

NGK INSULATORS, LTD.

April 30, 2008

Summary of Consolidated Financial Results for the Year Ended March 31, 2008

NGK INSULATORS, LTD.

URL: <http://www.ngk.co.jp/english/>

Listing Code: 5333
 Stock Exchange Listings: Tokyo, Nagoya, Osaka and Sapporo
 Representative: Shun Matsushita
 President and Chief Executive Officer
 Contact: Susumu Sakabe
 Vice President
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 Date for the Annual Shareholders' Meeting (Scheduled) : June 27, 2008
 Date for the Filing of Securities Report "Yuka Shoken Hokokusho" (Scheduled) : June 27, 2008
 Date of Year-end Dividend Payment (Scheduled) : June 30, 2008

Notes 1: The following summary of the business results that NGK INSULATORS, LTD. submitted to the Tokyo Stock Exchange has not been audited by an independent auditor and for reference only.

2: All yen amounts are rounded down to the nearest million.

1. Consolidated financial results for the year ended March 31, 2008

	(Millions of yen, except per share data and percentage)				
	Year ended March 31,	2007		2008	
		Amount	Change (%)	Amount	Change (%)
Net Sales		320,119	12.8	364,888	14.0
Operating Income		52,017	66.3	69,377	33.4
Ordinary Income		50,318	62.7	69,324	37.8
Net Income		29,413	78.0	45,951	56.2
Net Income per share (Yen)		87.23	-	136.36	-
Diluted net income per share (Yen)		87.16	-	136.22	-
Ratio of net income to net worth (%)		10.8	-	15.3	-
Ratio of ordinary income to total assets (%)		10.0	-	12.9	-
Ratio of operating income to net sales (%)		16.2	-	19.0	-

Notes 1: The percentage figures represent the percentage of increase or decrease against the same period of the previous year.

2: Net worth used for the calculation is Total equity excluding both Stock acquisition rights and Minority interests

	(Millions of yen, except per share data and percentage)		
	As of March 31,	2007	2008
Total Assets		514,806	557,389
Total equity		304,345	337,513
Ratio of net worth to total assets (%)		55.3	57.0
Net worth per share (Yen)		844.77	942.94

Note: Net worth used for the calculation is Total equity excluding both Stock acquisition rights and Minority interests

	(Millions of yen)	
	Year ended March 31,	
	2007	2008
Net cash provided by operating activities	38,300	66,659
Net cash provided by investing activities	(21,278)	(16,685)
Net cash provided by financing activities	893	(10,116)
Cash & cash equivalents, end of year	78,285	119,795

2. Dividend payment

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

Year ended March 31,	2007	2008	2009
Dividend payment per share (Yen)			Forecast
Interim	7.00	11.00	11.00
Year-end	9.00	11.00 (Scheduled)	11.00
Total (Full-year)	16.00	22.00	22.00
Total amounts of dividends	5,396	7,411	-
Dividend payout ratio (%)	18.3	16.1	21.8
Ratio of dividends to net worth (%)	2.0	2.5	-

Note: Net worth used for the calculation is Total equity excluding both Stock acquisition rights and Minority interests

3. Forecasts of consolidated financial results for the year ending March 31, 2009

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

	Six months ending September 30, 2008		Year ending March 31, 2009	
	Amount	Change (%)	Amount	Change (%)
Net Sales	156,000	(10.2)	315,000	(13.7)
Operating Income	30,000	(14.1)	58,000	(16.4)
Ordinary Income	27,500	(22.1)	58,000	(16.3)
Net Income	15,500	(39.8)	34,000	(26.0)
Net Income per share (Yen)	46.02	-	100.95	-

- Forward Looking Statement -

The above section contains forward-looking statements that are based on management's expectations, estimates, projections and assumptions that are available and reasonable at the date of this report. Actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors.

