Member of Financial Accounting Standards Foundation

Consolidated Financial Summary for Fiscal Year Ended March 31, 2007

May 14, 2007

Name of Listed Company: NOK Corporation
Securities Code Number: 7240 (URL http://www.nok.co.jp)
Share Listing: Tokyo
Representative: (Title) President; (Name) Masato Tsuru
Contact Person: (Title) Department Manager, Corporate Planning Dept.; (Name) Toshio Tominaga
Telephone (03) 3434-1736
Scheduled date for the General Shareholders' Meeting: June 28, 2007
Scheduled date for dividend payment: June 29, 2007
Scheduled date for submission of the Securities Report: June 28, 2007

(Fractions are rounded down to the nearest million yen)

1. Consolidated business results for FY 2006 (April 1, 2006 to March 31, 2007)

(1) Consolidated operating results (Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY 2006	479,815	6.5	41,657	(8.0)	45,399	(9.1)	24,793	(15.8)
FY 2005	450,630	10.7	45,258	(7.2)	49,956	(2.8)	29,445	(21.3)

	Net income per share	Diluted net income per share	Net income ratio to shareholders' equity	Ordinary profit ratio to total assets	Operating income ratio to sales
	yen	yen	%	%	%
FY 2006	143.37	-	10.2	9.3	8.7
FY 2005	168.37	-	14.4	11.2	10.0

(Reference) Equity method investment profit: FY 2006 2,680 million yen; FY 2005 2,994 million yen

(2) Consolidated financial position

	Total assets	Net assets	Capital ratio	Net assets per share
	million yen	million yen	%	yen
FY 2006	508,021	279,650	50.7	1,489.49
FY 2005	471,015	228,297	48.5	1,318.35

(Reference) Shareholders' equity: FY 2006 257,598 million yen; FY 2005 — million yen

(3) Consolidated cash flows

	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
FY 2006	44,572	(43,003)	(5,896)	42,298
FY 2005	52,610	(43,170)	(10,270)	44,081

2. Dividends

	Dividend per share			Total dividend (Annual)	Payout ratio (Consolidated)	Dividend ratio to net assets (Consolidated)
(Record date)	Interim	Term-end	Full year			
	yen	yen	yen	million yen	%	%
FY 2006	8.00	12.00	20.00	3,461	11.9	1.7
FY 2005	10.00	10.00	20.00	3,461	14.0	1.4
FY 2007 (Projection)	10.00	10.00	20.00	—	13.1	—

3. Projection of consolidated operating results for FY 2007 (April 1, 2007 to March 31, 2008)

(Percentage figures represent year-on-year changes.)

	Net sales		Operating income		Ordinary profit		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Half year	244,000	5.2	19,000	(9.2)	20,500	(11.4)	11,200	(14.4)	64.76
Full year	510,000	6.3	44,500	6.8	47,500	4.6	26,500	6.9	153.23

4. Others

(1) Changes in significant subsidiaries during the term (Change in specific subsidiaries due to change in the scope of consolidation): None

(2) Change in principles, procedures, and presentation, etc. of accounting treatment relating to preparation of consolidated financial statements (Matters to be described as significant changes in the basic principle for preparation of consolidated financial statements.)

i) Changes due to amendments to accounting standards, etc.: Yes

ii) Changes other than those described in i) above: None

Note: For details, please refer to "Significant changes in the basic principle for preparation of consolidated financial statements" on page 18.

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

i) Number of shares issued and outstanding as of end of the term: (including treasury stock) FY 2006: 173,138,537; FY 2005: 173,138,537

ii) Number of treasury stock as of end of the term: FY 2006: 194,791; FY 2005: 220,739

Note: For the number of shares used for calculation of consolidated net income per share, please see "Per share information" on page 24.

(Reference) Summary of Non-Consolidated Operating Results

1. Non-consolidated operating results for FY 2006 (April 1, 2006 to March 31, 2007)

(1) Non-consolidated operating results (Percentage figures represent year-on-year changes.)

	Net sales		Operating income		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY 2006	254,348	(7.1)	12,814	1.3	14,733	(3.0)	10,018	(3.9)
FY 2005	273,813	(0.6)	12,653	(14.9)	15,186	(1.2)	10,426	(35.9)

	Net income per share	Diluted net income per share
	yen	yen
FY 2006	57.89	-
FY 2005	59.78	-

(2) Non-consolidated financial position

	Total assets	Net assets	Capital ratio	Net assets per share
	million yen	million yen	%	yen
FY 2006	254,552	134,994	53.0	780.02
FY 2005	259,352	127,836	49.3	738.19

(Reference) Shareholders' equity: FY 2006: 134,994 million yen; FY 2005: － million yen

2. Projection of non-consolidated operating results for FY 2007 (April 1, 2007 to March 31, 2008)

(Percentage figures represent year-on-year changes.)

	Net sales		Operating income		Ordinary profit		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Half year	113,700	(18.4)	5,600	(14.8)	7,200	(4.8)	4,900	(12.7)	28.31
Full year	235,000	(7.6)	14,000	(9.2)	16,300	10.6	10,300	2.8	59.51

Note: Notice concerning proper use of the projections for operating results and other important matters:

The descriptions concerning projections of future business results, etc. are based on the information available as of the date of the preparation of this document and certain assumptions considered as reasonable. Actual business results may differ significantly from these projections depending on various factors. For details of assumptions and hypotheses for projections of business results, please refer to "Operating Results 1. Analysis of Operating Results (4) Outlook for fiscal 2007" on page 4.

Operating Results

1. Analysis of Operating Results

(1) Operating results for FY 2006

During this consolidated fiscal year, the Japanese economy continued its moderate recovery path. The world economy was also on a rising trend, led by the U.S. economy.

The automotive industry witnessed an increase in exports reflecting an expansion of overseas sales of Japanese cars, as well as the continued growth of production outside Japan. In the electronics equipment industry, while the Japanese market was sluggish in contrast to overseas production, which grew especially in China and other Asian countries.

Under these circumstances, the NOK group completed the final year of its Three-Year Management Plan, which started in fiscal 2004, with the objective of establishing a base for long-term stable growth. The slogan for such three-year plan was set as "Building up 'Global & GI.'"

"Global" included the aim of reinforcing overseas production and sales bases in order to respond to the needs of our customers, which have expanded on a global scale. Overseas sales for this consolidated fiscal year accounted for 39.7%, increasing by 12.3 points from three years earlier.

"GI" represents "General Industry," with a target for expansion of sales in the same industry. Sales for GI accounted for 25.4%, rising 6.3 points relative to three years earlier.

Given the aforementioned results, we believe that our slogan of "Building up 'Global & GI'" was implemented just as we had planned. Meanwhile, during the three-year period of the plan, we saw changes in prices and skyrocketing material prices that exceeded our initial expectations.

As a result, the business results for the NOK group were as follows: Sales amounted to 479,815 million yen (+6.5% y/y), operating income declined to 41,657 million yen (-8.0% y/y), ordinary profit was 45,399 million yen (-9.1% y/y), and net income fell to 24,793 million yen (-15.8% y/y).

(2) Performance by business category

[Seal Products Business]

In the area of production of four-wheel automobiles, the fuel-efficient Japanese cars showed robust growth in both export and the number of the locally manufactured cars, mainly in North America and Southeast Asia, thanks to surge in crude oil.

