

CSR Report 2011

NGK Spark Plug Group



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【Period covered】 From April 1, 2010 to March 31, 2011

Some other very recent activities and cases are also included.

【Covered Organization】

- Social aspects : NGK Spark Plug Co., Ltd.
However, this report may also cover activities of subsidiaries and affiliates inside and outside Japan. In such cases, specific company names are indicated.
- Environmental aspects : NGK Spark Plug Group
・ NGK Spark Plug Co., Ltd.
・ 9 consolidated domestic subsidiaries and 1 affiliate.

【Publishing Director】 Shinichi Odo, President

【Editor in Chief】 Yukashi Ukai, General Manager
of CSR Promotion Department

【Published】 September 2011

(The next report is planned to be published in September 2012.
/The previous report was published in September 2010.)

Corporate Profile

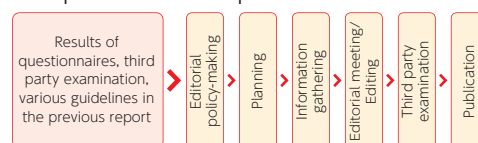
Corporate Name	NGK SPARK PLUG CO., LTD.
Head Office	14-18 Takatsuji-cho, Mizuho-ku, Nagoya
Foundation	October 26, 1936
Capital	47,869,270,000 yen
Business	(1) Manufacturing and selling spark plugs and related products for internal-combustion engines. (2) Manufacturing and selling technical ceramics and applicable products.
Group Companies	33 subsidiaries (9 in Japan, 24 overseas), 6 affiliates

Publication Policy

Editorial Policy

This report has been prepared based on our Information Disclosure Policy (on page 18) with the aim of providing reports in an easy-to-understand and friendly manner, focusing on ease of understanding, importance and completeness, and trustworthiness.

■ Preparation of CSR Report



Selection of Information

This Report covers information that is considered important for NGK Spark Plug Group, as well as information that is considered important or useful for our stakeholders.

Consideration to Ease of Understanding

To ensure ease of understanding from the standpoint of the audience, the entire document is divided into the sections of management, social and environmental reports. In the social report, information concerning each stakeholder is provided according to each category of stakeholders. In addition, each page is designed to clearly describe the concept, mechanism and results of our activities.

Consideration to Trustworthiness

We have worked to improve the trustworthiness of the document by undergoing third party examination to affirm the correctness, neutrality, and verifiability of the content.

Information Disclosure on our websites

Places where you can look up more detailed information on our website are marked thus:
[Web](#)

IR Information

<http://www.ngkntk.co.jp/english/ir/index.html>

CSR Information

<http://www.ngkntk.co.jp/english/csr/index.html>

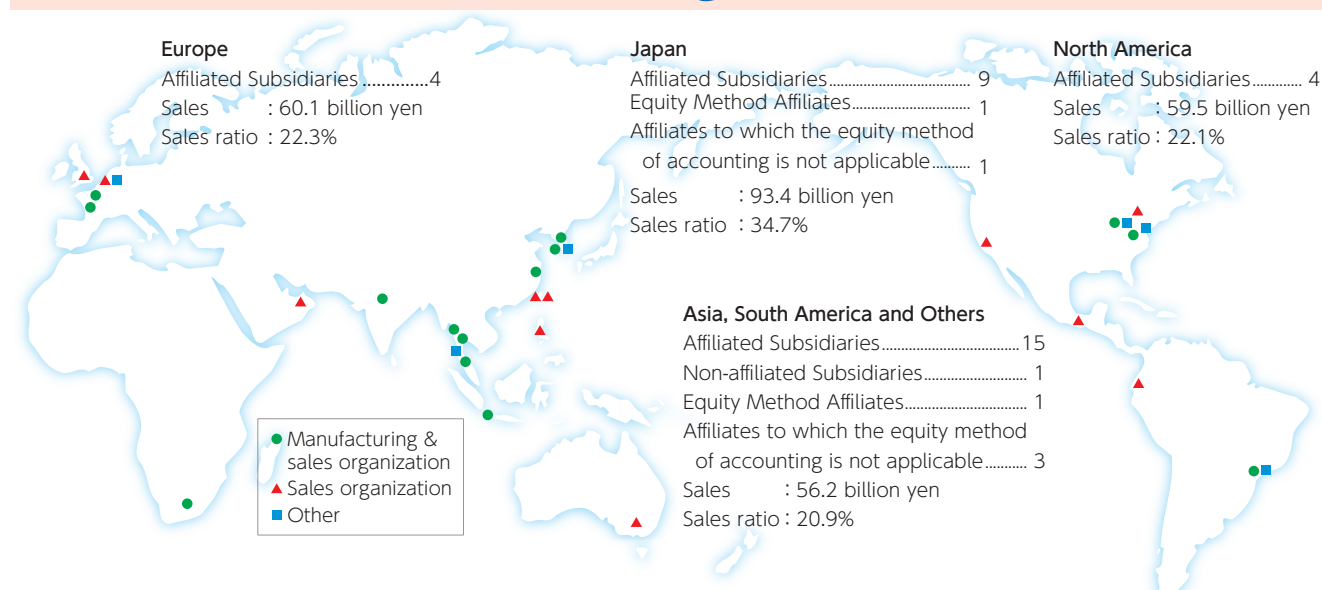
Reference guidelines

- ・ Environmental Reporting guidelines (2007 version) issued by the Ministry of the Environment of Japan
- ・ GRI Sustainability Reporting Guidelines (Version 3)

NGK Spark Plug Group Business Outline

Network

Web <http://www.ngkntk.co.jp/english/company/network.html>



Primary Products

Automotive Components Group

- Spark Plugs, Related Products
- Glow Plugs ■ Sensors



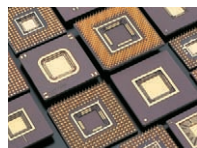
Spark Plugs for Automobile



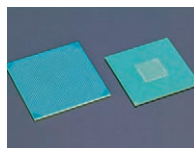
Exhaust Gas Oxygen Sensors

Communication Media Components Group

- Semiconductor Components



Ceramic IC Packages



Organic IC Packages

Technical Ceramic Group

- Medical Products
- Industrial Components
- Cutting Tools ■ Electronic Components



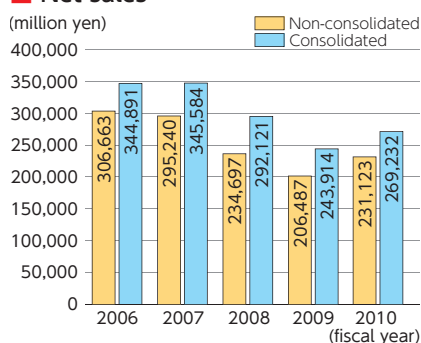
Bone Filling Materials



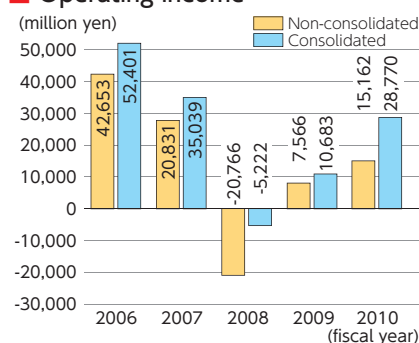
Ceramic Inserts

Financial Data

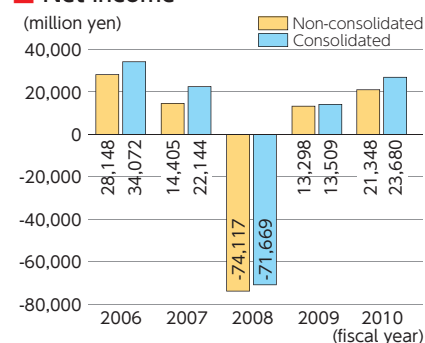
Net sales



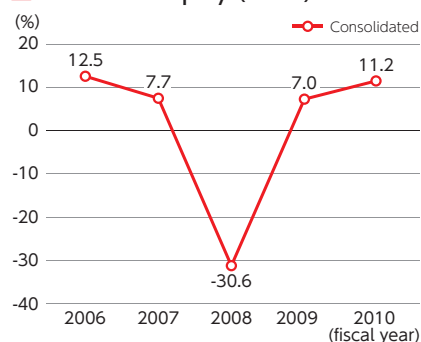
Operating income



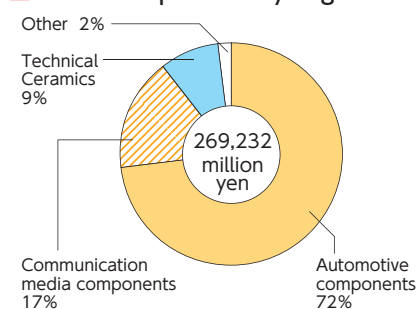
Net income



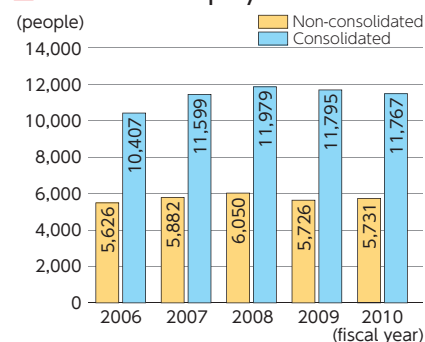
Return on Equity (ROE*)



Sales Composition by Segment



Number of Employees



ROE ROE is one indicator of a company's profitability. ROE reveals how effectively shareholder equity is being used; higher ROE means higher profitability.

$$ROE = \frac{\text{Net Income}}{\text{Shareholders' Equity}}$$

Message from the President



Shinichi Odo

President and Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Shinichi Odo'.

September 2011

I would like to offer our deepest sympathy to all those affected by the Great East Japan Earthquake that struck in March this year. We sincerely pray for their safety and the earliest possible recovery of the disaster-hit regions. NGK Spark Plug Co., Ltd. is determined to extend as much assistance as possible to the victims.

Reinforcing Our Operating Base and Achieving Further Development

This year, NGK Spark Plug Co., Ltd. celebrates its 75th anniversary. We are aware that our expansion and success to date has been entirely due to our customers and suppliers, and would like to express our warmest gratitude for their kind patronage and support. At the same time, let me show our profound respect for our predecessors for their great endeavor. Our Company has been engaged in manufacturing based on the philosophy of producing quality products with participation by all employees, a philosophy that we have maintained since our founding. We have also proposed and provided products and services that meet the needs of the times, without being afraid of change. In keeping with these two attitudes, we will continue to pursue further development in the future.

In the automotive industry, the NGK Spark Plug Group's principal business field, we have seen increasing demand for environmentally friendly vehicles, such as fuel-efficient, high-powered compact cars and hybrid cars, reflecting the rise in global awareness of environmental preservation and fossil fuel depletion. Automotive manufacturers are making progress with the development of next-generation electric vehicles. To meet such demand, our Company strives to develop new products of spark plugs and related component that can effectively improve fuel efficiency. In the electronics and semiconductor industry, we focus on smartphones (multifunctional mobile phones), mobile products, digital consumer appliances and automotive devices, while looking at tablet terminals as a primary target for the exploitation of a new market.

Last year we started to implement our 5th Medium-term Management Plan, the basic policy of which is "to reinforce the operating base and establish a framework for further development" in light of the NGK Spark Plug Group's vision 10 years ahead into the future. Under the Plan, we promote an initiative to develop next-generation technologies aiming to contribute to the realization of an energy infrastructure for the near future. As part of the initiative, we will put our energy into the development of innovative

technologies, including a hydrogen energy-related product lineup comprising solid oxide fuel cell (SOFC) and a hydrogen leak detection sensor.

Establishment of Our CSR Policy

In April this year, NGK Spark Plug Co., Ltd. established its CSR Policy, on the basis of the objectives and action guidelines set forth in our Corporate Philosophy and Corporate Code of Conduct, and made the Policy known throughout the Company. We will first review our compliance and risk management systems, which form the foundation for corporate activities. If shortcomings are identified, we will visualize them to make improvements accordingly.

Compliance means adherence to laws and regulations as well as to corporate ethics. It is therefore our natural obligation to assure compliance. Now that we have newly established the Compliance Policy and set its action guidelines, by ensuring that all executives and employees follow these guidelines, I believe that we can build up a more sound business structure. To this end, we work to further improve our in-house education and awareness-raising activities, so as to achieve thorough compliance. We will also share such compliance-related information across the Group worldwide to help resolve problems in each country and region.

To smoothly continue corporate activities, it is important to implement strict risk management to deal with risks at an early stage. Notably, in the aftermath of the recent devastating earthquake, Japan has encountered numerous unexpected circumstances one after the other. The NGK Spark Plug Group has also recognized anew how it is difficult to ensure business continuity in a disaster situation. Since many business sites of the Group are located in the Tokai region, we will review our scenario to prepare for the occurrence of major earthquakes, for instance, a possible Tokai Earthquake. By strengthening our disaster-preparedness, we strive to minimize the possible adverse effect on customers who purchase our products, suppliers from which we procure raw materials, and all other stakeholders involved in the supply chain.

Eco Vision 2015 Initiatives

We should never forget the fact that corporate activities have a great impact on the ecosystems on our planet. In this sense as well, we believe that global environmental problems are a common issue for all humanity, and that it is imperative for companies to address these challenges. As part of such efforts, we implemented Eco Vision 2010 from fiscal 2004 to 2010. Although we were unable to accomplish 100% achievement of the Vision, we produced some positive results. In the future, looking toward the achievement of Eco Vision 2015 stipulated in April 2011, we will make proactive efforts worldwide to help conserve the global environment.

As a Company That Coexists with Society

We have made various improvements and thereby received social acclaim. This has enabled us to continue to operate offering products and services. By further reinforcing our Company's strength, I strongly hope that we can keep on evolving as an enterprise capable of fulfilling customer needs through outstanding quality and superior service, and growing as an enterprise that coexists with society.

To realize this hope, we will continue to embrace both change and challenge, while correctly perceiving major changes in business climates, and seeking an optimal balance between management, society and the environment.

Above all, we will strive to offer a working environment in which individual employees can enthusiastically enjoy their work. Greater employee satisfaction will enable us to offer products and services that ensure greater customer satisfaction. Moreover, if we can receive increased recognition through the provision of excellent products and services, it will have a positive effect on our employees' awareness and motivation, thus generating a virtuous cycle. We aspire to be an enterprise characterized by such a virtuous cycle.

We hereby release the CSR Report 2011, which compiles our activities during fiscal 2010. The name and configuration have been changed from the previous Environmental & Social Report, since we started companywide CSR activities by establishing the CSR Promotion Department in April 2010. I look forward to receiving your unreserved comments and opinions.

Aiming to be an enterprise that is sustainable even in times of emergency

The Great East Japan Earthquake occurred on March 11 this year. The NGK Spark Plug Group has conducted activities to support the disaster victims, while working to secure employee safety and business continuity. The Group has also striven to enhance its preparedness for future disasters, such as a possible Tokai Earthquake, by strengthening the system to prevent the spread of damage and to manage the crisis.



Scene from disaster drill in the Head Office Factory

Response to the Great East Japan Earthquake

Around 14:46 on March 11, 2011, a massive earthquake with a magnitude of 9.0 occurred off the coast of Miyagi Prefecture. Five sales offices located in the Kanto region and northward experienced unprecedented tremors. The houses of some employees of the Sendai Sales Office were damaged by the earthquake. In the Tokyo area, many people were stranded due to failure of the transport system in the earthquake.

First Priority Given to Securing the Safety of Life

■ Employee Safety Confirmation

Our company has introduced a safety confirmation system to swiftly ensure the safety of employees in the event of an earthquake or other great disaster.

After the Great East Japan Earthquake, part of our system lost access to Internet connection. We therefore asked whether employees were safe or not by telephone, using the emergency contact network. Within the day of the earthquake, we confirmed that all 86 employees working at the five affected sales offices were safe. In the Tokyo area, we arranged nearby accommodation for those who had difficulty returning home.

■ Emergency Transport of Relief Supplies

In the Sendai Sales Office area, there was a shortage of food and daily necessities in the wake of the disaster. On March 15, we urgently transported the items set aside for emergencies at our Head Office and Komaki Factory, to the Sendai Sales Office for relief. These relief supplies were then distributed to victims in the evacuation sites in the surrounding region, as well as to our customers and employees affected by the disaster.

For Ensuring Business Continuity

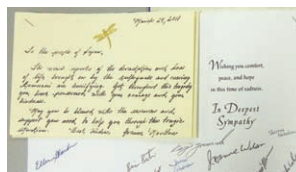
■ Establishment of the Emergency Response Liaison Committee

Fortunately our Group's production facilities did not suffer direct damage from the earthquake. However, the disaster made it difficult to procure some raw materials and parts. Placing primary importance on not causing inconvenience to our customers, we established the Emergency Response Liaison Committee to grasp and share information on procurement, production systems, logistics, radiographic examinations for products, and so on, across the Group.

Various Support Activities

■ Donations for Relief

Our Group companies in Japan and abroad donated a total of 110 million yen, through the Red Cross Societies in each country, to support the earthquake victims and help the disaster-hit areas recover from the damage.



Messages of encouragement received by NGK Spark Plugs (U.S.A.), Inc.



Charity activities (NGK Spark Plugs SA (Pty) Ltd.)

■ Provision of Relief Supplies

Komaki Factory invited all employees to offer relief supplies, and collected about 2,300 unused towels, which were sent to the quake-stricken areas via the Aichi Volunteer Center. NTK Ceramic Co., Ltd., one of our Group companies, also collected relief supplies and sent them out to the affected areas.



Relief supplies collection activity (Komaki Factory)



Relief supplies (NTK Ceramic Co., Ltd.)

■ Recruiting Seminars Held in East Japan

To provide students in East Japan with fair employment opportunities, we posted the changes in the schedule for our recruiting seminars on our website. These seminars were postponed to mid-May in Tokyo, and to late May in Sendai for the benefit of those in disaster-hit areas.

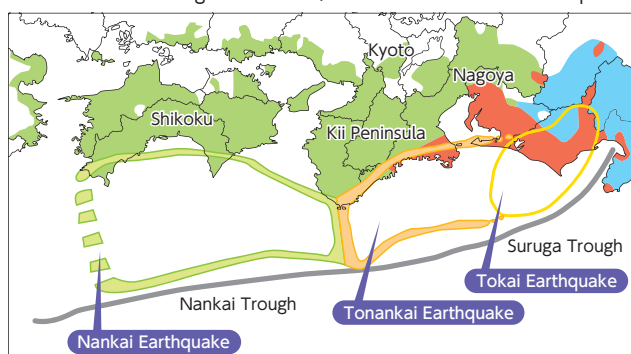
■ Social service leave system

We have a system to allow employees to take up to 10 days leave to do social service (volunteer) activities per year, usually granting 5 consecutive days leave. However, we offer 10 consecutive days leave for those engaged in volunteer activities to support victims of the Great East Japan Earthquake. Using this social service leave system, two employees worked as volunteers in Sendai City, in early May and late June respectively.

Preparing for Major Earthquakes

Many of the NGK Spark Plug Group's operation sites are located in the Tokai region, an area vulnerable to three potential major earthquakes—a Tokai Earthquake, a Tonankai Earthquake, and a Nankai Earthquake. Notably, Nagoya City, where the Head Office of NGK Spark Plug Co., Ltd. is located, has been designated both as an area for intensified measures against a potential Tokai Earthquake and as a countermeasure promotion area for potential Tonankai and Nankai Earthquakes. We have therefore striven to maintain preparedness to minimize disaster damage to our business activities, while at the same time working to strengthen cooperation with local communities.

■ Possible source regions of Tokai, Tonankai and Nankai Earthquakes



- Areas for intensified measures against a Tokai Earthquake
- Countermeasure promotion areas for Tonankai and Nankai Earthquakes
- Regions designated both as areas for intensified measures against a Tokai Earthquake and as countermeasure promotion areas for Tonankai and Nankai Earthquakes

Areas for intensified measures against earthquakes : Regions that require strengthening of earthquake-damage prevention measures, since these regions are likely to suffer serious damage in the event of a major earthquake.