4. Notes

(1) Scope of consolidation and application of the equity method:

Consolidated subsidiaries	:	56
Unconsolidated subsidiary accounted for by the equity method	:	2
Associated companies accounted for by the equity method	:	none

(2) Changes in the scope of consolidation and application of the equity method:

Consolidation	Newly consolidated subsidiaries	:	3	Excluded subsidiaries	:	1
Equity method	Newly applied companies	:	none	Excluded companies	:	none

(3) Number of shares outstanding (Common Shares)

	<u>March 31, 2008</u>	<u>March 31, 2008</u>
Number of shares outstanding at year end	356,560,196	337,560,196
Numbers of treasury stocks at year end	19,463,075	748,140

【Additional information】
Non-consolidated financial results for the year ended March 31, 2008

(1) Operating results	(Millions of yen, except per share data and percentage)				
	Year ended March 31,	2007		2008	
		Amount	Change (%)	Amount	Change (%)
Net Sales		222,800	8.2	217,128	(2.5)
Operating Income		30,596	58.3	36,589	19.6
Ordinary Income		35,297	60.7	37,680	6.8
Net Income		22,759	48.8	22,646	(0.5)
Net Income per share (Yen)		67.48	-	67.19	-
Diluted net income per share (Yen)		67.42	-	67.11	-

(2) Financial position	(Millions of yen, except per share data and percentage)		
	As of March 31,	2007	2008
Total Assets		425,312	423,417
Total equity		254,645	261,603
Ratio of net worth to total assets (%)		59.8	61.7
Net assets per share (Yen)		754.47	775.34

Note: Net worth used for the calculation is Total equity excluding both Stock acquisition rights and Minority interests

Forecast of non-consolidated financial results for the year ending March 31, 2009

	(Millions of yen, except per share data and percentage)			
	Six months ending September 30, 2008		Year ending March 31, 2009	
	Amount	Change (%)	Amount	Change (%)
Net Sales	102,000	(6.8)	210,000	(3.3)
Operating Income	14,500	(28.1)	29,500	(19.4)
Ordinary Income	16,000	(24.9)	33,000	(12.4)
Net Income	9,500	(48.7)	19,500	(13.9)
Net Income per share (Yen)	28.21	-	57.90	-

- Forward Looking Statement -

The above section contains forward-looking statements that are based on management's expectations, estimates, projections and assumptions that are available and reasonable at the date of this report. Actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets [Assets]

(Millions of yen, except percentage)

	As of March 31, 2007		As of March 31, 2008		Increase/ (Decrease)
	Amount	Composition(%)	Amount	Composition(%)	Amount
Current assets					
Cash and bank deposits	76,791		63,854		
Notes and accounts receivable trade	84,856		81,955		
Marketable securities	15,063		68,916		
Inventories	70,140		77,237		
Deferred tax assets	8,441		9,468		
Other	8,776		11,728		
Allowance for doubtful accounts	(238)		(189)		
Total current assets	263,831	51.2	312,972	56.1	49,141
Non-current assets					
Tangible assets					
Buildings and structures	48,772		51,884		
Machinery and vehicles	71,359		75,393		
Tools and equipments	6,095		5,612		
Land	18,743		18,714		
Construction in progress	14,664		5,646		
Total tangible assets	159,634	31.0	157,251	28.2	(2,383)
Intangible assets					
Software	2,407		1,864		
Goodwill	515		680		
Other	735		570		
Total intangible assets	3,658	0.7	3,115	0.6	(543)
Investments and other assets					
Investment securities	58,447		50,390		
Long-term loans	497		469		
Deferred tax assets	2,668		3,584		
Other	26,497		29,960		
Allowance for doubtful accounts	(428)		(354)		
Total investments and other assets	87,681	17.1	84,051	15.1	(3,630)
Total non-current assets	250,974	48.8	244,417	43.9	(6,557)
Total assets	514,806	100.0	557,389	100.0	42,583

Consolidated Financial Statements
Consolidated Balance Sheets [Liabilities and Equity]

(Millions of yen, except percentage)

