

NSK

CONSOLIDATED BUSINESS RESULTS

**FOR THE THIRD QUARTER
ENDED DECEMBER 31, 2011**

FEBRUARY 3, 2012

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

Summary of Consolidated Business Results for FY 2010:3Q



Business Results for FY2011:Q3

✓ Consolidated Business Results for FY 2011:3Q (Oct.-Dec.)

Net sales	¥184.7 billion	(From last 3Q: +¥4.8 billion/2.7% increase)
Operating income	¥10.3 billion	(From last 3Q: -¥2.3 billion/18.8% decrease)
Net income	¥5.8 billion	(From last 3Q: -¥2.2 billion/28.3% decrease)

◎Sales increased while profit decreased YoY.

✓ Business Environment

- ◎Industrial machinery While sales in the machine tool sector were steady, sales in the electrical and construction machinery sectors slowed.
- ◎Automobile production Despite the impact of the Thailand Floods, profit increased thanks to newly launched EPS projects.

Expected Business Performance for FY 2011

Downward revisions were made to both sales and profit forecasts announced on October 31, 2011

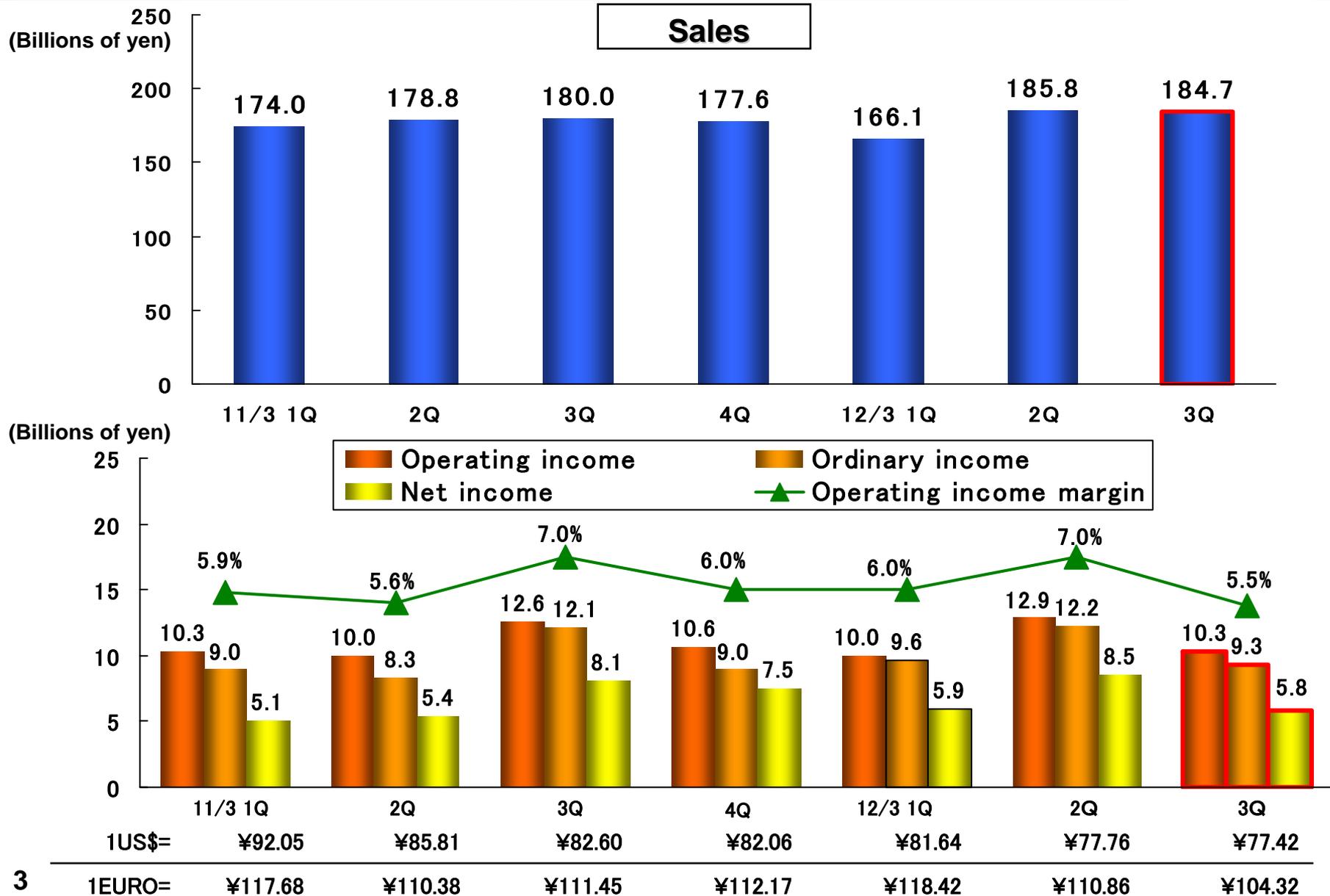
- ✓ Due to concerns about the impact of European sovereign debt crisis, the outlook for the demand environment in 4Q is unclear.
→ Carefully watch demand trends and implement profitability improvement initiatives.
(Ex. Lower labor cost and SAG etc.)

