



# NOK CORPORATION and Consolidated Subsidiaries

## Consolidated Financial Results for the First Quarter Ended June 30, 2011 (Japanese GAAP)

Date: August 1, 2011

Name of Listed Company: NOK Corporation  
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Scheduled date for submission of quarterly report: August 10, 2011  
 Scheduled date for dividend payment: —  
 Supplemental information for quarterly financial statements: None  
 Schedule for quarterly "investor meeting presentation": Yes

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

### 1. Consolidated Business Results for the First Quarter of Fiscal 2011 (April 1, 2011 to June 30, 2011)

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

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
1Q FY 2011	114,995	(4.4)	5,608	(47.0)	7,213	(26.6)	3,622	(34.4)
1Q FY 2010	120,297	54.3	10,584	—	9,825	—	5,524	—

Note: Comprehensive income: 7,368 million yen, 44.6% (as of June 30, 2011); 5,096 million yen, —% (as of June 30, 2010)

	Net income per share	Diluted net income per share
	yen	yen
1Q FY 2011	21.10	—
1Q FY 2010	32.23	—

### (2) Consolidated financial position

	Total assets	Net assets	Capital ratio
	million yen	million yen	%
1Q FY 2011	521,909	267,979	47.2
FY 2010	525,553	262,484	45.9

Reference: Shareholders' equity: 246,302 million yen (as of June 30, 2011); 241,112 million yen (as of March 31, 2011)

### 2. Dividends

	Dividend for the fiscal year				Full-year dividend
	1Q-end	Interim	3Q-end	Final	
FY 2010	—	7.50	—	7.50	15.00
FY 2011	—	—	—	—	—
FY 2011 (Projection)	—	—	—	—	—

Notes: 1. Adjustment to most-recently announced projections for dividends: None

2. 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)

(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
Half year	238,500	(4.3)	11,400	(38.8)	13,400	(22.7)	6,600	(33.6)	38.49
Full year	511,000	2.4	35,200	0.2	37,800	16.6	22,100	32.4	128.36

Note: Adjustment to most-recently announced projections for consolidated financial results: None

#### 4. Others

- (1) Changes in significant subsidiaries during the first three-month period of the consolidated fiscal year (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) Application of accounting treatments specific to the preparation of consolidated quarterly financial statements: Yes  
Note: For details, please see “Summary (other) information” on page 3 of the attached document.
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions
- i) Changes in accounting policies due to amendments to accounting standards, etc.: None
  - ii) Changes in accounting policies other than those described in i) above: None
  - iii) Changes in accounting estimates: None
  - iv) Restatement of revisions: None

(4) Number of issued shares (common stock)

- i) Number of issued shares at the end of the period (including treasury stock)
- ii) Number of shares of treasury stock at the end of the period
- iii) Average number of shares during the period (year to date)

1Q FY 2011	173,138,537 shares	FY 2010	173,138,537 shares
1Q FY 2011	1,373,625 shares	FY 2010	1,482,218 shares
1Q FY 2011	171,676,100 shares	1Q FY 2010	171,378,254 shares

\* Quarterly review procedures:

As of the date of release of this summary of quarterly financial results as a flash report, the quarterly review procedures as provided for under the Financial Instruments and Exchange Act were being implemented.

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

1. Forward-looking statements such as projections of future financial results and other descriptions concerning our future business included in this document are based on currently available information and certain assumptions that we consider as reasonable, and actual financial results may change significantly due to various factors.  
For assumptions, etc., used as the basis for the projections for financial results, please see “Qualitative information on consolidated financial projections” on page 3 of the attached document.

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

Table of Contents of Attached Document

1. Qualitative information on the consolidated operating results for the first quarter of FY 2011 .....	2
(1) Qualitative information concerning consolidated operating results .....	2
(2) Qualitative information on consolidated financial position .....	3
(3) Qualitative information on consolidated financial projections .....	3
2. Summary (other) information .....	3
(1) Accounting treatments specific to the preparation of consolidated quarterly financial statements .....	3
3. Consolidated Quarterly Financial Statements .....	4
(1) Consolidated Quarterly Balance Sheet .....	4
(2) Consolidated Quarterly Income Statement and Consolidated Quarterly Comprehensive Income Statement .....	6
Consolidated Quarterly Income Statement	
First-quarter period on a year-to-date basis .....	6
Consolidated Quarterly Comprehensive Income Statement	
First-quarter period on a year-to-date basis .....	7
(3) Notes Concerning the Going Concern Assumption .....	8
(4) Segment Information, etc. ....	8
(5) Notes on Significant Changes in the Amount of Shareholders' Equity .....	10

## 1. Qualitative information on the consolidated operating results for the first quarter of FY 2011

### (1) Qualitative information concerning consolidated operating results

During the first three months of the current consolidated fiscal year, the Japanese economy remained generally sluggish due to the wide-ranging impact of the Great East Japan Earthquake which occurred in March, including damage to production facilities and supply chain disruptions, despite signs of economic recovery backed by continued growth in emerging countries.

