

**FY2024**  
**Business Report for Shareholders**  
**(From April 1, 2024 to March 31, 2025)**

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## Message

We sincerely hope that this NGK Group Business Report for FY2024 finds our shareholders prospering and in good health.

With sincere gratitude for your continued support, we hereby present the NGK Group Business Report for the FY2024/159th term (from April 1, 2024, to March 31, 2025).

President  
Shigeru Kobayashi

NGK Group net sales for the consolidated fiscal year under review increased by 7.0% year-on-year to 619,513 million yen. The background is that product volumes for semiconductor manufacturing equipment increased and the depreciation of the yen created a positive effect that pushed up sales, although volumes of automotive-related products decreased. As for income, operating income rose by 22.4% year-on-year to 81,241 million yen, primarily due to the sales increase and the effect of the weak yen. Ordinary income increased by 24.1% to 78,249 million yen, and net income attributable to owners of the parent grew by 35.4% to 54,933 million yen.

In terms of the future forecast, sales are expected to increase, as demand for automotive-related products is expected to remain at the same level as the fiscal year under review, while sustained demand for semiconductors for AI applications is expected to increase demand for products for semiconductor manufacturing equipment, etc., offsetting the negative effects of the strong yen on a company-wide basis. As for income, operating income and ordinary income are expected to decrease factoring the strong yen and the impact of tariff policies. On the other hand, net income attributable to owners of the parent is expected to increase compared with the fiscal year under review due to a decrease in income taxes, with the anticipated approval of certain tax adjustment items.

In terms of the consolidated earnings forecast for the next term, on the assumption of exchange rates of 135 yen/dollar and 155 yen/euro, we aim for net sales of 630 billion yen (up 1.7% year-on-year), operating income of 75 billion yen (down 7.7% year-on-year), ordinary income of 70 billion yen (down 10.5% year-on-year), and net income attributable to owners of the parent of 55 billion yen (up 0.1% year-on-year).

Aiming to become a company that provides new value to society, the NGK Group has defined its vision as “Contributing to carbon neutrality and a digital society with its unique ceramic technology” in the NGK Group Vision and is promoting “Five transformations” for its realization. In order to accelerate the conversion of the business structure, at the 159th Annual Shareholders’ Meeting held on June 26, 2025, we resolved to remove “INSULATORS,” our original business, from our trade name in order to unify our name in both Japanese and English as “NGK”.

We will aim to become a company that continues to grow globally, by continuing to address the following key issues while striving to further improve our brand recognition both in Japan and overseas.

**1) Advancement of ESG Management**

**2) Initiatives for Improving Earning Capacity of Existing Businesses and Creating New Businesses**

Through these initiatives, the NGK Group will work to further reinforce its management base, continue its management that emphasizes capital efficiency and shareholders, and aim to realize its future vision through sustainable growth and the improvement of corporate value.

We would deeply appreciate your continued support.

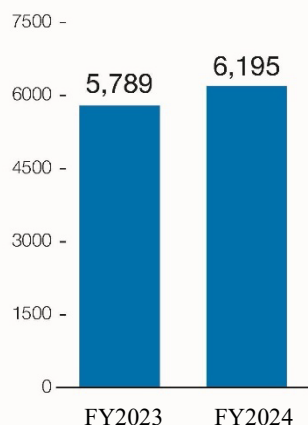
June 2025

## Business Overview

### Earnings Trends

Net sales  
(100 million yen)

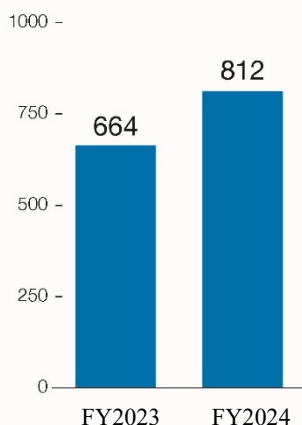
619,513  
Up 7.0% year-on-year



Net sales increased by 7.0% year-on-year to 619,513 million yen, as product volumes for semiconductor manufacturing equipment increased and the depreciation of the yen created a positive effect that pushed up sales.

