



# NSK

## CONSOLIDATED BUSINESS RESULTS

FOR THE THIRD QUARTER  
ENDED DECEMBER 31, 2010

February, 4 2011  
NSK Ltd.

**Cautionary Statements with Respect to Forward-Looking Statements**

Statements made in this report with respect to plans, strategies and future performance that are not historical fact are forward-looking statements.

NSK cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements.

Note : This document is an English translation of material written initially in Japanese. The Japanese original should be considered the primary version.

# Summary of Consolidated Business Results for FY 2010:3Q



## Business Results for FY2010:Q3

### ✓ Consolidated Business Results for FY 2010:3Q(Oct.-Dec.)

Net sales	¥180.0 billion	(From last 3Q: +¥24.2 billion/15.6% increase, From 2Q: +¥1.1 billion/0.6% increase)
Operating income	¥12.6 billion	(From last 3Q: +¥7.2 billion/133.2% increase, From 2Q: +¥2.7 billion/26.7% increase)
Net income	¥8.1 billion	(From last 3Q: +4.7 billion/140.8% increase, From 2Q: +¥2.6 billion/47.8% increase)

◎Both sales and profit increased YoY and QoQ.

◎Results are progressing steadily in line with the revised full year forecast announced on October 29, 2010.

### ✓ Business Environment

#### ◎Industrial machinery

Sales to machine tool and construction machinery manufacturers were strong.

#### ◎Automobile production

Despite a domestic drop-off as stimulus policies ended in Japan, exports were strong.

#### ◎Semiconductors/Liquid crystal production equipment

Demand for capital investment was mixed.

## Expected Business Performance for FY 2010

Upward revisions were made to both sales and profit forecasts announced on October 29, 2010

✓ We expect gradual demand recovery in 4Q, compared to 3Q.

Emerging markets will support both industrial and automotive business demand.

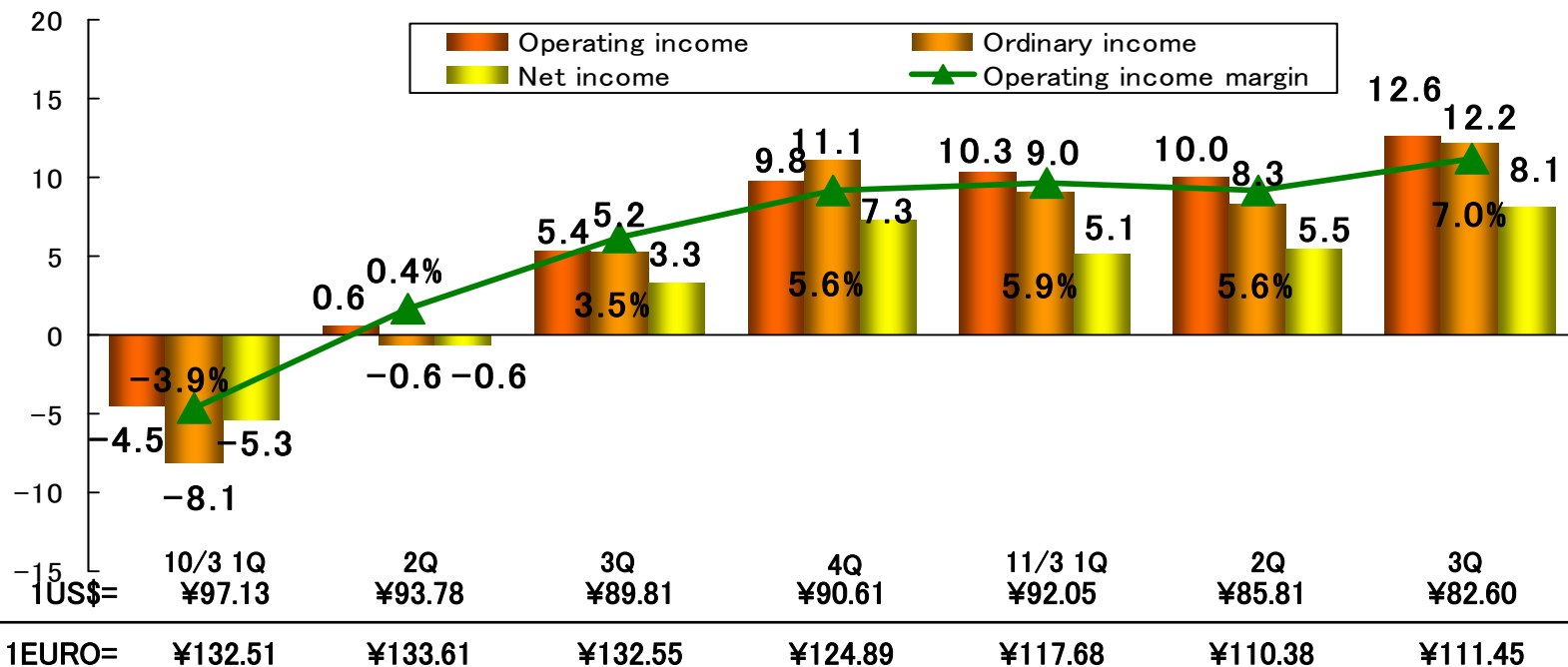
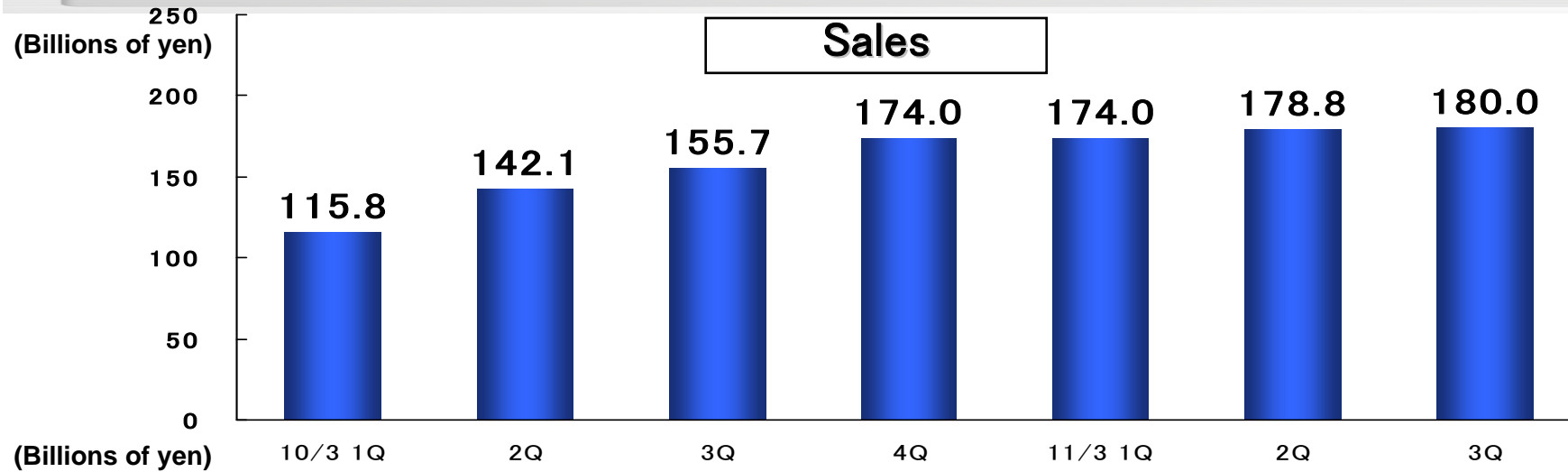
✓ Full year sales will be over 90% of peak year (FY2007). Removing the effect of currency fluctuations, these would be record sales.