Various Disaster Prevention Activities

■ Earthquake Disaster Response Manual and Awareness-raising Activities

Each office/factory has created its own earthquake disaster response manual that describes specific measures concerning the disaster prevention system and action to be taken in the event of a disaster.

We work to maintain disaster preparedness, so that, while giving top priority to the safety of visitors and employees, we can avoid critical damage to our facilities and to prevent secondary disasters, such as fires and explosions, to ensure the earliest possible recovery. Moreover, we have distributed the "Fire and Other Disaster Prevention Guidebook" and the "Action Guidelines in the Event of a Major Earthquake" to all employees, and have incorporated disaster awareness-raising activities into the training programs for new employees.

Action Guidelines in the Event of a Major Earthquake



Fire and Other Disaster Prevention Guidebook

■ Items Stored against Emergencies

Our company has stored and managed drinking water, and preserved foods and daily living necessities in preparation for a disaster. We offered part of these stocked items as relief supplies to victims of the Great East Japan Earthquake.

■ Emergency Drills

Every year, the NGK Spark Plug Group implements emergency drills at each office/factory. The Group has also organized in-house fire-fighting teams, which demonstrate the results of their daily training in emergency drills and the New Year's parade of fire fighters. The divisions that handle hazardous materials carry out training to ensure that no leakages or fire accidents occur or have an impact outside the company.



Water-discharge exercise by the in-house fire-fighting team (Komaki Factory)



Truck light oil leakage prevention drill (Nagoya Logistics Center)

■ Employee Safety Confirmation Drill

Once a year, we carry out a companywide drill involving all staff registered on the safety confirmation system, and obtain safety reports from all members. If problems are identified through the drill and actual use of the system, we make improvements to resolve these problems.

Assuming that the safety confirmation system and communication lines may become unavailable immediately after the occurrence of an earthquake, we have secured several means of communication for emergency contact, including phone trees.

Disaster Prevention Agreements

■ Agreements with Local Governments

Komaki Factory has concluded an agreement with Komaki City such that, should a major disaster occur in the city, Komaki Factory's in-house fire-fighting team and fire engine will be dispatched to cooperate in relief activities. Komaki Factory has also participated in fire drills and similar events organized by Komaki City, as a means of taking effective action in the event of a disaster.

Our Head Office and Factory has signed a memorandum of agreement with Mitsurugi School District of Mizuho Ward, Nagoya City, where these facilities are located, such that we will provide equipment and materials in the event of a major disaster.

Voice

As part of our risk management, disaster prevention activities have assumed greater importance for enterprises. We need not only to take action giving top priority to human lives, but also to minimize the influence on each stakeholder. Since I myself witnessed the areas ravaged by the Great Hanshin-Awaji Earthquake 16 years ago, I am keenly aware of the horror of a major earthquake and the extensiveness of the damage. However, the Great East Japan Earthquake has caused unimaginable problems one after another. To ensure that we are able to deal with emergencies calmly and efficiently, we will overcome the problems encountered during and after the recent earthquake, and will review and further improve our business continuity management activities. We will also conduct emergency drills keeping in mind that we cannot fully imagine worst case scenarios, and will continue our efforts for future disaster prevention activities.



Keiichi Matsunari, Director

Designed for the safe production of hydrogen and its use as an energy source

Public expectations are high for the use of hydrogen energy as a solution to global warming issues, since it is free of carbon dioxide (CO₂) emissions during use. We work on the development of solid oxide fuel cells (SOFC) and other products for the safe production and use of hydrogen.



FC EXPO 2011

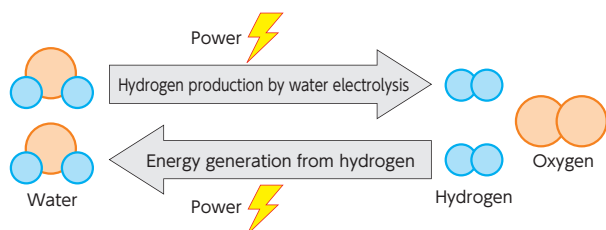
Renewable Energy Sources and Hydrogen

People's lives today are sustained by fossil fuels such as oil and natural gas. However, global warming issues, the depletion of fossil fuels, and power supply instability have increased people's interest in renewable energy sources such as solar, wind, geothermal, and low head hydro power.

Renewable energy sources are present everywhere on the Earth and will be available as long as the Earth exists. However, most renewable energy sources depend on weather conditions. Moreover, it is difficult to adjust the power output they produce. Consequently, hydrogen has attracted attention as a means for the efficient use of renewable energy sources.

Highly Valuable Hydrogen in Wide Applications

Hydrogen is produced by water electrolysis. When excess power from renewable energy sources is used to produce hydrogen by water electrolysis and the produced hydrogen is stored or transported, it becomes possible to use the produced hydrogen during other hours of the day or in other places.



Hydrogen can immediately serve as a fuel. Moreover, by using fuel cells, which we have also developed, electricity and heat can be produced from hydrogen. After generating energy, the element returns to water, without producing carbon dioxide (CO₂), nitrogen oxides (NO_x) or sulfur oxides (SO_x). It is therefore a clean energy source.

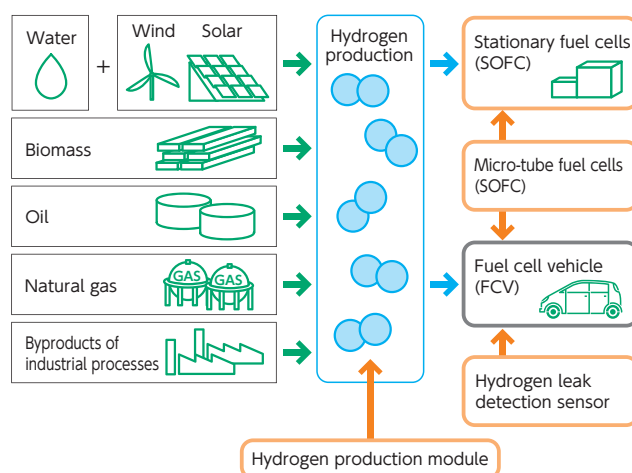
Toward a Society Making the Best Use of Hydrogen

Hydrogen is produced from various resources such as fossil fuels and biomass (wood chips and residues of crops) as well as water. This implies that hydrogen can be produced onsite where it is required, making it useful for the construction of a dispersed energy system. Furthermore, if methods of producing hydrogen from water or biomass become widespread in the future, people's dependence on fossil fuels may decrease.

Before the use of hydrogen becomes popular, it is necessary to solve problems associated with safety, cost, efficiency, hydrogen production involving CO₂ emission, and storage. Researches are actively being conducted to address these problems, so as to build a society that uses hydrogen as an energy source for fuel cell

vehicles and for household and commercial purposes. In response to such a situation, we will develop fuel cells and other products/technologies required for the safe and effective use of hydrogen.

Types of hydrogen production methods and our product lineup



Voice

Due to interest in the use of hydrogen as an ultimate clean energy source, a national project commenced some 20 years ago. The idea already existed of converting renewable energy sources to hydrogen and using it for power generation. In 2002, the Japan Hydrogen and Fuel Cell Demonstration Project (JHFC) took over the research, ending it in March 2011 after conducting various demonstration programs. This year, the industry moved toward the commercialization of hydrogen. Domestic automakers have announced scenarios to reduce the prices of fuel cell vehicles by 2020 to a level that permits their widespread use. We have worked for years on hydrogen energy-related development themes, as described in this feature article. The Company intends to make accelerated research efforts in line with the hydrogen energy commercialization trend, in order to contribute to the implementation of a low carbon society.

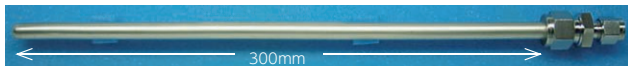


Takafumi Oshima
Senior Managing Director
General Manager, Engineering R&D Group

Producing Hydrogen Toward Improved Conditions for Hydrogen Production <Hydrogen Production Module>

Fuel cell vehicle (FCV) sales will commence in 2015 to general users. We are working on the development of hydrogen production modules for highly efficient production of high-purity hydrogen as an FCV fuel.

Steam reforming method from natural gas is the most popular hydrogen production method. The conventional method requires high temperatures of 700°C to 800°C to reform natural gas. In contrast, at 500°C to 550°C, the module we have developed achieves a level of reform efficiency comparable to the conventional method. The secret behind the reform at lower temperatures lies in the integrated structure of the reforming reaction section and the hydrogen selective separation membrane. The result is a single module capable of performing both reform (hydrogen generation) and refining (purity improvement) within a compact unit.



Hydrogen production module

The current challenge is to reduce the use of the rare metal palladium (Pd, the main ingredient of the hydrogen separation membrane), which accounts for a large part of the cost of the module. With all our ability, we are working on the development of an environmentally friendly module that will be well received in the market.

Voice

For coming hydrogen energy society in the near future, we all develop the hydrogen production module as one. Although we will face many problems and difficulties in the course of the development, we have to commercialize our module. We want to contribute to construction of hydrogen energy society through the commercialization of the module.

Hideaki Hikosaka
Group Leader, Engineering R&D Group



Using Hydrogen Contribution to Spread SOFCs to Various Applications <Micro-Tubular SOFCs>

SOFCs greatly contribute to reducing CO₂ emissions. We are working on development of micro-tubular SOFCs, which is compact and has robustness for rapid start/stop, with a view to the use of SOFCs in various applications.

The micro-tubular SOFC is the most suitable candidate for low temperature operation and rapid start/stop. However, there are many problems for realization of useful output power. We have to accumulate the large number of micro-tubular cells with electric connection, gas sealing etc, and we have to need manufacturing techniques arising from the miniature parts and complex configuration.

Our palm-sized SOFC module is crammed 360 tubular cells which are 2mm in outer diameter into 150cm³ volume and these tubular

cells are arranged using two types of paste for electric connection. This SOFC module can be operated with the power density of 2W/cm³ below 650 °C.

Such as a high-efficiency energy source, we intend to explore the applications in distributed power supply systems, including auxiliary power units for automobile, portable power units, household cogeneration systems and so on.

Voice

We are promoting the development of micro-tubular SOFCs in order to realize the SOFC units with quick start/stop operation, high performance, and high endurance.

In order to achieve a practical level of fuel cell durability, we do need to solve a lot of problems. However, we hope that our products will be used in a wider range of applications as auxiliary or mobile power units in conjunction with secondary batteries.

Development staff



Micro-tube cell

High-density
integration of
360 tubes



SOFC cell module

Providing Protection from Hydrogen Early Detection of Slight Leaks <Hydrogen Leak Detection Sensor>

Our efforts are also directed toward the development of an MEMS thermal conductivity hydrogen leak detection sensor that is suitable for the prevention of and safety regarding hydrogen leaks from fuel cells.

Public expectations are high for fuel cells as a next-generation power generation system. However, one problem they entail is how to ensure safety regarding leaks of the fuel or of hydrogen. Demand is high for a hydrogen leak detection sensor.

We are working on the development of a thermal conductivity hydrogen leak detection sensor. This is a microminiature sensing element comprising a micro heater with a diaphragm structure, which makes use of silicon MEMS technology integrated with a temperature sensor. It detects minute changes in thermal conductivity (the cooling effect of hydrogen), making use of the high thermal conductivity of hydrogen. The detector has electronic circuits incorporating a 16-bit microcontroller provided with an accurate sensing algorithm for micro heater and temperature sensor signals.

Our future efforts will focus on exploring the detector's applications

to fuel cell powered forklifts. Furthermore, we plan to install the detector in fuel cell vehicles projected to be mass-produced starting in 2015.



Hydrogen leak
detection sensor
exterior

Silicon MEMS
element



Voice

We want to play our part, even if slight, in helping to solve environmental issues by successfully meeting the remaining challenges and commercializing the detector. One of our development goals is for all automakers to select our detection sensor when their fuel cell vehicles come into widespread use.

Development staff



CSR of NGK Spark Plug Group

Corporate Philosophy

(Adopted in November 1996)

Three elements constitute our corporate philosophy.

[Slogan]

With established trust and confidence inside and outside the Corporation, we aim to contribute to the peoples of the world by creating and putting at their disposal new values for the future.



1 | Commitment

With full use of the most suitable technology and our accumulated experience, we continue striving to offer new values to the people of the world.

● Contribution to Society

We believe it our mission to offer people new values with the excellence of quality required for the time.

● Activities in the Global Perspective

We aim to become a company loved and popular among people all over the world through our global operations.

● Technology and Customer Orientation

We aim to be a leading company that continues to develop and offer original and creative products at the right time.

We challenge new fields using our experience gained in the ceramic business.

2 | Management Policy

We offer a working environment in which each one of us is encouraged to make full use of his or her personality and capability.

With all our power we are dedicated to pursue management based on trust and confidence.

● Respect for Personality and Capability

For sound development of business we create a corporate climate for our employees to utilize their personality and capabilities at their optimum level. An excellent environment creates the original technology which is the most important, and fosters the formation of a rich personality.

● Concentration of All Our Power

The activities of individuals are organized efficiently to carry out strategic management.

● Management based on Trust and Confidence

Our company has been supported by a large number of people connected with us.

All the trust and confidence we have enjoyed is our great asset.

We read the trend of the times to keep one step ahead. We intensify further the trust and confidence in us by honest management.

3 | Action Guideline

Ever onward ! Always mindful of what is the best course, we swiftly put it into action.

● Positive Advance

Not content with things as they are, we always make an attempt to achieve new objectives. We are convinced that a continual and positive stance constitutes our driving force.

● For the Best

Setting our mind at all times to what is the best, we try to advance and improve ourselves.

● Speed in Action

We keep up with changes with the right judgment and speedy action.

CSR*1 Concept

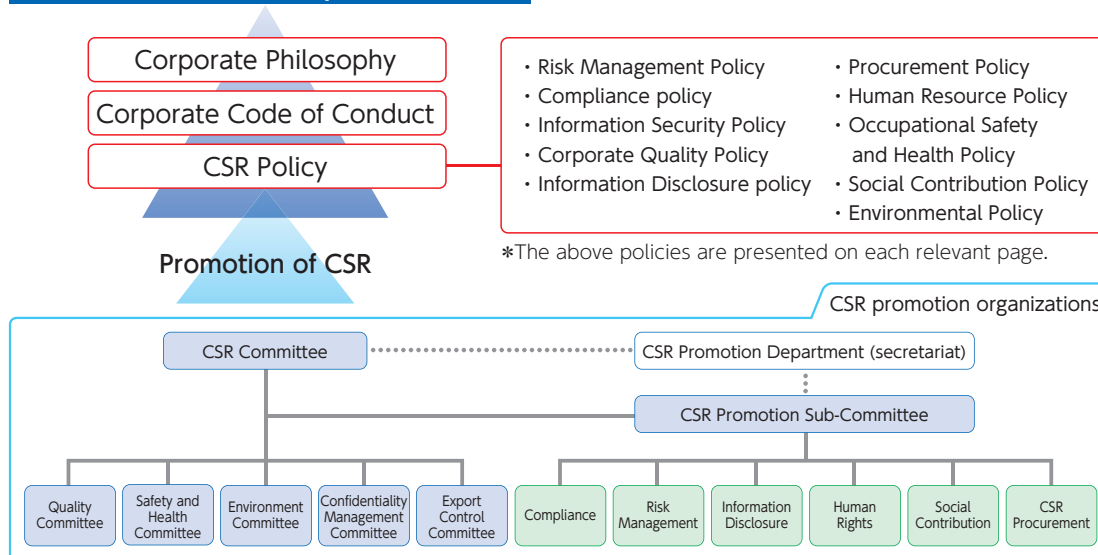
We view CSR not just as a responsibility but as an opportunity to be accountable through review of the NGK Spark Plug Group's economic, environmental and social activities from a global perspective, to enhance corporate value, and to contribute to the sustainable development of society in accordance with our Corporate Philosophy. Our wide-ranging CSR activities include offering excellent products to customers, disclosing corporate information to shareholders and the wider investor community in an optimal and easy-to-understand manner, collaborating with suppliers for mutual development, establishing a safe and employee-friendly working environment, and participating in and

supporting activities in the local community, such as traffic safety campaigns. Whereas CSR activities were previously dispersed among various departments, the CSR Promotion Department established in April 2010 is now spearheading corporate-wide CSR activities. Also in April 2011, in line with the Corporate Philosophy and Corporate Code of Conduct, we established our CSR Policy, which comprises 10 policies, such as the Procurement Policy and others. On the basis of these policies, we intend to review and promote CSR based on a multifaceted approach into the future.

*1
CSR
Corporate Social
Responsibility

CSR Promotion Mechanism

Enhancement of Corporate Value



CSR Promotion System

We established the CSR Committee and the CSR Promotion Sub-Committee after reviewing the previous committee organizations. The CSR Committee oversees and evaluates the CSR-related activities implemented by the respective committees, working groups and divisions, and makes appropriate proposals regarding them, to achieve total optimization of CSR activities, thereby strengthening our business foundation. The CSR Promotion Sub-Committee holds discussions on specific themes, such as compliance and information disclosure, and develops countermeasures. The membership of the CSR Promotion Sub-Committee also includes secretariat staff from the Quality Committee and other existing committees, so as to establish a companywide promotion system. We also promote activities to disseminate our CSR to all employees, who are encouraged to participate in study meetings lectured by experts invited from outside the company.

Progress in our CSR

Nov. 1996	Adopted "Corporate Philosophy"
Feb. 1998	Adopted "Corporate Code of Conduct"
Apr. 1998	Established Ethical Committee
Feb. 2003	Adopted "Corporate Ethics Helpline System Operation Guidelines"
Nov. 2004	Revised "Corporate Code of Conduct" Published "Code of Conduct Guidebook"
Apr. 2005	Published "Guidelines on the Handling of Personal Information"
Aug. 2005	Established Export Control Committee Adopted "Export Management Regulations"
Jan. 2007	Published "Confidentiality Management Guidelines"
Feb. 2007	Adopted "Confidentiality Management Regulations"
Sep. 2008	Established Internal Audit Department
Apr. 2009	Prepared "Corporate Protection Manual"
Apr. 2010	Inaugurated CSR Promotion Department
Oct. 2010	Established CSR Committee
Apr. 2011	Adopted CSR Policy

Corporate Governance*1

*1

Corporate Governance
Refers to the process or systems to oversee that a company is managed by the business operator in an optimal and sound manner.

*2

Internal Control Report System
In 2006, the former Securities and Exchange Act was revised and renamed the Financial Instruments and Exchange Act. Under the revised act, listed companies are required to submit internal control reports every fiscal year, to be subject to audits by certified public accountants or auditing firms, in order to improve the trustworthiness of financial reporting.

Basic Philosophy

We believe that it is our foundational and important managerial task to establish and maintain a fair and efficient management system, while securing soundness and transparency in management, in order to enhance corporate value by fulfilling our corporate social responsibilities.

Management Organization

The Board of Directors deliberates and makes decisions on matters stipulated by laws or bylaws and management-related matters of importance, and supervises the state of business execution by each director. To swiftly understand situations and respond to environmental changes, we have set up the Managing Director Committee and Group Manager Committee, to provide venues for active discussions among directors. At the meetings of these committees, discussions are held regarding subjects that are clearly classified into items to be decided, consulted, and reported.

