



NSK

CONSOLIDATED BUSINESS RESULTS

FOR THE THIRD QUARTER
ENDED DECEMBER 31, 2013

JANUARY 31, 2014
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 FY2013: 3Q



Business Results for FY2013: 3Q

✓ Consolidated Business Results for FY2013: 3Q (Oct - Dec)

		(From FY2012: 3Q)
Net Sales:	¥ 224.2 billion	(+¥54.2 billion / 31.8% increase)
Operating Income:	¥ 15.9 billion	(+¥11.8 billion / 291.3% increase)
Net Income:	¥ 1.1 billion	(-¥0.5 billion / -35.9% decrease)

✓ Business Environment

◎Industrial machinery: Gradual recovery trend, mainly in Japan and China.

◎Automotive production: Volume increased due to rush to beat consumption tax rise in Japan.

Steady demand in China and the U.S. despite slower growth in ASEAN.

Expected Business Performance for FY2013

◆ Both net sales and operating income were revised upward from the previous forecast announced in September 2013.

✓ Industrial machinery business: Sales increase of more than 10% supported by currency effects, despite slow volume recovery.

✓ Automotive business: Net sales and operating income growth expected to continue.

Summary of Consolidated Business Results for FY2013: 3Q

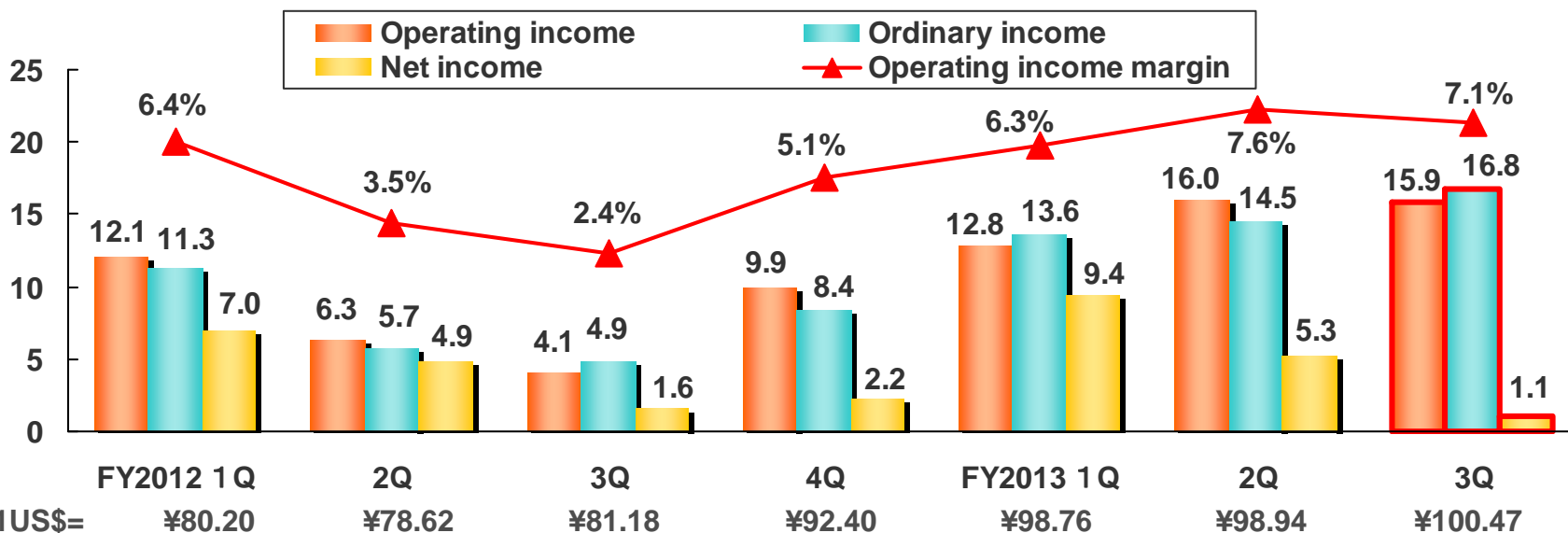
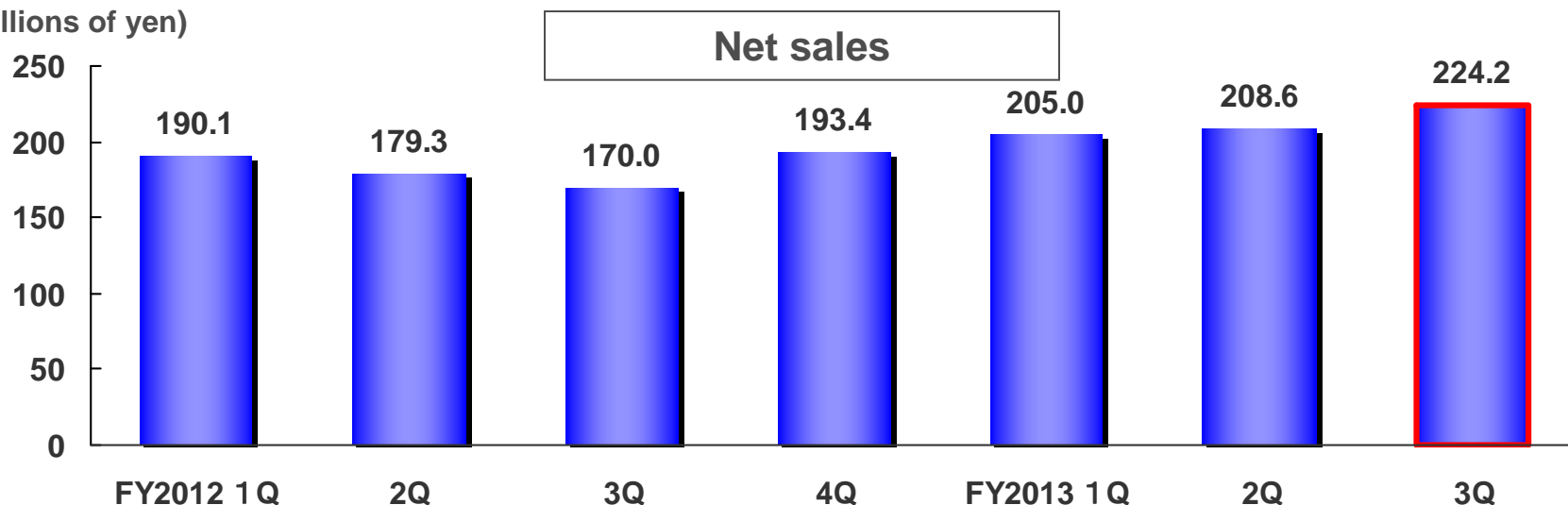


