

FY2021 Results(from April 1, 2021 to March 31, 2022) Supplementary Data

April 28, 2022
NGK INSULATORS, LTD.

[After consolidation elimination]

□ October 2021 Announcement

	FY2020 Year		FY2021 Year		YOY	
	Results	Ratio	Results	Ratio		
Net Sales	¥Bil. 452	100%	515	510	100%	+13%
<Overseas Sales>	<325>	72%	<386>	76%		+19%
Operating Income	51		83	84		+64%
(%)	(11%)		(16%)			
Energy & Industry Business	42	9%	41	41	8%	Δ3%
Operating Income	Δ4		Δ3	Δ3		-
(%)	(-)		(-)			
Ceramics Business	249	55%	300	293	57%	+18%
Operating Income	41		68	65		+58%
(%)	(17%)		(22%)			
Electronics Business	54	12%	52	53	10%	Δ1%
Operating Income	3		5	6		+106%
(%)	(5%)		(11%)			
Process Technology Business	107	24%	122	124	24%	+16%
Operating Income	11		13	15		+43%
(%)	(10%)		(13%)			

		(Ratio)		(Ratio)	YOY
Ordinary Income	53	(12%)	82	86	(17%) +63%
Net Income Attributable to Owners of the Parent	38	(9%)	60	71	(14%) +84%
R O E	7.9%		12.9%		
EPS	¥121.61		¥226.56		
Dividend (Dividend Payout Ratio)	¥30(24.7%)		¥63(27.8%)		

FX Rate(¥/USD) 106 113
FX Rate(¥/EUR) 124 131

Capital Expenditures	508	(112%)	381	(75%)	Δ25%
Depreciation Costs	449	(99%)	493	(97%)	+10%
R&D Expenses	224	(50%)	236	(46%)	+5%

*Business segments have been changed since the beginning of FY2022.

With this change, operating results for FY2021 have also been reclassified into the same segments.

Business groups have been reorganized to three from four, dissolving the Process Technology Business.

The Ceramics Business has been renamed the Environment Business Group (EN Business Group).

The Electronics Business has been dissolved and reorganized into the Digital Society Business Group (DS Business Group) composed of HPC, Electronics components, and Metal-related operations.

The Energy Infrastructure Business has been dissolved and reorganized into the Energy & Industry Business Group (E&I Business Group) composed of Energy Storage, Insulators and Industrial Processes.

	FY2021 Year		FY2022 Year		YOY
	Results	Ratio	Forecasts	Ratio	
Net Sales	¥Bil. 510	100%	580	100%	+14%
<Overseas Sales>	<39>	8%	<440>	76%	+1041%
Operating Income	84		90		+8%
(%)	(16%)		(16%)		
Environment Business ("EN" Business)	293	57%	325	56%	+11%
Operating Income	65		65		Δ0%
(%)	(22%)		(20%)		
Digital Society Business ("DS" Business)	150	29%	180	31%	+20%
Operating Income	20		27		+36%
(%)	(13%)		(15%)		
Energy & Industry Business ("E&I" Business)	67	13%	75	13%	+11%
Operating Income	Δ1		Δ2		-
(%)	(-)		(-)		

		(Ratio)	YOY
Ordinary Income	88	(15%)	+2%
Net Income Attributable to Owners of the Parent	65	(11%)	Δ8%
R O E	10.8%		
EPS	¥208.57		
Dividend (Dividend Payout Ratio)	¥66(31.6%)		

Capital Expenditures	590	(102%)	+55%
Depreciation Costs	530	(91%)	+8%
R&D Expenses	260	(45%)	+10%

FY2021 Results ... The highest sales and operating income.

① Summary of financial results by business segment (sales/operating income)

[Energy Infrastructure] ... Deficit shrank despite decline in sales

• Insulators Domestic demands were weak but the business returned profitable due to improving sales prices and the cost reduction.

• Energy Storage The shipments were sluggish both in Japan and overseas.

[Ceramics] ... Sales and income increased

• Automotive related Despite the impact of semiconductor shortage, annual sales and income increased due to increased demand for automotive-related products driven by the recovery of sales of passenger cars and trucks in addition to due to tightening emission regulations.

[Electronics] ... Income increased despite decrease in sales

• Metal related Sales and income increased due to increased demands for in-vehicle products and others.

• Electronics components Sales and income increased due to increased demands for piezoceramic actuators for HDDs.

(The effect of exclusion of Soshin Electric Co., Ltd and its consolidated subsidiaries: Sales (6.9) billion yen, Income +0.1 billion yen.)

[Process Technology] ... Sales and income increased

• SPE related Sales and income increased as the demand increased due to strong foundries investment.

② Exchange Rate Effects Sales 12.7 billion yen, Income 4.6 billion yen

Previous year ¥106 → current year ¥113/USD, ¥124 → ¥131/EUR

③ Extraordinary Income 4.9 billion yen was recorded as subsidy for capital expenditures made for production increase implemented in the past fiscal years.

④ Refund of income taxes Approximately 5.8 billion yen was recorded after the Tokyo High Court decided to cancel the correction enforced based on transfer pricing taxation.

(Interest on tax refund of approximately 1.2 billion yen was recorded as non-operating income)

⑤ Dividend The company plans to pay a year-end dividend of ¥33 for the fiscal year, increased by ¥3 yen per share compared to the previous forecast. The total dividend for the year was revised up to ¥63 per share.

* HPC...Ceramic for Semiconductor Manufacturing

Forecasts for FY2022 ... YOY sales and income are expected to increase except net income.

