

# NOK CORPORATION

## Consolidated Financial Summary for Fiscal Year Ended March 31, 2010

Date: May 13, 2010

Name of Listed Company: NOK Corporation Listed on Tokyo Stock Exchange 1st Section  
 Securities Code Number: 7240 URL <http://www.nok.co.jp> Telephone: +81-3-3434-1736  
 Representative: Masato Tsuru, Chairman of the Board and President  
 Contact Person: Toshio Tominaga, Department Manager, Corporate Planning Department  
 Scheduled date for the General Shareholders' Meeting: June 25, 2010  
 Scheduled date for submission of the Securities Report: June 25, 2010  
 Scheduled date for dividend payment: June 28, 2010

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

## 1. Consolidated Business Results for FY 2009 (April 1, 2009 through March 31, 2010)

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

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY 2009	414,753	(11.1)	12,655	70.1	10,363	67.8	1,279	96.1
FY 2008	466,694	(11.3)	7,441	(82.5)	6,174	(86.2)	652	(97.5)

	Net income per share	Diluted net income per share	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
FY 2009	7.40	-	0.6	2.0	3.1
FY 2008	3.77	-	0.3	1.2	1.6

Reference: Equity method investment profit: (158) million yen (as of March 31, 2010); 2,073 million yen (as of March 31, 2009)

## (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	million yen	million yen	%	yen
FY 2009	547,255	256,503	43.0	1,373.09
FY 2008	509,772	246,130	44.4	1,308.90

Reference: Shareholders' equity: 235,294 million yen (as of March 31, 2010); 226,329 million yen (as of March 31, 2009)

## (3) Consolidated cash flows

	Operating cash flow	Investing cash flow	Financing cash flow	Ending cash and cash equivalents
	million yen	million yen	million yen	million yen
FY 2009	35,100	(22,630)	(2,839)	92,829
FY 2008	32,392	(60,913)	78,319	82,107

## 2. Dividends

(Record date)	Cash Dividend per share					Total dividend (Annual)	Payout ratio (Consolidated)	Dividend to net assets (Consolidated)
	1Q-end	2Q-end	3Q-end	Term-end	Full year			
	yen	yen	yen	yen	yen	million yen	%	%
FY 2008	-	10.00	-	5.00	15.00	2,595	397.9	1.0
FY 2009	-	5.00	-	5.00	10.00	1,730	135.1	0.7
FY 2010 (Projection)	-	-	-	-	-	-	-	-

Note: Dividend projections for FY 2010 are yet to be determined.

## 3. Projection of Consolidated Financial Results for FY 2010 (April 1, 2010 through March 31, 2011)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
1st half	212,000	19.6	8,300	-	7,900	-	4,400	-	25.68
Full year	443,000	6.8	20,900	65.1	20,800	100.7	14,800	-	86.37

## 4. Others

(1) Changes in significant subsidiaries during the term (changes in “tokutei kogaisha” as defined in Ministry of Finance Ordinance No. 5 of 1973 (as amended) involving changes in the scope of consolidation): None.

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

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

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

Note: For details, please see “Changes in Significant Matters Pertaining to the Preparation of Consolidated Financial Statements” on page 16.

(3) Number of issued shares (common stock)

i) Number of issued shares at the end of the period (including treasury stock):

	FY 2009	173,138,537;	FY 2008:	173,138,537
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ii) Number of shares of treasury stock at the end of the period:

	FY 2009	1,777,627;	FY 2008:	222,203
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Note: For the number of shares used for calculation of consolidated net income per share, please see “Per share information” on page 26.

## (Reference) Summary of Non-Consolidated Financial Results

1. Non-consolidated financial results for FY 2009 (April 1, 2009 to March 31, 2010)

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

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY 2009	190,846	(5.8)	2,248	225.7	1,762	(16.0)	(237)	-
FY 2008	202,591	(16.0)	690	(95.6)	2,098	(88.4)	(2,546)	-

	Net income per share	Diluted net income per share
	yen	yen
FY 2009	(1.37)	-
FY 2008	(14.71)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	million yen	million yen	%	yen
FY 2009	321,533	120,266	37.4	701.23
FY 2008	294,746	118,320	40.1	683.68

(Reference) Shareholders' equity: FY 2009 120,266 million yen; FY 2008 118,320 million yen

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

Forward-looking statements such as projections of future financial results are based on judgments and assumptions made by management derived from the information available as of the date of the preparation of this document and contain uncertainties. Their use involves a certain level of risk. Significant factors which may affect actual business results include, but are not limited to, economic conditions, market trends, and fluctuations of the yen exchange rate principally against the U.S. dollar.

Dividend projections for fiscal year 2010 are yet to be determined since the outlook of the management environment is uncertain. We will disclose the dividend projections as soon as they are determined based on actual business performance, etc. For our dividend policy, please see “1. (3) Principal Policy on Profit Sharing, and Dividends for this Fiscal Year and the Next Fiscal Year” on page 6.

## 1. Operating Results

### (1) Analysis of Operating Results

#### i. Financial results for FY 2009

The Japanese economy in the current consolidated fiscal year was still under the influence of the worldwide recession that occurred in the previous fiscal year, remaining sluggish due to slowing corporate capital expenditure and worsened labor market. While some signs of recovery could be seen reflecting the economic stimulus measures implemented by the government, business environment remained tough with the prolonged economic downturn, impacts of rapid fluctuations of foreign exchange on corporate revenues, mounting deflationary pressure with no signs of improvement in employment and income situations, etc.

In the automotive industry, while demand for new vehicles remained weak at the beginning of the current fiscal year as in the previous fiscal year, car production gradually increased with the support of the new car purchase subsidy programs and the recovery of demand in China and Southeast Asia.

In the electronic equipment industry, previously sluggish demand improved from the second half of the year, mainly driven by customers outside Japan. In particular, production of personal computers, mobile phones, digital still cameras, etc. picked up.

In the business machine industry, demand remained stagnant in general reflecting the continued weak capital expenditure in the economic downturn. Furthermore, intensified competition prompted erosion of unit prices of components; the market for replacement parts also shrank on the back of a trend toward enhanced durability.

Under these circumstances, consolidated net sales of the Group ended up with 414,753 million yen (down 11.1% year on year). Operating income and ordinary income were 12,655 million yen (up 70.1% year on year) and 10,363 million yen (up 67.8% year on year), respectively. Net income amounted to 1,279 million yen (up 96.1% year on year).

#### ii. Performance by business category

##### [Seal business]

In contrast to the beginning of the fiscal year in which sales were slow, sales to automobile manufacturers recovered due to a growth in demand for new cars mainly in the emerging countries, notably China. Also in the second half, sales to manufacturers of general industrial machinery increased reflecting a growth in the production output of construction machinery due to the recovery of infrastructure projects in the emerging countries such as China. Nevertheless, sales on the full-year basis declined compared with the previous year, overwhelmed by the decrease in sales in the first half.

As a result, the segment sales fell by 10.0% year on year to 221,931 million yen. Operating income reached 8,285 million yen (up 94.1% year on year), supported by the effects of cost-cutting measures such as a reduction of fixed cost.

##### [Flexible printed circuit (FPC) business]

While sales decreased in the first half due to the production adjustments by the manufacturers of mobile phones and hard disc drives (HDD), etc., production of manufacturers of electronic equipment recovered in the second half with the strong performance of digital still cameras and digital audio equipment, etc., resulting in higher sales by NOK. However, the impact of the decrease in sales in the first half overwhelmed the full-year performance, resulting in a decrease on a year-on-year basis.

As a result, sales dropped by 9.7% year on year to 153,378 million yen. Operating income amounted to 6,498 million yen (up 60.0% year on year), with the effect of the cost-cutting measures including a reduction of fixed cost.

##### [Roll business]

Demand for business machine fell worldwide amid worsening economic conditions as businesses reduced capital spending. Furthermore, fiercer competition brought erosion of unit prices of components. Shrinkage of the market for replacement parts associated with rising durability was another factor of lower sales.

As a result, sales fell by 22.3% year on year to 28,757 million yen. Operating loss was 2,439 million yen (operating loss in the previous fiscal year was 1,159 million yen) due to a significant decrease in sales.

