



NSK

FINANCIAL CONFERENCE

Consolidated Business Results and Forecast

November 4, 2010

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, 2010**

2

**Consolidated Business Forecast
for the Year Ending March 31, 2011**

3

Progress of Mid-term Plan

(Supplementary Material)

1

Consolidated Business Results for the Six Months Ended September 30, 2010

Business Environment

✓ Industrial Machinery :

Despite a slow-down in some sectors, sales have been on a recovery trend.

✓ Automotive Products:

Automotive production remained at a high level thanks to increased demand in emerging countries and favorable government policies.

✓ Semiconductors/Liquid crystal production equipment:

Although current demand is tight, there is a risk of downward adjustment.

✓ The yen appreciated further, and raw material prices increased.

Summary of Business Results

✓ Sales ¥352.8 billion, Operating income ¥20.3 billion

- Sales in 2Q increased YOY, operating income improved greatly.
- Achieved original forecast announced in May 11, 2010 in 1st half

✓ Results by Business Segment

• Industrial Machinery Business :

In 1st half, both sales and operating income increased greatly YOY for industrial machinery bearings and precision machinery and parts.

• Automotive Business :

1st half sales increased YOY due to favorable policies enacted by governments and increased demand in emerging markets. Operating income also improved significantly.

Summary of Consolidated Business Results for the Six Months Ended September 30, 2010



(Billions of yen)	10/3 1st half <Actual>	11/3 1st half <Actual>	Increase/ decrease YOY	Difference YOY	11/3 1st half <Original forecast>
Sales	257.9	352.8	+94.9	+36.8%	330.0
Operating income <%>	-3.9 <-1.5%>	20.3 <5.8%>	+24.2	-	16.5 <5.0%>
Ordinary income	-8.7	17.3	+26.0	-	14.0
Extraordinary gain	-	-	-	-	-
Extraordinary loss	1.1	-	-1.1	-	-
Income before tax	-9.8	17.3	+27.1	-	14.0
Net income	-5.9	10.6	+16.5	-	8.5
<Exchange rate>					
(1US\$=)	(¥95.45)	(¥88.93)			(¥90)
(1EURO=)	(¥133.06)	(¥114.03)			(¥125)
【Major Indexes】					
ROE	-5.0%	8.6%			
Net D/E ratio (times)	0.86	0.68			
Inventory turnover (times)	4.9	6.7			

Quarterly Business Performance

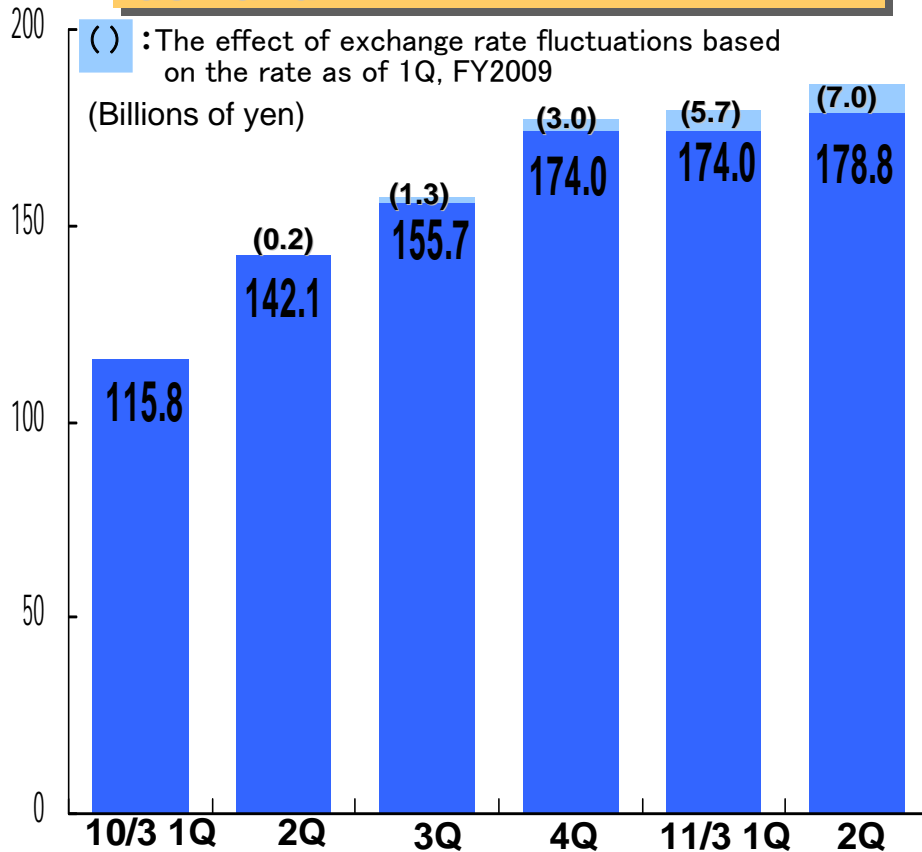


Sales

Both Industrial & Automobile on upward trend due to strong demand.

() : The effect of exchange rate fluctuations based on the rate as of 1Q, FY2009

(Billions of yen)



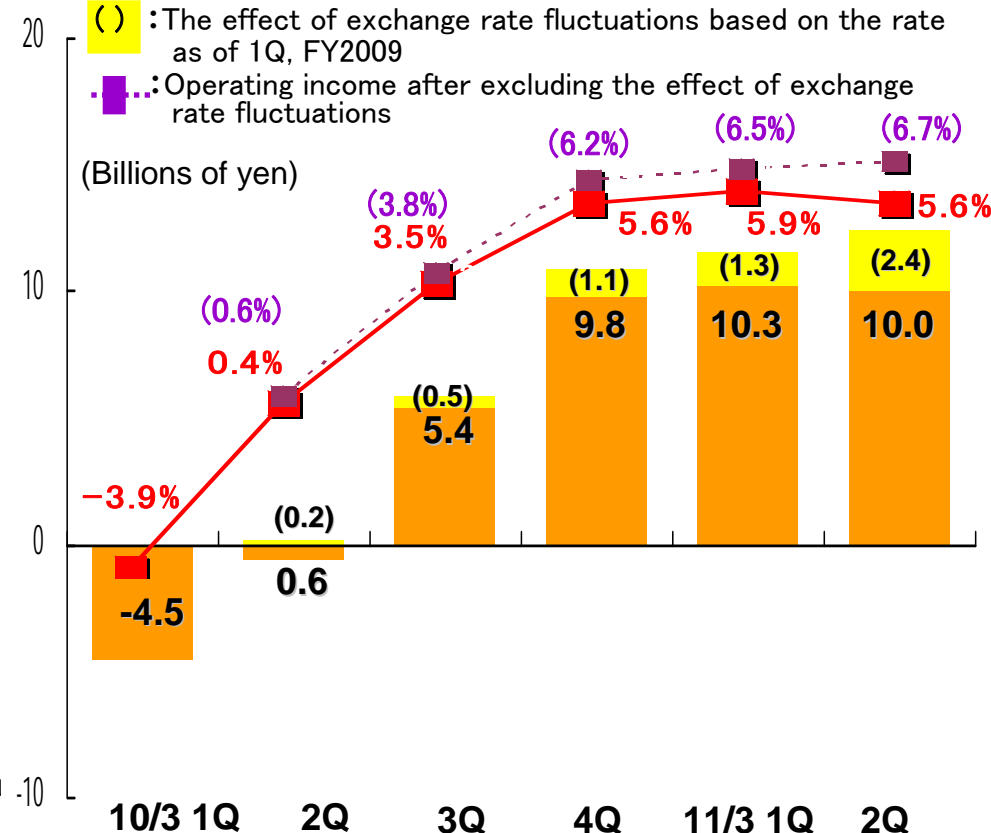
Operating income/Margin

Remained at the same level as 1Q despite raw material costs increase and the appreciation of the yen.

() : The effect of exchange rate fluctuations based on the rate as of 1Q, FY2009

■ : Operating income after excluding the effect of exchange rate fluctuations

(Billions of yen)



