



Environmental & Social Report 2009

NGK Spark Plug Group



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 new ceramics and applicable products.
Group Companies	37 subsidiaries (11 in Japan, 26 overseas), 7 affiliates

Editorial Policy

Easily Understood

This report has been prepared based on our corporate code of conduct (page 6) with the aim of clearly describing the concepts, mechanisms, and results of our activities.

Importance and Completeness

We have given consideration to the importance and completeness of the content of this document giving reference to the "Environmental Reporting guidelines (2007 version)" issued by the Ministry of the Environment of Japan.

Trustworthy

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

Application of Website

We placed detailed information on our website. Places where you can look up detailed information on the website are marked with this mark: . Please view the website data as well. Information not marked with a URL within this document can be viewed in the Environmental and Social Report at our download corner.

<http://www.ngkntk.co.jp/english/environment/ecoreport.html>

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Reporting Scope

Period covered:

From April 1, 2008 to March 31, 2009
Some other very recent activities and cases are also included.

Covered Organization

Environmental aspects: NGK Spark Plug Group
Social aspects: NGK Spark Plug Co., Ltd.

NGK Spark Plug Group

- NGK Spark Plug Co., Ltd. (excluding the sales offices and sales branch offices)
- 11 consolidated domestic subsidiaries and 1 affiliate.

NGK Spark Plug Co., Ltd.



Affiliates



: Region (joint acquisition of ISO14001)

Factories and companies in blue: included in the consolidated environmental accounting

* Tokai Taima Kogu Co., Ltd. is an equity method affiliate.

* The three subsidiaries that produce ceramic IC packages (Iijima Ceramic Co., Ltd., Nakatsugawa Ceramic Co., Ltd., and Kani Ceramic Co., Ltd.) are scheduled to be merged in October 2009.

* "Nittoku" in this document refers to NGK Spark Plug Co., Ltd.

Message from the President

In a Rapidly Changing World

The simultaneous global economic downturn in October 2008 had a great impact on the NGK Spark Plug Group with our business activities dispersed around the world. With the freeze in demand beyond anyone's expectation and

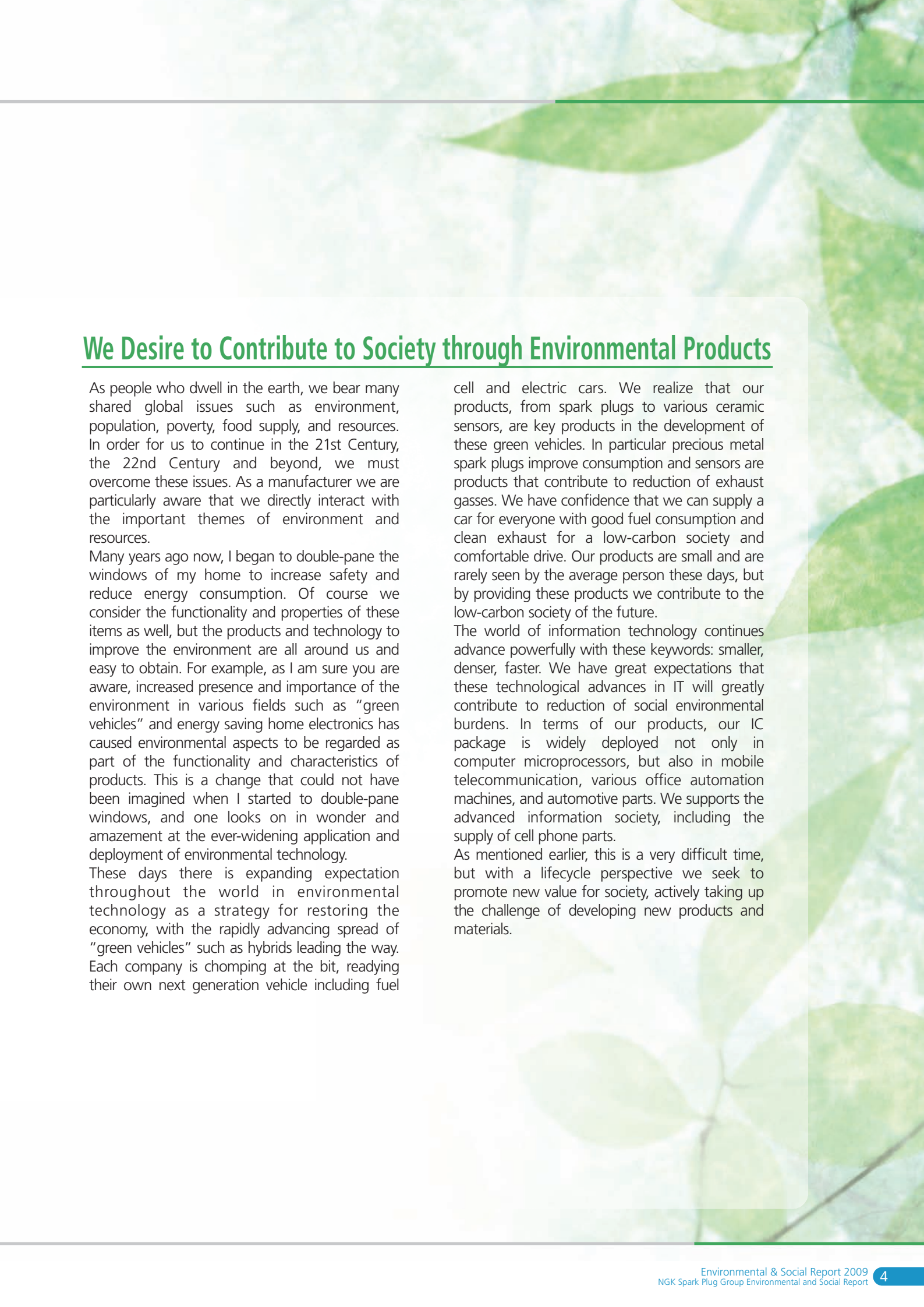
the effects of the high Yen, our business environment became increasingly hostile leading the regrettable fiscal period ending March 2009 to be a rare business experience not seen in many decades. I reflected deeply on the highly volatile circumstances, realizing that there was no excuse for an optimistic view that things would improve if we simply waited and watched. We put into action committee reforms, strengthening our corporate governance, and rapidly made necessary decisions. For the products on which the future of our company depends, we reformed our technology research organization into the Engineering R&D Group. We brought together technologies developed in different fields such as spark plugs and IC packages to develop strategic new products in 4 major categories: automotive, energy, environment, and medical. Furthermore, in our ceramic IC package business, which is one of our major products, we will implement a restructuring including subsidiaries in order to make strategic decisions and effectively invest resources.

Based on a philosophy of storing strength in rough times, we prepare for the first light to burst forth like buds waiting before the dawn. We think now is the time to solidify our footing as one team, bringing together management and employee alike. As we quietly store up on one hand, we prepare for a great leap forwards when the time comes by controlling issues with a long term vision, maintaining high goals.



Norio Kato

President, Chief Environment Administrator
NGK Spark Plug Co., Ltd.



We Desire to Contribute to Society through Environmental Products

As people who dwell in the earth, we bear many shared global issues such as environment, population, poverty, food supply, and resources. In order for us to continue in the 21st Century, the 22nd Century and beyond, we must overcome these issues. As a manufacturer we are particularly aware that we directly interact with the important themes of environment and resources.

Many years ago now, I began to double-pane the windows of my home to increase safety and reduce energy consumption. Of course we consider the functionality and properties of these items as well, but the products and technology to improve the environment are all around us and easy to obtain. For example, as I am sure you are aware, increased presence and importance of the environment in various fields such as "green vehicles" and energy saving home electronics has caused environmental aspects to be regarded as part of the functionality and characteristics of products. This is a change that could not have been imagined when I started to double-pane windows, and one looks on in wonder and amazement at the ever-widening application and deployment of environmental technology.

These days there is expanding expectation throughout the world in environmental technology as a strategy for restoring the economy, with the rapidly advancing spread of "green vehicles" such as hybrids leading the way. Each company is chomping at the bit, readying their own next generation vehicle including fuel

cell and electric cars. We realize that our products, from spark plugs to various ceramic sensors, are key products in the development of these green vehicles. In particular precious metal spark plugs improve consumption and sensors are products that contribute to reduction of exhaust gasses. We have confidence that we can supply a car for everyone with good fuel consumption and clean exhaust for a low-carbon society and comfortable drive. Our products are small and are rarely seen by the average person these days, but by providing these products we contribute to the low-carbon society of the future.

The world of information technology continues advance powerfully with these keywords: smaller, denser, faster. We have great expectations that these technological advances in IT will greatly contribute to reduction of social environmental burdens. In terms of our products, our IC package is widely deployed not only in computer microprocessors, but also in mobile telecommunication, various office automation machines, and automotive parts. We supports the advanced information society, including the supply of cell phone parts.

As mentioned earlier, this is a very difficult time, but with a lifecycle perspective we seek to promote new value for society, actively taking up the challenge of developing new products and materials.

Seeking to Reduce Carbon Dioxide Emissions

I was shocked to hear that some suspect we have gone past the global warming tipping point. I realized once more that climate change and carbon emissions are issues that cannot be avoided as the operator of an enterprise.

We set the goal in our Eco Vision 2010 to reduce carbon dioxide emissions by 150,000 tons. Even as we realized the extreme difficulty of this goal based on the growth of our business up to the present day, but in order to show our firm determination to reduce emissions within and outside of our company we have not changed our stance.

In order to take one step closer to achieving our goal we changed our per fiscal year goals for carbon dioxide, starting with fiscal 2009, in our overall emission volume. We can expect changes in a time of organizational restructuring, but we are working flexibly and appropriately to make effective use of energy and reduce overall carbon dioxide emission levels. In order to take up even greater challenges in our next Eco Vision, we seek to be a strong company that can decrease carbon dioxide emissions, even while increasing production.

Overcoming Issues with Full Participation

It is not an exaggeration to say today that a company's response to environmental issues will determine its survival. It is clear that those that will not or cannot respond to hazardous substances in particular, will be unable to participate in the marketplace. In the midst of the greatly changing world, we must go beyond grasping just environmental aspects, and be aware that we are being asked how we as industry will provide environmental value and how the low-carbon society will survive.

Our strength is found in how we have provided uniform quality to the globe with full participation based on the quality mindset passed on to us from the foundation of the

company. This comes together only as each member in their various roles directs sufficient energy to their task. We have sought improvement and innovation to draw out the strengths of our employees, and there is no limit to these actions. By developing human resources that create opportunities on their own, we would like to overcome the issues that daily pressure us by using each person's individual strengths.

At this time we have published our Environmental and Social Report 2009 to cover our activities during fiscal 2008. I look forward receiving to your unreserved comments and opinions.

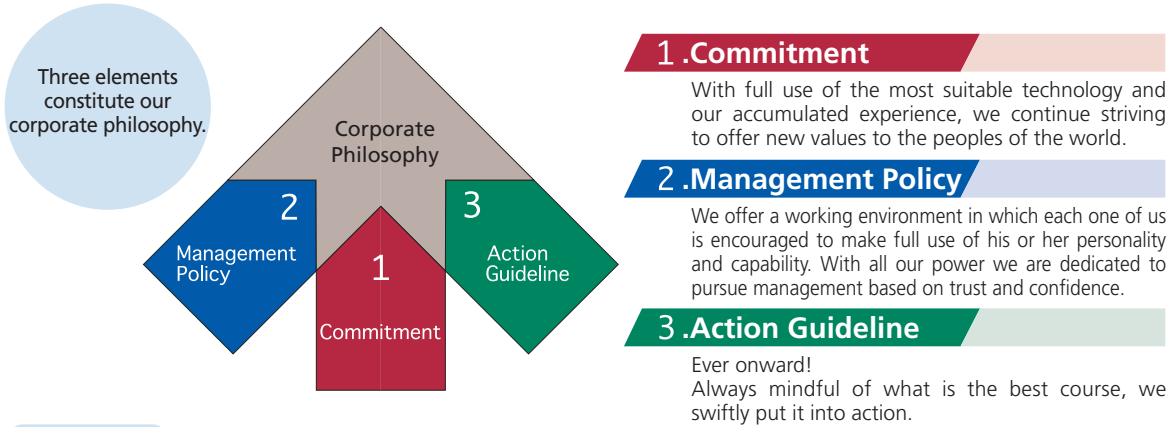
September 2009



Corporate Philosophy

Aiming to become a proposal-making corporation, we continue to present new values to the world.

With global views and ideas, we pursue new values linking technology and people.



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

(Adopted in November 1996)

Corporate Code of Conduct

At NGK Spark Plug Co., Ltd., in order to make the corporate philosophy expressed in our slogan, "With established trust and confidence inside and outside the Corporate we aim to contribute to the peoples of the world by creating and putting at their disposal new values for the future" an everyday reality, we undertake to conduct ourselves in a socially responsible manner in accordance with the following 10 principles.

- 1. Compliance**
We shall respect human rights and observe both the spirit as well as the letter of all laws and regulations applicable to our activities throughout the world.
- 2. Consumers and Clients**
We shall develop and provide socially beneficial and safe goods and services by making full use of the most suitable technologies and our accumulated experience and shall strive to earn the confidence of our consumers and customers, while taking necessary measures to protect personal data and customer-related information.
- 3. Fair Dealing**
We shall promote fair, transparent, free competition and sound trade. We shall also ensure that our relationships and contacts with government agencies and political bodies are of a sound and proper nature.
- 4. Communication**
Emphasizing communication not only with our shareholders but also with members of society at large, we shall engage in active and fair disclosure of corporate information through ongoing corporate communications.
- 5. Environmental Conservation**
Recognizing that a positive involvement in environmental issues is a priority for all humanity and an essential aspect of our activities and a prerequisite for our very existence as a company, we shall approach these issues voluntarily, proactively, and speedily.
- 6. Social Contribution**
As a good corporate citizen, we shall actively engage in philanthropic activities and other activities of benefit to society.
- 7. Employees**
We shall strive to respect the diversity and individuality of our employees and foster a safe and excellent working environment where they can realize their full potential.
- 8. Civil Society**
We shall reject all contacts with organizations involved in activities in violation of the law or accepted standards of responsible social behavior.
- 9. Cultural Respect**
We shall respect the cultures and the customs of local communities where we do business and strive to manage our activities throughout the world in such a way as to promote and contribute to the development of local communities.
- 10. Ethics**
Management shall exercise leadership in making the letter and spirit of the Code of Conduct integral to everyday business practice, thoroughly implementing the Code of Conduct throughout the Company and inculcating it throughout the Group and its supply chain. To this end, management shall continually improve internal systems while striving to cultivate ethics.

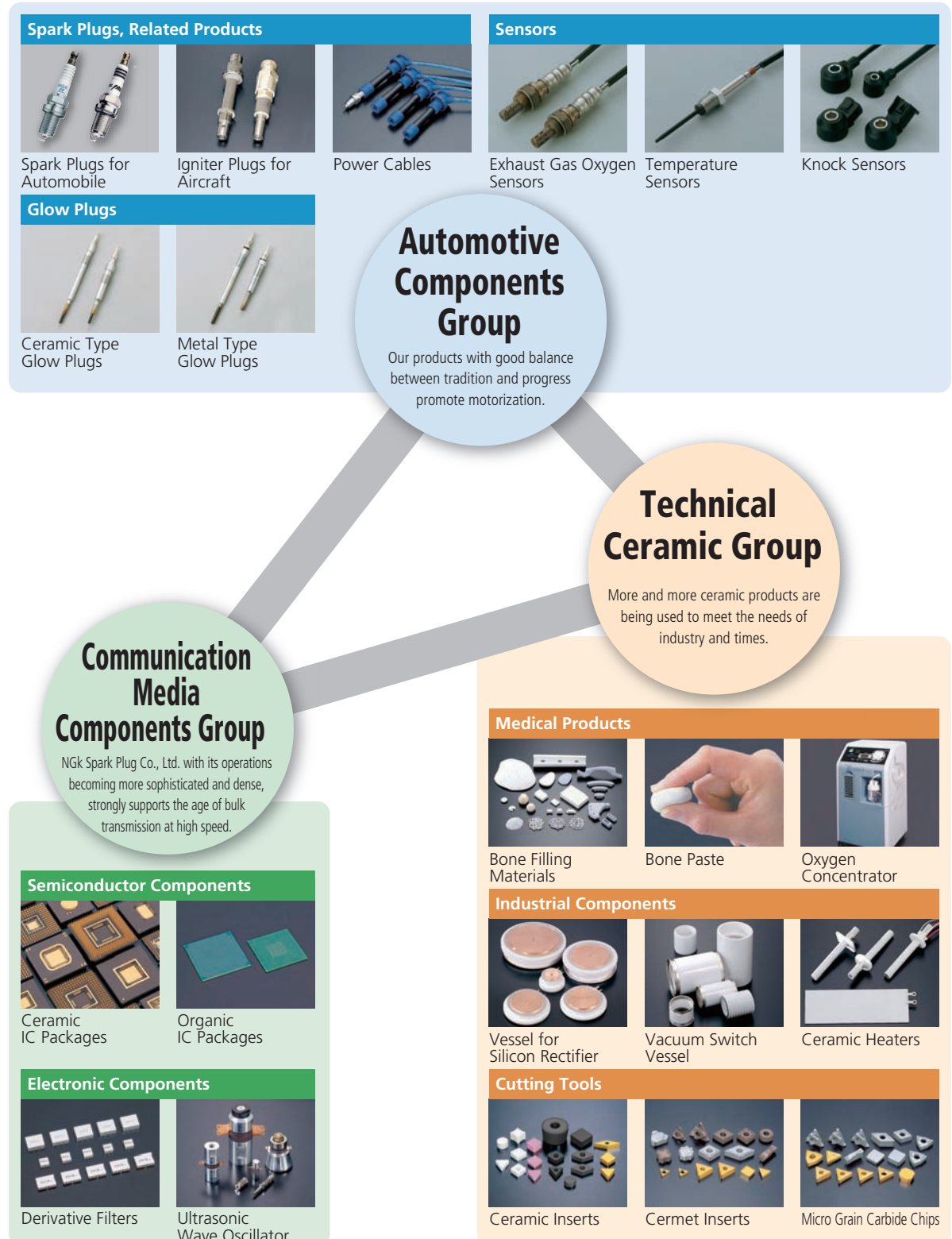
(Revised November 2004)

Business Areas

Our scope of business extends to products used in various field, such as the field of transportation and information, in order to meet social needs.

