

NSK Ltd.

For Immediate Release

May 11, 2012

CONSOLIDATED RESULTS FOR THE YEAR ENDED MARCH 31, 2012 (Unaudited) [JP GAAP]

Company name	NSK Ltd.
Stock exchanges on which the shares are listed	Tokyo and Osaka Stock Exchanges in Japan
Code number	6471
URL	http://www.nsk.com
Representative	Norio Otsuka, President and CEO
Contact person	Yoshio Saito, Senior Vice President
Date of the ordinary general shareholders' meeting	June 22, 2012
Payment date of cash dividends	June 01, 2012
Filing date of securities report	June 22, 2012

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Highlights for the Year Ended March 31, 2012

(1) Consolidated financial results

(% of changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Year ended Mar. 31, 2012	733,192	3.2	44,417	2.1	42,004	8.9	28,514	9.2
Year ended Mar. 31, 2011	710,431	20.9	43,524	285.0	38,572	407.6	26,110	447.9
(Note) Comprehensive income	Year ended Mar. 31, 2012		29,519 million yen		(85.9%)			
	Year ended Mar. 31, 2011		15,877 million yen		(-20.2%)			

	Net income per share	Net income per share	Return on equity	Ordinary income	Operating income
	- Basic	- Diluted	(ROE)	/Total assets	margin
	Yen	Yen	%	%	%
Year ended Mar. 31, 2012	52.75	52.75	10.6	5.1	6.1
Year ended Mar. 31, 2011	48.30	48.29	10.3	4.9	6.1

(Note) Equity in earnings of affiliates Year ended Mar. 31, 2012 3,481 million yen Year ended Mar. 31, 2011 3,568 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of Mar. 31, 2012	845,073	299,066	33.2	518.56
As of Mar. 31, 2011	788,626	275,269	32.6	475.45

(Note) Equity capital As of Mar. 31, 2012 280,312 million yen As of Mar. 31, 2011 257,012 million yen

(3) Consolidated results of cash flow

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at the end of the period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Year ended Mar. 31, 2012	57,158	(56,090)	14,637	135,307
Year ended Mar. 31, 2011	64,973	(33,348)	(32,966)	120,333

2. Cash Dividends

(Record date)	Cash dividends per share			Total dividend	Dividend payout ratio	Dividend on net assets
	Interim	Year-end	Full-year total	(Full-year)	(Consolidated)	(Consolidated)
	Yen	Yen	Yen	Millions of Yen	%	%
Year ended Mar. 31, 2011	5.00	6.00	11.00	5,950	22.8	2.4
Year ended Mar. 31, 2012	6.00	6.00	12.00	6,491	22.7	2.4
Year ending Mar. 31, 2013 (Forecast)	6.00	6.00	12.00		21.6	

3. Forecast of Consolidated Results for the Year Ending March 31, 2013

(% of changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Six months ending Sep. 30, 2012	385,000	9.4	22,000	-4.1	20,000	-8.4	12,000	-16.6	22.20
Year ending Mar. 31, 2013	780,000	6.4	50,000	12.6	46,000	9.5	30,000	5.2	55.50

4. Others

(1) Changes in the significant subsidiaries during the period (Changes in specified subsidiaries resulting in change in the scope of consolidation): None

(2) Changes in accounting policies, procedures and disclosures for presenting consolidated financial statements

(i) Changes due to newly issued accounting pronouncements: Yes

(ii) Changes excluding the above: None

(iii) Changes in accounting estimates: None

(iv) Restatement of corrections: None

(3) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding at the end of each period (including treasury stock):

As of Mar. 31, 2012 551,268,104 shares As of Mar. 31, 2011 551,268,104 shares

(ii) Number of treasury stock at the end of each period:

As of Mar. 31, 2012 10,708,237 shares As of Mar. 31, 2011 10,702,137 shares

(iii) Average number of shares issued and outstanding in each period:

Year ended Mar. 31, 2012 540,563,542 shares Year ended Mar. 31, 2011 540,583,220 shares

(Reference)

1. Non-Consolidated Financial Highlights for the Year Ended March 31, 2012

(1) Non-consolidated financial results

(% of changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Year ended Mar. 31, 2012	490,355	0.4	16,782	74.2	18,244	81.3	8,404	-4.0
Year ended Mar. 31, 2011	488,639	25.7	9,634	—	10,065	—	8,753	55.8

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
Year ended Mar. 31, 2012	15.53	15.53
Year ended Mar. 31, 2011	16.18	16.18

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of Mar. 31, 2012	716,096	245,582	34.2	452.95
As of Mar. 31, 2011	688,191	241,670	35.0	445.67

(Note) Equity capital As of Mar. 31, 2012 245,041 million yen As of Mar. 31, 2011 241,101 million yen

Cautionary Statement with Respect to Forward-Looking Statements

The forecasts in this document are based on currently available information, and actual results may materially differ from any future results expressed herein due to various factors.

Please refer to page 3 "Business Forecast for the year ending March 31, 2013" for the assumptions and preconditions on which the forecast has been based on.

1. Business Overview

(1) Qualitative Information Regarding Consolidated Business Results

During the fiscal year ended March 31, 2012, economic growth appeared to steady for the first half of the year, supported by recovery from the impact of the Great East Japan Earthquake and continued economic expansion in emerging countries, particularly China and the ASEAN region. However, in the second half of the year, economic growth showed a downturn due to the effect of flooding in Thailand and financial uncertainty in several European countries.

In this economic situation, the NSK Group has striven to reduce costs and to ensure the continued stable supply of high quality products to minimize the effect of the Great East Japan Earthquake and the Thailand Floods. As a result, consolidated net sales totaled ¥733,192 million, a year-on-year increase of 3.2%, and operating income totaled ¥44,417 million, a year-on-year increase of 2.1%. Ordinary income was ¥42,004 million, a year-on-year increase of 8.9%. Net income after adjusting for tax expenses and minority interests was ¥28,514 million, a year-on-year increase of 9.2%, including a ¥744 million extraordinary loss on devaluation of investment securities.

