

## Consolidated Financial Results for the Half-Year Ended September 30, 2007

October 29, 2007

Listing Name: NGK Insulators, Ltd.  
 (URL: <http://www.ngk.co.jp/english/>)  
 Code Number: 5333  
 Stock Exchange Listings: Tokyo, Nagoya, Osaka and Sapporo  
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 Representative: Shun Matsushita  
 President and Chief Executive Officer  
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 Date of board of directors' meeting to approve the consolidated financial statements: October 29, 2007  
 US GAAP: Not adopted

### 1. Consolidated financial results for the half-year ended September 30, 2007

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	Percentage change (%)	Millions of Yen	Percentage change (%)	Millions of Yen	Percentage change (%)	Millions of Yen	Percentage change (%)
Half-year ended Sep. 30, 2007	173,694	21.1	34,937	58.7	35,315	68.3	25,752	115.0
Half-year ended Sep. 30, 2006	143,424	17.7	22,018	63.5	20,984	63.6	11,977	71.2
Year ended March 31, 2007	320,119	-	52,017	-	50,318	-	29,413	-

	Net income per share (in ¥)	Diluted net income per share (in ¥)
Half-year ended Sep. 30, 2007	76.41	76.33
Half-year ended Sep. 30, 2006	35.52	35.50
Year ended March 31, 2007	87.23	87.16

※The percentage figures represent the percentage of increase or decrease against the same period of the previous year.

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

	Total Assets	Total net assets	Ratio of net worth to total assets (%)	Net worth per share (in ¥)
Half-year ended Sep. 30, 2007	543,636	328,049	56.6	913.25
Half-year ended Sep. 30, 2006	481,172	282,506	54.9	782.94
Year ended March 31, 2007	514,806	304,345	55.3	844.77

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

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

	Net cash provided by operating activities	Net cash provided by investing activities	Net cash provided by financing activities	Year-end balance of cash & cash equivalents
Half-year ended Sep. 30, 2007	27,862	(1,499)	(4,445)	101,780
Half-year ended Sep. 30, 2006	20,360	(16,880)	3,369	65,847
Year ended March 31, 2007	38,300	(21,278)	893	78,285

### 2. Dividend payment

	Dividend payment per share (yen)		
	Mid-term	Year-end	Full-year
Year ended March 31, 2007	7.00	9.00	16.00
Year ended March 31, 2008	11.00	-	-
Year ending March 31, 2008 (forecasts)	-	11.00	22.00

3. Forecasts of consolidated results for the year ending March 31, 2008 (Millions of Yen: Amounts less than ¥1 million have been omitted)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (in ¥)
	Millions of Yen	Percentage change (%)	Millions of Yen	Percentage change (%)	Millions of Yen	Percentage change (%)	Millions of Yen	Percentage change (%)	
Year ending March 31, 2008	362,000	13.1	67,000	28.8	67,000	33.2	44,500	51.3	132.04

※The forecasts in this report are based on information available as of the date of release. Actual results may differ from forecasts due to a range of factors.

#### 4. Notes

- (1) Scope of consolidation and application of the equity method:  
 Consolidated subsidiaries: 55  
 Unconsolidated subsidiaries accounted for by the equity method: 2  
 Associated companies accounted for by the equity method: None
- (2) Changes in the scope of consolidation and application of the equity method:  
 consolidation: Newly consolidated subsidiaries: 2  
 Excluded subsidiaries: 1  
 equity method: Newly applied companies: None  
 Excluded companies: None
- (3) Equity in net income of an unconsolidated subsidiary and associated companies:  
 Half-year ended Sep. 30, 2007: 50 million  
 Half-year ended Sep. 30, 2006: (121) million  
 Year ended March 31, 2007: (1,814) million
- (4) Number of shares outstanding at the end of the periods including treasury stock:  
 Half-year ended Sep. 30, 2007: 356,560,196 shares  
 Half-year ended Sep. 30, 2006: 356,560,196 shares  
 Year ended March 31, 2007: 356,560,196 shares
- (5) Number of treasury stock at the end of the periods:  
 Half-year ended Sep. 30, 2007: 19,573,207 shares  
 Half-year ended Sep. 30, 2006: 19,358,697 shares  
 Year ended March 31, 2007: 19,463,075 shares