US\$= ¥97.13 ¥93.78 ¥89.81 ¥90.61 ¥92.05 ¥85.81
 EURO= ¥132.51 ¥133.61 ¥132.55 ¥124.89 ¥117.68 ¥110.38

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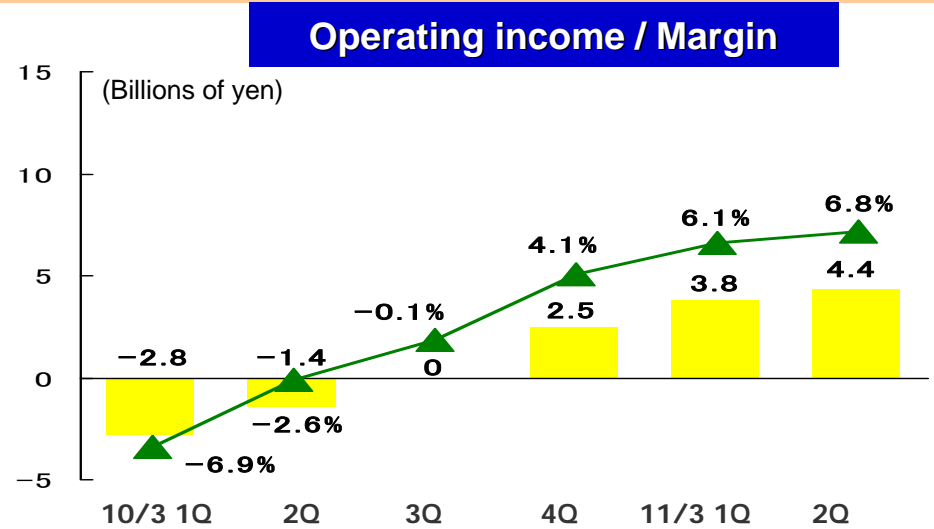
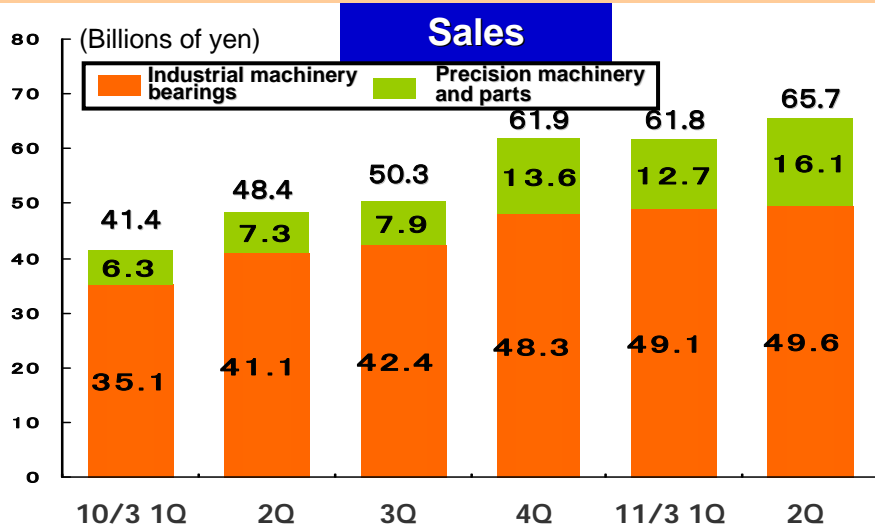
Results by Business Segment

(Billions of yen)	10/3 1st half <Actual>		11/3 1st half <Actual>		Increase/ decrease YOY	Difference YOY	11/3 1st half <Original forecast>
Sales	257.9		352.8		+94.9	+36.8%	330.0
Industrial machinery business	89.8		127.5		+37.7	+42.0%	118.5
Industrial machinery bearings	76.2		98.7		+22.5	+29.5%	92.0
Precision machinery and parts	13.6		28.8		+15.2	+111.8%	26.5
Automotive business	159.8		212.2		+52.4	+32.8%	200.5
Automotive bearings	83.9		108.8		+24.9	+29.7%	103.5
Automotive components	75.9		103.4		+27.5	+36.2%	97.0
Other	14.9		26.1		+11.2	+75.2%	19.0
Eliminations	-6.6		-13.0		-6.4	-	-8.0
Operating income	-3.9	<-1.5%>	20.3	<5.8%>	+24.2	-	16.5
Industrial machinery business	-4.2	<-4.6%>	8.2	<6.5%>	+12.4	-	5.5
Automotive business	3.7	<2.3%>	13.6	<6.4%>	+9.9	+267.6%	13.0
Other	-0.9	<-6.3%>	2.2	<8.3%>	+3.1	-	1.0
Eliminations/Corporate	-2.5		-3.7		-1.2	-	-3.0

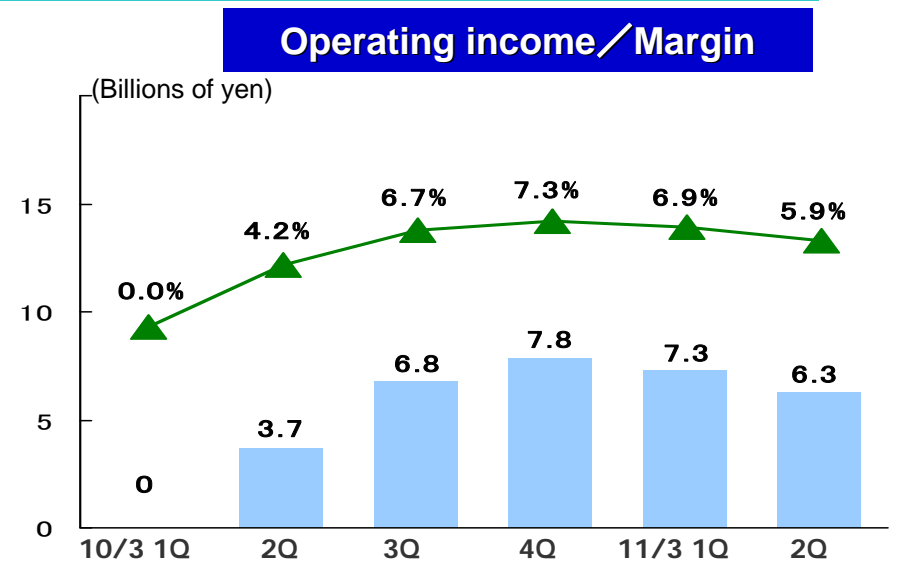
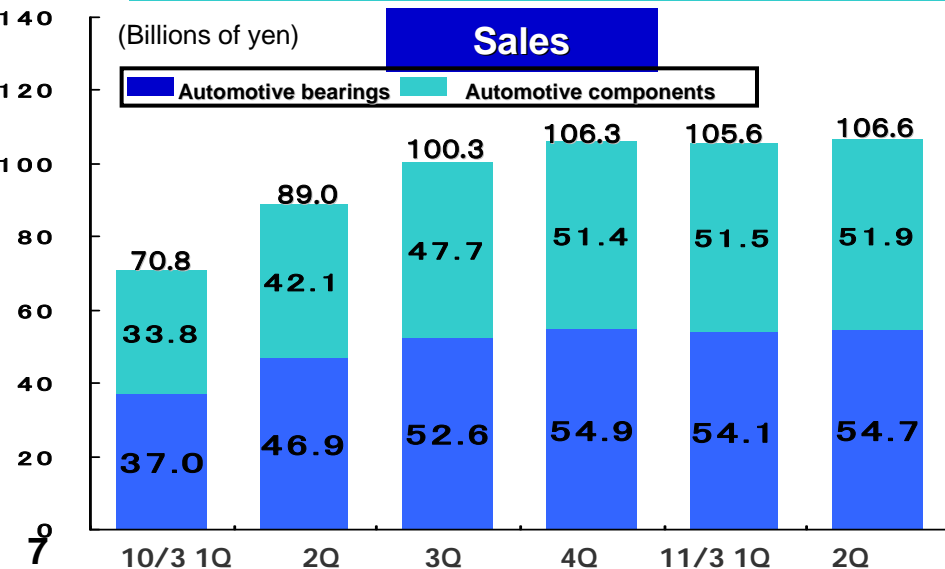
Quarterly Business Segment Performance



Industrial Machinery Business



Automotive Business

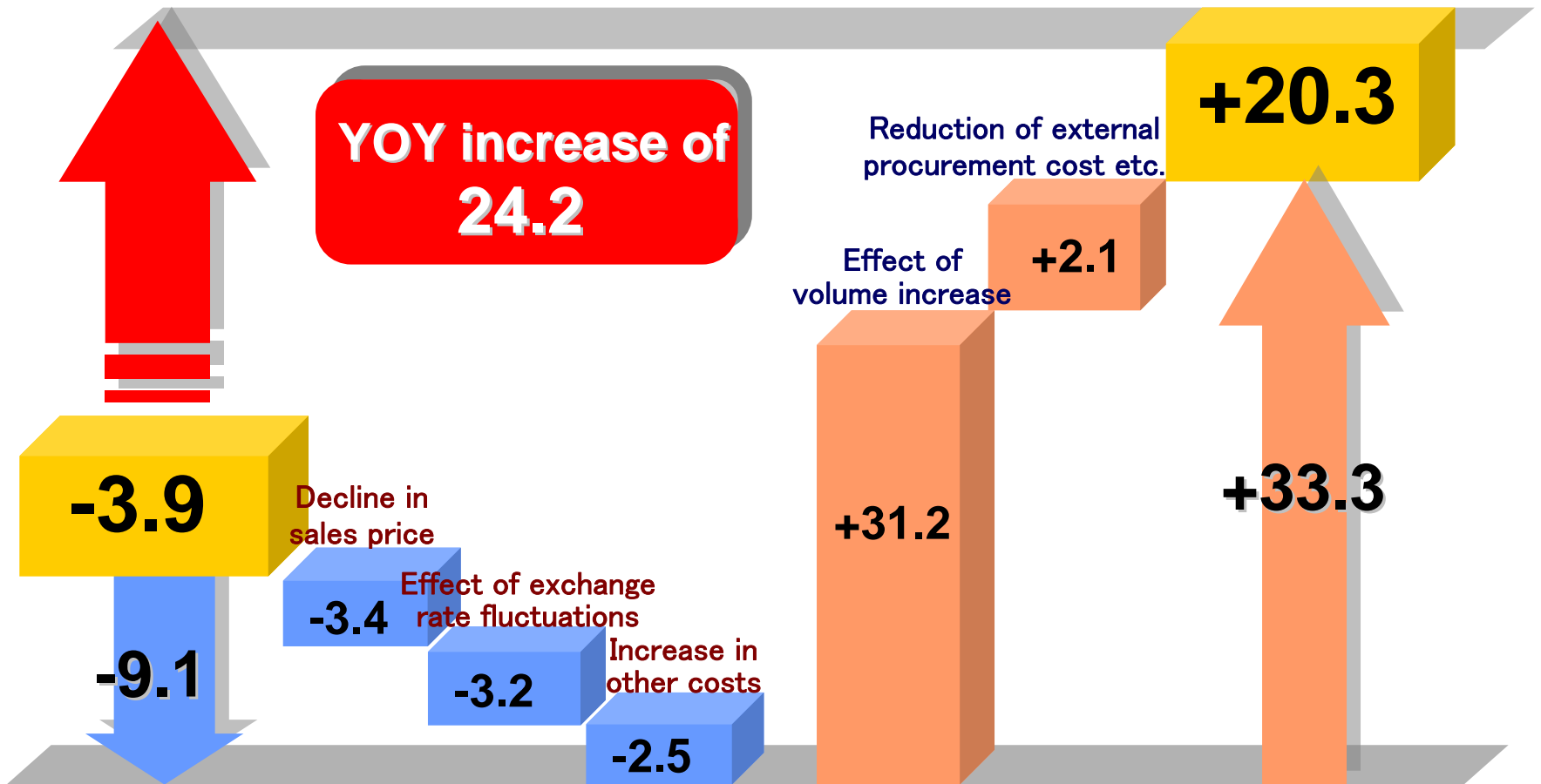


Operating income : Factors Behind Increase (FY2009 1st half ⇒ FY2010 1st half)

