

NSK Ltd.

For Immediate Release

May 10, 2013

CONSOLIDATED RESULTS FOR THE YEAR ENDED MARCH 31, 2013 (Unaudited) [JP GAAP]

Company name	NSK Ltd.
Stock exchanges on which the shares are listed	Tokyo and Osaka Stock Exchanges in Japan
Code number	6471
URL	http://www.nsk.com
Representative	Norio Otsuka, President and CEO
Contact person	Yukio Ikemura, Vice President
Date of the ordinary general shareholders' meeting	June 25, 2013
Payment date of cash dividends	June 04, 2013
Filing date of securities report	June 25, 2013

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Highlights for the Year Ended March 31, 2013

(1) Consolidated financial results

(% of changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Year ended Mar. 31, 2013	732,842	(0.0)	32,361	(27.1)	30,310	(27.8)	15,739	(44.8)
Year ended Mar. 31, 2012	733,192	3.2	44,417	2.1	42,004	8.9	28,514	9.2
(Note) Comprehensive income	Year ended Mar. 31, 2013		48,597 million yen		(64.6%)			
	Year ended Mar. 31, 2012		29,519 million yen		(85.9%)			

	Net income per share	Net income per share	Return on equity	Ordinary income	Operating income
	- Basic	- Diluted	(ROE)	/Total assets	margin
	Yen	Yen	%	%	%
Year ended Mar. 31, 2013	29.14	-	5.2	3.5	4.4
Year ended Mar. 31, 2012	52.75	52.75	10.6	5.1	6.1

(Note) Equity in earnings of affiliates Year ended Mar. 31, 2013 3,627 million yen Year ended Mar. 31, 2012 3,481 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of Mar. 31, 2013	882,547	340,812	36.2	591.36
As of Mar. 31, 2012	845,073	299,066	33.2	518.56

(Note) Equity capital As of Mar. 31, 2013 319,286 million yen As of Mar. 31, 2012 280,312 million yen

(3) Consolidated results of cash flow

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at the end of the period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Year ended Mar. 31, 2013	53,797	(45,262)	(5,544)	141,653
Year ended Mar. 31, 2012	57,158	(56,090)	14,637	135,307

2. Cash Dividends

(Record date)	Cash dividends per share			Total dividend	Dividend payout ratio	Dividend on net assets
	Interim	Year-end	Full-year total	(Full-year)	(Consolidated)	(Consolidated)
	Yen	Yen	Yen	Millions of Yen	%	%
Year ended Mar. 31, 2012	6.00	6.00	12.00	6,491	22.7	2.4
Year ended Mar. 31, 2013	6.00	5.00	11.00	5,943	37.7	2.0
Year ending Mar. 31, 2014 (Forecast)	6.00	6.00	12.00		21.6	

3. Forecast of Consolidated Results for the Year Ending March 31, 2014

(% of changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Six months ending Sep. 30, 2013	390,000	5.6	21,000	14.0	19,500	15.0	12,000	1.2	22.23
Year ending Mar. 31, 2014	790,000	7.8	49,000	51.4	46,000	51.8	30,000	90.6	55.56

4. Others

(1) Changes in the significant subsidiaries during the period (Changes in specified subsidiaries resulting in change in the scope of consolidation): Yes
One exclusion. (NSK Precision Co., Ltd.)

Note: For more details, please refer to page 16 (5) "Important Items Regarding the Preparation of the Consolidated Financial Statements".

(2) Changes in accounting policies, procedures and disclosures for presenting consolidated financial statements

(i) Changes due to newly issued accounting pronouncements: Yes

(ii) Changes excluding the above: None

(iii) Changes in accounting estimates: Yes

(iv) Restatement of corrections: None

Note: For more details, please refer to page 17 (5) "Changes in Accounting Policies for Items that are Difficult to be Distinguished from Changes in Accounting Estimates".

(3) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding at the end of each period (including treasury stock):

As of Mar. 31, 2013 551,268,104 shares As of Mar. 31, 2012 551,268,104 shares

(ii) Number of treasury stock at the end of each period:

As of Mar. 31, 2013 11,349,715 shares As of Mar. 31, 2012 10,708,237 shares

(iii) Average number of shares issued and outstanding in each period:

Year ended Mar. 31, 2013 540,133,363 shares Year ended Mar. 31, 2012 540,563,542 shares

(Reference)

1. Non-Consolidated Financial Highlights for the Year Ended March 31, 2013

(1) Non-consolidated financial results

(% of changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Year ended Mar. 31, 2013	450,729	(8.1)	8,917	(46.9)	10,178	(44.2)	3,285	(60.9)
Year ended Mar. 31, 2012	490,355	0.4	16,782	74.2	18,244	81.3	8,404	(4.0)

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
Year ended Mar. 31, 2013	6.08	-
Year ended Mar. 31, 2012	15.53	15.53

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of Mar. 31, 2013	702,039	248,056	35.3	458.12
As of Mar. 31, 2012	716,096	245,582	34.2	452.95

(Note) Equity capital As of Mar. 31, 2013 247,545 million yen As of Mar. 31, 2012 245,041 million yen

Cautionary Statement with Respect to Forward-Looking Statements

The forecasts in this document are based on currently available information, and actual results may materially differ from any future results expressed herein due to various factors.

Please refer to page 3 "Business Forecast for the year ending March 31, 2014" for the assumptions and preconditions on which the forecast has been based on.

1. Business Overview

(1) Qualitative Information Regarding Consolidated Business Results

During the fiscal year ended March 31, 2013, although the economy in the Americas underwent a steady recovery, the European economy remained stagnant due to fiscal and financial uncertainty, and economic growth in emerging countries such as China slowed due to a downturn in exports and other factors. In Japan, despite recent signs of economic recovery, such as correction of the super-strong Japanese yen and a recovery in stock prices, overall economic growth weakened due to overseas economic stagnation and a slowdown in export sales due to the appreciation of the Japanese yen during the first half of the fiscal year.

In this economic environment, the NSK Group has worked to promote growth strategy and profitability improvement, while striving to expand sales and reduce costs.

As a result, consolidated net sales totaled ¥732,842 million, a slight year-on-year decline, and operating income totaled ¥32,361 million, a year-on-year decrease of 27.1% due to lower sales in the industrial machinery business. Ordinary income was ¥30,310 million, a year-on-year decrease of 27.8%. Net income after adjusting for tax expenses and minority interests was ¥15,739 million, a year-on-year decrease of 44.8%, including extraordinary income of ¥1,134 million on sales of fixed assets and ¥275 million on sales of investment securities, and extraordinary losses of ¥6,005 million related to Antimonopoly Act rulings and ¥419 million on devaluation of investment securities.

