



CONSOLIDATED BUSINESS RESULTS

FOR THE THIRD QUARTER
ENDED DECEMBER 31, 2014

February 2, 2015
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 FY2014: 3Q



Business Results for FY2014: 3Q

✓ Consolidated Business Results for FY2014: 3Q (Oct.-Dec.)

(From FY2013: 3Q)

Net Sales:	¥ 247.5 billion	(+¥ 23.4 billion / +10.4%)
Operating Income:	¥ 26.3 billion	(+¥ 10.3 billion / +64.6%)
Net Income:	¥ 17.8 billion	(+¥ 16.8 billion)

◎Both net sales and operating income increased YoY.
Operating income margin grew to 10.6%.

✓ Business Environment

◎Japan: Gradual recovery from the impact of consumption tax rise.

◎Non-Japan: Continued growth in the U.S. economy, slow pickup in Europe, weaker growth in China, sluggish recovery in ASEAN.

Expected Business Performance for FY2014

✓ Aiming to achieve record operating income and reach MTP targets a year ahead of schedule, despite uncertain demand environment in both industrial machinery business and automotive business.

Summary of Consolidated Business Results for FY2014: 3Q

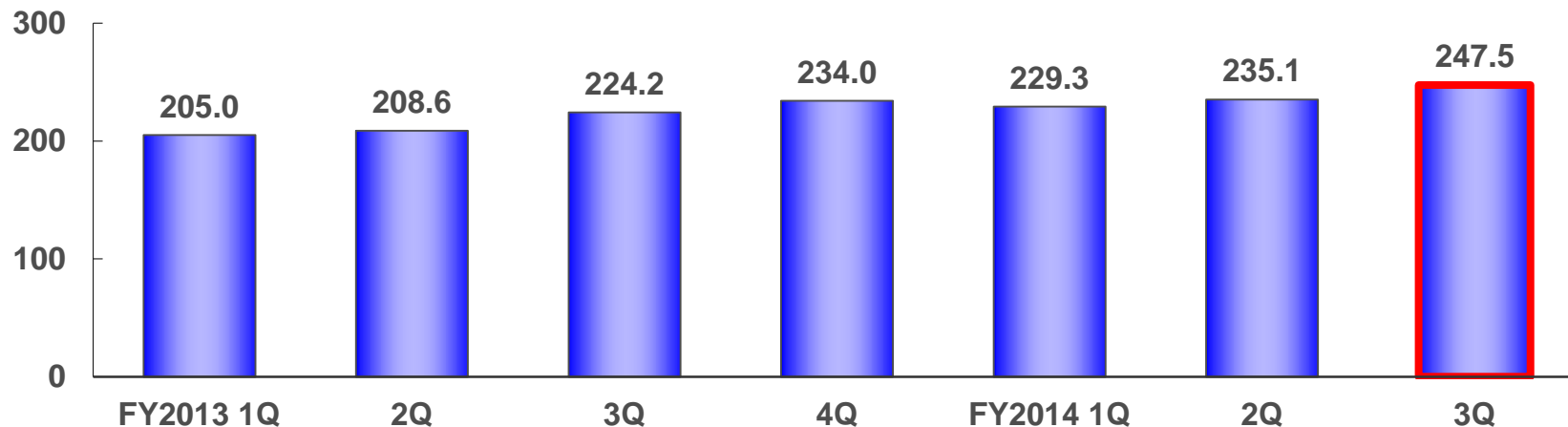
(Billions of yen)	FY2013			FY2014						Full year <Oct. 29 FCST>
	3Q <Actual>	Apr-Dec <Actual>	Full year <Actual>	3Q <Actual>	Increase/ Decrease YOY	% Change	Apr-Dec <Actual>	Increase/ Decrease YOY	% Change	
Net sales	224.2	637.8	871.7	247.5	+23.4	+10.4%	711.9	+74.1	+11.6%	950.0
Operating income	15.9	44.7	68.0	26.3	+10.3	+64.6%	67.0	+22.3	+49.9%	86.0
<%>	<7.1%>	<7.0%>	<7.8%>	<10.6%>			<9.4%>			<9.1%>
Ordinary income	16.8	44.9	66.8	25.9	+9.1	+54.4%	66.8	+21.9	+48.8%	84.5
Income before tax	6.7	31.5	54.3	25.9	+19.1	+282.0%	63.8	+32.3	+102.4%	81.5
Net income	1.1	15.8	31.2	17.8	+16.8	-	43.7	+27.9	+176.7%	57.0
(Ex. rate: US1\$=)	¥100.47	¥99.39	¥100.24	¥114.53			¥106.87			¥104.02
(" 1EURO=)	¥136.69	¥132.23	¥134.37	¥143.06			¥140.30			¥136.96

