NGK

Surprising Ceramics.

NGK REPORT 2026

Integrated Report

Since our founding, NGK Insulators has used unique ceramic technologies to support social infrastructure.
In April 2026, NGK Insulators changed our company name to NGK Corporation. This new company name embodies our commitment to using the trust we have earned through our past track record to challenge ourselves in new domains.
Embracing the NGK Group Philosophy, we are striving to realize the NGK Group Vision: Road to 2050.
By continuously offering society new value, we will open new doors to a sustainable future.

NGK Group Philosophy

Our Mission

Enriching Human Life by Adding New Value to Society.

Our Values

Quality of People Embrace challenges and teamwork.

Quality of Product Exceed expectations.

Quality of Management Social trust is our foundation.

NGK Group Vision

Road to 2050

What we want to be

A company to contribute to carbon neutrality and digital society with our unique ceramic technologies

What we must do

Transform our business structure through 5 Transformations

NGK Group
Corporate Business Principles
NGK Group Code of Conduct



Firm compliance with NGK Group Basic Guidelines for Compliance Activities

We've Changed our Company Name

NGK Insulators Becomes NGK Corporation

The world is at a historic turning point as we enter a time of rapid and dramatic change, from climate change to advancements in digital technology. At NGK, we are positioning these trends as opportunities, and are leveraging our unique ceramic technologies to accelerate the creation of new businesses and products that will support carbon neutrality (CN) and the digital society (DS).
Our name change represents our commitment to transformation and the changes we will implement to elevate our brand consistency in global markets and propel ourselves toward the next stage of growth.

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About NGK Report 2026



Executive Officer
In Charge of Sustainability Management Dept., Corporate Communications Dept.

Ryo Ishihara

About the Publication of NGK Report 2026

The objective of NGK Report 2026 is to convey our Group's stance on medium- to long-term value creation and promote a deeper level of constructive dialogue with stakeholders. Even amid a lack of transparency about the future of our operating environment due to the uncertainties caused by climate change and various geopolitical factors, we will strive to increase our corporate value by promoting sound strategy rooted in sustainability. Through this Report, we aim to provide a detailed overview of our Long-Term Management Plan 2026-2035, introduce specific initiatives, and convey the commitment to transformation embodied in our company name change. We look forward to receiving your frank opinions regarding NGK Report 2026.

Key Points of NGK Report 2026

POINT 1 Value Creation Story in the Long-Term Management Plan

We provide an overview of the NGK Group Value Creation Story from the perspective of our new Long-Term Management Plan, which we developed to take us into 2030 and 2035.

Message from the President P.04
Message from the Executive Responsible for the Long-Term Management Plan P.18
Long-Term Management Plan 2026-2035 P.25

POINT 2 Business Strategy Linking Social Issues and Growth

We provide a highly comprehensible explanation of our strategy for contributing to social issues and capturing growth opportunities, from existing businesses to the DS and CN domains.

NGK Group Business Domains P.15
Profitability Improvement P.29

POINT 3 Management Foundation for Supporting Sustainable Value Improvements

We introduce initiatives for supporting long-term improvements in corporate value, centered on intangible assets such as human capital management and DX promotion.

Human Capital Management P.46
DX Promotion P.40

Editing Policy

About the NGK Group Vision: Road to 2050

At a time when the world is entering a period of great change, we formulated the NGK Group Vision: Road to 2050 in April 2021 in order to become a corporate group that creates new value for today's society as well as for the society of the future. The NGK Group Vision envisions what the future society may look like in 2050 and establishes the social issues that we will focus on, which are the realization of carbon neutrality (CN) and digital society (DS). For CN and DS, we will work to expand the fields in which our products are actively utilized by further refining the unique ceramic technologies that we have accumulated so far.

Purpose and Positioning of NGK Report 2026

The NGK Group positions NGK Report 2026 as a critical communication tool. The Report provides a comprehensive summary of our Group's enterprise value improvements. The objective of this Report is to help shareholders, investors, and our many other stakeholders gain a better understanding of our Group. This Report features five sections through which we introduce how we realize our newly formulated Long-Term Management Plan.

During the creation of the NGK Report, we referenced the Integrated Reporting Framework by the International Integrated Reporting Council (IIRC) recommended by the IFRS Foundation and Guidance for Collaborative Value Creation by the Ministry of Economy, Trade and Industry. Furthermore, we provide details on our sustainability information via the NGK Group Sustainability Website Data 2026.

Environment Social Governance
Guidance for Collaborative Value Creation

NGK Report 2026 Creation Process

IR/SR Interviews ▶ Feedback to Officers (Board of Directors, Executive Committee)

▼

Deliberate on NGK Report 2026 Production Policy

▼

Production: Sustainability Management Dept.

- Disclosure information evaluated in cooperation with the Corporate Planning Office and the Finance & Accounting Dept.
- Conducted interviews with various divisions, including the Human Resources Dept., Corporate R&D, Digital Transformation & Innovation Dept., and Corporate NV Creation.

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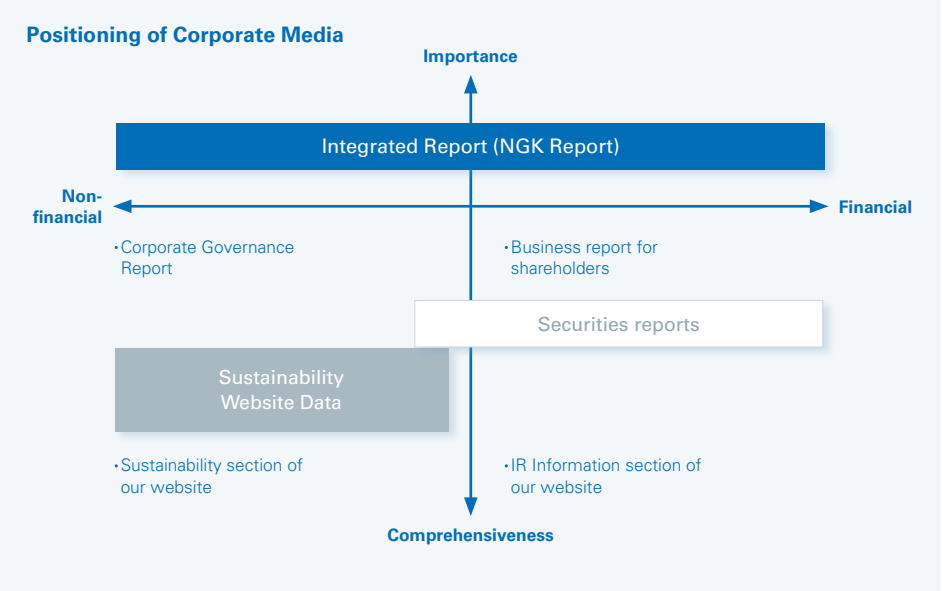
Sustainability Management Committee

- Reported on and approved editing policy, structure proposal, and disclosure information

▼

NGK Report 2026 publication

Positioning of Corporate Media





NGK Report

Target readers:
Mainly institutional investors and other stakeholders



Sustainability Website Data

Target readers:
ESG investors and other stakeholders

Applicable Organizations

Applicability will vary with each organization. As such, applicable organizations are indicated in report articles and alongside the presented data.

Applicable Period

April 1, 2025 to March 31, 2026
(some information not pertaining to the current fiscal year is also included)

About Forward-Looking Statements

Earnings forecasts and other forward-looking statements indicated in this report are based on currently available information and certain assumptions deemed reasonable at the time of creation. However, please note that it is possible actual results could differ from the statements presented in this report due to various factors.

Message from the President

Transforming Our Business and Advancing Toward Our Vision for 2035

President

Shigeru Kobayashi

TOP MESSAGE



NGK Insulators reborn as NGK Corporation: Accelerating innovation and transformation to realize sustainable improvements in corporate value under our Long-Term Management Plan

In April 2026, NGK Insulators was officially renamed NGK Corporation. This rebranding was a change in more than name. Rather, it marked a pivotal milestone reflecting a commitment to transform our business portfolio and reinvent NGK into a group while fostering a new organizational culture. NGK is focusing business resources on markets that will drive contributions to realizing carbon neutrality (CN) and progress in the area of digital society (DS). At the same time, we will continue our unflagging commitment to meeting the challenging demands of customers by bringing their requests to life and to market with unprecedented speed through innovation—even when such outcomes may initially appear impossible. Leveraging unique ceramic technologies cultivated since our founding, we will help create a better world by engineering products that will be essential to generations to come.

Group Vision Five Years On

Five years have passed since I assumed the position of president and announced in 2021 the NGK Group Vision, Road to 2050. Looking back, those five years have been characterized by a turbulent external environment. In my first year, we celebrated records in both net sales and operating income. However, the following year brought the conflict in Ukraine and energy supply constraints. Subsequently, a prolonged period of soaring raw material costs has impacted various areas. At the same time, semiconductor industry growth stalled, driving a decline in profits for two consecutive years. Finding ourselves in an environment where it proved difficult to pass rising costs on, we engaged in repeated transparent and frank conversations with customers. In some cases, diligent yet delicate efforts resulted in earning understanding on price increases. In 2024, earnings improved despite sales remaining largely unchanged thanks to the rapid economic recovery from the COVID-19 pandemic and a weaker yen. From the summer of 2025, semiconductor-related demand surged on the back of the sudden rise in data volume and increased investments in data centers driven by the proliferation of artificial intelligence (AI). At the same time, the automotive market saw adoption of electric vehicles (EVs) and battery electric vehicles (BEVs) slow as the US government reduced subsidies originally created to accelerate adoption of these vehicles to reduce greenhouse gas emissions. Conversely, demand for internal combustion engines has remained strong. Buoyed in part by a weaker yen, our 2025 fiscal year resulted in net sales of 670.1 billion yen (up 31.3% from FY2021) and operating income of 95.0 billion yen (up 13.7% from FY2021). For FY2026, we are forecasting net sales of 710.0 billion yen and operating income of 107.0 billion yen.

Last year, our stock price rose significantly due to an improved market view of our company and our price-to-book ratio (PBR)—previously a challenge improved to nearly 2x at the time of our earnings announcement. I attribute these improvements to disciplined decisions to withdraw from unprofitable businesses and the continuous increase of dividends to shareholders. At the same time, other key factors driving these positive developments include the gradual increase in brand recognition of products we supply to the semiconductor industry and the market's belief in our potential for growth.

During this past five years, we have also focused on research and development and commercialization as we work to achieve our New Value (NV) 1000 goal, namely realizing 100 billion yen in net sales from New Value products in the digital society (DS) and carbon neutrality (CN) domains by 2030. Unfortunately, the results have fallen short of our goals. While we succeeded in growing sales of products for semiconductor manufacturing equipment and developed new products for the pre-processing phases of semiconductor manufacturing, new product development focused on creating a product that would be the underlying foundation of a new business: HICERAM Carrier™, a ceramic material used in the post-processing stages of next-generation semiconductor manufacturing. As we have increased the areas of development, this has also shown that product-driven development based on our understanding of market needs will not always yield market success. This reality has taught us this vital lesson: we must shift from product-driven development to market-driven product development.

A core theme for NGK over the next five years will be accelerating growth through new business creation. This will require certainty in execution and successfully linking efforts to results. In tandem with this, we will make swift decisions on businesses identified as having limited growth potential to address rehabilitation, exit, or reorganization to ensure that we are constantly focusing management resources on growth domains. In addition, we will pair this with high capital efficiency business management based on standards we have established for return on equity (ROE) and our NGK Return on Invested Capital metric (NGK ROIC*).

*NGK ROIC: Operating income / business capital (accounts receivable + inventory assets + fixed assets)
Instead of using capital assets and liabilities, this is calculated using business assets that can be managed by business divisions (receivables, inventory assets, and fixed assets)

Our Rebrand: A Commitment to Transformation

In recent years, the global landscape has been defined by uncertainty and a lack of transparency. This is due to multiple complex factors spanning areas including geopolitical risk, energy supply and demand, and ever-shifting national policies. I firmly believe that this era of uncertainty requires corporate resilience and a corporate management structure premised on change that is capable of actively responding to any type of risk.

Current assumed risks include rising energy costs and supply chain disruption triggered by conditions in the Middle East. To mitigate these risks, we are ensuring a stable and sustainable product supply for customers by maintaining appropriate inventory levels, multiple procurement partners, and diversity of procurement regions and logistics routes.

At the same time, these unstable times offer an opportunity to generate renewed brand recognition among customers due to the irreplaceable value our products provide. In particular, automotive and semiconductor-related businesses require the high reliability our products offer. Our products have been adopted within these industries as products providing value and with limited alternatives. We will continue to offer

value that exceeds expectations both in terms of quality and supply, bolstering our competitiveness rooted in reliability.

To navigate today's uncertainty head-on, we are actively transforming our business portfolio to bolster company resilience while delivering greater value to our customers, stakeholders, and society. Our decision to change our corporate name from NGK Insulators to NGK Corporation in April 2026 is a clear indication of this direction.

The backdrop to this decision is a reflection of our current operational reality. The insulator product lines that were the mainstay of our business at the time of our founding now represent less than 10% of our total sales. Today, the NGK brand boasts strong recognition in overseas markets, which generate roughly 80% of net sales. Furthermore, this rebranding was also driven in part by the growing expectations of employees outside of Japan, who account for approximately 60% of our workforce.



We will communicate to the world the significance and commitment behind our rebranding.

However, the primary reason behind the decision to change our name was a desire to declare clearly to the world and to future generations our resolute commitment to fundamentally transform our corporate culture and business structure.

In other words, we are fostering a corporate culture that is proactive and encourages the embracing of new challenges in contrast to passively reacting. It also reflects our commitment to concentrating management resources on growth domains as we transform into a company that is essential to the world of the future while enabling the NGK brand to gain even greater traction globally.

Building on this momentum, we announced in May 2026 our Long-Term Management Plan for 2026 to 2035. By sharing clear numerical targets and articulating Desired State in 2035 with our stakeholders, we are demonstrating the direction we plan to take and implementing the necessary first steps toward achieving a lasting transformation.

Our Long-Term Management Plan Desired State in 2035

The direction articulated in our Long-Term Management Plan remains largely unchanged. As we look to the future, we will strive as outlined in the NGK Group Vision to leverage our unique ceramic technologies to contribute to CN and DS. The external business environment has experienced dramatic shifts over the past five years, and we have responded by formulating a growth strategy focused on current markets and the external environment. We view these changes—specifically the slowdown in the carbon neutrality arena (something that was unforeseeable five years ago) and the accelerated proliferation of AI in the digital society area—as powerful catalysts for future growth.

Our Desired State “What We Want to Be” in 2035 marks a key milestone on the road to 2050. This milestone entails great strides in driving our corporate transformation through improved profitability of existing businesses, driving growth through DS, and laying the groundwork for success in the CN sector. Toward this end, we have set a clear target of 1,300 billion yen in net sales by FY2035, with CN and DS comprising 60% or more of net sales. In addition, in the DS domain, we have a FY2035 net sales target of 600 billion yen, a three-fold increase compared to FY2025, and a business scale on par with our Automotive Ceramics Business. Furthermore, to respond to and capture surging demand related to the proliferation of AI-driven data centers, we are positioning semiconductor and data center-related products as top-priority areas. We will engage through 2030 in research and development and capital expenditures focused on these domains to secure growth opportunities. Currently, while annual net sales of ceramic products for semiconductor manufacturing equipment components have already exceeded 100 billion yen, NGK has yet to gain sufficient global recognition as a player in the digital sector. As such, moving forward we will clearly communicate the value of what we bring to the table and highlight NGK’s vital role in the digital realm to further heighten recognition of NGK as a company essential to the advancement of AI and a digital world.

In the CN domain, it is highly likely that the speed of implementation will vary by region and sector due to factors including government policy. Nevertheless, we recognize the immense medium to long-term business potential in this area. Amid a lack of certainty which next-generation energy systems will ultimately replace the role fulfilled by fossil fuels, we will work within the scope of known assumptions, actively collaborating with a wide range of global partners to establish businesses in the CN domain. The vast opportunity of the CN domain is one with significant potential for NGK to leverage unique ceramic technologies and one that we look to tackle by expanding from being strictly a parts supplier to supplying solutions-oriented business models as we accelerate business development.

Long-Term Management Plan: Financial Targets

Our Long-Term Management Plan outlines a net sales target of 900 billion yen by 2030 and 1,300 billion yen by 2035 alongside a commitment to elevate our ROE, which stalled at 7.8% in FY2025, to 12.0% in 2030 and higher by 2035. At the same time, we will continue to transform our business portfolio to ensure strong capital efficiency.

We anticipate that our Automotive Ceramics Business will continue to serve as our foundational revenue base through 2035 and will work to maximize this revenue to fund future growth. Demand in the DS domain is outpacing expectations making it a primary driver of future growth and top investment priority. At the same time, while market adoption related to CN appears likely to lag for now, we will maintain a forward-looking perspective—continuing to enhance our technology and business development to be prepared for future demand growth.

Equally important will be New Value products. We have set a sales target of 100 billion yen in 2030 and more than 300 billion yen by 2035 centered around new products mainly in the DS and CN domains. While not easy targets, we firmly believe these numbers to be attainable with appropriate investment timing and by strengthening dialogue and collaboration with customers around the world.

By advancing these initiatives, we will also actively enhance shareholder returns, including a dividend payout ratio of 35% or higher and increasing our DOE to 3.5% (based on the average performance of the past three years).

Advanced Needs Lead to Next-generation Products

The Long-Term Management Plan establishes a clear roadmap hinging on the Five Transformations outlined in our Group Vision. At the heart of this strategy is a renewed commitment to close-knit collaboration and active co-creation with our customers and stakeholders. Waiting idly is not a strategy that yields new business opportunities. To truly solve our clients' most complex and pressing challenges, we must step outside our world, engage deeply with international partners, and embrace a proactive culture of dialogue and action to work toward solving customer challenges. We must proactively engage in dialogue about the types of solutions we can provide, using discussions about the most challenging—even if they seem improbable or impossible—to identify hints related to product development direction and target standards. By utilizing our co-creation facility DIVERS and engaging in dialogue with global stakeholders, we will tirelessly tackle the challenge of meeting difficult demands. I believe that such unflagging efforts will take our business and product development to the next level.

The most demanding customer requirements contain the seeds of future success. From insulator products to ceramics for purifying automobile exhaust, the businesses that have sustained our company, have stemmed from embracing challenging customer requests seeking specific solutions. The more difficult the challenge, the more as a company we came together to create a solution and generated innovative ideas to meet customer needs. This legacy of rising to the challenge remains the driving force of NGK manufacturing that has been passed down from generation to generation since our founding.

Even the most demanding specification requests have a path to success. By leveraging our deep ceramic expertise and proprietary technologies with the help of materials informatics (MI)*, we discover optimal solutions for the toughest client requests. Moreover, with this approach we are targeting slashing the R&D timeline down to one-tenth of the traditional time. At the same time, we are leveraging our engineering capabilities and strategic partnerships to change the very nature of our business and evolve from being a traditional component supplier to a comprehensive solutions provider. As we work toward this future, we invite our partners to bring us their most ambitious requests—even those that seem impossible—and we will continue to push the envelope to deliver.

*Materials informatics (MI): Technology for reducing ceramics material development time to one-tenth of conventional timeframes by using AI to analyze a century's worth of internally accumulated test data and conduct high-speed experiments.

Fostering a Culture that Relishes Challenge and Environmental and DX Initiatives

Enhancing both our financial and non-financial value will be paramount to achieving the business structure transformation and sustainable value creation discussed above. This must be anchored firmly in our greatest asset—our human capital.

A major strength of our people is the earnest and diligent approach they bring to their work. At the same time, we must guard against being overly conservative, internally focused, and passively waiting rather than being proactive. As we look to capture new business opportunities, our teams must take the initiative and look beyond our office walls and actively take action to engage in dialogue with a diverse range of people. I want employees to maintain a sense of curiosity, actively engage with diverse industries around the world, and exchange ideas. I also would like to see everyone adopt a mindset that focuses on how advanced ceramics can transform the world. I expect that this proactive engagement coupled with our inherent work ethic will manifest in positive ways and contribute to enhancing our existing businesses and creating new value.

Moving ahead, we will put in place a system to foster talent capable of driving external collaboration and co-creation. This company-wide initiative will expand external engagement and support such endeavors. In short, we are committed to cultivating a corporate culture that encourages, supports and rewards initiative.

Failure is an inherent part of taking on new challenges and a stepping stone to success. Indeed, a lack of failure may indicate that the bar has been set too low or a lack of initiative. I believe the key to future growth lies in creating an environment in which diverse talent around the world can freely share ideas and tackle new challenges without the fear of failure.

Under this approach, we will promote targeted development of human resources to secure coverage for newly required skillsets coupled with the strategic recruitment of career professionals with specialized skills where necessary. This infusion of new talent from outside interacting with

existing associates will help spark activity across the company.

In parallel with our ongoing corporate cultural evolution, we will continue efforts on the environmental front. Indeed, we have made significant inroads by steadily reducing our environmental impact. In doing so, we have tackled much of the so-called "low-hanging fruit," and reached the point where results will require greater effort in more challenging areas. Among these, a key area is transitioning to more environmental fuel sources in the firing of ceramic products. While it is difficult to predict which energy sources will become mainstream in the future, reducing CO_2 emissions associated with the ceramics firing processes will ultimately mandate a transition in fuel sources. Toward that end, we continue to monitor future options such as hydrogen, ammonia, and e-methane* and advance preparation for research, development, and implementation to ensure a flexible transition as infrastructure development evolves. Under our Long-Term Management Plan, we have set an interim target of reducing Scope 1 and 2 greenhouse gas (GHG) emissions by 50% by FY2030 (versus FY2013 levels) and a goal of achieving net-zero Scope 1 and 2 emissions by 2050. We also have established a target to reduce Scope 3 emissions by more than 90% compared to FY2022 levels. While increasing the Scope 3 reduction rate presents significant challenges, we are committed to making steady progress across the entire supply chain with the cooperation of our business partners.

The foundation that will underpin these initiatives to enhance corporate value is the integration of AI and digital transformation (DX). In particular, AI has the potential for broad application globally including breaking down language barriers to accelerate the sharing of information and ideas. Deploying this technology across the NGK Group, we will seek to boost productivity and streamline decision-making across our entire organization.

*e-methane: A term for synthetic methane, renewable energy derived from raw materials.

Leveraging our Heritage to Deliver Enduring Value

Achieving the targets outlined in the Long-Term Management Plan will require fully leveraging the core strengths we have cultivated over more than a century.

This prompts the question: What exactly are our core strengths? I would contend that the value we offer and our true competitive advantage are to be found in our ability to deliver to customers consistent value. We deliver this value from the initial design phase and manufacturing process through to replacement and maintenance in specialized product sectors where high reliability and long service life are critical. Our technology and extensive expertise—particularly in demanding environments involving extreme temperatures, high voltages, and rigorous long-term use as well as applications where failure is not an option—has fostered a bedrock of trust in our products. Our proven track record has earned a reputation for reliability such that NGK products bring customers peace of mind. Building on this hard-earned trust, we will further refine our ability to meet customer expectations and seamlessly deliver value, from design to mass production. This approach will enable us to formulate plans and achieve goals to steadily improve our corporate value, even in a business environment lacking certainty.

At the same time, we must also acknowledge and learn from past operational issues. Past operations suffered from a lack of clear criteria for exiting unprofitable businesses. Taking this to heart, moving forward we will establish strict evaluation metrics and a streamlined exit process, backed by regular monitoring to prevent delays in decision-making. In tandem with this, we will rigorously manage operations to ensure the dynamic and efficient allocation of management resources to growth areas. These frameworks and operational discipline are essential to maximize both our corporate strengths and shareholder value.

In addition, we will prioritize and redouble efforts to engage in dialogue with stakeholders. The myriad insights and feedback earned through such interactions provide invaluable opportunities to clarify challenges and consider whether we are truly on the right path. To ensure that we continue to offer the value the world demands and continue to be a company with absolute trust from stakeholders, we will further enhance the quality and scope of our information disclosure activities.

A company exists and succeeds by serving the world and the people in it. Indeed, this fundamental truth was embodied in our founding ethos and this tenet: "We must work not only for corporate profit, but in the service of society." NGK has been shaped across more than a century by an unwavering desire to act for the greater good even amid uncertainty of outcome. I have every confidence that we can transform NGK, achieve the Desired State in 2035 laid out in our Long-Term Management Plan, and sustainably elevate our corporate value by uniting customers and employees in a shared desire to co-create and shared mission to serve the world.



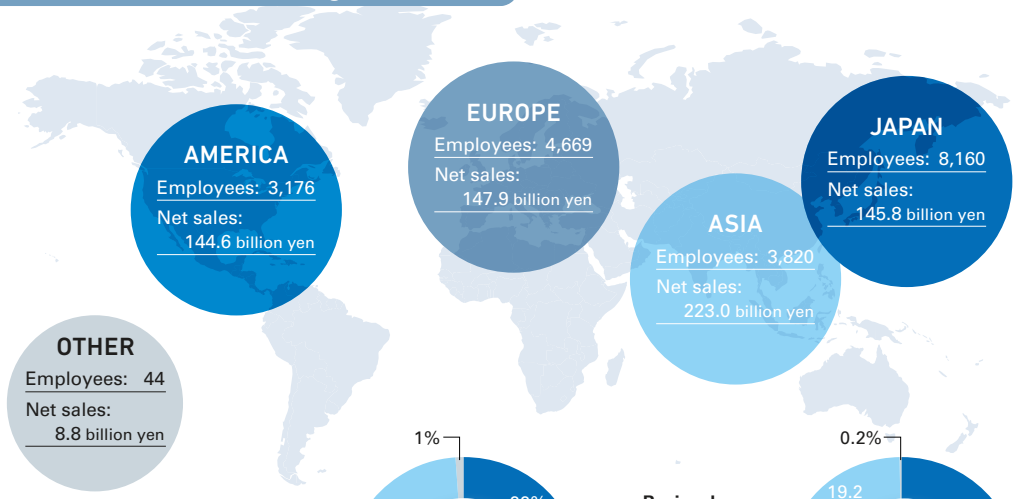
We will leverage strengths cultivated since our founding to provide value to the world.

At a Glance

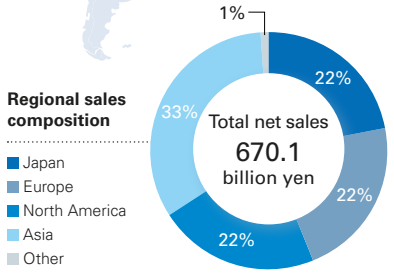
The NGK Group provides products and services that use ceramic technologies to help solve social issues. We are a global comprehensive ceramics manufacturer whose many products, including those for power infrastructure, automotive emissions control, and electronic devices, support industries and daily life around the world.

For more information about our business overview, please visit:
https://www.ngk-global.com/info/division/

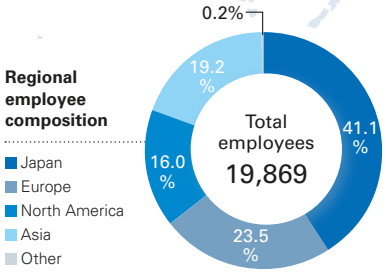
Global Network Connecting the World



Regional sales composition



Regional employee composition



NGK Group's Businesses

Environment Business



We provide catalyst carriers and NOx sensors, which are essential for automotive emissions control, as well as industrial machinery and equipment that help improve manufacturing processes and productivity. We are also focusing on developing next-generation products and technologies for Carbon Neutrality-related markets, which are expected to expand globally.

Digital Society Business



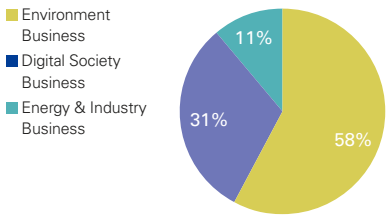
We provide a wide range of products that contribute to technological innovation in electronics, including semiconductors and electronic devices. With our broad product lineup, we help address challenges in the rapidly evolving digital society.

Energy & Industry Business

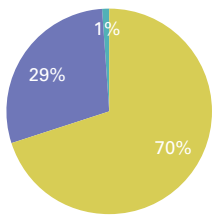


In addition to insulators and equipment for distribution lines that support stable power supply, we operate energy plant businesses, including insulator washing systems for power generation plants and substations and radioactive waste treatment equipment. With our ceramic technologies developed over many years, we help upgrade sustainable power infrastructure and improve its efficiency.

