

FY2023 Results (from April 1, 2023 to March 31, 2024) Supplementary Data

April 26, 2024
NGK INSULATORS, LTD.

[After inter-segment elimination]

October 2023 Announcement

	FY2022 Year		FY2023 Year		YOY	FY2023 Year <small>*(New business segments)</small>		FY2024 Year		YOY
	Results	Ratio	Results	Ratio		Results	Ratio	Forecasts	Ratio	
Net Sales	Bln. yen 559	100%	575 579	100%	+4%	Bln. yen 579	100%	Bln. yen 620	100%	+7%
<Overseas Sales>	<430>	77%	<446>	77%	+4%	<446>	77%	<480>	77%	+8%
Operating Income (%)	67 (12%)		62 66	(11%)	-1%	66 (11%)		75 (12%)		+13%
Environment Business ("EN" Business)	321	57%	351 362	63%	+13%	391	67%	394	64%	+1%
Operating Income (%)	51 (16%)		60 64	(18%)	+25%	65 (17%)		68 (17%)		+5%
Digital Society Business ("DS" Business)	163	29%	140 138	24%	-15%	138	24%	159	26%	+15%
Operating Income (%)	18 (11%)		2 2	(2%)	-87%	2 (2%)		6 (4%)		+163%
Energy & Industry Business ("E&I" Business)	75	13%	84 79	14%	+5%	50	9%	67	11%	+34%
Operating Income (%)	(2) (-)		0 1	(1%)		(0) (-)		1 (1%)		

	Ratio		Ratio	YOY
Ordinary Income	66 12%	58 63	11%	-4%
Net Income Attributable to Owners of the Parent	55 10%	39 41	7%	-26%
R O E	9.0%	6.1%		
E P S	177.47yen	133.65yen		
Dividend per share and Dividend Payout Ratio	66yen, 37.2%	50yen, 37.4%		

Foreign Exchange Rate (Yen/USD)	135	144	145
Foreign Exchange Rate (Yen/Euro)	141	157	155

Capital Expenditures	44 8%	47 8%	+8%
Depreciation Costs	54 10%	57 10%	+6%
R&D Expenses	26 5%	32 5%	+21%

	Ratio	YOY
71	11%	+13%
53	9%	+31%
7.5%		
177.90yen		
60yen, 33.7%		

145
155

68 11%	+44%
57 9%	+0%
31 5%	-2%

FY2023 Results ... Sales reached a record high due to the effect of the weaker yen, while operating income declined only slightly.

① Summary of business results by segment

- [EN Business] ... Sales and income increased.
 •Automotive related Sales increased due to a recovery in automobile production backed by the easing of shortages in the supply of parts, including semiconductors, increased demand due to stricter exhaust gas regulations, and the weaker yen. Although increased costs from inflation, income increased due to the positive effects of increased demand and the weaker yen.
- [DS Business] ... Sales decreased; income decreased significantly
 •SPE related ※ Sales and income declined due to continued stagnation in demand resulting from a reduction in investment in manufacturing equipment by semiconductor manufacturers following the deterioration of semiconductor market.
 •Electronics components Sales and income fell as demand decreased due to sluggish smartphone sales and reduced data center investment.
- [E&I Business] ... Sales increased, moving into the black.
 •Energy Storage Although inquiries centering on overseas projects were brisk, sales and income declined due to delays in shipping the products for the projects.
 •Insulators Sales and income increased due to demand associated with the power transmission and distribution network expansion plan in the U.S., as well as sales price revisions.
 •Industrial Processes Sales were at the same level as the previous year, but income decreased due to delays in the shipment of Industrial heating systems for Lithium-ion battery cathode materials, as well as decreased demand for refractory products for electronic components.

② Exchange Rate Effects Sales increased 21.2 billion yen and operating income increased 5.4 billion yen year on year (135 yen/ USD and 141 yen/ Euro in FY2022. 144 yen/ USD and 157 yen/ Euro in FY2023.)

