

NSK Ltd.

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For Immediate Release

May 13, 2005

NON-CONSOLIDATED RESULTS FOR THE YEAR ENDED MARCH 31, 2005 (unaudited)

Financial highlights

	Year ended March 31		Change %
	2005	2004	
(Millions of yen)			
Net sales	¥391,751	¥348,842	12.3
Operating income	11,995	9,560	25.5
Ordinary income	10,491	5,399	94.3
Net income	6,933	3,167	118.9
(Yen)			
Net income per share	¥ 12.84	¥ 5.59	—

Financial position

	As of	As of
	March 31, 2005	March 31, 2004
(Millions of yen)		
Total assets	¥587,425	¥ 566,471
Shareholders' equity	234,758	231,175
(%)		
Shareholders' equity to total assets	40.0%	40.8%
(Yen)		
Shareholders' equity per share	¥ 434.77	¥ 427.78

Non-consolidated balance sheets

(Millions of yen)	As of March 31,	As of March 31,	Increase Decrease
	2005	2004	
Assets			
Current assets	¥ 205,428	¥ 217,925	¥ -12,497
Cash and deposits	10,084	27,552	-17,468
Notes receivable	922	986	-64
Accounts receivable – trade	103,890	105,320	-1,430
Marketable securities	8,573	8,496	77
Inventories – Finished products	8,923	7,990	933
Inventories – Work in process	8,730	7,267	1,463
Inventories – Materials	309	349	-40
Inventories – Supplies	693	622	71
Accounts receivable – other	27,910	24,280	3,630
Deferred income taxes	9,938	7,308	2,630
Short-term loans	24,105	22,488	1,617
Other current assets	1,471	5,291	-3,820
Less allowance for doubtful accounts	-126	-28	-98
Non-current assets	381,997	348,546	33,451
Property, plant and equipment	77,247	72,876	4,371
Buildings	26,911	27,722	-811
Structures	1,667	1,796	-129
Machinery and equipment	26,892	23,847	3,045
Vehicles and transportation equipment	81	107	-26
Tools and spare parts	2,048	2,009	39
Land	15,809	15,154	655
Construction in progress	3,836	2,238	1,598
Intangible fixed assets	2,201	1,778	423
Investments and other assets	302,548	273,891	28,657
Investment securities	56,040	53,337	2,703
Investments in affiliated companies – Stock	167,453	168,163	-710
Investments in affiliated companies – Paid-in capital	10,075	9,063	1,012
Long-term loans	177	254	-77
Long-term loans to affiliated companies	29,836	17,312	12,524
Long-term prepaid expenses	253	389	-136
Prepaid pension costs	35,454	21,972	13,482
Other investments and assets	4,290	4,485	-195
Less allowance for doubtful accounts	-1,032	-1,087	55
Total assets	¥ 587,425	¥ 566,471	¥ 20,954

Non-consolidated balance sheets (Continued)

(Millions of yen)	As of March 31,		Increase Decrease
	2005	2004	
Liabilities			
Current liabilities	¥ 212,351	¥ 197,907	¥ 14,444
Notes payable	1,878	2,791	-913
Accounts payable – trade	105,611	94,394	11,217
Short-term bank loans	74,096	47,672	26,424
Current portion of corporate bonds	10,000	20,000	-10,000
Current portion of convertible bonds	—	16,989	-16,989
Accounts payable – other	10,368	7,358	3,010
Accrued expenses	8,891	7,733	1,158
Accrued income taxes	505	63	442
Other current liabilities	999	905	94
Long-term liabilities	140,315	137,389	2,926
Corporate bonds	70,000	70,000	—
Long-term debt	42,500	52,500	-10,000
Deferred tax liabilities	21,543	12,851	8,692
Accrued officers' retirement benefits	414	1,729	-1,315
Other long-term liabilities	5,857	308	5,549
Total liabilities	352,667	335,296	17,371
Shareholders' equity			
Common stock	67,176	67,176	—
Capital surplus	77,926	77,924	2
Capital reserve	77,923	77,923	—
Other reserves	2	0	2
Gain on disposal of NSK treasury stock	2	0	2
Retained earnings	73,349	71,695	1,654
Legal reserve	10,292	10,292	—
Other reserve	57,460	57,501	-41
Unappropriated retained earnings at the end of period	5,596	3,902	1,694
Unrealized holding gains on securities	20,397	18,416	1,981
Treasury stock	-4,091	-4,038	-53
Total shareholders' equity	234,758	231,175	3,583
Total liabilities and shareholders' equity	¥ 587,425	¥ 566,471	¥ 20,954

Non-consolidated statements of income

(Millions of yen)	Year ended March 31		Change %
	2005	2004	
Net sales	¥ 391,751	¥ 348,842	12.3
Cost of sales	340,775	303,066	12.4
Selling, general and administrative expenses	38,980	36,215	7.6
Operating income	<u>11,995</u>	<u>9,560</u>	<u>25.5</u>
Non-operating income:	<u>3,896</u>	<u>3,862</u>	<u>0.9</u>
Interest and dividend income	2,951	2,818	4.7
Other	944	1,043	-9.5
Non-operating expenses:	<u>5,400</u>	<u>8,023</u>	<u>-32.7</u>
Interest expense	3,046	3,380	-9.9
Other	2,353	4,642	-49.3
Ordinary income	<u>10,491</u>	<u>5,399</u>	<u>94.3</u>
Extraordinary income:	<u>1,586</u>	<u>7,990</u>	<u>-80.1</u>
Gain on sales of investment securities	1,331	7,473	-82.2
Gain on transfer to defined contribution pension plan	254	—	—
Gain on sales of investments in affiliated companies	—	517	—
Extraordinary losses:	<u>154</u>	<u>7,209</u>	<u>-97.9</u>
Loss on sales of investments in affiliated companies	72	7,209	-99.0
Loss on devaluation of investment securities	81	—	—
Income before income taxes	<u>11,923</u>	<u>6,180</u>	<u>92.9</u>
Income taxes:			
Current	248	223	11.3
Deferred	4,741	2,789	70.0
Net income	<u>¥ 6,933</u>	<u>¥ 3,167</u>	<u>118.9</u>
Unappropriated retained earnings brought forward	1,633	2,084	
Interim dividends paid	2,970	1,350	
Unappropriated retained earnings at end of period	<u>¥ 5,596</u>	<u>¥ 3,902</u>	

Forecast for the year ending March 31, 2006

	(Millions of yen)
Net sales	¥ 415,000
Operating income	11,500
Ordinary income	11,500
Net income	7,500
Cash dividends per share to be paid	
Year-end	¥ 5.50
Annual (total)	11.00

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.