



## 2. Reasons for the Amendments

Sales and earnings of Ceramic Products Business Group, mainly consisting of automotive products, are expected to be higher than previous forecasts meanwhile those of Power Business Group, mainly consisting of NAS® batteries and Electric Insulators, are projected to decline. In total, as a whole company, sales are going to be 238 billion yen, 17 billion lower than previously forecasted, deeply-impacted by the slackness of Power Business Group. However, the projected operating income has been revised upwards by 2 billion yen to 32 billion yen, ordinary income by 2 billion yen to 32 billion yen, and net income has also been revised up by 0.5 billion yen to 24 billion yen, respectively, compared to the previous forecasts, because a part of losses incurred from the large amount of returns of NAS® batteries, posted in the 3rd quarter, had already been reserved in the previous forecast and thanks to achievements in cost reduction and higher production volume of automotive products. The average exchange rates during this period are assumed to be 88 yen to the US dollar and 116 yen to the Euro.

For Power Business Group, it will take a while to reach a full recovery in earnings. For NAS® batteries, a large order from Abu Dhabi Water and Electricity Authority in UAE, which was originally scheduled for shipments in this 4th quarter, will be postponed to April 2011 or later, in addition to the decrease in sales by 8.5 billion yen due to the return of products caused by the delay in a customer's overseas project. For electric insulators, the market for UHV transmission lines in China remains slow.

Meanwhile, both sales and earnings of Ceramic Products Business Group are projected to largely surpass the previous forecast, because the demand for HONEYCERAM® and SiC-DPF have been much stronger than expected, due to steady sales among countries as well as the rebound from global recession, and the demand for Cd-DPF and Large Size HONEYCERAM®, which are for full-sized commercial cars, also increased due to recovery in the sales of trucks. (Please refer to the chart on the next page for the forecast of segment results.)

Concerning the influence of the Tohoku Pacific earthquake, there seems to be no direct damages to our equipment, facilities, and so on. Other influences already have been reflected in the forecast above as far as we recognize them at this moment. Power, Ceramics Products and Electronics, will all delay their shipments to the customers who are affected by the disaster, and Power and Electronics business groups are planning to dispose of a part of their stocks and to set aside allowance for product warranty claims.

(reference)

March 18, 2011  
NGK INSULATORS, LTD.

Consolidated Results - Segment Information  
(After Elimination of Inter-Segment Transactions)

(Billions of yen)

Total	FY 2009 ended March 31, 2010 Results
Consolidated Sales	235.5
Consolidated Op. Income	23.5
Op. Income Ratio	10%

FY 2010 ending March 31, 2011	
□ : Previous Forecast	
255.0	238.0
30.0	32.0
12%	13%

Power Business

Consolidated Sales	87.3
Consolidated Op. Income	8.0
Op. Income Ratio	9%

76.0	52.0
(3.5)	(7.5)
-	-

Ceramic Products Business

Consolidated Sales	101.7
Consolidated Op. Income	13.2
Op. Income Ratio	13%

117.0	125.0
24.5	30.5
21%	24%

Electronics Business

Consolidated Sales	46.9
Consolidated Op. Income	2.3
Op. Income Ratio	5%

62.0	61.0
9.0	9.0
15%	15%