

May 12, 2010

## Summary of Consolidated Financial Results for the Year ended March 31, 2010

Company Name: NGK INSULATORS, LTD. URL: <http://www.ngk.co.jp/english/>  
 Listing Code: 5333  
 Stock Exchange Listings: Tokyo, Osaka, Nagoya and Sapporo  
 Representative: Shun Matsushita (Mr.)  
 President and Chief Executive Officer

Contact: Susumu Sakabe (Mr.)  
 Vice President  
 (TEL: +81-52-872-7230)

Date of the Annual Shareholders' Meeting (Scheduled) : June 29, 2010  
 Date of the Filing of Securities Report "Yuka Shoken Hokokusho" (Scheduled) : June 29, 2010  
 Date of Year-end Dividend Payment (Scheduled) : June 30, 2010

**Notice 1:** The following summary of the business results that NGK INSULATORS, LTD. submitted to the Tokyo Stock Exchange is unaudited by an independent auditor and for reference only.

**2:** This document contains forward-looking statements that are based on management's expectations, estimates, projection 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 year ended March 31, 2010

(From April 1, 2009 to March 31, 2010)

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

Year ended March 31,	2010		2009	
	Amount	Change (%)	Amount	Change (%)
Net Sales	235,489	(13.8)	273,211	(25.1)
Operating Income	23,453	(28.5)	32,809	(52.7)
Ordinary Income	24,850	(21.1)	31,488	(54.6)
Net Income	17,808	(27.2)	24,467	(46.8)
Net Income per share (Yen)	54.51		73.66	
Diluted net income per share (Yen)	54.44		73.57	
Ratio of net income to net worth (%)	6.1		8.1	
Ratio of ordinary income to total assets (%)	5.4		6.3	
Ratio of operating income to net sales (%)	10.0		12.0	

**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 net assets excluding both Stock acquisition rights and Minority interests.  
**3:** "Equity in earnings of unconsolidated subsidiaries and associated companies" were ¥1,508 million and ¥1,127 million for the year ended March 31, 2010 and March 31, 2009, respectively.

(2) Consolidated financial position (Millions of yen, except per share data and percentage)

	March 31, 2010	March 31, 2009
Total Assets	475,847	444,202
Total net assets	319,472	301,424
Ratio of net worth to total assets (%)	63.5	63.8
Net worth per share (Yen)	925.71	867.15

**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 ¥302,326 million and ¥283,344 million as of March 31, 2010 and March 31, 2009, respectively.

(3) Consolidated Cash flows (Millions of yen)

Year ended March 31,	2010	2009
Net cash provided by operating activities	44,375	32,671
Net cash provided by investing activities	(71,166)	(21,552)
Net cash provided by financing activities	1,681	(36,123)
Cash & cash equivalents, end of year	53,364	76,508

## 2. Dividend payment

Year ended March 31,	2010	2009
Cash dividends per share (Yen)		
Interim	8.0	11.0
Year-end	8.0	11.0
Total (Full-year)	16.0	22.0
Total amounts of dividends (Millions of yen)	5,226	7,243
Dividend payout ratio (%)	29.4	29.9
Ratio of dividends to net worth (%)	1.8	2.4

*Notes* 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, 2011

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

	Six months ending September 30, 2010		Year ending March 31, 2011	
	Amount	Change (%)	Amount	Change (%)
Net Sales	125,000	20.9	270,000	14.7
Operating Income	16,000	154.9	34,000	45.0
Ordinary Income	14,000	139.8	34,000	36.8
Net Income	10,000	167.3	25,000	40.4
Net Income per share (Yen)	30.61		76.52	
Cash dividends per share (Yen)	10.00		20.00	

#### 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) Changes of accounting principles, procedures and presentation when preparing consolidated financial statements (changes in major basic items for preparing consolidated financial statements)

i . Changes due to revisions of accounting standards : Yes

(a) "Accounting Standard for Construction Contracts" (Accounting Standards Board of Japan[ASBJ] Statement No. 15, December 27, 2007) and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007) were applied from the fiscal year ended March 31, 2010.

The effect of this change on the consolidated financial statements was immaterial.

(b) "Partial Amendments to Accounting standard for Retirement Benefits(Part 3)" (Accounting Standards Board of Japan [ASBJ] Statement No. 19, July 31, 2008) were applied from the fiscal year ended March 31, 2010.