# Summary of Consolidated Business Results for FY 2010:3Q



(Billions of yen)	10/3			11/3				Full year <Forecast announced on 4, February>	Full year <Forecast announced on 29, October>
	3Q <Actual>	Apr.-Dec. <Actual>	Full year <Actual>	3Q <Actual>	YOY %	Apr.-Dec. <Actual>	YOY %		
<b>Sales</b>	155.7	413.6	587.6	180.0	+15.6%	532.7	+28.8%	715.0	700.0
<b>Operating income</b>	5.4	1.5	11.3	12.6	+133.2%	32.9	—	45.0	42.0
<%>	<3.5%>	<0.4%>	<1.9%>	<7.0%>		<6.2%>		<6.3%>	<6.0%>
<b>Ordinary income</b>	5.2	-3.5	7.6	12.2	+132.2%	29.5	—	40.0	37.0
<b>Profit before tax</b>	5.1	-4.7	6.3	11.8	+132.3%	29.2	—	39.7	37.0
<b>Net income</b>	3.3	-2.6	4.8	8.1	+140.8%	18.6	—	25.0	22.5
(Rate: 1 US\$= )	(¥89.81)	(¥93.57)	(¥92.83)	(¥82.60)		(¥86.82)		(¥85.12)	(¥84.47)
(Rate: 1 EURO= )	(¥132.55)	(¥132.89)	(¥130.89)	(¥111.45)		(¥113.17)		(¥112.38)	(¥112.02)

# Quarterly Business Performance



# Results by Business Segment



(Billions of yen)		10/3			11/3				
		3Q <Actual>	Apr.-Dec. <Actual>	Full year <Actual>	3Q <Actual>	YOY %	Apr.-Dec. <Actual>	YOY %	Full year <Revised forecast>
<b>Total</b>	<b>Sales</b>	155.7	413.6	587.6	<b>180.0</b>	<b>+15.6%</b>	<b>532.7</b>	<b>+28.8%</b>	<b>715.0</b>
	Operating income	5.4	1.5	11.3	<b>12.6</b>	<b>+133.2%</b>	<b>32.9</b>	<b>—</b>	<b>45.0</b>
	%	3.5%	0.4%	1.9%	<b>7.0%</b>		<b>6.2%</b>		<b>6.3%</b>
<b>Industrial machinery business</b>	<b>Sales</b>	50.3	140.1	202.0	<b>65.4</b>	<b>+30.1%</b>	<b>192.9</b>	<b>+37.7%</b>	<b>257.7</b>
	Industrial machinery bearings	42.4	118.6	166.9	<b>49.7</b>	<b>+17.3%</b>	<b>148.5</b>	<b>+25.2%</b>	<b>199.0</b>
	Precision machinery and parts	7.9	21.5	35.1	<b>15.7</b>	<b>+98.7%</b>	<b>44.4</b>	<b>+106.5%</b>	<b>58.7</b>
	Operating income	0	-4.2	-1.7	<b>6.0</b>	<b>—</b>	<b>14.2</b>	<b>—</b>	<b>19.5</b>
	%	0.0%	-3.0%	-0.8%	<b>9.2%</b>		<b>7.4%</b>		<b>7.6%</b>
<b>Automotive business</b>	<b>Sales</b>	100.2	260.0	366.4	<b>107.5</b>	<b>+7.2%</b>	<b>319.6</b>	<b>+22.9%</b>	<b>430.6</b>
	Automotive bearings	52.6	136.5	191.4	<b>54.0</b>	<b>+2.6%</b>	<b>162.8</b>	<b>+19.2%</b>	<b>219.0</b>
	Automotive components	47.6	123.5	175.0	<b>53.5</b>	<b>+12.2%</b>	<b>156.8</b>	<b>+27.0%</b>	<b>211.6</b>
	Operating income	6.8	10.5	18.3	<b>7.4</b>	<b>+9.6%</b>	<b>21.0</b>	<b>+100.1%</b>	<b>28.9</b>
	%	6.7%	4.0%	5.0%	<b>6.9%</b>		<b>6.6%</b>		<b>6.7%</b>
<b>Other</b>	<b>Sales</b>	9.4	24.3	34.9	<b>14.0</b>	<b>+49.2%</b>	<b>40.1</b>	<b>+65.0%</b>	<b>53.3</b>
	Operating income	-0.1	-1.0	-0.2	<b>0.9</b>	<b>—</b>	<b>3.0</b>	<b>—</b>	<b>3.7</b>
	%	-0.5%	-4.1%	-0.5%	<b>6.4%</b>		<b>7.6%</b>		<b>6.9%</b>
<b>Eliminations (Sales)</b>		-4.2	-10.8	-15.7	<b>-6.9</b>		<b>-19.9</b>		<b>-26.6</b>
<b>Eliminations/Corporate</b>		-1.3	-3.8	-5.1	<b>-1.7</b>		<b>-5.3</b>		<b>-7.1</b>

