

FY2024 1st Half Results (from April 1, 2024 to September 30, 2024) Supplementary Data

October 31, 2024
NGK INSULATORS, LTD.

[After inter-segment elimination]

□ April Announcement

	FY2023 1st half		FY2024 1st half		YOY
	Results	Ratio	Results	Ratio	
Net Sales	Bln. yen 283	100%	Bln. yen 295 298	100%	+5%
<Overseas Sales>	<221>	78%	<235>	79%	+6%
Operating Income	33		30 40		+22%
%	11%		13%		
Environment Business ("EN"Business)	193	68%	195 192	64%	-0%
Operating Income	32		32 35		+9%
%	17%		18%		
Digital Society Business ("DS"Business)	66	23%	73 79	27%	+20%
Operating Income	1		0 5		+614%
%	1%		7%		
Energy & Industry Business ("E&"Business)	24	8%	27 27	9%	+14%
Operating Income	(1)		(2) (1)		
%	-		-		

	Results	Ratio	Results	Ratio	YOY
Ordinary Income	29	10%	28 38	13%	+33%
Net Income Attributable to Owners of the Parent	18	6%	21 26	9%	+42%
R O E	-		-		
E P S	59.35 yen		87.02 yen		
Dividend per share and Dividend Payout Ratio	25 yen		30 yen		

Foreign Exchange Rate (Yen/USD)	141		152		
Foreign Exchange Rate (Yen/Euro)	154		165		

Capital Expenditures	23	8%	22	7%	-6%
Depreciation Costs	28	10%	29	10%	+3%
R&D Expenses	15	5%	14	5%	-4%

□ April Announcement

	FY2023 Full-Year		FY2024 Full-Year		YOY
	Results	Ratio	Forecast	Ratio	
Net Sales	Bln. yen 579	100%	Bln. yen 620 620	100%	+7%
<Overseas Sales>	<446>	77%	<490>	79%	+10%
Operating Income	66		75 78		+17%
%	11%		13%		
Environment Business ("EN"Business)	391	67%	394 392	63%	+0%
Operating Income	65		68 67		+4%
%	17%		17%		
Digital Society Business ("DS"Business)	138	24%	159 168	27%	+22%
Operating Income	2		6 12		+425%
%	2%		7%		
Energy & Industry Business ("E&"Business)	50	9%	67 60	10%	+20%
Operating Income	(1)		1 (1)		
%	-		-		

	Results	Ratio	Results	Ratio	YOY
Ordinary Income	63	11%	71 74	12%	+17%
Net Income Attributable to Owners of the Parent	41	7%	53 53	9%	+31%
R O E	6.1%		7.6%		
E P S	133.65 yen		179.41 yen		
Dividend per share and Dividend Payout Ratio	50 yen, 37.4%		60 yen, 33.4%		

Foreign Exchange Rate (Yen/USD)	144		147		
Foreign Exchange Rate (Yen/Euro)	157		161		

Capital Expenditures	47	8%	68 64	10%	+35%
Depreciation Costs	57	10%	57 59	10%	+4%
R&D Expenses	32	5%	31 31	5%	-2%

The points for the consolidated financial results for the first half of FY2024

— Both Sales and Income have increased, and Sales have reached a record-high

① Summary of business results by segment

【EN Business】

・Automotive related

— Decreased sales, increased income

Sales have decreased due to inventory adjustments and other factors from the slowdown in the Chinese and Southeast Asian markets. Income has partly increased due to the positive effect of the weak yen and the delay in expenses incurred.

【DS Business】

・SPE related

— Increased sales and income

・Electronics components

Both sales and income increased due to the weak yen and concentration of some projects. Although sales have increased due to rising demand for piezoelectric actuators for HDDs driven the recovery in data center investments, income has declined due to expanding losses in Ceramic Package segment and startup costs for increasing production capacity of DCB and AMB Substrates for Power Modules.

【E&I Business】

・Insulators

— Increased sales, ongoing losses

・Energy Storage

Domestic and overseas demand for insulators has remained strong. Both sales and income have increased due to the additional impact of the weak yen. Losses have increased due to higher parts procurement costs, etc., although sales have increased due to shipments of overseas projects.

② Exchange Rate Effects

Sales increased 12.2 billion yen and operating income increased 7.7 billion yen year on year (141 yen/ USD and 154 yen/ Euro in the first half of FY2023. 152 yen/ USD and 165 yen/ Euro in the first half of FY2024.)

③ Extraordinary losses

Impairment loss of 1.6 billion yen on fixed assets has been recognized. (Recognized a billion yen in Ceramic Package segment, DS Business)

The points for the full-year forecasts for consolidated financial statements

— Expecting an increase in both Sales and Income

Both Operating income and Ordinary income have been revised upward from the April announcement

① Summary of forecasts by segment

【EN Business】

・Automotive related

— Expected increase in sales and income

Sales will decline due to the gradual declining in the Chinese and Southeast Asian automotive markets, despite the expected positive effect of the weak yen. Income is expected to increase as profitability improves due to cost reductions and price hikes.

・Industrial Processes

Income will remain unchanged from the previous year, although sales will increase due to the delay in shipment of industrial heating systems for LIB battery cathode materials from the previous year.

【DS Business】

・SPE related

— Expected increase in sales and income

Although the market recovery lacks strength, both sales and income will increase due to some demand being brought forward.

・Electronics components

Although sales of Ceramic Package segment is now expected to continue slump due to slower recovery in smartphone sales, increased sales and income are expected. This is driven by robust demand for piezoelectric actuators for HDDs, fueled by strong investments in data centers.

【E&I Business】

・Insulators

— Expected increase in sales but expanding losses

As in the first half, both sales and income are expected to increase as demand for products continues to be driven by firm domestic and overseas investment in power transmission and distribution networks.

・Energy Storage

Losses will increase due to higher material prices, in addition to delays to the next fiscal year of some of the expected shipment of large-scale projects in Germany.

② Exchange Rate Effects

・Year-on-year

Sales to increase 6.5 billion yen and operating income to increase 5.4 billion yen year on year (144 yen/ USD and 157 yen/ Euro in FY2023. 147 yen/ USD and 161 yen/ Euro in FY2024.)

・Effects of a yen change

in exchange rates in 2nd half
USD : Sales 0.6 billion yen and operating income 0.2 billion yen
Euro : Sales 0.3 billion yen and operating income 0.02 billion yen

③ Dividend Forecast

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

④ Sustainable Finance

Tenth Series of NGK INSULATORS, LTD. Unsecured Straight Bonds are scheduled to be issued. Issuance amount : 5 billion yen Issuance date : November, 2024 onwards Maturity : 5 years