



NOK CORPORATION and Consolidated Subsidiaries

Consolidated Financial Results for Fiscal Year Ended March 31, 2011 (Japanese GAAP)

Date: May 13, 2011

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Scheduled date for the General Shareholders' Meeting: June 24, 2011
 Scheduled date for submission of the Securities Report: June 24, 2011
 Scheduled date for dividend payment: June 27, 2011
 Supplemental information for financial statements: None
 Schedule for "investor meeting presentation": None

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

1. Consolidated Business Results for Fiscal 2010 (April 1, 2010 to March 31, 2011)

(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 2010	498,932	20.3	35,134	177.6	32,426	212.9	16,685	—
FY 2009	414,753	(11.1)	12,655	70.1	10,363	67.8	1,279	96.1

Note: Comprehensive income: 9,933 million yen, (36.6) % (as of March 31, 2011); 15,677 million yen, —% (as of March 31, 2010)

	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 2010	97.29	—	7.0	6.0	7.0
FY 2009	7.40	—	0.6	2.0	3.1

Reference: Equity method investment profit: 3,321 million yen (as of March 31, 2011); (158) million yen (as of March 31, 2010)

(2) Consolidated financial position

	Total assets	Net assets	Capital ratio	Net assets per share
	million yen	million yen	%	yen
FY 2010	525,553	262,484	45.9	1,404.63
FY 2009	547,255	256,503	43.0	1,373.09

Reference: Shareholders' equity: 241,112 million yen (as of March 31, 2011); 235,294 million yen (as of March 31, 2010)

(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 2010	58,587	(24,231)	(39,358)	86,205
FY 2009	35,100	(22,630)	(2,839)	92,829

2. Dividends

	Dividend for the fiscal year					Total dividend (Annual)	Payout ratio (Consolidated)	Dividend to net assets (Consolidated)
	1Q-end	Interim	3Q-end	Final	Full year			
	yen	yen	yen	yen	yen	million yen	%	%
FY 2009	—	5.00	—	5.00	10.00	1,730	135.1	0.7
FY 2010	—	7.50	—	7.50	15.00	2,595	15.4	1.1
FY 2011 (Projection)	—	—	—	—	—	—	—	—

Note: The Company's Articles of Incorporation stipulates that the dates of record for dividend payment are the end of the second quarter and the fiscal year-end. However, the amount of dividend for FY 2011 is not yet determined.

3. Projection of Consolidated Financial Results for Fiscal 2011 (April 1, 2011 to March 31, 2012)

Due to the impact of the Great East Japan Earthquake which occurred on March 11, 2011, projections of consolidated financial results for FY 2011 were not available at the time of announcement of the financial results for FY 2010. The projections will be disclosed when available.

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) Changes in accounting principles, procedures and presentation, etc.

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 Concerning the Preparation of Consolidated Financial Statements” on page 14 in the attached material.

(3) Number of issued shares (common stock)

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

FY 2010	173,138,537 shares	FY 2009	173,138,537 shares
FY 2010	1,482,218 shares	FY 2009	1,777,627 shares
FY 2010	171,501,690 shares	FY 2009	172,767,118 shares

ii) Number of shares of treasury stock at the end of the period

iii) Average number of shares during the period

(Reference) Summary of Non-Consolidated Financial Results

1. Non-consolidated financial results for FY 2010 (April 1, 2010 to March 31, 2011)

(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 2010	228,828	19.9	12,030	434.9	13,129	644.7	8,143	–
FY 2009	190,846	(5.8)	2,248	225.7	1,762	(16.0)	(237)	–

	Net income per share	Diluted net income per share
	yen	yen
FY 2010	47.44	–
FY 2009	(1.37)	–

(2) Non-consolidated financial position

	Total assets	Net assets	Capital ratio	Net assets per share
	million yen	million yen	%	yen
FY 2010	308,554	125,340	40.6	729.56
FY 2009	321,533	120,266	37.4	701.23

Reference: Shareholders' equity: 125,340 million yen (as of March 31, 2011); 120,266 million yen (as of March 31, 2010)

* Audit procedures

This summary of the consolidated financial results for FY 2010 is not in conformity with the audit procedures as provided for under the Financial Instruments and Exchange Act. As of the date on which this summary of the consolidated financial results for FY 2010 were released as a flash report, the above-mentioned audit procedures were being implemented.

