



February 2, 2005

Consolidated Operating Results and Financial Position for the 1st through 3rd Quarters of Fiscal Year 2004 ending March 31, 2005

Name of Listed Company: NOK Corporation
(URL <http://www.nok.co.jp>)

Securities Code Number: 7240
Shares Listing: Tokyo and Nagoya (1st Sections)

Representative: President, Masato Tsuru

Contact Person: Department Manager, Corporate Planning Dept., Kazuhiko Nakano

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1. Notes on the preparation of the quarterly financial statements

- 1) Application of simplified accounting method: Yes
Accounting for income taxes are based on the projected annual tax rates, which are calculated from the normal effective statutory tax rates.
- 2) Changes in accounting principles (consolidated): Yes
NOK adopted the accounting standard for impairment losses on fixed assets.
- 3) Change in scope of consolidation and application of the equity method: Yes

Consolidation	Companies added: 5	Companies removed: 1
Equity Method	Companies added: 1	Companies removed: 1

2. Summary of Consolidated Operating Results and Financial Position for the 1st through 3rd Quarters of Fiscal Year 2004 ending March 31, 2005 (April 1, 2004 to December 31, 2004)

(1) Consolidated Operating Results (Fractions are rounded down to the nearest million yen.)

	Sales		Operating Income		Ordinary Profit	
	million yen	%	million yen	%	million yen	%
1st through 3rd Quarters of FY 2004	304,645	16.1	39,524	21.3	41,545	22.3
1st through 3rd Quarters of FY 2003	262,479	—	32,593	—	33,964	—
(Reference) FY 2003	356,595		44,476		46,105	

	Net Income		Net Income per Share		Diluted Net Income per Share	
	million yen	%	yen	yen	yen	yen
1st through 3rd Quarters of FY 2004	31,267	58.1	180.81	—	—	—
1st through 3rd Quarters of FY 2003	19,773	—	117.46	—	—	—
(Reference) FY 2003	26,949		158.20	—	—	—

Note: Percentage figures shown for sales, operating income and ordinary profit represent changes from the corresponding period in the previous fiscal year.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	million yen	million yen	%	yen
1st through 3rd Quarters of FY 2004	396,546	177,129	44.7	1,024.29
1st through 3rd Quarters of FY 2003	343,016	127,810	37.3	759.27
(Reference) FY 2003	366,678	146,774	40.0	847.29

Consolidated Cash Flow Status

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of the Term
	million yen	million yen	million yen	million yen
1st through 3rd Quarters of FY 2004	33,165	(32,293)	968	31,365
1st through 3rd Quarters of FY 2003	21,700	(22,412)	8,452	28,701
(Reference) FY 2003	45,423	(43,920)	6,292	28,545

3. Projections of Consolidated Business Performance for FY 2004 (April 1, 2004 to March 31, 2005)

	Sales	Ordinary Profit	Net Income	Net Income per Share
	million yen	million yen	million yen	yen
Full-Year	404,000	50,700	36,000	208.18

(Reference) Projections of Non-Consolidated Business Performance for FY 2004 (April 1, 2004 to March 31, 2005)

	Sales	Ordinary Profit	Net Income	Net Income per Share
	million yen	million yen	million yen	yen
Full-Year	273,700	15,500	15,800	91.29

*The consolidated and non-consolidated projections disclosed on November 16, 2004 were revised based on recent business performance. The projections shown above include prospects calculated on the basis of the latest data available. Actual business results may differ significantly from these projections depending on various factors.

Consolidated Operating Results and Financial Position **for the 1st through 3rd Quarters of Fiscal Year 2004 ending March 31, 2005**

Operating Results

For the first through third quarters of fiscal year 2004, consolidated sales amounted to 304,645 million yen, ordinary profit was 41,545 million yen and net income reached 31,267 million yen.

Segment information by business category

The business results of seal products improved thanks in large part to increased sales of such core products as oil seals to the automotive industry. Sales in this category reached 140,794 million yen (an increase of 16.3% y/y) while operating income jumped to 13,702 million yen (an increase of 30.5% y/y).

Sales and operating income of flexible boards amounted to 109,653 million yen (an increase of 4.6% y/y) and 22,278 million yen (an increase of 11.0% y/y), respectively, despite sluggish growth in demand, particularly for such digital-related products as mobile phones and digital cameras.

Other products business achieved favorable results, reflecting increased sales primarily to the automotive and general industries and the effect of the acquisition of Hokushin Corporation, which was completed in March 2004. Sales was 54,197 million yen (an increase of 48.2% y/y) and operating income reached 3,499 million yen (an increase of 78.7% y/y).

