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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

January 31, 2025

Company name: **NGK INSULATORS, LTD.**

Stock exchange listings: Tokyo and Nagoya

Stock code: 5333

URL: <https://www.ngk-insulators.com/en/>

Representative: (Title) President (Name) Shigeru Kobayashi

Contact: (Title) Vice President, General Manager, Finance & Accounting Department. (Name) Hideaki Tsukui (TEL) +81-52-872-7230

Scheduled date of commencing of dividend payments: —

Availability of supplementary explanatory materials prepared for financial results: None

Briefing session on financial results to be held: None

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

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (from April 1, 2024, to December 31, 2024)

#### (1) Consolidated Operating Results

% represents increase (decrease) from the previous period

Fiscal Year ended	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	455,451	7.8	62,413	24.0	61,416	29.4	41,001	21.0
December 31, 2023	422,527	1.8	50,317	(12.6)	47,447	(15.6)	33,876	(34.4)

(Note) Comprehensive income: Nine months ended December 31, 2024 ¥47,560 million (18.1)%

: Nine months ended December 31, 2023 ¥58,093 million (16.1)%

Fiscal Year ended	Net income per share	Diluted net income per share
	Yen	Yen
December 31, 2024	138.47	138.25
December 31, 2023	111.00	110.82

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	1,153,148	725,347	62.2
March 31, 2024	1,127,576	703,225	61.7

(Reference) Equity: As of December 31, 2024 ¥717,576 million

: As of March 31, 2024 ¥695,425 million

## 2. Dividend Payments

	Cash dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2024	—	25.00	—	25.00	50.00
Fiscal Year ending March 31, 2025	—	30.00	—		
Fiscal Year ending March 31, 2025 (forecast)				30.00	60.00

(Note) Revision of dividend forecasts during this period: None

## 3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025

% represents increase (decrease) from the previous period

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal Year ending March 31, 2025	620,000	7.1	78,000	17.5	74,000	17.4	53,000	30.7	179.41

(Note) Revision of forecasts of consolidated financial results during this period: None

## Notes

(1) Significant changes in the scope of consolidation during the nine months ended December 31, 2024: None

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates or retrospective restatements

- (i) Changes in accounting policies 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

(Note) For details, please refer to "2. Consolidated Financial Statements and Primary Notes (3) Notes to Consolidated Financial Statements (Changes in Accounting Policy)" on page 7 of the Appendix.

(4) Number of shares outstanding (Common Shares)

(i) Number of shares outstanding at period end including treasury shares	December 31, 2024	297,956,996 shares	March 31, 2024	311,956,996 shares
(ii) Number of treasury shares at period end	December 31, 2024	4,867,327 shares	March 31, 2024	14,029,396 shares
(iii) Average number of shares outstanding over period	December 31, 2024	296,104,451 shares	December 31, 2023	305,185,431 shares

**\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or audit firm: None**

**\* Explanation about the appropriate use of the business forecasts and other notes**

**(Notes regarding forward-looking statements)**

This document contains forward-looking statements that are based on information and certain assumptions that NGK INSULATORS, LTD. (hereinafter referred to as "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. For the basis of presumption of the business forecast and the notes on its use, please refer to "1. Overview of Business Results and Others, (3)Explanation of Future Statements including Forecasts for Consolidated Financial Statements" on page 2 of the Appendix.

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## 1. Overview of Business Results and Others

### (1) Overview of Business Results for the Nine Months Ended December 31, 2024

In the nine months ended December 31, 2024, the Japanese economy continued a virtuous cycle with solid corporate profits and an increase in personal consumption due to the improved income conditions. As for the United States, overheating of the economy resolved and the economy remained firm. In Europe, on the other hand, price hikes calmed down, but the economy showed a modest recovery. China continued to stagnate due to the prolonged slump in the real estate market and severe employment conditions. The outlook remains uncertain due to concerns that political instability and rising nationalism in various countries will undermine the stability of the global economy.