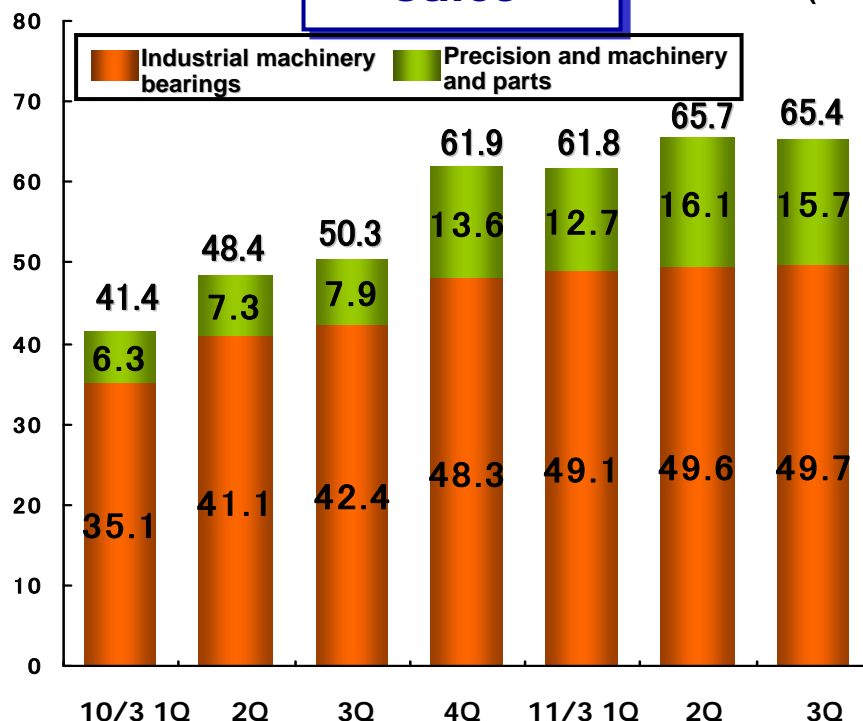
# Business Segment Information

## — Industrial Machinery Business



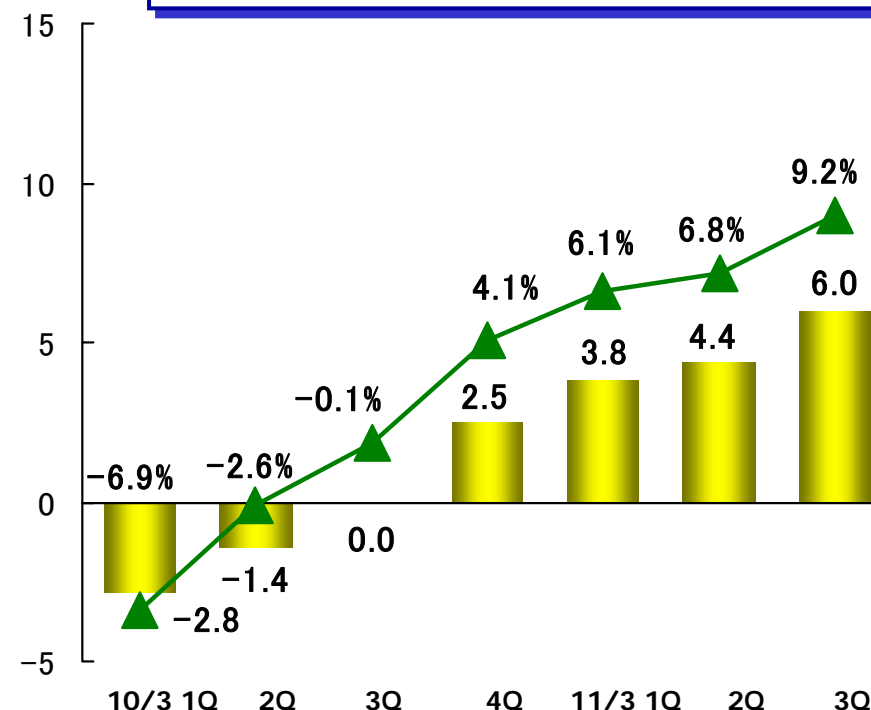
(Billions of yen)

### Sales



(Billions of yen)

### Operating income/margin



### Compared to the same period last year

- In the industrial machinery bearing sector, sales to machine tool, construction machinery manufacturers were strong. Sales to the aftermarket sector also increased due to sales expansion activities, such as developing new distribution networks. Sales in 3Q increased 17.3% YoY.

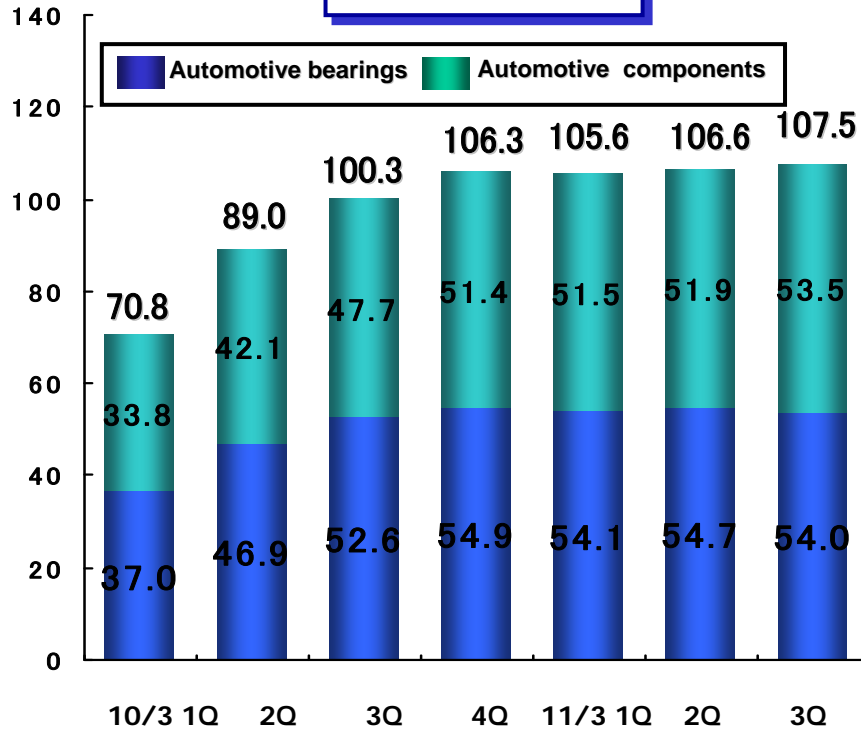
In the precision machinery and parts sector, machine tool and semiconductor-related demand was robust. As a result, sales in 3Q increased 98.7% YoY.
- Operating income in 3Q increased ¥6.0 billion YoY, due to volume increase, reduction of external procurement costs and profitability improvement.

# Business Segment Information – Automotive Business



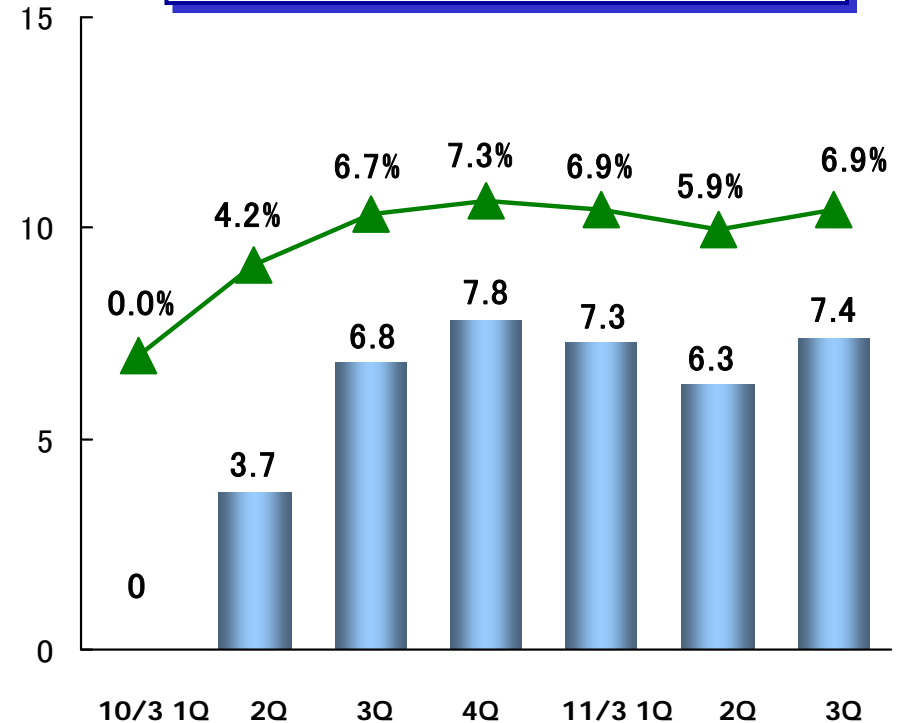
(Billions of yen)