#### 【For reference】

##### Non-consolidated financial results for the half-year ended September 30, 2007

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	Percentage change (%)	Millions of Yen	Percentage change (%)	Millions of Yen	Percentage change (%)	Millions of Yen	Percentage change (%)
Half-year ended Sep. 30, 2007	109,432	11.9	20,180	66.9	21,296	50.2	18,531	115.5
Half-year ended Sep. 30, 2006	97,833	12.5	12,093	47.8	14,183	49.7	8,597	47.9
Year ended March 31, 2007	222,800	-	30,596	-	35,297	-	22,759	-

	Net income per share (in ¥)	Diluted net income per share (in ¥)
Half-year ended Sep. 30, 2007	54.96	54.91
Half-year ended Sep. 30, 2006	25.49	25.47
Year ended March 31, 2007	67.48	67.42

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

	Total Assets	Total net assets	Ratio of net worth to total assets (%)	Net worth per share (in ¥)
Half-year ended Sep. 30, 2007	432,476	266,559	61.5	789.39
Half-year ended Sep. 30, 2006	403,076	241,662	59.9	715.75
Year ended March 31, 2007	425,312	254,645	59.8	754.47

※Net worth used for the calculation is Total net assets excluding Stock acquisition rights.

##### Forecasts of non-consolidated results for the year ending March 31, 2008 (Millions of Yen: Amounts less than ¥1 million have been omitted)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (in ¥)
	Millions of Yen	Percentage change (%)	Millions of Yen	Percentage change (%)	Millions of Yen	Percentage change (%)	Millions of Yen	Percentage change (%)	
Year ending March 31, 2008	216,000	(3.1)	34,500	12.8	37,000	4.8	28,000	23.0	83.05

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

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

Accounts	As of September 30, 2006		As of September 30, 2007		As of March 31, 2007		Increase/ (Decrease)
	Millions of Yen	Composition Ratio (%)	Millions of Yen	Composition Ratio (%)	Millions of Yen	Composition Ratio (%)	Millions of Yen
Assets:		%		%		%	
I. Current Assets:							
Cash and bank deposits	57,612		69,708		76,791		
Notes and accounts receivable trade	67,098		82,357		84,856		
Marketable securities	18,650		46,452		15,063		
Inventories	70,134		79,206		70,140		
Deferred tax assets	7,442		9,628		8,441		
Other	9,878		7,935		8,776		
Allowance for doubtful receivable	(231)		(135)		(238)		
Total current assets	230,586	47.9	295,153	54.3	263,831	51.2	31,321
II. Fixed Assets:							
1. Tangible assets							
Buildings and structures	48,270		51,016		48,772		
Machinery, equipment and vehicles	72,277		77,793		71,359		
Land	20,149		18,800		18,743		
Other	19,144		13,484		20,759		
Total tangible assets	159,840		161,094		159,634		1,460
2. Intangible assets	4,489		3,306		3,658		(352)
3. Investments and other assets							
Investment securities	59,914		52,555		58,447		
Deferred tax assets	2,039		3,406		2,668		
Other assets	24,716		28,493		26,994		
Allowance for doubtful receivable	(414)		(373)		(428)		
Total investments and other assets	86,255		84,082		87,681		(3,599)
Total fixed assets	250,585	52.1	248,483	45.7	250,974	48.8	(2,491)
Total assets	481,172	100.0	543,636	100.0	514,806	100.0	28,830