Quarterly Business Performance

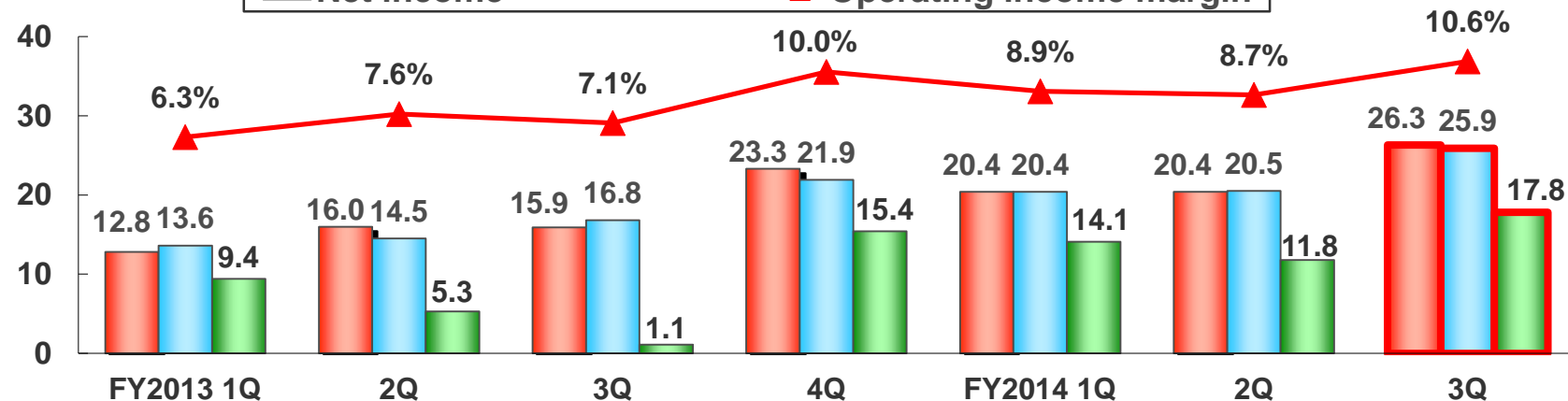


(Billions of yen)

Net sales



(Billions of yen)



1US\$= ¥98.76 ¥98.94 ¥100.47 ¥102.79 ¥102.16 ¥103.92 ¥114.53

1EURO= ¥128.95 ¥131.05 ¥136.69 ¥140.79 ¥140.07 ¥137.77 ¥143.06

Results by Business Segment



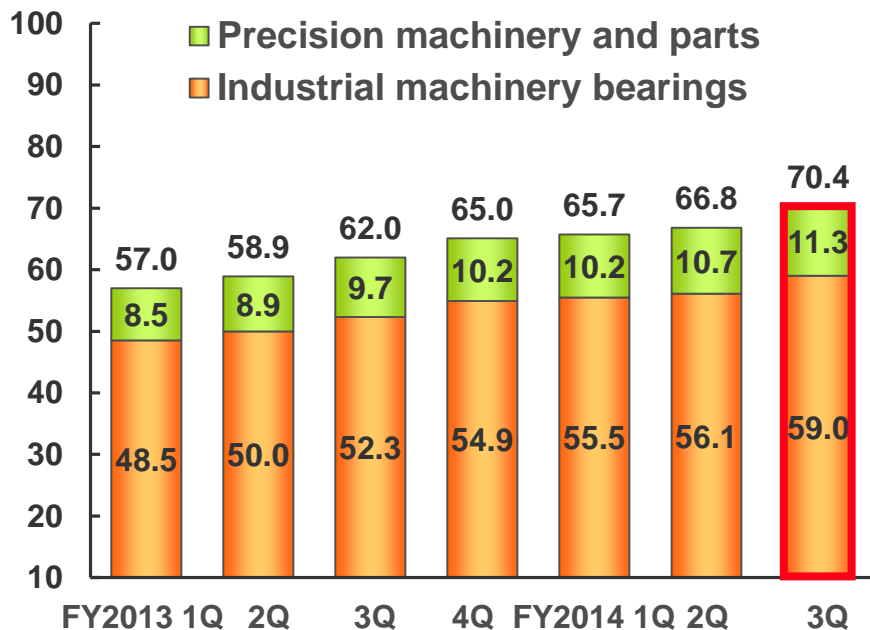
(Billions of yen)		FY2013			FY2014						
		3Q <Actual>	Apr-Dec <Actual>	Full year <Actual>	3Q <Actual>	Increase/ Decrease YOY	% Change	Apr-Dec <Actual>	Increase/ Decrease YOY	% Change	Full Year <Oct. 29 FCST>
Total	Net sales	224.2	637.8	871.7	247.5	+23.4	+10.4%	711.9	+74.1	+11.6%	950.0
	Operating income	15.9	44.7	68.0	26.3	+10.3	+64.6%	67.0	+22.3	+49.9%	86.0
	<%>	7.1%	7.0%	7.8%	10.6%			9.4%			9.1%
Industrial Machinery Business	Net sales	62.0	177.9	243.0	70.4	+8.3	+13.5%	202.9	+25.0	+14.0%	272.0
	Industrial machinery bearings	52.3	150.8	205.7	59.0	+6.7	+12.8%	170.7	+19.9	+13.2%	228.5
	Precision machinery and parts	9.7	27.1	37.3	11.3	+1.7	+17.2%	32.2	+5.1	+18.8%	43.5
	Operating income	5.8	15.5	23.7	8.1	+2.3	+39.8%	22.6	+7.1	+45.8%	31.5
	<%>	9.3%	8.7%	9.8%	11.5%			11.1%			11.6%
Automotive Business	Net sales	148.7	432.5	590.5	168.4	+19.7	+13.3%	480.2	+47.7	+11.0%	637.0
	Automotive bearings	69.7	204.9	278.0	78.0	+8.3	+11.9%	224.3	+19.4	+9.5%	300.0
	Automotive components	79.0	227.6	312.5	90.4	+11.5	+14.5%	255.9	+28.3	+12.4%	337.0
	Operating income	12.1	33.5	49.2	18.7	+6.6	+54.6%	46.9	+13.4	+39.9%	58.5
	<%>	8.1%	7.8%	8.3%	11.1%			9.8%			9.2%
Others	Net sales	19.6	46.9	64.7	17.5	-2.1	-10.6%	52.3	+5.5	+11.7%	68.0
	Operating income	0.0	1.4	2.9	1.7	+1.7	-	3.9	+2.5	+181.2%	4.0
	<%>	-0.1%	2.9%	4.5%	9.7%			7.4%			5.9%
Eliminations (sales)		-6.1	-19.5	-26.5	-8.8	-2.6		-23.5	-4.0		-27.0
Eliminations/corporate expenses		-2.0	-5.7	-7.8	-2.2	-0.3		-6.3	-0.7		-8.0