Financial Position

During the third quarter, total assets reached 396,546 million yen, an increase of 29,867 million yen from the previous fiscal year-end. This is primarily attributed to an increase in tangible fixed assets of 17,237 million yen resulting from aggressive equipment investment, especially in the domestic seal and flexible board business fields. Total shareholder's equity amounted to 177,129 million yen, an increase of 30,354 million, and shareholder's equity ratio was up 4.7 percentage point, to 44.7%, from the previous fiscal year-end.

With regard to cash flow conditions, net cash flows from operating activities reached 33,165 million yen thanks to a strong business performance and greater income before income taxes, which was partially offset by an increase in notes and accounts receivables as well as higher income taxes as a result of the improved business performance. Cash flows from investing activities ended up a negative 32,293 million yen owing to some payments that included the purchase of tangible fixed assets. Cash flows from financing activities amounted to a positive 968 million yen largely due to the implementation of short-term borrowings.

As a consequence, cash and cash equivalents at end of the term increased 2,819 million yen from the previous fiscal

[Attachment]

1. Consolidated Balance Sheet (Summary)

(in million yen)

Item	Term	3rd Quarter of FY 2004 (as of December 31, 2004)		FY 2003 (as of March 31, 2004)		Increase/ (decrease)	(Reference) 3rd Q of FY 2003 (as of December 31, 2003)	
		Amount	%	Amount	%		Amount	%
(Assets)								
<u>Current assets</u>		183,801	46.4	172,145	46.9	11,656	162,359	47.3
Cash and deposits		34,798		31,141		3,656	30,446	
Notes receivable		95,604		95,812		(208)	92,642	
Inventories		33,020		30,121		2,899	26,335	
Others		20,379		15,070		5,308	12,934	
<u>Fixed assets</u>		212,744	53.6	194,533	53.1	18,210	180,657	52.7
Tangible fixed assets		124,279		107,041		17,237	98,662	
Intangible fixed assets		3,156		4,013		(856)	943	
Investment and other assets		85,307		83,477		1,829	81,050	
Total Assets		396,546	100.0	366,678	100.0	29,867	343,016	100.0
(Liabilities)								
<u>Current liabilities</u>		138,133	34.8	129,764	35.4	8,369	125,575	36.6
Accounts payable		46,636		46,381		254	36,223	
Short-term borrowings		35,451		27,590		7,860	39,123	
Others		56,045		55,791		254	50,228	
<u>Fixed liabilities</u>		67,057	16.9	79,355	21.6	(12,298)	79,220	23.1
Long-term borrowings		10,580		13,767		(3,187)	17,662	
Reserve for retirement benefit		53,059		62,451		(9,391)	59,388	
Others		3,417		3,136		280	2,169	
Total Liabilities		205,191	51.7	209,119	57.0	(3,928)	204,795	59.7
Minority Interests		14,225	3.6	10,784	3.0	3,440	10,410	3.0
(Shareholder's Equity)								
Common Stock		23,335	5.9	23,335	6.4	—	15,911	4.6
Additional paid-in capital		22,393	5.6	22,393	6.1	—	14,969	4.4
Earned surplus		121,614	30.7	93,642	25.5	27,972	86,464	25.2
Net unrealized gain on other securities		16,246	4.1	15,271	4.2	975	14,036	4.1
Valuation variance of foreign exchange		(6,270)	(1.6)	(7,680)	(2.1)	1,409	(3,399)	(1.0)
Treasury stock		(191)	(0.0)	(188)	(0.1)	(2)	(172)	(0.0)
Total Shareholder's Equity		177,129	44.7	146,774	40.0	30,354	127,810	37.3
Total Liabilities, Minority Shareholders' Interest and Shareholders' Equity		396,546	100.0	366,678	100.0	29,867	343,016	100.0

