



FINANCIAL CONFERENCE

Consolidated Business Results and Forecasts

&

Review of Mid-Term Plan Progress (FY'06 ~ FY'08)

November 02, 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.

1. Consolidated Business Results
for the Six Months Ended September 30, 2007
2. Consolidated Business Forecasts
for the year Ending March 31, 2008
3. Review of Mid-term Plan Progress (FY'06-FY'08)
(Supplementary Information)

1. Consolidated Business Results for the Six Months Ended September 30, 2007

Summary of Consolidated Business Results for the Six Months Ended September 30, 2007

《 Business Environment 》

『 Business environment continued to be robust overall 』

- Industrial machinery bearings:
Demand related to capital expenditures was strong globally.
- Automotive products:
Demand for exports drove sales increase in Japan.
Demand in China remained robust.
- Semiconductors/liquid crystal production equipment :
Demand has been in an adjustment phase since the previous fiscal year.

《 Summary of Business Results 》

- Both sales and profits increased YOY and **exceeded the forecasts announced in May 16, 2007**
- Results by Business Segment
 - * Industrial machinery bearings:
Maintained an operating income margin of over 13% backed by aggressive demand.
 - * Automotive products:
Profitability improved due to internal efforts of improvement activities.
 - * Precision machinery and parts:
Profits decreased due to the effects of demand environment.

Summary of Consolidated Business Results for the Six Months Ended September 30, 2007

(100 Million)	FY'06:1st half <Actual>	FY'07:1st half <Actual>	Increase/ Decrease YOY	Difference YOY	FY'07:1st half <Original forecast>
Sales	3,493	3,693	+200	+5.7%	3,600
Operating income	300	316	+16	+5.2%	310
<%>	<8.6%>	<8.5%>			<8.6%>
Ordinary income	278	294	+16	+5.8%	280
Income before tax	280	294	+14	+4.9%	280
Net income	173	177	+7	+2.4%	175
(Exchange rate:1US\$=)	(¥115.29)	(¥119.42)			(¥115)
(" 1EURO=)	(¥146.16)	(¥162.33)			(¥150)

(100 Million)	FY'06:1st half <Actual>	FY'07:1st half <Actual>	Increase/ Decrease YOY
ROE	14.4%	13.1%	—
Net Interest-bearing debts	1,733	1,697	-36
Net D/E Ratio (times)	0.71	0.61	—
Inventory	1,053	1,070	+17
Inventory turnover (times)	6.8	7.0	—

Business Results

By Business Segment



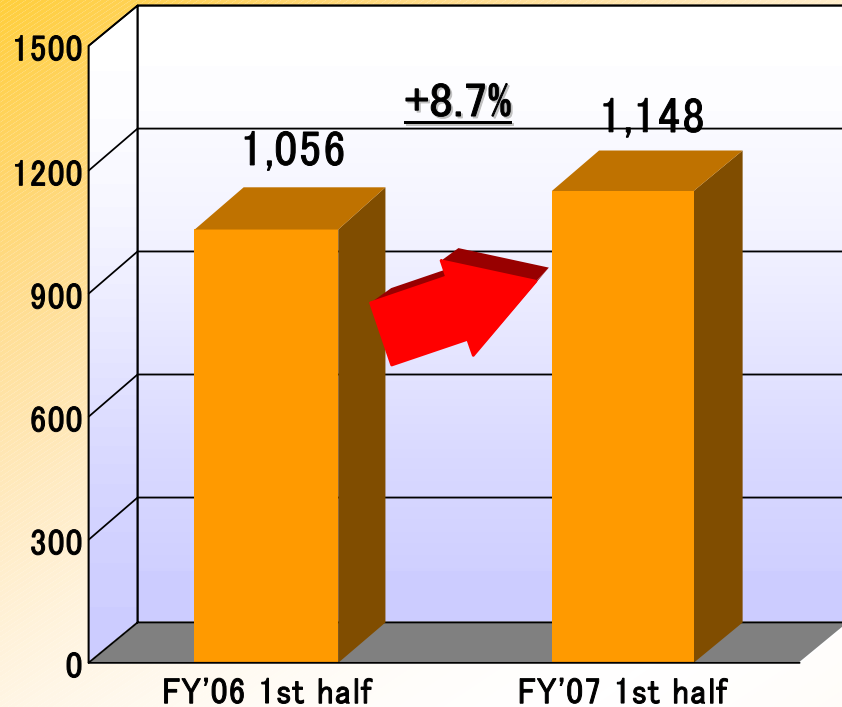
(100 Million)	FY'06:1st half <Actual>	FY'07:1st half <Actual>	Increase/ Decrease YOY	Difference YOY	FY'07:1st half <Original forecast>
Sales	3,493	3,693	+200	+5.7%	3,600
Industrial bearings	1,056	1,148	+92	+8.7%	1,124
Automotive products	1,922	2,091	+169	+8.8%	1,999
Precision machinery &parts	389	318	-71	-18.2%	350
Other	226	245	+19	+8.6%	227
Eliminations	-100	-109	-9		-100
Operating income	300 <8.6%>	316 <8.5%>	+16	+5.2%	310 <8.6%>
Industrial bearings	136<12.9%>	155 <13.5%>	+19	+14.4%	159 <14.1%>
Automotive products	108 <5.6%>	139 <6.7%>	+31	+28.7%	119 <6.0%>
Precision machinery &parts	60<15.4%>	38 <12.0%>	-22	-36.0%	43 <12.3%>
Other	13 <5.8%>	10 <4.1%>	-3	-22.7%	12 <5.3%>
Eliminations/corporate	-17	-26	-9		-23

Business Segment Information

Industrial Machinery Bearings

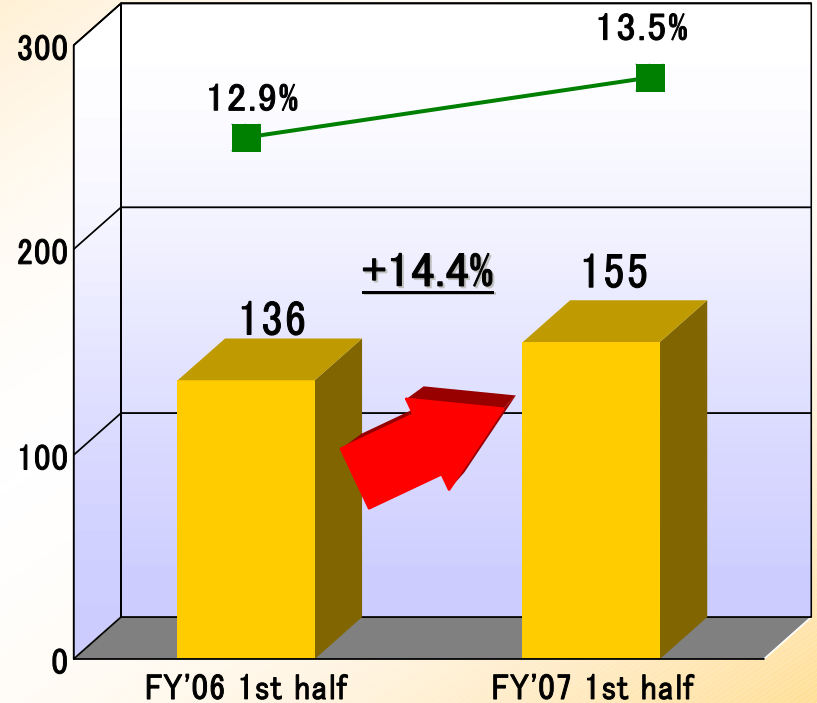
Sales

(¥100 Million)



