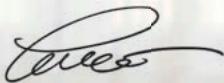


TOP MESSAGE

President and Chief Executive Officer
NGK SPARK PLUG CO., LTD.
Shinichi Odo



September 2013



NITTOKU SHINKA-RON (The Evolution of NGK SPARK PLUG): From the 1st SHINKA (Delving) to 2nd SHINKA (Renovating) Phase

The NGK SPARK PLUG Group has set out its vision of what NGK SPARK PLUG should be in 2020 as a distinguished manufacturing company, a highly profitable company, a progressive company, and a personnel "assets" company. To realize this vision, we formulated a long-term management plan—NITTOKU SHINKA-RON (The Evolution of NGK SPARK PLUG), together with a roadmap, dividing the road to 2020 into three 3-year phases: 1st SHINKA (Delving), 2nd SHINKA (Renovating), and 3rd SHINKA (Evolving). The Group strives to steadily progress through these three phases, toward the final goal of becoming a company that can offer "Real Value" to all our stakeholders. In March 2013, the Group completed the 1st SHINKA (three years devoted to delving) phase, during which we worked to delve into existing businesses and seek new businesses. In April 2013, we entered the next three years of the 2nd SHINKA (Renovating) phase.

The 2nd SHINKA (Renovating) phase is intended as a preparatory period for determining our direction toward regeneration. To establish a foundation for the final three years of the 3rd SHINKA (Evolving) phase, we will utilize corporate resources to the utmost, and boldly challenge new industrial domains and fields.

Inaugural Year of the 2nd SHINKA (Renovating) phase

I have always stated that my mission as president of

the company is to "bring innovation to NGK SPARK PLUG CO., LTD." It is true that bringing about innovation usually entails risks, but I believe that the greatest risk lies in not seeking innovation out of fear of changing. With "global," "speed" and "fair" as keywords, I encourage all employees to share the awareness that "We should change ourselves" and to work in concert to continue advancing the business structural reform.

For our company, which has many overseas operation sites, it is absolutely vital to establish and strengthen our global management system. However, I would also like to emphasize that it is our human resources that support all of our corporate activities. By mobilizing the capabilities of the Corporate Administration Group, we aim to reform the personnel system and enhance the management information network that oversees the entire Group, in order to foster human resources with a global perspective and to promote flexible employment of capable local personnel. In addition, we have set up a MONODUKURI Center within the Production Engineering Group, with the aim of taking over shop-floor expertise and the spirit of manufacturing, and passing these assets on to future generations.

In the Automotive Components Business, we are proud that our company's spark plugs and sensors hold the world's largest market shares. At the same time, however, we should all the more realize our social responsibility for supplying products in a consistent manner. To continue growing as the world's top manufacturer, it is important that we further strengthen our already strong Automotive Components Business.

In response to the accelerating motorization in emerging markets, we have taken strategies for further market expansion. In the Chinese market for example, we released the NGK CX Lie Yan spark plug, designed exclusively for China and specifically geared to local needs.

With regard to the Communication Media Components Business and the Technical Ceramics Business, we have integrated the two business groups into a new Technical Ceramics Group. We will promote business reorganization and optimal resource deployment accordingly. In addition, production of organic IC packages will be transferred to overseas and domestic partners, as part of our efforts to shift toward a new "fabless" business model, specializing only on product development and design.

As for new businesses, we will promote innovation in fields relating to the environment, energy and electric vehicles, while being attentive to social and customer needs. With the New Business Advancement Group and the SOFC* Project playing central roles, we will intensify our efforts to develop new products.

To ensure that the three years of the 3rd SHINKA (Evolving) phase will be fruitful, we will change our human resources, organizations and business for the better.

Promotion of CSR* Management

The NGK SPARK PLUG Group reviews and improves compliance* and risk management*, in order to reinforce the basis for our operations. Moreover, the Group declared that it would promote CSR initiatives across the entire supply chain by applying its CSR Procurement* Guidelines to our suppliers.

As a company engaged in manufacturing, it is natural that we should develop products that are friendly to people and the Earth and that live up to social expectations. I believe that it is also indispensable for us to pursue global environmental protection in every aspect of manufacturing activities throughout the entire value chain, covering from raw material procurement to product delivery. To achieve the targets set under the NGK SPARK

PLUG Group Eco Vision 2015, we are earnestly committed not only to reductions in CO₂ emissions and water consumption, but also to waste treatment/disposal and management of chemical materials.

It is a matter of course that, to enhance our own value as a company, we should contribute to society through our business operations by manufacturing products that satisfy society's needs and help resolve social challenges. Additionally, as a corporate citizen I am sure that creating jobs is also part of our social responsibility and social contribution. In terms of manufacturing, Japan is never the best environment. But in order for us to survive as a global company over the long term, the key is how we can preserve "manufacturing that can be done only in Japan." From such a perspective, we will improve the quality of our labor force by producing even higher value-added products in Japan, thereby contributing to the creation of high-quality employment.

We are also vigorous in promoting the diversity* of our organization. If looking at Japan's workforce, one can be convinced that there will certainly be no future for Japan without empowerment of female workers. We will therefore place emphasis on diversity initiatives. To begin with, we will promote empowerment of female workers throughout our organization, but this is just one of many catalysts needed to reform our corporate culture. For further growth of our company, I wish to proactively employ motivated personnel, regardless of gender, nationality, age, and whether or not they have a disability.

Recognizing the importance of communication with stakeholders, we will properly grasp the trends of the world, and encourage the CSR and Expert Committees to hold lively discussions to identify challenges to address, so that all employees work together to contribute to creating a sustainable society.

We hereby release CSR Report 2013, which compiles our activities during fiscal 2012. We would very much appreciate your unreserved comments and opinions.

Overview of Long-Term Management Plan; NITTOKU SHINKA-RON (The Evolution of NGK SPARK PLUG)