Business Segment Information

① Industrial Machinery Business Segment

In the industrial machinery bearings business, although demand has slowed since the beginning of the third quarter, sales of both industrial machinery bearings and precision machinery and parts increased thanks to economic growth in emerging countries and demand recovery in the countries in which NSK operates. Looking at results on a regional basis, in Japan, while sales in the machine tool sector increased supported by higher demand, both domestically and overseas, particularly in China, sales in the semiconductor sector decreased. In the Americas and Europe, demand from the industrial machinery sector and aftermarket sector increased with the gradual economic recovery, and in China, demand in aftermarket sector and IT/electrical sector increased. Overall, demand expanded steadily.

As a result, net sales in the industrial machinery business totaled ¥255,835 million, a year-on-year decrease of 1.3%, reflecting the impact of segment transfer of systemized products. Despite reduced export profit margins caused by the strong Japanese yen, operating income was ¥25,689 million, a year-on-year increase of 26.1%, supported by higher volume, and reduced external procurement costs.

② Automotive Business Segment

In the automotive business, although there were several temporary impacts such as the Great East Japan Earthquake and the Thailand Floods, demand for both automotive bearings and automotive products increased. Looking at the geographic breakdown, in Japan, production volume increased due to the rapid recovery from the earthquake, and in the Americas, despite a decline in production by Japanese automakers due to the earthquake, the automotive market recovered gradually and demand for electric power steering (EPS) systems increased. In Europe, although stagnation in the market has become marked, demand for hub unit bearings increased. In Asia, despite the impact of the slowing Chinese economy and the Thailand Floods, demand expanded, mainly for EPS systems. As a result, net sales in the automotive business totaled ¥444,585 million, a year-on-year increase of 4.8%, and operating income totaled ¥22,637 million, a year-on-year decrease of 15.8% due to the appreciation of the Japanese yen.

Business Forecast for the Year Ending March 31, 2013

The global economic outlook remains uncertain due to the risk of slowing growth stemming from uncertainty in several European countries and rising crude oil prices caused by the volatile situation in the Middle East. However, we expect gradual economic expansion mainly in emerging countries and forecast our financial results for the year ending March 31, 2013 as follows, due to the following factors.

(Millions of yen)	<u>Year ending Mar. 31, 2013</u>
Net sales	¥ 780,000
Operating income	50,000
Ordinary income	46,000
Net income	30,000

●Exchange rate forecast for the year ending March 31, 2013:
U.S.\$1=¥80, 1Euro=¥105

●Industrial machinery

We expect demand to increase in ASIA in the second half of the year, as well as a steady increase in demand for machine tools. We therefore expect sales in this segment to increase year-on-year.

●Automotive products

We expect automotive demand in emerging countries to continue to expand, and we therefore forecast that sales in this segment will increase year-on-year.

Notes

All forecasts are based on a number of assumptions for business environment and policies, and are subject to change with various factors. Actual financial results may differ materially and NSK Ltd. accepts no liability whatsoever for any direct or consequential loss arising from any use of this report.

(2) Qualitative Information Regarding Consolidated Financial Position

Assets and Liabilities

Total assets were ¥845,073 million, an increase of ¥56,447 million, compared to total assets as of March 31, 2011. The main reasons for this increase were increases of ¥19,218 million in notes and accounts receivable, ¥14,680 million in marketable securities, ¥15,738 million in property, plant and equipment, and ¥2,604 million in investment securities.

Total liabilities were ¥546,007 million, an increase of ¥32,649 million, compared to total liabilities as of March 31, 2011. The main reasons for this increase were an increase of ¥13,504 million in notes and accounts payable and ¥49,504 million in long-term loans. These offset a decrease of ¥30,000 million in corporate bonds.

Net assets

Net assets totaled ¥299,066 million, an increase of ¥23,797 million, compared to net assets as of March 31, 2011. The main reasons for this increase are ¥28,514 million in net income and ¥2,553 million in valuation difference on available-for-sale securities. These offset a decrease of ¥2,375 million in translation adjustments.

Cash Flows

Total cash and cash equivalents at the end of the period were ¥135,307 million, a year-on-year increase of ¥14,974 million.

① Net cash flow provided by operating activities

Net cash flow provided by operating activities totaled ¥57,158 million, a decrease of ¥7,815 million, compared to the same period previous year. This includes ¥41,259 million in income before tax expenses and minority interests, ¥35,807 million provided by depreciation and amortization and an increase of ¥13,620 million in notes and accounts payable, which offset an increase of ¥19,831 million in notes and accounts receivable and ¥10,288 million in income taxes paid.

② Net cash flow used in investing activities

Cash flow used in investing activities totaled ¥56,090 million, an increase of ¥22,741 million, compared to the same period previous year. This includes ¥50,580 million in purchase of property, plant and

equipment.

③ Net cash flow used in financing activities

Net cash flow used in financing activities totaled ¥14,637 million, a decrease of ¥47,604 million, compared to the same period previous year. This includes ¥4,610 million in net increase in short-term loans, and ¥63,493 million in increase in long-term loans, which offset ¥16,355 million of repayments of long-term loans, ¥30,300 million of payments for redemption of corporate bonds, and ¥6,490 million of dividends paid.

	As of Mar. 31, 2009	As of Mar. 31, 2010	As of Mar. 31, 2011	As of Mar. 31, 2012
Shareholders' equity to total assets (%)	31.4	31.4	32.6	33.2
Shareholders' equity to total assets at market value (%)	27.4	50.5	49.1	40.7
Debt redemption period (Years)	27.4	6.0	4.2	5.2
Interest coverage ratio (Times)	2.0	9.2	14.0	11.8

•Shareholders' equity to total assets (%): Shareholders' equity/Total assets

•Shareholders' equity to total assets at market value (%): Market capitalization/Total assets

•Debt redemption period (Years): Interest bearing debts/Net cash provided by operating activities

•Interest coverage ratio: Net cash provided by operating activities/Interest paid

(Notes) 1. All indices have been calculated based on consolidated data.

2. Market capitalization has been calculated as:

"Closing share price at end of the year" × "Common shares outstanding at end of the year"

3. Net cash provided by operating activities refers to the net cash provided by operating activities on the consolidated statements of cash flows. Interest-bearing debts refer to the total amount of liabilities paying interests on the balance sheet.

(3) Basic Policy on Appropriation of Retained Earnings and Dividends

NSK places great importance on shareholder returns. We will maintain our basic policy of issuing a consistent dividend, and ensure that our dividends better reflect our consolidated payout ratio and business results.

