

July 31, 2013

Summary of Consolidated Financial Results for the Three Months ended June 30, 2013

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 Stock Exchange Listings: Tokyo and Nagoya
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Notice 1: At the time of disclosure of this report, the audit of consolidation financial statements in accordance with the Financial Instruments and Exchange Law of Japan is in progress.

2: This document contains forward-looking statements that are based on management's expectations, estimates, projections 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 three months ended June 30, 2013

(From April 1, 2013 to June 30, 2013)

Three months ended June 30,	(Millions of yen, except per share data and percentage)			
	2013		2012	
	Amount	Change (%)	Amount	Change (%)
Net Sales	68,468	10.3	62,099	2.9
Operating Income	8,572	15.5	7,420	(13.3)
Ordinary Income	9,030	58.3	5,702	(32.2)
Net Income	6,043	47.1	4,107	(32.5)
Comprehensive Income	16,555	903.9	1,649	(84.6)
Net Income per share (Yen)	18.51		12.58	
Diluted net income per share (Yen)	18.47		12.56	

(2) Consolidated financial position	(Millions of yen, except percentage)	
	June 30, 2013	March 31, 2013
Total assets	575,080	563,030
Total net assets	316,256	303,073
Ratio of net worth to total assets (%)	53.2	52.0

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 ¥305,800 million and ¥292,672 million as of June 30, 2013 and March 31, 2013, respectively.

2. Dividend payment

Year ended March 31,	2014	2013
Cash dividends per share (Yen)		
Interim	10.0 (forecast)	10.0
Year-end	10.0 (forecast)	10.0
Total (Full-year)	20.0 (forecast)	20.0

Notes: Revision of cash dividend forecast during this period - None.

3. Forecasts of consolidated financial results for the year ending March 31, 2014

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

	Six months ending September 30, 2013		Year ending March 31, 2014	
	Amount	Change (%)	Amount	Change (%)
Net Sales	138,000	13.4	280,000	10.8
Operating Income	14,000	23.6	28,000	35.3
Ordinary Income	14,000	75.5	29,000	31.6
Net Income	9,000	680.5	22,000	92.6
Net Income per share (Yen)	27.56		67.37	

Notes: Revision of forecasts of consolidated financial results during this period - Yes.

Forecasts of consolidated financial results for the six month ending September 30, 2013

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

April 1, 2013 - September 30, 2013	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (Yen)
Previous Forecast (A)	135,000	12,000	10,000	8,000	24.50
Revised Forecast (B)	138,000	14,000	14,000	9,000	27.56
Increase or Decrease (B - A)	3,000	2,000	4,000	1,000	3.06
Percentage Change	2.2%	16.7%	40.0%	12.5%	-
[Reference] Results from previous year (second quarter of fiscal 2012)	121,665	11,330	7,977	1,153	3.53

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) Application of special accounting methods for preparing quarterly consolidated financial statements : None
- (3) Changes in accounting policies, accounting estimates or retrospective restatements
 - i. Changes due to revisions of accounting standards : None
 - ii. Changes in accounting policies other than the above (i) : Yes
 - iii. Changes in accounting estimates : Yes
 - iv. Retrospective restatement : None

Change in the method of depreciation of tangible fixed assets

Previously, the foreign subsidiaries use the straight-line method as the depreciation method for tangible fixed assets, while the Company and its domestic subsidiaries principally used the declining-balance method. However, effective from the first quarter of 2013, the Company and its domestic subsidiaries have also adopted the straight-line method.

The company investigated the usage of domestic tangible fixed assets in response to the active capital investment in foreign subsidiaries under the medium and long-term management strategy to establish a globalized optimum production system.

The company concluded that tangible fixed assets were expected to be used a similar utilization level each year of its life, so the company and its domestic subsidiaries changed the depreciation method to the straight-line method, aiming at the more appropriate disclosure of business conditions under the unified accounting policies.

The impact of this change in the first quarter of 2013 was a decrease of ¥718 million in depreciation expenses and an increase of ¥510 million in operating income, ordinary income and income before income taxes, respectively.

- (4) Number of shares outstanding (Common Shares)

	June 30, 2013	March 31, 2013
Number of shares outstanding at period end including treasury stocks	337,560,196	337,560,196
Number of treasury stocks at period end	10,999,244	11,010,888
Three months ended June 30,	2013	2012
Average number of shares outstanding over period	326,556,739	326,514,313

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2013	As of March 31, 2013
Assets		
Current assets		
Cash and bank deposits	41,663	39,542
Notes and accounts receivable trade	55,364	59,062
Securities	85,294	81,735
Inventories	96,331	95,944
Other	24,781	27,393
Allowance for doubtful accounts	(109)	(109)
Total current assets	303,326	303,568
Non-current assets		
Tangible assets		
Buildings and structures	52,947	52,464
Machinery and vehicles	67,515	64,189
Other	52,124	47,231
Total tangible assets	172,586	163,884
Total intangible assets	5,468	5,390
Investments and other assets		
Investment securities	69,292	66,124
Other	24,628	24,284
Allowance for doubtful accounts	(222)	(223)
Total investments and other assets	93,699	90,186
Total non-current assets	271,754	259,462
Total assets	575,080	563,030