This change has no impact on the company's consolidated financial statements.

ii . Changes other than the above ( i ) : None

(3) Number of shares outstanding (Common Shares)

		March 31, 2010	March 31, 2009
Number of shares outstanding at year end including treasury stocks	:	337,560,196	337,560,196
Number of treasury stocks at year end	:	10,971,790	10,808,134

#### **[Additional information]**

##### **Non-consolidated financial results for the year ended March 31, 2010**

(From April 1, 2009 to March 31, 2010)

Year ended March 31,	(Millions of yen, except per share data and percentage)			
	2010		2009	
	Amount	Change (%)	Amount	Change (%)
Net Sales	165,525	(5.6)	175,396	(19.2)
Operating Income	11,796	(11.2)	13,277	(63.7)
Ordinary Income	14,760	(1.9)	15,048	(60.1)
Net Income	9,429	134.0	4,030	(82.2)
Net Income per share (Yen)	28.86		12.13	
Diluted net income per share (Yen)	28.83		12.12	

	(Millions of yen, except per share data and percentage)	
	March 31, 2010	March 31, 2009
Total Assets	392,707	360,312
Total net assets	241,954	235,055
Ratio of net worth to total assets (%)	61.4	65.1
Net worth per share (Yen)	738.88	717.78

Notes 1: Net worth used for the calculation is Total net assets excluding Stock acquisition rights.

2: The net worth were ¥ 241,311 million and ¥234,536 million as of March 31, 2010 and March 31, 2009, respectively.



## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2009
<b>Assets</b>		
Current assets		
Cash and bank deposits	75,697	49,751
Notes and accounts receivable trade	62,534	46,116
Securities	36,433	32,335
Inventories	65,377	78,575
Deferred tax assets	8,496	9,647
Other	5,868	8,373
Allowance for doubtful accounts	(139)	(188)
Total current assets	254,267	224,610
Non-current assets		
Tangible assets		
Buildings and structures	50,407	46,471
Machinery and vehicles	50,803	55,092
Tools and equipment	4,212	4,241
Land	21,416	18,929
Construction in progress	12,145	12,841
Total tangible assets	138,985	137,575
Intangible assets		
Software	1,635	1,443
Other	387	397
Total intangible assets	2,022	1,840
Investments and other assets		
Investment securities	51,458	47,032
Long-term loans receivable	-	127
Deferred tax assets	5,448	5,669
Prepaid Pension Expenses	20,961	24,316
Other	2,991	3,315
Allowance for doubtful accounts	(288)	(284)
Total investments and other assets	80,570	80,176
Total non-current assets	221,579	219,592
<b>Total assets</b>	<b>475,847</b>	<b>444,202</b>



(Millions of yen)

	As of March 31, 2010	As of March 31, 2009
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable trade	23,109	26,708
Short-term borrowings	3,321	4,744
Current portion of long-term borrowings	4,000	29,391
Accounts payable others	8,177	9,655
Income taxes payable	4,538	589
Accrued expenses	8,091	8,230
Provision for restructuring costs	-	531
Other	11,002	5,304
<b>Total current liabilities</b>	<b>62,241</b>	<b>85,155</b>
Long-term liabilities		
Long-term bonds payable	20,000	-
Long-term borrowings	44,132	28,000
Deferred tax liabilities	8,875	8,078
Liability for employees' retirement benefits	16,737	17,677
Liabilities from application of equity method	-	2,194
Other	4,387	1,672
<b>Total long-term liabilities</b>	<b>94,133</b>	<b>57,623</b>
<b>Total liabilities</b>	<b>156,374</b>	<b>142,778</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	69,849	69,849
Capital surplus	85,139	85,135
Retained earnings	180,076	168,360
Treasury stock	(14,314)	(13,986)
<b>Total shareholders' equity</b>	<b>320,750</b>	<b>309,358</b>
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	6,226	2,507
Deferred gain (loss) on derivatives under hedge accounting	81	(108)
Foreign currency translation adjustments	(24,732)	(28,413)
<b>Total valuation and translation adjustments</b>	<b>(18,424)</b>	<b>(26,014)</b>
Stock acquisition rights	643	519
Minority interests	16,502	17,560
<b>Total net assets</b>	<b>319,472</b>	<b>301,424</b>
<b>Total liabilities and net assets</b>	<b>475,847</b>	<b>444,202</b>