Considering this dividend policy, the year-end dividend for the fiscal year ended March 31, 2012 will be 6.00 yen per share. The full year dividend will be ¥12.00 per share with a dividend of ¥6.00 per share for the first half of the year, paid on December 2, 2011.

Dividend for the year ending March 31, 2013 is planned to be ¥12.00 per share. (¥6.00 per share for the first half year).

2. Management Policy Statement

(1) Basic Management Policies

NSK aims to contribute to the well-being and safety of society and to protect the global environment through its innovative technology integrating “MOTION & CONTROL”. We are guided by our vision of NSK as a truly international enterprise, and are working across national boundaries to improve relationships between people throughout the world.

We have the following management principles to achieve our goals.

- ① To serve our customers through innovative and responsive solutions, taking advantage of our world leading technologies.
- ② To provide challenges and opportunities to our employees, channeling their skills and fostering their creativity and individuality.
- ③ To identify the needs of the times and of the future and to use all of NSK’s resources to meet those needs by being versatile, responsive and dynamic.
- ④ To work together with our employees and contribute to the communities in which we operate.
- ⑤ To manage our business from an international perspective and to develop a strong presence throughout the world.

(2) Key Indicators

NSK will focus on improving its asset efficiency to increase return on equity (ROE) and net debt-equity ratio and recognizes operating income margin as a key indicator of profit stability.

(3) Mid-Term Strategies

In October 2009, we launched our new mid-term plan for the period through to March 31, 2013. In this plan, NSK’s mid-term vision is to “Become No.1 in Total Quality”. This encompasses not only quality in products, which is the most fundamental requirement of a manufacturer, but also in all the services we provide. In addition to the usual two pillars of growth strategy and profitability enhancement as our basic policies, we will accelerate customer and business-based management, which are supported by sales, production and technology departments through reinforcement of business-based management. By promoting these policies, we will build a business foundation in preparation for next growth phase, which will take place in a dramatically changed business environment.

To achieve our mid-term vision, we have executed the following five key strategies:

- (1) Reinforcement of marketing capability
- (2) Reinforcement of product development capability
- (3) Reinforcement of production capability
- (4) Reinforcement of global management
- (5) Reinforcement of human resource development

(4) Key Management Tasks

During the fiscal year ending March 31, 2013, the external business environment is still uncertain with various risks such as economic stagnation in emerging countries, and exchange rate fluctuations. Despite this environment, we will push forward with our two basic policies – growth strategy and profitability improvement – through business-based management.

To achieve these basic policies, on the sales side, we will strengthen sales expansion efforts to emerging countries such as China and India.

On the production side, we will enhance production capacity, including reorganization and improvement of global production sites. Through these measures, we will accelerate our business-based management, which is supported by the sales, production and technology departments.

In addition, we recognize that contributing to the reduction of global energy loss through our business activities is our social responsibility, and for this reason we will steadily improve our environmental management levels. NSK contributes to global environmental protection by meeting increasingly tough demands for energy conservation, and by further expanding our line-up of environmentally-friendly products.

The headquarters and its relevant sales branches of NSK Ltd. (“NSK”) were investigated on July 26 and 27, 2011, by the Japan Fair Trade Commission (“JFTC”) in relation to the Japan Antimonopoly Act regarding sales of bearings of NSK. Our sales subsidiary in Germany was inspected on November 8, 2011 (local time), by the European Commission in relation to EU competition law regarding sales of bearings. In addition, our subsidiary in the U.S. received from the United States Department of Justice a subpoena, which requested that it provide information regarding sales of bearings on November 9, 2011 (local time). Furthermore, on April 20, 2012, NSK was searched by the Special Investigation Department of the Tokyo District Public Prosecutors Office and JFTC in relation to the Japan Antimonopoly Act.

NSK and the NSK Group are cooperating fully with authorities in Japan and elsewhere in their respective investigations.

NSK apologizes sincerely to our shareholders, customers, and other stakeholders for the great deal of concern caused by these developments.

NSK solemnly and sincerely accepts the situation, and has dedicated various efforts to strengthen its compliance system further. As a part of these efforts, on March 15, 2012, NSK established a Compliance Committee, an internal framework at the upper level of management to promote various company-wide compliance measures under the direct guidance and supervision of the president and the executive officers in charge of the divisions. The committee will formulate policies intended to strengthen the level of compliance within NSK. In order to effectively implement such policies, the committee will decide on and promote measures designed to enhance compliance, and it will monitor and supervise the implementation of these measures. The committee will periodically report on the results of these activities to NSK’s Board of Directors. Furthermore, to ensure an objective standpoint, the committee will solicit proposals and advice based on expert opinions by inviting external experts as advisers. The committee intends to reflect such proposals and advice in measures intended to further enhance the compliance system. Under policies formulated by the committee, NSK will implement measures to strengthen compliance, such as training programs for all employees.

Moreover, for the further strengthening of the compliance system, NSK has made the necessary improvements to its internal rules, such as revisions of the “NSK Code of Corporate Ethics”, the “NSK Corporate Governance Rules”, and the “Compliance Rules”, and establishment of the new “Rules for Compliance with the Competition Law”.

Under the new compliance framework, NSK intends to step up its efforts on a company-wide basis to ensure that the business activities of the entire company adhere strictly to applicable laws and regulations, and that they are conducted based on its social responsibilities as a corporation.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets:		
Cash and deposits	71,047	72,726
Notes and accounts receivable	136,016	155,234
Short-term investment securities	51,387	66,067
Finished goods	61,871	62,881
Work in process	36,582	37,476
Raw materials and supplies	13,195	15,059
Deferred tax assets	10,452	9,244
Others	38,966	36,957
Less allowance for doubtful accounts	(934)	(1,015)
Total current assets	418,584	454,631
Non-current assets:		
Property, plant and equipment		
Buildings and structures	189,953	193,952
Accumulated depreciation	(120,524)	(123,823)
Buildings and structures, net	69,429	70,129
Machinery, vehicles and equipment	502,261	517,980
Accumulated depreciation	(397,277)	(405,428)
Machinery, vehicles and equipment, net	104,983	112,551
Tools, furniture and fixtures	55,655	57,831
Accumulated depreciation	(48,858)	(50,615)
Tools, furniture and fixtures, net	6,797	7,216
Land	37,554	37,173
Lease assets	2,328	2,686
Accumulated depreciation	(1,017)	(1,283)
Lease assets, net	1,311	1,403
Construction in progress	15,830	23,170
Total property, plant and equipment	235,906	251,644
Intangible fixed assets		
Goodwill	1,854	1,168
Others	8,655	11,357
Total intangible fixed assets	10,509	12,526
Investments and other assets		
Investment securities	72,207	74,811
Long-term loans receivable	250	285
Deferred tax assets	2,693	2,461
Prepaid pension costs	42,339	42,712
Others	6,599	6,465
Less allowance for doubtful accounts	(463)	(464)
Total investments and other assets	123,626	126,271
Total non-current assets	370,042	390,442
Total assets	788,626	845,073

