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Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]

October 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

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Scheduled date of the filing semi-annual report: November 6, 2025

Scheduled date of commencing of dividend payments: December 2, 2025

Availability of supplementary explanatory materials prepared for financial results: Yes

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 Six Months Ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated Operating Results

% represents increase (decrease) from the previous period

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
Fiscal Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	326,204	9.3	48,700	22.7	46,667	21.6	23,870	(7.7)
September 30, 2024	298,352	5.5	39,700	22.2	38,367	32.6	25,869	42.3

(Note) Comprehensive income: Six months ended September 30, 2025 ¥52,416 million 682.6 %
: Six months ended September 30, 2024 ¥6,698 million (87.7) %

	Net income per share	Diluted net income per share
Fiscal Year ended	Yen	Yen
September 30, 2025	81.58	81.46
September 30, 2024	87.02	86.88

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	1,181,377	765,638	64.1
March 31, 2025	1,142,986	725,506	63.0

(Reference) Equity: As of September 30, 2025 ¥757,285 million
: As of March 31, 2025 ¥719,803 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, 2025	—	30.00	—	30.00	60.00
Fiscal Year ending March 31, 2026	—	38.00			
Fiscal Year ending March 31, 2026 (forecast)			—	38.00	76.00

(Note) Revision of dividend forecasts during this period: Yes

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026

% 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, 2026	650,000	4.9	85,000	4.6	82,000	4.8	55,000	0.1	189.44

(Note) Revision of forecasts of consolidated financial results during this period: Yes

Notes

- (1) Significant changes in the scope of consolidation during the six months ended September 30, 2025: None
- (2) Application of special accounting methods for preparing semi-annual 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 : None
 - (ii) Changes in accounting policies other than the above (i) : None
 - (iii) Changes in accounting estimates : None
 - (iv) Retrospective restatement : None

(4) Number of shares outstanding (Common Shares)

(i)	Number of shares outstanding at period end including treasury shares	September 30, 2025	297,956,996 shares	March 31, 2025	297,956,996 shares
(ii)	Number of treasury shares at period end	September 30, 2025	7,196,309 shares	March 31, 2025	4,861,605 shares
(iii)	Average number of shares outstanding over period	September 30, 2025	292,602,011 shares	September 30, 2024	297,270,289 shares

*** The report of the semi-annual financial results is not subject to the review by certified public accountants or audit firm**

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

This document contains future 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 3 of the Appendix.

Contents of Appendix

1. Overview of Business Results and Others	2
(1) Overview of Business Results for the Six Months Ended September 30, 2025	2
(2) Summary of Financial Position for the Six Months Ended September 30, 2025	2
(3) Explanation of Future Statements including Forecasts for Consolidated Financial Statements	3
2. Consolidated Financial Statements and Primary Notes	4
(1) Consolidated Balance Sheets	4
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Income	6
Consolidated Statement of Comprehensive Income	7
(3) Notes to Consolidated Financial Statements	8
(Note on the Assumption as a Going Concern)	8
(Additional Information)	8
(Consolidated Balance Sheets)	10
(Consolidated Statement of Income)	10
(Significant Changes in Stockholder's Equity)	10
(Segment Information)	11
(Revenue Recognition)	12
(Significant Subsequent Event)	13
(Supplementary Data) FY2025 Results (from April 1, 2025 to September 30, 2025) Supplementary Data	

1. Overview of Business Results and Others

(1) Overview of Business Results for the Six Months Ended September 30, 2025

In the six months ended September 30, 2025, the Japanese economy continued to show a stable trend, but there are signs of weakness in business confidence due to the impact of trade policies in various countries. The United States has continued to show gradual growth until now, but a slowdown in the labor market has become evident. The European economy is on a recovery trend, but the manufacturing industry, particularly in Germany, is sluggish due to the impact of the Chinese economic downturn. Going forward, it is expected that the negative impact of tariff policies will spread to the global economy and slow down the economy, but the scale of the impact remains difficult to predict.

Under these circumstances, the Environment Business saw an increase in shipments of automotive-related products due to such factors as last-minute demand in anticipation of tariff hikes, and sales also increased due to the recognition of revenue from construction projects for Industrial Process Business. In the Digital Society Business, shipments of components for semiconductor production equipment increased due to inventory increase of certain customers, despite a setback in plans to build new cutting-edge foundries. In the Energy & Industry Business, sales increased year-on-year due to sales of NAS batteries (sodium-sulfur batteries) to domestic power storage plants in the Energy Storage Business.