Business Segment Information

① Industrial Machinery Business Segment

Demand in the industrial machinery business has slowed since the third quarter of the previous fiscal year. Despite sales initiatives in each region, sales of both industrial machinery bearings and precision machinery and parts declined. Looking at results on a regional basis, in Japan, sales in the machine tool and construction machinery sectors, both of which showed steady performance during the previous fiscal year, declined due to slowing economic growth in China. In the Americas, demand in the aftermarket sector declined, mainly in South America. In Europe, demand in the general machinery and IT/electrical sectors declined, while in China, demand in the aftermarket and machine tool sectors declined.

As a result, net sales in the industrial machinery business totaled ¥216,142 million, a year-on-year decrease of 15.5%, and operating income was ¥13,020 million, a year-on-year decrease of 49.3%.

② Automotive Business Segment

In the automotive business, sales of both automotive bearings and automotive components increased. Looking at the geographic breakdown, in Japan, sales increased due to production recovery from the Great East Japan Earthquake and the effect of government subsidies for eco-cars. In the Americas, Japanese automakers' sales recovered and demand for electric power steering (EPS) systems increased as the economy improved. Sales in Europe declined due to continued market stagnation. In China, although sales increased due to market expansion, performance was impacted by declining sales in the Chinese market by Japanese automakers. In Thailand, demand for automotive bearings and EPS systems grew, supported by automotive purchasing incentives and other factors.

As a result, net sales in the automotive business totaled ¥490,545 million, a year-on-year increase of 10.3%, and operating income totaled ¥24,992 million, a year-on-year increase of 10.4%.

Business Forecast for the Year Ending March 31, 2014

The global economic outlook remains uncertain due to the risk of slowing growth stemming from uncertainty in Europe. However, NSK expects gradual economic expansion, mainly in emerging countries, and forecasts the following financial results for the year ending March 31, 2014, due to the factors outlined below.

(Millions of yen)	<u>Year ending Mar. 31, 2014</u>
Net sales	¥ 790,000
Operating income	49,000
Ordinary income	46,000
Net income	30,000

●Exchange rate forecast for the year ending March 31, 2014:
U.S.\$1=¥90, 1€=¥120

●Industrial machinery

NSK expects export demand to increase due to the depreciation of the Japanese yen, and anticipates a steady increase in demand in China. The company therefore expects sales in this segment to increase year-on-year.

●Automotive products

NSK expects automotive demand in emerging countries to continue to expand, and forecasts that sales in this segment will increase year-on-year.

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 accepts no liability whatsoever for any direct or consequential loss arising from any use of this report.

(2) Qualitative Information Regarding Consolidated Financial Position

Assets and Liabilities

Total assets were ¥882,547 million, an increase of ¥37,473 million, compared to total assets as of March 31, 2012. The main reasons for this increase were increases of ¥20,205 million in short-term investment securities, ¥28,444 million in property, plant and equipment, and ¥13,823 million in investment securities, which offset decreases of ¥18,083 million in cash and deposits and ¥13,528 million in notes and accounts receivable.

Total liabilities were ¥541,735 million, a decrease of ¥4,272 million, compared to total liabilities as of March 31, 2012. The main reasons for this decrease were ¥19,798 million in notes and accounts payable and ¥30,000 million of payments for the current portion of corporate bonds, which offset increases of ¥28,802 million in short-term loans and ¥9,329 million in long-term loans.

Net assets

Net assets totaled ¥340,812 million, an increase of ¥41,746 million, compared to net assets as of March 31, 2012. The main reasons for this increase are ¥15,739 million in net income, ¥7,219 million in valuation difference on available-for-sale securities, and ¥22,231 million in translation adjustments.

Cash Flows

Total cash and cash equivalents at the end of the period were ¥141,653 million, a year-on-year increase of ¥6,346 million.

① Net cash flow provided by operating activities

Net cash flow provided by operating activities totaled ¥53,797 million, a decrease of ¥3,361 million, compared to the same period of the previous year. This includes ¥25,296 million in income before tax expenses and minority interests, ¥34,598 million provided by depreciation and amortization and a decrease of ¥21,769 million in notes and accounts receivable, which offset a decrease of ¥22,884 million in notes and accounts payable and ¥10,606 million in income taxes paid.

② Net cash flow used in investing activities

Cash flow used in investing activities totaled ¥45,262 million, a decrease of ¥10,827 million compared to the same period of the previous year. This includes ¥45,866 million for purchase of property, plant

and equipment.

③ Net cash flow used in financing activities

Net cash flow used in financing activities totaled ¥5,544 million, an increase of ¥20,182 million, compared to the same period of the previous year. This includes ¥49,100 million in net increase in long-term loans, which offset ¥13,801 million of repayments of long-term loans, ¥30,000 million of payments for redemption of corporate bonds, and ¥6,480 million of dividends paid.

	As of Mar. 31, 2010	As of Mar. 31, 2011	As of Mar. 31, 2012	As of Mar. 31, 2013
Shareholders' equity to total assets (%)	31.4	32.6	33.2	36.2
Shareholders' equity to total assets at market value (%)	50.5	49.1	40.7	43.7
Cash flow to interest ratio (Years)	6.0	4.2	5.2	5.7
Interest coverage ratio (Times)	9.2	14.0	11.8	11.4

- Shareholders' equity to total assets: Shareholders' equity/Total assets
- Shareholders' equity to total assets at market value: Market capitalization/Total assets
- Cash flow to interest ratio: Interest bearing debts/Net cash provided by operating activities
- 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 end of the year" × "Common shares outstanding at 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 on the balance sheet.

(3) Basic Policy on Appropriation of Retained Earnings and Dividends

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

Considering this dividend policy, the year-end dividend for the fiscal year ended March 31, 2013 will be 5.00 yen per share. The full year dividend will be ¥11.00 per share including the dividend of ¥6.00 per share for the first half of the year, paid on December 4, 2012.

Dividend for the year ending March 31, 2014 is planned to be ¥12.00 per share (¥6.00 per share for the first half of the year).

2. Management Policy Statement

(1) Basic Management Policies

NSK aims to contribute to the well-being and safety of society and to protect the global environment through its innovative technology integrating “MOTION & CONTROL”. We are guided by our vision of NSK as a truly international enterprise, and are working across national boundaries to improve relationships between people throughout the world.

We have the following management principles to achieve our goals.

