

NSK Ltd.

For Immediate Release

July 30, 2009

CONSOLIDATED RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2009 (Unaudited)

Company name	NSK Ltd.
Stock exchanges on which the shares are listed	Tokyo and Osaka Stock Exchanges in Japan
Code number	6471
URL	http://www.nsk.com
Representative	Norio Otsuka, President and CEO
Contact person	Yoshio Saito, Senior Vice President
Filing date of quarterly securities report	August 7, 2009

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Highlights for the Three Months Ended June 30, 2009

(1) Consolidated financial results (% of changes from the same period last year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three months ended Jun. 30, 2009	115,804	(39.5)	(4,517)	-	(8,114)	-	(5,346)	-
Three months ended Jun. 30, 2008	191,462	-	15,262	-	16,182	-	9,614	-

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
Three months ended Jun. 30, 2009	(9.89)	-
Three months ended Jun. 30, 2008	17.78	17.78

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of Jun. 30, 2009	758,303	256,712	31.8	445.71
As of Mar. 31, 2009	744,229	248,787	31.4	431.74

(Note) Equity capital As of Jun. 30, 2009 240,953 million yen As of Mar. 31, 2009 233,395 million yen

2. Cash Dividends

(Record date)	Cash dividends per share				
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year-end	Full-year total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2009	-	10.00	-	4.00	14.00
Year ending Mar. 31, 2010	-	-	-	-	-
Year ending Mar. 31, 2010 (Forecast)	-	4.00	-	4.00	8.00

(Note) Revisions to the forecast of cash dividends in the current quarter: None

3. Forecast of Consolidated Results for the Year Ending March 31, 2010

(% of changes from the same period last year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Six months ending Sep. 30, 2009	250,000	(34.8)	(7,000)	-	(12,000)	-	(8,500)	-	(15.72)
Year ending Mar. 31, 2010	550,000	(15.1)	3,000	(86.4)	(5,000)	-	(3,500)	-	(6.47)

(Note) Revisions to the forecast of consolidated results in the current quarter: None

4. Others

(1) Changes in the significant subsidiaries during the period (Changes in specified subsidiaries resulting in change in the scope of consolidation): None

(2) Adoption of simplified accounting methods and special accounting methods for presenting quarterly consolidated financial statements: Yes

Note: For more details, please refer to page 5 "Qualitative Information and Consolidated Financial Statements, 4. Other".

(3) Changes to accounting policies applied, procedures and disclosures for presenting quarterly consolidated financial statements

(i) Changes due to newly issued accounting pronouncements: None

(ii) Changes excluding the above: None

(4) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding at the end of each period (including treasury stock):

As of Jun. 30, 2009	551,268,104 shares	As of Mar. 31, 2009	551,268,104 shares
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(ii) Number of treasury stock at the end of each period:

As of Jun. 30, 2009	10,660,902 shares	As of Mar. 31, 2009	10,671,192 shares
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(iii) Average number of shares issued and outstanding in each period:

Three months ended Jun. 30, 2009	540,611,556 shares	Three months ended Jun. 30, 2008	540,591,965 shares
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Cautionary Statement with Respect to Forward-Looking Statements

The forecasts in this document are based on currently available information, and actual results may materially differ from any future results expressed herein due to various factors.

【Qualitative Information and Consolidated Financial Statements】

1. Qualitative Information Regarding Consolidated Business Results

Although the rapid economic downturn which occurred from the second half of the year ended March 31, 2009 partly appears to have bottomed out due to the positive effects of stimulus policies implemented by governments around the world, the global economy in the first quarter of the year, ending March 2010 remained stagnant overall.

Among our business segments, orders from automakers appear to have bottomed out at the end of the fourth quarter of the year ended March 2009 due to advancement of inventory adjustment by automakers and favorable stimulus policies enacted by each country. In the industrial machinery sector, demand continued to decrease due to a decline in capital investment.

As emergency profitability countermeasures in response to this environment, we have strived to maintain production volume through sales expansion activities in the industrial machinery bearings and precision machinery and parts businesses as well as streamlining our global workforce, reducing general and administrative expenses, and capital investments.

