



NSK

CONSOLIDATED BUSINESS RESULTS

FOR THE FIRST QUARTER
ENDED JUNE 30, 2010

AUGUST, 3 2010

NSK Ltd.

Cautionary Statements with Respect to Forward-Looking Statements

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

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

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

Summary of

Consolidated Business Results for FY 2010:Q1



Business Results for FY 2010:Q1

- ✓ Demand from construction machinery, machine tool and general machinery manufacturers, and the aftermarket sector showed a clear upward trend.
- ✓ Demand from semi-conductor and liquid crystal production equipment manufacturers recovered rapidly.
- ✓ Due to economic growth in emerging countries and government stimulus policies, automotive production increased significantly compared to the previous fiscal year.
- ✓ Net sales were ¥174.0 billion (a year-on-year 50.2% increase). Operating income improved significantly from a ¥4.5 billion loss in the same period last year to a ¥10.3 billion profit this term. Although the strong Japanese yen had a negative effect, volume increase, improved productivity and reduction of external procurement costs contributed to improved results.

Expected Business Performance for FY 2010:Q2

- ✓ Demand recovery in the industrial machinery sector is expected to continue, while demand from semiconductor/liquid crystal production equipment manufacturers is expected to level off.
- ✓ In the automotive business, sales will enter an adjustment phase from 3Q due to risk of drop-off as stimulus policies end.
- ✓ We will continue profitability improvement countermeasures, paying attention to change in demand.

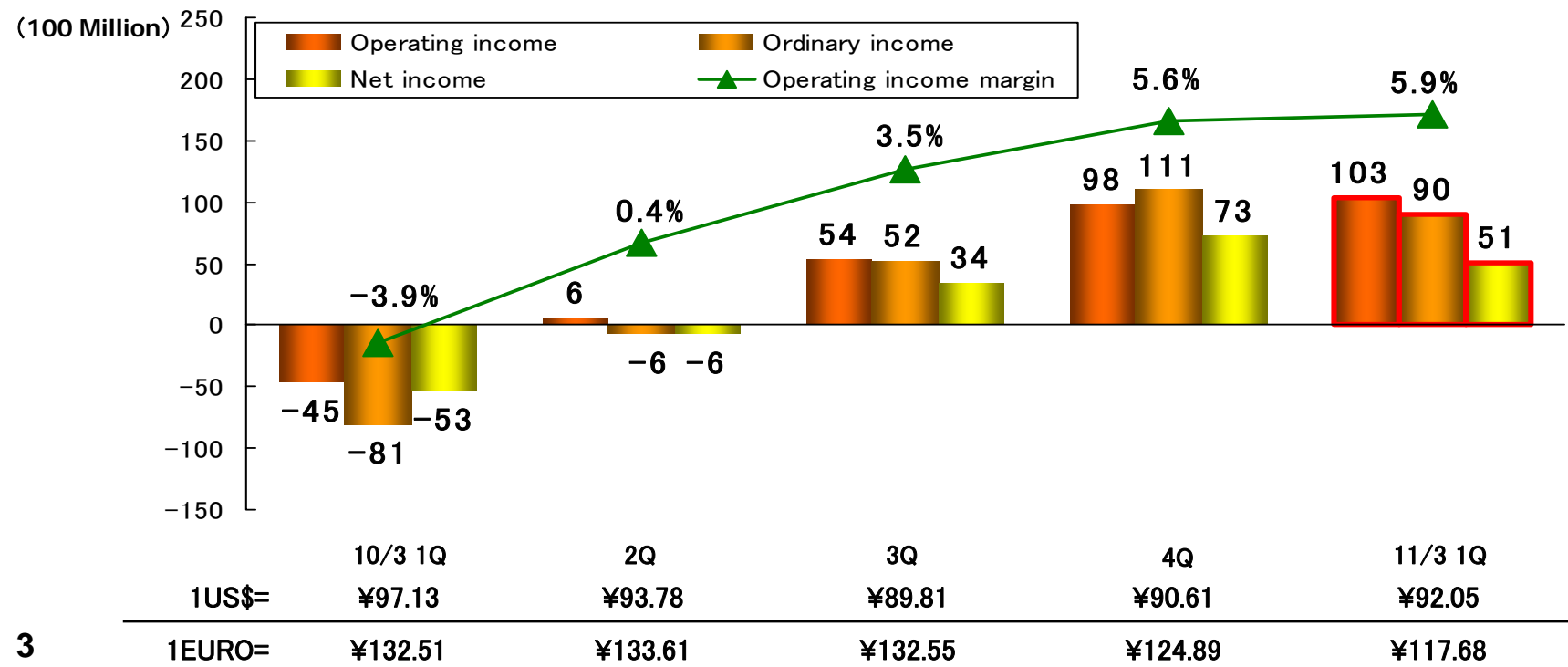
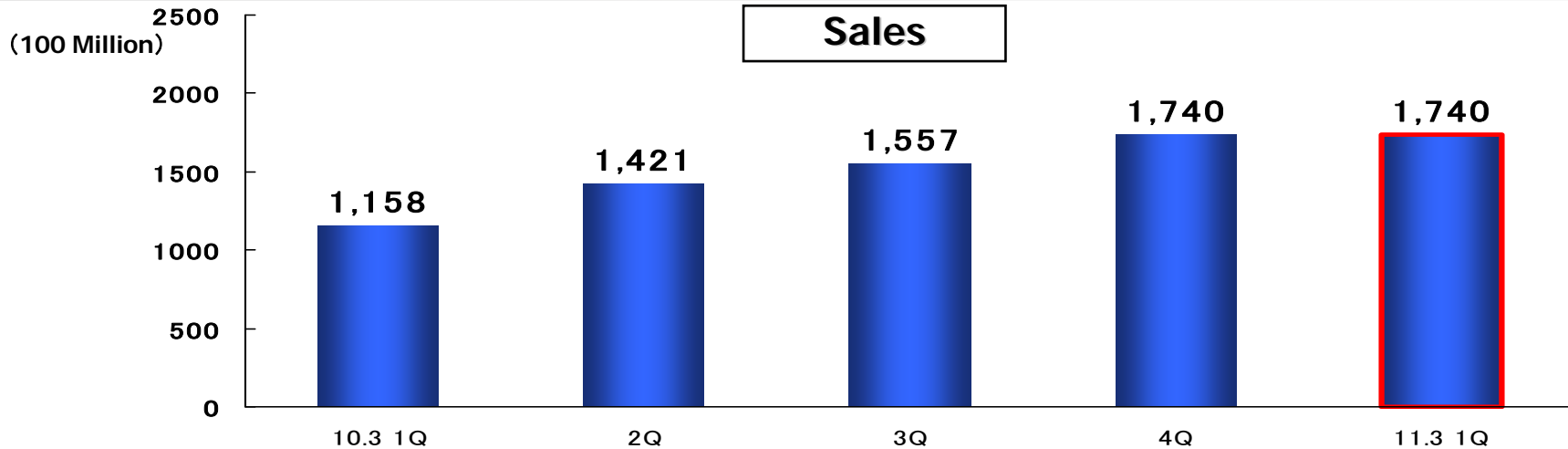
No revision has been made to the first half and full year forecast for FY 2010 announced on May 11, 2010

