

October 28, 2011

Summary of Consolidated Financial Results for the Six Months ended September 30, 2011

Company Name: NGK INSULATORS, LTD. URL: <http://www.ngk.co.jp/english/>
Listing Code: 5333
Stock Exchange Listings: Tokyo and Nagoya
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Date of the Filing of Quarterly Report, "Shihanki Hokokusho" (Scheduled) : November 11, 2011
Date of Interim Dividend Payment (Scheduled) : December 2, 2011

Notice 1: At the time of disclosure of this report, the review of quarterly consolidated financial statements in accordance with the Financial Instruments and Exchange Law of Japan are in progress.

Notice 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 six months ended September 30, 2011

(From April 1, 2011 to September 30, 2011)

Six months ended September 30,	(Millions of yen, except per share data and percentage)			
	2011		2010	
	Amount	Change (%)	Amount	Change (%)
Net Sales	122,267	1.9	119,976	16.0
Operating Income	15,409	(6.5)	16,478	-
Ordinary Income	14,354	0.1	14,343	-
Net Income	10,657	(2.6)	10,938	-
Net Income per share (Yen)	32.64		33.49	
Diluted net income per share (Yen)	32.59		33.44	

Notes: Percentage figures in "Change" represent increase (decrease) over previous period. However, some of the changes in the previous year are not presented because the financial results for the year were adjusted due to retrospective application of a change in accounting policy.

(2) Consolidated financial position	(Millions of yen, except percentage)	
	September 30, 2011	March 31, 2011
Total assets	511,724	479,793
Total net assets	330,179	323,945
Ratio of net worth to total assets (%)	61.2	64.0

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 ¥313,059 million and ¥307,077 million as of September 30, 2011 and March 31, 2011, respectively.

2. Dividend payment

Year ended March 31,	2012	2011
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, 2012

(Millions of yen, except per share data and percentage)					
April 1, 2011 - March 31, 2012	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (Yen)
Previous Forecast (A) (announced on May 12, 2011)	260,000	30,000	32,000	23,000	70.44
Revised Forecast (B)	245,000	24,000	26,000	-	-
Increase or Decrease (B - A)	-15,000	-6,000	-6,000	-	-
Percentage Change	-5.8%	-20.0%	-18.8%	-	-
[For Reference]					
Results of Fiscal year 2010 (year ended March 31, 2011)	239,363	32,102	32,671	24,428	74.80

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 restatement
- i. Changes due to revisions of accounting standards : None
 - ii. Changes in accounting policies other than the above (i) : Yes

Change in inventory valuation

In connection with the elimination of Last-in, First-out method under Japanese accounting standards recently, which aimed at convergence with IFRS, the company reviewed its inventory valuation methodology with a view to unify accounting policies applied to its subsidiaries. As a result of the review, some of its subsidiaries applying US GAAP elected to change their inventory valuation method, from the first in, first out (FIFO) method or the last in, first out (LIFO) method to weighted average cost method from this first quarter of 2011.

The change in accounting policy was applied retrospectively, and the comparatives have been restated.

As compared to the results before the change, operating income, ordinary income and income before tax for the previous second quarter were decreased by ¥72 million, respectively. Retained earnings as of beginning of the previous year was increased by 506 million due to cumulative effects of the change.

- iii. Changes in accounting estimates : None
 - iv. Retrospective restatement : None
- (4) Number of shares outstanding (Common Shares)

	<u>September 30, 2011</u>	<u>March 31, 2011</u>
Number of shares outstanding at period end including treasury stocks	337,560,196	337,560,196
Number of treasury stocks at period end	11,039,727	11,043,485
<u>Six months ended September 30,</u>	<u>2011</u>	<u>2010</u>
Average number of shares outstanding over period	326,515,352	326,594,518

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2011	As of March 31, 2011
Assets		
Current assets		
Cash and bank deposits	52,561	49,177
Notes and accounts receivable trade	49,949	50,080
Securities	52,764	42,037
Inventories	90,672	81,925
Other	19,179	18,587
Allowance for doubtful accounts	(195)	(127)
Total current assets	264,932	241,682
Non-current assets		
Tangible assets		
Buildings and structures	48,406	48,179
Machinery and vehicles	47,337	46,812
Other	46,225	42,238
Total tangible assets	141,969	137,229
Total intangible assets	2,727	2,657
Investments and other assets		
Investment securities	77,283	72,293
Other	25,025	26,148
Allowance for doubtful accounts	(213)	(218)
Total investments and other assets	102,095	98,223
Total non-current assets	246,792	238,110
Total assets	511,724	479,793