- ① To serve our customers through innovative and responsive solutions, taking advantage of our world leading technologies.
- ② To provide challenges and opportunities to our employees, channeling their skills and fostering their creativity and individuality.
- ③ To identify the needs of the times and of the future and to use all of NSK’s resources to meet those needs by being versatile, responsive and dynamic.
- ④ To work together with our employees and contribute to the communities in which we operate.
- ⑤ To manage our business from an international perspective and to develop a strong presence throughout the world.

(2) Key Indicators

NSK will focus on improving its asset efficiency to increase return on equity (ROE) and net debt-equity ratio and recognizes operating income margin as a key indicator of profit stability.

(3) Mid-Term Strategies

NSK launched its new mid-term plan for three years from April 2013, with an aim to achieve net sales of ¥1 trillion in 2016, the 100th anniversary of the company’s establishment. In this plan, NSK sets a mid-term vision of “establishing corporate fundamentals appropriate for a company with net sales of ¥1 trillion” by enhancing management quality – a step which is necessary to support net sales of ¥1 trillion. Based on a corporate foundation of “Safety, Quality, and Compliance”, NSK will further promote its current growth strategy and profitability improvement initiatives, and has set goals of “growth with a focus on profitability” and “developing management capability to handle ¥1 trillion in sales volume”. Through these initiatives, NSK aims to enhance its business strategies and operating foundations in preparation for next growth phase, which will take place amidst a dramatically changed business environment.

To achieve its mid-term vision, NSK will undertake the following seven business challenges:

Measures to Achieve “Growth with Focus on Profitability”

- Growth in emerging countries
- Enhancement of customer and sector strategies
- Enhancement of production and technology development capabilities
- Strategic alliances

Measures for “Developing Management Capability to Handle ¥1 Trillion in Sales Volume”

- Enhancement of corporate governance and compliance
- Reform of business structure
- Advancement of global management

(4) Key Management Tasks

The external business environment for the fiscal year ending March 31, 2014 is still uncertain due to various risks including slowing growth in emerging countries and financial uncertainty in Europe. Despite this environment, NSK will navigate these risks and strengthen its business strategies and operating foundations in order to achieve its

vision of establishing a corporate structure appropriate for a company with net sales of ¥1 trillion.

In addition, we recognize that contributing to the reduction of global energy loss through our business activities is our social responsibility, and for this reason we will steadily improve our environmental management. NSK contributes to global environmental protection by meeting increasingly tough demands for energy conservation, and by further expanding our line-up of environmentally-friendly products.

In June 2012, NSK Ltd. (“NSK”) and two of its former officers and a former employee were prosecuted by the Tokyo District Public Prosecutors Office for violating the Antimonopoly Act of Japan regarding sales of bearing products. In February 2013, the company was sentenced to penalty of ¥380 million, and the former officers and the former employee received suspended prison sentences by the Tokyo District Court. In March 2013, The company received cease-and-desist order and administrative surcharge payment order of ¥5,625 million for violating of the Antimonopoly Act of Japan, from the Japan Fair Trade Commission (“JFTC”).

In addition, regarding sales of bearing products, our sales subsidiary in Germany was investigated in November 2011 by the European Commission in relation to EU competition law. Moreover, our subsidiary in the U.S. received from the United States Department of Justice a subpoena, which requested that it provide information regarding sales of bearing products in November 2011. Furthermore, our manufacturing and sales subsidiary in Korea was investigated in July 2012 by the Korea Fair Trade Commission in relation to the Monopoly Regulation and Fair Trade Act. In addition, our sales subsidiary in Singapore was investigated in February 2013 by the Competition Commission Singapore in relation to the Competition Act. NSK and the NSK Group are cooperating fully with any relevant authorities in their respective investigations.

NSK sincerely apologizes to its shareholders, customers, and other stakeholders for the great deal of concern caused by these matters.

NSK solemnly and sincerely accepts the situation, and it has conducted an investigation to determine the cause and has dedicated various efforts to strengthen its compliance system further. As part of these efforts, NSK established a Compliance Enhancement Office on July 1, 2012, in addition to the Compliance Committee that was established in March 2012. In conjunction with and while obtaining requisite support from the Legal Department, an upper organization, the Compliance Enhancement Office takes responsibility for promoting of strengthening further compliance related operations of the NSK Group and is responsible for planning, implementing, confirming and correcting these operations based on policies and compliance enhancement countermeasures developed by the Compliance Committee. Under this system, NSK is further promoting countermeasures such as conducting lecture-based compliance training with all officers and employees.

In addition, in order to further strengthen its compliance system in Japan and overseas, NSK has appointed responsible persons for compliance within each department, office, and company belonging to the NSK Group. Each responsible person participates in regular Compliance Conferences, and communicates information related to compliance and manages compliance risk in cooperation with the Compliance Enhancement Office.

Moreover, in order to ensure thorough compliance with antimonopoly law and other business related laws throughout the NSK Group, NSK has issued a new guidebook clearly providing details and points of concern regarding these laws and has distributed copies thereof to all officers and employees within the NSK Group. After reading and understanding the contents of the guidebook, each and every officer and employee in the NSK Group has submitted a written statement declaring that s/he would observe various laws including antimonopoly law and other competition laws, and the NSK Code of Corporate Ethics and other internal rules.

As stated above, since the JFTC’s investigation, NSK has developed and conducted various compliance enhancement measures with the support and cooperation of external specialists; furthermore, the company is acting to prevent any recurrence of the incident by further promoting these enhancement measures.

Under the new compliance system, NSK intends to step up its efforts on a company-wide basis to ensure that the business activities of the entire company adhere strictly to applicable laws and regulations, and that they are

conducted based on its social responsibilities as a corporation.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2012	As of March 31, 2013
Assets		
Current assets:		
Cash and deposits	72,726	54,643
Notes and accounts receivable	155,234	141,706
Short-term investment securities	66,067	86,272
Finished goods	62,881	63,930
Work in process	37,476	38,534
Raw materials and supplies	15,059	16,804
Deferred tax assets	9,244	10,371
Others	36,957	37,252
Less allowance for doubtful accounts	(1,015)	(1,326)
Total current assets	454,631	448,187
Non-current assets:		
Property, plant and equipment		
Buildings and structures	193,952	206,587
Accumulated depreciation	(123,823)	(129,569)
Buildings and structures, net	70,129	77,017
Machinery, vehicles and equipment	517,980	562,997
Accumulated depreciation	(405,428)	(429,809)
Machinery, vehicles and equipment, net	112,551	133,188
Tools, furniture and fixtures	57,831	62,164
Accumulated depreciation	(50,615)	(53,102)
Tools, furniture and fixtures, net	7,216	9,061
Land	37,173	37,499
Lease assets	2,686	2,771
Accumulated depreciation	(1,283)	(1,598)
Lease assets, net	1,403	1,173
Construction in progress	23,170	22,149
Total property, plant and equipment	251,644	280,089
Intangible fixed assets		
Goodwill	1,168	483
Others	11,357	13,487
Total intangible fixed assets	12,526	13,970
Investments and other assets		
Investment securities	74,811	88,635
Long-term loans receivable	285	308
Deferred tax assets	2,461	2,578
Prepaid pension costs	42,712	42,579
Others	6,465	6,687
Less allowance for doubtful accounts	(464)	(490)
Total investments and other assets	126,271	140,299
Total non-current assets	390,442	434,359
Total assets	845,073	882,547