	As of March 31, 2007		As of March 31, 2008		Increase/ (Decrease)
	Amount	Composition(%)	Amount	Composition(%)	Amount
Liabilities					
Current liabilities					
Notes and accounts payable trade	37,125		37,709		
Short-term borrowings	5,671		3,508		
Current portion of long-term borrowings	-		13,327		
Current portion of long-term bonds payable	-		10,000		
Accounts payable others	9,662		12,826		
Income taxes payable	10,726		15,743		
Accrued expenses	12,676		11,848		
Provision for restructuring costs	1,401		1,126		
Other	7,472		7,502		
Total current liabilities	84,736	16.5	113,592	20.4	28,856
Long-term liabilities					
Long-term bonds payable	10,000		-		
Long-term borrowings	71,935		61,026		
Deferred tax liabilities	21,016		22,640		
Liability for employees' retirement benefits	19,313		18,937		
Liability for retirement benefits for directors and corporate auditors	207		213		
Liabilities from application of equity method	1,796		1,737		
Other	1,454		1,726		
Total long-term liabilities	125,723	24.4	106,283	19.0	(19,440)
Total liabilities	210,460	40.9	219,875	39.4	9,415
Equity					
Shareholders' equity					
Common stock	69,849	13.6	69,849	12.5	
Capital surplus	85,151	16.5	85,135	15.3	
Retained earnings	126,387	24.6	150,400	27.0	
Treasury stock	(15,202)	(3.0)	(598)	(0.1)	
Total shareholders' equity	266,185	51.7	304,786	54.7	38,601
Valuation and translation adjustments					
Unrealized gain on available-for-sale securities	20,960	4.1	12,535	2.2	
Deferred loss on derivatives under hedge accounting	(411)	(0.1)	(4)	(0.0)	
Foreign currency translation adjustments	(1,965)	(0.4)	277	0.1	
Total valuation and translation adjustments	18,583	3.6	12,807	2.3	(5,775)
Stock acquisition rights	231	0.0	458	0.1	226
Minority interests	19,345	3.8	19,460	3.5	115
Total equity	304,345	59.1	337,513	60.6	33,167
Total liabilities and equity	514,806	100.0	557,389	100.0	42,583

Consolidated Financial Statements
(2) Consolidated Statements of Income

(Millions of yen, except percentage)

	Year ended March 31, 2007		Year ended March 31, 2008		Increase/ (Decrease)
	Amount	Composition(%)	Amount	Composition(%)	Amount
Net sales	320,119	100.0	364,888	100.0	44,768
Cost of sales	217,499	67.9	241,745	66.3	24,246
Gross profit	102,620	32.1	123,142	33.7	20,521
Selling, general and administrative expenses	50,603	15.9	53,765	14.7	3,161
Operating income	52,017	16.2	69,377	19.0	17,360
Non-operating income	2,922	0.9	6,239	1.7	3,317
Interest income	1,288		3,047		
Dividend income	964		799		
Unrealized gain on revaluation of derivative	-		1,399		
Other	669		993		
Non-operating expenses	4,621	1.4	6,292	1.7	1,671
Interest expense	1,887		2,773		
Foreign Exchange	-		2,538		
Equity in loss of an unconsolidated subsidiaries and associated companies	1,814		-		
Other	919		980		
Ordinary income	50,318	15.7	69,324	19.0	19,005
Extraordinary income	1,980	0.6	10,984	3.0	9,004
Gain on sales of fixed assets	913		179		
Gain on sales of investment securities	390		-		
Gain on sales of stocks of an associated company	676		10,050		
Gain on sales of business of noise-control system	-		458		
Gain on reversal of provision for restructuring costs	-		297		
Extraordinary loss	978	0.3	2,152	0.6	1,173
Loss on sales of fixed assets	833		834		
Write-down of investment securities	-		252		
Restructuring costs	-		518		
Impairment loss on long-lived assets	144		-		
Loss on liquidation of business	-		362		
Compensation for damage	-		185		
Income before income taxes and minority interests	51,319	16.0	78,156	21.4	26,836
Income taxes -current	18,193	5.6	26,265	7.2	8,071
Income taxes -deferred	2,586	0.8	5,098	1.4	2,511
Minority interests in net income	1,125	0.4	840	0.2	(284)
Net income	29,413	9.2	45,951	12.6	16,538