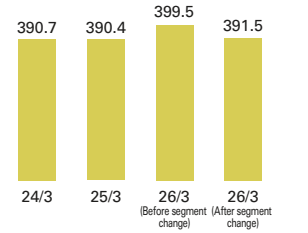
Sales composition by segment



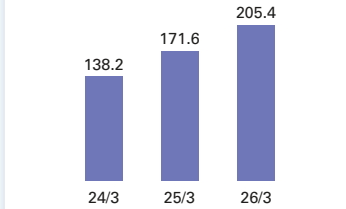
Operating income composition by segment



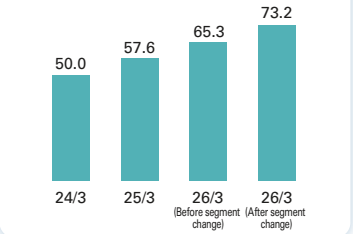
Net sales of Environment Business*



Net sales of Digital Society Business



Net sales of Energy & Industry Business*



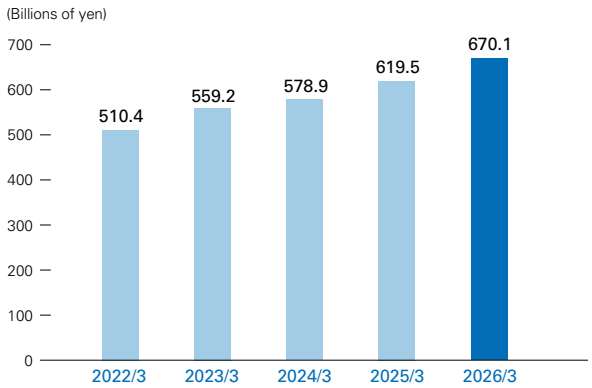
*The business segments have been changed effective from the beginning of FY2026. As a result of this change, the operating results for FY2025 have been reclassified and presented based on the same segment classification. The radioactive waste treatment systems were transferred from the Environment segment to the Energy & Industry segment.

Financial and Non-Financial Highlights

Financial Highlights

Net Sales

670.1 billion yen

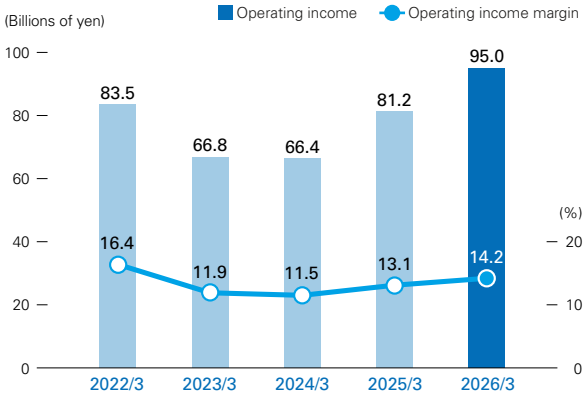


Operating Income

95.0 billion yen

Operating Income Margin

14.2%

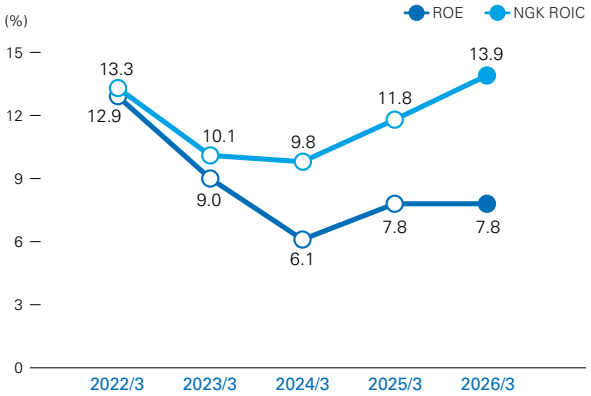


ROE

7.8%

NGK ROIC

13.9%



Total Assets

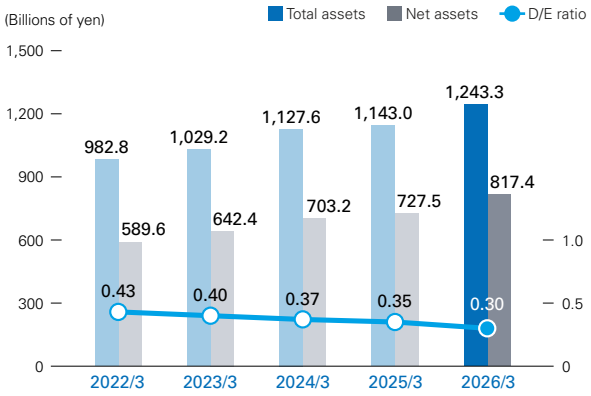
1,243.3 billion yen

Net Assets

817.4 billion yen

D/E Ratio

0.30

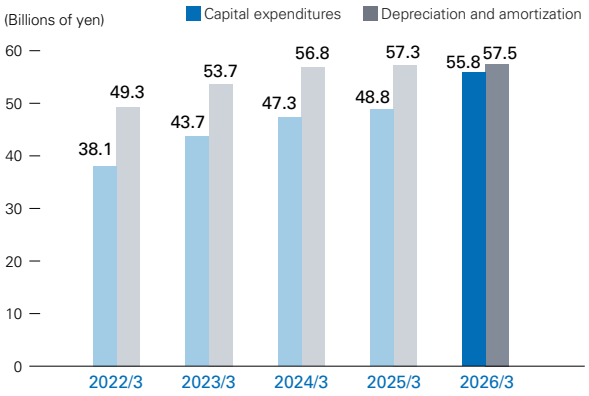


Capital Expenditures

55.8 billion yen

Depreciation and Amortization

57.5 billion yen

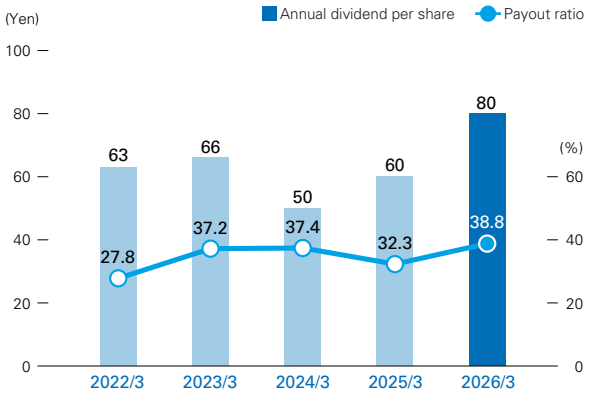


Dividend per Share

80 yen

Payout Ratio

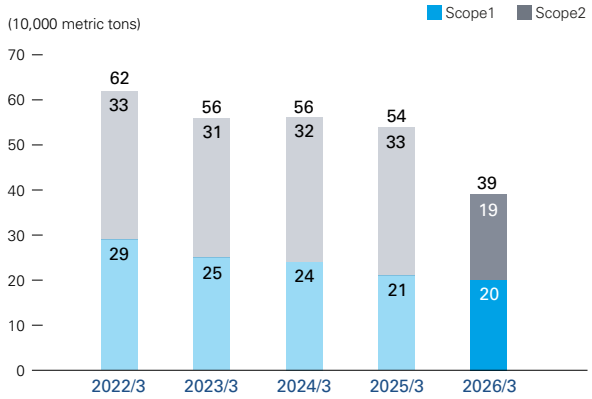
38.8%



Non-Financial Highlights

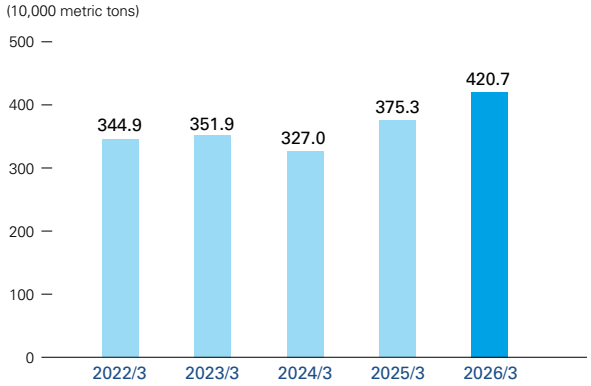
GHG Emissions (Scope 1 and 2: CO_2 emissions from energy sources, NGK Group)

390,000 metric tons



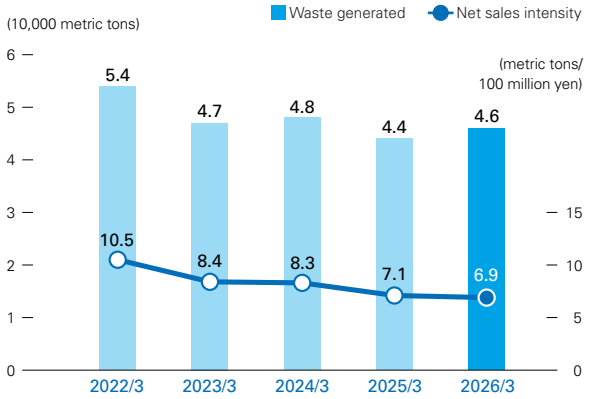
GHG Emissions (Scope 3, NGK Group)

4,207,000 metric tons



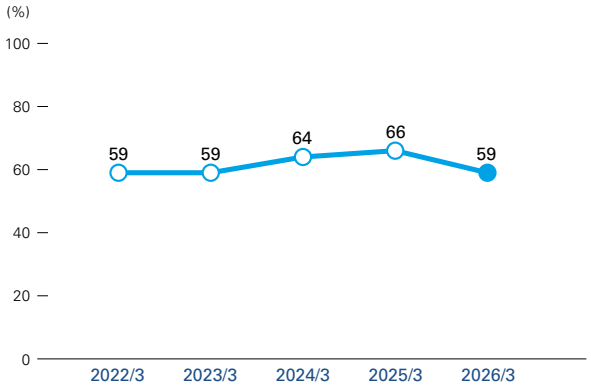
Waste Emissions (all NGK Group production sites)

46,000 metric tons



Sales Ratio of Products and Services Contributing to Environmental Protection

59%

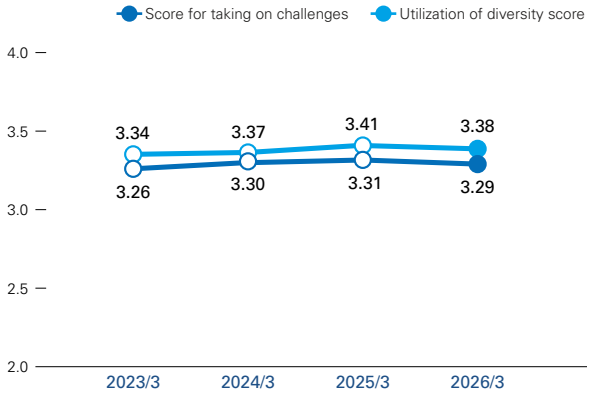


Survey on Workplace Vitality (Score for taking on challenges)

3.29

Survey on Workplace Vitality (utilization of diversity score)

3.38

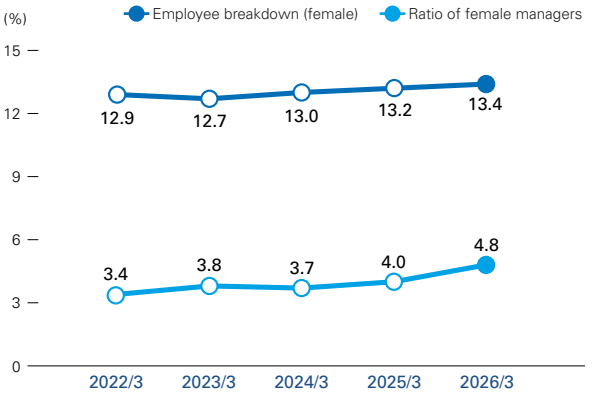


Employee Breakdown (female) (non-consolidated)

13.4%

Ratio of Female Managers (non-consolidated)

4.8%



Growth History

Technology with origins in the domestic production of insulators has continuously been passed down and evolved into the environmental and digital domain. Our journey of dynamically transforming our business portfolio to meet the demands of the times is truly a history of taking on the challenge of delivering new value to society.

You can view the following page for detailed information on our history.
https://www.ngk-global.com/info/history/

History

NGK's Founding Spirit

"We do this to serve our country, and not for our own profit" is the intention upon which NGK was founded, and this commitment lives on today through the NGK Group Philosophy of "Enriching Human Life by Adding New Value to Society."

1920s~ First Founding

Founded in 1919, the company took on the challenge of domestically producing insulators, which are essential for electricity supply. Embracing the motto of quality first, the company has supported Japan's modernization through its unique ceramic technology while also building a foundation of trust.

1970s~ Second Founding

Applying the technology cultivated through our work with insulators, we expanded business into other domains such as chemicals, metals, and energy. We also diversified business by developing environmental products such as ceramics for purifying automobile exhaust.

1980s~ Global Expansion

We began working to solve global challenges such as using technology to address automobile emissions regulations. We built a solid business portfolio that enabled sustainable growth and made a leap forward to becoming a global company.

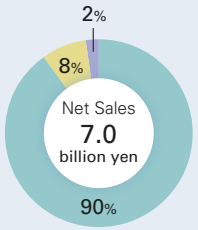
2020s~ Third Founding

Building on our 100-year history, we are now pursuing unknown value. Leveraging our unique ceramic technologies, we will accelerate innovation toward the realization of carbon neutrality and a digital society.

Changes in our Business Structure

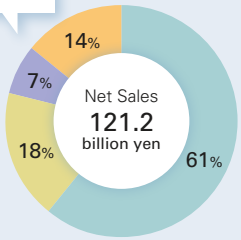
We have transformed our business structure to align with the changing times. We have evolved our business portfolio to tackle global challenges with a focus on three pillars, environment, digital, and energy, as we aim for sustainable growth.

- Environment Business
- Digital Society Business
- Energy & Industry Business
- Materials Business
  Business transferred to another company in 2003
- Environmental Equipment Business
  Established a merged company, METAWATER CO., Ltd. with Fuji Electric Co., Ltd. in 2008



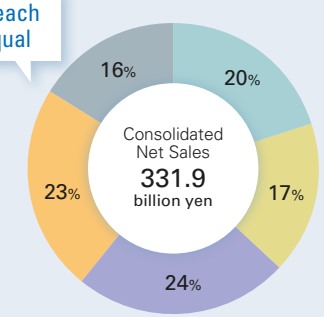
FY1960

Business Diversification

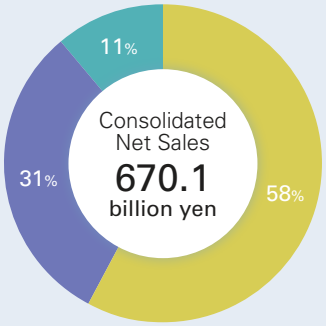


FY1980

Performance from each business nearly equal



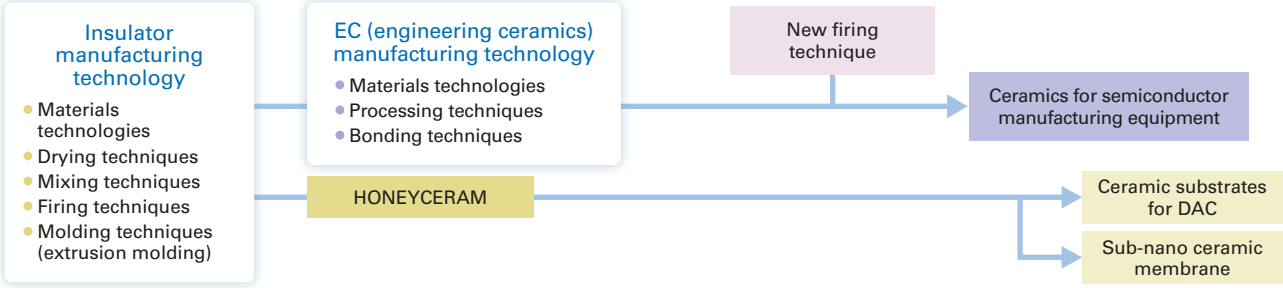
FY2000



FY2025

Technology Tree

Our journey is a history of challenging ourselves to push the potential of ceramics to its limits. The know-how we honed through insulator manufacturing, including molding large, complex shapes and homogeneous firing, was refined in the 1970s into HONEYCERAM™ ceramics for purifying automobile exhaust. Through this technology, we have made significant contributions to protecting the global environment. The technology tree we have cultivated is now evolving into a force that can resolve new challenges facing society.



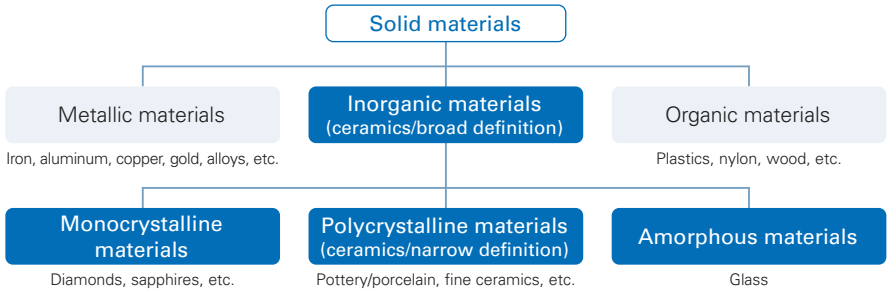
Ceramics

Ceramics are a material that evolves the world and our future. We provide a detailed explanation of the ceramics supporting NGK's diverse range of products, including introductions of fundamental properties, basic classifications, and six characteristics that generate a technological advantage.

Ceramics

Broadly speaking, all inorganic materials are called ceramics. As a narrow definition, ceramics refer specifically to polycrystalline inorganic materials. NGK has a history of researching, developing, and commercializing polycrystalline inorganic materials. Today, we apply these technologies to create new products.

Classification of Ceramics



*Crystal: A solid in which elements are arranged in an orderly pattern.

Representative Examples of Ceramics

These are representative examples of fine ceramics, which are widely used in advanced sectors of ceramics.

Alumina (Al_2O_3)

Strengths:
- The most common ceramic
- Excellent corrosion resistance and insulation

Examples of applications:
- Insulating material for semiconductors, etc.
- Chemical plant components, etc.

Examples of Use in NGK Products
- Ceramic Membrane Filter 'Cefilt ™'
- Translucent Alumina Ceramics

Aluminum Nitride (AlN)

Strengths:
- High corrosion resistance against halogen gases
- High thermal conductivity

Examples of applications:
- Power semiconductors
- High-brightness LED substrates, etc.

Examples of Use in NGK Products
- Ceramics for semiconductor manufacturing equipment (ceramic heaters)

Zirconia (ZrO_2)

Strengths:
- High durability and excellent corrosion resistance
- Conducts oxide ions

Examples of applications:
- Machine parts
- Fuel cell parts, etc.

Example of Use in NGK Products
- NOx sensor

Characteristics of Ceramics

Ceramics possess a variety of properties depending on the type of crystal and the manufacturing method. Among these, fine ceramics in particular offer the following properties that are utilized in industrial applications.

Abrasion resistance
(Hard and resistant to wear and tear)

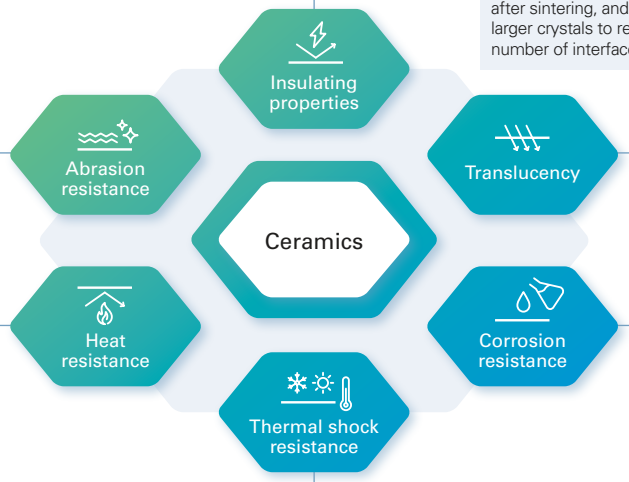
Ceramics generally have a higher hardness than metals. As such, they exhibit very strong resistance to wear and scratches.

Insulating properties
(Lower electrical conductivity)

Characteristics for lowering electrical conductivity contribute to the safe and stable operation of components in high-voltage and high-frequency environments.

Translucency
(allows light to pass through)

Ceramics are sintered bodies of fine particles, consisting of crystalline particles and grain boundary components between them. Transparency can be imparted by preventing pores and grain boundary components from remaining at the grain boundaries after sintering, and by growing larger crystals to reduce the number of interfaces.



Heat resistance
(Does not easily deform even at high temperatures)

A key feature is that the material structure is less likely to collapse, even at high temperatures, making it easy to maintain its shape, strength, and function.

Thermal shock resistance
(Strong against sudden temperature changes)

Product can be designed to be less prone to cracking or damage even with sudden temperature changes such as rapid heating or cooling.

Corrosion resistance
(Strong against chemicals)

Ceramics are chemically stable and have excellent corrosion resistance to acids, alkalis, and other chemicals.

Manufacturing Processes for Ceramics

The NGK Group has established a high-precision manufacturing system encompassing everything from raw material blending to molding, firing, and processing. We possess various unique technologies for each process, and produce high-performance products by combining these technologies. Here, we introduce some of our core technologies.

NGK Group Core Technologies = **NGK's Strengths** = Unique core technologies = Optimization of (material technology × production technology/process technology × evaluation/analysis technology, etc.) × High-quality, uniform mass production and production capacity (Globally consistent quality = uniformity)

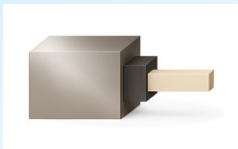
Manufacturing Process for Ceramics

Mixing/kneading process



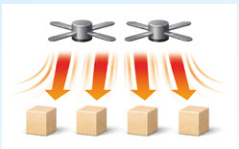
This process involves crushing the raw materials to standardize particle size, then mixing them with a binder to produce highly fluid granules.

Molding process



The raw material powder is compacted to produce the molded body. The design takes into account shrinkage during firing and the amount of material to be removed during grinding and polishing, and machining is performed as needed.

Drying process



The internal moisture is removed and dried using high-frequency waves or hot air.

Firing process



The molded body is sintered at a high temperature of over 1,000°C. After firing, shrinkage in dimensions and volume occurs, but the particles bond together, resulting in a dense and hard product.

Inspection process

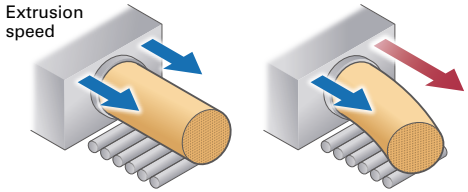


We conduct the necessary inspections to meet product specifications and then package and ship products.

NGK's Strengths | Technology

(Technology for assembling various core technologies like a puzzle = NGK's Strengths)

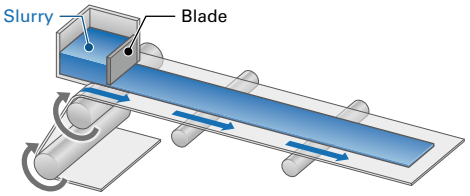
Extrusion molding technology



In extrusion molding, the density, composition, and properties of the raw material are made uniform, and then it is flowed at a constant speed into a mold designed for each product, with a specific shape and material. This requires technical skill to balance the conflicting properties of resistance to deformation and ease of flow.

Products using this technology
- HONEYCERAM
- Ceramic membrane filter
- DAC

Tape molding technology



This molding method involves flowing a ceramic slurry (mud-like substance) while adjusting it with a blade to form a tape-like shape. Various functions can be added through layering.

Products using this technology
- HICERAM Carrier
- NOx sensor

Firing techniques: Regenerative burner + Zone control system



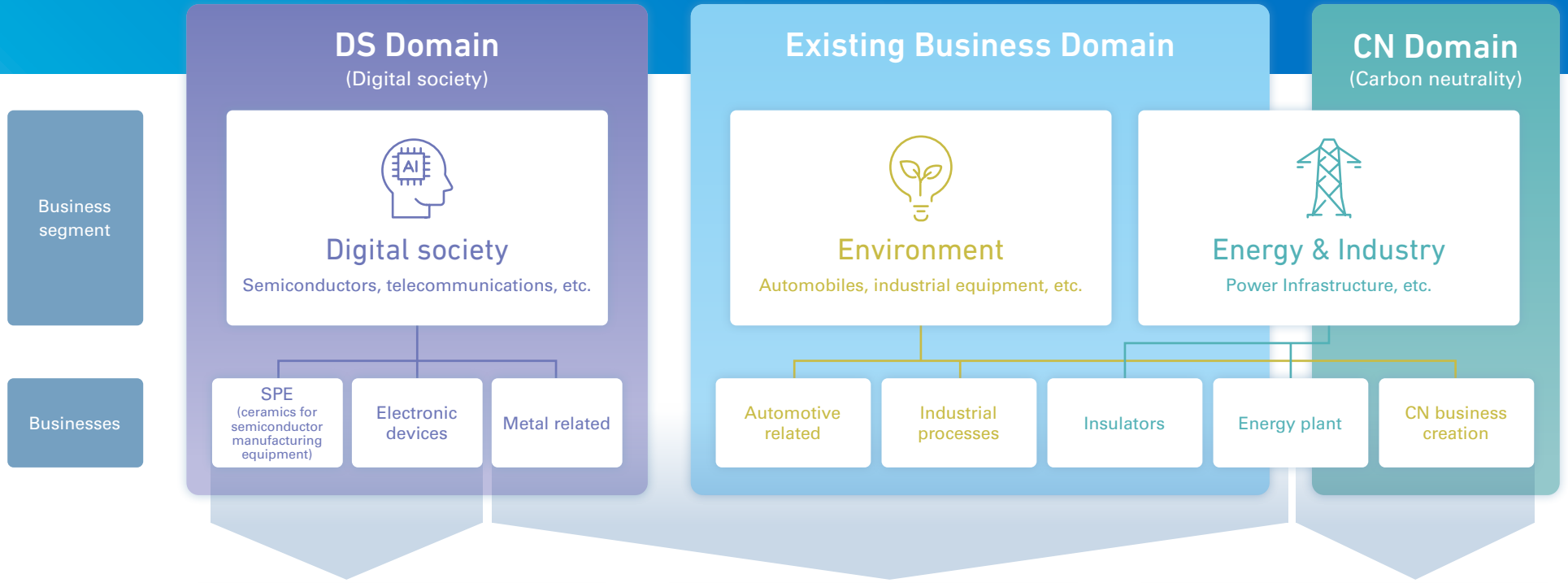
This innovative firing technology combines a regenerative burner and zone control to achieve both the temperature control and thermal efficiency necessary for producing highly complex products. This technology also contributes to reducing environmental impact by improving energy efficiency.

Product using this technology
- HONEYCERAM

NGK Group Business Domains

We have outlined the relationships between our business segments and strategic business categories. We will continue to position existing domains as our main sources of revenue while also continuously reallocating management resources to the digital society (DS) and carbon neutrality (CN) domains.

You can view the following page for detailed information on our business domains.
https://www.ngk-global.com/info/plan/



Strategic Objectives

Driving Investment Expansion and Growth

Driving company-wide growth through business expansion in anticipation of increased demand

- Seizing growth opportunities in the SPE market, we will use concentrated investments to strengthen our supply capacity while ensuring technological superiority to maintain and expand our market share (SPE, HICERAM Carrier)
- Enhance exploration and accelerate business expansion in the infrastructure domains that support the information industry (such as semiconductors and data centers) and the device domains involved in the utilization of data

Maximizing Profits

Securing the capital for investments aimed at transforming our business structure

- Maximize profits through pricing strategies, cost reductions, and consolidation of facilities in anticipation of the peak demand for ICE (internal combustion engines) (automotive-related)
- Establish a highly efficient business system that meets demand (insulators)
- Restructure or make business decisions regarding unprofitable products (NAS™ batteries, etc.)

Business Creation

Strengthen technological advancement and business development in preparation for demand growth

- By accumulating practical experience with key customers, acquiring necessary technologies, and establishing a production system, we will accelerate the commercialization of products that contribute to CN (DAC, separation membranes, etc.)

