

January 11, 2007

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 Merger of Subsidiaries

NOK Corporation announces that its board of directors resolved at a meeting held on January 11, 2007, to merge two of its subsidiaries, Hokushin Corporation and Nitto Kogyo Corporation.

1. Purpose of Merger

NOK bought out Hokushin in March 2004 and Nitto Kogyo in March 2005, and has been operating a roll business for office equipment, including copiers and printers, with the two subsidiaries as they are. Both companies share a common market in the office equipment industry. However, they are operating their businesses in relatively different areas with regard to the manufacturing infrastructure, technology infrastructure, functions of products, and parts used in their products.

Against this background, NOK decided to merge of the two subsidiaries, aiming at integrating the two business operations to bring wider product lines, new product development through technology integration, and improvement of manufacturing processes, as well as an appropriate division of items produced in Japan and overseas between the two companies and their business functions.

2. Summary of Merger

(1) Date of merger (effective date): April 1, 2007

(2) Method of merger: All functions will be absorbed into Nitto Kogyo.

3. Outline of Parties to Merger (as of March 31, 2006)

(1)Company name	Nitto Kogyo Corporation (Surviving company)	Hokushin Corporation (Company to be dissolved)
(2)Line of business	Production and sale of rollers and other products for office equipment	Production and sale of elastic precision functional parts
(3)Establishment	April 6, 1921	August 1, 1945
(4)Head office location	Shinagawa-ku, Tokyo	Tsurumi-ku, Yokohama City, Kanagawa Prefecture
(5)Representative	Koichi Kondo, President	Katsuyoshi Ichikawa, President
(6)Paid-in capital	¥400 million	¥310 million
(7)Number of shares outstanding	200,000 shares	2,710,000 shares
(8)Net assets	¥3,013 million	¥5,732 million
(9)Total assets	¥12,121 million	¥16,816 million
(10)Fiscal year end	March 31	March 31
(11)Number of employees	261	381
(12)Major customers	Canon Inc., Ricoh Co., Ltd., Fuji Xerox Co., Ltd., etc.	Oki Electric Industry Co., Ltd., Fuji Xerox Co., Ltd., Honda Motor Co., Ltd., Suzuki Motor Corp. etc.
(13)Principal shareholder and percentage of ownership	NOK Corporation,100%	NOK Corporation,100%
(14)Main banking relationships	Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corp.	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corp.
(15)Relations between parties to merger	Capital relations: None	
	Personnel relations: One person holds the position of director of the both companies.	
	Business relations: None	

(16)Business results for last three years

(Millions of yen, figures less than 1 million yen are disregarded)

Fiscal year ended	Nitto Kogyo Corporation			Hokushin Corporation		
	March 2004	March 2005	March 2006	March 2004	March 2005	March 2006
Net sales	18,661	17,691	15,396	6,092	25,511	24,771
Operating profit	774	1,022	497	297	882	476
Ordinary income	904	1,239	757	370	1,102	702
Net income	304	533	452	-543	250	441
Net income per share (yen)	1,523	2,668	2,132	-99	48	156
Dividend per share (yen)	160	-	-	-	-	-
Net asset per share (yen)	10,201	12,434	15,066	3,150	1,833	2,115

(Note: Figures for Hokushin for the fiscal year ended March 2004 represent data for an irregular three-month period.)

1. After Completion of Merger

- (1) Company name SHINGIITEKKU Co., Ltd.
- (2) Line of business Production and sale of rollers and other products for office equipment
- (3) Head office location Omori Bellport Building E 5F, 6-22-7 Minami Ohi, Shinagawa-ku, Tokyo
- (4) Representative Toshio Kawai, President
- (5) Paid-in capital ¥700 million
- (6) Total assets ¥28,500 million
- (7) Fiscal year end March 31

2. Other

This merger will have no significant impact on NOK's consolidated performance as it is a deal between its wholly owned subsidiaries.