



NSK

FINANCIAL CONFERENCE

Consolidated Business Results and Forecast

November 7, 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.

1

**Consolidated Business Results
for the Six Months Ended September 30, 2011**

2

**Consolidated Business Forecast
for the Year Ending March 31, 2012**

3

Progress of Mid-term Plan

(Supplementary Information)

1

Consolidated Business Results for the Six Months Ended September 30, 2011

Summary of Consolidated Business Results for the Six Months Ended September 30, 2011



Business Environment

- ✓ **Industrial Machinery :**
Steady demand expansion due to increased demand in emerging countries.
- ✓ **Automotive Products:**
Demand boosted by customers' high output during recovery from the Great East Japan Earthquake and restoration of inventory levels.
- ✓ **Semiconductor/LCD production equipment:** In an adjustment phase
- ✓ **Further appreciation of the yen**

Summary of Business Results

- ✓ **Sales ¥351.9 billion (YOY -0.3%), Operating income ¥22.9 billion (YOY +13.0%), Ordinary income ¥21.8 billion (YOY +25.9%), Net Income ¥14.4 billion (YOY +36.2%)**
-YOY results for the six months: slight decrease in sales, but significant increase in profit
-YOY results for 2Q (Jul-Sep): increases in both sales and operating income
(Sales ¥ 7.0 billion +3.9%, Operating income ¥2.9 billion +30.3%)
- ✓ **Results by Business Segment**
 - Industrial Machinery Business :
For the six months, sales and operating income greatly increased YOY both for industrial machinery bearings and precision machinery and parts. (Excluding systemized products)
 - Automotive Business :
1Q sales and operating income decreased YOY due to the impact of the Great East Japan Earthquake. 2Q sales increased YOY and operating income kept the same level YOY.

Summary of Consolidated Business Results for the Six Months Ended September 30, 2011



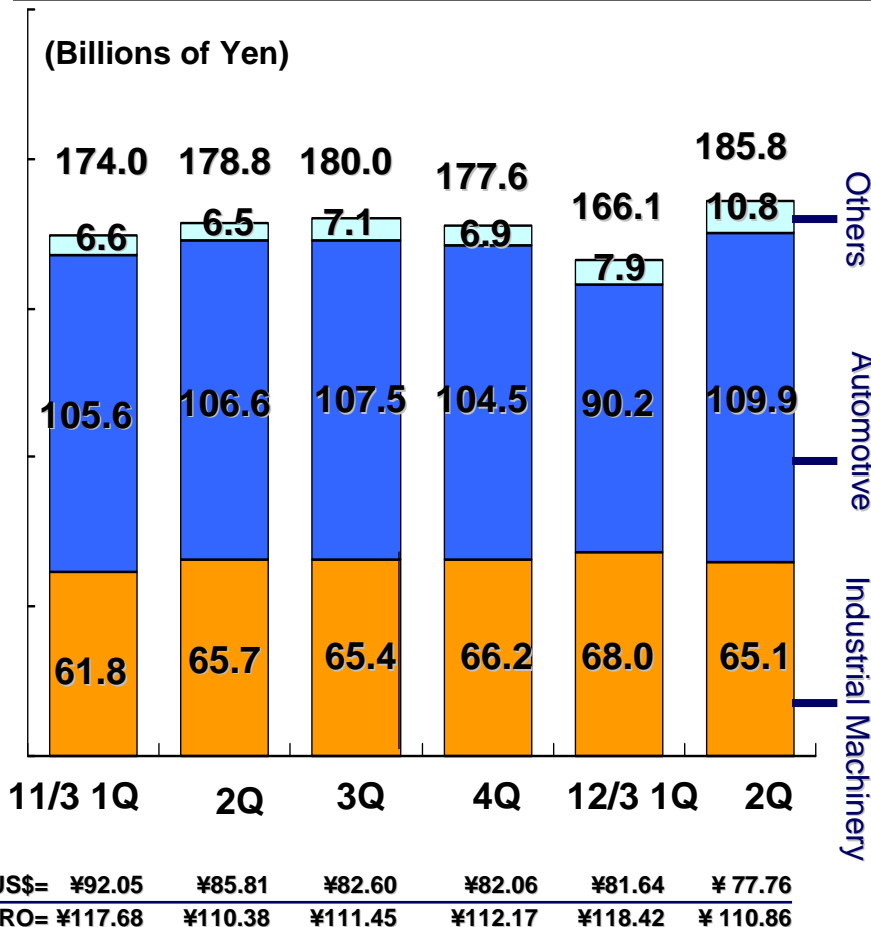
(Billions of yen)	'11/3 1st half <Actual>	'12/3 1st half <Actual>	Increase/ decrease YOY	Difference YOY	'12/3 1st half <Original forecast>
Sales	352.8	351.9	-0.9	-0.3%	340.0
Operating income <%>	20.3 <5.8%>	22.9 <6.5%>	+2.6	+13.0%	18.5 <5.4%>
Ordinary income	17.3	21.8	+4.5	+25.9%	16.5
Income before tax	17.3	21.8	+4.5	+25.9%	16.5
Net income	10.6	14.4	+3.8	+36.2%	10.0
<Exchange rate>					
(1US\$=)	(¥88.93)	(¥79.70)			(¥80)
(1EURO=)	(¥114.03)	(¥114.64)			(¥110)
【Major Indexes】					
ROE	8.6%	11.3%			
Net D/E ratio (times)	0.68	0.69			
Inventory turnover (times)	6.7	6.2			

Quarterly Business Performance



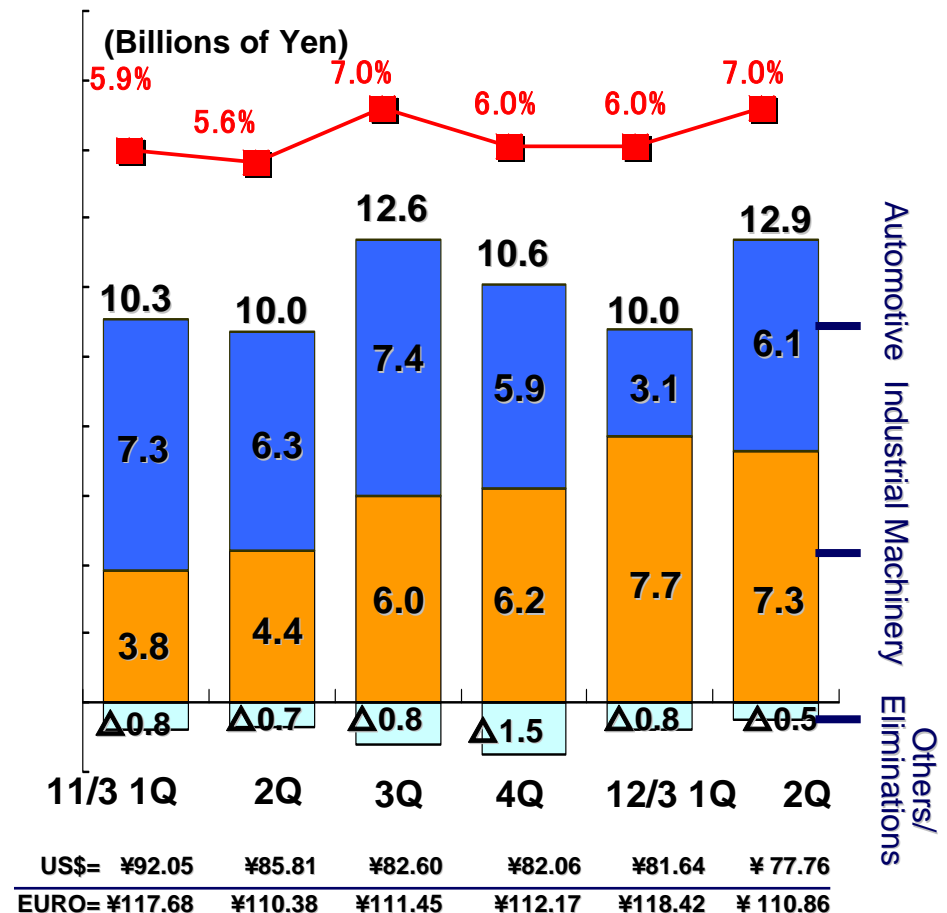
Sales

Despite decrease in industrial machinery bearing sales, total 2Q sales increased compared to 1Q sales thanks to recovery in automotive production.



Operating income/Margin

Operating income recovered to the same level as the previous year's highest due to the recovery in Automotive business, despite the further appreciation of the yen



Results by Business Segment

(Billions of yen)	'11/3 1 st half <Actual>	'12/3 1 st half <Actual>	Increase/ decrease YOY	Difference YOY	'12/3 1 st half <Original Forecast>
Sales	352.8	351.9	-0.9	-0.3%	340.0
Industrial machinery business	127.5	133.1	+5.6	+4.4%	130.0
Industrial machinery bearings	98.7	108.7	+10.0	+10.1%	105.5
Precision machinery and parts	28.8	24.4	-4.4	-15.1%	24.5
Automotive business	212.2	200.1	-12.1	-5.7%	192.0
Automotive bearings	108.8	103.3	-5.5	-5.0%	100.5
Automotive components	103.4	96.8	-6.6	-6.4%	91.5
Others	26.1	32.8	+6.7	+25.5%	31.5
Eliminations	-13.0	-14.1	-1.1	-	-13.5
Operating income	20.3 <5.8%>	22.9 <6.5%>	+2.6	+13.0%	18.5
Industrial machinery business	8.2 <6.5%>	15.0 <11.3%>	+6.8	+82.7%	13.5
Automotive business	13.6 <6.4%>	9.2 <4.6%>	-4.4	-32.4%	6.5
Others	2.2 <8.3%>	2.0 <6.2%>	-0.2	-6.1%	2.0
Eliminations/Corporate	-3.7	-3.3	+0.4		-3.5

*Systemized Products (photofabrication exposure equipment) have been moved from "Precision machinery and parts" to the "Others" from April 1, 2011.