The volume of construction machinery produced also increased due to an increase in domestic private capital expenditure and an expansion in overseas construction demand. As a result, sales increased by 7.1% y/y to 212,336 million yen. Operating income also grew by 9.0% y/y to 17,466 million yen.

[FPC Business]

While domestic sales of FPC for mobile phones increased reflecting the growth of sales of multifunctional mobile phones, domestic sales as a whole decreased due to sluggish sales of the products for small-sized liquid crystal. Meanwhile, in the overseas market, not only sales of FPC for both hard disc drives (HDD) and mobile audio player increased, but also sales of FPC for mobile phones and digital cameras rose. As a result, sales increased by 8.2% y/y to 167,715 million yen. Operating income decreased by 20.1% y/y to 20,256 million yen, due mainly to fluctuations in prices.

[Other Business]

Sales of rubber rolls for office equipment declined due to lower prices, despite strong domestic demand. As to products other than rubber rolls for office equipment, sales expanded for production facilities and general industry machinery due to an increase in capital expenditure resulting from strong growth in the automotive industry and liquid crystal and semiconductor industry. Thus, sales and operating income increased to 99,763 million yen (+2.5% y/y) and 3,932 million yen (+3.1% y/y), respectively.

(3) Performance by location

In the domestic market, an increase in sales of seal products made up for the decrease in sales of FPC, resulting in domestic sales of 304,400 million yen (-0.3% y/y) and operating income of 24,864 million yen (+1.1% y/y).

In Asia, sales increased by 20.5% to 155,363 million yen while operating income declined by 19.2% to 16,099 million yen, respectively, reflecting the growth in both seal products and FPC.

(4) Outlook for fiscal 2007

The automotive industry worldwide has seen production remaining at a high level, driven by Japanese automotive manufactures. On the other hand, prices of materials such as steel continue to remain stubbornly high, and the requirements for quality have become more strenuous.

In the electronics equipment industry, while the market continues to expand mainly outside Japan, competition for lowering prices has rapidly and globally become more intense. To deal with such circumstances, we transferred NOK's FPC sales division for electronics equipment to a manufacturing subsidiary (Nippon Mektron, Ltd.) on October 1, 2006, in order to respond more quickly to the market.

In addition, two subsidiaries (HOKUSHIN CORPORATION and NITTO KOGYO CORPORATION) businesses centering on rubber rolls for business equipment, merged on April 1, 2007, with the objective of more efficient operations, and started business operations under the name of SYNZTEC CO., LTD.

Under these circumstances, the next fiscal year will be the first of the new Three-Year Management Plan. (Please refer to "Mid- to Long-Term Management Strategies and Challenges" in "The Status of the NOK Group".) We will focus our efforts on securing implementation of measures to strengthen the competitive edge of each of our businesses to become a mid-sized excellent company in the global market as announced in our slogan.

Furthermore, the NOK group as a whole will continue to strengthen its efforts in expansion of sales, improvement of quality, and cost reduction to reinforce profitability and our corporate structure.

We anticipate sales of 510.0 billion yen (+6.3% y/y), operating income of 44.5 billion yen (+6.8% y/y), ordinary profit of 47.5 billion yen (+4.6% y/y) and net income of 26.5 billion yen (+6.9% y/y) on a consolidated basis for fiscal 2007.

The above projections include prospects calculated on the basis of the latest data available. Actual business results may differ from these projections depending on future operations and other domestic and overseas situations, such as fluctuations in foreign exchange rates.

2. Analysis of Financial Position

(1) Assets, liabilities and net assets

Total assets as of the end of this consolidated fiscal year were 508,021 million yen, an increase of 37,006 million yen from a year earlier. This mainly reflects an increase in inventories, continued growth in capital expenditure, such as tangible fixed assets for reinforcement of the domestic and overseas production capacities, and an increase in investment securities due to a change in market values. Total liabilities stood at 228,371 million yen, an increase of 5,032 million yen from the end of the previous consolidated fiscal year. This is principally due to an increase in the accrued amount payable for domestic and overseas capital expenditure. Net assets amounted to 279,650 million yen, fueled by net income of 24,793 million yen, etc., driving up the capital ratio to 50.7%.

(2) Cash Flows

The balance of cash and cash equivalents (hereinafter, "fund") as of the end of the consolidated fiscal 2006 decreased by 1,783 million yen on a year-on-year basis. Cash flow status for the consolidated fiscal 2006 is as stated below:

[Cash flows from operating activities]

The fund generated from operating activities was 44,572 million yen (a decrease of 15.3% y/y). This is attributable to an increase in income taxes paid, despite an increase in notes discounted.

[Cash flows from investing activities]

The fund used in investing activities amounted to 43,003 million yen (a decrease of 0.4% y/y). This reflects investments such as acquisition of tangible fixed assets with the objective of strengthening production capacity both at home and abroad.

[Cash flows from financing activities]

The fund used in financing activities amounted to 5,896 million yen (a decrease of 42.6% y/y). This is mainly attributable to repayment of long-term borrowings, in addition to execution of short-term borrowings for payment of income taxes.

The trend of cash flow indicators is as follows:

	FY 2003	FY 2004	FY 2005	FY 2006
Capital ratio (%)	40.0	43.4	48.5	50.7
Capital ratio on market value (%)	181.1	105.8	116.4	68.3
Cash flow ratio to interest-bearing liabilities	1.3	1.3	1.2	1.5
Interest coverage ratio	29.6	37.6	37.5	24.2

Capital ratio = Shareholders' equity / Total assets
Capital ratio on market value = Total market capitalization / Total assets
Cash flow ratio to interest-bearing liabilities = Interest-bearing liabilities / Cash flows from operating activities
Interest coverage ratio = Cash flows from operating activities / Interest paid

1. All indices above are calculated based on consolidated financial statements.
2. Total market capitalization is calculated on the following formula: the closing stock price on the last day of the fiscal year multiplied by the number of issued and outstanding shares as of the end of the fiscal year.
3. Cash flows are calculated with cash flows from operating activities. Interest-bearing liabilities represent the liabilities on the consolidated balance sheet on which we pay interest.

3. Principal Policy on Profit Sharing, and Dividends for this Fiscal Year and the Next Fiscal Year

Our basic policy on profit sharing to the shareholders is to maintain stable dividend payments at appropriate levels in concert with mid- to long-term corporate performance. On the other hand, however, internal reserves are also an important factor to be considered for future business development and reinforcement of financial health. We will determine dividends taking into consideration all such factors.

Taking into consideration the corporate performance based on the aforementioned policy, the dividend for this fiscal year will be 20 yen per share (10 yen as interim dividend plus 10 yen as term-end dividend), maintaining the same amount of annual dividend as in the previous fiscal year. For the following fiscal year, we expect to pay a dividend of 20 yen per share. However, our final decision will be subject to the financial position and operating results, etc. in accordance with the policy as described above.

4. Risk Factors in Business

The NOK group's business performance and financial position are exposed to various risks. The following is a discussion of assumed main risks that the NOK group may face in its business activities. In addition, the future events contained in these items were envisioned as of the end of this fiscal term (March 31, 2007).

(1) Risks in Seal Products Business

The automotive industry is our biggest buyer, which accounts for about 70 percent of sales in this product line, and sales performance is subject to trends in production and sales activities within the industry. In the automotive industry, domestic manufacturers have increasingly shifted their production lines overseas.

