

Consolidated Financial Summary for the Six Months Ended September 30, 2008

Date: November 11, 2008

Name of Listed Company: NOK Corporation
 Securities Code Number: 7240 URL <http://www.nok.co.jp>
 Representative: Masato Tsuru, Chairman of the Board and President
 Contact Person: Toshio Tominaga, Department Manager, Corporate Planning Department
 Scheduled date for submission of quarterly report: November 14, 2008
 Scheduled date for dividend payment: December 5, 2008

Stock Listing: TSE 1st Section

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(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Half of Fiscal 2008 (April 1, 2008 to September 30, 2008)

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

	Net sales		Operating income		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
1H FY 2008	260,953	-	14,276	-	15,934	-	9,726	-
1H FY 2007	250,491	8.0	19,738	(5.6)	22,286	(3.7)	12,962	(0.9)

	Net income per share		Diluted net income per share	
	yen		yen	
1H FY 2008	56.24		-	
1H FY 2007	74.95		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity to total assets		Net assets per share	
	million yen		million yen		%	yen		
1H FY 2008	523,533		290,075		51.1	1,546.88		
FY 2007	532,759		298,247		51.4	1,583.93		

Reference: Shareholders' equity: 267,489 million yen (as of September 30, 2008) 273,910 million yen (as of March 31, 2008)

2. Dividends

(Record date)	Dividend per share				
	1Q-end	Interim	3Q-end	Term-end	Total annual
	yen	yen	yen	yen	yen
FY2007	-	10.00	-	10.00	20.00
FY2008	-	10.00	-	-	-
FY2008 (Projection)	-	-	-	10.00	20.00

Note: Revision in dividend projections after the previous quarterly financial summary: No

3. Consolidated Financial Forecasts for Fiscal 2008 (April 1, 2008 to March 31, 2009)

(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	520,000	(1.2)	23,200	(45.4)	26,300	(41.3)	14,900	(42.3)	86.17

Note: Revision in consolidated financial forecasts after the previous quarterly financial summary: Yes

4. Other Information

- (1) Changes in significant subsidiaries during the term (change in specific subsidiaries due to change in the scope of consolidation): None
- (2) Application of simplified accounting treatments and accounting treatments specific to the preparation of quarterly consolidated financial statements: Yes
Note: For details, please refer to "Qualitative Information and Financial Statements, etc. 4 Other information" on page 4.
- (3) Changes in principles, procedures and presentation, etc. of accounting treatment relating to preparation of quarterly consolidated financial statements (matters to be described as significant changes in the basic principle for preparation of quarterly 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 "Qualitative Information and Financial Statements, etc. 4 Other information" on page 4.
- (4) Number of shares issued and outstanding (common stock)
 - i) Number of shares issued and outstanding
as of end of the term (including treasury stock): 173,138,537 (as of September 30, 2008); 173,138,537 (as of March 31, 2008)
 - ii) Number of treasury shares: 216,441 (as of September, 2008); 207,757 (as of March 31, 2008)
 - iii) Average number of shares during the term (year to date): 172,925,343 (1H FY 2008) 172,943,534 (1H FY 2007)

*Notice concerning proper use of projections of operating results and other important matters:

- a) The projections in this material were prepared based on judgments and assumptions drawn from information available as of the date of preparation of this document, and contain uncertainties. Please note that actual business results may differ significantly from these projections depending on various factors. Significant factors that may affect actual business performance include but are not limited to the economic conditions prevailing in and around the business arena of the Company and its Group companies, market trends and foreign exchange rates of the yen against the U.S. dollar and other currencies.
- b) "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan Statement No. 12) and "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) have been applied to the consolidated results starting from the current fiscal year (ending March 31, 2009). In addition, quarterly consolidated financial statements were prepared in accordance with the "Regulations on Quarterly Consolidated Financial Statements."

Qualitative Information and Financial Statements, etc.

1. Qualitative information concerning consolidated operating results

In the first half of FY 2008 (April 1, 2008 to September 30, 2008), the U.S. and European economies slowed as a result of the escalation of the subprime mortgage crisis and a steep rise in the price of oil, etc. In Japan, concerns over the recession mounted as a result of a slowdown in export growth and stagnant personal consumption, the latter being affected by rising gasoline prices.

The performance of each business segment against this backdrop is outlined below.