(Billions of yen)

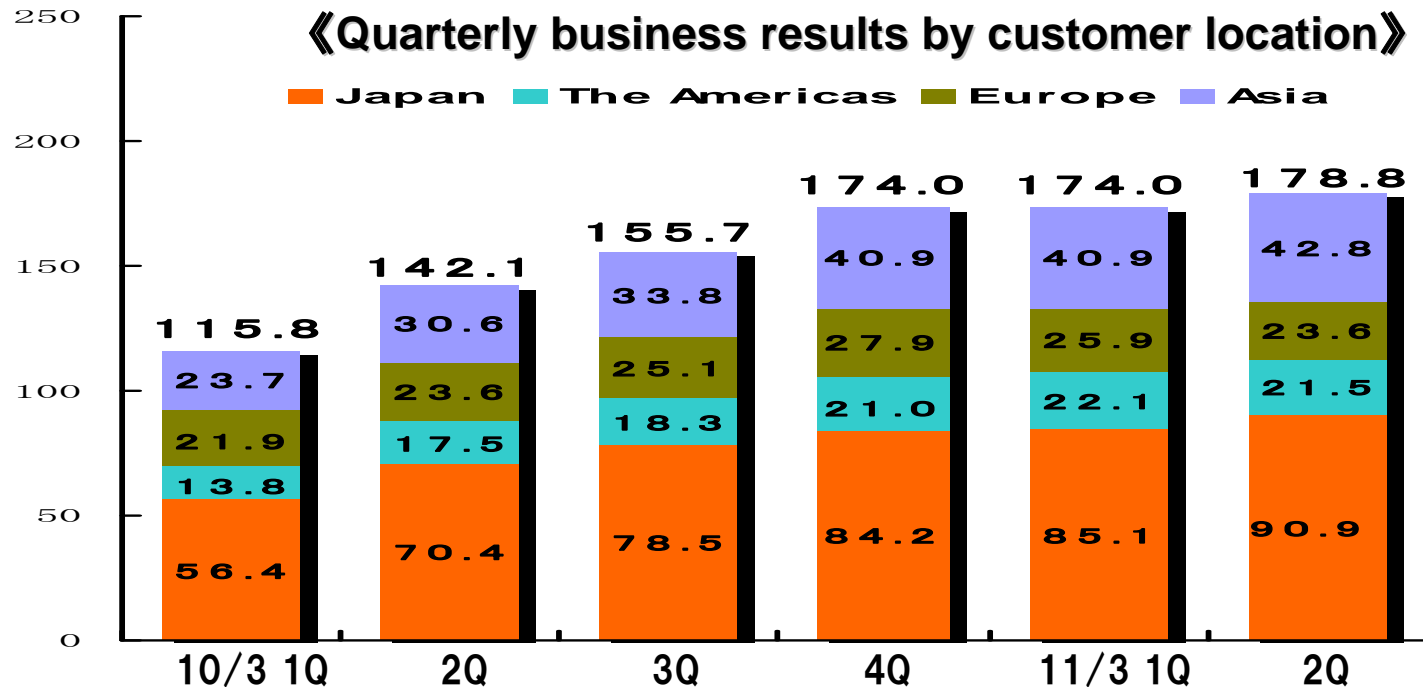
FY2009 1st half

FY2010 1st half



Business Results by Customer Location

(Billions of yen)	10/3 1st half	11/3 1st half	Increase/ decrease YOY	Difference YOY
Sales	257.9	352.8	+94.9	+36.8%
Japan	126.8	176.0	+49.2	+38.8%
Non-Japan (Non-Japan ratio)	131.1 (50.8%)	176.8 (50.1%)	+45.7	+34.9%
The Americas	31.3	43.6	+12.3	+39.3%
Europe	45.5	49.5	+4.0	+8.8%
Asia	54.3 (21.1%)	83.7 (23.7%)	+29.4	+54.1%



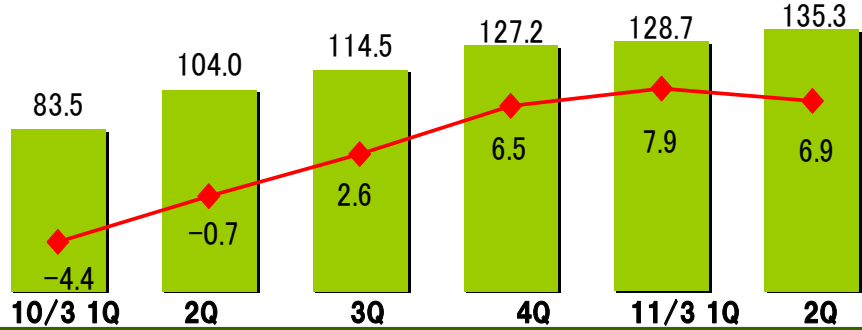
Business Results by Geographical Segment



(Japan)

(Billions of yen)	10/3 1st half	11/3 1st half	Increase/ decrease YOY	Difference YOY
Sales	187.5	264.0	+76.5	+40.8%
Operating income	-5.1 <-2.7%>	14.8 <-5.6%>	+19.9	-

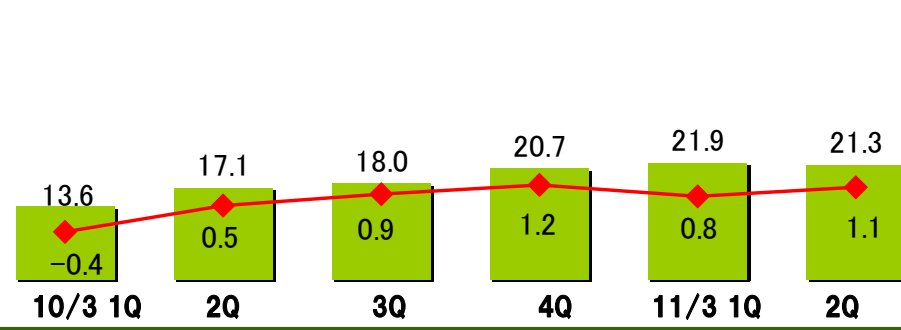
■ Operating income ◆ Operating income margin



(The Americas)

(Billions of yen)	10/3 1st half	11/3 1st half	Increase/ decrease YOY	Difference YOY
Sales	30.7	43.2	+12.5	+40.7%
Operating income	0.1 <0.4%>	1.9 <4.4%>	+1.8	-

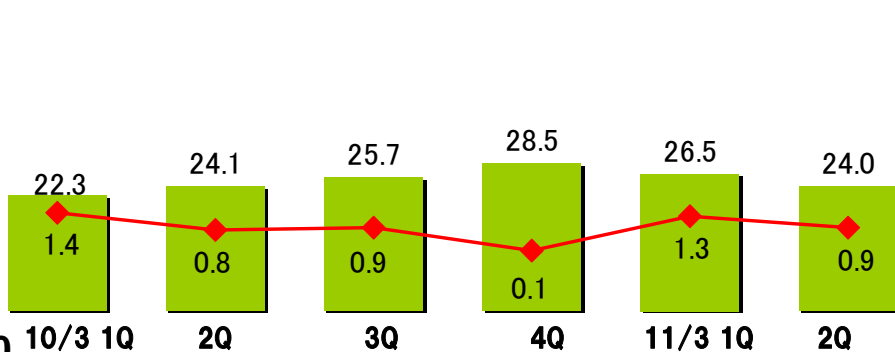
■ Operating income ◆ Operating income margin



(Europe)

(Billions of yen)	10/3 1st half	11/3 1st half	Increase/ decrease YOY	Difference YOY
Sales	46.4	50.5	+4.1	+8.8%
Operating income	2.2 <4.8%>	2.2 <4.3%>	-	-

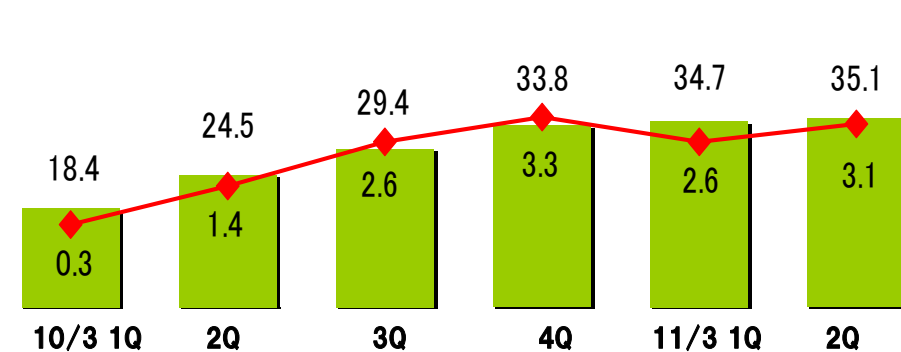
■ Operating income ◆ Operating income margin



