

Consolidated Results for the First Quarter Ended June 30, 2007

July 27, 2007

Listing Name: NGK Insulators, Ltd.
 (URL: <http://www.ngk.co.jp/english/>)
 Code Number: 5333
 Stock Exchange Listings: Tokyo, Nagoya, Osaka and Sapporo
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1. Financial results for the three months ended June 30, 2007

(1) Consolidated operating results (Millions of Yen: Amounts less than ¥1 million have been omitted)

	Net sales		Operating income		Ordinary income	
	Millions of Yen	Percentage change (%)	Millions of Yen	Percentage change (%)	Millions of Yen	Percentage change (%)
Three months ended June 30, 2007	83,440	21.2	17,423	45.1	18,323	49.1
Three months ended June 30, 2006	68,820	20.6	12,004	65.0	12,291	71.5
Year ended March 31, 2007	320,119	—	52,017	—	50,318	—

	Net income		Net income per share (in ¥)	Diluted net income per share (in ¥)
	Millions of Yen	Percentage change (%)		
Three months ended June 30, 2007	11,123	52.2	33.00	32.97
Three months ended June 30, 2006	7,308	88.9	21.67	21.66
Year ended March 31, 2007	29,413	—	87.23	87.16

※The percentage figures represent the percentage of increase or decrease against the same period of the previous year.

(2) Consolidated financial position (Millions of Yen: Amounts less than ¥1 million have been omitted)

	Total assets	Net assets	Ratio of net worth to total assets (%)	Net assets per share (in ¥)
As of June 30, 2007	511,446	312,606	57.2	867.89
As of June 30, 2006	470,625	278,227	55.2	770.86
As of March 31, 2007	514,806	304,345	55.3	844.77

2. Forecast of consolidated financial results for the year ending March 31, 2008

(Millions of Yen: Amounts less than ¥1 million have been omitted)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (in ¥)
Six months ending September 30, 2007	173,000	32,000	32,000	18,500	54.87
Year ending March 31, 2008	362,000	65,000	65,000	38,500	114.19

※All predictions have been made considering data currently available to the company.

Therefore, discrepancies may occur between the actual and predicted outcomes according to circumstances.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen: Amounts less than ¥1 million have been omitted)

Accounts	Fiscal year	As of June 30, 2006	As of June 30, 2007 (A)	As of March 31, 2007 (B)	Increase / Decrease (A-B)
		Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Assets:					
I. Current assets:					
1. Cash and bank deposits		53,051	83,956	76,791	7,165
2. Notes and accounts receivable trade		58,828	74,922	84,856	(9,934)
3. Marketable securities		25,187	14,279	15,063	(784)
4. Inventories		68,321	71,309	70,140	1,169
5. Other currents assets		20,021	17,373	16,979	394
Total current assets		225,411	261,841	263,831	(1,990)
II. Fixed assets:					
1. Tangible assets		155,629	157,196	159,634	(2,437)
2. Intangible assets		5,038	3,847	3,658	188
3. Investments and other assets		84,546	88,561	87,681	879
Total fixed assets		245,214	249,605	250,974	(1,369)
Total assets		470,625	511,446	514,806	(3,359)
Liabilities:					
I. Current liabilities:					
1. Notes and accounts payable trade		30,806	29,768	37,125	(7,357)
2. Short-term borrowings		6,900	5,500	5,671	(170)
3. Current portion of long-term bonds payable		-	10,000	-	10,000
4. Other current liabilities		43,603	37,287	41,939	(4,651)
Total current liabilities		81,310	82,556	84,736	(2,179)
II. Long-term liabilities:					
1. Long-term bonds payable		10,000	-	10,000	(10,000)
2. Long-term borrowings		64,332	72,152	71,935	217
3. Other long-term liabilities		36,754	44,130	43,788	342
Total long-term liabilities		111,086	116,283	125,723	(9,440)
Total liabilities		192,397	198,840	210,460	(11,620)
Net assets:					
I. Shareholders' equity					
1. Common stock		69,849	69,849	69,849	-
2. Capital surplus		85,131	85,153	85,151	1
3. Retained earnings		106,494	134,478	126,387	8,091
4. Treasury stock		(14,970)	(15,330)	(15,202)	(128)
Total shareholders' equity		246,504	274,149	266,185	7,964
II. Valuation and translation adjustments					
1. Unrealized gain on available-for-sale securities		19,220	21,939	20,960	979
2. Loss on deferred hedges		(846)	(622)	(411)	(210)
3. Foreign currency translation adjustments		(4,913)	(2,946)	(1,965)	(980)
Total valuation and translation adjustments		13,460	18,371	18,583	(211)
III. Stock acquisition rights		-	231	231	-
IV. Minority interests		18,262	19,853	19,345	508
Total net assets		278,227	312,606	304,345	8,260
Total liabilities and net assets		470,625	511,446	514,806	(3,359)

(2) Consolidated Statements of Income

(Millions of Yen: Amounts less than ¥1 million have been omitted)

