

# FY2025 Business Report for Shareholders

From April 1, 2025 to March 31, 2026

- Topic 1** Looking Ahead to Semiconductor Market Growth
- Topic 2** Using NGK Technology to Further Accelerate IoT
- Topic 3** Aiming for NGK to Achieve Net-zero CO<sub>2</sub> Emissions by 2050

## Top Message

We sincerely hope that this NGK Group Business Report for FY2025 finds our shareholders prospering and in good health.

With deep gratitude for your continued support, we hereby present this overview of our Group's business performance for FY2025.

President  
**Shigeru Kobayashi** 小林 茂

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### How was the NGK Group's business performance for FY2025?

**A** Net sales, operating income, and ordinary income all significantly surpassed previous record highs. Despite recording an extraordinary loss related to the discontinuation of NAS<sup>®</sup> Batteries manufacturing and sales activities, net income for the period also increased.

In Environment Business, sales increased due to a surge in demand in the first half of the year in anticipation of the US tariff increase, as well as due to continued strong demand in the second half. Income increased only slightly, partly due to the development costs of carbon-neutral products such as DAC (Direct Air Capture). Furthermore, in Digital Society Business, increased demand for semiconductors for AI applications and increased inventory at some customers led to expanded demand for semiconductor production equipment products, resulting in increased sales and income. In Energy & Industry Business, domestic and international demand for insulators remained strong. However, Energy Storage decided to discontinue NAS<sup>®</sup> Battery manufacturing and sales activities in October 2025 and recorded 20 billion yen in business restructuring costs as an extraordinary loss. Also, as extraordinary income, we reduced our strategic shareholdings and recorded a gain of 13.2 billion yen from the sale of investment securities.

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### How is the outlook for FY2026?

**A** Driven by the growth of Digital Society Business, record-high net sales of 710 billion yen and operating income of 107 billion yen are expected.

In Environment Business, while a gradual shift towards electric vehicles is expected, the shift to high value-added products is also progressing, and sales are projected to increase. However, due to anticipated increases in development costs, operating income is expected to remain flat. In Digital Society Business, the semiconductor production equipment market is expanding at an accelerating pace, driven by AI demand. NGK offers multiple products that support the semiconductor production process from front-end to mounting, enabling us to confidently capture market demand, and we are thus projecting increased sales and income. Furthermore, given the situation in the Middle East, we have reflected an estimated cost increase of two billion yen in the performance forecasts for each business, due to the rise in energy prices resulting from soaring crude oil prices.





### How are the dividends?

**The year-end dividend is 42 yen (80 yen for the full year), an increase of 4 yen from the initial forecast, and, for the next fiscal year, we plan to increase the dividend by 26 yen, making the total annual dividend 106 yen.**

Given our solid business performance at present, we plan to pay a year-end dividend of 42 yen per share for the period under review, which, combined with the interim dividend of 38 yen already paid, will bring the total annual dividend to 80 yen per share. We plan to increase the annual dividend for the fiscal year ending March 2027 by 26 yen to 106 yen.



### Message for shareholders?

**We changed our company name to "NGK Corporation" in April 2026, and, in May 2026, we announced our long-term management plan for 2026 through 2035.**

The NGK Group, as a unified entity, will work to create new products and businesses to provide new value to society, while also strengthening engagement with stakeholders around the world and growing "NGK" into an even more global brand. In our long-term management plan, we aim to enhance the profitability of our existing businesses, drive growth in the digital society domain, and lay the groundwork for carbon neutrality, all with the aim of ensuring the NGK Group grows by leaps and bounds.