Summary of Consolidated Business Results for FY 2011:3Q



(Billions of yen)	'11/3			'12/3				Full year <Forecast announced on 3,February>	Full year <Forecast announced on 31, October>
	Q3 <Actual>	Apr-Dec <Actual>	Full year <Actual>	3Q <Actual>	YOY %	Apr-Dec <Actual>	YOY %		
Sales	180.0	532.7	710.4	184.7	+2.7%	536.6	+0.7%	720.0	730.0
Operating income	12.6	32.9	43.5	10.3	-18.8%	33.2	+0.8%	43.0	50.0
<%>	<7.0%>	<6.2%>	<6.1%>	<5.5%>		<6.2%>		<6.0%>	<6.8%>
Ordinary income	12.2	29.5	38.6	9.3	-23.7%	31.1	+5.4%	39.0	46.0
Profit before tax	11.8	29.2	38.2	8.5	-28.6%	30.3	+3.8%	38.2	46.0
Net income	8.1	18.6	26.1	5.8	-28.3%	20.2	+8.3%	26.0	31.0
(Rate: 1US\$=) (" 1EURO=)	(¥82.60) (¥111.45)	(¥86.82) (¥113.17)	(¥85.63) (¥112.92)	(¥77.42) (¥104.32)		(¥78.94) (¥111.20)		(¥77.96) (¥108.40)	(¥77.35) (¥109.82)

Quarterly Business Performance



Results by Business Segment



(Billions of yen)		'11/3			'12/3				Full year <small><Forecast announced on 3. February></small>
		Q3 <small><Actual></small>	Apr-Dec <small><Actual></small>	Full year <small><Actual></small>	3Q <small><Actual></small>	YOY %	Apr-Dec <small><Actual></small>	YOY %	
Total	Sales	180.0	532.7	710.4	184.7	+2.7%	536.6	+0.7%	720.0
	Operating Income	12.6	32.9	43.5	10.3	-18.8%	33.2	+0.8%	43.0
	%	7.0%	6.2%	6.1%	5.5%		6.2%		6.0%
Industrial machinery business	Sales	65.4	192.9	259.1	60.8	-7.1%	193.9	+0.5%	252.0
	Industrial machinery bearings	49.7	148.5	199.9	50.5	+1.5%	159.2	+7.2%	207.0
	Precision machinery and parts	15.7	44.4	59.2	10.3	-34.6%	34.7	-22.0%	45.0
	Operating Income	6.0	14.2	20.4	5.8	-4.5%	20.8	+45.9%	25.5
	%	9.2%	7.4%	7.9%	9.5%		10.7%		10.1%
Automotive Business	Sales	107.5	319.6	424.2	116.9	+8.7%	317.0	-0.8%	436.0
	Automotive bearings	54.0	162.8	216.7	56.6	+4.8%	159.9	-1.8%	217.0
	Automotive components	53.5	156.8	207.5	60.3	+12.8%	157.1	+0.1%	219.0
	Operating Income	7.4	21.0	26.9	5.8	-20.9%	15.0	-28.3%	21.5
	%	6.9%	6.6%	6.3%	5.0%		4.7%		4.9%
Others	Sales	14.0	40.1	53.1	14.2	+1.8%	47.0	+17.2%	60.0
	Operating Income	9.0	3.0	3.5	0.6	-33.4%	2.6	-14.0%	3.0
	%	6.4%	7.6%	6.6%	4.2%		5.6%		5.0%
Eliminations (Sales)		-6.9	-19.9	-26.0	-7.2		-21.3		-28.0
Eliminations/Corporate		-1.7	-5.3	-7.3	-1.9		-5.2		-7.0

