



May 12, 2006

To whom it may concern:

Company name: NOK Corp.

Name of representative: Masato Tsuru, President and Member of the Board of Directors

Stock code: 7240, Tokyo Stock Exchange (1st section)

Inquiries: Kazuhiko Nakano, Manager, Corporate Planning (Tel: 03-3434-1736)

Announcement concerning the spin-off using the corporate split-up method of our sales unit responsible for the marketing of flexible printed circuits (FPCs) for use in electronic devices

Concerning the spin-off of our sales unit responsible for the marketing of FPCs for use in electronic devices, which we announced on March 13, 2006, we hereby announce that on May 12, 2006 the Board of Directors passed a resolution approving the corporate-split-up agreement, and determined that the sales unit would be transferred to wholly-owned subsidiary Nippon Mektron, Ltd. on October 1, 2006. Details of the split-up are as follows:

1. Purpose of the corporate split-up

Nippon Mektron develops and produces the FPC products sold by our company. The FPC business has expanded during the last few years, and overseas production and sales are increasing. However, the business is subject to large, short-term fluctuations in domestic and overseas demand, which has a significant impact on our consolidated financial results. We expect this situation to continue, and also anticipate that the deployment of global, cooperative systems for the exchange of information will become even more important.

In light of the characteristics of the business, we moved to reorganize our operations, which led to the decision to transfer the marketing of FPC products used in electronic devices to Nippon Mektron using the corporate split-up (absorption split-up) method. Our company will continue to market FPC products used in automobiles and general business and industrial equipment (office equipment, medical devices, etc.). The split-up is aimed at providing customers with a faster service and higher quality products, and we hope it will unify the business by significantly improving cooperation between the domestic and overseas sales departments being transferred and the development and production departments.

2. Key facts about the corporate split-up

(1) Split-up schedule

Meeting of board of directors to approve the corporate-split-up agreement:	May 12, 2006
Signing of the corporate-split-up agreement:	May 12, 2006
Date the split-up becomes effective:	Scheduled for October 1, 2006
Registration of the split-up:	Scheduled for October 2, 2006

(2) Split-up method

(a) Split-up method

This is an absorption split-up (simple split-up) in which our company is the spinning-off company and Nippon Mektron is the acquiring company.

(b) Reason for using this split-up method

We are using the above split-up method because it enables Nippon Mektron, which develops and produces FPC products for electronic devices, to take full control of the marketing of these products. We believe this integration of development, production, and sales will make the business more efficient.

(3) Allocation of shares

Because Nippon Mektron is a wholly-owned subsidiary of our company, the split-up will not involve the issuance of new shares.

(4) Transfer of money

The split-up will not involve the transfer of any money.

(5) Rights and obligations passing to the acquiring company

(a) Assets, liabilities, etc.

Unless otherwise specified in the corporate split-up agreement, the assets and liabilities belonging to the business and any rights, obligations, or contractual positions relating to it will pass from our company to Nippon Mektron.

Financial obligations will be transferred using the joint debt-underwriting method.

(b) Employment contracts

Employment contracts with employees whose work mainly involves the business will pass from our company to Nippon Mektron.

(6) Outlook concerning the performance of financial obligations

In view of the assets, liabilities, and net asset positions of our company and Nippon Mektron, we believe that all bona fide financial obligations will be honored.

