

# NSK Ltd.

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For Immediate Release

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## CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2007 (unaudited)

### Consolidated Financial Highlights

(Millions of yen)	Six months ended Sep. 30, 2006		Six months ended Sep. 30, 2007		Year ended Mar. 31, 2007
		Change %		Change %	
Net sales	¥ 349,266	15.3	¥ 369,326	5.7	¥ 717,225
Operating income	30,015	63.0	31,576	5.2	62,383
Ordinary income	27,756	64.2	29,368	5.8	57,595
Net income	17,281	73.6	17,701	2.4	34,853
(Yen)					
Net income per share					
Basic	¥ 32.01		¥ 32.75		¥ 64.53
Diluted	31.98		32.73		64.47

### Consolidated Financial Position

(Millions of yen)	As of Sep. 30, 2006	As of Sep. 30, 2007	As of Mar. 31, 2007
Total assets	¥ 746,197	¥ 817,540	¥ 815,788
Net assets	258,529	291,987	276,727
(%)			
Shareholders' equity to total assets	32.9%	33.8%	32.2%
(Yen)			
Net assets per share	¥ 454.74	¥ 511.31	¥ 485.62

### Consolidated Results of Cash Flow

(Millions of yen)	Six months ended Sep. 30, 2006	Six months ended Sep. 30, 2007	Year ended Mar. 31, 2007
Net cash provided by operating activities	¥ 22,877	¥ 32,407	¥ 64,153
Net cash used in investing activities	(18,943)	(11,883)	(64,600)
Net cash used in financing activities	(6,811)	(17,857)	20,929
Cash and cash equivalents at end of the period	49,150	77,159	73,319

### Dividends

(Yen)	Year ended Mar. 31, 2007	Year ending Mar. 31, 2008	
		(Actual)	(Forecast)
Dividends per share			
Interim	¥ 7.00	¥ 9.00	¥ —
Year-end	9.00	—	9.00
Full year	16.00		18.00

### Forecasts for the Year Ending March 31, 2008

(Millions of yen)	Year ending Mar. 31, 2008	
	2008	Change (YOY) %
Net sales	¥ 760,000	6.0
Operating income	69,000	10.6
Ordinary income	65,000	12.9
Net income	41,000	17.6
(Yen)		
Net income per share	¥ 75.85	

**(Reference)**  
**Non-Consolidated Financial Highlights**

(Millions of yen)	Six months ended Sep. 30,		Six months ended Sep. 30,		Year ended Mar. 31, 2007
	2006	Change %	2007	Change %	
Net sales	¥ 221,486	8.5	<b>¥ 221,562</b>	<b>0.0</b>	¥ 446,588
Operating income	8,776	46.4	<b>7,725</b>	<b>(12.0)</b>	19,248
Ordinary income	10,217	43.2	<b>10,970</b>	<b>7.4</b>	19,375
Net income	8,174	11.7	<b>8,991</b>	<b>10.0</b>	15,247
(Yen)					
Net income per share	¥ 15.13		<b>¥ 16.63</b>		¥ 28.21

**Non-Consolidated Financial Position**

(Millions of yen)	As of Sep. 30, 2006	As of Sep. 30, 2007	As of Mar. 31, 2007
Total assets	¥ 666,822	<b>¥ 698,229</b>	¥ 715,341
Net assets	260,444	<b>266,451</b>	264,411
(%)			
Shareholders' equity to total assets	39.1	<b>38.1</b>	37.0
(Yen)			
Net assets per share	¥ 481.79	<b>¥ 492.41</b>	¥ 488.84

## Consolidated Balance Sheets

(Millions of yen)	As of Sep. 30	As of Sep. 30	As of Mar. 31	Change (A)-(B)
	2006	2007 (A)	2007 (B)	
<b>Assets</b>				
Current assets	¥ 325,030	¥ <b>381,169</b>	¥ 389,067	¥ (7,898)
Cash and deposits	44,163	<b>73,648</b>	68,354	5,294
Notes and accounts receivable	125,611	<b>130,813</b>	131,417	(604)
Marketable securities	11,667	<b>27,875</b>	40,339	(12,464)
Inventories	105,266	<b>107,005</b>	105,043	1,962
Deferred tax assets	10,864	<b>7,690</b>	10,190	(2,500)
Other current assets	29,336	<b>35,527</b>	35,481	46
Less allowance for doubtful accounts	(1,879)	<b>(1,391)</b>	(1,759)	368
Non-current assets	421,166	<b>436,370</b>	426,721	9,649
Property, plant and equipment	251,525	<b>262,225</b>	256,872	5,353
Buildings and structures	73,275	<b>75,339</b>	72,737	2,602
Machinery and transportation equipment	121,510	<b>126,086</b>	124,679	1,407
Land	36,961	<b>37,217</b>	37,110	107
Other property, plant and equipment	19,778	<b>23,581</b>	22,345	1,236
Intangible assets	9,626	<b>10,543</b>	9,438	1,105
Investments and other assets	160,014	<b>163,602</b>	160,410	3,192
Investment securities	114,142	<b>111,258</b>	112,352	(1,094)
Prepaid pension costs	35,661	<b>41,027</b>	38,063	2,964
Deferred tax assets	2,797	<b>3,060</b>	2,855	205
Other investments and other assets	8,280	<b>9,090</b>	8,275	815
Less allowance for doubtful accounts	(867)	<b>(834)</b>	(1,138)	304
<b>Total assets</b>	<b>¥ 746,197</b>	<b>¥ 817,540</b>	<b>¥ 815,788</b>	<b>¥ 1,752</b>

(Millions of yen)	As of Sep. 30, 2006	As of Sep. 30, 2007	As of Mar. 31, 2007	Change (A)-(B)
		(A)	(B)	
<b>Liabilities</b>				
Current liabilities	¥ 269,272	¥ 292,478	¥ 297,489	¥ (5,011)
Notes and accounts payable	118,131	125,109	122,115	2,994
Short-term loans	80,046	85,224	84,869	355
Commercial paper	5,000	—	—	—
Current portion of corporate bonds	10,000	23,000	23,000	—
Accrued income taxes	7,488	5,597	11,183	(5,586)
Other current liabilities	48,605	53,547	56,320	(2,773)
Long-term liabilities	218,395	233,074	241,571	(8,497)
Corporate bonds	75,000	92,000	102,000	(10,000)
Long-term loans	52,409	46,672	45,687	985
Deferred tax liabilities	40,343	39,485	39,536	(51)
Accrued employees' retirement benefits	37,086	39,707	39,893	(186)
Accrued officers' retirement benefits	786	1,038	938	100
Reserves for environmental safety measures expenses	751	313	685	(372)
Other long-term liabilities	12,018	13,856	12,830	1,026
Total liabilities	487,668	525,553	539,061	(13,508)
<b>Net assets</b>				
Shareholders' equity	249,891	276,665	262,736	13,929
Common stock	67,176	67,176	67,176	—
Additional paid-in capital	78,149	78,278	78,238	40
Retained earnings	108,736	135,345	121,441	13,904
Treasury stock	(4,170)	(4,134)	(4,119)	(15)
Valuation, translation adjustments and other	(4,289)	(298)	(311)	13
Unrealized holding gains on securities	36,058	33,877	36,548	(2,671)
Translation adjustments	(17,256)	(9,280)	(11,963)	2,683
Unfunded retirement benefits obligation of overseas subsidiaries	(23,091)	(24,895)	(24,895)	—
Share subscription rights	16	108	56	52
Minority interests	12,910	15,511	14,245	1,266
Total net assets	258,529	291,987	276,727	15,260
Total liabilities and net assets	¥ 746,197	¥ 817,540	¥ 815,788	¥ 1,752

