



NSK

CONSOLIDATED BUSINESS RESULTS

FOR THE FIRST QUARTER
ENDED JUNE 30, 2008

July, 30 2008
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 2008:Q1



Business results

Industrial machinery bearings :

Demand from the machine tool and industrial machinery sectors was firm.

Automotive products segment :

Sales were stagnant in the US.

In Japan, favorable sales of exports offset inactive domestic sales.

Sales in Europe and Asia were robust overall.

Precision machinery and parts :

A recovery trend was seen in demand from liquid crystal equipment manufacturers.

Demand from semiconductor sector remained in an adjustment phase.

Operating income increased by 3.2% YOY. Volume growth, reduction in external procurement costs and an increase in sales price contributed to profits, while an increase in steel price, appreciation of the Japanese yen, and increases in other expenses negatively affected results.

Expected business performance for FY 2008:Q2

Demand for large-sized bearings is expected to continue to be favorable, particularly in capital expenditures-related and wind turbine sectors.

Demand from automobile manufacturers in North America is predicted to slow further, while demand in Asia is expected to remain robust, primarily in China.

We will strive to implement profitability improvements in order to absorb negative factors such as increasing steel price and the downturn trend in the economy.

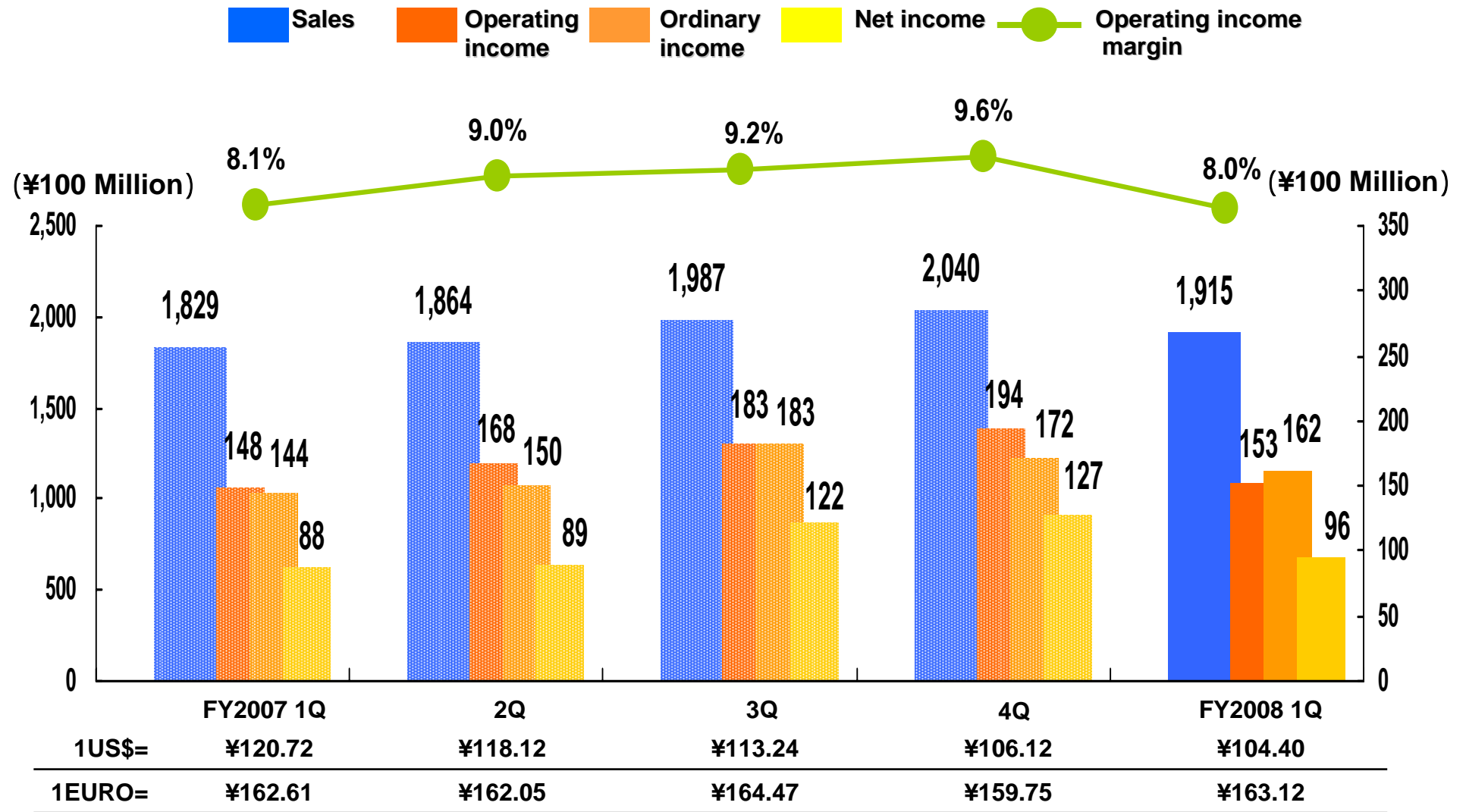
No revision has been made to the first half and full year forecast for FY 2008

Summary of Consolidated Business Results for FY 2008:Q1



(¥100 Million)	FY 2007			FY 2008				
	Q1 < Actual >	1st half < Actual >	Full year < Actual >	Q1 < Actual >	Increase /decrease YOY	%	1st half (Forecast)	Full year (Forecast)
Sales	1,829	3,693	7,720	1,915	+86	+4.7%	3,800	8,000
Operating income	148	316	693	153	+5	+3.2%	315	710
< % >	<8.1%>	<8.5%>	<9.0%>	<8.0%>			<8.3%>	<8.9%>
Ordinary income	144	294	649	162	+18	+12.1%	295	670
Profit before tax	143	294	636	167	+24	+16.8%	295	670
Net income	88	177	426	96	+8	+9.8%	195	440
(Rate: 1US\$=)	(¥120.72)	(¥119.42)	(¥114.55)	(¥104.40)			(¥100)	(¥100)
(" 1EURO=)	(¥162.61)	(¥162.33)	(¥162.22)	(¥163.12)			(¥155)	(¥155)