3. Profile of the companies

(1) Company name	NOK Corp. (spinning-off company)	Nippon Mektron, Ltd. (acquiring company)
(2) Nature of business	Manufacture and marketing of seal products, marketing of FPC products	Manufacture and marketing of FPC products
(3) Date of foundation	December 2, 1939	November 5, 1969
(4) Location of headquarters	1-12-15, Shiba-Daimon, Minato-ku, Tokyo	1-12-15, Shiba-Daimon, Minato-ku, Tokyo
(5) Representative	Masato Tsuru, President and Member of the Board of Directors	Shuji Ando, President and Member of the Board of Directors
(6) Capital stock	23,335 million yen	5,000 million yen
(7) No. of shares outstanding	173.138 million shares	10 million shares
(8) Net assets	127,836 million yen	34,845 million yen
(9) Total assets	259,352 million yen	66,331 million yen
(10) Business-year end	March 31	March 31
(11) No. of employees	3,307	1,301
(12) Main customers	Toyota Motor Corp. Nissan Motor Co. Honda Motor Co. Matsushita Electric Industrial Co. Hitachi, Ltd. Sony Corp. Canon Inc.	NOK Corp.
(13) Major shareholders and their percentage stakes	Freudenberg Beteiligungs GmbH (22.3%) Japan Trustee Services Bank, Ltd. (8.5%, mutual fund accounts) The Chase Manhattan Bank, N.A. London (7.8%) Seiwa jisho Co., Ltd. (5.1%) The Master Trust Bank of Japan, Ltd. (4.7%, mutual fund accounts) The Dai-ichi Mutual Life Insurance Co. (4.6%) Toyota Motor Corp. (3.9%)	NOK Corp (100%)
(14) Main banks	Sumitomo Mitsui Banking Corp. Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ,	Same as left

	Ltd.	
(15) Relationships between the companies	Capital	The acquiring company is a wholly-owned subsidiary of the spinning-off company.
	Human	The spinning-off company sends directors to the board of the acquiring company.
	Business	The acquiring company's products are mainly sold through the spinning-off company.

Note: The above information was correct as of March 31, 2006.

(16) Business results for the last three years (in millions of yen)

Business year	NOK Corp. (spinning-off company)			Nippon Mektron, Ltd. (acquiring company)		
	Year ended March 2004	Year ended March 2005	Year ended March 2006	Year ended March 2004	Year ended March 2005	Year ended March 2006
Sales	266,985	275,360	273,813	79,482	74,790	66,357
Operating income	13,299	14,864	12,653	13,176	11,097	5,227
Ordinary income	13,699	15,374	15,186	13,294	12,702	8,410
Net income	7,475	16,276	10,426	8,017	8,594	6,328
Net income per share (yen)	43.75	93.54	59.78	797.33	855.17	628.01
Dividend per share (yen)	12.00	16.00	20.00	-	-	-
Net assets per share (yen)	546.23	627.83	738.19	1,994.70	2,848.98	3,479.66

4. Activities of the business unit being spun-off

(1) Activities of the business unit being spun off

Marketing of FPCs for electronic devices

(2) Business results for the year ended March 2006 for the sales unit responsible for the marketing of FPCs for use in electronic devices

	Results for the sales unit responsible for the marketing of FPCs for use in electronic devices (a)	Results for the entire company for the year ended March 2006 (b)	Percentage (a / b)
Sales	56,723 million yen	273,813 million yen	20.7%

(3) Breakdown and values of assets and liabilities being transferred (as of March 31, 2006)

Assets		Liabilities	
Account	Book value	Account	Book value
Current assets	1,116 million yen	Current liabilities	543 million yen
Long-term assets	476 million yen	Long-term liabilities	1,049 million yen
Total	1,592 million yen	Total	1,592 million yen

5. Our company after the split-up

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| (1) Company name: | NOK Corp. |
| (2) Nature of business: | Manufacture and marketing of seal products |
| (3) Location of headquarters: | 1-12-15, Shiba-Daimon, Minato-ku, Tokyo |
| (4) Representative: | Masato Tsuru, President and Member of the Board of Directors |
| (5) Capital stock: | 23,335 million yen |
| (6) Total assets: | 257,759 million yen (1,592 million yen) |
- Note: The figure in parentheses is the amount by which total assets are expected to decline following the split-up, and is based on figures on the balance sheet for March 31, 2006.
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|---------------------------------|--|
| (7) Business-year end: | March 31 |
| (8) Impact on business results: | As described in the full-year earnings forecast for the year ending March 2007 |

6. Outline of accounting treatment

This corporate split-up is classified as a jointly controlled transaction under the accounting standards for business combinations.

This corporate split-up will not lead to the creation of any goodwill.