As a result, net sales in the six months ended September 30, 2025, increased 9.3% year-on-year to ¥326,204 million. In terms of profits, due to an increase in sales, operating income increased 22.7% year on year to ¥48,700 million and ordinary income increased 21.6% year on year to ¥46,667 million, net income attributable to owners of the parent decreased 7.7% year on year to ¥23,870 million, due to the recognition of business restructuring expenses as an extraordinary loss associated with the discontinuation of the manufacturing and sales activities of the NAS batteries under its Energy Storage Business.

By segment, net sales increased 2.5% year on year in the Environment Business to ¥197,398 million, and operating income increased 5.1% year on year to ¥37,106 million. In the Digital Society Business, net sales increased 23.6% year on year to ¥97,827 million. Operating income increased 157.2% year on year to ¥13,506 million. In the Energy & Industry Business, net sales increased 17.9% year on year to ¥32,120 million and operating loss was ¥1,773 million (operating loss of ¥865 million in the same period of the previous fiscal year).

(2) Summary of Financial Position for the Six Months Ended September 30, 2025

As of September 30, 2025, total assets were ¥1,181,377 million, an increase of ¥38,391 million from the previous fiscal year-end. This was mainly due to increases in securities, investment securities, and cash and deposits despite a decrease in Notes and accounts receivable-trade, and contract assets and inventories.

Total liabilities increased by ¥259 million from the previous fiscal year-end to ¥415,739 million. This was mainly due to decreases in short-term borrowings and current portion of long-term borrowings despite an increase in long-term borrowings.

Total net assets stood at ¥765,638 million, or ¥38,132 million higher than the previous fiscal year-end, due to increase in foreign currency translation adjustment, retained earnings and valuation difference on available -for-sale securities.

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

Regarding the full-year forecasts for financial statements, demand for automotive-related products in the Environment Business is expected to decrease in the second half due to a decline in automobile sales caused by the impact of tariffs. In the Digital Society Business, the demand of inventory increase of certain customers for components for semiconductor production equipment is also expected to decline in the second half. However, net sales, operating income, and ordinary income are expected to exceed previous forecasts due to factors such as the mitigation of the direct impact of tariffs through price revisions. The forecast for net income attributable to owners of the parent was left unchanged from the forecast announced in April 2025, reflecting both the recognition of business restructuring expenses as an extraordinary loss associated with the discontinuation of the manufacturing and sales activities of the NAS batteries, and the gain on sales from the reduction of strategic shareholdings.

The assumed exchange rates for the second half of the fiscal year are ¥145 to the U.S. dollar and ¥170 to the euro.

(Average exchange rates for the year: ¥146 to the U.S. dollar and ¥169 to the euro)

Consolidated financial results forecasts for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecast (A)	630,000	75,000	70,000	55,000	(yen) 187.65
Revised forecast (B)	650,000	85,000	82,000	55,000	189.44
Change (B-A)	20,000	10,000	12,000	—	—
Change (%)	3.2	13.3	17.1	—	—
For Reference: Results from the previous year (Fiscal year ended March 31, 2025)	619,513	81,241	78,249	54,933	185.96

Financial results forecasts are based on information available at the time of the release, and actual results may vary significantly from forecasts due to various factors.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	September 30, 2025	March 31, 2025
Assets		
Current assets		
Cash and deposits	212,674	197,974
Notes and accounts receivable-trade, and contract assets	123,456	135,471
Securities	92,940	65,895
Inventories	231,044	241,936
Other	23,421	27,762
Allowance for doubtful accounts	(147)	(165)
Total current assets	683,390	668,874
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	137,639	125,765
Machinery and vehicles, net	152,433	153,889
Other, net	68,918	76,981
Total property, plant and equipment	358,991	356,636
Intangible assets	6,349	6,153
Investments and other assets		
Investment securities	89,160	68,892
Other	43,818	42,748
Allowance for doubtful accounts	(333)	(318)
Total investments and other assets	132,645	111,322
Total non-current assets	497,986	474,112
Total assets	1,181,377	1,142,986

(Millions of yen)

	September 30, 2025	March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	43,403	45,827
Short-term borrowings	14,574	20,260
Current portion of long-term borrowings	32,114	36,215
Income taxes payable	8,669	8,001
Other	59,092	68,608
Total current liabilities	157,855	178,912
Non-current liabilities		
Bonds payable	57,000	57,000
Long-term borrowings	151,638	138,766
Retirement benefit liability	20,089	20,046
Provision for business restructuring	5,709	—
Other	23,446	20,754
Total non-current liabilities	257,884	236,567
Total liabilities	415,739	415,480
Net assets		
Shareholders' equity		
Share capital	70,064	70,064
Capital surplus	70,389	70,389
Retained earnings	479,869	464,800
Treasury shares	(14,246)	(8,828)
Total shareholders' equity	606,077	596,426
Accumulated other comprehensive income		
Valuation difference on available -for-sale securities	45,036	32,852
Deferred gains or losses on hedges	(7)	(100)
Foreign currency translation adjustment	92,678	76,769
Remeasurements of defined benefit plans	13,501	13,856
Total accumulated other comprehensive income	151,208	123,377
Share acquisition rights	712	777
Non-controlling interests	7,639	6,925
Total net assets	765,638	727,506
Total liabilities and net assets	1,181,377	1,142,986

