



Consolidated Operating Results and Financial Position for the 3rd Quarter of Fiscal Year 2006 ending March 31, 2007

February 2, 2007

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

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1. Notes on the Preparation of the Quarterly Financial Statements

1) Application of simplified accounting method: Yes

(Description)

Accounting for income taxes is based on the projected annual tax rates, which are calculated from the normal effective statutory tax rates.

2) Change in accounting principle (consolidated): No

3) Change in scope of consolidation and application of the equity method: Yes

(Description)

Consolidation Companies added: 3 Companies removed: 3

Equity Method Company added: 1

2. Summary of Consolidated Operating Results and Financial Position

for the 3rd Quarter of Fiscal Year 2006 ending March 31, 2007 (April 1, 2006 to December 31, 2006)

(1) Consolidated Operating Results

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

	Sales		Operating Income		Ordinary Profit	
	million yen	%	million yen	%	million yen	%
3rd Quarter of FY 2007	335,810	7.2	31,072	(5.2)	34,872	(3.6)
3rd Quarter of FY 2006	331,896	8.9	32,772	(17.1)	36,191	(12.9)
(Reference) FY 2006	450,630		45,258		49,956	

	Net Income		Net Income per Share	Diluted Net Income per Share
	million yen	%	yen	yen
3rd Quarter of FY 2007	19,067	(9.7)	110.26	-
3rd Quarter of FY 2006	21,107	(32.5)	122.07	-
(Reference) FY 2006	29,445		168.37	-

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

[Qualitative information on consolidated operating results]

For the first through third quarters of fiscal 2006, consolidated sales amounted to 355,810 million yen (an increase of 7.2% y/y), operating income was 31,072 million yen (a decrease of 5.2% y/y), ordinary profit was 34,872 million yen (a decrease of 3.6%), and net income stood at 19,067 million yen (a decrease of 9.7% y/y).

Operating results by segment are as follows:

Seal product business:

Sales increased both in the domestic and overseas markets, due to an increase in the global output of the fuel-efficient Japanese cars, on the back of higher oil prices. As a result, sales and operating income amounted to 157,614 million yen (an increase of 6.8% y/y) and 12,782 million yen (an increase of 12.0% y/y), respectively.

Flexible board business:

Sales of flexible boards grew in domestic and overseas high-performance cellular phones (3G handsets) and hard disc drives. However, we faced severe business conditions due to a considerable plunge in sales prices, reflecting intense competitive pressures.

Consequently, sales reached 123,621 million yen (an increase of 9.8% y/y), but operating income declined by 18.1% y/y to 15,025 million yen.

Other products business:

While sales of products in the office equipment industry remained almost unchanged, those in the general machinery

industry increased.

As a result, sales and operating income reached 74,573 million yen (an increase of 4.0% y/y) and 3,219 million yen (an increase of 5.2% y/y), respectively.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share
	million yen	million yen	%	yen
3rd Quarter of FY 2007	496,792	272,744	50.7	1,455.38
3rd Quarter of FY 2006	453,262	214,253	47.3	1,239.04
(Reference) FY 2006	471,015	228,297	48.5	1,318.35

[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
3rd Quarter of FY 2007	30,014	(31,556)	(3,106)	40,920
3rd Quarter of FY 2006	39,743	(31,692)	(6,109)	45,607
(Reference) FY 2006	52,610	(43,170)	(10,270)	44,081

[Qualitative information on consolidated financial position]

During the third quarter, total assets reached 496,792 million yen, an increase of 25,776 million yen from the previous consolidated fiscal year-end. This was primarily attributed to an increase in inventory assets and a rise in tangible fixed assets resulting from capital expenditures in the domestic and overseas operations, as well as an increase in investment securities due to fluctuations in market value. Net assets amounted to 272,744 million yen, driven by net sales for the third quarter of 19,067 million yen, leaving capital ratio at 50.7%.

With regard to cash flow conditions, net cash flows from operating activities reached 30,014 million yen, which is mainly attributable to execution of discount bills, etc., despite some decreases due to payment of corporate taxes, etc. Cash flows from investment activities ended up a negative 31,556 million yen owing to purchase of tangible fixed assets. Cash flows from financing activities resulted a negative 3,106 million yen, primarily due to the payment of dividends, etc., despite the proceeds from short-term borrowing.