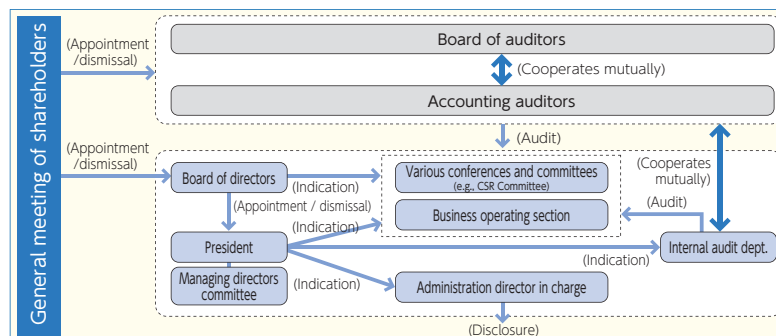
Management Oversight Functions

Our Board of Auditors consists of four auditors (two of whom are external auditors). These auditors attend the meetings of the Board of Directors and, if necessary, various committee meetings, to grasp the state of important issues. They also supervise directors' execution of duties, through audits of major offices and subsidiaries.

Internal Audits

The internal audit division reports to the management the results of inspections through business auditing of NGK Spark Plug Co., Ltd. and its affiliates, and if necessary, makes proposals on how to correct its problems and improve its business operations. In accordance with requirements for the internal control report system*2 under the Financial Instruments and Exchange Act, the department assesses the validity of internal control regarding financial reporting, to secure the reliability of the Group's financial statements, thereby maintaining and improving our internal control.

Corporate Governance System



Risk Management*3

*3

Risk Management
Activities to systematically manage various risks related to business in corporate management. Specifically, activities to prevent risk occurrence, or reduce the damage incurred when a risk arises.

*4

BCP
Stands for Business Continuity Plan. A plan of action to be taken by a company when a risk arises, to ensure business continuity and minimize impact on customers and suppliers. Activities to continuously improve and manage this plan are called "Business Continuity Management (BCM)."

Basic Philosophy

In operating business, we face many risks including natural disasters, accidents, terrorism, and the spread of new infectious diseases. If an unforeseen incident occurs, we will act giving top priority to the protection of human life. We have also made contingency plans so that we can smoothly continue our business operation even under such circumstances.

Review of Business Continuity Plan (BCP)*4

Drawing lessons from the Great East Japan Earthquake, we swiftly reviewed and reaffirmed our business continuity plan (BCP). We work to further strengthen coordination within the Group and with our suppliers, to ensure that, in the event of an emergency, we can resume major businesses and important activities to restore operations to the normal level within the target period.

Risk Management Policy

We are prepared to deal with various possible risks, such as natural disasters, accidents and spread of new infectious diseases. If such a risk should arise, we will act to minimize the impact on our stakeholders. We also work to restore and continue smooth business operations, thereby maintaining trust from our stakeholders.

[Action Guidelines]

- We strive to prevent factors that could affect business continuity.
- We conduct our activities with top priority on the protection of human life.
- We minimize impact on related parties.
- We strive for rapid restoration of business operations and stable supply of products and services.
- We take measures to prevent the recurrence of risks.

Risk Management

Response to New Infectious Diseases

On April 2011, the influenza virus (A/H1N1) that emerged in 2009 was reclassified as a seasonal flu virus. However, as part of our efforts to protect the good health of our employees, we will continue measures to prevent general flu infections and endemic spread of the flu. We also place importance on sharing correct knowledge about influenza and its latest trends among all employees, so that effective countermeasures can be taken in the flu season.

This year, we are preparing countermeasures taking into account the emergence of novel forms of flu viruses, such as H5N1 avian flu.

Voice

We aim to be able to take appropriate action even against the emergence of a new variant of the H5N1 avian flu virus, which is said to be the strongest of its kind. We have compiled a set of information on endemic diseases in developing countries and tropical regions, to help ensure the good health of expatriate employees and their families, as well as other employees who will travel or be temporarily transferred to such countries. The endemic disease information has been disseminated across the Group, including to overseas business sites. We hope that Group employees will find the information useful.

Influenza Team
Healthcare Support Section
Personnel Department

Compliance^{*1}

Basic Philosophy

We work to increase awareness among employees regarding compliance to act in a socially sensible manner, helping them to bear in mind that our enterprise is a member of society.

Compliance Promotion System

The Compliance Working Group has been established to raise compliance awareness among executives and employees and thereby reducing relevant risks. We will encourage education and awareness about corporate ethics and promote full compliance with laws and ordinances, social rules and company regulations.

Education and Awareness-raising

We deliver on-site seminars regarding business and legal affairs, according to the requests of each workplace. Through such seminars, employees can become aware of the importance of business and legal affairs and take an interest in them. This will result in reducing not only risks to individual employees, but also risks to our company.

We also hold compliance lectures during level-specific training programs, in which familiar examples are used to foster trainees' better understanding.

Compliance Policy

We acknowledge that our company is a member of society. In the light of this, we enhance corporate ethics, comply with laws and ordinances, international rules, and company regulations, striving to become a company trusted by the international community.

[Action Guidelines]

- We comply with all relevant laws and ordinances, the Corporate Code of Conduct, and company regulations.
- We regularly educate and raise the awareness of all our employees to impart a high-level of ethics and correct knowledge, with which they can act voluntarily to prevent compliance problems.
- Should a problem occur, we will promptly deal with the problem and fulfill our accountability, and will strive to identify the causes and prevent recurrence.

Voice

We deliver on-site seminars tailored to the needs and convenience of trainees, according to the requests of each division. Since there are many different fields and areas of law, naturally we cannot cover all legal affairs within a few hours. However, I hope that the on-site seminar we deliver at each workplace will help trainees deepen their understanding of and interest in the field of law.

Yuichi Shimizu
General Administration Department



^{*1}

Compliance

In general, the term compliance means to act in accordance with laws and regulations. However, in a broad sense it can also mean to act in accordance with the corporate philosophy and common sense.

Corporate Ethics Helpline

We have set up an internal reporting system called the "Corporate Ethics Helpline," to prevent illegal activities and to swiftly resolve problems related to corporate ethics.

We set up reporting and consultation channels within and outside the company. These channels can be used

by employees and other informers who have discovered an illegal act or a possible illegal act, in order to provide information and seek consultation. We strive to create an environment from the informer's viewpoint in which it is easy for them to consult, by clearly announcing that the confidentiality of all informers is protected.

Export Controls

To maintain international peace and security, Japan has imposed legal regulations on trade that may assist the occurrence or expansion of conflicts. NGK Spark Plug Co., Ltd. has stipulated its Export Management Regulations to ensure thorough compliance with export restrictions, and has established a system that can flexibly deal with regulation revisions. In June 2008, we were approved as an authorized exporter under the Authorized Exporters' Program^{*1}, in recognition of our efforts in establishing security management and compliance systems.

We continue to promote export controls and trade-related business in compliance with laws and regulations

and to improve trade efficiency, while fulfilling our responsibility as an enterprise with a high export ratio.

^{*1} Authorized Exporters' Program

Under this system, customs approves exporters who are excellent in legal compliance as authorized exporters, and give them preferential treatment. This system is intended to speed up customs clearance procedures and strengthen security measures. Since the approved enterprises can proceed through customs clearance procedures more speedily and reliably, they can also expect shorter lead-times and reduced logistical costs.

^{*2} Unfair Competition Prevention Act

This law is intended to ensure fair competition among business operators. Under this law, operators' business reputations and confidentiality are protected. The law prohibits the acts of illegally acquiring, using or disclosing trade secrets.

^{*3} Act on the Protection of Personal Information

The objective of this law is to protect the rights and interests of individuals while taking into consideration the usefulness of personal information. This law prohibits such acts as using personal information about a person for purposes other than the intended purpose, without the person's consent.

Security Control / Information Security



Recent years have seen the development of legal systems, such as the Unfair Competition Prevention Act^{*2} and the Act on the Protection of Personal Information^{*3}, which strongly require companies to properly manage confidential information.

To sustain and develop our business in a sound manner, we established the Confidentiality Management Regulations, as part of our endeavors to appropriately manage the private information of our company, customers and suppliers, and to meet the need of an information-oriented society. Our Privacy Policy is available on our website.

Privacy Policy
<http://www.ngkntk.co.jp/english/privacy.html>

Intellectual Properties

To protect its existing and newly developed products, NGK Spark Plug Co., Ltd. takes measures to actively acquire intellectual property rights. We investigate and confirm third party intellectual property rights in all production processes from the early stages of development to mass production, to avoid the risk of infringing the intellectual property rights of third parties or violating laws and ordinances. Furthermore, level-specific training programs on intellectual property rights are held, mainly for engineers and technicians of our company, in order to raise employees' awareness.

Voice

For a company with a high export ratio, appropriate export management is indeed a matter of vital importance. With this in mind, we are always earnestly engaged in export management activities. As a secretariat member, I strive to provide detailed explanations to the employees of each workplace about the importance and necessity of export management, so as to obtain their understanding and cooperation.

Hiroki Inui
General Administration Department



Information Security Policy

We regard our own information assets as one of our management resources. Through the protection and effective use of our information assets, we pursue healthy maintenance and development of our business.

[Action Guidelines]

- We establish information security regulations that clearly define the system and responsibilities to protect all the information assets we keep for our customers, our information assets as information resources, and personal data.
- We comply with laws, ordinances, and regulations regarding information security.
- We educate all executives and employees who handle information assets about the importance of information security, and about specific items to be observed.
- We continuously implement measures necessary to improve the management system and to protect our information assets, keeping pace with a rapidly-changing information society.
- If a problem with the information security system is predicted to occur due to unforeseen circumstances, we will promptly take action to prevent an accident associated with the problem. Should the accident occur, we will strive to minimize the damage and take preventive measures against reoccurrence.

Social Report

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With Our Customers

Basic Philosophy

Under the continuously evolving business environment surrounding our Group, customers' quality demand is also becoming stricter and more complex. Against this backdrop, companies are increasingly expected to fulfill their corporate social responsibilities, by sincerely listening to customers' opinions, adequately and promptly responding to a wide variety of requests and issues, and meeting diverse expectations from customers.

To appropriately understand the diverse needs of customers and promptly take necessary actions from the viewpoint of customers, we at NGK Spark Plug Co., Ltd. are committed to making companywide efforts to improve our quality assurance system, aiming to provide safe and reliable products that ensure greater customer satisfaction.

To meet customers' diverse expectations, we also continue actively communicating our products and service information to customers, while at the same time manufacturing products by making the best use of the most suitable technology and our accumulated experience as a manufacturer. Through these efforts, we will work hard to offer new values to society.

Corporate Quality Policy

We continue to supply "Quality Products" to society with an emphasis on "Customer First," "Total Involvement," and "Continuous Improvement" principle.

[Action Guidelines]

- We strive to take a customer-oriented approach to accurately understand a wide variety of customers' needs and provide quality products and services, aiming to ensure greater customer satisfaction.
- We encourage all our employees to be actively involved in quality improvement activities, based on companywide cooperation, and to achieve higher goals by making the best use of their own individual abilities and creativity to address problems and challenging issues.
- Accurately responding to ever changing social/market environments and the diverse needs of customers, we strive to continue improving our systems, processes, products and services, aiming to further grow as an energetic and sound corporation.

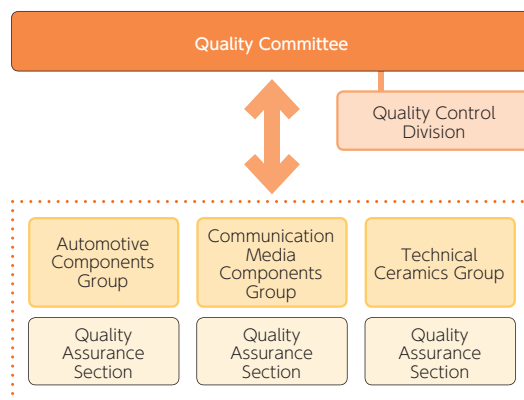
Quality Management System

Since its establishment in 1936, we at NGK Spark Plug Co., Ltd. have maintained the "Nittoku quality mind," which represents our basic policy concept. This mind is reflected in the corporate quality policy revised in 2006.

Based on our corporate quality policy, each business division has established an appropriate quality management system in conformity with the ISO9000 series and ISO/TS16949 standards, implementing quality assurance activities.

In addition, aiming to reinforce our companywide quality assurance efforts, we set up the Quality Committee and the Quality Control Division in 2010 and strengthened coordination among quality assurance sections of respective business divisions, thereby establishing a companywide system to control and oversee product quality. Under this system, the Quality Committee strives to identify quality-related risks from a companywide perspective and take preventive measures against such

risks, aiming to offer safe and reliable products that ensure greater customer satisfaction.



Voice

Since its establishment, our company has been engaged in the manufacture of high quality products with our "uncompromising spirit" and our corporate quality policy of the "Nittoku quality mind."

The ultimate purpose of our quality policy is to provide safe, reliable, high quality products to our customers, ensuring that they maintain their trust in our products.

In accordance with our corporate quality policy, we are striving to further improve the quality of our products through our quality assurance system based on companywide cooperation.

Toshiki Sawada
General Manager
Quality Control Division



Quality Improvement

NGK Spark Plug Co., Ltd. is committed to quality management by promoting total quality management (TQM^{*1}) activities.

- Top-down activities to embody our corporate policy in the policy management.
- Daily management to standardize prescribed operations at each workplace, as well as maintenance and improvement activities.
- Bottom-up activities to foster human resources and activate workplaces, by encouraging small groups to conduct quality and business improvement activities.

NQC Activities (Small Group Activities)

We promote "NQC Activities," which refer to QC circle activities^{*2} that aim to develop human resources and improve workplace capabilities by continuously addressing various problems and issues.

During "Quality Month" every November, the results of NQC activities are announced at the central presentation meeting, and the President Award is granted in recognition of best practices. Commendation is also given to small groups implementing excellent NQC activities in daily operations. By encouraging employees to participate in presentation meetings and training programs outside the company, we strive to enhance their motivation and further activate small group

activities.



NQC activity central presentation meeting

Education/Training

We provide a wide variety of QC education and training programs about quality control, management techniques, QC circle activities, quality management systems, measurement management, etc. To ensure that knowledge gained through these programs is utilized in the workplace, we also offer practical guidance and support to our employees. As part of our activities to enhance quality awareness and motivation of employees as well as to promote quality education, we hold such events as process patrol by the President, quality-related exhibitions and lectures on quality.

We also provide practical guidance to our suppliers to promote quality education and solve problems, aiming to encourage them to deliver higher quality parts and

materials by conducting continued quality improvement efforts.



Quality training



Support programs for suppliers

Voice

The teamwork of my QC circle is quite strong. In in-room or onsite discussions, my QC circle members, irrespective of age, actively and frankly voice their own ideas and thoroughly examine our activities according to our QC circle action plan and policy. We have actively worked together through NQC activities and successfully increased our awareness of product safety, which I believe resulted in our receiving the President Award. I will continue focusing on daily communication with other circle members and stay actively involved in our NQC activities.

Takamasa Takahashi
Secret Circle
Miyanojo Manufacturing Department
Spark Plug Division



Voice

I am involved in the final manufacturing process of spark plugs, being in charge of the visual inspection of finished plug products. Because products that have passed our inspection process are then put on the customers, I make it a rule to have them strictly inspected, believing my duty to be something like "the last bastion" of quality control. However, humans do make mistakes. We can reduce mistakes by discussing what problems exist in our daily operations and how they can be solved, which I believe results in reliable quality products. I will continue to exercise my utmost concentration to inspect product quality, instead of following my hunches and/or practice, so as not to overlook any slight abnormalities that may affect the quality of our finished products.

Yuko Yonezawa
Head Office Manufacturing Department
Spark Plug Division



*1 TQM

Total Quality Management is an operational method and management technique that contribute to the improvement of operational quality in an enterprise.

*2

QC Circle Activities

QC stands for quality control. Small groups are formed within the workplace to encourage autonomous handling of such issues as safety measures, reduction of faulty products, as well as quality improvement and quality control of products.

Communicating Information to Customers



We recognize that it is our responsibility to provide customers with correct and appropriate information, so that customers maintain their trust in the safety and reliability of our products and services. To fulfill this responsibility, we have established various systems to communicate product & service information to our customers. We have also exhibited at a wide variety of expositions and events to further promote communication with customers.

■ Plug Studio

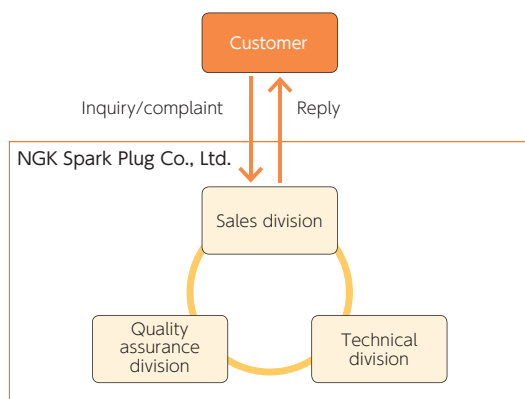
Our website named "Plug Studio" disseminates information on spark plugs, exhibitions at events, motor sports, etc. Using our applicable product number searching system, users can find a product number and the number of spark plugs applicable to the respective type/model of automobile.

Plug Studio

<http://www.ngk-sparkplugs.jp/english/index.html>

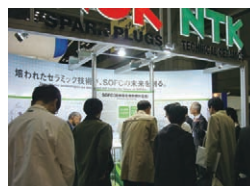
■ Responding to Inquiries and Complaints

Inquiries and complaints on our products received from customers are first accepted at our sales division. Then the quality assurance division works together with the technical division to quickly respond and take necessary actions to the inquiries and complaints.



■ Exhibitions at Expositions and Events

To directly explain to customers about our products and technology, as well as to accurately understand the ever changing needs of customers, we have exhibited our products at various expositions and events. In fiscal 2010, we exhibited at expositions for automobile, semiconductor and fuel cell products. We also exhibited a booth at a motor race venue where we gave a lecture on spark plugs.



FC EXPO 2011



Automotive Engineering Exposition 2011



Lecture on Spark Plugs at the 2010 MotoGP



PR Booth at the Suzuka 8 hours Endurance Road Race

Voice

I am involved in the onsite provision of plug-related services to our spark plug users at national racing championships and various other auto races conducted throughout Japan.

To improve the brand image of NGK spark plugs, I provide plug-related services almost every weekend at snowmobile races in snowy areas in winter, the Motor Grand Prix in spring, the Suzuka 8 hours Endurance Road Race in summer, and the Formula 1 Japan Grand Prix (F1) in autumn.



Hiroshi Nakao
Manager
Domestic Sales & Marketing Department

Important Notice



Regarding Room Type Humidity/Temperature Detectors and Room Type Humidity Detectors

We have found that some of the room type humidity/temperature detectors and the room type humidity detectors sold from 1987 to 2007, which are not equipped with fuses, may be subject to thermal damage caused by an excessive current to equipment due to aging degradation of electric components. Therefore, we started giving an announcement about the possibility of such thermal damage on trade journals of the construction industry and our website in April 2010. We have also announced through sales

agencies that we take protective measures free of charge for affected users. So far, we have taken such protective measures for 185 units out of some 500 target detectors.

Although we have received no accident reports regarding our products as of the end of June 2011, several accidents have been reported with regard to similar products sold by other companies. Upon hearing such reports, we have decided to continue giving the announcement to ensure our customers' safety.

With Our Shareholders and Investors

Basic Philosophy

We at NGK Spark Plug Co., Ltd. are well aware that promoting transparent and fair information disclosure is indispensable to having all our stakeholders better understand and evaluate our business operations. To achieve this goal, in addition to meeting the legal standards of information disclosure, we also strive to strengthen information disclosure through various media and promptly post information on our website, with the aim of ensuring stakeholders' greater trust in our business operations.