## Consolidated Statements of Operations

(Millions of yen)	Six months ended Sep. 30,	Six months ended Sep. 30,	Year ended Mar. 31,	Change	
	2006	2007	2007	(A)-(a)	%
	(a)	(A)			
Net sales	¥ 349,266	¥ <b>369,326</b>	¥ 717,225	¥ 20,060	5.7
Cost of sales	269,058	<b>284,555</b>	551,069	15,497	5.8
Gross profit	80,207	<b>84,771</b>	166,155	4,564	5.7
Selling, general and administrative expenses	50,191	<b>53,194</b>	103,772	3,003	6.0
Operating income	30,015	<b>31,576</b>	62,383	1,561	5.2
Non-operating income:	4,601	<b>5,194</b>	9,783	593	12.9
Interest and dividend income	1,255	<b>1,629</b>	2,425	374	29.8
Equity in earnings of affiliates	1,535	<b>1,919</b>	3,925	384	25.0
Other	1,810	<b>1,646</b>	3,431	(164)	(9.1)
Non-operating expenses:	6,860	<b>7,402</b>	14,571	542	7.9
Interest expense	2,578	<b>3,140</b>	5,473	562	21.8
Other	4,282	<b>4,262</b>	9,098	(20)	(0.5)
Ordinary income	27,756	<b>29,368</b>	57,595	1,612	5.8
Extraordinary income:	229	<b>159</b>	1,883	(70)	(30.3)
Gain on sales of investment securities	—	<b>159</b>	—	159	—
Gain on sales of property, plant and equipment	229	—	1,342	(229)	—
Gain on sales of stocks of affiliates	—	—	540	—	—
Extraordinary losses:	—	<b>164</b>	2,441	164	—
Loss on sales of stocks of affiliates	—	<b>164</b>	—	164	—
Cost related to business restructuring	—	—	2,441	—	—
Net income before income taxes and minority interests	27,985	<b>29,363</b>	57,037	1,378	4.9
Income taxes:					
Current	8,135	<b>6,462</b>	17,371	(1,673)	(20.6)
Deferred	1,794	<b>4,207</b>	2,827	2,413	134.5
Minority interests	773	<b>991</b>	1,985	218	28.1
Net income	¥ 17,281	¥ <b>17,701</b>	¥ 34,853	¥ 420	2.4

## Consolidated Statements of Changes in Net Assets

Six months ended Sep. 30, 2006

(Millions of yen)

	Shareholders' Equity				Total shareholders' equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	
Balance at Mar. 31, 2006	¥67,176	¥78,097	¥71,241	¥(4,224)	¥212,290
Changes during the period					
Cash dividends			(3,783)		(3,783)
Net income			17,281		17,281
Effect of changes in fiscal year ends of consolidated subsidiaries and affiliates*			906		906
Repurchase of treasury stock				(67)	(67)
Sales of treasury stock		52		121	173
Net change during the period, except for items under shareholders' equity			23,091		23,091
Total change during the period	—	52	37,494	54	37,601
Balance at Sep. 30, 2006	¥67,176	¥78,149	¥108,736	¥(4,170)	¥249,891

	Valuation, translation adjustments and other				Share subscription rights	Minority interests	Total net assets
	Unrealized holding gains on securities	Translation adjustments	Unfunded retirement benefits obligation of subsidiaries in U.K.	Total valuation, translation adjustments and other			
Balance at Mar. 31, 2006	¥42,297	¥(18,871)	¥ —	¥ 23,425	¥ —	¥12,107	¥247,823
Changes during the period							
Cash dividends							(3,783)
Net income							17,281
Effect of changes in fiscal year ends of consolidated subsidiaries and affiliates*							906
Repurchase of treasury stock							(67)
Sales of treasury stock							173
Net change during the period, except for items under shareholders' equity	(6,238)	1,615	(23,091)	(27,714)	16	802	(3,804)
Total change during the period	(6,238)	1,615	(23,091)	(27,714)	16	802	10,705
Balance at Sep. 30, 2006	¥36,058	¥(17,256)	¥(23,091)	¥(4,289)	¥ 16	¥12,910	¥258,529

\*Effect of changes in fiscal year ends of consolidated subsidiaries and affiliates includes changes in 40 consolidated subsidiaries and 3 affiliates accounted for by the equity method, which mainly changed their fiscal year ends from December 31 to March 31.

## Six months ended Sep. 30, 2007

(Millions of yen)

	Shareholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at Mar. 31, 2007	¥67,176	¥78,238	¥121,441	¥(4,119)	¥262,736
Changes during the period					
Cash dividends			(4,868)		(4,868)
Net income			17,701		17,701
Effect of changes in fiscal year ends of consolidated subsidiaries and affiliates*			1,069		1,069
Repurchase of treasury stock				(85)	(85)
Sales of treasury stock		39		70	110
Net change during the period, except for items under shareholders' equity					
Total change during the period	—	39	13,903	(14)	13,928
Balance at Sep. 30, 2007	¥67,176	¥78,278	¥135,345	¥(4,134)	¥276,665

	Valuation, translation adjustments and other						
	Unrealized holding gains on securities	Translation adjustments	Unfunded retirement benefits obligation of overseas subsidiaries	Total valuation, translation adjustments and other	Share subscription rights	Minority interests	Total net assets
Balance at Mar. 31, 2007	¥36,548	¥(11,963)	¥(24,895)	¥ (311)	¥ 56	¥14,245	¥276,727
Changes during the period							
Cash dividends							(4,868)
Net income							17,701
Effect of changes in fiscal year ends of consolidated subsidiaries and affiliates*							1,069
Repurchase of treasury stock							(85)
Sales of treasury stock							110
Net change during the period, except for items under shareholders' equity	(2,671)	2,683		12	52	1,266	1,331
Total change during the period	(2,671)	2,683	—	12	52	1,266	15,259
Balance at Sep. 30, 2007	¥33,877	¥ (9,280)	¥(24,895)	¥ (298)	¥ 108	¥15,511	¥291,987

\* Effect of changes in fiscal year ends of consolidated subsidiaries and affiliates includes changes in 8 consolidated subsidiaries, which changed their fiscal year ends from December 31 to March 31.