Results by Business Segment

— Industrial Machinery Business

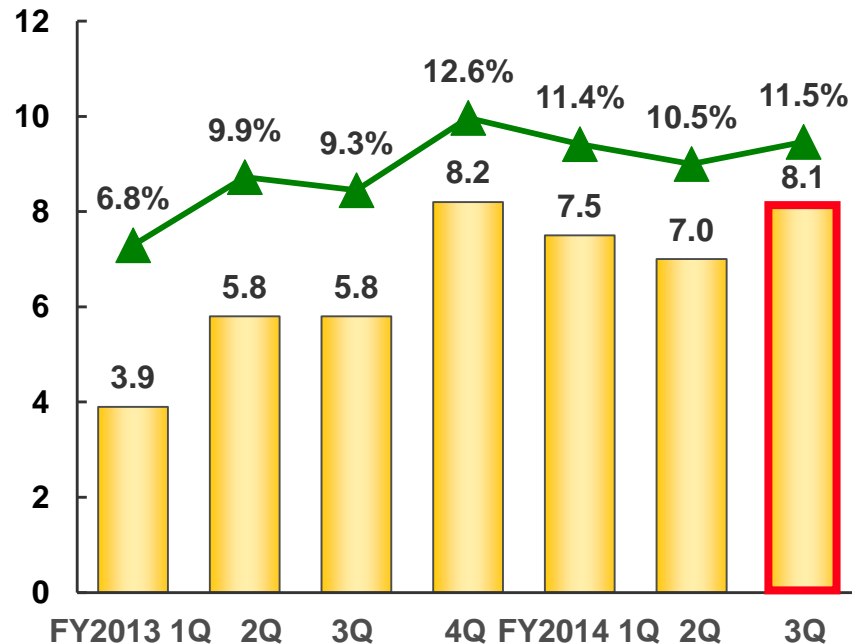
Net sales

(Billions of yen)



Operating income/margin

(Billions of yen)



Compared to FY2013 3Q

- 3Q net sales totaled ¥70.4 billion, a 13.5% YoY increase, due to steady demand in the machine tool sector in Japan, and in the railway and wind turbine sectors in China.
- 3Q operating income totaled ¥8.1 billion, a 39.8% YoY increase, due to the effect of the weaker yen and higher volume, despite labor cost increases.

