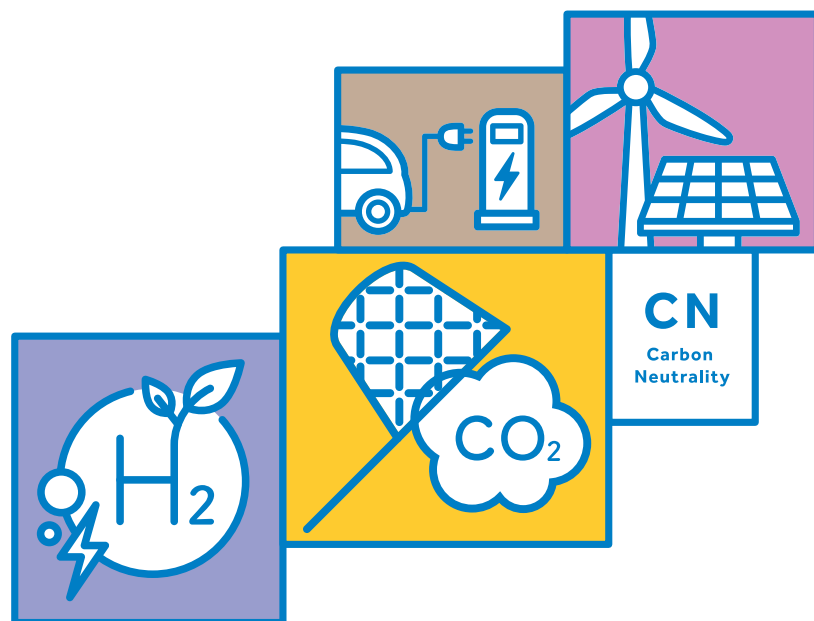




FY2025 Interim Business Report for Shareholders

(From April 1, 2025 to September 30, 2025)



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• Top Message •

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

With sincere gratitude for your continued support, we hereby present this overview of our Group's business performance for the first six months of FY2025.

President
Shigeru Kobayashi 小林 茂

Q How was the NGK Group's business performance for the current interim period?

A Net sales, operating income, and ordinary income reached record highs for the first six months of the fiscal year. Interim profit declined due to the recording of an extraordinary loss related to the discontinuation of NAS[®] Batteries manufacturing and sales activities.

In Environment Business, sales and profits increased due to last-minute demand in anticipation of tariff hikes for automotive-related products, etc. In Digital Society Business, despite a setback in plans to build a new, cutting-edge foundries for semiconductor manufacturing equipment, demand for semiconductors for AI applications continued, and inventory buildups at some customers were concentrated in the first half of the year, resulting in increased sales and profits. In Energy & Industry Business, demand for insulators remained strong, but interim profit attributable to owners of the parent decreased due to the recording of an extraordinary loss related to the discontinuation of NAS[®] Batteries manufacturing and sales activities.

Q How is the outlook for the full fiscal year?

A Net sales and operating income are expected to reach new record highs. Despite recording an extraordinary loss related to the discontinuation of NAS[®] Batteries manufacturing and sales activities, we have factored in a gain on sales from the reduction of strategic shareholdings and have maintained our profit forecast at the level announced in April.

In Environment Business, the direct impact of US tariffs will be limited, but market conditions are expected to slow in the second half of the year, as was initially anticipated. Due to the impact of the strong yen, sales are expected to remain flat and profits to decrease. In Digital Society Business, while demand for semiconductor production equipment products due to inventory buildup at some customers is expected to fall in the second half, demand for semiconductors for AI applications is expected to continue, leading to increased sales and profits. Additionally, while there is an extraordinary loss recorded related to the discontinuation of NAS[®] Batteries manufacturing and sales activities, profit attributable to owners of the parent will remain unchanged from the forecast announced in April, reflecting gains on sales from the reduction of strategic shareholdings.



Q How are the dividends?

A We plan to increase the annual dividend by 10 yen from our April forecast.

The interim and year-end dividends are expected to be 38 yen per share, an increase of 5 yen from the April forecast, for a total annual dividend of 76 yen.

Q Message for shareholders?

A The company name will be changed to "NGK Corporation" from April 1, 2026.

