

Announcement of Revision to 2006 Financial Results Forecast

September 22, 2006

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

NGK Insulators, Ltd. announced the revision of its consolidated and non-consolidated financial results forecast for the first-half of fiscal year 2006 (six months ending September 30, 2006) and for the fiscal year 2006 (year ending March 31, 2007) from its previous forecast announced on May 11, 2006. Details are as follows.

1. Revised Financial Results Forecast for First-Half of Fiscal Year 2006 (six months ending September 30, 2006)

(1) Consolidated

(Millions of Yen, %)

	Net Sales	Ordinary Income	Net Income
Previous Forecast (A) (announced on May 11, 2006)	132,000	13,500	8,000
Revised Forecast (B)	143,000	21,000	12,000
Increase or Decrease (B - A)	11,000	7,500	4,000
Percentage of Increase or Decrease (%)	8.3%	55.6%	50.0%
Results of First-Half of Fiscal Year 2005 (six months ended September 30, 2005)	121,819	12,829	6,996

(2) Non-consolidated

(Millions of Yen, %)

	Net Sales	Ordinary Income	Net Income
Previous Forecast (A) (announced on May 11, 2006)	89,000	9,500	6,500
Revised Forecast (B)	98,000	14,000	8,500
Increase or Decrease (B - A)	9,000	4,500	2,000
Percentage of Increase or Decrease (%)	10.1%	47.4%	30.8%
Results of First-Half of Fiscal Year 2005 (six months ended September 30, 2005)	86,975	9,475	5,814

2. Revised Financial Results Forecast for Fiscal Year 2006 (year ending March 31, 2007)

(1) Consolidated

(Millions of Yen, %)

	Net Sales	Ordinary Income	Net Income
Previous Forecast (A) (announced on May 11, 2006)	300,000	34,500	20,000
Revised Forecast (B)	306,000	40,000	24,000
Increase or Decrease (B - A)	6,000	5,500	4,000
Percentage of Increase or Decrease (%)	2.0%	15.9%	20.0%
Results of Fiscal Year 2005 (year ended March 31, 2006)	283,753	30,926	16,522

(2) Non-consolidated

(Millions of Yen, %)

	Net Sales	Ordinary Income	Net Income
Previous Forecast (A) (announced on May 11, 2006)	215,000	24,500	15,500
Revised Forecast (B)	216,500	26,500	17,000
Increase or Decrease (B - A)	1,500	2,000	1,500
Percentage of Increase or Decrease (%)	0.7%	8.2%	9.7%
Results of Fiscal Year 2005 (year ended March 31, 2006)	205,938	21,966	15,299

3. Explanation of Revisions of Financial Results Forecast

(1) For first-half of fiscal year 2006 (six months ending September 30, 2006)

Due to continued depreciation of the yen against the U.S. dollar, consolidated and non-consolidated net sales are expected to increase from the previous forecast. In the Ceramic Products Business, shipments of industrial heating systems used for manufacturing plasma display panels (PDP) will increase in this first-half, and HONEYCERAM® and diesel-related products will continue strong throughout the period.

On the profit side, consolidated and non-consolidated incomes are also expected to be higher, reflecting the increase of sales and efforts of higher productivity.

(2) For fiscal year 2006 (year ending March 31, 2007)

For the full year, consolidated and non-consolidated net sales and profits are expected to be higher than the previous forecast, supported by increasing trends continued from the first-half.

※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.

[For Reference]

1. Operations by Line of Business (consolidated)

(1) For first-half of fiscal year 2006 (six months ending September 30, 2006) (Billions of Yen, %)

	Power	Ceramics	Electronics	Engineering	Consolidated
Total sales	30.0	57.0	36.5	8.5	132.0
Revised total sales	33.0	62.5	37.0	10.5	143.0
Operating income	1.0	9.0	6.5	-3.0	13.5
Revised operating income	2.0	15.5	7.0	-2.5	22.0
Operating income ratio (%)	3%	16%	18%	-	10%
Revised operating income ratio (%)	6%	25%	19%	-	15%

(2) For first-half of fiscal year 2005 (six months ended September 30, 2005) (Billions of Yen, %)

	Power	Ceramics	Electronics	Engineering	Consolidated
Total sales	32.5	45.2	34.1	10.1	121.8
Operating income	1.8	8.9	5.9	-3.2	13.5
Operating income ratio (%)	6%	20%	17%	-	11%

(3) For fiscal year 2006 (year ending March 31, 2007) (Billions of Yen, %)

	Power	Ceramics	Electronics	Engineering	Consolidated
Total sales	67.0	117.0	70.0	46.0	300.0
Revised total sales	70.0	118.5	71.5	46.0	306.0
Operating income	2.5	20.5	10.5	1.5	35.0
Revised operating income	3.5	24.5	11.5	1.5	41.0
Operating income ratio (%)	4%	18%	15%	3%	12%
Revised operating income ratio (%)	5%	21%	16%	3%	13%

(4) For fiscal year 2005 (year ended March 31, 2006) (Billions of Yen, %)

	Power	Ceramics	Electronics	Engineering	Consolidated
Total sales	67.8	95.8	67.7	52.5	283.8
Operating income	1.9	17.7	10.1	1.4	31.3
Operating income ratio (%)	3%	19%	15%	3%	11%

2. Operations by Line of Business (non-consolidated)

(1) For first-half of fiscal year 2006 (six months ending September 30, 2006)

(Billions of Yen)

	Power	Ceramics	Electronics	Engineering	Total
Total sales	21.0	37.0	24.0	7.0	89.0
Revised total sales	23.5	41.5	24.0	9.0	98.0
Operating income					7.0
Revised operating income					11.5

(2) For first-half of fiscal year 2005 (six months ended September 30, 2005)

(Billions of Yen)

	Power	Ceramics	Electronics	Engineering	Total
Total sales	24.2	30.7	23.2	8.8	87.0
Operating income					8.2

(3) For fiscal year 2006 (year ending March 31, 2007)

(Billions of Yen)

	Power	Ceramics	Electronics	Engineering	Total
Total sales	50.5	77.0	44.0	43.5	215.0
Revised total sales	52.0	77.5	44.5	42.5	216.5
Operating income					21.0
Revised operating income					22.5

(4) For fiscal year 2005 (year ended March 31, 2006)

(Billions of Yen)

	Power	Ceramics	Electronics	Engineering	Total
Total sales	51.0	61.6	44.7	48.6	205.9
Operating income					19.3