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Surprising Ceramics.

NGK Group Sustainability Website Data 2026

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- ▶ Relevant sections contain links to our corporate website with related information.

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Message from the President

Creating Value Through Co-Creation While Addressing Social Issues



President

Shigeru Kobayashi

The environment surrounding us is becoming increasingly uncertain. Against the backdrop of Climate Change, shifts in energy systems, and the advancement of the digital society, companies are expected more than ever to create new value by addressing social issues and to play a leading role in the realization of a sustainable society.

Amid these changes, the NGK Group formulated its Long-term Management Plan in May 2026. Looking ahead to 2035, we will strengthen the profitability of our existing businesses and secure the resources needed to fuel future growth. We have positioned the digital society field, including semiconductors and electronic devices, as a core growth driver and will continue expanding these businesses. In the Carbon Neutrality field, we are advancing research and development and building business foundations by leveraging our unique ceramic technologies, with a view toward future social implementation. Through these initiatives, we will further accelerate value creation centered on our unique ceramic technologies.

One symbolic initiative reflecting our commitment to transforming our business portfolio and driving future growth was the corporate name change to NGK Corporation in April 2026. This change represents our strong determination to fundamentally transform both our corporate culture and business structure. We will evolve into a company that proactively takes on challenges rather than passively responding to change, and by concentrating management resources on growth fields, we aim to become a company that is indispensable in the new era.

As we advance these initiatives, dialogue and co-creation with our stakeholders will be more important than ever. By addressing the diverse and increasingly sophisticated needs of our customers and working together to overcome difficult challenges, we will continue creating new value.

We also regard human capital as the foundation of value creation and are fostering an environment in which diverse talent can take on challenges proactively. In a rapidly changing business environment, we are committed to unlocking the potential of each employee while strengthening our organization as a whole.

On the environmental front, we continue to promote energy transition initiatives in our manufacturing processes and reduce greenhouse gas emissions across our entire supply chain.

To ensure the steady execution of these initiatives, strengthening Corporate Governance and enhancing transparency are equally essential. By appropriately managing and disclosing our sustainability-related targets and progress, we will improve the effectiveness of management while deepening trust with our stakeholders.

The NGK Group will continue to address social issues, create value sustainably, and grow together with society.

Sustainability Management

Approach and Policy

NGK Group Basic Sustainability Policy

1. Basic Approach

By providing new value through our unique ceramic technologies under the NGK Group Philosophy of "Enriching Human Life by Adding New Value to Society," NGK Corporation and its Group companies (hereinafter, the ”NGK Group”) hope to contribute to the achievement of a sustainable society and earn the trust of society by meeting its expectations toward us. Setting this as the NGK Group's basic approach to sustainability, and keeping Environment, Society, and Governance (ESG) and the Sustainable Development Goals (SDGs) at the forefront in realizing the NGK Group Philosophy, we aim to contribute to the achievement of carbon neutrality and a digital society as we continuously enhance our corporate value.

2. Identification of material issues (Materiality) and promotion of initiatives

For the realization of the NGK Group Philosophy and for the sustainable advancement of society and the NGK Group, we will identify material issues faced by the NGK Group and our stakeholders as Materiality, and will address these in accordance with the NGK Group Code of Conduct as a guideline for our actions.

3. Responsibilities of the Board of Directors

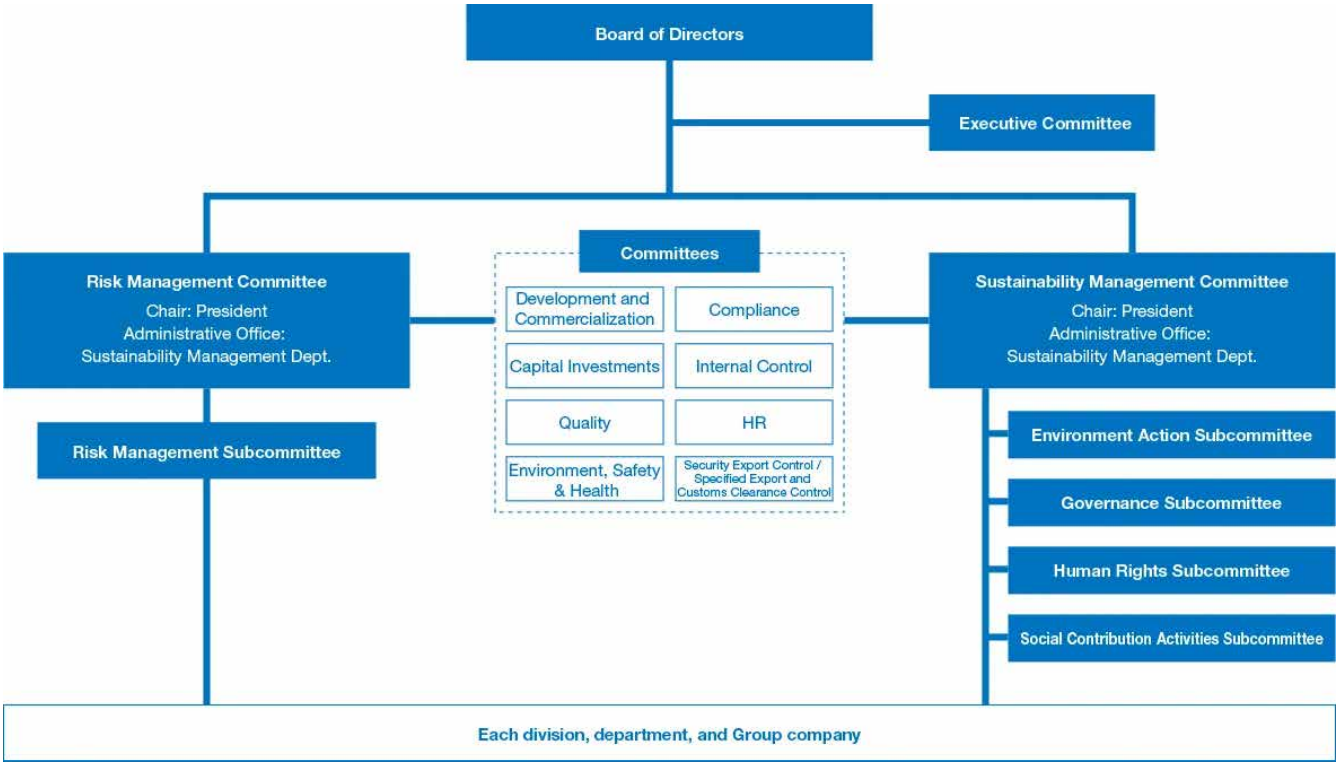
The Board of Directors seeks to correctly recognize the ESG factors and other sustainability issues of the NGK Group and to connect these to the enhancement of our medium- to long-term corporate value by appropriately supervising and addressing initiatives aimed at sustainability issues. The Board of Directors also engages in appropriate disclosure of information and, based on insights gained through valuable dialogue with diverse stakeholders, strives to improve our management and to live up to the trust and expectations of society.
April 2023 Resolution of the NGK Insulators, Ltd. Board of Directors
[Company Name (Trade Name) to Change to NGK Corporation in April 2026]

Governance

Risks and opportunities related to the NGK Group's sustainability issues, including ESG factors, are consolidated and reviewed by the Sustainability Management Committee. The committee's activities are reported to the Board of Directors at least once a year. Matters requiring action are deliberated or reported to the Executive Committee and the Board of Directors, and then implemented as measures.
The Risk Management Committee formulates policies related to risk management, establishes the necessary framework, and monitors implementation. Individual risks are managed by relevant committees and other bodies.
The President chairs both the Sustainability Management Committee and the Risk Management Committee. Members include executive officers and division heads responsible for corporate and business divisions.

› Risk Management

Sustainability Promotion Framework Chart



FY2025 Sustainability Management Committee Achievements

Times	Topics of discussion
1st (May 2025)	– Reports on Subcommittee Activities – Suppliers of Renewable Energy in Japan – Update on materiality disclosure – Revisions to the Corporate Governance Report and Securities Report – Integrated Report Production Plan – Green Finance Report
2nd (July 2025)	– Achievements of 159th period and goals for 160th period of our fifth 5-Year Environmental Action Plan – Updates to TNFD Disclosures – Review of the NGK Group Environmental Policy
3rd (September 2025)	– Status of support for CSRD and ISSB (SSBJ) – Selection for the FY2025 JPX-Nikkei Human Capital 100 Index
4th (December 2025)	– Renewable Energy Procurement Toward 2030 – Report on the Environment Action Subcommittee (5-Year Environmental Action Plan, Scope 3, Systemization Initiatives) – Revision of the Social Contribution Activities Policy and Support for Wheelchair Tennis Players – Report on External ESG Evaluations – New Supplier SAQ – Establishment of a Whistleblowing Desk for External Stakeholders
5th (February 2026)	– Support for Wheelchair Tennis Players

Risk Management

The NGK Group identifies and addresses key sustainability-related risks and opportunities by designating the most important issues as materiality items through deliberations by the Management Council and the Board of Directors. We first evaluated a broad range of environmental and social issues that could become materiality candidates using two criteria: their impact on the business and stakeholder requests and expectations. Based on this assessment, we developed a materiality map. The ESG Management Committee then identified materiality candidates and examined the associated risks, opportunities, and key initiatives. After these discussions, the Management Council and the Board of Directors approved the final materiality items.

› Risk Management
› Materiality

Strategy, Metrics and Targets

The NGK Group has established KPIs for all identified materiality items and is advancing initiatives to achieve them.

› Materiality

Sustainability Activity Priority Themes

Based on the NGK Group Basic Sustainability Policy, the NGK Group promotes environmental and social initiatives aligned with its identified materiality items. We also strengthen the effectiveness of governance as the foundation of value creation and strive to achieve sustainable growth.

Materiality	
E (Environmental)	– Initiatives for climate change – Promotion of resource recycling – Prevention of environmental pollution – Conservation and restoration of biodiversity
S (Social)	– Pursuit of quality and product safety – Contribution to digital social infrastructure – Enhancing value of human resource – Respecting human rights – Promotion of sustainable procurement
Foundation of Value Creation (Governance)	
G (Governance)	– Compliance – Risk management – Corporate governance

Initiatives

NGK Group Signs UN Global Compact

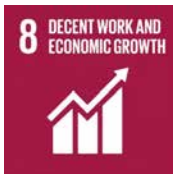
NGK Group has signed the United Nations Global Compact, a voluntary corporate initiative proposed by the United Nations, and advances its business activities using the Sustainable Development Goals (SDGs) as a key framework. Through these efforts, we recognize it as an important responsibility to help address a wide range of social issues.

› UN Global Compact

Position on SDGs

NGK Group operates businesses in the fields of energy, ecology, and electronics. We have helped protect clean air and water and contributed to more comfortable lives. Today, we continue to leverage our unique ceramic technologies to provide products and technologies that support the Sustainable Development Goals (SDGs) and create new value for the realization of a sustainable society.

NGK Group and SDGs

Goals		Value provided by the NGK Group
	End poverty in all its forms everywhere	– Creating appropriate employment helps to end poverty
	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	– The social infrastructure created by the NGK Group's products helps secure equal access to work opportunities
	Ensure healthy lives and promote well-being for all at all ages	– Micro-lenses are increasingly used instead of mercury in UV LED light sources for applications such as the sterilization of water and air, thus contributing to reduced use of mercury – Ceramics for purifying automobile exhaust make exhaust gas clean
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	– Creating appropriate employment gives people the chance to have equal access to education
	Achieve gender equality and empower all women and girls	– The social infrastructure created by the NGK Group's products helps provide more opportunities for women to enhance their abilities – Securing equal opportunities for women to participate and be leaders in society
	Ensure availability and sustainable management of water and sanitation for all	– Ceramic membrane filters provide highly safe water – Ceramic membrane filters purify wastewater
	Ensure access to affordable, reliable, sustainable, and modern energy for all	– Insulators are indispensable to stable power supply – Ceramics for purifying automobile exhaust make exhaust gas clean, thus enabling clean usage of fossil fuels – AMB and DCB substrates support stable power supply in EVs and renewable energy applications that use power modules
	Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all	– Creating appropriate employment and providing employees with a satisfying work environment contributes to economic growth

Goals		Value provided by the NGK Group
	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	– Thin lithium-ion rechargeable batteries provide power for the new IoT generation – Ceramics used in electronics make ICT cheap and ubiquitous – Ceramics for semiconductor manufacturing equipment let the semiconductor industry be the foundation for modern daily life – Metal-related products are widely used in mobile phones, automobiles, industrial equipment, and other devices that undergird modern life
	Reduce inequality within and among countries	– We prevent discrimination and take prompt and appropriate action when violations occur
	Make cities and human settlements inclusive, safe, resilient, and sustainable	– Ceramics for purifying automobile exhaust make exhaust gas clean
	Ensure sustainable consumption and production patterns	– We efficiently use the natural resources used to make ceramics
	Take urgent action to combat climate change and its impacts	– AMB and DCB substrates support stable power supply in renewable energy applications that use power modules
	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development	– Ceramic membrane filters purify wastewater to prevent marine pollution
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	– We protect biodiversity on land owned by the NGK Group

Goals		Value provided by the NGK Group
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels	– We comply with the rules and regulations of the countries and regions in which we do business, and ensure respect for and strict compliance with international treaties
	Strengthen the means of implementation and revitalize the global partnership for sustainable development	– We encourage and promote effective partnerships among governments, corporations, and society as a whole

Stakeholder Engagement

Approach

The NGK Group seeks to strengthen mutual understanding with all stakeholders, including customers, suppliers, shareholders and investors, local communities, government agencies and international organizations, universities and research institutions, and employees. We engage in ongoing dialogue with stakeholders and incorporate their feedback into our business activities and initiatives, helping us drive continuous improvement.

Stakeholder Map



The NGK Group Corporate Code of Business Conduct and Code of Conduct set out our approach to communication with stakeholders. Under “Disclosure of Company Information and Accountability” we define the following principles.

Disclosure of Company Information and Accountability



We will promote a healthy and transparent management by active disclosure of information and discussions with stakeholders.

- We will accurately and promptly disclose information required by society.
- We will pay close attention to the views of our stakeholders and fulfill our obligation to be accountable. We will build mutual trust with our stakeholders through continuous dialogue.

› NGK Group Corporate Business Principles and Code of Conduct

Initiatives

Stakeholder Engagement

The NGK Group discloses information that society needs in an accurate and timely manner, and we fulfill our accountability by listening to and responding to the views of our stakeholders. We build relationships of trust through ongoing dialogue and use the feedback we receive to improve our business activities and initiatives.

Stakeholders	Approach	Objectives	Methods
Customers	To build and maintain customer trust, the NGK Group provides products and services that contribute to environmental conservation and a safe and secure society. We also work to create new value.	- Enhancement of customer satisfaction - Quality improvement	- Official website - Contact desk - Participation in exhibitions - Open innovation
Suppliers	Based on the principles of “Social Cooperation,” “Open-Door Policy,” and “Mutual Prosperity,” we conduct fair procurement with due consideration for environmental conservation, respect for human rights, and working conditions, in addition to compliance with laws and regulations. We also operate a Supplier Helpline, which accepts reports concerning legal or regulatory violations by the NGK Group and helps maintain fair business relationships.	- Realize fair, free, and transparent transactions - Exchange information with suppliers - Establish better supply chain	- Financial results presentations - Supplier helpline - Individual visits to suppliers in and outside Japan
Shareholders and Investors	We disclose management, financial, and business information in a timely and appropriate manner. Through dialogue with stakeholders, we strive to meet their expectations and enhance corporate value.	- Enhancement of corporate value	- General Meeting of Shareholders - Financial results briefings - Individual visits and interviews - Participation in IR events - Responding to ESG investment - Official website
Employees	We will create the following kind of work environment as the stage upon which our personnel can demonstrate the abilities they possess. - Diverse and Inclusive Workplace - Enriched and Lively Workplace - Open Workplace that encourages challenges We also support the growth of human resources and fair treatment enabling each employee to maximize their skills.	- Respect for the human rights of employees - Development of safe and comfortable workplace environments - Conducting of surveys on workplace environment and employee satisfaction - Penetration of corporate philosophy and policies	- MiZUHO in-house newsletter (web edition) - Labor-Management Advisory Board meetings, regular Labor-Management Council meetings - Survey on workplace vitality - Corporate Risk Survey (CRS) - Helpline - Hotline

Stakeholders	Approach	Objectives	Methods
Local Communities	We proactively engage in social contribution activities in response to community needs with the intent of becoming a corporate citizen trusted by society with concern for social issues in all countries and regions where we do business.	- Contribution to local communities as a trusted corporate citizen	- Collaborative activities with NPOs, etc. - Volunteer activities by employees - Social contribution activities in cooperation with labor unions - Invitation to plant tours and events
Governments and International Organizations	To help address social issues, we promote collaboration through participation in international initiatives and other activities.	- Promotion of initiatives to resolve social issues	- Participation in international initiatives
Universities and Research Institutes	Through research and educational activities based on industry-academia collaboration, we have been pushing forward with the development of scientific technologies and other technologies that will contribute to resolving social issues.	- Development of scientific technologies - Development of technologies that will contribute to solving social issues	- Joint research

※ Any report on potential concerns pertaining any of our business activities will be handled confidentially and will not lead to any negative consequences for anyone who wishes to make such a report

Dialogue with Shareholders and Investors

The NGK Group places a high priority on two-way communication with shareholders and investors. We strive to maximize corporate value by providing accurate and timely information on our business performance and management policies. We respond to questions raised at the General Meeting of Shareholders and inquiries submitted through our website through collaboration between the Finance Department, the General Affairs Department, and relevant divisions under the direction of the responsible directors. Through these efforts, we seek to strengthen constructive dialogue with shareholders.
We also value direct engagement with institutional investors. We regularly hold meetings, including financial results briefings for investors and overseas IR activities, with participation from senior management. We report the content of these dialogues to the Board of Directors on a regular basis and use the feedback to enhance management efficiency and transparency.

› Dialogue with Shareholders

Materiality

Approach

The NGK Group aims to use its unique ceramic technologies to contribute to sustainable energy, Environmental Conservation, and industrial development. Guided by the NGK Group Philosophy, “Enriching Human Life by Adding New Value to Society,” we have identified our Key Issues and are advancing initiatives toward the Realization of a Sustainable Society.

Materiality Identification Process

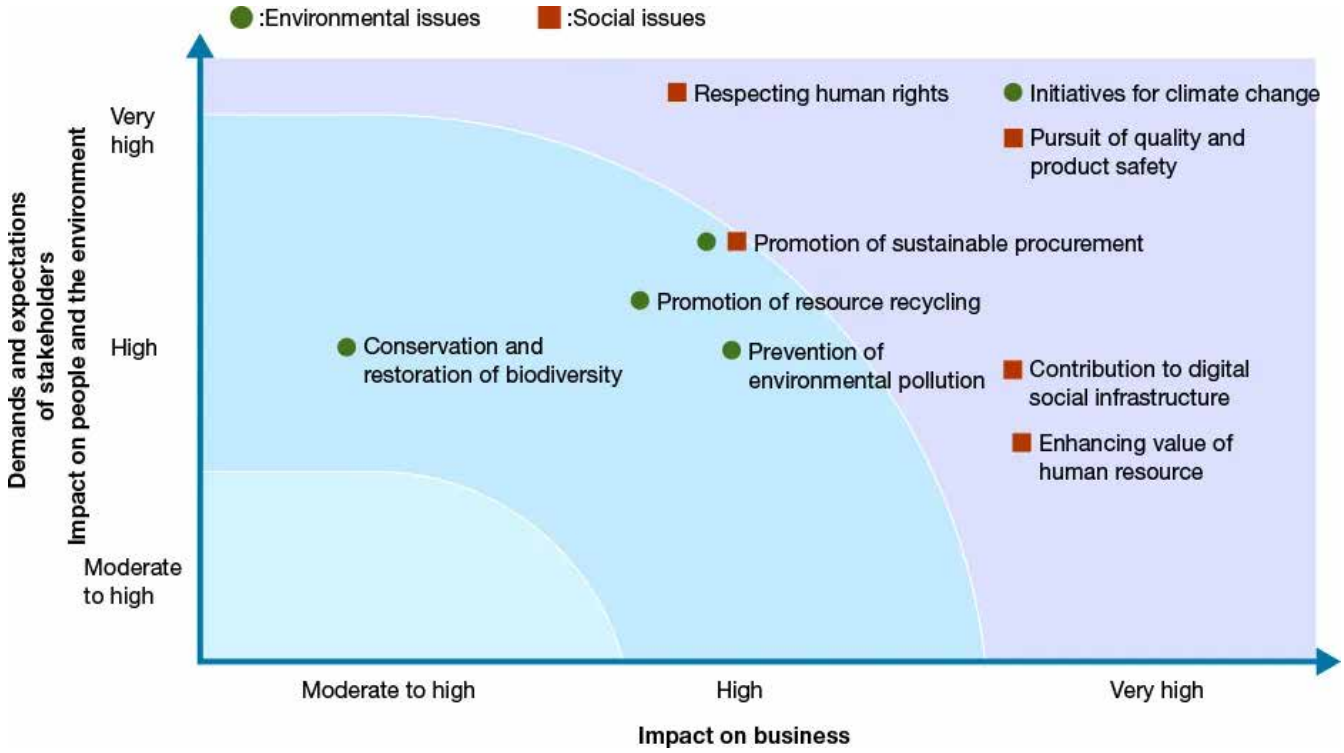
Step 1: Listing of issues

We reviewed international frameworks and guidelines, including the GRI Standards and the SDGs, as well as assessments by ESG evaluation bodies, to identify environmental, social, and governance issues. We then selected the environmental and social issues that are highly relevant to the NGK Group’s businesses. Governance issues were excluded because they are fundamental responsibilities that any organization is expected to address.

Step 2: Evaluation of the importance of issues

The NGK Group established a working group consisting of representatives from each department and assessed the selected issues using the two criteria of “impact on business” and “demands and expectations of stakeholders/impact on people and the environment.” We also took into account the views of external experts. The assessment results were reviewed by the ESG Management Committee (currently the Sustainability Management Committee), and we identified potential materiality candidates. We then analyzed the associated risks and opportunities and considered key initiatives with reference to their impact on business.

Materiality Assessment



Step 3: Confirmation of validity and identification of Materiality

The working group reviewed the value that each potential materiality candidate could create for society and its alignment with the NGK Group Vision, while ensuring that no relevant issues were overlooked. Based on the results, we developed a proposed list of materiality items. The ESG Management Committee reviewed its appropriateness, and the Board of Directors approved it following deliberation.

Step 4: Setting KPIs

To manage our materiality, we established initiatives, KPIs, targets, and target completion dates for each materiality item. These were reviewed by the ESG Management Committee and approved by the Board of Directors.

Materiality for Realizing the NGK Group Vision

Overall Philosophy and Materiality System

Philosophy	Vision	Materiality Items	Value/Impact on Society	Risks	Opportunities	Correlation to 5 Transformations					Main initiatives	Action Plans	KPIs	Targets	Target Achievement Periods	FY2025 Results
						Human Resource Management	Capital Investment	Business Portfolio	R&D	DX						
Our Mission / Our Values / What we want to be / What we must do																
Enriching Human Life by Adding New Value to Society / Quality of People Enhance challenge and teamwork / Quality of Product Exceed expectations / Quality of Management Excel in our foundation / A company to contribute to carbon neutrality and digital society with our unique ceramic technologies / Owned our business structure through 5 Transformations		Initiatives for climate change	We will promote carbon neutrality throughout our value chain and aim for business activities that achieve net zero CO2 emissions. We will utilize data and digital technology to accelerate the development of products that contribute to the environment. We will develop and offer products and services centered on our unique ceramic technology to contribute to the realization of a carbon-neutral society by 2050.	Shrinking of internal combustion engine-related markets Effects of natural disasters on operations Geopolitical risks Increase in costs due to greenhouse gas reduction and energy conversion Damage to brand reputation	Expansion of CN- related business opportunities Reduction of costs Enhancement of our brand reputation	●	●	●	●	●	Implementing measures to mitigate global warming Assessment and disclosure of emissions Offering products/services contributing to environmental protection Risk assessment and countermeasures based on climate scenarios Utilization of sustainable financing Cooperation with external organizations	[NV1000] Development of carbon neutral-related products [Environmental Vision] Implement Carbon Neutrality Strategic Roadmap	Sales of newly commercialized products	100 billion yen (including digital society-related sales)	FY2030	Currently rolling out various measures, development, and capital investment
													CO2 emissions (Scope1 and 2)	500,000 metric tons	End of FY2025	390,000 metric tons
													CO2 emission reduction rate relative to base year	32%	End of FY2025	46%
													Renewable electricity procurement rate	50%	End of FY2025	51%
													Energy saving rate	2%/year	End of each FY	2%/year
		Promotion of resource recycling	By developing and providing resource-efficient products and services through means including the sustainable use of natural resources, the recycling of wastes, and the utilization of alternative materials, we will contribute to the effective use of resources and to the promotion of resource recycling. Through the development and provision of products and services accompanied by water stress assessments at production sites and by highly efficient water use in production processes, we will also contribute to the effective use of water resources.	[Resources] Depletion of resources; price inflation Geopolitical risks Delays in responses to resource conservation and resource reuse	[Resources] Expansion of business opportunities related to resource recycling Expansion of business opportunities associated with the depletion of rare metals, etc. Utilization of ceramic raw materials Reduction of costs	●	●	●	●	●	Resources Reduction of emissions Development of resource recycling-oriented business models Recycling technology development	[Environmental Vision] Respond to circular society (respond to circular economy)	Emissions generated per unit of sales	50% reduction compared to FY2013	End of FY2025	64% reduction compared to FY2013
													Reduction rate of emissions compared to Business as usual (BAU)	30% reduction compared to FY2013	End of FY2025	40% reduction compared to FY2013
													Recycling rate (domestic)	Maintain 99% or higher	End of FY2025	99.5%
				[Water resource security] Damage to brand reputation Impacts on operations; increase in costs Water pollution	[Water resource security] Enhancement of brand reputation Expansion of business opportunities for water treatment-related products (membranes, etc.)	●	●	●	●	●	Water resource security Sharing of policies and fundamental stance Effective use of water resources Management of water risks Contribution through products related to the water treatment business Cooperation with external organizations	[Environmental Vision] Support a circular society (reducing water resource risks)	Water usage per unit of sales (consolidated)	Maintain FY2019 level	End of FY2025	Maintained FY2019 level
		Prevention of environmental pollution	By developing and providing pollution prevention-related products and services using our unique ceramic technologies while enforcing proper management of chemicals and pollution prevention in our manufacturing processes, we will contribute to a safe and secure society.	Compliance Handling of air, water and wastes Handling of chemical substances Impacts on local communities Shrinking of internal combustion engine-related business	Expansion of exhaust gas-related business Expansion of air and water quality-related business Expansion of nuclear power-related waste treatment business	●		●	●		Management of chemicals Handling of exhausts and water discharge Operation of environmental management system Offering products/services contributing to environmental protection Contribution to local communities	Zero legal non-compliance issues				
													· Enhance the database of registered facilities	Number of incomplete notifications	0 cases of incomplete notifications	Each FY	0 deficiencies
												Zero serious accidents				
												· Prevention activities (reassess equipment management issues)	Number of bases currently promoting activities	All locations (4 independent, 19 domestic G companies, 19 overseas G companies)	Each FY	Activities underway at all processing sites
												· Real-time status monitoring	Number of status monitoring points	Four NGK sites	End of FY2030	1 site operational, 3 sites under preparation
		Conservation and restoration of biodiversity	With all employees maintaining a mindset of environmental conservation, we will contribute to the conservation and restoration of biodiversity through the development and provision of products that contribute to environmental protection while minimizing environmental impacts on the ecosystem in our value chain.	Damage to brand reputation Impacts on operations Impacts on supply chains, etc.	Enhancement of our brand reputation Expansion of businesses and products with consideration of ecosystems	●		●			Participation in initiatives Cooperation with suppliers Biodiversity impact assessments and response Contribution through pollution prevention products and services Volunteer activities and promotion of green spaces	[Environmental Vision] Harmony with nature	TNFD disclosure schedule (TNFD: Task Force on Nature-Related Financial Disclosures)	Full disclosure of TNFD framework	End of September 2024	TNFD framework disclosure (requirements met)
		Pursuit of quality and product safety	By pursuing trusted quality from the standpoint of our customers and by stably supplying safe and reliable products and services that exceed expectations, we will contribute to the creation of a better society.	Damage to brand reputation Litigation risks	Enhancement of our brand reputation Enhancement of competitiveness Expansion of business opportunities	●	●				Quality Activity System Initiatives to improve quality of operation Quality risk reduction activities (QRE-P (Quality Risk Elimination-Process) activities) QuiC (Quality up innovation Challenge) activities Strengthening of quality management education Expanding quality assurance to service provision Ensuring the safety of products and services	Activities to increase customer trust · Improve work quality · Reduce quality risks	Number of serious product/service incidents	0 cases	End of each FY	0
		Contribution to digital social infrastructure	We will establish strong information security to fulfill our duties as a member of a cultured and safe digital society. At the same time, we will supply products based on our unique ceramic technology to make continuous contributions to global digital technology.	Damage to brand reputation Cyber attacks Information leaks Increase in the cost of security enhancement	Expansion of business opportunities related to digital society, etc. Enhancement of our brand reputation	●	●	●	●	●	Expansion of business opportunities related to digital society, etc. Sharing of policies and fundamental stance Creation of an organization and implementation for information security Creation of an organization and education for personal information protection	[NV1000] Develop digital society-related products, expand existing related products	Sales of newly commercialized products	100 billion yen (including carbon neutral-related)	FY2030	Currently rolling out various measures, development, and capital investment
												[Digital Vision] IT security	Number of serious incidents	0 cases	End of each FY	0
												Personal information protection activities	Number of serious incidents	0 cases	End of each FY	0
		Enhancing value of human resource	We will create prosperous and energetic workplace environments that take advantage of human resources with diverse experiences and perspectives. We will offer society new value by encouraging each employee to proactively take on challenges and promoting mutual growth.	Compliance Damage to brand reputation Declining competitiveness of recruitment and outflow of personnel Human resource development Rigidity of internal systems	Recruitment and retention of personnel Active participation of diverse personnel by DE&I promotion Growth through human resource development Productivity enhancement	●	●	●	●	●	Labor practices					
												· Review of personnel systems					
												· Promoting Work-life balance · Promoting labor-management initiatives	Initiatives for reducing total working hours:	Score of the survey on workplace vitality (work-life balance)*	3.5 or higher	Each FY	3.64
													Promote paid leave acquisition (zero cuts to annual leave)	Paid leave utilization rate*	100%	End of FY2026	88.9%
												Diversity & Inclusion					
												· Systems and initiatives to support the active participation of diverse human resources	Improving the rate of female managers	Rate of female managers	10%	End of FY2030	4.8%
													Permeate and encourage men to take childcare leave	Rate of male employees taking childcare leave	100%	End of FY2025	99.5%
												· Approach to local recruitment	Create a culture of utilizing diversity, including systems	Score of the survey on workplace vitality (promoting opportunities for women)*	3.5 or higher	Each FY	3.61
														Score of the survey on workplace vitality (utilization of diversity)*	3.5 or higher	Each FY	3.38
												Human resource development					
												· Human resource development for employees	Develop DX human resources	Number of data utilization personnel	1,000 or more	End of FY2030	1,685 people
												· Securing and maintenance of human resources	Improve employee engagement	Score of the survey on workplace vitality (career autonomy item)*	3.5 or higher	Each FY	3.64
														Score of the survey on workplace vitality (take on challenges)*	3.5 or higher	Each FY	3.29
														Score of the survey on workplace vitality (psychological safety)*	3.5 or higher	Each FY	3.74
														Score of the survey on workplace vitality (worthwhileness of work)*	3.5 or higher	Each FY	3.54
												Occupational safety and health · Sharing of policies and fundamental stance	Safety and health activities Zero legal non-compliance				
												· Promoting of safety and health activities	· Education and confirmation of understanding	Number of training participants	Training completed by all target personnel in each department	End of FY2026	Training completed by all target personnel (5 laws and regulations)
												· External certification of our occupational safety and health management system	· Enhancement of facility notification database	Number of incomplete notifications	0 cases of incomplete notifications	End of each FY	0 deficiencies (Jan–Mar, after system implementation)
												· Safety and health education	Zero serious accidents				
													· Prevention activities	Disaster severity level	Intensity rate 0.010 or lower	End of each FY	0.018
													· Activities to promote proactive mentality	Number of workplace discussions	All manufacturing divisions (9 noncons olidated, 21 domestic G companies)	End of FY2024	All 9 departments at NGK, and 13 Group companies in Japan
												Health and productivity management · Sharing of policies and fundamental stance					
												· Reduction of total working hours	Initiatives for reducing total working hours: Promote paid leave utilization	Paid leave utilization rate*	100%	End of FY2026	88.9%
												· Activities to promote mental and physical health	Strengthen self-care and line care education / Enhance consultation systems / Improve health guidance / Promote health promotion initiatives	Absenteeism*	1.5% or lower	End of FY2030	2.2%
														Presenteeism*	63.0 points or higher	End of FY2030	62.4 points
														Work Engagement*	2.8 points or higher	End of FY2030	3.32 points
														Rate of participation in mental care education by position*	100%	End of each FY	100%
		Respecting human rights	We are committed to create a society that is free from violation of the human rights of all people impacted by our business activities by extending initiatives throughout our Company as well as our value chain to respect human rights.	Damage to brand reputation Impacts on business partners Operational and litigation risks Increase in costs and liabilities Recruitment and human resources Latent human rights risks and its actualization	Enhancement of brand reputation Recruitment and retention of personnel	●					Sharing of policies and fundamental stance	Conduct dialogue with internal and external stakeholders	Frequency of conducting two-way exchanges of opinions with internal and external stakeholders	Conduct each year	End of each FY	Implemented
												Performing human rights due diligence	Conduct self-checks for the company and group companies	Frequency of self-checks in compliance with RBA and other codes of conduct	Conduct each year	End of each FY	Implemented
												Human rights education	Expand employees applicable for human rights education, update content	Frequency of human rights e-learning for executives and all employees	Conduct each year	End of each FY	Implemented
		Promotion of sustainable procurement	Based on the three principles of Open and Fair, Partnership, and Relationship with Society in our basic procurement policy, we work with procurement partners that make up the supply chain to promote procurement that takes human rights, the environment, and fair business practices into account, thereby fulfilling our supply responsibilities and contributing to the happiness and sustainable development of society.	[Environment] Impacts on procurement due to increased environmental impact in the supply chain Increase in costs due to measures to reduce CO2 emissions, etc. Demands from markets regarding waste and recycling Depletion of raw materials and rare metals [Society] Damage to our brand reputation Impacts on our business partners Impacts on procurement	[Environment] Enhancement of our brand reputation Securing of stable procurement and reduction of costs through the utilization of alternative raw materials [Society] Enhancement of our brand reputation Building of a stable supply chain	●					Sharing of policies and fundamental stance	Sharing the Supplier Code of Conduct*1	Rate of consent among major suppliers	90%	End of FY2025	86%
												Risk assessment and monitoring of suppliers	Supplier assessment activities	Frequency of sustainability surveys for key suppliers	Every other year	Start of FY2025 (based on new survey method)	Started
												Requests and demands toward suppliers					
												Support for suppliers' initiatives	Scope 3 reduction activities	Scope 3 emissions reduction rate (compared to 2022)	25%	FY2030	-19% (increase)
												Product design envisioning sustainable procurement					

*Items implemented by NGK alone

› Overall Philosophy and Materiality System [PDF:91KB]

Materiality System

- Materiality System [PDF:888KB]

Sustainability in the NGK Group

Environmental

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NGK Group Environmental Vision / Environmental Policy

Approach

The NGK Group recognizes global environmental conservation as a critical shared challenge for humanity and promotes initiatives to realize a sustainable society.
To guide these efforts, we have established the NGK Group Environmental Vision, which defines its long-term direction, and the NGK Group Environmental Policy, which sets out specific guidance for action.
The Environmental Vision outlines the future we aim to achieve and its fundamental approach to the environment, while the Core Policy provides practical guidelines for implementing this vision. Together, they complement each other and serve as key pillars supporting the Group's environmental management.

NGK Group Environmental Vision

The NGK Group will contribute to the realization of society's direction toward carbon neutrality, a recycling-oriented society, and harmony with nature through its business activities.

Toward carbon neutrality	Toward a recycling-oriented society	Toward harmony with nature
We will develop and provide products and services that contribute to the realization of a carbon-neutral society and apply them to our own business activities in order to achieve our goal of net zero CO_2 emissions by 2050.	We will contribute to the realization of a recycling-oriented society by reducing our natural resource consumption and developing and providing resource-efficient products.	We will minimize our environmental impact on ecosystems and raise stakeholder awareness through educational activities in order to achieve harmony with nature.

NGK Group Environmental Policy

Basic Approach

The NGK Group recognizes that protecting the environment, on Earth and in space, is a vital issue that all of humanity must face. Therefore, to bring our business activities into harmony with the environment, guided by the NGK Group Environmental Vision, we will bring our core principles of carbon neutrality, a circular society, and harmony with nature to life by committing to achieve Net Zero, advance a Circular Economy, and foster a Nature-Positive world. We also work to solve environmental issues with an awareness of the impact our business activities have on the environment and society, as well as the impacts the environment and society have on our business activities. Through initiatives like these, we strive to reduce the environmental impact of business activities and help protect the environment by developing products and technologies conducive to environmental conservation.

Main Focus

1. Strive to develop, design, and manufacture products that contribute to the environment and products with low environmental impact.
2. Work to reduce the environmental impact arising from business activities. Use tools such as design review to conduct a scientific investigation and evaluation of the impacts our business activities have on the environment.
   - Promote energy conservation measures and expand the use of renewable energy for all processes and facilities, and make efforts to reduce CO_2 emissions by reducing energy use and using energy efficiently.
   - Promote resource efficiency (including reduction of natural resources use) and expanded use of recycled materials, and reduce the generation of waste materials (including valuable materials).
   - Manage the risks of water resources, promote water saving and reuse, and strive to reduce the amount of water withdrawal in our business activities.
   - Through the appropriate use and control of chemical agents, work to reduce the risks inherent in toxic substances.
   - Give precedence to environmentally friendly materials, parts, products, and facilities in procurement and purchasing, strengthening cooperative alliances with our business partners.
   - Help to protect biodiversity by reducing our impact on the environment and developing/distributing eco-friendly products.

3. Enhance environmental management systems from a global perspective while continuously reducing our environmental impact. Carry out risk management based on scenario analysis in order to continue our operations while responding to environmental changes.
4. Work to prevent environmental pollution of the atmosphere, water, and land, and promote environmental conservation by abiding by environmental laws, regulations, and other requirements, and instituting our own voluntary standards. Also, strive to protect the environment so that our business activities will not prevent any local people from enjoying clean water resources.
5. Provide environmental information to the public at the appropriate time and pursue dialogue with all stakeholders. Proactively develop social action programs. Also, engage in education and publicity in order to improve employees' environmental consciousness.

› NGK Group Environmental Policy

5-Year Environmental Action Plan

Approach

The NGK Group promotes environmental management integrated with its business activities, working toward the realization of the NGK Group Environmental Vision. We are currently strengthening our response to environmental challenges under the Sixth 5-Year Environmental Action Plan.

Sixth 5-Year Environmental Action Plan (FY2026–FY2030)

We developed the Sixth 5-Year Environmental Action Plan by building on the outcomes and lessons of previous plans, with a strong focus on alignment with our materiality, long-term management plan, NGK Group Environmental Vision, and NGK Group Environmental Policy.
In addition to carbon neutrality, where progress is most advanced, the plan strengthens our efforts toward a circular society and coexistence with nature. For a circular society, we promote the circular economy. For coexistence with nature, we address risks and opportunities based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).
As a comprehensive response to our materiality, we have also incorporated environmental pollution prevention, including pollution prevention, as a key theme of the Sixth Plan.
Looking beyond 2030, in addition to advancing the circular economy, we are initiating the quantification and disclosure of environmental contributions from our products and services.
We will also respond appropriately to sustainability disclosure requirements, including SSBJ (Sustainability Standards Board of Japan) standards and CSRD (Corporate Sustainability Reporting Directive), and work to deepen stakeholders' understanding of NGK Group's initiatives.
The Sixth Plan sets clear, quantitative management targets. We manage performance at appropriate levels from the perspectives of societal expectations and enhancement of corporate value. By FY2030, we will publish target values for high-priority items, sending a clear commitment to both internal and external audiences.

Key Highlights of the Sixth 5-Year Environmental Action Plan

- With an eye on FY2030 and beyond, we are strengthening efforts on the circular economy, addressing nature-related issues, and developing and introducing environmental contribution indicators for our products and services.
- We are also strengthening initiatives across the value chain through reducing Scope 3 emissions, promoting resource circulation, and addressing coexistence with nature.

Structure of the Sixth 5-Year Environmental Action Plan

- The plan consists of initiatives aligned with the NGK Group Environmental Vision and initiatives targeting the protection of the global environment as a whole.



Sixth 5-Year Environmental Action Plan: FY2026 and FY2030 Targets

Category	Item		Initiatives	Scope	KPI		FY2026 Targets	FY2030 Targets	Units	Related SDGs Targets
Carbon Neutrality	GHG Emission Reduction	Scope1 and 2	• Energy conservation activities • Fuel conversion • CO_2 capture and methanation • Preparing to introduce CO_2-free fuels	Consolidated	GHG Emissions	Scope1 and 2	430	370	Thousands of metric tons	
						Scope1	210	190	Thousands of metric tons	
						Scope2	220	180	Thousands of metric tons	
		Scope3	• Shifting to primary data • Reducing emissions at suppliers and customers	Consolidated	Reduction rate vs. FY2022		Promoting the shift to primary data	25	%	
	Improving Renewable Electricity Utilization Rate		• Expanding renewable energy adoption • Promoting renewable energy procurement • Exploring on-site energy generation business opportunities	Consolidated	Renewable electricity utilization rate		50	60	%	
Resource Recycling	Waste Reduction		• Reducing waste generation intensity against net sales	Consolidated	Net sales intensity reduction rate (5-year average)		–1	–1	%/Year	
	Waste Recycling		• Maintaining high domestic recycling rate through rigorous management	Domestic	Recycling rate		99	99	%	
Harmony with Nature	Water Withdrawal Intensity Reduction		• Reducing water withdrawal intensity against net sales	Consolidated	Net sales intensity reduction rate (5-year average)		–0.5	–0.5	%/Year	
	Prevention of Pollution		• Promoting compliance with environmental laws and proactive prevention of pollution	Consolidated	Number of serious violations*1		0	0	%	

*1 "Serious violation" refers to cases in which administrative sanctions such as the suspension of operations, imprisonment, or fines have been imposed

Activity Themes and Action Items of the Sixth Environmental Action Plan

★:Key themes and initiatives of the Sixth plan ☆: Themes and initiatives targeting 2030 and beyond

Category	Major Theme	Sub-themes	Initiatives	KPI
Carbon Neutrality	Climate Change Mitigation (GHG Emissions Reduction)	★Scope 1 Emission Reduction	★Leveraging our products and services	Scope 1 and 2 emissions: 370,000 t-CO₂e Scope 1 emissions: 190,000 t-CO₂e Scope 2 emissions: 180,000 t-CO₂e
			★Energy conservation (using ICP)	
			☆Innovation (fuel conversion and CCUS)	
			☆Use of renewable energy (hydrogen, ammonia, electrification, etc.)	
		★Scope 2 Emission Reduction	★Leveraging our products and services	
			★Energy conservation (using ICP)	
			★Use of renewable energy (PV installation, on-site generation, renewable energy procurement, etc.)	
		★Scope 3 Emission Reduction	★Category 1(Collaboration with suppliers)	Scope 3 emission reduction rate: 25% reduction vs. FY2022
			Category 11(Collaboration with customers)	
			Other categories	
	Adaptation to Climate Change	Natural Disaster Risk Reduction	Measures at each site, including drought countermeasures and ensuring logistics	–
Resource Recycling	Promotion of Circular Economy	☆Efficient Use of Raw Materials	☆Explore themes by product line	–
		★Waste Reduction	★Waste generation reduction (yield improvement, etc.)	Net sales intensity reduction rate (5-year average): 1%/year
			★Improved recycling	99% or more (domestic)
			☆Waste plastic recycling (expanding material recycling)	–
		☆Product Reuse and Extended Product Life	☆Explore themes by product line	–
Harmony with Nature	Promotion of Nature Positive and Prevention of Pollution	Reducing Impact on Raw Material Resources	Reducing environmental impact at suppliers	–
			☆Design and process optimization	
			Optimizing raw material yield	
		Effective Use of Water Resources and Pollution Prevention	★Reducing water withdrawal	Net sales intensity reduction rate (5-year average): 0.5%/year
			Prevention of water and soil pollution	Serious violations: zero
		Prevention of Air Pollution	Prevention of air pollution	
		Reducing Environmental Impact of Our Products	Management of chemical substances in products	
General Environmental	Enhancement of Corporate Value	☆Environmental Contribution of Products	☆Developing and introducing environmental contribution metrics (Scope 4, etc.)	–
			Developing and expanding products contributing to environmental protection (sales ratio, etc.)	
		★External Engagement	★External Recognition (CDP, FTSE, etc.)	–
			★Disclosure compliance (CSRD, SSBJ, etc.)	Regulatory compliance
		Collaboration with Stakeholders	Participation in initiatives (SBT, RE100, etc.)	–
			Participation in regional and industry groups (EPOC, JFCA, etc.)	
		Internal Education	Improving educational programs (introducing qualification tests, etc.)	

Initiatives by Category

Toward Carbon Neutrality (GHG Emissions Reduction)

We advance Scope 3 emissions reduction through innovation, renewable energy use, and value chain initiatives, with a focus on the period beyond 2030.

Category	Major Theme	Sub-themes	Initiatives	KPI
Carbon Neutrality	Climate Change Mitigation (GHG Emissions Reduction)	★Scope 1 Emission Reduction	★Leveraging our products and services	Scope 1 and 2 emissions: 370,000 t-CO2e Scope 1 emissions: 190,000 t-CO2e Scope 2 emissions: 180,000 t-CO2e
			★Energy conservation (using ICP)	
			☆Innovation (fuel conversion and CCUS)	
			☆Use of renewable energy (hydrogen, ammonia, electrification, etc.)	
		★Scope 2 Emission Reduction	★Leveraging our products and services	
			★Energy conservation (using ICP)	
			★Use of renewable energy (PV installation, on-site generation, renewable energy procurement, etc.)	
		★Scope 3 Emission Reduction	★Category 1(Collaboration with suppliers)	Scope 3 emission reduction rate: 25% reduction vs. FY2022
			Category 11(Collaboration with customers)	
			Other categories	
	Adaptation to Climate Change	Natural Disaster Risk Reduction	Measures at each site, including drought countermeasures and ensuring logistics	–

› Initiatives Toward Carbon Neutrality

› Information Disclosure Based on TCFD Recommendations

Toward a Circular Society (Circular Economy)

Building on our longstanding efforts to reduce facility waste, we are expanding our focus to the value chain and taking action to address the circular economy, a growing global trend.

Category	Major Theme	Sub-themes	Initiatives	KPI
Resource Recycling	Promotion of Circular Economy	☆Efficient Use of Raw Materials	☆Explore themes by product line	–
		★Waste Reduction	★Waste generation reduction (yield improvement, etc.)	Net sales intensity reduction rate (5-year average): 1%/year
			★Improved recycling	99% or more (domestic)
			☆Waste plastic recycling (expanding material recycling)	–
		☆Product Reuse and Extended Product Life	☆Waste plastic recycling (expanding material recycling)	–

› Waste Reduction and Effective Use of Resources

Toward Coexistence with Nature (Nature Positive)

NGK Group addresses the risks and opportunities in its relationship with nature, as identified through TNFD disclosures. To reduce our environmental impact on nature, we are strengthening efforts in water resource conservation, alongside our existing pollution prevention measures.

Category	Major Theme	Sub-themes	Initiatives	KPI
Harmony with Nature	Promotion of Nature Positive and Prevention of Pollution	Reducing Impact on Raw Material Resources	Reducing environmental impact at suppliers	–
			☆Design and process optimization	
			Optimizing raw material yield	
		Effective Use of Water Resources and Pollution Prevention	★Reducing water withdrawal	Net sales intensity reduction rate (5-year average): 0.5%/year
			Prevention of water and soil pollution	Serious violations: zero
		Prevention of Air Pollution	Prevention of air pollution	
		Reducing Environmental Impact of Our Products	Management of chemical substances in products	

- Water Resource Conservation
- Environmental Pollution Prevention
- Protecting and Restoring Biodiversity
- Information Disclosure Based on TNFD Recommendations

General Environmental Initiatives (Environmental Contribution of Products, External Assessment, Disclosure, Collaboration, Training)

Looking ahead to FY2030 and beyond, we will begin quantifying the environmental contribution of our products and services. We will also advance our response to sustainability disclosure frameworks and standards, including the EU's CSRD and Japan's SSBJ standards.

Category	Major Theme	Sub-themes	Initiatives	KPI
General Environmental	Enhancement of Corporate Value	☆Environmental Contribution of Products	☆Developing and introducing environmental contribution metrics (Scope 4, etc.)	–
			Developing and expanding products contributing to environmental protection (sales ratio, etc.)	
		★External Engagement	★External Recognition (CDP, FTSE, etc.)	–
			★Disclosure compliance (CSRD, SSBJ, etc.)	Regulatory compliance
		Collaboration with Stakeholders	Participation in initiatives (SBT, RE100, etc.)	–
			Participation in regional and industry groups (EPOC, JFCA, etc.)	
		Internal Education	Improving educational programs (introducing qualification tests, etc.)	

- Products and Services Contributing to Environmental Protection
- External Recognition of the NGK Group
- Initiatives Toward Carbon Neutrality
- Environmental Education and Communication

Results and Review of Fifth 5-Year Environmental Action Plan

Under the fifth 5-Year Environmental Action Plan, NGK Group advanced company-wide initiatives across three priority themes: carbon neutrality, circular society, and coexistence with nature. We achieved all targets set for FY2025.
In carbon neutrality, we reduced CO_2emissions and expanded renewable energy adoption. We also commenced Scope 3 emissions disclosure and initiated efforts toward SBT certification. In the circular society area, we made meaningful progress in waste reduction. At the same time, we recognize that transitioning to a circular economy grounded in resource recycling remains a key challenge ahead. In coexistence with nature, we began addressing TNFD requirements, working to identify nature-related risks and opportunities and strengthen our disclosures.
Building on these results and remaining challenges, the sixth 5-Year Environmental Action Plan will advance our environmental initiatives and further embed them in our business operations, contributing to the realization of a sustainable society.

Reference Year, Target Year, Control Scope

- Reference Year: FY2013 (for some, FY2022)
- Target Year: FY2030
- Control Scope: Consolidated (for some, Japan)

Results of the Fifth 5-Year Environmental Action Plan

Category	Item	KPI	FY2021	FY2022	FY2023	FY2024	FY2025			Related SDGs
							Target	Result	Self-evaluation*1	
Initiatives toward carbon neutrality	Reduce CO_2 emitted by manufacturing activities	CO_2 emissions (consolidated)	620,000 metric tons (Reduced by 15% from FY2013)	560,000 metric tons (Reduced by 23% from FY2013)	560,000 metric tons (Reduced by 23% from FY2013)	540,000 metric tons (Reduced by 26% from FY2013)	500,000 metric tons (Reduced by 25% from FY2013)	390,000 metric tons (Reduced by 46% from FY2013)	○	
		Rate of renewable energy usage (consolidated)*2	25%	27%	27%	26%	50%	51%	○	
	Reduce CO_2 emissions across value chain	Plan progress	LCA: Calculated with NAS battery and HONEYCERAM	Scope3 consolidated disclosure Expand scope of LCA calculation	Scope3: SBT Plan LCA: 2 products completed	Scope3: SBT certification Expanded LCA (developed products)	Expand scope of Scope 3 calculation LCA assessments for key products	Commenced third-party assurance for Scope 3 Conducted LCA assessments for key products	○	
Initiatives for a recycling-oriented society	Reduce waste produced during production activities*3	Waste*3: Waste generated per unit of sales (consolidated)	Reduced by 44% from FY2013	Reduced by 55% from FY2013	Reduced by 53% from FY2013	Reduce by 62% from FY2013	Reduce by 50% from FY2013	Reduce by 64% from FY2013	○	
		Reduction rate against BAU*4 for volume of waste*3 (consolidated)	Reduced by 26% from FY2013	Reduced by 31% from FY2013	Reduced by 31% from FY2013	Reduce by 35% from FY2013	Reduce by 30% from FY2013	Reduce by 40% from FY2013	○	
	Promote resource recycling	Recycling rate (Japan)	99.5%	99.5%	99.5%	99.6%	Maintain at least 99%	99.5%	○	
	Manage and respond to water resource risks	Water withdrawal per unit of sales (consolidated)	Maintained FY2019 level	Maintained FY2019 level	Maintained FY2019 level	Maintained FY2019 level	Maintained FY2019 level	Maintained FY2019 level	○	
Initiatives toward harmony with nature	Promote biodiversity conservation	Plan progress	Participated in the Keidanren Committee on Nature Conservation	Research on Japan and overseas trends	Considered roadmap Started TNFD	Completed TNFD disclosure	Expand content of efforts in response to international initiatives*5	As a TNFD Early Adopter, provided disclosure based on TNFD recommendations ahead of schedule	○	
Contributions to environmental society	Develop and distribute products/services contributing to environmental protection	Number of registered products	No change in registered products	One additional (Abashiri Electric Power)	One additional (AMB substrates)	One additional (Upgraded NAS battery NAS MODEL L24*6)	Increased registrations, focusing on CN-related products and services	Registered 4 products and services over the 5-year period	○	
	Promote CSR procurement	Plan progress	Implemented supplier survey in Japan	Resumed visits to suppliers	Surveyed suppliers	Reviewed SAQ*7	Ascertain environmental data of suppliers	Commenced collection of supplier environmental data (with requests for Scope 3 reduction cooperation)	○	
Promotion of environmental communication	Contribute to local communities	Plan progress	Collaborated with Aichi Sustina Research Institute and EPOC	Collaboration with EPOC and Aichi Miral Forum	EPOC seminar planning	EPOC seminar planning	Continually enhance actions partnering with local communities	Disseminated environmental management information through EPOC seminars and study sessions	○	
	Increase environmental awareness	Plan progress	Video streaming of briefing	Promoted energy conservation in office buildings	Published ESG features and serialized articles in the company newsletter Mizuho	Used internal presentations to promote awareness	Continually enhance environmental training and information disclosure	Conducted workshops and training using internal events and communication tools	○	

*1 ○ indicates the annual target was achieved; × indicates the target was not achieved

*2 The renewable energy electricity ratio represents the share of electricity sourced from renewable energy in total electricity consumption

*3 Waste refers to substances other than products discharged outside business sites, including materials with economic value

*4 The reduction rate is expressed as a percentage relative to waste generation under a Business As Usual (BAU) scenario, assuming no improvement measures

*5 The biodiversity target was initially based on the Post-Aichi Targets, but was revised in 2022 to align with the internationally agreed Kunming-Montreal Global Biodiversity Framework (GBF)

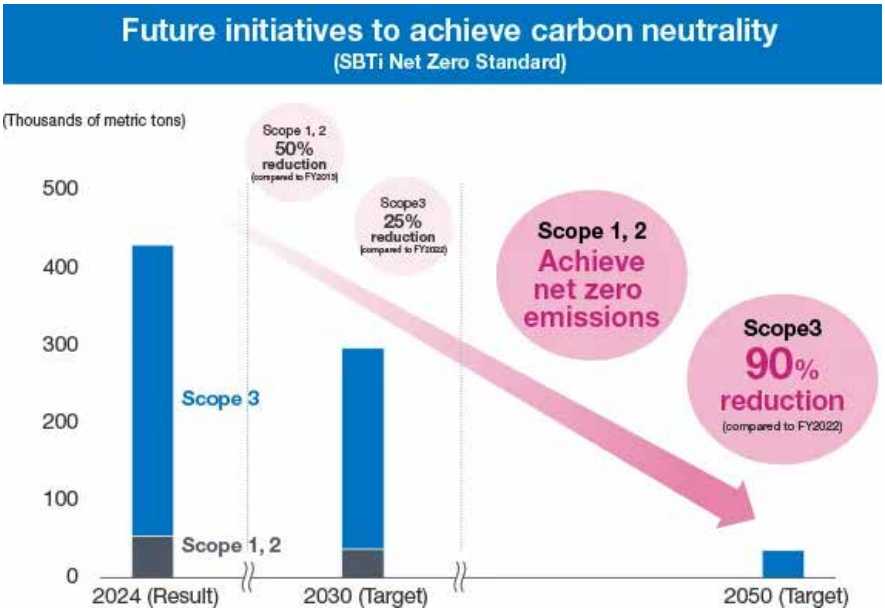
*6 NAS battery sales activities ended in October 2025

*7 Self-Assessment Questionnaire concerning corporate social responsibility

Our Challenge Toward Carbon Neutrality

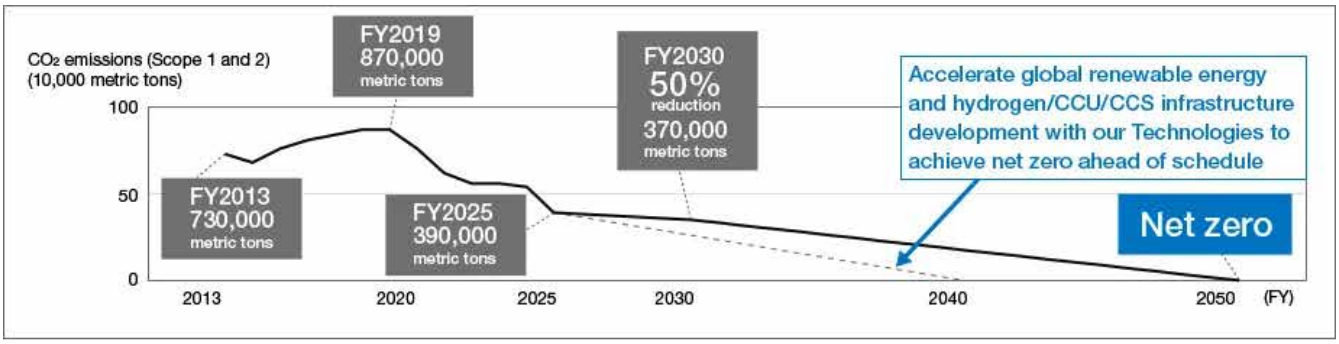
Approach

The NGK Group identifies carbon neutrality as one of its key priorities, guided by the NGK Group Environmental Vision. We actively develop and provide products that contribute to a carbon-neutral society. We also work to reduce greenhouse gas (GHG) emissions from our business activities and strengthen engagement with customers and other stakeholders across the entire value chain. Through these initiatives, we aim to achieve both a sustainable society and the sustainable improvement of corporate value.



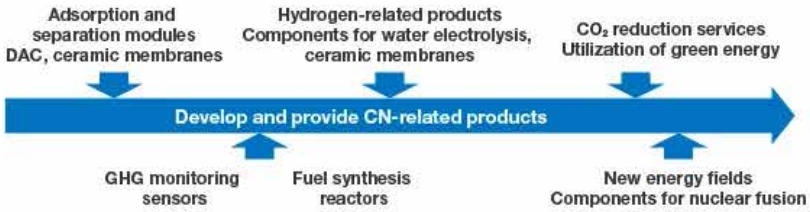
Carbon Neutrality Strategic Roadmap (Scope 1 and Scope 2)

For Scope 1 and Scope 2 targets, we have established the Carbon Neutrality Strategic Roadmap, which comprises four strategies. Our goal is to achieve net zero GHG emissions across the entire Group by 2050. As milestones on this path, we have set targets of 500,000 tons for FY2025 (actual result: 390,000 tons, already achieved) and 370,000 tons for FY2030 (a 50% reduction from the FY2013 base year). Going forward, we will advance fuel transition to hydrogen and ammonia and promote the development of CCU and CCS (carbon capture, utilization and storage) technologies, with a view to achieving net zero ahead of schedule.



Strategy 1

Development and provision of CN-related products/services



In addition to our existing carbon neutrality–related products, we will deliver value to society through the commercialization of products under development and through services such as renewable energy supply businesses that utilize storage batteries.

Strategy 2

Top-down enhancement of energy saving



We will further strengthen our long-standing energy conservation activities by introducing high-efficiency equipment and improving energy management.
In addition, we will accelerate capital investment by introducing an in-house carbon pricing system.

Strategy 3

Promotion of technical innovation



In the ceramics firing process, CO_2 emissions are currently generated from the use of fossil fuels.
To address this, we are promoting a transition to alternative fuels such as hydrogen and ammonia, with the aim of eliminating the use of fossil fuels. In parallel, we are advancing the demonstration and application of CCU/CCS technologies within the Group.

Strategy 4

Expanded use of renewable energy



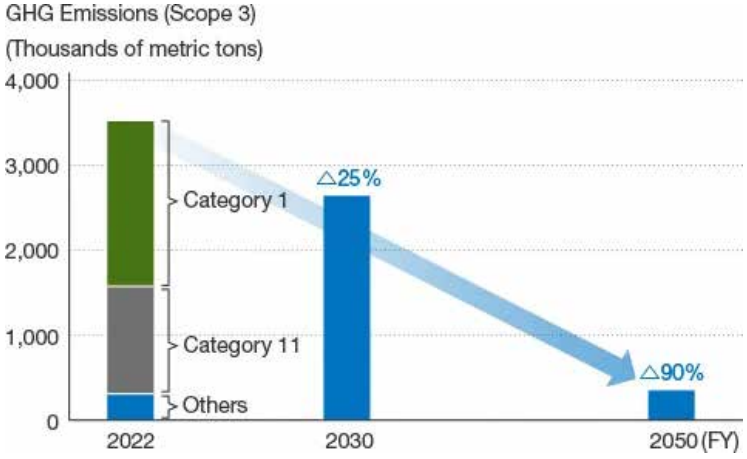
We will expand the procurement of renewable energy through various schemes in Japan and overseas.
In parallel, we will install photovoltaic (PV) power generation systems at NGK Group production sites and combine them with storage batteries to enable demand control. Using this initiative as a model case, we will apply it to renewable energy supply businesses in which the NGK Group participates, while working toward sourcing all electricity used by the Group from renewable energy in the future.

Our Approach to the Value Chain (Scope 3)

To reduce Scope 3 emissions, we are advancing the following initiatives based on the emission levels of each category. Through these efforts, we aim to achieve both a sustainable society and the improvement of corporate value across the entire value chain.

- Through dialogue and collaboration with suppliers, measure and reduce Category 1 emissions at the procurement stage, including raw materials
- Contribute to reducing customers' energy consumption during use of our products (Category 11 reductions)

Scope 3 Emissions Reduction Target



Environmental Management System (EMS)

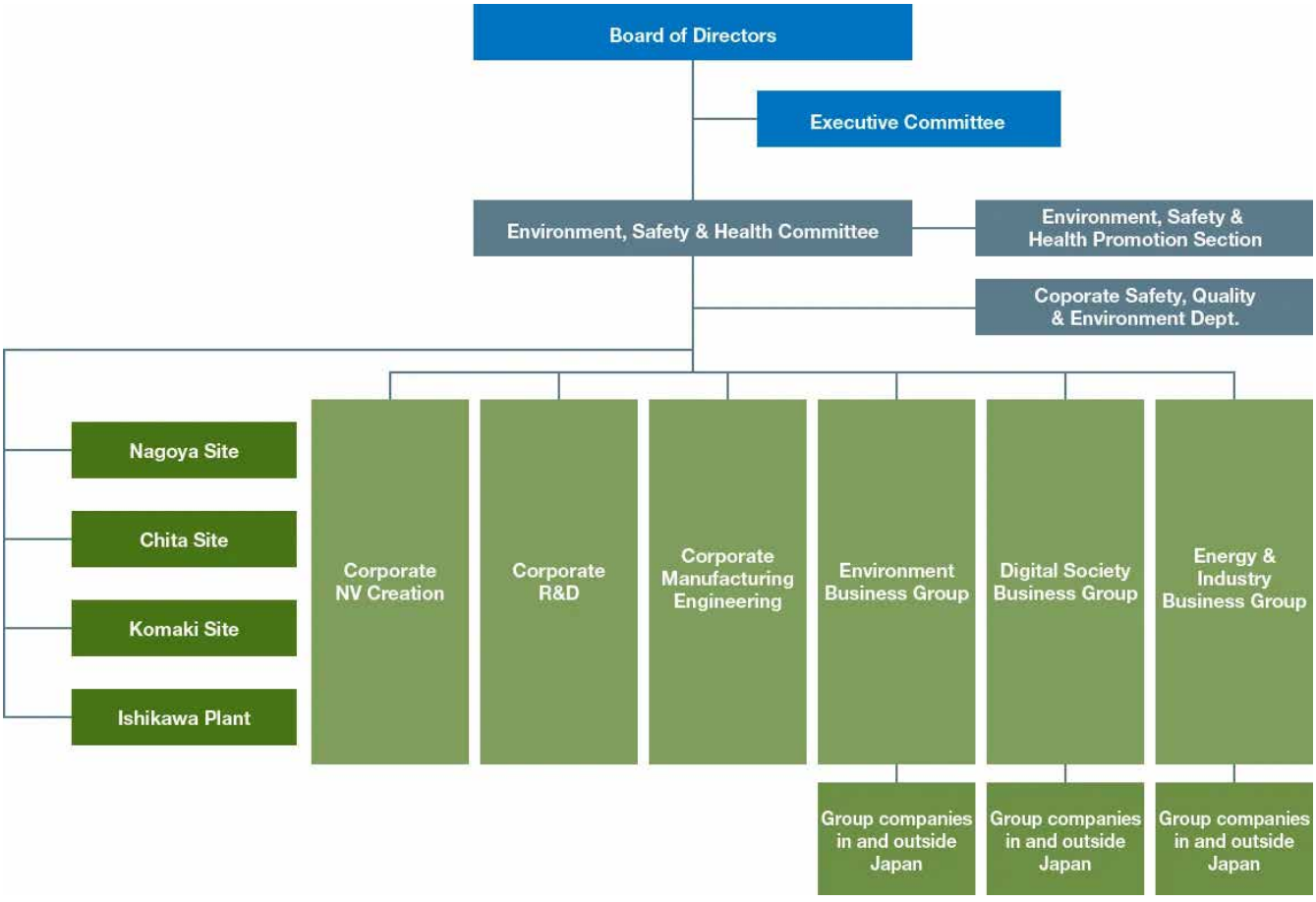
Approach

The NGK Group has established a Group-wide environmental management framework and promotes environmental conservation activities based on the NGK Group Environmental Policy by utilizing an environmental management system (EMS).

Promotion Framework

In addition to managing the environment at its major sites in Nagoya, Chita, Komaki, and Ishikawa, the NGK Group promotes environmental management at its domestic and overseas Group companies, led by each business division. Matters decided by the Environment, Health and Safety Committee are communicated to all Group companies through the business divisions and are reflected in their business activities. Furthermore, each business division takes the lead in conducting regular audits of domestic and overseas Group companies and, in coordination with head office staff, engages in information sharing and provides support to address outstanding issues.

Environmental Management Promotion Framework Chart



Environment, Safety & Health Committee

The Environment, Health and Safety Committee manages environmental management and occupational health and safety in an integrated manner from the perspectives of compliance, governance, and risk reduction. The Committee is chaired by an Executive Vice President and meets regularly twice a year, with extraordinary meetings convened as necessary to deliberate and decide on important matters. Matters deliberated by the Committee are reported to the Board of Directors, and operations are conducted under the supervision of the Board.

Governing Structure

Chair	President appoints the chair in light of Executive Committee deliberations
Vice Chair	Appointed by Committee Chair
Members	Executive Vice President; Administrative staff with jurisdiction; Group Executives; General Managers; Director of each site (General Manager of Pollution Control; General Safety and Health Manager); others designated by the Committee Chair

Environment, Safety & Health Promotion Section

Governing Structure

Chair	General Manager of Safety, Quality & Environment Dept.
Member	General Manager of Environment Business Group Safety, Quality Assurance & Environment Div.; General Manager of Digital Society Business Group Safety, Quality Assurance & Environment Dept.; General Manager of Energy & Industry Business Group Safety, Quality Assurance & Environment Dept.; General Manager of R&D Planning Dept., Corporate R&D; General Manager of M&E Planning Dept., Corporate Manufacturing Engineering; others designated by the Committee Chair

Environmental Committees

NGK holds Environmental Committees twice a year at each of its locations in Nagoya, Chita, Komaki, and Ishikawa, to ensure that matters decided by the Environment, Health and Safety Committee are thoroughly communicated and implemented at each district. The committees also share information and discuss issues and key topics specific to each district, leading to the consideration of improvement measures.

Initiatives

Acquisition of Environmental Management System Certification

Based on its Environmental Policy, the NGK Group has obtained third-party certifications such as ISO 14001, Eco Stage 2, and Eco Action 21, and promotes systematic and continuous environmental conservation activities. Currently, EMS certification coverage has reached 100% across all production sites of the NGK Group.

Environmental Management System Certification Status

As of May 2026

Category		Number of manufacturing sites	Number of sites certified
NGK		4	4
Group companies in Japan	Environment Business Group	5	5
	Digital Society Business Group	9	9
	Energy & Industry Business Group	5	5
Group companies outside Japan	Environment Business Group	11	11
	Digital Society Business Group	4	4
	Energy & Industry Business Group	3	3

Environmental Management at Group Companies in and outside Japan

NGK has established an environmental management framework centered on each business division that covers both domestic and overseas Group companies, and promotes environmental conservation activities based on its Environmental Policy. For Group companies, NGK verifies compliance with environmental laws and regulations through environmental performance assessments and audits. In cases where issues arise, NGK conducts root cause analysis and implements corrective actions, and shares these measures across the Group.

Strengthening Global Environmental Management

The NGK Group has established and operates a global environmental management framework to promote business activities in harmony with the environment and to fulfill its responsibility for addressing social issues. We are continuously working to reduce the environmental impact of its business activities, while also developing systems that ensure full compliance with environmental laws and regulations, thereby advancing the sophistication of its global environmental management.

Efforts to Mitigate Environmental Risks Throughout the Group

The NGK Group has obtained ISO 14001 or equivalent third-party certifications at all its production sites, both in Japan and overseas, and conducts management based on environmental management systems. NGK operates a system to share information on revisions to environmental laws and regulations in Japan with its Group companies and to monitor their response status. For overseas sites as well, we are strengthening its framework to regularly confirm important regulatory changes in each country and region, as well as the status of responses, in collaboration with local consultants.
To reduce the risks of environmental accidents and compliance violations, NGK is promoting a shift from post-incident response to preventive measures. We have conducted re-inspections of facilities with high environmental risks, such as water treatment facilities and equipment handling hazardous substances, and has implemented improvements in areas where issues were identified. In FY2025, NGK is working to further strengthen preventive measures for water-related facilities through equipment aging diagnostics and measures to prevent human error, and these initiatives will continue from FY2026 onward.

Environmental Audits

NGK conducts annual internal audits and external reviews based on environmental management systems at all Group companies, including domestic sites in Nagoya, Chita, Komaki, and Ishikawa, as well as overseas operations. No material findings were identified in FY2025. In the unlikely event that any material findings are identified, the relevant departments and the environmental division work together to implement corrective actions, share them at environmental committees in each district, and prevent recurrence across the entire Group.

Major Violations

› Environmental Data Collection [PDF:93KB]

Environmental Risk Management

The NGK Group has established environmental management systems at each production site and works to conserve the environment and reduce environmental risks. Each business group responsible for Group companies conducts regular environmental audits of all production sites to enhance the level of environmental management across the entire Group.

Compliance and Pollution Prevention Initiatives

NGK complies with applicable laws, regulations, and environmental agreements through continuous monitoring and measurement of air emissions and water quality, as well as through strict management practices.
We also provide regular specialized environmental training, including for domestic Group companies, to share the latest information and enhance the knowledge of personnel, thereby working to prevent environmental pollution.
In FY2025, an incident occurred at the Komaki Plant in which wastewater containing product raw materials flowed into the rainwater system. In response, NGK implemented measures to prevent recurrence and shared the incident through the Environment, Safety & Health Committee to ensure thorough recurrence prevention across the Group.

Major Violations

› Environmental Data Collection [PDF:93KB]

Environmental Patrols and Emergency Response Drills

NGK conducts environmental patrols based on annual plans to prevent environmental pollution before it occurs. We also carry out emergency response drills to minimize potential damage in the event of emergencies.
In fiscal 2025, NGK conducted environmental patrols and emergency response drills at four sites—Nagoya, Chita, Komaki, and Ishikawa—to prevent air and water pollution, ensure proper management of chemical substances, and control noise and vibration.
Going forward, NGK will continue these environmental patrols and emergency response drills and will work to reduce environmental risks by improving operational practices.

Activities Conducted in FY2025

Environmental patrols (times) / Emergency response drills (times)

District	Air	Water	Noise and Vibration	Chemical Substances
Nagoya	4 / 3	1 / 2	4 / -	2 / 2
Chita	1 / 6	1 / 4	1 / -	1 / -
Komaki	2 / 8	2 / 16	1 / -	1 / -
Ishikawa	2 / 5	2 / 2	2 / -	2 / 2

Environmental Education and Communication

Approach

The NGK Group, based on NGK Group Environmental Policy, places a strong focus on education and communication initiatives to raise environmental awareness among employees.
We aim for each employee to understand environmental issues and to actively engage in environmental conservation.

Employee Environmental Training and Skills Development

Environmental Expert Training

The NGK Group provides specialized training to strengthen compliance in environmental management.
In FY2025, NGK conducted training on fluorocarbons using on-demand learning materials, with approximately 2,000 employees participating.
We verify participants' understanding through achievement tests and support the acquisition of appropriate knowledge.

Special Environmental Training

The NGK Group organizes seminars and workshops led by external experts on key themes such as carbon neutrality, a recycling-oriented society, and harmony with nature, providing opportunities for employees to explore environmental issues together.

Seminars and Workshops on the Circular Economy

NGK conducted seminars and workshops on the circular economy in FY2025 as part of its resource circulation initiatives, continuing from the previous year.
Through post-seminar workshops for employees in each business division, we deepened understanding of circular economy concepts and discussed specific initiatives within each division.



Seminar Scene

Briefing Session on Information Disclosure Based on the TNFD Recommendations

In July 2025, NGK held an internal briefing session on information disclosure based on the TNFD Recommendations as part of its initiatives toward harmony with nature.
Participants, mainly from business divisions and procurement divisions, deepened their understanding of the relationship between business activities and local communities and nature through the TNFD framework.



Scenes from the Briefing Session

Promoting the Acquisition of Qualifications

The NGK Group promotes the acquisition of legally required qualifications for environmental management to continuously advance environmental conservation activities in compliance with regulations.
We provide necessary support for obtaining these qualifications and work systematically to develop and secure the required human resources.

Qualifications Acquired as of March 31, 2026 (NGK)

Pollution Control Managers			Qualified Energy Managers	Special Controlled Industrial Waste Managers	Waste Disposal Facility Technical Managers
Air	Water	Noise/ Vibration			
105	132	33	40	41	15

Support for Acquisition of Eco Test Certification

NGK supports employees in taking the Eco Test Certification to help them develop broad environmental knowledge and a high level of awareness.
We provide study materials and subsidize examination fees for interested employees. To date, 950 employees have passed the test, representing approximately 20% of the workforce.

Eco Test Certification

› Environmental Data Collection [PDF:93KB]

Social Contribution through the NGK Eco Point System

NGK operates the NGK Eco Point System, under which employees earn points for environmentally friendly actions taken at work and at home. A portion of these points is converted into monetary donations to local environmental funds managed by municipalities.
Donations are used to support local environmental conservation activities, such as purchasing equipment for aquatic ecosystem surveys and funding environmental education programs. The system both raises employees' environmental awareness and contributes to local communities.
It is implemented at sites in Nagoya, Chita, and Komaki, as well as the Ishikawa Plant, the Tokyo Head Office, the Osaka Branch, and sales offices.



Mayor of Handa-city in Aichi Prefecture with NGK employees



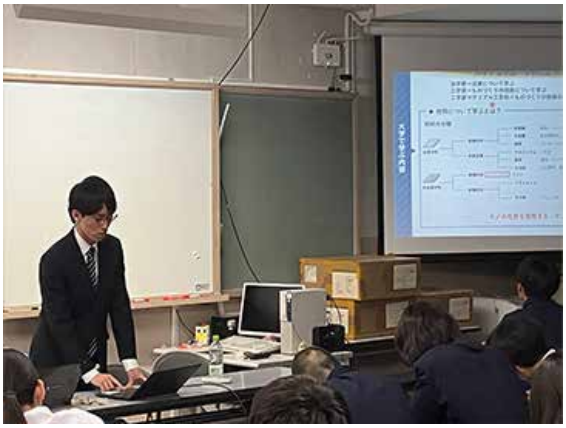
Environment Bureau Director of Nagoya, Aichi Prefecture with an NGK employee

Initiatives to Improve Environmental Awareness

The NGK Group works to raise environmental awareness among all stakeholders through lectures at high schools and universities, environmental events, and information dissemination.