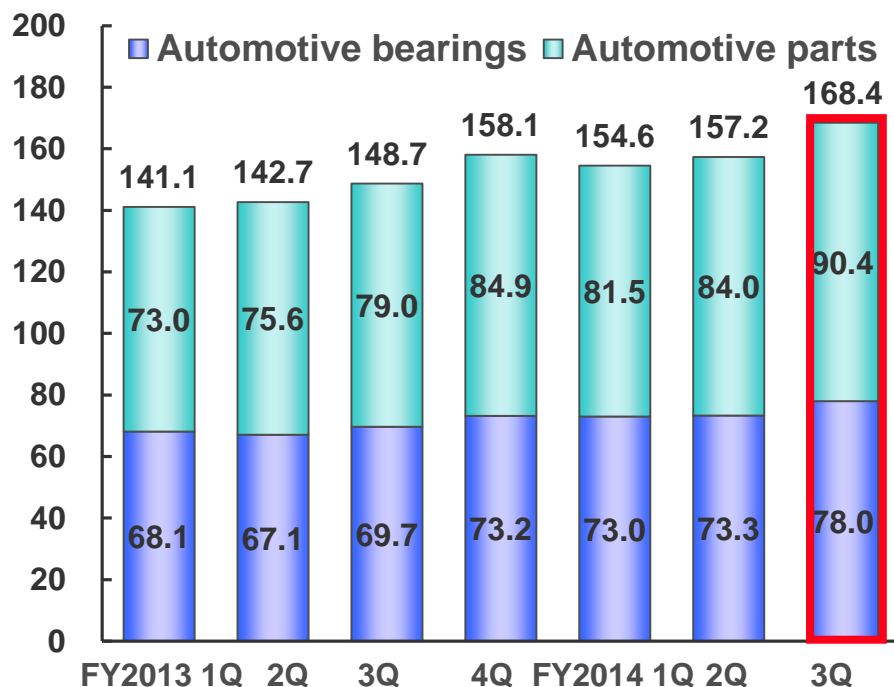
Results by Business Segment

— Automotive Business



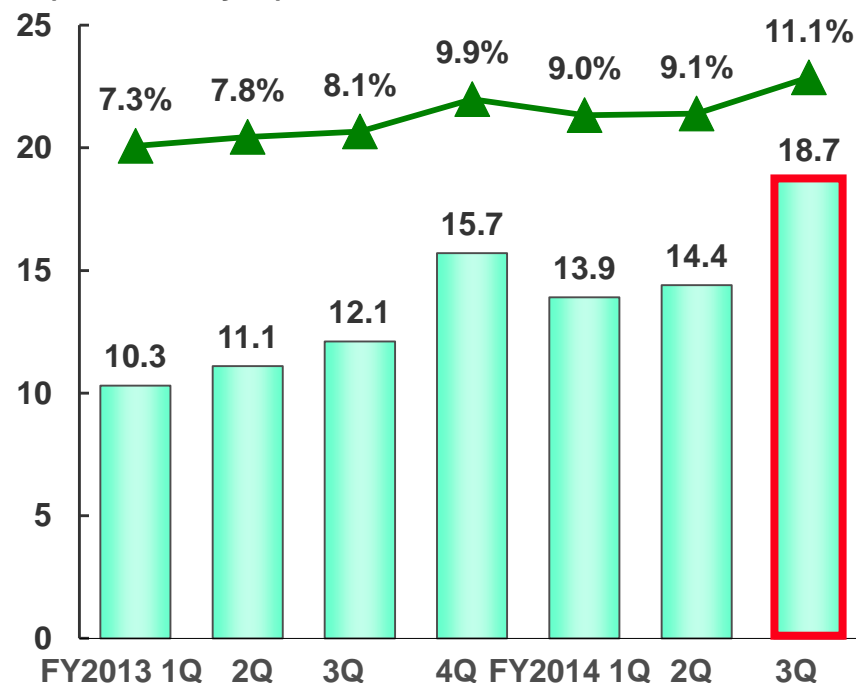
Net sales

(Billions of yen)



Operating income/margin

(Billions of yen)



Compared to FY2013 3Q

- Although the impact of the consumption tax rise continued to impact Japanese automotive sales, 3Q net sales totaled ¥168.4 billion, a 13.3% YoY increase, due to the steady North American market and sales expansion in Europe through new projects.
- 3Q operating income totaled ¥18.7 billion, a 54.6% YoY increase, due to reduction in external procurement costs and the effect of the weaker yen, in addition to higher volume.

