



October 29, 2008

## Consolidated Financial Results for the Six Months Ended September 30, 2008

Company Name: NGK INSULATORS, LTD. URL: <http://www.ngk.co.jp/english/>  
 Listing Code: 5333  
 Stock Exchange Listings: Tokyo, Osaka, Nagoya and Sapporo  
 Representative: Shun Matsushita (Mr.)  
 President and Chief Executive Officer  
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 Vice President  
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Date for the filing of Quarterly Report "Shihanki Hokokusho" (Scheduled) : November 13, 2008

*Notes 1: The following summary of the business results that NGK INSULATORS, LTD. submitted to the Tokyo Stock Exchange has not been audited or reviewed by an independent auditor and for reference only.  
 2: All yen amounts are rounded down to the nearest million.*

### 1. Consolidated financial results for the six months ended September 30, 2008

Six months ended September 30,	(Millions of yen, except per share data and percentage)			
	2008		2007	
	Amount	Change (%)	Amount	Change (%)
Net Sales	152,332	-	173,694	21.1
Operating Income	28,984	-	34,937	58.7
Ordinary Income	28,868	-	35,315	68.3
Net Income	18,750	-	25,752	115.0
Net Income per share (Yen)	55.79		76.41	
Diluted net income per share (Yen)	55.72		76.33	

*Notes 1: The percentage figures represent the percentage of increase or decrease against the same period of the previous year.*

*2: The percentage changes in 2008 are not shown, because the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Standard No.12) is being newly applied from the current fiscal year.*

(2) Consolidated financial position	(Millions of yen, except per share data and percentage)	
	September 30, 2008	March 31, 2008
Total Assets	530,616	557,389
Total net assets	344,503	337,513
Ratio of net worth to total assets (%)	61.0	57.0
Net worth per share (Yen)	975.98	942.94

*Notes 1: Net worth used for the calculation is Total net assets excluding both Stock acquisition rights and Minority interests.*

*2: The net worth were ¥323,822 million and ¥317,594 million as of September 30, 2008 and March 31, 2008, respectively.*



## 2. Dividend payment

	2008	2007
Dividend payment per share (Yen)		
Interim	11.00	11.00
Year-end	11.00 (forecast)	11.00
Total (Full-year)	22.00 (forecast)	22.00

Note: Revision of cash dividend forecast in this second quarter - None.

## 3. Forecasts of consolidated financial results for the fiscal year ending March 31, 2009

(Millions of yen, except per share data and percentage)

April 1, 2008 - March 31, 2009	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (Yen)
Previous Forecast (A) (announced on September 19, 2008)	310,000	50,000	53,000	34,500	103.26
<b>Revised Forecast (B)</b>	<b>295,000</b>	<b>42,000</b>	<b>44,000</b>	<b>30,000</b>	<b>90.31</b>
Increase or Decrease (B - A)	(15,000)	(8,000)	(9,000)	(4,500)	-
Percentage of Increase or Decrease (%)	(4.8)	(16.0)	(17.0)	(13.0)	-
[For Reference] Results of Fiscal year 2007 (year ended March 31, 2008)	364,888	69,377	69,324	45,951	136.36

[For Reference] Non-consolidated

(Millions of yen, except per share data and percentage)

April 1, 2008 - March 31, 2009	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (Yen)
Previous Forecast (A) (announced on September 19, 2008)	205,000	24,500	28,500	16,500	49.39
<b>Revised Forecast (B)</b>	<b>192,000</b>	<b>18,000</b>	<b>21,000</b>	<b>12,000</b>	<b>36.12</b>
Increase or Decrease (B - A)	(13,000)	(6,500)	(7,500)	(4,500)	-
Percentage of Increase or Decrease (%)	(6.3)	(26.5)	(26.3)	(27.3)	-
[For Reference] Results of Fiscal year 2007 (year ended March 31, 2008)	217,128	36,589	37,680	22,646	67.19

### - Forward Looking Statement -

The above section contains forward-looking statements that were based on management's expectations, estimates, projections and assumptions that were available and reasonable at the date of the release of the forecast on October 29, 2008. Actual future results and trends may differ materially from what is the forecast in forward-looking statements due to a variety of factors.



#### 4. Notes

- (1) Significant changes in subsidiaries during this period (changes in specified subsidiaries, "tokutei kogaisha" defined in the "Cabinet Office Ordinance on Disclosure of Corporate Information, etc.", involving a change of the scope of consolidation during this period) : None
- (2) Adoption of simplified accounting methods or special accounting methods for preparing quarterly consolidated financial statements : Yes
- (3) Changes of accounting principles, procedures and presentation when preparing quarterly consolidated financial statements (changes in major basic items for preparing quarterly consolidated financial statements)
- . Changes due to revisions of accounting standards : Yes
  - . Changes other than the above ( ) : None

(4) Number of shares outstanding (Common Shares)

	<u>September 30, 2008</u>	<u>March 31, 2008</u>
Number of shares outstanding at period end including treasury stocks	337,560,196	337,560,196
Number of treasury stocks at period end	5,768,000	748,140
<u>Six months ended September 30,</u>	<u>2008</u>	<u>2007</u>
Average number of shares outstanding over period	336,087,230	337,041,864



## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	September 30, 2008	March 31, 2008
<b>Assets</b>		
Current assets		
Cash and bank deposits	78,684	63,854
Notes and accounts receivable trade	66,184	81,955
Marketable securities	27,695	68,916
Inventories	82,652	77,237
Other	18,098	21,197
Allowance for doubtful accounts	(192)	(189)
<b>Total current assets</b>	<b>273,123</b>	<b>312,972</b>
Non-current assets		
Tangible assets		
Buildings and structures	51,405	51,884
Machinery and vehicles	71,402	75,393
Other	37,199	29,973
<b>Total tangible assets</b>	<b>160,007</b>	<b>157,251</b>
Intangible assets	2,234	3,115
Investments and other assets		
Investment securities	58,810	50,390
Other	36,776	34,014
Allowance for doubtful accounts	(334)	(354)
<b>Total investments and other assets</b>	<b>95,251</b>	<b>84,051</b>
<b>Total non-current assets</b>	<b>257,493</b>	<b>244,417</b>
<b>Total assets</b>	<b>530,616</b>	<b>557,389</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable trade	28,425	37,709
Short-term borrowings	4,771	3,508
Current portion of long-term bonds payable	-	10,000
Current portion of long-term borrowings	35,864	13,327
Income taxes payable	6,046	15,743
Provisions	2,578	2,999
Other	25,514	30,303
<b>Total current liabilities</b>	<b>103,200</b>	<b>113,592</b>
Long-term liabilities		
Long-term borrowings	38,000	61,026
Liability for employees' retirement benefits	16,630	18,937
Provisions	430	671
Other	27,851	25,647
<b>Total long-term liabilities</b>	<b>82,912</b>	<b>106,283</b>
<b>Total liabilities</b>	<b>186,113</b>	<b>219,875</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	69,849	69,849
Capital surplus	85,149	85,135
Retained earnings	167,531	150,400
Treasury stock	(8,362)	(598)
<b>Total shareholders' equity</b>	<b>314,167</b>	<b>304,786</b>
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	10,308	12,535
Deferred loss on derivatives under hedge accounting	(269)	(4)
Foreign currency translation adjustments	(384)	277
<b>Total valuation and translation adjustments</b>	<b>9,654</b>	<b>12,807</b>
Stock acquisition rights	532	458
Minority interests	20,148	19,460
<b>Total net assets</b>	<b>344,503</b>	<b>337,513</b>
<b>Total liabilities and net assets</b>	<b>530,616</b>	<b>557,389</b>

**(2) Consolidated Statements of Income**

(Millions of yen)

**Six months ended September 30, 2008  
(April 1 - September 30, 2008)**

<b>Net sales</b>	<b>152,332</b>
Cost of sales	98,873
<b>Gross profit</b>	<b>53,459</b>
Selling, general and administrative expenses	24,474
<b>Operating income</b>	<b>28,984</b>
<b>Non-operating income</b>	<b>3,894</b>
Interest income	1,614
Dividend income	394
Gain on evaluation of derivative	1,105
Other	779
<b>Non-operating expenses</b>	<b>4,011</b>
Interest expense	1,185
Foreign Exchange	1,106
Equity in loss of unconsolidated subsidiaries and associated companies	981
Other	738
<b>Ordinary income</b>	<b>28,868</b>
<b>Extraordinary income</b>	<b>33</b>
Gain on sales of fixed assets	33
<b>Extraordinary loss</b>	<b>345</b>
Loss on sales and disposals of fixed assets	345
<b>Income before income taxes and minority interests</b>	<b>28,557</b>
<b>Income taxes - total</b>	<b>9,394</b>
Income taxes -current	7,075
Income taxes -deferred	2,318
<b>Minority interests in net income</b>	<b>412</b>
<b>Net income</b>	<b>18,750</b>

## 6. Segment Information

### [Business segments]

Six months ended September 30, 2008

(Millions of yen)

	Power	Ceramics	Electronics	Total	Elimination or Corporate	Consolidated
Sales						
Sales to customers	36,120	79,684	36,527	152,332	-	152,332
Intersegment sales	18	8	-	27	(27)	-
Total sales	36,139	79,692	36,527	152,359	(27)	152,332
Operating income	3,086	19,783	6,102	28,973	11	28,984

Notes: Main products by business segment

Business Segment	Main products
Power	Insulators, hardware for insulator assemblies, current limiting arching horn, bushing shells, fuse cut-outs, APM, line arrester and NAS (sodium-sulfur) batteries
Ceramics	Automotive ceramics for exhaust gas purification, corrosion-resistant ceramic apparatuses for chemical industries, gas analyzer, industrial heating systems, refractory products and radioactive waste treatment systems
Electronics	Beryllium copper wrought products, molds and ceramic components for electronics and semiconductor manufacturing equipment

Note: The "engineering Segment" mentioned previously as a segment of NGK group ceased to be a segment of NGK group from the first quarter of the fiscal year ending March 31, 2009, because of the exclusion from the scope of consolidation of consolidated subsidiary NGK Water Environment Systems, Ltd., which covered most of that segment's business, as a result of its merger with Fuji Electric Water Environmental Systems Co., Ltd., a former consolidated subsidiary of Fuji Electric Holdings Co., Ltd. Accordingly, some of the products previously included in the engineering segment such as radioactive waste treatment systems are included in the ceramics segment. As a result, compared with the previous method, net sales for the ceramics segment increased 1,571 million yen and its operating income rose 161 million yen.