

NOK CORPORATION and Consolidated Subsidiaries

Consolidated Financial Results for the First Quarter Ended June 30, 2007

Date: July 31, 2007

Name of Listed Company: NOK Corporation
Securities Code Number: 7240
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(Fraction are round down to the nearest million yen)

1. Business Results for the First Quarter of Fiscal 2007 (April 1, 2007 to June 30, 2007)

(1) Consolidated operating results

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

	Net sales		Operating income		Ordinary profit		Net income for the quarter	
	million yen	%	million yen	%	million yen	%	million yen	%
1Q FY2007	125,976	7.8	10,960	(7.5)	12,728	(2.5)	7,325	(0.4)
1Q FY2006	116,830	8.5	11,852	(0.0)	13,056	1.4	7,354	3.0
FY2006	479,815	6.5	41,657	(8.0)	45,399	(9.1)	24,793	(15.8)

	Net income per share	Diluted net income per share
	yen	yen
1Q FY2007	42.36	-
1Q FY2006	42.53	-
FY2006	143.37	-

(2) Consolidated financial position

	Total assets	Net assets	Capital ratio	Net assets per share
	million yen	million yen	%	yen
1Q FY2007	522,037	291,231	51.6	1,556.20
1Q FY2006	473,298	253,466	49.4	1,350.53
FY2006	508,021	279,650	50.7	1,489.49

(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 period
	million yen	million yen	million yen	million yen
1Q FY2007	5,782	(13,544)	5,709	42,638
1Q FY2006	11,987	(7,686)	548	49,830
FY2006	44,572	(43,003)	(5,896)	42,298

2. Consolidated Performance Forecasts for Fiscal 2007 (April 1, 2007 to March 31, 2008)

NOK has made no changes to the initial full-year forecasts that were issued on May 14, 2007.

(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	(14.4)	11,200	(11.4)	64.76
Full year	510,000	6.3	44,500	4.6	47,500	6.9	26,500	6.9	153.23

Note: The above forecasts are based on the best information currently available to management. Actual results may differ significantly from forecast depending on various factors going forward.

3. Other Information

(1) Significant changes during 1Q FY2007 affecting specific major subsidiaries (related to changes in the scope of consolidation): None

(2) Instances of application of simplified accounting treatments: Yes

A simplified accounting treatment has been applied to income taxes.

(3) Changes in consolidated accounting policies compared with previous fiscal year: Yes

Segment information by business category is presented using a new business segment classification. (Please refer to page 7 for details).

4. Qualitative Information and Financial Statements

(1) Review of consolidated operating results

Reflecting robust demand, consolidated net sales for the three-month period ended June 30, 2007 totaled 125.9 billion yen, an increase of 7.8% compared with the same period in the previous year. Operating income amounted to 10.9 billion yen, a year-on-year decline of 7.5%, while ordinary profit decreased by 2.5% to 12.7 billion yen. Net income for the first quarter of the fiscal year to March 2008 was 7.3 billion yen, a decrease of 0.4% compared with a year earlier.

Business segment information is outlined below.

Following the change in segmentation method, please note that the year-on-year comparisons are based on corrected figures for the previous fiscal year (please refer to page 7 for details).

In the seal business, buoyant demand in overseas markets for vehicles from Japanese automakers translated into increased sales to the automobile industry. Segment sales rose 9.0% in year-on-year terms to 67.1 billion yen and operating income surged 25.3% to 6.3 billion yen.

In the flexible printed circuit (FPC) business, although higher sales of FPCs for mobile phones helped to boost sales in Japan, profits were negatively affected by lower sales in Taiwan. Segment sales increased 7.0% compared with the previous year to 44.1 billion yen, but operating income fell 36.7% to 4.0 billion yen.

In the roll business, sales of products for office equipment generated steady growth. Segment sales rose 7.2% compared with the previous year to 10.5 billion yen and operating income climbed 116.6% to 0.2 billion yen.

(2) Review of consolidated financial position

Total assets as of June 30, 2007 amounted to 522.0 billion yen, an increase of 14.0 billion yen compared with the end of the previous fiscal year (March 31, 2007). This growth mainly reflected higher tangible fixed assets due to capital investments relating to the expansion and upgrading of global production capabilities and an increase in the mark-to-market value of investment securities. Higher carrying values for overseas assets when translated into yen, which were the result of yen depreciation, also exerted a positive effect.

Net assets totaled 291.2 billion yen as of June 30, 2007, an increase of 11.5 billion yen compared with the previous fiscal year-end. In addition to an increase in retained earnings due to the net income of 7.3 billion yen recorded for the quarter, this growth reflected higher net unrealized gains on other securities and an increase in translation adjustments. The capital ratio at the end of the quarter was 51.6%.

