

Non-Consolidated Financial Summary For the Six Months Ended September 30, 2005

November 15, 2005

Name of Listed Company: NOK Corporation

Stock code number: 7240

(URL <http://www.nok.co.jp>)

Representative:

Masato Tsuru, President

Contact Person:

Kazuhiko Nakano, General Manager, Planning Dept.

Listed exchanges: Tokyo

Location of Head Office: Tokyo

TEL (03) 3434-1736

Date of Board Meeting approving financial results for the first-half of FY 2005: November 15, 2005

Interim dividend system: existent

Commencement of interim dividends payment: December 9, 2005

System of trading unit of shares: adopted (one unit: 100 shares)

1. Non-consolidated financial results for the first half of FY 2005 (April 1, 2005 to September 30, 2005)

(1) Operating results

(Fractions are rounded down to the nearest million yen.)

	Sales		Operating Income		Ordinary Profit	
	million yen	%	million yen	%	million yen	%
1st half of FY 2005	133,844	(4.5)	6,407	(23.9)	7,583	(14.6)
1st half of FY 2004	140,105	8.7	8,417	60.2	8,874	66.8
FY 2004	275,360		14,864		15,374	

	Net Income		Net income per Share
	million yen	%	yen
1st half of FY 2005	4,859	(35.2)	28.08
1st half of FY 2004	7,499	142.6	43.33
FY 2004	16,276		93.54

(Note) 1. Average outstanding shares: 173,068,515 in 1st half of FY 2005; 173,069,820 in 1st half of FY 2004; 173,069,820 in FY 2004

2. Change in accounting policies: No

3. Percentages shown in sales, operating income, ordinary profit and net income in tables above are percentages of change from comparable term of previous year.

(2) Dividends

	Interim Dividends per Share	Annual Dividends per Share
	yen	yen
1st half of FY 2005	8.00	-
1st half of FY 2004	8.00	-
FY 2004	-	16.00

(3) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Equity Ratio	Shareholders' Equity per Share
	million yen	million yen	%	yen
September 30, 2005	242,998	118,100	48.6	682.39
September 30, 2004	225,345	101,076	44.9	584.02
March 31, 2004	230,928	108,744	47.1	627.83

(Note) 1. Outstanding shares: 173,068,300 at September 30, 2005; 173,069,605 at September 30, 2004; 173,068,677 at March 31, 2005

2. Treasury stocks: 70,237 at September 30, 2005; 68,932 at September 30, 2004; 69,860 at March 31, 2005

2. Projection for FY 2005 (April 1, 2005 to March 31, 2006)

	Sales	Ordinary Profit	Net Income	Annual Dividends per Share	
				Term-end	
	million yen	million yen	million yen	yen	yen
Annual	275,800	16,200	9,900	8.00	16.00

(Reference) Forecasted net income per share (annual): 57.20 yen

* Projections shown above are calculated based on the latest data available. Actual business results may differ significantly from those projections depending on various unforeseen factors. For further information about FY 2005 projections, please see page 9 of the attached information sheets.

Comparative Balance Sheet

(in millions of yen)

