

March 13, 2006

Shiba-Daimon 1-12-15, Minato-ku, Tokyo

NOK Corporation

Masato Tsuru, President

(Code Number: 7240)

Tokyo Stock Exchange, First Section

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Announcement of Separation of the Sales Division for FPC (Flexible Printed Circuit) Boards for Electronic Devices

We are pleased to announce that at the Board of Directors Meeting on March 13, 2006, we made a decision to move the Sales Division of FPC for Electronic Devices to Nippon Mektron Co., Ltd., a wholly-owned subsidiary of NOK, thus separating off the division from NOK (merging the division with Nippon Mektron), effective from October 1, 2006.

An outline of the decision to separate off the FPC business from NOK and merge it with Nippon Mektron is provided below.

We will announce the details of the separation as soon as they are determined at a subsequent Board of Directors Meeting.

1. Purpose of the Separation

FPC products sold by NOK are developed and produced by Nippon Mektron. Recently, the scale of the FPC business is expanding, and overseas production and sales of FPC products is increasing. On the other hand, the FPC business suffers from short-term fluctuations in demand in both the domestic and overseas markets, which are having a noticeable effect on our consolidated performance. This situation is likely to continue in the future, and the need for prompt global information exchange is expected to further increase.

Taking into account these characteristics of the FPC business, we decided to change the structure of the business operations and move sales operations for FPC Products for Electronic Devices, excluding those for automobiles and general industrial equipment (office equipment, medical equipment, etc.), to Nippon Mektron by merging the FPC Sales Division with Nippon Mektron.

This separation aims to enhance close liaison between the sales divisions to be transferred both in Japan and overseas and the development and production divisions, and to integrate them in order to provide speedy services and high-quality products to our customers.

2. Policy for the Separation

(1) The Sales Division at NOK for FPC Products for Electronic Devices will be separated off (merged with Nippon Mektron).

(2) The separation is scheduled for October 1, 2006.

(3) Outline of the company separating off the FCP product business

Business name	NOK Corporation
Location of Head Office	Shiba-Daimon 1-12-15, Minato-ku, Tokyo
Representative	Masato Tsuru, President
Capital	23,335 million yen
Description of business	Production and sales of seal products, sales of FPC products

(4) Outline of the company taking over the FCP product business

Business name	Nippon Mektron Co., Ltd.
Location of Head Office	Shiba-Daimon 1-12-15, Minato-ku, Tokyo
Representative	Shuji Ando, President
Capital	5,000 million yen
Description of business	Production and sales of FPC products

(5) Schedule for the Separation

Mid-May 2006	Approval of the separation agreement by the Board of Directors and signing of agreement
October 1, 2006	Date of separation
October 1, 2006	Effective date of separation
October 2, 2006	Date of registration of the separation

3. Effect of the Separation on the Performance of NOK

In terms of individual performance, sales and profits are expected to decrease after separating off the FPC business. We will announce the details at a later date. In terms of consolidated performance, no effect is expected on the consolidated performance because Nippon Mektron is a wholly-owned subsidiary of NOK.

Details of the separating off of the FPC business will be determined at a Board of Directors Meeting in the middle of May 2006. We will announce the details at the earliest date after the meeting.