



NSK

Financial Conference

Consolidated Business Results and Forecast

&

Review of the Mid-term Plan (FY'06-FY'08)

May 16, 2007

NSK Ltd.

Cautionary Statements with Respect to Forward-Looking Statements

Statements made in this report with respect to plans, strategies and future performance that are not historical fact are forward-looking statements.

NSK cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements.

Note : This document is an English translation of material written initially in Japanese. The Japanese original should be considered the primary version.

.Consolidated Business Results & Forecasts

- a. Results for the Year Ended March 31, 2007 (FY'06)
- b. Forecasts for the Year Ending March 31, 2008 (FY'07)

.Review of the Mid-term Plan (FY'06-'08)

(Supplementary Information)

-a. Consolidated Business Results
for the Year Ended March 31, 2007

Summary of Consolidated Business Results for the Year Ended March 31, 2007



Business Environment

「Demand remained strong overall」

Demand related to capital expenditures continued to increase in Japan. Automotive related production increased 5.2% YOY, although production by some automotive manufacturers declined. Economies in non-Japan (Americas, Europe and Asia) remained robust. Especially, in Asia, China exhibited strong economic expansion.

Summary of Business Results

Posted record sales and profits for three consecutive years.

Sales and profits increased YOY in each business segment.

- * Industrial machinery bearings Profitability improved to 13.7%
- * Automotive products Profitability improved steadily.
- * Precision machinery & parts Profitability improved dramatically.
Ordinary income doubled YOY.

ROE reached **14.0%**

Dividends forecasted to increase.

¥12.0 per share for the year ended Mar. 31, 2006

¥16.0 per share for the year ended Mar. 31, 2007

3 (including 90th anniversary commemorative dividend of ¥1.00)

Summary of Consolidated Business Results for the Year Ended March 31, 2007



(¥100 Million)	FY'05 <Actual>	FY'06 <Actual>	Increase /Decrease YOY	Difference YOY	FY'06 <Forecasts Revised on Nov., '06>
Sales	6,285	7,172	+887	+14.1%	7,050
Operating income	426	624	+198	+46.6%	610
< % >	<6.8%>	< 8.7% >			<8.7%>
Ordinary income	389	576	+187	+48.0%	565
Income before tax	431	570	+139	+32.4%	567
Net income	256	349	+93	+36.2%	345
(Exchange rate:1US\$=)	(¥110.37)	(¥116.93)			(¥115.15)
(" 1EURO=)	(¥137.39)	(¥150.35)			(¥145.58)

(¥100 Million)	FY'05 <Actual>	FY'06 <Actual>	Increase /Decrease YOY
ROE	12.1%	14.0%	-
Net Interest-bearing debts	1,711	1,822	+111
Net D/E Ratio (times)	0.73	0.69	-
Inventory	1,013	1,050	+37
Inventory turnover (times)	6.9	7.0	-

Business Results -By Business Segments-



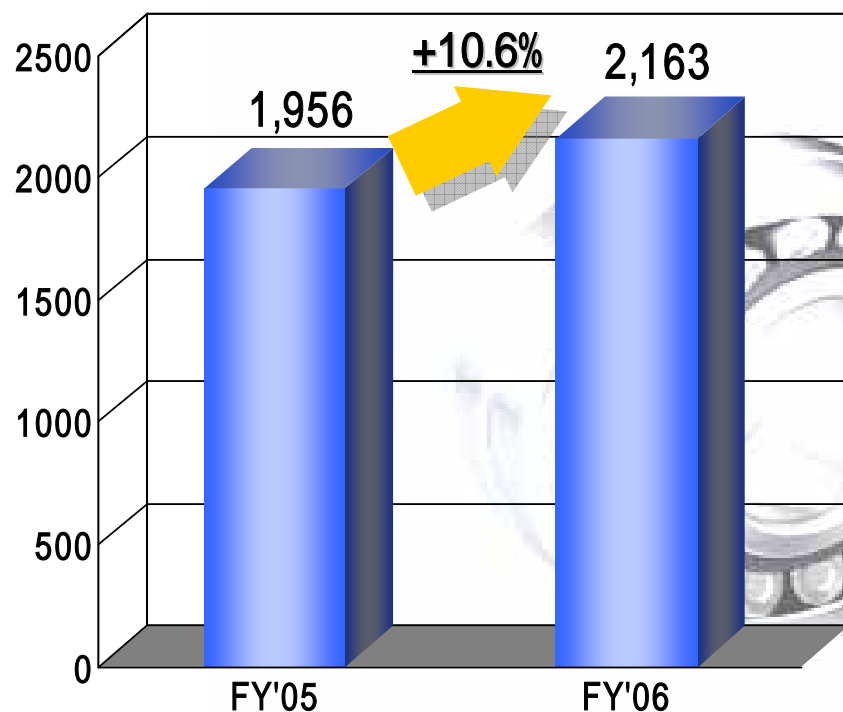
(¥100 Million)	FY'05 <Actual>	FY'06 <Actual>	Increase /Decrease YOY	Difference YOY	FY'06 <Forecasts Revised on Nov., '06>
Sales	6,285	7,172	+887	+14.1%	7,050
Industrial bearings	1,956	2,163	+207	+10.6%	2,160
Automotive products	3,531	3,979	+448	+12.7%	3,865
Precision machinery & parts	658	777	+119	+18.1%	778
Other	235	451	+216	+91.8%	450
Eliminations	-95	-198	-103		-203
Operating income	426 <6.8%>	624 <8.7%>	+198	+46.6%	610 <8.7%>
Industrial bearings	221 <11.3%>	296 <13.7%>	+75	+34.0%	280 <13.0%>
Automotive products	174 <4.9%>	227 <5.7%>	+53	+30.5%	220 <5.7%>
Precision machinery & parts	56 <8.5%>	115 <14.8%>	+59	+107.3%	120 <15.4%>
Other	13 <5.5%>	24 <5.3%>	+11	+83.9%	26 <5.8%>
Eliminations	-38	-38	0		-36

Business Results by Business Segments - Industrial Machinery Bearings -



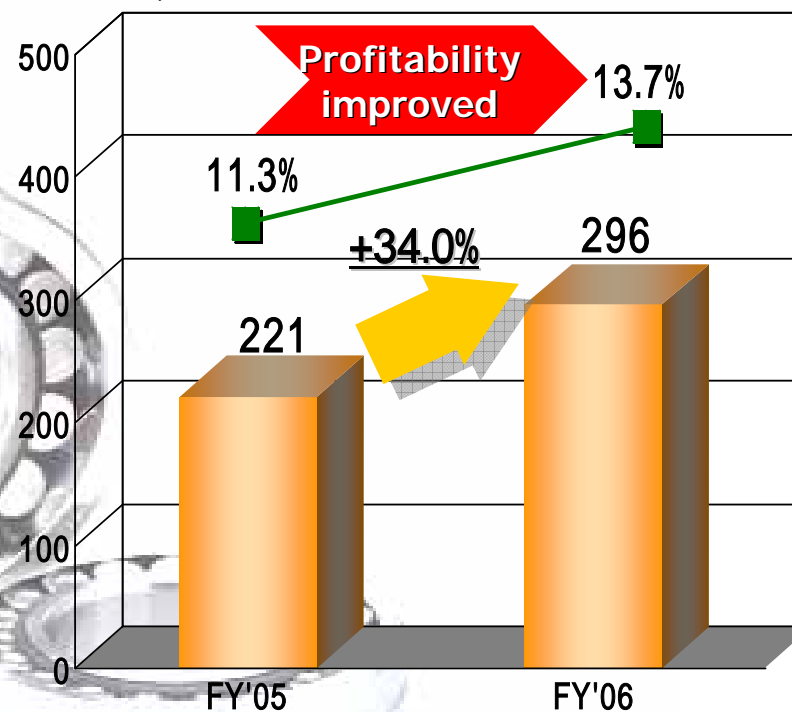
Sales

(¥100 Million)



Operating income/margin

(¥100 Million)



Sales increased 10.6% YOY backed by strong demand related to capital expenditures and aftermarket.

