

Consolidated Results for the First Quarter Ended June 30, 2005

July 27, 2005

Listing Name: NGK INSULATORS, LTD.
Code Number: 5333
(URL <http://www.ngk.co.jp/>)
Listing: Tokyo Stock Exchange, Osaka Stock Exchange, Nagoya Stock Exchange and Sapporo Stock Exchange
Head Office: Aichi Prefecture
Representative: Shun Matsushita
President and Chief Executive Officer
Contact: Hiroshi Wada
Director and Senior Vice President
Telephone Number: (052) 872 - 7230

1. Financial results for the three months ended June 30, 2005 (“Current Year”)

[Three months ended June 30, 2004 (“Prior Year”), year ended March 31, 2005 (“Reference”)]

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

	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
Current Year	57,067	7.3	7,277	49.2	7,166	43.8
Prior Year	53,203	9.2	4,876	-	4,984	-
Reference	266,127	5.9	24,277	27.9	24,088	33.0

	Net income	Percentage change	Net income per share(in ¥)	Diluted net income per share (in ¥)
Current Year	3,869	30.3	11.47	-
Prior Year	2,970	-	8.59	-
Reference	12,012	42.3	34.72	-

①Change in accounting policies: No

②Percentage changes 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 (Millions of Yen)	Shareholders' equity (Millions of Yen)	Ratio of shareholders' equity to total assets (%)	Shareholders' equity per share (in ¥)
Current Year	407,587	237,880	58.4	705.35
Prior Year	398,281	237,028	59.5	685.49
Reference	423,414	236,899	55.9	702.08

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

(Millions of Yen)

	Net sales	Ordinary income	Net income
Six months ending September 30, 2005	118,000	8,500	4,000
Year ending March 31, 2006	278,000	26,500	15,000

※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 June 30, 2005		As of June 30, 2004		(Reference) 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		15,701		19,753		20,438	
2. Notes and accounts receivable-trade		50,149		54,425		75,286	
3. Marketable securities		42,744		39,248		29,695	
4. Inventories		64,274		56,331		59,761	
5. Other current assets		17,078		13,105		16,673	
Total current assets		189,948	46.6	182,864	45.9	201,856	47.7
II. Fixed assets:							
1. Property, plant and equipment		131,766		121,012		131,148	
2. Intangible assets		6,119		8,837		6,978	
3. Investments and other assets		79,752		85,567		83,431	
Total fixed assets		217,638	53.4	215,417	54.1	221,558	52.3
Total assets		407,587	100.0	398,281	100.0	423,414	100.0
Liabilities:							
I. Current liabilities:							
1. Notes and accounts payable-trade		24,435		26,155		42,111	
2. Short-term borrowings		6,181		1,886		3,241	
3. Current portion of long-term bonds		10,000		-		10,000	
4. Other current liabilities		33,896		26,443		33,330	
Total current assets		74,514	18.3	54,485	13.7	88,685	21.0
II. Long-term liabilities:							
1. Long-term bonds payable		10,000		20,000		10,000	
2. Long-term borrowings		35,179		36,050		35,442	
3. Other long-term liabilities		32,976		34,135		35,547	
Total long-term liabilities		78,156	19.2	90,186	22.6	80,989	19.1
Total liabilities		152,671	37.5	144,671	36.3	169,675	40.1
Minority interest:							
Minority interest		17,035	4.1	16,581	4.2	16,839	4.0
Shareholders' equity:							
I. Common stock		69,849	17.1	69,849	17.5	69,849	16.5
II. Capital surplus		85,127	20.9	85,137	21.4	85,142	20.1
III. Retained earnings		91,521	22.5	82,466	20.7	89,762	21.2
IV. Unrealized gain on available-for-sale securities		15,386	3.8	17,799	4.5	16,139	3.8
V. Foreign currency translation adjustments		△9,293	△2.3	△11,475	△2.9	△9,315	△2.2
VI. Treasury stock		△14,709	△3.6	△6,748	△1.7	△14,678	△3.5
Total shareholders' equity		237,880	58.4	237,028	59.5	236,899	55.9
Total liabilities, minority interest and shareholders' equity		407,587	100.0	398,281	100.0	423,414	100.0

2. Consolidated Statements of Income

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

Fiscal year Accounts	For the three months ended June 30, 2005		For the three months ended June 30, 2004		(Reference) For the year ended March 31, 2005	
	Millions of Yen	Percentage	Millions of Yen	Percentage	Millions of Yen	Percentage
		%		%		%
I . Net sales	57,067	100.0	53,203	100.0	266,127	100.0
II . Cost of sales	37,108	65.0	35,912	67.5	192,012	72.2
Gross profit	19,959	35.0	17,290	32.5	74,114	27.8
III. Selling, general and administrative expenses	12,682	22.2	12,414	23.3	49,837	18.7
Operating income	7,277	12.8	4,876	9.2	24,277	9.1
IV. Non-operating income	1,086	1.9	891	1.7	2,906	1.1
V. Non-operating expenses	1,197	2.1	783	1.5	3,095	1.1
Ordinary income	7,166	12.6	4,984	9.4	24,088	9.1
VI. Extraordinary income	5	0.0	372	0.7	3,728	1.4
VII. Extraordinary loss	55	0.1	6	0.0	4,891	1.9
Income before income taxes and minority interest	7,117	12.5	5,349	10.1	22,925	8.6
Income taxes	3,148	5.5	2,132	4.0	10,398	3.9
Minority interest	99	0.2	246	0.5	513	0.2
Net income	3,869	6.8	2,970	5.6	12,012	4.5

3. Segment Information

Industry segments

For the three months ended June 30, 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	16,432	20,725	2,872	17,036	57,067	-	57,067
(2) Intersegment sales	-	17	-	110	128	(128)	-
Total	16,432	20,743	2,872	17,147	57,195	(128)	57,067
Operating expenses	14,570	16,600	4,545	14,207	49,924	(134)	49,790
Operating income (△/loss)	1,861	4,142	△1,672	2,939	7,271	6	7,277

For the three months ended June 30, 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	13,859	18,878	3,279	17,186	53,203	-	53,203
(2) Intersegment sales	6	25	-	-	32	(32)	-
Total	13,866	18,903	3,279	17,186	53,235	(32)	53,203
Operating expenses	13,515	15,271	4,810	14,768	48,365	(38)	48,327
Operating income (△/loss)	350	3,632	△1,530	2,417	4,870	6	4,876

(Reference) 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:

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-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 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