

# FY2020 1st Half Results(from April 1, 2020 to September 30, 2020) Supplementary Data

October 30, 2020  
NGK INSULATORS, LTD.

[After consolidation elimination]  September Announcement  September Announcement

	FY2019 1st half		FY2020 1st half		YOY	FY2019 Year		FY2020 Year		YOY
	Results	Ratio	Results	Ratio		Results	Ratio	Forecast	Ratio	
Net Sales	¥ Bil. 219.8	100%	195.0 194.9	100%	-11%	¥ Bil. 442.0	100%	420.0 435.0	100%	-2%
<Overseas Sales>	<155.2>	71%	<136.2>	70%	-12%	<309.8>	70%	<300.0>	69%	-3%
Operating Income (%)	31.6 (14%)		10.0 11.6 (6%)		-63%	55.0 (12%)		33.0 42.0 (10%)		-24%
Energy Infrastructure Business *1	20.6	9%	20.0 19.1	10%	-7%	43.3	10%	43.0 43.0	10%	-1%
Operating Income (%)	-2.4 (-)		-2.5 -2.3 (-)		-	-4.9 (-)		-4.5 -4.5 (-)		-
Ceramics Business	128.2	58%	98.0 98.3	50%	-23%	251.8	57%	210.0 225.0	52%	-11%
Operating Income (%)	30.9 (24%)		6.0 6.6 (7%)		-79%	53.5 (21%)		25.0 33.0 (15%)		-38%
Electronics Business	28.3	13%	27.0 26.8	14%	-5%	55.4	13%	57.0 57.0	13%	+3%
Operating Income (%)	0.4 (1%)		0.5 0.6 (2%)		+53%	0.0 (0%)		1.5 2.0 (4%)		-
Process Technology Business	42.7	19%	50.0 50.7	26%	+19%	91.5	21%	110.0 110.0	25%	+20%
Operating Income (%)	2.7 (6%)		6.0 6.6 (13%)		+143%	6.4 (7%)		11.0 11.5 (10%)		+79%

\*1 FY2020 「Power Business」 was renamed 「Energy Infrastructure Business」

	Ratio		Ratio	YOY	Ratio		Ratio	YOY
Ordinary Income	29.7 (14%)	10.0 12.2 (6%)		-59%	52.0 (12%)	34.0 43.0 (10%)		-17%
Profit Attributable to Owners of Parent	21.2 (10%)	5.0 7.3 (4%)		-66%	27.1 (6%)	21.0 28.0 (6%)		+3%
R O E	-	-			5.8%	6.0%		
E P S	¥66.02	¥22.96			¥84.73	¥88.45		
Dividend (Dividend Payout Ratio)	¥25	¥10			¥50(59.0%)	¥30(33.9%)		

FX Rate(¥/USD)	109	107	109	106
FX Rate(¥/EUR)	121	121	121	118

Capital Expenditures	49.9	23%	29.0	15%	-42%	94.0	21%	58.0	13%	-38%
Depreciation Costs	18.9	9%	21.7	11%	+15%	39.6	9%	46.0	11%	+16%
R&D Expenses	10.6	5%	10.7	5%	+1%	22.9	5%	23.0	5%	+0%

## Key points for the first six months: Year-on-year decreases in sales and income (upward revision of income announced in September)

- ① Performance overview by business (sales/operating income)
- 【Energy Infrastructure】 Sales decreased, but the amount of loss was on a par with the same period last year.
    - Insulators: Smaller loss mainly due to cost reduction, despite weak domestic demand.
    - Energy Storage: Domestic and overseas shipments were at a low level.
  - 【Ceramics】 Decrease in sales and income
    - Automotive related: Significant decreases in sales and income due to globally weak vehicle sales although these sales and production are recovering in Chinese and other markets.
  - 【Electronics】 The amounts of sales decrease and income were on a par with the same period last year.
    - Metal related: Sales and income decreased due to weaker demand for in-vehicle products.
    - Package: Posted a sales decrease and loss due to weaker demand for packaged products against the backdrop of sluggish investments in mobile base stations.
  - 【Process Technology】 Increase in sales and income
    - HPC \*2: Sales and income increased thanks to rising demand driven mainly by growing investment in 3D NAND.
- ② Foreign Exchange: Sales -1.2 billion yen, Income -0.7 billion yen  
In the same period last year ¥109 → current year ¥107/USD, ¥121 → ¥121/EUR
- ③ Extraordinary Loss: 0.9 billion yen impairment loss for non-current assets (0.7 billion yen for packaged products, etc.)
- ④ Impact of COVID-19: Sales decrease: The annual amount\*3 affected by COVID-19 was mostly incurred in 1H. Cost reduction: About 60% achievement against the annual goal. \*3
- \*2 HPC...Ceramic for Semiconductor Manufacturing Equipment

## Key points of full-year outlook : Sales, operating income and ordinary income will decrease year on year, but profit will slightly increase (upward revision of sales and income announced in September)

- ① Performance overview by business (sales/operating income)
- 【Energy Infrastructure】 Sales and operating loss are on a par with last fiscal year.
    - Insulators: The amount of loss is expected to decrease mainly due to cost reduction amid continuously sluggish domestic demand.
    - Energy Storage: Poor performance without large global shipments. Losses are forecast to continue.
  - 【Ceramics】 Decrease in sales and income
    - Automotive related: Sales and income are forecast to decrease significantly, largely affected by lower sales of passenger cars and trucks although a recovery can be anticipated in 2H.
  - 【Electronics】 Increase in sales and income
    - Electric related: Sales and income are forecast to increase because demand for composite wafers used for high-performance filters will increase along with the progress of 5G, and demand for piezoceramic actuators for HDDs will also increase amid a recovery in data center investment.
  - 【Process Technology】 Increase in sales and income
    - HPC: Sales and income are forecast to increase as memory investment is showing a gradual recovery trend after having bottomed out in the FY ended March 2020.
    - Industrial Process: Sales are forecast to increase mainly due to progress in handling the deals for low-level radioactive waste disposal equipment.
- ② Foreign Exchange: Sales -5.0 billion yen, Income -1.4 billion yen  
• In the same period last year ¥109 → current year ¥106/USD, ¥121 → ¥118/EUR (Assumed exchange rates in 2H: ¥105/USD, ¥115/EUR)  
• Amount affected by an exchange rate fluctuation by ¥1 in 2H  
USD(Sales 0.6 billion yen, Income 0.2 billion yen)  
EUR(Sales 0.3 billion yen, Income -20 million yen)
- ③ Impact of COVID-19(\*3) Sales decrease...Sales -67.0 billion yen, Income -41.0 billion yen  
Cost reduction... Income 12.0 billion yen
- ④ Dividend Forecast: Resolved to pay an interim dividend of 10 yen per share. Scheduled to pay a year-end dividend of 20 yen per share (i.e. annual dividend of 30 yen per share).