



Transitioning from the 1st SHINKA (Delving) to the 2nd SHINKA (Renovating) Phase

Creating New Value for Society through Our Businesses and Products

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NITTOKU SHINKARON (The Evolution of NGK SPARK PLUG)

In fiscal 2010, the NGK SPARK PLUG Group formulated a long-term management plan called NITTOKU SHINKARON (The Evolution of NGK SPARK PLUG), which sets out the vision for NGK SPARK PLUG in 2020. Under this plan, our goal is to become a distinguished manufacturing company, a highly profitable company, a progressive company, and a personnel “assets” company. Having achieved these goals, we will deliver real value to stakeholders around the world. The Evolution of NGK SPARK PLUG has been broken down into three separate three-year stages called the 1st SHINKA (Delving), 2nd SHINKA (Renovating), and 3rd SHINKA (Evolving). The year 2014 is the second year of the 2nd SHINKA (Renovating) stage, which also represents our sixth medium-term management plan. In the Delving stage that lasted until fiscal 2012 we focused efforts on changing the foundation of the company, or our organizational structure and culture, as well as adopted the corporate officer system and formulated new human resources systems.

Overview of the New Medium-Term Management Plan



For the three-year period of the 2nd SHINKA (Renovating) launched in fiscal 2013 we have adopted a basic policy to fully leverage our management resources to tackle bold challenges in new business domains and fields, with the aim of evolving to the final stage of the long-term management plan. Using the foundation constructed during the three years of the 1st SHINKA (Delving), we now accelerate decision making and execution as well as work on launching new products.

The Second Year of the 2nd SHINKA – The Midway Point of The Evolution of NGK SPARK PLUG

In April 2014, we introduced a new human resources system under which we will aim to achieve real human resources development that considers the career paths of individual employees, delivering flexibility to their future with the company, and that can adapt to the changing environment surrounding the NGK SPARK PLUG Group. Additionally, as part of our initiatives for capitalizing on our diverse pool of human resources, first we are developing a framework to promote the active participation of women. We will proactively hire people with ambition and a challenging spirit, regardless of gender, nationality, age, or disability.

In the Automotive Components Business, we will aim to further enhance our spark plugs and sensors and toward that end we are diligently working on the next innovation and revolution that will form the foundation of our new manufacturing philosophy. We stand fully committed to complying with the stricter environmental regulations of countries around the world and to building a supply system where we can deliver our products in a stable and speedy manner.

With regard to the Technical Ceramics Business, we have established a new fables business model for organic IC packages through our capital and business tie-up with Eastern Co., Ltd. We will be able to supply products that can adapt to the evolution of the smartphone and tablet devices.

We will develop our core technologies for use in fields such as the environment, energy and EV. We will also develop solid oxide fuel cells (SOFC) and hydrogen leak detection sensors for fuel cell vehicles, as well as become actively involved in the joint development of next-generation vehicles. By being the first to develop in-demand ecological products through our core business to realize a low-carbon society, we will be able to contribute to the sustainable society of tomorrow.

Promotion of CSR Management

In November 2010, we established our CSR Committee. The CSR Committee, with an eye on our CSR policy, takes the lead in establishing targets for initiatives necessary for the continual and sustainable growth of our company, and works to continually make improvements.

In practicing compliance, we address various tasks, such as raising awareness about the helpline and fostering a better workplace environment, based on the results of our compliance survey.

We have also carried out a business impact analysis (BIA) for a major earthquake and formulated a business continuity plan (BCP), under which we are making improvements.

We will promote communication with individual investors by increasing the number of briefings, and soliciting various feedback.

For our business partners, we have published and rolled out CSR procurement guidelines.

We held a free family musical in December 2013 at the NTK Hall (Nagoya City), which we obtained the naming rights to in 2012. We invited people displaced by the Great East Japan Earthquake who are currently living in Nagoya and children raised in orphanages as well as other families in the region. Going forward, we will continue to plan similar events as part of community contributions.

We hereby release CSR Report 2014, which compiles our activities during fiscal 2013.

We would very much appreciate your unreserved comments and opinions.