Quarterly Business Performance



Results by Business Segment



(¥100 Million)		FY 2007			FY 2008				
		Q1 < Actual >	1st half < Actual >	Full year < Actual >	Q1 < Actual >	Increase/ decrease YOY	%	1st half (Forecast)	Full year (Forecast)
Sales	Sales	1,829	3,693	7,720	1,915	+86	+4.7%	3,800	8,000
	Operating income	148	316	693	153	+5	+3.2%	315	710
	%	8.1%	8.5%	9.0%	8.0%			8.3%	8.9%
Industrial machinery bearings									
	Sales	566	1,148	2,391	607	+41	+7.2%	1,220	2,550
	Operating income	73	155	335	82	+9	+12.0%	165	360
	%	12.9%	13.5%	14.0%	13.5%			13.5%	14.1%
Automotive products									
	Sales	1,032	2,091	4,357	1,080	+48	+4.6%	2,130	4,430
	Operating income	63	139	307	61	-2	-2.6%	130	285
	%	6.1%	6.7%	7.0%	5.7%			6.1%	6.4%
Precision machinery & parts									
	Sales	164	318	682	149	-15	-9.1%	315	740
	Operating income	18	38	86	14	-4	-22.8%	40	100
	%	11.1%	12.0%	12.6%	9.4%			12.7%	13.5%
Others	Sales	123	245	562	142	+19	+15.6%	270	550
	Operating income	6	10	28	9	+3	+64.5%	10	25
	%	4.7%	4.1%	5.1%	6.7%			3.7%	4.5%
Eliminations (sales)		-56	-109	-272	-63	-7		-135	-270
Eliminations/corporate		-12	-26	-63	-13	-1		-30	-60

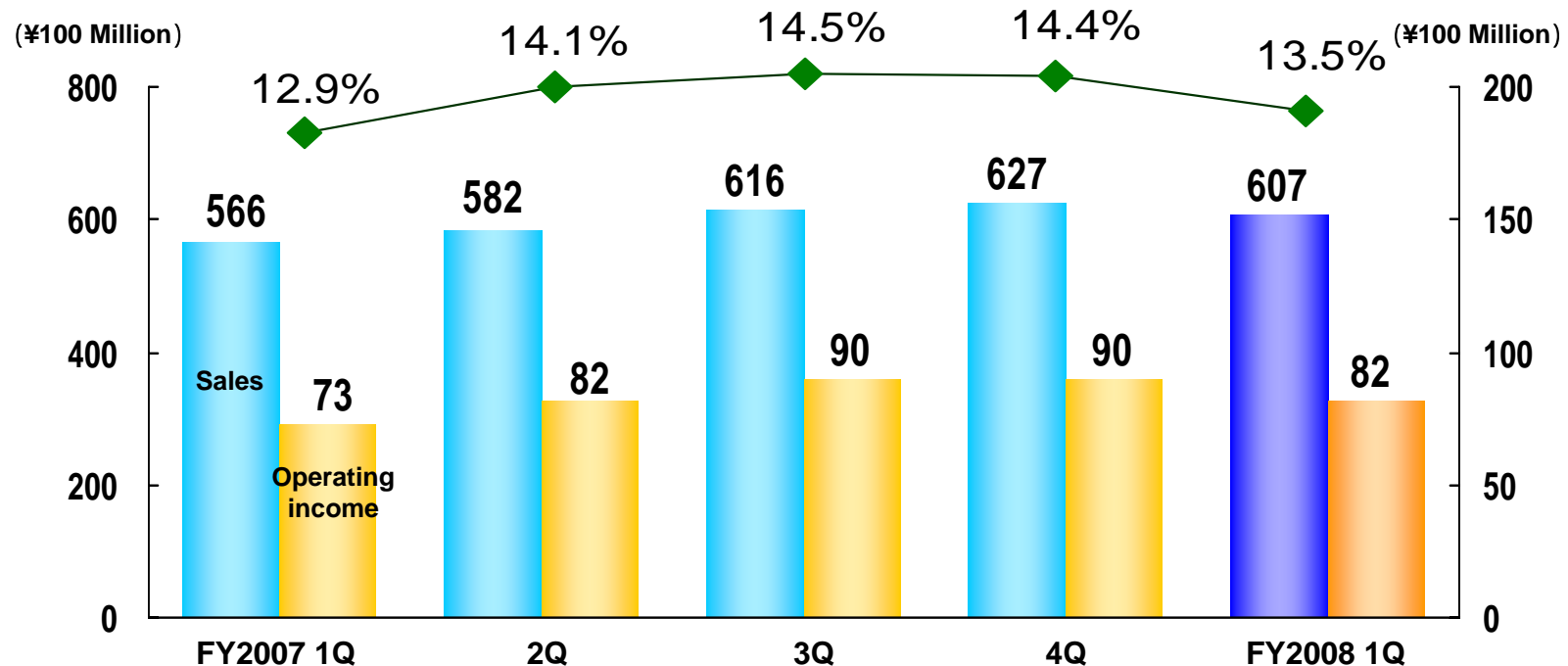
Results by Business Segment

Industrial Machinery Bearings



Industrial machinery bearings Quarterly business performance

Left : Sales
Right : Operating income
◆ : Margin



Sales for Q1 increased by 7.2% YOY due to robust demand from machine tools/steelmaking equipment/construction machinery/industrial machinery. Sales to aftermarket in Europe and Asia also increased and contributed to overall growth.

Volume growth and an increase in sales prices offset an increase in depreciation and amortization, and negative external factors such as increasing steel price and appreciation of the Japanese yen. As a result, operating income increased by 12.0% YOY.

