

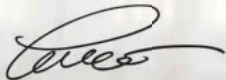
CSR Report 2013

NGK SPARK PLUG Group CSR Report [Digest Version]



TOP MESSAGE

President and Chief Executive Officer
NGK SPARK PLUG CO., LTD.
Shinichi Odo



September 2013



NITTOKU SHINKA-RON (The Evolution of NGK SPARK PLUG): From the 1st SHINKA (Delving) to 2nd SHINKA (Renovating) Phase

The NGK SPARK PLUG Group has set out its vision of what NGK SPARK PLUG should be in 2020 as a distinguished manufacturing company, a highly profitable company, a progressive company, and a personnel "assets" company. To realize this vision, we formulated a long-term management plan—NITTOKU SHINKA-RON (The Evolution of NGK SPARK PLUG), together with a roadmap, dividing the road to 2020 into three 3-year phases: 1st SHINKA (Delving), 2nd SHINKA (Renovating), and 3rd SHINKA (Evolving). The Group strives to steadily progress through these three phases, toward the final goal of becoming a company that can offer "Real Value" to all our stakeholders. In March 2013, the Group completed the 1st SHINKA (three years devoted to delving) phase, during which we worked to delve into existing businesses and seek new businesses. In April 2013, we entered the next three years of the 2nd SHINKA (Renovating) phase.

The 2nd SHINKA (Renovating) phase is intended as a preparatory period for determining our direction toward regeneration. To establish a foundation for the final three years of the 3rd SHINKA (Evolving) phase, we will utilize corporate resources to the utmost, and boldly challenge new industrial domains and fields.

Inaugural Year of the 2nd SHINKA (Renovating) phase

I have always stated that my mission as president of

the company is to "bring innovation to NGK SPARK PLUG CO., LTD." It is true that bringing about innovation usually entails risks, but I believe that the greatest risk lies in not seeking innovation out of fear of changing. With "global," "speed" and "fair" as keywords, I encourage all employees to share the awareness that "We should change ourselves" and to work in concert to continue advancing the business structural reform.

For our company, which has many overseas operation sites, it is absolutely vital to establish and strengthen our global management system. However, I would also like to emphasize that it is our human resources that support all of our corporate activities. By mobilizing the capabilities of the Corporate Administration Group, we aim to reform the personnel system and enhance the management information network that oversees the entire Group, in order to foster human resources with a global perspective and to promote flexible employment of capable local personnel. In addition, we have set up a MONODUKURI Center within the Production Engineering Group, with the aim of taking over shop-floor expertise and the spirit of manufacturing, and passing these assets on to future generations.

In the Automotive Components Business, we are proud that our company's spark plugs and sensors hold the world's largest market shares. At the same time, however, we should all the more realize our social responsibility for supplying products in a consistent manner. To continue growing as the world's top manufacturer, it is important that we further strengthen our already strong Automotive Components Business.

In response to the accelerating motorization in emerging markets, we have taken strategies for further market expansion. In the Chinese market for example, we released the NGK CX Lie Yan spark plug, designed exclusively for China and specifically geared to local needs.

With regard to the Communication Media Components Business and the Technical Ceramics Business, we have integrated the two business groups into a new Technical Ceramics Group. We will promote business reorganization and optimal resource deployment accordingly. In addition, production of organic IC packages will be transferred to overseas and domestic partners, as part of our efforts to shift toward a new fabless* business model, specializing only on product development and design.

As for new businesses, we will promote innovation in fields relating to the environment, energy and electric vehicles, while being attentive to social and customer needs. With the New Business Advancement Group and the SOFC* Project playing central roles, we will intensify our efforts to develop new products.

To ensure that the three years of the 3rd SHINKA (Evolving) phase will be fruitful, we will change our human resources, organizations and business for the better.

Promotion of CSR* Management

The NGK SPARK PLUG Group reviews and improves compliance* and risk management*, in order to reinforce the basis for our operations. Moreover, the Group declared that it would promote CSR initiatives across the entire supply chain by applying its CSR Procurement* Guidelines to our suppliers.

As a company engaged in manufacturing, it is natural that we should develop products that are friendly to people and the Earth and that live up to social expectations. I believe that it is also indispensable for us to pursue global environmental protection in every aspect of manufacturing activities throughout the entire value chain, covering from raw material procurement to product delivery. To achieve the targets set under the NGK SPARK

PLUG Group Eco Vision 2015, we are earnestly committed not only to reductions in CO₂ emissions and water consumption, but also to waste treatment/disposal and management of chemical materials.

It is a matter of course that, to enhance our own value as a company, we should contribute to society through our business operations by manufacturing products that satisfy society's needs and help resolve social challenges. Additionally, as a corporate citizen I am sure that creating jobs is also part of our social responsibility and social contribution. In terms of manufacturing, Japan is never the best environment. But in order for us to survive as a global company over the long term, the key is how we can preserve "manufacturing that can be done only in Japan." From such a perspective, we will improve the quality of our labor force by producing even higher value-added products in Japan, thereby contributing to the creation of high-quality employment.

We are also vigorous in promoting the diversity* of our organization. If looking at Japan's workforce, one can be convinced that there will certainly be no future for Japan without empowerment of female workers. We will therefore place emphasis on diversity initiatives. To begin with, we will promote empowerment of female workers throughout our organization, but this is just one of many catalysts needed to reform our corporate culture. For further growth of our company, I wish to proactively employ motivated personnel, regardless of gender, nationality, age, and whether or not they have a disability.

Recognizing the importance of communication with stakeholders, we will properly grasp the trends of the world, and encourage the CSR and Expert Committees to hold lively discussions to identify challenges to address, so that all employees work together to contribute to creating a sustainable society.

We hereby release CSR Report 2013, which compiles our activities during fiscal 2012. We would very much appreciate your unreserved comments and opinions.

Overview of Long-Term Management Plan; NITTOKU SHINKA-RON (The Evolution of NGK SPARK PLUG)



Three elements constitute our corporate philosophy.



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.

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.

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.

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.

Primary Products

Automotive Components Group



Spark Plug



Iridium Plug



Glow Plug



Zirconia Exhaust Gas Oxygen Sensor



Zirconia Exhaust Gas Oxygen Sensor for Motorcycle



Wide Range Temperature Sensor

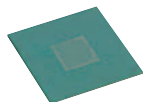


Knock Sensor

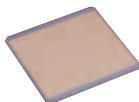
Technical Ceramics Group



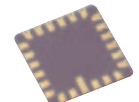
Crystal Device and SAW Filter Package



Organic IC Package



Substrate for Wafer Tester



Camera Module Package



LED Package



High Frequency Package



Ceramic Inserts



SS Tools



Throw-away Drill



Milling Cutter



Bio Ceramics



Oxygen Concentrator



Electro-Static Chuck



Ceramic Tube for VCB



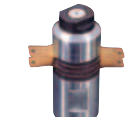
Ball Bearing



Dielectric Resonator



Ceramic Heater



Ultrasonic Transducer

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Editorial Policy

The digest version of our CSR Report 2013 has been edited to give our various stakeholders an understanding of the CSR activities implemented by the NGK SPARK PLUG Group.

Website Version

Our daily CSR activities

Digest Version

Highlights of fiscal 2012

The Digest Version reports primarily the highlights of our CSR activities. For more detailed information, please visit the following website:

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

Explanations of terms marked with an asterisk (*) are given on page 30.