Year ended Mar. 31, 2007

(Millions of yen)

	Shareholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at Mar. 31, 2006	¥67,176	¥78,097	¥71,241	¥(4,224)	¥212,290
Changes during the year					
Cash dividends			(8,650)		(8,650)
Net income			34,853		34,853
Effect of changes in fiscal year ends of consolidated subsidiaries and affiliates*			906		906
Repurchase of treasury stock				(135)	(135)
Sales of treasury stock		140		240	381
Net change during the year, except for items under shareholders' equity			23,091		23,091
Total change during the year	—	140	50,200	105	50,446
Balance at Mar. 31, 2007	¥67,176	¥78,238	¥121,441	¥(4,119)	¥262,736

	Valuation, translation adjustments and other				Share subscription rights	Minority interests	Total net assets
	Unrealized holding gains on securities	Translation adjustments	Unfunded retirement benefits obligation of overseas subsidiaries	Total valuation, translation adjustments and other			
Balance at Mar. 31, 2006	¥42,297	¥(18,871)	¥ —	¥ 23,425	¥ —	¥12,107	¥247,823
Changes during the year							
Cash dividends							(8,650)
Net income							34,853
Effect of changes in fiscal year ends of consolidated subsidiaries and affiliates*							906
Repurchase of treasury stock							(135)
Sales of treasury stock							381
Net change during the year, except for items under shareholders' equity	(5,749)	6,908	(24,895)	(23,736)	56	2,137	1,549
Total change during the year	(5,749)	6,908	(24,895)	(23,736)	56	2,137	28,903
Balance at Mar. 31, 2007	¥36,548	¥(11,963)	¥(24,895)	¥(311)	¥ 56	¥14,245	¥276,727

\* Effect of changes in fiscal year ends of consolidated subsidiaries and affiliates includes changes in 40 consolidated subsidiaries and 3 affiliates accounted for by the equity method, which mainly changed their fiscal year ends from December 31 to March 31.



## Consolidated Statements of Cash Flows

(Millions of yen)	Six months ended Sep. 30, 2006	Six months ended Sep. 30, 2007	Year ended Mar. 31, 2007
<b>Operating activities</b>			
Income before income taxes and minority interests	¥ 27,985	<b>¥29,363</b>	¥ 57,037
Depreciation and amortization	16,892	<b>18,249</b>	35,316
Amortization of goodwill	350	<b>353</b>	730
(Decrease) in allowance for doubtful accounts	(136)	<b>(727)</b>	(44)
(Decrease) in provision for retirement benefits and prepaid pension cost	(7,728)	<b>(3,788)</b>	(11,010)
Interest and dividend income	(1,255)	<b>(1,629)</b>	(2,425)
Interest expense	2,578	<b>3,140</b>	5,473
Equity in earnings of affiliates	(1,535)	<b>(1,919)</b>	(3,925)
Gain on sales of property, plant and equipment	(229)	—	(1,342)
Gain on sales of investment securities	—	<b>(159)</b>	—
Gain on sales of stocks of affiliates	—	—	(594)
Loss on sales of stocks of affiliates	—	<b>164</b>	—
Cost related to business restructuring	—	—	1,903
Decrease (increase) in notes and accounts receivable	(3,613)	<b>2,678</b>	(7,884)
(Increase) decrease in inventories	(1,953)	<b>(490)</b>	477
Increase in notes and accounts payable	4,700	<b>2,349</b>	8,223
Other	(4,545)	<b>(1,549)</b>	(2,575)
Subtotal	<u>31,509</u>	<u><b>46,035</b></u>	<u>79,357</u>
Interest and dividends received	3,589	<b>2,354</b>	7,339
Interest paid	(2,797)	<b>(3,183)</b>	(5,660)
Income taxes paid	(9,423)	<b>(12,799)</b>	(16,883)
Net cash provided by operating activities	<u>22,877</u>	<u><b>32,407</b></u>	<u>64,153</u>
<b>Investing activities</b>			
Net decrease (increase) in time deposit	—	<b>115</b>	(10,220)
Payments for acquisition of marketable securities	—	<b>(9,977)</b>	(17,973)
Proceeds from sales of marketable securities	1,500	<b>19,372</b>	2,524
Additions to property, plant and equipment	(19,503)	<b>(20,139)</b>	(39,062)
Proceeds from sales of property, plant and equipment	490	<b>523</b>	2,020
Acquisition of investment securities	(921)	<b>(3,813)</b>	(1,245)
Proceeds from sales of investment securities	20	<b>1,132</b>	45
Proceeds from acquisition of subsidiaries' stock resulting in changes in scope of consolidation	—	<b>73</b>	—
Proceeds from sales of subsidiaries' stock resulting in changes in scope of consolidation	—	—	1,861
Payments for advances	(15)	<b>(410)</b>	(285)
Proceeds from collection of advances	39	<b>74</b>	124
Other	(552)	<b>1,165</b>	(2,391)
Net cash used in investing activities	<u>(18,943)</u>	<u><b>(11,883)</b></u>	<u>(64,600)</u>
<b>Financing activities</b>			
Net (decrease) increase in short-term loans	7,914	<b>(2,108)</b>	4,704
Net (decrease) in commercial paper issued	—	—	(5,000)
Increase in long-term loans	10,116	<b>1</b>	13,238
Long-term debt – repayments	(10,935)	<b>(582)</b>	(14,515)
Proceeds from the issue of corporate bonds	—	—	40,000
Payments for redemption of corporate bonds	(10,000)	<b>(10,000)</b>	(10,000)
Payments for acquisition of treasury stock	(43)	<b>(85)</b>	(121)
Dividends paid	(3,781)	<b>(4,866)</b>	(7,291)
Dividends paid to minority stockholders	(196)	<b>(253)</b>	(435)
Other	114	<b>37</b>	350
Net cash used in financing activities	<u>(6,811)</u>	<u><b>(17,857)</b></u>	<u>20,929</u>
Effect of exchange rate changes on cash and cash equivalents	160	<b>447</b>	969
Net increase (decrease) in cash and cash equivalents	<u>(2,716)</u>	<u><b>3,114</b></u>	<u>21,452</u>
Cash and cash equivalents at beginning of the year	51,812	<b>73,319</b>	51,812
Increase in cash and cash equivalents resulting in changes in fiscal year ends of consolidated subsidiaries	54	<b>726</b>	54
Cash and cash equivalents at end of the period	<u>¥ 49,150</u>	<u><b>¥ 77,159</b></u>	<u>¥ 73,319</u>