Operating income  
(100 million yen)

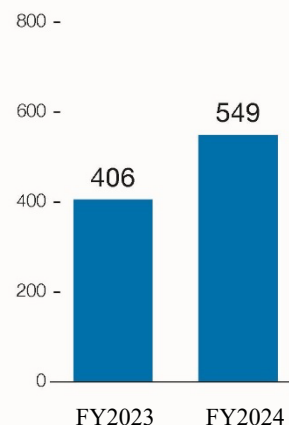
81,241  
Up 22.4% year-on-year



Operating income increased by 22.4% year-on-year to 81,241 million yen, partly due to increased sales and the weak yen.

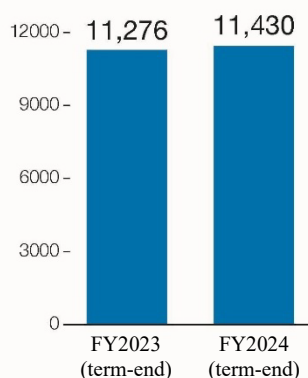
Profit attributable to owners of the parent  
(100 million yen)

54,933  
Up 35.4% year-on-year



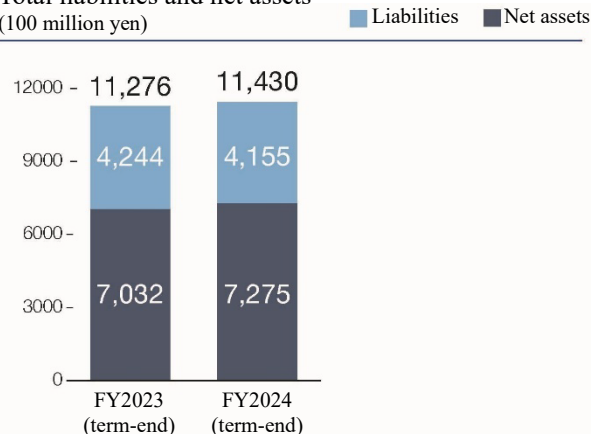
Profit attributable to owners of the parent increased by 35.4% year-on-year to 54,933 million yen, partly due to increased sales and the weak yen.

Total assets  
(100 million yen)



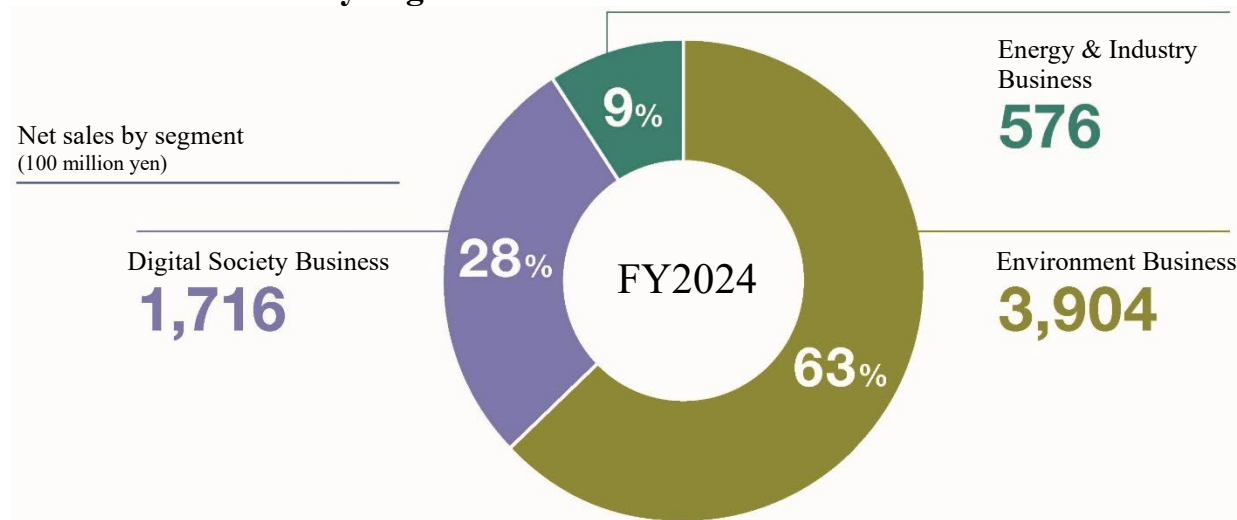
Total assets increased by 15,410 million yen from the end of the previous consolidated fiscal year to 1,142,986 million yen mainly due to increases in securities and cash and deposits.