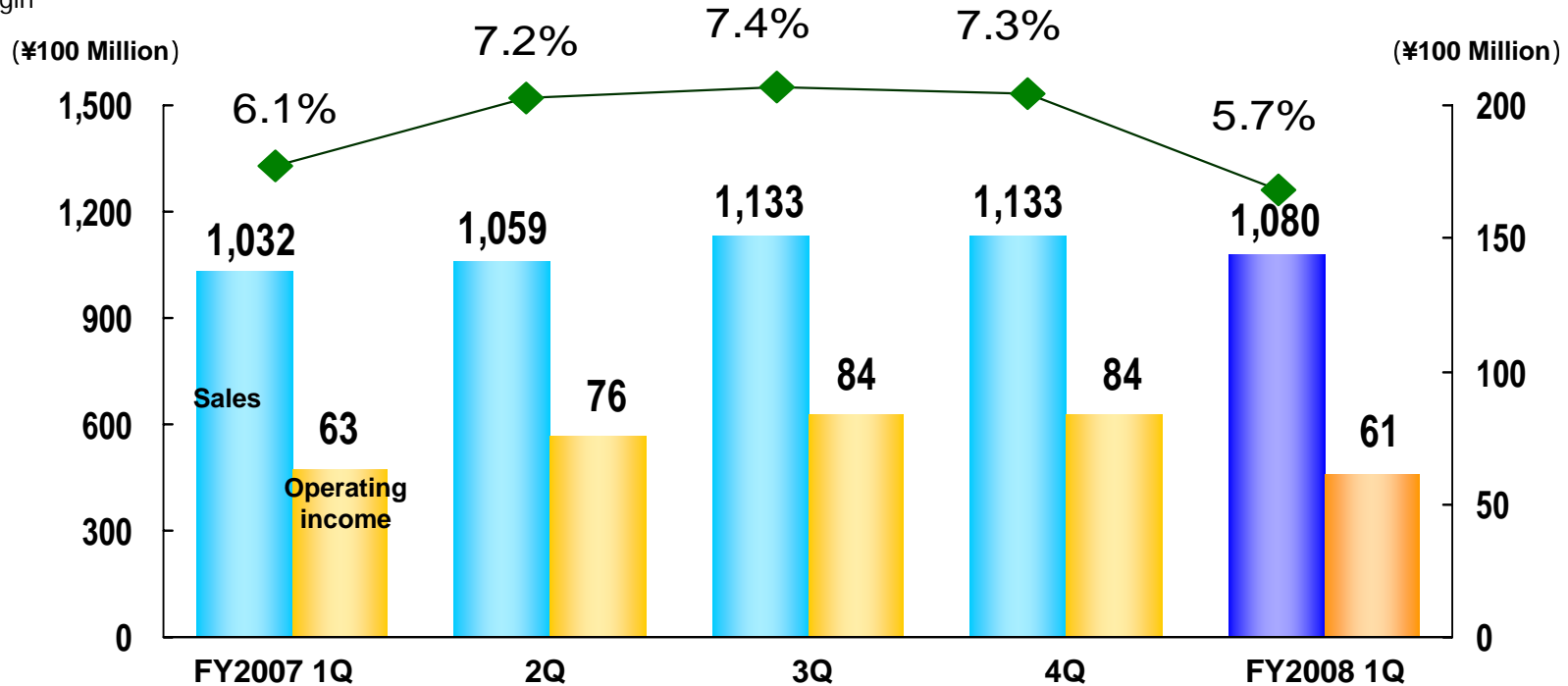
Results by Business segment

- Automotive Products -



Automotive products
Quarterly business performance

Left : Sales
Right : Operating income
◆ : Margin



Sales in the Americas decreased due to a decline in automobile sales in North America. However, sales in Japan, Europe and Asia, primarily China, increased. Overall sales for Q1 increased by 4.6% YOY.

Operating income for Q1 decreased 2.6% YOY due to an increase in steel price, the effect of appreciation of the Japanese yen, and a decline in sales price, despite volume growth and a reduction in external procurement costs.

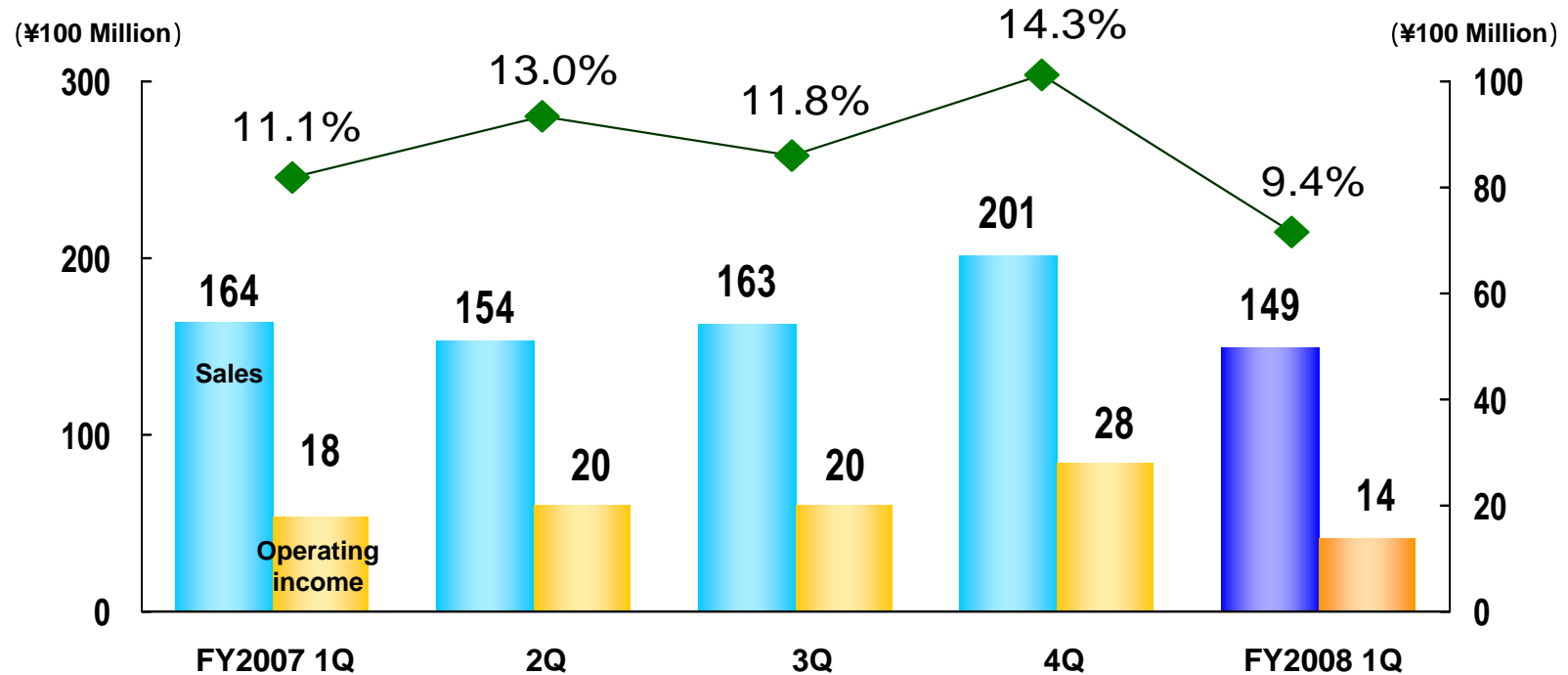
Results by Business Segment

Precision Machinery and Parts



Precision machinery & parts Quarterly business performance

Left : Sales
Right : Operating income
◆ : Margin



Sales to machine tools makers were robust. However, overall sales decreased by 9.1% YOY due to slumping demand from semiconductor production equipment manufacturers and decline in sales of exposure equipment for LCD panel production. Although we continued our productivity improvement activities such as streamlining plant operations, volume decline negatively affected results, and operating income for Q1 decreased by 22.8% YOY.

