



NOK CORPORATION and Consolidated Subsidiaries

Consolidated Financial Results for the Six Months Ended September 30, 2011 (Japanese GAAP)

Date: November 10, 2011

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Scheduled date for submission of quarterly report: November 14, 2011
 Scheduled date for dividend payment: December 6, 2011
 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 Six Months of Fiscal 2011 (April 1, 2011 to September 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	%
2Q FY 2011	238,559	(4.2)	13,312	(28.5)	13,792	(20.4)	6,907	(30.6)
2Q FY 2010	249,130	40.5	18,613	-	17,324	-	9,946	-

Note: Comprehensive income: 3,535 million yen, 16.7% (as of September 30, 2011); 3,028 million yen, -% (as of September 30, 2010)

	Net income per share	Diluted net income per share
	yen	yen
2Q FY 2011	40.22	-
2Q FY 2010	58.02	-

(2) Consolidated financial position

	Total assets	Net assets	Capital ratio
	million yen	million yen	%
2Q FY 2011	520,346	264,330	46.6
FY 2010	525,553	262,484	45.9

Reference: Shareholders' equity: 242,388 million yen (as of September 30, 2011); 241,112 million yen (as of March 31, 2011)

2. Dividends

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

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

2. The Company's Articles of Incorporation stipulate that the date of record for dividend payment is the fiscal year-end. The amount of dividend payable has not yet been 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
Full year	494,600	(0.9)	28,100	(20.0)	29,400	(9.3)	15,800	(5.3)	91.97

Note: Adjustment to most-recently announced projections for consolidated financial results: Yes

4. Others

(1) Changes in significant subsidiaries during the first six-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)

2Q FY 2011	173,138,537 shares	FY 2010	173,138,537 shares
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ii) Number of shares of treasury stock at the end of the period

2Q FY 2011	1,310,925 shares	FY 2010	1,482,218 shares
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iii) Average number of shares during the period (year to date)

2Q FY 2011	171,733,258 shares	2Q FY 2010	171,427,214 shares
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* 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.

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

(1) Qualitative information concerning consolidated operating results

During the first six months of the current consolidated fiscal year, the outlook for the Japanese economy remained uncertain due to factors including financial instability in Europe, slowdown of the U.S. economy, and continued appreciation of the yen, despite rapid recovery from the supply chain disruptions resulting from the Great East Japan Earthquake which occurred in March 2011.

In the automobile industry, domestic vehicle production decreased substantially compared with the same period of the previous fiscal year reflecting a significant drop during the first half of the period, although production rebounded quickly from the supply chain disruptions resulting from the impact of the Great East Japan Earthquake. In overseas markets, while demand remained strong in emerging countries such as India, China, etc., there have been signs of demand slowing. As a result, overseas vehicle production remained at the same level as the previous fiscal year.

In the electronic equipment industry, demand remained strong for electronic equipment such as digital cameras and PCs, in addition to growing demand for smartphones and tablet PCs. Production also increased reflecting the progress of recovery after the Great East Japan Earthquake.

In the business machinery industry, production slowed down in the second half of the period due to a decline in sales of copiers owing to factors including economic conditions in Europe, despite a moderate upward trend after recovery from the impact of the Great East Japan Earthquake.

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

The Precision Component Department, which is primarily in charge of the production of plastic components for hard disc drives (HDD), was transferred from NOK Corporation to Nippon Mektron, Ltd., a subsidiary of NOK, at the beginning of the current consolidated fiscal year. 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.

In the seal business, sales decreased mainly due to the impact of production curtailment during the first quarter, although domestic automobile demand, which had been stagnant as a result of the impact of the Great East Japan Earthquake, rebounded during the second quarter. As a result, sales decreased to 125.917 billion yen (down 1.3% year on year). Operating income declined to 11.982 billion yen (down 2.7% year on year) due to the decrease in sales, etc.

In the EDP business, while sales increased on the back of strong demand for smartphones and tablet PCs, demand for conventional mobile phones remained weak both domestically and overseas. In addition, sales decreased reflecting a decline in demand for digital music players, etc., and rapid appreciation of the yen. As a result, sales declined to 90.855 billion yen (down 7.1% year on year). Operating income plunged to 1.186 billion yen (down 80.4% year on year) due to factors including the decrease in sales and the influence of exchange rate fluctuations.