① Overview by business segment (sales/operating income)

[EN Business] ... Sales will increase and income will remain mostly unchanged

• Automotive related Sales are expected to increase driven by the tightening emission regulations besides the recovery in sales of passenger cars and trucks, although income are expected to remain at the same level as the previous year due to soaring raw material/fuel prices, higher logistics costs and others.

[DS Business] ... Sales and income will increase

• SPE related Higher sales and income are expected due to strong and continuous foundry investments.

• Electronics components Sales of piezoceramic actuators for HDDs are expected to grow against the backdrop of the strong investment in data centers. In addition, sales of ceramic packages for crystal devices are also expected to grow driven by the robust demand for in-vehicle products and 5G smartphones, wearable devices.

[E&I Business] ... Higher sales are expected but the deficit will continue

• Energy Storage Despite the active inquiries, deficit will continue due to the effect of difficulties in procuring materials and others.

• Insulators Sales in overseas markets are expected to increase, but income will remain at the same level as the previous year due to soaring raw material prices.

• Industrial Processes Sales will increase due to expanding demands for heating systems for electric components and lithium-ion battery materials.

② Exchange Rate Effects

• Year-on-year Sales 10.6 billion yen, Income 6.4 billion yen

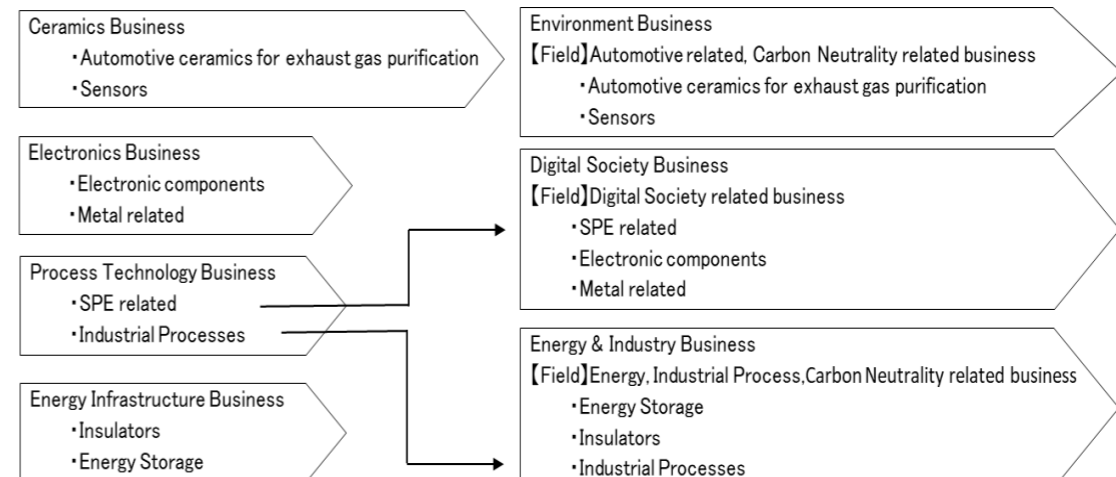
(Previous year ¥113 → current year ¥120/USD, ¥131 → ¥130/EUR)

• Effect per yen per year USD (sales 1.5 billion yen, income 0.73 billion yen)

EUR (sales 0.7 billion yen, income 0.1 billion yen)

③ Dividend Forecast The company plans to pay an interim dividend of 33 yen, a year-end dividend of 33 yen, and an annual dividend of 66 yen.

④ Changes in Segments



FY2021 Results Supplementary Data(FY2022 1st Half Forecasts)

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[After consolidation elimination]

	FY2020 1st half		FY2021 1st half			FY2021 1st half		FY2021 1st half		YOY
	Results	Ratio	Results	Ratio		※Results	Ratio	Forecasts	Ratio	
Net Sales	¥Bil. 195	100%	¥Bil. 250	100%	Net Sales	¥Bil. 250	100%	¥Bil. 275	100%	+10%
<Overseas Sales>	<136>	70%	<190>	76%	<Overseas Sales>	<190>	76%	<210>	76%	+10%
Operating Income (%)	12 (6%)		46 (18%)		Operating Income (%)	46 (18%)		41 (15%)		Δ11%
Energy & Industry Business	19	10%	20	8%	Environment Business ("EN"Business)	148	59%	154	56%	+4%
Operating Income (%)	Δ2 (-)		Δ1 (-)		Operating Income (%)	37 (25%)		31 (20%)		Δ16%
Ceramics Business	98	50%	148	59%	Digital Society Business ("DS"Business)	72	29%	85	31%	+19%
Operating Income (%)	7 (7%)		37 (25%)		Operating Income (%)	10 (14%)		12 (14%)		+20%
Electronics Business	27	14%	26	10%	Energy & Industry Business ("E&I"Business)	31	12%	36	13%	+16%
Operating Income (%)	1 (2%)		3 (12%)		Operating Income (%)	Δ1 (-)		Δ2 (-)		-
Process Technology Business	51	26%	57	23%						
Operating Income (%)	7 (13%)		7 (12%)							

		(Ratio)		(Ratio)
Ordinary Income	12	(6%)	44	(18%)
Net Income Attributable to Owners of the Parent	7	(4%)	32	(13%)

FX Rate(¥/USD) 107 110
FX Rate(¥/EUR) 121 131

Capital Expenditures	29	(15%)	16	(7%)
Depreciation Costs	22	(11%)	24	(10%)
R&D Expenses	11	(5%)	11	(4%)

	(Ratio)	YOY
39	(14%)	Δ11%
28	(10%)	Δ12%

120
130

27	(10%)	+64%
25	(9%)	+4%
12	(4%)	+12%

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