Operating income/margin

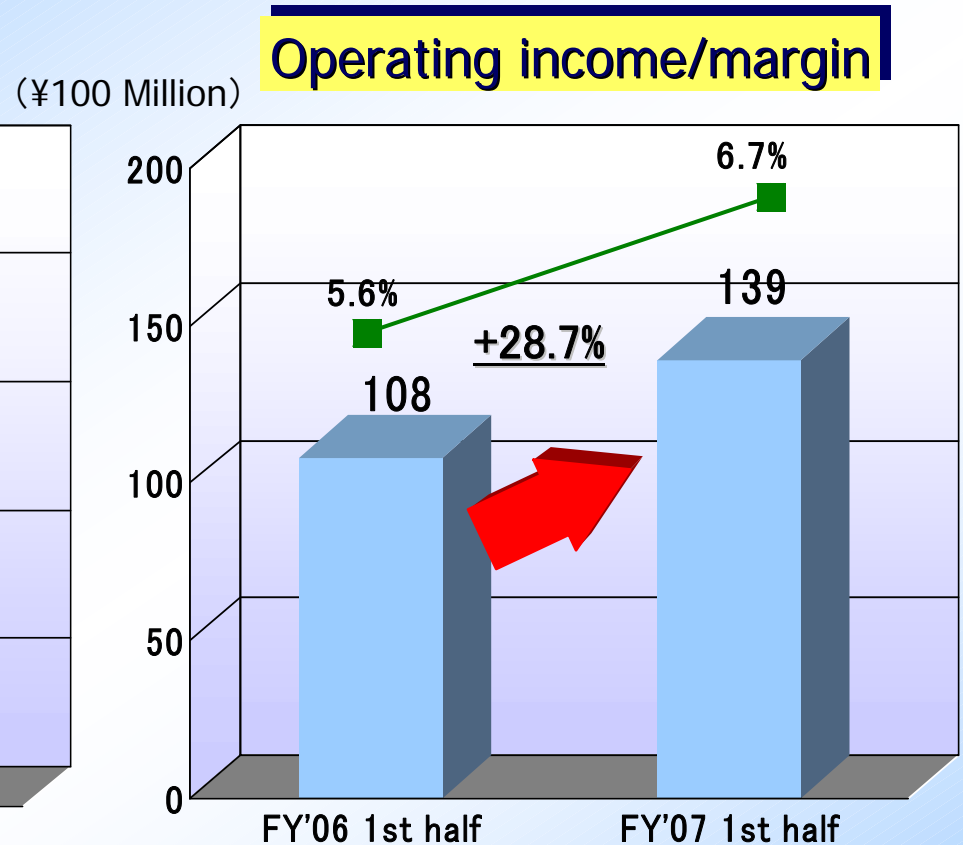
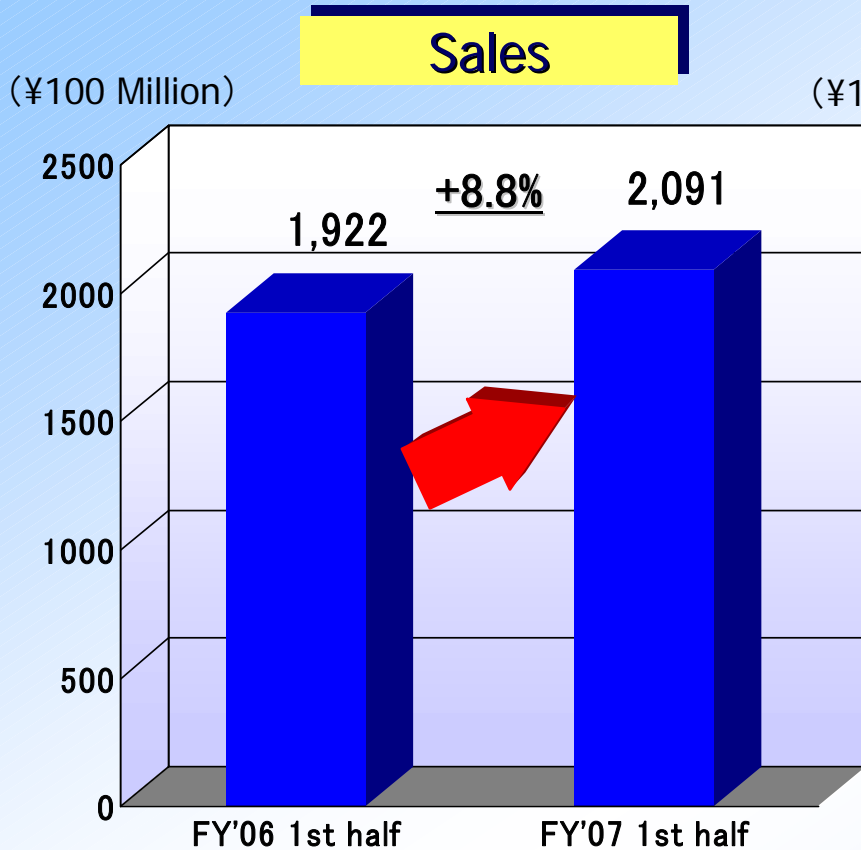
(¥100 Million)



- Total sales in this segment increased 8.7% YOY backed by strong demand related to capital expenditures and sales increase for aftermarket, particularly in non-Japan markets.
- Operating income margin increased 14.4% YOY due to volume growth, increase in sales price and effect resulting from exchange rate fluctuations due to the depreciation of the Japanese yen.

Business Segment Information

Automotive Products



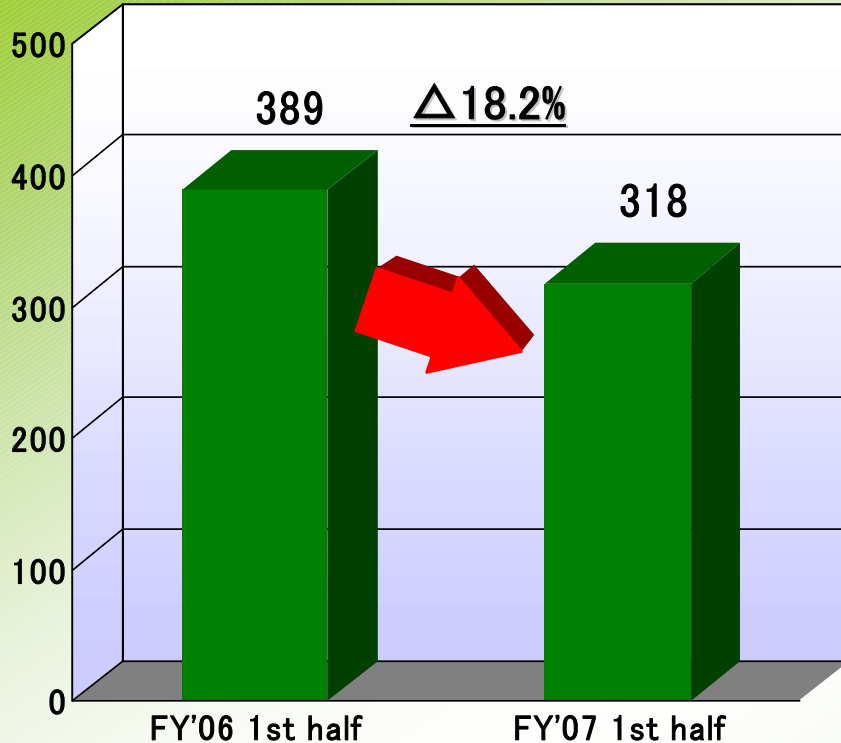
- Exports from Japan increased. Demand environment in non-Japan sites, particularly in China, remained robust. Sales increased 8.8% YOY.
- Operating income increased 28.7% YOY and profitability improved steadily backed by volume growth, effects of reduction of external procurement costs and internal efforts for productivity improvement affected by capital expenditures.