Consolidated Financial Statements
(3) Consolidated Statements of Changes in Equity

(Millions of yen)

Year ended March 31, 2007	Shareholders' Equity					Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on available- for-sale securities	Deferred loss on derivatives under hedge accounting	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance as of March 31, 2006	69,849	85,144	101,551	(14,888)	241,657	22,337	-	(5,703)	16,634	-	17,908	276,200
Changes during the period												
Cash dividends	-	-	(4,719)	-	(4,719)	-	-	-	-	-	-	(4,719)
Bonuses to directors and corporate auditors	-	-	(4)	-	(4)	-	-	-	-	-	-	(4)
Net income	-	-	29,413	-	29,413	-	-	-	-	-	-	29,413
Net reversal of liability for retirement benefits of foreign subsidiaries	-	-	249	-	249	-	-	-	-	-	-	249
Decrease due to applications of the equity method to a company	-	-	(104)	-	(104)	-	-	-	-	-	-	(104)
Repurchase of treasury stock	-	-	-	(291)	(291)	-	-	-	-	-	-	(291)
Disposal of treasury stock	-	7	-	8	15	-	-	-	-	-	-	15
Increase of treasury stock due to changes in equity of an associated company	-	-	-	(30)	(30)	-	-	-	-	-	-	(30)
Net changes other than shareholders' equity	-	-	-	-	-	(1,377)	(411)	3,737	1,948	231	1,436	3,617
Total changes during the period	-	7	24,835	(313)	24,528	(1,377)	(411)	3,737	1,948	231	1,436	28,145
Balance as of March 31, 2007	69,849	85,151	126,387	(15,202)	266,185	20,960	(411)	(1,965)	18,583	231	19,345	304,345

Consolidated Financial Statements
Consolidated Statements of Changes in Equity

(Millions of yen)

Year ended March 31, 2008	Shareholders' Equity					Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on available- for-sale securities	Deferred loss on derivatives under hedge accounting	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance as of March 31, 2007	69,849	85,151	126,387	(15,502)	266,185	20,960	(411)	(1,965)	18,583	231	19,345	304,345
Changes during the period												
Cash dividends	-	-	(6,740)	-	(6,740)	-	-	-	-	-	-	(6,740)
Net income	-	-	45,951	-	45,951	-	-	-	-	-	-	45,951
Net reversal of liability for retirement benefits of foreign subsidiaries	-	-	24	-	24	-	-	-	-	-	-	24
Repurchase of treasury stock	-	-	(50)	(612)	(663)	-	-	-	-	-	-	(663)
Disposal of treasury stock	-	9	-	20	29	-	-	-	-	-	-	29
Retirement of treasury stock	-	(15,196)	-	15,196	-	-	-	-	-	-	-	-
Transfer of loss on disposal of treasury stock	-	15,171	(15,171)	-	-	-	-	-	-	-	-	-
Net changes other than shareholders' equity	-	-	-	-	-	(8,424)	406	2,242	(5,775)	226	115	(5,433)
Total changes during the period	-	(15)	24,013	14,603	38,601	(8,424)	406	2,242	(5,775)	226	115	33,167
Balance as of March 31, 2008	69,849	85,135	150,400	(598)	304,786	12,535	(4)	277	12,807	458	19,460	337,513


