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Consolidated Financial Results for the Year Ended March 31, 2026 [Japanese GAAP]

April 30, 2026

Company Name: **NGK Corporation**

Stock Exchange Listings : Tokyo and Nagoya

Listing Code : 5333

URL : <https://www.ngk-global.com>

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 29, 2026

Scheduled date of the filing of Securities Report : June 22, 2026

Scheduled date of Year-End Dividend Payment : June 30, 2026

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, 2026 (From April 1, 2025 to March 31, 2026)

(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, 2026	670,125	8.2	94,997	16.9	95,202	21.7	59,936	9.1
March 31, 2025	619,513	7.0	81,241	22.4	78,249	24.1	54,933	35.4

(Note) Comprehensive income : FY 2025 ¥124,321 million 149.9%
: FY 2024 ¥49,751 million (52.7%)

	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, 2026	206.32	206.02	7.8	8.0	14.2
March 31, 2025	185.96	185.66	7.8	6.9	13.1

(Reference) Share of profit of entities accounted for using equity method : FY 2025 (¥69) million
: FY 2024 ¥26 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, 2026	1,243,330	817,352	65.0	2,811.27
March 31, 2025	1,142,986	727,506	63.0	2,455.87

(Reference) Equity : As of March 31, 2026 ¥808,553 million
: As of March 31, 2025 ¥719,803 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, 2026	137,989	(77,121)	(48,277)	199,643
March 31, 2025	96,658	(55,081)	(34,219)	177,708

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, 2025	—	30.00	—	30.00	60.00	17,646	32.3	2.5
March 31, 2026	—	38.00	—	42.00	80.00	23,128	38.8	3.0
Fiscal Year Ending March 31, 2027 (forecast)	—	53.00	—	53.00	106.00		36.5	

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2027

% 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, 2026	350,000	7.3	53,000	8.8	53,000	13.6	45,000	88.5	159.03
Fiscal Year Ending March 31, 2027	710,000	6.0	107,000	12.6	105,000	10.3	82,000	36.8	290.67

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 : None
- (ii) Changes in accounting policies other than the above (i) : None
- (iii) Changes in accounting estimates : None
- (iv) Retrospective restatement : None

(3) Number of shares outstanding (Common Shares)

(i) Number of shares outstanding at period end including treasury shares	March 31, 2026	292,243,496 shares	March 31, 2025	297,956,996 shares
(ii) Number of treasury shares at period end	March 31, 2026	4,632,457 shares	March 31, 2025	4,861,605 shares
(iii) Average number of shares outstanding over period	March 31, 2026	290,508,650 shares	March 31, 2025	295,410,069 shares

(Reference) Overview of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-Consolidated Operating Results

% represents increase (decrease) from the previous period

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year Ended March 31, 2026	354,826	7.0	46,391	15.5	72,641	50.1	51,692	49.9
March 31, 2025	331,476	7.8	40,148	17.7	48,397	14.1	34,479	8.2

	Net income per share	Diluted net income per share
Fiscal Year Ended	Yen	Yen
March 31, 2026	177.94	177.68
March 31, 2025	116.72	116.53

(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, 2026	763,070	413,410	54.1	1,435.01
March 31, 2025	703,998	384,070	54.4	1,307.74

(Reference) Equity: As of March 31, 2026 ¥412,725 million
As of March 31, 2025 ¥383,292 million

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

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

This document contains future statements that are based on information and certain assumption NGK Corporation ("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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(Supplementary Data) FY2025 Results (from April 1, 2025 to March 31, 2026) Supplementary Data

1. Overview of Business Results and Others

(1) Overview of Business Results for the Fiscal Year Ended March 31, 2026

During the consolidated fiscal year under review, the Japanese economy was impacted by U.S. tariff policies, but the economy continued to recover moderately against the background of improving corporate earnings and higher capital expenditure. The United States economy has shown some signs of adjustment in the employment environment and consumer spending, but the economy remained firm, driven by capital expenditures, centered on fields related to artificial intelligence (AI). The Chinese economy saw only a slight recovery due to sluggish consumption amid the ongoing correction in the property market despite governmental measures to prop up the economy. As for the European economy, although showing signs of recovery in domestic demand against the backdrop of a decline in the inflation rate, the economy remained weak, mainly in manufacturing, partly due to sluggish exports to China.

Under these circumstances, the Environment Business at the NGK Group saw an increase in shipments of automotive-related products, due to the last-minute demand in anticipation of tariff hikes in the first half of the year and maintained steady performance in the second half as well. In the Digital Society Business, sales of components for semiconductor manufacturing equipment rose mainly due to an increase in demand for semiconductors used in AI and some inventory accumulation at customers. As a result, the Company's overall net sales increased 8.2% year on year to ¥670,125 million. In terms of profits, operating income increased 16.9% year on year to ¥94,997 million, pushed up by the stronger net sales. Ordinary income increased 21.7% year on year to ¥95,202 million, and net income attributable to owners of the parent grew 9.1% year on year to ¥59,936 million due to the recording of ¥19,959 million in business restructuring expenses as extraordinary losses related to the discontinuation of the manufacturing and sales activities of NAS batteries (sodium-sulfur batteries).

The results of the business segments are as follows.

[Environment Business Segment]

Sales in this segment were ¥401,442 million, up 2.7% from the previous fiscal year.

Sales of automotive-related products increased as rises in tariff rates and prices of rare and precious metals were further reflected in selling prices in addition to an increase in shipments due the last-minute demand in anticipation of U.S. tariff hikes in the first half of the year and maintained steady performance in the second half as well.

Whereas net sales expanded, operating income increased 0.5% year on year to ¥68,617 million due to an increase in research and development expenses in the carbon neutral field, including direct air capture (DAC) and sub-nano ceramic membranes.

[Digital Society Business Segment]

Sales in this segment were ¥205,409 million, up 19.7% from the previous fiscal year.

The demand for components for semiconductor manufacturing equipment increased primarily due to some customers stocking up their inventories in addition to stronger demand for semiconductors used in AI. Moreover, shipments of piezoelectric micro-actuators for HDD also remained firm due to continued robust investments in data centers, resulting in an overall increase in segment sales.

Operating income rose 63.5% year on year to ¥28,105 million, driven by stronger sales of components for semiconductor manufacturing equipment.

[Energy & Industry Business Segment]

Sales in this segment were ¥65,913 million, up 12.9% from the previous fiscal year.

Sales increased mainly due to solid demand for insulators, supported by investment in data centers in the U.S. and investment in updating electric power infrastructure in Japan.

The segment recorded an operating loss of ¥1,322 million due to losses related to NAS batteries, whose manufacturing and sales activities were discontinued in October 2025, while insulators remained firm.

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2026

Total assets at the end of the fiscal year under review increased 8.8% from the end of the previous fiscal year to ¥1,243,330 million.

Current assets increased 9.2% year-on-year to ¥730,638 million due to increases in securities and accounts receivable-trade. Non-current assets increased 8.1% year-on-year to ¥512,691 million.

