



NSK

CONSOLIDATED BUSINESS RESULTS

**FOR THE FIRST QUARTER
ENDED JUNE 30, 2011**

August, 1 2011

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 2011:1Q



Business Results for FY2011:Q1

	<u>1Q</u>	<u>From last 1Q</u>
Net Sales	¥ 166.1 billion	(-¥ 7.9 billion / 4.5% decrease)
Operating income	¥ 10.0 billion	(-¥ 0.3 billion / 3.6% decrease)
Net Income	¥ 5.9 billion	(+¥0.8 billion / 14.9% increase)

◎The lower Automotive production due to the earthquake caused sales and operating income decrease, however got net income increase.

◎1Q results are progressing ahead of the full year forecast announced on June 27.
(1Q progress level for 1st half of the forecast : Sales 49%、 Operating income 54%)

✓ Business Environment

◎ Demand for machine tool, general machinery and aftermarket were kept strong.

◎ Automotive production recovered faster than expected being helped by normalization of supply chain.

Expected Business Performance for FY 2011:Q2

✓ Industrial machinery demand is prospected continuing strong

✓ Automotive production to be stabilized and output increase is pulled forward

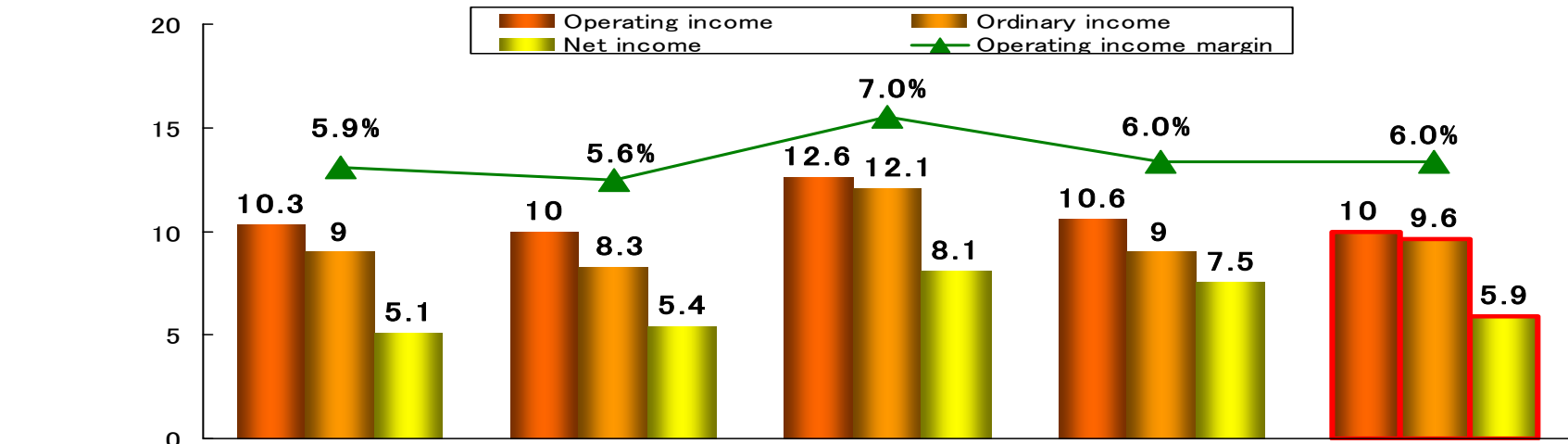
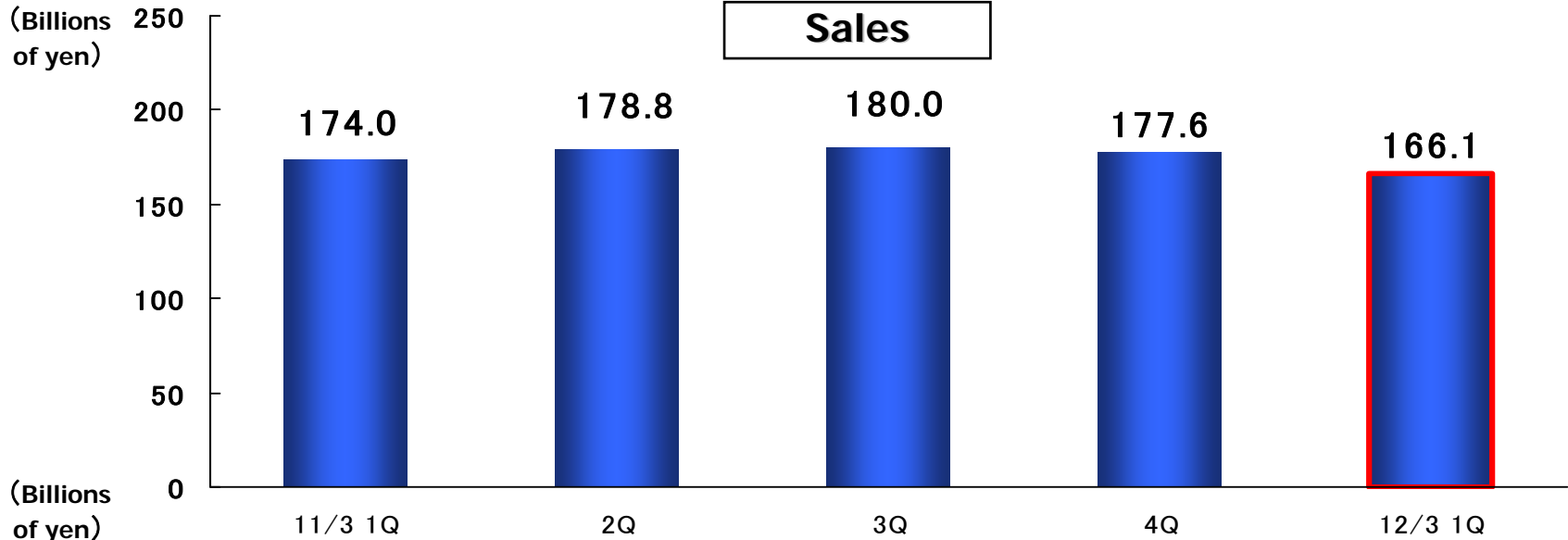
No revision has been made to the first half and full year forecast for FY 2011 announced on June 27, 2011