NGK Group Management Capital

With our proprietary ceramic technology at our core, we will organically connect diverse management capital such as financial, human, and natural capital to create new value toward the realization of carbon neutrality (CN) and a digital society (DS).

Financial Capital

A strong management foundation that supports sustainable value creation

Leveraging a strong financial platform, we will pursue the optimal balance between growth investments and shareholder returns in line with the NGK Group Vision. We will work to improve capital profitability and ensure sustainable growth, and together with our stakeholders, achieve medium- to long-term improvements in corporate value.

- Equity ratio 65.0 %
- Total assets 1,243.3 billion yen
- Operating income margin 14.2 %
- Free cash flow 60.9 billion yen

Related pages

Message from the Executive Responsible for Finance and Sustainability P.18

Intellectual/ Manufactured Capital

Unique ceramic technology creates value that is difficult to imitate

Our strength is in our global manufacturing system with proprietary ceramic technology at its core. We will promote production innovation through digital technology to ensure a stable supply of high-quality products while simultaneously creating new businesses that address social issues.

- R&D expenses 31.8 billion yen
- Number of patents held
  Japan 3,082
  Overseas 4,378
- Capital investment 55.8 billion yen
- Manufacturing sites (Overseas) 18 sites

Related pages

Sustainable Creation and Realization of New Value P.39

DX Promotion P.40

Human Capital

A source of innovation driven by diverse personalities and the spirit of taking on challenges

Positioning diverse talent with specialized skills as our most vital asset, we will foster a culture that encourages taking on challenges and pursuing transformation. By further promoting DE&I and reskilling, we create an environment where employees can maximize their abilities, which will lead to sustainable innovation.

- Number of employees linked by our Group philosophy 19,869
- Overseas employee ratio 58.9 %
- Positive responses in the organizational activity survey 61.5 %
- Data utilization personnel 1,685 employees

Related pages

Human Capital Management P.46

Social and Relationship Capital

A network of trust built through co-creation with stakeholders

We will use the trust built throughout our entire supply chain to accelerate co-creation through open innovation. We will engage in highly transparent dialogue to strengthen partnerships and build a value network that contributes to improving sustainability throughout all of society.

- Wide range of customer industries
- Communication with shareholders and investors
- Venture capital investments
- Co-creation Facility DIVERS
  Visitors: 1,400 in total
  Internal/external reservations by visitors total
  16,000 (excludes some training visits)

Related pages

Sustainable Creation and Realization of New Value P.39

Engagement with Shareholders and Investors P.74

Natural Capital

Achieving coexistence with nature: Resource recycling and environmental contribution

To achieve carbon neutrality by 2050, we will thoroughly pursue production innovation and resource recycling. We will maximize our environmental contributions through our products and focus on the conservation of biodiversity, practicing environmental management that connects the blessings of nature to future generations, and striving to reduce our environmental impact throughout the entire supply chain.

- Energy consumption 2.12 TWh
- Water consumption 1.14 million m³
- Raw materials 110,000 metric tons
- Chemical substance emissions 222 metric tons
- Renewable energy usage rate 51 %
- Recycling rate 99.5 %

Related pages

Preserving the Global Environment P.49

(FY2025 or as of end of March 2026)
(Social and relationship capital DIVERS-related achievements, as of July 2025 - end of June 2026)

NGK Group Value Creation Process for 2035

NGK Group Philosophy — Enriching Human Life by Adding New Value to Society.

External Environment

Mobility	• Due to the slow adoption of EVs, demand for internal combustion engine vehicles remains high
Technological Innovation & Digital Technology	• The rapid adoption and evolution of AI have exceeded expectations and are accelerating technological innovation in semiconductors, data centers, and communications
Climate Change & Global Affairs	• Changes in national policy trends, delays in the adoption of renewable energy and decarbonization • Permeation and expansion of ESG investments from a long-term perspective • Continued inflation concerns and the rethinking of economic security

Long-Term Management Plan 2026-2035 for Achieving our Vision

Desired State in 2035 × What Must Be Done

Leap and Transformation
- Improve the profitability of existing businesses
- Drive growth through DS
- Lay the foundation for CN

5 Transformations



	FY2030	FY2035
Net sales	900.0 billion yen	1.3 trillion yen
ROE	12%	12% and higher
NV net sales	100.0 billion yen	300.0 billion yen
CN/DS Ratio (Ratio of CN/DS products to net sales)	50%	60% and higher

NGK Group Vision Road to 2050
CN/DS Ratio **80%**

Management Capital

Financial Capital
A sound management foundation that supports sustainable value creation

Intellectual/ Manufactured Capital
Unique ceramic technologies for creating value that is difficult to imitate

Human Capital
A source of innovation driven by diverse personalities and a spirit for taking on challenges

Social/ Relationship Capital
A network of trust built through co-creation with stakeholders

Natural Capital
Resource recycling and environmental contributions that achieve coexistence with nature

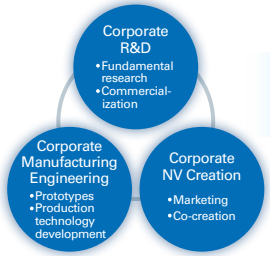
P.16

Business Model

Characteristics of Ceramics	Performs reliably even in harsh environments, providing strong value in the maintenance and construction of social and industrial infrastructure P.13
NGK Group Strengths	Expertise in advanced materials science, manufacturing science, and mass production to create high-performance ceramics and other materials

Needs

Development Trinity
From product-out to market-fit



Commercialization

Business domains — Development of domains peripheral to existing businesses

Environment	Automobiles, industrial equipment, etc.	Automotive-related Industrial Processes CN business promotion
Digital Society	Semiconductors, information communications	SPE related Electronic Components Metal related
Energy & Industry	Power infrastructure	Insulators Energy plants

Sales → Customers

OUTPUT

Environment Business



Ceramics for purifying automobile exhaust

Digital Society Business



Semiconductor manufacturing equipment

Energy & Industry Business



Suspension insulators

P.57

OUTCOME

(FY2025)

Enterprise value	
Net sales	670.1 billion yen
Operating income	95.0 billion yen
ROE	7.8%
NGK ROIC	13.9%
Customer value	
CS-related score	100
Shareholder value	
Market capitalization	1.1 trillion yen
EPS	206.32 yen
Social and environmental value	
Sales ratio of products/ services contributing to environmental protection	59%
Contribution to reducing CO_2 emissions in society	540,000 t-CO_2/year

Reinvestment in capital

Message from the Executive Responsible for the Long-Term Management Plan, Finance, and Sustainability

Using business growth in the DS domain to drive us onto a new stage of leaps forward and transformation. We will maximize corporate value by balancing growth investments and shareholder returns.

Hideaki Shindo | Director and Managing Executive Officer



In April 2026, we embarked on a new start under a new company name: NGK Corporation. The decision to change our company name was made through a process that began with a proposal from the Corporate Communications Dept. and involved numerous deliberations with senior management. With insulators representing less than 10 percent of the Group's consolidated net sales ratio, we recognized the need to clearly disseminate a message, both internally and externally. With that in mind, in May 2026, we announced our Long-Term Management Plan 2026-2035, the culmination of deliberations spanning nearly two and a half years and the embodiment of that message: the NGK Group is committed to the continuous process of transformation and long-term growth that it will take to realize our Group Vision of what we want to be. We will maximize the profitability of existing businesses and apply the growth resources gained from those businesses towards concentrated investments in digital infrastructure domains such as semiconductor-related sectors to drive growth for the entire company. At the same time, we will lay the groundwork for new businesses in the carbon neutrality domain as we advance business structure transformation to promote the realization of our Group Vision for 2050. We believe these initiatives will lead to medium- and long-term growth and improvements in our corporate value.

Takeaways from the Past Five Years

Five years have passed since 2021 when we announced the NGK Group Vision: Road to 2050. While certain issues remain, we were able to clarify our direction for future growth and steadily implement measures related to what we must do.

One of our critical successes was that we made great strides in transforming our business portfolio. In addition to expanding sales in growth sectors, particularly the digital domain, we also made significant decisions related to unprofitable businesses, including discontinuing manufacturing and sales activities for sodium-sulfur (NAS) battery systems, a business that struggled with profitability, and reorganizing the ceramic packages business.

In terms of expanding sales in growth domains, we accurately identified changes in the market environment—the shift towards a digital society—as a growth opportunity and concentrated management resources in this domain. We also were successful in increasing our competitiveness by responding to increasing customer needs for high performance, advanced solutions. As a result, the Digital Society Segment (DS business) has grown into an important pillar that is supporting revenue alongside our mainstay Automotive Ceramics Business. This transformation has not only contributed to increasing our business scale but also increased our ability to respond to changes in our market environment.

To respond to unprofitable businesses, we established the Expansion Strategy Meetings as an entity to supplement the Board of Directors. This Committee involved participation by Outside Directors and worked to increase Board efficacy by engaging on deliberations focused on business strategy and business portfolio. From the lessons learned regarding the time it took to make decisions on business withdrawal and restructuring, this fiscal year the company documented internal rules for responding to unprofitable businesses. For businesses that see operating income, NGK ROIC, cash flow, and other figures fall below a certain level for a number of years, the business division will be required to propose a deadline and metrics to senior management for making a decision on restructuring or withdrawal. Once this proposal is approved by the Board, the company will conduct focused monitoring to rapidly make a decision on the possibility of business rehabilitation. We will use this structure to further increase the soundness of our business portfolio.

FY2025 Performance and FY2026 Forecast

In FY2025, we achieved record highs in both net sales and operating income, surpassing the FY2025 targets set out in our vision. However, when comparing results under the same foreign exchange assumptions used when the vision was formulated, we were unable to fully pass on rising costs—driven by factors such as soaring prices—to our selling prices. Consequently, we recognize that the boost provided by the weak yen played a significant role, and it is difficult to say that we reached the performance levels targeted in our Group Vision five years ago through our own operational strength alone. Return on equity (ROE) remained at 7.8%, falling short of our target of 10% due in part to the impact of an extraordinary loss of approximately 20 billion yen associated with discontinuing manufacturing and sales activities for NAS battery systems.

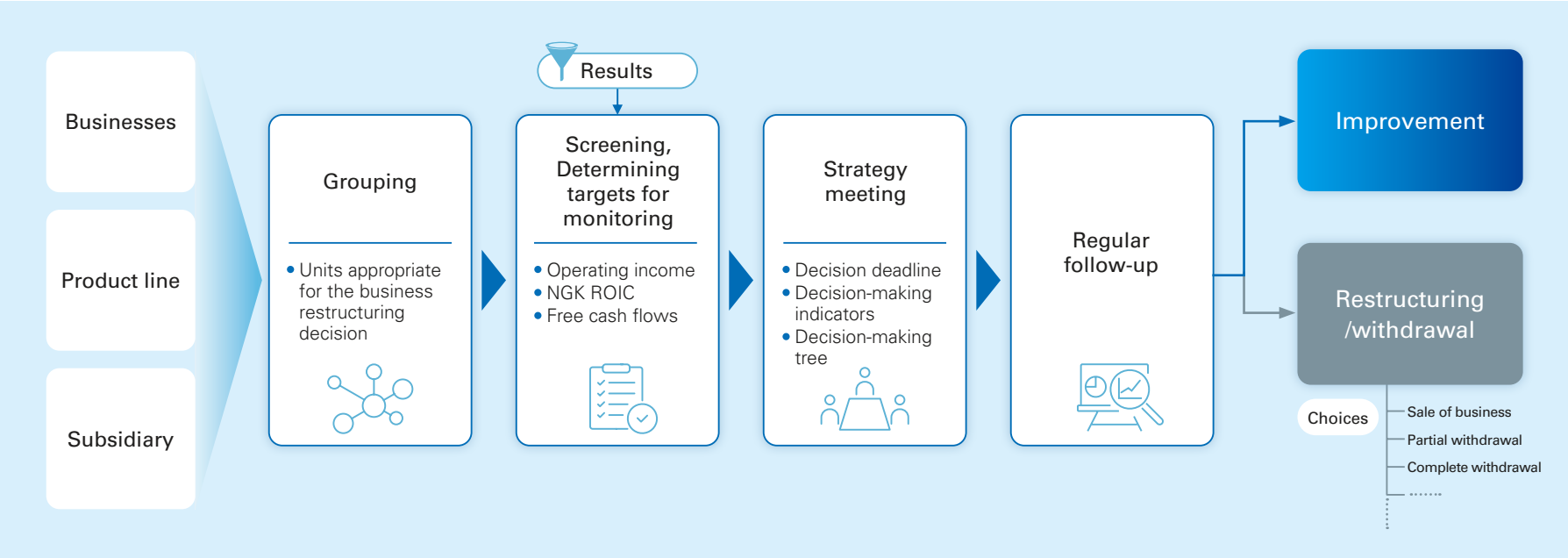
We project record highs for net sales and all income categories in FY2026. Despite uncertainties such as the situation in the Middle East, we anticipate that the shift toward high-added-value products in the Automotive Ceramics Business and further growth in the DS business will drive increased net sales.

We feel that capital market expectations for our company are steadily rising, as is evident from our stock price having increased approximately fourfold over the past year and our successful emergence from the long-standing issue of trading below a price-to-book ratio (PBR) of 1.0x. We believe key factors behind this include the market's positive assessment of the progress made in addressing unprofitable businesses. We also think that the growth potential of products like HICERAM Carrier, a ceramic support wafer for the chiplet stacking process in next-generation semiconductors that we developed around the same time, are garnering attention from the market. This has contributed to our gaining recognition as a semiconductor-related stock.

Background behind the formulation of the Long-Term Management Plan

The Long-Term Management Plan 2026-2035 we announced in May 2026 is the result of company-wide discussions that took

Business restructuring and divestiture review process (for illustrative purposes only)



place over the course of roughly two and a half years.

There was a feeling among some employees that the NGK Group Vision 2050 was difficult to visualize because 2050 is so far away, creating a desire for a clear connection between their daily duties and the Vision. This problem awareness among staff is what launched the development of this plan.

We engaged in repeated discussions, which were led primarily by younger employees. Applying a back-casting approach looking at what we want to be in 2050, we evaluated what we want to be as a company in 10 and 20 years. From these discussions, we articulated Desired State in 2035 and the Corporate Planning Office and relevant departments formulated the strategies and measures needed to achieve that state. We finalized the resulting Long-Term Management Plan after presenting these ideas to management and facilitating a feedback loop between staff and leadership.

It should be noted that formulating this plan took longer than originally anticipated. We determined that simply announcing a long-term management plan without outlining concrete strategies to achieve profitability in the NAS battery and ceramic package businesses would make it difficult for stakeholders to view the plan as truly effective. We believe that clarifying our approach to addressing unprofitable businesses—a key challenge within our business portfolio—and presenting specific measures before announcing the long-term management plan has enhanced the plan's overall credibility and persuasiveness.

Major financial indicators

Indicator	FY2025		FY2030	FY2035
	Target*1	Results	Target*2	Target*2
Net Sales (Billions of yen)	600.0	670.1	**900.0**	**1,300.0**
Ratio of CN/DS sales to total sales (%)	—	35	**50**	**60 or higher**
Operating Income (Billions of yen)	90.0	95.0	**150.0**	**—**
Operating Income Margin (%)	15.0	14.2	**16.7**	**—**
Net income (Billions of yen)	60.0	59.9	**100.0**	**—**
ROE (%)	10.0	7.8	**12**	**12 or higher**
Payout Ratio (%)	30.0	38.8	**—**	**—**
Profit per share (yen)	200.00	206.32	**370.00**	**—**
Sales of New Value products (Billions of yen) (NV1000, NV3000)	—	—	**100.0**	**300.0**

*1 The targets for FY2025 are those outlined in the NGK Group Vision
*2 The targets for FY2030 and 2035 are based on the Long-Term Management Plan

The new Five Transformations for our leap and transformation

To improve profitability, we will increase company-wide profitability by flexibly reviewing our core domains in response to changing conditions and by concentrating management resources on key sectors. With the slowdown in the shift to EVs, we anticipate generating stable profits over the medium- to long-term from our automotive-related products, which currently serve as our core business. To cultivate future mainstay businesses, we will strategically invest generated capital into R&D and facilities to serve as capital for growth in the DS and CN domains. In the DS domain, which includes sectors such as the SPE Business (semiconductor manufacturing equipment) and the Electronic Device Business, we will aim to achieve threefold increase in sales by FY2035 compared to FY2025. Towards this goal, we have already begun constructing a new plant in Ishikawa Prefecture to expand production capacity by roughly 20 percent. On the other hand, we will address businesses and products projected to incur losses or yield low profitability by conducting swift and thorough evaluations to make decisions that are aligned with our standards for business restructuring or withdrawal. We will use this process to maintain a sound business portfolio.

As R&D and commercialization initiatives, we will leverage the unique core technologies we have cultivated over more than a century of ceramics development to create products that truly meet the needs and expectations of our customers. We aim to achieve sustainable growth by swiftly creating new businesses in the rapidly expanding DS domain while steadily advancing R&D in the CN domain, a sector that holds significant growth potential. Achieving this will require that we pursue a strong market fit. As part of organizational restructuring we are implementing this fiscal year, we established a Sales & Marketing Management Div. and a Marketing Dept. within the DS Business Group. This will enhance our efforts to identify new market needs that extend beyond the scope of our existing products. We will accelerate product development by having R&D and sales teams work in unison to visit customers and gather direct feedback while also leveraging Materials Informatics (MI). Through these initiatives, we aim to achieve net sales of 100 billion yen from New Value products by FY2030, and over 300 billion yen by FY2035.

Regarding DX promotion, we are five years ahead of schedule in achieving our goal of fostering the development of 1,000 specialists in DX and data utilization (equivalent to approximately 20% of our workforce in Japan). This is part of our ongoing efforts to build a foundation for utilizing digital technology. Moving forward, we will boost profitability by enhancing company-wide decision-making through the adoption of a data-driven approach to transforming our business models and strengthening our competitive advantages.

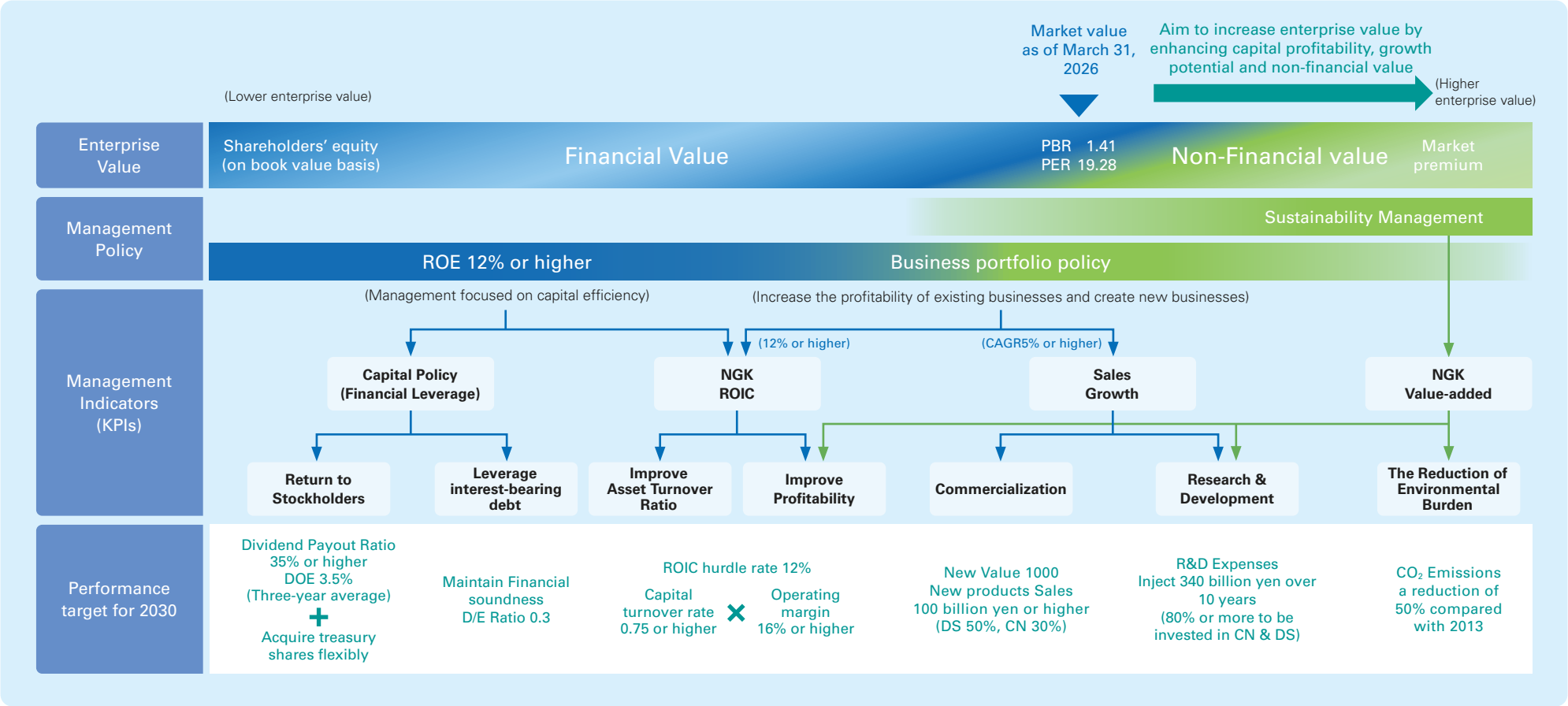
For sustainability management, we maximize our positive impact towards resolving societal issues through business activities. This includes developing and providing products and solutions that contribute to reducing the environmental impact across society. At the same time, we are working to minimize our negative impact through continuous initiatives aimed at reducing the environmental footprint of our operations and supply chain. To achieve our Desired State in 2035, it is also essential that we build an organization where talent with diverse strengths takes on the challenge of creating new values. Through human capital management, we will enhance our investments in human capital, a source of value creation,

and establish ourselves as an organization where diverse talent thrives and embraces challenges as we work to transform our business portfolio. We will achieve sustainable improvements in corporate value by maintaining a virtuous cycle through which strengthening non-financial capital generates future financial value. Specifically, we aim to increase NGK Value-added*, a management indicator for non-financial value, at an annual rate of five to ten percent.

The business environment influencing our company has changed significantly over the past five years. While the development of markets related to carbon neutrality is slower than anticipated, the explosive adoption of generative AI has driven a dramatic surge in demand within the semiconductor and data center markets. Given the strong environment for orders received, which has prompted us to consider expanding our capacity, we believe that concentrating management resources in the DS domain to effectively capture growth in these markets will be crucial to future expansion.

*Calculated by deducting CO_2 emission costs from operating income, then adding back labor costs and R&D expenses, and multiplying the result by the ESG target achievement rate

Relations between enterprise value and management indicators



Financial strategy for achieving long-term targets

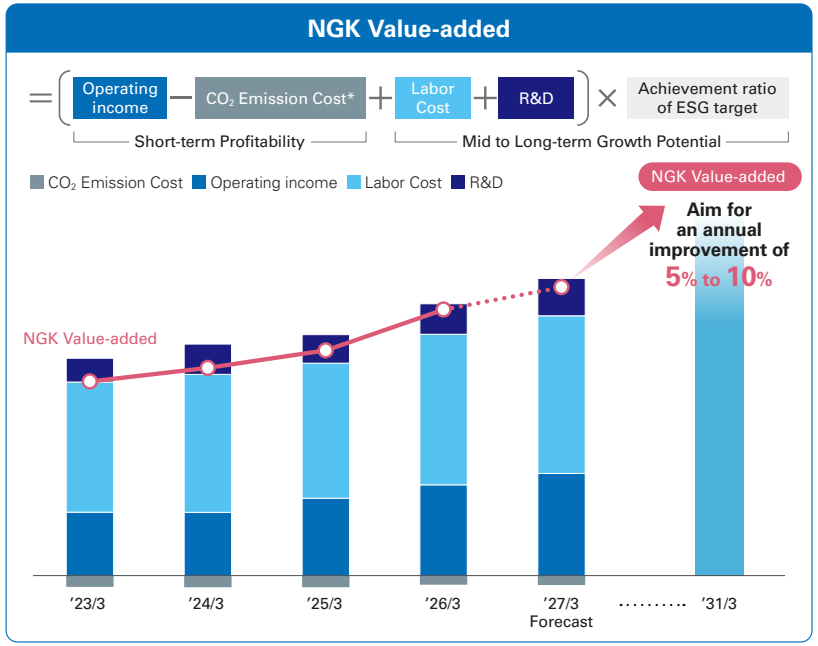
Looking at financial targets, our targets for FY2030 are 900 billion yen in net sales, a 50% CN/DS sales ratio to total net sales, 150 billion yen in operating income, and an ROE of 12%. For FY2035, we will aim for net sales of 1.3 trillion yen, a CN/DS sales ratio of 60% or higher, and an ROE of 12% or higher.

The decision to raise our ROE target takes into account the rise in the cost of capital. We are actively shifting our business portfolio towards the DS domain, and we believe the stock market is increasingly evaluating us through the lens of digital-related business. As business activities expand in a rapidly changing market, our stock's beta, an indicator of how sensitive the share price is to movements in the overall stock market, has risen. Furthermore, the recent increase in long-term interest rates has driven up the level of the risk-free rate, which serves as the benchmark yield for virtually risk-free assets. As a result, shareholder capital costs (CAPM) rose to 9.3% and the WACC (Weighted Average Cost of Capital) increased to 7.9% on an after-tax basis.

In such an environment, to ensure the stable generation of revenue that consistently exceeds the cost of capital, we have decided to raise the hurdle rate for NGK ROIC (our internal management metric for the minimum required rate of return for business investments), from the previous 10% to 12%.

As for cash allocation, we plan to concentrate investments in growth domains and will allocate cumulative total of 200 billion yen to R&D and 450 billion yen to capital expenditures between FY2026 and FY2030. We will outline a clear priority for R&D spending, with a particular focus on the DS domain. With capital expenditures, we will promote the aggressive expansion of manufacturing capacity, including the construction of a new production facility for SPE (semiconductor manufacturing equipment) products on land adjacent to the Ishikawa Plant. Additionally, we are anticipating a total allocation of 350 billion yen for strategic investments and shareholder returns. With strategic investments, we will flexibly consider options such as M&A and capital alliances for promising opportunities that could lead to new business creation or the expansion of existing businesses. Looking at shareholder returns, we have raised our target to aim for a dividend payout ratio of 35% or higher (up from 30%) and a dividend on equity (DOE) ratio of 3.5% (up from 3.0%). We

NGK Value-added: Enhancing Corporate value



* CO_2 Emission Cost: Calculated based on ICP ($140/t CO_2)

Initiatives to improve corporate value

Financial Value

- Continuing to generate profits that exceed the cost of capital
  - Strengthening business portfolio management
  - Improvement of ROIC
  - Reducing the cost of capital
- Ensuring medium-to long-term growth
  - Creating new products and businesses
  - Utilization of mergers and acquisitions

Non-Financial Value

- Input in Research & Development and human capital as future sources of profit
- Continuous initiatives to reduce environmental impact
- Appropriate disclosure of non-financial information



Concentrating investment in the DS domain and building an organization where diverse talent can take on challenges to create new value and achieve our Desired State in 2035.

also intend to flexibly execute share buybacks and cancellations based on an evaluation of business performance and our cash position. Through these initiatives, we will aggressively pursue both investments in growth domains and shareholder returns.

Maintaining financial soundness is crucial to securing the funds for these growth investments. Our debt-to-equity (D/E) ratio is highly stable at 0.30. This sound financial foundation enables us to simultaneously pursue large-scale growth investments and shareholder returns. Even as we actively advance capital expenditures and M&A, we will maintain financial discipline while ensuring the capacity needed for capital flexibility.

Strengthening governance and enhancing non-financial value

We are also working to strengthen corporate governance to ensure the steady execution of our Long-Term Management Plan. Thus far, we have revised our executive compensation program to increase the proportion of variable compensation to reinforce a commitment to achieving the Long-Term Management Plan and budget targets. Furthermore, we have introduced NGK Added Value and employee engagement as new performance indicators. The compensation structure is designed so that remuneration decreases if non-financial targets are not met, ensuring that management takes direct responsibility for improving non-financial value.