Under these circumstances, automotive parts suppliers, including the NOK group, have increasingly received requests from the automotive industry, to offer drastic cost reduction, technological innovation, and a global response, not to mention improvements in quality and strict observance of delivery times. Consequently, the NOK group may be adversely affected by these trends in the future.

Moreover, while oil seal products, one of our core products, are used for the internal-combustion engine, battery-driven electric vehicles are under developed in recent years. The NOK group is undertaking research and development efforts on new products to equip electric-powered vehicles in the expectation that they will become more common in the future. However, at this time, it is difficult to foresee the influence of battery-driven electric vehicles on the future business results of the NOK group.

(2) Risks in Flexible Printed Circuit Business

Given that the products in this business are characterized by short lifecycles and rapid technical innovation, and that business performance tends to fluctuate significantly subject to trends in the supply-demand relationship, this field may produce an adverse effect on the business performance of the NOK group. As countermeasures against such a risk, we transferred our FPC sales division for the electronic equipment industry to Nippon Mektron, Ltd. with effect from October 1, 2006, with the aim of providing prompt customer services and higher quality products. In addition, as South Korean and Taiwanese manufacturers are gaining market shares in this business field through the improvement of technical levels and the expansion of production capacity, such tough competition may have a major impact on the business results of the NOK group.

(3) Risks in Other Business

The NOK group has been engaged in the production and sale of special lubricants, chemical products and mechanical face seals. Furthermore, with an eye to ensuring a stable business base by developing a third core business alongside seal products and flexible printed circuit businesses, we acquired HOKUSHIN CORPORATION in March 2004, and NITTO KOGYO CORPORATION in March 2005, making them our subsidiaries that possess business base centering on the production of rubber rolls for copiers. We merged these two subsidiaries into one unit on April 1, 2007, commencing business operations under the name of SYNZTEC CO., LTD. As the technology innovation and competition become more intense as a result of progress in color copiers, we may face adverse effects brought by such trends in this new business area.

(4) Risks in Production Structure

As a parts manufacturing company, the NOK group has established a production structure in line with our basic policy of keeping pace with domestic customers' shift to overseas production. In recent years, the overseas production ratio of the NOK group has shown a tendency to go up in accordance with customers' shift to overseas production.

In the future, we plan to raise overseas production ratio further with a focus on production expansion in the Asian area in line with domestic automotive manufacturers' shift to overseas production in the seal business. A further expansion of overseas production is also expected in the flexible printed circuit business. In light of this, the business results of the NOK group will become vulnerable to foreign exchange fluctuations and the business climate of each country where NOK deploys its production facilities.

(5) Risks in business relationship with Freudenberg & Co.

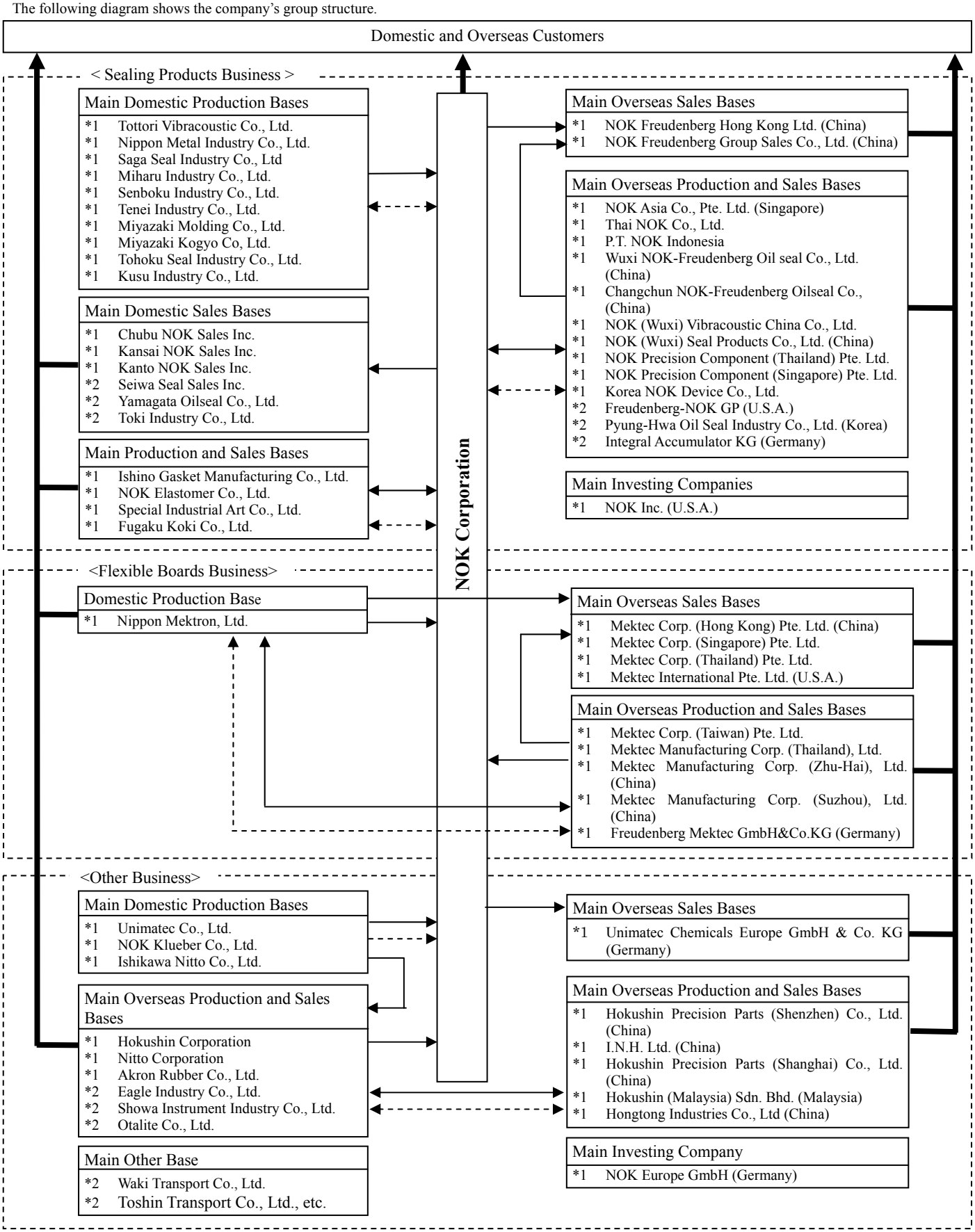
NOK has maintained capital and technical alliances with Freudenberg & Co. ("Freudenberg") since 1960. Also, Freudenberg (including its group companies) plays an important role as a partner for the NOK group's business activities.

Currently, Freudenberg is the largest stockholder, holding 22.3% of outstanding and issued shares of NOK through Freudenberg Beteilings GmbH, Freudenberg's investment company, continuing the NOK group's relationship with Freudenberg begun with the first alliance agreement concluded in 1960. We believe that both groups will continue to develop their stable relationship in the future. However, any change in business alliances or any strategic shift of Freudenberg may have a significant impact on the business results of the NOK group.

Corporate Group

Group Relationship Diagram

The following diagram shows the company's group structure.



Notes:

→ The solid line arrows indicate supply of products.

- - → The dotted-line arrows indicate supply of raw materials and semi-finished products.

