

Consolidated Quarterly Financial Statements in accordance with Japanese GAAP for the nine months ended December 31, 2011

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 Stock listing : Tokyo 1st section, Nagoya 1st section
 Code number : 5334
 Head office : 14-18 Takatsuji-cho, Mizuho-ku, Nagoya, Aichi, 467-8525, Japan
 Representative : Shinichi Odo, President

Quarterly financial results highlights

	Billions of yen						
	Three months ended						
	2010			2011			
	Jun. 30	Sep. 30	Dec. 31	Mar.31	Jun.30	Sep.30	Dec. 31
For the three months:							
Net sales	70.6	70.3	64.8	63.6	69.5	69.5	65.4
Operating income	10.4	7.9	6.7	3.7	9.4	6.0	5.4
Ordinary income	9.2	8.0	6.2	4.0	9.5	4.0	5.6
Net income	7.7	6.7	5.0	4.3	7.8	2.7	3.8
Sales by industry segments:							
Spark & glow plugs	29.6	30.1	28.5	28.3	30.9	30.1	29.5
Automotive sensors	20.2	21.4	19.3	19.9	22.8	24.4	21.9
Automotive components	49.8	51.5	47.7	48.2	53.7	54.5	51.4
Communication media components	13.9	12.3	9.9	8.3	8.6	7.9	7.4
Technical ceramics	5.8	5.6	5.8	5.9	6.0	5.9	5.5
	Percent						
Operating income (loss) ratio:							
Consolidated	14.7	11.3	10.4	5.8	13.5	8.7	8.2
By industry segments:							
Automotive components	20.3	17.6	15.9	10.8	18.3	14.0	14.1
Communication media components	(0.6)	(11.3)	(12.5)	(20.3)	(12.0)	(24.2)	(28.7)
Technical ceramics	5.5	4.8	5.6	2.9	9.5	5.6	5.6
	Yen						
Actual exchange rate:							
Yen - U.S. dollar	92	86	83	82	82	78	77
Yen - Euro	117	111	112	113	117	110	104

Consolidated Quarterly Balance Sheets
March 31, 2011 and December 31, 2011

	Millions of yen	
	March 31, 2011	December 31, 2011
Assets		
Current assets		
Cash and deposits	27,274	23,297
Notes and accounts receivable-trade	44,393	48,293
Short-term investment securities	40,915	50,152
Inventories	62,086	59,678
Deferred tax assets	8,100	7,881
Other	8,408	8,432
Allowance for doubtful accounts	(116)	(133)
Total current assets	191,062	197,602
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	44,153	41,239
Machinery, equipment and vehicles, net	23,213	22,125
Land	15,132	15,046
Construction in progress	1,542	3,766
Other, net	2,127	2,080
Total property, plant and equipment	86,170	84,258
Intangible assets		
Goodwill	27	-
Software	5,494	4,579
Other	44	42
Total intangible assets	5,565	4,621
Investments and other assets		
Investment securities	50,295	36,187
Deferred tax assets	2,600	2,241
Other	1,728	1,806
Allowance for doubtful accounts	(104)	(100)
Total investments and other assets	54,520	40,134
Total noncurrent assets	146,255	129,015
Total assets	337,318	326,617

	Millions of yen	
	March 31, 2011	December 31, 2011
Liabilities		
Current liabilities		
Accounts payable-trade	30,182	22,641
Short-term loans payable	703	1,213
Current portion of bonds	-	10,000
Lease obligations	225	261
Income taxes payable	1,336	1,329
Deferred tax liabilities	72	78
Other	20,653	18,222
Total current liabilities	53,173	53,748
Noncurrent liabilities		
Bonds payable	35,000	25,000
Lease obligations	769	724
Provision for retirement benefits	17,615	18,009
Negative goodwill	49	36
Deferred tax liabilities	11,158	7,976
Other	1,392	1,556
Total noncurrent liabilities	65,985	53,303
Total liabilities	119,158	107,052
Net assets		
Shareholders' equity		
Capital stock	47,869	47,869
Capital surplus	55,162	54,824
Retained earnings	138,071	140,207
Treasury stock	(15,202)	(7,523)
Total shareholders' equity	225,901	235,378
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,433	7,715
Foreign currency translation adjustment	(19,856)	(25,048)
Total valuation and translation adjustments	(9,422)	(17,333)
Minority interests	1,681	1,520
Total net assets	218,159	219,565
Total liabilities and net assets	337,318	326,617

Consolidated Quarterly Statements of Operations
For the nine months ended December 31, 2010 and 2011