In the automobile industry, while supply chain disruptions due to the impact of the Great East Japan Earthquake caused a significant drop in vehicle production, the speed of recovery exceeded our initial forecast. However, the operational environment is tinged with considerable uncertainty as new issues arise, including the need for power saving measures, which became necessary as a result of the earthquake.

In the electronic equipment industry, while production of smartphones and tablet PCs increased on the back of soaring demand, production of electronic equipment such as digital cameras and PCs decreased as the procurement of electronic parts was interrupted owing to the impact of the earthquake.

In the business machine industry, production plunged due to factors including a decline in demand and supply chain disruptions due to the impact of the Great East Japan Earthquake.

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

In the seal business, sales to domestic automobile related manufacturers remained weak as a result of a significant drop in domestic production by automobile manufacturers due to the impact of the Great East Japan Earthquake. However, overseas sales increased reflecting robust automobile production in emerging countries, etc. Furthermore, sales to manufacturers of construction related machinery also expanded as production of construction machinery increased on the back of domestic demand related to the earthquake as well as infrastructure related demand mainly in emerging nations.

From the first quarter of the current consolidated fiscal year, the Precision Component Department, which is primarily in charge of production of plastic components for hard disc drives (HDD), has been transferred from NOK Corporation to Nippon Mektron, Ltd., a subsidiary of NOK. Consequently, the "flexible printed circuit (FPC) business," one of our reportable business segments, has been renamed the "electric device product (EDP) business." Regarding business results reporting, the precision component business, which was previously part of the seal business, is included in the EDP business. The comparison of business results with the previous consolidated fiscal year reflects the above transfer.

Sales decreased to 59,921 million yen (down 3.7% year on year). Operating income declined to 5,571 million yen (down 12.7% year on year) primarily due to decreased revenue, etc.

In the EDP business, while strong demand for smartphones and tablet PCs continued, revenue decreased slightly reflecting a decline in demand for PC equipment such as HDDs and optical pick-ups, and digital music players.

Sales declined to 44,103 million yen (down 5.8% year on year). Operating income decreased to 44 million yen (down 98.9% year on year) due to factors including an increase in administrative expenses, etc., and the influence of price fluctuations.

In the roll business, sales fell owing to a decline in the production of copiers, etc., and inventory adjustments due to the impact of the Great East Japan Earthquake.

Sales declined to 7,593 million yen (down 5.0% year on year). An operating loss of 303 million yen was recorded (compared with an operating loss of 89 million yen in the same period last year) owing to decreased revenue, etc.

In other businesses including specialty lubricants, sales rose to 3,378 million yen (up 2.7% year on year). Operating income jumped to 261 million yen (up 39.8% year on year).

In summary, operating results for the first three months of the current consolidated fiscal year were as follows: Net sales totaled 114,995 million yen (down 4.4% year on year); operating income dropped to 5,608 million yen (down 47.0% year on year); ordinary income was 7,213 million yen (down 26.6% year on year); and net income amounted to 3,622 million yen (down 34.4% year on year).

(2) Qualitative information on consolidated financial position

Total assets as of the end of the first quarter of the current consolidated fiscal year stood at 521,909 million yen, a decrease of 3,644 million yen from the end of the previous consolidated fiscal year. This was mainly attributable to a decline in cash and deposits resulting from the repayment of loans payable.

Liabilities dropped 9,139 million yen from March 31, 2011, to 253,929 million yen, mostly reflecting the repayment of loans payable.

Net assets totaled 267,979 million yen, an increase of 5,495 million yen compared with the end of the previous consolidated fiscal year, reflecting an increase in foreign currency translation adjustment due to exchange rate fluctuations and an increase in retained earnings as a result of a growth in net income for the first three-month period of the current consolidated fiscal year. Consequently, the ratio of shareholders' equity to total assets at the end of the first quarter stood at 47.2%.