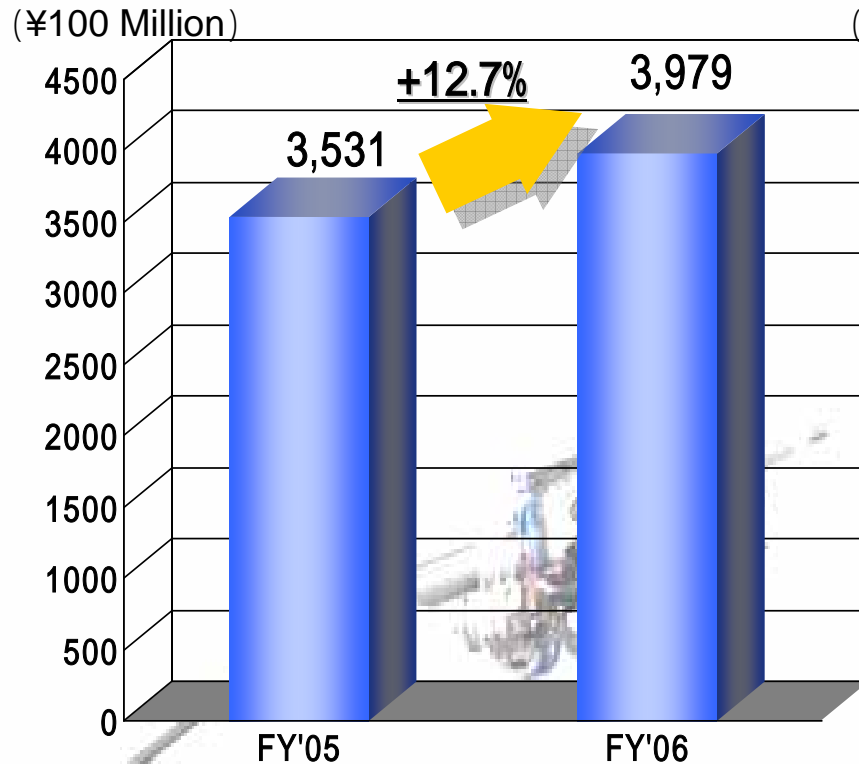
Operating income increased 34.0%, and operating income margin improved to 13.7% YOY due to volume growth, increase in sales price and effects resulting from exchange rate fluctuations.

Business Results by Business Segments

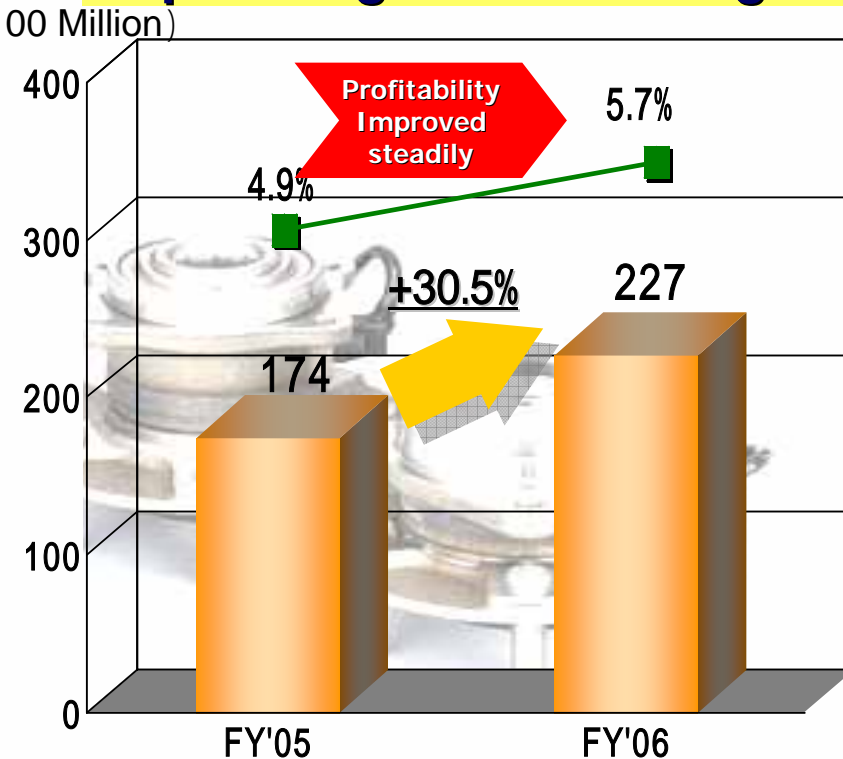
- Automotive Products -



Sales



Operating income/margin

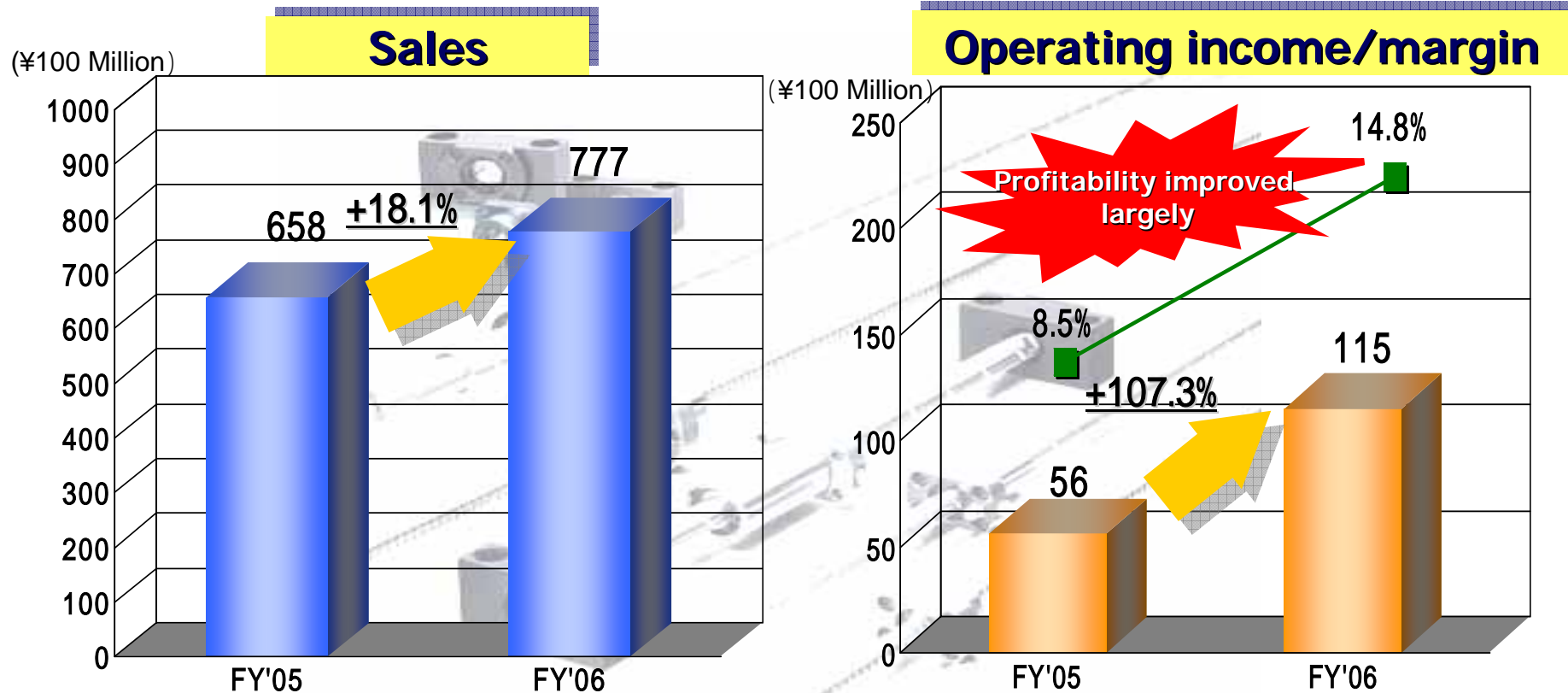


Demand remained robust overall. Sales increased 12.7% YOY with increase in sales of hub unit bearings, needle roller bearings, AT components and electric power steering (EPS) systems.

Operating income increased 30.5% YOY due to volume growth, reduction of external procurement costs, and improvement of productivity.

Profitability improved steadily.

Business Results by Business Segments - Precision Machinery and Parts -



Demand from semiconductors/liquid crystal production equipment sectors have been in adjustment phase since 2Q, but demand from machine tools strengthened. With increase in sales of photofabrication equipment for LCD production, total sales increased 18.1% YOY.

In addition to volume growth, productivity improvement, especially at Maebashi plant, contributed to total profitability improvement. Operating income increased 107.3% YOY.