[About our long-term management plan ▶](#)

## Performance Highlights

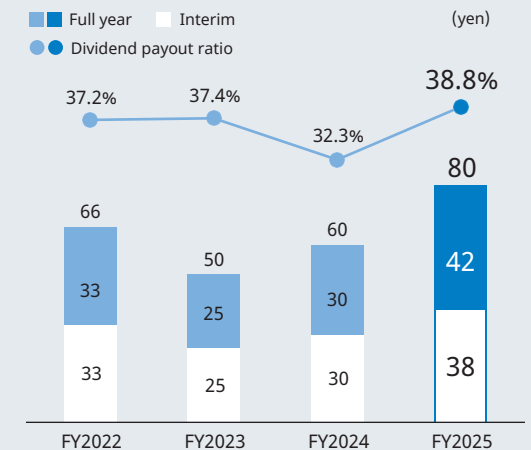
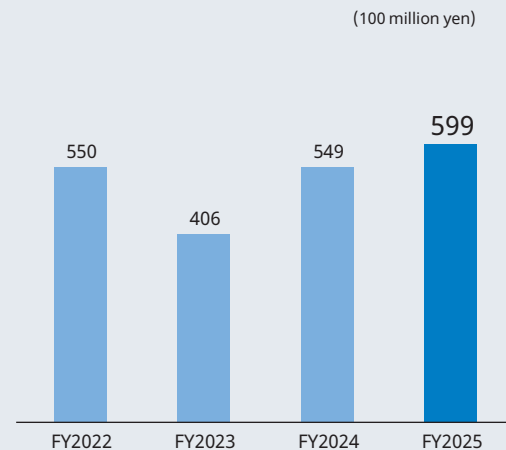
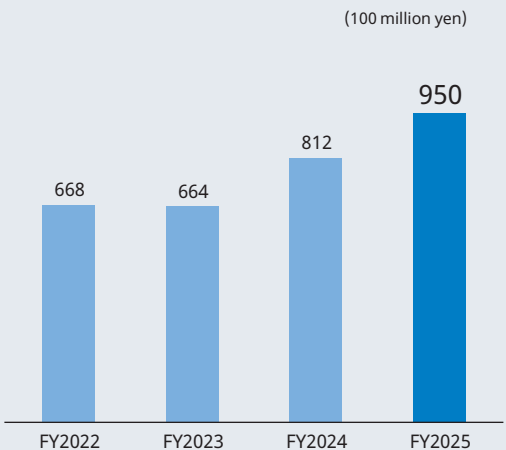
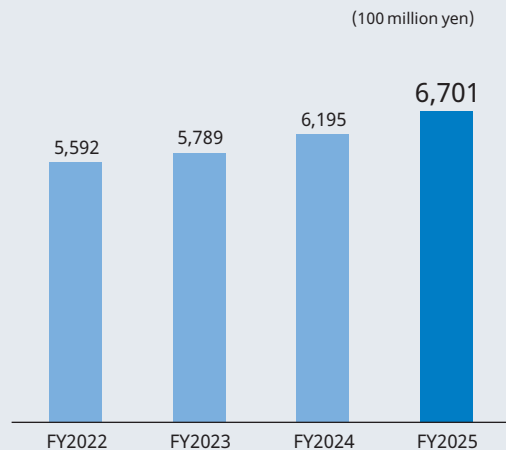
[For more information ▶](#)