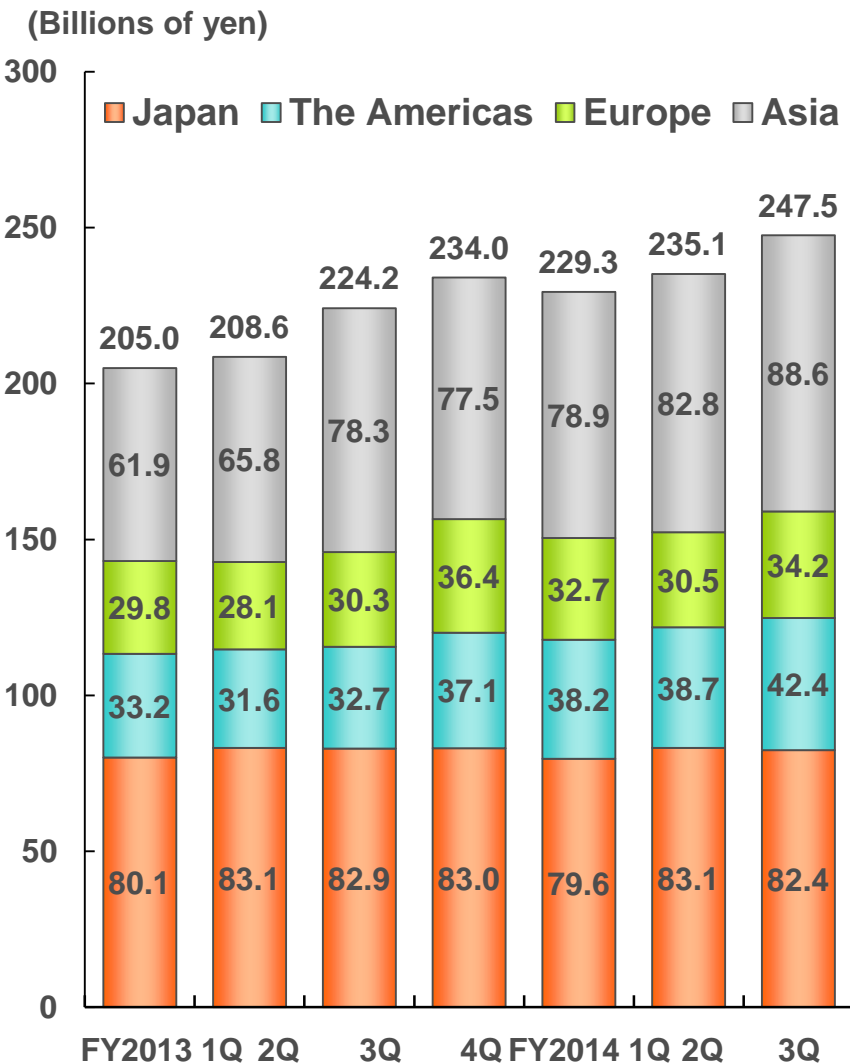
Results by Customer Location



(Billions of yen)	FY2013			FY2014						Full year <Oct. 29 FCST>
	3Q <Actual>	Apr-Dec <Actual>	Full year <Actual>	3Q <Actual>	Increase/ Decrease YOY	% Change	Apr-Dec <Actual>	Increase/ Decrease YOY	% Change	
Net sales	224.2	637.8	871.7	247.5	+23.4	+10.4%	711.9	+74.1	+11.6%	950.0
Japan	82.9	246.1	329.1	82.4	-0.5	-0.6%	245.0	-1.1	-0.4%	330.5
Non-Japan	141.3	391.7	542.6	165.1	+23.9	+16.9%	466.9	+75.2	+19.2%	619.5
<Non-Japan ratio>	<63.0%>	<61.4%>	<62.2%>	<66.7%>			<65.6%>			<65.2%>
The Americas	32.7	97.5	134.5	42.4	+9.7	+29.8%	119.2	+21.8	+22.4%	156.0
Europe	30.3	88.2	124.6	34.2	+3.8	+12.7%	97.4	+9.2	+10.4%	131.5
Asia	78.3	206.0	283.5	88.6	+10.3	+13.2%	250.2	+44.2	+21.5%	332.0
China only	50.4	120.5	167.2	53.3	+2.8	+5.6%	149.7	+29.2	+24.2%	200.0
<China ratio>	<22.5%>	<18.9%>	<19.2%>	<21.5%>			<21.0%>			<21.1%>

Results by Customer Location

Net sales by customer location: Quarterly business performance



Compared to FY2014 2Q

Asia: In the industrial machinery business, sales in the machine tools and aftermarket sectors in China rose. Sales in the Chinese automotive business also rose.
3Q net sales increased 7.3% from 2Q.

Europe: Aftermarket sales in the industrial machinery business grew, while in the automotive business sales of EPS products increased.
3Q net sales increased 11.1% from 2Q.

The Americas: 3Q net sales rose 9.8% from 2Q due to strong sales in the North American automotive business.

Japan: Despite higher sales in the machine tool sector of the industrial machinery business, 3Q net sales decreased 0.9% from 2Q due to lower sales in other businesses..

Results by Geographical Segment



(Billions of yen)		FY2013			FY2014						
		3Q <Actual>	Apr-Dec <Actual>	Full year <Actual>	3Q <Actual>	Increase/ Decrease YOY	% Change	Apr-Dec <Actual>	Increase/ Decrease YOY	% Change	Full year <Oct. 29 FCST>
Total	Net sales	224.2	637.8	871.7	247.5	+23.4	+10.4%	711.9	+74.1	+11.6%	950.0
	Operating income	15.9	44.7	68.0	26.3	+10.3	+64.6%	67.0	+22.3	+49.9%	86.0
	%	7.1%	7.0%	7.8%	10.6%			9.4%			9.1%
Japan	Net sales	131.6	383.5	512.2	133.6	+2.0	+1.5%	387.8	+4.3	+1.1%	515.0
	Operating income	8.3	28.9	38.4	12.3	+4.0	+48.1%	29.3	+0.3	+1.2%	34.5
	%	6.3%	7.5%	7.5%	9.2%			7.5%			6.7%
The Americas	Net sales	32.1	96.3	132.4	40.4	+8.3	+25.7%	113.4	+17.1	+17.7%	150.5
	Operating income	1.4	3.3	6.0	2.7	+1.3	+94.4%	7.2	+3.9	+119.9%	10.5
	%	4.3%	3.4%	4.5%	6.6%			6.4%			7.0%
Europe	Net sales	30.8	89.7	126.8	35.6	+4.7	+15.4%	101.5	+11.8	+13.1%	135.0
	Operating income	1.0	2.2	5.2	3.2	+2.3	+257.7%	7.6	+5.4	+252.4%	10.0
	%	2.9%	2.4%	4.1%	9.1%			7.5%			7.4%
Asia	Net sales	74.9	209.5	288.2	91.9	+17.0	+22.7%	257.4	+47.9	+22.9%	337.5
	Operating income	7.8	17.5	27.3	12.2	+4.4	+56.4%	31.6	+14.1	+80.6%	40.0
	%	10.5%	8.4%	9.5%	13.3%			12.3%			11.9%
Eliminations (sales)		-45.2	-141.2	-187.9	-54.0	-8.8		-148.1	-6.9		-188.0
Eliminations/corporate		-2.6	-7.2	-8.9	-4.1	-1.5		-8.7	-1.5		-9.0

