

NSK Ltd.

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For Immediate Release

October 31, 2003

NON-CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2003 (unaudited)

Financial highlights

	Six months ended September 30		Change %
	2003	2002	
(Millions of yen)			
Net sales	¥166,225	¥160,195	3.8
Operating income	4,787	2,453	95.2
Ordinary income	2,836	538	426.5
Net income	3,072	3,735	-17.8
(Yen)			
Net income per share	¥ 5.69	¥ 6.79	

Cash dividends per share

	2003	2002
(Yen)		
Interim	¥ 2.50	¥ 2.50
Annual (total)	—	5.00

Financial position

	As of September 30, 2003	As of March 31, 2003
(Millions of yen)		
Total assets	¥ 540,207	¥ 526,202
Shareholders' equity	228,302	217,701
(%)		
Shareholders' equity to total assets	42.3%	41.4%
(Yen)		
Shareholders' equity per share	¥ 422.72	¥ 402.85

Non-consolidated balance sheets

(Millions of yen)	As of September 30, As of March 31,		Increase Decrease
	2003	2003	
Assets			
Current assets	¥ 190,187	¥ 207,461	¥ -17,274
Cash and deposits	5,578	17,372	-11,794
Notes receivable	964	906	58
Accounts receivable – trade	97,094	94,913	2,181
Marketable securities	9,055	17,339	-8,284
Inventories	17,185	18,433	-1,248
Accounts receivable – other	19,304	23,275	-3,971
Deferred income taxes	7,051	2,461	4,590
Other current assets	33,981	32,778	1,203
Less allowance for doubtful accounts	-28	-19	-9
Non-current assets	350,019	318,740	31,279
Property, plant and equipment	73,248	74,736	-1,488
Buildings and structures	30,359	31,275	-916
Machinery and equipment	23,968	24,258	-290
Vehicles and transportation equipment	128	137	-9
Tools and spare parts	2,117	2,098	19
Land	15,120	15,127	-7
Construction in progress	1,553	1,838	-285
Intangible fixed assets	1,711	1,557	154
Investments and other assets	275,059	242,447	32,612
Investment securities	55,803	42,145	13,658
Investments in affiliated companies	177,682	176,131	1,551
Long-term loans	14,746	2,217	12,529
Prepaid pension costs	22,899	14,495	8,404
Deferred tax assets		3,545	-3,545
Other investments and assets	5,061	5,052	9
Less allowance for doubtful accounts	-1,132	-1,140	8
Total assets	¥ 540,207	¥ 526,202	¥ 14,005

Non-consolidated balance sheets (Continued)

(Millions of yen)	As of September 30,	As of March 31,	Increase Decrease
	2003	2003	
Liabilities			
Current liabilities	¥ 151,533	¥ 146,774	¥ 4,759
Notes payable	4,935	4,757	178
Accounts payable – trade	78,178	85,103	-6,925
Short-term bank loans	35,533	34,804	729
Current portion of corporate bonds	20,000	10,000	10,000
Accounts payable – other	4,272	4,224	48
Accrued expenses	8,119	7,382	737
Accrued income taxes	17	17	—
Other current liabilities	476	485	-9
Long-term liabilities	160,370	161,727	-1,357
Corporate bonds	80,000	90,000	-10,000
Convertible bonds	16,989	16,989	—
Long-term debt	52,500	52,500	—
Deferred tax liabilities	8,932	—	8,932
Accrued officers' retirement benefits	1,591	1,668	-77
Other long-term liabilities	357	569	-212
Total liabilities	311,904	308,501	3,403
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	72,950	71,348	1,602
Legal reserve	10,292	10,292	—
Other reserve	57,501	57,667	-166
Unappropriated retained earnings at the end of period	5,156	3,388	1,768
Unrealized holding gains on securities	14,279	5,274	9,005
Treasury stock	-4,028	-4,022	-6
Total shareholders' equity	228,302	217,701	10,601
Total liabilities and shareholders' equity	¥ 540,207	¥ 526,202	¥ 14,005

Non-consolidated statements of income

(Millions of yen)	Six months ended September 30		
	2003	2002	Change %
Net sales	¥ 166,225	¥ 160,195	3.8
Cost of sales	143,296	139,366	2.8
Selling, general and administrative expenses	18,141	18,375	-1.3
Operating income	<u>4,787</u>	<u>2,453</u>	<u>95.2</u>
Non-operating income:	<u>2,068</u>	<u>1,695</u>	<u>22.1</u>
Interest and dividend income	1,545	987	56.5
Other	522	707	-26.1
Non-operating expenses:	<u>4,019</u>	<u>3,609</u>	<u>11.4</u>
Interest expense	1,734	1,758	-1.4
Other	2,284	1,850	23.5
Ordinary income	<u>2,836</u>	<u>538</u>	<u>426.5</u>
Extraordinary income:	<u>2,206</u>	<u>14,877</u>	<u>-85.2</u>
Gain on sales of investment securities	2,206	2,204	0.1
Gain on contribution of securities to employees' retirement benefit trust	—	11,891	—
Gain on sales of property, plant and equipment	—	780	—
Extraordinary losses:	<u>—</u>	<u>8,459</u>	<u>—</u>
Costs related to business restructuring	—	6,915	—
Loss on sales of investments in affiliated companies	—	851	—
Loss on devaluation of investment securities	—	692	—
Income before income taxes	<u>5,043</u>	<u>6,956</u>	<u>-27.5</u>
Income taxes:			
Current	87	20	335.0
Deferred	1,884	3,200	-41.1
Net income	<u>¥ 3,072</u>	<u>¥ 3,735</u>	<u>-17.8</u>
Unappropriated retained earnings brought forward	2,084	1,464	—
Unappropriated retained earnings at end of period	<u>¥ 5,156</u>	<u>¥ 5,200</u>	<u>—</u>

Forecast for the year ending March 31, 2004

	(Millions of yen)
Net sales	¥ 343,000
Operating income	9,000
Ordinary income	5,000
Net income	4,000
	(Yen)
Cash dividends per share to be paid	
Year-end	¥ 2.50
Annual (total)	5.00

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.