(Billions of yen)	FY2012			FY2013						Full year <Sep. 30 FCST>	Full year <Jan. 31 FCST>
	3Q <Actual>	Apr-Dec <Actual>	Full year <Actual>	3Q <Actual>	Increase/ Decrease YOY	% Change	Apr-Dec <Actual>	Increase/ Decrease YOY	% Change		
Net sales	170.0	539.4	732.8	224.2	+54.2	+31.8%	637.8	+98.4	+18.2%	840.0	860.0
Operating income	4.1	22.5	32.4	15.9	+11.8	+291.3%	44.7	+22.2	+98.8%	58.0	63.0
<%>	<2.4%>	<4.2%>	<4.4%>	<7.1%>			<7.0%>			<6.9%>	<7.3%>
Ordinary income	4.9	21.9	30.3	16.8	+11.9	+242.0%	44.9	+23.0	+105.5%	55.0	61.0
Income before tax	5.4	21.5	25.3	6.7	+1.3	+26.3%	31.5	+10.0	+46.6%	51.7	47.6
Net income	1.6	13.5	15.7	1.1	-0.5	-35.9%	15.8	+2.3	+17.0%	34.0	26.0
(Ex. rate: US1\$=)	¥81.18	¥80.00	¥83.10	¥100.47			¥99.39			¥96.95	¥99.54
(" 1EURO=)	¥105.23	¥102.17	¥107.14	¥136.69			¥132.23			¥127.48	¥132.92

Quarterly Business Performance



(Billions of yen)



1US\$= ¥80.20

¥78.62

¥81.18

¥92.40

¥98.76

¥98.94

¥100.47

1EURO= ¥102.91

¥98.37

¥105.23

¥122.05

¥128.95

¥131.05

¥136.69

Results by Business Segment

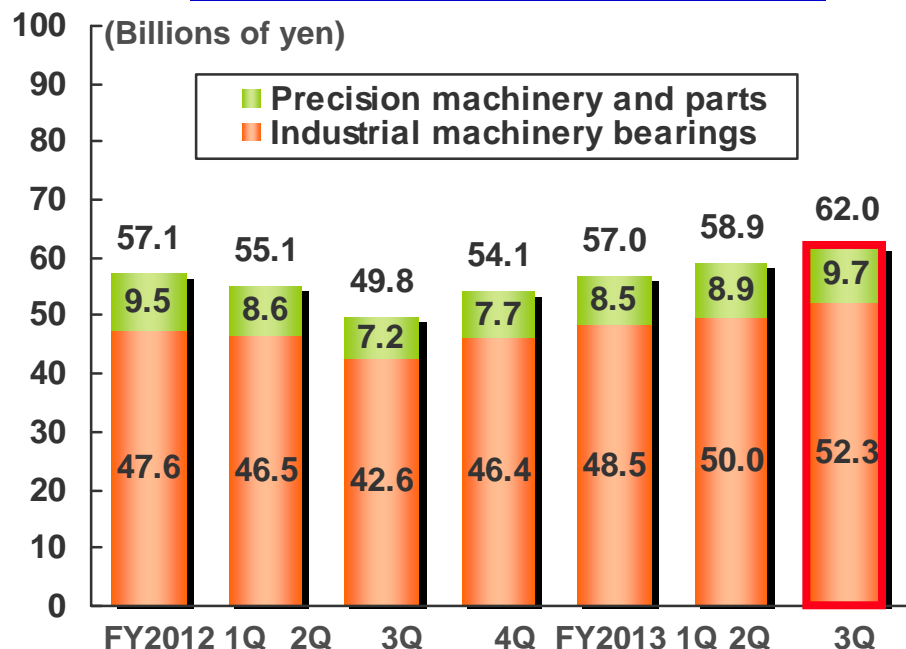


(Billions of yen)		FY2012			FY2013						Full Year <Jan. 31 FCST>
		3Q <Actual>	Apr-Dec <Actual>	Full year <Actual>	3Q <Actual>	Increase/ Decrease YOY	% Change	Apr-Dec <Actual>	Increase/ Decrease YOY	% Change	
Total	Net sales	170.0	539.4	732.8	224.2	+54.2	+31.8%	637.8	+98.4	+18.2%	860.0
	Operating income	4.1	22.5	32.4	15.9	+11.8	+291.3%	44.7	+22.2	+98.8%	63.0
	<%>	2.4%	4.2%	4.4%	7.1%			7.0%			7.3%
Industrial Machinery Business	Net sales	49.8	162.0	216.1	62.0	+12.2	+24.6%	177.9	+15.9	+9.8%	240.0
	Industrial machinery bearings	42.6	136.7	183.1	52.3	+9.7	+22.8%	150.8	+14.1	+10.3%	203.5
	Precision machinery and parts	7.2	25.3	33.0	9.7	+2.5	+35.4%	27.1	+1.8	+7.3%	36.5
	Operating income	1.4	10.2	13.0	5.8	+4.4	+318.5%	15.5	+5.3	+52.7%	21.5
	<%>	2.8%	6.3%	6.0%	9.3%			8.7%			9.0%
Automotive Business	Net sales	114.4	358.2	490.5	148.7	+34.3	+29.9%	432.5	+74.3	+20.7%	585.0
	Automotive bearings	55.6	172.8	236.5	69.7	+14.1	+25.5%	204.9	+32.1	+18.6%	276.5
	Automotive components	58.8	185.4	254.0	79.0	+20.2	+34.2%	227.6	+42.2	+22.7%	308.5
	Operating income	4.3	16.6	25.0	12.1	+7.8	+184.2%	33.5	+16.9	+102.0%	46.0
	<%>	3.7%	4.6%	5.1%	8.1%			7.8%			7.9%
Others	Net sales	12.5	40.5	53.3	19.6	+7.1	+58.0%	46.9	+6.4	+15.7%	61.0
	Operating income	0.4	1.6	2.2	0.0	-0.4	-107.1%	1.4	-0.2	-16.2%	3.0
	<%>	3.2%	4.0%	4.1%	-0.1%			2.9%			4.9%
Eliminations (sales)		-6.7	-21.3	-27.1	-6.1	+0.6		-19.5	+1.8		-26.0
Eliminations/corporate expenses		-2.0	-5.9	-7.8	-2.0	0.0		-5.7	+0.2		-7.5

