

Consolidated Results for the Nine Months Ended December 31, 2005

January 31, 2006

Listing Name: NGK Insulators, Ltd.
 (URL: <http://www.ngk.co.jp/english/>)
 Code Number: 5333
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1. Financial results for the nine months ended December 31, 2005

(1) Consolidated operating results (Millions of Yen: Amounts less than ¥1 million have been omitted)

	Net sales		Operating income		Ordinary income	
	Millions of Yen	Growth ratio (%)	Millions of Yen	Growth ratio (%)	Millions of Yen	Growth ratio (%)
Nine months ended December 31, 2005	186,803	5.5	22,337	22.6	22,042	18.4
Nine months ended December 31, 2004	177,026	10.4	18,226	-	18,623	-
Year ended March 31, 2005	266,127	5.9	24,277	27.9	24,088	33.0

	Net income		Net income per share (in ¥)	Diluted net income per share (in ¥)
	Millions of Yen	Growth ratio (%)		
Nine months ended December 31, 2005	12,679	41.0	37.60	37.59
Nine months ended December 31, 2004	8,944	-	26.06	-
Year ended March 31, 2005	12,012	42.3	34.75	-

(2) Consolidated financial position (Millions of Yen)

	Total Assets	Shareholders' equity	Ratio of shareholders' equity to total assets (%)	Shareholders' equity per share (in ¥)
Nine months ended December 31, 2005	443,279	248,912	56.2	738.29
Nine months ended December 31, 2004	411,079	241,555	58.8	706.49
Year ended March 31, 2005	423,414	236,899	55.9	702.11

Notes:

Change in scope of consolidation and application of the equity method:

Consolidated subsidiaries: 1 addition

Associated companies accounted for by the equity method: 1 exclusion

2. Projected consolidated financial results for the year ending March 31, 2006

The figures below remain unchanged from the forecast that had been announced on November 10, 2005.

(Millions of Yen)

	Net sales	Ordinary income	Net income
Year ending March 31, 2006	281,000	29,000	16,000

Projected annual net income per share: ¥ 47.45

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen: Amounts less than ¥1 million have been omitted)

Accounts	Fiscal year		As of December 31, 2005		As of December 31, 2004		As of March 31, 2005	
	Millions of Yen	Composition Ratio (%)	Millions of Yen	Composition Ratio (%)	Millions of Yen	Composition Ratio (%)		
Assets:		%		%		%		%
I. Current Assets:								
1. Cash and bank deposits	27,936		23,423		20,438			
2. Notes and accounts receivable trade	55,584		60,309		75,286			
3. Marketable securities	30,087		22,007		29,695			
4. Inventories	69,587		65,220		59,761			
5. Other currents assets	18,450		14,251		16,673			
Total current assets	201,645	45.5	185,212	45.1	201,856	47.7		
II. Fixed Assets:								
1. Tangible assets	148,258		125,589		131,148			
2. Intangible assets	5,785		8,292		6,978			
3. Investments and other assets	87,591		91,985		83,431			
Total fixed assets	241,634	54.5	225,866	54.9	221,558	52.3		
Total assets	443,279	100.0	411,079	100.0	423,414	100.0		
Liabilities:		%		%		%		%
I. Current Liabilities:								
1. Notes and accounts payable trade	28,092		23,069		42,111			
2. Short-term borrowings	6,638		3,358		3,241			
3. Other current liabilities	33,127		34,757		43,332			
Total current liabilities	67,858	15.3	61,185	14.9	88,685	21.0		
II. Long-term liabilities:								
1. Long-term bonds payable	10,000		20,000		10,000			
2. Long-term borrowings	59,736		35,349		35,442			
3. Other long-term liabilities	39,304		36,003		35,547			
Total long-term liabilities	109,041	24.6	91,352	22.2	80,989	19.1		
Total liabilities	176,899	39.9	152,537	37.1	169,675	40.1		
Minority interests:								
Minority interest	17,467	3.9	16,985	4.1	16,839	4.0		
Shareholders' equity:								
I. Common stock	69,849	15.8	69,849	17.0	69,849	16.5		
II. Capital surplus	85,143	19.2	85,136	20.7	85,142	20.1		
III. Retained earnings	98,305	22.2	86,745	21.1	89,762	21.2		
IV. Unrealized gain on available-for-sale securities	21,890	4.9	18,588	4.5	16,139	3.8		
V. Foreign currency translation adjustments	△ 11,411	△ 2.6	△ 8,613	△ 2.1	△ 9,315	△ 2.2		
VI. Treasury stock	△ 14,864	△ 3.3	△ 10,150	△ 2.4	△ 14,678	△ 3.5		
Total shareholders' equity	248,912	56.2	241,555	58.8	236,899	55.9		
Total liabilities, minority interest and shareholders' equity	443,279	100.0	411,079	100.0	423,414	100.0		