As a result, cash and cash equivalents at the end of the term decreased by 3,161 million yen to 40,920 million yen from the previous consolidated fiscal year-end.

[Reference] Projections of Consolidated Business Performance for FY 2007 (April 1, 2006 to March 31, 2007)

	Sales	Ordinary profit	Net income
	million yen	million yen	million yen
Annual	479,000	44,500	23,700

(Reference) Forecasted net income per share (annual): 137.04 yen

[Qualitative information on projections of business performance]

Compared with the previous projections (announced on November 14, 2006), sales are expected to grow, but ordinary profit and net income are forecast to decrease, reflecting a sharp decline in price and higher costs for quality control.

*The projections shown above are calculated based on the latest data available. Actual business results may differ significantly from those projections, due to various unforeseen factors.

1. Comparative Consolidated Balance Sheets (Summary)

(in million yen)

Item	Term	3rd Quarter of FY 2006 (as of December 31, 2006)		FY 2005 (as of March 31, 2006)		Increase/ (decrease)	(Reference) 3Q of FY 2005 (as of December 31, 2005)	
		Amount	%	Amount	%		Amount	Amount
(Assets)			%		%			%
<u>Current assets</u>		215,372	43.4	213,009	45.2	2,363	205,465	45.3
Cash and deposits		44,392		47,870		(3,477)	49,324	
Notes and accounts receivable		108,887		109,888		(1,010)	100,497	
Inventories		45,341		40,817		4,523	37,503	
Others		16,760		14,432		2,327	18,139	
<u>Fixed assets</u>		281,419	56.6	258,006	54.8	23,413	247,796	54.7
Tangible fixed assets		163,733		148,152		15,581	145,365	
Intangible fixed assets		6,498		7,282		(783)	7,519	
Investment and other assets		111,187		102,571		8,615	94,911	
Total Assets		496,792	100.0	471,015	100.0	25,776	453,262	100.0
(Liabilities)								
<u>Current liabilities</u>		146,858	29.6	144,414	30.7	2,444	143,715	31.7
Notes payable and accounts payable		53,675		55,536		(1,861)	53,434	
Short-term borrowings		38,186		32,491		5,695	35,170	
Others		54,997		56,386		(1,389)	55,110	
<u>Fixed liabilities</u>		77,188	15.5	78,924	16.7	(1,736)	78,126	17.2
Long-term borrowings		13,912		17,111		(3,198)	18,450	
Reserve for retirement benefits		50,683		52,144		(1,460)	52,833	
Others		12,591		9,668		2,923	6,841	
Total Liabilities		224,047	45.1	223,338	47.4	708	221,841	48.9
Minority Interests		-	-	19,379	4.1	-	17,167	3.8
(Shareholders' Equity)								
Common stock		-	-	23,335	5.0	-	23,335	5.2
Additional paid-in capital		-	-	22,393	4.7	-	22,393	4.9
Earned surplus		-	-	154,168	32.7	-	145,835	32.2
Net unrealized gain on other securities		-	-	28,159	6.0	-	26,182	5.8
Valuation variance of foreign exchange		-	-	441	0.1	-	(3,265)	(0.7)
Treasury stock		-	-	(201)	(0.0)	-	(227)	(0.1)
Total Shareholders' Equity		-	-	228,297	48.5	-	214,253	47.3
Total Liabilities, Minority Interests and Shareholders' Equity		-	-	471,015	100.0	-	453,262	100.0

(Net Assets)							
<u>Shareholders' equity</u>	<u>214,852</u>	<u>43.3</u>	<u>-</u>	-	<u>-</u>	<u>-</u>	-
Common stock	23,335		-	-	-	-	-
Additional paid-in capital	22,451		-	-	-	-	-
Earned surplus	169,258		-	-	-	-	-
Treasury stock	(193)		-	-	-	-	-
<u>Valuation and translation adjustments</u>	<u>36,848</u>	<u>7.4</u>	<u>-</u>	-	<u>-</u>	<u>-</u>	-
Net unrealized gain on other securities	31,788		-	-	-	-	-
Valuation variance of foreign exchange	5,059		-	-	-	-	-
<u>Minority interests</u>	<u>21,044</u>	<u>4.2</u>	<u>-</u>	-	<u>-</u>	<u>-</u>	-
Total Net Assets	272,744	54.9	-	-	-	-	-
Total Liabilities and Net Assets	496,792	100.0	-	-	-	-	-