(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2007	Year ended March 31, 2008	Increase/ (Decrease)
Cash flows from operating activities			
Income before income taxes and minority interests	51,319	78,156	
Depreciation and amortization	23,780	26,260	
Increase (decrease) in liability for employees' retirement benefits	(2,009)	(227)	
Increase in prepaid pension cost	(3,697)	(3,617)	
(Reversal of) provision for restructuring costs	(1,272)	(345)	
Interest and dividend income	(2,252)	(3,846)	
Interest expense	1,887	2,773	
Equity in loss of unconsolidated subsidiaries and associated companies	1,814	-	
(Gain) loss on sales and disposals of fixed assets	(79)	655	
Gain on sales and redemption of investment securities	(390)	-	
Gain on sales of stocks of an associated company	(676)	(10,050)	
Write-down of inventories	337	182	
(Increase) decrease in trade receivables	(3,778)	3,368	
Increase in inventories	(4,125)	(7,076)	
(Increase) decrease in other current assets	9,702	(2,555)	
Increase (decrease) in trade payables	(6,562)	400	
Increase (decrease) in other current liabilities	(8,347)	2,195	
Other, net	(513)	911	
Sub-total	55,135	87,185	32,049
Interest and dividends received	2,132	3,838	
Interest paid	(1,950)	(2,792)	
Income taxes paid	(17,016)	(21,571)	
Net cash provided by operating activities	38,300	66,659	28,358
Cash flows from investing activities			
Purchases of marketable securities	(4,340)	(11,270)	
Proceeds from sales and redemption of marketable securities	5,548	5,602	
Purchases of property, plant and equipment	(23,544)	(20,289)	
Proceeds from sales of property, plant and equipment	2,652	705	
Purchases of intangible assets	(645)	(738)	
Purchases of investment securities	(1,581)	(6,724)	
Proceeds from sales and redemption of investment securities	4,651	1,072	
Proceeds from sales of stocks of an associated company	1,749	11,300	
Collections of loans receivable	82	-	
Net (increase) decrease in time deposits	(5,821)	3,391	
Other, net	(30)	264	
Net cash used in investing activities	(21,278)	(16,685)	4,593
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(381)	(2,252)	
Proceeds from long-term borrowings	6,353	-	
Repayment of long-term borrowings	(504)	-	
Acquisition of treasury stock	(291)	(570)	
Cash dividends	(4,719)	(6,740)	
Other, net	435	(552)	
Net cash provided by (used in) financing activities	893	(10,116)	(11,009)
Foreign currency translation adjustments on cash and cash equiv.	1,277	1,653	375
Net increase in cash and cash equivalents	19,192	41,510	22,318
Cash and cash equivalents, beginning of year	59,092	78,285	19,192
Cash and cash equivalents, end of year	78,285	119,795	41,510

6. Segment Information

(1) Industry segments

Year ended March 31, 2007

(Millions of yen)

	Power	Ceramics	Electronics	Engineering	Total	Elimination or Corporate	Consolidated
Sales							
Sales to customers	75,079	126,428	73,323	45,288	320,119	-	320,119
Intersegment sales	134	119	1,043	-	1,298	(1,298)	-
Total sales	75,214	126,548	74,366	45,288	321,417	(1,298)	320,119
Operating expenses	68,802	95,519	61,289	43,834	269,445	(1,343)	268,102
Operating income (loss)	6,412	31,029	13,076	1,453	51,971	45	52,017
Assets							
Assets	74,935	183,608	78,281	34,654	371,479	143,326	514,806
Depreciation	4,223	14,572	4,233	773	23,804	(24)	23,780
Impairment loss on long-lived assets	5	139	-	-	144	-	144
Capital Expenditures	2,961	16,675	2,633	463	22,734	3,221	25,955

Year ended March 31, 2008

(Millions of yen)

	Power	Ceramics	Electronics	Engineering	Total	Elimination or Corporate	Consolidated
Sales							
Sales to customers	81,299	162,028	77,502	44,057	364,888	-	364,888
Intersegment sales	1,233	233	2,158	-	3,626	(3,626)	-
Total sales	82,532	162,262	79,661	44,057	368,514	(3,626)	364,888
Operating expenses	73,807	118,447	66,161	40,848	299,264	(3,753)	295,510
Operating income (loss)	8,725	43,815	13,500	3,209	69,249	127	69,377
Assets							
Assets	95,090	203,144	77,749	33,126	409,111	148,277	557,389
Depreciation	4,425	17,140	4,262	437	26,266	(6)	26,260
Capital Expenditures	5,697	8,764	3,675	1,239	19,376	2,006	21,382

Notes

1: The industry segments in the above table were categorized in consideration of internal corporate policies.