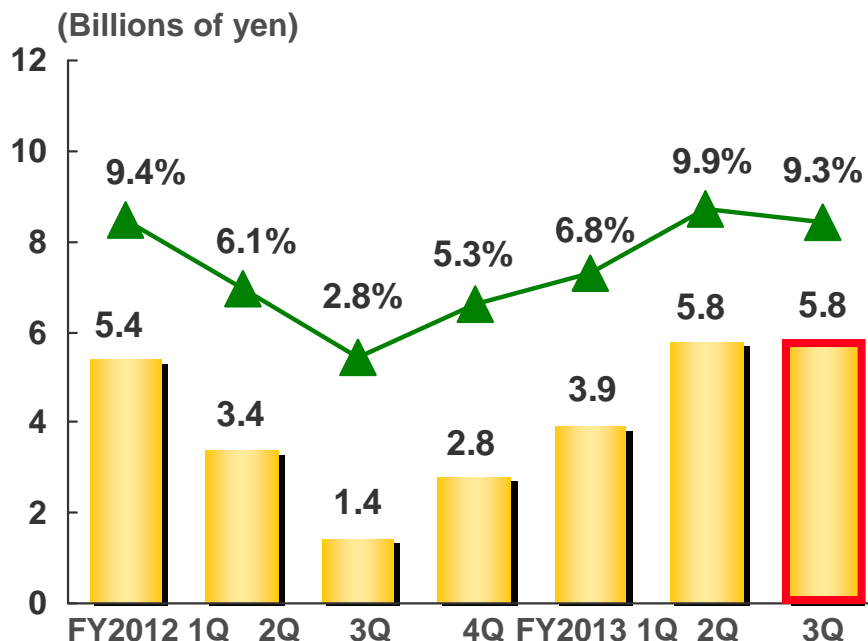
Results by Business Segment

— Industrial Machinery Business

Net sales



Operating income/margin



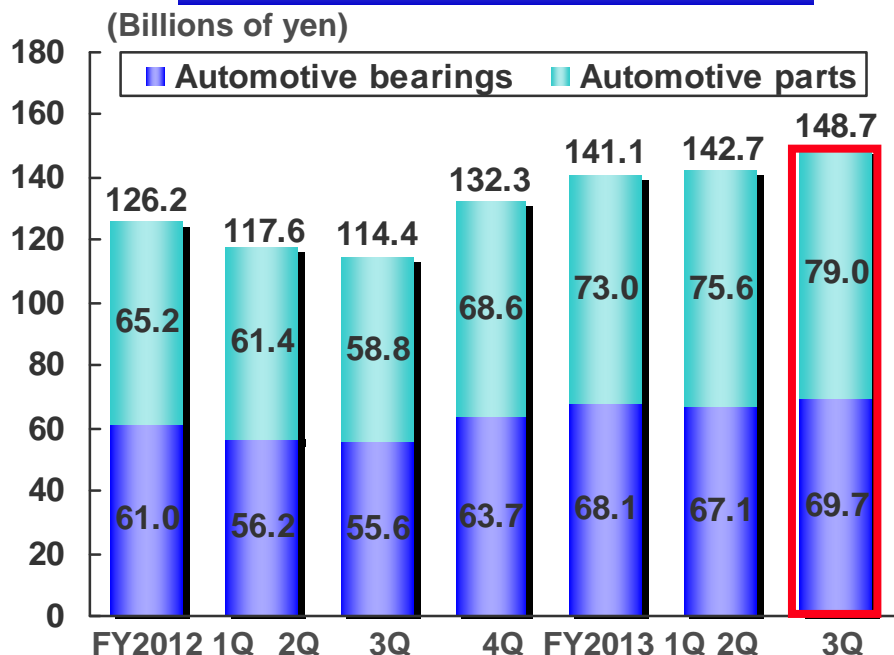
Compared to FY2012 3Q

- Due to steady demand in the general machinery sector in Japan and the IT/electrical sector in China, 3Q net sales in the industrial machinery business totaled ¥62.0 billion, a 24.6% YoY increase.
- 3Q operating income totaled ¥5.8 billion, a 318.5% YoY increase, due to reduction in external procurement costs, in addition to higher volume and the effect of the weaker yen.