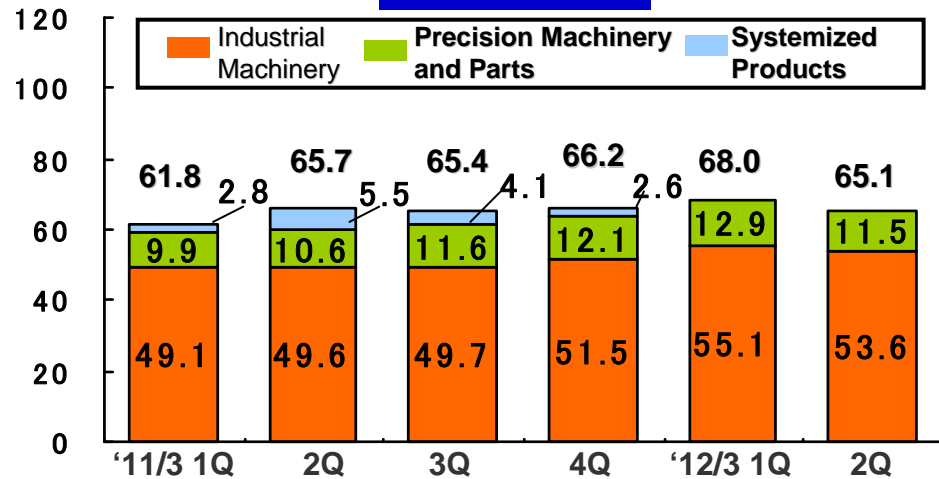
Quarterly Business Segment Performance



Industrial Machinery Business

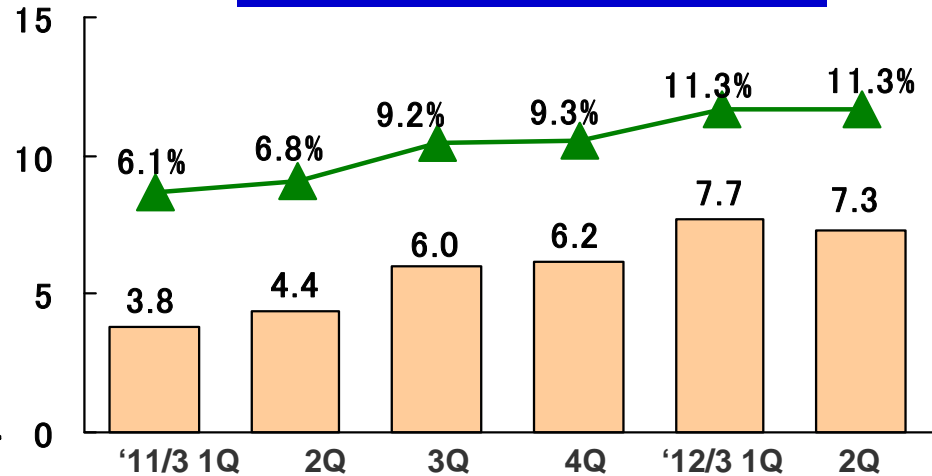
(Billions of yen)

Sales



(Billions of yen)

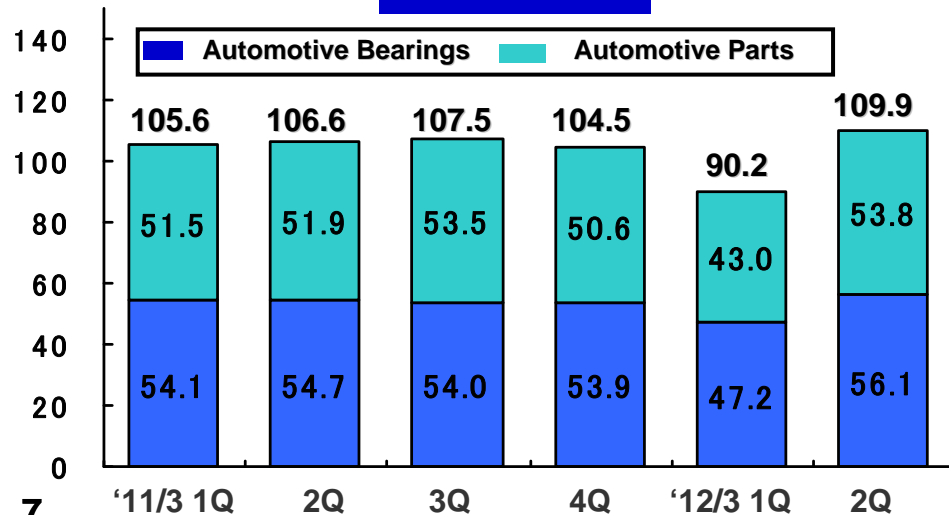
Operating income / Margin



Automotive Business

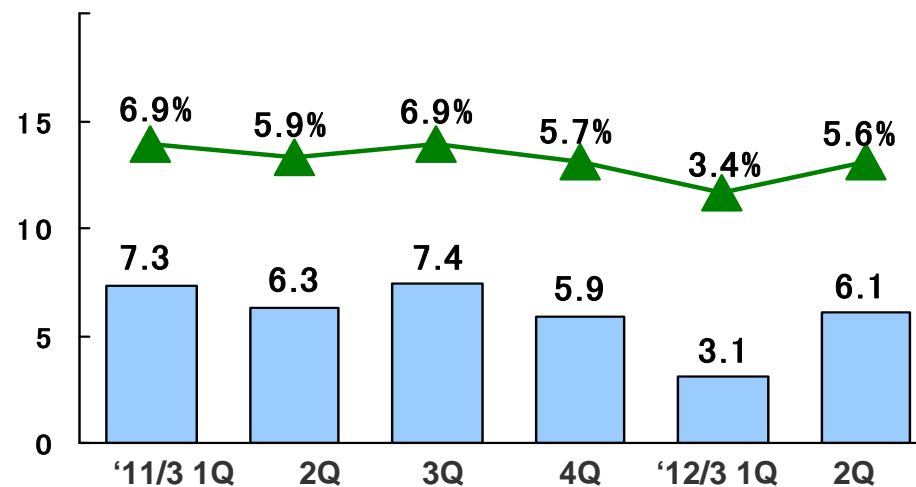
(Billions of yen)

Sales



(Billions of yen)

Operating income / Margin

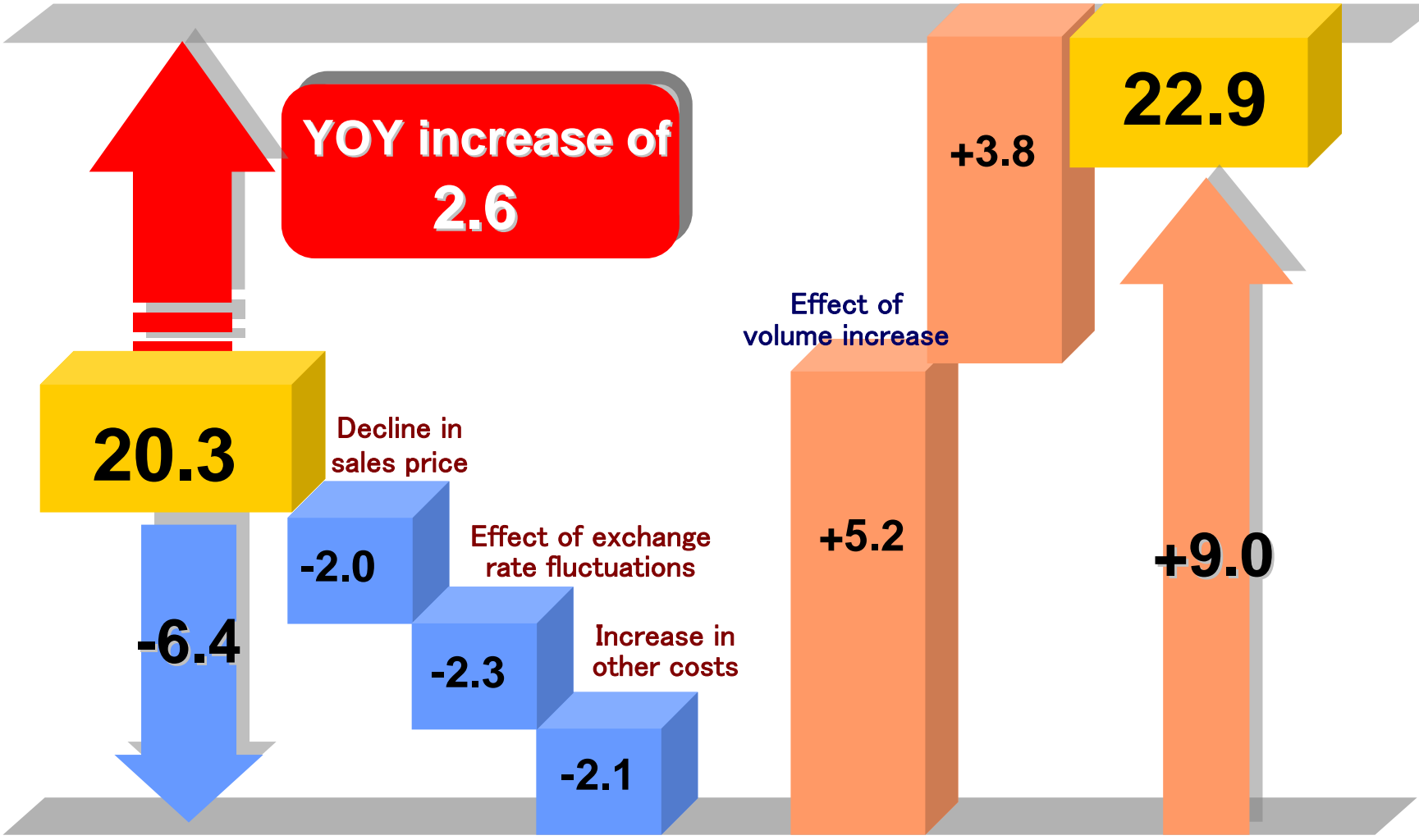


Operating income : Factors Behind Increase (11/3 1st half ⇒ 12/3 1st half)

