



July 29, 2005

Consolidated Operating Results and Financial Position for the 1st Quarter of Fiscal Year 2005 ending March 31, 2006

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

Securities Code Number: 7240
Shares Listing: Tokyo (1st Section)

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): No
- 3) Change in scope of consolidation and application of the equity method: Yes
Consolidation Companies added: 2
Equity Method Companies removed: 1

2. Summary of Consolidated Operating Results and Financial Position for the 1st Quarter of Fiscal Year 2005 ending March 31, 2006 (April 1, 2005 to June 30, 2005)

(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 Quarter of FY 2005	107,668	5.6	11,856	(19.1)	12,872	(18.1)
1st Quarter of FY 2004	101,941	22.9	14,648	52.9	15,711	45.3
(Reference) FY 2004	407,041	14.1	48,770	9.7	51,389	11.5

	Net Income		Net Income per Share		Diluted Net Income per Share	
	million yen	%	yen	yen	yen	yen
1st Quarter of FY 2005	7,141	3.3	40.91	-	-	-
1st Quarter of FY 2004	6,916	12.8	39.99	-	-	-
(Reference) FY 2004	37,414	38.8	214.94	-	-	-

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 Quarter of FY 2005	427,445	189,496	44.3	1,095.86
1st Quarter of FY 2004	373,884	152,850	40.9	883.89
(Reference) FY 2004	417,617	181,277	43.4	1,046.90

Consolidated Cash Flow Status

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalent at end of the Term
	million yen	million yen	million yen	million yen
1st Quarter of FY 2005	8,116	(8,304)	2,313	45,423
1st Quarter of FY 2004	7,853	(8,231)	800	29,442
(Reference) FY 2004	56,561	(48,142)	4,042	41,519

[Reference]

Consolidated Business Outlook for Fiscal Year 2005 ending March 31, 2006 (April 1, 2005 to March 31, 2006)

Currently, there is no change in our business outlook for the consolidated annual results for Fiscal Year 2005 released on May 13, 2005.

Consolidated Operating Results and Financial Position **for the 1st Quarter of Fiscal Year 2005 ending March 31, 2006**

Operating Results

For the first quarter of fiscal year 2005, consolidated sales amounted to 107,668 million yen (an increase of 5.6% y/y), ordinary profit was 12,872 million yen (a decrease of 18.1% y/y) and net income reached 7,141 million yen (an increase of 3.3% y/y).

Business segment performance

Sales and operating income in the seal products business amounted to 47,794 million yen (an increase of 3.4% y/y) and 4,893 million yen (a decrease of 4.9% y/y), respectively. Strong car production pushed up sales of core products, such as oil seals; however, the increased cost of raw materials, such as steel products, had an adverse impact on operating income.

Sales and operating income of flexible boards amounted to 36,268 million yen (a decrease of 5.4% y/y) and 5,842 million yen (a decrease of 30.9% y/y), respectively. The decrease in domestic sales of flexible boards used in mobile phones, digital cameras, etc., could not be offset by the increase in overseas sales of flexible boards used in hard-disc drives (HDD).

Other products business achieved favorable results, reflecting increased sales primarily to the effect of the acquisition of NITTO KOGYO CORPORATION, which was completed in March 2005. Sales was 23,604 million yen (an increase of 35.9% y/y) and operating income reached 1,067 million yen (an increase of 6.3% y/y).

Financial Position

During the first quarter, total assets reached 427,445 million yen, an increase of 9,827 million yen from the previous fiscal year-end. This is primarily attributed to an increase in tangible fixed assets as well as cash and deposits. Total shareholder's equity amounted to 189,496 million yen, an increase of 8,219 million, and shareholder's equity ratio was up 0.9 percentage point, to 44.3%, from the previous fiscal year-end.

With regard to cash flow conditions, net cash flows from operating activities reached 8,116 million yen, which was primarily attributable to a strong net income before taxes (12,963 million yen) as well as depreciation and amortization (5,541 million yen) and was partially offset by a decrease in accounts payable (4,054 million yen) and income taxes paid (3,600 million yen). Cash flows from investing activities ended up a negative 8,304 million yen owing to some payments that included the purchase of tangible fixed assets. Cash flows from financing activities amounted to a positive 2,313 million yen largely due to the new drawdown of borrowings, such as those for the acquisition of NITTO KOGYO CORPORATION.

As a consequence, cash and cash equivalents at end of the term increased 3,904 million yen from the previous fiscal year-end, to 45,423 million yen.