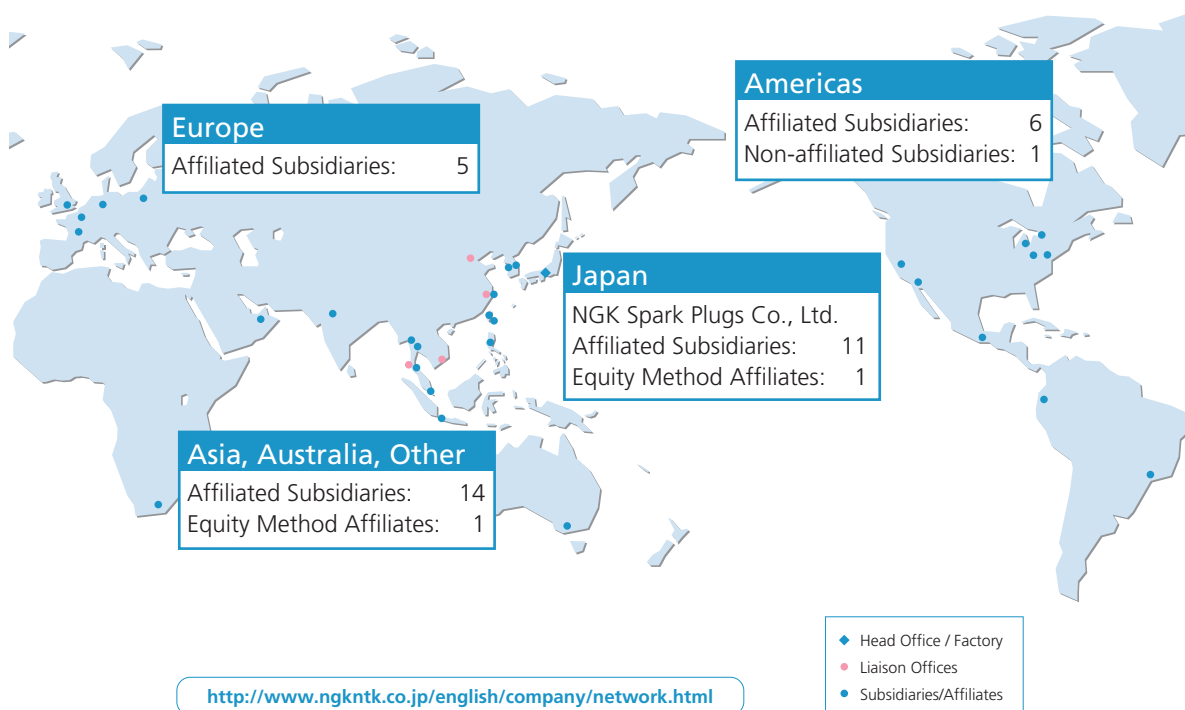
We are constantly making an effort to be on the cutting edge of the information and communication fields, including motorization, which will be the core industry of 21st-century society. We are also making vigorous efforts in the medical field in order to adapt to the super-aging society to come, based on the application of our ceramics-centered techniques. Furthermore, the object of our vigorous activities includes the environmental field.

Primary Products

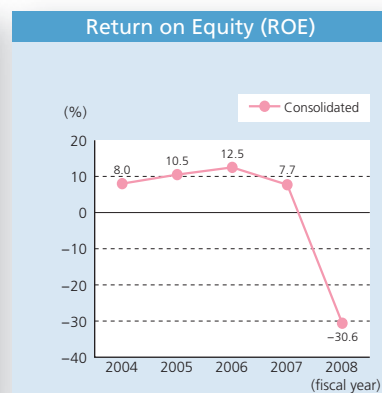
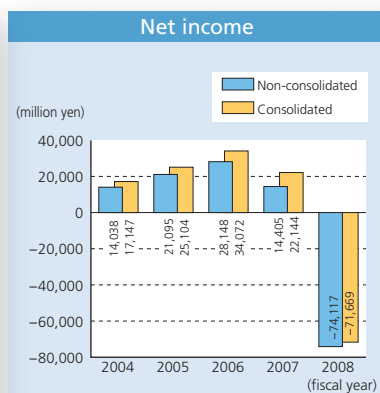
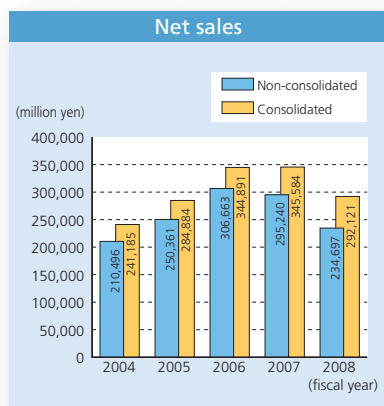




Domestic and Overseas Network



Financial Data

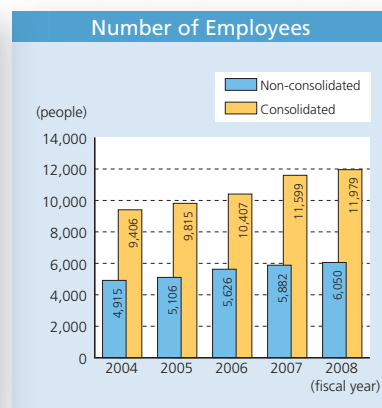
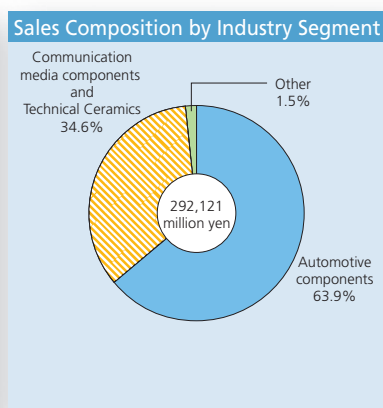
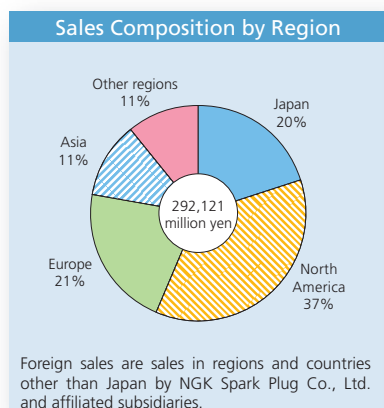


ROE

ROE is one indicator of a company's profitability.

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

ROE reveals how effectively shareholder equity is being used; higher ROE means higher profitability.





1. Compliance

We shall respect human rights and observe both the spirit as well as the letter of all laws and regulations applicable to our activities throughout the world.

- NGK Spark Plug Group is a global corporation with a foreign sales ratio of 80% and production and sales organizations worldwide. To maintain the trust of international society, we will “respect human rights and abide by all laws and international rules as well as the spirit of the law, whether in Japan or overseas,” namely the respect of human rights and compliance, as the basis of our actions.
- To earn respect and popularity from the people of the world, each employee of our group will behave in accordance with our code of conduct and with social decency.

Corporate Governance

Corporate Governance

Refers to the process or systems by which a business operator oversees to ensure that the enterprise is being appropriately and healthily engaged in.

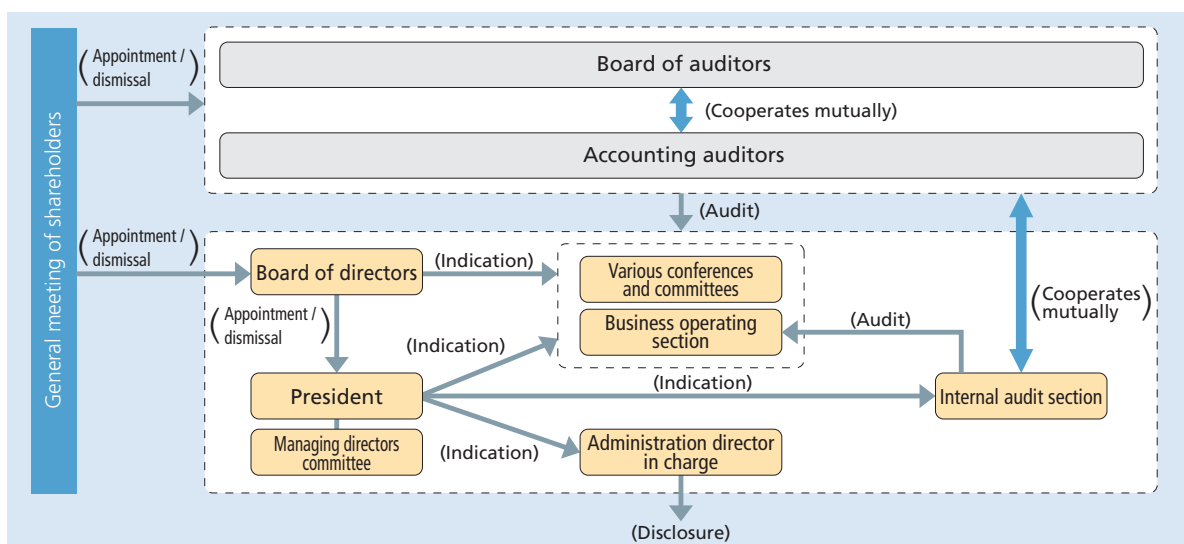
Internal Control Report System

Publicly traded companies must publish internal control reports prepared by oversight from a chartered accountant or auditing firm each business year based on the 2006 revision of the Financial Instruments and Exchange Act to improve the trustworthiness of financial reporting. The name of the Financial Instruments and Exchange Act prior to revision was the Securities and Exchange Act.

We believe that it is a foundational and important operational issue that we construct and maintain a fair and effective management system by preserving the health and transparency of our management to increase the value of our corporation by meeting our complete social responsibility.

We furthermore are working to manage information, determining “Internal Information Management Regulations” to perform rapid, correct, and fair disclosure based on the fact

that the provision of appropriate and timely corporate information to investors is the root of a healthy stock market. We seek to improve and maintain internal control regarding financial reporting, receiving oversight from auditors while implementing effective evaluation of internal controls for financial reporting to conserve the trustworthiness of financial reports based on the Internal Control Report System of the Financial Instruments and Exchange Act.



Management Organization

The board of directors oversees the condition of business operations of each executive in addition to deliberating and determining items determined by law or bylaw and other important items to the management of the business. In order to

rapidly gain understanding of situations and react to environmental change we have created bodies such as the managing directors committee planned by the executives as places for active discussion.

Management Oversight Functions

Our board of auditors consists of four auditors (two of whom are external auditors). These auditors oversee business operations of the executives through methods including their presence at the meetings of the board of

directors and, as needed, at the various committees to understand the state of important issues, and through audits of major offices and subsidiaries.

Internal Audits

The internal audit division offers opinions for the improvement or correction of points of issue as needed, and reports to the management the results of inspections through business auditing covering both NGK Spark Plugs

and our affiliates. This division also attempts to have close cooperation with the auditors and accounting auditors by exchanging information such as auditing principles, auditing plans, and auditing implementation status.

Compliance

We work to increase employee understanding of compliance to act in sound social judgment not forgetting that our enterprise is also a member of society.

Corporate Ethics Helpline

We have a corporate ethics helpline as an internal communications system to resolve issues related to corporate ethics early and prevent illegal activities. In addition to places of contact within and outside the company for the provision of information or counseling for employees, etc., that become aware of illegal activities that have taken place or may take place, we have ensured that the environment makes it easy to discuss issues by making it clear that the identity of any informant is protected. We also sincerely work to support individual themes related to legal or ethical issues.

Export Controls

In order to preserve international peace and safety Japan has placed legal regulations on trade that would assist the expansion or outbreak of conflicts. Recent years in particular have seen progressive strengthening of regulations domestically and internationally. In August 2005 NGK Spark Plugs Co., Ltd. established an export controls committee to ensure thorough compliance with export regulations by enacting export controls.

We were recognized as an Authorized Exporter in June 2008 based on the Authorized Exporter Declaration System after verification of our efforts establishing security management and compliance systems.

We recognize ourselves as an enterprise with a high export/import ratio and so we strive to maintain export management in compliance with laws while effectively operating our export business.

Risk Management

We face many risks including natural disaster, accidents, terrorism, and the spread of new contagious diseases. We

Preparing Response to Large-scale Earthquakes

The NGK Spark Plug Group's operation are primarily located in Aichi Prefecture at the center of the Tokai region, which has been designated as a strategic earthquake disaster prevention region in relation to the foreseen Tokai Earthquake.

We have therefore created an earthquake disaster prevention strategy manual setting out measures to protect the safety of people's lives, to avoid damage to facilities, to prevent secondary disaster, and to enact rapid restoration. We also operated a personal safety verification system to rapidly gather information related to the safety of employees.



Evacuation Drill



Compliance Education

Security Control

With the advance of legal systems such as the Unfair Competition Prevention Act and the Act on the Protection of Personal Information, we must work hard to prevent any leaks of private information.

We endeavor to appropriately handle private information, establishing security control regulations to maintain and develop the health of our business, thoroughly managing issues related to confidential information about our company, our customers, and our clients.

Our privacy policy is available on our website.



Privacy Policy

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

Compliance

This refers to compliance with laws and regulations; the fair operation of a business in accordance with the rules governing it.

Unfair Competition Prevention Act

This law is intended to ensure fair competition between business operators. It prohibits activities such as improper gathering of confidential information, and the improper use or publication thereof, as well as preserving the trust and confidentiality of businesses.

Act on the Protection of Personal Information

While considering the usefulness of personal information this law seeks to preserve the individual's profit rights. It regulates such things as passing on personal information without notifying the person.

Authorized Exporter Declaration System

Under this system, Customs recognizes exporters with exceptional compliance as Authorized Exporters and gives them favorable treatment. This is intended to speed up paperwork at Customs and strengthen security measures. Receiving recognition as an Authorized Exporter makes a definite improvement in speed passing through Customs which we expect will have effects including reduced logistics costs and lead time.

Strategic Earthquake Disaster Prevention Region in Relation to the Foreseen Tokai Earthquake

Because there is the possibility of major damage from an earthquake in the event that a large-scale earthquake occurs, this is a designated region requiring stronger measures related to earthquake disaster prevention. This region includes Nagoya, Ise, Nakatsugawa, and Iijima.

have taken steps to ensure the smooth continuity of our operations should some unfortunate circumstance occur.

Preparing Response to New Contagious Disease

In the event of the outbreak of a new contagious disease such as a new form of influenza, there is the possibility of it affecting business operations as employees that cannot make it to work take time off. It is also possible that our company could cause the disease to spread into society.

Recognizing the importance of our response to new contagious disease, we began preparations in 2008. We have made ready plans to minimize the effects and prevent the spread of contagion as it occurs, determining strategy based on the severity.

2. Consumers and Clients

We shall develop and provide socially beneficial and safe goods and services by making full use of the most suitable technologies and our accumulated experience and shall strive to earn the confidence of our consumers and customers, while taking necessary measures to protect personal data and customer-related information.

- The corporate philosophy (commitment) of NGK Spark Plug Group declares, "With full use of the most suitable technology and our accumulated experience, we continue striving to offer new values to the peoples of the world".
- To put this philosophy into practice, we will develop and manufacture innovative products to satisfy the demands of various customers and achieve our mission of providing products with the same level of safety and quality from any production site in the world.
- From this fundamental standpoint, we will provide accurate and appropriate information on our products and services and handle and protect individual data and customer data related to our business activities in a proper manner.

Quality Management System

TQM

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

Since our establishment in 1936 our basic stance and philosophy have been maintained coherently to the present as the "Nittoku quality mind" including the "client viewpoint," "good product principle," and "total involvement."

The corporate quality policy, which was established in February 2006, reflects the "Nittoku quality mind," revolving around TQM (Total Quality Management) demonstrating initiative for high quality production.

We act with the goal of being a company trusted by our customers, promoting the improvement every element related to this quality management, or the improvement of people, things, and systems activities throughout the company, and providing products and services that satisfy our customers.

The following activities implement the core of the TQM

activities:

- Top down activities embodying company management through policy management.
- Workplace activation and human resource development through small group quality and business improvement and other activities.
- Business standardization and maintenance management as well as improvement activities determined at each workplace by daily management.

To successfully implement these measures we are undertaking accreditation and are working hard to effectively establish and operate an appropriate quality management system in conformance with the ISO9000 series and ISO/TS16949 standards, while continually improving our methods.

Corporate Quality Policy

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

● Customer First

Our customers determine the quality of our products and services. In order to provide products and services that satisfy our customers, we strive to understand their continuously changing needs from their point of view, and make proposals exceeding their expectations according to the philosophy of "quality first".

● Total Involvement

People are fundamental elements of a company and the most important management resource. While respecting the individuality of employees and enhancing each one's ability, autonomy and creativity, we pool our abilities to solve problems and overcome the tasks we face fully engaging our individual roles with a shared understanding of the problem space.

● Continuous Improvement

The development of a company requires swift and suitable responses to the changing social environment, market conditions and customer demands. For this purpose, we are continuously improving the effectiveness and efficiency of all management resources including our organization, system, processes, products and services.

Small Group Activities

We have developed small-group quality control “NQC Activities” to continuously improve problems and issues

NQC Activity Policy

The employees themselves are the driving force behind the future growth of the NGK Spark Plug Group. Based on this understanding, the employees increase their knowledge and technical abilities through improvement activities. In order to work together well we engage the following basic stances in our human resource development:

- 1) Demonstrate human ability to create unlimited potential
- 2) Respect humanity to create a lively, friendly workplace
- 3) Contribute to improving and developing the company character

in the workplace. In the NQC activities we use a grassroots approach to solve issues including those that do not get dealt with normally, ones often missed or passed over, problems that are difficult to handle with current systems or that, though recognized, cannot be addressed.

