

August 11, 2009

To whom it may concern

NGK SPARK PLUG CO., LTD.

Norio Kato, President

Stock Code: 5334

Announcement of the merger of the subsidiaries and the transfer of Ceramic IC Package business sector to a consolidated subsidiary (Nakatsugawa Ceramic Co.,Ltd.) through corporate division

As already announced on May 8, 2009, NGK SPARK PLUG CO., LTD. (NGK) hereby announces that we had decided on the detail of reorganization for Ceramic IC Package business, come into effect on October 1st, 2009, at corporate resolution on July 31, 2009.

1 . Object of the reorganization

Ceramic IC Package is one of the core products for our Communication media components Group.

To further strengthen our Ceramic IC Package business we will carry out reorganization covering our subsidiaries according to strategic decision and efficient investment.

First of all, we will merge three of our consolidated subsidiaries, Nakatsugawa Ceramic Co.,Ltd. (Nakatsugawa), Iijima Ceramic Co.,Ltd. (Iijima), and Kani Ceramic Co.,Ltd. (Kani) together.

Then we will transfer our Ceramic IC Package business sector, not including operating function, to Nakatsugawa Ceramic Co.,Ltd. as the surviving company through the corporate division.

2 . Merger of subsidiaries

1) Outline of the merger

(1)Schedule of the merger

Resolution on merger at a meeting of the Board of Directors : July 31, 2009

Conclusion of merger agreement : July 31, 2009

Approval of merger at General Meeting of Shareholders : September 3rd, 2009

Expected date of merger (effective date) : October 1st, 2009

(2) Method of the merger

The merger will be an absorption-type merger, with Nakatsugawa, as the surviving company, and Iijima and Kani, to be dissolved.

(3) Merger ratio and delivered money due to merger

Nakatsugawa, Iijima and Kani are wholly-owned subsidiaries of NGK, therefore merger ratio shall not be stipulated and delivered money due to merger is not paid.

(4) Treatment of the right to reserve new stock and CB with warrant of dissolved company

The right to reserve new stock and CB with warrant are not issued.

2) Outline of the merger company (as of March 31,2009)

(1) Corporate name	Nakatsugawa Ceramic Co.,Ltd. (surviving company)	Iijima Ceramic Co.,Ltd. (dissolved company)	Kani Ceramic Co.,Ltd. (dissolved company)
(2) Area of operation	Manufacture and sales of ceramics for electronic parts and industrial use or application	Manufacture and sales of ceramics for electronic parts and industrial use or application	Manufacture and sales of ceramics for electronic parts and industrial use or application
(3) Date of establishment	July,1993	November,1984	May,1984
(4) Head office	1642-4,Nasubigawa, Nakatsugawa,Gifu	1115,Nanakubo, Iijima-cho,Kamiina-gun, Nagano	884-1,Sakado,Kani,Gifu
(5) Representative Director	Hideo Sato, President	Toshiharu,Oshima, President	Fumio,Yokoi, President
(6) Stated capital	50 million yen	80 million yen	80 million yen
(7) Number of shares issued	1,000 shares	1,600 shares	1,600 shares
(8) Net assets	(762) million yen	120 million yen	308 million yen
(9) Total assets	1,401 million yen	2,204 million yen	1,158 million yen
(10) Fiscal year-end	March 31	March 31	March 31
(11) Number of employees	473	456	151
(12) Major shareholders and shareholding ratios	NGK SPARK PLUG CO., LTD. 100.0%	NGK SPARK PLUG CO., LTD. 100.0%	NGK SPARK PLUG CO., LTD. 100.0%
(13) Net sales	7,555 million yen	14,602 million yen	2,870 million yen
(14) Operating Income (loss)	(336) million yen	(249) million yen	114 million yen
(15) Ordinary Income (loss)	(335) million yen	(243) million yen	121 million yen
(16) Net loss	(1,062) million yen	(970) million yen	(34) million yen

3) Status after merger

(1) Corporate name	Nakatsugawa Ceramic Co.,Ltd.
(2) Area of operation	Manufacture and sales of ceramics for electronic parts and industrial use or application
(3) Head office	1642-4,Nasubigawa,Nakatsugawa,Gifu
(4) Representative director	Hideo Sato, President
(5) Stated capital	50 million yen
(6) Fiscal year-end	March 31

3. Transfer through the corporate division

1) Outline of the corporate division

(1) Schedule of the corporate division

Resolution on corporate division at a meeting of the Board of Directors : July 31, 2009

Conclusion of corporate division agreement : July 31, 2009

Expected date of corporate division (effective date) : October 1th,2009

This corporate division shall be performed in accordance with informal organizational restructuring, not requiring approval at a General Meeting of Shareholders, specified in Article 784, Paragraph 3 of the Companies Act for NGK and in Article 796, Paragraph 3 of the Companies Act for Nakatsugawa

(2) Method of the corporate division

This is a corporate division in which NGK is the transferring company and Nakatsugawa, a wholly-owned subsidiary, is the successor company.