Net sales

Operating income

Profit attributable to owners of the parent

Dividend per share/  
Dividend payout ratio

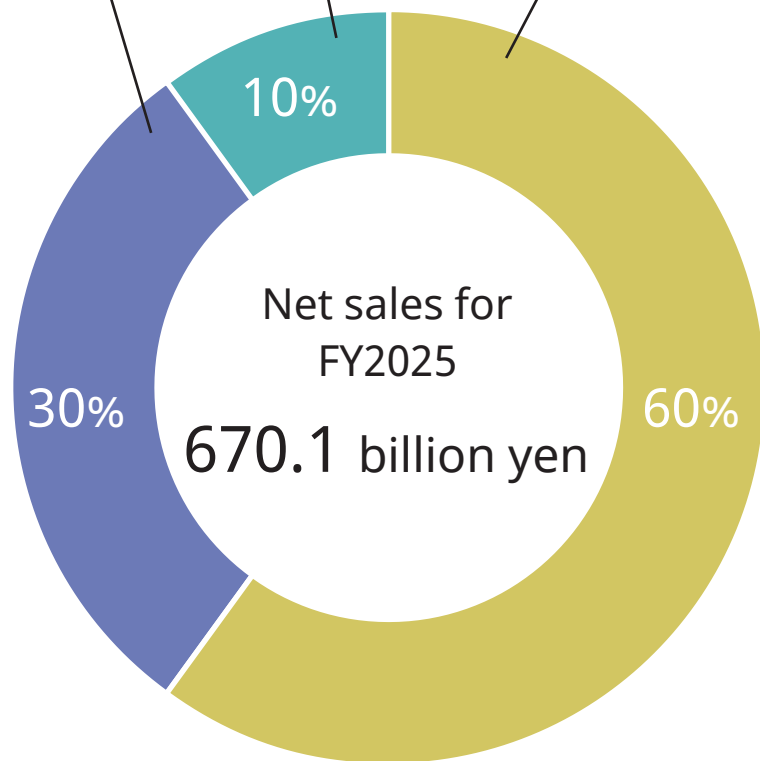


## Overview by Segment

Digital Society Business  
205.4 billion yen

Energy & Industry Business  
65.9 billion yen

Environment Business  
401.4 billion yen



\*The above net sales include intersegment transactions and transfers.

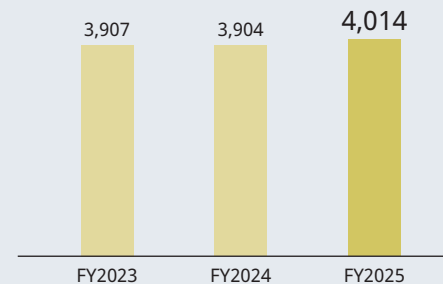
## Environment Business



Developing and manufacturing products that resolve environmental issues in a wide range of fields, including automobiles, chemicals, medicine, food, and nuclear power, to contribute to the development of a more prosperous society

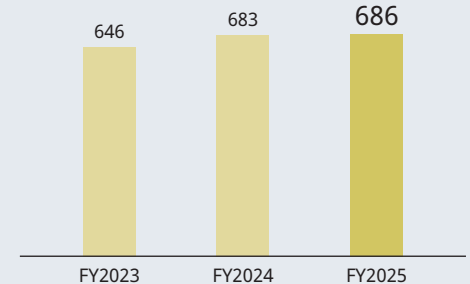
Net sales  
401.4 billion yen

(100 million yen)



Operating income  
68.6 billion yen

(100 million yen)



### Explanation of Key Points

In automotive-related products, sales increased due to a surge in demand in the first half of the year in anticipation of the US tariff increase, as well as due to continued strong demand in the second half and the increasing reflection of higher tariff rates and precious metal prices in sales prices.

Operating income increased by 0.5% year-on-year to 68.617 billion yen as a result of increased sales, although this was tempered by various factors, such as increased carbon neutral-related research and development expenses for DAC (Direct Air Capture) and sub-nano ceramic membrane.

\*The above net sales include 1,973 million yen in intersegment transactions or transfers.

## Digital Society Business

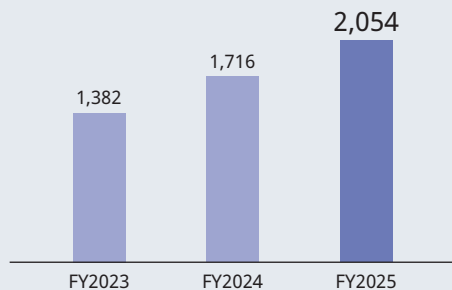


Developing and manufacturing products that contribute to advancements in IoT and AI (artificial intelligence), and to the advanced functionality, miniaturization, and weight reduction of electronics products