* Proper use of the projections for financial results, and other important matters:

1. Due to the impact of the Great East Japan Earthquake which occurred on March 11, 2011, projections of consolidated financial results for FY 2011 were not available at the time of announcement of the financial results for FY 2010. The projections will be disclosed when available.

With regard to matters concerning the projections of financial results, please see “Analysis of Operating Results” on page 2 in the attached material.

2. The year-end dividend for FY 2011 is yet to be determined at present. We will disclose the dividend projections as soon as they are determined.

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1. Operating Results

(1) Analysis of Operating Results

The Japanese economy in the current consolidated financial year maintained a modest recovery trend backed by strong demand mainly from emerging countries such as China as well as economic stimulus measures by the government among other factors. However, the economy slowed down in the second half of the fiscal year due to the contraction of domestic demand resulting from the termination of economic stimulus measures and unfavorable exchange rates from the continuing appreciation of the yen. On top of these, the Great East Japan Earthquake which occurred on March 11 plunged the economy into a state of uncertainty.

In the automobile industry, while domestic sales remained strong supported by the positive effect of the government subsidy for eco-friendly car purchases in the first half of the fiscal year, sales decreased in the second half due to the termination of the subsidy. Domestic vehicle production increased compared to the previous fiscal year on a full-year basis, despite a sharp decline in domestic production toward the end of the fiscal year as a result of the impact of the Great East Japan Earthquake. Meanwhile, overseas production and exports increased reflecting strong automobile sales in the U.S., China and Southeast Asia.

In the electronic equipment industry, demand for mobile phones (primarily, smart phones) and tablet PC increased. Sales of flat-screen televisions also grew on the back of last-minute purchases before the “eco-point” subsidy program was reduced.

In the business machine industry, with the modest recovery trend of the economy, demand for office equipment recovered in developed countries and Asian countries including China as well as other emerging nations and sales of copiers and other office equipment increased.

Under these circumstances, the operating results of the Group by business segment were as follows:

In the seal business, although sales to domestic automobile manufacturers remained strong on the back of the government’s measures to promote new car purchases in the first half of the fiscal year, sales were negatively affected in the second half by the decline in automobile sales due to the backlash as the measures were terminated. In addition, sales were also hit by the suspension of vehicle production by domestic automobile manufacturers due to the Great East Japan Earthquake. Meanwhile, overseas sales expanded steadily reflecting the recovery of demand in the U.S. automobile market as well as strong demand for automobiles in China, India, Thailand, etc. As a result, sales to automobile manufacturers increased on a full-year basis. Furthermore, sales to manufacturers of general industrial machinery expanded further on the back of a consistent growth in demand for construction machinery in emerging countries which continued from the previous fiscal year, among other factors.

As a result, sales rose to 270,568 million yen (up 21.9% year on year). Operating income jumped to 27.2 billion yen (up 228.3% year on year) due to increased sales and cost-cutting efforts, etc.

In the flexible printed circuit (FPC) business, sales increased to electronic equipment manufacturers reflecting a steady growth in production of smart phones and digital cameras, and to manufacturers of personal computers as a result of the rapid expansion of demand for tablet PCs.

As a result, sales reached 181,715 million yen (up 18.5% year on year). Operating income rose to 7,647 million yen (up 17.7% year on year) owing to increased sales and the effect of cost-cutting efforts, etc.

In the roll business, sales increased as a result of an upswing in capital expenditures for offices in the developed countries, as well as a strong demand for copiers in Asian countries such as China and other emerging nations, in line with the recovery of the global economy.

As a result, sales increased to 33,794 million yen (up 17.5% year on year). The operating loss of 573 million yen (compared with an operating loss of 2,439 million yen in the previous fiscal year) was a significant improvement over the previous year, which reflected factors including stronger sales and cost-cutting efforts.

In other businesses including specialty lubricants, sales rose to 12,854 million yen (up 20.3% year on year) on the back of the recovery of automobile production and capital expenditures. Operating income surged to 862 million yen (up 169.7% year on year), reflecting the increased sales and the effects of cost-reduction measures, etc.

