

NSK Ltd.

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For Immediate Release

October 27, 2005

NON-CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2005 (unaudited)

Financial highlights

	Six months ended September 30		Change %
	2005	2004	
(Millions of yen)			
Net sales	¥ 204,081	¥ 188,724	8.1
Operating income	5,996	5,727	4.7
Ordinary income	7,135	4,651	53.4
Net income	7,318	3,243	125.7
(Yen)			
Net income per share	¥ 13.55	¥ 6.01	

Financial position

	As of	As of
	September 30, 2005	March 31, 2005
(Millions of yen)		
Total assets	¥ 599,489	¥ 587,425
Shareholders' equity	246,893	234,758
(%)		
Shareholders' equity to total assets	41.2%	40.0%
(Yen)		
Shareholders' equity per share	¥ 457.15	¥ 434.77

Non-consolidated balance sheets

(Millions of yen)	As of September 30,	As of March 31,	Increase/ Decrease
	2005	2005	
Assets			
Current assets	¥ 204,632	¥ 205,428	¥ -796
Cash and deposits	17,463	10,084	7,379
Notes receivable	935	922	13
Accounts receivable – trade	102,907	103,890	-983
Marketable securities	8,489	8,573	-84
Inventories	22,929	18,657	4,272
Accounts receivable – other	30,465	27,910	2,555
Deferred income taxes	5,356	9,938	-4,582
Other current assets	16,194	25,577	-9,383
Less allowance for doubtful accounts	-108	-126	18
Non-current assets	394,856	381,997	12,859
Property, plant and equipment	81,877	77,247	4,630
Buildings and structures	29,587	28,578	1,009
Machinery and equipment	30,200	26,892	3,308
Vehicles and transportation equipment	119	81	38
Tools and spare parts	3,393	2,048	1,345
Land	15,795	15,809	-14
Construction in progress	2,782	3,836	-1,054
Intangible fixed assets	3,128	2,201	927
Investments and other assets	309,849	302,548	7,301
Investment securities	66,875	56,040	10,835
Investment in affiliated companies	166,595	167,453	-858
Long-term loans	28,298	30,013	-1,715
Prepaid pension costs	33,821	35,454	-1,633
Other investments and assets	15,175	14,619	556
Less allowance for doubtful accounts	-916	-1,032	116
Total assets	599,489	587,425	12,064

Non-consolidated balance sheets (Continued)

(Millions of yen)	As of September 30, 2005	As of March 31, 2005	Increase/ Decrease
Liabilities			
Current liabilities	¥ 228,897	¥ 212,351	¥ 16,546
Notes payable	1,969	1,878	91
Accounts payable – trade	105,601	105,611	-10
Short-term loans	78,432	74,096	4,336
Current portion of corporate bonds	20,000	10,000	10,000
Accounts payable – other	12,503	10,368	2,135
Accrued expenses	9,264	8,891	373
Accrued income taxes	378	505	-127
Other current liabilities	747	999	-252
Long-term liabilities	123,697	140,315	-16,618
Corporate bonds	60,000	70,000	-10,000
Long-term loans	32,500	42,500	-10,000
Deferred tax liabilities	26,577	21,543	5,034
Accrued officers' retirement benefits	536	414	122
Other long-term liabilities	4,083	5,857	-1,774
Total liabilities	352,595	352,667	-72
Shareholders' equity			
Common stock	67,176	67,176	—
Capital surplus	77,948	77,926	22
Capital reserve	77,923	77,923	—
Other reserves	25	2	23
Gain on disposal of NSK treasury stock	25	2	23
Retained earnings	77,698	73,349	4,349
Legal reserve	10,292	10,292	—
Other reserves	57,510	57,460	50
Unappropriated retained earnings at the end of period	9,894	5,596	4,298
Unrealized holding gains on securities	28,127	20,397	7,730
NSK treasury stock	-4,057	-4,091	34
Total shareholders' equity	246,893	234,758	12,135
Total liabilities and shareholders' equity	599,489	587,425	12,064

Non-consolidated statements of operations

(Millions of yen)	Six months ended September 30		
	2005	2004	Change %
Net sales	¥ 204,081	¥ 188,724	8.1
Cost of sales	177,087	164,504	7.6
Selling, general and administrative expenses	20,998	18,492	13.5
Operating income	<u>5,996</u>	<u>5,727</u>	<u>4.7</u>
Non-operating income:	<u>3,685</u>	<u>1,759</u>	<u>109.5</u>
Interest and dividend income	3,275	1,173	179.1
Other	410	585	-30.0
Non-operating expenses:	<u>2,546</u>	<u>2,834</u>	<u>-10.2</u>
Interest expenses	1,356	1,555	-12.8
Other	1,189	1,279	-7.0
Ordinary income	<u>7,135</u>	<u>4,651</u>	<u>53.4</u>
Extraordinary income:	<u>3,960</u>	<u>1,011</u>	<u>291.8</u>
Gain on sales of investment securities	2,526	756	234.2
Gain on sales of property, plant and equipment	1,434	—	—
Gain on transfer to defined contribution pension plan	—	254	—
Extraordinary losses:	<u>324</u>	<u>90</u>	<u>256.7</u>
Loss on sales of investment in affiliated companies	324	—	—
Loss on devaluation of investment securities	—	90	—
Income before income taxes	<u>10,772</u>	<u>5,571</u>	<u>93.3</u>
Income taxes:			
Current	-622	82	-858.8
Deferred	4,075	2,246	81.4
Net income	<u>7,318</u>	<u>3,243</u>	<u>125.7</u>
Unappropriated retained earnings brought forward	2,576	1,633	
Interim dividends paid	—	—	
Unappropriated retained earnings at the end of period	<u>9,894</u>	<u>4,876</u>	

Forecast for the year ending March 31, 2006

	(Millions of yen)
Net sales	¥ 420,000
Operating income	12,000
Ordinary income	12,000
Net income	11,000
	(Yen)
Cash dividends per share to be paid	
Interim	¥ 5.50
Annual (total)	11.00

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.