Summary of Consolidated Business Results for FY 2011:1Q



(Billions of yen)	'11/3			'12/3				
	Q1 <Actual>	1st half <Actual>	Full year <Actual>	Q1 <Actual>	Increase /decrease YOY	%	1st half (Forecast)	Full year (Forecast)
Sales	174.0	352.8	710.4	166.1	-7.9	-4.5%	340.0	730.0
Operating income	10.3	20.3	43.5	10.0	-0.3	-3.6%	18.5	50.0
<%>	<5.9%>	<5.8%>	<6.1%>	<6.0%>			<5.4%>	<6.8%>
Ordinary income	9.0	17.3	38.6	9.6	+0.6	+6.4%	16.5	46.0
Profit before tax	9.0	17.3	38.2	9.6	+0.6	+6.4%	16.5	46.0
Net income	5.1	10.6	26.1	5.9	+0.8	+14.9%	10.0	31.0
(Rate: 1US\$=)	(¥92.05)	(¥88.93)	(¥85.63)	(¥81.64)			(¥80)	(¥80)
(" EURO=)	(¥117.68)	(¥114.03)	(¥112.92)	(¥118.42)			(¥110)	(¥110)

Quarterly Business Performance



1US\$= 11/3 1Q 2Q 3Q 4Q 12/3 1Q

 ¥92.05 ¥85.81 ¥82.60 ¥82.06 ¥81.64

1EURO= ¥117.68 ¥110.38 ¥111.45 ¥112.17 ¥118.42

Results by Business Segment



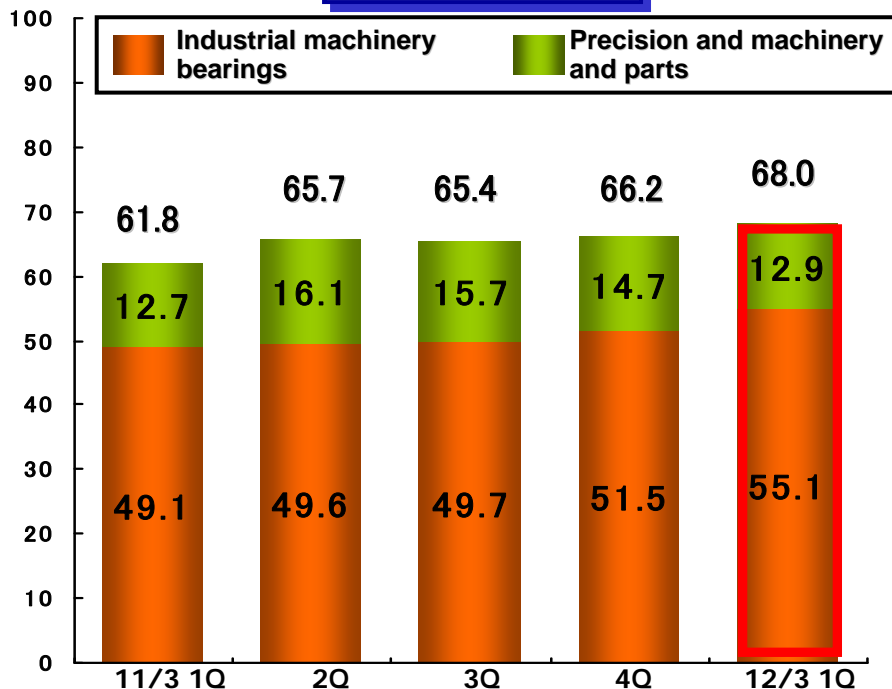
(Billions of yen)		'11/3			'12/3				
		Q1 <Actual>	1st half <Actual>	Full year <Actual>	Q1 <Actual>	Increase/ decrease YOY	%	1st half (Forecast)	Full year (Forecast)
Total	Sales	174.0	353.0	710.0	166.1	-7.9	-4.5%	340.0	730.0
	Operating income	10.3	20.3	43.5	10.0	-0.3	-3.6%	18.5	50.0
	<%>	5.9%	5.8%	6.1%	6.0%			5.4%	6.8%
Industrial machinery business	Sales	61.8	127.5	259.1	68.0	+6.2	+9.9%	130.0	265.0
	Industrial machinery bearings	49.1	98.7	199.9	55.1	+6.0	+12.3%	105.5	215.5
	Precision machinery and parts	12.7	28.8	59.2	12.9	+2.0	+0.7%	24.5	49.5
	Operating income	3.8	8.2	20.4	7.7	+3.9	+102.9%	13.5	29.5
	<%>	6.1%	6.5%	7.9%	11.3%			10.4%	11.1%
Automotive business	Sales	105.6	212.2	424.2	90.2	-15.4	-14.6%	192.0	432.0
	Automotive bearings	54.1	108.8	216.7	47.2	-6.9	-12.8%	100.5	220.0
	Automotive components	51.5	103.4	207.5	43.0	-8.5	-16.4%	91.5	212.0
	Operating income	7.3	13.6	26.9	3.1	-4.2	-58.1%	6.5	24.5
	<%>	6.9%	6.4%	6.3%	3.4%			3.4%	5.7%
Other	Sales	12.8	26.1	53.1	15.1	+2.3	+17.9%	31.5	62.0
	Operating income	1.2	2.2	3.5	0.8	-0.4	-32.2%	2.0	3.0
	<%>	9.3%	7.6%	6.5%	5.3%			6.4%	4.8%
Eliminations (sales)		-6.2	-13.0	-26.0	-7.2	-1.0		-13.5	-29.0
Eliminations/Corporate		-2.0	-3.7	-7.3	-1.6	+0.4		-3.5	-7.0