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

Fiscal year Accounts	As of September 30, 2006		As of September 30, 2007		As of March 31, 2007		Increase/ (Decrease)
	Millions of Yen	Composition Ratio (%)	Millions of Yen	Composition Ratio (%)	Millions of Yen	Composition Ratio (%)	Millions of Yen
Liabilities:		%		%		%	
I. Current liabilities:							
Notes and accounts payable trade	25,470		31,735		37,125		
Short-term debt	6,170		4,922		5,671		
Current portion of long-term bonds	-		10,000		-		
Income taxes payable	6,658		15,277		10,726		
Provision for restructuring costs	1,436		1,422		1,401		
Other provisions	1,472		1,710		1,726		
Other	38,499		32,037		28,084		
Total current liabilities	79,708	16.6	97,105	17.9	84,736	16.5	12,369
II. Long-term liabilities:							
Long-term bonds payable	10,000		-		10,000		
Long-term debt	70,378		72,869		71,935		
Deferred tax liabilities	16,493		22,980		21,016		
Liability for employees' retirements benefits	17,890		19,722		19,313		
Liability for retirement benefits for directors and corporate auditors	186		190		207		
Equity in loss of unconsolidated subsidiaries and associated companies	-		1,747		1,796		
Other	4,007		970		1,454		
Total long-term liabilities	118,956	24.7	118,481	21.8	125,723	24.4	(7,242)
Total liabilities	198,665	41.3	215,586	39.7	210,460	40.9	5,126
Net assets:							
I. Shareholders' equity							
Common stock	69,849	14.5	69,849	12.9	69,849	13.6	-
Capital surplus	85,149	17.7	85,146	15.7	85,151	16.5	(5)
Retained earnings	111,165	23.1	149,105	27.4	126,387	24.6	22,718
Treasury stock	(14,996)	(3.1)	(15,586)	(2.9)	(15,202)	(3.0)	(384)
Total shareholders' equity	251,167	52.2	288,514	53.1	266,185	51.7	22,329
II. Valuation and translation adjustments							
Unrealized gain on available-for-sale securities	19,481	4.0	17,368	3.2	20,960	4.1	(3,592)
Loss on deferred hedges	(385)	(0.1)	(338)	(0.1)	(411)	(0.1)	72
Foreign currency translation adjustments	(6,253)	(1.3)	2,209	0.4	(1,965)	(0.4)	4,175
Total valuation and translation adjustments	12,842	2.6	19,239	3.5	18,583	3.6	655
III. Stock acquisition rights	231	0.1	458	0.1	231	0.0	226
IV. Minority interests	18,265	3.8	19,837	3.6	19,345	3.8	491
Total net assets	282,506	58.7	328,049	60.3	304,345	59.1	23,703
Total liabilities and net assets	481,172	100.0	543,636	100.0	514,806	100.0	28,830

## (2) Consolidated Statements of Income

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

Accounts	Half-Year ended September 30, 2006		Half-Year ended September 30, 2007		Increase/ (Decrease) Millions of Yen	Year ended March 31, 2007	
	Millions of Yen	Composition Ratio (%)	Millions of Yen	Composition Ratio (%)		Millions of Yen	Composition Ratio (%)
I. Net sales	143,424	100.0	173,694	100.0	30,269	320,119	100.0
II. Cost of sales	96,502	67.3	113,148	65.1	16,645	217,499	67.9
III. Gross profit	46,921	32.7	60,545	34.9	13,623	102,620	32.1
Selling, general and administrative expenses	24,903	17.4	25,607	14.7	704	50,603	15.9
Operating income	22,018	15.3	34,937	20.2	12,919	52,017	16.2
IV. Non-operating income	1,322	0.9	2,579	1.4	1,257	2,922	0.9
1. Interest income	510		1,232			1,288	
2. Dividend income	544		413			964	
3. Gain on revaluation of derivative	-		575			-	
4. Other	266		358			669	
V. Non-operating expenses	2,355	1.6	2,201	1.3	(154)	4,621	1.4
1. Interest expense	787		1,339			1,887	
2. Equity in loss of unconsolidated subsidiaries and associated companies	121		-			1,814	
3. Foreign currency exchange loss	755		310			-	
4. Loss on revaluation of inventories	360		-			-	
5. Other	330		550			919	
Ordinary income	20,984	14.6	35,315	20.3	14,330	50,318	15.7
VI. Extraordinary income	21	0.0	10,529	6.0	10,507	1,980	0.6
1. Gain on sales of fixed assets	21		20			913	
2. Gain on sales of investment securities	-		-			390	
3. Gain on sales of stocks of an associated company	-		10,050			676	
4. Gain on sales of business (noise-control system)	-		458			-	
VII. Extraordinary loss	222	0.1	214	0.1	(7)	978	0.3
1. Loss on sales and disposal of fixed assets	222		214			833	
2. Impairment loss on long-lived assets	-		-			144	
Income before income taxes and minority interests	20,784	14.5	45,630	26.2	24,845	51,319	16.0
Income taxes -current	7,192	5.0	16,338	9.4	9,145	18,193	5.7
Income taxes -deferred	1,067	0.7	2,957	1.7	1,890	2,586	0.8
Minority interests	546	0.4	581	0.3	34	1,125	0.4
Net income	11,977	8.4	25,752	14.8	13,774	29,413	9.2