Operating Income: Improvement Factors

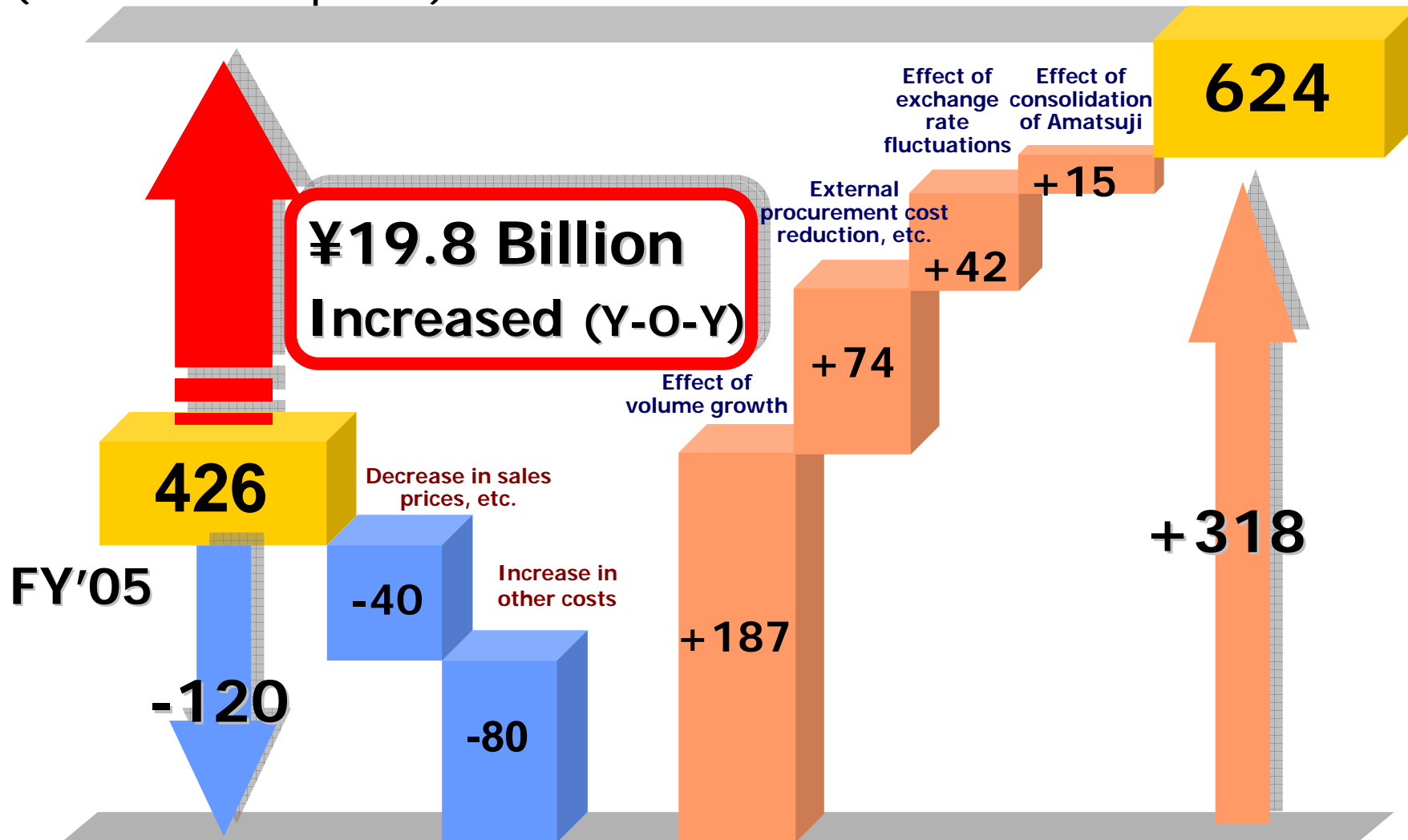
(FY'05 FY'06)



(¥100 Million)

(Unless otherwise specified)

FY'06



Business Results by Geographical Segments



(¥100 Million)	FY'05 <Actual>		FY'06 <Actual>		Increase /Decrease YOY	Difference YOY	FY'06 <Forecasts Revised on Nov., '06>
Sales	6,285		7,172		+887	+ 14.1%	7,050
Japan	4,762		5,223		+461	+9.7%	5,243
Americas	904		1,029		+125	+13.9%	1,029
Europe	1,049		1,276		+227	+21.6%	1,186
Asia	758		987		+229	+30.2%	976
Eliminations	-1,188		-1,343		-155	-	-1,384
Operating income	426	<6.8%>	624	<8.7%>	+198	+46.6%	610 <8.7%>
Japan	316	<6.6%>	428	<8.2%>	+112	+35.6%	417 <8.0%>
Americas	24	<2.7%>	38	<3.7%>	+14	+58.1%	45 <4.4%>
Europe	42	<4.0%>	67	<5.2%>	+25	+57.1%	59 <5.0%>
Asia	51	<6.7%>	95	<9.6%>	+44	+83.7%	91 <9.3%>
Eliminations	-7		-4		+3	-	-2

Japan: Sales increased due to volume growth, productivity improvement, reduction of external procurement costs, consolidation of Amatsuji Steel Ball Manufacturing Co., Ltd., and effects resulting from exchange rate fluctuations.

Americas: Volume growth contributed to increase in total sales although restructuring costs were incurred in the U.S.

Europe : Sales increased with effects of volume growth, increase in sales price, and stabilization of production in steering plants.

Asia: Profitability improved backed by strong demands in ASEAN such as Thailand, and stabilization of production in China.

Business Results by Customer Location



(¥100 Million)	FY'05 <Actual>	FY'06 <Actual>	Increase /Decrease YOY	Difference YOY	FY'06 <Forecasts Revised on Nov., '06>
Sales	6,285	7,172	+887	+14.1%	7,050
Japan	3,301	3,644	+343	+10.4%	3,608
Non-Japan (Non-Japan ratio)	2,984 (47.5%)	3,528 (49.2%)	+544	+18.2%	3,442 (48.8%)
Americas	923	1,051	+128	+13.8%	1,049
Europe	982	1,217	+235	+24.0%	1,130
Asia	1,079	1,260	+181	+16.8%	1,263

Japan : Demand from machine tools/general machinery sectors remain robust. Sales to automobile manufacturers and semiconductors/liquid crystal production equipment sectors increased.

Americas : Sales to automobile manufacturers and sales of precision machinery and parts increased.

Europe : Sales to general machinery sector and automobile manufacturers increased ; especially, sales of electric power steering (EPS) systems increased.

