

## With Our Customers

Fiscal 2011 Topics

 We worked hard for quality assurance from the aspects of systems and human resources, ensuring outstanding quality of our products.

### **Basic Philosophy**

Under the continuously evolving business environment surrounding our Group, customers' quality demand is also becoming stricter and more complex. Against this backdrop, companies are increasingly expected to fulfill their corporate social responsibilities, by sincerely listening to customers' opinions, adequately and promptly responding to a wide variety of requests and issues, and meeting diverse expectations from customers.

To appropriately understand the diverse needs of customers and promptly take necessary actions from the viewpoint of customers, we at NGK SPARK PLUG CO., LTD. are committed to making companywide efforts to improve our quality assurance system, aiming to provide safe and reliable products that ensure greater customer satisfaction.

To meet customers' diverse expectations, we also continue actively communicating our products and service information to customers, while at the same time manufacturing products by making the best use of the most suitable technology and our accumulated experience as a manufacturer. Through these efforts, we will work hard to offer new values to society.

### **Corporate Quality Policy**

We continue to supply "Quality Products" to society with an emphasis on "Customer First," "Total Involvement," and "Continuous Improvement" principle.

#### **Action Guidelines**

- •We strive to take a customer-oriented approach to accurately understand a wide variety of customers' needs and provide quality products and services, aiming to ensure greater customer satisfaction.
- •We encourage all our employees to be actively involved in quality improvement activities, based on companywide cooperation, and to achieve higher goals by making the best use of their own individual abilities and creativity to address problems and challenging issues.
- •Accurately responding to ever changing social/market environments and the diverse needs of customers, we strive to continue improving our systems, processes, products and services, aiming to further grow as an energetic and sound corporation.

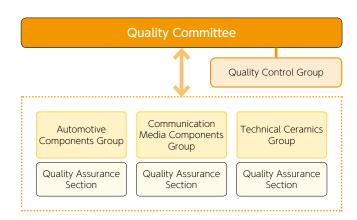
## **Quality Management System**

Since its establishment in 1936, NGK SPARK PLUG CO., LTD. has always emphasized "Nittoku Quality Mind," representing the company's traditional mentality that ensures a quality-oriented manner of doing business. This tradition remains intact, as shown by our Basic Quality Policy revised in 2006.

Based on our corporate quality policy, our divisions have respectively established comprehensive quality management systems in conformity with the ISO9000 series and ISO/TS16949 standards, promoting quality assurance activities.

In addition, with the aim of reinforcing our company-wide quality assurance efforts, we have strengthened collaborative activities among our Quality Committee, Quality Control Group and quality assurance sections of respective business units, thereby establishing a company-wide system to control and supervise product quality. Under this system, the Quality Committee works to identify quality-related risks by reviewing operations throughout the organization and promotes corrective or preventive measures

against any identified risks, with the ultimate goal of providing safe and reliable products to customers.



#### VOICE

Since our company's foundation, our attitude toward manufacturing has been based on a policy of "no compromise on quality," known as "Nittoku Quality Mind," that represents the company's strong emphasis on quality integrity, ensuring the production of safe, reliable products of high quality to the satisfaction of customers.

In response to the tendency toward increasing severe

opinions for quality in society, we will further strive to improve the quality of our products through company-wide collaborative efforts for quality assurance, on the basis of our long-established quality-oriented stance.

Toshiki Sawada General Manager Quality Control Group





#### With Our Customers

### **Quality Improvement**

NGK SPARK PLUG CO., LTD. is committed to quality management by promoting total quality management (TQM) activities.

- ●Top-down activities to embody our corporate policy in the policy management.
- Daily management to standardize prescribed operations at each workplace, as well as maintenance and improvement activities.
- Bottom-up activities to foster human resources and activate workplaces,
   by encouraging small groups to conduct quality and business improvement activities.

#### Education

We provide a wide variety of QC education and training programs about quality control, management techniques, QC circle activities, quality management systems, measurement management, etc. To ensure that knowledge gained through these programs is utilized in the workplace, we also offer practical guidance and support to our employees. As part of our activities to enhance quality awareness and motivation of employees as well as to promote quality education, we hold such events as process patrol by the President, quality-related exhibitions and lectures on quality.

We also provide practical guidance to our suppliers to promote quality education and solve problems, aiming to encourage them to deliver higher quality parts and materials by conducting continued quality improvement efforts.

#### NQC activities (small-group activities)

We promote "NQC Activities," which refer to QC circle activities that aim to develop human resources and improve workplace capabilities by continuously addressing various problems and issues.

During "Quality Month" every November, the results of NQC activities are announced at the central presentation meeting, and the President Award is granted in recognition of best practices. Commendation is also given to small groups implementing excellent NQC activities in daily operations. By encouraging employees to participate in presentation meetings and training programs outside the company, we strive to enhance their motivation and further activate small group activities.

#### Management of instruments and measuring operations

For quality control and quality assurance, it is essential to ensure the integrity of all measuring instruments and confirm the reliability of measuring results. For this reason, we conduct calibration of all measuring instruments on a regular basis to confirm their ability to make accurate measurements. The level of precision of measurement is affected not only by the precision of measuring instruments but also by the method of using them, and therefore we emphasize employee education on the appropriate use method of each instrument.