Business Segment Information

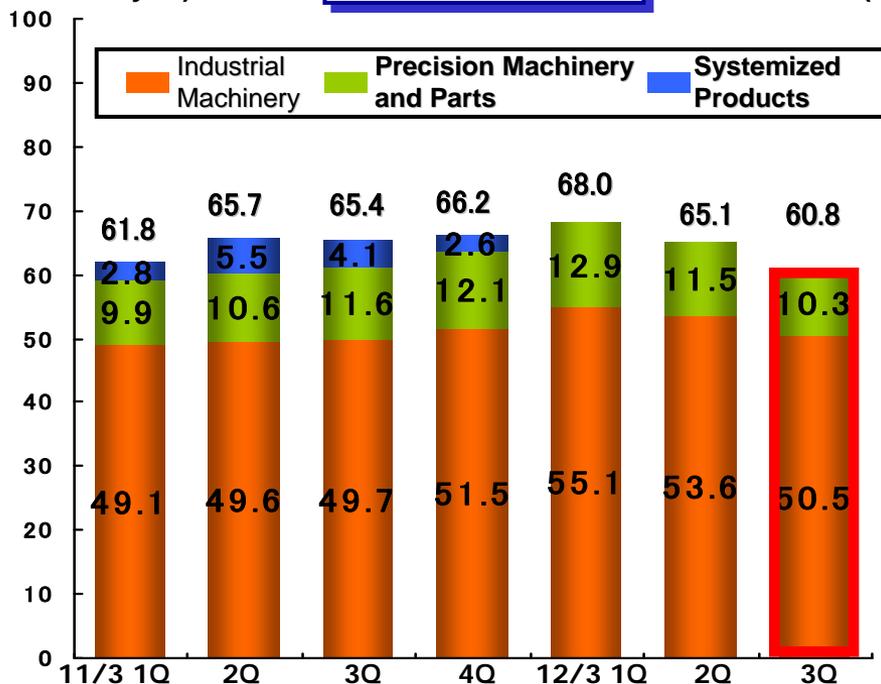
— Industrial Machinery Business



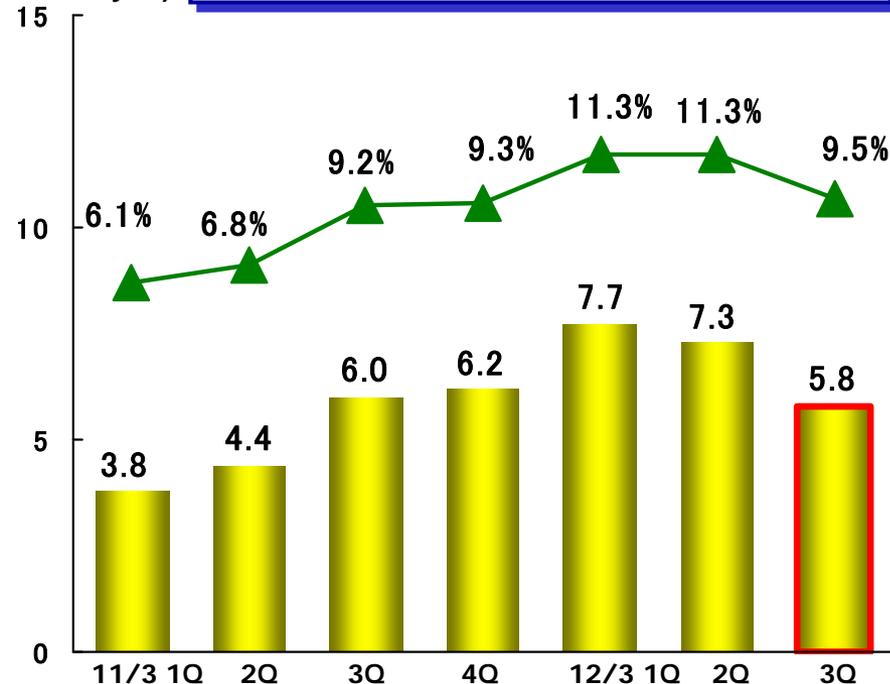
Sales

Operating income/margin

(Billions of yen)



(Billions of yen)



Compared to the same period last year

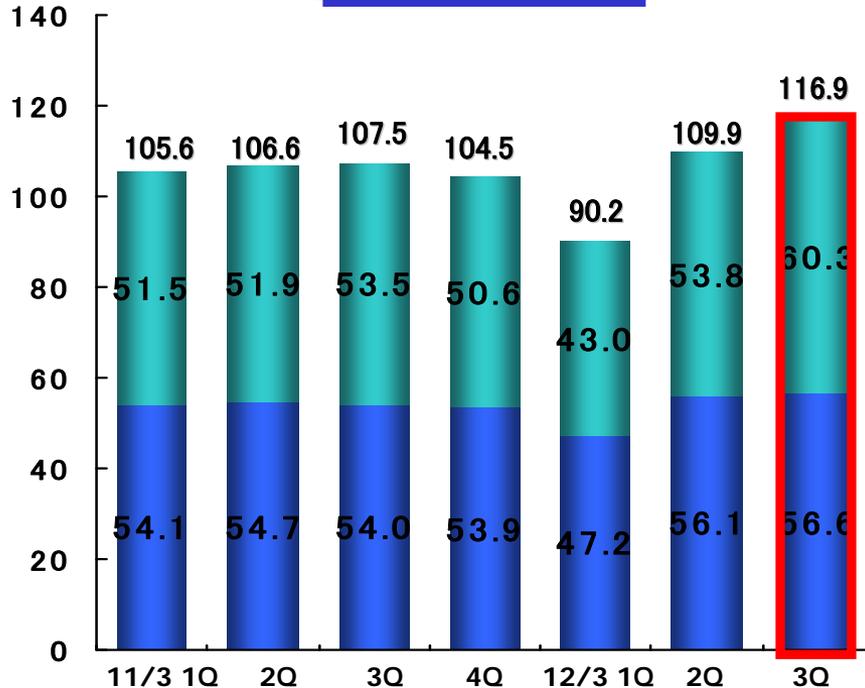
- In the industrial machinery bearing sector, sales to the machine tool and aftermarket were strong while sales to the electrical and construction machinery sectors slowed. 3Q sales totaled ¥60.8 billion, a 7.1% YoY decrease.
- Despite efforts to reduce external procurement cost and an increase in productivity, operating income in 3Q totaled ¥5.8 billion, a 4.5% YoY decrease, due to the appreciation of the Japanese yen and decrease in sales volume.

Business Segment Information – Automotive Business



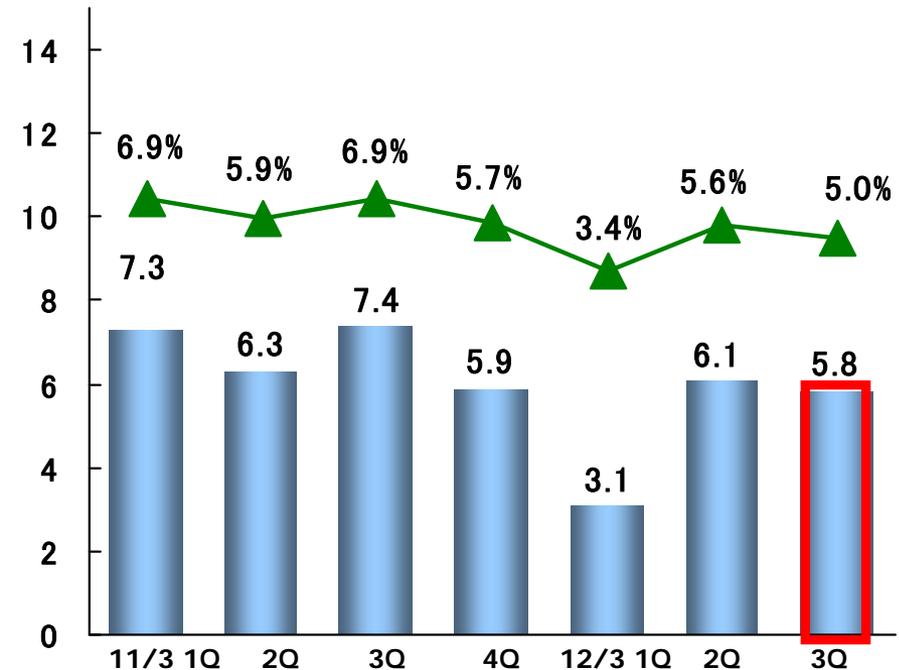
Sales

(Billions of yen)



Operating income/margin

(Billions of yen)



Compared to the same period last year

- Despite the impact of the Thailand Floods, 3Q sales reached ¥116.9 billion, an 8.7% YoY increase supported by newly launched EPS projects etc.
- 3Q operating income was ¥5.8 billion, a 20.9% YoY decrease due to the appreciation of the Japanese yen and higher material costs.

