

October 30, 2013

## Summary of Consolidated Financial Results for the Six Months ended September 30, 2013

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 Stock Exchange Listings: Tokyo and Nagoya  
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Date of the Filing of Quarterly Report, "Shihanki Hokokusho" (Scheduled) : November 8, 2013  
 Date of Interim Dividend Payment (Scheduled) : December 6, 2013

**Notice** 1: At the time of disclosure of this report, the audit of consolidation financial statements in accordance with the Financial Instruments and Exchange Law of Japan is in progress.

2: This document contains forward-looking statements that are based on management's expectations, estimates, projections and assumptions that were available and reasonable at the time of release. Actual future results and trends may differ materially from those in the forecasts due to a variety of factors.

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

### 1. Consolidated financial results for the six months ended September 30, 2013

(From April 1, 2013 to September 30, 2013)

(1) Consolidated operating results (Millions of yen, except per share data and percentage)

Six months ended September 30,	2013		2012	
	Amount	Change (%)	Amount	Change (%)
Net Sales	141,763	16.5	121,665	(0.9)
Operating Income	19,660	73.5	11,330	(28.2)
Ordinary Income	19,592	145.6	7,977	(45.8)
Net Income	12,629	995.2	1,153	(89.4)
Comprehensive Income	27,581	-	(245)	-
Net Income per share (Yen)	38.67		3.53	
Diluted net income per share (Yen)	38.61		3.53	

(2) Consolidated financial position (Millions of yen, except percentage)

	September 30, 2013		March 31, 2013	
	Amount	Change (%)	Amount	Change (%)
Total assets	590,201		563,030	
Total net assets	327,347		303,073	
Ratio of net worth to total assets (%)	53.6		52.0	

Notes 1: Net worth used for the calculation is Total net assets excluding both Stock acquisition rights and Minority interests.  
 2: The net worth were ¥316,607 million and ¥292,672 million as of September 30, 2013 and March 31, 2013, respectively.

### 2. Dividend payment

Year ended March 31,	2014	2013
Cash dividends per share (Yen)		
Interim	10.0	10.0
Year-end	10.0 (forecast)	10.0
Total (Full-year)	20.0 (forecast)	20.0

Notes: Revision of cash dividend forecast during this period - None.

### 3. Forecasts of consolidated financial results for the fiscal year ending March 31, 2014

(Millions of yen, except per share data and percentage)

	Year ending March 31, 2014	
	Amount	Change (%)
Net Sales	290,000	14.7
Operating Income	34,000	64.3
Ordinary Income	36,000	63.4
Net Income	25,000	118.9
<b>Net Income per share (Yen)</b>	<b>76.56</b>	

Notes Revision of forecasts from the previous forecast announced on May 14, 2013 - Yes

Forecasts of consolidated financial results for the year ending March 31, 2014

(Millions of yen, except per share data and percentage)

April 1, 2013 - March 31, 2014	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (Yen)
Previous Forecast (A)	280,000	28,000	29,000	22,000	67.37
<b>Revised Forecast (B)</b>	<b>290,000</b>	<b>34,000</b>	<b>36,000</b>	<b>25,000</b>	<b>76.56</b>
Increase or Decrease (B - A)	10,000	6,000	7,000	3,000	-
Percentage Change	3.6%	21.4%	24.1%	13.6%	-
[Reference] Results from previous year (year ended March 31, 2013)	252,789	20,695	22,029	11,422	34.98

### 4. Others

- (1) Significant changes in subsidiaries during this period (changes in specified subsidiaries, "tokutei kogaisha" defined in the "Cabinet Office Ordinance on Disclosure of Corporate Information, etc.", involving a change of the scope of consolidation during this period) : 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 due to revisions of accounting standards : None
  - ii. Changes in accounting policies other than the above (i) : Yes
  - iii. Changes in accounting estimates : Yes
  - iv. Retrospective restatement : None

Change in the method of depreciation of tangible fixed assets

Previously, the foreign subsidiaries use the straight-line method as the depreciation method for tangible fixed assets, while the Company and its domestic subsidiaries principally used the declining-balance method.

However, effective from the first quarter of 2013, the Company and its domestic subsidiaries have also adopted the straight-line method.

The company investigated the usage of domestic tangible fixed assets in response to the active capital investment in foreign subsidiaries under the medium and long-term management strategy to establish a globalized optimum production system.