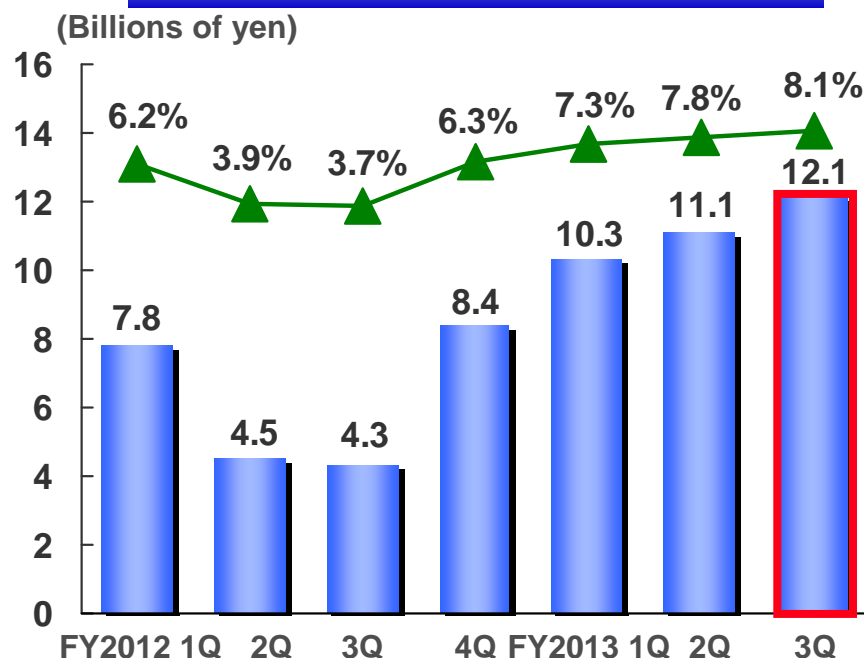
Results by Business Segment

— Automotive Business

Net sales



Operating income/margin



Compared to FY2012 3Q

- Due to steady automotive demand in the U.S. and EPS launches in China, 3Q net sales totaled ¥148.7 billion, a 29.9% YoY increase.
- Despite the impact of decline in sales prices, 3Q operating income totaled ¥12.1 billion, a 184.2% YoY increase due to the impact of the weaker yen and reduction in external procurement costs. Operating income margin reached the 8% level.

Results by Geographical Segment



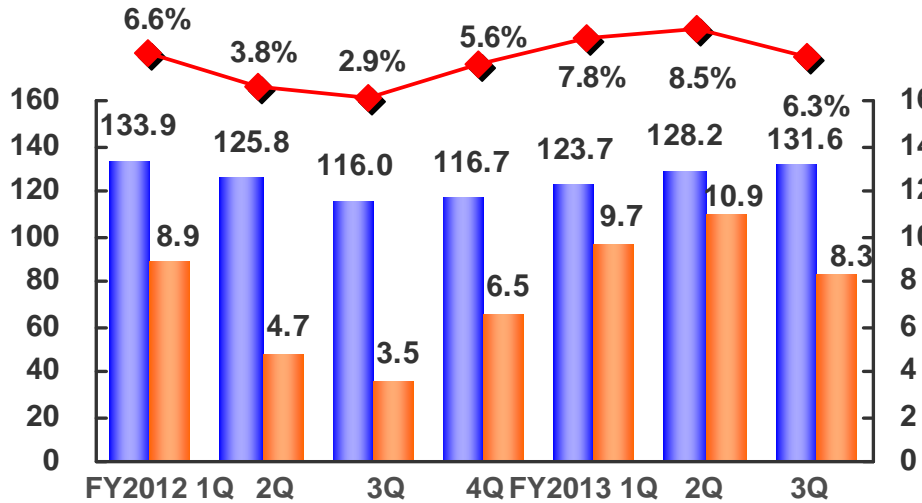
(Billions of yen)		FY2012			FY2013						
		3Q <Actual>	Apr-Dec <Actual>	Full year <Actual>	3Q <Actual>	Increase/ Decrease YOY	% Change	Apr-Dec <Actual>	Increase/ Decrease YOY	% Change	Full year <Jan. 31 FCST>
Total	Net sales	170.0	539.4	732.8	224.2	+54.2	+31.8%	637.8	+98.4	+18.2%	860.0
	Operating income	4.1	22.5	32.4	15.9	+11.8	+291.3%	44.7	+22.2	+98.8%	63.0
	%	2.4%	4.2%	4.4%	7.1%			7.0%			7.3%
Japan	Net sales	116.0	375.7	492.4	131.6	+15.6	+13.4%	383.5	+7.8	+2.1%	511.0
	Operating income	3.5	17.1	23.6	8.3	+4.8	+143.0%	28.9	+11.8	+69.6%	37.5
	%	2.9%	4.5%	4.8%	6.3%			7.5%			7.3%
The Americas	Net sales	23.8	72.5	102.3	32.1	+8.3	+35.3%	96.3	+23.8	+32.9%	133.0
	Operating income	0.8	2.0	3.2	1.4	+0.6	+78.8%	3.3	+1.3	+64.8%	6.0
	%	3.2%	2.7%	3.2%	4.3%			3.4%			4.5%
Europe	Net sales	24.2	73.2	104.4	30.8	+6.6	+27.2%	89.7	+16.5	+22.5%	124.0
	Operating income	0.2	1.2	2.0	1.0	+0.8	+249.7%	2.2	+1.0	+77.9%	4.5
	%	1.1%	1.7%	1.9%	2.9%			2.4%			3.6%
Asia	Net sales	44.4	139.8	193.7	74.9	+30.5	+68.8%	209.5	+69.7	+49.9%	282.5
	Operating income	1.9	7.9	10.6	7.8	+5.9	+326.6%	17.5	+9.6	+122.6%	25.0
	%	4.2%	5.6%	5.5%	10.5%			8.4%			8.9%
Eliminations (sales)		-38.4	-121.8	-160.0	-45.2	-6.8		-141.2	-19.4		-190.5
Eliminations/corporate		-2.3	-5.7	-7.0	-2.6	-0.3		-7.2	-1.5		-10.0

Results by Geographical Segment

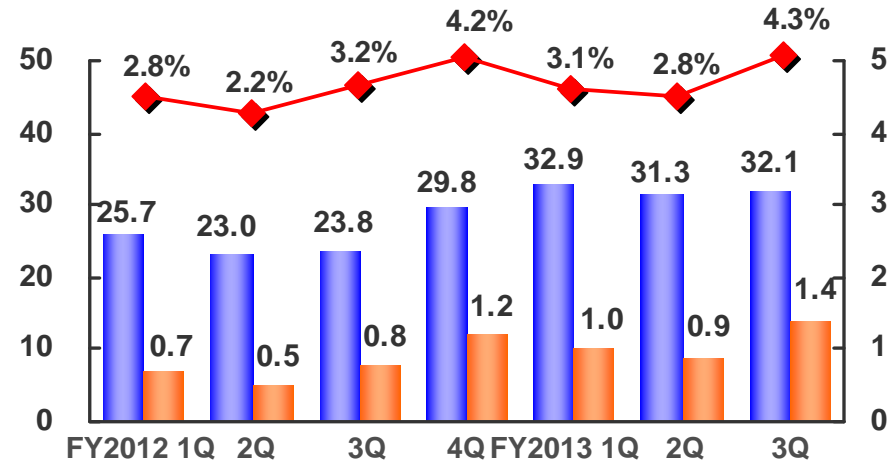


■ Net sales (Billions of yen)
 ■ Operating income (Billions of yen)
 ◆ Operating income margin