Summary of Consolidated Business Results for FY 2010:Q1



(¥100 million)	10/3			11/3			1st half (Forecast)	Full year (Forecast)
	Q1 <Actual>	1st half <Actual>	Full year <Actual>	Q1 <Actual>	Increase /decrease YOY	%		
Sales	1,158	2,579	5,876	1,740	+582	+50.2%	3,300	6,650
Operating income	-45	-39	113	103	+148	-	165	380
<%>	<-3.9%>	<-1.5%>	<1.9%>	<5.9%>			<5.0%>	<5.7%>
Ordinary income	-81	-87	76	90	+171	-	140	330
Profit before tax	-81	-98	63	90	+171	-	140	330
Net income	-53	-59	48	51	+104	-	85	210
(Rate: 1US\$=)	(¥97.13)	(¥95.45)	(¥92.83)	(¥92.05)			(¥90)	(¥90)
(" 1EURO=)	(¥132.51)	(¥133.06)	(¥130.89)	(¥117.68)			(¥125)	(¥125)

Quarterly Business Performance



Results by Business Segment



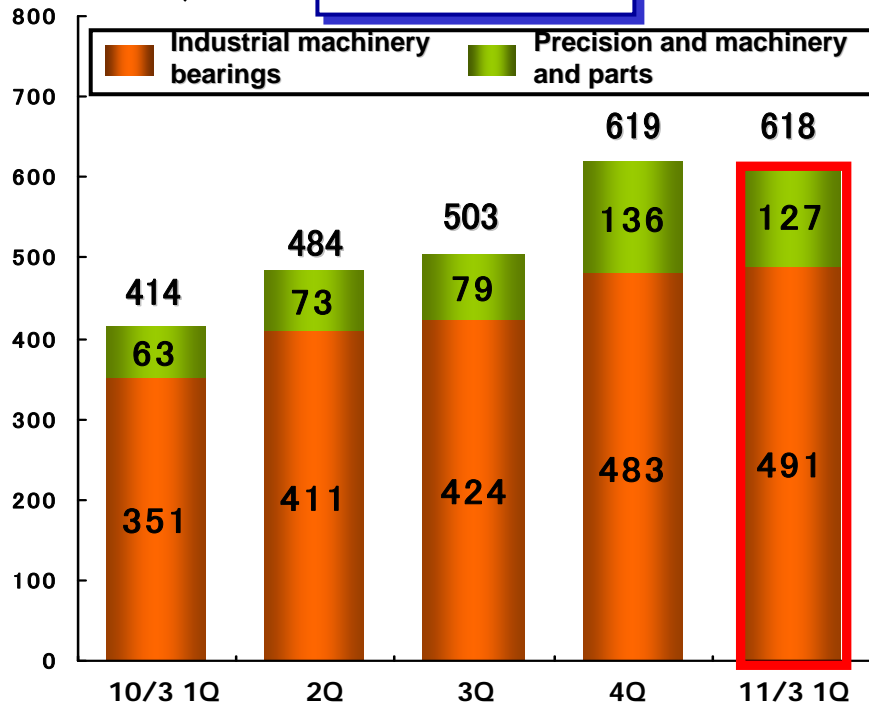
(¥100 million)		10/3			11/3				
		Q1 <Actual>	1st half <Actual>	Full year <Actual>	Q1 <Actual>	Increase/ decrease YOY	%	1st half (Forecast)	Full year (Forecast)
Total	Sales	1,158	2,579	5,876	1,740	+582	+50.2%	3,300	6,650
	Operating income	-45	-39	113	103	+148	-	165	380
	<%>	-3.9%	-1.5%	1.9%	5.9%			5.0%	5.7%
Industrial machinery business	Sales	414	898	2,020	618	+204	+49.6%	1,185	2,405
	Industrial machinery bearings	351	762	1,669	491	+140	+39.9%	920	1,875
	Precision machinery and parts	63	136	351	127	+64	-	265	530
	Operating income	-28	-42	-17	38	+66	-	55	150
	<%>	-6.9%	-4.6%	-0.8%	6.1%			4.6%	6.2%
Automotive business	Sales	708	1,598	3,664	1,056	+348	+49.3%	2,005	4,035
	Automotive bearings	370	839	1,914	541	+171	+46.2%	1,035	2,085
	Automotive components	338	759	1,750	515	+177	+52.4%	970	1,950
	Operating income	0	37	183	73	+73	-	130	270
	<%>	0.0%	2.3%	5.0%	6.9%			6.5%	6.7%
Other	Sales	70	149	349	128	+58	+82.9%	190	385
	Operating income	-6	-9	-2	12	+18	-	10	20
	<%>	-9.3%	-6.3%	-0.5%	9.3%			5.2%	5.2%
Eliminations (sales)		-34	-66	-157	-62	-28		-80	-175
Eliminations/Corporate		-11	-25	-51	-20	-9		-30	-60