Results by Geographical Segment



(Billions of yen)		'11/3			'12/3				
		Q3 <Actual>	Apr-Dec <Actual>	Full year <Actual>	3Q <Actual>	YOY %	Apr-Dec <Actual>	YOY %	Full year <Forecast announced on 3,February>
Total	Sales	180.0	532.7	710.4	184.7	+2.7%	536.6	+0.7%	720.0
	Operating income	12.6	32.9	43.5	10.3	-18.8%	33.2	+0.8%	43.0
	%	7.0%	6.2%	6.1%	5.5%		6.2%		6.0%
Japan	Sales	139.5	403.5	532.3	140.0	+0.4%	402.7	-0.2%	540.0
	Operating income	10.4	25.2	32.4	8.6	-17.6%	26.1	+3.4%	33.5
	%	7.5%	6.3%	6.1%	6.1%		6.5%		6.2%
The Americas	Sales	19.6	62.8	84.7	20.9	+6.2%	59.8	-4.8%	82.0
	Operating income	0.7	2.6	4.1	0.7	-5.7%	2.5	-5.9%	3.5
	%	3.8%	4.2%	4.8%	3.3%		4.2%		4.3%
Europe	Sales	26.0	76.5	105.1	24.3	-6.4%	80.0	+4.6%	104.0
	Operating income	1.2	3.4	4.8	0.5	-54.9%	2.1	-37.8%	2.5
	%	4.7%	4.4%	4.5%	2.3%		2.6%		2.4%
Asia	Sales	34.6	104.4	140.8	40.6	+17.1%	119.0	+14.0%	161.0
	Operating income	2.4	8.1	11.1	2.6	+9.1%	8.4	+3.8%	11.5
	%	7.0%	7.8%	7.9%	6.5%		7.1%		7.1%
Eliminations (Sales)		-39.7	-114.5	-152.5	-41.1		-124.9		-167.0
Eliminations/Corporate		-2.1	-6.4	-8.9	-2.1		-5.9		-8.0

Results by Geographical Segment



Japan

■ Sales (Left)
◆ Operating income (Right)

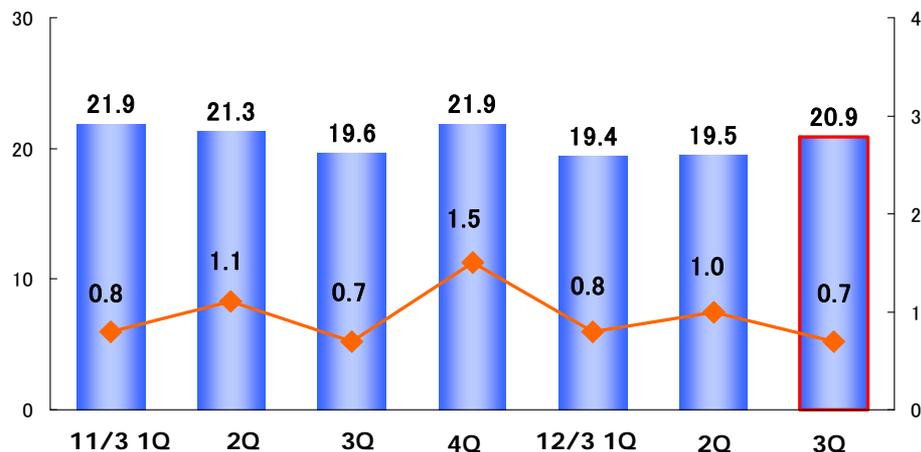
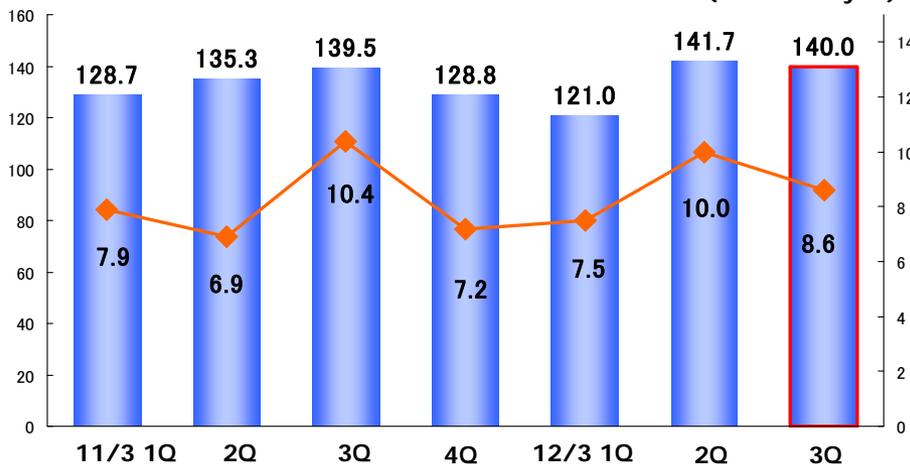
The Americas

(Billions of yen)

(Billions of yen)

(Billions of yen)

(Billions of yen)