### Net sales

205.4 billion yen

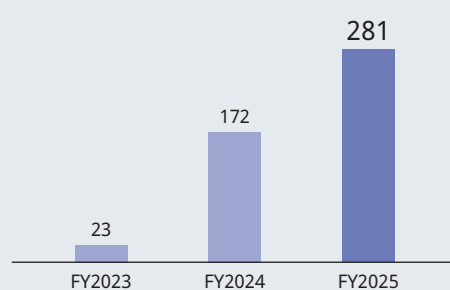
(100 million yen)



### Operating income

28.1 billion yen

(100 million yen)



#### Explanation of Key Points

In addition to increased demand for semiconductors used in AI applications, demand for semiconductor production equipment products also increased due to inventory buildup by some customers. Furthermore, robust data center investments continued, leading to strong shipments of piezoelectric micro actuators for hard disk drives (HDDs), resulting in increased revenue for the segment as a whole. Operating income increased by 63.5% year-on-year to 28.105 billion yen, driven by increased sales of semiconductor production equipment products.

\*The above net sales include 6 million yen in intersegment transactions or transfers.

## Energy & Industry Business

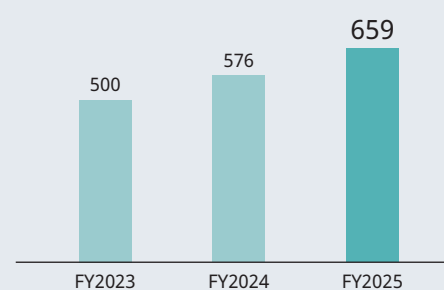


Developing and manufacturing products that support the realization of a stable energy supply for society

### Net sales

65.9 billion yen

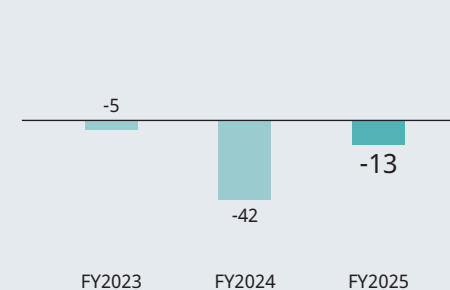
(100 million yen)



### Operating loss

-1.3 billion yen

(100 million yen)



#### Explanation of Key Points

Sales increased due to robust and steady demand for insulators driven by investments in data centers in the United States and domestic power infrastructure upgrades. While insulators performed well, there was an operating loss of 1.322 billion yen due to losses from NAS<sup>®</sup> Batteries, which discontinued manufacturing and sales activities in October 2025.

\*The above net sales include 660 million yen in intersegment transactions or transfers.

## Looking Ahead to Semiconductor Market Growth

### Decision Made to Establish New Production Base in Nomi City, Ishikawa Prefecture

The semiconductor market is expected to continue its medium- to long-term growth, driven by factors such as the spread of generative AI in addition to demand for mobile devices, and the expansion of data centers.

To meet the strong demand for our products, we have decided to establish a new production site for ceramics used in semiconductor production equipment in Nomi City, Ishikawa Prefecture.