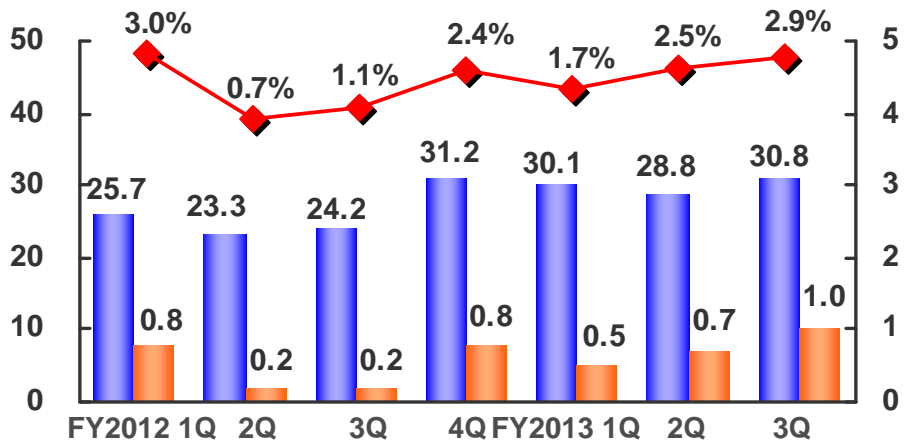
Japan



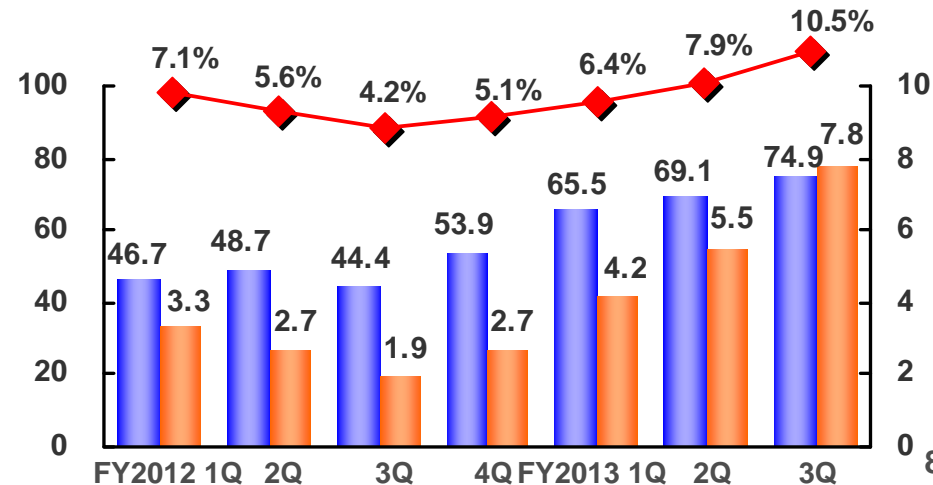
The Americas



Europe



Asia



Results by Customer Location

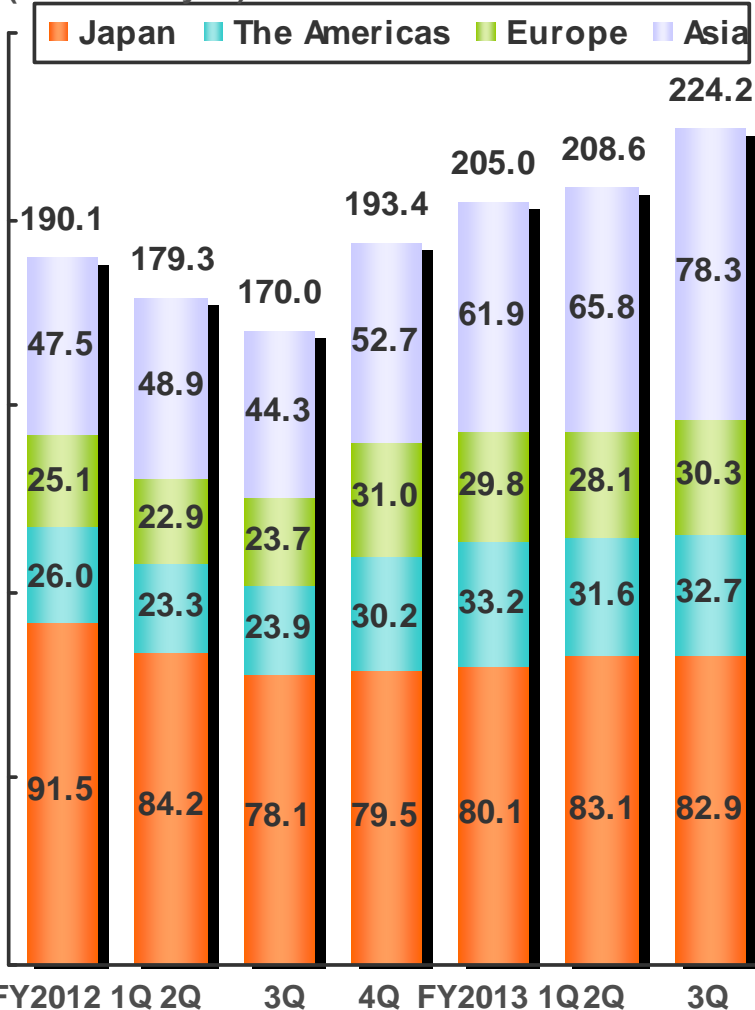


(Billions of yen)	FY2012			FY2013						Full year <Jan. 31 FCST>
	3Q <Actual>	Apr-Dec <Actual>	Full year <Actual>	3Q <Actual>	Increase/ Decrease YOY	% Change	Apr-Dec <Actual>	Increase/ Decrease YOY	% Change	
Net sales	170.0	539.4	732.8	224.2	+54.2	+31.8%	637.8	+98.4	+18.2%	860.0
Japan	78.1	253.8	333.3	82.9	+4.8	+6.1%	246.1	-7.7	-3.0%	328.5
Non-Japan	91.9	285.6	399.5	141.3	+49.4	+53.7%	391.7	+106.1	+37.1%	531.5
<Non-Japan ratio>	<54.0%>	<52.9%>	<54.5%>	<63.0%>			<61.4%>			<61.8%>
The Americas	23.9	73.2	103.4	32.7	+8.8	+36.6%	97.5	+24.3	+33.0%	133.0
Europe	23.7	71.7	102.7	30.3	+6.6	+27.9%	88.2	+16.5	+23.0%	119.5
Asia	44.3	140.7	193.4	78.3	+34.0	+76.7%	206.0	+65.3	+46.4%	279.0
<Asia ratio>	<26.0%>	<26.1%>	<26.4%>	<34.9%>			<32.3%>			<32.4%>
China only	20.5	67.5	91.4	50.4	+29.9	+146.8%	120.5	+53.0	+78.7%	164.0

Results by Customer Location