Business Segment Information

Precision Machinery and Parts

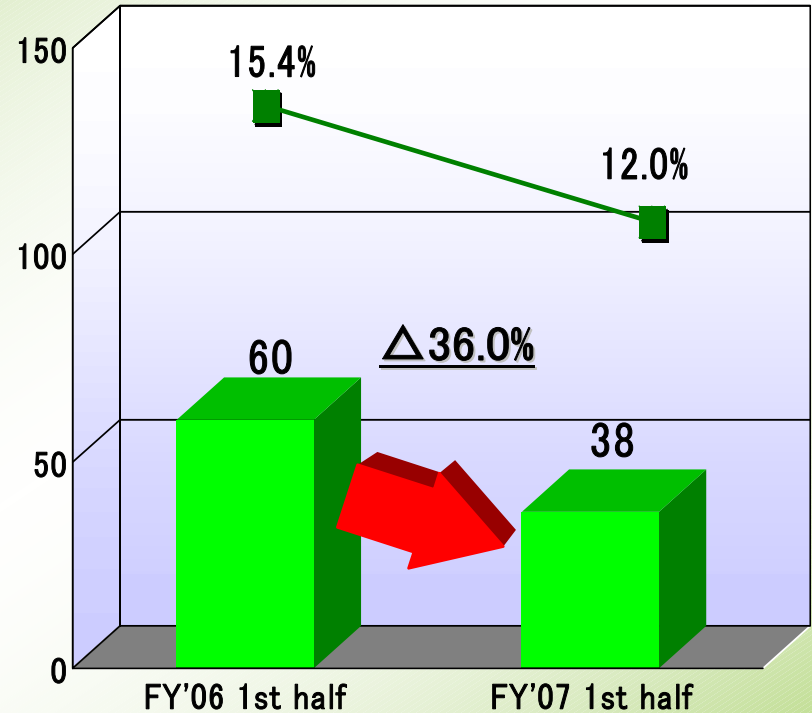
Sales

(¥100 Million)



Operating income/margin

(¥100 Million)



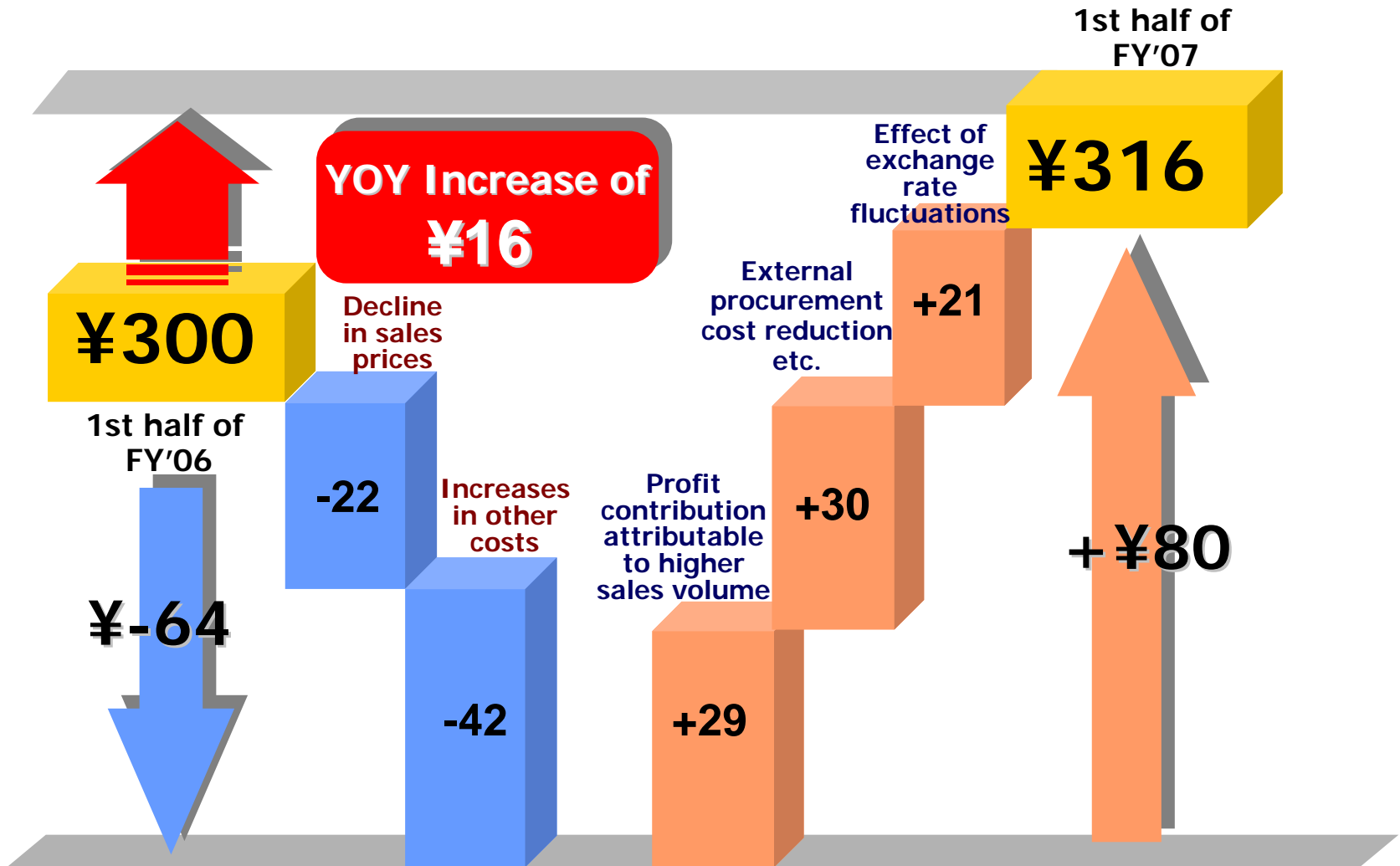
■ Demand from machine tool makers continued to grow. However, demand from semiconductors/liquid crystal production equipment remained stagnant, and sales of photofabrication equipment for LCD production decreased. Sales in this segment decreased 18.2% YOY.

■ Productivity improvement activities continued, but operating income decreased 36.0% YOY due to lower production volume.

Operating Income: Improvement Factors

(FY'06 1st half FY'07 1st half)

(¥100 Million)



Business Results by Geographical Segment



(100 Million)	FY'06:1st half <Actual>	FY'07:1st half <Actual>	Increase/ Decrease YOY	Difference YOY	FY'07:1st half <Original forecast>
Sales	3,493	3,693	+200	+5.7%	3,600
Japan	2,538	2,629	+91	+3.6%	2,614
The Americas	502	545	+43	+8.6%	522
Europe	618	662	+44	+7.1%	575
Asia	496	554	+58	+11.9%	546
Eliminations	-661	-697	-36	-	-657
Operating income	300 <8.6%>	316 <8.5%>	+16	+5.2%	310 <8.6%>
Japan	222 <8.8%>	214 <8.1%>	-8	-3.6%	218 <8.3%>
The Americas	20 <4.0%>	25 <4.6%>	+5	+24.5%	28 <5.4%>
Europe	32 <5.2%>	41 <6.2%>	+9	+28.2%	36 <6.3%>
Asia	46 <9.2%>	63 <11.3%>	+17	+38.1%	53 <9.7%>
Eliminations/ corporate	-20	-27	-7	-	-25

- Japan: We had positive factors such as volume growth, effects of internal efforts including productivity improvement and reduction of external procurement costs, and effects of exchange rate fluctuations. However profits decreased YOY due to decrease in sales price, increases in selling, general and administrative expenses, and increase in depreciation and amortization partly caused by amendment to the Japanese Corporate Tax Law.
- The Americas: Profitability improved backed by volume growth and decrease in expenses for transfer of plant in North America. (The transfer has already been completed.)
- Europe: Increase in sales especially in industrial machinery segment, increase in sales price and reduction of external procurement costs contributed to total sales increase.
- Asia: Sales expansion in China and the ASEAN countries such as Thailand pushed up total increase in profits.