(Asia)

(Billions of yen)	10/3 1st half	11/3 1st half	Increase/ decrease YOY	Difference YOY
Sales	42.9	69.8	+26.9	+62.7%
Operating income	1.7 <3.9%>	5.7 <8.2%>	+4.0	+235.3%

■ Operating income ◆ Operating income margin



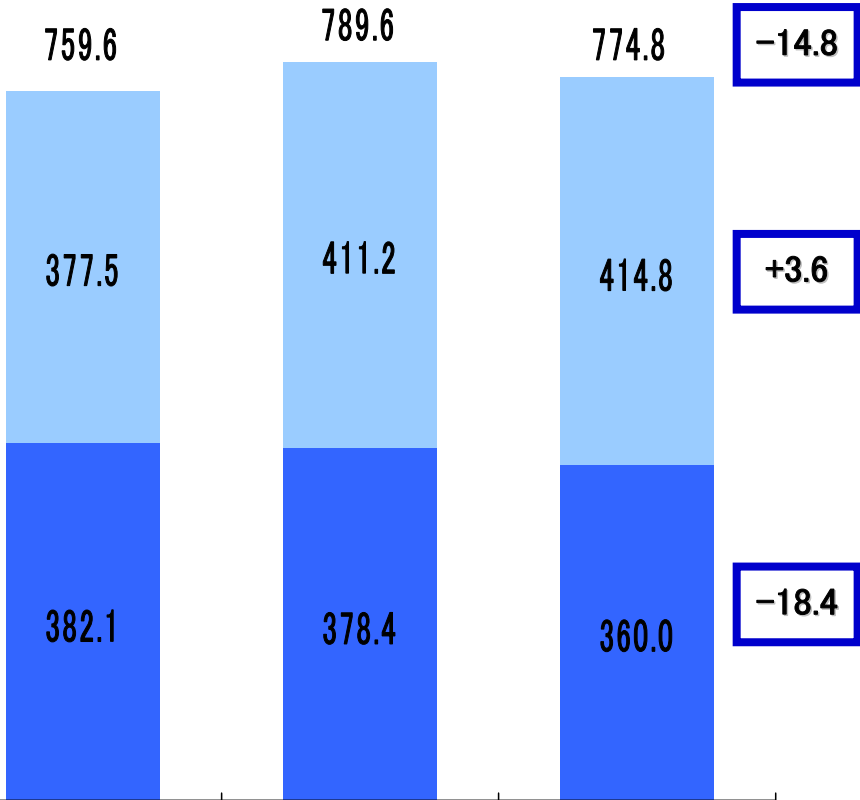
Consolidated Balance Sheets

Assets

■ Non-current assets ■ Current Assets

(Billions of yen)

Change YOY



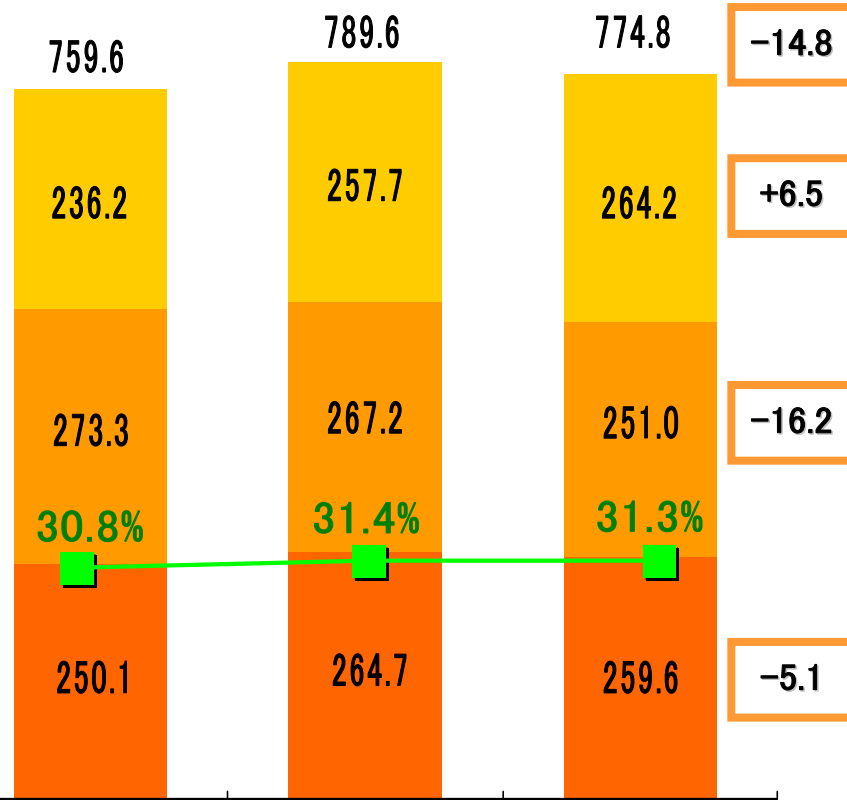
	10/3 End of 1st half	10/3 End of 2nd half	11/3 End of 1st half
US\$	90.21	93.04	83.82
Euro	131.72	124.92	114.24

Liabilities and Net Assets

■ Net Assets ■ Non-Current liabilities ■ Current liabilities ■ Ratio of net worth to total capital

(Billions of yen)

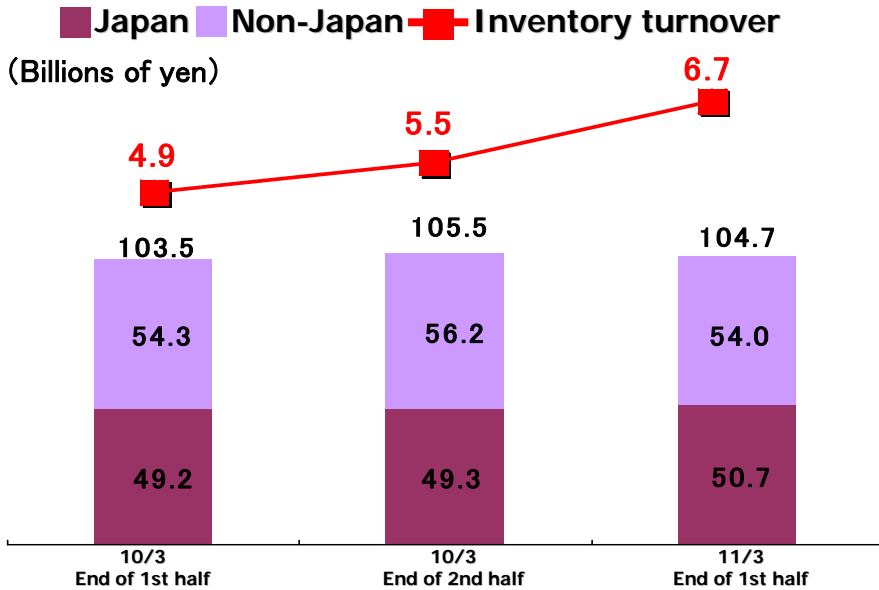
Change YOY



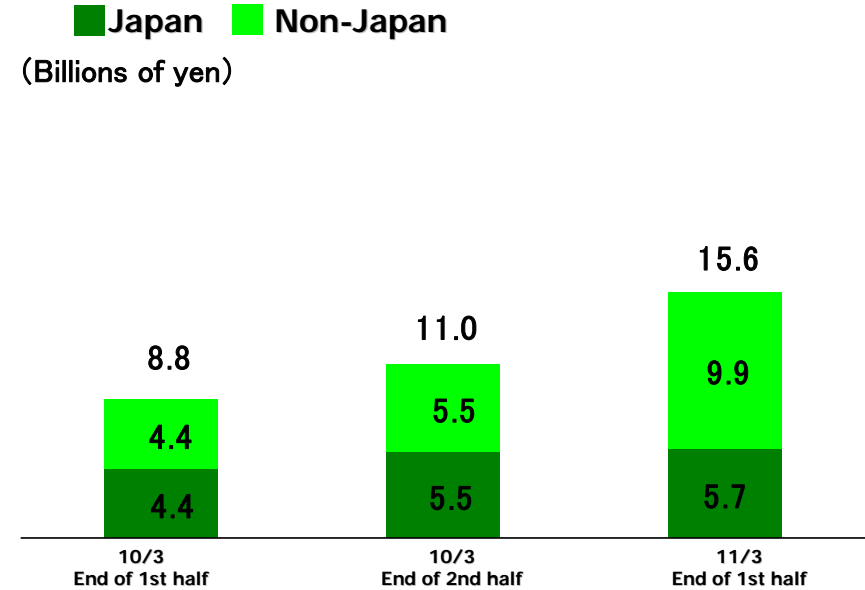
	10/3 End of 1st half	10/3 End of 2nd half	11/3 End of 1st half
US\$	90.21	93.04	83.82
Euro	131.72	124.92	114.24