5. Consolidated Quarterly Financial Statements (Summary)

(1) Consolidated Balance Sheet (summary)

	FY2006 (as of March 31, 2007)		1Q FY2007 (as of June 30, 2007)		Year-on-year comparison	1Q FY2006 (as of June 30, 2006)	
	Value (million yen)	(%)	Value (million yen)	(%)	Change (million yen)	Value (million yen)	(%)
Assets							
I . Current assets							
Cash and cash equivalents	45,837		45,056		(781)	54,414	
Notes and accounts receivable	113,683		115,932		2,248	104,250	
Inventories	47,110		47,826		715	43,077	
Others	17,059		17,781		721	14,112	
Total current assets	223,691	44.0	226,596	43.4	2,905	215,854	45.6
II . Fixed assets							
Tangible fixed assets	170,239		177,173		6,933	151,260	
Intangible fixed assets	6,348		6,212		(136)	7,115	
Investments and other assets	107,741		112,054		4,312	99,066	
Total fixed assets	284,330	56.0	295,440	56.6	11,110	257,443	54.4
Total assets	508,021	100.0	522,037	100.0	14,015	473,298	100.0
Liabilities							
I . Current liabilities							
Notes and accounts payable–trade	54,632		55,302		670	53,858	
Short-term borrowings	35,114		43,789		8,675	36,650	
Others	62,621		54,046		(8,575)	53,232	
Total current liabilities	152,368	30.0	153,138	29.3	769	143,742	30.4
II . Fixed liabilities							
Long-term borrowings	14,774		15,270		496	15,906	
Reserve for retirement benefits	50,232		49,630		(601)	51,752	
Others	10,996		12,765		1,769	8,430	
Total fixed liabilities	76,002	15.0	77,667	14.9	1,664	76,089	16.0
Total liabilities	228,371	45.0	230,805	44.2	2,434	219,831	46.4
Net assets							
I . Shareholders' equity							
Common stock	23,335		23,335		-	23,335	
Additional paid-in capital	22,451		22,451		-	22,451	
Retained earnings	174,985		180,581		5,596	159,178	
Treasury stock	(194)		(195)		(0)	(190)	
Total shareholders' equity	220,578	43.4	226,174	43.3	5,595	204,775	43.3
II . Valuation and translation gains/losses							
Net unrealized gains on other securities	29,002		31,319		2,317	25,794	
Translation adjustments	8,016		11,641		3,624	3,003	
Total valuation and translation gains/losses	37,019	7.3	42,961	8.3	5,941	28,798	6.1
III . Minority interests	22,052	4.3	22,096	4.2	44	19,892	4.2
Total net assets	279,650	55.0	291,231	55.8	11,581	253,466	53.6
Total liabilities and net assets	508,021	100.0	522,037	100.0	14,015	473,298	100.0

(2) Consolidated Income Statement (summary)

	1Q FY2006 (April 1, 2006 to June 30, 2006)		1Q FY2007 (April 1, 2007 to June 30, 2007)		Year-on-year comparison		FY2006 (April 1, 2006 to March 31, 2007)	
	Value (million yen)	(%)	Value (million yen)	(%)	Change (million yen, %)		Value (million yen)	(%)
I . Net sales	116,830	100.0	125,976	100.0	9,145	7.8	479,815	100.0
II . Cost of sales	89,490	76.6	98,849	78.5	9,358	10.5	376,675	78.5
Gross profit	27,340	23.4	27,127	21.5	(212)	(0.8)	103,140	21.5
III. Selling, general and administrative expenses	15,488	13.3	16,167	12.8	679	4.4	61,482	12.8
Operating income	11,852	10.1	10,960	8.7	(892)	(7.5)	41,657	8.7
IV. Non-operating income	2,103		2,461		357		6,995	
Interest and dividend income	563		671		108		1,684	
Equity in earnings of affiliates	882		1,018		136		2,680	
Others	658		771		112		2,631	
V. Non-operating expenses	899		693		(206)		3,254	
Interest paid	435		484		49		1,840	
Other	464		208		(255)		1,413	
Ordinary profit	13,056	11.2	12,728	10.1	(327)	(2.5)	45,399	9.5
VI. Extraordinary gains	620		507		(113)		2,299	
VII. Extraordinary losses	178		113		(65)		2,923	
Income before income taxes and minority interests	13,498	11.6	13,122	10.4	(376)	(2.8)	44,775	
Income taxes	5,127		4,882		(244)		16,781	9.3
Minority interests	1,016		914		(102)		3,200	
Net income	7,354	6.3	7,325	5.8	(29)	(0.4)	24,793	5.2

(3) Consolidated Cash Flow Statement (summary)