Current liabilities decreased 6.6% year-on-year to ¥167,056 million due to decreases in short-term borrowings and contract liabilities despite an increase in income taxes payable. Non-current liabilities increased 9.4% year-on-year to ¥258,921 million due to the recognition of the provision for business restructuring.

Net assets rose 12.3% year-on-year to ¥817,352 million mainly due to increase in foreign currency translation adjustment and retained earnings.

As a result, the equity ratio at the end of the fiscal year under review was 65.0% (63.0% at the end of the previous fiscal year), and net assets per share were ¥2,811.27, up ¥355.40 from the previous fiscal year.

(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2026

Cash and cash equivalents at the end of the fiscal year under review increased by ¥21,935 million year-on-year to ¥199,643 million. This was because proceeds from operating activities were ¥137,989 million, and there was a payment of ¥77,121 million from investing activities, and payment of ¥48,277 million from financing activities.

[Cash flows from operating activities]

Net cash provided by operating activities for the fiscal year under review totaled ¥137,989 million. This includes income before income taxes of ¥83,832 million and depreciation. Compared with the previous fiscal year, net cash provided increased by ¥41,331 million.

[Cash flows from investing activities]

Net cash used in investing activities for the fiscal year under review amounted to ¥77,121 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 increased by ¥22,040 million.

[Cash flows from financing activities]

Net cash used in financing activities for the fiscal year under review amounted to ¥48,277 million. This was mainly because repayment of long-term borrowings, payment of dividends, acquisition of treasury shares, and a decrease in short-term borrowings although implementation of long-term borrowings to secure funds for future capital investment. Compared with the previous fiscal year, net cash used increased by ¥14,058 million.

(4) Future Outlook

The economic outlook remains uncertain mainly due to mounting geopolitical risks, such as in the Middle East, and the impact of trade policies in various countries.

Under these circumstances, the NGK Group expects sales in the Digital Society Business, centering on components for semiconductor manufacturing equipment and HICERAM carriers, to increase primarily due to expanding demand for semiconductors, primarily for use in AI. As a result, overall sales are expected to rise. In terms of profits, operating income and ordinary income are expected to increase along with higher net sales. Net income attributable to owners of the parent is forecast to improve significantly year on year, reflecting the absence of business restructuring expenses recorded as extraordinary losses in the fiscal year 2025 in connection with the discontinuation of manufacturing and sales activities of NAS batteries under Energy Storage Business.

Based on the exchange rates of ¥150 to U.S. dollar and ¥175 to euro, the Company is targeting net sales of ¥710,000 million (+6.0% y/y), operating income of ¥107,000 million (+12.6%y/y), ordinary income of ¥105,000 million (+10.3%y/y), and net income attributable to owners of the parent of ¥82,000 million (+36.8%y/y).

(5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year Ended March 31, 2026, and the Fiscal Year Ending March 31, 2027

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 fixed assets), 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 approximately three years. 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.

Based on this policy, the Company proposes to pay a year-end dividend for the fiscal year ended March 31, 2026 of ¥42 per share, and together with the interim dividend of ¥38 already paid, the total dividend for the fiscal year will be ¥80 per share.

The Company plans to pay an interim dividend of ¥53, a year-end dividend of ¥53, and an annual dividend of ¥106 for the next fiscal year, with the aim of enhancing capital efficiency and improving shareholder returns by increasing the dividend on equity ratio to 3.5% and the payout ratio to at least 35%.

The Company will use retained earnings to increase corporate value by growing and expanding profitability in 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 Product: 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 sustainability 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) Key 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. While we are striving to improve capital efficiency in order to achieve a ROE of 10% or more from a medium- to long-term viewpoint, we will raise this target to 12% with the aim of expanding revenue in the Digital Society Business, which is positioned as a growth field. We will strive to reduce capital costs through the establishment of an appropriate business portfolio and clear 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.

Regarding capital policy, we will make efforts to return profits to shareholders proactively while accommodating changes in business risks in a way that is conducive to the sustained enhancement of corporate value. Regarding dividends, we will raise the current level and have set the targets of achieving a dividend on equity (DOE) ratio of 3.5% and a payout ratio of 35% or more taking into account its linkage with business performance (ROE) over a period of approximately three years. 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 CO₂ 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 environment surrounding the NGK Group amid surges in prices of resources and energy, as well as destabilizing procurement conditions resulting from factors such as the deteriorating situation in the Middle East. Although the long-term direction toward carbon neutrality remains unchanged, there is currently a sense of slowdown. On the other hand, the shift to a digital society is progressing exponentially as the social structure undergoes a remarkable change due to factors such as the rapid expansion of AI.

Under such circumstances, we are pushing forward with efforts to realize the vision set out in the “NGK Group Vision: Road to 2050,” announced in April 2021: “Contributing to carbon neutrality and digital society with our unique ceramic technologies.” In October 2025, we decided to discontinue the manufacturing and sales activities of NAS batteries under its Energy Storage Business and reorganize the ceramic package segment, thereby advancing the transformation of our business structure. Additionally, in April 2026, we removed the term “Gaishi (INSULATORS),” our founding business, from the Company’s name and changed it to “NGK Corporation”, in light of the expansion of our business domains and the roles we are expected to fulfill by 2050. The new company name incorporates our determination to contribute to solving issues in society by thinking outside the box and taking on challenges globally, based on the ceramic technology we have cultivated over many years.

The Group, taking changes in society as an opportunity, will reinforce the management base and maximize the revenue of existing businesses, laying the groundwork for carbon neutrality. Simultaneously, the Group will drive growth with the Digital Society Business, thereby transforming the business structure.

[1] Transformation of the business structure

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. While considering the allocation of management resources to core businesses and business groups with future growth potential, we introduced a new “Business Revitalization and Withdrawal Review Process” in fiscal year 2026 under newly established “Regulations on Business Portfolio Management,” in order to make swift decisions on whether low-growth, low-profit businesses can be turned around. Decision trees that reflect indicators for decision-making and evaluation deadlines will be set for applicable businesses and products, and they will be monitored periodically. We will maximize revenues in mature businesses such as Environment and insulators, and prioritize investment in growth businesses, centered on Digital Society. At the same time, we will promote the early launch of new businesses in an effort to transform the business portfolio.

In the Environment Business, which is the core of the Group, the pace of vehicle electrification has slowed somewhat due to factors such as employment, fiscal conditions, and economic security concerns in various countries, and the tightening of exhaust gas regulations is also expected to continue for some time around the world. We will capture demand for automotive-related products by, for example, putting new gasoline sensors on the market and expanding sales of gasoline particulate filters (GPF). Additionally, we will improve productivity and optimize the global production system, thereby maintaining its role as a business that supports the Group’s revenue base. With regard to insulators and the energy plant business, investment in electricity-related infrastructure has remained stable in Japan and overseas through measures such as data center extensions. We will work to secure stable earnings by assessing the trends of the market, competition, costs, and others.

