NGK INSULATORS

Summary of Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

April 28, 2025

Company Name: **NGK INSULATORS, LTD.**
Stock Exchange Listings : Tokyo and Nagoya
Listing Code : 5333
URL : https://www.ngk-insulators.com/en/
Representative : (Title) President (Name) Shigeru Kobayashi
Contact : (Title) Vice President, General Manager, Finance & Accounting Department. (Name) Hideaki Tsukui (TEL) +81-52-872-7230
Scheduled date of the Annual Shareholders' Meeting : June 26, 2025
Scheduled date of the filing of Securities Report : June 23, 2025
Scheduled date of Year-End Dividend Payment : June 27, 2025
Availability of Supplementary Explanatory Materials Prepared for Financial Results : Available
Briefing Session on Financial Results to be held : Yes (for securities analysts and institutional investors)

(All yen amounts are rounded down to the nearest million.)

1. Consolidated Financial Results for the Year Ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

% represents increase (decrease) from the previous period

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
Fiscal Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	619,513	7.0	81,241	22.4	78,249	24.1	54,933	35.4
March 31, 2024	578,913	3.5	66,397	(0.5)	63,042	(4.3)	40,562	(26.3)

(Note) Comprehensive income : FY 2024 ¥49,751 million (52.7%)
: FY 2023 ¥105,076 million 27.0%

	Net income per share	Diluted net income per share	Ratio of net income to equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal Year Ended	Yen	Yen	%	%	%
March 31, 2025	185.96	185.66	7.8	6.9	13.1
March 31, 2024	133.65	133.42	6.1	5.8	11.5

(Reference) Share of profit of entities accounted for using equity method : FY 2024 ¥26 million
: FY 2023 ¥1,567 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
Fiscal Year Ended	Millions of yen	Millions of yen	%	Yen
March 31, 2025	1,142,986	727,506	63.0	2,455.87
March 31, 2024	1,127,576	703,225	61.7	2,334.21

(Reference) Equity : As of March 31, 2025 ¥719,803 million
: As of March 31, 2024 ¥695,425 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash & cash equivalents at end of period
Fiscal Year Ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	96,658	(55,081)	(34,219)	177,708
March 31, 2024	99,159	(68,593)	(36,123)	171,432

2. Dividend Payments

	Dividend per share					Total amount of dividends	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal Year Ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	—	25.00	—	25.00	50.00	15,108	37.4	2.3
March 31, 2025	—	30.00	—	30.00	60.00	17,646	32.3	2.5
Fiscal Year Ending March 31, 2026 (forecast)	—	33.00	—	33.00	66.00		35.2	

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026

% represents increase (decrease) from the previous period

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months Ending September 30, 2025	310,000	3.9	33,000	(16.9)	29,500	(23.1)	19,000	(26.6)	64.83
Fiscal Year Ending March 31, 2026	630,000	1.7	75,000	(7.7)	70,000	(10.5)	55,000	0.1	187.65

Notes

(1) Significant changes in the scope of consolidation during this period: None

(2) Changes in accounting policies, accounting estimates and retrospective restatements

(i) Changes in accounting policies due to revisions of accounting standards : Yes

(ii) Changes in accounting policies other than the above (i) : None

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

(Note)For details, please refer to "4. Consolidated Financial Statements and Primary Notes (5)Notes to Consolidated Financial Statements (Changes in Accounting Policy)" on page 18 of the Appendix.

(3) Number of shares outstanding (Common Shares)

(i) Number of shares outstanding at period end including treasury shares	March 31, 2025	297,956,996 shares	March 31, 2024	311,956,996 shares
(ii) Number of treasury shares at period end	March 31, 2025	4,861,605 shares	March 31, 2024	14,029,396 shares
(iii) Average number of shares outstanding over period	March 31, 2025	295,410,069 shares	March 31, 2024	303,510,212 shares

(Reference) Overview of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Year Ended March 31, 2025 (from April 1, 2024 to March 31, 2025)
(1) Non-Consolidated Operating Results

% represents increase (decrease) from the previous period

	Net sales		Operating income		Ordinary income		Net income	
Fiscal Year Ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	331,476	7.8	40,148	17.7	48,397	14.1	34,479	8.2
March 31, 2024	307,527	3.6	34,113	7.4	42,427	(5.1)	31,856	(33.0)

	Net income per share	Diluted net income per share
Fiscal Year Ended	Yen	Yen
March 31, 2025	116.72	116.53
March 31, 2024	104.96	104.79

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
Fiscal Year Ended	Millions of yen	Millions of yen	%	Yen
March 31, 2025	703,998	384,070	54.4	1,307.74
March 31, 2024	697,892	380,965	54.5	1,275.86

(Reference) Equity: As of March 31, 2025 ¥383,292 million
As of March 31, 2024 ¥380,112 million

* **The Summary of Consolidated Financial Results is not subject to audit by certified public accountant or audit firm.**

* **Explanation of appropriate use of results forecasts and other notes**

This document contains forward-looking statements that are based on information and certain assumption NGK INSULATORS, LTD. ("the Company") has acquired and deemed reasonable as of the time of the release and the Company does not guarantee the achievement of them. Actual future results and trends may differ materially from those in the forecasts due to a variety of factors. For the basis of presumption of the business forecast and the notes on its use, please refer to “1. Overview of Business Results and Others, (4) Future Outlook”.

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1. Overview of Business Results and Others

(1) Overview of Business Results for the Fiscal Year Ended March 31, 2025

During the consolidated fiscal year under review, the Japanese economy continued to see a virtuous circle in which solid corporate performance boosted personal income, which in turn stimulated consumption. The U.S. economy remained stable as employment was solid. Meanwhile, in China, the economy continued to stagnate against the backdrop of a prolonged real estate recession and a severe employment situation. As for the European economy, although it was on a recovery trend, the recovery of the manufacturing sector was delayed due to the economic slowdown in China. Looking ahead, the future prospects remain unclear as global economic tensions escalate due to protectionism by countries, and as Russia’s invasion of Ukraine and the conflicts in the Middle East continue to see-saw.

Under these circumstances, as for the NGK Group, while the Environment Business saw the global shift to electric vehicles (EVs) slow down somewhat, shipments of automotive-related products declined as demand for automobiles weakened in the Chinese, Southeast Asian, and European markets. In the Digital Society Business, shipments of components for semiconductor manufacturing equipment, piezoelectric micro actuators for hard disk drives (HDDs), etc. increased on the back of rising demand for semiconductors for artificial intelligence (AI) applications and vigorous investment in data centers. In the Energy & Industry Business, investments in electric power transmission and distribution in Japan and overseas were brisk, resulting in an increase in shipments of insulators.

As a result, net sales for the current fiscal year increased 7.0% year on year to ¥619,513 million due to an increase in the volume of products for semiconductor manufacturing equipment and the positive effect of the weaker yen, despite a decrease in the volume of automobile-related products. In terms of profits, operating income increased 22.4% year on year to ¥81,241 million due to an increase in sales and the positive effect of the weaker yen. Ordinary income increased 24.1% year on year to ¥78,249 million yen, and net income attributable to owners of the parent company increased 35.4% year on year to ¥54,933 million yen.

The results of the business segments are as follows.

[Environment Business Segment]

Sales in this segment were ¥390,798 million, remaining at nearly the same level as the previous fiscal year.

Despite the positive effect of the weaker yen, sales declined slightly as demand weakened due to slowing automobile sales in China, Southeast Asia, and Europe.

Operating income increased 5.7% year on year to ¥68,254 million, due in part to cost reductions and improved selling prices.

[Digital Society Business Segment]

Sales in this segment were ¥171,591 million, up 24.2% from the previous fiscal year.

Sales were up, as shipments of components for semiconductor manufacturing equipment, piezoelectric micro actuators for HDDs, etc. increased with rising demand for semiconductors for AI applications, vigorous investment in data centers, and other factors, while the weak yen also had a positive effect.

However, demand for ceramic packages for quartz crystal devices and for DCB and AMB Substrates for Power Modules fell short of expectations due to weak markets.

Operating income increased 652.5% year on year to ¥17,191 million due to an increase in shipment volume and the positive effect of the yen’s depreciation.

[Energy & Industry Business Segment]

Sales in this segment were ¥58,368 million, up 14.9% from the previous fiscal year.

In addition to increased demand for insulators due to the strengthening of power transmission and distribution networks in Japan and overseas, sales of NAS® batteries also increased due to shipments for overseas projects, resulting in an overall increase in sales.

Despite an increase in demand for insulators, operating loss became ¥4,196 million, due to the loss generated by NAS® batteries as a result of the suspension of some processes at the plant and the write-down of inventories held after the cancellation of some expected overseas projects.

Effective from the current fiscal year, the Industrial Process Business which included in the “Energy & Industry” has been changed to the “Environment”. Year-on-year figures for each segment were calculated after adjusting the figures for the same period of the previous fiscal year to the revised segment classification.

(2) Summary of Financial Position for the Fiscal Year Ended March 31, 2025

Total assets at the end of the fiscal year under review increased 1.4% from the end of the previous fiscal year to ¥1,142,986 million.

Current assets increased 4.2% year-on-year to ¥668,874 million due to increases in securities and cash, and deposits. Non-current assets decreased 2.3% year-on-year to ¥474,112 million.

Current liabilities increased 1.8% year-on-year to ¥178,912 million due to increases in short-term borrowings despite a decrease in current portion of long-term borrowings. Non-current liabilities decreased 4.8% year-on-year to ¥236,567 million due to decreases in long-term borrowings despite an increase in bonds payable.