Looking at employee engagement, the Take on Challenges score from our Survey on Workplace Vitality is currently below 3.5. This is an issue that was also highlighted by institutional investors. We have set a management goal to raise this score to 3.8 or higher by FY2030. In our human resources system for management-level employees, we have introduced behavioral assessments alongside performance evaluations. This establishes a framework for appropriately evaluating and rewarding employees who take on challenges.

We also established a new business proposal program that is open to all employees. This creates a system where anyone, not just those in development divisions, can propose ideas for new ventures. With hands-on support from the Corporate Planning Office, proposals are being submitted on a regular monthly basis, and several have already been adopted as formal R&D projects. We believe that extending these opportunities for taking on challenges across the entire company will serve as a source of future growth.

Reflecting dialogue with stakeholders into management

Dialogue with stakeholders is essential for validating our management direction and driving improvement. In addition to standard earnings briefings for institutional investors, from FY2025 we initiated new dialogue between institutional investors and Outside Directors. Participating investors highly praised the initiative, noting that "it was excellent to hear Outside Directors speak in their own words, drawing on their respective backgrounds" and that "my confidence in the operation of the Board of Directors has increased."

This dialogue has led to tangible improvements in management. Insights and advice received from investors have materialized into concrete measures, including the adoption of new non-financial metrics for executive compensation, improved disclosure regarding the progress of NV1000, and the establishment of a business portfolio management framework that formalizes rules for addressing unprofitable businesses. We remain committed to continuing this constructive dialogue while further enhancing our information disclosure.

A leap forward and a transformation for the next generation

We formulated this Long-Term Management Plan to instill hope in the younger generation. We are confident that if every executive officer and employee continues to take on challenges in pursuit of the goals set forth in this plan, we can realize our Desired State in 2035. By addressing unprofitable businesses, we have laid the groundwork for transforming our business portfolio and increased the likelihood of generating stable revenue. Building on this foundation, we will accelerate investments in products set to see rapid growth, particularly within the DS domain. The source of our growth is in a business model focused on mass producing high-value-added ceramic products with a high barrier to entry for niche markets. Advancements in ceramic technologies are steadily expanding the scope of products where ceramics can replace glass and metal. By delivering products that provide essential value to society and positioning the coming decade as a time for taking a leap and driving transformation, we will achieve medium- to long-term improvements in corporate value.

Non-financial KPI

		FY2025 (results)	FY2030 (target)*2
Non-financial KPI	GHG emissions	Scope 1 & 2: 46% reduction vs. FY2013*1	Scope 1 & 2: 50% reduction vs. FY2013
		Scope 3: —	Scope 3: 25% reduction vs. FY2022
	Corporate culture of taking on challenges Survey on Workplace Vitality scores	Taking on challenges: 3.3	Taking on challenges: 3.8
		Leveraging diversity: 3.4	Leveraging diversity: 3.8
	Ratio of female managers (%)	5	10

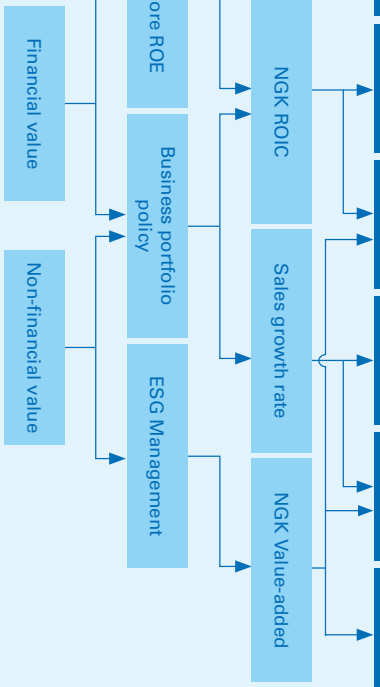
*1 Provisional figure prior to third-party evaluation
*2 The 2030 target is based on the Long-Term Management Plan

Relationship between value creation and our management indicators

We are pursuing increases in corporate value from both financial and non-financial perspectives. We will achieve sustainable growth and create social value by linking the strategies we formulated through back-casting from Desired State in 2035 with key performance indicators (KPIs).

NGK ROIC management

We prioritize generating revenue that exceeds the cost of capital and are driving the optimization of our business portfolio and the enhancement of corporate value by utilizing the NGK ROIC.



	2030 Targets	FY2025 Results	FY2026 Forecast	Related pages
Shareholder returns	Dividend payout ratio: Single year 35% or higher; Average of three years 35% or higher Shareholders' equity DOE: Single year 3.5%; Average of three years 3.5%	Dividend payout ratio: Single year 38.8%; Average of three years 36.1% Shareholders' equity DOE: Single year 3.0%; Average of three years 2.6%	Dividend payout ratio: Single year 36.5%; Average of three years 36.0% Shareholders' equity DOE: Single year 3.7%; Average of three years 3.1%	Message from the Executive Officer Responsible for Finance and Sustainability P.18
Application of interest-bearing liabilities	D/E ratio 0.30	D/E ratio 0.30	D/E ratio 0.30	
Improved asset turnover	NGK ROIC* 12% Asset turnover of 0.75 or more Operating income margin of 16% or more (*hurdle rate)	NGK ROIC* 13.9% Asset turnover of 0.98 Operating income margin of 14.2%	NGK ROIC* 15.9% Asset turnover of 1.06 Operating income margin of 15.1%	Message from the Executive Officer Responsible for Finance and Sustainability P.18 Profitability Improvement P.29 Business Strategy by Segment P.54
Increased profit margins				
Commercialization	New Value 1000 Sales from newly launched businesses 100 billion yen or more (DS 50% / CN 30%)	— *	— *	Research and Development P.32 Research and Development, Commercialization P.34 Commercialization P.39
Research and development	R&D expenditure 340 billion yen / 10 years of investment (80% or more for DS/CN)	R&D expenditure 31.8 billion yen	R&D expenditure 39.0 billion yen	
Decreased environmental impact	50% decrease from FY2013 CO_2 emissions	46% decrease from FY2013 CO_2 emissions	41% decrease from FY2013 CO_2 emissions	Conservation of the global environment P.49 TCFD P.50 TNFD P.51

* We do not disclose management indicators for individual fiscal years.

Positioning of the Long-Term Management Plan 2026-2035

We created a new plan and strategy that positions 2035 as the interim target year on our Road to 2050.

In April 2021, the NGK Group created the NGK Group Vision: Road to 2050. Since then, we have worked to transform our business structure with the goal of contributing to carbon neutrality (CN) and a digital society (DS). While our view on megatrends heading towards 2050 remains unchanged, our operating environment has changed significantly compared to five years ago. To respond to these changes, we have positioned 2035 as the interim target year for Road to 2050 and we have formulated an ambitious plan that rethinks the transformation of our business structure. This plan outlines our steps that we will implement over the next 10 years to fully advance business structure transformation.

In April 2026, we changed our company name to NGK Corporation. Centered on our unique technology, we will pursue self-transformation and implement our Long-Term Management Plan to realize our next leap forward and achieve sustainable improvements in corporate value.



Looking Back on FY2021 through FY2025

Despite achieving record high net sales and operating income, new value creation in the CN and DS domains was limited.

In 2021, we formulated the NGK Group Vision: Road to 2050 as a plan centered on making contributions to carbon neutrality (CN) and a digital society (DS). Since then, we have advanced initiatives aimed at transforming our business structure based on Five Transformations designed to realize our Group Vision. Looking at performance, in FY2025 we achieved record highs for both net sales and operating income, thanks in part to the impact of yen depreciation. We also surpassed our interim targets of net sales of 600 billion yen, operating income of 90 billion yen, and earnings per share of 200 yen. On the other hand, we did not achieve our targets for net income and ROE. While we worked on structural reforms, including addressing unprofitable businesses by terminating manufacturing and sales activities for the NAS battery business and conducting a company split for NGK Electronics Devices, we continued to face issues related to profitability due to cost increases driven by inflation and other factors. We also steadily integrated ESG management and DX promotion. In the area of R&D and commercialization, while we were able to lay foundational groundwork, including input for development products and external alliances, results were limited compared to original expectations.

FY2025 results

	Vision Target	Result
Net Sales	600.0 Bn Yen	**670.1 Bn Yen** Record high
Operating Income	90.0 Bn Yen	**95.0 Bn Yen** Record high
Net Income	60.0 Bn Yen	**59.9 Bn Yen**
Earnings per share (EPS)	200 Yen	**206 Yen**
ROE	10%	**7.8%**
Exchange rate assumptions	USD 100 yen EUR 120 yen	USD 151 yen EUR 175 yen

Progress of key measures

Profitability improvement	• ROIC/Analysis and improvement of profitability in each business • Strengthening the entire process chain	• Progress made in the restructuring of unprofitable businesses and cost reduction starting from the strengthening of the entire process chain • Net income and ROE fell short of targets	△
Research & Development	• Increasing Net Sales in newly launched businesses • Allocating R&D cost to the CN and DS Domains	• Steadily drove initiatives for growth, including the reinforcement of basic technologies and the exploration and development of future themes. • The number of promising products under development and development themes have increased, but relatively few projects have been launched, and their contribution to Net Sales is still limited.	△
Commercial-ization	• Improvement of cross-divisional marketing • Expansion of collaboration with outside partners • Expanding solution business	• Progress made in infrastructure development, including the shift to the centralized management of market and technology information • Improvement of cross-divisional marketing, expansion of solution business including collaborations and selling services, and training of IT liaisons in each division are on the way.	△
Digital transformation	• Digitalization of all processes in the company • Training of IT liaisons in each division	• Progress made as targeted in the development of DX human resources, etc. • DX first progressed on-site, such as the digitalization and development of data infrastructure at domestic and overseas bases	○
ESG Management	• Action on climate change • Promotion of human capital management • Governance enhancement	• Drove related measures including the introduction of a new Key Personnel System, and the reduction of GHG emissions has also progressed as planned • Reinforced the Group's governance foundation by developing a risk management and monitoring system	○

△ → Net income and ROE fell short of the targets under the Vision.

Commercialization remains limited, and efforts to expand value provision, including selling services, are still in progress.

○ → Steady progress made in the development of the management foundation

External Environment and Policies for 2035

We formulated policies for 2035 to respond to changes in our external environment and issues that became evident through an evaluation of results.

While there is no change in the megatrend for 2050, the arrival of carbon neutrality (CN) and a digital society (DS), we are seeing a difference in the speed of advancement for each domain. As a result, the status of our current operating environment has changed significantly compared to five years ago. In the DS domain, the speed of adoption of AI and other digital technologies is faster than expected. Conversely, in the CN domain, the development of the structures required for social adoption and market formation has not progressed as anticipated. Looking at the Automotive Ceramics Business, our mainstay business, the shift to electric vehicles (EV) has slowed down, resulting in an operating environment that continues to produce strong demand through 2030.

In light of these changes in our external environment and an evaluation of past developments, we will advance four core measures: concentrated injection of management resources to reflect changes in market growth, rapidly respond to unprofitable businesses, pursue commercialization by accelerating the social adoption of development results, and further strengthen our management platform to promote sustainable improvements in corporate value.

Along with these measures, we have also outlined policies for each business domain as we head towards 2035. For existing businesses, we will work to maximize profitability. In the DS domain, we will develop and create multiple new, highly competitive niche-leading products. In the CN domain, we will diligently continue with business model design and continue efforts toward practical implementation in society. We will also further strengthen our management platform by enhancing our sustainability management and strengthening DX promotion.

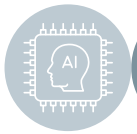
Changes in the external environment

Opportunity Risk



Mobility

- Slower EV penetration keeps internal combustion engine vehicle related demand at high levels.



Technological innovations and digital technologies

- Technological innovation in the areas of semiconductors, data centers, and communications has accelerated due to the expansion of AI and its evolution progressing more rapidly than anticipated.



Climate change and world affairs

- Changes in policy trends and delays in the introduction of renewable energy or decarbonization in various countries
- Entrenchment and expansion of ESG investments from a long-term perspective
- Ongoing concerns regarding inflation and review of economic security

Tasks identified in the review

- Reviewing fields and areas of focus in accordance with changes in the environment and intensively investing management resources
- Setting criteria for determining when to withdraw from unprofitable businesses
- Initiatives to accelerate the social implementation of development projects to launch new businesses
- Continuing to reinforce the management foundation to sustainably improve corporate value

Strategies toward 2035

Maximize profits from existing businesses (including the Automotive Ceramics Business)	• Maximize added value using existing resources and steadilygenerate funds • Introduce a business restructuring and divestiture review process to accelerate the handling of unprofitable businesses
Capture the increasing number of business opportunities in the DS domain	• Invest intensively in the DS domain, aiming to be at the top of multiple niche product markets • Starting in peripheral areas, leverage the strengths of existing businesses to create new products • Develop new products into pillars of business
Design business models in the CN area	• Accelerate the design of business models based on ceramic technologies that will solve social issues • Continue marketing development and trial provision moving toward social implementation
Reinforce the management foundation	• Strengthen sustainability management (climate change, human capital management and sustainable procurement) • Accelerate DX to move toward data-driven management

Becoming What We Want to Be

We clarified what we want to be in 2035 and updated what we must do (Five Transformations).

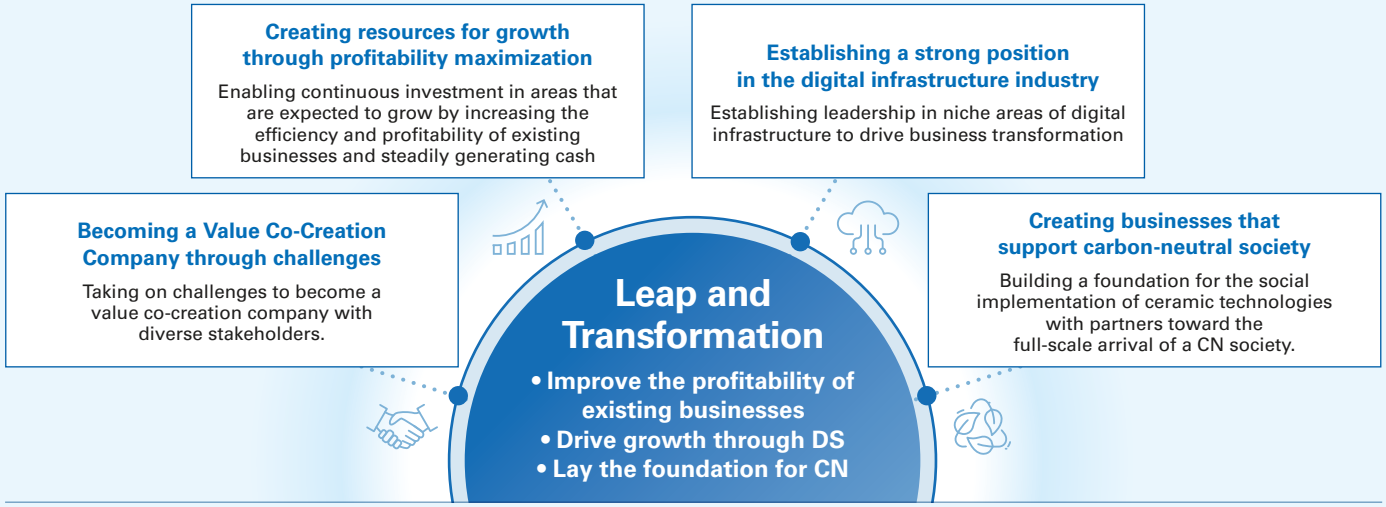
Desired State in 2035

We position 2035 as an interim target year on our way to realizing the NGK Group Vision: Road to 2050. We will aim to become what we want to be through leaps and transformation achieved by taking on challenges as a Group. By maximizing profitability for existing businesses, we will create resources for growth to enable continuous investments. We will establish leading positions in niche markets within the digital infrastructure domain to serve as a driving force for structural transformation. At the same time, we will work with partners to build a foundation for the social adoption of ceramic technologies ahead of the full-scale shift to a carbon neutral society. This indicates how we will evolve into a value co-creation company that creates value with diverse stakeholders by embracing endless challenges.

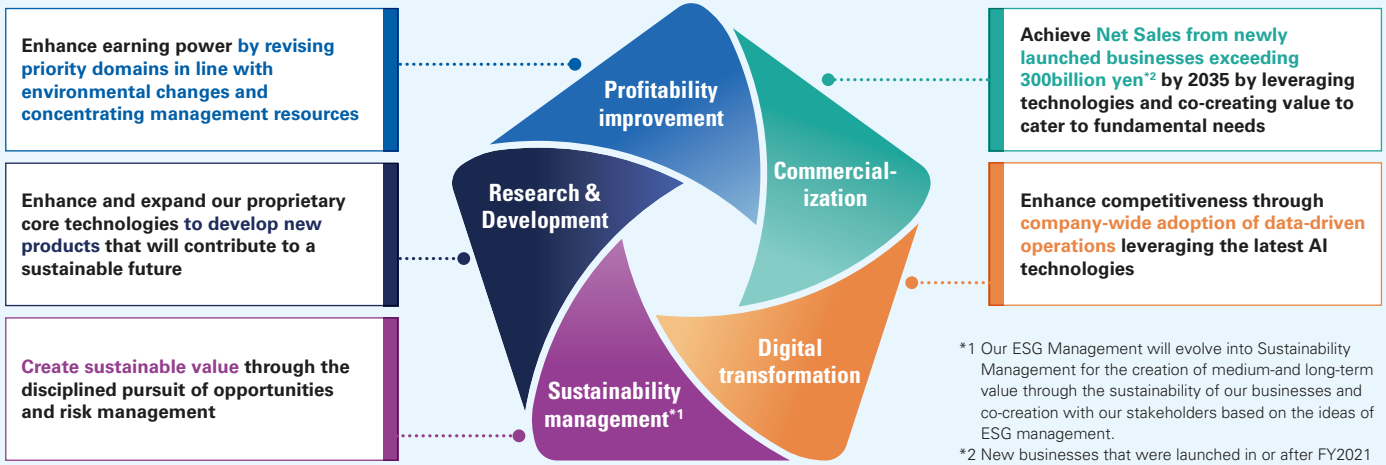
What we must do to become what we want to be (Five Transformations)

To become Desired State 'what we want to be' in 2035, we have updated the Five Transformations outlined in our Group Vision and will further accelerate these initiatives. Focusing on balancing growth potential with profitability and strengthening our management platform, we will adapt to changes in our operating environment to improve profitability and promote R&D that enhances and expands our core technology. Leveraging our proprietary ceramic technologies and co-creation, we are striving for commercialization that achieves net sales exceeding 300 billion yen from New Value products by 2035. We will also pursue a digital transformation through DX promotion that improves our competitiveness by adopting data-driven initiatives on a company-wide level. Furthermore, we will reinforce opportunity capture and risk management by going beyond ESG to practice sustainability management. Through these Five Transformations, we will realize sustainable value creation.

Desired state in 2035



What must be done: 5 Transformations



*1 Our ESG Management will evolve into Sustainability Management for the creation of medium-and long-term value through the sustainability of our businesses and co-creation with our stakeholders based on the ideas of ESG management.
*2 New businesses that were launched in or after FY2021

Profitability Improvement

[Existing Domains] Automotive Ceramics Business

Message from Leadership



Motoo Noritake | Senior Executive Officer, Group Executive, Environment Business Group

Accurately identify market trends and strengthen the revenue base for the Automotive Ceramics Business

Looking at the environment influencing the Automotive Ceramics Business, progress in EV adoption was slower than expected and demand for internal combustion engine vehicles is projected to remain strong. However, in an environment of continuous change, we will continue to pay careful attention to market trends.

We will accurately identify these market trends and accelerate our shift to high-value-added products as we strive to further improve profitability.

We will also work to stabilize our revenue base by optimizing our global production structure and reinforcing cost reduction efforts. Additionally, we will leverage our technology portfolio to engage in the carbon neutrality domain as we seek to lay the groundwork for future growth.

View of business environment (risks and opportunities)

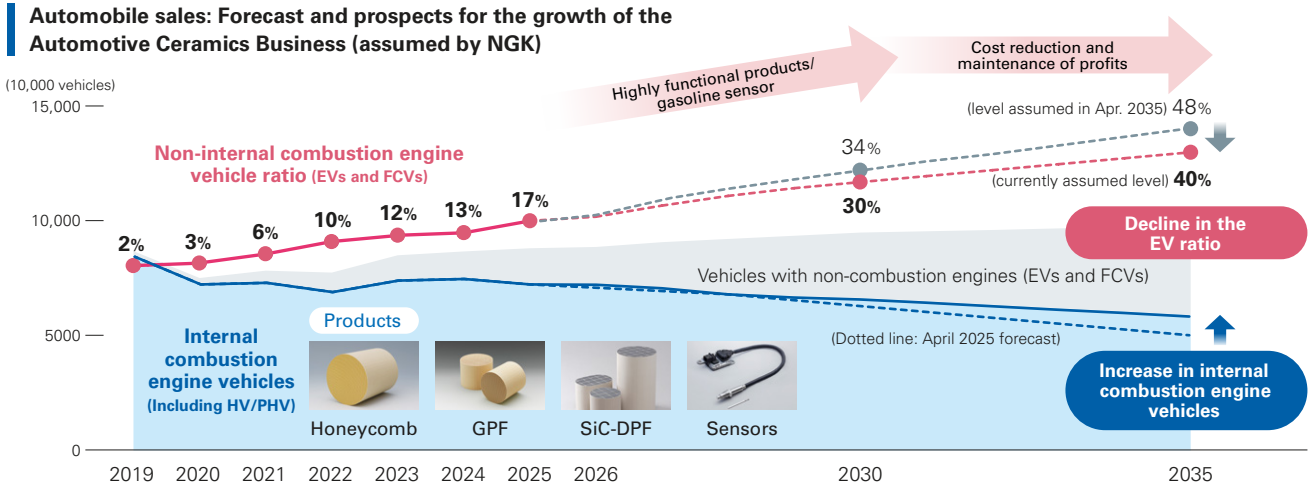
Opportunities
- Trend of strong demand for internal combustion engine vehicles, including those for HV and PHV
- Stricter emissions regulations by around 2030

Risks
- Mild growth in global EV demand continued

Long-term strategy and targets

As EV adoption has been slower than expected, internal combustion engine vehicles are projected to see strong demand continue. We will maximize revenues from existing business by injecting gasoline sensors and other new and high-performance products in response to stricter regulations. Looking at global markets, we recognize the increasing importance of building a production structure that accounts for geopolitical risks. We will respond to this environment by optimizing global production sites, one of the strengths of our business group, as well as promote cost reductions.

Automobile sales: Forecast and prospects for the growth of the Automotive Ceramics Business (assumed by NGK)



Forecast for emission regulations (NGK's Est.)

Market	2022	2023	2024	2025	2026 ····· 2030 ····· 2035
Japan	PPNLT (WLTC)				GE/GDI・MPI RDE
Europe	EU6d-Full				Sensors EU7
U.S.	Tier3 LEV III				PM1mg GPF Tier4 (PM0.5mg)
China	China6a (All)	China6b (All)			China7
India	BS6 Stage I	BS6 Stage II			BS7
Thailand	EU4	EU5			EU6b

Profitability Improvement

[DS Domain] Growth Strategy Toward 2035

Message from Leadership



Hiroki Fujita | Senior Executive Officer, Group Executive, Digital Society Business Group

Challenging ourselves to new growth for the Digital Society (DS) business

As AI demand grows rapidly, the DS business is being positioned as a growth driver for NGK. In light of this, this fiscal year we outlined the following policy for our business group.

The courage to stop, the will to continue, and the challenge of creating. Pursue transformation in every aspect of operations and convert our business portfolio to achieve true new growth in Digital Society Business Group.

Assume that change will occur in our operating environment. Refine what we should continue doing and reevaluate what we should stop doing as we challenge ourselves to create new value. The commitment to this continuous process will lead to sustainable growth. We will refine existing businesses and pursue investments and development in promising growth domains. At the same time, we will make rational decisions regarding the rehabilitation of and withdrawal from low-profit and unprofitable businesses. We will also focus on searching for new business opportunities. We will drive this challenge of creating by observing the market and our customers to discover new ideas through interactions that transcend organizational boundaries.

View of business environment (risks and opportunities)

Opportunities
- Advancement in AI, increased investments in data centers
- Advancement in high-speed, large-capacity communications
- Electrification of automobiles

Risks
- Disruptive innovation
- Decoupling of global markets

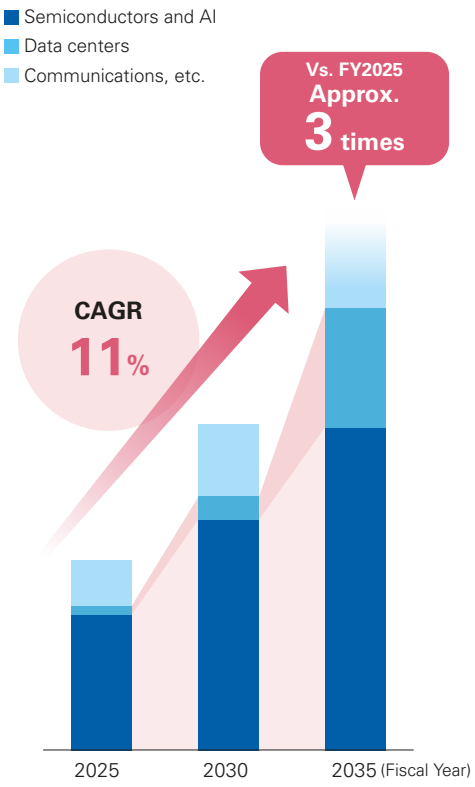
Long-term strategy and targets

Heading towards 2035, we will grow the DS business into a new pillar by focusing on the expanding semiconductor and data center sectors to drive a threefold increase in sales compared to FY2025.

Anticipating sustained growth in demand for high-performance semiconductors for AI applications, we will proactively invest in production facilities for products that support advanced performance such as miniaturization and stacking, including ceramics for semiconductor manufacturing equipment and HICERAM Carrier.

We also intend to increase added value and accelerate growth by launching new products as well as through collaborations and M&A activities.

Illustration of change in net sales



Product development

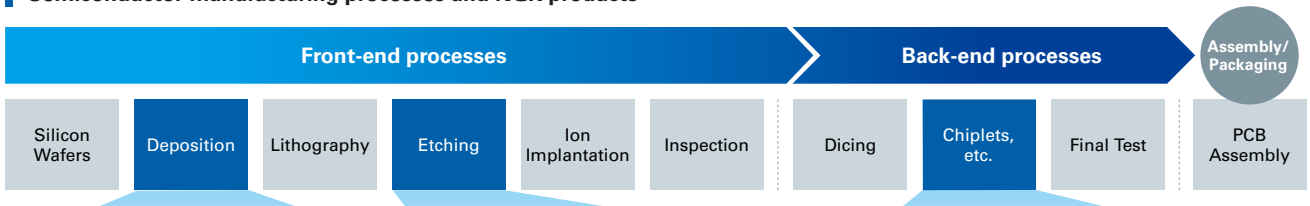
* Blue are new products

Main domain		Product group
High-speed wireless communications — Progress toward Beyond 5G	Shift to higherperformance, ultra-low-latency communications	● Bonded wafers (5G and 6G smartphones) ● High-frequency timing devices ● High-frequency packages
Data center peripherals — Rapid increase in the volume of data reflecting the popularization of AI	Increase in data traffic and volume of stored data	● Parts for next-generation HDDs ● Bonded wafers(optoelectronic integration) ● Core substrates for semiconductor packages ● High-heat-dissipation components ● Packages for optical communications
Semiconductor manufacturing processes — Supporting the evolution of AI semiconductors	Increase in processing capacity of semiconductors	● Ceramics for semiconductor manufacturing equipment ● Aluminum components for chambers ● Translucent alumina ceramics ● Beryllium copper products

Profitability Improvement

[DS Domain] Main Products for Semiconductor Manufacturing Processes

Semiconductor manufacturing processes and NGK products

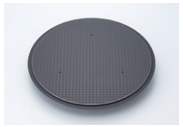




Ceramic Heaters

- Enables high-precision temperature control
- Stable even in high-voltage and highly corrosive environments

Contributes to circuit miniaturization



Electrostatic Chucks

- Holds wafers with high precision
- Compatible with heating, cooling, and RF processes

Contributes to the realization of highly integrated circuits



HICERAM Carrier

- Temporary bonding carrier compatible with laser lift-off
- High rigidity to suppress warpage during processing

Contributing to the stable production of advanced packages

Message from Leadership



Daishi Tanabe
Electronic Device Business Division HICERAM Carrier Dept. General Manager

We will swiftly expand production capacity and enhance the quality of HICERAM Carrier products to ensure we capture rapidly growing demand being driven by the proliferation of AI semiconductors.

