



October 29, 2009

Summary of Consolidated Financial Results for the Six Months ended September 30, 2009

Company Name: NGK INSULATORS, LTD. URL: <http://www.ngk.co.jp/english/>
Listing Code: 5333
Stock Exchange Listings: Tokyo, Osaka, Nagoya and Sapporo
Representative: Shun Matsushita (Mr.)
President and Chief Executive Officer
Contact: Susumu Sakabe (Mr.)
Vice President
(TEL: +81-52-872-7230)
Date of the filing of Quarterly Report, "Shihanki Hokokusho" (Scheduled) : November 13, 2009
Date of Interim Dividend Payment (Scheduled) : December 4, 2009

Notice

- 1: The following summary of the business results that NGK INSULATORS, LTD. submitted to the Tokyo Stock Exchange is unaudited by an independent auditor and for reference only.
- 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 six months ended September 30, 2009

Six months ended September 30,	(Millions of yen, except per share data and percentage)			
	2009		2008	
	Amount	Change (%)	Amount	Change (%)
Net Sales	103,416	(32.1)	152,332	-
Operating Income	6,277	(78.3)	28,984	-
Ordinary Income	5,839	(79.8)	28,868	-
Net Income	3,740	(80.0)	18,750	-
Net Income per share (Yen)	11.45		55.79	
Diluted net income per share (Yen)	11.43		55.72	

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

(2) Consolidated financial position	(Millions of yen, except per share data and percentage)	
	September 30, 2009	March 31, 2009
Total Assets	426,218	444,202
Total net assets	308,273	301,424
Ratio of net worth to total assets (%)	68.1	63.8
Net worth per share (Yen)	888.99	867.15

- 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 ¥290,457 million and ¥283,344 million as of September 30, 2009 and March 31, 2009 respectively.



2. Dividend payment

Year ended March 31,	2010	2009
Cash dividends per share (Yen)		
Interim	8.0	11.0
Year-end	8.0 (Forecast)	11.0
Total (Full-year)	16.0 (Forecast)	22.0

Note: Revision of cash dividend forecast in this quarter - None.

3. Forecasts of consolidated financial results for the year ending March 31, 2010

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

	Year ending March 31, 2010	
	Amount	Change (%)
Net Sales	225,000	(17.6)
Operating Income	17,000	(48.2)
Ordinary Income	18,000	(42.8)
Net Income	12,500	(48.9)
Net Income per share (Yen)	38.26	

The forecast above remains unchanged from the previous forecast announced on September 29, 2009.

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) Adoption of simplified accounting methods or special accounting methods for preparing quarterly consolidated financial statements : Yes

i . Valuation of inventories

The carrying amount of inventories is reduced to estimated net selling value only where there is an obvious decrease in profitability.

ii . Income tax, deferred tax assets and liabilities

Only important tax adjustments are applied to income tax calculation.

(3) Changes of accounting principles, procedures and presentation when preparing consolidated financial statements (changes in major basic items for preparing quarterly consolidated financial statements)

i . Changes due to revisions of accounting standards : Yes

"Accounting Standard for Construction Contracts" (Accounting Standards Board of Japan[ASBJ] Statement No. 15, December 27, 2007) and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007) are applied from the first quarter beginning April 1, 2009.

The effect of this change on the consolidated financial statements was not material.

ii . Changes other than the above (i) : None

(4) Number of shares outstanding (Common Shares)

	September 30, 2009	March 31, 2009
Number of shares outstanding at period end including treasury stocks	337,560,196	337,560,196
Number of treasury stocks at period end	10,831,654	10,808,134
<u>Six months ended September 30,</u>	<u>2009</u>	<u>2008</u>
Average number of shares outstanding over period	326,740,540	336,087,230