2. *1: Consolidated subsidiary
   *2: Equity method applied affiliate

Management Policy

1. Principal Management Policy

It is our basic concept that a firm is the common asset of its shareholders, employees, and society. At the same time, the goal of NOK is to become an entity in which all of its stakeholders including customers, suppliers, and financial institutions can take pride. For such purposes, we concentrate our efforts to create a vigorous, high profitability corporate group through "manufacturing and distributing unique and useful products with high technical capabilities throughout the world and at appropriate prices." That is the main policy with which NOK conducts its business.

2. Mid- to Long-Term Management Strategies

We started our New Three-Year Management Plan from fiscal 2007. The outline of this plan is as follows:

1. Slogan: "Toward a Mid-sized Excellent Company in the Global Market – For Higher S.S."*1
2. Period: From April 1, 2007 to March 31, 2010 (FY 2007 to FY 2009)
3. Basic policies:
   (1) To implement a business management respecting human dignity
   (2) To restructure "NOK, renowned for quality"
   (3) To increase new order receipts in the joint efforts of sales, technical and production divisions.*2
   (4) To strengthen the capabilities of each division
   (5) To foster and reinforce the rubber roll business
   (6) To improve and strengthen the global production system
   (7) To improve consolidated profitability and the financial structure by establishing a group management system
   (8) To grow as a corporate citizen

4. Target indicators (Goals for the final consolidated fiscal year of the plan)

Net sales:	600 billion yen
Operating income:	62.0 billion yen
ROA:	6.6%

Notes: *1 S.S. = Stakeholder Satisfaction.
*2 Each division responsible for sales, technical matters, and production.

The above target indicators for future business results include all the risk factors envisaged as of the date of publication of this document. However, actual results may differ depending on the domestic and overseas economic situation, price of materials, demand, competition from other companies, changes in technologies, and other factors, including fluctuations in foreign exchange rates.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	FY 2005 (as of March 31, 2006)		FY 2006 (as of March 31, 2007)		Year-on-year comparison
Item	Amount (million yen)	(%)	Amount (million yen)	(%)	Change (million yen)
Assets					
I. Current assets					
1. Cash and deposits	47,870		45,837		(2,032)
2. Notes and accounts receivable	109,888		113,683		3,795
3. Inventories	40,817		47,110		6,293
4. Deferred tax assets	7,178		7,526		347
5. Others	9,089		10,552		1,463
Allowance for doubtful accounts	(1,835)		(1,020)		815
Total current assets	213,009	45.2	223,691	44.0	10,682
II. Fixed assets					
(1) Tangible fixed assets					
1. Buildings and structures	54,595		60,155		5,559
2. Machinery, equipment and vehicles	58,737		68,104		9,367
3. Furniture and fixtures	12,377		14,525		2,147
4. Land	18,495		18,611		116
5. Construction in progress	3,946		8,842		4,896
Total tangible fixed assets	148,152	31.5	170,239	33.5	22,087
(2) Intangible fixed assets					
1. Consolidation adjustments	5,710		—		(5,710)
2. Goodwill	—		4,179		4,179
3. Others	1,572		2,168		596
Total intangible fixed assets	7,282	1.5	6,348	1.3	(934)
(3) Investments and other assets					
1. Investment securities	71,136		74,598		3,461
2. Long-term loans to employees	9,021		8,768		(252)
3. Deferred tax assets	3,017		2,890		(127)
4. Others	19,918		21,769		1,851
Allowance for doubtful accounts	(521)		(285)		236
Total investments and other assets	102,571	21.8	107,741	21.2	5,169
Total fixed assets	258,006	54.8	284,330	56.0	26,323
Total Assets	471,015	100.0	508,021	100.0	37,006

	FY 2005 (as of March 31, 2006)		FY 2006 (as of March 31, 2007)		Year-on-year comparison
Item	Amount (million yen)	(%)	Amount (million yen)	(%)	Change (million yen)
Liabilities					
I. Current liabilities					
1. Notes and accounts payable – trade	55,536		54,632		(903)
2. Short-term borrowings	32,491		35,114		2,623
3. Income taxes payable	9,940		9,618		(322)
4. Reserve for employees' bonus payments	7,920		8,005		84
5. Employee deposits	15,498		15,653		155
6. Others	23,026		29,344		6,317
Total current liabilities	144,414	30.7	152,368	30.0	7,954
II. Fixed liabilities					
1. Long-term borrowings	17,111		14,774		(2,337)
2. Deferred tax liabilities	6,384		8,027		1,642
3. Reserve for retirement benefits	52,144		50,232		(1,912)
4. Reserve for retirement lump sum grant for directors	1,449		1,176		(273)
5. Others	1,833		1,792		(40)
Total fixed liabilities	78,924	16.7	76,002	15.0	(2,921)
Total Liabilities	223,338	47.4	228,371	45.0	5,032
Minority interests					
Minority interests	19,379	4.1	—	—	—
Shareholders' Equity					
I Common stock	23,335	5.0	—	—	—
II Additional paid-in capital	22,393	4.7	—	—	—
III Earned surplus	154,168	32.7	—	—	—
IV Net unrealized gains on other securities	28,159	6.0	—	—	—
V Cumulative currency translation adjustments	441	0.1	—	—	—
VI Treasury stock	(201)	(0.0)	—	—	—
Total shareholders' equity	228,297	48.5	—	—	—
Total Liabilities, Minority Interests and Shareholders' Equity	471,015	100.0	—	—	—

	FY 2005 (as of March 31, 2006)		FY 2006 (as of March 31, 2007)		Year-on-year comparison
Item	Amount (million yen)	(%)	Amount (million yen)	(%)	Change (million yen)
Net assets					
I Shareholders' equity					
1. Common stock	—	—	23,335		—
2. Additional paid-in capital	—	—	22,451		—
3. Earned surplus	—	—	174,985		—
4. Treasury stock	—	—	(194)		—
Total shareholders' equity	—	—	220,578	43.4	—
II Valuation and translation adjustments					—
1. Net unrealized gains on other securities	—	—	29,002		—
2. Cumulative currency translation adjustments	—	—	8,016		—
Total valuation and translation adjustments	—	—	37,019	7.3	—
III Minority interests	—	—	22,052	4.3	—
Total net assets	—	—	279,650	55.0	—
Total Liabilities and Net Assets	—	—	508,021	100.0	

(2) Comparative Consolidated Profit and Loss Statement

	FY 2005 (April 1, 2005 to March 31, 2006)		FY 2006 (April 1, 2006 to March 31, 2007)		Year-on-year comparison
Item	Amount (million yen)	(%)	Amount (million yen)	(%)	Change (million yen)
I Net sales	450,630	100.0	479,815	100.0	29,185
II Cost of sales	343,159	76.2	376,675	78.5	33,515
Gross profit	107,470	23.8	103,140	21.5	(4,330)
III Selling, general and administrative expenses	62,212	13.8	61,482	12.8	(729)
Operating income	45,258	10.0	41,657	8.7	(3,600)
IV Non-operating profit/loss	7,234	1.6	6,995	1.5	(238)
1. Interest received	522		893		370
2. Dividends received	558		791		232
3. Equity in earnings of affiliates	2,994		2,680		(314)
4. Rental income	450		874		423
5. Currency translation gains	1,164		—		(1,164)
6. Others	1,542		1,756		214
V Non-operating expenses	2,535	0.5	3,254	0.7	718
1. Interest paid	1,633		1,840		207
2. Others	902		1,413		510
Ordinary profit	49,956	11.1	45,399	9.5	(4,556)
VI Extraordinary gains	1,519	0.3	2,299	0.4	779
1. Gain on disposal of fixed assets	597		239		(358)
2. Gain on sales of investments in securities	470		1,123		653
3. Provision of allowance for doubtful accounts	—		765		765
4. Others	451		170		(280)
VII Extraordinary losses	1,555	0.3	2,923	0.6	1,368
1. Loss on disposal of fixed assets	1,092		1,195		103
2. Impairment loss on fixed assets	11		—		(11)
3. Loss on wind-up of subsidiary pension fund	—		574		574
4. Provisions for reserve for business restructuring of subsidiaries	—		769		769
5. Others	451		383		(67)
Income before taxes	49,921	11.1	44,775	9.3	(5,145)
Income taxes, current	13,489		15,821		2,332
Income taxes, deferred	3,470		960		(2,510)
Minority interests	3,515		3,200		(315)
Net income	29,445	6.5	24,793	5.2	(4,652)

