

Announcement of Revision to 2005 Financial Results Forecast

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Listing Name: NGK Insulators, Ltd.
(URL: <http://www.ngk.co.jp/english/>)
Code Number: 5333
Stock Exchange Listings: Tokyo, Nagoya, Osaka and Sapporo
Representative: Shun Matsushita
President and Chief Executive Officer
Contact: Hiroshi Wada
Director and Senior Vice President
Telephone Number: +81-52-872-7230

NGK Insulators, Ltd. announced the revision of its consolidated and non-consolidated financial results forecast for the first-half of fiscal year 2005 (six months ending September 30, 2005) and for the fiscal year 2005 (year ending March 31, 2006) from its previous forecast announced on May 11, 2005. Details are as follows.

1. Revised Financial Results Forecast for First-Half of Fiscal Year 2005 (six months ending September 30, 2005)

(1) Consolidated

(Millions of Yen, %)

	Net Sales	Ordinary Income	Net Income
Previous Forecast (A) (announced on May 11, 2005)	118,000	8,500	4,000
Revised Forecast (B)	122,000	12,500	7,000
Increase or Decrease (B - A)	4,000	4,000	3,000
Percentage of Increase or Decrease (%)	3.4%	47.1%	75.0%
Results of First-Half of Fiscal Year 2004 (six months ended September 30, 2004)	118,214	10,922	4,967

(2) Non-consolidated

(Millions of Yen, %)

	Net Sales	Ordinary Income	Net Income
Previous Forecast (A) (announced on May 11, 2005)	84,000	6,000	3,500
Revised Forecast (B)	86,500	9,000	5,500
Increase or Decrease (B - A)	2,500	3,000	2,000
Percentage of Increase or Decrease (%)	3.0%	50.0%	57.1%
Results of First-Half of Fiscal Year 2004 (six months ended September 30, 2004)	85,268	6,212	1,595

2. Revised Financial Results Forecast for Fiscal Year 2005 (year ending March 31, 2006)

(1) Consolidated

(Millions of Yen, %)

	Net Sales	Ordinary Income	Net Income
Previous Forecast (A) (announced on May 11, 2005)	278,000	26,500	15,000
Revised Forecast (B)	278,000	28,000	15,500
Increase or Decrease (B - A)	0	1,500	500
Percentage of Increase or Decrease (%)	0.0%	5.7%	3.3%
Results of Fiscal Year 2004 (year ended March 31, 2005)	266,127	24,088	12,012

(2) Non-consolidated

(Millions of Yen, %)

	Net Sales	Ordinary Income	Net Income
Previous Forecast (A) (announced on May 11, 2005)	205,000	18,500	11,000
Revised Forecast (B)	205,000	19,500	11,500
Increase or Decrease (B - A)	0	1,000	500
Percentage of Increase or Decrease (%)	0.0%	5.4%	4.5%
Results of Fiscal Year 2004 (year ended March 31, 2005)	200,083	15,872	9,017

3. Explanation of Revisions of Financial Results Forecast

(1) For first-half of fiscal year 2005 (six months ending September 30, 2005)

In this half-year period, sales of Ceramic Products and Electronics Business are expected to be higher than the previous forecast, as affected by a weaker yen. In addition, domestic shipments of insulators in Power Business are likely to rebound strongly in this first-half of the year.

As a result, net sales for consolidated and non-consolidated results are expected to increase from the previous forecast. On the profit side, consolidated and non-consolidated operating income, ordinary income and net income are also expected to be higher, reflecting the efforts of higher productivity and increase of sales.

(2) For fiscal year 2005 (year ending March 31, 2006)

For the full year, the Ceramic Products and Electronics Business are expected to show higher performance supported by the increasing trend which continued from the first-half. In the Power Business, on the other hand, exports of insulators will fall in the second-half, as well as sales of domestic waste treatment systems in Engineering Group.

For the reasons above, consolidated and non-consolidated net sales remain unchanged from the previous forecast. However, profits for consolidated and non-consolidated results are expected to be higher, due to the increase of sales in the Ceramic Products and Electronics Business, as well as from the impact of a weaker yen.

※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 2005 (six months ending September 30, 2005)

(Billions of Yen, %)

	Power	Ceramics	Engineering	Electronics	Consolidated
Total sales	30.0	43.5	11.5	33.0	118.0
Revised total sales	32.5	45.5	10.0	34.0	122.0
Operating income	0.0	6.5	-2.5	4.5	8.5
Revised operating income	1.5	9.0	-3.0	6.0	13.5
Operating income ratio (%)	-	15%	-	14%	7%
Revised operating income ratio (%)	5%	20%	-	18%	11%

(2) For first-half of fiscal year 2004 (six months ended September 30, 2004)

(Billions of Yen, %)

	Power	Ceramics	Engineering	Electronics	Consolidated
Total sales	29.2	42.6	12.1	34.3	118.2
Operating income	-0.2	8.1	-1.9	4.5	10.5
Operating income ratio (%)	-	19%	-	13%	9%

(3) For fiscal year 2005 (year ending March 31, 2006)

(Billions of Yen, %)

	Power	Ceramics	Engineering	Electronics	Consolidated
Total sales	63.0	91.5	59.5	64.0	278.0
Revised total sales	62.5	93.5	56.0	66.0	278.0
Operating income	0.0	16.0	3.5	7.5	27.0
Revised operating income	-0.5	18.0	2.5	9.0	29.0
Operating income ratio (%)	-	18%	6%	12%	10%
Revised operating income ratio (%)	-	19%	4%	14%	10%

(4) For fiscal year 2004 (year ended March 31, 2005)

(Billions of Yen, %)

	Power	Ceramics	Engineering	Electronics	Consolidated
Total sales	61.5	83.8	55.6	65.3	266.1
Operating income	-2.4	16.9	2.9	6.8	24.3
Operating income ratio (%)	-	20%	5%	10%	9%

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

(1) For first-half of fiscal year 2005 (six months ending September 30, 2005)

(Billions of Yen)

	Power	Ceramics	Engineering	Electronics	Total
Total sales	22.0	30.0	10.0	22.0	84.0
Revised total sales	24.0	31.0	8.5	23.0	86.5
Operating income					4.0
Revised operating income					8.0

(2) For first-half of fiscal year 2004 (six months ended September 30, 2004)

(Billions of Yen)

	Power	Ceramics	Engineering	Electronics	Total
Total sales	21.5	30.4	11.0	22.3	85.3
Operating income					4.7

(3) For fiscal year 2005 (year ending March 31, 2006)

(Billions of Yen)

	Power	Ceramics	Engineering	Electronics	Total
Total sales	48.0	61.0	55.0	41.0	205.0
Revised total sales	47.0	62.0	52.0	44.0	205.0
Operating income					14.5
Revised operating income					17.0

(4) For fiscal year 2004 (year ended March 31, 2005)

(Billions of Yen)

	Power	Ceramics	Engineering	Electronics	Total
Total sales	46.1	60.2	52.6	41.1	200.1
Operating income					12.9