Consolidated Balance Sheet

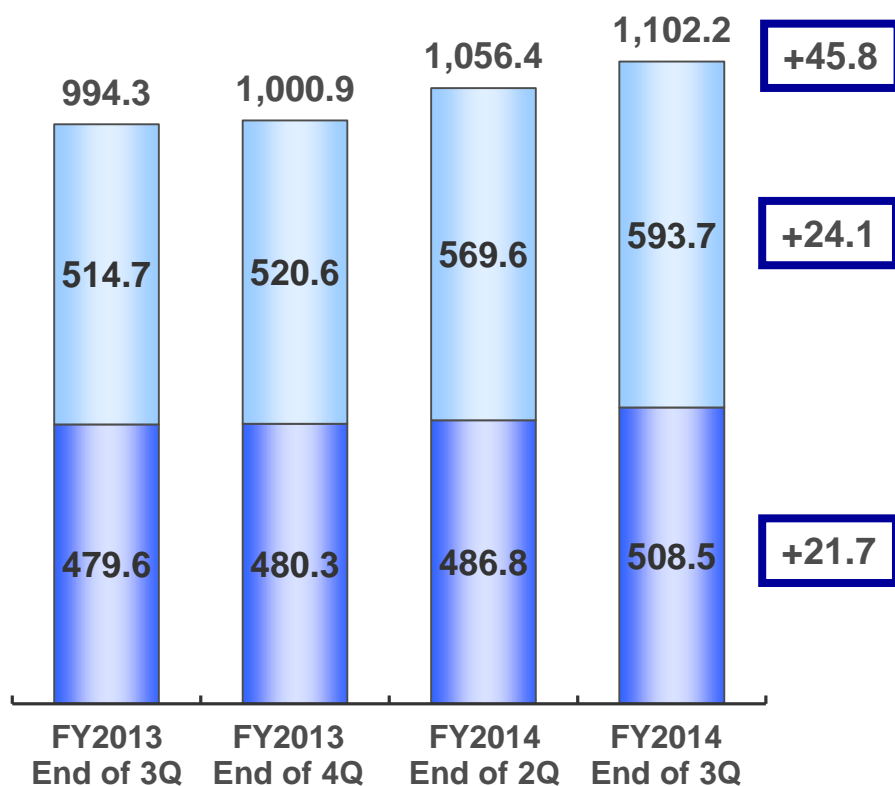


Assets

■ Non-current assets ■ Current assets

(Billions of yen)

Change from 2Q

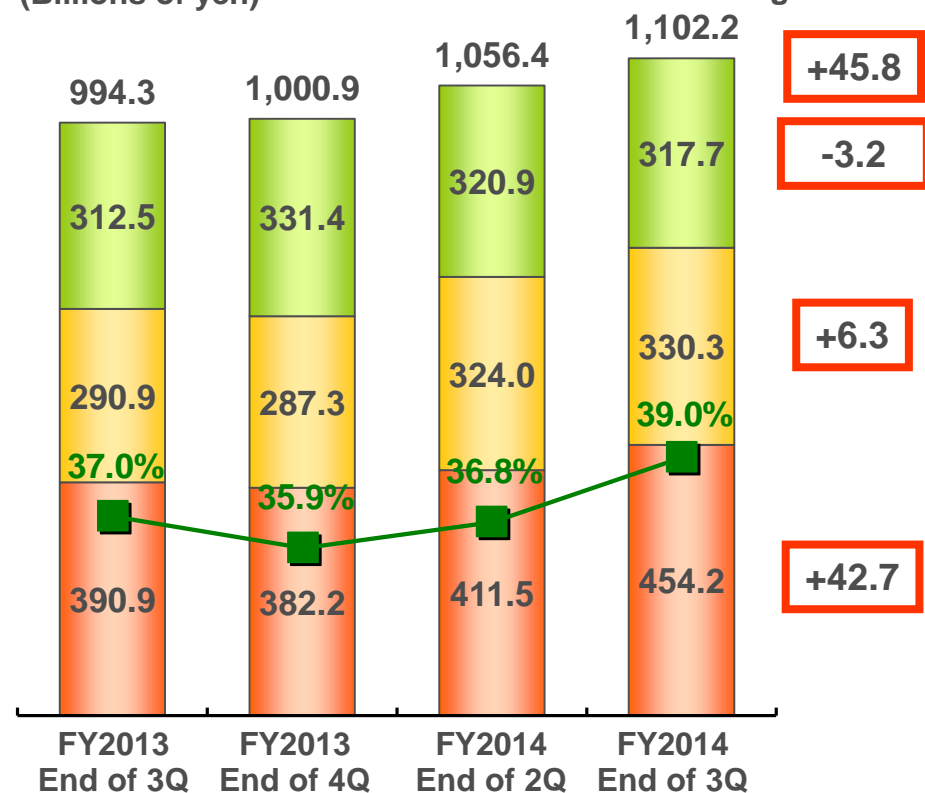


Liabilities / Net assets

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

(Billions of yen)