Net assets rose 3.5% year-on-year to ¥727,506 million mainly due to decrease in treasury shares and increases in retained earnings.

As a result, the equity ratio at the end of the fiscal year under review was 63.0% (61.7% at the end of the previous fiscal year), and net assets per share were ¥2,455.87, up ¥121.66 from the previous fiscal year.

(3) Summary of Cash Flows for the Fiscal Year Ended March 31, 2025

Cash and cash equivalents at the end of the fiscal year under review increased by ¥6,276 million year-on-year to ¥177,708 million. This was because proceeds from operating activities were ¥96,658 million, and there was a payment of ¥55,081 million from investing activities, and payment of ¥34,219 million from financing activities.

[Cash flows from operating activities]

Net cash provided by operating activities for the fiscal year under review totaled ¥96,658 million. This includes income before income taxes of ¥72,456 million and depreciation, although there was an increase in accounts receivable. Compared with the previous fiscal year, net cash provided decreased by ¥2,501 million.

[Cash flows from investing activities]

Net cash used in investing activities for the fiscal year under review amounted to ¥55,081 million. This was the result of capital expenditures mainly for automotive related products and components for semiconductor manufacturing equipment, in addition to purchase of securities. Compared with the previous fiscal year, net cash used in decreased by ¥13,512 million.

[Cash flows from financing activities]

Net cash used in financing activities for the fiscal year under review amounted to ¥34,219 million. This was mainly because repayment of long-term borrowings, payment of dividends, and acquisition of treasury shares, although long-term borrowings and issuance of bonds were taken out to secure funds for future capital investment and carbon neutral activities. Compared with the previous fiscal year, net cash used in decreased by ¥1,903 million.

(4) Future Outlook

The economic outlook is difficult to forecast, as there are growing concerns that political instability and trade policies of various countries will cause a sharp slowdown of the economy.

Under these circumstances, the NGK Group expects demand for automotive-related products to remain at roughly the same level with current fiscal year, demand for components for semiconductor manufacturing equipment to increase due to continued demand for semiconductors for AI, etc., and sales also to increase for the whole company, offsetting the negative effects of the strong yen. As for income, operating income and ordinary income are expected to decrease as a result of the impact of the strong yen and tariff policies, while net income attributable to owners of parent is expected to increase from current fiscal year due to the reduction of income taxes with the expected approval for certain tax adjustment items.

Based on the exchange rates of ¥135 to U.S. dollar and ¥155 to euro, the Company is targeting net sales of ¥630,000 million (+1.7% y/y), operating income of ¥75,000 million (-7.7%y/y), ordinary income of ¥70,000 million (-10.5%y/y), and net income attributable to owners of the parent of ¥55,000 million (+0.1%y/y).

(5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year Ended March 31, 2025, and the Fiscal Year Ending March 31, 2026

The Company places a high value on the interests of shareholders and considers continuous enhancement of corporate value and the return of profits to be among the most important management policies.

As one of the major management indicators, the Company considers return on equity (ROE) which exceeds capital costs to be an essential medium- to long-term goal. For this purpose, the Company is working to improve return on equity by using the NGK version of ROIC (calculated by operating income, trade receivable, inventory, and equipment), which each department can manage.

The Company intends to pay dividends by taking into account the management of net assets in line with changes in business risks and a link to operating performance (ROE) over a period of three years or so. The Company will do this while targeting a dividend on equity ratio of 3% and a consolidated dividend payout ratio of approximately 30% over the medium term and considering the outlook for cash flows among other things.

The Company proposes to pay a year-end dividend for the fiscal year ended March 31, 2025 of ¥30 per share, and together with the interim dividend of ¥30 already paid, the total dividend for the fiscal year will be ¥60 per share.

The Company plans to pay an interim dividend of ¥33, a year-end dividend of ¥33, and an annual dividend of ¥66 for the next fiscal year ending March 31, 2026 in consideration of the dividend payout ratio and the dividend on equity ratio.

The Company will use retained earnings to increase corporate value by expanding existing core businesses and investing in new businesses.

2. Management Policies

(1) Basic Management Policies of the Company

The NGK Group Philosophy and NGK Group Vision: "Road to 2050" that we adhere to are as follows:

<NGK Group Philosophy>

Our Mission

"Enriching Human Life by Adding New Value to Society."

Our Values

"Quality of People: Embrace challenges and teamwork"

"Quality of Products: Exceed expectations"

"Quality of Management: Social trust is our foundation"

<NGK Group Vision: "Road to 2050">

We look ahead to a future society in 2050, taking the major trend towards carbon neutrality and the explosive evolution into a digital society as an opportunity for further development. We will work on driving Five Transformations: [1] Promotion of ESG management, [2] Profitability improvement, [3] Focus on R&D, [4] Focus on commercialization, and [5] Digital transformation (DX). With "Surprising Ceramics" as the slogan for our unique ceramic technologies, we intend to convert our business structure toward the "Third Foundation."

(2) Targeted Management Indicators and Capital Policy

The NGK Group is pursuing management that prioritizes capital efficiency based on return on equity (ROE) as one of our key management indicators. We employ return on invested capital (the NGK version of ROIC), which is closely linked to ROE, as a management indicator, and use business assets (accounts receivable, inventories and fixed assets) in lieu of invested capital, and operating income in lieu of after-tax operating income, to allow our business divisions to proactively take control of their targets. In addition to improving the profitability of our existing business, we aim to achieve profit growth by maintaining and improving the sales growth rate by focusing on R&D and marketing with the goal of "New Value 1000", which is to achieve sales of new commercialized products of at least 100 billion yen by 2030. Aiming to achieve a minimum medium-to long-term target ROE of 10%, we will implement a capital policy that is conducive to the sustained enhancement of corporate value by accommodating changes in business risks. We will strive to reduce capital costs through communication with shareholders and investors, as well as conducting the decision-making process for business planning and capital investment, to secure earnings exceeding capital costs. We will also work on active shareholder returns, reviewing our payout ratio and dividend on equity (DOE) ratio. Through these efforts, we aim to maintain sound levels of profitability, capital turnover, and financial leverage, which are components of ROE, consistent with our business strategy while maintaining financial health of the Company.

Furthermore, as a management indicator that contributes to improving our corporate value, we use NGK Value-added, which takes into account CO_2 emission costs, labor costs, R&D expenses, and ESG target achievement rate in operating income. In addition to fulfilling a wide range of social responsibilities, including efforts to reduce environmental load and respect human rights, we will actively invest in human capital and R&D, the sources of our future competitiveness, while striving to increase added value so that we can steadily realize profit growth.

(3) Medium-to Long-Term Management Strategies and Issues to Be Addressed

It remains difficult to gauge the future prospects of the environment surrounding the NGK Group amid protectionism by countries and escalating global economic tensions due to the fluctuating nature of Russia's invasion of Ukraine and the conflicts in the Middle East. On the other hand, from a medium- to long-term perspective, the direction toward carbon neutrality remains unchanged amid the mounting social demand for decarbonization, as evidenced by the formulation of a CO_2 emissions trading system. In addition, the development of a digital society is progressing at an accelerated pace as both the public and private sectors continue to make largescale contributions to sophisticate information technology, such as through the utilization of artificial intelligence (AI) and big data.

With the aim of becoming a corporation that adds new value to society, the Group has set “A Company to contribute to carbon neutrality and a digital society with our unique ceramic technologies” as what it wants to be in the NGK Group Vision. Accordingly, the Group is pushing forward with the “Five Transformations” to bring the vision into being. In January 2025, at a meeting of the Board of Directors, the Company resolved to remove the term “Gaishi (INSULATORS),” which is the business that the Group started with at the time of its founding, from the name of the Company and to unify its name in both Japanese and English as “NGK” with the aim of accelerating the transformation of its business structure, on the condition that a partial amendment to the Articles of Incorporation is approved at the 159th Annual Shareholders’ Meeting scheduled for June 26, 2025. Although the market for automotive-related products, which constitute the Group’s core business, is also expected to shrink in the medium- to long-term as electrification advances, the Group will work on the “Advancement of ESG management” and “Enhancement of the earnings capability of existing businesses and creation of new businesses” in a bid to expand the lineup of products related to both carbon neutrality and a digital society toward the future society of 2050, thereby steadily advancing the transformation of its business structure.

The NGK Group’s initiatives for key issues are as follows:

[1] Advancement of ESG management

The Group has placed ESG at the center of its corporate management to drive sustainable growth and transformation into what it wants to be in the future. Based on the NGK Group philosophy of “Enriching Human Life by Adding New Value to Society”, we will contribute to the realization of a sustainable society by providing new value through our unique ceramic technology, thereby meeting the expectations of society and gaining the trust of society. This is the NGK Group’s basic approach to sustainability. To realize the NGK Group philosophy, we aim to contribute to carbon neutrality and the realization of a digital society, while bearing in mind ESG (Environment, Society and Corporate Governance) and SDGs (Sustainable Development Goals), and to achieve sustainable corporate value.

In addition, the NGK Group has 35 Group companies (including 18 manufacturing companies) operating in 18 countries overseas. In order to achieve these goals and enhance management transparency and autonomy, we are working to improve the environment so that all group employees can act in accordance with fair values and international standards of judgment. As part of these initiatives, the Group established the “NGK Group Corporate Business Principles,” which set forth the Company’s stance toward fulfilling its social responsibility with a high ethical standard, and the “NGK Group Code of Conduct,” which lays out the path for executives and employees to follow while complying with relevant laws and regulations, international rules, and the spirit thereof both domestically and internationally. In addition, we are ensuring thorough familiarity with them throughout the Group.