③ Extraordinary Loss Impairment losses were recorded for the package business and others whose revenues declined due to lower demand (7 billion yen)

※ SPE related...Products for semiconductor manufacturing equipment

Forecasts for FY2024 ... Sales and income will increase due to the recovery of demand in the DS Business in the second half of the year

① Summary of forecasts by segment

- [EN Business] ... Increases in sales and income
 •Automotive related Demand is generally at the same level as last year. Income will increase due to cost reductions.
 •Industrial Processes Despite an increase in sales due to the delay in the shipment of industrial heating systems for lithium-ion battery cathode materials that has continued from the previous year, income will remain at the same level as the previous period.
- [DS Business] ... Increases in sales and income
 •SPE related ※ With the semiconductor supply-demand balance improving, capital investment by device manufacturers is expected to recover slowly from the second half, resulting in increased sales and income.
 •Electronics components Expecting a gradual recovery in market conditions, sales will increase year on year. Income is expected to decline due to the significant start-up costs to enhance production capacity for Active Metal Brazing (AMB) and Direct Copper Bonding(DCB) Substrates Business.
- [E&I Business] ... Increases in sales and income
 •Energy Storage In spite of a sales increase due to the shipment of products for overseas projects, the deficit will persist due to increased expenses.
 •Insulators Sales and income will increase due to continued solid U.S. demand and increased demand in other regions.

② Exchange Rate Effects

- Year-on-year Sales to increase 0.2 billion yen and operating income to increase 2.4 billion yen year on year (144 yen/ USD and 157 yen/ Euro in FY2023. 145 yen/ USD and 155 yen/ Euro in FY2024.)
 •Effects of a yen change in exchange rates per year

USD : Sales 1.4 billion yen and operating income 0.6 billion yen
 Euro : Sales 0.7 billion yen and operating income 0.1 billion yen

③ Changes in segments

- ... Industrial Process was transferred from Energy & Industry Business to the Environment Business. Manufacturing technology of catalyst converters and filters cultivated through ceramics for automobile exhaust gas purification and Industrial process for engineering will be integrated into the Environment Business. We aim to accelerate technological development in the carbon neutral and bio fields to achieve business transformation and profit growth by expanding synergies.

④ Dividend Forecast

An interim dividend of 30 yen, a year-end dividend of 30 yen (planned), total dividend will be 60 yen.

*The business segments have been changed from the beginning of FY2024.

As a result of this change, the operating results for FY2023 have been rearranged and presented using the same segment classification. The Industrial Process Business was transferred from the Energy & Industry Division ("E&I Division") to the Environment Division ("EN Division").

FY2023 Results Supplementary Data (FY2024 1st Half Forecasts)

April 26, 2024
NGK INSULATORS, LTD.

[After inter-segment elimination]

	FY2022 1st half		FY2023 1st half		FY2023 * (New business segments)		FY2024 1st half		YOY
	Results	Ratio	Results	Ratio	Results	Ratio	Forecasts	Ratio	
Net Sales	Bln. yen 275	100%	Bln. yen 283	100%	Bln. yen 283	100%	Bln. yen 295	100%	+4%
<Overseas Sales>	<211>	77%	<221>	78%	<221>	78%	<230>	78%	+4%
Operating Income	39		32		32		30		-8%
(%)	(14%)		(11%)		(11%)		(10%)		
Environment Business ("EN" Business)	153	56%	180	64%	193	68%	195	66%	+1%
Operating Income	26		32		32		32		-2%
(%)	(17%)		(18%)		(17%)		(16%)		
Digital Society Business ("DS" Business)	88	32%	66	23%	66	23%	73	25%	+11%
Operating Income	14		1		1		0		-
(%)	(16%)		(1%)		(1%)		(0%)		
Energy & Industry Business ("E&I" Business)	33	12%	37	13%	24	8%	27	9%	+15%
Operating Income	(1)		(1)		(1)		(2)		-
(%)	(-)		(-)		(-)		(-)		

	Results	Ratio	Results	Ratio
Ordinary Income	35	13%	29	10%
Net Income Attributable to Owners of the Parent	27	10%	18	6%

	Ratio	YOY
	9%	-3%
	7%	+16%

Foreign Exchange Rate (Yen/USD)

133

141

145

Foreign Exchange Rate (Yen/Euro)

139

154

155

	Results	Ratio	Results	Ratio
Capital Expenditures	20	7%	23	8%
Depreciation Costs	27	10%	28	10%
R&D Expenses	12	4%	15	5%

	Ratio	YOY
	11%	+41%
	9%	+1%
	5%	+3%

*The business segments have been changed from the beginning of FY2024.

As a result of this change, the operating results for FY2023 have been rearranged and presented using the same segment classification.

The Industrial Process Business was transferred from the Energy & Industry Division ("E&I Division") to the Environment Division ("EN Division").