NGK spark plugs, the core products of NGK SPARK PLUG, are important functional engine components which determine a large share of engine performance. For years, we have supplied high-quality spark plugs to the field of motor sports. In fulfilling our responsibilities as a leading spark plug brand, NGK SPARK PLUG will continue to contribute to the reliability and the development of motor sports and automobile society.

Technology Development of Spark Plugs for F1

The aim of Formula One (F1), the highest class of single-seater auto racing in the world, is not simply to compete in engine performance or machine design. The race is a fair competition involving the overall ability of the machine, driver, and team under strict technical regulations with safety and environmental issues kept in mind. Various devices and technological innovations developed from F1 have later made great contributions to the development of



Spark plug Racing spark plug

automotive technologies and use of the automobile in society.

Leading-edge technologies and ideas are used in spark plugs for F1 engine to boost engine performance. For example, to make the engine head design more flexible, it has been necessary to reduce the thread size on the one hand, and to offer resistance to heat and vibration to ensure durability in the demanding racing environment, which is characterized by continuous application of a high load. NGK SPARK PLUG is constantly exploring the best way to meet that challenge and setting new targets for itself. This can clearly be seen in the fact that since the company first supplied spark plugs for F1 engines in 1964, many teams have continued using NGK spark plugs.

Development of F1 machines and engine technologies continues throughout the season. At NGK SPARK PLUG, engineers at our Technical Center in Europe and engineers in Japan collaborate on a daily basis to provide technical support aimed at meeting



the precise requirements for our spark plugs. As a result of our efforts, the F1 machine that won the F1 Malaysian Grand Prix held in March this year marked the 300th win for a F1 machine equipped with NGK racing spark plugs. NGK spark plugs provide outstanding performance in various categories that include WRC, Super GT and other automobile races, as well as MotoGP, the Superbike World Championship and other motorcycle races, and snowmobiles.



voice
Tomoaki Ueda
Spark Plug
Engineering Dept.,
Spark Plug Div.

I am a racing spark plug planner, developer, and designer who responds to requests from engine manufacturers. Recent racing engines need to meet the challenge of how to ignite limited fuel effectively and improve both power and fuel efficiency. The challenge is no longer simply to deliver power. Techniques that I have acquired through leading-edge development in the area of motor sports will be incorporated into our products.



Satoru Nakajima
General Director,
NAKAJIMA RACING

I am currently involved in racing as the General Director of Nakajima Racing. Since I was a racing driver, NGK spark plugs have been a must for my teams. I feel very confident whenever I see NGK's red logo at race venues. I hope that you will continue to supply excellent products.



Isle of Man TT (Tourist Trophy) Race

The NGK Spark Plug brand became known worldwide since teams used our spark plugs in the Isle of Man TT, a prestigious motorcycle race in the UK.

Events

NGK SPARK PLUG supports motor sport venues and exhibitions and always has a booth at these events. At our booth, our products are on show, and visitors can experience replacing spark plugs and enjoy games by our mascot, the Spark Girls. These are only a fraction of the amusements that we present for spark plug users and visitors so that they may become acquainted with motor sports and expand their interest in and knowledge of replacement parts for automobiles.

The company sponsors the NGK Cup (Suzuka Sunday Road Race Grand Championship), in which a wealth of talent from beginners to experienced riders hone their skills to qualify for Japan's most prestigious race, the All Japan Road Race Championship. As such, the NGK Cup serves as a steppingstone for riders who are aiming to compete in the All Japan Road Race Championship and go on to international races.

These events and support activities allow NGK SPARK PLUG to contribute to the development and promotion of motor sports.



Hiroshi Nakao
Aftermarket Sales
& Marketing Dept.,
Sales & Marketing Div.

I visit many auto race venues including Japanese national racing championships and provide services to our spark plug users. To improve the brand image of NGK spark plugs in the field, I work almost every weekend at race sites, including the Suzuka 8 Hours Endurance Road Race in summer, the Formula One (F1) Japan Grand Prix and MotoGP in autumn, and snowmobile races in winter.



Hands-on experience of spark plug replacement



Visitors to the our event booth at the Suzuka 8 Hours Endurance Road Race

● I took a close look at electric sparks being produced by a spark plug. It was a sight to see. (Male) ● It turned out that replacing a spark plug required more force than I expected. (Male) ● I was happy that my kids enjoyed the event a lot. (Female)

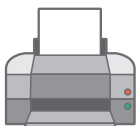
Piezoelectric ceramics are widely used in home appliances everyday. However, the problem of that the most of piezoelectric ceramics contains lead still remains. Consequently, the challenge for us has been to develop a lead-free piezoelectric ceramic material to prevent lead from leaching from discarded equipment into the environment. NGK SPARK PLUG has developed lead-free piezoelectric ceramics with characteristics that are comparable to ceramics contained lead.

Piezoelectric ceramics

Piezoelectric ceramics generate a voltage under an externally-applied force. Conversely, they elongate or contract when a voltage is applied. When an AC voltage is applied, they repeat elongation and contraction or vibrate and even generate ultrasound. In other words,

piezoelectric ceramics are capable of converting electrical energy to mechanical energy. By making full use of this capability, piezoelectric ceramics are used in a wide range of applications from home appliances to industrial equipment that ordinary people do not handle.

Familiar examples of applications of piezoelectric ceramics



Printer ink head

Ink chambers made of piezoelectric ceramics change shape to eject ink.



Camera lens autofocus motor

The camera focuses automatically. The lens is marked "USM."



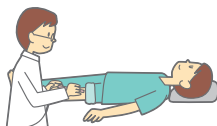
Speaker

Without sound emission holes, you can hear sounds when you put the cellphone's display screen to your ear.



Medical ultrasonography

Diagnostic sonography is used to check the sex and growth of fetuses and diagnose abdominal diseases.



Ultrasonic catheter

Uses ultrasound to view the inner walls of blood vessels despite the presence of blood.



Spectacles cleaner

Uses ultrasound to clean spectacles.



Knock sensor

Detects knocking.

Rear sensor

Alerts when the car approaches an obstacle.



Vibration-powered generator

Converts the power in your steps into electricity.

Contained lead in piezoelectric ceramics is the problem.

Lead zirconate titanate (PZT) is commonly used as a piezoelectric ceramics. As its name suggests, PZT contains lead. Since lead is poisonous, concern remains over how to dispose of products including PZT. If products including PZT are not properly treated, contained lead may leach from such products and contaminate soil and rivers and eventually affect human health. Regulations on the use of lead are therefore being tightened in Europe and other regions. Nonetheless, PZT-based piezoelectric

ceramics are still in use since they are not regulated under the RoHS directive in Europe at present. Because it is technically difficult to substitute electronic ceramics including lead such as PZT.

Although there are currently no restrictions on electronic ceramics contained lead, regulations on the use of lead are expected to be tightened. Consequently, it is important to develop lead-free piezoelectric ceramics that have characteristics comparable to PZT.

Development of lead-free piezoelectric materials

Sodium potassium niobate (KNN) is a promising substitute material for PZT. However, one significant challenge of developing KNN material has been acquiring stability of the material in addition to improvements to the characteristics because crystal grains of KNN are dice-like particles and it tends to have voids between the grains. To address this challenge, NGK SPARK PLUG has conducted research for several years and successfully developed a lead-free piezoelectric material by mixing a phase primarily composed of KNN and another phase (named "NTK phase"). Sintered ceramic of this material has very dense structure and characteristics close to PZT. We made our knock sensor using this newly-developed

material and tested it. The new material has proven to have performance comparable to PZT and that suggest that it should be possible to put into practical use.