Under the Sustainability Management Committee chaired by the President, the Board of Directors will appropriately supervise initiatives for the NGK Group’s sustainability issues, including ESG elements, with the aim of earning the trust of all stakeholders.

[Environment (E)]

Holding up the goal of achieving net zero CO_2 emissions by 2050, the Group has formulated the “NGK Group Environmental Vision,” which is formed around making a contribution to carbon neutrality, a recycling-oriented society and harmony with nature. Based on it, the Group has compiled the “Carbon Neutrality Strategic Roadmap” and the “Five-year environmental plan” as concrete action plans and is striving to fulfill the goals therein. In fiscal 2025, the final year of the 5 year plan, we expect to achieve our target of 550,000 tons of CO_2 emissions in Scope 1 and Scope 2 (a 25% reduction from fiscal 2013 levels). We also aim to achieve our milestone (an interim target) of 370,000 tons of emissions in fiscal 2030 (a 50% reduction from the same level) by switching to renewable energy sources for electricity use, primarily at overseas sites, and installing solar power generation facilities at domestic and overseas manufacturing sites. In addition, in order to achieve the target ahead of schedule, we are developing technologies for firing ceramics with carbon-neutral fuels such as hydrogen and ammonia, gas separation membranes and DAC (Direct Air Capture) to directly capture CO_2 in the atmosphere, and conducting demonstration tests of methanation for CO_2 recycling. We are engaged in developing products and services related to carbon neutrality through actions including application of such technologies within the Group. To finance development related to carbon-neutrality, we issued green bonds (unsecured corporate bonds) in November 2024 for the fourth consecutive year. Additionally, we have commenced an initiative to reduce greenhouse gas emissions through the value chain. Setting a Scope 3 CO_2 emissions reduction target of at least 90% by 2050 (compared to fiscal 2022), we received a certification from the SBT (Science Based Targets) Initiative regarding our plan for a 25% reduction by 2030 as a step toward achieving the above target.

We are disclosing information related to the Task Force on Climate-related Financial Disclosures (TCFD) on our website, etc. and have expressed our support as an early adopter of the Task Force on Nature-related Financial Disclosures (TNFD) in relation to efforts to coexist with nature. In parallel, we are expanding and enhancing our disclosure of related information. In February 2025, we were also newly selected as an A-list company, the highest rating for "CDP Water Security," by CDP, which is an international non-profit organization.

[Society (S)]

The NGK Group will expand initiatives to respect human rights in its companies and supply chains, thereby contributing to the creation of a society in which the human rights of all people affected by business activities will not be violated. Not only did the Group establish the "NGK Group Human Rights Policy" based on the "United Nations' Guiding Principles on Business and Human Rights" but it also disclosed a statement on the UK Modern Slavery Act. Furthermore, the Group endorses "Children's Rights and Business Principles" and has declared that the Group will respect children's rights in business activities and engage in social contribution activities and others for the promotion of children's rights.

In the NGK Group Philosophy, the NGK Group positions "human resources that challenge and enhance each other" as one of our goals, and strives to realize our mission of "Enriching Human Life by Adding New Value to Society" and to work on "five reforms" toward realizing the NGK Group Vision. In order to achieve these goals, it is essential that each and every human resource plays an active role. Based on "NGK Group Human Capital Management Policy", the "Human Resource Development Policy", and the "Internal Environment Development Policy", we are promoting the enrichment of human resources who are engaged in five reforms through recruitment and training sessions, and the creation of an environment where such human resources can fully demonstrate their capabilities. In April 2025, we revised the personnel system for those in managerial positions to align the treatment of employees with their job descriptions, regardless of their age or years of service. Through these and other initiatives, we will promote the active participation and self-driven actions of diverse human resources. In addition, we are continuously deploying various measures including creating an internal work environment through flexible work styles utilizing telecommuting and reduction of long working hours. In a bid to promote the advancement of women, we have set numerical targets for the percentage of female new college graduates hired and are expanding the scope of their responsibility in the organizations that they are assigned or transferred to. We have implemented a system to support early return from parental leave to encourage employees who took maternity and childcare leave to resume their careers early. In addition to systems such as providing training for employees returning from childcare leave and expansion and improvement of childcare leave for male employees, we have been working on creating an environment that allows women to thrive through organizing internal lectures that aim for deeper understanding of balancing work and family responsibilities. In respect of human resources overseas, approximately 60 percent of a total of about 20,000 employees of the Group are stationed overseas. We believe the advancement of local human resources is essential for prompt and appropriate decision-making based on the circumstances, culture and practices in each local community for management of the NGK Group. Therefore, we actively hire local human resources and assign them to senior management-level positions at overseas sites.

NGK has announced the "Declaration of Partnership Building" promoted by the Cabinet Office and the Small and Medium Enterprise Agency. In order to conduct fair and equitable transactions with the procurement partners that make up the supply chain in the NGK Group's supply chain, as well as to achieve prosperity together, we have established the "NGK Group Procurement Policy" with "openness and fairness, partnership, and relationship with society" as the basic axes of procurement, taking into consideration global environmental conservation, respect for human rights, and the working environment. Moreover, in order to realize sustainable procurement throughout the supply chain, we formulated the "NGK Group Supplier Code of Conduct" and assess risk and CSR details for sustainable procurement through visits to our business partners, questionnaires on the actual state, and other means.

[Governance (G)]

With regard to corporate governance, in light of enhancing the functions of the Board of Directors, the Company appoints independent outside directors who can contribute to the Company's sustainable growth and mid- to long-term improvement of corporate value. The number of independent outside directors is one-third or more of the total members of the Board of Directors. The Company also founded the Business Ethics Committee, whose primary members are outside directors, and it handles response to fraudulent acts or violations of laws and regulations where the officers and others of the Company have been involved and provides response, reports and advice to the Board of Directors. The committee strives to strengthen the compliance system by establishing a whistleblowing system ("Hotline"), which is directly linked to the Business Ethics Committee. This serves as a mechanism to prevent any such fraudulent act or violation of laws and regulations in addition to the existing Helpline System, which provides advice and receives reports from employees.

From the compliance perspective, the Company are ensuring thorough familiarity with the "NGK Group Corporate Business Principles," and the "NGK Group Code of Conduct," as guidelines for all members of the NGK Group to conduct sound business activities based on a sense of ethics. Moreover, the "Basic Guidelines for NGK Group Compliance Activities" are in place with the aim of establishing a mechanism for evaluating and verifying its compliance activities, taken in various domains, in light of international norms and for continuous improvement based on shared understanding and values.

With regard to compliance with laws and regulations within and outside Japan, such as the Competition Law and the Foreign Corrupt Practices Law, top management sends out messages continually, compliance education is provided to executives and employees at domestic and overseas group companies, a program for compliance with the Competition Law in line with international standards is underway, and we are also promoting the use of the "Competition Law Compliance Handbook." The "NGK Group Anti-corruption Policy" was newly established in April 2024, further enhancing the initiative for corruption prevention in all business activities.

Regarding quality compliance, we have been working on improving our organizational culture and business processes through measures such as the promotion of dialogue between top management and employees, thorough provision of education, and a shift to a mechanism that generates no excessive burden or waste in workplaces, in addition to providing mechanisms such as direct guidance by top management at meetings of the quality committee. In terms of safety of the working environment, the Company works on reducing work-related injuries by strengthening the control capability of each site across the NGK Group in addition to identifying significant accident risks and enhancing preventative measures through conducting risk assessment of the NGK Group companies in and outside Japan.

In respect of risk management, risks that are deemed significant from the perspective of management are classified into external environmental, strategic, and operational risks, and continually reviewed. We have established various committees to manage individual risks, including sustainability issues, within the NGK Group. As environmental changes are accelerating both in Japan and overseas, in order to establish an integrated risk management system from a company-wide perspective that spans across divisions and connects to the Board of Directors, the "Risk Management Committee" was established in fiscal 2023 as a supervisory committee under the direct control of the President, and we are considering countermeasures for priority follow-up risks after obtaining approval from the Board of Directors.

[2] Improving earning capacity of existing businesses and creating new businesses

The Group has developed a business portfolio policy in order to enhance corporate value from a company-wide perspective and carefully examines businesses from two perspectives: profitability measured using the NGK version of ROIC and growth potential that employs a net sales growth rate. We consider investing management resources in core businesses and business groups where future growth is anticipated. In addition, we evaluate the quantitative aspects of businesses in the low-growth, low-profit categories based on annual and medium-term business plans and discuss their growth potential, profitability, etc. from a long-term perspective at internal strategy meetings, etc., which are supervised by the Board of Directors due to their nature as important matters concerning company management. To decide on capital investments, we take into account the payback time of individual investments and the NGK version of ROIC as well as evaluations from the perspective of ESG that uses the internal carbon prices (ICP). In order to balance further sustainable profit growth with investment in human capital and intellectual capital, which will be the source of future corporate value, and at the same time comprehensively evaluate sustainability initiatives such as efforts to reduce environmental impact and respect human rights, we have introduced NGK Value-added as a management indicator, which takes into account CO_2 emission costs, labor costs, R&D expenses, and ESG target achievement rate to operating income. We will link this to the enhancement of corporate value from the perspective of both financial value and non-financial value, which is not presented in financial statements, by raising short-term profitability, medium- to long-term growth potential and ultra-long-term social nature in a balanced manner.

