enterprise tax which, in aggregate, resulted in a statutory tax rate of approximately 40% for the year ended March 31, 2009. Income taxes of the foreign subsidiaries are based generally on the tax rates applicable in their countries of incorporation.

The major components of deferred tax assets and liabilities as of March 31, 2009 were as follows:

	Millions of Yen
Deferred tax assets	
Loss on valuation of inventories	¥ 400
Accrued bonuses	565
Retirement benefits	981
Unrealized gains on inventories, property and equipment	633
Others	2,435
	5,016
Valuation allowance for deferred tax assets	(241)
Total deferred tax assets	4,775
Deferred tax liabilities	
Reserve for special depreciation	(87)
Unrealized gains on investment securities	(1,196)
Undistributed earnings of foreign subsidiaries	(1,054)
Others	(201)
Total deferred tax liabilities	(2,539)
Net deferred tax assets	¥ 2,235

5. Retirement Benefits

The Company and its consolidated subsidiaries have mainly defined contribution plans.

The Company and certain consolidated subsidiaries also have defined benefit pension plans, pension fund plans and lump-sum payment plans. The amount of benefits under the plans is determined on the basis of years of service at the time of termination of employment.

The following table sets forth the funded and accrued status for the plans, and the amounts recognized in the consolidated balance sheet as of March 31, 2009 for the Company and consolidated subsidiaries' defined benefit plans:

	Millions of Yen
Projected benefit obligation	¥ 2,285
Pension assets	(52)
Unrecognized difference at change of accounting standard	(96)
Unrecognized past service cost	75
Unrecognized actuarial gain or loss	(127)
Allowance for employees' retirement benefits	¥ 2,084

The components of retirement benefit expenses for the year ended March 31, 2009 were outlined as follows:

	Millions of Yen
Service cost	¥ 128
Interest cost	40
Expected return on plan assets	(0)
Amortization of net retirement obligation at change of accounting standard	28
Amortization of past service cost	(14)
Amortization of actuarial gain or loss	8
Net retirement benefit expenses	¥ 189

The amount of cost recognized for the contribution to the plans for the year ended March 31, 2009 was ¥778 millions.

The assumptions used in accounting for the above plans are as follows:

Discount Rate mainly used	2.0%
Expected return rate on plan assets	2.25%
Amortization period of past service cost	10 years (straight-line method)
Amortization period of actuarial gain or loss	10 years (straight-line method)
Amortization period of net retirement benefits obligation at change of accounting standard	5 years (straight-line method)

6. Amounts per Share

Net income per share shown below is based on the weighted average number of shares of common stock outstanding during the year.

Net assets per share is based on the number of shares of common stock outstanding at each balance sheet date.

Net income per share and net assets per share for the year ended or as of March 31, 2009 were as follows:

Net income per share	¥	142.75
Net income per share, fully diluted	¥	141.32
Net assets per share	¥	1,361.82

7. Supplementary Changes in Net Assets Information

Issued shares

Type of shares	Number of shares as of March 31, 2008	Increase	Decrease	Number of shares as of March 31, 2009
Common stock(Thousands of share)	60,855	—	—	60,855

Treasury stock

Type of shares	Number of shares as of March 31, 2008	Increase	Decrease	Number of shares as of March 31, 2009
Common stock	1,131,059	2,728,448	10,173	3,849,334

The details of increase and decrease are as follows:

Increase by purchase of treasury stock by resolution of board of directors meeting	2,705,000
Increase by purchase of odd-lot stock	23,448
Decrease by additional purchase order of odd-lot stock	10,173

Dividends

Dividends paid

Resolution	Type of shares	Total dividend amount (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 24, 2008	Common stock	656	11	March 31, 2008	June 27, 2008
Board of Directors meeting held on October 30, 2008	Common stock	570	10	September 30, 2008	December 11, 2008

Of the dividends for which the record date belongs to the fiscal year ended March 31, 2009, those for which the effective date of the dividends will be in the fiscal year ending March 31, 2010

Resolution	Type of shares	Source of funds for dividends	Total dividend amount (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting held on May 15, 2009	Common stock	Retained earnings	541	9.5	March 31, 2009	June 29, 2009

8. Supplementary Cash Flow Information

The following table represents a reconciliation of cash and cash equivalents as of March 31, 2009 and 2008.

	Millions of Yen	
	2009	2008
Cash and bank deposits	¥ 20,669	¥ 26,305
Time deposits with a maturity of more than three months	(67)	(67)
Cash and cash equivalents	¥ 20,601	¥ 26,238

9. Derivatives

The Companies, which operate globally, are exposed to market risk arising from fluctuations in foreign currency exchange rates and enter into derivative financial instruments for the purpose of reducing such risk. The Companies do not hold or issue derivatives for speculative or dealing purposes. As the counterparties to these derivatives are limited to authentic financial institutions, the Companies do not anticipate any losses arising from credit risk.

All derivative transactions are entered into to hedge foreign currency exposures incorporated within business. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of hedged assets or liabilities. Derivative transactions entered into by the Companies have been made in accordance with the Companies' policies. The execution and control of derivatives are performed by the Corporate Finance Department.

