

NGK SPARK PLUG Co., Ltd.**Acquisition of Ceramic Sensor Co., Ltd. Shares.**

URL <http://www.ngkntk.co.jp>
 Stock listing Tokyo 1st section, Nagoya 1st section
 Code number 5334
 Head office 14-18 Takatsuji-cho, Mizuho-ku, Nagoya, 467-8525, Aichi, Japan
 Representative Norio Kato, President

The Board of Directors of NGK SPARK PLUG CO., LTD. (hereinafter referred to as "NGK Spark Plug") resolved at a meeting held on September 25, 2007 to additionally acquire shares of its affiliated company, Ceramic Sensor Co., Ltd. (hereinafter referred to as "Ceramic Sensor") and to wholly subsidize Ceramic Sensor, as described below.

1. Reasons for acquisition

Since Ceramic Sensor's establishment in 1989, it has manufactured exhaust gas oxygen sensors for automobiles and has contributed to NGK Spark Plug's sensor business growth. This transaction is in line with NGK Spark Plug's corporate strategy, under which NGK Spark Plug holds its objective to further strengthen already global share #1 products. NGK Spark Plug has negotiated with NGK INSULATORS, Ltd. (hereinafter referred to as "NGK Insulators") and reached an agreement to acquire the 50% (25,000 shares) stake of Ceramic Sensor for 11,300 million yen, currently owned by NGK Insulators.

It is expected that the already stringent exhaust and/or fuel efficiency regulation over the auto-industry all over the world will continue to be tightened even further, and that usage of various auto sensors will increase. By the acquisition, NGK Spark Plug will have more flexible options for its sensor business strategy, and be able to further strengthen the efficiency of the business through manufacturing to marketing.

Ceramic Sensor will become NGK Spark Plug's wholly-owned subsidiary company.

2. About Ceramic Sensor Co., Ltd.

Trade name: Ceramic Sensor Co., Ltd
 Established: December 1, 1989
 Address: 391-5, Nakayokouchi, Yokouchi, Komaki, Aichi Japan
 Representative: Mitsuyoshi Kawamura, President
 Paid-in capital: ¥2,500 million
 Shareholder: NGK INSULATORS, Ltd. (50%),
 NGK SPARK PLUG CO., LTD. (50%)

Line of business: Production of exhaust gas oxygen sensors

Financial results: (Millions of Yen)

	FY2005	FY2006
Net Sales	30,943	33,871
Operating Income	518	587
Net Income	248	353
Total Asset	8,597	9,306
Net Asset	3,860	4,113

3. About NGK INSULATORS, Ltd.

Trade name: NGK INSULATORS, Ltd.
 Address: 2-56 Suda-cho, Mizuho-ku, Nagoya, Aichi Japan
 Representative: Shun Matsushita, President
 Line of business: Manufacture and sale of electric power related equipment including insulators, and of industrial ceramic and beryllium copper products; and plant engineering
 Relationship with NGK Spark Plug: There is very little business relation and capital ties.

4. Effect on Business performance in the near future

NGK Spark Plug expects that the influence of the transaction on the consolidated results will be insignificant. However, it is estimated that goodwill value is approximately 9 billion yen, and 0.9 billion yen goodwill amortization will continue for 10 years.