

NSK Ltd.

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For Immediate Release

May 14, 2004

NON-CONSOLIDATED RESULTS FOR THE YEAR ENDED MARCH 31, 2004 (unaudited)

Financial highlights

	Year ended March 31		Change %
	2004	2003	
(Millions of yen)			
Net sales	¥348,842	¥332,421	4.9
Operating income	9,560	8,234	16.1
Ordinary income	5,399	4,390	23.0
Net income	3,167	3,290	-3.7
(Yen)			
Net income per share	¥ 5.59	¥ 5.82	—

Financial position

	As of	As of
	March 31, 2004	March 31, 2003
(Millions of yen)		
Total assets	¥ 566,471	¥ 526,202
Shareholders' equity	231,175	217,701
(%)		
Shareholders' equity to total assets	40.8%	41.4%
(Yen)		
Shareholders' equity per share	¥ 427.78	¥ 402.85

Non-consolidated balance sheets

(Millions of yen)	As of March 31,	As of March 31,	Increase Decrease
	2004	2003	
Assets			
Current assets	¥ 217,925	¥ 207,461	¥ 10,464
Cash and deposits	27,552	17,372	10,180
Notes receivable	986	906	80
Accounts receivable – trade	105,320	94,913	10,407
Marketable securities	8,496	17,339	-8,843
Inventories	16,230	18,433	-2,203
Accounts receivable – other	24,280	23,275	1,005
Deferred income taxes	7,308	2,461	4,847
Other current assets	27,780	32,778	-4,998
Less allowance for doubtful accounts	-28	-19	-9
Non-current assets	348,546	318,740	29,806
Property, plant and equipment	72,876	74,736	-1,860
Buildings and structures	29,518	31,275	-1,757
Machinery and equipment	23,847	24,258	-411
Vehicles and transportation equipment	107	137	-30
Tools and spare parts	2,009	2,098	-89
Land	15,154	15,127	27
Construction in progress	2,238	1,838	400
Intangible fixed assets	1,778	1,557	221
Investments and other assets	273,891	242,447	31,444
Investment securities	59,698	42,145	17,553
Investments in affiliated companies	170,865	176,131	-5,266
Long-term loans	17,567	2,217	15,350
Prepaid pension costs	21,972	14,495	7,477
Deferred tax assets	—	3,545	-3,545
Other investments and assets	4,874	5,052	-178
Less allowance for doubtful accounts	-1,087	-1,140	53
Total assets	¥ 566,471	¥ 526,202	¥ 40,269

Non-consolidated balance sheets (Continued)

(Millions of yen)	As of March 31,		Increase Decrease
	2004	2003	
Liabilities			
Current liabilities	¥ 197,907	¥ 146,774	¥ 51,133
Notes payable	3,268	4,757	-1,489
Accounts payable – trade	94,394	85,103	9,291
Short-term bank loans	47,672	34,804	12,868
Current portion of corporate bonds	20,000	10,000	10,000
Current portion of convertible bonds	16,989	—	16,989
Accounts payable – other	7,358	4,224	3,134
Accrued expenses	7,733	7,382	351
Accrued income taxes	63	17	46
Other current liabilities	427	485	-58
Long-term liabilities	137,389	161,727	-24,338
Corporate bonds	70,000	90,000	-20,000
Convertible bonds	—	16,989	-16,989
Long-term debt	52,500	52,500	—
Deferred tax liabilities	12,851	—	12,851
Accrued officers' retirement benefits	1,729	1,668	61
Other long-term liabilities	308	569	-261
Total liabilities	335,296	308,501	26,795
Shareholders' equity			
Common stock	67,176	67,176	—
Capital surplus	77,924	77,923	1
Capital reserve	77,923	77,923	—
Other reserves	0	—	0
Gain on disposal of NSK treasury stock	0	—	0
Retained earnings	71,695	71,348	347
Legal reserve	10,292	10,292	—
Other reserve	57,501	57,667	-166
Unappropriated retained earnings at the end of period	3,902	3,388	514
Unrealized holding gains on securities	18,416	5,274	13,142
Treasury stock	-4,038	-4,022	-16
Total shareholders' equity	231,175	217,701	13,474
Total liabilities and shareholders' equity	¥ 566,471	¥ 526,202	¥ 40,269

Non-consolidated statements of income

(Millions of yen)	Year ended March 31		Change %
	2004	2003	
Net sales	¥ 348,842	¥ 332,421	4.9
Cost of sales	303,066	288,230	5.1
Selling, general and administrative expenses	36,215	35,957	0.7
Operating income	<u>9,560</u>	<u>8,234</u>	<u>16.1</u>
Non-operating income:	<u>3,862</u>	<u>3,780</u>	<u>2.2</u>
Interest and dividend income	2,818	2,283	23.4
Other	1,043	1,497	-30.3
Non-operating expenses:	<u>8,023</u>	<u>7,624</u>	<u>5.2</u>
Interest expense	3,380	3,504	-3.5
Other	4,642	4,120	12.7
Ordinary income	<u>5,399</u>	<u>4,390</u>	<u>23.0</u>
Extraordinary income:	<u>7,990</u>	<u>15,932</u>	<u>-49.8</u>
Gain on sales of investment securities	7,525	3,150	138.9
Gain on sales of investments in affiliated companies	465	—	—
Gain on contribution of securities to employees' retirement benefit trust	—	11,891	—
Gain on sales of property, plant and equipment	—	890	—
Extraordinary losses:	<u>7,209</u>	<u>22,143</u>	<u>-67.4</u>
Loss on sales of investments in affiliated companies	7,209	851	747.0
Loss on devaluation of investment securities	—	14,052	—
Costs related to business restructuring	—	7,239	—
Income before income taxes	<u>6,180</u>	<u>-1,819</u>	<u>—</u>
Income taxes:			
Current	223	212	5.2
Refund	—	216	—
Deferred	2,789	-5,106	—
Net income	<u>¥ 3,167</u>	<u>¥ 3,290</u>	<u>-3.7</u>
Unappropriated retained earnings brought forward	2,084	1,464	
Interim dividends paid	1,350	1,365	
Unappropriated retained earnings at end of period	<u>¥ 3,902</u>	<u>¥ 3,388</u>	

Forecast for the year ending March 31, 2005

	(Millions of yen)
Net sales	¥ 376,000
Operating income	9,000
Ordinary income	7,500
Net income	4,500
Cash dividends per share to be paid	
Year-end	¥ 4.00
Annual (total)	8.00

Notes

All forecasts are based on a number of assumptions and subject to significant risks and uncertainties. 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.