We hold a presentation meeting to show the results of NQC Activities and award significant examples. Furthermore, we award those small groups that have steadily continued their activities to improve and maintain motivation.



Central exhibition

QC Small Group Activities

QC stands for quality control. Small groups are formed within the workplace with the goal of autonomous handling of issues including safety measures, reduction of faulty product, and improvement and quality control of production.

Quality Education

Quality education involves year-round training with established training programs related to quality control, control technology processes, QC small group activities, quality management systems, measurement management, etc., as part of our TQM study. We also implement application guidance and support as needed to ensure the knowledge gained through study and training is applied in the workplace.

Measurement Training Program

For training related to measurement management, in addition to the conventional tutorial style training, we also have practice in a measuring training room and have opened training facilities that are always available for employees to use when they would like to learn or practice at major domestic factories.



Measuring Training Room
Training Practice

Quality Improvement / Quality Informing Activities

NGK Spark Plugs is deploying bottom up activities, human resources development, and ongoing improvement through improvement proposals, discovery projects, NQC activities and more. The environment our company is surrounded by features ever-growing demands for higher design quality and

lower cost plans, and diversified and advanced products and manufacturing processes. Through these activities we blend bottom up and top down approaches to solve any problems or issues through the wisdom and innovation of all employees.

All Nittoku Improvement Result Presentation Meeting and Award Ceremony

NGK Spark Plug Group holds various presentations as a way to announce and share improvement proposals, discovery projects and the effects of NQC activities. Outstanding examples give presentations at the All Nittoku Improvement Result Presentation Meeting and Award Ceremony and employees are awarded to contribute to the stimulation of

improvement activities throughout the NGK Spark Plug Group.



A presentation at the All Nittoku
Improvement Result Presentation
Meeting and Award Ceremony

Quality Month

During Quality Month every November, a host theme is chosen and various activities are hosted on that theme, improving and training employee knowledge about quality to improve motivations and take our quality control to a new level.

As part of the Quality Month activities we hosted many events including quality lectures, “Top Inspections” (tour of processes by the president), quality exhibitions, the NQC activity central presentation meeting (result presentation), various kinds of announcement activities (articles in the company news, broadcast of messages to

the whole company, event guides via the electronic announcement system, implementation announcements, poster displays, etc.).



Top Inspection



Quality Exhibition

3. Fair dealing

We shall promote fair, transparent, free competition and sound trade.
We shall also ensure that our relationships and contacts with government agencies and political bodies are of a sound and proper nature.

- We believe that a business environment based on the rules of "fair, transparent and free competition" both in Japan and overseas is the key for NGK Spark Plug Group and its products to gain the trust of worldwide consumers and customers. NGK Spark Plug Group will also proactively develop such "fair, transparent and free competition".
- It is important to establish healthy partnerships with our consistent suppliers who are vital for our business activities, and we will therefore build mutual trust with a long-term perspective and carry out proper purchasing transactions.
- To achieve optimal procurement worldwide, NGK Spark Plug Group will perform transactions based on fairness, transparency, free competition and rationality on the international stage, too. We will also maintain transparent relations with governments and public administrations and avoid actions which may raise doubts of collusion, etc.

Procurement Policy

In order to realize an optimal procurement world as part of our good product principle, we procure materials and parts based on the following principles:

- With a foundation of fair, transparent, and free competition, we trade rationally.
- We engage in business complying to the related laws, domestically and internationally.
- By procuring better (quality), cheaper (cost), faster (deadline), and more friendly to the earth (environment), we contribute to the benefit of company.

Sharing our Corporate Policy

The stable procurement of raw materials, parts, and so on, requires a relationship of trust with the supplier as a sound partner. Each year we host a corporate policy seminar as an opportunity to deepen the understanding of our clients of our goals.

At the seminary held in April 2008 we verified our efforts towards the achievement of mutual goals,



Corporate policy presentation

strengthening our trust relationships and requesting cooperation.

We will deploy to the all our clients a completely revised new basic client contract in fiscal 2009. We are working to achieve our corporate social responsibility together with our clients. Major points of the revision are as follows:

- ① Clarification of corporate social responsibility
- ② Strengthening of security control
- ③ Inclusion of environmental management items
- ④ Clarification of anti-social forces and related exclusions
- ⑤ Changes to express the perspectives of both directions

Nittoku Suppliers Association

The Nittoku Suppliers Association is composed of suppliers who deliver raw materials, equipment, parts, and so on, to the NGK Spark Plug Group. The association continues activities with the goal of promoting rational management and improving productivity.

Each year the association holds various lectures and training meetings, sessions for presenting examples of improvement, and so on, working to exchange information and have open communication. At the presentation in November 2008, NGK also presented an improvement case study. Additionally, our clients in the Nittoku Suppliers Association have helped use in our

business activities and participate as needed in highly important or active internal training at NGK Spark Plugs.



Session for presenting examples of improvement

4. Communication

3 Fair dealing

4 Communication

Emphasizing communication not only with our shareholders but also with members of society at large, we shall engage in active and fair disclosure of corporate information through ongoing corporate communications.

- To enhance our credibility in Japan and overseas, we seek to practice "transparent management" by disclosing information on our business and financial performance as well as other everyday actions, including environmental activities, via our website and other media.
- In order to respond to the trust of our stakeholders in the capital market, such as our shareholders and investors, we endeavor to increase our market value and provide information on our management, including our growth strategy, through IR activities in a timely and proper way.
- We are aware of our social responsibility not only to our shareholders but to a wide range of other stakeholders such as customers, suppliers, employees and local residents, and will therefore deepen mutual understanding by strengthening our PR and communication channels and promoting interactive communication.

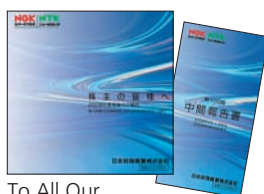
web Disclosure of Information

In order to have timely and appropriate disclosure of financial information, we supply information using various tools in addition to meeting the legal disclosure standards. In particular we attempt to sufficiently publish on our website information that a broad range of our stakeholders can view.

Investor Relations

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

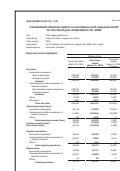
We additionally publish corporate information and environment and social reports to have reader better understand the NGK Spark Plug Co., Ltd. and our activities as part of our efforts at information disclosure. We endeavor to communicate information about our latest technology and products through booths at various exhibitions.



To All Our Investors (Japanese only)



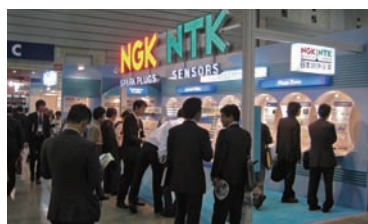
Annual Report



Financial Reports

Stakeholders

Stock holder, client, employee, local citizen and other concerned parties



Automotive Engineering Exposition 2008

General Meeting of Stockholders

Each June, we hold our Regular General Meeting of Stockholders and explain the business developments of the previous year to our stockholders.

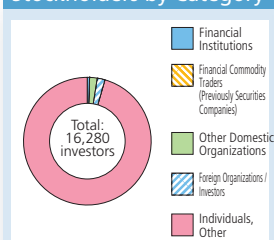


Regular General Meeting of Stockholders

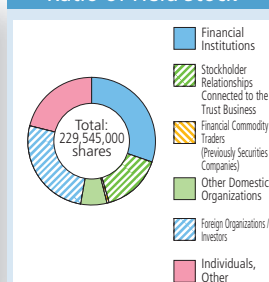
The stock distribution of NGK Spark Plug Co., Ltd. is shown in the graph on the right.

Stock Distribution

Stockholders by Category



Ratio of Held Stock



(as of March 2009)

Investor Relations Activities

The NGK Spark Plug Group provides business information such as business content, performance and stock prices to shareholders and investors, and also holds IR events to directly answer any enquiries. In July 2008, we participated in the Nagoya Stock Exchange IR Expo, and received enthusiastic comments and questions from personal investors. We also periodically hold presentations for analysts and institutional investors in Japan, and give explanations to overseas investors as well.



Results Briefing

IR Activities

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

5. Environmental Conservation

Recognizing that a positive involvement in environmental issues is a priority for all humanity and an essential aspect of our activities and a prerequisite for our very existence as a company, we shall approach these issues voluntarily, proactively, and speedily.

- To contribute to the battle against global warming and the establishment of a recycling-oriented society, we are committed to measures such as energy saving, zero waste discharge, recycling and enhanced chemical control.
- For the simultaneous pursuit of environmental conservation and economic growth, we will strive to reduce environmental impact and risk in all business activities through the improvement of productivity, enhancement of resource and energy efficiency, and development and use of alternative materials. We also aim to develop, introduce and disseminate innovative technologies, products/services and business models that can contribute to solutions for environmental problems.
- We will proactively deal with environmental issues, based on our corporate philosophy (or action guidelines): "Ever onward! Always mindful of what is the best course, we swiftly put it into action."

Environmental Declaration

NGK Spark Plug Group will strive for harmony with society and the global environment while serving the people of the world, offering new value based on the principle of high quality throughout the entire life cycle of our environmentally friendly NGK spark plugs and NTK new ceramic products.

To achieve this, we have formulated an environmental action plan based on our environmental policy as a way of accepting our social role and responsibility as a trusted corporation. With the participation of everyone concerned, we will pursue the development of a sustainable society and business operations.

(revised April 2004)

Environmental Policy



We will abide by all laws, regulations, protocols and voluntary standards relating to environmental conservation. We also aim to increase our environmental efficiency by continually trying to enhance our environmental management system (EMS) and performance.



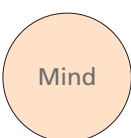
We will remain constantly aware of the need for environmental harmony, working to prevent air, earth and water pollution, use energy and resources more effectively, and reduce waste materials.



We will work towards the development, design, procurement, manufacture, sale, distribution and disposal of environmentally friendly products.



We will promote communication with stakeholders through clear disclosure of information. We will also contribute not only to local communities but to the wider society through consideration for the natural environment as well as participation and support for environmental conservation activities.



We will strive to raise awareness of environmental conservation through environmental education and publicity activities as well as the dissemination of these policies among all our employees. We will also seek the understanding and cooperation of our business associates.

(revised April 2004)

Environmental Action Plan and NGK Spark Plug Group

	Item	Eco Vision 2010
Management	Environmental Management System	Sharing of environmental policy by related companies including overseas companies Construction of total management system (QMS, EMS, OSHMS)
	Environmental operations	Centralization of environmental management data control
	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 on 2001)
	Effective use of resources	Efficient use of water resources
		EPR (extended producer responsibility) operations
		Reduction of waste emissions Reduced environmental load due to waste
Products	Hazardous substances	Total 36 tons of PRTR substances released (80% down on 2002) Control of environmental pollutants
	Eco-design	Eco-friendly design and product creation
	Green procurement	Green supplier system of identification and registration of all our business associates
	Distribution	Construction of efficient distribution systems
Communication	Eco-business	Development of eco-businesses
	Disclosure	Disclosure of clear environmental data Continuous issue of CSR reports
	Community	Support for and participation in NGO and NPO activities
Mind	Natural environment	Promotion of nature conservation and social contribution
	Education and instruction	Thorough education of eco-minded employees Reflection of environmental performance in business evaluation

*Revised upwards from 13,886 tons (October 2008)



Regarding Targets for Carbon Dioxide, Emissions, and Water

Our target reduction values that we have acted upon for CO₂, water, and emissions were set in fiscal 2006.

We think of our target values as “reduction volumes” by the implementation of energy saving measures and so on. With our goal of projected reduction volumes based on our initial projected production volumes, we are better able to track the effects of energy saving and resource saving activities by being able to evaluate the level of achievement of goals due to the difficulty for changes in production to affect the related implementation period by annually converting calculations. This allows us to attempt to reduce

each emission volume and used volume by connecting results to promotion of targeted activities.

In fiscal 2008 we set reduction volumes for each indicator and managed specific consumption emissions volumes, usage volumes, and emissions volumes together. We will continue to manage total volume specific consumption and reduction volumes moving forwards, but because we determined a goal for total emission volume of carbon dioxide Eco Vision 2010, in fiscal 2009 our goal will be total emissions and with other emissions and water our goal is set to continuous reduction volume.

Eco Vision 2010

○: Achieved ×: Not achieved △: Ongoing

	Fiscal 2008 targets	Results	Page	Fiscal 2009 targets
	Support ISO14001 certification of all overseas manufacturing and sales organizations	×	18	—
	Research EMS structures in domestic business sites	△	—	Research sufficient environmental education in domestic business sites
	Research combining systems with OSHMS	△	—	Research the effectiveness of combined audits
	—	—	—	Research integrating QMS and EMS
	Work to revise and improve the collection and managerial methods of environmental data for operating organizations	△	—	Work to revise and improve the collection and managerial methods of environmental data for operating organizations
	Collect data from the NGK global network	○	—	—
	Continue to handle environmental accounting procedures and reporting	○	20	—
	Use environmental accounting as an evaluation item for our methods	×	—	Use environmental accounting as an evaluation item for our methods
	Research the need to secure CO ₂ credits	○	—	—
	Reduction targets : NGK Spark Plug : 14,447 tons Affiliated companies : 2,121 tons	○	25	Total group emissions of carbon dioxide under 169,000 tons
	Reduction targets : NGK Spark Plug : 87,738 m ³ Affiliated companies : 8,093 m ³	○	28	Reduction targets : NGK Spark Plug : 11,527 m ³ Affiliated companies : 874 m ³
	Establish methods for recycling used products	×	—	Establish methods for recycling used products
	Reduction targets : NGK Spark Plug : 7,330 tons Affiliated companies : 53 tons	○	27	Reduction targets : NGK Spark Plug : 228 tons Affiliated companies : 26 tons
	Examine changes that can be made to processing methods that ensure a lessening of waste in recycling	△	—	Incorporate a low environmental burdens disposal method
	Complete HCFC-225 substitution	○	29	—
	Reduce VOC released	△	29	Reduce VOC released
	Carry out uniform control with MSDS	△	—	Carry out uniform control with MSDS
	Strengthen environmental risk (environmental accident) readiness	○	19	—
	—	—	—	Research environmental burden management systems
	Offer the addition of LCA methods for product assessment	×	24	Offer the addition of LCA methods for product assessment
	500 companies (expand toward equipment, tool, and auxiliary material manufacturers)	△	23	500 companies (expand toward equipment, tool, and auxiliary material manufacturers)
	Transport with waste efficiency	△	26	Transport efficiently (efficient load ratio and conveyance count)
	Establish ELV material analysis and research other green procurement related material analysis methods.	○	24	Support internal ELV material analysis and establish other green procurement related material analysis methods.
	Differentiate web and printed matter with regards to information disclosure	×	30	Differentiate web and printed matter with regards to information disclosure
	Issue Environmental & Social Report	○	30	Issue Environmental & Social Report
	Support and participate in NGO and NPO activities	△	—	Support and participate in NGO and NPO activities
	Continue to participate in community environmental events, etc.	○	30	Continue to participate in community environmental events, etc.
	Develop and implement an environmental education system for the Group	×	—	—
	Create a system for implementing environmental education for all employees	△	18	Create a system for implementing environmental education for all employees
	—	—	—	Research a system to evaluate the level of contribution of environmental activities in the work of employees

PRTR (Pollutant Release and Transfer Register)

System of tracking volume of emissions to the environment of designated chemical substances and the reporting thereof.

VOC (Volatile Organic Compounds)

The source of photochemical oxidants and suspended particulate that pollute the atmosphere.

MSDS (Material Safety Data Sheet)

This sheet contains information about the level of danger of a chemical substance and precautions for its handling.

LCA (Life Cycle Assessment)

A method of assessing the total environmental burden including the manufacturing of a product, its use, and its disposal.

ELV (End of Life Vehicle) Directive

Effectuated in the EU in 2002; regulates designated regulated substances and recyclable ratio of a used automobile.

web

Material balance of
domestic business sites

Environmental Load from Business Activities

The first step in performing environmental protection activities is to know what kind of load one's activities impose on the environment. The tables below show the amount of

resources and energy used in the business activities of the NGK Spark Plug Group (input) and the products, waste and so on created as a result of these activities (output).

Input
Input

Energy

Purchased electric power, Gas, Heavy oil A Quantity used at offices and factories
Gasoline Quantity used during testing and transportation
LPG, Diesel oil Amount used at offices and factories, and during testing and transportation

Classification	Non-consolidated	NGK Spark Plug Group
Purchased electricity	255.67 GWh	368.86 GWh
Gas	15.27million m ³	16.03million m ³
LPG	4,869 tons	10,559 tons
Heavy oil A	51 kL	51 kL
Gasoline	732 kL	762 kL
Diesel oil	50 kL	128 kL

Main raw materials

Ceramic materials, Metal materials Purchased quantities
Reused elements Quantity of reused ceramic material

Classification	Non-consolidated	NGK Spark Plug Group
Ceramic materials	—	14,193 tons
Metal materials	—	21,182 tons
Reused materials	9,552 tons	12,421 tons

Paper

Paper Quantity of copy paper and wrapping paper used (estimated)

Classification	Non-consolidated	NGK Spark Plug Group
Paper	2,617 tons	3,288 tons

Other materials and auxiliary materials

Plastic materials, chemical materials, oils, other materials, other gases

Quantity used by each department (estimated)

Classification	Non-consolidated	NGK Spark Plug Group
Plastic materials	764 tons	2,566 tons
Chemical materials	9,794 tons	12,522 tons
Oils	276 tons	344 tons
Other materials	5,416 tons	5,702 tons
Other gases	7,689 tons	11,174 tons

Water

Tap water Quantity of service water and industrial water used

Well water Quantity of underground water used

Recycled water Quantity of water reused after being purified on the premises

Classification	Non-consolidated	NGK Spark Plug Group
Tap water	982,498 m ³	1,165,701 m ³
Well water	841,991 m ³	963,205 m ³
Recycled water	1,300,042 m ³	1,430,957 m ³

Factors used to
calculate CO₂

Japan Auto Parts Industries
Association (2001)

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

Guidelines from the
ordinance regarding
calculation of emission
volume of greenhouse gas
emissions resulting from the
business activities of
designated emitters

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

• Not including energy
consumption and
CO₂ emissions due to
transportation
outsourcing.

