



September 24, 2020

Company Name: NGK INSULATORS, LTD.
 Listing Code: 5333
 Stock Exchange Listings: Tokyo and Nagoya
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Notice Regarding Revisions to Consolidated Financial Results Forecasts

NGK INSULATORS, LTD. (“NGK”) hereby announces that, in light of the recent business conditions, it has revised the consolidated financial results forecasts for the year ending March 31, 2021 announced on June 11, 2020.

1. Consolidated Financial Results Forecasts

(1) Consolidated financial results forecasts for the six months ending September 30, 2020 (April 1, 2020 to September 30, 2020)

| (Millions of yen) | Net sales | Operating income | Ordinary income | Profit attributable to owners of parent | Profit per share |
|--|-----------|------------------|-----------------|---|------------------|
| Previous forecast (A) | 190,000 | 3,000 | 1,500 | 1,000 | (yen) 3.16 |
| Revised forecast (B) | 195,000 | 10,000 | 10,000 | 5,000 | 15.80 |
| Change (B-A) | 5,000 | 7,000 | 8,500 | 4,000 | — |
| Change (%) | 2.6% | 233.3% | 566.7% | 400.0% | — |
| For Reference: Results from the same period of the previous year (the six months ended September 30, 2019) | 219,766 | 31,643 | 29,679 | 21,244 | 66.02 |

(2) Consolidated financial results forecasts for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

| (Millions of yen) | Net sales | Operating income | Ordinary income | Profit attributable to owners of parent | Profit per share |
|--|-----------|------------------|-----------------|---|------------------|
| Previous forecast (A) | 420,000 | 30,000 | 29,000 | 17,000 | (yen) 53.71 |
| Revised forecast (B) | 420,000 | 33,000 | 34,000 | 21,000 | 66.35 |
| Change (B-A) | — | 3,000 | 5,000 | 4,000 | — |
| Change (%) | — | 10.0% | 17.2% | 23.5% | — |
| For Reference: Results from the previous year (the fiscal year ended March 31, 2020) | 441,956 | 55,000 | 51,952 | 27,135 | 84.73 |

2. Reason for revisions

(1) Reason for revisions to the consolidated financial results forecasts for the six months ending September 30, 2020

Despite there are variations in the regions, the recent global economy has been showing signs of recovery after hitting the bottom in the first three months of the fiscal year, supported by monetary and financial measures set out by countries in response to the spread of COVID-19. Under these circumstances, net sales for the six months ending September 30, 2020 on a consolidated basis are expected to exceed the previous forecast. This is on the back of signs of a recovery in passenger car sales and productions in China and other markets in the Ceramics Business and growing demand for electronic parts driven by the advancement of digitization under the COVID-19 pandemic. In terms of income, operating income, ordinary income, and profit are all expected to exceed the previous forecasts. This is thanks to higher revenues, reduced costs, and improved non-operating income and expenses such as a foreign exchange gain.

(2) Reason for revisions to the consolidated financial results forecasts for the full year ending March 31, 2021

As for full-year earnings, our previous forecast for net sales remains unchanged based on the same assumption that a recovery in second half mainly in the Ceramics Business, although there remain risks of another spread of COVID-19 and China–United States trade war. In terms of income, however, NGK expects that operating income, ordinary income and profit will all exceed the previous forecasts mainly due to cost reductions.

The assumed exchange rates for the first half of the fiscal year are ¥107 to the U.S. dollar and ¥120 to the euro, while those for the second half of the fiscal year are ¥105 to the U.S. dollar and ¥115 to the euro.

The dividend forecast remains unchanged at a total annual dividend of ¥30 per share, consisting of the interim dividend of ¥10 per share and the year-end dividend of ¥20 per share.

Financial results forecasts are based on information available at the time of the release, but are subject to many uncertainties. Actual results therefore may vary from forecasts due to changes in business conditions and other factors. Your understanding is appreciated.

(Reference)

September 24, 2020
NGK INSULATORS, LTD.

Consolidated Results — Segment Information
(After Elimination of Inter-Segment Transactions)

(Billions of yen)

| Total | FY2020 1Q | FY2020 1st half | | FY2020 YTD | |
|-------------------------|-----------|-------------------|------------------|-------------------|------------------|
| | Result | Previous Forecast | Revised Forecast | Previous Forecast | Revised Forecast |
| Consolidated Sales | 83.0 | 190.0 | 195.0 | 420.0 | 420.0 |
| Consolidated Op. Income | (0.3) | 3.0 | 10.0 | 30.0 | 33.0 |
| Op. Income Ratio | - | 2% | 5% | 7% | 8% |

Energy Infrastructure Business

| | | | | | |
|-------------------------|-------|-------|-------|-------|-------|
| Consolidated Sales | 9.2 | 20.0 | 20.0 | 43.0 | 43.0 |
| Consolidated Op. Income | (1.1) | (2.0) | (2.5) | (4.0) | (4.5) |
| Op. Income Ratio | - | - | - | - | - |

Ceramics Business

| | | | | | |
|-------------------------|-------|------|------|-------|-------|
| Consolidated Sales | 37.3 | 92.0 | 98.0 | 210.0 | 210.0 |
| Consolidated Op. Income | (2.7) | 2.0 | 6.0 | 23.0 | 25.0 |
| Op. Income Ratio | - | 2% | 6% | 11% | 12% |

Electronics Business

| | | | | | |
|-------------------------|------|-------|------|------|------|
| Consolidated Sales | 12.7 | 25.0 | 27.0 | 57.0 | 57.0 |
| Consolidated Op. Income | 0.1 | (1.5) | 0.5 | 1.0 | 1.5 |
| Op. Income Ratio | 1% | - | 2% | 2% | 3% |

Process Technology Business

| | | | | | |
|-------------------------|------|------|------|-------|-------|
| Consolidated Sales | 23.8 | 53.0 | 50.0 | 110.0 | 110.0 |
| Consolidated Op. Income | 3.4 | 4.5 | 6.0 | 10.0 | 11.0 |
| Op. Income Ratio | 14% | 8% | 12% | 9% | 10% |