Our HICERAM Carrier is a critical material used as a support wafer for temporarily holding chips during the manufacturing process for advanced semiconductor packages using chiplet stacking. HICERAM, a translucent ceramic technology we have developed over many years, provides high rigidity and durability to reduce the warping and breakage during manufacturing processes that were issues with conventional glass carriers. This stabilizes the manufacturing process, contributing to reduced product loss and improved quality.

We will keep pace with the market growth and advancing performance requirements for cutting-edge semiconductors, particularly high-performance GPUs for AI servers, by strengthening our supply capabilities. We are also intensifying our efforts to improve quality, including improving surface finish and thickness precision. Moving forward, we will continue to accurately identify market needs and drive business growth by enhancing both product performance and supply capacity.

POINT About HICERAM Carrier

Application

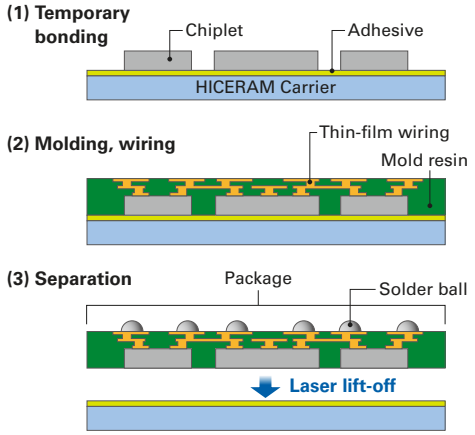
A support wafer used to temporarily secure semiconductor chips during chiplet stacking, a process that achieves high performance by combining multiple compact semiconductor chips.

Characteristics

By using a translucent alumina material produced from high-purity alumina and engineered to minimize impurities and porosity, this product offers properties such as translucence, resistance to warping, and chemical resistance. This product contributes to stable operations and improved yields in advanced semiconductor packaging processes.

Chiplet stacking process

Steps (1) through (3) are performed on the HICERAM Carrier (support wafer). After the package is detached, the HICERAM Carrier is reused.



Research and Development

R&D Activities

Message from Leadership



Takao Ohnishi

Director and Senior Vice President
Responsible for Corporate NV Creation and IP Strategy Dept.,
Group Executive of Corporate R&D, Development and Commercialization
Vice Committee Chair

Driving growth by focusing on development in the Digital Society domain

The NGK Group is accelerating R&D-driven value creation as we strive to achieve our Desired State in 2035 and 2050. Grounded in the unique ceramic technologies we have cultivated for over 100 years, we will leverage external collaborations to enhance and expand our core technologies and link R&D initiatives to new product development. In particular, we will drive growth by focusing on the Digital Society domain to take advantage of growing demand for AI and data centers. In the Carbon Neutrality domain, we will carefully examine market trends while advancing technology development as we steadily lay the groundwork for new business creation towards the goal of market adoption. Through our R&D, we will help resolve social issues while increasing corporate value as we contribute to the realization of a future society.

R&D Strategy, Core Domains

R&D is essential to becoming Desired State in 2035 and 2050. Aiming to use our unique ceramic technologies to contribute to carbon neutrality and a digital society, we are positioning the Digital Society domain as a core growth domain, and will accelerate R&D centered on fields related to semiconductors and data centers. During these activities, we will leverage our new R&D facility, which features an advanced development environment and equipment, to further accelerate development in leading-edge fields. In the Carbon Neutrality domain, we will continue to pursue technology development that positions these technologies for future market launch.

In our initiatives targeting these core domains, within the NGK Group we perform R&D functions for the entire company and have built a framework for increasing the speed and accuracy of processes through commercialization. Business groups take charge of improving existing products and development in markets closely related to their current customer base. On the other hand, corporate divisions such as Corporate R&D are responsible for development involving new technologies and new customer domains. We also provide development support to business groups. Through this framework, we are advancing R&D that simultaneously expands our work in existing fields while also pioneering new domains. In our R&D activities, we leverage the co-creation center DIVERS to accelerate collaboration with companies, universities, and startups, which fosters the creation of new technologies and themes.

Positioned at the center of this company structure, Corporate R&D conducts research and development that balances promoting commercialization efforts with the acquisition of future technologies. We focus on core technologies while enhancing our expertise in differentiating technologies, and we create competitive products by promoting new research theme creation and accelerating the pace of development. We aim to generate new medium- to long-term initiatives and ensure continuous growth by engaging in technology exploration focused on the future.

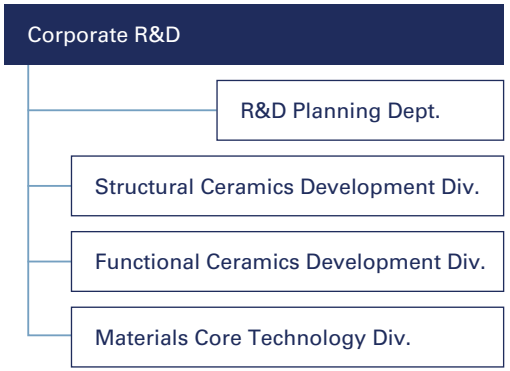
Corporate R&D Structure

Corporate R&D comprises the R&D Planning Department and three divisions: the Structural Ceramics Development Division, the Functional Ceramics Development Division, and the Materials Core Technology Division.

The Structural Ceramics Development Div. and the Functional Ceramics Development Div. handle the areas of application and development targeting commercialization, driving initiatives that directly lead to business creation. On the other hand, the Materials Core Technology Div. handles the development of core technologies such as materials, processes, and analysis to promote the development and enhancement of core technology that will serve as the foundation for various development efforts.

Leveraging these core technologies accelerates development conducted by the Structural Ceramics Development Div. and the Functional Ceramics Development Div. In this way, core technology is a source of our medium- to long-term competitiveness and serves a critical role in supporting product development. By having each development division advance R&D both independently and through mutual collaboration, we balance the generation of short-term results with the accumulation of technology for the future.

R&D Structure



Research and Development

R&D Activities

Promoting R&D for Desired State 'what we want to be' in 2035

Advancing R&D will be essential to becoming what we want to be in 2035. The NGK Group will leverage the unique ceramic technologies we have cultivated over more than a century and proactively engage in external collaborations to enhance and expand our core technologies. We will link these technologies to the development of new products that contribute to the realization of a sustainable future society.

In addition to our ceramic technologies such as materials technology, production and process technologies, and analysis and evaluation techniques, the NGK Group also possesses materials informatics, technology that leverages vast amounts of accumulated experimental data and digital technologies like AI.

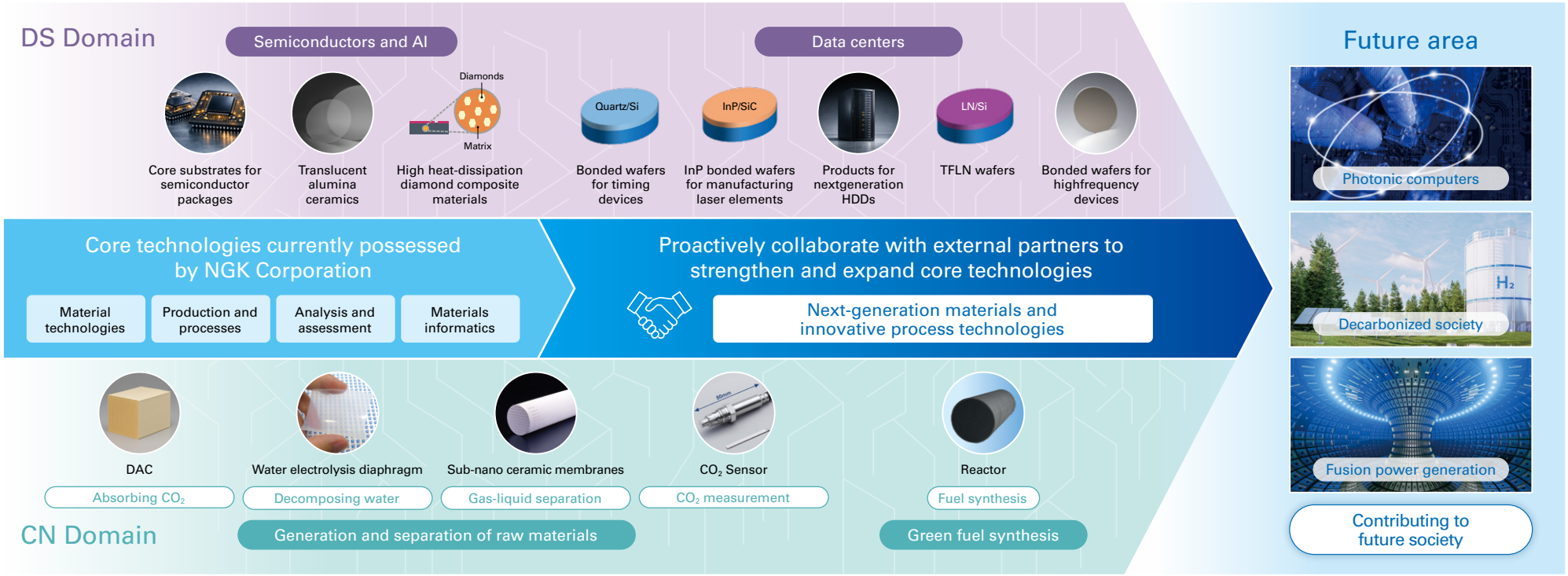
We will continue to enhance and expand these core technologies by incorporating new insights and expertise through external collaborations to further refine our unique ceramic technologies.

These core technologies represent more than just an accumulation of existing expertise; they continue to evolve through efforts to enhance and expand our expertise. By combining and leveraging these technologies, we will increase their value as a source of competitiveness and link them to the creation of new products.

Specifically, in the Digital Society (DS) domain, we will accelerate development centered on semiconductors, AI, and data centers to create highly competitive niche-market-leading products. In the Carbon Neutrality (CN) domain, while keeping an eye on market trends, we will advance business model design and promote market adoption while developing new products in areas such as raw material production and separation as well as green fuel synthesis.

Through these initiatives, we will achieve sustainable improvement in corporate value and contribute to future society by becoming Desired State in 2035: enhancing the profitability of existing businesses, driving growth through DS, and laying the foundation for CN.

R&D Promotion Roadmap for What We Want to Be



Research and Development Commercialization

[DS Domain] Next-generation Products that Respond to Technological Advancements in Semiconductors

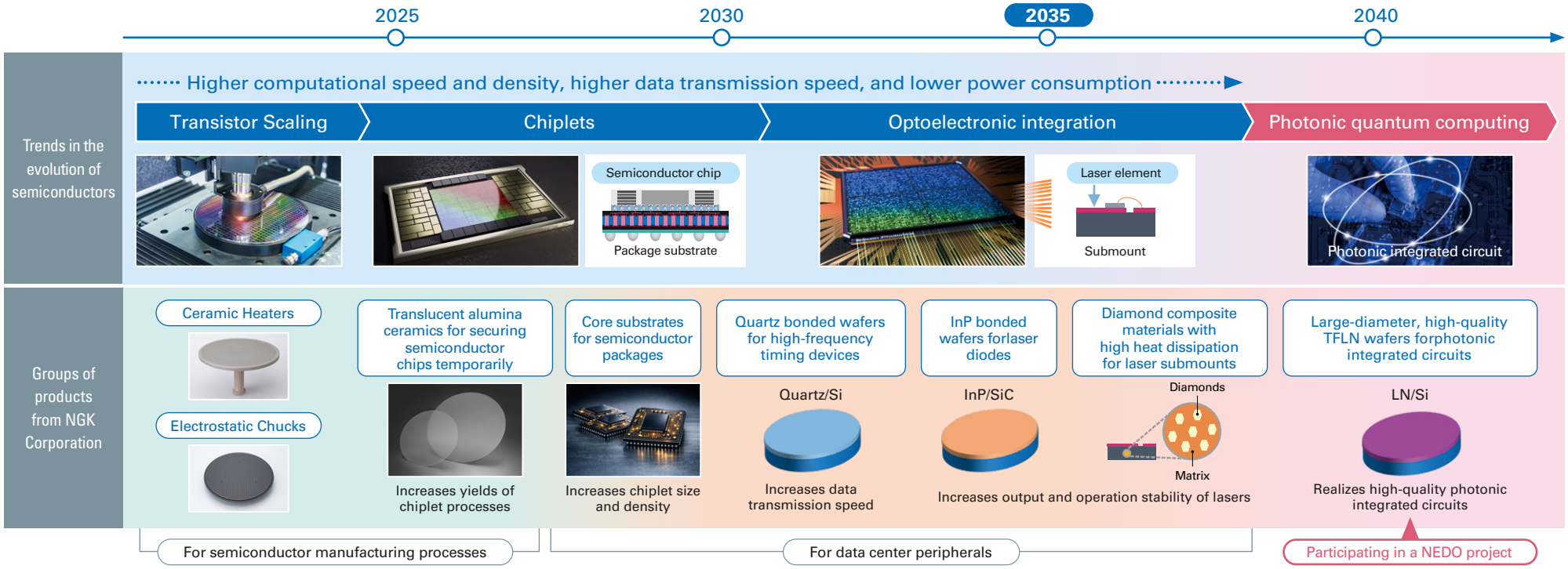
NGK Strengths and Advantages for Responding to Technological Advancement in Semiconductors

In response to an increasingly sophisticated digital society driven by advancements in AI and data centers, the NGK Group is accelerating its development of next-generation products that will meet the evolving demands of semiconductor technology. Semiconductors have become an integral part of social infrastructure, and we anticipate that the trends of higher computing speeds and densities, faster data transmission, and lower power consumption will continue over the medium- to long-term. We expect these trends will drive growing demand for ceramics offering high rigidity, insulation, and heat dissipation, particularly in data center and telecommunications applications.

This demand will further increase the importance of our core ceramic technologies. Transcending mere miniaturization and higher integration, the evolution of semiconductors is moving toward achieving superior performance in both processing and data transmission, driven by developments such as chiplet technology and the convergence of optics and electronics.

In response to these trends, we are developing a line of products that will align with technological trends, including core substrates for semiconductor packages, composite wafers for high-frequency timing devices, InP/SiC composite wafers, and high-heat-dissipation diamond composite components. These products help address challenges such as the increasing size and density of chiplets, the need for faster data transmission, and increasing heat emission. A key strength of our products is that they are aligned with the requirements driven by the evolution of semiconductor technology. While many of these products are still in the development stage and not all will reach commercialization, we are focused on the continuous creation and market launch of products that can capture a leading position in niche markets. We are also participating in external projects within the quantum computing sector, leveraging our accumulated expertise to advance initiatives aimed at future real-world implementation.

Product Development Targeting Trends in Semiconductor Evolution



Net Sales target **50** billion yen or more in FY2030, and **100** billion yen or more in FY2035

Research and Development | Commercialization

Products and Services for Carbon Neutrality

Message from Leadership



Takeshi Ohtsu | Executive Officer, Group Executive, Corporate NV Creation

Creating new value through co-creation and aiming for a carbon neutral society

Compared to 2021, when we announced the NGK Group Vision, global initiatives towards a decarbonized society have slowed somewhat and the progress of social adoption is behind schedule. Despite this, we are advancing our internal development, including validating and establishing CO_2 collection technology. We have redefined the path toward a decarbonized society as a three-phase process: Reduce (through 2030), Change (through 2040), and Eliminate (from 2040 onward). We will continue to address social issues by proposing solutions that are chosen by the market and our customers across both products (manufacturing) and services (value creation). Many new business opportunities originate from customer operations and frontline challenges. To gain deeper insights into these challenges, we are strengthening our engagement with external stakeholders. In addition to enhancing NGK's technological capabilities, we will advance co-creation with the partners necessary to provide solutions and aim to make NGK synonymous with carbon neutrality.

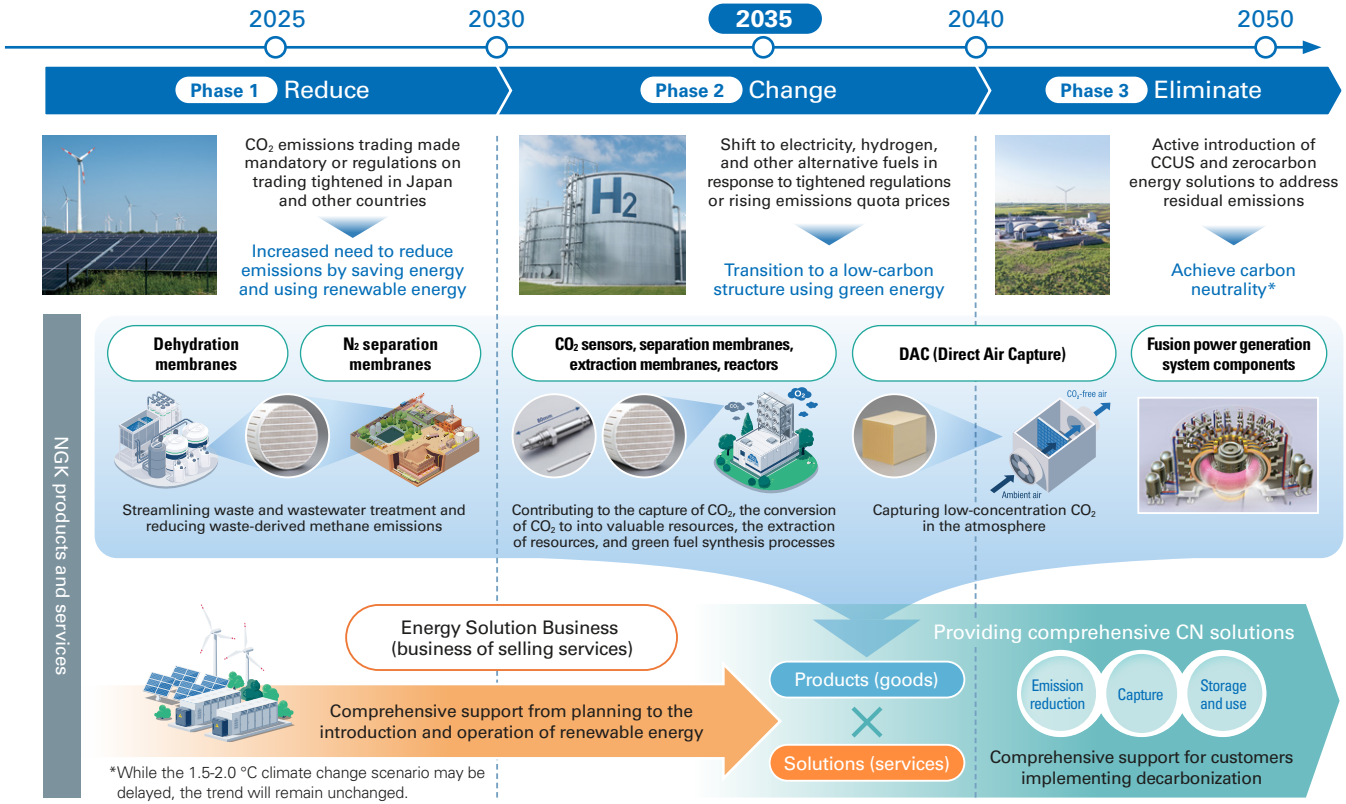
Long-term Vision and Strategy for the CN Business

Centered on NGK's core technologies related to adsorption, separation, and synthesis, we are advancing product development and conducting validation testing to establish fundamental technologies. We will also aim to build solutions linked to resolving social issues. Building strong relationships will be essential to this process, and we will leverage our co-creation center DIVERS and the diverse channels NGK possess to promote co-creation. Starting with our energy solutions business, which leverages the expertise we have cultivated in the rechargeable battery sector, we will expand our scope of provided value by applying technologies such as sub-nano membranes towards the creation of comprehensive carbon-neutrality solutions.

Market Needs and Our Business Development Areas

In the reduce phase leading up to 2030, we will address the need for emission reductions through energy conservation, centering our efforts on dehydration and separation membrane technologies. In the change phase extending through 2040, we anticipate a shift toward alternative fuels driven by stricter regulations and rising carbon prices, and we plan to offer DAC and reactor technologies. In the eliminate phase from 2040 and beyond, we will apply a back-casting approach to our development and strategy while preparing for a transition to fusion power generation, a source of carbon-zero energy.

Roadmap for Realizing Carbon Neutrality

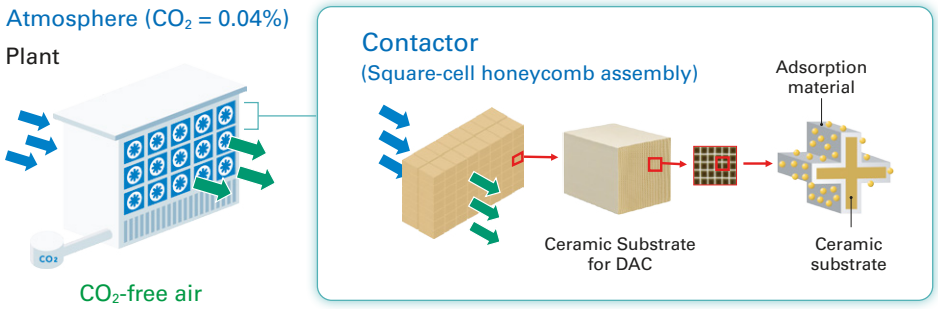


*While the 1.5-2.0 °C climate change scenario may be delayed, the trend will remain unchanged.

Research and Development | Commercialization

[CN Domain] Major Products: Next-generation Products for Responding to Climate Change

Ceramics for direct air capture (DAC)



Direct Air Capture (DAC) is a technology that captures CO_2 directly from the atmosphere; it is essential for achieving carbon neutrality, as addressing emissions solely at the source is insufficient. Given the low concentration of CO_2 in the atmosphere, the challenge lies in maximizing the amount of CO_2 captured while minimizing energy consumption. Leveraging the materials and manufacturing technologies we have cultivated over many years, we are developing honeycomb structures capable of efficiently capturing CO_2. Although the pace of real-world implementation has been gradual to date, we recognize the transition toward a carbon-neutral society as an irreversible trend. Moving forward, we will aim to establish the technology through demonstration testing while assessing economic viability and competitive advantage, and continue development with a view toward future social implementation and commercialization.

Applying technology cultivated through our development of ceramics for purifying automobile exhaust

- Efficiently adsorbs and captures low-concentration CO_2 from the atmosphere (approx. 0.04%).
- Leverages the characteristics of the honeycomb structure to help reduce capture costs, a key challenge for DAC.

Establishing mass production system by around 2030

- Provided prototypes to over 30 domestic and international DAC-related companies
- Delivered prototypes for DAC demonstration units to several companies and started validation testing

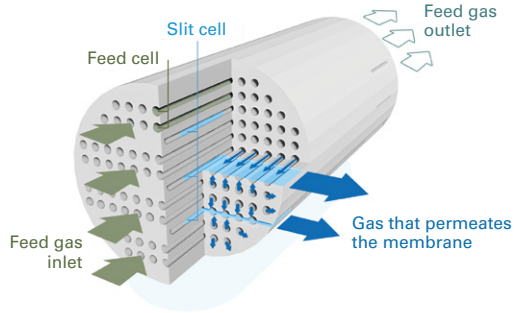
Energy solutions

We are engaged in an energy solutions business that strives to resolve the challenges faced by local governments, regional new power companies, and business operators in their pursuit of carbon neutrality.

By providing optimal solutions such as microgrids and battery storage services through a comprehensive process covering planning, design, construction, and operation, we contribute to stable supply and the local production and consumption of renewable energy. Moving forward, we will strive for sustainable growth by working with co-creation partners to further refine our business models and establish ourselves as a true solutions provider for our customers.



Ceramic membranes



Separation Membranes (N_2 separation membrane)

Our N_2 separation membrane is a ceramic membrane technology for the precision separation of nitrogen and other components at the molecular level from gas containing CO_2 and methane. This technology contributes to energy recovery applications such as biomethane production. Validation projects currently being conducted involve removing CO_2 and N_2 from landfill gas, which will enable the effective utilization of gas that was previously discarded via combustion. Moving forward, we will verify performance and economic viability through validation testing and aim to expand the application of this technology within the carbon neutrality sector.

Separation Membranes (dehydration membrane)

Our dehydration membranes are a technology for enhancing the efficiency of separation processes in various manufacturing operations. Compared to conventional distillation methods, our membranes significantly reduce energy consumption while contributing to equipment miniaturization, resource circulation, and recycling in the organic solvent and fuel production sectors. By maximizing value through separation designs optimized for each specific process and helping lower the environmental impact of the industry as a whole, we are providing solutions that help customers address issues such as energy conservation and decarbonization.

Research and Development | Commercialization

New Business Creation Initiatives

Message from Leadership



Jun Mori | Representative Director and Vice President

Promoting new business creation ahead of 2030 and beyond

Continuously creating new businesses requires that we broaden the scope of our technologies and ideas to generate diverse business opportunities. Beyond enhancing and expanding our core ceramic technologies, we are also working to increase the probability of successful commercialization by refining our approach for identifying value based on market needs. Our Development and Commercialization Committee ensures the focused allocation of management resources by conducting rigorous evaluation and decision-making based on a stage-gate process. By steadily advancing promising projects, we are aiming to achieve net sales of 100 billion yen from New Value products by FY2030 and accelerate the creation of new businesses with the goal of exceeding 300 billion yen by FY2035.

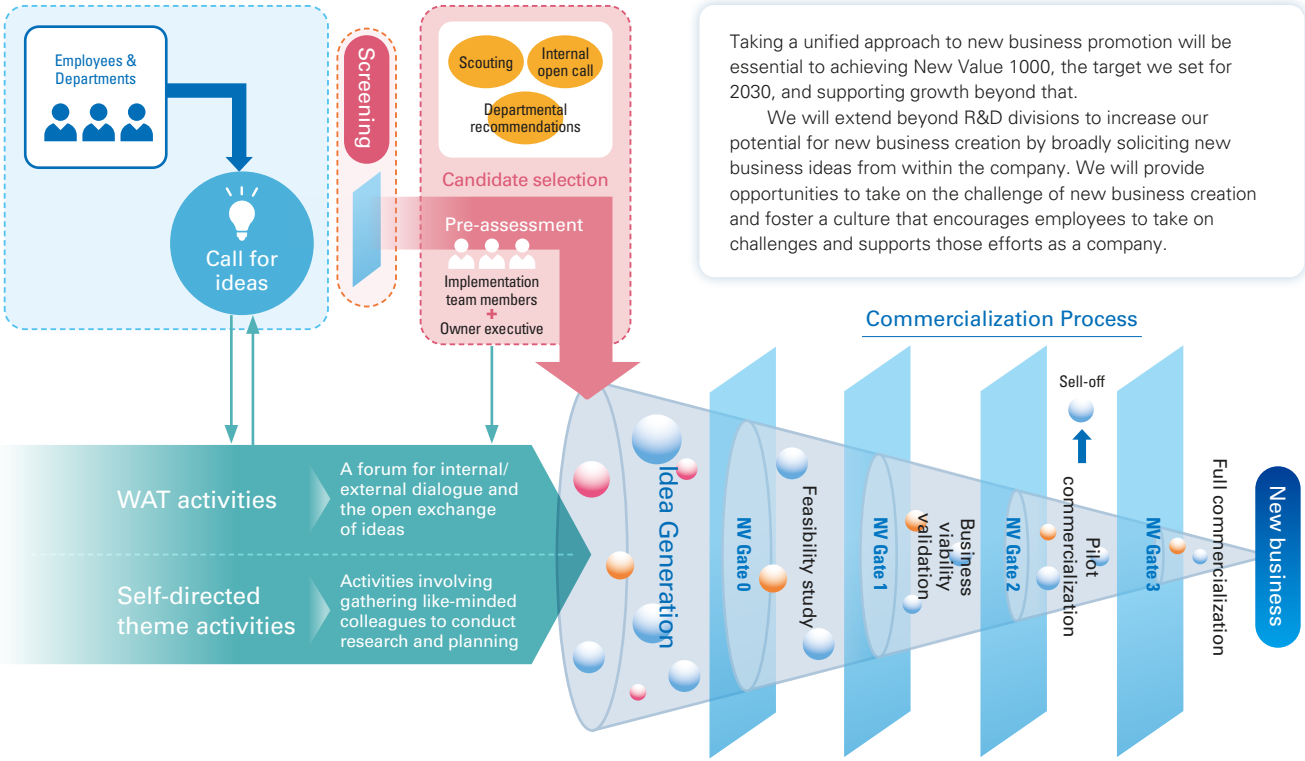
Business Overview and Market (opportunities and risks)

We are shifting business towards growth areas while maintaining a stable earnings base in existing operations, which are centered on automotive-related products. In the near future, we anticipate rising demand in the Digital Society (DS) domain, particularly for semiconductor-related products driven by increased data center investments fueled by rapid AI adoption. As such, we are positioning this domain as a key growth driver. Although the growth of the Carbon Neutrality (CN) domain faces uncertainties due to government policy and energy landscape factors, this domain still holds significant growth potential over the medium- to long-term. In response to these market conditions, we will seek to both strengthen our earnings base and develop new businesses.

