

May 12, 2011

Summary of Consolidated Financial Results for the Year ended March 31, 2011

Company Name: NGK INSULATORS, LTD. [URL: http://www.ngk.co.jp/english/](http://www.ngk.co.jp/english/)
 Listing Code: 5333
 Stock Exchange Listings: Tokyo, Osaka, Nagoya and Sapporo
 Representative: Taro Kato (Mr.)
 President
 Contact: Susumu Sakabe (Mr.)
 Director & Vice President
 (TEL: +81-52-872-7230)
 Date of the Annual Shareholders' Meeting (Scheduled) : June 29, 2011
 Date of the Filing of Securities Report "Yuka Shoken Hokokusho" (Scheduled) : June 29, 2011
 Date of Year-End Dividend Payment (Scheduled) : June 30, 2011

Notice 1: The following summary of the business results are unaudited. The audit procedures based on the Financial Instruments and Exchange Law of Japan are in progress.

Notice 2: This document contains forward-looking statements that are based on management's expectations, estimates, projection and assumptions that were available and reasonable at the time of release. Actual future results and trends may differ materially from those in the forecasts due to a variety of factors.

(All yen amounts are rounded down to the nearest million.)

1. Consolidated financial results for the year ended March 31, 2011

(From April 1, 2010 to March 31, 2011)

Year ended March 31,	2011		2010	
	Amount	Change (%)	Amount	Change (%)
Net Sales	239,363	1.6	235,489	(13.8)
Operating Income	32,157	37.1	23,453	(28.5)
Ordinary Income	32,726	31.7	24,850	(21.1)
Net Income	24,463	37.4	17,808	(27.2)
Net Income per share (Yen)	74.91		54.51	
Diluted net income per share (Yen)	74.80		54.44	
Ratio of net income to net worth (%)	8.0		6.1	
Ratio of ordinary income to total assets (%)	6.9		5.4	
Ratio of operating income to net sales (%)	13.4		10.0	

Notes: 1: Percentage figures in "Change" represent increase (decrease) over previous period.

2: Net worth used for the calculation is Total net assets excluding both Stock acquisition rights and Minority interests.

3: "Equity in earnings of unconsolidated subsidiaries and associated companies" were ¥2,047 million and ¥1,508 million for the year ended March 31, 2011 and March 31, 2010, respectively.

(2) Consolidated financial position	(Millions of yen, except per share data and percentage)	
	March 31, 2011	March 31, 2010
Total assets	479,384	475,847
Total net assets	323,536	319,472
Ratio of net worth to total assets (%)	64.0	63.5
Net worth per share (Yen)	939.21	925.71

Notes: 1: Net worth used for the calculation is Total net assets excluding both Stock acquisition rights and Minority interests.

2: The net worth were ¥306,668 million and ¥302,326 million as of March 31, 2011 and March 31, 2010, respectively.

(3) Consolidated Cash flows	(Millions of yen)		
	Year ended March 31,	2011	2010
Net cash provided by operating activities		36,650	44,375
Net cash provided by investing activities		(17,886)	(71,166)
Net cash provided by financing activities		(5,146)	1,681
Cash & cash equivalents, end of year		63,003	53,364

2. Dividend payment

Year ended March 31,	2011	2010
Cash dividends per share (Yen)		
Interim	10.0	8.0
Year-end	10.0	8.0
Total (Full-year)	20.0	16.0
Total amounts of dividends (Millions of yen)	6,531	5,226
Dividend payout ratio (%)	26.7	29.4
Ratio of dividends to net worth (%)	2.1	1.8

Notes Net worth used for the calculation is Total net assets excluding both Stock acquisition rights and Minority interests

3. Forecasts of consolidated financial results for the year ending March 31, 2012

(Millions of yen, except per share data and percentage)

	Six months ending September 30, 2011		Year ending March 31, 2012	
	Amount	Change (%)	Amount	Change (%)
Net Sales	115,000	(4.1)	260,000	8.6
Operating Income	11,000	(33.5)	30,000	(6.7)
Ordinary Income	10,000	(30.6)	32,000	(2.2)
Net Income	7,000	(36.3)	23,000	(6.0)
Net Income per share (Yen)	21.44		70.44	
Cash dividends per share (Yen)	10.00		10.00	