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

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2024
Net sales	326,204	298,352
Cost of sales	230,309	212,757
Gross profit	95,894	85,595
Selling, general and administrative expenses	47,194	45,894
Operating income	48,700	39,700
Non-operating income		
Interest income	1,351	1,017
Dividend income	1,078	992
Foreign exchange gains	1,186	—
Gain on valuation of derivatives	—	1,422
Other	1,147	1,268
Total non-operating income	4,763	4,701
Non-operating expenses		
Interest expense	1,613	1,971
Foreign exchange losses	—	3,078
Loss on valuation of derivatives	1,662	—
Loss on liquidation of subsidiaries and associates	2,822	—
Other	698	984
Total non-operating expense	6,796	6,033
Ordinary income	46,667	38,367
Extraordinary income		
Gain on sales of non-current assets	78	89
Gain on sales of investment securities	483	711
Subsidies income	66	149
Total extraordinary income	628	949
Extraordinary losses		
Loss on disposals of non-current assets	174	179
Impairment loss	2,492	1,621
Loss on valuation of investment securities	—	522
Business restructuring expenses	*1 11,693	—
Total extraordinary losses	14,359	2,323
Income before income taxes	32,935	36,993
Income taxes-current	12,736	11,057
Income taxes-deferred	(3,961)	83
Total income taxes	8,774	11,141
Net income	24,161	25,852
Net income(loss) attributable to non-controlling interests	290	(16)
Net income attributable to owners of the parent	23,870	25,869

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2024
Net income	24,161	25,852
Other comprehensive income		
Valuation difference on available-for-sale securities	12,184	(4,114)
Deferred gain or loss on hedges	98	(1)
Foreign currency translation adjustment	16,327	(15,114)
Defined retirement benefit plans	(354)	76
Total other comprehensive income	28,255	(19,154)
Comprehensive income	52,416	6,698
Comprehensive income attributable to:		
Owners of the parent	51,701	6,926
Non-controlling interests	714	(228)

(3) Notes to Consolidated Financial Statements

(Note on the Assumption as a Going Concern)

Not applicable

(Additional Information)

(Discontinuation of Manufacturing and Sales Activities of NAS Batteries)

At the Board of Directors meeting held on October 31, 2025, NGK INSULATORS, LTD. (the "Company") has resolved to discontinue the manufacturing and sales activities of NAS batteries under its Energy Storage Business, and to cease accepting new orders.

1. Reason for Business Discontinuation

The Company has promoted the Energy Storage Business with the aim of contributing to the resolution of medium to long-term social issues such as the spread of renewable energy and the realization of a decarbonized society, through the manufacturing and sales of NAS batteries which is the large-capacity energy storage systems.

NAS batteries are capable of long-duration, large-capacity energy storage and are known for their long lifetime and high reliability. They were first commercialized globally in 2002 and have been continuously developed as proprietary products manufactured exclusively by the Company.

In response to the expansion of the energy storage market, driven by the global spread of renewable energy, the Company has been collaborating since 2019 with BASF, a leading chemical manufacturer in Germany, to improve battery performance, reduce costs, and strengthen its global sales network. Furthermore, to address the anticipated growth in energy storage demand, the Company engaged in discussions with BASF to expand supply capacity and achieve cost reductions by inviting participation from other companies. However, these discussions were discontinued in September 2025.

It is expected to take time for stable and continuous demand to emerge for long-duration, large-capacity energy storage, where NAS batteries have distinct advantages. In addition, due to various factors, including recent surges in material costs and intensifying competition with lithium-ion batteries, the Company has determined that stable operations and profitability will be difficult to achieve.

Based on these factors, the Company resolved at the Board of Directors meeting on October 31, 2025, to discontinue the manufacturing and sales activities of NAS batteries.