In the digital society field, which we expect to grow in the future, the expansion of AI and the ensuing increase in data volume are ongoing in a way that outpaces our expectations. We anticipate a significant expansion in markets for products such as components for semiconductor manufacturing equipment and HICERAM carriers. The Group will seize this growth opportunity and, with a sense of urgency, allocate management resources in a focused manner to initiatives such as expanding and strengthening production capacity through large-scale investments. In March 2026, we decided to invest over 70 billion yen in building a new plant for components for semiconductor manufacturing equipment in a site adjacent to our plant for manufacturing automotive-related products in Ishikawa Prefecture, with the aim of increasing domestic production capacity by roughly 20%. Since the trend toward higher performance in semiconductors and related products is expected to continue unabated, the Group will leverage the strengths of its existing businesses to create new products by stepping up research and development in fields surrounding those products. We will elevate our position in

the digital infrastructure field, which is projected to further increase its importance in the future, and make Digital Society the engine of the Company's growth.

Regarding development products that drive business development in preparation for full-fledged demand in the carbon neutral field, progress in the adoption of renewable energy and the shift toward decarbonization has slowed due to changes in policy trends in various countries. However, we are certain that the long-term direction remains unchanged. Regarding products that contribute to society's environmental needs, including DAC, which directly captures CO₂ from the atmosphere, and sub-nano ceramic membranes that separate CO₂, nitrogen, hydrogen, and other substances at the molecular level, we will take advantage of the extended preparation period to enhance product performance and reduce manufacturing costs, thereby strengthening competitiveness.

To create new businesses, we have set up "New Value 1000" as the key indicator 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 "Commercialization." In fiscal year 2025, we opened the NGK Collaboration Square DIVERS as a venue for open innovation, where internal and external knowledge are brought together to take on the challenge of creating new values. We will generate themes that contribute to solving social issues with the Group's core technologies as a starting point and step up the establishment of partnerships that co-create value. Regarding R&D, we plan to invest 300 billion yen for ten years from 2021 in the "NGK Group Vision," 80% of which is planned to be allocated to subjects related to carbon neutrality and digital society. We have invested 142.6 billion yen over the past five years. We plan to invest approximately 200 billion yen in R&D over the five years from 2026 in an attempt to enhance the business potential of promising themes and speed up transformation. In order to accelerate the development pace and create better differentiating technology than ever, we will engage in concurrent development in collaboration with production technology and engineering from 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.

[2] Strengthening the Management Base

The NGK Group will continue strengthening the management base that supports sustainable growth and the transformation to what it aspires to be in the future.

<Sustainability management>

Based on the NGK Group Philosophy "Enriching Human Life by Adding New Value to Society," the Group aims to realize a sustainable society and enhance corporate value through its unique ceramic technologies. By placing sustainability at the core of management, we will contribute to the realization of carbon neutrality and a digital society, based on trust from stakeholders. Following this fundamental approach, we will work on issues under the Sustainability Management Committee chaired by the President, and the Board of Directors will appropriately supervise our actions.

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. 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.

[Environmental Initiatives]

Holding up the goal of achieving net zero CO₂ 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. For fiscal year 2025, the final year of the fifth 5-year environmental plan, our initial goal was 550,000 tons of CO₂ emissions in Scope 1 and Scope 2 (a 25% reduction from fiscal year 2013 levels). However, we actually raised the goal to 500,000 tons (a 32% reduction from the same level) and succeeded in achieving the revised target in fiscal 2025. We also aim to achieve our milestone (an interim target) of 370,000 tons of emissions in fiscal year 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, we are developing technologies for firing ceramics with carbon-neutral fuels such as hydrogen and ammonia, gas separation membranes and DAC to directly capture CO₂ in the atmosphere, and conducting demonstration tests of methanation for CO₂ recycling. We are engaged in developing products and services related to carbon neutrality through actions including application of such technologies within the Group. Additionally, we have commenced an initiative to reduce greenhouse gas emissions through the value chain. Setting a Scope 3 CO₂ emissions reduction target of at least 90% by 2050 (compared to fiscal year 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 and disclosed relevant information in fiscal year 2025.

Our efforts were recognized resulting in the Company being selected as an A-list company, the highest rating for “CDP Water Security” and “Supplier Engagement Assessment” by CDP (formerly Carbon Disclosure Project), an international non-profit organization focused on climate-related disclosure, for two consecutive years. In January 2026, we were also selected as an “Eco-First Company,” which is the certification that the Ministry of the Environment gives to environmentally advanced corporations.

[Governance Initiatives]

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. In addition, to ensure transparency in management and strengthen the supervisory and oversight functions of the Board of Directors, the Company has established a Nomination and Compensation Advisory Committee, composed of a majority of independent outside directors, to enhance fairness and transparency in matters such as the appointment and remuneration of officers. Furthermore, the Company 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.” Furthermore, the Company has established the “NGK Group Anti-corruption Policy.”

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 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.

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.

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 “relationship with society, openness and fairness and partnership” 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 evaluates the status of suppliers’ initiatives through supplier visits and requests for self-assessments.

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, we established “Risk Management Committee” 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.

[Human Capital Management]

As the Group advances the transformation of its business structure toward medium- to long-term growth, it recognizes as a key management issue the need to strengthen strategy execution by securing, developing, and enabling the active contribution of employees responsible for driving this transformation, thereby achieving the sustained enhancement of corporate value.

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 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 through recruitment and training sessions, and the creation of an environment where such human resources can fully demonstrate their capabilities. In particular, as the talent profiles and skill sets required evolve with the transformation of the business structure, we strive to further make employees’ skills and expertise more visible and promote strategic personnel allocation through HR development and growth opportunities in light of the strengths of the current workforce.

In fiscal year 2025, we revised the personnel system for managers to promote the active participation and self-directed actions of diverse talent, regardless of age or length of service. Additionally, we introduced an incentive scheme that provides restricted stock compensation to managers who meet certain requirements, with the aim of fostering a shareholder perspective among employees and enhancing corporate value in a sustainable manner. Moreover, we are making continued efforts to develop an internal environment that enables employees to continue working in good physical and mental health through measures such as promoting flexible working styles, including telework, and reducing long working hours.

As an initiative to support the active participation of diverse human resources, we set a numerical goal of the percentage of female new college graduates hired and expanded the scope of their responsibility in the organizations that they are assigned to and transferred

to. In parallel, we are moving forward with efforts to assist employees in balancing work and family responsibilities, regardless of gender, through schemes such as support for an early return to career-building for employees taking maternity and childcare leave and expansion and improvement of childcare leave for male employees. In addition to institutional measures, we are also working to foster a mindset and a workplace culture through events such as the holding of lectures mainly for executives and staff in managerial positions.

The Company was selected by Ministry of Economy, Trade and Industry (METI) and Tokyo Stock Exchange as one of the “Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting” for three consecutive years.

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 assign local human resources to senior management-level positions at overseas sites.

