

NSK Ltd.

For Immediate Release

November 20, 2001

NON-CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2001 (unaudited)

Financial highlights

(Millions of yen)	Six months ended September 30		
	2001	2000	Change %
Net sales	¥ 155,467	¥ 172,083	-9.7
Operating income	1,900	7,329	-74.1
Ordinary income	1,025	7,274	-85.9
Net income (Yen)	1,601	5,458	-70.7
Net income per share	¥ 2.85	¥ 9.72	

Financial position

(Millions of yen)	As of	As of	As of
	September 30, 2001	September 30, 2000	March 31, 2001
Total assets	¥ 534,830	¥ 622,041	¥ 588,899
Shareholders' equity (%)	241,606	264,208	258,283
Shareholders' equity to total assets (Yen)	45.2%	42.5%	43.9%
Shareholders' equity per share	¥ 430.04	¥ 470.29	¥ 459.73

Non-consolidated balance sheets

(Millions of yen)	As of September 30, As of March 31,		Increase (Decrease)
	2001	2001	
Assets			
Current assets	¥ 195,131	¥ 224,293	¥ -29,162
Cash and deposits	3,566	1,324	2,242
Notes receivable	976	1,493	-517
Accounts receivable	97,310	118,514	-21,204
Marketable securities	21,886	22,310	-424
Treasury stock	0	0	0
Inventories	28,132	31,256	-3,124
Other receivables	18,603	19,680	-1,077
Deferred income taxes	2,171	2,164	7
Other current assets	22,802	27,782	-4,980
Less allowance for doubtful accounts	-318	-234	-84
Non-current assets	339,698	364,605	-24,907
Property, plant and equipment	95,744	105,631	-9,887
Buildings and structures	31,643	29,121	2,522
Machinery and equipment	41,414	50,410	-8,996
Vehicles and transportation equipment	205	245	-40
Tools and spare parts	2,705	3,033	-328
Land	15,198	16,757	-1,559
Construction in progress	4,577	6,064	-1,487
Intangible fixed assets	1,433	1,393	40
Investments and other assets	242,520	257,580	-15,060
Investment securities	81,769	110,008	-28,239
Investments in affiliated companies	151,847	140,909	10,938
Treasury stocks	343	343	—
Long-term loans	5,010	2,666	2,344
Other investments and assets	4,804	4,907	-103
Less allowance for doubtful accounts	-1,255	-1,255	0
Total assets	¥ 534,830	588,899	¥ -54,069

NSK Ltd. (Non-consolidated)

(Millions of yen)	As of September 30,	As of March 31,	Increase (Decrease)
	2001	2001	
Liabilities			
Current liabilities	¥ 159,487	¥ 172,559	¥ -13,072
Notes payable	7,181	11,881	-4,700
Accounts payable	73,797	78,643	-4,846
Short-term bank loans	44,518	44,518	—
Commercial paper	—	10,000	-10,000
Current portion of corporate bonds	10,000	—	10,000
Current portion of convertible bonds	270	273	-3
Other payables	10,588	10,545	43
Accrued expenses	9,825	11,466	-1,641
Accrued income taxes	2,485	2,303	182
Other current liabilities	820	2,926	-2,106
Long-term liabilities	133,736	158,055	-24,319
Corporate bonds	90,000	100,000	-10,000
Convertible bonds	16,989	16,989	—
Long-term debt	14,548	14,632	-84
Deferred tax liabilities	1,513	12,994	-11,481
Accrued employees' retirement benefits	8,727	11,364	-2,637
Accrued officers' retirement benefits	1,403	1,565	-162
Other long-term liabilities	554	511	43
Total liabilities	293,223	330,615	-37,392
Shareholders' equity			
Common stock	67,176	67,175	1
Statutory reserve	92,653	92,451	202
Capital surplus	82,360	82,359	1
Legal reserve	10,292	10,092	200
Retained earnings	71,865	72,278	-413
Voluntary reserve	66,498	61,884	4,614
Unappropriated retained earnings at the end of period	5,367	10,394	-5,027
(Included net income for the period)	(1,601)	(10,924)	(-9,323)
Unrealized holding gains on securities	9,910	26,378	-16,468
Total shareholders' equity	241,606	258,283	-16,677
Total liabilities and shareholders' equity	¥ 534,830	¥ 588,899	¥ -54,069

Non-consolidated statements of income

(Millions of yen)	Six months ended September 30		
	2001	2000	Change %
Net sales	¥ 155,467	¥ 172,083	-9.7
Cost of sales	135,582	146,409	-7.4
Selling, general and administrative expenses	17,984	18,345	-2.0
Operating income	<u>1,900</u>	<u>7,329</u>	<u>-74.1</u>
Non-operating income:	<u>2,687</u>	<u>5,623</u>	<u>-52.2</u>
Interest and dividend income	2,077	3,194	-35.0
Other	610	2,428	-74.9
Non-operating expenses:	<u>3,562</u>	<u>5,677</u>	<u>-37.2</u>
Interest expense	1,661	2,683	-38.1
Other	1,900	2,994	-36.5
Ordinary income	<u>1,025</u>	<u>7,274</u>	<u>-85.9</u>
Extraordinary income:	<u>9,506</u>	<u>18,096</u>	<u>-47.5</u>
Gain on sales of investment securities	229	1,113	-79.4
Gain on sales of property, plant and equipment	9,276	—	—
Gain on contribution of securities to employees' retirement benefit trust	—	16,983	—
Extraordinary losses:	<u>5,135</u>	<u>19,280</u>	<u>-73.4</u>
Support expenses for affiliated companies, etc.	3,548	2,185	62.4
Loss on devaluation of investment securities	1,586	—	—
Amortization of net retirement benefit obligation at transition	—	16,963	—
Loss on sales of investments in affiliated companies	—	131	—
Income before income taxes	<u>5,396</u>	<u>6,090</u>	<u>-11.4</u>
Income taxes:			
Current	3,005	1,800	66.9
Deferred	790	-1,167	—
Net income	<u>¥ 1,601</u>	<u>¥ 5,458</u>	<u>-70.7</u>
Unappropriated retained earnings brought forward	3,765	1,322	
Unappropriated retained earnings at end of period	<u>¥ 5,367</u>	<u>¥ 6,780</u>	

Forecast for the year ending March 31, 2002

	(Millions of yen)
Net sales	¥ 304,000
Ordinary income	-1,300
Net income	500

Notes

All forecasts are based on a number of assumptions and subject to significant risks and uncertainties. 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.