We will continue our research and make efforts to commercialize lead-free piezoelectric ceramics.



Newly-developed lead-free piezoelectric material



Lead-free piezoelectric element and knock sensor



Kazushige Obayashi
Engineering R&D Group

KNN lead-free piezoelectric material was discovered more than 50 years ago. Nearly 15 years have passed since we took on the challenge of developing the material. Researchers worldwide have increased their expectations and conducted research. However,

commercialization is still on the way. The length of time demonstrates how difficult the material is to and how attractive it is. Nonetheless, the result which commercialization of the material attains has been obtained in the last few years at last. This is a result of the efforts and enthusiasm of our research staff. I am genuinely grateful to the recent help received from many people, and we are now determined to launch the lead-free piezoelectric material on the global market.

NGK SPARK PLUG's products and technologies are used in a wide range of applications from everyday items essential for people's lives including automobiles, motorcycles, mobile phones, and LED lighting, to infrastructure components such as wind power generators, railroads, aircraft, and communication networks. As a manufacturer committed to creating value for the future, we will continue to contribute our advanced products and technologies broadly to society.

Ceramic Ball Bearing for wind power generators

Wind power generation is receiving a lot of attention as a clean energy. NGK SPARK PLUG has developed large ceramic ball bearing made from silicon nitride for use in wind power generators. Features include: ① Lightweight design to reduce energy losses, ② Use of insulating ceramics to avoid galvanic corrosion and ensure long life, and ③ Usability under lean lubrication conditions. Bearing balls 50 mm in diameter allow smooth rotation in large wind power generators.



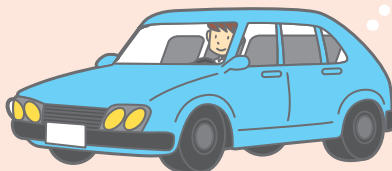
Medical Oxygen Concentrator Sansomate-3G

Sansomate is a medical device that provides higher oxygen concentrations to patients with chronic respiratory disorders. Launched in the summer of 2012, the 3G offers a universal design that ensures safe and correct use. Improvements incorporated in the 3G include a larger control panel, icons used to indicate alarms, and flow rate selection buttons. This oxygen concentrator is 8% smaller in volume and 24% lighter than our conventional product due to a reduction in the number of parts and material changes.



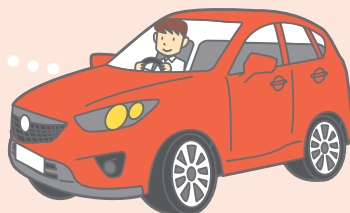
Spark plug developed exclusively for the Chinese market

The NGK CX Lie Yan spark plug is our first spark plug with the Chinese characters "烈焰" on the insulator. It is specifically designed for the Chinese market. It features not only an epoch-making aesthetic design; it also significantly improves combustion efficiency compared with general spark plugs because of the very thin center electrode made of platinum alloy. NGK CX Lie Yan is a high-performance spark plug which offers high ignition performance and provides excellent fuel economy, acceleration, engine startability and anti-fouling performance.



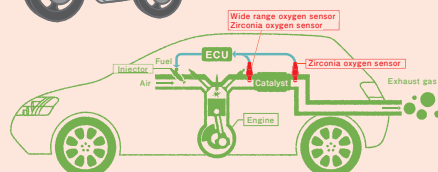
Ceramic glow plugs

The glow plug is a component that helps a diesel engine to start. We produce high-performance ceramic glow plugs as well as general metal glow plugs. The heater, which is made of ceramic, can reach high temperatures and helps reduce hazardous substances in the exhaust gases. Since the heating time is long in the latest clean diesel cars, ceramic glow plugs are in the limelight because of their excellent durability.



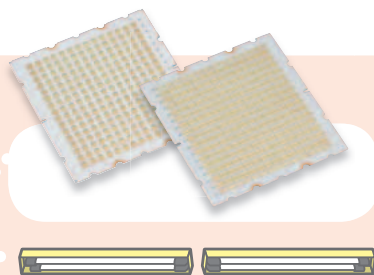
Automotive oxygen sensors

Automotive oxygen sensors mounted upstream and downstream of the three-way catalyst* are core parts of the engine air-fuel ratio control system, sending electrical signals to the ECU corresponding to the oxygen concentration of the exhaust gas. In addition to ensuring compliance with strict exhaust gas regulations in Japan, America, and Europe, we are developing sensors with improved durability, heat resistance, small size, light and highly vibration-resistant for emerging nations where regulations will be strengthened in the future. Through these efforts, NGK SPARK PLUG is contributing to cleaner exhaust gases.



Ceramic LED packages

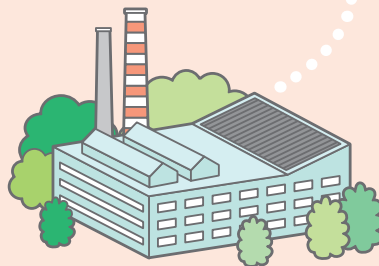
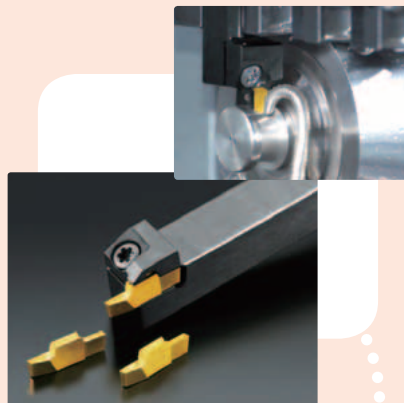
Having become synonymous with energy saving, LED technology has become essential in our everyday lives. LED packages using our multilayer ceramics technology exploits the advantage of its long service life. We receive many inquiries from our customers interested in using ceramic LED packages for industrial or infrastructure applications. NGK/NTK will brighten your future due to our many years of experience in ceramics technology.



Back turning tool "Back Duo"

Problems associated with back turning performed by Swiss-type lathes include chips tampering with the workpiece and the need for finishing to achieve a good machined surface. Back Duo with our proprietary 3D chipbreaker solves these problems. Moreover, it comes with improvements to every feature expected of a lathe tool, including chip handling performance, machined surface finish, accuracy, cycle time, tool life, and ease of tip replacement to help our users improve their productivity.

In recognition of this achievement, the Japan Cemented Carbide Tool Manufacturers' Association has given its technical achievement award to NGK SPARK PLUG CO., LTD.



Our CSR

We view CSR not just as a responsibility but as an opportunity to be accountable through a 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 CSR Policy, which provides our Group's action guidelines, was established in April 2011. It comprises 10 policies, including our Compliance Policy. We intend to review and promote CSR from a multifaceted approach in line with this CSR Policy.

Philosophy and Policy Organization

Enhancement of Corporate Value



Our stakeholders

The NGK SPARK PLUG Group is related to and supported by various stakeholders, including customers, shareholders and investors.



Efforts to create a company that can continue providing better products and services

HighLight

We constantly promote quality improvements that form the foundations of TQM (total quality management).



We aim to create value for customers and continue to maintain and improve them based on our basic quality policies. To this end, we encourage all our employees to stick to our quality-oriented products and services through development of personnel, product manufacturing and systems.