Investor Relations

<http://www.ngkntk.co.jp/english/ir/index.html>



To All Our Shareholders
(Japanese only)



Annual Report

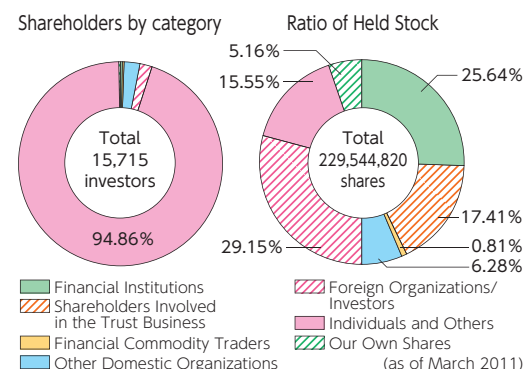
Shareholders' Meeting

Each June, we hold our Ordinary General Shareholders' Meeting, at which we explain the business results of the previous year to our shareholders, who then vote on the matters to be resolved. The stock distribution of NGK Spark Plug Co., Ltd. is shown in the pie-chart below.



Ordinary General Shareholders' Meeting in 2010.

Stock Distribution



Information Disclosure Policy

Aiming to become an enterprise capable of receiving great support and popularity from people around the world, we strive to conduct transparent business operations and fair information disclosure.

[Action Guidelines]

- We disclose any corporate information required to be disclosed by the Financial Instruments and Exchange Act and other laws and regulations, in an accurate and timely manner.
- We actively disclose our corporate information, which is not subject to laws and regulations however deemed to be important for stakeholders, through our daily actions, such as issuance of a press release and updates of our website.
- We focus on enhancing communication with our shareholders, investors and other stakeholders to further promote mutual understanding with them.

IR Activities*1

We in the NGK Spark Plug Group recognize that it is important for us to establish healthy relationships with our shareholders and investors to receive their support for the continuous development of our business operations and to create new corporate value. In light of this, we conduct IR activities to provide our shareholders and investors with information on the business environment surrounding us, our business performance, and our strategies for future growth. We also periodically hold presentations for domestic and international analysts/investors, aiming to promote further communication with them.



Earnings presentation

PICK UP

Selected to be a Member of the Social Responsibility Investment (SRI)*2 Index

We were selected for the eighth year in a row (as of June 2010) to be a member company of the FTSE4Good Global Index,*3 the leading SRI index in the world. We will continue our concerted efforts to become an enterprise capable of winning the trust of investors.



FTSE4Good

*1

IR Activities

Investors Relations involves communicating detailed information about our management, finances and results.

*2

SRI

Social Responsibility Investment refers to the type of investment approach. Under SRI, investors select a company they would like to invest in by not only analyzing a company in terms of its financial aspects such as profitability and growth potential, but also comprehensively evaluating the company based on its environmental efforts/social contribution such as its compliance with laws & regulations, response to employment conditions and human rights problems, and contribution to society/local communities.

*3

FTSE4Good Global Index

A responsible investment index developed and managed by the FTSE Group (UK). Evaluation criteria for selecting a member company include environmental issues, human rights, supply chain labor standards, bribery prevention, climate change, etc.

With Our Suppliers

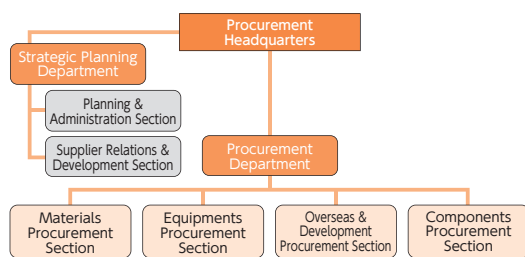
Basic Philosophy

It is indispensable to establish healthy partnerships with our suppliers to procure better raw materials and parts in a more timely and stable manner. Through our supply chain system, we work hard together with suppliers, aiming at mutual prosperity and further strengthened mutual trust.

New Organizational System

Aiming to strengthen mutual trust and relationships with suppliers and incorporating our procurement policy into our supply chain, we at NGK Spark Plug Co., Ltd. conducted an organizational reform of our procurement division, under the catch phrase of "Change & Challenge!"

Organizational Chart of our Procurement Headquarters



<Priority Issues of Our New Organizational System>

- Cross-sectional information sharing on business/purchasing strategies among respective business divisions
- Centralized management of information on our suppliers and their purchase data
- Strengthening of the overseas procurement function and the procurement development function
- Restructuring of our frameworks and systems for supplier support, evaluation and auditing
- Promotion of CSR procurement^{*1}

Voice

The task of the procurement division is not limited to responding to the purchasing needs of our manufacturing and technical divisions; it is also an important mission to become a product manufacturing partner of these divisions, thereby realizing the most suitable procurement system for our company as a whole. To this end, we also have to build suitable and healthy business relations based on mutual trust with our suppliers. I am confident that building partnerships both within and outside our company is sure to contribute to the further development of our company and our suppliers.

Aiming to achieve these goals, the Procurement Headquarters will strive to promote our CSR procurement activities, ensuring our suppliers' understanding and support for us.



Takeshi Nakagawa
Managing Director
Procurement Headquarters

Procurement Policy

We aim to realize globally optimal procurement based on our quality products principle. To this end, we focus on strengthening cooperation with suppliers and promoting our CSR efforts throughout our supply chain system, while at the same time striving to carry out proper purchasing transactions when procuring materials and parts, based on the following guidelines:

[Action Guidelines]

- We conduct rational transactions based on fair, transparent, and open competition.
- We select a supplier based on comprehensive assessment of its product quality, technology, prices, deliveries, and efforts to continuously make improvements.
- Aiming to become a good corporate citizen, we are engaged in business operations complying with applicable national and international laws and regulations.
- We ensure stable procurement of better quality products at a reasonable cost and an earlier delivery.
- Aiming to procure more eco-friendly products, we strive to promote our green supplier system.
- Aiming to have our suppliers understand our company, we strive to establish mutual trust with our suppliers. Recognizing that we and our suppliers can be good partners for each other, we strive to realize out mutual development.

Sharing Corporate Policy

We hold a corporate policy seminar to our main suppliers, offering them an opportunity to deepen their understanding of the present situation of our company and our goals.

At the seminar held in May, 2010, explanation was given about our business performance, the fifth medium-term management plan, as well as respective division's policy under the plan. We also showed the direction to be taken by our company, reaffirming that we would work with suppliers to overcome the current severe business environments. In addition, we requested our suppliers to take responsible actions to appropriately control substances of environmental concern, promote quality improvement and cost reduction, and facilitate CSR activities.



Corporate policy seminar

Web.....
Green purchasing requirements

^{*1}
CSR Procurement
CSR procurement is a continuous purchasing and procurement practice, requiring suppliers to comply with procurement criteria in terms of social responsibility activities. The CSR procurement criteria include human rights, work conditions, as well as workplace safety and health, etc.

With Our Employees

Employment/Human Rights

Basic Philosophy

Acknowledging that employees are the most important management resources, we respect the diversity and individuality of our employees, aiming to cultivate a wide variety of human resources. We also place an emphasis on offering a desirable working environment in which individual employees are encouraged to make full use of their capabilities and potential.

Voice

Under our "total involvement" principle that encourages employees to fully realize their various capabilities, our company has carried out business activities following the "to go a step further in manufacturing" strategy, aiming to become an enterprise capable of receiving great support and popularity from people around the world.

On the other hand, the domestic and international circumstances surrounding us are drastically changing at an unprecedented pace, resulting in new values, changes in the market environment, the rise of newly developing countries, etc.

Respecting our "total involvement" principle and the "to go a step further in manufacturing" strategy, the Personnel Department strives to foster and support employees who actively continue responding to the rapidly changing environments surrounding us and seek to enhance their potential, keeping a challenging spirit in their minds.



Masakazu Mori
General Manager
Personnel Department

Human Resource Policy

We acknowledge that employees are the most important management resources. In the light of this, we respect the diversity and individuality of our employees and cultivate abundant human resources, striving to promote the further development of our Group as a whole.

[Action Guidelines]

- Respecting the rights of our employees, we eliminate discrimination and harassments in employment, and avoid the use of forced labor or child labor.
- We secure and foster human resources who help pass down our quality products principle to the following generations. To this end, we provide learning opportunities and other programs to support the career development of our employees.
- We establish a personnel evaluation system to ensure that people with different qualities can fully realize their own capabilities.

Labor-Management Relations

An important mission of both labor and management is to make significant contribution to society through offering superior products and services. Our labor and management fulfill their respective responsibilities under the mutual trust and cooperation, aiming to create a more desirable working environment.

■ Labor and Management Conferences

In order to have open communication between labor and management, we host regular labor and management conferences, in which sharing of corporate information, working hour reductions and other issues, as well as necessary actions to solve these issues are discussed.

■ Working Hour Reduction

We have a "No Overtime Day" once a week. On this day, labor and management members patrol all floors to ensure that no one works overtime.



No Overtime Day

■ Responding to Harassment

In order to protect the rights of employees, labor and management are working together to take preventive actions against harassment.

Regarding sexual harassment banned by our work rules, we have established a Sexual Harassment Committee to prevent and prohibit sexual harassment. Furthermore, both our labor and management have established a sexual harassment advisory center in each factory, aiming to create an environment in which employees are encouraged to consult the appropriate staff about their sexual harassment problems.

■ Greeting Action

In order to begin the day with a good hearty welcome and return home with a smile, the labor union has been conducting a Greeting Action. In this effort, several labor union members as well as executives and managerial staff of our company stand on the entrance area and exchange daily greetings with employees.



Greeting Action

Promotion of Diversity

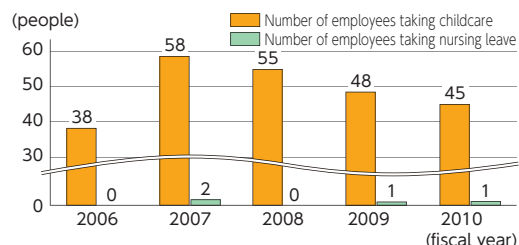
We at NGK Spark Plug Co., Ltd. are involved in activities to promote diversity in our company. To be specific, we respect the individuality of our human resources (in terms of sex, age, disability, nationality and other factors) and adopt new values and ideas created by such a wide variety of human resources, aiming to accelerate our growth as a whole and help realize the happiness of our employees.

Increasing Roles of Female Employees

The ratio of female full-time employees in our company is 16%, a figure which may seem to be relatively low. However, their average years of employment is some 13 years and the number of female full-time employees on childcare leave remains constant at about 50 (equivalent to 5% of all female employees). As proven by these facts, we have been committed to ensuring a working environment in which female employees are encouraged to continue working after marriage/having a baby. In 1999 we have established a repositioning system to new fields of specialty, with the aim of promoting the repositioning of general clerical employees to managerial staff. So far, 34 female employees have used this system. As a result, the ratio of female full-time employees in the managerial track now exceeds 10%. In fiscal 2010, aiming to double that number, we will make continued

efforts to create a working environment that enables female employees to realize their full potential.

Number of Employees Using the Leave Schemes



Voice

I thank my boss and colleagues for understanding and supporting me as the only female managerial staff member of our company. I keep it in my mind to sincerely listen to each individual employee's opinions and ideas, aiming to help create a satisfying workplace in which as many employees as possible can feel proud of working at NGK Spark Plug Co., Ltd. To this end, I have launched a project about promotion of diversity.

Yumiko Mori
Deputy Manager
Personnel Department



Available System

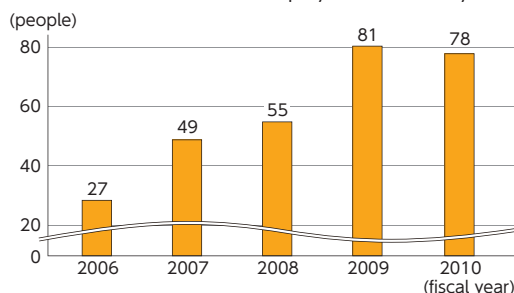
System name	Term	Outline
Childcare leave	Until child becomes 1 year old (1 year and 2-month-old maximum)	Available for parents of newborn babies
Childcare leave extension	Until child becomes 2 years old	Available for those whose child is on waiting list for admission to a day nursery
Special leave	Until child enters elementary school (10 days maximum per year)	Available when the child needs care due to sickness or injury
Short-time work	Until 1 month passes after child enters elementary school	Available for those who want to leave early for childcare reasons, as far as reduction in daily working hours is limited to 2 hours
Nursing care leave	1 year maximum	Available for those who need to take care of elderly parents/relatives requiring nursing
Social service leave	2 years and 4 months maximum	Available for those who engage in social service

Post-retirement Reemployment System

In order to take advantage of the long-accumulated knowledge, skills and expertise of retirees and also provide them with the opportunity to continue working, we introduced a post-retirement reemployment system in 2001.

During fiscal 2010, 78 retirees were reemployed under the system. Up to present, a total of 451 persons have used the system.

The Number of Retirees Reemployed under the System



Appropriate Placement

To expand opportunities for highly motivated employees to play an active part in our operations, we have

introduced diverse new personnel systems including a job posting system and repositioning to new fields of specialty. We have also started to authorize female employees to take late-night shifts.

Our employees are allowed to file a placement request with their superior (in a managerial position) during a "performance evaluation" interview that takes place twice a year. The interview provides employees with an opportunity to discuss their goals, career course, work environment, etc., with their superior. When assigning duties to employees, we take into consideration their abilities, qualifications, attitude and desires, ensuring that their contributions to our operations can be maximized.

Voice

I applied to the post-retirement reemployment system, hoping my past experience would be of some help to the company. I am glad to be reemployed under the system, especially when I am asked about my experience, opinion and understanding regarding daily operations I used to be engaged in.

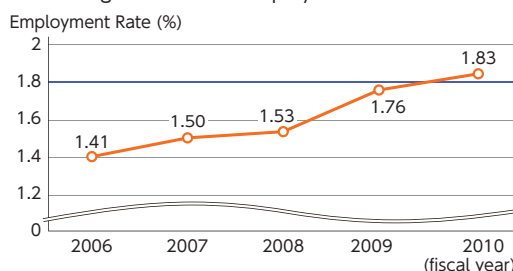
Kunio Takai Personnel Department

■ Employment of the disabled

We have been promoting the employment of disabled workers. In fiscal 2010, the percentage of disabled workers we employed reached 1.83%, exceeding the legal requirement of 1.8%.

When assigning duties to disabled employees, we sufficiently discuss with them to ensure their safety and eliminate any anxiety they may feel. We will make continued efforts to promote the employment of disabled workers by creating a more open, attractive and safe work environment for them.

■ Percentage of Disabled Employees



Human Resource Development

The purpose of our human resource development efforts is to continuously foster human resources who contribute to passing down our "quality products" principle to the following generation and who respond to changes in circumstances in and outside our company with a challenging spirit. To achieve this purpose, we design and provide a wide variety of human resource education/training programs based on the human resource development concept.

■ Education/Training Programs

Our human resource education/training program consists of: On the Job Training (OJT) that encourages employees to learn necessary know-how and technology by carrying out practical operations; and Off the Job Training (OFF-JT) that provides opportunities for employees to acquire new skills, knowledge and technology outside their own workplace.

OFF-JT includes: quality education and environment/safety education; education on the role of each track; global human resources education; and career improvement support. In fiscal 2010, a total of 5,874 employees participated in these OFF-JT training programs.



Human Resource Development Section
Personnel Department

Human Resource Development Concept

Fostering employees who, as a member of the corporate family, observe our corporate rules and independently take actions with a self-reliance spirit.

We seek:

- Persons who are full of curiosity and actively take on challenges
- Persons who flexibly adapt themselves to changes in circumstances, showing a positive attitude
- Persons who logically think from the other person's perspective and sincerely take necessary actions

Voice

At the training program for business leader candidates, I learned "self-tailored business management under a severe business environment." The purpose of the program was to encourage participants to make a proposal from the perspective of the management, broaden their views and perspectives, and clarify the significance of their organization. The training program was designed in an easy-to-understand way, consisting of onsite group training outside our workplace and a correspondence course to acquire basic knowledge at home.

Norihiko Adachi
Deputy Department Manager,
Sales & Marketing Headquarters



Human Resource Development

Education/training programs

Education and training programs and others commonly necessary for the company as a whole

OJT

Onsite instruction of operations at each workplace

OFF-JT

Training outside a workplace

- Changes of workplace and/or occupational type
- Motivation enhancement
- Self-enlightenment etc

■ Ability Training System Diagram (OFF-JT)



Occupational Safety and Health

Basic Philosophy

Occupational safety and health is the most familiar theme for employees in their daily duties. It is the most important theme for enterprises as well in their efforts to provide a working environment in which employees are encouraged to do their best in operations. We are well aware that offering a secure and safe workplace is our important corporate responsibility.

To this end, we established our occupational safety and health management system in 2006, aiming to realize "zero accidents" and secure safety at all workplaces. We will continue strengthening our safety and health management activities at a companywide level, aiming to establish a corporate culture of "safety first."

Occupational Safety and Health Basic Policy

We strive for occupational safety and health as the starting point of business activities on the basis of respect for human life and dignity.

[Action Guidelines]

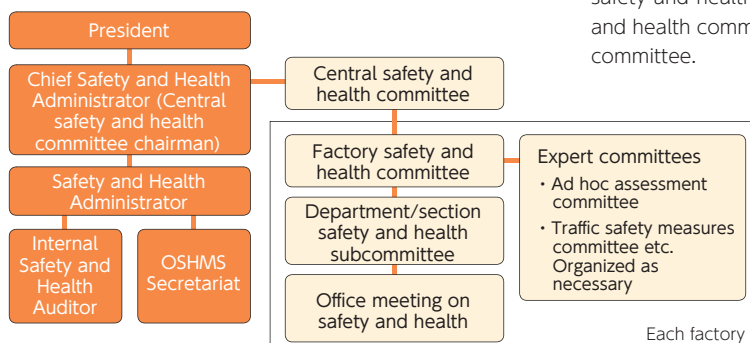
- Observe laws and self-standards relating to occupational safety and health.
- Reduce risks and elimination of work-related accidents through sustainable improvement in occupational safety and health management system and performance.
- Prevent health hazards and promote the physical and mental health of employees.
- Publicize this policy among all the employees, promote consciousness through training and enlightenment, and expand toward the overall participation in labor safety and health activities.

OSHMS

With the aim of eliminating on-the-job accidents and creating a comfortable, safe work environment, we have established an in-house occupational safety and health management (OSHM) system. We are accredited as complying with JISHA OSHMS Standards*¹ (Japan Industrial Safety & Health Association's Standards for

Occupational Safety & Health Management Systems). Each individual plants and offices set safety goals and safety plans in accordance with our OSHMS guidelines, aiming to conduct OSHM activities based on a "total involvement" principle. To attain a step-by-step improvement of our safety status, the progress and results of such OSHM efforts are verified by our internal safety and health auditors as well as the factory safety and health committee and the central safety and health committee.

■ Safety and Health Promotion Organization



*Each factory refers to the Head Office Factory, Komaki Factory, Miyanajo Factory, Ise Factory



Internal Auditor Training

*1
JISHA OSHMS Standards
Standards established and published by JISHA (Japan Industrial Safety and Health Association). The standards determine whether OSHMS is appropriately introduced based on the Occupational Safety and Health Management System of the Ministry of Health, Labor and Welfare, and whether the occupational safety and health standards are being appropriately implemented to improve gradually.

PICK UP

NGK Spark Plugs (U.S.A.), Inc. receives SHARP recognition

In August 2010, the West Virginia factory of NGK Spark Plugs (U.S.A.), Inc. received Safety and Health Achievement Recognition Program (SHARP) recognition from the Occupational Safety and Health Administration (OSHA). The factory was recognized as an exemplary operator, based on assessment results of the occurrence rate of on-the-job accidents, efforts toward the continuous improvement of the safety status, and OSHA's 58 safety assessment requirements. NGK Spark Plugs (U.S.A.), Inc. will make continued efforts to further improve its workplace safety and health status.



Recognition Awarding Ceremony

Target and Results

During fiscal 2010, we focused on strengthening risk assessment^{*1} activities and improving daily operations at all workplaces. As a result, the number of occupational accidents was successfully reduced.