In the Sealing Products Business, global automobile production increased: in Japan, there was a significant increase in exports to emerging economies such as Middle Eastern countries and Russia. Production volumes in North America, meanwhile, decreased due to rising oil prices and the slowing economy. In contrast, production increased in China and Southeast Asia. Production volumes of construction machinery manufacturers also rose in response to surging demand as a result of active natural resource development worldwide and infrastructure development in emerging economies. As a consequence, segment sales rose 5.6% on a year-on-year basis to 143,340 million yen. Operating income fell 14.1% year on year to 9,985 million yen, due to adverse factors including steep increases in the prices of steel and other raw materials and an increase in depreciation expenses for equipment installed to boost production.

In the Flexible Printed Circuit (FPC) Business, while sales of FPCs for hard disc drives decreased as compared with the same period last year due to currency fluctuations and unit price declines, sales of FPCs for mobile phones increased, with an increase in sales to overseas manufacturers more than compensating for lower sales in Japan. Sales of FPCs for digital still cameras increased due to an increase in demand across both the compact and single-lens reflex segments of the market. As a result, segment sales increased 4.6% compared with the same period last year to 90,242 million yen. In contrast, operating income for the first half of the fiscal year declined 43.3% year on year to 4,237 million yen, affected by an increase in depreciation expense and other fixed costs.

In the Rubber Roll Business, segment sales fell 3.8% compared with the first half of the previous fiscal year to 19,419 million yen. This reflected a number of adverse factors, including a decline in demand for office equipment in the United States and European countries in the face of slowing economies; unit price declines caused by increasingly fierce competition in the sector; and the shrinking after-sales copier market, which was associated with increasing service lives. The segment posted an operating loss of 280 million yen, which represented a decline of 552 million yen on a year-on-year basis. This was primarily attributable to steep increases in raw material prices.

Consolidated net sales for the six months ended September 30, 2008 totaled 260,953 million yen, an increase of 4.2% compared with the same period last year. Operating income amounted to 14,276 million yen, a year-on-year decline of 27.7%, while ordinary profit fell 28.5% year on year to 15,934 million yen. Net income was 9,726 million yen, a decrease of 25.0% from a year earlier.

* Year-on-year changes are for reference purposes only.

2. Qualitative information on consolidated financial position

Consolidated total assets as of September 30, 2008 amounted to 523,533 million yen, decreasing by 9,226 million yen compared with the end of the previous fiscal year (March 31, 2008) under the influence of an unrealized loss on valuation of assets owned by overseas subsidiaries due to the appreciation of yen, etc. This was despite an increase in tangible fixed assets.

Net assets totaled 290,075 million yen, a decrease of 8,172 million yen from the previous fiscal year-end. This was mainly a reflection of a decline in cumulative currency translation adjustments associated with the appreciation of yen. Equity to total assets was 51.1%.

(Status of Cash Flows)

Cash and cash equivalents (hereinafter, "funds") as of September 30, 2008 amounted to 33,145 million yen, a decrease of 5,633 million yen from the end of the previous fiscal year. The consolidated status of cash flows for the first half of the fiscal year is outlined below.

(Cash flows from operating activities)

Funds generated through operating activities reached 25,225 million yen, increasing 23.7% on a year-on-year basis. This was mainly attributable to an increase in depreciation expense and a decrease in accounts receivable.

(Cash flows from investing activities)

Funds used in investing activities amounted to 30,249 million yen, a year-on-year increase of 13.1%, as a result of the acquisition of tangible fixed assets, for example in capital investment for expanding production at home and abroad.

(Cash flows from financing activities)

Funds generated from financing activities amounted to 2,512 million yen, a decrease of 5.4% compared with the same period last year. This result is a reflection mainly of long-term borrowings to fund capital investment at home and abroad.

3. Qualitative information on consolidated financial forecasts

Following the previous announcement on October 20, 2008, we have revised consolidated full-year financial forecasts as shown below to factor in a further decrease in production of the Japanese automobile industry, which is the major market of our Sealing Products Business, and a steep fall in demand for mobile phones and digital still cameras, which affect sales of our FPCs.

(Full year)

	Net sales	Operating income	Ordinary profit	Net income	Net income per share
	million yen	million yen	million yen	million yen	yen
Previous forecast (A)	534,000	27,800	30,900	17,600	101.78
Revised forecast (B)	520,000	23,200	26,300	14,900	86.17
Change (B-A)	(14,000)	(4,600)	(4,600)	(2,700)	-
Rate of change (%)	(2.6)	(16.5)	(14.9)	(15.3)	-
FY 2007	526,331	42,465	44,812	25,843	149.44

4. Other information

- (1) Changes in significant subsidiaries during the term (change in specific subsidiaries due to change in the scope of consolidation):

Not applicable.