[Promotion of Digital Transformation]

We position digital transformation (DX) promotion as the key driver of transformation toward what the Group aspires to be in the future. In accordance with the roadmap of the NGK Group Digital Vision, we are making steady progress in building a digital foundation through infrastructure development and in developing DX personnel who will drive these initiatives. In fiscal year 2025, we achieved our 2030 target of developing 1,000 data professionals ahead of schedule. 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. Across the entire company, including headquarters and indirect departments, we will utilize in-house conversational generative AI trained on internal data and promote the development of a group-wide data integration platform to seamlessly connect business processes, thereby improving operational efficiency and driving transformation toward lower fixed costs and data-driven operations and decision-making.

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, 2026	March 31, 2025
Assets		
Current assets		
Cash and deposits	198,166	197,974
Notes receivable–trade	2,551	2,424
Accounts receivable–trade	131,704	119,047
Contract assets	9,673	13,999
Securities	124,754	65,895
Inventories	*1 232,835	*1 241,936
Other	31,461	27,762
Allowance for doubtful accounts	(509)	(165)
Total current assets	730,638	668,874
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	140,260	125,765
Machinery, equipment and vehicles, net	155,456	153,889
Tools, furniture and fixtures, net	8,660	7,934
Land	34,069	33,006
Construction in progress	27,214	32,516
Other, net	3,523	3,524
Total property, plant and equipment	369,184	356,636
Intangible assets		
Software	6,085	6,018
Other	106	134
Total intangible assets	6,191	6,153
Investments and other assets		
Investment securities	85,252	68,892
Deferred tax assets	13,656	12,878
Retirement benefit assets	34,283	25,564
Other	4,464	4,305
Allowance for doubtful accounts	(342)	(318)
Total investments and other assets	137,315	111,322
Total non-current assets	512,691	474,112
Total assets	1,243,330	1,142,986

(Millions of yen)

	March 31, 2026	March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	48,847	45,827
Short-term borrowings	7,363	20,260
Current portion of long-term borrowings	35,585	36,215
Accounts payable-other	17,940	18,518
Accrued expenses	26,643	25,477
Income taxes payable	12,530	8,001
Contract liabilities	7,519	12,030
Other	10,624	12,582
Total current liabilities	167,056	178,912
Non-current liabilities		
Bonds payable	62,000	57,000
Long-term borrowings	139,686	138,766
Deferred tax liabilities	17,061	13,895
Provision for product warranties	488	307
Retirement benefit liabilities	19,158	20,046
Provision for business restructuring	*2 12,270	—
Other	8,256	6,550
Total non-current liabilities	258,921	236,567
Total liabilities	425,978	415,480
Net assets		
Shareholders' equity		
Share capital	70,064	70,064
Capital surplus	70,389	70,389
Retained earnings	492,019	464,800
Treasury shares	(10,458)	(8,828)
Total shareholders' equity	622,014	596,426
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	45,342	32,852
Deferred gains or losses on hedges	(44)	(100)
Foreign currency translation adjustment	121,551	76,769
Remeasurements of defined benefit plans	19,689	13,856
Total accumulated other comprehensive income	186,538	123,377
Share acquisition rights	684	777
Non-controlling interests	8,114	6,925
Total net assets	817,352	727,506
Total liabilities and net assets	1,243,330	1,142,986

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

	(Millions of yen)	
	Fiscal Year Ended March 31, 2026	Fiscal Year Ended March 31, 2025
Net sales	670,125	619,513
Cost of sales	474,963	443,540
Gross profit	195,161	175,972
Selling, general and administrative expenses	*1 100,163	*1 94,731
Operating income	94,997	81,241
Non-operating income		
Interest income	2,994	2,130
Dividend income	2,275	1,943
Foreign exchange gains	3,114	—
Gain on valuation of derivatives	—	780
Other	1,990	2,021
Total non-operating income	10,374	6,876
Non-operating expenses		
Interest expense	3,269	3,913
Foreign exchange loss	—	3,605
Loss on valuation of derivatives	2,686	—
Depreciation	739	1,188
Loss on liquidation of subsidiaries and associates	2,563	240
Other	911	919
Total non-operating expense	10,170	9,868
Ordinary income	95,202	78,249
Extraordinary income		
Gain on sales of non-current assets	228	191
Gain on sales of investment securities	13,186	3,605
Subsidies income	1,125	236
Total extraordinary income	14,541	4,032
Extraordinary losses		
Loss on disposals of non-current assets	1,186	522
Impairment loss	*2 4,763	5,819
Loss on valuation of investment securities	—	484
Loss on compensation	—	3,000
Business restructuring expenses	*3 19,959	—
Total extraordinary losses	25,910	9,825
Income before income taxes	83,832	72,456
Income taxes-current	28,690	21,303
Income taxes-deferred	(5,182)	(3,852)
Total income taxes	23,507	17,451
Net income	60,325	55,005
Net income attributable to non-controlling interests	388	72
Net income attributable to owners of the parent	59,936	54,933

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal Year Ended March 31, 2026	Fiscal Year Ended March 31, 2025
Net income	60,325	55,005
Other comprehensive income		
Valuation difference on available-for-sale securities	12,490	(5,993)
Deferred gain or loss on hedges	58	(112)
Foreign currency translation adjustment	45,615	(5,537)
Remeasurements of defined benefit plans, net of tax	5,830	6,389
Total other comprehensive income	63,995	(5,253)
Comprehensive income	124,321	49,751
Comprehensive income attributable to		
Owners of the parent	123,097	49,741
Non-controlling interests	1,223	10

(3) Consolidated Statement of Changes in Equity

Year Ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder's equity
Balance at March 31, 2025	70,064	70,389	464,800	(8,828)	596,426
Changes during period					
Dividends of surplus			(19,841)		(19,841)
Net income attributable to owners of the parent			59,936		59,936
Purchase of treasury shares				(15,004)	(15,004)
Disposal of treasury shares		(9)		101	92
Cancellation of treasury shares		(12,899)		12,899	—
Transfer from retained earnings to capital surplus		12,875	(12,875)		—
Restricted stock compensation		32		373	405
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	27,219	(1,630)	25,588
Balance at March 31, 2026	70,064	70,389	492,019	(10,458)	622,014

	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, 2025	32,852	(100)	76,769	13,856	123,377	777	6,925	727,506
Changes during period								
Dividends of surplus								(19,841)
Net income attributable to owners of the parent								59,936
Purchase of treasury shares								(15,004)
Disposal of treasury shares								92
Cancellation of treasury shares								—
Transfer from retained earnings to capital surplus								—
Restricted stock compensation								405
Net changes in items other than shareholders' equity	12,490	55	44,781	5,833	63,160	(92)	1,189	64,257
Total changes during period	12,490	55	44,781	5,833	63,160	(92)	1,189	89,846
Balance at March 31, 2026	45,342	(44)	121,551	19,689	186,538	684	8,114	817,352

