

## Financial Summary For the Six Months Ended September 30, 2007

November 13, 2007

Name of Listed Company: NOK Corporation Share Listing: Tokyo 1st Section  
Securities Code Number: 7240 (URL <http://www.nok.co.jp>)  
Representative: (Title) President; (Name) Masato Tsuru  
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Scheduled date for dividend payment: December 7, 2007

Scheduled date for submission of the Interim Securities Report: December 14, 2007

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

### 1. Consolidated financial results for the first half of FY 2007 (April 1, 2007 to September 30, 2007)

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

	Sales		Operating Income		Ordinary Profit		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
1st half of FY 2007	250,491	8.0	19,738	(5.6)	22,286	(3.7)	12,962	(0.9)
1st half of FY 2006	231,972	6.9	20,913	(4.2)	23,139	(2.4)	13,079	(3.8)
FY 2006	479,815	-	41,657	-	45,399	-	24,793	-

	Net Income per Share	Diluted Net Income per Share
	yen	yen
1st half of FY 2007	74.95	-
1st half of FY 2006	75.63	-
FY 2006	143.37	-

(Reference) Equity method investment profit: ¥1,939 million in the first half of FY 2007; ¥1,705 million in the first half of FY 2006; ¥2,680 million in FY 2006

(2) Consolidated financial position

	Total assets	Net assets	Capital ratio	Net assets per share
	million yen	million yen	%	yen
1st half of FY 2007	529,554	300,440	52.4	1,603.29
1st half of FY 2006	479,520	259,463	50.0	1,387.32
FY 2006	508,021	279,650	50.7	1,489.49

(Reference) Shareholders' equity: ¥277,277 million as of September 30, 2007; ¥239,930 million as of September 30, 2006; ¥257,598 million as of March 31, 2007

(3) Consolidated cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of the term
	million yen	million yen	million yen	million yen
1st half of FY 2007	20,397	(26,741)	2,656	42,435
1st half of FY 2006	21,060	(18,875)	(4,613)	42,303
FY 2006	44,572	(43,003)	(5,896)	42,298

### 2. Dividends

(Record date)	Dividend per share		
	Interim	Term-end	Full year
FY 2006	10.00	10.00	20.00
FY 2007	10.00	-	20.00
FY 2007 (Projection)	-	10.00	

### 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
Full year	524,000	9.2	43,500	4.4	47,900	5.5	26,700	7.7	154.39

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 changes in the basic principles 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: Yes

Note: For details, please refer to “Changes in the Basic Principles for Preparation of Consolidated Financial Statements” on page 16 and “4. Change in the categorization of businesses” on page 19.

(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)	1st half of FY 2007:	173,138,537;	1st half of FY 2006:	173,138,537	FY 2006:	173,138,537
ii) Number of treasury stock as of end of the term:	1st half of FY 2007:	195,211;	1st half of FY 2006:	193,268	FY 2006:	194,791

Note: For the number of shares used for calculation of consolidated net income per share, please see “Per Share Information” on page 23.

(Reference) Summary of Non-Consolidated Operating Results

1. Non-consolidated operating results for the first half of FY 2007 (April 1, 2007 to September 30, 2007)

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

	Sales		Operating Income		Ordinary Profit		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
1st half of FY 2007	116,221	(16.6)	7,163	9.0	9,003	19.1	6,342	13.1
1st half of FY 2006	139,375	4.1	6,569	2.5	7,562	(0.3)	5,610	15.4
FY 2006	254,348	-	12,814	-	14,733	-	10,018	-

	Net income per share
	yen
1st half of FY 2007	36.65
1st half of FY 2006	32.42
FY 2006	57.89

(2) Non-consolidated financial position

	Total assets	Net assets	Capital ratio	Net assets per share
	million yen	million yen	%	yen
1st half of FY 2007	255,223	137,382	53.8	793.82
1st half of FY 2006	260,251	130,621	50.2	754.75
FY 2006	254,552	134,994	53.0	780.02

(Reference) Shareholders' equity: ¥137,382 million as of September 30, 2007; ¥130,621 million as of September 30, 2006; ¥134,994 million as of March 31, 2007

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
Full year	239,600	(5.8)	14,700	14.7	17,300	17.4	11,200	11.8	64.72

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 and issues to be addressed” on page 4.

## Operating Results

### 1. Analysis of Operating Results

#### (1) Operating results for the first half of fiscal 2007

During the first half of consolidated fiscal 2007, the Japanese economy followed a moderate recovery path. The world economy was generally healthy, while uncertainty triggered by the sub-prime loan issue in the U.S. emerged in the latter months. Under these circumstances, we have started a new Three-Year Management Plan. (See page 8.)

Under the new Three-Year Management Plan we will continue to implement the measures promoted over the past six years under the slogans, "Reinforcement of core businesses" and "Building up 'Global & GI.'"

Consolidated sales in the first half of fiscal 2007 totaled 250,491 million yen (an increase of 8.0% y/y). Accordingly, consolidated operating income, ordinary profit and net income were 19,738 million yen (a decrease of 5.6% y/y), 22,286 million yen (a decrease of 3.7% y/y), and 12,962 million yen (a decrease of 0.9% y/y), respectively.

#### (2) Performance by business category

We changed the categorization of businesses from fiscal 2007 and the year-on-year comparisons are made on the basis of new the categories. (See page 19.)

##### [Sealing Products Business]

In the area of production of four-wheeled automobiles, Japanese cars showed growth in both the number exported and the number locally manufactured, due to robust sales in North America and increasing exports to newly emerging economic powers such as the Middle Eastern countries and Russia, although domestic sales were weak. The volume of construction machinery produced also increased due to an increase in overseas demand.

As a result, sales increased by 9.7% y/y to 135,769 million yen. Operating income also grew by 29.0% y/y to 11,624 million yen.

##### [Flexible Printed Circuit Business]

Sales of FPCs for mobile phones increased due to an increase in overseas sales and sales for mobile phone cameras, although domestic sales for liquid crystal displays decreased. Sales of FPCs for hard disc drives (HDD) also increased due to growing demand for notebook PCs.

As a result, sales increased by 7.6% y/y to 86,259 million yen. Operating income decreased by 32.6% y/y to 7,478 million yen, due mainly to the sluggish result in Taiwan and price fluctuations.

##### [Rubber Roll Business]

An increase in the volume of sales in China made up for the decrease in revenues due to falls in market prices.

As a result, sales increased by 3.4% y/y to 20,183 million yen. Operating income increased by 106.6% y/y to 271 million yen, due to the increase in sales, cost-saving measures, etc.

##### [Other Business]

Sales decreased by 2.5% y/y to 8,278 million yen. Operating income decreased by 49.7% y/y to 330 million yen.

**(3) Performance by location**

In the domestic market, mainly due to an increase in sales of sealing products, sales increased by 4.2% y/y to 157,083 million yen and operating income also increased by 9.8% y/y to 13,601 million yen.

In Asia, while sales increased in all business categories, resulting in sales of 84,795 million yen (an increase of 17.5% y/y), operating income decreased by 26.5% y/y to 6,037 million yen due to the sluggish result of the FPC business in Taiwan.

In Europe and the United States, sales totaled 8,612 million yen (a decrease of 4.5% y/y) and operating income was 100 million yen (a deficit of 42 million yen in the first half of fiscal 2006).

**(4) Outlook for fiscal 2007 and issues to be addressed**

We forecast that the Japanese economy will continue its moderate expansion. However, there are uncertainties over exchange rates and the U.S. economy, which means it would be premature to draw any final conclusions.

The automotive industry, a major market of the NOK group, has seen production remaining high worldwide, driven by Japanese automotive manufacturing. On the other hand, prices of materials such as steel continue to remain stubbornly high, and the requirements for quality have become more arduous.