Fair Value of Derivative Financial Instruments:

The fair value of the Companies' derivative financial instruments at March 31, 2009 and 2008 were as follows:

Currency-Related Transactions

As of March 31, 2009 Nil

As of March 31, 2008 Nil

10. Contingent Liabilities

At March 31, 2009, one subsidiary was contingently liable as guarantor of bank loans of non-consolidated company in the amount of ¥118 millions.

11. Lease Transactions

2009(From April 1, 2008 to March 31, 2009)

Finance leases that do not transfer ownership, which were acquired prior to April 1, 2008, continue to be accounted for by the method similar to the accounting for ordinary rental transactions.

The amounts corresponding to acquisition cost, accumulated depreciation and net book value at March 31, 2009 were as follows:

	<u>Million of Yen</u>
Acquisition cost	¥ 3,650
Accumulated depreciation	<u>2,524</u>
Net book value	<u>¥ 1,126</u>

The obligations under finance leases at March 31, 2009 were as follows:

	<u>Million of Yen</u>
Due within one year	¥ 606
Due after one year	<u>519</u>
Total	<u>¥ 1,126</u>

The lease payments and amounts corresponding to depreciation under finance leases for the years ended March 31, 2009 were as follows:

	<u>Millions of Yen</u>
Lease payments	¥ 814
Depreciation	814

The obligations under non-cancelable operating leases at March 31,2009 were as follows:

	<u>Millions of Yen</u>
Due within one year	¥ 256
Due after one year	<u>156</u>
Total	<u>¥ 412</u>

2008(From April 1, 2007 to March 31, 2008)

Finance leases other than those which are deemed to transfer the ownership of the leased assets to the lessees are generally accounted for by the same method as that applicable to operating leases.

The amounts corresponding to acquisition cost, accumulated depreciation and net book value at March 31, 2008 were as follows:

	<u>Millions of Yen</u>
Acquisition cost	¥ 4,311
Accumulated depreciation	<u>2,351</u>
Net book value	<u>¥ 1,959</u>

The obligations under finance leases at March 31, 2008 were as follows:

	<u>Millions of Yen</u>
Due within one year	¥ 847
Due after one year	<u>1,111</u>
Total	<u>¥ 1,959</u>

The lease payments and amounts corresponding to depreciation under finance leases for the years ended March 31, 2008 were as follows:

	<u>Millions of Yen</u>	
Lease payments	¥	928
Depreciation		928

The obligations under operating leases at March 31, 2008 were as follows:

	<u>Millions of Yen</u>	
Due within one year	¥	343
Due after one year		357
Total	¥	<u>700</u>

12. Segment Information

The Companies primary business activities include (1) Instrument clusters for automobiles, motorcycles, agricultural/construction machines and boats ("Instrument"), (2) Consumer-use products, (3) Display products and (4) Others. A summary of net sales, operating costs and expenses, and operating income by segment of business activities for the years ended March 31, 2009 and 2008 were as follows:

Year ended or as of March 31, 2009	Millions of Yen						Elimination and Corporate	Consolidated Total
	Instruments	Consumer-Use Products	Display Products	Others	Total			
Sales								
Unaffiliated customers.....	¥ 117,772	¥ 19,996	¥ 6,291	¥ 23,234	¥ 167,296	¥ —	¥ 167,296	
Intersegment.....	—	—	63	8,772	8,835	(8,835)	—	
Total sales.....	117,772	19,996	6,355	32,007	176,131	(8,835)	167,296	
Operating costs and expenses.....								
	107,255	20,083	7,633	30,902	165,875	(8,961)	156,913	
Operating income (loss).....	¥ 10,516	¥ (87)	¥ (1,277)	¥ 1,104	¥ 10,256	¥ 125	¥ 10,382	
Total assets.....	¥ 69,423	¥ 9,294	¥ 5,653	¥ 20,712	¥ 105,084	¥ 27,079	¥ 132,164	
Depreciation and amortization.....								
	¥ 6,192	¥ 326	¥ 654	¥ 666	¥ 7,840	¥ 96	¥ 7,936	
Impairment loss	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 69	¥ 69	
Capital expenditures	¥ 5,699	¥ 350	¥ 367	¥ 1,014	¥ 7,432	¥ 22	¥ 7,454	

Year ended or as of March 31, 2008	Millions of Yen						Elimination and Corporate	Consolidated Total
	Instruments	Consumer-Use Products	Display Products	Others	Total			
Sales								
Unaffiliated customers.....	¥ 134,291	¥ 27,689	¥ 10,262	¥ 24,770	¥ 197,013	¥ —	¥ 197,013	
Intersegment.....	—	—	—	8,727	8,727	(8,727)	—	
Total sales.....	134,291	27,689	10,262	33,497	205,741	(8,727)	197,013	
Operating costs and expenses.....								
	116,187	25,440	10,823	31,786	184,237	(8,574)	175,662	
Operating income (loss).....	¥ 18,104	¥ 2,248	¥ (560)	¥ 1,711	¥ 21,503	¥ (152)	¥ 21,351	
Total assets.....	¥ 86,707	¥ 12,313	¥ 8,541	¥ 23,229	¥ 130,792	¥ 30,420	¥ 161,212	
Depreciation and amortization.....								
	¥ 5,789	¥ 352	¥ 494	¥ 719	¥ 7,355	¥ 102	¥ 7,457	
Impairment loss	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 268	¥ 268	
Capital expenditures	¥ 6,565	¥ 298	¥ 66	¥ 946	¥ 7,876	¥ 357	¥ 8,234	