Total liabilities and net assets  
(100 million yen)



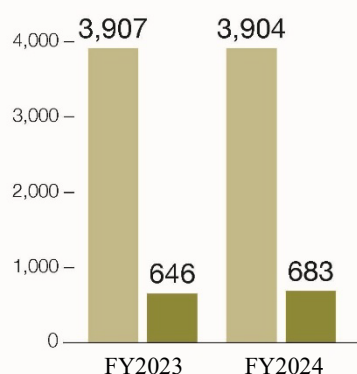
Total liabilities decreased by 8,871 million yen from the end of the previous consolidated fiscal year to 415,480 million yen mainly due to decreases in the current portion of long-term borrowings and long-term borrowings, despite increases in short-term borrowings and bonds payable. Total net assets increased by 24,281 million yen from the end of the previous consolidated fiscal year to 727,506 million yen primarily due to a decrease in treasury shares and increases in retained earnings and others.

## Business Overview by Segment



### Environment Business

Net sales Operating income

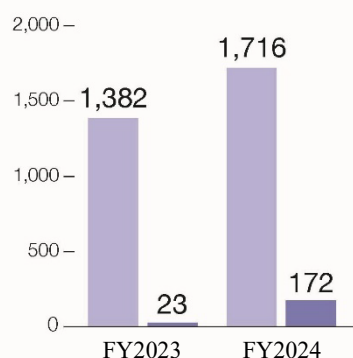


Net sales were nearly at the same level as the previous fiscal year, amounting to 390,798 million yen, due to weak demand as automotive sales decelerated in China, Southeast Asia and Europe, despite the positive effect of the weak yen. Operating income increased by 5.7% year-on-year to 68,254 million yen due to additional impacts of cost reductions and improved selling prices.

\*The above net sales include 426 million yen in intersegment transactions or transfers.

### Digital Society Business

Net sales Operating income



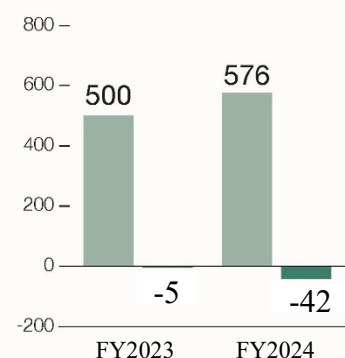
Net sales grew by 24.2% year-on-year to 171,591 million yen due to the positive effect of the weak yen in addition to increased shipments of products for semiconductor manufacturing equipment and piezoelectric micro actuators for hard disk drives (HDD), coupled with increased demand for semiconductors for AI applications and brisk investment in data centers.

Operating income rose by 652.5% to 17,191 million yen due to the positive effect of the weak yen and an increase in shipment volumes.

\*The above net sales include 3 million yen in intersegment transactions or transfers.

### Energy & Industry Business

Net sales Operating income



Net sales increased by 14.9% year-on-year to 58,368 million yen due to increased demand for insulators with the reinforcement of power transmission and distribution grids in Japan and overseas, and shipments of NAS<sup>®</sup> power storage batteries (sodium/sulfur batteries) for overseas projects.

Operating income (losses) fell into the red with operating losses of 4,196 million yen due to the recording of a write-down of inventories owned after suspending some processing at factories as a result of the loss of an expected overseas project for NAS<sup>®</sup> batteries, despite increased demand for insulators.

\*The above net sales include 815 million yen in intersegment transactions or transfers.

