

Consolidated Quarterly Financial Statements in accordance with Japanese GAAP for the nine months ended December 31, 2014

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 Stock listing : Tokyo 1st section, Nagoya 1st section
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Quarterly financial results highlights

	Billions of yen						Dec. 31
	Three months ended						
	2013			2014			
	Jun.30	Sep.30	Dec. 31	Mar.31	Jun.30	Sep.30	
For the three months:							
Net sales	82.2	79.9	83.3	84.3	84.6	84.4	88.9
Operating income	10.8	12.5	13.8	14.6	15.1	14.2	17.3
Ordinary income	12.0	12.6	16.3	14.0	15.6	17.2	20.3
Net income	7.2	8.5	9.8	7.2	10.1	6.2	13.4
Sales by industry segments:							
Spark & glow plugs	40.0	38.0	39.3	41.7	41.5	42.3	44.6
Automotive sensors	28.0	26.8	28.5	29.5	29.7	28.7	30.5
Automotive components	68.1	64.8	67.8	71.2	71.2	71.0	75.2
Semiconductor	8.1	9.1	8.9	7.1	6.6	7.2	7.6
Ceramics	5.1	5.1	5.6	5.3	5.3	5.3	5.1
Technical ceramics	13.2	14.2	14.4	12.4	12.0	12.5	12.7
Operating income (loss) ratio:							
Consolidated	13.2	15.6	16.5	17.3	17.8	16.8	19.5
By industry segments:							
Automotive components	18.1	21.6	23.1	23.8	24.5	22.5	23.9
Semiconductor	(19.4)	(18.1)	(23.8)	(37.0)	(38.3)	(26.2)	(12.2)
Ceramics	1.5	3.4	4.3	3.9	3.0	2.9	5.7
Technical ceramics	(11.3)	(10.3)	(12.9)	(19.5)	(19.9)	(14.0)	(5.0)
Actual exchange rate:							
Yen - U.S. dollar	99	99	100	103	102	104	115
Yen - Euro	129	131	137	141	140	138	143

Consolidated Quarterly Balance Sheets
March 31, 2014 and December 31, 2014

	Millions of yen	
	March 31, 2014	December 31, 2014
Assets		
Current assets		
Cash and deposits	31,508	37,288
Notes and accounts receivable-trade	61,991	69,328
Short-term investment securities	80,943	55,786
Inventories	71,069	78,012
Deferred tax assets	12,785	11,522
Other	11,361	12,506
Allowance for doubtful accounts	(449)	(470)
Total current assets	269,209	263,975
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	48,946	51,631
Machinery, equipment and vehicles, net	38,375	56,005
Land	15,147	18,057
Construction in progress	15,671	12,291
Other, net	2,955	3,138
Total property, plant and equipment	121,095	141,123
Intangible assets		
Software	3,367	3,126
Other	252	290
Total intangible assets	3,620	3,416
Investments and other assets		
Investment securities	60,837	61,201
Deferred tax assets	999	861
Other	2,488	2,453
Allowance for doubtful accounts	(103)	(104)
Total investments and other assets	64,222	64,411
Total noncurrent assets	188,938	208,951
Total assets	458,148	472,926

	Millions of yen	
	March 31, 2014	December 31, 2014
Liabilities		
Current liabilities		
Accounts payable-trade	23,625	23,832
Short-term loans payable	1,594	1,054
Current portion of bonds	10,000	15,000
Lease obligations	252	226
Income taxes payable	16,410	4,572
Deferred tax liabilities	1	-
Other	29,776	27,930
Total current liabilities	<u>81,660</u>	<u>72,616</u>
Noncurrent liabilities		
Bonds payable	40,000	25,000
Long-term loans payable	5,000	5,000
Lease obligations	492	352
Net defined benefit liability	23,522	25,054
Deferred tax liabilities	3,459	6,256
Other	1,220	1,351
Total noncurrent liabilities	<u>73,694</u>	<u>63,013</u>
Total liabilities	<u>155,354</u>	<u>135,629</u>
Net assets		
Shareholders' equity		
Capital stock	47,869	47,869
Capital surplus	54,824	54,824
Retained earnings	195,042	216,164
Treasury stock	(7,611)	(7,639)
Total shareholders' equity	<u>290,124</u>	<u>311,219</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	21,137	24,800
Foreign currency translation adjustment	(6,543)	2,539
Remeasurements of defined benefit plans	(4,083)	(3,702)
Total valuation and translation adjustments	<u>10,509</u>	<u>23,637</u>
Minority interests	<u>2,159</u>	<u>2,439</u>
Total net assets	<u>302,793</u>	<u>337,296</u>
Total liabilities and net assets	<u>458,148</u>	<u>472,926</u>

