

# NSK Ltd.

(URL <http://www.nsk.com>)

For Immediate Release

October 29, 2004

## NON-CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2004 (unaudited)

### Financial highlights

	Six months ended September 30		Change %
	2004	2003	
(Millions of yen)			
Net sales	¥188,724	¥166,225	13.5
Operating income	5,727	4,787	19.6
Ordinary income	4,651	2,836	64.0
Net income	3,243	3,072	5.6
(Yen)			
Net income per share	¥ 6.01	¥ 5.69	

### Financial position

	As of	As of
	September 30, 2004	March 31, 2004
(Millions of yen)		
Total assets	¥ 574,263	¥ 566,471
Shareholders' equity	230,540	231,175
(%)		
Shareholders' equity to total assets	40.1%	40.8%
(Yen)		
Shareholders' equity per share	¥ 426.91	¥ 427.78

# Non-consolidated balance sheets

(Millions of yen)	As of September 30, As of March 31,		Increase Decrease
	2004	2004	
<b>Assets</b>			
Current assets	¥ 200,391	¥ 217,925	¥ -17,534
Cash and deposits	13,126	27,552	-14,426
Notes receivable	1,088	986	102
Accounts receivable – trade	106,446	105,320	1,126
Marketable securities	8,572	8,496	76
Inventories	18,269	16,230	2,039
Accounts receivable – other	24,403	24,280	123
Deferred income taxes	6,298	7,308	-1,010
Other current assets	22,256	27,780	-5,524
Less allowance for doubtful accounts	-69	-28	-41
Non-current assets	373,871	348,546	25,325
Property, plant and equipment	74,335	72,876	1,459
Buildings and structures	29,187	29,518	-331
Machinery and equipment	25,327	23,847	1,480
Vehicles and transportation equipment	98	107	-9
Tools and spare parts	2,045	2,009	36
Land	15,128	15,154	-26
Construction in progress	2,548	2,238	310
Intangible fixed assets	2,022	1,778	244
Investments and other assets	297,513	273,891	23,622
Investment securities	56,724	59,698	-2,974
Investments in affiliated companies	171,469	170,865	604
Long-term loans	30,083	17,567	12,516
Prepaid pension costs	35,669	21,972	13,697
Other investments and assets	4,657	4,874	-217
Less allowance for doubtful accounts	-1,091	-1,087	-4
<b>Total assets</b>	<b>¥ 574,263</b>	<b>¥ 566,471</b>	<b>¥ 7,792</b>

**Non-consolidated balance sheets** (Continued)

(Millions of yen)	As of September 30,	As of March 31,	Increase Decrease
	2004	2004	
<b>Liabilities</b>			
Current liabilities	¥ 205,088	¥ 197,907	¥ 7,181
Notes payable	2,407	3,268	-861
Accounts payable – trade	99,170	94,394	4,776
Short-term loans	57,655	47,672	9,983
Current portion of corporate bonds	10,000	20,000	-10,000
Current portion of convertible bonds	16,989	16,989	—
Accounts payable – other	10,275	7,358	2,917
Accrued expenses	7,954	7,733	221
Accrued income taxes	223	63	160
Other current liabilities	412	427	-15
Long-term liabilities	138,633	137,389	1,244
Corporate bonds	70,000	70,000	—
Long-term loans	49,500	52,500	-3,000
Deferred tax liabilities	13,056	12,851	205
Accrued officers' retirement benefits	138	1,729	-1,591
Other long-term liabilities	5,938	308	5,630
<b>Total liabilities</b>	<b>343,722</b>	<b>335,296</b>	<b>8,426</b>
<b>Shareholders' equity</b>			
Common stock	67,176	67,176	—
Capital surplus	77,924	77,924	0
Capital reserve	77,923	77,923	—
Other reserves	0	0	0
Gain on disposal of NSK treasury stock	0	0	0
Retained earnings	72,628	71,695	933
Legal reserve	10,292	10,292	—
Other reserve	57,460	57,501	-41
Unappropriated retained earnings at the end of period	4,876	3,902	974
Unrealized holding gains on securities	16,869	18,416	-1,547
NSK treasury stock	-4,058	-4,038	-20
<b>Total shareholders' equity</b>	<b>230,540</b>	<b>231,175</b>	<b>-635</b>
<b>Total liabilities and shareholders' equity</b>	<b>¥ 574,263</b>	<b>¥ 566,471</b>	<b>¥ 7,792</b>

# Non-consolidated statements of operations

(Millions of yen)	Six months ended September 30		
	2004	2003	Change %
Net sales	¥ 188,724	¥ 166,225	13.5
Cost of sales	164,504	143,296	14.8
Selling, general and administrative expenses	18,492	18,141	1.9
Operating income	<u>5,727</u>	<u>4,787</u>	<u>19.6</u>
Non-operating income:	<u>1,759</u>	<u>2,068</u>	<u>-15.0</u>
Interest and dividend income	1,173	1,545	-24.1
Other	585	522	12.0
Non-operating expenses:	<u>2,834</u>	<u>4,019</u>	<u>-29.5</u>
Interest expenses	1,555	1,734	-10.3
Other	1,279	2,284	-44.0
Ordinary income	<u>4,651</u>	<u>2,836</u>	<u>64.0</u>
Extraordinary income:	<u>1,011</u>	<u>2,206</u>	<u>-54.2</u>
Gain on sales of investment securities	756	2,206	-65.7
Gain on transfer to defined contribution pension plan	254	—	—
Extraordinary losses:	<u>90</u>	<u>—</u>	<u>—</u>
Loss on devaluation of investment securities	90	—	—
Income before income taxes	<u>5,571</u>	<u>5,043</u>	<u>10.5</u>
Income taxes:			
Current	82	87	-5.7
Deferred	2,246	1,884	19.2
Net income	<u>¥ 3,243</u>	<u>¥ 3,072</u>	<u>5.6</u>
Unappropriated retained earnings brought forward	1,633	2,084	
Interim dividends paid	—	—	
Unappropriated retained earnings at end of period	<u>¥ 4,876</u>	<u>¥ 5,156</u>	

# Forecast for the year ending March 31, 2005

	(Millions of yen)
Net sales	¥ 392,000
Operating income	12,500
Ordinary income	10,000
Net income	6,500
	(Yen)
Cash dividends per share to be paid	
Interim	¥ 5.50
Annual (total)	11.00

## 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.