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of September 30, 2009	As of March 31, 2009
Assets		
Current assets		
Cash and bank deposits	47,047	49,751
Notes and accounts receivable trade	46,349	46,116
Securities	21,002	32,335
Inventories	74,884	78,575
Other	15,409	18,020
Allowance for doubtful accounts	(148)	(188)
Total current assets	204,544	224,610
Non-current assets		
Tangible assets		
Buildings and structures	46,927	46,471
Machinery and vehicles	53,585	55,092
Other	40,123	36,012
Total tangible assets	140,637	137,575
Intangible assets		
Investments and other assets	1,928	1,840
Investment securities	47,280	47,032
Other	32,160	33,428
Allowance for doubtful accounts	(332)	(284)
Total investments and other assets	79,107	80,176
Total non-current assets	221,673	219,592
Total assets	426,218	444,202



	(Millions of yen)	
	As of September 30, 2009	As of March 31, 2009
Liabilities		
Current liabilities		
Notes and accounts payable trade	15,707	26,708
Short-term borrowings	4,813	4,744
Current portion of long-term borrowings	16,263	29,391
Income taxes payable	2,039	589
Provision	1,719	1,866
Other	19,075	21,854
Total current liabilities	59,619	85,155
Long-term liabilities		
Long-term borrowings	28,000	28,000
Liability for employees' retirement benefits	17,522	17,677
Other provision	345	391
Other	12,458	11,554
Total long-term liabilities	58,326	57,623
Total liabilities	117,945	142,778
Net assets		
Shareholders' equity		
Common stock	69,849	69,849
Capital surplus	85,138	85,135
Retained earnings	168,507	168,360
Treasury stock	(14,034)	(13,986)
Total shareholders' equity	309,459	309,358
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	4,693	2,507
Deferred gain (loss) on derivatives under hedge accounting	54	(108)
Foreign currency translation adjustments	(23,750)	(28,413)
Total valuation and translation adjustments	(19,002)	(26,014)
Stock acquisition rights	643	519
Minority interests	17,172	17,560
Total net assets	308,273	301,424
Total liabilities and net assets	426,218	444,202

Consolidated Financial Statements

(2) Consolidated Statements of Income

	(Millions of yen)	
	Six months ended September 30, 2009	Six months ended September 30, 2008
Net sales	103,416	152,332
Cost of sales	75,623	98,873
Gross profit	27,793	53,459
Selling, general and administrative expenses	21,516	24,474
Operating income	6,277	28,984
Non-operating income	2,812	3,894
Interest income	588	1,614
Dividend income	548	394
Gain on evaluation of derivative	996	1,105
Other	678	779
Non-operating expenses	3,250	4,011
Interest expense	704	1,185
Foreign Exchange loss	968	1,106
Equity in loss of unconsolidated subsidiaries and associated companies	913	981
Other	664	738
Ordinary income	5,839	28,868
Extraordinary income	28	33
Gain on sales of fixed assets	28	33
Extraordinary loss	189	345
Loss on sales and disposals of fixed assets	189	345
Income before income taxes and minority interests	5,677	28,557
Income taxes - total	2,497	9,394
Income taxes -current	1,627	7,075
Income taxes -deferred	870	2,318
Minority interests in earnings (loss) of consolidated subsidiaries	(561)	412
Net income	3,740	18,750



6. Segment Information

【Business segments】

Six months ended September 30, 2009

(Millions of yen)

	Power	Ceramics	Electronics	Total	Elimination or Corporate	Consolidated
Sales						
Sales to customers	39,085	44,168	20,161	103,416	-	103,416
Intersegment sales	30	79	-	110	(110)	-
Total sales	39,116	44,248	20,161	103,526	(110)	103,416
Operating income	3,684	3,096	(516)	6,264	12	6,277

Notes: 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

Six months ended September 30, 2008

(Millions of yen)

	Power	Ceramics	Electronics	Total	Elimination or Corporate	Consolidated
Sales						
Sales to customers	36,120	79,684	36,527	152,332	-	152,332
Intersegment sales	18	8	-	27	(27)	-
Total sales	36,139	79,692	36,527	152,359	(27)	152,332
Operating income	3,086	19,783	6,102	28,973	11	28,984