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

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal Year Ended March 31, 2026	Fiscal Year Ended March 31, 2025
Cash flows from operating activities		
Income before income taxes	83,832	72,456
Depreciation	57,487	57,253
Impairment loss	4,763	5,819
Increase in provision for business restructuring	12,270	—
Interest and dividend income	(5,269)	(4,073)
Interest expense	3,269	3,913
Loss on liquidation of subsidiaries and associates	2,563	240
Gain on sales of investment securities	(13,186)	(3,605)
Increase in trade receivables	(4,300)	(4,678)
Decrease in contract assets	4,738	2,439
Decrease (increase) in inventories	22,094	(4,348)
Increase in other current assets	(2,768)	(898)
Increase (decrease) in trade payables	1,161	(4,109)
Decrease in other current liabilities	(5,607)	(1,646)
Other	(710)	(2,031)
Subtotal	160,338	116,732
Interest and dividends received	5,086	3,997
Interest paid	(3,422)	(4,138)
Income taxes paid	(24,012)	(19,933)
Net cash provided by operating activities	137,989	96,658
Cash flows from investing activities		
Purchase of securities	(190,107)	(119,882)
Proceeds from sales and redemption of securities	149,612	110,999
Purchase of property, plant and equipment	(53,188)	(41,798)
Purchase of intangible assets	(2,282)	(1,950)
Purchase of short-term and long-term investment securities	(4,110)	(3,921)
Proceeds from sales and redemption of investment securities	14,943	5,136
Net increase in time deposits	8,250	(4,258)
Other	(239)	594
Net cash used in investing activities	(77,121)	(55,081)
Cash flows from financing activities		
Net (decrease) increase in short-term borrowings	(14,502)	8,885
Proceeds from long-term borrowings	35,000	20,070
Repayments of long-term borrowings	(36,897)	(40,765)
Proceeds from issuance of bonds	5,000	5,000
Purchase of treasury shares	(15,004)	(9,400)
Dividends paid	(19,841)	(16,301)
Other	(2,030)	(1,706)
Net cash used in financing activities	(48,277)	(34,219)
Effect of exchange rate changes on cash and cash equivalents	9,344	(1,081)
Net increase in cash and cash equivalents	21,935	6,276
Cash and cash equivalents at beginning of period	177,708	171,432
Cash and cash equivalents at end of period	199,643	177,708

(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

1. 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.

2. Provision for business restructuring

The Company has recorded a provision for business restructuring for expenses or losses expected to be incurred in the future in connection with the discontinuation of manufacturing and sales activities of NAS batteries.

(Additional Information)

(Changes in Business Segment)

The Company decided to change the categories of its business segment at the meeting of the directors of the Company held on January 29, 2026. The change of organization effective on April 1, 2026, the low-level radioactive waste treatment systems which included in the "Environment" has been changed to the "Energy & Industry" from the fiscal year ending March 31, 2027.

Listed below are main products of the respective new business segments.

Business Segment	Main products
Environment	Automotive ceramics for exhaust gas purification, sensors, corrosion-resistant ceramic apparatuses for chemical industries, ceramic membranes for liquids and gases, industrial heating systems and refractory products
Digital Society	Components for semiconductor manufacturing equipment, electronics components, beryllium copper products, and molds
Energy & Industry	Insulator washing equipment, low-level radioactive waste treatment systems, Insulators, and equipment for power transmission, substation, and distribution

Amounts of net sales, and income or loss by business segment and disaggregated revenue recognized from contracts with customers for Year ended March 31, 2026 accordance with the new business segments are as below.

(1) Sales, income or loss by business segment

Year ended March 31, 2026 (from April 1, 2025, to March 31, 2026)

	Business segment				Adjustment	Consolidated
	Environment	Digital Society	Energy & Industry	Total		
Net sales						
Sales to customers	391,484	205,402	73,238	670,125	—	670,125
Intersegment sales	2,101	6	660	2,768	(2,768)	—
Total sales	393,585	205,409	73,898	672,893	(2,768)	670,125
Operating income	67,040	28,105	254	95,400	(402)	94,997

(Notes) The adjustment of (¥402) million to operating income comprises of intersegment transactions.

(2) Disaggregated revenue recognized from contracts with customers
Year ended March 31, 2026 (from April 1, 2025, to March 31, 2026)

(Millions of yen)

	Business Segment			
	Environment	Digital Society	Energy & Industry	Total
Major geographical regions				
Japan	45,526	47,755	52,563	145,846
North America	77,989	52,546	14,059	144,594
Europe	141,752	5,637	472	147,862
Asia	121,061	99,273	2,682	223,017
Others	5,154	189	3,460	8,804
Total	391,484	205,402	73,238	670,125
Major product lines				
Automotive ceramics for exhaust gas purification	300,699	—	—	300,699
Sensors	68,080	—	—	68,080
Industrial processes	22,704	—	—	22,704
SPE related (Components for semiconductor production equipment)	—	143,251	—	143,251
Electronics components	—	33,896	—	33,896
Metal related	—	28,255	—	28,255
Energy plant	—	—	10,503	10,503
Insulators	—	—	50,963	50,963
Others	—	—	11,772	11,772
Total	391,484	205,402	73,238	670,125
Timing of revenue recognition				
Goods and services transferred at a point in time	385,710	205,402	65,991	657,104
Goods and services transferred over time	5,773	—	7,247	13,020
Total	391,484	205,402	73,238	670,125

(Change in Classification of Major Products or Services)

Following an organizational restructuring effective April 1, 2026, low-level radioactive waste treatment systems previously included in “Industrial processes” and insulator washing equipment previously included in “Insulators” are presented under “Energy plant.”

(Consolidated Balance Sheets)

*1. The breakdown of inventories is as follows:

	March 31, 2026	March 31, 2025
Finished goods and merchandise	109,365 million yen	120,127 million yen
Costs on construction contracts in progress	3,623	1,954
Work in process	27,000	23,784
Raw materials and supplies	92,845	96,070

*2. The breakdown of provision for business restructuring is as follows:

Provisions for business restructuring have been recorded to cover expenses or losses expected to be incurred in the future in connection with the discontinuation of the manufacturing and sales activities of NAS batteries under its Energy Storage Business. The main components are the abandonment of inventories related to the business and the cost of services to be provided by the Company in the future.

(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, 2026	Fiscal Year Ended March 31, 2025
Salaries, wages, and bonuses	28,955 million yen	26,887 million yen
Freight-out	7,658	7,872
Research and development expenses	18,017	15,586
Retirement benefit expenses	1,283	1,111

*2. Impairment loss

Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

The Company recognized impairment loss as follows:

Groups	Asset category	Location	Millions of yen
AMB Substrates for Power Modules Business	Machinery, equipment and vehicles, Construction in progress	Japan and Malaysia	2,392
Package Business	Machinery, equipment and vehicles, Construction in progress	Japan and Malaysia	1,290

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 ¥288 million in buildings and structures, ¥1,635 million in machinery, equipment and vehicles, ¥2,525 million in construction in progress and ¥314 million in others.