(3) Consolidated Statement of Retained Earnings and Consolidated Statement of Changes in Shareholders' Equity
Comparative Statement of Consolidated Retained Earnings

	FY 2005 (April 1, 2005 to March 31, 2006)	
Item	Amount (million yen)	
(Additional paid-in capital)		
I Additional paid-in capital at beginning of the term		22,393
II Additional paid-in capital at end of the term		22,393
(Retained earnings)		
I Retained earnings at beginning of the term		127,809
II Increase in retained earnings		
Net income	29,445	29,445
III Decrease in retained earnings		
1. Dividends paid	2,766	
2. Bonus paid to directors	316	
3. Decrease due to changes in the scope of consolidation of equity method-applied companies	4	3,087
IV Consolidated retained earnings at end of the term		154,168

Consolidated Statement of Changes in Shareholders' Equity
FY 2006 (April 1, 2006 to March 31, 2007)

	Shareholders' Equity				
	Common Stock	Additional paid-in capital	Retained earnings	Treasury stock	Total
Balance as of March 31, 2006 (million yen)	23,335	22,393	154,168	(201)	199,695
Changes during the term					
Dividends from capital surplus (Note)			(2,074)		(2,074)
Dividends from capital surplus			(1,729)		(1,729)
Bonus paid to directors (Note)			(269)		(269)
Net income			24,793		24,793
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock		57		12	70
Change in the scope of consolidation			23		23
Change in the scope of application of equity method			86	(0)	85
Change in the scope of consolidation of equity method-applied companies			(11)		(11)
Net changes in assets other than Shareholders' equity during the term					
Total change (million yen)	—	57	20,817	7	20,882
Balance as of March 31, 2007 (million yen)	23,335	22,451	174,985	(194)	220,578

	Valuation and translation adjustments			Minority interests	Total Net Assets
	Net unrealized gains on other securities	Cumulative currency translation adjustments	Total		
Balance as of March 31, 2006 (million yen)	28,159	441	28,601	19,379	247,677
Changes during the term					
Dividends from capital surplus (Note)					(2,074)
Dividends from capital surplus					(1,729)
Bonus paid to directors (Note)					(269)
Net income					24,793
Purchase of treasury stock					(4)
Disposal of treasury stock					70
Change in the scope of consolidation					23
Change in the scope of application of equity method					85
Change in the scope of consolidation of equity method-applied companies					(11)
Net changes in assets other than Shareholders' equity during the term	843	7,575	8,418	2,672	11,090
Total change (million yen)	843	7,575	8,418	2,672	31,973
Balance as of March 31, 2007 (million yen)	29,002	8,016	37,019	22,052	279,650

Note: Appropriation of these surpluses was resolved at the General Shareholders' Meeting held in June 2006.

(4) Consolidated Statement of Cash Flows

	FY 2005 (April 1, 2005 to March 31, 2006)	FY 2006 (April 1, 2006 to March 31, 2007)	Year-on-year comparison
Item	Amount (million yen)	Amount (million yen)	Change (million yen)
I Cash flows from operating activities:			
Income before income taxes	49,921	44,775	(5,145)
Depreciation and amortization	25,051	27,512	2,460
Increase (decrease) in allowance for doubtful accounts	27	(1,055)	(1,083)
Increase in reserve for employees' bonus payments	246	110	(136)
Decrease in allowance for restructuring of production system	(2,550)	—	2,550
Decrease in reserve for retirement benefits	(2,151)	(1,913)	238
Increase (decrease) in reserve for retirement lump sum grant for directors	27	(231)	(259)
Interest and dividend income	(1,081)	(1,684)	(602)
Interests expense	1,633	1,840	207
Equity in gain (loss) of affiliated companies	(2,994)	(2,680)	314
Amortization of consolidation adjustments account	1,456	—	(1,456)
Amortization of goodwill	—	1,649	1,649
Gain on sale of investment securities	(470)	(1,123)	(653)
Gain on sale of fixed assets	(597)	(239)	358
Loss on disposal of fixed assets	1,092	1,195	103
Increase in accounts receivable	(4,704)	(3,967)	737
Increase in inventories	(4,146)	(5,030)	(883)
Decrease in accounts payable	(1,152)	(5,065)	(3,913)
Increase (decrease) in notes discounted	(4,735)	3,300	8,035
Others	2,820	2,716	(104)
Bonus paid to directors	(316)	(269)	46
Sub Total	57,376	59,838	2,462
Interest and dividends received	1,727	2,871	1,144
Interest paid	(1,473)	(1,842)	(368)
Income taxes paid	(5,019)	(16,296)	(11,276)
Cash flows from operating activities	52,610	44,572	(8,038)

	FY 2005 (April 1, 2005 to March 31, 2006)	FY 2006 (April 1, 2006 to March 31, 2007)	Year-on-year comparison
Item	Amount (million yen)	Amount (million yen)	Change (million yen)
II Cash flows from investing activities			
Net increase (decrease) in time deposits	(597)	330	927
Purchase of investment securities	(2,533)	(907)	1,625
Proceeds from sale of investment securities	1,407	1,718	310
Purchase of additional shares in consolidated subsidiaries	(122)	(173)	(51)
Proceeds from sale of shares in consolidated subsidiaries	—	1,456	1,456
Payments for share capital	(332)	(1,571)	(1,239)
Proceeds from refund of share capital	1,003	—	(1,003)
Payments for purchase of tangible fixed assets	(44,986)	(45,625)	(638)
Proceeds from sale of tangible fixed assets	3,393	2,365	(1,028)
Payments for purchase of intangible fixed assets	(428)	(614)	(186)
Others	25	19	(6)
Cash flows from investing activities	(43,170)	(43,003)	166
III Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(5,898)	3,733	9,632
Proceeds from long-tem borrowings	10,319	5,399	(4,920)
Payments for repayment of long-term borrowings	(11,976)	(9,871)	2,105
Proceeds from shares subscribed by minority shareholders	908	4	(903)
Net of purchase and sale of treasury stock	(3)	212	216
Dividends paid by the Company	(2,765)	(3,803)	(1,038)
Dividends paid to minority shareholders	(855)	(1,572)	(717)
Net cash flows from financing activities	(10,270)	(5,896)	4,374
IV Adjustment on foreign currency translation of cash and cash equivalents	2,213	2,349	135
V Net change in cash and cash equivalents (decrease)	1,383	(1,978)	(3,361)
VI Cash and cash equivalents at beginning of the term	41,519	44,081	2,562
VII Increase in cash and cash equivalents due to change in the scope of consolidation	1,178	194	(984)
VIII Cash and cash equivalents at end of the term	44,081	42,298	(1,783)

Important Accounting Guidelines for the Preparation of Consolidated Financial Statements

Matters other than those described in "Changes in the Significant Matters for Preparation of Consolidated Financial Statements" below are not disclosed in this document, as there are no significant changes in descriptions in the latest Securities Report submitted on June 29, 2006.