• For some operation
sites that have no
installations to
measure the volume
of water discharged,
the wastewater
volume is taken as
the combined
volume of tap water
and well water.

Output
OutputCO₂ from energy
consumption

Offices, factories, testing, transportation

Emission of CO₂ generated by the use of
electricity, gas, and so on

Classification	Non-consolidated	NGK Spark Plug Group
Offices and factories	138,147 tons	194,580 tons
Testing	1,675 tons	1,675 tons
Transportation	211 tons	483 tons

Wastewater

Wastewater

Sewage, Quantity of water discharged to the public water area

Evaporation, Other

Volume other than wastewater (e.g. evaporated coolant)

Classification	Non-consolidated	NGK Spark Plug Group
Wastewater	1,319,464 m ³	1,580,483 m ³
Evaporation, Other	520,448 m ³	563,846 m ³

Product shipment

Product

Quantity of shipped products as consigner*1

Classification	Non-consolidated	NGK Spark Plug Group
Product	—	44,777 tons

PRTR law-regulated
substances

Atmosphere, water area

Quantity of matter released to atmosphere and the water
area, concerning which notification is made in each region

Classification	Non-consolidated	NGK Spark Plug Group
Atmosphere	12.8 tons	151.6 tons
Water area	0.5 tons	0.5 tons

Waste

Recycling

Quantity of matter that is consigned to be recycled (including items sold)

Buried or incineration

Quantity consigned to be buried or incinerated

Classification	Non-consolidated	NGK Spark Plug Group
Recycling	19,363 tons	21,610 tons
Buried or incineration	138 tons	161 tons

Wrapping/packaging materials

Plastics, Paper, cardboard

Quantity used by each shipping department (estimated)

Category	Non-consolidated	NGK Spark Plug Group
Plastics	993 tons	1,201 tons
Paper	1,651 tons	1,872 tons
Cardboard	917 tons	1,336 tons

*1 The counting method was changed in fiscal 2006.

Environmental Management

**Fiscal 2008
Topics**

As part of the NGK Spark Plug Group, Tokai Taima Kogu Co., Ltd. participated in related activities and received ISO14001 certification.

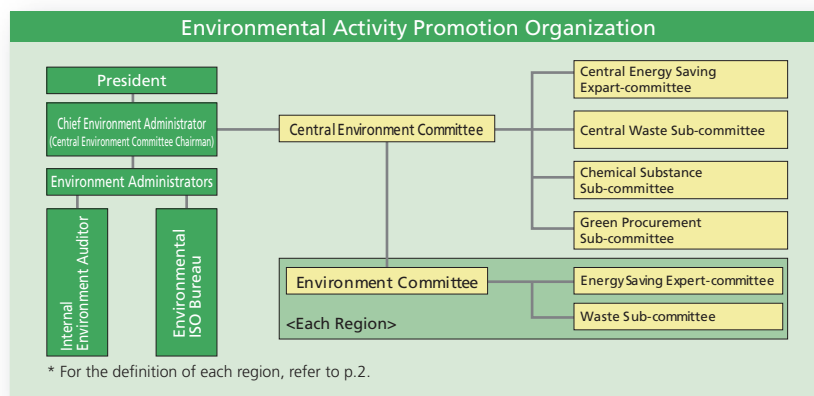
Management System

In order to advance environmental conservation activities in a systematic and effective manner, throughout the Group we have established an Environmental Management System and fulfill the activities thereof with full participation. With our shared environmental policy in every part of the NGK Spark Plug Group, each division and region sets goals, implements activities to meet them and evaluates progress and results.

Our ongoing improvement is also connected to review and verification of issues and promotion of activities. Each year we host a environmental committee meeting in each region four times, and a central environment committee meeting twice chaired by the Chief Environment Administrator, the highest level of management for the environment.



Central Environment Committee Meeting



Conditions for the Establishment of a System

NGK Spark Plug Group has integrated ISO14001 certification across the Group. In fiscal 2008 as Tokai Taima Kogu Co., Ltd. was included in the activities of the Group and it also achieved ISO14001 certification. As a result, domestically four factories and all 12 affiliated companies have received this certification. Additionally at the end of March 2009, 14 of our overseas consolidated companies have received certification and are promoting environmental activities. Only one manufacturing and sales organization remains has not yet been certified, meaning 97% of our workforce (including sales locations) has received ISO14001 certification.



ISO External Auditing

ISO14001 Certified Companies

	Companies
NGK Spark Plug Co., Ltd.	1
Affiliated companies	12
Overseas consolidated companies	14

web

ISO14001 certified locations

ISO14001

An international standard related to environmental management systems. Business locations that have established systems in accordance with the standard can receive certification from external organizations.

Environmental Education

In order to promote environmental conservation activities with full participation, the NGK Spark Plug Group is working to have sufficient environmental education. Based on environmental education in the workplace, we work to improve the knowledge and understanding of employees through efforts such as tiered education from new employee training to training for newly appointed management, making our environmental policies widely known by distribution of environment cards to all employees, and supplying environmental information via our company newsletter or internal electronic announcement system.



Environmental Education

We also implement an annual Health, Safety and Environment Conference and we conduct lectures about the environment, or health and safety, and panel exhibitions. In fiscal 2008 two vice-presidents gave lectures on the topics of environment, and health and safety, calling for better activity promotion in the future. The content of the lectures was included in the company newsletter and distributed to all employees.



Health, Safety, and Environment Conference (Lecture by Vice-President)

web

Numbers of official qualification holders and internal auditors

web

Measured data
related to
atmosphere, water
quality, noise, and
vibration



Compliance

Fiscal 2008
Topics

We had a single occurrence of going over legal regulated values and nine occurrences of complaints; in each case we responded as appropriate.

Environmental Risk Management

Risks including environmental accidents, pollution and the violation of legal regulations are all present when engaged in business activities. NGK Spark Plug Group has identified these kinds of risks and works to reduce risk and actively prevent these issues.

To strengthen our response to environmental risks in fiscal 2008, we added a system for environmental internal auditors to check risks and verified the condition of efforts in each department.

■ Soil Survey

The NGK Spark Plug Group has clarified our soil surveying method, auditing period, and evaluation standards to prevent soil or underground water pollution through our business activities.

In fiscal 2008 we implemented a soil survey at the time of purchase of land at the Miyanojo factory and verified that pollution was not present.

■ Chemical Leak Prevention

The NGK Spark Plug Group manufacturing processes include processes that use chemicals that are toxic. To prevent pollution of soil or water from chemical leaks, we prevent leaks by double layering storage tanks and moved pipes above ground to identify leaks early.

PCB
(Poly Chlorinated
Biphenyls)

Widely used as an insulating oil due to good insulation properties and chemical stability, however PCBs are highly toxic to people and are presently prohibited from production and use.

■ PCB Management

The Head Office Factory, Komaki Factory and Nittoku Seisakusho, store waste materials containing PCBs. We carry out stringent control of such materials, until the day that they can be properly disposed of.

■ Asbestos Response

To prevent harm from asbestos we have taken steps for appropriate disposal. Removal of asbestos from facilities has been completed. However, some asbestos still remains as an insulator in buildings and we are taking appropriate measures.

Asbestos

A mineral fabric that has been widely used as an insulator. It is dangerous as inhalation may result in lung cancer or mesothelioma tumors.

■ On-site Confirmation of Waste Material Treatment

To ensure that waste material consigned to be treated by a processing contractor specified by the Group was being appropriately treated, we carry out annual on-site checks at the interim treatment plant and also at the final disposal site. In 2008, we visited 38 companies and were satisfied that disposal was taking place without problems.



On-site Inspection

■ Drills for Emergency Situations

In order to prepare for emergency situations such as unforeseen accidents, we implement regular drills to prevent the spread of pollution beyond our company. We have projected accidents for each department and are prepared for any scenario.



A Drill for an Emergency Situation

Legal Violations and Complaints

In order to ensure compliance with environmental regulation, the NGK Spark Plug Group is working to prevent violations of legal regulations and complaints through efforts as part of our management system. We have also endeavored to prevent environmental pollution by setting more rigorous standards than

those required by law, joining in cooperation with local governments and other such initiatives.

In fiscal 2008 there was a single case of violating legal regulations with regards to noise and nine cases of complaints. In each case, we appropriately responded and attempted to prevent a reoccurrence.

■ NGK Spark Plug Co., Ltd.

(cases)

	2006	2007	2008
Violations	0	0	0
Complaints	0	2	8

Response to Complaints and Violations in Fiscal 2008

The Komaki Factory received six requests to improve noise levels and two requests related to electronic interference. Seven of these complaints were related to our new factory that was built in fiscal 2007. The noise was generated by speakers and the opening and closing of shutters, and we implemented improvements or stopped the sources. The case of electronic interference was also handled appropriately, and a mutual understanding was reached.

■ Affiliates

(cases)

	2006	2007	2008
Violations	3	2	1
Complaints	1	0	1

Response to Complaints and Violations in Fiscal 2008

1. Nichiwa Kiki violated legal noise regulations. This case was resolved by a return to regulated values by removing the source device that was being used in facility renovation.
2. Ceramic Sensor received a request to improve with regards to noise. We were able to come to an understanding by implementing measures including stopping of use of forklifts outside during the night.

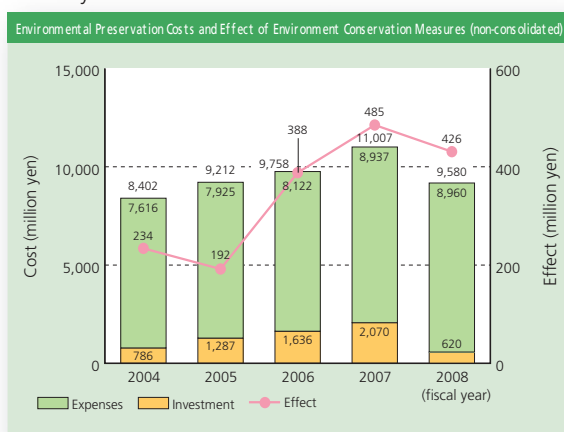
Environmental Management

Fiscal 2008 Topics

Our environmental preservation costs in fiscal 2008 were 9,580 million yen non-consolidated, and the effect of environment conservation measures was 426 million yen.

Environmental Accounting

In order to more efficiently promote environmental management, it is important to obtain a quantitative grasp of the cost and effectiveness of environmental protection. Since 1999, the NGK Spark Plug has been carrying out environmental accounting, and in 2003 its scope was increased to cover the entire Group. The environmental preservation costs for fiscal 2008 were 9,580 million yen on a non-consolidated basis, and 10,068 million yen for the Group. This was a decrease of approximately 13% compared to fiscal 2007. Also, the effect of environment conservation measures was 426 million yen on a non-consolidated basis.

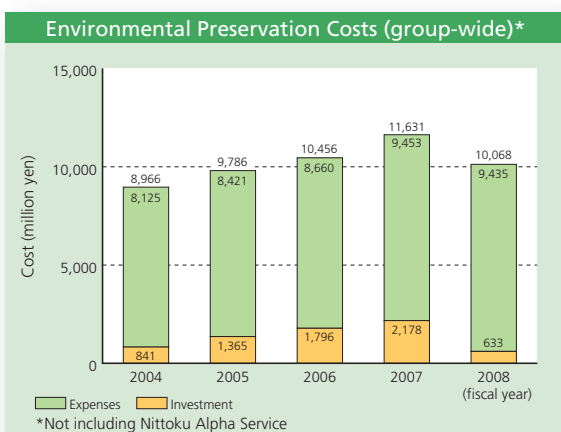


Environmental Preservation Costs

Indicates the expenses and facility investment required including research and development of environmentally friendly products, management activities such as education, and conservation activities including waste treatment, energy saving, and pollution prevention.

Effect of Environment Conservation Measures

Indicates the reduced costs of treatment expenses due to reduced waste, reduced expenses due to energy and water saving, and profit on sales of waste.



web

Environmental conservation costs
Environmental conservation effective value
Environmental conservation effective volume

Eco-efficiency (Environmental Effectiveness)

The NGK Spark Plug Group evaluates the quantity of CO₂ emissions, the quantity of waste generated, and so on, as the environmental effectiveness, and is promoting environmental management. In fiscal 2008 the carbon dioxide index worsened compared with the previous year. Although production volume fell, there was little effect on carbon dioxide emissions volume due to increased fixed energy required by the establishment of the new factory in mid-fiscal 2007. Added production value decreased as a result of worse environmental efficiency. Waste indicators improved due to decreased emissions as a result of reduction measures.

Eco-efficiency

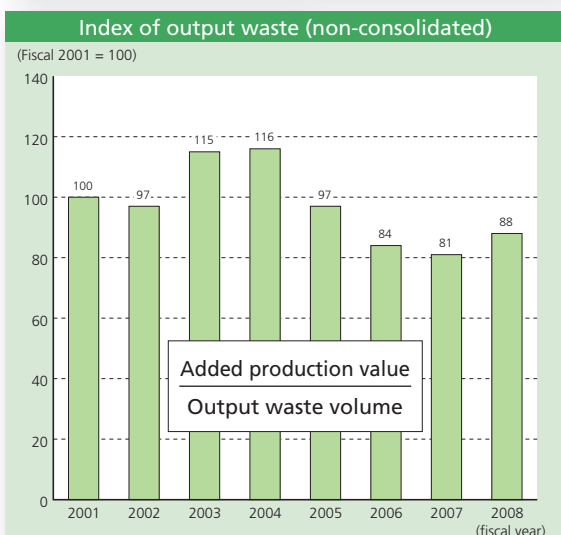
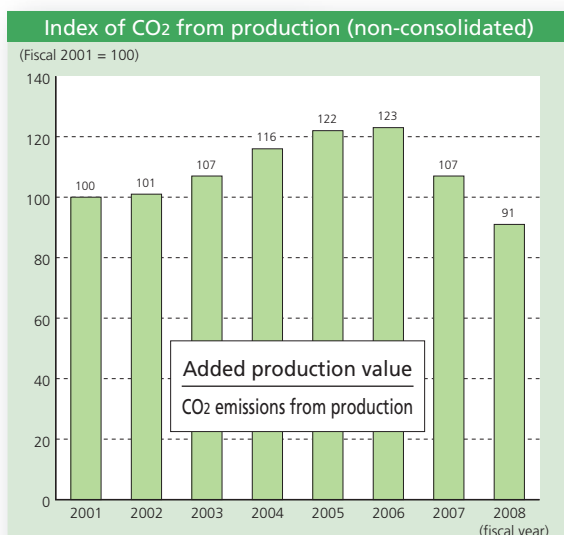
This is an indicator of the ratio of the created economy value to the environmental load accompanying business activities. The higher the value the better is the efficiency.

$$\text{Eco-efficiency} = \frac{\text{Added production value}}{\text{Environmental load}}$$

* The added production value is the amount left over after subtracting the cost of materials and subcontracting (including the cost of parts purchased from affiliates) from net sales.

Fixed Energy

Energy that is used regardless of production volume such as lighting or air conditioning.



Development of Eco-products

Fiscal 2008
Topics

We achieved a power generation efficiency of the world's highest standard in our in-development 1kW class solid oxide shaped fuel cell stack.

We are aiming to reduce the environmental burden through the entire product lifecycle in accordance with our environmental product policy: "We will work towards the development, design, procurement, manufacture, sale, distribution and disposal of environmentally friendly products."

Our seven divisions send a wide range of products around the world. Many of these products are simply components that the average consumer will never see, but we continue development to create products that contribute to society and the environment into the future.

Spark Plugs

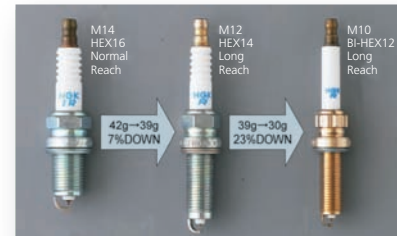
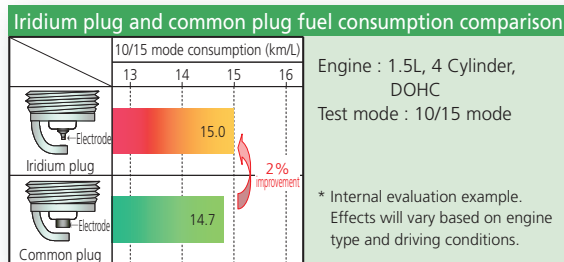
Spark plugs are mounted in automotive engines as functional components that ignite the fuel.

Our iridium plug uses iridium alloy in the electrode, enabling a narrow-radius electrode because of its high strength and melting point, reducing use of noble metals, lengthening product lifetime and improving ignition to improve fuel consumption and reducing the toxic substances in the exhaust gases.

Narrowing the spark plug contributing to improved characteristics including reduced fuel consumption and low emission engine, as well as reducing required resources and energy used in product processing (in particular, the ceramic baking process). Therefore we reviewed the durability of component parts and were able to lengthen the usable lifetime of our spark plugs.

10/15 Mode

One method for the measurement of fuel consumption of an automobile. Measurements are performed with 10 patterns designed based on urban driving, and 15 patterns based on suburban driving.



Spark plug size and weight comparison

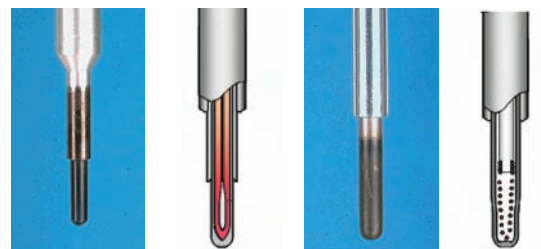
Glow Plugs

Glow plugs are used as preheating devices supporting combustion in diesel engines. Diesel vehicles have good fuel efficiency and low carbon dioxide emissions and are thus being considered as a means of preventing global warming.

We produce high performance ceramic type glow plugs taking advantage of the heat resistant characteristics of ceramics. By using ceramics in the heater part, we can rapidly heat to a high temperature reducing startup time and reducing the toxic substances in the gas released immediately after startup.