## Sales by Business Segment

Six months ended Sep. 30, 2006

(Millions of yen)	Industrial machinery bearings	Automotive products	Precision machinery and parts	Other	Total	Eliminations/ corporate	Consolidated
Sales to third parties	¥ 105,548	¥ 192,231	¥ 38,909	¥ 12,575	¥ 349,266	¥ —	¥ 349,266
Inter-segment sales and transfers	—	—	—	10,006	10,006	(10,006)	—
Total	105,548	192,231	38,909	22,581	359,272	(10,006)	349,266
Operating expenses	91,979	181,403	32,915	21,278	327,577	(8,326)	319,250
Operating income	¥ 13,568	¥ 10,828	¥ 5,993	¥ 1,303	¥ 31,694	¥ (1,679)	¥ 30,015

Six months ended Sep. 30, 2007

(Millions of yen)	Industrial machinery bearings	Automotive products	Precision machinery and parts	Other	Total	Eliminations/ corporate	Consolidated
Sales to third parties	¥ 114,776	¥ 209,060	¥ 31,846	¥ 13,641	¥ 369,326	¥ —	¥ 369,326
Inter-segment sales and transfers	—	—	—	10,876	10,876	(10,876)	—
Total	114,776	209,060	31,846	24,518	380,203	(10,876)	369,326
Operating expenses	99,251	195,120	28,011	23,511	345,895	(8,145)	337,749
Operating income	¥ 15,525	¥ 13,940	¥ 3,835	¥ 1,007	¥ 34,308	¥ (2,731)	¥ 31,576

Year ended Mar. 31, 2007

(Millions of yen)	Industrial machinery bearings	Automotive products	Precision machinery and parts	Other	Total	Eliminations/ corporate	Consolidated
Sales to third parties	¥ 216,338	¥ 397,863	¥ 77,719	¥ 25,303	¥ 717,225	¥ —	¥ 717,225
Inter-segment sales and transfers	—	—	—	19,812	19,812	(19,812)	—
Total	216,338	397,863	77,719	45,116	737,037	(19,812)	717,225
Operating expenses	186,786	375,175	66,179	42,717	670,858	(16,016)	654,842
Operating income	¥ 29,551	¥ 22,687	¥ 11,540	¥ 2,398	¥ 66,178	¥ (3,795)	¥ 62,383

## Sales by Geographical Segment

Six months ended Sep. 30, 2006

(Millions of yen)	Japan	Americas	Europe	Asia	Total	Eliminations/ corporate	Consolidated
Sales to third parties	¥ 201,587	¥ 49,960	¥ 58,696	¥ 39,022	¥ 349,266	¥ —	¥ 349,266
Inter-area sales and transfers	52,237	252	3,065	10,520	66,075	(66,075)	—
Total	253,824	50,212	61,761	49,542	415,341	(66,075)	349,266
Operating expenses	231,609	48,199	58,574	44,990	383,373	(64,122)	319,250
Operating income	¥ 22,215	¥ 2,013	¥ 3,187	¥ 4,551	¥ 31,967	¥ (1,952)	¥ 30,015

Six months ended Sep. 30, 2007

(Millions of yen)	Japan	Americas	Europe	Asia	Total	Eliminations/ corporate	Consolidated
Sales to third parties	¥ 208,521	¥ 54,127	¥ 62,596	¥ 44,081	¥ 369,326	¥ —	¥ 369,326
Inter-area sales and transfers	54,419	397	3,581	11,353	69,752	(69,752)	—
Total	262,940	54,524	66,177	55,435	439,078	(69,752)	369,326
Operating expenses	241,535	52,017	62,091	49,149	404,794	(67,044)	337,749
Operating income	¥ 21,405	¥ 2,506	¥ 4,085	¥ 6,286	¥ 34,284	¥ (2,707)	¥ 31,576

Year ended Mar. 31, 2007

(Millions of yen)	Japan	Americas	Europe	Asia	Total	Eliminations/ corporate	Consolidated
Sales to third parties	¥ 416,479	¥ 102,349	¥ 121,101	¥ 77,294	¥ 717,225	¥ —	¥ 717,225
Inter-area sales and transfers	105,858	571	6,479	21,399	134,309	(134,309)	—
Total	522,338	102,921	127,581	98,694	851,534	(134,309)	717,225
Operating expenses	474,943	99,114	120,927	89,241	784,227	(129,384)	654,842
Operating income	¥ 47,394	¥ 3,806	¥ 6,653	¥ 9,453	¥ 67,307	¥ (4,924)	¥ 62,383

## Sales by Customer Location

	Six months ended Sep. 30, 2006			
(Millions of yen)	Americas	Europe	Asia	Total
Non-Japan sales	¥ 51,386	¥ 58,913	¥ 62,573	¥ 172,873
Consolidated net sales				349,266
Ratio of Non-Japan sales to consolidated net sales	14.7%	16.9%	17.9%	49.5%

	Six months ended Sep. 30, 2007			
(Millions of yen)	Americas	Europe	Asia	Total
Non-Japan sales	¥ 55,294	¥ 63,001	¥ 65,278	¥ 183,574
Consolidated net sales				369,326
Ratio of Non-Japan sales to consolidated net sales	15.0%	17.0%	17.7%	49.7%

	Year ended Mar. 31, 2007			
(Millions of yen)	Americas	Europe	Asia	Total
Non-Japan sales	¥ 105,111	¥ 121,698	¥ 126,021	¥ 352,830
Consolidated net sales				717,225
Ratio of Non-Japan sales to consolidated net sales	14.6%	17.0%	17.6%	49.2%

## Per Share Data

	Six months ended Sep. 30, 2006	<b>Six months ended Sep. 30, 2007</b>	Year ended Mar.31, 2007
(Yen)			
Net assets per share	¥ 454.74	<b>¥ 511.31</b>	¥ 485.62
Net income per share			
Basic	32.01	<b>32.75</b>	64.53
Diluted	31.98	<b>32.73</b>	64.47

(Note) The followings are the basis for calculation of per share data.