Results by Geographical Segment



(¥100 Million)	FY 2007			FY 2008			1st half (Forecast)	Full year (Forecast)
	Q1 < Actual >	1st half < Actual >	Full year < Actual >	Q1 < Actual >	Increase/ decrease YOY	%		
Total Sales	1,829	3,693	7,720	1,915	+86	+4.7%	3,800	8,000
Operating income	148	316	693	153	+5	+3.2%	315	710
%	8.1%	8.5%	9.0%	8.0%			8.3%	8.9%
Japan Sales	1,295	2,629	5,580	1,386	+91	+7.1%	2,735	5,805
Operating income	105	214	468	89	-16	-15.0%	198	452
%	8.1%	8.1%	8.4%	6.4%			7.2%	7.8%
Americas Sales	276	545	1,060	247	-29	-10.5%	477	956
Operating income	9	25	49	8	-1	-11.3%	26	51
%	3.2%	4.6%	4.6%	3.2%			5.5%	5.3%
Europe Sales	335	662	1,400	374	+39	+11.7%	720	1,497
Operating income	19	41	101	35	+16	+85.6%	56	121
%	5.6%	6.2%	7.2%	9.4%			7.8%	8.1%
Asia Sales	268	554	1,180	297	+29	+10.6%	611	1,290
Operating income	28	63	132	32	+4	+15.4%	65	142
%	10.5%	11.3%	11.2%	10.9%			10.6%	11.0%
Eliminations (sales)	-345	-697	-1,500	-389	-44		-743	-1,548
Eliminations/ corporate	-13	-27	-57	-11	+2		-30	-56

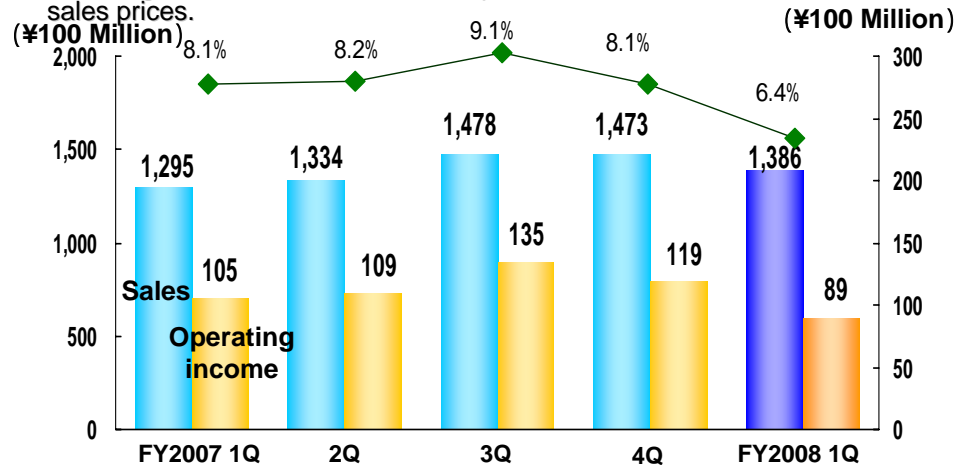
Results by Geographical Segment



Japan

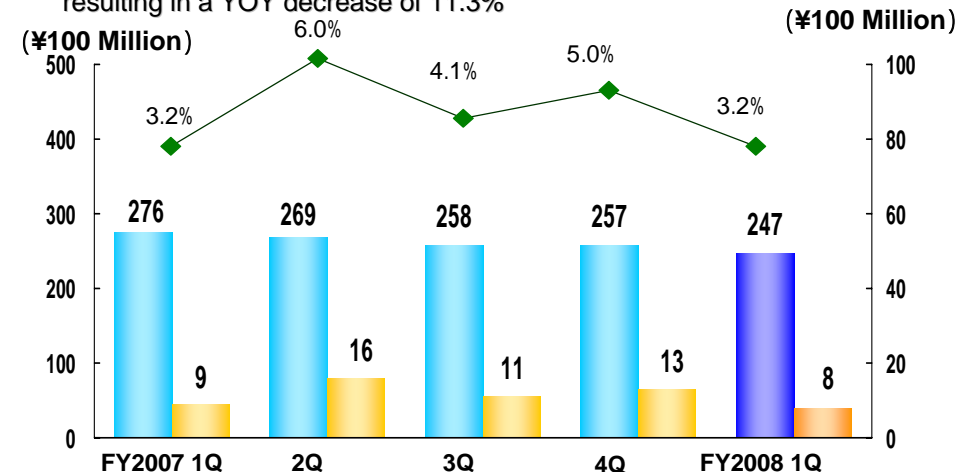
Left: Sales Right: Operating income ◆: Margin

Operating income decreased by 15.0% YOY due to an increase in steel price, appreciation of the Japanese yen, decline in sales prices for automotive products and increases in other expenses, despite positive effects such as volume growth, reduction in external procurement costs and an increase in sales prices.



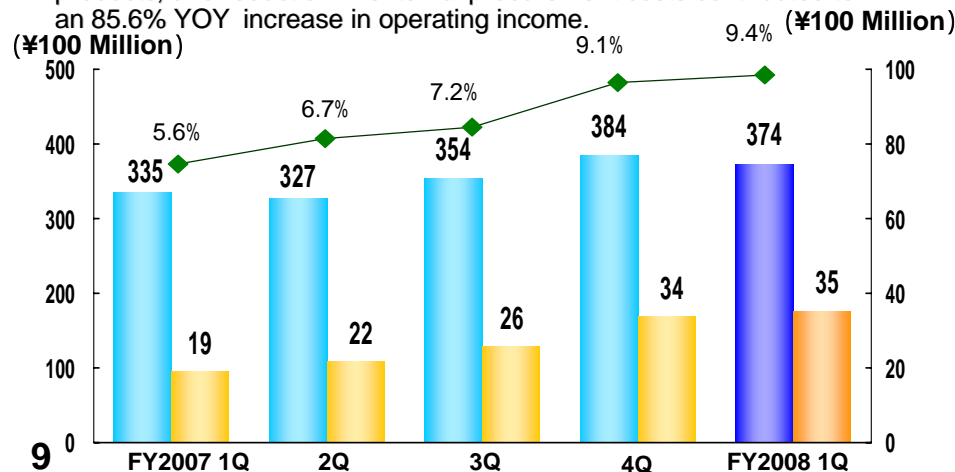
The Americas

Expenses decreased thanks to the completion of transferring production lines between two plants in the US. We were also able to increase our sales prices. However, a decline in automobile sales in the US and an increase in steel price negatively affected our operating income, resulting in a YOY decrease of 11.3%