**(3) Consolidated Statements of Changes in Net Assets**

Half-Year ended September 30, 2006

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

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	69,849	85,144	101,551	(14,888)	241,657
Changes during the current period					
Dividends from appropriation of surplus			(2,360)		(2,360)
Bonuses to directors and corporate auditors			(4)		(4)
Net income			11,977		11,977
Repurchase of treasury stock		5		(77)	(72)
Net change in treasury stock-other				(30)	(30)
Net changes other than shareholders' equity					
Total changes during the current period	-	5	9,613	(108)	9,510
Balance as of September 30, 2006	69,849	85,149	111,165	(14,996)	251,167

	Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total net assets
	Unrealized gain on available-for-sale securities	Loss on deferred hedges	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance as of March 31, 2006	22,337	-	(5,703)	16,634	-	17,908	276,200
Changes during the current period							
Dividends from appropriation of surplus							(2,360)
Bonuses to directors and corporate auditors							(4)
Net income							11,977
Repurchase of treasury stock							(72)
Net change in treasury stock-other							(30)
Net changes other than shareholders' equity	(2,856)	(385)	(550)	(3,792)	231	356	(3,203)
Total changes during the current period	(2,856)	(385)	(550)	(3,792)	231	356	6,306
Balance as of September 30, 2006	19,481	(385)	(6,253)	12,842	231	18,265	282,506

Half-Year ended September 30, 2007

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

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2007	69,849	85,151	126,387	(15,202)	266,185
Changes during the current period					
Dividends from appropriation of surplus			(3,033)		(3,033)
Net income			25,752		25,752
Repurchase of treasury stock				(398)	(398)
Disposal of treasury stock		(5)		14	8
Net change in treasury stock-other				0	0
Net changes other than shareholders' equity					
Total changes during the current period	-	(5)	22,718	(384)	22,329
Balance as of September 30, 2007	69,849	85,146	149,105	(15,586)	288,514

	Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total net assets
	Unrealized gain on available-for-sale securities	Loss on deferred hedges	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance as of March 31, 2007	20,960	(411)	(1,965)	18,583	231	19,345	304,345
Changes during the current period							
Dividends from appropriation of surplus							(3,033)
Net income							25,752
Repurchase of treasury stock							(398)
Disposal of treasury stock							8
Net change in treasury stock-other							0
Net changes other than shareholders' equity	(3,592)	72	4,175	655	226	491	1,374
Total changes during the current period	(3,592)	72	4,175	655	226	491	1,374
Balance as of September 30, 2007	17,368	(338)	2,209	19,239	458	19,837	328,049

Year ended March 31, 2007

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

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	69,849	85,144	101,551	(14,888)	241,657
Changes during the current period					
Dividends from appropriation of surplus			(2,360)		(2,360)
Dividends from retained earnings			(2,359)		(2,359)
Bonuses to directors and corporate auditors			(4)		(4)
Net income			29,413		29,413
Net reversal of liability for retirement benefits of foreign subsidiaries			249		249
Decrease due to applications of the equity method to a company			(104)		(104)
Repurchase of treasury stock				(291)	(291)
Disposal of treasury stock		7		8	15
Net change in treasury stock-other				(30)	(30)
Net changes other than shareholders' equity					
Total changes during the current period	-	7	24,835	(313)	24,528
Balance as of March 31, 2007	69,849	85,151	126,387	(15,202)	266,185

	Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total net assets
	Unrealized gain on available-for-sale securities	Loss on deferred hedges	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance as of March 31, 2006	22,337	-	(5,703)	16,634	-	17,908	276,200
Changes during the current period							
Dividends from appropriation of surplus							(2,360)
Dividends from retained earnings							(2,359)
Bonuses to directors and corporate auditors							(4)
Net income							29,413
Net reversal of liability for retirement benefits of foreign subsidiaries							249
Decrease due to applications of the equity method to a company							(104)
Repurchase of treasury stock							(291)
Disposal of treasury stock							15
Net change in treasury stock-other							(30)
Net changes other than shareholders' equity	(1,377)	(411)	3,737	1,948	231	1,436	3,617
Total changes during the current period	(1,377)	(411)	3,737	1,948	231	1,436	28,145
Balance as of March 31, 2007	20,960	(411)	(1,965)	18,583	231	19,345	304,345