2. Overview of the Business

(1) Descriptions

Manufacturing and sales of NAS batteries

(2) Operating results of Energy Storage Business for the fiscal year ended March 31, 2025

Net Sales in the Energy Storage Business : 6,473 million yen

3. Schedule

Date of resolution at the meeting of the Board of Directors	October 31, 2025
Date of Final Shipment	January 2027 (Scheduled)

4. Significant impact on business operations resulting from the discontinuation

The Company will discontinue the new production of all NAS Batteries. For orders already received, the Company will proceed with shipments and deliveries from existing inventory upon confirmation of each customer's intent. Although sales activities targeting new projects will be discontinued, the Company will continue to respond to ongoing discussions, limited to cases where the respective project is close to order placement and delivery can be fulfilled within existing inventory. Supply of maintenance parts for products that have already been delivered or are scheduled to be delivered will continue to be provided responsibly. For products currently in use,

supply of maintenance parts will be available only for those that have been properly maintained.

During the six months consolidated accounting period, ended September 30, 2025, ¥11,693 million was recorded as business restructuring expenses under extraordinary losses associated with the discontinuation.

(Consolidated Balance Sheets)

1. Lawsuit filed against the company

On July 6, 2021, a lawsuit was filed against the Company in Nagoya District Court and the Company received the complaint on October 29, 2021 that PT Paiton Energy ("Paiton"), its insurance companies and their reinsurer companies ("the Plaintiffs") filed a claim against the Company for compensation for damages of US\$151,392,337.48 (¥16,828,772,234) and the amount of the relevant delay charges. Thereafter, the Plaintiffs issued petition for amendment of claim on January 11, 2022, the amount of the claim increased by US\$41.36 (¥4,796) to US\$151,392,378.84 (¥16,828,777,030) and the relevant delay charges. The value of yen for the damage sought is the amount stated in the complaint and the petition for amendment of claim and is converted into yen at a different exchange rate from that used by the Company to prepare the consolidated financial statements.

In January 2018, a fire incident allegedly occurred in a transformer ("Transformer") installed in a thermal power plant ("Power Plant") in Indonesia operated by Paiton. In connection with this accident, the plaintiffs filed a claim against the Company for damages and relevant delay charges based on alleged product liability and torts.

The Company was a distributor of the bushing (manufactured in 2010) incorporated in the Transformer. The Company delivered the bushing to a third-party transformer manufacturer that incorporated the same into the Transformer. The Transformer was then delivered to the Power Plant through a plant engineering manufacturer. The company has consistently maintained that there is no basis for liability and has sought dismissal of the Plaintiffs' claims.

After the subsequent proceedings, in October 2025, the Nagoya District Court rendered a judgment that dismissed all claims brought by the Plaintiffs.

This judgment fully upholds the company's position, and the company currently anticipates no impact on our financial results.

(Consolidated Statement of Income)

***1. Business restructuring expenses**

The expense is associated with the discontinuation of the manufacturing and sales activities of NAS batteries under its Energy Storage Business. The main components include expenses related to the valuation and disposal of inventories, as well as costs for services that the Company is responsible for providing.

(Significant Changes in Stockholder's Equity)

The Company acquired 2,492,200 shares of its own shares based on the resolution at the meeting of the Board of Directors held on July 31, 2025. As a result, during the six months ended September 30, 2025, treasury shares increased by ¥5,418 million, and as of September 30, 2025, treasury shares stood at ¥14,246 million.

(Segment Information)

(1) Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(Millions of yen)

	Business Segment				Adjustment *1	Consolidated *2
	Environment	Digital Society	Energy & Industry	Total		
Net sales						
Sales to customers	196,604	97,825	31,773	326,204	—	326,204
Intersegment sales	793	1	346	1,141	(1,141)	—
Total	197,398	97,827	32,120	327,345	(1,141)	326,204
Operating income	37,106	13,506	(1,773)	48,839	(139)	48,700

*1. The adjustment of (¥139) million to operating income comprises of intersegment transactions.

*2. Segment profit(loss) is reconciled to operating income in the semi-annual consolidated statement of operations.

(2) Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Millions of yen)

	Business Segment				Adjustment *1	Consolidated *2
	Environment	Digital Society	Energy & Industry	Total		
Net sales						
Sales to customers	192,346	79,142	26,863	298,352	—	298,352
Intersegment sales	183	0	379	563	(563)	—
Total	192,530	79,142	27,242	298,915	(563)	298,352
Operating income	35,310	5,250	(865)	39,696	4	39,700

*1. The adjustment of ¥4 million to operating income comprises of intersegment transactions.

*2. Segment profit(loss) is reconciled to operating income in the semi-annual consolidated statement of operations.