Net sales by customer location: Quarterly business performance

(Billions of yen)



Compared to FY2013 2Q

Asia: In the automotive business, EPS sales increased steadily in China. In the industrial machinery business, sales in China rose in contrast to a decline in ASEAN. 3Q net sales increased 19.1% from 2Q.

Europe: In the industrial machinery business, aftermarket sales increased, while sales in the automotive business also recovered. Overall 3Q net sales increased 7.8% from 2Q.

The Americas: Although sales to the general machinery and IT/electrical sectors of the industrial machinery business decreased, sales in the automotive business in North America increased steadily. 3Q net sales rose 3.2% from 2Q.

Japan: Despite gradual sales recovery in the industrial machinery business, 3Q net sales decreased 0.3% from 2Q due to a shift to overseas production in the automotive business.

Consolidated Balance Sheet

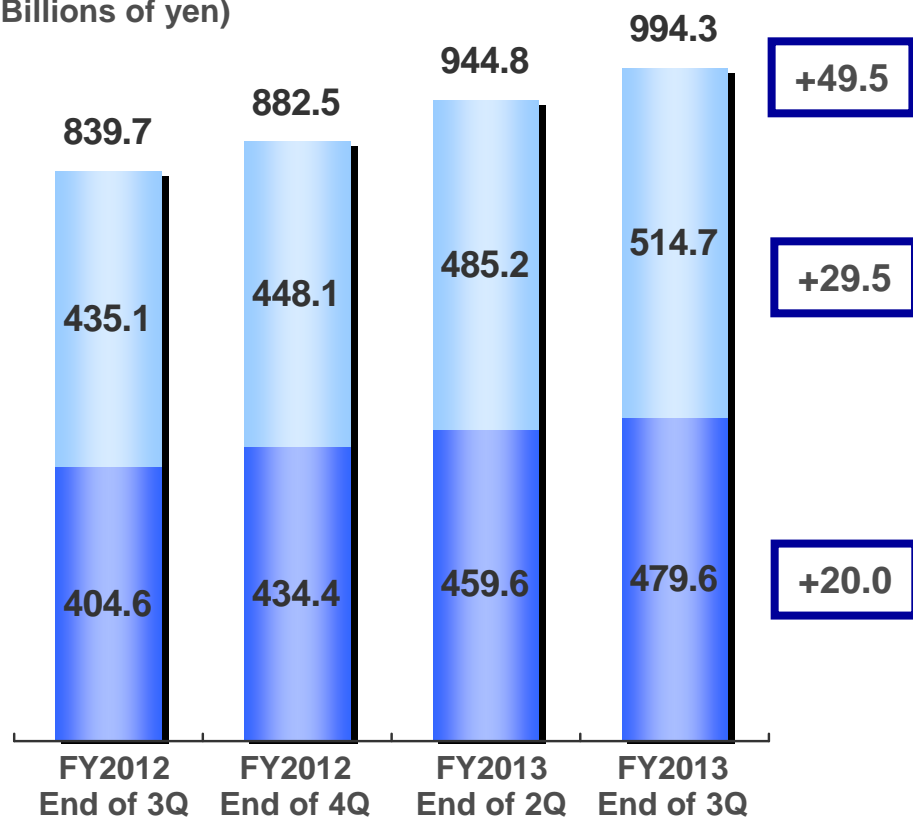


Assets

■ Non-current assets ■ Current assets

(Billions of yen)