Guest Lectures at High Schools

NGK regularly provides Guest Lectures at high schools in Aichi Prefecture. In these lectures, we introduce our sustainability initiatives and provide students with opportunities to think about the connection between themselves and the environment.



Employee-led Guest Lectures

University Lectures

NGK provides graduate-level Guest Lectures delivered by employees. In these lectures, we introduce the NGK Group Philosophy, business strategies, and initiatives toward Carbon Neutrality, helping students deepen their understanding of the role of companies in achieving a sustainable society.

Sharing Information with Other Companies

At the Environmental Partnership Club (EPOC)*, our President Kobayashi serves as Vice Chair, and we lead the Environmental Management Subcommittee, where we share information on corporate environmental management. We hold several seminars and study sessions each year to help member companies enhance their environmental awareness. In FY2025, we organized seminars on ESG investment and sustainability disclosure standards, as well as study sessions to share environmental management challenges faced by member companies and discuss how to address them.

* Environmental Partnership Club (EPOC): Established in 2000 by industry in the Chubu region, this organization brings together industry, academia, and government to create a world-leading environmentally advanced region and to build a safe and comfortable circular economy-based society. NGK has participated in its planning and management since its founding. As of April 1, 2026, EPOC has 262 member companies, organizations, and individuals

Information Disclosure Based on TCFD Recommendations

In February 2020, the NGK Group announced our support for recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD) created by the Financial Stability Board (FSB). Since then, we have evaluated how to apply the TCFD framework towards resolving issues facing our Group operations, such as the risks and opportunities posed by climate change, and towards necessary information disclosure.
Below, we disclose information related to scenario-specific analyses conducted based on the four themes outlined in the TCFD recommendations: governance, strategy, risk management, and metrics and targets.
We will continue to expand analysis work and enhance information disclosure as part of our commitment to communicating with our stakeholders. We will accurately identify climate change-related influences on Group operations and implement response measures to promote sustainable growth for our business.

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

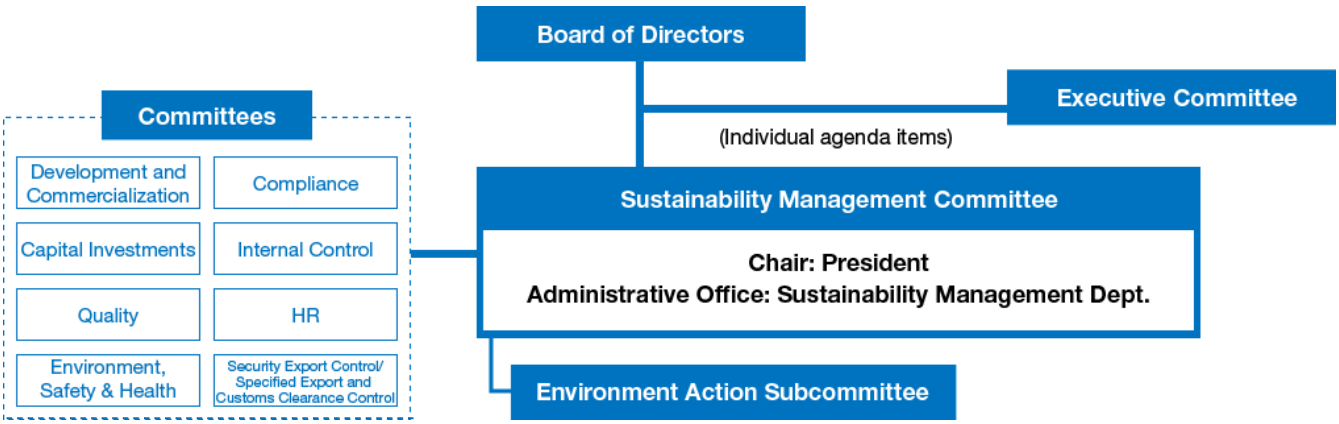
The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB). As of November 24, 2023, following the dissolution of the TCFD, 1,488 companies and organizations have expressed support for TCFD recommendations.

Governance

In April 2021, we announced the NGK Group Vision: Road to 2050. In this Group Vision, we position responding to ESG issues as a core management theme and outline the goal of being a company that contributes to carbon neutrality and the digital society using our ceramic technologies. Recognizing climate change response as one of the highest-priority issues to achieving sustainability for our planet, we drafted the NGK Group Environmental Vision as an extension of the NGK Group Vision. In this Environmental Vision and our Carbon Neutrality Strategic Roadmap, we outline achieving net zero CO_2 emissions for our business activities by 2050. Specific activities include setting management metrics and goals for each fiscal year of our 5-Year Environmental Action Plan. Our Sustainability Management Committee chaired by the President deliberates on these metrics and goals at least once a year, and issues reports to our Board of Directors. We also have incentivized CO_2 emissions reduction by adding achievement benchmarks to the performance-linked bonus evaluation criteria for directors and executive officers. Members from relevant divisions participate in Environment Action Subcommittee within the Sustainability Management Committee to evaluate measures for information disclosure based on TCFD recommendations. The subcommittee's results are then deliberated by the Sustainability Management Committee before being reported to the Board of Directors. This subcommittee is also focused on achieving carbon neutral business activities by no later than 2050, one of the goals outlined in our Action Plan. The subcommittee works towards this goal by also promoting measures such as energy saving and furnace fuel conversion from fossil fuels to carbon-free fuel. The Sustainability Management Committee submits reports on its deliberations, including ESG issues such as our disclosure response for the CDP, to the Board of Directors at least once per year.

› NGK Group Vision
› NGK Group Environmental Vision

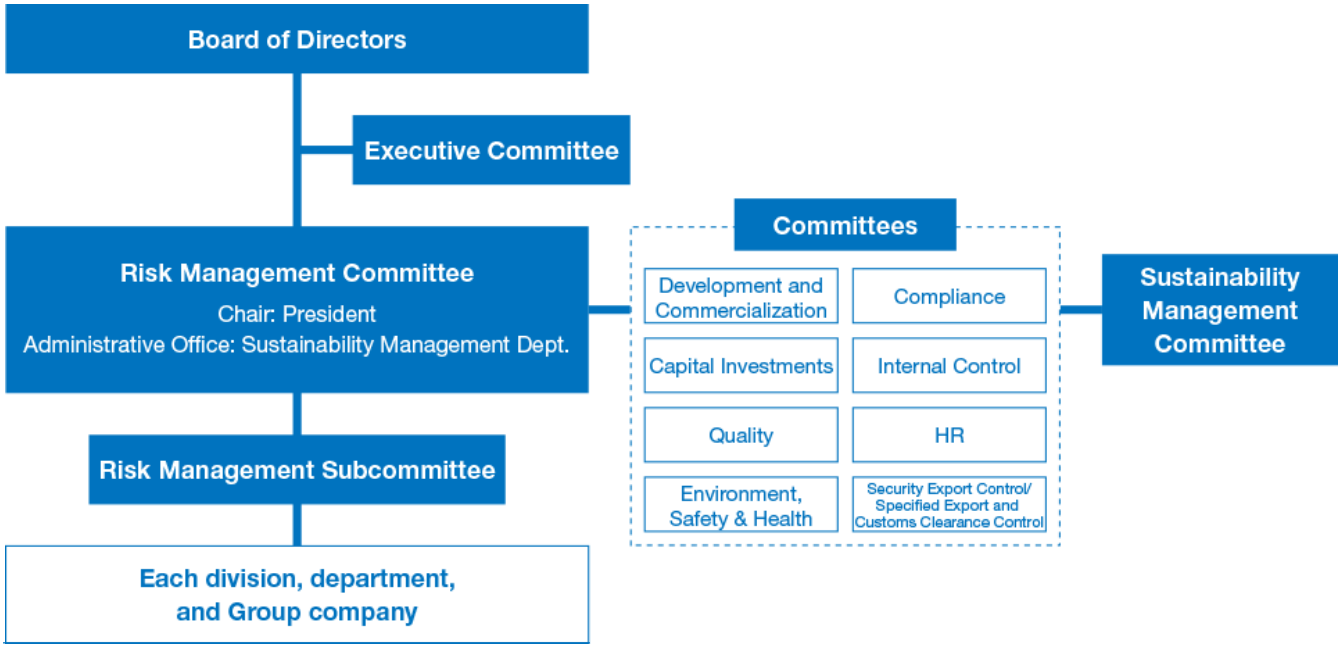
Framework Related to Climate Change Response



Risk Management

The Risk Management Committee handles NGK Group-wide risks, including risks related to climate change, by establishing policies, strategies, frameworks, measures, and annual plans for risk management. It also monitors the overall execution status of risk management and reports to the Board of Directors when appropriate. In addition, individual risk items are the responsibility of the head of the department or committee that should manage and monitor them, and are handled by the relevant department or committee. In the event that disasters or accidents occur, they are handled according to the Basic Rules of Crisis Management, by the department or committee specified by these rules. In cases of particularly serious risks, the Executive Officer in charge of the Sustainability Management Department may decide to convene a response committee, which includes participation by the President, to address said risks.

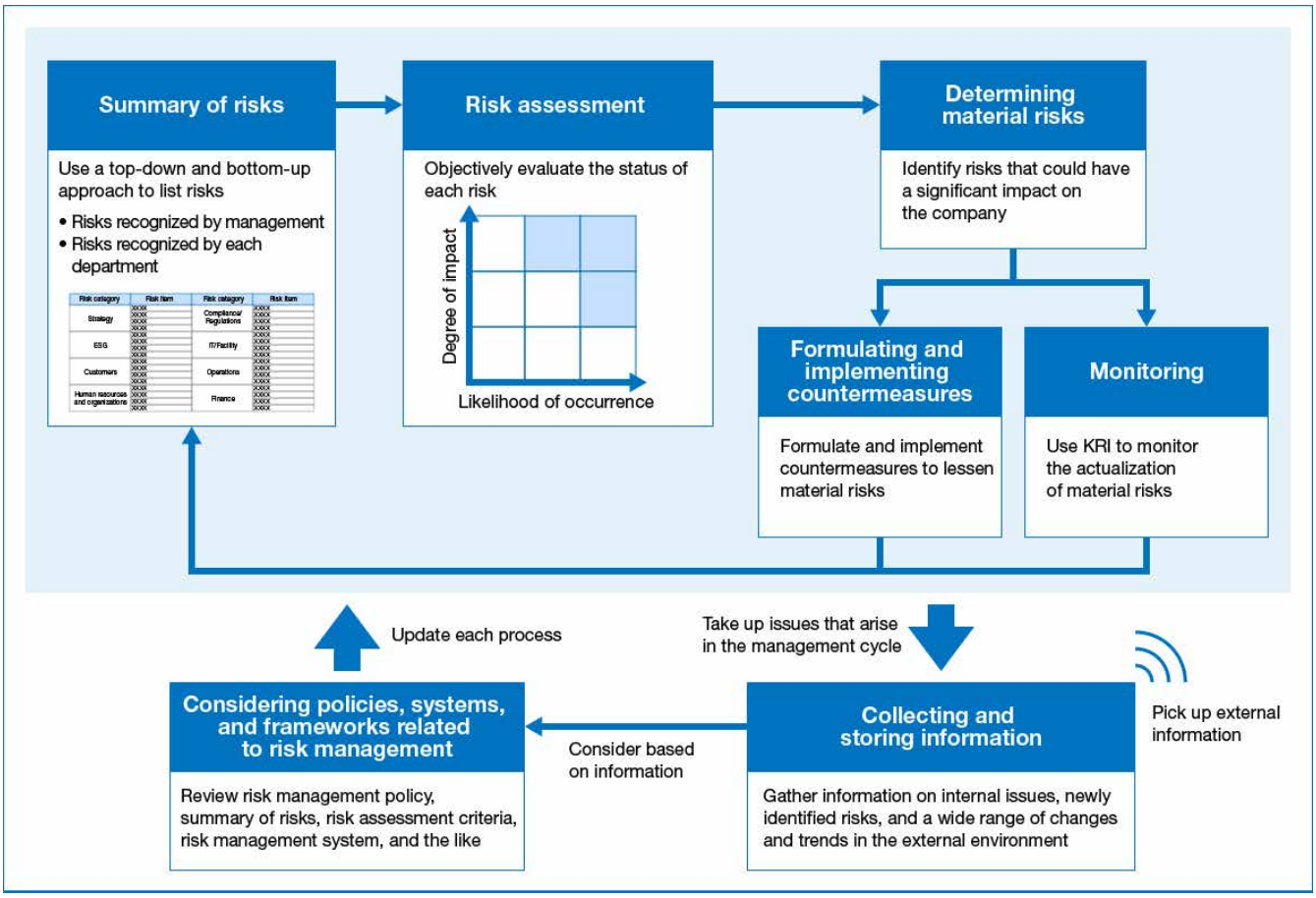
Risk Management system



Risk Management Process

In addition, for risks related to climate change, the Environment Action Subcommittee within the Sustainability Management Committee creates scenarios and conducts a scenario analysis to identify Materiality risks. Through this process, we extract risks and opportunities, and draft response strategies. These results are deliberated by the Sustainability Management Committee, then reported to the Board of Directors.

Materiality Risk Management Cycle



Strategy

Climate Change Risks and Opportunities

We have set time frames and scenarios to analyze the risks, opportunities, and magnitudes of the impact of climate change in relation to NGK Group business. Scenario analysis is a method for postulating multiple future scenarios and ascertaining the impacts of the risks and opportunities posed by climate change on the NGK Group. The goal is to use the insights gained in considering future strategies and responses.

Assumptions

Timeframes

We set short-term, medium-term, and long-term timeframes for considering risks and opportunities.

Timeframe		Reason for setting
Short-term	Over the next year	Goal year of the annual targets under the 5-Year Environmental Action Plan
Medium-term	FY2030	Interim goal year of the NGK Group Environmental Vision
Long-term	FY2050	Goal year of the NGK Group Vision and the NGK Group Environmental Vision

Scenarios

We have set 1.5°C and 4°C scenarios under which the risks and opportunities of transitioning to carbon neutrality, and the physical risks and opportunities of climate change, are each maximized.

Scenarios	Summary	Main external scenarios used as reference
1.5°C Scenarios	Assumes accelerated policy, regulatory, and market actions worldwide to achieve carbon neutrality by 2050, with the goal of limiting the increase in the global average temperature to within 1.5°C above pre-industrial levels	– International Energy Association (IEA) Net Zero by 2050 scenario – SSP1-2.6 scenario, etc.
4°C Scenarios	Lack of progress in government policy, regulatory systems, or social initiatives result in an average global temperature increase of 4°C compared to pre-industrial revolution temperatures. Massive impact from disasters and other events caused by climate change.	– SSP5-8.5 scenario, etc.

Particularly Important Risks and Opportunities

We have identified risks and opportunities in line with the TCFD categories for each time frame and scenario. We conducted qualitative assessment of the magnitude of financial impact of each risk and opportunity with reference to the risk assessment criteria of all Group companies. We also quantified the financial impacts for some items that were thought to have a certain impact and could be quantitatively assessed based on these scenarios.
Furthermore, this scenario analysis is not a forecast of NGK Group performance, but rather analyzes the impacts of the risks and opportunities posed by climate change on the NGK Group under each scenario. It is intended to be used in considering strategies and responses from here on out. The information used to calculate these financial impacts is the information available at the time of the examination, and contains uncertainties and assumptions.

(1) Carbon Neutral Society Transition Risks and Opportunities (1.5°C scenario)

Category	Summary of assumed scenario	Business risks & opportunities		Details of risks & opportunities	Timeframe	Response strategy	Financial impacts
Policy/ Legal	• Rapid reduction in emissions required to achieve carbon neutral by 2050. • Adoption of carbon pricing against CO_2 emissions of our company or our supply chain. 2030: 130$/t- CO_2 2050: 250$/t- CO_2	Increased cost of responses to further reduce greenhouse gas emissions	Risks	Incurring response costs related to equipment replacement and upgrades for energy saving, renewable energy procurement, electrification of energy sources, and energy conversion from natural gas as a furnace fuel to fuels sources such as hydrogen or ammonia.	Short- to long-term	• Trend and prediction monitoring for the regulations and carbon pricing systems of various countries • Promote enhanced energy saving, technological innovation, and initiatives towards expanding the use of renewable energy in line with the NGK Group Environmental Vision and Carbon Neutrality Strategic Roadmap • Monitor supply status of fuels with low greenhouse gas emissions • Promote greenhouse gas emissions reductions in accordance with NGK Group Supplier Code of Conduct • Expand Scope 3 calculations and range of disclosure, conduct life cycle assessments (LCA) for major products to identify reduction targets	Financial impacts of energy conversion/carbon pricing (increased expense)*1 2030: - ¥5.8 bil 2050: - ¥12.3 bil (Reference: Impacts of carbon pricing without reductions: - ¥12.1 bil to - ¥17.7 bil)
		Increased costs due to adoption of carbon pricing	Risks	Costs increase due to adoption of carbon pricing on company emissions and emissions along the upstream of our supply chain			
Technology	Growing battery demand leading to decline in prices for rechargeable lithium-ion and other batteries. Also seeing the emergence and adoption of new battery technology with high added value.	Risks and opportunities associated with battery technology innovation and the emergence /adoption of new technology	Opportunities	• Increased competitiveness by advancing proprietary technology development • Increased storage battery needs	Medium- to long-term	• Monitoring of trends in technology innovation • R&D advancement	We are currently carrying out qualitative studies due to the lack of quantitative indicators.
			Risks	Competitiveness of our technologies will decline as competitors advance proprietary technology development			
	Rapid growth in CO_2 capture volume in various sectors, including fuel production, power generation, and industry.	Market growth driven by widespread adoption of CCU/CCS (CO_2 capture, utilization, and storage)	Opportunities	Growth in CCU/CCS market will increase business opportunities for our ceramic products (subnano-ceramic membranes, etc.)	Medium- to long-term	• Monitoring of technology innovation and market trends • Business expansion in the CCU/CCS market, new product development promotion marketing, business schemes, promotion of New Value 1000 to accelerate new product development • Research, development, and provision of subnano-ceramic membranes, solid oxide electrolysis cells (SOEC), and the establishment of carbon cycles to use them.	Financial impacts of CCUS-related products*2 2030: + ¥14 bil 2050: + ¥270 bil
Market	• In the short-term, vehicle emissions restrictions will be stricter, increasing demand for improved fuel economy. • In the medium- to long term, the proportion of electric vehicles (EVs) and fuel cell vehicles (FCVs) in automobile sales will rise rapidly, and the proportion of internal combustion engine vehicles will decline.	Changes in demand for automotive parts	Opportunities	• In the short term, demand for catalyst substrates for controlling automotive emissions and NOx sensors will increase due to stricter exhaust gas regulations. • In the medium- to long-term, demand for gallium nitride (GaN) wafers, AMB Substrates, and beryllium copper alloy for EVs will increase.	Short- to long-term	• Monitoring of regulatory, market, and demand trends • Plan and implement production and capital expenditures in response to the plans of automobile manufacturers • Cover decline in demand for internal combustion engine vehicles due to tougher exhaust gas regulations by increasing the number of new products and high-performance products • Expand adoption of gallium nitride (GaN) wafers, beryllium copper alloy, and AMB Substrates for EVs and plug-in hybrid vehicles (PHEVs) • Develop and offer products for heat management in EVs, new products for synthetic fuels, etc.	Financial impacts of automotive-related products*2 2030: - ¥50 bil 2050: - ¥244 bil
			Risks	Demand for products for internal combustion engine vehicles will decline over the medium- to long-term			
	The capacity of power storage batteries and demand for lithium-ion rechargeable batteries for EVs will rapidly expand.	Increased storage battery demand	Opportunities	• Increased demand for batteries*4 and Nickel-Zinc Rechargeable Battery • Increased business opportunities in the heating and refractory business for lithium-ion rechargeable batteries	Short- to long-term	• Monitoring of power policies and customer trends in each country • Enhance production systems in response to growing demand • Provide new value through solutions services • Commercialize Nickel-Zinc Rechargeable Battery	Financial impacts of battery-related products*1 2030: + ¥11 bil 2050: + ¥31 bil
	Demand for semiconductors will increase with electrification in various fields such as industry and transportation.	Growth in demand for semiconductor-related products	Opportunities	Increased demand for products for semiconductor manufacturing equipment and electronic parts / metals in the digital society business	Short- to long-term	• Monitoring of demand trends • Enhance production systems in response to growing demand • Partner with semiconductor manufacturing equipment manufacturers, increase facility capacity, personnel, facility systems, etc. as necessary	We are currently carrying out qualitative studies due to the lack of quantitative indicators.
Reputation	• Regular and growing trend of investors and financial institutions factoring climate change risk into investment decisions and requiring lenders to set SBT*3. • Customers are increasingly demanding renewable energy adoption and reductions in CO_2 emissions.	Improving assessments by contributing to carbon neutrality	Opportunities	Assessments by stakeholders can be improved by proactively responding to climate change and providing products and services that contribute to carbon neutrality.	Short- to long-term	• Business structure conversion, one of the goals outlined in the NGK Group Vision • Promote measures to reduce greenhouse gas emissions • Conduct information disclosure in line with the TCFD framework • Ascertain customer demands and implement responses accordingly	We are currently carrying out qualitative studies due to the lack of quantitative indicators.
		Decline in trust from stakeholders due to delays in responding to climate change	Risks	Delays in climate change measures will have a negative impact on brand, capital procurement, transactions, etc.			

*1 We set certain assumptions and premises about things like future business expansion based on the parameters (carbon price, energy unit price, power source mix, etc.) of scenarios in the International Energy Agency (IEA) "Net Zero by 2050" report (2021 edition). Then we combined the costs of energy conversion and energy saving with carbon prices for greenhouse gases to calculate the amount of financial impact on profits

*2 We used certain assumptions and premises to estimate our market share based on changes in the automobile, CCU/CCS, and battery markets according to scenarios in the International Energy Agency (IEA) "Net Zero by 2050" report (2021 edition). Then estimated the impact on sales of some products compared to the present to determine financial impacts

*3 SBT: Abbreviation of Science-based Targets, which is an initiative that requires companies to set targets for reducing greenhouse gas emissions based on scientific evidence

(2) Physical Risks and Opportunities Associated with Advancing Climate Change (mainly 4°C scenario)

Category	Summary of assumed scenario	Business risks & opportunities		Details of risks & opportunities	Timeframe	Response strategy	Financial impacts
Acute	• Frequency of flooding increasing in regions such as Japan and Asia. • The frequency of violent typhoons increasing.	Impact of wind and flood damage on factories and supply chains	Risks	• Increasing impact of factors such as property damage to facilities and machinery caused by wind and flooding, profit losses due to the suspension of business, and difficulty in employees coming to work. • Supply chain disruption due to increased wind and flood damage	Short- to long-term	• Flood risk assessments for major sites including future climate • Create and promote BCP (Business Continuity Plan), including for supply chains • Create a structure that enables global substitutions by decentralizing sites • Prepare for supply chain disruption by evaluating alternative procurement methods in advance (focus on production areas with high disaster risks) • Evaluate the flood risk assessments of major suppliers	Changes in our company's financial impacts (expected value) due to floods and storm surges affecting our plants and suppliers* 2030: - ¥100 mil 2050: - ¥540 mil
Chronic	Sea levels continue to rise.	Impact of storm surge on coastal factories	Risks	• Increased storm surge risk, increased property damage and profit losses due to flood damage • Costs incurred for measures such as height elevation and barriers and relocation	Medium- to long-term		

* Drawing on location information for our plants and major suppliers, we used a simulation that employed the Climate Score Global (CSG) model developed by Jupiter Intelligence in the United States to evaluate the inundation depths caused by flooded rivers and storm surges at a resolution of 90 m. Based on this evaluation, we calculated the expected amount of financial impact on profits by tallying up the value of losses to our company due to asset losses at our plants and losses due to shutdown of our plants and major suppliers. This expected value is an index calculated from the amount of losses due to floods and the probability of flood occurrence in a given year. The loss amount is estimated based on a uniform damage rate according to depth of inundation and does not reflect the disaster preparedness measures in place in the areas where sites are located

Message from the President
Sustainability Management
Stakeholder Engagement
Materiality
Environmental
Social
Governance
NGK Group Social Contribution Activities
Basic Sustainability Information

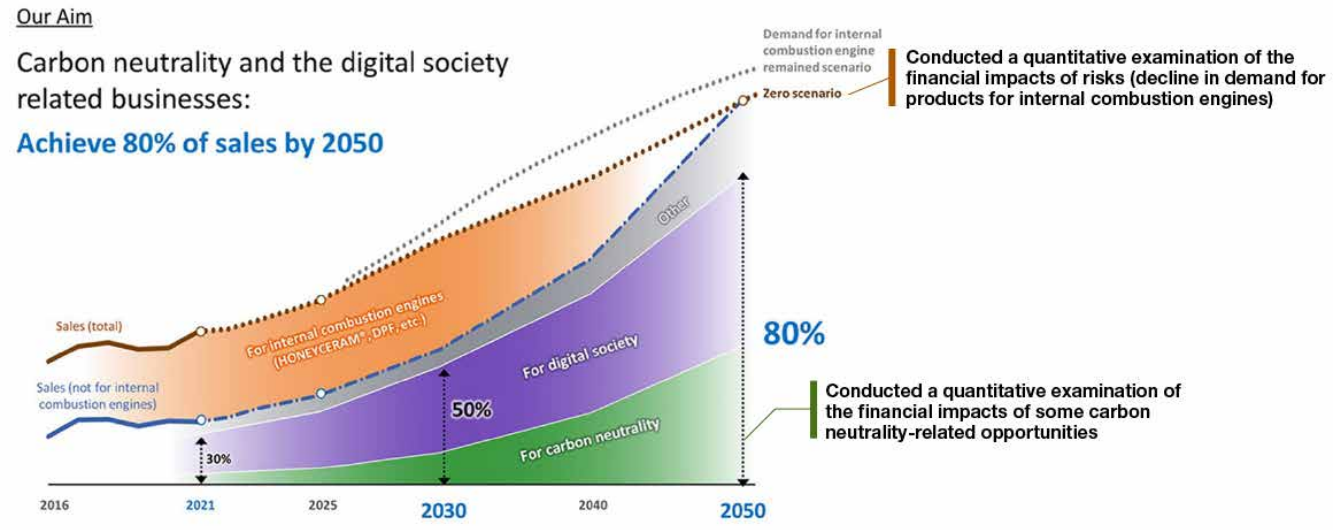
- Particularly Important Risks and Opportunities [PDF:97KB]
- Sub-nano Ceramic Membranes
- Gallium Nitride (GaN) Wafer
- AMB Substrates
- Nickel-Zinc Rechargeable Battery

Strategy Based on the Risks and Opportunities of Climate Change

We will pay close attention to both societal and market trends, while recognizing the degree of impact of each of the risks and opportunities we have identified through scenario analysis. And we will take action according to the response strategies we have established for each item.
Among the transition risks are risks accompanying CO_2 emissions. We will mitigate these risks by promoting initiatives aimed at net zero CO_2 emissions according to our Carbon Neutrality Strategic Roadmap. We are already implementing measures to deal with water-related disaster risks from the standpoint of business continuity planning (BCP). For instance, we are raising land in response to the frequent occurrence of heavy rainfall. With respect to further disasters, we are taking measures to prevent catastrophic damage, with protecting human life as our highest priority. We are aware of the future risks posed by climate change, including those posed by the worst-case scenario of a 4°C increase in temperature. To mitigate these risks, we will continue to evaluate risks while working to strengthen countermeasures such as BCP.

- NGK Group Environmental Vision
- Carbon Neutrality Strategy Roadmap

The NGK Group Vision defines our vision as A Company to Contribute to Carbon Neutrality and Digital Society with Our Unique Ceramic Technologies. It also sets a target for products related to these fields to make up 80% of sales by 2050. We used this scenario analysis to calculate the quantitative financial impact on parts of our business that can be assumed at present. This allows us to determine the business opportunities presented by realization of a carbon neutral society. We will continue working to develop new products related to carbon neutrality and digital society to achieve the NGK Group Vision, and aim to provide new value to society as we strive for sustainable growth.

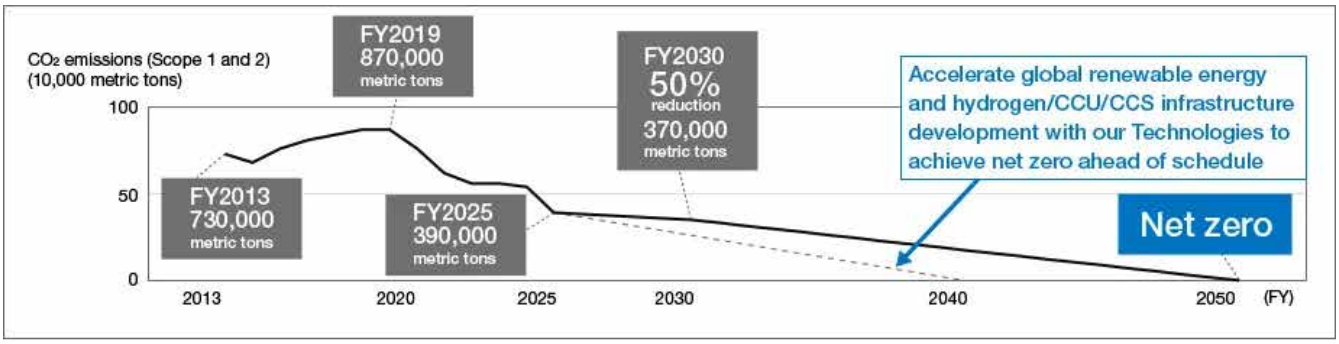


We intend to suitably enhance and deepen our scenario analysis by adding and updating various parameters and external reference scenarios depending on the state of new product development. And we will continue analyzing and considering responses to the impacts that the risks and opportunities posed by climate change can have on our business.

Metrics and Targets

To achieve the NGK Group Environmental Vision, we have formulated the Carbon Neutrality Strategic Roadmap to guide the implementation of our goal. Oue target for 2050 is to achieve net zero CO_2 emissions across the entire Group. As a milestone on the path to this goal, we have set a target of reducing CO_2 emissions to 370,000 tons in FY2030, representing a 50% reduction compared with the FY2013 baseline.

Carbon Neutrality Strategic Roadmap (Scope 1 and Scope 2)



Strategy 1

Development and provision of CN-related products/services

Adsorption and separation modules
DAC, ceramic membranes

Hydrogen-related products
Components for water electrolysis, ceramic membranes

CO_2 reduction services
Utilization of green energy

Develop and provide CN-related products

GHG monitoring sensors

Fuel synthesis reactors

New energy fields
Components for nuclear fusion

In addition to our existing carbon neutrality–related products, we will deliver value to society through the commercialization of products under development and through services such as renewable energy supply businesses that utilize storage batteries.

Strategy 2

Top-down enhancement of energy saving

Introduction of high-efficiency equipment (low-temperature waste heat recovery)

Digital transformation (DX) for productivity increase and energy management

We will further strengthen our long-standing energy conservation activities by introducing high-efficiency equipment and improving energy management.
In addition, we will accelerate capital investment by introducing an in-house carbon pricing system.

Strategy 3

Promotion of technical innovation

Technical development → Application to production equipment

In the ceramics firing process, CO_2 emissions are currently generated from the use of fossil fuels.
To address this, we are promoting a transition to alternative fuels such as hydrogen and ammonia, with the aim of eliminating the use of fossil fuels. In parallel, we are advancing the demonstration and application of CCU/CCS technologies within the Group.

Strategy 4

Expanded use of renewable energy

Introduction of Renewable Energy by the NGK Group

Purchasing of Renewable Energy

We will expand the procurement of renewable energy through various schemes in Japan and overseas.
In parallel, we will install photovoltaic (PV) power generation systems at NGK Group production sites and combine them with storage batteries to enable demand control. Using this initiative as a model case, we will apply it to renewable energy supply businesses in which the NGK Group participates, while working toward sourcing all electricity used by the Group from renewable energy in the future.

› NGK Group Environmental Vision

To help realize the NGK Group Environmental Vision, we are formulating the Sixth 5-Year Environmental Action Plan as the environmental activity plan for FY2026 to FY2030. The objective is to clearly communicate progress toward achieving net zero by 2050, as well as the milestone target of a 50% reduction in FY2030 compared with the FY2013 baseline.
In addition, as part of our efforts to expand the use of renewable energy, we have set a target for the renewable energy ratio based on the total electricity consumption of the Group.

- 5-Year Environmental Action Plan
- CO_2 Emissions Scope 1, 2, 3 [PDF:93KB]

(Disclosed in June 2026)

Initiatives Toward Carbon Neutrality

Approach

Climate change is a global challenge that has serious impacts on the environment as well as on society and the economy. In response, initiatives toward carbon neutrality are being advanced worldwide under international frameworks such as the Paris Agreement.
The NGK Group positions climate change as one of its materialities. We are promoting initiatives toward carbon neutrality across our entire value chain. We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and identify risks and opportunities associated with the transition to a carbon-neutral society based on those recommendations.
In response to these societal expectations, our materialities, and relevant laws, regulations, and policies in each country and region, we formulated the NGK Group Environmental Vision in 2021. Under this vision, we regard global environmental conservation as a critical challenge shared by all humanity. Through our business activities, we are committed to contributing to the realization of Carbon Neutrality, a recycling-oriented society, and harmony with nature.

› NGK Group Environmental Vision / Environmental Policy

Strategy and Approach, Indicators and Targets

The NGK Group is advancing initiatives under the NGK Group Environmental Vision based on the Carbon Neutrality Strategic Roadmap and the 5-Year Environmental Action Plan.
In the area of Carbon Neutrality, we are working toward realizing net zero CO_2 emissions in our own activities by 2050. To achieve this goal, we are developing products and technologies that contribute to reducing environmental impacts while promoting initiatives to reduce GHG emissions across our value chain.
Specifically, we have established the following targets for 2050.

Scope 1 and 2* emissions: Net zero by FY2050
Scope 3* emissions: Reduction of more than 90% by FY2050 (Reference Year: FY2022)

* Scope 1: Direct emissions from our own operations
* Scope 2: Indirect emissions from the use of purchased energy
* Scope 3: Emissions across the entire value chain, excluding Scope 1 and 2

We have established these long-term targets in line with the approach of the Science Based Targets initiative (SBTi).
Based on the Carbon Neutrality Strategic Roadmap, we are promoting the development of products and technologies that contribute to the realization of a carbon-neutral society, as well as initiatives to reduce Scope 1 and 2 emissions. Through these efforts, we aim to mitigate transition risks and expand business opportunities.

› Our Challenge Toward Carbon Neutrality
› 5-Year Environmental Action Plan

Message from the President
Sustainability Management
Stakeholder Engagement
Materiality
Environmental
Social
Governance
NGK Group Social Contribution Activities
Basic Sustainability Information

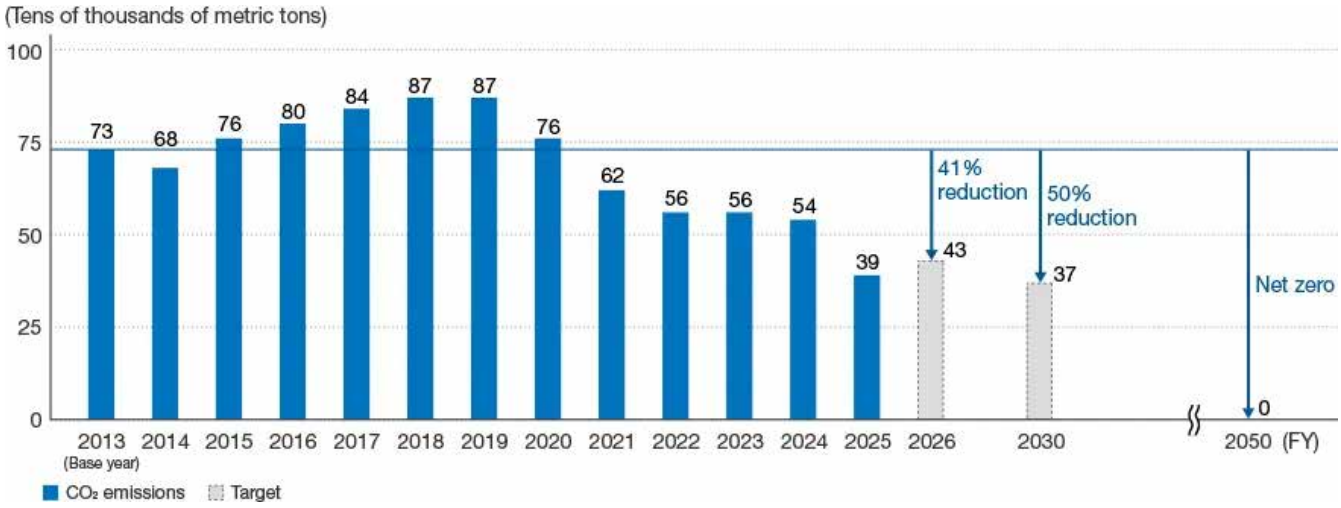
NGK Acquires Certification under the Science Based Targets initiative (SBTi) Net-Zero Standard

Targets and Results Based on the 5-Year Environmental Action Plan

Scope 1 and 2 Emissions

The NGK Group is promoting energy conservation measures, including the installation of solar power generation facilities and the procurement of renewable energy. As a result of these initiatives, Scope 1 and 2 emissions totaled 390,000 metric tons in FY2025, achieving our target of 500,000 metric tons or less. We will continue to strengthen these initiatives and pursue our 2030 milestone target.

Targets and Results for Scope 1 and 2 Emissions

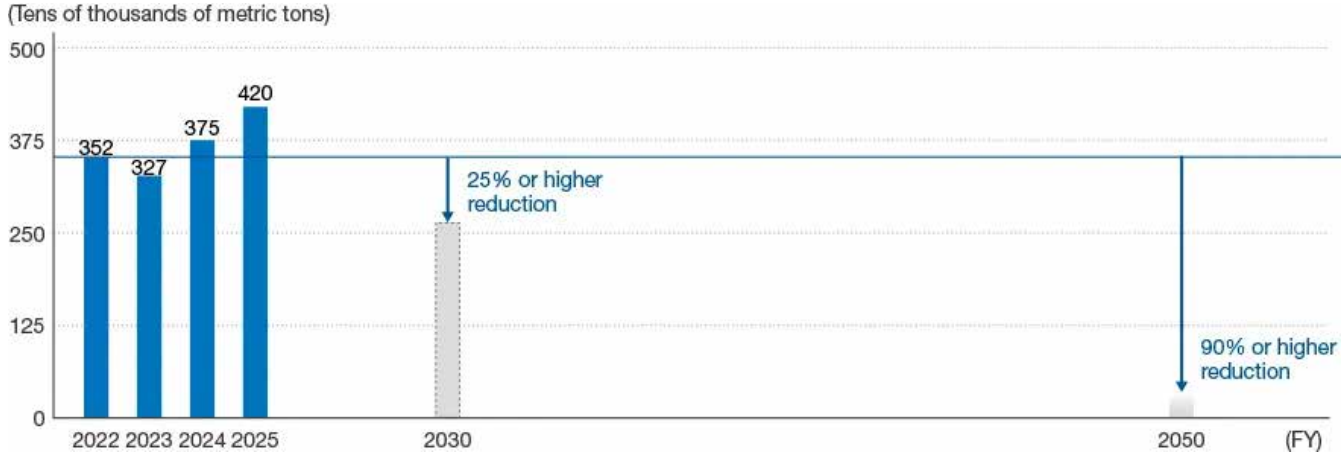


* The numerical values in the graph include the effect of carbon neutral LNG. Carbon neutral LNG is LNG that has been offset with CO_2 credits and is considered to generate no CO_2

Scope 3 Emissions

The NGK Group began tracking Scope 3 emissions for NGK on a standalone basis in FY2019 and expanded its calculations to cover the entire Group in FY2022. In FY2025, Scope 3 emissions totaled 4.20 million metric tons. Category 1, Purchased Goods and Services, and Category 11, Use of Sold Products, account for the majority of Scope 3 emissions. We have identified these categories as priority categories and are working with suppliers and customers across the value chain to reduce emissions. As a first step, we are prioritizing efforts to achieve our FY2030 reduction target.

Targets and Results for Scope 3 Emissions

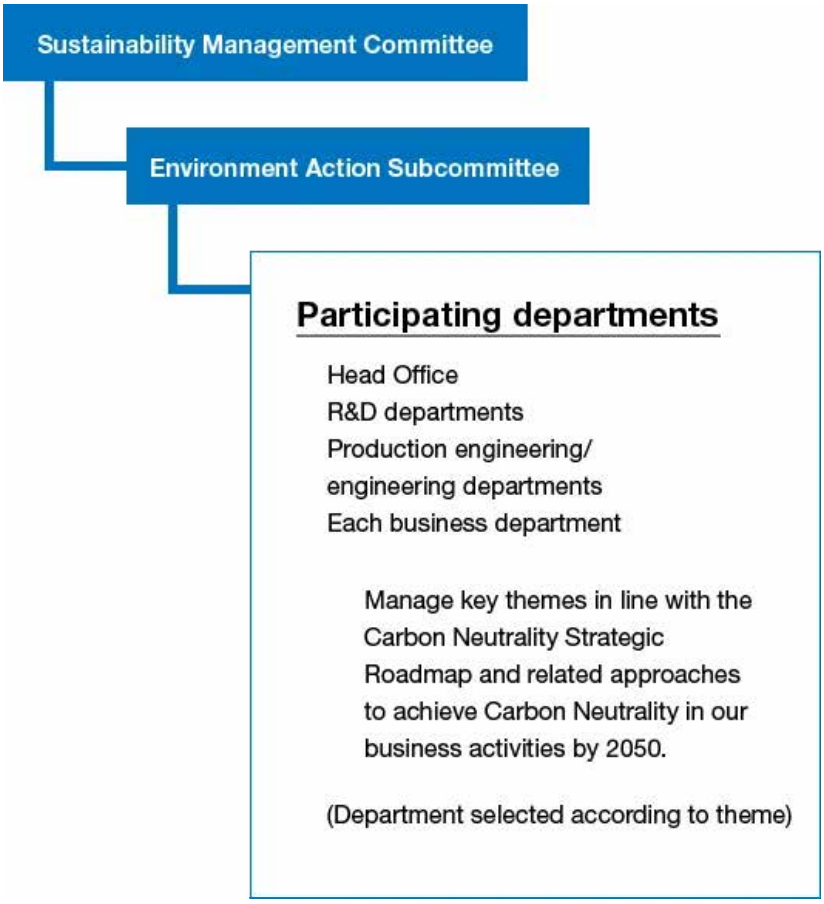


Promotion Framework

Framework for Reducing Scope 1, 2 and 3 Emissions

The NGK Group has established a framework to reduce Scope 1, 2 and 3 emissions as part of its efforts to achieve Carbon Neutrality. Based on the Carbon Neutrality Strategic Roadmap and an approach that encompasses the entire value chain, we steadily implement measures in line with roadmaps developed for each key theme.
In carrying out these initiatives, we ensure appropriate management and operation in accordance with climate change, energy use, and other relevant laws, regulations, and policies applicable to our sites in Japan and overseas. In Japan, we comply with the Act on Promotion of Global Warming Countermeasures and the Act on the Rational Use of Energy.
We will continue to promote initiatives to reduce Scope 1, 2 and 3 emissions through company-wide collaboration.

Framework for Reducing Scope 1, 2 and 3 Emissions



Initiatives

Initiatives in Line with the Carbon Neutrality Strategic Roadmap

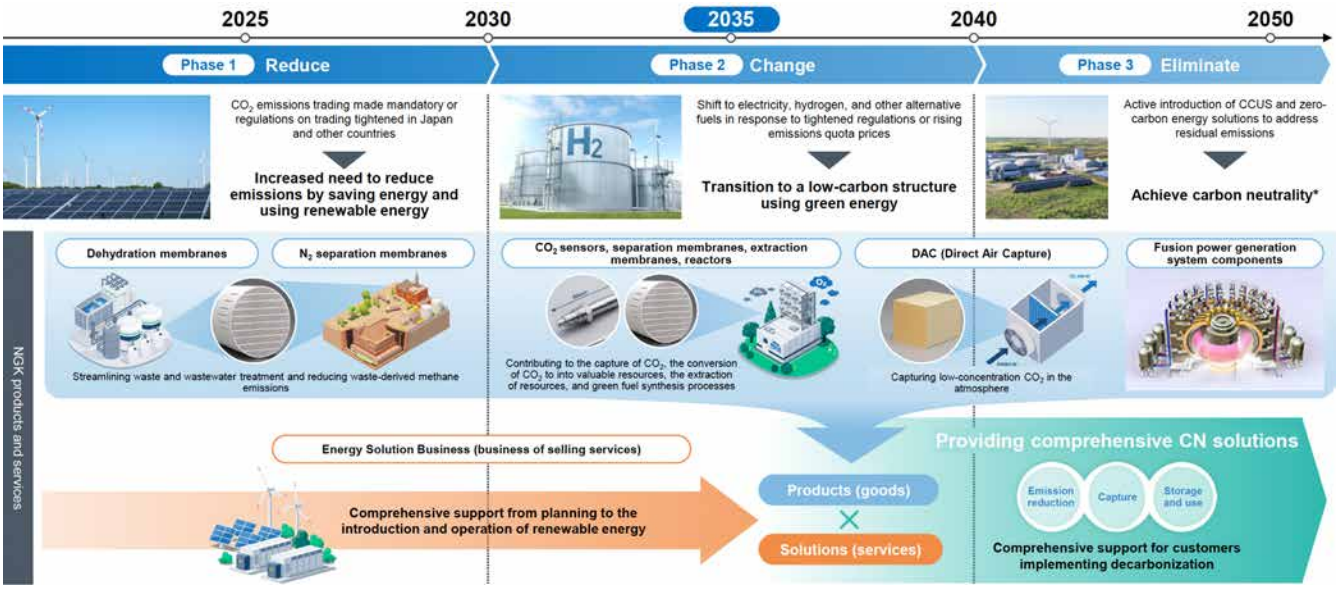
Strategy 1: Development and Provision of Carbon Neutrality-related Products/Services

The NGK Group envisions the transition to a decarbonized society progressing through three phases: “Reduce” (through 2030), “Change” (through 2040), and “Eliminate” (from 2040 onward). We will continue to contribute to solving social issues by providing solutions that are chosen by markets and customers through both products and manufacturing technologies and services and value creation.
Leveraging NGK’s core technologies in adsorption, separation, and synthesis, we are advancing product development and demonstration testing. In addition to establishing core technologies, we aim to build solutions that help address social issues.

During the “Reduce” phase through 2030, we will meet demand for emissions reductions through energy conservation by utilizing dehydration membrane and separation membrane technologies. In the “Change” phase through 2040, we anticipate a shift toward alternative fuels driven by tighter regulations and rising carbon pricing, and we will promote the application of DAC and reactor technologies.
In the “Eliminate” phase from 2040 onward, we will continue development and related initiatives based on a backcasting approach, looking ahead to a transition to fusion power generation, one of the carbon-free energy sources of the future.

› Innovation
› Long-term Management Plan

Roadmap Toward Carbon Neutrality



Strategy 2: Top-Down Enhancement of Energy Conservation

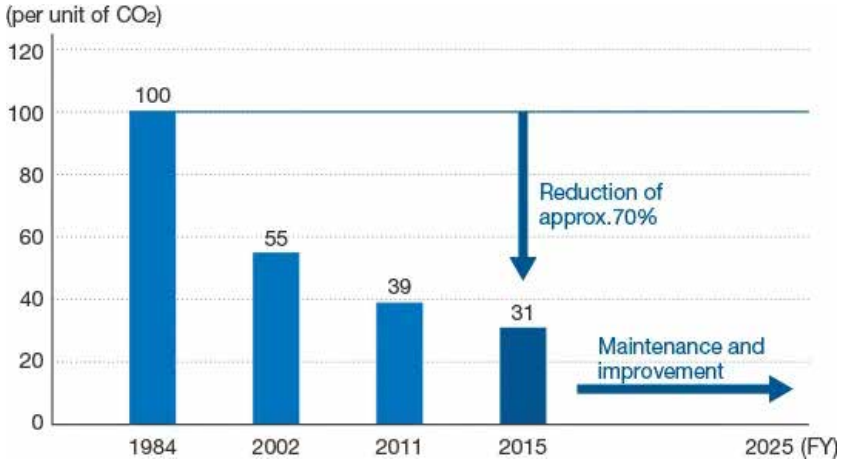
Energy Conservation at Production Sites

The NGK Group positions the promotion of energy conservation as its highest priority for reducing Scope 1 and 2 emissions. We are implementing a wide range of measures with a target of improving energy consumption intensity by 2% annually, exceeding the 1% annual improvement target set under the Act on the Rational Use of Energy and Shift to Non-fossil Energy.
Led by the heads of manufacturing divisions, we hold Energy Conservation Promotion Meetings twice a year to share progress across divisions and identify opportunities for further improvement. In addition, our corporate manufacturing engineering division conducts energy conservation patrols that provide assessments and guidance to support the introduction of energy conservation measures tailored to the characteristics of each division.
Through these initiatives, we reduced Scope 1 and 2 emissions across the Group by approximately 13,000 metric tons, equivalent to about 3%, in FY2025. The cumulative reduction achieved over the five years since FY2021 has reached approximately 100,000 metric tons. We will continue to drive continuous improvement based on the targets established by each division.

- Increase in Efficiency of Manufacturing Processes

By converting fuel to natural gas and upgrading kiln linings and burners to more efficient models, NGK has reduced CO_2 emissions from its Continuous Kilns by approximately 70% compared with levels in the 1980s and continues to maintain and improve this performance. In recent years, we have further promoted energy conservation and operational efficiency through measures such as optimizing the air-fuel ratio during firing and utilizing waste heat from drying furnaces and other facilities.

Reduction of CO_2 Emissions Intensity from Continuous Kilns by Year of Introduction



* Changes in per unit of CO_2 emissions from continuous kilns, a typical production facility

- Energy Conservation Grand Prize Winner (FY2024)

NGK ADREC, a member of the NGK Group, received the Director-General's Award of the Agency for Natural Resources and Energy (Industrial Sector) in the Energy Conservation Case Studies Category at the FY2024 Energy Conservation Grand Prize, organized by the Energy Conservation Center, Japan.
The award recognized NGK ADREC's efforts to enhance energy conservation through initiatives launched following energy conservation patrols and assessments. These initiatives included reviewing operating conditions and consolidating facilities to improve energy conservation performance.
We plan to expand these initiatives to other sites and further promote energy conservation.

Energy Conservation in Offices and Back-Office Departments

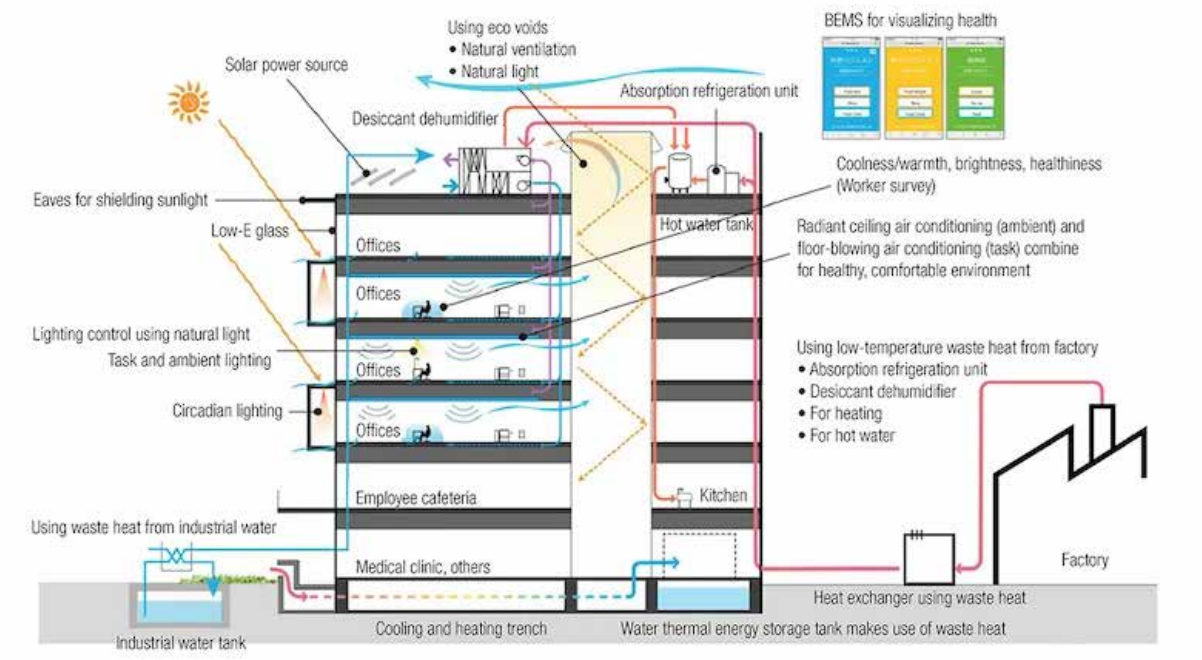
- Construction of a Zero Energy Building (ZEB)-orientated Office Facility

The NGK Group actively promotes energy conservation when constructing new buildings and renovating existing facilities. At the new administration/welfare wing in the Mizuho area of our Nagoya Operations, we introduced high-efficiency equipment and renewable energy, while also leveraging site-specific features such as the use of low-temperature waste heat from an adjacent plant, natural ventilation, and daylighting.
As a result, we achieved an approximately 50% reduction in GHG emissions compared with the emissions projected from the reference primary energy consumption calculated based on the total floor area and operating hours of the Mizuho E1 Building.
This project was selected for the Leading Sustainable Building Project (CO_2 Reduction) sponsored by the Ministry of Land, Infrastructure, Transport and Tourism, and achieved ZEB-Ready certification in FY2022. In FY2023, it also received the Director-General's Award of the Agency for Natural Resources and Energy (Business Category) at the Energy Conservation Grand Prize.



The new administration/welfare wing in Mizuho, Nagoya

Energy-Efficient Design and Operation of the Office and Welfare Buildings in the Mizuho Area, Nagoya Works



In addition, NGK Collaboration Square DIVRES, a Co-Creation Center that opened in July 2025, has achieved ZEB (zero energy building) status through a high level of energy conservation and the use of renewable energy. Improvements to the building envelope and the installation of high-efficiency equipment have significantly reduced energy consumption. Combined with energy generated by photovoltaic power generation systems, these measures have enabled virtually zero primary energy consumption.

In particular, the environmental facade* is a key feature that combines an open architectural design with reduced environmental impact. High-insulation glass minimizes heat loss from indoor spaces. In addition, the inclined exterior design on the south side effectively blocks solar radiation during summer while maintaining natural daylight and outside views. External louvers installed from the east to southeast sides further reduce peak solar radiation and help lower air-conditioning loads.

These architectural features reduce energy consumption while maintaining a comfortable indoor environment and support the achievement of ZEB performance.

* environmental facade: A facade design that enhances building environmental performance through heat shielding, thermal insulation, solar control, and natural ventilation.



NGK Collaboration Square DIVERS, a Co-Creation Center

- Operation of Existing Buildings

The NGK Group promotes energy conservation not only when constructing or renovating buildings, but also in existing office buildings and workplaces. More than 30 years have passed since the headquarters main building was completed, and there is room to improve its energy conservation performance compared with newer facilities. To address this issue, we have launched new initiatives to achieve further energy conservation effects, in addition to our conventional management methods.
As a specific measure, we installed instruments on each floor to display temperature, humidity, and discomfort index readings. We also distributed a video message from top management to employees, encouraging them to take energy conservation actions. In addition, facility managers now finely adjust air-conditioning systems while checking actual measurements from the instruments and appropriately responding to requests from building users.
Through these initiatives, we reduced energy consumption in FY2024 by approximately 20% compared with FY2021. We will continue to improve these activities and expand them to other buildings.

Promoting Investments Toward Carbon Neutrality Across the NGK Group

- Operation of Internal Carbon Pricing (ICP)

The NGK Group introduced internal carbon pricing in FY2022 to promote investment decisions toward Carbon Neutrality. In evaluating capital investments, we use US$140 per metric ton of CO_2 as the benchmark carbon price, based on the carbon price for advanced economies in 2030 presented by the International Energy Agency (IEA).
We use internal carbon pricing to evaluate the investment payback of waste heat recovery systems and photovoltaic power generation systems. For some projects, it affected the payback period, one of the key factors in investment decisions, by approximately 30%. Going forward, we will continue to explore additional applications of internal carbon pricing while taking social and market trends into account.

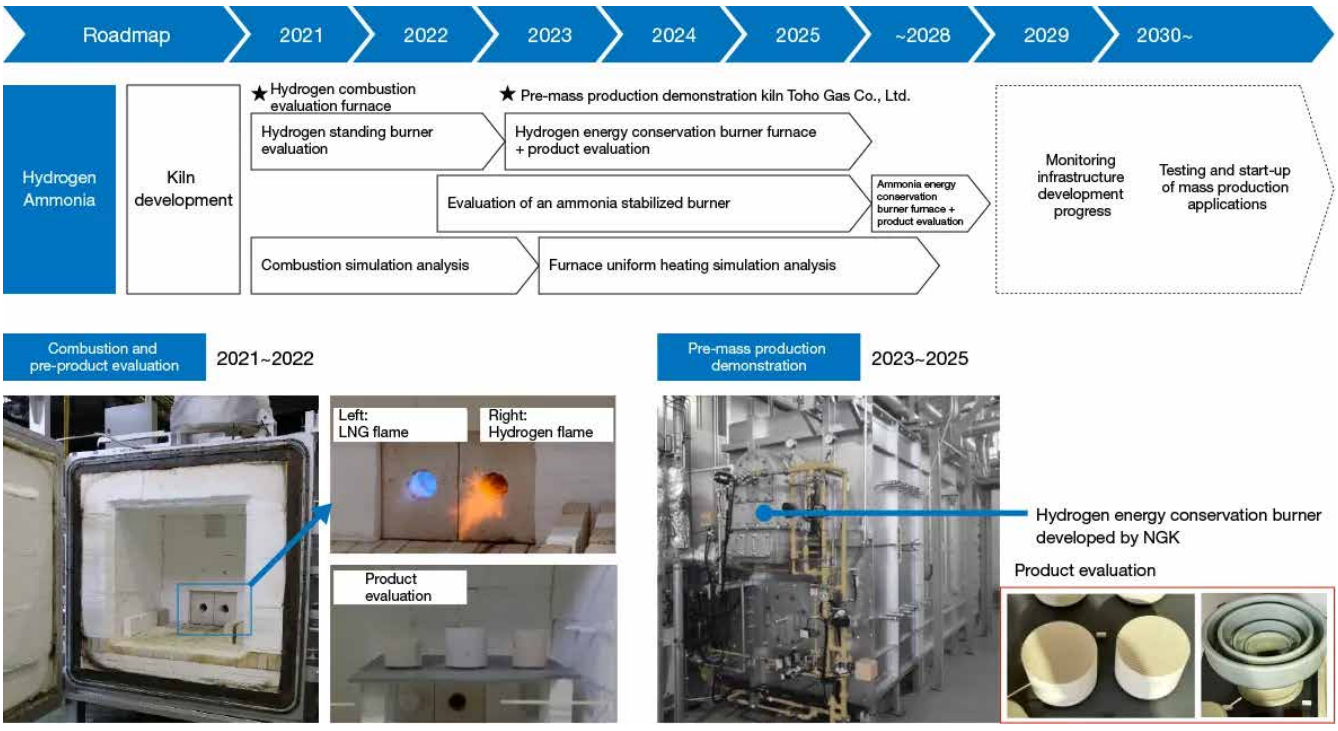
Strategy 3: Promoting Technological Innovation

The manufacture of ceramic products by the NGK Group requires a firing process, which primarily uses natural gas as fuel. As a result, reducing Scope 1 emissions is a key challenge in achieving Carbon Neutrality. To address this challenge, we are exploring opportunities for electrification while promoting the development of energy conversion technologies utilizing hydrogen and ammonia.

Fuel Conversion Technology Development

To support the commercialization of firing kilns equipped with hydrogen burners, we have installed a mass production demonstration kiln and are evaluating its durability and temperature distribution within the kiln. We are also conducting quality verification using prototype products in preparation for commercial applications.

Roadmap for the Mass Production Applications of Hydrogen and Ammonia

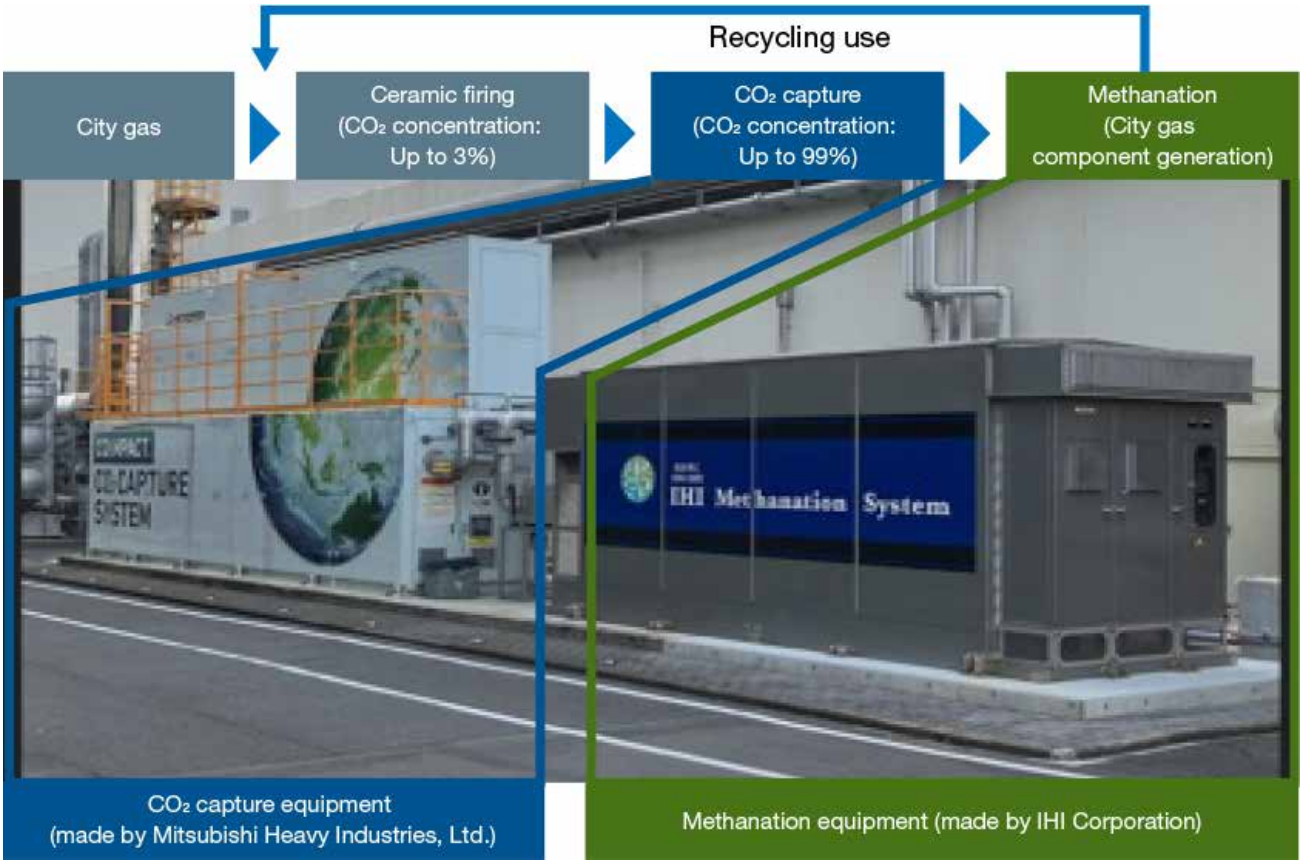


NGK Successfully Establishes Mass Production Technology for Its Products Using Hydrogen Combustion

CO_2 Capture Technology Development

With an eye on progress in the development of hydrogen and ammonia infrastructure, the NGK Group is advancing demonstration tests using CCU and CCS (carbon capture, utilization and storage) facilities that capture CO_2 from factory exhaust gases. In FY2024, we installed a methanation system that synthesizes methane from captured CO_2 and hydrogen. Furthermore, since FY2025, we have been using the methane produced as fuel for deodorizing furnaces and conducting demonstrations of CO_2 recycling.

Demonstration Testing of CO_2 Separation, Capture and Reuse



- NGK Begins CO_2 Capture Demonstration for CCUS
  Capturing CO_2 from Exhaust Gas of Ceramics Firing Kiln to be Utilized for Methanation

Strategy 4: Expanding Use of Renewable Energy

The NGK Group joined RE100 and has set a target of sourcing 100% of the electricity used in its business activities from renewable energy by 2040 to reduce Scope 2 emissions. To achieve this target, we are systematically expanding the use and procurement of renewable energy while taking cost considerations into account, including the installation of photovoltaic power generation systems and the use of Green Power Certificates. As a result, renewable energy accounted for 50% of our electricity consumption in FY2025.
We will continue to expand the use of renewable energy and advance initiatives to reduce Scope 2 emissions and achieve our target.

- Installation of Photovoltaic Power Generation Systems

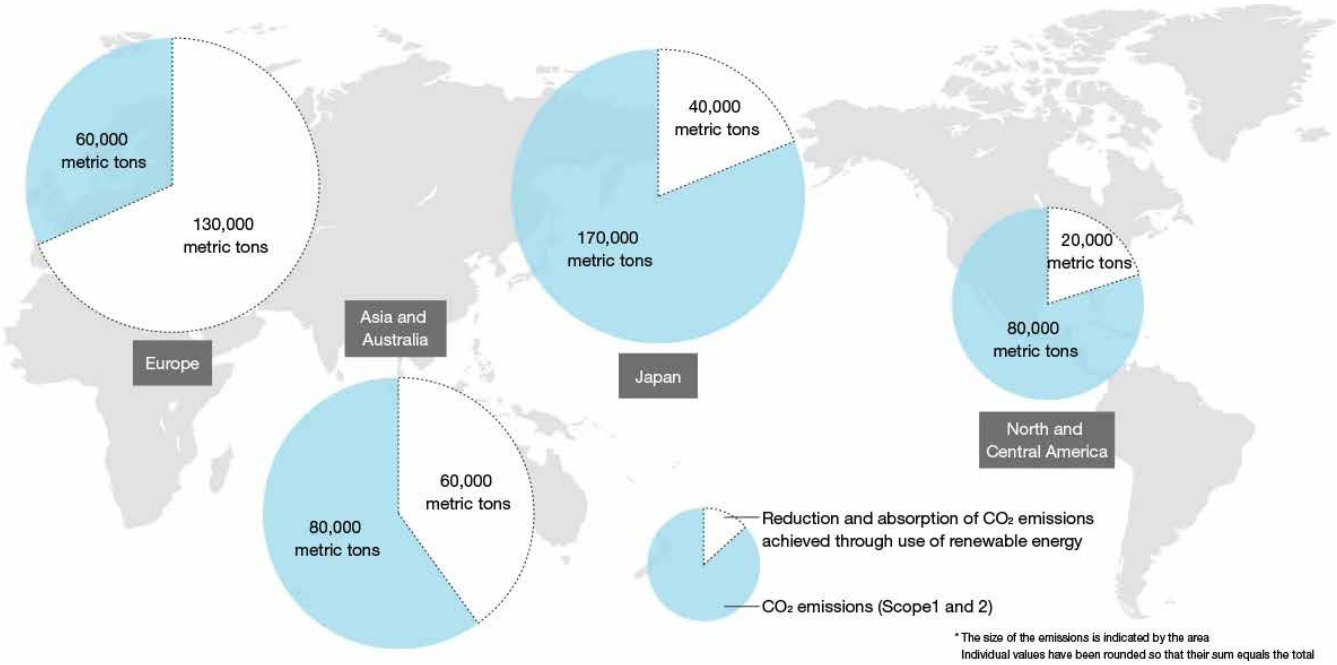
  The NGK Group is expanding the installation of Photovoltaic Power Generation Systems at production sites in Japan and overseas. We currently operate these systems at sites including NGK Ceramic Device Tajimi and NGK CERAMICS SUZHOU Co., LTD. and have steadily increased our use of renewable energy. We plan to continue installing these systems at additional sites in Japan and overseas.

Procurement of Renewable Energy

The NGK Group recognizes that promoting energy conservation within the Group and utilizing existing Photovoltaic Power Generation Systems alone will not be sufficient to achieve Carbon Neutrality. Therefore, we procure renewable energy in a planned manner, taking into account regional conditions and costs.

At our overseas sites, we have achieved 100% renewable electricity procurement at all manufacturing sites in Europe. In addition, we began procuring renewable energy at overseas sites outside Europe in FY2025.
Furthermore, NGK Ceramics Polska will begin long-term renewable electricity procurement through a Virtual Power Purchase Agreement (VPPA) in FY2026. This initiative is expected to contribute to a reduction of approximately 940,000 metric tons of CO_2 over a 10-year period.
In Japan, we have also started procuring renewable electricity at selected sites. In addition, we have adopted carbon-neutral LNG, which enables environmental value acquisition. These measures are being implemented at our Nagoya, Chita, and Komaki sites, as well as at NGK CERAMIC DEVICE headquarters, helping reduce Scope 1 and Scope 2 emissions.

Status of the NGK Group's Expansion in Use of Renewable Energy in Each Region (FY2025 Results)



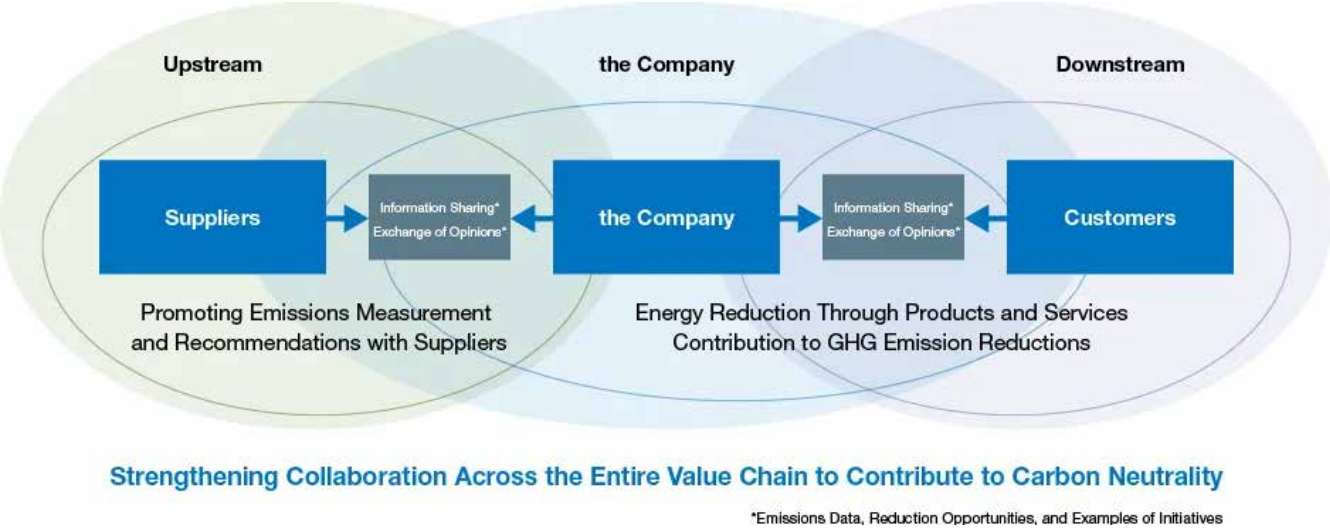
› NGK Group's Manufacturing Site in Poland Concludes First VPPA
Contribute toward Carbon Neutrality by Purchasing Environmental Value Derived from Renewable Energy

Initiatives Based on a Value Chain Approach

Promotion of Sustainable Procurement (Reduction of Scope 3 Emissions)

Reducing emissions from Scope 3 Category 1 (Purchased Goods and Services) and Category 11 (Use of Sold Products) requires close collaboration with both suppliers and customers. The NGK Group conducts surveys on GHG emissions and emission reduction targets for approximately 200 key suppliers. Before conducting the surveys, we held briefing sessions to share our climate change policies and initiatives and request their cooperation.
In addition, we deepen mutual understanding and strengthen ongoing collaboration through individual discussions and the exchange of opinions.
We also promote initiatives while considering how we can support suppliers based on their individual circumstances. We contacted approximately 20 suppliers that had not yet begun calculating their emissions and provided guidance on calculation methodologies. Furthermore, we are working with one supplier to identify specific opportunities for emission reductions.

Illustration of the NGK Group's Initiatives Toward Carbon Neutrality Across the Value Chain



Promoting Carbon Neutrality through Life Cycle Assessments

Life Cycle Assessment (LCA) is a method used to quantitatively assess environmental impacts throughout a product's entire life cycle. The NGK Group applies LCA to its major products and new products, in addition to tracking Scope 1, 2, and 3 emissions, and is advancing the calculation of carbon footprints (CFP), which represent GHG emissions associated with individual products.
We calculate GHG emissions per product at each stage of the value chain, including raw material procurement, manufacturing, and transportation. By identifying processes with significant environmental impacts, we develop measures to reduce emissions. We also conduct LCA for products in the development stage to support the design of products with lower environmental impacts.
Going forward, we will expand the use of LCA beyond GHG emissions to assess other environmental impacts and use the results to quantify the environmental contributions of our products.

Participation in and Certification with Initiatives and External Organizations

Our Approach to Participation in External Organizations

The NGK Group actively participates in industry associations and initiatives that are aligned with our climate change policies and promotes efforts to achieve net zero CO_2 emissions. We regularly review whether the positions and activities of these organizations remain consistent with our policies. If significant differences arise, we consider revising our participation or withdrawing from the organization. These assessments are conducted by the Sustainability Management Department in collaboration with relevant internal departments.

TCFD

The NGK Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2020. We disclose information based on scenario analysis in line with the TCFD recommendations covering governance, strategy, risk management, and metrics and targets.
We will continue to deepen our analysis, enhance our disclosures, and strengthen dialogue with stakeholders. At the same time, we will clarify the impact of climate change on our business, implement appropriate response strategies, and pursue sustainable growth.

› Information Disclosure Based on TCFD Recommendations

Science Based Targets initiative (SBTi)

The NGK Group obtained validation of its greenhouse gas emissions reduction targets under the Net-Zero Standard from the Science Based Targets initiative (SBTi). Across the entire value chain, we aim to reduce greenhouse gas emissions by 90% or more by 2050 compared with the base year of FY2022.
As an interim target, we aim to reduce Scope 3 emissions by 25% by 2030 compared with the FY2022 level.

› Ambitious corporate climate action - Science Based Targets Initiative

RE100

RE100 is a global initiative of companies committed to sourcing 100% of the electricity used in their business activities from renewable energy. The NGK Group joined RE100 in October 2022. Based on the NGK Group Environmental Vision, which targets net zero CO_2 emissions by 2050, we are promoting the expanded use of renewable energy as one of our key strategies.

› RE100

Eco First Program

The NGK Group has been certified as an Eco First company under the Eco First Program, a certification program administered by the Minister of the Environment of Japan.
We recognize environmental protection as a key management priority and continuously pursue initiatives to reduce Scope 1 and Scope 2 emissions while providing environmentally conscious products.
Going forward, through advanced environmental management, we will strive to achieve both a carbon neutral society and sustainable business growth.

Other Initiatives We Are Participating In

› Japan Climate Leaders' Partnership (JCLP)

Waste Reduction and Effective Use of Resources

Approach

The NGK Group uses natural resources in its businesses, including the procurement of raw materials for ceramic products, and waste is generated in this process. The effective use of resources and the proper management of waste are essential to reducing environmental impact.
Improving resource efficiency also leads to cost reductions and more stable procurement, thereby strengthening our competitiveness. In addition, initiatives toward a circular economy contribute to reducing environmental impact by curbing the use of natural resources and minimizing waste.
In Europe, efforts to promote resource circulation across the entire value chain, referred to as the circular economy, are gaining momentum, and regulations such as the Battery Regulation and the Ecodesign Regulation are being introduced. In response to these developments, we will examine initiatives related to the circular economy in the Sixth 5-Year Environmental Action Plan starting in FY2026.
Based on this approach, we position the promotion of resource circulation as a key issue in the environmental field and will continue to advance specific initiatives.