(Millions of yen)

	As of June 30, 2013	As of March 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable trade	22,331	25,268
Short-term borrowings	4,805	5,107
Income taxes payable	1,058	1,461
Provision for NAS Battery safety measures	16,527	21,018
Other Provisions	917	1,698
Other	28,698	31,791
Total current liabilities	74,339	86,346
Long-term liabilities		
Long-term bonds payable	20,000	20,000
Long-term borrowings	141,187	130,709
Liability for employees' retirement benefits	16,469	16,166
Provision for product warranties	387	358
Other	6,441	6,375
Total long-term liabilities	184,485	173,610
Total liabilities	258,824	259,957
Net assets		
Shareholders' equity		
Common stock	69,849	69,849
Capital surplus	85,135	85,135
Retained earnings	169,993	167,219
Treasury stock	(14,346)	(14,362)
Total shareholders' equity	310,631	307,842
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	11,253	7,964
Deferred gain on derivatives under hedge accounting	17	22
Foreign currency translation adjustments	(13,871)	(21,030)
Post retirement benefit liability adjustments of foreign subsidiaries	(2,229)	(2,127)
Total accumulated other comprehensive income	(4,830)	(15,170)
Stock acquisition rights	722	739
Minority interests	9,733	9,661
Total net assets	316,256	303,073
Total liabilities and net assets	575,080	563,030

(2) Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2012
Net sales	68,468	62,099
Cost of sales	46,307	41,319
Gross profit	22,160	20,780
Selling, general and administrative expenses	13,588	13,359
Operating income	8,572	7,420
Non-operating income	2,309	952
Interest income	170	221
Dividend income	533	343
Foreign Exchange gain	1,149	-
Gain on valuation of derivatives	-	238
Other	456	147
Non-operating expenses	1,851	2,669
Interest expense	501	408
Foreign exchange loss	-	1,387
Loss on valuation of derivatives	498	-
Equity in loss of unconsolidated subsidiaries and associated companies	706	641
Other	144	232
Ordinary income	9,030	5,702
Extraordinary income	363	12
Gain on sales of fixed assets	363	12
Extraordinary loss	42	21
Loss on sales and disposals of fixed assets	42	21
Income before income taxes and minority interests	9,351	5,694
Income taxes - total	3,259	1,548
Income taxes -current	1,373	1,102
Income taxes -deferred	1,885	446
Income before minority interests	6,092	4,145
Minority interests in earnings of consolidated subsidiaries	49	38
Net income	6,043	4,107

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2012
Income before minority interests	6,092	4,145
Other comprehensive income		
Unrealized (losses) on available-for-sale securities	3,297	(2,427)
Deferred gains (losses) on hedges	(4)	(8)
Foreign currency translation adjustments	7,273	(88)
Share of other comprehensive income of associates accounted for by using the equity method	(0)	(1)
Post retirement benefit liability adjustments of foreign subsidiaries	(102)	29
Total other comprehensive income	10,463	(2,496)
Comprehensive Income	16,555	1,649
Comprehensive Income attributable to:		
Owners of the parent company	16,382	1,614
Minority interests	173	34

6. Note on the Assumption as a Going Concern

Not applicable

7. Segment Information

Three months ended June 30, 2013						(Millions of yen)	
	Power	Ceramics	Electronics	Total	Elimination or Adjustment	Consolidated	
Sales							
Sales to customers	13,426	41,139	13,902	68,468	-	68,468	
Intersegment sales	3	72	-	75	(75)	-	
Total sales	13,430	41,211	13,902	68,543	(75)	68,468	
Operating income (loss)	(366)	8,325	599	8,558	13	8,572	

Notes:

- As stated in "4. Others (3) Changes in accounting policies, accounting estimates or retrospective restatement", the Company and its domestic subsidiaries changed their Depreciation method of tangible fixed assets from the declining-balance method to the straight-line method from the first quarter of 2013. Consequently, operating loss of Power Business Segment decreased by ¥93 million, operating income of Ceramics Business Segment increased by ¥289 million, and operating income of Electronics Business Segment increased by ¥127 million for the first quarter of 2013, respectively.

2. 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

Three months ended June 30, 2012						(Millions of yen)	
	Power	Ceramics	Electronics	Total	Elimination or Adjustment	Consolidated	
Sales							
Sales to customers	13,642	34,853	13,603	62,099	-	62,099	
Intersegment sales	7	40	-	47	(47)	-	
Total sales	13,649	34,894	13,603	62,147	(47)	62,099	
Operating income (loss)	(1,494)	7,850	1,064	7,420	-	7,420	

8. Significant changes in stockholder's equity

Not applicable