(Revenue Recognition)

Disaggregated revenue recognized from contracts with customers

Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(Millions of yen)

	Business Segment			Total
	Environment	Digital Society	Energy & Industry	
Major geographical regions				
Japan	26,508	22,852	20,676	70,037
North America	39,143	25,481	7,764	72,389
Europe	68,848	2,679	472	71,999
Asia	59,408	46,703	1,237	107,349
Others	2,695	109	1,622	4,427
Total	196,604	97,825	31,773	326,204
Major product lines				
Automotive ceramics for exhaust gas purification	148,927	—	—	148,927
Sensors	32,931	—	—	32,931
Industrial processes	14,745	—	—	14,745
SPE related (Component for semiconductor production equipment)	—	69,726	—	69,726
Electronics components	—	15,006	—	15,006
Metal related	—	13,092	—	13,092
Energy storage	—	—	6,681	6,681
Insulators	—	—	25,092	25,092
Total	196,604	97,825	31,773	326,204
Timing of revenue recognition				
Goods and services transferred at a point in time	190,496	97,825	30,969	319,291
Goods and services transferred over time	6,108	—	804	6,912
Total	196,604	97,825	31,773	326,204

Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Millions of yen)

	Business Segment			Total
	Environment	Digital Society	Energy & Industry	
Major geographical regions				
Japan	23,806	22,852	16,865	63,524
North America	39,432	20,516	5,423	65,372
Europe	66,883	1,920	832	69,636
Asia	59,272	33,733	1,583	94,589
Others	2,951	119	2,158	5,229
Total	192,346	79,142	26,863	298,352
Major product lines				
Automotive ceramics for exhaust gas purification	148,411	—	—	148,411
Sensors	30,198	—	—	30,198
Industrial processes	13,736	—	—	13,736
SPE related (Components for semiconductor production equipment)	—	50,581	—	50,581
Electronics components	—	15,673	—	15,673
Metal related	—	12,887	—	12,887
Energy storage	—	—	2,417	2,417
Insulators	—	—	24,446	24,446
Total	192,346	79,142	26,863	298,352
Timing of revenue recognition				
Goods and services transferred at a point in time	187,249	79,142	26,310	292,702
Goods and services transferred over time	5,096	—	552	5,649
Total	192,346	79,142	26,863	298,352

(Significant Subsequent Event)

(Discontinuation of Manufacturing and Sales Activities of NAS Batteries)

At the Board of Directors meeting held on October 31, 2025, NGK INSULATORS, LTD. has resolved to discontinue the manufacturing and sales activities of NAS batteries under its Energy Storage Business, and to cease accepting new orders.

For details, please refer to "2. Consolidated Financial Statements and Primary Notes (3) Notes to Consolidated Financial Statements (Additional Information).

(Organizational restructuring)

NGK INSULATORS, LTD. (the "Company") hereby announces that, at the Board of Directors meeting held on October 31, 2025, it has resolved to conduct a company split (simplified absorption-type company split), effective on April 1, 2026 (planned), whereby the sales division of its wholly owned subsidiary, NGK ELECTRONICS DEVICES, INC. ("NGKED"), will be succeeded by the Company (the "Company Split"). In addition, it will implement an absorption-type merger (the "Merger"), under which NGK CERAMIC DEVICE CO., LTD. ("NCDK"), a wholly owned subsidiary of the Company, will be the surviving entity. Through the Merger, NCDK will absorb NGKED and acquire its manufacturing division. (NGKED will be dissolved as a result of the Merger.)

This organizational restructuring will be executed by first implementing the Company Split, followed by the Merger on the same day.

1. Purpose of the Organizational restructuring

The ceramic package segment of the Company's group has, until now, been fully managed by NGKED, which handled development, manufacturing, and sales functions. However, due to the difficulty in securing human resources and the need to improve operational efficiency, maintaining and strengthening competitiveness has become a key challenge. To achieve sustainable growth and enhance competitiveness in the electronics components business, including the ceramic package segment, by fully leveraging the Group's proprietary ceramic technologies, the Company will implement the following organizational restructuring, including the Company Split:

- The Company will succeed the sales division of NGKED through a simplified absorption-type company split, aiming to improve efficiency. In addition, the Company will newly take on the development of the ceramic package segment to enhance synergies with other fields and strengthen development capabilities.
- It will implement the Merger, under which NCDK, a wholly owned subsidiary of the Company entrusted with manufacturing operations, will be the surviving entity. Through the Merger, NCDK will absorb NGKED and acquire its manufacturing division. NGKED will be dissolved as a result of the Merger.