There is also great demand for metal type glow plugs with their low electricity consumption and lower material cost. We have developed metal type glow

plugs that feature the same rapid heating as ceramic type glow plugs that are being incorporated by many automobile manufacturers.



Ceramic type glow plug

Metal type glow plug

Small Heaterless Sensors for Motorbikes

Automotive oxygen sensors give off electric signals based on the oxygen concentration in the exhaust. The signals from the sensor are used to appropriately adjust the engine's air-fuel ratio. The sensor thus fulfills the role of reducing toxic substances in the exhaust gases.

Recently there are heightened demands for air fuel ratio control using oxygen sensors similar to that of four-wheeled vehicles with stronger regulations for exhaust gas even with motorbikes. We developed a small heaterless sensor appropriate for use in two-wheeled vehicles using our experience with oxygen sensors for four-wheeled vehicles. We contributed a new level of environmental conservation

connected to improvement of fuel consumption, reducing electrical consumption throughout the vehicle to not require power due to making the sensor heaterless, in addition to being small and light.



Air-fuel Ratio

The ratio of fuel to air required for combustion. If the mix is too fuel rich or too thin the toxicity of the exhaust increases.

Microprocessor Packages

Growth in rapidly selling netbooks, small and light laptops, are driving the current mobile computing field. Netbooks not only provide a network environment to many people as a small, light, cheap and low energy consumption machine, but are also expected to be an environmentally friendly product.

NGK Spark Plugs Co., Ltd. organic packages are incorporating the microprocessors that are at the heart

of these computers. Compared with conventional products these are extremely miniaturized, down to one third or one fourth of the area, and with this the number of solder balls used in connection with the print board also decreased. This miniaturization has reduced materials some 50 to 80 percent.

Dielectric Resonators

Dielectric resonators select radio waves at the wireless communications base station and are used as a filter for reception. With that intended purpose, there is a variety of required shapes and sizes.

Many dielectric resonators contain rare elements. Manufacturing processes produce waste such as press burrs and grinding shavings. From a viewpoint of waste

reduction and effective use of material recycling, we have had success in active promotion of process improvement and process design with press shaving collection, reuse and removal of abrasion in all products.



Cermet Tool C7Z

The new cermet tool C7Z is a tool used in the processing of steel or alloys.

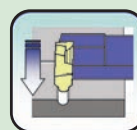
By innovating in the material components and firing method we created a cermet with twice the use life of conventional tools.

Of course one can reduce the use volume of the tools, but increasing the capacity rate of processing machines by decreasing replacement frequency we can reduce total energy consumption. These products have received three stars, certified under the eco product certification system regulated by the Japan Cemented Carbide Tool Manufacturers' Association.



Eco Product
Certification
Environment
Label

Automotive Part Boring Process



Material
S53C
Cutting Conditions
V-200m/min
f-0.07mm/rev
WET

C7Z	510pic./corner
Conventional Coating Cermet	300pic./corner

Ceramic Ozone Panels and Ion Panels

Ceramic ozone panels and ion panels are parts used in deodorization equipment and air purifiers, based on the principle of creeping discharge through high frequency voltage and alumina ceramics.

This product contained lead based solder in the wiring connection points but we have switched to an environmentally friendly lead-free solder over the

course of two years. This product is environmentally friendly in its properties and its components.



Fuel Cells

NGK Spark Plug Co., Ltd. is developing Solid Oxide Fuel Cells (SOFC).

In power generation tests of our 1kW class SOFC stack in our development to date we have achieved world top-level DC terminal power efficiency of 60%.

We also developed the world's smallest class 1kW class SOFC generator system, simultaneously advancing development of generator system units incorporating the stack, and have verified 57% DC terminal generation efficiency in tests using municipal gas.

In the future we are implementing mass production research and verifying reliability, developing

cogeneration generating test units containing a desulfurizer, and exhaust gas heat exchanger for creating hot water.



1kW Class Power Generation Stack



1kW Class SOFC Generation System

Fuel Cell

A power generation device that creates electricity from the chemical reaction between hydrogen and oxygen. This is more efficient than methods creating electricity by burning fuel and is being looked to as a global warming prevention measure. SOFC is a technology with particularly high efficiency even in this field.

Cogeneration

By creating hot water using the exhaust heat given off while generating electricity, this system uses both electricity and heat from fuel. This comprehensive approach increases energy efficiency and is useful for energy saving.

Control of Hazardous Substances

Basic Philosophy

ELV Directive

End-of-life Vehicles Directive. Implemented in 2002 in the EU to regulate specified substances and recycling rate for used vehicles.

RoHS Directive

Restriction of Hazardous Substances Directive covering electric and electronic devices. Implemented in the EU in 2006.

REACH Regulations

Registration, Evaluation, Authorization and restriction of Chemicals. Implemented in 2007 in the EU comprehensively regulating hazardous substances for substances included in products and substances manufactured or imported.

IMDS

This system gathers information on included substances and materials for parts for nearly 30,000 components comprising a vehicle.

JGPSSI

Japan Green Procurement Survey Standardization Initiative. This association takes measures to share surveys of chemical substances included as parts and materials and brings together electric and electronic equipment manufacturers on a voluntary basis.

AIS

This sheet is for supplied by JAMP (Joint Article Management Promotion consortium) to transmit information related to chemical substances included in products.

EcoAction 21

One Environmental Management System. This system is designed for small- to mid-sized businesses and features lower costs than ISO14001 accreditation, and allowing inspections and consultation.

Regulations on hazardous substances are becoming stronger worldwide, and NGK Spark Plug group is working to support them including the ELV directive and the RoHS directive. Also, in 2008, the REACH regulations were implemented in Europe, and as a result it is necessary to implement even stricter controls.

In order to appropriately support the requirements of these regulations, and to prevent environmental pollution from our products we have constructed and are implementing a control setup consisting of three stages: (1) meeting the customer's demands, (2) handling control within the Group, and (3) procurement from suppliers.

1

Customers

Customers are placing more stringent requirements as the regulations on hazardous substances included in our products are made stronger.

We work to appropriately support the demands of our customers including the submission of a

non-inclusion certificate for prohibited substances as indicated by our customers, submission of product chemical substance data including IMDS and JGPSSI data sheets and AIS, and support for inspection or oversight of control systems.

3

Suppliers

The cooperation of our clients is essential for use to appropriately control the hazardous substances contained in our products and prevent inclusion of regulated substances. The NGK Spark Plug Group has gained this cooperation including procurement

of items with Green Procurement Guidelines, submission of chemical substance inclusion data of purchased materials, and a non-inclusion certificate for substances we prohibit.

Green Supplier System

We have established a green supplies system, certifying clients that have actively taken environmental measures as green suppliers. We have certified 209 clients that have met our conditions in two categories: systems standards and material standards.



Green Procurement Guidelines
(For Suppliers) 4th Edition



Certificate

Supporting our suppliers

In order to promote environmental conservation activities with our clients we support the establishment of environmental management systems. In fiscal 2008 all 5 companies that we



* Six specified substances : Lead, mercury, hexavalent chrome, cadmium, polybrominated biphenyl, and polybrominated diphenyl ether

supported in receiving ISO14001 received certification and 9 companies received EcoAction 21 accreditation.

2

NGK Spark Plug Group

We set “hazard ranks” at NGK Spark Plug Group in order to control environmentally hazardous substances used in our processes or contained in our products. We control the quantities of substances in this hazard rank, and also manage the situation concerning the substitution and reduction of prohibited or restricted substances.

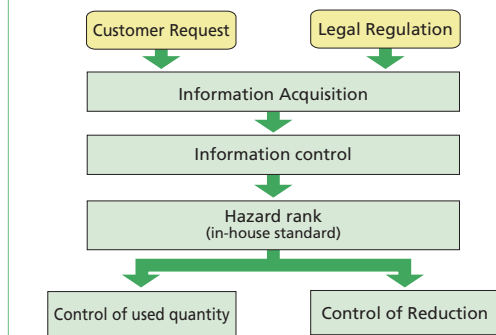
We regularly review hazard ranks based on regulatory and customer requirement trends, and prevent the inclusion of environmentally hazardous substances in our products.

Hazard Rank

Hazardous substances are divided into prohibited, restricted, and controlled substances, depending upon the degree of danger or toxicity. Also, a handling standard is established for each rank.

Hazard rank	Handling standard	Substances covered
Prohibited substances	Use is prohibited.	Substances prohibited from use or strongly restricted by regulations.
Restricted substances	A substitution program shall be proposed and the substances switched.	Hazard level and toxicity are equivalent to prohibited substances, but an immediate changeover is impossible due to its special characteristics.
Controlled substances	Emission into the environment and transportation upon use are controlled.	Mainly substances subject to PRTR Law

Control System



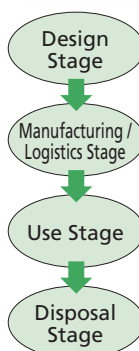
Information control

Information concerning acquired legal regulations and customer requests have been arranged into a list in such a way that it can be perused using an intranet within our shared internal web site.

List of Legal Regulations

Product Assessment

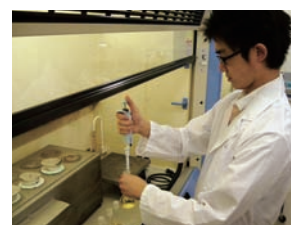
We have implemented product assessment during the development of new products and any changes in specification. Verifying the conditions of inclusion of hazard rank substances, we examine the environmental load caused during each stage from design and manufacturing/logistics, to use and disposal, to proactively prevent environmental pollution in our products. Moving forward our goal is improving the product evaluation method, and we are researching the incorporation of asset management and introduction of easy LCA.



- Are environmentally hazardous substances used in the product?
- Does it use fewer resources than conventional versions?
- Are environmentally hazardous substances used during manufacturing?
- Do manufacturing processes use less energy and produce less waste than conventional versions?
- Does it generate less environmental pollution than the conventional version?
- Does it consume less energy than the conventional version?
- Will it be disposed of while containing environmentally hazardous substances?

Internal Analysis of Environmentally Hazardous Substances

In order to verify the state of inclusion of environmentally hazardous substances in the product, we perform partial analysis of the presence of these substances in our products at our internal analysis center. By establishing analysis methods for hazardous substances and submitting trustworthy data to clients, we prevent the shipping of noncompliant products.



Analysis

Prevention of Global Warming

Fiscal 2008 Topics

We achieved our reduction goal by implementing measures to reduce carbon dioxide by 17,494 tons. As a result carbon dioxide emissions of the Group were 194,580 tons (or 7% less than the previous year).

Basic Philosophy

Global Warming

The phenomenon of rising average global temperatures caused by increasing volumes of certain gases (greenhouse gasses) trapping heat in the atmosphere and heating the surface of the earth.



Tsuneo Ito, Managing Director,
Chairman of the Central Energy
Conservation Sub-committee

We are promoting measures with the understanding that the prevention of global warming is an issue that must be resolved for our continuance into the 21st Century.

In order to reduce our volume of greenhouse gasses our goal for 2010 is to have NGK Spark Plug Group total emissions volume at 150,000 tons or less. Compared with when the goals were first set, our production has grown and we have established new factories so our emissions volume has increased, but seeking to achieve our goals we began carbon dioxide reduction projects in fiscal 2008 to reduce non-essential energy use. In addition to improving productivity, we endeavor to make efficient use of energy and engage in energy saving activities.



Energy Saving Patrol

Reduction Goal

Refer to the philosophy on P.16.

Results with Respect to Fiscal 2008 Targets

In fiscal 2008 we endeavored to reduce carbon dioxide throughout the NGK Spark Plug Group by 16,568 tons. As a result of these efforts we implemented reduction measures resulting in a reduction of 17,494 tons to achieve our goal.

In fiscal 2009 we adjusted our total emission volume goal taking measures to further reduce carbon dioxide by managing our reduction goal with our total emissions goal.

	Fiscal 2008 target	Fiscal 2008 results
NGK Spark Plug Co., Ltd.	14,447 tons	14,830 tons
Affiliates	2,121 tons	2,664 tons
Total	16,568 tons	17,494 tons

Main countermeasure examples

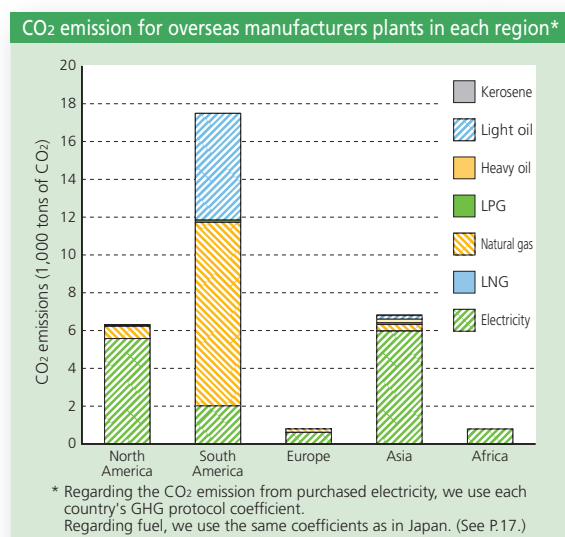
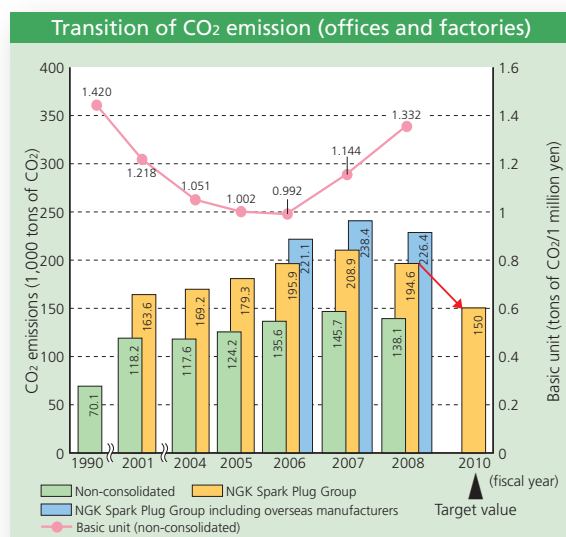
- Energy savings from use of waste heat in furnaces (see case example on P.26)
- Energy savings from reviewing air supply method (see case example on P.26)
- Energy savings from changing furnace energy

Total CO₂ emissions and Eco Vision 2010

The NGK Spark Plug Group has set goals for the reduction of total CO₂ emissions in Eco Vision 2010, and carries out activities aimed at achieving our goals. In fiscal 2008, we reduced our total emissions volume compared with the previous year, however effectiveness on a per-unit basis worsened. Our fixed energy use is high, including air conditioning for clean rooms so our reduced output resulted in per-unit energy use not reducing as well. Moving forwards we

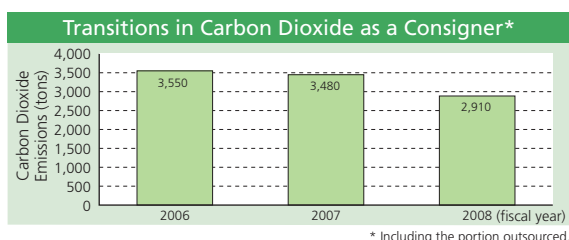
would like to work at improving per-unit levels centered on a reduction of fixed energy and other energy waste to reduce total emissions.

Furthermore, in fiscal 2008 our total CO₂ emissions including domestic and overseas business places was 226 thousands tons, which is an 5% decrease from the previous year. As a global enterprise, we aim to promote global warming prevention measures overseas as well.



Logistics

The volume of cargo (including products and waste) that we shipped in fiscal 2008 totaled 42,686 thousands ton-kilometers making us a specified consigner as determined in the Act on the Rational Use of Energy. To curb the amount of greenhouse gasses expelled as part of our shipping operations in fiscal 2008 we took action looking to the waste of transportation. In fiscal 2008 we emitted 2,910 tons of carbon dioxide as a consigner, a 17% reduction from the previous year.



web Greenhouse Gasses other than Carbon Dioxide from Energy Sources

In fiscal 2008 the total volume of greenhouse gasses other than carbon dioxide from energy sources converted to carbon dioxide was 3,201 tons, a 22% reduction from the previous year. These emission volumes are not covered by the Law Concerning the Promotion of the Measures to Cope with Global Warming but we are working to prevent global warming through ongoing calculation of greenhouse gasses.

Clean Energy

NGK Spark Plug Group promotes the use of solar panels as clean energy.

The head office and factory has three sets of solar panels installed as well as a thermal heat water heater. A large-scale solar panel that can produce up to 107 kW is also installed on the roof of the Komaki factory. In fiscal 2008 this contributed to a 57 ton reduction of carbon dioxide as a total 173 thousands kWh of power.



Solar Panels

Act on the Rational Use of Energy

In cases where burdens from shipping volume exceed 30,000,000 ton-kilometers reduction efforts are required for specified consigner.

Clean Energy

Energy use associated with low carbon dioxide emissions. This includes solar, wind, hydro, and biomass energy.

web

Results of computing greenhouse gasses according to the system for computing, reporting on, and publicizing the quantity of greenhouse gasses

Greenhouse Gas

Gasses that cause global warming. They Kyoto protocol covers carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

Green Curtain

At the Miyanojo factory, efforts have been made towards a curtain of green since 2008. By reducing the warming of temperature inside, cultivating vegetables on the southern wall of the office building, reducing the electricity used by air conditioning during the summer months.



Green Curtain

Case Example

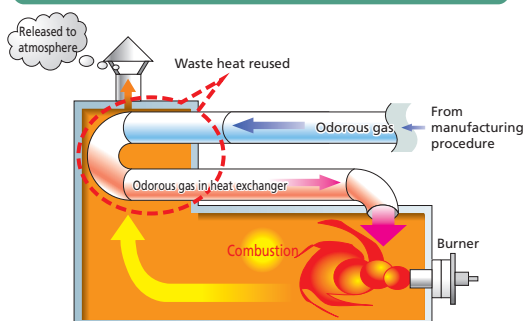
Energy Savings from Use of Waste Heat in Furnaces

When utilizing processes that emit gasses with strong smells, such gases are combusted in a deodorizing furnace in order to prevent those odors from spreading into surrounding areas and are only emitted after the odor has been eliminated.