Results by Business Segment – Industrial Machinery Business



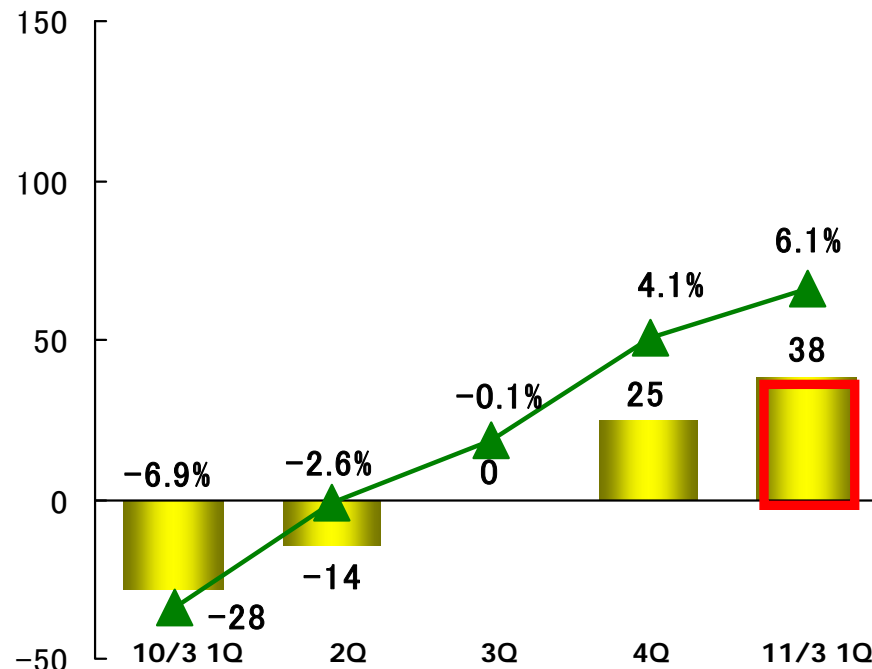
Sales

(¥100 Million)



(¥100 Million)

Operating income/Margin



■ In the industrial machinery bearings sector, recovery in demand led to increased sales to machine tool, construction machine and general machinery manufacturers. Sales to the aftermarket sector also increased due to sales expansion activities, such as developing new distribution networks. Sales in 1Q increased 39.9% from the same period last year. In the precision machinery and parts sector, semi-conductor and machine tool-related demand was robust. As a result, sales increased ¥6.4 billion from the same period last year.

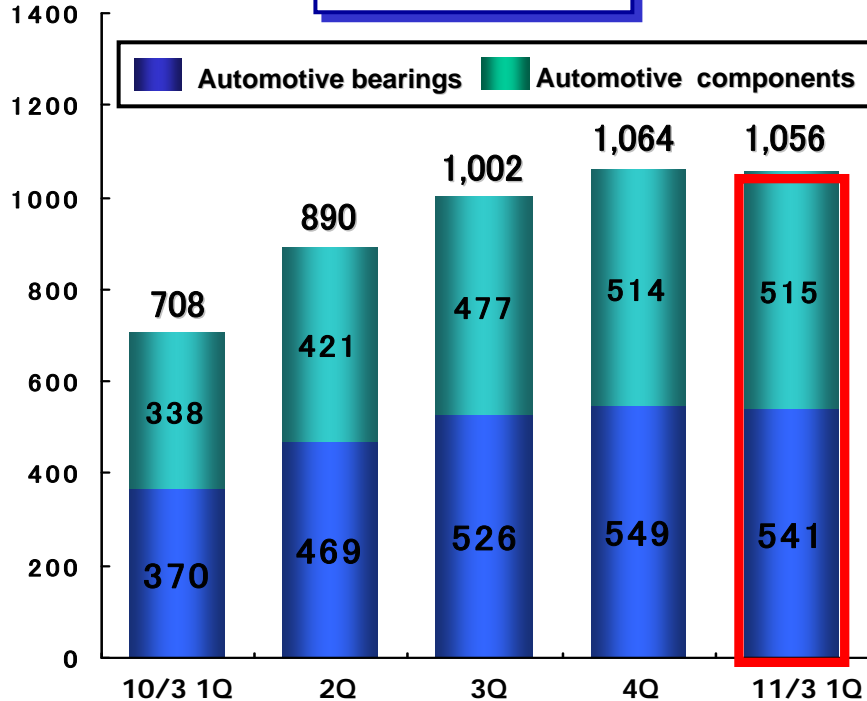
■ Due to reduction of external procurement costs and increased volume, operating income increased ¥6.6 billion compared to the same period last year.

Results by Business Segment – Automotive Business



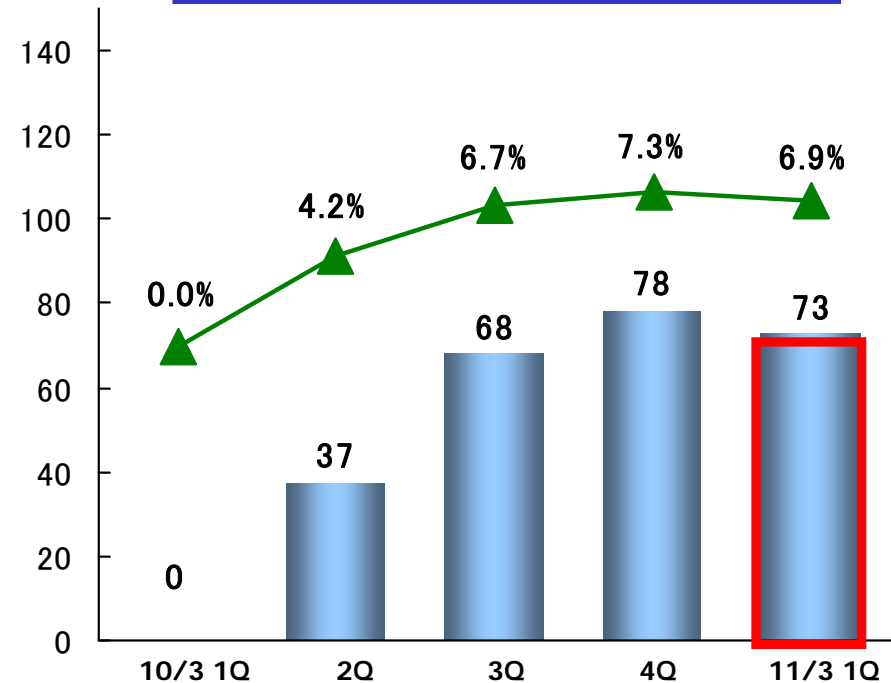
(¥100 Million)

Sales



(¥100 Million)

Operating income/Margin



- Due to expanding automotive markets in emerging countries including China, as well as favorable policies to promote car sales, sales rose significantly, an increase of 49.3% compared to the same period last year.
- In addition to volume increase, reduction of external procurement costs contributed to increased profit. Operating income in Q1 substantially improved, an increase of ¥7.3 billion from the same period last year.