The company concluded that tangible fixed assets were expected to be used a similar utilization level each year of its life, so the company and its domestic subsidiaries changed the depreciation method to the straight-line method, aiming at the more appropriate disclosure of business conditions under the unified accounting policies.

The impact of this change in the second quarter of 2013 was a decrease of ¥1,488 million in depreciation expenses and an increase of ¥1,159 million in operating income, ordinary income and income before income taxes, respectively.

- (4) Number of shares outstanding (Common Shares)

	September 30, 2013	March 31, 2013
Number of shares outstanding at period end including treasury stocks	327,560,196	337,560,196
Number of treasury stocks at period end	996,789	11,010,888
Six months ended September 30,	2013	2012
Average number of shares outstanding over period	326,560,661	326,512,701

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2013	As of March 31, 2013
<b>Assets</b>		
Current assets		
Cash and bank deposits	40,201	39,542
Notes and accounts receivable trade	55,425	59,062
Securities	93,652	81,735
Inventories	98,375	95,944
Other	25,228	27,393
Allowance for doubtful accounts	(105)	(109)
<b>Total current assets</b>	<b>312,778</b>	<b>303,568</b>
Non-current assets		
Tangible assets		
Buildings and structures	52,274	52,464
Machinery and vehicles	70,097	64,189
Other	52,516	47,231
<b>Total tangible assets</b>	<b>174,888</b>	<b>163,884</b>
<b>Total intangible assets</b>	<b>5,223</b>	<b>5,390</b>
Investments and other assets		
Investment securities	72,432	66,124
Other	25,097	24,284
Allowance for doubtful accounts	(219)	(223)
<b>Total investments and other assets</b>	<b>97,310</b>	<b>90,186</b>
<b>Total non-current assets</b>	<b>277,422</b>	<b>259,462</b>
<b>Total assets</b>	<b>590,201</b>	<b>563,030</b>

(Millions of yen)

	As of September 30, 2013	As of March 31, 2013
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable trade	23,215	25,268
Short-term borrowings	7,861	5,107
Income taxes payable	2,117	1,461
Provision for NAS Battery safety measures	13,663	21,018
Other Provisions	1,547	1,698
Other	27,620	31,791
<b>Total current liabilities</b>	<b>76,025</b>	<b>86,346</b>
Long-term liabilities		
Long-term bonds payable	20,000	20,000
Long-term borrowings	140,977	130,709
Liability for employees' retirement benefits	16,539	16,166
Provision for product warranties	340	358
Other	8,971	6,375
<b>Total long-term liabilities</b>	<b>186,828</b>	<b>173,610</b>
<b>Total liabilities</b>	<b>262,854</b>	<b>259,957</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	69,849	69,849
Capital surplus	72,070	85,135
Retained earnings	176,583	167,219
Treasury stock	(1,283)	(14,362)
<b>Total shareholders' equity</b>	<b>317,220</b>	<b>307,842</b>
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	13,332	7,964
Deferred gain on derivatives under hedge accounting	20	22
Foreign currency translation adjustments	(11,754)	(21,030)
Post retirement benefit liability adjustments of foreign subsidiaries	(2,210)	(2,127)
<b>Total accumulated other comprehensive income</b>	<b>(612)</b>	<b>(15,170)</b>
Stock acquisition rights	785	739
Minority interests	9,954	9,661
<b>Total net assets</b>	<b>327,347</b>	<b>303,073</b>
<b>Total liabilities and net assets</b>	<b>590,201</b>	<b>563,030</b>