(3) Qualitative information on consolidated financial projections

Although projections for the full-year business performance on a consolidated basis for FY 2011 have not been determined due to the impact of the Great East Japan Earthquake, the Company announced on July 20, 2011 that net sales and operating income are expected to remain unchanged from the previous consolidated fiscal year, reflecting factors including the early recovery of the automobile industry and strong overseas demand which is likely to continue and that ordinary income and net income are forecasted to increase from the year earlier as the loss on disaster which was recognized in the previous consolidated fiscal year will not be incurred in FY 2011.

## 2. Summary (other) information

(1) Accounting treatments specific to the preparation of consolidated quarterly financial statements

As to tax expenses, some consolidated subsidiaries calculate the amount by reasonably estimating an effective tax rate after applying tax effect accounting to income before income taxes for the consolidated fiscal year including the current first-quarter period, and multiplying income before income taxes for the current first-quarter period by the estimated effective tax rate.

**3. Consolidated Quarterly Financial Statements**

## (1) Consolidated Quarterly Balance Sheet

(million yen)

	FY 2010 (as of March 31, 2011)	1Q FY 2011 (as of June 30, 2011)
<b>Assets</b>		
Current assets		
Cash and deposits	86,703	83,588
Notes and accounts receivable-trade	124,623	123,229
Inventories	53,223	53,861
Other	17,823	16,993
Allowance for doubtful accounts	(948)	(624)
Total current assets	281,426	277,047
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	66,465	65,758
Machinery, equipment and vehicles, net	61,020	61,103
Other, net	29,641	30,204
Total property, plant and equipment	157,127	157,066
Intangible assets		
Goodwill	206	190
Other	1,108	1,110
Total intangible assets	1,314	1,300
Investments and other assets		
Investments securities	59,089	59,827
Other	26,816	26,919
Allowance for doubtful accounts	(220)	(253)
Total investments and other assets	85,685	86,494
Total noncurrent assets	244,127	244,861
Total assets	525,553	521,909

(million yen)

	FY 2010 (as of March 31, 2011)	1Q FY 2011 (as of June 30, 2011)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	50,552	50,953
Short-term loans payable	46,659	49,150
Income taxes payable	5,339	1,686
Provision for bonuses	8,522	5,661
Provision for business structure improvement	346	308
Provision for loss on disaster	1,463	1,224
Other	41,301	41,581
Total current liabilities	154,185	150,566
Noncurrent liabilities		
Long-term loans payable	58,885	53,355
Provision for retirement benefits	45,496	45,365
Other	4,501	4,641
Total noncurrent liabilities	108,883	130,362
Total liabilities	263,069	253,929
<b>Net assets</b>		
Shareholders' equity		
Capital stock	23,335	23,335
Capital surplus	22,450	22,450
Retained earnings	206,956	209,292
Treasury stock	(1,845)	(1,707)
Total shareholders' equity	250,897	253,370
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,228	14,129
Foreign currency translation adjustment	(24,012)	(21,196)
Total accumulated other comprehensive income	(9,784)	(7,067)
Minority interests	21,371	21,676
Total net assets	262,484	267,979
Total liabilities and net assets	525,553	521,909

(2) Consolidated Quarterly Income Statement and Consolidated Quarterly Comprehensive Income Statement  
 (Consolidated Quarterly Income Statement)  
 (First-quarter period on a year-to-date basis)

(million yen)

	1Q FY 2010 on a year-to-date basis (April 1, 2010 to June 30, 2010)	1Q FY 2011 on a year-to-date basis (April 1, 2011 to June 30, 2011)
Net sales	120,297	114,995
Cost of sales	95,557	93,727
Gross profit	24,739	21,267
Selling, general and administrative expenses	14,155	15,659
Operating income	10,584	5,608
Non-operating income		
Dividends income	272	339
Equity in earnings of affiliates	911	1,147
Other	768	1,114
Total non-operating income	1,952	2,601
Non-operating expenses		
Interest expenses	1,066	706
Foreign exchange losses	1,478	217
Other	166	72
Total non-operating expenses	2,711	995
Ordinary income	9,825	7,213
Extraordinary income		
Gain on sales of noncurrent assets	77	57
Other	179	22
Total extraordinary income	256	80
Extraordinary loss		
Loss on retirement of noncurrent assets	103	124
Other	326	41
Total extraordinary loss	430	166
Income before income taxes and minority interests	9,651	7,127
Income taxes	3,326	2,813
Income before minority interests	6,324	4,314
Minority interests in income	800	691
Net income	5,524	3,622

(Consolidated Quarterly Comprehensive Income Statement)  
 (First-quarter period on a year-to-date basis)

(million yen)