2. Overview of the Company Split

(1) Schedule of the Company Split

Date of the Board of Directors' resolution	October 31, 2025
Date of conclusion of the absorption-type company split agreement	January 31, 2026 (Scheduled)
Date of the absorption-type company split (effective date)	April 1, 2026 (Scheduled)

(Note) Since the Company Split falls under a simplified absorption-type company split as stipulated in Article 796, Paragraph 2 of the Companies Act, it will be carried out without obtaining approval by resolution at general meeting of shareholders.

(2) Type of the Company Split

This is an absorption-type company split in which the Company will be the succeeding company and NGKED will be the splitting company.

3. Overview of the companies involved in the Company Split (As of March 31, 2025)

	Succeeding company	Splitting company
Company Name	NGK INSULATORS, LTD.	NGK ELECTRONICS DEVICES, INC.
Financial conditions and operating results for the latest fiscal year	Fiscal year ended March 31, 2025 (consolidated)	Fiscal year ended March 31, 2025 (non-consolidated)
Net assets	727,506 million yen	(14,599 million yen)
Total assets	1,142,986 million yen	11,973 million yen

4. Overview of business division to be split and succeeded to in the Company Split

(1) Description of the business division to be split and succeeded to

Sales division of NGKED

(2) Operating results of the division to be split and succeeded to (Fiscal year ended March 31, 2025)

Net sales: 13,111 million yen

5. Outline of the accounting method to be implemented

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019), the Company Split will be accounted for as a transaction under common control.

FY2025 1st Half Results
(from April 1, 2025 to September 30, 2025)
Supplementary Date

October 31, 2025
 NGK INSULATORS, LTD.

[After inter-segment elimination]

☐ April Announcement

☐ April Announcement

	FY2024 1st half		FY2025 1st half		YOY
	Results	Ratio	Results	Ratio	
Net Sales	Bln. yen 298	100%	Bln. yen 310 326	100%	+9%
<Overseas Sales>	<235>	79%	<256>	79%	+9%
Operating Income (%)	40 (13%)		33 49 (15%)		+23%
Environment Business ("EN"Business)	192	64%	184 197	60%	+2%
Operating Income (%)	35 (18%)		26 37 (19%)		+5%
Digital Society Business ("DS"Business)	79	27%	94 98	30%	+24%
Operating Income (%)	5 (7%)		10 14 (14%)		+157%
Energy & Industry Business ("E&I"Business)	27	9%	32 32	10%	+18%
Operating Income (%)	(1) (-)		(3) (2) (-)		

	FY2024 Full-Year		FY2025 Full-Year Forecast		YOY
	Results	Ratio	Forecast	Ratio	
Net Sales	Bln. yen 620	100%	Bln. yen 630 650	100%	+5%
<Overseas Sales>	<484>	78%	<510>	78%	+5%
Operating Income (%)	81 (13%)		75 85 (13%)		+5%
Environment Business ("EN"Business)	390	63%	371 390	60%	-0%
Operating Income (%)	68 (17%)		59 64 (16%)		-6%
Digital Society Business ("DS"Business)	172	28%	194 195	30%	+14%
Operating Income (%)	17 (10%)		21 23 (12%)		+34%
Energy & Industry Business ("E&I"Business)	58	9%	65 65	10%	+13%
Operating Income (%)	(4) (-)		(5) (2) (-)		

		Ratio			Ratio	YOY
Ordinary Income	38	13%	30 47	14%		+22%
Net Income Attributable to Owners of the Parent	26	9%	19 24	7%		-8%
R O E	-		-			
E P S	87.02 yen		81.58 yen			
Dividend per share and Dividend Payout Ratio	30 yen		38 yen			

		Ratio			Ratio	YOY
Ordinary Income	78	13%	70 82	13%		+5%
Net Income Attributable to Owners of the Parent	55	9%	55 55	8%		+0%
R O E	7.8%		7.6% 7.4%			
E P S	185.96 yen		187.65 yen 189.44 yen			
Dividend per share and Dividend Payout Ratio	60 yen, 32.3%		66 yen, 35.2% 76 yen, 40.1%			

Foreign Exchange Rate (Yen/US\$)	152	147
Foreign Exchange Rate (Yen/Euro)	165	168

Foreign Exchange Rate (Yen/US\$)	152	135 146
Foreign Exchange Rate (Yen/Euro)	164	155 169

Capital Expenditures	22	7%	26	8%	+17%
Depreciation Costs	29	10%	28	9%	-3%
R&D Expenses	14	5%	15	5%	+6%

Capital Expenditures	49	8%	68 63	10%	+29%
Depreciation Costs	57	9%	57 57	9%	-1%
R&D Expenses	30	5%	36 35	5%	+18%

October 31, 2025
NGK INSULATORS, LTD.

