

**Consolidated Quarterly Financial Statements in accordance with
Japanese GAAP for the three months ended June 30, 2013**

URL : <http://www.ngkntk.co.jp>
 Stock listing : Tokyo 1st section, Nagoya 1st section
 Code number : 5334
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 Representative : Shinichi Odo, President

Quarterly financial results highlights

| | Billions of yen | | | | |
|------------------------------------|--------------------|--------|--------|--------|---------------|
| | Three months ended | | | | |
| | 2012 | | | 2013 | |
| | Jun.30 | Sep.30 | Dec.31 | Mar.31 | Jun.30 |
| For the three months: | | | | | |
| Net sales | 68.2 | 64.5 | 63.3 | 106.7 | 82.2 |
| Operating income | 5.3 | 4.6 | 4.3 | 9.6 | 10.8 |
| Ordinary income | 4.6 | 4.7 | 6.8 | 11.6 | 12.0 |
| Net income | 2.0 | 5.6 | 4.0 | 9.3 | 7.2 |
| Sales by industry segments: | | | | | |
| Spark & glow plugs | 30.7 | 29.8 | 30.4 | 55.0 | 40.0 |
| Automotive sensors | 23.4 | 21.5 | 21.0 | 37.0 | 28.0 |
| Automotive components | 54.1 | 51.4 | 51.4 | 92.0 | 68.1 |
| Semiconductor | 7.5 | 7.2 | 6.2 | 7.4 | 7.2 |
| Ceramics | 5.7 | 5.1 | 4.8 | 6.5 | 5.9 |
| Technical ceramics | 13.1 | 12.3 | 11.0 | 13.9 | 13.2 |
| | | | | | |
| | Percent | | | | |
| Operating income ratio: | | | | | |
| Consolidated | 7.8 | 7.1 | 6.8 | 9.0 | 13.2 |
| By industry segments: | | | | | |
| Automotive components | 13.4 | 13.8 | 13.6 | 12.9 | 18.1 |
| Semiconductor | (29.6) | (36.5) | (43.3) | (29.3) | (24.1) |
| Ceramics | 5.2 | 1.9 | (1.4) | (2.4) | 4.3 |
| Technical ceramics | (14.6) | (20.6) | (24.9) | (16.7) | (11.3) |
| | | | | | |
| | Yen | | | | |
| Actual exchange rate: | | | | | |
| Yen - U.S. dollar | 80 | 79 | 81 | 92 | 99 |
| Yen - Euro | 103 | 99 | 105 | 122 | 129 |

Consolidated Quarterly Balance Sheets
June 30, 2013 and March 31, 2013

| | Millions of yen | |
|--|-----------------|----------------|
| | March 31, 2013 | June 30, 2013 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 24,557 | 28,951 |
| Notes and accounts receivable-trade | 53,103 | 58,919 |
| Short-term investment securities | 46,079 | 38,660 |
| Inventories | 67,845 | 66,356 |
| Deferred tax assets | 8,805 | 8,934 |
| Other | 10,148 | 10,779 |
| Allowance for doubtful accounts | (299) | (312) |
| Total current assets | 210,240 | 212,289 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 40,334 | 41,858 |
| Machinery, equipment and vehicles, net | 30,157 | 31,588 |
| Land | 15,131 | 15,157 |
| Construction in progress | 8,966 | 12,177 |
| Other, net | 2,484 | 2,568 |
| Total property, plant and equipment | 97,073 | 103,349 |
| Intangible assets | | |
| Software | 3,590 | 3,443 |
| Other | 235 | 248 |
| Total intangible assets | 3,826 | 3,692 |
| Investments and other assets | | |
| Investment securities | 52,770 | 56,701 |
| Deferred tax assets | 925 | 813 |
| Other | 1,755 | 1,747 |
| Allowance for doubtful accounts | (103) | (103) |
| Total investments and other assets | 55,347 | 59,158 |
| Total noncurrent assets | 156,248 | 166,199 |
| Total assets | 366,489 | 378,488 |