To mark a new three-year round of the sixth medium-term management plan, a lecture and panel discussion was held during the Quality Month in fiscal 2012 on the theme of NGK SPARK PLUG's quality-oriented management and evolution.



Toshiki Sawada
Quality Control
Group

The Quality Control Group cooperates with other divisions in promoting quality improvement activities in various areas, thereby pursuing quality-oriented management to improve the quality of the company. Our strong sense of mission as a quality-focusing manufacturer means that we continue to provide safe and secure products to our customers.



Mariko Muramatsu
[Quality Control Group]

Building quality level foundations
for the NGK SPARK PLUG Group!

Quality education

We provide a wide range of QC education and training programs on quality control, management techniques, QC circle activities, quality management systems, measurement management, etc. We also offer practical guidance and support to our employees to ensure that the knowledge gained through these programs is utilized in the workplace. As part of our activities to enhance quality awareness, increase the motivation of our employees and promote quality education, we hold events including 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 implementing continuous quality improvements.



●NQC activities (small-group activities)

We make effort to solve problems and issues which we are facing in daily work. As a means of it, we promote "NQC Activities," which refer to QC circle activities*, throughout the company with the aim of personnel training and improving workplace skills.

During the "Quality Month" which is in every November, the company presentation meeting for accomplishment done through NQC activities are held, and the President's Award goes to the circle in recognition of best practices. At the company improvement practice presentation and award ceremony held on every June, commendations are given to small groups implementing excellent NQC activities in daily operations throughout the year and also to groups achieving outstanding improvement practices outside of Japan.

We strive to activate NQC activities and improve quality by reinforcing the promotion organization, creating activation teams of QC circle instructors, and encouraging employees to participate in presentation meetings and training programs outside the company.



Masae Takahashi
[Quality Control Group]

I will provide support for NQC activities that are designed to personnel training through hands-on training.



Kazuhiko Noro

Quality Assurance Dept.,
Semiconductor Division



I belong to the secretariat of the Division Committee. With the basic principles of the QC circle activities, "For Yourself, For Your Colleagues and For Your company" constantly in mind, I started focusing on face-to-face activities in meetings three years ago. When individual small groups engage in QC circle activities, I give them direct guidance and assistance so that communication in the workplace changes for the better.

In fiscal 2013, I will join the NQC activity activation team as a QC circle instructor and become involved in building a new system and framework aimed at enhancing quality of NQC activities.

●For safe and secure use

We use opportunities provided by various exhibitions and auto races to directly communicate with customers at the venue by displaying our products and technologies. In doing so, we are able to keep abreast of the ever-changing needs of our customers. In addition to the opinions of customers gained through communication, inquiries and complaints about our products and services provide us with valuable information. Our sales division acts as a liaison with customers. The quality assurance division then works together with the technical division to respond quickly and take action on the inquiries and complaints, thereby improving our products and services. We make it a rule that any product defect we have detected that could cause harm to customers is immediately announced to the public via our websites, and through the media. We simultaneously implement countermeasures against the defects to protect all our users.



Charge-free product replacement and safety measures (For details, please refer to our websites.)

● Replacing spark plugs for races free of charge

(Japanese only)

● Implementing safety measures free of charge with indoor temperature/humidity sensors and indoor humidity sensors

We always try to be transparent in our business operations, with the aim of remaining an enterprise that receives a lot of great support.

HighLight

We improve the quality of company information session for individual investors to ensure that they understand our company clearly.



The Public Relations Office was established in April 2013. As part of our IR* activities, it provides our shareholders and investors with IR information including our business environment, financial conditions and future growth strategies.

We will focus on improving the quality of company information session for individual investors. In addition to large cities including Tokyo, Osaka and Nagoya, we will hold company information session throughout Japan to give more opportunities to communicate directly with our investors so that they can gain a clear understanding of our company.



 voice

Riki Matsuno
Public Relations
Office

Our company is unfamiliar to end-customers. We will increase the number of company information session and provide more opportunities for our investors to find out more about NGK SPARK PLUG. We intend to make company information session memorable for our stakeholders and investors to create more fans of NGK SPARK PLUG.

Policy of dividends

Returning profits to our shareholders is one of the priorities on our agenda, and we aim to maintain consistent and stable dividend payments. At the same time, returning profits in line with revenues is also important. Currently, we are trying to achieve a consolidated dividend payout ratio of 20% or more, and intend to continue making interim and year-end dividend payments. Our dividend payment plan is based on comprehensive financial strategies that take into consideration the following budgets: R&D expenses (as needed for future growth), capital investment (to expand or streamline the business) and internal reserves (for future investments).

As a result of this policy, the dividend per share during fiscal 2012 was 22 yen.



Aiming at reliable partnership and mutual prosperity

Highlight**We released our CSR procurement guidelines.**

We compiled guidelines to explain CSR procurement and released them on our websites and in our corporate policy conference.

The guidelines call for ideal forms of human rights, labor, the environment, fair transaction, ethics, social contribution and others, and position CSR activities as one of important factors in business transactions. We actively strengthen trust with our suppliers through CSR procurement and make contributions to the sustainable growth of society.



Teppei Okawa
Member of the Board
Corporate Officer
Procurement Group

The Procurement Group is responsible for optimizing our global procurement activities. When increasing procurement from overseas suppliers that operate under different customs, cultures and laws from those in Japan, it is important to clarify our CSR policy. We strive to create a mutually beneficial supply chain system through fair and transparent transactions.

Expanding our green supplier system

We promote green procurement activities under our Eco Vision 2015 plan based on our basic philosophy "Procuring eco-friendly products from eco-friendly suppliers." As part of these efforts, since 2007 we have been giving green supplier accreditation to suppliers that meet the system and material standards. After running this system inside the company, it was expanded to the whole of the NGK SPARK PLUG Group in the year 2013. Suppliers of raw materials, parts, products, packaging materials and subsidiary materials are inspected and 306 suppliers have been accredited to date.



Toshinao Iwata
[Procurement Group]

Our procurement activities take environmental conservation into account as well as quality, technology, price and delivery date.

Respecting the diversity and individuality of our employees and cultivating abundant personnel "assets"

HighLight

We launched the MONODUKURI Center to pass on the knowledge and skills required for manufacturers.



The NGK SPARK PLUG Group is a manufacturer and the maintenance and improvement of our manufacturing capabilities are indispensable to continue producing high-quality products. However, concerns are growing about the decrease in the manufacturing capabilities of Japanese companies as a whole. Japan's demography has changed since most baby boomers have reached retirement age and the younger generation is losing interest in manufacturing as computers and game consoles prevail. Against this backdrop, we launched our MONODUKURI Center and built the MONODUKURI Education & Training Center to give education and training to our employees so that they can acquire the knowledge and skills required for manufacturing at the appropriate time. We have improved our in-house education system for manufacturing to strengthen the foundations of this renowned manufacturing company.



voice Hidemitsu Suzuki

Corporate Officer
MONODUKURI Center

Manufacturing capabilities form the foundations of our company and the skills thus acquired have to be preserved and passed on for many years. With this belief, in April 2013, the MONODUKURI Education & Training Center was built as part of the MONODUKURI Center. We clarify the knowledge and skills that our employees need to acquire and provide them

with the necessary education and training at the appropriate time, thereby solidifying "Safety, Quality and Skills" as the foundations of manufacturing. At the same time, we ensure that our employees understand NGK SPARK PLUG's rules to cultivating human resources who are disciplined and follow social norms. We also aim to nurture employees with a vibrant and flexible approach to their work.