As a result, consolidated net sales totaled ¥115,804 million, a year-on-year decrease of 39.5%. As for profits, although we made efforts to streamline our global workforce, reduce general and administrative costs, and external procurement costs in response to volume reduction and reduced export profit margins caused by the appreciation of the Japanese yen, we recorded an operating loss of ¥4,517 million (operating income was ¥15,262 million in the same period last year). Ordinary loss was ¥8,114 million (ordinary income was ¥16,182 million in the same period last year). Net loss after adjusting for tax expenses and minority interests was ¥5,346 million (net income was ¥9,614 million in the same period last year).

Results by Business Segment

Industrial Machinery Bearings

Demand from general industrial and electrical machinery manufacturers and the aftermarket sector declined globally due to the effects of the economic recession. As a result, net sales in the industrial machinery bearings business totaled ¥35,067 million, a year-on-year decrease of 42.2%. Operating loss was ¥1,045 million (operating income was ¥8,198 million in the same period last year) due to substantial volume reduction, although we strived to streamline our global workforce and reduce general and administrative expenses.

Automotive Products

Sales in the automotive bearings and components business declined due to lower global automotive sales volume, although inventory adjustment by automakers appears to be complete and there are signs of a recovery in production.

As a result, net sales in the automotive products business totaled ¥70,753 million, a year-on-year decrease of 34.5%. Operating loss was ¥30 million (operating income was ¥6,126 million in the same period last year) due to reduced production volume and reduced export profit margins caused by the appreciation of the Japanese yen, although we strived to streamline our global workforce and reduce general and administrative expenses, and external procurement costs.

Precision Machinery and Parts

Sales of linear motion products, mainly ball screws decreased due to a substantial decline in sales to machine tool and semiconductor production equipment manufacturers.

As a result, net sales in the precision machinery and parts business totaled ¥6,262 million, a year-on-year decrease of 58.0%. Operating loss was ¥1,816 million (operating income was ¥1,405 million in the same period last year) due to substantially lower production volume, although we strived to streamline our

global workforce and reduce general and administrative expenses.

Other

Sales in other business segment totaled ¥7,000 million, a year-on-year decrease of 50.6% due to a decrease in sales of steel balls to third parties. Operating loss was ¥649 million (operating income was ¥943 million in the same period last year).

Geographical Segment Information

Japan

In the industrial machinery bearings business, sales to general industrial and electrical machinery manufacturers and the aftermarket sector decreased. In the automotive products business, sales declined due to reduced global automotive sales volume, although inventory adjustment by automakers appears to be complete and there are signs of a recovery in production. In the precision machinery and parts business, sales to machine tool and semiconductor production equipment manufacturers declined.

As a result, net sales in Japan totaled ¥83,466 million, a year-on-year decrease of 39.8%. Operating loss was ¥4,359 million (operating income was ¥8,921 million in the same period last year) due to substantially reduced production volume and reduced export profit margins caused by the appreciation of the Japanese yen, although we strived to streamline our global workforce and reduce general and administrative expenses.

The Americas

In the industrial machinery bearings business, sales to general industrial and electrical machinery manufacturers and the aftermarket sector decreased. In the automotive products business, sales declined due to reduced production by automakers. Sales in the precision machinery and parts business declined due to decreased demand from machinery tool and semiconductor production equipment manufacturers.

As a result, net sales in the Americas totaled ¥13,640 million, a year-on-year decrease of 44.8%. Operating loss was ¥433 million (operating income was ¥793 million in the same period last year) due to substantially reduced production volume, although we strived to streamline our global workforce and reduce general and administrative expenses.

Europe

In the industrial machinery bearings business, sales to general industrial and electrical machinery manufacturers and the aftermarket sector decreased due to the negative effects of the economic recession. In the automotive products business, although sales of electric power steering (EPS) systems increased due to favorable stimulus policies, reduced production by automakers negatively affected the results. In the precision machinery and parts business, sales to machine tool manufacturers decreased due to the economic recession.

As a result, net sales in Europe totaled ¥22,312 million, a year-on-year decrease of 40.3%. Operating income was ¥1,384 million, a year-on-year decrease of 60.5% due to substantially reduced production volume, although we strived to reduce external procurement costs.

