



**Consolidated Quarterly Balance Sheets  
 June 30, 2010 and March 31, 2010**

	Millions of yen	
	June 30, 2010	March 31, 2010
Assets		
Current assets		
Cash and deposits	26,034	28,838
Notes and accounts receivable-trade	48,250	46,237
Short-term investment securities	37,003	36,120
Inventories	53,619	59,720
Deferred tax assets	6,891	7,108
Other	10,410	8,497
Allowance for doubtful accounts	(185)	(177)
Total current assets	<b>182,024</b>	186,345
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	48,010	49,136
Machinery, equipment and vehicles, net	26,682	28,413
Land	15,294	15,291
Construction in progress	588	571
Other, net	1,999	2,060
Total property, plant and equipment	<b>92,576</b>	95,473
Intangible assets		
Goodwill	99	145
Software	6,032	6,257
Other	57	59
Total intangible assets	<b>6,189</b>	6,462
Investments and other assets		
Investment securities	36,600	38,894
Deferred tax assets	2,832	2,749
Other	1,595	1,653
Allowance for doubtful accounts	(102)	(102)
Total investments and other assets	<b>40,925</b>	43,195
Total noncurrent assets	<b>139,690</b>	145,130
Total assets	<b>321,715</b>	331,476

	Millions of yen	
	June 30, 2010	March 31, 2010
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	25,602	32,957
Short-term loans payable	1,103	1,116
Current portion of bonds	2,666	2,666
Lease obligations	189	181
Income taxes payable	1,252	1,369
Deferred tax liabilities	105	109
Other	16,489	19,290
Total current liabilities	<b>47,408</b>	57,691
Noncurrent liabilities		
Bonds payable	35,000	35,000
Lease obligations	825	849
Provision for retirement benefits	17,113	16,796
Negative goodwill	61	65
Deferred tax liabilities	10,268	12,701
Other	1,525	1,365
Total noncurrent liabilities	<b>64,794</b>	66,778
Total liabilities	<b>112,202</b>	124,469
<b>Net assets</b>		
Shareholders' equity		
Capital stock	47,869	47,869
Capital surplus	55,162	55,162
Retained earnings	124,504	117,985
Treasury stock	(15,013)	(15,004)
Total shareholders' equity	<b>212,522</b>	206,013
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,679	12,082
Foreign currency translation adjustment	(13,368)	(12,774)
Total valuation and translation adjustments	<b>(4,688)</b>	(691)
Minority interests	1,678	1,684
Total net assets	<b>209,512</b>	207,006
Total liabilities and net assets	<b>321,715</b>	331,476

**Consolidated Quarterly Statement of Operations  
 for the Three Months Ended June 30, 2009 and 2010**

	Millions of yen	
	2009	2010
Net sales	52,452	<b>70,589</b>
Cost of sales	45,258	<b>48,437</b>
Gross profit	7,194	<b>22,151</b>
Selling, general and administrative expenses	9,343	<b>11,768</b>
Operating income (loss)	(2,149)	<b>10,382</b>
Non-operating income		
Interest income	199	<b>278</b>
Dividends income	217	<b>224</b>
Amortization of negative goodwill	9	<b>4</b>
Equity in earnings of affiliates	-	<b>126</b>
Foreign exchange gains	303	-
Other	179	<b>237</b>
Total non-operating income	909	<b>871</b>
Non-operating expenses		
Interest expenses	146	<b>149</b>
Equity in losses of affiliates	43	-
Foreign exchange losses	-	<b>1,461</b>
Depreciation of inactive noncurrent assets	297	<b>272</b>
Other	72	<b>202</b>
Total non-operating expenses	560	<b>2,086</b>
Ordinary income (loss)	(1,800)	<b>9,167</b>
Extraordinary income		
Gain on sales of property, plant and equipment	6	<b>3</b>
Total extraordinary income	6	<b>3</b>
Extraordinary loss		
Loss on sales or disposal of property, plant and equipment	14	<b>33</b>
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	<b>136</b>
Total extraordinary losses	14	<b>170</b>
Income (Loss) before income taxes and minority interests	(1,807)	<b>9,001</b>
Income taxes-current	499	<b>1,198</b>
Income taxes-deferred	55	<b>27</b>
Total income taxes	555	<b>1,226</b>
Income (loss) before minority interests	(2,362)	<b>7,775</b>
Minority interests in income	47	<b>57</b>
Net income (loss)	(2,410)	<b>7,717</b>
	Yen	
Net income (loss) per share		
- Basic	(11.06)	<b>35.42</b>
- Diluted	-	<b>35.11</b>

Note: For the three months ended June 30, 2009, diluted earnings per shares are not disclosed due to recording of a net loss.