4. Others

- (1) Significant changes in subsidiaries during this period (changes in specified subsidiaries, "tokutei kogaisha" defined in the "Cabinet Office Ordinance on Disclosure of Corporate Information, etc.", involving a change of the scope of consolidation during this period) : None
- (2) Changes of accounting principles, procedures and presentation when preparing consolidated financial statements (changes in major basic items for preparing consolidated financial statements)
 - i . Changes due to revisions of accounting standards : Yes
 - (a) Accounting Standard for Equity Method of Accounting for Investments
Beginning with the year ended on March 31, 2011, the Company applied "Accounting Standard for Equity Method of Accounting for Investments" (Accounting Standards Board of Japan[ASBJ] Statement No. 16, March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (PITF No. 24, March 10, 2008)
There was no impact on the consolidated financial statements from this change.
 - (b) Accounting Standard for Asset Retirement Obligations
Beginning with the year ended on March 31, 2011, The company applied the following standards :
"Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and
"Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008).
The effect of this change on the consolidated financial statements is immaterial.
 - (c) Accounting Standard for Business Combination
Beginning with the year ended on March 31, 2011, The company applied "Accounting Standard for Business Combinations" (ASBJ Statement No.21, December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7, December 26, 2008), "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No.16, December 26, 2008), and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008)
 - ii . Changes other than the above (i) : None

(3) Number of shares outstanding (Common Shares)

	<u>March 31, 2011</u>	<u>March 31, 2010</u>
Number of shares outstanding at period end including treasury stocks	:	337,560,196
Number of treasury stocks at period end	:	11,043,485
Weighted average number of shares outstanding over period	:	326,568,911

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of March 31, 2010
Assets		
Current assets		
Cash and bank deposits	49,177	75,697
Notes and accounts receivable trade	50,080	62,534
Securities	42,037	36,433
Inventories	81,239	65,377
Deferred tax assets	9,801	8,496
Other	9,064	5,868
Allowance for doubtful accounts	(127)	(139)
Total current assets	241,273	254,267
Non-current assets		
Tangible assets		
Buildings and structures	48,179	50,407
Machinery and vehicles	46,812	50,803
Tools and equipment	3,630	4,212
Land	21,281	21,416
Construction in progress	17,326	12,145
Total tangible assets	137,229	138,985
Intangible assets		
Software	2,052	1,635
Other	604	387
Total intangible assets	2,657	2,022
Investments and other assets		
Investment securities	72,293	51,458
Deferred tax assets	5,316	5,448
Prepaid Pension Expenses	18,085	20,961
Other	2,745	2,991
Allowance for doubtful accounts	(218)	(288)
Total investments and other assets	98,223	80,570
Total non-current assets	238,110	221,579
Total assets	479,384	475,847

(Millions of yen)

	As of March 31, 2011	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable trade	23,330	23,109
Short-term borrowings	5,121	3,321
Current portion of long-term borrowings	10,107	4,000
Accounts payable others	10,591	8,177
Income taxes payable	3,247	4,538
Accrued expenses	8,423	8,091
Other	11,779	11,002
Total current liabilities	72,601	62,241
Long-term liabilities		
Long-term bonds payable	20,000	20,000
Long-term borrowings	34,000	44,132
Deferred tax liabilities	7,135	8,875
Liability for employees' retirement benefits	16,162	16,737
Provision for product warranties	2,029	-
Other	3,918	4,387
Total long-term liabilities	83,246	94,133
Total liabilities	155,848	156,374
Net assets		
Shareholders' equity		
Common stock	69,849	69,849
Capital surplus	85,136	85,139
Retained earnings	200,357	180,076
Treasury stock	(14,415)	(14,314)
Total shareholders' equity	340,928	320,750
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	4,826	6,226
Deferred gain on derivatives under hedge accounting	32	81
Foreign currency translation adjustments	(37,462)	(24,732)
Post retirement benefit liability adjustments of foreign subsidiaries	(1,655)	-
Total accumulated other comprehensive income	(34,259)	(18,424)
Stock acquisition rights	698	643
Minority interests	16,169	16,502
Total net assets	323,536	319,472
Total liabilities and net assets	479,384	475,847

(2) Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2010
Net sales	239,363	235,489
Cost of sales	160,749	168,716
Gross profit	78,613	66,772
Selling, general and administrative expenses	46,456	43,319
Operating income	32,157	23,453
Non-operating income	5,020	4,424
Interest income	1,065	1,041
Dividend income	780	732
Equity in earnings of unconsolidated subsidiaries and associated companies	2,047	1,508
Other	1,127	1,142
Non-operating expenses	4,451	3,027
Interest expense	1,118	1,317
Foreign exchange loss	2,165	-
Depreciation expense on idle facilities	-	725
Loss on sales of investment securities	-	319
Other	1,168	665
Ordinary income	32,726	24,850
Extraordinary income	42	858
Gain on sales of fixed assets	42	83
Reversal of loss on business liquidation	-	570
Gain on reversal of provision for restructuring costs	-	203
Extraordinary loss	2,286	2,702
Loss on sales and disposals of fixed assets	331	1,631
Impairment loss	-	168
Provision for product warranties	1,682	-
Loss arising from casualty	146	-
Provision for loss on liquidation of subsidiaries and affiliates	126	901
Income before income taxes and minority interests	30,482	23,006
Income taxes - total	5,280	5,997
Income taxes -current	7,846	6,038
Income taxes -deferred	(2,566)	(40)
Income before minority interests	25,201	-
Minority interests in earnings (loss) of consolidated subsidiaries	738	(800)
Net income	24,463	17,808