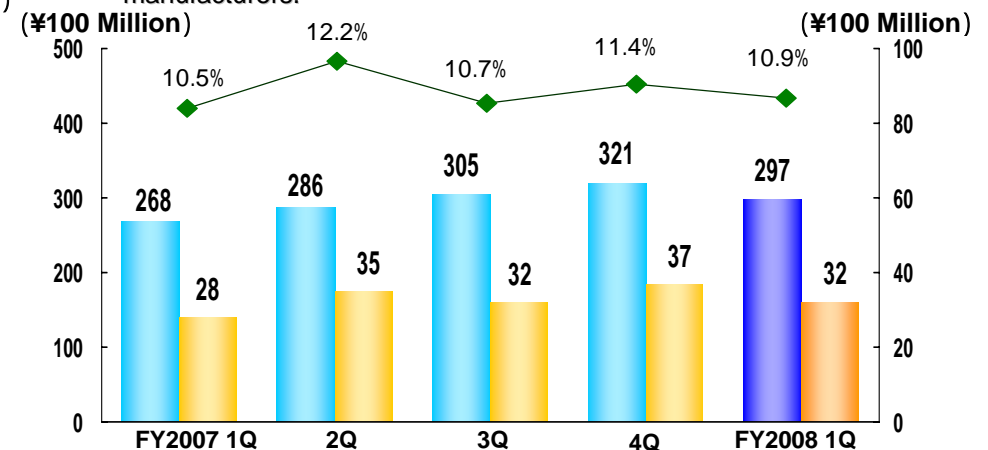
Europe

Volume growth of industrial machinery bearings and automotive products, and reduction in external procurement costs contributed to an 85.6% YOY increase in operating income.



Asia

Operating income increased by 15.4% YOY, backed by increases in sales to automobile, industrial machinery and machine tool manufacturers.



Results by Customer Location



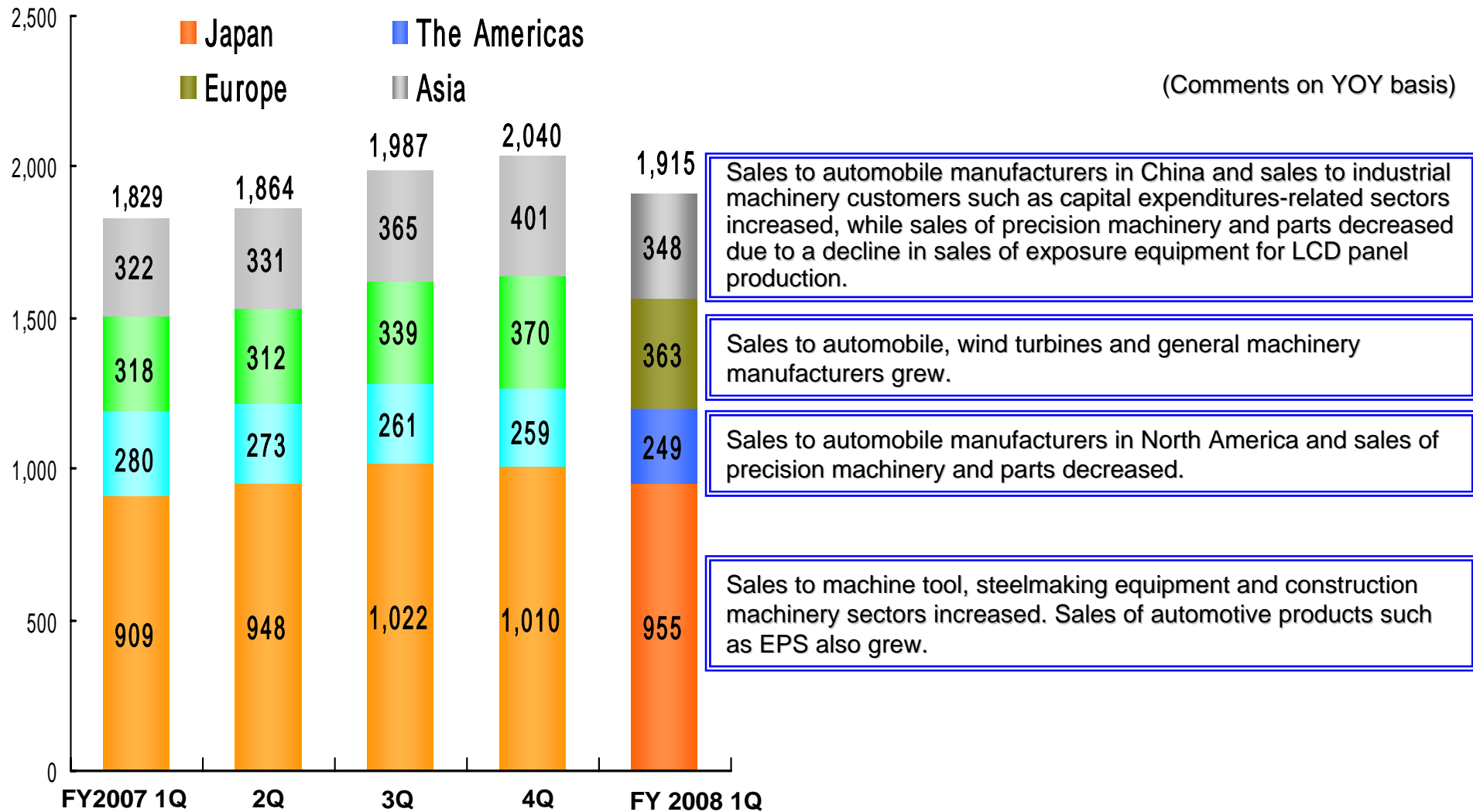
(¥100 Million)	FY 2007			FY 2008				
	Q1 < Actual >	1st half < Actual >	Full year < Actual >	Q1 < Actual >	Increase/ decrease YOY	%	1st half (Forecast)	Full year (Forecast)
Sales	1,829	3,693	7,720	1,915	+86	+4.7%	3,800	8,000
Japan	909	1,857	3,889	955	+46	+5.1%	1,906	3,962
Non-Japan	920	1,836	3,831	960	+40	+4.3%	1,894	4,038
(Ratio of non-Japan sales to consolidated net sales)	(50.3%)	(49.7%)	(49.6%)	(50.1%)			(49.8%)	(50.5%)
The Americas	280	553	1,073	249	-31	-11.1%	485	980
Europe	318	630	1,339	363	+45	+13.9%	690	1,445
Asia	322	653	1,419	348	+26	+8.1%	719	1,613

Business Results by Customer Location



Net sales by customer location Quarterly business performance

(¥100 Million)