Results by Business Segment – Industrial Machinery Business



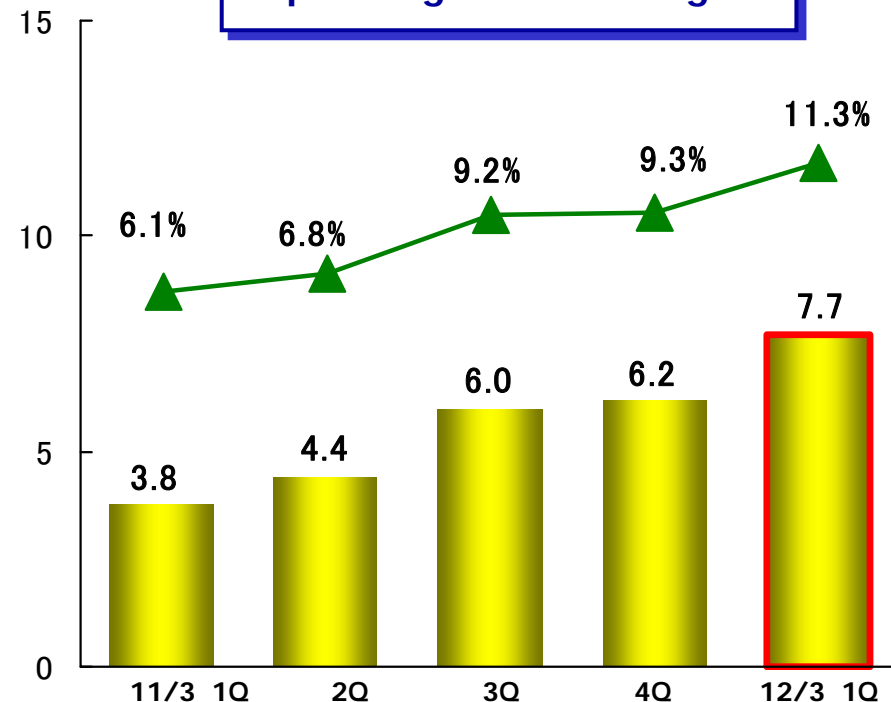
(Billions of yen)

Sales



(Billions of yen)

Operating income/Margin



■ Q1 Sales of Industrial Machinery Business Segment was ¥68 billion, increased by 9.9% year on year, due to higher sales to machine tool sector and expansion of distributor channel in aftermarket business.

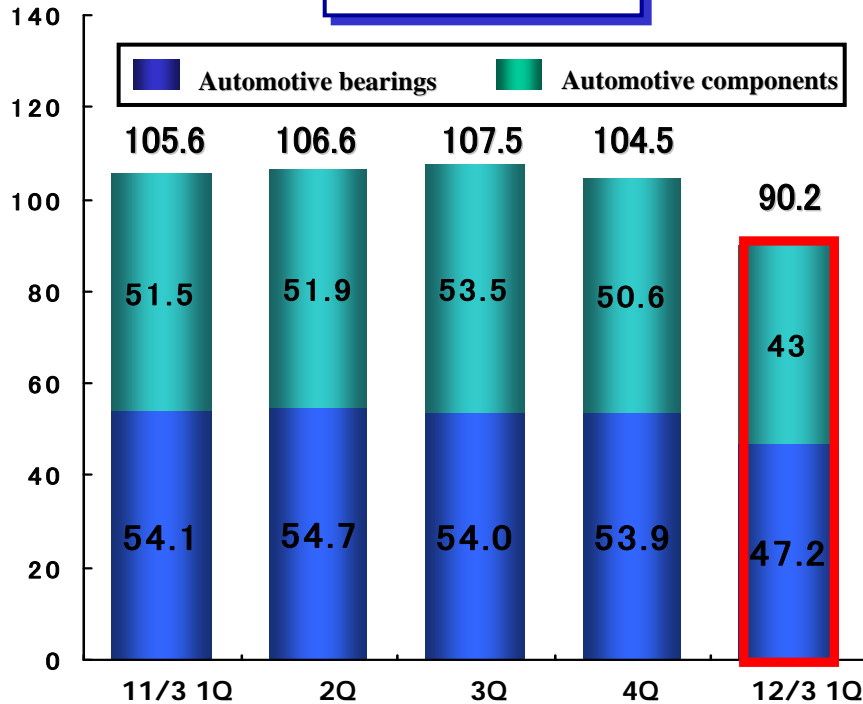
■ Due to reduction of external procurement cost and productivity improvement as well as volume increase, operating income was ¥7.7 billion, increased by 102.9% year-on-year.

Results by Business Segment – Automotive Business



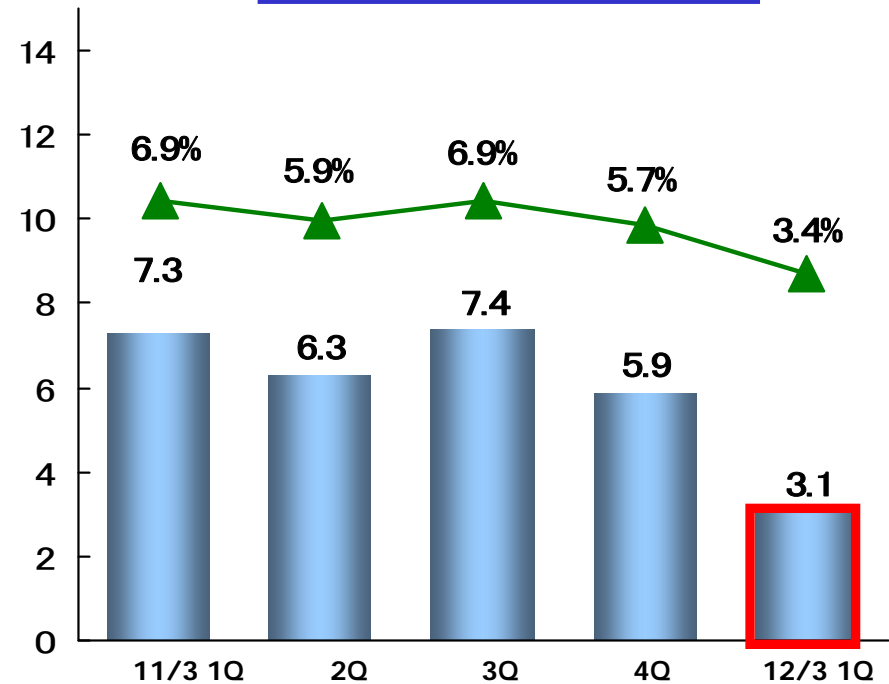
(Billions of yen)

Sales



(Billions of yen)

Operating income/Margin



- Due to effect of the Great East Japan Earthquake, Japanese Automotive production reduced. However, as non-Japanese automotive makers prop up, Q1 sales was ¥90.2 billion, decreased by 14.6% a year on year.
- Due to volume decrease and effect of the strong Japanese yen, operating income in Q1 was ¥3.1 billion decreased by 58.1% from the same period last year.

