

The NSK logo is rendered in a large, bold, red, sans-serif font. It is centered at the top of the page. The background of the entire slide is a light blue gradient with a faint, semi-transparent globe centered behind the text.

NSK

CONSOLIDATED BUSINESS RESULTS OF THE FIRST QUARTER ENDED JUNE 30, 2005

July 28, 2005
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 the Consolidated Business Results for FY 2005:Q1



Results for the first quarter of FY 2005

First quarter results close to business plan.

Net sales and Net income recorded a year-on-year increase.

Operating income and ordinary income decreased.

- **Strong demand continued.**
- **Expenses continued to increase due to the increase in material prices.**

Outlook for the first half of FY 2005

- **Activities such as increasing production capacity by investing in equipments and activities for offsetting material price increase, will contribute to profit.**

No change will be made to our forecast for the six months ending September 30, 2005 and the year ending March 31, 2006.

Summary of the Consolidated Business Results for FY 2005:Q1



(¥100 million)	FY 2004					FY 2005		
	1 st quarter Japan: Apr.-Jun. Overseas: Jan.-Mar. <Actual>	2 nd quarter Japan: Jul.-Sep. Overseas: Apr.-Jun. <Actual>	3 rd quarter Japan: Oct.-Dec. Overseas: Jul.-Sep. <Actual>	4 th quarter Japan: Jan.-Mar. Overseas: Oct.-Dec. <Actual>	Full year Japan: Apr.-Mar. Overseas: Jan.-Dec. <Actual>	1 st quarter Japan: Apr.-Jun. Overseas: Jan.-Mar. <Actual>	Y-O-Y	1 st half <Initial forecast>
Sales	1,403	1,470	1,440	1,497	5,810	1,471	+4.9%	2,990
Operating income	95 <6.8%>	100 <6.8%>	93 <6.5%>	95 <6.3%>	383 <6.6%>	81 <5.5%>	-15.2%	190 <6.4%>
Ordinary income	85	93	80	73	331	76	-10.2%	170
Profit before tax	91	104	83	72	350	103	+13.3%	182
Net income	49	69	42	63	223	56	+16.3%	100
(Rate: 1 US\$=)	(¥107.37)	(¥109.17)	(¥110.58)	(¥105.67)	(¥108.20)	(¥104.72)		(¥104)
(Rate: 1 EURO=)	(¥133.14)	(¥132.11)	(¥133.88)	(¥137.20)	(¥134.08)	(¥138.08)		(¥136)

Net sales

–By customer location–



(¥100 million)	FY 2004				FY 2005		
	1 st quarter <Actual>	2 nd quarter <Actual>	3 rd quarter <Actual>	4 th quarter <Actual>	1 st quarter <Actual>	Y-O-Y	1 st half <Initial forecast>
Sales	1,403	1,470	1,440	1,497	1,471	+4.9%	2,990
Japan	737	770	768	828	765	+3.8%	1,558
The Americas	199	212	211	201	215	+8.2%	435
Europe	235	251	222	228	251	+6.9%	490
Asia	232	237	239	240	240	+3.4%	507

- Japan:** Sales to the automotive industry, machine tool sector and the general industrial sector remained strong, although there was a decline in sales to the semiconductor and liquid crystal display production equipment sectors.
- The Americas:** Sales in Brazil and demand from the automotive industry in the U.S. were robust.
- Europe:** Sales to the automotive industry and general industrial sector were strong.
- Asia:** Sales to the automotive industry were robust in Thailand, and strong demand continued in China.

Business results

–By business segment –



(¥100 million)	FY 2004				FY 2005		
	1 st quarter <Actual>	2 nd quarter <Actual>	3 rd quarter <Actual>	4 th quarter <Actual>	1 st quarter <Actual>	Y-O-Y	1 st half <Initial forecast>
Sales	1,403	1,470	1,440	1,497	1,471	+4.9%	2,990
Industrial bearings	452	467	466	470	466	+3.1%	950
Automotive products	755	800	780	827	822	+9.0%	1,650
Precision machinery	159	165	157	161	148	-7.6%	320
Others	43	65	51	73	56	+31.9%	110
Elimination	-6	-27	-14	-34	-21		-40
Operating income	95 <6.8%>	100 <6.8%>	93 <6.5%>	95 <6.3%>	81 <5.5%>	-15.2%	190 <6.4%>
Industrial bearings	46 <10.2%>	48 <10.2%>	51 <11.0%>	54 <11.5%>	48 <10.4%>	+5.5%	105 <11.1%>
Automotive products	46 <6.1%>	44 <5.5%>	31 <4.0%>	37 <4.5%>	30 <3.6%>	-35.2%	75 <4.5%>
Precision machinery	10 <6.3%>	16 <9.8%>	13 <8.2%>	9 <5.6%>	7 <4.7%>	-30.1%	25 <7.8%>
Others	1 <2.3%>	4 <6.3%>	7 <13.9%>	6 <8.2%>	4 <6.5%>	+150.3%	8 <7.3%>
Elimination	-8	-12	-9	-11	-8		-23

Industrial bearings

Automotive products

Precision machinery

Demand from the machine tool and general industrial sector remained strong.