In the roll business, sales dropped primarily due to the impact of the Great East Japan Earthquake, despite a recovery in demand for repair products. As a result, sales decreased to 15.125 billion yen (down 11.7% year on year). An operating loss of 345 million yen was recorded (compared with an operating loss of 197 million yen in the same period last year) owing to factors including decreased sales and the influence of exchange rate fluctuations.

In other businesses including specialty lubricants, sales rose to 6.66 billion yen (up 1.4% year on year) on the back of the recovery of demand for automobiles, etc., in spite of the impact of the Great East Japan Earthquake. Operating income jumped to 450 million yen (up 15.7% year on year) owing to increased revenue, etc.

In summary, operating results for the first six months of the current consolidated fiscal year were as follows: Net sales totaled 238.559 billion yen (down 4.2% year on year); operating income dropped to 13.312 billion yen (down 28.5% year on year); ordinary income was 13.792 billion yen (down 20.4% year on year); and net income amounted to 6.907 billion yen (down 30.6% year on year).

(2) Qualitative information on consolidated financial position

Total assets as of the end of the second quarter of the current consolidated fiscal year stood at 520.346 billion yen, a decrease of 5.207 billion 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 7.053 billion yen from March 31, 2011, to 256.015 billion yen, mostly reflecting the repayment of long-term loans payable.

Net assets totaled 264.33 billion yen, an increase of 1.846 billion yen compared with the end of the previous consolidated fiscal year, reflecting an increase in retained earnings as a result of a growth in net income for the first six-month period of the current consolidated fiscal year, in spite of a decrease in valuation difference on available-for-sale securities due to unfavorable stock market conditions. Consequently, the ratio of shareholders' equity to total assets at the end of the second quarter stood at 46.6%.

(3) Qualitative information on consolidated financial projections

Regarding projections for full-year business performance on a consolidated basis for FY 2011, the Company has revised the previous projections, as provided below, on the assumption that severe operating conditions will continue due to factors including the impact of the floods in Thailand, continued appreciation of the yen, and signs of slowdown of the global economy.

Revised projections for full-year consolidated financial results for FY 2011 (April 1, 2011 through March 31, 2012)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previously announced projection (A)	Million yen 511,000	Million yen 35,200	Million yen 37,800	Million yen 22,100	Yen 128.36
Revised projection (B)	494,600	28,100	29,400	15,800	91.97
Change (B-A)	(16,400)	(7,100)	(8,400)	(6,300)	-
Percentage change (%)	(3.2)	(20.2)	(22.2)	(28.5)	-
(Reference) Previous fiscal year (FY 2010)	498,932	35,134	32,426	16,685	97.29

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 second-quarter period, and multiplying income before income taxes for the current second-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)	2Q FY 2011 (as of September 30, 2011)
Assets		
Current assets		
Cash and deposits	86,703	77,598
Notes and accounts receivable-trade	124,623	129,301
Inventories	53,223	55,304
Other	17,823	21,672
Allowance for doubtful accounts	(948)	(801)
Total current assets	281,426	283,075
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	66,465	64,163
Machinery, equipment and vehicles, net	61,020	59,303
Other, net	29,641	30,700
Total property, plant and equipment	157,127	154,168
Intangible assets		
Goodwill	206	164
Other	1,108	1,092
Total intangible assets	1,314	1,257
Investments and other assets		
Investments securities	59,089	52,801
Other	26,816	29,287
Allowance for doubtful accounts	(220)	(243)
Total investments and other assets	85,685	81,844
Total noncurrent assets	244,127	237,270
Total assets	525,553	520,346

(million yen)

	FY 2010 (as of March 31, 2011)	2Q FY 2011 (as of September 30, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	50,552	51,942
Short-term loans payable	46,659	49,584
Income taxes payable	5,339	3,999
Provision for bonuses	8,522	9,426
Provision for business structure improvement	346	308
Provision for loss on disaster	1,463	857
Other	41,301	41,666
Total current liabilities	154,185	157,786
Noncurrent liabilities		
Long-term loans payable	58,885	48,754
Provision for retirement benefits	45,496	44,911
Other	4,501	4,563
Total noncurrent liabilities	108,883	98,229
Total liabilities	263,069	256,015
Net assets		
Shareholders' equity		
Capital stock	23,335	23,335
Capital surplus	22,450	22,450
Retained earnings	206,956	212,577
Treasury stock	(1,845)	(1,627)
Total shareholders' equity	250,897	256,735
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,228	9,904
Foreign currency translation adjustment	(24,012)	(24,251)
Total accumulated other comprehensive income	(9,784)	(14,347)
Minority interests	21,371	21,942
Total net assets	262,484	264,330
Total liabilities and net assets	525,553	520,346