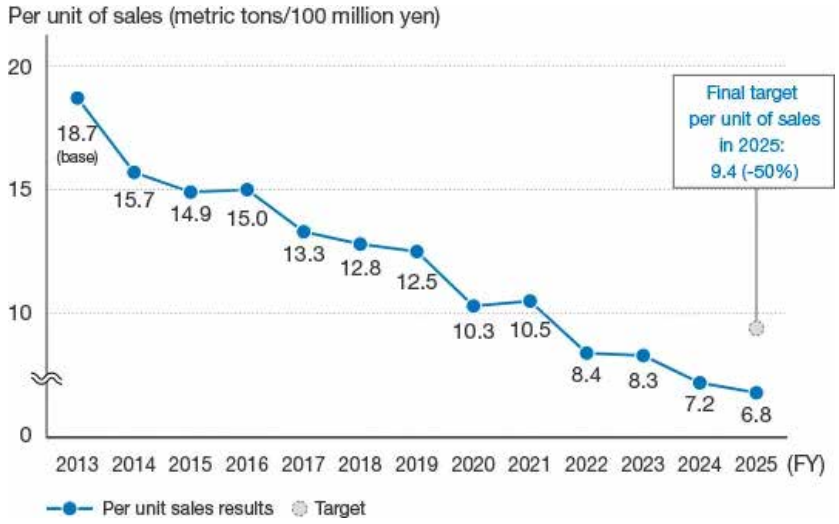
Metrics and Targets

Reducing Waste

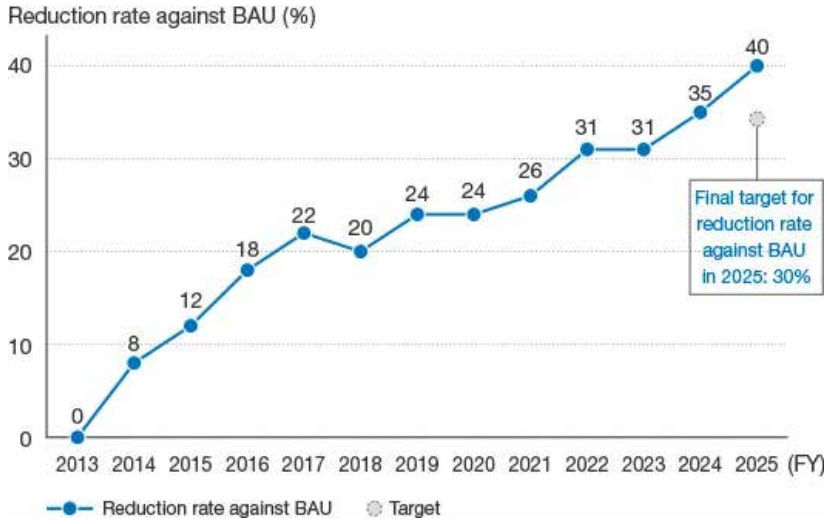
The NGK Group formulated and managed annual improvement plans, similar to those for CO_2 emissions, and promoted the reduction of waste generation in order to achieve its FY2025 targets.
In FY2025, waste per unit of sales was 6.8, representing a 64% reduction compared with FY2013. This exceeded the FY2025 target of a 50% reduction set in the Fifth 5-Year Environmental Action Plan. This achievement was driven by continuous improvement activities in manufacturing operations, including higher raw material recovery rates and improved yield at production sites.
In addition, the reduction rate against BAU*, which indicates improvements in waste generation per unit of production compared with FY2013, reached 40%. This also achieved both the annual target and the FY2025 target of 30%.

* Ratio of actual waste generated to the amount of waste expected to be generated assuming production intensity has not changed from the base year

Waste Materials (all NGK Group production sites)



Reduction Rate against BAU (all NGK Group production sites)



Waste Recycling

The NGK Group actively promotes recycling by thoroughly sorting waste and improving resource recovery methods.
In Japan, since FY2017, we have shared information on waste generation, treatment methods, and recycling performance across all production sites. This has enabled us to select reliable waste management contractors and achieve efficient and reliable recycling. As a result, we have continuously maintained a recycling rate of 99% or higher across domestic operations since FY2013, in line with the target set in the 5-Year Environmental Action Plan. Ceramic waste generated in manufacturing processes is recycled as cement raw materials, while other waste is recycled as roadbed materials.
Overseas, we set targets in accordance with regional conditions. Among 17 manufacturing group companies, excluding three companies where recycling initiatives are difficult due to cost burdens and regulatory constraints, we maintain an average recycling rate of approximately 90%.

Reducing Waste Plastics

The NGK Group began disclosing the volume of waste plastic generated during manufacturing in FY2023. In FY2025, the amount generated was 2,633 metric tons. Going forward, we will review plastic usage processes and sorting methods to further reduce waste generation.
NGK had faced challenges in reusing deteriorated plastic drums used for importing raw materials. By collaborating with a plastic recycling manufacturer, we achieved 100% recycling of these drums by converting them into materials for the RePlagi series, an industrial and construction material developed and sold by the partner company.

Initiatives

Material Recycling of Waste Plastics

Based on the NGK Group Environmental Vision, the NGK Group promotes initiatives to realize a recycling oriented society. From the perspective of reducing environmental impact in business activities, we organize and disclose information on resource circulation.
As part of these initiatives, we promote material recycling of waste plastics. We use waste plastics generated in manufacturing processes to produce table tops and facility signage, which we have installed at the co creation center NGK Collaboration Square DIVERS.
In addition, from FY2024, we have produced employee novelties using the same materials. We distribute them to relevant departments and use them as rewards for top performers in the NGK Eco Point System and as participation prizes for internal environmental events.
Through these initiatives, we seek to enhance sustainability awareness across the company. In FY2025, we planned to expand the use of these materials to packaging materials and manufacturing sites. We are conducting interviews with frontline employees and are examining specific applications.



A table made from waste plastics generated in manufacturing processes, installed at NGK Collaboration Square DIVERS



Coasters and ID badge reels produced as employee novelties

Water Resource Conservation

Approach

Based on the NGK Group Environmental Vision, the NGK Group positions the sustainable use of water resources as one of its key issues.
We use water in our primary ceramics manufacturing business. By improving water-use efficiency and appropriately managing water-related risks, we aim to reduce environmental impact while ensuring stable business operations.
This initiative is positioned under “Promotion of resource recycling” in line with our materiality. In the sixth 5-Year Environmental Action Plan, however, water resource conservation is categorized under “harmony with nature.”

Metrics and Targets

Targets and Achievements

Under the fifth 5-Year Environmental Action Plan, the NGK Group uses water withdrawal per unit of sales as an indicator. We set a target to maintain the FY2019 level of 1,000 m^3 per 100 million yen in sales. In FY2025, we achieved this target at 601 m^3 per 100 million yen.
From FY2026, under the sixth 5-Year Environmental Action Plan, we aim to reduce the five-year average water withdrawal per unit of sales by 0.5% each year.

Initiatives

Handling and Risk Management of Water Resources

Based on a sustainability perspective, the NGK Group works to manage risks related to water resources and improve water-use efficiency.
We use the LEAP approach recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) to investigate and assess how water withdrawal and wastewater at each domestic and overseas site depend on and impact water resources in surrounding areas.
In FY2025, we conducted a reassessment of water risks based on previous evaluations and reviewed sites with potential water risks. Based on these results, we prioritize sites where risks are identified and work with local teams to confirm detailed information and initiatives related to water use, while further improving water-use efficiency.
There were no significant violations of standards or regulations related to wastewater quality at any domestic or overseas sites.

Evaluation of Water Risks

The NGK Group conducts self-assessments of water shortage risks across all production sites in Japan and overseas, and also performs detailed third-party analyses, particularly for overseas sites.
In the detailed analyses, we evaluate factors such as water stress*, groundwater stress, seasonal variations in water supply, and reservoir capacity. We also forecast future water supply and demand. In addition, we carry out comprehensive risk assessments that include water-related disaster risks, such as floods and landslides, and water quality risks related to public health and ecosystems.
As a result, some sites in Asia and North America are located in river basins with high water stress. Water withdrawal at these sites was 125,000 m^3 in FY2025, accounting for 3% of the Group total.
We use these assessment results to understand water risks at each site and share information across the Group. In regions with high water stress, we consider and promote measures such as improving water-use efficiency and utilizing recycled water.
At present, no serious water risks have been identified at any sites. However, we continue to monitor regulatory trends and will promote further improvements in water-use efficiency as needed.

Number of Overseas Production Sites in Regions with Latent Water Risks

Region	Water supply and demand		Water disasters	Vulnerability to water pollution	
	Current	2050		Public health	Ecosystems
North America	0	2	0	0	1
Europe	0	0	0	0	1
Japan, Asia and Australia	1	2	0	1	1

* Water stress refers to a condition in which water supply and demand are under strain. In this context, we use the ratio of water withdrawal to available water supply as an evaluation indicator

› Environmental Data Collection [PDF:93KB]

Improving Water-Use Efficiency and Expanding Initiatives Across the Supply Chain

The NGK Group aims to optimize water use by developing guidelines that also serve as checklists and by conducting assessments using these tools.
We will further enhance these guidelines by leveraging findings from surveys at Group sites and from other companies, and we will continue to promote improvements in water-use efficiency.
In addition, we assess water risks of key suppliers using the Aqueduct analysis tool and aim to strengthen risk management across the supply chain.

Initiatives at Group Companies

Use of Recycled Water at Production Sites

The NGK Group recognizes that water resources are essential to its manufacturing processes. To address this, we improve water-use efficiency and appropriately manage water-related risks to reduce environmental impact while ensuring stable business operations. As part of these efforts, some production sites use recycled water in accordance with the characteristics of their manufacturing processes.
At NGK Ceramic Device (NCDK) Komaki Plant, the processing of bonded wafers for surface acoustic wave (SAW) filters requires a relatively large amount of water. To address this, the plant introduced a system that uses recycled water filtered through ceramic membranes, and began operations in FY2022. Through this system, approximately 28,000 m^3 of the annual water withdrawal of about 160,000 m^3 was supplied by recycled water in FY2025.
At NCDK Fujiyoshida Plant, which has a similar process, equipment with greater processing capacity has been introduced. This enables efficient water use even in Japan, where water supply risks are relatively low.



Water reclamation system in operation at NCDK Fujiyoshida Plant

Detailed Assessment at Water-Stressed Sites

As part of its risk management efforts for water risks, the NGK Group conducts detailed assessments of water use at sites located in areas with high water stress.
For example, at NGK Ceramics Mexico, we assess water stress in the river basin from which water is withdrawn. Through these efforts, we work to identify and reduce water-related risks.

› Information Disclosure Based on TNFD Recommendations

Environmental Pollution Prevention

Approach

The NGK Group operates group-wide environmental management frameworks and an Environmental Management System (EMS), and continues to promote initiatives to prevent environmental pollution in accordance with the NGK Group Environmental Policy.

Promotion Framework

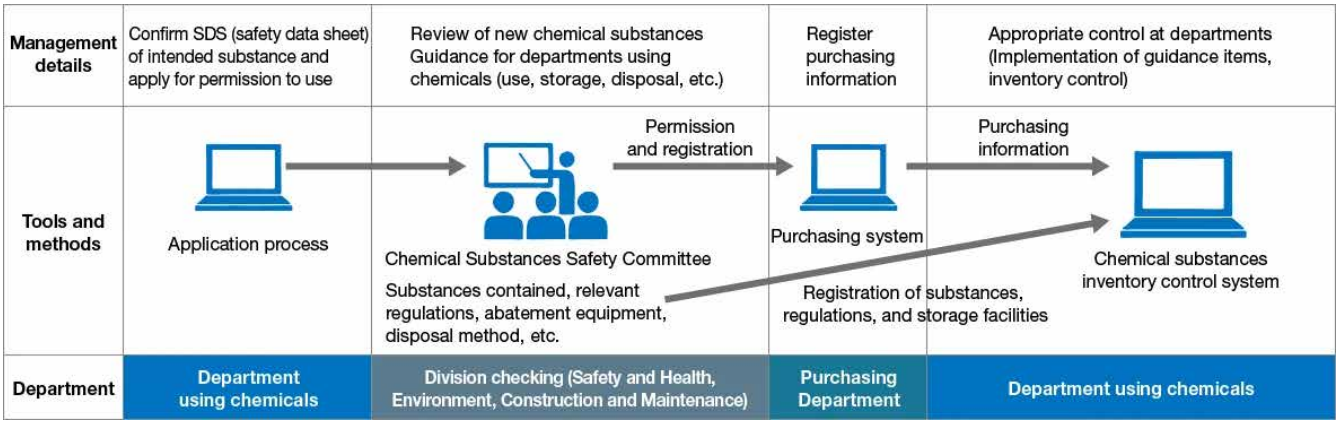
› Environment Management System (EMS)

Initiatives

Chemical Management

The NGK Group complies with laws, guidelines, and other rules in Japan and overseas by maintaining a proper level of chemical management and continuously working to improve it. Before a department uses a new chemical substance, the Chemical Substances Safety Committee determines whether it may be used and provides guidance on precautions for its use and disposal. For chemical substances that are already used by a department, each site's chemical substances committee and chemical substances patrol team confirm the state of chemical management and provide the necessary guidance. We also monitor changes in chemical substance-related regulations and shares information across the Group to further improve its level of chemical management. Group companies in and outside Japan also survey and understand regional rules and regulations and implement proper chemical management.

Chemical Management Flowchart



Commitment Concerning Hazardous Substances

To comply with legal disposal deadlines for PCB-containing waste, the NGK Group conducts thorough investigations, including at its Group companies, and proceeds sequentially with extraction, storage, and disposal. We outsource disposal to contractors who hold PCB disposal permits and check to make sure disposal is handled properly.

- NGK Group Environmental Policy
- NGK Group Supplier Code of Conduct [PDF:471KB]
- NGK Group's Green Procurement Standard [PDF:187KB]

Reducing the Risks Inherent in Toxic Substances

The NGK Group conducts thorough investigations, including at its Group companies, to comply with legal disposal deadlines for PCB-containing waste, and proceeds sequentially with extraction, storage, and disposal. It outsources disposal to contractors who hold PCB disposal permits and checks to make sure disposal is handled properly.

Environmental Conservation

The NGK Group properly manages emissions from air pollutant-emitting facilities and water quality at wastewater treatment facilities to prevent impacts on people's health and living environments. In addition to the items stipulated by laws and ordinances, we have established voluntary management items and conduct periodic measurements and constant monitoring of critical items. We have also introduced mechanisms such as alarms and equipment shutoff to prevent exceedances and ensure compliance with regulatory limits. In accordance with the Act on Rational Use and Appropriate Management of Fluorocarbons, we centrally manage equipment data and information on inspections, maintenance, and leak response in a database. Through this system, we ensure proper management of fluorocarbons and work to curb undue emissions (improper emissions).

Information Disclosure Based on TNFD Recommendations

Introduction

What is TNFD?



The Taskforce on Nature-related Financial Disclosures is a global initiative launched in 2021 amidst an international sense of crisis about environmental degradation and the increasing importance of restoring nature. Its aim is to construct a framework for risk management and disclosure of nature-related risks by companies. The taskforce presented its recommendations in September 2023, calling for companies to be aware that nature-related issues are related to strategic risks, and encouraging companies to identify and disclose the nature-related dependencies and impacts they have through their business, as well as the accompanying risks and opportunities.
In January 2024, the NGK Group declared we would shortly begin information disclosure under the TNFD framework as an TNFD Early Adopter*1. We made our first disclosure in July 2024 and have now broadened the scope of our disclosure.

*1 TNFD Early Adopter: Companies and organizations that will begin information disclosure by FY2025 (As of January 2024: 320 companies in 46 countries, 80 of them Japanese)

NGK Group Approach to Nature and Biodiversity

Our society and its economic activities depend on nature and its blessings. But nature is said to be in rapid decline worldwide due to the adverse impact of these activities. Amidst a growing sense of urgency and awareness of the importance of restoring nature, the Kunming-Montreal Global Biodiversity Framework (GBF) was adopted at the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15) in 2022. It sets a common global goal of being "nature positive," which means taking action to stop and reverse the loss of biodiversity by 2030.
In the NGK Group Environmental Vision, we set the idea of harmony with nature as one of our most important issues. And NGK aims to operate in harmony with nature by minimizing its environmental impact on ecosystems and raising awareness among each and every employee through awareness-raising activities. Since nature-related issues could impact our business, it is vital that we understand and manage how we are dependent on and how we impact nature throughout our entire value chain.

Objectives of Disclosure

Through proactive TNFD disclosure, the NGK Group will make clear the interface between our business and nature, ascertain the importance of our dependencies and impacts on nature, as well as related risks and opportunities, and meet the expectations of society and stakeholders. In addition, through disclosure the entire Group will promote nature-related initiatives, which will help to achieve the goal of coexistence with nature espoused in the NGK Group Environmental Vision and to bring about a sustainable society.

Overview of LEAP Approach

The TNFD recommendations endorse analysis based on the LEAP approach as a method for evaluating nature-related dependencies, impacts, risks, and opportunities. The LEAP approach consists of the processes: Locate, Evaluate, Assess, and Prepare, the details of which are shown in the table below.

Implementation Details of LEAP Approach

Locate the Interface with Nature	Evaluate Dependencies and Impacts	Assess Risks and Opportunities	Prepare to Respond & Report
- Consider areas in the value chain where dependencies and impacts on nature are important - Understand the activity locations and related ecosystems for areas in our business locations and value chain where dependencies and impacts on nature are important - Evaluate priority areas (ecologically sensitive areas, areas where dependencies and impacts are important)	- Identify the dependencies and impacts on ecological services at each place in our business locations or value chain - Evaluate and measure important dependencies and impacts	- Identify and evaluate the importance of nature-related risks and opportunities based on the details of our dependencies and impacts - Identify particularly high-priority risks and opportunities - Consider management process for risks and opportunities	- Consider handling strategy based on contents of evaluation - Consider method for setting targets - Consider details of information disclosure

TNFD Disclosure Recommendations and the Scope of Our Disclosure

Based on the TNFD disclosure recommendations, in FY2023, the NGK Group determined the interface between nature and our businesses and production sites. In FY2024, we assessed our dependencies and impacts at the production stage. We will now disclose the results of these exercises in accordance with the TNFD's general requirements and the four pillars (governance, strategy, risk and impact management, and metrics and targets) and with reference to the LEAP approach.

TNFD Disclosure Recommendations and the Scope of Our Disclosure

○: Meet disclosure recommendations, △：Partially meet disclosure recommendations

TNFD disclosure recommendations		LEAP approach referenced				Current disclosure scope
Governance	A. Board of Directors oversight				P	○
	B. Role of executives				P	○
	C. Human rights policy with respect to stakeholders, engagement activity				P	○
Risk and impact management	A(i). Processes to identify, assess and prioritize dependencies and impacts, risks and opportunities in our own business		E	A		○
	A(ii). Processes to identify, assess and prioritize dependencies and impacts, risks and opportunities in our value chain		E	A		○
	B. Processes for managing dependencies and impacts, risks and opportunities		E	A		○
	C. Integration with our organization's risk management			A		○
Strategy	A. Identify dependencies and impacts, risks and opportunities		E	A		△*
	B. Impacts of dependencies and impacts, risks and opportunities on our business model, strategy and financial planning				P	△
	C. Resilience of our strategy in different scenarios			A	P	
	D. Locations of assets and/or activities that meet criteria for priority locations	L	E	A		△*
Metrics and targets	A. Metrics for measuring risks and opportunities			A		
	B. Metrics for measuring dependencies and impacts		E	A		○
	C. Targets and performance				P	○

* Only production sites in our primary value chain included in the Results of Assessment of Dependencies and Impacts on Nature in Primary Value Chain table

General Requirements

The TNFD recommendations include six general requirements applicable to all four disclosure pillars. The NGK Group's approach to these general requirements is as follows.

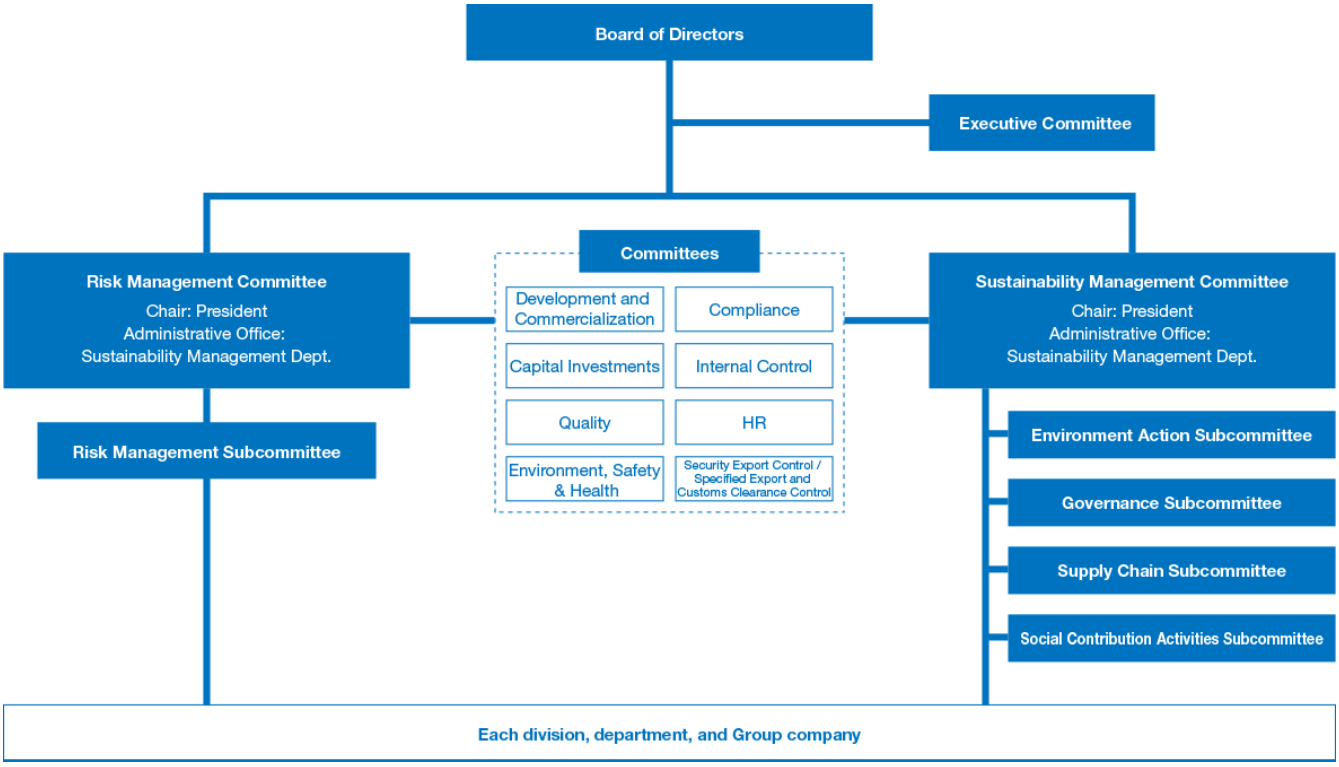
General requirement	NGK Group approach
Application of materiality	Based on the concept of double materiality, the NGK Group works to address environmental and social issues by making efficient and effective use of our limited management resources, and aims to maximize value creation for both the Group and our stakeholders. We use the double materiality approach in our TNFD-based assessment and disclosure.
Scope of disclosures	We analyze and disclose relationships with nature (dependencies and impacts, risks and opportunities) for the whole NGK Group business. We have carried out a detailed analysis of the Group's production sites taking account of the unique features of their locations. We have currently identified the broader picture for the rest of the value chain.
Location of nature-related issues	We have assessed whether the NGK Group's main production sites meet the TNFD criteria for a sensitive location based on the unique features of their locations and designated those that do as priority locations. We are prioritizing action for sites with dependencies and impacts for critical natural systems. We have conducted a detailed analysis for NGK CERAMICS MEXICO because we think water risk merits prioritization.
Integration with other sustainability-related disclosures	The NGK Group regards ESG management as crucial to our vision for 2050. To this end, key nature-related issues we must address are responding to climate change, promoting resource recycling, preventing environmental pollution, and conserving and restoring biodiversity. The Group has fully implemented TCFD recommendations-based disclosure and this disclosure references some of its results. There is some overlap between TCFD-based and TNFD-based disclosure. We will consider how to align these to provide integrated disclosure.
Time horizons considered	The time horizons in our TNFD disclosure are: near-term: next 2-3 years; mid-term: through 2030; long-term: through 2050.
Engagement with indigenous peoples, local communities and affected stakeholders	Our NGK Group Human Rights Policy applies to all NGK Group executives and employees and we also require our suppliers to abide by this policy. The NGK Group Code of Conduct and NGK Group Supplier Code of Conduct define our human rights-related obligations in order to avoid violating the rights of indigenous peoples, local communities and affected stakeholders. We recognize the importance of engaging with stakeholders in our human rights due diligence and in the formulation and implementation of remedial measures.

Governance

Board of Directors Supervision, Role of Executives

The NGK Group Environmental Vision, approved by the Board of Directors, calls for carbon neutrality, a recycling-oriented society and harmony with nature, and identifies the conservation and restoration of biodiversity as a Group materiality. The Sustainability Management Committee, chaired by the Representative Director and President and staffed by the committee chairs and Business Group Executives, formulates five-year environmental action plans and oversees progress towards management indicators and targets set each fiscal year. It also promotes activity throughout the value chain. The Committee reviews TNFD recommendations-based information disclosure and reports its findings to the Board of Directors. The Committee reports to the Board on this and its other activities at least once a year.

Sustainability Promotion Framework



Human Rights Policy with Respect to Stakeholders, and Engagement Activity

Respect for human rights within the NGK Group's corporate activity is mandated by the NGK Group Corporate Business Principles, the NGK Group Code of Conduct and the NGK Group Supplier Code of Conduct. We are also guided by our specific NGK Group Human Rights Policy. In accordance with this policy, we have instituted a human rights due diligence process and are implementing measures to identify, prevent and mitigate adverse impacts on human rights in our business activities. When adverse impacts have been found, or are suspected, to have occurred, we are committed to engage in sincere dialog with the involved parties and to the implementation of appropriate and effective remedial measures. The Directors responsible for the Human Resources Department and the Sustainability Management Department, the General Managers of the Human Resources Department and the Sustainability Management Department, and the heads of business departments are responsible for implementing human rights measures in coordination and cooperation with related committees and departments, depending on the content and importance of individual measures. The Director responsible for the Human Resources Department regularly reports implementation progress to the Board for its oversight.

› Respecting Human Rights
› Promotion of Sustainable Procurement

Risk and Impact Management

Process for Identifying, Assessing and Prioritizing Dependencies and Impacts, and Risks and Opportunities

Below, we outline the process for identifying, assessing and prioritizing nature-related dependencies and impacts, and risks and opportunities in the NGK Group business value chain. We provide further detail about the processes listed below in the Strategy section of this disclosure.

Process	Content
Overviewing and identifying dependencies and impacts	– Overviewing dependencies and impacts in our business value chain – Identifying the major dependencies and impacts – Assessing and selecting activity sites that meet the criteria for a priority location – Overviewing the positive impacts of our products and services
Identifying critical nature-related risks and opportunities	– Critical nature-related risks – Critical nature-related opportunities

Processes for Managing Dependencies and Impacts, and Risks and Opportunities and Their Integration with Corporate Risk Management

The Sustainability Management Committee manages nature-related dependencies and impacts, and risks and opportunities in the NGK Group. It aligns the management of risks, in particular, with the risk management systems and processes determined by the Risk Management Committee for groupwide risk management.

› Risk Management

Strategy

This section provides a more detailed explanation of the processes for identifying, assessing and prioritizing the dependencies and impacts, and risks and opportunities outlined in the Risk and Impact Management section.

Overviewing and Identifying Dependencies and Impacts

Overviewing Dependencies and Impacts in our Business Value Chain

We used evaluation tool ENPRIMARY*2 to ascertain the dependencies and impacts on nature in the industries in which we engage. In analyzing the dependencies on nature that we deem crucial to our business, we extended the use of this tool to the supply of non-living resources. This enabled us to organize the dependencies and impacts for our primary business value chain (procurement, production, logistic) into different levels.

*2 ENPRIMARY is a tool that helps financial institutions, business enterprises and other organizations to understand the significance of individual industries' dependencies and impacts on nature. It was developed by NGO Global Canopy, UNEP FI (United Nations Environment Programme Finance Initiative) and UNEP-WCMC (UN Environment Programme World Conservation Monitoring Centre).

Results of Assessment of Dependencies and Impacts on Nature in Primary Value Chain
(assessment of industrial fields similar to that of the NGK Group)

Dependencies on Nature

Primary value chain	Primary process	Supply service		Maintenance and restoration services									
				Pollution remediation				Water flow adjustment	Climate regulation	Flood and storm mitigation			Soil and sediment retention
		Water resources	Non-living resources	Solid waste cleanup	Air and ecosystem dilution	Air filtration	Water purification		Global climate engineering	Flood control	Storm mitigation	Rainfall pattern adjustment	
Procurement	Metal mining & smelting	H	VH	L	M	M	VH	H	H	H	M	VH	M
	Nonmetallic minerals extraction	H	VH	L	M	VL	VH	H	H	H	M	VH	H
	Other raw materials production	M	VH	L	L	VL	M	M	VL	M	M	M	M
Production	Ceramic products manufacturing	M	H	M	L	VL	M	M	VL	M	M	L	L
	Metal processing & smelting	M	H	M	L	M	M	M	VL	M	M	M	L
	Battery & storage battery manufacturing	M	H	L	L	VL	M	M	VL	M	M	M	L
Logistics	Land, sea & air transportation	L	H	–	VL	VL	M	M	M	H	H	VH	L

VH Very High　H High　M Medium　L Low　VL Very Low

Negative Impacts on Nature

Primary value chain	Primary process	Effects on terrestrial, freshwater and marine ecosystems through use			Climate change	Resource use		Pollution					Invasive species
		Terrestrial ecosystem use	Freshwater ecosystem use	Marine ecosystem use	Greenhouse gas emissions	Water use	Non-living resource extraction	Solid waste	Air pollution other than greenhouse gasses	Soil and water contaminants	Soil and water nutrient pollution	Disruption	Non-native species introduction
Procurement	Metal mining & smelting	M	VH	VH	M	M	H	H	H	VH	M	VH	L
	Nonmetallic minerals extraction	M	H	H	H	M	VH	M	H	H	ND	H	VL
	Other raw materials production	L	–	–	M	H	–	M	M	VH	–	VH	–
Production	Ceramic products manufacturing	L	M	–	H	M	–	M	H	VH	M	M	–
	Metal processing & smelting	L	–	–	M	M	–	M	H	VH	M	VH	–
	Battery & storage battery manufacturing	L	–	–	VL	L	–	L	L	H	–	M	–
Logistics	Land, sea & air transportation	M	L	M	H	M	–	M	H	L	M	VH	VH

VH Very High　H High　M Medium　L Low　VL Very Low

Our key findings from this analysis are as follows.

Procurement:

Our major dependencies on nature in the metal mining and smelting, and nonmetallic minerals extraction processes are on supply services for water resources and non-living resources and on maintenance and restoration services, such as water purification and rainfall pattern adjustment. Our major adverse impacts on nature are our potential to cause effects on freshwater and marine ecosystems through their use and resource use, and to cause pollution through the discharge of soil or water contaminants and through disruption.

Production:

We have a slight dependency on supply services for water resources and non-living resources. Our major adverse impacts are our potential contributions to greenhouse gas emissions, causing climate change, and to pollution through the discharge of soil and water contaminants.

Logistics:

We are dependent on supply services for fuel and other non-living resources in the transportation of products and raw materials, and also on maintenance and restoration services, including transportation infrastructure provision, and flood control and storm mitigation services that mitigate disaster risk. Our major adverse impacts on nature are the potential for pollution caused by disruption and for the introduction of invasive non-native species.

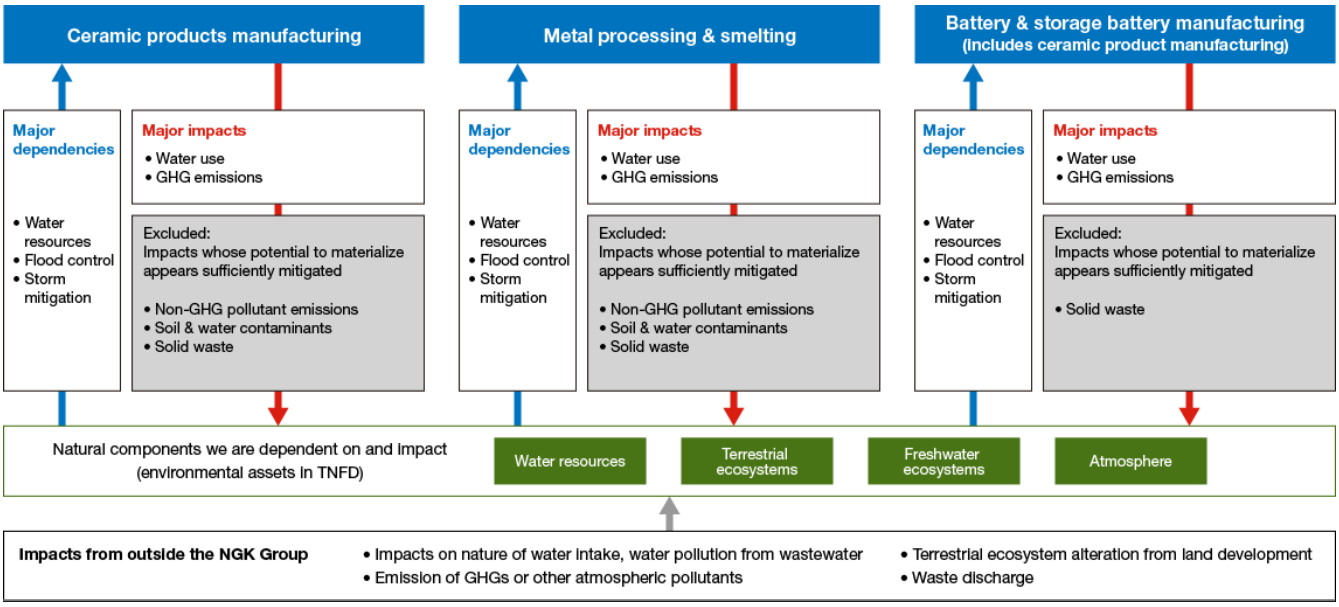
Based on this understanding, we have specified the major dependencies and impacts of our production activities in the current disclosure.

Identifying Our Major Dependencies and Impacts

We undertook further analysis of the production dependencies and impacts rated VH, H or M in the production stage in the primary value chain to identify which are most significant in light of the NGK Group's business activities. We did this with reference to data from a range of reference literature(1), production site environmental data and countermeasures implemented by each business. Through this process we determined that those issues that appear less relevant given the nature of our business, or whose potential to materialize appears sufficiently ameliorated by existing countermeasures, are less significant.
The figure below shows the relationships between the major dependencies, major impacts, related natural components (termed "environmental assets" by the TNFD) and impacts on these from outside the NGK Group for each business area.

(1) Reference literature
CDP Water Impact Index
World Bank Group, International Finance Corporation (IFC), Environmental, Health, and Safety (EHS) Guidelines
European Commission, Ecodesign for Sustainable Products Regulation - preliminary study on new product priorities
European Ceramic Industry Association (Cerame-Unie), Ceramic Roadmap to 2050

Major Dependencies and Actual and Potential Impacts on Nature, Related Natural and Environmental Assets and External Factors for the NGK Group's Production Operations



The following major dependencies and major impacts at the production stage in the NGK Group value chain emerged as a result of this process.

Major dependencies

- Water resources
- Flood control and storm mitigation services

Major impacts

- Water use
- Greenhouse gas emissions

Assessment and Selection of Activity Locations that Meet the Criteria for a Priority Location

The TNFD recommendations categorize "sensitive locations" and "material locations" as "priority locations." Sensitive locations are locations that are ecologically vulnerable to impact regardless of specific business dependencies or impacts. These include the habitats of rare or endemic species, pristine environments and areas with high water stress.
Material locations are locations where an organization has major dependencies and/or impacts on nature and has a particularly strong relationship with the natural environment.
We determined our priority locations by assessing whether each of the NGK Group's 39 production sites in and outside Japan constitute a sensitive or a material location. We are prioritizing addressing issues at production sites in priority locations.

Sensitive Location Assessment

The TNFD recommendations cite areas "important for biodiversity" and/or "of high ecosystem integrity," and/or "of rapid decline in ecosystem integrity," and/or "of high physical water risks" as the criteria for sensitive locations. We used metrics relating to each of these criteria in assessing the status of our production sites.

Sensitive Location Criteria	Related Metric
Important for biodiversity/high ecosystem integrity*6	– Within 500 m of a protected area*3 or KBA*4 – Conservation priority*5,(2) – Biodiversity Intactness Index*7,(3)
Rapid decline in ecosystem integrity	– Change in human footprint*8,(4)
High physical water risks	– Level of water stress*(5) – Degree of water pollution (Surface Water Quality Index)*(6) – Flood risk*(7)

*3 Areas designated as protected areas by local or national governments or by international treaty

*4 A KBA (Key Biodiversity Area) is an area important to the preservation of biodiversity selected using generally accepted scientific criteria and standards

*5 Conservation priority is the indexed measure of the level of risk of species loss when an area undergoes development

*6 Ecosystem integrity is a metric for ecosystem health; urbanized areas have low ecosystem integrity

*7 The Biodiversity Intactness Index (BII) estimates how much of an ecosystem's natural biodiversity still remains despite human impacts

*8 The human footprint is the total environmental impact of all human activities (urban development, agricultural development, transportation, etc.)

(2) Calculated based on the number of species and endangered species, and the size of each species' habitat, in an area using big data about species distribution from Think Nature Co., Ltd.

(3) Calculated by Think Nature Co., Ltd. using the IUCN's habitat map (showing the degree of nature loss due to land usage and change) and the distribution of natural forests

(4) Mu, H., Li, X., Wen, Y., Huang, J., Du, P., Su, W., ... & Gang, M. (2022). A global record of annual terrestrial Human Footprint dataset from 2000 to 2018. Scientific Data, 9(1), 176

(5) Aqueduct Baseline Water Stress indicator, World Resources Institute (WRI)

(6) Surface Water Quality Index component of the WWF Water Risk Filter

(7) Hazard map used during TCFD risks and opportunities assessment

Important for Biodiversity/High Ecosystem Integrity

Locations that are important for biodiversity are those that are valuable to biodiversity primarily because they contain a large number of rare or endemic species and constitute a healthy ecosystem. Locations with high ecosystem integrity are those that have experienced little man-made change and hence continue to constitute a healthy natural environment. We used the conservation priority index, based on the number of rare or endemic species, to assess importance for biodiversity, and the Biodiversity Intactness Index (BII) to asses ecosystem integrity. As a result, we categorized 38 production sites in areas with high conservation priority as sensitive locations important for biodiversity. These sensitive locations include six sites in Japan or Europe that are within 500 meters of a protected area (IUCN Category IV*9: habitat or species management area) or an area important for biodiversity, and three in countries such as Mexico that are in regions with high ecosystem integrity.

These are areas in which our business activities could have a negative impact on the natural environment that threatens biodiversity or ecosystem health. However, we believe that the environmental measures the NGK Group is already taking in our business activities to counter the possibility of biodiversity impact from activity such as pollutant emission limit the adverse impact of our sensitive location sites on the surrounding natural environment.

*9 IUCN Category IV: designation for the protection or restoration of globally, nationally or regionally important flora, fauna or habitats

Rapid Decline in Ecosystem Integrity

Areas experiencing rapid decline in ecosystem integrity are those whose natural environment has been degraded to the point that it is highly vulnerable and has little resilience to external pressures. Given the inexorable rise in human footprint indicators, which measure the impact of human activity on the natural environment, we believe that there has been great change in the natural environment and that ecosystem integrity is declining. After ascertaining change in the human footprint in areas around our production sites, we categorized 12 of them as sensitive locations with declining ecosystem integrity, most of which are in Asia, Europe and North America.

High Physical Water Risks

We assessed our water risks using three metrics: water stress, water pollution and flood risk.

- Areas with high water stress are those in which water demand exceeds water supply in the drainage basin. Insufficient water to meet an ecosystem's needs could result in severe change in the natural environment due to the drying up of rivers or wetlands or other deteriorations in natural organism habitats. After assessing water stress using the Aqueduct Baseline Water Stress indicator, we categorized 12 of our production sites as sensitive locations with high water stress, most of which are in Asia, Europe and North America.
- Deterioration in water quality could threaten ecosystems or human living conditions in areas with water pollution. We used the Biochemical Oxygen Demand (BOD) component of the Surface Water Quality Index to assess surface water pollution, and assessed electrical conductivity and the level of nutrients such as nitrogen. As a result, we categorized 26 of our production sites in mainly urban areas of Asia, Europe and North America as sensitive locations with water pollution. The NGK Group not only complies with all regional laws and regulations relating to the prevention of water pollution but we have also instituted our own even higher standards. Consequently, we believe that we cause little adverse impact in terms of water pollution.
- Areas with high flood risk are those at high risk of river overflow or high tides, which could cause soil runoff, deterioration in water quality or the destruction of natural habitats. After checking against the hazard map we used when we did our TCFD risks and opportunities assessment, with flood risk one of the physical risks due to climate change, we categorized eight of our production sites in Japan or the rest of Asia as sensitive locations with high flood risk.

Material Location Assessment

The TNFD recommendations define a material location as one in which an organization has major dependencies and impacts on nature in its business activities. The identification of our major dependencies and impacts determined that the NGK Group's major dependencies at the production stage are water resources, and flood control and storm mitigation services, while our major impacts are water use and greenhouse gas emissions.
We recognize that our dependency on water resources and the impact of our water use are high in areas with high water stress. We, therefore, categorized our 12 production sites in areas with high water stress as material locations for dependency on water resources and water use impact.
We regard our dependency on flood control and storm mitigation services as high in areas experiencing a decline in ecosystem integrity and/or with high flood risk. We, therefore, categorized our 19 production sites in such areas as material locations for dependency on flood control and storm mitigation services.
We regard the impact of our greenhouse gas emissions as a vital issue for all our production sites, wherever they are located. We have already been assessing and addressing this under our TCFD (Task Force on Climate-related Financial Disclosures) disclosure and have, therefore, omitted this from this TNFD disclosure.

Priority Location Assessment

We combined our sensitive locations and material locations assessments to determine our priority locations. This resulted in the identification of 22 production sites, mainly in Mexico, Belgium, China and Japan, where we need to address issues on a priority basis. We will now conduct an appropriately detailed investigation of these sites. We will discuss our water stress assessment at NGK CERAMICS MEXICO at the end of this disclosure as an early example of such an investigation.

Positive Impacts from Our Goods and Services

So far, our primary focus has been on the negative impacts on nature from the NGK Group's businesses and the nature of our production site locations. However, we believe that the Group's business also makes a positive contribution to nature. The table below summarizes the positive impacts of the NGK Group's primary products and services on nature, with reference to the causes of natural change in the TNFD recommendations.

Business content		Main products & services	Change in land use	Climate change	Resource use	Pollution			
			Terrestrial ecosystem use	GHG gas emissions	Non-living resource extraction	Solid waste	Non-GHG atmospheric pollution	Soil pollution	Water pollution
Environment Business Group	Automotive Ceramics Business	Ceramics for purifying auto exhaust	•		•	•	•	•	•
		NOx sensors	•		•	•	•	•	•
	Industrial Process Business	Industrial heating systems, refractory products	•	•	•	•			
		Membrane separating systems		•		•			•
		High-temperature dust collectors	•		•	•	•		
		Low-level radioactive waste treatment units		•		•	•		
Digital Society Business Group	High Performance Ceramics Business	Ceramics for semiconductor manufacturing equipment				•			
	Electronic Devices Business	EnerCera		•	•	•			
	Power Electronics Ceramics Business	AMB substrates		•		•			
	Specialty Metals & Molds Business	Special metals and mold products		•	•	•			
Energy & Industry Business Group	Energy Storage Business	NAS batteries	•	•	•	•			
	Insulator Business	Insulators	•	•	•	•			

* NAS battery sales activities ended in October 2025

Ceramic products are generally characterized by high heat resistance, corrosion resistance, and durability, which contribute to their long service life. Compared to other materials, they help reduce the consumption of raw materials and the generation of waste. Taking advantage of these characteristics, we expect that our Group's major products and services can contribute to mitigating our negative impact on nature.
For example, our ceramics for purifying automobile exhaust feature an ultra-thin wall structure that provides high performance. Compared to conventional products, our products are able to purify harmful substances contained in automobile exhaust gases more effectively.

› Products and Services Contributing to Environmental Protection

Identifying Our Major Nature-related Risks and Opportunities

Below, we summarize the risks and opportunities we currently envisage, with reference to the categorization of risks and opportunities in the TNFD recommendations.
For risks, we started by establishing assumptions for their likelihood and potential severity and then made a qualitative assessment of their priority order. We drew up a list of risks we deem most significant and the countermeasures we envisage based on the results of this process.
For opportunities, given the difficulty of anticipating what possibilities may arise, we drew up a list of opportunities we currently envisage based on inputs such as the positive impacts of our products and services. Since we have already delineated the risks and opportunities relating to greenhouse gas emissions under our TCFD disclosure, we have omitted this from this TNFD disclosure.

› Information Disclosure Based on TCFD Recommendations

Major Nature-related Risks

Risks		Dependencies/impacts	Risk	Time frame	Countermeasure
Transition	Govt. policy	Impact Water use in production process	– Water price inflation or operational shutdown due to govt. policy or regulations restricting water use	Mid-term～	– Monitor regulation – Measures for more efficient water use tailored to characteristics of location – Measures to rationalize water use based on guidelines
		Impact Impacts on terrestrial/freshwater/marine ecosystems from mineral extraction/mining operations	– Nature conservation resulting in raw materials shortages/price inflation due to restrictions on metal/non-metal resource mining and development, and/or difficulty obtaining permits	Mid-term～	– Monitor relevant regulation and raw materials supply/demand trends
	Market	Impact Raw materials production	– Price inflation due to rising demand for sustainable materials (recycled materials, certified raw materials, etc.)	Near-term～	– Monitor raw materials markets and supply/demand trends

Risks		Dependencies/impacts	Risk	Time frame	Countermeasure
Transition	Technology	Impact Resource use in production process	- Cost increases due to adoption of technology/ equipment for more efficient water use	Near-term～	- Monitor technology trends - Measures for more efficient water use prioritized according to characteristics of location
	Reputation, liability	Impact Atmospheric pollutant emission during production process	- Local community criticism due to atmospheric pollutant release caused by e.g. an accident - Cost increases due to indemnity or other legal claim	Near-term～	- Law/regulation-based measurement, constant monitoring of vital issues, regulatory adherence
		Impact Water pollutant emission during production process	- Local community criticism due to water pollutant release caused by e.g. an accident - Cost increases due to indemnity or other legal claim	Near-term～	- Institution of own standards above legal wastewater standards, installation of alarms/automatic shutdown based on these standards
Physical	Acute	Dependency Water resource supply, flow adjustment in our production process	- Acute water shortage, operational shutdown due to water pollution at supplier/ drought	Near-term～	- Measures for more efficient water use tailored to characteristics of location - Measures to rationalize water use based on guidelines
		Dependency Flood control/storm mitigation in our production process	- Floods/more severe storms due to degradation of local natural environment	Near-term～	- Assessment of current and future flood risk at primary locations, BCP
		Dependency Flood control/storm mitigation, rainfall pattern adjustment in upstream supply chain	- Floods/more severe storms due to degradation of local natural environment impacting our procurement network	Near-term～	- Risk assessment for upstream supply chain, BCP encompassing supply chain - Seek alternate suppliers
	Chronic	Dependency Water resource supply, flow adjustment in our production process	- Chronic water shortage, water price inflation, operational downsizing due to rising water demand resulting from local economic development or climate change impact	Mid-term～	- Assessment of current and future water supply/demand risk - Measures for more efficient water use tailored to characteristics of location - Measures to rationalize water use based on guidelines
		Dependency Water resource supply, flow adjustment in upstream supply chain	- Impacts on raw materials production from water shortages	Near-term～	- Assessment of water supply/demand risk in upstream supply chain

Major Nature-related Opportunities

Category	Positive impact	Opportunity	Timeframe
Market/ products & services	– Water/atmospheric pollutant emission reduction through wastewater/air discharge purification – Reduction in negative impact on nature from resource extraction due to more efficient resource use (rare metals recovery, yield improvement)	– Higher demand for membrane separating systems (CO2 separation), high-temperature dust collectors, refractory products	Mid-term～
	– Reduction in waste through longer product lifespan, more compact products, recycling	– EnerCera (waste reduction through maintenance-free, compact products), rising SINSIC demand (waste reduction through longer product lifespan)	Mid-term～
	– Rare metal disuse resulting in lower mining volume and lower negative impact on natural environment from mining	– Rising NAS battery demand (less rare metal content than LiB)	Mid-term～
Resource efficiency/ reputation	– Reduction in all negative impacts of production	– Cost reduction and reputational gain from more efficient water use, measures to reduce waste/ pollutant generation	Mid-term～
Reputation	– Lower impact from land alteration, pollution due to resource extraction	– Reputational gain through lower negative impact from raw materials extraction/production due to use of recycled metals, certified raw materials	Mid-term～
	– Local nature/ecosystem conservation	– Reputational gain from measures to protect ecosystems on our land, maintenance of green space to preserve ecosystems	Mid-term～

* NAS battery sales activities ended in October 2025

Metrics and Targets

The TNFD recommendations call on organizations to disclose the metrics and targets they use to assess and manage their nature-related dependencies and impacts, and risks and opportunities. Regarding metrics, the NGK Group analyzes and discloses a range of environmental data relating to our business activity. Regarding targets and performance, we are progressing our fifth 5-Year Environmental Action Plan to manage environmental targets in the period FY2021-25. The table below is an up-to-date summary of the metrics we are using in alignment with The TNFD's core global metrics.

Metric no.	Driver of natural change	Indicator	Metric (as of Aug, 2025)
-	Climate change	GHG emissions	See Environmental Data Collection, GHG Emissions
C1.0	Land/freshwater/ ocean-use change	Total spatial footprint	Total surface area controlled/ managed by the organisation, where the organisation has control (km2): 4.1 km2 (total site area managed by NGK Group)
C1.1		Extent of land/ freshwater/ ocean-use change	Area of land we are autonomously conserving: 0.1 km2 (area of NGK Minnano Mori Mizunami forest, designated a Nationally Certified Sustainably Managed Natural Site by the Ministry of the Environment)
C2.0	Pollution/pollution removal	Pollutants released to soil split by type	No soil contamination
C2.1		Wastewater discharged	See Environmental Data Collection, Conservation of Water Resources
C2.2		Waste generation and disposal	See Environmental Data Collection, Discarded Materials
C2.3		Plastic pollution	See Environmental Data Collection, Discarded Materials (plastic recycled + disposed of externally)
C2.4		Non-GHG air pollutants	See Environmental Data Collection, Chemical Management System (VOC, PRTR-listed substances (emissions into atmosphere)

- Environmental Data Collection [PDF:93KB]
- 5-Year Environmental Action Plan

Future Initiatives

As called for by the TNFD disclosure recommendations and noted earlier in this disclosure, we plan to conduct a detailed assessment of our dependence and impact on nature along the upstream of our value chain, including the extraction and mining of raw materials. We also plan to examine nature-related risks and opportunities using scenario analysis. For measurement metrics and targets, we will continue referring to global core disclosure metrics outlined in the TNFD recommendations while also expanding our evaluation of data collection and targets. At the same time, we will enhance our disclosure content as we aim to achieve disclosure for all items based on the TNFD recommendations.

Reference

Priority Location In-depth Assessment: Water Stress Assessment for NGK CERAMICS MEXICO

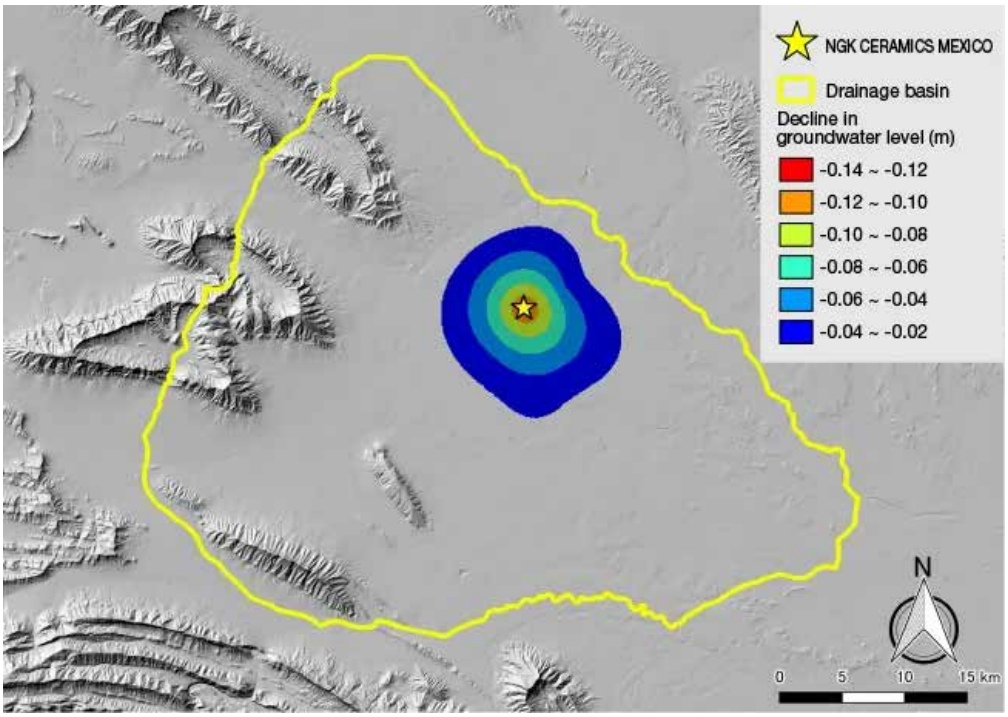
NGK CERAMICS MEXICO serves as a good example of an in-depth assessment of a production site we have identified as a priority location. It is located in an area with a high level of water stress and mainly uses groundwater. It is generally harder to ascertain information pertaining to the water source, such as water level fluctuation, for groundwater than for surface water. However, we used Geosphere Environmental Technology Corp.'s GETFLOWS water cycle simulation model to facilitate an assessment of conditions in the local drainage basin and impacts on the surrounding area from the production site's water use. We outline our in-depth assessment process in the table below. This includes our assessment of the impact of the site's water intake and of the level of water stress.

Assessment Process

Assessment process	Main actions
Build a water cycle model	Construct a water cycle simulation model using climate, terrain, land use and land cover, geological and water use data inputs
Identify drainage basin	Use the simulation to identify the catchment area for the groundwater intake and the area this impacts
Assess water intake impact	Assess the extent and amount of impact the groundwater intake has on the surrounding area
Assess water stress	Assess the level of stress on the water catchment area and drainage basin

Water Intake Impact Assessment for NGK CERAMICS MEXICO

To understand the impact NGK CERAMICS MEXICO's water intake has on the groundwater level in the surrounding area, we used the simulation to estimate the difference in groundwater level for two scenarios: the first with and the second without groundwater intake by the production site. This revealed a decline in the groundwater level of around 0.15 meters in the area immediately surrounding NGK CERAMICS MEXICO (location marked with a star on the map below) and a decline of around 0.1 meters in the area within a roughly one-kilometer radius of the plant. By comparison, groundwater level monitoring in the region shows a seasonal fluctuation of 2–6 meters. These results indicate that NGK CERAMICS MEXICO's water intake reduces the groundwater level by only a limited amount.



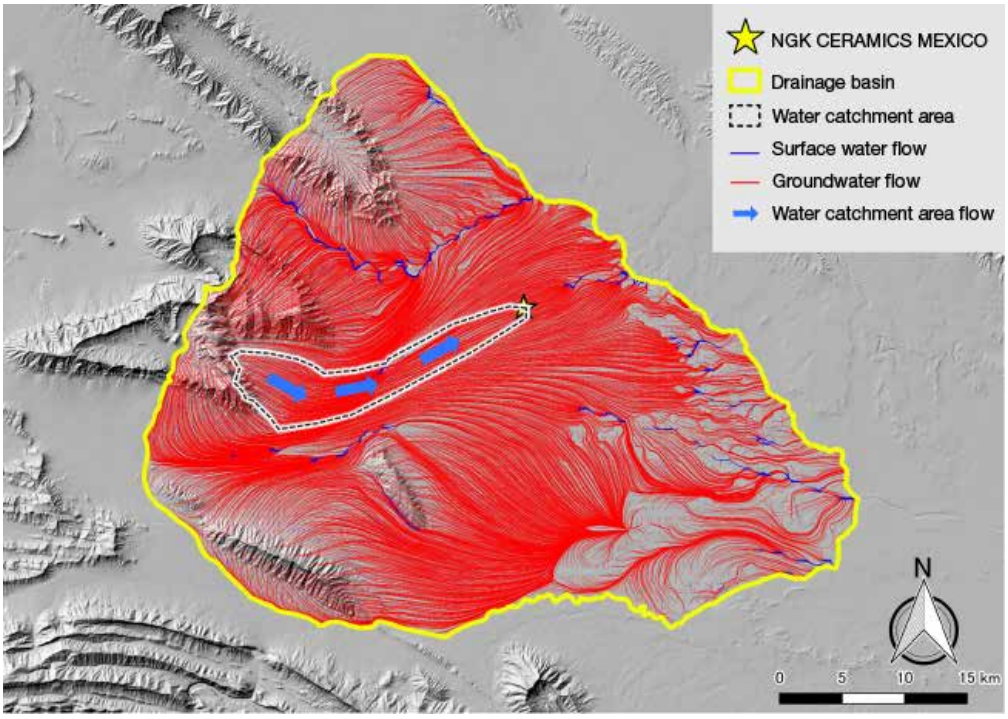
Change in groundwater levels in the surrounding area due to production site water intake

In-depth Water Stress Assessment for NGK CERAMICS MEXICO

The water intake impact assessment described above revealed that NGK CERAMICS MEXICO's water intake has only a limited impact on groundwater levels. However, we carried out an in-depth assessment of the level of water stress to understand the necessity of water resource management to support the longer-term continuation of our business activities in this area. Our analysis also made use of literature about the levels of water demand and water resources in the area, both for the entire drainage basin and the plant's water catchment area. This assessment looked not at NGK CERAMICS MEXICO's actual water intake but at water resource conditions for the entire region in which the production site is located.

To ascertain the level of water stress in NGK CERAMICS MEXICO's water catchment area (the area inside the dotted line on the map below) and the entire drainage basin (the area inside the yellow line), we carried out a three-dimensional simulation of the groundwater and surface water flow paths. This revealed that the water taken in by the production site is water that permeates eastwards from the elevated area to its west, indicated by the blue arrows on the area inside the dotted line. Our assessment of water stress indicated that the severity of water stress is at the third level on a five-point scale (low; low-medium; medium-high; high; extremely high)*10 for the plant's water catchment area and at the fourth for the wider drainage basin that includes the production site and areas further downstream.

*10 Water stress severity: Five-point scale in the World Resources Institute's Aqueduct Water Risk Atlas



Water flow for the production site's water catchment area and the drainage basin

The NGK Group has been assessing water risk at our main production sites since before we carried out this simulation. Consequently, we already understood that NGK CERAMICS MEXICO is in an area of high water stress and had already implemented countermeasures, such as water reuse, at the plant. However, in alignment with the recent trend for water resource management to become common practice, we will use the results of this assessment together with the plant's actual water intake data to inform the continued implementation of measures to reduce water stress in the plant's water catchment area and the wider drainage basin.

Protecting and Restoring Biodiversity

Approach

The Kunming-Montreal Global Biodiversity Framework, adopted at COP15 in 2022, sets a goal of achieving a nature-positive world by 2030, halting and reversing biodiversity loss.
In addition, the TNFD recommendations published in 2023 recognize that nature-related issues are linked to corporate strategic risks. They recommend that companies identify and disclose their dependencies and impacts on nature across their business activities and value chains, as well as nature-related risks and opportunities.
In response to these international developments, the NGK Group positions the conservation and restoration of biodiversity as a key issue and promotes initiatives to understand impacts across the value chain and contribute to the realization of a sustainable society.

Metrics and Targets

Based on the NGK Group Environmental Vision, the NGK Group promotes harmony with nature by working to reduce impacts on ecosystems and raise awareness through educational activities. In the fifth 5-Year Environmental Action Plan, we positioned biodiversity as a key theme and worked to expand initiatives aligned with international initiatives by FY2025.
In FY2025, in response to disclosures based on the TNFD recommendations, we further deepened our analysis of our dependencies and impacts on nature, as well as related risks and opportunities, and enhanced our disclosure content.

› Information Disclosure Based on TNFD Recommendations

Initiatives

Biodiversity Conservation Initiatives

Raising Employee Awareness Through Internal Events

The NGK Group provides information disclosure on its nature conservation activities and continuously conducts environmental education and awareness-raising activities for employees. In October 2025, we held an internal event, “NGK-Days,” where we organized a workshop on biodiversity.
On the day, employees observed the vegetation around our headquarters together with experts. Through this activity, they learned about the relationship between our business, the local community, and nature. We also promoted a deeper understanding of the importance of biodiversity conservation and the underlying concepts among employees.



A workshop held during NGK-Days

Survey of Organisms at NGK Sites and on Land Owned by NGK

Based on the recognition that biodiversity conservation requires a solid foundation, the NGK Group conducts biological surveys of local ecosystems at its company-owned land and business sites. We have conducted surveys of plants, animals, birds, and insects at multiple sites and identified a wide range of species. The results confirmed that no invasive species requiring immediate action were found and that these sites are being properly managed. We also summarize the survey results on display panels at welfare facilities to raise awareness of the importance of biodiversity conservation among employees and other stakeholders, including local communities.
In FY2025, following a survey conducted in the previous year in the Shinbori River near our headquarters, we carried out a biological survey in the Ooyama River, which flows near the Komaki Plant, using environmental DNA analysis. Because we discharge treated water into the Ooyama River, we consider it important first to understand the current state of local biodiversity. We are examining how the survey results can be used to deepen our understanding of local ecosystems and contribute to biodiversity conservation. Going forward, we plan to expand the use of environmental DNA analysis to other sites.

FY2025 Survey Overview

- Date: October 2025
- Location: Ooyama River near the NGK Komaki Plant
- Survey contractor: Sunlit Seedlings Co., Ltd.



Performing a biological survey in the Ooyama River

Social Contribution Activities Related to the Environment

The NGK Group conducts social contribution activities at its sites in Japan and overseas, working in collaboration with local governments, NPOs, and companies. Through these activities, we aim to contribute to local environmental conservation, protect biodiversity, and raise environmental awareness among employees.

Coastal Cleanup

NGK Ishikawa Plant and NGK CERAMIC DEVICE (NCDK) Ishikawa Plant

At NGK Ishikawa Plant and NGK Ceramic Device (NCDK) Ishikawa Plant, we participate in the “Clean Beach Ishikawa” coastal conservation program organized by Ishikawa Prefecture. We conduct beach clean-up activities at Negami Beach in Nomi City together with local residents.
In FY2025, employees and their family members took part in the activity and collected a large amount of waste, including plastic containers, PET bottles, and driftwood washed ashore.
This activity has continued since 1995 with the aim of cleaning the entire coastline of Ishikawa Prefecture. NGK Ishikawa Plant joined in 2012, and NCDK Ishikawa Plant has participated since 2017.



Beach clean-up activities at NGK Ishikawa Plant and NCDK Ishikawa Plant

NGK CERAMIC DEVICE MALAYSIA

NGK Ceramic Device Malaysia, formerly NGK Electronics Devices Malaysia, conducted a beach clean-up at Pantai Esen in the Permatang Damar Laut area in cooperation with the Penang Island City Council (MBPP).
A total of 84 employees from NGK Ceramic Device Malaysia participated in the activity and collected waste and marine debris along the coastline.



A beach clean-up conducted by NGK Ceramic Device Malaysia

Forest Conservation Activities

NGK Filtech supports the “Kanagawa Forest Restoration 50-Year Plan” and carried out forest conservation activities at the Yadoriki Water Source Forest in Matsuda Town, Kanagawa Prefecture. Employees and their family members participated in the activity and learned about the importance of forest conservation through biodiversity observation and explanations of plant species.
Since September 2022, the company has entered into a five-year agreement with Kanagawa Prefecture and has been supporting forest maintenance costs as a “Forest Restoration Partner.”



Forest conservation activities by NGK Filtech

Greening Our Parking Lot

NGK has been conducting a pilot greening initiative since FY2024 by utilizing a former parking lot at its headquarters. Through this initiative, we aim to contribute to the restoration of biodiversity in the regions where we operate by planting seedlings of native species.
In November 2025, we carried out mowing of cogongrass grassland and planted wild plant seedlings. We also created opportunities to introduce this initiative to employees on-site and used it as part of environmental education to raise environmental awareness.



Former parking lot at the NGK headquarters site before greening



Former parking lot at the NGK headquarters site after greening

Activities at “NGK Minnano Mori Mizunami,” a Site for Harmony with Nature

NGK Minnano Mori Mizunami, a company-owned forest in Mizunami City, Gifu Prefecture, is certified by the Ministry of the Environment as a site for harmony with nature and is registered as an OECM, which is counted toward the international target of conserving at least 30% of land and sea areas as healthy ecosystems by 2030.
Located near NGK Ceramic Device Tajimi Plant, NGK ADREC, and Akechi Insulators, the forest is managed to enhance ecosystem health. The NGK Group is promoting initiatives to conserve and restore regional biodiversity and contribute to achieving a nature-positive society through appropriate forest management.
In FY2025, employees who support the initiative took the lead in conducting continuous satoyama conservation activities, such as undergrowth clearing and thinning, using the Company’s internal “voluntary theme circle” program.



Employees performing undergrowth clearing as part of a voluntary theme circle activity

› NGK Group Social Contribution Activities

Participation in Biodiversity-Related Initiatives and External ESG Evaluations

NGK Minnano Mori Mizunami Certified by Ministry of the Environment as a Nationally Certified Sustainably Managed Natural Site

NGK Minnano Mori Mizunami, a company-owned forest located near Group companies' facilities, was certified by the Ministry of the Environment as a Nationally Certified Sustainably Managed Natural Site in March 2024.
A Nationally Certified Sustainably Managed Natural Site is an area certified by the government where biodiversity conservation is being achieved through private-sector initiatives.

Certified as an Aichi Biodiversity Company

NGK was certified as an "Aichi Biodiversity Certified Company" by Aichi Prefecture in November 2023.
This certification recognizes companies that implement outstanding initiatives for biodiversity conservation and aims to promote conservation activities in local communities.

Endorsement of the Keidanren Initiative for Biodiversity Conservation

The NGK Group endorsed the Keidanren Initiative for Biodiversity Conservation in 2022.
This declaration outlines the commitment and action guidelines for companies and organizations to promote biodiversity conservation.

Products and Services Contributing to Environmental Protection

Approach

The NGK Group considers contributing to society through its business activities to be an important mission. We leverage technologies we have developed over many years to develop and provide environmentally friendly products and technologies.

Developing and Distributing Products/Services Contributing to Environmental Protection

Based on the fifth 5-Year Environmental Action Plan, the NGK Group has worked to increase registrations of carbon neutrality (CN)-related products and services among its products and services that contribute to environmental protection. We currently have 11 such products and services, four of which are related to Carbon Neutrality.
In FY2025, we newly registered High Porosity Honeyceram.
We will continue to focus on developing new products and providing services, including CO_2 separation membranes expected to be used in the CCU/CCS field.
In research and development, we invested approximately JPY 1.28 billion in FY2025 to improve products related to air pollution prevention, and approximately 220 million yen in the development of products related to water resource conservation.

Sales Ratio of Products/
Services Contributing to Environmental Protection



Definition of NGK Group's Products/Services Contributing to Environmental Protection

We define products and services contributing to environmental protection as those that fulfill any of the following requirements.

(1) Items awarded or certified by third-party organizations

(2) Items helping to reduce and mitigate environmental impact

(3) Items helping to reduce regional environmental impact and address resulting impacts

Development and Creation of Products/Services Contributing to Environmental Protection

Considering Sustainability When Designing Products

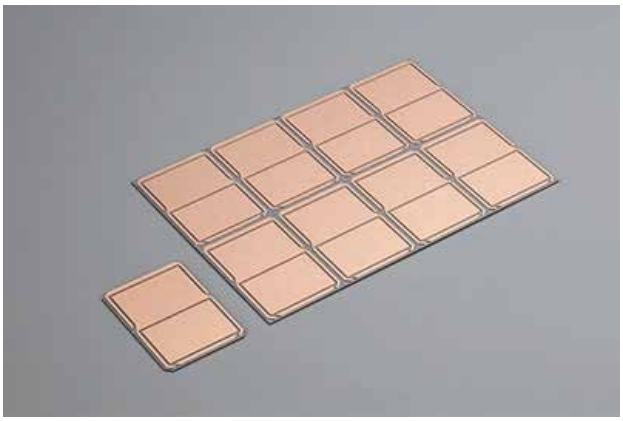
The NGK Group promotes the development and adoption of environmentally conscious products and services based on its NGK Group Corporate Business Principles and Environmental Policy.
We regularly verify these initiatives through internal audits conducted under our environmental management system and through third-party audits.

Contributing to Carbon Neutrality

AMB Substrates for Power Modules

(CN-related products)

NGK Group's AMB substrates for power modules are used in power modules for motor drive control and power conversion control in generators. They efficiently transfer heat generated by semiconductor devices to the cooling system.
Our proprietary bonding technology provides high reliability and excellent heat dissipation performance, enabling power semiconductors to achieve their full performance.
As EV and HEV adoption expands, these products are expected to contribute to Carbon Neutrality through growing automotive applications.



Local Renewable Energy Electric Power Supply Service by ENA ELECTRIC POWER and ABASHIRI ELECTRIC POWER

(CN-related services)

The NGK Group supports local production and consumption of renewable energy to promote Carbon Neutrality in communities.
In Ena City, Gifu Prefecture, we established Ena Electric Power in partnership with the city and Chubu Electric Power Miraiz. We install solar power generation systems and batteries on the roofs of public facilities and on idle land. The electricity generated is supplied to public facilities and NGK Group sites.This initiative contributes to improving local energy self-sufficiency and reducing CO_2 emissions.In addition, in Abashiri City, Hokkaido, we supply renewable energy through a similar scheme via Abashiri Electric Power, which we established with the city.

Wavelength Control Drying System

(CN-related services)

NGK's wavelength control drying system, which uses a proprietary heater unit, improves the efficiency of solvent drying. By selectively irradiating specific infrared wavelengths, we reduce drying time to about one-half to one-third of that required by conventional thermal drying methods and cut power consumption by 30 to 50 percent.
The system can also suppress concentration unevenness in coating films, known as binder segregation, by 30 to 40 percent.



Preventing Environmental Pollution

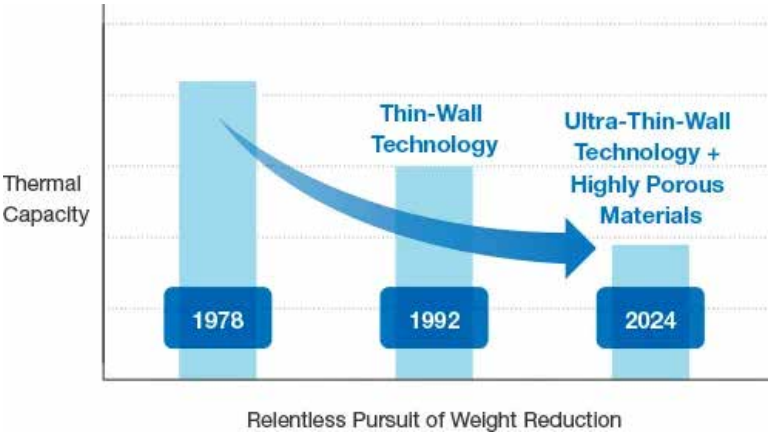
HONEYCERAM

HONEYCERAM is a ceramic catalyst carrier used to purify harmful substances in automotive exhaust gases. It stably holds the catalyst and maximizes the contact area with exhaust gas through its honeycomb structure, delivering high purification performance.
While the shift toward EVs is advancing, we expect demand for internal combustion engine vehicles to remain high in the medium term. Reducing harmful substances in exhaust gas will therefore remain important.
HONEYCERAM produced by the NGK Group is currently used in many internal combustion engine vehicles and will continue to support the reduction of environmental impact.



High-Porosity Honeyceram

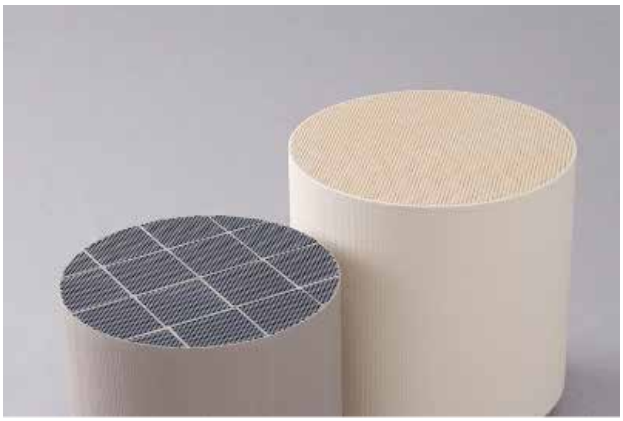
We reduced thermal capacity by making the walls of the honeycomb structure as thin as possible and incorporating numerous micropores within the walls. This enables rapid heating and supports compliance with increasingly stringent exhaust gas regulations through our High-Porosity Honeyceram.



Relentless Pursuit of Weight Reduction

Diesel Particulate Filters (DPFs)

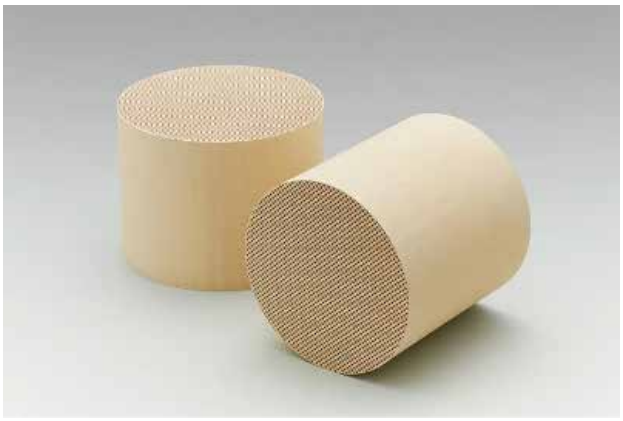
DPFs are porous ceramic filters installed in the exhaust systems of diesel vehicles. They reliably capture particulate matter (PM) through their micropores and purify exhaust gases, making a significant contribution to air pollution prevention.
The NGK Group is the only manufacturer that mass-produces both cordierite and silicon carbide types. We support improvements in the environmental performance of diesel vehicles through our ceramic technologies.





Gasoline Particulate Filters (GPFs)

GPFs are ceramic filters that remove particulate matter (PM) from gasoline engine exhaust gases. Based on diesel particulate filter (DPF) technology, we combine proprietary micropore creation and pore control technologies to achieve both high PM capture efficiency and low pressure loss. This enables exhaust gas purification while maintaining fuel efficiency and engine output.
The NGK Group will continue to respond to increasingly stringent emissions regulations and contribute to improving environmental performance.



In-Vehicle High-Precision NOx Sensors

The NGK Group developed the world's first in-vehicle sensor that enables highly accurate, real-time measurement of nitrogen oxides (NOx) in exhaust gases. The sensor detects trace amounts of NOx at the ppm level and enhances control of exhaust gas purification systems, helping to reduce NOx emissions from diesel vehicles. During the transition to EVs, this product supports emissions reduction and contributes to lowering environmental impact.



Low-Level Radioactive Waste Treatment Systems

The NGK Group provides systems that safely treat low-level radioactive waste generated at nuclear facilities by leveraging proprietary processing technologies and high-performance filtration for exhaust gas dust removal. These systems are supplied to nuclear power plants and research facilities across Japan.
We offer an integrated approach covering design, manufacturing, installation, and long-term maintenance. This enables highly efficient and stable removal of radioactive materials and supports safe operation of nuclear facilities.
We are also developing waste treatment systems for new waste generated during the decommissioning of aging nuclear reactors.



- Importance of treating radioactive waste

  For waste generated in radiation-controlled areas at facilities such as nuclear power plants, it is critical to prevent the release or leakage of radioactive materials. Therefore, such waste requires dedicated treatment and disposal methods that differ from those used for general waste.

Micro-Lenses for Ultraviolet LEDs

The NGK Group has developed quartz glass Micro-lenses for ultraviolet LEDs that improve the efficiency of UV LEDs as an alternative to mercury lamps. Ultraviolet light sources used for sterilizing water and air are currently dominated by mercury lamps. However, manufacturing and trade of these lamps are being restricted under the Minamata Convention, accelerating the shift to UV LEDs. Our Micro-lenses for ultraviolet LEDs feature a cavity structure that houses LED chips. This design improves light utilization efficiency and also contributes to cost reduction.