	Six months ended Sep. 30, 2006	<b>Six months ended Sep. 30, 2007</b>	Year ended Mar. 31, 2007
(Millions of yen)			
Basic net income per share			
Net income	¥ 17,281	<b>¥ 17,701</b>	¥ 34,853
Amount not available for common stock	—	—	—
Net income related to common stock	17,281	<b>17,701</b>	34,853
Average shares of common stock (thousands of shares)	539,958	<b>540,443</b>	540,106
Diluted net income per share			
Adjustments in net income in consolidated balance sheets	—	—	—
Number of common stocks increased (thousands of shares)	503	<b>468</b>	508
Share subscription rights (thousands of shares)	503	<b>468</b>	508
Outline of the residual shares not included in the calculation of diluted net income per share due to no dilution effects	—	Share subscription rights <b>743</b> (Share subscription rights) Stock option approved at the ordinary general meeting of shareholders held on June 26th, 2007	—

# Overview of the Six Months Ended September 30, 2007

## 1. Business Overview

### Business performance during the period

The global economy continued to grow in the first half of the year ending March 31, 2008. Although the impact of the subprime loan crisis on the real economy was feared, the effect remains limited. The Japanese economy experienced continued gradual recovery although some weakness appeared in consumer spending and capital expenditures. In the U.S., economic recovery slowed due to negative effects for a decline in housing investment. Economies in the EU and U.K. exhibited steady recovery. In Asia, the Chinese economy continued to expand, and other countries continued to grow gradually.

In our business segments, the precision machinery and parts segment was negatively affected by a decline in demand from semiconductor and liquid crystal production equipment manufacturers. However, in industrial machinery bearings and automotive products segments, NSK Group's manufacturing sites continue to operate at high levels worldwide due to global economic expansion and increase in orders backed by growing demand from emerging markets such as China and India.

With these conditions in mind, NSK Group created its mid-term vision "To Become No. 1 in Total Quality." We have strived to enhance profitability to build a strong corporate structure that does not depend solely on quantity, and have aggressively deployed growth strategies.

As a result, our consolidated net sales for the first half ended September 30, 2007 totaled ¥369,326 million, a year-on-year increase of 5.7%. Our operating income was ¥31,576 million, an increase of 5.2% compared to the same period last year. Negative factors such as increase in material costs, increase in depreciation and amortization caused by an amendment to the Japanese Corporate Tax Law, and increase in selling, general and administrative expenses were offset by the effect of volume growth, reduction of external procurement costs, and improvement in export profit margins due to depreciation of the Japanese yen.

Our ordinary income was ¥29,368 million, a year-on-year increase of 5.8%. ¥159 million of gain on sales of investment securities and ¥164 million of loss on sales of stocks of affiliates were posted in extraordinary income and losses respectively. Net income after adjusting for income taxes, deferred taxes and minority interests, was ¥17,701 million, a year-on-year increase of 2.4%.

### Business Segment Information

#### Industrial Machinery Bearings

In Japan, sales to the machine tools, construction machinery and aftermarket sectors were robust. Demand from the electrical machinery, general machinery and construction machinery sectors were strong in the Americas. In Europe, sales to the wind turbine, general machinery and aftermarket sectors increased. Sales in Asia were also favorable with an increase in sales to the machine tools, general machinery and aftermarket sectors in China, although sales to electrical machinery and IT equipment decreased in the ASEAN region and South Korea. Overall industrial machinery bearings sales totaled ¥114,776 million, a year-on-year increase of 8.7%. Operating income was ¥15,525 million, a year-on-year increase of 14.4% backed by volume growth.

#### Automotive Products

Sales of hub unit bearings in Japan grew backed by an increase in automotive production for export, and also increased in China. Sales of automotive components grew with demand for high-power electric power steering (EPS) systems and AT components in Japan. There was also strong demand for steering columns in the Americas. In Europe, sales of high-power EPS systems increased, while sales of conventional EPS systems decreased due to changes in the

models that use them. Net sales in the automotive products segment increased 8.8% year on year to ¥209,060 million. Operating income also increased 28.7% year on year to ¥13,940 million due to volume growth and reduction of external procurement costs.

### **Precision Machinery and Parts**

In Japan, sales to the machine tools sector remained robust, but sales to semiconductor and liquid crystal production equipment and general machinery sectors declined. Demand from machine tool makers in Europe, ASEAN and China were favorable, while sales to semiconductor production equipment and aftermarket sectors declined in the Americas. In addition, sales of photofabrication equipment for LCD color filter production decreased due to customers' revision of investment timing. As a result, overall sales totaled ¥31,846 million, a year-on-year decrease of 18.2%. Operating income was ¥3,835 million, a year-on-year decrease of 36.0% due to a decrease in sales and production volume.

### **Other**

Sales in other business segment totaled ¥24,518 million, a year-on-year increase of 8.6% backed by increase in sales of steel balls to third parties. However, operating income decreased 22.7% year on year to ¥1,007 million due to increase in labor cost and depreciation and amortization caused by an amendment to the Japanese Corporate Tax Law.

## **Geographical Segment Information**

### **Japan**

In the industrial machinery bearings segment, sales to the machine tools, construction machinery and aftermarket sectors were robust. In the automotive products segment, sales of hub unit bearings grew backed by an increase in automotive production for export. Sales of automotive components increased with substantially increased sales of high-power electric power steering (EPS) systems, and strong demand for AT components. In the precision machinery and parts segment, demand in machine tools and general machinery was robust, while demand from the semiconductor production equipment sector was stagnant, and sales of photofabrication equipment for LCD color filter production decreased.

As a result, overall sales in Japan totaled ¥262,940 million, a year-on-year increase of 3.6%. Operating income was ¥21,405 million, a year-on-year decrease of 3.6%. This decrease in operating income is a result of a decrease in sales of precision machinery and parts, an increase in depreciation and amortization caused by an amendment to the Japanese Corporate Tax Law, and an increase in selling, general and administrative expenses, although we had positive effects of volume growth in industrial machinery bearings and automotive products segments and improvement in export profit margins due to the depreciation of the Japanese yen.

### **The Americas**

Sales of industrial machinery bearings to the electrical machinery, general machinery and construction machinery sectors increased. In the automotive products segment, sales of automotive bearings weakened due to a decrease in demand for commercial vehicles and minivans in the U.S.A., while sales in Brazil and Canada increased. Sales of automotive components grew with sales expansion of steering columns. In the precision machinery and parts segment, sales to the semiconductor production equipment and aftermarket sectors decreased. With an increase resulting from exchange rate fluctuations, net sales in the Americas totaled ¥54,524 million, an increase of 8.6% compared to the same period last year. Operating income, which was affected positively by an increase in sales of industrial machinery bearings, was ¥2,506 million, an increase of 24.5% compared to the same period last year.

### **Europe**

Sales of industrial machinery bearings saw an increase in the wind turbine, general machinery and aftermarket sectors. In the automotive products segment, sales of high-power electric power steering (EPS) systems expanded, while sales of conventional EPS systems decreased due to changes in the models that use them. In the precision machinery and parts segment, sales to machine tools and general machinery sectors grew. With an increase resulting from

exchange rate fluctuations, sales in Europe totaled ¥66,177 million, a year-on-year increase of 7.1%. Operating income was ¥4,085 million, an increase of 28.2% compared to the same period last year, due to a sales increase in the industrial machinery bearings segment.