In order to improve the profitability of each business, we will appropriately pass increased costs associated with global inflation on to selling prices, and at the same time, we are advancing the initiative of “manufacturing ∞ (chain) innovation” to further enhance our profitability. We are advancing the sophistication of manufacturing systems and global collaboration by utilizing digital technology, focusing on “production innovation activities” that bridge the gap between the ideal and the current situation in the manufacturing chain and “cost reduction activities”, which improve manufacturing costs by reducing losses at each factory. And, in response to soaring raw material and fuel costs and fluctuations in demand, we will lead to stronger profitability by further reducing costs, shortening lead times, and reducing inventory.

The entire NGK Group will accelerate DX promotion under the NGK Group Digital Vision. In the development and marketing fields, in addition to the manufacturing field, we are driving the creation of value through means such as materials informatics, which shortens the lead time in the development of new materials, utilization of the IP landscape for our patent strategy, and acceleration of the search for new applications using our original AI technology that pairs our elemental technology (seeds) and social issues (needs) with high accuracy. Simultaneously, on a company-wide basis, including the head office and indirect divisions, we boost efficiency in business processes by building an interactive AI system, which learns internal information and is for our exclusive use, and using it alongside generative AI that operates in the cloud environment. Through this initiative, we will advance reforms toward the reduction of fixed costs as well as data-based business execution and decision making.

As transforming the business structure requires the creation of new business, we have set up “New Value 1000” as the key measure to boost net sales of newly commercialized products to a minimum of 100 billion yen in 2030. Three business groups, namely, Corporate NV Creation, which is tasked mainly with the marketing function, Corporate R&D, which has the Group’s unique differentiating technologies, including ceramics materials technology and elemental technology, and Corporate Manufacturing Engineering, which is responsible for manufacturing technology and engineering, will reinforce their coordination with each business division to accelerate the process from “R&D” to “Product blossoming.” Regarding R&D, we plan to invest 300 billion yen over the ten years from 2021 in accordance with the “NGK Group Vision,” 80% of which will be allocated to carbon neutrality and digital society-related projects. We have decided to focus management resources on promising themes for the future that will help solve social issues, and plan to inject 36 billion yen in fiscal 2025, marking the highest level in our history. Additionally, in order to create more influential differentiating technologies while accelerating the speed of development, we will engage in concurrent development that involves Corporate Manufacturing Engineering at an early stage. Furthermore, we strive to actively push forward with the creation of new products and businesses that utilize alliances with external parties through means such as M&A involving companies that are expected to generate synergies with our businesses and technologies, as well as investment in venture capital funds and start-ups, thereby advancing the transformation of the business structure. In February 2025, we reached an agreement with Deutsche KNM GmbH, a German company, to acquire their shares. We will strengthen our competitiveness by fusing the engineering capabilities and knowledge of membrane equipment possessed by Borsig GmbH Group, which is under the umbrella of Deutsche KNM GmbH, with our ceramic technology.

Priority issues by segment are as follows.

[Environment Business]

Although the U.S. tariff policy is expected have negative effects on automotive sales, the Group intends to accommodate increased demand for its products against the backdrop of tightening exhaust gas regulations and others in countries, improve productivity and optimize its global manufacturing system with the aim of ensuring that the Group maximizes profit. The growth rate of EVs is slowing down. However, in order to respond to further regulatory tightening in the world in the short-term, primarily in Europe, based on the projection that the internal combustion business will decline in the future, the Group will not only make preparations for mass-production of gasoline censors, a new product line, but also seek to capture potential demand that transcends the framework of the existing market by driving the development of new products such as CO_2 sensors. We will continue to review prices with an eye on a medium- to long-term decline in demand and make progress in maintaining earnings levels or raising them. On the other hand, for markets related to carbon neutrality, which are expected to expand globally, we will focus on initiatives to realize the early commercialization of products and facilities that contribute to society's environmental needs, such as Direct Air Capture (DAC), which directly captures CO_2 in the atmosphere, and CO_2 separation membranes, which separate CO_2, nitrogen, hydrogen, etc. at the molecular level. As a business that broadly encompasses environment-related matters, we will contribute by introducing high value-added products and technological innovation.

[Digital Society Business]

In business fields related to a digital society, as described in the NGK Group Vision, despite signs of a slowdown in the global economy, the utilization of artificial intelligence (AI) and big data has spread steadily. Regarding ceramic packages and DCB/AMB substrates, whose profit/loss situation has deteriorated due to a market slowdown, we will further review our business strategy in order to enhance competitiveness and profitability. On the other hand, in the medium- to long-term, due to the advancement of IoT and the sophistication of communications, products related to semiconductors and electronic components are expected to continue to shift to higher functionality with their markets projected to expand. Regarding products for semiconductor manufacturing equipment and electronic components, in addition to developing next-generation products and cultivating customers, we will continue to make capital investments with an eye on the medium to long term in order to accommodate growing demand. We will launch new products such as new next-generation composite wafers to respond to further advancements in the communications field, as well as HICERAM carriers that help to enhance the functionality of semiconductors, and aim to broaden our product lineups that contribute to a digital society.

[Energy & Industry Business]

With the ongoing trend toward decarbonization, it is assumed that the significance of the role of storage batteries will increase in the medium- to long-term. On the other hand, the shift to clean energy is currently decelerating, partly due to an economic downturn in Europe. NAS® batteries of the Energy & Storage Business, for which demand had been expected to grow, are projected to face a tough business environment for a while. Although a step has been taken to suspend some of the manufacturing processes in plants and the bleeding is expected to continue, we project that demand for NAS® batteries will expand in the future in a market that appreciates their features, including large capacity, long life and long-hour charge/discharge. We will solidify the system with BASF, a partner, to improve earnings in an effort to contribute to solving social issues. In addition to the existing "selling of goods", we will focus on selling "products as services", which provides services and value, as a new business area. For example, we will launch VPP service, which uses NAS® batteries to control energy resources in an integrated manner using IoT technology to balance power supply and demand. For insulators, capital expenditure related to electric power generation at home and overseas is underway in a stable manner through building new data centers and expanding existing ones. We will run this business efficiently to maximize returns even with a downsized business structure.

Through these initiatives, the Group will work to further reinforce its management base and continue conducting corporate management with emphases placed on capital efficiency and shareholders, while aiming to become what it wants to be in the future through sustainable growth and enhancement of corporate value.

3. Basic Policies Concerning Selection of Accounting Standards

The Company applies Japanese GAAP, on the other hand, the Company has already unified its accounting standards for accounting period, depreciation and amortization methods, etc. to standards which are same as those of IFRS, in order to make a financial report more appropriate.

4. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	March 31, 2025	March 31, 2024
Assets		
Current assets		
Cash and deposits	197,974	192,656
Notes receivable–trade	2,424	2,392
Accounts receivable–trade	119,047	115,370
Contract assets	13,999	16,499
Securities	65,895	50,015
Inventories	*1 241,936	*1 239,063
Other	27,762	26,319
Allowance for doubtful accounts	(165)	(165)
Total current assets	668,874	642,151
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	125,765	129,119
Machinery, equipment and vehicles, net	153,889	174,122
Tools, furniture and fixtures, net	7,934	9,073
Land	33,006	32,902
Construction in progress	32,516	23,297
Other, net	3,524	3,388
Total property, plant and equipment	356,636	371,903
Intangible assets		
Software	6,018	6,479
Other	134	180
Total intangible assets	6,153	6,659
Investments and other assets		
Investment securities	68,892	76,709
Deferred tax assets	12,878	9,935
Retirement benefit assets	25,564	16,319
Other	4,305	4,214
Allowance for doubtful accounts	(318)	(317)
Total investments and other assets	111,322	106,862
Total non-current assets	474,112	485,425
Total assets	**1,142,986**	**1,127,576**

(Millions of yen)

	March 31, 2025	March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable-trade	45,827	50,269
Short-term borrowings	20,260	11,342
Current portion of long-term borrowings	36,215	40,897
Accounts payable-other	18,518	14,972
Accrued expenses	25,477	24,756
Income taxes payable	8,001	6,734
Contract liabilities	12,030	12,687
Other	12,582	14,143
Total current liabilities	178,912	175,803
Non-current liabilities		
Bonds payable	57,000	52,000
Long-term borrowings	138,766	155,086
Deferred tax liabilities	13,895	13,464
Provision for product warranties	307	424
Retirement benefit liabilities	20,046	20,906
Other	6,550	6,664
Total non-current liabilities	236,567	248,547
Total liabilities	**415,480**	**424,351**
Net assets		
Shareholders' equity		
Share capital	70,064	70,064
Capital surplus	70,389	70,397
Retained earnings	464,800	451,550
Treasury shares	(8,828)	(25,155)
Total shareholders' equity	596,426	566,856
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,852	38,845
Deferred gains or losses on hedges	(100)	6
Foreign currency translation adjustment	76,769	82,250
Remeasurements of defined benefit plans	13,856	7,467
Total accumulated other comprehensive income	123,377	128,569
Share acquisition rights	777	852
Non-controlling interests	6,925	6,947
Total net assets	**727,506**	**703,225**
Total liabilities and net assets	**1,142,986**	**1,127,576**