Change from 2Q



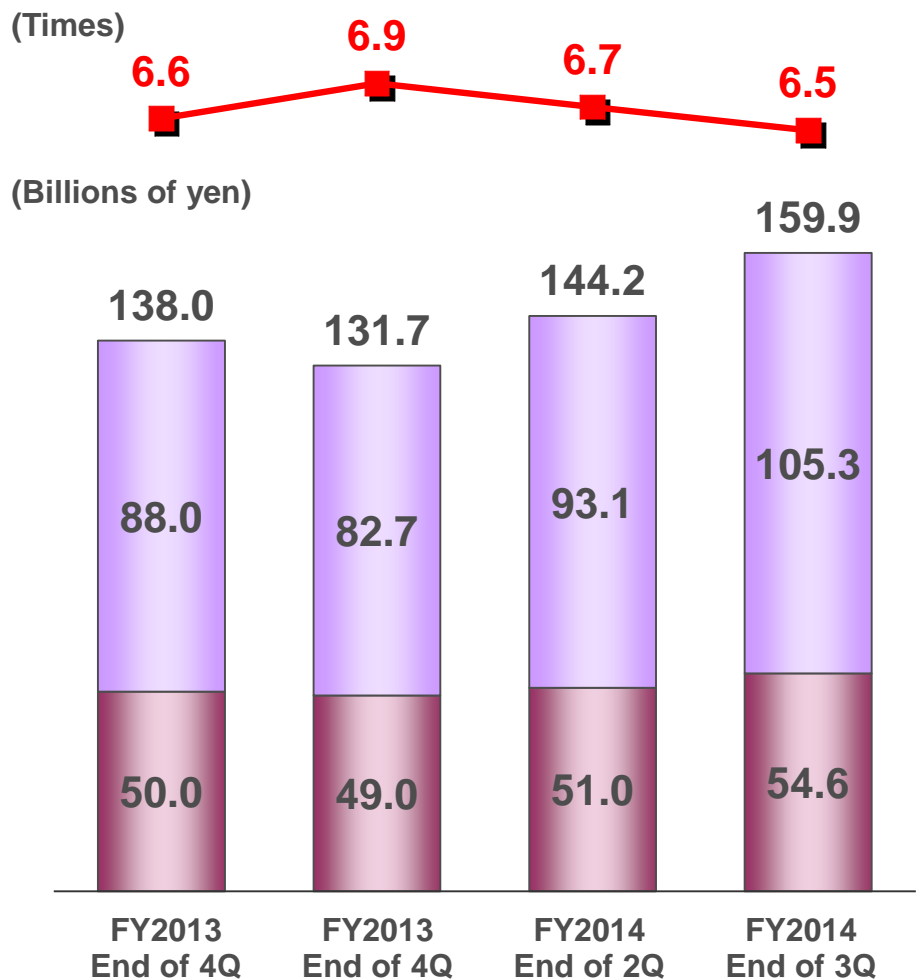
US1\$=	105.39	102.92	109.45	120.55
1Euro=	145.05	141.65	138.87	146.54