Under these circumstances, consolidated net sales of the Group totaled 498,932 million yen (up 20.3% year on year). Operating income and ordinary income were 35,134 million yen (up 177.6% year on year) and 32,426 million yen (up 212.9% year on year), respectively. Net income amounted to 16,685 million yen (up 1,204.3% year on year).

In addition, the Group posted an extraordinary loss of 2,083 million yen resulting from losses related to the Great East Japan Earthquake. For further information, please see the “Announcement of Extraordinary Loss Related to the Great East Japan Earthquake” announced on May 13, 2011.

Projections of consolidated financial results for FY 2011 have yet to be determined as the calculation of appropriate projections is difficult at this point due to the impact of the Great East Japan Earthquake which occurred on March 11, 2011, including issues related to power supply and uncertainty surrounding the resumption of full-scale operations by our customers. We will disclose the projections as soon as they become available.

(2) Analysis of Financial Position

i. Assets, liabilities and net assets

Total assets as of March 31, 2011 equaled 525,553 million yen, a decrease of 21,702 million yen compared with the previous fiscal year-end. This mainly reflected a decline in property, plant and equipment as a result of reduced investment among other factors, in addition to a drop in the value of overseas assets when translated into yen due to the appreciation of the yen.

Total liabilities as of March 31, 2011 amounted to 263,069 million yen, a decrease of 27,683 million yen compared with the previous fiscal year-end. This was principally due to the repayment of short-term and long-term borrowings.

Net assets totaled 262,484 million yen as of March 31, 2011, an increase of 5,981 million yen compared with the previous fiscal year-end. This mainly reflected the increase in retained earnings resulting from higher net income in line with the recovery of business performance, despite a drop in foreign currency translation adjustment due to the appreciation of the yen.

ii. Cash flows

Cash and cash equivalents (hereinafter, "cash") as of the end of fiscal 2010 amounted to 86,205 million yen. This represented a decrease in cash of 6,623 million yen compared with the previous fiscal year-end. Cash flows during fiscal 2010 are summarized below.

[Cash flows from operating activities]

Net cash provided by operating activities totaled 58,587 million yen, a year-on-year increase of 23,486 million yen. This was principally because of higher income before income taxes and minority interests.

[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 24,231 million yen, an increase of 1.6 billion yen compared with the previous year.

[Cash flows from financing activities]

Net cash expended in financing activities amounted to 39,358 million yen, an increase of 36,518 million yen compared with a year earlier. This mainly reflected the repayment of short-term and long-term borrowings.

The trend of cash flow indicators is as follows:

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Capital ratio (%)	50.7	51.4	44.4	43.0	45.9
Market capitalization to total assets (%)	68.3	66.2	28.4	44.1	48.1
Interest-bearing liabilities to cash flow (annualized)	1.5	1.5	4.8	4.5	2.1
Interest coverage ratio (multiple)	24.2	21.1	11.2	8.8	17.1

Capital ratio = 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 excluding treasury stock.
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

As to dividend payment to our shareholders, it is our basic policy to continue a certain stable level of dividend corresponding to the medium- to long-term business performance. Meanwhile, saving a reasonable portion for internal reserve is also critical in preparation for our future business development and reinforcement of financial position. We will, therefore, determine the dividend by taking all these factors into consideration.

Taking into full consideration the aforementioned basic dividend distribution policy along with the level of net income for fiscal 2010, we propose to pay an annual dividend of 15 yen per share for fiscal 2010 (a 7.5-yen interim dividend plus a 7.5-yen term-end dividend).

Dividend projections for fiscal 2011 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.

2. 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) Medium- to Long-Term Management Strategies and Challenges

Future business prospects for the NOK Group are tinged with considerable uncertainty as the economic outlook is increasingly unclear due to the impact of the Great East Japan Earthquake, including unresolved issues related to power supply, concerns regarding steady procurement of raw materials from manufacturers in the disaster-affected areas and uncertainty surrounding the resumption of full-scale operations by customers. Currency fluctuations are likely to pose additional risks.

In the automobile industry, the market prospects remain uncertain; although the demand in emerging countries is likely to remain strong, it is difficult to predict the trend of domestic and overseas vehicle production due to the impact of the earthquake.

