

## Announcement of Revision to 2008 Financial Results Forecast

Sept. 19, 2008

Listing Name: NGK Insulators, Ltd.  
 (URL: <http://www.ngk.co.jp/english/>)  
 Code Number: 5333  
 Stock Exchange Listings: Tokyo, Nagoya, Osaka and Sapporo  
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NGK Insulators, Ltd. announced the revision of its consolidated and non-consolidated financial results forecast for the first-half of fiscal year 2008 (six months ending September 30, 2008) and for the fiscal year 2008 (year ending March 31, 2009) from its previous forecast announced on April 30, 2008. Details are as follows.

### 1. Revised Financial Results Forecast for First-Half of Fiscal Year 2008 (six months ending September 30, 2008)

(1) Consolidated

(Millions of Yen, %)

|  | Net Sales      | Operating Income | Ordinary Income | Net Income    |
|--|----------------|------------------|-----------------|---------------|
| Previous Forecast (A)<br>(announced on April 30, 2008)                             | 156,000        | 30,000           | 27,500          | 15,500        |
| <b>Revised Forecast (B)</b>  | <b>152,000</b> | <b>28,000</b>    | <b>28,500</b>   | <b>18,500</b> |
| Increase or Decrease (B - A)   | -4,000         | -2,000           | 1,000           | 3,000         |
| Percentage of Increase or Decrease (%)   | -2.6%          | -6.7%            | 3.6%            | 19.4%         |
| Results of First-Half of Fiscal Year 2007<br>(six months ended September 30, 2007) | 173,694        | 34,937           | 35,315          | 25,752        |

(2) Non-consolidated

(Millions of Yen, %)

|  | Net Sales     | Operating Income | Ordinary Income | Net Income    |
|--|---------------|------------------|-----------------|---------------|
| Previous Forecast (A)<br>(announced on April 30, 2008)                             | 102,000       | 14,500           | 16,000          | 9,500         |
| <b>Revised Forecast (B)</b>  | <b>97,000</b> | <b>13,500</b>    | <b>16,000</b>   | <b>10,000</b> |
| Increase or Decrease (B - A)   | -5,000        | -1,000           | 0               | 500           |
| Percentage of Increase or Decrease (%)   | -4.9%         | -6.9%            | 0.0%            | 5.3%          |
| Results of First-Half of Fiscal Year 2007<br>(six months ended September 30, 2007) | 109,432       | 20,180           | 21,296          | 18,531        |

## 2. Revised Financial Results Forecast for Fiscal Year 2008 (year ending March 31, 2009)

(1) Consolidated

(Millions of Yen, %)

|  | Net Sales      | Operating Income | Ordinary Income | Net Income    |
|--|----------------|------------------|-----------------|---------------|
| Previous Forecast (A)<br>(announced on April 30, 2008)     | 315,000        | 58,000           | 58,000          | 34,000        |
| <b>Revised Forecast (B)</b>                                | <b>310,000</b> | <b>50,000</b>    | <b>53,000</b>   | <b>34,500</b> |
| Increase or Decrease (B - A)                               | -5,000         | -8,000           | -5,000          | 500           |
| Percentage of Increase or Decrease (%)                     | -1.6%          | -13.8%           | -8.6%           | 1.5%          |
| Results of Fiscal Year 2007<br>(year ended March 31, 2008) | 364,888        | 69,377           | 69,324          | 45,951        |

(2) Non-consolidated

(Millions of Yen, %)

|  | Net Sales      | Operating Income | Ordinary Income | Net Income    |
|--|----------------|------------------|-----------------|---------------|
| Previous Forecast (A)<br>(announced on April 30, 2008)     | 210,000        | 29,500           | 33,000          | 19,500        |
| <b>Revised Forecast (B)</b>                                | <b>205,000</b> | <b>24,500</b>    | <b>28,500</b>   | <b>16,500</b> |
| Increase or Decrease (B - A)                               | -5,000         | -5,000           | -4,500          | -3,000        |
| Percentage of Increase or Decrease (%)                     | -2.4%          | -16.9%           | -13.6%          | -15.4%        |
| Results of Fiscal Year 2007<br>(year ended March 31, 2008) | 217,128        | 36,589           | 37,680          | 22,646        |

## 3. Explanation of Revisions of Financial Results Forecast

For fiscal year 2008 (year ending March 31, 2009)

Consolidated and non-consolidated net sales are expected to decrease from the previous forecast. In the Ceramics Products Business, demand for SiC-DPF and other automotive related products is decreasing, due to decline in auto sales because of rise in gasoline prices and deceleration of the economy. In the Electronics Business, ceramics components for semiconductor production equipment is down due to severities in the semiconductor industry.

On the profit side, consolidated and non-consolidated operating income are also expected to be lower, reflecting the decrease of sales. Consolidated net income is expected to be higher from the previous forecast due to the tax effect of retained earnings in overseas consolidated subsidiaries.

※All predictions have been made considering data currently available to the company. Therefore, discrepancies may occur between the actual and predicted outcomes according to circumstances.

