

Summary of Consolidated Financial Results for the Year Ended March 31, 2015 [Japanese GAAP]

May 12, 2015

Company Name: NGK INSULATORS, LTD.

Stock Exchange Listings: Tokyo and Nagoya

Listing Code: 5333

URL <http://www.ngk.co.jp/english/>

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Date of the Annual Shareholders' Meeting (Scheduled)

June 26, 2015

Date of the Filing of Securities Report "Yuka Shoken Hokokusho" (Scheduled)

June 26, 2015

Date of Year-End Dividend Payment (Scheduled)

June 29, 2015

Availability of supplementary explanatory materials prepared for financial results : Available

Briefing session on financial results to be held : Yes (for securities analysts and institutional investors)

(All yen amounts are rounded down to the nearest million.)

1. Consolidated financial results for the year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(1) Consolidated operating results

(Percentage figures represent increase (decrease) from previous period.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2015	378,665	22.7	61,577	39.2	61,068	33.3	41,504	53.5
Year ended March 31, 2014	308,671	22.1	44,252	113.8	45,819	108.0	27,045	136.8

(Note) Comprehensive Income : Year ended March 31, 2015 64,879million yen (12.2%)

: Year ended March 31, 2014 57,807million yen (36.5%)

	Net income per share	Diluted net income per share	Ratio of net income to net worth	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2015	127.11	126.87	11.4	9.3	16.3
Year ended March 31, 2014	82.82	82.67	8.6	7.8	14.3

(Reference) Equity in earnings of unconsolidated subsidiaries and associated companies : Year ended March 31, 2015, 855million yen,

: Year ended March 31, 2014, 2,157 million yen

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net worth to total assets	Net worth per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2015	702,234	404,001	55.8	1,200.68
March 31, 2014	614,219	344,453	54.3	1,021.32

(Reference) Net worth : As of March 31, 2015, 392,054 million yen,

As of March 31, 2014, 333,502 million yen

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by financing activities	Cash & cash equivalents, end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2015	73,002	(39,495)	(26,000)	128,616
Year ended March 31, 2014	32,647	(21,185)	2,026	119,781

2. Dividend payment

	Cash dividends per share					Total amounts of dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to net worth (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total (Full-year)			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2014	-	10.00	-	12.00	22.00	7,184	26.6	2.3
Year ended March 31, 2015	-	13.00	-	15.00	28.00	9,142	22.0	2.5
Year ending March 31, 2016 (forecast)	-	15.00	-	15.00	30.00		20.4	

3. Forecasts of consolidated financial results for the fiscal year ending March 31, 2016

(Percentage figures represent increase (decrease) from previous period.)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to owners of the parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	210,000	25.0	35,000	21.7	34,000	26.5	24,000	19.4	73.50
Year ending March 31, 2016	420,000	10.9	68,000	10.4	69,000	13.0	48,000	15.6	147.00

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
New — company (), Exclusion — company ()
- (2) Changes in accounting policies, accounting estimates or retrospective restatements
- i. Changes due to revisions of accounting standards : Yes
 - ii. Changes in accounting policies other than the above (i) : None
 - iii. Changes in accounting estimates : None
 - iv. Retrospective restatement : None

- (3) Number of shares outstanding (Common Shares)

- i. Number of shares outstanding at period end including treasury stocks
- ii. Number of treasury stocks at period end
- iii. Average number of shares outstanding over period

March 31, 2015	327,560,196 shares	March 31, 2014	327,560,196 shares
March 31, 2015	1,033,304 shares	March 31, 2014	1,019,920 shares
March 31, 2015	326,539, 235 shares	March 31, 2014	326,555,331 shares

(Reference)

Overview of non-consolidated financial results for the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Non-consolidated operating results

(Percentage figures represent increase (decrease) from previous period.)

	Net Sales		Operating Income		Ordinary Income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2015	208,489	22.8	24,881	148.1	36,168	37.1	17,349	(22.1)
Year ended March 31, 2014	169,724	-	10,027	-	26,383	223.6	22,260	797.9

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2015	53.13	53.03
Year ended March 31, 2014	68.17	68.05

(Note) Revenues from transactions of supplying raw materials to consolidated subsidiaries were previously presented as "gain on charged supply" of non-operating income in the net amount after offsetting manufacturing costs and freight outward. From the fiscal year ended March 31, 2015, the accounting standard for revenue recognition was changed to present them as net sales, cost of sales, and selling, general and administrative expenses, respectively. Therefore, the figures disclosed are retroactively revised to reflect this change. The year-on-year percentage changes in net sales and operating income for the fiscal year ended March 31, 2014 are not provided due to retroactive revision.

(2) Non-consolidated financial position

	Total assets	Total net assets	Ratio of net worth to total assets	Net worth per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2015	489,753	236,482	48.1	721.52
March 31, 2014	462,655	214,848	46.3	655.57

(Reference) Net worth : As of March 31, 2015 , 235,595 Million yen, As of March 31, 2014, 214,069 Million yen

* Presentation regarding the implementation status of audit procedures

These financial statements are outside the scope of audit procedures in accordance with the Financial Instruments and Exchange Law of Japan. At the time of disclosure of this report, the audit procedures of the consolidated financial statements in accordance with the Financial Instruments and Exchange Law of Japan are in progress.

* Explanation of appropriate use of results forecasts and other notes

This document contains forward-looking statements that are based on information and certain assumption the Company has acquired and deemed reasonable as of the time of the release and the Company does not guarantee the achievement of them. Actual future results and trends may differ materially from those in the forecasts due to a variety of factors.

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1. Analysis of Business Results and Financial Position

(1) Analysis of Business Results

During the fiscal year ended March 31, 2015, the underlying strength of the Japanese economy increased along with an improved export environment due to a weaker yen and rising stock prices, leading to a continuing trend of moderate recovery. Overseas economies continued moderate recovery mainly in the U.S. despite the slowdown in economic growth in China and Europe.