○ Concept of the MONODUKURI Education & Training Center

With the belief that "excellent MONODUKURI is based on steady human resource development", we determine the basic knowledge and skills that are needed by employees of a manufacturer, and have implemented a system to provide employees with the necessary education and training at the appropriate time. The education and training they receive at this center allows us to cultivate human resources who follow social norms. To this end, the MONODUKURI Education & Training Center is founded on three pillars: safety, quality and skills (knowledge), as these form the foundations of all the disciplines at the center.

The education and training curricula (levels 0 through 3) are set according to the skill and knowledge of the employees. At present, mainly level-0 education programs are being carried out and will gradually be upgraded. We plan to introduce our training and education programs to our overseas group companies and hold workshops on using IT equipment.



Kazuo Mizutani
[MONODUKURI Center]

We encourage the development of people who can think and act on their own based on sound knowledge.



Mai Tamada
[Quality Assurance Dept.,
Spark Plug Division]

I was amazed at the performance of the machines and learned to be careful when using them. I also learnt the importance of accident prevention.

○ Level-0 workshop

A level-0 workshop was held for new employees who graduated from high school as the first program of MONODUKURI Education & Training Center.

The level-0 workshop is aimed at "knowing, understanding and managing." The new employees studied 15 subjects for three weeks, including seven hands-on subjects (hands-on safety training with accident simulation, environmental activities, and handling measuring instruments) and eight practice and lecture-based subjects. They learned how to use tools for a range of processes, used simulation kits and had other hands-on experience. The course was designed to maintain the interest of the new employees by incorporating plant tours, exercises and group discussions into the practice and lecture-based subjects.



○ Developing personnel "assets"

Our education and training activities consist mainly of OJT (on-the-job training) opportunities, through which employees acquire skills and knowledge in their normal working situation. We also have OFF-JT (off-the-job training) programs, providing employees with learning opportunities outside their own workplaces. We have a wide range of OFF-JT programs that include quality education, manufacturing education, training by organizational level, training by global human resources and career improvement support. During fiscal 2012, 4,581 employees participated in these OFF-JT programs.

The company also runs My Career, a tool to support employees in building a career. Employees input their job history, skills, knowledge, objectives, positions they want to get and any opinions every six months. This helps them confirm what they can do and what they want to do in building their career.



[Capacity Building Group,
Human Resources Dept.]

Acknowledging that employees are the most important management resources, we aim to cultivate personnel "assets."

Offering a secure and safe working environment

In order for individual employees to make full use of their capabilities, it is essential that we offer a secure and safe working environment. To that end, it is vital to identify and control potential risks (hazards) in the workplace.

In the risk assessments* that have traditionally be conducted in our workplace, hazards were often overlooked, leading to accidents. Against this background, we have established and launched a new risk assessment system to identify and control every potential risk under the slogan of "comprehensive risk (hazard) detection."

In fiscal 2011, a model production line was set up at the Production Department of Komaki Plant in the Spark Plug Division to investigate the comprehensive risk detection techniques and tools for the new risk assessment system. The results were shared throughout the division in fiscal 2012. Model production lines have also been built in other plants and divisions, where the new risk assessment system has been implemented.

We intend to deploy the system throughout the entire NGK group, including back-office departments and affiliates.

Reducing and controlling risks is an absolute requirement to realize a secure and safe working environment. However, it is also necessary to develop human resources who can deal with residual hazards. From this viewpoint, we evaluate employees regarding equipment and operation knowledge, risk prediction abilities and other necessary skills and train them systematically to improve their abilities and skills if necessary.



Mitsuru Kuwahata

[Production Dept., Komaki
Plant, Spark Plug Div.]

Taking an objective view of identifying hazards is important in the new risk assessment system.

Promoting employees' good health

We have a slogan -- "Bring your best physical and mental condition to your workplace and maintain it until leaving." In accordance with our Occupational Safety and Health Policy, we take an interest in the health of our employees. Self-discipline is the key to keeping in good condition. Therefore we put the emphasis on our publicity activities including in-house newsletters to raise employees' consciousness of their health and improve their attitude toward maintaining their own health.

At our periodical health checkups, employees undergo general and special examinations. Our industrial physicians*, clinic doctors and industrial health management staff follow up employees who have abnormal results in their health checkup, and send them on to specialized medical institutions when necessary. These efforts allow employees to detect any disease at an early stage and make a speedy recovery.

In the mental health field, "line care" (in which managers monitor the mental health of their staff, improve the working environment and

give advice and consultation when needed) and "self-care" (monitoring one's own stress level and coping with it) are important. We give managers line care training and provide employees with a Self-Care Handbook and encourage them to use the check sheet in the handbook to increase their awareness of the importance of "self-care." To support our employees in maintaining their mental health, we have also established an externally-operated hotline which employees who are worried about their mental state can call to consult with a specialist.



**Shiko Abe (Left)
Masahiro Teramura (Right)**
[Human Resources Dept.]

Recognizing the importance of direct communication in the workplace, we continue sharing what we find important for health.

○Diversity initiative

We promote diversity in our organization as we believe that diversity and inclusion are essential for companies to attain sound growth and ensure happiness for all employees. Here, diversity means an employee-friendly workplace that accepts different personnel "assets" (one in which all people regardless of their gender, age, disability or nationality, enjoy their work) and includes diverse values and ideas that move the company forward. As Japanese society is facing issues such as a shrinking working population and the empowerment of women, we encourage highly-motivated female workers to play important roles in the workplace.

The number of female managers is increasing year by year, and the ratio of women to the total number of employees on the managerial track exceeds 10%. As of March 2013, there are 26 female workers in managerial posts (supervisor or higher position) and five female workers on overseas assignments. This demonstrates that female workers in our company are starting to play a more important role in the world.

In fiscal 2012, we launched a full-scale diversity initiative. We invited external lecturers to give talks on

diversity for women employees and their managers, and organized seminars for female leaders (female workers who are to be promoted to supervisor). We will continue to work hard to improve managers' understanding of female employees and raise our female employees' awareness of empowerment.



voice

Participants in the diversity lecture

◀**Female employees**▶ ●I hope these lectures will make a difference in the empowerment of women. ●An opportunity to understand the differences between male and female employees would be great. ◀**Managers**▶ ●It is necessary for women, men and the company itself to break free from their established notions. ●I hope women will play a new role from a female viewpoint and in their own way.

○Work-life balance

Work-life balance is an important element in ensuring that people enjoy an active career. To this end, we have various systems to support our employees.

We have a childcare leave system, a short-time working system and others for employees who are rearing children. In fiscal 2012, 46 employees including one male employee took childcare leave. In recent years, an increasing

number of male employees take childcare leave and the number reached a cumulative total of eight at the end of fiscal 2012.

We have a volunteer leave system (for a maximum of two years and four months) for employees who want to engage in volunteer activities. As of June 2013, one employee is on leave as a Japan Overseas Cooperation Volunteer.



voice Yo Ishihara

Japan Overseas Cooperation Volunteer

I am on a two-year leave of absence to work as a Japan Overseas Cooperation Volunteer in Naryn in the Kirghiz Republic. This area is trying to expand its tourism industry to establish a new source of income. I help the local government, NGOs and other groups in promoting tourism. I mainly provide support for operating the tourist information facility. I believe that interest in foreign countries will encourage local people to accept foreign tourists and provide them with hospitality. To this end, I organize festivals to introduce Japanese culture, and help with English classes in the Youth Center.