## Sales



(Billions of yen)

## Operating income/margin



### Compared to the same period last year

- Sales in 3Q increased 7.2% YoY. Despite a domestic drop-off as stimulus policies ended in Japan, emerging markets including China supported results.
- Operating income in 3Q increased 9.6% YoY. In addition to volume increase, reduction of external procurement costs contributed to the results.

# Results by Geographical Segment



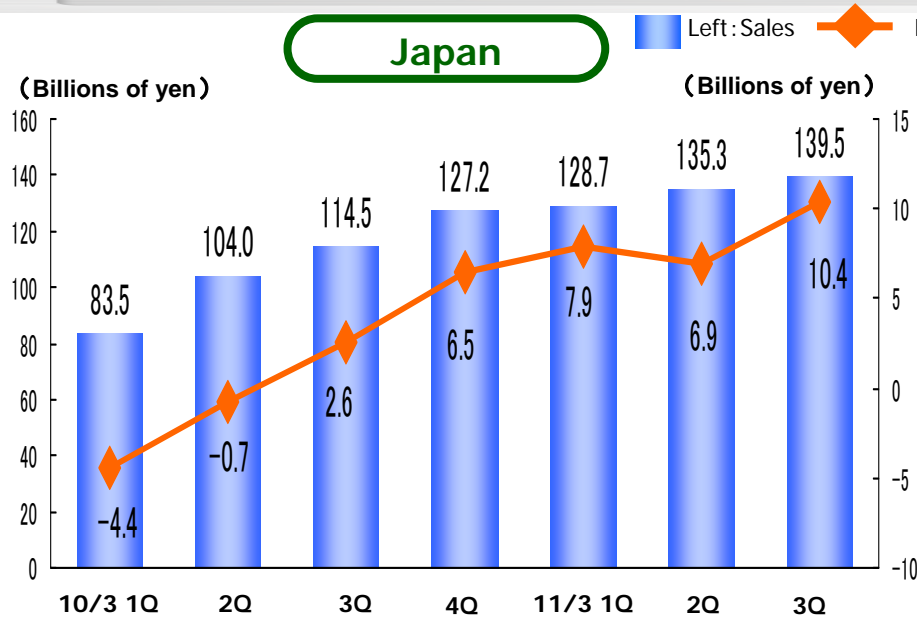
(Billions of yen)		10/3			11/3				
		3Q <Actual>	Apr.-Dec. <Actual>	Full year <Actual>	3Q <Actual>	YOY %	Apr.-Dec. <Actual>	YOY %	Full year <Revised forecast>
<b>Total</b>	Sales	155.7	413.6	587.6	<b>180.0</b>	<b>+15.6%</b>	<b>532.7</b>	<b>+28.8%</b>	<b>715.0</b>
	Operating income	5.4	1.5	11.3	<b>12.6</b>	<b>+133.2%</b>	<b>32.9</b>	<b>—</b>	<b>45.0</b>
	%	3.5%	0.4%	1.9%	<b>7.0%</b>		<b>6.2%</b>		<b>6.3%</b>
<b>Japan</b>	Sales	114.5	302.0	429.2	<b>139.5</b>	<b>+21.9%</b>	<b>403.5</b>	<b>+33.6%</b>	<b>541.8</b>
	Operating income	2.6	-2.5	4.0	<b>10.4</b>	<b>+301.9%</b>	<b>25.2</b>	<b>—</b>	<b>35.5</b>
	%	2.3%	-0.8%	0.9%	<b>7.5%</b>		<b>6.3%</b>		<b>6.6%</b>
<b>The Americas</b>	Sales	18.0	48.7	69.4	<b>19.6</b>	<b>+8.8%</b>	<b>62.8</b>	<b>+28.9%</b>	<b>82.5</b>
	Operating income	0.9	1.0	2.2	<b>0.7</b>	<b>-13.5%</b>	<b>2.6</b>	<b>+172.6%</b>	<b>3.8</b>
	%	4.7%	2.0%	3.2%	<b>3.8%</b>		<b>4.2%</b>		<b>4.6%</b>
<b>Europe</b>	Sales	25.7	72.1	100.6	<b>26.0</b>	<b>+1.6%</b>	<b>76.5</b>	<b>+6.2%</b>	<b>101.4</b>
	Operating income	0.9	3.1	3.2	<b>1.2</b>	<b>+38.4%</b>	<b>3.4</b>	<b>+9.3%</b>	<b>4.3</b>
	%	3.5%	4.3%	3.2%	<b>4.7%</b>		<b>4.4%</b>		<b>4.2%</b>
<b>Asia</b>	Sales	29.4	72.3	106.1	<b>34.6</b>	<b>+17.8%</b>	<b>104.4</b>	<b>+44.4%</b>	<b>141.9</b>
	Operating income	2.6	4.3	7.6	<b>2.4</b>	<b>-8.8%</b>	<b>8.1</b>	<b>+88.2%</b>	<b>10.2</b>
	%	9.0%	6.0%	7.1%	<b>7.0%</b>		<b>7.8%</b>		<b>7.2%</b>
<b>Eliminations (Sales)</b>		-31.9	-81.5	-117.7	<b>-39.7</b>		<b>-114.5</b>		<b>-152.6</b>
<b>Eliminations/Corporate</b>		-1.6	-4.4	-5.7	<b>-2.1</b>		<b>-6.4</b>		<b>-8.8</b>