Asia

In the industrial machinery bearings business, IT-related sales in ASEAN nations entered a recovery phase, while other sales decreased due to the negative effect of the economic recession. In the automotive products business, although sales have started to recover due to the positive effects of favorable stimulus policies in China, stagnant automobile sales negatively affected the results. In the precision machinery and parts business, sales decreased due to a decline in demand mainly in Taiwan and South Korea.

As a result, net sales in Asia totaled ¥18,358 million, a year-on-year decrease of 38.1%. Operating income was ¥321 million, a year-on-year decrease of 90.1% due to reduced production volume although we strived to streamline our global workforce and reduce general and administrative expenses.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets

Total assets totaled ¥758,303 million, an increase of ¥14,074 million compared to the total assets as of March 31, 2009. The main reasons for this increase are an increase of ¥9,692 million in investment securities, and an increase of ¥2,776 million in inventories.

Liabilities totaled ¥501,591 million, an increase of ¥6,148 million compared to the liabilities as of March 31, 2009.

Net assets

Net assets totaled ¥256,712 million, an increase of ¥7,925 million compared to the net assets as of March 31, 2009. The main reasons for this increase are an increase of ¥6,019 million in unrealized gains on securities and ¥6,880 million in translation adjustments, which offset the decrease of ¥5,346 million in net loss.

Cash Flows

Net cash flow provided by operating activities

Net cash flow provided by operating activities totaled ¥4,695 million, a year-on-year decrease of ¥8,218 million, including an increase of ¥8,912 million provided by depreciation and amortization and a decrease of ¥8,114 million in losses before tax expenses and minority interests. In the same period last year, net cash flow provided by operating activities totaled ¥12,913 million.

Net cash flow used in investing activities

Net cash flow used in investing activities totaled ¥6,173 million, a year-on-year decrease of ¥6,729 million, including ¥5,638 million additions to property, plant and equipment. In the same period last year, net cash flow used in investing activities totaled ¥12,903 million.

Net cash flow used in financing activities

Net cash flow used in financing activities totaled ¥2,286 million, a year-on-year decrease of ¥11,611 million, including ¥2,038 million of dividends paid. In the same period last year, net cash flow used in financing activities was ¥13,898 million.

In aggregate, cash and cash equivalents at the end of the first quarter totaled ¥122,998 million, a decrease of ¥1,945 million compared to the cash and cash equivalents as of March 31, 2009, an increase of ¥22,884 million compared to that as of June 30, 2008.

3. Qualitative Information Regarding Consolidated Business Forecast

No revision has been made to the forecasts released on May 12, 2009 for the year ending March 31, 2010.

4. Other

(1) Changes in significant subsidiaries during the period (Changes in specific subsidiaries resulting in change in the scope of consolidation)

None.

(2) Adoption of simplified financial accounting methods and special accounting methods for presenting quarterly consolidated financial statements

Method of calculating tax expenses, deferred tax expenses and deferred tax liabilities

Tax expenses for the first quarter ended June 30, 2009 were calculated using reasonably estimated annual effective tax rate for this fiscal year including this quarter.

When there has been no marked change in the business environment or taxable temporary differences since the end of the previous fiscal year, the potential recovery of deferred tax assets is determined based on the business performance forecasts of the previous fiscal year and tax planning methods.

Income taxes deferred are stated on our consolidated statement of operations as "Income Taxes".

- (3) Changes to accounting policies applied, procedures and disclosures for presenting quarterly consolidated financial statements

None.

5. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of Jun. 30, 2009	As of Mar. 31, 2009
Assets		
Current assets:		
Cash and deposits	86,741	77,712
Notes and accounts receivable	100,384	97,890
short-term investment securities	35,835	46,300
Finished goods	65,286	60,965
Work in process	33,738	34,926
Raw materials and supplies	10,421	10,777
Others	43,843	42,561
Less allowance for doubtful accounts	(1,126)	(1,543)
Total current assets	375,125	369,590
Non-current assets:		
Property, plant and equipment		
Buildings and structures	70,891	71,423
Machinery, vehicles and equipment	122,751	122,494
Others	55,343	55,803
Total property, plant and equipment	248,986	249,721
Intangible fixed assets	10,618	10,483
Investments and other assets		
Investment securities	68,534	58,842
Prepaid pension costs	44,593	45,191
Others	10,970	10,949
Less allowance for doubtful accounts	(525)	(549)
Total investments and other assets	123,573	114,433
Total non-current assets	383,178	374,638
Total assets	758,303	744,229