**Consolidated Quarterly Statements of Operations
for the nine months ended December 31, 2013 and 2014**

	Millions of yen	
	2013	2014
Net sales	245,414	257,864
Cost of sales	167,717	166,051
Gross profit	77,697	91,812
Selling, general and administrative expenses	40,594	45,240
Operating income	37,102	46,572
Non-operating income		
Interest income	872	1,140
Dividends income	816	1,030
Amortization of negative goodwill	12	-
Equity in earnings of affiliates	367	863
Foreign exchange gains	2,028	3,059
Other	793	1,472
Total non-operating income	4,890	7,566
Non-operating expenses		
Interest expenses	375	303
Depreciation from idle assets	190	143
Other	488	635
Total non-operating expenses	1,053	1,082
Ordinary income	40,939	53,055
Extraordinary income		
Gain on sales of property, plant and equipment	74	62
Gain on sales of investment securities	11	-
Total extraordinary income	86	62
Extraordinary loss		
Loss on sales or disposal of property, plant and equipment	326	364
Loss on valuation of investment securities	-	16
Loss on violation of antitrust law	-	5,687
Total extraordinary losses	326	6,068
Income before income taxes and minority interests	40,698	47,049
Income taxes-current	15,726	14,299
Income taxes-deferred	(726)	2,737
Total income taxes	14,999	17,037
Income before minority interests	25,698	30,012
Minority interests in income	228	230
Net income	25,470	29,781
Net income per share	Yen	
- Basic	117.02	136.85
- Diluted	-	-

**Consolidated Statements of Comprehensive Income
for the nine months ended December 31, 2013 and 2014**

	Millions of yen	
	2013	2014
Income before minority interests	25,698	30,012
Other comprehensive income		
Valuation difference on available-for-sale securities	8,758	3,676
Foreign currency translation adjustment	6,819	8,688
Remeasurements of defined benefit plans	-	381
Share of other comprehensive income of associates accounted for using equity method	671	614
Total other comprehensive income	16,248	13,360
Comprehensive income	41,947	43,372
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	41,692	42,909
Comprehensive income attributable to minority interests	254	463

Consolidated Quarterly Statements of Cash Flows
For the nine months ended December 31, 2013 and 2014

	Millions of yen	
	2013	2014
Net cash provided by operating activities		
Income before income taxes and minority interests	40,698	47,049
Depreciation and amortization	8,364	9,801
Amortization of goodwill	(12)	-
Increase in provision for retirement benefits	96	-
Decrease in net defined benefit liability	-	(102)
Interest and dividends income	(1,688)	(2,170)
Interest expenses	375	303
Equity in earnings of affiliates	(367)	(863)
Loss on disposal of noncurrent assets	252	302
Loss on valuation of investment securities	-	16
Increase in notes and accounts receivable-trade	(4,386)	(2,410)
(Increase) decrease in inventories	2,145	(1,857)
Decrease in notes and accounts payable-trade	(1,786)	(5,331)
Other, net	418	(1,975)
Subtotal	<u>44,110</u>	<u>42,762</u>
Interest and dividends income received	1,619	1,875
Interest expenses paid	(260)	(302)
Income taxes paid	(8,052)	(25,485)
Net cash provided by operating activities	<u>37,416</u>	<u>18,849</u>
Net cash used in investment activities		
Net increase in time deposits	(304)	(1,206)
Net decrease (increase) in short-term investment securities	(14,484)	11,387
Purchase of property, plant and equipment	(27,372)	(28,697)
Purchase of intangible assets	(618)	(834)
Purchase of investment securities	(6,537)	(1,946)
Proceeds from sales and redemption of investment securities	3,607	7,100
Other, net	(471)	288
Net cash used in investment activities	<u>(46,181)</u>	<u>(13,907)</u>
Net cash (used in) provided by financing activities		
Net (decrease) increase in short-term loans payable	1	(705)
Proceeds from long-term loans payable	5,000	-
Proceeds from issuance of bonds	24,877	-
Redemption of bonds	-	(10,000)
Purchase of treasury stock	(59)	(27)
Cash dividends paid	(5,220)	(7,173)
Other, net	(419)	(401)
Net cash (used in) provided by financing activities	<u>24,178</u>	<u>(18,307)</u>
Effect of exchange rate change on cash and cash equivalents	2,110	2,512
Net (decrease) increase in cash and cash equivalents	<u>17,524</u>	<u>(10,853)</u>
Cash and cash equivalents at beginning of period	<u>49,874</u>	<u>68,966</u>
Cash and cash equivalents at end of period	<u>67,399</u>	<u>58,113</u>

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									
Nine months ended December 31, 2013									
Net sales	200,670	25,998	15,781	41,779	242,450	2,964	245,414	-	245,414
Segment income (loss)	41,938	(5,322)	496	(4,826)	37,112	(9)	37,102	-	37,102
Nine months ended December 31, 2014									
Net sales	217,338	21,452	15,699	37,151	254,490	3,374	257,864	-	257,864
Segment income (loss)	51,306	(5,360)	603	(4,757)	46,549	23	46,572	-	46,572

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 2014, product for semiconductor manufacturing equipment was moved from "Ceramics" to "Semiconductor".

Segment information for the nine months ended December 31, 2013 above is based on the reportable segments of the nine months ended December 31, 2014.