We have improved the design and taken measures in manufacturing processes for automotive sensors to use the excess heat in order to reduce energy usage associated with the deodorizing furnace. Use of the excess heat in the deodorizing furnace with the odorous gas enabled reduction of the used amount of fuel.

This allowed us to reduce annual carbon dioxide by 186 tons.

Diagram

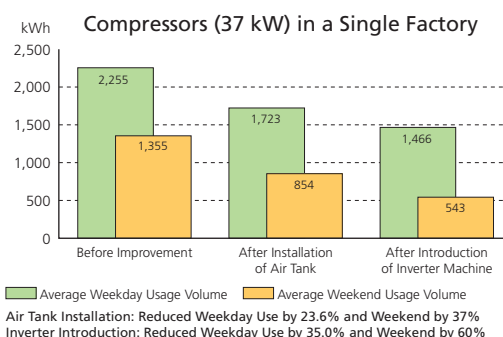


Case Example

Energy Savings from Reviewing Air Supply Method

At Iijima Ceramics we reduced the required energy supply for factory air-conditioning. By installing air tanks we reduced pressure changes and, with the introduction of inverter compressors, by reviewing the entire control method we reduced the used electricity. This resulted in an annual reduction of 109 tons of carbon dioxide.

Improvement Effects



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

Under the system for computing, reporting on, and publicizing the quantity of greenhouse gasses, business places emitting more than 3,000 tons are made responsible for the reporting of emissions. In the report for fiscal 2009 we report on a per-business unit.

Green Curtain

A natural curtain cultivated by vine-like vegetation in front of windows. The absorption of the direct sunlight and transpiration by the vegetation has a cooling effect to reduce indoor heating.

Waste Material

Reduction Goal

Refer to the philosophy on P16.

Basic Philosophy

The NGK Spark Plug Group takes measures to eliminate waste emissions volumes first in order to make maximum effective use of resources, and works to recycle what waste is emitted.

Waste Handling Priority Ranking

① Reduce ② Reuse ③ Recycle ④ Buried and incinerated

Fiscal 2008 Topics

We achieved our reduction goal by implementing waste reduction measures accounting for 7,585 tons of waste. The total emissions were 21,771 tons, down 25% from the previous year.

Results with Respect to Fiscal 2008 Targets

During fiscal 2008, the Group worked to reduce waste by 7,383 tons. As a result of these efforts, measures were implemented resulting in a reduction of 7,585 tons, achieving our target.

	Fiscal 2008 targets	Fiscal 2008 results
NGK Spark Plug Co., Ltd.	7,330 tons	7,519 tons
Affiliates	53 tons	66 tons
Total	7,383 tons	7,585 tons

Main countermeasure examples

- Waste reduction due to plug primary metal part design changes (see case example)
- Waste reduction due to introduction of sludge treatment equipment
- Reduction of waste due to lower defect rates

web

Waste Emission
Volume Per Region



Waste Emissions Volume and Recovery rate

Emissions volumes in fiscal 2008 were reduced 25% compared to the previous year as a result of implementation of reduction measures and lower production. Additionally, the NGK Spark Plug Group is taking measures

towards zero emissions, completely removing waste that will go to landfill or be incinerated. With 98% or better effective use as our goal, we continue promoting zero emissions from 2005 forwards.

Definition of effective use

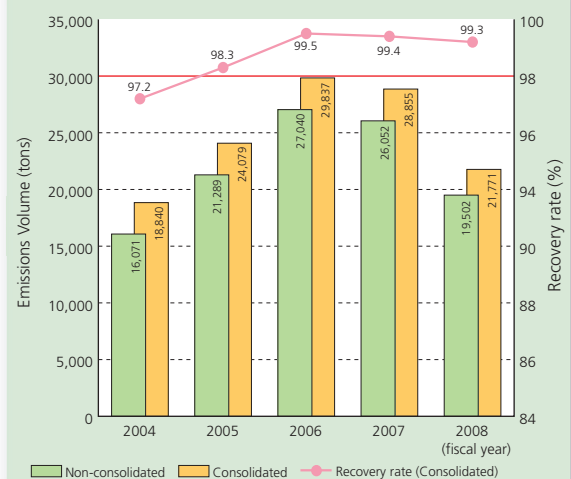
Effective use is the ability to reuse and recycle the valuable parts of the waste generated from our factories (including the thermal recycling). This includes waste materials sold as valuable resources.

Definition of zero emissions

We define zero emissions as the state in which the recovery rate of waste, including both industrial waste and general waste from our operations, is at least 98%.

$$\text{Recovery rate} = \frac{\text{reuse} + \text{recycle}}{\text{emission volume}} \geq 98\%$$

Transitions in Waste Emission Volume

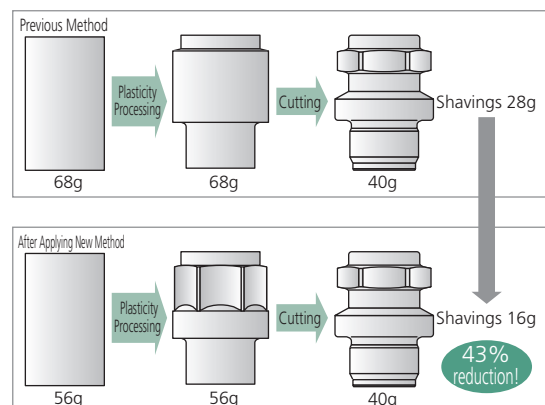


Case Example

Waste Reduction due to Plug Primary Metal Part Design Changes

The primary metal part of spark plugs uses carbon steel as material, and after plasticity processing, detailed cutting processes are used to shape the metal. To reduce shavings, it is effective to finish the plasticity processing very near to the final desired shape.

For certain types of spark plugs with low production, we cut in a hexagonal shape. However a 43% reduction in waste was obtained by changing the design to shape this portion during plasticity processing.



Water Resources

Fiscal 2008 Topics

We achieved our reduction goal, implementing water use reduction measures for a reduction of 121,180 m³. The used volume was 2,129 thousands m³, a 5% reduction from the year before.

Basic Philosophy

At the NGK Spark Plug Group, we believe water is an important resource and we are taking measures to reduce the amount of tap and well water used in our business activities.

Results with Respect to the Fiscal 2008 Targets

In fiscal 2008, we set a water reduction target of 95,831 m³ for NGK Spark Plug Group and implemented measures to reach it. As a result of these activities we reduced group-wide water use by 121,180m³, achieving our goals.

Reduction Goal

Refer to the philosophy on P16.

Transitions in the Quantity of Tap Water and Well Water Used



	Fiscal 2008 Targets	Fiscal 2008 Results
NGK Spark Plug Co., Ltd.	87,738m ³	110,606m ³
Affiliates	8,093m ³	10,574m ³
Total	95,831m ³	121,180m ³

Main countermeasure examples

- Reduced water consumption by using waste water for toilets (see case example)
- Reduced water consumption by reviewing iron removing device backwash method
- Reduced water consumption by changing the humidifying method of air conditioners

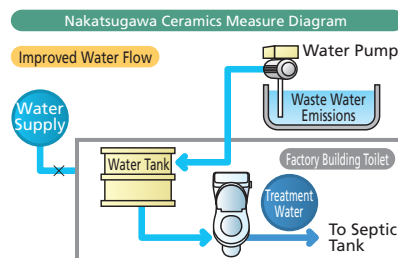
Case Example

Reduced Water Consumption by Using Waste Water for Toilets

Water used in manufacturing is released after being treated in an internal facility.

At the Ise Factory and Nakatsugawa Ceramics, we have worked to reduce the amount of water used by using some of the treated water in some toilets.

This technique enabled the Ise Factory to save 554 m³, and 180 m³ at Nakatsugawa Ceramics.



Column ● Tokai Taima Kogu ISO14001 Accreditation



Tokai Taima Kogu Co., Ltd. was established in 1964 and performs the manufacture and sale of molds for a wide variety of fields including spark plug metal part processing molds, ceramic board processing molds, and molds for medical powder molding.

In 2007 they received ISO9001 accreditation and in 2008 they established an environmental management system, gaining ISO14001 accreditation.

Primary Activities after Beginning System Operation

- ① Review of Waste Treatment Methods
In order to effectively use resources, review of outsourced disposal methods and waste separation method, and reduce the amount of waste sent to landfill
- ② Removing Environmentally Hazardous Substances
Taking measures to eliminate environmentally hazardous substances used in our production processes, completely replaced inclusion of trichloroethylene and lead
- ③ Energy Saving Activities
In order to reduce electricity used, cooling building roofs with a sprinkler in the summer to reduce the load on air conditioning



Energy Saving Measures

Achieving Certification

In environmental management system activities, we came to understand the various burdens our company imposes on the environment.

Looking to the future we will not only seek to improve the quality of our products, but also endeavor to manufacture in an environmentally friendly manner.



Kentaro Nagata
ISO Business Bureau Chief

Hazardous Substances

Fiscal 2008
Topics

We completed replacement of HCFC-225. The total emissions volume of PRTR substances was 152 tons, a reduction of 29% from the previous year.

web

Per-region PRTR data

PRTR
(Pollutant Release
and Transfer Register)

Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management. System of tracking volume of emissions to the environment of designated chemical substances and the reporting thereof.

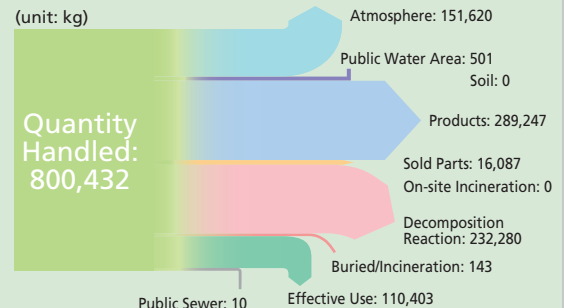
VOC
(Volatile Organic Compound)

The source of photochemical oxidants and suspended particulate that pollute the atmosphere.

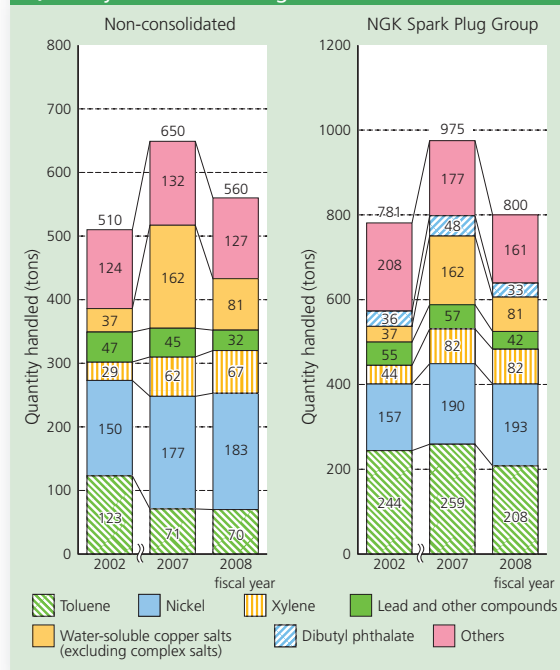
Control of PRTR Substances

We are striving to reduce the release of PRTR law-regulated substances to the atmosphere or water by 80% of the figure for fiscal 2002, by fiscal 2010. We are also setting annual goals and undertaking activities to reduce volatile organic compounds (VOC). We succeeded in fiscal 2008 to complete our goal that covered several years of replacing dichloropentafluoropropane (HCFC-225). Group emissions volumes decreased from the previous year, but the relative portion of xylene has shown an increasing trend. We will continue to research reduction measures for toluene, which covers a large portion of the total emissions.

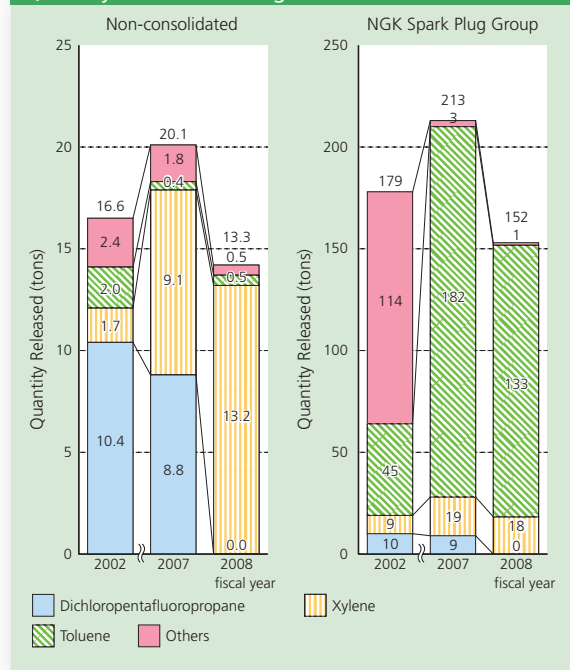
INPUT-OUTPUT of PRTR law-regulated substances



Quantity of PRTR Law-Regulated Substances Handled



Quantity of PRTR Law-Regulated Substances Released



* Substances concerning which notification must be made by each office or factory are indicated above.

Green Purchasing

web

Number of vehicles
owned

Use of Eco-friendly Office Supplies/Vehicles

Green Procurement
Guidelines (In-house Use)

In order to increase the awareness of environmental protection at each workplace and promote activities that take into account energy saving, recycling, and so on such as purchase of office equipment or vehicles, the Group actively selects products that are kind to the environment when purchasing or using products. Version 2 of our "Green Procurement Guidelines (In-house Use),"

published in March 2004, specifies that eco products should meet all or some of the following requirements, promoting the purchase of eco products:

- ① Have less environmental impact during use.
- ② Have a significant effect on environmental improvement during use.
- ③ Have less environmental impact during the disposal stage after use.
- ④ Comply with relevant laws, standards, regulations, etc. in terms of quality and safety.
- ⑤ Be preferably priced the same or lower than similar products (in consideration of longevity).

Communication

Fiscal 2008
Topics

At the Ise Factory, we participated in the local water quality survey.



Issuing an Environmental Report

In order for people to better understand the environmental conservation activities of the NGK Spark Plug Group, each year we publish site reports with our environmental activities in each region and our Environmental and Social Report containing information about Group environmental and social activities. These brochures divide information between that available on the website and that contained in the physical publication in consideration of ease of viewing and understanding. We will continue to work to disclose information that is both correct and easily understood.

Environmental Meeting

We have implemented environmental meetings as a place for exchange of views with the people of the region. This is both an opportunity to improve, as well as gain understanding of NGK Spark Plug Group environmental conservation activities.

Meetings

Fiscal 2008	9 Meetings, 31 Attendees
-------------	--------------------------

web

Environmental and
Social Report
Site Report

Site Report

Published for each of
4 NGK Spark Plug
factories and each
affiliated company
(excluding Nittoku
Alpha Service and
Nittoku Unyu).

Accepting Visitors at Environmental Factories

Through hosting factory tours at NGK Spark Plug Group, we work to deepen exchange with the local community while allowing the people of the region connected with the Group to understand our environmental activities.

We have also participated as a member of the overseas exchange section committee of the Environmental Partnership Organizing Club (EPOC). In September 2008, we accepted overseas trainees from the Association for Overseas Technical Scholarship to tour our factories and introduced our production process and environmental measures.

In fiscal 2008 we hosted nine tours with a total of 310 participants.

Tours

Local Citizens/Schools/Municipal Governments	8 Tours, 287 Participants
Enterprise/Organization	1 Tour, 23 Participants



Factory Tour (Komaki Factory) Factory Tour (Miyanojo Factory)

Cooperation with Local Environmental Activities

The Miya River, chosen several times as the most beautiful river in Japan, flows through Ise City, home to our Ise Factory. The Ise Factory participated in the Coordinated Miya Watershed River Check hosted by the Miyariver Watershed Renaissance Assembly as part of efforts to protect the beauty of Miya River. Along with local residents and other participants, each month water quality surveys are performed on the Miya River tributaries to cooperate in the conservation of the Miya River Watershed. We also participate as volunteers once every three months in cleaning of the riverbanks.

Product Advertisement

Spark plugs, one of our major products, ignite the fuel mixture when the engine of an automobile is at work, and after a long period use they become depleted, lowering fuel efficiency. In order to communicate the importance of changing spark plugs we promote doing so to improve the environment and fuel consumption with our catch phrase, "Change to an Eco Plug."



Change to an Eco Plug!



Local Cleaning Activities

The NGK Spark Plug Group regularly implements cleaning activities in areas around our places of business, working to conserve the local environment. We continue to participate in locally hosted cleaning and beautification efforts. In fiscal 2008 we participated in cleaning activities hosted by cities and local organizations in 6 regions.

	Times/Events	Participants
Cleaning Activities around Our Business Sites	45 times	Total 944 Participants
Cleaning Activities Hosted by the Region	5 events*	103 Participants

* One event was participated in by two regions.



Cleaning Activities around Our
Business Location (Ise Factory)



Locally Hosted Cleaning Activity

web

Cleaning activities in
each region
Participation status



6. Social contribution

As a good corporate citizen, we shall actively engage in philanthropic activities and other activities of benefit to society.

- We are always keen to join social contribution initiatives such as fund raising by the general business community for the urgent support of victims of large-scale natural disasters.
- In areas where our production sites are located, we are committed to various types of social contribution activities whose aim is to enhance communication with the local communities and establish a more comfortable society.
- We will maintain an environment for encouraging employees to get voluntarily involved in social contribution.

Traffic Safety

As a corporation that is involved with the automobile industry, traffic safety is fundamental. In addition to raising the awareness of safe operation among our employees, we also urge persons travelling in the vicinity of our office or factory to observe traffic safety. We also participate in road safety campaigns with local police departments.



Street Observation



Traffic Safety Campaign

■Traffic Safety Education

We implement traffic safety education to prevent accidents during commuting.

At the Komaki Factory in fiscal 2008, we implemented special education to raise awareness and caution for employees commuting by motorbikes which have a higher likelihood of being involved in major accidents.