- (2) Application of simplified accounting treatments and accounting treatments specific to the preparation of quarterly consolidated financial statements

1. Simplified accounting treatments

For measurement of inventories as of the end of the term, some consolidated subsidiaries omitted a physical inventory check, and calculated the amount of inventories by a reasonable method based on the physical inventory check conducted as of the end of the previous fiscal year.

2. Accounting treatments specific to the preparation of quarterly consolidated financial statements

As to tax expenses, some consolidated subsidiaries calculated the amount by reasonably estimating an effective tax rate after applying tax effect accounting to income before income taxes and minority interests for the consolidated fiscal year containing the six months ended September 30, 2008, and multiplying the estimated effective tax rate by income before income taxes and minority interests.

Deferred income tax is included in income taxes.

- (3) Changes in principles, procedures and presentation, etc. of accounting treatment relating to preparation of quarterly consolidated financial statements

• Changes in matters concerning accounting standards

1. “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan Statement No. 12) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14) have been applied to the consolidated results starting from the current fiscal year (ending March 31, 2009). In addition, quarterly consolidated financial statements were prepared in accordance with the “Regulations on Quarterly Consolidated Financial Statements.”

2. With regard to inventories held for sale in the ordinary course of business, finished goods and work-in-process goods of the parent company and its consolidated domestic subsidiaries were previously stated mainly at a cost on a retail method basis, and raw materials and stored goods were measured at cost, based on the periodic average method. However, with the Company’s adoption of “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9) from the first quarter ended June 30, 2008, finished goods and work-in-process goods of the parent company and its consolidated domestic subsidiaries are measured at cost on a retail method basis (balance sheet value is stated by writing down carrying value based upon lowered profitability), and raw materials and stored goods are mainly stated at cost, based on the periodic average method (balance sheet value is stated by writing down carrying value based upon lowered profitability).

The impact of this change on operating income, ordinary profit and income before income taxes and minority interests is insignificant.

3. “Practical Solution on Unification of Accounting Policies Applied to Overseas Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18) has been applied from the first quarter ended June 30, 2008, and necessary modifications have been made for consolidation.

The impact of this change on operating income, ordinary profit and income before income taxes and minority interests is a decrease of 234 million yen for each.

4. Finance lease transactions without title transfer were formerly accounted for as operating leases. However, application was permitted of “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16) to the consolidated quarterly financial statements relevant to the fiscal year beginning on or after April 1, 2008. As a result, the Company adopted the aforementioned standard and guidance from the first quarter of the current fiscal year for consolidated results, capitalizing all finance lease transactions. In addition, leased assets related to finance lease transactions without title transfer are depreciated on a straight-line basis, with the lease periods as their useful lives and no residual value.

Finance lease transactions without title transfer of which the starting dates of lease transactions are prior to the beginning of the fiscal year to which such accounting standard and guidance is applied are accounted for as operating leases.

The impact of this change on operating income, ordinary profit and income before income taxes and minority interests is insignificant.

• Additional information

The amendment of the Corporate Tax Law in fiscal 2008 included the shortening of the useful lives of machinery and equipment. In accordance with this amendment, the Company and its consolidated domestic subsidiaries have shortened the useful lives of machinery and equipment from the first quarter of the current fiscal year in the consolidated results.

The impact of this change on operating income, ordinary profit and income before income taxes and minority interests is a decrease of 715 million yen for each.

5. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheet

(million yen)

	As of end of 2Q FY 2008 (September 30, 2008)	Summary of consolidated balance sheet as of end of FY 2007 (March 31, 2008)
Assets		
Current assets		
Cash and deposits	34,169	39,756
Notes and accounts receivable	117,065	125,369
Merchandise and finished goods	21,285	20,680
Work in process	20,199	18,749
Raw materials and supplies	11,680	12,396
Others	18,350	18,517
Allowance for doubtful accounts	(1,098)	(995)
Total current assets	221,652	234,475
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	72,167	68,494
Machinery, equipment and vehicles (net)	86,924	84,730
Others (net)	50,703	47,733
Total tangible fixed assets	209,795	200,958
Intangible fixed assets		
Goodwill	2,023	2,825
Others	1,549	1,686
Total intangible fixed assets	3,573	4,512
Investments and other assets		
Investment securities	54,732	59,774
Others	34,002	33,261
Allowance for doubtful accounts	(223)	(223)
Total investments and other assets	88,511	92,812
Total fixed assets	301,880	298,283
Total assets	523,533	532,759