(Millions of Yen)

	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities:		
Notes and accounts payable	124,103	137,607
Short-term loans	65,298	70,569
Current portion of long-term loans payable	16,144	13,834
Current portion of corporate bonds	30,300	30,000
Accrued income taxes	6,061	4,764
Others	51,973	51,725
Total current liabilities	293,881	308,501
Non-current liabilities:		
Corporate bonds	65,000	35,000
Long-term loans	97,842	147,346
Deferred tax liabilities	22,471	22,118
Accrued employees' retirement benefits	21,142	20,990
Accrued officers' retirement benefits	1,689	1,592
Reserves for environmental safety measures	160	136
Others	11,170	10,321
Total non-current liabilities	219,475	237,506
Total liabilities	513,357	546,007
Net assets		
Shareholders' equity		
Common stock	67,176	67,176
Additional paid-in capital	78,334	78,340
Retained earnings	155,062	178,186
Treasury stock	(4,180)	(4,188)
Total shareholders' equity	296,392	319,514
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,213	14,766
Translation adjustments	(51,593)	(53,969)
Total accumulated other comprehensive income	(39,379)	(39,202)
Share subscription rights	569	540
Minority interests	17,686	18,212
Total net assets	275,269	299,066
Total liabilities and net assets	788,626	845,073

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

Consolidated Statements of Operations

(Millions of Yen)

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012
Net sales	710,431	733,192
Cost of sales	562,952	585,008
Gross profit	147,478	148,184
Selling, general and administrative expenses		
Packing and haulage expenses	17,631	17,188
Sales commission	1,685	1,534
Salaries and wages	36,634	36,159
Welfare expenses	5,731	6,122
Retirement payments	283	443
Provision for retirement benefits	2,823	3,227
Provision for officers' retirement benefits	325	345
Rent expenses	5,834	5,714
Depreciation and amortization	3,369	3,512
Transportation and communication expenses	4,827	4,919
Provision of allowance for doubtful accounts	85	142
Research and development expenses	9,087	8,913
Others	15,636	15,544
Total selling, general and administrative expenses	103,954	103,767
Operating income	43,524	44,417
Non-operating income:		
Interest income	864	748
Dividend income	878	1,052
Equity in earnings of affiliated companies	3,568	3,481
Others	2,865	3,304
Total non-operating income	8,177	8,586
Non-operating expenses:		
Interest expenses	4,656	4,906
Product compensation	3,125	1,751
Exchange loss	1,388	1,213
Others	3,957	3,127
Total non-operating expenses	13,128	10,999
Ordinary income	38,572	42,004
Extraordinary loss:		
Loss on devaluation of investment securities	333	744
Total extraordinary loss	333	744
Income before tax expenses and minority interests	38,239	41,259
Current income taxes	10,219	10,274
Deferred income taxes	586	1,607
Total income taxes	10,805	11,881
Income before minority interests	27,434	29,378
Minority interests	1,324	863
Net income	26,110	28,514

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012
Income before minority interests	27,434	29,378
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,535)	2,532
Translation adjustments	(10,032)	(2,371)
Share of other comprehensive income of associates accounted for using equity method	9	(19)
Total other comprehensive income	(11,557)	141
Comprehensive income	15,877	29,519
(Details)		
Comprehensive income attributable to parent company	15,118	28,678
Comprehensive income attributable to minority interests	758	840

(3) Consolidated Statements of Changes in Net Assets

(Millions of Yen)

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012
Shareholders' equity		
Common stock		
Balance at the beginning of current period	67,176	67,176
Balance at the end of current period	67,176	67,176
Additional paid-in capital		
Balance at the beginning of current period	78,330	78,334
Changes of items during the period		
Disposal of treasury stock	4	5
Total changes of items during the period	4	5
Balance at the end of current period	78,334	78,340
Retained earnings		
Balance at the beginning of current period	134,902	155,062
Changes of items during the period		
Cash dividends	(5,950)	(6,491)
Net income	26,110	28,514
Increase due to changes in fiscal year-ends of consolidated subsidiaries and affiliates	—	1,102
Total changes of items during the period	20,159	23,124
Balance at the end of current period	155,062	178,186
Treasury stock		
Balance at the beginning of current period	(4,160)	(4,180)
Changes of items during the period		
Purchase of treasury stock	(27)	(13)
Disposal of treasury stock	7	5
Total changes of items during the period	(19)	(8)
Balance at the end of current period	(4,180)	(4,188)
Total shareholders' equity		
Balance at the beginning of current period	276,248	296,392
Changes of items during the period		
Cash dividends	(5,950)	(6,491)
Net income	26,110	28,514
Increase due to changes in fiscal year-ends of consolidated subsidiaries and affiliates	—	1,102
Purchase of treasury stock	(27)	(13)
Disposal of treasury stock	12	11
Total changes of items during the period	20,144	23,121
Balance at the end of current period	296,392	319,514

(Millions of Yen)