(Millions of Yen)

	As of March 31, 2012	As of March 31, 2013
Liabilities		
Current liabilities:		
Notes and accounts payable	137,607	117,808
Short-term loans	70,569	70,789
Current portion of long-term loans payable	13,834	42,637
Current portion of corporate bonds	30,000	—
Accrued income taxes	4,764	2,356
Others	51,725	55,870
Total current liabilities	308,501	289,462
Non-current liabilities:		
Corporate bonds	35,000	35,000
Long-term loans	147,346	156,676
Deferred tax liabilities	22,118	27,098
Accrued employees' retirement benefits	20,990	19,855
Accrued officers' retirement benefits	1,592	1,693
Reserves for environmental safety measures	136	163
Others	10,321	11,786
Total non-current liabilities	237,506	252,272
Total liabilities	546,007	541,735
Net assets		
Shareholders' equity		
Common stock	67,176	67,176
Additional paid-in capital	78,340	78,343
Retained earnings	178,186	188,034
Treasury stock	(4,188)	(4,518)
Total shareholders' equity	319,514	329,036
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,766	21,986
Translation adjustments	(53,969)	(31,737)
Total accumulated other comprehensive income	(39,202)	(9,750)
Share subscription rights	540	510
Minority interests	18,212	21,015
Total net assets	299,066	340,812
Total liabilities and net assets	845,073	882,547

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

Consolidated Statements of Operations

(Millions of Yen)

	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013
Net sales	733,192	732,842
Cost of sales	585,008	596,297
Gross profit	148,184	136,544
Selling, general and administrative expenses		
Packing and haulage expenses	17,188	16,521
Sales commission	1,534	1,060
Salaries and wages	36,159	36,135
Welfare expenses	6,122	6,667
Retirement payments	443	477
Provision for retirement benefits	3,227	2,895
Provision for officers' retirement benefits	345	332
Rent expenses	5,714	5,782
Depreciation and amortization	3,512	3,651
Transportation and communication expenses	4,919	4,899
Provision of allowance for doubtful accounts	142	266
Research and development expenses	8,913	8,975
Others	15,544	16,516
Total selling, general and administrative expenses	103,767	104,183
Operating income	44,417	32,361
Non-operating income:		
Interest income	748	512
Dividend income	1,052	1,313
Equity in earnings of affiliated companies	3,481	3,627
Others	3,304	2,697
Total non-operating income	8,586	8,150
Non-operating expenses:		
Interest expenses	4,906	4,865
Product compensation	1,751	2,866
Others	4,341	2,469
Total non-operating expenses	10,999	10,201
Ordinary income	42,004	30,310
Extraordinary income:		
Gain on sales of fixed assets	—	1,134
Gain on sales of investment securities	—	275
Total extraordinary income	—	1,409
Extraordinary loss:		
Loss on devaluation of investment securities	744	419
Antimonopoly Act related loss	—	6,005
Total extraordinary loss	744	6,424
Income before tax expenses and minority interests	41,259	25,296
Current income taxes	10,274	7,108
Deferred income taxes	1,607	600
Total income taxes	11,881	7,709
Income before minority interests	29,378	17,586
Minority interests	863	1,847
Net income	28,514	15,739

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013
Income before minority interests	29,378	17,586
Other comprehensive income		
Valuation difference on available-for-sale securities	2,532	7,233
Translation adjustments	(2,371)	23,354
Share of other comprehensive income of associates accounted for using equity method	(19)	423
Total other comprehensive income	141	31,010
Comprehensive income	29,519	48,597
(Details)		
Comprehensive income attributable to parent company	28,678	45,205
Comprehensive income attributable to minority interests	840	3,391

(3) Consolidated Statements of Changes in Net Assets

(Millions of Yen)

	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013
Shareholders' equity		
Common stock		
Balance at the beginning of current period	67,176	67,176
Balance at the end of current period	67,176	67,176
Additional paid-in capital		
Balance at the beginning of current period	78,334	78,340
Changes of items during the period		
Disposal of treasury stock	5	2
Total changes of items during the period	5	2
Balance at the end of current period	78,340	78,343
Retained earnings		
Balance at the beginning of current period	155,062	178,186
Changes of items during the period		
Cash dividends	(6,491)	(5,943)
Net income	28,514	15,739
Increase due to changes in fiscal year-ends of consolidated subsidiaries and affiliates	1,102	53
Total changes of items during the period	23,124	9,848
Balance at the end of current period	178,186	188,034
Treasury stock		
Balance at the beginning of current period	(4,180)	(4,188)
Changes of items during the period		
Purchase of treasury stock	(13)	(332)
Disposal of treasury stock	5	3
Total changes of items during the period	(8)	(329)
Balance at the end of current period	(4,188)	(4,518)
Total shareholders' equity		
Balance at the beginning of current period	296,392	319,514
Changes of items during the period		
Cash dividends	(6,491)	(5,943)
Net income	28,514	15,739
Increase due to changes in fiscal year-ends of consolidated subsidiaries and affiliates	1,102	53
Purchase of treasury stock	(13)	(332)
Disposal of treasury stock	11	6
Total changes of items during the period	23,121	9,522
Balance at the end of current period	319,514	329,036

(Millions of Yen)