	As of end of 2Q FY 2008 (September 30, 2008)	Summary of consolidated balance sheet as of end of FY 2007 (March 31, 2008)
Liabilities		
Current liabilities		
Notes and accounts payable	56,538	59,972
Short-term borrowings	46,883	45,706
Income taxes payable	5,616	7,255
Reserve for bonus payments	9,185	8,230
Other reserves	558	799
Others	43,931	44,842
Total current liabilities	162,713	166,806
Fixed liabilities		
Long-term borrowings	17,009	13,724
Reserve for retirement benefits	48,191	47,546
Other reserves	1,360	1,326
Others	4,182	5,107
Total fixed liabilities	70,744	67,705
Total liabilities	233,457	234,511
Net assets		
Shareholders' equity		
Capital stock	23,335	23,335
Additional paid-in capital	22,451	22,451
Retained earnings reserve	203,678	197,464
Treasury stock	(238)	(223)
Total shareholders' equity	249,226	243,029
Valuation and translation adjustments		
Net unrealized gains on other securities	16,080	17,988
Cumulative currency translation adjustments	2,182	12,892
Total valuation and translation adjustments	18,262	30,881
Minority interests in subsidiaries	22,585	24,337
Total net assets	290,075	298,247
Total liabilities and net assets	523,533	532,759

(2) Consolidated Quarterly Profit and Loss Statement
(Year-to-date basis)

(million yen)

	1H FY 2008 (April 1, 2008 to September 30, 2008)
Net sales	260,953
Cost of sales	212,281
Gross profit	48,672
Selling, general and administrative expenses	
Wages and benefits	8,474
Provision of reserve for bonus payments	2,148
Retirement benefit expenses	968
Other SG&A expenses	22,803
Total SG&A expenses	34,395
Operating income	14,276
Non-operating revenues	
Equity in earnings of affiliates	2,321
Others	2,034
Total non-operating revenues	4,355
Non-operating expenses	
Interest expenses	1,283
Foreign exchange losses	1,016
Others	398
Total non-operating expenses	2,697
Ordinary profit	15,934
Extraordinary gains	
Gain on sale of investment securities	96
Gain on reversal of reserve for retirement benefits	104
Others	146
Total extraordinary gains	347
Extraordinary losses	
Loss on retirement of fixed assets	548
Unrealized loss on valuation of investment securities	571
Others	297
Total extraordinary losses	1,418
Income before income taxes and minority interests	14,864
Income taxes	3,973
Minority interests in earnings of subsidiaries	1,164
Net income	9,726

(Second-quarter period)

(million yen)

	2Q FY 2008 (July 1, 2008 to September 30, 2008)
Net sales	128,584
Cost of sales	105,796
Gross profit	<u>22,788</u>
Selling, general and administrative expenses	
Wages and benefits	4,121
Provision of reserve for bonus payments	1,071
Retirement benefit expenses	487
Other SG&A expenses	11,734
Total SG&A expenses	<u>17,414</u>
Operating income	<u>5,374</u>
Non-operating revenues	
Equity in earnings of affiliates	1,050
Others	885
Total non-operating revenues	<u>1,936</u>
Non-operating expenses	
Interest expenses	658
Foreign exchange losses	680
Other	309
Total non-operating expenses	<u>1,648</u>
Ordinary profit	<u>5,662</u>
Extraordinary gains	
Gain on sale of investment securities	41
Others	53
Total extraordinary gains	<u>95</u>
Extraordinary losses	
Loss on retirement of fixed assets	387
Unrealized loss on valuation of investment securities	528
Others	218
Total extraordinary losses	<u>1,134</u>
Income before income taxes and minority interests	<u>4,623</u>
Income taxes	1,629
Minority interests in earnings of subsidiaries	526
Net income	<u>2,467</u>

(3) Consolidated Quarterly Cash Flow Statement

(million yen)

1H FY 2008
(year-to-date basis)
(April 1, 2008 to
September 30, 2008)