FY2025 1st Half Results
(from April 1, 2025 to September 30, 2025)
Supplementary Date

The points for the consolidated financial results for the first half of FY 2025

— **Sales, Operating income and Ordinary income for the 1st half have reached a record-high.**
Net Income decreased due to an extraordinary loss related to the discontinuation of manufacturing and sales activities of NAS batteries.

① Summary of business results by segment

- | | |
|---|---|
| <p>【EN Business】 — Increased sales and income</p> <p>•Automotive related</p> | <p>Sales increased due to last-minute demand in anticipation of tariff hikes.</p> <p>Operating income increased due to higher sales and delay in expenses incurred.</p> |
| <p>【DS Business】 — Increased sales and income</p> <p>•SPE related ※</p> <p>•Electronics components</p> | <p>Although there has been a setback in plans to build new cutting-edge foundries, the demand for semiconductors used in AI applications continues. Sales and income increased due to concentrated inventory increase of certain customers in the 1st half.</p> <p>Sales and income decreased due to up-front costs for increasing production capacity of HICERAM Carrier despite the demand for piezoelectric actuators for HDDs remained steady due to strong investment in data centers.</p> |
| <p>【E&I Business】 — Increased sales, ongoing losses</p> <p>•Insulators</p> <p>•Energy Storage</p> | <p>Domestic and overseas demand for insulators remained strong.</p> <p>Sales increased due to sales to domestic power storage plants.</p> |

② Exchange Rate Effects Sales decreased 3.8 billion yen and operating income decreased 2.9 billion yen year on year. (152 yen/ USD and 165 yen/ Euro in the first half of FY2024. 147 yen/ USD and 168 yen/ Euro in the first half of FY2025.)

③ Extraordinary Income and Loss Recorded Business restructuring expenses of 11.7 billion yen and impairment losses of 2.5 billion yen. (Recognized 2.1 billion yen in DCB and AMB Substrates for Power Modules, DS Business)

④ Dividend Resolved to declare an interim dividend of 38 yen per share. (an increase of 5 yen from the April forecasts)

※ SPE related...Products for semiconductor manufacturing

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

— **Sales and Operating income are expected to increase year on year and reach a record-high.**
The forecast for net income remains unchanged from the April announcement due to the recognition of an extraordinary loss related to NAS batteries.

① Summary of forecasts by segment

- | | |
|--|---|
| <p>【EN Business】 — Sales expected to remain flat ; income to decrease</p> <p>•Automotive related</p> | <p>The direct impact of U.S. tariff policies is limited.</p> <p>As anticipated in April, the market mainly around U.S. is expected to slow down in the 2nd half of the fiscal year. In addition, sales are expected to remain flat and income is expected to decrease due to the strong yen.</p> |
| <p>【DS Business】 — Expected increases in sales and income</p> <p>•SPE related</p> <p>•Electronics components</p> | <p>Although the demand of the inventory increase is expected to decline in the 2nd half, sales and income will increase due to the demand for semiconductors used in AI applications continues.</p> <p>The demand for piezoelectric actuators for HDDs will remain strong due to the robust data center investment is expected to continue in the second half. To achieve sustainable growth and enhance competitiveness in the business, the Company will implement organizational restructuring of the electronics components business.</p> |
| <p>【E&I Business】 — Expected increase in sales but ongoing losses</p> <p>•Insulators</p> <p>•Energy Storage</p> | <p>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.</p> <p>The company will discontinue the manufacturing and sales activities of NAS batteries. For orders already received, the Company will proceed with shipments.</p> |

② Exchange Rate Effects

•Year-on-year Sales to decrease 6.5 billion yen and operating income to decrease 3.3 billion yen year on year. (152 yen/ USD and 164 yen/ Euro in FY2024. 146 yen/ USD and 169 yen/ Euro in FY2025.) (Assumed exchange rates in the second half of FY2025 : 145 yen/ USD and 170 yen/ Euro)

•Effects of a yen change in exchange rates in 2nd half
 USD : Sales 0.7 billion yen and operating income 0.21 billion yen
 Euro : Sales 0.3 billion yen and operating income 0.03 billion yen

③ Extraordinary Income and Loss Approximately 18 billion yen in business restructuring expenses will be recorded as an extraordinary loss, while the gain on sales from the reduction of strategic shareholdings will be recognized.