In fiscal 2011, aiming to identify all potential dangers in a more comprehensive and objective manner, we will promote new risk assessment based on a review of

conventional methods for identifying dangerous operations and discovering potential danger spots. We will also continue conducting educational and enlightenment programs for our employees, so that they can improve their awareness of occupational safety and health and voluntarily adopt safe behavior at the workplace.

***1
Risk Assessment**
Method to detect and evaluate potential dangers and hazards in a work site, and eliminate/reduce them.

	Fiscal 2010			Fiscal 2011
	Target	Results	Evaluation	Target
1. Elimination of occupational accidents	Hazard elimination related to machines, facilities and chemical substances	The number of identified dangers related to machines, facilities and chemical substances increased by 23% from the previous fiscal year.	○	Essential safety of machinery and facilities, and promotion of self-management of them
	Enhanced efforts to identify potential dangers in non-regular operations	The number of identified dangers in non-regular operations increased by 29% from the previous fiscal year.	○	Intensive sampling of the present risks and an exhaustive publication of remaining risks
	Sufficient awareness of any residual risks	Measures were developed, implemented and evaluated at each individual workplace.	○	Promotion of new risk assessment
	—	—	—	Completion of rules of operation methods and thorough compliance to the rules
2. Improvement of working environments	Elimination of workplaces in the third management category and reduction of workplaces in the second management category	The number of workplaces under the third management category was not reduced to zero.	×	Improvement of work environments in harmful workplaces
3. Health promotion	Improved health management awareness	Health management-related information was provided.	○	Activation of measures to promote health • Promotion of measures for improvement in metabolism • Promotion of measures for good mental health
	—	—	—	
4. Enhanced education and enlightenment programs	Improvement of safety education for repositioned employees and young employees	Educational programs were conducted at each individual workplace.	○	Enrichment of training for safety and health in workplaces
	Reinforcing safety and health patrol	Occupational safety and health patrols were conducted at each individual workplace.	○	Enforcement of patrols for behavior relating to safety and health
	Promotion of training for raising the level of awareness of potential risks and reporting of the discovery of any risky spots	Daily activities for occupational safety and health management were conducted at each individual workplace.	○	Promotion of measures for safety, sanitation, and health in daily life
	Promotion of activities to improve safety & health management	Proposed activities to further improve occupational safety and health management were promoted.	○	—

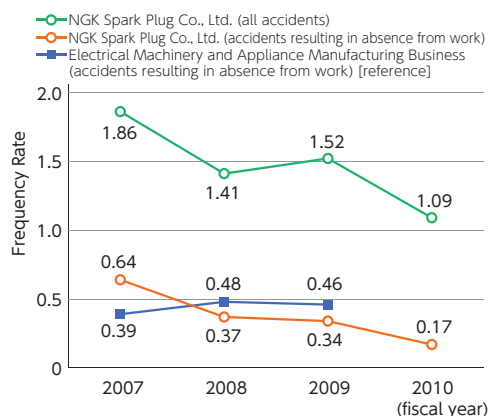
1. Elimination of occupational accidents

During fiscal 2010, the overall Frequency Rate^{*2} of occupational accidents achieved the best result in the past 10 years. We believe that the result was attributed to our enhanced efforts to: identify potential dangers in non-regular operations and implement necessary measures against identified dangers; enhance occupational safety and health education/enlightenment programs for young employees; and ensure thorough compliance with our corporate-wide operational rules.

Regarding accidents occurring during travel to and from work, we have been analyzing the trends of such accidents and their direct victims at a per-factory level, based on the results of which we have provided educational programs to improve employees' awareness of traffic safety. For example, a lecture on traffic safety was provided for second-year employees and employees commuting by motorcycle in 2010 at our Komaki Factory.

Frequency Rate of Accidents

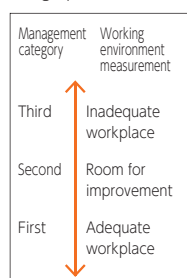
*NGK Spark Plug Co., Ltd. includes temporary staff when calculating the Frequency Rate.



***2
Frequency Rate**
The frequency rate of accidents. Calculated with the following formula.
Frequency Rate = $\frac{\text{Number of Accidents}}{\text{Actual Hours of Extended Labor}} \times 1 \text{ million}$

*1 Working Environment Measurement

To protect the health of laborers and offer a proper working environment, working environment measurement is conducted in terms of the level of harmful factors existing in the work environment and to what extent workers are exposed to such harmful factors. The results are evaluated and classified into the first, second, or third category.



***2
WBGT**
WBGT (West-Bulb Globe Temperature), a practical index for evaluating heat effect on humans, is used to help prevent heat stroke in a hot work environment or in sports activities. The Ministry of the Environment calls the index the "Heat Index."

***3
Industrial Physician**
A doctor who is involved in managing the health of laborers in workplaces. The Industrial Safety and Health Act mandates companies constantly employing 50 workers or more in the workplace to hire an industrial physician.

2. Improvement of Working Environment

Targeting workplaces subject to significant dust pollution or severe noises, we conduct working environment measurement*¹ in accordance with the Industrial Safety and Health Act. Factories/operational sites that have been classified under the second or third management category are especially encouraged to take effective solutions to be classified in the first management category. We also take preventive measures against

heat stroke incidents in summer, by measuring WBGT,*² encouraging adequate intakes of water and salt, and providing cooling items and the like. Regarding an office work environment, we measure the level of lighting and CO₂ concentration to ensure the work environment is constantly favorable. In winter, we install humidifying devices in the office to help prevent the spread of flu viruses.

3. Health Promotion

We actively protect and promote the good health of our employees.

■ Health Checkups

At our health checkups, employees can undergo additional tests other than general examination items by law. For employees with abnormal findings in the health checkups, our industrial physicians,*³ clinic doctors and health management staff provide with follow-up care such as reexamination, close examination, medical treatment and others. With the slogan of "self-care for good health," we are also actively engaged in providing health-related information to our employees, aiming to increase their awareness of good health.



Health management staff



Walking event

programs conducted in and outside our company. We also actively use a check sheet in the Self-care Handbook to encourage employees to increase their awareness of the importance of "self-care." In addition, with the cooperation of our industrial physicians and clinic doctors, we conduct a questionnaire survey to ensure early detection of employees' mental health problems. As part of our efforts to promote employees' good mental health, we have also established a hotline outside our organization so that employees suffering any undesirable mental condition can make a call and receive consultation from a specialist.

■ Efforts by NGK Spark Plug Health Insurance Society

Working together with the company and the labor union, the health insurance society provides a wide variety of programs to support member workers' mental and physical good health. Specifically, health management and disease prevention efforts conducted by the health insurance society include: metabolic syndrome improvement/prevention programs; subsidies for medical examinations; provision of dental checkups; support programs for quitting smoking; subsidies for flu vaccination; health management promotion programs; and walking events. The health insurance society also operates three clinics at our domestic factories, as well as a resort facility for member employees in the Gokasho Bay area located in Minami-Ise, Mie Prefecture.

■ Mental Health Care

We aim to educate our employees to increase their awareness of "line care (the practice that superiors pay attention to the mental health of their subordinates)" and "self-care (the practice to understand one's own mental stress and cope with it)," through training

4. Enhancement of Education and Enlightenment Programs

As part of our daily activities to promote workplace safety and health management, we conduct occupational safety and health patrols, encourage information sharing about KYT and Hiyari Hatto incidents, and encourage employees to meet and read out texts together for collation of the Handbook for Safety and Health Management. Regarding problems identified at occupational safety and health patrols or at workplace meetings, we are taking necessary measures one by one.

A large number of occupational accidents occurred in fiscal 2009. Therefore, in fiscal 2010 we focused on ensuring that our employees voluntarily adopt safe behavior at the workplace in their daily operations. Specifically, we distributed each employee a badge to be carried to raise awareness of occupational safety and health. We also displayed posters and broadcasted

an internal announcement, for the purpose of both calling employees' attention to occupational safety and health management.

Since the number of young employees injured by occupational accidents has been prominent in recent years, we have also incorporated hands-on experience-based lessons into our training programs for new employees, utilizing a machine for virtual experience of occupational accidents.



KYT before operations
(Ise Factory)



Hands-on experience-based
safety training for new employees

With Local Communities and International Society

Basic Philosophy

We carry out various types of social contribution activities in areas where our production sites are located, aiming to enhance communication with local residents and help realize a more comfortable society. In conducting business operations throughout the world, we also respect the cultures and customs of local communities, aiming to contribute to the further development of local communities.

Support for Local Cultures and Traditions

■ Invitation of Sports Caravan

(Ceramica e Velas de Ignicao NGK do Brasil Ltda.*¹)

In Brazil, sports caravan activities have been conducted to educate and foster young people throughout the country. As a sponsor for such an activity, Ceramica e Velas de Ignicao NGK do Brasil Ltda. invited a sports caravan to Mogi City, where the company is located.

■ Sponsorship for Professional Wrestling Events

(Bujias NGK de Mexico S.A. de C.V.*²)

Mexico is the home of professional wrestling. Bujias NGK de Mexico S.A. de C.V. has provided sponsorship every year for professional wrestling events organized by a Japanese professional wrestling organization. At the event held in May 2011, the company worked together with other sponsors in raising money for the victims of the Great East Japan Earthquake. The collected money was donated to Japan through the Mexican Red Cross.



Professional wrestling event

■ Sponsorship for the Manabu Mabe Museum

(Ceramica e Velas de Ignicao NGK do Brasil Ltda.)

Ceramica e Velas de Ignicao NGK do Brasil Ltda. provided sponsorship for the renovation of the Manabu Mabe museum that exhibits and possesses a collection of paintings by Manabu Mabe, the late Japanese Brazilian painter. The museum also promotes cultural exchanges, serving as a venue to introduce works by Japanese artists and provide art courses, art restoration and other programs for local residents.

Social Contribution Policy

As a good corporate citizen, we at the NGK Spark Plug Group aim to contribute to society through the effective use of management resources.

[Action Guidelines]

- We focus on the following activities:
 - ・ Activities closely related to our business fields and also to local communities
 - ・ Activities that respect the cultures of individual countries and local communities, as well as activities that contribute to society such as traffic safety education programs
 - ・ Activities that contribute to the next generation society, focusing on environmental conservation, science, and education, as well as cultures to be bequeathed to the next generation, etc.
- We strive to create a corporate culture that encourages executives and employees to participate together in social contribution activities as a social citizen. We also respect and support their active involvement in society.

■ Respect for Local Cultures

(Siam NGK Spark Plug Co., Ltd.*³)

For its many devout Buddhist employees, Siam NGK Spark Plug Co., Ltd. has set up an altar called "Phra" in its office building, and a small shrine called "Saanphraphuum" on its premises. There are also many Chinese Thai employees in the company; at the Chinese lunar New Year (Shunsetsu), not only Chinese Thai employees but also Japanese workers on loan make offerings to celebrate the day. As can be seen from these facts, Siam NGK Spark Plug Co., Ltd. respects traditional customs and local cultures, striving to become an enterprise recognized and trusted by local residents.



Shunsetsu Festival

Voice

I am really pleased that Siam NGK Spark Plug Co., Ltd., a Japanese enterprise, respects our local customs and cultures and embraces our traditional events such as the Shunsetsu festival. I hope our company will continue supporting our yearly traditional and community-based events.

Suleemat Kuansut
Siam NGK Spark Plug Co., Ltd.



*1
Ceramica e Velas de Ignicao NGK do Brasil Ltda.

The company manufactures and sells auto parts and ceramic products.

*2
Bujias NGK de Mexico S.A. de C.V.

The company sells auto parts.

*3
Siam NGK Spark Plug Co., Ltd.

The company, which is located in Thailand, manufactures and sells auto parts.

*1
NTK Ceramic Co., Ltd.
The company manufactures telecommunication devices and their parts as well as auto parts.

Support for Educational Activities

■ Accepting High School Student Interns

NTK Ceramic Co., Ltd.*1 accepted local high school students as interns and provided them with hands-on work experience. By providing such an opportunity, we aim to assist young people in deepening their understanding of occupations and considering their own aptitude for work.



Internship

■ Dispatch of a Lecturer for Social Education

We dispatched our employee (Miyanojo Manufacturing Department) as a lecturer to Kagoshima Prefectural Satsuma Chuo High School on May 20 and June 10, 2010. Under the theme of "Experience gained through manufacturing operations in the real world," the dispatched employee provided a lecture mainly for third grade students, explaining important matters in manufacturing operations such as quality and ISO, based on his own experience and knowledge.



Lecture at the high school

■ Nittoku Asia Foreign Student Scholarship Public Trust

The NGK Spark Plug Group has conducted business operations in its production/sales hubs around the world, especially in Asian countries including Malaysia, Thailand, Indonesia, Taiwan, Korea, China, India and the Philippines. In commemoration of the 70th anniversary of our company, we established a scholarship fund for students from Asian countries attending universities and graduate schools located in Aichi Prefecture in November 2006. In fiscal 2010, the fourth year of the program, we granted scholarship to 10 students.



Scholarship granting ceremony

■ Reading Promotion Project

Ceramica e Velas de Ignicao NGK do Brasil Ltda. has conducted a series of activities to help the continuous development of human resources. As an effective approach to address educational issues, the company's CSR promotion working group is now conducting the reading promotion project, under a tie-up with the Sao Paulo board of education.

The reading promotion project aims to provide an opportunity for over 20,000 students of 42 schools to read a book. To be specific, 20,000 books of 21 classical Portuguese literary works are distributed to the state-funded school near the City of Mogi das Cruzes. To help students understand the significance of reading and foster their interest in reading, some of the literary works are also performed at each of the 42 schools. As part of the project, training workshops for national language and art teachers are also held, aiming to help teachers effectively conduct reading promotion efforts.

Voice

I was dispatched as a lecture to Kagoshima Prefectural Satsuma Chuo High School. There I shared my experience as a manufacturing worker, aiming to help students understand the significance of manufacturing and start working in the manufacturing industry without unease. The students, who desired to work in the

manufacturing industry, attentively listened to my lecture. It was also a meaningful opportunity for me to gain some experience of teaching.

Yoshiyuki Nakazono
Group Leader
Miyanojo Manufacturing Department



Activities to Contribute to Society

■ Donation of Material Samples to the Nagoya City Science Museum

We donated our ceramic material samples to the Nagoya City Science Museum, which reopened on March 19, 2011. Alumina, silicon nitride, whiskers and other raw material samples of our ceramic products are exhibited in the "Materials" zone on the fifth floor.



Exhibition



■ Promotion of Local Sports Activities

In February 2011, the sixth tag rugby^{*1} championship was held in the Kagoshima Hokusatsu Regional Park ground. Taking that opportunity, 20 members of our Miyanojo Factory rugby club conducted a rugby class for about 100 elementary school children participating in the championship. As well as providing instruction on passing the ball, our 20 rugby club members also played a game with the children and acted as touch judges (referees) for games, receiving great acclaim from both the children and their parents.



Rugby instruction for elementary school children

■ Plastic bottle cap collection

At cafeterias of our Head Office, as well as the Komaki, Miyojo and Ise factories, we have installed a dedicated box for the collection of plastic bottle caps. The collected caps are donated to a non-profit organization, through which they are used in vaccination programs for children around the world. As of March 2011 we had donated some 100,000 plastic bottle caps, an amount covering the cost of vaccines for 126 children.



Plastic bottle cap collection box

■ Participation in Various Traffic Safety Campaigns

As we are involved with the automobile industry, it is fundamental for us to be highly aware of the importance of traffic safety. As part of efforts to promote traffic safety in local communities, our employees regularly stand in the streets around their own workplace, holding banners to raise people's awareness of traffic safety. In addition, we participated in a traffic safety campaign conducted by the local police in July 2010. At the campaign, our employee, clad in police officer's uniform, urged passengers to observe traffic rules as police officer for one day.



Street observation
(Komaki Factory)



Traffic safety campaign
(Head Office)

^{*1}

Tag rugby

A safer version of rugby game, having a "no physical contact (such as tackling) rule"

Voice

I was really nervous when I was assigned to wear the uniform of a police officer for one day and received a letter of assignment from the chief of the police station. Unfortunately, it was a rainy day; I stood at the gate area of the subway station instead of the street and distributed items to raise awareness of traffic safety to passengers such as high school students, the elderly and children. It was a good opportunity for me as well to reconfirm the importance of traffic safety.



Namiko Nishimoto
General Administration Department

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Scope of Environmental Reporting

NGK Spark Plug Group

- NGK Spark Plug Co., Ltd. (excluding sales offices and sales branch offices)
- Nine consolidated domestic subsidiaries and one affiliate.

NGK Spark Plug Co., Ltd.	Affiliates	
Head Office and Head Office Factory	Nittoku Alfa Service Co., Ltd. Nichiwa Kiki Co., Ltd.	NTK Ceramic Co., Ltd.
Komaki Factory Takenami Factory	Nittoku Unyu Co., Ltd. Ceramic Sensor Co., Ltd.	Nittoku Selsakusho Co., Ltd. Kamioka Ceramic Co., Ltd.
Miyanojo Factory		Tono Ceramic Co., Ltd.
Ise Factory	Nansei Ceramic Co., Ltd.	Tokai Taima Kogu Co., Ltd.*

 : Region (joint ISO14001 certification)

In blue : Included in the consolidated environmental accounting

* An equity method affiliate

Environmental Policy, Environmental Action Plan

Basic Philosophy

Environmental issues are a common challenge for all mankind. Every member of the NGK Spark Plug Group will work towards reducing environmental burdens from our business activities as much as possible and developing and providing products and technologies that contribute to improving the environment. We will also endeavor to communicate in greater depth with our stakeholders including our local communities so that we may all work together to contribute to creating a sustainable society.

Voice

Fiscal 2010 marked the end of the Eco Vision 2010 target period. We have taken the results of the seven-year effort seriously, and confirmed why some targets were achieved and why some were not. Based on this, we formulated Eco Vision 2015, comprising an Environmental Policy and an Environmental Action Plan, to indicate the direction of our environmental efforts from fiscal 2011 and on.

Fiscal 2015 targets are established under 16 items in the Environmental Action plan, and of these, my emphasis is on promoting our activities globally. Each of our overseas corporations already conduct their own environmental activities, but in order to become a truly global company in all aspects including the environment, we must make efforts based on the same principle. To this end, the Group must first share a uniform environmental policy.



Takao Hamada, Director

Eco Vision 2015 (Formulated in April 2011)

Environmental
Policy

Environmental
Action Plan

Environmental Policy

We positively promote actions for environmental conservation through all business activities to contribute to construction of a sustainable society with the participation of everyone concerned.

[Action Guidelines]

● Environmental management :

We will abide by all laws, regulations, protocols, and voluntary standards relating to environmental conservation to prevent environmental pollution. We also aim to manage both environmental conservation and business growth by continually trying to enhance our environment management system (EMS) and environmental performance from a global point of view.

● Business operation :

We will promote environmentally friendly business activity to contribute to prevention of global warming, resource recycling, and biodiversity conservation throughout the entire life cycle of our products from procurement of the materials to disposal.

● Cooperation with society :

We will try to disclose information and to enhance communication for improving the trust of our stakeholders and deepening cooperation with society. We also try to enhance environmental consciousness by positively enforcing participation of all the employees in environmental conservation activities.

*1 PRTR substances

Chemical substances designated in the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof. This Act stipulates a system of determining and notifying the amounts of specific chemical substances released into the environment.

*2 LCA

Life Cycle Assessment. Method for quantitative and objective assessment of the environmental impact from all steps throughout the entire lifecycle of a product, including sourcing the raw materials, manufacturing, distribution, disposal, and recycling.

