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Announcement concerning new management plans

Between FY 2001 and FY 2003 we pursued a three-year plan with the basic policy of strengthening our core businesses. We are pleased to announce that we have now formulated a new management plan which will provide the foundations for stable medium to long-term growth and profit-taking.

1. Slogan: Creating “Global and GI”.
2. Period: From FY 2004 (March 2005) to FY 2006 (March 2007).
3. Basic policies:
 - (1) Achieving global responses based around a reconstruction of the production system,
 - (2) Achieving global management through the use of new management indicators,
 - (3) The generation and utilization of human resources through the streamlining of indirect divisions,
 - (4) Nurturing “GI” in succession to AI, EI, seals and FPCs*.
4. Principal actions to be taken:
 - (1) Create a global production system by restructuring domestic plants and upgrading our overseas manufacturing bases,
 - (2) Improve the sales system to help strengthen global sales,
 - (3) Upgrading GI to form a third pillar enabling stable management,
 - (4) Clearly differentiate the sector by sector assets and profits of our Japanese, Chinese and Southeast Asian operations using the profitability of their business assets.

5. Target management figures (for FY 2006)

<u>Area</u>	<u>Consolidated figure</u>
Sales	¥480 billion
Operating profits	¥62 billion
Current term net profits	¥38 billion
ROA	8.7%
Capital investment (over three years)	¥106 billion

* “AI” is an acronym for the automobile industry; it refers here to our sales in that sector. “EI” is an acronym for the electronics industry; it refers here to our FPC sales in that sector. “Seals” refers to oil seals and O-rings etc. FPC is the acronym for flexible printed circuits. “GI” is commonly used to describe the general industrial machinery sector, i.e. industry not related to the automobile or electronics sectors. It refers here to our sales to that sector.

Whilst the above forecast of our future business performance takes into account current risk factors, please note that the actual figures may vary due to various causes including the states of the domestic and overseas economies, trends in the price of raw materials, trends in demand, competition with other companies, technological changes, and fluctuations in currency rates.