HighLight

Mathematics game introduced to public schools as part of our efforts to build capacity



Ceramica e Velas de Ignicao NGK do Brasil Ltda. actively engages in capacity building. In fiscal 2012, we carried out a project to help teachers and students of public schools in Moji to learn more about mathematics using a book titled "Enjoy Adventure of Mathematics in Library". Believing that giving instructions to teachers is imperative in holding the

interest of students, we held a workshop for teachers in this project. Ninety one teachers attended the workshop and brought the game back to their schools, introducing it to about 9,000 students in the fifth and sixth grades. We hope that students find mathematics interesting through this game and are motivated to learn more.



voice

Fabiana Cunha General Affairs and Human Resources Dept.
Ceramica e Velas de Ignicao NGK do Brasil Ltda.

We arranged this project to allow young people from as many communities as possible to participate and teachers and family members to be involved as project supporters because we believe that these are important factors for

young people in forming a full character. As a result, the superintendent of schools in the city praised our project for producing better results than expected.



NGK Spark Plugs (UK) Ltd.

NGK Spark Plugs (UK) Ltd. gave a track event at a motor circuit to a group which introduces motor sports to people with disabilities.



Komaki Plant

Komaki Plant participated in the Komaki Industry Festival as a supporting entity, and planned events to entertain children and adults.



Plants and affiliates

As a company engaged in the auto industry, we have a social responsibility to ensure traffic safety. We conduct traffic safety campaigns on a regular basis, in which we call out to pedestrians on the street to raise their level of awareness toward traffic safety.



Woojin Industry Co., Ltd.

Woojin Industry Co., Ltd. participated in a free meals campaign organized by a local church, for which we prepared meals.



NGK Spark Plug Middle East FZE

NGK Spark Plug Middle East FZE donated 53 CCTV sets to the largest school for disabled children in Dubai to help ensure the security and safety of the children.



Plants and affiliates

We hold blood donation events on a regular basis and encourage our employees to donate blood to people suffering from diseases and injuries.



Miyanojo Plant

Miyanojo Plant participated in the Satsuma Town Summer Festival at which 160 employees performed a Teodori dance to the magnificent sound of the Itsutsu Daiko, Japan's traditional drums.



Miyanojo Plant

Miyanojo Plant invited 25 students from local primary schools to a rugby school organized by our rugby club members to promote exchange with them.



NTK Ceramic Co., Ltd.

Employees at NTK Ceramic Co., Ltd. received training in basic lifesaving and AED use to be ready for emergencies.

Making all-out efforts for environmental conservation to build a sustainable society

HighLight

NGK Spark Plugs (Thailand) Co., Ltd. and Bujias NGK de Mexico S.A. de C.V. obtained ISO 14001* certification.

Overseas plants with ISO 14001 certification

(As of April 30, 2013)



Our domestic and overseas operating sites carry on environmentally friendly business activities globally under our environmental management system. Our overseas plants are currently being encouraged to obtain ISO 14001 certification on an individual basis. In fiscal 2012, our manufacturing organization, NGK Spark Plugs (Thailand) Co., Ltd. and our sales organization, Bujias NGK de Mexico S.A. de C.V. obtained ISO 14001 certification. Accordingly, as of the

end of fiscal 2012, a total of 15 overseas organizations are certified to ISO 14001. Under the NGK SPARK PLUG Group's Eco Vision 2015, which is a medium- to long-term vision of our environmental activities, we will cooperate to draw up a global ecological vision.

Eco Vision 2015 (websites)

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

voice Bujias NGK de Mexico S.A. de C.V.



We formed a team and launched an important and challenging project to seek ISO 14001 certification in February 2012. We have improved our way of thinking and actions and continue to contribute to improving the environment. We are very proud of being a part of this improvement to leave future generations with a better environment.

○Response to the revised Water Pollution Control Law

The revised Water Pollution Control Law, which was designed to prevent underground water from being polluted by hazardous substances, took effect in June 2012.

Even before this revision came into effect, NGK SPARK PLUG Group considered that the pollution of underground water by hazardous substances carries serious risks and so we have been using our environmental management system (EMS) to prevent this pollution. Under this system, we have set operating standards and taken preventive measures that include constant monitoring of the situation.

The revised law requires us to identify applied facilities, evaluate structural standards, and carry out inspections and modifications when necessary.

The related departments hold discussions and develop countermeasures in response to the

revision of the Law.

We continue to make full use of our EMS and use all possible means to reduce the risk of pollution.



voice
Yoshiaki Furusato
Production Dept.,
Komaki Plant,
Spark Plug Div.

As the revised act covers plating lines for hardware, we evaluated our structural standards in comparison with the legal standards, revealing modifications that were required for our facilities. The necessary modifications are underway.

We take all possible measures to prevent the pollution of underground water.

○New environmental education courses established

NGK SPARK PLUG Group has established three new environmental education courses (Basic Environmental Course, Substances of Environmental Concern Data Collecting Procedure Course and Environmental Management System Course) to raise environmental awareness among our employees. In fiscal 2012, we conducted a total of 49 environmental education lectures in all sites, and 827 employees participated in them.

We continue environmental education to enhance the environmental awareness of our employees in 2013 and beyond.



We received requests from participants (through questionnaire surveys) and reflect them in our education programs to facilitate continuous improvement. We also strive to build a better education system to satisfy the needs of departments and employees and offer a more valuable education.



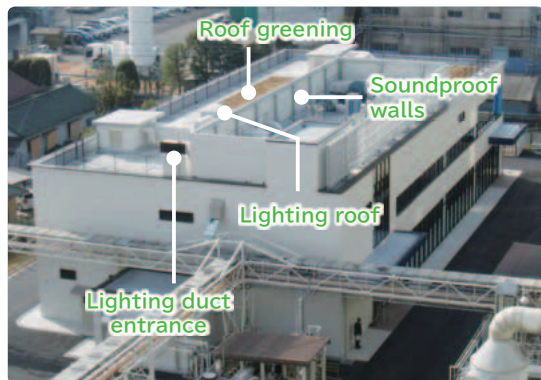
voice
Kazutaka Tanaka
Engineering Dept.,
Semiconductor Division

Energy-saving efforts have been mainly on an individual basis, including reducing the volumes of paper used, turning off computer monitors and decreasing waste and electricity consumption. In the Basic Environmental Course, I learned that improving process, also contributes to environmental conservation. I continue promoting environmental activities in my daily tasks.

Promoting environmental conservation through all our business operations

HighLight

We consider environmental conservation not only when manufacturing products but also when building plants.



We adopt environmentally friendly practices when planning construction, including reductions in noise, vibrations, generating odors and waste water, and energy saving measures.

Building a Cafeteria at Ceramic Sensor Co., Ltd.

We installed soundproof walls on the rooftop to reduce noise and water filters in the exhaust hood to eliminate generating odors from the kitchen. As part of our energy-saving efforts, we introduced natural lighting (lighting roof and ducts), and roof greening and double glazing to enhance heat insulation. We also installed a water cooling system on outdoor air conditioning units, which makes use of the vaporization heat of water to increase the efficiency of the air conditioners.



voice Atsushi Nonogaki

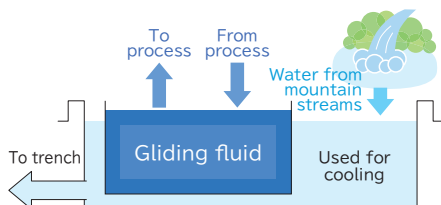
Plant Design Section, Production Support Engineering Dept.