##### [Other businesses]

This segment, which includes specialty lubricants, recorded sales of 10,686 million yen (down 19.2% year on year). Operating income increased by 17.5% year on year to 319 million yen with the effect of cost-cutting measures including a reduction of fixed costs.

iii. Performance by location

Sales in Japan dropped 10.9% in year-on-year terms to 245,993 million yen, reflecting lower sales of products across the Seal, FPC and Roll Businesses. However, the fiscal year resulted in an operating income of 4,159 million yen (compared with an operating loss of 2,598 million yen in the previous year) as the measures for reducing fixed costs and other expenses took effect.

Sales in Asia fell 9.3% in year-on-year terms to 160,781 million yen. Although sales of FPCs increased in China, sales of the other business segments declined. On the other hand, operating income rose 3.2% to 10,078 million yen, reflecting the higher sales of FPCs in China and the effect of cost reduction measures in the Chinese operations of the Seal Business.

iv. Outlook for FY 2010

Prospective business conditions in fiscal 2010 are tinged with considerable uncertainties including the delay in recovery of and foggy outlook for the global economy. Currency fluctuations pose additional risks.

In the automobile industry, the market prospects remain uncertain; although the demand in emerging economies have picked up, it is difficult to project global vehicle sales as the policy measures to encourage the purchase of new cars adopted by several governments including Japan will be lifted. In addition, further efforts will be necessary in quality assurance and quality control as customers' requirements are expected to be more stringent.

In the electronic equipment industry, while increased demand from manufacturers of high-spec mobile phones, HDDs and other products can be expected, there is a concern over further price erosion due to fiercer competition.

In the business machine sector, although orders have picked up after inventory adjustment at manufacturers, existing trends will continue in terms of lower component prices and shrinkage of the market for replacement parts associated with rising durability.

In spite of this uncertain environment, NOK projects consolidated net sales of 443.0 billion yen for fiscal 2010 or a year-on-year increase of 6.8%. NOK expects to post an operating income of 20.9 billion yen (up 65.1% year-on-year), an ordinary income of 20.8 billion yen (up 100.7% year-on-year) and a net income of 14.8 billion yen (up 1,056.9% year-on-year).

The NOK Group will continue to promote its two-year structural reform plan that started in fiscal 2009 for improving profitability (please see "3. Management Policy").

As to practical measures taken in fiscal 2009, we started to review unprofitable operations and consolidate production sites in Japan and overseas, and promoted cost-effective procurement, reduction of manufacturing and fixed costs, as well as selective capital expenditure, while strengthening sales activities for new contracts. In fiscal 2010, we will further implement these measures in a faithful manner and with emphasis on safety, quality and environmental preservation toward the achievement of the goals of the reform plan.

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 internal and external factors, such as fluctuations in foreign exchange rates.

## (2) Analysis of Financial Position

## i. Assets, liabilities and net assets

Total assets as of March 31, 2010 equaled 547,255 million yen, an increase of 37,482 million yen compared with the previous fiscal year-end. This mainly reflected an increase in accounts receivable due to increased sales and an increase in the market value of investment securities due to the recovery of equity markets.

Total liabilities as of March 31, 2010 amounted to 290,752 million yen, an increase of 27,110 million yen compared with the previous fiscal year-end. This was principally due to increased accounts payable and increased short-term and long-term borrowings.

Net assets totaled 256,503 million yen as of March 31, 2010, an increase of 10,372 million yen compared with the previous fiscal year-end. This mainly reflected the effects of higher foreign currency translation adjustments associated with yen depreciation, along with an increase in valuation difference on available-for-sale securities resulting from the recovery of equity markets.

## ii. Cash flows

Cash and cash equivalents (hereinafter, "cash") as of the end of fiscal 2009 amounted to 92,829 million yen. This represented an increase in cash of 10,721 million yen compared with the previous fiscal year-end. Cash flows during fiscal 2009 are summarized below.

## [Cash flows from operating activities]

Net cash provided by operating activities totaled 35,100 million yen, a year-on-year increase of 2,708 million yen. This was principally because of higher income before income taxes and minority interests and lower income taxes paid as compared with fiscal 2008.

## [Cash flows from investment activities]

Net cash used in investment activities, which mainly consisted of acquisitions of property, plant and equipment and investment securities, amounted to 22,630 million yen, a decrease of 38,283 million yen compared with the previous year. The decrease reflected a decrease in acquisitions of property, plant and equipment due to selective capital expenditure.

## [Cash flows from financing activities]

Net cash expended in financing activities amounted to 2,839 million yen (compared with a net cash inflow of 78,319 million yen in the previous year). This mainly reflected the repayment of short-term and long-term borrowings.

The trend of cash flow indicators is as follows:

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Shareholders' equity to total assets (%)	48.5	50.7	51.4	44.4	43.0
Market capitalization to total assets (%)	116.4	68.3	66.2	28.4	44.1
Interest-bearing liabilities to cash flow (annualized)	1.2	1.5	1.5	4.8	4.5
Interest coverage ratio (multiple)	37.5	24.2	21.1	11.2	8.8

Shareholders' equity to total assets = Shareholders' equity / Total assets

Market capitalization to total assets = Market capitalization / Total assets

Interest-bearing liabilities to cash flow = Interest-bearing liabilities / Cash flow

Interest coverage ratio = Cash flows / Interest payments

Notes:

1. All indices above are calculated based on consolidated financial statements.
2. Market capitalization is calculated on the basis of the number of issued and outstanding shares.
3. Operating cash flow is used as "cash flow" in the above calculation.
4. Interest-bearing liabilities represent all liabilities on the consolidated balance sheet on which we pay interest.

## (3) Principal Policy on Dividends and Dividend Distribution for this Fiscal Year and the Next Fiscal Year

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

Taking into consideration the aforementioned policy and rapid deterioration of the management environment, we propose the annual dividend of 10 yen per share for fiscal year 2009 (a 5-yen interim dividend plus a 5-yen term-end dividend).

Dividend projections for fiscal 2010 are yet to be determined. We will disclose our dividend projections as soon as possible by taking into account the trend of the Group's performance.

## (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 the main risks that it is assumed the NOK Group may face in its business activities. The future events contained in these items were envisioned as of the end of this fiscal term (March 31, 2010).

## i. Risks in Seal Business

The automotive industry is our biggest buyer, accounting for about 70% of sales in this product line, and sales performance is subject to trends in production and sales activities within the industry. In the automotive industry, domestic manufacturers have increasingly shifted their production lines overseas. Under these circumstances, automotive parts suppliers, including the NOK Group, have increasingly received requests from the automotive industry, to offer drastic cost reduction, technological innovation, and a global response, not to mention improvements in quality and strict observance of delivery times. Consequently, the NOK Group may be adversely affected by these trends in the future.

Moreover, while oil seal products, one of our core products, are used for the internal combustion engine, fuel cell vehicles and battery-driven electric vehicles have been under development in recent years. The NOK Group is undertaking research and development efforts on new products for these new vehicles in the expectation that they will be widely used in the future. However, at this time, it is difficult to foresee the influence of fuel cell and electric vehicles on the future business results of the NOK Group.

## ii. Risks in FPC 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. In addition, Taiwanese and Chinese manufacturers continue to expand their market shares in line with the commoditization of FPCs, leading to increasingly fierce competition that could impact the business results of the NOK Group.

## iii. Risks in Roll Business

As the business machines acquire more sophisticated functions, technology is being replaced at phenomenal rates and competition is becoming increasingly fierce. We may face adverse effects of such trends in this business area. Shrinkage of the market for replacement parts associated with rising durability may also have adverse impacts on this business.

## iv. Risks in Other Businesses

The NOK Group has been engaged in the production and sale of special lubricants. This business is significantly affected by oil prices and so forth. In the future, we may face adverse effects of such trends.

## v. Risks in production structure

As a parts manufacturing company, the NOK Group has established a production structure in line with our basic policy of keeping pace with our domestic customers' shift to overseas production. In recent years, the overseas production ratio of the NOK Group has shown a tendency to rise in accordance with our customers' shift to overseas production. In the future, we will further raise the overseas production ratio of our Seal Business in line with domestic automotive manufacturers' shift to overseas production. A further expansion of overseas production is also expected for 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.