In the electronics equipment industry, while the market continues to expand mainly outside Japan, price wars have rapidly become more intense on a global scale.

Against this backdrop, this fiscal year will see the implementation of our new Three-Year Management Plan. (See page 8.) 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.

For consolidated full year results for fiscal 2007, we anticipate sales of 524.0 billion yen (an increase of 9.2% y/y), operating income of 43.5 billion yen (an increase of 4.4% y/y), ordinary profit of 47.9 billion yen (an increase 5.5% y/y) and net income of 26.7 billion yen (an increase of 7.7% y/y).

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 the first half of consolidated fiscal 2007 were 529,554 million yen, an increase of 21,533 million yen from the end of the previous consolidated fiscal year. For the most part this reflects an increase in inventories and in tangible fixed assets due to growth in capital expenditure for reinforcement of the domestic and overseas production capacities. Total liabilities stood at 229,114 million yen, an increase of 743 million yen from the end of the previous consolidated fiscal year. Net assets amounted to 300,440 million yen, fueled by net interim income of 12,962 million yen and an increase in net gain on currency translation adjustments due to the appreciation of the Thai baht, which drove up the capital ratio to 52.4%.

**(2) Cash Flows**

The balance of cash and cash equivalents (hereinafter, "the fund") as of the end of the first half of consolidated fiscal 2007 increased by 137 million yen from the end of the previous consolidated fiscal year. Cash flow status for the first half of consolidated fiscal 2007 is as stated below:

**[Cash flows from operating activities]**

The fund generated from operating activities was 20,397 million yen (a decrease of 3.1% y/y). This is attributable to a decrease in net income before income taxes and a limited increase in notes discounted.

**[Cash flows from investing activities]**

The fund used for investing activities amounted to 26,741 million yen (an increase of 41.7% y/y). This mainly reflects investments such as acquisitions of tangible fixed assets with the objective of strengthening production capacity both at home and abroad.

**[Cash flows from financing activities]**

The fund generated from financing activities amounted to 2,656 million yen (an increase of 7,269 million yen y/y). This is mainly attributable to execution of short-term borrowings for payment of income taxes, in addition to repayment of long-term borrowings.

The trend of cash flow indicators is as follows:

	FY 2005		FY 2006		FY 2007
	As of September 30, 2005	As of March 31, 2006	As of September 30, 2006	As of March 31, 2007	As of September 30, 2007
Capital ratio (%)	46.3	48.5	50.0	50.7	52.4
Capital ratio on market value (%)	133.4	116.4	105.1	68.3	80.3
Debt to cash flow ratio	1.5	1.2	1.5	1.5	1.8
Interest coverage ratio	24.9	37.5	20.9	24.2	16.7

Capital ratio = Shareholders' equity / Total assets

Capital ratio on market value = Total market capitalization / Total assets

Debt to cash flow ratio = Interest-bearing liabilities / Cash flows from operating activities

(Debt to cash flow ratio for the first half of each fiscal year is calculated using a figure obtained by doubling the figure of cash flows from operating activities in that half period, so that comparison on an annualized basis can be made.)

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 based on the number of issued and outstanding shares.
3. Cash flows are calculated using cash flows from operating activities.
4. Interest-bearing liabilities represent the liabilities on the consolidated balance sheet on which we pay interest.

**3. Basic Profit Sharing Policy; Dividends for this 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, 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.

The annual dividend for this fiscal year will be 20 yen per share, which consists of 10 yen as interim dividend (no y/y change) and 10 yen as term-end dividend (no y/y change), the same annual dividend as in the previous fiscal year. 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 (September 30, 2007).

##### (1) Risks in Sealing 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 sealing products, one of our core products, are used for the internal-combustion engine, battery-driven vehicles are under development 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. Tough competition from South Korean and Taiwanese manufacturers, who are gaining market share through technical improvements and the expansion of production capacity, may have a major impact on the results of the NOK group.

##### (3) Risks in Rubber Roll Business

With an eye to ensuring a stable business base through the development of a third core business—alongside the sealing products and FPC businesses—NOK acquired two corporations, Hokushin Corporation and Nitto Kogyo Co., Ltd., both centered on the production of rubber rolls for copiers and printers, as wholly owned subsidiaries in March 2004 and March 2005, respectively. 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 and printers, we may face adverse effects brought by such trends in this new business area.

##### (4) Risks in Production Structure

As a group of parts manufacturing companies, 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 sealing products business. A further expansion of overseas production is also expected in the FPC 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.

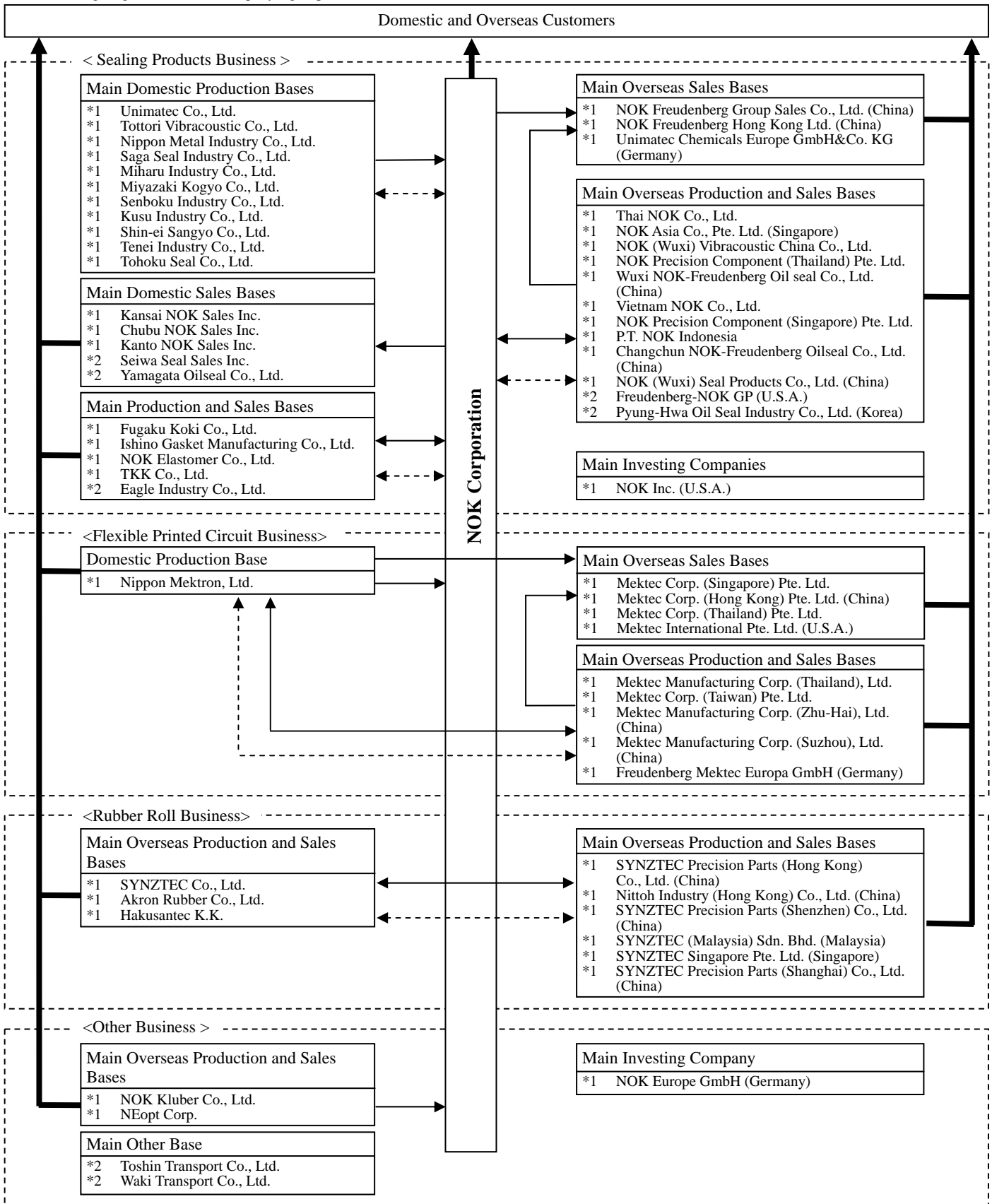
NOK has maintained capital and technical alliances with Freudenberg & Co. ("Freudenberg") since 1960. Also, Freudenberg (including its group companies) plays an important role as a partner for the NOK group's business activities.