(Billions of Yen)

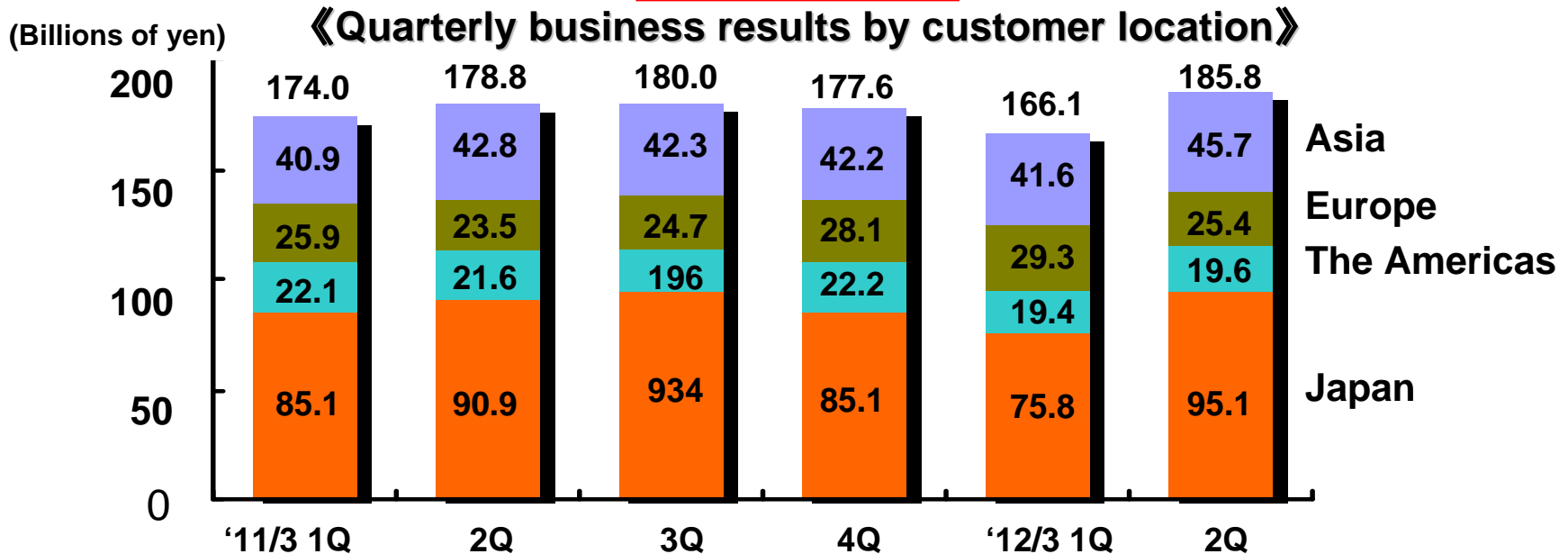
'11/3 1st half

Reduction of external procurement costs etc. '12/3 1st half



Business Results by Customer Location

(Billions of yen)	'11/3 1st half <Actual>	'12/3 1st half <Actual>	Increase/ decrease YOY	Difference YOY
Sales	352.8	351.9	-0.9	-0.3%
Japan	176.0	170.9	-5.1	-2.9%
Non-Japan (Non-Japan ratio)	176.8 (50.1%)	181.0 (51.2%)	+4.2	+2.4%
The Americas	43.6	39.0	-4.6	-10.7%
Europe	49.5	54.7	+5.2	+10.8%
Asia (Asia Ratio)	83.7 (23.7 %)	87.3 (24.8%)	+3.6	+4.2%
China only	43.1	44.8	+1.7	+4.5%

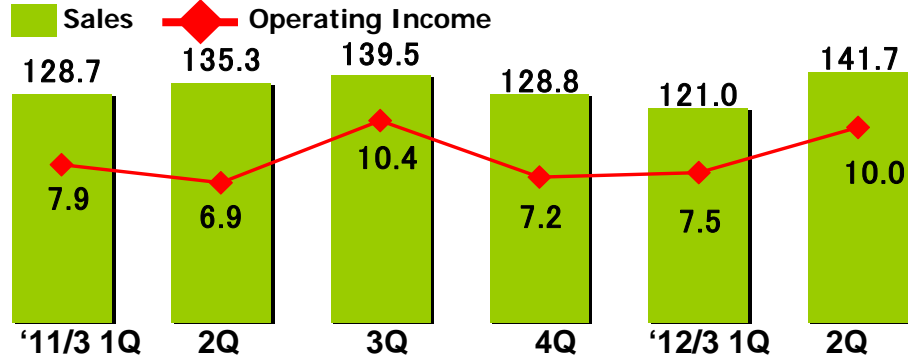


Business Results by Geographical Segment



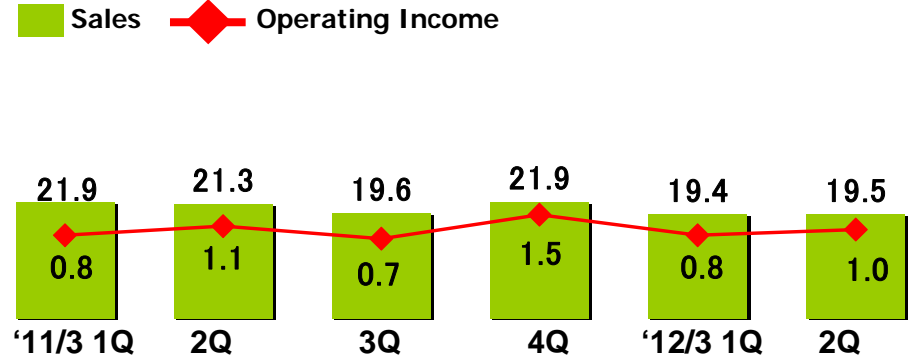
Japan

(Billions of yen)	'11/3 1st half Actual	'12/3 1st half Actual	Increase/ decrease YOY	Difference YOY
Sales	264.0	262.7	-1.3	-0.5%
Operating income	14.8 <5.6%>	17.5 <6.7%>	+2.7	+18.3%



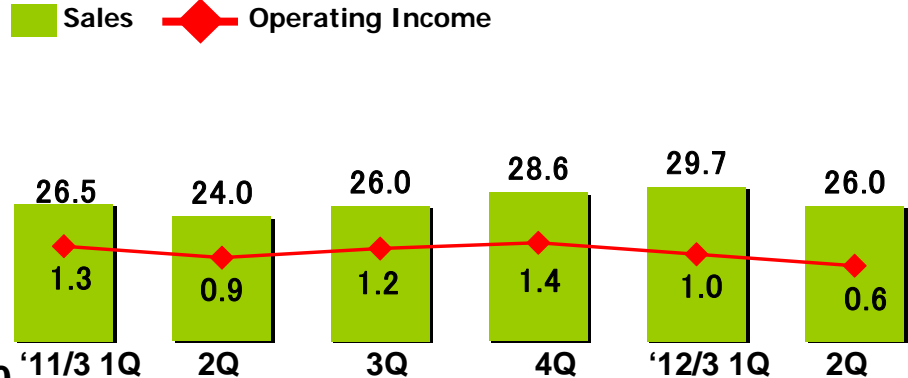
The Americas

(Billions of yen)	'11/3 1st half Actual	'12/3 1st half Actual	Increase/ decrease YOY	Difference YOY
Sales	43.2	38.9	-4.3	-9.8%
Operating income	1.9 <4.4%>	1.8 <4.6%>	-0.1	-6.0%



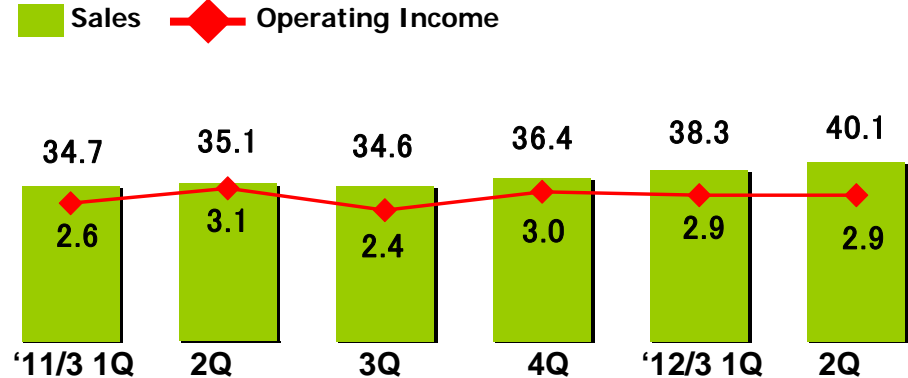
Europe

(Billions of yen)	'11/3 1st half Actual	'12/3 1st half Actual	Increase/ decrease YOY	Difference YOY
Sales	50.5	55.7	+5.2	+10.3%
Operating income	2.2 <4.3%>	1.6 <2.8%>	-0.6	-28.0%



Asia

(Billions of yen)	'11/3 1st half Actual	'12/3 1st half Actual	Increase/ decrease YOY	Difference YOY
Sales	69.8	78.4	+8.6	+12.4%
Operating income	5.7 <8.2%>	5.8 <7.4%>	+0.1	+1.6%