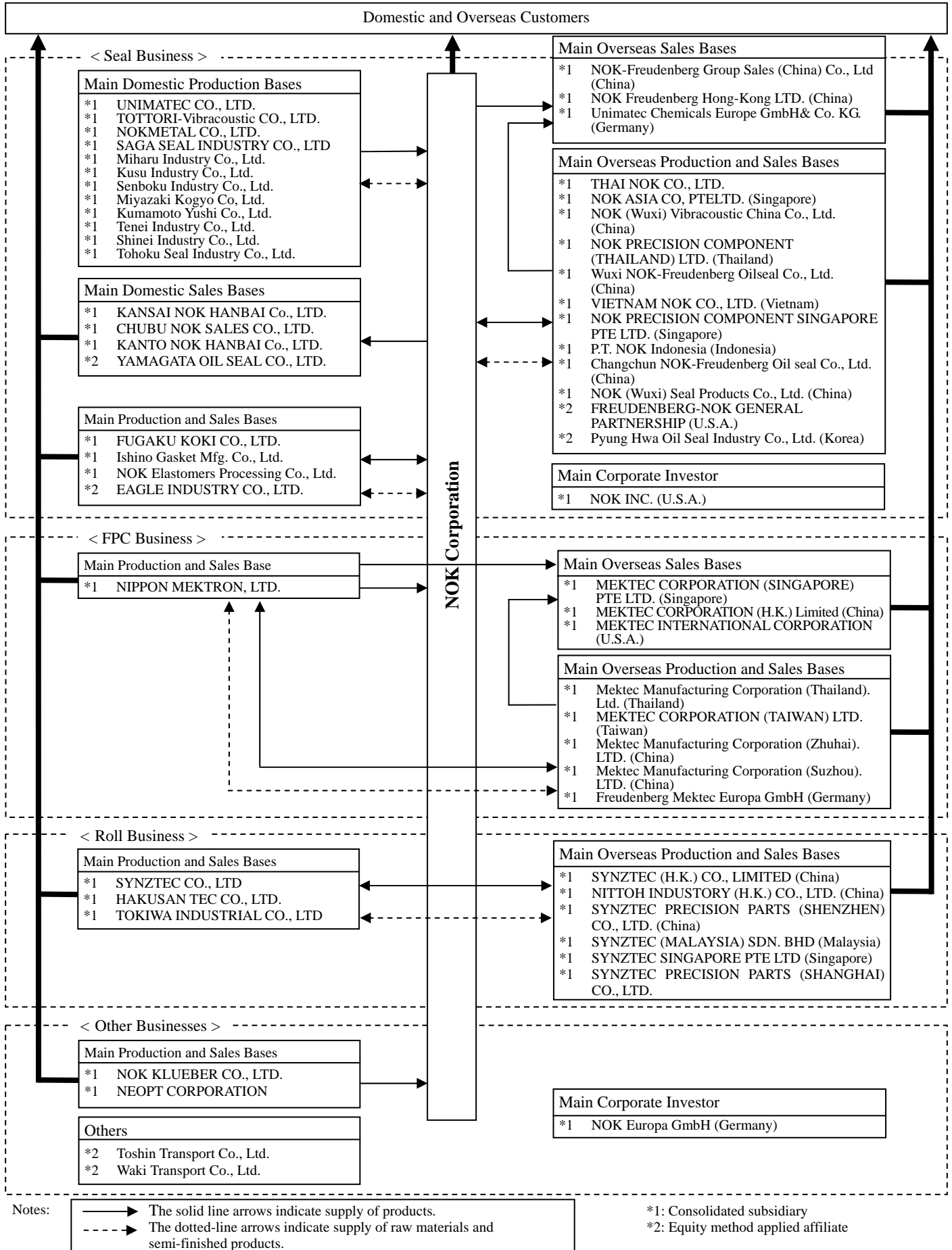
## vi. Risks in business relationship with Freudenberg &amp; Co.

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

Currently, Freudenberg is the largest stockholder, holding 25.1% of outstanding and issued shares of NOK through Freudenberg Beteiligungs GmbH, Freudenberg's investment company, continuing the NOK Group's relationship with Freudenberg, which begun with the first alliance agreement concluded in 1960. We believe that the stable relationship between the two groups will continue to develop 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.

## 2. Corporate Group

The following diagram shows the company's group structure.



### 3. Management Policy

#### (1) Principal Management Policy

It is our basic philosophy 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, highly profitable corporate group through “manufacturing and distributing unique and useful products with high technical capabilities throughout the world and at appropriate prices.” This is the main policy under which NOK conducts its business.

#### (2) Mid- to Long-Term Management Strategies

In fiscal 2009, the NOK Group established a new two-year reform plan based on a judgment that a reform of the corporate structure is a matter of urgency in order to weather the sluggish business condition and achieve prosperity thereafter.

Fiscal 2010 is the second year of the reform plan. We will promote various measures for further reforming our business structure and improving our financial standing.

The outline of this two-year reform plan is as follows:

1. Slogan: “Radical Change  
— Overcome Adversity with Wisdom and Ingenuity —”
2. Period: From April 1, 2009 to March 31, 2011 (FY 2009 to FY 2010)
3. Basic policies:
  - (1) To significantly lower the break-even point
  - (2) To improve cash flow (to restrict expenditure)
  - (3) To enhance the promotion of new products and development of new markets
  - (4) To ensure safety, superior quality and environmental preservation

## 4. Consolidated Financial Statements

## (1) Consolidated Balance Sheet

(million yen)

	FY 2008 (as of March 31, 2009)	FY 2009 (as of March 31, 2010)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	82,600	93,104
Notes and accounts receivable-trade	87,863	123,789
Merchandise and finished goods	21,432	17,262
Work in process	13,079	22,450
Raw materials and supplies	14,616	10,303
Deferred tax assets	4,239	4,565
Other	10,370	9,910
Allowance for doubtful accounts	(1,084)	(1,584)
<b>Total current assets</b>	<b>233,118</b>	<b>279,801</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	133,669	134,740
Accumulated depreciation	(60,537)	(62,217)
Buildings and structures, net	73,132	72,523
Machinery, equipment and vehicles	232,203	232,426
Accumulated depreciation	(152,715)	(162,780)
Machinery, equipment and vehicles, net	79,487	69,646
Tools, furniture and fixtures	58,580	57,995
Accumulated depreciation	(45,862)	(47,878)
Tools, furniture and fixtures, net	12,717	10,117
Land	18,945	18,463
Lease assets	1,419	2,387
Accumulated depreciation	(504)	(948)
Lease assets, net	914	1,438
Construction in progress	8,242	1,550
<b>Total property, plant and equipment</b>	<b>193,439</b>	<b>173,739</b>
<b>Intangible assets</b>		
Goodwill	1,237	210
Other	1,357	1,240
<b>Total intangible assets</b>	<b>2,594</b>	<b>1,450</b>
<b>Investments and other assets</b>		
Investment securities	42,692	58,829
Long-term loans receivable from employees	7,791	7,443
Deferred tax assets	12,433	8,889
Other	18,010	17,384
Allowance for doubtful accounts	(308)	(284)
<b>Total investments and other assets</b>	<b>80,619</b>	<b>92,263</b>
<b>Total noncurrent assets</b>	<b>276,653</b>	<b>267,454</b>
<b>Total assets</b>	<b>509,772</b>	<b>547,255</b>

(million yen)

