

# NSK Ltd.

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For Immediate Release

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## NON-CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006 (unaudited)

### Financial Highlights

	Six months ended Sep. 30,		Change %
	2006	2005	
(Millions of yen)			
Net sales	¥ 221,486	¥ 204,081	8.5
Operating income	8,776	5,996	46.4
Ordinary income	10,217	7,135	43.2
Net income	8,174	7,318	11.7
(Yen)			
Net income per share	¥ 15.13	¥13.55	

### Financial Position

	As of Sep. 30,	As of Mar. 31,
	2006	2006
(Millions of yen)		
Total assets	¥ 666,822	¥ 668,810
Net assets	260,444	261,160
(%)		
Shareholders' equity to total assets	39.1%	39.0%
(Yen)		
Net assets per share	¥ 481.79	¥ 483.39

# Non-consolidated Balance Sheets

(Millions of yen)	As of Sep. 30, 2006	As of Mar. 31, 2006	Increase/ Decrease
<b>Assets</b>			
Current assets	¥ 213,177	¥ 209,212	¥ 3,965
Cash and deposits	17,600	20,084	(2,484)
Notes receivable	290	286	4
Accounts receivable – trade	111,906	105,659	6,247
Marketable securities	8,996	8,990	6
Inventories	26,651	25,196	1,455
Accounts receivable – other	32,800	35,665	(2,865)
Deferred income taxes	3,551	3,762	(211)
Other current assets	11,510	9,680	1,830
Less allowance for doubtful accounts	(131)	(114)	(17)
Non-current assets	453,645	459,597	(5,952)
Property, plant and equipment	84,302	84,740	(438)
Buildings and structures	28,802	29,483	(681)
Machinery and equipment	33,960	33,202	758
Vehicles and transportation equipment	88	110	(22)
Tools and spare parts	3,310	3,292	18
Land	15,843	15,868	(25)
Construction in progress	2,296	2,782	(486)
Intangible assets	3,257	3,288	(31)
Investments and other assets	366,085	371,568	(5,483)
Investment securities	76,380	85,367	(8,987)
Investments in affiliated companies – Stock	208,950	208,602	348
Long-term loans	29,088	28,450	638
Prepaid pension costs	35,650	33,731	1,919
Other investments and assets	16,764	16,248	516
Less allowance for doubtful accounts	(749)	(832)	83
<b>Total assets</b>	<b>666,822</b>	<b>668,810</b>	<b>(1,988)</b>

**Non-consolidated Balance Sheets** (Continued)

(Millions of yen)	As of Sep. 30, 2006	As of Mar. 31, 2006	Increase/ Decrease
<b>Liabilities</b>			
Current liabilities	¥ 248,930	¥ 246,139	¥ 2,791
Notes payable	1,734	1,950	(216)
Accounts payable – trade	126,188	118,423	7,765
Short-term bank loans	81,303	84,363	(3,060)
Commercial paper	5,000	5,000	—
Current portion of corporate bonds	10,000	10,000	—
Accounts payable – other	10,894	13,406	(2,512)
Accrued expenses	10,161	9,753	408
Accrued income taxes	2,545	2,011	534
Other current liabilities	1,103	1,229	(126)
Long-term liabilities	157,447	161,510	(4,063)
Corporate bonds	75,000	85,000	(10,000)
Long-term loans	47,000	36,500	10,500
Deferred tax liabilities	31,614	34,408	(2,794)
Accrued officers' retirement benefits	786	700	86
Reserves for environmental safety measures expenses	701	860	(159)
Other long-term liabilities	2,344	4,041	(1,697)
<b>Total liabilities</b>	<b>406,377</b>	<b>407,650</b>	<b>(1,273)</b>
<b>Shareholders' equity</b>			
Common stock	—	67,176	—
Capital surplus	—	77,986	—
Capital reserve	—	77,923	—
Other reserves	—	62	—
Gain on disposal of treasury stock	—	62	—
Retained earnings	—	79,786	—
Legal reserve	—	10,292	—
Other reserves	—	57,510	—
Unappropriated retained earnings	—	11,983	—
Unrealized holding gains on securities	—	40,218	—
Treasury stock	—	(4,006)	—
<b>Total shareholders' equity</b>	<b>—</b>	<b>261,160</b>	<b>—</b>
<b>Total liabilities and shareholders' equity</b>	<b>—</b>	<b>668,810</b>	<b>—</b>