Results by Geographical Segment



(Billions of yen)		'11/3			'12/3				
		Q1 <Actual>	1st half <Actual>	Full year <Actual>	Q1 <Actual>	Increase/ decrease YOY	%	1st half (Forecast)	Full year (Forecast)
Total	Sales	174.0	352.8	710.4	166.1	-7.9	-4.5%	340.0	730.0
	Operating income	10.3	20.3	43.5	10.0	-0.3	-3.6%	18.5	50.0
	%	5.9%	5.8%	6.1%	6.0%			5.4%	6.8%
Japan	Sales	128.7	264.0	532.3	121.0	-7.7	-6.0%	250.0	539.0
	Operating income	7.9	14.8	32.4	7.5	-0.4	-5.6%	14.5	36.5
	%	6.2%	5.6%	6.1%	6.2%			5.8%	6.8%
The Americas	Sales	21.9	43.2	84.7	19.4	-2.5	-11.3%	38.0	82.0
	Operating income	0.8	1.9	4.1	0.8	0	-4.2%	1.5	3.5
	%	3.8%	4.4%	4.8%	4.1%			4.0%	4.3%
Europe	Sales	26.5	50.5	105.1	29.7	+3.2	+12.3%	52.0	106.0
	Operating income	1.3	2.2	4.8	1.0	-0.3	-22.1%	1.0	3.0
	%	4.9%	4.3%	4.5%	3.4%			1.9%	2.8%
Asia	Sales	34.7	69.8	140.8	38.3	+3.6	+10.4%	77.0	166.0
	Operating income	2.6	5.7	11.1	2.9	+0.3	+8.9%	5.0	14.0
	%	7.6%	8.2%	7.9%	7.5%			6.5%	8.4%
Eliminations (sales)		-37.8	-74.7	-152.5	-42.3	-4.5		-77.0	-163.0
Eliminations/ Corporate		-2.3	-4.3	-8.9	-2.2	+0.1		-3.5	-7.0

Results by Geographical Segment



■ Left: Sales ◆ Right: Operating income

Japan

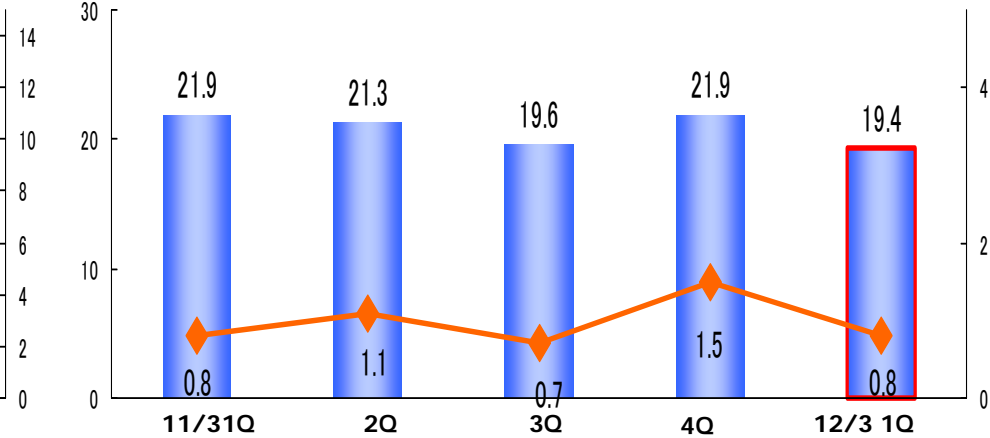
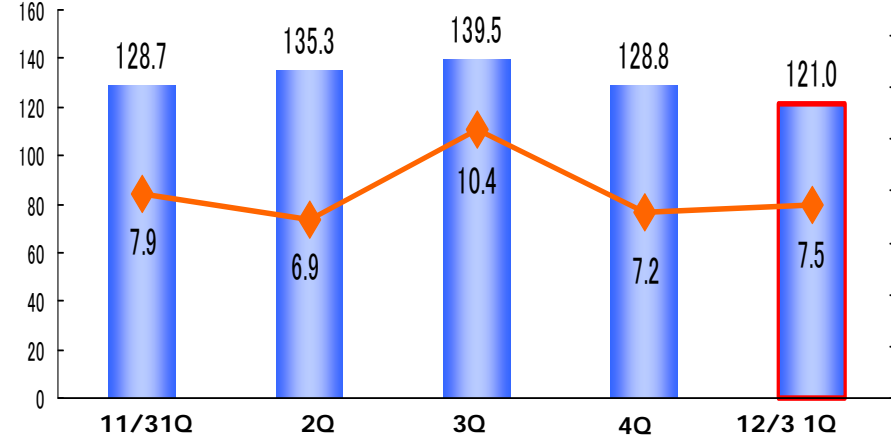
The Americas

(Billions of yen)

(Billions of yen)

(Billions of yen)

(Billions of yen)



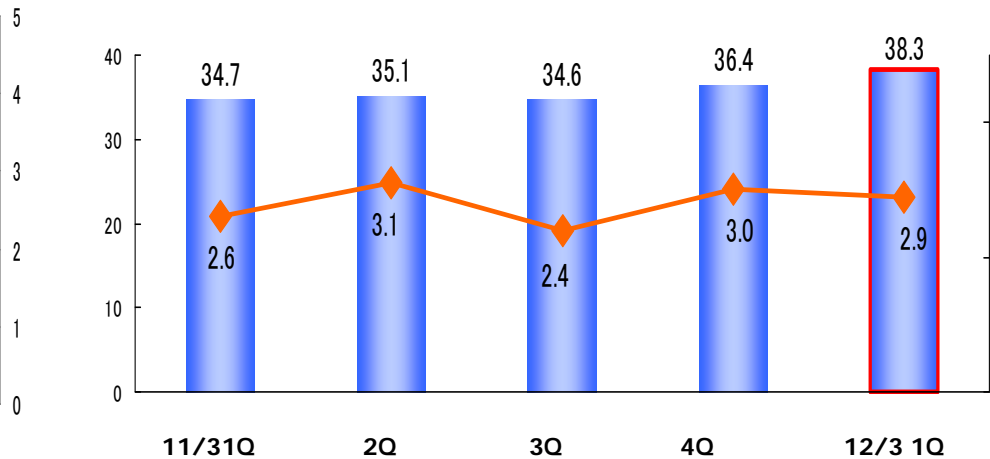
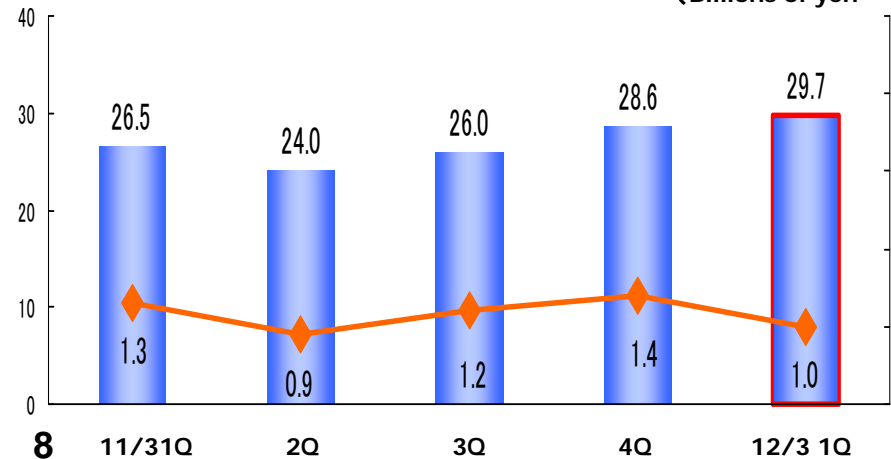
(Billions of yen)