	FY 2008 (as of March 31, 2009)	FY 2009 (as of March 31, 2010)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	34,235	50,872
Short-term loans payable	61,890	63,793
Income taxes payable	-	1,815
Provision for bonuses	4,726	5,337
Provision for business structure improvement	1,959	3,715
Deposits received from employees	15,920	15,893
Other	19,568	21,492
<b>Total current liabilities</b>	<b>138,300</b>	<b>162,919</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	75,184	78,414
Provision for retirement benefits	46,340	45,854
Provision for directors' retirement benefits	1,504	-
Other	2,311	3,564
<b>Total noncurrent liabilities</b>	<b>125,340</b>	<b>127,832</b>
<b>Total liabilities</b>	<b>263,641</b>	<b>290,752</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	23,335	23,335
Capital surplus	22,450	22,450
Retained earnings	192,861	192,427
Treasury stock	(241)	(2,221)
<b>Total shareholders' equity</b>	<b>238,406</b>	<b>235,992</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	9,580	15,613
Foreign currency translation adjustments	(21,656)	(16,311)
<b>Total valuation and translation adjustments</b>	<b>(12,076)</b>	<b>(698)</b>
<b>Minority interests</b>	<b>19,801</b>	<b>21,209</b>
<b>Total net assets</b>	<b>246,130</b>	<b>256,503</b>
<b>Total liabilities and net assets</b>	<b>509,772</b>	<b>547,255</b>

## (2) Consolidated Income Statement

(million yen)

	FY 2008 (April 1, 2008 to March 31, 2009)	FY 2009 (April 1, 2009 to March 31, 2010)
Net sales	466,694	414,753
Cost of sales	394,994	347,232
Gross profit	71,700	67,521
Selling, general and administrative expenses		
Freightage expenses	11,287	9,572
Salaries and allowances	18,714	14,958
Provision for bonuses	1,013	2,877
Retirement benefit expenses	1,922	2,457
Research and development expenses	7,952	6,433
Other	23,367	18,565
Total selling, general and administrative expenses	64,258	54,865
Operating income	7,441	12,655
Non-operating income		
Interest income	706	446
Dividends income	1,007	551
Equity in earnings of affiliates	2,073	-
Rent income	977	916
Other	1,548	1,325
Total non-operating income	6,314	3,241
Non-operating expenses		
Interest expenses	2,825	3,968
Foreign exchange losses	3,688	-
Equity in losses of affiliates	-	158
Other	1,067	1,406
Total non-operating expenses	7,581	5,533
Ordinary income	6,174	10,363
Extraordinary income		
Gain on sale of noncurrent assets	339	195
Gain on sale of investment securities	101	200
Reversal of provision for retirement benefits	166	100
Other	135	49
Total extraordinary income	743	546
Extraordinary loss		
Loss on retirement of noncurrent assets	1,945	2,118
Loss on valuation of investment securities	1,146	-
Provision for business structure improvement	1,966	3,933
Other	739	127
Total extraordinary loss	5,797	6,178
Income before income taxes and minority interests	1,121	4,730
Income taxes-current	2,438	2,073
Income taxes-deferred	(3,210)	(1,095)
Total income taxes	(772)	977
Minority interests in income	1,240	2,473
Net income	652	1,279

## (3) Consolidated Statement of Changes in Net Assets

(million yen)

	FY 2008 (April 1, 2008 to March 31, 2009)	FY 2009 (April 1, 2009 to March 31, 2010)
<b>Shareholders' Equity</b>		
<b>Capital stock</b>		
Beginning balance	23,335	23,335
Changes of items during the period		
Total changes of items during the period	-	-
Ending balance	23,335	23,335
<b>Capital surplus</b>		
Beginning balance	22,451	22,450
Changes of items during the period		
Disposal of treasury stock	(1)	-
Total changes of items during the period	(1)	-
Ending balance	22,450	22,450
<b>Retained earnings</b>		
Beginning balance	197,464	192,861
Change of accounting policies of foreign subsidiaries	(1,778)	-
Changes of items during the period		
Dividends from surplus	(3,458)	(1,728)
Net income	652	1,279
Change of scope of equity method affiliates	(66)	-
Change of accounting policies of equity method affiliates	47	-
Change of fiscal year etc. of equity method affiliates	-	15
Total changes of items during the period	(2,825)	(434)
Ending balance	192,861	192,427
<b>Treasury stock</b>		
Beginning balance	(223)	(241)
Changes of items during the period		
Purchase of treasury stock	(25)	(2,001)
Disposal of treasury stock	7	21
Total changes of items during the period	(18)	(1,979)
Ending balance	(241)	(2,221)
<b>Total shareholders' equity</b>		
Beginning balance	243,029	238,406
Change of accounting policies of foreign subsidiaries	(1,778)	-
Changes of items during the period		
Dividends from surplus	(3,458)	(1,728)
Net income	652	1,279
Purchase of treasury stock	(25)	(2,001)
Disposal of treasury stock	6	21
Change of scope of equity method affiliates	(66)	-
Change of accounting policies of equity method affiliates	47	-
Change of fiscal year etc. of equity method affiliates	-	15
Total changes of items during the period	(2,844)	(2,413)
Ending balance	238,406	235,992

(million yen)

	FY 2008 (April 1, 2008 to March 31, 2009)	FY 2009 (April 1, 2009 to March 31, 2010)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Beginning balance	17,988	9,580
Changes of items during the period		
Net changes of items other than shareholders' equity	(8,408)	6,032
Total changes of items during the period	(8,408)	6,032
Ending balance	9,580	15,613
Foreign currency translation adjustments		
Beginning balance	12,892	(21,656)
Changes of items during the period		
Net changes of items other than shareholders' equity	(34,549)	5,345
Total changes of items during the period	(34,549)	5,345
Ending balance	(21,656)	(16,311)
Total valuation and translation adjustments		
Beginning balance	30,881	(12,076)
Changes of items during the period		
Net changes of items other than shareholders' equity	(42,957)	11,378
Total changes of items during the period	(42,957)	11,378
Ending balance	(12,076)	(698)
Minority interests		
Beginning balance	24,337	19,801
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,535)	1,408
Total changes of items during the period	(4,535)	1,408
Ending balance	19,801	21,209
Total net assets		
Beginning balance	298,247	246,130
Change of accounting policies of foreign subsidiaries	(1,778)	-
Changes of items during the period		
Dividends from surplus	(3,458)	(1,728)
Net income	652	1,279
Purchase of treasury stock	(25)	(2,001)
Disposal of treasury stock	6	21
Change of scope of equity method affiliates	(66)	-
Change of accounting policies of equity method affiliates	47	-
Change of fiscal year etc. of equity method affiliates	-	15
Net changes of items other than shareholders' equity	(47,493)	12,786
Total changes of items during the period	(50,338)	10,372
Ending balance	246,130	256,503

## (4) Consolidated Cash Flow Statement

(million yen)

	FY 2008 (April 1, 2008 to March 31, 2009)	FY 2009 (April 1, 2009 to March 31, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,121	4,730
Depreciation and amortization	40,939	37,029
Increase (decrease) in allowance for doubtful accounts	283	451
Increase (decrease) in provision for bonuses	(3,492)	572
Increase (decrease) in provision for retirement benefits	(2,487)	(645)
Increase (decrease) in provision for directors' retirement benefits	177	(1,332)
Increase (decrease) in provision for business structure improvement	1,966	1,756
Interest and dividends income	(1,714)	(998)
Interest expenses	2,825	3,968
Foreign exchange losses (gains)	1,557	892
Equity in (earnings) losses of affiliates	(2,073)	158
Amortization of goodwill	1,604	1,096
Loss (gain) on sales of investment securities	-	(189)
Loss (gain) on valuation of investment securities	1,146	-
Loss (gain) on sales of property, plant and equipment	(339)	(195)
Loss on retirement of property, plant and equipment	1,945	2,118
Decrease (increase) in notes and accounts receivable-trade	37,896	(34,873)
Decrease (increase) in inventories	(3,567)	(291)
Increase (decrease) in notes and accounts payable-trade	(17,776)	19,809
Increase (decrease) in notes discounted	(15,952)	(336)
Other, net	(223)	2,416
Subtotal	43,835	36,137
Interest and dividends income received	2,801	1,812
Interest expenses paid	(2,885)	(4,003)
Income taxes paid	(11,359)	(2,501)
Income taxes refund	-	3,656
Net cash provided by (used in) operating activities	32,392	35,100
Net cash provided by (used in) investment activities		
Decrease (increase) in time deposits	213	217
Purchase of investment securities	(2,804)	(5,263)
Proceeds from sale of investment securities	761	388
Purchase of investments in subsidiaries	-	(225)
Payments for investments in capital of subsidiaries and affiliates	-	(274)
Purchase of property, plant and equipment	(59,575)	(19,779)
Proceeds from sale of property, plant and equipment	628	2,409
Purchase of intangible assets	(153)	(125)
Other, net	16	21
Net cash provided by (used in) investment activities	(60,913)	(22,630)