Environmental Labeling and Declarations

The NGK Group primarily provides BtoB products and does not currently apply environmental labels to its products. However, we will respond appropriately if such labeling becomes necessary in the future.

Environmental Data Collection

The term “NGK Group” refers to the entities listed below.
Production sites: All NGK Group production sites
Non-production sites: all NGK sales offices, NGK (China) Investment Co., Ltd., NGK Europe GmbH (Germany), NGK Automotive Ceramics USA, Inc., NGK Electronics USA, Inc., and NGK Berylco U.K. Ltd.

Due to rounding, the environmental performance data presented herein may not add up to the stated totals.
Discarded materials represent the combined total of industrial waste and valuable recyclable materials.

Material Balance

Scope: NGK Group

Category	Substance	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
INPUT	Electric power	TWh	0.98	0.94	0.95	0.92	0.91
	Gas	TWh	1.66	1.50	1.42	1.27	1.19
	Petroleum	TWh	0.02	0.02	0.02	0.01	0.02
	Steam	TWh	0.01	0.01	0.01	0.01	0.01
	Raw materials	10^4 metric tons	16	15	14	12	11
	Recycled materials	10^4 metric tons	0.4	0.5	0.4	0.4	0.9
	PRTR-listed substances	Metric tons	447	511	963	1,001	1,131
	Water withdrawal	Million m^3	4.37	4.14	4.23	4.04	4.02
OUTPUT	Energy-origin CO_2*1	10^4 metric tons of CO_2	63	59	59	56	42☑
	Effects of CN LNG*2	10^4 metric tons of CO_2	62	56	56	54	39
	Other greenhouse gases	10^4 metric tons of CO_2e	0	0	1	1	0
	CO_2 (non-energy origin CO_2)	10^4 metric tons of CO_2e	0	0	0	0	0
	CH_4	10^4 metric tons of CO_2e	0	0	0	0	0
	N_2O	10^4 metric tons of CO_2e	0	0	0	0	0
	HFC	10^4 metric tons of CO_2e	0	0	0	0	0
	PFC	10^4 metric tons of CO_2e	0	0	0	0	0
	SF_6	10^4 metric tons of CO_2e	0	0	0	0	0
	VOC	Metric tons	77	107	88	46	109
	PRTR-listed substances (emissions into the atmosphere)	Metric tons	84	110	92	49	112
	PRTR-listed substances (discharge into bodies of water)	Metric tons	1	1	1	1	1
	Discarded materials	10^4 metric tons	5.4	4.7	4.8	4.4	4.6
	Recycled	10^4 metric tons	4.2	3.7	3.7	3.6	3.8
	Waste disposed of externally (landfill, incinerator)	10^4 metric tons	1.2	1.0	1.1	0.8	0.8
	Water discharge	Million m^3	2.74	2.68	2.71	2.64	2.89
	Energy-origin CO_2 (Scope1)	10^4 metric tons of CO_2	31	28	27	24	22☑
	Effects of CN LNG*2	10^4 metric tons of CO_2	29	25	24	21	20
	Energy-origin CO_2 (Scope2)*1	10^4 metric tons of CO_2	33	31	32	33	19☑

☑ Values subject to third-party assurance by Deloitte Tohmatsu Sustainability Co., Ltd.
*1 Calculated using the market-based method
*2 Carbon-neutral LNG (CN LNG): LNG for which the CO_2 emissions generated from its use are offset through externally created CO_2 reduction or absorption credits
Through this mechanism, net CO_2 emissions are effectively considered to be zero on a global basis. However, under certain schemes, including Japan’s Energy Conservation Act, credit-based offsets are not reflected in emissions calculations
Therefore, such offsets are reported separately in this table

Scope: NGK production sites (Head Office, Nagoya Site, Chita Site, Komaki Site, Ishikawa Plant

Category	Substance	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
INPUT	Electric power	TWh	0.23	0.23	0.22	0.21	0.21
	Gas	TWh	0.19	0.20	0.19	0.17	0.17
	Petroleum	TWh	0.00	0.00	0.00	0.00	0.00
	Steam	TWh	0.00	0.00	0.00	0.00	0.00
	Raw materials	10^4 metric tons	2	3	3	3	2
	Recycled materials	10^4 metric tons	0.4	0.5	0.4	0.4	0.4
	PRTR-listed substances	Metric tons	186	160	176	297	225
	Water withdrawal	Million m^3	1.41	1.20	1.31	1.30	1.24
OUTPUT	Energy-origin CO_2*1	10^4 metric tons of CO_2	12	13	14	12	11☑
	Effects of CN LNG*2	10^4 metric tons of CO_2	10	10	11	10	8
	Other greenhouse gases	10^4 metric tons of CO_2e	0	0	0	0	0
	CO_2 (non-energy origin CO_2)	10^4 metric tons of CO_2e	0	0	0	0	0
	CH_4	10^4 metric tons of CO_2e	0	0	0	0	0
	N_2O	10^4 metric tons of CO_2e	0	0	0	0	0
	HFC	10^4 metric tons of CO_2e	0	0	0	0	0
	PFC	10^4 metric tons of CO_2e	0	0	0	0	0
	SF_6	10^4 metric tons of CO_2e	0	0	0	0	0
	VOC	Metric tons	1	1	4	1	2
	PRTR-listed substances (emissions into the atmosphere)	Metric tons	2	2	5	4	3
	PRTR-listed substances (discharge into bodies of water)	Metric tons	1	1	1	1	1
	Discarded materials	10^4 metric tons	1.0	1.0	0.9	0.9	1.1
	Recycled	10^4 metric tons	1.0	1.0	0.9	0.9	1.1
	Waste disposed of externally (landfill, incinerator)	10^4 metric tons	0	0	0	0	0
	Water discharge	Million m^3	1.03	0.80	0.86	0.84	1.05
	Energy-origin CO_2 (Scope1)	10^4 metric tons of CO_2	4	4	4	3	3☑
	Effects of CN LNG*2	10^4 metric tons of CO_2	2	1	1	1	1
	Energy-origin CO_2 (Scope2)*1	10^4 metric tons of CO_2	9	9	10	9	7☑

☑ Values subject to third-party assurance by Deloitte Tohmatsu Sustainability Co., Ltd.
*1 Calculated using the market-based method
*2 Carbon-neutral LNG (CN LNG): LNG for which the CO_2 emissions generated from its use are offset through externally created CO_2 reduction or absorption credits
Through this mechanism, net CO_2 emissions are effectively considered to be zero on a global basis. However, under certain schemes, including Japan's Energy Conservation Act, credit-based offsets are not reflected in emissions calculations
Therefore, such offsets are reported separately in this table

Material Balance Calculation Basis

INPUT	1. Energy	Electricity	Electricity consumption
		Gas	Amount obtained by converting the consumption volume for each type of fuel into the heat value = Σ (consumption volume of each fuel × unit heating value of each fuel) ÷ 3,600 MJ/MWh <Unit heating value of fuel> Natural gas (China) (MJ/Nm³): 38.9/42.5*1,Natural gas (excluding China) (MJ/Nm³): 43.5/42.5*1,City gas, NGK only (MJ/Nm³): 45,City gas, excluding NGK only (MJ/Nm³): 44.8/45*1, Other gases: Values specified under the Act on Promotion of Global Warming Countermeasures
		Petroleum	Amount obtained by converting the consumption volume for each type of fuel into the heat value = Σ (Consumption volume of each fuel × Unit heating value of each fuel) ÷ 3,600 MJ/MWh <Unit heating value of fuel> According to the Act on Promotion of Global Warming Countermeasures
		Steam	Heat equivalent of steam consumption = Σ (steam consumption × unit calorific value of steam) ÷ 3,600 MJ/MWh <Unit Calorific Value of Steam> Calculated based on the temperature and pressure of the supplied steam *1 The coefficient to the left of "/" applies through FY2022; the coefficient to the right applies from FY2023 onward
	2. Water withdrawal	Total volume of tap water, industrial water, groundwater, and rainwater	
	3. PRTR-listed substances	Total volume of quantity of Japan's PRTR Type 1 listed substances handled	
	4. Raw materials	Total volume of amount of raw materials used to manufacture products	
OUTPUT	5. Energy-origin CO_2 emission volume	Energy-origin CO_2 emission volume = Σ (Consumption of each type of energy × CO_2 conversion factor of each type of energy) <CO_2 conversion factor of energy>	
		Electric power	Japan: Adjusted emission coefficient / basic emission coefficient values of electric utilities under the Act on Promotion of Global Warming Countermeasures*1, United States (NMC, FMI California, NL): Values published by electric utilities, United States (other than NMC, FMI California, and NL): Green-e values, Belgium and France: AIB values, Australia: Australian National Greenhouse Accounts values, Poland: Poland National Centre for Emission Management values, China: Ministry of Ecology and Environment of Republic of China values / IEA values*2, Other countries: IEA values
		Fuel	Natural gas (China) ($kgCO_2/Nm^3$): 2.16/2.17*2, Natural gas (excluding China) ($kgCO_2/Nm^3$): 2.22/2.17*2, City gas, NGK only ($kgCO_2/Nm^3$): 2.29/2.27*2 City gas, excluding NGK only ($kgCO_2/Nm^3$): 2.23/2.27*2, Other fuels: According to the Act on Promotion of Global Warming Countermeasures
		Steam	According to the Act on Promotion of Global Warming Countermeasures *1 The coefficient to the left of "/" applies through FY2023; the coefficient to the right applies from FY2024 onward *2 The coefficient to the left of "/" applies through FY2022; the coefficient to the right applies from FY2023 onward
	6. Other greenhouse gas emissions	Emission volume of other greenhouse gases (tCO_2e) = volume of activity × emission coefficient × Global warming potential <Global warming potential> According to the Act on Promotion of Global Warming Countermeasures	
	7. Water discharge	Total volume of water discharged	
	8. PRTR-listed substances	Discharge into bodies of water: Total amount of Japan's PRTR Type 1 listed substances discharged into public bodies of water Emissions into atmosphere: Total amount of Japan's PRTR Type 1 listed substances emitted into the atmosphere	
	9. Total amount of discarded materials generated	Total amount of discarded materials generated = Externally disposed amount*1 + Externally recycled amount Recycled amount: Externally recycled amount = Paid disposal*2 + Valuable amount (selling off) *1 Externally disposed amount: Direct disposal by landfill, or simple incineration *2 Paid disposal: Outsourcing disposal and paying for recycling*	
	10. Scopes1 through 3	Scope1	Direct emissions of greenhouse gases by the reporting company (generated from industrial processes or the burning of fuel)
		Scope2	Indirect emissions of greenhouse gases by the reporting company resulting from the use of electricity, steam, or heat purchased from other companies
		Scope3	All other indirect emissions of greenhouse gases (not included in Scope1 or 2) that occur in the reporting company's value chain

GHG Emissions

Scope: NGK Group

Item		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Scope1+2*1 (Energy-origin CO_2) (Effects of CN LNG*2)		10^4 metric tons of CO_2	62	56	56	54	39
Scope1 (Energy-origin CO_2) (Effects of CN LNG*2)		10^4 metric tons of CO_2	29	25	24	21	20
Scope2*1 (Energy-origin CO_2)		10^4 metric tons of CO_2	33	31	32	33	19
Scope1+2*1 (Energy-origin CO_2) Basic unit per net sales (Effects of CN LNG*2)		Metric tons of CO_2 per 100 million yen	120	100	96	87	59
Scope3 (GHG: CO_2 equivalent)	Total	10^4 metric tons of CO_2e	344.9	351.9	327.0	375.3	420.5
	1 Purchased products and services	10^4 metric tons of CO_2e	178.8	192.2	188.1	201.8	213.9
	2 Capital goods (capital investment)	10^4 metric tons of CO_2e	13.4	13.9	15.7	16.4	18.8☑
	3 Fuel- and energy-related activities not included in Scope1 or Scope2	10^4 metric tons of CO_2e	8.6	8.2	8.1	7.7	7.4☑
	4 Transport (upstream)	10^4 metric tons of CO_2e	18.8	11.1	10.8	9.8	8.8
	5 Waste	10^4 metric tons of CO_2e	1.2	1.0	1.0	0.8	0.7
	6 Business travel	10^4 metric tons of CO_2e	0.3	0.3	0.3	0.3	0.3☑
	7 Employee commuting	10^4 metric tons of CO_2e	0.9	0.9	0.8	1.0	0.9☑
	8 Leased assets (upstream)	10^4 metric tons of CO_2e	-	-	-	-	-
	9 Transport (downstream)	10^4 metric tons of CO_2e	-	-	-	-	-
	10 Processing of sold products	10^4 metric tons of CO_2e	-	-	-	-	-
	11 Use of sold products	10^4 metric tons of CO_2e	122.6	123.9	101.9	137.2	169.3☑
	12 End-of-life treatment of sold products	10^4 metric tons of CO_2e	0.4	0.4	0.4	0.3	0.3☑
	13 Leased assets (downstream)	10^4 metric tons of CO_2e	-	-	-	-	-
	14 Franchises	10^4 metric tons of CO_2e	-	-	-	-	-
	15 Investment	10^4 metric tons of CO_2e	-	-	-	-	-
Other GHG emissions (Non-energy-origin: Breakdown by Gas Type)	Total	10^4 metric tons of CO_2e	0	0	1	1	0
	CO_2 (non-energy origin CO_2)	10^4 metric tons of CO_2e	0	0	0	0	0
	CH_4	10^4 metric tons of CO_2e	0	0	0	0	0
	N_2O	10^4 metric tons of CO_2e	0	0	0	0	0
	HFC	10^4 metric tons of CO_2e	0	0	0	0	0
	PFC	10^4 metric tons of CO_2e	0	0	0	0	0
	SF_6	10^4 metric tons of CO_2e	0	0	0	0	0

☑ Values subject to third-party assurance by Deloitte Tohmatsu Sustainability Co., Ltd.
*1 Calculated using the market-based method
*2 CN LNG (carbon-neutral LNG): LNG under a framework in which CO_2 emissions generated from LNG use are offset by externally generated CO_2 reduction and absorption credits, treating net CO_2 emissions as zero on a global basis
However, as credit-based offsets are not reflected in emissions calculations under certain regulatory frameworks, including the Act on the Rational Use of Energy, we report them separately in this table

Method for calculating GHG emissions (Scope3)

Category	Calculation method
1 Purchased products and services	Σ (purchase price of products and services × emissions intensity*1)
2 Capital goods (capital investment)	Capital investment × emissions intensity*1
3 Fuel- and energy-related activities not included in Scope1 or Scope2	Σ (energy consumption × emissions intensity*1)
4 Transport (upstream)	Σ (weight of transported goods × distance × emissions intensity*2)
5 Waste	Σ (weight of waste materials × emissions intensity*1)
6 Business travel	number of employees × emissions intensity*1
7 Employee commuting	number of employees × number of work days per year × emissions intensity*1
8 Leased assets (upstream)	- (N/A)
9 Transport (downstream)	- (N/A)
10 Processing of sold products	- (N/A)
11 Use of sold products	Σ (number of products sold × annual energy consumption*3 × service life*3 × CO_2 emissions factor*4)
12 End-of-life treatment of sold products	Σ (number of products sold × product weight*3 × emissions intensity*1)
13 Leased assets (downstream)	- (N/A)
14 Franchises	- (N/A)
15 Investments	- (N/A)

*1 Value from Emission Factor Database Ver. 3.6 for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
*2 Value from IDEA Database Ver. 2.3
*3 Based on information for representative products selected for each product group, or on average product specifications
*4 Values specified under the Act on Promotion of Global Warming Countermeasures

Consumption of Each Energy

Scope: NGK Group

Item	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Electric power	TWh	0.98	0.94	0.95	0.92	0.91
Gas	TWh	1.66	1.50	1.42	1.27	1.19
Petroleum	TWh	0.02	0.02	0.02	0.01	0.02
Steam	TWh	0.01	0.01	0.01	0.01	0.01
Basic unit per net sales	MWh per 100 million yen	522	442	413	359	317

Conservation of Water Resources

Scope: NGK Group

Item		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Water withdrawal	Total	Million m^3	4.336	4.143	4.226	4.038	4.025
	Tap water/industrial water	Million m^3	3.720	3.494	3.616	3.396	3.416
	Groundwater	Million m^3	0.614	0.648	0.608	0.642	0.608
	Rainwater	Million m^3	0.002	0.001	0.002	0.001	0.001
	Water withdrawal from water-stressed areas (of total water withdrawal)*	Million m^3	Not calculated	Not calculated	Not calculated	0.141	0.125
	Share of total water withdrawal	%	Not calculated	Not calculated	Not calculated	3.5	3.1
Water discharge	Total	Million m^3	2.704	2.677	2.712	2.642	2.888
	Rivers	Million m^3	0.733	0.705	0.681	0.645	0.739
	Lakes	Million m^3	0.000	0.000	0.000	0.000	0.000
	Sea	Million m^3	1.218	1.152	1.238	1.188	1.350
	Sewerage	Million m^3	0.458	0.507	0.496	0.500	0.575
	Factory complex processing	Million m^3	0.238	0.233	0.243	0.235	0.204
	Other	Million m^3	0.057	0.079	0.054	0.074	0.020
Amount of water consumption		Million m^3	1.632	1.466	1.514	1.396	1.137
Volume recycled		Million m^3	0.063	0.077	0.102	0.102	0.086
Recycling rate (Volume recycled) / (Total water withdrawal)		%	1.5	1.9	2.4	2.5	2.1
Net sales ratio of water resource priority sites (15 sites) as a % of total net sales		%	Not calculated	Not calculated	Not calculated	Not calculated	33.8

* As we revised our water risk assessment and assessed sites in FY2025, we have restated FY2024 figures based on the FY2025 assessed sites.

Raw Materials

Scope: NGK Group

Item	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Raw materials	10^4 metric tons	16	15	14	12	11.4
Recycled materials	10^4 metric tons	0.4	0.5	0.4	0.4	0.4
Ceramic raw materials	10^4 metric tons	Not calculated	Not calculated	Not calculated	8.7	8.6
Metal materials	10^4 metric tons	Not calculated	Not calculated	Not calculated	2.0	1.9
Plastics	10^4 metric tons	Not calculated	Not calculated	Not calculated	0.3	0.3
Others (cement, rubber, etc.)	10^4 metric tons	Not calculated	Not calculated	Not calculated	0.8	0.6

Chemical Management System

Scope: NGK Group

Item	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
VOC	Metric tons	77	107	88	46	109
PRTR-listed substances (emissions into atmosphere)	Metric tons	84	110	92	49	112
PRTR-listed substances (discharge into bodies of water)	Metric tons	1	1	1	1	1

Discarded Materials

Scope: NGK Group

Item		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Discarded materials		10^4 metric tons	5.4	4.7	4.8	4.4	4.6
Breakdown	Recycled	10^4 metric tons	4.2	3.7	3.7	3.6	3.8
	Plastic recycled	10^4 metric tons	Not calculated	Not calculated	Not calculated	0.2	0.3
	Disposed of externally	10^4 metric tons	1.2	1.0	1.1	0.8	0.8
	Plastic recycled	10^4 metric tons	Not calculated	Not calculated	Not calculated	0.1	0.0
Basic unit per net sales		Metric tons per 100 million yen	10.5	8.4	8.3	7.2	6.8
Reduction rate against BAU (This is the improvement rate in the basic unit for production output based on FY2013)		%	26	31	31	35	40

Toxic Materials

Scope: NGK Group

Item		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
PCB waste	Considered to be disposed	Units	39	179	104	32	5
	Disposed amount	kg	11,480	28,805	470	9,152	29,352

Products and Services Contributing to Environmental Protection

Scope: NGK Group

Item	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Ratio of sales of products and services contributing to environmental protection of the sales of all products and services	%	59	59	64	66	59
Research and development expenses for improving air pollution control-related products	100 million yen	Not calculated	Not calculated	Not calculated	6.6	12.8
Research and development expenses for water resource conservation-related products	100 million yen	Not calculated	Not calculated	Not calculated	0.3	2.2

Conservation and Restoration of Biodiversity

Scope: NGK Group

Item	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Site area managed by NGK Group (excluding leased land and building floors)	km^2	Not calculated	Not calculated	Not calculated	4.1	4.1
Of which: area under conservation (area of NGK Minnano Mori Mizunami, a Nationally Certified Sustainably Managed Natural Site)	km^2	Not calculated	Not calculated	Not calculated	0.1	0.1

Environmental Accounting

Scope: CO_2 eco-efficiency and aste eco-efficiency: NGK G oup; all other items: NGK and Group companies in Japan

Item				Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Environmental conservation costs/Capital investment				100 million yen	9.4	19.4	28.6	15.9	44.6
Environmental conservation costs/ Expenditures	Total			100 million yen	41.4	31.8	50.0	49.5	38.5
	Pollution prevention costs		Costs of managing and maintaining equipment for preventing pollution	100 million yen	8.1	8.3	13.2	11.8	9.8
	Global environmental conservation costs		Costs related to conservation of the global environment	100 million yen	6.2	4.3	8.5	13.6	8.9
	Costs related to resource recycling		Costs related to conserving resources, saving water, and disposing of waste, and other resource recycling	100 million yen	9.2	7.8	9.0	10.9	9.4
	Upstream and downstream costs		Costs for curtailing environmental impacts outside of our business areas (outside the company)	100 million yen	0.1	0.1	0.0	0.1	0.1
	Administrative costs		Costs for initiatives that indirectly contribute to curtailing environmental impacts	100 million yen	4.0	5.2	5.3	6.3	5.5
	Research and development costs		Cost of research and development for reducing environmental impacts	100 million yen	1.6	1.7	4.1	4.1	0.2
	Social activity costs		Costs related to environmental conservation and communication with society about the environment	100 million yen	2.2	2.3	2.4	2.5	2.0
	Environmental damage costs		Costs related to damage done to the environment	100 million yen	9.9	2.1	7.5	0.2	2.7
Economic benefits	Total			100 million yen	6.9	7.7	7.2	9.8	11.3
	Energy conservation		Effect of energy conservation activities	100 million yen	1.6	3.0	2.9	6.4	6.6
	Resource conservation	Water	Effect of water conservation	100 million yen	0.0	0.0	0.0	0.0	0.0
		Raw materials	Effect of efficient use of resources	100 million yen	0.1	0.1	0.1	0.3	0.1
		Containers and packaging	Effect of reuse of containers and packaging	100 million yen	0.0	0.0	0.0	0.0	0.0
		Reduced disposal	Effect of reduced disposal as waste	100 million yen	1.7	1.7	1.2	1.0	0.7
		Gain on sale	Effect of sales of valuables	100 million yen	3.5	2.8	3.0	2.1	3.9
Cost-effectiveness (economic benefit) / (cost)				%	16.7	24.1	14.4	19.8	29.4
CO_2 eco-efficiency (net sales) / (CO_2 emissions) FY2013 is set as the base (100%)				%	187	226	233	259	387
Discarded materials eco-efficiency (net sales) / (Waste emissions) FY2013 is set as the base (100%)				%	172	216	217	253	266

Environmental Management System

Item	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
NGK	Number of bases certified	4	4	4	4	4
Domestic Group	Number of bases certified	19	19	19	19	19
Overseas Group	Number of bases certified	21	21	21	18	18

Environmental Audits

Scope: NGK Group

Item	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Significant findings	Cases	0	0	0	0	0

Environmental Risk Management

Scope: NGK Group

Item	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Major violations	Cases	0	1	1	0	3

External Recognition of Environmental Performance

Scope: NGK Group

Item	FY2021	FY2022	FY2023	FY2024	FY2025
CDP-Climate Change	B	A-	A-	B	A-
CDP-Water Security	B	A-	B	A	A
CDP-Supplier Engagement	A	A-	B	A	A

Eco Test Certifi ation

Scope: NGK

Item	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of successful examinees	Persons	44	29	43	49	50

Sustainability in the NGK Group

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Pursuit of Quality and Product Safety

Approach and Policy

The NGK Group positions quality and product safety as one of its material issues. Starting from the customer's perspective, we see it as our mission to continuously provide safe, reliable, and trusted products and services. By properly managing risks related to quality and product safety, we aim to contribute to the sustainable development of society. Based on this approach, we have established mechanisms to ensure quality throughout the product lifecycle and continue improvement activities under a governance framework involving senior management.

Quality Policy

NGK is dedicated to quality and committed to providing valuable products and services that are trusted by our customers and respected by society

Promotion Framework

Based on the view that quality is the foundation of business activities, the NGK Group has established a Group-wide, integrated quality governance framework. By combining a Group-wide management structure overseen by the Quality Committee Chair with operating structures within each business group led by the heads of those groups, we identify and manage quality risks at both the management and frontline levels.

Group-wide Quality Management Framework

The Quality Committee Chair regularly reports on the status of the following activities to the Board of Directors, ensuring alignment with management oversight.

Quality Committee

The Quality Committee meets at least twice a year. It reviews progress in management indicators such as quality costs on a semiannual basis and deliberates on serious matters related to quality and product safety that require management decisions.

Quality Review Meeting

For serious cases, we bring together in-house expertise to examine reliability, safety, and other aspects from multiple perspectives. We then provide recommendations and guidance for corrective action and support the implementation of measures to prevent recurrence and drive improvement.

Quality Activity Meetings

The meeting monitors product-specific market defects, manufacturing yield, and the status of company-wide improvement activities, and discusses any actions required.

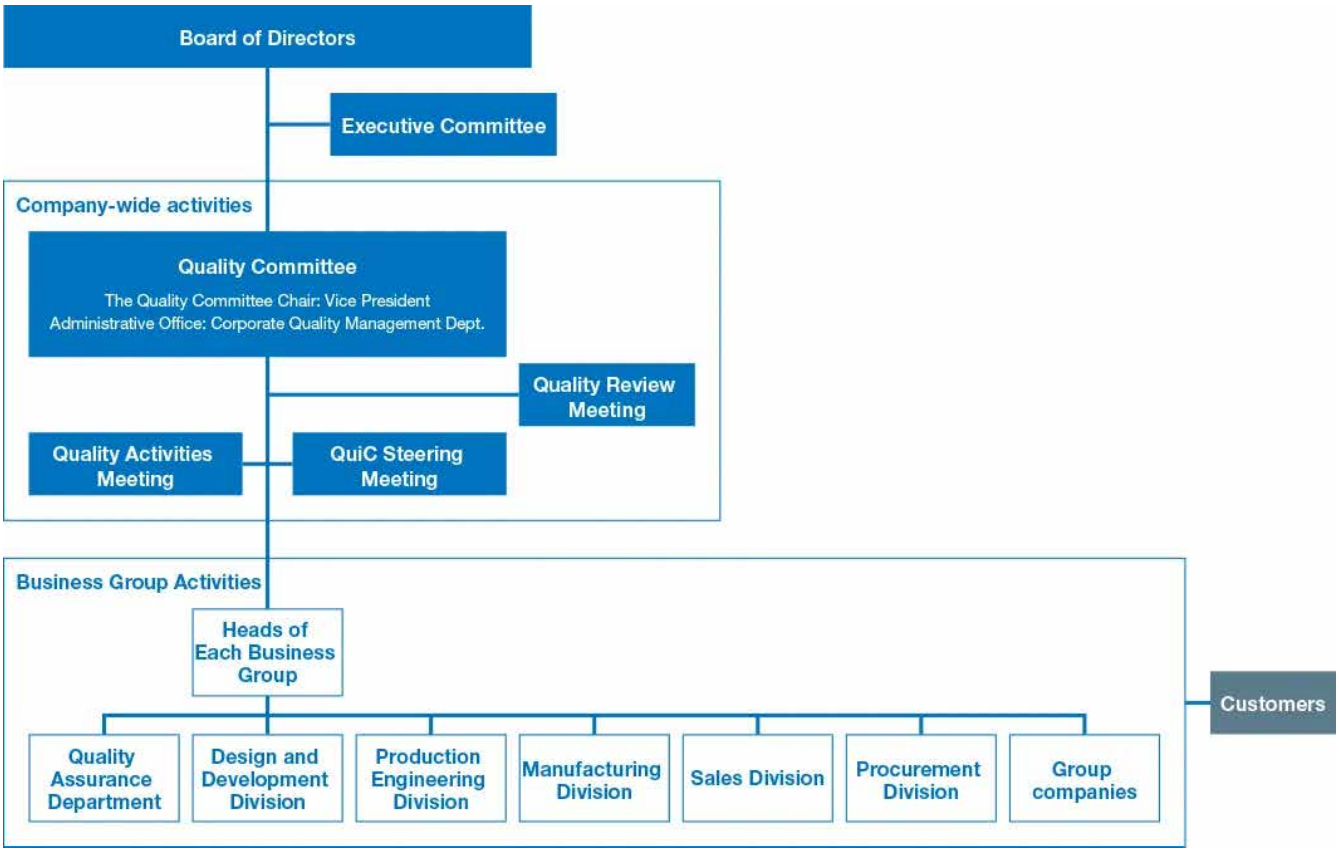
QuiC Steering Meeting

The QuiC Steering Meeting reviews and deliberates on matters necessary to promote improvement activities (QuiC activities).

Activity Systems Within Each Business Division

Within each business division, we have established quality management systems tailored to the characteristics of each business line and promote quality activities accordingly. For each product line, we set the indicators needed to ensure the quality and safety of our products and services. The Quality Committee for each product line meets at least twice a year to review progress and decide on the actions needed for improvement. Each business group serves as the point of contact with customers and works to further increase customer satisfaction by reflecting market quality issues and customer requests in our products and services.

Quality Activity System Chart



ISO 9001 and IATF 16949 Certification Status (As of August 2026)

NGK Group has obtained either IATF 16949 or ISO 9001 certification, depending on the product, across all business groups, including headquarters, as well as at production sites of Group companies in Japan and overseas and related supporting functions.
Automotive-related products are certified to IATF 16949, while other products are certified to ISO 9001. By undergoing annual audits, we maintain a system that ensures the quality and safety of our products and services.
In addition, each business division conducts an internal audit once a year based on its own quality management system. We also verify the effectiveness of these systems through product-specific quality audits conducted by customers and other parties.
The Group-wide certification rate is 100%, with the breakdown shown below.

	IATF16949	ISO9001	Total
Sites Covered by Certification (No. of sites)	14	25	39
Certified Sites (No. of sites)	14	25	39

Social Data Collection [PDF:81KB]

Metrics and Targets

Quality Objectives

At the NGK Group, we set Quality Objectives each fiscal year based on our Quality Policy to improve the quality of our products and services and ensure safety. In FY2025, to reliably keep our promises to customers, we promoted initiatives under the objective of having everyone from management to frontline workers thoroughly discuss and improve overburden, waste, and unevenness—in our operations, with the aim of improving the quality of our operations and our organizational culture. As a result, quality compliance is gradually taking root as part of day-to-day activities in each department, and people on the front lines are increasingly sharing candid views and insights. In FY2026, to make these results more tangible, we will continue our efforts to improve the quality of our operations and our organizational culture without losing momentum. In addition, we set a new objective that incorporates a perspective that values how products and services will be used in the market and what customers will expect from them, so that we can deliver the value customers seek from new products and services that will be commercialized in the future.

Quality Objectives FY2026

Improve overburden, waste, and unevenness in our operations, and meet customer expectations by considering how our products and services will be used.

KPI

The NGK Group has set the number of serious incidents involving products and services as a KPI and manages it with an annual target of zero. Each fiscal year, the Risk Management Committee and the Quality Committee review this KPI and determine any actions needed for improvement. In FY2025, the Group recorded zero serious incidents.

Customer Satisfaction Survey

To reflect customer feedback in our products and services, each business group establishes its own survey methods and works to improve customer satisfaction.

Results of the Environment Business Group's* Customer Satisfaction Survey

2021	2022	2023	2024	2025
100%	100%	100%	100%	100%

* Calculation method
Participants were asked to respond to survey questions by providing a rating from one to ten, with responses of six or higher counted as "Satisfied"
The customers included in this survey account for 45% of total sales

Initiatives

Under its Quality Policy, the NGK Group is focusing on the five priorities shown in the table below as the core of its Activities to Increase Customer Trust. We believe that meeting customer expectations helps build trust.

Activities to Increase Customer Trust

Item	Initiatives
1. Quality Compliance	– Quality of operations Improvement Activities
2. Reducing Quality Risks in Products and Services	– Formulating and Embedding Quality Activity Rules – Quality Risk Elimination Process（QRE-P） Activities – Activities to Strengthen Design Review (DR) Functions – Safety Risk Assessments for Products and Services – External Presentations of Improvement Case Studies
3. Responses to Quality Issues	– Quality up innovation Challenge（QuiC）Activities – External Improvement Case Study Symposiums
4. Activities to Improve Employees' Quality Awareness and Knowledge	– Education on Quality and Safety – Education on Lessons Learned from Past Mistakes
5. Communicating with Customers	– Communicating with Customers

Quality Compliance

Quality of operations Improvement Activities

The NGK Group defines quality of operations as the quality of work needed to fulfill promises made to customers. Based on its company-wide quality compliance program, the Group has continued to establish rules and regulations, provide training, conduct audits and monitoring, and carry out preventive activities. Through executive lectures and the distribution of educational videos, NGK has worked to raise awareness of quality compliance as a personal responsibility at every level, from directors and management to frontline workers. Building on these efforts, NGK is now creating a framework that enables each department to improve quality of operations with greater independence.

Reducing Quality Risks in Products and Services

Through the following activities to reduce product and service quality risks, NGK works to prevent serious customer complaints before they arise and to reduce the likelihood of product recalls, compensation costs, and reputational damage.

Formulating and Embedding Quality Activity Rules

To reduce quality risks in the market, NGK has formulated company-wide Quality Activity Rules and is working to embed them in operations and improve their effectiveness.

Quality confirmation rule

Establish milestones, from development to start of production, and confirm conformance with quality items when production processes change.

DR function strengthening rule

Register DR plans with quality risks of medium or high level as important DR subjects with participation of company-wide DR reviewers. The General Manager of the Corporate Quality Management Dept. holds company-wide DRs for cases with a particularly high risk level.

Quality monitoring rule

Monitor and share information company-wide with respect to quality status changes or problems concerning manufacturing or markets. Manufacturing defects and customer complaints are shared company-wide every month through reports to the Corporate Quality Management Dept., and the appropriateness of countermeasures is discussed.

Rule for handling major customer complaints

In the event of a serious customer complaint, including a potential complaint, the situation is promptly reported to the Quality Committee Chair to formulate company-wide countermeasures.

QRE-P Activities

NGK promotes QRE-P Activities company-wide as an operational process to eliminate quality risks before they arise across the entire commercialization process, from product and service planning to mass production.
QRE-P Activities focus on how work is carried out, as this can lead to market defects. By analyzing these issues with each division and making improvements, NGK works to improve quality and prevent recurrence.

In fiscal 2025, NGK implemented the following initiatives to improve the effectiveness of QRE-P Activities.

- In the analysis of market defects, NGK narrowed the scope of priority guidance to selected divisions, chose four cases, and shared operational process improvements with those divisions.
- In new business development, NGK worked with development divisions on initiatives to eliminate quality risks, centered on the preparation of QFD (Quality Function Deployment).
- NGK formulated guidelines for two areas: activities that focus on customer experience and delivered value from the customer's perspective, and product safety activities based on ISO/IEC Guide 51.

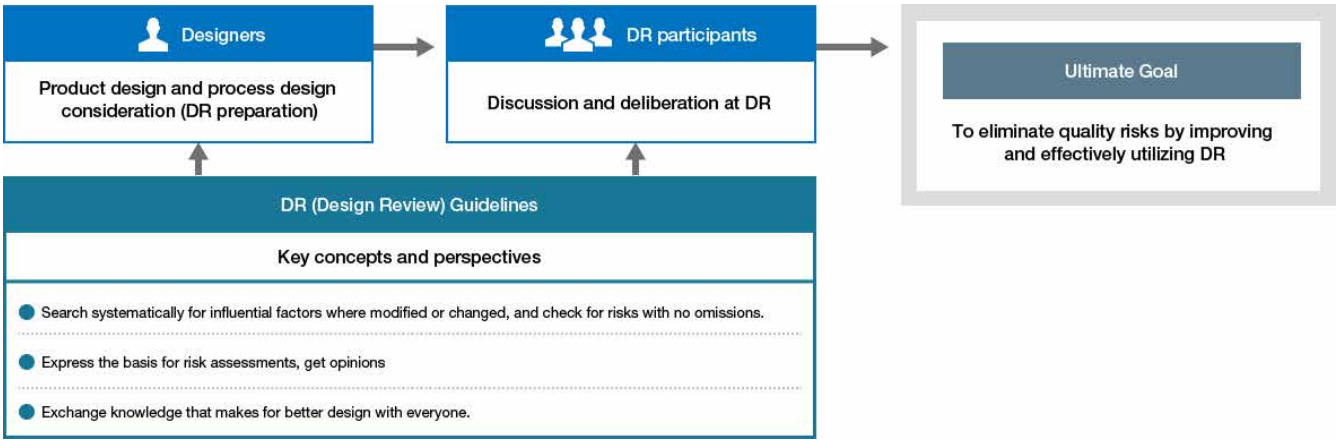
In FY2026, building on these efforts, NGK will work to further embed and advance QRE-P Activities.

- Continue focused guidance in defect analysis to improve the effectiveness of operational process improvements.
- Build a mechanism for sharing development status in new business development, centered on QFD.
- For initiatives focused on customer experience and delivered value from the customer's perspective, raise awareness of the guidelines and verify cases through practical support for new business projects.
- Continue efforts to improve the safety of products and services through QRE-P Activities.

Activities to Strengthen Design Review (DR) Functions

The NGK Group positions Design Review (DR) as one of its most important activities and conducts DRs at key milestones in development and when changes are made to manufacturing processes.
For critical DRs, reviewers from across the Company participate to strengthen efforts to eliminate quality risks.
To further enhance discussions in DRs and ensure the thorough elimination of quality risks, we have established the DR Guidelines and improve their effectiveness through training and post-review evaluations of each DR.
In addition, when issues are difficult to resolve within individual departments, the Company holds company-wide DRs (company-wide quality review meetings). These bring together engineers and experts from across the organization to conduct multi-faceted evaluations of product reliability and safety.

Flow of DR Activities



Safety Risk Assessments for Products and Services

The NGK Group implements the following key initiatives to assess safety risks in products and services.

- The Group positions product and service safety as one of the key quality requirements within its quality confirmation rules and has established a framework to implement and verify this through QRE-P activities. In addition, we have developed company-wide safety guidelines based on ISO/IEC Guide 51, which serve as guiding principles for business and development divisions.
- In product development, safety is reviewed in DRs based on the requirements of IATF 16949, ISO 9001, and IEC QC 080000. Risks and system deficiencies are corrected through annual certification renewals, as well as internal and external audits. The Quality Management Department supports and verifies risk assessments by participating in DRs and holding quality assurance review meetings for new products.
- In the event of emergencies or incidents, we maintain a system that enables prompt response in accordance with our crisis management regulations. Even after product shipment, we implement corrective actions related to safety through customer satisfaction surveys, market monitoring, and periodic recalls.

Responses to Quality Issues

The NGK Group has established systems to respond promptly and appropriately when issues related to the quality or safety of its products and services arise.
In the event of a serious market complaint, or when there is a risk of such a complaint, we follow the “Rules for Handling Serious Market Complaints,” one of its quality activity rules. Under these rules, the issue is promptly reported to the Quality Committee Chair, and company-wide measures are considered.
For quality issues that may have a significant impact on the Company, a response framework is established in accordance with the crisis management regulations.
When a problem occurs, we investigate the root cause in parallel with emergency response measures and works to prevent recurrence by improving product design and manufacturing processes.
The crisis management regulations are reviewed annually and revised as necessary to ensure that optimal quality and safety management systems are maintained.

Responses to Quality Issues

QuiC Activities

The NGK Group has promoted company-wide quality improvement activities involving all employees under the name “QuiC Activities” since fiscal 2003.
Outstanding improvement examples from QC circle activities and suggestion programs are shared across all Group companies and are horizontally deployed at the annual Company-wide QuiC Activities Contest.
In addition, we have been continuously promoting the “NGK-BOX / Surprising Challenges!” initiative since FY2021. This initiative aims to enhance employee motivation and revitalize workplaces by sharing reform examples and best practices across the Company.
In FY2025, we held “NGK Days” for the first time, a combined event in which administrative and indirect divisions presented challenges in their operations and delivered interactive, participatory content. Through employee interaction, the event encouraged new challenges and co-creation.



Company-wide QuiC Activities Contest



NGK-BOX/Surprising Challenges! best practices presentation

External Presentations of Improvement Case Studies

The NGK Group shares case studies obtained through its quality improvement activities with external stakeholders and leverages them to enhance future initiatives.
In FY2025, the Group presented case studies at three events: the Chubu Quality Control Conference QC Circle Case Study Presentation Meeting, organized by the Chubu Quality Control Association; the International Conference on Quality (ICQ 2025), organized by the Union of Japanese Scientists and Engineers; and the Foreman Conference, organized by the Japan Management Association.

Activities to Improve Employees’ Quality Awareness and Knowledge

Education on Quality and Safety

The NGK Group provides training programs for all employees to enhance their quality skills.
Basic quality knowledge is delivered through video-based learning, enabling employees to learn anytime, anywhere, and repeatedly.
In addition, we offer both online and in-person training programs on practical topics such as statistical quality control, root cause analysis (the “Five Whys”), and product safety.

Quality-Related Education in FY2025

Training name	Number of Sessions	Purpose and Features
Individual Training	Fifteen Times a Year	- Skills development support for statistical analysis skills on the theme of operational challenges - Quality Education which reflects the needs of supporting departments with the trainee's superior
QC Methodology Practice	Nine Times a Year	- Introduce and practice using the seven QC tools for summarizing data (Q7) and other QC methods necessary for problem solving
SQC（Statistic Quality Control） Methods Seminar	Seven Times a Year	- A seminar-based course on statistical quality control methods - Improve skills through inverse learning using a video-based course on SQC methods
Why-Why Analysis	Once a Year	- Strengthen analysis of the causes of failure - Improve level of mastery through explanations and group work
Reliability Basics Training	Reliability Basics Training 1: Once a Year	- Learn about design reliability, the physics of failure, and methods of analyzing reliability data
	Reliability Basics Training 2: Once a Year	- Understand and learn methods of prevention, QFD, FTA, FMEA, DR, and QRE-P at NGK - Foster ability to discover hidden problems through FTA/FMEA group seminars
QMS Training	ISO/IATF standards interpretation: Eight Times a Year	- Understand the intent and requirements of standards
	ISO/IATF Internal Quality Auditor training: Ten Times a Year	- Internal quality auditor training and accreditation
	VDA 6.3 Process Auditing Seminar: Twice a Year	- Understand process auditing requirements for VDA standards
Product Safety Training	Three Times a Year	- Learn the basic concepts for product safety - Foster the ability to notice danger through group seminars

Education on Lessons Learned from Past Mistakes

The NGK Group has established a dedicated learning theater at “NGK Collaboration Square DIVERS,” which opened in July 2025. This facility enables each employee to learn from past failures, internalize them as personal experiences, and translate the lessons into future actions.
At the theater, employees confront past serious incidents, including inspection irregularities related to insulators, and learn key lessons that all employees should understand through highly immersive video content. Employees also share their reflections by leaving messages, helping to pass on these lessons across the organization.



D-Reflection: A Forum for Sharing Lessons Learned from Failures

Communicating with Customers

Communicating with Customers

The NGK Group discloses information required by society accurately and promptly based on the NGK Group Corporate Business Principles and Code of Conduct.
Regarding product information, the Group provides clear explanations on product features and handling precautions on its website and offers safety information tailored to individual customer cases. The Group also continuously strengthens its systems for providing product safety information.
In product development, the NGK Group confirms and complies with regulations in the countries and regions where products are shipped, and thoroughly implements safe design in accordance with those requirements.
For customers, the Quality Assurance function takes a central role in responding to requests for chemical substance surveys and provides related information, including Material Safety Data Sheets (MSDS).
Furthermore, based on the NGK Group Environmental Policy and the NGK Group Supplier Code of Conduct, the Group works with its business partners to ensure product and service safety, prioritize procurement of environmentally friendly materials, components, and equipment, and appropriately manage chemical substances contained in products.

Contribution to Digital Social Infrastructure

Approach

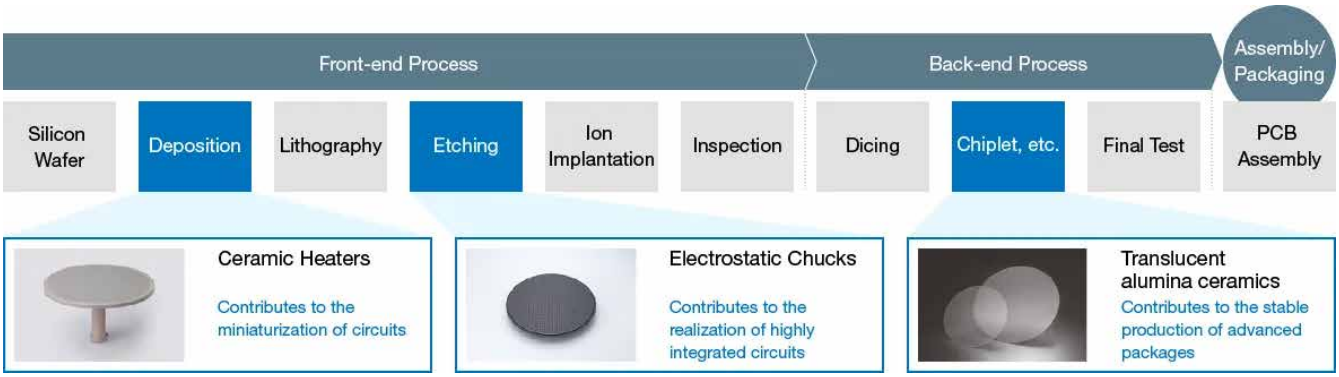
Digital technologies are transforming society and industry through advances in communications, semiconductors, and data utilization. In the NGK Group Vision: Road to 2050, the NGK Group identified carbon neutrality and the digital society as social issues it should address with 2050 in mind. A digital society cannot function without physical infrastructure that offers high reliability and stability. Leveraging its unique ceramic technologies, we support digital social infrastructure by supplying key materials and components for semiconductor manufacturing, information and communications devices, and data centers.
As digitalization advances, the importance of these materials continues to grow. We therefore position contribution in this area as one of our material issues. As the digital society evolves, information processing becomes more advanced and digital devices become more sophisticated, increasing the need for stable operation and reliable quality. We continue to refine its proprietary ceramic technologies and provide products that meet these social needs.
Through technologies and value creation that respond to changes in society, we aim to fulfill its role as a company that supports the foundations of the digital society while achieving both sustainable business growth and solutions to social issues.

Products Supporting Digital Social Infrastructure

Products Supporting Semiconductor Manufacturing

The NGK Group contributes to semiconductor manufacturing processes that demand high quality through a diverse range of products.

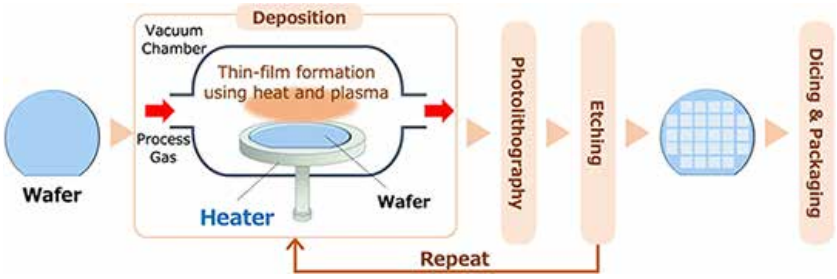
Semiconductor Manufacturing Processes



Ceramic Heaters

As semiconductor manufacturing processes become more advanced, manufacturers need temperature-control components that operate reliably even in harsh environments, including high voltages and corrosive gases. Ceramic heaters stabilize temperature inside deposition equipment and support process reproducibility and stable operation.
The NGK Group's ceramic heaters offer strong corrosion resistance and uniform thermal conductivity. These strengths enable stable performance even in severe operating environments, making them increasingly important as demand grows for semiconductors used in AI and other applications.

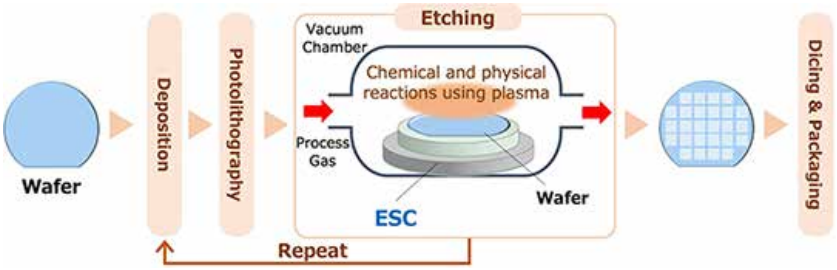
Semiconductor Manufacturing Process (Deposition)



Electrostatic Chucks

In semiconductor manufacturing, product quality depends on keeping wafers securely in place and reproducing processing conditions with high precision. Electrostatic chucks hold wafers in place with electrostatic force during the etching process and serve as the foundation for stable processing.
The NGK Group's electrostatic chucks can handle a wide temperature range and offer excellent corrosion resistance, enabling them to maintain stable holding force even in harsh environments. As a result, they support high-precision etching even in processes where higher integration is progressing through finer structures and multilayering.

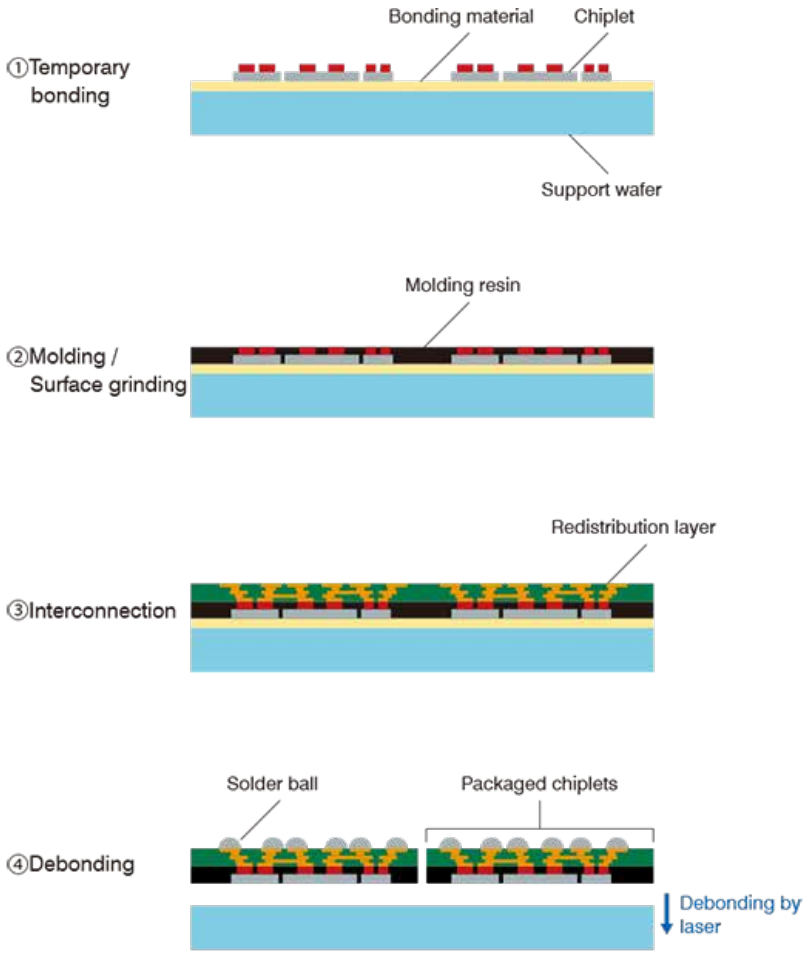
Semiconductor Manufacturing Process (Etching)



Translucent Alumina Ceramics

In semiconductors for AI applications, chiplet integration—which combines computing units, memory, and other functions at high density and high performance—has become increasingly important. Packaging is required to integrate chiplets. The NGK Group's translucent alumina ceramics serves as a support wafer that temporarily holds semiconductor chips during chiplet integration, where multiple small semiconductor chips are combined to achieve high performance. Made from high-purity alumina and using translucent alumina material with reduced impurities and pores, it offers low warpage, translucency, and chemical resistance. These characteristics contribute to stable operation and improved yield in advanced semiconductor packaging processes, support the mass production of high-performance semiconductors, and help build the foundations of the digital society.

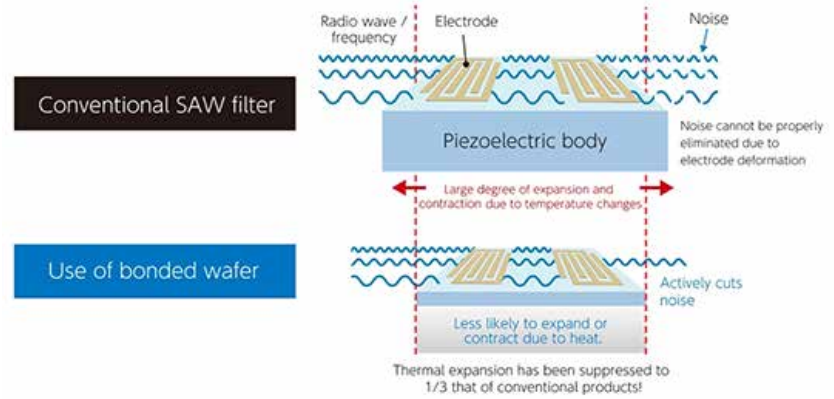
Packaging Process Performed on a Support Wafer



Products that Support Smartphone Communication Quality

Bonded Wafers

In smartphones, technology development is accelerating toward Beyond 5G, the next stage after 5G (fifth-generation mobile communications systems). In these communications, radio waves are divided into many narrow channels, so it is essential to block noise and pass only radio waves of specific frequencies. As a result, filter performance directly affects communication quality. The frequency of the radio waves that pass through a filter is determined by the spacing of the filter electrodes. During operation, however, temperatures rise, thermal expansion widens the electrode spacing, and communication quality declines.
The NGK Group's bonded wafers use silicon, which is less prone to thermal expansion, to suppress changes in electrode spacing and help stabilize the communication quality of smartphones, which are an important part of social infrastructure.

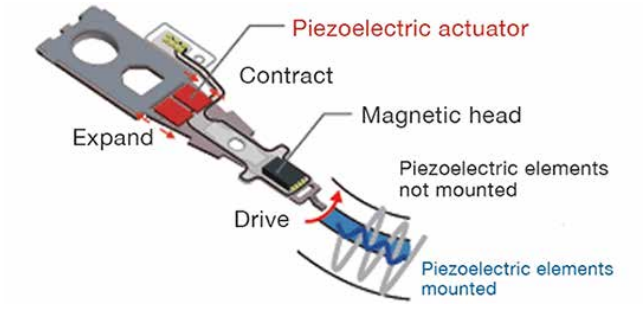


Products that Support Higher-Capacity Data Storage

Piezoceramic Actuators

In the digital society, storage devices that stably record and read vast amounts of data function as social infrastructure. These devices require extremely precise positioning control to handle information accurately.
The NGK Group's piezoceramic actuator is built into storage devices and controls fine movement with high precision, supporting higher-capacity data storage. Even as data density increases, it helps improve the reliability of the digital society by enabling stable recording and readout.

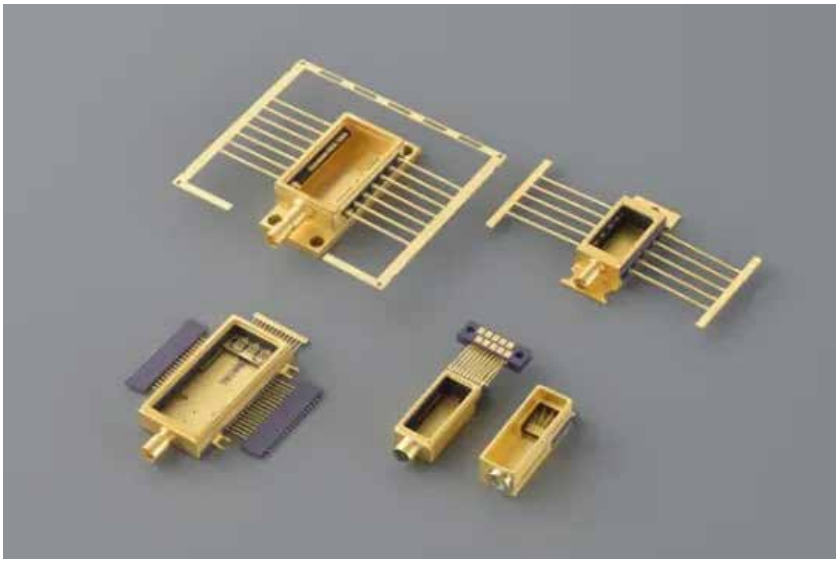




Products that Support Optical Communications Networks

Packages for Optical Communications

As the volume of data exchanged on the Internet increases, optical communications equipment must operate faster and without interruption. Optical Packages are key components that protect lasers, photodetectors, and other parts that convert light into electrical signals from the external environment and support the stable operation of optical communications equipment. Leveraging its multilayer packaging technology for High Temperature Co-fired Ceramics (HTCC), the NGK Group provides ceramic packages that combine compact size, high reliability, and high performance. By expanding the supply of packages for faster communications and wider bandwidths, we support increasingly advanced optical communications networks.



Information Security

Approach and Policy

Basic NGK Group Information Security Policy

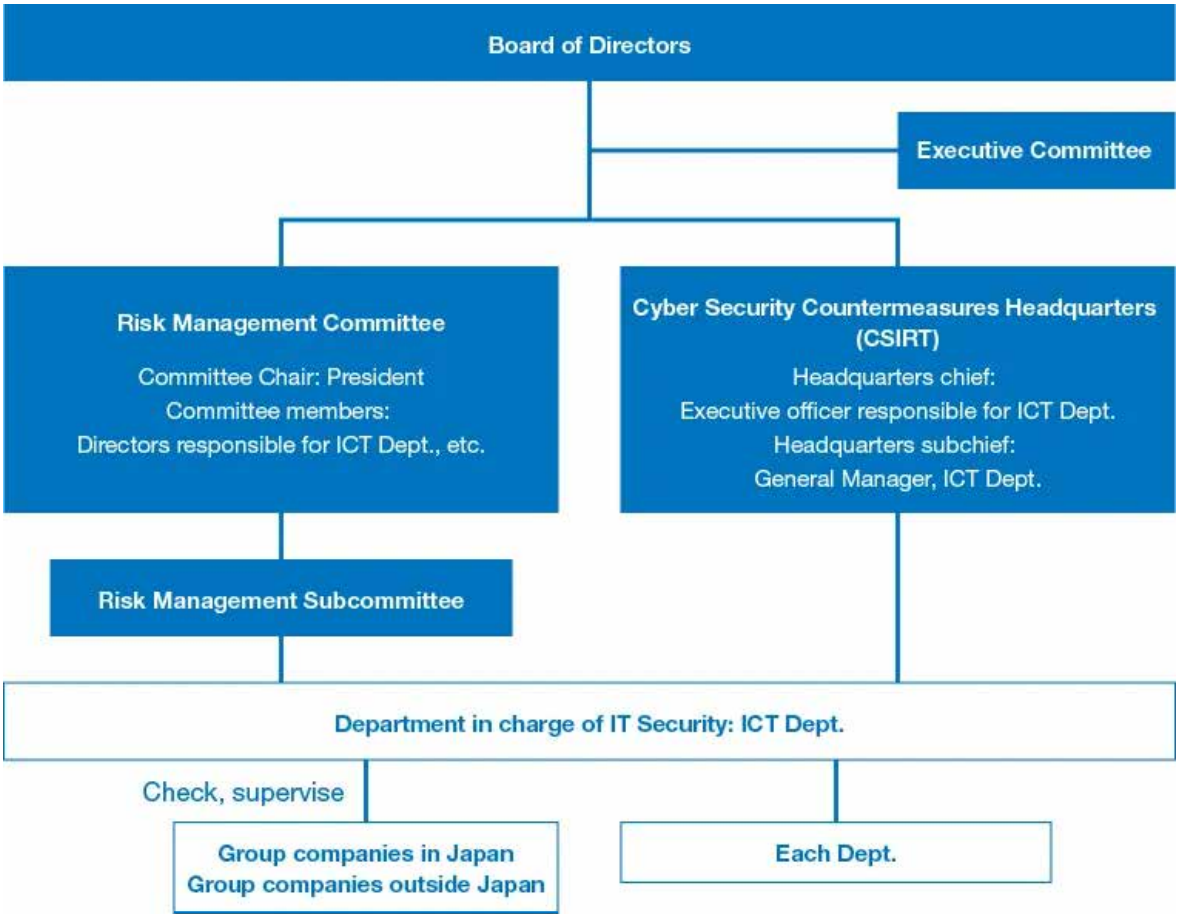
As our information-communication society grows ever more sophisticated, the NGK Group has come to handle much more in the way of information assets, and is aggressively pursuing the safekeeping of any and all information assets it retains. While it is essential to share these assets in order to conduct business in a smooth and efficient manner, establishing a system for information security likewise becomes a necessity. For this reason, the NGK Group has set forth this basic policy regarding information security and will work to safeguard the information assets in its possession.

- In order to ensure the safety of retained information assets, which includes information retained in the course of business activities, as well as any devices, facilities, or services necessary to handle said information, we will establish an information security management system to prevent unauthorized intrusion, loss, theft, leaks, modification, damage, denial-of-service attacks, and any other threat.
- All individuals who work at any office of NGK or its group companies and who make use of information assets will be subject to ongoing information security education and training for an increased awareness of security issues. Actions in violation of this Policy may be subject to legal penalties, as well as reprimands set forth in labor regulations, contracts, and/or other binding documents.
- Should a security issue arise concerning information assets, we will promptly investigate the cause and work to keep any damage to a minimum.
- We will comply with all laws and social norms with regard to information security, as well as any such contractual requirements and duties entered into with a customer.
- NGK will strive to continuously review and revise the activities noted herein.

Promotion Framework

To ensure a consistent level of information security across the Group, the NGK Group has established the NGK Group IT Security Standards and updates them every year. By sharing these standards with each Group company, we maintain and improve IT security levels across the Group.
Each Group company prepares action plans for the enactment of countermeasures every year based on these standards and strengthens security in a planned manner. NGK reviews these plans and their implementation status and provides guidance as necessary.
Under normal circumstances, roles and responsibilities for IT security are defined for each division. Risks related to IT security are discussed by the Risk Management Committee and reported to the Board of Directors at least once a year.
To prepare for a security incident affecting a critical system, NGK has established the Cyber Security Countermeasures Headquarters (CSIRT: Computer Security Incident Response Team). Based on the Basic Rules of Crisis Management, this structure enables prompt and appropriate recovery actions.

IT Security Promotion Framework Chart



* When security incidents impacting critical systems occur, our response is based on the Basic Rules of Crisis Management

Strategy, Metrics and Targets

The NGK Group positions information security as a critical management foundation that supports business continuity and public trust. We recognize cyberattacks, information leaks, and other related threats as one of our key management risks, and under a unified Group-wide management framework, we promote measures aimed at preventing incidents and minimizing their impact if they occur.

To assess the effectiveness of our information security measures and drive continuous improvement, we monitor the number of significant security incidents as a KPI. Our target is zero significant security incidents, and no such incidents occurred in FY2025.

We believe this reflects the effectiveness of our management framework based on the Group-wide IT security standards, along with our ongoing employee education and training and awareness-building initiatives such as incident response training and email spoofing training.

At the same time, cyberattacks are becoming more advanced and sophisticated each year, and potential risks remain. We will continue to place the highest priority on preventing incidents, while reviewing training content and management processes and strengthening response capabilities across the Group, with the aim of maintaining our target of zero significant security incidents.

Initiatives

Information Security Measures

The NGK Group manages its information assets appropriately under its Basic NGK Group Information Security Policy, with the General Affairs Department, ICT Department, and other relevant departments working together to support these efforts.
We provide all employees with the Electronic Information Security Handbook and instruct them on its proper use. Employees are also required to report the loss of a personal computer, a computer virus infection, or similar incidents to the General Affairs Department or ICT Department. If confidential information is leaked or an incident has a significant impact on the Company, the employee will be subject to disciplinary action under the rules of employment.
In addition, personnel from the ICT Department visit Group companies every year to check the status of IT security measures and provide guidance. In FY2025, they visited Group companies with shortages of IT personnel and supported risk assessments. We also held IT Global Meetings twice a year for overseas Group companies in North and Central America, Europe, China, and Asia Pacific, with participants joining online, to discuss security operations and raise awareness of incident response measures.

IT Security Training

We conduct training throughout the year to ensure that every employee thoroughly understands IT security. Training for newly hired employees, newly promoted supervisors, and newly promoted managers is provided to NGK employees. We also offer e-learning to NGK employees and employees of some Group companies in Japan.

Training Summary in FY2025

Item	Participants	Participation rate
Training for newly hired employees	158	100%
Training for newly promoted supervisors	243	100%
Training for newly promoted managers	99	100%
E-learning	8,027	98.4%

* Excluding employees who were away on maternity leave, childcare leave, long-term business trips, etc

Ensure IT Security Against Cyberattacks

NGK is strengthening the categories of protection, detection, response, and recovery in line with the cybersecurity framework issued by the National Institute of Standards and Technology (NIST) of the United States, and is advancing its preparedness against cyberattacks.
In FY2025, NGK conducted Cyber Security Countermeasures Headquarters drills, as well as email spoofing training for all employees of NGK and its Group companies in Japan, to raise awareness of cyber threats and strengthen security awareness.
No security incidents occurred across the NGK Group in FY2025 that affected business activities.

Personal Information Management

Approach and Policy

The NGK Group properly and carefully handles personal information obtained and used in the course of its business activities, including specific personal information and individual numbers. It does so in accordance with the NGK Group Corporate Business Principles and Code of Conduct, while taking into account applicable laws and regulations in Japan and overseas as well as social expectations. Based on its Personal Data Protection Basic Policy, we ensure transparency and accountability in each process for collecting, using, managing, and providing personal information, and continuously improve our management framework.
We have also established a framework to appropriately address the transfer of personal data in line with the EU General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA).
In addition, in accordance with the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (the My Number Act), the Group has established the Basic Policy on the Proper Handling of Specific Personal Information and Individual Numbers and is committed to the proper handling of specific personal information and individual numbers.

> Personal Data Protection Basic Policy

Promotion Framework

The NGK Group has clarified responsibilities and authority for personal information protection and established an effective management framework under management-level oversight.
The roles of the Personal Information Management Supervisor, the Supervisor for Specific Personal Information and Individual Numbers, and the Chief Personal Data Protection Officer (CDPO) are assumed by a person designated by the Board of Directors from among the directors in charge of the General Affairs Department or the executive officer responsible for the General Affairs Department. This person oversees the development and companywide implementation of policies and regulations for personal information protection.
The General Affairs Department leads personal information protection across the Group and works in coordination with each department and Group company. The status of personal information protection is reported to the Compliance Committee at least once a year. The Chair of the Compliance Committee reports matters deemed important to the Board of Directors at least once a year.
During normal operations, each Group company manages its own personal information. In the event of a major incident or other emergency, the head office and Group companies work together to respond.

Metrics and Targets

The NGK Group continuously monitors risks related to personal information as one of its key management indicators. Under the oversight of the Personal Information Management Supervisor and the Chief Personal Data Protection Officer (CDPO), the Persons Responsible for Personal Information Management assigned to each department and Group company in and outside Japan check the status of personal information management in their respective organizations. Under this management framework, in FY2025 as well, each department and Group company in and outside Japan continued day-to-day management, periodic reviews of management status, and education and awareness activities. Through these efforts, we work to reduce risks related to personal information and to maintain and improve management standards. We have also established incident response procedures and a framework for coordination among relevant departments. When an incident occurs, it promptly analyzes the cause and considers measures to prevent recurrence. Through these efforts, we continue to work to prevent such risks from materializing and to prevent recurrence.

Initiatives

Initiatives for Customers and Business Partners

The NGK Group properly manages the personal information of business partners, customers, and other non-employees in accordance with applicable laws and regulations and internal rules, including the Personal Information Management Regulations. When collecting personal information, we clearly specify the purpose of use and uses the information only within the scope of that purpose.

Initiatives for Employees

The NGK Group manages and protects employees' personal information appropriately in accordance with applicable laws and regulations and internal rules.
Through company-wide training, we ensure the proper handling of personal information in day-to-day operations. It also appoints a person responsible for personal information management in each department and reviews management status once a year.

Employee Training and Education

The NGK Group provides annual training for its officers and employees to promote continuous awareness of personal information protection.
We also provide additional training in response to changes in laws and regulations and the internal environment.
Training is delivered through a variety of methods, including distributing materials and holding seminars.

Human Capital Management

Approach and Policy

NGK Group Human Capital Management Policy

NGK Group defines “People who embrace challenges and teamwork" as one of Our Values of NGK Group Philosophy, and we are committed to realize Our Mission: Enriching Human Life by Adding New Value to Society. NGK Group is committed to drive the Five Transformations to realize the NGK Group Vision, and we believe that the active engagement of each personnel is crucial for accomplishing the Five Transformations. We define the core of the Group’s human capital management as hiring and developing personnel to enrich team members dedicated to the Five Transformations, and establishing an environment where each personnel can perform at full potential. Building upon this core belief, we establish the “Human Resource Development Policy" and “Workplace Development Policy" as follows.

Human Resource Development Policy

NGK Group develops personnel with the following abilities and mindset required to realize the Five Transformations.

- Cultivate advanced knowledge, skills, abilities or their combination, and proactively approach to problems
- Demonstrate teamwork and persistently lead to results
- Autonomously grow and continuously change oneself and the company

To respond quickly to changes in the business environment and maximize the value we provide, the NGK Group believes it is essential to secure and develop human resources who possess advanced knowledge, skills, and abilities, demonstrate teamwork, think independently, and act quickly. To develop and secure such talent, we provide diverse career paths and educational programs that enable employees to pursue growth based on their aspirations, aptitudes, and job functions. We also foster systems and a workplace culture that encourage each employee to take the initiative in their own growth and contribute to the business in their respective environments.

› Human Resource Development
› Labor Practices (Personnel System and Labor-Management Initiatives)

Workplace Development Policy

NGK Group develops the following workplace environment where each personnel can perform at full potential.

- Diverse and Inclusive Workplace

  A workplace where everyone is acknowledged and respected, regardless of external attributes such as race, nationality, gender, and age, as well as internal attributes such as religion, beliefs, experiences, and values.

- Enriched and Lively Workplace

  A workplace where diverse personnel can feel rewarded, stay healthy both physically and mentally, have colleagues we respect and enjoy working with, and maintain a good work-life balance.

- Open Workplace that encourages challenges

  A workplace with open communication and psychological safety, that embraces courageous challenges for growth.

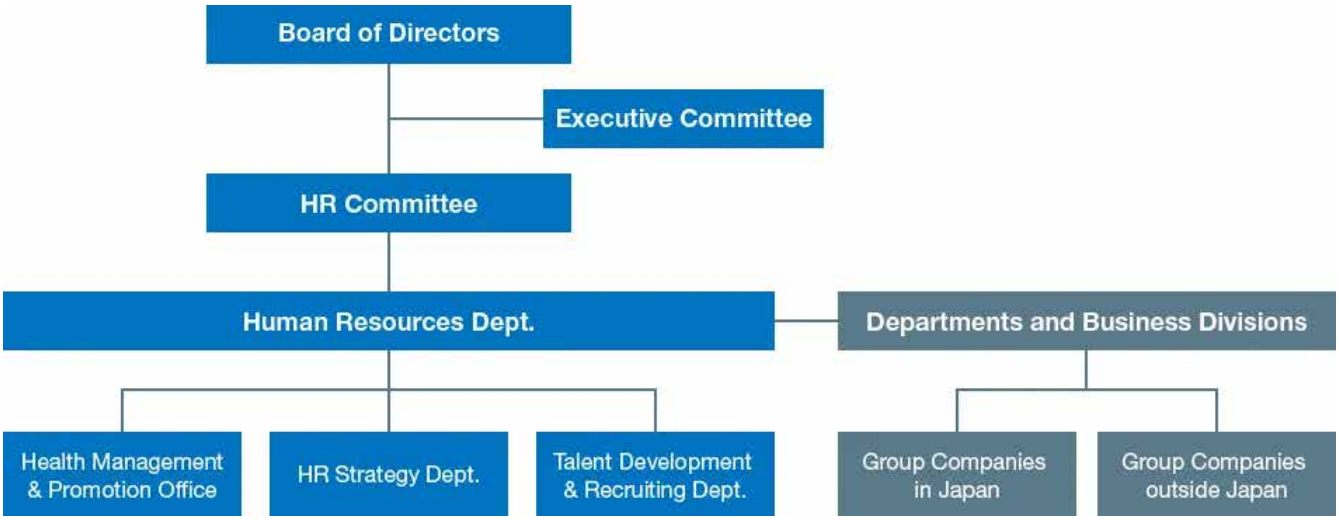
Achieving the Five Transformations requires people who can generate new ideas and creativity that lead to innovation, as well as diverse perspectives and approaches from individuals with different backgrounds and experiences. The NGK Group is committed to employment stability and equal opportunity and recruits and promotes diverse human resources regardless of race, nationality, gender, sexual orientation and gender identity, age, religion, beliefs, or disability. We also focus on creating a workplace where employees can fully demonstrate their capabilities by promoting Diversity and Inclusion initiatives, including support for balancing work and family responsibilities through flexible work styles such as remote work, as well as initiatives to promote the employment of people with disabilities and raise awareness of diversity. In addition, to create a workplace where employees can work comfortably and find their work worthwhile, we conduct a survey on workplace vitality (employee engagement) every year. Based on employee feedback and requests, we identify issues and consider improvement measures.

› Fostering the Culture
› Growth Opportunities
› Diversity and Inclusion
› Health Management
› Occupational Safety and Health

Promotion Framework

The NGK Group promotes Human Capital Management across the Group based on the NGK Group Human Capital Management Policy, which serves as a common guideline for all Group companies. The HR Committee reviews a wide range of human resource initiatives based on this policy and reports important matters and annual results to the Board of Directors at least once a year.
As the NGK Group operates sites around the world, we believe it is important from an effectiveness perspective to develop and implement strategies and initiatives based on the Human Capital Management Policy according to the circumstances and challenges of each Group company and site. Going forward, through ongoing dialogue with the human resources departments at each site, we will continue to promote initiatives tailored to local characteristics while enhancing understanding and implementation of the Group’s common policies.

Human Capital Management Policy Promotion Structure Chart



Strategy, Metrics and Targets

Strategy

The NGK Group regards human capital as a key driver essential to realizing its Vision and Long-Term Management Plan. To achieve a sustainable improvement of corporate value and realize what we want to be in 2035, we aim to incorporate a spirit of challenge and vitality into our corporate culture long grounded in earnestness and resilience. At the same time, we seek to strengthen existing businesses and create new value, provide an environment in which diverse human resources can actively contribute, and accelerate transformation. Based on this direction, we have established three Priority Strategies.

(Priority Strategies)

- Fostering the culture: Alignment with challenges and engagement
- Growth opportunities: Diverse human resources taking on challenges and demonstrating their capabilities
- Human resource development: Leading the enhancement of business and creation of new business

(Factor Diagram)



Metrics and Targets

We have established the following key KPIs for each Priority Strategy.

Fostering the culture: Alignment with challenges and engagement

Survey on Workplace Vitality (employee engagement) score*

	FY2025 Result	FY2030 onward Target
Score for taking on challenges	3.3	3.8
Utilization of Diversity	3.4	3.8

* Scores are measured on a 5-point scale. A score closer to 5 indicates a higher level of employee satisfaction with each survey item

Growth opportunities: Diverse human resources taking on challenges and demonstrating their capabilities

Ratio of female managers

	FY2025 Result	FY2030 Target
Ratio of female managers	5%	10%

Initiatives

Initiatives Aligned with the Priority Strategies

For details on Fostering the culture, Human resource development, and Growth opportunities, please refer to the respective pages.

- Fostering the Culture
- Human Resource Development
- Growth Opportunities

Activities to Promote Understanding of the Human Capital Management Policy

In FY2025, as part of our efforts to promote understanding of the NGK Group Human Capital Management Policy, we communicated policy-based messages to all employees through the President's messages at the beginning of the fiscal year and the New Year. These messages emphasized the importance of re-skilling and career autonomy. We also shared the policy through position-based training programs for employees, including new hires and newly promoted employees.
In addition, members of the Human Resources Department visited Group companies in Europe, North America, and Asia. For Group companies in Japan, we held information exchange meetings with HR representatives. Through these activities, we exchanged views on the Human Capital Management Policy, promoted understanding of the policy, and gained insight into each company's awareness and challenges. To assess how well the policy is understood globally, we conducted a pilot survey based on the policy at three Group companies in Europe. This enabled us to quantitatively track progress in developing environments aligned with the policy and establish a framework for data-driven discussions. We plan to expand this survey to all Group companies outside Japan within the next few years.
We will continue to strengthen internal communication through visits to Group companies in and outside Japan, dialogue with employees, and ongoing information sharing. Through these efforts, we will further promote understanding of the policy and enhance employee engagement.