Though global demand was strong, material cost remained high.

Sales to the semiconductor and LCD production equipment sectors declined.

Business results

– By geographical segment –



(¥100 million)	FY 2004				FY 2005		
	1 st quarter <Actual>	2 nd quarter <Actual>	3 rd quarter <Actual>	4 th quarter <Actual>	1 st quarter <Actual>	Y-O-Y	1 st half <Initial forecast>
Sales	1,403	1,470	1,440	1,497	1,471	+4.9%	2,990
Japan	1,042	1,091	1,095	1,167	1,096	+5.2%	2,260
The Americas	195	208	206	196	209	+7.2%	430
Europe	248	267	238	249	274	+10.5%	540
Asia	151	160	163	168	165	+9.3%	350
Elimination	-233	-256	-262	-283	-273		-590
Operating income	95 <6.8%>	100 <6.8%>	93 <6.5%>	95 <6.3%>	81 <5.5%>	-15.2%	190 <6.4%>
Japan	64 <6.1%>	70 <6.5%>	68 <6.2%>	71 <6.0%>	58 <5.3%>	-8.9%	136 <6.0%>
The Americas	6 <3.1%>	6 <2.9%>	6 <3.0%>	7 <3.7%>	3 <1.7%>	-43.3%	16 <3.7%>
Europe	13 <5.2%>	14 <5.5%>	10 <4.2%>	11 <4.2%>	10 <3.5%>	-24.0%	24 <4.4%>
Asia	7 <4.6%>	10 <6.3%>	9 <5.9%>	7 <3.7%>	10 <5.8%>	+21.2%	19 <5.4%>
Elimination	5	0	0	-1	0		-5

- **Japan:** Strong domestic demand continued. Material prices increased.
- **Overseas:** Operating income decreased due to increase in material prices in America. Healthy profits in Thailand contributed to overall profitability in Asia.

Consolidated balance sheets



(¥100 million)	FY 2004				FY 2005	
	(1st quarter ended Jun. 30, '04) FY 2004: Q1	(2nd quarter ended Sep. 30, '04) FY 2004: Q2	(3rd quarter ended Dec. 31, '04) FY 2004: Q3	(4th quarter ended Mar. 31, '05) FY 2004: Q4	(1st quarter ended Jun. 30, '05) FY 2005: Q1	Difference from the period ended Mar. 31, '05
Assets						
Current assets	3,047	2,844	2,914	2,787	2,924	+137
Non-current assets	3,242	3,378	3,449	3,499	3,558	+59
Total assets	6,289	6,222	6,363	6,286	6,482	+196
Liabilities and Shareholder's equity						
Current liabilities	2,428	2,373	2,481	2,343	2,550	+207
Long-term liabilities	1,961	1,928	1,880	1,944	1,853	-91
Total liabilities	4,389	4,301	4,361	4,287	4,403	+116
Minority interests	122	126	117	116	118	+2
Total shareholder's equity	1,778	1,795	1,885	1,883	1,961	+78
Total liabilities and shareholder's equity	6,289	6,222	6,363	6,286	6,482	+196
(Rate: 1US\$=)	(¥105.69)	(¥108.43)	(¥111.05)	(¥104.21)	(¥107.39)	
(Rate: 1EURO=)	(¥128.88)	(¥131.06)	(¥137.04)	(¥141.61)	(¥138.87)	

Inventories



(¥100 million)	FY 2004				FY 2005	
	(1st quarter ended Jun. 30, '04) FY 2004: Q1	(2nd quarter ended Sep. 30, '04) FY 2004: Q2	(3rd quarter ended Dec. 31, '04) FY 2004: Q3	(4th quarter ended Mar. 31, '05) FY 2004: Q4	(1st quarter ended Jun. 30, '05) FY 2005: Q1	Difference from the period ended Mar. 31, '05
Japan	358	364	416	378	425	+47
Overseas	414	403	427	439	469	+30
The Americas	137	132	138	140	151	+11
Europe	179	169	177	186	187	+1
Asia	98	102	112	113	131	+18
Total	772	767	843	817	894	+77
Inventory turn over	7.3	7.5	7.2	7.4	6.9	