Accounts	Fiscal year	Three months ended June 30, 2006 (A)	Three months ended June 30, 2007 (B)	Increase / Decrease (B-A)		Year ended March 31, 2007
		Millions of Yen	Millions of Yen	Millions of Yen	Percentage change (%)	Millions of Yen
I. Sales		63,820	83,440	14,620	21.2	320,119
II. Cost of sales		44,721	53,276	8,555	19.1	217,499
Gross profit		24,099	30,164	6,065	25.2	102,620
III. Selling, general and administrative expenses		12,094	12,740	646	5.3	50,603
Operating income		12,004	17,423	5,419	45.1	52,017
IV. Non-operating income		998	2,448	1,450	145.2	2,922
V. Non-operating expenses		711	1,548	837	117.8	4,621
Ordinary income		12,291	18,323	6,032	49.1	50,318
VI. Extraordinary income		15	470	455	2,855.9	1,980
VII. Extraordinary loss		93	44	(49)	-52.2	978
Income before income taxes and minority interests		12,214	18,748	6,534	53.5	51,319
Income taxes		4,593	7,291	2,698	58.7	20,780
Minority interests		312	333	21	6.8	1,125
Net income		7,308	11,123	3,815	52.2	29,413

(3) Segment Information

Industry segments

Three months ended June 30, 2006

(Millions of Yen: Amounts less than ¥1 million have been omitted)

	Power	Ceramics	Electronics	Engineering	Total	Elimination or Corporate	Consolidated
Sales							
(1) Sales to customers	17,610	29,730	18,083	3,396	68,820	-	68,820
(2) Intersegment sales	-	26	194	-	221	(221)	-
Total	17,610	29,757	18,278	3,396	69,041	(221)	68,820
Operating expenses	15,709	22,125	14,463	4,745	57,043	(227)	56,816
Operating income (loss)	1,900	7,631	3,815	(1,348)	11,998	6	12,004

Notes: 1. The industry segments in the above table were categorized in consideration of internal corporate policies.

2. Main products by industry segment:

Industry Segment	
Power	Insulators, hardware for insulator assemblies, current limiting arching horn, bushing shells, fuse cut-puts, APM, line arrester and NAS (sodium-sulfur)-batteries
Ceramics	Automotive ceramics for exhaust gas purification, corrosion-resistant ceramic apparatus for chemical industries, gas analyzer, industrial heating systems and refractories
Electronics	Beryllium copper wrought products, molds and ceramic components for electronics and semiconductor manufacturing equipment
Engineering	Clear water / sewage treatment systems, water purification systems, melting furnace, noise-control systems and solid waste / radioactive waste treatment systems

Three months ended June 30, 2007

(Millions of Yen: Amounts less than ¥1 million have been omitted)

	Power	Ceramics	Electronics	Engineering	Total	Elimination or Corporate	Consolidated
Sales							
(1) Sales to customers	17,675	42,777	20,279	2,707	83,440	-	83,440
(2) Intersegment sales	435	105	396	-	936	(936)	-
Total	18,110	42,883	20,675	2,707	84,377	(936)	83,440
Operating expenses	16,015	31,161	16,436	3,349	66,963	(946)	66,016
Operating income (loss)	2,095	11,721	4,239	(641)	17,414	9	17,423

Notes: 1. The industry segments in the above table were categorized in consideration of internal corporate policies.

2. Main products by industry segment:

Industry Segment	
Power	Insulators, hardware for insulator assemblies, current limiting arching horn, bushing shells, fuse cut-puts, APM, line arrester and NAS (sodium-sulfur)-batteries
Ceramics	Automotive ceramics for exhaust gas purification, corrosion-resistant ceramic apparatus for chemical industries, gas analyzer, industrial heating systems and refractories
Electronics	Beryllium copper wrought products, molds and ceramic components for electronics and semiconductor manufacturing equipment
Engineering	Clear water / sewage treatment systems, water purification systems, melting furnace and solid waste / radioactive waste treatment systems

Year ended March 31, 2007

(Millions of Yen: Amounts less than ¥1 million have been omitted)

	Power	Ceramics	Electronics	Engineering	Total	Elimination or Corporate	Consolidated
Sales							
(1) Sales to customers	75,079	126,428	73,323	45,288	320,119	-	320,119
(2) Intersegment sales	134	119	1,043	-	1,298	(1,298)	-
Total	75,214	126,548	74,366	45,288	321,417	(1,298)	320,119
Operating expenses	68,802	95,519	61,289	43,834	269,445	(1,343)	268,102
Operating income	6,412	31,029	13,076	1,453	51,971	45	52,017

Notes: 1. The industry segments in the above table were categorized in consideration of internal corporate policies.

2. Main products by industry segment:

Industry Segment	
Power	Insulators, hardware for insulator assemblies, current limiting arching horn, bushing shells, fuse cut-puts, APM, line arrester and NAS (sodium-sulfur)-batteries
Ceramics	Automotive ceramics for exhaust gas purification, corrosion-resistant ceramic apparatus for chemical industries, gas analyzer, industrial heating systems and refractories
Electronics	Beryllium copper wrought products, molds and ceramic components for electronics and semiconductor manufacturing equipment
Engineering	Clear water / sewage treatment systems, water purification systems, melting furnace, noise-control systems and solid waste / radioactive waste treatment systems