Long-term Strategy and Targets

We are taking a data-driven approach to identifying business opportunities by using cross-business CRM and AI to integrate customer, technology, and network information. This approach accelerates processes, from identifying fundamental needs to validating hypotheses, which strengthens our ability to create new businesses. While leveraging the co-creation center DIVERS and external partnerships to accelerate business structure transformation, we are also using AI and MI to refine business development and reinforce our intellectual property strategy. We will manage progress using various KPIs, including the number of new businesses created and reductions in development lead time, and link results to sustainable value creation.

Initiatives for New Business Creation



Taking a unified approach to new business promotion will be essential to achieving New Value 1000, the target we set for 2030, and supporting growth beyond that.

We will extend beyond R&D divisions to increase our potential for new business creation by broadly soliciting new business ideas from within the company. We will provide opportunities to take on the challenge of new business creation and foster a culture that encourages employees to take on challenges and supports those efforts as a company.

Research and Development | Commercialization

New Business Creation Initiatives

Initiatives for New Business Creation

To create New Value, we are positioning the Digital Society (DS) domain as a growth driver and accelerating new business creation. Targeting net sales from New Value products of 100 billion yen in FY2030 and over 300 billion yen by FY2035, we are promoting commercialization in core fields, including data centers and semiconductor-related products in the DS domain and DAC and energy solutions in the CN domain. We are also pursuing new business creation for products such as gasoline sensors in the Environmental domain and other sectors as we shift our business portfolio and leverage these initiatives to establish new growth drivers that will help strengthen our sustainable revenue base.

Pioneering New Markets

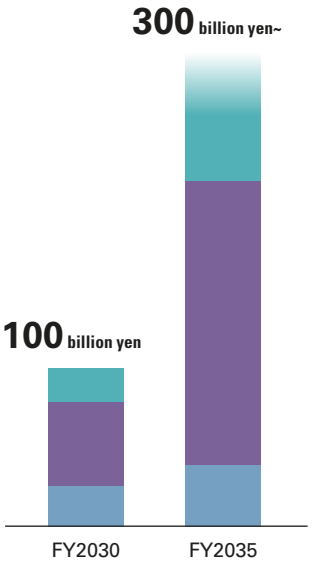
To pioneer new markets, we will strengthen efforts related to strategic business development that is aligned with the characteristics of each growth sector.

In the DS domain, we will use increasing communications data volume to secure business growth for components and equipment for data centers and semiconductor manufacturing equipment. At the same time, we will leverage collaborations and M&A to engage in the peripheral domains of existing businesses.

In the CN domain, in light of the uncertainty surrounding market development, we will steadily engage in initiatives aimed at promoting the market adoption of solutions related to DAC and renewable energy. At the same time, we will continue to advance technology development to ensure our ability to secure a top market share once the market reaches the stage of full-scale adoption.

Through these measures, we will steadily capture global business opportunities and link them to sustainable growth.

Assumed Net Sales



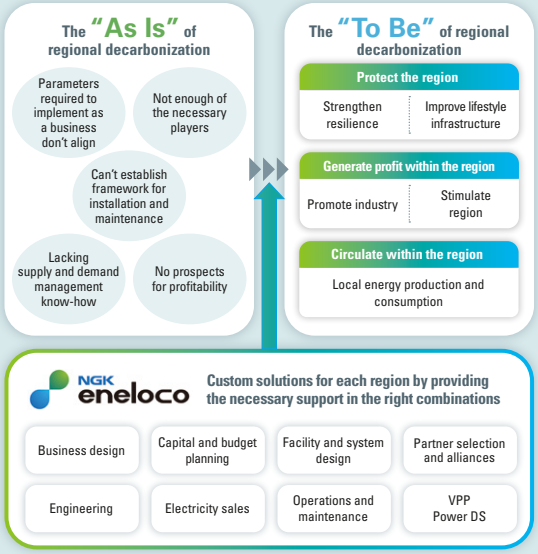
*New businesses that were launched in or after FY2021

		Candidate products (examples)		FY2030 Projected Net Sales
CN	Environment, separation and capture		Direct Air Capture (DAC), sub-nano ceramic membranes (CO_2) etc.	10.0 billion yen~
CN	Energy		Energy solution business, dehydration membranes, beryllium components for nuclear fusion etc.	
DS	Data centers		Parts for next-generation HDDs, bonded wafers for optoelectronic integration, core substrates for semiconductor packages, high-heat-dissipation components etc.	25.0 billion yen~
DS	Semiconductor manufacturing		Translucent alumina ceramics parts for SPE etc.	
Environment Others	Environment		Gasoline sensor etc.	25.0 billion yen~
Environment Others	Others		Organic compound crystal search service etc.	

Launching new growth businesses to support local decarbonization Energy solution business receives its inaugural project order

We launched NGK eneloco™ as a solutions business for supporting regional local production and consumption of renewable energy. As the business's first project, we secured an operation and maintenance contract for the planning, design, facility procurement, and installation of a solar power generation facility and storage batteries in Ohnan, Shimane Prefecture. NGK eneloco is a one-stop provider for local production and consumption projects, from planning, materials procurement, and medium- to long-term operations to various power-related services. Leveraging power infrastructure expertise, knowledge, and networks accumulated over more than a century, NGK eneloco will aim for net sales of 10 billion yen in FY2030 as a growth business in the carbon neutrality domain.

Implementation support for bridging the distance between the realities and ideals of regional decarbonization initiatives



Commercialization

Sustainable Creation and Realization of New Value

Aim for the sustainable creation of New Value (newly launched businesses) by identifying fundamental needs and using technology and co-creation to provide optimal solutions

We combine technology and co-creation to create new values that are driven by the fundamental needs of customers and society. Leveraging customer information and technological data accumulated across our business, we engage with partners towards finding solutions to issues and challenging ourselves to fulfill requirements deemed by conventional thinking to be too difficult to try. We are also leveraging data and AI to accelerate development speed as we strive to link our efforts to the sustainable creation of New Value (New Value products).

Co-creation Center

Driven by our co-creation center NGK Collaboration Square DIVERS, we are accelerating engagement and collaborations with external partners. Through a fusion of diverse technology and knowledge, we are accelerating the speed of new business opportunity creation and product rollout as we promote value creation that diverges from the conventional in-house approach.

Leveraging cross-business CRM and MI

We use cross-business CRM and MI to integrate customer needs with technological information and development data, which allows us to enhance how we explore business opportunities. By linking latent customer needs and our own technology through data, we increase the quality and speed of proposals while also ensuring optimal resource allocation on a company-wide level.

By leveraging materials informatics (MI), we accelerate the identification and development of new materials and manufacturing methods, which enables us to significantly reduce development lead time. Through these initiatives, we are increasing the speed from technology development to launch to market and promoting the creation of competitive products.

Intellectual Property

We aim to establish a competitive advantage through the strategic utilization of intellectual property. By leveraging AI-driven IP analysis to monitor market dynamics and technological trends, we are building a robust IP portfolio centered on our core technologies, which are our key strengths. We also use domestic and international patent information to conduct selection and concentration of development domains, which helps us establish differentiating technologies and strengthen our business competitiveness.

Increase the sophistication of cross-business CRM*1 and the exploration of business opportunities using AI

Create business opportunities with data and AI

- Integrating needs, and network information into data to accelerate responses
- Proposing solutions and supporting activities by matching needs to technological information



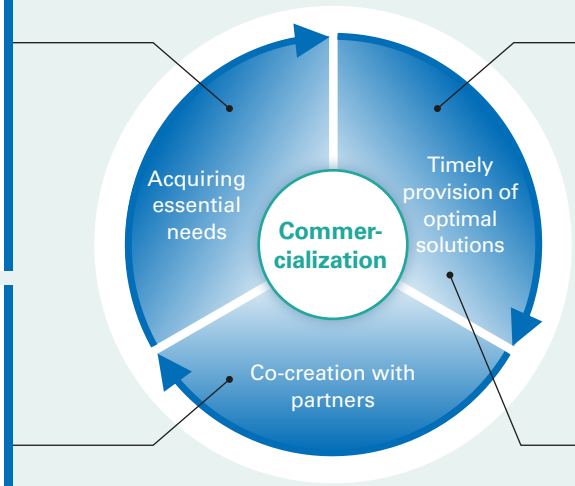
Accelerate departure from self-reliance using the Co-Creation Center

Accelerate business structure conversion through co-creation

- Opened in July 2025 to drive open innovation and co-creation
- Number of visitors since opening in FY2025: Total Visitors 1,400



NGK Collaboration Square "DIVERS"



*1 Customer Relationship Management
*2 MI: Materials informatics, a method in which experiment and material property data is analyzed using AI to streamline and increase the sophistication of materials development

Find technologically optimal solutions quickly using MI*2

Provide new value to customers as quickly as possible

- Finding new compositions and new manufacturing methods using AI analysis and high-speed testing based on more than 10,000 pieces of experiment data accumulated since our founding
- Reducing development lead time to one-tenth of the previous level



Strategically use intellectual properties

Acquire a position with a competitive advantage

- Increase the sophistication of intellectual property management using AI and digital technologies
- Identifying industry trends by analyzing intellectual property in Japan and overseas
- Building a strategic intellectual property network centered on core technologies



DX Promotion

DX Promotion Strategy

Message from Leadership



Jun Mori | Representative Director and Vice President

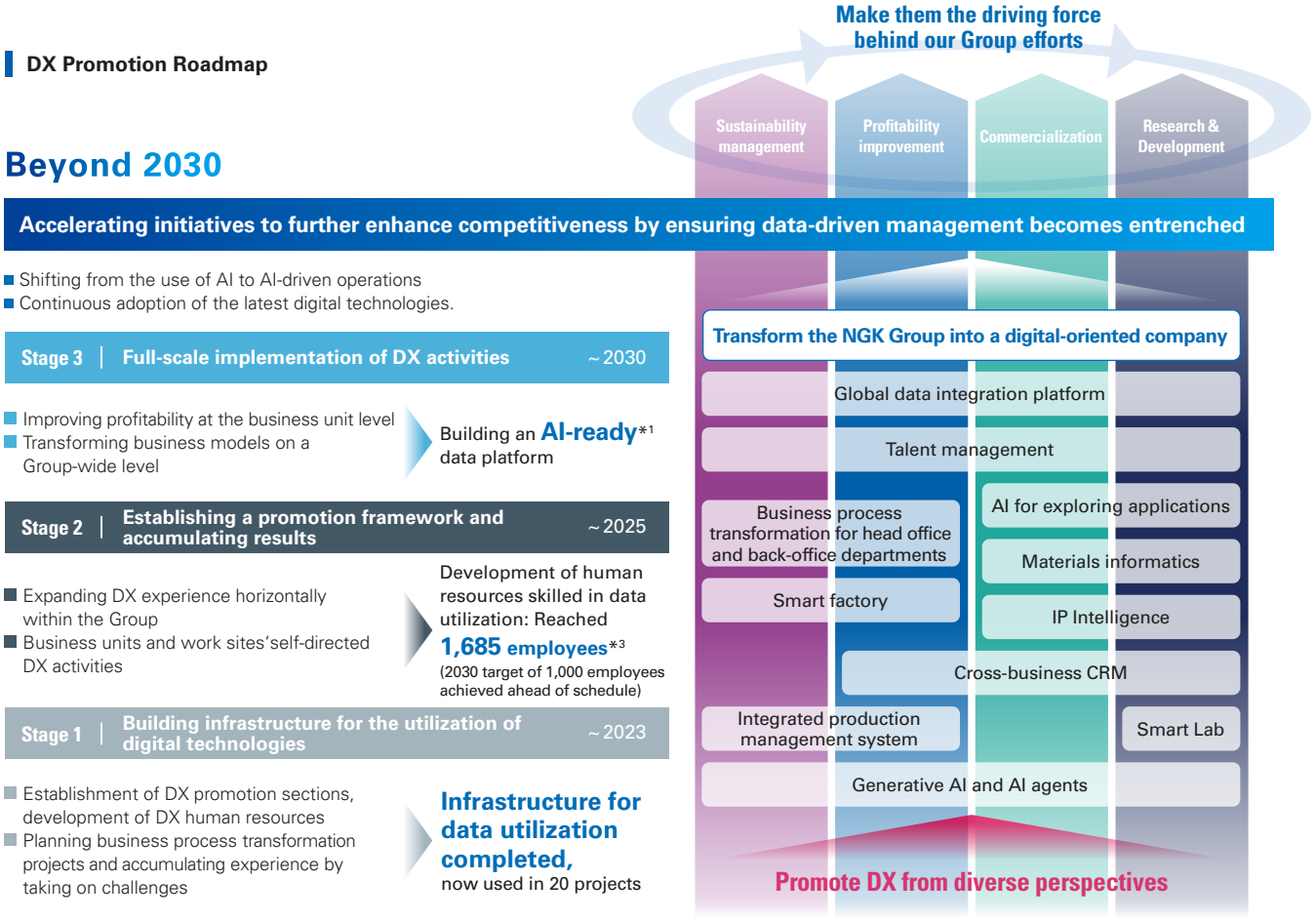
Using DX to become what we want to be and achieve dynamic improvements in corporate value

DX serves as the core driving force for becoming what we want to be and will drive the transformation of our business structure and the creation of new value. Transcending our conventional focus on operational efficiency, we are leveraging AI and data to shift our strategic emphasis toward creating new businesses and products. We will elevate our DX into a self-sustaining capability by thoroughly visualizing and extracting the tacit knowledge accumulated on the front lines and by having all employees actively incorporate AI into their work. Ultimately, we will establish a system where AI derives optimal solutions while our people focus on frontline execution and decision-making, which will ensure dramatic improvements in our competitive advantage and corporate value.

Core Measures and Targets for DX Strategy in the 2035 Long-Term Management Plan

Under our DX strategy for 2035, we will strengthen our competitiveness by leveraging data and AI to integrate and utilize the diverse data scattered across NGK Group companies and departments. Supported by a globally integrated, AI-ready*1 data infrastructure, we will transform insight, including tacit knowledge, into data assets. We will actively use that knowledge to drive operational autonomy and sophisticated decision-making. This approach will not only dramatically improve the speed and accuracy of our decision-making but will also support new value creation and the transformation of our business model. To execute this strategy, we are establishing a company-wide implementation framework centered on an AI-CoE*2, through which we will accelerate the evolution of DX by promoting the adoption of AI by all employees.

DX Promotion Roadmap



*1 A state in which data has been developed for the use of AI and it is possible to introduce AI promptly
*2 AI Center of Excellence: A cross-functional organization that oversees and promotes company-wide AI utilization *3 FY2025 results

Sustainability Management

Message from Leadership



Ryo Ishihara

Executive Officer
In Charge of Sustainability Management Dept., Corporate Communications Dept.

Positioning global sustainability at the center of NGK's growth

The NGK Group positions materiality rooted in social issues as the highest priority issue for management. Innovation that contributes to preserving a carbon neutral environment is critical to NGK's mission. However, as we engage in global operations, ensuring respect for human rights and maintaining appropriate work environments represent the foundation for growth that is essential to fulfilling our corporate social responsibilities (sustainability). We also enforce sustainable procurement policies throughout our entire supply chain to ensure that we maintain a high level of quality and ethics for our products. We practice integrated management to accurately control and monitor these policies to build solid relationships of trust with stakeholders as we strive to thoroughly enhance our corporate structure for supporting sustainable development.

Basic Approach

The NGK Group operates based on the NGK Group Philosophy of Enriching Human Life by Adding New Value to Society. We strive to earn the trust of society by using our unique ceramic technologies to provide new value that contributes to the realization of a sustainable society and responds to the expectations of society. We position this as the NGK Group's basic approach to sustainability. To achieve the NGK Group Philosophy, we will incorporate the concepts of Environmental, Social, and Governance (ESG) and the Sustainable Development Goals (SDGs) as we work towards the realization of carbon neutrality and a digital society while also striving to achieve sustainable increases in corporate value.

NGK Group Basic Sustainability Policy
https://www.ngk-global.com/info/policies/#anc-01

Governance

Risks and opportunities associated with sustainability issues, including elements related to NGK Group's ESG, are organized and confirmed by the Sustainability Management Committee. The activities of the Sustainability Management Committee are reported to the Board of Directors at least once a year, and any necessary matters are discussed or reported by the Board of Directors and the Executive Committee before measures are implemented. The Risk Management Committee formulates policy and builds structures related to risk management and also monitors the status of implementation. Furthermore, the Committee works with other committees to manage individual risks. The Sustainability Management Committee and the Risk Management Committee are chaired by the President and comprised of executive officers and general managers of head office divisions, business divisions, etc.

Risk Management

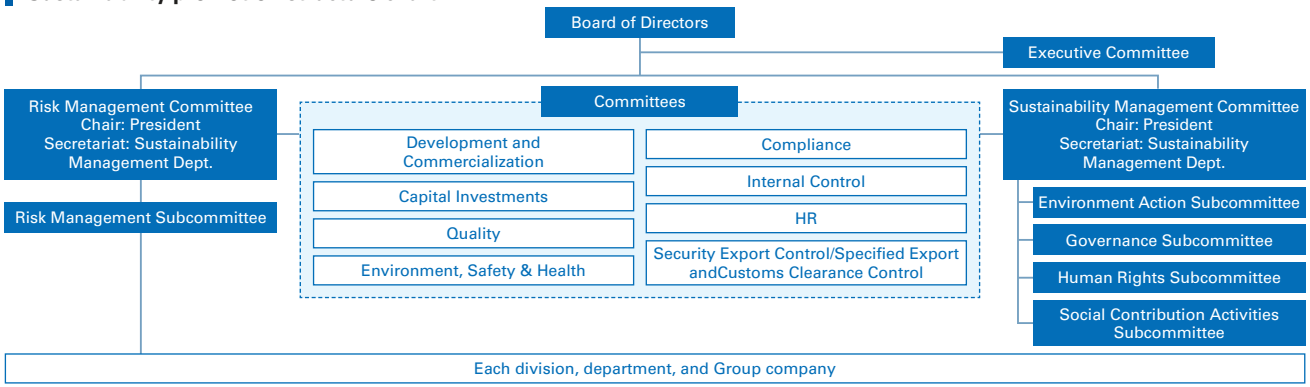
The NGK Group responds to risks and opportunities associated with sustainability issues by having the Executive Committee and the Board of Directors identify important items as materialities. The materiality items are handled by the relevant committees and then compiled by the Sustainability Management Committee, which monitors and manages risks and opportunities (governance) and identifies and evaluates each item (risk management) through reports to the Executive Committee or the Board of Directors.

Strategy, Metrics, and Targets

We set KPIs and are working on all materiality items.

Materiality
https://www.ngk-global.com/sustainability/materiality.html

Sustainability promotion structure chart



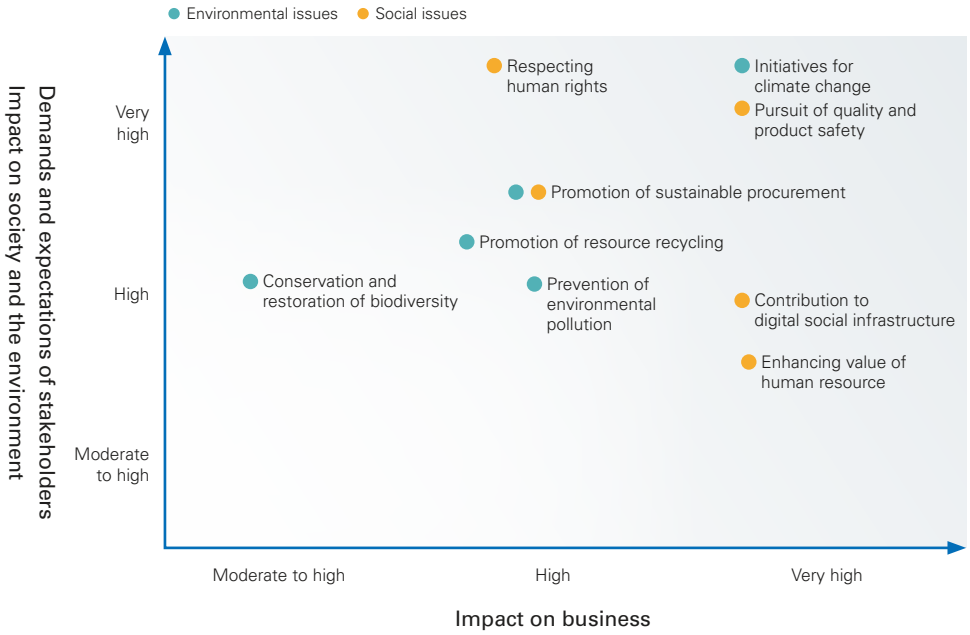
Sustainability Management

Materiality

As a corporate entity that uses unique ceramic technologies to contribute to the future of energy, the protection of the global environment, and the development of industry based on our group Philosophy, we have declared our NGK Group Vision for 2050. The NGK Group identifies the materiality that management must prioritize to realize the Vision.

Materiality Identification Process

Based on the NGK Group Basic Sustainability Policy, the NGK Group identified its materiality in April 2023. We have identified these as issues that are important to both our Group and the stakeholders and as social issues on which our Group should particularly place focus. By efficiently and effectively utilizing our limited management resources to address these material issues, our Group seeks to maximize value creation for both the Group and our stakeholders. We believe that doing so will lead to the realization of the NGK Group Vision.



Identification Process

Step 1

Listing of issues

With reference to evaluations by ESG evaluation bodies, international frameworks and guidelines such as the GRI Standards and the SDGs, and other resources, we created a list of environmental, social, and governance issues. Of these, we listed those environmental and social issues that have a significant relevance to our Group's business, while excluding governance issues as items that should be addressed naturally as an organization.

Step 2

Evaluation of the importance of issues

We established a working group composed of representatives from different departments within the NGK Group. The working group mapped the listed issues along two axes of "impact on business" and "demands and expectations of stakeholders/impact on people and the environment" and then conducted evaluations of the issues. Based on the evaluation results, the ESG Management Committee (currently the Sustainability Management Committee) held deliberations and identified candidates for materiality. For these candidates, the working group organized the risks and opportunities posed to the NGK Group, particularly those considered to possibly have a significant impact on business, and reviewed our major initiatives.

Step 3

Confirmation of validity and identification of materiality

For all of the Materiality candidates, the working group discussed what sort of value the NGK Group wishes to bring to society by addressing the issues. To check for omissions in the scope of consideration as well as consistency with company-wide targets, the working group then laid out the relationships between the issues and our Group Vision, and prepared a draft version of the Materiality items. Based on that draft, the items were discussed by the ESG Management Committee in terms of their validity, then discussed and decided on by the Board of Directors.

Step 4

Setting KPIs

Regarding Materiality management, we have set items to work on, KPIs, targets, and target achievement periods for each material issue. Following discussion by the ESG Management Committee, these were discussed and decided on by the Board of Directors.

Materiality
https://www.ngk-global.com/sustainability/materiality.html

Sustainability Management

Materiality

Materiality Items	Value/Impact on Society	Risks	Opportunities	Action Plans	KPIs	Target	Achievement timing	FY2025 results
Initiatives for climate change	We will promote carbon neutrality throughout our value chain and aim for business activities that achieve net zero CO_2 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 technologies 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	[NV1000] Development of carbon neutral-related products	Sales of New Value products	100 billion yen (including digital society-related sales)	FY2030	Implementing measures, development, and capital expenditures
				[Environmental Vision] Implement Carbon Neutrality Strategic Roadmap	CO_2 emissions (Scope 1 and 2)	500,000 tons	End of FY2025	390,000 tons
					CO_2 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 waste, 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	[Environmental Vision] Respond to recycling-oriented society (respond to circular economy)	Waste generated per unit of sales	Reduce by 50% from FY2013	End of FY2025	Reduced by 64% from FY2013
					Reduction rate of emissions compared to Business as usual (BAU)	Reduce by 30% from FY2013	End of FY2025	Reduced by 40% from FY2013
					Recycling rate (Japan)	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.)	[Environmental Vision] Respond to recycling-oriented society (reducing water resource risks)	Water usage per unit of sales (consolidated)	Maintain FY2019 levels	End of FY2025	Maintain FY2019 levels
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 businesses	• Expansion of exhaust gas-related business • Expansion of air and water quality-related business • Expansion of nuclear power-related waste treatment business	EMS activities (activities for zero incidents of non-compliance) Zero legal non-compliance issues • Enhance the database of registered facilities	Number of incomplete notifications	Number of incomplete notifications: 0	End of each FY	Errors: 0
				Zero serious accidents • Prevention activities (reassess equipment management issues)	Number of departments/bases currently promoting activities	All sites (NGK non-consolidated: 4, Group companies in Japan: 19, overseas Group companies: 19)	End of each FY	Promoting activities at all sites
				• Real-time status monitoring	Number of status monitoring points	4 individual sites	End of FY2030	Activities started: 1 site, Preparations underway: 3 sites
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	[Environmental Vision] Harmony with nature	TNFD disclosure schedule (TNFD: Task Force on Nature-Related Financial Disclosures)	Full disclosure under the TNFD framework	End of Sept., 2024	Disclosure under the TNFD framework (Enhance disclosure information)

Sustainability Management

Materiality

Materiality Items	Value/Impact on Society	Risks	Opportunities	Action Plans	KPIs	Target	Achievement timing	FY2025 results
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	Activities to increase customer trust • Improve work quality • Reduce quality risks	Number of serious product/service incidents	0 incidents	End of each FY	0 incidents
Contribution to digital social infrastructure	We will establish strong information security to fulfill our duties as a member of a cultured and safe and secure digital society. At the same time, we will continue contributing to the advancement of digital technologies worldwide through products based on our unique ceramic technologies.	• Damage to brand reputation • Cyber attacks • Information leaks • Increase in the cost of security enhancement	• Creation of DS-related business opportunities • Enhancement of our brand reputation	[NV1000] Develop digital society-related products, expand existing related products	Sales of New Value products	100 billion yen (including carbon neutrality-related sales)	FY2030	Implementing measures, development, and capital expenditures
				[Digital Vision] IT security	Number of serious incidents	0 incidents	End of each FY	0 incidents
				Personal information protection activities	Number of serious incidents	0 incidents	End of each FY	0 incidents
Enhancing value of human resource	We will create rich and vibrant workplace environments where people with diverse experiences and values can thrive. We will offer society new value by encouraging each employee to proactively take on challenges and promote 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	Initiatives for responding to reducing total working hours:	Survey on workplace vitality scores (Work-life balance)*	3.5 or higher	Each FY	3.64
				Promote paid leave utilization (zero cuts to annual leave)	Paid leave utilization rate*	100%	End of FY2026	88.9%
				Improving the rate of female managers	Rate of female managers*	10%	End of FY2030	4.8%
				Permeate and encourage men to take childcare leave, etc.	Rate of male employees taking childcare leave*	100%	End of FY2025	99.5%
				Create a culture of utilizing diversity, including systems	Score of the survey on workplace vitality (Promotion of women's workplace advancement)*	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
				Developing DX human resources	Number of data utilization personnel	1,000 or more employees	End of FY2030	1,685 employees
				Improve employee engagement	Score of the survey on workplace vitality (Career autonomy)*	3.5 or higher	Each FY	3.64
					Score of the survey on workplace vitality (Taking 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 (Job satisfaction)*	3.5 or higher	Each FY	3.54
				Occupational safety and health activities				
				Zero legal non-compliance				
				• Education and confirmation of understanding	Number of training participants	Completed by all applicable employees from each division	End of FY2026	Completed by all applicable employees (5 laws)
				• Enhancement of facility notification database	Number of incomplete notifications	Number of incomplete notifications: 0	End of each FY	Errors: 0 Jan. to Mar.: After launch of system operations

*Items implemented at NGK (non-consolidated)

Sustainability Management

Materiality

Materiality Items	Value/Impact on Society	Risks	Opportunities	Action Plans	KPIs	Target	Achievement timing	FY2025 results
Enhancing value of human resource	We will create rich and vibrant workplace environments where people with diverse experiences and values can thrive. We will offer society new value by encouraging each employee to proactively take on challenges and promote 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	Zero serious accidents • Prevention activities • Activities to promote proactive mentality	Disaster severity level	Severity level of 0.01 or lower	End of each FY	0.018
					Number of workplace discussions	All manufacturing divisions (NGK non-consolidated: 9, Group companies in Japan: 21)	End of FY2024	NGK non-consolidated: 9, Group companies in Japan: 13
				Initiatives for responding to reducing total working hours: promote paid leave utilization	Paid leave utilization rate*	100%	End of FY2026	88.9%
				Enhance self-care and managerial mental health support training / Establish consultation system / Enhance health guidance / Promote health improvement measures	Absenteeism*	1.5% or lower	End of FY2030	2.2%
					Presenteeism*	63.0pts or higher	End of FY2030	62.4pts
					Work engagement*	2.8pts or higher	End of FY2030	3.32pts
					Rate of participation in mental care education by position*	100%	End of each FY	100%
Respecting human rights	We are committed to creating a society that is free from violation of the human rights of all people impacted by our business activities by extending initiatives throughout the NGK Group 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 their actualization	• Enhancement of brand reputation • Recruitment and retention of personnel	Conduct dialogue with internal and external stakeholders	Frequency of conducting two-way exchanges of opinions with internal and external stakeholders	Annual	End of each FY	Completed
				Conduct self-checks for NGK and Group companies	Frequency of self-checks in compliance with RBA and other codes of conduct	Annual	End of each FY	Completed
				Expand employees applicable for human rights education, update content	Frequency of human rights e-learning for executives and all employees	Annual	End of each FY	Completed
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 CO_2 emissions, etc. • Demands from markets regarding waste and recycling • Depletion of raw materials and rare metals	[Environment] • Enhancement of our brand reputation • Securing of stable procurement and reduction of costs through the utilization of alternative raw materials	Sharing the Supplier Code of Conduct	Rate of consent among major suppliers	90%	FY2025	86%
				Supplier assessment activities	Frequency of sustainability surveys for key suppliers	Every other year	FY2025 Started (via new survey method)	Started
		[Society] • Damage to our brand reputation • Impacts on our business partners • Impacts on procurement	[Society] • Enhancement of our brand reputation • Building of a stable supply chain	Scope 3 reduction activities	Scope 3 emissions reduction rate (compared to 2022)	25%	FY2030	-19% (increase)

*Items implemented at NGK (non-consolidated)



The NGK Group positions human resources as management capital that serves as a source of our corporate activities and value creation. To realize our Long-Term Management Plan, we will cultivate a corporate culture that enables diverse human resources to demonstrate their capabilities and continuously take on challenges. This will accelerate the transformation of our business structure and lead to sustainable improvements in our corporate value.