Geographic Information

Year ended or as of March 31, 2009	Millions of Yen						Elimination and Corporate	Consolidated Total
	Japan	Americas	Europe	Asia	Total			
Sales								
Unaffiliated customers.....	¥ 86,043	¥ 26,018	¥ 11,569	¥ 43,664	¥ 167,296	¥ —	¥ 167,296	
Intersegment.....	36,010	108	2	7,969	44,091	(44,091)	—	
Total sales.....	122,053	26,127	11,571	51,634	211,387	(44,091)	167,296	
Operating costs and expenses.....								
	117,924	24,471	12,299	46,434	201,130	(44,217)	156,913	
Operating income (loss).....	¥ 4,129	¥ 1,655	¥ (727)	¥ 5,200	¥ 10,256	¥ 125	¥ 10,382	
Total assets.....	¥ 77,480	¥ 11,360	¥ 4,721	¥ 25,114	¥ 118,677	¥ 13,487	¥ 132,164	

Year ended or as of March 31, 2008	Millions of Yen						Elimination and Corporate	Consolidated Total
	Japan	Americas	Europe	Asia	Total			
Sales								
Unaffiliated customers.....	¥ 104,413	¥ 33,409	¥ 15,285	¥ 43,904	¥ 197,013	¥ —	¥ 197,013	
Intersegment.....	43,911	144	—	7,255	51,310	(51,310)	—	
Total sales.....	148,324	33,553	15,285	51,160	248,324	(51,310)	197,013	
Operating costs and expenses.....								
	135,721	31,578	13,993	45,526	226,820	(51,158)	175,662	
Operating income.....	¥ 12,603	¥ 1,974	¥ 1,291	¥ 5,633	¥ 21,503	¥ (152)	¥ 21,351	
Total assets.....	¥ 98,910	¥ 13,643	¥ 7,638	¥ 28,074	¥ 148,267	¥ 12,944	¥ 161,212	

Overseas Sales

Overseas sales, which include export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the foreign consolidated subsidiaries, for the years ended March 31, 2009 and 2008 were summarized as follows:

Year ended March 31, 2009	Millions of Yen			
	Americas	Europe	Asia	Total
Overseas sales.....	¥ 26,621	¥ 12,732	¥ 48,677	¥ 88,030
Consolidated net sales.....				167,296
Overseas sales as a percentage of consolidated net sales.....	15.9%	7.6%	29.1%	52.6%

Year ended March 31, 2008	Millions of Yen			
	Americas	Europe	Asia	Total
Overseas sales.....	¥ 34,543	¥ 16,403	¥ 48,448	¥ 99,395
Consolidated net sales.....				197,013
Overseas sales as a percentage of consolidated net sales.....	17.5%	8.3%	24.6%	50.5%

Report of Independent Auditors

The Board of Directors
Nippon Seiki Co., Ltd.

We have audited the accompanying consolidated balance sheets of Nippon Seiki Co., Ltd. and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nippon Seiki Co., Ltd. and consolidated subsidiaries at March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Ernst & Young ShinNihon LLC

Niigata, Japan
June 26, 2009

Non-consolidated Financial Statements of NIPPON SEIKI Co., Ltd. for the Fiscal Year 2008/2009

Balance Sheets

	March 31, 2009	March 31, 2008
	(Millions of Japanese Yen)	(Millions of Japanese Yen)
ASSETS		
Current Assets		
Cash and bank deposits	¥ 13,297	¥ 18,008
Notes receivable	234	438
Accounts receivable	20,851	34,443
Marketable Securities	298	—
Merchandise and Finished goods	2,214	2,659
Work in process	1,753	1,383
Raw materials and Supplies	2,591	3,546
Prepaid expenses	83	103
Deferred tax assets	974	548
Short-term loans	5,818	5,671
Sundry receivables	1,028	1,193
Other current assets	38	189
Allowance for doubtful accounts	(8)	(12)
CURRENT ASSETS — TOTAL	49,179	68,173
Fixed Assets		
Tangible Fixed Assets		
Buildings	4,716	5,063
Structures	308	337
Machinery and Equipment	2,664	3,255
Vehicles	40	48
Tools, Jigs and Fixtures	2,447	3,061
Land	8,319	8,449
Construction in progress	533	236
Total	19,029	20,451
Intangible Fixed Assets		
Software	503	623
Other intangible assets	5	6
Total	509	630
Investment and Other Assets		
Investment securities	11,761	12,733
Investment in subsidiary and affiliate companies	17,284	16,207
Long-term loans	—	134
Prepaid expenses	325	194
Deferred tax assets	1,146	531
Other investments and assets	94	88
Allowance for doubtful accounts	(10)	(10)
Total	30,603	29,880
FIXED ASSETS — TOTAL	50,142	50,963
TOTAL ASSETS	¥ 99,321	¥ 119,136