2. Comparative Consolidated Profit and Loss Statements (Summary)

(in million yen)

Item	Term	1st through 3rd Quarters of FY 2006 (April 1, 2006 to December 31, 2006)		1st through 3rd Quarters of FY 2005 (April 1, 2005 to December 31, 2005)		Change Amount	(Reference) FY 2005 (April 1, 2005 to March 31, 2006)	
		Amount	% on Sales	Amount	% on Sales		Amount	% on Sales
Sales		355,810	100.0	331,896	100.0	23,914	450,630	100.0
Cost of sales		278,089	78.2	252,817	76.2	25,272	343,159	76.2
Selling, general and administrative expenses		46,647	13.1	46,306	13.9	314	62,212	13.8
Operating income		31,072	8.7	32,772	9.9	(1,699)	45,258	10.0
<u>Non-operating profit</u>		5,788		5,423		364	7,234	
Interests and dividends received		1,351		841		509	1,081	
Investment gains on equity method		2,447		2,244		203	2,994	
Others		1,988		2,337		(349)	3,157	
<u>Non-operating expenses</u>		1,988		2,004		(16)	2,535	
Interests paid		1,375		1,226		148	1,633	
Others		613		778		(165)	902	
Ordinary profit		34,872	9.8	36,191	10.9	(1,319)	49,956	11.1
<u>Extraordinary profit</u>		1,614		1,147		466	1,519	
<u>Extraordinary loss</u>		1,118		802		316	1,555	
Income before income taxes		35,367	9.9	36,536	11.0	(1,169)	49,921	11.1
Income taxes		13,685		12,940		745	16,959	
Minority interests		2,614		2,488		125	3,515	
Net income		19,067	5.4	21,107	6.4	(2,040)	29,445	6.5

3. Comparative Consolidated Statements of Cash Flows (Summary)

(in million yen)

Item	Term	1st through 3rd Quarters of FY 2006 (April 1, 2006 to December 31, 2006)	1st through 3rd Quarters of FY 2005 (April 1, 2005 to December 31, 2005)	(Reference) FY 2005 (April 1, 2005 to March 31, 2006)
		Amount	Amount	Amount
I. Cash flows from operating activities:				
Income before income taxes		35,367	36,536	49,921
Depreciation and amortization		19,847	17,987	25,051
Increase in accounts receivable		(5,506)	(6,115)	(4,704)
Increase in inventories		(3,792)	(1,499)	(4,146)
Decrease in accounts payable		(3,675)	(2,232)	(1,152)
Others		706	(1,782)	(7,592)
Subtotal		42,946	42,893	57,376
Income taxes paid		(13,760)	(2,787)	(5,019)
Others		828	(362)	253
Net cash flows from operating activities		30,014	39,743	52,610
II. Cash flows from investing activities:				
Payments for tangible fixed assets		(32,939)	(33,246)	(44,986)
Proceeds from sale of shares in a subsidiary		1,456	-	-
Others		(73)	1,554	1,816
Net cash flows from investing activities		(31,556)	(31,692)	(43,170)
III. Cash flows from financing activities:				
Net increase (decrease) in short-term borrowings		7,498	(3,846)	(5,898)
Proceeds from long-term borrowings		2,512	10,045	10,319
Repayment of long-term borrowings		(8,104)	(9,179)	(11,976)
Dividends paid by the Company		(3,693)	(2,684)	(2,765)
Others		(1,319)	(444)	49
Net cash flows from financing activities		(3,106)	(6,109)	(10,270)
IV. Adjustment on foreign currency translation of cash and cash equivalents		1,419	967	2,213
V. Increase (Decrease) in cash and cash equivalents		(3,228)	2,909	1,383
VI. Cash and cash equivalents at beginning of term		44,081	41,519	41,519
VII. Increase in cash and cash equivalents due to change in the scope of consolidation		67	1,178	1,178
VIII. Cash and cash equivalents at end of term		40,920	45,607	44,081

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

(in million yen)

Item	3rd Quarter of FY 2006	3rd Quarter of FY 2005	FY 2005
Cash and deposits	44,392	49,324	47,870
Time deposits of more than three months	(3,471)	(3,716)	(3,788)
Total	40,920	45,607	44,081