[For Reference]

**1. Operations by Line of Business (consolidated)**

(1) For first-half of fiscal year 2008 (six months ending September 30, 2008)

(Billions of Yen, %)

|   | Power       | Ceramics    | Electronics | Engineering | Consolidated |
|---|-------------|-------------|-------------|-------------|--------------|
| Total sales                               | 36.0        | 82.5        | 37.5        | -           | 156.0        |
| <b>Revised total sales</b>                | <b>35.5</b> | <b>80.0</b> | <b>36.5</b> | -           | <b>152.0</b> |
| Operating income                          | 2.0         | 21.5        | 6.5         | -           | 30.0         |
| <b>Revised operating income</b>           | <b>2.5</b>  | <b>20.0</b> | <b>5.5</b>  | -           | <b>28.0</b>  |
| Operating income ratio (%)                | 6%          | 26%         | 17%         | -           | 19%          |
| <b>Revised operating income ratio (%)</b> | <b>7%</b>   | <b>25%</b>  | <b>15%</b>  | -           | <b>18%</b>   |

(2) For first-half of fiscal year 2007 (six months ended September 30, 2007)

(Billions of Yen, %)

|                            | Power | Ceramics | Electronics | Engineering | Consolidated |
|----------------------------|-------|----------|-------------|-------------|--------------|
| Total sales                | 37.5  | 83.9     | 40.5        | 11.8        | 173.7        |
| Operating income           | 4.0   | 23.6     | 8.1         | -0.9        | 34.9         |
| Operating income ratio (%) | 11%   | 28%      | 20%         | -           | 20%          |

(3) For fiscal year 2008 (year ending March 31, 2009)

(Billions of Yen, %)

|   | Power       | Ceramics     | Electronics | Engineering | Consolidated |
|---|-------------|--------------|-------------|-------------|--------------|
| Total sales                               | 82.0        | 158.0        | 75.0        | -           | 315.0        |
| <b>Revised total sales</b>                | <b>84.0</b> | <b>155.0</b> | <b>71.0</b> | -           | <b>310.0</b> |
| Operating income                          | 7.0         | 38.5         | 12.5        | -           | 58.0         |
| <b>Revised operating income</b>           | <b>7.5</b>  | <b>33.0</b>  | <b>9.5</b>  | -           | <b>50.0</b>  |
| Operating income ratio (%)                | 9%          | 24%          | 17%         | -           | 18%          |
| <b>Revised operating income ratio (%)</b> | <b>9%</b>   | <b>21%</b>   | <b>13%</b>  | -           | <b>16%</b>   |

(4) For fiscal year 2007 (year ended March 31, 2008)

(Billions of Yen, %)

|                            | Power | Ceramics | Electronics | Engineering | Consolidated |
|----------------------------|-------|----------|-------------|-------------|--------------|
| Total sales                | 81.3  | 162.0    | 77.5        | 44.1        | 364.9        |
| Operating income           | 8.7   | 43.8     | 13.5        | 3.2         | 69.4         |
| Operating income ratio (%) | 11%   | 27%      | 17%         | 7%          | 19%          |

## 2. Operations by Line of Business (non-consolidated)

(1) For first-half of fiscal year 2008 (six months ending September 30, 2008)

(Billions of Yen)

|                                 | Power       | Ceramics    | Electronics | Engineering | Total       |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total sales                     | 27.0        | 50.5        | 24.5        | -           | 102.0       |
| <b>Revised total sales</b>      | <b>28.0</b> | <b>45.5</b> | <b>23.5</b> | <b>-</b>    | <b>97.0</b> |
| Operating income                |             |             |             |             | 14.5        |
| <b>Revised operating income</b> |             |             |             |             | <b>13.5</b> |

(2) For first-half of fiscal year 2007 (six months ended September 30, 2007)

(Billions of Yen)

|                  | Power | Ceramics | Electronics | Engineering | Total |
|------------------|-------|----------|-------------|-------------|-------|
| Total sales      | 28.3  | 55.2     | 24.4        | 1.6         | 109.4 |
| Operating income |       |          |             |             | 20.2  |

(3) For fiscal year 2008 (year ending March 31, 2009)

(Billions of Yen)

|                                 | Power       | Ceramics    | Electronics | Engineering | Total        |
|---------------------------------|-------------|-------------|-------------|-------------|--------------|
| Total sales                     | 63.5        | 98.0        | 48.5        | -           | 210.0        |
| <b>Revised total sales</b>      | <b>67.0</b> | <b>92.5</b> | <b>45.5</b> | <b>-</b>    | <b>205.0</b> |
| Operating income                |             |             |             |             | 29.5         |
| <b>Revised operating income</b> |             |             |             |             | <b>24.5</b>  |

(4) For fiscal year 2007 (year ended March 31, 2008)

(Billions of Yen)

|                  | Power | Ceramics | Electronics | Engineering | Total |
|------------------|-------|----------|-------------|-------------|-------|
| Total sales      | 63.8  | 101.9    | 47.0        | 4.4         | 217.1 |
| Operating income |       |          |             |             | 36.6  |