	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	12,213	14,766
Changes of items during the period		
Net changes of items other than shareholders' equity	2,553	7,219
Total changes of items during the period	2,553	7,219
Balance at the end of current period	14,766	21,986
Translation adjustments		
Balance at the beginning of current period	(51,593)	(53,969)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,375)	22,231
Total changes of items during the period	(2,375)	22,231
Balance at the end of current period	(53,969)	(31,737)
Total other comprehensive income		
Balance at the beginning of current period	(39,379)	(39,202)
Changes of items during the period		
Net changes of items other than shareholders' equity	177	29,451
Total changes of items during the period	177	29,451
Balance at the end of current period	(39,202)	(9,750)
Share subscription rights		
Balance at the beginning of current period	569	540
Changes of items during the period		
Net changes of items other than shareholders' equity	(28)	(30)
Total changes of items during the period	(28)	(30)
Balance at the end of current period	540	510
Minority interests		
Balance at the beginning of current period	17,686	18,212
Changes of items during the period		
Net changes of items other than shareholders' equity	525	2,802
Total changes of items during the period	525	2,802
Balance at the end of current period	18,212	21,015
Total net assets		
Balance at the beginning of current period	275,269	299,066
Changes of items during the period		
Cash dividends	(6,491)	(5,943)
Net income	28,514	15,739
Increase due to changes in fiscal year-ends of consolidated subsidiaries and affiliates	1,102	53
Purchase of treasury stock	(13)	(332)
Disposal of treasury stock	11	6
Net changes of items other than shareholders' equity	675	32,224
Total changes of items during the period	23,797	41,746
Balance at the end of current period	299,066	340,812

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013
Operating activities		
Income before income taxes and minority interests	41,259	25,296
Depreciation and amortization	35,807	34,598
Amortization of goodwill	765	722
Increase (decrease) in allowance for doubtful accounts	111	210
Provision for retirement benefits and prepaid pension cost	(8)	(1,906)
Interest and dividend income	(1,800)	(1,826)
Interest expenses	4,906	4,865
Equity in losses (earnings) of affiliates	(3,481)	(3,627)
Loss (gain) on property, plant and equipment	—	(1,134)
Loss (gain) on investments in securities	—	(275)
Loss (gain) on evaluation of investment securities	744	419
Antimonopoly Act related loss	—	6,005
Decrease (increase) in notes and accounts receivable	(19,831)	21,769
Decrease (increase) in inventories	(4,933)	5,398
Increase (decrease) in notes and accounts payable	13,620	(22,884)
Others	83	(2,991)
Subtotal	67,244	64,639
Interest and dividends received	5,042	4,486
Interest paid	(4,840)	(4,722)
Income taxes paid	(10,288)	(10,606)
Net cash provided by operating activities	57,158	53,797
Investing activities		
Net decrease (increase) in time deposits	(2,126)	2,506
Purchase of short-term investment securities	(6,000)	(5,600)
Proceeds from sales of short-term investment securities	7,129	7,201
Purchase of property, plant and equipment	(50,580)	(45,866)
Proceeds from sales of property, plant and equipment	1,410	1,626
Purchase of investment securities	(1,492)	(228)
Proceeds from sales of investment securities	333	1,531
Payments for loans receivable	(119)	(127)
Collection of loans receivable	199	118
Others	(4,843)	(6,424)
Net cash used in investing activities	(56,090)	(45,262)

(Millions of Yen)

	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013
Financing activities		
Net increase (decrease) in short-term loans	4,610	(3,089)
Increase in long-term loans	63,493	49,100
Repayments of long-term loans	(16,355)	(13,801)
Payments for redemption of corporate bonds	(30,300)	(30,000)
Acquisition of treasury stock	(9)	(327)
Dividends paid	(6,490)	(6,480)
Dividends paid to minority shareholders	(379)	(605)
Others	68	(340)
Net cash provided by (used in) financing activities	14,637	(5,544)
Effect of exchange rate changes on cash and cash equivalents	(573)	3,457
Net increase (decrease) in cash and cash equivalents	15,132	6,447
Cash and cash equivalents at beginning of the year	120,333	135,307
Increase (decrease) in cash and cash equivalents resulting from changes in fiscal year-ends of consolidated subsidiaries	(157)	(101)
Cash and cash equivalents at end of the period	135,307	141,653

(5) Notes to Consolidated Financial Statements

(Going Concern Assumption)

None.

(Important Items Regarding Preparation of Consolidated Financial Statements)

1. Items Regarding the Scope of Consolidated Subsidiaries and Affiliates

(1) Consolidated subsidiaries

Number of consolidated subsidiaries:

92 companies (21 Japanese entities and 71 non-Japanese entities).

Names of principal companies:

NSK Steering Systems Co., Ltd.,
NSK Needle Bearings Co., Ltd., Amatsuji Steel Ball Mfg. Co., Ltd.,
NSK Americas, Inc., NSK Brasil Ltda., NSK Europe Ltd.,
P.T. NSK Bearings Manufacturing Indonesia, NSK (China) Investment Co., Ltd.,
Kunshan NSK Co., Ltd., NSK Korea Co., Ltd.

(2) Affiliated companies accounted for by the equity method

Number of affiliated companies accounted for by the equity method:

16 companies (9 Japanese entities and 7 non-Japanese entities).

Names of principal companies:

NSK-Warner Kabushiki Kaisha

(3) Changes in the scope of consolidated subsidiaries and affiliates

Consolidated subsidiaries

- Increase due to the inclusion of newly established entity: 1 company

Korea NSK Technology Co., Ltd.

- Decrease due to absorption-type merger: 1 company

NSK Precision Co., Ltd.

Affiliated companies

- Increase due to the inclusion of newly established entity: 1 company

Tohshin-NSK Rollers (SUZHOU) Co., Ltd.

- Increase due to stock acquisition: 1 company

Ningbo MOS Group Co., Ltd.

2. Items Regarding the Balance Sheet Dates of Consolidated Subsidiaries

The balance sheet dates are December 31 for Rane NSK Steering Systems Ltd., and February 28 for Kuribayashi Seisakusho Co., Ltd. In preparing the consolidated financial statements, the non-consolidated financial statements as of the aforementioned dates are used, and necessary adjustments are made for important transactions between consolidated subsidiaries occurring between the aforementioned dates and the consolidated balance sheet date.

Although the balance sheet date is December 31 for 2 subsidiaries, the provisional settlement of accounts as of the consolidated balance sheet date (i.e. March 31) are used for the preparation of consolidated financial statements.

Notes regarding items other than those mentioned above have been omitted as there have not been any significant changes to the notes disclosed in the most recent Securities Report (filed on June 22, 2012).

(Changes in Accounting Policies for Items that are Difficult to be Distinguished from Changes in Accounting Estimates)

In accordance with revisions to the Corporation Tax Act, the Company and its domestic consolidated subsidiaries have revised their method of accounting for depreciation for property, plant and equipment acquired on or after April 1, 2012, in accordance with the post-revision Corporation Tax Act, from the fiscal year ended March 31, 2013. The impact of these changes on income during the fiscal year ended March 31, 2013 was immaterial.