Business Results by Customer Location



(100 Million)	FY'06:1st half <Actual>	FY'07:1st half <Actual>	Increase/ Decrease YOY	Difference YOY	FY'07:1st half <Original forecast>
Sales	3,493	3,693	+200	+5.7%	3,600
Japan	1,764	1,857	+93	+5.3%	1,857
Non-Japan	1,729	1,836	+107	+6.2%	1,743
(Non-Japan ratio)	(49.5%)	(49.7%)			(48.4%)
The Americas	514	553	+39	+7.6%	544
Europe	589	630	+41	+6.9%	559
Asia	626	653	+27	+4.3%	640

■ Japan : Sales to machine tools/general industrial machinery sectors continued to be robust. Sales to automotive manufacturers increased. (EPS etc.)

■ The Americas : Sales of industrial machinery bearings and automotive products increased in North America and Brazil.

■ Europe : Sales of bearings to general industrial machinery and automotive manufacturers increased.

■ Asia : Although sales in China and sales of automotive products in Thailand increased, sales of photofabrication equipment decreased substantially.

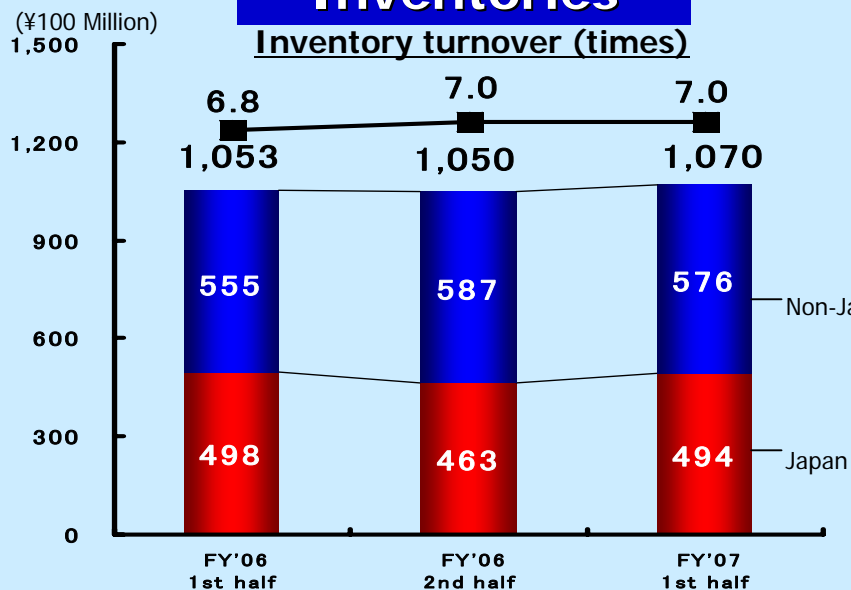
Consolidated Balance Sheets



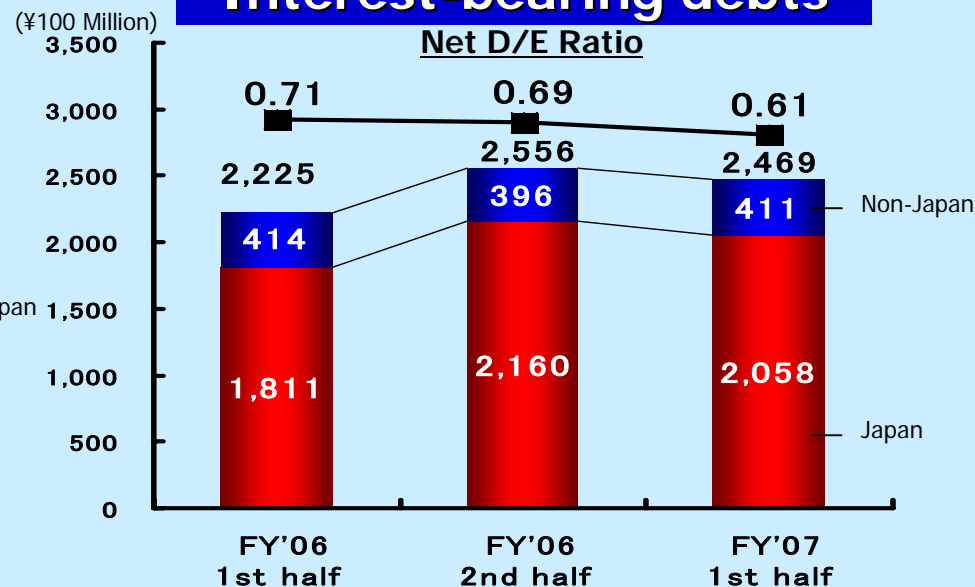
(100 Million)	FY'06		FY'07	Increase/ Decrease YOY
	1st half	2nd half	1st half	
<u>Assets</u>				
Current assets	3,250	3,891	3,812	-79
Non-current assets	4,212	4,267	4,363	+96
Total assets	7,462	8,158	8,175	+17
<u>Liabilities and net assets</u>				
Current liabilities	2,693	2,975	2,924	-51
Non-current liabilities	2,184	2,416	2,331	-85
Total liabilities	4,877	5,391	5,255	-136
Total net assets	2,585	2,767	2,920	+153
Total liabilities and net assets	7,462	8,158	8,175	+17
(Exchange rate: 1US\$=)	(¥117.90)	(¥118.05)	(¥115.43)	
(" 1EURO=)	(¥149.77)	(¥157.33)	(¥163.38)	

Inventories/Interest-Bearing Debts/ Capital Expenditures/Depreciation

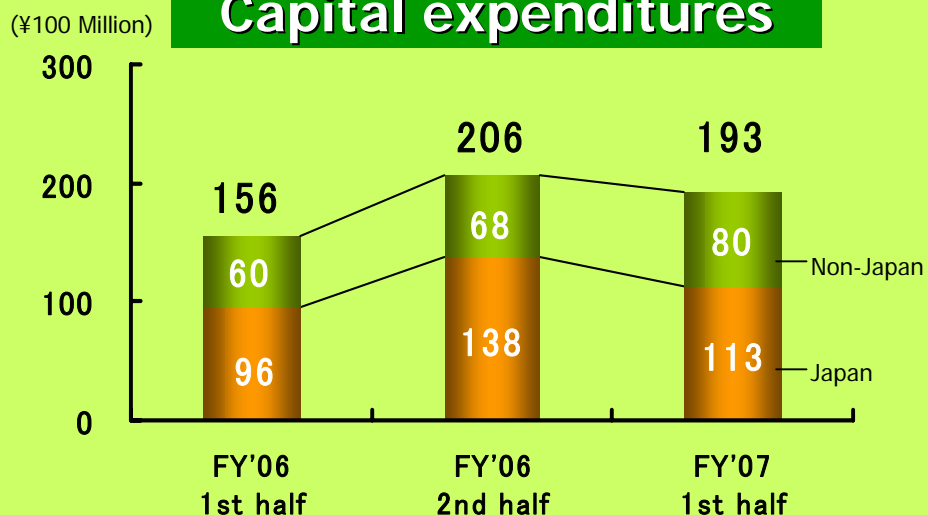
Inventories



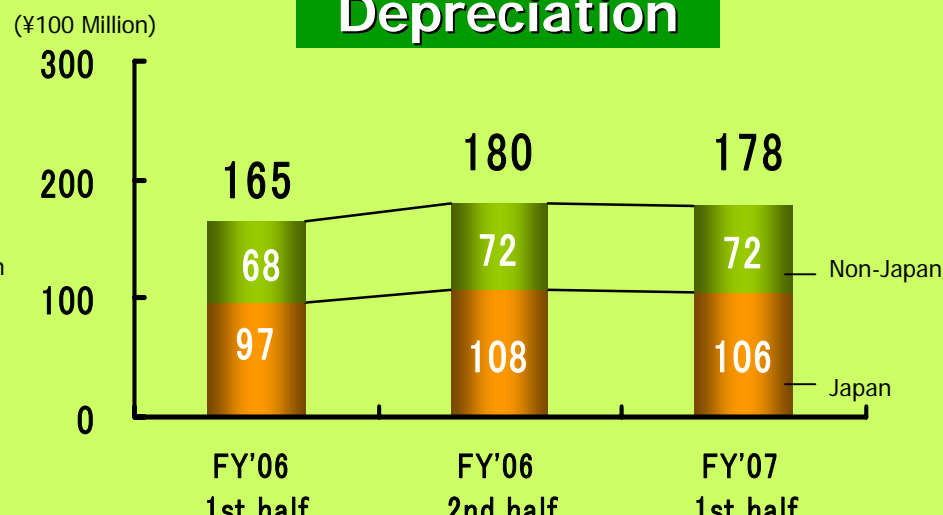
Interest-bearing debts



Capital expenditures



Depreciation



* Excluding intangible assets

* Excluding intangible assets

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

《Revised Business Forecasts》

『Upward revisions were made to forecasts for both sales and profits announced in May, 2007』