(million yen)

	FY 2008 (April 1, 2008 to March 31, 2009)	FY 2009 (April 1, 2009 to March 31, 2010)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	14,420	(6,692)
Proceeds from long-term loans payable	77,682	23,495
Repayment of long-term loans payable	(8,621)	(13,288)
Repayment of finance lease obligations	-	(2,001)
Purchase of treasury stock	(503)	(1,184)
Cash dividends paid	(3,458)	(1,729)
Cash dividends paid to minority shareholders	(1,180)	(1,459)
Other, net	(18)	21
Net cash provided by (used in) financing activities	78,319	(2,839)
Effect of exchange rate change on cash and cash equivalents	(6,469)	1,090
Net increase (decrease) in cash and cash equivalents	43,328	10,721
Beginning cash and cash equivalents	38,779	82,107
Ending cash and cash equivalents	82,107	92,829

Notes Concerning the Going Concern Assumption  
None.

Significant Matters Concerning the Preparation of Consolidated Financial Statements

Item	FY 2008 (April 1, 2008 to March 31, 2009)	FY 2009 (April 1, 2009 to March 31, 2010)
Matters concerning accounting standards Accounting standards for significant reserves	Provision for retirement benefits  To provide for employees' retirement benefits, a provision for retirement benefits is stated based on projected retirement obligations and pension fund assets as of the balance sheet date. Prior service liabilities are recognized by the straight-line method over a period not exceeding the expected average remaining working life of employees (10 years) from the fiscal year when such liabilities are identified. Actuarial differences are recognized by the straight-line method over a period not exceeding the expected average remaining working life of employees (10 years) from the fiscal year following the fiscal year when each such difference is identified.	Provision for retirement benefits  Same as left.  (Change of accounting policy) The "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19; July 31, 2008) has been adopted from fiscal 2009. Since actuarial differences are amortized from the fiscal year following the fiscal year when such difference is identified, this change has no impact on operating income, ordinary income or income before income taxes and minority interests of fiscal 2009. The difference of retirement benefits liabilities arising out of this change and remaining unrecognized is 8,850 million yen.

Matters other than the accounting standard for provision for retirement benefits described above are not disclosed in this document, as there are no significant changes from the descriptions in the latest Securities Report submitted on June 25, 2009.

(Additional information)

- Abolishment of the directors' retirement benefits system

In order to provide for the payment of benefits to retiring directors, the Company and some consolidated subsidiaries had recorded necessary amounts of "provision for directors' retirement benefits" as calculated in accordance with their internal rules. However, it was resolved at the Company's board meeting on May 25, 2009 to abolish the directors' retirement benefits system. In addition, it was resolved at the ordinary general shareholders' meetings of the relevant companies held in June 2009 to cut off the calculation of retirement benefits to the incumbent directors at the end of the respective meetings. Since such retirement benefits are to be paid upon retirement of each director, an outstanding amount of 948 million yen is included in "Other" under "Non-current liabilities".

- Accounting of the "Employee Stock Ownership Plan Trust" employee incentive plan.

The NOK Group has introduced the Employee Stock Ownership Plan Trust (hereinafter "ESOP Trust") as an employee incentive plan in order to further encourage its employees to work with the sense of responsibility for improving NOK's business performance and stock price and enhance its corporate value from a middle- to long-term perspective.

Based on the US ESOP system, the ESOP Trust is a trust-type employee incentive plan which utilizes the framework of the Group's employee shareholding association and which is managed for the purpose of facilitating property accumulation of employees as part of the enhancement of the employee welfare package.

The Company set up a trust for employees who are the members of the Employee Stock Ownership Plan and also satisfy certain requirements. The trust acquired within a predetermined period a number of shares of the Company's stock expected to be acquired by the Employee Stock Ownership Plan for five years to come. These shares are to be sold to the Employee Stock Ownership Plan on a certain day of every month.

Since the Company guarantees the liabilities of the ESOP Trust, acquisition and disposal of the Company's stock is accounted for by regarding the Company and the ESOP Trust as one entity from a conservative viewpoint which puts emphasis on financial reality. Therefore, the Company's stock held by the ESOP Trust as well as the assets, liabilities and earnings of the ESOP Trust are included in the Company's consolidated balance sheet, consolidated statement of income and consolidated statement of changes in net assets. The ESOP Trust's holding of the Company's stock as of March 31, 2010 was 1,554,500 shares, equaling to 1,978 million yen.

[Notes to consolidated financial statements]

(Consolidated balance sheet)

FY 2008 (as of March 31, 2009)		FY 2009 (as of March 31, 2010)	
Assets pledged as security	6,433 million yen	Assets pledged as security	4,242 million yen
Secured liabilities corresponding to the above	3,023 million yen	Secured liabilities corresponding to the above	2,507 million yen
Amount discounted on notes receivable	336 million yen	Amount discounted on notes receivable	-
Notes endorsed for payment	209 million yen	Notes endorsed for payment	194 million yen
Unsettled transferred receivables	2,060 million yen	Unsettled transferred receivables	-

(Consolidated statement of income)

“Provision for business structure improvement” under extraordinary loss is the provision for possible expenses and loss relating to restructuring of the production structure for improving corporate strength.

(Consolidated statement of changes in net assets)  
FY 2008 (April 1, 2008 to March 31, 2009)

## 1. Matters concerning the type and total number of issued shares and the type and number of shares of treasury stock

	Number of shares at the beginning of the period	Increase during the period	Decrease during the period	Number of shares at the end of the period
Issued shares				
Common stock	173,138,537	-	-	173,138,537
Total	173,138,537	-	-	173,138,537
Treasury stock				
Common stock	207,757	21,846	7,400	222,203
Total	207,757	21,846	7,400	222,203

## Notes:

## 1. Breakdown of the increase of 21,846 shares of common stock in treasury is as follows:

Increase due to repurchase of shares consisting less than one trading unit: 1,574 shares

Portion of shares of treasury stock (the Company's stock) purchased by equity method affiliates which is attributable to the Company: 20,000 shares

Increase in the portion of shares of treasury stock (the Company's stock) owned by equity method affiliates which is attributable to the Company due to increase in the Company's equity in such affiliates: 272 shares

## 2. The decrease of 7,400 shares of common stock in treasury is the portion of shares of treasury stock (the Company's stock) sold by equity method affiliates which is attributable to the Company.

## 2. Matters concerning dividend payments

## (1) Dividend paid

Resolution	Type of shares	Total dividend cost (million yen)	Dividend per share (yen)	Record date	Payment date
Ordinary General Meeting of Shareholders held on June 27, 2008	Common stock	1,729	10	March 31, 2008	June 30, 2008
Meeting of the Board of Directors held on November 11, 2008	Common stock	1,729	10	September 30, 2008	December 5, 2008

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

Resolution	Type of shares	Total dividend cost (million yen)	Dividend resource	Dividend per share (yen)	Record date	Payment date
Ordinary General Meeting of Shareholders held on June 25, 2009	Common stock	864	Retained earnings	5	March 31, 2009	June 26, 2009

FY 2009 (April 1, 2009 to March 31, 2010)

## 1. Matters concerning the type and total number of issued shares and the type and number of shares of treasury stock

	Number of shares at the beginning of the period	Increase during the period	Decrease during the period	Number of shares at the end of the period
Issued shares				
Common stock	173,138,537	-	-	173,138,537
Total	173,138,537	-	-	173,138,537
Treasury stock				
Common stock	222,203	1,572,024	16,600	1,777,627
Total	222,203	1,572,024	16,600	1,777,627

Notes:

1. Breakdown of the increase of 1,572,024 shares of common stock in treasury is as follows:

Increase due to repurchase of shares consisting less than one trading unit: 924 shares

Increase due to purchase by the Employee Stock Ownership Plan Trust: 1,571,100 shares

2. The decrease of 16,600 shares of common stock in treasury is the sale of shares from the Employee Stock Ownership Plan Trust to the Employee Stock Ownership Plan.