#### (4) Consolidated Statements of Cash Flows

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

Accounts	Half-Year ended September 30, 2006	Half-Year ended September 30, 2007	Increase/ (Decrease)	Year ended March 31, 2007
<b>I. Cash flows from operating activities</b>				
Income before income taxes and minority interests	20,784	45,630		51,319
Depreciation and amortization	11,049	12,706		23,780
Increase (decrease) in liability for employees' retirement benefits	(311)	280		(2,009)
Increase in prepaid pension cost	(1,861)	(1,632)		(3,697)
(Reversal of) provision for restructuring costs	(1,169)	(42)		(1,272)
Interest and dividend income	(1,055)	(1,645)		(2,252)
Interest expenses	787	1,339		1,887
Equity in loss of unconsolidated subsidiaries and associated companies	-	-		1,814
(Gain) loss on sales and disposals of fixed assets	200	194		(79)
Gain on sales and redemption of investment securities	-	-		(390)
Gain on sales of stocks of an associated company	-	(10,050)		(676)
Write-down of inventories	-	-		337
(Increase) decrease in trade receivables	13,180	3,564		(3,778)
Increase in inventories	(5,456)	(7,926)		(4,125)
Decrease in other current assets	7,626	1,119		9,702
Decrease in trade payables	(16,550)	(5,686)		(6,562)
Increase (decrease) in other current liabilities	1,988	3,255		(8,347)
Other	1,287	(1,777)		(513)
Sub-total	30,500	39,329	8,828	55,135
Interest and dividends received	990	1,601		2,132
Interest paid	(768)	(1,322)		(1,950)
Income taxes paid	(10,361)	(11,746)		(17,016)
Net cash provided by operating activities	20,360	27,862	7,501	38,300
<b>II. Cash flows from investing activities</b>				
Purchases of marketable securities	(2,807)	(7,018)		(4,340)
Proceeds from sales and redemption of marketable securities	3,998	2,300		5,548
Purchases of property, plant and equipment	(15,066)	(10,096)		(23,544)
Proceeds from sales of property, plant and equipment	129	487		2,652
Purchases of intangible assets	(200)	(481)		(645)
Purchases of investment securities	(19)	(1,497)		(1,581)
Proceeds from sales and redemption of investment securities	120	2		4,651
Proceeds from sales of stocks of an associated company	-	11,300		1,749
Collections of loans receivable	16	45		82
Net (increase) decrease in time deposits	(3,220)	3,787		(5,821)
Other	169	(329)		(30)
Net cash provided by investing activities	(16,880)	(1,499)	15,381	(21,278)
<b>III. Cash flows from financing activities</b>				
Net increase (decrease) in short-term debt	14	(753)		(381)
Proceeds from long-term loans	5,869	-		6,353
Repayment of long-term debt	-	(211)		(504)
Acquisition of treasury stock	(72)	(398)		(291)
Cash dividends	(2,360)	(3,033)		(4,719)
Other	(82)	(48)		435
Net cash provided by financing activities	3,369	(4,445)	(7,814)	893
<b>IV. Foreign currency translation adjustments on cash and cash equivalents</b>	(93)	1,578	1,671	1,277
<b>V. Net increase in cash and cash equivalents</b>	6,755	23,495	16,739	19,192
<b>VI. Cash and cash equivalents, beginning of year</b>	59,092	78,285	19,192	59,092
<b>VII. Cash and cash equivalents, end of year</b>	65,847	101,780	35,932	78,285

## 6. Segment Information

### (1) Industry segments

Half-Year ended September 30, 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	32,898	62,711	37,308	10,506	143,424	-	143,424
(2) Intersegment sales	17	81	463	-	563	(563)	-
Total	32,916	62,792	37,772	10,506	143,987	(563)	143,424
Operating expenses	30,495	47,888	30,888	12,719	121,992	(585)	121,406
Operating income (loss)	2,420	14,904	6,884	(2,212)	21,995	22	22,018

Half-Year ended September 30, 2007

(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	37,498	83,878	40,514	11,802	173,694	-	173,694
(2) Intersegment sales	444	90	948	-	1,484	(1,484)	-
Total	37,943	83,968	41,463	11,802	175,178	(1,484)	173,694
Operating expenses	33,915	60,318	33,391	12,679	140,305	(1,548)	138,756
Operating income (loss)	4,027	23,649	8,072	(877)	34,872	64	34,937

Year ended March 31, 2007

(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	75,079	126,428	73,323	45,288	320,119	-	320,119
(2) Intersegment sales	134	119	1,043	-	1,298	(1,298)	-
Total	75,214	126,548	74,366	45,288	321,417	(1,298)	320,119
Operating expenses	68,802	95,519	61,289	43,834	269,445	(1,343)	268,102
Operating income	6,412	31,029	13,076	1,453	51,971	45	52,017

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

※The business of noise-control systems was transferred outside the group in April 2007.