Change from 2Q

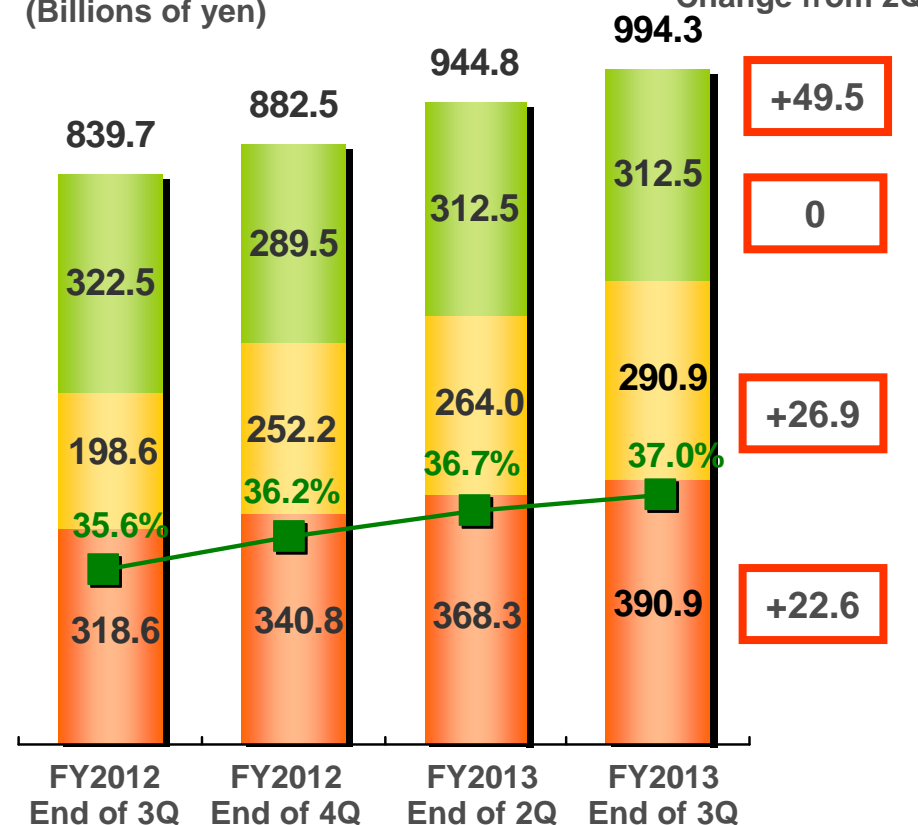


Liabilities / Net assets

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

(Billions of yen)

Change from 2Q



US1\$=	86.58	94.05	97.75	105.39
1Euro=	114.71	120.73	131.87	145.05

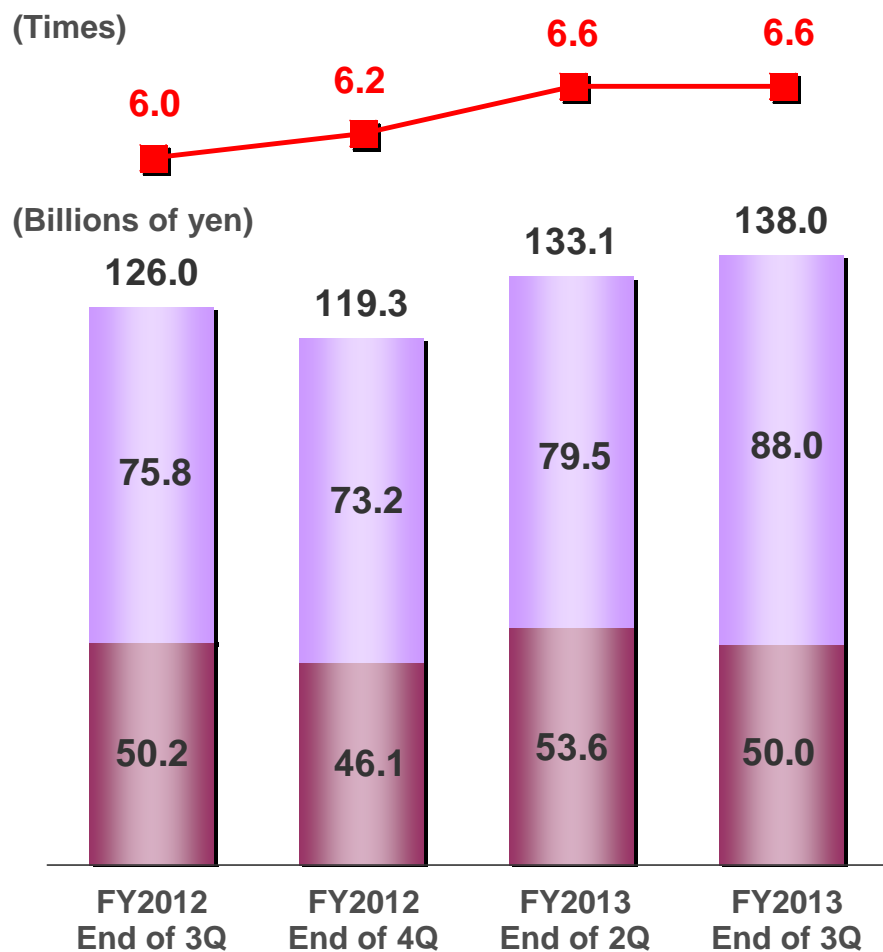
US1\$=	86.58	94.05	97.75	105.39
1Euro=	114.71	120.73	131.87	145.05