Under these circumstances, in the Environment Business, although a slight slowdown in the global shift to electric vehicles (EVs), the demand for automobiles weakened in markets such as China and Southeast Asia and shipments of automotive-related products declined. In the Digital Society Business, some shipments of components for semiconductor production equipment were intensive and shipments of piezoceramic actuators for HDDs increased due to strong data center investment. In the Energy & Industry Business, shipments of insulators remained strong due to continued strong investment in power transmission and distribution in Japan and the U.S. As a result, added with the positive effect of the depreciation of the yen, net sales in the nine months ended December 31, 2024, increased 7.8% year-on-year to ¥455,451 million. In terms of profits, operating income increased 24.0% year on year to ¥62,413 million due to an increase in sales and the positive effect of the depreciation of the yen. Ordinary income increased 29.4% year on year to ¥61,416 million, net income attributable to owners of the parent increased 21.0% year on year to ¥41,001 million.

By segment, net sales increased 1.7% year on year in the Environment Business to ¥288,859 million, and operating income increased 6.6% year on year to ¥51,878 million. In the Digital Society Business, net sales increased 21.4% year on year to ¥123,940 million. Operating income increased 542.3% year on year to ¥10,068 million. In the Energy & Industry Business, net sales increased 17.3% year on year to ¥43,497 million and operating income increased 598.8% year on year to ¥460 million.

Effective from the first quarter of the current fiscal year, the Industrial Process Business which included in the "Energy & Industry" has been changed to the "Environment". Year-on-year figures for each segment were calculated after adjusting the figures for the same period of the previous fiscal year to the revised segment classification.

### (2) Summary of Financial Position for the Nine Months Ended December 31, 2024

As of December 31, 2024, total assets were ¥1,153,148 million, an increase of ¥25,571 million from the previous fiscal year-end. This was mainly due to increases in inventories and securities.

Total liabilities increased by ¥3,449 million from the previous fiscal year-end to ¥427,801 million. This was mainly due to increases in short-time borrowings and bonds payable despite a decrease in notes and accounts payable-trade.

Total net assets stood at 725,347 million, or ¥22,121 million higher than the previous fiscal year-end, due to decreases in treasury shares and increases in foreign currency translation adjustment.

### (3) Explanation of Future Statements including Forecasts for Consolidated Financial Statements

With regard to the financial results forecasts for the full year ending March 31, 2025 no revisions have been made to those announced on October 31, 2024 and the previous forecasts remain unchanged. If there is any necessity to revise the full year forecasts, updated information will be disclosed immediately.

Financial results forecasts are based on information that are currently available. Actual results may differ significantly from those in the forecasts due to various factors.

## 2. Consolidated Financial Statements and Notes

### (1) Consolidated Balance Sheets

(Millions of yen)

	December 31, 2024	March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	205,490	192,656
Notes and accounts receivable-trade, and contract assets	125,572	134,262
Securities	66,907	50,015
Inventories	254,570	239,063
Other	24,476	26,319
Allowance for doubtful accounts	(164)	(165)
Total current assets	676,853	642,151
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	129,065	129,119
Machinery and vehicles, net	162,156	174,122
Other, net	77,091	68,661
Total property, plant and equipment	368,312	371,903
Intangible assets	6,198	6,659
Investments and other assets		
Investment securities	72,152	76,709
Other	29,959	30,469
Allowance for doubtful accounts	(327)	(317)
Total investments and other assets	101,784	106,862
Total non-current assets	476,295	485,425
<b>Total assets</b>	<b>1,153,148</b>	<b>1,127,576</b>

(Millions of yen)

	December 31, 2024	March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	40,882	50,269
Short-term borrowings	19,485	11,342
Current portion of long-term borrowings	57,340	40,897
Income taxes payable	6,142	6,734
Other	64,763	66,559
<b>Total current liabilities</b>	<b>188,614</b>	<b>175,803</b>
Non-current liabilities		
Bonds payable	57,000	52,000
Long-term borrowings	140,900	155,086
Retirement benefit liability	21,274	20,906
Other	20,011	20,554
<b>Total non-current liabilities</b>	<b>239,187</b>	<b>248,547</b>
<b>Total liabilities</b>	<b>427,801</b>	<b>424,351</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	70,064	70,064
Capital surplus	70,389	70,397
Retained earnings	450,868	451,550
Treasury shares	(8,838)	(25,155)
<b>Total shareholders' equity</b>	<b>582,483</b>	<b>566,856</b>
Accumulated other comprehensive income		
Valuation difference on available -for-sale securities	35,606	38,845
Deferred gains or losses on hedges	5	6
Foreign currency translation adjustment	91,789	82,250
Remeasurements of defined benefit plans	7,691	7,467
<b>Total accumulated other comprehensive income</b>	<b>135,093</b>	<b>128,569</b>
Share acquisition rights	788	852
Non-controlling interests	6,982	6,947
<b>Total net assets</b>	<b>725,347</b>	<b>703,225</b>
<b>Total liabilities and net assets</b>	<b>1,153,148</b>	<b>1,127,576</b>