	(Millions of Yen)	
	Three months ended Jun. 30, 2008	Three months ended Jun. 30, 2009
Liabilities		
Current liabilities:		
Notes and accounts payable	72,336	74,006
Short-term loans	90,898	90,175
Current portion of corporate bonds	17,000	7,000
Accrued income taxes	1,566	1,915
Others	44,359	37,225
Total current liabilities	226,161	210,322
Non-current liabilities:		
Corporate bonds	110,000	120,000
Long-term loans	106,548	105,990
Accrued employees' retirement benefits	25,182	25,170
Accrued officers' retirement benefits	1,229	1,439
Reserves for environmental safety measures	168	174
Others	32,300	32,344
Total non-current liabilities	275,429	285,119
Total liabilities	501,591	495,442
Net assets		
Shareholders' equity		
Common stock	67,176	67,176
Additional paid-in capital	78,324	78,324
Retained earnings	129,118	134,455
Treasury stock	(4,154)	(4,149)
Total shareholders' equity	270,465	275,807
Valuation, translation adjustments and other		
Unrealized gains on securities	11,548	5,528
Translation adjustments	(41,059)	(47,940)
Total valuation, translation adjustments and other	(29,511)	(42,412)
Share subscription rights	316	289
Minority interests	15,442	15,102
Total net assets	256,712	248,787
Total liabilities and net assets	758,303	744,229

(2) Consolidated Statement of Operations

For the three months ended June 30, 2009

	(Millions of Yen)	
	Three months ended Jun. 30, 2008	Three months ended Jun. 30, 2009
Net sales	191,462	115,804
Cost of sales	148,751	98,436
Gross profit	42,711	17,368
Selling, general and administrative expenses	27,448	21,885
Operating income (loss)	15,262	(4,517)
Non-operating income:		
Interest income	417	202
Dividend income	739	624
Equity in earnings of affiliated companies	1,058	487
Other	1,250	1,295
Total non-operating income	3,465	2,610
Non-operating expenses:		
Interest expenses	1,546	1,598
Product compensation	-	3,394
Other	999	1,214
Total non-operating expenses	2,545	6,207
Ordinary income (loss)	16,182	(8,114)
Extraordinary income:		
Gain on sales of property, plant and equipment	489	-
Total extraordinary income	489	-
Income (loss) before tax expenses and minority interests	16,671	(8,114)
Income taxes	6,541	(2,791)
Minority interests	515	23
Net income (loss)	9,614	(5,346)

(3) Consolidated Statement of Cash Flows

(Millions of Yen)

	Three months ended Jun. 30, 2008	Three months ended Jun. 30, 2009
Operating activities		
Income (loss) before income taxes and minority interests	16,671	(8,114)
Depreciation and amortization	9,299	8,912
Amortization of goodwill	171	171
Increase (decrease) in allowance for doubtful accounts	(26)	(475)
Increase (decrease) in provision for retirement benefits and prepaid pension cost	(611)	236
Interest and dividend income	(1,156)	(826)
Interest expenses	1,546	1,598
Equity in losses (earnings) of affiliates	(1,058)	(487)
Loss (gain) on sales of property, plant and equipment	(489)	-
Decrease (increase) in notes and accounts receivable	(7,404)	(1,414)
Decrease (increase) in inventories	(9,082)	(760)
Increase (decrease) in notes and accounts payable	49	(830)
Other	8,987	7,333
Subtotal	16,895	5,342
Interest and dividends received	4,050	1,353
Interest paid	(1,283)	(1,434)
Income taxes paid	(6,749)	(566)
Net cash provided by operating activities	12,913	4,695
Investing activities		
Net decrease (increase) in time deposits	(318)	-
Purchase of short-term investment securities	(3,500)	-
Proceeds from sales of short-term investment securities	4,300	17
Purchase of property, plant and equipment	(13,147)	(5,638)
Proceeds from sales of property, plant and equipment	809	43
Purchase of investment securities	(436)	(148)
Proceeds from sales of investment securities	45	5
Payments of loans receivable	(19)	(14)
Collection of loans receivable	34	24
Other	(670)	(464)
Net cash used in investing activities	(12,903)	(6,173)
Financing activities		
Net increase (decrease) in short-term loans	436	(418)
Increase in long-term loans	1,364	639
Repayments of long-term debts	(368)	(459)
Payments for redemption of corporate bonds	(10,000)	-
Acquisition of treasury stock	(12)	(5)
Dividends paid	(5,168)	(2,038)
Dividends paid to minority shareholders	(336)	(116)
Other	187	111
Net cash used in financing activities	(13,898)	(2,286)
Effect of exchange rate changes on cash and cash equivalents	775	1,341
Net increase (decrease) in cash and cash equivalents	(13,112)	(2,423)
Cash and cash equivalents at beginning of the year	113,226	124,944
Increase in cash and cash equivalents resulting from changes in fiscal year ends of consolidated subsidiaries	-	477
Cash and cash equivalents at end of the period	100,114	122,998