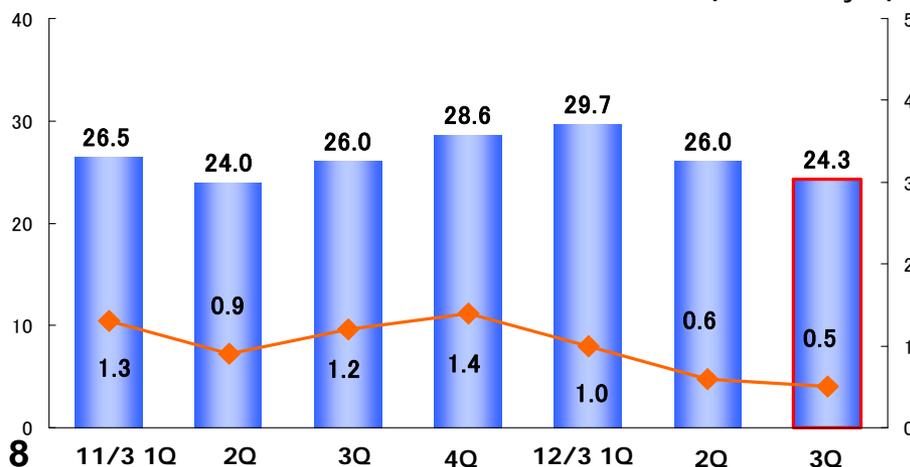
Europe

(Billions of yen)

(Billions of yen)

(Billions of yen)

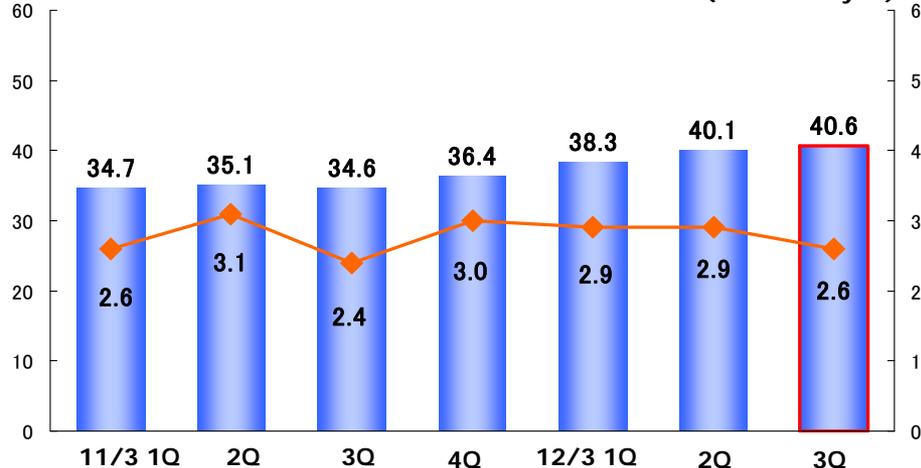
(Billions of yen)



Asia

(Billions of yen)

(Billions of yen)



Results by Customer Location



(Billions of yen)	'11/3			'12/3				Full year <Forecast announced on 3,February>
	Q3 <Actual>	Apr-Dec <Actual>	Full year <Actual>	3Q <Actual>	YOY %	Apr-Dec <Actual>	YOY %	
Sales	180.0	532.7	710.4	184.7	+2.7%	536.6	+0.7%	720.0
Japan	93.4	269.3	354.5	96.7	+3.6%	267.6	-0.6%	360.5
Non-Japan	86.6	263.4	355.9	88.0	+1.7%	269.0	+2.1%	359.5
(Non-Japan Ratio)	(48.2%)	(49.4%)	(50.1%)	(47.7%)		(50.1%)		(49.9%)
The Americas	19.6	63.3	85.5	20.8	+5.9%	59.8	-5.6%	82.5
Europe	24.7	74.1	102.2	24.4	-1.3%	79.1	+6.8%	102.5
Asia	42.3	126.0	168.2	42.8	+1.4%	130.1	+3.3%	174.5
(Asia Ratio)	(23.6%)	(23.7%)	(23.7%)	(23.2%)		(24.2%)		(24.2%)
China only	19.2	62.3	82.6	23.2	+20.8%	68.0	+9.2%	90.0

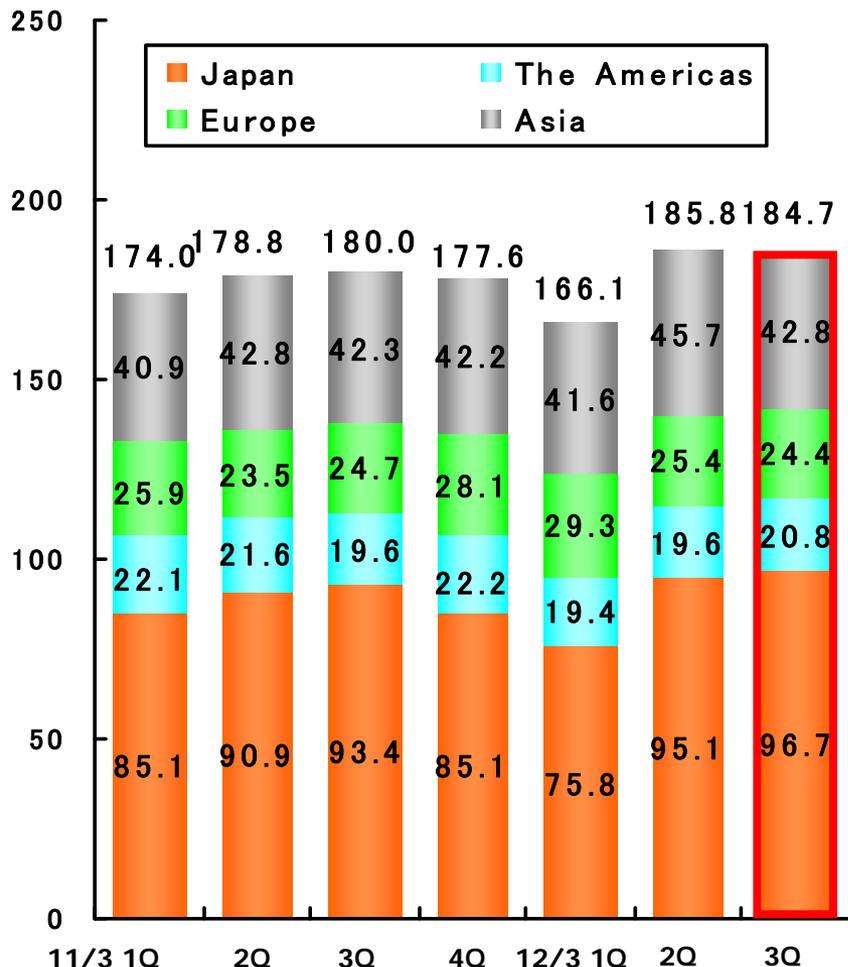
Results by Customer Location



Net sales by customer location Quarterly business performance

(Billions of yen)