Masato Nozaki | Senior Executive Officer, General Manager, Human Resources Dept.

Accelerating transformation by cultivating corporate culture for taking on challenges and diversity

Transformation is realized through the strengths of our human resources

The NGK Group Vision established in 2021 outlined Five Transformations for realizing what we want to be in 2050. The strengths of every employee, the driving force behind our transformation, are essential to achieving our goals. NGK human capital management is the pursuit of maximizing the strengths of the human resources who drive these Five Transformations. Based on this approach, in 2023 we formulated the NGK Group Human Capital Management Policy. To further clarify this policy, we also established our Human Resource Development Policy and a Workplace Development Policy. The formulation of these policies involved repeated dialogue with locations in Japan and overseas.

The Long-Term Management Plan 2026-2035 further clarifies the direction we are aiming for through our human resource strategy. Realizing the Long-Term Management Plan will require improving the capabilities and skills of each employee. Also essential will be that we increase our teamwork and engagement. We position human resource strategy at the core of the Long-Term Management Plan. By maximizing the value of our human resources, we will promote business growth and improvement in our corporate value.

The human resources we want for the NGK Group | Diversity and taking on challenges

The Long-Term Management Plan redefines the type of human resources desired by the NGK Group. The elements we are focusing on most are diversity and the desire to take on challenges.

The greatest challenge to achieving the Long-Term Management Plan will be increasing our ability to create new value, the key to transforming our business structure. The ability to steadily refine existing businesses and increase profitability is a strength that the NGK Group has cultivated over many years. Resilience, diligence, and ability to maintain a persistent commitment are strengths that support the NGK Group today, and serve as a foundation that we must maintain as we head into the future.

We are operating in an environment of severe uncertainty. To create new businesses and value, and take leaps forward to achieve transformation with those endeavors, it will be vital that we position those strengths as a foundation upon which human resources with diverse perspectives are able to demonstrate their capabilities and boldly engage in the process of continuously taking on challenges. We want to be seen, both internally and externally, as a company that is serious and diligent yet takes on challenges and utilizes diverse human resources. To achieve this ideal, we will steadily promote human resource measures while building a corporate culture in which every employee takes pride as embodying the spirit of

Long-Term Management Plan The human resources NGK wants



taking on challenges and diversity.

Three priority strategies | Human resource development, growth opportunities, and fostering the culture

The Long-Term Management Plan outlines three priority strategies for human capital management: develop human resources, provide growth opportunities, and foster the culture our Group wants to become. By developing human resources, we will foster the capability for taking on challenges and provide growth opportunities that enable employees to demonstrate their capabilities. The culture fostered through accumulating experience gained from taking on challenges will then support the transformation of our business structure.

Developing human resources involves strengthening the personnel responsible for leading transformation. We will engage in the planned development of human resources capable of taking on and carrying through with challenges in areas of high uncertainty by enhancing expertise, developing management personnel, and promoting reskilling.

Providing growth opportunities entails creating a workplace environment for creating challenges. We will create a platform that creates challenges by assigning diverse personnel, including female workers, to growth domains, supporting autonomous careers, and providing opportunities that transcend organizational, national, or business boundaries. To achieve business structure transformation, it is critical that we assign essential personnel to necessary domains based on the appropriate timing, regardless of organizational or business boundaries. As a foundation for this human capital management, we have begun building a talent management system for visualizing the experience, expertise, and skills of each employee to enable optimal personnel assignments. We plan to begin operating this system gradually from FY2027. This talent mapping of human resource information will lead to business structure transformation by enabling rapid decision-making, increasing the fluidity of human resources, and promoting optimal personnel placements. We will also use this system to promote autonomous learning and career formation that leads to employees proactively thinking about their own future and which capabilities they should seek to enhance and then taking action to that effect.

While the measures introduced thus far may seem like an extension of existing initiatives, gathering human resources and creating a workplace environment alone are not enough to realize transformation. Daily actions drive transformation. The starting point for those actions is the decisions of each employee, and it is the accumulation of those actions that leads to the formation of organizational culture.

With this understanding, we position fostering the culture as the most critical element of human capital management. We are aiming to realize a culture of synergy between challenges and engagement. Taking on challenges and learning foster a sense of growth, which increases engagement. This creates a virtuous cycle that leads to organizational growth and the desire to take on new challenges. To instill this culture within the company, it will be essential that every employee takes ownership of deciding what they should change and acts with intent. Repeating this process of making decisions and taking action will help transform NGK into an organization where new challenges are continuously created autonomously.

Long-Term Management Plan | Human Capital | Priority Strategies



Promotion structure for human capital management (governance)

We have established a framework through which the HR Committee leads deliberations regarding human capital management measures and reports important matters to the Board of Directors. When necessary, themes that cannot be resolved by the HR Committee are deliberated and voted on by the Board. We use processes such as these to ensure

efficacy in our governance of human capital management. Outside Directors have shown particular interest in this area, and proactively provide guidance and advice. For example, an Outside Director pointed out regarding diversity that there was still room for improvement in terms of our results, policies, and stance. We take such opinions seriously as we work to further strengthen our human capital management.

Corporate culture for taking on challenges and rate of female managers

In our human capital management, we have set two metrics as KPIs for measuring the rate of success of our three priority strategies.

We use the scores for taking on challenges and utilization of diversity from our Survey on Workplace Vitality (Employee Engagement) as a metric for indicating the level to which the corporate culture for taking on challenges has permeated the workplace. In FY2025, these scores were 3.29 for taking on challenges and 3.38 for utilization of diversity. We are aiming for a score of 3.8 or higher in both areas from FY2030 and beyond. This means that roughly 80 percent of employees feel that "NGK is a company that takes on challenges," something that cannot be achieved solely through the efforts of certain divisions or specific individuals. This represents a level that can be attained only when all employees embrace the spirit of taking on challenges in their respective roles and the organization as a whole undergoes a shift in behavior and embodies what we want to be.

There is no single solution for raising scores. In FY2025, we implemented measures to improve our Key Personnel System, including eliminating age-based reductions in worker benefits and mandatory retirement for managerial positions, and incorporating behavior as an evaluation criterion in addition to performance results. We are also communicating with employees regarding the meaning of and necessity for taking on challenges. Through these system improvements and permeation measures, we are fostering and instilling a corporate culture for supporting employees as they take on challenges.

The other KPI we adopted is the rate of female managers. In FY2025, the rate of female managers was only 4.8% but we are aiming to increase this to 10% in FY2030. We are steadily recruiting women and expanding our human resource pool but cultivating interest in managerial positions and strengthening development will continue to be an important issue. Increases in the rate of female managers are also an indicator of the extent to which diverse human resources are committing to taking on challenges and to what extent we have been able to create a workplace for demonstrating their capabilities. Rather than simply increasing our score, we are aiming to create a workplace environment in which employees proactively take on challenges and secure growth opportunities for themselves.



To create such an environment, we are working to foster career awareness from early in the career stage. We are improving workplace environments to create a foundation for all employees to demonstrate their capabilities. NGK has a high rate of recruiting personnel with a background in the sciences, which leads to structural problems such as the low rate of female students enrolled in STEM-related universities. In light of this reality, we will strive to be a company that is chosen as a desirable place to work regardless of gender by further increasing the appeal of our workplace environments. Understanding that part of this effort includes health and productivity management, in May 2026 the NGK Group published the first-ever NGK Health White Paper 2026.

It is collective efforts of each employee that will help us realize our Group Vision and the Long-Term Management Plan and create value for customers and society. We will steadily instill the culture of and framework for taking on challenges and driving transformation. We will aim for sustainable improvements in corporate value by creating a workplace where diverse human resources can gather and demonstrate their capabilities.

Long-Term Management Plan | Major KPI

		Target value	Result				
		FY2030	FY2021	FY2022	FY2023	FY2024	FY2025
Culture for taking on challenges: Survey on Workplace Vitality (Employee Engagement) * 5-tier	Taking on challenges score	**3.8**	—	3.26	3.30	3.31	3.29
	Utilization of diversity score	**3.8**	—	3.34	3.37	3.41	3.38
Rate of female managers		**10%**	3.4%	3.8%	3.7%	4.0%	4.8%

Sustainability Management

Preserving the Global Environment

Basic Approach

The NGK Group recognizes the protection of the global and space environment as a critical issue shared by all humanity and is committed to promoting business activities in harmony with nature. We formulated the NGK Group Environmental Vision to express our philosophy and commitment regarding the environment, and established the NGK Group Environmental Policy as practical guidelines for realizing this Vision. Together, the Vision and Policy serve as vital complementary pillars that support the NGK 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 the environment 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.

Promoting Initiatives Based on the NGK Group Environmental Policy

Based on the NGK Group Environmental Policy, the NGK Group works to develop products that contribute to the environment and have a low environmental impact. We also work to reduce the environmental impact of our business activities through various initiatives, including energy conservation, using renewable energy, promoting resource usage reduction and recycling, and ensuring the appropriate management of water resources and chemical substances. Additionally, we collaborate with vendors to promote environmentally-conscious procurement to contribute to the conservation of biodiversity while also building a global environmental management system to promote environmental conservation.

NGK Group Environmental Vision / Environmental Policy
https://www.ngk-global.com/sustainability/environment/vision.html

CO_2 emissions (Sustainability Data Section)
https://www.ngk-global.com/sustainability/data.html

5-Year Environmental Action Plan
https://www.ngk-global.com/sustainability/environment/plan.html

5-Year Environmental Action Plan

Our 5-Year Environmental Action Plan positions the main themes of our Environmental Vision, carbon neutrality, a recycling-oriented society, and harmony with nature, as priority matters for realizing the NGK Group Environmental Vision. We set annual targets for each fiscal year of the 5-Year Action Plan and are working to achieve these targets.

5th 5-Year Environmental Action Plan FY2025 Results

Category	Item	KPI	FY2025 Target	FY2025 Result	Self-evaluation*1
Initiatives toward carbon neutrality	Reduce CO_2 emitted by manufacturing activities	CO_2 emissions (consolidated)	500,000 metric tons (Reduce by 25% from FY2013)	390,000 metric tons (Reduced by 46% from FY2013)	○
		Rate of renewable energy usage (consolidated)*2	50%	51%	○
	Reduce CO_2 emissions across value chain	Plan progress	Scope 3: Expanded calculation scope LCA assessment of major products	Scope 3: Launched third-party assurance LCA assessment of major products	○
Initiatives for a recycling-oriented society	Reduce waste produced during production activities*3	Waste*3: Waste generated per unit of sales (consolidated)	Reduce by 50% from FY2013	Reduced by 64% from FY2013	○
		Reduction rate against BAU*4 for volume of waste*3 (consolidated)	Reduce by 30% from FY2013	Reduced by 40% from FY2013	○
	Promote resource recycling	Recycling rate (Japan)	Maintain at least 99%	99.5%	○
	Manage and respond to water resource risks	Water withdrawal per unit of sales (consolidated)	Maintain FY2019 level	Maintain FY2019 level	○
Initiatives toward harmony with nature	Promote biodiversity conservation	Plan progress	Expand details of efforts related to international initiatives*5	As a TNFD Early Adopter, we accelerated disclosure based on recommendations	○
Contributions to environmental society	Develop and distribute products / services contributing to environmental protection	Number of registered products	Increase in registered products centered on carbon neutrality-related products and services	Registered four products and services over a five-year period	○
	Promote CSR procurement	Plan progress	Acquire environmental data from suppliers	Began acquiring supplier environmental data (Requested cooperation on reducing Scope 3 emissions)	○
Promotion of environmental communication	Contribute to local communities	Plan progress	Continued and enhanced activities conducted in cooperation with communities	Disseminated environmental management information at seminars and workgroups at EPOC	○
	Increase environmental awareness	Plan progress	Continued and enhanced environmental education and information disclosure	Used internal events and PR tools to conduct workshops and education	○

*1 Self-evaluation standards for achievement level of fiscal year target: ○: Target achieved; ×: Target not achieved
*2 Ratio of electricity from renewable energy to total electricity consumption
*3 Substances, including valuable substances, other than products that are discharged from business sites
*4 Reduction rate compared to business as usual (the amount of waste generated if no improvements were made)
*5 While originally intended as the successor to the Aichi targets, the plan was revised following the 2022 adoption of the Kunming-Montreal Global Biodiversity Framework, which necessitated a shift to a new framework that aligned with international consensus.

Sustainability Management

Climate Change Initiatives (TCFD)

Initiatives Related to TCFD Recommendations

Climate change is a serious global risk and a critical management issue that has a significant impact on the NGK Group business activities. To resolve this issue, the NGK Group promotes measures related to climate change based on recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) and formulated a transition plan to proactively engage in information disclosure.

Information Disclosure Based on TCFD Recommendations
https://www.ngk-global.com/sustainability/environment/tcfd.html

Information Disclosure Based on TCFD Recommendations

The NGK Group conducts analysis based on TCFD recommendations to ascertain the risks and opportunities climate change presents on our business. We then provide information disclosure from four perspectives: governance, strategy, risk management, and metrics and targets. The Board of Directors is responsible for monitoring climate-related issues and the Sustainability Management Committee takes a leading role in promoting response measures. Using scenario analysis that incorporates both short- and long-term perspectives, we are formulating strategy for various themes, including the adoption of renewable energy and reducing the energy consumption of our products.

We also set targets for reducing GHG emissions and monitor our progress. We will continue to position climate change response as a critical management issue as we strive to contribute to the realization of a sustainable society.

	Major Initiatives
Governance	The Board of Directors monitors climate-related risks and opportunities while the Sustainability Management Committee evaluates response policy and, through deliberations with the Executive Committee, incorporates these results into strategy.
Strategy	We conduct scenario analysis aimed at realizing a carbon neutral society to identify opportunities such as expanding our selection of products related to decarbonization. Through the conversion of our business structure and technological innovation, we aim to minimize risks related to climate change and achieve long-term improvements to our corporate value.
Risk management	We use a Group-wide risk management framework to regularly assess and monitor climate change-related risks as important risks. We work to mitigate risks by analyzing the impact on our business activities and supply chain, implementing countermeasures, and reviewing the results of these efforts.
Metrics and targets	Using GHG emissions (Scope 1, 2, and 3) as primary metrics, we have set a target of reducing Scope 1 and 2 emissions by 50% by 2030 (compared to fiscal 2013 levels) and achieving carbon neutrality by 2050. We also promote energy conservation activities and the adoption of renewable energy, and continuously manage and disclose our progress towards target achievement.

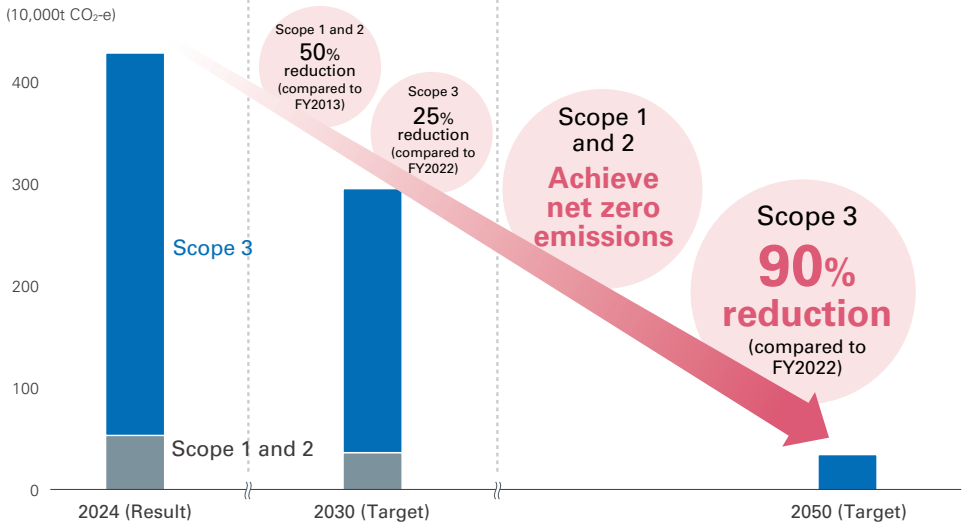
Future Initiatives to Achieve Carbon Neutrality

Based on the Long-Term Management Plan 2026-2035, the NGK Group will further strengthen initiatives related to climate change. Through collaboration along our entire value chain, including with suppliers and customers, we will strive to reduce CO_2 and GHG emissions for all of society. Specifically, by 2050 we aim to achieve net zero GHG emissions (Scope 1 and Scope 2) as well as reduce Scope 3 emissions by 90 percent or more compared to FY2022.

Major actions and their effects	Scope 1	Scope 2	Scope 3
Development and provision of CN-related products and services, adoption for internal processes	○	○	
Strengthened top-down energy conservation	○	○	
Fuel conversion to hydrogen, ammonia, etc.	○		
Collection of CO_2 in firing furnace exhaust gas, and reuse through methanation	○		
Maximum use of renewable energy		○	
Collaborated with suppliers to reduce emissions from raw materials			○
Contributed to customer energy conservation and CFP* reduction			○

*Carbon footprint: Metric for indicating the CO_2 converted rate of greenhouse gases (GHG) exhausted over the entire lifecycle of a product or service

Future Initiatives to Achieve Carbon Neutrality (SBTi Net Zero Standard)



Sustainability Management

Biodiversity Initiatives (TNFD)

Initiatives Related to TNFD Recommendations

The NGK Group positions the conservation and restoration of biodiversity as an important issue. Through disclosures based on recommendations by the Taskforce on Nature-related Financial Disclosures (TNFD), we will promote Group-wide initiatives related to nature.

Information Disclosure Based on TNFD Recommendations
https://www.ngk-global.com/sustainability/environment/tnfd.html

Information Disclosure Based on TNFD Recommendations

The NGK Group conducts assessments of risks and opportunities based on the Locate, Evaluate, Assess, Prepare (LEAP) approach recommended by the TNFD. Additionally, we conduct evaluations of overall dependency and impact across our entire value chain and disclose these results. In FY2023, we ascertained the NGK Group's contact points with nature at our business and production sites. In FY2024, we evaluated dependency and impact at the manufacturing level.

Assessing Positive Impact of Products and Services

Referencing the risk categories outlined in the TNFD recommendations, we confirm specific currently anticipated risks and opportunities related to the main areas of dependence and impact on nature for our entire Group. We believe that the NGK Group business activities can have a positive impact on nature, and not just a negative one. Referencing the factors that trigger changes in nature as outlined in the TNFD recommendations, we assessed the positive impact that major the NGK Group products and services have on nature. 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.

Future Initiatives

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.

Positive Impact of Products and Services

Business Details		Major Products and Services	Land use changes	Climate change	Resource use	Contamination			
			Terrestrial ecosystem use	Green-house gas emissions	Extraction of inorganic resources	Solid waste	Air pollution other than green-house gases	Soil pollution	Water pollution
Environment Business Segment	Automotive-related Business	Parts for purifying automobile exhaust	●		●	●	●	●	●
		Sensors	●		●	●	●	●	●
	Industrial Process Business	Industrial heating systems, refractory products	●	●	●	●			
		Membrane separating systems		●		●			●
		High-temperature dust collector	●		●	●	●		
Digital Society Business Segment	SPE Business	Parts and products for semiconductor manufacturing equipment				●			
	Electronic Devices Business	EnerCera™		●	●	●			
	Power Electronics Ceramics Business	AMB substrates		●		●			
	Special Metals and Mold Business	Special metals and mold products		●	●	●			
Energy & Industry Business Segment	Energy Plant Business	Low-level radioactive waste treatment systems		●		●	●		
	Insulator Business	Insulators	●	●	●	●			
	Other Businesses	Power generation and sales based on renewable energy	●	●	●	●			

Sustainability Management

Respecting Human Rights

Basic Approach

The NGK Group positions respecting human rights in all aspects of our business activities as one of our important responsibilities as a corporation. We engage in initiatives to ensure respect for human rights at our company and along our value chain as part of our efforts to create a society in which all people are protected from human rights infringement due to business activities.

Respecting Human Rights
https://www.ngk-global.com/sustainability/society/humanrights.html

Promotion of Sustainable Procurement
https://www.ngk-global.com/sustainability/society/scm.html?

Human Rights Due Diligence | Identifying Salient Human Rights Issues

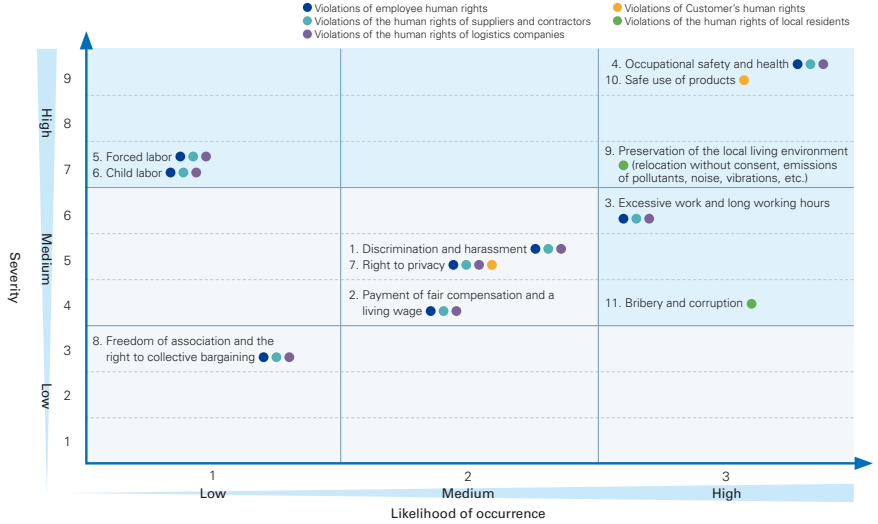
The NGK Group followed the UN Guiding Principles to create a long list of basic human rights that companies must respect. Using this list, we are identifying human rights issues related to businesses along our value chain. We also identify latent human rights risks by examining human rights incidents that have manifested within the industry and conducting country risk assessments for the nations in which we operate.

Based on this information and the OECD Due Diligence Guidance for Responsible Business Conduct, we also performed an assessment of level of importance from two perspectives: Severity Level and Likelihood of Occurrence. Additionally, we conducted interviews with business group leadership to organize human rights issues into stakeholder categories to create a risk map that serves as a visual representation of issues.

From there, we held discussions with relevant parties and submitted reports to the then HR Committee to identify which human rights issues to prioritize. Currently, we are prioritizing responses to identified human rights issues to promote prevention and corrective action.

Moving forward, we will continue to reevaluate our human rights risk map based on changes in our operating environment and stakeholder feedback.

Human Rights Risk Map



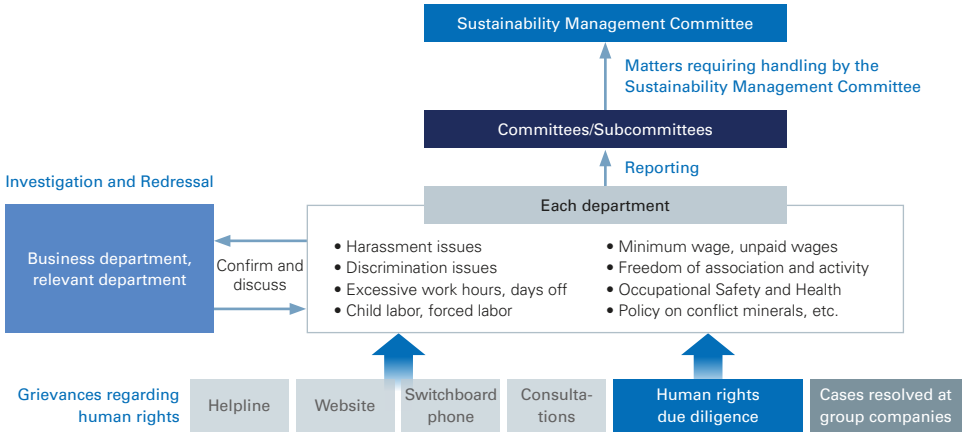
Grievance Mechanism and Responding to Human Rights-related Whistleblowing

The NGK Group has established whistleblowing desks (helplines) that can be used by all employees working at NGK and Group companies in Japan. Both our internal and external helplines allow for anonymous consultation and reporting, and we protect persons who seek consultation or file reports to ensure they are not subject to mistreatment for seeking consultation and reporting.

At our overseas Group companies, we are building an effective whistleblowing system, including the establishment of consultation and reporting mechanisms that are aligned with the conditions of each country to enable use by all employees of each company.

We also establish supplier helplines to respond to consultations and reporting by suppliers. Additionally, we also accept consultations and reports from stakeholders via the NGK website. Upon receiving consultation or a report regarding human rights, if any impact on human rights is confirmed, the relevant division and the Sustainability Management Dept. will collaborate with relevant departments to provide relief to relevant parties as well as conduct corrective action and implement preventative measures. Depending on severity level, these responses are reported to the Compliance Committee and the Sustainability Management Committee.