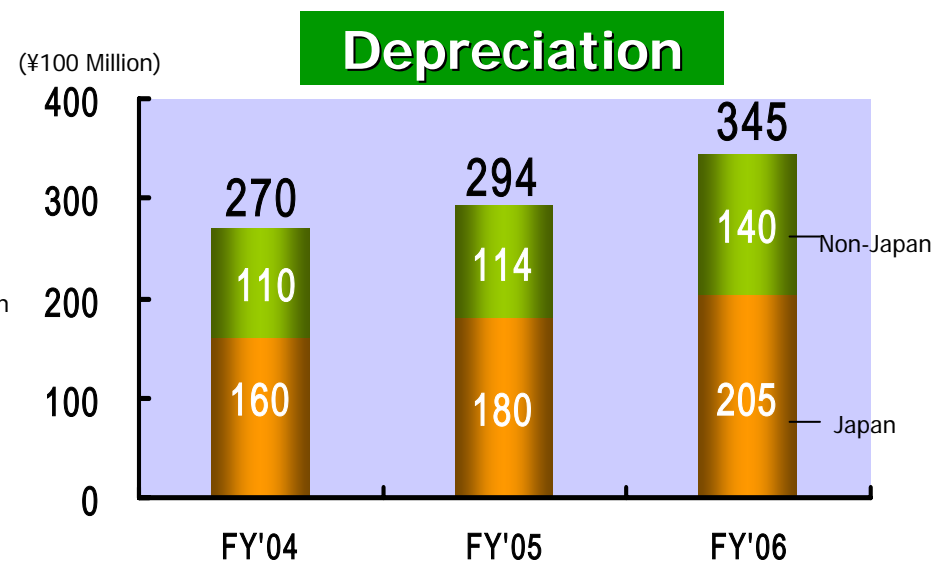
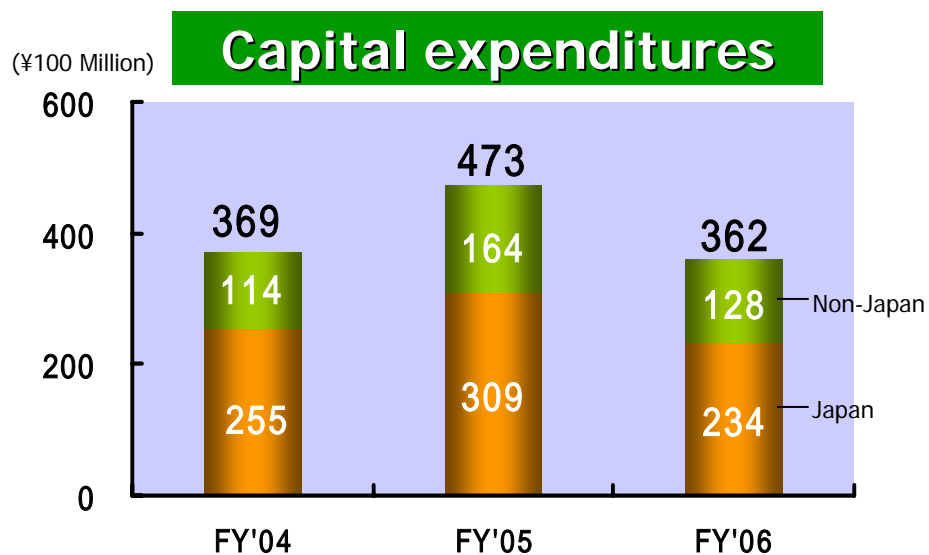
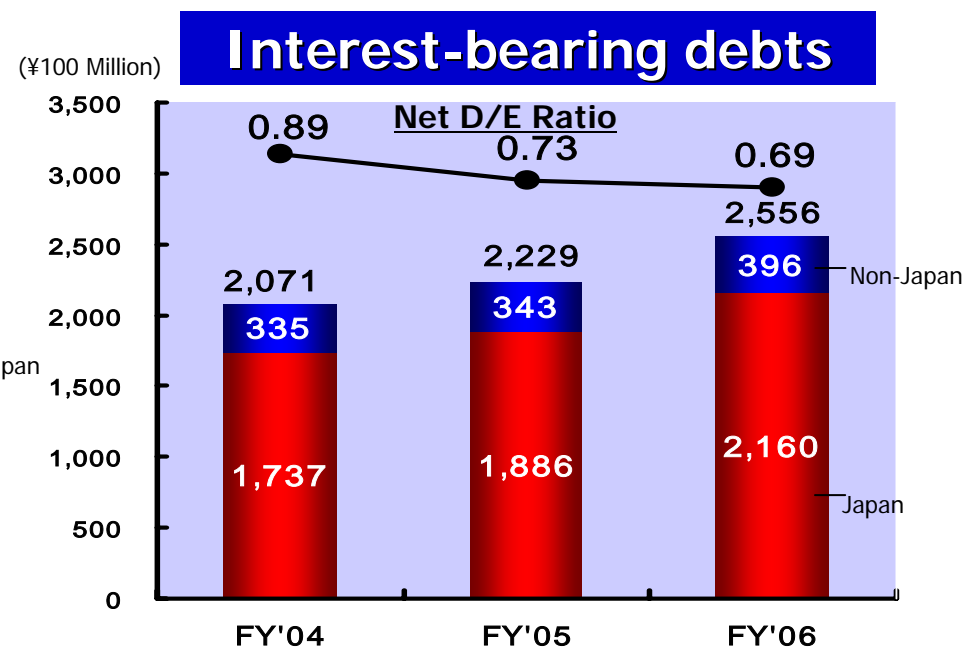
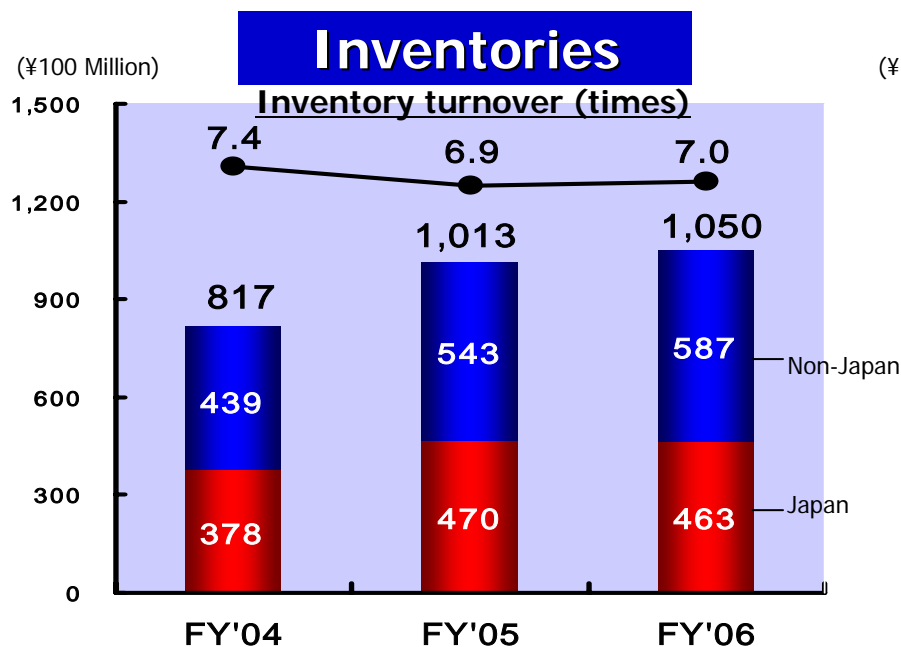
Asia : Demand in China was robust. Sales to automobile manufacturers in Thailand and sales of precision machinery and parts, especially photofabrication equipment for LCD color production, increased.


Consolidated Balance Sheets



(¥100 Million)	FY'05 <Actual>	FY'06 <Actual>	Increase /Decrease YOY
<u>Assets</u>			
Current assets	3,136	3,891	+755
Non-current assets	4,294	4,267	-27
Total assets	7,430	8,158	+728
<u>Liabilities and shareholders' equity</u>			
Current liabilities	2,668	2,975	+307
Long-term liabilities	2,284	2,416	+132
Total liabilities	4,952	5,391	+439
Minority interests	121	-	-121
Total shareholders' equity	2,357	-	-2,357
Total net assets	-	2,767	+2,767
Total liabilities and shareholders' equity (net assets)	7,430	8,158	+728
(Rate:1US\$=)	(¥118.07)	(¥118.05)	
(" 1EURO=)	(¥139.83)	(¥157.33)	

Inventories/Interest-Bearing Debts/ Capital Expenditures/Depreciation



The background of the slide features a large, glowing blue globe on the right side. The globe is semi-transparent, showing the continents in a lighter blue. It is surrounded by a series of smaller, overlapping, semi-transparent blue spheres that create a sense of depth and motion, as if the globe is being rotated or is part of a sequence of frames. The overall background is a solid, deep blue color.

-b. Consolidated Business Forecasts
for the Year Ending March 31, 2008

Full year forecasts

Sales:¥745.0 billion, Operating income:¥68.0 billion, Ordinary income:63.5 billion,
Net income:¥39.0 billion

Record sales and profits expected for fourth consecutive year

Exchange rate forecast **US\$=¥115, Euro=¥150**

Forecasted business environment

Japan

Machine tools, industrial machinery :Demand expected to remain strong.

Number of automobile production :Number expected to increase slightly YOY.

Semiconductors :Demand expected to recover gradually.

Liquid crystal equipment :Demand expected to remain in adjustment phase.

Non-Japan

Americas: Although demand remains robust, uncertainty surrounds automobile production

Europe : Continue to recover gradually.

Asia :Economies expected to continue to grow in China, uncertainty in automotive production expected to remain in ASEAN.