Under such circumstances, the NGK Group (NGK INSULATORS, LTD., consolidated subsidiaries, and associates accounted for by the equity method), saw strong demand for automotive ceramics in its Ceramics Business Segment mainly due to strong automotive sales in the U.S. and Chinese markets and enhanced exhaust gas regulations around the world. In the Electronics Business Segment, demand for ceramic components for semiconductor manufacturing equipment grew thanks to the expansion of mobile devices. Furthermore, NGK Electronics Devices, Inc., which became a consolidated subsidiary on January 5, 2015, added its fourth quarter sales, contributing to revenue growth. In the Power Business Segment as well, shipments were made for large orders for overseas of NAS® (sodium-sulfur) batteries for storing electricity, further increasing sales. As a result of the above, total consolidated net sales for the fiscal year ended March 31, 2015 increased by 22.7% year on year to ¥378,665 million.

In terms of earnings, although fixed costs increased due to rising labor costs, a high level of capital investment and development input, absorption from the increased sales of automotive ceramics and ceramic components for semiconductor manufacturing equipment and the effect of the weak yen resulted in an operating income of ¥61,577 million, a 39.2% year-on-year increase, and ordinary income of ¥61,068 million, 33.3% year-on-year increase. As for net income, although provision of reserve for loss related to competition law was recorded as extraordinary loss, gain on changes in equity in association with the listing and issuance of new shares of METAWATER Co., Ltd., an associate accounted for by the equity method, was posted under extraordinary income, and due to the improvement of operating income, net income increased by 53.5% year on year to ¥41,504 million.

Financial results by segment are as follows.

[Power Business Segment]

Net sales of the Power Business Segment increased by 23.5% year on year to ¥72,847 million.

Revenue from insulators increased year on year due to strong demand in North America, the Middle and Near East, and Southeast Asia, in addition to rising sales due to renewal of equipment at domestic electric power companies. Revenue from NAS® batteries also increased year on year due to shipment of large orders for overseas.

In terms of earnings, due to rising sales and cost reduction, the deficit of this division shrank from operating loss of ¥3,900 million to operating loss of ¥2,351 million.

[Ceramics Business Segment]

Net sales of the Ceramics Business Segment increased by 19.0% year on year to ¥227,198 million.

The demand for automotive ceramics increased due to strong sales of automobiles in Europe, the U.S. and China, as well as trucks in Japan and the U.S. Following application of new exhaust gas regulations in Europe and China, demand significantly increased for ceramic substrates for catalytic conversion (HONEYCERAM and large-size HONEYCERAM), silicon carbide diesel particulate filters (SiC DPFs), and NOx sensors. Revenue from Industrial process apparatuses slightly increased as capital investment by major domestic customers was in recovery.

Operating income increased 28.0% year on year to ¥57,614 million due to increased volume of automotive ceramics, the effect of a weaker yen, and cost reduction.

[Electronics Business Segment]

Net sales of the Electronics Business Segment increased by 33.7% year on year to ¥78,759 million.

Sales of ceramic components for semiconductor manufacturing equipment increased year on year due to improving demand backed by the expansion of mobile devices, while sales of beryllium copper products rose due to growing demand in China and emerging countries. In electronic components, NGK ELECTRONICS DEVICES, INC., which became a consolidated subsidiary on January 5, 2015, added its fourth quarter sales, contributing to revenue growth. Sales of consolidated subsidiary Soshin Electric Co., Ltd. also increased, as demand for items used in industrial machinery remains strong.

Operating income increased 102.8% year on year to ¥6,294 million driven mainly by a rise in sales of ceramics components for semiconductor manufacturing equipment.

(Forecast for the fiscal year ending March 31, 2016)

With regard to the outlook for the future economy, while there are some concerns, such as about trends in the economies of emerging countries and resource-rich countries, as well as the European debt issue, it is expected that a gradual recovery will continue.

Under such circumstances, the NGK Group, aside from expectations of increased demand for automotive ceramics and ceramic components for semiconductor manufacturing equipment, reflecting the full year financial results of NGK Electronics Devices, Inc., expects year-on-year sales increase overall. In terms of earnings, although preceding costs will occur along with enhancing capacity of automotive ceramics production, overall year-on-year increase in earnings are expected due to the effects of increased sales.

With regard to forecast for consolidated financial results, the Company aims to achieve net sales of ¥420.0 billion (up 10.9% year on year), operating income at ¥68.0 billion (up 10.4%), ordinary income at ¥69.0 billion (up 13.0%) and net income attributable to owners of the parent company at ¥48.0 billion (up 15.6%), assuming that the yen trades at ¥115 to the dollar and ¥125 to the euro.

(2) Analysis of Financial Position

1) Assets, Liabilities and Net Assets

As of March 31, 2015, total assets were increased by 14.3% from the previous fiscal year-end to ¥702,234 million.

Current assets increased by 12.6% from the previous fiscal year-end to ¥397,160 million, mainly reflecting increases in cash and bank deposits, notes and accounts receivable trade, etc. Non-current assets were increased by 16.6% from the previous fiscal year-end to ¥305,074 million, mainly due to rises in tangible assets, investment securities, etc.

Current liabilities increased by 5.6% from the previous fiscal year-end to ¥107,126 million. This was mainly due to an increase in notes and accounts payable trade as well as the posting of provision for loss related to competition law, despite a decrease in current portion of long-term bonds payable. Long-term liabilities increased by 13.5% from the previous fiscal year-end to ¥191,106 million, driven primarily by a rise in deferred tax liabilities. Net assets stood at ¥404,001 million, or 17.3% higher than the previous fiscal year-end. This was largely attributable to increased retained earnings boosted by net income, as well as foreign currency translation adjustments due to the weak yen and strong dollar and higher unrealized gains on available-for-sale securities.

As a result, the ratio of net worth to total assets as of March 31, 2015 was 55.8% (compared with 54.3% at the previous fiscal year-end), with net worth per share standing at ¥1,200.68, up ¥179.36 from the previous fiscal year-end.

2) Cash flows

There was a net increase ¥8,835 million in cash and cash equivalents (hereinafter, “funds”) from the previous fiscal year-end to ¥128,616 million. This reflected ¥73,002 million in net cash provided by operating activities, ¥39,495 million in net cash used in investing activities, and ¥26,000 million in net cash used in financing activities.

[Cash flows from operating activities]

Funds provided by operating activities were ¥73,002 million. This was mainly attributable to posting an income before income taxes and minority interests of ¥56,390 million and depreciation and amortization, despite cash outflows mainly due to an increase in notes and accounts receivable and a decrease of provision for NAS Battery safety measures. In comparison with the previous fiscal year, funds provided by operating activities increased by ¥40,355 million. This largely reflects an increase in income before income taxes and minority interests and a decrease in reduction of provision for NAS Battery safety measures.