Inventory/ Interest-Bearing Debt, Capital Expenditure/ Depreciation

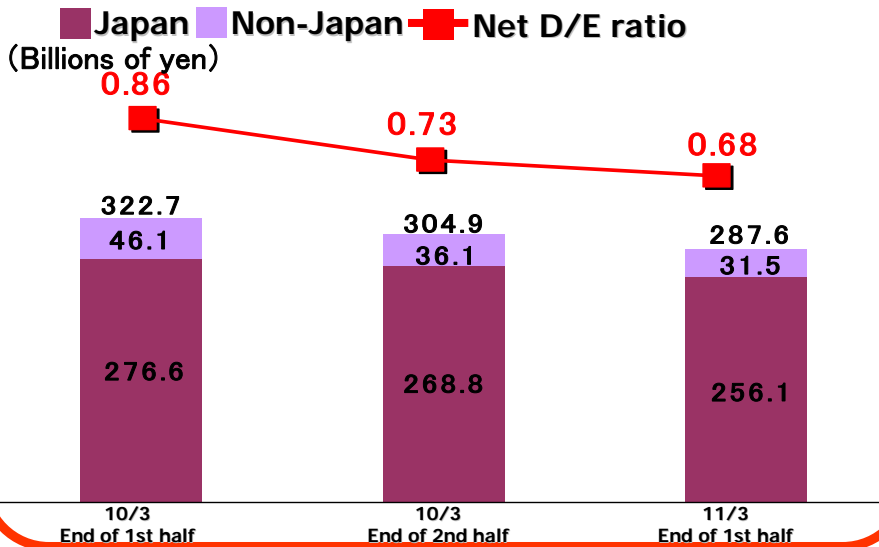
Inventories



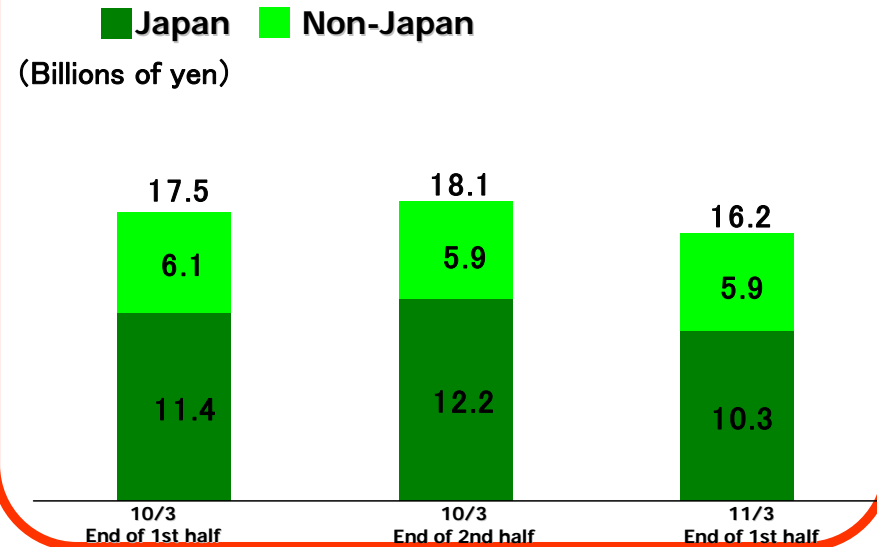
Capital Expenditure



Interest Bearing-Debt



Depreciation and Amortization



2

Consolidated Business Forecast for the Year Ending March 31, 2011

Forecast for the Year Ending March 31, 2011

Revised Business Forecast

- ✓ Upward revisions were made to both sales and profit forecasts announced in May 11, 2010.
- Despite the appreciation of the yen and an increase in raw material costs in the 1st half, operating income is expected to increase in the 2nd half.
- ✓ Exchange rate forecast : US\$=¥80.0, EURO=¥110.0
(Original Forecast US\$=¥90.0 EURO=¥125.0)

Forecasted Business Environment for the 2nd Half

- ※ Although we anticipate GDP growth in each region, downside risks remain.
- ※ In contrast to the growth trend in Asia, economic uncertainty in developed countries is expected.
- ✓ Industrial machinery business :
 - HDD/Wind Turbine/Iron and Steel – Adjustment phase
 - Semiconductors and Liquid Crystal Production Equipment – Level-off in recovery
 - General/Constructive/Industrial machinery – Recovery will continue, supported by demand in emerging countries
 - Downside risks exist despite recent upward trend.
- ✓ Automotive business :
 - Japanese – Exports will cover a significant volume decrease from the ending of subsidies for customers replacing older vehicles in Japan.
Overseas production broke previous record due to an increase in China, ASEAN countries and North America (SUV)
 - Non-Japanese – Sales will maintain the same level in North America, while exports to Europe will increase due to the weaker euro, despite the stagnant economy.

Forecast for the Year Ending March 31, 2011



(Billions of yen)	10/3	11/3					Full year <Original forecast>
	Full year <Actual>	1st half <Actual>	2nd half <Forecast>	Full year <Forecast>	Increase/ decrease YOY	Difference YOY	
Sales	587.6	352.8	347.2	700.0	+112.4	+19.1%	665.0
Operating income	11.3	20.3	21.7	42.0	+30.7	+271.7%	38.0
<%>	<1.9%>	<5.8%>	<6.3%>	<6.0%>			<5.7%>
Ordinary income	7.6	17.3	19.7	37.0	+29.4	+386.8%	33.0
Income before tax	6.3	17.3	19.7	37.0	+30.7	+487.3%	33.0
Net income	4.8	10.6	11.9	22.5	+17.7	+368.8%	21.0
<Exchange rate> (1US\$=)	(¥92.83)	(¥88.93)	(¥80)	(¥84.47)			(¥90)
(1EURO=)	(¥130.89)	(¥114.03)	(¥110)	(¥112.02)			(¥125)

Profitability Improvement Initiatives

- Reorganize global production structure
- Capital investment for Volume Zone market
- Productivity improvement initiatives
- External procurement costs
- Investment for rationalization, plant automation

Accelerate response speed to match changing demand

- Vigilance against signs of demand trends
- Quick response to demand changes
- Reduce inventory

Respond to cost-increase factors

- Price Increase against raw material cost up
- Strengthen response capability against Ex-Rate fluctuations (local production, procurement and optimal supply routes)

Forecast by Business Segment



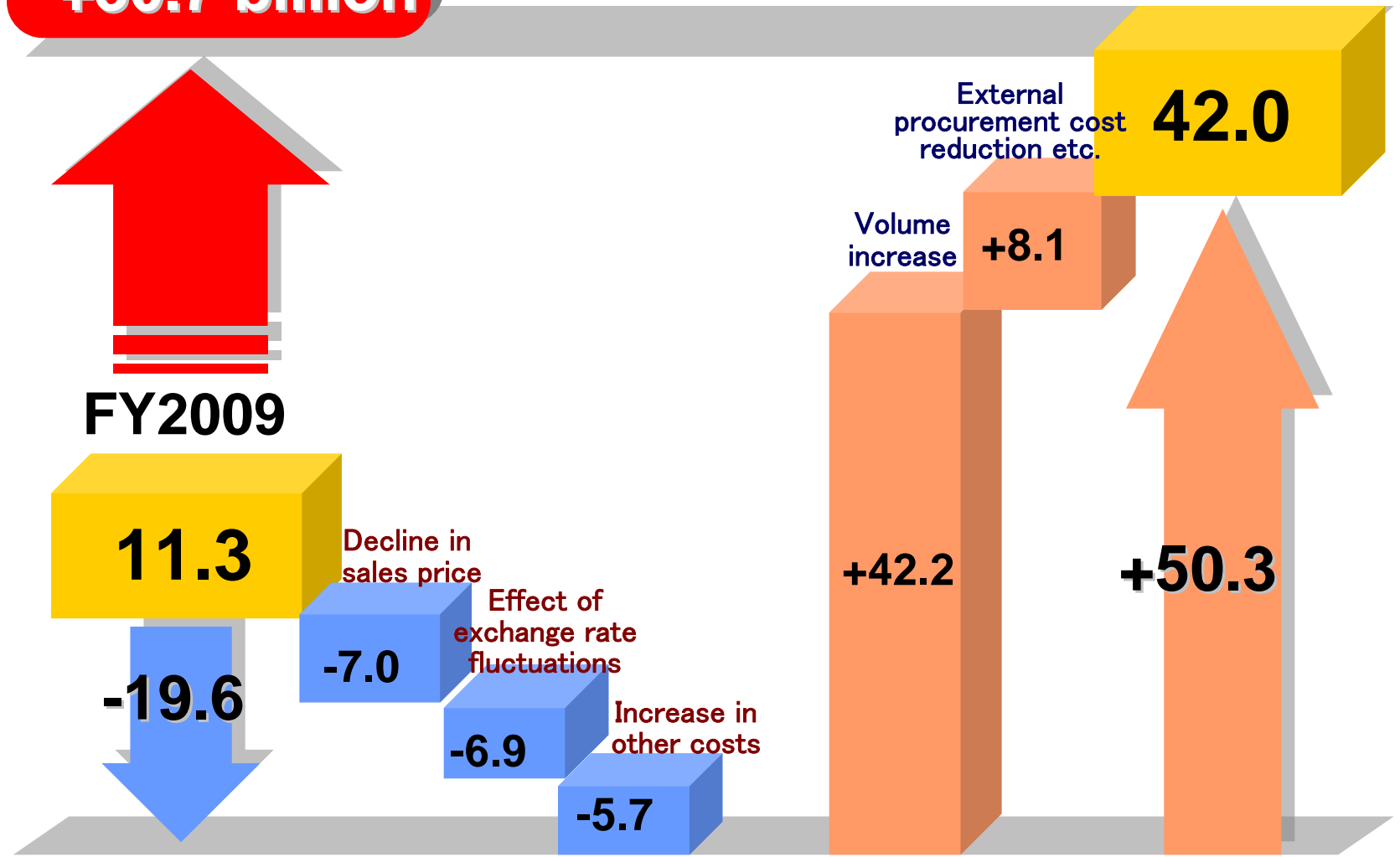
(Billions of yen)	10/3		11/3				
	Full year <Actual>	1st half <Actual>	2nd half <Revised forecast>	Full year <Revised forecast>	Increase/ decrease YOY	Change YOY	Full year <Original forecast>
Sales	587.6	352.8	347.2	700.0	+112.4	+19.1%	665.0
Industrial machinery business	202.0	127.5	126.0	253.5	+51.5	+25.5%	240.5
Industrial machinery bearings	166.9	98.7	97.3	196.0	+29.1	+17.4%	187.5
Precision machinery and parts	35.1	28.8	28.7	57.5	+22.4	+63.8%	53.0
Automotive business	366.4	212.2	213.3	425.5	+59.1	+16.1%	403.5
Automotive bearings	191.4	108.8	107.6	216.4	+25.0	+13.1%	208.5
Automotive components	175.0	103.4	105.7	209.1	+34.1	+19.5%	195.0
Other	34.9	26.1	26.1	52.2	+17.3	+49.6%	38.5
Eliminations	-15.7	-13.0	-18.2	-31.2	-15.5	-	-17.5
Operating income	11.3 <1.9%>	20.3 <5.8%>	21.7 <6.3%>	42.0 <6.0%>	+30.7	+271.7%	38.0 <5.7%>
Industrial machinery business	-1.7 <-0.8%>	8.2 <6.5%>	9.8 <7.8%>	18.0 <7.1%>	+19.7	-	15.0 <6.2%>
Automotive business	18.3 <5.0%>	13.6 <6.4%>	14.4 <6.8%>	28.0 <6.6%>	+9.7	+53.0%	27.0 <6.7%>
Other	-0.2 <-0.5%>	2.2 <8.3%>	1.4 <5.4%>	3.6 <6.9%>	+3.8	-	2.0 <5.2%>
Eliminations/ Corporate	-5.1	-3.7	-3.9	-7.6	-2.5	-	-6.0