## **(2) Geographical segments**

### **Half-Year ended September 30, 2006**

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

	Japan	North America	Europe	Other areas	Total	Elimination or Corporate	Consolidated
Sales							
(1) Sales to customers	93,667	23,347	17,778	8,631	143,424	-	143,424
(2) Intersegment sales	19,181	2,802	2,137	4,572	28,694	(28,694)	-
Total	112,849	26,149	19,915	13,203	172,119	(28,694)	143,424
Operating expenses	98,154	23,462	17,006	12,205	150,828	(29,421)	121,406
Operating income	14,695	2,687	2,909	998	21,291	727	22,018

### **Half-Year ended September 30, 2007**

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

	Japan	North America	Europe	Other areas	Total	Elimination or Corporate	Consolidated
Sales							
(1) Sales to customers	106,727	28,032	26,730	12,204	173,694	-	173,694
(2) Intersegment sales	25,250	4,918	2,065	7,358	39,593	(39,593)	-
Total	131,978	32,951	28,795	19,562	213,287	(39,593)	173,694
Operating expenses	110,854	28,804	22,075	16,606	178,340	(39,584)	138,756
Operating income	21,123	4,146	6,720	2,956	34,946	(9)	34,937

### **Year ended March 31, 2007**

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

	Japan	North America	Europe	Other areas	Total	Elimination or Corporate	Consolidated
Sales							
(1) Sales to customers	213,608	48,764	39,064	18,681	320,119	-	320,119
(2) Intersegment sales	40,317	7,030	4,578	11,100	63,027	(63,027)	-
Total	253,926	55,795	43,643	29,781	383,146	(63,027)	320,119
Operating expenses	218,902	49,905	36,846	26,578	332,231	(64,129)	268,102
Operating income	35,024	5,889	6,797	3,203	50,915	1,101	52,017

#### Notes:

##### 1. Policies with respect to global geographical area and countries:

(1) The geographical areas in the above tables and countries were determined in consideration of their geographical closeness.

(2) Each global geographical division consists of the following countries:

North America: The United States of America and Canada.

Europe: Germany, Belgium, France, Poland, etc.

Other areas: Indonesia, China, Australia, Thailand, South Africa, etc.

### **(3) Sales to foreign customers**

Half-Year ended September 30, 2006

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

	North America	Europe	Asia	Other areas	Total
I. Sales to foreign customers	22,071	18,199	16,958	13,234	70,464
II. Consolidated sales					143,424
III. Ratio of sales to foreign customers to consolidated sales (%)	15.4	12.7	11.8	9.2	49.1

Half-Year ended September 30, 2007

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

	North America	Europe	Asia	Other areas	Total
I. Sales to foreign customers	27,562	26,022	17,690	22,223	93,499
II. Consolidated sales					173,694
III. Ratio of sales to foreign customers to consolidated sales (%)	15.9	14.9	10.2	12.8	53.8

Year ended March 31, 2007

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

	North America	Europe	Asia	Other areas	Total
I. Sales to foreign customers	48,463	38,910	32,389	26,463	146,226
II. Consolidated sales					320,119
III. Ratio of sales to foreign customers to consolidated sales (%)	15.1	12.2	10.1	8.3	45.7

Notes:

1. Policies with respect to global geographical area and countries:

(1) The geographical areas in the above tables and countries were determined in consideration of their geographical closeness.

(2) Each global geographical division consists of the following countries:

North America: The United States of America and Canada.

Europe: Germany, Belgium, France, Poland, etc.

Asia: Korea, China, Thailand, etc.

Other areas: South Africa, Saudi Arabia, etc.

2. Sales to foreign customers represent the Company's and consolidated subsidiaries' sales in the countries or area other than Japan.