



Delivering **Real Value** to All Stakeholders

Shinichi Odo
Representative Director
Chairman of the Board
Chief Executive Officer
President Officer
NGK SPARK PLUG CO., LTD.

A handwritten signature in black ink, appearing to read 'Shinichi Odo'.

I would like to begin by offering my condolences to those affected by the large earthquake that struck Kumamoto in April 2016. I pray for everyone's safety and a speedy recovery.

The NGK SPARK PLUG GROUP's Approach to CSR Management

NGK SPARK PLUG was founded in 1936 and celebrated its 80th anniversary in 2016. Today, we proudly supply products that are truly indispensable to society. I am very grateful for the patronage and support of stakeholders and the hard work of our predecessors that made this possible. At the same time, we are determined to achieve greater sustainable growth by our 90th and 100th anniversaries.

This means that each and every employee must always consider the value of our existence from the perspective of stakeholders in order for us to realize sustainable growth while fulfilling our responsibilities to society. This is because together the compilation of each and every employee considering the meaning and purpose of their work, their ability to grow professionally, and the value they can provide to stakeholders represents the real value we deliver to stakeholders as a company. This also represents a responsibility we bear toward society and the very meaning of our existence as a company. Having employees think and act will lead to their personal growth, the growth of the company, and, as an extension, enable the company to contribute to the growth and development of society as a whole.

On top of this, we are able to create the value we provide as a company only after employees establish and implement targets based on the company's mission and targets, whereby the targets of each employee and the company are intertwined. This connection between employees and the company as well as society represents the roots of our CSR, I believe. It also represents the NGK SPARK PLUG GROUP's approach to CSR.



► President's Message for Stakeholders

The NGK SPARK PLUG GROUP's Responsibilities to Society

A corporation must enhance corporate value and achieve sustainable growth. This corporate value comprises not only business value such as sales and profits, but also social value.

I believe that we can fulfill our responsibilities to society only after balancing this business value and social value, while also correctly understanding the expectations of stakeholders. The NGK SPARK PLUG GROUP constantly strives to enhance corporate value based on the following approaches.

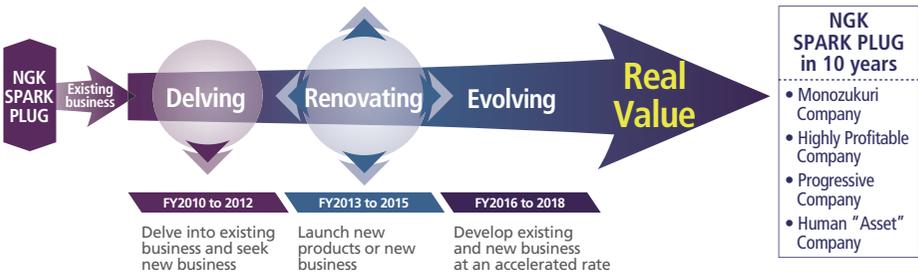
- We will prepare for natural disasters on a daily basis and strive to ensure a quick restoration of service and stable supply of products in the event of a disaster.
- We will establish a robust governance system and strive to enhance management transparency and greater awareness of compliance to avoid fatal scandals that could negatively affect the operations of the company.
- We will supply high quality products to customer following our long-standing commitment to quality and establish sound relationships with suppliers in order to manufacture high quality products.
- We will work on a wide range of relationship building in order to foster correct understanding of the NGK SPARK PLUG GROUP, while strengthening our message to society and raising the visibility of the NGK SPARK PLUG GROUP, deepening two-way communication with stakeholders.
- Although we are focusing on the greater involvement of women in the workplace with diversity positioned as a key management issue, we will expand our efforts to create sound workplaces globally where diverse human "assets" can thrive professionally irrespective of nationality, age or disability.
- We will always support development of the local communities where we operate and strive to achieve coexistence by giving back to these communities in various ways.
- We will carry out business activities considerate of the environment, being fully mindful of environmental issues and focusing the development and provision of products and services that help to alleviate environmental issues.

Delivering Real Value to Stakeholders

This year marks the seventh year under the NGK SPARK PLUG GROUP's The Evolution of NGK SPARK PLUG, which represents a long-term management plan detailing our vision for 2020. The Evolution of NGK SPARK PLUG, which started in 2010, is separated into the three stages of Delving, Renovating, and Evolving, and, through efforts in each of these stages, ultimately we will provide Real Value to all stakeholders.

This Real Value becomes real value only after our approach aligns perfectly with the expectations of stakeholders. Our business environment continues to change at an unprecedented pace, while the expectations of stakeholders and our role in society, too, continue to change. Based on a correct understanding of these changes, we will thoroughly explain our approach and utilize stakeholder feedback in our efforts to further enhance corporate value. We must use this cycle to deliver Real Value to all stakeholders.

We hope to be a company that is truly indispensable to the world even in 20 years when we celebrate our 100th anniversary. To become such a company, employees must have pride in their work, consider their responsibilities and what Real Value means for stakeholders, produce results, and be able to explain this approach and perspective with ease.



We are pleased to announce the release of CSR Report 2016, which details our activities during fiscal 2015. We very much appreciate your honest and unreserved comments and opinions.