| | Millions of yen | |
|---|-----------------|-----------------|
| | March 31, 2013 | June 30, 2013 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable-trade | 18,814 | 22,900 |
| Short-term loans payable | 1,432 | 1,450 |
| Lease obligations | 302 | 288 |
| Income taxes payable | 4,854 | 4,514 |
| Deferred tax liabilities | 94 | 70 |
| Other | 25,799 | 22,445 |
| Total current liabilities | 51,298 | 51,669 |
| Noncurrent liabilities | | |
| Bonds payable | 25,000 | 25,000 |
| Lease obligations | 683 | 643 |
| Provision for retirement benefits | 17,401 | 17,377 |
| Negative goodwill | 16 | 12 |
| Deferred tax liabilities | 2,334 | 4,720 |
| Other | 1,446 | 1,320 |
| Total noncurrent liabilities | 46,881 | 49,074 |
| Total liabilities | 98,180 | 100,743 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 47,869 | 47,869 |
| Capital surplus | 54,824 | 54,824 |
| Retained earnings | 167,561 | 172,388 |
| Treasury stock | (7,539) | (7,553) |
| Total shareholders' equity | 262,716 | 267,529 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 16,175 | 19,311 |
| Foreign currency translation adjustment | (12,596) | (11,122) |
| Total valuation and translation adjustments | 3,579 | 8,188 |
| Minority interests | 2,013 | 2,026 |
| Total net assets | 268,309 | 277,745 |
| Total liabilities and net assets | 366,489 | 378,488 |

**Consolidated Quarterly Statement of Operations
for the Three Months Ended June 30, 2012 and 2013**

| | Millions of yen | |
|--|-----------------|---------------|
| | 2012 | 2013 |
| Net sales | 68,249 | 82,212 |
| Cost of sales | 51,803 | 58,210 |
| Gross profit | 16,446 | 24,002 |
| Selling, general and administrative expenses | 11,130 | 13,185 |
| Operating income | 5,316 | 10,816 |
| Non-operating income | | |
| Interest income | 244 | 334 |
| Dividends income | 268 | 363 |
| Amortization of negative goodwill | 4 | 4 |
| Equity in earnings of affiliates | 139 | 81 |
| Foreign exchange gains | - | 523 |
| Other | 102 | 172 |
| Total non-operating income | 758 | 1,479 |
| Non-operating expenses | | |
| Interest expenses | 155 | 95 |
| Foreign exchange losses | 1,129 | - |
| Depreciation of inactive noncurrent assets | 122 | 68 |
| Other | 79 | 109 |
| Total non-operating expenses | 1,486 | 274 |
| Ordinary income | 4,588 | 12,021 |
| Extraordinary income | | |
| Gain on sales of property, plant and equipment | 37 | 28 |
| Gain on sales of investment securities | - | 11 |
| Total extraordinary income | 37 | 39 |
| Extraordinary loss | | |
| Loss on sales or disposal of property, plant and equipment | 24 | 53 |
| Loss on valuation of investment securities | 1 | - |
| Total extraordinary losses | 26 | 53 |
| Income before income taxes and minority interests | 4,598 | 12,007 |
| Income taxes-current | 1,052 | 4,055 |
| Income taxes-deferred | 1,471 | 635 |
| Total income taxes | 2,524 | 4,691 |
| Income before minority interests | 2,074 | 7,315 |
| Minority interests in income | 69 | 94 |
| Net income | 2,004 | 7,221 |
| | Yen | |
| Net income per share | | |
| - Basic | 9.21 | 33.18 |
| - Diluted | - | - |

Consolidated Statements of Comprehensive Income for the Three Months Ended June 30, 2012 and 2013

| | Millions of yen | |
|---|-----------------|---------------|
| | 2012 | 2013 |
| Income before minority interests | 2,074 | 7,315 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (2,344) | 3,129 |
| Foreign currency translation adjustment | 3,512 | 1,412 |
| Share of other comprehensive income of associates accounted for using equity method | 166 | 60 |
| Total other comprehensive income | 1,334 | 4,602 |
| Comprehensive income | 3,408 | 11,918 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | 3,184 | 11,830 |
| Comprehensive income attributable to minority interests | 224 | 87 |