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024
Net sales	**619,513**	**578,913**
Cost of sales	443,540	423,059
Gross profit	**175,972**	**155,854**
Selling, general and administrative expenses	*1 94,731	*1 89,456
Operating income	**81,241**	**66,397**
Non-operating income		
Interest income	2,130	1,590
Dividend income	1,943	1,383
Share of profit of entities accounted for using equity method	26	1,567
Gain on valuation of derivatives	780	—
Other	1,994	1,374
Total non-operating income	6,876	5,915
Non-operating expenses		
Interest expense	3,913	4,015
Loss on valuation of derivatives	—	1,060
Foreign exchange loss	3,605	2,464
Depreciation	1,188	783
Other	1,160	947
Total non-operating expense	9,868	9,271
Ordinary income	**78,249**	**63,042**
Extraordinary income		
Gain on sales of non-current assets	191	432
Gain on sales of investment securities	3,605	946
Subsidies income	236	640
Total extraordinary income	4,032	2,019
Extraordinary losses		
Loss on disposals of non-current assets	522	592
Impairment loss	*2 5,819	6,959
Loss on valuation of investment securities	484	956
Loss on business of subsidiary	—	376
Loss on compensation	*3 3,000	—
Total extraordinary losses	9,825	8,886
Income before income taxes	**72,456**	**56,175**
Income taxes-current	21,303	17,996
Income taxes-deferred	(3,852)	(2,524)
Total income taxes	17,451	15,471
Net income	**55,005**	**40,703**
Net income attributable to non-controlling interests	72	140
Net income attributable to owners of the parent	**54,933**	**40,562**

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024
Net income	**55,005**	**40,703**
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,993)	21,759
Deferred gain or (loss) on hedges	(112)	16
Foreign currency translation adjustment	(5,537)	40,525
Remeasurements of defined benefit plans, net of tax	6,389	2,134
Share of other comprehensive income of entities accounted for using equity method	—	(62)
Total other comprehensive income	(5,253)	64,373
Comprehensive income	**49,751**	**105,076**
Comprehensive income attributable to		
Owners of the parent	49,741	104,180
Non-controlling interests	10	896

(3) Consolidated Statement of Changes in Equity

Year Ended March 31, 2025 (From April 1, 2024 to March 31, 2025) (Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder's equity
Balance at March 31, 2024	70,064	70,397	451,550	(25,155)	566,856
Changes during period					
Dividends of surplus			(16,301)		(16,301)
Net income attributable to owners of the parent			54,933		54,933
Purchase of treasury shares				(9,400)	(9,400)
Disposal of treasury shares		(1)		77	75
Cancellation of treasury shares		(25,422)		25,422	—
Transfer from retained earnings to capital surplus		25,381	(25,381)		—
Restricted stock compensation		35		227	263
Net changes in items other than shareholders' equity					
Total changes during period	—	(7)	13,250	16,326	29,569
Balance at March 31, 2025	70,064	70,389	464,800	(8,828)	596,426

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 31, 2024	38,845	6	82,250	7,467	128,569	852	6,947	703,225
Changes during period								
Dividends of surplus								(16,301)
Net income attributable to owners of the parent								54,933
Purchase of treasury shares								(9,400)
Disposal of treasury shares								75
Cancellation of treasury shares								—
Transfer from retained earnings to capital surplus								—
Restricted stock compensation								263
Net changes in items other than shareholders' equity	(5,993)	(106)	(5,480)	6,388	(5,191)	(75)	(21)	(5,289)
Total changes during period	(5,993)	(106)	(5,480)	6,388	(5,191)	(75)	(21)	24,280
Balance at March 31, 2025	32,852	(100)	76,769	13,856	123,377	777	6,925	727,506

Year Ended March 31, 2024 (From April 1, 2023 to March 31, 2024) (Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder's equity
Balance at March 31, 2023	69,955	70,305	440,530	(10,294)	570,496
Changes during period					
Dividends of surplus			(17,768)		(17,768)
Net income attributable to owners of the parent			40,562		40,562
Purchase of treasury shares				(14,882)	(14,882)
Disposal of treasury shares		7		21	29
Restricted stock compensation	108	108			217
Change in scope of equity method			(11,774)		(11,774)
Change in ownership interest of parent due to transactions with non-controlling interests		(24)			(24)
Net changes in items other than shareholders' equity					
Total changes during period	108	91	11,020	(14,860)	(3,640)
Balance at March 31, 2024	70,064	70,397	451,550	(25,155)	566,856

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 31, 2023	17,101	(9)	42,849	5,009	64,951	882	6,116	642,446
Changes during period								
Dividends of surplus								(17,768)
Net income attributable to owners of the parent								40,562
Purchase of treasury shares								(14,882)
Disposal of treasury shares								29
Restricted stock compensation								217
Change in scope of equity method								(11,774)
Change in ownership interest of parent due to transactions with non-controlling interests								(24)
Net changes in items other than shareholders' equity	21,743	15	39,400	2,458	63,617	(29)	831	64,419
Total changes during period	21,743	15	39,400	2,458	63,617	(29)	831	60,779
Balance at March 31, 2024	38,845	6	82,250	7,467	128,569	852	6,947	703,225

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024
Cash flows from operating activities		
Income before income taxes	72,456	56,175
Depreciation	57,253	56,806
Impairment loss	5,819	6,959
Interest and dividend income	(4,073)	(2,974)
Interest expense	3,913	4,015
Share of profit of entities accounted for using equity method	(26)	(1,567)
Gain on sales of investment securities	(3,605)	(946)
Decrease (increase) in trade receivables	(4,678)	1,234
Decrease (increase) in contract assets	2,439	(6,968)
Decrease (increase) in inventories	(4,348)	(10,091)
Decrease (increase) in other current assets	(898)	187
Increase (decrease) in trade payables	(4,109)	3,861
Increase (decrease) in other current liabilities	(1,646)	6,439
Other	(1,763)	2,538
Subtotal	116,732	115,671
Interest and dividends received	3,997	3,023
Dividends received from entities accounted for using equity method	—	401
Interest paid	(4,138)	(4,114)
Income taxes refund (paid)	(19,933)	(15,822)
Net cash provided by operating activities	**96,658**	**99,159**
Cash flows from investing activities		
Purchase of securities	(119,882)	(73,899)
Proceeds from sales and redemption of securities	110,999	69,670
Purchase of property, plant and equipment	(41,798)	(42,811)
Purchase of intangible assets	(1,950)	(2,324)
Purchase of short-term and long-term investment securities	(3,921)	(3,228)
Proceeds from sales and redemption of investment securities	5,136	2,226
Net increase in time deposits	(4,258)	(18,566)
Other	594	340
Net cash used in investing activities	**(55,081)**	**(68,593)**
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	8,885	(782)
Proceeds from long-term borrowings	20,070	23,250
Repayments of long-term borrowings	(40,765)	(36,376)
Proceeds from issuance of bonds	5,000	12,000
Purchase of treasury shares	(9,400)	(14,882)
Dividends paid	(16,301)	(17,768)
Other	(1,706)	(1,564)
Net cash used in financing activities	**(34,219)**	**(36,123)**
Effect of exchange rate changes on cash and cash equivalents	(1,081)	8,125
Net increase (decrease) in cash and cash equivalents	6,276	2,568
Cash and cash equivalents at beginning of period	171,432	168,863
Cash and cash equivalents at end of period	**177,708**	**171,432**

(5) Notes to Consolidated Financial Statements

(Note on the Assumption as a Going Concern)

Not applicable

(Significant Items Underlying the Preparation of Consolidated Financial Statements)

Accounting standards

Accounting standards for significant allowances

Provision for product warranties

The Company and some consolidated subsidiaries estimate and accrue the costs of warranty repair for products sold in reserve for future expenses.

(Changes in Accounting Policy)

- Accounting Standard for Current Income Taxes

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as “Accounting Standard Revised in 2022”) since the beginning of the first quarter of the current consolidated fiscal year.

In the past, the Company recognized corporation tax, municipal tax, business tax, etc. (hereinafter referred to as “income taxes”) in profit (loss) in the amount calculated in accordance with the relevant laws and regulations. However, the Company has chosen to recognize income taxes on income separately in profit (loss), shareholders’ equity, and other comprehensive income, depending on transactions that become the sources of the income tax. Regarding income taxes recognized in accumulated other comprehensive income, the Company has elected to recognize the corresponding tax amount in profit (loss) at the time when the transaction, etc. that caused the income tax to be imposed is recognized in profit (loss).

However, in the case that transactions, etc. are related to shareholders’ equity or other comprehensive income in addition to profit (loss), and that it is difficult to determine the amount of income taxes imposed on shareholders’ equity or other comprehensive income, the Company recognizes the amount of such taxes in profit (loss).

With respect to the revision to the accounting classification of income taxes (taxation on other comprehensive income), the Company follows the transitional treatment provided for in the proviso of Paragraph 20-3 of the Accounting Standard Revised in 2022. The Company has applied the new accounting policy since the beginning of the current fiscal year, and the cumulative amount affected by the retrospective application of the new accounting policy prior to the beginning of the initial year of application is added to or subtracted from retained earnings at the beginning of the initial year of application, and the corresponding amount is added to or subtracted from an appropriate classification among capital surplus, valuation and transaction adjustments or other comprehensive income. The Company follows the transitional treatment provided for in the proviso of Paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as “Implementation Guidance Revised in 2022”). The Company has applied the new accounting policy since the beginning of the current fiscal year, and the cumulative amount affected by the retrospective application of the new accounting policy prior to the beginning of the initial year of application is added to or subtracted from retained earnings at the beginning of the initial year of application, and the corresponding amount is added to or subtracted from capital surplus at the beginning of the fiscal year.