We designed the cafeteria building at Ceramic Sensor Co., Ltd., giving special consideration to local residents in terms of light emitted from the building, generating odors from the kitchen and noise produced by the fans. The number of windows used was minimized to prevent light from leaking from the building into the residential area at night. Instead, a

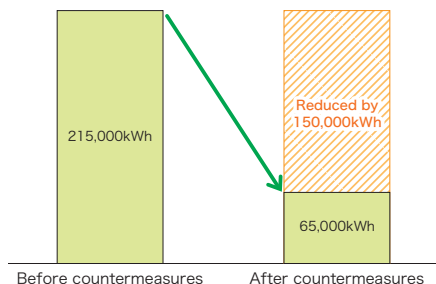
lighting roof and ducts were installed to bring in as much natural light as possible. Environmental consciousness is important not only for the completed buildings but also in the construction processes. For this reason, we chose low-noise heavy construction machinery and reduced the working hours of the construction teams.

●Cooling grinding lubricant with water from mountain streams

Kamioka Ceramic Co., Ltd. uses large volumes of grinding fluid for NGK SPARK PLUG products. The warm fluid is reused after being cooled through an integrated filtering device. We previously used an oil cooler to cool grinding fluid, but changed to the use of water from mountain streams in 2011, taking advantage of the geography of the area. The total power consumption of the filtering device was 215,000 kWh per year before water from mountain streams was used. After the measure was introduced, this was reduced by 150,000 kWh to 65,000 kWh, which is equivalent to 50 tons of CO₂.



■ Annual Power Consumption of Filtering Device



President Akihiro Toya
[Kamioka Ceramic Co., Ltd.]

Our plant is located in an area blessed with nature. We design our daily operations to use nature effectively. One such measure is to use snow stored in winter for watering our flower beds.

●Release of Biodiversity Action Guidelines

The need to conserve biodiversity in the world is becoming urgent. Since we consider biodiversity conservation to be important in preventing global warming* and recycling resources, the NGK SPARK PLUG Group includes them into its environmental agenda and endorses conservation activities.

We formulated the NGK SPARK PLUG Group Biodiversity Action Guidelines to preserve biodiversity, and released them on April 1, 2013. The Guidelines call on us to consider the relationship between our business operations and biodiversity and reduce the impact of the use of energy and resources, emissions of substances of environmental concern, and other environmental burdens during the life of products, thereby contributing to conserving biodiversity.

We are always stepping up our environmental

efforts in our business based on the Guidelines to contribute to biodiversity preservation.

You can see the NGK SPARK PLUG Group Biodiversity Action Guidelines on our website (Japanese Only).



NGK SPARK PLUG
Group Biodiversity
Action Guidelines
(Japanese Only)

We describe concrete actions about biodiversity in this guideline.

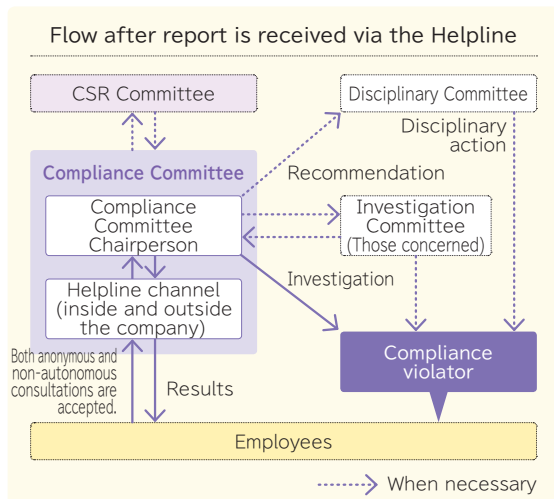
◀Websites▶

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

Striving to enhance our corporate ethics and to remain a company regarded with trust by the international community

HighLight

The Corporate Ethics Helpline system was reviewed and improved, which resulted in an increase in the number of reports received via the system.



Our internal reporting system, the "Corporate Ethics Helpline," can be used by employees who have discovered an actual or potentially illegal act as a means of seeking consultation and providing information. This system was improved, to enable employees to be able to report anonymously. We also made the system better known to employees through the activities of the Compliance Committee and the readings of a Compliance Guidebook.

As a result, in fiscal 2012 we received more reports than the previous fiscal year, and we addressed appropriately all the reports received.



voice

Yasuo Mori
General Administration
Department

We operate the Corporate Ethics Helpline system with care to ensure that honest reporters will not be disadvantaged by making a report. In addition, we investigate and identify the facts behind all the reports submitted. We then take corrective measures on the basis of the results as well as measures to prevent any recurrence.

Stringent Security Control

It to say, it is essential that companies manage confidential matters properly in compliance with relevant legislation, including the Unfair Competition Prevention Act and the Act on the Protection of Personal Information. Confidentiality management has become more important and complex with the rapid progress in information technology in recent years.

Our company established Confidentiality Management Regulations to manage the private information of our company, customers and suppliers properly. In fiscal 2012, we strengthened implementation of the company-wide confidentiality management rules formulated in fiscal 2011. Specifically, we standardized the rules by reviewing and revising the standards for setting confidential management areas, and clarifying the rules concerning bringing electronic devices into the company on account of their rapid increase in functionality.



Tadashige Maegawa
[General Administration Dept.]

We continue to conduct activities to promote and implant security control company-wide.

Being prepared to minimize a range of possible risks

Highlight

We carried out a company-wide emergency drill to deal with a major earthquake.



The company-wide emergency drill we carried out on March 2013 was based on the Business Continuity Plan (BCP*) and emergency response plan we established in 2012 to deal with a major earthquake. The purpose of the drill was to ensure that employees understand the disaster manual, and train employees to behave calmly and without confusion when an earthquake actually occurs.

An Emergency Headquarters was set up immediately after the drill started to receive reports from each plant/office on the safety of employees and on the situation at the plant in order to determine the damage conditions and confirm how the communications would work in the event of an emergency.

Emergency staff conducted a simulation drill using maps to simulate the experience of coping with a situation in which information is reported in quick succession, allowing them to realize how difficult it is to make proper decisions in a tense situation.



voice Yuki Aida General Administration Dept.

The purpose of emergency drills based on the BCP is to continue to improve the organization's business continuity capacity. This capacity comprises the three components given on the right. We conducted the simulation drill using maps, focusing on item (3), with the aim of giving participants full awareness through firsthand experience of the difficulties inherent in coping with an emergency.