Inventories / Interest-Bearing Debt



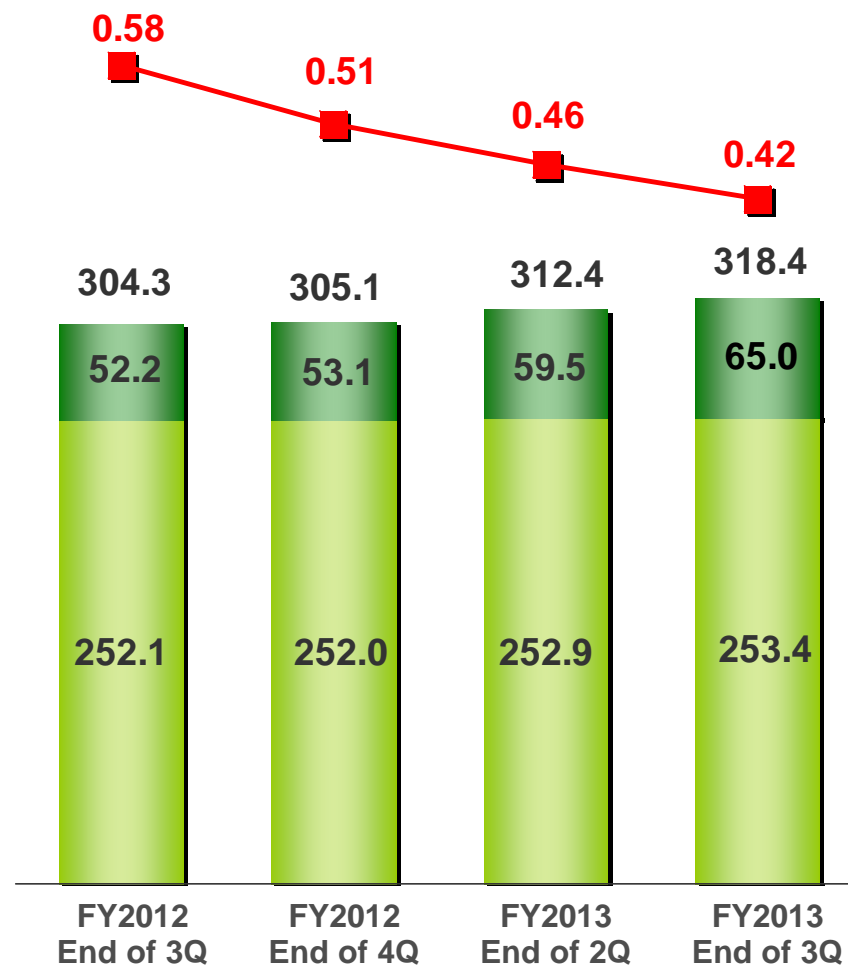
Inventories

■ Japan ■ Non-Japan ■ Inventory turnover



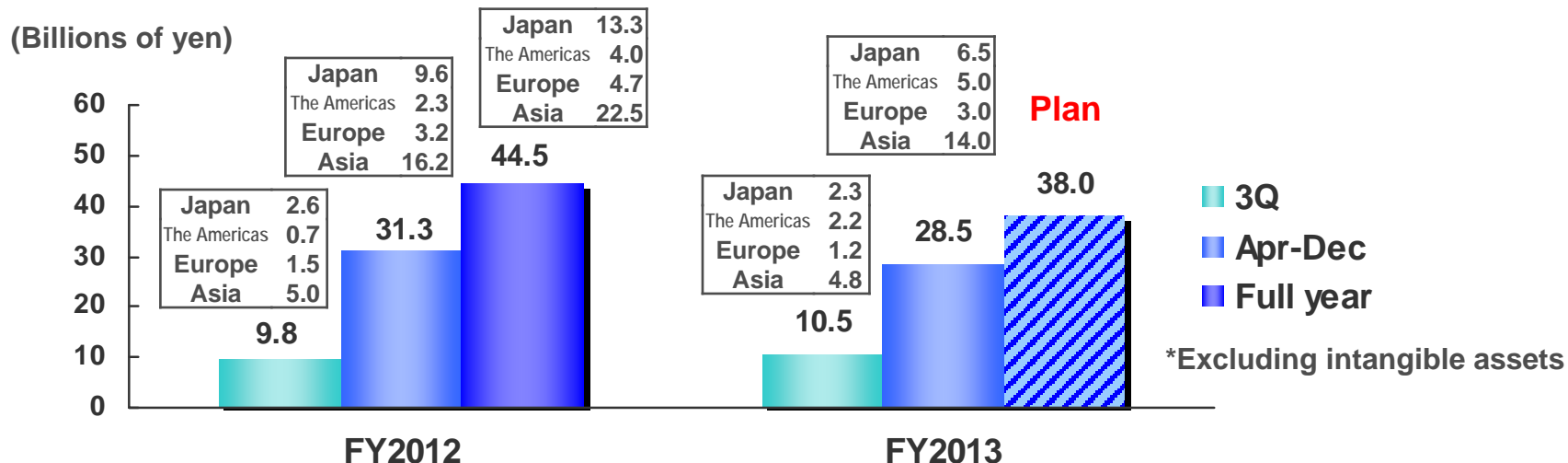
Interest-bearing debt

■ Japan ■ Non-Japan ■ Net D/E ratio

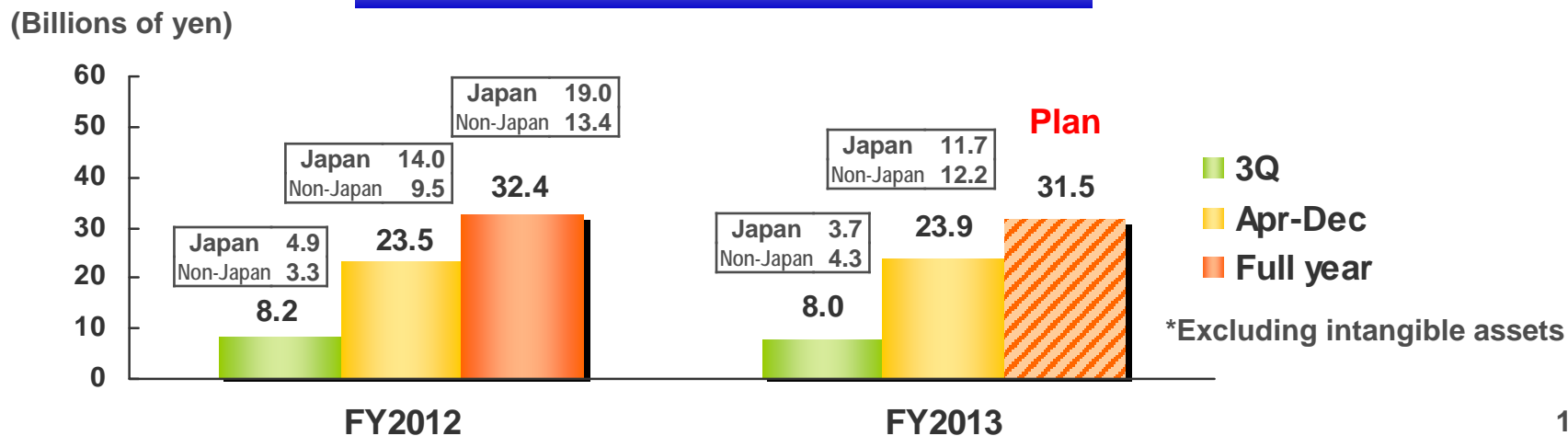


Capital Expenditure / Depreciation

Capital expenditure



Depreciation



Supplementary Information

— R&D Expenses / Number of Employees



(Billions of yen)	FY2012				FY2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	Full year (Plan)
R&D expenses	2.6	2.8	2.5	2.5	2.4	2.5	2.4	10.5

(Head count)	FY2012				FY2013		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total:	28,007	28,225	28,404	28,487	29,417	30,189	30,283
Japan	11,445	11,347	11,339	11,220	11,481	11,416	11,297
The Americas	2,696	2,758	2,790	2,782	2,814	2,905	2,990
Europe	3,360	3,392	3,381	3,404	3,434	3,523	3,504
Asia	10,506	10,728	10,894	11,081	11,688	12,345	12,492