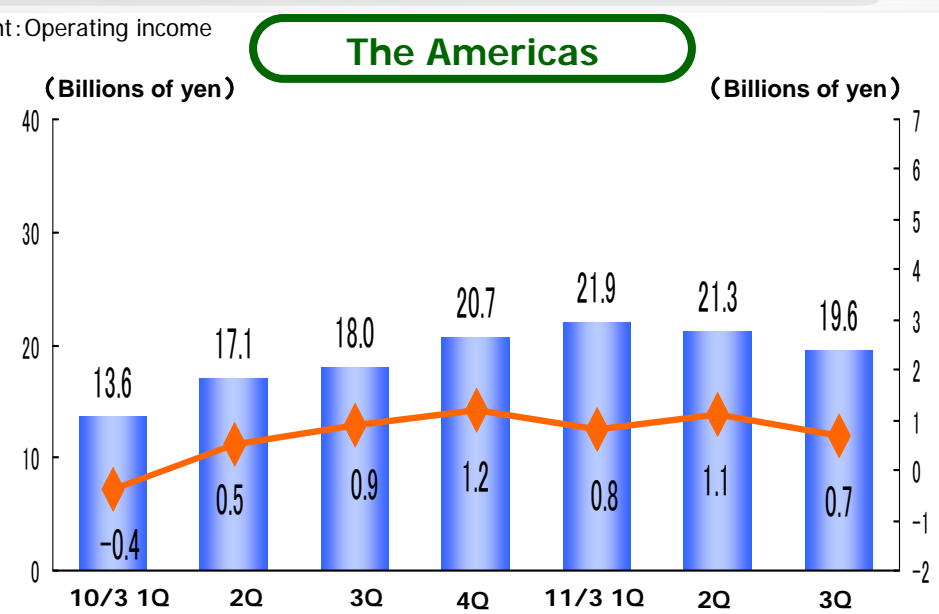
# Results by Geographical Segment



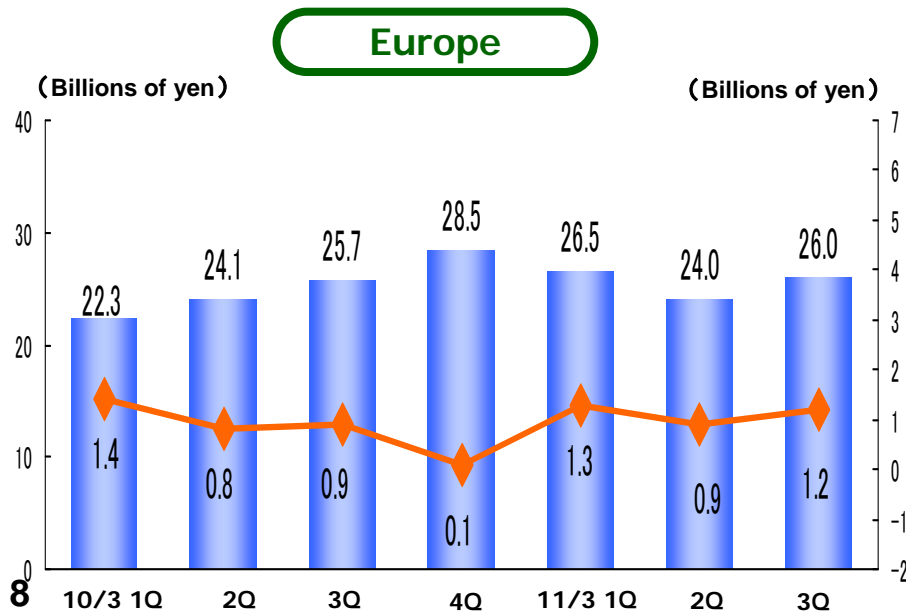
## Japan



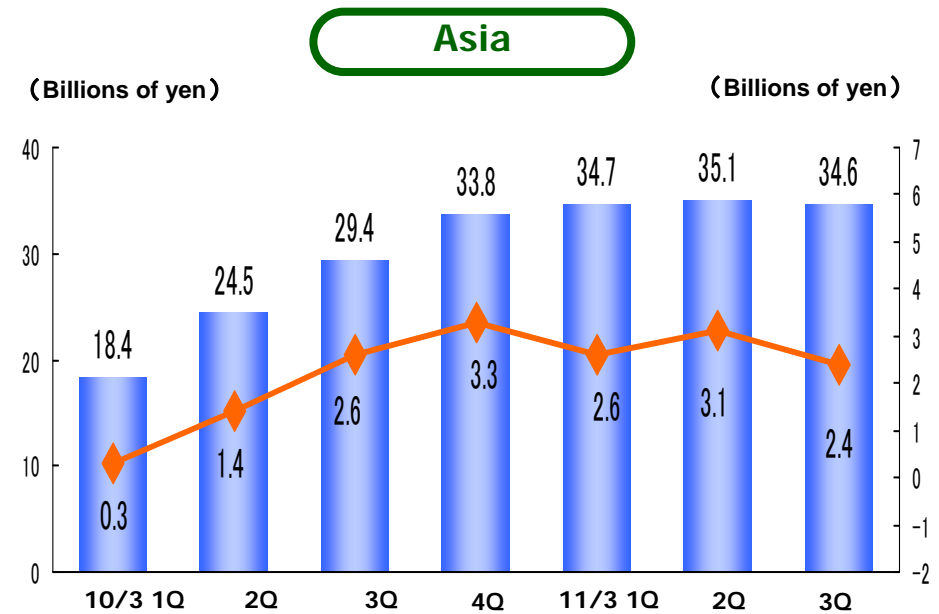
## The Americas



## Europe



## Asia



# Results by Customer Location



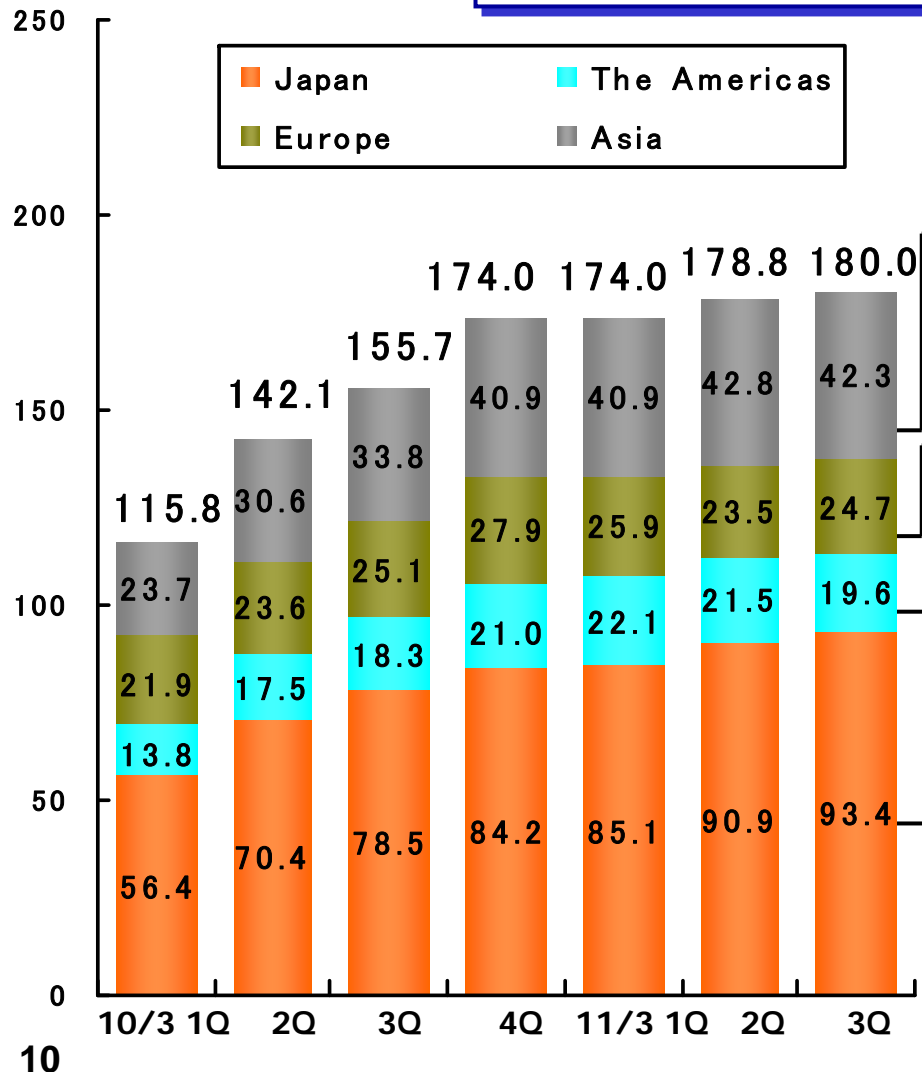
(Billions of yen)	10/3			11/3				
	3Q <Actual>	Apr.-Dec. <Actual>	Full year <Actual>	3Q <Actual>	YOY %	Apr.-Dec. <Actual>	YOY %	Full year <Revised forecast>
<b>Sales</b>	155.7	413.6	587.6	180.0	+15.6%	532.7	+28.8%	715.0
<b>Japan</b>	78.5	205.3	289.5	93.4	+18.8%	269.3	+31.2%	362.3
<b>Non-Japan</b>	77.2	208.3	298.1	86.6	+12.3%	263.4	+26.4%	352.7
(Ratio of non-Japan sales to consolidated net sales)	(49.6%)	(50.4%)	(50.7%)	(48.2%)		(49.4%)		(49.3%)
<b>The Americas</b>	18.3	49.6	70.6	19.6	+7.2%	63.3	+27.7%	83.3
<b>Europe</b>	25.1	70.6	98.5	24.7	-1.3%	74.1	+5.0%	99.4
<b>Asia</b>	33.8	88.1	129.0	42.3	+25.0%	126.0	+42.9%	170.0