■ Environmental Action Plan

	Item	Fiscal 2015 Target	Fiscal 2011 Target
Environmental Management	Promote activities uniformly across the globe.	Formulate global ecological vision.	Sharing of environmental declarations and policies of the domestic groups with overseas factories Understanding of the current state of EMS in overseas factories Implementation of the new environmental management information system (SLIMOFFICE) in Japanese groups
	Promote environmental activities that lead to corporate management	Transparentize costs for energy and wastes, and construct a system to promote actions for reducing the costs.	Conversion of environmental loads, such as CO ₂ and wastes, to cost in Japanese groups
Business Activities	Reduce CO ₂ emissions	In comparison with 2007 Emissions: down 10% Emissions per unit production: down 8%	The domestic groups Emissions: 186,725 tons/year Emissions per unit production: 0.780 tons/1,000,000 yen
	Reduce generated volume of waste/valuable resources	In comparison with 2007 Emissions per unit production: down 30%	In comparison with 2010 Emissions per unit production: down 1%
	Reduce volume of water used	In comparison with 2007 Per unit production: down 8%	In comparison with 2010 Per unit production: down 4%
	Reduce PRTR substance*1 emissions	In comparison with 2007 Emissions: down 8%	Reexamination of a recycling equipment
	Develop environmentally friendly products	Expansion of LCA*2 to all the company's operation sites	Determination of the range of data collection Acquisition of required data
	Improve chemical substance control	Construction of a management system of chemical materials including supply chains	Examination of the management system of chemical materials Investigation of the status of chemical materials and storage of the data
	Promote green purchasing	Expansion of the green supplier system	Expansion of the green supplier system to the domestic related firms
	Recycle used products	Establishment of recycling technology for products and packaging materials	Examination of recycling technology of products Examination of the reuse of package materials
	Reduce CO ₂ emission from logistics activities	Japanese physical distribution energy per unit production: Down 8% in comparison with 2007	0.426kl/100,000,000 yen
	Environmentally friendly sales activities	Promotion of environmentally friendly sales activities	Proposal of environmentally friendly sales strategies
Social cooperation	Improvement of disclosing information	Improvement of disclosing global environmental information	Enrichment of PR relating to the environmental efficiency of our products Disclosure of the state of law abidance in overseas factories Acquisition of material data (procurement amount of raw materials and parts) in overseas factories
	Enhancement of communication	Enhancement of communication with communities	Continual implementation of the environmental conferences Acceptance of visitors to factories by stakeholders
	Enhancement of social contribution	Enhancement of social contribution for communities	Continual participation in EPOC international exchange subcommittee meetings Continual implementation of the clean-up activities
	Enhancement of actions for biodiversity conservation	Enhancement of actions for biodiversity conservation	Participation in a variety of environmental activities Planning of guideline relating to biodiversity
	Enhancement of environmental consciousness	Enhancement of environmental education	Examination of activities for Satoyama (planted/managed natural woodlots) conservancy and cooperation with NPO/NGO and governments
			Enhancement of level-specific training in the domestic groups Understanding of the implementation status of environmental education in overseas factories

Results of the entire NGK Spark Plug Group Eco Vision 2010

The entire NGK Spark Plug Group Eco Vision 2010 is a vision established in 2004 indicating the ideal status of environmental activities by this Group in 2010. Aiming to achieve this status, targets were set for each fiscal year to promote environmental activities, and it came to a close in March 2011.

The results of the fiscal 2010 targets and the results of the entire NGK Spark Plug Group Eco Vision 2010 are shown in the table below. Taking these results seriously, we have reviewed our seven-year efforts, and in 2011 formulated Eco Vision 2015 (P. 30) indicating our ideal status for 2015.

■ Results of fiscal 2010 Targets

Achieved : ○ Not achieved : ×

Item	Fiscal 2010 Target	Result	Evaluation	Page
Management	Environmental management system	Implement sufficient environmental education in domestic business sites	×	—
		Promote integrating EMS and QMS documents	×	
		Improve environmental impact assessment systems	○	
	Environmental operation	Work to revise and improvement the collection and managerial methods of environmental data for operating organizations	○	—
		Improve significant environmental aspects (emergency situations) and prepare for emergency situations [Zero environmental accidents]	○	35
Factory/Office	Prevention of global warming	Total group emissions of carbon dioxide under 176,000 tons	×	37
	Effective use of resources	Group's water reduction target: 9,755 m ³	○	40
		Group's waste reduction target: 794 tons	×	39
		Incorporate a low environmental burdens disposal method	○	—
	Substances of environmental concern	Promote control (recovery, etc.) of VOC*2 released	×	41
Products	Eco-design	Introduce LCA*3 methods into the product assessment	×	43
	Distribution	Efficiently transport products and waste (Reduce volume of cargo shipment by 1% from previous year)	×	38
Communication	Natural environment	Continue to participate in community environmental events, etc.	○	44
Mind	Education and training	Continue to implement environmental education	○	34

*1
Recycling residue
Residue from waste recycled in waste disposers, which will end up in final disposal (landfill).

*2
VOC
Volatile Organic Compounds. The source of photochemical oxidants and suspended particulate that pollute the atmosphere.

*3
LCA
Life Cycle Assessment. Method for quantitative and objective assessment of environmental impact made at all steps throughout the entire life cycle of a product, including sourcing the raw materials, manufacturing, distribution, disposal, and recycling.

■ Single fiscal year targets for CO₂, waste, and water

【 Target for CO₂ 】

Reduction Targets had been set since fiscal 2006, but from fiscal 2009 and on, the target will be set on total emission volume.

【Target for wastes and water 】

Reduction Targets set since fiscal 2006. Reduction Targets sets goals on the volume to be reduced by taking various measures. The advantage of this method

is that the results are more obvious, since the degree to which the target was achieved can be evaluated without being influenced by changes in production.

■ Results of the entire NGK Spark Plug Group Eco Vision 2010

Achieved : ○ Not achieved : ×

Item	Eco Vision	Results of the Eco Vision	Evaluation	Page
Management	Environmental management system	Sharing of environmental policy by related companies including overseas companies	×	—
		Construction of total management system (QMS, EMS, OSHMS)	×	—
	Environmental operation	Centralization of environmental management data control	○	—
		Promotion of CSR management	○	35
	Environmental accounting	Integration of environmental accounting and management accounting	×	—
Factory/Office	Prevention of global warming	Total greenhouse gas emissions in Japan of 150,000 tons or less (10% down from 2001)	×	37
	Effective use of resources	Efficient use of water resources	○	40
		EPR (extended producer responsibility) operations	×	—
		Reduction of waste emissions	○	39
		Reduced environmental load due to waste	○	—
	Substances of environmental concern	Total 36 tons of PRTR substances*2 released (80% down from 2002)	×	41
		Control substances of environmental concern	○	—
Products	Eco-design	Eco-friendly design and product creation	×	43
	Green procurement	Green supplier system of identification and registration of all our business associates	○	42
	Distribution	Construction of efficient distribution systems	×	38
	Eco-business	Development of eco-businesses	○	—
Communication	Disclosure	Disclosure of clear environmental data	○	—
		Continuous issue of CSR reports	○	44
	Community	Support for and participation in NGO and NPO activities	○	44
	Natural environment	Promotion of nature conservation and social contribution	○	44
Mind	Education and training	Thorough education of eco-minded employees	○	34
		Reflection of environmental performance in business evaluation	×	—

*1
MFCA

Material Flow Cost Accounting. Method of identifying costs by determining material costs, processing costs, and depreciation and amortization incurred by materials and energy losses (defective products, etc.) during production processes.

*2
PRTR substances

Chemical substances designated in the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof. This Act stipulates a system of determining and notifying the amount of specific chemical substances released into the environment.

*3
MSDS

Material Safety Data Sheet. Document stating hazardous properties of and cautions for handling chemical substances.

*4
Color Universal Design

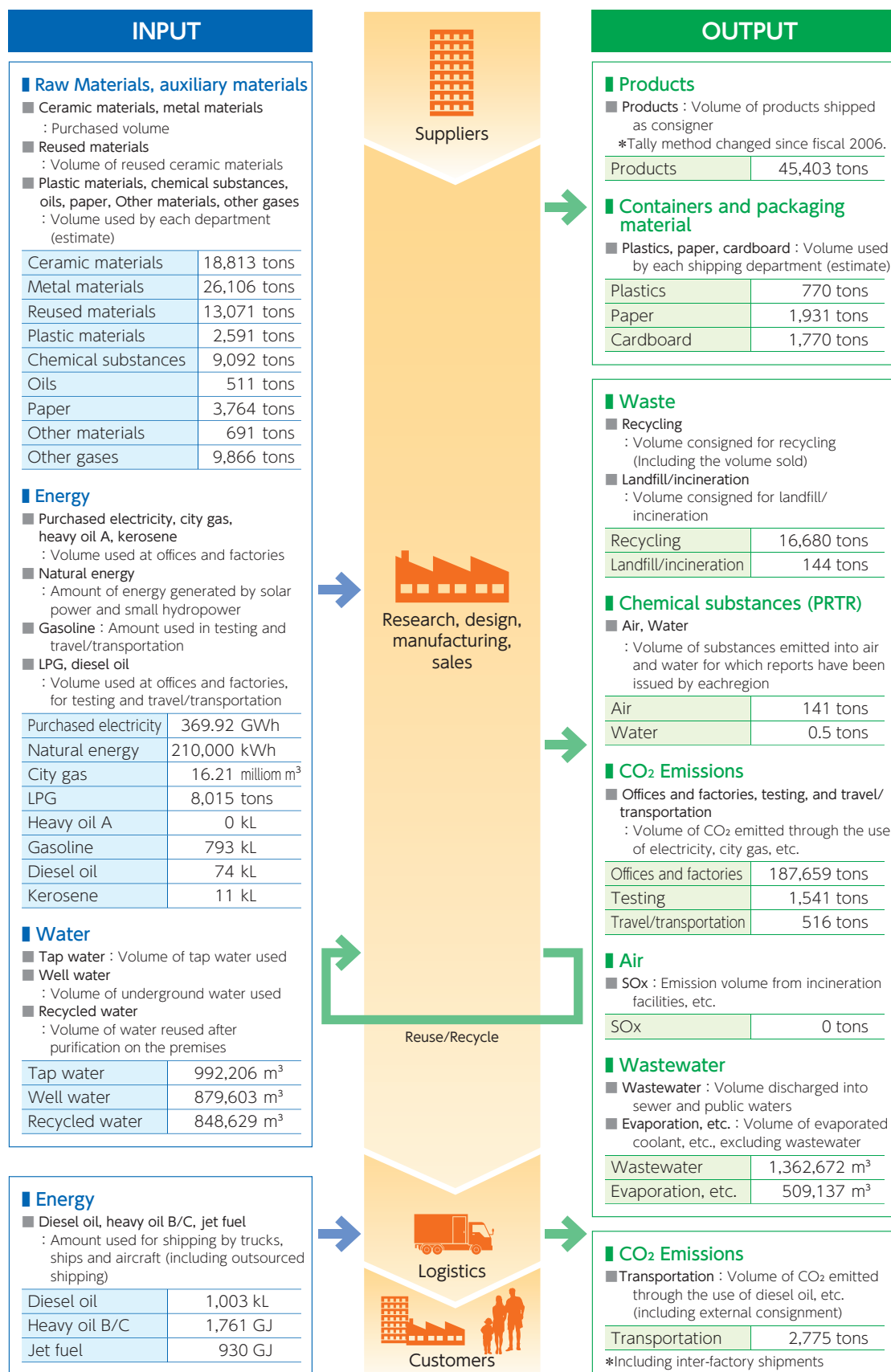
Designs using color schemes that can be easily identified by people with all types of color vision so as to convey information accurately to as many people as possible. This is used in this report for colors of texts as well as color schemes, line types and color-coding in charts and graphs.

Environmental Burdens from Business Activities

Web
Material balance of
domestic business sites

Material Balance

*Figures indicate performance of NGK Spark Plug Group (P29) and domestic business sites combined.



Factors used to calculate CO₂
Japan Auto Parts Industries Association (2001)

	CO ₂ conversion factor
Purchased electricity	0.33kg-CO ₂ /kWh
City gas	2.558kg-CO ₂ /m ³
LPG	3.007kg-CO ₂ /kg
Heavy oil A	2.712kg-CO ₂ /L

Ordinance guidelines on calculating greenhouse gas emission volumes resulting from business activities of designated emitters

	CO ₂ conversion factor
Gasoline	2.32kg-CO ₂ /L
Diesel oil	2.62kg-CO ₂ /L

Calculation of emission volume

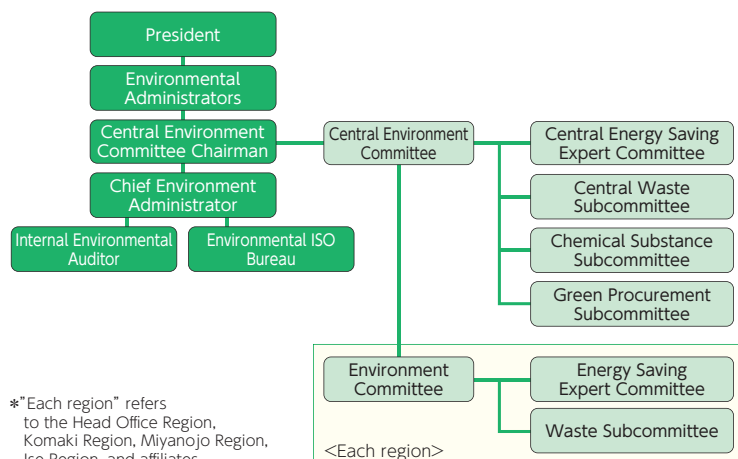
For manufacturing sites with no equipment to measure wastewater volumes, the total volume of tap water and well water used is indicated as wastewater.

Environmental Management

Promotion system

To conduct systematic and effective environmental preservation activities, we have established an environmental management system following the environmental policy shared by the entire Group, and every member of the Group is striving to achieve our Eco Vision.

■ Environmental Activity Promotion Organization



Status of system operation is confirmed through internal audits, and at the same time, the central and regional environment committees check progress towards achieving our goals and endorse challenges for each group/region/division/department to facilitate continuous improvement.



Education for internal environmental auditors



Central Environment Committee Meeting

Status of system establishment

We received ISO 14001*1 consolidated certification for NGK Spark Plug and ten domestic affiliates. Overseas corporations are currently being encouraged to seek individual ISO 14001 certification; NGK Spark Plugs (India) Pvt. Ltd. was certified in December 2010. There are now 13 overseas corporations with ISO 14001 certification. Certification for the entire employee body of the Group, including both domestic and overseas sites, has reached 98%.



ISO External Auditing



NGK Spark Plugs (India) Pvt. Ltd.



Web.....
ISO 14001 certified sites

*1 ISO14001

An international standard for environmental management systems. Business sites that have established systems in accordance with the standard can receive certification from an external organization.

Environmental Education

We conduct environmental education for each rank to increase the environmental awareness and knowledge of our employees.

In addition, we familiarize people with our environmental policy using the Environment Card, provide environmental information via company newsletters and the in-house electronic announcement system N-WING, and present case examples on the Environment/Safety/Health website. The annual Health, Safety and Environment Conference held in fiscal 2010 in each region presented panel and sample exhibits, which were participated in by many employees.



Environment Card



Health, Safety and Environment Conference



Web.....
Number of publicly
certified personnel and
internal auditors

***1**
Accounting standards
relating to asset
retirement obligations

Upon disposing of tangible fixed assets such as buildings, it is now mandatory for items which the law requires to be removed be accounted for as liabilities. Examples include expenses for the treatment of asbestos, soil surveys, and decontamination.

***2**
Soil Contamination
Countermeasures Act

The purpose of this act is to apprehend situations of soil contamination and prevent the contamination having a harmful effect on human health. The Act underwent substantial revision in April 2010 with additional provisions regarding the apprehension of situations and actions to be taken, including a requirement to notify changes in the character of land 3,000 m² or more in area.

***3**
PCB
Polychlorinated Biphenyl. Was widely used as insulating oil and for other purposes due to its high insulating ability and chemical stability, but being highly toxic to people, its production and use is now prohibited.

***4**
Asbestos
A fibrous mineral that had been widely used as an insulator. Inhalation may cause lung cancer and mesothelioma tumors.

Web.....
Data on air, water
quality, noise and
vibration

Environmental Risk Management

Inherent in business activities are various risks including environmental incidents and pollution. NGK Spark Plug Group identifies these risks and endeavors to reduce and/or prevent them.

■ Soil Survey

We clarify our soil surveying method, auditing period, and evaluation standards to prevent soil or underground water pollution. We meet the accounting standards relating to asset retirement obligations^{*1}, and comply with the Soil Contamination Countermeasures Act^{*2} revised in April 2010.

■ PCB^{*3} Control

Waste materials containing PCBs are stored at the Head Office Factory, Komaki Factory and Nittoku Seisakusho Co., Ltd.. We will continue to adhere to stringent control procedures until the day waste containing PCB can be disposed of in a proper manner.

■ On-site Confirmation of Waste Material Treatment

We regularly visit our waste disposers to confirm that consigned waste materials are being processed in accordance with our agreement. In fiscal 2010, we visited 48 companies.

■ Preventing Chemical Leaks

To avoid pollution of soil or water from chemical leaks, we take various measures at our facilities including double-layering storage tanks to prevent leakage and running pipes aboveground for prompt detection of leaks, and conduct regular inspections.

■ Handling of Asbestos^{*4}

We have been taking appropriate measures to prevent health hazards from asbestos. All asbestos used in our facilities has been completely removed. Some asbestos is still present in buildings as insulators, and we will continue to adhere to stringent control measures.

■ Drills for Emergency Situations

We hold regular drills for emergency situations to prepare for unforeseen accidents, etc. Pollution is prevented by projecting possible incidents in each department as well as the impact of such incidents.



Drill on setting up an oil fence



Absorbing drill using absorption mat

Compliance Status

To ensure compliance to environmental laws and regulations as well as agreements with local municipalities, etc., we set stringent voluntary standards to prevent violations and complaints.

There were no violations of legal limits or agreement limits in fiscal 2010, but there were four complaints on noise. We handled the complaints promptly, and took measures to prevent any recurrence.

■ Numbers of Violations and Complaints (cases)

	Violations			Complaints		
fiscal	2008	2009	2010	2008	2009	2010
NGK Spark Plug Co., Ltd.	0	0	0	8	2	3
Affiliates	1	1*	1	1	2	1

*We discovered that there was an unnotified case involving an affiliate (situation remedied) in fiscal 2009, and therefore we scored 1 for violation.

■ Handling violations and complaints in fiscal 2010

Classification	Factory/Company	Situation	Countermeasure
Violations	Tokai Taima Kogu Co., Ltd.	Had not submitted the Status Report on Industrial Waste Control Documentation Issuance, etc. to Nagoya City.	Submitted late.
	Komaki Factory	Malfunctioning of the decompression valve on a steam boiler activated the safety valve, generating noise.	The decompression valve was replaced and the boiler was moved inside soundproof walls.
Complaints (noises)	Komaki Factory	A defective bearing on the driving part of the dust collector was generating strange noises.	The bearing was replaced.
	Komaki Factory	Work involved in removing facilities was creating loud noises and vibrations.	Removal method was changed.
	Nittoku Seisakusho Co., Ltd. (Head Office Factory)	Normal facility operation was generating a knocking noise.	Automatic doors were installed inside the workplace (inside the building) so that the doors always remain closed.

Environmental Accounting



Web.....
[Environmental preservation costs](#)
[Value of environmental preservation impact](#)
[Quantity of environmental preservation impact](#)

What is important in promoting environmental management is to gain a grasp of the costs and effectiveness of environmental preservation activities. We have been adopting environmental accounting since 1999, and in 2003 the accounting scope was expanded to include the entire Group.