"Measurement" is one of the most fundamental operations in manufacturing for building outstanding quality, we continue to make efforts to improve the management of measurement instruments and measuring operations throughout our Group companies as well as our suppliers, by providing them with sufficient assistance, as part of the efforts to build our manufacturing competence.

#### VOICE

The meeting for exchange among production departments is a regular event held since 2009, in which we have a chance to talk with general managers and managers as well. Originally, the event used to emphasize "quality issues," but since last year, the "5S (five S's)" initiative has been the main theme. Personally, I had been confident about the manner in which I manage my workshop, but the recent visits of people invited from other departments to our workshop gave me opportunities for some discoveries and further raised my aspirations. I continue to keep in mind the importance of going back to the basics, remembering the basic, and staying close to manufacturing fundamentals by paying attention to "three

actuals" – actual place (on-site confirmation), actual object (direct investigation), actual conditions (judgment of the status quo) – in making efforts to maintain good practices.



Yoichi Imaeda Manager, Industrial Products Dept. Fine Ceramics Div.

#### VOICE

My QC circle consists of only 8 members, and is a mixture of workers in three shifts and other shift patterns. Therefore, some members are always missing from our meetings. But it is still possible for us to keep things going smoothly and even to vitalize our activities, by making some efforts. The success of our efforts has been proven by the recent acquisition of the President's Award for our good performance.

Without being satisfied with the present conditions, we continue to make collaborative efforts toward our goals that we have set

high with the ambition of reaching our ideals, in order to consistently improve upon present conditions.

Takashi Nakamura Spark Circle (A) Production Dept., Nagoya Plant Spark Plug Div.



#### VOICE

I thought that I would go to the Instrumentation Office only when I need calibration of my instruments, but I have recently discovered that they can help us solve problems in diverse areas. Actually, thanks to their expertise and assistance, we have successfully promoted inter-plant standardization of instruments management methods, and thanks to their instructions, we have acquired skills in using and handling equipment appropriately. Their face-to-face

assistance empowers line operators technically and mentally. This effect should be maintained, for further development of our manufacturing strengths.

Akira Hatanaka Supervisor Production Dept., Miyanojo Plant Spark Plug Div.



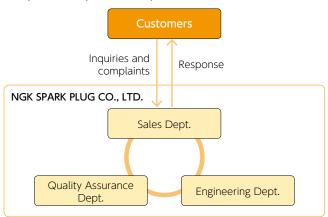


#### With Our Customers

# Responding to Inquiries and Complaints

Inquiries and complaints on our products received from customers are first accepted at our sales division. Then the quality assurance division works together with the technical division to quickly respond and take necessary actions to the inquiries and complaints.

#### Response to inquiries or complaints



## Information Dissemination through Websites

Our website named "Plug Studio" disseminates information on spark plugs, exhibitions at events, motor sports, etc. Using our applicable product number searching system, users can find a product number and the number of spark plugs applicable to the respective type/model of automobile.

Plug Studio W

http://www.ngk-sparkplugs.jp/english/index.html

# Communication through Exhibitions and Events

We use opportunities provided by exhibitions and auto races to directly communicate with customers on venue by showing our products and technologies, and also update our knowledge about market needs.

During the recent auto exhibitions and racing events, we held demonstrations of our spark plugs, to show directly to visitors how important it is to use a good product and make necessary replacements.



INTERNATIONAL CERAMC EXHIBITION 2011



MECHATRONICS TECHNOLOGY JAPAN 2011



Plug replacement demonstration at the TOKYO Auto Salon 2012



PR Booth at the Suzuka 8 hours Endurance Road Race

#### VOICE

"It's informative!" "Easy to understand!" We heard these phrases frequently from visitors to our booth at MECHATRONICS TECHNOLOGY JAPAN 2011. We of the Cutting Tool Division were in charge of this recent exhibition, and our videos presentation via iPad successfully drew visitors' attention and contributed to the improvement of their understanding about our products. Our presentation was highly evaluated by visitors for its use of easy-to-understand videos. We continue to make efforts to improve our sales promotion of NTK's cutting tools, with taking advantage of state-of-the-art devices as appropriate.

Hideki Kato Sales & Marketing Dept. Cutting Tool Div.



## **Responding Product Defects**

We make it a rule that any product defect we have detected and found to possibly cause harm to customers be immediately announced to the public through our websites, newspapers, trade journals and other media as appropriate and that we simultaneously implement countermeasures against such defects to protect all users.

## Importance Notice about our Room Type Humidity/ Temperature Detectors and Room Type Humidity Detectors

Some of our room Type humidity/temperature detectors and room Type humidity detectors marketed during the period between 1987 and 2007 have been found to have a defect possibly causing thermal damage to users. Free servicing for these products started in April 2010, and we are still working hard to locate and reach all users of these products. Out of the total number of about 500 possibly defective units, 194 units have been located and repaired with safety countermeasures introduced (as of the end of July 2012).