# Results by Customer Location



## Net sales by customer location Quarterly business performance

(Billions of yen)



### Compared to 2Q

**Asia:** Sales in 3Q decreased 1.1%, compared to 2Q. Although demand from automakers and industrial machinery manufacturers continued to be strong, sales to liquid crystal production equipment manufacturers decreased.

**Europe:** Sales in 3Q increased 5.5%, compared to 2Q. Demand from automakers was robust.

**The Americas:** Sales in 3Q decreased 9.1%, compared to 2Q, due to seasonal reasons in the aftermarket sector and order switching in the automotive business.

**Japan:** Sales in 3Q increased 2.5%, compared to 2Q. In the industrial machinery business, sales to general and construction machinery manufacturers were strong. In the automotive business, exports increased while domestic sales decreased.

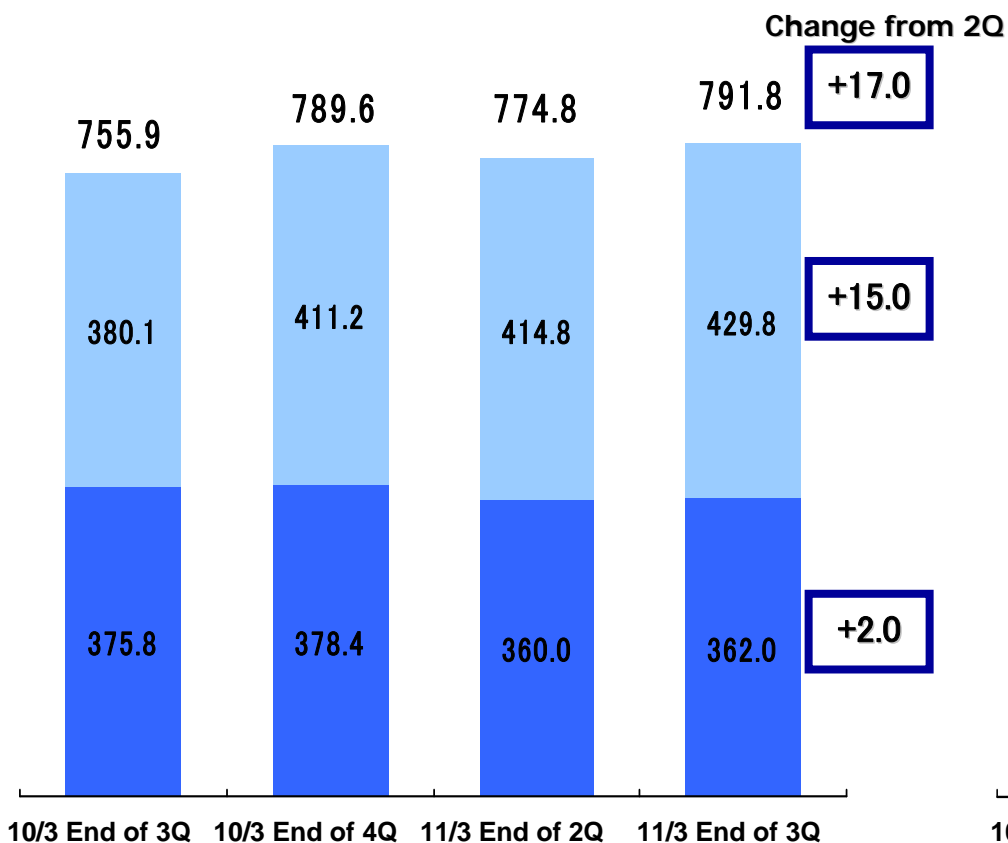
# Consolidated Balance Sheet



## Assets

■ Non-current assets ■ Current assets

(Billions of yen)