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

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2023
<b>Net sales</b>	<b>455,451</b>	<b>422,527</b>
Cost of sales	323,520	307,239
<b>Gross profit</b>	<b>131,931</b>	<b>115,288</b>
Selling, general and administrative expenses	69,518	64,970
<b>Operating income</b>	<b>62,413</b>	<b>50,317</b>
Non-operating income		
Interest income	1,546	1,091
Dividend income	1,921	1,353
Share of profit of entities accounted for using equity method	126	35
Gain on valuation of derivatives	—	317
Other	1,757	928
Total non-operating income	5,352	3,725
Non-operating expenses		
Interest expense	2,931	2,969
Foreign exchange losses	1,098	2,438
Loss on valuation of derivatives	744	—
Other	1,573	1,188
Total non-operating expense	6,348	6,596
<b>Ordinary income</b>	<b>61,416</b>	<b>47,447</b>
Extraordinary income		
Gain on sales of non-current assets	151	124
Gain on sales of investment securities	877	623
Subsidies income	152	162
Total extraordinary income	1,182	910
Extraordinary losses		
Loss on disposals of non-current assets	218	311
Impairment loss	1,621	329
Loss on valuation of investment securities	522	956
Total extraordinary losses	2,363	1,598
<b>Income before income taxes</b>	<b>60,235</b>	<b>46,759</b>
Income taxes-current	16,171	12,574
Income taxes-deferred	3,150	304
Total income taxes	19,321	12,879
<b>Net income</b>	<b>40,913</b>	<b>33,880</b>
Net income(loss) attributable to non-controlling interests	(87)	3
<b>Net income attributable to owners of the parent</b>	<b>41,001</b>	<b>33,876</b>



## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2023
<b>Net income</b>	<b>40,913</b>	<b>33,880</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,238)	3,406
Deferred gain or loss on hedges	(0)	15
Foreign currency translation adjustment	9,661	20,369
Defined retirement benefit plans	224	(154)
Share of other comprehensive income of entities accounted for using equity method	—	576
Total other comprehensive income	6,646	24,212
<b>Comprehensive income</b>	<b>47,560</b>	<b>58,093</b>
Comprehensive income attributable to:		
Owners of the parent	47,525	57,638
Non-controlling interests	34	454

### **(3) Notes to Consolidated Financial Statements**

#### **(Significant Matters Serving as the Basis for Quarterly Consolidated Financial Statement Preparation)**

The quarterly consolidated financial statements have been prepared in accordance with Article 4, Paragraph 1 of the Standards for the Preparation of Quarterly Financial Statements, etc., of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. and accounting standards for quarterly financial statements generally accepted as fair and reasonable in Japan (however, the omission of descriptions prescribed in Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc., applies).

#### **(Changes in Accounting Policy)**

##### **- Accounting Standard for Current Income Taxes**

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as “Accounting Standard Revised in 2022”) since the beginning of the first quarter of the current consolidated fiscal year.

In the past, the Company recognized corporation tax, municipal tax, business tax, etc. (hereinafter referred to as “income taxes”) in profit (loss) in the amount calculated in accordance with the relevant laws and regulations. However, the Company has chosen to recognize income taxes on income separately in profit (loss), shareholders’ equity, and other comprehensive income, depending on transactions that become the sources of the income tax. Regarding income taxes recognized in accumulated other comprehensive income, the Company has elected to recognize the corresponding tax amount in profit (loss) at the time when the transaction, etc. that caused the income tax to be imposed is recognized in profit (loss).