4. Segment Information

(1) Segment information by business category

[1st through 3rd Quarters of FY 2006] (April 1, 2006 to December 31, 2006)

(in million yen)

	Seal products	Flexible boards	Other products	Total	Eliminations/Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	157,614	123,621	74,573	355,810	–	355,810
(2) Inter-segment sales/transfer	1,237	45	5,398	6,681	(6,681)	–
Total	158,852	123,667	79,972	362,491	(6,681)	355,810
Operating expenses	146,069	108,641	76,752	331,464	(6,727)	324,737
Operating income	12,782	15,025	3,219	31,027	45	31,072

[1st through 3rd Quarters of FY 2005] (April 1, 2005 to December 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	147,619	112,592	71,684	331,896	–	331,896
(2) Inter-segment sales/transfer	701	19	4,753	5,474	(5,474)	–
Total	148,321	112,611	76,437	337,371	(5,474)	331,896
Operating expenses	136,909	94,267	73,378	304,556	(5,432)	299,123
Operating income	11,411	18,344	3,059	32,815	(42)	32,772

[Fiscal 2005] (April 1, 2005 to March 31, 2006)

(in million yen)

	Seal products	Flexible boards	Other products	Total	Eliminations/Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	198,299	155,035	97,294	450,630	–	450,630
(2) Inter-segment sales/transfer	973	30	6,039	7,043	(7,043)	–
Total	199,272	155,066	103,334	457,674	(7,043)	450,630
Operating expenses	183,246	129,710	99,520	412,477	(7,104)	405,372
Operating income	16,026	25,356	3,814	45,196	61	45,258

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	Rubber products for office machines and equipment, chemical products, special lubricants and mechanical face seals

(2) Segment information by location

[1st through 3rd Quarters of FY 2006] (April 1, 2006 to December 31, 2006)

(in million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	227,612	113,291	14,906	355,810	–	355,810
(2) Inter-segment sales/transfer	37,829	14,268	294	52,392	(52,392)	–
Total	265,442	127,559	15,200	408,202	(52,392)	355,810
Operating expenses	246,440	115,873	15,223	377,537	(52,799)	324,737
Operating income (loss)	19,001	11,686	(23)	30,665	407	31,072

[1st through 3rd Quarters of FY 2005] (April 1, 2005 to December 31, 2005)

(in million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	227,817	91,888	12,189	331,896	–	331,896
(2) Inter-segment sales/transfer	23,030	10,439	410	33,881	(33,881)	–
Total	250,848	102,328	12,600	365,777	(33,881)	331,896
Operating expenses	233,211	87,881	12,470	333,563	(34,439)	299,123
Operating income	17,636	14,447	129	32,213	558	32,772

[Fiscal 2005] (April 1, 2005 to March 31, 2006)

(in million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	305,371	128,948	16,310	450,630	–	450,630
(2) Inter-segment sales/transfer	31,379	14,391	541	46,313	(46,313)	–
Total	336,750	143,340	16,852	496,943	(46,313)	450,630
Operating expenses	312,154	123,405	16,751	452,311	(46,938)	405,372
Operating income	24,596	19,934	101	44,632	625	45,258

Notes:

- Countries and areas are grouped by geographical proximity.
- Principal countries and areas belonging to the above segments (excluding 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 2006] (April 1, 2006 to December 31, 2006)	I. Overseas sales	118,812	19,561	138,373
	II. Consolidated sales			355,810
	III. Overseas sales as a percentage of consolidated sales	33.4%	5.5%	38.9%

(in million yen)

Term		Asia	Other areas	Total
[1st through 3rd Quarters of FY 2005] (April 1, 2005 to December 31, 2005)	I. Overseas sales	93,587	18,505	112,092
	II. Consolidated sales			331,896
	III. Overseas sales as a percentage of consolidated sales	28.2%	5.6%	33.8%

(in million yen)

Term		Asia	Other areas	Total
[Fiscal 2005] (April 1, 2005 to March 31, 2006)	I. Overseas sales	131,112	24,941	156,053
	II. Consolidated sales			450,630
	III. Overseas sales as a percentage of consolidated sales	29.1%	5.5%	34.6%

Notes:

- Countries and areas are grouped by geographical proximity.
- Principal countries and areas belonging to the above segments (excluding 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.