#### Overview of New Plant



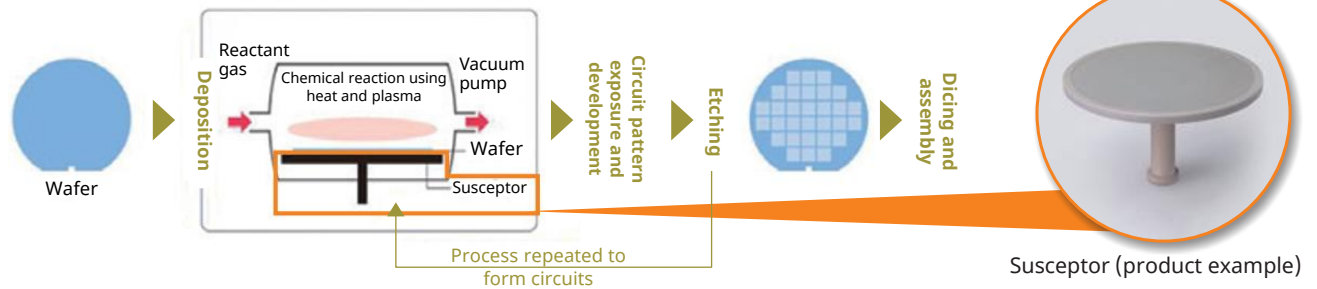
Rendering of the new Ishikawa Plant

Name	NGK CERAMIC DEVICE CO., LTD. Ishikawa Plant
Location	Nomi City, Ishikawa Prefecture
Site area	Approx. 104,000 square meters
Total floor area	Approx. 51,000 square meters
Capital investment amount	Approx. 70 billion yen
Construction start	April 2027
Production start	October 2029
No. of employees	Approx. 150 at start of production (approx. 250 at full production)

#### What are "susceptors"?

The new plant will produce ceramic functional components (susceptors) that support silicon wafers, which are semiconductor materials, inside semiconductor production equipment.

Semiconductor production process example (deposition)



- Will increase NGK Group production capacity for semiconductor production equipment ceramics by approximately 20%
- Will be an important base for strengthening the supply system from a BCP (Business Continuity Plan) perspective



In our "NGK Group Vision: Road to 2050" medium- to long-term vision for 2050, the aim for the NGK Group is to transition towards a business structure focused on carbon neutrality and a digital society.

In particular, the semiconductor-related field is positioned as the core of business that will drive our future growth, and we will utilize technological development and capital investment to help us continue contributing to the development of the semiconductor industry and working towards the realization of a digital society.

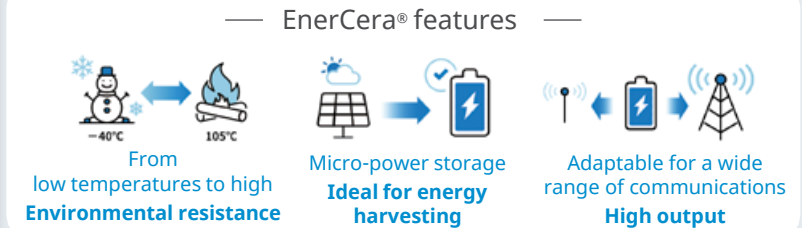
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# Using NGK Technology to Further Accelerate IoT

## EnerCera® Ultra-thin and Compact Lithium-ion Rechargeable Batteries

### What is "EnerCera®?"

EnerCera® is an ultra-thin, compact lithium-ion rechargeable battery that boasts high output, high heat resistance, high capacity, and a long lifespan.



### Check this out!

#### Technical evaluation

### 1. International award finalist selection

Our employee, Chiori Suzuki, has been selected as a finalist for the internationally acclaimed "Women Leaders in Electronics Awards 2026." She was recognized for her global business drive, inclusive leadership, and contributions to innovation.

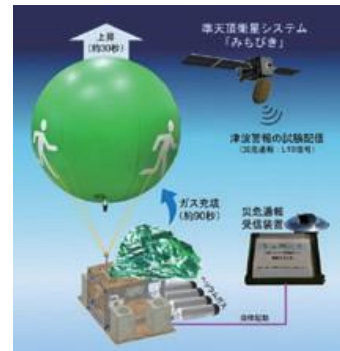


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#### Social contribution

### 2. Contributing to the development of a new disaster prevention system

This project aims to build a new disaster prevention system that automatically raises balloon-type evacuation signs when a tsunami occurs, intuitively indicating the location of tsunami evacuation facilities from the air. Our EnerCera® batteries will be responsible for powering the light source in the balloons, enabling a system that clearly indicates evacuation locations even at night or in poor visibility conditions.



For more information ▶

#### Expansion into new markets

### 3. Development of an acrylic stand base

We have developed the EnerCera® battery-equipped "EnerCerLight® STAGE" acrylic stand base with built-in LED and sound functions. By utilizing our thin, lightweight, and safe rechargeable battery, which has little risk of overheating and igniting, we are venturing full-scale into the entertainment market, where demand is expected to expand.