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

	(million yen)	
	2Q FY 2010 on a year-to-date basis (April 1, 2010 to September 30, 2010)	2Q FY 2011 on a year-to-date basis (April 1, 2011 to September 30, 2011)
Net sales	249,130	238,559
Cost of sales	200,613	194,814
Gross profit	48,516	43,745
Selling, general and administrative expenses	29,902	30,432
Operating income	18,613	13,312
Non-operating income		
Dividends income	320	353
Equity in earnings of affiliates	2,016	1,833
Other	1,280	1,804
Total non-operating income	3,617	3,991
Non-operating expenses		
Interest expenses	1,840	1,346
Foreign exchange losses	2,732	1,988
Other	333	177
Total non-operating expenses	4,906	3,512
Ordinary income	17,324	13,792
Extraordinary income		
Gain on sales of noncurrent assets	99	90
Other	123	42
Total extraordinary income	222	132
Extraordinary loss		
Loss on retirement of noncurrent assets	334	194
Other	127	80
Total extraordinary loss	461	275
Income before income taxes and minority interests	17,084	13,650
Income taxes	5,377	5,400
Income before minority interests	11,707	8,249
Minority interests in income	1,761	1,341
Net income	9,946	6,907

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

	(million yen)	
	2Q FY 2010 on a year-to-date basis (April 1, 2010 to September 30, 2010)	2Q FY 2011 on a year-to-date basis (April 1, 2011 to September 30, 2011)
Income before minority interests	11,707	8,249
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,391)	(4,320)
Foreign currency translation adjustment	(3,591)	(474)
Share of other comprehensive income of associates accounted for using equity method	(1,695)	80
Total other comprehensive income	(8,678)	(4,713)
Quarterly comprehensive income	3,028	3,535
(Detail)		
Quarterly comprehensive income attributable to owners of the parent	1,672	2,209
Quarterly comprehensive income attributable to minority interests	1,356	1,326

(3) Notes Concerning the Going Concern Assumption
None.

(4) Segment Information

I 2Q FY 2010 (April 1, 2010 to September 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	135,156	90,267	17,139	6,565	249,130	-	249,130
Inter-segment sales/transfers	3,630	1,478	-	325	5,434	[5,434]	-
Total	138,787	91,746	17,139	6,891	254,564	[5,434]	249,130
Segment income (loss)	13,870	4,513	(197)	389	18,575	38	18,613

Notes: 1. The amount of 38 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.

II 2Q FY 2011 (April 1, 2011 to September 30, 2011) (year-to-date basis)

1. 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	125,917	90,855	15,125	6,660	238,559	–	238,559
Inter-segment sales/transfers	1,655	11	–	349	2,016	[2,016]	–
Total	127,572	90,867	15,125	7,010	240,576	[2,016]	238,559
Segment income (loss)	11,982	1,186	(345)	450	13,273	39	13,312

Notes: 1. The amount of 39 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.

2. Changes to reportable segments

As stated in the “Qualitative information on the consolidated operating results for the second quarter of FY 2011” on page 2, effective from 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), was 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 second quarter of FY 2010 which is based on the reportable segment classification adopted in the second quarter of FY 2011.

(million yen)

	Reportable segments				Total	Adjustments	Amount included in the consolidated quarterly financial statement
	Seal	EDP	Roll	Other			
Sales							
Sales to external customers	127,595	97,829	17,139	6,565	249,130	–	249,130
Inter-segment sales/transfers	1,585	–	–	325	1,911	[1,911]	–
Total	129,180	97,829	17,139	6,891	251,041	[1,911]	249,130
Segment income (loss)	12,310	6,063	(197)	389	18,566	47	18,613

(5) Notes on Significant Changes in the Amount of Shareholders’ Equity

None.