

Consolidated Results for the Third Quarter Ended December 31, 2006

January 31, 2007

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

1. Financial results for the nine months ended December 31, 2006

(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, 2006 | 218,505 | 17.0 | 39,099 | 75.0 | 38,765 | 75.9 |
| Nine months ended December 31, 2005 | 186,803 | 5.5 | 22,337 | 22.6 | 22,042 | 18.4 |
| Year ended March 31, 2006 | 283,753 | 6.6 | 31,275 | 28.8 | 30,926 | 28.4 |

| | Net income | | Net income per share (in ¥) | Diluted net income per share (in ¥) |
|-------------------------------------|-----------------|------------------|-----------------------------|-------------------------------------|
| | Millions of Yen | Growth ratio (%) | | |
| Nine months ended December 31, 2006 | 23,754 | 87.4 | 70.45 | 70.38 |
| Nine months ended December 31, 2005 | 12,679 | 41.0 | 37.60 | 37.59 |
| Year ended March 31, 2006 | 16,522 | 37.5 | 48.99 | 48.98 |

※Growth ratio in net sales, operating income, ordinary income and net income in the tables represent increases or decreases compared to prior year.

(2) Consolidated financial position

| | Total assets | Net assets | Ratio of net worth to total assets (%) | Net assets per share (in ¥) |
|-------------------------------------|--------------|------------|--|-----------------------------|
| Nine months ended December 31, 2006 | 491,390 | 299,036 | 57.0 | 830.15 |
| Nine months ended December 31, 2005 | 443,279 | 248,912 | 56.2 | 738.29 |
| Year ended March 31, 2006 | 489,440 | 258,291 | 52.8 | 766.16 |

Notes:

1. Net assets for the nine months ended December 31, 2005 and the year ended March 31, 2006 do not include minority interests and loss on deferred hedges.
2. Net worth is the same as shareholders' equity for the nine months ended December 31, 2006 and the year ended March 31, 2006, while net worth for the nine months ended December 31, 2006 includes shareholders' equity and adjustments for valuation and translation.
3. Change in scope of consolidation and application of the equity method:
 - consolidation: Newly consolidated subsidiary: 2
Excluded subsidiary: None
 - equity method: Newly applied company: None
Excluded company: 1

2. Projected consolidated financial results for the year ending March 31, 2007

(Millions of Yen)

| | Net sales | Ordinary income | Net income |
|----------------------------|-----------|-----------------|------------|
| Year ending March 31, 2007 | 317,000 | 50,000 | 28,000 |

Projected annual net income per share: ¥ 83.05

※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.