Currently, Freudenberg is the largest stockholder, holding 22.3% of outstanding and issued shares of NOK through Freudenberg Beteiligungs 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 : 1.

- 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.”\*<sup>1</sup>
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.\*<sup>2</sup>
  - (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.

**Comparative Balance Sheet**

(million yen)

Item	Term	Previous consolidated fiscal year (As of March 31, 2007)		1st half of this consolidated fiscal year (As of September 30, 2007)		Increase/ decrease (from March 31, 2007)	1st half of previous consolidated fiscal year (As of September 30, 2006)	
		Amount	%	Amount	%		Amount	%
<b>Assets</b>								
<b>Current assets:</b>		<b><u>223,691</u></b>	<b>44.0</b>	<b><u>228,845</u></b>	<b>43.2</b>	<b><u>5,154</u></b>	<b><u>213,864</u></b>	<b>44.6</b>
Cash and deposits		45,837		44,156		(1,681)	46,263	
Notes and accounts receivable		113,683		115,064		1,380	106,304	
Inventories		47,110		49,565		2,454	45,331	
Deferred tax assets		7,526		7,687		161	6,954	
Others		10,552		13,224		2,671	10,208	
Allowance for doubtful accounts		(1,020)		(852)		168	(1,198)	
<b>Fixed assets:</b>		<b><u>284,330</u></b>	<b>56.0</b>	<b><u>300,709</u></b>	<b>56.8</b>	<b><u>16,379</u></b>	<b><u>265,656</u></b>	<b>55.4</b>
<b>Tangible fixed assets:</b>		<b><u>170,239</u></b>		<b><u>187,580</u></b>		<b><u>17,340</u></b>	<b><u>154,757</u></b>	
Buildings and structures		60,155		65,495		5,340	54,854	
Machinery and equipment		68,104		75,260		7,155	61,883	
Others		41,979		46,824		4,845	38,019	
<b>Intangible fixed assets:</b>		<b><u>6,348</u></b>		<b><u>5,970</u></b>		<b><u>(378)</u></b>	<b><u>6,857</u></b>	
Goodwill		4,179		3,650		(529)	4,982	
Others		2,168		2,320		151	1,875	
<b>Investments and other assets:</b>		<b><u>107,741</u></b>		<b><u>107,158</u></b>		<b><u>(583)</u></b>	<b><u>104,041</u></b>	
Investment securities		74,598		72,342		(2,255)	72,738	
Long-term loans to employees		8,768		8,387		(381)	8,761	
Deferred tax assets		2,890		2,872		(17)	2,791	
Others		21,769		23,986		2,217	20,280	
Allowance for doubtful accounts		(285)		(431)		(145)	(530)	
<b>Total Assets</b>		<b>508,021</b>	<b>100.0</b>	<b>529,554</b>	<b>100.0</b>	<b>21,533</b>	<b>479,520</b>	<b>100.0</b>

NOK Corporation (7240) Financial Summary for the Six Months Ended September 30, 2007  
(million yen)

Item	Term	Previous consolidated fiscal year (As of March 31, 2007)		1st half of this consolidated fiscal year (As of September 30, 2007)		Increase/ decrease (from March 31, 2007)	1st half of previous consolidated fiscal year (As of September 30, 2006)	
		Amount	%	Amount	%		Amount	%
<b>Liabilities</b>								
<b><u>Current liabilities:</u></b>								
		<b><u>152,368</u></b>	<b>30.0</b>	<b><u>154,667</u></b>	<b>29.2</b>	<b><u>2,298</u></b>	<b><u>145,416</u></b>	<b>30.3</b>
Notes and accounts payable		54,632		55,200		567	53,525	
Short-term borrowings		35,114		43,139		8,025	33,797	
Accrued income taxes		9,618		7,166		(2,451)	9,096	
Reserve for bonus payments		8,005		9,123		1,118	8,734	
Employees' deposits		15,653		15,729		75	15,510	
Others		29,344		24,306		(5,037)	24,752	
<b><u>Fixed liabilities:</u></b>								
		<b><u>76,002</u></b>	<b>15.0</b>	<b><u>74,447</u></b>	<b>14.1</b>	<b><u>(1,555)</u></b>	<b><u>74,639</u></b>	<b>15.6</b>
Long-term borrowings		14,774		14,441		(332)	14,327	
Reserve for retirement benefits		50,232		48,844		(1,387)	50,971	
Reserve for retirement lump sum grant for directors		1,176		1,200		24	1,466	
Others		9,819		9,960		140	7,874	
<b>Total liabilities</b>		<b>228,371</b>	<b>45.0</b>	<b>229,114</b>	<b>43.3</b>	<b>743</b>	<b>220,056</b>	<b>45.9</b>
<b>Net assets</b>								
<b><u>Shareholders' equity</u></b>								
		<b><u>220,578</u></b>	<b>43.4</b>	<b><u>231,806</u></b>	<b>43.8</b>	<b><u>11,228</u></b>	<b><u>210,596</u></b>	<b>43.9</b>
Common stock		23,335		23,335		–	23,335	
Additional paid-in capital		22,451		22,451		–	22,451	
Retained earnings		174,985		186,214		11,229	165,001	
Treasury stock		(194)		(195)		(0)	(192)	
<b><u>Valuation and translation adjustments</u></b>								
		<b><u>37,019</u></b>	<b>7.3</b>	<b><u>45,470</u></b>	<b>8.6</b>	<b><u>8,450</u></b>	<b><u>29,333</u></b>	<b>6.1</b>
Net unrealized gain on other securities		29,002		26,712		(2,290)	27,575	
Net gain on currency translation adjustments		8,016		18,758		10,741	1,758	
<b><u>Minority interests</u></b>								
		<b><u>22,052</u></b>	<b>4.3</b>	<b><u>23,163</u></b>	<b>4.3</b>	<b><u>1,110</u></b>	<b><u>19,533</u></b>	<b>4.1</b>
<b>Total Net Assets</b>		<b>279,650</b>	<b>55.0</b>	<b>300,440</b>	<b>56.7</b>	<b>20,789</b>	<b>259,463</b>	<b>54.1</b>
<b>Total Liabilities and Net Assets</b>		<b>508,021</b>	<b>100.0</b>	<b>529,554</b>	<b>100.0</b>	<b>21,533</b>	<b>479,520</b>	<b>100.0</b>

**Comparative Profit and Loss Statement**

(million yen)