[Attachment]

1. Consolidated Balance Sheet (Summary)

Item	Term	(in million yen)						
		1st Quarter of FY 2005 (as of June 30, 2005)		FY 2004 (as of March 31, 2005)		Increase/ (decrease)	(Reference) 1st Q of FY 2004 (as of June 30, 2004)	
		Amount	%	Amount	%	Amount	Amount	%
(Assets)			%		%			%
<u>Current assets</u>		201,202	47.1	194,437	46.6	6,764	174,764	46.7
Cash and deposits		48,399		44,563		3,836	31,957	
Notes and accounts receivable		96,343		94,097		2,245	96,840	
Inventories		35,682		35,088		593	30,618	
Others		20,776		20,687		89	15,348	
<u>Fixed assets</u>		226,243	52.9	223,179	53.4	3,063	199,119	53.3
Tangible fixed assets		135,354		13,179		4,174	111,123	
Intangible fixed assets		8,074		8,496		(421)	4,128	
Investment and other assets		82,814		83,504		(690)	83,867	
Total Assets		427,445	100.0	417,617	100.0	9,827	373,884	100.0
(Liabilities)								
<u>Current liabilities</u>		142,984	33.5	145,935	34.9	(2,951)	127,070	34.0
Note payable and accounts payable		50,751		51,651		(899)	46,284	
Short-term borrowings		38,448		38,220		227	29,748	
Others		53,784		56,063		(2,279)	51,037	
<u>Fixed liabilities</u>		79,699	18.6	75,478	18.1	4,220	81,045	21.7
Long-term borrowings		21,750		17,331		4,419	14,174	
Reserve for retirement benefit		53,812		54,289		(476)	63,551	
Others		4,135		3,858		277	3,318	
Total Liabilities		222,683	52.1	221,414	53.0	1,269	208,115	55.7
Minority Interests		15,265	3.6	14,926	3.6	339	12,918	3.4
(Shareholder's Equity)								
Common Stock		23,335	5.5	23,335	5.6	-	23,335	6.2
Additional paid-in capital		22,393	5.2	22,393	5.4	-	22,393	6.0
Earned surplus		133,252	31.2	127,809	30.6	5,442	98,672	26.4
Net unrealized gain on other securities		16,411	3.8	16,062	3.8	348	16,482	4.4
Valuation variance of foreign exchange		(5,670)	(1.3)	(8,099)	(1.9)	2,428	(7,844)	(2.1)
Treasury stock		(225)	(0.1)	(225)	(0.1)	0	(189)	(0.0)
Total Shareholder's Equity		189,496	44.3	181,277	43.4	8,219	152,850	40.9
Total Liabilities, Minority Shareholders' Interest and Shareholders' Equity		427,445	100.0	417,617	100.0	9,827	373,884	100.0

2. Consolidated Profit and Loss Statement (Summary)

(in million yen)

Item	1st Quarter of FY 2005 (April 1, 2005 to June 30, 2005)		1st Quarter of FY 2004 (April 1, 2004 to June 30, 2004)		Change	(Reference) FY 2004 (April 1, 2004 to March 31, 2005)	
	Amount	% on Sales	Amount	% on Sales	Amount	Amount	% on Sales
(Ordinary profit/loss)		%		%			%
<u>Operating profit/loss</u>							
Sales	107,668	100.0	101,941	100.0	5,726	407,041	100.0
Cost of sales	80,542	74.8	73,914	72.5	6,627	303,535	74.6
Selling, general and administrative expenses	15,269	14.2	13,379	13.1	1,890	54,734	13.4
Operating income	11,856	11.0	14,648	14.4	(2,792)	48,770	12.0
<u>Non-operating profit/loss</u>							
<u>Non-operating profit</u>	1,569		1,497		72	5,505	
Interests and dividends received	359		281		77	808	
Investment gains on equity method	738		783		(45)	2,867	
Others	471		431		40	1,829	
<u>Non-operating expenses</u>	553		434		118	2,886	
Interests paid	363		351		12	1,413	
Others	189		83		106	1,472	
Ordinary profit	12,872	12.0	15,711	15.4	(2,838)	51,389	12.6
(Extraordinary profit/loss)							
Extraordinary profit	259		100		159	11,328	
Extraordinary loss	168		3,842		(3,673)	6,380	
Current net income and before income taxes (quarterly)	12,963	12.0	11,969	11.7	994	56,337	13.8
Income taxes-current	4,968		4,256		711	15,942	
Minority interests	853		796		57	2,980	
Net income	7,141	6.6	6,916	6.8	224	37,414	9.2

3. Consolidated Statement of Cash Flows (Summary)

Item	Term	1st Quarter of FY 2005 (April 1, 2005 to June 30, 2005)	1st Quarter of FY 2004 (April 1, 2004 to June 30, 2004)	(in million yen) (Reference) FY 2004 (April 1, 2004 to March 31, 2005)
		Amount	Amount	Amount
I. Cash flows from operating activities:				
Current net income and brief income taxes (quarterly)		12,963	11,969	56,337
Depreciation expense		5,541	4,870	22,529
Increase (decrease) in accounts receivable		780	(6,611)	3,570
Increase (decrease) in inventories		(46)	122	(2,472)
Decrease in accounts payable		(4,054)	(1,919)	(3,084)
Others		(3,351)	11,209	4,208
Sub Total		11,832	19,641	81,088
Income taxes paid		(3,600)	(11,473)	(23,839)
Others		(115)	(314)	(687)
Net cash flows from operating activities		8,116	7,853	56,561
II. Cash flows from investing activities:				
Purchase of investment securities		(32)	(916)	(1,037)
Payments for tangible fixed assets		(9,603)	(7,367)	(41,221)
Others		1,330	52	(5,882)
Net cash flows from investing activities		(8,304)	(8,231)	(48,142)
III. Cash flows from financing activities:				
Proceeds from short-term borrowings		4,231	9,781	33,090
Repayment of short-term borrowings		(5,166)	(5,737)	(28,676)
Proceeds from long-term borrowings		7,970	1,386	12,839
Repayment of long-term borrowings		(2,809)	(3,146)	(9,997)
Dividends paid by the Company		(1,383)	(1,383)	(2,766)
Others		(529)	(99)	(447)
Net cash flows from financing activities		2,313	800	4,042
IV. Adjustment on foreign currency translation of cash and cash equivalents		600	(163)	(239)
V. Net change in cash and cash equivalents		2,725	258	12,222
VI. Cash and cash equivalents at beginning of the term		41,519	28,545	28,545
VII. Increase in cash and cash equivalents due to change in the scope of consolidation		1,178	637	751
VIII. Cash and cash equivalents at end of the term		45,423	29,442	41,519