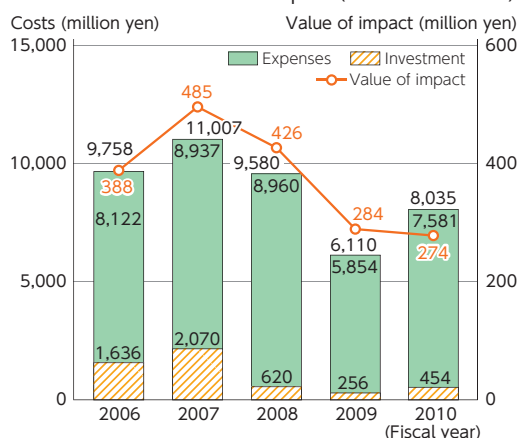
Environmental preservation costs for fiscal 2010 totaled 8,035 million yen on a non-consolidated basis, and 8,804 million yen for the Group. This was an increase of 32% compared to fiscal 2009. The effect of environment

preservation measures was 274 million yen on a non-consolidated basis.

Calculation Method

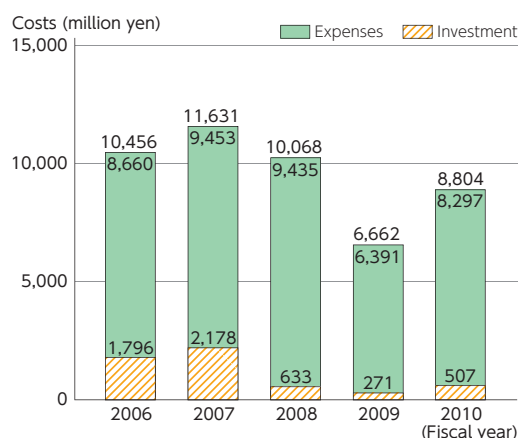
Environmental preservation costs are proportionally calculated by categorizing items in conformity with the guidelines issued by the Ministry of the Environment of Japan, then prorating in accordance with the rules of the NGK Spark Plug Group, created based on actual direct investment and expenses.

■ Trends in Environmental Preservation Costs and Value of Preservation Impact (non-consolidated)



■ Transition of Environmental Preservation Costs (Group)

*Excluding Nittoku Alpha Service Co., Ltd.



■ Value of Environmental Preservation Impact (non-consolidated)

(million yen)

Content of impact		Amount
Earnings	Business earnings from recycling waste generated during business activities, used products, etc.	222
Cost reduction	Cut in energy costs by conserving energy	45
	Cut in water costs by conserving water	2
	Cut in waste disposal costs by conserving resources and recycling	5
Total		274

Eco-efficiency*1

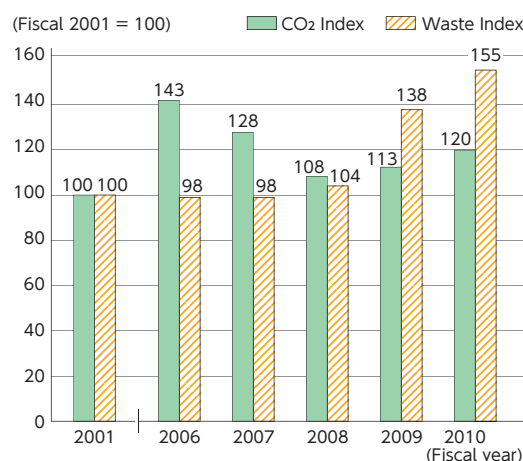
We calculate eco-efficiency by finding net sales per unit of CO₂ emission and generated waste and endeavor to improve it.

Fiscal 2010 saw an increase in both the CO₂ index and the waste index compared to the previous fiscal year. This is because the volume is being controlled for both CO₂ emissions and waste generation despite the increase in net sales.

$$\text{CO}_2 \text{ Index} = \frac{\text{Net sales}}{\text{CO}_2 \text{ emission volume by production}}$$

$$\text{Waste Index} = \frac{\text{Net sales}}{\text{Volume of waste}}$$

■ Trend in eco-efficiency (non-consolidated)



*1

Eco-efficiency

Index on rate of economic value against environmental burden accompanying business activities. The larger the figure, the better.

$$\text{Eco-efficiency} = \frac{\text{Net sales}}{\text{Environmental burden}}$$

* Due to changes in the main system, the numerator has been changed from added-value production to net sales.

Global Warming^{*1}

*1

Global warming

Phenomenon where the average global temperature is increasing due to a higher concentration of greenhouse gases that trap heat in the atmosphere and heat the surface of the Earth.

*2

Act on the Rational Use of Energy

Established in 1979, triggered by the oil crisis. Measures are stipulated for four categories of factories, etc.: transportation, buildings, and machinery and equipment. Amendment in 2008 changed the base of the control system for energy management for factories, etc. from factories/business sites to business operators (companies). Those consuming 1,500 kL (crude oil equivalent) or more of energy are designated as Specified Business Operators, and are required to appoint an Energy Management Control Officer, make basic unit improvements to an annual average of 1% per year.

*3

Law Concerning the Promotion of the Measures to Cope with Global Warming

Under the System for Greenhouse Gases Computation, Reporting and Publication, businesses emitting 3,000 tons (CO₂ equivalent) or more of greenhouse gases are required to report their emission volumes.

*4

Greenhouse gases

Gases that cause global warming. The Kyoto Protocol designates carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

Basic Philosophy

Corporate energy strategies are becoming increasingly important due to intensification of climate changes (global warming) as well as power supply concerns due to the Great East Japan Earthquake. Against this backdrop, energy conservation can be conducted on various scales, from an entire factory to process, facilities, and even at the level of the individual employee.

The Energy Conservation Promotion Section and other sections will therefore implement long-term countermeasures, and with additional energy conservation activities on a daily basis, we hope to achieve our Eco Vision 2015 by concerted efforts by all Group members.

Voice

Abnormal climates occurring all around the world and the influence of power shortages on our daily lives are just a couple of examples of what makes us realize the importance of conserving energy. The Energy Conservation Promotion Section was established last July to promote all-company activities for CO₂ reduction. We hope to promote CO₂ reduction activities for the entire Group, domestic and international, with a global perspective so that we may pass on to future generations a "comfortable living environment on Earth."

Masato Nagasaki
Deputy General Manager
Energy Conservation Promotion Section



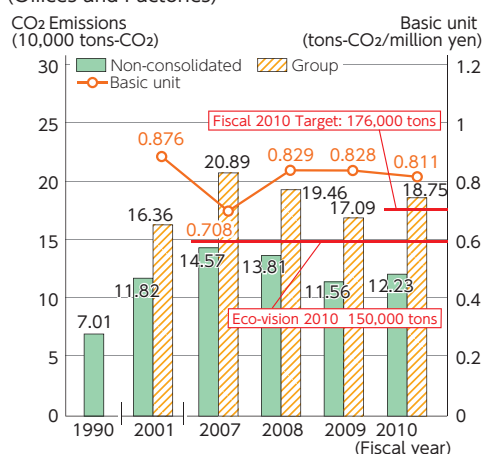
Results of the Fiscal 2010 Targets and Eco Vision 2010

The CO₂ emission volume for fiscal 2010 was 188,000 tons (10% increase from previous fiscal year); neither the fiscal 2010 target and Eco Vision 2010 were achieved. This was due to increased production with the business expansion after the formulation of Eco Vision, and

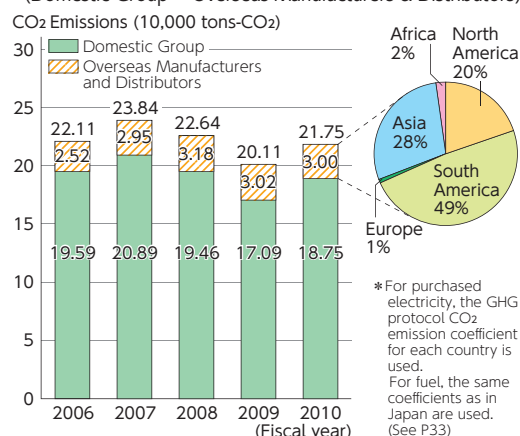
recovery from the economic recession in fiscal 2008.

Fiscal 2010 Targets and Results

	Target (emission volume)	Results
Group	176,000 tons or less	188,000 tons

Transition of Emission Volume of Energy-Origin CO₂ (Offices and Factories)Trend in CO₂ Emissions

(Domestic Group + Overseas Manufacturers & Distributors)



Fiscal 2015 Target and Fiscal 2011 Target

Eco Vision 2015 sets both total volume targets and basic unit targets to control CO₂ emissions while foreseeing an increase in production, and uses fiscal 2007 as the standard year, a year with a business format close to that of today.

For fiscal 2011, target managers will be appointed for each division, and a thorough inspections of air leaks and energy conservation patrols will be conducted in order to achieve the targets. Efforts to prevent global warming will also be continued at overseas corporations.

Act on the Rational Use of Energy^{*2} and the Law Concerning the Promotion of the Measures to Cope with Global Warming^{*3}

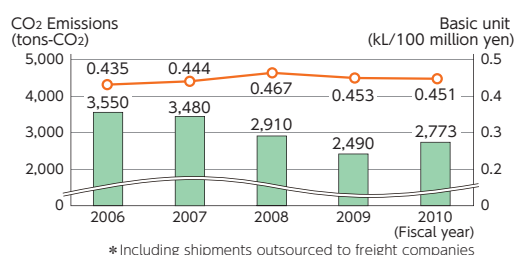
Energy consumption by NGK Spark Plug Co., Ltd. and three affiliated companies exceed 1,500 kL (crude oil equivalent), and have therefore been designated as Specified Business Operators under the Act on the Rational Use of Energy. Each designated company has appointed an Energy Management Control Officer and an Energy Management Planning Promoter to oversee energy conservation.

The emission volume of greenhouse gases^{*4} excluding energy-origin CO₂ by NGK Spark Plug Co., Ltd. totaled 894 tons (CO₂ equivalent), which is a 51% decrease from the previous fiscal year. Since it did not reach 3,000 tons, reporting was not required under the Law Concerning the Promotion of the Measures to Cope with Global Warming, but we will continue to calculate and control our emissions.

Energy conservation during transportation

As Specified Consigners under the Act on the Rational Use of Energy we are making efforts to reduce CO₂ emissions during transportation. We reviewed our transport of waste in fiscal 2010, but the cargo shipment volume totaled 44,305,000 ton-km (15% increase from the previous fiscal) and so the target was not achieved. The CO₂ emission volume was 2,773 tons (15% increase from the previous fiscal). In Eco Vision 2015, we hope to make an 8% improvement in basic unit compared to fiscal 2007.

■ Transition of CO₂ Emissions As Consigner



Use of natural energy

We promote the use of solar power, a natural energy.*² Head Office Factory has three solar power generator units and one solar water heater. The Komaki Factory has a large-scale solar power generator unit that can generate a maximum of 107 kW of electricity. Power generated in fiscal 2010 totaled 173,000 kWh, which equaled a reduction of 57 tons of CO₂.



Solar panels (Komaki Factory)

Energy conservation in the office

Starting from turning off lights and computers during breaks, we conserve energy in various ways, including implementing our coolbiz and warmbiz campaigns (to save energy used for air conditioning and heating), setting the thermostat at 28 degrees Celsius in the summer and 20 degrees Celsius in the winter.

Also, bitter gourds, pumpkins and gourds have been grown on the southern side of the administrative wing of the Miyanojo Factory since fiscal 2008 to create green curtains*¹, reducing power consumption for air conditioning in the summertime.



Green curtain (currently growing)

*1 Green curtain

Natural curtains created by creepers growing along the windows. They help to lower the room temperature by shielding it from direct sunlight and they have a cooling effect due to plant transpiration.

Participation in the lights-down campaign

We support and participate every year in the CO₂ Reduction Lights Down Campaign conducted by the Ministry of the Environment.

For fiscal 2010, we turned off lights in 16 locations on June 21 (summer solstice) and July 7 (Tanabata Festival) from 8 pm to 10 pm; advertising towers and displays at our factories and business sites were turned off, and we also asked sales shops to turn off ad displays of our company at their storefronts.



Normal



Turned off

*2 Natural energy

Energy obtained from sunlight, solar heat, wind, water, biomass, tide, geothermal heat, snow/ice energy, etc.

PICK UP

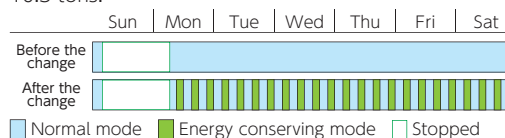
Energy conservation by rethinking operation of the cafeteria ventilation fan - Komaki Factory

The No. 1 cafeteria at the Komaki Factory used to have its aeration and exhaust fans turned on at all times except on Sundays. We thought we may be able to conserve energy by controlling their operating modes during the hours when no one was there.

Inverters were installed to control the operating mode so that when the cafeteria lights are turned off, the speed of the aeration fans slows down and some exhaust fans automatically stop.

This energy-conserving mode coordinated with lighting reduced the weekly normal mode hours from 142 to

60, resulting in an annual CO₂ emission reduction of 10.3 tons.



Cafeteria with lights out

Web
Volume of waste
generated at each
business site

Definition of Effective Utilization

As defined by this Company, identifying value as a resource, reusing or recycling (including heat recovery) generated waste. Also includes selling the resulting valuable resources.

Definition of Zero Emissions

As defined by this Company, when the effective utilization rate of industrial waste and general waste from business activities is 98% or higher.

Effective utilization
rate =
reuse + recycle

$\left(\frac{\text{reuse} + \text{recycle} + \text{landfill and incineration}}{\text{total waste}} \right) \geq 98\%$

Basic Philosophy

The NGK Spark Plug Group aims to use resources to the maximum, and therefore works first and foremost to reduce the volume of waste generated, and to recycle what is generated.

Results of the Fiscal 2010 Targets and Eco Vision 2010

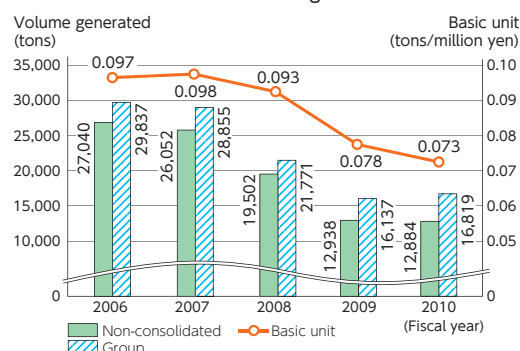
In fiscal 2010, the Group aimed to reduce waste by 794 tons. However, the yield rate of the organic packaging process, which was expected to contribute significantly to that reduction, did not improve as planned, resulting in a total reduction of 678 tons and we did not achieve our target.

With Eco Vision 2010, we aimed to reduce the volume of waste generated, and to reduce recycling residues so as to reduce the environmental burden from waste. The total volume of waste generated in fiscal 2010 was 16,819 tons, a 2% reduction compared to fiscal 2003. The effective utilization rate was 99.2% and we have maintained zero emissions since fiscal 2005. In addition, we reviewed our waste disposers and disposal methods to reduce recycling residues.

Fiscal 2010 Targets and Results

	Target (volume of reduction)	Result
Group	794 tons	678 tons

Transition of volume of waste generated



Fiscal 2015 Target and Fiscal 2011 Target

The Eco Vision 2015 set an basic unit target that would result in a decrease in the volume of waste generated (including valuable resources).

For fiscal 2015, the target basic unit is 0.068 tons/million yen (30% reduction compared to fiscal 2007). Also, the target for fiscal 2011 is 0.072 tons/million yen (26% reduction compared to fiscal 2007); to achieve this, we will work to reduce the volume of waste by reducing the amount of chemicals used as well as extending the product life.

Voice

I am in charge of waste management at the Komaki Factory Recycling Center. We specify the methods of waste separation and disposal sites for the waste generated by each department, and ensure that separation and disposal are carried out correctly. When we hand over the waste to the collectors, we issue manifests and ask them to make sure that they dispose of the waste properly. We also make visits to the waste management companies to check on their disposal facilities, etc.

Yoshinori Nakamura
Group Leader
Environment & Safety
Management Department

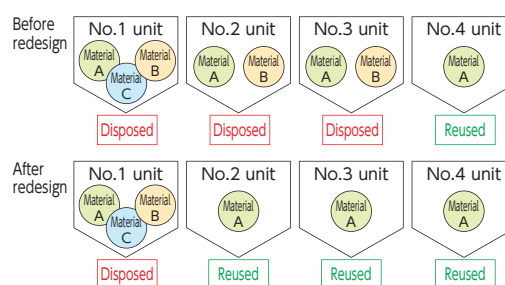


PICK UP

Reusing collected scrap by redesigning the dust collector - Komaki Factory

During the process of pressing and scraping alumina material, scrapings of the material are collected in the dust collectors. To reuse the collected scrapings as raw material, it is essential that no other materials are mixed in. To ensure this, we were only reusing the scrapings collected by No. 4 unit.

Now, we have redesigned the ducts and concentrated collection of material B for No. 1 unit so that No. 2 and No. 3 units now collect only material A. This has made it possible to also reuse the scrapings collected by No. 2 and No. 3 units, resulting in a reduction of 87 tons (64%) of waste per year.



Water Resource

Basic Philosophy

The NGK Spark Plug Group recognizes that water is an important resource, and is making efforts to reduce the volume of tap water and well water used in our business activities.

Results of the Fiscal 2010 Targets and Eco Vision 2010

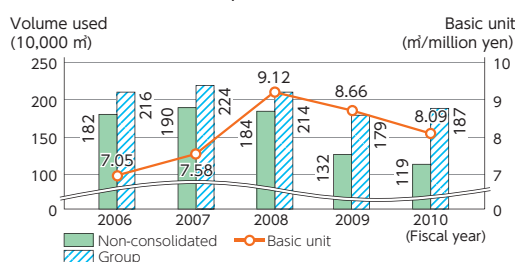
The Group aimed to reduce our water consumption by 9,755 m³ for fiscal 2010. Our efforts proved extremely successful with a reduction of 46,075 m³, far surpassing the target.

Eco Vision 2010 aimed to utilize water resource effectively by reducing the total amount of tap water and well water used in our business activities. The volume of water used in fiscal 2010 was 1,870,000 m³, a 3% reduction over fiscal 2003.

Fiscal 2010 Targets and Results

	Target (volume of reduction)	Result
Group	9,755m ³	46,075m ³

Trends in volume of tap water/well water used



Fiscal 2015 Target and Fiscal 2011 Target

Eco Vision 2015 sets basic unit targets to reduce the amount of water used.

For fiscal 2015, the target basic unit is 6.98 m³/million yen (8% reduction over fiscal 2007). For fiscal 2011, we will aim for 7.77 m³/million yen (2.5% increase over fiscal 2007) by improving the efficiency of the plating process, rethinking the cooling devices, etc. to reduce the water usage.

Voice

We supply well water and tap water to Komaki Factory. Well water is pumped from an underground water source and sent to the factory after removing iron, manganese, and other minerals. Tap water is stored in a tank first before being sent to the factory; this is also used as drinking water, and therefore we take special care with water quality management. We maintain the facilities to ensure that there is a steady and undisrupted supply of both well water and tap water.

Katsuji Sakai
Production Support Engineering
Department



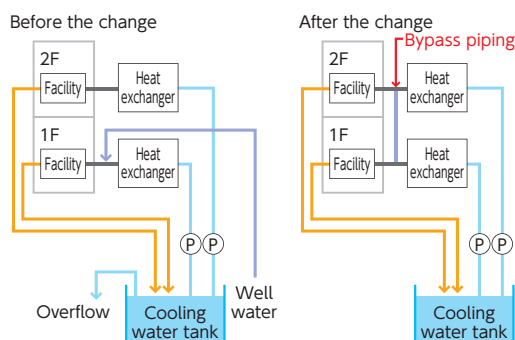
PICK UP

Conserving water by installing bypass piping - NTK Ceramic Co., Ltd.

Iijima Factory circulates cooling water.

Water is pumped separately into the first floor system and the second floor system, but since the water volume was not enough at the far ends of the first floor system, it was supplemented with well water. However, since this is a circulating system, the well water added made the cooling water tank overflow, losing water. On the other hand, the water volume on the second floor system was more than sufficient.