In the electronic equipment industry, while increased demand from manufacturers of smart phones, tablet PCs, etc., can be expected, there is a concern over further price erosion due to fiercer competition.

In the business machine industry, although demand for office equipment has picked up reflecting the recovery of the economy, existing trends will continue in terms of lower component prices and shrinkage of the market for replacement parts associated with rising durability.

Amid this uncertain and severe operating environment, the NOK Group has implemented a new three-year plan (FY 2011 to FY 2013) with the aim of achieving further sustainable growth.

All of us at NOK are intensely focused on executing the plan based on the following policies.

[Slogan]

“Building Foundations for Sustainable Growth”

— Ensuring Success in the Next Decade —

[Policies]

1. Improving global management capacity
2. Developing our people
3. Enhancing manufacturing competence
4. Achieving unrivalled quality
5. Sowing the seeds of new products to blossom in the next decade

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(million yen)

	FY 2009 (as of March 31, 2010)	FY 2010 (as of March 31, 2011)
Assets		
Current assets		
Cash and deposits	93,104	86,703
Notes and accounts receivable-trade	123,789	124,623
Merchandise and finished goods	17,262	18,654
Work in process	22,450	21,769
Raw materials and supplies	10,303	12,799
Deferred tax assets	4,565	5,705
Other	9,910	12,118
Allowance for doubtful accounts	(1,584)	(948)
Total current assets	279,801	281,426
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	134,740	131,584
Accumulated depreciation	(62,217)	(65,119)
Buildings and structures, net	72,523	66,465
Machinery, equipment and vehicles	232,426	227,655
Accumulated depreciation	(162,780)	(166,634)
Machinery, equipment and vehicles, net	69,646	61,020
Tools, furniture and fixtures	57,995	55,019
Accumulated depreciation	(47,878)	(46,272)
Tools, furniture and fixtures, net	10,117	8,746
Land	18,463	18,133
Lease assets	2,387	2,387
Accumulated depreciation	(948)	(989)
Lease assets, net	1,438	1,397
Construction in progress	1,550	1,363
Total property, plant and equipment	173,739	157,127
Intangible assets		
Goodwill	210	206
Other	1,240	1,108
Total intangible assets	1,450	1,314
Investments and other assets		
Investment securities	58,829	59,089
Long-term loans receivable from employees	7,443	7,116
Deferred tax assets	8,889	5,679
Other	17,384	14,020
Allowance for doubtful accounts	(284)	(220)
Total investments and other assets	92,263	85,685
Total noncurrent assets	267,454	244,127
Total assets	547,255	525,553

(million yen)

	FY 2009 (as of March 31, 2010)	FY 2010 (as of March 31, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	50,872	50,552
Short-term loans payable	63,793	46,659
Income taxes payable	1,815	5,339
Provision for bonuses	5,337	8,522
Provision for business structure improvement	3,715	346
Provision for loss on disaster	–	1,463
Deposits received from employees	15,893	16,046
Other	21,492	25,255
Total current liabilities	162,919	154,185
Noncurrent liabilities		
Long-term loans payable	78,414	58,885
Provision for retirement benefits	45,854	45,496
Other	3,564	4,501
Total noncurrent liabilities	127,832	108,883
Total liabilities	290,752	263,069
Net assets		
Shareholders' equity		
Capital stock	23,335	23,335
Capital surplus	22,450	22,450
Retained earnings	192,427	206,956
Treasury stock	(2,221)	(1,845)
Total shareholders' equity	235,992	250,897
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,613	14,228
Foreign currency translation adjustment	(16,311)	(24,012)
Total accumulated other comprehensive income	(698)	(9,784)
Minority interests	21,209	21,371
Total net assets	256,503	262,484
Total liabilities and net assets	547,255	525,553

(2) Consolidated Income Statement and Consolidated Comprehensive Income Statement
(Consolidated Income Statement)

(million yen)

