



March 7, 2005

To whom it may concern:

Company name: NOK Corporation

Representative: Masato Tsuru, President & CEO

Code number: 7240, 1st Section of Tokyo Stock Exchange

Contact: Kazuhiko Nakano, Department Manager, Corporate Planning Dept.

Telephone: 03-3434-1736

Notification of Stock Acquisition

NOK Corporation informs you that the company, at its meeting of the Board of Directors held on March 7, 2005, resolved to conclude the stock acquisition agreement described below and that it signed the agreement on the same day.

1. Counterparties of the agreement

(1) Japan Tobacco Inc., 2-2-1, Toranomom, Minato-ku, Tokyo

Representative: Katsuhiko Honda

(2) Japan Filter Technology, Ltd., 3-8-21, Toranomom, Minato-ku, Tokyo

Representative: Yoshihiro Kuno

2. Profile of the company whose stock is to be purchased by NOK

(1) Corporate name: Nitto Kogyo Co., Ltd., an unlisted JT Group company

(2) Representative: Koichi Kondo, Representative Director and President

(3) Address: 1-5-12, Shiba, Minato-ku, Tokyo

(4) Establishment: April 1921

(5) Outline of business: Manufacture and sale of elastic functional precision products, such as rollers, belts, tapes, etc. used in office automation equipment

(6) Closing date: March 31

(7) Capital: ¥400 million

(8) Outstanding shares: 200,000

(9) Shareholders:

| | | | |
|-------------------------------|---------------|---------------|--------|
| Japan Tobacco Inc.: | 35,858 | 17.93% | |
| Japan Filter Technology Ltd.: | 77,068 | 38.53% | 56.46% |
| (a JT Group company) | | | |
| <u>Other shareholders:</u> | <u>87,074</u> | <u>45.54%</u> | |
| Total | 200,000 | 100.00% | |

(10) Nitto Kogyo Group companies:

6 overseas and domestic companies, including Nittoh Industry (H.K.) Co., Ltd.

(11) Conditions and terms for stock purchase:

Purchase price: ¥45,000 per share

Shareholders holding more than 2/3 of the outstanding shares in Nitto Kogyo shall agree to transfer their holdings to NOK Corporation.

(12) Business performance (unconsolidated)

(In million yen)

| | FY 2003 |
|------------|---------|
| Sales | 18,661 |
| Net profit | 304 |

Reference: Nittoh Industry (H.K.) Co., Ltd.

(In million HK\$)

| | FY 2003 |
|------------|---------|
| Sales | 492 |
| Net profit | 35 |

(13) Number of employees (unconsolidated): 277

3. Scheduled date of stock acquisition

March 29, 2005

4. Purpose of stock acquisition

NOK Corporation plans to expand its business in general industrial machinery as its third core business, to continue stable growth, in addition to the current two main sectors, which are sealing products for the automobile industry and flexible printed circuits for the electronic equipment industry.

We acquired all of the shares of Hokushin Corporation in March 2004 in order to develop our third core business.

Like Hokushin Corp., Nitto Kogyo Co., Ltd. manufactures and sells elastic functional precision products for the office machinery market for such as copying machines and printers. However, Nitto

Kogyo has advantages in the business area that Hokushin does not.

The acquisition of some of the Nitto Kogyo shares will enable us to develop our operations aggressively in the business machine market.

5. Prospects

The effect of the stock acquisition on NOK revenues is expected to be insignificant.

We will later solicit the other shareholders to sell their Nitto Kogyo stock holdings to NOK Corporation at the same price.