Term Item	1st half of previous consolidated fiscal year (April 1, 2006 to September 30, 2006)		1st half of this consolidated fiscal year (April 1, 2007 to September 30, 2007)		Increase/ decrease from previous consolidated interim fiscal year	Previous consolidated fiscal year (April 1, 2006 to March 31, 2007)	
	Amount	% of sales	Amount	% of sales		Amount	% of sales
Sales	231,972	100.0	250,491	100.0	18,518	479,815	100.0
Cost of sales	180,183	77.7	197,956	79.0	17,772	376,675	78.5
Gross profit	51,788	22.3	52,535	21.0	746	103,140	21.5
Selling, general and administrative expenses	30,875	13.3	32,797	13.1	1,921	61,482	12.8
Operating income	20,913	9.0	19,738	7.9	(1,175)	41,657	8.7
<b><u>Non-operating profit:</u></b>	<b><u>3,736</u></b>		<b><u>4,167</u></b>		<b><u>431</u></b>	<b><u>6,995</u></b>	
Interest received	395		482		87	893	
Dividends received	397		510		113	791	
Investment gains on equity method	1,705		1,939		234	2,680	
Rental income	428		451		23	874	
Others	809		782		(26)	1,756	
<b><u>Non-operating expenses:</u></b>	<b><u>1,510</u></b>		<b><u>1,619</u></b>		<b><u>108</u></b>	<b><u>3,254</u></b>	
Interest paid	903		1,139		236	1,840	
Others	607		479		(127)	1,413	
Ordinary profit	23,139	10.0	22,286	8.9	(853)	45,399	9.5
<b><u>Extraordinary profit:</u></b>	<b><u>1,057</u></b>		<b><u>1,119</u></b>		<b><u>61</u></b>	<b><u>2,299</u></b>	
Gain on sale of investment securities	265		546		280	1,123	
Reversal of allowance for doubtful accounts	555		284		(271)	765	
Others	236		288		52	410	
<b><u>Extraordinary loss:</u></b>	<b><u>363</u></b>		<b><u>433</u></b>		<b><u>69</u></b>	<b><u>2,923</u></b>	
Loss on disposal of fixed assets	270		299		28	1,195	
Others	93		134		40	1,728	
Income before income taxes	23,832	10.3	22,972	9.2	(860)	44,775	9.3
Income taxes - current	8,704		6,345		(2,358)	15,821	
Income taxes - deferred	514		1,964		1,449	960	
Minority interests	1,534		1,699		165	3,200	
<b>Net income</b>	<b>13,079</b>	<b>5.6</b>	<b>12,962</b>	<b>5.2</b>	<b>(117)</b>	<b>24,793</b>	<b>5.2</b>

**Consolidated Statement of Changes in Net Assets**

First half of FY 2007 (April 1, 2007 to September 30, 2007)

(million yen)

	Shareholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total
Balance at beginning of the term	23,335	22,451	174,985	(194)	220,578
Changes during the term					
Dividends from retained earnings			(1,729)		(1,729)
Net income			12,962		12,962
Purchase of treasury stock				(0)	(0)
Change in the scope of consolidation of companies accounted for under equity method			(3)		(3)
Net changes in net assets other than shareholders' equity					
Total changes during the term	-	-	11,229	(0)	11,228
Balance at end of the term	23,335	22,451	186,214	(195)	231,806

	Valuation and translation adjustments			Minority interests	Total Net Assets
	Net unrealized gain on other securities	Net gain on currency translation adjustments	Total		
Balance at beginning of the term	29,002	8,016	37,019	22,052	279,650
Changes during the term					
Dividends from retained earnings					(1,729)
Net income					12,962
Purchase of treasury stock					(0)
Change in the scope of consolidation of companies accounted for under equity method					(3)
Net changes in net assets other than shareholders' equity	(2,290)	10,741	8,450	1,110	9,561
Total changes during the term	(2,290)	10,741	8,450	1,110	20,789
Balance at end of the term	26,712	18,758	45,470	23,163	300,440

First half of FY 2006 (April 1, 2006 to September 30, 2006)

(million yen)

	Shareholders' Equity				
	Common Stock	Additional paid-in capital	Retained earnings	Treasury stock	Total
Balance as of March 31, 2006	23,335	22,393	154,168	(201)	199,695
Changes during the term					
Dividends from capital surplus (Note)			(2,074)		(2,074)
Bonus paid to directors (Note)			(269)		(269)
Net income			13,079		13,079
Purchase of treasury stock				(2)	(2)
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 companies accounted for under equity method			(11)		(11)
Net changes in assets other than shareholders' equity during the term					
Total change	-	57	10,833	9	10,900
Balance as of September 30, 2006	23,335	22,451	165,001	(192)	210,596

	Valuation and translation adjustments			Minority interests	Total Net Assets
	Net unrealized gains on other securities	Net gain on currency translation adjustments	Total		
Balance as of March 31, 2006	28,159	441	28,601	19,379	247,677
Changes during the term					
Dividends from capital surplus (Note)					(2,074)
Bonus paid to directors (Note)					(269)
Net income					13,079
Purchase of treasury stock					(2)
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 companies accounted for under equity method					(11)
Net changes in assets other than shareholders' equity during the term	(584)	1,316	732	154	886
Total change	(584)	1,316	732	154	11,786
Balance as of September 30, 2006	27,575	11,758	29,333	19,533	259,463

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

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

(million yen)

	Shareholders' Equity				
	Common Stock	Additional paid-in capital	Retained earnings	Treasury stock	Total
Balance as of March 31, 2006	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 companies accounted for under equity method			(11)		(11)
Net changes in assets other than shareholders' equity during the term					
Total change	-	57	20,817	7	20,882
Balance as of March 31, 2007	23,335	22,451	174,985	(194)	220,578

	Valuation and translation adjustments			Minority interests	Total Net Assets
	Net unrealized gains on other securities	Net gain on currency translation adjustments	Total		
Balance as of March 31, 2006	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	843	7,575	8,418	2,672	31,973
Balance as of March 31, 2007	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.

**Consolidated Cash Flow Statement**

(million yen)