	FY 2009 (April 1, 2009 to March 31, 2010)	FY 2010 (April 1, 2010 to March 31, 2011)
Net sales	414,753	498,932
Cost of sales	347,232	403,829
Gross profit	67,521	95,103
Selling, general and administrative expenses		
Freightage expenses	9,572	11,290
Salaries and allowances	14,958	16,161
Provision for bonuses	2,877	4,209
Retirement benefit expenses	2,457	2,549
Research and development expenses	6,433	6,375
Other	18,565	19,382
Total selling, general and administrative expenses	54,865	59,968
Operating income	12,655	35,134
Non-operating income		
Interest income	446	395
Dividends income	551	660
Equity in earnings of affiliates	–	3,321
Rent income	916	933
Other	1,325	1,357
Total non-operating income	3,241	6,669
Non-operating expenses		
Interest expenses	3,968	3,417
Foreign exchange losses	–	5,229
Equity in losses of affiliates	158	–
Other	1,406	730
Total non-operating expenses	5,533	9,377
Ordinary income	10,363	32,426
Extraordinary income		
Gain on sales of noncurrent assets	195	1,657
Gain on sales of investment securities	200	–
Reversal of provision for retirement benefits	100	–
Other	49	244
Total extraordinary income	546	1,901
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	2,118	719
Provision for business structure improvement	3,933	–
Loss on disaster	–	2,083
Other	127	583
Total extraordinary loss	6,178	3,386
Income before income taxes and minority interests	4,730	30,942
Income taxes-current	2,073	8,055
Income taxes-deferred	(1,095)	3,187
Total income taxes	977	11,243
Income before minority interests	–	19,698
Minority interests in income	2,473	3,012
Net income	1,279	16,685

(Consolidated Comprehensive Income Statement)

(million yen)

	FY 2009 (April 1, 2009 to March 31, 2010)	FY 2010 (April 1, 2010 to March 31, 2011)
Income before minority interests	–	19,698
Other comprehensive income		
Valuation difference on available-for-sale securities	–	(1,390)
Foreign currency translation adjustment	–	(6,713)
Share of other comprehensive income of associates accounted for using equity method	–	(1,661)
Total other comprehensive income	–	^{*2} (9,764)
Comprehensive income	–	^{*1} 9,933
(Detail)		
Comprehensive income attributable to owners of the parent	–	7,600
Comprehensive income attributable to minority interests	–	2,333

(3) Consolidated Statement of Changes in Net Assets

(million yen)

	FY 2009 (April 1, 2009 to March 31, 2010)	FY 2010 (April 1, 2010 to March 31, 2011)
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		
Beginning balance	22,450	22,450
Changes of items during the period		
Total changes of items during the period	–	–
Ending balance	22,450	22,450
Retained earnings		
Beginning balance	192,861	192,427
Changes of items during the period		
Dividends from surplus	(1,728)	(2,143)
Net income	1,279	16,685
Change of scope of equity method affiliates	–	(13)
Change of fiscal year etc. of equity method affiliates	15	–
Total changes of items during the period	(434)	14,529
Ending balance	192,427	206,956
Treasury stock		
Beginning balance	(241)	(2,221)
Changes of items during the period		
Purchase of treasury stock	(2,001)	(0)
Disposal of treasury stock	21	376
Total changes of items during the period	(1,979)	375
Ending balance	(2,221)	(1,845)
Total shareholders' equity		
Beginning balance	238,406	235,992
Changes of items during the period		
Dividends from surplus	(1,728)	(2,143)
Net income	1,279	16,685
Purchase of treasury stock	(2,001)	(0)
Disposal of treasury stock	21	376
Change of scope of equity method affiliates	–	(13)
Change of fiscal year etc. of equity method affiliates	15	–
Total changes of items during the period	(2,413)	14,904
Ending balance	235,992	250,897