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. Business restructuring expenses

Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

The expense is associated with the discontinuation of the manufacturing and sales activities of NAS batteries under its Energy Storage Business. The main components include expenses related to the valuation and disposal of inventories, as well as costs for services that the Company is responsible for providing.

(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.

Listed below are main products of the respective new business segments.

Business segment	Main products
Environment	Automotive ceramics for exhaust gas purification, sensors, corrosion-resistant ceramic apparatuses for chemical industries, ceramic membranes for liquids and gases, industrial heating systems, refractory products and low-level 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, equipment for power transmission, substation, and distribution and Insulator washing equipment

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

Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Business segment				Adjustment	Consolidated
	Environment	Digital Society	Energy & Industry	Total		
Net Sales						
Sales to customers	399,469	205,402	65,253	670,125	—	670,125
Intersegment sales	1,973	6	660	2,640	(2,640)	—
Total sales	401,442	205,409	65,913	672,765	(2,640)	670,125
Operating income	68,617	28,105	(1,322)	95,400	(402)	94,997
Total assets	539,162	242,782	71,460	853,405	389,925	1,243,330
Other						
Depreciation	39,813	15,887	1,787	57,487	—	57,487
Impairment loss	450	3,682	608	4,742	21	4,763
Capital expenditures	14,940	22,873	2,752	40,566	15,282	55,848

- (Notes)
1. The adjustment of (¥402) million to operating income comprises of intersegment transactions.
 2. Corporate assets within total assets that are included in adjustment are ¥401,890 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, 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.

[Related information]

Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

Information about geographical areas

Net Sales

(Millions of yen)

Sales to customers	Japan	North America			Europe			Asia			Others	Total
		Total	USA	Others	Total	Germany	Others	Total	China	Others		
	145,846	144,594	131,634	12,960	147,862	51,058	96,803	223,017	102,614	120,402	8,804	670,125

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

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

Information about geographical areas

Net Sales

(Millions of yen)

Sales to customers	Japan	North America			Europe			Asia			Others	Total
		Total	USA	Others	Total	Germany	Others	Total	China	Others		
	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.

(Revenue Recognition)

Disaggregated revenue recognized from contracts with customers

Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Business Segment			
	Environment	Digital Society	Energy & Industry	Total
Major geographical regions				
Japan	53,511	47,755	44,578	145,846
North America	77,989	52,546	14,059	144,594
Europe	141,752	5,637	472	147,862
Asia	121,061	99,273	2,682	223,017
Others	5,154	189	3,460	8,804
Total	399,469	205,402	65,253	670,125
Major product lines				
Automotive ceramics for exhaust gas purification	300,699	—	—	300,699
Sensors	68,080	—	—	68,080
Industrial processes	30,690	—	—	30,690
SPE related (Components for semiconductor production equipment)	—	143,251	—	143,251
Electronics components	—	33,896	—	33,896
Metal related	—	28,255	—	28,255
Energy storage	—	—	11,772	11,772
Insulators	—	—	53,481	53,481
Total	399,469	205,402	65,253	670,125
Timing of revenue recognition				
Goods and services transferred at a point in time	387,786	205,402	63,915	657,104
Goods and services transferred over time	11,683	—	1,337	13,020
Total	399,469	205,402	65,253	670,125

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

(Per Share Information)

	Fiscal Year Ended March 31, 2026	Fiscal Year Ended March 31, 2025
Net assets per share	2,811.27 yen	2,455.87 yen
Net income per share	206.32 yen	185.96 yen
Diluted net income per share	206.02 yen	185.66 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, 2026	Fiscal Year Ended March 31, 2025
Net income per share		
Net income attributable to owners of the parent (Millions of yen)	59,936	54,933
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income on common stock (Millions of yen)	59,936	54,933
Average number of shares of common stock outstanding over the period (Thousand shares)	290,508	295,410
Diluted net income per share		
Adjustment to net income (Millions of yen)	—	—
Increase in common shares (Thousand shares)	421	468
(Stock options in the form of stock acquisition rights)	(421)	(468)
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)

(Organizational restructuring)

The Company has resolved, at the Board of Directors meeting held on October 31, 2025, to conduct a company split (simplified absorption-type company split), effective on April 1, 2026, whereby the sales division of its wholly owned subsidiary, NGK ELECTRONICS DEVICES, INC. ("NGKED"), will be succeeded by the Company (the "Company Split").

In addition, it has implemented an absorption-type merger (the "Merger"), under which NGK CERAMIC DEVICE CO., LTD. ("NCDK"), a wholly owned subsidiary of the Company, became the surviving entity. Through the Merger, NCDK has absorbed NGKED and acquired its manufacturing division. (NGKED has been dissolved as a result of the Merger.)

This organizational restructuring was executed by first implementing the Company Split, followed by the Merger on the same day.

1. Purpose of the Organizational restructuring

The ceramic package segment of the Company's group has, until now, been fully managed by NGKED, which handled development, manufacturing, and sales functions. However, due to the difficulty in securing human resources and the need to improve operational efficiency, maintaining and strengthening competitiveness has become a key challenge. To achieve sustainable growth and enhance competitiveness in the electronics components business, including the ceramic package segment, by fully leveraging the Group's proprietary ceramic technologies, the Company implemented the following organizational restructuring, including the Company Split:

- The Company has succeeded to the sales division of NGKED through a simplified absorption-type company split, aiming to improve efficiency. In addition, the Company has newly taken on the development of the ceramic package segment to enhance synergies with other fields and strengthen development capabilities.
- It has implemented the Merger, under which NCDK, a wholly owned subsidiary of the Company entrusted with manufacturing operations, became the surviving entity. Through the Merger, NCDK absorbed NGKED and acquired its manufacturing division. NGKED has been dissolved as a result of the Merger.

2. Overview of the Company Split

(1) Schedule of the Company Split

Date of the Board of Directors' resolution	October 31, 2025
Date of conclusion of the absorption-type company split agreement	January 29, 2026
Date of the absorption-type company split (effective date)	April 1, 2026

(Note) Since the Company Split falls under a simplified absorption-type company split as stipulated in Article 796, Paragraph 2 of the Companies Act, it has been carried out without obtaining approval by resolution at general meeting of shareholders.

(2) Type of the Company Split

This is an absorption-type company split in which the Company becomes the succeeding company and NGKED becomes the splitting company.

3. Overview of the companies involved in the Company Split (As of March 31, 2026)

	Succeeding company	Splitting company
Company Name	NGK INSULATORS, LTD.	NGK ELECTRONICS DEVICES, INC.
Financial conditions and operating results for the latest fiscal year	Fiscal year ended March 31, 2026 (consolidated)	Fiscal year ended March 31, 2026 (non-consolidated)
Net assets	817,352 million yen	(17,736 million yen)
Total assets	1,243,330 million yen	11,443 million yen

(Note) Effective April 1, 2026, the Company changed its corporate name from NGK Insulators, Ltd. to NGK Corporation.