Item	1st half of previous consolidated fiscal year (April 1, 2006 to September 30, 2006)	1st half of this consolidated fiscal year (April 1, 2007 to September 30, 2007)	Previous consolidated fiscal year (April 1, 2006 to March 31, 2007)
	Amount	Amount	Amount
<b>I. Cash flows from operating activities]</b>			
Income before income taxes	23,832	22,972	44,775
Depreciation and amortization	12,699	15,269	27,512
Decrease in allowance for doubtful accounts	(625)	(79)	(1,055)
Increase in reserve for bonus payments	838	1,096	110
Decrease in reserve for retirement benefits	(1,153)	(1,433)	(1,913)
Interests and dividends received	(792)	(993)	(1,684)
Interest expense	903	1,139	1,840
Foreign exchange gains	(6)	(185)	(28)
Investment gains on equity method	(1,705)	(1,939)	(2,680)
Amortization of goodwill	796	803	1,649
Gain on sale of investment securities	(265)	(546)	(1,123)
Loss on disposal of fixed assets	270	299	1,195
Increase (decrease) in accounts receivable	(1,200)	822	(3,967)
Increase in inventories	(4,356)	(544)	(5,030)
Decrease in accounts payable	(3,784)	(4,795)	(5,065)
Increase in notes discounted	4,902	290	3,300
Others	(1,347)	(3,364)	2,273
Bonus paid to directors	(269)	-	(269)
Subtotal	28,734	28,811	59,838
Interest and dividends received	1,503	1,695	2,871
Interest paid	(1,008)	(1,222)	(1,842)
Income taxes paid	(8,168)	(8,887)	(16,296)
<b>Net cash flows from operating activities</b>	<b>21,060</b>	<b>20,397</b>	<b>44,572</b>
<b>II. Cash flows from investing activities]</b>			
Net increase (decrease) in time deposits	(202)	1,984	330
Expenditure resulting from loans	(410)	-	-
Payments for purchase of investment securities	(1,866)	(85)	(907)
Proceeds from sale of investment securities	0	156	1,718
Payments for purchase of additional shares of consolidated subsidiaries	(158)	(800)	(173)
Proceeds from sale of shares of subsidiaries	1,456	-	1,456
Payments for acquisition of share capital	(163)	-	(1,571)
Payments for purchase of tangible fixed assets	(18,306)	(28,461)	(45,625)
Proceeds from sale of tangible fixed assets	1,074	453	2,365
Payments for purchase of intangible fixed assets	(318)	(76)	(614)
Others	19	89	19
<b>Net cash flows from investing activities</b>	<b>(18,875)</b>	<b>(26,741)</b>	<b>(43,003)</b>
<b>III. Cash flows from financing activities]</b>			
Net increase (decrease) in short-term borrowings	2,927	7,702	3,733
Proceeds from long-term borrowings	1,659	2,042	5,399
Payments for repayment of long-term borrowings	(5,788)	(3,820)	(9,871)
Net of purchase and sale of treasury stock	214	(0)	212
Dividends paid by the Company	(2,073)	(1,729)	(3,803)
Payments of dividends to minority shareholders	(1,552)	(1,537)	(1,572)
Others	-	-	4
<b>Net cash flows from financing activities</b>	<b>(4,613)</b>	<b>2,656</b>	<b>(5,896)</b>
<b>IV. Gain on translation adjustments of cash and cash equivalents</b>	<b>582</b>	<b>3,449</b>	<b>2,349</b>
<b>V. Decrease in cash and cash equivalents</b>	<b>(1,845)</b>	<b>(238)</b>	<b>(1,978)</b>
<b>VI. Cash and cash equivalents at beginning of the term</b>	<b>44,081</b>	<b>42,298</b>	<b>44,081</b>
<b>VII. Increase in cash and cash equivalents due to change in the scope of consolidation</b>	<b>67</b>	<b>375</b>	<b>194</b>
<b>VIII. Cash and cash equivalents at end of the term</b>	<b>42,303</b>	<b>42,435</b>	<b>42,298</b>

(Note) Breakdown of cash and cash equivalents at end of the respective terms

Item	1st half of previous consolidated fiscal year (As of September 30, 2006)	1st half of this consolidated fiscal year (As of September 30, 2007)	Previous consolidated fiscal year (As of March 31, 2007)
Cash and deposits	46,263	44,156	45,837
Time deposits of more than three months	(3,959)	(1,720)	(3,539)
Cash and cash equivalents at end of the term	42,303	42,435	42,298

**Basic Principles for Preparation of Consolidated Financial Statements**

Matters other than those described in “Changes in the Basic Principles for Preparation of Consolidated Financial Statements” below are not disclosed in this document, as there are no significant changes in descriptions in the latest Interim Securities Report submitted on December 14, 2006.

**Changes in the Basic Principles for Preparation of Consolidated Financial Statements**

Depreciation method for significant depreciable assets

## (1) Tangible fixed assets

From the first half of consolidated fiscal 2007, pursuant to a revision of the Corporation Tax Law, NOK and its consolidated domestic subsidiaries adopted a new depreciation method for tangible fixed assets acquired on or after April 1, 2007.

As a result, operating income, ordinary profit and net income before income taxes each decreased by 349 million yen.

The impacts on specific segments are described in the relevant sections.

## (Additional information)

Pursuant to the revision of the Corporation Tax Law, for tangible fixed assets acquired on or before March 31, 2007, NOK and its consolidated domestic subsidiaries depreciated the amount obtained by subtracting the amount equivalent to 5% of the acquisition price by the memorandum price as depreciation expenses equally over five years from the consolidated fiscal year following the consolidated fiscal year in which the value of each such asset has reached 5% of the acquisition price by the application of the depreciation method pursuant to the Corporation Tax Law before the revision.

As a result, operating income, ordinary profit and net income before taxes each decreased by 381 million yen.

Impacts on the segment information are described in the relevant sections.

**[Notes to Consolidated Interim Financial Statements]****(Consolidated Interim Balance Sheets)**

(million yen)

	1st half of previous consolidated fiscal year (As of September 30, 2006)	1st half of this consolidated fiscal year (As of September 30, 2007)	Previous consolidated fiscal year (As of March 31, 2007)
Accumulated depreciation of tangible fixed assets	221,965	247,410	232,289
Assets pledged as security (buildings, etc.)	7,220	6,232	7,146
Corresponding secured liabilities	4,227	2,611	3,014
Balance of loan guarantee	10	10	10
Amount discounted on notes receivable	19,985	18,674	18,373
Notes endorsed for payment	307	464	273
Unsettled transferred receivables	3,963	632	3,075
Unsettled transferred receivables due on term end date	–	96	–

Notes matured at the end of the term

Notes receivable	270	561	523
Amount discounted on notes	2,175	2,163	2,136
Notes endorsed for payment	4	2	32
Notes payable	–	6	103

Note: Accounting of notes matured at the end of the term is recorded as of the clearing date.

**(Notes to Consolidated Statement of Changes in Net Assets)**

## 1. Matters relating to class and total number of the shares in issue and class and number of treasury stock

(in shares)

	Number of shares as of March 31, 2007	Number of shares increased during the term	Number of shares decreased during the term	Number of shares as of September 30, 2007
Shares in issue: common stock	173,138,537	–	–	173,138,537
Treasury stock: common stock	194,791	420	–	195,211

Notes: The increase of 420 shares of common stock in treasury is attributable to the purchase of shares constituting less than one trading unit.

2. Matters relating to dividend payment

(1) Dividend paid

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

(2) Dividend for which record date belongs in the first half of consolidated fiscal 2007 and effective date comes after September 30, 2007

Resolution	Class of shares	Aggregate amount of dividend paid (million yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors Meeting to be held on November 13, 2007	Common stock	1,729	10	September 30, 2007	December 7, 2007

(Securities)

1. Other securities with market value

(million yen)

Type of securities	1st half of previous consolidated fiscal year (As of September 30, 2006)			1st half of this consolidated fiscal year (As of September 30, 2007)			Previous consolidated fiscal year (As of March 31, 2007)		
	Acquisition cost	Consolidated balance sheet amount	Unrealized gains	Acquisition cost	Consolidated balance sheet amount	Unrealized gains	Acquisition cost	Consolidated balance sheet amount	Unrealized gains
Stocks	7,970	53,909	45,938	7,594	52,081	44,487	7,156	55,351	48,195
Bonds	-	-	-	5	5	(0)	5	5	5
Total	7,970	53,909	45,938	7,599	52,086	44,487	7,162	55,357	48,195

2. Principal securities with no market value

(million yen)

Type of securities	1st half of previous consolidated fiscal year (As of September 30, 2006)	1st half of this consolidated fiscal year (As of September 30, 2007)	Previous consolidated fiscal year (As of March 31, 2007)
(1) Securities held to maturity			
Unlisted foreign bonds	71	71	71
(2) Other securities			
Unlisted stocks	117	116	116
Preferred subscription certificates	500	500	500

(Omission of disclosure)

Notes about the following are omitted as the necessity for disclosure in this financial summary document is not deemed significant.

Consolidated Income Statements

Lease Transactions

Derivative Transactions

**(Segment information)**

a. Segment information by business category

First half of FY 2006 (April 1, 2006 to September 30, 2006)

	Sealing products (million yen)	FPC (million yen)	Other products (million yen)	Total (million yen)	Eliminations/ Corporate (million yen)	Consolidated (million yen)
Sales:						
(1) Sales to external customers	103,131	80,191	48,649	231,972	–	231,972
(2) Inter-segment sales/transfer	819	27	3,571	4,418	(4,418)	–
Total	103,950	80,219	52,221	236,391	(4,418)	231,972
Operating expenses	95,954	69,123	50,415	215,493	(4,434)	211,058
Operating income	7,996	11,095	1,805	20,897	16	20,913

Notes: 1. Categorization of businesses:

Businesses are categorized by product series.