	FY 2009 (April 1, 2009 to March 31, 2010)	FY 2010 (April 1, 2010 to March 31, 2011)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Beginning balance	9,580	15,613
Changes of items during the period		
Net changes of items other than shareholders' equity	6,032	(1,384)
Total changes of items during the period	6,032	(1,384)
Ending balance	15,613	14,228
Foreign currency translation adjustment		
Beginning balance	(21,656)	(16,311)
Changes of items during the period		
Net changes of items other than shareholders' equity	5,345	(7,701)
Total changes of items during the period	5,345	(7,701)
Ending balance	(16,311)	(24,012)
Total accumulated other comprehensive income		
Beginning balance	(12,076)	(698)
Changes of items during the period		
Net changes of items other than shareholders' equity	11,378	(9,085)
Total changes of items during the period	11,378	(9,085)
Ending balance	(698)	(9,784)
Minority interests		
Beginning balance	19,801	21,209
Changes of items during the period		
Net changes of items other than shareholders' equity	1,408	162
Total changes of items during the period	1,408	162
Ending balance	21,209	21,371
Total net assets		
Beginning balance	246,130	256,503
Changes of items during the period		
Dividends from surplus	(1,728)	(2,143)
Net income	1,279	16,685
Purchase of treasury stock	(2,001)	(0)
Disposal of treasury stock	21	376
Change of scope of equity method affiliates	-	(13)
Change of fiscal year etc. of equity method affiliates	15	-
Net changes of items other than shareholders' equity	12,786	(8,923)
Total changes of items during the period	10,372	5,981
Ending balance	256,503	262,484

(4) Consolidated Cash Flow Statement

(million yen)

	FY 2009 (April 1, 2009 to March 31, 2010)	FY 2010 (April 1, 2010 to March 31, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,730	30,942
Depreciation and amortization	37,029	33,666
Increase (decrease) in allowance for doubtful accounts	451	(1,134)
Increase (decrease) in provision for bonuses	572	3,204
Increase (decrease) in provision for retirement benefits	(645)	(218)
Increase (decrease) in provision for directors' retirement benefits	(1,332)	–
Increase (decrease) in provision for business structure improvement	1,756	(3,368)
Interest and dividends income	(998)	(1,056)
Interest expenses	3,968	3,417
Foreign exchange losses (gains)	892	1,472
Equity in (earnings) losses of affiliates	158	(3,321)
Amortization of goodwill	1,096	–
Loss (gain) on sales of investment securities	(189)	–
Loss (gain) on sales and retirement of property, plant and equipment	1,923	(860)
Decrease (increase) in notes and accounts receivable-trade	(34,873)	(6,674)
Decrease (increase) in inventories	(291)	(5,007)
Increase (decrease) in notes and accounts payable-trade	19,809	7,948
Increase (decrease) in notes discounted	(336)	–
Other, net	2,416	2,826
Subtotal	36,137	61,835
Interest and dividends income received	1,812	4,243
Interest expenses paid	(4,003)	(3,421)
Income taxes paid	(2,501)	(4,070)
Income taxes refund	3,656	–
Net cash provided by (used in) operating activities	35,100	58,587
Net cash provided by (used in) investment activities		
Decrease (increase) in time deposits	217	(233)
Purchase of investment securities	(5,263)	(2,409)
Proceeds from sales of investment securities	388	–
Purchase of investments in subsidiaries	(225)	–
Purchase of investments in capital of subsidiaries	–	(803)
Payments for investments in capital of subsidiaries and affiliates	(274)	–
Purchase of property, plant and equipment	(19,779)	(22,378)
Proceeds from sales of property, plant and equipment	2,409	1,728
Purchase of intangible assets	(125)	(132)
Other, net	21	(1)
Net cash provided by (used in) investment activities	(22,630)	(24,231)

(million yen)

	FY 2009 (April 1, 2009 to March 31, 2010)	FY 2010 (April 1, 2010 to March 31, 2011)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(6,692)	(15,037)
Proceeds from long-term loans payable	23,495	1,210
Repayment of long-term loans payable	(13,288)	(21,077)
Purchase of treasury stock	(2,001)	–
Repayment of finance lease obligations	(1,184)	(1,172)
Cash dividends paid	(1,729)	(2,144)
Cash dividends paid to minority shareholders	(1,459)	(1,513)
Other, net	21	375
Net cash provided by (used in) financing activities	(2,839)	(39,358)
Effect of exchange rate change on cash and cash equivalents	1,090	(1,621)
Net increase (decrease) in cash and cash equivalents	10,721	(6,623)
Cash and cash equivalents at beginning of period	82,107	92,829
Cash and cash equivalents at end of period	92,829	86,205

(5) Notes Concerning the Going Concern Assumption

None.