	March 31, 2009	March 31, 2008
LIABILITIES	(Millions of Japanese Yen)	(Millions of Japanese Yen)
Current Liabilities		
Notes payable	¥ 186	¥ 567
Accounts payable	13,050	25,434
Short-term loans payable	19,698	21,566
Current maturities of long-term loans payable	260	905
Accrued liabilities	926	884
Accrued expenses	1,427	1,968
Accrued income taxes	101	1,395
Advances received	—	0
Deposits received	182	243
Accrued bonuses to employees	596	843
Allowance for compensation for products	849	9
Bills payable - capital investment	89	71
CURRENT LIABILITIES — TOTAL	37,367	53,891
Long-term Liabilities		
Bonds	533	533
Long-term loans payable	312	572
Allowance for employees' retirement benefits	1,368	1,363
Allowance for directors' retirement benefits	205	206
Other long-term liabilities	63	68
LONG-TERM LIABILITIES — TOTAL	2,482	2,744
TOTAL LIABILITIES	39,850	56,635
NET ASSETS		
Shareholders' Equity		
Common stock	14,470	14,470
Capital surplus		
Additional paid-in capital	6,191	6,191
Other capital surplus	495	504
Total capital surplus	6,686	6,695
Retained earnings		
Legal reserves	960	960
Other retained earnings		
Reserve for special depreciation	79	108
General reserve	38,180	33,680
Earned surplus carried forward	4,577	6,641
Total retained earnings	43,796	41,390
Treasury stock	(6,697)	(2,626)
SHAREHOLDERS' EQUITY — TOTAL	58,256	59,930
Valuation, Translation Adjustments		
Unrealized gain on investment securities	1,215	2,571
VALUATION, TRANSLATION ADJUSTMENTS — TOTAL	1,215	2,571
TOTAL NET ASSETS	59,471	62,501
TOTAL LIABILITIES AND NET ASSETS	¥ 99,321	¥ 119,136

Statements of Income

	Year ended March 31, 2009	Year ended March 31, 2008
	(Millions of Japanese Yen)	(Millions of Japanese Yen)
Sales	¥ 90,642	¥ 115,146
Operating Expenses		
Cost of Sales	79,796	97,488
Selling, General and Administrative Expenses	8,370	8,474
Total	88,167	105,963
OPERATING INCOME	2,474	9,183
Non Operating Income		
Interest and Dividend income	1,770	1,863
Gain on foreign exchange	1,700	—
Other non operating income	395	414
Total	3,866	2,278
Non Operating Expenses		
Interest expenses	135	79
Loss on foreign exchange	—	3,321
Other non operating expenses	5	11
Total	141	3,413
ORDINARY INCOME	6,199	8,048
Special Income		
Gain on sales of fixed assets	2	2
Profits on sales of Investment securities	—	1,378
Reversal of allowance for doubtful accounts	4	17
Other special income	—	9
Total	6	1,406
Special Loss		
Loss on disposal of fixed assets	50	74
Impairment loss	158	268
Loss on investment securities revaluation	0	53
Loss on valuation of inventories	460	—
Other special loss	55	12
Total	725	408
INCOME BEFORE TAXES	5,480	9,046
Income Taxes	1,846	3,094
NET INCOME	¥ 3,633	¥ 5,951

Statements of Changes in Net Assets
(From April 1, 2008 to March 31, 2009)

(Millions of Japanese Yen)

	Shareholders' equity			
	Common stock	Capital surplus		
		Additional paid in capital	Other capital surplus	Total capital surplus
Balance as of March 31, 2008	¥ 14,470	¥ 6,191	¥ 504	¥ 6,695
Changes in the year				
Dividends from surplus				
Reserve for special depreciation				
Reversal of reserve for special depreciation				
Provision of general reserve				
Net income				
Acquisition of treasury stock				
Disposal of treasury stock			(9)	(9)
Net changes in items other than those in shareholders' equity				
Total of changes in the year	—	—	(9)	(9)
Balance as of March 31, 2009	¥ 14,470	¥ 6,191	¥ 495	¥ 6,686

	Shareholders' equity				
	Retained earnings				Total retained earnings
	Legal reserve	Other retained earnings			
Reserve for special depreciation		General reserve	Earned surplus carried forward		
Balance as of March 31, 2008	¥ 960	¥ 108	¥ 33,680	¥ 6,641	¥ 41,390
Changes in the year					
Dividends from surplus				(1,227)	(1,227)
Reserve for special depreciation		6		(6)	—
Reversal of reserve for special depreciation		(34)		34	—
Provision of general reserve			4,500	(4,500)	—
Net income				3,633	3,633
Acquisition of treasury stock					
Disposal of treasury stock					
Net changes in items other than those in shareholders' equity					
Total of changes in the year	—	(28)	4,500	(2,064)	2,406
Balance as of March 31, 2009	¥ 960	¥ 79	¥ 38,180	¥ 4,577	¥ 43,796

(Millions of Japanese Yen)

	Shareholders' equity		Valuation, translation adjustment	Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gain on investment securities	
Balance as of March 31, 2008	¥ (2,626)	¥ 59,930	¥ 2,571	¥ 62,501
Changes in the year				
Dividends from surplus		(1,227)		(1,227)
Reserve for special depreciation		—		—
Reversal of reserve for special depreciation		—		—
Provision of general reserve		—		—
Net income		3,633		3,633
Acquisition of treasury stock	(4,089)	(4,089)		(4,089)
Disposal of treasury stock	18	9		9
Net changes in items other than those in shareholders' equity			(1,355)	(1,355)
Total of changes in the year	(4,071)	(1,673)	(1,355)	(3,029)
Balance as of March 31, 2009	¥ (6,697)	¥ 58,256	¥ 1,215	¥ 59,471

