



October 31, 2025

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 Listing Code: 5333
 Stock Exchange Listings: Tokyo and Nagoya
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Notice on Difference between Consolidated Financial Forecasts and Results for 1H FY2025 and Revisions to Full-Year Consolidated Financial Forecasts

NGK INSULATORS, LTD. (the "Company") hereby announces that there is a difference between the consolidated financial forecasts for the six months ended September 30, 2025, announced on April 28, 2025, and the actual results the Company announced today. This difference is primarily due to the recent business conditions and recording of extraordinary losses associated with business restructuring. The Company also announce that the Company have revised the full-year consolidated financial forecasts for the fiscal year ending March 31, 2026 as described below.

1. Differences between the consolidated financial forecasts and the actual consolidated financial results for the six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(Millions of yen)	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecast (A)	310,000	33,000	29,500	19,000	(yen) 64.83
Actual result (B)	326,204	48,700	46,667	23,870	81.58
Change (B-A)	16,204	15,700	17,167	4,870	—
Change (%)	5.2	47.6	58.2	25.6	—
For Reference: Results from the same period of the previous year (the six months ended September 30, 2024)	298,352	39,700	38,367	25,869	87.02

2. Revisions to the consolidated financial 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 (the fiscal year ended March 31, 2025)	619,513	81,241	78,249	54,933	185.96

3. Reason for differences and revisions

The Company has developed a business portfolio policy in order to enhance corporate value from a company-wide perspective, with a strong awareness of capital cost. The Company carefully examines businesses from two perspectives: profitability measured using the NGK version of ROIC and growth potential that employs a net sales growth rate. The Company consider investing management resources in core businesses and business groups where future growth is anticipated. In addition, The Company evaluate the quantitative aspects of businesses in the low-growth, low-profit categories based on annual and medium-term business plans and discuss their growth potential, profitability, etc. from a long-term perspective at internal strategy meetings, etc., which are supervised by the Board of Directors due to their nature as important matters concerning company management.

At the Board of Directors meeting held today, The Company resolved to discontinue the manufacturing and sales activities of NAS batteries (sodium-sulfur batteries) under its Energy Storage Business which has continued to underperform, and to cease accepting new orders. In addition, the Board 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., will be succeeded by the Company. These matters have been disclosed today under the titles "Notice Regarding Discontinuation of Manufacturing and Sales Activities of NAS Batteries" and "Notice Concerning Company Split with Subsidiary (NGK ELECTRONICS DEVICES, INC.) and Absorption-Type Merger between Subsidiaries"

For the first six months of the fiscal year under review, 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, demand for insulators remained steady, resulting in sales at a level comparable to the figures announced in April 2025. As a result, added with the positive effect of the depreciation of the yen, net sales exceeded the previous forecast. In terms of profits, both operating income and ordinary income significantly exceeded the previous forecast due to an increase in net sales and delays in incurring costs. Net income attributable to owners of the parent exceeded the previous forecast, despite recognizing ¥11,693 million in 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.

For the full year forecast of the fiscal year ending March 31, 2026, 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 approximately ¥18,000 million in business restructuring expenses 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.

Regarding the year- end dividend forecast, based on management decisions concerning unprofitable business, the Company expect steady improvement in future performance and cash flow, along with increased certainty of operating income growth driven by positive business momentum. Taking into account the financial outlook based on the current business conditions, the management resources required for future growth, and the company's dividend policy, the Company have comprehensively assessed the situation. Accordingly, the company plans to increase both the interim and year-end dividend forecasts by ¥5 per share from the April 2025 forecast to ¥38 per share, resulting in an annual dividend of ¥76 per share.

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.