4. Overview of business division has been split and succeeded to in the Company Split

(1) Description of the business division has been split and succeeded to

Sales division of NGKED

(2) Operating results of the division has been split and succeeded to (Fiscal year ended March 31, 2026)

Net sales: 15,436 million yen

5. Outline of the accounting method has been implemented

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019), the Company Split is accounted for as a transaction under common control in the fiscal year ending March 31, 2027.

(Acquisition and Cancellation of Treasury Shares)

The Company has resolved, at the Board of Directors meeting held on April 30, 2026, to acquire its own shares pursuant to the provisions of Article 156 of the Companies Act, applied by replacing terms pursuant to the provisions of Article 165, paragraph 3 of said Act, and to cancel treasury shares pursuant to the provisions of Article 178 of the Companies Act, as described below.

1. Reasons for the acquisition of own shares and cancellation of treasury shares

To improve capital efficiency and to achieve the Company's capital policy in response to the changing managerial environment.

2. Method of the acquisition of own shares

Company will place an order to purchase shares at 8:45 a.m. on May 1, 2026 through Off-Auction Own Share Repurchase Trading (N-NET3) of the Nagoya Stock Exchange. The price for the shares in the buy-order will be the closing price of Company's common stock on April 30, 2026. No other changes to the trading system or trading time will be made and the purchase order shall be valid only at the trading time specified above.

3. Details of matters pertaining to the acquisition of own shares

- | | | |
|-----|---|--|
| (1) | Types of shares to be acquired | Shares of common stock |
| (2) | Total number of shares to be acquired | Up to 6.5 million shares
(2.3% of the total number of outstanding shares excluding treasury shares) |
| (3) | Total value of shares to be acquired | Up to 33 billion yen |
| (4) | Announcement of result of own share acquisition | The result will be announced after the acquisition of own shares at 8:45 a.m. on May 1, 2026 is completed. |
| (5) | Plan for the acquired shares | All the acquired shares to be cancelled |

(Note 1) The maximum number of shares to be acquired will not change. Depending on factors including market conditions, however, there is a possibility that Company will not make any purchase or will only make a partial purchase.

(Note 2) The purchase will be conducted by matching sell orders equivalent to buy-orders according to the allocation method prescribed by the Nagoya Stock Exchange.

(Note 3) If the price for the shares in the buy-order per share is less than or equal to 5,076 yen ((3)/(2)), total maximum number of shares to be acquired will be 6.5 million shares. If the price for the shares in the buy-order per share exceeds 5,076 yen, total maximum amount will be 33 billion yen.

4. Details of matters pertaining to the cancellation of treasury shares

- | | | |
|-----|--|---|
| (1) | Types of shares to be cancelled | Shares of common stock |
| (2) | Total number of shares to be cancelled | All of the shares acquired as stated in 2 and 3 hereinabove |
| (3) | Schedule date of cancellation | June 1, 2026 (planned) |

5. Other

Change in Officers (Effective June 29, 2026)

1. Candidate for new Representative Director

Jun Mori (Current Director and Senior Vice President)

2. Candidate for new Director

Takao Onishi (Current Senior Vice President)

3. Candidate for new Audit & Supervisory Board Member

Go Watanabe (Current Outside Audit & Supervisory Board Member (Full-time),
Mitsubishi Gas Chemical Company, Inc.)

4. Retiring Audit & Supervisory Board Member

Takashi Kimura (Current Audit & Supervisory Board Member)

5. Newly appointed Executive Officers

Takahiro Ishikawa (Current General Manager, Insulator Division, Energy & Industry Business Group)

Susumu Yui (Current General Manager, Sales & Marketing Division, Environment Business Group)

Takashi Kataigi (Current General Manager, High-Performance Ceramics (HPC) Division,
Digital Society Business Group)

6. Retiring Executive Officers

Hiroharu Kato (Current Senior Vice President)

Iwao Ohwada (Current Vice President)

Hideki Shimizu (Current Vice President)

7. Change in Executive Officers

Executive Vice President Jun Mori (Current Senior Vice President)

Senior Vice President Masato Nozaki (Current Vice President)

FY2025 Results
(from April 1, 2025 to March 31, 2026)
Supplementary Data

April 30, 2026
NGK Corporation

[After inter-segment elimination]

□ October 2025 Announcement

	FY2024 Year		FY2025 Year		YOY	※1 New business segments	FY2025 Year		FY2026 Year		YOY
	Results	Ratio	Results	Ratio			Results	Ratio	Forecasts	Ratio	
Net Sales	Bln. yen 620	100%	Bln. yen 650 670	100%	+8%		Bln. yen 670	100%	Bln. yen 710	100%	+6%
<Overseas Sales>	<484>	78%	<524>	78%	+8%		<524>	78%	<560>	79%	+7%
Operating Income (%)	81 (13%)		85 95 (14%)		+17%		95 (14%)		107 (15%)		+13%
Environment Business ("EN" Business)	390	63%	390 399	60%	+2%		391	58%	400	56%	+2%
Operating Income (%)	68 (17%)		64 69 (17%)		+1%		67 (17%)		67 (17%)		-0%
Digital Society Business ("DS" Business)	172	28%	195 205	31%	+20%		205	31%	245	35%	+19%
Operating Income (%)	17 (10%)		23 28 (14%)		+63%		28 (14%)		36 (15%)		+28%
Energy & Industry Business ("E&I" Business)	58	9%	65 65	10%	+13%		73	11%	65	9%	-11%
Operating Income (%)	(4) (-)		(2) (1) (-)		-		0 (0%)		4 (6%)		-

		Ratio			Ratio	YOY
Ordinary Income	78	13%	82 95	14%		+22%
Net Income Attributable to Owners of the Parent	55	9%	55 60	9%		+9%
R O E	7.8%		7.8%			
E P S	185.96yen		206.32yen			
Dividend per share and Dividend Payout Ratio	60yen, 32.3%		80yen, 38.8%			

	Ratio	YOY
105	15%	+10%
82	12%	+37%
10.0%		
290.67yen		
106yen, 36.5%		

Foreign Exchange Rate (Yen/USD)

152

151

150

Foreign Exchange Rate (Yen/Euro)

164

175

175

Capital Expenditures	49	8%	56	8%	+14%
Depreciation Costs	57	9%	57	9%	+0%
R&D Expenses	30	5%	32	5%	+7%

62	9%	+11%
60	8%	+4%
39	5%	+23%

(The amounts stated in this document are rounded to the nearest hundred million yen.)