In addition, regarding the revision related to changes in treatment in consolidated financial statements in the case of deferring gains or losses from sales of stocks, etc. of subsidiaries between consolidated companies for tax purposes, the Company has applied the Implementation Guidance Revised in 2022 since the beginning of the first quarter of the current consolidated fiscal year. These changes in accounting policies were applied retrospectively, and the consolidated financial statements for the previous fiscal year are those after retroactive application.

The effects on the consolidated financial statements are immaterial.

- Practical Solution on the Accounting for and Disclosure of Current Taxes Related to Global Minimum Tax Rules, etc.

The Company has applied the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to Global Minimum Rules, etc. (ASBJ PITF No. 46, March 22, 2024) since the beginning of the first quarter of the current consolidated fiscal year.

Income taxes payable under the Global Minimum Tax Rules that will become due after one year from the day following the balance sheet date is presented as “Other” in the long-term liabilities section of the consolidated balance sheets. In addition, in the consolidated statement of income, Income taxes under the Global Minimum Tax Rules are included in "Income taxes-current".

The effects on the consolidated financial statements are immaterial.

(Additional Information)

The Company has resolved, at a meeting of the Board of Directors held on February 18, 2025, to acquire all shares of Deutsche KNM GmbH(“DKNM”), a holding company of Borsig GmbH(“Borsig”) and make it a subsidiary. A share transfer agreement was concluded on February 27, 2025.

1. Reason for the acquisition
   The Group has decided to convert the German company into a subsidiary to strengthen our competitiveness by fusing the engineering capabilities and knowledge of membrane equipment possessed by Borsig GmbH Group with our ceramic technology.

2. Names of the counterparty to the acquisition of shares: KNM Process Systems Sdn Bhd
3. Name, business, size of the acquired company
   (1) Name: Deutsche KNM GmbH and its 7 group companies
   (2) Description of Business: Manufacturing and sales of such as process heat exchangers and membrane systems
   (3) Share capital: 25 thousand EUR
4. Date of share acquisition: After obtaining approvals from relevant authorities
5. Number of shares to be acquired, acquisition costs, and ratio of shares held after acquisition
   (1) Number of shares to be acquired: 1 share
   (2) Acquisition costs: 270,000 thousand EUR
   (3) Ratio of shares after acquisition: 100%
6. Method of financing payment: Allocated from internal funds

(Consolidated Balance Sheets)

*1. The breakdown of inventories is as follows:

	March 31, 2025	March 31, 2024
Finished goods and merchandise	120,127 million yen	112,547 million yen
Costs on construction contracts in progress	1,954	6,347
Work in process	23,784	20,821
Raw materials and supplies	96,070	99,346

2. Lawsuit filed against the Company

On July 6, 2021, a lawsuit was filed against the Company in Nagoya District court and the Company received the complaint on October 29, 2021 that P.T.Paiton Energy (“Paiton”), its insurance companies and their reinsurer companies (“the plaintiffs”) filed a claim against the Company for compensation for damages of US$151,392,337.48 (¥16,828,772,234) and the amount of the relevant delay charges. Thereafter, the plaintiffs issued petition for amendment of claim on January 11, 2022, the amount of the claim increased by US$41.36 (¥4,796) to US$151,392,378.84 (¥16,828,777,030) and the relevant delay changes.

In January 2018, a fire incident allegedly occurred in a transformer (“Transformer”) installed in a thermal power plant (“Power Plant”) in Indonesia operated by Paiton. In connection with this accident, the plaintiffs filed a claim against the Company for damages and relevant delay charges based on alleged product liability and torts.

The Company is a distributor of the bushing (manufactured in 2010) incorporated in the Transformer. The Company delivered the bushing to a third-party transformer manufacturer that incorporated the same into the Transformer. The Transformer was then delivered to the Power Plant through a plant engineering manufacturer.

The Company believes that it is not liable for the incident described above. Therefore, the Company will take necessary actions in response to the claim to demonstrate the quality of the bushings and the adequacy of the Company's operations.

The Company will make timely disclosures in relation to this lawsuit upon the occurrence of any incident that may have a material impact on the Company's financial results.

The number in yen terms for the damage compensation in the text is the amount stated in the complaint and is converted into yen at a different exchange rate from that used by the Company to prepare the consolidated financial statements.

(Consolidated Statement of Income)

*1. The major items and their amounts of selling, general and administrative expenses are as follows:

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024
Salaries, wages, and bonuses	26,887 million yen	24,707 million yen
Freight-out	7,872	8,165
Research and development expenses	15,586	16,467
Retirement benefit expenses	1,111	1,009

*2. Impairment loss

Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

The Company recognized impairment loss as follows:

Groups	Asset category	Location	Millions of yen
DCB and AMB Substrates for Power Modules Business	Machinery, equipment and vehicles, Construction in progress	Japan and Malaysia	2,518
Package Business	Machinery, equipment and vehicles, Construction in progress	Japan and Malaysia	1,674

The Company performs asset grouping in accordance with business segments adopted for the purpose of internal management, and idle assets, etc. are grouped individually by property unit.

The Company recognized impairment loss mainly in the assets of the business segment and idle assets which deteriorated in profitability as extraordinary losses, and the carrying amounts of the relevant assets were written down to the memorandum value or so. The Company recognized impairment loss as ¥427 million in buildings and structures, ¥3,499 million in machinery, equipment and vehicles, ¥1,516 million in construction in progress and ¥376 million in other. The recoverable amount of those assets were measured at their net selling value and others. The net selling value is calculated based on the valuation value reasonably calculated by a third party.

*3. Compensation Loss

Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

We paid for losses that were generated by a business partner of a consolidated subsidiary of the Company, in accordance with our agreement with the business partner.

(Segment Information, etc.)

[Segment Information]

1. Overview of reportable business segments

The Company's reportable business segments are components of the Company about which separate financial information is available that is evaluated regularly by the Company's management in deciding how to allocate resources and in assessing performance.

The Company develops and conducts its operations under three business segments: Environment Business, Digital Society Business, and Energy & Industry Business, while planning a comprehensive strategy for domestic and overseas markets. Consequently, the Company defines those three business segments as its reportable business segments.

Business segment	Main products
Environment	Automotive ceramics for exhaust gas purification, sensors, corrosion-resistant ceramic apparatuses for chemical industries, ceramic membranes, industrial heating systems, refractory products and radioactive waste treatment systems
Digital Society	Components for semiconductor manufacturing equipment, electronics components, beryllium copper products, and molds
Energy & Industry	NAS® (sodium-sulfur) batteries, Insulators, hardware for insulator assemblies, current limiting arching horn, bushing shells, fuse cut-outs, APM and line arrester

Effective from the current fiscal year, the Industrial Process Business which included in the "Energy & Industry" has been changed to the "Environment".

Year-on-year figures for reportable business segments were calculated after adjusting the figures for the same period of the previous fiscal year to the revised segment classification.

2. Methods of calculating sales, income or loss, assets, liabilities, and other items by business segment

The accounting methods applied to the reported business segments are the same as those of consolidated financial statements.

Business segment income is based on operating income. Intersegment sales is based on market prices.

3. Sales, income or loss, assets, liabilities, and other items by business segment

Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Business segment				Adjustment	Consolidated
	Environment	Digital Society	Energy & Industry	Total		
Net Sales						
Sales to customers	390,371	171,587	57,553	619,513	—	619,513
Intersegment sales	426	3	815	1,245	(1,245)	—
Total sales	390,798	171,591	58,368	620,758	(1,245)	619,513
Operating income	68,254	17,191	(4,196)	81,250	(8)	81,241
Total assets	515,907	216,366	83,860	816,134	326,851	1,142,986
Other						
Depreciation	39,950	15,555	1,746	57,253	—	57,253
Impairment loss	801	4,193	824	5,819	—	5,819
Capital expenditures	16,722	14,354	1,550	32,627	16,180	48,807

(Notes)
1. The adjustment of (¥8) million to operating income comprises of intersegment transactions.
2. Corporate assets within total assets that are included in adjustment are ¥336,885 million, consisting mainly of surplus funds managed by the Company (cash and securities), long-term investment funds (investment securities) and assets related to administrative divisions.
3. Adjustment of capital expenditures is an increase at head office divisions.

Year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Business segment				Adjustment	Consolidated
	Environment	Digital Society	Energy & Industry	Total		
Net Sales						
Sales to customers	390,745	138,150	50,018	578,913	—	578,913
Intersegment sales	200	24	777	1,002	(1,002)	—
Total sales	390,945	138,174	50,795	579,916	(1,002)	578,913
Operating income	64,595	2,284	(479)	66,401	(3)	66,397
Total assets	537,769	209,411	70,278	817,459	310,117	1,127,576
Other						
Depreciation	40,072	15,160	1,573	56,806	—	56,806
Impairment loss	962	5,362	634	6,959	—	6,959
Capital expenditures	16,371	17,656	2,344	36,373	10,923	47,296

(Notes)
1. The adjustment of (¥3) million to operating income comprises of intersegment transactions.
2. Corporate assets within total assets that are included in adjustment are ¥318,307 million, consisting mainly of surplus funds managed by the Company (cash and securities), long-term investment funds (investment securities) and assets related to administrative divisions.
3. Adjustment of capital expenditures is an increase at head office divisions.

[Related information]

Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

Information about geographical areas

Net Sales (Millions of yen)

	Japan	North America			Europe			Asia			Others	Total
		Total	USA	Others	Total	Germany	Others	Total	China	Others		
Sales to customers	135,737	134,857	121,602	13,255	138,644	51,574	87,069	202,044	100,571	101,473	8,229	619,513

(Note) Net sales are attributed to countries based on the location of the customers.