\*There was a change in reportable segments during the fiscal year under review. Industrial equipment-related products, which had been included in “Energy & Industry Business”, have been reclassified to “Environment Business.” With regard to the comparable numbers of each segment from the previous fiscal year, such numbers from that period have been reclassified to the segment after the change.

## Latest Topics

### 1. “NGK Corporation” from April 1, 2026

While the Company announced its intention of changing its trade name to “NGK Corporation” in January 2025, in order to accelerate the conversion of business structure for the realization of the vision stated in the “NGK Group Vision Road to 2025,” it was officially approved at the 159th Annual Shareholders’ Meeting held on June 26, 2025.

“NGK” is a trade mark which is composed of the initials of NIPPON GAISHI KAISYA, and is used as the trade name for most of consolidated subsidiaries and is widely familiarized group brand in Japan and abroad.

By using the uniform “NGK” for both Japanese and English expressions as the trade name of NGK INSULATORS, LTD., the core company of the Group, from April 2026, we will further increase the branding power of the Group and improve its recognition.

Going forward, we will continue creating new products and businesses to provide the society with new values, and will further deepen engagement as the NGK Group with stakeholders all over the world, to make “NGK” grow into a stronger global brand than before.

New trade name: NGK Corporation  
(Current trade name: NGK INSULATORS, LTD.)

Date of change: April 1, 2026

### 2. NGK decides to launch “NGK Collaboration Square DIVERS,” an NGK Group co-creation facility

For the purpose of promoting open innovation and group identity, we will launch “NGK Collaboration Square DIVERS,” an NGK Group co-creation facility, on July 15, 2025.

The name “NGK Collaboration Square DIVERS” signifies diversity through bringing together perspectives and knowledge to enhance new possibilities (Diversity), a spirit of challenge to dive into new fields and pioneer the future (Dive), and pioneers who will lead the next generation and create new value (Diver).

By integrating knowledge from within and outside NGK, it will be a venue for encouraging new value creation and promoting open innovation, and serve to infuse a sense of group identity that will foster pride and a spirit of challenge in each and every employee.

Going forward, we will continue to utilize this facility as a base for pursuing challenges and interaction to accelerate such transformation, and promote initiatives for the realization of a sustainable society through collaboration with those within and outside NGK.



NGK Collaboration Square DIVERS  
(exterior appearance)

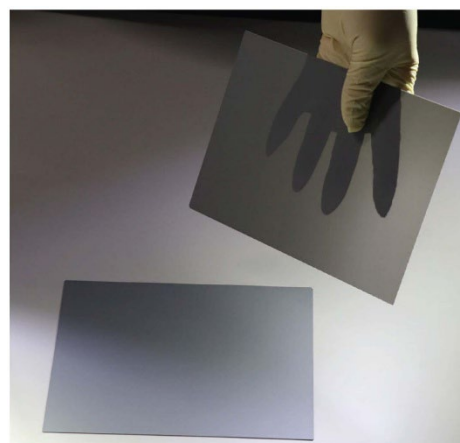
### 3. NGK and AIST Group commence joint research for achieving high accuracy in evaluating thermal diffusivity of silicon nitride ceramic substrates

In January 2025, we commenced joint research with the AIST Group (National Institute of Advanced Industrial Science and Technology and AIST Solutions) on validating the evaluation methods for thermal diffusivity of silicon nitride ceramic substrates used for components with power semiconductors (power semiconductor modules).

Silicon nitride ceramic substrates are components that play a key role in insulating heat dissipating circuit boards used for inverters to control motors of electric vehicles (EV) and hybrid electric vehicles (HEV). Specifically, they dissipate heat generated when driving power semiconductor modules, and the thinner the substrate and the higher the heat dissipation rate, the greater the operating efficiency of power semiconductor modules.

However, ensuring the comparability of measured results has become a challenge, as no evaluation method is prescribed for the thermal diffusivity of substrates thinner than 0.5 mm. In this joint research, AIST, with its extensive knowledge of evaluation methods, and NGK, with its advanced ceramic substrate-related technologies, will collect data for quantification of the pretreatment process that affects the measurement of substrates' thermal diffusivity. Through this endeavor, we will validate an evaluation method for high-performance thin substrates thinner than 0.5 mm, which is not prescribed in the existing Japan Industrial Standards (JIS), to contribute to the improvement in the precision of measured values and the future standardization of evaluation methods.