Forecasts for the Year Ending March 31, 2008



(¥100 Million)	FY'06			FY'07			
	1st half < Actual >	2nd half < Actual >	Full year < Actual >	1st half < Forecast >	2nd half < Forecast >	Full year < Forecast >	Increase /Decrease Y-O-Y
Sales	3,493	3,679	7,172	3,600	3,850	7,450	+278
Operating income	300	324	624	310	370	680	+56
< Margin >	<8.6%>	<8.8%>	<8.7%>	<8.6%>	<9.6%>	<9.1%>	
Ordinary income	278	298	576	280	355	635	+59
Profits before tax	280	290	570	280	355	635	+65
Net income	173	176	349	175	215	390	+41
(Rate :1US\$=)	(¥115.29)	(¥118.58)	(¥116.93)	(¥115)			
(" 1EURO=)	(¥146.16)	(¥154.54)	(¥150.35)	(¥150)			

Forecasts -By Business Segments



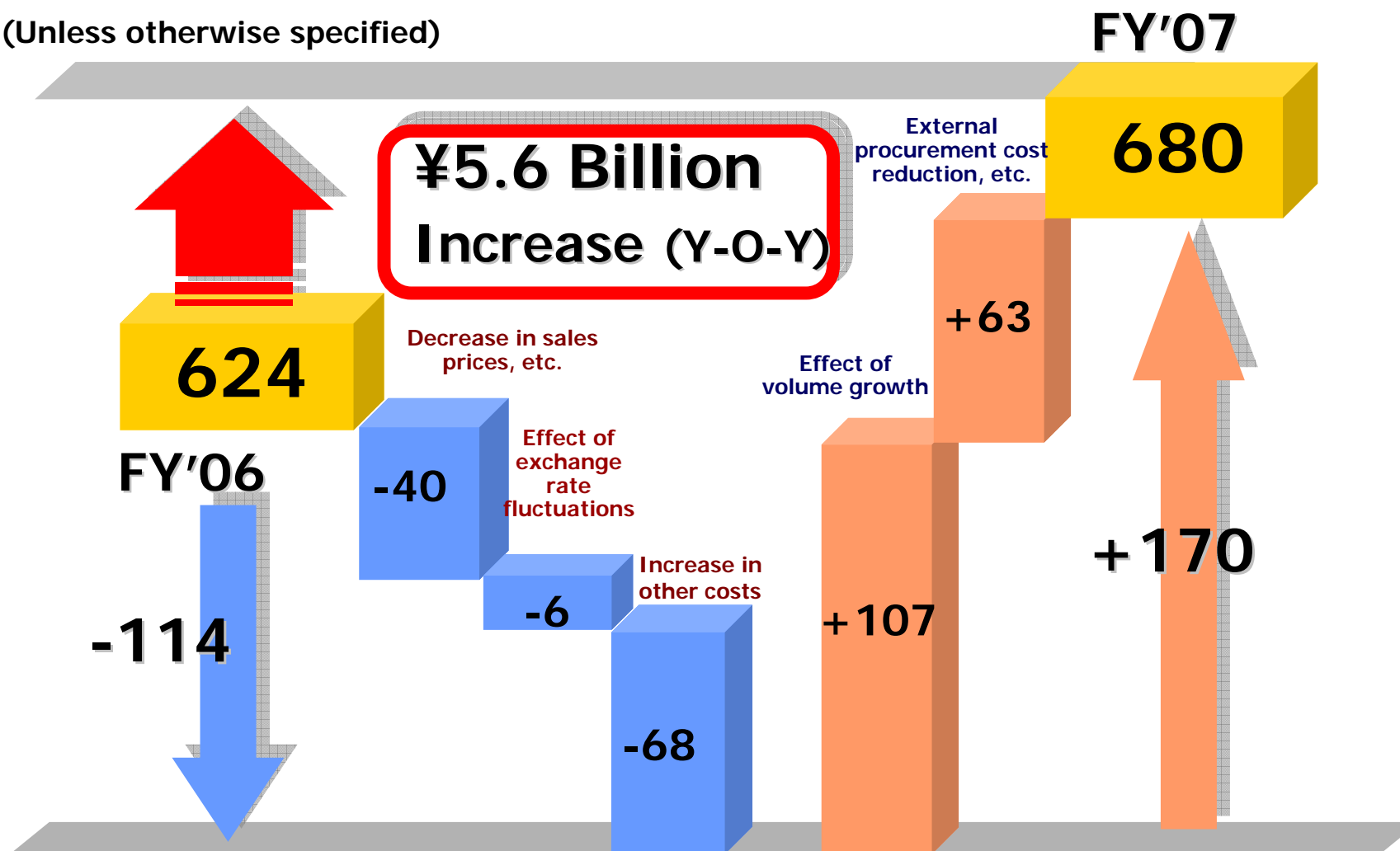
(¥100 Million)	FY'06			FY'07			
	1st half < Actual >	2nd half < Actual >	Full year < Actual >	1st half < Forecast >	2nd half < Forecast >	Full year < Forecast >	Increase /Decrease YOY
Sales	3,493	3,679	7,172	3,600	3,850	7,450	+278
Industrial bearings	1,056	1,107	2,163	1,124	1,204	2,328	+165
Automotive products	1,922	2,057	3,979	1,999	2,103	4,102	+123
Precision machinery & parts	389	388	777	350	415	765	-12
Other	226	225	451	227	228	455	+4
Eliminations	-100	-98	-198	-100	-100	-200	-2
Operating income	300 <8.6%>	324 <8.8%>	624 <8.7%>	310 <8.6%>	370 <9.6%>	680 <9.1%>	+56
Industrial bearings	136 <12.9%>	160 <14.5%>	296 <13.7%>	159 <14.1%>	175 <14.5%>	334 <14.3%>	+38
Automotive products	108 <5.6%>	119 <5.8%>	227 <5.7%>	119 <6.0%>	133 <6.3%>	252 <6.1%>	+25
Precision machinery & parts	60 <15.4%>	55 <14.2%>	115 <14.8%>	43 <12.3%>	73 <17.6%>	116 <15.2%>	+1
Other	13 <5.8%>	11 <4.9%>	24 <5.3%>	12 <5.3%>	13 <5.7%>	25 <5.5%>	+1
Eliminations	-17	-21	-38	-23	-24	-47	-9

Forecasts for Operating Income: Improvement Factors (FY'06 FY'07)



(¥100 Million)

(Unless otherwise specified)



Forecasts -By Geographical Segments




(¥100 Million)	FY'06			FY'07			
	1st half < Actual >	2nd half < Actual >	Full year < Actual >	1st half < Forecast >	2nd half < Forecast >	Full year < Forecast >	Increase /Decrease YOY
Sales	3,493	3,679	7,172	3,600	3,850	7,450	+278
Japan	2,538	2,685	5,223	2,614	2,807	5,421	+198
Americas	502	527	1,029	522	509	1,031	+2
Europe	618	658	1,276	575	624	1,199	-77
Asia	496	491	987	546	579	1,125	+138
Eliminations	-661	-682	-1,343	-657	-669	-1,326	+17
Operating income	300 <8.6%>	324 <8.8%>	624 <8.7%>	310 <8.6%>	370 <9.6%>	680 <9.1%>	+56
Japan	222 <8.8%>	252 <9.4%>	474 <9.1%>	218 <8.3%>	257 <9.2%>	475 <8.8%>	+1
Americas	20 <4.0%>	18 <3.4%>	38 <3.7%>	28 <5.4%>	29 <5.7%>	57 <5.5%>	+19
Europe	32 <5.2%>	35 <5.3%>	67 <5.2%>	36 <6.3%>	47 <7.5%>	83 <6.9%>	+16
Asia	46 <9.2%>	49 <10.0%>	95 <9.6%>	53 <9.7%>	62 <10.7%>	115 <10.2%>	+20
Eliminations/ Corporate	-20	-30	-50	-25	-25	-50	0

Forecasts -By Customer Location



(¥100 Million)	FY'06			FY'07			
	1st half < Actual >	2nd half < Actual >	Full year < Actual >	1st half < Forecast >	2nd half < Forecast >	Full year < Forecast >	Increase /Decrease YOY
Sales	3,493	3,679	7,172	3,600	3,850	7,450	+278
Japan	1,764	1,880	3,644	1,857	1,960	3,817	+173
Non-Japan	1,729	1,799	3,528	1,743	1,890	3,633	+105
(Non-Japan ratio)	(49.5%)	(48.9%)	(49.2%)	(48.4%)	(49.1%)	(48.8%)	
Americas	514	537	1,051	544	528	1,072	+21
Europe	589	628	1,217	559	610	1,169	-48
Asia	626	634	1,260	640	752	1,392	+132

The background of the slide features three glass globes stacked vertically on the right side. Each globe contains a map of the world. The globes are illuminated from the side, creating a strong reflection on the surface below them. The entire scene is set against a blue gradient background.