FY2025 Results (from April 1, 2025 to March 31, 2026) Supplementary Data

April 30, 2026
NGK Corporation

FY2025 Results		... Both Sales and Income increased, and Net Sales, Operating Income and Ordinary Income all achieved significant new record highs.
① Summary of business results by segment		
【EN Business】	...	Sales increased, and income increased slightly
•Automotive related		Sales increased due to last-minute demand in anticipation of the US tariff hike mainly in the first half, followed by continued steady demand in the second half. Income increased only slightly due to increased development costs for carbon neutral products such as DAC (Direct Air Capture).
【DS Business】	...	Sales and income increased significantly
•SPE related ※2		Demand for semiconductors, mainly for AI applications, gained momentum towards the end of the fiscal year. Demand for our SPE related increased, partly due to inventory buildup at some customers, resulting in increased sales and income.
•Electronics components		While sales of piezoelectric actuators for HDDs remained steady due to vigorous data center investment, sales increased while income decreased due to upfront costs associated with increasing HICERAM Carrier production capacity.
【E&I Business】	...	Sales increased and losses were reduced
•Insulators		Domestic and overseas power transmission and distribution network investment remained steady, and insulator sales increased; however, sales increased while income decreased due to increased development costs for carbon neutral products such as DAC (Direct Air Capture).
•Energy Storage		NAS® battery production and sales activities were ended. In addition to the operating deficit, business restructuring costs were recorded as an extraordinary loss.
② Exchange Rate Effects		Sales 5.3 billion yen, Income 0.1 billion yen (152 yen/USD and 164 yen/EUR in FY2024. 151 yen/ USD and 175 yen/ EUR in FY2025.)
③ Extraordinary Gain or Loss		
• Business restructuring costs		In association with the termination of NAS® battery production and sales activities, approximately 20 billion yen was recorded as business restructuring costs, including costs related to inventory evaluation and disposal and costs related to after-sales service.
• Impairment loss		An impairment loss of 4.8 billion yen was recognized on business assets related to AMB Substrates for Power Modules and Ceramic Packages, which have continued to operate at a loss.
• Gain on sale of investment securities		By reducing cross-shareholdings, the company recorded a gain on the sale of investment securities of ¥13.2 billion as extraordinary income.
Forecasts for FY2026		... Driven by growth in the DS Business, both net sales and income are expected to reach record highs.
① Summary of forecasts by segment		
【EN Business】	...	Sales expected to increase and income to remain flat
•Automotive related		Although the pace of EV adoption is expected to be gradual, sales are expected to increase as the shift to high value-added products progresses. However, income is expected to be affected by rising raw material and fuel costs associated with the deterioration of the situation in the Middle East.
【DS Business】	...	Sales and income continued to increase significantly.
•SPE related ※2		Growth was driven by expanding demand for advanced semiconductors for AI applications and other uses, resulting in higher sales and income.
•Electronics components		HICERAM Carrier is expected to return to profitability due to more production facilities steadily coming on line. We will rebuild our packaging-related business by streamlining its structure through organizational restructuring and expanding sales by strengthening
【E&I Business】	...	Sales decreased and income increased
•Insulators		While domestic and overseas power-related investment will remain strong, Sales will increase while income decrease due to reduced operations as the last-buy phase for substation insulators neared its end.
• Energy Storage		Only responses to already-received orders and after-sales services will be continued. The impact on profit and loss is minimal.
② Impact of the Middle East situation		An estimated 2.0 billion yen increase in costs, expected due to rising energy (electricity and gas) prices associated with higher crude oil prices, has been reflected in the business performance.
③ Exchange Rate Effects		
•Year-on-year		Sales -1.3 billion yen, Income 1.3 billion yen (151 yen/USD and 175 yen/EUR in FY2025. 150 yen/ USD and 175 yen/ EUR in FY2026.)
•Effects of a yen change in exchange rates per year		USD(sales 1.9 billion yen, income 0.73 billion yen) EUR(sales 0.6 billion yen, income 0.21 billion yen)
④ Changes in segments	...	We will establish an Energy Plant Division in the E&I Business. We will consolidate low-level radioactive waste treatment systems business for nuclear power plants and insulator cleaning equipment business. We aim to strengthen engineering and construction capabilities for electric power companies, including in our new energy solutions business (energy management, supply and demand adjustment support, etc.).
⑤ Dividend Forecast		The company plans to pay an interim dividend of 53 yen, a year-end dividend of 53 yen, and an annual dividend of 106 yen.

※1 The business segments have been changed from the beginning of FY2026. As a result of this change, the operating results for FY2025 have been rearranged and presented using the same segment classification. The low-level radioactive waste treatment systems was transferred from the Environment Division (“EN Division”) to the Energy & Industry Division (“E&I Division”).

※2 SPE related...Products for semiconductor manufacturing equipment

FY2025 Results Supplementary Data (FY2026 1st Half Forecasts)

April 30, 2026
NGK Corporation

[After inter-segment elimination]

	FY2024 1st half		FY2025 1st half		FY2025 ※3 (New business segments)	FY2026 1st half		YOY
	Results	Ratio	Results	Ratio		Forecasts	Ratio	
Net Sales	Bln. yen 298	100%	Bln. yen 326	100%	Bln. yen 326	Bln. yen 350	100%	+7%
<Overseas Sales>	<235>	79%	<256>	79%	<256>	<270>	77%	+5%
Operating Income (%)	40 (13%)		49 (15%)		49 (15%)	53 (15%)		+9%
Environment Business ("EN" Business)	192	64%	197	60%	193	195	56%	+1%
Operating Income (%)	35 (18%)		37 (19%)		37 (19%)	32 (16%)		-14%
Digital Society Business ("DS" Business)	79	27%	98	30%	98	120	34%	+23%
Operating Income (%)	5 (7%)		14 (14%)		14 (14%)	18 (15%)		+33%
Energy & Industry Business ("E&I" Business)	27	9%	32	10%	36	35	10%	-2%
Operating Income (%)	(1) (-)		(2) (-)		(1) (-)	4 (10%)		-

		Ratio		Ratio
Ordinary Income	38	13%	47	14%
Net Income Attributable to Owners of the Parent	26	9%	24	7%

	Ratio	YOY
53	15%	+13%
45	13%	+88%

Foreign Exchange Rate (Yen/USD)	152	147
Foreign Exchange Rate (Yen/Euro)	165	168

150
175

Capital Expenditures	22	7%	26	8%
Depreciation Costs	29	10%	28	9%
R&D Expenses	14	5%	15	5%

29	8%	+14%
29	8%	+4%
19	5%	+28%

※3 The business segments have been changed from the beginning of FY2026. As a result of this change, the operating results for FY2025 have been rearranged and presented using the same segment classification. The low-level radioactive waste treatment systems was transferred from the Environment Division ("EN Division") to the Energy & Industry Division ("E&I Division").

Consolidated Operating Results

(Bln. Yen)

	Results from previous year(FY2024)	Results(FY2025)	Growth ratio	Forecast(FY2026)
Net Sales	619.5	650.0 670.1	+8%	710.0
Operating Income	81.2	85.0 95.0	+17%	107.0
Ordinary Income	78.2	82.0 95.2	+22%	105.0
Net Income Attributable to Owners of the Parent	54.9	55.0 59.9	+9%	82.0

October
announcement

(Rounded to the nearest hundred million yen)