Traffic Safety Education

■Komaki Factory Area Upkeep

The large number of employees commuting to the Komaki Factory caused traffic jams and resulted in a local traffic safety issue. In 2007, we relieved the traffic by creating a right-hand turn lane in the T-junction by contributing land to add to the prefectural and municipal roads beside the factory property. To keep our employees safe as they come and go between two facilities separated by a busy prefectural road, we installed a pedestrian bridge, contributing to the convenience of Komaki citizens as well.



Right-turn Lane



Pedestrian Bridge

■Miyanojo Factory Area Upkeep

Nittoku Bridge spans the river between the East gate of the Miyanojo Factory and the national route. By opening Nittoku Bridge in 2003, we contributed to convenience of our employees and local citizens alike and enabled a great improvement in traffic safety.



Nittoku Bridge

Contribution to Local Communities

Large-scale Natural Disaster Local Support Cooperation

In the event of a large scale disaster, a unified response is required of local citizens, businesses and government. As part of disaster assurance city planning activities, Nagoya City is advancing its plans in cooperation with local businesses to build a disaster resistant city. Along with our neighborhood school zone in Mizuho Ward, Nagoya City, where our head office is located, we wrote up a memorandum of the resources and equipment that we can supply in case of a large-scale disaster.



Writing up the Memorandum

Participation in Regional Events

Mizuho Ward Citizen's Festival

In August 2008 Mizuho Ward, Nagoya City, home to our head office, hosted the 19th Mizuho Ward Citizens Festival, in which we participated as a local supporting business. The event included various environmental events, implementing an Uchimizu Plan.



Uchimizu Plan

Uchimizu

Spreading water on gardens and road, or the water used to do so. A Japanese custom to cool the temperature in the summer.

Satsuma Town Summer Festival

Satsuma Town, home of our Miyanojo Factory, hosted the Satsuma Town Summer Festival in August 2008. The festival featured around 1,000 people dancing in time with the booming beat of Miyanojo Itsutsu Taiko (traditional Miyanojo five drums). A row of approximately 130 people from the Miyanojo Factory participated, dancing and livening up the festival.



Nittoku Odori Ren

Nenrin-pic Kagoshima 2008

In October 2008, various areas of Kagoshima Prefecture hosted the National Health and Welfare Festival Competition in Kagoshima (Nenrin-pic Kagoshima 2008). The Miyanojo Factory ground was used as a rugby pitch for an energetic match between seniors.



Nenrin-pic Kagoshima 2008

National Health and Welfare Festival

Nicknamed the "Nenrin-pics." Various sports and cultural events for seniors over 60 years of age are held at this festival.

Support for Foreign Students

Nittoku Asia Student Scholarship Public Trust

NGK Spark Plugs is developing business in production and sales hubs around the world and especially in Asia, including Malaysia, Thailand, Indonesia, Taiwan, Korea, Singapore, China, India and the Philippines.

We established a scholarship fund for students from Asian countries attending universities and graduate schools in Aichi prefecture celebrate the 70th anniversary of the foundation of the company in

November of 2006. In fiscal 2008, the second year of the program, we supported nine students.



Investiture

7. Employees

We shall strive to respect the diversity and individuality of our employees and foster a safe and excellent working environment where they can realize their full potential.

- Based on our corporate philosophy (Management policy) that "We offer a working environment in which each one of us is encouraged to make full use of his or her personality and capability", we will place emphasis on the cultivation of unique and cooperative human resources.
- We acknowledge that employees are the most important management resource, and will secure nondiscrimination and equal opportunities in employment, provide fair working conditions and establish a personnel system to ensure that people with different qualities can fully realize their own capabilities.
- We will consider the safety and health of employees and provide a comfortable working environment. We will never get involved in the use of forced labor or child labor in any way.

Personnel System

Regulated Employment Ratio

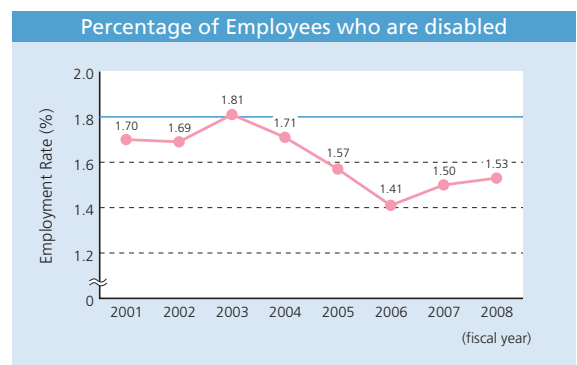
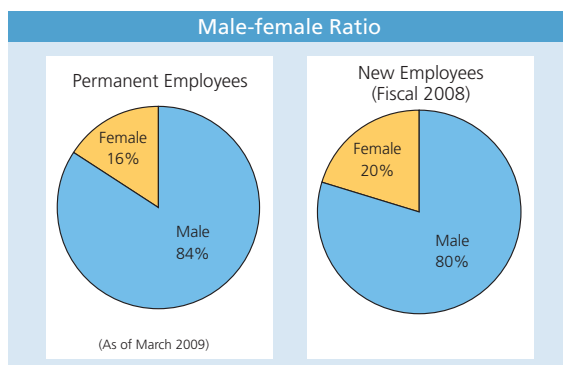
Act on Employment Promotion etc. of Persons with Disabilities requires employment of a regulated ratio of people with physical or mental disabilities for business operators. The regulated employment ratio for private industry is 1.8%.

Equal Opportunity

We are working to thoroughly eliminate discrimination based on race, sex, beliefs, disability and so on in our recruiting and employment.

As of March 2009 women accounted for 16% of our

permanent employees. Our employment of disabled persons is 1.53%, which is below the regulated 1.8%, so we are striving to improve our employment practices.



Work / Life Balance

In order to have employees work healthily and happily, it is important to work with a balance between work and home life. We have distributed a Working Hour Management Handbook to all our employees to promote taking vacation and working shorter work hours to reduce the total work hours per-year.

We have also put in place systems in order to support employees involved in childcare, nursing, or volunteer

activities and made efforts to create a workplace that allows support of simultaneous pursuits in addition to work.



Working Hour Management Handbook

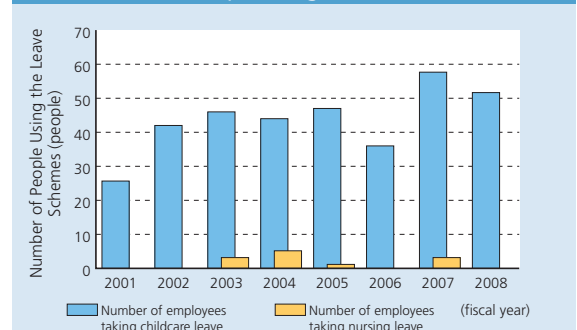


No-overtime Day

Schemes to support childcare

Childcare leave scheme	To 2 years of age.	It is possible to extend the leave period when no nursery school is available, for example.
Special leave scheme	Until entering elementary school	It is possible to acquire nursing leave for up to 5 days a year when nursing of a child is required due to injury or sickness.
Short-time work scheme	Until the end of the month after entering elementary school	It is possible to shorten the working hours per day by 2 hours.

Number of People Using the Leave Schemes



Appropriate Distribution

Our company does not have a regular rotation (distribution rotation) system. This is due to the fact that we use our accumulated specialized knowledge and experience to maximize our ability to respond to business opportunities which change daily. We also implement bi-annual personnel evaluation interviews to seek the opinions of our employees. We have also established such systems as the job family rotation system, internal open hiring system and a system to enable female employees to work late at night, to widen the field for employees with a desire for challenge.

Re-employment System for Ex-employees

In 2001, we introduced a system of re-employing employees who retired at the statutory retirement age in order to effectively utilize the knowledge and skills they cultivated throughout their careers. In fiscal 2008, 55 people used this system for a total of 331 re-employed employees.

Along with the enforcement of the revised Act on Stabilization of Employment of Elderly Persons in April 2006, we extended the period of re-employment in phases to age 65.

(people)

	Fiscal 2008	Total
Re-employed employees	55	331

Act on Stabilization of Employment of Elderly Persons

In order to respond to the progress of the rapidly aging society business operators must implement one of the following measures:
 (1) raise the age of compulsory retirement
 (2) introduce a re-employment system
 (3) abolish set compulsory retirement age.

Club Activities

We have many different clubs for employees to allow employees to develop relationships through hobbies and sports including baseball, soccer, rugby, karate, and the tea ceremony.

Our rugby club, which is based at the Miyanajo Factory, competed in the All Kyushu Club/Business Rugby Tournament in November 2008 as the Kagoshima Prefecture representative and took second place which was a good reward for the long days of grueling training.



Rugby Club

Life Education

We host seminars to enrich lives and lifestyles.

■ Happy Life Seminars

Hosted in coordination with the labor union, the seminars are hosted for employees over 50 years of age. This is an opportunity to consider their lifestyle health and finances after retirement through lectures and group discussions. In fiscal 2008, 37 people participated making the total participants 1,130 people to date.



Happy Life Seminar

■ Good Life Seminar

Hosted by the labor union, these seminars are targeted at employees from 38 to 42 years of age. This is an opportunity to consider the design of their future lifestyle through presentations. In fiscal 2008, 52 people participated for a total participate of 95 people to date.



Good Life Seminar

■ New Family Life Seminar

Hosted by the labor union, these seminars are targeted at employees married within the last three years looking at their future life plan. In fiscal 2008, 27 people participated for a total participation of 144 people to date.

Labor and Management

In this case refers to the labor union and corporate management

Harassment

Includes issues such as sexual harassment and power harassment.

Labor and Management Relations

An important mission of labor and management is to contribute to society at large by offering superior products and services. We endeavor to ensure that both labor and management discharge their responsibilities

in an atmosphere of mutual trust and cooperation, and create a better workplace where employees are more eager and active.

Responding to Harassment

In order to protect the rights of employees we are taking action to prevent harassment with coordination between labor and management. Sexual harassment has been banned by the work rules and we are endeavoring to establish a Sexual Harassment

Committee to suppress and prohibit sexual harassment. Furthermore we have established sexual harassment advisory centers in each factory to create an environment which encourages discussion.

Labor and Management Conferences

In order to have open communication between labor and management we host regular labor and management conferences. Sharing corporate information, labor time reductions, and other issues are discussed and responded to.

Greeting Action

In order to begin the day with a good hearty welcome and return home with a smile, the labor union has engaged in a Greeting Action. Management and executives also participate, speaking with employees as part of this Greeting Action.



Labor and Management Conferences



Greeting Action

Skill Development

Based on the concept of professional development, we work to develop the skills of our employees. We have prepared various kinds of training and research with the goal of gaining knowledge and techniques based on levels, functions, and business environment.

Professional Development Concept

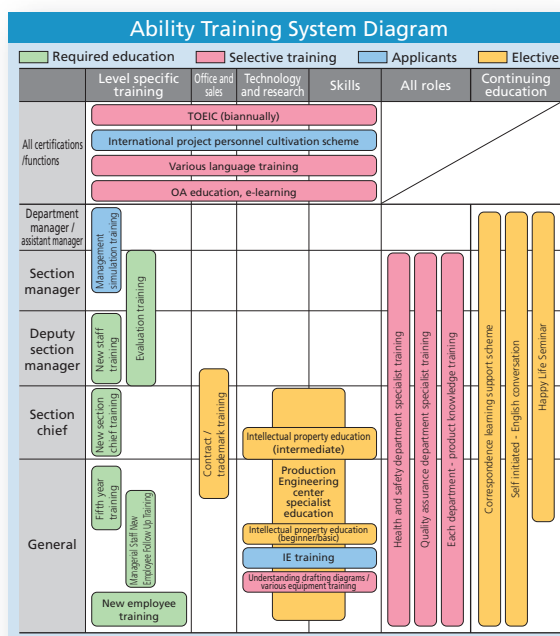
Creating employees that advance their work with independent desire to grow, to state their own opinion, and positive awareness of being a member of the Nittoku family.

Training Experience Center

As a place to learn the manufacturing process, in April 2008 we opened our Training Experience Center. Employees can experience the joy of making, the difficulty of creating things with precise measurement, make paperweights while learning how to safely use tools from veteran employees.



Training Experience Center



Occupational Safety and Health



Kazuo Kawahara
Executive Vice President,
Chief Safety and Health Administrator

Occupational safety and health is an important issue, close to the corporate life of employees.

After establishing our Occupational Safety and Health Management System in 2006 we have taken steps to set goals each year and engage in safety and health activities. Up to this point we have not seen a drastic reduction in accidents in our operations but we will continue steady efforts in the future.

Our goal is a healthy company as a result of being a safe workplace with a workforce that is healthy in both body and soul.

Principle and Basic Policy

■ Principle

To position occupational safety and health as the starting point of business activities with respect for people as a foundation in our activities.

■ Action Guideline

Come to work in good physical and mental health, and go home at the end of the day with a smile on your face!
(Set in April 2008)

■ Slogan for Fiscal 2009

Raise risk awareness and promote accident prevention!
(Set in April 2008)

■ Occupational safety and health policy

- Observe laws and self-standards relating to occupational safety and health.
- Reduce risks and eliminate work-related accidents by sustained improvement of our occupational safety and health management and performance.
- Promote employee understanding of policy, and awareness through training and enlightenment, and widely expand overall participation in occupational safety and health activities.

(Set in April 2005)

Occupational Safety and Health Management System

To eliminate occupational hazards and create a comfortable working environment, we have constructed an occupational safety and health management system (OSHMS).

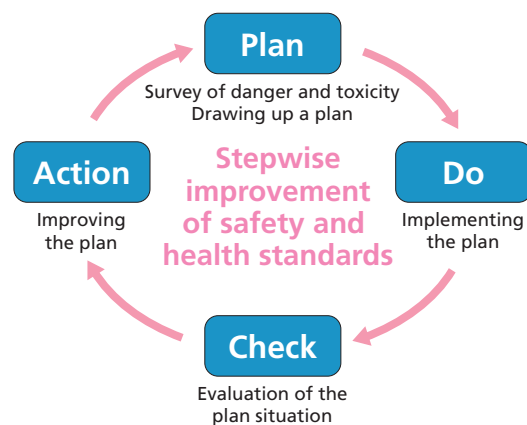
Our system was verified and certified of meeting JISHA OSHMS Standards in December 2006. We promote the appropriate operation of the Occupational Safety and Health Management System with the goal of improving our safety and health standards step-by-step.

■ JISHA OSHMS Standards Certification

Factory name	Date of approval
Head Office and Head Office Factory	December 11, 2006
Komaki Factory	December 11, 2006
Miyanojo Factory	December 25, 2006
Ise Factory	December 11, 2006

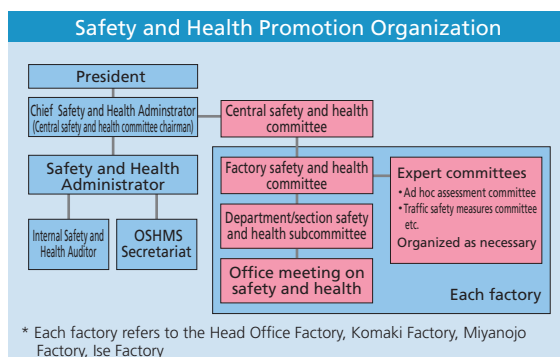


Internal Auditor Training



JISHA OSHMS Standards

Established and Published by JISHA (Japan Industrial Safety and Health Association). This standard determines 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.



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

Targets and Results

We set the following Goals for fiscal 2008. As a result we slightly reduced occurrences of work-related accidents, however there was no remarkable effect on accidents from pinching, impact, or chemical handling. Additionally some workplaces have not taken sufficient measures to improve.

In setting goals for fiscal 2009 based on the results of

measures and the content of accidents in fiscal 2008 we decided to take action using the goals from fiscal 2008. In order to clarify the reduction to zero of third management category workplaces by improving the work environment, we revised "reduction" to "elimination."

	Fiscal 2008 Target Results	Fiscal 2008 Results	Fiscal 2009 Targets
1. Elimination of occupational accidents	1) Elimination of crushing and striking accidents 2) Elimination of accidents caused by chemical handling	×	1) Elimination of crushing and striking accidents 2) Elimination of accidents caused by chemical handling
2. Improvement of working environment	1) Reduction of workplaces in the third and second management categories	×	1) Elimination of workplaces in the third management category and reduction of workplaces in the second management category
3. Health promotion	1) Improved health management awareness 2) Enhanced mental health care	○	1) Improved health management awareness 2) Enhanced mental health care
4. Enhanced education and enlightenment	1) Promotion of safety and health education 2) Reinforcing safety and health patrol 3) Promoting voluntary activities at the workplace	○	1) Promotion of safety and health education 2) Reinforcing safety and health patrol 3) Promoting voluntary activities at the workplace

○ : Accomplished
× : Not accomplished

1. Elimination of Occupational Accidents

Disinfectant Accident

Accidents not requiring a break from work, such as a small cut requiring only disinfectant.

Frequency Rate

The frequency 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) Elimination of Crushing and Striking Accidents

The total number of accidents including "disinfectant accidents" was 13, of which 2 were pinching, and 4 were crushing.

2) Elimination of Accidents Caused by Chemical Handling

There were 3 accidents related to handling of chemicals.

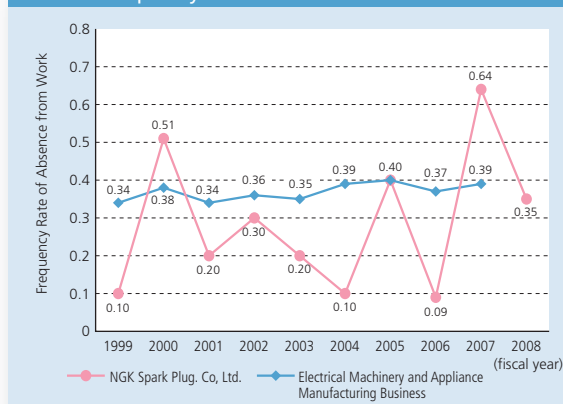
In fiscal 2008 there were many accidents related to operations including crushing and slipping, so we are advancing measures to remove dangerous operations, thoroughly implementing OSHMS risk evaluation. To reduce accidents caused by lack of attention, we are working to improve individual awareness.