(Changes in Presentation)

“Exchange loss”, which had been separately recorded under non-operating expenses in the fiscal year ended March 31, 2012, has been recorded as “Others” in the current fiscal year because of its decreased significance in monetary terms.

As a result, “Exchange loss” of ¥1,213 million recorded under non-operating expenses on the consolidated statements of operations in the fiscal year ended March 31, 2012, is reclassified as “Others.”

(Changes in Matters Concerning Consolidated Balance Sheets)

Litigation and Other Legal Matters

① Investigations by overseas authorities

Regarding sales of bearing products, NSK’s sales subsidiary in Germany was investigated in November 2011 by the European Commission in relation to EU competition law. Moreover, our subsidiary in the U.S. received from the United States Department of Justice a subpoena, which requested that it provide information regarding sales of the bearing products in November 2011. Furthermore, our manufacturing and sales subsidiary in Korea was investigated in July 2012 by the Korea Fair Trade Commission in relation to the Monopoly Regulation and Fair Trade Act. In addition, our sales subsidiary in Singapore was investigated in February 2013 by the Competition Commission Singapore in relation to the Competition Act.

NSK and the NSK Group are cooperating fully with any relevant authorities in their respective investigations.

As a result of the above, financial losses, such as surcharge payments, may occur in the future; however, it is difficult to provide a reasonable estimate of the amount of such losses at this time. Their impact on NSK’s operational results, etc. is uncertain.

② Class actions filed overseas

In the United States, the Plaintiffs, representing purchasers, etc. of bearing products, have filed class actions against the Defendants including NSK and its subsidiary located in the United States (the “Actions”). The Plaintiffs allege, among others, that the Defendants conspired with each other to restrict competition regarding transactions related to bearing products in the United States, and seek damages, injunctive relief, and other relief against the Defendants in the Actions. In addition, in Canada, similar kinds of class actions against the Defendants including NSK and its subsidiary located in Canada have been filed.

NSK and its subsidiaries located in the United States and Canada are going to insist on propriety and contest the Plaintiffs’ claim. Although the amounts of damages claimed are not specified in the complaints, as a result of these actions, it is possible that NSK’s operational results, etc. will be affected.

NSK or its subsidiaries or its affiliated companies may face additional follow-on actions similar to these actions.

(Changes in Matters Concerning Consolidated Statements of Changes in Net Assets)

2 consolidated subsidiaries used an account closing date of December 31. In order to disclose consolidated financial information in an appropriate manner, from the first quarter of this fiscal year, these companies changed their fiscal year end from December 31 to March 31. Profit and loss for the 3 months from January to March 2012

has been adjusted for as retained earnings.

【Segment Information】

1. Outline of Reportable Segments

The Company has defined its reportable segments to be units composing the Company, for which financial information can be separately obtained. The Company's Board of Directors periodically monitors these business segments in order to determine the allocation of management resources and evaluate business results.

The Company's organization centers on its customer/product-based division headquarters, which plans comprehensive business strategies not only for business in Japan but globally. Therefore, the Company has decided to designate its customer/product-based Industrial Machinery Business segment and Automotive Business segment as its two reportable segments.

The Industrial machinery business is in charge of production and sales of industrial machinery bearings, ball screws, and linear guides.

The Automotive business is in charge of production and sales of bearings for car manufactures and automotive component manufacturers, steering columns and automatic transmission components.

2. Calculation Method of Sales, Income (Loss), Assets, Liabilities and Other Items by Reportable Segments

The accounting methods used in the accounting for reportable segments are basically the same as the "Important Items Regarding the Preparation of the Consolidated Financial Statements". Please note that the income (loss) figures of the reportable segments are operating income based figures. Inter-segment sales and transfers are based on market-prices.

3. Sales, Income (Loss), Assets, Liabilities and Other Items by Reportable Segments

Year ended March 31, 2012

(Millions of Yen)

	Reportable segments			Others (Note)	Total	Adjustments	Consolidated
	Industrial machinery business	Automotive business	Sub-total				
Sales							
(1) Sales to third parties	255,835	444,585	700,420	32,772	733,192	—	733,192
(2) Inter-segment sales and transfers	—	—	—	28,256	28,256	(28,256)	—
Total	255,835	444,585	700,420	61,028	761,449	(28,256)	733,192
Segment income (Operating income)	25,689	22,637	48,327	3,258	51,586	(7,168)	44,417
Segment assets	260,825	357,405	618,231	82,287	700,518	144,555	845,073
Other items							
Depreciation and amortization	13,977	19,418	33,396	3,071	36,468	(660)	35,807
Investments in affiliated companies	4,245	12,445	16,690	601	17,291	—	17,291
Increase in tangible and intangible assets	18,638	29,892	48,530	6,766	55,297	(678)	54,619

(Note) "Others" includes production of plant and equipment, and production and sales of steel balls, and systemized products.

Year ended March 31, 2013

(Millions of Yen)

	Reportable segments			Others (Note)	Total	Adjustments	Consolidated
	Industrial machinery business	Automotive business	Sub-total				
Sales							
(1) Sales to third parties	216,142	490,545	706,687	26,154	732,842	—	732,842
(2) Inter-segment sales and transfers	—	—	—	27,124	27,124	(27,124)	—
Total	216,142	490,545	706,687	53,278	759,966	(27,124)	732,842
Segment income (Operating income)	13,020	24,992	38,012	2,164	40,176	(7,815)	32,361
Segment assets	253,030	392,081	645,112	81,343	726,456	156,091	882,547
Other items							
Depreciation and amortization	12,321	19,716	32,037	3,159	35,197	(599)	34,598
Investments in affiliated companies	4,698	15,951	20,650	615	21,265	—	21,265
Increase in tangible and intangible assets	11,896	31,936	43,832	4,735	48,567	(542)	48,025

(Note) "Others" includes production of plant and equipment, and production and sales of steel balls, and systemized products.

【Related Information】

Year ended March 31, 2012

1. Information by Products and Services

Same as 【Segment Information】 .

2. Information by Region**(1) Sales**

(Millions of Yen)

Japan	The Americas	Europe	China	Other Asia	Total
363,754	86,267	107,958	89,068	86,143	733,192

(2) Tangible assets

(Millions of Yen)

Japan	The Americas	Europe	China	Other Asia	Total
148,039	16,830	20,884	40,866	25,022	251,644

3. Information by Major Customers

Not applicable.

Year ended March 31, 2013

1. Information by Products and Services

Same as 【Segment Information】 .