Changes in the Significant Matters for Preparation of Consolidated Financial Statements

1. Accounting standard concerning bonus for directors

The Company adopted "Accounting Standard Concerning Bonus for Directors" ("Corporate Accounting Standards No.4" issued on November 29, 2005) from this fiscal year.

As a result, operating income, ordinary profit, and income before taxes decreased 341 million yen each.

2. Accounting standards regarding disclosure of net assets in the balance sheet

The Company adopted "Accounting Standards Regarding Disclosure of Net Assets in the Balance Sheet" ("Corporate Accounting Standards No.5" issued on December 9, 2005) and "Guidance on Application of Accounting Standards Regarding Disclosure of Net Assets in the Balance Sheet" ("Application Guidance No.8 on Accounting Standards" issued on December 9, 2005) from this fiscal year.

The amount of Shareholders' equity would have been 257,598 million yen under the previous year's presentation.

The item "Net assets" in the consolidated balance sheet for this fiscal year was prepared in accordance with the amended Standards for Preparation of Consolidated Financial Statements reflecting the amendment to the Standards for Preparation of Consolidated Financial Statements.

[Notes to consolidated financial statements]

(Consolidated balance sheet)

(million yen)

	FY 2005	FY 2006
Accumulated depreciation of tangible fixed assets	215,556	232,289
Assets pledged as security (buildings, etc.)	8,048	7,146
Secured liabilities corresponding to the above	4,058	3,014
Balance of loan guarantee	10	10
Amount discounted on notes receivable	15,067	18,373
Notes endorsed for payment	385	273
Unsettled transferred receivables	3,658	3,075

Notes maturing at the end of the consolidated fiscal year

Notes receivable	-	523
Amount discounted on notes receivable	-	2,136
Notes endorsed for payment	-	32
Notes payable	-	103

Note: Notes maturing at the end of the consolidated fiscal year were accounted for on the day of settlement.

(Consolidated Profit and Loss Statement)

"Provisions for reserve for business restructuring of subsidiaries" in Extraordinary losses represent provisions for reserve for disposal of assets as part of the restructuring of production systems for the purpose of improving profitability of the products of subsidiaries.

(Consolidated Statement of Changes in Shareholders' Equity)

1.Matters concerning the type and aggregate number of shares issued and outstanding and treasury stock

	Number of shares and treasury stock as of the end of FY 2005	Increase in number of shares and treasury stock during FY 2006	Decrease in number of shares during FY 2006	Number of shares and treasury stock as of the end of FY 2006
Shares of common stock issued and outstanding	173,138,537	-	-	173,138,537
Treasury stock (common stock)	220,739	6,552	32,500	194,791

Notes: 1. Breakdown of the increase of 6,552 shares in the treasury stock in the common stock is as follows:
Increase due to repurchase of shares of less than one trading unit: 1,692 shares
Treasury stock (shares of the Company) held by the new equity method-applied companies, which are accounted for as shares held by us: 4,860 shares

Notes: 2. Decrease of 32,500 treasury stock in common shares are resulted from sale of treasury stock (shares of the Company) held by a consolidated subsidiary.

2. Matters relating to dividend payments

(1) Dividend paid

Resolution	Class of shares	Aggregate amount of dividend paid (million yen)	Dividend per share (yen)	Record date	Effective date
General Meeting of Shareholders held on June 29, 2006	Common stock	2,074	12	March 31, 2006	June 30, 2006
Meeting of the Board of Directors held on November 14, 2006	Common stock	1,729	10	September 30, 2006	December 8, 2006

(2) Dividends for which the record date belongs to this fiscal year but the effective date is in the following fiscal year.

Resolution	Class of shares	Aggregate amount of dividend paid (million yen)	Dividend per share (yen)	Record date	Effective date
General Meeting of Shareholders to be held on June 28, 2007	Common stock	1,729	10	March 31, 2007	June 29, 2007

(Securities)

1. Other securities with market value (million yen)

Type of securities	FY 2005			FY 2006		
	Acquisition cost	Consolidated balance sheet amount	Unrealized gains	Acquisition cost	Consolidated balance sheet amount	Unrealized gains
Stocks	7,942	54,906	46,964	7,156	55,351	48,195
Corporate bonds	-	-	-	5	5	0
Total	7,942	54,906	46,964	7,162	55,357	48,195

2. Principal securities with no market value (million yen)

Type of securities	FY 2005	FY 2006
(1) Securities held to maturity		
Unlisted bonds	71	71
(2) Other securities:		
Unlisted stocks	105	116
Preferred subscription certificates	500	500

(Tax-Effect Accounting)

1. Tax effects of temporary differences that give rise to a significant portion of deferred tax assets and liabilities:

(million yen)

	FY 2005	FY 2006
Reserve for doubtful accounts	818	390
Accrued enterprise tax	662	809
Reserve for bonus payments	3,183	3,207
Amount exceeding tax limit for depreciation	3,431	3,584
Loss on valuation of investment securities	91	88
Reserve for retirement benefits	20,663	19,968
Reserve for retirement lump sum grants for directors	633	482
Unrealized inter-company profit	941	987
Others	1,431	1,945
Sub total deferred tax assets	31,857	31,464
Valuation allowance	(748)	(620)
Total deferred tax assets	31,108	30,843
Allowance for special depreciation	291	58
Deferred gains on sale of fixed assets	530	521
Retained earnings of overseas affiliates	7,247	8,490
Net devaluation gains and loss of other securities	19,250	19,500
Total deferred tax liabilities	27,319	28,570
Net deferred tax assets	3,788	2,273

2. Reconciliation between the statutory tax rate and the effective tax rate as a percentage of income before income taxes is as follows:

(%)

	FY 2005	FY 2006
Statutory effective tax rate	40.1	40.1
(Reconciliation items)		
Permanent differences arising from nondeductible expenses such as entertainment expenses	1.1	3.5
Per capita portion of inhabitant's tax	0.2	0.2
Different tax rates applied to foreign subsidiaries	(5.4)	(4.7)
Equity in net gains (losses) of affiliates	(1.5)	(1.7)
Valuation allowance	0.2	(0.3)
Others	(0.7)	0.4
Effective tax rate after adopting tax-effect accounting	34.0	37.5

(Omission of disclosure)

Notes to the following information are omitted due to their immaterial degree of necessity for disclosure in this financial summary document.

Consolidated Cash Flow Statements

Lease Transactions

Derivative Transactions

Retirement Benefits

Transactions with Related Parties

(Segment information)

a. Segment information by business category

FY 2005 (April 1, 2005 to March 31, 2006)

	Seal products (million yen)	FPC (million yen)	Other products (million yen)	Total (million yen)	Eliminations/ Corporate (million yen)	Consolidated (million yen)
I Net sales and operating profit/loss						
Net 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
II Assets, depreciation, and capital expenditure						
Assets	193,921	127,558	84,889	406,369	64,646	471,015
Depreciation	13,615	8,408	3,028	25,051	—	25,051
Capital expenditure	26,333	9,159	6,721	42,215	—	42,215

Notes: 1. Method to categorize businesses:
Businesses are categorized by product series.