Operating income : Factors Behind Increase (FY2009 ⇒ FY2010 Revised forecast)

(Billions of yen)

**FY2010 1st half
+30.7 billion**

FY2010 Revised forecast



Forecast by Customer Location

(Billions of yen)	10/3			11/3					Full year <Original forecast>
	1st half <Actual>	2nd half <Actual>	Full year <Actual>	1st half <Actual>	2nd half <Revised forecast>	Full year <Revised forecast>	Increase/ decrease YOY	Change YOY	
Sales	257.9	329.7	587.6	352.8	347.2	700.0	+112.4	+19.1%	665.0
Japan	126.8	162.7	289.5	176.0	175.2	351.2	+61.7	+21.3%	327.5
Non-Japan	131.1	167.0	298.1	176.8	172.0	348.8	+50.7	+17.0%	337.5
(Non-Japan ratio)	(50.8%)	(50.6%)	(50.7%)	(50.1%)	(49.5%)	(49.8%)			(50.8%)
The Americas	31.3	39.3	70.6	43.6	39.0	82.6	+12.0	+17.0%	77.0
Europe	45.5	53.0	98.5	49.5	47.1	96.6	-1.9	-1.9%	93.5
Asia	54.3	74.7	129.0	83.7	85.9	169.6	+40.6	+31.5%	167.0
(Asia-ratio)	(21.1%)	(22.7%)	(22.0%)	(23.7%)	(24.7%)	(24.2%)			

Forecast by Geographical Segment

(Billions of yen)	10/3			11/3					Full year <Original forecast>
	1st half <Actual>	2nd half <Actual>	Full year <Actual>	1st half <Actual>	2nd half <Revised forecast>	Full year <Revised forecast>	Increase/ decrease YOY	Change YOY	
Sales	257.9	329.7	587.6	352.8	347.2	700.0	+112.4	+19.1%	665.0
Japan	187.5	241.7	429.2	264.0	270.9	534.9	+105.7	+24.6%	510.0
The Americas	30.7	38.7	69.4	43.2	36.9	80.1	+10.7	+15.4%	76.0
Europe	46.4	54.2	100.6	50.5	46.1	96.6	-4.0	-4.0%	97.0
Asia	42.9	63.2	106.1	69.8	72.8	142.6	+36.5	+34.4%	136.0
Eliminations	-49.6	-68.1	-117.7	-74.7	-79.5	-154.2	-36.5	-	-154.0
Operating income	-3.9 <-1.5%>	15.2 <4.6%>	11.3 <1.9%>	20.3 <5.8%>	21.7 <6.3%>	42.0 <6.0%>	+30.7	+271.7%	38.0 <5.7%>
Japan	-5.1 <-2.7%>	9.1 <3.8%>	4.0 <0.9%>	14.8 <5.6%>	16.7 <6.2%>	31.5 <5.9%>	+27.5	+687.5%	26.0 <5.1%>
The Americas	0.1 <0.4%>	2.1 <5.4%>	2.2 <3.2%>	1.9 <4.4%>	1.5 <4.1%>	3.4 <4.2%>	+1.2	+54.5%	2.0 <2.6%>
Europe	2.2 <4.8%>	1.0 <1.8%>	3.2 <3.2%>	2.2 <4.3%>	1.1 <2.4%>	3.3 <3.4%>	+0.1	+3.1%	3.0 <3.1%>
Asia	1.7 <3.9%>	5.9 <9.3%>	7.6 <7.1%>	5.7 <8.2%>	6.5 <8.9%>	12.2 <8.6%>	+4.6	+60.5%	13.0 <9.4%>
Eliminations/ Corporate	-2.8	-2.9	-5.7	-4.3	-4.1	-8.4	-2.7	-	-6.0

3**Progress of Mid-term Plan**

Outline of the FY'09~FY'12 Mid-term Plan

Transition of the Mid-term plan (FY'09~FY'12)

Respond to paradigm shifts

Reorganize business foundation, aiming towards a 1trillion yen company

《Outline of the Mid-term Plan》

Net Sales ¥780.0 billion
Operating Income Margin 8.5%

Industrial Machinery Business

Automotive business

Growth Strategy

Expand sales for emerging countries

Expand Environment Infrastructure/Resource-related business

Technology Renovation

Enhance Business -based Management

Enhance Marketing

Reorganize global production sites

Accelerate new product development

Profitability Improvement

Pursuit of No.1 in Total Quality

Enhancement

Marketing Capability

Product Development Capability

Production capability

Global Management

Human Resource Development

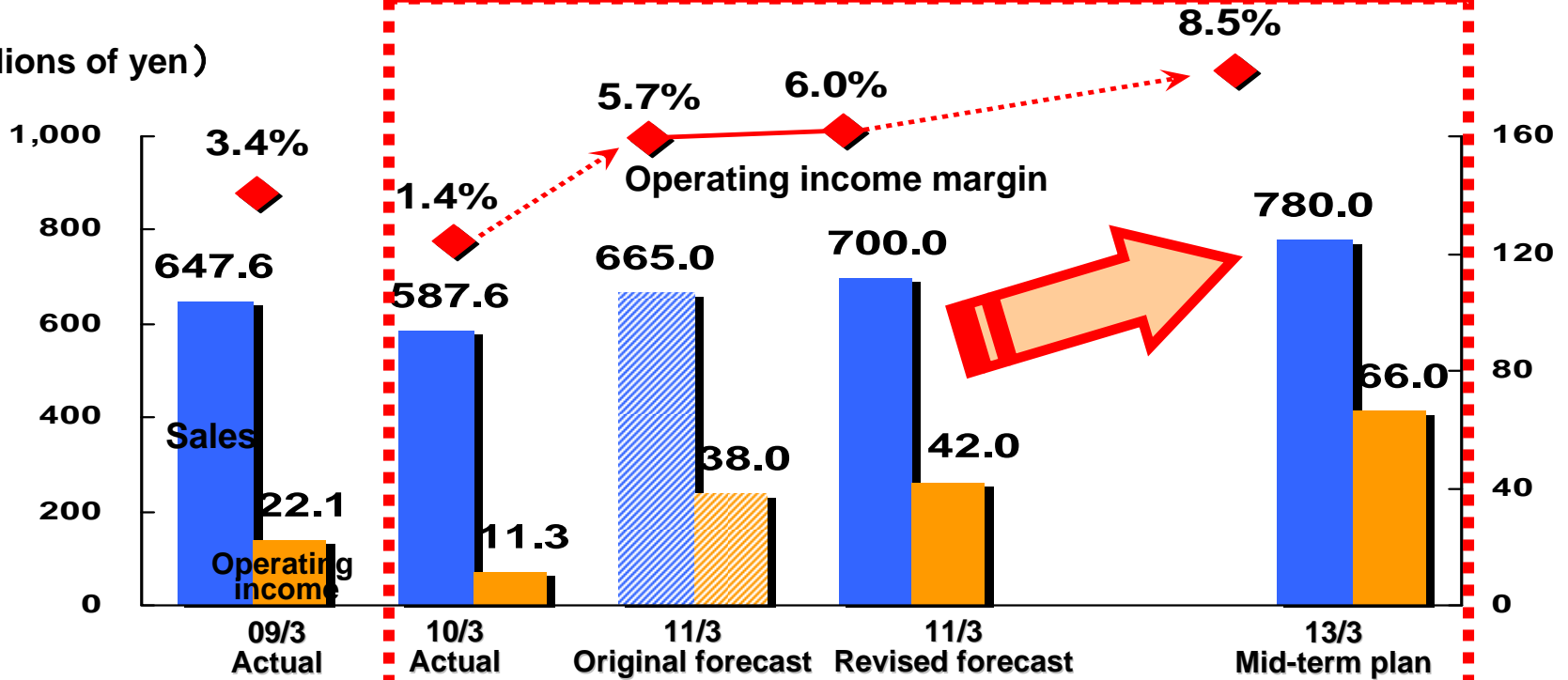
《Numerical Targets》

	13/3 Forecast
Net Sales	¥780.0 billion
Operating Income	¥66.0 billion
Ordinary Income	¥62.0 billion
Net Income	¥37.0 billion
Operating Income (margin)	8.5%
ROE	14.0%
Net D/E ratio (times)	0.5