Year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

Information about geographical areas

Net Sales (Millions of yen)

	Japan	North America			Europe			Asia			Others	Total
		Total	USA	Others	Total	Germany	Others	Total	China	Others		
Sales to customers	132,598	123,559	113,690	9,869	140,417	51,810	88,607	171,017	99,447	71,569	11,321	578,913

(Note) Net sales are attributed to countries based on the location of the customers.

(Revenue Recognition)

Disaggregated revenue recognized from contracts with customers

Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Business Segment			
	Environment	Digital Society	Energy & Industry	Total
Major geographical regions				
Japan	53,031	47,723	34,982	135,737
North America	78,856	44,609	11,391	134,857
Europe	130,258	4,475	3,910	138,644
Asia	123,846	74,551	3,647	202,044
Others	4,379	227	3,622	8,229
Total	390,371	171,587	57,553	619,513
Major product lines				
Automotive ceramics for exhaust gas purification	294,863	—	—	294,863
Sensors	61,729	—	—	61,729
Industrial processes	33,779	—	—	33,779
SPE related (Components for semiconductor production equipment)	—	113,835	—	113,835
Electronics components	—	31,292	—	31,292
Metal related	—	26,459	—	26,459
Energy storage	—	—	6,473	6,473
Insulators	—	—	51,080	51,080
Total	390,371	171,587	57,553	619,513
Timing of revenue recognition				
Goods and services transferred at a point in time	377,392	171,587	56,452	605,431
Goods and services transferred over time	12,979	—	1,101	14,081
Total	390,371	171,587	57,553	619,513

Year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Business Segment			
	Environment	Digital Society	Energy & Industry	Total
Major geographical regions				
Japan	55,977	44,516	32,104	132,598
North America	73,458	39,087	11,013	123,559
Europe	136,152	3,969	296	140,417
Asia	117,539	50,429	3,048	171,017
Others	7,618	147	3,555	11,321
Total	390,745	138,150	50,018	578,913
Major product lines				
Automotive ceramics for exhaust gas purification	297,299	—	—	297,299
Sensors	64,637	—	—	64,637
Industrial processes	28,808	—	—	28,808
SPE related (Components for semiconductor production equipment)	—	86,455	—	86,455
Electronics components	—	26,129	—	26,129
Metal related	—	25,565	—	25,565
Energy storage	—	—	2,089	2,089
Insulators	—	—	47,928	47,928
Total	390,745	138,150	50,018	578,913
Timing of revenue recognition				
Goods and services transferred at a point in time	376,176	138,150	49,226	563,553
Goods and services transferred over time	14,568	—	791	15,360
Total	390,745	138,150	50,018	578,913

(Notes) Effective from the current fiscal year, the Industrial Process Business which included in the “Energy & Industry” has been changed to the “Environment”.

Information for disaggregated revenue recognized from contracts with customers for the fiscal year has been reclassified based on the revised reportable segment classifications.

(Per Share Information)

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024
Net assets per share	2,455.87 yen	2,334.21 yen
Net income per share	185.96 yen	133.65 yen
Diluted net income per share	185.66 yen	133.42 yen

(Note) The basis for calculation of net income per share and diluted net income per share is as follows

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024
Net income per share		
Net income attributable to owners of the parent (Millions of yen)	54,933	40,562
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income on common stock (Millions of yen)	54,933	40,562
Average number of shares of common stock outstanding over the period (Thousand shares)	295,410	303,510
Diluted net income per share		
Adjustment to net income (Millions of yen)	—	—
Increase in common shares (Thousand shares)	468	502
(Stock options in the form of stock acquisition rights)	(468)	(502)
Summary of potentially dilutive shares not included in the calculation of diluted net income per share due to their anti-dilutive effect	—	—

(Significant Subsequent Event)

Not applicable

５． Other

Change in Officers (Effective June 26, 2025)

１． Candidate for new Representative Director

Hiroto Matsuda	(Current Senior Vice President)

２． Candidate for new Director

Jun Mori	(Current Senior Vice President)

３． Retiring Directors

Chiaki Niwa	(Current Executive Vice President)
Ryohei Iwasaki	(Current Executive Vice President)

４． Candidate for new Audit & Supervisory Board Member

Koji Hasegawa	(Former President of NGK CERAMICS (THAILAND) CO., LTD.)

５． Retiring Audit & Supervisory Board Member

Nobumitsu Saji	(Current Full-time Audit & Supervisory Board Member)

６． Newly appointed Executive Officers

Yuka Sugiura	(Current Representative Director, President, NGK CERAMIC DEVICE CO., LTD.)
Mitsuo Takahashi	(Current General Manager, Design & Construction Division, Corporate Manufacturing Engineering)
Kazuhiro Hamashima	(Current General Manager, Corporate Planning Office)
Takeyuki Ishii	(Current General Manager, Manufacturing Division, Environment Business Group)
Takaaki Koizumi	(Current General Manager, Electronic Devices Division, Digital Society Business Group)

７． Retiring Executive Officers

Chiaki Niwa	(Current Executive Vice President)
Ryohei Iwasaki	(Current Executive Vice President)
Masanobu Inoue	(Current Senior Vice President)
Tatsumi Ichioka	(Current Vice President)
Kazushi Tada	(Current Vice President)

８． Changes in Executive Officers

Executive Vice President	Hiroto Matsuda	(Current Senior Vice President)
Senior Vice President	Motoo Noritake	(Current Vice President)
Senior Vice President	Hiroki Fujita	(Current Vice President)

FY2024 Results (from April 1, 2024 to March 31, 2025) April 28, 2025
Supplementary Data NGK INSULATORS, LTD.

〔After inter-segment elimination〕

☐ October 2024 Announcement

	FY2023 Year Results	Ratio	FY2024 Year (October 2024 Announcement)	FY2024 Year Results	Ratio	YOY	FY2025 Year Forecasts	Ratio	YOY
	Bln. yen			Bln. yen			Bln. yen		
Net Sales	579	100%	620	620	100%	+7%	630	100%	+2%
<Overseas Sales>	<446>	77%		<484>	78%	+8%	<490>	78%	+1%
Operating Income	66		78	81		+22%	75		-8%
(%)	(11%)			(13%)			(12%)		
Environment Business ("EN" Business)	391	67%	392	390	63%	-0%	371	59%	-5%
Operating Income	65		67	68		+6%	59		-14%
(%)	(17%)			(17%)			(16%)		
Digital Society Business ("DS" Business)	138	24%	168	172	28%	+24%	194	31%	+13%
Operating Income	2		12	17		+652%	21		+22%
(%)	(2%)			(10%)			(11%)		
Energy & Industry Business ("E&I" Business)	50	9%	60	58	9%	+15%	65	10%	+13%
Operating Income	(0)		(1)	(4)		-	(5)		-
(%)	(-)			(-)			(-)		

	FY2023	Ratio	FY2024 (October 2024 Announcement)	FY2024	Ratio	YOY	FY2025	Ratio	YOY
Ordinary Income	63	11%	74	78	13%	+24%	70	11%	-11%
Net Income Attributable to Owners of the Parent	41	7%	53	55	9%	+35%	55	9%	+0%
R O E	6.1%			7.8%			7.6%		
E P S	133.65yen			185.96yen			187.65yen		
Dividend per share and Dividend Payout Ratio	50yen, 37.4%			60yen, 32.3%			66yen, 35.2%		

	FY2023	FY2024	FY2025
Foreign Exchange Rate (Yen/USD)	144	152	135
Foreign Exchange Rate (Yen/Euro)	157	164	155

	FY2023	Ratio	FY2024	Ratio	YOY	FY2025	Ratio	YOY
Capital Expenditures	47	8%	49	8%	+3%	68	11%	+39%
Depreciation Costs	57	10%	57	9%	+1%	57	9%	-1%
R&D Expenses	32	5%	30	5%	-6%	36	6%	+22%

FY2024 Results … Both Sales and Income increased, and Sales have reached a record-high

① Summary of business results by segment

【EN Business】 … Decreased sales, increased income

・Automotive related — Sales decreased due to deteriorating market conditions in China, Southeast Asia, and Europe, despite the positive effect of the weak yen. Operating income increased mainly due to cost reductions and improved selling prices.

【DS Business】 … Increased sales and income

・SPE related ※ — Both sales and income increased due to the weak yen and increased demand for semiconductors for AI applications.

・Electronics components — Although sales increased due to strong investment in data centers and increased demand for piezoelectric elements for hard disk drives, income decreased because up-front costs for increasing production capacity of DCB and AMB Substrates for Power Modules are increased, and sluggishness in Ceramic Package segment business continued.

【E&I Business】 … Increased sales, continued losses

・Insulators — Domestic and overseas demand for insulators remained strong. Both sales and income were boosted by the impact of the weak yen.

・Energy Storage — The deficit associated with NAS® batteries, for which demand had been expected to increase, widened as a result of the slowdown in overseas projects, in addition to the write-down of inventories.

② Exchange Rate Effects — Sales increased 16.3 billion yen and operating income increased 8.4 billion yen year on year.
(144 yen/ USD and 157 yen/ Euro in FY2023. 152 yen/ USD and 164 yen/ Euro in FY2024.)

③ Extraordinary Loss — Recorded impairment losses of 5.8 billion yen because of significant delay in the business plan for DCB and AMB Substrates for Power Modules due to the delay in the progress of the shift to EVs, and continued deficits in Ceramic Package segment, and a compensation loss of 3.0 billion yen based on an agreement with a business partner.