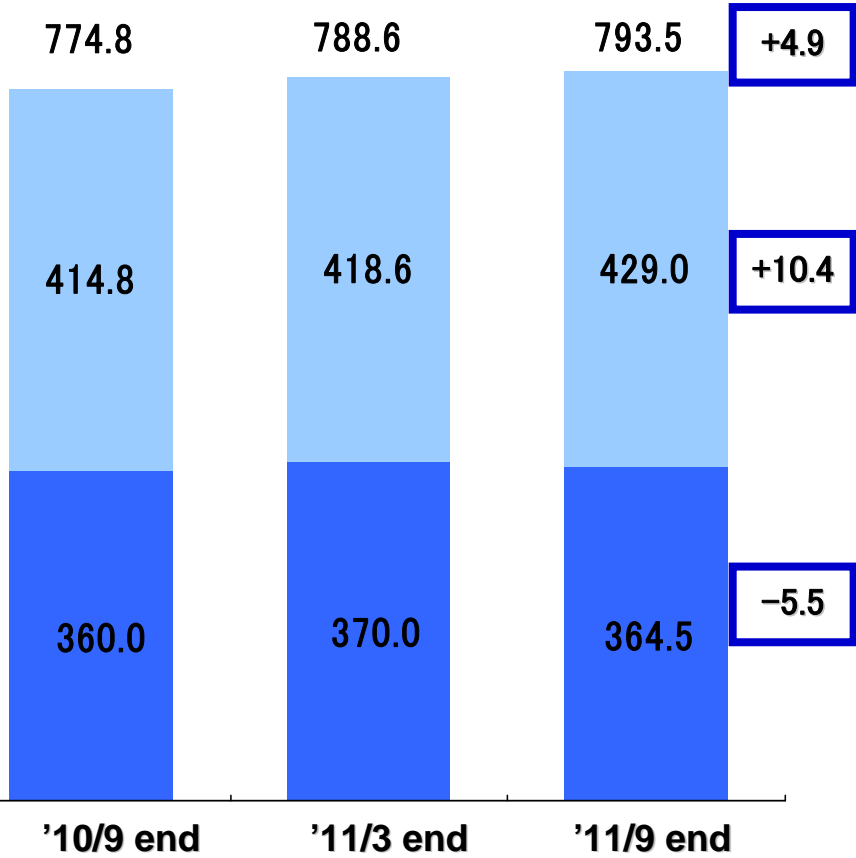
Consolidated Balance Sheets

Assets

■ Non-current assets ■ Current Assets

(Billions of yen)

Change YOY



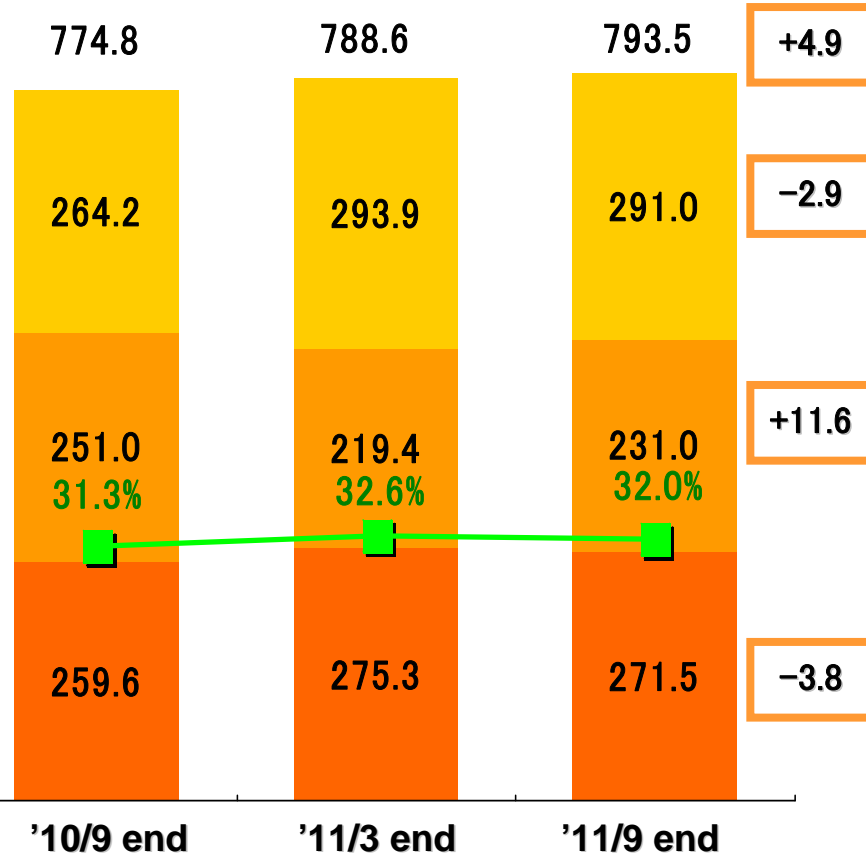
US\$:	83.82	83.15	76.65
Euro:	114.24	117.57	104.11

Liabilities and Net Assets

■ Net Assets ■ Non-Current Liabilities ■ Current Liabilities ■ Ratio of Net Worth to Total Capital

(Billions of yen)

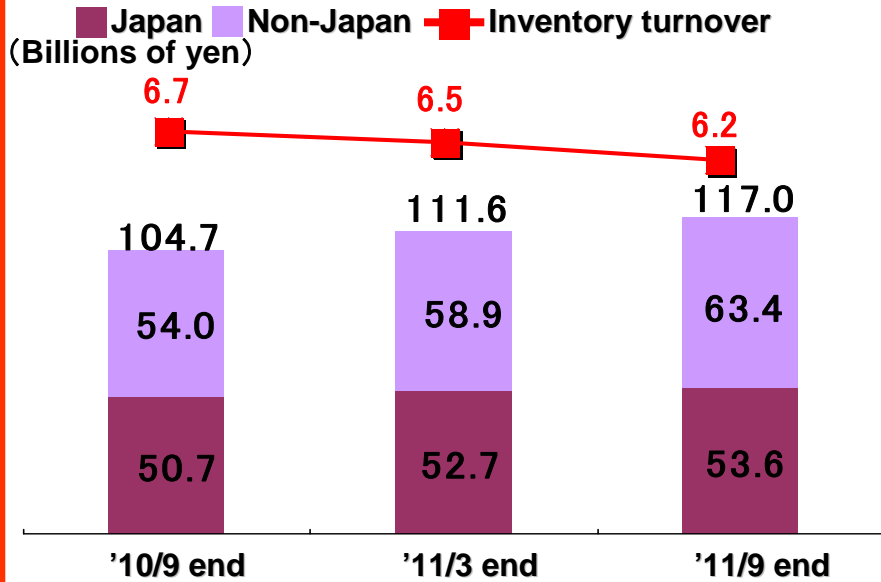
Change YOY



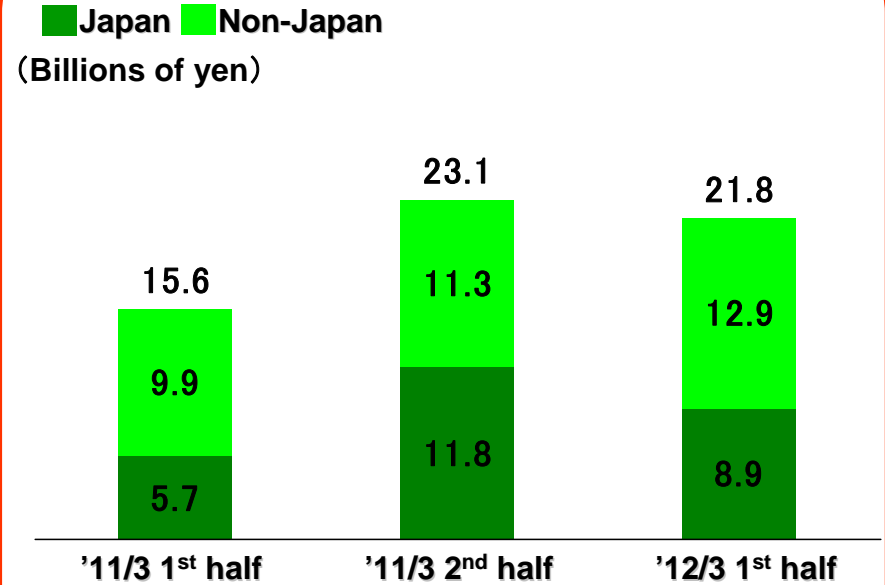
US\$:	83.82	83.15	76.65
Euro:	114.24	117.57	104.11