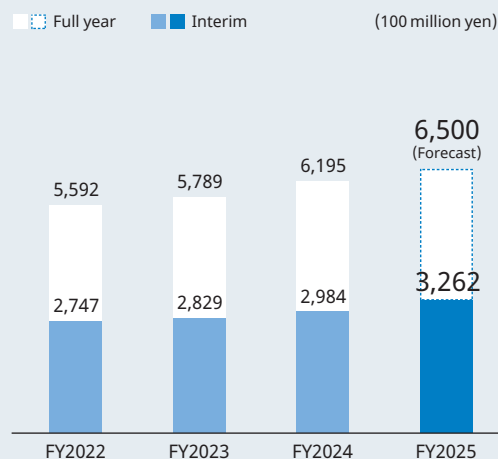
As announced on January 31, 2025, our company name will be changed to "NGK Corporation" on April 1, 2026.

To achieve the vision outlined in the NGK Group Vision of "Contributing to carbon neutrality and a digital society with our unique ceramic technology," we will accelerate our efforts to transform our business structure and further improve brand recognition in Japan and overseas.

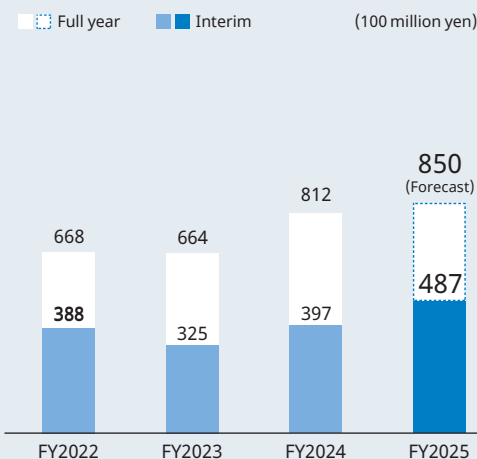
Performance Highlights

[For more information](#)