### Consolidated Quarterly Statements of Cash Flows for the Three Months Ended June 30, 2009 and 2010

	Millions of yen	
	2009	2010
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(1,807)	9,001
Depreciation and amortization	4,526	4,020
Amortization of goodwill	38	41
Increase (decrease) in provision for retirement benefits	338	314
Interest and dividends income	(416)	(503)
Interest expenses	146	149
Equity in (earnings) losses of affiliates	43	(126)
Loss (gain) on disposal of noncurrent assets	7	29
Decrease (increase) in notes and accounts receivable-trade	(2,224)	(2,361)
Decrease (increase) in inventories	(6,303)	5,631
Increase (decrease) in notes and accounts payable-trade	6,594	(7,243)
Other, net	(1,830)	(3,238)
Subtotal	(888)	5,714
Interest and dividends income received	366	344
Interest expenses paid	(61)	(15)
Income taxes paid	(630)	(1,191)
Net cash provided by (used in) operating activities	(1,213)	4,852
Net cash provided by (used in) investment activities		
Net decrease (increase) in time deposits	1,145	(238)
Net decrease (increase) in short-term investment securities	(1,101)	18
Purchase of property, plant and equipment	(1,785)	(1,888)
Proceeds from sales of property, plant and equipment	29	7
Purchase of intangible assets	(1,054)	(62)
Purchase of investment securities	(0)	(5,048)
Proceeds from sales and redemption of investment securities	-	400
Other, net	(99)	5
Net cash provided by (used in) investment activities	(2,866)	(6,806)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	3,163	(20)
Purchase of treasury stock	(5)	(9)
Proceeds from sales of treasury stock	1	-
Cash dividends paid	(2)	(1,201)
Other, net	(63)	(183)
Net cash provided by (used in) financing activities	3,092	(1,415)
Effect of exchange rate change on cash and cash equivalents	392	(126)
Net increase (decrease) in cash and cash equivalents	(595)	(3,496)
Cash and cash equivalents at beginning of period	27,593	46,364
Cash and cash equivalents at end of period	26,997	42,868

## Note to Consolidated Quarterly Financial Statement

### Changes in accounting

- (a) From the first quarter of this fiscal year ending March 31, 2011, NGK SPARK PLUG CO., LTD. and its consolidated subsidiaries apply the "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16 of March 10, 2008) and the "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ PITF No. 24 of March 10, 2008). The impact of this change on income is immaterial.
  
- (b) From the first quarter of this fiscal year ending March 31, 2011, NGK SPARK PLUG CO., LTD. and its consolidated subsidiaries apply the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18 of March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 of March 31, 2008). The impact of this change on income is immaterial.

**Segment information**

(a) Information by industry segment for the three months ended June 30, 2009 was as follows:

	Automotive components	Communication media components and technical ceramics	Other	Total	Elimination	Consolidated
Three months ended June 30, 2009						
Net sales	34,937	16,395	1,140	52,474	(21)	52,452
Operating income (loss)	386	(2,619)	83	(2,149)	-	(2,149)

(b) Information summarized by geographic segment for the three months ended June 30, 2009 was as follows:

	Japan	North			Total	Elimination	Consolidated
		America	Europe	Other			
Millions of yen							
Three months ended June 30, 2009							
Net sales	43,706	11,359	11,377	8,413	74,857	(22,405)	52,452
Operating income (loss)	(1,936)	(146)	667	413	(1,002)	(1,146)	(2,149)

(c) For the three months ended June 30, 2009, overseas sales which included export sales from Japan and net sales of overseas consolidated subsidiaries other than Japan was as follows:

	Millions of yen	
	2009	
North America	17,748	33.8%
Europe	11,234	21.4%
Asia	6,326	12.1%
Other area	5,726	10.9%
Total overseas sales	41,034	78.2%
Consolidated net sales	52,452	100.0%

Note: Percentage figures show rate of each areas sales to total consolidated net sales.

## Segment information

### (a) Outline of reportable segments

The reportable segments of the Company are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic investigation to determine distribution of management resources and evaluate their business results.

The Company has its business units identified by products. Each business unit plans its comprehensive domestic and overseas strategy for its products, and operates its business activities.

Therefore, the Company consists of its business units, identified by products, which are three reportable segments of "Automotive components", "Communication media components" and "Technical ceramics".

"Automotive components" is a segment that manufactures and sells spark plugs, glow plugs, various automotive sensors, ceramic engine parts and other automotive components.

"Communication media components" is a segment that manufactures and sells IC packages and other semiconductor components.

"Technical ceramics" is a segment that manufactures and sells cutting tools, ceramics products for industrial and medical applications.

### (b) Information about sales and segment income (loss) by reportable segments

	Reportable segments				Others	Total	Adjustment	Consolidated
	Communication			Total				
	Automotive components	media components	Technical ceramics					
Millions of yen								
Three months ended June 30, 2010								
Net sales	49,755	13,928	5,798	69,481	1,107	70,589	-	70,589
Segment income (loss)	10,084	(81)	317	10,320	62	10,382	-	10,382

Note 1: "Others" represents businesses such as Material Sales, Welfare Program Service and Transportation, which are not included in reportable segments.

Note 2: Segment income (loss) is adjusted to Operating income (loss) of "Consolidated Quarterly Statement of Operations".

Note 3: Net sales and Segment income (loss) of "Automotive components" of the first quarter of this fiscal year correspond to Net Sales and Operating income (loss) of "Automotive components" of the first quarter of the previous fiscal year. Each sum of Net sales and Segment income (loss) of "Communication media components" and "Technical ceramics" of the first quarter of this fiscal year correspond to Net Sales and Operating income (loss) of "Communication media components and technical ceramics" of the first quarter of the previous fiscal year.

From the first quarter of fiscal year ending March 31, 2011, the Group applies the "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17 of March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 of March 21, 2008).