Through this joint research, we will improve the reliability of insulating heat dissipating circuit boards, and through the provision of unique ceramic technologies and products, we will contribute to solving social issues.



Silicon nitride ceramic substrate

### 4. NGK acquires shares of Deutsche KNM GmbH in Germany with the aim of contributing to carbon neutrality

In February 2025, we concluded an agreement to acquire all shares of Deutsche KNM GmbH (hereinafter, “DKNM”), the holding company of Borsig GmbH (hereinafter, “Borsig”), which engages in manufacturing and sales of heat exchangers, membrane systems and other products.

Borsig, a subsidiary of DKNM, is a machinery manufacturing group with a strong brand presence centered on heat exchangers, its main product. For membrane systems, it designs and constructs membrane systems using its own organic membranes, which can be expected to contribute greatly to the systemization of our sub-nano ceramic membranes.

Borsig and NGK will promote the development of products and services that meet customer needs through mutual resource utilization and synergy creation, and strive to realize a carbon neutral society on a global scale.



Sub-nano ceramic membrane

## **5. NGK selected as “Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting” for the second consecutive year**

In March 2025, NGK was jointly selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as “Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting” for FY2024.

For “Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting” established in FY2023, companies that particularly excel in their initiatives for employees to balance work and parenting regardless of gender to facilitate “dual careers and co-parenting” are selected. We have been selected for two consecutive years since FY2023.

We believe that developing an environment in which employees respect each other’s careers and family life and can face life events with peace of mind regardless of their gender or age will lead to an improvement in the well-being of employees (physical and mental health and happiness), and furthermore, to the enhancement of corporate value. Going forward, we will continue developing a workplace in which all employees can maximize their potential and take on challenges.

## **6. NGK Foreign Student Fund has assisted more than 1,000 students**

NGK Foundation for International Students operated by NGK has assisted more than 1,000 students from 40 countries.

NGK Foundation for International Students was founded in 1998 for the purpose of developing friendly relations with overseas countries based on mutual trust, and fostering excellent talent. For privately funded international students, it provides accommodations (NGK International House) and scholarships (NGK scholarship).

To date, many Japanese employees have been assigned to overseas bases as we have been expanding our business globally, and they, together with their accompanying family members, have been warmly welcomed and supported by local communities and residents. Based on our gratitude for such support and our desire to promote mutual understanding, we have continued this initiative to foster talent who will contribute to the development of the international community by serving as a bridge of friendship between Japan and their home countries in the future.

Going forward, we will continue contributing to initiatives for fostering global talent who will lead the next generation and enhancing mutual trust between countries.



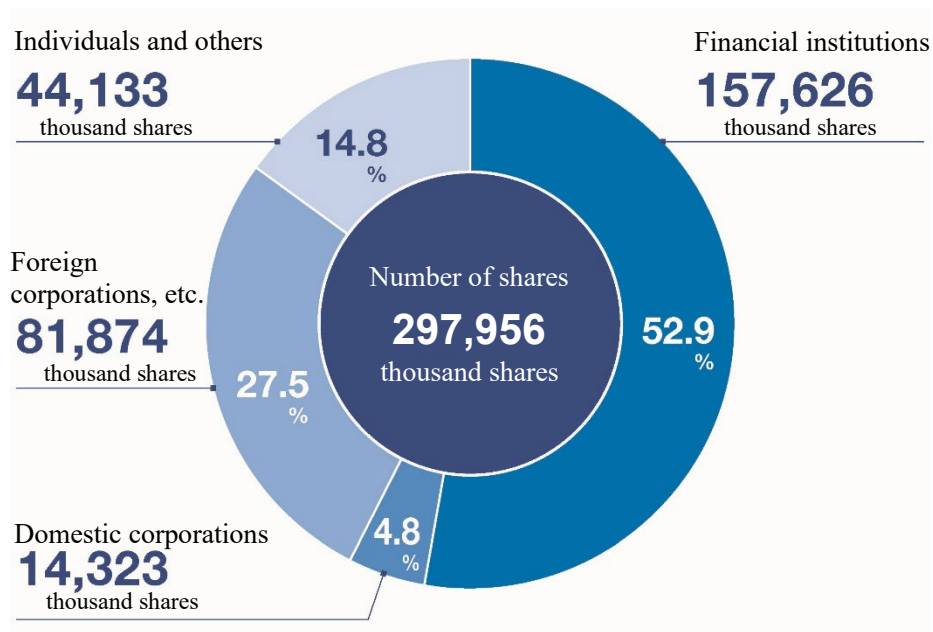
NGK International House  
(accommodation facility) exterior  
appearance