Results by Geographical Segment



(¥100 million)		10/3			11/3				
		Q1 <Actual>	1st half <Actual>	Full year <Actual>	Q1 <Actual>	Increase/ decrease YOY	%	1st half (Forecast)	Full year (Forecast)
Total	Sales	1,158	2,579	5,876	1,740	+582	+50.2%	3,300	6,650
	Operating income	-45	-39	113	103	+148	-	165	380
	%	-3.9%	-1.5%	1.9%	5.9%			5.0%	5.7%
Japan	Sales	835	1,875	4,292	1,287	+452	+54.2%	2,530	5,100
	Operating income	-44	-51	40	79	+123	-	115	260
	%	-5.2%	-2.7%	0.9%	6.2%			4.6%	5.1%
The Americas	Sales	136	307	694	219	+83	+60.6%	380	760
	Operating income	-4	1	22	8	+12	-	10	20
	%	-3.2%	0.4%	3.2%	3.8%			2.6%	2.6%
Europe	Sales	223	464	1,006	265	+42	+18.7%	480	970
	Operating income	14	22	32	13	-1	-5.7%	10	30
	%	6.2%	4.8%	3.2%	4.9%			2.1%	3.1%
Asia	Sales	184	429	1,061	347	+163	+88.9%	660	1,360
	Operating income	3	17	76	26	+23	-	60	130
	%	1.8%	3.9%	7.1%	7.6%			9.1%	9.4%
Eliminations (sales)		-220	-496	-1,177	-378			-750	-1,540
Eliminations/ Corporate		-14	-28	-57	-23			-30	-60

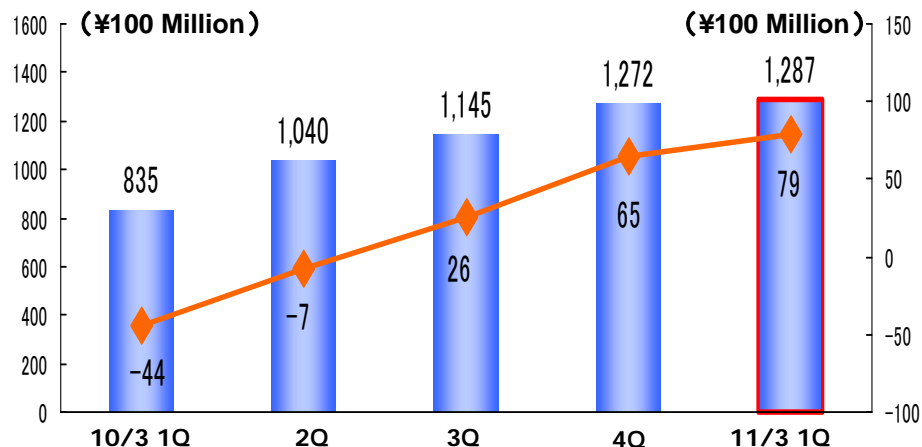
Results by Geographical Segment



Japan

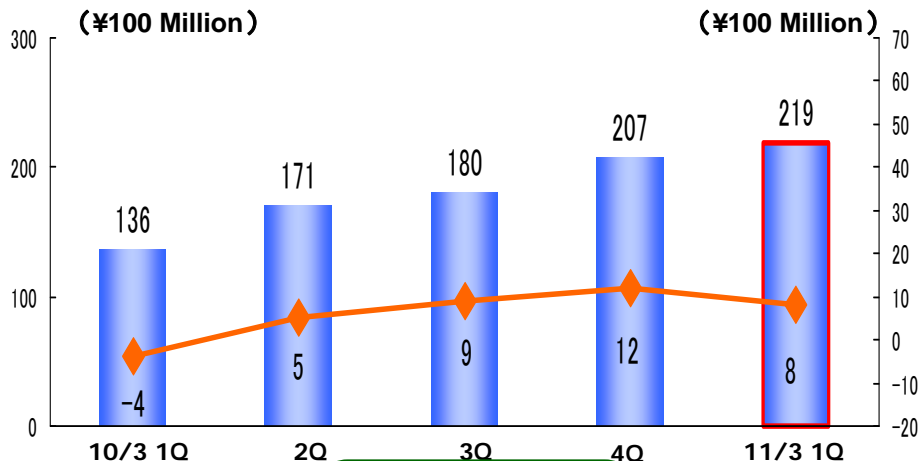
Left: Sales Right: Operating income ◆ : Margin

Despite the strong Japanese yen, volume increase and reduction of external procurement costs contributed to greatly improved operating income, a year-on-year increase of ¥12.3 billion.



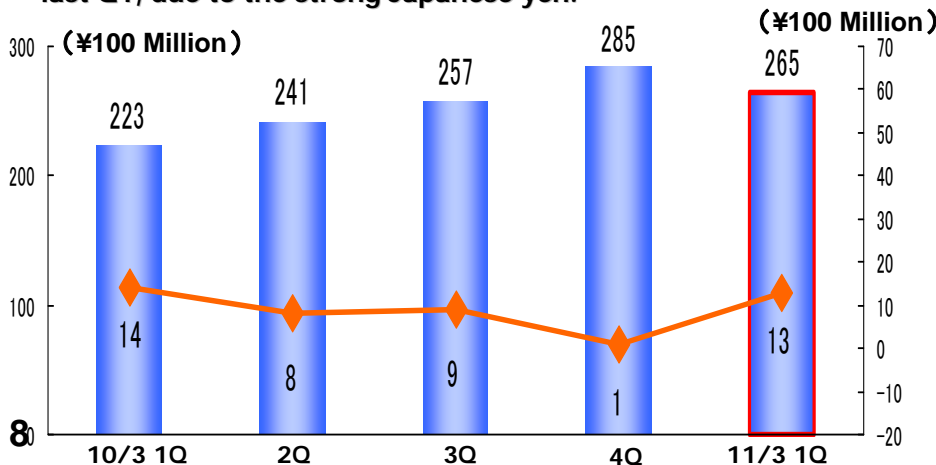
The Americas

Sales recovery to leading car manufacturers and volume increase to the industrial machinery sector contributed to improved profitability. Operating income increased ¥1.2 billion from last Q1.