Europe

(Billions of yen)

(Billions of yen)

(Billions of yen)



Results by Customer Location



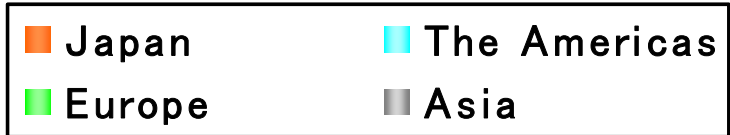
(Billions of yen)	'11/3			'12/3				
	Q1 <Actual>	1st half <Actual>	Full year <Actual>	Q1 <Actual>	Increase/ decrease YOY	%	1st half (Forecast)	Full year (Forecast)
Sales	174.0	352.8	710.4	166.1	-7.9	-4.5%	340.0	730.0
Japan	85.1	176.0	354.5	75.8	-9.3	-10.9%	164.0	359.0
Non-Japan	88.9	176.8	355.9	90.3	+1.4	+1.5%	176.0	371.0
(Ratio of non-Japan sales to consolidated net sales)	(51.1%)	(50.1%)	(50.1%)	(54.3%)			(51.8%)	(50.8%)
The Americas	22.1	43.6	85.5	19.4	-2.7	-12.1%	38.5	84.0
Europe	25.9	49.5	102.2	29.3	+3.4	+12.9%	52.0	103.0
Asia	40.9	83.7	168.2	41.6	+0.7	1.7%	85.5	184.0
(Asia Ratio)	(23.5%)	(23.7%)	(23.7%)	(25.0%)			85.5	184.0
[China only	20.3	43.1	82.6	20.8	+0.5	+2.5%	46.0	95.0]

Results by Customer Location



**Net sales by customer location
Quarterly business performance**

(Billions of yen)
250



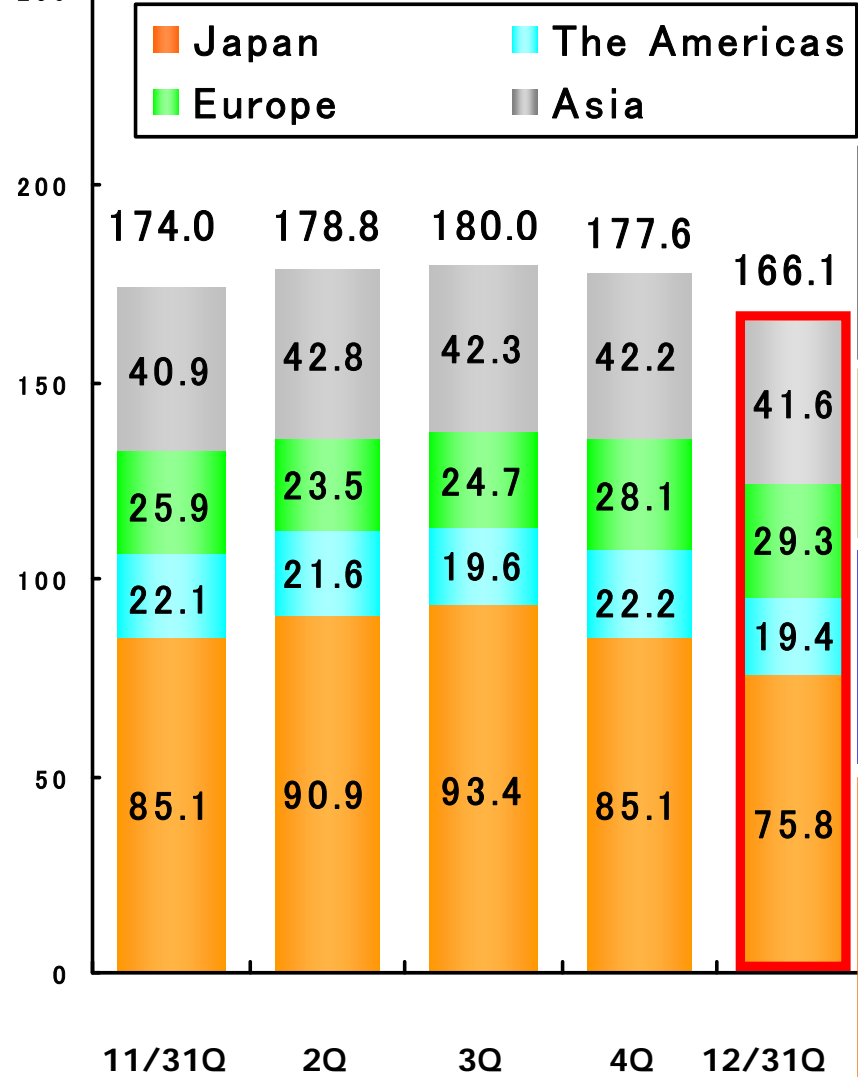
(Compared to the same period last year)

Asia: Sales in 1Q decreased only by 1.4% from 4Q supported by strong demand of machine tool for China and recovery of electric & IT in ASEAN in spite of decrease for Japanese Automotive manufacturers .

Europe: Thanks to demand increment for industrial machinery, electric & IT and automotive business, Sales in 1Q increased by 4.3% from 4Q.

The Americans: Although aftermarket sector in North and Latin America increased, Sales in 1Q decreased by 12.6% from 4Q due to reduction of Japanese auto-makers business.