Capital expenditures Depreciation and Amortization



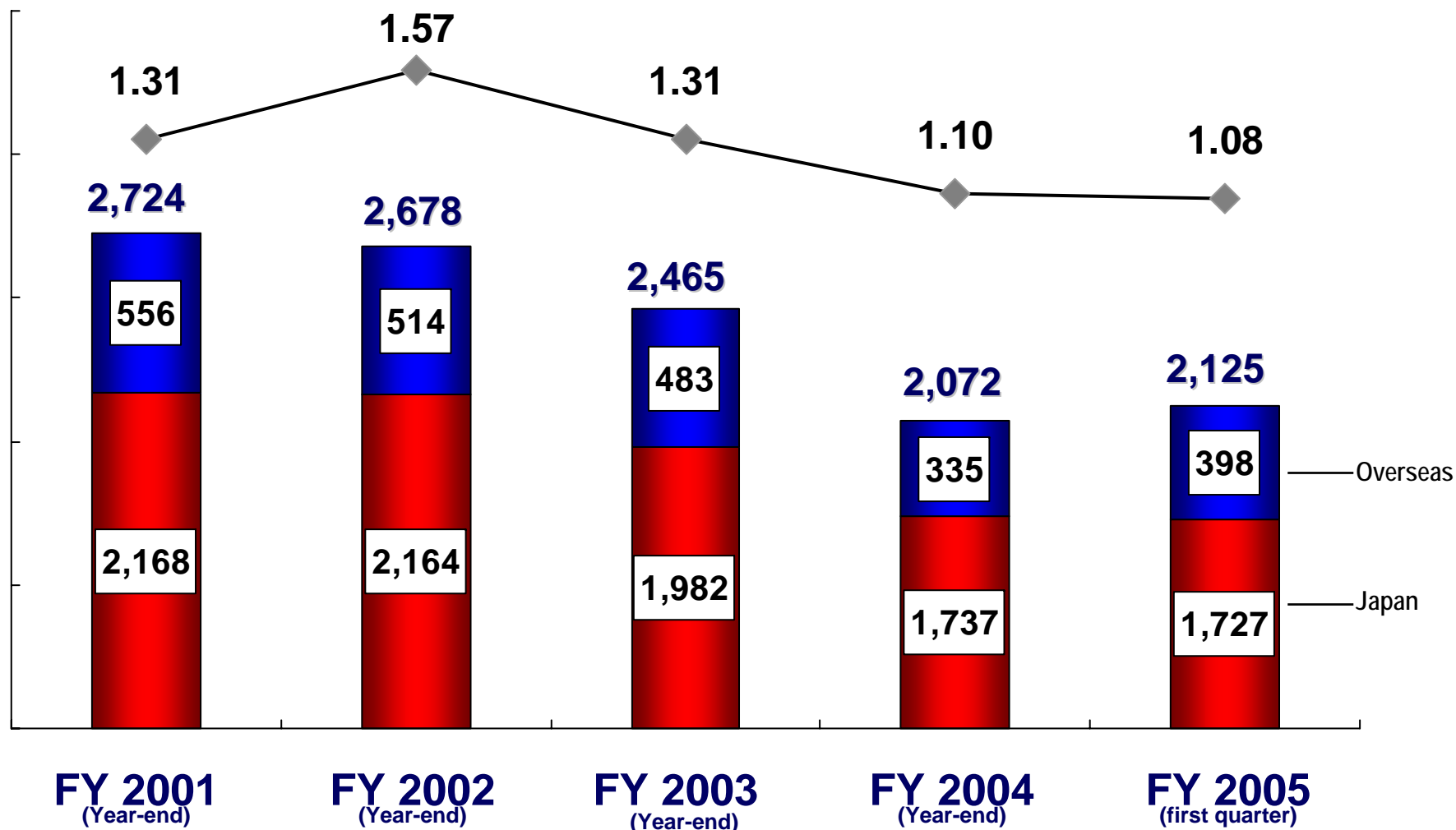
(¥100 million)	FY 2004				FY 2005	
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter	Full year plan
Capital expenditures	62	89	90	128	89	400
Japan	44	70	59	82	55	268
Overseas	18	19	31	46	34	132
The Americas	4	3	5	4	9	30
Europe	4	4	6	23	4	34
Asia	10	12	20	19	21	68

(¥100 million)	FY 2004				FY 2005	
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter	Full year plan
Depreciation	63	67	68	72	65	295
Japan	36	38	42	44	39	
Overseas	27	29	26	28	26	

Interest bearing debts

(¥100 million)

D/E ratio (times)



Additional information



(¥100 million)	FY 2004				FY 2005
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter
Research & Development	23	24	25	26	24

(Number of employees)	FY 2004				FY 2005
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter
Employees	19,979	20,310	20,565	20,737	21,437
Japan	8,877	8,850	8,867	8,843	9,099
Parent company (Non-consolidated)	3,696	3,661	3,664	3,664	3,801
The Americas	3,036	3,036	3,053	3,122	3,144
Europe	4,283	4,448	4,433	4,321	4,369
Asia	3,783	3,976	4,212	4,451	4,825