### Asia

In the industrial machinery bearings segment, sales to the machine tools, general machinery and aftermarket sectors increased substantially in China, although sales to electrical machinery and IT equipment makers decreased in the ASEAN region and South Korea. Sales of automotive products grew in China with strong demand for hub unit bearings. Sales of precision machinery and parts strengthened in ASEAN and China with favorable demand from machine tool makers, while sales to the semiconductor production equipment and aftermarket sectors decreased in South Korea. With an increase resulting from exchange rate fluctuations, overall sales in Asia totaled ¥55,435 million, a year-on-year increase of 11.9%. Our operating income was ¥6,286 million, a year-on-year increase of 38.1% due to improved capacity utilization resulting from volume growth and the effect of exchange rate fluctuations.

### Revision to Business Forecasts for the Year Ending March 31, 2008

Although uncertainties such as the slowing down of the US economy, crude oil prices and material cost pressures remain, demand for industrial machinery bearings and automotive products continue to grow. Therefore, we have made an upward revision to the forecasts for the year ending March 31, 2008.

(Millions of yen)	Year ending Mar. 31, 2008 <u>(announced in May, 2007)</u>	Year ending Mar. 31, 2008 <u>(Revised)</u>
Net sales	¥ 745,000	¥ <b>760,000</b>
Operating income	68,000	<b>69,000</b>
Ordinary income	63,500	<b>65,000</b>
Net income	39,000	<b>41,000</b>

The forecasts have been made based on following factors.

Forecasted exchange rate for the second half of the year ending March 31, 2008:  
U.S.\$1=¥115, 1Euro=¥160

**Industrial machinery bearings:**  
Demand continues to grow especially in Europe, China, and India, although uncertainties such as the U.S. economy's slowdown remain.

**Automotive products**  
Automotive production in Japan is expected to increase due to growing demand for exports.

**Precision machinery and parts**  
Demand from semiconductor production equipment manufacturers remains in an adjustment phase, while sales to the machine tools sector continue to increase.

### Notes

All forecasts are based on a number of assumptions for business environment and policies, and are subject to change with various factors. 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.



## 2. Financial Position

### Assets, Liabilities and Net Assets

Total assets were ¥817,540 million, an increase of ¥1,752 million from as of March 31, 2007, due to an increase in cash and deposits, fixed assets, and prepaid pension cost, although marketable securities decreased.

Liabilities totaled ¥525,553 million, a decrease of ¥13,508 million from as of March 31, 2007, including payments for redemption of corporate bonds.

Net assets totaled ¥291,987 million with an increase of ¥15,260 million from as of March 31, 2007, including an increase in retained earnings.

### Cash Flows

Net cash flow provided by operating activities amounted to ¥32,407 million including ¥29,363 million of income before income taxes and minority interests, and ¥18,249 million provided by depreciation and amortization, and also including income taxes paid.

Including acquisition of property, plant and equipment for investing in growing fields, cash flow used in investing activities totaled ¥11,883 million.

Net cash used in financing activities totaled ¥17,857 million including payments for redemption of corporate bonds and dividends paid.

In aggregate, the net increase in cash and cash equivalents was ¥3,840 million, resulting in cash and cash equivalents at the end of the period to total ¥77,159 million.

	As of Mar. 31, 2004	As of Mar. 31, 2005	As of Mar. 31, 2006	As of Mar. 31, 2007	As of Sep. 30, 2007
Shareholders' equity to total assets (%)	30.3	30.0	31.7	32.2	33.8
Shareholders' equity to total assets at market value (%)	44.5	47.3	74.3	74.5	66.6
Debt redemption period (Years)	6.5	3.6	3.4	4.0	—
Interest coverage ratio	6.1	11.3	15.0	11.3	10.2

•Shareholders' equity to total assets (%): Shareholders' equity/Total assets

•Shareholders' equity to total assets at market value (%): Market capitalization/Total assets

•Debt redemption period (Years): Interest bearing debts/ Net cash provided by operating activities  
(Only for full year)

•Interest coverage ratio: Net cash provided by operating activities/Interest paid

(Notes) 1. All indices have been calculated based on consolidated data.

2. Market capitalization has been calculated as:

“Closing share price at the end of the year” × “Common shares outstanding at the end of the year”

3. Net cash provided by operating activities refers to the net cash provided by operating activities on the consolidated statements of cash flows. Interest-bearing debts refer to the total amount of liabilities paying interests appropriated on the balance sheet.

## 3. Basic Policy on Appropriation of Retained Earnings and Dividends for the Years Ending March 31, 2008 and 2009

NSK places great importance on shareholder returns. We will maintain our basic policy of issuing consistent dividend, and ensure that our dividends better reflect our consolidated payout ratio and business results.

Considering this dividends policy, dividend for the first half of the year ending March 31, 2008 was ¥9.00 per share.

## 4. Management Policy Statement

### (1) Basic Policy, (2) Key Indicators

NSK has not changed its basic policy nor key indicators announced in November 1st, 2006. Please refer to the following URL for details.

NSK website

<http://www.nsk.com/investors/financial/pdf/fy2006q2ce.pdf>

### (3) Mid -Term Strategies, (4) Key Management Tasks

NSK has not changed its basic policy nor key indicators announced in May 11th, 2007. Please refer to the following URL for details.

NSK website

<http://www.nsk.com/investors/financial/pdf/fy2006q4e.pdf>

## 5. Changes in Important Items Regarding the Basis of Preparation of Financial Statements

### Method of depreciation of tangible fixed assets

Due to an amendment to the Japanese Corporate Tax Law in 2007, NSK and its domestic consolidated subsidiaries changed its method of depreciation of tangible fixed assets on or after April 1, 2007 to the method prescribed in the amended Corporate Tax Law.

The changes in accounting for depreciation did not have a material impact on the results of operating income, ordinary income, and income before taxes and minority interests.

(Additional information)

Pursuant to an amendment to the Japanese Corporate Tax Law, the Company and its domestic consolidated subsidiaries depreciate the difference between 5% of the acquisition cost of assets acquired on or before March 31, 2007 and the book value of said assets uniformly over a five-year period, starting the year following the fiscal year in which the depreciated value of said assets reaches 5% of the acquisition price using the pre-amendment depreciation method. Depreciated amounts are included in depreciation expenses.

As a result of this change, operating income decreased ¥952 million, and ordinary income and income before taxes and minority interests decreased ¥974 million respectively compared to the results using the pre-amendment method.