To solve this problem, we installed bypass piping connecting the first and the second floor systems, giving sufficient water volume over the entire first floor system. It is no longer necessary to add well water, resulting in a reduction of 24,000 m³ in well water usage per year.



Substances of Environmental Concern

***1**
REACH Regulation
Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals. It is a comprehensive chemicals regulation for manufactured or imported substances and substances contained in products, effective from 2007 in the EU.

***2**
IMDS
International Material Data System that collects information on materials used and substances contained in approximately 30,000 automobile components

***3**
JGPSSI
Japan Green Procurement Survey Standardization Initiative. A council comprising voluntary electrical and electronic equipment manufacturers aiming to share surveys on chemical substances contained in components and materials

***4**
AIS
Article Information Sheet provided JAMP (Joint Article Management Promotion Consortium), used to convey information on chemical substances contained in products

***5**
ELV Directive
End-of-Life Vehicle Directive. Directive stipulating recycling rate of end-of-life vehicles and regulated substances, effective from 2002 in the EU.

***6**
RoHS Directive
Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment. Became effective in 2006 in the EU.

***7**
PRTR substances
Chemical substances designated in the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof. This Act stipulates a system for determining and notifying the amounts of specific chemical substances released into the environment.

Basic Philosophy

We have a three-step management system for handling substances of environmental concern: ①Answering requests from customers, ②Handling within the Group, and ③Procurement from suppliers.

Naturally we ensure compliance with laws and fulfill customer requests. More than that, we aim to reduce the use and emission of substances of environmental concern so as to minimize their effect on the environment and human health.

Customers

With the reinforcement of regulations on chemical substances contained in products, requests from customers in the automobile, electrical and electronics industry regarding improved compliance are increasing. The REACH Regulation*1 of the EU has triggered an increase in the status of chemical substances contained in products; we are taking all the appropriate measures including submission of Non-Containing Declarations, IMDS*2 and JGPSSI*3 survey and response tools, submission of various data with AIS*4, etc., and handling investigations and audits regarding our management systems.

Voice

Restrictions regarding substances of environmental concern are becoming increasingly severe. To cope with this situation, it is essential for all employees in the Group to have the same level of awareness; one mistake could result in a grave quality and/or environmental problem.

The Environment & Safety Management Department maintains the mechanism to cope with legal restrictions and customer requests, and shares information mainly through the Chemical Substance Subcommittee. We will continue to enhance our management methods to ensure that we can handle a variety of possible scenarios safely.



Hidetoshi Ogawa
Deputy General Manager
Environment & Safety
Management Department

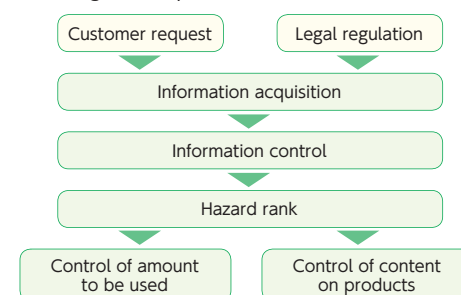
Group

We conduct non-containment substances of environmental

Non-containment management for products

To satisfy customer requests and regulation such as the ELV Directive*5, RoHS Directive*6 and REACH Regulation of the EU, we assign hazard ranks to substances of environmental concern. With handling standards for each rank, we carefully manage non-containment and reduce their use.

■ Management system



Managing use in factories

Our factories aim to reduce emission of PRTR substances*7. Eco Vision 2010 aimed for emissions of 36 tons or less, but despite the increase in production from fiscal 2002 (standard year), implementation of the toluene recovery equipment did not progress smoothly, and we did not achieve the target. The target in Eco Vision 2015 is set at emissions of 43 tons or less (80% reduction over fiscal 2007).

PICK UP

Reducing emissions by substituting xylene - Komaki Factory

Komaki Factory has been trying to reduce emissions of toluene and xylene, and in the efforts to reach their targets, the challenge was to reduce emissions of xylene in the solder printing process of the organic package.

After thorough testing to stop the use of xylene, we were able to find a chemical that can be used as a substitute, and completed the substitution process at the end of January. With this, the volume of toluene and xylene emitted by the Komaki Factory was reduced to 2.5 tons, and our target was achieved.

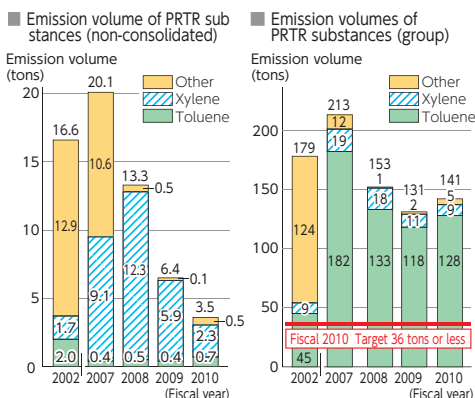
management for products and control the use of concern in our factories.

■ Hazard rank

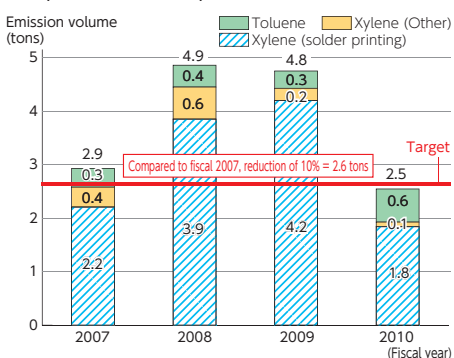
Hazard rank	Handling standard	Substances covered
Prohibited substances	Use is prohibited.	Substances prohibited from use or strongly restricted by regulations.
Restricted substances	Safer substitutes will be sought, while making efforts to reduce the use of current substances.	Hazard level and toxicity are equivalent to prohibited substances, but an immediate changeover is impossible due to its special characteristics.
Monitored substances	Supplies need to be examined to find existence/non-existence of applicable substances.	Those not prohibited or restricted but that require monitoring.

■ In-house analysis of substances of environmental concern

To confirm the containment status of substances of environmental concern in our products, our in-house analysis center conducts a partial analysis of substances of environmental concern contained in products to prevent the release of nonconforming products.

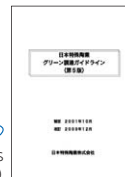


■ Volumes of toluene and xylene emitted by Komaki Factory



Suppliers

To manage chemical substances contained in products appropriately, it is imperative that we gain the cooperation of our suppliers. For this reason, we issue our Green Procurement Guidelines to request that our suppliers manage substances carefully and cooperate with green procurement.



Green Procurement Guidelines
(Japanese Only)

■ The green supplier system

We certify suppliers that meet system standards and material standards as green suppliers, and give them priority.

In fiscal 2010, we re-screened our raw material suppliers, components and packaging materials for certification or renewal; we now have 270 certified suppliers.



Certification

■ Certification standards

System standards

- Third-party certification under the environmental management system

Material standards

- Non-containment of designated substances on our prohibited list (Raw materials, components, packaging materials)
- Reporting on containment status of prohibited substances (Facilities, tools)
- Implementing measures to prevent commingling of hazardous materials (Outsourced operations)



Green suppliers

■ Support for our suppliers

We support our suppliers in establishing their environmental management systems. So far, we have received requests from 34 companies, and of those, 33 acquired ISO 14001 or EcoAction 21*1 certification. We will continue to support the remaining one company.

Web.....
Green Procurement
Guidelines
(Japanese Only)

Web.....
PRTR data for each
business site

*1
EcoAction 21
An environmental management system. This system is designed by the Ministry of the Environment for small to medium businesses to provide ISO14001 accreditation at a lower cost as well as inspection/consultation.

Environmentally Friendly Products

Basic Philosophy

The NGK Spark Plug Group aims to contribute to improving the global environment through its products by making efforts to reduce the environmental burden throughout the lifecycle of its products, from raw material procurement to product disposal.

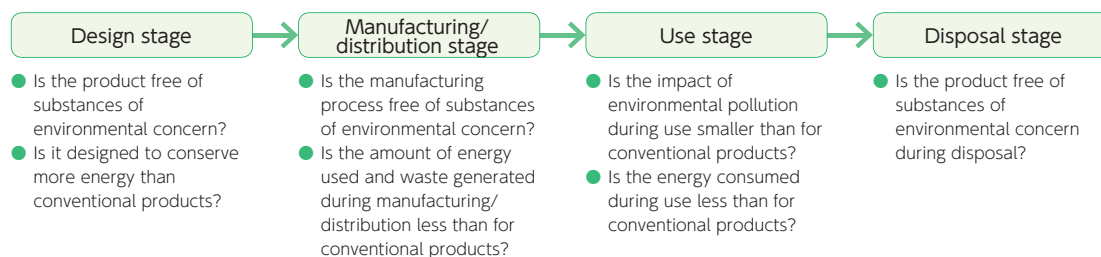
Aside from efforts to reduce CO₂ emissions and waste during the manufacturing and distribution processes, we

are also endeavoring to produce environmentally friendly products by controlling the amount of energy involved in using and disposing of the product by customers and ensuring that they do not contain substances of environmental concern.

Product assessment

To reduce the environmental burden from procuring, using and disposing of raw materials, it is important to predict the environmental impact at the design stage, and to take prompt countermeasures when any negative impact is foreseen. To ensure this, we conduct product assessments when we develop new products or change the specifications of existing products.

During a product assessment, the existence of substances of environmental concern, the amount of energy used, etc. are confirmed at each of the design, manufacturing/distribution, use, and disposal stages. If the assessment determines that there is a significant environmental impact, countermeasures will be taken before development is continued.



Reducing environmental burden throughout the lifecycle

To reduce the environmental burden throughout the entire lifecycle of a product, we conduct an LCA (life cycle assessment) on our key products.

LCA is a method giving an objective assessment of the impact on global warming and resource depletion throughout the entire lifecycle of a product. Making a more comprehensive, scientific and quantitative

assessment allows us to clarify present problems and their magnitude, and enables us to take appropriate measures.

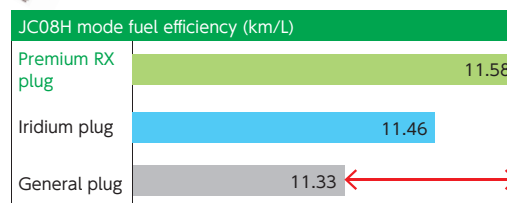
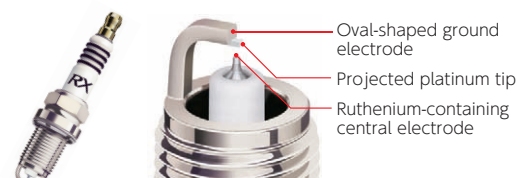
In the future, we will train our engineers in LCA, and by incorporating LCA into product assessment, we aim to reduce the environmental burden over the entire product lifecycle.

PICK UP

Development of the premium RX plug

The new premium RX plug is a next-generation spark plug with a maximized total performance.

We have adopted a new material for the ruthenium-containing central electrode, and at the same time, modified the ground electrode shape to give it a projected platinum tip. This improves the ignitability performance, as well as comprehensively improving other performance aspects including fuel efficiency, anti-fouling performance and life. With lower fuel consumption, we can expect reduced CO₂ emissions during use, an important lifecycle stage.



Test vehicle: 2,400 cc 4-cylinder DOHC 4 valves
 Test fuel: Regular gasoline
 Test mode: JC08H mode

Communication

Basic Philosophy

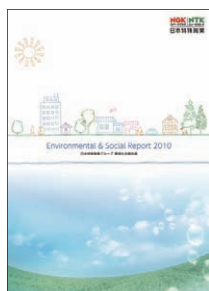
For The NGK Spark Plug Group to continue its business operations, it is essential to improve our coordination with local communities and build trust with society. We feel that the best way to build this trust is to provide information on the Group's environmental activities, and we are endeavoring to disclose information in an accurate and easy-to-understand way to improve communication.

Report on environmental activities



The Group issues a CSR Report (formerly Environmental & Social Report) and site-specific environmental reports*1 to give a better understanding of our environmental preservation activities.

The Environment & Social Report 2010 issued in September 2010 received the Incentive Prize in the Environmental Report Category at the 14th Environmental Communication Awards hosted by the Ministry of the Environment and the Global Environmental Forum. We will continue to aim for the disclosure of accurate and easy-to-understand information.



Environment & Social Report 2010



Site-specific environmental reports (Japanese Only)

Donating to tree-planting activities

Part of the proceeds from the autumn "Change to an Eco-Plug!" campaign held from October to December 2009 was donated through an NPO to tree-planting activities in Kuma-mura in Kumamoto Prefecture. Our donation enabled one hundred trees including *Quercus serrata*, *Quercus gilva* Blume and *Myrica rubra* to be planted on waste land*2, in a way that complemented the existing vegetation.



Waste land



Planted trees

Observing environmental activities

We accept factory tours to observe our environmental efforts and facilities. A deeper understanding and better communication are achieved by seeing our facilities firsthand and engaging in question and answer sessions. In fiscal 2010, we hosted 11 factory tours, with a total of 581 participants.



Visiting the recycling center

Environmental meeting

We host environmental meetings with local residents as a venue for communication. At these meetings, we explain our daily environmental activities as well as hear opinions and comments from participants on how we can improve things. In fiscal 2010, we hosted ten such meetings, with a total of 38 participants.



Environmental meeting (Nansei Ceramic Co., Ltd.)

Local clean-up activities



This Group regularly holds clean-up activities to preserve the local environment. We also continue to participate in beautifying activities hosted by local municipalities, etc. Fiscal 2010 saw a total of 1,026 people participating.



Clean-up activity (Komaki Factory)



Clean-up activity (Kamioka Ceramic Co., Ltd.)

Web.....
Site-specific environmental reports (Japanese Only)

***1**
Site-specific environmental reports
By-company/factory reports on environmental preservation activities. Issued by four factories of NGK Spark Plug Co., Ltd. and eight affiliates (excluding Nittoku Alfa Service Co., Ltd. and Nittoku Unyu Co., Ltd.)

Web.....
Participation in clean-up activities by each business site

***2**
Waste land
Unused land where trees have been cut down, but no trees replanted.

Message from a Stakeholder

This Report gave me a very good understanding of the systematic organization and promotion of the Group's CSR policy since establishment of the CSR Promotion Department in April 2010. In particular, the way the company policy, structure, targets, etc. are summarized by a stakeholder in the unit on Sociality Report is very informative and useful for our Ward Office, where we deal directly with a range of residents in our Ward.

The Feature Story "Response to Major Disasters" shows how quickly the Group secured the safety of its employees and ensured that business continued, as well as the Group's various relief efforts during the Great East Japan Earthquake. In preparing for major earthquakes, the disaster prevention activities conducted and the Head Office Factory's memorandum with the local school district show great reliability.

I also commend and have great expectations of the Group's efforts to communicate with local communities and participate in various social contribution activities, and I hope that we will continue to be good partners long into the future.

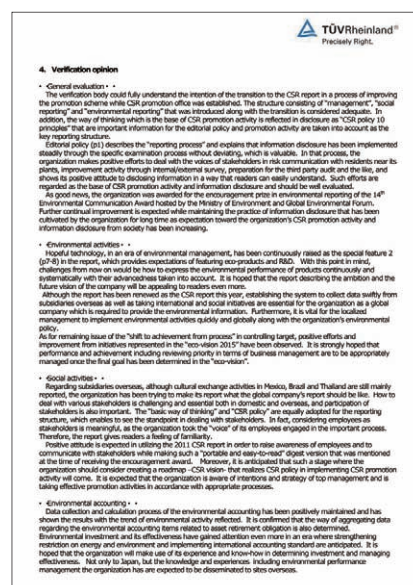
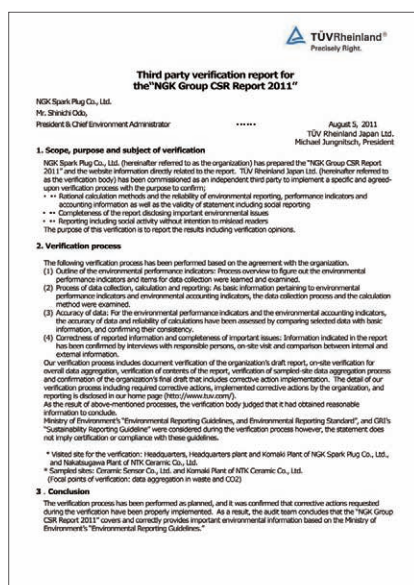


Kenichi Yoshida
Ward Mayor of Mizuho, Nagoya

Third Party Review



CSR Report 2011 has been created based on our information disclosure policy, with the aim of producing an easy-to-understand and trustworthy report. In order for us to verify that this Report conforms to this policy, we have asked TÜV Rheinland Japan Ltd. to review the Report. The review checked whether the Report contains all the essential information it should, whether that information is based on accurate measurements and calculations, and whether the disclosed information is consistent with source materials, etc.



Response to the Third Party Review

Starting this year, the name of the report has been changed to CSR Report, and the structure has been modified significantly. Since our challenge this time was to focus on information for stakeholders, we made the decision to include the voice of our employees, our closest stakeholders, and this was highly evaluated. On the other hand, we must work still more on information disclosure as a global corporation. Concerning points that need improvements, we have improved those places in the Report where there was insufficient explanation, but for other points that require more time, such as establishing new mechanisms, we are continuing our efforts to make improvements.



Third Party Review

Questionnaire results

Thank you very much for participating in the questionnaire on the Environmental & Social Report 2010, issued in fiscal 2010. After reviewing the comments and opinions we received, we have carefully selected information to be included in this report. We will continue our efforts for better information disclosure. Please note that our employees (mainly from management) have filled in the questionnaire for the first time this year, and their results are also shown below.

	External stakeholders	Internal stakeholders (employees)
Q1 Before reading our Environmental and Social Report 2010, how much did you know about NGK Spark Plug Group's environmental policy or activities?		
Q2 How did you find our Environmental & Social Report 2010?		
Q3 Please check the box or boxes, when you find topics particularly interesting. Please fill in a "○" on good topics, and fill in a "x" on no-good topics, for as many topics as you like.	<p><Top 3></p> <ul style="list-style-type: none"> Message from the President Environmental preservation <ul style="list-style-type: none"> Environmental Burden of Business Activities Management <p><Top 4 (ranked by # of ○ - # of x)></p> <ul style="list-style-type: none"> Message from the President Environmental preservation <ul style="list-style-type: none"> Environmental Burden of Business Activities Management Products 	<p><Top 3></p> <ul style="list-style-type: none"> Message from the President [Feature Story 1] Development of SOFC Social contribution <p><Top 4 (ranked by # of ○ - # of x)></p> <ul style="list-style-type: none"> Message from the President [Feature Story 1] Development of SOFC [Feature Story 2] 50 years of Cerâmica e Velas de Ignição NGK do Brasil Ltda. Social contribution
Q4 Please check the box or boxes that best describe(s) your situation and position.		
Q5 If you have any other comments, requests or themes you would like to know regarding our environmental and social contribution activities, please feel free to write in the space below.	<ul style="list-style-type: none"> Please enlarge the font for the Third Party Review Report. (Reply) The PDF version is now available on the website and viewer can adjust the font size to suit them. I would like to see photos of and comments from stakeholders. (Reply) We have included the Voices of employees. 	<ul style="list-style-type: none"> I would like to know more about the activities of overseas corporations. Please make the Report more global. (Reply) More cases of overseas corporations have been introduced. We will work more on daily activities to make the scope of the Report global. I would like to see more reports on products (Reply) Included a feature story on hydrogen-related products.

Request for participation in the questionnaire survey

Thank you for reading our CSR Report from cover to cover. Please help us to continue improving the content by filling in the questionnaire.

<Handling of personal information>

The personal information you enter will be used solely for the purpose of sending you the report for the next fiscal year.

When tallying and publicizing the results of the questionnaire, we will do so in a way that does not identify you through your personal information.

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