Inventory/ Interest-Bearing Debt, Capital Expenditure/ Depreciation

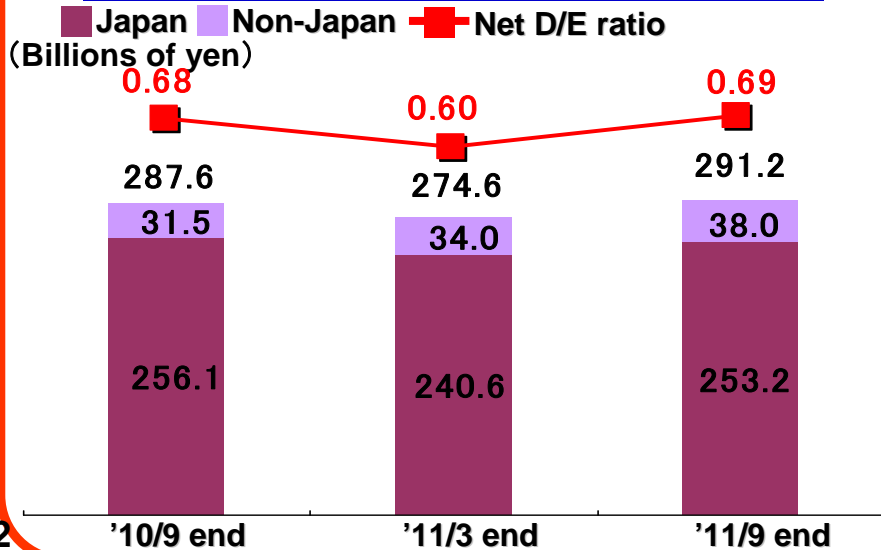
Inventories



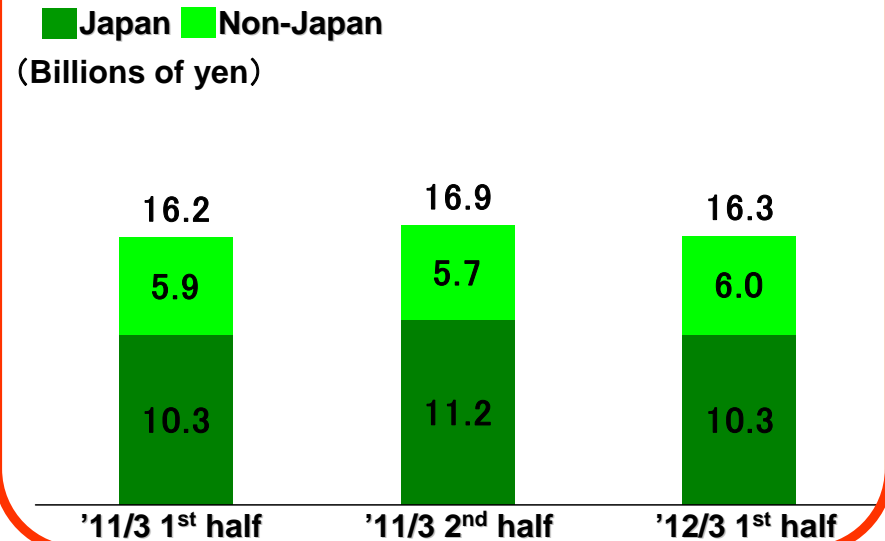
Capital Expenditure



Interest Bearing-Debt



Depreciation and Amortization



2

Consolidated Business Forecast for the Year Ending March 31, 2012

Revised Business Forecast

- ✓ **Maintain sales and operating income to the original plan in June, despite concerns about slowdown in some industrial sectors and the appreciation of the Yen.**
- ✓ **YOY Increase in both sales and operating income**
(Sales ¥19.6 billion +2.8%, Operating income ¥6.5 billion +14.9%)
- ✓ **Exchange rate forecast: US\$=¥75.0, EURO=¥105.0**

Forecasted Business Environment for the 2nd Half

- ✓ **Uncertain global economy, despite full demand recovery in the Japanese economy**
- ✓ **Closely observe impact of flood in Thailand**
- ✓ **Industrial Machinery Bearings:**
 - **Machine Tools / Pumps & compressors:** maintain steady demand but some risks of slowdown exist
 - **HDD/Semiconductors/LED products:** remain in adjustment phase
- ✓ **Automotive:**
 - **Japanese** : recovery in domestic production, recovery in overseas inventory level
 - **Non-Japanese:** production slowdown by local Chinese automakers ,
steady production by US Big3 and European automakers

Summary of Consolidated Business Forecast for the Year Ending March 31, 2012



(Billions of yen)	'11/3	'12/3					
	Full Year <Actual>	1 st half <Actual>	2 nd half <Revised Forecast>	Full Year <Revised Forecast>	Difference YOY	Change YOY	Full Year <Original Forecast>
Sales	710.4	351.9	378.1	730.0	+19.6	+2.8%	730.0
Operating income	43.5	22.9	27.1	50.0	+6.5	+14.9%	50.0
<%>	<6.1%>	<6.5%>	<7.2%>	<6.8%>			<6.8%>
Ordinary income	38.6	21.8	24.2	46.0	+7.4	+19.2%	46.0
Income before tax	38.2	21.8	24.2	46.0	+7.8	+20.4%	46.0
Net income	26.1	14.4	16.6	31.0	+4.9	+18.8%	31.0
<Exchange rate> (1US\$=)	(¥85.63)	(¥79.70)	(¥75)	(¥77.35)			(¥80)
(1EURO=)	(¥112.92)	(¥114.64)	(¥105)	(¥109.82)			(¥110)

Profitability improvement initiatives

- Step up measures for resistance to Ex-rate fluctuations
(Local production, promote localization, optimal parts procurement)
- Reorganize global production network
- Reduce external procurement costs
- Respond to raw material cost increase
- Reduce fixed costs and SGA

Accelerate response speed to match changing demand

- Vigilance against signs of demand trends
- Quick response to demand changes
- Reduce inventory

Continue implementing strategy for mid-term growth

- Selective capital investment focused on growing regions
(emerging countries) and growing sectors (EPS)
- Strengthen product development for sustainable growth

Forecast by Business Segment



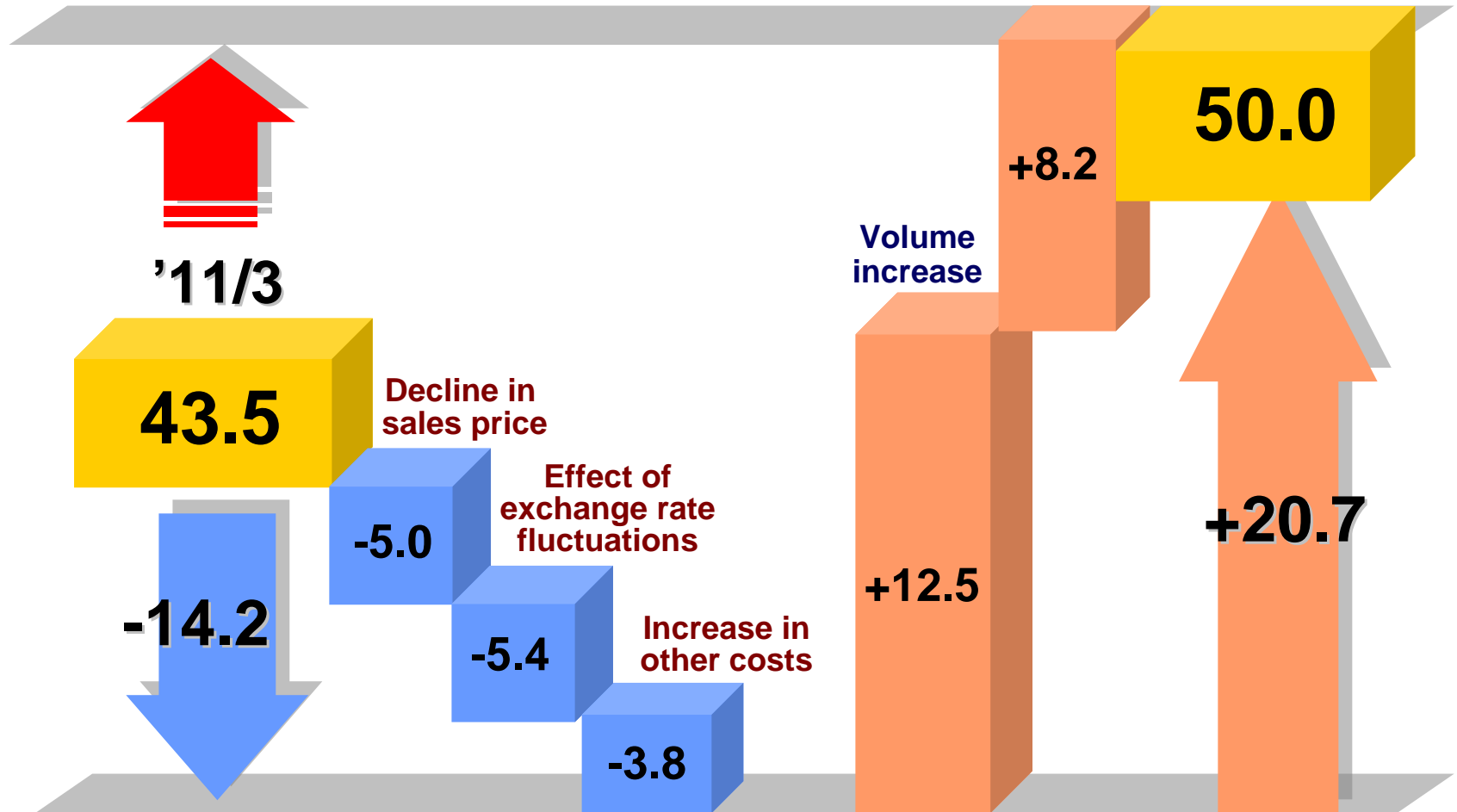
(Billions of yen)	11/3		12/3				
	Full year <Actual>	1st half <Actual>	2nd half <Revised forecast>	Full year <Revised forecast>	Increase/ decrease YOY	Change YOY	Full year <Original forecast>
Sales	710.4	351.9	378.1	730.0	+19.6	+2.8%	730.0
Industrial machinery business	259.1	133.1	128.9	262.0	+2.9	+1.1%	265.0
Industrial machinery bearings	199.9	108.7	106.3	215.0	+15.1	+7.6%	215.5
Precision machinery and parts	59.2	24.4	22.6	47.0	-12.2	-20.6%	49.5
Automotive business	424.2	200.1	237.9	438.0	+13.8	+3.3%	432.0
Automotive bearings	216.7	103.3	117.2	220.5	+3.8	+1.8%	220.0
Automotive components	207.5	96.8	120.7	217.5	+10.0	+4.8%	212.0
Other	53.1	32.8	27.2	60.0	+6.9	+13.0%	62.0
Eliminations	-26.0	-14.1	-15.9	-30.0	-4.0	-	-29.0
Operating income	43.5 <6.1%>	22.9 <6.5%>	27.1 <7.2%>	50.0 <6.9%>	+6.5	+14.9%	50.0 <6.8%>
Industrial machinery business	20.4 <7.9%>	15.0 <11.3%>	14.5 <11.3%>	29.5 <11.3%>	+9.1	+44.6%	29.5 <11.1%>
Automotive business	26.9 <6.3%>	9.2 <4.6%>	15.3 <6.4%>	24.5 <5.6%>	-2.4	-8.9%	24.5 <5.7%>
Other	3.5 <6.5%>	2.0 <6.2%>	1.0 <3.7%>	3.0 <5.0%>	-0.5	-14.3%	3.0 <4.8%>
Eliminations/ Corporate	-7.3	-3.3	-3.7	-7.0	+0.3	-	-7.0