(From April 1, 2007 to March 31, 2008)

(Millions of Japanese Yen)

	Shareholders' equity			
	Common stock	Capital surplus		
		Additional paid in capital	Other capital surplus	Total capital surplus
Balance as of March 31, 2007	¥ 14,406	¥ 6,127	¥ 649	¥ 6,777
Changes in the year				
Issuance of stock	63	63		63
Exercise of stock acquisition rights			(144)	(144)
Dividends from surplus				
Reserve for special depreciation				
Reversal of reserve for special depreciation				
Provision of general reserve				
Net income				
Acquisition of treasury stock				
Disposal of treasury stock			(0)	(0)
Net changes in items other than those in shareholders' equity				
Total of changes in the year	63	63	(145)	(81)
Balance as of March 31, 2008	¥ 14,470	¥ 6,191	¥ 504	¥ 6,695

	Shareholders' equity				
	Retained earnings				
	Legal reserve	Other retained earnings			Total retained earnings
Reserve for special depreciation		General reserve	Earned surplus carried forward		
Balance as of March 31, 2007	¥ 960	¥ 136	¥ 27,680	¥ 7,990	¥ 36,767
Changes in the year					
Issuance of stock					
Exercise of stock acquisition rights					
Dividends from surplus				(1,329)	(1,329)
Reserve for special depreciation		7		(7)	—
Reversal of reserve for special depreciation		(35)		35	—
Provision of general reserve			6,000	(6,000)	—
Net income				5,951	5,951
Acquisition of treasury stock					
Disposal of treasury stock					
Net changes in items other than those in shareholders' equity					
Total of changes in the year	—	(28)	6,000	(1,349)	4,622
Balance as of March 31, 2008	¥ 960	¥ 108	¥ 33,680	¥ 6,641	¥ 41,390

(Millions of Japanese Yen)

	Shareholders' equity		Valuation, translation adjustment	Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gain on investment securities	
Balance as of March 31, 2007	¥ (105)	¥ 57,846	¥ 6,607	¥ 64,453
Changes in the year				
Issuance of stock		127		127
Exercise of stock acquisition rights	215	70		70
Dividends from surplus		(1,329)		(1,329)
Reserve for special depreciation		—		—
Reversal of reserve for special depreciation		—		—
Provision of general reserve		—		—
Net income		5,951		5,951
Acquisition of treasury stock	(2,742)	(2,742)		(2,742)
Disposal of treasury stock	6	6		6
Net changes in items other than those in shareholders' equity			(4,036)	(4,036)
Total of changes in the year	(2,520)	2,083	(4,036)	(1,952)
Balance as of March 31, 2008	¥ (2,626)	¥ 59,930	¥ 2,571	¥ 62,501

- **Company name** : Nippon Seiki Co., Ltd.
- **Established** : December 24, 1946
- **Common stock capital** : 14,470,412,080 Yen
- **Number of Employees** : 1,773

- **Main products and activities (Nippon Seiki Group)**

- Automotive instruments
- Head Up Display※1
- Motorcycle instruments
- Instruments for agricultural and construction machines and boats
- Sensors for automobiles
- Remote controllers for air conditioners and housing accommodation equipment
- System controllers for air conditioner equipment
- Control panels for office equipment
- PCB assemblies for amusement
- EMS of high-density mounting boards
- Liquid crystal display panels and modules
- Organic Light Emitting Diode display panels and modules
- Aftermarket car products
- Resin material processing and sales
- Freight transportation
- Software development
- Car dealer etc.

Notes:

※1 The product, "Head Up Display (HUD)," uses projection technology to display vehicle information on the windshield.

- **Offices and Factories**

- # **Head office and Factory**

2-34, Higashi-Zaoh 2-chome, Nagaoka-shi, Niigata, 940-8580 JAPAN

- # **Takami Division**

2-8, Higashi-Takami 2-chome, Nagaoka-shi, Niigata, 940-0006 JAPAN

- # **Technical Center**

2-8, Higashi-Takami 2-chome, Nagaoka-shi, Niigata, 940-0006 JAPAN

- # **Research & Development Center**

190-1, Fujihashi 1-chome, Nagaoka-shi, Niigata, 940-2141 JAPAN

- # **Offices**

Utsunomiya, Ageo, Tokyo, Hamamatsu, Nagoya, Suzuka, Osaka, Mizushima, Kumamoto

- # **Branch Office**

Hong Kong

Worldwide Network

- **Japan**

- NS Advantech Co., Ltd. / Ojiya-shi, Niigata, Japan
- N.S. Electronics Co., Ltd. / Nagaoka-shi, Niigata, Japan
- YNS Inc. / Shobara-shi, Hiroshima, Japan
- N.S. Computer Service Co., Ltd. / Nagaoka-shi, Niigata, Japan
- Nissei Service Co., Ltd. / Nagaoka-shi, Niigata, Japan
- Nissei Kyusyoku Co., Ltd. / Nagaoka-shi, Niigata, Japan
- Honda Car Sales Nagaoka Co., Ltd. / Nagaoka-shi, Niigata, Japan
- Mazda Car Sales Nagaoka Co., Ltd. / Nagaoka-shi, Niigata, Japan
- Car Station Niigata Co., Ltd. / Nagaoka-shi, Niigata, Japan
- Pretech. N Co., Ltd. / Nagaoka-shi, Niigata, Japan

● **North America**

- New Sabina Industries, Inc./ Sabina, Ohio, U.S.A.
- N.S. International, Ltd./ Troy, Michigan, U.S.A.