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	13,701	12,213
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,487)	2,553
Total changes of items during the period	(1,487)	2,553
Balance at the end of current period	12,213	14,766
Translation adjustments		
Balance at the beginning of current period	(42,007)	(51,593)
Changes of items during the period		
Net changes of items other than shareholders' equity	(9,585)	(2,375)
Total changes of items during the period	(9,585)	(2,375)
Balance at the end of current period	(51,593)	(53,969)
Total other comprehensive income		
Balance at the beginning of current period	(28,306)	(39,379)
Changes of items during the period		
Net changes of items other than shareholders' equity	(11,073)	177
Total changes of items during the period	(11,073)	177
Balance at the end of current period	(39,379)	(39,202)
Share subscription rights		
Balance at the beginning of current period	423	569
Changes of items during the period		
Net changes of items other than shareholders' equity	146	(28)
Total changes of items during the period	146	(28)
Balance at the end of current period	569	540
Minority interests		
Balance at the beginning of current period	16,323	17,686
Changes of items during the period		
Net changes of items other than shareholders' equity	1,363	525
Total changes of items during the period	1,363	525
Balance at the end of current period	17,686	18,212
Total net assets		
Balance at the beginning of current period	264,688	275,269
Changes of items during the period		
Cash dividends	(5,950)	(6,491)
Net income	26,110	28,514
Increase due to changes in fiscal year-ends of consolidated subsidiaries and affiliates	—	1,102
Purchase of treasury stock	(27)	(13)
Disposal of treasury stock	12	11
Net changes of items other than shareholders' equity	(9,563)	675
Total changes of items during the period	10,580	23,797
Balance at the end of current period	275,269	299,066

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012
Operating activities		
Income before income taxes and minority interests	38,239	41,259
Depreciation and amortization	34,943	35,807
Amortization of goodwill	760	765
Increase (decrease) in allowance for doubtful accounts	(363)	111
Increase (decrease) in provision for retirement benefits and prepaid pension cost	822	(8)
Interest and dividend income	(1,743)	(1,800)
Interest expenses	4,656	4,906
Equity in losses (earnings) of affiliates	(3,568)	(3,481)
Loss (gain) on devaluation of investment securities	333	744
Decrease (increase) in notes and accounts receivable	(5,366)	(19,831)
Decrease (increase) in inventories	(10,312)	(4,933)
Increase (decrease) in notes and accounts payable	10,474	13,620
Others	3,567	83
Subtotal	72,444	67,244
Interest and dividends received	5,242	5,042
Interest paid	(4,638)	(4,840)
Income taxes paid	(8,074)	(10,288)
Net cash provided by operating activities	64,973	57,158
Investing activities		
Net decrease (increase) in time deposits	(874)	(2,126)
Purchase of short-term investment securities	(8,299)	(6,000)
Proceeds from sales of short-term investment securities	9,600	7,129
Purchase of property, plant and equipment	(33,543)	(50,580)
Proceeds from sales of property, plant and equipment	498	1,410
Purchase of investment securities	(140)	(1,492)
Proceeds from sales of investment securities	1,840	333
Proceeds from purchase of subsidiary companies' stock resulting in changes in scope of consolidation	15	—
Payments for loans receivable	(58)	(119)
Collection of loans receivable	344	199
Others	(2,730)	(4,843)
Net cash used in investing activities	(33,348)	(56,090)
Financing activities		
Net increase (decrease) in short-term loans	1,908	4,610
Increase in long-term loans	1,626	63,493
Repayments of long-term loans	(6,330)	(16,355)
Payments for redemption of corporate bonds	(25,000)	(30,300)
Acquisition of treasury stock	(22)	(9)
Dividends paid	(4,873)	(6,490)
Dividends paid to minority shareholders	(244)	(379)
Others	(29)	68
Net cash provided by (used in) financing activities	(32,966)	14,637
Effect of exchange rate changes on cash and cash equivalents	(1,762)	(573)
Net increase (decrease) in cash and cash equivalents	(3,103)	15,132
Cash and cash equivalents at beginning of the year	123,437	120,333

(Millions of Yen)

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012
Increase (decrease) in cash and cash equivalents resulting from changes in fiscal year-ends of consolidated subsidiaries	—	(157)
Cash and cash equivalents at end of the period	120,333	135,307

(5) Going Concern Assumption

None.

(6) Important Items Regarding the Preparation of the Consolidated Financial Statements

1. Items Regarding the Scope of Consolidated Subsidiaries and Affiliates

(1) Consolidated subsidiaries

Number of consolidated subsidiaries:

92 companies (22 Japanese entities and 70 non-Japanese entities).

Names of principle companies:

NSK Steering Systems Co., Ltd.,
NSK Precision Co., Ltd., NSK Needle Bearings Co., Ltd.,
Amatsuji Steel Ball Mfg. Co., Ltd., NSK Americas, Inc., NSK Brasil Ltda.,
NSK Europe Ltd., P.T. NSK Bearings Manufacturing Indonesia,
NSK (China) Investment Co., Ltd., Kunshan NSK Co., Ltd., NSK Korea Co., Ltd.

(2) Affiliated companies accounted for by the equity method

Number of affiliated companies accounted for by the equity method:

14 companies (9 Japanese entities and 5 non-Japanese entities).

Names of principle companies:

NSK-Warner Kabushiki Kaisha

(3) Changes in the scope of consolidated subsidiaries and affiliates

Consolidated subsidiaries

- Increase due to the inclusion of newly established entities: 2 companies

NSK Technology Co., Ltd.

Hefei NSK Co., Ltd.

2. Items Regarding the Balance Sheet Dates of Consolidated Subsidiaries

The balance sheet dates are December 31 for 3 non-Japanese subsidiaries, and February 28 for Kuribayashi Seisakusho Co., Ltd. In preparing the consolidated financial statements, the non-consolidated financial statements as of the aforementioned dates are used, and necessary adjustments are made for important transactions between consolidated subsidiaries occurring between the aforementioned dates and the consolidated balance sheet date.

Although the balance sheet date is December 31 for 14 subsidiaries including NSK (China) Investment Co. Ltd., the provisional settlement of accounts as of the consolidated balance sheet date (ie. March 31) are used for the preparation of consolidated financial statements.

Notes regarding items other than those mentioned above have been omitted as there have not been any significant changes to the notes disclosed in the most recent Securities Report (filed on June 24, 2011).

(7) Changes to Important Items Regarding the Preparation of the Consolidated Financial Statements

(Application of Accounting Standards for Per-Share Net Income)

From the subject fiscal year, the Company has applied "Accounting Standard for Earnings Per Share"(ASBJ Statement No.2, June 30, 2010); "Guidance on Accounting Standard for Earnings Per Share"(ASBJ Guidance No.4, June 30, 2010).