In addition, allotment of share, from the successor company to NGK, due to this corporate division will not conducted.

(3) Decrease in Capital due to corporate division

No capital will decrease due to this corporate division.

(4) Treatment of right to reserve new stock and CB with warrant of transferring company

There will be no change in the treatment of CB with warrant issued by NGK due to this corporate division.

(5) Rights and obligations to be transferred to the successor company

The successor company will succeed to the rights and obligations relative to the Ceramic IC Package business according to the agreement of corporate division between NGK and the successor company entered into on July 31, 2009 due to this corporate division.

(6) Outlook for the fulfillment of obligations

We determine that both NGK and the successor company are able to fulfill obligations borne by each from the future business evolution and forecast of profit and loss due to this corporate division.

2) Outline of the reorganization company (as of March 31,2009)

(1) Corporate name	NGK Spark Plug Co., Ltd. (transfer company)	Nakatsugawa Ceramic Co.,Ltd. (succeed company)
(2) Area of operation	Manufacture and sales of automotive parts, and ceramics for electronic parts and industrial use or application	Manufacture and sales of ceramics for electronic parts and industrial use or application
(3) Date of establishment	October,1936	July,1993
(4) Head office	14-18,Takatsuji-cho,Mizuho-ku, Nagoya, Aichi	1642-4,Nasubigawa,Nakatsugawa, Gifu
(5) Representative Director	Norio Kato, President	Hideo Sato, President
(6) Stated capital	47,869 million yen	50 million yen
(7) Number of shares issued	229,544,820 shares	1,000 shares
(8) Net assets	154,871 million yen	(368) million yen (Note)
(9) Total assets	235,296 million yen	5,132 million yen (Note)
(10) Fiscal year-end	March 31	March 31
(11) Number of employees	6,050	1,368 (Note)
(12) Major shareholders and shareholding ratios	State Street Bank and Trust Company 8.01% The Dai-ichi Mutual Life Insurance Company 7.30% Meiji Yasuda Life Insurance Company 6.01% Nippon Life Insurance Company 4.43% The Master Trust Bank of Japan, Ltd. (Trust Account) 4.38% The Bank of Tokyo-Mitsubishi UFJ, Ltd. 4.37% Japan Trustee Services Bank, Ltd. (Trust Account 4G) 4.04% State Street Bank and Trust Company 505225 2.84% Japan Trustee Services Bank, Ltd. (Trust Account) 2.79% National Mutual Insurance Federation of Agricultural Cooperatives 2.28%	NGK SPARK PLUG CO., LTD. 100.0%
(13) Net sales	234,697 million yen	7,555 million yen
(14) Operating loss	(20,766) million yen	(336) million yen
(15) Ordinary loss	(20,470) million yen	(335) million yen
(16) Net loss	(74,117) million yen	(1,062) million yen

Note: Figures after merger

3) Outline of the business sector to be separated

(1) Business activities of the business sector to be separated

Ceramic IC Package business (except operating function).

(2) Operating results of the business sector to be separated

Sales : 26,534 million yen (Year ended March 31, 2009, non-consolidated basis)

However, NGK will purchase all products of Nakatsugawa and sale them to outside customers therefore the sales of NGK will not decrease.

(3) Assets and Liabilities to be transferred to the successor company (As of September 30, 2009)

Assets : Current assets 1,219 million yen, Non-current assets 22 million yen

Liabilities : Current liabilities 47 million yen, Non-current liabilities 47 million yen

4) Status of successor company

(1) Change of corporate name

The corporate name of Nakatsugawa will change to NTK Ceramic Co.,Ltd. on the effective date of this corporate division.

(2) Change of representative director

Tadao Kawai will assume the representative director of the successor company on the effective date of this corporate division.

(3) Others

The business activities except the business to be separated, head office, capital and fiscal year-end due to this corporate division will not be changed.

5) Status of NGK after corporate division

The company name, business activities except the business to be separated, head office, representative director, capital and fiscal year-end will not be changed.

6) Outlook

This corporate division will not influence consolidated operating results because the successor company, Nakatsugawa Ceramic Co.,Ltd.,is a wholly-owned subsidiary.