[Cash flows from investing activities]

Funds used in investing activities were ¥39,495 million. This was mainly due to purchases of property, plant and equipment and investments in subsidiaries. In comparison with the previous fiscal year, funds used in investing activities increased by ¥18,310 million mainly due to purchases of investments in subsidiaries.

[Cash flows from financing activities]

Funds used in financing activities were ¥26,000 million due to redemption of bonds and payment of dividend. In comparison with the previous fiscal year, net cash used in financing activities decreased by ¥28,027 million, mainly due to a redemption of bonds.

Change in cash flow-related indicators

	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2015
Ratio of net worth to total assets (%)	48.5	52.0	54.3	55.8
Ratio of net worth to total assets based on market value (%)	73.7	58.8	114.3	119.3
Ratio of interest-bearing debt to cash flow (%)	948.9	4,232.8	512.4	214.0
Interest coverage ratio (times)	11.6	2.1	15.7	34.4

Notes) Ratio of net worth to total assets: Net worth / total assets

Ratio of net worth to total assets based on market value: Market capitalization / total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt/ cash flow

Interest coverage ratio: Cash flow / interest payment

1. All indicators were calculated using the consolidated financial data.

2. Market capitalization was calculated based on the number of shares outstanding excluding treasury stocks.

3. Operating cash flow is used for "cash flow" in the above calculation.

4. "Interest-bearing debt" in the above calculation refer to all debt recorded on consolidated balance sheet for which the Company pays interests.

(3) Basic Policy for Profit Sharing and Dividends for the Current and Next Fiscal Years

The Company views the return of profits to shareholders as one of its most important management policies.

As a basic policy, we strive for shareholder-oriented management that emphasizes return on equity (ROE), and distribute the benefits of successful management after consideration of a comprehensive range of factors, including business performance and financial position, and future business development.

Financial results of the NGK Group for the year ended March 31, 2015 recorded significant year-on-year increases both in sales and earnings, because each of the Segments including automotive ceramics and ceramic components for semiconductor manufacturing equipment remained strong as a whole, in addition to the yen depreciation in the foreign exchange market.

Taking these results into consideration, the year-end dividend for the year ended March 31, 2015 will be ¥15 per share, an increase of ¥2 from the previous forecast, and the annual dividend will be ¥28 per share.

The Company forecasts growth both in sales and earnings for the fiscal year ending March 31, 2016, therefore it expects to raise the interim dividend per share by ¥2 to ¥15. It plans to pay ¥15 as the year-end dividend, resulting in a total annual dividend per share of ¥30.

Meanwhile, the Company plans to utilize retained funds primarily to extend its existing core business and capital investments in new business projects, with a view to enhancing its corporate value

2. Management Policies

(1) Basic Management Policies of the Company

In the midst of a surge in global competition, the NGK Group maintains its steady path of growth and evolution in the pursuance of its corporate mission: to provide value to its customers, shareholders, employees-as well as society as a whole-at all times. Through efforts firmly grounded in its unique ceramics technologies, the NGK Group is active in its "Triple-E" primary business domains of energy, ecology, and electronics.

The NGK Group's fundamental policies for fulfilling its corporate mission are outlined below.

First, through selective concentration of resources and investment, the NGK Group will establish new technologies surpassing those of its competitors, to create new businesses and new products that will secure the top positions in their respective fields ("Strategic Growth").

Next, the NGK Group will seek to increase return on equity (ROE) by defining clearly the roles of group member companies and implementing efficient management that makes the most of each company's capacity for dynamism and individuality, all based on consolidated group business management ("A Highly Efficient Organization").

Furthermore, the NGK Group will disclose information to shareholders and investors in a timely and proactive manner. In addition, while communicating information broadly to society at large through its public relations activities, the Group will bear its corporate social responsibilities in mind, contributing to society through means such as providing support for foreign-exchange students ("Being a Good Corporate Citizen").

(2) Targeted Management Indicators

As stated in its fundamental policies on business management, the NGK Group seeks to apply a brand of management that focuses on its shareholders, with return on equity (ROE) as the key management indicator. In addition to increasing ROE through efficient investment of business resources to expand core current businesses, launch new businesses, and in other ways improve its earning capacity, the Group will continue to seek to achieve improvements in capital efficiency.

(3) Medium- to Long-Term Management Strategies and Issues to Be Addressed

While it is expected that business opportunities will grow in the environment surrounding the Company, uncertainty is also expected to increase, as politics, economics, and rules of trade change, while energy and environmental issues persist and technological innovation continues.

Under such circumstances, with the aim of becoming "a truly world-class, global corporation", we shall make company-wide efforts to implement these important management strategies: 1) Enhancing the competitiveness of existing businesses by "new/reformed manufacturing structures" and 2) Creating new products and new businesses by "2017 Challenge 30."

1) Enhancing the competitiveness of existing businesses: New/reformed manufacturing structures

The NGK Group will strive to ensure profitability from the medium- to long-term perspective. We shall establish the "ideal selves" for each business in the year 2020, and work towards the improvement of product value and development of innovative manufacturing processes based on advanced technology.

Along with supplying automotive ceramics that have high added value in response to the reinforcement of exhaust gas regulations and increased demand due to the growing sales of automobiles in various countries, we aim to achieve sustainable growth by steadily expanding our cutting edge innovative manufacturing lines overseas and thereby building a highly efficient increased production system. While there will be growing demand for ceramic components for semiconductor manufacturing equipment backed by the increase of mobile devices, demand levels from the market will be more severe, thus we shall strive to improve the performance of our products and develop innovative manufacturing methods, in an effort to improve our competitiveness.

In businesses where the struggle continues, such as insulators and products designed for use with industrial machinery, we will strive to complete business restructuring and convert to a structure that is capable of sustainably generating revenue. We will put safety first when it comes to NAS® batteries; reduce deployment costs both in design and manufacturing, and endeavor to secure continuous orders and profitability.