## NON-CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2007 (unaudited)

### Non-consolidated Balance Sheets

(Millions of yen)	As of Sep. 30, 2006	As of Sep. 30, 2007 (A)	As of Mar. 31, 2007 (B)	Change (A)-(B)
<b>Assets</b>				
Current assets	¥ 213,177	¥ <b>242,907</b>	¥ 259,892	¥ (16,985)
Cash and deposits	17,600	<b>37,256</b>	39,283	(2,027)
Notes receivable	290	<b>248</b>	278	(30)
Accounts receivable – trade	111,906	<b>97,372</b>	100,743	(3,371)
Marketable securities	8,996	<b>25,603</b>	37,168	(11,565)
Inventories	26,651	<b>26,963</b>	23,496	3,467
Accounts receivable – other	32,800	<b>35,824</b>	40,727	(4,903)
Deferred income taxes	3,551	<b>3,109</b>	3,968	(859)
Other current assets	11,510	<b>16,528</b>	14,225	2,303
Less allowance for doubtful accounts	(131)	—	—	—
Non-current assets	453,645	<b>455,321</b>	455,449	(128)
Property, plant and equipment	84,302	<b>84,024</b>	84,558	(534)
Buildings and structures	28,802	<b>28,029</b>	28,553	(524)
Machinery and equipment	33,960	<b>32,615</b>	33,010	(395)
Vehicles and transportation equipment	88	<b>96</b>	78	18
Tools and spare parts	3,310	<b>2,845</b>	3,021	(176)
Land	15,843	<b>15,912</b>	15,924	(12)
Construction in progress	2,296	<b>4,524</b>	3,970	554
Intangible assets	3,257	<b>4,528</b>	3,257	1,271
Investments and other assets	366,085	<b>366,769</b>	367,632	(863)
Investment securities	76,380	<b>75,054</b>	76,378	(1,324)
Stocks of affiliates	208,950	<b>209,221</b>	208,888	333
Long-term loans – receivable	29,088	<b>25,379</b>	28,180	(2,801)
Prepaid pension costs	35,650	<b>40,973</b>	38,035	2,938
Other investments and assets	16,764	<b>17,099</b>	17,170	(71)
Less allowance for doubtful accounts	(749)	<b>(958)</b>	(1,020)	62
<b>Total assets</b>	¥ 666,822	¥ <b>698,229</b>	¥ 715,341	¥ (17,112)

(Millions of yen)	As of Sep. 30,	As of Sep. 30,	As of Mar. 31,	Change (A)-(B)
	2006	2007 (A)	2007 (B)	
<b>Liabilities</b>				
Current liabilities	¥ 248,930	¥ <b>262,582</b>	¥ 271,770	¥ (9,188)
Notes payable	1,734	<b>1,963</b>	1,865	98
Accounts payable – trade	126,188	<b>128,731</b>	125,023	3,708
Short-term loans	81,303	<b>86,489</b>	91,960	(5,471)
Commercial paper	5,000	—	—	—
Current portion of corporate bonds	10,000	<b>23,000</b>	23,000	—
Accounts payable – other	10,894	<b>9,248</b>	12,260	(3,012)
Accrued expenses	10,161	<b>11,044</b>	11,204	(160)
Accrued income taxes	2,545	<b>1,147</b>	5,577	(4,430)
Other current liabilities	1,103	<b>957</b>	879	78
Long-term liabilities	157,447	<b>169,195</b>	179,159	(9,964)
Corporate bonds	75,000	<b>92,000</b>	102,000	(10,000)
Long-term loans	47,000	<b>41,500</b>	41,000	500
Deferred tax liabilities	31,614	<b>32,009</b>	32,369	(360)
Accrued officers' retirement benefits	786	<b>1,038</b>	938	100
Reserves for environmental safety measures expenses	701	<b>300</b>	516	(216)
Other long-term liabilities	2,344	<b>2,346</b>	2,335	11
<b>Total liabilities</b>	<b>406,377</b>	<b>431,777</b>	<b>450,929</b>	<b>(19,152)</b>
<b>Net assets</b>				
Shareholders' equity	225,729	<b>233,265</b>	229,114	4,151
Common stock	67,176	<b>67,176</b>	67,176	—
Additional paid-in capital	78,038	<b>78,132</b>	78,092	40
Capital reserve	77,923	<b>77,923</b>	77,923	—
Other additional paid-in capital	114	<b>208</b>	168	40
Retained earnings	84,448	<b>91,863</b>	87,738	4,125
Legal reserve	10,292	<b>10,292</b>	10,292	—
Other retained earnings	74,156	<b>81,570</b>	77,446	4,124
Treasury stock	(3,934)	<b>(3,906)</b>	(3,893)	(13)
Valuation, translation adjustments and other	34,699	<b>33,077</b>	35,240	(2,163)
Unrealized holding gains on securities	34,699	<b>33,077</b>	35,240	(2,163)
Share subscription rights	16	<b>108</b>	56	52
<b>Total net assets</b>	<b>260,444</b>	<b>266,451</b>	<b>264,411</b>	<b>2,040</b>
<b>Total liabilities and net assets</b>	<b>¥ 666,822</b>	<b>¥ 698,229</b>	<b>¥ 715,341</b>	<b>¥ (17,112)</b>

## Non-consolidated Statements of Operations

(Millions of yen)	Six months ended Sep. 30, 2006	Six months ended Sep. 30, <b>2007</b>	Year ended Mar. 31, 2007	Change	
	(a)	<b>(A)</b>		(A)-(a)	%
Net sales	¥ 221,486	¥ <b>221,562</b>	¥ 446,588	¥ 76	0.0
Cost of sales	191,485	<b>191,522</b>	383,512	37	0.0
Gross profit	30,000	<b>30,039</b>	63,075	39	0.1
Selling, general and administrative expenses	21,224	<b>22,313</b>	43,827	1,089	5.1
Operating income	<u>8,776</u>	<u><b>7,725</b></u>	<u>19,248</u>	<u>(1,051)</u>	<u>(12.0)</u>
Non-operating income:	<u>4,795</u>	<u><b>7,168</b></u>	<u>7,391</u>	<u>2,373</u>	<u>49.5</u>
Interest and dividend income	4,449	<b>6,639</b>	6,724	2,190	49.2
Other	346	<b>529</b>	666	183	53.1
Non-operating expenses:	<u>3,354</u>	<u><b>3,923</b></u>	<u>7,264</u>	<u>569</u>	<u>17.0</u>
Interest expense	1,409	<b>1,898</b>	3,007	489	34.6
Other	1,944	<b>2,025</b>	4,256	81	4.2
Ordinary income	<u>10,217</u>	<u><b>10,970</b></u>	<u>19,375</u>	<u>753</u>	<u>7.4</u>
Extraordinary income:	<u>229</u>	<u><b>159</b></u>	<u>2,289</u>	<u>(70)</u>	<u>(30.3)</u>
Gain on sales of investment securities	—	<b>159</b>	—	159	—
Gain on sales of property, plant and equipment	229	—	672	(229)	—
Gain on sales of stocks of affiliates	—	—	1,617	—	—
Extraordinary losses:	<u>—</u>	<u><b>207</b></u>	<u>—</u>	<u>207</u>	<u>—</u>
Loss on sales of stocks in affiliates	—	<b>207</b>	—	207	—
Income before income taxes	<u>10,446</u>	<u><b>10,923</b></u>	<u>21,665</u>	<u>477</u>	<u>4.6</u>
Income taxes:					
Current taxes	1,100	<b>67</b>	4,362	(1,033)	(93.9)
Deferred taxes	1,172	<b>1,864</b>	2,054	692	59.1
Net income	<u>8,174</u>	<u><b>8,991</b></u>	<u>15,247</u>	<u>817</u>	<u>10.0</u>