Progress of the Mid-term Plan

FY'09~FY'12 Mid term Plan

(Billions of yen)



\$	¥100.74	¥92.83	¥90	¥84.47	
円	¥144.47	¥130.89	¥125	¥112.02	

¥90
¥120

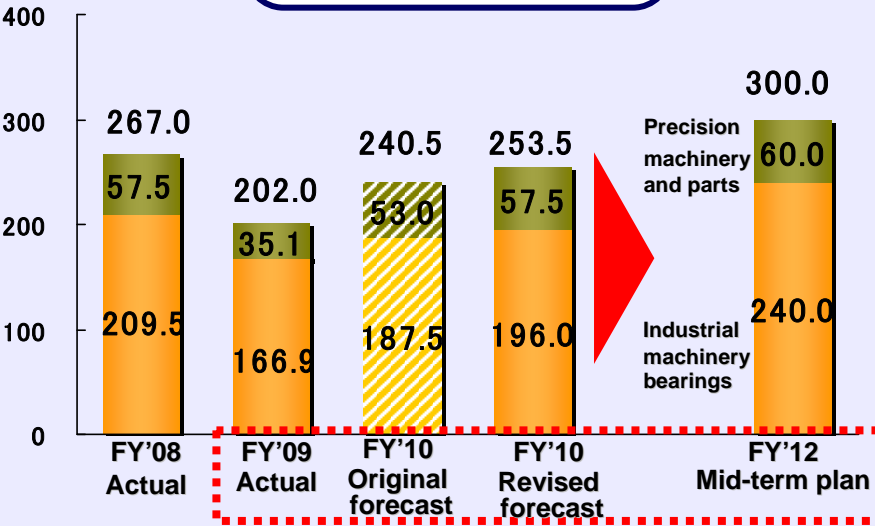
◎11/3 Forecast : We expect demand recovery and progress towards profitability improvement

⇒A satisfactory start towards 13/3 Forecast

Industrial machinery Business①

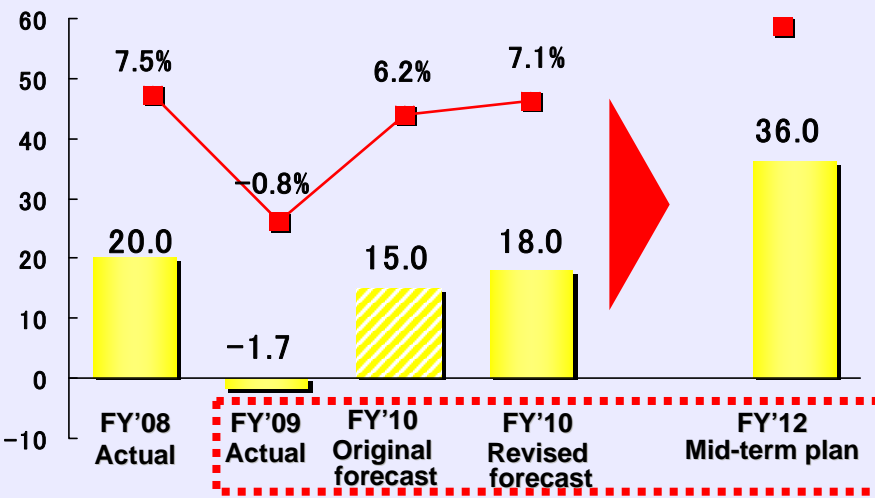
Sales

(Billions of yen)



Operating Income/Margin

(Billions of yen)



Progress of Mid-term plan

- ◆ Sales progressed steadily
- ◆ Achieve operating income target by expanding sales and implementing planned measures

Progress of Key strategies

◆ Industrial machinery bearings

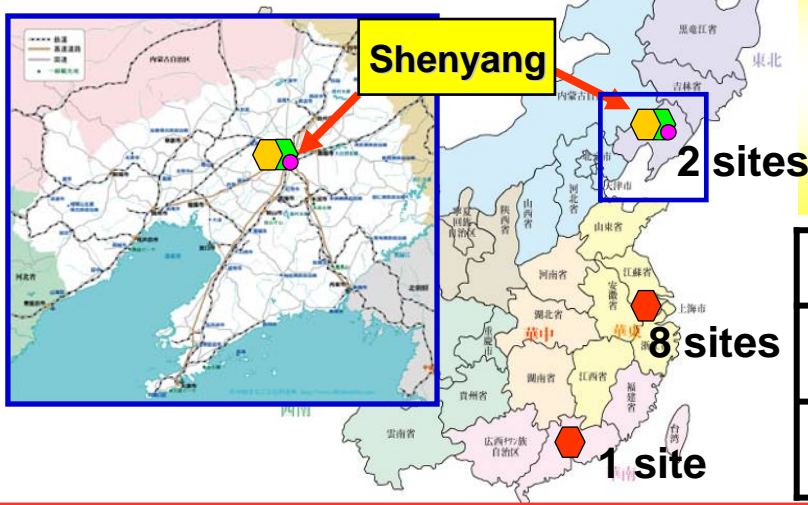
- ◆ Sales strategies
 - Enhance sector activities to capture OEM sales and to follow Aftermarket demand
 - Expand sales sites in emerging countries
 - Continue expanding aftermarket sales networks
- ◆ Enhance production capability
 - Strengthen overseas production in China and ASEAN countries.

◆ Precision machinery and parts

- ◆ Started ball-screw production in China
- ◆ Maximize production volume by revision of restructuring schedule
 - ⇒ Respond to demand recovery
- ◆ Move to profit improvement phase
 - Structural cost reductions by restructuring
 - Product Strategy Differentiation (Ball-screws)
Standardization (Linear guides)

Production development in Northeastern China (Shenyang)

Development of production sites in China



- ◆ Establish full line-up production
- ◆ Expand business from coastal area to northeast area
- ◆ Proactively expand sales to local customers

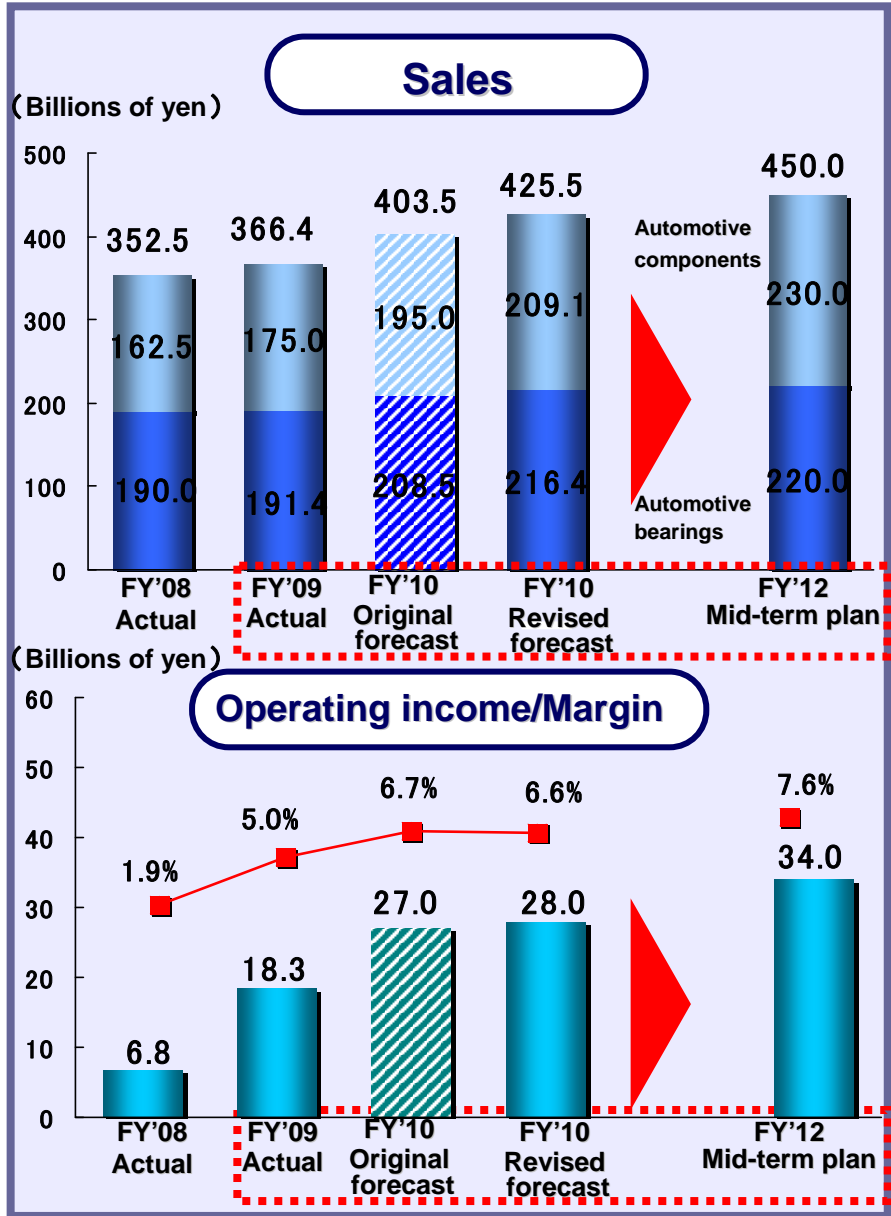
	Industrial bearing plant	Precision parts plant
Product types	Large-sized bearings	Ball-screws
Start of production	March, 2011 (Forecast)	April, 2010