## 2. Matters concerning dividend payments

## (1) Dividend paid

Resolution	Type of shares	Total dividend cost (million yen)	Dividend per share (yen)	Record date	Payment date
Ordinary General Meeting of Shareholders held on June 25, 2009	Common stock	865	5	March 31, 2009	June 26, 2009
Meeting of the Board of Directors held on October 19, 2009	Common stock	865	5	September 30, 2009	December 4, 2009

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

The following resolution is scheduled.

Resolution	Type of shares	Total dividend cost (million yen)	Dividend resource	Dividend per share (yen)	Record date	Payment date
Ordinary General Meeting of Shareholders to be held on June 25, 2010	Common stock	865	Retained earnings	5	March 31, 2010	June 28, 2010

## (Consolidated statement of cash flows)

FY 2008 (April 1, 2008 to March 31, 2009)		FY 2009 (April 1, 2009 to March 31, 2010)	
*1 Reconciliation between the balance of cash and cash equivalents at the end of the period and the figure of the account in the consolidated balance sheet		*1 Reconciliation between of the balance of cash and cash equivalents at the end of the period and the figure of the account in the consolidated balance sheet	
Cash and deposits	82,600 million yen	Cash and deposits	93,104 million yen
Time deposits with maturities exceeding 3 months	(492)	Time deposits with maturities exceeding 3 months	(275)
Cash and cash equivalents	82,107	Cash and cash equivalents	92,829

## (Securities)

## 1. Other securities with market value

(million yen)

Type of securities	FY 2008 (as of March 31, 2009)			FY 2009 (as of March 31, 2010)		
	Acquisition cost	Consolidated balance sheet amount	Unrealized gains	Acquisition cost	Consolidated balance sheet amount	Unrealized gains
Stocks	11,110	27,378	16,269	15,595	41,570	25,974
Total	11,110	27,378	16,269	15,595	41,570	25,974

## 2. Principal securities with no market value

(million yen)

	FY 2008 (as of March 31, 2009)	FY 2009 (as of March 31, 2010)
	Amount included in the consolidated balance sheet	Amount included in the consolidated balance sheet
(1) Securities held to maturity Unlisted bonds	-	505
(2) Available-for-sale securities: Unlisted stocks	105	83

(Tax-Effect Accounting)

(million yen)

FY 2008 (as of March 31, 2009)	FY 2009 (as of March 31, 2010)
1. Details of main accrual sources of deferred tax assets and deferred tax liabilities are as follows:	1. Details of main accrual sources of deferred tax assets and deferred tax liabilities are as follows:
Deferred tax assets	Deferred tax assets
Amount exceeding provision limit for doubtful accounts	Amount exceeding provision limit for doubtful accounts
384	458
Loss brought forward	Loss brought forward
3,677	5,598
Amount exceeding provision limit for bonuses	Amount exceeding provision limit for bonuses
1,858	1,969
Amount exceeding tax limit for depreciation	Amount exceeding tax limit for depreciation
3,164	2,998
Loss on valuation of investment securities	Loss on valuation of investment securities
454	372
Amount exceeding provision limit for retirement benefits	Amount exceeding provision limit for retirement benefits
17,855	17,603
Provision for directors' retirement benefits	Unrealized income
586	966
Unrealized income	Other
651	5,639
Other	Subtotal
3,047	35,605
Subtotal	Valuation allowance
31,680	(6,018)
Valuation allowance	Total
(3,473)	29,587
Total	
28,206	
Deferred tax liabilities	Deferred tax liabilities
Reserve for special depreciation	Reserve for special depreciation
190	138
Reserve for advanced depreciation of noncurrent assets	Reserve for advanced depreciation of noncurrent assets
474	467
Retained earnings of foreign affiliates	Retained earnings of foreign affiliates
4,861	5,413
Valuation difference on available-for-sale securities	Valuation difference on available-for-sale securities
6,643	10,393
Total	Total
12,169	16,412
Net deferred tax assets	Net deferred tax assets
16,036	13,174
(Note) Net deferred tax assets include following items of the consolidated balance sheet.	
Current assets - Deferred tax assets	Current assets - Deferred tax assets
4,239	4,565
Noncurrent assets - Deferred tax assets	Noncurrent assets - Deferred tax assets
12,433	8,889
Current liabilities - Other	Current liabilities - Other
55	49
Noncurrent liabilities - Other	Noncurrent liabilities - Other
580	230
2. Reconciliation between the statutory tax rate and the effective tax rate as a percentage of income before income taxes and minority interests is as follows:	
Statutory tax rate	Statutory tax rate
40.1%	40.1%
(Reconciliation items)	(Reconciliation items)
Permanent differences arising from nondeductible expenses such as entertainment expenses	Permanent differences arising from nondeductible expenses such as entertainment expenses
117.1	8.1
Per capita portion of inhabitant's tax	Per capita portion of inhabitant's tax
8.4	1.9
Different tax rates applied to foreign consolidated subsidiaries	Different tax rates applied to foreign consolidated subsidiaries
(23.4)	(63.3)
Equity in earnings of affiliates	Equity in earnings of affiliates
(51.6)	(9.0)
Retained earnings of foreign entities	Retained earnings of foreign entities
(439.2)	11.7
Valuation allowance	Valuation allowance
279.1	32.0
Other	Other
0.6	(0.8)
Effective tax rate after adopting tax-effect accounting	Effective tax rate after adopting tax-effect accounting
(68.9)	20.7

(Segment information)

a. Segment information by business category

FY 2008 (April 1, 2008 to March 31, 2009)

(million yen)

	Seal	FPC	Roll	Other	Total	Eliminations/ Corporate	Consolidated
I Sales and operating income (loss)							
Net sales:							
(1) Sales to external customers	246,666	169,803	37,002	13,221	466,694	—	466,694
(2) Inter-segment sales and transfers	3,244	1,582	—	1,343	6,170	(6,170)	—
Total	249,910	171,386	37,002	14,564	472,864	(6,170)	466,694
Operating expenses	245,642	167,324	38,162	14,292	465,422	(6,169)	459,252
Operating income (loss)	4,268	4,061	(1,159)	272	7,442	(0)	7,441
II Assets, depreciation, and capital expenditure							
Assets	227,553	139,462	29,917	7,048	403,982	105,789	509,772
Depreciation	26,429	11,858	2,220	431	40,939	—	40,939
Capital expenditure	35,171	19,859	2,445	139	57,616	—	57,616

Notes:

## 1. Method of categorizing businesses:

Businesses are categorized by product series and market similarities, based on the segmentation adopted for internal administration.

## 2. Main products of respective business categories:

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

3. Assets of the group companies included in Eliminations/Corporate is 111,742 million yen, of which the principal assets are cash and deposit, investment securities, and deferred tax assets, etc. of the Company.

## 4. Changes in accounting policies

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

The “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ PITF No. 18) has been adopted from fiscal year 2008. This resulted in operating income decreasing by 238 million yen in the Seal Business and 228 million yen in the FPC Business.

## 5. Additional information

Following the revision of the Corporate Tax Act effected in fiscal year 2008, the Company and its domestic consolidated subsidiaries have shortened the useful lives of machinery and equipment in accordance with the revised Corporate Tax Act. This resulted in operating income decreasing by 1,514 million yen in the Seal Business, 35 million yen in the FPC Business and 11 million yen in Other Businesses and operating loss of the Roll Business increasing by 41 million yen.