(8) Additional Information

(Application of Accounting Standard for Accounting Changes and Error Corrections)

For accounting changes and error corrections to be conducted from the beginning of the subject fiscal year, the Company has applied "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No.24, December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24, December 4, 2009).

(9) Notes to the Consolidated Financial Statements

(Change in matters concerning Consolidated Statements of Changes in Net Assets)

14 consolidated subsidiaries including NSK (China) Investment Co., Ltd. currently use an account closing date of December 31. In order to disclose consolidated financial information in an appropriate manner, these companies change their fiscal year end from December 31 to March 31. Profit and loss for 3 months of January to March 2011 has been adjusted for as retained earnings.

【Segment Information】

1. Outline of Reportable Segments

The Company has defined its reportable segments to be units composing the Company, for which financial information can be separately obtained. The Company's Board of Directors periodically monitors these business segments in order to determine the allocation of management resources and evaluate business results.

The Company's organization centers on its customer/product-based division headquarters, which plans comprehensive business strategies not only for business in Japan but globally. Therefore, the Company has decided to designate its customer/product-based Industrial Machinery Business segment and Automotive Business segment as its two reportable segments.

The Industrial machinery business is in charge of production and sales of industrial machinery bearings, ball screws, and linear guides.

The Automotive business is in charge of production and sales of bearings for car manufactures and automotive component manufacturers, steering columns and automatic transmission components.

Systemized products (photofabrication exposure equipment) have been moved from the "Industrial Machinery Business" segment to the "Others" segment from April 1, 2011.

2. Calculation Method of Sales, Income (Loss), Assets, Liabilities and Other Items by Reportable Segments

The accounting methods used in the accounting for reportable segments are basically the same as the "Important Items Regarding the Preparation of the Consolidated Financial Statements". Please note that the income (loss) figures of the reportable segments are operating income based figures.

Inter-segment sales and transfers are based on market-prices.

3. Sales, Income (Loss), Assets, Liabilities and Other Items by Reportable Segments

Year ended March 31, 2011

(Millions of Yen)

	Reportable segments			Others (Note)	Total	Adjustments	Consolidated
	Industrial machinery business	Automotive business	Sub-total				
Sales							
(1) Sales to third parties	259,095	424,157	683,253	27,178	710,431	—	710,431
(2) Inter-segment sales and transfers	—	—	—	25,930	25,930	(25,930)	—
Total	259,095	424,157	683,253	53,108	736,362	(25,930)	710,431
Segment income (loss) (Operating income)	20,379	26,898	47,278	3,500	50,778	(7,254)	43,524
Segment assets	269,886	320,709	590,595	80,273	670,869	117,757	788,626
Other items							
Depreciation and amortization	15,786	17,038	32,824	2,882	35,707	(764)	34,943
Investments in affiliated companies	3,772	12,515	16,288	629	16,917	—	16,917
Increase in tangible and intangible assets	16,927	21,099	38,027	3,636	41,664	(369)	41,294

(Note) "Others" includes production of plant and equipment, and production and sales of steel balls.

Year ended March 31, 2012

(Millions of Yen)

	Reportable segments			Others (Note)	Total	Adjustments	Consolidated
	Industrial machinery business	Automotive business	Sub-total				
Sales							
(1) Sales to third parties	255,835	444,585	700,420	32,772	733,192	—	733,192
(2) Inter-segment sales and transfers	—	—	—	28,256	28,256	(28,256)	—
Total	255,835	444,585	700,420	61,028	761,449	(28,256)	733,192
Segment income (Operating income)	25,689	22,637	48,327	3,258	51,586	(7,168)	44,417
Segment assets	260,825	357,405	618,231	82,287	700,518	144,555	845,073
Other items							
Depreciation and amortization	13,977	19,418	33,396	3,071	36,468	(660)	35,807
Investments in affiliated companies	4,245	12,445	16,690	601	17,291	—	17,291
Increase in tangible and intangible assets	18,638	29,892	48,530	6,766	55,297	(678)	54,619

(Note) "Others" includes production of plant and equipment, and production and sales of steel balls, and systemized products.

【Related Information】

Year ended March 31, 2011

1. Information by Products and Services

Same as 【Segment Information】 .

2. Information by Region**(1) Sales**

Year ended March 31, 2011

(Millions of Yen)

Japan	The Americas	Europe	China	Other Asia	Total
354,542	85,466	102,176	82,587	85,658	710,431

(2) Tangible assets

Year ended March 31, 2011

(Millions of Yen)

Japan	The Americas	Europe	China	Other Asia	Total
149,989	16,363	19,865	25,193	24,495	235,906

3. Information by Major Customers

Not applicable.

Year ended March 31, 2012

1. Information by Products and Services

Same as 【Segment Information】 .

2. Information by Region**(1) Sales**

Year ended March 31, 2012

(Millions of Yen)

Japan	The Americas	Europe	China	Other Asia	Total
363,754	86,267	107,958	89,068	86,143	733,192

(2) Tangible assets

Year ended March 31, 2012

(Millions of Yen)

Japan	The Americas	Europe	China	Other Asia	Total
148,039	16,830	20,884	40,866	25,022	251,644

3. Information by Major Customers

Not applicable.

【Per Share Information】

Year ended Mar. 31, 2011		Year ended Mar. 31, 2012	
Net income per share - Basic (Yen)	475.45	Net income per share - Basic (Yen)	518.56
Net income per share (Yen)	48.30	Net income per share (Yen)	52.75
Net income per share - Diluted (Yen)	48.29	Net income per share - Diluted (Yen)	52.75

Note: Net income per share and diluted net income per share have been calculated on the basis of the following data;

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012
Net income per share - Basic		
Net income (Millions of Yen)	26,110	28,514
Amounts not attributable to common stock (Millions of Yen)	—	—
Net income attributable to common stock (Millions of Yen)	26,110	28,514
Average number of shares outstanding during each period	540,583	540,563
Net income per share - Diluted		
Adjustments to net income (Millions of Yen)	—	—
Increase in number of common stock (Thousands of shares)	57	33
(Share subscription rights included (Thousands of shares))	(57)	(33)

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012
Outline of dilutive shares not included in the calculation of diluted net income per share as they do not have a dilutive effect	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 27, 2006 Number of share subscription rights: 662	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 27, 2006 Number of share subscription rights: 662
	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 26, 2007 Number of share subscription rights: 743	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 26, 2007 Number of share subscription rights: 743
	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 25, 2008 Number of share subscription rights: 785	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 25, 2008 Number of share subscription rights: 785
	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 25, 2010 Number of share subscription rights: 823	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 25, 2010 Number of share subscription rights: 823
		Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 24, 2011 Number of share subscription rights: 779

【Subsequent events】

Not applicable.