	1Q FY2006 (April 1, 2006 to June 30, 2006)	1Q FY2007 (April 1, 2007 to June 30, 2007)	FY2006 (April 1, 2006 to March 31, 2007)
	Value (million yen)	Value (million yen)	Value (million yen)
I . Cash flows from operating activities			
Income before income taxes and minority interests	13,498	13,122	44,775
Depreciation expense	6,122	7,176	27,512
Decrease in accounts receivable	1,772	150	(3,967)
Decrease in inventories	(1,935)	81	(5,030)
Decrease in accounts payable	(4,476)	(3,591)	(5,065)
Other	2,976	(4,068)	1,614
Subtotal	17,958	12,871	59,838
Income taxes paid	(5,968)	(7,265)	(16,296)
Other	(2)	176	1,029
Net cash flows from operating activities	11,987	5,782	44,572
II . Cash flows from investing activities			
Payments for purchase of tangible fixed assets	(8,623)	(14,183)	(45,625)
Other	936	638	2,621
Net cash flows from investing activities	(7,686)	(13,544)	(43,003)
III . Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	4,735	8,973	3,733
Proceeds from long-term borrowings	1,381	1,687	5,399
Repayment of long-term borrowings	(3,120)	(2,029)	(9,871)
Dividends paid	(1,895)	(1,554)	(3,803)
Other	(551)	(1,366)	(1,354)
Net cash flows from financing activities	548	5,709	(5,896)
IV . Adjustment on foreign currency translation of cash and cash equivalents	899	2,017	2,349
V . Net increase (decrease) in cash and cash equivalents	5,748	(35)	(1,978)
VI . Cash and cash equivalents at start of period	44,081	42,298	44,081
VII . Increase in cash and cash equivalents due to changes in scope of consolidation	-	375	194
VIII . Cash and cash equivalents at end of period	49,830	42,638	42,298

(4) Segment information

a. Segment information by business category

1Q FY2007 (April 1, 2007 to June 30, 2007)

	Seal (million yen)	FPC (million yen)	Roll (million yen)	Other (million yen)	Total (million yen)	Eliminations/ corporate (million yen)	Consolidated (million yen)
Net sales							
(1) Sales to external customers	67,151	44,140	10,523	4,160	125,976	-	125,976
(2) Inter-segment sales/transfer	630	291	-	434	1,355	(1,355)	-
Total	67,781	44,432	10,523	4,594	127,332	(1,355)	125,976
Operating expenses	61,472	40,351	10,260	4,296	116,381	(1,364)	115,016
Operating income	6,308	4,080	263	298	10,951	8	10,960

Notes:

1. Business segment classification method

Business segments are classified in consideration of similarities between product lines and related markets, based on internal management practice.

2. Principal products in each business segment

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

1Q FY2006 (April 1, 2006 to June 30, 2006)

	Seal (million yen)	FPC (million yen)	Roll (million yen)	Other (million yen)	Total (million yen)	Eliminations/ corporate (million yen)	Consolidated (million yen)
Net sales							
(1) Sales to external customers	61,606	41,254	9,813	4,156	116,830	-	116,830
(2) Inter-segment sales/transfer	728	-	-	79	807	(807)	-
Total	62,335	41,254	9,813	4,235	117,638	(807)	116,830
Operating expenses	57,301	34,812	9,692	4,003	105,810	(831)	104,978
Operating income	5,033	6,441	121	231	11,828	23	11,852

b. Segment information by location

1Q FY2007 (April 1, 2007 to June 30, 2007)

	Japan (million yen)	Asia (million yen)	Other areas (million yen)	Total (million yen)	Eliminations/ corporate (million yen)	Consolidated (million yen)
Net sales						
(1) Sales to external customers	78,689	42,387	4,899	125,976	-	125,976
(2) Inter-segment sales/transfer	10,812	5,818	282	16,913	(16,913)	-
Total	89,502	48,206	5,181	142,890	(16,913)	125,976
Operating expenses	82,322	44,452	5,118	131,893	(16,877)	115,016
Operating income	7,179	3,754	63	10,996	(36)	10,960

1Q FY2006 (April 1, 2006 to June 30, 2006)

	Japan (million yen)	Asia (million yen)	Other areas (million yen)	Total (million yen)	Eliminations/ corporate (million yen)	Consolidated (million yen)
Net sales						
(1) Sales to external customers	75,987	36,507	4,336	116,830	-	116,830
(2) Inter-segment sales/transfer	11,561	5,003	91	16,656	(16,656)	-
Total	87,549	41,510	4,427	133,487	(16,656)	116,830
Operating expenses	80,406	36,855	4,458	121,720	(16,741)	104,978
Operating income	7,143	4,655	(31)	11,767	84	11,852