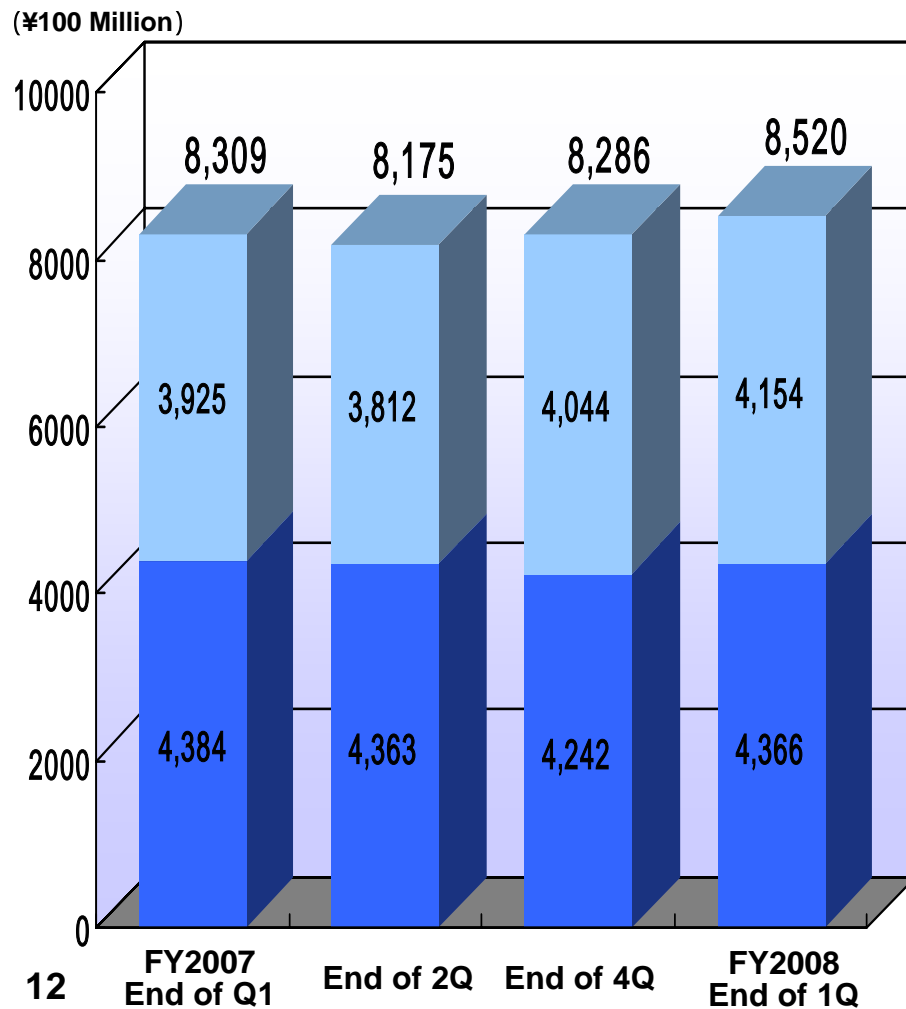


Consolidated Balance Sheets



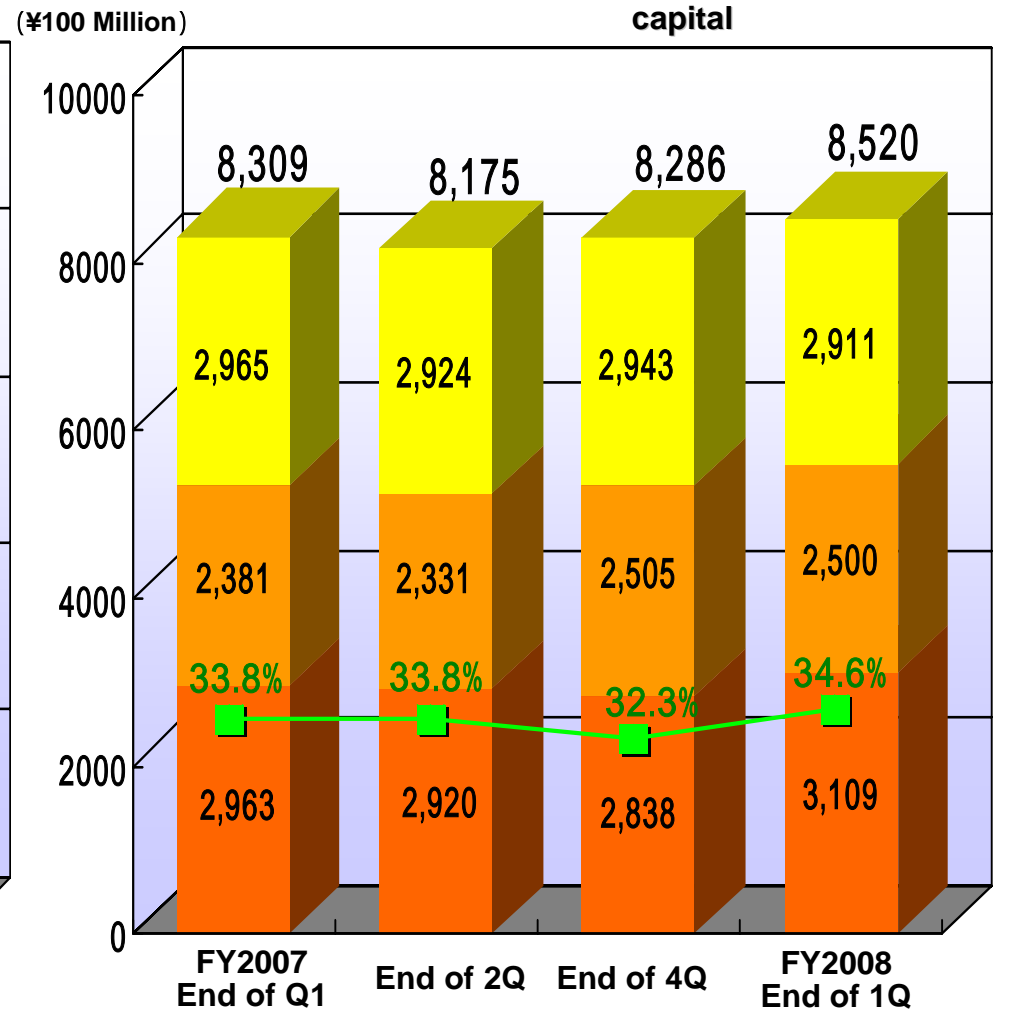
Assets

■ Non-current assets ■ Current assets



Liabilities and net assets

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