2. Main products of respective business categories:

Business category	Main products
Seal products	Oil seals, O-rings, vibration controls, resin products and gaskets
FPC	Flexible printed circuits
Other products	Rubber rolls for office machines and equipment, chemical products, special lubricants, and mechanical seals

3. Assets of the entire company included in “Eliminations/Corporate is 67,626 million yen, out of which the principal assets are cash and deposits of the Company, investment securities, and deferred tax assets, etc.

FY 2006 (April 1, 2006 to March 31, 2007)

	Seal products (million yen)	FPC (million yen)	Other products (million yen)	Total (million yen)	Eliminations/ Corporate (million yen)	Consolidated (million yen)
I Net sales and operating profit/loss Net sales:						
(1) Sales to external customers	212,336	167,715	99,763	479,815	—	479,815
(2) Inter-segment sales/ transfer	1,532	227	7,623	9,384	(9,384)	—
Total	213,869	167,943	107,387	489,200	(9,384)	479,815
Operating expenses	196,403	147,687	103,454	447,544	(9,386)	438,158
Operating income	17,466	20,256	3,932	41,655	2	41,657
II Assets, depreciation, and capital expenditure						
Assets	206,434	149,609	89,027	445,071	62,950	508,021
Depreciation	15,911	8,077	3,523	27,512	—	27,512
Capital expenditure	26,280	16,869	7,441	50,590	—	50,590

Notes: 1. Method to categorize businesses:
Businesses are categorized by product series.

2. Main products of respective business categories:

Business category	Main products
Seal products	Oil seals, O-rings, vibration controls, resin products and gaskets
FPC	Flexible printed circuits
Other products	Rubber rolls for office machines and equipment, chemical products, special lubricants, and mechanical seals

3. Assets of the entire company included in Eliminations/Corporate is 67,608 million yen, out of which the principal assets are cash and deposits of the Company, investment securities, and deferred tax assets, etc.

b. Segment information by location

FY 2005 (April 1, 2005 to March 31, 2006)

	Japan (million yen)	Asia (million yen)	Other areas (million yen)	Total (million yen)	Eliminations/ corporate (million yen)	Consolidated (million yen)
I 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
II Assets	288,394	128,765	23,919	441,078	29,937	471,015

Notes: 1. Countries and areas are classified by geographical proximity.

2. Principal countries and areas belonging to above segments, except Japan, are as follows:

1) Asia ----------Singapore, Thailand, Taiwan, and China

2) Other areas ----------United States and Germany

3. Assets of the entire company included in "Eliminations/Corporate is 67,626 million yen, out of which the principal assets are cash and deposits of the Company, investment securities, and deferred tax assets, etc.

FY 2006 (April 1, 2006 to March 31, 2007)

	Japan (million yen)	Asia (million yen)	Other areas (million yen)	Total (million yen)	Eliminations/ corporate (million yen)	Consolidated (million yen)
I Sales and operating profit/loss						
Sales:						
(1) Sales to external customers	304,400	155,363	20,051	479,815	—	479,815
(2) Inter-segment sales/ transfer	50,356	18,210	474	69,041	(69,041)	—
Total	354,757	173,573	20,525	548,857	(69,041)	479,815
Operating expenses	329,892	157,474	20,398	507,766	(69,608)	438,158
Operating income	24,864	16,099	127	41,091	566	41,657
II Assets	304,801	153,509	27,640	485,952	22,069	508,021

Notes: 1. Countries and areas are classified by geographical proximity.

2. Principal countries and areas belonging to above segments, except Japan, are as follows:

1) Asia ----------Singapore, Thailand, Taiwan, and China

2) Other areas ----------United States and Germany

3. Assets of the entire company included in "Eliminations/Corporate is 67,608 million yen, out of which the principal assets are cash and deposits of the Company, investment securities, and deferred tax assets, etc.

c. Overseas sales

FY 2005 (April 1, 2005 to March 31, 2006)

	Asia	Other areas	Total
I Overseas sales (million yen)	131,112	24,941	156,053
II Consolidated sales (million yen)	—	—	450,630
III Percentage of overseas sales in the consolidated sales (%)	29.1	5.5	34.6

FY 2006 (April 1, 2006 to March 31, 2007)

	Asia	Other areas	Total
I Overseas sales (million yen)	164,561	25,911	190,472
II Consolidated sales (million yen)	—	—	479,815
III Percentage of overseas sales in the consolidated sales (%)	34.3	5.4	39.7

Notes: 1. Countries and areas are classified by geographical proximity.

2. Principal countries and areas belonging to above segments, except Japan, are as follows:

1) Asia----------Singapore, Thailand, Taiwan, and China

2) Other areas----------United States and Germany

3. Overseas sales represent the sales in countries or areas other than Japan of NOK and its consolidated subsidiaries.

(Per Share Information)

FY 2005 (April 1, 2005 to March 31, 2006)	FY 2006 (April 1, 2006 to March 31, 2007)
Net assets per share: 1,318.35 yen Net income per share: 168.37 yen Diluted net income per share is not shown due to non-existence of residual securities.	Net assets per share: 1,489.49 yen Net income per share: 143.37 yen Diluted net income per share is not shown due to non-existence of residual securities.

Note: Basic of computation of net income per share is as shown below:

	FY 2005 (April 1, 2005 to March 31, 2006)	FY 2006 (April 1, 2006 to March 31, 2007)
Net income (million yen)	29,445	24,793
Amount not applicable to common stock (million yen)	331	—
(Out of the above, directors' bonus from appropriation)	(331)	(—)
Net income applicable to common stock (million yen)	29,114	24,793
Average number of common stocks used in net income per share computation (1,000 shares)	172,920	172,937

Comparative Non-Consolidated Balance Sheet

(million yen)

Term / Item	FY 2005 (as of March 31, 2006)		FY 2006 (as of March 31, 2007)		Year-on-year increase/ (decrease)
	Amount	%	Amount	%	Amount
Assets		%		%	
Current assets:	94,381	36.4	78,916	31.0	(15,464)
Cash and deposits	3,295		3,752		457
Notes receivable	15,667		8,460		(7,207)
Accounts receivable	53,291		43,085		(10,206)
Inventories	9,515		9,958		442
Deferred tax assets	2,743		2,458		(285)
Others	10,740		11,688		947
Allowance for doubtful accounts	(873)		(486)		387
Fixed assets	164,970	63.6	175,635	69.0	10,665
Tangible fixed assets	42,912		48,039		5,126
Buildings and structures	14,909		16,506		1,596
Machinery and equipment	16,036		18,416		2,379
Others	11,966		13,116		1,150
Intangible fixed assets	**66**		**61**		**(5)**
Investment and other assets	121,991		127,535		5,544
Investment securities	101,558		103,129		1,571
Long-term loans	11,611		12,095		484
Others	10,414		13,268		2,854
Allowance for valuation loss on investments	(986)		(375)		611
Allowance for doubtful accounts	(607)		(583)		23
Total Assets	259,352	100.0	254,552	100.0	(4,799)

(million yen)