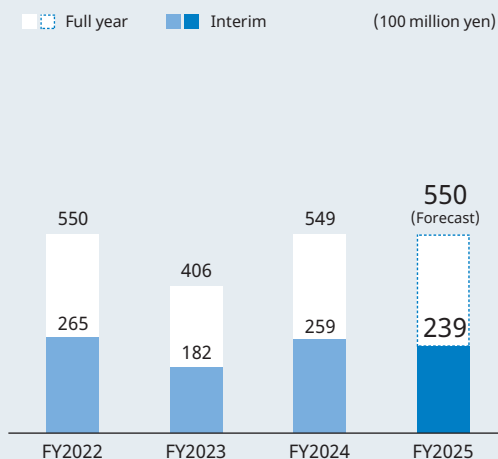
Net sales



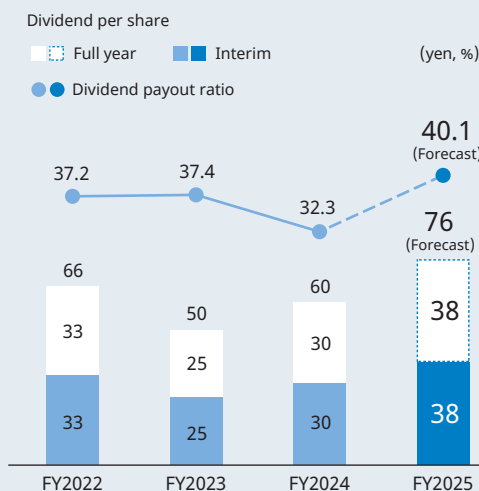
Operating income



Interim (current) profit attributable to owners of the parent



Dividend per share/ Dividend payout ratio



Overview by Segment

Digital Society Business

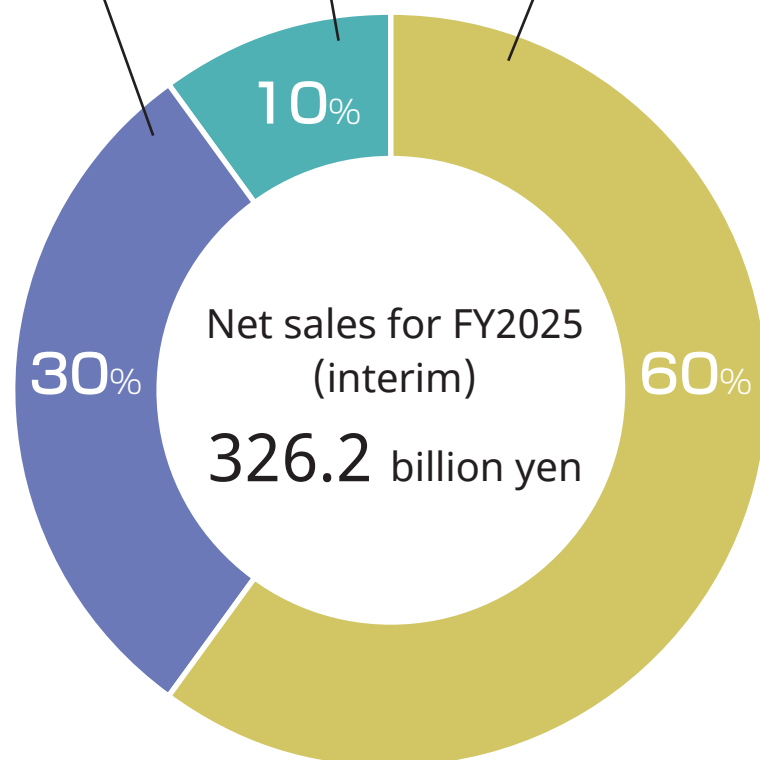
97.8 billion yen

Energy & Industry Business

31.8 billion yen

Environment Business

196.6 billion yen



Environment Business



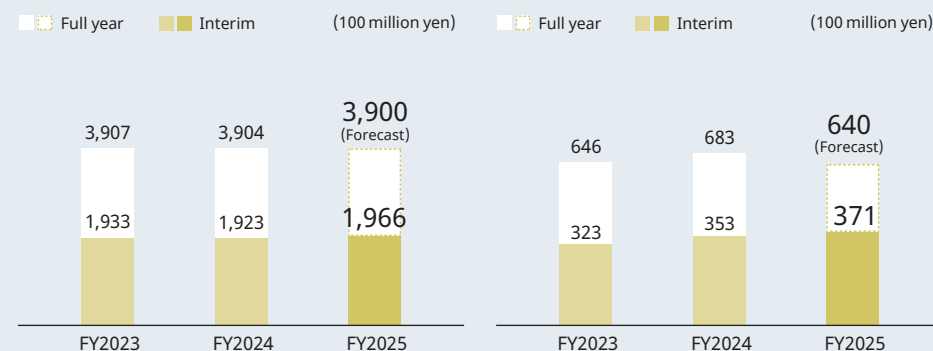
Developing and manufacturing products that resolve environmental issues in a wide range of fields, including automobiles, chemicals, medicine, food, and nuclear power, to contribute to the development of a more prosperous society

Net sales

196.6 billion yen

Operating income

37.1 billion yen



Explanation of Key Points

Shipments of automotive-related products increased due to such factors as last-minute demand in anticipation of tariff hikes, and overlapping sales from construction projects in industrial processes were also recorded. As a result, net sales increased 2.5% year on year to 197,398 million yen, and operating income increased 5.1% year on year to 37,106 million yen.

*The above net sales include 793 million yen in intersegment transactions or transfers.

Digital Society Business

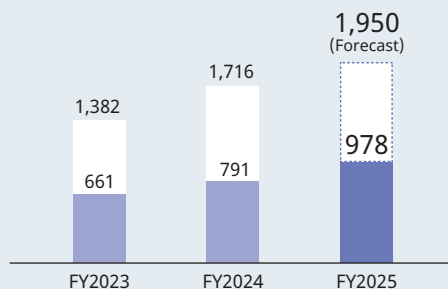


Developing and manufacturing products that contribute to advancements in IoT and AI (artificial intelligence), and to the advanced functionality, miniaturization, and weight reduction of electronics products

Net sales

97.8 billion yen

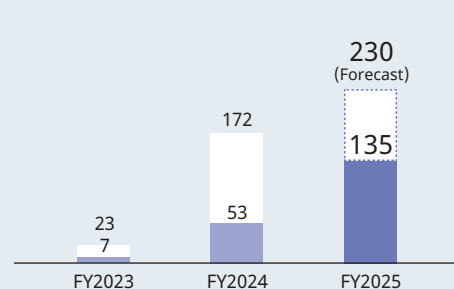
Full year Interim (100 million yen)



Operating income

13.5 billion yen

Full year Interim (100 million yen)



Explanation of Key Points

Regarding products for semiconductor production equipment, although plans to build a new, cutting-edge foundries have slowed down, shipments increased due to inventory buildups at some customers, resulting in net sales increasing 23.6% year on year to 97,827 million yen and operating income increasing 157.2% year on year to 13,506 million yen.