Cash flows from operating activities	
Income before income taxes and minority interests	14,864
Depreciation expense	18,837
Increase (decrease) in reserve for bonus payments	958
Increase (decrease) in reserve for retirement benefits	(1,147)
Interest and dividends income	(961)
Interest expense	1,283
Foreign exchange losses (gains)	(313)
Equity in losses (earnings) of affiliates	(2,321)
Amortization of goodwill	802
Loss (gain) on sale/retirement of fixed assets	487
Unrealized loss (gain) on valuation of investment securities	571
Decrease (increase) in trade accounts receivable	4,162
Decrease (increase) in inventories	(2,677)
Increase (decrease) in trade accounts payable	(2,750)
Increase (decrease) in notes receivable discounted	(392)
Others	(207)
Subtotal	31,193
Interest and dividends received	1,866
Interest paid	(1,347)
Income taxes paid	(6,487)
Net cash flow from operating activities	25,225
Cash flows from investing activities	
Net decrease (increase) in time deposits	(182)
Proceeds from sale and redemption of investment securities	754
Expenditure for purchase of tangible fixed assets	(31,247)
Proceeds from sale of tangible fixed assets	519
Others	(93)
Net cash flow from investing activities	(30,249)
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	(852)
Proceeds from long-term borrowings	10,945
Repayment of long-term borrowings	(4,535)
Repayment of finance lease liabilities	(140)
Dividends paid	(1,729)
Dividends paid to minority shareholders	(1,160)
Others	(15)
Net cash flow from financing activities	2,512
Foreign currency translation adjustments on cash and cash equivalents	(3,122)
Net increase (decrease) in cash and cash equivalents	(5,633)
Cash and cash equivalents at beginning of period	38,779
Cash and cash equivalents at end of period	33,145

“Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14) have been applied to the consolidated results starting from the current fiscal year (ending March 31, 2009). In addition, quarterly consolidated financial statements were prepared in accordance with the “Regulations on Quarterly Consolidated Financial Statements.”

(4) Notes on premise of going concern:
Not applicable.

(5) Segment Information

[Segment information by business category]

2Q FY2008 (July 1, 2008 to September 30, 2008)

(million yen)

	Sealing Products	FPC	Rubber Roll	Other	Total	Eliminations/ Corporate	Consolidated
Net sales							
(1) Sales to external customers	70,796	44,289	9,702	3,796	128,584	-	128,584
(2) Inter-segment sales/transfer	1,124	558	-	452	2,135	(2,135)	-
Total	71,920	44,847	9,702	4,249	130,720	(2,135)	128,584
Operating income (loss)	3,604	1,609	(1)	152	5,364	10	5,374

1H FY2008 (April 1, 2008 to September 30, 2008) (year-to-date basis)

(million yen)

	Sealing Products	FPC	Rubber Roll	Other	Total	Eliminations/ Corporate	Consolidated
Net sales							
(1) Sales to external customers	143,340	90,242	19,419	7,950	260,953	-	260,953
(2) Inter-segment sales/transfer	2,234	922	-	774	3,931	(3,931)	-
Total	145,574	91,165	19,419	8,724	264,885	(3,931)	260,953
Operating income (loss)	9,985	4,237	(280)	325	14,268	7	14,276

[Segment information by geographic area]

2Q FY2008 (July 1, 2008 to September 30, 2008)

(million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Net sales						
(1) Sales to external customers	81,998	42,675	3,910	128,584	-	128,584
(2) Inter-segment sales/transfer	14,442	8,330	259	23,031	(23,031)	-
Total	96,441	51,005	4,169	151,616	(23,031)	128,584
Operating income (loss)	3,441	2,061	(17)	5,485	(111)	5,374

1H FY2008 (April 1, 2008 to September 30, 2008) (year-to-date basis)

(million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Net sales						
(1) Sales to external customers	164,727	88,300	7,925	260,953	-	260,953
(2) Inter-segment sales/transfer	26,343	16,298	535	43,178	(43,178)	-
Total	191,071	104,599	8,461	304,131	(43,178)	260,953
Operating income	8,597	5,538	39	14,175	101	14,276

[Overseas sales]

2Q FY2008 (July 1, 2008 to September 30, 2008)

(million yen)

	Asia	Other areas	Total
I Overseas sales	48,266	7,200	55,466
II Consolidated sales	-	-	128,584
III Percentage of overseas sales in consolidated sales (%)	37.5	5.6	43.1

1H FY2008 (April 1, 2008 to September 30, 2008) (year-to-date basis)

(million yen)

	Asia	Other areas	Total
I Overseas sales	98,723	14,512	113,235
II Consolidated sales	-	-	260,953
III Percentage of overseas sales in consolidated sales (%)	37.8	5.6	43.4

- (6) Notes on significant changes in the amount of shareholders' equity
Not applicable.