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, 2006 | | As of March 31, 2006 | |
|---|-------------|-------------------------|-----------------------|-------------------------|-----------------------|----------------------|-----------------------|
| | | 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 | | 50,292 | | 42,737 | |
| 2. Notes and accounts receivable trade | | 55,584 | | 70,112 | | 80,346 | |
| 3. Marketable securities | | 30,087 | | 21,201 | | 26,359 | |
| 4. Inventories | | 69,587 | | 78,726 | | 65,574 | |
| 5. Other currents assets | | 18,450 | | 18,066 | | 25,294 | |
| Total current assets | | 201,645 | 45.5 | 238,400 | 48.5 | 240,313 | 49.1 |
| II. Fixed assets: | | | | | | | |
| 1. Tangible assets | | 148,258 | | 161,583 | | 155,842 | |
| 2. Intangible assets | | 5,785 | | 4,296 | | 5,415 | |
| 3. Investments and other assets | | 87,591 | | 87,110 | | 87,869 | |
| Total fixed assets | | 241,634 | 54.5 | 252,990 | 51.5 | 249,127 | 50.9 |
| Total assets | | 443,279 | 100.0 | 491,390 | 100.0 | 489,440 | 100.0 |
| Liabilities: | | | | | | | |
| I. Current liabilities: | | | | | | | |
| 1. Notes and accounts payable trade | | 28,092 | | 28,373 | | 42,271 | |
| 2. Short-term borrowings | | 6,638 | | 6,293 | | 6,257 | |
| 3. Other current liabilities | | 33,127 | | 39,715 | | 49,886 | |
| Total current liabilities | | 67,858 | 15.3 | 74,381 | 15.1 | 98,414 | 20.1 |
| II. Long-term liabilities: | | | | | | | |
| 1. Long-term bonds payable | | 10,000 | | 10,000 | | 10,000 | |
| 2. Long-term borrowings | | 59,736 | | 71,646 | | 64,006 | |
| 3. Other long-term liabilities | | 39,304 | | 36,325 | | 40,819 | |
| Total long-term liabilities | | 109,041 | 24.6 | 117,971 | 24.0 | 114,826 | 23.5 |
| Total liabilities | | 176,899 | 39.9 | 192,353 | 39.1 | 213,240 | 43.6 |
| Minority interests | | 17,467 | 3.9 | - | - | 17,908 | 3.6 |
| Shareholders' equity: | | | | | | | |
| I. Common stock | | 69,849 | 15.8 | - | - | 69,849 | 14.3 |
| II. Capital surplus | | 85,143 | 19.2 | - | - | 85,144 | 17.4 |
| III. Retained earnings | | 98,305 | 22.2 | - | - | 101,551 | 20.7 |
| IV. Unrealized gain on available-for-sale securities | | 21,890 | 4.9 | - | - | 22,337 | 4.6 |
| V. Foreign currency translation adjustments | | △ 11,411 | △ 2.6 | - | - | △ 5,703 | △ 1.2 |
| VI. Treasury stock | | △ 14,864 | △ 3.3 | - | - | △ 14,888 | △ 3.0 |
| Total shareholders' equity | | 248,912 | 56.2 | - | - | 258,291 | 52.8 |
| Total liabilities, minority interest and shareholders' equity | | 443,279 | 100.0 | - | - | 489,440 | 100.0 |
| Net assets: | | | | | | | |
| I. Shareholders' equity | | | | | | | |
| 1. Common stock | | - | - | 69,849 | 14.2 | - | - |
| 2. Capital surplus | | - | - | 85,151 | 17.3 | - | - |
| 3. Retained earnings | | - | - | 126,669 | 25.8 | - | - |
| 4. Treasury stock | | - | - | △ 15,803 | △ 3.0 | - | - |
| Total shareholders' equity | | - | - | 266,585 | 54.3 | - | - |
| II. Valuation and translation adjustments | | | | | | | |
| 1. Unrealized gain on available-for-sale securities | | - | - | 18,287 | 3.7 | - | - |
| 2. Loss on deferred hedges | | - | - | △ 525 | △ 0.1 | - | - |
| 3. Foreign currency translation adjustments | | - | - | △ 4,459 | △ 0.9 | - | - |
| Total valuation and translation adjustments | | - | - | 13,303 | 2.7 | - | - |
| III. Stock acquisition rights | | - | - | 231 | 0.0 | - | - |
| IV. Minority interests | | - | - | 18,915 | 3.9 | - | - |
| Total net assets | | - | - | 299,036 | 60.9 | - | - |
| Total liabilities and net assets | | - | - | 491,390 | 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, 2006 | | Year ended March 31, 2006 | |
|---|-----------------|-----------------------------|--|-----------------------------|--|-----------------------------|------------------------------|--|
| | Millions of Yen | Composition Ratio (%) | Millions of Yen | Composition Ratio (%) | Millions of Yen | Composition Ratio (%) | | |
| I. Sales | 186,803 | 100.0 | 218,505 | 100.0 | 283,753 | 100.0 | | |
| II. Cost of sales | 128,341 | 68.7 | 141,923 | 65.0 | 202,767 | 71.5 | | |
| Gross profit | 58,462 | 31.3 | 76,582 | 35.0 | 80,985 | 28.5 | | |
| III. Selling, general and administrative expenses | 36,124 | 19.3 | 37,483 | 17.1 | 49,709 | 17.5 | | |
| Operating income | 22,337 | 12.0 | 39,099 | 17.9 | 31,275 | 11.0 | | |
| IV. Non-operating income | 2,091 | 1.1 | 2,281 | 1.0 | 2,590 | 0.9 | | |
| V. Non-operating expenses | 2,385 | 1.3 | 2,614 | 1.2 | 2,939 | 1.0 | | |
| Ordinary income | 22,042 | 11.8 | 38,765 | 17.7 | 30,926 | 10.9 | | |
| VI. Extraordinary income | 568 | 0.3 | 708 | 0.3 | 7,208 | 2.5 | | |
| VII. Extraordinary loss | 702 | 0.4 | 313 | 0.1 | 5,398 | 1.9 | | |
| Income before income taxes and minority interests | 21,909 | 11.7 | 39,160 | 17.9 | 32,736 | 11.5 | | |
| Income taxes | 8,889 | 4.7 | 14,439 | 6.6 | 15,548 | 5.5 | | |
| Minority interests | 340 | 0.2 | 966 | 0.4 | 665 | 0.2 | | |
| Net income | 12,679 | 6.8 | 23,754 | 10.9 | 16,522 | 5.8 | | |

(3) Segment Information

Industry segments

Nine months ended December 31, 2005

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

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

Nine months ended December 31, 2006

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

| | Power | Ceramics | Electronics | Engineering | Total | Elimination or Corporate | Consolidated |
|--------------------------|--------|----------|-------------|-------------|---------|--------------------------------|--------------|
| Sales | | | | | | | |
| (1) Sales to customers | 51,206 | 92,635 | 56,097 | 18,566 | 218,505 | - | 218,505 |
| (2) Intersegment sales | 43 | 98 | 700 | - | 842 | (842) | - |
| Total | 51,249 | 92,734 | 56,798 | 18,566 | 219,348 | (842) | 218,505 |
| Operating expenses | 46,127 | 68,434 | 45,903 | 19,814 | 180,280 | (874) | 179,406 |
| Operating income (△loss) | 5,121 | 24,299 | 10,894 | △ 1,248 | 39,067 | 32 | 39,099 |

Year ended March 31, 2006

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

| | Power | Ceramics | Electronics | Engineering | Total | Elimination or Corporate | Consolidated |
|------------------------|--------|----------|-------------|-------------|---------|--------------------------------|--------------|
| Sales | | | | | | | |
| (1) Sales to customers | 67,808 | 95,724 | 67,707 | 52,512 | 283,753 | - | 283,753 |
| (2) Intersegment sales | 116 | 91 | 709 | - | 916 | (916) | - |
| Total | 67,924 | 95,815 | 68,417 | 52,512 | 284,670 | (916) | 283,753 |
| Operating expenses | 65,994 | 78,100 | 58,280 | 51,064 | 253,439 | (962) | 252,477 |
| Operating income | 1,929 | 17,715 | 10,136 | 1,448 | 31,230 | 45 | 31,275 |

Notes:

1. The industry segments in the above table were categorized in consideration of internal corporate policies.
2. 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 |
| Electronics | Beryllium copper wrought products, molds and ceramic components for electronics and semiconductor manufacturing equipment |
| Engineering | Clear water / sewage treatment systems, water purification systems, melting furnace, noise-control systems and solid waste / radioactive waste treatment systems |