

With Our Employees

Employment/Human Rights

Basic Philosophy

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

Voice

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

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

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

Masakazu Mori
General Manager
Personnel Department



Human Resource Policy

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

[Action Guidelines]

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

Labor-Management Relations

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

■ Labor and Management Conferences

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

■ Working Hour Reduction

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



No Overtime Day

■ Responding to Harassment

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

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

■ Greeting Action

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



Greeting Action

Promotion of Diversity

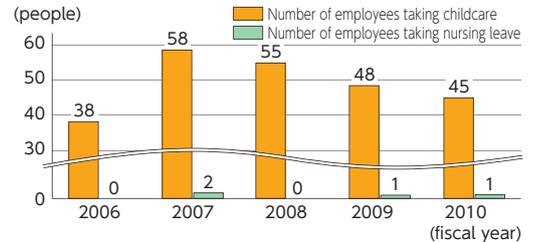
We at NGK Spark Plug Co., Ltd. are involved in activities to promote diversity in our company. To be specific, we respect the individuality of our human resources (in terms of sex, age, disability, nationality and other factors) and adopt new values and ideas created by such a wide variety of human resources,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

Increasing Roles of Female Employees

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

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

Number of Employees Using the Leave Schemes



Voice

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

Yumiko Mori
Deputy Manager
Personnel Department



Available System

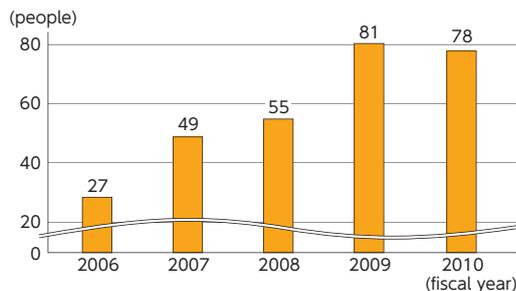
System name	Term	Outline
Childcare leave	Until child becomes 1 year old (1 year and 2-month-old maximum)	Available for parents of newborn babies
Childcare leave extension	Until child becomes 2 years old	Available for those whose child is on waiting list for admission to a day nursery
Special leave	Until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

Post-retirement Reemployment System

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

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

The Number of Retirees Reemployed under the System



Appropriate Placement

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

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

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

Voice

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

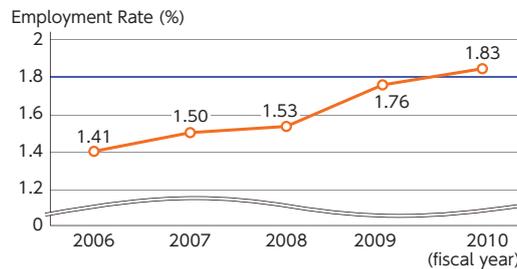
Kunio Takai Personnel Department

■ Employment of the disabled

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

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

■ Percentage of Disabled Employees



Human Resource Development

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

■ Education/Training Programs

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

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

Human Resource Development Concept

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

We seek:

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



Human Resource Development Section
Personnel Department

Voice

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



Norihiko Adachi
Deputy Department Manager,
Sales & Marketing Headquarters

Human Resource Development

Education/training programs

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

OJT

Onsite instruction of operations at each workplace

OFF-JT

Training outside a workplace

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

■ Ability Training System Diagram (OFF-JT)



Occupational Safety and Health

Basic Philosophy

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

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

Occupational Safety and Health Basic Policy

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

[Action Guidelines]

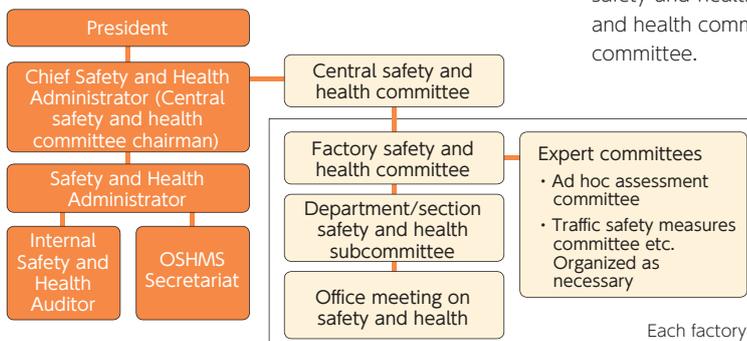
- Observe laws and self-standards relating to occupational safety and health.
- Reduce risks and elimination of work-related accidents through sustainable improvement in occupational safety and health management system and performance.
- Prevent health hazards and promote the physical and mental health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

OSHMS

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

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

■ Safety and Health Promotion Organization



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



Internal Auditor Training

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

PICK UP

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

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



Recognition Awarding Ceremony

Target and Results

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

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

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

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

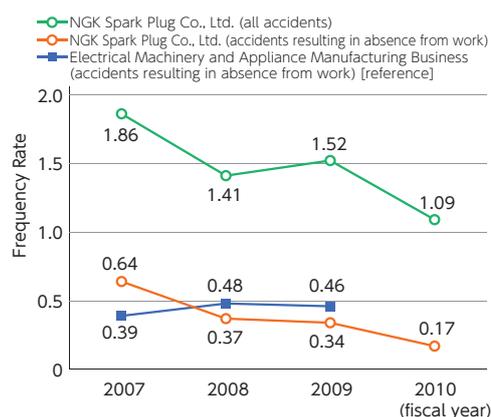
1. Elimination of occupational accidents

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

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

Frequency Rate of Accidents

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



*2

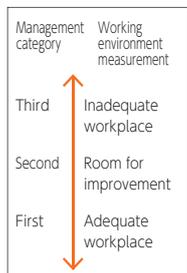
Frequency Rate

The frequency rate of accidents. Calculated with the following formula.

$$\text{Frequency Rate} = \frac{\text{Number of Accidents}}{\text{Actual Hours of Extended Labor}} \times 1 \text{ million}$$

***1 Working Environment Measurement**

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



***2 WGBT**

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

***3 Industrial Physician**

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

2. Improvement of Working Environment

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

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

3. Health Promotion

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

Health Checkups

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



Health management staff



Walking event

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

Efforts by NGK Spark Plug Health Insurance Society

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

Mental Health Care

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

4. Enhancement of Education and Enlightenment Programs

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

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

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

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



KYT before operations (Ise Factory)



Hands-on experience-based safety training for new employees