FY 2009 (April 1, 2009 through March 31, 2010)

(million yen)

	Seal	FPC	Roll	Other	Total	Eliminations/ Corporate	Consolidated
I Sales and operating income (loss)							
Net sales:							
(1) Sales to external customers	221,931	153,378	28,757	10,686	414,753	-	414,753
(2) Inter-segment sales and transfers	4,776	2,027		806	7,610	(7,610)	-
Total	226,708	155,405	28,757	11,492	422,364	(7,610)	414,753
Operating expenses	218,423	148,907	31,196	11,173	409,700	(7,602)	402,098
Operating income (loss)	8,285	6,498	(2,439)	319	12,663	(7)	12,655
II Assets, depreciation, and capital expenditure							
Assets	239,031	155,080	29,168	8,394	431,675	115,580	547,255
Depreciation	24,301	10,930	1,587	209	37,029	-	37,029
Capital expenditure	11,730	5,631	957	39	18,358	-	18,358

Notes:

## 1. Method of categorizing businesses:

Businesses are categorized by product series and market similarities, based on the segmentation adopted for internal administration.

## 2. Main products of respective business categories:

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

## 3. Assets of the entire company included in Eliminations/Corporate total 121,273 million yen, of which the principal assets are cash and deposits of the Company, investment securities, and deferred tax assets, etc.

## b. Segment information by location

FY 2008 (April 1, 2008 to March 31, 2009)

(million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
I Sales and operating income (loss)						
Net Sales:						
(1) Sales to external customers	275,932	177,202	13,559	466,694	—	466,694
(2) Inter-segment sales and transfers	43,689	35,191	1,003	79,884	(79,884)	—
Total	319,622	212,393	14,563	546,579	(79,884)	466,694
Operating expenses	322,221	202,624	14,742	539,588	(80,335)	459,252
Operating income (loss)	(2,598)	9,769	(179)	6,990	450	7,441
II Assets	277,636	156,175	20,449	454,261	55,511	509,772

## Notes:

- Countries and areas are classified by geographical proximity.
- Principal countries and areas belonging to above segments, except Japan, are as follows:
  - Asia ----- Singapore, Thailand, Taiwan, and China
  - Other areas ----- the United States and Germany
- Assets of the entire company included in Eliminations/Corporate total 111,742 million yen, of which the principal assets are cash and deposits of the Company, investment securities, and deferred tax assets, etc.
- Changes in accounting policies  
(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)  
 The “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ PITF No. 18) has been adopted from fiscal year 2008. This resulted in operating income for Asia decreasing by 466 million yen.
- Additional information  
 Following the revision of the Corporate Tax Act effected in fiscal year 2008, the Company and its domestic consolidated subsidiaries have shortened the useful lives of machinery and equipment in accordance with the revised Corporate Tax Act. This resulted in operating loss for Japan increasing by 1,603 million yen.

FY 2009 (April 1, 2009 through March 31, 2010)

(million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
I Sales and operating income (loss)						
Net Sales:						
(1) Sales to external customers	245,993	160,781	7,978	414,753	-	414,753
(2) Inter-segment sales and transfers	48,771	35,221	425	84,418	(84,418)	-
Total	294,765	196,003	8,403	499,172	(84,418)	414,753
Operating expenses	290,605	185,924	9,331	485,862	(83,764)	402,098
Operating income (loss)	4,159	10,078	(928)	13,310	(654)	12,655
II Assets	297,204	180,465	19,343	497,013	50,242	547,255

## Notes:

- Countries and areas are classified by geographical proximity.
- Principal countries and areas belonging to above segments, except Japan, are as follows:
  - Asia ----- Singapore, Thailand, Taiwan, and China
  - Other areas ----- the United States and Germany
- Assets of the entire company included in Eliminations/Corporate total 121,273 million yen, out of which the principal assets are cash and deposits of the Company, investment securities, and deferred tax assets, etc.

## c. Overseas sales

FY 2008 (April 1, 2008 to March 31, 2009)

	Asia	Other areas	Total
I Overseas sales (million yen)	193,234	25,350	218,584
II Consolidated sales (million yen)	—	—	466,694
III Percentage of overseas sales out of consolidated sales (%)	41.4	5.4	46.8

FY 2009 (April 1, 2009 to March 31, 2010)

	Asia	Other areas	Total
I Overseas sales (million yen)	175,432	18,044	193,476
II Consolidated sales (million yen)	—	—	414,753
III Percentage of overseas sales out of consolidated sales (%)	42.3	4.4	46.7

## Notes:

- Countries and areas are classified by geographical proximity.
- Principal countries and areas belonging to above segments, except Japan, are as follows:
  - Asia ----- Singapore, Thailand, Taiwan, and China
  - Other areas ----- the United States and Germany
- Overseas sales represent the sales in countries or areas other than Japan of NOK and its consolidated subsidiaries.

## (Per Share Information)

FY 2008 (April 1, 2008 to March 31, 2009)		FY 2009 (April 1, 2009 to March 31, 2010)	
Net assets per share:	1,308.90 yen	Net assets per share:	1,373.09 yen
Net income per share:	3.77 yen	Net income per share:	7.40 yen
Diluted net income per share is not shown as there are no residual securities.		Diluted net income per share is not shown as there are no residual securities.	

Note: The basis of the computation of net income per share is as shown below:

	FY 2008 (April 1, 2008 to March 31, 2009)	FY 2009 (April 1, 2009 to March 31, 2010)
Net income (million yen)	652	1,279
Amount not attributable to common stock (million yen)	—	—
Net income attributable to common stock (million yen)	652	1,279
Average number of shares during the period (1,000 shares)	172,919	172,767

## 5. Non-Consolidated Financial Statements

## (1) Non-Consolidated Balance Sheet

(million yen)

	FY 2008 (as of March 31, 2009)	FY 2009 (as of March 31, 2010)
<b>Assets</b>		
Current assets:		
Cash and deposits	60,060	60,720
Notes receivable-trade	12,732	19,478
Accounts receivable-trade	26,265	41,665
Finished goods	6,550	7,529
Work in process	742	798
Raw materials and supplies	2,147	2,048
Advance payments-trade	7	1
Prepaid expenses	60	63
Deferred tax assets	2,201	2,448
Short-term loans receivable from employees	116	130
Short-term loans receivable from subsidiaries and affiliates	10,413	9,599
Accounts receivable-other	3,241	5,533
Other	3,294	1,353
Allowance for doubtful accounts	(402)	(683)
Total current assets	127,430	150,686
Noncurrent assets		
Property, plant and equipment		
Buildings	34,794	36,685
Accumulated depreciation	(18,112)	(18,298)
Buildings, net	16,681	18,387
Structures	4,457	4,580
Accumulated depreciation	(2,692)	(2,752)
Structures, net	1,764	1,828
Machinery and equipment	76,640	76,455
Accumulated depreciation	(54,219)	(58,561)
Machinery and equipment, net	22,420	17,894
Vehicles	964	955
Accumulated depreciation	(752)	(787)
Vehicles, net	212	168
Tools, furniture and fixtures	24,870	24,016
Accumulated depreciation	(21,220)	(21,226)
Tools, furniture and fixtures, net	3,650	2,789
Land	6,138	6,111
Lease assets	37	37
Accumulated depreciation	(8)	(16)
Lease assets, net	29	21
Construction in progress	4,473	582
Total property, plant and equipment	55,371	47,783
Intangible assets		
Leasehold right	6	6
Other	47	47
Total intangible assets	54	53

(million yen)

	FY 2008 (as of March 31, 2009)	FY 2009 (as of March 31, 2010)
Investments and other assets		
Investment securities	26,654	41,433
Stocks of subsidiaries and affiliates	49,612	49,988
Investments in capital of subsidiaries and affiliates	11,258	11,690
Long-term loans receivable from employees	5,981	5,782
Long-term loans receivable from subsidiaries and affiliates	12,221	10,640
Long-term prepaid expenses	41	82
Deferred tax assets	10,596	6,919
Guarantee deposits	1,100	1,110
Other	1,121	1,134
Allowance for investment loss	(4,627)	(4,457)
Allowance for doubtful accounts	(2,071)	(1,315)
Total investments and other assets	111,890	123,009
Total noncurrent assets	167,315	170,846
Total Assets	294,746	321,533
Liabilities		
Current liabilities		
Accounts payable-trade	14,616	25,262
Short-term loans payable	19,504	17,250
Current portion of long-term loans payable	9,519	17,934
Accounts payable-other	3,910	3,062
Accrued expenses	1,101	1,281
Deposits received from employees	12,107	12,090
CMS deposits	11,061	16,481
Deposits received	209	207
Provision for bonuses	2,240	2,193
Provision for business structure improvement	877	1,656
Other	58	360
Total current liabilities	75,216	97,780
Noncurrent liabilities		
Long-term loans payable	69,013	72,510
Long-term guarantee deposits received	1,276	1,299
Provision for retirement benefits	30,272	29,203
Provision for directors' retirement benefits	623	-
Other	25	473
Total noncurrent liabilities	101,210	103,486
Total Liabilities	176,426	201,266