2) Creating new products and new businesses: 2017 Challenge 30

The NGK Group has established the company-wide goal of “2017 Challenge 30” to raise the ratio of sales from new products to 30% by fiscal year 2017, and is committed to the creation of new products and new businesses. In addition to steadily promoting the expansion and mass production of our new wafer product line, we will also promote early introduction to the market of new products using our core technology, such as solid oxide fuel cells, chip type ceramic secondary batteries, and zinc secondary batteries. Also, in order to continuously create new products, we will establish full-time marketers and a sample prototype team, and promote the collaboration of our business divisions, the Headquarters, and the development division in finding precise needs.

In January of this year, we acquired all shares of NGK Electronics Devices, Inc. (formerly NIPPON STEEL & SUMIKIN Electronics Devices Inc.) from Nippon Steel & Sumitomo Metal Corporation, and entered the ceramic packages business. We now aim for even greater growth by exploiting the synergy with the NGK Group’s existing technology.

As a member of the global business society

As opportunities to do business overseas are increasing more and more, we must improve the transparency and autonomy of our management, and further enhance our corporate governance and compliance system. In addition to actively applying the Corporate Governance Code, we have been promoting the creation of an environment in which all members of the NGK Group can act in accordance with a fair set of values and evaluation criteria of an international level.

With regard to human rights, labor, the environment, and anti-corruption, we shall continue to contribute to the conservation of the global environment and sustainable growth of society. We will promote this through business activity and CSR initiatives as a member of international society, such as participating in the “United Nations Global Compact” in support of the 10 principles stated by the United Nations.

With regard to competition laws, the NGK Group is subject to an international investigation on our past situation of competition. In an effort to handle the matter fairly, we established an independent committee assembled from an outside Director, an outside Audit & Supervisory Board Member, and an outside legal counsel, and is fully cooperating with the investigation. It is expected that more time will be needed before the close of the investigation, but it has been determined that there is a high potential for meaningful losses to occur in view of the progress of the investigation so far. Potential losses have been estimated and recorded as provision for loss related to competition law. The Company has established various training grounds using the “Competition Laws Compliance Rules” and “Competition Law Compliance Handbook,” a set of guidelines

concerning specific actions of individuals, with the goal of achieving thorough compliance with laws and regulations from all group members, including officers and employees of our overseas group companies. For the current fiscal year, we have established a new management system to enhance the competition laws compliance. We have placed a Competition Law Compliance Officer, who manages the competition law compliance program and reports the status of the program to the independent committee. And the independent committee evaluates the status and reports it directly to the Board of Directors.

As another initiative, we have established BCP Countermeasures Headquarters as an organization to promote business continuity planning (BCP) on a company-wide basis. As our businesses expand globally, we are making capital investment with BCP in mind, and working to improve the effectiveness of various measures in order to take full responsibility for a stable supply of our products.

In addition, we will continue to promote activities to strengthen the Headquarters that supports global management in our administrative divisions, in order to shape the NGK Group as a corporate group capable of facing off against global competition and demonstrate the highest level of performance. As each and every one of us works day to day to improve ourselves, so too must the NGK Group as a whole focus on developing diverse human resources with flexible thinking and the ambition to face new challenges.

Through the implementation of the above initiatives, the NGK Group will continue to pursue sustainable growth and the realization of higher corporate value as it operates its businesses by placing importance on capital efficiency and shareholders.

3. Basic Policies Concerning Selection of Accounting Standards

The NGK Group applies Japanese GAAP, on the other hand, the NGK Group has already unified its accounting standards for revenue recognition, accounting period, depreciation and amortization methods, etc. to standards which are same as those of IFRS, in order to make a financial report more appropriate.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2015	As of March 31, 2014
Assets		
Current assets		
Cash and bank deposits	69,958	49,214
Notes and accounts receivable trade	88,979	72,167
Securities	98,104	100,653
Inventories ※ 1	111,498	※ 1 101,352
Deffered tax assets	15,254	15,157
Other	14,587	14,161
Allownce for doubtful accounts	(1,220)	(117)
Total current assets	397,160	352,589
Non-current assets		
Tangible assets		
Buildings and structures	63,621	58,055
Machinery and vehicles	89,258	82,497
Tools and equipment	6,120	6,393
Land	22,261	21,477
Construction in progeress	17,998	7,899
Total tangible assets ※ 2	199,259	※ 2 176,323
Intangible assets		
Software	2,211	2,540
Other	1,974	2,307
Total intangible assets	4,185	4,848
Investments and other assets		
Investment securities ※ 3	78,856	※ 3 64,903
Deffred tax assets	5,092	3,517
Net defined benefit asset	14,476	7,491
Other ※ 3	3,366	※ 3 4,720
Allownce for doubtful accounts	(162)	(174)
Total investments and other assets	101,629	80,457
Total non-current assets	305,074	261,629
Total assets	702,234	614,219

(Millions of yen)

	As of March 31, 2015	As of March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable trade	36,057	25,728
Short-term borrowings	4,320	4,995
Current-portion of long-term bonds payable	—	20,000
Accounts payable others	13,718	11,792
Accured expenses	13,664	12,317
Income taxes payable	3,480	2,854
Provision for NAS battery safety measures	7,342	10,891
Provision for loss related to competition law	9,300	—
Other	19,241	12,841
Total current liabilities	107,126	101,419
Long-term liabilities		
Long-term borrowings	145,537	142,158
Deferred tax liabilities	20,043	5,473
Provision for product warranties	979	544
Net defined benefit liability	20,222	16,678
Other	4,322	3,492
Total long-term liabilities	191,106	168,346
Total liabilities	298,232	269,766
Net assets		
Shareholders' equity		
Common stock	69,849	69,849
Capital surplus	72,099	72,092
Retained earnings	224,040	187,733
Treasury stock	(1,403)	(1,347)
Total shareholders' equity	364,585	328,328
Accumulated other comprehensive income		
Unrealized gain on available -for-sale securities	26,394	17,491
Deferred gain on derivatives under hedge accounting	7	18
Foreign currency translation adjustments	7,983	(1,189)
Remeasurements of defined benefits plans	(6,915)	(11,147)
Total accumulated other comprehensive income	27,469	5,174
Stock acquisition rights	886	778
Minority interests	11,060	10,172
Total net assets	404,001	344,453
Total liabilities and net assets	702,234	614,219