**(3) Consolidated Statement of Comprehensive Income**

(Millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2010
Income before minority interests	25,201	-
Other comprehensive income		
Unrealized (losses) on available-for-sale securities	(1,467)	-
Deferred (losses) on hedges	(37)	-
Foreign currency translation adjustments	(13,084)	-
Share of other comprehensive income of associates accounted for by using the equity method	2	-
Post retirement benefit liability adjustments of foreign subs	41	-
Total other comprehensive income	(14,546)	-
Comprehensive Income	10,655	-
Comprehensive Income attributable to:		
Owners of the parent company	10,324	-
Minority interests	330	-

(4) Consolidated Statements of Changes in Equity

(Millions of yen)

Year ended March 31, 2011	Shareholders' Equity					Accumulated Other Comprehensive Income					Stock acquisition rights	Minority interests	Total Net Assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain (loss) on available- for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Post retirement benefit liability adjustments of foreign subsidiaries	Total Accumulated Other Comprehen- sive Income			
Balance as of March 31, 2010	69,849	85,139	180,076	(14,314)	320,750	6,226	81	(24,732)	-	(18,424)	643	16,502	319,472
Transfer to post retirement benefit liability adjustments of foreign subsidiaries from retained earnings	-	-	1,696	-	1,696	-	-	-	(1,696)	(1,696)	-	-	-
Changes during the period													
Cash dividends	-	-	(5,878)	-	(5,878)	-	-	-	-	-	-	-	(5,878)
Net income	-	-	24,463	-	24,463	-	-	-	-	-	-	-	24,463
Repurchase of treasury stock	-	-	-	(148)	(148)	-	-	-	-	-	-	-	(148)
Disposal of treasury stock	-	(2)	-	47	44	-	-	-	-	-	-	-	44
Net changes other than shareholders' equity	-	-	-	-	-	(1,400)	(49)	(12,730)	41	(14,138)	54	(332)	(14,416)
Total changes during the period	-	(2)	18,584	(101)	18,480	(1,400)	(49)	(12,730)	41	(14,138)	54	(332)	4,063
Balance as of March 31, 2011	69,849	85,136	200,357	(14,415)	340,928	4,826	32	(37,462)	(1,655)	(34,259)	698	16,169	323,536

(Millions of yen)

Year ended March 31, 2010	Shareholders' Equity					Accumulated Other Comprehensive Income				Stock acquisition rights	Minority interests	Total Net Assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on available- for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Total Accumulated Other Comprehen- sive Income			
Balance as of March 31, 2009	69,849	85,135	168,360	(13,986)	309,358	2,507	(108)	(28,413)	(26,014)	519	17,560	301,424
Changes during the period												
Cash dividends	-	-	(6,208)	-	(6,208)	-	-	-	-	-	-	(6,208)
Net income	-	-	17,808	-	17,808	-	-	-	-	-	-	17,808
Net provision of liability for post retirement benefits of foreign subsidiaries	-	-	115	-	115	-	-	-	-	-	-	115
Repurchase of treasury stock	-	-	-	(341)	(341)	-	-	-	-	-	-	(341)
Disposal of treasury stock	-	4	-	13	17	-	-	-	-	-	-	17
Net changes other than shareholders' equity	-	-	-	-	-	3,718	189	3,681	7,590	123	(1,058)	6,655
Total changes during the period	-	4	11,715	(327)	11,392	3,718	189	3,681	7,590	123	(1,058)	18,048
Balance as of March 31, 2010	69,849	85,139	180,076	(14,314)	320,750	6,226	81	(24,732)	(18,424)	643	16,502	319,472