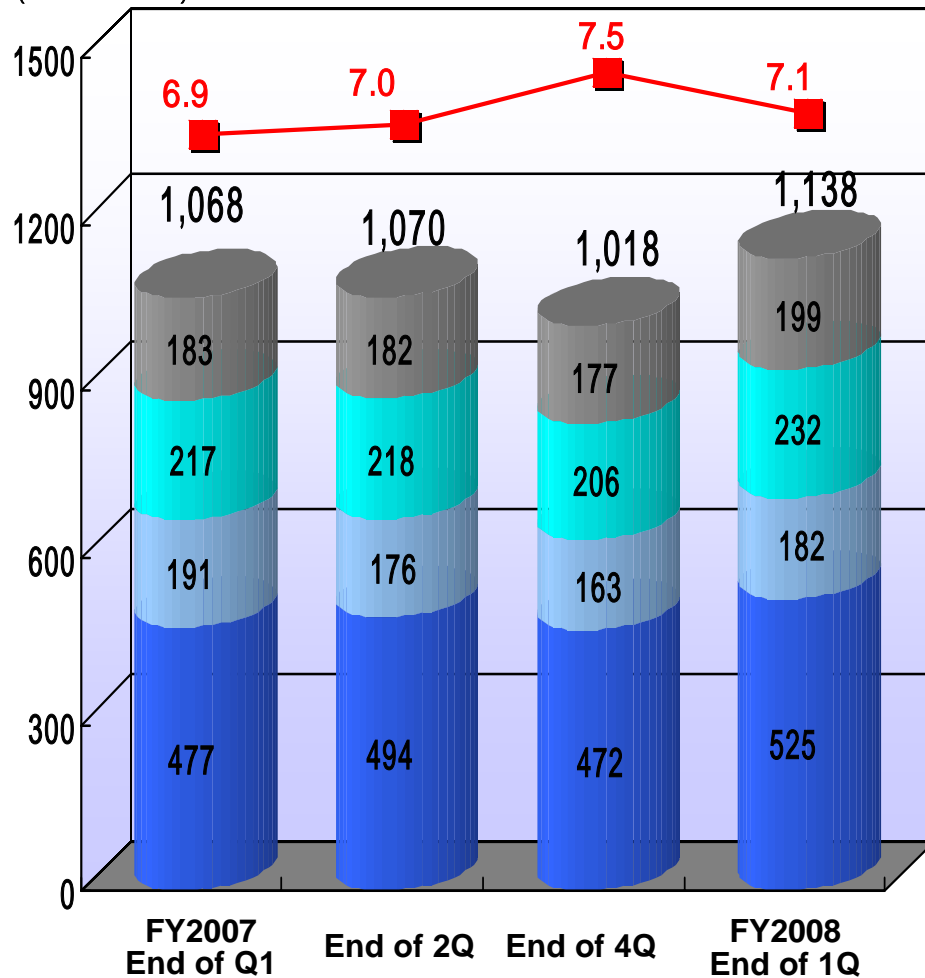
Inventories

Interest-bearing Debt



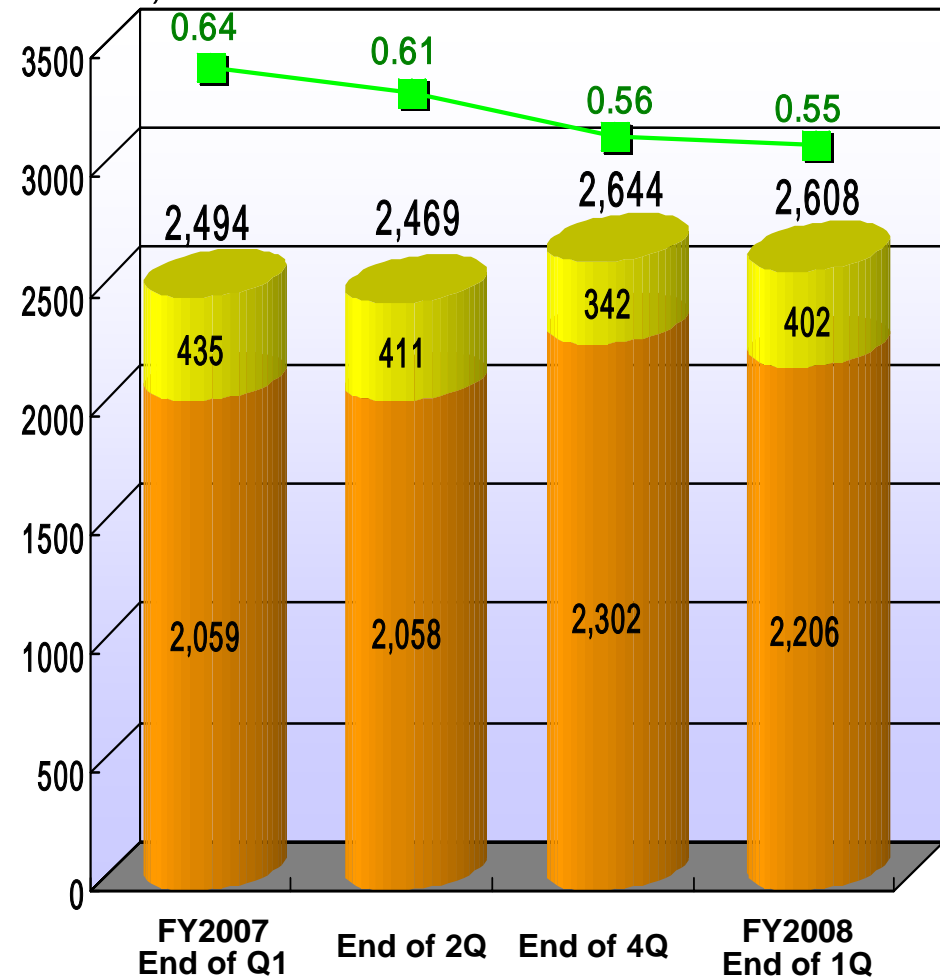
Inventories

■ Japan ■ The Americas ■ Europe ■ Asia ■ Inventory turnover
 (¥100 Million) (¥100 Million)