- (1) Measures to strengthen earthquake resistance, establishing backup facilities and systems, etc.
- (2) Preparing for an emergency in terms of role sharing, criteria for decisions, action procedures, etc.
- (3) Improving skills of personnel so that they are capable of taking prompt and flexible action to cope with an emergency

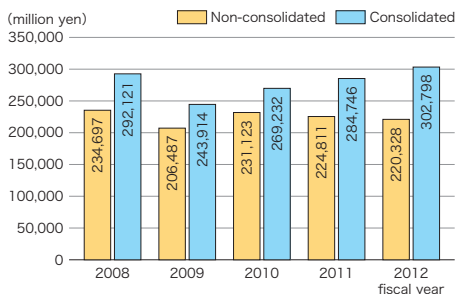
Corporate Profile (As of March 2012)

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	34 subsidiaries (9 in Japan, 25 overseas), 6 affiliates

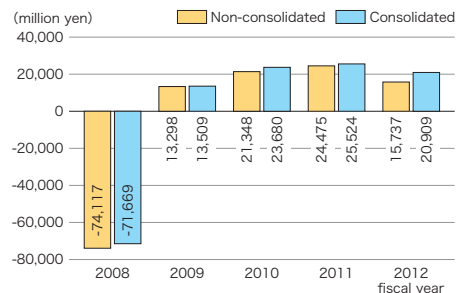


Financial Data

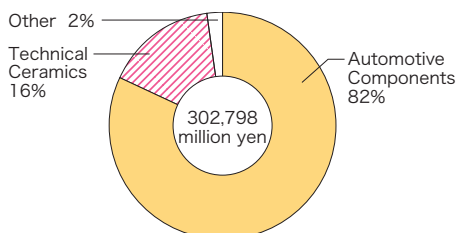
Net sales



Net income

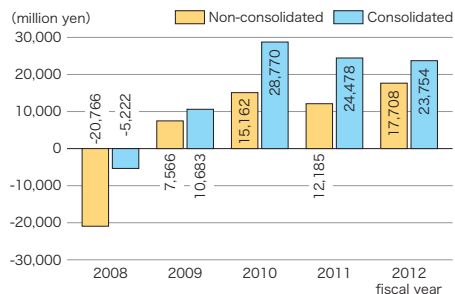


Sales Composition by Segment

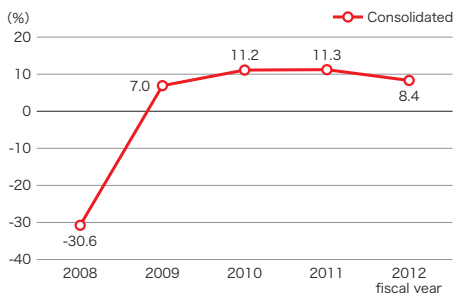


※As a result of organizational changes on April 1, 2013, the Communication Media Components Group and the Technical Ceramics Group was integrated into the Technical Ceramics Group.

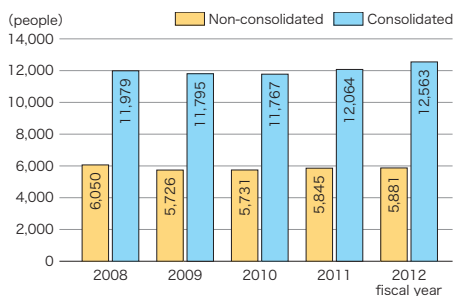
Operating income

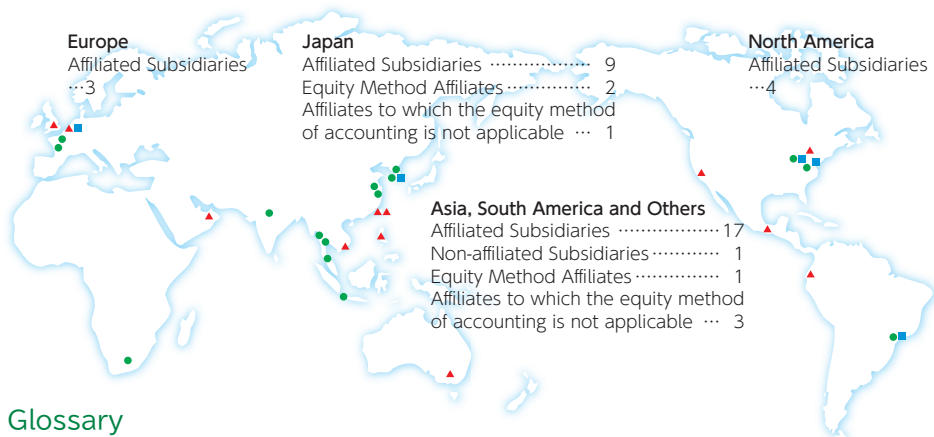


Return on Equity (ROE*)



Number of Employees





Glossary

Compliance (P.2) ...When a company, as a member of society, fulfills its corporate responsibility by enhancing its corporate ethics, and by understanding the spirit and the purport of and complying with laws and regulations, international rules, social norms, and various in-house regulations.

Industrial physician (P.19) ...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.

Three-way catalyst (P.10) ...A device for cleansing hazardous substances contained in gasoline-engine automobile exhaust (carbon monoxide [CO], hydrocarbons [HC] and nitrogen oxides [NOx]) through oxidation and conversion.

Diversity (P.2) ...Utilization of diverse human resources, regardless of ethnic origin, nationality, gender, age, etc.

Global warming (P.26) ...A phenomenon where the average global temperature is increasing due to higher concentration of greenhouse gases that trap heat in the atmosphere and heat the surface of the Earth.

Fabless (P.2) ...Fabless (without fabrication) refers to the business model of a company which, although belonging to the manufacturing industry, engages only in the design and development of products and contracts out production rather than owning its own factory.

Risk Assessment (P.19) ...Method to detect and evaluate potential dangers and hazards in a worksite, and eliminate/reduce them.

Risk Management (P.2) ...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.

BCP (P.28) ...Business Continuity Plan. A plan of action to be taken by a company when an emergency situation arises, such as a major disaster or a large-scale accident, to ensure business continuity at a certain level, or if suspended, to realize quick recovery.

CSR (P.2) ...Corporate Social Responsibility.

CSR procurement (P.2) ...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 business management of human rights, work conditions, as well as workplace safety and health, etc.

IR (P.15) ...IR stands for Investor Relations. Activities to disseminate detailed information on management, financial conditions and business performance of a company.

ISO14001 (P.23) ...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.

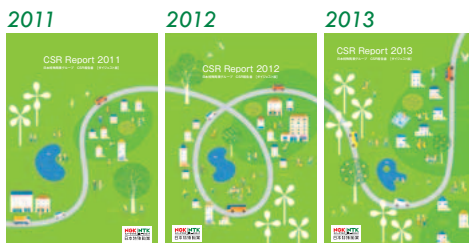
QC Circle Activities (P.14) ...QC stands for quality control. Small groups are formed within the workplace to encourage autonomous handling of such issues as safety measures, reduction of faulty products, as well as quality improvement and quality control of products.

ROE (P.29) ...ROE is one indicator of a company's profitability. ROE reveals how effectively shareholder equity is being used; higher ROE means higher profitability.

SOFC (P.2) ...SOFC stands for solid oxide fuel cell. An SOFC generates electricity and heat from the reaction between hydrogen and oxygen.

About the cover illustrations

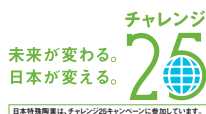
When publishing our first CSR report in 2011, we wanted the cover to depict a sustainable society. We decided to use a series of illustrations that would connect the three CSR reports, depicting the development of a city with a road leading on to the next illustration. The illustrations include the products that our company deals with, including automobiles, wind power plants, and household fuel cells. The ponds illustrated on the covers of the three Reports are in the shapes of the letters "C" "S" and "R." Arrange the three CSR reports in a row and enjoy the combined illustrations.



NGK SPARK PLUG CO., LTD.

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【Period covered】

From April 1, 2012 to March 31, 2013
Some other very recent activities and cases are also included.

【Organizations Covered】

● Social aspects : NGK SPARK PLUG CO., LTD.

However, this Report may also cover the 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.
- ・ Nine consolidated domestic subsidiaries and one affiliate

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