	Millions of yen	
	2010	2011
Net sales	205,646	204,415
Cost of sales	147,829	149,853
Gross profit	57,817	54,562
Selling, general and administrative expenses	32,759	33,736
Operating income	25,057	20,825
Non-operating income		
Interest income	844	1,097
Dividends income	472	532
Amortization of negative goodwill	12	12
Equity in earnings of affiliates	284	184
Other	775	539
Total non-operating income	2,389	2,366
Non-operating expenses		
Interest expenses	439	467
Foreign exchange losses	2,416	2,530
Depreciation from idle assets	844	674
Other	408	356
Total non-operating expenses	4,109	4,028
Ordinary income	23,337	19,163
Extraordinary income		
Gain on sales of property, plant and equipment	81	76
Total extraordinary income	81	76
Extraordinary loss		
Loss on sales or disposal of property, plant and equipment	144	156
Loss on valuation of investment securities	165	934
Loss on adjustment for changes of accounting standard for asset retirement obligations	136	-
Total extraordinary losses	447	1,090
Income before income taxes and minority interests	22,971	18,148
Income taxes-current	3,277	3,411
Income taxes-deferred	42	229
Total income taxes	3,319	3,640
Income before minority interests	19,652	14,508
Minority interests in income	231	217
Net income	19,420	14,290
Net income per share	Yen	
- Basic	89.14	65.65
- Diluted	88.36	-

**Consolidated Statements of Comprehensive Income
for the Nine Months Ended December 31, 2010 and 2011**

	Millions of yen	
	2010	2011
Income before minority interests	19,652	14,508
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,607)	(2,717)
Foreign currency translation adjustment	(5,481)	(5,144)
Share of other comprehensive income of associates accounted for using equity method	(164)	(231)
Total other comprehensive income	<u>(7,253)</u>	<u>(8,092)</u>
Comprehensive income	<u>12,398</u>	<u>6,415</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	12,186	6,380
Comprehensive income attributable to minority interests	212	34

Consolidated Quarterly Statements of Cash Flows
For the nine months ended December 31, 2010 and 2011

	Millions of yen	
	2010	2011
Net cash provided by operating activities		
Income before income taxes and minority interests	22,971	18,148
Depreciation and amortization	12,259	11,132
Amortization of goodwill	99	14
Increase in provision for retirement benefits	765	410
Interest and dividends income	(1,316)	(1,629)
Interest expenses	439	467
Equity in (earnings) losses of affiliates	(284)	(184)
Loss (gain) on disposal of noncurrent assets	63	80
Loss on sales and valuation of investment securities	165	934
(Increase) decrease in notes and accounts receivable-trade	(4,428)	(6,166)
(Increase) decrease in inventories	(1,301)	(75)
(Decrease) increase in notes and accounts payable-trade	(3,038)	(4,600)
Other, net	(2,338)	(2,944)
Subtotal	24,056	15,587
Interest and dividends income received	1,218	1,439
Interest expenses paid	(302)	(330)
Income taxes paid	(3,117)	(3,169)
Net cash provided by operating activities	21,854	13,526
Net cash used in investment activities		
(Increase) decrease in time deposits	793	(771)
(Increase) decrease in securities	4,624	(5,958)
Purchase of property, plant and equipment	(5,095)	(8,999)
Proceeds from sales of property, plant and equipment	136	195
Purchase of intangible assets	(479)	(181)
Purchase of investment securities	(16,456)	(2,631)
Proceeds from sales of investment securities	900	5,570
Other, net	(88)	13
Net cash used in investment activities	(15,666)	(12,764)
Net cash (used in) provided by financing activities		
Net decrease in short-term loans payable	(358)	567
Purchase of treasury stock	(36)	(27)
Proceeds from sales of treasury stock	0	3
Cash dividends paid	(3,595)	(4,788)
Other, net	(285)	(395)
Net cash (used in) provided by financing activities	(4,276)	(4,641)
Effect of exchange rate change on cash and cash equivalents	(1,707)	(945)
Net (decrease) increase in cash and cash equivalents	204	(4,823)
Cash and cash equivalents at beginning of period	46,364	51,888
Cash and cash equivalents at end of period	46,568	47,064

Segment information

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

	Reportable segments				Others	Total	Adjustment	Consolidated
	Automotive components	Communication media components	Technical ceramics	Total				
Millions of yen								
Nine months ended December 31, 2010								
Net sales	149,029	36,139	17,159	202,328	3,318	205,646	-	205,646
Segment income (loss)	26,743	(2,711)	906	24,938	119	25,057	-	25,057
Nine months ended December 31, 2011								
Net sales	159,642	24,031	17,458	201,133	3,282	204,415	-	204,415
Segment income (loss)	24,730	(5,101)	1,210	20,840	(15)	20,825	-	20,825

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".