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

Energy & Industry Business

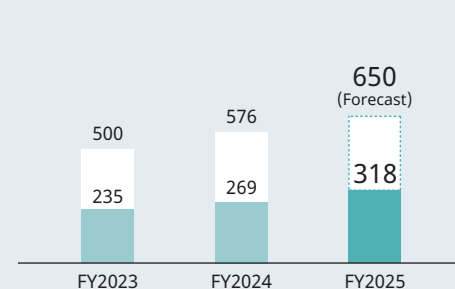


Developing and manufacturing products that support the realization of a stable energy supply for society

Net sales

31.8 billion yen

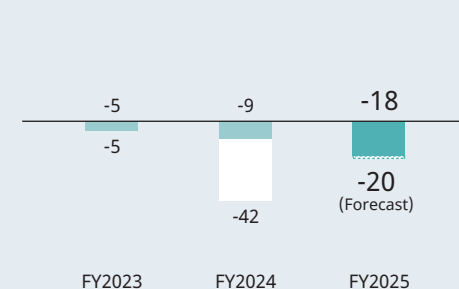
Full year Interim (100 million yen)



Operating loss

1.8 billion yen

Full year Interim (100 million yen)



Explanation of Key Points

Due to strong demand for insulators, sales increased 17.9% year on year to 32,120 million yen, and the operating loss was 1,773 million yen (operating loss of 865 million yen in the same period last year).

*The above net sales include 346 million yen in intersegment transactions or transfers.

Topic 1

For more information about environmentally friendly products ▶

NGK's challenge

Developing and distributing products and services contributing to environmental protection

The NGK Group regards contributing to society through our business activities to be one of our most important missions.

We leverage the technology we have cultivated for more than a century since our founding, to develop and provide products and technologies that contribute to the global environment.

Our definition of products and services contributing to environmental protection

We define products and services contributing to environmental protection as those that fulfill any of the following requirements.

- 1 Items recognized or certified by third party organizations
- 2 Items that help limit or reduce the impact on the Earth's environment
- 3 Items that help reduce the impact on the local environment

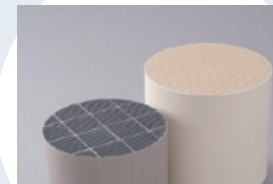
FY2024
Sales ratio

66%

Our current lineup includes
12 products and services!



HONEYCERAM



Diesel Particulate Filters (DPFs)



In-vehicle high-precision NOx sensors

Six are related to carbon neutrality!



Turn to the next page for more information on our new product under development that contributes to carbon neutrality!



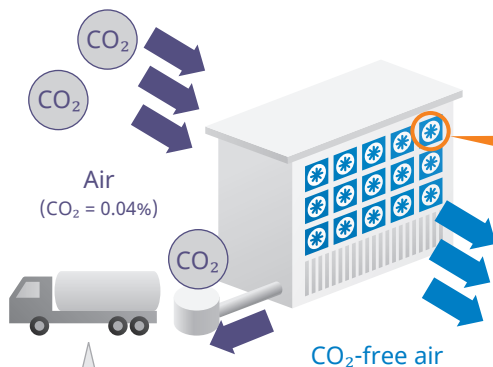
NGK technology can be used to capture CO₂!?

Direct Air Capture (DAC)

As a product that will contribute to carbon neutrality, we are currently developing a honeycomb for direct air capture.

What is "Direct Air Capture?"

This refers to an effort to capture CO₂ from the atmosphere, and it is attracting attention as an essential technology for achieving decarbonization.



Captured CO₂ is stored underground and utilized

CCS
Carbon dioxide
sequestration



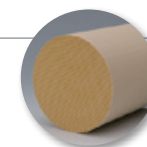
CCU
Carbon dioxide
utilization



NGK is
here!

We are developing a ceramic substrate that is installed inside the DAC device.
By applying an adsorbent, this substrate contributes to capturing CO₂.

Manufacturing technology of our
product "HONEYCERAM" is applied.