- Sales:¥76.5 billion, Operating income:¥69.0 billion, Ordinary income:¥65.0 billion, Net income:¥41.0 billion
- Forecasted exchange rate for the 2nd half:
us\$=¥115, Euro=¥160 (Forecasts announced in May, 2007:us\$=¥115, Euro=¥150)

《Forecasted Business Environment for the 2nd Half》

『Expected to be robust overall, although some uncertainties remain』

●【Japan】

- *Machine tools/industrial machinery : Strong demand expected to continue overall.
- *Automotive production : Production expected to increase YOY due to favorable demand for exports.
- *Semiconductors/liquid crystal production equipment :
Recovery of demand for semiconductors expected to be delay, and demand for liquid crystal production equipment expected to remain in an adjustment phase.

●【The Americas】 : Uncertainty expected to remain in demand environment.

●【Europe】 : Demand expected to continue to recover gradually.

●【Asia】 : Economic growth in China expected to continue. Uncertainty expected to be seen in automotive production in the ASEAN region.

■【Business risks】 : 1.Impact of subprime crisis on the real economy 2.Acceleration of Yen strength 3.Crude oil prices

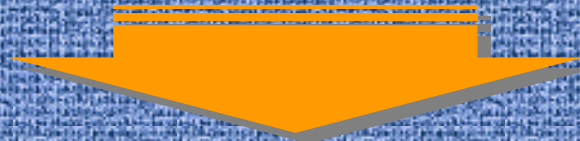
Key Strategies

Maintain our consistent implementation of **growth strategies and profitability improvement**

Steadily capture **demand in growing fields**

Steadily deal with **cost-increase factors**

Respond quickly to **changes in business Environment**



『Reinforce the corporate foundation as NSK moves towards the final year of the Mid-term Plan (FY'08)』

Forecasts for the Year Ending March 31, 2008



(100 Million)	FY'06	FY'07					
	Full year <Actual>	1st half <Actual>	2nd half <Revised forecast>	Full year <Revised forecast>	Increase/ Decrease YOY	Difference YOY	Full year <Original forecast>
Sales	7,172	3,693	3,907	7,600	+428	+6.0%	7,450
Operating income	624	316	374	690	+66	+10.6%	680
<%>	<8.7%>	<8.5%>	<9.6%>	<9.1%>			<9.1%>
Ordinary income	576	294	356	650	+74	+12.9%	635
Profits before tax	570	294	356	650	+80	+14.0%	635
Net income	349	177	233	410	+61	+17.6%	390
(Exchange rate:1US\$=)	(¥116.93)	(¥119.42)	(¥115)	(¥117.21)			(¥115)
(" 1EURO=)	(¥150.35)	(¥162.33)	(¥160)	(¥161.17)			(¥150)

Expected record sales and profits for the fourth consecutive years

(100 Million)	FY'06	FY'07				
	Full year <Actual>	1st half <Actual>	2nd half <Revised forecast>	Full year <Revised forecast>	Increase/ decrease YOY	Full year <Original forecast>
Sales	7,172	3,693	3,907	7,600	+428	7,450
Industrial bearings	2,163	1,148	1,212	2,360	+197	2,328
Automotive products	3,979	2,091	2,199	4,290	+311	4,102
Precision machinery & parts	777	318	362	680	-97	765
Other	451	245	245	490	+39	455
Eliminations	-198	-109	-111	-220	-22	-200
Operating income	624 <8.7%>	316 <8.5%>	374 <9.6%>	690 <9.1%>	+66	680 <9.1%>
Industrial bearings	296 <13.7%>	155 <13.5%>	180 <14.9%>	335 <14.2%>	+39	334 <14.3%>
Automotive products	227 <5.7%>	139 <6.7%>	156 <7.1%>	295 <6.9%>	+68	252 <6.1%>
Precision machinery & parts	115 <14.8%>	38 <12.0%>	52 <14.4%>	90 <13.2%>	-25	116 <15.2%>
Other	24 <5.3%>	10 <4.1%>	12 <4.9%>	22 <4.5%>	-2	25 <5.5%>
Eliminations	-38	-26	-26	-52	-14	-47

(100 Million)	FY'06	FY'07				
	Full year <Actual>	1st half <Actual>	2nd half <Revised forecast>	Full year <Revised Forecast>	Increase/ Decrease YOY	Full year <Original Forecast>
Sales	7,172	3,693	3,907	7,600	+428	7,450
Japan	5,223	2,629	2,776	5,405	+182	5,421
The Americas	1,029	545	530	1,075	+46	1,031
Europe	1,276	662	703	1,365	+89	1,199
Asia	987	554	650	1,204	+217	1,125
Eliminations	-1,343	-697	-752	-1,449	-106	-1,326
Operating income	624 <8.7%>	316 <8.5%>	374 <9.6%>	690 <9.1%>	+66	680 <9.1%>
Japan	474 <9.1%>	214 <8.1%>	251 <9.0%>	465 <8.6%>	-9	475 <8.8%>
The Americas	38 <3.7%>	25 <4.6%>	29 <5.5%>	54 <5.0%>	+16	57 <5.5%>
Europe	67 <5.2%>	41 <6.2%>	51 <7.3%>	92 <6.7%>	+25	83 <6.9%>
Asia	95 <9.6%>	63 <11.3%>	70 <10.8%>	133 <11.0%>	+38	115 <10.2%>
Eliminations/ Corporate	-50	-27	-27	-54	-4	-50

(100 Million)	FY'06	FY'07				
	Full year <Actual>	1st half <Actual>	2nd half <Revised forecast>	Full year <Revised Forecast>	Increase/ Decrease YOY	Full year <Original Forecast>
Sales	7,172	3,693	3,907	7,600	+428	7,450
Japan	3,644	1,857	1,963	3,820	+176	3,817
Non-Japan	3,528	1,836	1,944	3,780	+252	3,633
(Non-Japan ratio)	(49.2%)	(49.7%)	(49.8%)	(49.7%)		(48.8%)
The Americas	1,051	553	537	1,090	+39	1,072
Europe	1,217	630	654	1,284	+67	1,169
Asia	1,260	653	753	1,406	+146	1,392

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

《 Mid-term Plan (FY'06-'08) 》

【Outline】

【 Numerical target 】

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

Targets (FY'08)

(announced in Feb. 2006)