Number of Accidents Resulting In Absence from Work

(Number of Accidents)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1	5	2	3	2	1	4	1	8	4

Frequency Rate of Absence from Work



Working Environment Assessment

In order to preserve the health of laborers and conserve an appropriate workplace, we measure the level of harmful factors in the work environment and what level of harm is caused to workers. The results are evaluated into first, second, or third categories.

2. Improvement of Working Environment

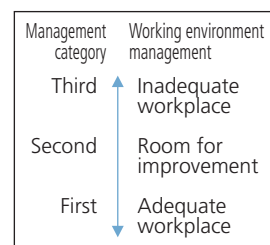
1) Reduction of Workplaces in the Third and Second Management Categories

Workplaces that handle organic solvents and specified chemical substances or generate dust or significant noise implement working environment assessment based on the Industrial Safety and Health Act.

In fiscal 2008, all second category and third category workplaces were categorized on the basis of noise, and we are taking measures to reduce noise.



Noise Assessment



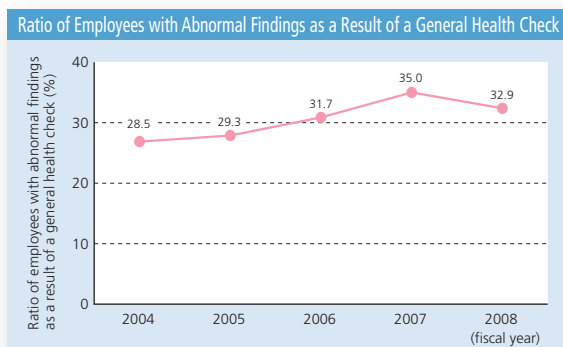
3. Health Promotion

1) Improved Health Management Awareness

So that all our employees can work with healthy bodies we have set goals to reduce the number of employees with abnormal findings in general health checkups. From fiscal 2006, the number of people receiving a blood test increased thereby increasing the ratio of persons with abnormal findings. On the other hand increased employee interest and consciousness of health issues saw a reduced ratio of employees with abnormal findings in fiscal 2008.

2) Enhanced Mental Health Care

We are working to have sufficient measures as part of a mental health specialist committee, establishing a Health Management Office. We expanded the number of people to receive lectures regarding mental health training. We also installed a phone line for employees feeling unwell to receive counseling.



Mental Health Training

Establishment of a Health Care Division

In order to promote and advance the health of our employees we opened a Health Care Division in our Personnel Department in August 2008. This division is in charge of various kinds of health checkups, managing the health of overseas employees, mental health measures, measures to prevent the spread of new contagions, and so on. They also implement provision of information related to health and other informing activities for employees.



Health Care Division Members



Provision of Information in the Company Newsletter

4. Enhanced Education and Enlightenment

1) Promotion of Safety and Health Education

We educate employees in line with their experience and position such as new employees, third-year employees, foremen, assistant managers or executives, and also give education depending on their job descriptions. In fiscal 2008 we introduced new education where people can experience the danger of workplace accidents. Focusing on younger employees or those with less experience, this is helping to prevent accidents. We also implement safety training for clients who work on-site.

2) Reinforcing Safety and Health Patrol

We regularly implement a patrol involving the safety and health committee, industrial physician and the health supervisor. We rapidly improve situations revealed to have problems with their safety or health aspects.

3) Promoting Voluntary Activities at the Workplace

We also promote KYT (Kiken Yochi Training, or hazard protection training) by distributing KYT tools in the workplace as a fundamental safety and healthy activity. New employees wear a special hat for one year so that more experienced employees can be active in supporting them to prevent injury of the new employees.



Health and Safety Promotion Committee Training



Training with Safety Sensory Machine



Patrol



Safety Inspection



Black Hat Graduation Ceremony (Miyanojo Factory)

Industrial Physician

A doctor who is involved in managing the health of laborers in workplaces. The Industrial Safety and Health Act mandates companies over a certain threshold hire an industrial physician for the workplace.

KYT

Stands for Kiken Yochi Training, or hazard prevention training. In order to prevent accidents or injury employees are trained to predict and indicate dangers involved in their labor.

8. Civil Society

We shall reject all contacts with organizations involved in activities in violation of the law or accepted standards of responsible social behavior.

- We will take a strict stance on pressure from violent civil intervention, and decisive steps in cooperation with law enforcement agencies.

Smooth Operation of Corporate Activities

In order to smoothly operate our corporate activities, preventing illegal activities or undue claims from antisocial forces, we set a Corporate Protection Manual. In response to sophisticated methods, we strengthen

corporate protection by increasing the problem-solving ability and knowledge of each individual employee.

9. Cultural Respect

We shall respect the cultures and the customs of local communities where we do business and strive to manage our activities throughout the world in such a way as to promote and contribute to the development of local communities.

- We will perform our overseas business activities based on mutual trust with our customers, suppliers, employees, etc., and not only comply with the laws of each country but also respect its culture, customs and history.
- We will train to utilize local employees and suppliers in order to be a trustworthy company and a part of local society.

Respect for Culture and Customs

Our company strives to be a company which respects local society and culture and is respected as a member of regional society.

■ NTK Technical Ceramics Polska Sp. z o.o.

NTK Technical Ceramics Polska was established when Poland entered the EU in 2004 to produce ceramic tools.

In the Poland Occupational Health and Safety Contest in November 2008 it was the first time for a Japanese company to win an award (the top three receive an award) in the medium-sized company category (51 to 250 employees), and we were included in a book about great companies of Poland. We will continue to work to contribute to Polish society.

■ Siam NGK Spark Plug Co., Ltd.

Siam NGK Spark Plug Co., Ltd. was established in 1976 and is involved in the production and sales of spark plugs, glow plugs, and plug caps, as well as sales of oxygen sensors.

Situated in a strongly Buddhist region, Siam NGK Spark Plug Co., Ltd. follows local customs by worshipping at shrines. At New Years and other special days we bring an offering and pay respects to the shrine all together.

Poland Occupational Health and Safety Contest

The labor bureau in Poland hosts this contest. Many factors are inspected and measured against occupational safety standards and labor law including corporate operation, hiring standards, employment and labor contracts, and safe and proper operation of machinery and facilities.



Award Ceremony



Visiting the Shrine

10. Ethics

Management shall exercise leadership in making the letter and spirit of the Code of Conduct integral to everyday business practice, thoroughly implementing the Code of Conduct throughout the Company and inculcating it throughout the Group and its supply chain. To this end, management shall continually improve internal systems while striving to cultivate ethics.

- Our top management will lead by example in the group's code of conduct, and take the initiative in cultivating, establishing and spreading a corporate culture of encouragement for ethical actions.
- Through the enrichment of opportunities for direct communication with employees, etc. and the expansion of in-house education, our top management will strongly encourage each member of NGK Spark Plug Group to be aware of and practice the code of conduct.
- Our ultimate target is the creation and establishment of a united organization with an ethical corporate culture based on the participation of all employees.

CSR Activities

NGK Spark Plug Co., Ltd. desires to be a company that has the trust of all stakeholders, as in our catch phrase, "a corporation liked and loved by the people of the world."

To realize this goal, we must having all directors and employees understand and correctly practice the components of our corporate philosophy, namely "Commitment", "Management Policy" and "Action Guideline."

In order to accomplish this we set our Corporate Code of Conduct to indicate our basic stance. In November 2004 we published the Code of Conduct Guidebook, clarifying our standards of appropriate action and decision-making. We also work to increase knowledge of ethics through internal training for executives and employees. We will endeavor to cultivate ethics through implementation and permeation of the code of conduct.

CSR
Corporate Social
Responsibility

Steps towards 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"
	Established Export Control Committee
Aug. 2005	Adopted "Export Management Regulations"
Jan. 2007	Published "Confidentiality Management Guidelines"
Feb. 2007	Adopted "Confidentiality Management Regulations"
Sep. 2008	Established Internal Audit Office
Apr. 2009	Determined our "Corporate Protection Manual"



Code of Conduct Guidebook

You can view the following reports on our website.

- Environmental & Social Report 2009 and the 2000 to 2008 editions
- Each regional Site Report 2009 and the 2006 to 2008 editions (Japanese Only)



<http://www.ngnktk.co.jp/english/environment/>



Detailed information that did not make it into this document can be found on the website.

Stakeholder Message

First appearing among the country fields in 1962, the Komaki Factory has grown to its present state without falter. The turning of the seasons has seen the disappearance of the fields that once surrounded it and a changing environment I've experienced as one living nearby. With the focus turning to the environment in the 1980s and the establishment of international environmental ISO standards in 1996 to the degree that it is said that it is impossible to develop a business without overcoming environmental problems, NGK Spark Plug Co., Ltd. has taken action, early establishing an environmental management system.

By continuing to stand with the Environmental Declaration, and the ongoing development of the PDCA cycle, I believe the company will put great efforts towards contributing to local society.

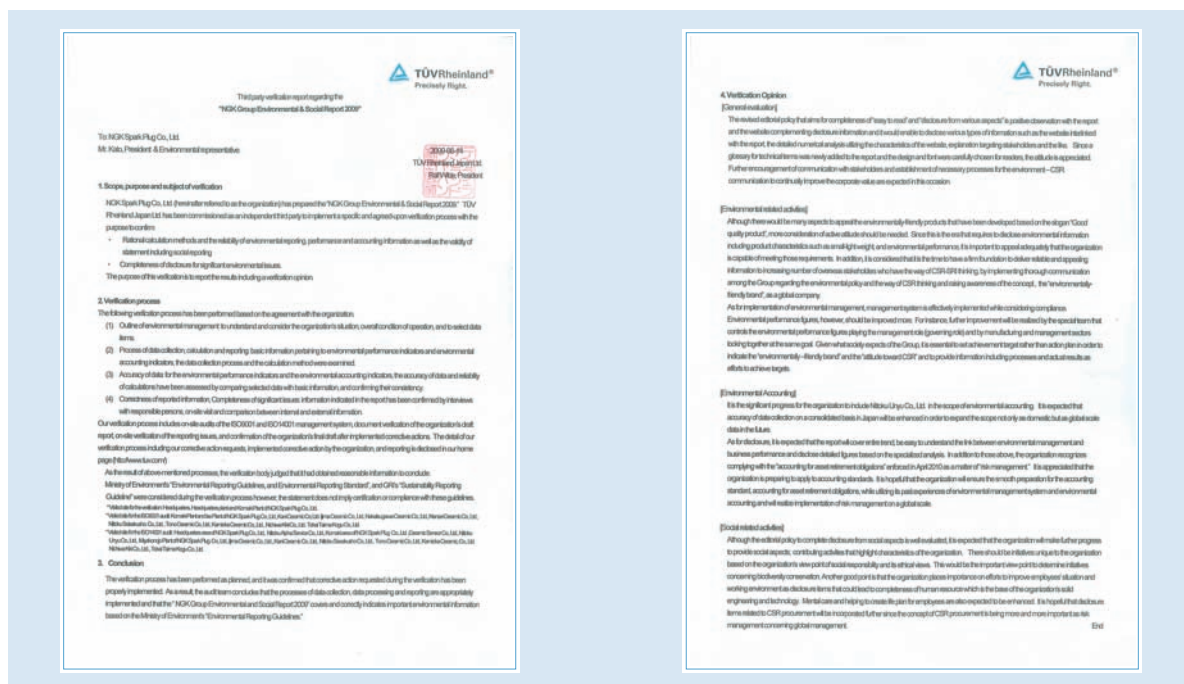


Osamu Nagai
Komakihara Genkawa Block Leader

Third Party Examination

The NGK Spark Plug Group prepares this Environmental and Social Report based on our policy of conducting information disclosure in a correct and simple manner. This Environmental & Social Report 2009, based on that policy, underwent third party examination by TÜV Rheinland Japan Ltd. to verify that it expresses

information correctly and inclusively. This inspection verified the following: important environmental information is reported without omission, the data is correctly measured and calculated and the included information agrees with the source materials.



Undergoing a Third Party Examination

With the goal of sufficient disclosure of information using our website, the Environmental and Social Report 2009 was evaluated taking into account the ease of reading for the reader, from adding explanation sidebars to a fresh design down to the letters. We also received rigorous feedback, such as questioning whether we were sufficiently meeting stakeholder expectations with weaker expression of value as an environmental brand, or requests to disclose our measures and their results as a global enterprise. Areas where we received advice regarding omission and

insufficient expression have already been edited. For items that take a longer period of time to accommodate we are working to address those issues and improve the report.

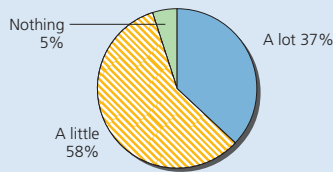


Editorial Meeting

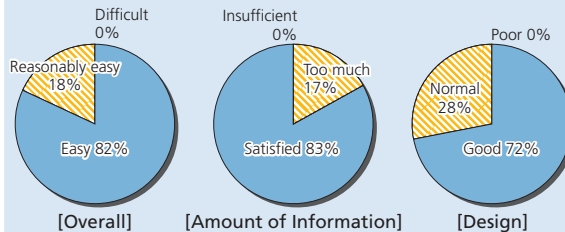
Results of questionnaire concerning Environmental and Social Report 2008

Thank you for sending us all your answers to the questionnaire in "Environmental and Social Report 2008" published in fiscal 2008. We take your opinions seriously and are working to implement even more thorough information disclosure.

Q1 Before reading our Environmental and Social Report 2008, how much did you know about NGK Spark Plug Group's environmental policy or activities?



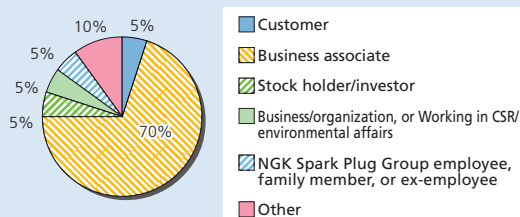
Q2 How easy did you find our Environmental and Social Report 2008 to understand?



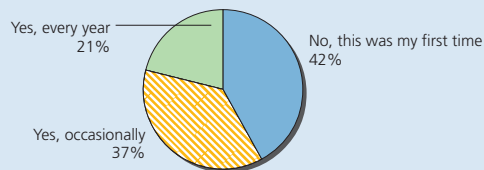
Q3 What did you find particularly interesting? (Top four)

- Message from President: Seeking a sustainable society
- 5. Environmental conservation - Factory/Office
- 5. Environmental conservation - Products
- 6. Social contribution

Q4 Please check the box or boxes that best describe your situation and position.



Q5 Have you read any of our previously issued reports?



Q6 If you have any other comments or requests regarding our environmental activities, please write them here.

- I would like to see more information disclosure about management and social activities.
(Response) We reviewed and sought to fill out our governance and compliance related content.
- I would like to see more information related to the relationship between products and the environment. I expect environmental technologies such as products supporting green energy.
(Response) We included development status of fuel cell technology on page 22.

Request to answer the questionnaire

Thank you for reading through our Environmental and Social Report 2009. For the further improvement of this report, we kindly ask you to fill in the foldout questionnaire.

FAX: +81 52-872-5942
e-mail : eco@mg.ngkntk.co.jp

Personal information protection policy

We will only use your personal information to delivery next year's report to you. Even when we publish the results of this questionnaire, we will not show it in a form in which the respondents can be identified.

Contact

	Office or factory	Contact (Department/Phone number)
NGK Spark Plug Co., Ltd.	Head office / Factory	General Administration Dept. +81 52-872-5915
		Environment and Safety Management Dept. +81 52-872-5980
	Komaki Factory	Environment and Safety Management Dept. +81 568-76-1544
	Miyanojo Factory	Environment and Safety Management Dept. +81 996-53-2211
	Ise Factory	Environment and Safety Management Dept. +81 596-39-1534

	Office or factory	Contact (Department/Phone number)
Affiliates	Iijima Ceramic Co., Ltd.	General Administration Dept. +81 265-86-5211
	Nakatsugawa Ceramic Co., Ltd.	General Administration Dept. +81 573-68-5300
	Kani Ceramic Co., Ltd.	General Administration Dept. +81 574-63-2511
	Nansei Ceramic Co., Ltd.	General Administration Dept. +81 599-65-3366
	Kamioka Ceramic Co., Ltd.	General Administration Dept. +81 578-82-1112
	Nittoku Seisakusho Co., Ltd.	General Administration Dept. +81 52-811-3921
	Nichiwa Kiki Co., Ltd.	General Administration Dept. +81 52-382-0511
	Tono Ceramic Co., Ltd.	General Administration Dept. +81 574-63-1031
	Ceramic Sensor Co., Ltd.	General Administration Dept. +81 568-76-5400
	Tokai Taima Kogyo Co., Ltd.	Operation Dept. +81 52-794-6321

* In October 2009 Iijima Ceramic Co., Ltd., Nakatsugawa Ceramic Co., Ltd., and Kani Ceramic Co., Ltd. are scheduled to merge and become NTK Ceramic Co., Ltd.



Environmental & Social Report 2009

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【During the preparation of this report】

The purchase of the materials (paper, ink, etc.) comprising this report, and also editing and printing related to this report, were carried out by an ISO14001-certified company. Also, the materials (paper, ink, etc.) used do not contain cadmium, lead, hexavalent chromium, mercury, polybrominated biphenyl (PBB), or polybrominated diphenyl ether (PBDE).

Plate making: A CTP (Computer To Plate) method was used. As a result, film and also developing fluid and fixing fluid accompanying the manufacture of the film were rendered unnecessary, thus reducing the consumption of resources and also waste.

Ink: Ink that does not contain VOC (Volatile Organic Compound) was used to minimize the generation of VOC. This ink also conforms to the "voluntary regulations (NL regulations) concerning ink", which are voluntary regulations of the printing ink industry joint association.

Paper: We used paper approved by FSC (Forest Stewardship Council). This contributes to the conservation of the world's ongoing forestation.

Printing: We incorporated a printing method that does not use dampening solutions. No volatile organic compounds (isopropyl alcohol) were used.