2. Main products of respective business categories:

Business category	Main products
Sealing 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

First half of FY 2007 (April 1, 2007 to September 30, 2007)

	Sealing products (million yen)	FPC (million yen)	Roll products (million yen)	Other products (million yen)	Total (million yen)	Eliminations/ Corporate (million yen)	Consolidated (million yen)
Sales:							
(1) Sales to external customers	135,769	86,259	20,183	8,278	250,491	–	250,491
(2) Inter-segment sales/transfer	2,146	565	–	870	3,582	(3,582)	–
Total	137,916	86,824	20,183	9,149	254,074	(3,582)	250,491
Operating expenses	126,292	79,346	19,912	8,818	234,369	(3,616)	230,753
Operating income	11,624	7,478	271	330	19,704	33	19,738

Notes: 1. Categorization of businesses:

Businesses are categorized based on the categories adopted for internal use and taking into consideration the similarity of the types of products and markets.

2. Main products of respective business categories:

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

3. Changes in significant accounting policy

(Depreciation method for significant depreciable assets)

As described in the “Changes in the Basic Principles for Preparation of Consolidated Financial Statements,” from the first half of consolidated fiscal 2007, pursuant to the revision of the Corporation Tax Law, NOK and its consolidated domestic subsidiaries adopted a new depreciation method for tangible fixed assets acquired on or after April 1, 2007. As a result, operating income decreased by 271 million yen in the sealing products business, 62 million yen in the FPC business, 12 million yen in the rubber roll business and 2 million yen in other businesses.

(Additional information)

As described in “Changes in the Basic Principles for Preparation of Consolidated Financial Statements,” pursuant to the revision of the Corporation Tax Law, for tangible fixed assets acquired on or before March 31, 2007, NOK and its consolidated domestic subsidiaries depreciated the amount obtained by subtracting the amount equivalent to 5% of the acquisition price by the memorandum price as depreciation expenses equally over five years from the consolidated fiscal year following the consolidated fiscal year in which the value of each such asset has reached 5% of the acquisition price by the application of the depreciation method pursuant to the Corporation Tax Law before the revision.

As a result, operating income decreased by 268 million yen in the sealing products business, 71 million yen in the FPC business, 38 million yen in the rubber roll business and 3 million yen in other businesses.

4. Change in the categorization of businesses

As per the Three-Year Management Plan put into effect from this consolidated fiscal year, the rubber roll business will be managed separately from other businesses. In addition, we reviewed the management structure of business segments and changed the categorization of products. Mainly, we recategorized chemical products from other businesses into the sealing products business due to their relevance to the manufacturing process of sealing products, and also re-categorized mechanical seals from other businesses into the sealing products business because of their similarity to sealing products in function and market.

Below is the segment information of the first half and the full year of the previous consolidated fiscal year as per the new categorization.

First half of FY 2006 (April 1, 2006 to September 30, 2006)

	Sealing products (million yen)	FPC (million yen)	Roll products (million yen)	Other products (million yen)	Total (million yen)	Eliminations/ Corporate (million yen)	Consolidated (million yen)
Sales:							
(1) Sales to external customers	123,780	80,191	19,513	8,487	231,972	–	231,972
(2) Inter-segment sales/transfer	1,429	27	–	423	1,880	(1,880)	–
Total	125,209	80,219	19,513	8,911	233,853	(1,880)	231,972
Operating expenses	116,201	69,123	19,382	8,254	212,961	(1,902)	211,058
Operating income	9,008	11,095	131	656	20,892	21	20,913

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

	Sealing products (million yen)	FPC (million yen)	Roll products (million yen)	Other products (million yen)	Total (million yen)	Eliminations/ Corporate (million yen)	Consolidated (million yen)
Sales:							
(1) Sales to external customers	255,443	167,715	39,869	16,787	479,815	–	479,815
(2) Inter-segment sales/transfer	2,843	227	–	1,050	4,122	(4,122)	–
Total	258,287	167,943	39,869	17,837	483,938	(4,122)	479,815
Operating expenses	238,211	147,687	39,792	16,612	442,303	(4,145)	438,158
Operating income	20,076	20,256	77	1,225	41,634	23	41,657

NOK Corporation (7240) Financial Summary for the Six Months Ended September 30, 2007  
 FY 2006 (April 1, 2006 to March 31, 2007)

	Sealing products (million yen)	FPC (million yen)	Other products (million yen)	Total (million yen)	Eliminations/ Corporate (million yen)	Consolidated (million yen)
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

- Notes: 1. Categorization of businesses:  
 Businesses are categorized by product series.
2. Main products of respective business categories:

Business category	Main products
Sealing 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

b. Segment information by location

First half of FY 2006 (April 1, 2006 to September 30, 2006)

	Japan (million yen)	Asia (million yen)	Other areas (million yen)	Total (million yen)	Eliminations/ corporate (million yen)	Consolidated (million yen)
Sales:						
(1) Sales to external customers	150,773	72,183	9,016	231,972	–	231,972
(2) Inter-segment sales/ transfer	24,885	9,738	174	34,797	(34,797)	–
Total	175,658	81,921	9,190	266,770	(34,797)	231,972
Operating expenses	163,273	73,708	9,232	246,215	(35,156)	211,058
Operating income (loss)	12,384	8,212	(42)	20,555	358	20,913

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

First half of FY 2007 (April 1, 2007 to September 30, 2007)

	Japan (million yen)	Asia (million yen)	Other areas (million yen)	Total (million yen)	Eliminations/ corporate (million yen)	Consolidated (million yen)
Sales:						
(1) Sales to external customers	157,083	84,795	8,612	250,491	–	250,491
(2) Inter-segment sales/ transfer	23,592	12,022	526	36,140	(36,140)	–
Total	180,675	96,817	9,138	286,631	(36,140)	250,491
Operating expenses	167,073	90,780	9,038	266,892	(36,139)	230,753
Operating income	13,601	6,037	100	19,739	(1)	19,738

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. Changes in significant accounting policy

(Depreciation method for significant depreciable assets)

As described in the “Changes in the Basic Principles for Preparation of Consolidated Financial Statements,” from the first half of consolidated fiscal 2007, pursuant to the revision of the Corporation Tax Law, NOK and its consolidated domestic subsidiaries adopted a new depreciation method for tangible fixed assets acquired on or after April 1, 2007. As a result, operating income in Japan decreased by 349 million yen.

(Additional information)

As described in “Changes in the Basic Principles for Preparation of Consolidated Financial Statements,” pursuant to the revision of the Corporation Tax Law, for tangible fixed assets acquired on or before March 31, 2007, NOK and its consolidated domestic subsidiaries depreciated the amount obtained by subtracting the amount equivalent to 5% of the acquisition price by the memorandum price as depreciation expenses equally over five years from the consolidated fiscal year following the consolidated fiscal year in which the value of each such asset has reached 5% of the acquisition price by the application of the depreciation method pursuant to the Corporation Tax Law before the revision. As a result, operating income in Japan decreased by 381 million yen.