However, in the case that transactions, etc. are related to shareholders’ equity or other comprehensive income in addition to profit (loss), and that it is difficult to determine the amount of income taxes imposed on shareholders’ equity or other comprehensive income, the Company recognizes the amount of such taxes in profit (loss).

With respect to the revision to the accounting classification of income taxes (taxation on other comprehensive income), the Company follows the transitional treatment provided for in the proviso of Paragraph 20-3 of the Accounting Standard Revised in 2022. The Company has applied the new accounting policy since the beginning of the current fiscal year, and the cumulative amount affected by the retrospective application of the new accounting policy prior to the beginning of the initial year of application is added to or subtracted from retained earnings at the beginning of the initial year of application, and the corresponding amount is added to or subtracted from an appropriate classification among capital surplus, valuation and transaction adjustments or other comprehensive income. The Company follows the transitional treatment provided for in the proviso of Paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as “Implementation Guidance Revised in 2022”). The Company has applied the new accounting policy since the beginning of the current fiscal year, and the cumulative amount affected by the retrospective application of the new accounting policy prior to the beginning of the initial year of application is added to or subtracted from retained earnings at the beginning of the initial year of application, and the corresponding amount is added to or subtracted from capital surplus at the beginning of the fiscal year.

In addition, regarding the revision related to changes in treatment in consolidated financial statements in the case of deferring gains or losses from sales of stocks, etc. of subsidiaries between consolidated companies for tax purposes, the Company has applied the Implementation Guidance Revised in 2022 since the beginning of the first quarter of the current consolidated fiscal year. These changes in accounting policies were applied retrospectively, and the semi-annual consolidated financial statements and consolidated financial statements for the previous semi-annual and fiscal year are those after retroactive application.

During the nine months ended December 31, 2024, there were no impact on the quarterly consolidated financial statements.

##### **- Practical Solution on the Accounting for and Disclosure of Current Taxes Related to Global Minimum Tax Rules, etc.**

The Company has applied the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to Global Minimum Rules, etc. (ASBJ PITF No. 46, March 22, 2024; hereinafter referred to as “ASBJ PITF”) since the beginning of the first quarter of the current consolidated fiscal year.

The Company follows the transitional treatment in paragraph 7 and paragraph 15 of ASBJ PITF. The Company has not recognized income taxes related to global minimum tax in the nine months ended in December 31, 2024.

The result of those changes has no impact on the quarterly consolidated financial statements.

**(Segment Information)**

(1) Nine months ended December 31, 2024 (from April 1, 2024, to December 31, 2024)

(Millions of yen)

	Business Segment				Adjustment *1	Consolidated *2
	Environment	Digital Society	Energy & Industry	Total		
Net sales						
Sales to customers	288,567	123,937	42,946	455,451	—	455,451
Intersegment sales	291	3	551	846	(846)	—
Total	288,859	123,940	43,497	456,297	(846)	455,451
Operating income	51,878	10,068	460	62,407	5	62,413

\*1. The adjustment of ¥5 million to operating income comprises of intersegment transactions.

\*2. Segment profit is reconciled to operating income in the quarterly consolidated statement of operations.

(2) Nine months ended December 31, 2023 (from April 1, 2023, to December 31, 2023)

(Millions of yen)

	Business Segment				Adjustment *1	Consolidated *2
	Environment	Digital Society	Energy & Industry	Total		
Net sales						
Sales to customers	283,901	102,042	36,583	422,527	—	422,527
Intersegment sales	145	24	499	669	(669)	—
Total	284,046	102,066	37,083	423,196	(669)	422,527
Operating income	48,684	1,567	65	50,317	0	50,317

\*1. The adjustment of ¥0 million to operating income comprises of intersegment transactions.

\*2. Segment profit is reconciled to operating income in the quarterly consolidated statement of operations.

(3) Changes in Segments

Effective from the first quarter of the current fiscal year, the Industrial Process Business which included in the “Energy & Industry” has been changed to the “Environment”.