**(2) Consolidated Statements of Income
and Consolidated Statements of Comprehensive Income**

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2014
Net sales	378,665	308,671
Cost of sales	※ 1, ※ 3 254,386	※ 1, ※ 3 208,052
Gross profit	124,278	100,619
Selling, general and administrative expenses	※ 2, ※ 3 62,700	※ 2, ※ 3 56,366
Operating income	61,577	44,252
Non-operating income		
Interest income	704	656
Dividend income	1,079	844
Equity in earnings of unconsolidated subsidiaries and associated companies	855	2,157
Foreign Exchange gain	—	778
Other	1,393	1,812
Total non-operating income	4,032	6,249
Non-operating expenses		
Interest expense	2,028	2,089
Loss on compensation	1,250	—
Foreign Exchange loss	91	—
Provision of reserve for loss on NAS Battery safety measures	—	1,940
Other	1,171	653
Total non-operating expense	4,542	4,682
Ordinary income	61,068	45,819
Extraordinary income		
Gain on sales of fixed assets	※ 4 855	※ 4 546
Gain on sales of investment securities	750	504
Gain on change in equity	※ 5 3,526	—
Total extraordinary income	5,132	1,050
Extraordinary income		
Loss on sales and disposals of fixed assets	※ 6 391	※ 6 676
Impairment loss	117	5,405
Loss on liquidation of subsidiary	—	2,882
Provision of reserve for loss related to competition law	※ 7 9,300	—
Total extraordinary loss	9,809	8,964
Income before income taxes and minority interests	56,390	37,905
Income taxes -current	9,518	8,906
Income taxes for previous periods	—	(1,404)
Income taxes -deferred	4,481	2,937
Income taxes - total	14,000	10,439
Income before minority interests	42,390	27,465
Minority interests in earnings of consolidated subsidiaries	885	420
Net income	41,504	27,045

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2014
Income before minority interests	42,390	27,465
Other comprehensive income		
Unrealized gain on available-for-sale securities	8,919	9,544
Deferred losses on hedges	(11)	(3)
Foreign currency translation adjustments	9,157	20,239
Remeasurements of defined benefit plans	3,986	559
Share of other comprehensive income of associates accounted for by using the equity method	437	1
Total other comprehensive income	22,489	30,341
Comprehensive Income	64,879	57,807
Comprehensive Income attributable to:		
Owners of the parent company	63,800	56,967
Minority interests	1,079	839

(3) Consolidated Statement of Charges in Equity
Year Ended March 31, 2015

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2014	69,849	72,092	187,733	(1,347)	328,328
Cumulative effect of changes in accounting policies			2,964		2,964
Restated balance	69,849	72,092	190,698	(1,347)	331,292
Changes during the period					
Cash dividends			(8,163)		(8,163)
Net income			41,504		41,504
Repurchase of treasury stock				(84)	(84)
Disposal of treasury stock		7		27	35
Net charges other than shareholders' equity					
Total changes during the period	—	7	33,341	(56)	33,292
Balance as of March 31, 2015	69,849	72,099	224,040	(1,403)	364,585

	Accumulated Other Comprehensive Income					Stock acquisition right	Minority interests	Total Net Assets
	Unrealized gain on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of March 31, 2014	17,491	18	(1,189)	(11,147)	5,174	778	10,172	344,453
Cumulative effect of changes in accounting policies								2,964
Restated balance	17,491	18	(1,189)	(11,147)	5,174	778	10,172	347,418
Changes during the period								
Cash dividends								(8,163)
Net income								41,504
Repurchase of treasury stock								(84)
Disposal of treasury stock								35
Net charges other than shareholders' equity	8,902	(11)	9,172	4,232	22,295	108	887	23,291
Total changes during the period	8,902	(11)	9,172	4,232	22,295	108	887	56,583
Balance as of March 31, 2015	26,394	7	7,983	(6,915)	27,469	886	11,060	404,001

Year Ended March 31, 2014

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2014	69,849	85,135	167,219	(14,362)	307,842
Changes during this period					
Cash dividends			(6,531)		(6,531)
Net income			27,045		27,045
Repurchase of treasury stock				(68)	(68)
Disposal of treasury stock		(1)		40	39
Retirement of treasury stock		(13,042)		13,042	—
Net charges other than shareholders' equity					
Total changes during the period	—	(13,043)	20,513	13,014	20,485
Balance as of March 31, 2015	69,849	72,092	187,733	(1,347)	328,328

	Accumulated Other Comprehensive Income					Stock acquisition right	Minority Interests	Total Net Assets
	Unrealized gain on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of March 31, 2014	7,964	22	(21,030)	(2,127)	(15,170)	739	9,661	303,073
Changes during this period								
Cash dividends								(6,531)
Net income								27,045
Repurchase of treasury stock								(68)
Disposal of treasury stock								39
Retirement of treasury stock								—
Net charges other than shareholders' equity	9,526	(3)	19,841	(9,020)	20,344	38	511	20,894
Total changes during the period	9,526	(3)	19,841	(9,020)	20,344	38	511	41,379
Balance as of March 31, 2015	17,491	18	(1,189)	(11,147)	5,174	778	10,172	344,453

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	56,390	37,905
Depreciation and amortization	25,532	19,893
Impairment losses	117	5,405
Loss (Gain) on liquidation of subsidiary	—	2,882
Decrease (Increase) in net defined benefit asset	1,175	(2,071)
Increase (Decrease) of provision for NAS Battery safety measures	(3,548)	(10,127)
Increase (Decrease) of provision for loss related to competition law	9,300	—
Interest and dividend income	(1,783)	(1,501)
Interest expenses	2,028	2,089
Equity in earnings of unconsolidated subsidiaries and associated companies	(855)	(2,157)
Loss (Gain) on change in equity	(3,526)	—
Decrease (Increase) in notes and accounts receivable	(6,512)	(9,517)
Decrease (Increase) in inventories	(2,374)	(1,044)
Increase (Decrease) in trade payables	4,359	(2,052)
Other, net	1,381	(250)
Sub-total	81,685	39,455
Interest and dividends received	1,761	1,484
Dividend received from associated company	499	1,000
Interest paid	(2,123)	(2,074)
Income taxes paid	(8,820)	(7,218)
Net cash provided by operating activities	73,002	32,647
Cash flows from investing activities		
Purchases of marketable securities	(28,700)	(20,175)
Proceeds from sales and redemption of marketable securities	22,674	15,670
Purchases of property, plant and equipment	(30,260)	(27,995)
Proceeds from sales of property, plant and equipment	2,356	1,050
Purchases of investment securities	(4,225)	(20)
Proceeds from sales and redemption of investment securities	9,460	19,533
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(10,787)	—
Net decrease (increase) in time deposits	(1,887)	(8,238)
Other, net	1,874	(1,009)
Net cash used in investing activities	(39,495)	(21,185)

(Millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2014
Cash flows from financing activities		
Net increase (Decrease) in short-term borrowings	(1,118)	(431)
Proceeds from long-term borrowings	5,685	9,400
Repayment of long-term borrowings	(1,898)	—
Redemption of bonds	(20,000)	—
Cash dividends paid	(8,163)	(6,531)
Other, net	(504)	(410)
Net cash provided by (used in) financing activities	(26,000)	2,026
Foreign currency translation adjustments on cash and cash equivalents	1,329	3,446
Net increase in cash and cash equivalents	8,835	16,935
Cash and cash equivalents, beginning of year	119,781	102,845
Cash and cash equivalents, end of year	128,616	119,781

(5) Notes to Consolidated Financial Statements

(Note on the assumption as a going concern)

Not applicable

(Significant items underlying the preparation of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 58 companies

Names of major consolidated subsidiaries

ENERGY SUPPORT CORPORATION

NGK CERAMICS USA, INC.

NGK CERAMICS EUROPE S.A.

NGK CERAMICS SUZHOU CO., LTD.

NGK CERAMICS POLSKA SP. Z O.O.

NGK CERAMICS MEXICO.S.DE R.L.DE C.V.

SOSHIN ELECTRIC CO., LTD.

NGK ELECTRONICS DEVICES, INC.

From the fiscal year ended March 31, 2015, NGK ELECTRONICS DEVICES, INC. and its three subsidiaries have been included in the scope of consolidation due to new acquisitions of their shares.

NGK MATERIAL USA, INC. has been included in the scope of consolidation due to its establishment in the fiscal year ended March 31, 2015.

(2) Names of major unconsolidated subsidiaries

TAJIMI COUNTRY CLUB CO., LTD., NGK SPORTS PLANNING CO., LTD., NGK YU-SERVICE CO., LTD., and NGK LOGISTICS, LTD.

Unconsolidated subsidiaries are excluded from the scope of consolidation, as they are small in scale and their combined total assets, net sales, net income (amount corresponding to the Company's equity interest) and retained earnings (amount corresponding to the Company's equity interest) have no material impact on the consolidated financial statements.

2. Application of equity method

(1) Unconsolidated subsidiaries to which the equity method was applied: 1 company

TAJIMI COUNTRY CLUB CO., LTD.

(2) Associated companies to which the equity method was applied: 1 company

METAWATER CO., LTD.

(3) Names of major unconsolidated subsidiaries and associated companies to which the equity method was not applied

Techno-Success Company, Incorporated

Since net income (amount corresponding to the Company's equity interest) and retained earnings (amount corresponding to the Company's equity interest) of the companies to which the equity method was not applied have no material impact on the consolidated financial statements and no significance as a whole, investments in these companies were not applied to the equity method but stated at cost.

3. Accounting standards

(1) Valuation standards and valuation methods of significant assets

1) Securities

a Held-to-maturity debt securities

Amortized cost method (straight-line method)

b Available-for-sale securities

Available-for-sale securities with market value

Stated at market value based on the market prices at the last day of the fiscal year

(All unrealized gains or losses are booked directly as net assets and the cost of securities sold is calculated using the moving-average method.)

Available-for-sale securities without market value

Stated at cost using the moving-average method

- 2) Derivatives
Stated at market value
- 3) Inventories
Stated at cost, mainly using the average method (The balance sheet value is calculated by the method of devaluing book value based on the decline in profitability.)
However, costs of contracts in progress are stated at cost using the specific identification method.

(2) Depreciation methods of significant depreciable assets

- 1) Tangible assets
Straight-line method. Principal useful lives of tangible assets are as follows:

Buildings and structures	15-50 years
Machinery and vehicles	3-12 years
- 2) Intangible assets
Straight-line method. Software for internal use is amortized on a straight-line basis over the usable period (5 years).

(3) Accounting standards for significant allowances

- 1) Allowance for doubtful accounts
To prepare for potential losses on accounts receivable, loans receivable and other bad debt equivalent thereto held at the end of the fiscal year ended March 31, 2015, an allowance was provided on general receivables based on the historical default rate and on specific receivables with higher probability of default based on an individual assessment of each account.
- 2) Provision for NAS Battery safety measures
In response to the fire involving NGK-manufactured NAS® Batteries that occurred in September 2011, the Company reserved an allowance as "Provision for NAS Battery safety measures" to cover anticipated future expenses on safety measures necessary to expand the NAS Battery business.
- 3) Provision for loss related to competition law
The Company estimated and recorded an allowance for potential losses related to competition law.
- 4) Provision for product warranties
To prepare for costs of free-of-charge repairs of products sold, the Company and certain consolidated subsidiaries estimate such expenses and recorded reserves for them.

(4) Accounting methods for retirement benefits

In order to provide for employees' retirement benefits, pension assets were deducted from retirement benefit obligations and the net amount at the end of the fiscal year ended March 31, 2015 was primarily recorded as net defined benefit liability (or as net defined benefit asset when pension assets exceed retirement benefit obligations).

- 1) Method of attributing expected retirement benefits to periods
To calculate retirement benefit obligations, expected retirement benefits are attributed to periods up to the end of the fiscal year ended March 31, 2015 on a benefit formula basis.
- 2) Method of expensing actuarial gains/losses and prior service costs
Actuarial gains/losses are charged to expense evenly using the straight-line method over a certain number of years (10 years) that are not longer than the average remaining years of service of the employees at the time of occurrence, beginning from the following fiscal year. Prior service costs are charged to expense using the straight-line method over a certain number of years (10 years) that are not longer than the average remaining years of service of the employees at the time of occurrence.
Certain consolidated subsidiaries in the United States estimate the gross non-pension post-retirement benefit expenses to allocate them based on estimated years of service of the employees using the accounting method similar to the method for retirement benefits, and thus they are included in net defined benefit liability.
- 3) Adoption of simplified method for smaller entities
Certain domestic consolidated subsidiaries use the simplified method for calculating net defined benefit liability and retirement benefit expenses, in which retirement benefit obligations are recognized at the amount of retirement benefits to be required at the fiscal year-end for voluntary retirement.