Sales **¥740 billion**

Operating income
¥ 74 billion

Operating income margin **10.0%**

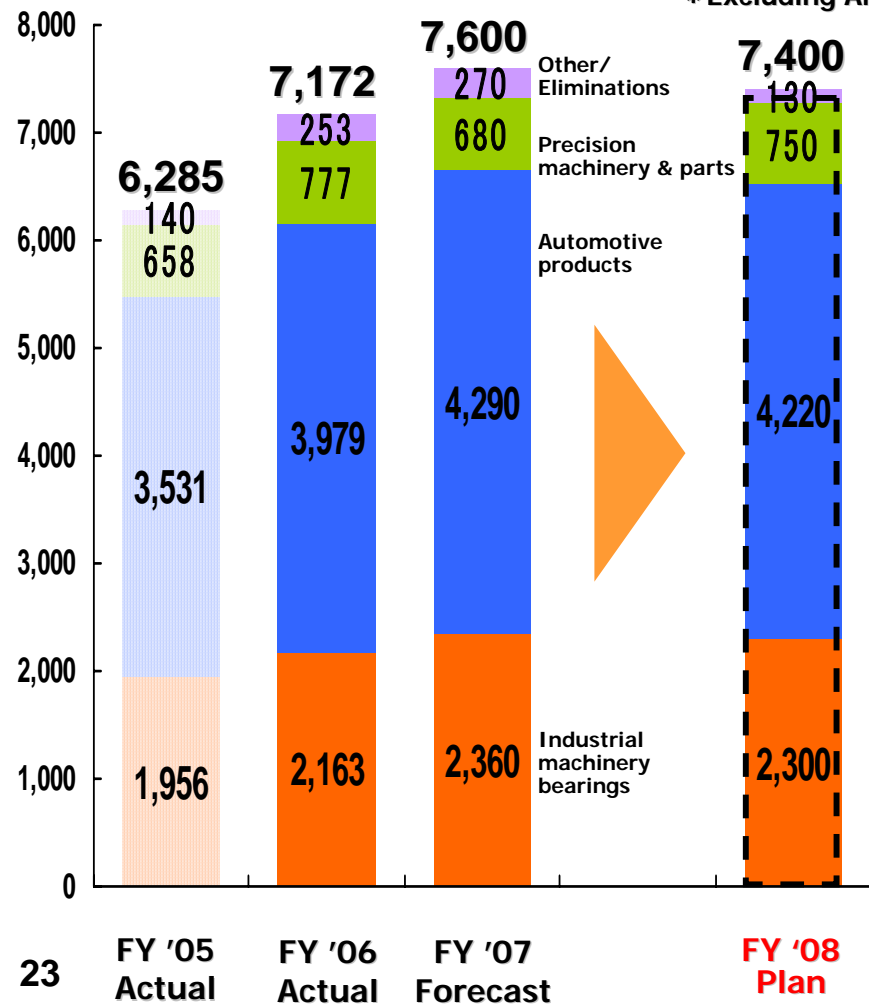
ROE **15.0%**

Net D/E ratio
(times) **0.4**

Review of Mid-term Plan By Business Segment

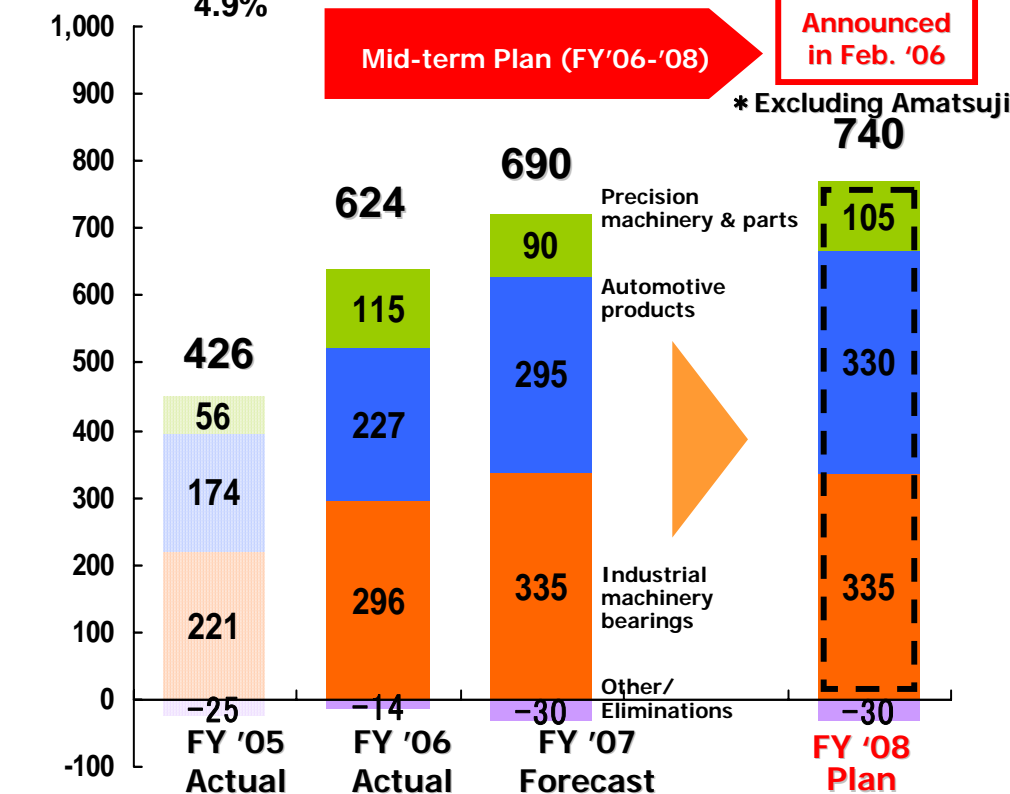
Sales

(¥100 Million)



Operating income/margin

(¥100 Million)



Basic Policy: Expand sales by strengthening our marketing and manufacturing capabilities

【Strengthen marketing capability】

- Improve key business sector-oriented activities
⇒ Sectors such as steels/machine tool/wind power generators/construction machinery
- Channel Development
⇒ Cultivate new distribution network overseas
- Expand sales lead by NSK technology
⇒ Improve services to end users by technical support
⇒ Speed up and increase development of new products

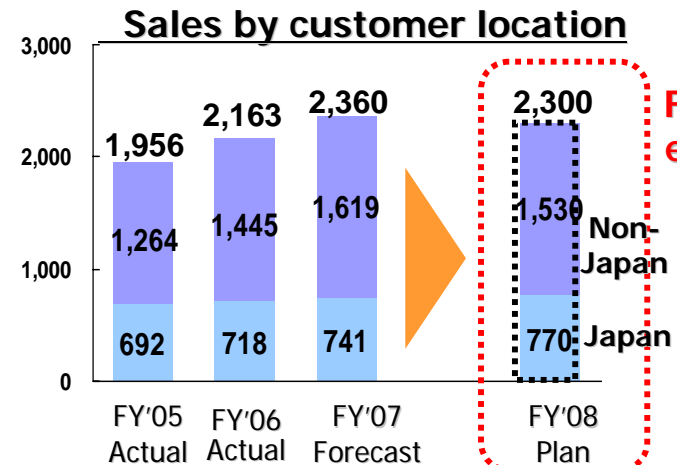
【Strengthen manufacturing capability】

- Start operation of the second Fujisawa plant smoothly
⇒ Operation will start in Jan. '08
- Optimize production including existing Fujisawa plant