(5) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2010
Cash flows from operating activities		
Income before income taxes and minority interests	30,482	23,006
Depreciation and amortization	19,042	18,932
Decrease in liability for employees' retirement benefits	-	(806)
Decrease in prepaid pension cost	2,875	3,354
Increase in provision for product warranties	1,562	-
Interest and dividend income	(1,845)	(1,773)
Interest expenses	1,118	1,317
Equity in earnings of unconsolidated subsidiaries and associated companies	(2,047)	(1,508)
Write-down and/or disposal of inventories	2,340	-
Loss on sales and disposals of fixed assets	-	1,548
Increase in provision for loss on liquidation of subsidiaries and affiliates	-	901
Decrease (Increase) in notes and accounts receivable	7,591	(15,481)
Decrease (Increase) in inventories	(20,672)	15,510
Decrease in other current assets	(3,873)	-
Increase (Decrease) in trade payables	4,287	(4,432)
Increase (Decrease) in other current liabilities	3,973	2,661
Other, net	(371)	461
Sub-total	44,462	43,692
Interest and dividends received	1,801	1,780
Dividend received from unconsolidated subsidiaries and associated companies	500	750
Interest paid	(1,157)	(1,320)
Income taxes paid	(8,955)	(526)
Net cash provided by operating activities	36,650	44,375
Cash flows from investing activities		
Purchases of marketable securities	(7,094)	(22,653)
Proceeds from sales and redemption of marketable securities	7,779	10,909
Purchases of property, plant and equipment	(23,932)	(19,709)
Purchases of intangible assets	-	(812)
Purchases of investment securities	(24,402)	(4,306)
Proceeds from sales and redemption of investment securities	6,444	1,851
Payments on acquisition of business	(1,274)	-
Net decrease (Increase) in time deposits	26,348	(36,411)
Other, net	(1,754)	(33)
Net cash used in investing activities	(17,886)	(71,166)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,535	(1,561)
Proceeds from long-term borrowings	-	20,092
Repayment of long-term borrowings	(4,000)	(30,086)
Proceeds from issuance of bonds	-	19,932
Cash dividends paid	(5,878)	(6,208)
Other, net	(803)	(488)
Net cash provided by (used in) financing activities	(5,146)	1,681
Foreign currency translation adjustments on cash and cash equivalents	(3,985)	1,966
Net decrease in cash and cash equivalents	9,631	(23,143)
Cash and cash equivalents, beginning of year	53,364	76,508
Increase in cash and cash equivalents resulting from change of scope of consolidation	7	-
Cash and cash equivalents, end of year	63,003	53,364

6. Segment Information

Year ended March 31, 2011 (Millions of yen)

	Power	Ceramics	Electronics	Total	Elimination or Adjustment	Consolidated
Sales						
Sales to customers	53,810	123,835	61,717	239,363	-	239,363
Intersegment sales	43	460	-	503	(503)	-
Total sales	53,854	124,295	61,717	239,866	(503)	239,363
Operating income (loss)	(8,127)	31,085	9,109	32,067	89	32,157
Total Assets	120,645	163,007	64,566	348,218	131,165	479,384
Depreciation	5,594	9,870	3,577	19,042	-	19,042
Capital Expenditures	11,166	9,484	2,191	22,842	2,442	25,284

Notes:

- Beginning with the year ended on March 31, 2011, the Company applied "Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Statement No.17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008). The business segments in the above table were categorized in consideration of internal corporate policies.
- Main products by business segment

Business Segment	Main products
Power	Insulators, hardware for insulator assemblies, current limiting arching horn, bushing shells, fuse cut-outs, APM, line arrester and NAS (sodium-sulfur) batteries
Ceramics	Automotive ceramics for exhaust gas purification, corrosion-resistant ceramic apparatuses for chemical industries, gas analyzer, industrial heating systems, refractory products and radioactive waste treatment systems
Electronics	Beryllium copper wrought products, molds and ceramic components for electronics and semiconductor manufacturing equipment

- Sales by geographic area based on the region the customers are located.

(Millions of yen)

	Japan	North America	Europe	Other Areas	Total
Sales to customers	113,612	40,458	42,610	42,681	239,363

Year ended March 31, 2010 (Millions of yen)

	Power	Ceramics	Electronics	Total	Elimination or Adjustment	Consolidated
Sales						
Sales to customers	87,251	101,329	46,907	235,489	-	235,489
Intersegment sales	55	362	-	418	(418)	-
Total sales	87,307	101,692	46,907	235,907	(418)	235,489
Operating income	7,974	13,175	2,288	23,439	13	23,453
Total Assets	108,471	158,936	65,911	333,319	142,527	475,847
Depreciation	4,851	10,144	3,936	18,932	-	18,932
Impairment loss	-	-	168	168	-	168
Capital Expenditures	10,596	5,059	1,499	17,155	3,735	20,891