NOK Corporation (7240) Financial Summary for the Six Months Ended September 30, 2007

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)
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

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

c. Overseas sales

First half of FY 2006 (April 1, 2006 to September 30, 2006)

	Asia	Other areas	Total
I Overseas sales (million yen)	75,198	12,962	88,160
II Consolidated sales (million yen)	–	–	231,972
III Percentage of overseas sales in the consolidated sales (%)	32.4	5.6	38.0

First half of FY 2007 (April 1, 2007 to September 30, 2007)

	Asia	Other areas	Total
I Overseas sales (million yen)	91,914	13,986	105,900
II Consolidated sales (million yen)	–	–	250,491
III Percentage of overseas sales in the consolidated sales (%)	36.7	5.6	42.3

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 are as follows:

- 1) Asia ----- Singapore, Thailand, Taiwan, and China
- 2) Other areas ----- United States and Germany

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

**(Per Share Information)**

1st half of FY 2006 (April 1, 2006 to September 30, 2006)	1st half of FY 2007 (April 1, 2007 to September 30, 2007)	FY 2006 (April 1, 2006 to March 31, 2007)
Net assets per share (yen): 1,387.32 Net income per share (yen): 75.63	Net assets per share (yen): 1,603.29 Net income per share (yen): 74.95	Net assets per share (yen): 1,489.49 Net income per share (yen): 143.37
Diluted net income per share is not shown due to non-existence of residual securities.	Diluted net income per share is not shown due to non-existence of residual securities.	Diluted net income per share is not shown due to non-existence of residual securities.

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

	1st half of FY 2006 (April 1, 2006 to September 30, 2006)	1st half of FY 2007 (April 1, 2007 to September 30, 2007)	FY 2006 (April 1, 2006 to March 31, 2007)
Net income (million yen)	13,079	12,962	24,793
Amount not applicable to common stock (million yen)	-	-	-
Net income applicable to common stock (million yen)	13,079	12,962	24,793
Average number of shares used in net income per share computation (1,000 shares)	172,932	172,943	172,937

NOK Corporation (7240) Financial Summary for the Six Months Ended September 30, 2007  
**Comparative Non-Consolidated Balance Sheet**

(million yen)

Term Item	FY 2006 (as of March 31, 2007)		1st half of FY 2007 (as of September 30, 2007)		Year-on-year increase/ (decrease)	1st half of FY 2006 (as of September 30, 2006)	
	Amount	%	Amount	%		Amount	%
<b>Assets</b>							
<b>Current assets:</b>	<b><u>78,916</u></b>	<b>31.0</b>	<b><u>80,147</u></b>	<b>31.4</b>	<b><u>1,230</u></b>	<b><u>91,888</u></b>	<b>35.3</b>
Cash and deposits	3,752		3,075		(676)	2,684	
Notes receivable	8,460		8,357		(102)	13,936	
Accounts receivable	43,085		43,948		863	53,623	
Inventories	9,958		10,110		152	10,088	
Deferred tax assets	2,458		2,531		72	2,743	
Others	11,688		12,372		684	9,461	
Allowance for doubtful accounts	(486)		(248)		237	(648)	
<b>Fixed assets</b>	<b><u>175,635</u></b>	<b>69.0</b>	<b><u>175,076</u></b>	<b>68.6</b>	<b><u>(559)</u></b>	<b><u>168,362</u></b>	<b>64.7</b>
<b>Tangible fixed assets</b>	<b><u>48,039</u></b>		<b><u>49,778</u></b>		<b><u>1,739</u></b>	<b><u>44,848</u></b>	
Buildings and structures	16,506		15,970		(535)	14,608	
Machinery and equipment	18,416		19,306		889	16,862	
Others	13,116		14,501		1,385	13,378	
<b>Intangible fixed assets</b>	<b><u>61</u></b>		<b><u>59</u></b>		<b><u>(1)</u></b>	<b><u>64</u></b>	
<b>Investment and other assets</b>	<b><u>127,535</u></b>		<b><u>125,238</u></b>		<b><u>(2,296)</u></b>	<b><u>123,449</u></b>	
Investment securities	103,129		100,663		(2,466)	100,054	
Long-term loans	12,095		11,916		(178)	12,795	
Others	13,268		13,633		365	12,172	
Allowance for valuation loss on investments	(375)		(375)		-	(986)	
Allowance for doubtful accounts	(583)		(600)		(16)	(587)	
<b>Total Assets</b>	<b>254,552</b>	<b>100.0</b>	<b>255,223</b>	<b>100.0</b>	<b>671</b>	<b>260,251</b>	<b>100.0</b>

NOK Corporation (7240) Financial Summary for the Six Months Ended September 30, 2007  
(million yen)

Item	Term	FY 2006 (as of March 31, 2007)		1st half of FY 2007 (as of September 30, 2007)		Year-on-year increase/ (decrease)	1st half of FY 2006 (as of September 30, 2006)	
		Amount	%	Amount	%		Amount	%
<b>Liabilities</b>								
<b>Current liabilities</b>		<b><u>71,745</u></b>	<b>28.2</b>	<b><u>73,820</u></b>	<b>28.9</b>	<b><u>2,074</u></b>	<b><u>80,538</u></b>	<b>30.9</b>
Accounts payable – trade		25,560		25,094		(466)	28,356	
Short-term borrowings		10,068		7,157		(2,910)	21,387	
Accounts payable and accrued expenses		10,077		6,608		(3,469)	6,934	
Accrued income taxes		2,205		2,609		404	2,593	
Employees' deposits		12,036		12,058		21	12,521	
Deposits received in CMS		7,407		15,365		7,957	–	
Reserve for bonus payments		3,808		4,116		307	4,268	
Others		581		809		228	4,477	
<b>Fixed liabilities</b>		<b><u>47,812</u></b>	<b>18.8</b>	<b><u>44,020</u></b>	<b>17.3</b>	<b><u>(3,791)</u></b>	<b><u>49,090</u></b>	<b>18.9</b>
Long-term borrowings		7,921		6,024		(1,897)	8,632	
Deferred tax liabilities		3,471		2,588		(883)	1,912	
Reserve for retirement benefits		34,685		33,626		(1,058)	36,317	
Reserve for retirement lump sum grant for directors		510		533		23	472	
Others		1,222		1,246		24	1,755	
<b>Total Liabilities</b>		<b>119,557</b>	<b>47.0</b>	<b>117,840</b>	<b>46.2</b>	<b>(1,716)</b>	<b>129,629</b>	<b>49.8</b>
<b>Net Assets</b>								
<b>Shareholders' equity</b>		<b>106,476</b>	<b>41.8</b>	<b>111,087</b>	<b>43.5</b>	<b>4,610</b>	<b>103,800</b>	<b>39.9</b>
<b>Common stock</b>		<b><u>23,335</u></b>	<b>9.2</b>	<b><u>23,335</u></b>	<b>9.1</b>	<b>–</b>	<b><u>23,335</u></b>	<b>9.0</b>
<b>Additional paid-in capital</b>		<b><u>20,397</u></b>	<b>8.0</b>	<b><u>20,397</u></b>	<b>8.0</b>	<b>–</b>	<b><u>20,397</u></b>	<b>7.8</b>
Capital surplus		20,397		20,397		–	20,397	
<b>Earned surplus</b>		<b><u>62,880</u></b>	<b>24.7</b>	<b><u>67,492</u></b>	<b>26.4</b>	<b><u>4,611</u></b>	<b><u>60,203</u></b>	<b>23.1</b>
Retained surplus		2,983		2,983		–	2,983	
Other earned surplus		59,896		64,508		4,611	57,219	
Allowance for special depreciation		58		96		38	71	
Reserve for deferred gain on sale of property		1,070		1,070		–	1,060	
General reserve		43,100		46,600		3,500	43,100	
Retained earnings brought forward		15,668		16,741		1,073	12,988	
<b>Treasury stock</b>		<b><u>(137)</u></b>	<b>(0.1)</b>	<b><u>(138)</u></b>	<b>(0.0)</b>	<b><u>(0)</u></b>	<b><u>(135)</u></b>	<b>(0.0)</b>
<b>Valuation and translation adjustments</b>		<b>28,518</b>	<b>11.2</b>	<b>26,295</b>	<b>10.3</b>	<b>(2,222)</b>	<b>26,820</b>	<b>10.3</b>
<b>Net unrealized gains on other securities</b>		<b><u>28,518</u></b>		<b><u>26,295</u></b>		<b><u>(2,222)</u></b>	<b><u>26,820</u></b>	
<b>Total Net Assets</b>		<b>134,994</b>	<b>53.0</b>	<b>137,382</b>	<b>53.8</b>	<b>2,388</b>	<b>130,621</b>	<b>50.2</b>
<b>Total Liabilities and Net Assets</b>		<b>254,552</b>	<b>100.0</b>	<b>255,223</b>	<b>100.0</b>	<b>671</b>	<b>260,251</b>	<b>100.0</b>