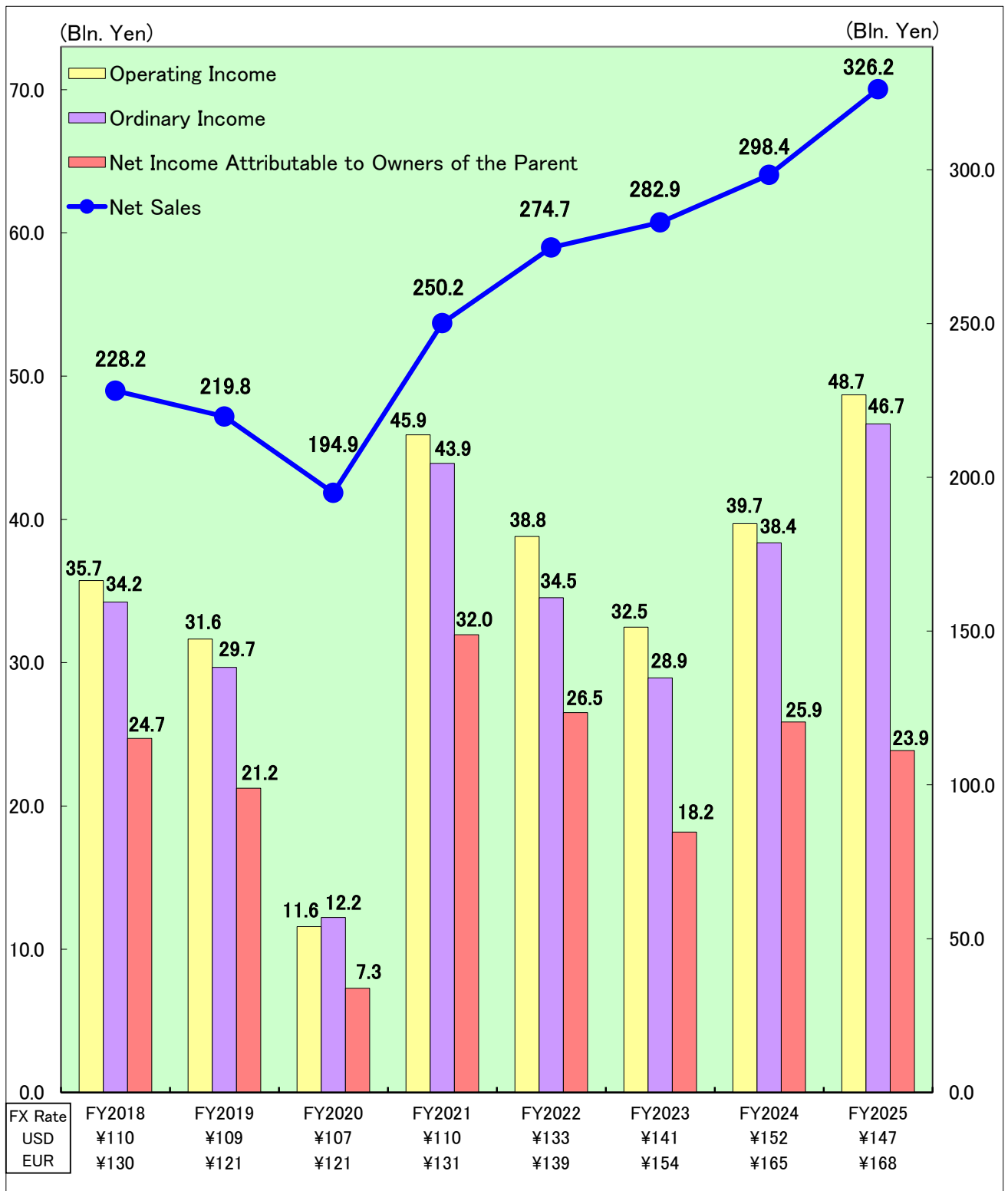
④ Dividend Forecast An interim dividend of 38 yen (resolved), a year-end dividend of 38 yen (planned), total dividend will be 76 yen. (planned annual dividend increase of 10 yen from the April forecasts)

Consolidated Operating Results(1st Half)

(Bln. Yen)

	Results from previous 1st Half (FY2024)	1st Half Results (FY2025)		Growth ratio
Net Sales	298.4	310.0	326.2	+9%
Operating Income	39.7	33.0	48.7	+23%
Ordinary Income	38.4	29.5	46.7	+22%
Net Income Attributable to Owners of the Parent	25.9	19.0	23.9	-8%

April
Announcement



Consolidated Operating Results(Annual)

(Bln. Yen)

	Results from previous year (FY2024)	Forecast (FY2025)		Growth ratio
Net Sales	619.5	630.0	650.0	+5%
Operating Income	81.2	75.0	85.0	+5%
Ordinary Income	78.2	70.0	82.0	+5%
Net Income Attributable to Owners of the Parent	54.9	55.0	55.0	+0%

April
Announcement