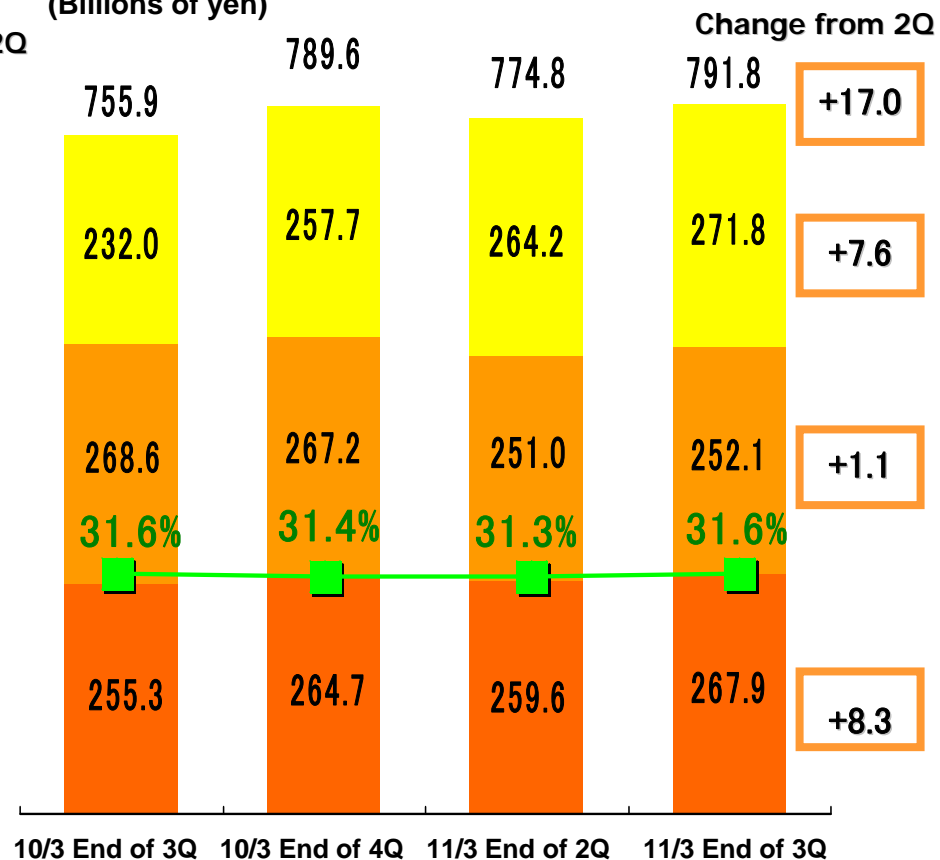
92.10	93.04	83.82	81.49
132.00	124.92	114.24	107.90

11 Exchange rate: upper=US\$ lower= EURO

## Liabilities and net assets

■ Net assets ■ Non-current liabilities  
■ Current liabilities ■ Ratio of net worth to total capital

(Billions of yen)



92.10	93.04	83.82	81.49
132.00	124.92	114.24	107.90

Exchange rate: upper=US\$ lower= EURO

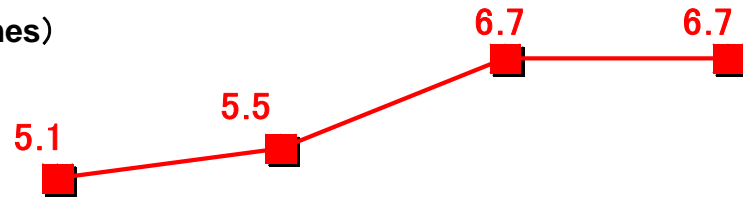
# Inventories, Interest-bearing Debt



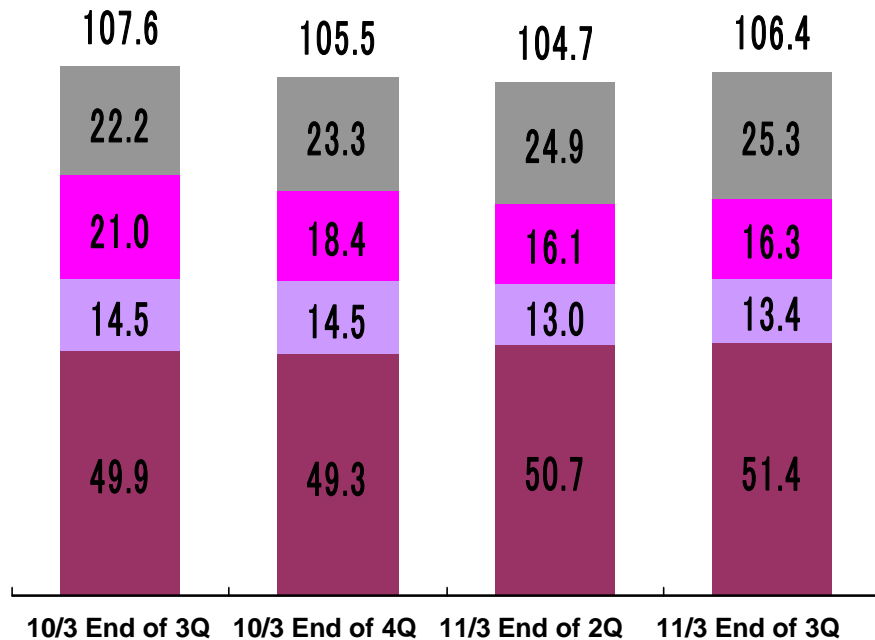
## Inventories

■ Japan 
 ■ The Americas 
 ■ Asia 
 ■ Europe  
■ Inventory turnover

(times)



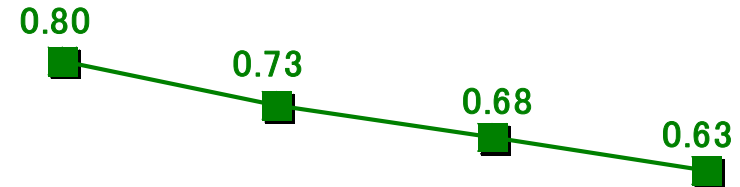
(Billions of yen)



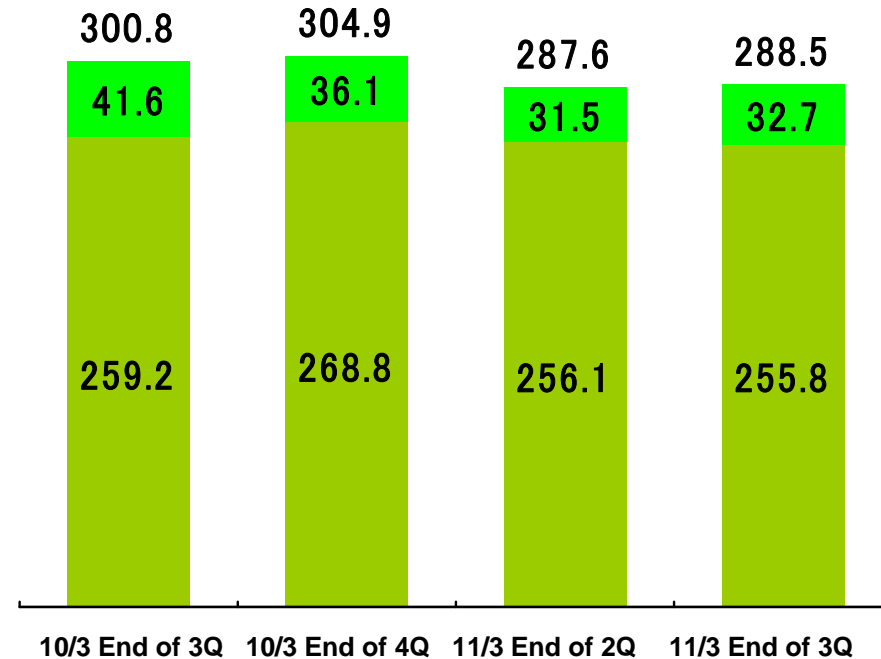
## Interest-bearing debt

■ Japan 
 ■ Non-Japan 
 ■ Net D/E ratio

(Times)