	1Q FY 2010 on a year-to-date basis (April 1, 2010 to June 30, 2010)	1Q FY 2011 on a year-to-date basis (April 1, 2011 to June 30, 2011)
Income before minority interests	6,324	4,314
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,104)	(108)
Foreign currency translation adjustment	3,207	2,458
Share of other comprehensive income of associates accounted for using equity method	(330)	704
Total other comprehensive income	(1,228)	3,054
Quarterly comprehensive income	5,096	7,368
(Detail)		
Quarterly comprehensive income attributable to owners of the parent	3,887	6,339
Quarterly comprehensive income attributable to minority interests	1,208	1,029

(3) Notes Concerning the Going Concern Assumption  
None.

(4) Segment Information, etc.  
(Segment information)

I 1Q FY 2010 (April 1, 2010 to June 30, 2010) (year-to-date basis)  
Information regarding sales and income (loss) by reportable segment

(million yen)

	Reportable segments				Total	Adjustments (Note 1)	Amount included in the consolidated quarterly financial statement (Note 2)
	Seal	FPC	Roll	Other			
Sales							
Sales to external customers	66,297	42,715	7,993	3,290	120,297	–	120,297
Inter-segment sales/transfers	1,673	687	–	164	2,525	[2,525]	–
Total	67,971	43,402	7,993	3,455	122,822	[2,525]	120,297
Segment income (loss)	7,728	2,765	(89)	186	10,591	(7)	10,584

Notes: 1. The amount of (7) million yen in Adjustments of segment loss represents the result of elimination in the inter-segment transactions.

2. Segment income (loss) is adjusted with operating income stated in the consolidated quarterly income statement.

II 1Q FY 2011 (April 1, 2011 to June 30, 2011) (year-to-date basis)  
Information regarding sales and income (loss) by reportable segment

(million yen)

	Reportable segments				Total	Adjustments (Note 1)	Amount included in the consolidated quarterly financial statement (Note 2)
	Seal	EDP	Roll	Other			
Sales							
Sales to external customers	59,921	44,103	7,593	3,378	114,995	–	114,995
Inter-segment sales/transfers	816	4	–	184	1,004	[1,004]	–
Total	60,737	44,107	7,593	3,562	116,000	[1,004]	114,995
Segment income (loss)	5,571	44	(303)	261	5,572	35	5,608

Notes: 1. The amount of 35 million yen in Adjustments of segment income represents the result of elimination in the inter-segment transactions.

2. Segment income (loss) is adjusted with operating income stated in the consolidated quarterly income statement.

3. As stated in the “Qualitative information on the consolidated operating results for the first quarter of FY 2011” on page 2, effective with the first quarter of the current consolidated fiscal year, the Precision Component Department, which is primarily in charge of the production of plastic components for hard disc drives (HDD), has been transferred from NOK Corporation to Nippon Mektron, Ltd., a subsidiary of NOK. In line with this, the “flexible printed circuit (FPC) business” has been renamed the “electric device product (EDP) business” in the Company’s reportable segment classification and operating results for the precision component business, which had been previously included in the “seal business,” has been resegmented and disclosed under the “EDP business.”

The following is the segment information for the first quarter of FY 2010 which is based on the reportable segment classification adopted in the first quarter of FY 2011.

	Reportable segments				Total	Adjustments	Amount included in the consolidated quarterly financial statement
	Seal	EDP	Roll	Other			
Sales							
Sales to external customers	62,213	46,799	7,993	3,290	120,297	–	120,297
Inter-segment sales/transfers	831	–	–	164	995	[995]	–
Total	63,044	46,799	7,993	3,455	121,292	[995]	120,297
Segment income (loss)	6,380	4,093	(89)	186	10,571	13	10,584

## \*Supplementary information

(Information by geographic area)

1Q FY 2011 (April 1, 2011 to June 30, 2011) (year-to-date basis)

(million yen)

	Japan	Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
<b>Sales</b>						
(1) Sales to external customers	60,386	51,943	2,666	114,995	—	114,995
(2) Inter-segment sales/transfers	12,687	11,454	231	24,373	[24,373]	—
<b>Total</b>	<b>73,073</b>	<b>63,397</b>	<b>2,898</b>	<b>139,369</b>	<b>[24,373]</b>	<b>114,995</b>
<b>Operating income</b>	<b>3,173</b>	<b>2,375</b>	<b>166</b>	<b>5,715</b>	<b>[107]</b>	<b>5,608</b>

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

(5) Notes on Significant Changes in the Amount of Shareholders' Equity  
None.