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2011	As of Mar. 31, 2012
Assets		
Current assets		
Cash and deposits	31,628	38,403
Notes receivable	7,576	11,707
Accounts receivables - trade	95,815	98,053
Marketable securities	45,107	63,056
Finished products	20,388	17,944
Work in process	11,240	9,747
Raw materials and supplies	1,589	1,630
Prepaid expenses	976	905
Deferred tax assets	5,110	4,034
Short-term loans - receivables	7,407	4,770
Accounts receivables - other	48,041	48,610
Others	3,089	3,042
Allowance for doubtful accounts	(159)	(185)
Total current assets	277,813	301,722
Non-current assets		
Property, plant and equipment		
Buildings	93,499	94,251
Accumulated depreciation	(66,649)	(67,853)
Buildings, net	26,850	26,397
Structures	8,228	8,192
Accumulated depreciation	(6,701)	(6,803)
Structures, net	1,526	1,389
Machinery and equipment	193,889	195,575
Accumulated depreciation	(161,918)	(165,209)
Machinery and equipment, net	31,970	30,365
Vehicles and transportation equipment	593	521
Accumulated depreciation	(545)	(486)
Vehicles and transportation equipment, net	47	34
Tools and spare parts	22,817	22,779
Accumulated depreciation	(20,896)	(21,111)
Tools and spare parts, net	1,921	1,667
Land	16,292	16,009
Lease assets	816	1,071
Accumulated depreciation	(250)	(437)
Lease assets, net	566	634
Construction in progress	2,969	2,297
Total property, plant and equipment	82,146	78,795
Intangible fixed assets		
Leasehold rights	983	983
Software	5,773	7,651
Others	317	133
Total intangible fixed assets	7,074	8,769

(Millions of Yen)

	As of Mar. 31, 2011	As of Mar. 31, 2012
Investment and other assets		
Investment securities	46,370	48,085
Affiliated company stocks	202,613	200,700
Investments in affiliated companies	23,295	28,450
Long-term loans - receivables	95	95
Long-term loans to affiliated companies - receivables	4,804	5,487
Claims provable in bankruptcy, claims provable in rehabilitation and other	147	146
Long-term prepaid expenses	129	148
Prepaid pension costs	40,127	39,965
Other investments and assets	3,973	4,132
Allowance for doubtful accounts	(399)	(402)
Total investments and assets	321,157	326,809
Total non-current assets	410,378	414,374
Total assets	688,191	716,096

(Millions of Yen)

	As of Mar. 31, 2011	As of Mar. 31, 2012
Liabilities		
Current liabilities		
Notes payable	1,837	1,702
Accounts payable - trade	123,881	138,274
Short-term loans	68,490	72,644
Current portion of long-term loans payable	14,000	8,000
Current portion of corporate bonds	30,000	30,000
Lease obligations	166	216
Accounts payable - other	10,365	9,275
Accrued expenses	13,991	12,643
Accrued income taxes	1,544	2,269
Advances received	603	13
Deposits received	977	1,351
Notes payable-facilities	62	83
Total current liabilities	265,920	276,474
Non-current liabilities		
Corporate bonds	65,000	35,000
Long-term loans	90,100	136,100
Long-term loans payable to subsidiaries and affiliates	4,000	3,000
Lease obligations	405	427
Deferred tax liabilities	16,788	15,713
Accrued employees' retirement benefits	379	—
Accrued officers' retirement benefits	1,689	1,592
Reserves for environmental safety measures	133	133
Other non-current liabilities	2,103	2,072
Total non-current liabilities	180,600	194,039
Total liabilities	446,520	470,513
Net assets		
Shareholders' equity		
Common stock	67,176	67,176
Additional paid-in capital		
Capital reserve	77,923	77,923
Other additional paid-in capital	265	271
Total additional paid-in capital	78,189	78,194
Retained earnings		
Legal reserve	10,292	10,292
Other retained earnings		
Reserve for R&D	1,627	1,627
Reserve for advanced depreciation	3,449	3,932
General reserves	61,766	64,266
Retained earnings carried forward	9,945	8,874
Total retained earnings	87,080	88,992
Treasury stock	(3,933)	(3,936)
Total shareholders' equity	228,512	230,426
Valuation, translation adjustments and other		
Unrealized holding gains on securities	12,588	14,614
Total valuation, translation adjustments and other	12,588	14,614
Share subscription rights	569	540

(Millions of Yen)

	As of Mar. 31, 2011	As of Mar. 31, 2012
Total net assets	241,670	245,582
Total liabilities and net assets	688,191	716,096

(2) Non-Consolidated Statements of Operations

(Millions of Yen)

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012
Net sales	488,639	490,355
Cost of sales	422,544	418,683
Gross profit	66,094	71,671
Selling, general and administrative expenses		
Packing and haulage expenses	12,264	11,587
Sales commission	2,629	1,976
Salaries and wages	15,134	14,491
Welfare expenses	2,170	2,253
Retirement payments	68	178
Provision for retirement benefits	1,639	1,785
Provision for officers' retirement benefits	325	345
Rent expenses	3,368	3,361
Depreciation and amortization	1,812	1,927
Transportation and communication expenses	1,715	1,642
Provision of allowance for doubtful accounts	—	25
Research and development expenses	6,059	5,978
Others	9,272	9,333
Total selling, general and administrative expenses	56,459	54,889
Operating income (loss)	9,634	16,782
Non-operating income:		
Interest income	295	197
Interest on securities	36	71
Dividend income	6,430	6,629
Others	1,024	888
Total non-operating income	7,787	7,787
Non-operating expenses:		
Interest expenses	2,077	2,260
Interest on bonds	1,779	1,528
Exchange losses	423	416
Product compensation	1,775	938
Others	1,300	1,180
Total non-operating expenses	7,356	6,325
Ordinary income (loss)	10,065	18,244
Extraordinary income:		
Gain on cancellation of shares due to absorption of a subsidiary	—	615
Total extraordinary income	—	615
Extraordinary expenses:		
Loss on devaluation of investment securities	332	744
Loss on valuation of stocks of subsidiaries and affiliates	—	6,189
Total extraordinary expenses	332	6,933
Income before income taxes	9,732	11,925
Current income taxes	(240)	3,172
Deferred income taxes	1,219	349
Total income taxes	979	3,521
Net income	8,753	8,404