## Consolidated Financial Statements

### (2) Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2009
<b>Net sales</b>	<b>235,489</b>	<b>273,211</b>
Cost of sales	168,716	192,522
<b>Gross profit</b>	<b>66,772</b>	<b>80,688</b>
Selling, general and administrative expenses	43,319	47,879
<b>Operating income</b>	<b>23,453</b>	<b>32,809</b>
<b>Non-operating income</b>	<b>4,424</b>	<b>6,065</b>
Interest income	1,041	2,950
Dividend income	732	714
Equity in earnings of unconsolidated subsidiaries and associated companies	1,508	1,127
Other	1,142	1,271
<b>Non-operating expenses</b>	<b>3,027</b>	<b>7,386</b>
Interest expense	1,317	2,668
Foreign Exchange loss	-	3,444
Depreciation expense on idle facilities	725	-
Loss on sales of investment securities	319	-
Other	665	1,272
<b>Ordinary income</b>	<b>24,850</b>	<b>31,488</b>
<b>Extraordinary income</b>	<b>858</b>	<b>537</b>
Gain on sales of fixed assets	83	158
Reversal of loss on business liquidation	570	-
Gain on reversal of provision for restructuring costs	203	378
<b>Extraordinary loss</b>	<b>2,702</b>	<b>11,028</b>
Loss on sales and disposals of fixed assets	1,631	1,553
Impairment loss	168	952
Loss on liquidation of business	-	7,912
Provision for loss on liquidation of subsidiaries and affiliates	901	-
Other	-	609
<b>Income before income taxes and minority interests</b>	<b>23,006</b>	<b>20,997</b>
<b>Income taxes - total</b>	<b>5,997</b>	<b>(2,619)</b>
Income taxes -current	6,038	6,983
Income taxes -deferred	(40)	(9,602)
<b>Minority interests in earnings (loss) of consolidated subsidiaries</b>	<b>(800)</b>	<b>(850)</b>
<b>Net income</b>	<b>17,808</b>	<b>24,467</b>

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

(Millions of yen)

Year ended March 31, 2010	Shareholders' Equity					Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total Net Assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on available- for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance as of March 31, 2009	69,849	85,135	168,360	(13,986)	309,358	2,507	(108)	(28,413)	(26,014)	519	17,560	301,424
Effect of changes in accounting policies applied to foreign subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Changes during the period												
Cash dividends	-	-	(6,208)	-	(6,208)	-	-	-	-	-	-	(6,208)
Net income	-	-	17,808	-	17,808	-	-	-	-	-	-	17,808
Net increase due to liability for retirement benefits of foreign subsidiaries	-	-	115	-	115	-	-	-	-	-	-	115
Change of scope of consolidation	-	-	-	-	-	-	-	-	-	-	-	-
Repurchase of treasury stock	-	-	-	(341)	(341)	-	-	-	-	-	-	(341)
Disposal of treasury stock	-	4	-	13	17	-	-	-	-	-	-	17
Transfer of loss on disposal of treasury stock	-	-	-	-	-	-	-	-	-	-	-	-
Net changes other than shareholders' equity	-	-	-	-	-	3,718	189	3,681	7,590	123	(1,058)	6,655
Total changes during the period	-	4	11,715	(327)	11,392	3,718	189	3,681	7,590	123	(1,058)	18,048
Balance as of March 31, 2010	69,849	85,139	180,076	(14,314)	320,750	6,226	81	(24,732)	(18,424)	643	16,502	319,472

(Millions of yen)