(Billions of yen)

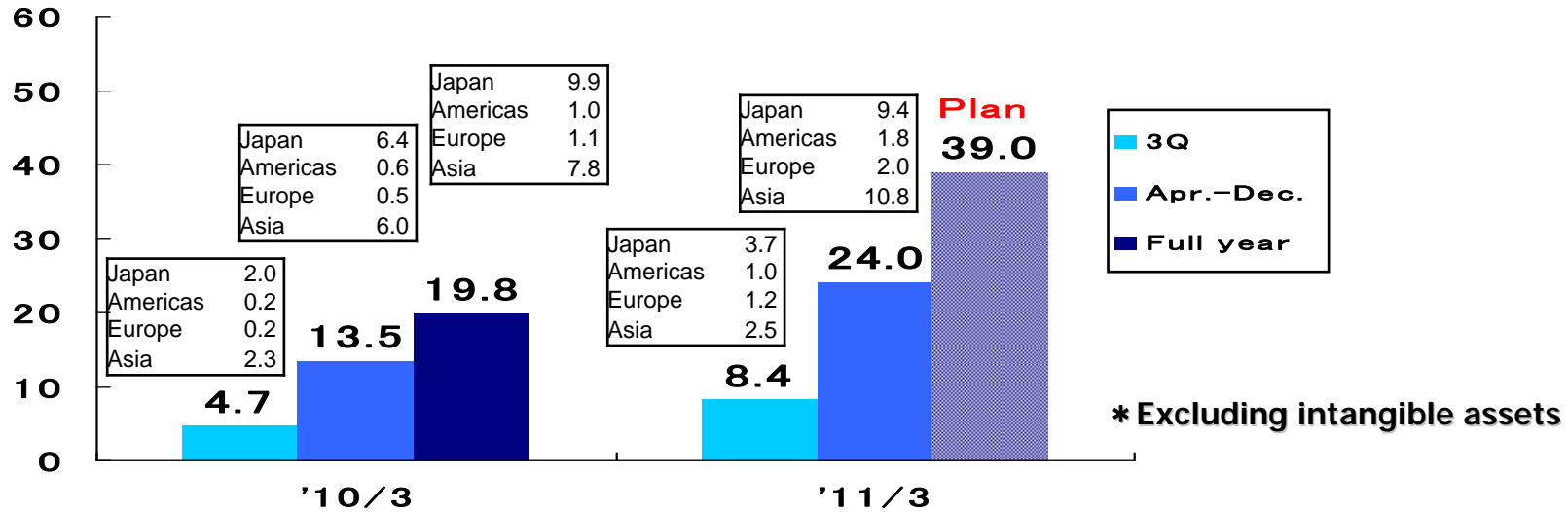


# Capital Expenditure, Depreciation



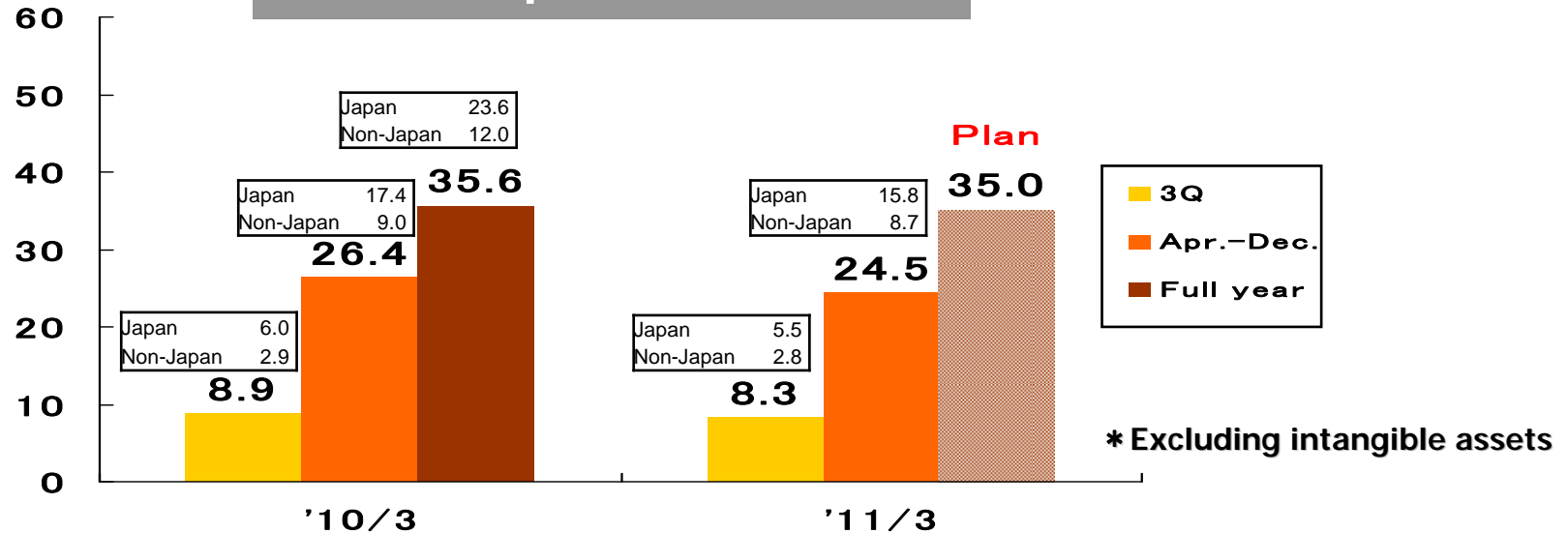
## Capital Expenditure

(Billions of yen)



## Depreciation

(Billions of yen)



# Supplementary Information

## —Research & Development, Employees



(Billions of yen)	10/3				11/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	Full year
<b>R&amp;D</b>	2.1	2.2	2.1	2.4	<b>2.2</b>	<b>2.8</b>	<b>2.6</b>	<b>9.0</b>

(No. of employees)	10/3				11/3		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
<b>Employees</b>	23,823	24,253	24,373	24,633	<b>25,181</b>	<b>25,207</b>	<b>26,212</b>
<b>Japan</b>	11,491	11,597	11,518	11,429	<b>11,544</b>	<b>11,478</b>	<b>11,407</b>
<b>The Americas</b>	2,326	2,363	2,338	2,365	<b>2,392</b>	<b>2,415</b>	<b>2,476</b>
<b>Europe</b>	3,235	3,121	3,024	3,029	<b>3,090</b>	<b>3,055</b>	<b>3,109</b>
<b>Asia</b>	6,771	7,172	7,493	7,810	<b>8,155</b>	<b>8,259</b>	<b>9,220</b>