2. Consolidated Profit and Loss Statement (Summary)

Item	Term		Term		Change	(in million yen)	
	st to 3rd Quarters of FY 2004		st to 3rd Quarters of FY 2003			(Reference) FY 2003	
	(April 1, 2004 to December 31, 2004)		(April 1, 2003 to December 31, 2003)		(April 1, 2003 to March 31, 2004)		
	Amount	% on Sales	Amount	% on Sales	Amount	Amount	% on Sales
(Ordinary profit/loss)		%		%			
<u>Operating profit/loss</u>							
Sales	304,645	100.0	262,479	100.0	42,166	356,595	100.0
Cost of sales	224,191	73.6	194,240	74.0	29,950	263,895	74.0
Selling, general and administrative expenses	40,929	13.4	35,644	13.6	5,284	48,223	13.4
Operating income	39,524	13.0	32,593	12.4	6,930	44,476	12.5
<u>Non-operating profit/loss</u>							
<u>Non-operating profit</u>	3,886		3,578		308	4,982	
Interests and dividends received	660		594		66	700	
Investment gains on equity method	2,120		2,029		91	3,062	
Others	1,105		955		149	1,219	
<u>Non-operating expenses</u>	1,865		2,207		(342)	3,353	
Interests paid	1,060		1,069		(9)	1,540	
Others	805		1,137		(332)	1,812	
Ordinary profit	41,545	13.6	33,964	12.9	7,580	46,105	12.5
(Extraordinary profit/loss)							
<u>Extraordinary profit</u>	10,955		712		10,243	1,028	
Gain on exemption from future pension obligation	10,811		--		10,811	--	
Others	144		712		(567)	1,028	
<u>Extraordinary loss</u>	5,958		661		5,296	997	
Loss on retirement of fixed assets	809		323		485	764	
Loss on devaluation of investment securities	140		--		140	--	
Provision for reserve for restructuring of production facilities	3,600		--		3,600	--	
Write-off of software preparation costs	863		--		863	--	
Impairment loss	298		--		298	--	
Others	245		337		(92)	232	
Income before income taxes	46,543	15.3	34,015	13.0	12,528	46,136	12.5
Income taxes-current	12,960		12,380		580	16,676	
Minority interests	2,315		1,860		454	2,509	
Net income	31,267	10.3	19,773	7.5	11,493	26,949	7.3

3. Consolidated Statement of Cash Flows (Summary)

Item	Term	(in million yen)	
	through 3rd Quarters of FY 2004 (April 1, 2004 to December 31, 2004)	through 3rd Quarters of FY 2003 (April 1, 2003 to December 31, 2003)	(Reference) FY 2003 (April 1, 2003 to March 31, 2004)
	Amount	Amount	Amount
I. Cash flows from operating activities:			
Net income before income taxes	46,543	34,015	46,136
Depreciation and amortization	16,160	13,391	19,279
Increase in accounts receivable	(3,758)	(13,311)	(11,588)
Increase (decrease) in inventories	(2,069)	(449)	(2,750)
Increase (decrease) in accounts payable	(1,565)	2,571	9,754
Others	(2,362)	51	562
Sub Total	52,948	36,269	61,393
Income taxes paid	(19,252)	(13,867)	(15,100)
Others	(530)	(701)	(869)
Net cash flows from operating activities	33,165	21,700	45,423
II. Cash flows from investing activities:			
Purchase of investment securities	(952)	(319)	(316)
Payments for share capital	(1,151)	(165)	(298)
Payments for tangible fixed assets	(29,768)	(22,162)	(35,180)
Others	(421)	234	(8,124)
Net cash flows from investing activities	(32,293)	(22,412)	(43,920)
III. Cash flows from financing activities:			
Proceeds from short-term borrowings	28,446	23,756	30,383
Repayment of short-term borrowings	(18,778)	(20,111)	(36,154)
Proceeds from long-term borrowings	2,321	13,055	13,345
Repayment of long-term borrowings	(7,833)	(6,552)	(14,415)
Proceeds from issuance of new shares	—	—	14,848
Dividends paid by the Company	(2,773)	(1,514)	(1,514)
Others	(415)	(180)	(199)
Net cash flows from financing activities	968	8,452	6,292
IV. Adjustment on foreign currency translation of cash and cash equivalents	227	(84)	(296)
V. Net change in cash and cash equivalents	2,067	7,655	7,499
VI. Cash and cash equivalents at beginning of the term	28,545	20,753	20,753
VII. Increase in cash and cash equivalents due to change in the scope of consolidation	751	293	293
VIII. Cash and cash equivalents at end of the term	31,365	28,701	28,545

Note: Cash and cash equivalents at the term-end as listed above and the balance listed on the consolidated balance sheet (summary)

Item	(in million yen)	
	3rd Quarter of FY 2004	3rd Quarter of FY 2003
Cash and deposits	34,798	30,446
Time deposits more than three months	(3,433)	(1,744)
Total	31,365	28,701

(in million yen)	
FY 2003	
Cash and deposits	31,141
Time deposits more than three months	(2,595)
Total	28,545

4. Segment Information

(1) Segment information by business category

1st through 3rd Quarters of FY 2004 (April 1, 2004 to December 31, 2004)

(in million yen)