Items related to those other than the scope of consolidation and application of equity method and items related to accounting standards other than those noted above are omitted as no significant change has been seen from the last Securities Report "Yuka Shoken Hokokusho" (June 27, 2014).

(Changes in accounting policy)**(Adoption of the accounting standard for Retirement Benefits)**

Effective from the fiscal year ended March 31, 2015, the Company adopted the provisions set forth in Article 35 of the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan ("ASBJ") Statement No. 26, May 17, 2012, hereinafter, "Accounting Standard") and the provisions set forth in Article 67 of the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015, hereinafter, "Guidance on Retirement Benefits"). Accordingly, the Company revised the method of calculating retirement benefit obligations and prior service costs and changed its method of attributing estimated retirement benefits from the straight-line basis to the benefit formula basis. At the same time, the Company changed its method of determining the discount rate from the method in which the discount rate is determined by reference to the yield of bonds whose remaining maturities approximate the average remaining years of service of the employees to the method in which a single weighted average discount rate is used that reflects the estimated period for retirement benefit payments and the amount of retirement benefit payments for each estimated payment period. The application of the Accounting Standard, etc. is subject to the tentative treatment provided for in Article 37 of the Accounting Standard.

Consequently, the impact of the change in the method of calculating retirement benefit obligations and prior service costs has been recognized as increases or decreases to retained earnings as of the beginning of the fiscal year ended March 31, 2015.

As a result, as of the beginning of the fiscal year ended March 31, 2015, net defined benefit asset has increased by ¥4,598 million, net defined benefit liability has decreased by ¥717 million and retained earnings have increased by ¥2,964 million. The impact of this change on the profit or loss of the fiscal year ended March 31, 2015 is minimal.

(Changes in presentation)**(Consolidated Statements of Cash Flows)**

"Proceeds from sales of property, plant and equipment" and "Purchases of investment securities" under "Cash flows from investing activities" which were included in "Other" under "Cash flows from investing activities" in the previous fiscal year, are presented as a separated item in the fiscal year ended March 31, 2015, as their amounts have become more material. To reflect this change in presentation, the reclassification of accounts has been made to the consolidated balance sheet for the previous fiscal year.

As a result, "Other" of ¥20 million presented under "Cash flows from investing activities" for the previous fiscal year are reclassified as "Proceeds from sales of property, plant and equipment" ¥1,050 million yen, "Purchases of investment securities" ¥(20) million yen and "Other" ¥(1,009) million yen.

(Consolidated Balance Sheet)

※1. The breakdown of inventories is as follows:

	As of March 31, 2015	As of March 31, 2014
Finished products	55,638 million yen	54,339 million yen
Cost of contracts in progress	565	191
Work in process	11,855	9,239
Raw materials and supplies	43,439	37,581

※2. Accumulated depreciation of tangible assets

	As of March 31, 2015	As of March 31, 2014
	393,372 million yen	321,049 million yen

※3. Investments in unconsolidated subsidiaries and associated companies are as follows:

	As of March 31, 2015	As of March 31, 2014
Investment securities (stocks)	17,166 million yen	13,135 million yen
Investments and other assets-other (investments in capital)	12	11

4. Contingent liabilities

(1) The NGK Group is subject to an international investigation on the situation of competition, and the investigation is ongoing. The NGK Group recognized the currently estimated amount for potential losses as "Provision of reserve for loss related to competition law" under extraordinary loss, however, additional losses may arise if new facts become known. Detailed information of this investigation is not disclosed because it may influence the investigation and result in putting the NGK Group at an extreme disadvantage.

(2) Guarantee obligations to bank loans to companies other than consolidated companies are as follows:

	As of March 31, 2015	As of March 31, 2014
(Guarantee obligations)		
Housing loans to employees	35 million yen	50 million yen
(Commitments to guarantee obligations)		
Loans of Osaka Bioenergy Co., Ltd.	218 million yen	238 million yen

(Consolidated Statement of Income)

- ※1. The ending balance of inventories is the amount after devaluation of the book value due to decline in profitability, and the following loss on valuation of inventories (after offsetting the reversal) is included in cost of sales.

	Year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)	Year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)
	913 million yen	1,208 million yen

- ※2. The major items and their amounts of selling, general and administrative expenses are as follows:

	Year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)	Year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)
Salaries, wages, and bonuses	17,477 million yen	16,072 million yen
Freight outward	6,906	5,308
Research and development expenses	5,776	5,439
Professional service fees	4,178	5,728

- ※3. Research and development expenses included in general and administrative expenses and manufacturing costs are as follows:

	Year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)	Year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)
	13,066 million yen	11,238 million yen

- ※4. Details of gain on sales of fixed assets

Year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

Gain on sales of land ¥809 million and others

Year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

Gain on sales of land ¥462 million and others.

- ※5. Gain on change in equity

Gain on change in equity resulted from issuance of new shares and disposal of treasury stock through public offering by METAWATER CO., LTD., an associate accounted for by the equity method.

- ※6. Details of loss on sales and disposal of fixed assets

Year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

Loss on sales and disposal of machinery and equipment ¥208million and others.

Year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

Loss on sales and disposal of machinery and equipment ¥360 million and others.

- ※7. Provision of reserve for loss related to competition law

The Company estimated and recorded the amount of potential losses related to competition law.

(Business combinations)

Business combinations through acquisition

1. Overview

(1) Name and business of acquired company

Company name: NIPPON STEEL & SUMIKIN Electronics Devices Inc. (NSSD)

Business: Manufacture and sale of ceramic packages for semiconductors and ceramic electronic components

(2) Main reasons for business combination

By adding the technologies of NGK in materials technologies and high-precision processing to NSSD's manufacturing expertise and technologies developed over many years in multiple-product-type, low-cost mass production, NGK judged that it will be able to achieve synergies between its technologies and those of NSSD, and that these synergies will enable further growth in its electronics business. Based on this judgment, NGK decided to make NSSD a subsidiary.