Interesting-bearing debt

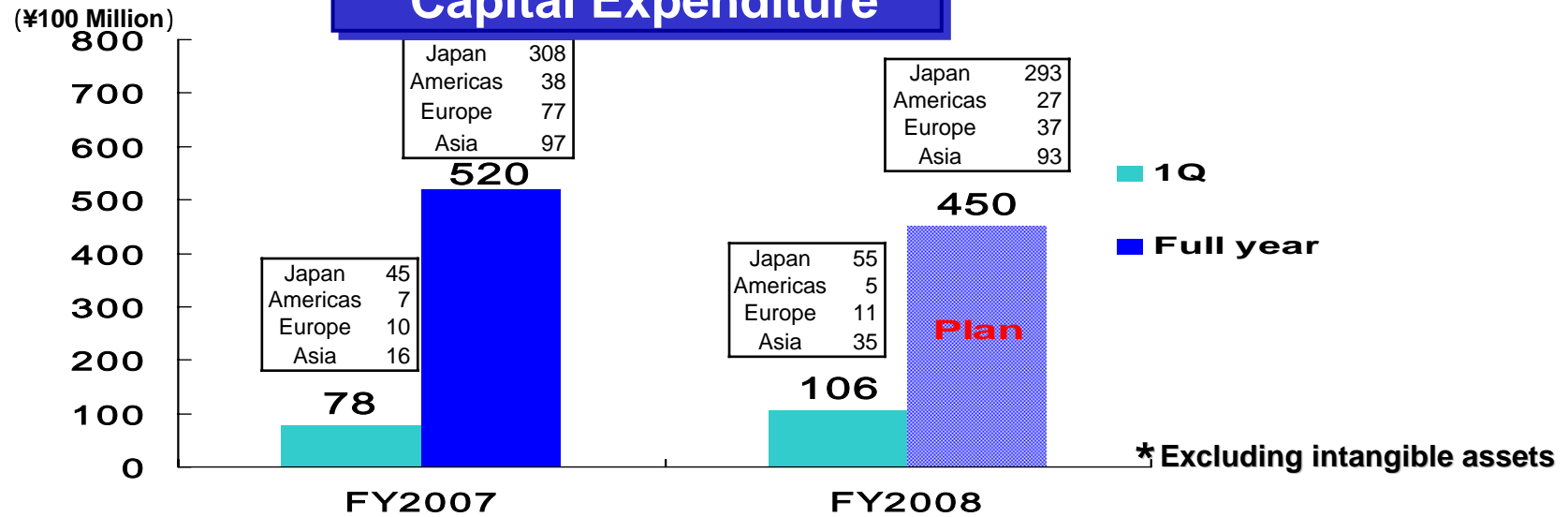
■ Japan ■ Non-Japan ■ Net D/E ratio



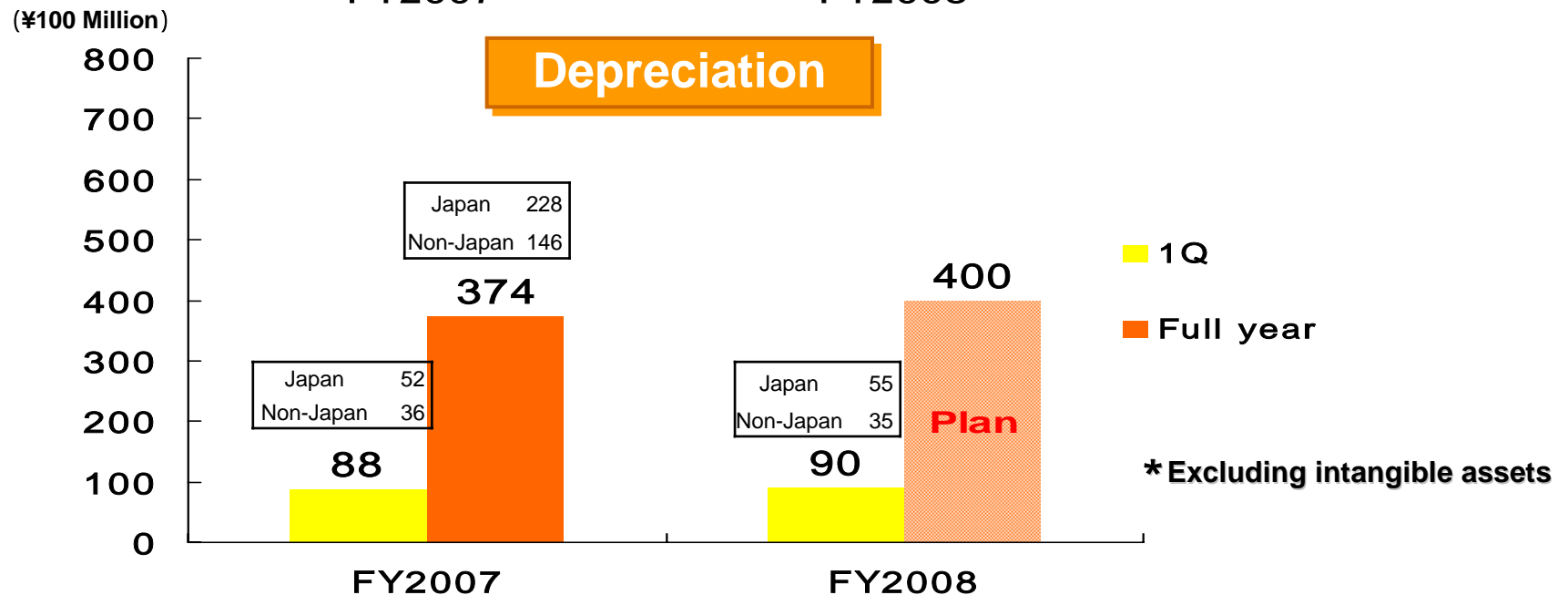
Capital Expenditure, Depreciation



Capital Expenditure



Depreciation



Supplementary Information

Research & Development, Employees



(¥100 Million)	FY 2007				FY 2008	
	Q1	Q2	Q3	Q4	Q1	Full year (Plan)
Research & development	23	27	25	27	25	105

(No. of employees)	FY 2007				FY 2008
	Q1	Q2	Q3	Q4	Q1
Employees	23,661	24,211	24,587	25,069	25,836
Japan	10,623	10,533	10,609	10,695	11,270
The Americas	2,989	3,003	3,028	3,080	3,044
Europe	4,082	4,120	4,205	4,270	4,277
Asia	5,967	6,555	6,745	7,024	7,245

Supplementary Information

Forecasts by Business Segment



(¥100 Million)	FY 2007			FY 2008			
	1st half < Actual >	2nd half < Actual >	Full year < Actual >	1st half < Forecast >	2nd half < Forecast >	Full year < Forecast >	Increase /decrease YOY
Sales	3,693	4,027	7,720	3,800	4,200	8,000	+280
Industrial machinery bearings	1,148	1,243	2,391	1,220	1,330	2,550	+159
Automotive products	2,091	2,266	4,357	2,130	2,300	4,430	+73
Precision machinery & parts	318	364	682	315	425	740	+58
Others	245	317	562	270	280	550	-12
Eliminations	-109	-163	-272	-135	-135	-270	+2
Operating income	316 <8.5%>	377 <9.4%>	693 <9.0%>	315 <8.3%>	395 <9.4%>	710 <8.9%>	+17
Industrial machinery bearings	155 <13.5%>	180 <14.5%>	335 <14.0%>	165 <13.5%>	195 <14.7%>	360 <14.1%>	+25
Automotive products	139 <6.7%>	168 <7.4%>	307 <7.0%>	130 <6.1%>	155 <6.7%>	285 <6.4%>	-22
Precision machinery & parts	38 <12.0%>	48 <13.2%>	86 <12.6%>	40 <12.7%>	60 <14.1%>	100 <13.5%>	+14
Others	10 <4.1%>	18 <5.8%>	28 <5.1%>	10 <3.7%>	15 <5.4%>	25 <4.5%>	-3
Eliminations/ Corporation	-26	-37	-63	-30	-30	-60	+3