NOK Corporation (7240) Financial Summary for the Six Months Ended September 30, 2007  
**Comparative Non-Consolidated Profit and Loss Statement**

(million yen)

Item	Term	1st half of FY 2006 (April 1, 2006 to September 30, 2006)		1st half of FY 2007 (April 1, 2007 to September 30, 2007)		Year-on-year increase/ (decrease)	FY 2006 (April 1, 2006 to March 31, 2007)	
		Amount	%	Amount	%		Amount	%
Net sales		139,375	100.0	116,221	100.0	(23,153)	254,348	100.0
Cost of sales		116,960	83.9	93,719	80.6	(23,241)	210,724	82.9
Selling, general and administrative expenses		15,845	11.4	15,338	13.2	(506)	30,809	12.1
<b>Operating income</b>		<b>6,569</b>	<b>4.7</b>	<b>7,163</b>	<b>6.2</b>	<b>594</b>	<b>12,814</b>	<b>5.0</b>
<b><u>Non-operating profit</u></b>		<b><u>1,737</u></b>		<b><u>2,533</u></b>		<b><u>796</u></b>	<b><u>3,380</u></b>	
Interest and dividends received		971		1,938		966	1,815	
Rent received		401		428		27	824	
Others		363		166		(197)	740	
<b><u>Non-operating expenses</u></b>		<b><u>744</u></b>		<b><u>694</u></b>		<b><u>(50)</u></b>	<b><u>1,462</u></b>	
Interest paid		439		457		18	872	
Others		305		236		(68)	589	
<b>Ordinary profit</b>		<b>7,562</b>	<b>5.4</b>	<b>9,003</b>	<b>7.7</b>	<b>1,440</b>	<b>14,733</b>	<b>5.8</b>
<b><u>Extraordinary profit</u></b>		<b><u>1,178</u></b>		<b><u>754</u></b>		<b><u>(423)</u></b>	<b><u>2,012</u></b>	
<b><u>Extraordinary loss</u></b>		<b><u>73</u></b>		<b><u>58</u></b>		<b><u>(15)</u></b>	<b><u>652</u></b>	
Income before income taxes		8,667	6.2	9,699	8.3	1,032	16,092	6.3
Income taxes, current		2,630		2,825		195	4,940	
<b>Income taxes, deferred</b>		<b>426</b>		<b>531</b>		<b>105</b>	<b>1,134</b>	
<b>Net income</b>		<b>5,610</b>	<b>4.0</b>	<b>6,342</b>	<b>5.5</b>	<b>732</b>	<b>10,018</b>	<b>3.9</b>

NOK Corporation (7240) Financial Summary for the Six Months Ended September 30, 2007  
**Statement of Changes in Non-Consolidated Shareholders' Equity**  
 First half of FY 2007 (April 1, 2007 to September 30, 2007)

(million yen)

	Shareholders' Equity										
	Common stock	Additional paid-in capital		Retained surplus	Earned surplus					Treasury stock	Total
		Capital surplus	Total		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, 2007	23,335	20,397	20,397	2,983	58	1,070	43,100	15,668	62,880	(137)	106,476
Changes during the term											
Dividends from capital surplus								(1,730)	(1,730)		(1,730)
Provision for reserve for special depreciation					49			(49)	-		-
Reversal of reserve for special depreciation					(11)			11	-		-
Provision for general reserve							3,500	(3,500)	-		-
Net income								6,342	6,342		6,342
Acquisition of treasury stock									-	(0)	(0)
Net changes in items other than shareholders' equity during the term											
Total changes	-	-	-	-	38	-	3,500	1,073	4,611	(0)	4,610
Balance as of September 30, 2007	23,335	20,397	20,397	2,983	96	1,070	46,600	16,741	67,492	(138)	111,087

	Valuation and translation adjustments		Total Net Assets
	Net unrealized gains on other securities	Total	
Balance as of March 31, 2007	28,518	28,518	134,994
Changes during the term			
Dividends from capital surplus			(1,730)
Provision for reserve for special depreciation			-
Reversal of reserve for special depreciation			-
Provision for general reserve			-
Net income			6,342
Acquisition of treasury stock			(0)
Net changes in items other than shareholders' equity during the term	(2,222)	(2,222)	(2,222)
Total changes	(2,222)	(2,222)	2,388
Balance as of September 30, 2007	26,295	26,295	137,382

NOK Corporation (7240) Financial Summary for the Six Months Ended September 30, 2007  
**Statement of Changes in Non-Consolidated Shareholders' Equity**  
 First half of FY 2006 (April 1, 2006 to September 30, 2006)

(million yen)

	Shareholders' Equity										Valuation and translation adjustments		Total Net Assets	
	Common stock	Additional paid-in capital		Retained surplus	Earned surplus					Treasury stock	Total	Net unrealized gains on other securities		Total
		Capital surplus	Total		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	23,335	20,397	20,397	2,983	125	843	37,600	15,196	56,749	(133)	100,349	27,487	27,487	127,836
Changes during the term														
Dividends from capital surplus (Note)								(2,076)	(2,076)		(2,076)			(2,076)
Bonus paid to directors (Note)								(79)	(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					(21)			21	-		-			-
Provision for reserve for deferred gain on sale of property (Note)						216		(216)	-		-			-
Provision for general reserve (Note)							5,500	(5,500)	-		-			-
Net income								5,610	5,610		5,610			5,610
Acquisition of treasury stock									-	(2)	(2)			(2)
Net changes in items other than shareholders' equity during the term												(666)	(666)	(666)
Total changes	-	-	-	-	(54)	216	5,500	(2,208)	3,454	(2)	3,451	(666)	(666)	2,784
Balance as of September 30, 2006	23,335	20,397	20,397	2,983	71	1,060	43,100	12,988	60,203	(135)	103,800	26,820	26,820	130,621

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

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

(million yen)

	Shareholders' Equity										Valuation and translation adjustments		Total Net Assets	
	Common stock	Additional paid-in capital		Retained surplus	Earned surplus					Treasury stock	Total	Net unrealized gains on other securities		Total
		Capital surplus	Total		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	23,335	20,397	20,397	2,983	125	843	37,600	15,196	56,749	(133)	100,349	27,487	27,487	127,836
Changes during the term														
Dividends from capital surplus (Note)								(2,076)	(2,076)		(2,076)			(2,076)
Dividends from capital surplus								(1,730)	(1,730)		(1,730)			(1,730)
Bonus paid to directors (Note)								(79)	(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			10,018
Acquisition of treasury stock									-	(4)	(4)			(4)
Net changes in items other than shareholders' equity during the term												1,030	1,030	1,030
Total changes	-	-	-	-	(67)	226	5,500	472	6,131	(4)	6,127	1,030	1,030	7,157
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	28,518	28,518	134,994

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