

With Our Suppliers

Fiscal 2011 Topics

- We held seminars for our procurement personnel to ensure their compliance with the Subcontract Act.

Basic Philosophy

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

Promoting CSR-Oriented Procurement

We promote the following activities for suppliers and our employees respectively, for the purpose of ensuring fair transactions with suppliers and the establishment of mutually beneficial sound partnership with suppliers.

<For suppliers>

- We actively communicate with our suppliers, through corporate policy conference, etc., to explain our corporate policy.
- We clarify our green procurement guidelines by explaining them on our websites.  (Japanese only)
- We provide face-to-face assistance through diverse activities, including 5S workplace improvement activities and seminars.
- We renew contracts with respective suppliers reflecting our new CSR guidelines, strengthening compliance and environmental conservation.

<For our employees>

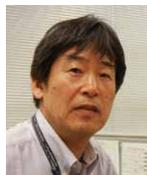
- We hold seminars for our procurement personnel to ensure their compliance with the Subcontract Act.



In-house seminar on the Subcontract Act

VOICE

The mission of the Procurement Group is to supervise and optimize procurement activities of the NGK SPARK PLUG Group from a global standpoint, to contribute to production optimization throughout the organization. To this end, we play a role to coordinate between headquarters and respective divisions, building and strengthening mutual partnership with suppliers through fair and transparent transactions. Today, companies are expected to promote CSR procurement and also expected to be accountable to the society for procurement activities. Aiming to achieve these goals, we strive to promote our CSR procurement activities, ensuring our suppliers understanding and support for us.



Teppei Okawa
Corporate Officer
Procurement Group

Procurement Policy

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

Action Guidelines

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

Sharing Information on Our Corporate Policy

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

At the conference held in May, 2011, explanation was given about our business performance, the fifth medium-term management plan, as well as respective division's policy under the plan. We also showed the direction to be taken by our company, reaffirming that we would work with suppliers to overcome the current severe business environments. In addition, we requested our suppliers to take responsible actions to appropriately control substances of environmental concern, promote quality improvement and cost reduction, and facilitate CSR activities.



We explained our vision to suppliers.