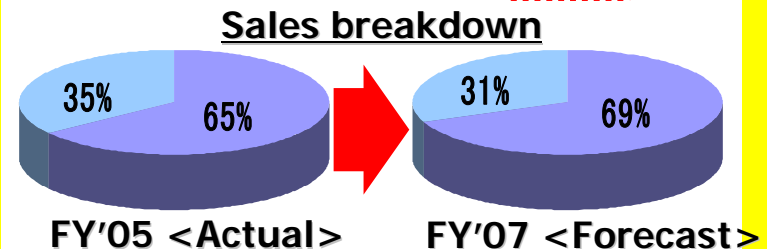
Reinforce global sales expansion

Expand sales of roller bearings

Expand sales in aftermarket

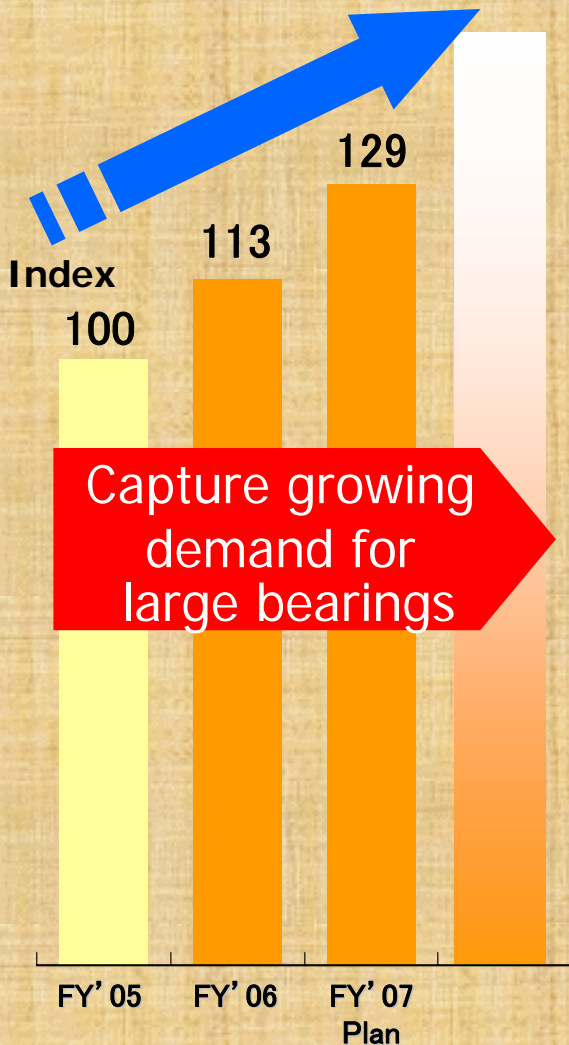


Further expand sales



“Roller bearings” Growth driver in industrial machinery bearings

Sales of roller bearings



Expand NSK's presence in growth driving areas

Steelmaking equipment : Strengthen ability to respond to demand expansion in emerging markets.

Machine tools : Strengthen sales expansion activities for main manufacturers in Japan, Europe and Asia.

Wind power generators : Continue to win orders for large bearings from European leading manufacturers.

Rail cars : Respond to demand regarding new JR rail cars and development of railway network in Eastern Asia.

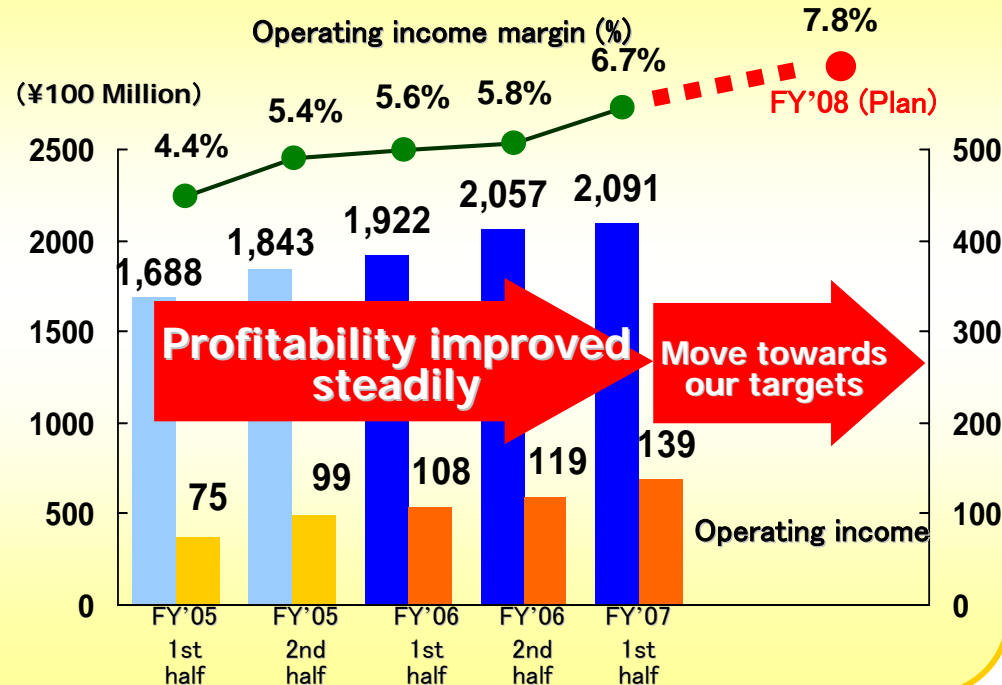
**Capture further growth opportunity
from global top users**

Mining/Fluid (Pump & Compressor) /Paper production etc.

Basic Policy: Reinforce profitability and order-winning activities

【Reinforce profitability】 Further strengthen NSK's stable source of income

- ✓ Maximize the effects of capital investments, and accelerate bringing the effects into business performance
- ✓ Further reduce direct costs
- ✓ Continue APS (Advanced Production System) activities
(Continue productivity improvement)
- ✓ Promote global procurement measures
(Make most appropriate way to optimize the supply chain. Expand in-house manufacturing)
- ✓ Stabilize production in plant in Northern America
(Production transfer has already been completed)



【Reinforce order-winning activities】

Accelerate aggressive order winning activities focusing on beyond '09

- ✓ Accelerate expansion of global sales of drive train bearings
- ✓ Expand sales of high-power EPS systems through differentiation

Strengthen business expansion Aiming for further growth in automotive industry

✓ Strategic investments in Asia (China, India and the ASEAN)

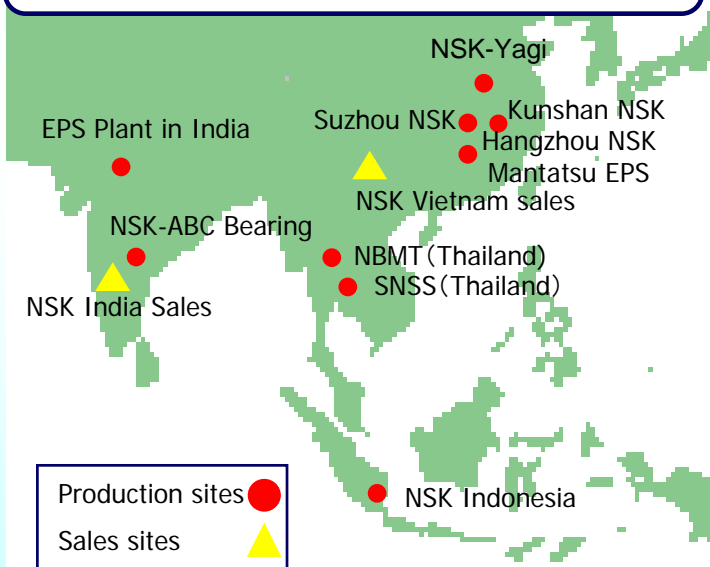
Newly develop our business into emerging regions in Asia

Improve profitability through local production

Strengthen ability to respond to local needs

Respond to increase in automotive production of Japanese and European manufacturers