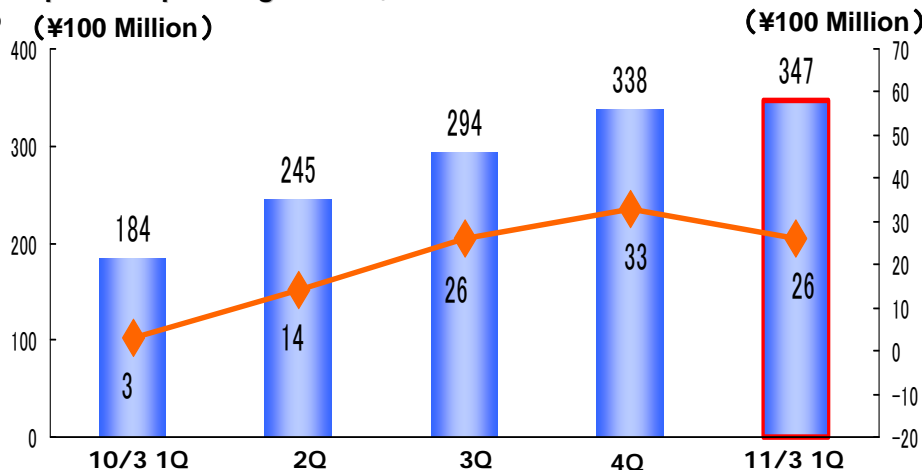
Europe

Despite volume increase in both industrial machinery and automotive business, operating income decreased 5.7% from last Q1, due to the strong Japanese yen.



Asia

Volume increase to the automotive and industrial machinery Sector in China, South Korea and ASEAN countries brought improved operating income, an increase of ¥2.3 billion from last Q1.



Results by Customer Location



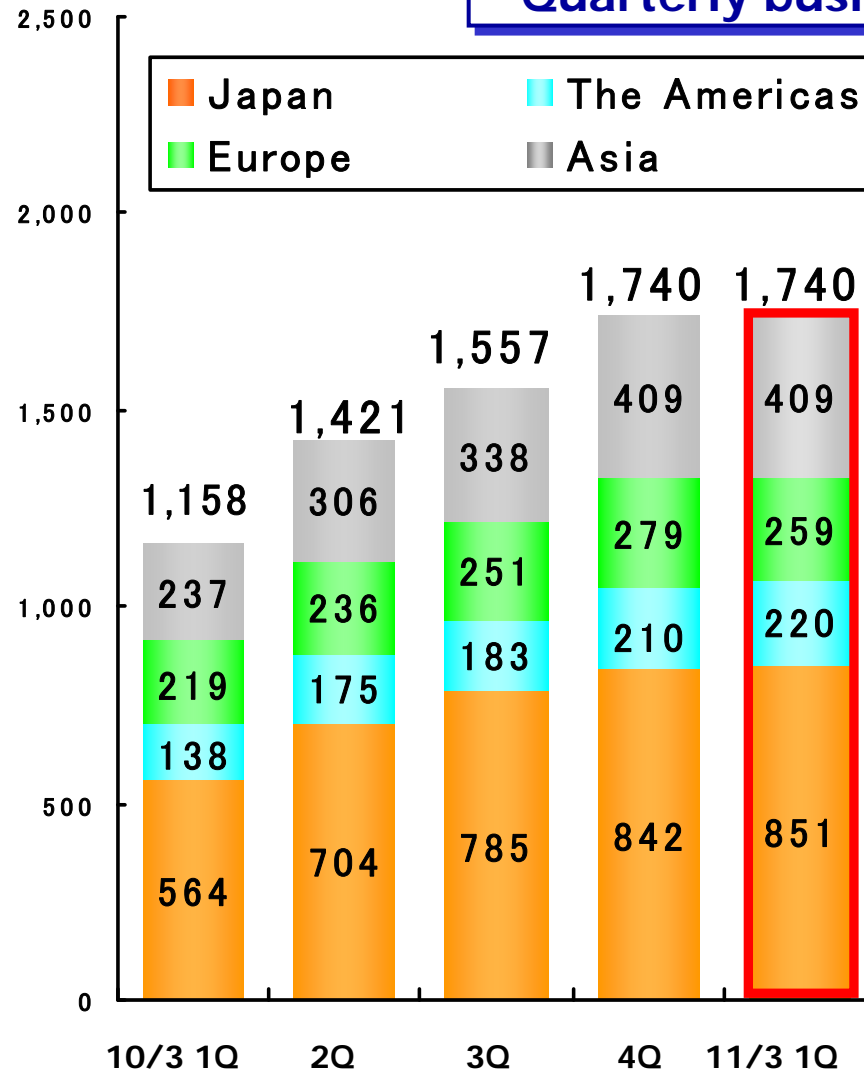
(¥100 million)	10/3			11/3				
	Q1 <Actual>	1st half <Actual>	Full year <Actual>	Q1 <Actual>	Increase/ decrease YOY	%	1st half (Forecast)	Full year (Forecast)
Sales	1,158	2,579	5,876	1,740	+582	+50.2%	3,300	6,650
Japan	564	1,268	2,895	851	+287	+51.0%	1,618	3,275
Non-Japan	594	1,311	2,981	889	+295	+49.5%	1,682	3,375
(Ratio of non-Japan sales to consolidated net sales)	(51.3%)	(50.8%)	(50.7%)	(51.1%)			(50.9%)	(50.8%)
The Americas	138	313	706	221	+83	+59.8%	383	770
Europe	219	455	985	259	+40	+18.4%	471	935
Asia	237	543	1,290	409	+172	+72.3%	828	1,670

Results by Customer Location



Net sales by customer location Quarterly business performance

(¥100 million)



(Compared to the same period last year)

Asia: Sales to machine tool, construction machinery manufacturers in China increased, as did sales to electrical and IT-related sector in ASEAN countries. Sales to automakers in emerging countries including China increased.

Europe: Sales to the industrial machinery and aftermarket sectors, as well as sales to automakers increased due to stimulus policies to promote car sales.

The Americas: Sales to industrial machinery and aftermarket sector in North and Latin America increased, in addition to higher sales to automakers due to sales recovery of leading car manufacturers.

Japan: Sales to machine tool, construction machinery and semi-conductor-related sectors increased, as did sales to automakers, due to stimulus policies to promote car sales.