## Non-consolidated Balance Sheets (Continued)

(Millions of yen)	As of Sep. 30, 2006	As of Mar. 31, 2006	Increase/ Decrease
Net assets			
Shareholders' equity	225,729	—	—
Common stock	67,176	—	—
Capital surplus	78,038	—	—
Capital reserve	77,923	—	—
Other capital reserves	114	—	—
Retained earnings	84,448	—	—
Legal reserve	10,292	—	—
Other reserves	74,156	—	—
Treasury stock	(3,934)	—	—
Differences on revaluation and translation	34,699	—	—
Unrealized holding gains on securities	34,699	—	—
Stock acquisition rights	16	—	—
Total net assets	260,444	—	—
Total liabilities and net assets	¥ 666,822	¥ —	¥ —

# Non-consolidated Statements of Operations

(Millions of yen)	Six months ended Sep. 30,		Change %
	2006	2005	
Net sales	¥ 221,486	¥ 204,081	8.5
Cost of sales	191,485	177,087	8.1
Selling, general and administrative expenses	21,224	20,998	1.1
Operating income	8,776	5,996	46.4
Non-operating income:	4,795	3,685	30.1
Interest and dividend income	4,449	3,275	35.9
Other	346	410	(15.6)
Non-operating expenses:	3,354	2,546	31.7
Interest expenses	1,409	1,356	3.9
Other	1,944	1,189	63.4
Ordinary income	10,217	7,135	43.2
Extraordinary income:	229	3,960	(94.2)
Gain on sales of property, plant and equipment	229	1,434	(84.0)
Gain on sales of investment securities	—	2,526	—
Extraordinary losses:	—	324	—
Loss on sales of investments in affiliated companies	—	324	—
Income before income taxes	10,446	10,772	(3.0)
Income taxes:			
Current taxes	1,100	(622)	—
Deferred taxes	1,172	4,075	(71.2)
Net income	8,174	7,318	11.7
Unappropriated retained earnings brought forward	—	2,576	
Interim dividends paid	—	—	
Unappropriated retained earnings at the end of the period	—	9,894	

## Non-consolidated Statements of Changes in Shareholders' Equity

(Six months ended Sep. 30, 2006)

(Millions of yen)

	Shareholders' Equity										
	Common stock	Capital Surplus			Retained Earnings						
		Capital reserve	Other capital surplus	Total capital surplus	Retained earnings reserve	Other retained earnings					Total retained earnings
						Reserve for R&D	Reserve for accelerated depreciation	Special reserve for accelerated depreciation	General reserve	Unappropriated retained earnings brought 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
Increase (decrease) during the period											
<b>Cash dividends</b>										(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	-
Interim net income										8,174	8,174
Repurchase of treasury stock											
Disposal of treasury stock			52	52							
Net increase (decrease) 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 and translation adjustment, etc.	Stock acquisition 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
Increase (decrease) during the period					
<b>Cash dividends</b>		(3,511)			(3,511)
Transferred to reserves		-			-
Reversal of reserves		-			-
Reversal of reserves during the period		-			-
Interim net income		8,174			8,174
Repurchase of treasury stock	(43)	(43)			(43)
Disposal of treasury stock	115	167			167
Net increase (decrease) 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

# Forecast for the Year Ending March 31, 2007

(Millions of yen)	Year ending Mar. 31 2007
Net sales	¥ 445,000
Operating income	16,000
Ordinary income	16,000
Net income	12,500

<Reference> Projected net income per share for the year ending March 31, 2007: ¥23.12.

## Notes

All forecasts are based on a number of assumptions and are subject to change. Actual financial results may differ materially and NSK Ltd. accepts no liability whatsoever for any direct or consequential loss arising from any use of this report.