External Recognition

KENKO Investment for Health

Since 2019, NGK has been continuously included in the large enterprise category of the Certified KENKO Investment for Health Outstanding Organizations Recognition Program jointly promoted by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi (Japan Health Council).

Certified as an Eruboshi Company for Excellence in Promoting Women's Active Participation

In 2017, NGK was certified as an Eruboshi company by the Minister of Health, Labour and Welfare (MHLW). This certification is granted to companies that have done excellent jobs in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace.
Each applicant for the certification is evaluated on five criteria: recruitment, employment continuity, working hours, percentage of female managers, and diverse career paths. In 2019, NGK satisfied all five criteria and received certification for level three, the highest certification level.

Acquired Platinum Kurumin Certification as a Company Supporting Childcare

In 2012, NGK was certified as a Childcare Support Company based on the Act on Advancement of Measures to Support Raising Next-Generation Children. In 2023, we acquired Platinum Kurumin certification for being a superior Childcare Support Company that is carrying out initiatives at a high level.

Selected as Next Nadeshiko: Companies Supporting Dual-career and Co-parenting

NGK was selected as a Next Nadeshiko: Companies Supporting Dual-career and Co-parenting for three consecutive years from FY2023 through FY2025. This recognition is jointly awarded by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to companies with outstanding initiatives that support employees in balancing work and childcare, regardless of gender.

Fostering the Culture

Approach and Policy

The NGK Group's Human Capital Management Policy positions human resources as important management capital and defines maximizing their value as the foundation of Human Capital Management.
Under this policy, The NGK Group has identified Fostering the culture as one of its Priority Strategies, alongside Human Resources Department and Growth opportunities, to address the management challenge of accelerating the business structure conversion.
Through Fostering the culture, we aim to build an organization in which each employee acts autonomously and creates value by taking on challenges. We believe this requires an open organizational culture where diverse human resources respect one another, feel comfortable expressing their opinions, and are encouraged to take on challenges.
While building on our corporate culture long grounded in earnestness and resilience, we are evolving our organizational culture to adapt continuously to a rapidly changing business environment by incorporating a spirit of challenge and vitality.
Through these efforts, we seek to create a virtuous cycle in which challenges and employee engagement reinforce one another, enabling employees and the organization to work together to drive transformation on an ongoing basis.

› NGK Group Human Capital Management Policy

Promotion Framework

For our overall Human Capital Management Promotion Framework, please see below.

› Human Capital Management > Promotion Framework

Strategy, Metrics and Targets

Strategy

The NGK Group aims to foster a corporate culture in which each employee's efforts to take on challenges and grow strengthen employee engagement, and stronger engagement in turn drives further challenges. Through this virtuous cycle, both individuals and the organization continue to grow together.

Metrics and Targets

To track progress in fostering a corporate culture, NGK includes questions on taking on challenges in its Survey on Workplace Vitality (employee engagement survey) and regularly measures employees' current perceptions.
From FY2030 onward, we target a Score for taking on challenges of 3.8 or above. To achieve this, we will advance initiatives including introducing and operating a personnel system that supports taking on challenges, and embedding the new Key Personnel System.
A score of 3.8 represents the target level at which approximately 80% of employees feel that NGK is a company that takes on challenges.

Survey on Workplace Vitality (Employee Engagement): Score for Taking on Challenges*

	FY2025	FY2030 onward
Taking on Challenges	3.3	3.8

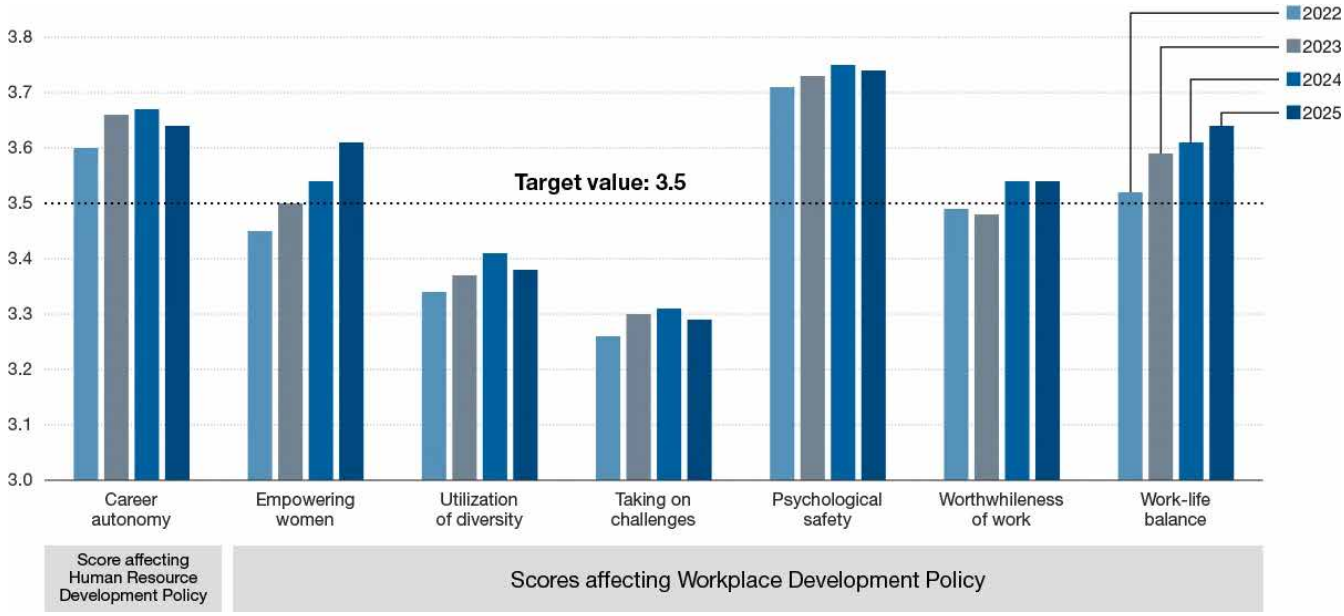
* Scores are shown on a scale of 1 to 5 points, and the closer the score is to 5 points, the higher the employee's level of satisfaction with regards to each question

Initiatives

Understanding Employee Engagement

Survey on Workplace Vitality (Employee Engagement)

The NGK Group conducts a Survey on Workplace Vitality annually to build an organization where every employee can maximize their capabilities.
The survey quantitatively measures employee perceptions in five areas—"job fulfillment," "workplace environment," "management," "taking on challenges," and "diversity"—using a 5-point scale. Scores range from 1 to 5, with a target of 3.5 or above. This threshold reflects a state in which more than half of respondents rate each item at 4 or higher (satisfied/positive).
In FY2025, 5,151 employees participated. Results showed year-on-year improvement in some categories and decline in others. Scores for "promoting women's active workplace participation" and "work-life balance" have risen steadily over the past three years, with both surpassing the prior year in the most recent survey. We attribute these gains to ongoing efforts including workshops for managers and improvements to our systems and workplace environment.
By contrast, "utilization of diversity" and "taking on challenges" show a gradual upward trend but have yet to reach the target level. Although we have implemented measures such as top management messaging and the New Business Proposal Program, we will continue to strengthen management practices that encourage employees to take on challenges and to develop workplaces where diverse human resources can fully demonstrate their capabilities.
Survey results serve as baseline data for HR and human resource development initiatives. We also share workplace-specific findings with each department head to drive day-to-day improvements. By embedding these results in a continuous improvement cycle, The NGK Group is working to create an organization where employees can work comfortably and with a strong sense of purpose.



* Scores are shown on a scale of 1 to 5 points, and the closer the score is to 5 points, the higher the employee's level of satisfaction with regards to each question. Our target is 3.5 points or above, and the majority of our employees had a satisfaction level of 4 or above

Global Engagement Survey

NGK conducts a Global Employee Engagement Survey to embed the NGK Group Human Capital Management Policy across all operations worldwide and to improve the workplace environment globally. In FY2025, we collaborated with three Group companies in Europe to administer a 13-question survey based on the Policy. Results are reported to senior management at headquarters to visualize the organizational state of Group companies outside Japan. We also engage in dialogue with senior management and HR teams at each subsidiary to share initiatives and drive improvements. In FY2026, we plan to extend the survey to Group companies outside Japan beyond Europe.

Programs that Encourage Taking on Challenges

New Business Proposal Program

The NGK Group operates the New Business Proposal Program, open to all employees, to accelerate new business creation. The program aims to translate individual employee insights and ideas into new value while fostering a Corporate Culture of Taking on Challenges.
Ideas are accepted on an ongoing basis throughout the year. Submissions advance through document screening and interviews before proceeding to a preliminary study that validates market potential and business feasibility. The program secretariat and external mentors provide continuous support, helping employees develop their ideas through consultation sessions and workshops. Dialogue with internal and external stakeholders and sharing of preliminary study findings create a cross-functional co-creation environment. An incentive program for outstanding proposals and activities further motivates employees to take on challenges.
As of June 2026, more than 150 ideas have been submitted, with some progressing to departmental business feasibility reviews. Going forward, we will expand this initiative across The NGK Group to further accelerate new business creation and embed a culture of challenge-taking.

Key Personnel System (Management Positions)

NGK has revised the Key Personnel System to build an environment where diverse human resources can actively contribute and act autonomously. Compensation is based on the content of each role rather than age or years of service, encouraging employees to take on challenges. We have also established and published job descriptions for all positions to clearly define role expectations.
Furthermore, based on the NGK Group Human Capital Management Policy, we have established key personnel competencies that define the behaviors required to realize our vision, including embracing transformation challenges and leveraging diversity. These competencies are applied in performance evaluations and 360-degree surveys to advance people management practices.

System	Overview
Job Class System	– Grades are determined based on the roles employees will take on going forward, not their past performance. – To help diverse human resources leverage their individual strengths, we have introduced a multi-track grade structure with clearly defined roles.
Grade Types	– Management: Position holders accountable for organizational management and the results of their teams. – Senior Professional: Core contributors to business advancement through the application of expertise and team leadership. – Expert: Core contributors to business advancement through the application of highly specialized expertise.
Performance Evaluation System	– Evaluation results for each year are reflected in the following year's annual compensation. – In addition to the existing outcome-based evaluation, we have introduced a system that also evaluates the behaviors required of key personnel.
Internal Job Application and Scouting System	– We have launched a new internal scouting system that allows employees, at their own discretion, to enter the selection process after receiving a direct scout from another department. – We have extended the internal job application system, which enables employees to apply, at their own discretion, for openings in other departments, to all key personnel.
Share-Based Incentive Program	– This incentive program provides key personnel who meet certain criteria with restricted shares drawn from treasury stock under the Restricted Share Compensation Plan. – The program aims to encourage employees to adopt a shareholder perspective and take active ownership of the company's medium- to long-term growth and value creation.

Human Resource Development

Approach and Policy

To realize the NGK Group Vision, NGK Group has defined a clear profile of the human resources it seeks, outlining the required capabilities and mindset, based on the Human Resource Development Policy under the Human Capital Management Policy. Relevant departments work in collaboration to develop human resources in line with this profile.

Human Resource Development Policy

- Cultivate advanced knowledge, skills, abilities or their combination, and proactively approach problems
- Demonstrate teamwork and persistently lead to results
- Autonomously grow and continuously change oneself and the company



> NGK Group Human Capital Management Policy

Promotion Framework

For the overall structure to promote Human Capital Management, please see below.

> Human Capital Management > Promotion Framework

Strategy, Metrics and Targets

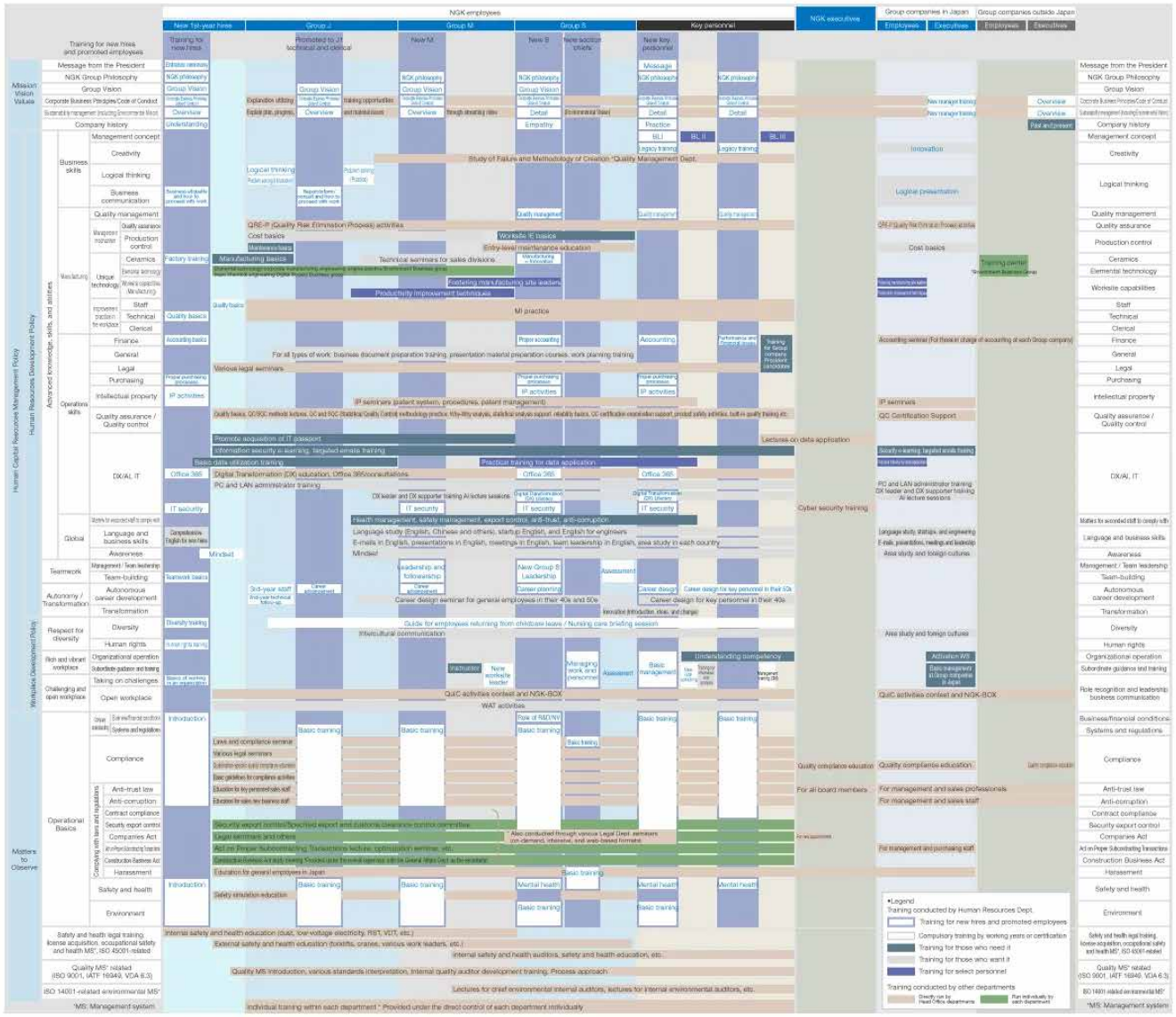
Strategy

To realize the NGK Group Vision and achieve the Long-Term Business Plan 2026-2035, NGK Group has established three Priority Strategies: "Fostering the Culture," "Human Resource Development," and "Growth Opportunities."
Under "Human Resource Development," we focus on the following:

- Developing management human resources whose experience and values are diverse
- Leveraging knowledge from different fields and cultures to increase expertise
- Well-planned re-skilling to adapt to environmental change

Company-Wide Personnel Development Framework Chart

NGK provides systematic training for all job categories and Group companies in Japan at key career milestones, such as joining the company and receiving promotions. In recent years, we have also expanded opt-in and elective training programs to further promote employees' career autonomy.



› FY2026 Company-Wide Personnel Development Framework Chart [PDF:209KB]

Initiatives

Initiatives in Line with Priority Strategies

Developing Management Human Resources Whose Experience and Values Are Diverse

Based on discussions held during the formulation of the Long-Term Business Plan, NGK clarified the profile of management human resources it seeks and overhauled its management human resource development framework. In addition to conventional specialized skills in areas such as management strategy, business strategy, finance, and marketing, we now place greater emphasis on building role awareness and establishing a clear decision-making framework for senior management candidates. We also focus on strengthening candidates' capacity to lead decision-making and drive transformation. This program promotes the broadening of perspective and the strengthening of decision-making capabilities, cultivates thinking grounded in both corporate value and social value, and fosters self-reflection and behavioral change through cross-boundary learning, all with the aim of developing leaders who drive transformation.

Leveraging Knowledge from Different Fields and Cultures to Increase Expertise

Developing Digitally Proficient Human Resources

Based on the NGK Group Digital Vision, NGK works to promote digital transformation across all employees, including management, and to develop highly skilled data scientists. We define data-literate human resources as employees who handle tasks ranging from identifying business challenges, to generating insights through data utilization and analysis, to driving improvements and advancements in operations. We continuously review the content and focus areas of our development programs to keep pace with advances in digital technologies.

› NGK Group Digital Vision

Global Seminars

To develop human resources capable of excelling on the global stage, NGK conducts Practical Overseas Training, through which employees gain approximately six months of hands-on experience at Group companies outside Japan. The program primarily targets young employees identified as candidates for overseas assignments, with the aim of enhancing their communication and practical skills in cross-cultural environments.
NGK also provides a range of global training programs for employees engaged in international operations, including communication and management training grounded in cross-cultural understanding, language training, and area studies for various countries. These programs support employees in developing the skills required for international business.

English Training for New Employees

To develop globally capable human resources at an early stage, NGK conducts global training programs for new hires. Through English language training, we promote the acquisition of foundational skills for international business, including cross-cultural understanding and communication. We also offer level-based English training for those who wish to participate, focusing on improving both English proficiency and practical business skills such as presentation techniques.

Manufacturing Training

While preserving the foundations of manufacturing built on safety, environment, quality, delivery, and cost, NGK works to develop human resources capable of creating new value. We conduct NGK's unique technologies education to deepen understanding of our products and technologies, as well as management and improvement techniques education to build the mindset and skills needed for worksite improvement.
In NGK's unique technologies education, employees systematically learn NGK's ceramic technologies through programs aligned with the manufacturing process, developing the broad perspective needed to approach their work effectively. At production sites, we provide employees in supervisor roles with opportunities to acquire the skills needed for worksite culture improvement and productivity enhancement, developing leaders who can excel on the production floor.
In management and improvement techniques education, we deliver foundational training covering QC, statistics, reliability, cost, and maintenance, fostering the mindset and skills for employees to proactively pursue improvements.

› Management and Specialized Skills Development

Well-Planned Re-Skilling to Adapt to Environmental Change

Re-skilling and Recurrent Training

To realize the business structure conversion set out in our Vision, NGK Group works to expand opportunities for employees to acquire the skills needed in new growth fields such as Carbon Neutrality and digital society. As the required skills become increasingly advanced and diverse, we have introduced e-learning featuring more than 10,000 content items to provide employees with timely access to the learning they need. We also provide learning licenses to employees who wish to pursue autonomous learning. This initiative began in FY2021, and to date, more than 1,500 employees cumulatively have engaged in re-skilling.
In FY2024, we introduced a learning management system (LMS) and have been consolidating diverse educational content, including mandatory training, open-enrollment training, learning materials, and e-learning, into the LMS to build a group-wide learning infrastructure. This will further promote autonomous learning and strengthen the development of human resources capable of excelling in growth fields.

Support for Obtaining Qualifications and Degrees

To support employees' autonomous learning and motivation, NGK has introduced a system to support the acquisition of qualifications and degrees. We actively support employees in obtaining not only qualifications relevant to their current work but also those that contribute to future career development and challenges in new fields.
The program covers more than 500 qualifications spanning a wide range of fields, including attorneys, certified public accountants (CPAs), patent attorneys, architects, environment, safety and health, quality management, technology, languages, and IT, as well as doctoral degrees and MBAs relevant to employees' work. Recipients receive reimbursement of actual expenses such as examination fees and transportation costs. For qualifications of high difficulty or utility, we provide a one-time payment of up to ¥100,000. For advanced qualifications and degrees, we subsidize up to half of tuition fees, capped at ¥2,000,000.

Developing Cultivate advanced knowledge, skills, abilities or their combination, and proactively approach to problems

We conduct various training and development programs to help employees build the mindset, specialized knowledge, and skills required to perform their work. We also offer practice-based programs that connect learning to actual work, including coaching in collaboration with managers and programs that address challenges within employees' own departments. Through these initiatives, we support employees in moving beyond knowledge acquisition to develop practical capabilities and the ability to proactively tackle challenges.

Foundation-Level Programs for All Employees

- Re-Skilling and Recurrent Training
- Support for Obtaining Qualifications and Degrees

Developing Demonstrate teamwork and persistently lead to results

NGK supports employees in developing a deep understanding of the NGK Group Philosophy, Vision, and Corporate Business Principles. We help them not only achieve their work objectives but also independently reflect on the purpose of their work and the values that guide their decisions.
To strengthen employee engagement and a sense of unity with the company, we provide communication training when employees join NGK and upon promotion, fostering effective communication in the workplace.
We have also revised the Key Personnel System to redefine the expected roles of management positions, clarifying accountability for organizational management and results. Building on this redefinition, we have developed a training framework to enhance management capabilities, rolling out new training programs sequentially from senior positions downward in alignment with the new system.
Through these initiatives, we support employees at every level in developing the capabilities to lead their teams and foster collaboration.

Developing Autonomously grow and continuously change oneself and the company

NGK provides training to support employee motivation and career development, aiming to enable each individual to think and act independently, take on challenges, and contribute to the company's sustainable growth.
In response to a rapidly changing work environment, we offer training that helps employees understand their own values, strengths, and skills, reflect on their roles and aspirations, and approach new challenges with a proactive mindset.
These programs include Career Planning and Leadership Training for Newly Promoted Employees, as well as Career Design Seminars for Employees in their 40s and 50s. In addition to mandatory training, we are also expanding our e-learning offerings and career consultations.

- Initiatives to Promote Career Autonomy

Innovation Training

NGK conducts innovation training to help employees create new value by addressing social issues, in response to a rapidly changing environment.
Programs for emerging leaders focus on understanding different values and perspectives, and on developing skills to turn ideas into concrete outcomes through collaboration.
Through workshops, participants also cultivate flexible thinking unconstrained by existing frameworks.
Themes generated through these programs are linked to new business development via our New Business Proposal Program.

Growth Opportunities

Approach and Policy

The NGK Group positions human resources as a vital management asset under the NGK Group Human Capital Management Policy. Maximizing the value of those assets is the foundation of our Human Capital Management approach. In line with this Policy, we have identified "Growth Opportunities" as one of our Priority Strategies, alongside "Human Resource Development" and "Fostering the Culture," to address the management challenge of transforming our business structure.
Under "Growth Opportunities," we promote the placement of diverse human resources in roles that best suit their strengths and expand opportunities for employees to take on challenges. Our goal is to enable every employee to maximize their capabilities and strengthen the organization's overall capacity to create value. We are advancing this through cross-boundary assignments that go beyond organizational and business divisions, and by establishing systems that support career autonomy, thereby encouraging employees to take on challenges of their own initiative and further advance their careers.

› NGK Group Human Capital Management Policy

Promotion Framework

For our overall Human Capital Management Promotion Framework, please see below.

› Human Capital Management > Promotion Framework

Strategy, Metrics and Targets

Strategy

The NGK Group has established three Priority Strategies—"Fostering the Culture," "Human Resource Development," and "Growth Opportunities"—as the pillars of its approach to realizing the NGK Group Vision and achieving the Long-Term Management Plan 2026-2035.
For "Growth Opportunities," we are pursuing the following three initiatives:

- Promotion of women and diverse human resources and assigning them to growth areas
- Career autonomy based on employees' intentions and aptitudes
- Cross-boundary experience and active assignment of employees beyond the boundaries between organizations, countries, and businesses

Metrics and Targets

NGK has set a target to increase the ratio of women among key personnel in management positions. Starting from 4% in FY2024, we aim to reach approximately 10% by 2030 and 20% or above by 2050, while advancing the development of female management candidates and career support initiatives. The ratio stood at 5% in FY2025.

Rate of female managers

	FY2025 Result	FY2030 Target
Ratio of female managers	5%	10%

Initiatives

Initiatives Aligned with the Priority Strategies

Promotion of Women and Diverse Human Resources and Assigning Them to Growth Areas	– Initiatives for Achieving Our Action Plan for Promoting Women's Active Workplace Participation – System for the Regular Appointment of Fixed Term Manufacturing Contract Employees – Alumni hiring – Referral hiring
Career Autonomy Based on Employees' Intentions and Aptitudes	– Initiatives to promote career autonomy – Support for active contribution at each career stage
Cross-Boundary Experience and Active Assignment of Employees Beyond the Boundaries Between Organizations, Countries, and Businesses	– Internal job application system – Free Agent (FA) System – Scout System

Promotion of Women and Diverse Human Resources and Assigning Them to Growth Areas

Initiatives for Achieving Our Action Plan for Promoting Women's Active Workplace Participation

In April 2026, NGK submitted a general employer action plan under the Act on Promotion of Women's Participation and Advancement in the Workplace to the Aichi Labor Bureau, which is overseen by the Ministry of Health, Labour and Welfare (MHLW).

Ministry of Health, Labour and Welfare: General Employer Action Plan

General Employer Action Plan Based on the Act on Promotion of Women's Participation and Advancement in the Workplace
To create an environment where diverse human resources can work comfortably and find purpose in their work, and to support employees who embrace challenges and drive transformation, we have established and will implement the following action plan.

1. Period of the Plan

April 1, 2026 to March 31, 2031

2. Details

Goal 1 (Women's Active Participation): Maintain the rate of male employees taking childcare leave (including other leave for childcare purposes) at 90% or above.

Initiative 1: From April 2026 onward, we will disseminate information to deepen awareness and understanding of childcare leave among male employees.

Initiative 2: From April 2026 onward, we will inform all eligible employees of relevant programs and work to ensure they have an accurate understanding of childcare-related leave systems.

Goal 2 (Women's Active Participation): Achieve a ratio of female managers of approximately 10% by the end of this action plan.

Initiative 1: In 2026, we will implement systematic development and support programs for employees identified as candidates for managerial positions.

Initiative 2: In 2027, we will provide workshops, events, and similar opportunities for female employees to gain knowledge and perspectives they may not encounter on their own, encouraging them to reflect on and plan their career paths.

Goal 3 (Women's Active Participation): Promote understanding of health considerations specific to women.

Initiative 1: In 2026, we will establish a system to handle consultations and responses related to women's health.

Initiative 2: In 2026, we will disseminate health-related information, including the importance of gynecological checkups.

System for the Regular Appointment of Fixed-Term Manufacturing Contract Employees

NGK has established a system to appoint fixed-term contract manufacturing employees to regular employment. In FY2025, seven employees were hired as regular employees through this system.

Alumni Hiring

NGK implements an alumni hiring program that enables former regular employees to return and contribute, applying the experience they have gained outside the company. We have introduced a dedicated registration system and set up a dedicated page on our recruitment website to encourage sign-ups. We also regularly send press releases and the latest company updates to registered individuals, building ongoing relationships and deepening their understanding of NGK.

Referral Hiring

NGK has introduced referral hiring as part of its mid-career hiring initiatives. Under this program, employees refer acquaintances and friends to open positions. Before submitting a formal application, candidates participate in an informal interview where employees share their perspectives on corporate culture, work styles, and job responsibilities, building mutual understanding between candidates and NGK. This approach promotes a hiring process that both parties can feel confident about.
To make it easier for employees to refer candidates, we have created dedicated pages on the company's internal portal and recruitment website. As a result of these efforts, applications through this channel have increased, and we hired six employees via referral hiring in FY2025.

Career Autonomy Based on Employees' Intentions and Aptitudes

Initiatives to Promote Career Autonomy

- Concept

  Since 2021, NGK has been implementing initiatives under our employee Career Autonomy policy.

Policy
Support autonomous career development within the company

- Career Autonomy Initiatives

  NGK provides training and learning opportunities tailored to each stage of employees' careers to support their autonomous career development.

Name	Target	Frequency	Content
Career Autonomy Month	All employees	Once a Year	Employees learn the fundamentals of career development through video-based learning, including how to identify their WILL, CAN, and MUST and how to build a career plan. Content is tailored to different career stages and situations, covering age-specific perspectives and guidance for supervisors on supporting their direct reports' career growth.
Career Design Training	Third-year regular-position employees	Once a Year	This training helps employees reflect on their growth to date and envision their future career path. It includes sharing sessions with senior employees and group discussions, followed by one-on-one discussions with supervisors to share and align on career plans.
Career Design Seminar	Employees in their 40s and 50s	Once a Year	This seminar provides an opportunity for employees to reflect on their experiences and consider their future career directions based on their individual strengths, characteristics, and values.

- Career Consultation Helpdesk

To support employees' autonomous career development, NGK has established a career consultation framework staffed by employees who hold certified career consultant qualifications and provide advice in strict confidence. From FY2022, we have also introduced a dedicated point of contact for consultations with external career consultants, further expanding our support system.

Support for Active Contribution at Each Career Stage

- Follow-up System for Retaining Young Employees

The NGK Group has implemented various follow-up measures aimed at improving retention among young employees. We conduct a survey and follow-up interview with employees in their second year, covering topics such as their work and work environment. With employees' consent, we share the outcomes with their department heads to drive workplace environment improvements and support employee growth.

Cross-Boundary Experience and Active Assignment of Employees Beyond the Boundaries Between Organizations, Countries, and Businesses

Name	Description
Internal Job Application System	A system that allows employees to voluntarily apply for openings in other departments and proceed to the selection process.
FA (Free Agent) System	A system through which employees can register their transfer preferences company-wide and create opportunities to move to a different department.
Internal Scouting System	A system that allows employees who receive a scout offer from another department to voluntarily apply and proceed to the selection process.

Diversity and Inclusion

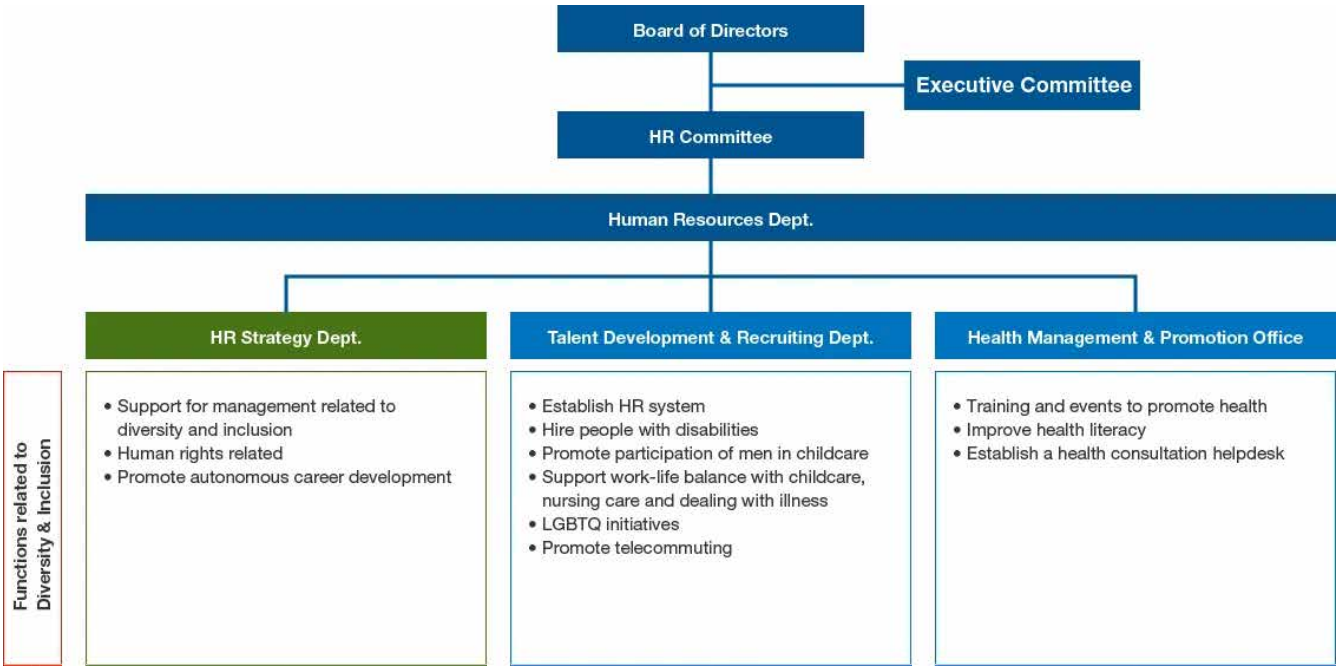
Approach and Policy

The NGK Group provides employment opportunities to diverse talent based on its policy of ensuring employment continuity and equal opportunity, regardless of race, nationality, gender, sexual orientation and gender identity, age, religion, creed, or disability. We also support employees in balancing work and family responsibilities, promote the employment of persons with disabilities, and conduct awareness-raising activities to deepen understanding of diversity. In addition, we provide flexible workstyles, including remote work.

> NGK Group Human Capital Management Policy

Promotion Framework

Diversity and Inclusion Promotion Framework Chart



Metrics and Targets

Rate of male employees taking childcare leave

NGK's rate of male employees taking childcare leave reached 99.5%, against a target of 100% by the end of FY2025.

› Social Data Collection [PDF:81KB]

Survey on Workplace Vitality (Employee Engagement) Score: Utilization of Diversity

To monitor progress in diversity, NGK includes questions on the utilization of diversity in its Survey on Workplace Vitality and regularly measures employees' perceptions of the current situation.
NGK aims to achieve a score of 3.8 or higher from FY2030 onward. To reach this target, we are strengthening systems and initiatives that help us build an organization where diverse employees can leverage their unique attributes and perspectives.
A score of 3.8 represents a target level at which approximately 80% of employees feel that NGK is a company that embraces challenges.

Survey on Workplace Vitality (Employee Engagement) Score: Utilization of Diversity*

	FY2025 Result	From FY2030 onward
Utilization of Diversity	3.4	3.8

* Scores are shown on a scale of 1 to 5 points, and the closer the score is to 5 points, the higher the employee's level of satisfaction with regards to each question

Initiatives

Systems and Initiatives to Support Diverse Working Styles

Promoting Work-Life Balance

NGK promotes Work-Life Balance and works to reduce long working hours. In response to social trends and legal changes, we continuously improve our systems and review their operation to support flexible and appropriate ways of working.

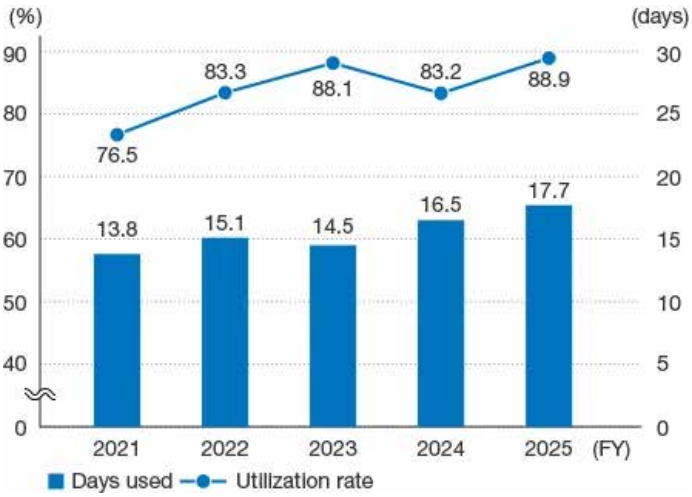
8 rules for promoting work-life balance

1. No more than 70 hours of overtime work per month
2. Overtime work exceeding 45 hours per month limited to six months each year
3. Employees must take a minimum of 10 days of annual paid leave a year
4. No more than 300 hours of overtime work per six months
5. In principle, there will be no overtime work on refresh days (Wednesdays and Fridays)
   If overtime is necessary, a prior permit application must be submitted
6. In principle, work must not be performed for more than seven days straight
   If work in excess of seven days straight is necessary, a prior permit application must be submitted
7. Written applications must be submitted in advance when requesting employees to work on holidays or late at night
8. There must be an interval period of at least 10 hours between shifts of late-night work

- Initiatives to Promote Use of Paid Leave

NGK promotes the use of annual paid leave to support employees' mental and physical health and work-life balance. In FY2025, our paid leave utilization rate was 88.9%.

Paid Leave: Number of Days Used, Utilization Rate (NGK Union members; excluding outside employees temporarily assigned to NGK)



- Initiatives to Reduce Total Hours Worked

> Health Management > Initiatives to Reduce Total Hours Worked

Initiatives to Support Work-Life Balance

NGK has established programs that support flexible ways of working so that employees can balance work and family responsibilities. To support employees with childcare and nursing care needs, we offer flexible work arrangements such as shortened working hours, the Flex time system, and remote work. We also provide financial support, including babysitting subsidies and a lump-sum payment system for nursing care support. In addition, for childcare, we conduct pre-maternity leave interviews, pre-return-to-work interviews, and career development interviews. For nursing care, we provide support through information sessions, a nursing care handbook, and consultation services in collaboration with external specialists. These measures complement our programs and help employees balance work with their personal responsibilities.

Enhancement of Work-Life Balance Systems

NGK is enhancing its work-life support programs based on employee feedback. In FY2025, more than 90% of male employees whose spouses gave birth took either childcare leave or leave for childcare purposes*. We will continue to review and improve our programs and their operation to create an environment where both men and women can balance childcare and work.

* Percentage of male employees who took childcare leave or leave for childcare purposes among male employees whose spouses gave birth during the fiscal year (Coverage period: April 1, 2025 to March 31, 2026)

System to Support Employees to Balance Work and Childcare at Each Stage

			During pregnancy	Before/after birth	During childcare leave	Balancing work and care
			Interview (employee, supervisor, and HR)		Interview (employee, supervisor, and HR)	
Work systems			Measures on health management Overtime work exemption Late-night working hours exemption Flex time system	Time off before/after birth Special paid leave when a spouse gives birth Childcare leave (using accumulated vacation days)	Paternity childcare leave Childcare leave Continuing the childcare leave Post-maternity support leave (for male employees)	Shortened working hours Flex time system Unscheduled work exemption Overtime work exemption Late-night working hours exemption Half-day paid leave Caring for a family member (using accumulated vacation days) Caring for a child Lump-sum payment for early return
Other systems				Childcare Concierge (for those living in the Tokyo metropolitan area)		Priority use of commuter parking lots (Nagoya area) Non-registered daycare expense subsidy
Financial support systems	Family Fund			Maternity gift		Babysitter expense subsidy Elementary school enrollment gift
	Insurance benefits	Health Insurance		Lump-sum birth allowance		
		Employment Insurance			Childcare leave benefits	
Salary				Paid 2/3 standard daily wages during time off before and after birth	Unpaid	Lump-sum payment made six months after returning to work (330,000 yen) *Applied to salary for month following the month elapsed
Bonus				Paid a bonus calculated for a 2/3 attendance rate during time off before and after birth	Unpaid	

Systems to Support Early Return to Work from Parental Leave

NGK has established an early return to work support program to help employees who take maternity leave or childcare leave return to work with confidence and continue their careers. These initiatives support employees in balancing childcare and work and help create an environment where diverse talent, including women, can continue to build their careers.

Systems to Support Early Return to Work from Parental Leave

- Lump-sum payment for early return to work
- Non-registered daycare center expense subsidy
- Childcare Concierge
- Five-hour shifts
- Paid leave provided to employees who return to work early from parental leave
- Measures to promote the use of telecommuting

Overview of Childcare Support Measures

> Social Data Collection [PDF:81KB]

Helping Male Employees Have Greater Involvement in Childcare

NGK is committed to creating an environment where employees can achieve Work-Life Balance regardless of gender or whether they have children. To encourage male employees to take childcare leave, we revised the Handbook to Support the Balance of Work and Childcare to promote a better understanding of the programs available to them. We also established a process in which male employees whose spouses are expecting a child meet with their supervisor to discuss available programs and promote understanding in the workplace. In addition, we encourage supervisors to adjust workloads and provide appropriate support within the workplace, helping to create an environment where all employees can take leave more easily.
In addition, through the Consultation Helpdesk for Anything Related to the Work-Life Balance, established in FY2022, HR personnel respond to consultations regarding work-life balance support. The helpdesk receives inquiries on topics such as taking and using childcare leave, as well as workplace management issues raised by supervisors whose subordinates are preparing to take childcare leave.

Seminars for Employees Returning from Childcare Leave

NGK provides Seminars for Employees Returning from Childcare Leave for employees returning from maternity leave or childcare leave, as well as their supervisors. The program encourages participants to view housework and childcare as shared responsibilities rather than roles assigned to a particular gender, and to recognize both themselves and their spouses as active partners in balancing work and family life. Participants also learn practical approaches to working during this stage of life and building careers from a medium- to long-term perspective. In addition, the program provides opportunities for employees from different departments who are balancing childcare and work to exchange ideas and share experiences, successful practices, and challenges.

Nursing Care Support System

NGK is enhancing its nursing care leave programs to help employees balance nursing care and work. In addition to reviewing our programs in response to legal revisions, we have introduced flexible measures, including a system that allows employees to take nursing care leave for up to one year in as many as three separate periods. We have also eased eligibility requirements for non-regular and part-time employees. Furthermore, in April 2026, we revised the nursing care handbook to promote understanding not only among employees facing nursing care responsibilities but also among supervisors, subordinates, and colleagues across the workplace.

Balancing Medical Treatment and Work

NGK is working to create an environment that enables employees with illnesses requiring ongoing and repeated treatment to continue working while receiving medical care without leaving the company. We have established the Consultation Helpdesk for Anything Related to the Work-Life Balance, a leave-of-absence program for non-work-related illness or injury, and flexible work arrangements such as shortened working hours and a three-day workweek. We also provide workplace accommodations tailored to each employee's circumstances.

Creating a Workplace Where Diverse Values and Attributes Are Respected

Promoting Women's Active Workplace Participation

Women's Active Workplace Participation Lectures (Changing Employee Awareness and Fostering an Inclusive Culture)

To promote women's active workplace participation, NGK held lectures by external speakers to raise awareness and foster an inclusive organizational culture. Executives and managers participated in the program to deepen their understanding of how to create an environment where diverse human resources can fully demonstrate their abilities and to increase awareness of unconscious bias, which refers to hidden assumptions and stereotypes that can influence how people perceive and judge others.

Survey of Female Employees in the Human Resource System for Group S/M/J Employees (Identifying Needs and Issues, and Considering Measures)

NGK conducts surveys of female employees in the Human Resource System for Group S/M/J Employees to identify their needs and issues related to career development and the workplace environment. Based on the survey results, we analyze key issues and use the findings to review measures related to the workplace environment and career development support.

LGBTQ Initiatives

NGK is working to promote understanding of sexual minorities, including LGBTQ people, as part of its efforts to create a workplace where diverse values and attributes are respected. We provide ongoing education and awareness programs, including video-based training for employees. We have also created an environment where employees with same-sex partners can access our internal service and benefit programs.

Employment of People with Disabilities

The NGK Group promotes the employment of people with disabilities as part of its efforts to create a workplace where diverse values and attributes are respected. We continuously provide internship opportunities for students from special-needs schools and recruit them as employees. In FY2025, our employment rate of people with disabilities, including our special subsidiary company, was 2.88%. We have established a dedicated support department for employees with disabilities and are creating a work environment where they can work with confidence by improving workplace conditions and promoting understanding of disabilities.
We also promote the active participation of employees with disabilities at Group companies in and outside Japan, including our special subsidiary company, by providing employment opportunities and reasonable accommodations tailored to business characteristics and individual skills.

Approach to and Initiatives for Local Hiring

More than 98% of the approximately 12,000 employees working at the NGK Group's overseas sites are locally hired employees. As a company operating businesses in countries and regions around the world, we regard contributing to the development of local economies and communities as an important responsibility and continuously promote the hiring of local talent.

Health Management

Approach

NGK Group Health Declaration

The NGK Group positions the mental and physical health of employees as a critical management foundation at the core of human capital management. Enabling employees to continue working in good health is a critical management priority that supports the sustainable growth of NGK Group. We are committed to achieving this through health management.

Our Commitments

We provide a workplace environment that supports mental and physical health, along with the necessary information and opportunities, so that employees can work, learn, and continue to take on challenges with confidence.
We also foster an environment where everyone can remain active and motivated over the long term, regardless of age, position, or workstyle.
Viewing health as a force that unlocks human potential, we continue to take on social issues through promoting the health of employees and their families.

Our Expectations of Employees

We expect each employee to understand their own mental and physical condition, proactively engage in health promotion, and continue learning to improve their health literacy.
While caring for and supporting one another, deliver your best performance as a team.

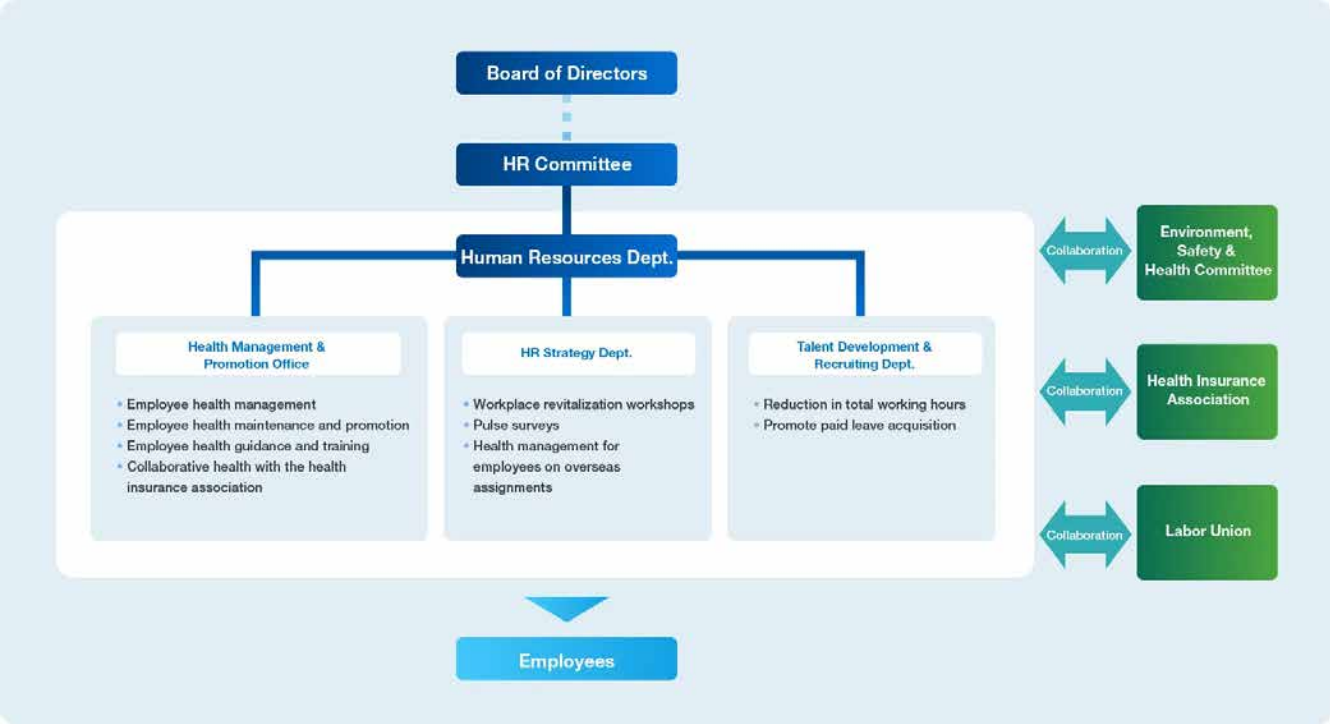
The NGK Group hereby declares its commitment to remaining a company that continues to grow, where every employee takes health seriously and values "Investment in People."

President
Shigeru Kobayashi

Promotion Framework

NGK's Health Management Promotion System is overseen by the Director responsible for the Human Resources Department, under the oversight of the Board of Directors through the HR Committee.
With the Health Management & Promotion Office at its core, we collaborate with health professionals, including industrial physicians and industrial health nurses, while incorporating findings and deliberations from the Environment, Safety & Health Committee and employee views gathered through the Labor Union. Working in collaboration with the health insurance association, we plan, promote, and evaluate health management measures across the entire company.

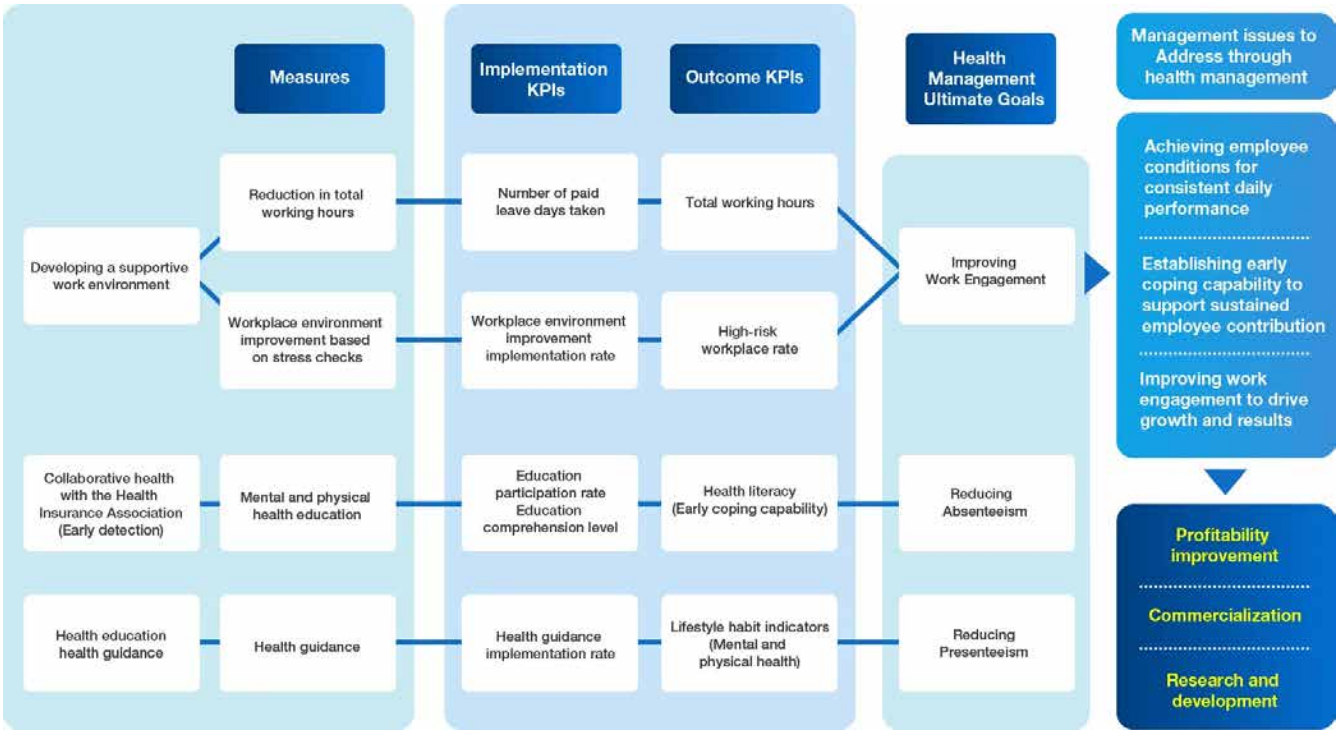
Health Management Promotion Framework Chart



Strategy, Metrics and Targets

NGK uses lifestyle improvements to boost daily productivity and improved health literacy to prevent the worsening of health conditions and extended absences. Through these initiatives, we enhance employee performance, reduce risk, and link health management to improved business outcomes.

Strategy Map



Metrics and Targets

Items	FY2025 Results	Targets	Target Achievement Periods
Absenteeism (absence from work or leave due to physical or mental health conditions)	2.2%	1.5% or lower	End of FY2030
Presenteeism (reduced productivity due to physical or mental health conditions)	62.4 points	63.0 points or higher	End of FY2030
Work Engagement	3.3 points	2.8 points or higher	End of FY2030
Paid leave acquisition rate	88.9%	100%	End of FY2026
Position-Based Mental Care Education completion rate	100%	100%	End of each FY

Initiatives

VIVID ACTIONS

To help employees proactively practice and sustain lifestyle improvements, we have established six recommended behaviors and conduct training, events, and other programs to promote them.

Items	Initiative Details	FY2030 Target
Greetings	Let's Say "Good Morning!" and "Thank You!" Out Loud	-
Diet	Let's Eat Breakfast Let's Eat Plenty of Vegetables	Breakfast Consumption Rate 90%
Exercise	Let's Walk at Least 30 Minutes a Day Let's Work Up a Sweat Twice a Week	Rate of Regular Exercisers 30%
Sleep	Let's Get at Least 7 Hours of Sleep a Day	Sleep Sufficiency Rate 78%
Alcohol Moderation	Let's Choose Non-Drinking Days and Set at Least One Alcohol-Free Day a Week	Moderate Drinking Rate 90%
Quit Smoking	No Smoking, No Secondhand Smoke	Smoking Rate 18%

Initiatives to Reduce Total Working Hours

Reducing Long Work Hours

NGK has established internal caps on overtime of 70 hours per month and 300 hours per half-year to limit excessive working hours and ensure employee health. Under this policy, we generally prohibit overtime when working seven consecutive days or on our twice-weekly Refresh Days, and require advance approval in unavoidable cases. We also require a rest interval of at least 10 hours following late-night work, among other measures to reduce employee workload. In FY2025, there were 30 cases of overtime work exceeding our upper limit, but no cases which violated legal regulations (Full year results excluding seconded employees).

- Exceeded 70 hours: 9 cases (including 0 general employee)
  * Statutory limits not exceeded
- Exceeded 300 hours: 21 cases (including 10 general employees)
  * Statutory limits not exceeded

Working Hours Optimization Through Labor-Management Cooperation

NGK annually discloses working hours and leave usage to the Labor Union to exchange views and discuss countermeasures. When overtime is projected to exceed 45 hours per month, we identify the causes through Labor-Management Consultations and take measures such as distributing work periods and workloads more evenly and increasing headcount. When excessive working hours actually occur, we consult with the Labor Union at the workplace level on a case-by-case basis to address the issue.
For employees on overseas assignments, when excessive working hours are identified, we require a written explanation and a health checkup to maintain their health and analyze and address the root causes.

Hours / Overtime Hours Worked

> Social Data Collection [PDF:81KB]

Following Up on Employees Working Long Hours

NGK provides employees working long hours, including non-regular and part-time employees, with ongoing opportunities to meet with industrial physicians for health consultations and exams. The results are reported at monthly Safety and Health Committee meetings at each worksite to thoroughly promote the reduction of overtime work.

Number of Employees Having Consultation about Long Work Hours

> Social Data Collection [PDF:81KB]

Promoting Activities Supporting Mental and Physical Health

4 Types of Care for Mental Health

NGK continues its initiatives to promote the mental and physical health of employees, centered on the Ministry of Health, Labour and Welfare's recommended 4 Types of Care for Mental Health. We conduct stress checks and share a group analysis report of the results with each department. We also provide e-learning and mental health training on self-care and line care to help managers improve their workplace environment.

4 Types of Care

1	Self-care	2	Line care (care by supervisors)	3	Care by industrial health staff within business sites	4	Care by resources outside business sites

Percentage of Employees Taking Stress Checks
Percentage of Employees with High Stress

> Social Data Collection [PDF:81KB]

Health Education (Initiatives to Improve Health Literacy)

E-Learning

To ensure employees have access to accurate health information, we share information through our internal portal and e-learning. We cover a wide range of topics, including mental health, women's health, and lifestyle disease prevention, to improve health literacy.

Lectures on Women's Health

We provide education on women's health led by specialist physicians to improve understanding not only among employees but also among managers.

Promoting Better Health and Wellbeing Among Employees

NGK implements a range of programs as part of its Collaborative Health* initiatives with the health insurance association, including the Health Declaration Challenge, personal health apps, walking events, online seminars, online videos on fitness and lifestyle improvements, and smoking cessation support. Through these initiatives, we work to promote employee health and physical fitness.

* An initiative in which health insurance associations work closely with companies and use their respective strengths to create a positive work environment by efficiently and effectively promoting the health and wellbeing of employees and their families

Rate of Employees Taking Regular Health Exams
Rate of Employees taking Specific Health Checkups
Rate of Employees Eligible for Specific Health Guidance
Rate of Employees Who Completed Specific Health Guidance
Smoking Rate

› Social Data Collection [PDF:81KB]

Health Management when Stationed Overseas and Response to Infectious Diseases

NGK supports employees on overseas assignments and their accompanying family members, as well as approximately 600 employees on overseas business trips annually, to help them live and work safely and in good health. Through training by physicians specializing in travel medicine, we provide precautions for daily life, basic knowledge of infectious diseases, and vaccination recommendations, while strengthening health management, including measures against infectious diseases such as HIV/AIDS, malaria, and tuberculosis.
We also work with external medical consultants to offer medical consultations overseas, interpreter services at local medical facilities, and emergency medical evacuation. Following travel, we continue to provide support through regular health information updates and a consultation helpdesk that includes mental health support.
Furthermore, with regard to overtime worked by employees on overseas assignments, we apply the same monthly limit of 70 hours as in Japan. If this limit is exceeded, we conduct health questionnaires and consultations with industrial physicians to ensure thorough health management.

Labor Practices (Personnel System and Labor-Management Initiatives)

Approach and Policy

Under the NGK Group Human Capital Management Policy, the NGK Group has established its Workplace Development Policy. We are committed to creating a rich and vibrant workplace and a challenging and open workplace where diversity is respected and a wide range of employees can thrive. We also operate our personnel system based on fair treatment so that each employee can maximize their abilities.

› NGK Group Human Capital Management Policy

Promotion

For our overall Human Capital Management Promotion Framework, please see below.

› Human Capital Management > Promotion Framework

Initiatives

Fair Treatment and Evaluation

Clarifying Job Expectations Through Qualification Definitions

NGK operates a qualification system that allows employees to pursue promotion and transfers between employee categories based on their efforts, regardless of educational background or age. By clearly defining the roles associated with each qualification level, we help employees understand the capabilities required for higher qualifications and create an environment where they can take on more advanced responsibilities.
At NGK, employees are classified into two categories based on their roles and responsibilities: Key Personnel and Group S/M/J Employees. Key Personnel generally correspond to management positions and are responsible for managing organizations and people while leading the sustainable growth of the business and organization. Group S/M/J Employees perform a wide range of roles, including driving operations as core members of teams and workplaces and demonstrating advanced expertise.

NGK's Employee Categories and Expected Roles (Qualification Definitions)

Qualification Level		Definition
Key Personnel (Management Positions)		▬ Key personnel are expected to demonstrate performance in the achievement of organizational results based on upper-level policies and the promotion of reforms for the sustainable growth of businesses and organizations by leading individuals and groups.
Group S/M/J Employees	Group S	▬ Group S employees are human resources who manage at the level of sections/teams or advanced specialist human resources. ▬ They are expected to improve the productivity of their section/team and to produce results by connecting and leading their section/team with their supervisors and related departments. Alternatively, they are expected to bear responsibility for important issues and operations as specialists in specific fields.
	Group M	▬ Group M employees are human resources at the center of practical operations and on-site leaders. ▬ They are expected to assist in the smooth promotion of overall team operations and to serve as on-site role models by supporting their supervisors and members with their techniques, skills, knowledge and experience as experts in specialist fields.
	Group J	▬ Group J employees are human resources who can think and work by themselves as those in charge of practical operations. ▬ They can understand the purposes and flow of overall operations and promote and accomplish the daily operations in general they have been assigned with the cooperation of those around them. They are expected to autonomously improve their techniques, skills, knowledge and abilities to play an active role in the workplace.

Human Resource System for Group S/M/J Employees

NGK has established the Human Resource System for Group S/M/J Employees to ensure that all employees, from early-career to experienced employees, can work with motivation. As we expand our business globally and create new products and businesses, we place a strong emphasis on creating an environment where early-career and mid-level employees, who play key roles in these efforts, can maximize their abilities.

Key Points of the System

- Qualification System: Provides opportunities for all employees to advance to higher employee categories and clearly defines the roles required at each qualification level
- Evaluation System: Appropriately reflects employees' efforts and achievements in treatment and compensation
- Mandatory Retirement Age of 65: Maintains employees' salary levels at age 60 and provides an environment where they can continue working with confidence

Key Personnel System

› Fostering the culture

Evaluation System

NGK operates multiple evaluation systems to ensure fair treatment and appropriately assess individual efforts and achievements. These systems enable each employee to recognize their own growth and development.

Evaluation System	Content
Performance evaluations (group S/M/J Employees) Results evaluations (Key personnel)	Evaluates achievements based on both the level of goal attainment and the efforts made toward goals set at the beginning of the fiscal year. Also evaluates work not included in the established goals, taking into account individual efforts and contributions. Evaluations are conducted twice a year.
Conduct evaluations (Key personnel only)	Evaluates how consistently employees demonstrate the behaviors expected of Key Personnel throughout the year. Evaluations are conducted once a year.
Role evaluations (group S/M/J employees only)	Evaluates the extent to which employees fulfill the roles expected at their qualification level, based on the evaluation criteria established for each qualification level.
Evaluation interviews	Through goal setting at the beginning of the fiscal year and feedback at year-end, managers and employees hold evaluation interviews to enhance understanding of evaluation results and discuss achievements for the current fiscal year, challenges for the next fiscal year, and mid- to long-term career development.

Fair and Equitable Compensation

NGK has concluded an agreement with its labor union and has established a company minimum wage that exceeds regional and industry-specific minimum wage levels. Through this approach, we comply with applicable laws and regulations while supporting stable improvements in employee compensation. We also apply the same pay structure to employees at the same qualification level regardless of gender, ensuring fair and equitable treatment.

Difference in Wages Between Male and Female Workers

› Social Data Collection [PDF:81KB]

Labor-Management Initiatives

Freedom of Association

NGK respects workers' rights, including the right to collective bargaining, and strives to build healthy labor-management relations. As of March 31, 2026, 4,308 employees belonged to the Labor Union.

Labor Union Membership Rate

› Social Data Collection [PDF:81KB]

Protecting the Right to Collective Bargaining

NGK has concluded a collective labor agreement with its labor union on an equal footing, clearly defining the rights of both parties and the appropriate exercise of those rights. We also hold regular labor-management meetings to promote information sharing and mutual understanding. Through these meetings, we exchange views on management policies, business performance, and union activities, helping to maintain sound labor-management relations. In addition, we approach collective bargaining in good faith and strive to achieve peaceful and prompt resolutions.

Communication Between Labor and Management

NGK strives to build trusting labor-management relations through various consultation forums, including labor-management meetings, workplace meetings, and regular labor-management council meetings. At labor-management meetings, we share business performance and management conditions with employee representatives. At workplace meetings, we exchange views on issues specific to each workplace, such as production systems and the work environment. In addition, through regular labor-management council meetings, both labor and management engage in active dialogue to promote mutual understanding and maintain sound labor-management relations.

Labor-Management Consultations in FY2025

- Regular Labor-Management Council meeting
- Labor-Management Advisory Board meeting
- Other bargaining and consultations
  - Consultation on overtime work and work on days off
  - Discussions about labor-management in the workplace

Notification of Transfers due to Business Necessity

In accordance with the collective labor agreement with the labor union, NGK determines work-related transfers after taking into account each employee’s abilities, health condition, and family circumstances. As a general rule, employees are notified of transfers at least three weeks in advance. In addition, when a transfer may involve a large number of employees or have a significant impact on union activities, we consult with the labor union in advance. Through these practices, we strive to ensure fair and transparent personnel administration.

Occupational Safety and Health

Approach and Policy

The NGK Group operates an ISO 45001-certified occupational health and safety management system based on its Safety and Health Policy as a framework for achieving the safety and health of employees and other workers in an organized and continuous manner. We also thoroughly implement safety measures based on risk assessment. Through these efforts, we continuously improve safety and health standards across the NGK Group, including contractors.

Safety and Health Policy

'Maintaining the safety and health of each employee constitutes a basis for a company's operation and existence'

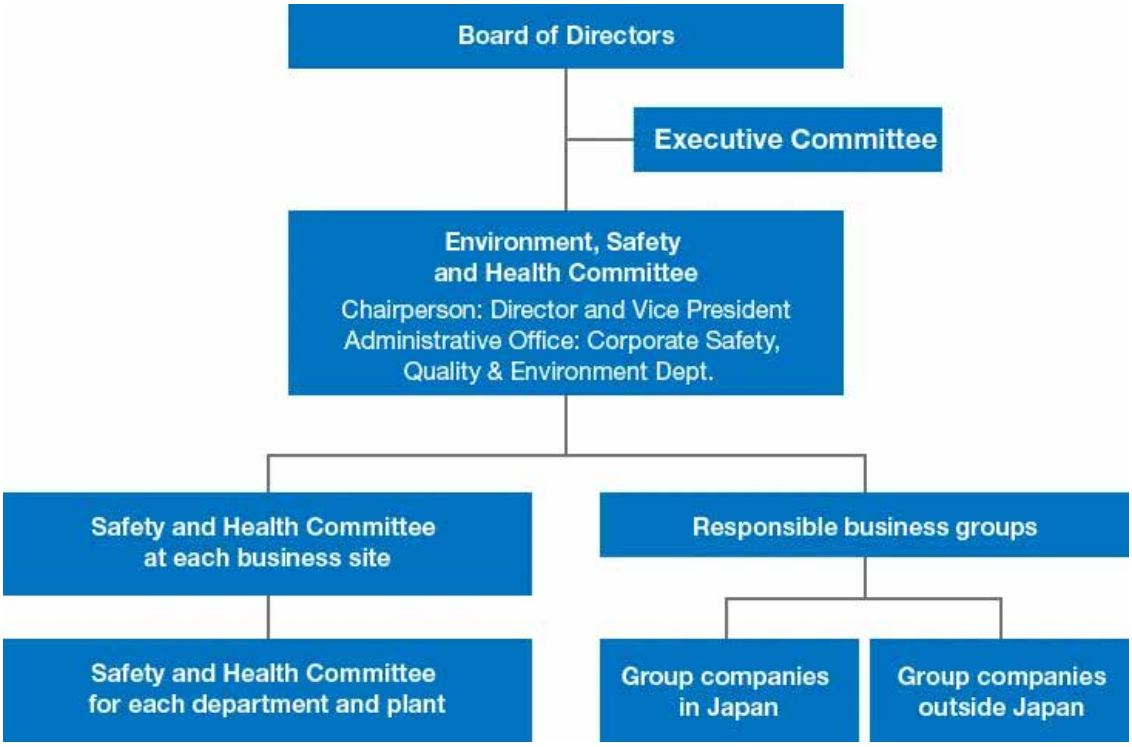
1. Comply with Occupational Safety and Health Law and Company Regulations.
2. Engage in activities in line with the OSHMS* to continuously raise the safety and health standards.
3. Promote safety and health activities under enough education & training and good communication with employees.
4. Reduce the risks of hazards and toxicity and prevent accidents to provide a comfortable work environment.
5. Prevent employees' health hazards and enhance health promoting activities.

* OSHMS: Occupational Safety and Health Management System

Promotion Framework

NGK has appointed the Chair of the Environment, Safety & Health Committee as the person responsible for overseeing safety and health in order to enhance safety and health standards across the Group. The Committee is chaired by the Representative Director and Vice President and meets at least twice a year. It deliberates and decides activity policies and action plans and reviews activity results, workplace accidents, and related countermeasures. The Committee reports its activities to the Board of Directors and operates under the Board’s oversight.
In addition, each site holds a monthly Business Site-Specific Safety and Health Committee meeting attended by the General Safety and Health Manager (the site manager or executive officer) and labor representatives from all departments. The committee shares safety and health policies, promotes action plans, and investigates and deliberates site-specific priority issues. The outcomes are communicated throughout each workplace through safety and health committee members.

Safety and Health Management Organizational Chart



Strategy, Metrics and Targets

Strategy

The NGK Group carries out its activities in accordance with ISO 45001. To realize the NGK Group Vision, we position achieving and maintaining zero fatal or serious accidents at factories and other sites as our highest priority. We conduct thorough risk assessments of equipment and operations at all sites. When introducing new equipment or changing work processes, we require advance assessments. Where a high risk of serious injury is identified, we implement engineering measures such as equipment upgrades, as well as establish work procedures and provide training for relevant personnel. We also manage these initiatives across our operations, including contractors, and use them to drive continuous improvement.

Metrics and Targets

NGK has set the following numerical targets for 2025.

- Zero fatal or serious accidents throughout the Group
- Group-wide lost-worktime accident severity rate of 0.010 or less

In 2025, we achieved zero fatal or serious accidents throughout the Group. On the other hand, the group-wide lost-worktime accident severity rate climbed to 0.018, failing to meet our target value of 0.010 or less.

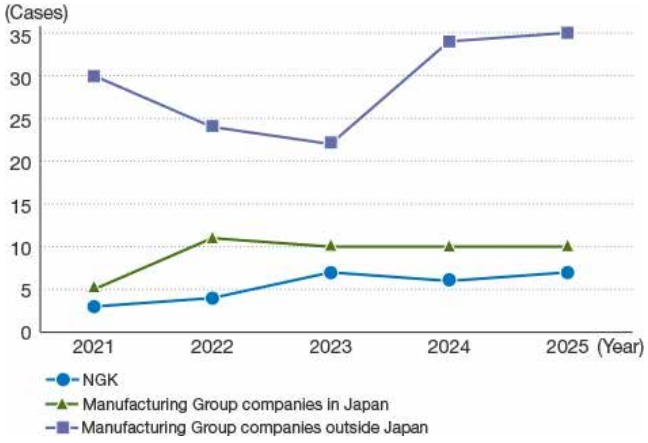
FY2025 Results: Work-Related Fatalities and Work-Related Accidents

Social Data Collection [PDF:81KB]

NGK has set the following numerical targets for FY2026.

- Zero fatal or serious accidents throughout the Group
- Group-wide lost-worktime accident severity rate of 0.010 or less

Trends in Work-Related Accidents



Initiatives

Enhancing Safety and Health Activities

The NGK Group positions the enhancement of safety and health activities as one of its priority issues. Starting in FY2023, we formulated the third three-year action plan under the overarching policy of "Compliance, Governance, and Risk Reduction." We promote safety and health activities in accordance with the following three activity policies: "Strict compliance with safety and health laws and regulations," "Further strengthening of Group governance," and "Prevention of serious accidents and injuries."
To prevent serious accidents and injuries, we conduct comprehensive risk assessments of existing equipment and operations, and require advance assessments when introducing new equipment or new operations, or when changing existing operations. Through this process, we eliminate risks or reduce them to an acceptable level.

Results of FY2025 Activities

Medium-Term Action Plan	Fiscal year implementation items	Key activities
Compliance	Strengthen mechanisms for compliance with laws and regulations	To ensure strict compliance with safety and health laws and regulations, the NGK Group investigates compliance status and implements corrective measures as needed. We also provide legal training for managers and personnel in charge. To prevent non-compliance such as missed filings, we have developed internal rules and built a filing management database, which is now in operation.
Governance	Strengthen safety and health functions in each business group	To strengthen the safety and health functions of each Business Group, the NGK Group clarified the respective roles of the corporate safety and health oversight department and the safety and health departments within each Business Group. We established a framework that enables each Business Group to independently manage and promote safety and health at the plants and Group companies under its responsibility.
Risk reduction	Risk Reduction / Serious Accidents / Reducing the Risk of Serious Accidents or Injuries	To address serious accidents and reduce the risk of serious accidents or injuries, the NGK Group comprehensively identified high risks of serious injury related to entanglement in rotating parts, electric shock, and explosion across equipment at all production sites in and outside Japan. We implemented administrative controls and engineering controls through equipment upgrades and modifications. We also continued to provide risk assessment training to improve the accuracy of hazard identification.

Response to Work-Related Accidents

When an accident occurs, the NGK Group promptly notifies the relevant departments and Group companies in accordance with established rules. We convene accident review committees and similar bodies based on each company's regulations to investigate root causes and ensure thorough recurrence prevention measures.
In 2025, the NGK Group recorded 51 recordable accidents (non-lost-time injuries and above) throughout the Group, the same level as the previous year. While minor accidents occurred frequently at manufacturing Group companies outside Japan, three serious work-related accidents resulting in permanent aftereffects also occurred. The main causes were non-compliance with rules and inadequate management of equipment and work methods. Going forward, in addition to existing risk management and equipment measures, we will enforce strict compliance with rules and improve management standards at worksites to strengthen our prevention of serious accidents and injuries.

Number of Contractor Accidents Severe Enough to Result in Lost Worktime
Number of Contractor Deaths
Severity Rate (Number of Lost Workdays per 1,000 Hours Worked)
Lost Time Injury Frequency Rate
Occupational Illness Frequency Rate

› Social Data Collection [PDF:81KB]

External Certification of Occupational Safety and Health Management System

The NGK Group promotes the acquisition of ISO 45001 certification under its occupational health and safety management system to continuously improve workplace safety and health standards.
In FY2017, the NGK Nagoya Site became the first in Japan to obtain ISO 45001 private certification. We currently hold and maintain ISO 45001 and JIS Q 45100 certification at all our sites and plants. All manufacturing Group companies in and outside Japan have also obtained ISO 45001 certification.

Safety and Health Training

In addition to implementing training programs required by safety and health laws and regulations and ensuring that employees obtain the required qualifications, NGK develops voluntary training programs in a systematic manner to raise safety and health standards. In FY2025, 2,296 employees attended internal safety and health training sessions. The main breakdown is as follows: rank-based training and training for newly-promoted employees on safety and health management and work safety rules (644 participants), danger prediction training (1,600 participants), and ISO 45001 internal audit training (52 participants).

Main Training Programs

Training programs	Curriculum
Statutory training	Safety and health training and skill training courses required under laws and regulations
Legal training	Training to understand the overview and requirements of safety and health laws and regulations
Hazard identification training	Training to build the ability to identify hazards in work operations and equipment
Hazard prediction training	Training to predict dangers in work operations and daily life, and to develop danger awareness and problem-solving skills
Danger prediction training	Hands-on simulation training using real accident scenarios to enhance danger awareness
Skill certification training	Training to certify workers in specific high-risk operations through skill acquisition and proficiency verification
Rank-based and newly-promoted employee training	Training to acquire safety and health management skills and operational safety knowledge required by position and role
Frontline management training	Training for senior management, managers, and frontline staff to consolidate safety knowledge and improve worksite judgment and leadership
ISO 45001 internal audit training	Training to understand the ISO 45001 management system and acquire the knowledge and methods required for internal audits

Danger-Prediction Training Center

NGK has established a Danger-Prediction Training Center at its Chita Site to prevent work-related accidents. Dedicated instructors deliver hands-on safety simulation education using a combination of equipment that replicates in-house accident scenarios, virtual reality (VR) simulation devices, and computer graphics-based classroom instruction, continuously enriching our simulation education.
In FY2024, we renovated the center and introduced themed zones covering topics such as entanglement, falls, and explosions, while expanding exhibits on actual accident cases for each theme to create a more immersive learning environment. We have also extended these training programs to Group companies in Japan, and the cumulative number of participants through FY2025 has reached 12,509.



VR Simulation Device



"Safety Gate" featuring safety messages from senior management

Collaborative Safety Activities with Contractors

NGK has established the NGK Safety Cooperation Conference to ensure safety in construction and work operations, promoting collaborative safety activities with contractors.
In selecting contractors, we include safety management as an evaluation criterion and specify safety requirements in contract specifications. We also apply our Safety and Health Policy and related regulations to contractors, ensuring all parties conduct their operations based on a common set of standards.

Activities

Based on our annual activity plan, we conduct safety patrols, safety workshops, and cleaning activities. We also share progress and challenges at monthly meetings, and at our annual safety conference, we work to raise safety awareness and consolidate knowledge through expert lectures and other programs.

Safety Education

We conduct various safety education programs covering topics such as safe work practices in workplaces at risk of dust explosions and the need for lockout/tagout. We also draw on past accident cases to regularly analyze causes and discuss reoccurrence prevention measures.

Respecting Human Rights

Approach and Policy

The NGK Group regards respecting human rights across all aspects of its business activities as one of its most important corporate responsibilities. By advancing human rights initiatives throughout our own operations and value chain, we work toward building a society in which the human rights of all people affected by our business activities are upheld.

NGK Group Human Rights Policy

The NGK Group has formulated the NGK Group Human Rights Policy to clearly articulate its commitment to respecting human rights. We communicate this commitment to both internal and external stakeholders and advance our human rights initiatives.