2. Information by Region**(1) Sales**

(Millions of Yen)

Japan	The Americas	Europe	China	Other Asia	Total
333,348	103,352	102,667	91,442	102,030	732,842

(2) Tangible assets

(Millions of Yen)

Japan	The Americas	Europe	China	Other Asia	Total
139,457	19,719	25,472	61,232	34,208	280,089

3. Information by Major Customers

Not applicable.

【Per Share Information】

Year ended Mar. 31, 2012		Year ended Mar. 31, 2013	
Net assets per share - (Yen)	518.56	Net assets per share - (Yen)	591.36
Net income per share - Basic (Yen)	52.75	Net income per share - Basic (Yen)	29.14
Net income per share - Diluted (Yen)	52.75	Net income per share - Diluted (Yen)	Not applicable.

Note: Net income per share and diluted net income per share have been calculated on the basis of the following data;

	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013
Net income per share - Basic		
Net income (Millions of Yen)	28,514	15,739
Amounts not attributable to common stock (Millions of Yen)	—	—
Net income attributable to common stock (Millions of Yen)	28,514	15,739
Average number of shares outstanding during each period (Thousands of shares)	540,563	540,133
Net income per share - Diluted		
Adjustments to net income (Millions of Yen)	—	—
Increase in number of common stock (Thousands of shares)	33	—
(Share subscription rights included (Thousands of shares))	(33)	(—)

	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013
Outline of dilutive shares not included in the calculation of diluted net income per share as they do not have a dilutive effect	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 27, 2006 Number of share subscription rights: 662	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 26, 2007 Number of share subscription rights: 743
	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 26, 2007 Number of share subscription rights: 743	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 25, 2008 Number of share subscription rights: 785
	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 25, 2008 Number of share subscription rights: 785	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 25, 2009 Number of share subscription rights: 816
	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 25, 2010 Number of share subscription rights: 823	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 25, 2010 Number of share subscription rights: 823
	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 24, 2011 Number of share subscription rights: 779	Stock options (share subscription rights) approved at the General Shareholders' Meeting held on June 24, 2011 Number of share subscription rights: 779

【Subsequent Events】

Not applicable.

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2012	As of Mar. 31, 2013
Assets		
Current assets		
Cash and deposits	38,403	18,164
Notes receivable	8,819	5,494
Electronically recorded monetary claims	2,887	4,506
Accounts receivables - trade	98,053	81,213
Marketable securities	63,056	85,062
Finished products	17,944	15,619
Work in process	9,747	10,380
Raw materials and supplies	1,630	2,127
Prepaid expenses	905	969
Deferred tax assets	4,034	4,393
Short-term loans - receivables	4,770	5,608
Accounts receivables - other	48,610	42,083
Others	3,042	3,026
Less allowance for doubtful accounts	(185)	(177)
Total current assets	301,722	278,473
Non-current assets		
Property, plant and equipment		
Buildings	94,251	95,137
Accumulated depreciation	(67,853)	(69,550)
Buildings, net	26,397	25,587
Structures	8,192	8,304
Accumulated depreciation	(6,803)	(6,971)
Structures, net	1,389	1,333
Machinery and equipment	195,575	207,521
Accumulated depreciation	(165,209)	(177,901)
Machinery and equipment, net	30,365	29,620
Vehicles and transportation equipment	521	559
Accumulated depreciation	(486)	(528)
Vehicles and transportation equipment, net	34	30
Tools and spare parts	22,779	25,968
Accumulated depreciation	(21,111)	(24,471)
Tools and spare parts, net	1,667	1,496
Land	16,009	15,910
Lease assets	1,071	1,452
Accumulated depreciation	(437)	(654)
Lease assets, net	634	798
Construction in progress	2,297	1,981
Total property, plant and equipment	78,795	76,759
Intangible fixed assets		
Leasehold rights	983	930
Software	7,651	8,969
Others	133	125
Total intangible fixed assets	8,769	10,025

(Millions of Yen)

	As of Mar. 31, 2012	As of Mar. 31, 2013
Investment and other assets		
Investment securities	48,085	56,353
Affiliated company stocks	200,700	199,036
Investments in affiliated companies	28,450	32,999
Long-term loans - receivables	95	95
Long-term loans to affiliated companies - receivables	5,487	4,733
Claims provable in bankruptcy, claims provable in rehabilitation and other	146	147
Long-term prepaid expenses	148	233
Prepaid pension costs	39,965	39,588
Other investments and assets	4,132	3,992
Less allowance for doubtful accounts	(402)	(398)
Total investments and assets	326,809	336,780
Total non-current assets	414,374	423,565
Total assets	716,096	702,039
Liabilities		
Current liabilities		
Notes payable	1,702	1,196
Electronically recorded obligations	—	23,854
Accounts payable - trade	138,274	87,344
Short-term loans	72,644	81,520
Current portion of long-term loans payable	8,000	41,600
Current portion of corporate bonds	30,000	—
Lease obligations	216	243
Accounts payable - other	9,275	10,602
Accrued expenses	12,643	11,616
Accrued income taxes	2,269	576
Advances received	13	12
Deposits received	1,351	1,458
Notes payable-facilities	83	1,424
Total current liabilities	276,474	261,450
Non-current liabilities		
Corporate bonds	35,000	35,000
Long-term loans	136,100	132,500
Long-term loans payable to subsidiaries and affiliates	3,000	2,000
Lease obligations	427	579
Deferred tax liabilities	15,713	18,574
Accrued officers' retirement benefits	1,592	1,693
Reserves for environmental safety measures	133	147
Other non-current liabilities	2,072	2,037
Total non-current liabilities	194,039	192,532
Total liabilities	470,513	453,983

(Millions of Yen)

	As of Mar. 31, 2012	As of Mar. 31, 2013
Net assets		
Shareholders' equity		
Common stock	67,176	67,176
Additional paid-in capital		
Capital reserve	77,923	77,923
Other additional paid-in capital	271	273
Total additional paid-in capital	78,194	78,197
Retained earnings		
Legal reserve	10,292	10,292
Other retained earnings		
Reserve for R&D	1,627	1,627
Reserve for advanced depreciation	3,932	3,806
General reserves	64,266	66,266
Retained earnings carried forward	8,874	3,798
Total retained earnings	88,992	85,790
Treasury stock	(3,936)	(4,261)
Total shareholders' equity	230,426	226,903
Valuation, translation adjustments and other		
Unrealized holding gains on securities	14,614	20,641
Total valuation, translation adjustments and other	14,614	20,641
Share subscription rights	540	510
Total net assets	245,582	248,056
Total liabilities and net assets	716,096	702,039