	Seal products	Flexible boards	Other products	Total	Eliminations/Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	140,794	109,653	54,197	304,645	—	304,645
(2) Inter-segment sales/transfer	98	4	4,334	4,437	(4,437)	—
Total	140,892	109,658	58,532	309,083	(4,437)	304,645
Operating expenses	127,190	87,380	55,033	269,603	(4,482)	265,121
Operating income	13,702	22,278	3,499	39,479	44	39,524

1st through 3rd Quarters of FY 2003 (April 1, 2003 to December 31, 2003)

(in million yen)

	Seal products	Flexible boards	Other products	Total	Eliminations/Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	121,102	104,817	36,559	262,479	—	262,479
(2) Inter-segment sales/transfer	94	0	3,513	3,609	(3,609)	—
Total	121,196	104,818	40,072	266,088	(3,609)	262,479
Operating expenses	110,696	84,741	38,114	233,551	(3,666)	229,885
Operating income	10,500	20,077	1,958	32,536	57	32,593

Fiscal 2003 (April 1, 2003 to March 31, 2004)

(in million yen)

	Seal products	Flexible boards	Other products	Total	Eliminations/Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	164,491	143,370	48,732	356,595	—	356,595
(2) Inter-segment sales/transfer	114	2	4,773	4,891	(4,891)	—
Total	164,606	143,373	53,506	361,486	(4,891)	356,595
Operating expenses	149,672	116,193	51,182	317,048	(4,929)	312,119
Operating income	14,934	27,180	2,323	44,438	37	44,476

Notes: Main products of respective business categories

Business category	Main products
Seal products	Oil seals, o-rings, vibration controls, resin products and gaskets
Flexible boards	Flexible printed circuits
Other products	Special lubricants, chemical products, mechanical face seals and office machine products

(2) Segment information by location

1st through 3rd Quarters of FY 2004 (April 1, 2004 to December 31, 2004)

(in million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	223,581	71,955	9,108	304,645	--	304,645
(2) Inter-segment sales/transfer	19,777	8,729	555	29,063	(29,063)	--
Total	243,359	80,685	9,663	333,709	(29,063)	304,645
Operating expenses	215,490	69,465	9,752	294,708	(29,587)	265,121
Operating income (loss)	27,869	11,219	(88)	39,000	524	39,524

1st through 3rd Quarters of FY 2003 (April 1, 2003 to December 31, 2003)

(in million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	201,455	53,300	7,723	262,479	--	262,479
(2) Inter-segment sales/transfer	13,800	6,471	221	20,493	(20,493)	--
Total	215,256	59,771	7,944	282,972	(20,493)	262,479
Operating expenses	192,230	50,358	7,863	250,452	(20,567)	229,885
Operating income	23,025	9,413	80	32,520	73	32,593

Fiscal 2003 (April 1, 2003 to March 31, 2004)

(in million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	270,934	75,142	10,517	356,595	Unconsolidated sales	356,595
(2) Inter-segment sales/transfer	18,381	8,698	478	27,559	(27,559)	--
Total	289,316	83,841	10,996	384,154	(27,559)	356,595
Operating expenses	256,928	71,587	11,216	339,732	(27,613)	312,119
Operating income (loss)	32,387	12,253	(219)	44,422	53	44,476

Notes:

- Countries and areas are grouped by geographical proximity.
- Principal countries and areas belonging to the above segments except Japan are as follows:
 - Asia: Singapore, Thailand, Taiwan and China
 - Other areas: The United States and Germany

(3) Overseas sales

(in million yen)

Term		Asia	Other areas	Total
1st through 3rd Quarters of FY 2004 (April 1, 2004 to December 31, 2004)	I. Overseas sales	73,305	15,792	89,097
	II. Consolidated sales			304,645
	III. Percentage of overseas sales in consolidated sales	24.0%	5.2%	29.2%

(in million yen)

Term		Asia	Other areas	Total
1st through 3rd Quarters of FY 2003 (April 1, 2003 to December 31, 2003)	I. Overseas sales	56,630	14,384	71,014
	II. Consolidated sales			262,479
	III. Percentage of overseas sales in consolidated sales	21.6%	5.5%	27.1%

(in million yen)

Term		Asia	Other areas	Total
Fiscal 2003 (April 1, 2003 to March 31, 2004)	I. Overseas sales	78,679	19,057	97,736
	II. Consolidated sales			356,595
	III. Percentage of overseas sales in consolidated sales	22.1%	5.3%	27.4%

Notes:

- Countries and areas are grouped by geographical proximity.
- Principal countries and areas belonging to the above segments except Japan are as follows:
 - Asia: Singapore, Thailand, Taiwan and China
 - Other areas: The United States and Germany
- Overseas sales represent sales by the Company and its consolidated subsidiaries in countries or areas other than Japan.