› NGK Group Human Rights Policy

NGK Group Corporate Business Principles and Code of Conduct

To respect human rights in our business activities, the NGK Group has established the NGK Group Corporate Business Principles and Code of Conduct for executives and employees, and the NGK Group Supplier Code of Conduct for suppliers. We advance our initiatives based on these frameworks.

› NGK Group Corporate Business Principles and Code of Conduct

NGK Group Supplier Code of Conduct

The NGK Group respects the human rights of all stakeholders affected by our business activities.
We share this commitment through employee education and training and with all stakeholders, seeking their understanding and cooperation.
With respect to our supply chain in particular, we expect suppliers to comply with our Human Rights Policy and require thorough adherence to the NGK Group Supplier Code of Conduct. This Code of Conduct sets out specific human rights commitments, including prohibition of discrimination, prohibition of forced labor and child labor, ensuring fair wages, and due consideration for working hours.
For key suppliers, we periodically request agreement to comply with this Code of Conduct both upon commencement of new business relationships and on an ongoing basis.

› NGK Group Supplier Code of Conduct [PDF:471KB]

Statement on the UK Modern Slavery Act

The NGK Group publishes its Statement on the UK Modern Slavery Act in accordance with the Act.

› UK Modern Slavery Act Statement

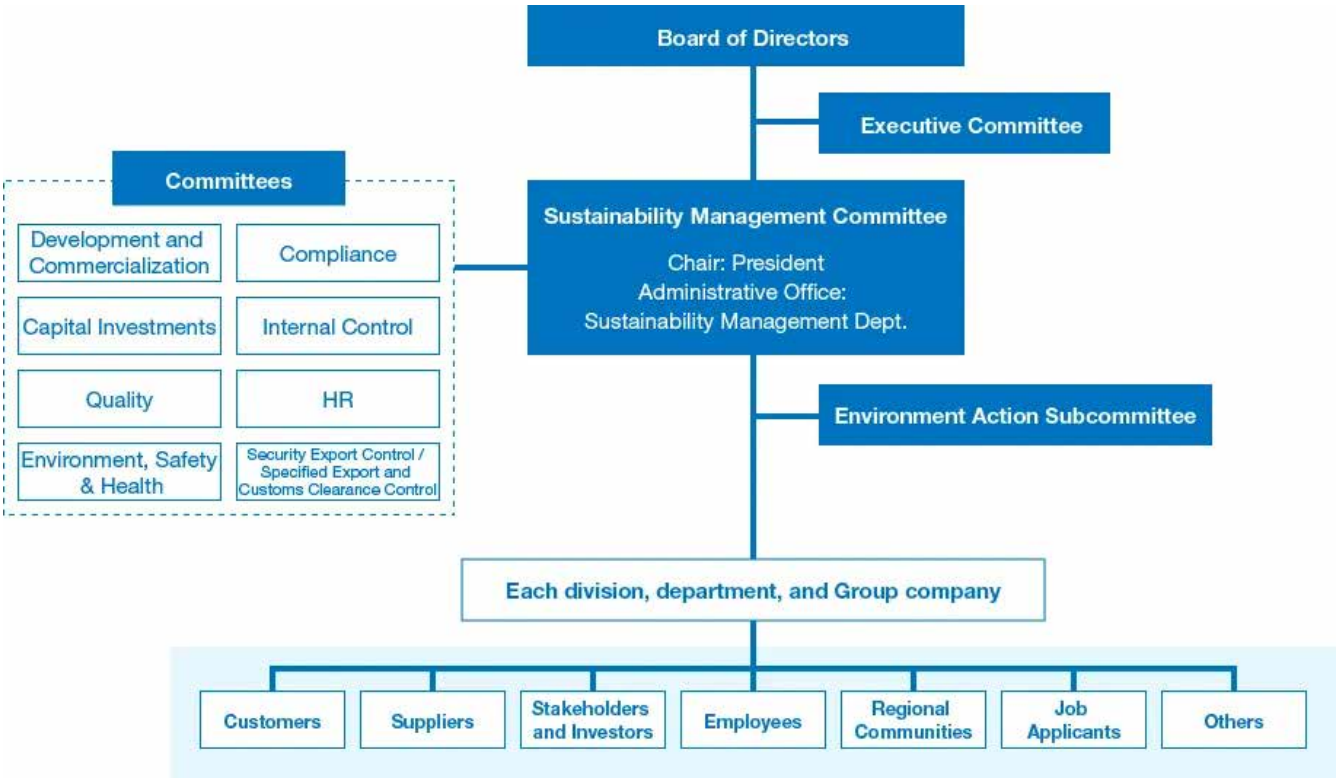
Respect for the Human Rights of Children

The NGK Group is aware that there are a variety of impacts that corporations can have on children. In addition to signing the UN Global Compact, we support the Children's Rights and Business Principles, respect the rights of children through our business activities, and engage in social contribution activities and other efforts to promote children's rights.

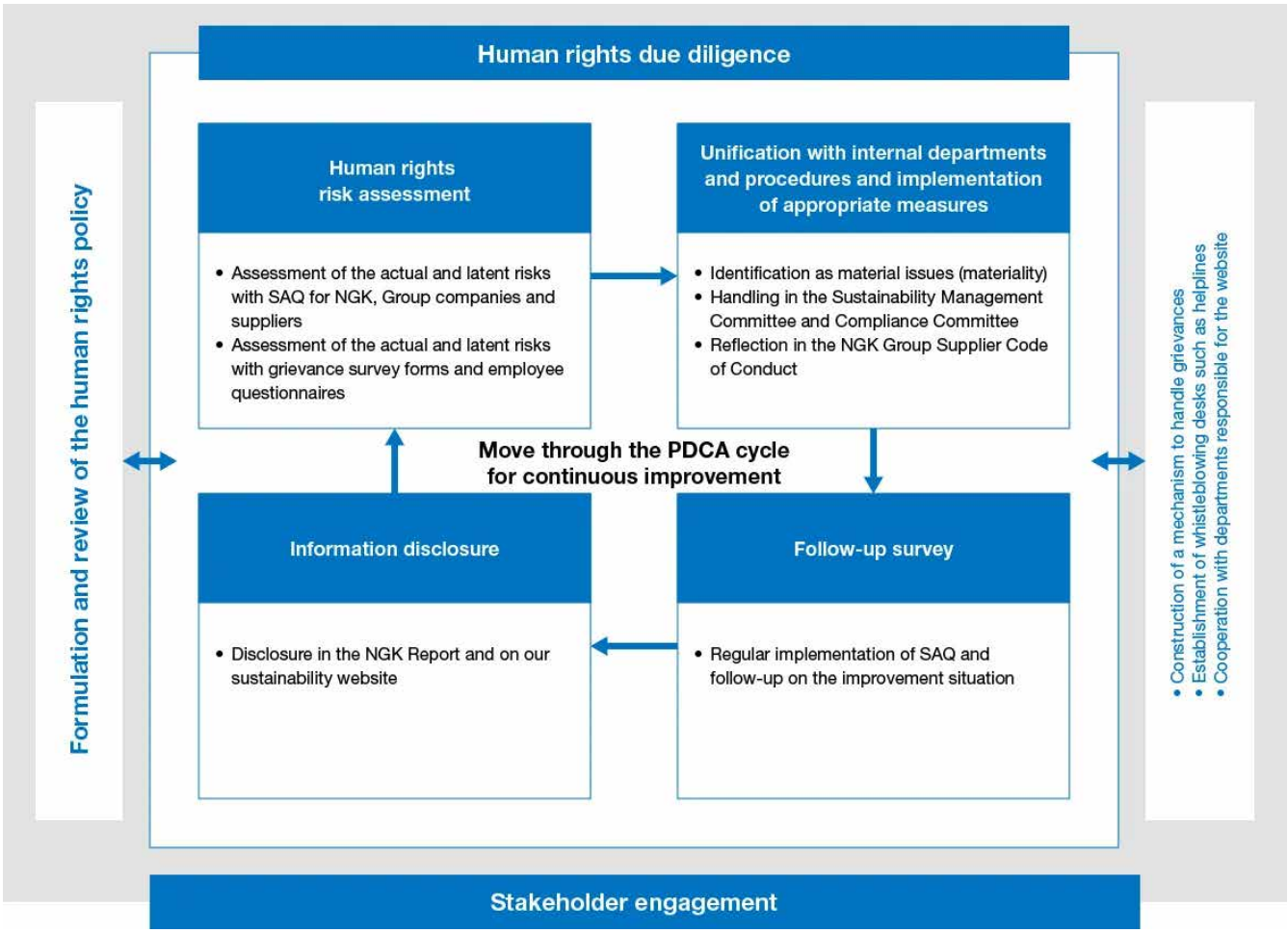
Promotion Framework

The NGK Group has established the Sustainability Management Committee as a cross-functional body to advance human rights-conscious business operations and address human rights issues across the Group. The Committee is chaired by the President and drives human rights initiatives throughout the Group. The Committee is responsible for adopting, revising, and abolishing basic policies on human rights, implementing awareness-raising activities and human rights due diligence for Group companies, and handling grievances and remediation. Material matters decided through the Committee's deliberations are reported to the Board of Directors at least once a year.
Human rights initiatives are driven by the Director responsible for the Sustainability Promotion Department, the Director responsible for the Human Resources Department, the General Manager of the Sustainability Promotion Department, the General Manager of the Human Resources Department, and department heads, each of whom collaborates with relevant committees and departments according to the nature and significance of each matter.

Promotion Framework Chart



Overall Picture of Initiatives for Respect for Human Rights



Strategy, Metrics and Targets

Strategy

Guided by the NGK Group Human Rights Policy, NGK Group has established a human rights due diligence framework to identify, prevent, and mitigate any adverse impacts of its business operations on human rights. Where such adverse impacts are confirmed or suspected, we engage in good-faith dialogue with affected parties and pursue appropriate and effective remediation.

Metrics and Targets

Since FY2022, the NGK Group has expanded its self-assessment to cover Group companies outside Japan as well as those in Japan. To date, no incidents of non-compliance with applicable laws have been confirmed. However, certain practices that do not conform to the RBA Code of Conduct have been identified. In response, in FY2024, NGK Insulators, Ltd. (now NGK) revised its work regulations to remove "pay reduction" from the types of disciplinary measures. In FY2025, all Group companies in Japan completed the same revision.
NGK also identifies human rights risks in its business operations and selects priority targets for stakeholder engagement. In FY2025, we conducted an on-site visit to a Group company in Malaysia and held interviews with two HR managers to discuss human rights impacts and related challenges. The findings showed that, within the scope of this assessment, the company is taking various measures to mitigate human rights risks, including initiatives related to occupational safety and health and diversity. While there is room for improvement, no material issues directly linked to human rights risks were identified.
Going forward, we will continue to make improvements with due consideration of the laws, customs, and practices of each country, conduct ongoing monitoring through self-assessments, and take appropriate action as needed.

Initiatives and Indicators	Targets	FY2025 Results
Frequency of Two-Way Dialogue with Internal and External Stakeholders	Each FY	Implemented
Frequency of Self-Assessments at NGK and Group Companies Based on the RBA Code of Conduct and Similar Standards	Each FY	Implemented
Supplier Code of Conduct Sharing: Agreement Rate Among Major Suppliers	90% or higher	86%
Supplier Assessment Activities: Frequency of Sustainability Surveys Among Major Suppliers	Every other year	Responses requested*
Human Rights Education: Frequency of e-Learning for Executives and All Employees	Each FY	Implemented

* Responses to be compiled in FY2026 (planned)

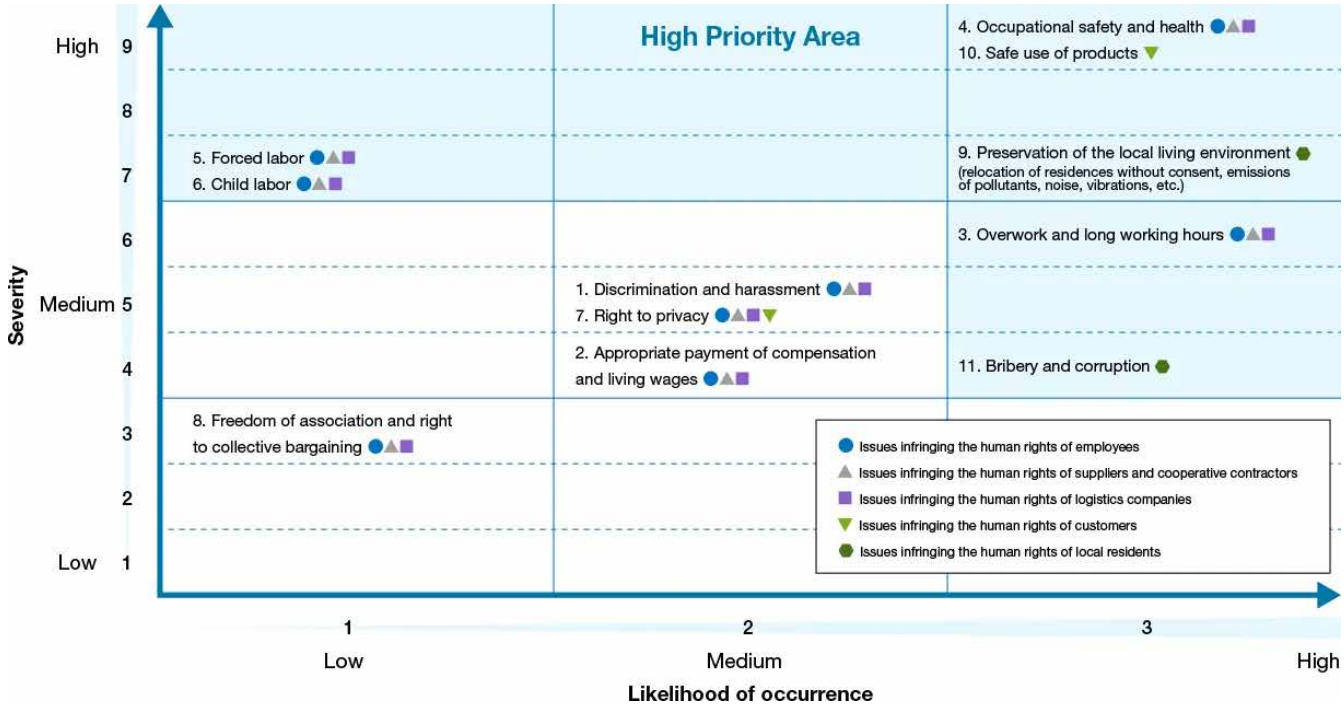
Initiatives

Human Rights Due Diligence

Human Rights Issues Requiring Our Attention

Guided by the UN Guiding Principles on Business and Human Rights, the NGK Group has developed a long list of fundamental human rights that companies are expected to respect and uses it to identify human rights issues relevant to its operations across the entire value chain. We also conduct surveys on human rights incidents that have emerged in our industry and country risk assessments in the countries where we operate to identify potential human rights risks.
Drawing on these findings, we assessed the priority level of each human rights issue using two criteria, severity and likelihood, in line with the OECD Due Diligence Guidance for Responsible Business Conduct. We also conducted interviews with representatives from each Business Group to organize human rights issues by stakeholder and plot them on a risk map.
Following consultations with relevant parties and reporting to the HR Committee (at the time), we identified the human rights issues to be addressed as a priority. We are now focusing on addressing these issues and working to prevent and remediate adverse human rights impacts.
Going forward, we will continue to review and update our human rights risk map in response to changes in the business environment and feedback from stakeholders.

Human Rights Risk Map



Priority Human Rights Issues

- Overwork and long working hours
- Occupational safety and health
- Forced labor
- Child labor
- Preservation of the local living environment (relocation of residences without consent, emissions of pollutants, noise, vibrations, etc.)
- Safe use of products
- Bribery and corruption

Human Rights Risks Accompanying Group Business Activities

NGK regularly conducts a self-assessment survey based on the RBA Code of Conduct on ourselves and our Group companies in and outside of Japan. In FY2025, a total of 38 companies including NGK underwent the self-assessment survey with a total of 55 questions in the three categories of labor, health and safety, and ethics. Conducting this survey gives us a comprehensive overview of the business activities in our group and identifies human rights issues.
The results confirmed no incidents of non-compliance with applicable laws. However, multiple instances were identified that, while legally compliant, do not conform to the RBA Code of Conduct. In response, in FY2024, we revised our work regulations to remove "pay reduction" from the types of disciplinary measures. In FY2025, all Group companies in Japan completed the same revision.

Human Rights Risks to Employees

Regarding human rights risks related to employees, the NGK Group accepts reports and consultations on human rights through its internal whistleblowing desk. We also receive semi-annual reports from Group companies through the Human Rights Grievance Survey or the Legal Risk Management Report to monitor the situation.
In FY2025, a total of 35 human rights-related reports covering harassment, labor-related matters, and similar issues were submitted across the NGK Group through these mechanisms. For each case, we conduct a fact-finding investigation and take appropriate corrective action, including guidance and awareness-raising.
We also use the Corporate Risk Survey, conducted every two years, to identify potential human rights risks.

Human Rights Risks to Supply Chain

The NGK Group periodically requests major suppliers to agree to comply with the NGK Group Supplier Code of Conduct, both at the commencement of new business relationships and for the continuation of existing ones.

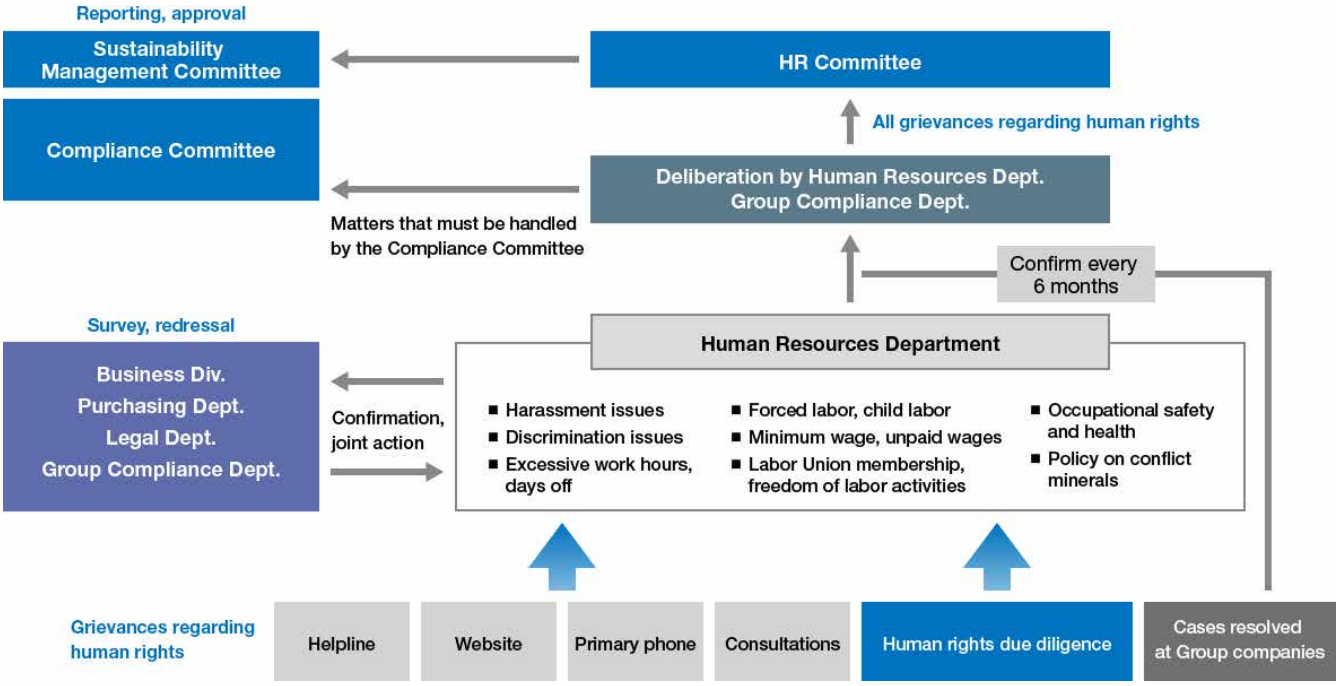
› Supplier Assessment

Grievance Mechanisms

NGK has established a whistleblowing desk (helpline) which can be used by everyone who works at NGK, our Group companies in Japan, and each of our sites.
Both internal and external contacts allow for anonymous consultations and reports, and we work to protect those who submit them from retaliation or unfair treatment.
Group companies outside Japan are also building effective whistleblowing mechanisms, including establishing consultation and reporting systems accessible to all individuals at each company, tailored to local conditions.
We have also set up a supplier helpline to handle consultations and reports from suppliers, and we accept consultations and reports from all stakeholders through NGK's website. When we receive a human rights-related consultation or report, the responsible departments and the Sustainability Management Department work with related departments to address the matter. Where human rights impacts are confirmed, we provide remediation for affected parties and implement corrective and recurrence prevention measures.
These matters are reported to the Compliance Committee and the Sustainability Management Committee according to their significance.

- Whistleblowing System
- Supplier Helpline
- Contact Page on the NGK Website

Grievance Mechanisms and Remediation / Remedy Framework



Stakeholder Dialogue

The NGK Group identifies human rights risks in its business operations and selects priority targets for stakeholder engagement across its value chain, with the aim of taking appropriate action. In FY2024, based on business conditions and other factors, we conducted interviews with foreign national regular employees and temporary workers at one Group company in Japan. The findings confirmed that the company is working to create a safe and supportive work environment.
The FY2024 country risk assessment also revealed that human rights risks related to migrant workers are a high priority at our Malaysia operations. Recognizing that international guidelines also call for prioritized action on migrant workers, in FY2025 we conducted an on-site visit to a Group company in Malaysia and held interviews with two HR managers to discuss human rights impacts and related challenges. The findings confirmed that, within the scope of this assessment, the company is working to mitigate human rights risks through various initiatives related to occupational safety and health and diversity.
Of the two companies where we have conducted stakeholder engagement to date, while there is room for improvement, no material issues directly linked to human rights risks were identified.



Interview in progress

Education and Training

Education Concerning Human Rights

NGK conducts various types of training, through seminars and e-learning, for executives and all employees, with the goal of improving their level of understanding for respecting human rights in our corporate activities.
In FY2025, the e-learning program covered Section 2, "Respecting Human Rights," of the NGK Group Code of Conduct Guidebook. To ensure participants could take the course in a language they can understand, we prepared materials in 13 languages.

Education Concerning Human Rights

Category	Theme	Participants / Applicable Range	Frequency
Human rights in general	“NGK Group Code of Conduct Guidebook ‘2. Respecting Human Rights’” e-learning program Corporate responsibility to respect human rights, human rights related risks	All officers and employees working at NGK, and our Group companies in and outside Japan (including contract employees, re-hired employees, re-contracted employees, temporary employees, subcontractors, employees seconded from Group companies and part-time employees)	Once a Year
Human rights in general	Respect for human rights, NGK’s initiatives, and ESG risks and opportunities	Newly appointed managers, those promoted within managerial positions, career recruits in managerial positions	Once a Year
Human rights in general	NGK Group Corporate Business Principles Realization of a sustainable society through business activities, respect for human rights, and thorough compliance	Employees promoted as those in general positions, career recruits with eligible qualifications, new employees	Once a Year
LGBT	“Introduction to LGBT: Aiming for a Worker-friendly Workplace” Basic LGBT knowledge and internal initiatives	New employees	Once a Year
Harassment	Definitions of workplace bullying and sexual harassment, concrete examples, treatment in workplace regulations, helpline introduction, and promotion of understanding through case studies	New employees, employees promoted as those in general positions, and mid-career recruits with the eligible qualifications	Once a Year
Harassment	Compliance, workplace bullying and sexual harassment in manufacturing sites	New section chief training	Once a Year
Harassment	Lawyer-led seminar “Understanding and techniques for preventing harassment—For better communication—”	Employees of NGK and Group companies in Japan	5 times a Year

Promotion of Sustainable Procurement

Approach and Policy

The NGK Group bases its procurement activities on the principles of social responsibility, openness, and mutual prosperity. We conduct fair and equitable transactions with suppliers and aim to achieve sustainable growth together. To put these principles into practice, we have established the NGK Group Procurement Policy and are advancing related initiatives. We also support the Declaration of Partnership Building promoted by the Cabinet Office and the Small and Medium Enterprise Agency of Japan, and continue to foster mutual prosperity with suppliers through appropriate and fair business practices.

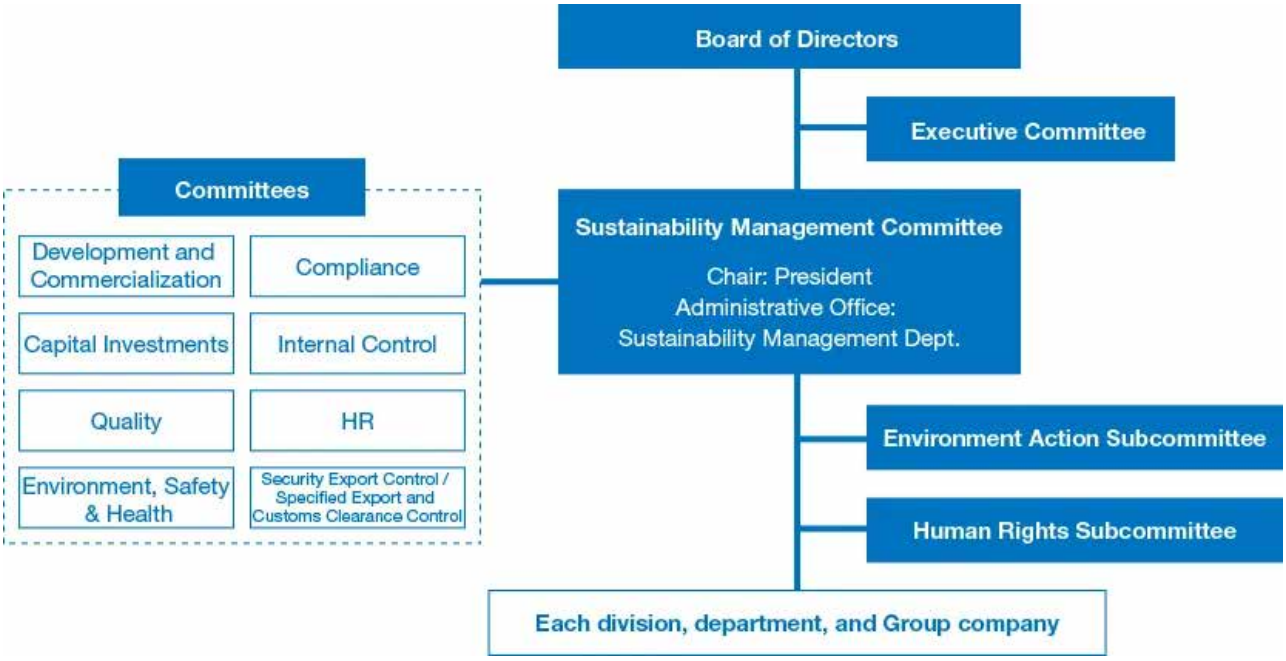
NGK Group Procurement Policy

> NGK Group Procurement Policy

Promotion Framework

The NGK Group manages suppliers that have direct business relationships with us through our Purchasing Department. For critical purchased materials, including raw materials, we also manage suppliers beyond the first tier.
We promote supply chain management initiatives through the Sustainability Management Committee. Depending on the nature and significance of the issue, related committees, including the Environmental Action Subcommittee and the Human Rights Subcommittee, work closely with relevant departments to advance these initiatives. Matters discussed and reported at the Sustainability Management Committee are also reported regularly to the Board of Directors.

Supply Chain Management Framework Chart



Initiatives

NGK Group Supplier Code of Conduct

The NGK Group aims to realize a sustainable society together with its suppliers and has established the NGK Group Supplier Code of Conduct. Under this Code, we require suppliers to fulfill important responsibilities throughout the supply chain, including the prohibition of forced labor in the area of human rights and the reduction of greenhouse gas emissions in the area of the environment. We ask our major and registered suppliers to agree to comply with the Code. We make this request when engaging new suppliers and annually for existing suppliers.

› NGK Group Supplier Code of Conduct [PDF:471KB]

Supplier Assessment

Definition of Suppliers

The NGK Group identifies major and registered suppliers based on the following criteria:

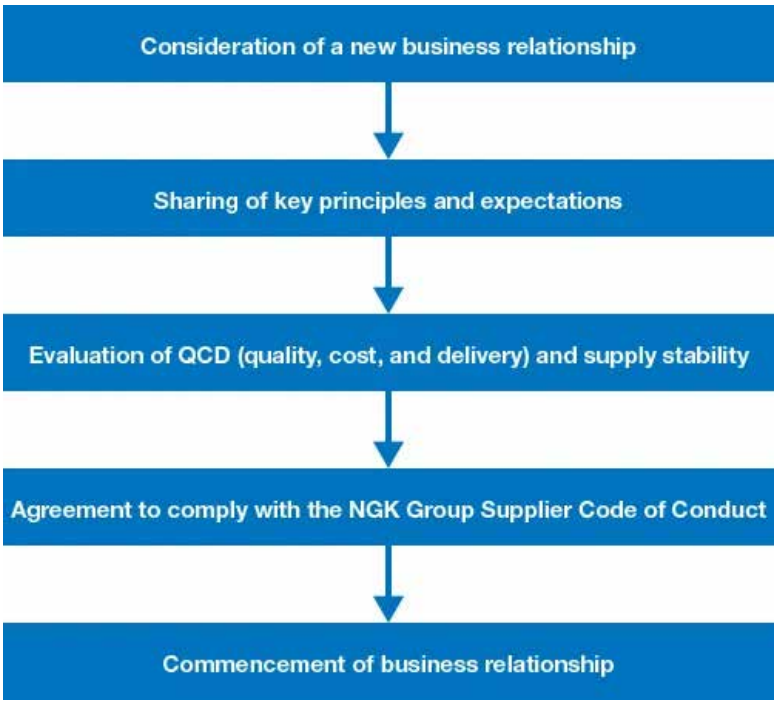
Perspective	Criteria
Importance	Suppliers of raw materials, equipment, and other items essential to manufacturing
Difficulty of Replacement	Suppliers that are difficult to replace with alternative sources
Transaction Volume	Suppliers ranked among the highest in purchasing value within each business division

- Number of Major and Registered Suppliers: Approximately 3,000 companies (as of June 2026)

New Supplier Assessment

NGK selects new suppliers based on its principle of open, fair, and equitable procurement. We evaluate potential suppliers from the perspectives of quality, cost, delivery (QCD), and stable supply. In addition, to fulfill our social responsibilities throughout the supply chain, we require all prospective suppliers to understand the intent of the NGK Group Supplier Code of Conduct, which incorporates ESG considerations, and to agree to comply with it as a mandatory condition for doing business with us.

Assessment Process for New Supplier Selection



Existing Supplier Assessment

NGK requires existing suppliers to submit an annual agreement confirming compliance with the NGK Group Supplier Code of Conduct. In addition, to enhance the accuracy of our sustainability assessments, we conduct a survey consisting of 96 questions across nine categories, including human rights, labor, and the environment, and evaluate risks based on the nature of each business relationship.
Taking the potential impact on our business into account, we began this survey with direct material suppliers and are gradually expanding its scope to major suppliers in Japan and overseas. In FY2025, we revised the survey content to align with the NGK Group Code of Conduct, which was comprehensively updated in the previous fiscal year.

Main Items in the Assessment

- Human Rights/Labor
- Health and Safety
- Environment
- Fairness and Ethics
- Quality/Safety
- Information Security
- Business Continuity Plan (BCP)
- Community and Social Engagement
- Management System

Communication Activities with Suppliers

Explanation of Earnings to Suppliers

NGK holds an annual supplier meeting to share the Group's business performance, management policies, annual business plans, and procurement policy with major suppliers and to strengthen communication. In FY2025, 110 companies attended in person and approximately 70 companies participated online. We shared information to support business continuity and sustainable growth across the supply chain.

Review and Strengthen Communication with Suppliers

NGK continues to improve communication throughout the supply chain by conducting regular price negotiations to support appropriate price pass-through and by reviewing methods for sending and receiving emails to strengthen IT security.
We also regularly share our initiatives with suppliers and provide opportunities for dialogue on topics such as harassment prevention, the development of a business continuity plan (BCP), and IT security. In addition, we accept inquiries and consultations from Japan and overseas through our supplier helpline and work to identify and resolve issues at an early stage.

› Supplier Helpline

Visiting and Monitoring Suppliers

NGK conducts on-site visits and audits in Japan and overseas to ensure fair evaluations of quality, cost, and delivery (QCD) and to procure products and services from the most suitable suppliers. In FY2025, we conducted quality audits of 54 suppliers, including 36 key suppliers. In addition to providing evaluations and feedback, we use factory surveys and delivery schedule reviews to assess suppliers' QCD management systems and sustainability initiatives. We also strengthen relationships with suppliers through both in-person visits and web-based communication.

Training and Support Programs for Suppliers

NGK works to enhance safety awareness through the NGK Safety Cooperation Conference, which consists of construction-related suppliers. We hold an annual safety conference where we share examples of accidents and incidents and offer lectures on workplace safety. In FY2025, 82 participants from 49 member companies attended the conference and took part in special lectures on safety management and mental health.

Collaboration with External Organizations for Sustainable Procurement

The NGK Group has participated in the UN Global Compact since 2015. We support its Ten Principles covering human rights, labor, the environment, and anti-corruption, and contribute to the realization of a sustainable society through our business activities. We also participate in the Supply Chain Subcommittee, where we engage in activities to build an environment that supports sustainable procurement. We incorporate the insights gained through these activities into the NGK Group's procurement practices.

Enhancement of NGK Group-Wide Cooperation and Procurement Capabilities

The NGK Group strengthens its procurement capabilities and enhances governance through information sharing and joint procurement initiatives with Group companies. We improve procurement practices by consolidating purchases of common materials, sharing cost and supplier information, and introducing supplier management methods for domestic business partners. These efforts help us identify challenges and implement improvements based on the procurement structures and business practices of each Group company.
Going forward, we will continue to enhance the NGK Group's procurement function by expanding consolidated purchasing and standardizing supplier management methods across the Group. Through these initiatives, we aim to improve both cost efficiency and governance.



NGK Group Purchasing Liaison Meeting

Procuring Resources and Raw Materials Responsibly

The NGK Group conducts procurement activities that consider impacts on regional communities stemming from the use of raw materials (e.g. conflict minerals) with the potential to cause social issues such as human rights violations and poverty, and takes steps to avoid using such materials. Additionally, in response to requests from customers, we investigate suppliers regarding their responsible procurement of resources and raw materials.

Social Data Collection

Human Capital Foundation

Employee Composition

Item	Scope	Category	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees*1	NGK		Persons	4,382	4,547	4,775	4,876	5,024
	NGK Group		Persons	20,099	20,077	19,540	19,931	19,869
Number of employees by gender	NGK*2	Total	Persons	4,745	4,877	5,086	5,236	5,359
		Male	Persons	4,132	4,258	4,427	4,544	4,641
		Female	Persons	613	619	659	692	718
	NGK Group	Total	Persons	20,656	20,450	19,533	19,892	19,809
		Male	Persons	16,393	16,074	15,486	15,698	15,560
		Female	Persons	4,263	4,376	4,047	4,194	4,221
		Other	Persons	-	-	-	0	28
Number of employees by employment type	NGK	Full-time employee	Persons	4,745	4,877	5,086	5,236	5,359
		Contract employee	Persons	272	280	206	140	133
		Temporary employee	Persons	372	491	477	471	470
Employee composition by region	NGK Group	Japan	%	36.6	37.7	39.9	40.1	41.1
		Europe	%	24.3	24.1	24.3	24.0	23.5
		North and Central America	%	16.7	16.3	15.1	15.8	16.0
		Asia	%	21.5	21.2	20.4	19.9	19.2
		Other	%	0.8	0.8	0.4	0.2	0.2

*1 Includes employees from outside companies who have been temporarily assigned to the NGK Group, but excludes employees from the NGK Group who have been temporarily assigned to outside companies
*2 Excludes employees from NGK Group companies or outside companies who have been temporarily assigned to NGK, but includes employees from NGK who have been temporarily assigned to NGK Group companies or outside companies

Employee Demographics and Compensation Levels

Item	Scope	Category	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Average age	NGK	Total	Years old	40.0	39.7	40.2	40.5	40.7
		Male	Years old	40.1	39.9	40.3	40.7	40.9
		Female	Years old	39.6	39.4	39.5	39.5	39.9
Average length of service	NGK	Total	Years	15.6	15.5	15.0	15.3	15.7
		Male	Years	15.6	15.5	15.1	15.4	15.8
		Female	Years	15.6	15.5	14.6	14.5	15.0
Average salary	NGK		Yen	7,696,997	8,240,174	8,553,909	8,453,574	9,200,112
Labor union membership rate*	NGK		%	98	98	98	97	98

* Labor Union Membership Rate: number of union members divided by the number of NGK employees excluding managers (both the numerator and denominator include fixed-term contract manufacturing employees

Human Resource Development · Engagement

Talent Retention and Turnover

Item	Scope	Category	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Retention rate of new hires after 3 years	NGK	Total	%	90.3	88.7	97.1	95.7	92.9
		Male	%	91.0	90.7	96.6	96.7	93.3
		Female	%	87.9	81.8	100	87.5	90.9
Employee turnover rate (Full-time employees only, excluding retiring employees)	NGK	Total	%	1.3	1.7	1.4	1.5	1.1
		Male	%	1.1	1.5	1.2	1.4	0.9
		Female	%	2.0	2.9	2.7	2.2	2.6
Voluntary resignation rate (Full-time employees only, excluding retiring employees)*	NGK	Total	%	1.2	1.5	1.2	1.4	1.0
		Male	%	1.0	1.3	1.0	1.3	0.8
		Female	%	2.0	2.7	2.3	2.0	2.0
	NGK Group		%	-	-	-	6.3	6.3
		Male	%	-	-	-	-	5.0
		Female	%	-	-	-	-	11.0

* Voluntary resignation rate=number of people resigning due to personal circumstances in one year / total number of employees

Human Resource Development

Item	Scope	Category	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Training participants (total number of people)	NGK	Total	Persons	8,201	6,377	4,760	7,171	7,899
		Managers	Persons	665	719	902	1,356	1,801
		General employees	Persons	7,536	5,658	3,858	5,815	6,098
Average annual hours spent for training per full-time employee		Total	Hours	28.0	18.0	11.4	11.7	12.2
		Managers	Hours	18.0	11.0	9.9	11.6	12.3
		General employees	Hours	31.0	20.0	11.7	11.7	12.1
Average annual cost of training per full-time employee		-	Yen	29,522	31,138	39,498	45,712	54,012

Job Application System

Item	Scope	Category	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Internal Job Application System	NGK	Number of jobs posted	Cases	59	80	77	63	64
		Number of recruits	Persons	86	108	87	94	82
		Number of applicants	Persons	50	56	60	42	48
		Number of successful applications"	Persons	17	25	30	18	16

Employee Engagement

Scope: NGK employees

Item		Unit	Target	FY2021	FY2022	FY2023	FY2024	FY2025
Survey on workplace vitality: satisfaction with worthwhileness of work (% Positive responses)*		%	-	-	59.4	59.4	60.6	61.5
Score by Item	Career autonomy score	points	3.5	-	3.60	3.66	3.67	3.64
	Advancement of women in the workplace score	points	3.5	-	3.45	3.50	3.54	3.61
	Score related to utilization of diversity	points	3.5	-	3.34	3.37	3.41	3.38
	Score related to opportunities to take on challenges	points	3.5	-	3.26	3.30	3.31	3.29
	Score related to psychological safety	points	3.5	-	3.71	3.73	3.75	3.74
	Score related to worthwhileness of work	points	3.5	-	3.49	3.48	3.54	3.54
	Score related to work-life balance	points	3.5	-	3.52	3.59	3.61	3.64

*Percentage of employees who scored 5 or 4 on the "job fulfillment" question in the Survey on orkplace Vitality (5-point scale)
*Conducted every other year prior to FY2022

Diversity & Inclusion

Recruitment

Item	Scope	Category	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
New graduate hires*1	NGK	Total	Persons	105	139	168	175	158
		Male	Persons	89	123	134	146	127
		Female	Persons	16	16	34	29	31
Rate of female employees among new graduate hires*2	NGK	Total	%	17	14	23	20	23
		Sales and managementrelated (target 40%)	%	33	29	50	42	45
		Engineering-related (target 20%)	%	13	11	17	14	16
Mid-career hires	NGK	Total	Persons	37	109	118	99	79
		Male	Persons	34	95	99	74	58
		Female	Persons	3	14	19	25	21
Rate of mid-career hires	NGK		%	34	47	45	39	35
Number of manufacturing contract employees promoted to being regular employees	NGK		Persons	18	16	18	13	7

*1 Note: Excluding new graduate temp-to-perm employees
*2 Applies to career-track employees

Employee Composition and Diversity

Item	Scope	Category	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Rate of female employees*	NGK		%	12.9	12.7	13.0	13.2	13.4
	NGK Group		%	20.6	21.3	20.7	21.1	21.3
Number of managers	NGK	Total	Persons	1,028	1,085	1,150	1,206	1,253
		Male	Persons	993	1,044	1,107	1,158	1,193
		Female	Persons	35	41	43	48	60
		Dept. managers or higher	Persons	4	4	4	5	6
Ratio of Female Managers	NGK		%	3.4	3.8	3.7	4.0	4.8
	Group companies in Japan		%	-	1.2	1.4	1.7	1.8
	Group companies outside Japan		%	23.1	19.4	21.3	20.5	21.8
	NGK Group		%	-	-	-	-	8.5
Female Directors	NGK	Female	Persons	1	1	1	3	3
		Rate of female employees	%	11.1	11.1	11.1	30.0	33.3
Rate of employees with disabilities	NGK, NGK YU-Service, NGK Ceramic Device	Number of people	Persons	155	160	172	195	203
		Employment rate	%	2.46	2.43	2.55	2.83	2.88

* Rate among all employees

Wage Gap between Male and Female Employees in FY2025

Item	Scope	Category	Unit	FY2025
Wage gap between male and female employees	NGK	All employees	%	78.8
		Regular employment employees	%	79.2
		Part-time and fixed-term employees	%	98.5

Item	Scope	Category	Unit	Average salary for men	Average salary for women	FY2025
Wage gap between male and female employees (by manager level and non-manager level)	NGK	Manager level (basic salary only)	%	8,426,581 yen	7,865,848 yen	93.3
		Manager level (basic salary + other financial incentives)	%	13,403,717 yen	12,181,958 yen	90.9
		Non-manager level (basic salary only) *counting for full-time employees only	%	4,422,616 yen	4,239,727 yen	95.9
		Non-manager level (basic salary + other financial incentives) *counting for full-time employees only	%	8,046,169 yen	6,995,045 yen	86.9

Work-Life Balance

Working Hours and Leave

Item	Scope	Category	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Total annual working hours (scheduled working hours: 1,919 hours per year)	NGK	All Employees	Hours	2,059	2,029	2,013	1,985	1,968
		General	Hours	2,044	2,016	1,999	1,971	1,955
	NGK manufacturing divisions		Hours	2,056	2,024	2,006	1,976	1,965
	NGK non-manufacturing divisions		Hours	2,038	2,011	1,997	1,969	1,951
Average monthly overtime hours	NGK	All Employees	Hours	23.8	23.2	21.0	20.3	20.3
		General	Hours	23.4	22.8	20.8	20.2	20.3
	NGK manufacturing divisions		Hours	24.1	23.2	20.9	20.5	19.8
	NGK non-manufacturing divisions		Hours	23.1	22.6	20.7	20.1	20.4
Average number of paid leave days taken	NGK		Days	13.8	15.1	14.5	16.5	17.7
Paid leave acquisition rate	NGK		%	76.5	83.3	88.1	83.2	88.9

Childcare Support

Item	Scope	Category	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Rate of Childcare Leave Take-up	NGK	Male*1	%	-	91	98	97	100
		Female*2	%	-	103	87	104	94
Return-to-Work Rate after Childcare Leave	NGK	Total	%	99	100	100	100	100
Number of Employees Who Used the Childcare Leave System	NGK	Male*1	Persons	56	127	143	115	115
		Female*2	Persons	23	30	29	28	34
Employees Using the Shortened Working Hours System for Childcare	NGK	Number of leave takers	Persons	79	69	76	84	102

*1 Total percentage of male workers whose spouses gave birth in the fiscal year p eceding disclosure, who took long-term childcare leave or used leave for childcare purposes that year

*2 Percentage of female workers who gave birth in the fiscal year p eceding disclosure, who took childcare leave that year

Note1: The rate of childcare leave take-up is the ratio (b/a) of employees who took childcare leave for the first time during the fiscal year prior to the disclos e to the number of employees who had children born during the same fiscal year (a). (b) may exceed 100% because it includes employees who had children born in the fiscal year prior to the disclosu e but did not take childcare leave during the fiscal year prior to the disclosu e, but instead took childcare leave the following fiscal yea

Note2: The rate for FY2021 has not been calculated, as FY2021 predates the mandatory disclosure requirement for childcare leave take-up

Nursing Care Support

Item	Scope	Category	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees taking family care leave	NGK	Total	Persons	0	1	1	2	1
		Male	Persons	0	1	0	0	1
		Female	Persons	0	0	1	2	0
Number of employees taking long-term nursing care leave	NGK	Total	Persons	1	2	1	2	0
		Male	Persons	0	1	0	1	0
		Female	Persons	1	1	1	1	0
Number of employees taking nursing care leave	NGK	Total	Persons	34	17	5	6	3
		Male	Persons	23	13	4	3	2
		Female	Persons	11	4	1	3	1

Health Management

Item	Scope	Category	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees having consultations about long work hours	NGK		Persons	37	27	37	20	35
Rate of employees taking stress checks	NGK		%	95.3	95.4	96.4	95.9	97.1
Rate of high-stress employees	NGK		%	9.0	9.5	7.9	6.8	6.7
Position-Based Mental Healthcare Education	NGK	Total	Persons	517	565	583	603	575
		New hires	Persons	105	139	168	175	119
		General employees	Persons	307	311	287	295	337
		Key personnel	Persons	105	115	128	133	119
Regular health exams	NGK	Number of Employees Who Received Health Checkups	Persons	4,728	4,910	5,023	5,115	5,228
		Health Checkup Participation Rate	%	100	100	100	100	100
Rate of taking specific health checkups	NGK employees and families		%	88.7	89.7	89.3	90.7	90.5
Rate of recipients of specific health guidance	NGK employees and families		%	13.3	14.0	14.5	13.2	(*)
Rate of completion of specific health guidance	NGK employees and families		%	59.1	57.5	87.5	87.7	(*)
Smoking rate	NGK		%	21.9	21.9	22.1	21.2	20.4

* FY2025 results are scheduled to be published in January 2027

Occupational Safety and Health

Item	Scope	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of work-related fatalities (employees)	Total	Persons	0	0	0	0	0
	NGK	Persons	0	0	0	0	0
	Manufacturing Group companies in Japan	Persons	0	0	0	0	0
	Manufacturing Group companies outside Japan	Persons	0	0	0	0	0
Number of work-related fatalities (contractors)	Total	Persons	0	0	0	0	0
	NGK	Persons	0	0	0	0	0
	Manufacturing Group companies in Japan	Persons	0	0	0	0	0
	Manufacturing Group companies outside Japan	Persons	0	0	0	0	0
Number of work-related accidents (lost-time)	NGK	Cases	2	3	3	2	2
	Manufacturing Group companies in Japan	Cases	3	9	3	4	6
	Manufacturing Group companies outside Japan	Cases	24	21	16	24	20
Number of work-related accidents (non-lost-time)	NGK	Cases	1	1	4	4	5
	Manufacturing Group companies in Japan	Cases	2	2	7	6	3
	Manufacturing Group companies outside Japan	Cases	6	3	6	10	15
Lost time injury frequency rate (cases per million hours worked)	NGK Group total	Persons/hours x 1,000,000	0.67	0.79	0.55	0.73	0.71
	NGK	Persons/hours x 1,000,000	0.19	0.28	0.28	0.18	0.18
	Manufacturing Group companies in Japan	Persons/hours x 1,000,000	0.43	1.27	0.42	0.50	0.71
	Manufacturing Group companies outside Japan	Persons/hours x 1,000,000	0.93	0.86	0.72	1.09	0.99
Number of Lost-Worktime Work-Related Accidents (Contractors)	NGK Group total	Cases	2	2	4	7	2
	NGK	Cases	0	0	0	3	0
	Manufacturing Group companies in Japan	Cases	0	0	0	1	0
	Manufacturing Group companies outside Japan	Cases	1	2	3	3	2
Severity rate (number of lost workdays per 1,000 hours worked)	NGK Group total	Days/hours x 1,000	0.111	0.025	0.010	0.015	0.014
	NGK	Days/hours x 1,000	0.387	0.019	0.012	0.002	0.001
	Manufacturing Group companies in Japan	Days/hours x 1,000	0.003	0.026	0.001	0.004	0.006
	Manufacturing Group companies outside Japan	Days/hours x 1,000	0.029	0.028	0.013	0.026	0.025
Occupational illness frequency rate (cases/million work hours)	NGK	%	0.00	0.00	0.00	0.00	0.00
Acquisition of occupational safety and health management system certification*	NGK*2 ISO 45001 and JIS Q 45100	%	100	100	100	100	100
	11 manufacturing Group companies in Japan ISO 45001 and JIS Q 45100	%	100	100	100	100	100
	14 manufacturing Group companies outside Japan ISO45001	%	100	100	100	100	100

*1 Statistics on work-related accidents from Japan's Ministry of Health, Labour and Welfare
*2 Nagoya Site, Chita Site, Komaki Site, Ishikawa Plant, Mitake Plant

Quality Management System

Item	Scope	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Acquisition of ISO 9001 or IATF 16949 certification/percentage	NGK Group	%	100	100	100	100	100

NGK and the all Business Group production sites, supporting functions, and locations at Group companies in and outside Japan have acquired ISO 9001 or IATF 16949 certificatio

Social Contribution Activities

Item	Scope	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Social contribution expenditures	NGK Group	100 million yen	5.33	7.54	6.41	6.78	6.72
Number of social contribution programs	NGK Group	Cases	16	10	10	10	10
Number of collaborations with NPOs/NGOs	NGK Group	Cases	3	2	2	8	8

Sustainability in the NGK Group

Governance

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Corporate Governance System

Approach

NGK Group's basic policy on corporate governance is to ensure legality in business activities and transparency in management. The NGK Group has established a structure that can respond swiftly to changes in the business environment and built and maintains shareholder-focused system to ensure fair management.
To put this policy into practice, NGK has chosen the governance structure of a company with an Audit & Supervisory Board. We have established a corporate governance system that increases the effectiveness of corporate governance through debate and deliberation on important matters. This was accomplished by establishing the Executive Committee, Sustainability Management Committee, Risk Management Committee and various other committees to support the president in making decisions, in addition to the General Meeting of Shareholders, Board of Directors, and Audit & Supervisory Board.
NGK recognizes the need for swift, optimal decision-making and execution to respond to changes in the business environment. We have therefore introduced an executive officer system to segregate the management decision-making and supervisory function from the business execution function to clearly define the roles of and strengthen each function.
To strengthen the supervisory and oversight function of the Board of Directors, we have mandated reporting to Board of Directors from the key committees among committees that handle various risks surrounding NGK. To ensure that the objectives of the Corporate Governance Code are thoroughly implemented, we established the Nomination and Compensation Advisory Committee, Corporate Council, Conference of Outside Directors and Outside Audit & Supervisory Board Members, the Business Ethics Committee, and other committees.
In addition, we have established the NGK Group Corporate Business Principles and Code of Conduct to stipulate how everyone working for the NGK Group should execute their jobs so that they abide by society's laws and NGK Group's Articles of Incorporation and comply with corporate ethics. All executives and employees are well versed in the code and are obligated to abide by it.

› Corporate Governance Report [PDF:941KB]

Internal Control Systems

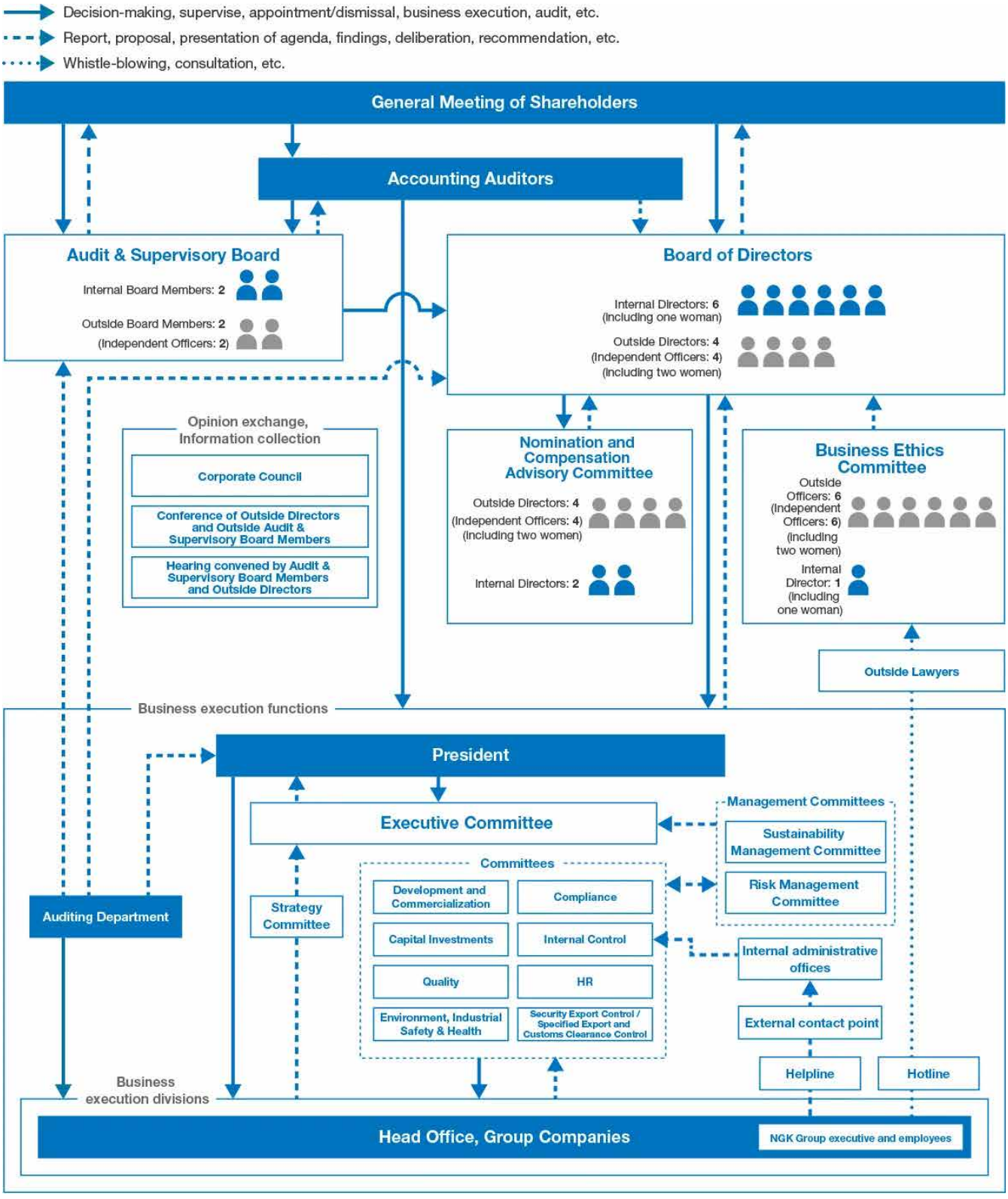
The NGK Board of Directors has established the following systems to ensure that directors comply with laws and regulations and NGK's Articles of Incorporation in the execution of their duties. This includes the systems deemed necessary to ensure the appropriateness of NGK's business operations as well as the operations of the NGK Group consisting of NGK and its subsidiaries. The business execution organizational bodies that report to the president are responsible for operating these systems.

› Basic Views on Internal Controls System and Status of Development [PDF:144KB]

Corporate Governance System

The NGK Group has established and maintains a fair, shareholder-oriented management system to ensure the legality of its business activities and the transparency of management, and to respond swiftly to changes in the business environment.
To this end, NGK has established the Board of Directors, the Board of Corporate Auditors, the Management Meeting, the Sustainability Management Committee, and the Risk Management Committee, among others, to deliberate on and oversee important matters.

Corporate Governance Organizational Chart



Steps Taken to Strengthen Corporate Governance

The NGK Group is strengthening its Corporate Governance system through initiatives such as the introduction of an executive officer system, the reinforcement of oversight and monitoring functions, and the development of an outside director system. Through these efforts, the NGK Group is enhancing transparency and the quality of decision-making. The NGK Group will continue to pursue ongoing enhancements to improve the effectiveness of its corporate governance.

April 1999	Established the NGK Group Corporate Business Principles
June 2005	Introduced an executive officer system Introduced a stock option Introduced an outside officer system
June 2010	Appointed independent officers
June 2015	Established the Global Compliance Dept.
December 2015	Established the Nomination and Compensation Advisory Committee, Corporate Council, Conference of Outside Directors and Outside Audit & Supervisory Board Members, and Business Ethics Committee
October 2018	Appointed a Chief Compliance Officer
April 2019	Established the ESG Committee
April 2020	Established the Compliance Committee Established the HR Committee
April 2021	Formulated the NGK Group Vision Formulated the NGK Group Human Rights Policy Established the NGK Group Basic Guidelines for Compliance Activities
June 2021	Outside directors increased to 1/3rd of Board of Directors An outside director made the chair of the Nomination and Compensation Advisory Committee
April 2022	Established the ESG Management Committee
June 2022	Introduced a Restricted Share Compensation Plan
April 2023	Established the Risk Management Committee Formulated the NGK Group Basic Sustainability Policy
July 2023	Revised the NGK Group Corporate Business Principles Established the NGK Group Code of Conduct
June 2024	Increased ratio of female directors to 30%
April 2025	The ESG Management Committee was renamed the Sustainability Management Committee

State of Each Organization

Board of Directors

Composition of the Board of Directors (As of the end of June 2026)

Directors and Corporate Officers

Directors' Shareholdings and Meeting Attendance (as of the end of June 2026)

Name	Age	Stocks held etc.		Meeting attendance record		
		Number of shares of the Company held	Number of stock acquisition rights owned (Equivalent number of shares)	Board of Directors	Nomination and Compensation Advisory Committee	Business Ethics Committee
Taku Oshima	69	50,000	66,000	◎ 100% (15/15)	100% (5/5)	
Shigeru Kobayashi	65	50,126	21,000	100% (15/15)	100% (5/5)	
Jun Mori	62	22,590	8,000	100% (11/11)*		
Hideaki Shindo	61	26,000	10,000	100% (15/15)		
Mayumi Inagaki	62	18,741	5,000	100% (15/15)*		100% (5/5)*
Takao Ohnishi	59	17,000	3,000	-	-	-
Emiko Hamada	67	5,000	-	100% (15/15)	◎* 100% (5/5)	◎* 100% (5/5)
Hiroshi Sakuma	70	-	-	100% (15/15)	100% (5/5)	100% (5/5)
Noriko Kawakami	67	3,000	-	100% (15/15)	100% (5/5)	100% (5/5)
Kengo Miyamoto	58	3,000	-	100% (15/15)	100% (5/5)	100% (5/5)

Notes:
1. ◎ indicates chair or committee chair
2. Meeting attendance shown is for FY2025

* Applies to meetings of the Board of Directors and Business Ethics Committee held after they assumed office on June 26, 2025

Ratio of Independent Outside Directors

Target ratio of Independent Outside Directors	Result	Name
One-third of the Board of Directors	1/3 or more	Emiko Hamada, Hiroshi Sakuma, Noriko Kawakami, Kengo Miyamoto

Ratio of Female Directors

Target ratio of female Directors	Result	Name
30% of Directors	30%	Mayumi Inagaki, Emiko Hamada, Noriko Kawakami

Director/Audit and Supervisory Board Member Skill Matrix and Reasons for Item Selection

Name Position	Attributes			Field of experience							Specialized knowledge			Main reasons for marking "○" (experience, qualifications, etc.)
	Period in office	Gender	Independent officer	Corporate management	Sustainability	Overseas business/ international experience	Marketing	Manufacturing technology/ R&D	Carbon neutrality	Digital	Finance	Legal compliance/ Risk Management	HR/Labor	
Taku Oshima Representative Director and Chairman	12 years	Male		○	○	○		○	○				○	•Representative Director and President of NGK •NGK Manufacturing Engineering department (including experience as an overseas representative), other business divisions (including knowledge concerning carbon neutrality) •Chairman of a local employers' association, Outside Director at major financial and infrastructure business
Shigeru Kobayashi Representative Director and President	6 years	Male		○	○	○	○		○			○		•NGK Business divisions (including experience in management of overseas subsidiary and knowledge concerning carbon neutrality) •NGK Sustainability Management Committee Chair •NGK Risk Management Committee Chair
Jun Mori Director and Managing Executive Officer	1 year	Male			○	○	○	○	○			○		•NGK Business divisions (including planning, technology development, experience in management of overseas subsidiary and knowledge concerning carbon neutrality) •NGK Cyber Security Countermeasures Headquarters Chief
Hideaki Shindo Director and Managing Executive Officer	5 years	Male			○	○	○				○	○		•Officer in-charge of NGK Finance and Accounting department and Sustainability Management department •NGK Business divisions (including experience in management of overseas subsidiary) •General Manager of Corporate Planning Office at NGK, NGK Risk Management Vice Committee Chair
Mayumi Inagaki Director and Senior Executive Officer	2 years	Female			○							○	○	•Officer in-charge of NGK HR, General Affairs, Auditing, Group Compliance, and Legal departments
Takao Ohnishi Director and Senior Executive Officer	–	Male			○			○		○				•Executive Officer in charge of the NGK Research and Development Division •NGK business divisions, including digital-related expertise
Emiko Hamada Outside Director	9 years	Female	○	○	○	○		○	○	○				•R&D department and business divisions (including experience in international standardization and knowledge concerning carbon neutrality and digital technology) at major electronic component company, Outside Director at the same company •Professor at national university graduate school (engineering), research project manager at national research and development agency •Ph.D. (engineering), MBA
Hiroshi Sakuma Outside Director	2 years	Male	○	○	○	○	○		○		○		○	•CEO of business group for major trading company (including experience in M&A, and expertise in management accounting analysis) •Manager of global company (including expertise related to carbon neutrality)
Noriko Kawakami Outside Director	2 years	Female	○		○	○		○	○	○				•Product Development department at major industrial plant business (including expertise in carbon neutrality and digital technology) •Ph.D. (Engineering), Bachelor of Engineering (electrical and Electronics), and fellow of the American Institute of Electrical and Electronics Engineers (IEEE)
Kengo Miyamoto Outside Director	2 years	Male	○		○	○						○	○	•Lawyer (Japan, New York, U.S.A., and New South Wales, Australia)
Naoya Yagi Audit & Supervisory Board Member	3 years	Male			○	○	○				○	○		•NGK General Manager of Auditing Department, Corporate Planning department, Finance & Accounting department (including experience as an overseas representative)
Koji Hasegawa Audit & Supervisory Board Member	1 year	Male			○	○	○				○			•NGK Finance & Accounting department (including experience stationed overseas) •NGK Business divisions (including experience in planning, and management of overseas subsidiary)
Masayoshi Sakaguchi Outside Audit & Supervisory Board Member	7 years	Male	○	○	○							○	○	•Chief executive of administrative organ (Commissioner-general of National Police Agency) •Chair of large-scale foundation
Go Watanabe Outside Audit & Supervisory Board Member	–	Male	○	○	○	○					○	○	○	•Senior executives of major financial institutions, insurance companies, and operating companies, including experience in overseas assignments and human resources functions •Outside Directors and Outside Audit & Supervisory Board Members (full-time) of listed companies •MBA

› Director/Audit and Supervisory Board Member Skill Matrix and Reasons for Item Selection [PDF:79KB]

Reasons for selection as field of experience/specialized knowledge

Corporate management	We believe that experience in and knowledge about corporate management in particular are essential to ensure legality in business activities and transparency in management, as well as promote healthy risk-taking and effectively supervise appropriate decisionmaking and business execution.
Sustainability	Our management is centered on ESG (Environmental, Social, Governance) to realize the NGK Group Vision. We believe that experience and knowledge in the sustainability field in particular are essential to correctly recognize the ESG factors and other sustainability issues of the NGK Group and to connect these to the enhancement of our medium- to long-term corporate value by appropriately supervising and addressing initiatives aimed at sustainability issues.
Overseas business/ International experience	We believe that experience in overseas business or other international experience in particular are essential to provide appropriate advice and effectively supervise business execution in the business of the NGK Group supplying materials such as ceramics and related products to a wide range of areas including overseas.
Marketing	Reinforcing societal implementation of our technologies and thereby commercializing products are indispensable for the realization of the NGK Group Vision. We believe that experience and knowledge gained through work including marketing in the sales or planning field in particular are essential to provide appropriate advice to the above activities and effectively supervise business execution.
Manufacturing technology R&D	Creating new businesses early and encouraging innovation in production processes are indispensable for the achievement of New Value 1000 (aiming to attain 100.0 billion yen of sales in newly launched businesses in 2030) laid out in the NGK Group Vision. We believe that experience and knowledge in the manufacturing technology or R&D field in particular are essential to provide appropriate advice to the above activities and effectively supervise business execution.
Carbon neutrality	We have formulated the NGK Group Environmental Vision, aiming to build a main business in the field related to carbon neutrality (CN) through the transformation of our business structure, which is set forth in the NGK Group Vision, and aiming to contribute to the realization of “CN,” a “recycling-oriented society,” and “harmony with nature,” which are required by society, through our business activities. We believe that experience and knowledge regarding carbon neutrality in particular are essential to provide appropriate advice to, manage, and effectively supervise business strategies for achieving these objectives.
Digital	We have formulated the NGK Group Digital Vision, aiming to build a main business in the field related to digital society (DS) through the transformation of our business structure, which is set forth in the NGK Group Vision, and aiming to become a company where the use of data and digital technology will be commonplace in 2030, by positioning digital transformation (DX) as the driving force for our business transformation and accelerating DX throughout the NGK Group. We believe that experience and knowledge regarding digital technology in particular are essential to provide appropriate advice to, manage, and effectively supervise business strategies for achieving these objectives.
Finance	The NGK Group will strive to enhance its corporate value by accelerating the transformation of its business portfolio through the proper allocation of management resources as well as promoting three initiatives: enhanced profitability of capital, secured growth, and the enhancement of non-financial value. We believe that specialized knowledge in finance in particular is essential to provide appropriate advice to, manage, and effectively supervise financial strategies for promoting and achieving these objectives.

Legal Compliance Risk management	The NGK Group has established the NGK Group Corporate Business Principles and Code of Conduct to stipulate how everyone working for the NGK Group should execute their jobs so that they abide by society's laws and the Company's Articles of Incorporation and comply with corporate ethics. It is the Board of Directors' responsibility to ensure appropriate management by monitoring the status of compliance with these laws and ethics. In addition, the NGK Group views uncertainties that could affect the realization of its Group Vision as risks and has established measures tailored to each type of risk in order to prevent such risks in advance and minimize losses. The Board of Directors oversees the identification, assessment, and management of key risks through the Risk Management Committee and regularly verifies that the Company's risk management framework is functioning effectively, with reference to international standards. Therefore, we believe that specialized knowledge in legal compliance and risk management in particular is essential.
HR/Labor	The NGK Group aims to add new value to society by developing an enriched and lively workplace environment where personnel with diverse experiences and values can play active roles, and each personnel autonomously embraces challenges and elevate each other. In addition, we have established the NGK Group Human Rights Policy to ensure that the human rights of all people affected by the NGK Group's business activities will not be violated, promoting initiatives for respect for human rights. We believe that specialized knowledge regarding human resources and labor in particular is essential to provide appropriate advice to, manage, and effectively supervise human resources strategies for promoting and achieving these objectives.

› Nomination and Compensation for Directors and Audit & Supervisory Board Members

Policy on Board Composition with Diversity and Expertise

The Articles of Incorporation set the maximum number of Directors at 15. In appointing Directors, NGK places importance on diversity regardless of gender, age, nationality, or race. We promote diversity in terms of gender and international perspectives by appointing female Directors and Directors with experience in managing overseas subsidiaries. In addition, more than one-third of the Board of Directors consists of independent Outside Directors, thereby ensuring the independence of governance.
When nominating Directors, NGK places emphasis on experience areas defined in the skills matrix—corporate management, sustainability, overseas business and international experience, sales and planning, manufacturing technology and research and development, carbon neutrality, and digital—as well as on professional expertise in finance, legal affairs, compliance and risk management, and human resources and labor management.
The Chair of the Board of Directors is a non-executive Director. Full-time Audit & Supervisory Board Members and Outside Audit & Supervisory Board Members attend meetings of the Board of Directors and, when deemed necessary, state their opinions.

Activities of Board of Directors (Number of members: 10; Convened 15 times in FY2025)

In FY2025, the Board of Directors met 15 times. In accordance with the Companies Act, the Articles of Incorporation, and the Board of Directors Regulations, the Board resolved matters stipulated therein, including the consolidated company-wide budget; strategic plans such as the dissolution, merger, and alliance of the Company; the appointment and dismissal of the Representative Director; approval of business reports and financial statements; the acquisition and disposition of significant assets; and the appointment and dismissal of key personnel.
The Board also supervises the execution of duties by Directors.

In FY2025, the Board of Directors discussed important agenda items in the following categories.

[Medium- to Long-Term Issues and Group Vision]

- Long-term Management Plan
- Initiatives for new business creation (Progress report on New Value 1000)
- Initiatives concerning business portfolio
- Determining key risks to follow-up on

[Financial Results, Budget, and Finances]

- Budget and financial results
- Sale of long-term shareholdings
- IR/SR activities report

[Sustainability]

- Progress report on fifth 5-Year Environmental Action Plan
- Information disclosure based on TNFD
- Reports on IR and SR Activities
- Revision of the NGK Group Social Contribution Activity Policy

[Committee Report]

- Report on principal committee activities

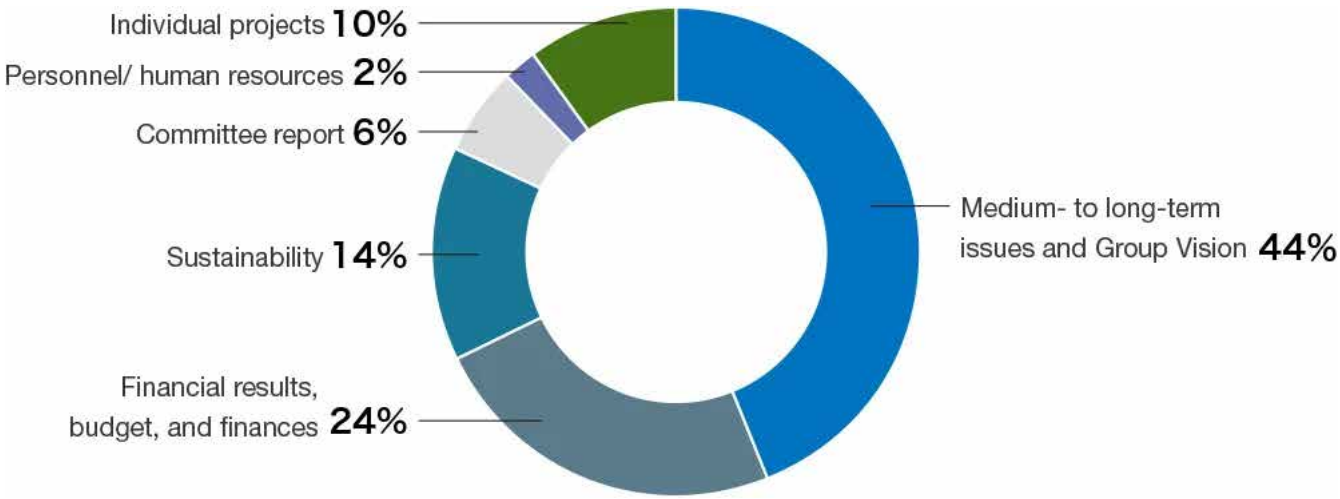
[Personnel/Human Resources]

- Organization and Personnel
- Committee for Deliberation on Respect for Human Rights
- Introduction of a Stock Incentive Plan for Key Personnel

[Individual Projects]

- Investment in production facilities, R&D, etc.

Time Allocated to Key Topics



Audit & Supervisory Board / Audits

Composition of the Audit & Supervisory Board (As of June 30, 2026)

Name	Age	Stocks held etc.		Meeting attendance record			
		Number of shares of the Company held	Number of stock acquisition rights owned (Equivalent number of shares)	Board of Directors	Audit & Supervisory Board meeting	Nomination and Compensation Advisory Committee	Business Ethics Committee
Naoya Yagi	61	4,306	-	100% (15/15)	◎ 100% (14/14)	-	-
Koji Hasegawa	62	1,040	-	100% (11/11)*	100% (10/10)*	-	-
Masayoshi Sakaguchi	68	-	-	100% (15/15)	100% (14/14)	◇ 100% (5/5)	100% (5/5)
Go Watanabe	67	-	-	-	-	-	-

Notes:
1. ◎ indicates the chair
2. ◇ indicates attendance as an observer
3. Meeting attendance shown is for FY2025

* This information covers meetings of the Board of Directors and the Audit & Supervisory Board held on or after the date of appointment, June 26, 2025

Audit Policy and Audit Plan

The Audit & Supervisory Board formulates its audit policy and audit plan at the beginning of each fiscal year and identifies key audit focus areas. In FY2026, audits will be conducted in accordance with the following policy.

[Audit Policy]

Taking into account the business environment and other factors, the Audit & Supervisory Board and the Audit & Supervisory Board Members focus on monitoring management risks to ensure that the Company's internal control systems function appropriately and that the soundness of the corporate group as a whole is maintained.
In addition to reviewing the crisis management framework for a wide range of risks, including natural disasters, they also confirm progress toward the NGK Group Vision and the extent to which it has been communicated and embedded both internally and externally.
Audits are conducted with a focus on risk management in day-to-day operations and the reasonableness of management decision-making. When necessary, individual matters are investigated, and efforts are made to enhance governance.

[Important Audit Items]

1. NGK Group Vision
    1. The status of ESG-related initiative penetration
    2. The progress of new business, business restructuring, etc.
    3. Business-specific risk awareness and reasonableness of the management decision-making process
2. Confirm framework for handling risk management and readiness to face future changes

Status of Audits by Audit & Supervisory Board Members (Number of members: 4; Convened 14 times in FY2025)

The Audit & Supervisory Board consists of four Audit & Supervisory Board Members and met 14 times in FY2025. Each Audit & Supervisory Board Member attends meetings of the Board of Directors and other important meetings, receives reports from Directors and employees, and, when necessary, requests explanations. Through these activities, they audit the decision-making processes of Directors and the execution of their duties.
In addition, they review the establishment and operation of the internal control systems and examine the appropriateness of the audit methods and results of the Independent Auditor.

In FY2025, the Audit & Supervisory Board mainly resolved and received reports on the following matters.

[Resolutions]

- Audit & Supervisory Board members' audit policy and audit plans, and audit reports of the Audit & Supervisory Board
- Consent to compensation for Audit & Supervisory Board members
- Confirmation of proposals and documents to be submitted to the General Meeting of Shareholders
- Consent to the comprehensive advance agreement for non-assured engagement that was provided by the auditing firm to which the accounting auditors belong, as well as its network firm

[Reports]

- Report on audit activities by full-time Audit & Supervisory Board members
- Audit plan by the Accounting Auditor
- Financial audit report by the Accounting Auditor
- Report on Financial Results by the Finance & Accounting Department
- Report on the results of internal audits by the Auditing Department
- Confirmation of the Convocation notice of the annual shareholder's meeting

Internal Audits

NGK has established the Operational Audit Department (18 members as of the end of March 2026). Based on audit plans approved by the Board of Directors, the department audits the operations of NGK and its domestic and overseas group companies and reports the results to the President, the Board of Directors, and the Audit & Supervisory Board.
Internal audits are conducted independently from audits by the Audit & Supervisory Board Members and the Independent Auditor. However, in order to enhance effectiveness and efficiency, audit policies, plans, and results are regularly shared with the Audit & Supervisory Board and the Independent Auditor, and individual reports are provided when necessary.
Audits in specialized fields such as quality, the environment, and occupational health and safety are conducted by the secretariats of the respective committees, and the results are reported to the Board of Directors through those committees.