.Review of the Mid-term Plan (FY'06-FY'08)

Summary of the Mid-term Plan



[Outline]

Mid-term Vision

『To Become No.1 in Total Quality』

Strengthen:

Manufacturing Capability

Product Development Capability

Overseas Profitability

Global Management Capability

Growth Strategy

Improve Profitability

Strategies by Business & Regional Segments

Industrial machinery bearings

Automotive products

Precision machinery & parts

Establish the basement for profitability improvement

Expand business performance

[Numerical Target for FY'08]

Sales	<u>¥740 billion</u>
Operating income	<u>¥74 billion</u>
Operating income margin (%)	<u>10.0%</u>
ROE	<u>15.0%</u>
Net D/E ratio (times)	<u>0.4</u>

[Long-term goals]

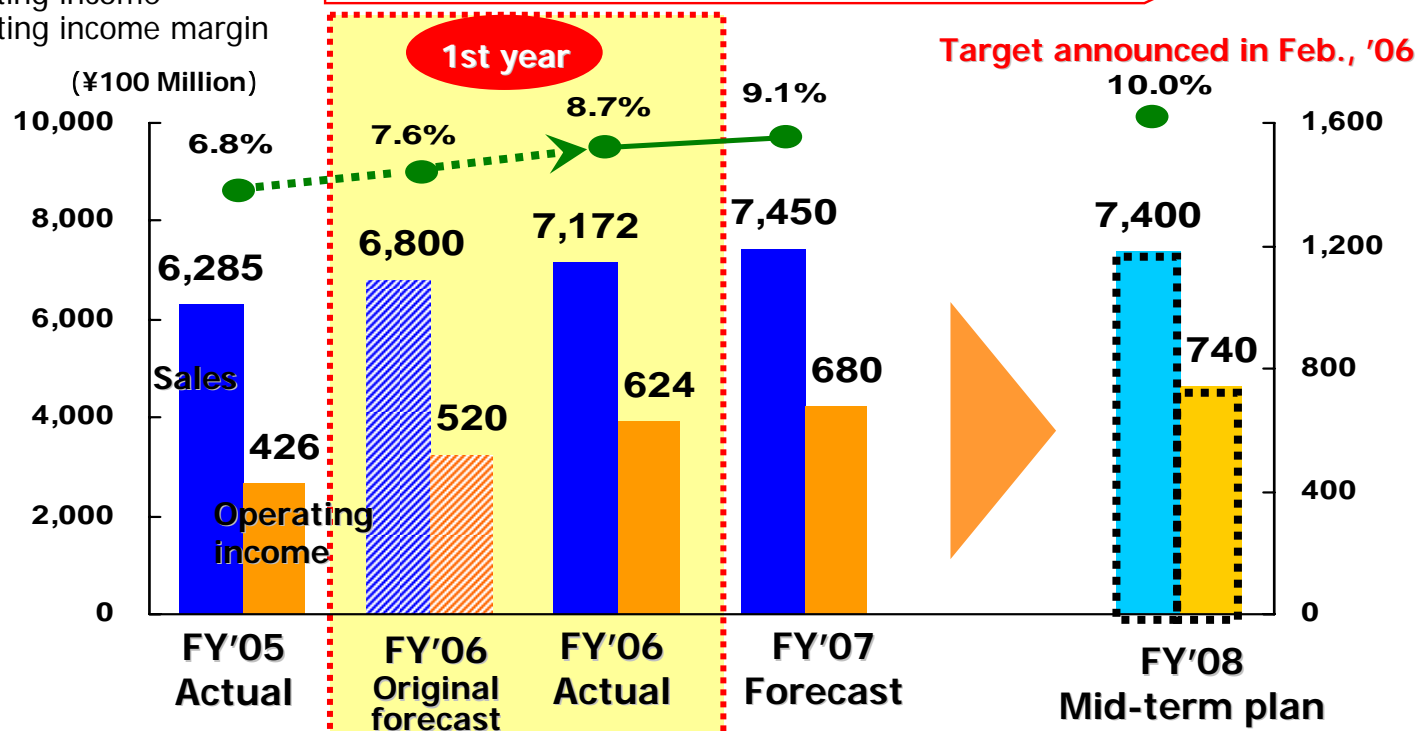
『Achieve total sales of ¥1 trillion and operating income margin of greater than 10% through our NEXT10 (NSK's 100th anniversary in November 2016)』

Progress of the Mid-term Plan



Left: Sales
 Right: Operating income
 ●: Operating income margin

Mid-term Plan (FY'06-FY'08)



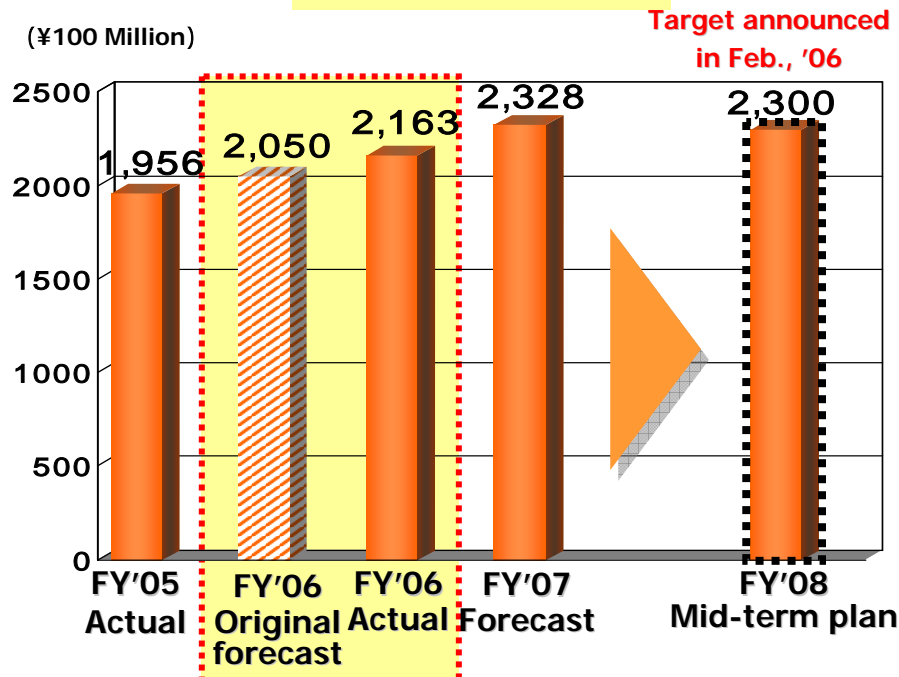
	FY'05 Actual	FY'06 Original forecast	FY'06 Actual	FY'07 Forecast
Sales	6,285	6,800	7,172	7,450
Operating income	426	520	624	680
(%)	6.8%	7.6%	8.7%	9.1%
ROE	12.1%		14.0%	
Net D/E ratio (times)	0.73		0.69	

7,400
740
10.0%
15.0%
0.4

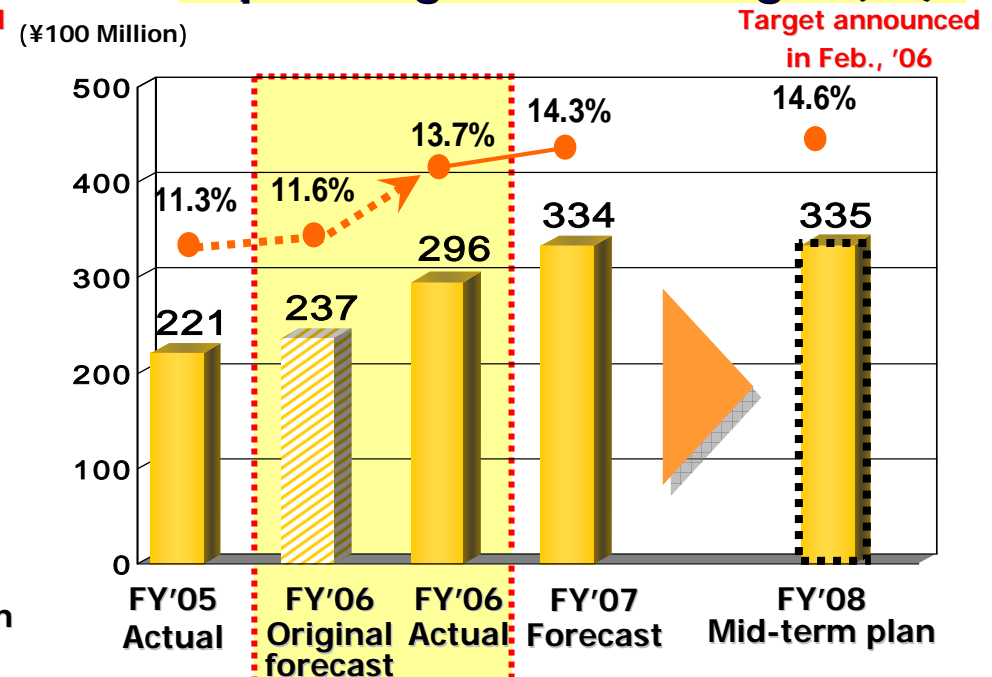
Rate	\$	110.37	108.00	116.93	115.00
	Euro	137.39	136.00	150.35	150.00