● **Latin America and Caribbean area**

- Nippon Seiki Do Brasil Ltda./ Manaus, Amazonas, Brazil
- NS Sao Paulo Componentes Automotivos Ltda./ Sao Paulo, Brazil
- Nippon Seiki De Mexico S.A. De C.V./ Nuevo Leon, Mexico
- Nissei Advantech Mexico S.A. De C.V./ Nuevo Leon, Mexico
- Shan Chih Investments Limited./ British Virgin Islands

● **Europe**

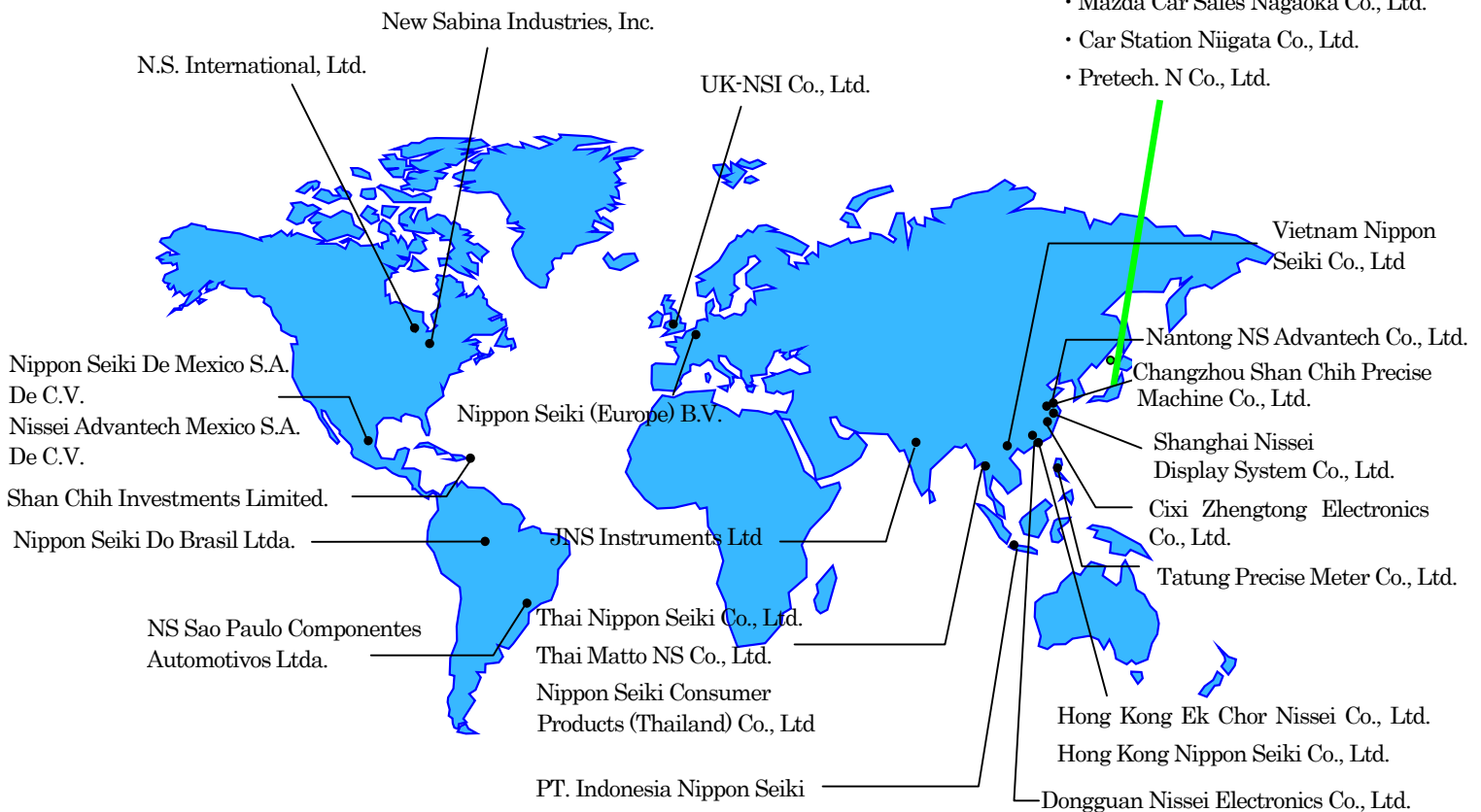
- UK-NSI Co., Ltd. / Redditch, Worcs, U.K.
- Nippon Seiki (Europe)B.V. / Amsterdam, Netherlands