Accounting Audits

Our accounting audits consist of financial statement audits and internal control audits conducted by an audit firm in accordance with the Financial Instruments and Exchange Act, as well as audits conducted in accordance with the Companies Act.
In selecting the audit firm, the Audit & Supervisory Board makes its determination based on criteria such as the establishment of systems required under the Company Accounting Regulations, the maintenance of independence, the proper conduct of audits, and the absence of grounds for dismissal. Based on the results of this assessment, NGK has appointed Deloitte Touche Tohmatsu LLC as its audit firm.
In addition, the Audit & Supervisory Board Members and the Audit & Supervisory Board assess not only the appropriateness of the selection criteria but also, through their routine audit activities, whether communication with management, the finance department, and the internal audit department, audits of the Group as a whole, and responses to fraud risks are being conducted appropriately. Based on this assessment, they have concluded that the audit firm is qualified to serve as NGK's audit firm.

Nomination and Compensation Advisory Committee

Nomination and Compensation Advisory Committee (Number of members: 6; Convened 5 times in FY2025)

The Nomination and Compensation Advisory Committee has been established as an advisory body to the Board of Directors to ensure fairness and transparency in decisions related to the appointment and compensation of officers.
Based on matters referred by the Board of Directors, the Committee deliberates on the appointment of Directors and Audit & Supervisory Board Members, compensation for Executive Officers, the upper limit of total compensation, and the succession plan for the Chief Executive Officer, and reports its recommendations to the Board of Directors.
The Committee consists of six members (four men and two women), with a majority being independent Outside Directors, and the Chair is also selected from among the independent Outside Directors. To ensure the appropriateness of deliberations, an Outside Audit & Supervisory Board Member attends meetings as an observer.

In FY2025, the Committee met five times and reported its key deliberations to the Board of Directors.

- Appointment of directors, representative directors, directors in key positions, and Audit & Supervisory Board members
- Compensation (cash and stock-related compensation) commensurate with the position of each individual director and executive officer
- Amount of performance-linked bonuses paid to each individual director this fiscal year
- Progress on development of successors to the Chief Executive Officer

Other Various Types of Meeting Bodies

Business Ethics Committee (Number of members: 7; Convened 5 times in FY2025)

The Management Ethics Committee consists of Outside Directors and an internal Director in charge of compliance, and met five times in FY2025.
The Committee investigates fraud and violations of laws and regulations involving Directors and other officers, and recommends measures to prevent recurrence to the Board of Directors.
In addition, the Committee reviews and proposes measures to the Board of Directors regarding the development of frameworks and activities to ensure compliance with laws and regulations related to competition law and the prevention of corrupt practices.
Furthermore, separate from the helpline system, the Company has established an internal reporting system (hotline) that directly reports to the Committee, thereby strengthening its compliance framework.

Corporate Council (Number of members: 12; Convened 2 times in FY2025)

The Management Council serves as a forum where Outside Officers and internal Directors exchange views on management issues and where Outside Officers provide advice to management.
In FY2025, the Council met twice and consisted of 12 members (nine men and three women).

Conference of Outside Directors and Outside Audit & Supervisory Board Members (Number of members: 6; Convened 2 times in FY2025)

The Conference of Outside Directors and Outside Audit & Supervisory Board Members consists solely of Outside Officers and serves as a forum for exchanging views on the Company's management issues, with the aim of contributing proactively to discussions at the Board of Directors.
In FY2025, the Conference met twice and comprised six members (four men and two women).

Hearing Convened by Audit & Supervisory Board Members and Outside Directors (Number of members: 8; Convened 13 times in FY2025)

This initiative is carried out by Audit & Supervisory Board Members and Outside Directors (eight members in total: six men and two women) with the aim of collecting information from internal stakeholders on the Company's business environment and challenges.
In FY2025, it was held 13 times.

Business Execution System

Executive Committee (Number of members: 16; Convened 23 times in FY2025)

The Executive Committee is the body that deliberates necessary matters to assist the president in making decisions. It consists of the president, executive vice presidents, group executives of each business group, the group executive of Corporate NV Creation, the group executive of Corporate R&D, the group executive of Corporate Manufacturing Engineering, directors in charge of each department, and full-time Audit & Supervisory Board members, as well as corporate officers, committee chairs, general managers and division heads designated by the president. Fifteen committee members are male and one is female.

Other Bodies

Strategy Committee	This committee conducts a broad range of discussions aimed at discovering problems and considering solutions concerning issues important to business management, strategy and policy planning, and reporting on the execution status and progress of various businesses and projects.
Sustainability Management Committee	This body assists the president, who is the Sustainability Management Committee chairperson, in decision-making about strategy, action plans, and important issues related to NGK Group sustainability (medium-to-long-term), as well as Environmental, Social, and Governance, and Sustainable Development Goals. It also performs deliberation for the presentation of agenda items deemed important to the Board of Directors or the Executive Committee.
Risk Management Committee	This is a body established to report important matters relating to risk management to the Board of Directors and Executive Committee, to assist the Board of Directors in supervising the Group's risk management, and to contribute to increasing the sophistication of risk management.
Development and Commercialization Committee	This body deliberates items necessary to assist the decision-making of the president and Development and Commercialization Committee chair regarding policies, evaluations, budgets, major individual planning, and commercialization projects related to development and commercialization.
Capital Investments Committee	This body deliberates items necessary to assist the decision-making of the president and Capital Investments Committee chair regarding the examination and evaluation of policies, budgets, performance, and major individual planning related to capital expenditure and information systems.
Quality Committee	Aiming to increase customer satisfaction and trust by realizing even higher-quality products and services, this body deliberates the matters necessary to help the president and the Quality Committee chair with decision-making regarding the following items. 1. Determination, revision, or abolition of Quality Policy and Objectives 2. Items pertaining to the prevention of serious quality defects in the market and technological responses after occurrence 3. Items pertaining to the quality assurance framework and avoidance of quality risks in the commercialization of developed products 4. Other quality-related matters determined to be important
Safety and Health Committee	This body performs overall management of the environment, safety and health for the NGK Group by regularly ascertaining overall conditions, and carrying out the necessary deliberations for making decisions on important policies, formulating action plans, and handling important matters.

Compliance Committee	This body assists the president and Compliance Committee chair with decision-making by deliberating essential matters pertaining to the following. 1. Observance of laws, regulations, and corporate ethics 1. Determination, revision, or abolition of basic policies related to the observance of laws, regulations, and corporate ethics（Deliberation items for Board of Directors meetings） 2. Determination of systems, structures, and strict observance of important activities pertaining to laws, regulations, and corporate ethics 3. Handling of Helpline matters 4. Determination, revision, or abolition of risk management structures pertaining to laws, regulations, and corporate ethics 2. Response to the matters, incidents, or accidents related to laws, regulations, or corporate ethics that are special crisis management matters 3. Other compliance-related issues deemed important by the committee chair
Internal Controls Committee	This body deliberates matters necessary to help the president and Internal Controls Committee chair with decision-making regarding internal controls system assessment and reporting related to financial reporting based on the Financial Instruments and Exchange Act. 1. Determines the scope of reporting for each fiscal year, assessment and reporting schedules, standards to assess internal controls, and other basic matters 2. Summarizes internal controls assessment and drafts internal controls report
HR Committee	This body assists the president with decision-making by examining issue presentation, research reporting, solution development, and other essential matters related to corporate obligations in respecting human rights (issue handling) and the important personnel policies within the NGK Group. 1. Matters related to the determination, revision, or abolition of basic policy on human rights 2. Matters related to raising human rights awareness among Group companies and implementing human rights due diligence 3. Matters related to important personnel policies whose impact may potentially extend to Group companies 4. Other human rights and personnel policy-related matters deemed serious by the committee chair
BCP Countermeasures Headquarters	Aimed at ensuring business continuity in critical situations such as disasters, terrorism, or systems failure, this body executes the operation and maintenance of business continuity plans (BCP) in normal times as well as gives instructions on and support to restoration systems, and prioritizes restoration orders when BCP is in effect.
Central Disaster Prevention and Control Headquarters	This body executes requisite duties under commands from the Head and deliberates items necessary to assist the decision-making of the president and Head of this body regarding items related to earthquakes, storm and flood damage, fires, and explosions that threaten or significantly impact the company.
Security Export Control / Specified Export and Customs Clearance Control Committee	This body deliberates and determines items necessary for guidance for subsidiaries and affiliates, legal compliance and the improvement of other internal systems with respect to security export controls, specified export declaration systems, and the management of customs clearance operations.

Effectiveness of Board of Directors

Evaluation on the Effectiveness of the Board of Directors

Analysis and Evaluation Results concerning the Effectiveness of Board of Directors

NGK's Board of Directors conducts a survey of directors and Audit & Supervisory Board members at the close of each fiscal year on the effectiveness of Board of Directors meetings. The Board entrusts analysis and evaluation of the responses to an external organization, which reports the results to the Board of Directors. NGK continually strives to improve effectiveness through such means as considering the importance and necessity of each issue identified and reinforcing efforts in Board of Directors meetings during the next fiscal year.

1. Policy on Initiatives and Main Initiatives for FY2025, Based on the Effectiveness Evaluation Covering FY2024

1. Board of Directors policy on initiatives

- To realize the NGK Group Vision, we regularly report the following items to the Board of Directors for discussion and monitoring.
  - Progress on overall Long-term Management Plan
  - Initiatives in business portfolio transformation
  - Progress of the New Value 1000 (aiming for sales of 100 billion yen from new commercialized products by 2030)
  - Status of company-wide risk management
  - IR and SR activities, various committee activities

  [Main initiatives]
  Multiple reporting opportunities were specified for each of the items listed above as year-long issues and were reported to and discussed and monitored by the Board of Directors on an ongoing basis. In particular, we discussed the Long-Term Management Plan intensively in expanded Strategy Committee meetings and Corporate Council meetings which outside officers also attended, and made an effort to share progress on and issues with the plan.

- Clearly identify issues to prioritize for discussion and engage in more in-depth discussion of business strategies (including strategies of subsidiaries) and link such discussions to appropriately addressing low-profit and unprofitable businesses and formulating specific measures.

  [Main Initiatives]
  Through a series of intensive discussions in Board of Directors meetings, we made progress on addressing low-profit and unprofitable businesses such as discontinuing manufacturing and sales activities in the Energy Storage Business and restructuring a subsidiary mainly involved in the Ceramic Package business, and built a framework for a healthier business portfolio by introducing a business restructuring and divestiture review process, among other efforts.

- Further enhance opportunities for dialogue between senior management and outside officers while engaging in more in-depth discussion of CEO Succession Planning and development of senior management and compensation of senior management.

  [Main Initiatives]
  One-on-one meetings were held between outside directors and senior management and efforts were made to provide more opportunities for dialog. The ideal form of compensation of directors was also discussed and a decision was made to revise officer compensation, mainly by setting the degree of progress on improving proprietary indicators (NGK Value-added) and on improving employee engagement as KPIs.

2. Policies for initiatives of the Nomination and Compensation Advisory Committee

- Share the status of deliberations in more detail from the committee to the Board of Directors and ensure the appropriateness of the committee deliberation process.

  [Main Initiatives]
  Committee meeting materials on the status of deliberations, details of discussions, etc. were shared with the Board of Directors on an ongoing basis. Two outside Audit & Supervisory Board members attended committee meetings as observers to help ensure the objectivity and appropriateness of the deliberation process.

- Further enhance information provided to the Nomination and Compensation Advisory Committee.

  [Main Initiatives]
  The committee secretariat provided more detailed information on the career history, skills possessed, and roles expected of candidates for new director positions and Audit & Supervisory Board members to the committee members. Outside officers also toured plants, sites, and other facilities four times to improve the quality of deliberations in committee meetings by gaining a deeper understanding of business management.

2-1. Methods of Effectiveness Evaluation for FY2025

1. A survey comprising a total of 37 questions was conducted of all directors (9 members) and all Audit & Supervisory Board Members (4 members) at the beginning of April 2026. The survey included five questions on policies for initiatives and two free-response questions. The analysis and evaluation of the responses were entrusted to an external organization. The survey questions are regularly revised in light of recent changes in the environment.
2. As part of the effectiveness evaluation of the Board of Directors, the Nomination and Compensation Advisory Committee also conducted a survey of its members (chairperson, members, and observers), and likewise entrusted the analysis and evaluation of the responses to an external organization.

2-2. Summary of Evaluation Results for FY2025

1. A summary of the evaluation results was reported to the Board of Directors at its meeting on June 8, 2026.
2. Based on the results of the survey, the external evaluation of the effectiveness of the Board of Directors (including the Nomination and Compensation Advisory Committee) was high overall, and stated that the Board of Directors is operating appropriately.

3. Overall comments from the external organizations are as follows.
   - The NGK Board of Directors has properly maintained the elements that form the foundation necessary to support Board of Directors functions, including the commitment of each member and a healthy Board culture with appropriate member composition. Based on the results of evaluations of the Effectiveness of the Board of Directors from the past several years, we can state that the Board of Directors has maintained this foundation as a consistent strength.
   - The self-evaluation indicated that the Nomination and Compensation Advisory Committee also engages in effective discussions and appropriately shares information with the Board of Directors.
   - In FY2025, we found the improvement in engaging in more concrete, practical discussions concerning the business strategy and business portfolio according to the policies for initiatives outlined in light of the results of the evaluation of the Effectiveness of the Board of Directors in the past fiscal year particularly noteworthy. We can see that the Board of Directors further strengthened the strategic supervisory function by making important decisions about concentrating on growth areas and restructuring and divesting from unprofitable businesses.
   - In the future, we look forward to effective operation and firm establishment of new policies and processes for business portfolio optimization that go beyond form and have real substance, and more robust monitoring, including monitoring of progress and results on important investment projects, M&A, etc. after the decision to invest has been made.
   - We believe it is important to continue to clearly differentiate and narrow down the items put on the agenda and ensure sufficient time for serious discussion in order to continue to engage in effective discussions appropriately in Board of Directors meetings.
   - The discussion of senior management performance evaluations, employment terms, etc. by the Board of Directors should be an ongoing process.

3. Policy for Initiatives in FY2026 to Further Improve Effectiveness

Based on the results of the evaluation in FY2025 and discussion with the Board of Directors, we have formulated the following policies for initiatives for FY 2026. We will strive to improve the effectiveness of the Board of Directors and the Nomination and Compensation Advisory Committee through continuous efforts.

1. Policies for initiatives of the Board of Directors
   - To realize the transformation we desire in 2035 under the Long-term Management Plan, the following items shall be regularly reported to and discussed and monitored by the Board of Directors.
     - Initiatives in business portfolio transformation
     - Progress on the New Value 1000 (aiming for sales of 100 billion yen from new commercialized products by 2030)
     - Status of company-wide risk management
     - IR and SR activities and various committee activities

- Clearly identify issues to prioritize for discussion and engage in more in-depth discussion of business strategies. Monitoring unprofitable businesses and appropriately manage the process for considering business restructuring and exit from unprofitable businesses.
- Enhance opportunities for dialog between senior management and outside officers while engaging in more in-depth discussion of successor plans and development and compensation, etc. of senior management.

2. Policies for initiatives of the Nomination and Compensation Advisory Committee
   - Further share the status of discussions from the committee to the Board of Directors and ensure the appropriateness of the committee deliberation process.
   - Further enhance information provided to the committee on compensation and nomination.

Training Policies for Officers

In light of the fact that Directors and Audit & Supervisory Board Members owe a duty of due care as mandatees of the Company, the Company provides training based on the following policy to ensure that they can fully fulfill their responsibilities as management professionals or supervisors of business execution.

Training policy

1. For internal Officers
   Training on the Companies Act, the Financial Instruments and Exchange Act, competition law, and matters related to corporate governance and compliance.

   FY2025 training results

   - Training on competition law and quality compliance (one session in total)
2. For Outside Officers
   Briefings by the relevant departments on agenda items submitted to the Board of Directors, regular provision of information on the business environment and challenges, and opportunities for the exchange of views.

   FY2025 training results

   - Site visits by Outside Directors and Outside Audit & Supervisory Board Members (four visits in total: Co-Creation Center, Nagoya, Yamaguchi, and Yamanashi)
   - Advance briefings and business briefings related to meetings of the Board of Directors, etc. (14 sessions in total)
   - Hearings with executive departments conducted by Audit & Supervisory Board Members and Outside Directors (13 sessions in total)

Nomination and Compensation for Directors and Audit & Supervisory Board Members

Matters Related to Nomination, Appointment and Dismissal

Policy on Nomination, Appointment, and Dismissal

The NGK Group's core business is manufacturing. It supplies ceramics and other materials, as well as related products, to a wide range of business fields and regions, including overseas markets.
The Representative Director, Directors with specific titles, Directors and Executive Officers who are responsible for business execution are expected to make management decisions based on diverse perspectives. These include individual expertise in the Group's various business fields, manufacturing technologies, and research and development, as well as knowledge of finance, legal affairs, and human resources and labor. Full-time Audit & Supervisory Board Members are also required to conduct audits based on their professional expertise, such as finance, and insights gained through experience in individual businesses.
Accordingly, when nominating candidates for Directors and full-time Audit & Supervisory Board Members, the Company places emphasis on the following experience areas and expertise defined in the skills matrix: corporate management, sustainability, overseas business and international experience, sales and planning, manufacturing technology and research and development, carbon neutrality, digital, finance, legal affairs, compliance and risk management, and human resources and labor.
Candidates for Outside Directors and Outside Audit & Supervisory Board Members are nominated from among individuals who possess a high level of expertise in areas such as legal affairs and corporate finance, as well as broad insight into international affairs, socio-economic trends, technological trends, and corporate management.
The total number of Directors is limited to 15, as stipulated in the Articles of Incorporation.
In selecting the Representative Directors and Directors with specific titles, we place emphasis on their ability to identify issues facing the Group and formulate appropriate measures, as well as their leadership to present the desired future state of the Group and mobilize the organization.
On the other hand, a Director may be dismissed if the Nomination and Compensation Advisory Committee determines that dismissal is appropriate due to serious violations of laws, the Articles of Incorporation, or other Group regulations, or due to circumstances that significantly hinder the execution of duties, and such dismissal is approved by a resolution of the Board of Directors.
This policy is deliberated by the Nomination and Compensation Advisory Committee, which is composed of a majority of Independent Outside Directors, and its resolutions are submitted to the Board of Directors.

› Director/Audit and Supervisory Board Member Skill Matrix and Reasons for Item Selection [PDF:163KB]

Procedures for Nomination, Appointment, and Dismissal

When nominating candidates for the positions of director and Audit & Supervisory Board member, all representative directors discuss each candidate and obtain consent from the Audit & Supervisory Board for Audit & Supervisory Board member candidates. In addition to this, NGK strives to ensure fairness, transparency, and timeliness in the process of nomination, appointment, and dismissal. This is accomplished through deliberation on the nomination of each candidate for director and Audit & Supervisory Board member, and appointment and dismissal of representative directors and directors with special titles by the Nomination and Compensation Advisory Committee, which has independent outside directors as a majority of its members. The committee then reports its detailed conclusions to the Board of Directors. After the Board of Directors has sufficiently considered the conclusions of the committee, the Board nominates candidates for the positions of director and Audit & Supervisory Board member, and approves this as an agenda item (resolution) for the General Meeting of Shareholders. After directors are elected by the General Meeting of Shareholders, the Board of Directors appoints representative directors and directors with special titles, based on the report by the Nomination and Compensation Advisory Committee.

Conclusion of Limited Liability Contract

To enable Outside Directors and Outside Audit & Supervisory Board Members to fully perform their roles, the Company has entered into liability limitation agreements with them in accordance with the Companies Act. Under these agreements, when they act in good faith and without gross negligence, their liability for damages is limited to the minimum liability amount prescribed by the Companies Act. This framework allows Outside Directors and Outside Audit & Supervisory Board Members to carry out their duties from a neutral and objective standpoint.

State of D&O Liability Insurance

Based on a resolution of the Board of Directors, the Company has entered into a D&O liability insurance agreement for its officers. The insured persons are all of the Company’s Directors, Audit & Supervisory Board Members, and Executive Officers.
This insurance covers compensation for damages and dispute expenses incurred when officers are subject to claims for damages arising in connection with the execution of their duties. However, losses resulting from the provision of illegal benefits, criminal acts, or acts committed with knowledge of their illegality are excluded from coverage, thereby ensuring the appropriateness of the execution of duties. Insurance premiums are paid in full by the Company.

Criteria for Determining Independence of Outside Officers

Outside Directors

In addition to the requirements for an outside director under the Companies Act and for an independent director specified by the Tokyo Stock Exchange, NGK may not designate a person who falls under any of the following items as an outside director with independence (hereinafter referred to as the “Independent Outside Director”). Even if a person falls under one or more of these items, NGK may make an exception and deem a person suitable for serving as an Independent Outside Director of NGK in light of his or her character, knowledge, and other attributes. However, the person must still meet the requirements of the Companies Act and Tokyo Stock Exchange and the Company must provide an external explanation of why such person is suitable to serve as an Independent Outside Director of NGK.
In these standards for determining independence, a business executive refers to an executive director, executive officer, corporate officer or other employee, and the NGK Group refers to NGK and its subsidiaries or affiliates.

1. A major shareholder who holds 10% or more of current voting rights in NGK, or who was a business executive of the corporation if the major shareholder is a corporation during the past three fiscal years, including the most recent fiscal year.
2. A current business executive of a business partner of the Company which has engaged in transactions with the NGK Group totaling 2% or more of consolidated net sales for either party in any of the last three fiscal years, including the most recent fiscal year.
3. A person who was a business executive in a corporation that is a financial institution or other major creditor which is absolutely essential in financing the NGK Group and for which no alternatives exist, during the past three fiscal years, including the most recent fiscal year.
4. A current director or officer of an organization that has received donations or grants totaling 10 million yen/year or 30% of total average annual expenses of the organization, whichever is greater, from the NGK Group in any of the past three fiscal years, including the most recent fiscal year.
5. A certified public accountant (CPA) or tax accountant, or a current employee of an accounting firm or tax accounting firm who served as an accounting auditor or accounting advisor of the NGK Group during the past three years, including the most recent fiscal year.
6. An attorney, certified public accountant, tax accountant, or other consultant who does not correspond to any of the individuals mentioned above in 5, who received 10 million yen/year or more in cash and other assets in addition to officer compensation from NGK Group during the past three years, including the most recent fiscal year, or who does not correspond to any of the individuals mentioned above in 5 and is a current employee, etc. of a law firm, accounting firm, tax accounting firm, consulting firm, or other organization that provides expert advice, and that organization has received payments from the NGK Group totaling 2% or more of total consolidated net sales in any of the past three fiscal years, including the most recent fiscal year.
7. A person who was a business executive in a company in which NGK is currently a major shareholder, during the past three fiscal years, including the most recent fiscal year.
8. A spouse or relative within the second degree of kinship of anyone to whom the preceding items 1 through 7 apply.

Outside Audit & Supervisory Board Members

In order to ensure that outside Audit & Supervisory Board members are impartial and that there is no conflict of interest with our general shareholders, NGK makes comprehensive decisions based on the Securities Listing Regulations of the Tokyo Stock Exchange.

Reasons for Individual Appointments

Outside Directors

Name	Reasons for appointment
Emiko Hamada	Ms. Emiko Hamada has made remarkable achievements such as leading the invention and the world's first commercialization of the CD-R (recordable CD) while working for Taiyo Yuden Co., Ltd. Since then, she has been engaged in research activities mainly through industry-academia-government collaborations as Professor at Nagoya Institute of Technology and Visiting Professor at Nagoya University. The Company expects her to oversee the management of the Company from an independent, objective standpoint based mainly on the perspective of research, development, and product commercialization, by utilizing the insights she has developed through her career. In addition, she has been appropriately fulfilling her duties as an Outside Director of the Company by giving her opinion in terms of ways to proceed with product development and new business and also on human resources measures, as well as offering suggestions to the Company's business operation and overseeing the management of the Company, therefore we renominated her as a candidate for Outside Director.
Hiroshi Sakuma	Mr. Hiroshi Sakuma has extensive knowledge of energy fields including carbon neutrality, as well as experience leading large organizations, through his work in important positions at Mitsubishi Corporation such as Division COO of New Energy & Power Generation Div. and subsequently Executive Vice President, Group CEO of Global Environmental & Infrastructure Business Group, as well as Member of the Management Board and Chief Cooperation & International Officer of N.V. Eneco*. The Company expects him to oversee the management of the Company as an Outside Director and a management specialist from an independent, objective standpoint, by utilizing those insights and experience. In addition, he has been appropriately fulfilling his duties as an Outside Director of the Company by giving his opinions on management decisions and overall business activities from an investor's perspective, as well as offering suggestions to the Company's business operation and overseeing the management of the Company, therefore we renominated him as a candidate for Outside Director. * A comprehensive energy company that engages in business in Europe and that was acquired by Mitsubishi Corporation and Chubu Electric Power Co., Inc. through Diamond Chubu Europe B.V., which was jointly established by them

Name	Reasons for appointment
Noriko Kawakami	Ms. Noriko Kawakami has long engaged in product development in the power electronics field at Tokyo Shibaura Electric Co., Ltd. (currently Toshiba Corporation) and Toshiba Mitsubishi-Electric Industrial Systems Corporation (currently TMEIC Corporation) and possesses extensive knowledge and ample work experience in product development and manufacturing, such as leading the development and commercialization of large-capacity power converters applied to power grids and infrastructure facilities that use renewable energy and so forth. She was awarded the title of fellow from the IEEE* for her contributions to the development and commercialization of this technology. The Company expects her to offer suggestions to the Company's business operation from a practical perspective and oversee the management of the Company from an independent, objective standpoint as an Outside Director, by utilizing those insights and experience. In addition, she has been appropriately fulfilling her duties as an Outside Director of the Company by giving her opinion in terms of ways to proceed with supply chain development and cost reduction methods and also on intellectual property strategies, as well as offering suggestions to the Company's business operation and overseeing the management of the Company, therefore we renominated her as a candidate for Outside Director. * The Institute of Electrical and Electronics Engineers, Inc. (IEEE) headquartered in the U.S., the IEEE is the world's leading association for electrical and electronic engineering technologies. It has over 500,000 members in more than 190 countries around the world
Kengo Miyamoto	Having long engaged in legal practice domestically and internationally as an attorney-at-law, Mr. Kengo Miyamoto possesses a wealth of work experience and specialized knowledge, including providing a wide range of advice to a number of Japanese and international companies in various fields such as manufacturing, service, transportation, and IT. The Company expects him to oversee the management of the Company as an Outside Director from an independent, objective standpoint based mainly on the perspective of compliance, by utilizing those insights and experience. In addition, he has been appropriately fulfilling his duties as an Outside Director of the Company by giving his opinion on matters such as legal strategies and improving the effectiveness of the internal reporting system, as well as offering suggestions to the Company's business operation and overseeing the management of the Company, therefore we renominated him as a candidate for Outside Director.

Outside Audit & Supervisory Board Members

Name	Reasons for appointment
Masayoshi Sakaguchi	Mr. Sakaguchi has a wealth of experience in the administrative sector and a proven track record in managing large organizations. He was chief of the Osaka Prefectural Police Headquarters, chief of the Commissioner-General's Secretariat (National Police Agency), and commissioner-general of the National Police Agency. We have determined he can contribute to improving NGK's corporate value such as by making use of this experience to express his opinions on the impact of the international situation on business activities, and strengthening our risk management structure as an NGK Outside Audit & Supervisory Board member from the viewpoint of the legality of business and risk management. We have therefore elected him to the position of outside Audit & Supervisory Board member. Mr. Sakaguchi has no personal, financial, or important business relationship with, nor other vested interest in, NGK. He has served as executive advisor to Nippon Life Insurance Company, which is both an NGK shareholder and a source of financing for NGK. However, at the end of FY2025, the Nippon Life Insurance Company's holdings did not exceed more than 1.03% of total NGK shares. Moreover, with regard to the financing received, NGK has business transactions with numerous financial institutions, and the nature of the financing secured from Nippon Life Insurance Company is not such that NGK is in any way beholden to it. Therefore, we deem the shareholding and financial borrowing relationship between NGK and Nippon Life Insurance Company to be one which would not impact NGK's management decision-making. Moreover, the total amount of NGK payments to Nippon Life of management fees for corporate pension plans is less than 0.1% of consolidated operating expenses and, thus, does not create a conflict of interest with our general shareholders. Concurrent with his work with NGK, Mr. Sakaguchi serves in a variety of roles, including as president of the Japan Automobile Federation. However, no personal, financial, or important business relationship, nor other vested interest, exits between NGK and the organizations with which he currently works.
Go Watanabe	Mr. Go Watanabe has held various positions, including managing executive officer at the Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.) and has held executive positions at financial companies and manufacturing companies, having been involved in corporate management for many years. In addition to the experience and expertise in finance and corporate governance he has cultivated throughout his career, including many years of overseas assignments, he currently serves as a full-time Audit & Supervisory Board Member at Mitsubishi Gas Chemical Company, Inc., and possesses extensive experience and expertise as an auditor of a publicly listed company. We have nominated him as a candidate for Outside Audit & Supervisory Board Member, believing that he can contribute to enhancing the Company's corporate value by auditing its overall management from these experiences. There are no personal relationships, capital relationships, significant business transactions, or other conflicts of interest between the Company and him. Although he is a former employee of MUFG Bank, Ltd., which is a shareholder of the Company as well as a financial institution providing financing to the Company, the Bank's shareholding ratio in the Company as of the end of FY2025 is limited to 2.46%. In addition, the Company conducts transactions with many financial institutions and does not depend on the Bank to an extent that would make it irreplaceable as a source of financing. Furthermore, it has already been ten years since he left MUFG Bank, Ltd. Accordingly, we have determined that his judgment is not influenced by the intentions of MUFG Bank, Ltd., and that there is no risk of a conflict of interest with general shareholders. Other than the above, there are no personal relationships, significant capital relationships, major business transactions, or other conflicts of interest between the Company and any other significant positions concurrently held by him.

NGK has submitted written notification to the Tokyo Stock Exchange and Nagoya Stock Exchange of the appointment as independent officers of the above six individuals.

CEO Succession Planning

The NGK Group has formulated a succession plan for the Chief Executive Officer that defines the required qualities of a CEO successor, development policies, and decision-making procedures. Based on this plan, the Representative Director and President reports annually on its progress to the Nomination and Compensation Advisory Committee, which reviews the appropriateness of the plan.

Matters Related to Compensation

Policy for Determining Compensation

Basic Concept

The compensation system for NGK directors and others has been established for the purpose of contributing to the Group's sustainable growth and the enhancement of its medium-to-long-term corporate value by practicing the NGK Group Philosophy and realizing the NGK Group Vision. We reassess whether the level and composition of compensation is appropriate in light of those objectives and revise it as appropriate. The Company also strives to ensure transparency and fairness in governance of compensation.

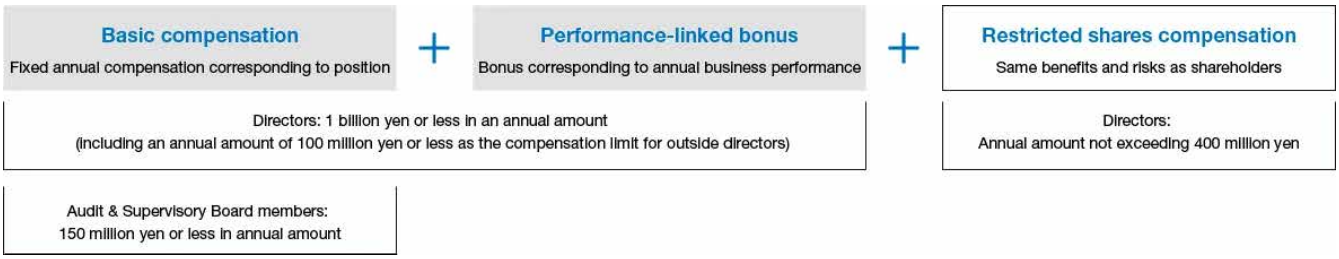
› Policies on Determining the Details of Compensation for Directors and Others [PDF:94KB]

General Meeting of Shareholders Resolutions on Compensation

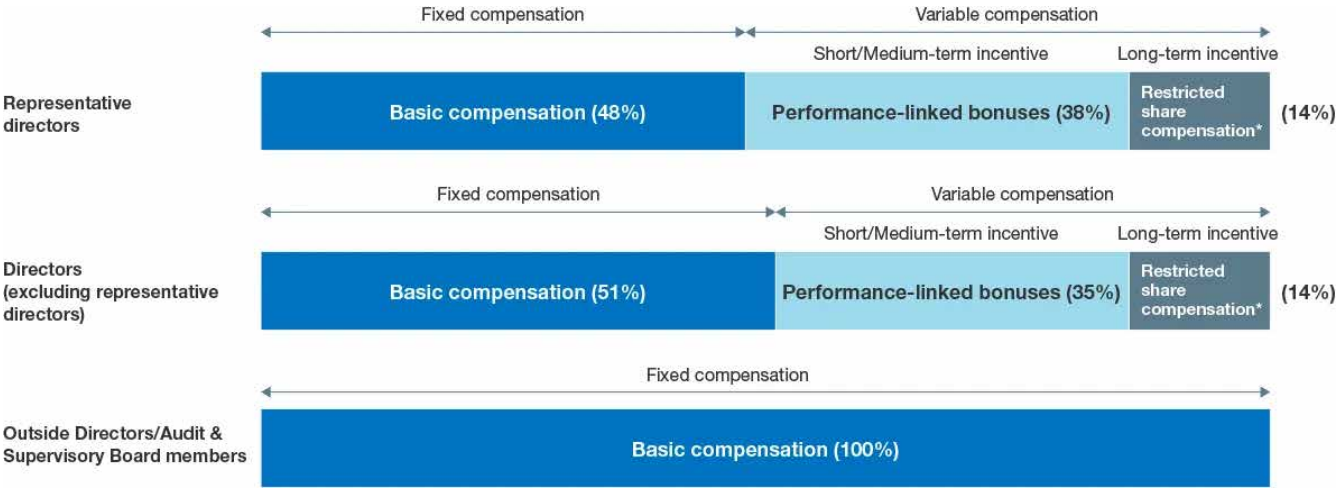
General Meeting of Shareholders' resolutions on officer compensation and the details of compensation

Persons eligible for payment	Date and details of the resolution	Number of persons eligible for payment at the time of resolution	Reference: Type of compensation
Directors	June 29, 2026 Amount of compensation etc.: One billion yen or less in an annual amount	10 (including 4 outside directors)	Basic compensation and performance-linked bonuses (excluding outside directors)
Directors (excluding outside directors)	June 29, 2026 Total amount of monetary claims to be paid as compensation for the grant of restricted shares: 400 million yen or less in annual amount	6	Restricted share compensation
Audit & Supervisory Board Members	June 26, 2023 Amount of compensation etc.: 150 million yen or less in annual amount	4	Basic compensation

Composition of compensation for Directors, Audit & Supervisory Board Members and Executive Officers



Composition Ratio of Compensation for Directors and Audit & Supervisory Board Members in FY2025



* Restricted share compensation is a mechanism which assumes that shares will be held long-term until the director steps down, and which is indirectly linked to company performance through stock price

Items Related to Performance-linked Compensation, etc.

Details of Performance Indicators and Reasons for their Selection Based on Calculation of Performance-linked Compensation Amount

NGK pays performance-linked bonuses as performance-based compensation to Directors (excluding Outside Directors) and Executive Officers. The indicators used to calculate these bonuses are as follows.
For short-term indicators, we place importance on the achievement of performance targets and year-on-year growth, while also taking capital efficiency into account. Accordingly, the following consolidated performance figures are adopted.

- Percent change in net sales, operating income, and net income for the current fiscal year compared to the previous fiscal year
- Targets and percent change for return on invested capital (ROIC)* set at the beginning of (or during) the period

* Using NGK ROIC (calculated based on operating income, accounts receivable, inventories, and fixed assets)

With a focus on medium-term growth, and from the perspective of achieving the NGK Group Vision and emphasizing ESG (Environmental, Social, and Governance), we revised our executive compensation system in fiscal 2026. The degree to which we attain our targets for the following material issues in each fiscal year serves as an indicator of our progress toward achieving the NGK Group Vision.

- Growth rate of operating income under the medium- to long-term performance targets in the Long-Term Management Plan
- Level of achievement in creating new products and new businesses
- Level of achievement in enhancing NGK's proprietary added value
- Level of achievement in improving employee engagement

In addition, in fiscal year 2025, we use the degree of achievement against annual targets for the following material issues as performance indicators.

- Change in operating profit, among the NGK Group Vision medium- to long-term performance targets
- Degree of achievement in creating new products and new businesses
- Degree of achievement of the annual target for CO_2 emissions reductions

Method for Calculating Performance-linked Compensation

We follow the method below to determine the amount of performance-linked bonus paid to each individual.

(a) Set a base bonus amount calculated for each position.

(b) Apportion the base bonus amount among each performance indicator. Allocate a higher percentage to items that take a medium-to- long-term perspective than to those that take a short-term perspective. Then include the representative director's evaluation of the individual performance of each other director and executive officer in the allocation items.

(c) Evaluate each allocation item over a scale of -100% to +100%, and calculate the appraised value for each item.

(d) Sum up these amounts to calculate the amount of performance-linked bonus.

As a result, the actual performance-linked bonus paid will vary from -100% to +100% of the base bonus amount.

Breakdown ratios by component of performance-linked bonuses, the performance evaluation index (excluding individual evaluations), and the actual results of the main indicators used in calculating performance-linked bonuses for FY2025

Item	Percent Allocated	Evaluation Coefficient Variance Ratio	Performance Appraisal Indicators (Calculated in practice by replacing each indicator with the variance ratio and evaluating it.)
Short-term Indicators	40%	-100% to +100%	Consolidated results (net sales / operating income / net income) - Actual values for previous period (FY2024): ¥619.5 billion / ¥81.2 billion / ¥54.9 billion - Actual values for current period (FY2025): ¥670.1 billion / ¥94.9 billion / ¥59.9 billion - Percent change: ＋8% / +17% / +9%*
		-100% to +100%	Return on invested capital - Target value at beginning of period (FY2025): 13.1% - Actual value for current period (FY2025): 13.9% - Percent change: +0.8%*
Medium- to long-term Indicators	60%	-100% to +100%	Medium- to long-term performance targets (operating income) - Target value for current period (FY2025): ¥80.0 billion - Actual value for current period (FY2025): ¥94.9 billion - Percent change: +19%
		-100% to +100%	Degree of achievement of key issues (main items are as follows): - Creation of new products and new businesses: Not achieved - Annual target for CO_2 emissions reduction: Achieved 500,000 tons - Other items (such as progress of internal projects)

Non-monetary Compensation etc.

Details of Non-monetary Compensation

NGK grants restricted share compensation to directors (excluding outside directors) and executive officers (excluding executive officers who are overseas residents on a non-temporary basis) in order to increase their sensitivity to stock price, to further share with shareholders the benefits and risks associated with stock price fluctuations, and to motivate them to improve corporate value over the medium to long-term. Since stock price fluctuations are directly related to its value, the amount of restricted shares is not fixed, but the number of shares granted is fixed in accordance with the position.
The following is an overview of the restricted share compensation we granted in FY2025.

Issuance Overview	
Class and number of shares to be issued	NGK common stock: 118,750 shares
Issue price	1,816.5 yen per share
Aggregate issue amount	215,709,375 yen
Persons eligible for the allotment of the shares and the number thereof, as well as the number of shares to be allotted	NGK directors (excluding outside directors): 6 people, 39,750 shares executive officers who do not concurrently serve as NGK directors: 24 people, 79,000 shares (excluding executive officers who are overseas residents on a non-temporary basis)

* Period of the transfer restriction stipulated in the restricted share allotment agreement (hereinafter “the Allotment Agreement”):
The allottees must not transfer, establish as security interests or otherwise dispose of NGK’s ordinary shares allotted to them according to the Allotment Agreement from the date on which they receive their allotment according to the Allotment Agreement to the point in time directly after retiring from the position determined in advance by NGK’s Board of Directors from among the positions of NGK’s officers and employees

* In fiscal 2025, NGK granted 45,000 shares of treasury stock as restricted stock compensation to directors (excluding outside directors). Following the passing of a director, NGK acquired 5,250 of these shares without consideration

Claw Back Clause

NGK has a provision to acquire all of the accumulated allotted stocks without compensation in the event that the allottee of the restricted shares violates laws and regulations during the period of the transfer restriction, or in the event that certain other conditions stipulated in the allotment agreement are met.

Stock Holding Guideline for Directors and Executive Officers

In order to foster a sense of shared value between directors and executive officers and shareholders, and to contribute to the sustainable growth of the NGK Group and the enhancement of its corporate value over the medium to long-term, NGK has established guidelines for holding its own stock, etc.*1 and in principle, within three years of assuming office, directors and executive officers shall endeavor to hold company stock, etc. equivalent to the following values.

Persons eligible	
Directors (Chairman and President)	200% or more of basic compensation (annual amount)
Directors*2 and Executive Officers*3	150% or more of basic compensation (annual amount)

*1 Includes stock compensation-type stock options that have not yet reached the exercise commencement date

*2 Excluding Chairman, President, and outside directors

*3 Excluding executive officers who are overseas residents on a non-temporary basis

Amount of Compensation for Directors and Audit & Supervisory Board Members

Total Compensation for Directors and Auditor & Supervisory Board Members (FY2025)

Director category	Total compensation (million yen)	Total compensation by type (million yen)			Applicable officers (people)
		Fixed Compensation	Performance-linked compensation	Restricted share compensation	
Directors (excluding Outside Directors)	566	279	208	78	8
Outside Directors	56	56	-	-	4
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	70	70	-	-	3
Outside Audit & Supervisory Board Member	28	28	-	-	2

Notes

1. The total amount of remuneration and other compensation, the breakdown by type of remuneration, and the number of Directors covered above (excluding Outside Directors) include two Directors who retired on June 26, 2025, and one Director who retired on September 2, 2025, as well as the amounts of remuneration and other compensation paid to each of them
2. The total amount of remuneration and other compensation, the breakdown by type of remuneration, and the number of Audit & Supervisory Board Members covered above include one Audit & Supervisory Board Member who retired on June 26, 2025, as well as the amount of remuneration and other compensation paid to that individual

Compensation of Directors Receiving Total Compensation of ¥100 Million or More (FY2025)

Name	Officers category	Company category	Total compensation by type (million yen)			Total compensation (million yen)
			Fixed compensation	Performance-linked compensation	Restricted share compensation	
Taku Oshima	Director	Submitting company	67	66	18	153
Shigeru Kobayashi	Director	Submitting company	67	66	18	153

Average Employee Compensation and President Compensation

In FY2025, the remuneration of the Representative Director and President of NGK amounted to 153,000,000 yen, while the average remuneration of employees was 9,200,112 yen, resulting in a remuneration ratio of 16.6 times.

Policy on Cross-Shareholdings

NGK holds listed shares that contribute to the long-term development of the NGK Group, primarily to maintain and strengthen business relationships. We also hold shares of Morimura Group companies because they form part of our corporate value through our shared philosophy and history, and because they help both parties enhance management quality.
These shares are part of our asset portfolio and serve as a supplementary source of liquidity for our business plans. While we place importance on asset efficiency, the scale of our holdings may change depending on business conditions, risks, financial market conditions, and business relationships.
The Board of Directors regularly reviews the appropriateness of selecting and continuing to hold individual stocks. In addition to the significance of business relationships, the Board assesses safety based on credit ratings and efficiency based on dividend yields, together with our capital policy. We do not evaluate shares on a standalone basis. Instead, we manage return on invested capital (NGK ROIC) for each business and evaluate cross-shareholdings as part of each business's balance sheet.
When exercising voting rights, we place importance on whether proposals could impair shareholder interests and whether the investee company manages its business with a focus on improving corporate value and shareholder interests.
In FY2025, we sold five designated investment stocks with a total value of ¥15,035 million.

Number of Stocks and Balance Sheet Amount (March 31, 2026)

	Number of stocks	Total balance sheet amount (million yen)
Unlisted shares	39	3,304
Shares other than unlisted shares	34	78,361

Stocks for Which Number of Shares Increased in FY2025

	Number of stocks	Total acquisition amount for increase in number of shares (million yen)
Unlisted shares	-	-
Shares other than unlisted shares	-	-

Stocks for Which Number of Shares Decreased in FY2025

	Number of stocks	Total sale amount related to the decrease in number of shares (million yen)
Unlisted shares	2	21
Shares other than unlisted shares	5	15,035

Compliance Promotion Structure

NGK Group Corporate Business Principles and Code of Conduct

The NGK Group has established the NGK Group Corporate Business Principles, which set out the fundamental principles of its business activities, and the NGK Group Code of Conduct, which defines the rules to be followed in conducting business.
Each member of the NGK Group acts with a high level of ethics in accordance with the principles and the code. By fulfilling social responsibilities across the entire supply chain, the Group strives to build trust with society and its stakeholders.
The principles and the code have been translated into 13 languages, including Japanese, English, and Chinese, and are distributed to all officers and employees at the beginning of each fiscal year. In addition, the NGK Group Code of Conduct Guidebook, which provides more detailed guidance on compliance requirements, together with annual compliance training, ensures continuous and thorough compliance across the NGK Group. Furthermore, NGK and its domestic group companies use pop-up notifications on employees' computers via the intranet to enhance awareness and understanding.
Compliance with laws and regulations, as well as with the principles and the code, is monitored through internal audits, an internal reporting system, and compliance awareness surveys. Their effectiveness is regularly reviewed through reporting and discussions at the Compliance Committee, leading to continuous improvement.

› NGK Group Corporate Business Principles and Code of Conduct

Scope of Application

The NGK Group Corporate Business Principles and Code of Conduct apply to all people working for the NGK Group and its suppliers.

Non-Compliance Incident Reports

In FY2025, no material compliance violations occurred in the NGK Group.

Other Examples of Legal Violations

› Governance Data Collection [PDF:44KB]

NGK Group Basic Guidelines for Compliance Activities

Compliance practices continue to evolve globally in response to changes in the social environment and laws and regulations. Accordingly, the NGK Group requires a framework that enables objective evaluation against international standards and ensures continuous improvement in its compliance activities.
In addition to legal compliance, it is important to unify approaches and values related to compliance initiatives in areas such as safety, the environment, and quality, and to enhance overall effectiveness.
Based on this concept, the NGK Group established the NGK Group Basic Guidelines for Compliance Activities in FY2021. This document sets out the fundamental principles regarding compliance practices within the NGK Group and has been communicated to all employees working for the NGK Group to ensure full awareness and adherence.
In accordance with these guidelines, relevant departments work collaboratively to promote effective compliance activities across a wide range of areas, including safety, the environment, quality, exports, human rights, and competition laws.

Compliance Promotion Structure

The NGK Group has established a Compliance Committee and has set up, under its supervision, a Compliance Activities Promotion Subcommittee composed of operational managers. The committee formulates compliance policies and deliberates on important matters.
The status of compliance activities is regularly reported to the Board of Directors, which is responsible for oversight.
Furthermore, to build an effective and robust compliance framework, the NGK Group appoints compliance officers and staff at its group companies in Japan and overseas. These personnel promote compliance initiatives while discussing their content and plans.
Looking ahead, the NGK Group aims to establish a framework in which each group company can independently plan, implement, evaluate, and improve its compliance initiatives.

Compliance Promotion Structure Chart



Assessment and Response to Corruption Risks

The NGK Group evaluates significant compliance risks, including corruption, with the involvement of senior management, such as the Risk Management Committee. The Group conducts risk management by continuously reviewing risks identified as important and classifying them into business environment, strategy, and internal factors.
Risk analysis is conducted through surveys, including the Compliance Awareness Survey, as well as special risk assessments within internal control processes. Based on this analysis, the Compliance Committee and other relevant committees, along with responsible departments, take the lead in addressing risks for each business, focusing on risk avoidance and prevention.

Mission of the Group Compliance Department

The Group Compliance Dept. ensures that compliance is given top priority in all aspects of business activities. In collaboration with group companies in Japan and overseas, it promotes highly effective compliance activities based on international standards.

- Establish a corporate culture that places the highest priority on compliance across the entire NGK Group
- Promote compliance activities in line with international standards and ensure thorough implementation by establishing mechanisms for continuous improvement
- For group companies outside Japan, identify local laws, regulations, and social requirements, and promote globally aligned compliance

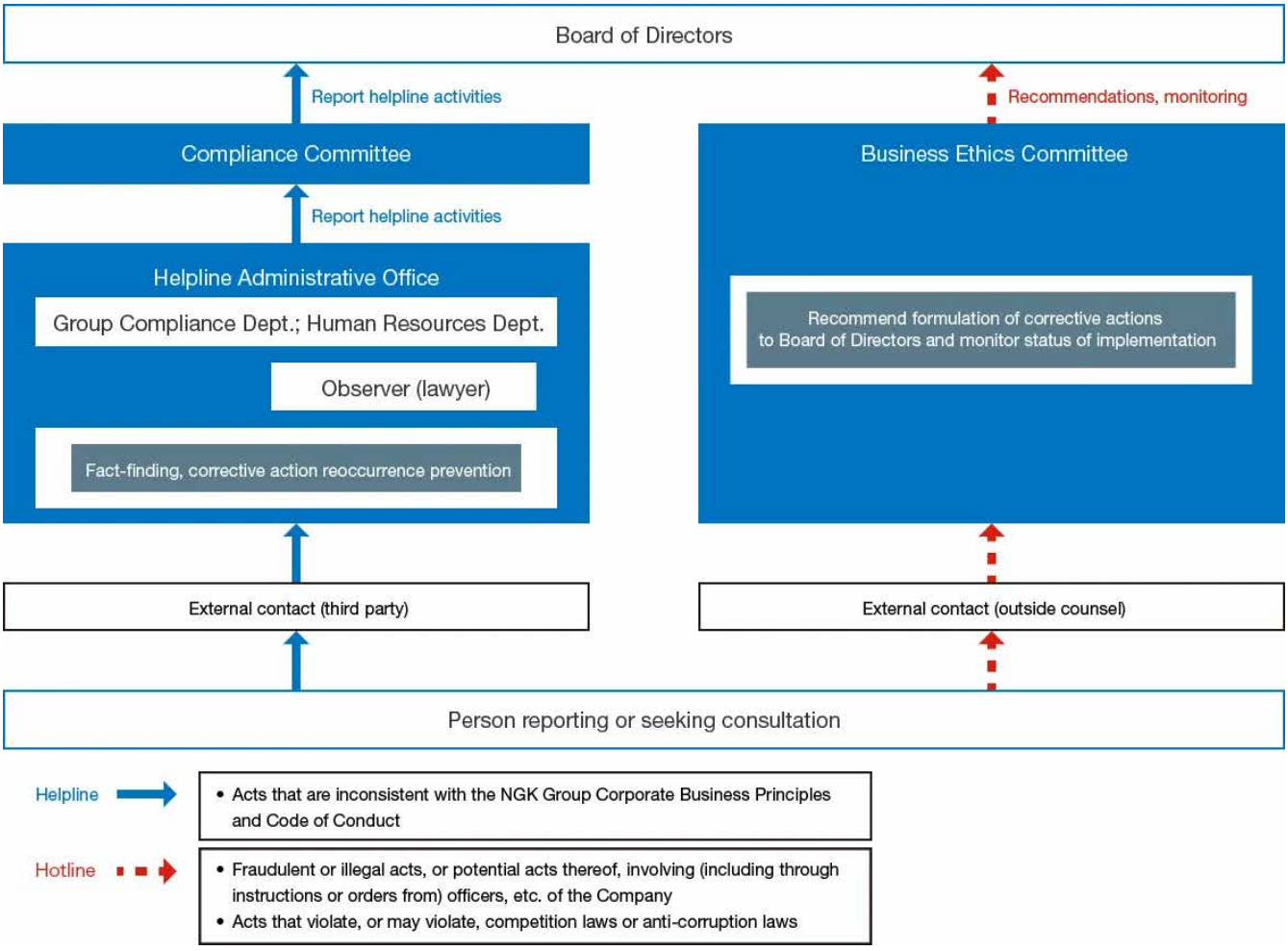
Key initiatives for FY 2025 to achieve the mission

- During Compliance Strengthening Month in October, NGK disseminated a video message from the President to the entire NGK Group, emphasizing that compliance is our top priority, with subtitles provided in multiple languages
- Dissemination of the NGK Group Basic Guidelines for Compliance Activities and introduction of examples of their practical application in operations
- Response to global regulations, including competition laws and anti-bribery laws
- Implementation of anti-bribery training targeting deemed public officials with frequent points of contact
- Extension of hotline operating hours and improvement of accessibility for whistleblowers

Whistleblowing System

The NGK Group has established a whistleblowing system to enable early detection of compliance violations and to ensure organizational self-correction. The helpline and hotline comply with applicable laws and regulations, including the Whistleblower Protection Act, and are available to all individuals working in the NGK Group, including directors, employees, contract employees, temporary staff, secondees under outsourcing contracts, and individuals within one year after leaving the Company. Consultations and reports are, in principle, handled by an external third-party provider via telephone or the internet, and anonymous reporting is permitted. Internal rules ensure the protection of whistleblowers and prohibit retaliation. Only designated personnel in accordance with the Whistleblower Protection Act handle reports, and personnel in the NGK Group receive annual training on report intake, fact-finding, corrective actions, and responses to cases including harassment; in FY2025, this included customer harassment and misconduct cases. After receiving a report, the NGK Group conducts fair and sincere investigations from fact-finding through corrective actions, with advice from independent external attorneys. Where violations of laws or misconduct are confirmed, disciplinary actions are taken in accordance with employment regulations. In addition, the NGK Group has established channels, including a supplier helpline and its website, to receive feedback from all stakeholders involved in its business activities, such as suppliers, customers, and local communities.

Organization of Whistleblowing System



Helpline

The NGK Group has established a helpline consultation and reporting system to deter, prevent, and ensure the early resolution of conduct that violates the intent of the NGK Group Corporate Business Principles and the NGK Group Code of Conduct.
In addition, each overseas Group company has set up similar consultation and reporting channels.

Number of Helpline Reports

In FY2025, there were 41 consultations and reports. Each case was handled carefully through the processes of receipt, investigation, judgment, and corrective measures in consultation with third-party outside lawyers. As a result, there were no reports with a significant impact on management, but five compliance violations were confirmed, and corrective measures were promptly taken. We also regularly evaluate and verify the effectiveness of the NGK Group Corporate Business Principles, the NGK Group Code of Conduct, and its compliance measures based on the content of consultations and reports, and use the results to drive improvements.

› Governance Data Collection [PDF:44KB]

Hotline

NGK has established a hotline consultation and reporting channel to receive reports concerning fraud or legal violations involving senior management, as well as violations of competition laws and corruption-related misconduct, including bribery and other forms of corruption. The channel is managed by outside lawyers, while the Business Ethics Committee, composed mainly of outside directors, reviews each case, reports it to the Board of Directors, and recommends corrective actions. Similar hotline consultation and reporting channels have also been established at all Group companies outside Japan. Their proper operation is ensured under the support and supervision of the Group Compliance Dept., and they are operated with multilingual support suited to each company's country of operation.

Awareness of the Whistleblowing System

To raise awareness of the whistleblowing system, we distribute and post posters with contact details for the helpline and hotline at workplaces across NGK and Group companies in Japan. We also post information on these reporting and consultation channels on a portal site accessible to NGK Group employees. In addition, we promote awareness of the helpline and hotline in conjunction with harassment training.

Compliance Education

Compliance Education for Employees

At the NGK Group, the Group Compliance Dept. and the Legal Dept. lead compliance education and awareness programs for officers and employees. In addition to career training and training for employees scheduled for postings abroad, the NGK Group holds Laws and Compliance Seminars to explain laws and regulations and present case studies to deepen understanding. Career training also covers quality compliance and contract observance.

Compliance Education Conducted in FY2025 (Overall)

Name	Target	Content	Instruction format	Number of sessions
Career education	New hires	NGK Group Corporate Business Principles and Code of Conduct, Compliance, competition laws, anti-bribery regulations, Quality Compliance and Safety and Health	Seminar by in-house instructor	1
	Newly-promoted or career-change employees	NGK Group Corporate Business Principles and Code of Conduct, Compliance, Quality Compliance and Safety and Health	Video presentation	3
	Mid-career hires	NGK Group Corporate Business Principles and Code of Conduct, Compliance, competition laws, anti-bribery regulations, Quality Compliance and Safety and Health	Video presentation	1
	Newly appointed group S employees	NGK Group Corporate Business Principles and Code of Conduct, Compliance, competition laws, anti-bribery regulations, quality compliance, contract observance, security export control, Safety and Health	Video presentation	1
	Newly appointed managers	NGK Group Corporate Business Principles and Code of Conduct, Compliance, competition laws, anti-bribery regulations, quality compliance, contract observance, security export control, Safety and Health	Video presentation	1
Training for employees scheduled for postings abroad (global training)	Employees scheduled for postings abroad	Competition laws, anti-bribery regulations, security export control	Video presentation	1
Compliance education	Managers and sales staff of group companies outside Japan	Compliance, competition laws, anti-bribery regulations, Quality Compliance	Lawyer-led training, in-house instructor-led training, and e-learning	18 (23 sites)
	Managers and general employees at group companies in Japan	Compliance, anti-harassment prevention, and the whistleblowing system	Lawyer-led training	5
	Executives and employees of NGK and group companies in Japan	Compliance, harassment prevention, whistleblowing system	E-learning	6

Name	Target	Content	Instruction format	Number of sessions
Compliance education	Sales and new business personnel at NGK and its domestic and overseas Group companies	Anti-bribery regulations	Lawyer-led training	4
	Executive officers	Competition laws	Lawyer-led training	1
	Newly appointed executive officers	Companies Act	Lawyer-led training	1
	Managers and sales staff of NGK and group companies in Japan	Competition laws	Lawyer-led training・Video presentation	1
	Newly appointed managers	Oral training on competition law	Seminar by in-house instructor	1
	Requesting department for on-site training	Competition laws	Seminar by in-house instructor	2
Laws and Compliance Seminars	Managers and other targets depending on content	May Current status of electronic contracts and the introduction of an electronic contract service	Seminar by in-house instructor・Video presentation	1
		July Overview of personal data protection laws in Japan and overseas and key points for practical compliance	Seminar by outside attorney・Video presentation	1
		September Measures to prevent power harassment based on an understanding of how it arises	Seminar by outside instructor ・ Video presentation	1
		November The latest anti-corruption practices in business — How should you act in that situation?	Seminar by outside attorney・Video presentation	1
		January Key points of the amended Subcontract Act (the Fair Transactions Act)	Seminar by in-house instructor・Video presentation	1
		March Latest developments in insider trading regulations	Seminar by in-house instructor・Video presentation	1

Other Dissemination Activities

Compliance Newsletter

NGK publishes a monthly Compliance Newsletter on its company intranet, using four-frame cartoons and other easy-to-understand formats to explain familiar topics. It briefly highlights key lessons from each case to help employees better understand compliance.



Provided by “Compro Custom” compliance training tools service

Themes Covered in the Compliance Newsletter in FY2025

April	Consult the helpline
May	How you communicate matters, too
June	Information Security
July	I only made an in-app purchase
August	If you fail to notice a smell
September	Can corporate culture be changed?
October	Does compliance take away freedom?
November	Is it really workplace harassment?
December	Human Rights Week
January	When you can't drink as usual
February	Excessive entertainment from business partners
March	If you use your position to pressure someone into a relationship

Compliance Strengthening Month

The NGK Group designates October each year as Compliance Strengthening Month and carries out initiatives such as sharing a message from the president and raising awareness of its whistleblower system. In FY2025, the NGK Group distributed a video message from the president to NGK and Group companies in and outside Japan to strengthen compliance awareness across the Group.

Compliance Award

The NGK Group recognizes outstanding examples of compliance activities carried out by NGK's divisions and Group companies in and outside Japan, particularly those that demonstrate initiative and originality, and shares them across the Group. In FY2025, the NGK Group recognized the following four activities as outstanding examples.

- NGK Ceramics Indonesia: Strengthening compliance awareness and creating a more people-friendly, work-friendly workplace
- NGK Ceramics Mexico: Compliance education led by team members
- NGK (China) Investment.: A unique compliance education program developed by members of the Auditing Department
- Energy & Industry Business Group: Promoting communication across departments through the introduction of a committee system

At the award ceremony, the Compliance Committee Chair presented certificates of commendation and exchanged views with the award-winning departments.
We also share information on the background to award-winning initiatives and the key points behind them so that other departments and sites across the NGK Group can use it as a reference for their own initiatives.

Initiatives to Ensure Thorough Compliance

Compliance with Competition Laws

Initiatives to ensure thorough compliance with competition laws

NGK ensures thorough compliance with applicable competition laws based on the NGK Group Corporate Business Principles and Code of Conduct.
At NGK and each Group company, the Company has established Competition Laws Compliance Rules aligned with international standards and requires the formulation and operation of an annual Competition Laws Compliance Program under those rules. The status of program implementation is reported to the Business Ethics Committee, which is composed mainly of outside officers, and NGK promotes these activities based on the committee's recommendations to ensure effectiveness.
NGK also holds annual competition law compliance lectures led by outside attorneys. In addition, reflecting on past violations of competition law, we launched legacy training In FY2021 as a measure to prevent recurrence and has since expanded the scope of participants. Through these efforts, the entire NGK Group continues to work to ensure thorough compliance with competition laws.

Third-party review of the Competition Laws Compliance Program

NGK engaged external experts from FY2015 through FY2024 to review the operation of its Competition Laws Compliance Program under the Competition Laws Compliance Rules, as well as the NGK Group's centralized oversight and reporting framework covering Group companies in Japan and overseas.
NGK also received recommendations on how to improve the Competition Laws Compliance Program. It reflected those recommendations in the FY2025 program and held discussions between the Chief Competition Law Compliance Officer and the heads of the business groups, among other actions.
Insights from these discussions, including enhanced training for mid-level employees on the Company's past competition law violation case, were incorporated into the FY2026 Competition Laws Compliance Program. Through the operation of this program, NGK will continue to carry out even more effective activities.

Instances of Anticompetitive Behavior

In FY2025, the NGK Group had no incidents involving anti-competitive conduct.

Instances of Anticompetitive Behavior

› Governance Data Collection [PDF:44KB]

Export/Import Transaction Management

Strict Adherence to Laws and Regulations Relating to Export/Import Management

As part of its efforts to ensure thorough compliance, NGK works to comply with laws and regulations related to imports and exports. In its NGK Group Corporate Business Principles and Code of Conduct, NGK stipulates compliance with relevant laws and regulations, including Security Export Control, and implements controls and training in accordance with its internal rules and Export/Import Handbook.

Using Export Control System to Conduct Comprehensive Inspections and Customs Management

NGK manages compliance with export control-related laws and regulations, including Japan's Foreign Exchange and Foreign Trade Act. To do so, it uses its Security Export Control System (TTP)[*1] to review each transaction and determine whether an export license is required. NGK also uses the AEO (authorized economic operator) Program for exports of certain products. Exports are managed through the shipment registration list in TTP, while imports are managed through the export/import cargo management ledger. Each department conducts annual self-inspections covering specified exports and imports. In addition, NGK uses NACCS[*2] data to verify the completeness of both the shipment registration list and the export/import cargo management ledger, achieving almost 100% coverage for both exports and imports.

*1 An export control support system that conducts and records transaction reviews and related checks in compliance with export control-related laws and regulations, including the Foreign Exchange and Foreign Trade Act

*2 A system for online processing of procedures taken with customs and other relevant administrative authorities or related private-sector services for arriving/departing ships and aircraft or import/export cargo

Familiarization with the Export/Import Handbook

NGK posts its Export/Import Handbook, which summarizes compliance requirements for import and export customs clearance, on its internal portal site so that all employees can access it. In addition, each department uses study sessions on import/export management to raise awareness of the handbook's purpose, and NGK provides training on specified exports and import/export management as needed for personnel in the responsible departments. The Company also posts videos on its internal portal site to help employees learn about imports, exports, and related systems, offering them as courses that employees can take in their spare time.

Anti-Harassment Prevention

NGK provides annual position-based anti-harassment training to prevent harassment. It has also introduced training in a group discussion format using case studies led by attorneys and other experts to deepen understanding of and awareness about preventing power harassment, sexual harassment, and customer harassment. In FY2025, 449 employees, mainly key personnel at domestic Group companies, completed the training. In addition, NGK distributes e-learning materials that employees can use for self-study and in department-led training, and the materials have been viewed more than 1,000 times. The Company is also improving the content based on post-training survey results. Going forward, NGK will continue working to prevent harassment before it occurs and improve the workplace environment through even more effective training.

Number of Harassment Prevention Training Sessions Held
Number of Participants in Harassment Prevention Training

› Governance Data Collection [PDF:44KB]

Compliance Awareness Survey

NGK conducts a compliance awareness survey every two years for all people working at NGK and its domestic Group companies with the aim of strengthening its compliance framework. The survey is used to assess awareness of risks that have already emerged and their impact. Based on the results, each department and each company develops countermeasures and works to reduce risk.

Anti-Corruption

Approach

The NGK Group respects human rights and conducts fair, transparent, and sincere business activities to help realize a sustainable society, based on the NGK Group Corporate Business Principles and Code of Conduct. The NGK Group Code of Conduct also states that the Group will work to comprehensively prevent corruption. The NGK Group does not tolerate corruption because it hinders the realization of a sustainable society and leads to human rights abuses.
The NGK Group complies with applicable laws and prohibits any direct or indirect involvement in corruption, while working to prevent corruption across all of its business activities. To respond to the trust of stakeholders and help realize a sustainable society, the NGK Group has established the NGK Group Anti-Corruption Policy.

Corruption and Bribery Incidents

In FY2025, the NGK Group had no corruption or bribery incidents.

Corruption and Bribery Incidents

› Governance Data Collection [PDF:44KB]

Prohibition of Corrupt Practices

The NGK Group prohibits its executives and employees from engaging in corrupt acts, including bribery, embezzlement, conflicts of interest, money laundering, insider trading, and obstruction of justice, in which they abuse their authority or position for the benefit of themselves, a third party, or an organization. The NGK Group also does not permit any involvement in such acts. It also prohibits executives and employees from engaging in corruption through third parties such as agents and consultants.

Bribery

The NGK Group prohibits its executives and employees from directly or indirectly offering or providing money, gifts, entertainment, or other tangible or intangible benefits to another person with the intent to influence that person's actions in the performance of their duties for the purpose of obtaining an improper benefit (bribery), or from accepting such benefits in connection with their own duties (acceptance of bribes).
The NGK Group also prohibits its executives and employees from engaging in corruption through third parties such as agents and consultants.

Conflict of Interest

The NGK Group prohibits conflicts of interest, including selecting business partners based on personal interests, engaging in businesses that compete with the Company's business, obtaining personal gain at the expense of the Company's interests, and providing benefits to third parties such as relatives and friends.

Money Laundering

The NGK Group prohibits executives and employees from engaging in money laundering, including concealing or disguising funds obtained through illegal acts such as tax evasion and fraudulent accounting.

Insider Trading

The NGK Group prohibits insider trading by executives and employees using material non-public information about the Company, its business partners, or other parties to trade securities.
As part of these efforts, the NGK Group distributes an annual educational video on the latest developments in insider trading regulations to help deepen understanding of insider trading.

Anti-Corruption Initiatives

The NGK Group takes anti-corruption measures not only for employees but also for business partners such as consultants, agents, and distributors, based on a risk-based approach and to ensure thorough compliance with applicable laws and regulations.
First, the NGK Group has established Anti-Bribery Rules that set out legal compliance requirements and ethical standards for preventing bribery. These rules prohibit bribery, including entertainment and gifts of money and goods, when carried out to obtain an improper benefit, regardless of whether the other party is a public official and including acts conducted through a third party such as an agent.
To reduce bribery risk, the rules require due diligence, including checks for red flags, when appointing new business partners such as agents. They also require contracts and related documents to include compliance clauses covering anti-corruption.
In addition, the NGK Group conducts regular audits of transactions with high corruption risk, such as overseas remittances, entertainment, and commission payments to agents and similar parties. It also carries out regular audits and training mainly at higher-risk Group companies, using indicators such as the CPI (Corruption Perceptions Index) as references.
The NGK Group also accepts consultations and reports through its hotline regarding acts that violate, or may violate, anti-corruption laws or the Anti-Bribery Rules. It investigates and responds to such matters with advice from outside attorneys. During the investigation process, the Business Ethics Committee, centered on outside officers, is involved to ensure appropriateness and independence.

Anti-Corruption Training

The NGK Group prohibits involvement in any form of corruption, including bribery, conflicts of interest, and money laundering, based on the NGK Group Corporate Business Principles, the NGK Group Code of Conduct, and the NGK Group Anti-Corruption Policy. The Group reinforces these policies among all employees working in the NGK Group through regular compliance training and distribution of the NGK Group Code of Conduct Guidebook.
At NGK, anti-corruption training is provided every year, including rank-based training led by internal instructors and small-group sessions led by attorneys. In addition, NGK conducts a Compliance Awareness Survey every two years for all employees working at NGK and its domestic Group companies to check for corruption or signs of corruption in the workplace. Based on the results, each department and each company develops countermeasures to reduce risk and prevent corruption before it occurs.

Number of Sessions and Participants in Anti-corruption Training by Lawyers

› Governance Data Collection [PDF:44KB]

Responsible Political Involvement

Donations to Political Parties and Political Fund Raising Organizations

The NGK Group strives to maintain sound and transparent relationships with political and administrative bodies. Political contributions and donations are made in accordance with the laws and regulations of each country and region, and the Group does not engage in any conduct that could create suspicion or distrust in society.
When making political donations, NGK follows procedures based on its internal rules and complies with applicable laws and regulations, including the Political Funds Control Act and the Public Offices Election Act.
No expenditures for political contributions were made in FY2025.

Tax Transparency

The NGK Group complies with international standards and the laws and regulations of each country and region, and conducts its business activities with fairness, transparency, and integrity. In tax matters, we have established the NGK Group Tax Policy and continue to maintain and improve tax compliance.

› NGK Group Tax Policy

Taxes Paid by Country

NGK Group (Fiscal Year Ended March 31, 2025)

(billions of yen)

	Amount of Tax Paid
Japan	13.70
USA	2.85
China	2.70
Germany	1.33
Mexico	0.45
Australia	0.21
Poland	0.16
Indonesia	0.16
Others	0.11
Total	21.66

* The above amounts are based on the “Country-by-Country Report” submitted to the tax authorities in Japan

Risk Management

Approach

Concept of Risk Management

The NGK Group regards uncertainties that could affect the achievement of the NGK Group Vision as risks. It seeks to control these risks by identifying them appropriately and preventing them before they occur. It has also established approaches for each type of risk to minimize losses if they do occur.

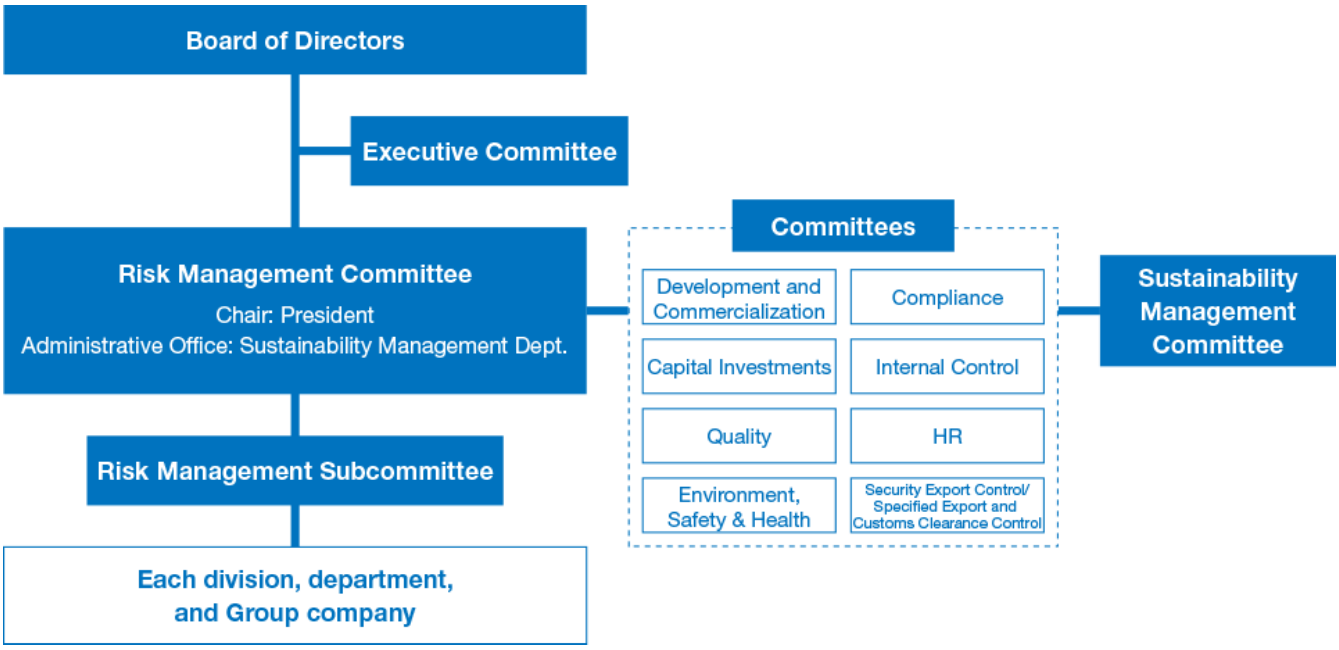
› Approaches to Risk Management

Promotion Framework

Risk Management Framework

The NGK Group has established a Risk Management Committee chaired by the President and comprehensively manages material risk issues in line with its risk management process under the supervision of the Board of Directors. Committee members manage risk responses in their respective areas by directing and supporting each business group and division. Each business group and division develops and implements countermeasures, continuously monitors whether risks are materializing, and reports the results to the committee.
The Board of Directors oversees risk management activities and confirms the effectiveness of the framework by receiving reports from the committee at least once a year. This risk management framework operates independently of the Audit & Supervisory Board.
If a disaster, accident, or other risk event occurs, NGK responds in accordance with the Basic Rules of Crisis Management under the responsibility of the heads of the departments and committees specified in those rules. For especially serious risks, a countermeasures meeting is convened through consultation between the head of the relevant committee and the executive officer in charge of sustainability promotion, and the Company responds under the direction of the President.

Risk Management Framework Chart



Initiatives

Risk Management Process

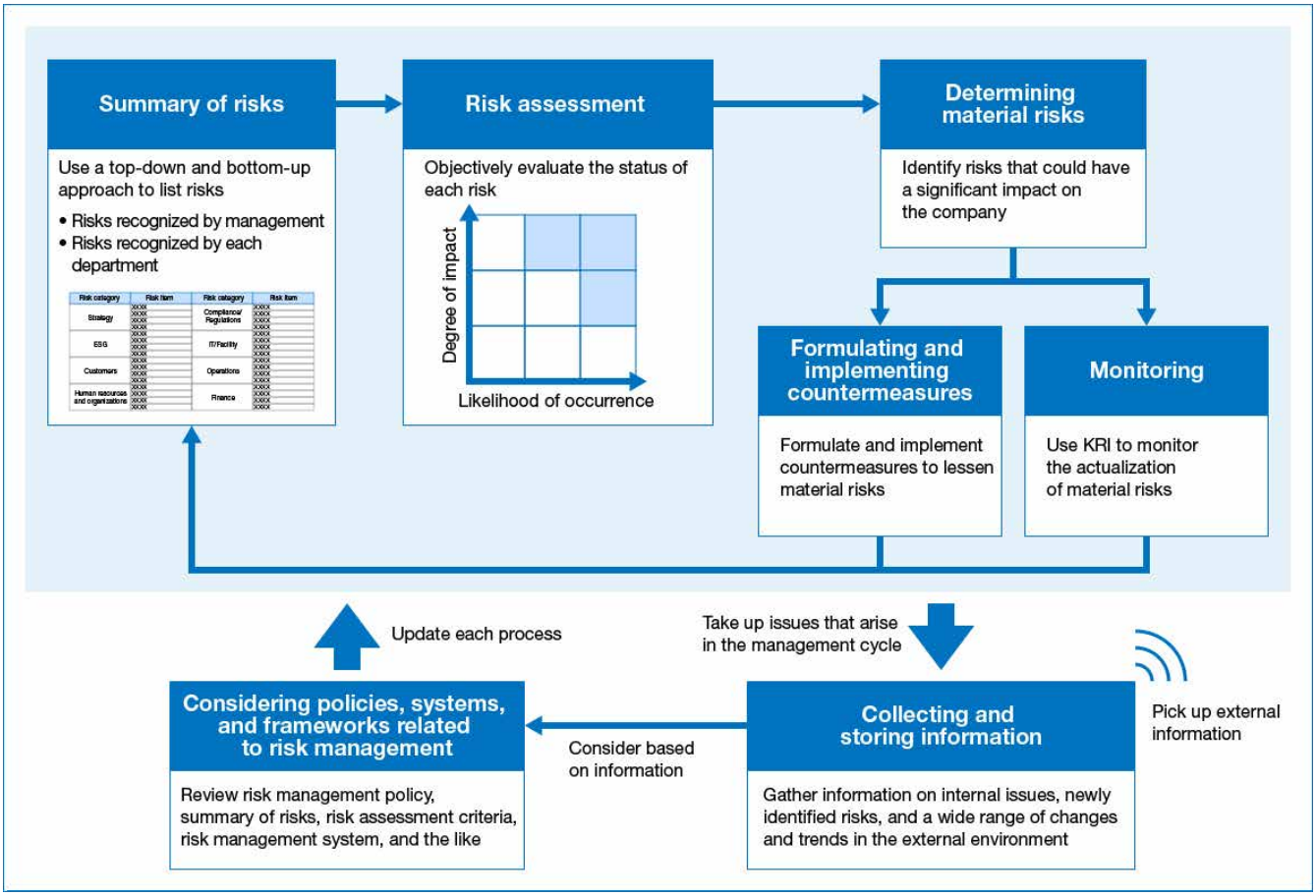
The Board of Directors regards uncertainties that could affect the achievement of the NGK Group Vision as risks. As its policy on risk management, the Board has established the Concept of Risk Management and sets out approaches for each type of risk. Based on this concept, the Risk Management Committee implements the following initiatives with reference to the COSO-ERM Framework*.