For more information ▶



# Aiming for NGK to Achieve Net-zero CO<sub>2</sub> Emissions by 2050

## Successful Establishment of Hydrogen Combustion-driven Mass Production Technology!

NGK aims to achieve net-zero CO<sub>2</sub> emissions by 2050 by reducing approximately 200,000 tons of CO<sub>2</sub> annually from our business activities (Scope 1). To achieve our goals, we have been conducting demonstration tests since June 2023 to achieve practical application of a hydrogen-fueled firing furnace, which has now been successfully established for use as mass production technology for our products.

### Key benefits of hydrogen

- A clean fuel that does not emit CO<sub>2</sub> during combustion
- High flame temperature and fast combustion rate

	Hydrogen	Methane
Flame temperature (°C)	2,045	1,875
Combustion rate (m/s)	2.65	0.4
Ignition energy (mJ)	0.02	0.28

### ! Challenges of hydrogen combustion

In ceramic product manufacturing, the temperature distribution inside the firing furnace greatly affects performance and quality, which is why hydrogen combustion has not been put into practical use until now.

Need for development of specialized equipment optimized for hydrogen combustion

### Developed exclusively by NGK!

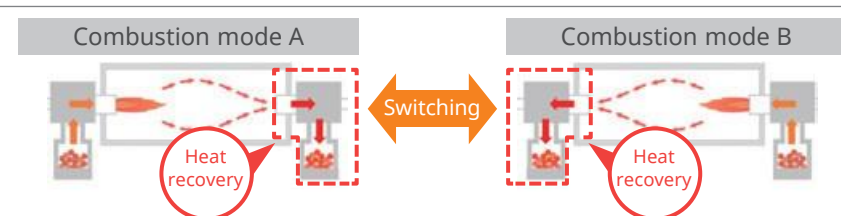
We have newly developed a "regenerative burner" that can fire ceramics using hydrogen as fuel, achieving hydrogen combustion while ensuring the performance and quality of our mass-produced products.

### What is a "regenerative burner"?

This device uses a pair of burners, each containing a heat storage element, to alternately switch between combustion and exhaust. The high-temperature gas emitted during combustion is passed through the heat storage element to heat it, and the waste heat is recovered.



Regenerative burner exterior



### NGK products fired using a regenerative burner



HONEYCERAM®



Gasoline Particulate Filter (GPF)



For more information ▶

## Company Profile

For more information ▶

<b>Trade name</b>	NGK Corporation
<b>Establishment</b>	May 5, 1919
<b>Capital</b>	70.1 billion yen (as of March 31, 2026)
<b>Listed stock exchange</b>	Tokyo Stock Exchange Prime Market/ Nagoya Stock Exchange Premier Market
<b>Head office location</b>	2-56 Suda-cho, Mizuho-ku, Nagoya

## HP Information

### Corporate Website

Provides detailed information about our company and products.

<https://www.ngk-global.com/> ▶

### NGK's Solutions Technology

A science and technology journalist provides easy-to-understand explanations of current societal challenges and NGK's technologies that can help address them.

<https://www.ngk-global.com/address/> ▶

### For our individual investors

Provides content for individual investors, including IR information.

<https://www.ngk-global.com/ir/individual/> ▶

We want to hear from  
our shareholders



We are conducting a survey to hear feedback from our shareholders. Your participation in this survey would be greatly appreciated.

Please click below to access  
and take part in the survey.

**Click here to take the survey** ▶  
(Japanese page only)

Survey participants will be selected at random to receive a small gift.

This survey is being conducted using the "Koekiku" service provided by Pronexus Inc. For survey-related inquiries, please contact the Koekiku Office.

✉ [koekiku@pronexus.co.jp](mailto:koekiku@pronexus.co.jp)