## Non-consolidated Statements of Changes in Net Assets

(Six months ended Sep. 30, 2006)

(Millions of yen)

	Shareholders' equity										
	Common stock	Additional paid-in capital			Retained earnings						
		Capital reserve	Other additional paid-in capital	Total Additional paid-in capital	Legal reserve	Other retained earnings					Total retained earnings
						Reserve for R&D	Reserve for compression of fixed assets	Reserve for advanced depreciation	General reserve	Retained earnings carried forward	
Balance at Mar. 31, 2006	67,176	77,923	62	77,986	10,292	1,627	2,617	-	53,266	11,983	79,786
Changes during the period											
Cash dividends										(3,511)	(3,511)
Transferred to reserves							667	94	4,000	(4,761)	-
Reversal of reserves							(81)			81	-
Reversal of reserves during the period							(31)			31	-
Net income										8,174	8,174
Repurchase of treasury stock											
Disposal of treasury stock			52	52							
Net change during the period, except for items under shareholders' equity											
Total change during the period	-	-	52	52	-	-	553	94	4,000	14	4,662
Balance at Sep. 30, 2006	67,176	77,923	114	78,038	10,292	1,627	3,170	94	57,266	11,997	84,448

	Shareholders' equity		Valuation, translation adjustments and other	Share subscription rights	Total net assets
	Treasury stock	Total shareholders' equity	Unrealized holding gains on securities		
Balance at Mar. 31, 2006	(4,006)	220,942	40,218	-	261,160
Changes during the period					
Cash dividends		(3,511)			(3,511)
Transferred to reserves		-			-
Reversal of reserves		-			-
Reversal of reserves during the period		-			-
Net income		8,174			8,174
Repurchase of treasury stock	(43)	(43)			(43)
Disposal of treasury stock	115	167			167
Net change during the period, except for items under shareholders' equity			(5,519)	16	(5,502)
Total change during the period	72	4,786	(5,519)	16	(715)
Balance at Sep. 30, 2006	(3,934)	225,729	34,699	16	260,444

(Six months ended Sep. 30, 2007)

(Millions of yen)

	Shareholders' equity										
	Common stock	Additional paid-in capital			Retained earnings						
		Capital reserve	Other additional paid-in capital	Total Additional paid-in capital	Legal reserve	Other retained earnings					Total retained earnings
					Reserve for R&D	Reserve for compression of fixed assets	Reserve for advanced depreciation	General reserve	Retained earnings carried forward		
Balance at Mar. 31, 2007	<b>67,176</b>	<b>77,923</b>	<b>168</b>	<b>78,092</b>	<b>10,292</b>	<b>1,627</b>	<b>3,229</b>	<b>320</b>	<b>57,266</b>	<b>15,003</b>	<b>87,738</b>
Changes during the period											
Cash dividends										(4,867)	(4,867)
Reserves								5,000		(5,000)	-
Reversal of reserves							(34)			34	-
Net income										8,991	8,991
Repurchase of treasury stock											
Disposal of treasury stock			39	39							
Net change during the period, except for items under shareholders' equity											
Total change during the period	-	-	39	39	-	-	(34)	-	5,000	(840)	4,124
Balance at Sep. 30, 2007	<b>67,176</b>	<b>77,923</b>	<b>208</b>	<b>78,132</b>	<b>10,292</b>	<b>1,627</b>	<b>3,194</b>	<b>320</b>	<b>62,266</b>	<b>14,162</b>	<b>91,863</b>

	Shareholders' equity		Valuation, translation adjustments and other	Share subscription rights	Total net assets
	Treasury stock	Total shareholders' equity	Unrealized holding gains on securities		
Balance at Mar. 31, 2007	(3,893)	229,114	35,240	56	264,411
Changes during the period					
Cash dividends		(4,867)			(4,867)
Reserves		-			-
Reversal of reserves		-			-
Net income		8,991			8,991
Repurchase of treasury stock	(84)	(84)			(84)
Disposal of treasury stock	70	110			110
Net change during the period, except for items under shareholders' equity			(2,163)	52	(2,111)
Total change during the period	(13)	4,151	(2,163)	52	2,039
Balance at Sep. 30, 2007	(3,906)	233,265	33,077	108	266,451

(Year ended Mar. 31, 2007)  
(Millions of yen)

	Shareholders' equity										
	Common stock	Additional paid-in capital			Retained earnings						
		Capital reserve	Other additional paid-in capital	Total Additional paid-in capital	Legal reserve	Other retained earnings					Total retained earnings
					Reserve for R&D	Reserve for compression of fixed assets	Reserve for advanced depreciation	General reserve	Retained earnings carried forward		
Balance at Mar. 31, 2006	67,176	77,923	62	77,986	10,292	1,627	2,617	-	53,266	11,983	79,786
Changes during the year											
Cash dividends										(7,295)	(7,295)
Transferred to reserves							667	94	4,000	(4,761)	-
Reversal of reserves							(81)			81	-
Reserves during the year							94	320		(320)	94
Reversal of reserves during the year							(67)	(94)		67	(94)
Net income										15,247	15,247
Repurchase of treasury stock											
Disposal of treasury stock			106	106							
Net change during the year, except for items under shareholders' equity											
Total change during the year	-	-	106	106	-	-	611	320	4,000	3,020	7,952
Balance at Mar. 31, 2007	67,176	77,923	168	78,092	10,292	1,627	3,229	320	57,266	15,003	87,738

	Shareholders' equity		Valuation, translation adjustments and other	Share subscription rights	Total net assets
	Treasury stock	Total shareholders' equity	Unrealized holding gains on securities		
Balance at Mar. 31, 2006	(4,006)	220,942	40,218	-	261,160
Changes during the year					
Cash dividends		(7,295)			(7,295)
Transferred to reserves			-		-
Reversal of reserves			-		-
Reserves during the year			94		94
Reversal of reserves during the year			(94)		(94)
Net income			15,247		15,247
Repurchase of treasury stock	(113)	(113)			(113)
Disposal of treasury stock	226	333			333
Net change during the year, except for items under shareholders' equity			(4,977)	56	(4,920)
Total change during the year	113	8,172	(4,977)	56	3,251
Balance at Mar. 31, 2007	(3,893)	229,114	35,240	56	264,411