

# NSK Ltd.

(URL <http://www.nsk.com>)

For Immediate Release

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## NON-CONSOLIDATED RESULTS FOR THE YEAR ENDED MARCH 31, 2006 (unaudited)

### Financial highlights

	Year ended Mar. 31	Year ended Mar. 31	Change %
	2006	2005	
(Millions of yen)			
Net sales	¥ 425,373	¥ 391,751	8.6
Operating income	13,697	11,995	14.2
Ordinary income	13,261	10,491	26.4
Net income	12,376	6,933	78.5
(Yen)			
Net income per share			
Basic	¥ 22.92	¥ 12.84	
Diluted	22.90	—	

### Financial position

	As of Mar. 31,	As of Mar. 31,
	2006	2005
(Millions of yen)		
Total assets	¥ 668,810	¥ 587,425
Shareholders' equity	261,160	234,758
(%)		
Shareholders' equity to total assets	39.0%	40.0%
(Yen)		
Shareholders' equity per share	¥ 483.39	¥ 434.77

# Non-consolidated balance sheets

(Millions of yen)	As of Mar. 31, 2006	As of Mar. 31, 2005	Increase/ Decrease
<b>Assets</b>			
<b>Current assets</b>	<b>¥ 209,212</b>	<b>¥ 205,428</b>	<b>¥ 3,784</b>
Cash and deposits	20,084	10,084	10,000
Notes receivable	286	922	-636
Accounts receivable – trade	105,659	103,890	1,769
Marketable securities	8,990	8,573	417
Inventories – Finished products	9,867	8,923	944
Inventories – Work in process	14,218	8,730	5,488
Inventories – Materials	321	309	12
Inventories – Supplies	789	693	96
Accounts receivable – other	35,665	27,910	7,755
Deferred income taxes	3,762	9,938	-6,176
Short-term loans	8,676	24,105	-15,429
Other current assets	1,004	1,471	-467
Less allowance for doubtful accounts	-114	-126	12
<b>Non-current assets</b>	<b>459,597</b>	<b>381,997</b>	<b>77,600</b>
Property, plant and equipment	84,740	77,247	7,493
Buildings	27,827	26,911	916
Structures	1,656	1,667	-11
Machinery and equipment	33,202	26,892	6,310
Vehicles and transportation equipment	110	81	29
Tools and spare parts	3,292	2,048	1,244
Land	15,868	15,809	59
Construction in progress	2,782	3,836	-1,054
Intangible assets	3,288	2,201	1,087
Leasehold	1,049	1,049	—
Other intangible assets	2,238	1,151	1,087
Investments and other assets	371,568	302,548	69,020
Investment securities	85,367	56,040	29,327
Investments in affiliated companies – Stock	208,602	167,453	41,149
Investments in affiliated companies – Paid-in capital	11,966	10,075	1,891
Long-term loans	95	177	-82
Long-term loans to affiliated companies	28,355	29,836	-1,481
Long-term prepaid expenses	207	253	-46
Prepaid pension costs	33,731	35,454	-1,723
Other investments and assets	4,074	4,290	-216
Less allowance for doubtful accounts	-832	-1,032	200
<b>Total assets</b>	<b>668,810</b>	<b>587,425</b>	<b>81,385</b>

## Non-consolidated balance sheets (Continued)

(Millions of yen)	As of Mar. 31, 2006	As of Mar. 31, 2005	Increase/ Decrease
<b>Liabilities</b>			
Current liabilities	¥ 246,139	¥ 212,351	¥ 33,788
Notes payable	1,950	1,878	72
Accounts payable – trade	118,423	105,611	12,812
Short-term bank loans	84,363	74,096	10,267
Commercial paper	5,000	—	5,000
Current portion of corporate bonds	10,000	10,000	—
Accounts payable – other	13,406	10,368	3,038
Accrued expenses	9,753	8,891	862
Accrued income taxes	2,011	505	1,506
Other current liabilities	1,229	999	230
Long-term liabilities	161,510	140,315	21,195
Corporate bonds	85,000	70,000	15,000
Long-term loans	36,500	42,500	-6,000
Deferred tax liabilities	34,408	21,543	12,865
Accrued officers' retirement benefits	700	414	286
Reserves for environmental safety measures expenses	860	—	860
Other long-term liabilities	4,041	5,857	-1,816
<b>Total liabilities</b>	<b>407,650</b>	<b>352,667</b>	<b>54,983</b>
<b>Shareholders' equity</b>			
Common stock	67,176	67,176	—
Capital surplus	77,986	77,926	60
Capital reserve	77,923	77,923	—
Other reserves	62	2	60
Gain on disposal of NSK treasury stock	62	2	60
Retained earnings	79,786	73,349	6,437
Legal reserve	10,292	10,292	—
Other reserve	57,510	57,460	50
Unappropriated retained earnings	11,983	5,596	6,387
Unrealized holding gains on securities	40,218	20,397	19,821
Treasury stock	-4,006	-4,091	85
<b>Total shareholders' equity</b>	<b>261,160</b>	<b>234,758</b>	<b>26,402</b>
<b>Total liabilities and shareholders' equity</b>	<b>668,810</b>	<b>587,425</b>	<b>81,385</b>

# Non-consolidated statements of operations

(Millions of yen)	Year ended Mar. 31	Year ended Mar. 31	Change %
	2006	2005	
Net sales	¥ 425,373	¥ 391,751	8.6
Cost of sales	368,296	340,775	8.1
Selling, general and administrative expenses	43,380	38,980	11.3
Operating income	13,697	11,995	14.2
Non-operating income:	6,154	3,896	58.0
Interest and dividend income	5,038	2,951	70.7
Other	1,116	944	18.2
Non-operating expenses:	6,590	5,400	22.0
Interest expenses	2,720	3,046	-10.7
Other	3,870	2,353	64.4
Ordinary income	13,261	10,491	26.4
Extraordinary income:	7,549	1,586	375.8
Gain on sales of investment securities	5,875	1,331	341.2
Gain on sales of property, plant and equipment	1,674	—	—
Gain on transfer to defined contribution pension plan	—	254	—
Extraordinary losses:	1,666	154	978.5
Loss on sales of investments in affiliated companies	324	72	345.3
Cost related to reserves for environmental safety measures expenses	860	—	—
Loss on devaluation of investments in affiliated companies	481	—	—
Loss on devaluation of investment securities	—	81	—
Income before income taxes	19,144	11,923	60.6
Income taxes:			
Current taxes	1,492	248	501.3
Deferred taxes	5,274	4,741	11.3
Net income	12,376	6,933	78.5
Unappropriated retained earnings brought forward	2,576	1,633	
Interim dividends paid	2,970	2,970	
Unappropriated retained earnings at the end of year	11,983	5,596	

# Forecast for the year ending March 31, 2007

(Millions of yen)	Year ending Mar. 31 2007
Net sales	¥ 445,000
Operating income	15,500
Ordinary income	16,000
Net income	12,000

<Reference> Projected net income per share for the year ending March 31, 2007: ¥22.21.

## Notes

All forecasts are based on a number of assumptions and are subject to change. 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.