Consolidated Balance Sheet



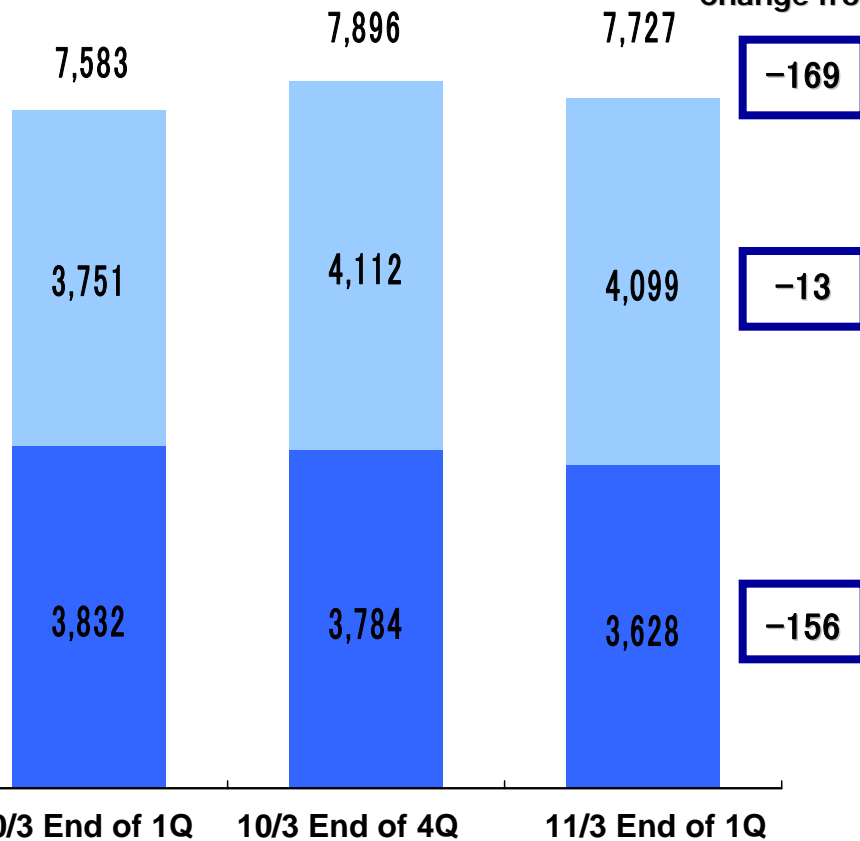
Assets

■ Non-current assets ■ Current assets

(¥100 Million)

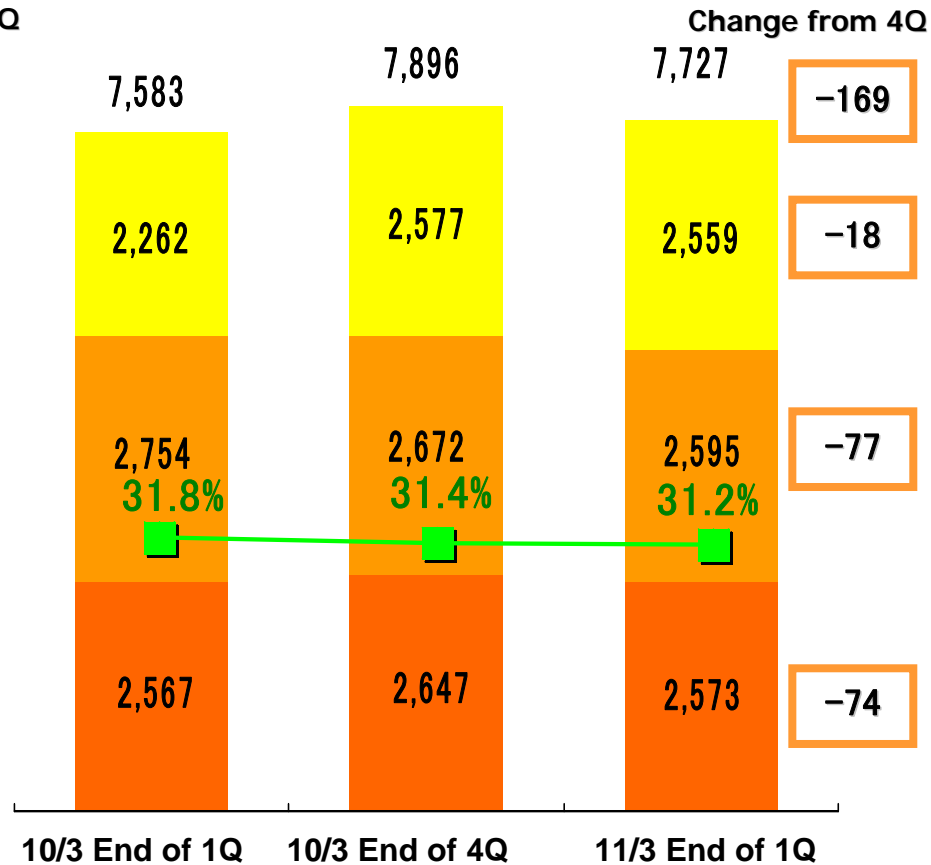
(¥100 Million)