Item	Term	1st half of this fiscal year (As of September 30, 2005)		Previous fiscal year (As of March 31, 2005)		Increase/ decrease (from March 31, 2005)	1st half of previous fiscal year (As of September 30, 2004)	
		Amount	%	Amount	%		Amount	%
Assets		<u>242,998</u>		<u>230,928</u>		<u>12,070</u>	<u>225,345</u>	
<u>Current assets:</u>		<u>91,316</u>	37.6	<u>86,701</u>	37.5	<u>4,614</u>	<u>83,087</u>	36.9
Cash and deposits		2,452		2,342		110	3,170	
Notes receivable		17,694		11,389		6,304	8,187	
Accounts receivable		49,638		48,378		1,260	50,012	
Inventories		9,283		9,007		275	8,921	
Tax receivable		-		4,509		(4,509)	-	
Deferred tax assets		3,028		3,527		(499)	4,680	
Others		10,347		8,529		1,818	8,929	
Reserve for doubtful debts		(1,127)		(981)		(145)	(814)	
<u>Fixed assets:</u>		<u>151,682</u>	62.4	<u>144,226</u>	62.5	<u>7,455</u>	<u>142,258</u>	63.1
<u>Tangible fixed assets:</u>		<u>43,452</u>		<u>43,380</u>		<u>71</u>	<u>39,046</u>	
Buildings and structures		13,654		11,890		1,763	11,159	
Machinery and equipment		14,908		14,847		61	13,668	
Others		14,889		16,642		(1,753)	14,218	
<u>Intangible fixed assets:</u>		<u>71</u>		<u>73</u>		<u>(2)</u>	<u>77</u>	
<u>Investments and other assets:</u>		<u>108,158</u>		<u>100,771</u>		<u>7,387</u>	<u>103,134</u>	
Investment securities		86,515		75,062		11,452	78,330	
Long-term loans		11,484		12,185		(700)	12,394	
Deferred tax assets		2,010		6,217		(4,207)	5,882	
Others		10,177		9,320		856	8,104	
Allowance for losses on investment		(1,183)		(1,183)		-	(1,003)	
Reserve for doubtful debts		(844)		(831)		(13)	(574)	
Total Assets		242,998	100.0	230,928	100.0	12,070	225,345	100.0

(in millions of yen)

Item	Term	1st half of this fiscal year (As of September 30, 2005)		Previous fiscal year (As of March 31, 2005)		Increase/ decrease (from March 31, 2005)	1st half of previous fiscal year (As of September 30, 2004)	
		Amount	%	Amount	%		Amount	%
Liabilities		<u>124,898</u>	51.4	<u>122,183</u>	52.9	<u>2,714</u>	<u>124,269</u>	55.1
Current liabilities:		<u>72,159</u>	29.7	<u>72,546</u>	31.4	<u>(386)</u>	<u>81,240</u>	36.0
Accounts payable		28,075		27,867		208	26,712	
Short-term borrowings		14,814		16,388		(1,574)	21,038	
Other accounts payable and accrued expenses		10,042		8,883		1,158	8,026	
Accrued income taxes		2,262		-		2,262	4,518	
Reserve for bonus payments		4,179		3,849		329	4,281	
Employees' deposits		12,537		12,697		(159)	12,601	
Reserve for reorganization of production systems		-		2,550		(2,550)	3,600	
Others		248		309		(60)	462	
Fixed liabilities:		<u>52,738</u>	21.7	<u>49,637</u>	21.5	<u>3,101</u>	<u>43,029</u>	19.1
Long-term borrowings		13,154		9,510		3,644	2,740	
Reserve for retirement benefits		37,739		38,459		(720)	38,802	
Reserve for retirement lump sum grant for directors		400		446		(45)	411	
Others		1,444		1,220		223	1,074	
Shareholders' equity		<u>118,100</u>	48.6	<u>108,744</u>	47.1	<u>9,355</u>	<u>101,076</u>	44.9
Common stock		<u>23,335</u>	9.6	<u>23,335</u>	10.1	<u>-</u>	<u>23,335</u>	10.4
Legal capital reserve		<u>20,397</u>	8.4	<u>20,397</u>	8.8	<u>-</u>	<u>20,397</u>	9.1
Additional paid-in capital		20,397		20,397		-	20,397	
Retained earnings		<u>52,567</u>	21.6	<u>49,179</u>	21.3	<u>3,388</u>	<u>41,787</u>	18.5
Retained earnings		2,983		2,983		-	2,983	
Voluntary reserve		38,568		27,015		11,553	27,015	
Unappropriated retained earnings		11,014		19,179		(8,164)	11,787	
Net unrealized gain on investment securities		<u>21,930</u>	9.0	<u>15,962</u>	6.9	<u>5,968</u>	<u>15,682</u>	7.0
Treasury stock		<u>(130)</u>	(0.0)	<u>(129)</u>	(0.0)	<u>(1)</u>	<u>(126)</u>	(0.1)
Total liabilities and shareholder's equity		242,998	100.0	230,928	100.0	12,070	225,345	100.0

Comparative Profit and Loss Statement

(in millions of yen)