Operating income : Factors Behind Increase ('11/3 ⇒ '12/3 Revised forecast)

(Billions of yen)

Difference from '11/3
+6.5

'12/3 Revised forecast



Forecast by Customer Location

(Billions of yen)	11/3			12/3					Full year <Original forecast>
	1st half <Actual>	2nd half <Actual>	Full year <Actual>	1st half <Actual>	2nd half <Revised forecast>	Full year <Revised forecast>	Increase/ decrease YOY	Change YOY	
Sales	352.8	357.6	710.4	351.9	378.1	730.0	+19.6	+2.8%	730.0
Japan	176.0	178.5	354.5	170.9	185.6	356.5	+2.0	+0.6%	359.0
Non-Japan	176.8	179.1	355.9	181.0	192.5	373.5	+17.6	+4.9%	371.0
(Non-Japan ratio)	(50.1%)	(50.0%)	(50.1%)	(51.4%)	(50.9%)	(51.2%)			(50.8%)
The Americas	43.6	41.9	85.5	39.0	42.0	81.0	-4.5	-5.3%	84.0
Europe	49.5	52.7	102.2	54.7	51.8	106.5	+4.3	+4.2%	103.0
Asia	83.7	84.5	168.2	87.3	98.7	186.0	+17.8	+10.6%	184.0
(Asia Ratio)	(23.7%)	(23.6%)	(23.7%)	(24.8%)	(26.1%)	(25.5%)			(25.2%)
China Only	43.1	39.5	82.6	44.8	50.2	95.0	+12.4	+15.0%	95.0

Forecast by Geographical Segment

(Billions of yen)	11/3			12/3					
	1st half <Actual>	2nd half <Actual>	Full year <Actual>	1st half <Actual>	2nd half <Actual>	Full year <Actual>	Increase/ Decrease YOY	Change YOY	Full year <Original forecast>
Sales	352.8	357.6	710.4	351.9	378.1	730.0	+19.6	+2.8%	730.0
Japan	264.0	268.3	532.3	262.7	276.3	539.0	+6.7	+1.3%	539.0
The Americas	43.2	41.5	84.7	38.9	42.1	81.0	-3.7	-4.4%	82.0
Europe	50.5	54.6	105.1	55.7	55.8	111.5	+6.4	+6.1%	106.0
Asia	69.8	71.0	140.8	78.4	92.1	170.5	+29.7	+21.1%	166.0
Eliminations	-74.7	-77.8	-152.5	-83.8	-88.2	-172.0	-19.5	-	-163.0
Operating income	20.3 <5.8%>	23.2 <6.5%>	43.5 <6.1%>	22.9 <6.5%>	27.1 <7.2%>	50.0 <6.9%>	+6.5	+14.9%	50.0 <6.8%>
Japan	14.8 <5.6%>	17.6 <6.6%>	32.4 <6.1%>	17.5 <6.7%>	18.5 <6.7%>	36.0 <6.7%>	+3.6	+11.1%	36.5 <6.8%>
The Americas	1.9 <4.4%>	2.2 <5.3%>	4.1 <4.8%>	1.8 <4.6%>	2.2 <5.2%>	4.0 <4.9%>	-0.1	-2.4%	3.5 <4.3%>
Europe	2.2 <4.3%>	2.6 <4.8%>	4.8 <4.5%>	1.6 <2.8%>	1.4 <2.5%>	3.0 <2.7%>	-1.8	-37.5%	3.0 <2.8%>
Asia	5.7 <8.2%>	5.4 <7.6%>	11.1 <7.9%>	5.8 <7.4%>	8.7 <9.5%>	14.5 <8.5%>	+3.4	+30.6%	14.0 <8.4%>
Eliminations/ Corporate	-4.3	-4.6	-8.9	-3.8	-3.7	-7.5	+1.4	-	-7.0

3

Progress of Mid-Term Plan

Outline of the FY'09~FY'12 Mid-Term Plan



Outline of the Mid-term Plan

Net Sales ¥780.0 billion
Operating Income Margin 8.5%



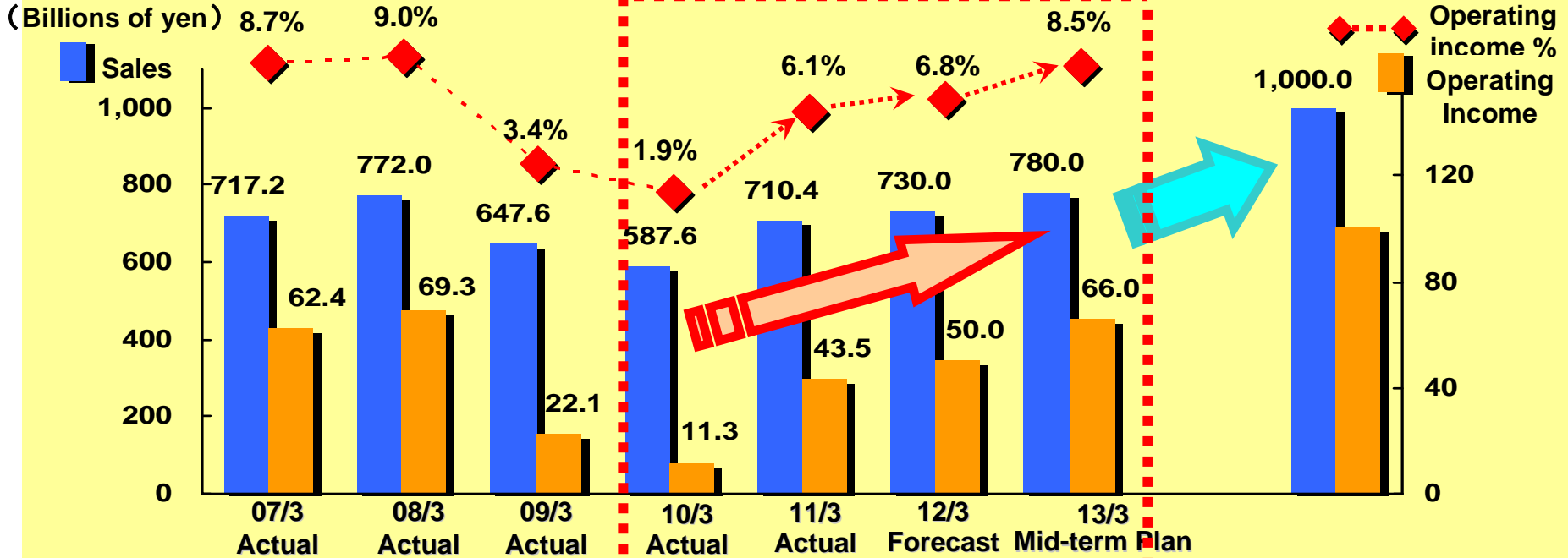
Numerical targets

	'13/3 Forecast
Net Sales	¥780.0 billion
Operating Income	¥66.0 billion
Ordinary Income	¥62.0 billion
Net Income	¥37.0 billion
Operating Income (margin)	8.5%
ROE	14.0%
Net D/E ratio (times)	0.5

Mid-Term Plan Progress

FY06~FY08 Mid-Term Plan

FY09~FY12 Mid-Term Plan



ROE	14.0%	16.1%	1.8%	2.0%	10.3%	14.0%
Net D/E	0.69	0.56	0.85	0.73	0.60	0.5
\$	116.93	114.55	100.74	92.83	85.63	90
Euro	150.35	162.22	144.47	130.89	112.92	120

Steadily progressing despite the impact of the appreciation of the yen and the Great East Japan Earthquake

Aiming towards a 1 trillion yen company with substantial evolution

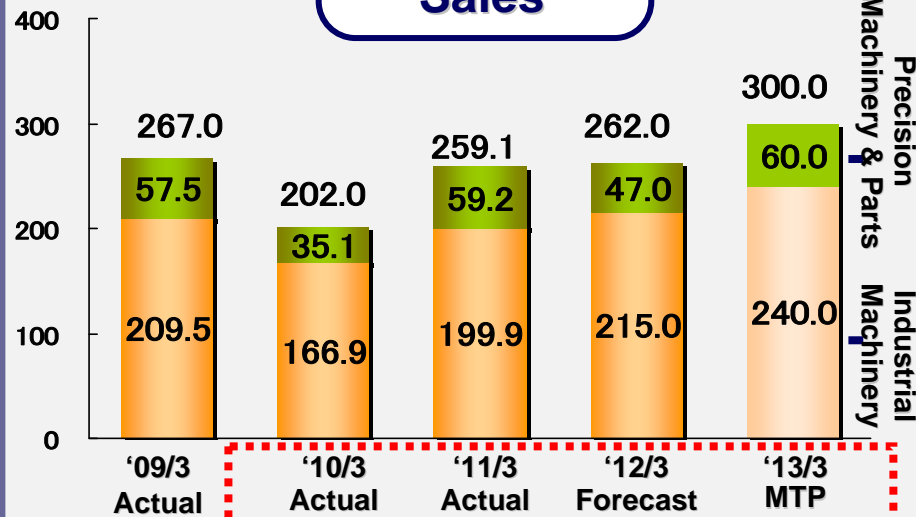
Mid-Term Plan Progress –By Business Segment