(4) Going Concern Assumption

None.

(5) Segment Information**【Sales by Business Segment】**

Three months ended June 30, 2008

(Millions of Yen)

	Industrial machinery bearings	Automotive products	Precision machinery & parts	Others	Total	Eliminations/Corporate	Consolidated
Sales							
(1)Sales to third parties	60,652	107,957	14,904	7,947	191,462	-	191,462
(2)Inter-segment sales and transfers	-	-	-	6,228	6,228	(6,228)	-
Total	60,652	107,957	14,904	14,176	197,690	(6,228)	191,462
Operating income (loss)	8,198	6,126	1,405	943	16,674	(1,411)	15,262

Three months ended June 30, 2009

(Millions of Yen)

	Industrial machinery bearings	Automotive products	Precision machinery & parts	Others	Total	Eliminations/Corporate	Consolidated
Sales							
(1)Sales to third parties	35,067	70,753	6,262	3,721	115,804	-	115,804
(2)Inter-segment sales and transfers	-	-	-	3,279	3,279	(3,279)	-
Total	35,067	70,753	6,262	7,000	119,084	(3,279)	115,804
Operating income (loss)	(1,045)	(30)	(1,816)	(649)	(3,541)	(976)	(4,517)

【 Sales by Geographical Segment 】

Three months ended June 30, 2008

(Millions of Yen)

	Japan	The Americas	Europe	Asia	Total	Eliminations/ corporate	Consolidated
Sales							
(1)Sales to third parties	108,004	24,417	35,867	23,173	191,462	-	191,462
(2)Inter-area sales and transfers	30,603	290	1,531	6,504	38,929	(38,929)	-
Total	138,607	24,707	37,398	29,677	230,391	(38,929)	191,462
Operating income (loss)	8,921	793	3,505	3,245	16,465	(1,202)	15,262

Three months ended June 30, 2009

(Millions of Yen)

	Japan	The Americas	Europe	Asia	Total	Eliminations/ corporate	Consolidated
Sales							
(1)Sales to third parties	65,451	13,559	21,915	14,878	115,804	-	115,804
(2)Inter-area sales and transfers	18,015	80	396	3,480	21,972	(21,972)	-
Total	83,466	13,640	22,312	18,358	137,777	(21,972)	115,804
Operating income (loss)	(4,359)	(433)	1,384	321	(3,086)	(1,431)	(4,517)

【 Sales by Customer Location 】

Three months ended June 30, 2008

(Millions of Yen)

	The Americas	Europe	Asia	Total
(1)Non-Japan sales	24,897	36,230	34,816	95,944
(2)Consolidated net sales	-	-	-	191,462
(3)Ratio of Non-Japan sales to consolidated net sales	13.0%	18.9%	18.2%	50.1%

Three months ended June 30, 2009

(Millions of Yen)

	The Americas	Europe	Asia	Total
(1)Non-Japan sales	13,844	21,892	23,718	59,455
(2)Consolidated net sales	-	-	-	115,804
(3)Ratio of Non-Japan sales to consolidated net sales	12.0%	18.9%	20.5%	51.3%

(6) Substantial Changes in Shareholders' Equity

None.