Compared to 2Q



Asia: Despite the impact of the Thailand Floods, sales in the automotive business increased due to EPS demand expansion. In the industrial machinery business, sales to infrastructure-related equipment manufacturers decreased. 3Q sales decreased 6.0% from 2Q.

Europe: Sales in the automotive business increased supported by export increase due to the weak Euro. Sales in the industrial machinery business decreased due to a decline in orders impacted by the economic downturn. 3Q sales decreased 4.0% from 2Q.

The Americas: Sales in the automotive business increased due to Japanese automakers' production recovery from the earthquake and production expansion by non-Japanese automakers. 3Q sales increased 6.0% from 2Q.

Japan: Despite decrease in export sales for industrial machinery and precision machinery and parts, automotive sales increased due to production recovery and EPS demand growth. 3Q sales increased 1.6% from 2Q.

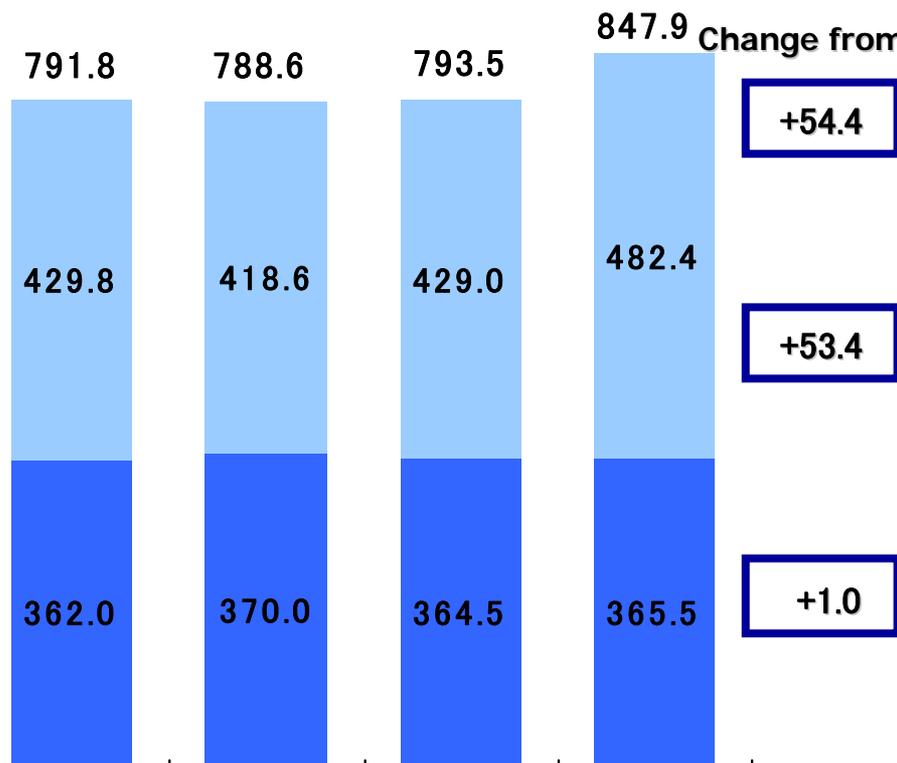
Consolidated Balance Sheet



Assets

■ Non-current assets ■ Current assets

(Billions of yen)



Change from 2Q

+54.4

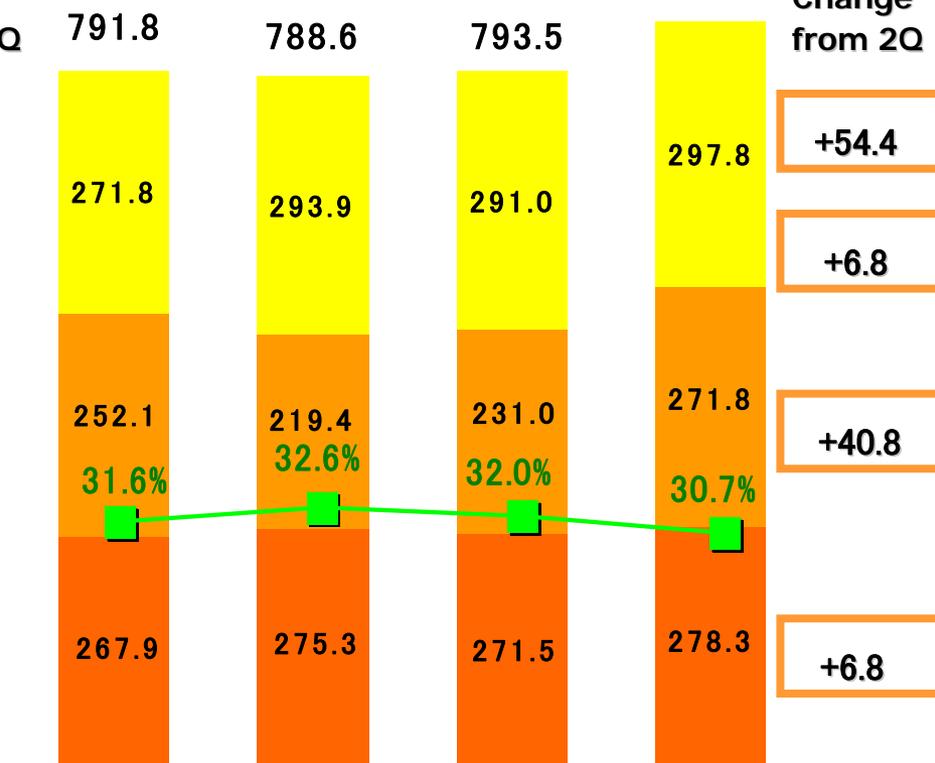
+53.4

+1.0

Liabilities and net assets

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

(Billions of yen)