Year ended March 31, 2009	Shareholders' Equity					Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total Net Assets
	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, 2008	69,849	85,135	150,400	(598)	304,786	12,535	(4)	277	12,807	458	19,460	337,513
Effect of changes in accounting policies applied to foreign subsidiaries	-	-	2,341	-	2,341	-	-	-	-	-	-	2,341
Changes during the period												
Cash dividends	-	-	(7,354)	-	(7,354)	-	-	-	-	-	-	(7,354)
Net income	-	-	24,467	-	24,467	-	-	-	-	-	-	24,467
Net decrease due to liability for retirement benefits of foreign subsidiaries	-	-	(1,161)	-	(1,161)	-	-	-	-	-	-	(1,161)
Change of scope of consolidation	-	-	(256)	-	(256)	-	-	-	-	-	-	(256)
Repurchase of treasury stock	-	-	-	(13,732)	(13,732)	-	-	-	-	-	-	(13,732)
Disposal of treasury stock	-	(76)	-	344	267	-	-	-	-	-	-	267
Transfer of loss on disposal of treasury stock	-	76	(76)	-	-	-	-	-	-	-	-	-
Net changes other than shareholders' equity	-	-	-	-	-	(10,027)	(104)	(28,690)	(38,822)	60	(1,899)	(40,661)
Total changes during the period	-	-	17,960	(13,388)	4,572	(10,027)	(104)	(28,690)	(38,822)	60	(1,899)	(36,089)
Balance as of March 31, 2009	69,849	85,135	168,360	(13,986)	309,358	2,507	(108)	(28,413)	(26,014)	519	17,560	301,424





**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2009
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	23,006	20,997
Depreciation and amortization	18,932	26,237
Impairment loss	-	952
Decrease in liability for employees' retirement benefits	(806)	(559)
Decrease (Increase) in prepaid pension cost	3,354	-
Reversal of provision for restructuring costs	-	(399)
Interest and dividend income	(1,773)	(3,665)
Interest expense	1,317	2,668
Foreign exchange losses	-	2,522
Equity in earnings of unconsolidated subsidiaries and associated companies	(1,508)	(1,127)
Write-down of inventories	-	3,530
Loss on sales and disposals of fixed assets	1,548	1,394
Loss on liquidation of business	-	7,912
Provision for loss on liquidation of subsidiaries and affiliates	901	-
Decrease (Increase) in notes and accounts receivable	(15,481)	12,406
Decrease (Increase) in inventories	15,510	(21,345)
Decrease in other current assets	-	653
Increase (Decrease) in trade payables	(4,432)	6,094
Increase (Decrease) in other current liabilities	2,661	(4,145)
Other, net	461	531
Sub-total	43,692	54,659
Interest and dividends received	1,780	3,726
Dividend received from unconsolidated subsidiaries and associated companies	750	-
Interest paid	(1,320)	(2,565)
Compensation for damages paid	-	(131)
Income taxes paid	(526)	(23,017)
Net cash provided by operating activities	44,375	32,671
<b>Cash flows from investing activities</b>		
Purchases of marketable securities	(22,653)	(10,038)
Proceeds from sales and redemption of marketable securities	10,909	16,934
Purchases of property, plant and equipment	(19,709)	(29,325)
Proceeds from sales of property, plant and equipment	-	254
Purchases of intangible assets	(812)	(665)
Purchases of investment securities	(4,306)	(1,967)
Proceeds from sales and redemption of investment securities	1,851	1,436
Net decrease (Increase) in time deposits	(36,411)	2,765
Other, net	(33)	(947)
Net cash used in investing activities	(71,166)	(21,552)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(1,561)	3,296
Proceeds from long-term borrowings	20,092	-
Repayment of long-term borrowings	(30,086)	(8,496)
Proceeds from issuance of bonds	19,932	-
Redemption of bonds	-	(10,000)
Purchase of treasury stock	-	(13,732)
Cash dividends paid	(6,208)	(7,354)
Other, net	(488)	164
Net cash provided by (used in) financing activities	1,681	(36,123)
<b>Foreign currency translation adjustments on cash and cash equivalents</b>	<b>1,966</b>	<b>(14,073)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(23,143)</b>	<b>(39,077)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>76,508</b>	<b>119,795</b>
<b>Decrease in cash and cash equivalents resulting from change of scope of consolidation</b>	<b>-</b>	<b>(4,210)</b>
<b>Cash and cash equivalents, end of year</b>	<b>53,364</b>	<b>76,508</b>

## 6. Segment Information

### (1) Business segments

Year ended March 31, 2010

(Millions of yen)

	Power	Ceramics	Electronics	Total	Elimination or Corporate	Consolidated
Sales						
Sales to customers	87,251	101,329	46,907	235,489	-	235,489
Intersegment sales	55	362	-	418	(418)	-
Total sales	87,307	101,692	46,907	235,907	(418)	235,489
Operating Expenses	79,332	88,516	44,619	212,468	(432)	212,036
Operating income	7,974	13,175	2,288	23,439	13	23,453
Total Assets	108,471	158,936	65,911	333,319	142,527	475,847
Depreciation	4,851	10,144	3,936	18,932	-	18,932
Impairment loss	-	-	168	168	-	168
Capital Expenditures	10,596	5,059	1,499	17,155	3,735	20,891

Notes: Main products by business segment

The business segments in the above table were categorized in consideration of internal corporate policies.