Japan: Though making up for the automotive shortfall due to the effect of the Great East Japan Earthquake of strong demand for machine tool, and sales expansion activities of industrial machinery business segment, Sales result in 1Q decreased by 10.9% from 4Q.



Consolidated Balance Sheet



Assets

Liabilities and net assets

■ Non-current assets ■ Current assets

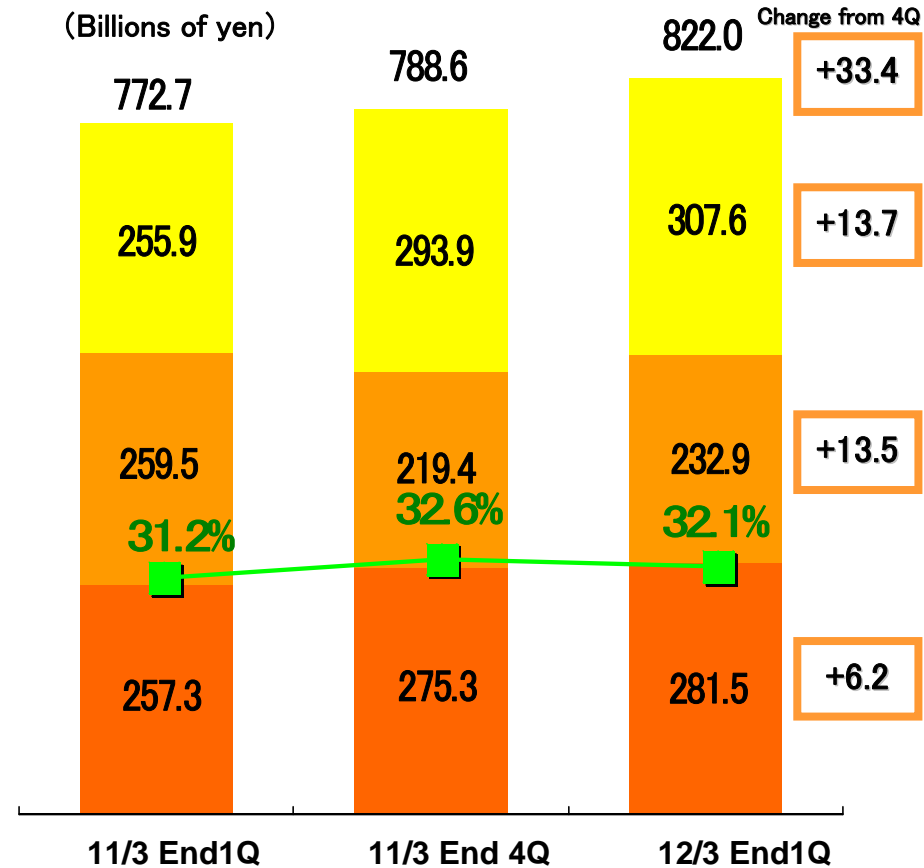
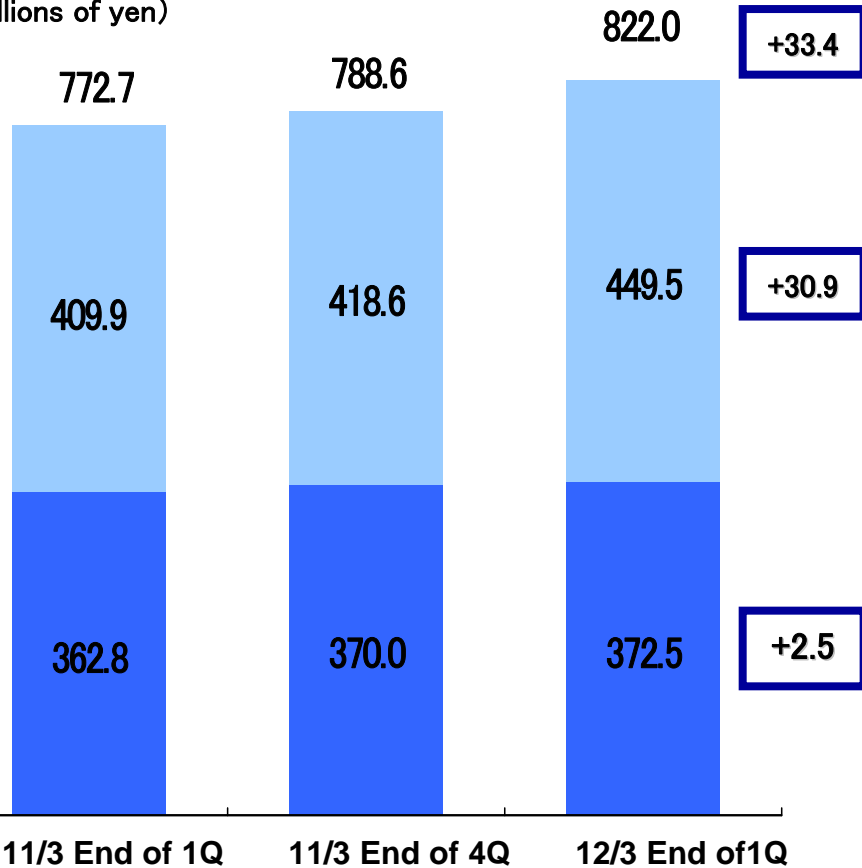
■ Net assets ■ Non-current liabilities ■ Current liabilities ■ Ratio of net worth to total capital

Change from 4Q

Change from 4Q

(Billions of yen)

(Billions of yen)