Reference:

Financial Statements for 1Q FY 2007

(1) Consolidated Interim Profit and Loss Statement

		1H FY 2007 (April 1, 2007 to September 30, 2007)		
Item		Amount (million yen)		Percentage (%)
I	Net Sales		250,491	100.0
II	Cost of sales		197,956	79.0
	Gross profit		52,535	21.0
III	Selling, general and administrative expenses		32,797	13.1
	Operating income		19,738	7.9
IV	Non-operating revenues			
	1. Interest income	482		
	2. Dividends income	510		
	3. Equity in earnings of affiliates	1,939		
	4. Rent income	451		
	5. Others	782	4,167	1.7
V	Non-operating expenses			
	1. Interest expense	1,139		
	2. Others	479	1,619	0.7
	Ordinary profit		22,286	8.9
VI	Extraordinary gains			
	1. Gain on sale of investment securities	546		
	2. Gain on reversal of allowance for doubtful accounts	284		
	3. Others	288	1,119	0.5
VII	Extraordinary losses			
	1. Loss on retirement of fixed assets	299		
	2. Others	134	433	0.2
	Income before income taxes and minority interests		22,972	9.2
	Income taxes – current	6,345		
	Income taxes – deferred	1,964	8,310	3.3
	Minority interests in earnings of subsidiaries		1,699	0.7
	Net income		12,962	5.2

(2) Consolidated Interim Cash Flow Statement

		1H FY 2007 (April 1, 2007 to September 30, 2007)
Item	Amount (million yen)	
I	Cash flows from operating activities	
	Income before income taxes and minority interests	22,972
	Depreciation expense	15,269
	Increase in reserve for bonus payments	1,096
	Decrease in reserve for retirement benefits	(1,433)
	Interests and dividends income	(993)
	Interest expense	1,139
	Foreign exchange gains	(185)
	Equity in earnings of affiliates	(1,939)
	Amortization of goodwill	803
	Gain on sale of investment securities	(546)
	Loss on retirement of fixed assets	299
	Decrease in trade accounts receivable	822
	Increase in inventories	(544)
	Decrease in trade accounts payable	(4,795)
	Increase in notes discounted	290
	Others	(3,443)
	Subtotal	28,811
	Interest and dividends received	1,695
	Interest paid	(1,222)
	Income taxes paid	(8,887)
	Net cash flow from operating activities	20,397

	1H FY 2007 (April 1, 2007 to September 30, 2007)
Item	Amount (million yen)
II Cash flows from investing activities	
Net decrease (increase) in time deposits	1,984
Proceeds from sale of investment securities	156
Expenditure for purchase of additional shares of consolidated subsidiaries	(800)
Expenditure for purchase of tangible fixed assets	(28,461)
Proceeds from sale of tangible fixed assets	453
Others	(73)
Net cash flow from investing activities	(26,741)
III Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	7,702
Proceeds from long-term borrowings	2,042
Repayment of long-term borrowings	(3,820)
Dividends paid by the Company	(1,729)
Dividends paid to minority shareholders	(1,537)
Others	(0)
Net cash flow from financing activities	2,656
IV Foreign currency translation adjustments on cash and cash equivalents	3,449
V Decrease in cash and cash equivalents	(238)
VI Cash and cash equivalents at beginning of period	42,298
VII Increase in cash and cash equivalents due to change in the scope of consolidation	375
VIII Cash and cash equivalents at end of period	42,435

(3) Segment information

[Segment information by business category]

1H FY2007 (April 1, 2007 to September 30, 2007)

(million yen)

	Sealing Products	FPC	Rubber Roll	Other	Total	Eliminations/Corporate	Consolidated
Net 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

[Segment information by geographic area]

1H FY2007 (April 1, 2007 to September 30, 2007)

(million yen)

	Japan	Asia	Other areas	Total	Eliminations/corporate	Consolidated
Net 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

[Overseas sales]

1H FY2007 (April 1, 2007 to September 30, 2007)

(million yen)

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