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

Year ended March 31, 2009

(Millions of yen)

	Power	Ceramics	Electronics	Total	Elimination or Corporate	Consolidated
Sales						
Sales to customers	82,905	130,710	59,594	273,211	-	273,211
Intersegment sales	34	92	-	126	(126)	-
Total sales	82,939	130,802	59,594	273,337	(126)	273,211
Operating Expenses	75,358	108,633	56,563	240,556	(154)	240,401
Operating income	7,581	22,169	3,031	32,781	28	32,809
Total Assets	92,672	167,176	64,432	324,281	119,920	444,202
Depreciation	4,968	16,827	4,442	26,237	-	26,237
Impairment loss	-	-	952	952	-	952
Capital Expenditures	5,616	19,387	3,573	28,577	1,775	30,352



(2) Geographical segments

Year ended March 31, 2010 (Millions of yen)

	Japan	North America	Europe	Asia	Other areas	Total	Elimination or Corporate	Consolidated
<b>Sales</b>								
Sales to customers	150,470	28,432	35,735	12,433	8,416	235,489	-	235,489
Intersegment sales	32,459	4,189	1,102	9,575	107	47,434	(47,434)	-
Total sales	182,930	32,621	36,837	22,009	8,524	282,923	(47,434)	235,489
Operating expenses	171,135	32,400	28,233	21,530	8,180	261,480	(49,444)	212,036
Operating income	11,795	221	8,604	478	343	21,442	2,010	23,453
Total Assets	270,302	34,611	64,591	49,244	9,328	428,079	47,767	475,847

Year ended March 31, 2009 (Millions of yen)

	Japan	North America	Europe	Asia	Other areas	Total	Elimination or Corporate	Consolidated
<b>Sales</b>								
Sales to customers	162,407	34,762	54,256	9,268	12,516	273,211	-	273,211
Intersegment sales	34,507	11,118	1,552	12,202	44	59,426	(59,426)	-
Total sales	196,915	45,881	55,808	21,471	12,560	332,637	(59,426)	273,211
Operating expenses	181,680	42,645	46,338	20,753	10,731	302,149	(61,747)	240,401
Operating income	15,235	3,235	9,470	717	1,829	30,488	2,321	32,809
Total Assets	264,207	34,088	64,478	43,500	6,356	412,632	31,570	444,202

Notes:

1. Main countries or areas :

North America : the United States of America, Canada and Mexico

Europe : Germany, Belgium, France, Poland etc.

Asia : Indonesia, China, Thailand etc.

Other areas : Australia, South Africa etc.

2. The segment, "Asia" which was previously included in "Other areas" is separately disclosed due to increased volume of transactions in the region. Figures for the year ended March 31, 2009 have been reclassified to conform to the presentation for the fiscal year ended March 31, 2010.

(3) Sales to foreign customers

Year ended March 31, 2010 (Millions of yen, except percentage)

	North America	Europe	Asia	Other areas	Total
Sales to foreign customers	29,370	32,034	38,670	22,011	122,086
Consolidated sales					235,489
Ratio of overseas sales to consolidated net sales (%)	12.5	13.6	16.4	9.3	51.8

Year ended March 31, 2009 (Millions of yen, except percentage)

	North America	Europe	Asia	Other areas	Total
Sales to foreign customers	36,527	49,699	28,028	29,016	143,271
Consolidated sales					273,211
Ratio of overseas sales to consolidated net sales (%)	13.4	18.2	10.3	10.6	52.4

Notes:

1. Main countries or areas :

North America : the United States of America, Canada and Mexico

Europe : Germany, Belgium, France, Poland etc.

Asia : Korea, China, Thailand, Malaysia etc.

Other areas : South Africa, UAE etc.

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