※ SPE related…Products for semiconductor manufacturing equipment

Forecasts for FY2025 … Even though Sales are expected to reach a record-high, Income is expected to decrease due to the negative impact of the strong yen and increased costs associated with U.S. tariff policies

① Summary of forecasts by segment

【EN Business】 … Expected decreases in sales and income

・Automotive related — Although a recovery in demand for trucks and off-road vehicles and improved selling prices are expected, we forecast lower sales and income, taking into account the negative impact of the strong yen and increased costs associated with tariff policies.

【DS Business】 … Expected Increases in sales and income

・SPE related ※ — Sales are expected to increase due to increased demand for AI semiconductors. Income is expected to increase, as it is assumed that the direct impact of tariff policies will be limited.

・Electronics components — Due to the strong yen and other factors, sales are expected to increase while income is expected to decrease. On the other hand, investment in data centers remains strong and demand for piezoelectric elements for hard disk drives remains stable.

【E&I Business】 … Expected Increases in sales but ongoing losses

・Insulators — Although demand associated with domestic and overseas power-related investments remains strong, sales and income are expected to decline due to lower volume at the Chita Plant, which is scheduled for closure.

・Energy Storage — Although shipments are expected to increase, primarily driven by domestic projects,some processes at the plant will be suspended due to slower demand in the future.The deficit is expected to continue.

② Exchange Rate Effects

・Year-on-year — Sales to decrease 33.0 billion yen and operating income to decrease 13.1 billion yen year on year.
(152 yen/ USD and 164 yen/ Euro in FY2024. 135 yen/ USD and 155 yen/ Euro in FY2025.)

・Effects of a yen change in exchange rates per year
USD : Sales 1.6 billion yen and operating income 0.7 billion yen
Euro : Sales 0.7 billion yen and operating income 0.1 billion yen

③ Impact of tariffs — A negative impact of 5.0 billion yen has been reflected in this forecast for tariffs that are anticipated based on the Company’s sales channel and product items.

④Acquisition of DKNM shares — In February 2025, we reached an agreement with Deutsche KNM GmbH, a German company, to enable us to acquire their shares. The impact of this is not included in the financial results forecast, although we are in the process of completing the acquisition.

⑤ Non-operating expenses — The liquidation of the South African automotive-related products manufacturing site, whose closure was decided in March 2023, is scheduled to be completed during the current fiscal year. In this regard, a "foreign currency translation adjustment" of 3.7 billion yen arising from the difference in exchange rates used for yen conversion is recognized as a non-operating expense.

⑥ Dividend Forecast — An interim dividend of 33 yen, a year-end dividend of 33 yen (planned), total dividend will be 66 yen.（Equal to the record-high of 66 yen in FY2022）

*The business segments have been changed from the beginning of FY2024.
As a result of this change, the operating results for FY2023 have been rearranged and presented using the same segment classification.
The Industrial Process Business was transferred from the Energy & Industry Division (“E&I Division”) to the Environment Division (“EN Division”).

FY2024 Results Supplementary Data (FY2025 1st Half Forecasts)

April 28, 2025
NGK INSULATORS, LTD.

〔After inter-segment elimination〕

	FY2023 1st half Results	Ratio	FY2024 1st half Results	Ratio	FY2025 1st half Forecasts	Ratio	YOY
	Bln. yen		Bln. yen		Bln. yen		
Net Sales	283	100%	298	100%	310	100%	+4%
<Overseas Sales>	<221>	78%	<235>	79%	<240>	77%	+2%
Operating Income	33		40		33		−17%
(%)	(11%)		(13%)		(11%)		
Environment Business ("EN"Business)	193	68%	192	64%	184	59%	−4%
Operating Income	32		35		26		−26%
(%)	(17%)		(18%)		(14%)		
Digital Society Business ("DS"Business)	66	23%	79	27%	94	30%	+19%
Operating Income	1		5		10		−
(%)	(1%)		(7%)		(11%)		
Energy & Industry Business ("E&I"Business)	24	8%	27	9%	32	10%	+19%
Operating Income	(1)		(1)		(3)		−
(%)	(−)		(−)		(−)		

		Ratio		Ratio		Ratio	YOY
Ordinary Income	29	10%	38	13%	30	10%	−23%
Net Income Attributable to Owners of the Parent	18	6%	26	9%	19	6%	−27%

Foreign Exchange Rate (Yen/USD)	141	152	135
Foreign Exchange Rate (Yen/Euro)	154	165	155

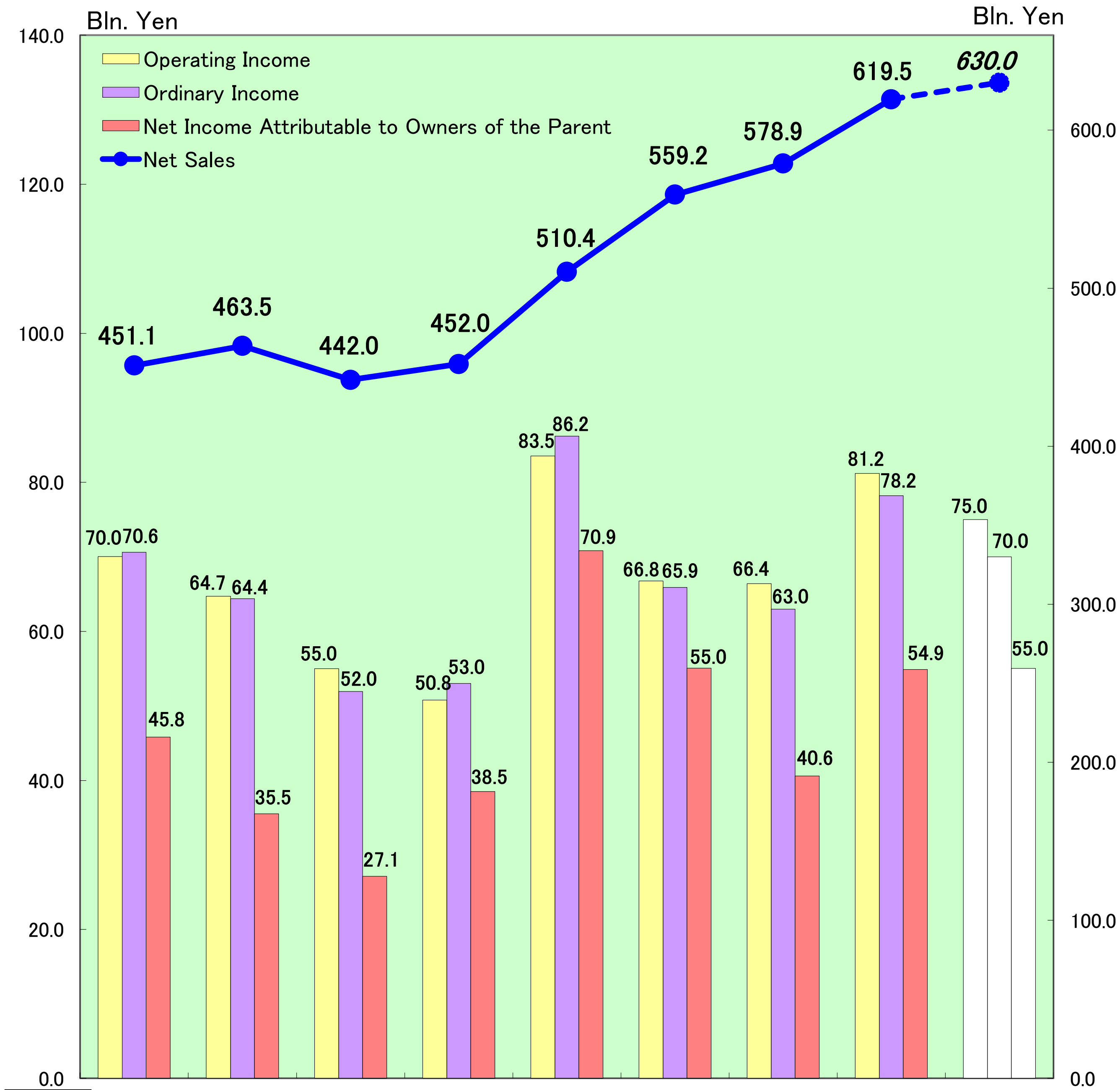
Capital Expenditures	23	8%	22	7%	35	11%	+60%
Depreciation Costs	28	10%	29	10%	28	9%	−2%
R&D Expenses	15	5%	14	5%	17	5%	+22%

April 28, 2025
NGK INSULATORS, LTD.

Consolidated Operating Results

(Bln. Yen)

	Results from previous year(FY2023)	Results(FY2024)		Growth ratio	Forecast(FY2025)
		October announcement			
Net Sales	578.9	620.0	619.5	+7%	630.0
Operating Income	66.4	78.0	81.2	+22%	75.0
Ordinary Income	63.0	74.0	78.2	+24%	70.0
Net Income Attributable to Owners of the Parent	40.6	53.0	54.9	+35%	55.0



	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
FX Rate USD	¥111	¥111	¥109	¥106	¥113	¥135	¥144	¥152	¥135
EUR	¥129	¥128	¥121	¥124	¥131	¥141	¥157	¥164	¥155
ROE	10.4%	7.6%	5.8%	7.9%	12.9%	9.0%	6.1%	7.8%	7.6%
EPS	¥142.42	¥110.35	¥84.73	¥121.61	¥226.56	¥177.47	¥133.65	¥185.96	¥187.65
Dividend	¥44	¥50	¥50	¥30	¥63	¥66	¥50	¥60	¥66