(6) Changes in Significant Matters Concerning the Preparation of Consolidated Financial Statements

(Application of Accounting Standard for Asset Retirement Obligations)

Effective from the current consolidated fiscal year, the Company has adopted the Accounting Standard for Asset Retirement Obligations (Accounting Standards Board of Japan (hereinafter, "ASBJ") Statement No. 18, March 31, 2008) and the Implementation Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, March 31, 2008).

As a result, operating income and ordinary income decreased by 4 million yen respectively, and income before income taxes fell 91 million yen.

Some of the NOK's domestic and overseas factories rent buildings and land, assuming obligations for restoring them to the original state when leaving the leased properties under the respective real property leasing agreements. However, we are unable to estimate a reasonable amount of asset retirement obligations as the lease period of the relevant properties is unclear, and no relocation of such factories is currently planned. Therefore, no amounts of asset retirement obligation corresponding to such obligations have been reported.

(Application of Accounting Standard for Business Combinations, etc.)

Effective from the current consolidated fiscal year, the Company has adopted the Accounting Standard for Business Combinations (ASBJ Statement No. 21, December 26, 2008), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, December 26, 2008), the Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No. 23, December 26, 2008), the Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7, December 26, 2008), the Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16, revised December 26, 2008), and the Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, December 26, 2008).

(7) Change in Presentation Method

(Consolidated Income Statement)

Effective from the current consolidated fiscal year, the Company has adopted the Cabinet Office Ordinance Partially Revising Regulation, etc., for Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No. 5, March 24, 2009) pursuant to the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, December 26, 2008) and included "Income before minority interests" in the consolidated income statement.

(8) Additional Information

Effective from the current consolidated fiscal year, the Company has adopted the Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, June 30, 2010). However, amounts included in "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" for the previous fiscal year are the amounts of "Valuation and translation adjustments" and "Total valuation and translation adjustments" respectively.

(9) Notes to Consolidated Financial Statements

(Statements of comprehensive income)

FY 2010 (April 1, 2010 to March 31, 2011)

*1 Comprehensive income for the latest consolidated fiscal year prior to the current consolidated fiscal year

Comprehensive income attributable to owners of the parent	12,657 million yen
Comprehensive income attributable to minority interests	3,019
Total	15,677

*2 Other comprehensive income for the latest consolidated fiscal year prior to the current consolidated fiscal year

Valuation difference on available-for-sale securities	6,003 million yen
Foreign currency translation adjustment	5,024
Share of other comprehensive income of associates accounted for using equity method	896
Total	11,924

(Segment Information)

a. Segment information by business category
FY 2009 (April 1, 2009 to 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/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 geographic area
FY 2009 (April 1, 2009 to 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/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 regions are classified by geographical proximity.
- Principal countries and regions belonging to above segments, except Japan, are as follows:
 - Asia: Singapore, Thailand, Taiwan and China
 - Other areas: 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 2009 (April 1, 2009 to March 31, 2010)

(million yen)

	Asia	Other areas	Total
I Overseas sales	175,432	18,044	193,476
II Consolidated sales	–	–	414,753
III Percentage of overseas sales in consolidated sales	42.3	4.4	46.7

Notes:

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

d. Segment information

FY 2010 (April 1, 2010 to March 31, 2011)

1. Outline of reportable segment information

NOK's reportable segments are constituents of NOK of which separate financial information is available, and the Board of Directors review on a regular basis in order to determine distribution of management resources and evaluate business results.

The NOK Group classifies business segments by taking into consideration the product series and the similarities of markets. Each department controlling the relevant segments establishes the comprehensive business strategies concerning the products and services to develop the respective business activities.

The businesses of the NOK Group consist of four reportable segments of "Seal business," "Flexible printed circuit (FPC) business," "Roll business" and "Other businesses."

In the "Seal business," NOK is the main company in the Group to manufacture and sell seal products for manufacturers of automobile, construction machinery and general industrial machinery. In the "FPC business," NIPPON MEKTRON, LTD. is the Group's leader in the manufacture and sale of electronic parts, etc. mainly for the electronic equipment industry. In the "Roll business," SYNZTEC CO., LTD. manufactures and sells roll products, etc. mainly for the office machine industry. In the "Other businesses," NOK and NOK KLUEBER CO., LTD. are Group leaders in the manufacture and sale of specialty lubricants, etc.