2: Main products by industry segment:

Industry Segment	Main products
Power	Insulators, hardware for insulator assemblies, current limiting arching horn, bushing shells, fuse cut-puts, APM, line arrester and NAS (sodium-sulfur) batteries
Ceramics	Automotive ceramics for exhaust gas purification, corrosion-resistant ceramic apparatus for chemical industries, gas analyzer, industrial heating systems and refractory products
Electronics	Beryllium copper wrought products, molds and ceramic components for electronics and semiconductor manufacturing equipment
Engineering	Clear water / sewage treatment systems, water purification systems, melting furnace, noise-control systems and solid waste / radioactive waste treatment systems

Note: The business of noise-control systems was transferred outside the group in April 2007.

(2) Geographical segments
Year ended March 31, 2007

(Millions of yen)

	Japan	North America	Europe	Other areas	Total	Elimination or Corporate	Consolidated
Sales							
Sales to customers	213,608	48,764	39,064	18,681	320,119	-	320,119
Intersegment sales	40,317	7,030	4,578	11,100	63,027	(63,027)	-
Total sales	253,926	55,795	43,643	29,781	383,146	(63,027)	320,119
Operating expenses	218,902	49,905	36,846	26,578	332,231	(64,129)	268,102
Operating income	35,024	5,889	6,797	3,203	50,915	1,101	52,017
Assets	292,887	40,242	74,104	43,688	450,923	63,882	514,806

Year ended March 31, 2008

(Millions of yen)

	Japan	North America	Europe	Other areas	Total	Elimination or Corporate	Consolidated
Sales							
Sales to customers	233,823	51,238	55,729	24,096	364,888	-	364,888
Intersegment sales	48,274	10,528	4,036	15,516	78,355	(78,355)	-
Total sales	282,097	61,767	59,766	39,612	443,243	(78,355)	364,888
Operating expenses	239,345	54,340	46,496	33,901	374,084	(78,573)	295,510
Operating income	42,751	7,426	13,270	5,710	69,159	218	69,377
Assets	297,623	41,059	91,808	52,471	482,962	74,427	557,389

Note:

Policies with respect to global geographical area and countries:

(1) The geographical areas in the above tables and countries were determined in consideration of their geographical closeness.

(2) Each global geographical division consists of the following countries:

North America: The United States of America, Canada and Mexico.

Europe: Germany, Belgium, France, Poland, etc.

Other areas: Indonesia, China, Australia, Thailand, South Africa, etc.

(3) Sales to foreign customers
Year ended March 31, 2007 (Millions of yen, except percentage)

	North America	Europe	Asia	Other areas	Total
Sales to foreign customers	48,463	38,910	32,389	26,463	146,226
Consolidated sales					320,119
Ratio of sales to foreign customers to consolidated sales (%)	15.1	12.2	10.1	8.3	45.7

Year ended March 31, 2008 (Millions of yen, except percentage)

	North America	Europe	Asia	Other areas	Total
Sales to foreign customers	52,326	52,729	35,449	39,320	179,827
Consolidated sales					364,888
Ratio of sales to foreign customers to consolidated sales (%)	14.3	14.5	9.7	10.8	49.3

Notes:
1. Policies with respect to global geographical area and countries:

(1) The geographical areas in the above tables and countries were determined in consideration of their geographical closeness.

(2) Each global geographical division consists of the following countries:

North America: The United States of America, Canada and Mexico.

Europe: Germany, Belgium, France, Poland, etc.

Asia: Korea, China, Thailand, etc.

Other areas: South Africa, Saudi Arabia, etc.

2. Sales to foreign customers represent the Company's and consolidated subsidiaries' sales in the countries or area other than Japan.