Consolidated Quarterly Statements of Cash Flows for the Three Months Ended June 30, 2012 and 2013

| | Millions of yen | |
|---|-----------------|---------|
| | 2012 | 2013 |
| Net cash provided by (used in) operating activities | | |
| Income before income taxes and minority interests | 4,598 | 12,007 |
| Depreciation and amortization | 3,006 | 2,631 |
| Amortization of goodwill | (4) | (4) |
| (Decrease) increase in provision for retirement benefits | 67 | (34) |
| Interest and dividends income | (513) | (698) |
| Interest expenses | 155 | 95 |
| Equity in (earnings) losses of affiliates | (139) | (81) |
| (Gain) loss on disposal of noncurrent assets | (12) | 25 |
| (Increase) decrease in notes and accounts receivable-trade | (1,039) | (4,410) |
| Decrease (increase) in inventories | 1,173 | 2,941 |
| (Decrease) increase in notes and accounts payable-trade | (845) | 2,161 |
| Other, net | (3,818) | (2,688) |
| Subtotal | 2,630 | 11,945 |
| Interest and dividends income received | 588 | 843 |
| Interest expenses paid | (21) | (9) |
| Income taxes paid | (926) | (4,525) |
| Net cash provided by (used in) operating activities | 2,270 | 8,253 |
| Net cash (used in) provided by investment activities | | |
| Net decrease (increase) in time deposits | 387 | 786 |
| Net (increase) decrease in short-term investment securities | (1,905) | (1,298) |
| Purchase of property, plant and equipment | (4,126) | (9,818) |
| Proceeds from sales of property, plant and equipment | 49 | 86 |
| Purchase of intangible assets | (82) | (219) |
| Purchase of investment securities | (1,510) | (400) |
| Proceeds from sales and redemption of investment securities | 4,000 | 2,607 |
| Other, net | (14) | (0) |
| Net cash (used in) provided by investment activities | (3,201) | (8,256) |
| Net cash (used in) provided by financing activities | | |
| Net (decrease) increase in short-term loans payable | (20) | (60) |
| Purchase of treasury stock | (3) | (13) |
| Proceeds from sales of treasury stock | 0 | - |
| Cash dividends paid | (2,349) | (2,357) |
| Other, net | (252) | (164) |
| Net cash (used in) provided by financing activities | (2,625) | (2,595) |
| Effect of exchange rate change on cash and cash equivalents | 648 | 328 |
| Net (decrease) increase in cash and cash equivalents | (2,907) | (2,270) |
| Cash and cash equivalents at beginning of period | 51,824 | 49,874 |
| Cash and cash equivalents at end of period | 48,917 | 47,604 |

Segment information

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

| | Reportable segments | | | | Total | Others | Total | Adjustment | Consolidated |
|----------------------------------|-----------------------|--------------------|----------|---------|--------|--------|--------|------------|--------------|
| | Automotive components | Technical ceramics | | Total | | | | | |
| | | Semiconductor | Ceramics | | | | | | |
| Millions of yen | | | | | | | | | |
| Three months ended June 30, 2012 | | | | | | | | | |
| Net sales | 54,068 | 7,472 | 5,659 | 13,132 | 67,200 | 1,049 | 68,249 | - | 68,249 |
| Segment income (loss) | 7,253 | (2,211) | 292 | (1,919) | 5,334 | (18) | 5,316 | - | 5,316 |

Three months ended June 30, 2013

| | | | | | | | | | |
|------------------------------|---------------|----------------|--------------|----------------|---------------|------------|---------------|----------|---------------|
| Net sales | 68,068 | 7,239 | 5,917 | 13,157 | 81,226 | 986 | 82,212 | - | 82,212 |
| Segment income (loss) | 12,314 | (1,745) | 253 | (1,491) | 10,822 | (6) | 10,816 | - | 10,816 |

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: In April 2013, the "Communication media components" segment and "Technical ceramics" segment were integrated and changed the name to the "Technical ceramics" segment. The "Communication media components" segment and the "Technical ceramics" segment of the three months ended June 30, 2012 correspond to each of the "Semiconductor" segment and the "Ceramics" segment of the three months ended June 30, 2013.

Segment information for the three months ended June 30, 2012 above is based on the reportable segments of the three months ended June 30, 2013.