(Millions of yen)

	As of September 30, 2011	As of March 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable trade	24,030	23,330
Short-term borrowings	5,276	5,121
Current portion of long-term borrowings	10,116	10,107
Income taxes payable	1,567	3,247
Provision	2,256	2,647
Other	26,624	28,146
Total current liabilities	69,872	72,601
Long-term liabilities		
Long-term bonds payable	20,000	20,000
Long-term borrowings	64,326	34,000
Liability for employees' retirement benefits	16,085	16,162
Provision for product warranties	1,731	2,029
Other	9,528	11,054
Total long-term liabilities	111,672	83,246
Total liabilities	181,545	155,848
Net assets		
Shareholders' equity		
Common stock	69,849	69,849
Capital surplus	85,135	85,136
Retained earnings	208,213	200,829
Treasury stock	(14,411)	(14,415)
Total shareholders' equity	348,786	341,399
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	2,689	4,826
Deferred gain on derivatives under hedge accounting	50	32
Foreign currency translation adjustments	(36,828)	(37,525)
Post retirement benefit liability adjustments of foreign subsidiaries	(1,639)	(1,655)
Total accumulated other comprehensive income	(35,727)	(34,322)
Stock acquisition rights	748	698
Minority interests	16,372	16,169
Total net assets	330,179	323,945
Total liabilities and net assets	511,724	479,793

(2) Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2010
Net sales	122,267	119,976
Cost of sales	83,665	79,404
Gross profit	38,601	40,571
Selling, general and administrative expenses	23,192	24,902
Operating income	15,409	16,478
Non-operating income	2,696	2,889
Interest income	578	495
Dividend income	424	524
Gain on evaluation of derivative	1,141	1,105
Other	551	763
Non-operating expenses	3,750	5,025
Interest expense	551	548
Foreign exchange loss	1,847	2,780
Equity in loss of unconsolidated subsidiaries and associated companies	996	1,199
Other	355	496
Ordinary income	14,354	14,343
Extraordinary income	15	21
Gain on sales of fixed assets	15	21
Extraordinary loss	159	158
Loss on sales and disposals of fixed assets	159	158
Income before income taxes and minority interests	14,210	14,206
Income taxes - total	3,107	2,815
Income taxes -current	3,290	3,332
Income taxes -deferred	(183)	(517)
Income before minority interests	11,102	11,391
Minority interests in earnings of consolidated subsidiaries	445	453
Net income	10,657	10,938

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2010
Income before minority interests	11,102	11,391
Other comprehensive income		
Unrealized (losses) on available-for-sale securities	(2,182)	(2,796)
Deferred gains (losses) on hedges	22	(46)
Foreign currency translation adjustments	798	(11,792)
Share of other comprehensive income of associates accounted for by using the equity method	(3)	(3)
Post retirement benefit liability adjustments of foreign subsidiaries	15	-
Total other comprehensive income	(1,349)	(14,639)
Comprehensive Income	9,753	(3,247)
Comprehensive Income attributable to:		
Owners of the parent company	9,251	(3,268)
Minority interests	501	21

6. Note on the Assumption as a Going Concern

Not applicable

7. Segment Information

Six months ended September 30, 2011

(Millions of yen)

	Power	Ceramics	Electronics	Total	Elimination or Adjustment	Consolidated
Sales						
Sales to customers	27,410	63,301	31,555	122,267	-	122,267
Intersegment sales	19	88	-	108	(108)	-
Total sales	27,429	63,390	31,555	122,375	(108)	122,267
Operating income (loss)	(4,892)	16,331	3,926	15,365	43	15,409

Notes:

1. As stated in "4. Others (3) Changes in accounting policies, accounting estimates or retrospective restatement", some of the foreign subsidiaries changed their inventory valuation method, and the change in accounting policy was applied retrospectively to the comparative second quarter ended September 30, 2010. Consequently, operating loss of Power Business segment increased by ¥1 million, and operating income of Electronics Business segment decreased by ¥71 million for the second quarter of 2010, respectively, when compared to the figures before retrospective adjustments.

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, 2010

(Millions of yen)

	Power	Ceramics	Electronics	Total	Elimination or Adjustment	Consolidated
Sales						
Sales to customers	29,613	59,203	31,158	119,976	-	119,976
Intersegment sales	16	229	-	246	(246)	-
Total sales	29,630	59,433	31,158	120,222	(246)	119,976
Operating income (loss)	(4,250)	15,394	5,319	16,463	15	16,478

8. Significant changes in stockholder's equity

Not applicable