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

Item	1st Quarter of FY 2005	1st Quarter of FY 2004	(in million yen)
			FY 2004
Cash and deposits	48,399	31,957	44,563
Time deposits more than three months	(2,975)	(2,515)	(3,043)
Total	45,423	29,442	41,519

4. Segment Information

(1) Segment information by business category

1st Quarter of FY 2005 (April 1, 2005 to June 30, 2005)

(in million yen)

	Seal products	Flexible boards	Other products	Total	Eliminations/Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	47,794	36,268	23,604	107,668	-	107,668
(2) Inter-segment sales/transfer	231	-	1,564	1,796	(1,796)	-
Total	48,026	36,268	25,169	109,464	(1,796)	107,668
Operating expenses	43,133	30,426	24,101	97,661	(1,849)	95,811
Operating income	4,893	5,842	1,067	11,803	53	11,856

1st Quarter of FY 2004 (April 1, 2004 to June 30, 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	46,225	38,346	17,369	101,941	-	101,941
(2) Inter-segment sales/transfer	32	3	1,375	1,412	(1,412)	-
Total	46,258	38,350	18,745	103,354	(1,412)	101,941
Operating expenses	41,112	29,896	17,741	88,750	(1,457)	87,293
Operating income	5,146	8,453	1,004	14,603	44	14,648

Fiscal 2004 (April 1, 2004 to March 31, 2005)

(in million yen)

	Seal products	Flexible boards	Other products	Total	Eliminations/Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	189,166	145,265	72,609	407,041	-	407,041
(2) Inter-segment sales/transfer	132	7	5,803	5,943	(5,943)	-
Total	189,299	145,272	78,413	412,985	(5,943)	407,041
Operating expenses	172,627	117,083	74,484	364,195	(5,924)	358,270
Operating income	16,671	28,189	3,928	48,789	(18)	48,770

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 rubber products for office machines and equipments

(2) Segment information by location

1st Quarter of FY 2005 (April 1, 2005 to June 30, 2005)

(in million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	74,828	28,146	4,693	107,668	-	107,668
(2) Inter-segment sales/transfer	7,595	3,563	80	11,239	(11,239)	-
Total	82,424	31,709	4,773	118,907	(11,239)	107,668
Operating expenses	75,470	27,022	4,699	107,192	(11,380)	95,811
Operating income	6,953	4,686	74	11,715	141	11,856

1st Quarter of FY 2004 (April 1, 2004 to June 30, 2004)

(in million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	76,253	22,609	3,079	101,941	-	101,941
(2) Inter-segment sales/transfer	6,738	2,321	181	9,240	(9,240)	-
Total	82,991	24,930	3,260	111,182	(9,240)	101,941
Operating expenses	72,086	21,348	3,292	96,727	(9,434)	87,293
Operating income (loss)	10,904	3,582	(31)	14,455	193	14,648

Fiscal 2004 (April 1, 2004 to March 31, 2005)

(in million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	295,037	99,568	12,435	407,041	-	407,041
(2) Inter-segment sales/transfer	26,774	11,591	685	39,050	(39,050)	-
Total	321,811	111,159	13,120	446,091	(39,050)	407,041
Operating expenses	289,539	95,070	13,267	397,877	(39,606)	358,270
Operating income (loss)	32,272	16,089	(147)	48,214	556	48,770

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 Quarter of FY 2005 (April 1, 2005 to June 30, 2005)	I. Overseas sales	29,338	6,619	35,957
	II. Consolidated sales			107,668
	III. Percentage of overseas sales in consolidated sales	27.3%	6.1%	33.4%

(in million yen)

Term		Asia	Other areas	Total
1st Quarter of FY 2004 (April 1, 2004 to June 30, 2004)	I. Overseas sales	23,948	4,612	28,560
	II. Consolidated sales			101,941
	III. Percentage of overseas sales in consolidated sales	23.5%	4.5%	28.0%

(in million yen)

Term		Asia	Other areas	Total
Fiscal 2004 (April 1, 2004 to March 31, 2005)	I. Overseas sales	102,275	21,998	124,273
	II. Consolidated sales			407,041
	III. Percentage of overseas sales in consolidated sales	25.1%	5.4%	30.5%

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.