(million yen)

	FY 2008 (as of March 31, 2009)	FY 2009 (as of March 31, 2010)
Net Assets		
Shareholders' equity		
Capital stock	23,335	23,335
Capital surplus		
Legal capital surplus	20,397	20,397
Total capital surplus	20,397	20,397
Retained earnings		
Legal retained earnings	2,983	2,983
Other retained earnings		
Reserve for special depreciation	189	113
Reserve for advanced depreciation of noncurrent assets	1,070	1,070
General reserve	54,100	-
Retained earnings brought forward	6,516	58,724
Total retained earnings	64,859	62,891
Treasury stock	(141)	(2,121)
Total shareholders' equity	108,451	104,503
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	9,868	15,762
Total valuation and translation adjustments	9,868	15,762
Total Net Assets	118,320	120,266
Total Liabilities and Net Assets	294,746	321,533

## (2) Non-Consolidated Statement of Income

(million yen)

	FY 2008 (April 1, 2008 to March 31, 2009)	FY 2009 (April 1, 2009 to March 31, 2010)
Net sales	202,591	190,846
Cost of sales		
Beginning finished goods	7,154	6,550
Cost of products manufactured	119,542	116,644
Cost of purchased goods	52,974	47,538
Total	179,670	170,732
Ending finished goods	6,550	7,529
Cost of finished goods sold	173,120	163,203
Gross profit	29,471	27,642
Selling, general and administrative expenses		
Freightage expenses	6,635	5,872
Salaries and allowances	7,121	6,505
Provision for bonuses	636	639
Retirement benefit expenses	1,279	1,658
Welfare expenses	1,357	1,203
Research and development expenses	5,711	4,097
Depreciation	477	405
Rent expenses	1,712	1,769
Traveling and communication expenses	1,163	793
Other	2,685	2,448
Total selling, general and administrative expenses	28,781	25,393
Operating income	690	2,248
Non-operating income		
Interest income	471	616
Dividends income	3,020	790
Rent income	842	859
Other	493	473
Total non-operating income	4,827	2,739
Non-operating expenses		
Interest expenses	1,288	2,624
Loss on sales of notes payable	203	-
Foreign exchange losses	364	-
Provision for doubtful accounts	1,446	-
Other	116	601
Total non-operating expenses	3,419	3,225
Ordinary income	2,098	1,762

(million yen)

	FY 2008 (April 1, 2008 to March 31, 2009)	FY 2009 (April 1, 2009 to March 31, 2010)
Extraordinary income		
Gain on sale of noncurrent assets	35	26
Gain on sale of investment securities	27	-
Reversal of allowance for investment loss	-	170
Total extraordinary income	62	196
Extraordinary loss		
Loss on retirement of noncurrent assets	618	647
Loss on valuation of investment securities	906	-
Provision of allowance for investment loss	4,432	-
Provision for business structure improvement	877	1,542
Other	145	32
Total extraordinary loss	6,980	2,223
Loss before income taxes	(4,819)	(263)
Income taxes-current	60	259
Income taxes-deferred	(2,333)	(286)
Total income taxes	(2,273)	(26)
Net loss	(2,546)	(237)

## (3) Non-Consolidated Statement of Changes in Net Assets

(million yen)

	FY 2008 (April 1, 2008 to March 31, 2009)	FY 2009 (April 1, 2009 to March 31, 2010)
Shareholders' equity		
Capital stock		
Beginning balance	23,335	23,335
Changes of items during the period		
Total changes of items during the period	-	-
Ending balance	23,335	23,335
Capital surplus		
Legal capital surplus		
Beginning balance	20,397	20,397
Changes of items during the period		
Total changes of items during the period	-	-
Ending balance	20,397	20,397
Total capital surplus		
Beginning balance	20,397	20,397
Changes of items during the period		
Total changes of items during the period	-	-
Ending balance	20,397	20,397
Retained earnings		
Legal retained earnings		
Beginning balance	2,983	2,983
Changes of items during the period		
Total changes of items during the period	-	-
Ending balance	2,983	2,983
Other retained earnings		
Reserve for special depreciation		
Beginning balance	129	189
Changes of items during the period		
Provision of reserve for special depreciation	87	3
Reversal of reserve for special depreciation	(27)	(80)
Total changes of items during the period	59	(76)
Ending balance	189	113
Reserve for advanced depreciation of noncurrent assets		
Beginning balance	1,070	1,070
Changes of items during the period		
Total changes of items during the period	-	-
Ending balance	1,070	1,070
General reserve		
Beginning balance	46,600	54,100
Changes of items during the period		
Provision of general reserve	7,500	-
Reversal of general reserve	-	(54,100)
Total changes of items during the period	7,500	(54,100)

(million yen)

	FY 2008 (April 1, 2008 to March 31, 2009)	FY 2009 (April 1, 2009 to March 31, 2010)
Ending balance	54,100	-
Retained earnings brought forward		
Beginning balance	20,083	6,516
Changes of items during the period		
Dividends from surplus	(3,461)	(1,730)
Provision of reserve for special depreciation	(87)	(3)
Reversal of reserve for special depreciation	27	80
Provision of general reserve	(7,500)	-
Reversal of general reserve	-	54,100
Net loss	(2,546)	(237)
Total changes of items during the period	(13,567)	52,208
Ending balance	6,516	58,724
Total retained earnings		
Beginning balance	70,867	64,859
Changes of items during the period		
Dividends from surplus	(3,461)	(1,730)
Provision of reserve for special depreciation	-	-
Reversal of reserve for special depreciation	-	-
Provision of general reserve	-	-
Reversal of general reserve	-	-
Net loss	(2,546)	(237)
Total changes of items during the period	(6,007)	(1,967)
Ending balance	64,859	62,891
Treasury stock		
Beginning balance	(139)	(141)
Changes of items during the period		
Purchase of treasury stock	(1)	(2,001)
Disposal of treasury stock	-	21
Total changes of items during the period	(1)	(1,979)
Ending balance	(141)	(2,121)
Total shareholders' equity		
Beginning balance	114,460	108,451
Changes of items during the period		
Dividends from surplus	(3,461)	(1,730)
Net loss	(2,546)	(237)
Purchase of treasury stock	(1)	(2,001)
Disposal of treasury stock	-	21
Total changes of items during the period	(6,009)	(3,947)
Ending balance	108,451	104,503

## NOK Corporation (7240) Financial Summary for Fiscal 2009

(million yen)

	FY 2008 (April 1, 2008 to March 31, 2009)	FY 2009 (April 1, 2009 to March 31, 2010)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Beginning balance	17,941	9,868
Changes of items during the period		
Net changes of items other than shareholders' equity	(8,072)	5,893
Total changes of items during the period	(8,072)	5,893
Ending balance	9,868	15,762
Total valuation and translation adjustments		
Beginning balance	17,941	9,868
Changes of items during the period		
Net changes of items other than shareholders' equity	(8,072)	5,893
Total changes of items during the period	(8,072)	5,893
Ending balance	9,868	15,762
Total net assets		
Beginning balance	132,401	118,320
Changes of items during the period		
Dividends from surplus	(3,461)	(1,730)
Net loss	(2,546)	(237)
Purchase of treasury stock	(1)	(2,001)
Disposal of treasury stock	-	21
Net changes of items other than shareholders' equity	(8,072)	5,893
Total changes of items during the period	(14,081)	1,946
Ending balance	118,320	120,266

Notes Concerning the Going Concern Assumption  
None.

## 6. Other

- (1) Changes of officers
  - 1) Changes of representative directors  
None.
  - 2) Changes of other officers  
To be disclosed separately on a later date.