88.48	83.15	80.73
107.81	117.57	116.84

88.48	83.15	80.73
107.81	117.57	116.84

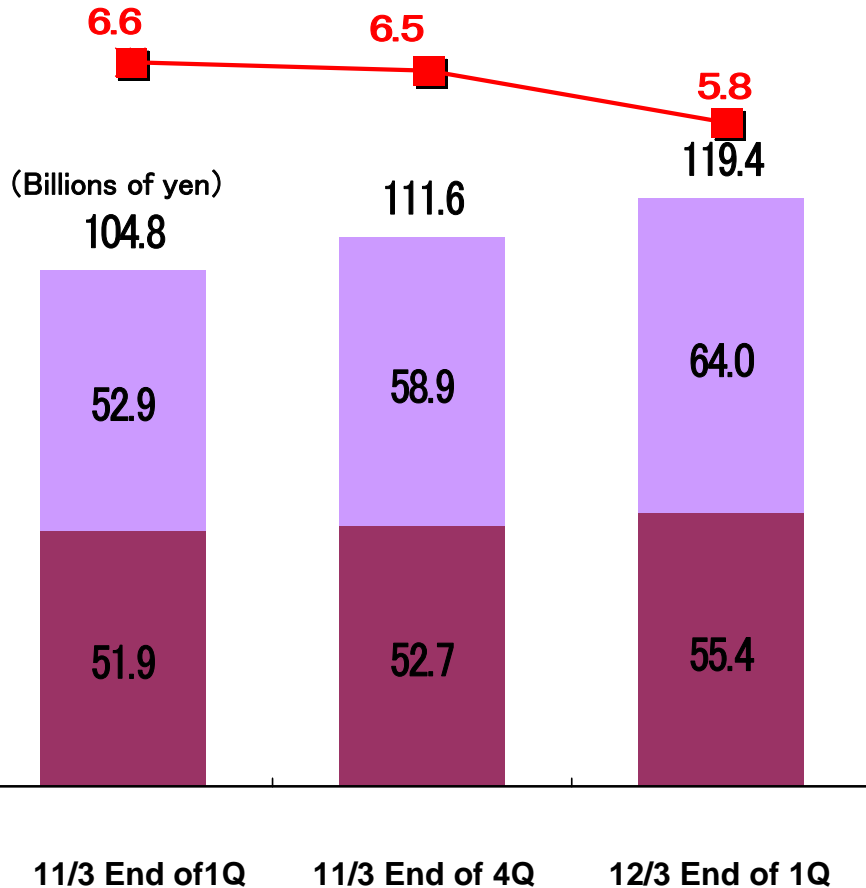
Inventories, Interest-bearing Debt



Inventories

■ Japan
 ■ Non-Japan
 ■ Inventory turnover
 ■

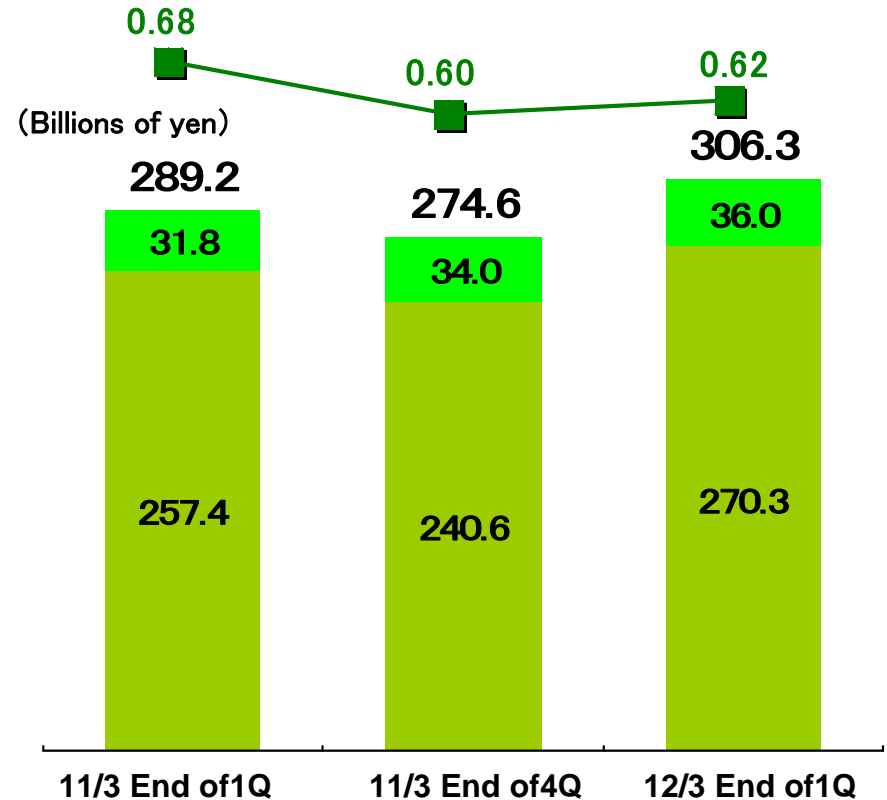
(times)



Interest-bearing debt

■ Japan
 ■ Non-Japan
 ■ Net D/E ratio

(Times)