Item \ Term	FY 2005 (as of March 31, 2006)		FY 2006 (as of March 31, 2007)		Year-on-year increase/ (decrease)
	Amount	%	Amount	%	Amount
Liabilities		%		%	
Current liabilities	79,432	30.6	71,745	28.2	(7,687)
Accounts payable – trade	29,670		25,560		(4,109)
Short-term borrowings	18,690		10,068		(8,622)
Accounts payable and accrued expenses	7,977		10,077		2,099
Accrued income taxes	4,732		2,205		(2,527)
Employees' deposits	12,508		12,036		(472)
Deposits received in CMS	—		7,407		7,407
Reserve for bonus payments	3,895		3,808		(86)
Others	1,957		581		(1,376)
Fixed liabilities	52,082	20.1	47,812	18.1	(4,270)
Long-term borrowings	10,892		7,921		(2,970)
Deferred tax liabilities	1,932		3,471		1,538
Reserve for retirement benefits	37,185		34,685		(2,499)
Reserve for retirement lump sum grant for directors	437		510		73
Others	1,634		1,222		(412)
Total Liabilities	131,515	50.7	119,557	47.0	(11,957)
Shareholders' Equity					
Common stock	23,335	9.0	—	—	—
Additional paid-in capital	20,397	7.9	—	—	—
Capital surplus	20,397		—	—	—
Earned surplus	56,749	21.9	—	—	—
Retained surplus	2,983		—		—
Voluntary reserve	38,568		—		—
Unappropriated retained earnings	15,196		—		—
Net unrealized gain on other securities	27,487	10.6	—	—	—
Treasury stock	(133)	(0.1)	—	—	—
Total Shareholders' Equity	127,836	49.3	—	—	—
Total Liabilities and Shareholders' Equity	259,352	100.0	—	—	—
Net Assets					
Shareholders' equity	—	—	106,476	41.8	—
Common stock	—	—	23,335	9.2	—
Additional paid-in capital	—	—	20,397	8.0	—
Capital surplus	—	—	20,397		—
Earned surplus	—	—	62,880	24.7	—
Retained surplus	—	—	2,983		—
Other earned surplus	—	—	59,896		—
Allowance for special depreciation	—	—	58		—
Reserve for deferred gain on sale of property	—	—	1,070		—
General reserve	—	—	43,100		—
Retained earnings brought forward	—	—	15,668		—
Treasury stock	—	—	(137)	(0.1)	—
Cumulative currency translation adjustments	—	—	28,518	11.2	—
Net unrealized gains on other securities	—	—	28,518		—
Total Net Assets	—	—	134,994	53.0	—
Total Liabilities and Net Assets	—	—	254,552	100.0	—

Comparative Non-Consolidated Profit and Loss Statement

(million yen)

Term / Item	FY 2005 (April 1, 2005 to March 31, 2006)		FY 2006 (April 1, 2006 to March 31, 2007)		Year-on-year Changes
	Amount	% to Net sales	Amount	% to Net sales	Amount
Net sales	273,813	100.0	254,348	100.0	(19,464)
Cost of sales	229,469	83.8	210,724	82.9	(18,745)
Selling, general and administrative expenses	31,690	11.6	30,809	12.1	(880)
Operating income	12,653	4.6	12,814	5.0	161
Non-operating profit	3,945		3,380		(564)
Interests and dividends received	2,475		1,815		(660)
Rent received	396		824		428
Others	1,073		740		(332)
Non-operating expenses	1,412		1,462		50
Interests paid	916		872		(43)
Others	495		589		
Ordinary profit	15,186	5.5	14,733	5.8	(452)
Extraordinary profit	2,041		2,012		(29)
Gain on sale of fixed assets	477		34		(442)
Gain on sale of investment securities	1,035		959		(76)
Provision of allowance for doubtful accounts	331		406		75
Provision of allowance for valuation loss on investments	197		611		414
Extraordinary loss	373		652		279
Loss on disposal of fixed assets	341		599		257
Others	31		53		21
Income before income taxes	16,854	6.2	16,092	6.3	(761)
Income taxes, current	5,210		4,940		(270)
Income taxes, deferred	1,218		1,134		(84)
Net income	10,426	3.8	10,018	3.9	(407)
Retained earnings at beginning of year	6,154		—		—
Interim dividends paid	1,384		—		—
Retained earnings at end of year	15,196		—		—

Statement of Appropriation of Unappropriated Retained Earnings

(million yen)

Term / Item	FY 2005 (April 1, 2005 to March 31, 2006)
	Amount
Unappropriated retained earnings	15,196
Reversal of reserve for special depreciation	35
Total	15,231
Appropriation of retained earnings	
Dividend paid	2,076
Bonus paid to directors	79
(out of which bonus paid to corporate auditors)	(9)
Allowance for special depreciation	2
Reserve for deferred gain on sale of property	216
General reserve	5,500
Retained earnings carried forward	7,356

Statement of Changes in Non-Consolidated Shareholders' Equity

FY 2006 (April 1, 2006 to March 31, 2007)

(million yen)

	Shareholders' Equity										
	Common stock	Additional paid-in capital		Earned surplus						Treasury stock	Total
		Capital surplus	Total	Retained surplus	Other earned surplus				Total		
					Allowance for special depreciation	Reserve for deferred gain on sale of property	General reserve	Retained earnings brought forward			
Balance as of March 31, 2006 (million yen)	23,335	20,397	20,397	2,983	125	843	37,600	15,196	56,749	(133)	100,349
Changes during the term											
Dividends from capital surplus (Note)								(2,076)	(2,076)		(2,076)
Dividends from capital surplus								(1,730)	(1,730)		(1,730)
Bonus paid to directors (Note)								(79)	(79)		(79)
Provision for reserve for special depreciation (Note)					2			(2)	—		—
Reversal of reserve for special depreciation (Note)					(35)			35	—		—
Reversal of reserve for special depreciation					(34)			34	—		—
Provision for reserve for deferred gain on sale of property (Note)						216		(216)	—		—
Provision for reserve for deferred gain on sale of property						10		(10)	—		—
Provision for general reserve (Note)							5,500	(5,500)	—		—
Net income								10,018	10,018		10,018
Acquisition of treasury stock									—	(4)	(4)
Net changes in items other than shareholders' equity during the term									—		—
Total changes	—	—	—	—	(67)	226	5,500	472	6,131	(4)	6,127
Balance as of March 31, 2007	23,335	20,397	20,397	2,983	58	1,070	43,100	15,668	62,880	(137)	106,476

	Valuation and translation adjustments		Total Net Assets
	Net unrealized gains on other securities	Total	
Balance as of March 31, 2006 (million yen)	27,487	27,487	127,836
Changes during the term			
Dividends from capital surplus (Note)			(2,076)
Dividends from capital surplus			(1,730)
Bonus paid to directors (Note)			(79)
Provision for reserve for special depreciation (Note)			–
Reversal of reserve for special depreciation (Note)			–
Reversal of reserve for special depreciation			–
Provision for reserve for deferred gain on sale of property (Note)			–
Provision for reserve for deferred gain on sale of property			–
Provision for general reserve (Note)			–
Net income			10,018
Acquisition of treasury stock			(4)
Net changes in items other than shareholders' equity during the term	1,030	1,030	1,030
Total changes	1,030	1,030	7,157
Balance as of March 31, 2007	28,518	28,518	134,994

Note: Appropriation of these surpluses was resolved at the General Shareholders' Meeting held in June 2006.