**(2) Consolidated Statements of Income**

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2012
<b>Net sales</b>	<b>141,763</b>	<b>121,665</b>
Cost of sales	94,901	83,882
<b>Gross profit</b>	<b>46,862</b>	<b>37,783</b>
Selling, general and administrative expenses	27,202	26,452
<b>Operating income</b>	<b>19,660</b>	<b>11,330</b>
<b>Non-operating income</b>	<b>2,245</b>	<b>1,915</b>
Interest income	317	417
Dividend income	565	405
Foreign Exchange gain	357	-
Other	1,004	1,092
<b>Non-operating expenses</b>	<b>2,313</b>	<b>5,268</b>
Interest expense	1,023	846
Foreign exchange loss	-	2,112
Equity in loss of unconsolidated subsidiaries and associated companies	1,050	1,144
Provision of reserve for loss on NAS Battery safety measures	-	700
Other	239	465
<b>Ordinary income</b>	<b>19,592</b>	<b>7,977</b>
<b>Extraordinary income</b>	<b>774</b>	<b>26</b>
Gain on sales of fixed assets	439	26
Gain on sales of investment securities	335	-
<b>Extraordinary loss</b>	<b>1,358</b>	<b>3,150</b>
Loss on sales and disposals of fixed assets	268	105
Loss from write-down of investment securities	-	3,045
Impairment loss	1,090	-
<b>Income before income taxes and minority interests</b>	<b>19,007</b>	<b>4,854</b>
<b>Income taxes - total</b>	<b>6,171</b>	<b>3,553</b>
Income taxes -current	3,680	2,361
Income taxes -deferred	2,490	1,192
<b>Income before minority interests</b>	<b>12,836</b>	<b>1,300</b>
<b>Minority interests in earnings of consolidated subsidiaries</b>	<b>206</b>	<b>147</b>
<b>Net income</b>	<b>12,629</b>	<b>1,153</b>

**(3) Consolidated Statement of Comprehensive Income**

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2012
Income before minority interests	12,836	1,300
Other comprehensive income		
Unrealized (losses) on available-for-sale securities	5,380	(2,081)
Deferred gains (losses) on hedges	(1)	(5)
Foreign currency translation adjustments	9,449	468
Share of other comprehensive income of associates accounted for by using the equity method	0	(1)
Post retirement benefit liability adjustments of foreign subsidiaries	(83)	72
<b>Total other comprehensive income</b>	<b>14,745</b>	<b>(1,546)</b>
<b>Comprehensive Income</b>	<b>27,581</b>	<b>(245)</b>
Comprehensive Income attributable to:		
Owners of the parent company	27,187	(452)
Minority interests	394	206

## 6. Note on the Assumption as a Going Concern

Not applicable

## 7. Segment Information

Six months ended September 30, 2013					(Millions of yen)	
	Power	Ceramics	Electronics	Total	Elimination or Adjustment	Consolidated
<b>Sales</b>						
Sales to customers	26,784	87,253	27,725	141,763	-	141,763
Intersegment sales	11	135	2	148	(148)	-
<b>Total sales</b>	<b>26,795</b>	<b>87,389</b>	<b>27,727</b>	<b>141,912</b>	<b>(148)</b>	<b>141,763</b>
<b>Operating income (loss)</b>	<b>(845)</b>	<b>19,377</b>	<b>1,101</b>	<b>19,633</b>	<b>26</b>	<b>19,660</b>

### Notes:

- As stated in "4. Others (3) Changes in accounting policies, accounting estimates or retrospective restatement", the Company and its domestic subsidiaries changed their Depreciation method of tangible fixed assets from the declining-balance method to the straight-line method from the first quarter of 2013. Consequently, operating loss of Power Business Segment decreased by ¥216 million, operating income of Ceramics Business Segment increased by ¥633 million, and operating income of Electronics Business Segment increased by ¥308 million for the second quarter of 2013, respectively.

### 2. Main products by business segment

Business Segment	Main products
Power	Insulators, hardware for insulator assemblies, current limiting arching horn, bushing shells, fuse cut-outs, APM, line arrester and NAS (sodium-sulfur) batteries
Ceramics	Automotive ceramics for exhaust gas purification, corrosion-resistant ceramic apparatuses for chemical industries, gas analyzer, industrial heating systems, refractory products and radioactive waste treatment systems
Electronics	Beryllium copper wrought products, molds and ceramic components for electronics and semiconductor manufacturing equipment

Six months ended September 30, 2012					(Millions of yen)	
	Power	Ceramics	Electronics	Total	Elimination or Adjustment	Consolidated
<b>Sales</b>						
Sales to customers	26,745	68,452	26,467	121,665	-	121,665
Intersegment sales	16	66	-	82	(82)	-
<b>Total sales</b>	<b>26,761</b>	<b>68,519</b>	<b>26,467</b>	<b>121,748</b>	<b>(82)</b>	<b>121,665</b>
<b>Operating income (loss)</b>	<b>(4,275)</b>	<b>14,270</b>	<b>1,335</b>	<b>11,330</b>	<b>-</b>	<b>11,330</b>

## 8. Significant changes in stockholder's equity

Not applicable