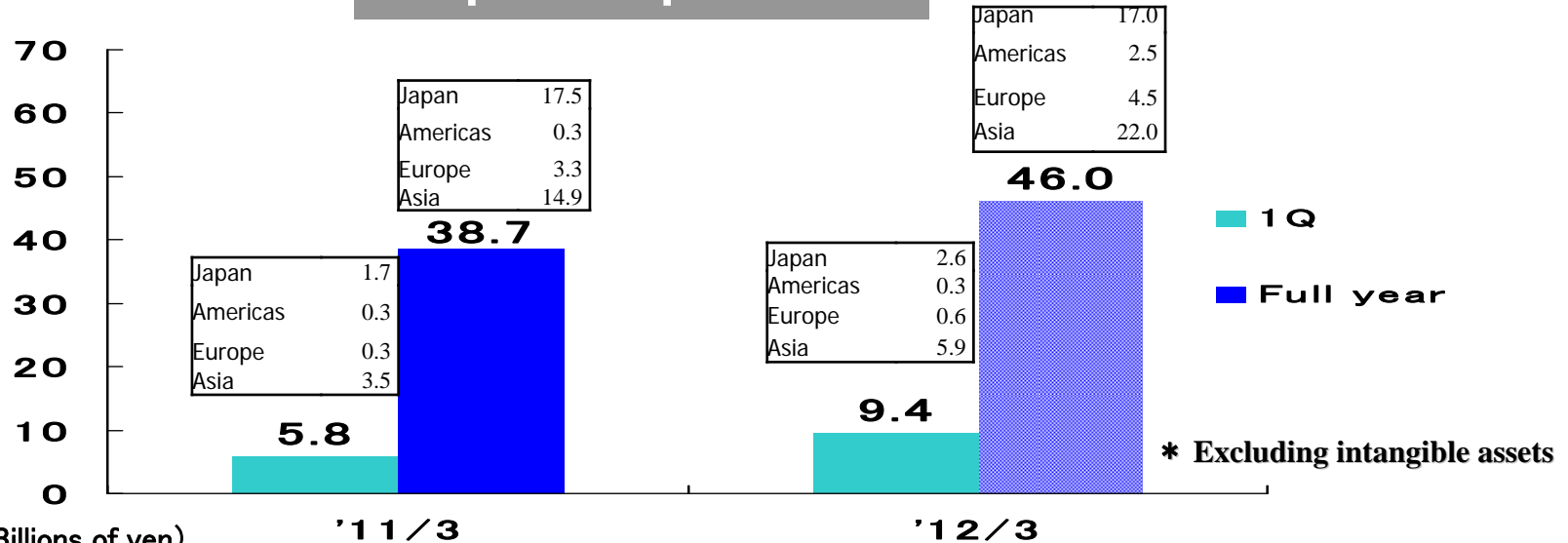


Capital Expenditure, Depreciation



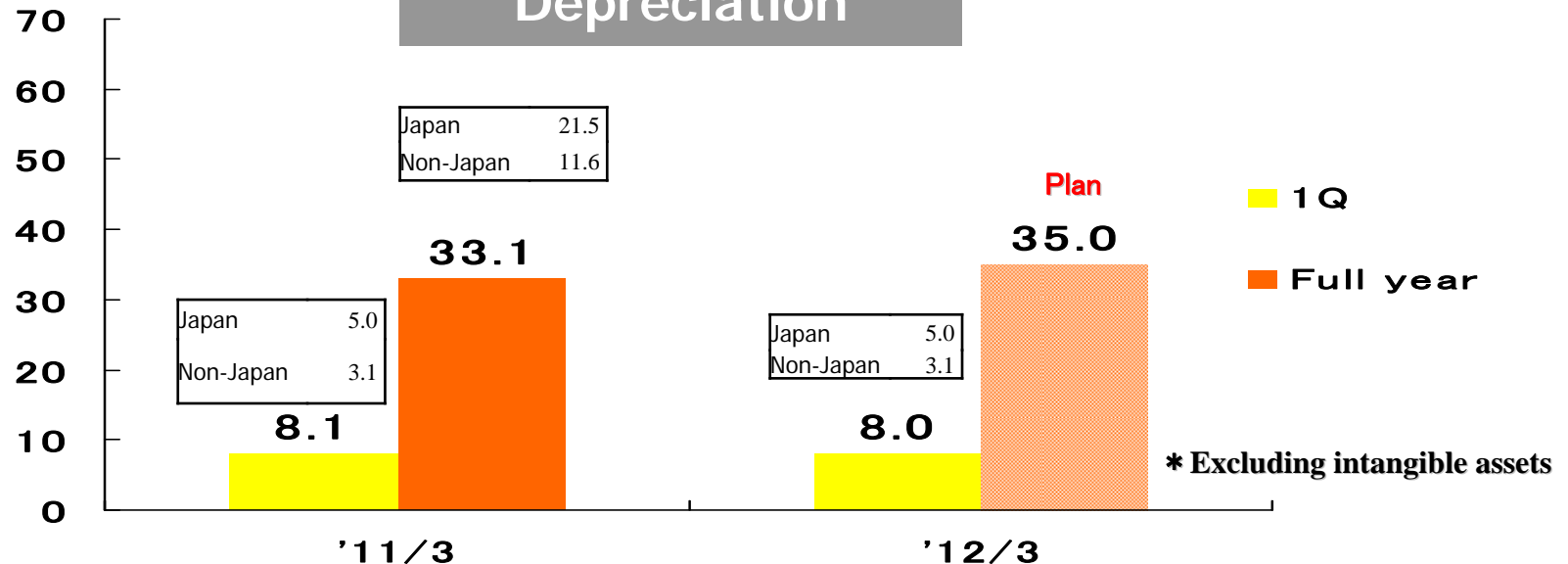
(Billions of yen)

Capital Expenditure



(Billions of yen)

Depreciation



Supplementary Information

—Research & Development, Employees



(Billions of yen)	'11/3				'12/3	
	1Q	2Q	3Q	4Q	1Q	Full year (Plan)
Research & Development	2.2	2.8	2.6	3.0	2.3	11.5

(No. of employees)	'11/3				'12/3
	1Q	2Q	3Q	4Q	1Q
Employees	25,181	25,207	26,212	26,334	26,568
Japan	11,544	11,478	11,407	11,295	11,432
The Americas	2,392	2,415	2,476	2,523	2,504
Europe	3,090	3,055	3,109	3,172	3,179
Asia	8,155	8,259	9,220	9,344	9,453

Supplementary Information

—Forecasts by Business Segment



(Billions of yen)	'11/3			'12/3			
	1st half <Actual>	2nd half <Actual>	Full year <Actual>	1st half <Forecast>	2nd half <Forecast>	Full year <Forecast>	Increase/ decrease YOY
Sales	352.8	357.6	710.4	340.0	390.0	730.0	+19.6
Industrial machinery business	127.5	131.6	259.1	130.0	135.0	265.0	+5.9
Industrial machinery bearings	98.7	101.2	199.9	105.5	110.0	215.5	+15.6
Precision machinery and parts	28.8	30.4	59.2	24.5	25.0	49.5	-9.7
Automotive business	212.2	212.0	424.2	192.0	240.0	432.0	+7.8
Automotive bearings	108.8	107.9	216.7	100.5	119.5	220.0	+3.3
Automotive components	103.4	104.1	207.5	91.5	120.5	212.0	+4.5
Other	26.1	27.0	53.1	31.5	30.5	62.0	+8.9
Eliminations/corporate	-13.0	-13.0	-26.0	-13.5	-15.5	-29.0	-3.0
Operating income	20.3 <5.8%>	23.2 <6.5%>	43.5 <6.1%>	18.5 <5.4%>	31.5 <8.1%>	50.0 <6.8%>	+6.5
Industrial machinery business	8.2 <6.5%>	12.2 <9.3%>	20.4 <7.9%>	13.5 <10.4%>	16.0 <11.9%>	29.5 <11.1%>	+9.1
Automotive business	13.6 <6.4%>	13.3 <6.3%>	26.9 <6.3%>	6.5 <3.4%>	18.0 <7.5%>	24.5 <5.7%>	-2.4
Other	2.2 <8.3%>	1.3 <3.8%>	3.5 <6.5%>	2.0 <6.4%>	1.0 <3.3%>	3.0 <4.8%>	-0.5
Eliminations/Corporate	-3.7	-3.6	-7.3	-3.5	-3.5	-7.0	+0.3