(2) Consolidated Statements of Income

(Millions of Yen: Amounts less than ¥1 million have been omitted)

Accounts	Fiscal year		Nine months ended December 31, 2005		Nine months ended December 31, 2004		Year ended March 31, 2005	
	Millions of Yen	Composition Ratio (%)	Millions of Yen	Composition Ratio (%)	Millions of Yen	Composition Ratio (%)		
I. Sales	186,803	100.0	177,026	100.0	266,127	100.0		
II. Cost of sales	128,341	68.7	120,910	68.3	192,012	72.2		
Gross profit	58,462	31.3	56,116	31.7	74,114	27.8		
III. Selling, general and administrative expenses	36,124	19.3	37,889	21.4	49,837	18.7		
Operating income	22,337	12.0	18,226	10.3	24,277	9.1		
IV. Non-operating income	2,091	1.1	2,431	1.4	2,906	1.1		
V. Non-operating expenses	2,385	1.3	2,034	1.2	3,095	1.1		
Ordinary income	22,042	11.8	18,623	10.5	24,088	9.1		
VI. Extraordinary income	568	0.3	388	0.3	3,728	1.4		
VII. Extraordinary loss	702	0.4	2,468	1.4	4,891	1.9		
Income before income taxes and minority interests	21,909	11.7	16,544	9.4	22,925	8.6		
Income taxes	8,889	4.7	7,034	4.0	10,398	3.9		
Minority interests	340	0.2	515	0.3	513	0.2		
Net income	12,679	6.8	8,994	5.1	12,012	4.5		

Segment Information

Industry segments

Nine months ended December 31, 2005

(Millions of Yen: Amounts less than ¥1 million have been omitted)

	Power	Ceramics	Engineering	Electronics	Total	Elimination or Corporate	Consolidated
Sales							
(1) Sales to customers	48,654	68,925	17,328	51,894	186,803	-	186,803
(2) Intersegment sales	-	68	-	488	556	-556	-
Total	48,654	68,994	17,328	52,382	187,360	-556	186,803
Operating expenses	45,656	55,191	21,280	42,926	165,054	-588	164,466
Operating income (△loss)	2,997	13,802	△ 3,951	9,456	22,305	32	22,337

Nine months ended December 31, 2004

(Millions of Yen: Amounts less than ¥1 million have been omitted)

	Power	Ceramics	Engineering	Electronics	Total	Elimination or Corporate	Consolidated
Sales							
(1) Sales to customers	43,016	62,462	20,668	50,879	177,026	-	177,026
(2) Intersegment sales	20	60	-	-	80	-80	-
Total	43,036	62,522	20,668	508,879	177,107	-80	177,026
Operating expenses	43,088	49,390	22,479	43,954	158,912	-113	158,799
Operating income (△loss)	△ 51	13,132	△ 1,811	6,924	18,194	32	18,226

Year ended March 31, 2005

(Millions of Yen: Amounts less than ¥1 million have been omitted)

	Power	Ceramics	Engineering	Electronics	Total	Elimination or Corporate	Consolidated
Sales							
(1) Sales to customers	61,504	83,706	55,631	65,283	266,127	-	266,127
(2) Intersegment sales	24	71	-	-	95	-95	-
Total	61,529	83,778	55,631	65,283	266,222	-95	266,127
Operating expenses	63,880	66,829	52,754	58,525	241,990	-140	241,850
Operating income (△loss)	△ 2,351	16,948	2,877	6,758	24,232	45	24,277

Notes:

- The industry segments in the above table were categorized in consideration of internal corporate policies.
- Main products by industry segment:

Industry Segment	Main products
Power	Insulators, hardware for insulator assemblies, current limiting arching horn, bushing shells, fuse cut-puts, APM, line arrester and NAS (sodium-sulfur)-batteries
Ceramics	Automotive ceramics for exhaust gas purification, corrosion-resistant ceramic apparatus for chemical industries, gas analyzer, industrial heating systems and refractories
Engineering	Clear water / sewage treatment systems, water purification systems, melting furnace, noise-control systems and solid waste / radioactive waste treatment systems
Electronics	Beryllium copper wrought products, molds and ceramic components for electronics and semiconductor manufacturing equipment