- Regular risk analysis and assessment based on changes in the internal and external environment
- Identification and review of material risks to be managed
- Monitoring of whether those risks are materializing, and development and implementation of countermeasures, by the departments responsible for managing them

Material risks are identified and reviewed once a year. Risks surrounding the business are identified through both a top-down review by management and a bottom-up review by each department. NGK then reassesses those risks by confirming changes in impact and likelihood and whether any new risks have emerged. The Risk Management Committee manages risks across the Group on a cross-functional basis and reports them to the Board of Directors. Risks whose importance increases due to sudden changes in the business environment are added as needed to the matters handled by the Risk Management Committee so that NGK can respond flexibly. For risks arising from external factors that are difficult for the Company to control directly, management discusses the relevant themes in order to develop concrete scenarios regarding what could occur if such risks materialize and how they could affect the business and management. By establishing these risk management systems and methods, NGK aims to strengthen the overall resilience and sustainability of its management.

* COSO-ERM: An internationally recognized framework for managing risks across an organization and integrating risk management with business strategy, developed by COSO (the Committee of Sponsoring Organizations of the Treadway Commission) in the United States

Material Risk Management Cycle



Risks, Summary, Response

For details of the risks we recognize through the above process, please refer to the Business and Other Risks section of our Annual Securities Report.

› Annual Securities Report [PDF:1.8MB]

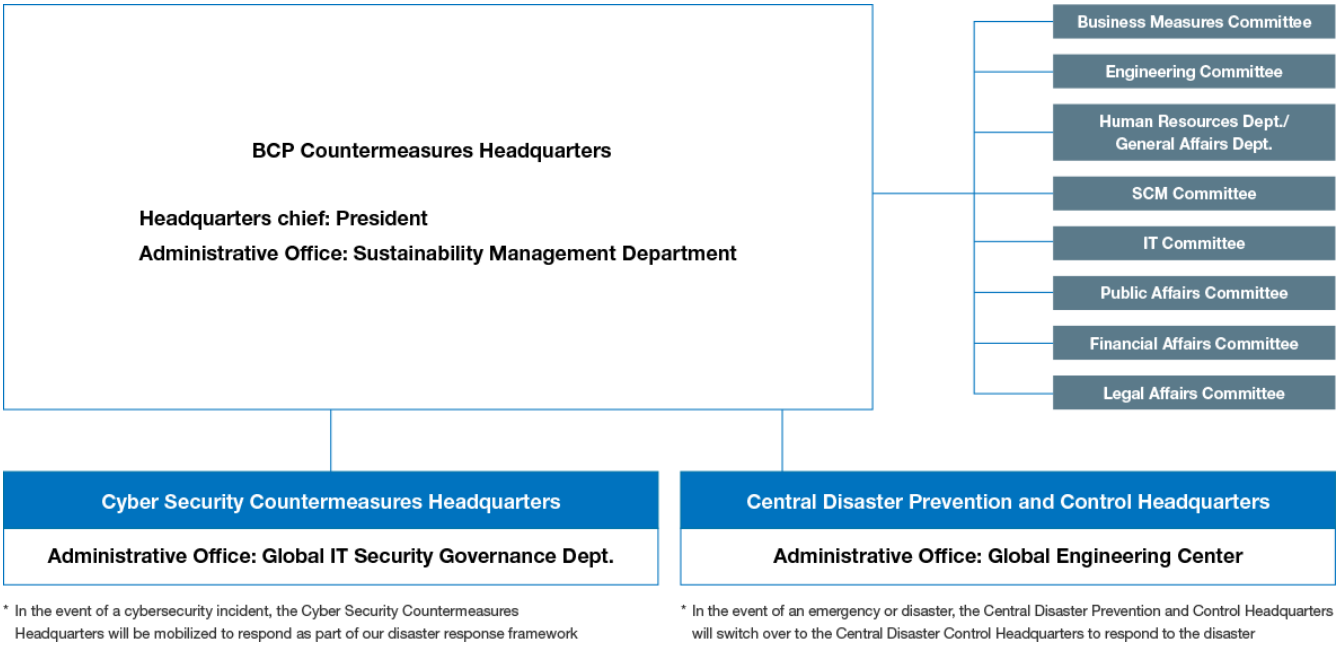
Legal Risk Management in Group Companies Outside Japan

The NGK Group regularly monitors and strengthens risk management for its overseas operations in order to minimize legal risks associated with its global business expansion. For Group companies outside Japan, the NGK Group checks, every six months, the status of legal matters such as litigation and the use of outside counsel, as well as the use of the whistleblower system and the status of Security Export Control. The status of use of the whistleblower system and other related matters is reported to and shared with the Compliance Committee. In addition, when overseas group companies seek advice, the Legal Dept. or the Group Compliance Dept. responds as necessary to help avoid risks.

Business Continuity Plan (BCP) Initiatives

NGK promotes its business continuity plan (BCP) across the Group under the leadership of the BCP Countermeasures Headquarters, which is headed by the President and guided by the principles of respect for human life and cooperation with local communities. To prepare for BCP activation, NGK is implementing a range of measures, including decentralizing production sites, establishing multiple procurement sources, strengthening the disaster resilience of buildings and equipment, and ensuring employee safety. To strengthen crisis response capabilities, NGK conducts scenario-based drills for major disasters, including a Nankai Trough earthquake, and uses the results to verify and improve the effectiveness of its plans. NGK also works to sustain operations by collecting information early and responding promptly to risks of supply chain disruption caused by infectious disease outbreaks, geopolitical factors, and economic security concerns. When the BCP is activated, the BCP Countermeasures Headquarters, headed by the President, works with issue-specific response teams and other relevant bodies to lead recovery efforts.

BCP Framework Chart



* In the event of a cybersecurity incident, the Cyber Security Countermeasures Headquarters will be mobilized to respond as part of our disaster response framework

* In the event of an emergency or disaster, the Central Disaster Prevention and Control Headquarters will switch over to the Central Disaster Control Headquarters to respond to the disaster

FY2025 Initiatives

Education	– Conduct regular lifesaving seminars
Awareness	– Distribution of educational materials and email newsletters on fire prevention and disaster preparedness
Training	– Conduct highly effective training through both face-to-face and online training sessions
Other	– Revised the action plan based on insights gleaned from the prior fiscal year's practical BCP activities

Future Initiatives

- Improve the effectiveness of BCP by raising the level of training further
- Continued BCP drills assuming a Nankai Trough earthquake
- Review of the framework for formulating BCPs, including the development of BCP formulation guidelines
- Ongoing support for home disaster prevention initiatives (dealing with those who are unable to return home after a disaster and providing drills for returning home in an emergency, etc.) from the perspective of respect for human life, which is the top priority of BCP
- Continue to hold education, training, and disaster preparedness events with the aim of improving the BCP/disaster prevention awareness of each and every employee

Information Security

› Information Security

Personal Information Management

› Personal Information Management

Intellectual Property Management

Approach

The NGK Group positions intellectual property (IP) as an important management resource. By maximizing the use of its intellectual property and promoting intellectual property activities linked to its business and development strategies, we aim to create new businesses and strengthen the competitiveness of existing businesses. Through these efforts, it seeks to achieve sustainable growth and improve profitability.

What We Aim for in 2030

NGK Group will further strengthen its investment in and utilization of IP, going beyond efforts focused solely on securing IP rights. By integrating IP activities with its business and development strategies, we will create new business opportunities, further enhance the competitive advantage of existing businesses, and contribute to the realization of the NGK Group Vision.

Key Policies

1. Promoting strategic IP activities
2. Strengthening the foundation for IP activities

What We Aim for in 2030

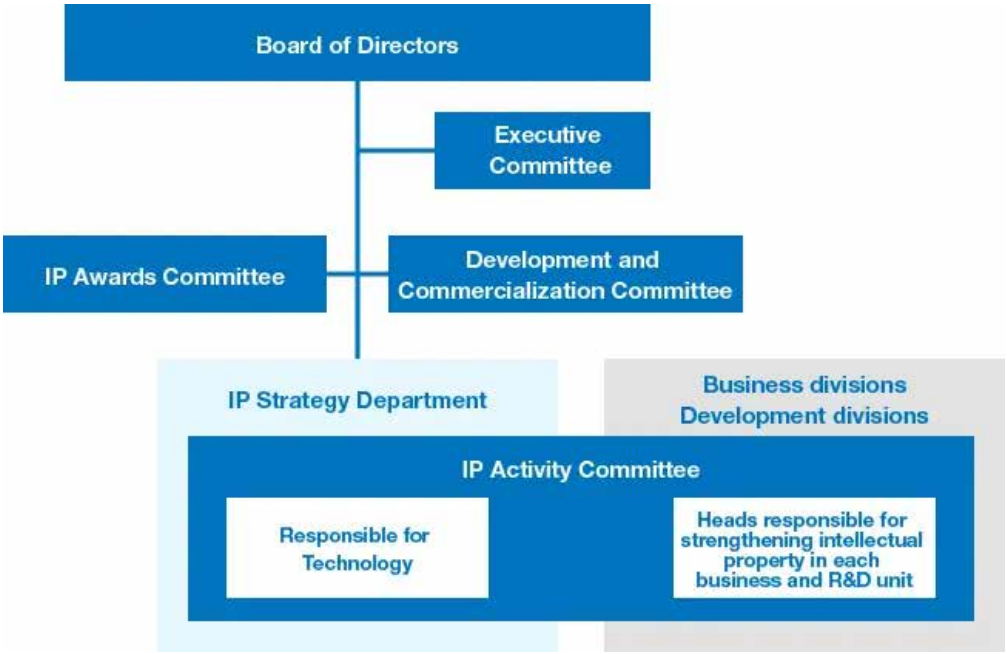


Promotion Framework

Intellectual Property Promotion Framework

The NGK Group aims to maximize corporate value through the strategic use of intellectual property and holds IP Activity Meetings twice a year, bringing together business divisions, development divisions, and the IP Strategy Department. At these meetings, participants discuss and share policies and priority themes related to the creation, protection, and utilization of intellectual property, and promote cross-functional IP activities.
The Development and Commercialization Committee also deliberates on policies and criteria for research and development and commercialization, the selection of R&D themes, commercialization decisions, and the handling of important technologies and intellectual property. In this way, the committee supports R&D and intellectual property management that is fully aligned with business strategy.
In addition, the IP Awards Committee evaluates and rewards efforts that contribute to the creation of intellectual property. This helps raise IP awareness in R&D workplaces and encourages continued creation.
The status of these company-wide IP activities is reported to the Board of Directors once a year. Under the Board's supervision, the NGK Group works to continuously improve its intellectual property management.

Company-wide IP Activity Promotion Framework Chart



Initiatives

The IP Strategy Department identified four key issues in FY2023 and created a roadmap covering the three years starting in FY2024. We will advance our activities in line with this roadmap and aim to achieve our 2030 goals.

Four Key Issues Towards Achieving What We Aim for in 2030

Key Issues	FY2025 measures addressing issue
1) Fostering an IP Mindset Throughout the Entire Company	Holding the NGK Intellectual Property Forum
2) Strengthening the IP Activities Framework	Holding IP Activity Meetings
3) Improving IP Skills	Revising the IP Education Program
4) Strengthening the Functions of the IP Strategy Department	Developing AI Applications for Summarization and Automatic Technology Classification Overseas Training for IP Strategy Department Staff

Fostering an IP Mindset Throughout the Entire Company

Holding the NGK Intellectual Property Forum

From FY2024, the NGK Group has held the NGK Intellectual Property Forum as a two-day event to deepen employees' understanding of IP activities.
In FY2025, around 200 employees from a wide range of functions, including engineering, sales, and administrative roles, took part in the first day. The program featured a guest lecture and introductions to the history of intellectual property and efforts to protect designs.
On the second day, we held hands-on sessions and consultation sessions on tools that use generative AI to support patent searches and analysis. These sessions led to active exchanges of views between participants and IP staff.
We also held satellite hands-on and consultation sessions at Chita and Komaki, with total attendance exceeding 100 people.



NGK Intellectual Property Forum


NGK Intellectual Property Forum

Strengthening IP Activities Framework

Holding IP Activity Meetings

The NGK Group's business divisions, development divisions, and the IP Strategy Department work together to hold IP activity meetings twice a year for each existing business and important development theme. In these meetings, they discuss IP strategies and formulate implementation plans based on analyses of the market and competitive landscape. They also set IP policies linked to each business and development strategy and review progress every six months.
The Group also uses IP analysis tools to visualize technological trends and competitors' patents, thereby supporting decision-making on R&D and alliances, including obtaining technologies it lacks and licensing out its own patents.
In FY2025, the meetings were held in more than 30 technological fields.
In addition, the Group has enhanced its awards program to recognize excellent inventions and encourage the creation of intellectual property. It also continuously tracks progress using indicators such as the number of patents held and the ratio of applications filed in priority fields.

Improving IP Skills

Revising the IP Education Program

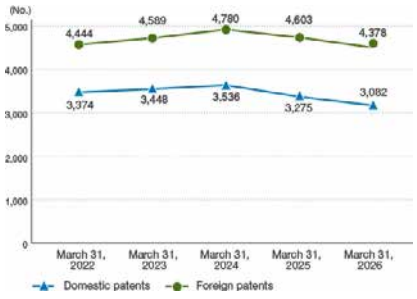
In FY2025, the NGK Group fully revised its IP education program, which had previously been delivered uniformly to all employees, to maintain and improve IP literacy across the workforce. We also clarified the IP skills required for each job function and level. For explanations of the IP system and related laws and regulations, we introduced external e-learning so that employees can access the latest information in a timely manner. To deepen understanding further, we also began using original in-house educational content based on specific internal cases and launched a new IP education program.

Strengthening the Functions of the IP Strategy Department

Developing AI Applications for Summary Generation and Automatic Technology Classification

In FY2025, we developed and deployed company-wide an application that automatically generates summaries for each patent identified through our investigations and assigns it to NGK's proprietary classification categories. This enabled us to classify large volumes of patent information very quickly using consistent criteria and made a major contribution to the formulation of our IP strategy.

Number of Patents Held



Number of Patents Held as of March 31, 2026	
Domestic patents	3,082
Foreign patents	4,378

Overseas Training for IP Strategy Department Staff

To gather the latest IP information in the United States, gain hands-on experience, and improve operational efficiency through smoother communication with local agents, in FY2025 NGK seconded IP Strategy Department staff to a U.S. patent law firm for about three months.

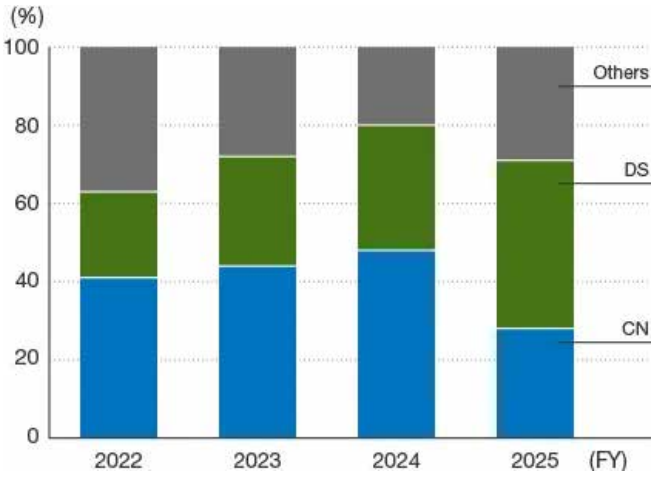


With the staff member at the U.S. office who supported the training

Accelerating R&D to Realize the NGK Group Vision

The NGK Group has positioned growth areas centered on carbon neutrality (CN) and the digital society (DS) as priority fields and is strengthening its R&D and IP activities.
In the DS domain, the share of patent applications rose significantly from 32% in FY2024 to 43% in FY2025.
This indicates progress in both technology development and business opportunities in fields that support the digital society, including data centers, communications infrastructure, and semiconductor manufacturing equipment.
Patent applications also increased in other fields that are not necessarily limited to the CN and DS framework, mainly in future-oriented foundational technologies. As a result, their share rose from 20% in FY2024 to 29% in FY2025.
Against this backdrop, the share of applications in the CN domain declined relatively from 48% in FY2024 to 28% in FY2025. However, the Group continues to promote technology development and patent filing activities in the CN domain.
Without being swayed by short-term fluctuations in indicators, the NGK Group remains committed to creating sustainable corporate value through IP management aligned with medium- to long-term social issues and its business and R&D strategies.

Ratio of Patent Applications in the CN, DS, and Other Fields



Governance Data Collection

Data on Board Composition and Activities (Board of Directors/Audit & Supervisory Board/Executive Officers)

Item	Scope	Category	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of directors	NGK	Total	Persons	9	9	9	10	9
		Number of outside directors	Persons	3	3	3	4	4
Number of Audit & Supervisory Board Members	NGK	Total	Persons	4	4	4	4	4
		Number of outside Audit & Supervisory Board Members	Persons	2	2	2	2	2
Number of executive officers (excluding those also serving as directors)	NGK	Total	Persons	22	22	25	25	25
		Male	Persons	21	21	24	25	24
		Female	Persons	1	1	1	0	1
Number of Board of Directors meeting held	NGK		Times	13	14	15	16	15
Number of Audit & Supervisory Board meeting held	NGK		Times	14	14	14	13	14

Compensation for Directors and Audit & Supervisory Board Members

Item	Scope	Category	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Compensation for directors and Audit & Supervisory Board Members	NGK	Directors (excluding outside directors)	Million yen	685	539	526	610	566
		Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)	Million yen	67	69	71	72	70
		Outside officers	Million yen	68	70	70	81	85

Intellectual Property Management

Item	Scope	Category	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of patents held	NGK	Japan	Cases	3,374	3,448	3,536	3,275	3,082
		Overseas	Cases	4,444	4,589	4,780	4,603	4,378

Compliance

Item	Scope		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of Significant Compliance Violations	NGK Group	Total	Cases	0	0	0	0	0
		Instances of Anticompetitive Behavior	Cases	0	0	0	0	0
		Examples of Corruption/Bribery	Cases	0	0	0	0	0
		Other Examples of Legal Violations	Cases	0	0	0	0	0

Operational Status of Whistleblowing System

Item	Scope		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of Helpline Consultation/ Reporting Cases	NGK Group	Total	Cases	43	38	35	42	41
		Number of Confirmed Violations*	Cases	19	5	8	6	5

*Indicates items from helpline consultations and reports for which some corrective action has been taken as the result of fact-finding by the administrative o fice

Progress of Anti-corruption Training Conducted by Lawyers

Item	Scope		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Training on competition laws	NGK Group	Number of Sessions	Times	2	2	2	2	2
		Number of Participants	Persons	1,768	1,733	1,812	1,826	1,924
Anti-Corruption Training	NGK Group	Number of Sessions	Times	2	1	1	4	4
		Number of Participants	Persons	50	24	24	74	95
Harassment Prevention Training	NGK Group	Number of Sessions	Times	(*)	5	5	5	5
		Number of Participants	Persons	(*)	178	757	504	449

*Due to the COVID-19 pandemic, this has been substituted with viewing an educational video supervised by a lawyer

NGK Group Social Contribution Activities

Approach and Policy

NGK Group Social Contribution Activities Policy

The NGK Group establishes herein the NGK Group Social Contribution Activities Policy and will actively engage in various activities to realize a sustainable society.

1. Basic Approach to Social Contribution Activities

The NGK Group is committed to sustainability management for realizing its philosophy and vision and achieving sustainable growth. We recognize that the understanding and trust of stakeholders and local communities are essential for developing a business environment. Through our social contribution activities, we work with everyone involved in our domestic and overseas operations to help create safe, secure, and vibrant communities and address social issues.
At the same time, we enable our employees to engage in social contribution activities to take part as members of society and to experience the value of social contribution activities to realize a future filled with happiness and smiles. Through these activities, we expect employees to learn and grow, and that these experiences will foster a sense of unity and belonging.

2. Areas of Activities

To realize a sustainable society, the NGK Group contributes to the growth of local communities by addressing social issues and promoting a society where everyone can take on new challenges through the following activities.

Initiatives to Nurture the Future

We support the learning and development of future generations and strive to create an environment where diverse individuals can thrive in a variety of fields, contributing to the sustainable development of our neighboring communities. Through learning opportunities, we seek to foster a society that values mutual respect for diversity and inclusion, enabling everyone to shine. Supporting people who take on challenges and make efforts in areas such as culture, the arts, and sports, we facilitate activities that bring courage, inspiration, and happiness to people.

Creating Sustainable Local Environments

Guided by the NGK Group Environmental Vision, we work in partnership with the local communities to maintain and preserve sustainable environments. We focus on advancing carbon neutrality, promoting a recycling-oriented society, and harmony with nature. Through these efforts, we also raise environmental awareness among our employees.

Ensuring Safety and Security in Local Communities

Through disaster relief efforts, local events, and a variety of community engagement activities, we strengthen our ties with people in need and the communities where we operate. We also strive to expand our network of cooperation so that we can contribute to the safety, security, development, and well-being of local communities.

3. Information Disclosure

We regularly share information about our activities so that all employees of the NGK Group can understand the purpose and significance of these activities. We also disclose information about our initiatives on our website and other communication channels to strengthen our relationships of trust with our stakeholders.

Promotion Framework

The NGK Group established a Social Contribution Activities Subcommittee under the Sustainability Management Committee. The General Affairs Dept. leads these social contribution activities.

Initiatives

Initiatives to Nurture the Future

Support for International Students

The NGK Group supports international students through the NGK Foundation for International Students to develop future global human resources. The Foundation provides housing at NGK International House, a company-owned dormitory, and distributes scholarship grants to self-funded international students enrolled at universities in Aichi Prefecture.
In FY2025, we provided housing to 37 students from 11 countries and scholarship grants to 20 students from 7 countries. We also held 10 exchange events for international students, local residents, and employees. Through introductions to Japanese culture and sharing of participants' own cultural backgrounds and customs, we worked to foster mutual understanding and raise awareness of multicultural coexistence. The cumulative number of people we have supported has reached 1,074.
Through these efforts, we are helping international students focus on their studies with peace of mind, while also contributing to the internationalization of our local community.
This initiative traces its roots to the 1930s, when NGK opened branch offices and representative offices overseas and later expanded production and sales operations around the world. The employees and their families posted abroad received warm support from local communities. Out of gratitude for that support, we strive to ensure that international students studying in Japan feel that their time here has been rewarding and that they come to love Japan.

Japanese Language Learning Support for Foreign Children in the Community

The NGK Group conducts Japanese Language Learning Support Activities to help foreign children living in local communities learn Japanese and live with confidence in school and community life. Working with the Aichi Employers' Association and the Central Japan Economic Federation, we provide our facilities to Japanese-language classes run by the Ishiki Cosmos Support Study Group in Komaki, Aichi Prefecture, and by MIRAI Project, a general incorporated association in Handa, Aichi Prefecture. Employees also participate as teaching assistants through the volunteer leave program. These activities support children's learning and give employees an opportunity to deepen their understanding of multicultural coexistence.



Japanese Language Learning Support Activities

Support for Wheelchair Tennis

The NGK Group supports wheelchair tennis to help people with disabilities and promote sports in local communities. Through a partnership with the Japan Wheelchair Tennis Association (JWTA) and by providing financial support for athletes' travel expenses, we back athletes who compete both in Japan and overseas. At Moronoki Tennis Club (located in Midori-ku in Nagoya City), which is operated by an NGK Group company, we have added a new hard court and converted the outdoor restrooms to accessible facilities, improving the environment for wheelchair tennis players and enthusiasts. We also hold trial events and exchange events to build connections through sport and promote understanding of an inclusive society.



Exchange Event for "New Mixed Doubles" Athletes with Non-Disabled Players



Wheelchair Tennis Experience Event

Building a Sustainable Environment in Local Communities

Reforestation Activities: NGK Minnano Mori Mizunami

The NGK Group conducts reforestation activities at NGK Minnano Mori Mizunami, a company-owned forest of approximately 17 hectares in Mizunami City, Gifu Prefecture, in collaboration with the local community. We have signed agreements with Gifu Prefecture, Mizunami City, and the Western Tono Beekeeping Association to advance forest management, conservation and restoration of biodiversity, and collaboration with beekeeping as a local industry. Part of the forest has been certified as a Nationally Certified Sustainably Managed Natural Site by the Ministry of the Environment. By maintaining and restoring the rich natural environment, we contribute to building a sustainable environment in local communities.



Employees conducting reforestation activities at NGK Minnano Mori Mizunami

Cleanup Activities

The NGK Group conducts cleanup activities at sites in Japan and overseas to protect the local natural environment and raise employees' environmental awareness. Working with local residents and government bodies, we collect waste and carry out beautification activities at coastlines, around our sites, and in local public spaces. Through these efforts, we protect the natural environment in local communities and create more opportunities for each employee to consider and act on environmental issues in their daily lives.

> Conservation and Restoration of Biodiversity > Social Contribution Activities Related to the Environment

Community Safety and Security

Volunteer Participation in Marathon Festival Nagoya Aichi

The NGK Group participates in the Marathon Festival Nagoya Aichi as a group volunteer as part of our Social Contribution Activities to coexist with local communities. Our employees and their families serve as course marshals and assist with transporting bicycles, strollers, and other items on pedestrian overpasses, enabling runners and spectators to safely enjoy the event. By supporting this event as a corporate citizen, we strengthen our ties with the local community and contribute to vibrant community development.



Employees volunteering at the Marathon Festival Nagoya-Aichi



Employees assisting with the transport of bicycles, strollers and other items across a pedestrian overpass

Community Contribution Activities of NGK Ceramics Mexico

The NGK Group is committed to activities that support the safety, security, and well-being of local communities at its overseas sites. NGK Ceramics Mexico holds exchange events with local elderly residents and donates gifts to children at special-needs educational institutions. Through these interactions with community members, we continue to build trust, bring smiles and reassurance, and work toward harmonious coexistence with local communities.



Group photo of children and employees



Group photo of participants in the exchange event and employees

Promoting Employee Participation in Social Contribution Activities

Volunteer Leave Program

To encourage social contribution activities and personal growth through diverse experiences, NGK introduced a Volunteer Leave System in FY 2024 to support employee participation in volunteer activities. In FY 2025, 118 employees used the system and contributed a total of 312 hours of volunteer service.

Policies and Approaches

The NGK Group defines specific Policies and Approaches of business activities based on 'NGK Group Corporate Business Principles.'

Policies and Approaches

NGK Group Basic Sustainability Policy

1. Basic approach

By providing new value through our unique ceramic technologies under the NGK Group Philosophy of "Enriching Human Life by Adding New Value to Society," NGK Corporation and its Group companies (hereinafter, the ”NGK Group”) hope to contribute to the achievement of a sustainable society and earn the trust of society by meeting its expectations toward us. Setting this as the NGK Group's basic approach to sustainability, and keeping Environment, Society, and Governance (ESG) and the Sustainable Development Goals (SDGs) at the forefront in realizing the NGK Group Philosophy, we aim to contribute to the achievement of carbon neutrality and a digital society as we continuously enhance our corporate value.

2. Identification of material issues (Materiality) and promotion of initiatives

For the realization of the NGK Group Philosophy and for the sustainable advancement of society and the NGK Group, we will identify material issues faced by the NGK Group and our stakeholders as Materiality, and will address these in accordance with the NGK Group Code of Conduct as a guideline for our actions.

3. Responsibilities of the Board of Directors

The Board of Directors seeks to correctly recognize the ESG factors and other sustainability issues of the NGK Group and to connect these to the enhancement of our medium- to long-term corporate value by appropriately supervising and addressing initiatives aimed at sustainability issues. The Board of Directors also engages in appropriate disclosure of information and, based on insights gained through valuable dialogue with diverse stakeholders, strives to improve our management and to live up to the trust and expectations of society.

April 2023 Resolution of the NGK Insulators, Ltd. Board of Directors
[Company Name (Trade Name) to Change to NGK Corporation in April 2026]

NGK Group Environmental Policy

Basic Approach

The NGK Group recognizes that protecting the environment, on Earth and in space, is a vital issue that all of humanity must face. Therefore, to bring our business activities into harmony with the environment, guided by the NGK Group Environmental Vision, we will bring our core principles of carbon neutrality, a circular society, and harmony with nature to life by committing to achieve Net Zero, advance a Circular Economy, and foster a Nature-Positive world. We also work to solve environmental issues with an awareness of the impact our business activities have on the environment and society, as well as the impacts the environment and society have on our business activities. Through initiatives like these, we strive to reduce the environmental impact of business activities and help protect the environment by developing products and technologies conducive to environmental conservation.

Main Focus

1. Strive to develop, design, and manufacture products that contribute to the environment and products with low environmental impact.
2. Work to reduce the environmental impact arising from business activities. Use tools such as design review to conduct a scientific investigation and evaluation of the impacts our business activities have on the environment.
   - Promote energy conservation measures and expand the use of renewable energy for all processes and facilities, and make efforts to reduce CO_2 emissions by reducing energy use and using energy efficiently.
   - Promote resource efficiency (including reduction of natural resources use) and expanded use of recycled materials, and reduce the generation of waste materials (including valuable materials).
   - Manage the risks of water resources, promote water saving and reuse, and strive to reduce the amount of water withdrawal in our business activities.
   - Through the appropriate use and control of chemical agents, work to reduce the risks inherent in toxic substances.
   - Give precedence to environmentally friendly materials, parts, products, and facilities in procurement and purchasing, strengthening cooperative alliances with our business partners.
   - Help to protect biodiversity by reducing our impact on the environment and developing/distributing eco-friendly products.
3. Enhance environmental management systems from a global perspective while continuously reducing our environmental impact. Carry out risk management based on scenario analysis in order to continue our operations while responding to environmental changes.
4. Work to prevent environmental pollution of the atmosphere, water, and land, and promote environmental conservation by abiding by environmental laws, regulations, and other requirements, and instituting our own voluntary standards. Also, strive to protect the environment so that our business activities will not prevent any local people from enjoying clean water resources.

5. Provide environmental information to the public at the appropriate time and pursue dialogue with all stakeholders. Proactively develop social action programs. Also, engage in education and publicity in order to improve employees' environmental consciousness.

Quality Policy

NGK is dedicated to quality and committed to providing valuable products and services that are trusted by our customers and respected by society

NGK Group Human Rights Policy

The NGK Group hereby establishes this "NGK Group Human Rights Policy" (this "Policy") based on the "United Nations Guiding Principles on Business and Human Rights" and will promote initiatives to respect human rights to prevent violation or abuse of human rights of anyone impacted by the NGK Group's business operations.

1.Basic Approach to Human Rights

The NGK Group supports and respects the "International Bill of Human Rights" adopted by the United Nations (consisting of the Universal Declaration of Human Rights and the International Covenants on Human Rights), the "ILO Declaration on Fundamental Principles and Rights at Work" , the "OECD Guidelines for Multinational Enterprises" and other international norms.
With NGK Corporation ("NGK") signed up to the United Nations Global Compact, the NGK Group supports and respects the Ten Principles of the United Nations Global Compact.

2.Applicable Laws and Regulations

The NGK Group will comply with laws and regulations (the "Legislation") of each of the countries and regions where it operates. In case of any conflict between internationally accepted principles of human rights and the Legislation of any country or region, the NGK Group will seek ways to respect the internationally accepted principles of human rights to the utmost extent.

3.Scope of Application

This Policy applies to all directors, officers and employees of the NGK Group (the "Directors and Employees"). The NGK Group expects that its suppliers will also comply with this Policy.

4.Education and Training

The NGK Group will provide the Directors and Employees with appropriate education and training to effectively implement this Policy throughout its group-wide business operations.

5.Main Focus of the Group's Commitment to Human Rights

The NGK Group will:

- Comply with international norms on human rights and respect diversity of people;
- Respect human rights and undertake business activities without the use of forced labor or child labor; Provide young workers with fair working conditions that strictly comply with the Legislation of each country and region.
- Respect the individuality and independence of each employee and not engage in discrimination on the basis of race, citizenship, gender, age, religion, belief, existence of handicaps, sexual diversity or any other aspect; and
- Prevent the occurrence of harassment in the workplace and take prompt and appropriate action in the case where it occurs.

The NGK Group will:

- Strictly comply with the Legislation of each country and region relating to safety and sanitation, provide a safe and enjoyable work environment that is comfortable for everyone to work in for all;
- Strictly comply with the Legislation of each country and region relating to labor, safety and sanitation, we provide fair working conditions such as working hours, holidays, vacations, wages, and welfare programs.
- Respect employees' right of freedom of association and of collective bargaining in accordance with the Legislation of each of countries and regions where it operates.
- Aim to harmonize work and life, and support a variety of working styles;
- Build up a relationship of trust through sincere debate and discussion with employees;
- Give educational opportunities to employees and provide opportunities to stretch their motivation and abilities; and
- Encourage free and open discussions and aim to create a corporate culture conducive to active communication.

6.Human Rights Due Diligence

The NGK Group will establish a system of human rights due diligence, and will implement processes to identify, prevent and mitigate adverse human rights impacts that the NGK Group's business operations may cause.

7.Remedy

If it is revealed or suspected that the NGK Group has caused adverse human rights impacts (whether directly through its business operations, or through its suppliers), the NGK Group will endeavor to deliver appropriate and effective remedy through good-faith dialogue with related parties.

8.Dialogues and Discussions

In the process of implementation of this Policy, the NGK Group will earnestly engage in dialogue and discussions with stakeholders, acquiring and drawing on independent external expertise on human rights.

9.Information Disclosure

NGK will disclose the status and results of implementation of this Policy on its website and integrated reports or through other channels.

10.Responsible Persons

NGK will designate the director in charge of the personnel division as the director responsible for the implementation of this Policy. The Board of Directors will oversee the status of implementation of this Policy by having the director regularly report the implementation status to the Board of Directors.

This Policy has been approved by NGK's Board of Directors and signed by NGK's Representative Director and President.

NGK Corporation
President
Shigeru Kobayashi

Related information

- UK Modern Slavery Act Statement

Safety and Health Policy

'Maintaining the safety and health of each employee constitutes a basis for a company's operation and existence'

1. Comply with Occupational Safety and Health Law and Company Regulations.
2. Engage in activities in line with the OSHMS* to continuously raise the safety and health standards.
3. Promote safety and health activities under enough education & training and good communication with employees.
4. Reduce the risks of hazards and toxicity and prevent accidents to provide a comfortable work environment.
5. Prevent employees' health hazards and enhance health promoting activities.

* OSHMS:Occupational Safety and Health Management System

NGK Group Human Capital Management Policy

NGK Group defines “People who embrace challenges and teamwork" as one of Our Values of NGK Group Philosophy, and we are committed to realize Our Mission: Enriching Human Life by Adding New Value to Society. NGK Group is committed to drive the Five Transformations to realize the NGK Group Vision, and we believe that the active engagement of each personnel is crucial for accomplishing the Five Transformations. We define the core of the Group’s human capital management as hiring and developing personnel to enrich team members dedicated to the Five Transformations, and establishing an environment where each personnel can perform at full potential. Building upon this core belief, we establish the “Human Resource Development Policy" and “Workplace Development Policy" as follows.

Human Resource Development Policy

NGK Group develops personnel with the following abilities and mindset required to realize the Five Transformations.

- Cultivate advanced knowledge, skills, abilities or their combination, and proactively approach to problems
- Demonstrate teamwork and persistently lead to results
- Autonomously grow and continuously change oneself and the company

Workplace Development Policy

NGK Group develops the following workplace environment where each personnel can perform at full potential.

- Diverse and Inclusive Workplace
  A workplace where everyone is acknowledged and respected, regardless of external attributes such as race, nationality, gender, and age, as well as internal attributes such as religion, beliefs, experiences, and values.
- Enriched and Lively Workplace
  A workplace where diverse personnel can feel rewarded, stay healthy both physically and mentally, have colleagues we respect and enjoy working with, and maintain a good work-life balance.
- Open Workplace that encourages challenges
  A workplace with open communication and psychological safety, that embraces courageous challenges for growth.

Basic NGK Group Information Security Policy

As our information-communication society grows ever more sophisticated, the NGK Group has come to handle much more in the way of information assets, and is aggressively pursuing the safekeeping of any and all information assets it retains. While it is essential to share these assets in order to conduct business in a smooth and efficient manner, establishing a system for information security likewise becomes a necessity. For this reason, the NGK group has set forth this basic policy regarding information security and will work to safeguard the information assets in its possession.

- In order to ensure the safety of retained information assets, which includes information retained in the course of business activities, as well as any devices, facilities, or services necessary to handle said information, we will establish an information security management system to prevent unauthorized intrusion, loss, theft, leaks, modification, damage, denial-of-service attacks, and any other threat.
- All individuals who work at any office of NGK or its group companies and who make use of information assets will be subject to ongoing information security education and training for an increased awareness of security issues. Actions in violation of this Policy may be subject to legal penalties, as well as reprimands set forth in labor regulations, contracts, and/or other binding documents.
- Should a security issue arise concerning information assets, we will promptly investigate the cause and work to keep any damage to a minimum.
- We will comply with all laws and social norms with regard to information security, as well as any such contractual requirements and duties entered into with a customer.
- NGK will strive to continuously review and revise the activities noted herein.

Personal Data Protection Basic Policy

NGK Corporation and NGK group companies in Japan (hereinafter referred to as “NGK” or “we”) have established the following principles to process personal data we collect.

1. We handle personal data in accordance with applicable laws and regulations on the protection of personal data.
2. We collect personal data in a lawful and fair manner.
3. We use personal data within the scope of the purposes specified in advance.
4. We don’t provide personal data to third parties unless otherwise permitted by applicable laws and regulations on the protection of personal data or without consent from the data subject.
5. We aim for thorough personal data management by implementing internal rules and organizational structures to protect against personal data breaches, leaks, or loss, and by providing education to our employees.

> Personal Data Protection Basic Policy

NGK Group Procurement Policy

1. Basic Approach

With “relationship with society”, “open and fair,” and “partnership” at the core of its procurement activities, the NGK Group aims for mutual prosperity based on mutual trust with suppliers through open, fair, and equitable procurement practices that not only comply with laws but also take into consideration global environmental conservation, respect for human rights, and the working environment.
Through these series of actions and activities, we will promote sustainable procurement and provide valuable products and services to society as a whole.

2. Applicable Laws and Regulations

The NGK Group complies with the laws and regulations of the respective countries or regions in which it conducts its procurement activities.

3. Scope

This policy applies to the procurement practices of all of ficers and employees of the NGK Group. The NGK Group also requires its suppliers to comply with this policy and its objectives.

4. Priority Initiatives

The NGK Group will:

- Comply with necessary laws, regulations and international norms, and conduct procurement activities that meet the demands of society as a whole, including respect for human rights, environmental conservation, and coexistence with regional communities;
- Offer open entry opportunities to all suppliers, regardless of location, size, or business track record;
- Select suppliers fairly and impartially, considering aspects such as quality, technology, price, delivery time, and ESG factors;
- Build respectful and equal relationships with all suppliers, as they are important partners in creating market value together;
- Make every effort to seek and achieve procurement activities throughout the supply chain that are in line with our Group’s policies, guidelines, and norms;
- Pursue responsible raw material procurement throughout the supply chain, conducting procurement activities that take into account the impact on regional communities, including avoiding the use of conflict minerals; and
- Strive to conserve the global environment and biodiversity by introducing clean energy and reducing greenhouse gas emissions throughout the supply chain.

5. Correction and Improvement

If a violation of this policy or priority initiatives arises in our procurement activities through the NGK Group or its suppliers, or if concerns about such a violation become apparent, we will work with the relevant parties to correct and improve the situation appropriately and effectively.

NGK Group Anti-corruption Policy

The NGK Group has declared in the NGK Group Corporate Business Principles that it will strive to realize a sustainable society, respect human rights, and conduct fair and transparent business activities with integrity, and that pursuant to the NGK Group Code of Conduct it will strive for the comprehensive prevention of corruption. Corruption hinders the realization of a sustainable society and causes human rights violations, which violates the NGK Group Corporate Business Principles and the NGK Group Code of Conduct, and it cannot be tolerated.
We have established this "NGK Group Anti-corruption Policy" (this “Policy”) in order to comply with applicable laws and regulations, prohibit any direct or indirect involvement in corrupt practices, and strive to promote anti-corruption in all of our business activities, live up to our stakeholders’ trust and realize a sustainable society.

1. Compliance with Applicable Laws and Regulations

The NGK Group will comply with applicable anti-corruption laws and regulations in the countries and regions in which we conduct our business activities.

2. Prohibition of Corrupt Practices

The NGK Group will:

- Prohibit its officers and employees from conducting or engaging in corrupt practices, such as bribery, embezzlement, situations whereby there are any breaches of trust, conflicts-of-interest, insider trading, money laundering, obstructions of justice and any other abuses of their own or a third party’s authority or position for personal or organizational gain; and
- Prohibit its officers and employees from engaging in corrupt practices through any third parties, such as agents or consultants. We will implement necessary measures, such as strictly managing contracts with third parties and regularly checking transaction statuses.

3. Establishing an Anti-corruption System

The NGK Group will:

- Develop internal rules and organizational structures to raise awareness and promote this Policy;
- Assess corruption risks in the countries and regions where we conduct business, and implement risk countermeasures, focusing on high-risk business activities; and
- Establish a whistleblowing system that allows officers and employees to report any corrupt practices that they become aware of. We will maintain the confidentiality of reports, and prohibit the disadvantageous treatment of whistleblowers.

The implementation status of this Policy and related measures will be reported to NGK' Board of Directors and reviewed as necessary.

4. Education

The NGK Group will regularly educate its officers and employees about this Policy and related actions and procedures.

5. Proper Accounting Procedures

The NGK Group will execute accurate accounting procedures in accordance with laws, regulations, and internal rules, and properly record and maintain its accounting books.

6. Records and Storage

The NGK Group will keep accurate business records and properly manage and store them.

7. Audits and Monitoring

The NGK Group will:

- Conduct internal audits of the implementation status of this Policy and promptly take corrective measures against any issues that are discovered; and
- Verify the effectiveness of internal audits and other measures and strive for continuous improvement.

8. Information Disclosure

The NGK Group will strive to disclose the status of its efforts to prevent corruption.

9. Response to Violations, etc.

The NGK Group will:

- Promptly address any actual or potential violations, make necessary corrections, and also take thorough measures to prevent any recurrences; and
- If our officers or employees violate any laws or regulations, the NGK Group Code of Conduct or our internal rules, we will take fair and strict actions in accordance with the internal rules.

10. Top Commitment

Top management will:

- Raise the awareness of this Policy within the NGK Group, allocate the necessary resources for its implementation, and maintain the system; and
- In the event of any violation of this Policy, proactively respond to the situation, including resolving the issue, investigating the causes, and working to prevent the issue from recurring.

This Policy has been signed by the President of NGK Corporation

NGK Corporation
President
Shigeru Kobayashi

NGK Group Tax Policy

The NGK Group regards compliance as an essential factor in gaining the trust of all of our stakeholders and defines it as the foundation of sustainability. In order to maintain and improve our tax compliance, we will work to maintain tax transparency and enhance awareness among our employees while also building the necessary framework to ensure compliance with laws and regulations and prevent corruption.

1.Compliance

The NGK Group ensures thorough compliance in accordance with the NGK Group Code of Conduct by complying with the tax laws of each country and region and the international agreements that apply to the NGK Group and respecting the spirit of taxation laws.

2.Tax Governance

NGK has established the NGK Group Tax Policy and will ensure compliance with the said policy. We gather and confirm information related to the tax position and tax governance system of our Group companies to help the NGK Board of Directors fulfill its responsibility of overseeing group tax risks. The day-to-day financial accounting and tax activities of the Group companies are managed by the financial managers of each Group company, with the involvement of the president of respective companies. They also report important tax matters to the head of their NGK business group and the NGK Board of Directors in an appropriate manner.

3.Risk Management

The NGK Group considers compliance to be an important aspect of risk management. We always act with integrity, minimizing our tax risks through compliance with applicable tax laws, regulations, rules, international agreements and commercial practices, and our own internal regulations. The NGK Group pays taxes in the appropriate jurisdictions in accordance with the state of our revenue-generating activities without engaging in aggressive tax saving schemes. When dealing with non-routine tax issues, we consult external experts for advice where necessary.

4.Optimization of Tax Burden

The NGK Group does not establish artificial business structures for the purpose of reducing its tax burden. We use available tax incentives to the extent that they fall within the scope of our business objectives. We work to eliminate double taxation where it occurs. Cross-border transactions among Group companies are carried out in accordance with OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

5.Relationship with Tax Authorities

The NGK Group acts with good faith and transparency and responds promptly to requests for information from tax authorities of each country and region. We intend to develop long-term, amicable relationships with tax authorities based on mutual trust and respect.

Approaches to Risk Management

NGK Group recognizes uncertainties that can affect the realization of its Group Vision as risks. The Group aims to control these risks by appropriately identifying them and taking preventive measures to minimize potential losses caused by risks that materialize. The Group has established the following approaches to address risks based on their types.

Approach to Risks associated with Business Transformation

We will continue to proactively create business opportunities and challenge ourselves to drive business transformation by taking appropriate risks in order to provide new values in carbon neutrality and the digital society.

Approach to Risks in Corporate Operations

We will appropriately control material risks that impede the continuity of business operations, achievement of management goals and sustainable growth by establishing countermeasures with timely capturing internal and external environmental changes including supply chain and continuously monitoring the possibility of risk materialization and changes in the degree of impact.

Approaches to Risks Related to Relationships with Stakeholders

- We will strive to eliminate risks that hinder the assurance of the quality and safety of the products and services we provide.
- With regard to risks related to sustainability issues including human rights and climate change, we will work throughout our supply chain to meet societal expectations and contribute to realization of a sustainable society.
- With regard to risks related to compliance, we will endeavor to act in a sincere and responsible manner in accordance with international norms and thoroughly eliminate actions that are inconsistent with being a member of the international community including fraudulent behavior.

NGK Group Social Contribution Activities Policy

The NGK Group establishes herein the NGK Group Social Contribution Activities Policy and will actively engage in various activities to realize a sustainable society.

1.Basic Approach to Social Contribution Activities

The NGK Group is committed to sustainability management for realizing its philosophy and vision and achieving sustainable growth. We recognize that the understanding and trust of stakeholders and local communities are essential for developing a business environment. Through our social contribution activities, we work with everyone involved in our domestic and overseas operations to help create safe, secure, and vibrant communities and address social issues.

At the same time, we enable our employees to engage in social contribution activities to take part as members of society and to experience the value of social contribution activities to realize a future filled with happiness and smiles. Through these activities, we expect employees to learn and grow, and that these experiences will foster a sense of unity and belonging.

2.Areas of Activities

To realize a sustainable society, the NGK Group contributes to the growth of local communities by addressing social issues and promoting a society where everyone can take on new challenges through the following activities.

Initiatives to Nurture the Future

We support the learning and development of future generations and strive to create an environment where diverse individuals can thrive in a variety of fields, contributing to the sustainable development of our neighboring communities. Through learning opportunities, we seek to foster a society that values mutual respect for diversity and inclusion, enabling everyone to shine. Supporting people who take on challenges and make efforts in areas such as culture, the arts, and sports, we facilitate activities that bring courage, inspiration, and happiness to people.

Creating Sustainable Local Environments

Guided by the NGK Group Environmental Vision, we work in partnership with the local communities to maintain and preserve sustainable environments. We focus on advancing carbon neutrality, promoting a recycling-oriented society, and harmony with nature. Through these efforts, we also raise environmental awareness among our employees.

Ensuring Safety and Security in Local Communities

Through disaster relief efforts, local events, and a variety of community engagement activities, we strengthen our ties with people in need and the communities where we operate. We also strive to expand our network of cooperation so that we can contribute to the safety, security, development, and well-being of local communities.

3.Information Disclosure

We regularly share information about our activities so that all employees of the NGK Group can understand the purpose and significance of these activities. We also disclose information about our initiatives on our website and other communication channels to strengthen our relationships of trust with our stakeholders.

GRI Standards Content Index

GRI content index

Statement of use	The NGK Group has reported the information cited in this GRI content index for the period from April 1, 2025 to March 31, 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable standards by GRI sector	None

GRI 2: General Disclosures 2021

Disclosure		Location
The organization and its reporting practices		
2-1	Organizational details	– Corporate Outline – Network
2-2	Entities included in the organization's sustainability reporting	– Editorial Policy of Sustainability Website > Reporting Boundary
2-3	Reporting period, frequency and contact point	– Editorial Policy of Sustainability Website – Inquiries about Sustainability
2-4	Restatements of information	No applicable cases were found.
2-5	External assurance	– Editorial Policy of Sustainability Website > Third-Party Assurance – External Recognition of the NGK Group > Inclusion of the NGK Group in Major Indices
Activities and workers		
2-6	Activities, value chain and other business relationships	– Corporate Outline – Promotion of Sustainable Procurement > Initiatives – Annual Securities Report (FYE March 31, 2026) > p.6 Overview of Business (Japanese)PDF file opens in a new window
2-7	Employees	– Social Data Collection > Human Capital Foundation > Employee Composition [PDF:81KB] – Annual Securities Report (FYE March 31, 2026) > p.126 Overview of Employees (Japanese)
2-8	Workers who are not employees	-

Disclosure		Location
Governance		
2-9	Governance structure and composition	- Corporate Governance > Corporate Governance System - Annual Securities Report (FYE March 31, 2026) > p.87 Overview of Corporate Governance (Japanese) - Corporate Governance Report [PDF:941KB]
2-10	Nomination and selection of the highest governance body	- Corporate Governance > Nomination and Compensation for Directors and Audit & Supervisory Board Members
2-11	Chair of the highest governance body	- State of Each Organization > Board of Directors
2-12	Role of the highest governance body in overseeing the management of impacts	- Sustainability Management > Governance
2-13	Delegation of responsibility for managing impacts	- Sustainability Management > Governance
2-14	Role of the highest governance body in sustainability reporting	- Sustainability Management > Governance
2-15	Conflicts of interest	- Nomination and Compensation for Directors and Audit & Supervisory Board Members > Matters Related to Nomination, Appointment and Dismissal - Annual Securities Report (FYE March 31, 2026) > p.87 Overview of Corporate Governance (Japanese)
2-16	Communication of critical concerns	- Compliance Promotion Structure > Whistleblowing System - Risk Management > Initiatives
2-17	Collective knowledge of the highest governance body	- State of Each Organization > Board of Directors
2-18	Evaluation of the performance of the highest governance body	- State of Each Organization > Effectiveness of Board of Directors
2-19	Remuneration policies	- Nomination and Compensation for Directors and Audit & Supervisory Board Members > Matters Related to Compensation
2-20	Process to determine remuneration	- Nomination and Compensation for Directors and Audit & Supervisory Board Members > Matters Related to Compensation - Annual Securities Report (FYE March 31, 2026) > p.87 Overview of Corporate Governance (Japanese)
2-21	Annual total compensation ratio	- Nomination and Compensation for Directors and Audit & Supervisory Board Members > Matters Related to Compensation

Disclosure		Location
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	– Message from the President
2-23	Policy commitments	– Policies and Approaches – NGK Group Basic Sustainability Policy – NGK Group Environmental Vision / Environmental Policy > NGK Group Environmental Policy – Promotion of Sustainable Procurement > Initiatives
2-24	Embedding policy commitments	– Sustainability Management > Governance – Our Challenge Toward Carbon Neutrality > Carbon Neutrality Strategic Roadmap (Scope 1 and Scope 2) – Environmental Management System (EMS) – Respect for Human Rights > Promotion Framework, Initiatives – Promotion of Sustainable Procurement > Initiatives
2-25	Processes to remediate negative impacts	– Respect for Human Rights > Initiatives – Promotion of Sustainable Procurement > Initiatives
2-26	Mechanisms for seeking advice and raising concerns	– Respect for Human Rights > Initiatives – Compliance Promotion Structure > Whistleblowing System
2-27	Compliance with laws and regulations	– Environmental Management System (EMS) > Initiatives – Compliance Promotion Structure > NGK Group Corporate Business Principles and Code of Conduct
2-28	Membership associations	– Sustainability Management > Initiatives – Initiatives Toward Carbon Neutrality > Initiatives
Stakeholder engagement		
2-29	Approach to stakeholder engagement	– Stakeholder Engagement
2-30	Collective bargaining agreements	– Labor Practices (Personnel System and Labor-Management Initiatives) > Initiatives

GRI 3: Material Topics 2021

Disclosure		Location
Material topics		
3-1	Process to determine material topics	- Materiality > Materiality Identification Process - Sustainability Management > Risk Management
3-2	List of material topics	- Materiality > Materiality for Realizing the NGK Group Vision - Sustainability Management > Strategy, Metrics and Targets
3-3	Management of material topics	- Materiality > Materiality for Realizing the NGK Group Vision - Sustainability Management > Risk Management

200: Economic

Disclosure		Location
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	- Annual Securities Report (FYE March 31, 2026) > p.2 Corporate Overview (Japanese)
201-2	Financial implications and other risks and opportunities due to climate change	- Sustainability Management > Risk Management - Information Disclosure Based on TCFD Recommendations > Strategy - Risk Management
201-3	Defined benefit plan obligations and other retirement plans	- Annual Securities Report (FYE March 31, 2026) > p.164 Defined Benefit System (Japanese)
201-4	Financial assistance received from government	- Annual Securities Report (FYE March 31, 2026) > p.131 Consolidated Income Statement (Japanese)
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-
202-2	Proportion of senior management hired from the local community	-
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	- NGK Group Social Contribution Activities
203-2	Significant indirect economic impacts	- Annual Securities Report (FYE March 31, 2026) > p.12 State of Business (Japanese)

Disclosure		Location
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	-
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	– Anti-Corruption
205-2	Communication and training about anti-corruption policies and procedures	– Anti-Corruption – Compliance Promotion Structure > Compliance Education
205-3	Confirmed incidents of corruption and actions taken	N/A
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	– Initiatives to Ensure Thorough Compliance > Compliance with Competition Laws
GRI 207: Tax 2019		
207-1	Approach to tax	– NGK Group Tax Policy
207-2	Tax governance, control, and risk management	– NGK Group Tax Policy
207-3	Stakeholder engagement and management of concerns related to tax	– NGK Group Tax Policy
207-4	Country-by-country reporting	– Tax Transparency

300: Environmental

Disclosure		Location
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	– Environmental Data Collection > Material Balance, Raw Materials [PDF:93KB]
301-2	Recycled input materials used	– Environmental Data Collection > Material Balance, Raw Materials [PDF:93KB]
301-3	Reclaimed products and their packaging materials	-
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	– Environmental Management > 5-Year Environmental Action Plan – Environmental Data Collection > Material Balance, Consumption of Each Energy [PDF:93KB]
302-2	Energy consumption outside of the organization	-
302-3	Energy intensity	– Environmental Data Collection > Consumption of Each Energy [PDF:93KB]

300: Environmental

Disclosure		Location
302-4	Reduction of energy consumption	– Environmental Management > 5-Year Environmental Action Plan – Environmental Management > Our Challenge Toward Carbon Neutrality – Approach to Climate Change > Initiatives Toward Carbon Neutrality > Strategy and Approach, Indicators and Targets – Environmental Data Collection > Consumption of Each Energy [PDF:93KB]
302-5	Reductions in energy requirements of products and services	– Products and Services Contributing to Environmental Protection
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	– Promoting Resource Circulation > Water Resource Conservation – Protecting and Restoring Biodiversity > Information Disclosure Based on TNFD Recommendations
303-2	Management of water discharge-related impacts	– Promoting Resource Circulation > Water Resource Conservation
303-3	Water withdrawal	– Environmental Data Collection > Conservation of Water Resources [PDF:93KB]
303-4	Water discharge	– Environmental Data Collection > Conservation of Water Resources [PDF:93KB]
303-5	Water consumption	– Environmental Data Collection > Conservation of Water Resources [PDF:93KB]
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	– Protecting and Restoring Biodiversity > Protecting and Restoring Biodiversity – Protecting and Restoring Biodiversity > Information Disclosure Based on TNFD Recommendations
304-2	Significant impacts of activities, products and services on biodiversity	– Protecting and Restoring Biodiversity > Information Disclosure Based on TNFD Recommendations
304-3	Habitats protected or restored	– Protecting and Restoring Biodiversity > Protecting and Restoring Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-

Disclosure		Location
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	- Environmental Data Collection > GHG Emissions [PDF:93KB]
305-2	Energy indirect (Scope 2) GHG emissions	- Environmental Data Collection > GHG Emissions [PDF:93KB]
305-3	Other indirect (Scope 3) GHG emissions	- Environmental Data Collection > GHG Emissions [PDF:93KB]
305-4	GHG emissions intensity	- Environmental Data Collection > GHG Emissions [PDF:93KB]
305-5	Reduction of GHG emissions	- Environmental Management > Our Challenge Toward Carbon Neutrality - Approach to Climate Change > Initiatives Toward Carbon Neutrality
305-6	Emissions of ozone-depleting substances (ODS)	-
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	- Environmental Data Collection > Chemical Management System [PDF:93KB]
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	- Environmental Data Collection > Material Balance [PDF:93KB] - Initiatives for a Recycling-Oriented Society > Waste Reduction and Effective Use of Resources
306-2	Management of significant waste-related impacts	- Environmental Management > 5-Year Environmental Action Plan - Environmental Management > Our Challenge Toward Carbon Neutrality - Approach to Climate Change > Initiatives Toward Carbon Neutrality > Strategy and Approach, Indicators and Targets
306-3	Waste generated	- Environmental Data Collection > Discarded Materials [PDF:93KB]
306-4	Waste diverted from disposal	- Environmental Data Collection > Discarded Materials [PDF:93KB]
306-5	Waste directed to disposal	- Environmental Data Collection > Discarded Materials [PDF:93KB] - Environmental Data Collection > Toxic Materials [PDF:93KB]
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	- Promotion of Sustainable Procurement > Initiatives
308-2	Negative environmental impacts in the supply chain and actions taken	-

400: Social

Disclosure		Location
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	- Social Data Collection > Human Capital Foundation [PDF:81KB] - Social Data Collection > Human Resource Development · Engagement [PDF:81KB] - Social Data Collection > Diversity & Inclusion [PDF:81KB]
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	- Improving Human Resources Value > Diversity and Inclusion > Initiatives
401-3	Parental leave	- Improving Human Resources Value > Diversity and Inclusion > Initiatives
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	- Improving Human Resources Value > Labor Practices (Personnel System and Labor-Management Initiatives) > Initiatives
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	- Improving Human Resources Value > Occupational Safety and Health > Approach and Policy
403-2	Hazard identification, risk assessment, and incident investigation	- Improving Human Resources Value > Occupational Safety and Health > Promotion Framework - Improving Human Resources Value > Occupational Safety and Health > Strategy, Metrics and Targets - Improving Human Resources Value > Occupational Safety and Health > Initiatives
403-3	Occupational health services	- Improving Human Resources Value > Occupational Safety and Health > Promotion Framework - Improving Human Resources Value > Occupational Safety and Health > Initiatives
403-4	Worker participation, consultation, and communication on occupational health and safety	- Improving Human Resources Value > Occupational Safety and Health > Promotion Framework - Improving Human Resources Value > Occupational Safety and Health > Initiatives
403-5	Worker training on occupational health and safety	- Improving Human Resources Value > Occupational Safety and Health > Initiatives

Disclosure		Location
403-6	Promotion of worker health	– Improving Human Resources Value > Health Management
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	– Improving Human Resources Value > Occupational Safety and Health > Initiatives
403-8	Workers covered by an occupational health and safety management system	– Improving Human Resources Value > Occupational Safety and Health > Initiatives – Social Data Collection > Work-Life Balance > Occupational Safety and Health [PDF:81KB]
403-9	Work-related injuries	– Improving Human Resources Value > Occupational Safety and Health > Initiatives – Social Data Collection > Work-Life Balance > Occupational Safety and Health [PDF:81KB]
403-10	Work-related ill health	– Improving Human Resources Value > Occupational Safety and Health > Initiatives – Social Data Collection > Work-Life Balance > Occupational Safety and Health [PDF:81KB]
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	– Social Data Collection > Human Resource Development · Engagement > Human Resource Development [PDF:81KB]
404-2	Programs for upgrading employee skills and transition assistance programs	– Improving Human Resources Value > Occupational Safety and Health > Initiatives
404-3	Percentage of employees receiving regular performance and career development reviews	– Improving Human Resources Value > Labor Practices (Personnel System and Labor-Management Initiatives) > Initiatives
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	– Social Data Collection > Diversity & Inclusion [PDF:81KB] – Annual Securities Report (FYE March 31, 2026) > p.87 Overview of Corporate Governance (Japanese)
405-2	Ratio of basic salary and remuneration of women to men	– Social Data Collection > Diversity & Inclusion [PDF:81KB]
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	– Respecting Human Rights > Initiatives

Disclosure		Location
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	– Respect for Human Rights > Initiatives – Promotion of Sustainable Procurement > Initiatives
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	– Respect for Human Rights > Initiatives – Promotion of Sustainable Procurement > Initiatives
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	– Respect for Human Rights > Initiatives – Promotion of Sustainable Procurement > Initiatives
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	-
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	-
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	– Respect for Human Rights > Initiatives – Promotion of Sustainable Procurement > Initiatives
413-2	Operations with significant actual and potential negative impacts on local communities	– Respect for Human Rights > Initiatives – Promotion of Sustainable Procurement > Initiatives
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	– Promotion of Sustainable Procurement > Initiatives
414-2	New suppliers that were screened using social criteria	-
GRI 415: Public Policy 2016		
415-1	Political contributions	– Compliance > Anti-Corruption > Responsible Political Involvement
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	– Pursuit of Quality and Product Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A

Disclosure		Location
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	-
417-2	Incidents of non-compliance concerning product and service information and labeling	N/A
417-3	Incidents of non-compliance concerning marketing communications	N/A
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A

ISO 26000 Content Index

Core Subjects	Issues	Corresponding items
Organizational Governance	Organizational Governance	– Message from the President – Sustainability Management – Materiality – Corporate Governance (General) – Compliance (General) – Risk Management (General) – NGK Group Philosophy – NGK Group Corporate Business Principles and Code of Conduct – Policies and Approaches
Human Rights	1. Due diligence 2. Human rights risk situations 3. Avoidance of complicity 4. Resolving grievances 5. Discrimination and vulnerable groups 6. Civil and political rights 7. Economic, social and cultural rights 8. Fundamental principles and rights at work	– Sustainability Management – Materiality – Respecting Human Rights – Promotion of Sustainable Procurement – NGK Group Social Contribution Activities – Labor Practices (Personnel System and Labor-Management Initiatives) – Diversity and Inclusion – Health Management – Occupational Safety and Health – Compliance Promotion Structure – Initiatives to Ensure Thorough Compliance – NGK Group Corporate Business Principles and Code of Conduct – Policies and Approaches – Procurement Information – UK Modern Slavery Act Statement

Core Subjects	Issues	Corresponding items
Labor Practices	1. Employment and employment relationships 2. Conditions of work and social protection 3. Social dialogue 4. Health and safety at work 5. Human development and training in the workplace	– Sustainability Management – Materiality – Respect for Human Rights – Promotion of Sustainable Procurement – Human Capital Management – Labor Practices (Personnel System and Labor-Management Initiatives) – Diversity and Inclusion – Human Resource Development – Health Management – Occupational Safety and Health
Environment	1. Prevention of pollution 2. Sustainable resource use 3. Climate change mitigation and adaptation 4. Protection of the environment, biodiversity and restoration of natural habitats	– Message from the President – Sustainability Management – Materiality – Environmental Management (General) – Approach to Climate Change (General) – Promoting Resource Circulation (General) – Protecting and Restoring Biodiversity (General) – Environmental Pollution Prevention – Products and Services Contributing to Environmental Protection – NGK Group Corporate Business Principles and Code of Conduct – NGK Group Vision
Fair Operating Practices	1. Anti-corruption 2. Responsible political involvement 3. Fair competition 4. Promoting social responsibility in the value chain 5. Respect for property rights	– Message from the President – Materiality – Corporate Governance (General) – Compliance (General) – Risk Management (General) – Intellectual Property Management – Promotion of Sustainable Procurement – NGK Group Corporate Business Principles and Code of Conduct – Policies and Approaches

Core Subjects	Issues	Corresponding items
Consumer Issues	1. Fair marketing, factual and unbiased information and fair contractual practices 2. Protecting consumers' health and safety 3. Sustainable consumption 4. Consumer service, support, and complaint and dispute resolution 5. Consumer data protection and privacy 6. Access to essential services 7. Training and awareness-raising	– Sustainability Management – Materiality – Products and Services Contributing to Environmental Protection – Pursuit of Quality and Product Safety – Information Security – Privacy Policy – NGK Group Corporate Business Principles and Code of Conduct – Policies and Approaches
Community Involvement and Development	1. Community involvement 2. Training and culture 3. Employment creation and skills development 4. Technology development and access 5. Wealth and income creation 6. Health 7. Social investment	– Message from the President – Sustainability Management – Protecting and Restoring Biodiversity (General) – Tax Transparency – NGK Group Social Contribution Activities – NGK Foundation for International Students – NGK Group Corporate Business Principles and Code of Conduct

External Recognition of the NGK Group

Inclusion status in the index

NGK has been recognized for its environmental, social and governance (ESG) initiatives and is included in major ESG-related investment indices in Japan and overseas.

FTSE4Good Index Series

FTSE4Good

The FTSE4Good Index Series, developed by FTSE Russell, is a global ESG investment index that measures the performance of companies demonstrating strong ESG practices.

> FTSE4Good Index Series

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Index

The FTSE JPX Blossom Japan Index uses the evaluation scheme of the FTSE4Good Index Series and references constituent data from the Tokyo Stock Price Index (TOPIX) to select Japanese companies that meet global ESG standards.
It is also one of the indexes adopted by the Government Pension Investment Fund (GPIF) for ESG investment.

> FTSE Blossom Japan Index Series | FTSE Russell

FTSE JPX Blossom Japan Sector Relative Index

FTSE JPX Blossom Japan Sector Relative Index

The FTSE JPX Blossom Japan Sector Relative Index selects companies with relatively high ESG ratings within each industry in Japan and incorporates criteria related to climate governance and corporate initiatives on climate change.
It is one of the indexes adopted by the Government Pension Investment Fund (GPIF) for ESG investment.

> FTSE Blossom Japan Index Series | FTSE Russell

MSCI Japan Empowering Women Index (WIN)

2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

THE INCLUSION OF NGK Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF NGK Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

The MSCI Japan Empowering Women Index (WIN) targets companies with strong gender diversity and is adopted as an investment benchmark by the Government Pension Investment Fund (GPIF).

MSCI Japan ESG Select Leaders Index

2026 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

THE INCLUSION OF NGK Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF NGK Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

This index selects companies with strong ESG performance and has been adopted by the Government Pension Investment Fund (GPIF) as an investment benchmark.

S&P/JPX Carbon Efficient Index



The S&P/JPX Carbon Efficient Index, jointly developed by S&P and the Japan Exchange Group, selects companies based on ESG criteria, and the Company has received a decile ranking of 9 and a rating of “Disclosed” for information disclosure.

Morningstar Japan ex-REIT Gender Diversity Tilt Index

The Morningstar Japan ex-REIT Gender Diversity Tilt Index targets companies that emphasize gender diversity and is adopted by the Government Pension Investment Fund (GPIF) as an ESG index.

JPX-Nikkei Index Human Capital 100

The JPX-Nikkei Index Human Capital 100, jointly developed by JPX Market Innovation & Research and Nikkei Inc., consists of the top 100 companies selected from the constituents of the JPX-Nikkei Index 400 based on their outstanding initiatives related to human capital.
The Company was selected as a constituent of the index in 2025 in recognition of its enhanced disclosure on human capital management and its efforts to promote such initiatives across the Group.

SOMPO Sustainability Index

The SOMPO Sustainability Index, managed by SOMPO Asset Management Co., Ltd., is a stock index comprising companies that demonstrate outstanding ESG (Environmental, Social, and Governance) initiatives and serves as a foundation for sustainable investment by pension funds and institutional investors.
The Company was selected as a constituent of the index for fiscal 2025 in recognition of its ESG-centered management approach, its efforts to address environmental and social issues, and the strengthening of its corporate governance.

Sustainability-Related External Recognition

CDP Ratings

NGK has received a score of A- for Climate Change and A for both Water Security and Supplier Engagement from CDP, an international non-profit organization.

Eco-First Company

NGK Group has been certified as an Eco-First Company under the Eco-First Program administered by the Minister of the Environment.
We position environmental conservation as a key management priority. We are working continuously to reduce Scope 1 and Scope 2 emissions and to provide environmentally friendly products.
Through advanced environmental management, we aim to achieve both a carbon-neutral society and sustainable business growth.

Next Nadeshiko: Companies Supporting Dual-Career and Co-parenting

NGK has been selected for three consecutive years, from fiscal 2023 through fiscal 2025, as a “Next Nadeshiko: Companies Supporting Dual-Income and Co-Parenting” initiative jointly administered by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.
This recognition is awarded to companies that demonstrate particularly strong initiatives to support all employees, regardless of gender, in balancing work and childcare responsibilities.

Eruboshi

In 2019, NGK received the highest rating (Level 3) from the Ministry of Health, Labour and Welfare in recognition of its excellence in promoting women’s participation and advancement.

Platinum Kurumin

NGK was certified as a child-rearing support company in 2012 under Japan’s Act on Advancement of Measures to Support Raising Next-Generation Children, and further obtained the “Platinum Kurumin” certification in 2023.

KENKO Investment for Health

Since 2019, NGK has been continuously included in the large enterprise category of the Certified KENKO Investment for Health Outstanding Organizations Recognition Program jointly promoted by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi (Japan Health Council).

Corporate Outline/NGK Group Website (As of March 31, 2026)

Corporate Outline

Company name	NGK Corporation
Address	2-56 Suda-cho, Mizuho, Nagoya 467-8530, Japan Telephone + (81) 52-872-7181
Established	May 5, 1919
Paid-in capital	70.1 billion yen
Net sales	670.1 billion yen (consolidated, for FY2025)

Consolidated subsidiaries	46	
Equity-method affiliates	1	
Employees	NGK	5,024
	Consolidated	19,869
Stock exchange code	5333	

NGK Group Website

This booklet is an archive of our sustainability initiatives as of the end of August 2026 under the title of the NGK Sustainability Website Data 2026. Our website also has sustainability information, in addition to detailed corporate information and investor relations.



Sustainability
https://www.ngk-insulators.com/en/sustainability/



NGK REPORT 2026
https://www.ngk.co.jp/en/sustainability/pdf/2026/ngk_index_en.pdf



Company Information
https://www.ngk-global.com/info/



Investor Relations
https://www.ngk-global.com/ir/

Group Companies/Editorial Policy (As of March 31, 2026)

NGK Group Locations

NGK Headquarters, Sites, Branches, and Sales Offi es

Headquarters/Nagoya Site
Chita Site/Komaki Site/Ishikawa Plant
Tokyo Main Office/Osaka Branch/Sapporo Sales Office/Sendai Sales Office/Hokuriku Sales Office/
Hiroshima Sales Office/Takamatsu Sales Office/Fukuoka Sales Office

NGK Group

JAPAN

ENERGY SUPPORT CORPORATION
KANSAI ENERGYS CORPORATION
KYUSHU ENERGYS CO., LTD.
HOKURIKU ENERGYS CORPORATION
ENERGYS SANGYO CORPORATION
AKECHI INSULATORS, LTD.
NGK OKHOTSK, LTD.
NGK ELECTRONICS DEVICES, INC.
NGK CERAMIC DEVICE CO., LTD.
NGK METEX CORPORATION
NGK FINE MOLDS, LTD.
NGK CHEMITECH, LTD.
NGK FILTECH, LTD.
NGK ADREC CO., LTD.
NGK KILNTECH CORPORATION
NGK LIFE CO., LTD.
NGK YU-SERVICE CO., LTD.
ENA ELECTRIC POWER Co., Ltd.
ABASHIRI ELECTRIC POWER Co., Ltd.
NR-Power Lab Co., Ltd.

NORTH AND CENTRAL AMERICA

NGK-LOCKE, INC.
NGK CERAMICS USA, INC.
NGK AUTOMOTIVE CERAMICS USA, INC.
NGK METALS CORPORATION
FM INDUSTRIES, INC.
NGK ELECTRONICS USA, INC.
NGK CERAMICS MEXICO, S. DE R.L. DE C.V.

EUROPE

NGK BERYLCO U.K. LTD.
NGK CERAMICS EUROPE S.A.
NGK EUROPE GMBH
NGK DEUTSCHE BERYLCO GMBH
NGK BERYLCO FRANCE
NGK CERAMICS POLSKA SP. Z O.O.

ASIA, OCEANIA

NGK（CHINA）INVESTMENT CO., LTD.
NGK CERAMICS SUZHOU CO., LTD.
NGK TECHNOCERA SUZHOU CO., LTD.
NGK AUTOMOTIVE CERAMICS KOREA CO., LTD.
P.T. NGK CERAMICS INDONESIA
SIAM NGK TECHNOCERA CO., LTD.
NGK CERAMICS（THAILAND）CO., LTD.
NGK TECHNOLOGIES INDIA PVT. LTD.
NGK STANGER PTY LTD.

Editorial Policy

NGK has created a dedicated sustainability section on its corporate website in order to deliver information about the NGK Group's environmental, social and governance (ESG) initiatives for a sustainable society to a broad range of stakeholders in a timely manner.
We have archived our initiatives as of the end of August 2026 under the title of the NGK Group Sustainability Website Data 2026 (PDF). Plus, we have collected data on each initiative over time in our ESG Data Collection (Environmental) (Social) (Governance).
We also publish the NGK Report which conveys financial and non-financial information together with business strategies in a concise and clear manner to foster greater understanding of the NGK Group's corporate value and vision.

■Reporting Boundary
NGK and its related subsidiaries (both domestic and international).
The relevant reporting boundary is indicated in each data disclosure.

■Target Period
April 1, 2025 to March 31, 2026; however, information on new initiatives is updated as needed.

■Forward-Looking Statements
This website contains forward-looking statements including performance forecasts. These statements are based on information available at present and on certain assumptions judged to be rational. Actual results may differ due to a number of factors.

Third-Party Assurance

Deloitte.
デロイト トーマツ

(TRANSLATION)

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

September 25, 2026

Mr. Shigeru Kobayashi
President
NGK Corporation

Tomohiro Goto
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the energy-origin CO_2 emissions (Scope 1 and 2) of NGK Group and NGK production sites and GHG emissions (Scope 3 category 2, 3, 6, 7, 11, and 12) of NGK Group indicated with ☑ for the year ended March 31, 2026 (the "GHG Information") included in the "NGK Group Sustainability Website Data 2026 (PDF)" (the "Report") of NGK Corporation (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the GHG Information in accordance with the calculation and reporting criteria set out in the Report under "Material Balance Calculation Basis" and "Method for calculating GHG emissions (Scope 3)." This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the GHG Information that is free from material misstatement, whether due to fraud or error. Greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the GHG Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB.

The procedures we performed were based on our professional judgment and included inquiries, observation, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating the suitability and availability of the criteria applied for the calculation and reporting of the GHG Information.
- Identifying and assessing the risks of material misstatement in the GHG Information due to fraud or error.
- Obtaining an understanding of the Company's internal control system, including the process to identify the GHG Information.
- Evaluating whether the Company's methods for estimates are appropriate and have been applied consistently.
- Performing site visits.
- Evaluating the appropriateness of the presentation of the GHG Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the GHG Information is not prepared, in all material respects, in accordance with the calculation and reporting criteria set out in the Report under "Material Balance Calculation Basis" and "Method for calculating GHG emissions (Scope 3)."

Notes to the Readers of Independent Practitioner's Assurance Report

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance Report issued in Japanese language.

Member of
Deloitte Touche Tohmatsu Limited



NGK Corporation

NGK Group Sustainability Website Data 2026

■ For more information:
2-56, Suda-cho, Mizuho, Nagoya 467-8530, Japan
NGK Corporation
Sustainability Management Department
E-mail: pr-office@ngk.co.jp

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