Basic policy :Expand sales by strengthening sales & production capability

Sales



Operating income/margin (%)



Summary of the 1st year of the Mid-term Plan (FY'06-FY'08)

Sales and profits are increasing according to the Mid-term plan.

Sales in non-Japan increased due to effective marketing activities in regions and major business sectors.

Implemented aggressive investments in large roller bearings to establish foundation of global growth strategies.

Key strategies for the 2nd year of the Mid-term Plan

Establish foundation of growth strategies and maximize profitability

Expand sales of roller bearings

Improve key business sector-oriented activities

(Sectors such as steel/machine tools/wind power generators/construction machinery)

Continue aggressive investments in large bearings backed by increasing demand

Start operation of the new Fujisawa plant

Operation will start in Jan., '08

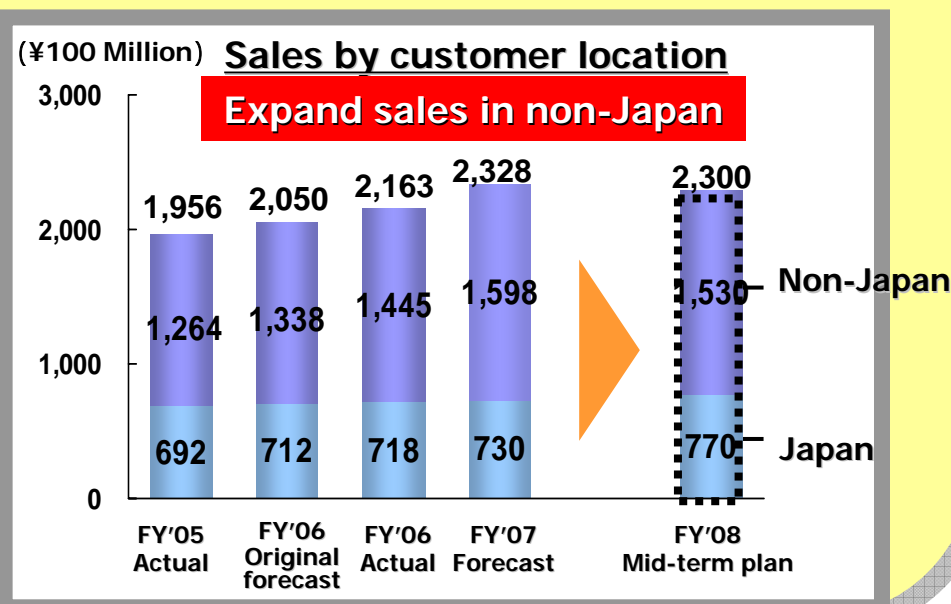
(Outline of new plants)



Expand sales to aftermarket sector

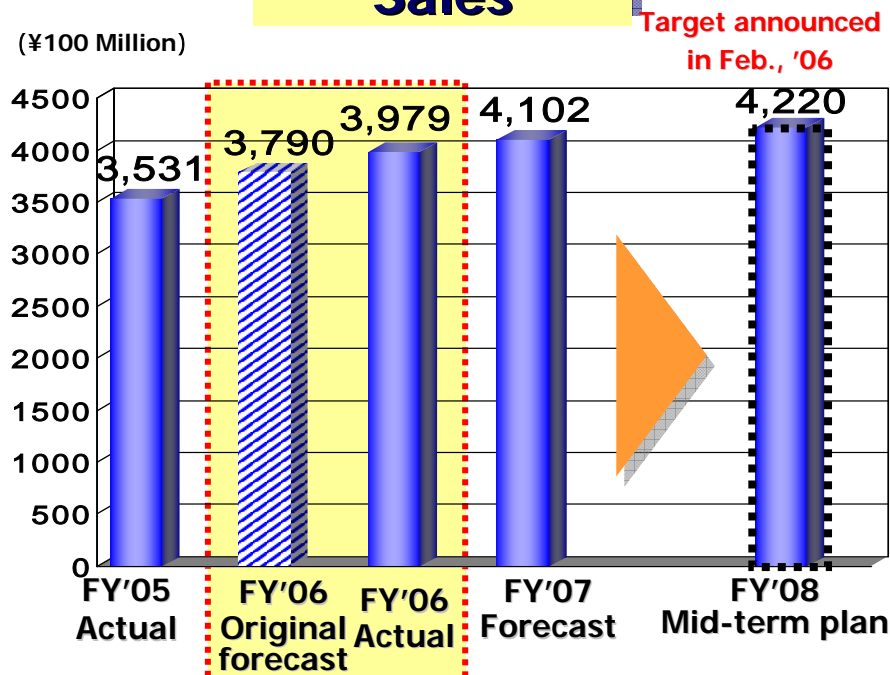
Expand distribution sales network and further strengthen the relationships with the existing ones

Strengthen technical support and improve services to end users

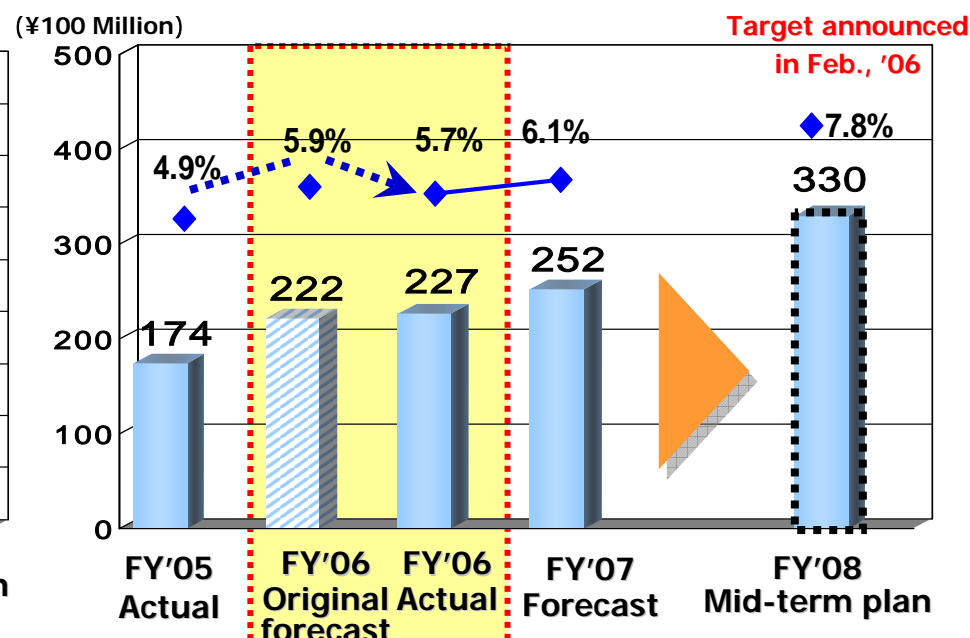


Basic policy : Improve profitability and implement order winning activities

Sales



Operating income/margin (%)



Summary of the 1st year of the Mid-term Plan (FY'06-FY'08)

Sales grew and profitability improved, however, profitability improvement slightly behind target level.

Stabilize productivity in non-Japan plants to respond to increasing production.

Expand production sites to respond to growing demand from non-Japan areas.