Change from 4Q



Liabilities and net assets

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



96.01	93.04	88.48
135.53	124.92	107.81

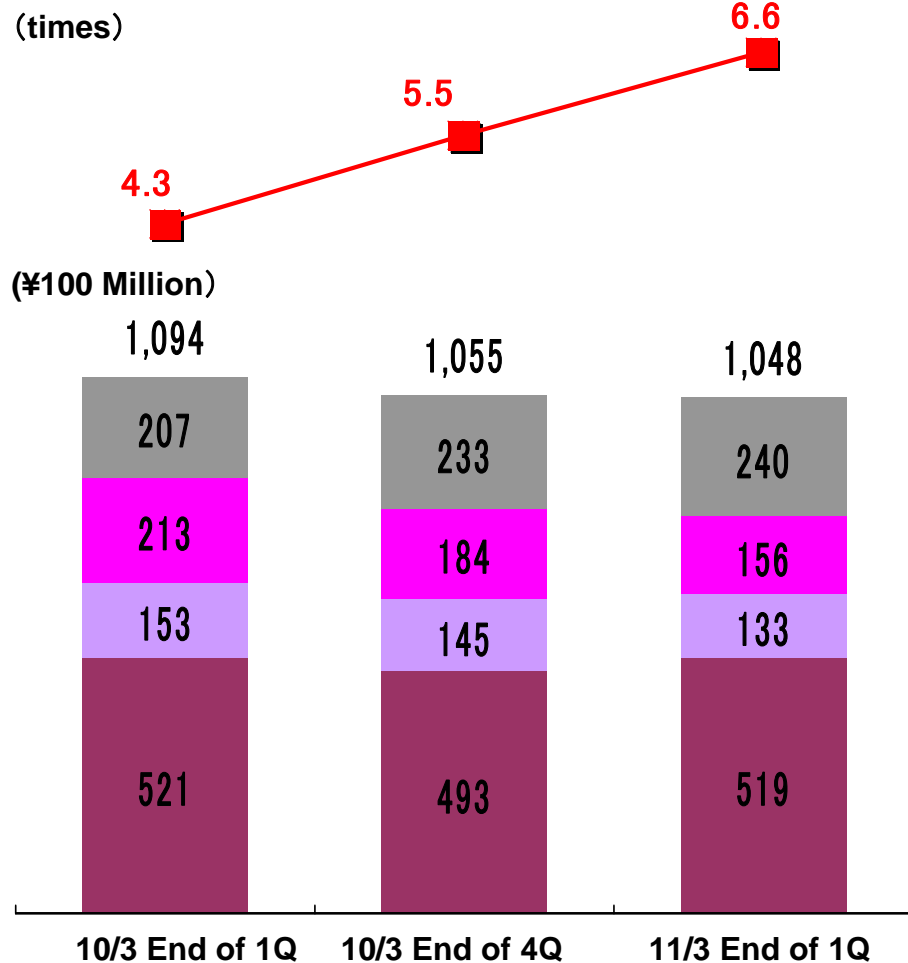
96.01	93.04	88.48
135.53	124.92	107.81

Inventories, Interest-bearing Debt



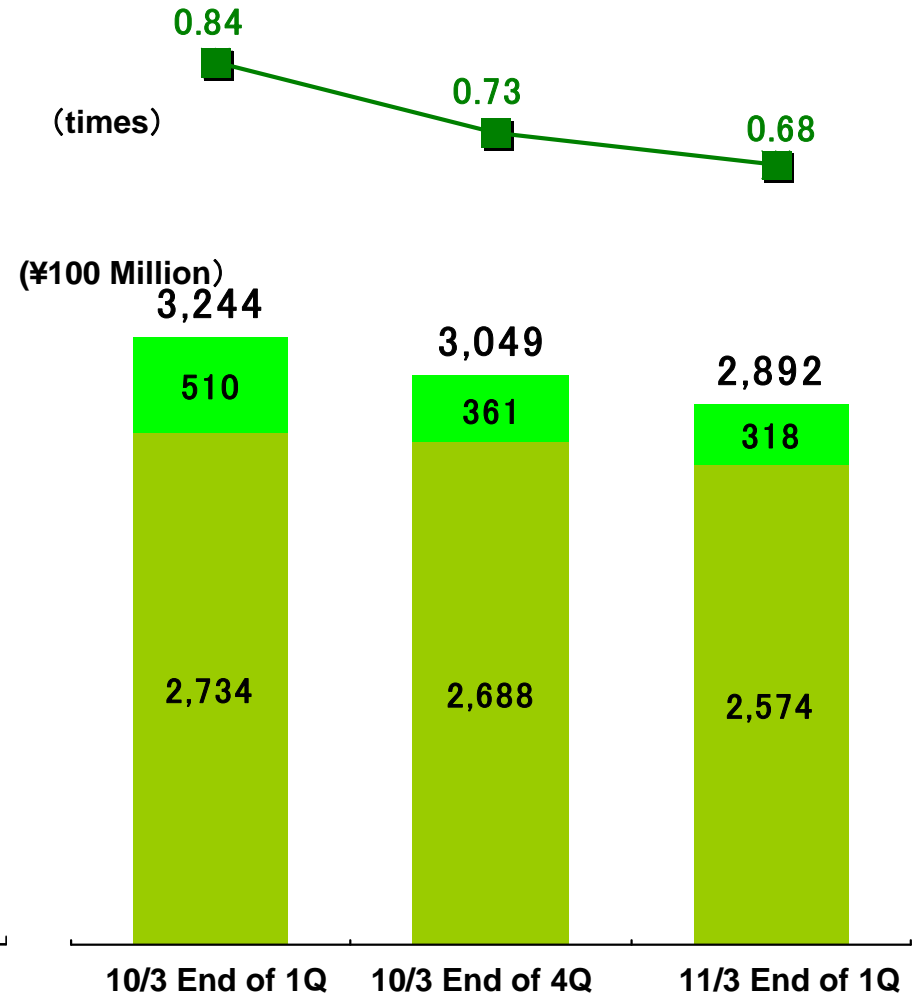
Inventories

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



Interest-bearing debt

■ Japan
 ■ Non-Japan
 ■ Net D/E ratio

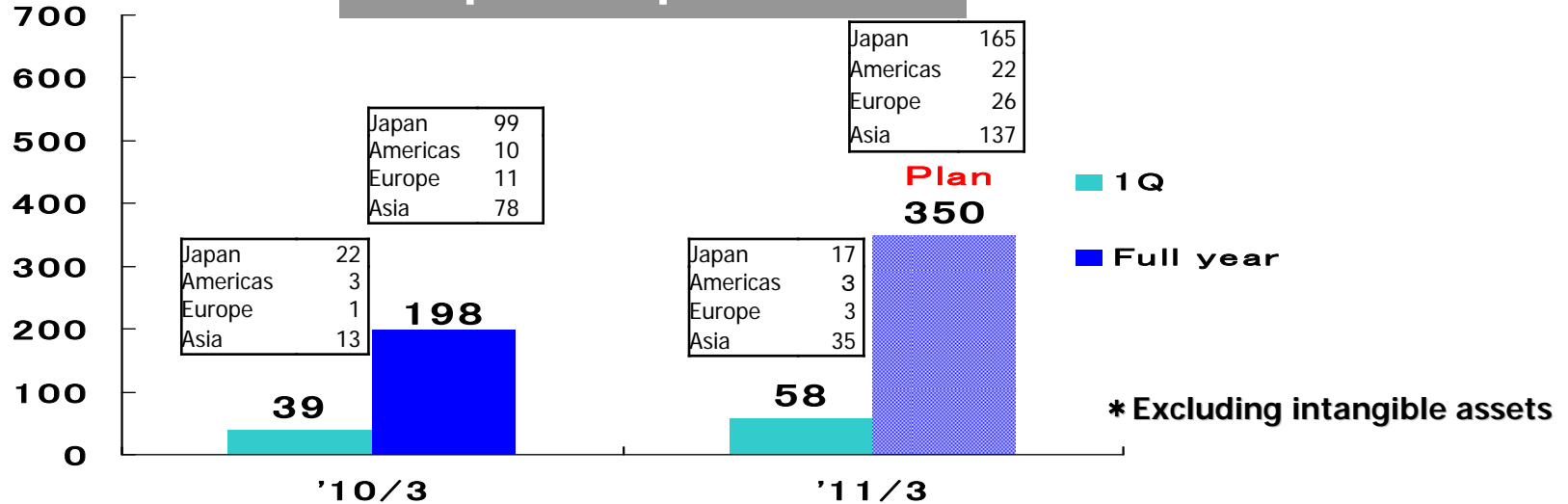


Capital Expenditure, Depreciation



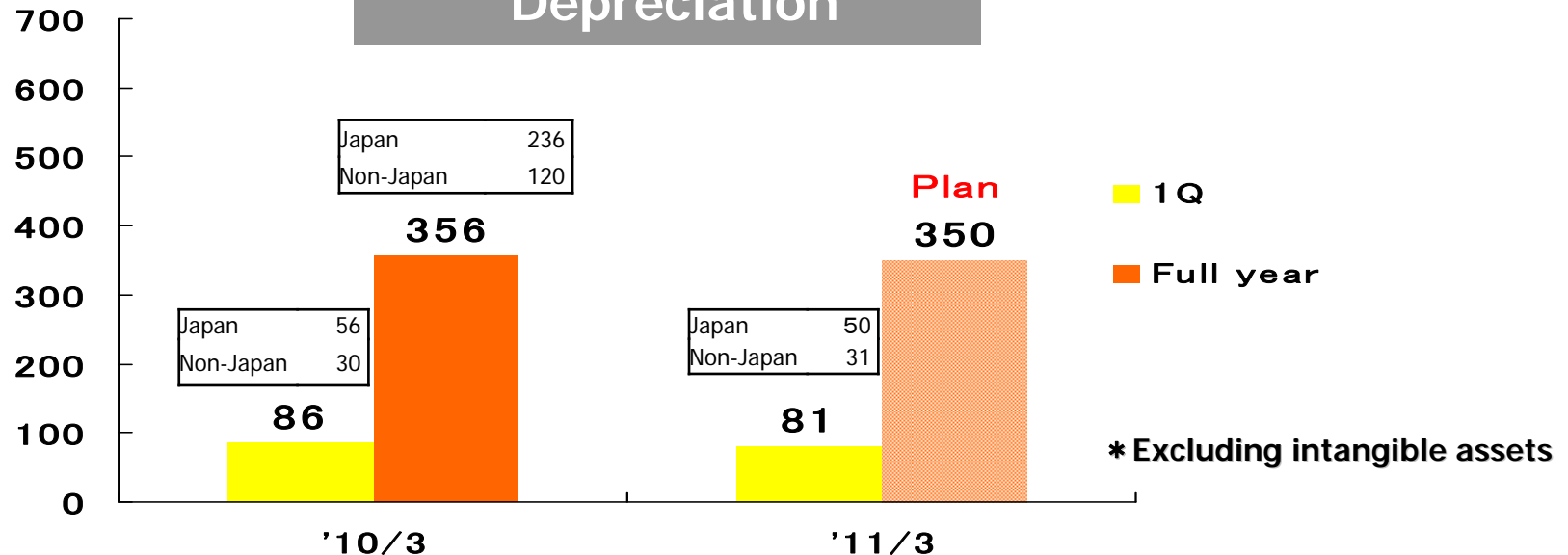
(¥100 Million)

Capital Expenditure



(¥100 Million)

Depreciation



Supplementary Information

—Research & Development, Employees



(¥100 million)	10/3				11/3	
	1Q	2Q	3Q	4Q	1Q	Full year (Plan)
Research & Development	21	22	21	24	22	90

(No. of employees)	10/3				11/3
	1Q	2Q	3Q	4Q	1Q
Employees	23,823	24,253	24,373	24,633	25,181
Japan	11,491	11,597	11,518	11,429	11,544
The Americas	2,326	2,363	2,338	2,365	2,392
Europe	3,235	3,121	3,024	3,029	3,090
Asia	6,771	7,172	7,493	7,810	8,155

Supplementary Information

—Forecasts by Business Segment