Change from 2Q

+54.4

+6.8

+40.8

+6.8

11/3 End of 3Q 11/3 End of 4Q 12/3 End of 2Q 12/3 End of 3Q

1USD=	81.49	83.15	76.65	77.74
1Euro=	107.90	117.57	104.11	100.71

1USD=	81.49	83.15	76.65	77.74
1Euro=	107.90	117.57	104.11	100.71

Inventories, Interest-bearing Debt



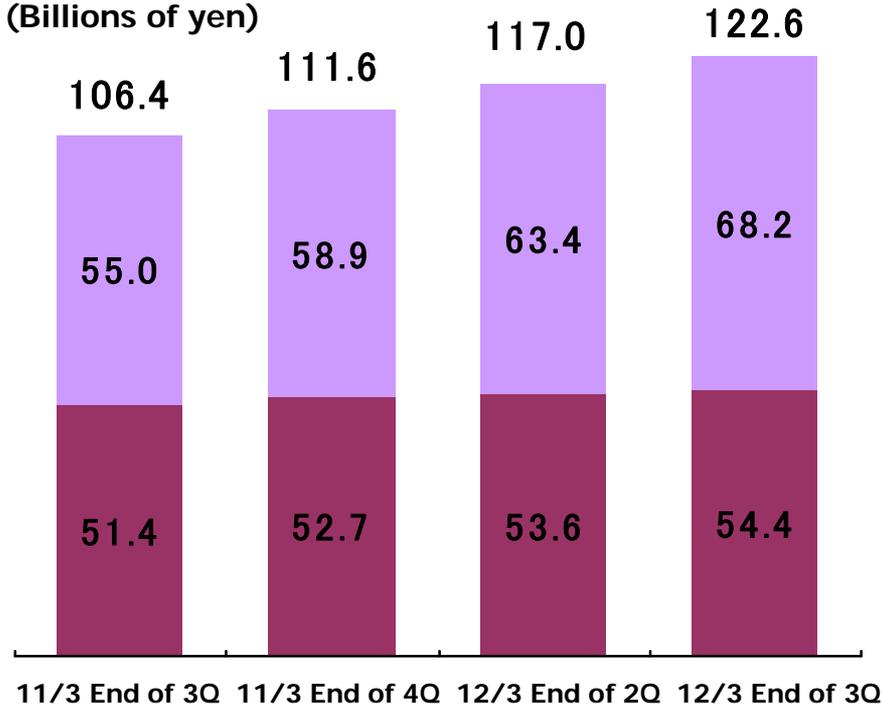
Inventories

Japan Non-Japan Inventory turnover

(Times)



(Billions of yen)



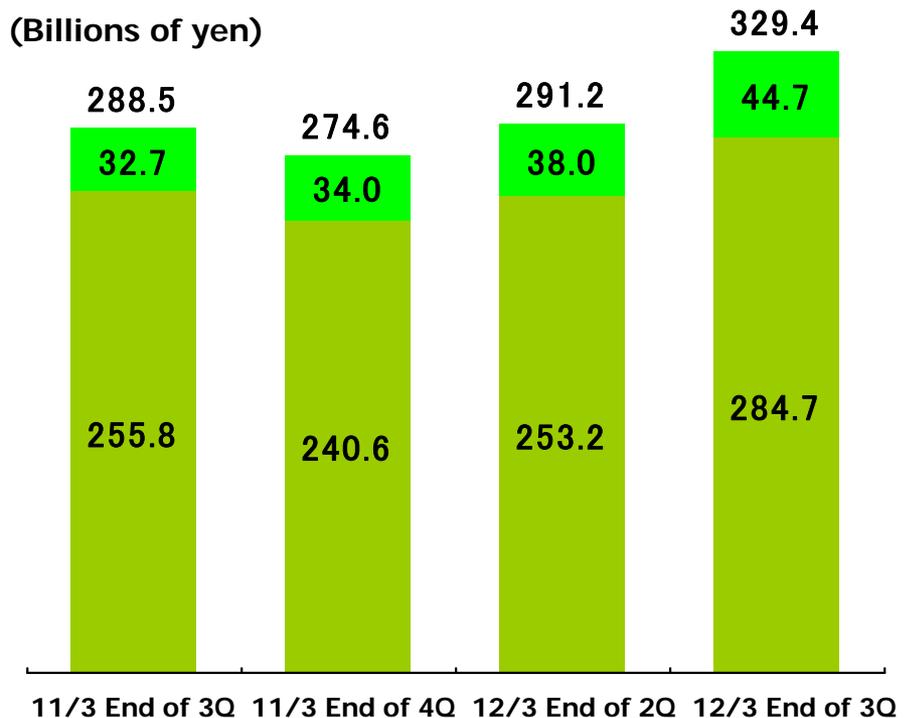
Interest-bearing debt

Japan Non-Japan Net D/E ratio

(Times)



(Billions of yen)