Strengthen local production capability and promote local procurement

Enhance local production capability	Ball bearings	Optimal supply route, Expand local production
	Large-sized bearings	Production in China
	Precision parts	Develop production in China
Promote local procurement	Raw materials	Use Chinese and Korean materials
	Pre-processing	Expand localization
	Components	Expand local procurement and LCC procurement

- ◆ Expand production base in growth areas
- ◆ Respond to volume zone market
- ◆ Increase overseas production ratio in line with overseas sales ratio
- ◆ Improve resilience against exchange rate fluctuations

Automotive Business①



Progress of Mid-term plan

- ◆ Sales growing ahead of mid-term plan
- ◆ Focus comprehensively on profitability improvement, enhancing response capability to environmental changes

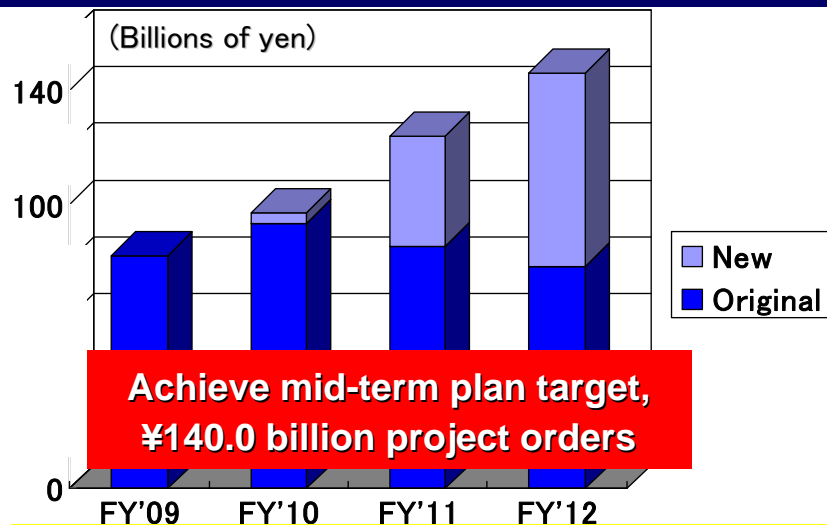
Progress of Key strategies

- ◆ **Growth strategies**
 - Respond to emerging countries and volume zone market.
 - Differentiate development by segment, region and vehicle type
 - Acquire EPS orders and capture demand for in-car motors
- ◆ **Production strategies**
 - Investment in plant automation
 - Expand overseas production and production at demand locations
 - Speed up global procurement measures
- ◆ **Enhance new technologies and products**
 - Established “Future Technology Development Center”

Automotive Business② 《Electric Power Steering (EPS) Systems》

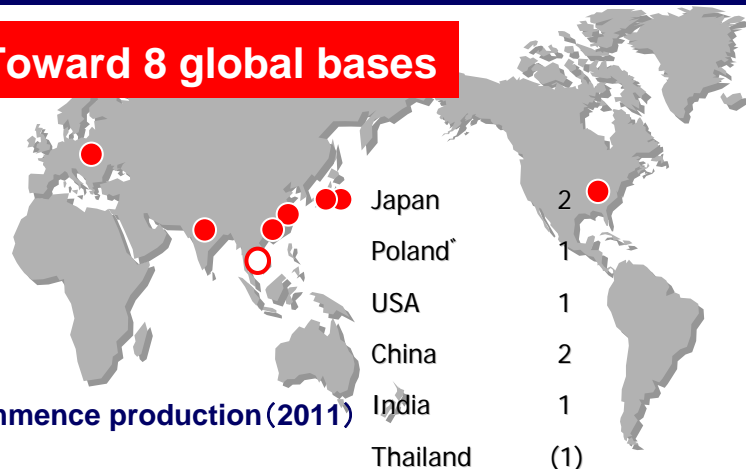
Respond to expanding orders and develop business foundation for next-generation orders

Status of mid-term plan orders (cumulative)



Develop global production bases

Toward 8 global bases



Progress of Key strategies

【Sales】

- Accomplish mid-term plan order target
- Acquire orders of next-generation models

【Production】

- Start mass production at 2nd site in China
- Expand production sites in emerging countries *Towards global 8 bases
- Production at demand locations, optimal parts supply routes

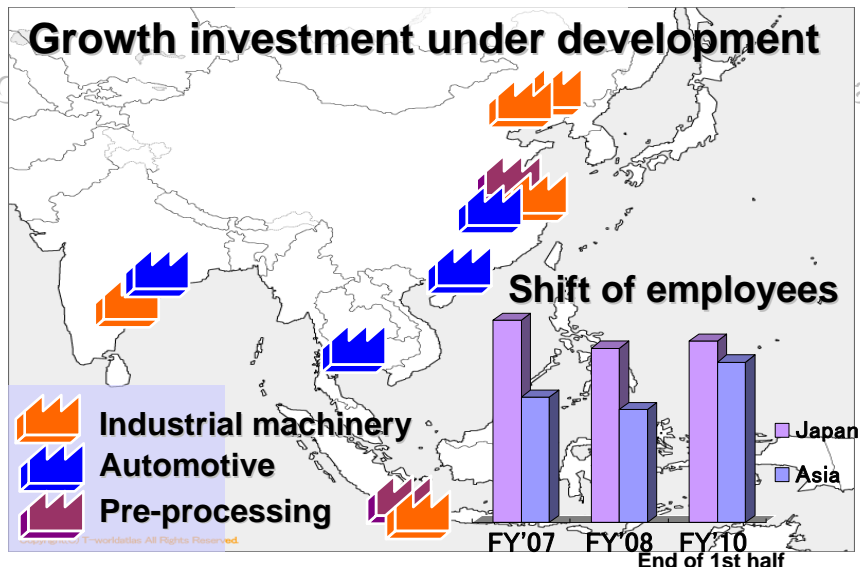
【Technology】

- Enhance technology resources *Utilize regional technology centers and establish global networks
- Enhance electronic component development *Established software development J/V

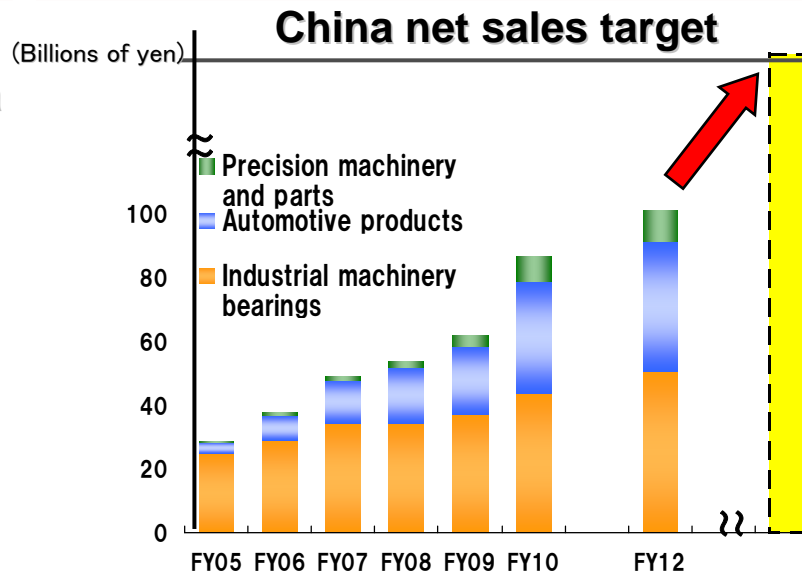
- ◆ Enhance response capability for global vehicle projects
- ◆ Upgrade project management system
- ◆ Upgrade EPS total system

Accelerate growth strategies in emerging countries

Growth investment for production in China



Accelerate growth strategies in China



◆ China

- Industrial machinery : Large-sized bearings
Ball screws
Ball bearings
- Automotive : EPS, HUB Bearings
- Pre-processing : Steel ball
Forge / Machining

◆ ASEAN countries

- Industrial machinery : Ball bearings
- Pre-processing : Machining
- Automotive : EPS

◆ India

- Industrial machinery : Ball bearings
- Automotive : Took majority shares

◆ Production

Establish full line-up production
⇒ Further capacity enhancement

◆ Sales

Continue to accelerate expansion of sales sites and distribution networks

◆ Technology

Speed-up product development in response to local needs, utilizing new R&D center

◆ Local headquarters

Enhance strategic management

Establish new growth strategy aimed at growth speed in China

(Supplementary Material)

(Supplementary Information) Capital expenditure, Depreciation and Amortization, R&D expenses

(Billions of yen)	10/3 Actual	11/3 1st half Actual	11/3 Forecast
Capital expenditure(*)	19.8	15.6	39.0
Japan	9.9	5.7	18.0
Non-Japan	9.9	9.9	21.0
The Americas	1.0	0.8	2.5
Europe	1.1	0.8	3.0
Asia	7.8	8.3	15.5

* Excluding intangible assets

(Billions of yen)	10/3 Actual	11/3 1st half Actual	11/3 Forecast
Depreciation and Amortization(*)	35.6	16.2	35.0

* Excluding intangible assets

(Billions of yen)	10/3 Actual	11/3 1st half Actual	11/3 Forecast
R&D Expenses	8.8	5.0	9.0