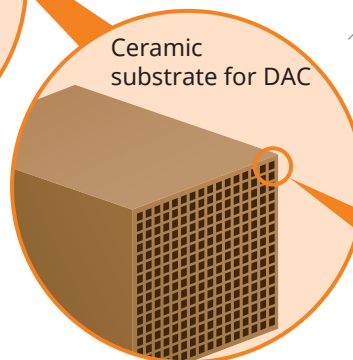


Key
Features

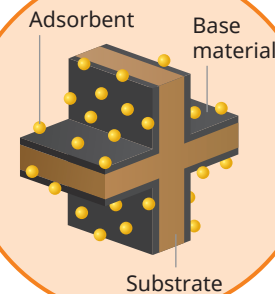
- Large surface area for applying an adsorbent
- High durability

Contains many ceramic
substrates for DAC.

Ceramic
substrate for DAC



A CO₂ adsorbent is applied to the ceramic substrate for
DAC. CO₂ is captured as air passes through the substrate.



DAC technology
workshop offered!

This workshop provides
a detailed explanation of
the latest trends in DAC
technology and NGK's
DAC technology.
Be sure to check it out!
(Japanese page only)



For more information ▶

Topic 2

NGK technology is contributing to a digital society!

Participation in NEDO's "Research and Development Project of the Enhanced Infrastructures for Post-5G Information and Communication Systems"

Social issues arising from advances in generative AI

The increasing power consumption of data centers around the world is creating issues for society in the form of environmental impact and rising energy costs...

To address this

Ultra-fast quantum computational processing is attracting attention

Conventional quantum computers
Operates at
cryogenic temperatures

This involves huge cooling
equipment and huge energy costs

Optical quantum computers
Operates at
room temperature

- No cooling equipment needed
- High compatibility with existing optical fiber communications

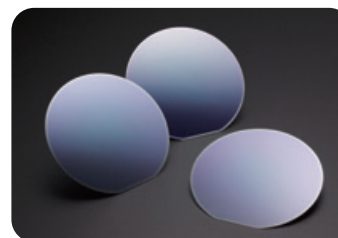


However, optical quantum computers are still at the proof-of-principle stage

NGK's
solution!

We will participate in NEDO's "Research and Development Project of the Enhanced Infrastructures for Post-5G Information and Communication Systems," which aims to commercialize optical quantum computers.

Utilizing the bonding and precision polishing technologies we have cultivated over many years through the development of bonded wafers for SAW filters, we will develop TFLN* wafers, which are essential for the integrated circuits of optical quantum computers.



Bonded wafers for SAW filters

*TFLN (Thin Film Lithium Niobate): A composite wafer made by thinning lithium niobate crystals to a thickness of several hundred nanometers. It is primarily used in optical integrated circuits in data centers.

We will utilize the technology of our product "Bonded Wafer for SAW Filter."

- High reliability achieved by maintaining the material properties of TFLN
- Contributes to thinner wafers
- Cost reduction during mass production
- Strengthens competitiveness



(Japanese page only) For more information on "Research and Development Project of the Enhanced Infrastructures for Post-5G Information and Communication Systems" ▶

Publication of the "NGK Report 2025" integrated report

Since its founding in 1919, the NGK Group has achieved sustainable growth by helping to address social issues with its unique ceramic technology. With the world undergoing major changes, this publication explains the story of the "NGK Group Vision: Road to 2050," a mid- to long-term vision formulated with the aim of continuing to create value for society in the future. It also shows how the company's unique ceramic technology will be applied and deployed in new markets and products, transforming NGK's business structure, as a reason for the vision's realization. In addition, it introduces the materialities (key issues) needed to realize the company's vision, along with KPIs, and presents "an NGK Group that can continue to create value over the long term."

For more information ▶



Company Profile

[For more information ▶](#)

Company name	NGK Insulators, Ltd.
Trade name	NGK INSULATORS, LTD.
Establishment	May 5, 1919
Capital	70.1 billion yen (as of September 30, 2025)
Listed stock exchange	Tokyo Stock Exchange Prime Market/ Nagoya Stock Exchange Premier Market
Head office location	2-56 Suda-cho, Mizuho-ku, Nagoya

HP Information

Corporate Website

Provides detailed information about our company and products.

[https://www.ngk-insulators.com/en/ ▶](https://www.ngk-insulators.com/en/)

A bright future, in sight.

NGK's TV commercial.

Web-exclusive movie is also available.
(Japanese page only)

[https://www.ngk.co.jp/iimirai/ ▶](https://www.ngk.co.jp/iimirai/)

For our individual investors

Provides content for individual investors, including IR information.

[https://www.ngk-insulators.com/en/ir/ ▶](https://www.ngk-insulators.com/en/ir/)

**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