(2) Non-Consolidated Statements of Operations

(Millions of Yen)

	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013
Net sales	490,355	450,729
Cost of sales	418,683	387,859
Gross profit	71,671	62,870
Selling, general and administrative expenses		
Packing and haulage expenses	11,587	11,450
Sales commission	1,976	1,395
Salaries and wages	14,491	14,223
Welfare expenses	2,253	2,404
Retirement payments	178	204
Provision for retirement benefits	1,785	1,307
Provision for officers' retirement benefits	345	332
Rent expenses	3,361	3,043
Depreciation and amortization	1,927	1,945
Transportation and communication expenses	1,642	1,582
Provision of allowance for doubtful accounts	25	(7)
Research and development expenses	5,978	5,757
Others	9,333	10,313
Total selling, general and administrative expenses	54,889	53,952
Operating income	16,782	8,917
Non-operating income:		
Interest income	197	157
Interest on securities	71	76
Dividend income	6,629	5,204
Others	888	1,435
Total non-operating income	7,787	6,875
Non-operating expenses:		
Interest expenses	2,260	2,438
Interest on bonds	1,528	1,107
Exchange losses	416	129
Product compensation	938	1,046
Others	1,180	892
Total non-operating expenses	6,325	5,613
Ordinary income	18,244	10,178
Extraordinary income:		
Gain on sales of property, plant and equipment	615	1,134
Gain on sales of investment securities	—	200
Total extraordinary income	615	1,335
Extraordinary expenses:		
Loss on valuation of stocks of subsidiaries and affiliates	6,189	1,119
Loss on devaluation of investment securities	744	417
Antimonopoly Act related loss	—	6,005
Total extraordinary expenses	6,933	7,543
Income before income taxes	11,925	3,971
Current income taxes	3,172	593
Deferred income taxes	349	91
Total income taxes	3,521	685
Net income	8,404	3,285

(3) Non-Consolidated Statements of Changes in Net Assets

(Millions of Yen)

	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013
Shareholders' equity		
Common stock		
Balance at the beginning of current period	67,176	67,176
Balance at the end of current period	67,176	67,176
Additional paid-in capital		
Capital reserves		
Balance at the beginning of current period	77,923	77,923
Balance at the end of current period	77,923	77,923
Other additional paid-in capital		
Balance at the beginning of current period	265	271
Changes of items during the period		
Disposal of treasury stock	5	2
Total changes of items during the period	5	2
Balance at the end of current period	271	273
Total additional paid-in capital		
Balance at the beginning of current period	78,189	78,194
Changes of items during the period		
Disposal of treasury stock	5	2
Total changes of items during the period	5	2
Balance at the end of current period	78,194	78,197
Retained earnings		
Legal reserves		
Balance at the beginning of current period	10,292	10,292
Balance at the end of current period	10,292	10,292
Other retained earnings		
Reserve for corporate research		
Balance at the beginning of current period	1,627	1,627
Balance at the end of current period	1,627	1,627
Reserve for advanced depreciation of fixed assets		
Balance at the beginning of current period	3,449	3,932
Changes of items during the period		
Provision of reserve for advanced depreciation of fixed assets	292	—
Reversal of reserve for advanced depreciation of fixed assets	(105)	(126)
Increase by change of tax rates	296	—
Total changes of items during the period	483	(126)
Balance at the end of current period	3,932	3,806
General reserve		
Balance at the beginning of current period	61,766	64,266
Changes of items during the period		
Provision of general reserve	2,500	2,000
Total changes of items during the period	2,500	2,000
Balance at the end of current period	64,266	66,266
Retained earnings carried forward		
Balance at the beginning of current period	9,945	8,874
Changes of items during the period		
Cash dividends	(6,491)	(6,488)

(Millions of Yen)

	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013
Net income	8,404	3,285
Provision of reserve for advanced depreciation of fixed assets	(292)	—
Reversal of reserve for advanced depreciation of fixed assets	105	126
Provision of general reserve	(2,500)	(2,000)
Increase by change of tax rates	(296)	—
Total changes of items during the period	(1,071)	(5,075)
Balance at the end of current period	8,874	3,798
Total retained earnings		
Balance at the beginning of current period	87,080	88,992
Changes of items during the period		
Cash dividends	(6,491)	(6,488)
Net income	8,404	3,285
Provision of reserve for advanced depreciation of fixed assets	—	—
Reversal of reserve for advanced depreciation of fixed assets	—	—
Provision of general reserve	—	—
Increase by change of tax rates	—	—
Total changes of items during the period	1,912	(3,202)
Balance at the end of current period	88,992	85,790
Treasury stock		
Balance at the beginning of current period	(3,933)	(3,936)
Changes of items during the period		
Purchase of treasury stock	(9)	(327)
Disposal of treasury stock	5	3
Total changes of items during the period	(3)	(324)
Balance at the end of current period	(3,936)	(4,261)
Total shareholders' equity		
Balance at the beginning of current period	228,512	230,426
Changes of items during the period		
Cash dividends	(6,491)	(6,488)
Net income	8,404	3,285
Purchase of treasury stock	(9)	(327)
Disposal of treasury stock	11	6
Total changes of items during the period	1,914	(3,523)
Balance at the end of current period	230,426	226,903
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	12,588	14,614
Changes of items during the period		
Net change during the year, excluding items under shareholders' equity	2,025	6,027
Total changes of items during the period	2,025	6,027
Balance at the end of current period	14,614	20,641
Total valuation and translation adjustments		
Balance at the beginning of current period	12,588	14,614
Changes of items during the period		
Net change during the year, excluding items under shareholders' equity	2,025	6,027
Total changes of items during the period	2,025	6,027

(Millions of Yen)

	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013
Balance at the end of current period	14,614	20,641
Share subscription rights		
Balance at the beginning of current period	569	540
Changes of items during the period		
Net change during the year, excluding items under shareholders' equity	(28)	(30)
Total changes of items during the period	(28)	(30)
Balance at the end of current period	540	510
Total net assets		
Balance at the beginning of current period	241,670	245,582
Changes of items during the period		
Cash dividends	(6,491)	(6,488)
Net income	8,404	3,285
Purchase of treasury stock	(9)	(327)
Disposal of treasury stock	11	6
Net change during the year, excluding items under shareholders' equity	1,997	5,997
Total changes of items during the period	3,911	2,473
Balance at the end of current period	245,582	248,056

(4) Notes on Going Concern Assumptions

Not applicable.

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