● **Asia**

- Thai Nippon Seiki Co., Ltd. / Chonburi, Thailand
- Thai Matto NS Co., Ltd. / Chonburi, Thailand
- Nippon Seiki Consumer Products (Thailand) Co., Ltd. / Chonburi, Thailand
- PT. Indonesia Nippon Seiki / Banten, Indonesia
- Vietnam Nippon Seiki Co., Ltd/ Hanoi, Vietnam
- Hong Kong Nippon Seiki Co., Ltd / Hong Kong, China
- Hong Kong Ek Chor Nissei Co., Ltd. / Hong Kong, China
- Dongguan Nissei Electronics Co., Ltd. / Dongguan, Guangdong, China
- Shanghai Nissei Display System Co., Ltd. / Shanghai, China
- Tatung Precise Meter Co., Ltd. / Taipei, Taiwan R.O.C.
- Changzhou Shan Chih Precise Machine Co., Ltd./ Changzhou, Jiangsu, China
- Nantong NS Advantech Co., Ltd./ Nantong, Jiangsu, China
- Cixi Zhengtong Electronics Co., Ltd./ Cixi, Zhejiang, China
- JNS Instruments Ltd. / Haryana, India

Nippon Seiki Co., Ltd.

- NS Advantech Co., Ltd.
- N.S. Electronics Co., Ltd.
- YNS Inc.
- N.S. Computer Service Co., Ltd.
- Nissei Service Co., Ltd.
- Nissei Kyusyoku Co., Ltd.
- Honda Car Sales Nagaoka Co., Ltd.
- Mazda Car Sales Nagaoka Co., Ltd.
- Car Station Niigata Co., Ltd.
- Pretech. N Co., Ltd.



Nippon Seiki Group is composed of 32 subsidiaries and 1 affiliated companies. The main business of the group is responsible for the manufacture and sale of instrument clusters for automobiles, motorcycles, agricultural / construction machines and boats, and the manufacture and sale of Liquid Crystal Display panels and modules, consumer-use products and other products. NS Group also has businesses related to transport, and research & development connected with the above products. NS Group is also involved in software development, car sales and other services.

Details of each company in the group and its main activities are as follows:

● Consolidated subsidiaries

Name of Company	Voting rights equity ratio	Main activities	Main trade with subsidiaries
NS Advantech Co., Ltd.	100.0	Manufacture of automotive and motorcycle clusters and gauges / Plastic injection molding /Compounding, coloring of plastics, and trading	Purchasing products and component parts
N.S. Electronics Co., Ltd.	100.0	Manufacture of electronic subassemblies for instrument clusters and remote controllers	Purchasing products and component parts
YNS Inc.	100.0	Manufacture and sales of automotive instrument clusters and peripheral systems	Selling and Purchasing products
N.S. Computer Service Co., Ltd.	100.0	Software development and sales/ Office automation equipment sales / Computer services	Outsource software development
Nissei Service Co., Ltd.	100.0	Transportation / Advertising agency / Car sales	Outsource packing and transporting products
Honda Car Sales Nagaoka Co., Ltd.	100.0	Honda car dealer	Purchasing Cars
Mazda Car Sales Nagaoka Co., Ltd.	100.0	Mazda car dealer	Purchasing Cars
Car Station Niigata Co., Ltd.	100.0	Second-hand car dealing and sales of imported car	Purchasing Cars
Pretech. N Co., Ltd.	48.8	Manufacture of components for automotive and motorcycle instrument clusters	Purchasing products and component parts
UK-NSI Co., Ltd.	100.0	Manufacture of automotive and motorcycle instrument clusters	Selling products
Nippon Seiki (Europe) B.V.	100.0	Sales of products made by Nippon Seiki Group in the European market	Selling products
New Sabina Industries, Inc.	100.0	Manufacture and sales of automotive and motorcycle instrument clusters	Selling products
N.S. International, Ltd.	100.0	Sales of products made by Nippon Seiki Group in the North American market	Selling products
Nippon Seiki Do Brasil Ltda.	100.0	Manufacture and sales of motorcycle instrument clusters	Selling products
NS Sao Paulo Componentes Automotivos Ltda.	100.0	Manufacture and sales of automotive instrument clusters	Selling products
Thai Nippon Seiki Co., Ltd.	63.8	Manufacture and sales of automotive and motorcycle instrument clusters	Selling and Purchasing products
Thai Matto NS Co., Ltd.	83.5	Compounding, and coloring of plastics, and trading	None
PT. Indonesia Nippon Seiki	70.0	Manufacture and sales of motorcycle instrument clusters	Selling products
Hong Kong Nippon Seiki Co., Ltd.	100.0	Sales of control panels for office automation equipment and remote controllers for air conditioners and household equipment	Purchasing and selling products
Dongguan Nissei Electronics Co., Ltd.	100.0	Manufacture of control panels for office automation equipment and remote controllers for air conditioners and household equipment	Selling products
Shanghai Nissei Display System Co., Ltd.	80.0	Manufacture and sales of automotive and motorcycle instrument clusters	Selling products
Tatung Precise Meter Co., Ltd.	80.0	Manufacture and sales of automotive and motorcycle instrument clusters	Selling products

Changzhou Shan Chih Precise Machine Co., Ltd.	80.0	Manufacture and sales of automotive and motorcycle instrument clusters	None
Hong Kong Ek Chor Nissei Co., Ltd.	100.0	Investment and holding company	Investment in China on behalf of the parent
Shan Chih Investments Limited.	80.0	Investment and holding company	Investment in China on behalf of the parent

● Non-consolidated subsidiaries and Affiliated Company are as follows:

Non-consolidated subsidiaries

- Nissei Kyusyoku Co., Ltd.
- Nippon Seiki De Mexico S.A. De C.V.
- Nissei Advantech Mexico S.A. De C.V.
- Nippon Seiki Consumer Products (Thailand) Co., Ltd
- Vietnam Nippon Seiki Co., Ltd
- Nantong NS Advantech Co., Ltd.
- Cixi Zhengtong Electronics Co., Ltd.