(¥100 million)	10/3			11/3			
	1st half <Actual>	2nd half <Actual>	Full year <Actual>	1st half <Forecast>	2nd half <Forecast>	Full year <Forecast>	Increase/ decrease YOY
Sales	2,579	3,297	5,876	3,300	3,350	6,650	+774
Industrial machinery business	898	1,122	2,020	1,185	1,220	2,405	+385
Industrial machinery bearings	762	907	1,669	920	955	1,875	+206
Precision machinery and parts	136	215	351	265	265	530	+179
Automotive business	1,598	2,066	3,664	2,005	2,030	4,035	+371
Automotive bearings	839	1,075	1,914	1,035	1,050	2,085	+171
Automotive components	759	991	1,750	970	980	1,950	+200
Other	149	200	349	190	195	385	+36
Eliminations/Corporate	-66	-91	-157	-80	-95	-175	-18
Operating income	-39 <-1.5%>	152 <4.6%>	113 <-1.9%>	165 <-5.0%>	215 <-6.4%>	380 <-5.7%>	+267
Industrial machinery business	-42 <-4.6%>	25 <-2.2%>	-17 <-0.8%>	55 <-4.6%>	95 <-7.8%>	150 <-6.2%>	+167
Automotive business	37 <-2.3%>	146 <-7.0%>	183 <-5.0%>	130 <-6.5%>	140 <-6.9%>	270 <-6.7%>	+87
Other	-9 <-6.3%>	7 <-3.8%>	-2 <-0.5%>	10 <-5.2%>	10 <-5.1%>	20 <-5.2%>	+22
Eliminations/Corporate	-25	-26	-51	-30	-30	-60	-9