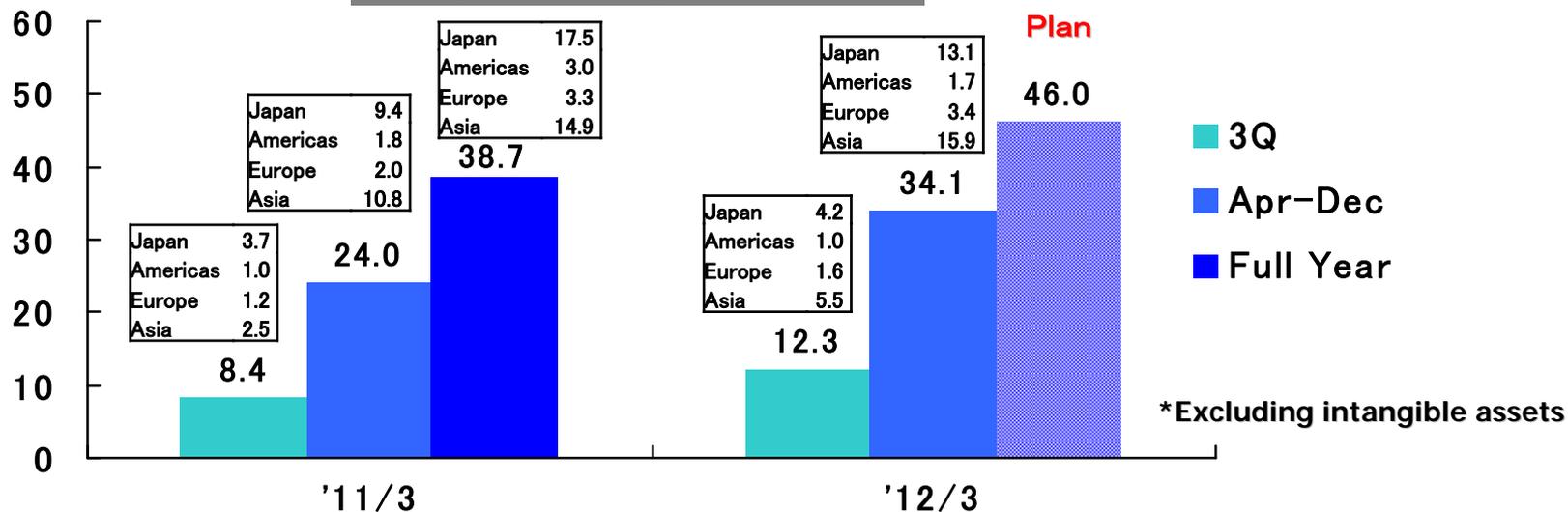


Capital Expenditure, Depreciation



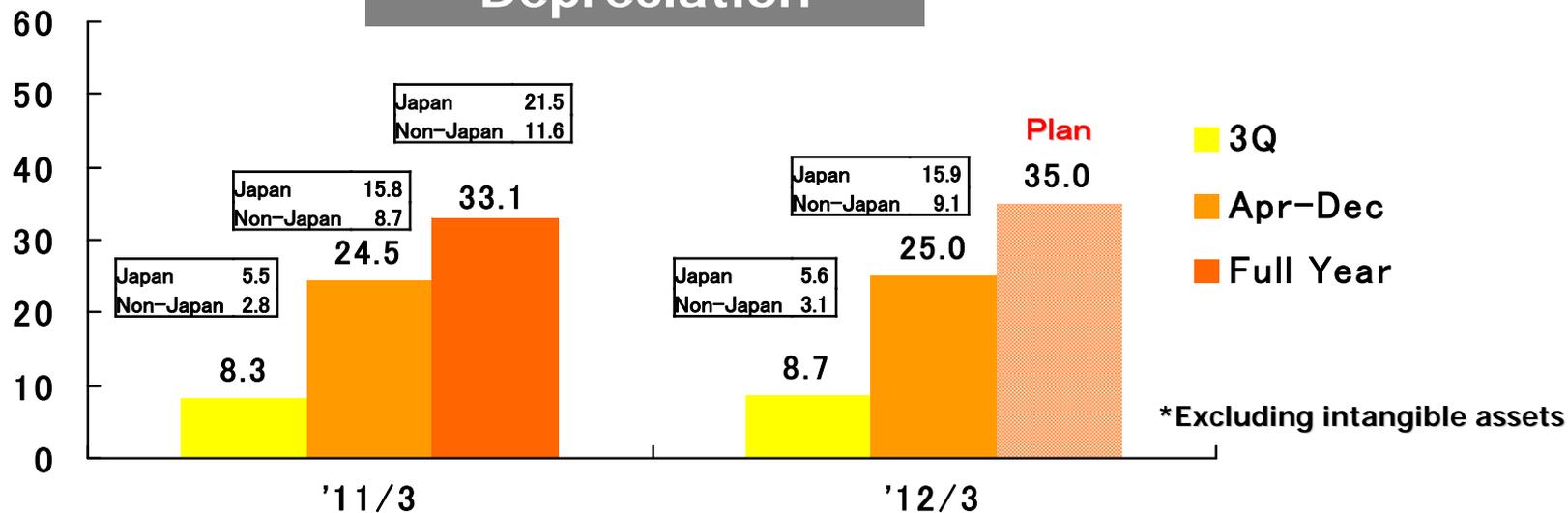
(Billions of yen)

Capital Expenditure



(Billions of yen)

Depreciation



Supplementary Information

—Research & Development, Employees



(Billions of yen)	11/3				12/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	Full Year
R&D	2.2	2.8	2.6	2.9	2.3	2.7	2.6	10.5

(No. of employees)	11/3				12/3		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Employees	25,181	25,207	26,212	26,334	26,568	27,055	27,222
Japan	11,544	11,478	11,407	11,295	11,432	11,401	11,348
The Americas	2,392	2,415	2,476	2,523	2,504	2,533	2,550
Europe	3,090	3,055	3,109	3,172	3,179	3,227	3,257
Asia	8,155	8,259	9,220	9,344	9,453	9,894	10,067