(3) Non-Consolidated Statements of Changes in Net Assets

(Millions of Yen)

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012
Shareholders' equity		
Common stock		
Balance at the beginning of current period	67,176	67,176
Balance at the end of current period	67,176	67,176
Additional paid-in capital		
Capital reserves		
Balance at the beginning of current period	77,923	77,923
Balance at the end of current period	77,923	77,923
Other additional paid-in capital		
Balance at the beginning of current period	260	265
Changes of items during the period		
Disposal of treasury stock	4	5
Total changes of items during the period	4	5
Balance at the end of current period	265	271
Total additional paid-in capital		
Balance at the beginning of current period	78,184	78,189
Changes of items during the period		
Disposal of treasury stock	4	5
Total changes of items during the period	4	5
Balance at the end of current period	78,189	78,194
Retained earnings		
Legal reserves		
Balance at the beginning of current period	10,292	10,292
Balance at the end of current period	10,292	10,292
Other retained earnings		
Reserve for corporate research		
Balance at the beginning of current period	1,627	1,627
Balance at the end of current period	1,627	1,627
Reserve for advanced depreciation of fixed assets		
Balance at the beginning of current period	3,532	3,449
Changes of items during the period		
Provision of reserve for advanced depreciation of fixed assets	—	292
Reversal of reserve for advanced depreciation of fixed assets	(82)	(105)
Increase by change of tax rates	—	296
Total changes of items during the period	(82)	483
Balance at the end of current period	3,449	3,932
General reserve		
Balance at the beginning of current period	65,766	61,766
Changes of items during the period		
Provision of general reserve	—	2,500
Reversal of general reserve	(4,000)	—
Total changes of items during the period	(4,000)	2,500
Balance at the end of current period	61,766	64,266
Retained earnings carried forward		
Balance at the beginning of current period	1,978	9,945
Changes of items during the period		

(Millions of Yen)

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012
Cash dividends	(4,869)	(6,491)
Net income	8,753	8,404
Provision of reserve for advanced depreciation of fixed assets	—	(292)
Reversal of reserve for advanced depreciation of fixed assets	82	105
Provision of general reserve	—	(2,500)
Reversal of general reserve	4,000	—
Increase by change of tax rates	—	(296)
Total changes of items during the period	7,966	(1,071)
Balance at the end of current period	9,945	8,874
Total retained earnings		
Balance at the beginning of current period	83,196	87,080
Changes of items during the period		
Cash dividends	(4,869)	(6,491)
Net income	8,753	8,404
Provision of reserve for advanced depreciation of fixed assets	—	—
Reversal of reserve for advanced depreciation of fixed assets	—	—
Provision of general reserve	—	—
Increase by change of tax rates	—	—
Total changes of items during the period	3,884	1,912
Balance at the end of current period	87,080	88,992
Treasury stock		
Balance at the beginning of current period	(3,917)	(3,933)
Changes of items during the period		
Purchase of treasury stock	(22)	(9)
Disposal of treasury stock	7	5
Total changes of items during the period	(15)	(3)
Balance at the end of current period	(3,933)	(3,936)
Total shareholders' equity		
Balance at the beginning of current period	224,639	228,512
Changes of items during the period		
Cash dividends	(4,869)	(6,491)
Net income	8,753	8,404
Purchase of treasury stock	(22)	(9)
Disposal of treasury stock	12	11
Total changes of items during the period	3,873	1,914
Balance at the end of current period	228,512	230,426
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	14,287	12,588
Changes of items during the period		
Net change during the year, excluding items under shareholders' equity	(1,698)	2,025
Total changes of items during the period	(1,698)	2,025
Balance at the end of current period	12,588	14,614
Total valuation and translation adjustments		
Balance at the beginning of current period	14,287	12,588
Changes of items during the period		

(Millions of Yen)

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012
Net change during the year, excluding items under shareholders' equity	(1,698)	2,025
Total changes of items during the period	(1,698)	2,025
Balance at the end of current period	12,588	14,614
Share subscription rights		
Balance at the beginning of current period	423	569
Changes of items during the period		
Net change during the year, excluding items under shareholders' equity	146	(28)
Total changes of items during the period	146	(28)
Balance at the end of current period	569	540
Total net assets		
Balance at the beginning of current period	239,349	241,670
Changes of items during the period		
Cash dividends	(4,869)	(6,491)
Net income	8,753	8,404
Purchase of treasury stock	(22)	(9)
Disposal of treasury stock	12	11
Net change during the year, excluding items under shareholders' equity	(1,552)	1,997
Total changes of items during the period	2,321	3,911
Balance at the end of current period	241,670	245,582

(4) Notes on Going Concern Assumptions

Not applicable.

5. Others

(1) Investigations by Japan Fair Trade Commission

The headquarters and its relevant sales branches of NSK Ltd. (“NSK”) were investigated on July 26 and 27, 2011, by the Japan Fair Trade Commission (“JFTC”) in relation to the Japan Antimonopoly Act regarding sales of bearings of NSK. Our sales subsidiary in Germany was inspected on November 8, 2011 (local time), by the European Commission in relation to EU competition law regarding sales of bearings. In addition, our subsidiary in the U.S. received from the United States Department of Justice a subpoena, which requested that it provide information regarding sales of bearings on November 9, 2011 (local time). Furthermore, on April 20, 2012, NSK was searched by the Special Investigation Department of the Tokyo District Public Prosecutors Office and JFTC in relation to the Japan Antimonopoly Act.

NSK and the NSK Group are cooperating fully with authorities in Japan and elsewhere in their respective investigations.

In addition, these investigations are still continuing. As a result of the above, it is possible that NSK’s operation results will be affected.

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