## Stock Information

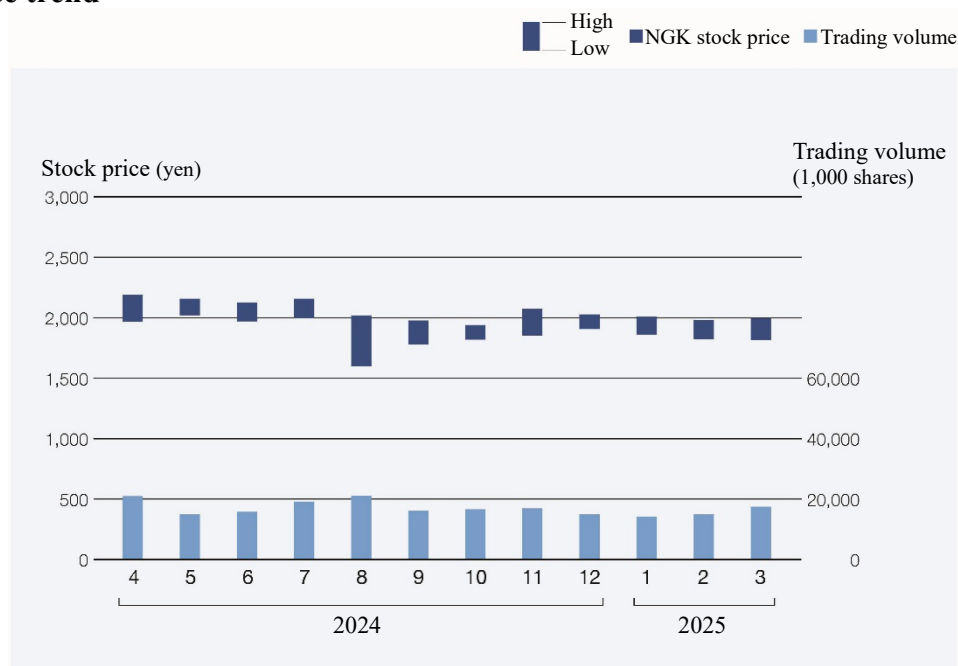
### Shareholder status

(as of March 31, 2025)

**Number of shareholders: 51,376**



### Stock price trend



Major shareholders (top 10)	Number of shares held (1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	50,965	17.38
Meiji Yasuda Life Insurance Company	21,695	7.40
The Dai-ichi Life Insurance Company, Limited	21,457	7.32
Custody Bank of Japan, Ltd. (Trust Account)	17,448	5.95
MUFG Bank, Ltd.	7,204	2.45
National Mutual Insurance Federation of Agricultural Cooperatives	7,029	2.39
Aioi Nissay Dowa Insurance Co., Ltd.	4,387	1.49
STATE STREET BANK AND TRUST COMPANY 505001	3,896	1.32
STATE STREET BANK AND TRUST COMPANY 505103	3,676	1.25
THE BANK OF NEW YORK MELLON 140044	3,661	1.24

(Notes) We hold 4,861,605 treasury shares but they are excluded from the major shareholders above. The shareholder ratios above are calculated based on the number of shares after deducting the number of treasury shares from the total number of shares issued and rounded down to the second decimal place.