Industrial Machinery Business

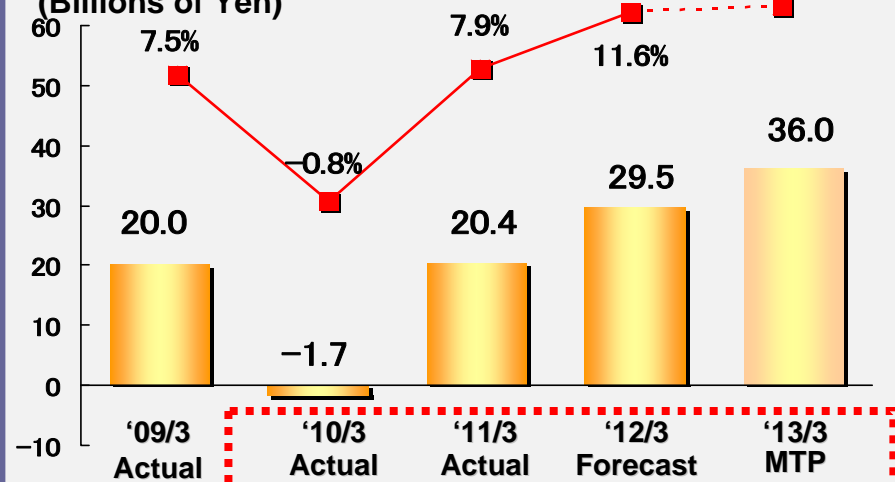
(Billions of Yen)

Sales



Operating Income/Margin

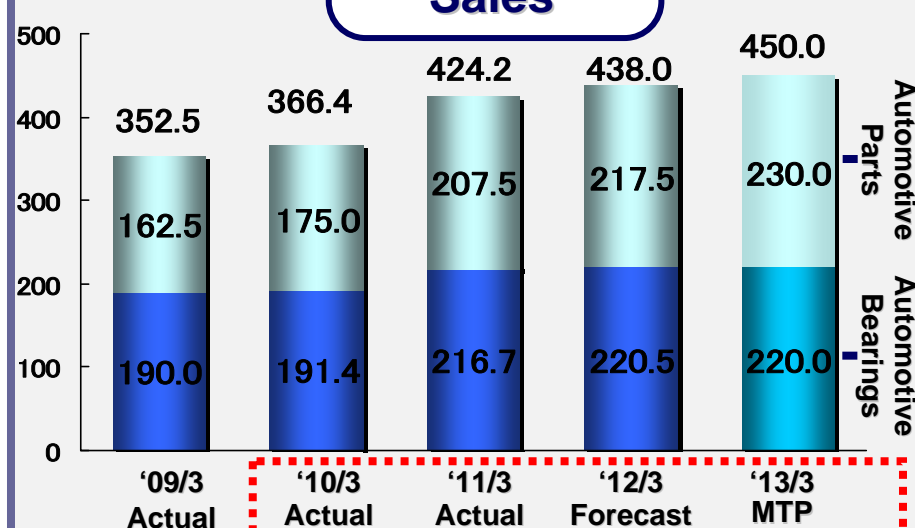
(Billions of Yen)



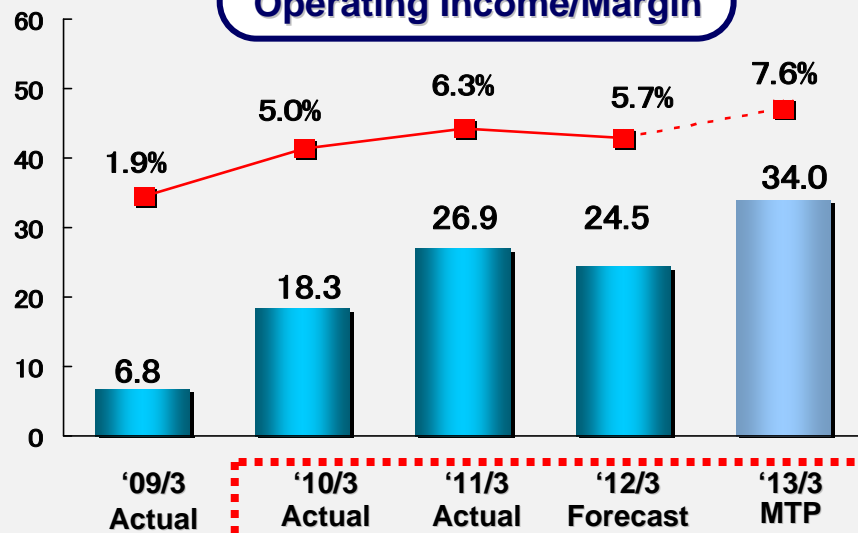
Automotive Business

(Billions of Yen)

Sales



Operating Income/Margin

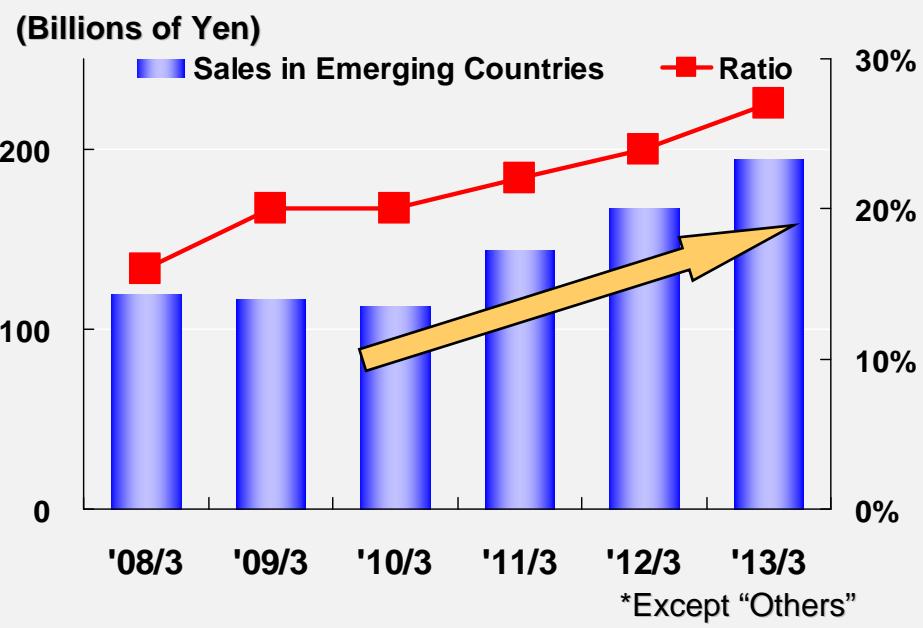


Growth Strategy ① Expand to Emerging countries



Sales expansion to emerging countries

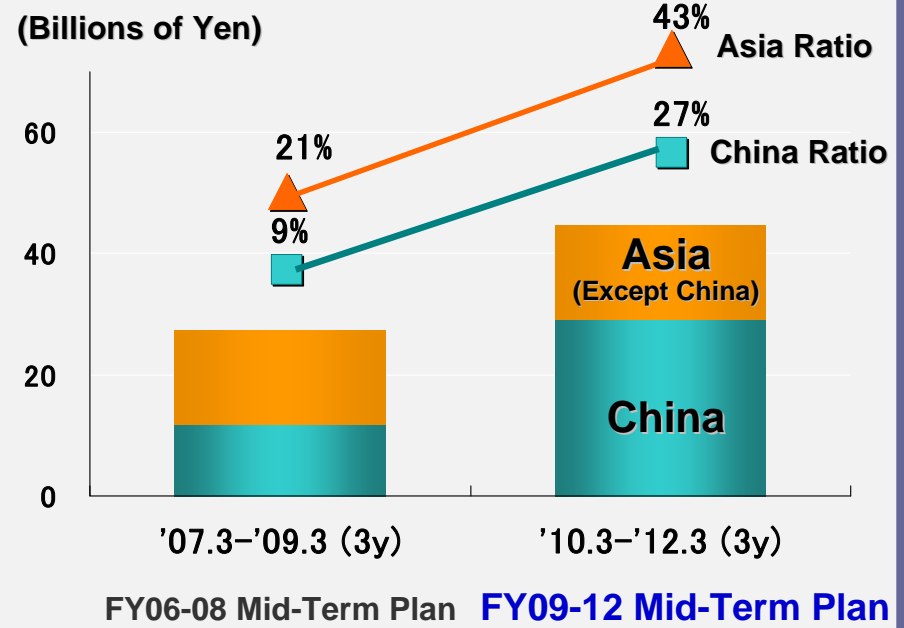
Sales in Emerging Countries / Ratio



- Expanding presence in emerging markets
- Raise sales ratio for emerging countries
⇒ in the high 20s (%)
- Penetrate markets and further expand

Increase production capacity

CAPEX in Asia and China / Ratio



- Intensive production capacity increase in growing regions
- Asia Ratio 20% ⇒ Above 40%
- Secure and strengthen competitiveness

Driving Role in Mid-Term Growth Strategy

Growth Strategy ② Base expansion in China

Production Capacity Increase in Northeastern / Inland China



New Production Site in Inland China (Hefei Plant)

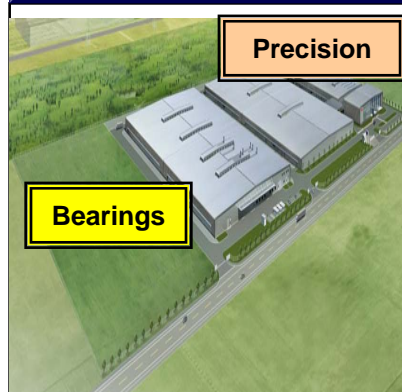


- 12th production site in China
- Establish production base in inland Area
- Manpower saving and high efficiency supported by advanced equipment
- Adopt localized equipment
- Mother Plant: Kunshan Plant
- Chinese President

Products	Ball Bearings for Automotive and Industrial Machinery
Production Start	August 2012 (Planned)

- Further expansion in growing markets
- Strengthen advantages
 - Ball bearings
 - Automotive
 - Electrical
- Penetrate targeted sectors
 - Large-sized bearings
 - precision machinery and parts
- Bases for sales expansion to local customers