Expand production sites such as :2nd steering product plant (U.S.), 2nd building in NSK Bearing Manufacturing (Thailand), New bearing plant (India)

Key strategies for the 2nd year of the Mid-term Plan

Establish foundation of profit growth and implement aggressive order winning activities

Improve profitability

Improve profitability in Japan

- * Maximize the effects of investments for plants
- * Reduce direct costs
- * Improve productivity by continuing APS (advanced production system) activities

Strengthen profitability in non-Japan

- * Complete business restructuring in North America (Strengthen productivity)
- * Increase sales and profits in plants newly starting operation
- * Promote global procurement (Best locations for supplying, increase in-house production)

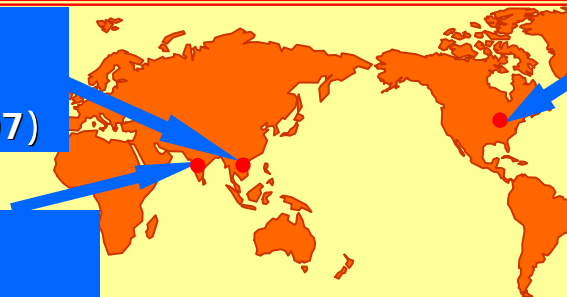
Expand production sites in non-Japan, Start operation smoothly

Thailand:

2nd building in bearing plant
(Complete whole plan: May., 2007)

India:

Bearing plant
(Operation starting: Jan., 2008)



U.S.:

Steering plant
(Operation starting: early in 2008)



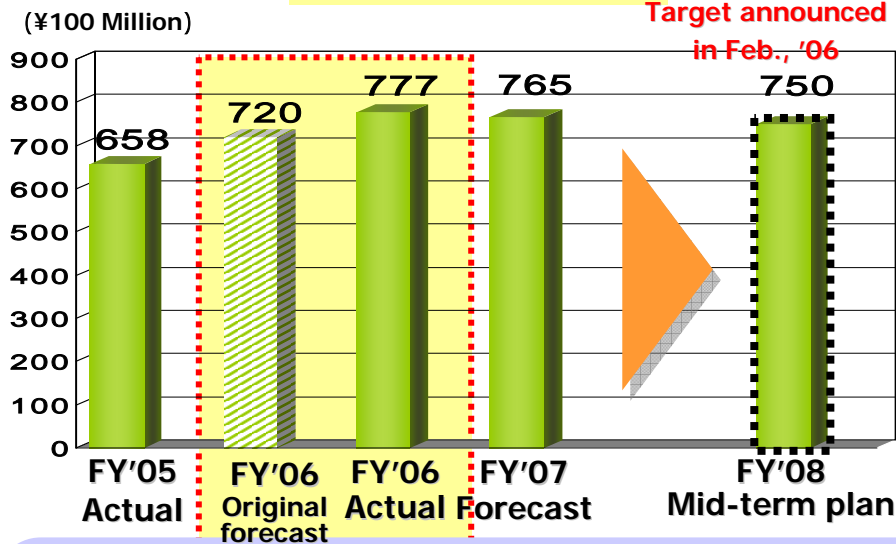
Implement aggressive order winning activities focusing on beyond '09

Accelerate expansion of global sales of bearings for drive train.

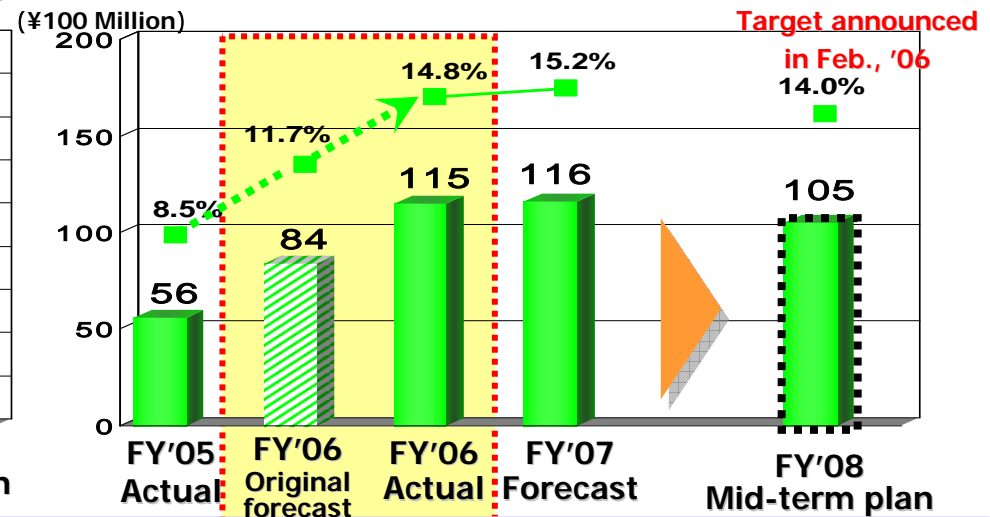
Expand sales of high-power EPS through the differentiation.

Basic policy : Enhance profitability and focus on linear motion products

Sales



Operating income/margin (%)



Summary of the 1st year of the Mid-term Plan (FY'06-FY'08)

Sales, Operating income/margin achieved Mid-term target for FY'08 ahead of schedule.

Profits increased dramatically due to increase in market demand accompanied by productivity improvement activities.

Start new sales management structure from Oct. 1st, '06 to reinforce this business segment.

Key strategies for the 2nd year of the Mid-term Plan

Increase sales globally by developing new products, expanding new markets, and implementing regional strategies.

Continue to implement productivity improvement activities and establish production structure responding to demands variability.

28 Strengthen order winning activities for 'EGIS' (new photofabrication equipment).

Business performance strengthened during the 1st year of the Mid-term plan

Key tasks for the 2nd year of the Mid-term Plan

Further promote 'Growth Strategy" and "Profitability Improvement" activities aiming for achievement of the final year targets of the Mid-term plan

Implement operational innovation

- * Strengthen awareness campaign on total quality
- * Enhance Global IT systems
- * Improve and strengthen internal control

Business management focusing on changes in market environment

Achieve Mid-term goals

Aim for ¥1 trillion company

(Supplementary Information)

–For the Year Ending Mar. 31, 2008



(¥100 Million)	FY'06 (Actual)	FY'07 (Forecast)
Capital expenditures (*)	362	465
Japan	234	321
Non-Japan	128	144
Americas	36	27
Europe	32	41
Asia	60	76

* Except intangible assets

(¥100 Million)	FY'06 (Actual)	FY'07 (Forecast)
Depreciation (*)	345	378

* Except intangible assets

(¥100 Million)	FY'06 (Actual)	FY'07 (Forecast)
R&D	99	105

(Supplementary Information)



–Sales & Profits by Business Segments of the Mid-term Plan

(¥100 Million)	FY'05 (Actual)	FY'06 (Actual)	FY'07 (Forecast)	FY'08 (Mid-term plan)
Industrial machinery bearings				
Sales	1,956	2,163	2,328	2,300
Operating income < margin >	221 <11.3%>	296 <13.7%>	334 <14.3%>	335 <14.6%>
Automotive products				
Sales	3,531	3,979	4,102	4,220
Operating income < margin >	174 <4.9%>	227 <5.7%>	252 <6.1%>	330 <7.8%>
Precision machinery & parts				
Sales	658	777	765	750
Operating income < margin >	56 <8.5%>	115 <14.8%>	116 <15.2%>	105 <14.0%>
Other				
Sales	235	451	455	220
Operating income < margin >	13 <5.5%>	24 <5.3%>	25 <5.5%>	15 <6.8%>
Eliminations/corporate				
Sales	-95	-198	-200	-90
Operating income	-38	-38	-47	-45
Total				
Sales	6,285	7,172	7,450	7,400
Operating income < margin >	426 <6.8%>	624 <8.7%>	680 <9.1%>	740 <10.0%>

(Supplementary Information)



–Numerical Mid-term Targets for Profitability Improvement

(¥100 Million)	FY'05 Actual	FY'06 Actual	FY'07 Forecast	FY'08 Plan
Operating income margin	6.8%	8.7%	9.1%	10%
ROE	11.9%	14.0%		15%
Capital expenditures	473	(Plan) Total of 3 years:1,000		
		362	465	
Depreciation	294	(Plan) Total of 3 years:990		
		345	378	
Net interesting-bearing debts	1,711	1,822		1,090
Shareholders' equity	2,357	2,624		3,100
Net D/E Ratio (times)	0.73	0.69		0.4