US1\$=	105.39	102.92	109.45	120.55
1Euro=	145.05	141.65	138.87	146.54

Inventories / Interest-Bearing Debt

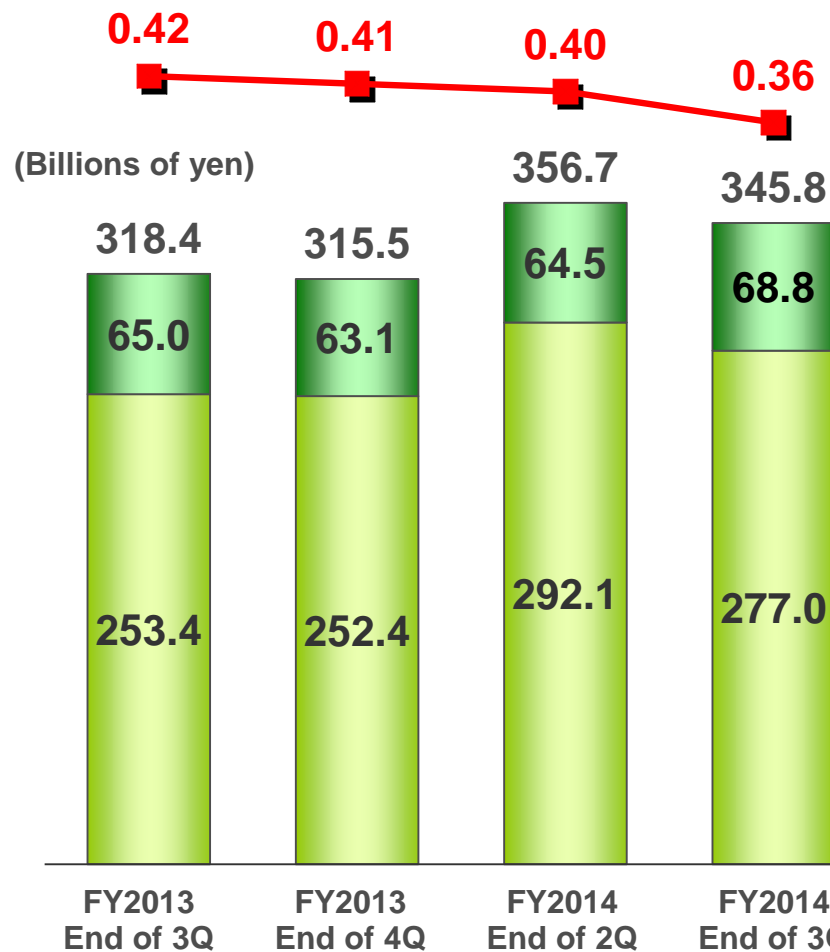
Inventories

■ Japan ■ Non-Japan ■ Inventory turnover



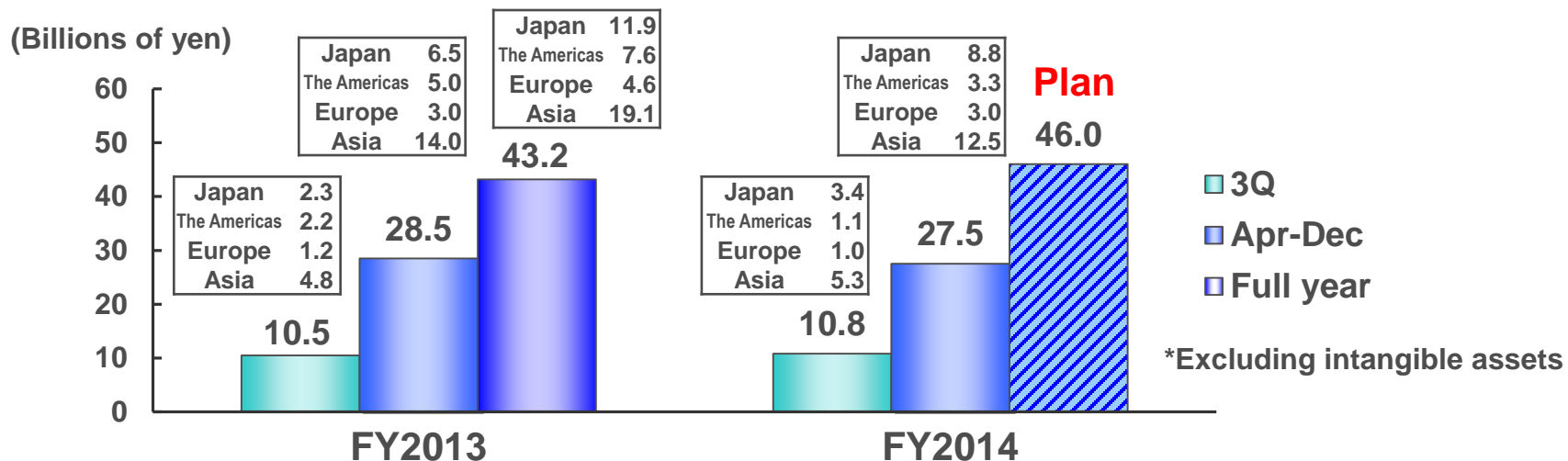
Interest-bearing debt

■ Japan ■ Non-Japan ■ Net D/E ratio

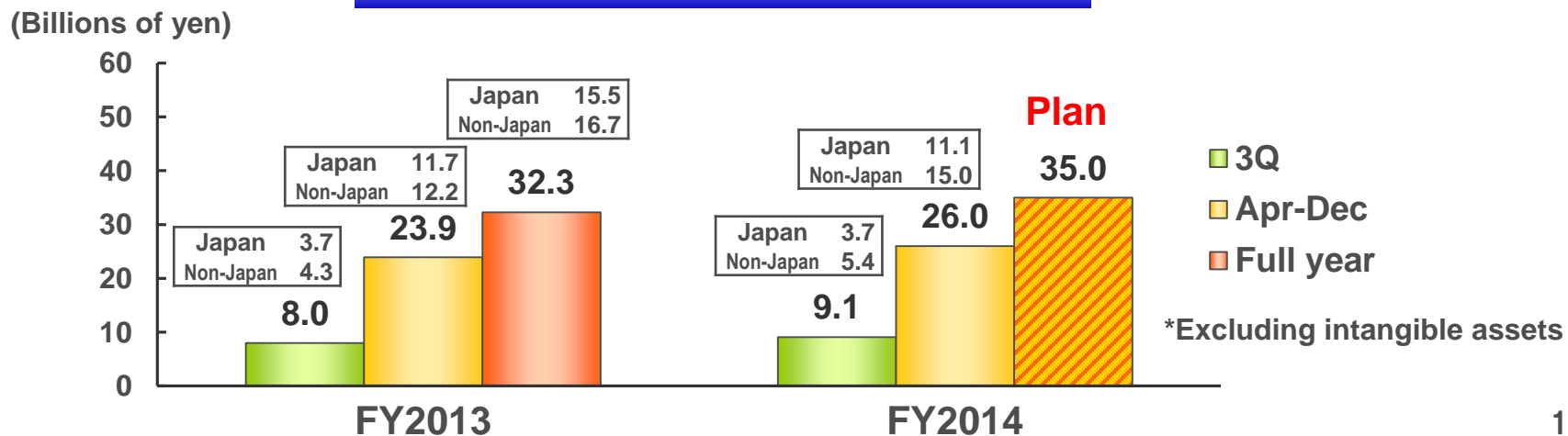


Capital Expenditure / Depreciation

Capital expenditure



Depreciation



Supplementary Information

— R&D Expenses / Number of Employees



(Billions of yen)	FY2013				FY2014			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	Full year (Plan)
R&D expenses	2.4	2.5	2.4	2.6	2.5	2.9	2.6	10.5

(Head count)	FY2013				FY2014		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total:	29,417	30,189	30,283	30,454	30,837	31,131	31,299
Japan	11,481	11,416	11,297	11,223	11,277	11,185	11,113
The Americas	2,814	2,905	2,990	3,078	3,080	3,205	3,278
Europe	3,434	3,523	3,504	3,498	3,481	3,529	3,584
Asia	11,688	12,345	12,492	12,655	12,999	13,212	13,324