Year-on-year figures for reportable business segments were calculated after adjusting the figures for the same period of the previous fiscal year to the revised segment classification.

(4) Information regarding impairment loss on non-current assets or goodwill by segment to be reported

(Significant impairment loss on non-current assets)

The Digital Society Business and the Energy & Industry Business segment recognized impairment loss. Impairment loss amounted to ¥1,122 million in the Digital Society Business, to ¥499 million in the Energy & Industry Business in the nine months ended December 31, 2024.

**(Significant Changes in Stockholder's Equity)**

The Company acquired 5,000,000 shares of its own shares from July 30, 2024 to November 29, 2024 based on the resolution at the meeting of the Board of Directors held on July 29, 2024. The Company cancelled 14,000,000 shares of its own shares, effective December 16, 2024 based on the resolution at the meeting of the Board of Directors held on July 29, 2024. Since the balance of other capital surplus turned to negative due to the cancellation of treasury shares, retained earnings were transferred to capital surplus.

As a result, during the nine months ended December 31, 2024, capital surplus and treasury shares decreased by ¥25,422 million.

**(Note on the Assumption as a Going Concern)**

Not applicable

**(Consolidated Cash Flows)**

There is no quarterly consolidated statement of cash flows for the nine months ended December 31, 2024.

Depreciation for the nine months ended December 31, 2024(including depreciation for intangible assets) is as follows.

	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Depreciation	42,938 million yen	42,190 million yen

**(Revenue Recognition)**

Disaggregated revenue recognized from contracts with customers

(1) Nine months ended December 31, 2024 (from April 1, 2024, to December 31, 2024)

(Millions of yen)

	Business Segment			Total
	Environment	Digital Society	Energy & Industry	
Major geographical regions				
Japan	37,530	35,140	26,120	98,791
North America	58,803	32,005	8,091	98,900
Europe	96,452	2,944	3,150	102,547
Asia	92,955	53,697	2,625	149,278
Others	2,826	149	2,958	5,933
Total	288,567	123,937	42,946	455,451
Major product lines				
Automotive ceramics for exhaust gas purification	221,533	—	—	221,533
Sensors	44,138	—	—	44,138
Industrial processes	22,895	—	—	22,895
SPE related (Component for semiconductor production equipment)	—	80,833	—	80,833
Electronics components	—	23,472	—	23,472
Metal related	—	19,631	—	19,631
Energy storage	—	—	5,453	5,453
Insulators	—	—	37,492	37,492
Total	288,567	123,937	42,946	455,451
Timing of revenue recognition				
Goods and services transferred at a point in time	280,121	123,937	42,162	446,221
Goods and services transferred over time	8,446	—	783	9,230
Total	288,567	123,937	42,946	455,451

(2) Nine months ended December 31, 2023 (from April 1, 2023, to December 31, 2023)

(Millions of yen)

	Business Segment			Total
	Environment	Digital Society	Energy & Industry	
Major geographical regions				
Japan	39,133	33,696	23,339	96,170
North America	52,556	30,847	8,331	91,735
Europe	99,385	2,898	255	102,539
Asia	87,057	34,474	1,811	123,343
Others	5,768	125	2,845	8,739
Total	283,901	102,042	36,583	422,527
Major product lines				
Automotive ceramics for exhaust gas purification	220,694	—	—	220,694
Sensors	47,054	—	—	47,054
Industrial processes	16,151	—	—	16,151
SPE related (Components for semiconductor production equipment)	—	63,990	—	63,990
Electronics components	—	18,901	—	18,901
Metal related	—	19,150	—	19,150
Energy storage	—	—	1,387	1,387
Insulators	—	—	35,196	35,196
Total	283,901	102,042	36,583	422,527
Timing of revenue recognition				
Goods and services transferred at a point in time	275,890	102,042	36,268	414,201
Goods and services transferred over time	8,010	—	315	8,325
Total	283,901	102,042	36,583	422,527

(Notes) Effective from the current fiscal year, the Industrial Process Business which included in the “Energy & Industry” has been changed to the “Environment.”

Information for disaggregated revenue recognized from contracts with customers for the Nine Months Ended December 31, 2023 has been reclassified based on the revised reportable segment classifications.