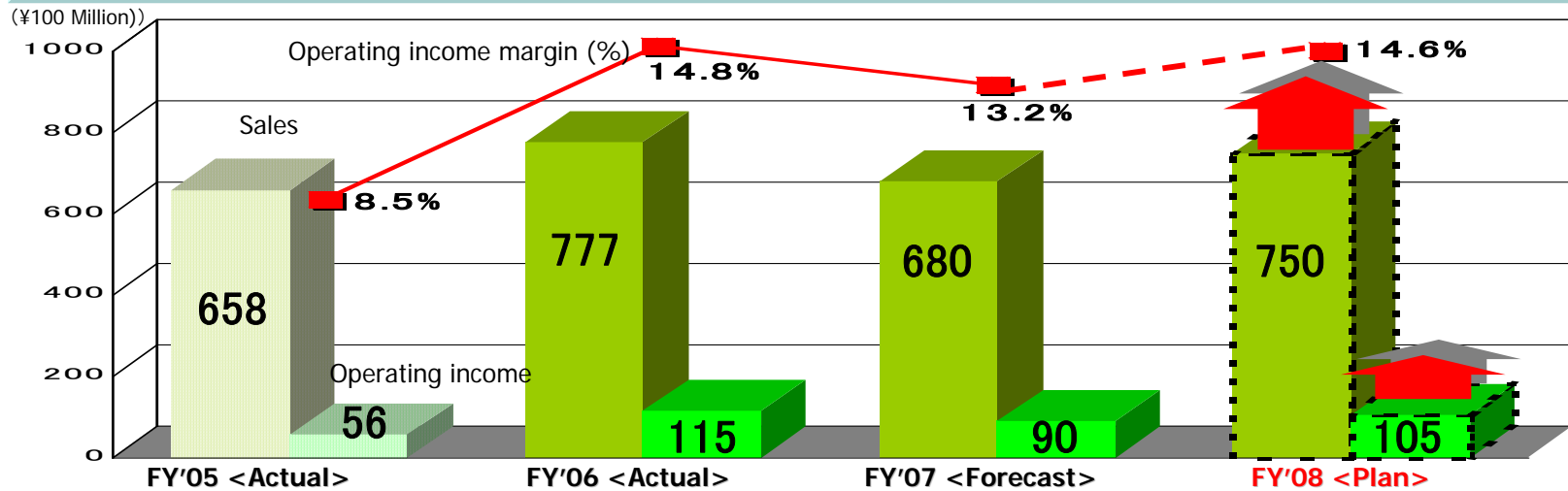
Reinforce business expansion in automotive business in Asia



 Production sites (bearings)
 Production sites (steering systems)
 Sales sites

Region	Project	Target
China	Expand and strengthen the 3rd building in Kunshan plant	Respond to increasing demand for hub unit bearings
	Establish NSK-Yagi pre-processing joint venture	Strengthen pre-processing ability of bearings
	Wholly own Timken-NSK (Completed)	Expand sales of tapered roller bearings
	Establish a joint venture of Hangzhou NSK and Mantatsu EPS	Capture demand for EPS from local automotive manufacturers
India	Establish a plant of joint venture: NSK-ABC bearings Ltd.	Respond to growing Indian market
	Establish an EPS plant	Develop our business to respond to needs for EPS in India
	Establish a sales company	Increase local sales in India
ASEAN	Establish the 2nd building in NBMT(Thailand) plant (Completed)	Respond to growing demand for bearings in Thailand
	Establish the 2nd building in SNSS(Thailand) plant	Expand in-house manufacturing of steering parts
	Expand plant in NSK Indonesia	Respond to sales expansion of motorcycle bearings
	Establish a sales company in Vietnam	Increase local sales in Vietnam

Basic Policy: Improve profitability by focusing on linear motion products



To Achieve Mid-term Targets

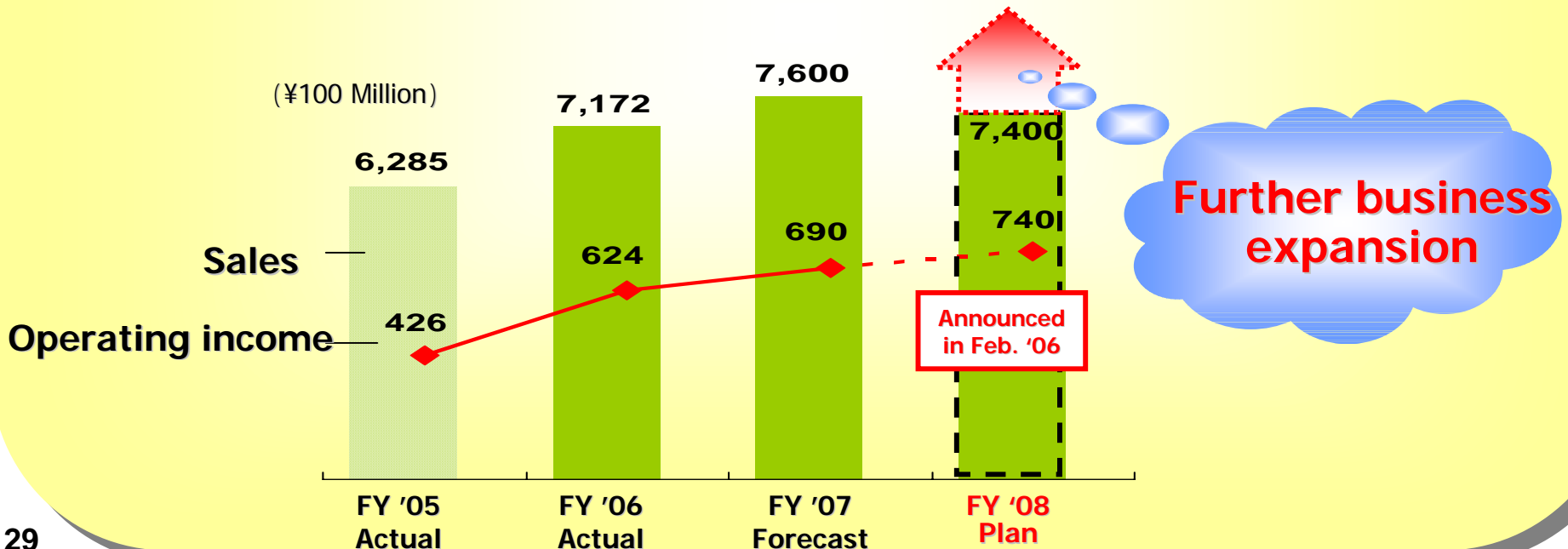
Accelerate bringing effects of capital investments into business performance

Strive to continue implementation of profitability improvement

Promote global expansion

Aggressively continue strategic investments focusing on emerging demand

- Maximize output to growing business areas
- Maximize profitability
- Further expand business
- Establish foundation for the next stage



(Supplementary Information)
For the Year Ending Mar. 31, 2008)

(¥100 Million)	FY'06 Actual	FY'07 1st half Actual	FY'07 full year Forecast
Capital expenditures(*)	362	193	465
Japan	234	113	321
Non-Japan	128	80	144
The Americas	36	18	27
Europe	32	24	41
Asia	60	38	76

* Excluding intangible assets

(¥100 Million)	FY'06 Actual	FY'07 1st half Actual	FY'07 full year Forecast
Depreciation(*)	345	178	378

* Excluding intangible assets

(¥100 Million)	FY'06 Actual	FY'07 1st half Actual	FY'07 full year Forecast
R&D	101	50	105

(Supplementary Information)

Sales & Profits of Mid-term Plan by Business Segment

Announced in Feb. '06

(¥100 Million)	FY'05 <Actual>	FY'06 <Actual>	FY'07 <Forecast>	FY'08 <Mid-term plan>
Industrial machinery bearings				
Sales	1,956	2,163	2,360	2,300
Operating income <%>	221 <11.3%>	296 <13.7%>	335 <14.2%>	335 <14.6%>
Automotive products				
Sales	3,531	3,979	4,290	4,220
Operating income <%>	174 <4.9%>	227 <5.7%>	295 <6.9%>	330 <7.8%>
Precision machinery & parts				
Sales	658	777	680	750
Operating income <%>	56 <8.5%>	115 <14.8%>	90 <13.2%>	105 <14.0%>
Other				
Sales	235	451	490	220
Operating income <%>	13 <5.5%>	24 <5.3%>	22 <4.5%>	15 <6.8%>
Eliminations/corporate				
Sales	-95	-198	-220	-90
Operating income	-38	-38	-52	-45
Total				
Sales	6,285	7,172	7,600	7,400
Operating income <%>	426 <6.8%>	624 <8.7%>	690 <9.1%>	740 <10.0%>

(Supplementary Information)

Mid-term Target for Profitability Improvement

Announced in Feb. '06

(¥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	12.1%	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