Term Item	1st half of this fiscal year (April 1, 2005 to September 30, 2005)		1st half of previous fiscal year (April 1, 2004 to September 30, 2004)		Increase/ decrease from previous interim fiscal year	Previous fiscal year (April 1, 2004 to March 31, 2005)	
	Amount	% of sales	Amount	% of sales		Amount	% of sales
Ordinary profit/loss							
<u>Operating profit/loss:</u>							
Sales	133,844	100.0	140,105	100.0	(6,261)	275,360	100.0
Cost of sales	111,182	83.1	116,543	83.2	(5,360)	229,357	83.3
Selling, general and administrative expenses	16,255	12.1	15,145	10.8	1,109	31,138	11.3
Operating income	6,407	4.8	8,417	6.0	(2,010)	14,864	5.0
<u>Non-operating profit/loss:</u>							
<u>Non-operating profit:</u>	<u>1,823</u>		<u>1,221</u>		<u>602</u>	<u>2,277</u>	
Interest and dividends received	1,024		545		479	1,150	
Others	798		676		122	1,127	
<u>Non-operating expenses:</u>	<u>647</u>		<u>763</u>		<u>(116)</u>	<u>1,767</u>	
Interest paid	458		475		(16)	914	
Others	188		287		(99)	852	
Ordinary profit	7,583	5.7	8,874	6.3	(1,291)	15,374	5.6
Extraordinary profit/loss							
<u>Extraordinary profit:</u>	<u>474</u>		<u>8,303</u>		<u>(7,829)</u>	<u>8,421</u>	
Gain on sale of fixed assets	474		1		472	118	
Gain on sale of investment securities	0		1		(1)	2	
Gain on return of the proxy portion of corporate employee pension funds to the government	-		8,300		(8,300)	8,300	
<u>Extraordinary loss:</u>	<u>206</u>		<u>4,704</u>		<u>(4,498)</u>	<u>4,634</u>	
Loss on disposal of fixed assets	203		271		(67)	1,048	
Provisions for reserve for reorganization of production systems	-		3,600		(3,600)	2,550	
Devaluation loss on investment securities	-		128		(128)	115	
Provision for allowance for losses on investment	-		-		-	180	
Depreciation on software	-		489		(489)	489	
Loss on impairment	1		204		(203)	213	
Others	2		11		(9)	38	
Net income before income taxes	7,851	5.9	12,473	8.9	(4,622)	19,160	7.0
Income taxes - current	2,280		4,630		(2,350)	1,910	
Income taxes - deferred	711		343		367	974	
Net income	4,859	3.6	7,499	5.4	(2,639)	16,276	5.9
Profits brought forward from the previous term	6,154		4,288		1,866	4,288	
Interim dividends	-		-		-	1,384	
Unappropriated retained earnings	11,014		11,787		(773)	19,179	

Significant accounting policy

1. Valuation and computation of securities

1) Shares of subsidiaries and affiliates: Stated at moving average cost.

2) Other securities:

Securities with market value: Market value as determined by the quoted price at the end of the interim fiscal year.

(The difference between the carrying value and the market value is included in equity, and cost of securities sold is computed using the moving average method.)

Securities with no market value: Stated at moving average cost.

2. Valuation and computation of derivative transactions:

Stated at market value.

3. Valuation and computation of inventories

1) Finished goods and goods in process: Stated at cost using retail inventory method.

2) Materials and supplies: Stated at cost using weighted-average cost method.

4. Depreciation of tangible fixed assets: Declining balance method.

5. Depreciation of intangible fixed assets: Straight-line method.

6. Accounting policies for principal allowances

1) Reserve for doubtful debts: In providing for bad debts, the reserve for ordinary doubtful debts is stated based on the historical rate of default. For debts where recovery is doubtful, the amount regarded as irrecoverable is stated, taking into consideration the likelihood of recovery on an individual basis.

2) Allowance for losses on investment: In providing for losses arising from significant decline in the share prices of subsidiaries, the allowance is stated based on the real value at the end of the 1st half of this fiscal year.

3) Reserve for bonus payments: To provide for employee bonus payments, estimated bonuses are provided based on prescribed calculation methods.