Affiliated Company (which do not influence consolidated financial statements)

- JNS Instruments Ltd.

3,279 shareholders in total hold the company's common shares.

Details of the issued shares and shareholders are as follows:

- Total number of authorized shares: 220,000,000 shares
- Total number of issued shares: 60,855,470 shares

Status of Bonds with Stock Acquisition Rights

- Total number of Stock Acquisition Rights
~533 units
- Class and number of shares to be issued or transferred upon exercise of the Stock Acquisition Rights
~582,513 shares of the common stock
- Issue price of the Stock Acquisition Rights
~Zero

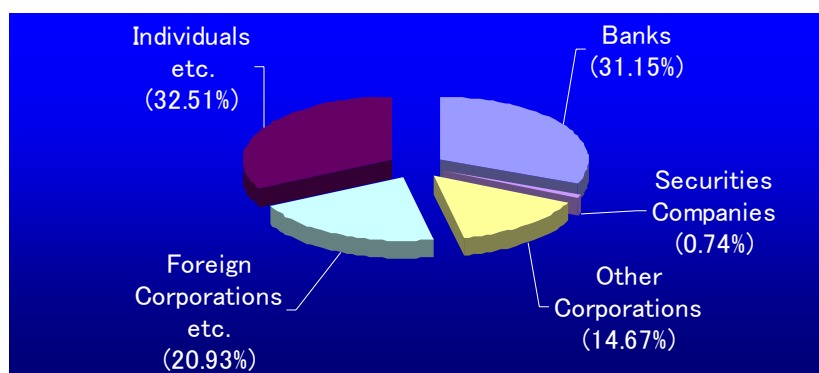
● Major shareholders (1000 shares)

Name	Number of shares (Shareholder's equity ratio)
Honda Motor Co., Ltd.	3,753(6.58%)
Yasuo Nagai	3,351(5.88%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,541(4.46%)
The Master Trust Bank of Japan, Ltd.	2,073(3.64%)
Japan Trustee Services Bank, Ltd.	1,891(3.32%)
DEUTSCHE BANK AG FRANKFURT – DOMESTIC CUSTODY SERVICES	1,810(3.18%)
The Daishi Bank, Ltd.	1,568(2.75%)
Shareholding association of Nippon Seiki Employees	1,521(2.67%)
BBH FOR FIDELITY LOW – PRICED STOCK FUND	1,325(2.32%)
Yamaha Motor Co., Ltd.	1,217(2.14%)

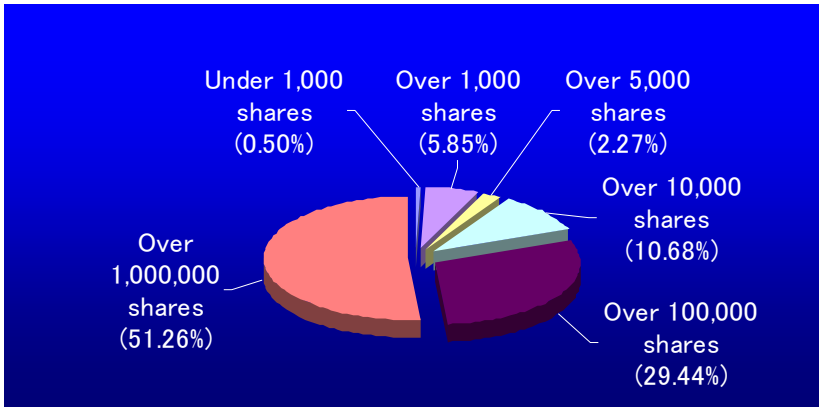
Notes:

- ※ 1. The above chart has been calculated by not including Treasury stocks (3,849,334 shares).
2. NIPPON SEIKI holds Treasury stock (3,849,334 shares), but this has not been included with the major shareholders above.

● Distribution Ratio by type of Shareholder



● Distribution Ratio by number of shares of total capital



DIRECTORS

	⟨Name⟩
President and Representative Director	Shoji Nagai
Senior Managing and Representative Director	Kazuo Nirasawa
Senior Managing and Representative Director	Takashi Nagatsuka
Managing Director	Mitsuhiro Kawamata
Managing Director	Hitoshi Yoshikawa
Managing Director	Yoshiaki Yazawa
Managing Director	Takeyoshi Ikarashi
Managing Director	Hiroshi Araki
Managing Director	Hirotohi Takada
Director	Kazuyoshi Kishi
Director	Yoshiki Takebe
Director	Akira Nakamura
Director	Makoto Okawa
Director	Junichi Suzuki
Director	Seiichiro Okada
Director	Morito Sato
Director	Toshiaki Ichihashi

CORPORATE AUDITORS

	⟨Name⟩
Corporate Auditor (Full-time)	Takashi Komagata
Corporate Auditor	Tadao Endo
Corporate Auditor	Yoichi Sakurai