(3) Date of business combination

January 5, 2015

(4) Legal form of business combination

Cash acquisition of shares

(5) Name of acquired company after business combination

NGK ELECTRONICS DEVICES, INC.

(6) Ratio of voting rights acquired

100%

(7) Grounds for determining acquiring company

NGK acquired 100% of the outstanding shares of NSSD in compensation for cash.

2. Period of financial results of the acquired company included in the consolidated financial statements

January 1, 2015 was deemed to be the acquisition date, and accordingly results for the period from January 1, 2015 to March 31, 2015 were included.

3. Acquisition cost and its breakdown

Compensation for acquisition	11,500 million yen
Direct expenses for acquisition	92 million yen
Acquisition cost	11,592 million yen

4. Amount, cause, and method and period of amortization of goodwill incurred

Goodwill and negative goodwill are not incurred.

5. Amounts of assets received and liabilities assumed on the day of business combination, and their breakdown

Current assets	13,845 million yen
Non-current assets	10,785 million yen
Total assets	24,630 million yen
Current liabilities	10,842 million yen
Long-term liabilities	2,015 million yen
Total liabilities	12,857 million yen

6. Estimated amount of effects on the consolidated statement of income for the current fiscal year on the assumption that the business combination had been completed at the beginning of the current fiscal year, and its calculation method

Net sales 22,860 million yen

(Method of calculating the estimated amount)

The difference between net sales calculated on the assumption that the business combination had been completed at the beginning of the current fiscal year and net sales in the consolidated statement of income of the acquiring company is deemed as the estimated amount of effects. Effects on each category of profits or losses are omitted as they are immaterial.

This note has not received audit certification.

(Segment information)

1. Overview of business segments

The NGK Group's business segments are components of the NGK Group for which separate financial information is available and the Board of Directors conducts a regular review in order to determine the allocation of management resources and to assess performance.

The NGK Group plans comprehensive domestic and overseas strategies and conducts business activities under the system of three business divisions, namely Power Business Division, Ceramics Products Business Division and Electronics Business Division; therefore, Power, Ceramics and Electronics constitute the business segments.

Listed below are main products of the respective business segments.

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

2. Methods of calculating sales, income or loss, assets, liabilities, and other items by business segment

The same accounting methods as those listed in "Significant items underlying the preparation of consolidated financial statements" are applied to the business segments.

Business segment income is based on operating income. Intersegment sales is based on market prices.

3. Sales, income or loss, assets, liabilities, and other items by business segment

Year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Business Segment				Elimination or Adjustment	Consolidated
	Power	Ceramics	Electronics	Total		
Sales						
Sales to customers	72,804	227,101	78,759	378,665	—	378,665
Intersegment sales	43	97	—	140	(140)	—
Total sales	72,847	227,198	78,759	378,805	(140)	378,665
Operating income (loss)	(2,351)	57,614	6,294	61,557	20	61,577
Total assets	93,938	293,415	97,871	485,225	217,009	702,234
Other						
Depreciation	3,110	18,843	3,577	25,532	—	25,532
Impairment loss	—	—	117	117	—	117
Capital expenditures	2,686	20,854	5,254	28,795	1,570	30,366

- (Notes)
1. Elimination or adjustment of operating income (loss) is an adjustment of intersegment transactions.
 2. Corporate assets within total assets that are included in elimination or adjustment are ¥258,132 million, consisting mainly of surplus funds managed by the Company (cash and securities), long-term investment funds (investment securities) and assets related to administrative divisions.
 3. Elimination or adjustment of capital expenditures is an increase at head office divisions.

Year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Business Segment				Elimination or Adjustment	Consolidated
	Power	Ceramics	Electronics	Total		
Sales						
Sales to customers	58,985	190,761	58,924	308,671	—	308,671
Intersegment sales	18	216	2	237	(237)	—
Total sales	59,004	190,977	58,926	308,908	(237)	308,671
Operating income (loss)	(3,900)	44,998	3,104	44,202	50	44,252
Total assets	90,147	262,637	67,907	420,693	193,526	614,219
Other						
Depreciation	3,257	13,815	2,821	19,893	—	19,893
Impairment loss	5,058	—	272	5,330	75	5,405
Capital expenditures	3,037	20,418	3,903	27,360	1,074	28,434

- (Notes)
1. Elimination or adjustment of operating income (loss) is an adjustment of intersegment transactions.
 2. Corporate assets within total assets that are included in elimination or adjustment are ¥234,347 million, consisting mainly of surplus funds managed by the Company (cash and securities), long-term investment funds (investment securities) and assets related to administrative divisions.
 3. Elimination or adjustment of capital expenditures is an increase at head office divisions.

【Related information】

Year ended March 31, 2014

Information about geographical areas

Sales

(Millions of yen)

Sales to customers	Japan	North America			Europe			Asia	Others	Total
		Total	USA	Others	Total	Germany	Others			
	98,929	66,716	59,655	7,060	70,094	44,480	25,613	50,754	22,177	308,671

(Notes) Sales are attributed to countries based on the location of the customers.

Year ended March 31, 2015

Information about geographical areas

Sales

(Millions of yen)

Sales to customers	Japan	North America			Europe			Asia	Others	Total
		Total	USA	Others	Total	Germany	Others			
	107,890	84,604	78,897	5,706	92,781	43,666	49,114	69,181	24,207	378,665

(Notes) Sales are attributed to countries based on the location of the customers.

(Per share information)

	Year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)	Year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)
Net worth per share	1,200.68 yen	1,021.32 yen
Net income per share	127.11 yen	82.82yen
Diluted net income per share	126.87 yen	82.67 yen

(Note) The basis for calculation of net income per share and diluted net income per share is as follows:

	Year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)	Year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)
Net income per share		
Net income (Millions of yen)	41,504	27,045
Amount not attributable to common shareholders (Millions of yen)	-	-
Net income on common stock (Millions of yen)	41,504	27,045
Average number of shares of common stock over the period (Thousand shares)	326,539	326,555
Diluted net income per share		
Adjustment to net income (Millions of yen)	-	-
Increase in common shares (Thousand shares)	611	575
(Stock options in the form of stock acquisition rights)	(611)	(575)
Summary of potentially dilutive shares not included in the calculation of diluted net income per share due to their anti-dilutive effect	-	-

(Significant subsequent events)

Not applicable