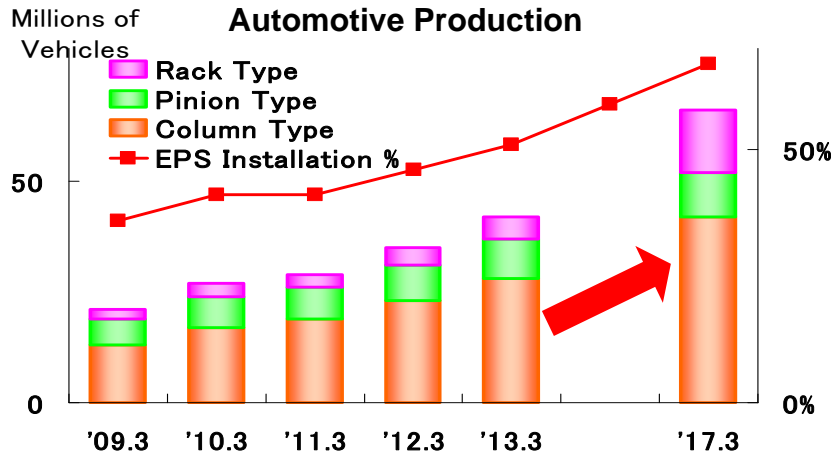
Full Operation at Northeastern China (Shenyang Plant)



- Establish full product line-up
- <Large-sized bearings>
 - Start full production at new plant (Jan'12)
 - Expansion Base for heavy industries
- <Precision Machinery and Parts> B/S
 - Complete production reorganization
 - Increase production capacity

Accelerate Global Expansion and Strong Product Development

EPS Demand Trend



Demand Trend and Key Strategies

<Demand Trend>

- EPS installation ratio continues to rise
- Increase of column type EPS supported by increase in demand for small vehicles
- Tightened safety standards

■ Increase production capacity

- Launch EPS production in Thailand
- Assured start of production for new projects in each region

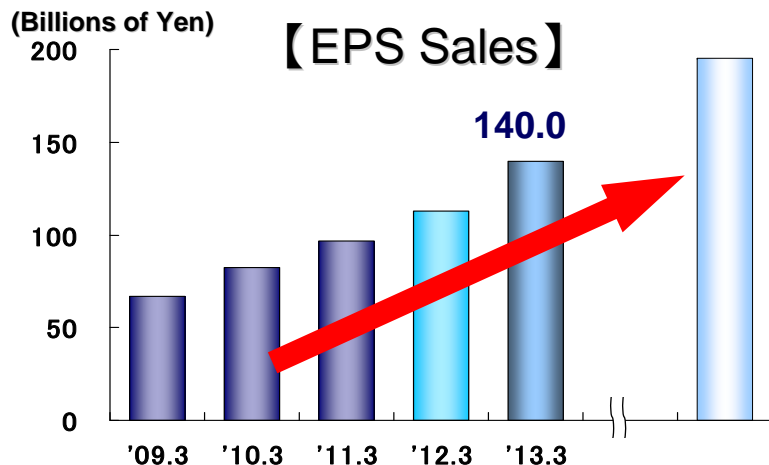
■ Improve development capability for next generation projects

- Launch new EPS R&D structure
- Improve EPS system development

■ Profitability improvement

- Promote local production, procurement
- Improve pre-processing procedures
- Optimize component procurement

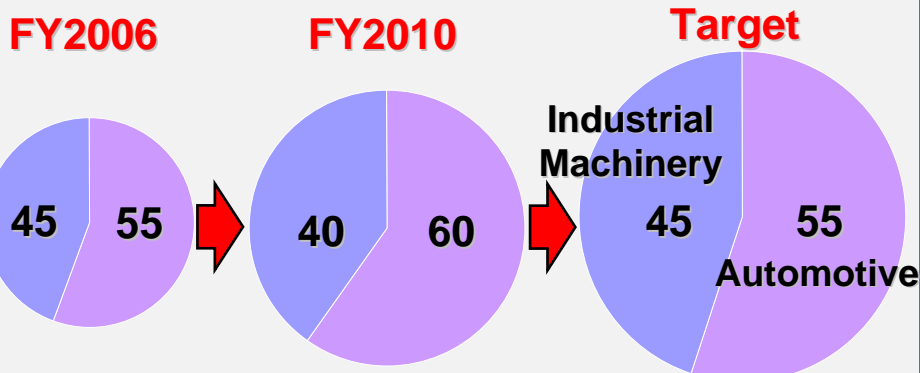
Accelerate Further Growth



Business Portfolio Evolution

Overall Business Segment

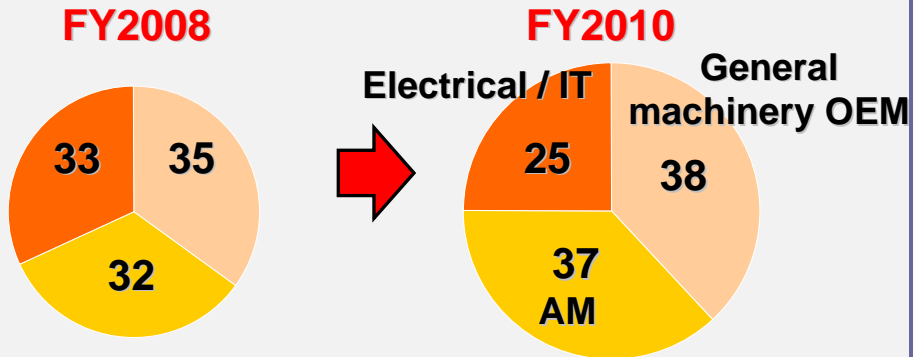
◇ Improve Automotive/Industrial Machinery ratio



- Return industrial machinery / automotive ratio to 45:55

Industrial machinery bearings

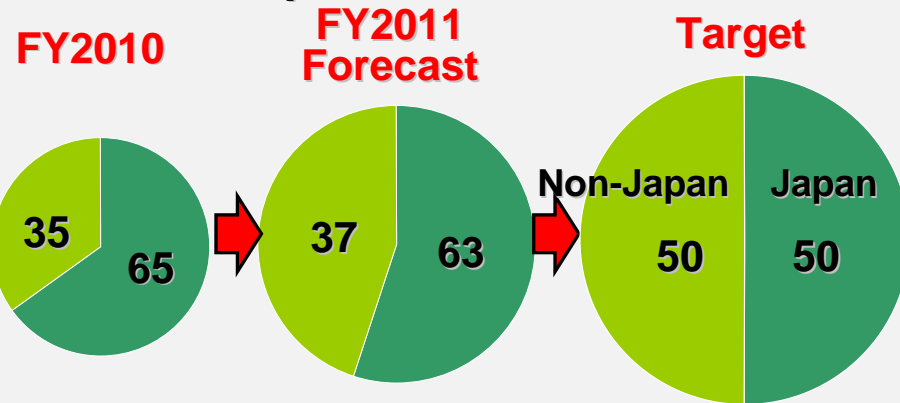
◇ Increase General Machinery / AM ratio



- Further increase of General machinery OEM and AM ratio

Production Ratio Improvement

Overseas production ratio increase



◇ Japan / Non-Japan ratio ⇒ 50:50

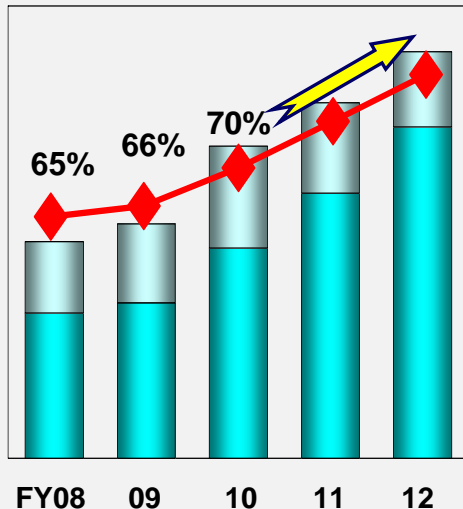
- Achieve and maintain production ratio same as sales
- Develop infrastructure for local demand and local production
- Enhance resistance to exchange fluctuations

Production reorganization / Overseas production capacity increase

- increase capacity in emerging countries and growing industries
- Promote production reorganization focused on cost competitiveness
- Effective utilization of current equipment

Promote Localization

Local procurement ratio of materials and parts



- ◇ Steel
- ◇ Pre-Process
- ◇ Parts
- ◇ Equipment

◆◆ : Local procurement Ratio %
 ■ : Local Procurement ■ : KD

Enhance non-Japan production bases

Increase local added value

Strong resistance to exchange fluctuations

Localized supply chain

“True overseas production capability”

Manpower Saving

- Manpower saving through production technology (Automation)
- Manpower saving through capacity increase (APS)

Fixed cost reduction

Strategies for staff retention rate

Strong Global Management

- Recruit non-Japanese management staff at Japan HQ
- Non-Japanese staff in important global posts
- Localized administration at mother plants and R&D centers
- Begin Global Management College

Establish autonomous management

(Supplementary Information)

(Supplementary Information) Capital expenditure, Depreciation and Amortization, R&D expenses

(Billions of yen)	FY10 Actual	FY11 1 st half Actual	FY11 Forecast
Capital expenditure(*)	38.7	21.8	46.0
Japan	17.5	8.9	17.0
Non-Japan	21.2	12.9	29.0
The Americas	3.0	0.7	2.5
Europe	3.3	1.8	4.5
Asia	14.9	10.4	22.0

*Excluding intangible assets

(Billions of yen)	FY10 Actual	FY11 1 st half Actual	FY11 Forecast
Depreciation and Amortization(*)	33.1	16.3	35.0

*Excluding intangible assets

(Billions of yen)	FY10 Actual	FY11 1 st half Actual	FY11 Forecast
R&D Expenses	10.5	5.0	11.5