4) Reserve for retirement benefits: The Company makes provisions for retirement benefits based on projected retirement obligations and pension fund assets at the balance sheet date, and interim provisions are stated at the value as considered to be appropriate as of the end of the 1st half of this fiscal year.

Past service liabilities are stated as expenses in the fiscal year when such liabilities are identified, and have been recognized by the straight-line method evenly in 10 years, a period not exceeding the expected average remaining working lives of the employees.

Actuarial losses are stated as expenses in the year following the fiscal year when such losses are identified, and have been recognized by the straight-line method evenly in 10 years, a period not exceeding the expected average remaining working lives of the employees.

5) Reserve for retirement lump sum grant for directors:

To provide for the payment of retirement lump sum grant for directors, the Company makes allowances for the necessary amount based on internal rules.

7. Finance lease transactions other than those where the ownership of the leased assets are transferred to the lessee are treated according to the method used for ordinary loan transactions.

8. Amounts shown on the financial statements are stated net of consumption tax and local consumption tax.

[Notes to non-consolidated interim financial statements]

(Interim balance sheet)

(in millions of yen)

	1st half of this fiscal year (As of September 30, 2005)	1st half of previous fiscal year (As of September 30, 2004)	Previous fiscal year (As of March 31, 2005)
Accumulated depreciation of tangible fixed assets	80,994	87,301	85,628
Balance of loan guarantee	10	237	229
Amount discounted on notes receivable	11,242	9,187	15,983
Notes endorsed for payment	1,410	16,089	3,787
Unsettled transferred receivables	729	1,448	2,305
Number of treasury stock: common stock	70,237 stocks	68,932 stocks	69,860 stocks

(Lease transactions)

1. Finance lease transactions other than those where the ownership of the leased assets are transferred to the lessee

Equivalent of acquisition cost, accumulated depreciation, and residual value of the leased assets (in millions of yen)

	1st half of this fiscal year (As of September 30, 2005)	1st half of previous fiscal year (As of September 30, 2004)	Previous fiscal year (As of March 31, 2005)
Equivalent of acquisition cost	1,169	1,496	1,464
Equivalent of accumulated depreciation	794	873	988
Equivalent of residual value at the end of the term	374	623	475

Equivalent of unaccrued lease fees

(in millions of yen)

	1st half of this fiscal year (As of September 30, 2005)	1st half of previous fiscal year (As of September 30, 2004)	Previous fiscal year (As of March 31, 2005)
Within one year	210	299	265
More than one year	164	324	209
Total	374	623	475

Note: As the percentages of equivalents of acquisition cost and residual value of unaccrued lease fees in the balance of tangible fixed assets at end of the terms are immaterial, the equivalents of acquisition cost and residual value of unaccrued lease fees are calculated including the interest payable.

Lease fees payable (equivalent of depreciation)

(in millions of yen)

	1st half of this fiscal year (As of September 30, 2005)	1st half of previous fiscal year (As of September 30, 2004)	Previous fiscal year (As of March 31, 2005)
Lease fees payable (equivalent of depreciation)	146	179	332

Note: Method of calculating equivalent of depreciation

Equivalent of depreciation is calculated by using the straight-line method, assuming that the lease period corresponds to the useful life of the asset and the residual value is zero.

2. Payments under operating lease transactions

Equivalent of acquisition cost, accumulated depreciation, and residual value of the leased assets (in millions of yen)

	1st half of this fiscal year (As of September 30, 2005)	1st half of previous fiscal year (As of September 30, 2004)	Previous fiscal year (As of March 31, 2005)
Within one year	59	59	59
More than one year	325	385	355
Total	385	445	415

(Securities)

Shares of subsidiaries and affiliates with market value

(in millions of yen)

		1st half of this fiscal year (As of September 30, 2005)	1st half of previous fiscal year (As of September 30, 2004)	Previous fiscal year (As of March 31, 2005)
Shares of affiliates	Non-consolidated balance sheet amount	2,875	2,875	2,875
	Market value	10,688	8,040	9,432

Unrealized gains	7,812	5,165	6,557
------------------	-------	-------	-------