2. Calculation method for sales, income (loss), assets, liabilities and other items by reportable segment

Accounting method for reportable business segments is the same as what is described in "Changes in Significant Matters Concerning the Preparation of Consolidated Financial Statements."

Reportable segment income represents the amount of operating income.

Inter-segment sales and transfers are based on current market prices.

3. Information on sales, income (loss), assets, liabilities and other items by reportable segments (million yen)

	Reportable segments				Total	Adjustments (Note 1)	Amount included in the consolidated financial statement (Note 2)
	Seal	FPC	Roll	Other			
Sales							
Sales to external customers	270,568	181,715	33,794	12,854	498,932	-	498,932
Inter-segment sales/transfers	7,076	2,979	-	737	10,794	(10,794)	-
Total	277,645	184,695	33,794	13,591	509,726	(10,794)	498,932
Segment income (loss)	27,200	7,647	(573)	862	35,137	(2)	35,134
Segment assets	228,902	155,929	26,654	7,822	419,308	106,244	525,553
Other items							
Depreciation and amortization	21,722	10,335	1,450	158	33,666	-	33,666
Increase in property, plant and equipment and intangible assets	13,248	9,138	1,193	32	23,613	-	23,613

Notes:

1. Adjustments are as shown below:

(1) The amount of (2) million yen in Adjustments of segment loss represents the result of elimination in the inter-segment transactions.

(2) The amount of 106,244 million yen in Adjustments of segment assets includes 111,846 million yen in corporate assets which are not allocated to individual reportable segments and (5,602) million yen in offset elimination of inter-segment claims and debts.

2. Segment income (loss) is adjusted with operating income stated in consolidated income statements.

(Additional information)

Effective from the current consolidated fiscal year, the Company has adopted the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17, March 27, 2009) and the Implementation Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20, March 21, 2008).

The application above caused no change in the segment classification.

*Supplementary information

(Segment information by geographic area)

FY 2010 (April 1, 2010 to March 31, 2011)

(million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Sales						
(1) Sales to external customers	282,570	206,326	10,034	498,932	–	498,932
(2) Inter-segment sales/transfers	55,563	52,515	813	108,892	(108,892)	–
Total	338,134	258,842	10,848	607,825	(108,892)	498,932
Operating income	15,095	19,344	350	34,790	344	35,134

Notes:

1. Countries and regions are classified by geographical proximity.
2. Principal countries and regions belonging to above segments, except Japan, are as follows:
 - (1) Asia: Singapore, Thailand, Taiwan and China
 - (2) Other areas: United States and Germany

(Per Share Information)

FY 2009 (April 1, 2009 to March 31, 2010)		FY 2010 (April 1, 2010 to March 31, 2011)	
Net assets per share:	1,373.09 yen	Net assets per share:	1,404.63 yen
Net income per share:	7.40 yen	Net income per share:	97.29 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.	

Notes:

1. The basis of the computation of net assets per share is as shown below:

	FY 2009 (April 1, 2009 to March 31, 2010)	FY 2010 (April 1, 2010 to March 31, 2011)
Total net assets (million yen)	256,503	262,484
Deductions from total net assets (million yen)	21,209	21,371
(Minority interests)	[21,209]	[21,371]
Net assets at the end of current period attributable to common stock (million yen)	235,294	241,112
Number of shares at the end of current period (1,000 shares)	171,360	171,656

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

	FY 2009 (April 1, 2009 to March 31, 2010)	FY 2010 (April 1, 2010 to March 31, 2011)
Net income (million yen)	1,279	16,685
Amount not attributable to common stock (million yen)	-	-
Net income attributable to common stock (million yen)	1,279	16,685
Average number of shares during the period (1,000 shares)	172,767	171,501

3. Shares of the Company held by the Employee Stock Ownership Plan Trust (ESOP Trust) account have been deducted from the "Number of shares at the end of current period" and the "Average number of shares during the period."

(Significant subsequent events)

None.

(Omission of disclosure)

Notes to the Lease transactions, Derivative transactions, etc., have been omitted as the significance of disclosure in the summary of consolidated financial results is deemed immaterial.