System for Responding to Grievances and Correction/Redressal



Sustainability Management

Promotion of Sustainable Procurement

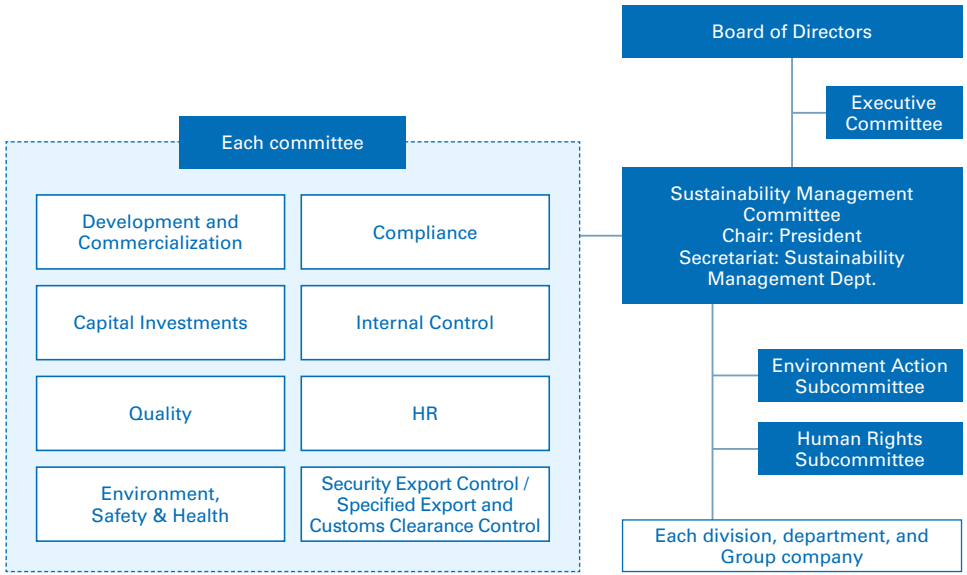
Basic Approach

The NGK Group outlines the ideals of relationship with society, open and fair, and mutual prosperity as the core principles of its procurement activities. We apply these principles to strive for mutually sustainable growth with suppliers by engaging in fair and equitable transactions. Based on these principles, we established the NGK Group Procurement Policy and use the Supplier Code of Conduct and various assessments to promote responses to environmental and societal issues across our entire supply chain. We also support the Declaration of Partnership Building, and are continuously working towards mutual prosperity and fair transactions with suppliers.

Promotion of sustainable procurement
https://www.ngk-global.com/sustainability/society/scm.html

NGK Group Procurement Policy
https://www.ngk-global.com/info/policies/#anc-09

Supply Chain Management Promotion Structure Chart



Promotion Framework

At the NGK Group, our Purchasing Dept. manages the suppliers who serve as our primary vendors. For important raw materials, we also manage secondary vendors.

Initiatives related to supply chain management are promoted by the Sustainability Management Committee, which collaborates with relevant departments such as the Environment Action Subcommittee and the Human Rights Subcommittee. We have also established a monitoring structure through which matters deliberated by and reported to the Sustainability Management Committee are regularly reported to the Board of Directors.

NGK Group Supplier Code of Conduct

The NGK Group has formulated the NGK Group Supplier Code of Conduct with the aim of collaborating with suppliers to realize a sustainable society.

This Code mandates important responsibilities related to our supply chain. For example, the Code requires human rights protections such as prohibiting forced labor and environmental action such as reducing GHG emissions.

We request agreement to adhere to this Code from major and registered suppliers. For new suppliers, we request submission at the onset of transactions. Furthermore, we request adherence from existing suppliers on an annual basis.

Risk Management Via Supplier Assessments

To ensure business continuity and stable procurement, the NGK Group identifies major suppliers based on importance, difficulty of replacement, and scope of transactions. As of June 2026, roughly 1,200 companies were designated as suppliers subject to management.

When selecting new suppliers, in addition to evaluating quality, costs, delivery (QCD) and stable procurement, we also require an understanding and agreement of adherence to the NGK Group Supplier Code of Conduct.

For existing suppliers, in addition to requesting consent to the Supplier Code of Conduct on an annual basis, we also conduct risk assessments using a questionnaire comprising 96 questions covering nine categories, including human rights, labor and occupational safety and health, environment, fairness and ethics, quality and safety, information security, BCP, and partnerships with communities and society. In light of the impact on business, we have gradually expanded the scope of assessments to include major suppliers both in Japan and overseas.

To evaluate quality, costs, and delivery (QCD), we also conduct on-site audits of suppliers in Japan and overseas to confirm the status of CSR response in the event of a plant survey and delivery schedule adjustment. Additionally, we engage in information exchange regarding themes such as price adjustments to reflect costs, BCP, and information security. Through these and other efforts, we are promoting continuous dialogue and improvement activities with suppliers.

Business Overview and Major Products by Segment

Environment Business



Motoo Noritake — Senior Executive Officer, Group Executive, Environment Business Group

Flexibly respond to market changes to achieve sustainable growth and strengthen our revenue base

Amid an unstable external environment, the Environment Business Group has worked to maintain and strengthen trust-based relationships by flexibly leveraging our supply chain to meet customer needs. In the Automotive Ceramics Business, we are securing profitability by shifting to high-added-value products in response to changes in demand being driven by the adoption of EVs. In the industrial process sector, we are focusing on establishing a framework that enables rapid responses to customer needs while also improving our response capabilities.

Moving forward, we will continue to transform our business portfolio with a focus on creating value that is aligned with changes in our operating environment. At the same time, we will also generate new growth opportunities to support sustainable growth and strengthen our stable revenue base.

Major markets
- Automotive market
- Domains related to industrial equipment
- Environment-related market

Major customers
- Automotive manufacturers
- Electronics and pharmaceutical manufacturers
- Environmental industry

Market environment (risks and opportunities)

Opportunities
- Global tightening of automotive emissions regulations
- Expansion of global efforts toward decarbonization
- Growing momentum in the formulation of environmental regulations

Risks
- Shift to electric vehicles (EVs)
- Expanding geopolitical risks

Looking back on FY2025

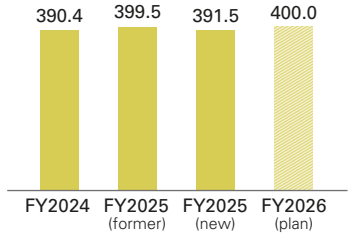
FY2025 saw a downturn in the pace of the shift to EVs driven largely by a reevaluation of regulations and subsidy programs in Western markets. At the same time, demand for internal combustion engine vehicles, particularly hybrids, has remained strong. We achieved growth in both sales and income thanks to successful efforts to improve selling prices and reduce costs as well as measures to address tariffs and the impact of fluctuations on foreign currency exchange rates. Amid current global instability, we maintained a flexible production system by leveraging our production sites located around the world. Initiatives to increase productivity and strengthen engineering capabilities in the Industrial Process Business also contributed to improved profitability.

While global conditions are expected to remain uncertain, we will continue to further strengthen business operations as a business group that drives revenue for the entire company.

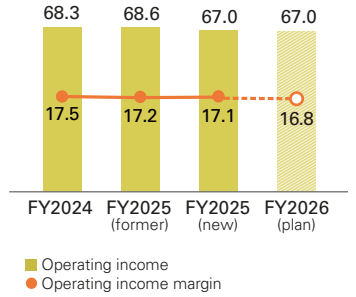
Outlook for FY2026

For FY2026, we project increased revenue from the automotive ceramics-related products driven by a shift toward high-value-added products, despite the continued adoption of EVs. Meanwhile, we anticipate operating income to be largely unchanged from the previous fiscal year due to factors such as rising raw material and fuel costs resulting from the deteriorating situation in the Middle East. Looking at the industrial process-related sales, we expect both net sales and operating income will be largely unchanged from the previous fiscal year as we capture demand for membrane systems used in pharmaceutical water production. Amid ongoing uncertainty, including the deteriorating situation in the Middle East, we will leverage our global supply chain to respond flexibly to external risks. In the industrial process domain, we will work to achieve performance targets by capturing demand related to data centers and medical facilities. As for initiatives related to the Carbon Neutrality (CN) domain, we will advance large-scale demonstration tests to accumulate the technical expertise necessary for future commercialization.

Net sales (Billions of yen)



Operating income (Billions of yen)
Operating income margin (%)



*As of the beginning of FY2026, business segments have been modified. Specifically, we transferred the EP-related business within Industrial Processes from the Environment segment to the Energy & Industry segment. As a result of this change, operating results for FY2025 have been restated to reflect the new segment classification.

Digital Society Business



Hiroki Fujita
Senior Executive Officer
Group Executive,
Digital Society Business Group

Achieve sustainable growth by strengthening our earnings base and expanding into growth domains

In FY2025, the Digital Society Business Group recorded growth in both sales and income on rising demand for semiconductor manufacturing equipment (SPE) products, a trend fueled largely by the expansion of AI-related semiconductor applications. We project continued growth in sales and income for FY2026. Looking ahead, our business group will work to boost sales and income for existing products by conducting capital expenditure towards increasing production capacity and by reducing costs and shortening lead times. Our initiatives to improve profitability will also include evaluating the rehabilitation of or withdrawal from low-profit or unprofitable businesses. Our business group will also accelerate development initiatives, through both internally led projects and collaborations with Corporate NV and Corporate R&D, to create new products that follow the success of the HICERAM Carrier.

By steadily implementing these measures, we aim to establish a sustainable growth trajectory for 2030 and 2035.

Major markets

- Semiconductor market
- Information & communication and storage market
- Automotive and industrial equipment market

Major customers

- Semiconductor and manufacturing companies
- Communication device manufacturers HDD manufacturers
- Automotive parts manufacturers
- Industrial equipment parts manufacturers

Market environment (risks and opportunities)

Opportunities

- Rapid advancement of AI
- Increased investment in data centers
- Advancement of high-speed, large-capacity communications

Risks

- Disruptive innovation
- Decoupling of global markets
- Geopolitical risks

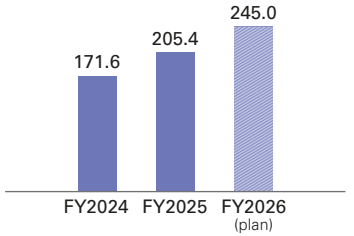
Looking back on FY2025

The business group recorded significant growth in both sales and income on increased demand for semiconductor production equipment (SPE) in North America that was fueled by growing demand for AI-related semiconductors.
SPE: Demand for semiconductors, particularly for AI applications, increased toward the end of the fiscal year. This factor combined with inventory stockpiling by some customers resulted in increased sales and income.
Electronic Devices: Sales of piezoelectric elements for hard disk drives (HDDs) remained solid thanks to robust investment in data centers. However, the contributions to earnings were limited due to factors such as upfront costs associated with expanding production capacity for HICERAM Carrier.
Metals: Demand for wrought products remained firm, particularly in China.

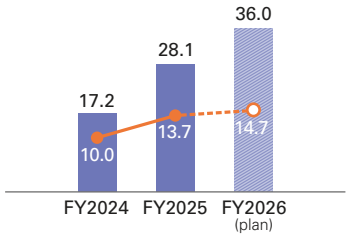
Outlook for FY2026

We project for continuing significant growth in both sales and income primarily thanks to the SPE and HICERAM Carrier businesses, which are seeing continued growth in semiconductor demand, particularly for AI applications.
SPE: Driven by AI-related demand, the semiconductor manufacturing equipment market is expanding at an accelerating pace. We expect to capture this market demand effectively and achieve year-over-year growth in both revenue and income.
Electronic Devices: Demand for piezoelectric actuators for HDDs remains stable thanks to solid investment in data centers. On the other hand, we see strong demand for HICERAM Carriers for use in high-performance GPUs used in AI servers. We are steadily implementing our capacity expansion investments with the aim of returning to profitability.
Metals: We anticipate stable demand driven primarily by the sales of industrial equipment and the automotive sector.

Net sales (Billions of yen)



Operating income (Billions of yen)
Operating income margin (%)



Energy & Industry Business



Hiroyuki Shinohara

Managing Executive Officer
Group Executive,
Energy & Industry Business Group

Meet the electricity demands of the AI era through accumulated expertise and by taking on new challenges

The energy landscape has seen dramatic changes in recent years. Advancements in AI have led to a significant upward revision of electricity demand forecasts and intensified global competition to secure power supplies. As a result, the insulator business, which has repeatedly faced downsizing and withdrawal, now stands at a critical juncture where we must identify the areas where we can survive and thrive. The Energy Plant (EP) business is seeing opportunities for growth driven by our engineering capabilities by responding to issues such as the restart of nuclear power plants, the modernization of aging infrastructure, and innovations in energy technology. In this environment, we are united in our efforts to build a resilient supply chain that is less susceptible to global instability, to ensure customers recognize the value of our products, and to establish a sustainable business. We will continue to consider how NGK can contribute to the energy sector and will fearlessly take on new challenges.

Major markets	Major customers	Market environment (risks and opportunities)	
		Opportunities	Risks
● Power-related industries	● Power operators ● Railway operators ● Construction companies	● Rising electricity demand driven by the expansion of AI and data centers ● Need for the renewal and maintenance of electrical equipment due to aging infrastructure and the requirement for enhanced disaster resilience	● Supply chain constraints resulting from the economic security policies of various countries ● Rising costs (raw materials, fuel, and labor) ● Disruptive innovation driven by new technologies and market structure changes

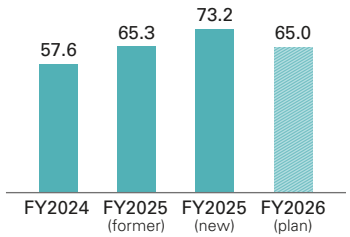
Looking back on FY2025

Looking at performance in FY2025, we increased revenue and reduced losses compared to the previous fiscal year. In the insulators business, we steadily advanced initiatives to secure solid earnings. As in the previous year, group companies NGK-Locke, Inc. and Energy Support Corporation made significant financial contributions, particularly to income. Conversely, the Energy Storage (ES) Business faces an operating environment that has become extremely difficult despite efforts to find a path toward future growth. As a result, we made the unfortunate decision to terminate any new manufacturing and sales activities for NAS batteries at the end of October 2025. Due to this decision, we recorded an extraordinary loss of 20 billion yen for business structure reform expenses. We anticipate that operating losses will be largely eliminated from FY2026 onwards.

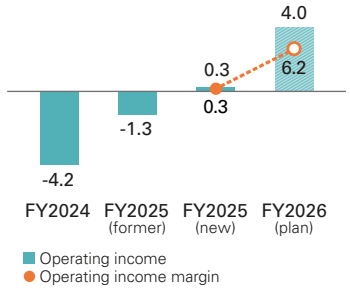
Outlook for FY2026

Looking ahead to FY2026, we are reorganizing operations into two divisions, Insulators and EP. ES will handle the delivery of existing orders and after-sales service functions while sales will be structured into a management department that will be independent of the business departments. As for business group performance, we project sales to remain on par with the previous year and anticipate operating income to return to profitability for the first time since FY2015. As for the insulator business, we will continue to implement measures to ensure the reliable supply of products that meet customer needs. For the EP Business, in addition to efforts to secure future projects, we will also aim to build a structure less dependent on individual project cycles. We will pursue growth as an engineering-oriented organization by expanding maintenance revenue, improving profitability, and strengthening equipment renewal proposals. Overall, we remain committed to making long-term contributions to society through NGK's energy-related operations, and will work to link our daily commitment and efforts to new growth.

Net sales (Billions of yen)



Operating income (Billions of yen)
Operating income margin (%)



*As of the beginning of FY2026, business segments have been modified. Specifically, we transferred the EP-related business within Industrial Processes from the Environment segment to the Energy & Industry segment. As a result of this change, operating results for FY2025 have been restated to reflect the new segment classification.

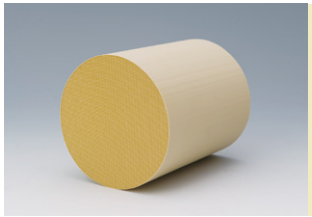
Major Products

Environment Business

Global environment conservation is the field in which our technologies are able to shine brightest. We contribute to cleaner air and water through our high-precision NOx sensors, ceramic membrane filters, and other ceramics offering advanced functionality. To accelerate the shift to a carbon neutral society, we will provide the world with innovative environmental solutions to help realize coexistence between a bountiful nature and industry.

Automotive Ceramics Business

HONEYCERAM™ ceramic substrates for automotive catalytic converters

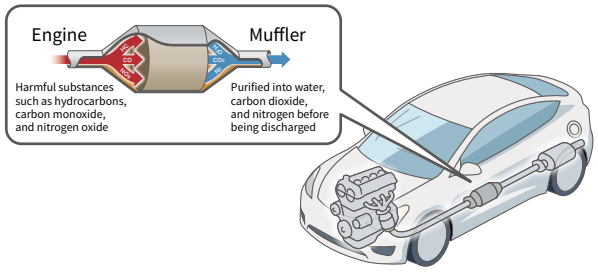


Features

- Core device for purifying automobile exhaust
- Leading share of global market
- Superior heat and shock resistance

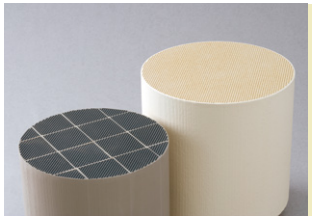
This product neutralizes harmful substances in automobile exhaust gas by supporting the catalyst with a honeycomb structure that provides a surface area equivalent to two soccer fields despite its compact volume. Designed to meet increasingly stringent exhaust gas regulations, this product is used by automobile manufacturers around the world.

Application example for HONEYCERAM



Typically installed near the vehicle's engine or within the underbody exhaust system. A catalyst coating on the surface uses chemical reactions to neutralize harmful substances such as carbon monoxide (CO) and nitrogen oxides (NOx) emitted by the engine.

Diesel Particulate Filters (DPFs)

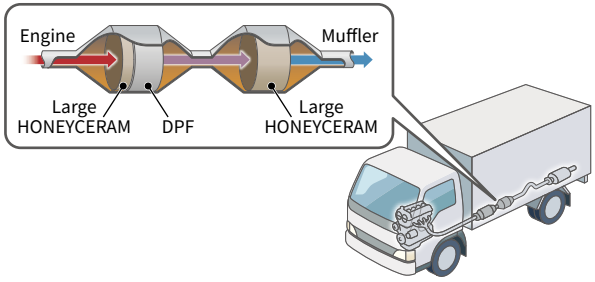


Features

- Removes over 90% of PM
- Supports high-temperature regeneration
- Minimizes degradation of fuel economy

A ceramic filter designed to capture and remove particulate matter (PM) emitted by diesel vehicles. Its thin, porous walls act as a filter to physically trap substances such as black smoke from the exhaust gas. This product is praised highly worldwide for its exceptional reliability and long-term durability.

Application example for DPF



This product is installed in the exhaust system of diesel engines used in vehicles such as buses and trucks, as well as in construction machinery. Particulate matter (PM) accumulated within the filter is periodically burned off and removed (regenerated) through engine control to enable long-term, maintenance-free operation.

In-vehicle high-precision NOx sensors

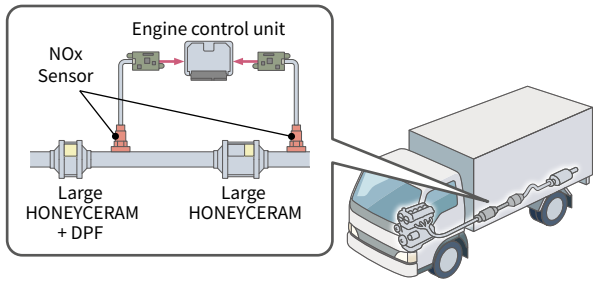


Features

- First in industry to achieve mass production
- Real-time measurement
- Ultra-high-precision detection

This is the world's first sensor capable of the real-time detection and measurement of exhaust gas nitrogen oxide (NOx) concentrations in ppm. By combining advanced ceramic technology with electronic controls, this product enables stable measurement even in harsh exhaust gas environments. This sensor contributes to improved engine combustion efficiency and exhaust purification.

Application example for NOx sensor



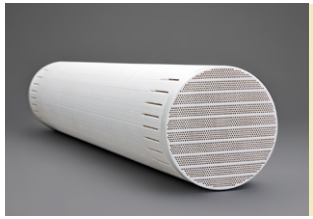
Installed in the exhaust pipes of diesel and gasoline vehicles, this product continuously monitors NOx levels in exhaust gas. Measurement data is transmitted to the vehicle's onboard computer, where it is used to optimize fuel injection, adjust urea solution volume, and diagnose malfunctions in the exhaust treatment system.

Major Products

Environment Business

Industrial Process Business

Ceramic membrane filters

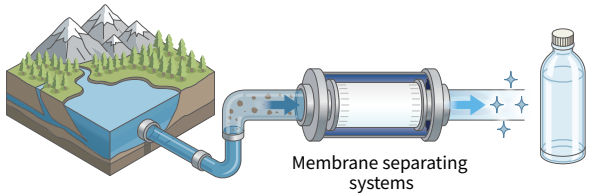


Features

- Excellent chemical resistance
- Long service life and high durability
- Precise filtration performance

A precision filtration filter based on ceramic technology and designed for use in harsh conditions. Compared to organic membranes, this product offers superior resistance to heat and chemicals as well as high mechanical strength. This product provides advanced separation and purification across a wide range of fields, including industrial wastewater treatment and food manufacturing processes.

Application example for membrane separating systems



These systems are integrated into advanced water purification systems at water treatment plants and wastewater reuse systems at manufacturing facilities. They also play a vital role in applications requiring high levels of hygiene and durability, such as sterilization processes for alcoholic beverages and soft drinks. Because these systems can be cleaned and reused repeatedly, they make significant contributions to reducing overall operating costs and supporting environmental initiatives.

Industrial heating systems (kilns and drying furnaces)

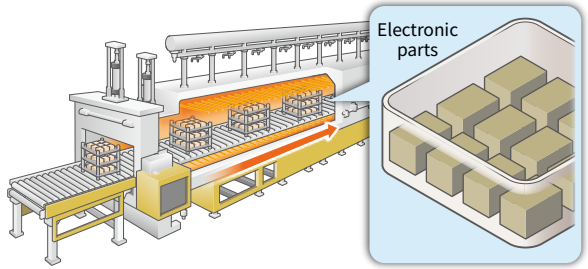


Features

- High-precision temperature control
- Energy savings and high efficiency
- Various heating methods

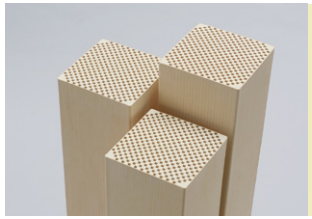
Industrial heating systems featuring the advanced thermal technology that is essential for the manufacturing of ceramics, battery materials, and semiconductor-related components. Applying manufacturing expertise accumulated over many years, we provide systems that deliver superior temperature uniformity, precise atmosphere control, and excellent energy efficiency to maximize material properties.

Application example for kilns



These products are widely used in processes such as the firing of cathode and anode materials for lithium-ion batteries and the drying and curing of advanced electronic parts. Selecting the heating method, such as electric, gas, infrared, or microwave, best suited to the specific material enables the continuous production of high-quality products.

CERALLEC™ SYSTEM

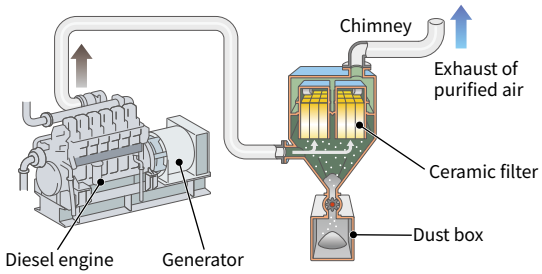


Features

- Removes over 95% of black smoke
- Compatible with high-temperature exhaust gas
- Compact device

This is a high-efficiency, high-temperature dust collection filter system designed to remove black smoke (PM) from diesel engine exhaust. Utilizing a ceramic honeycomb structure based on automotive DPF technology, this product delivers superior separation performance and a long service life, even in harsh, high-temperature environments.

System flow example for diesel engines



Contributes to the preservation of the global environment and the realization of a sustainable society by significantly reducing black smoke, a cause of air pollution and health issues. Also, the reduced maintenance load and compact design of this product provide high practical value to society.

Major Products

Digital Society Business

Amid an accelerating shift towards an information-oriented society, our ceramics for semiconductor manufacturing equipment and bonded wafers serve as supporting infrastructure for achieving ultra-high performance in devices. Our proprietary materials, including piezoelectric actuators for HDDs that enable nano-level precision control, play a vital role in digital transformation (DX). By providing foundational technologies that are essential to the evolution of 5G, AI, and autonomous driving, we are paving the way for a smart future.

SPE Business (products for semiconductor manufacturing equipment)

Ceramics for semiconductor manufacturing equipment

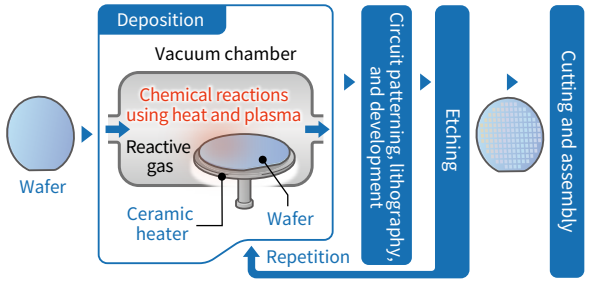


Features

- Extremely clean
- High-precision machining technology
- High-temperature and corrosion resistance

These are ultra-high-purity ceramic components that are resistant to heat and chemicals, and are used in semiconductor chip manufacturing processes. They support process stabilization and miniaturization in critical applications such as electrostatic chucks™ and ceramic heaters™, where ultra-precise wafer holding, heating, and plasma resistance are required.

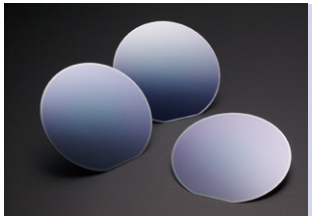
Application example for ceramics for semiconductor manufacturing equipment



These components are used inside semiconductor deposition and etching equipment to hold wafers securely in place and heat them uniformly. In manufacturing environments requiring nano-level microfabrication, they serve as the "heart" of the equipment, thoroughly eliminating fine particles and thermal distortion to improve yields.

Electronic Device Business

Bonded wafers



Features

- Bonding of dissimilar materials
- Balances heat dissipation with rigidity
- Contributes to faster signal speeds

This is a high-performance substrate created by bonding materials with distinct properties, such as silicon and sapphire. These products offer levels of insulation, heat dissipation, and rigidity that cannot be achieved from a single material. These products achieve dramatic performance improvements in smartphone communication filters and high-frequency devices.

Application examples for bonded wafers

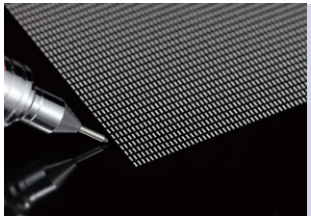


Thousands of SAW filters can be produced from a single wafer

Used in wireless communication devices such as smartphones and tablets

This product is used as a substrate for high-frequency filters, primarily in high-speed wireless communication devices such as 5G smartphones. This product contributes to a stable communication environment by suppressing heat-related frequency fluctuations. Application is also expanding into areas such as power semiconductors and this product is being widely used in cutting-edge electronic components where manufacturers aim to reduce device power loss and size.

Piezoelectric actuators for HDDs

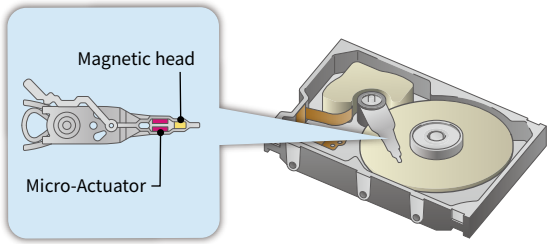


Features

- Ultra-precise positioning
- High-speed response capability
- Top share of global market

This part leverages the properties of ceramics, which convert electrical signals into motion, to achieve precision control of hard disk drive (HDD) write heads at the nanometer level. These parts play a significant role in meeting the demand for higher HDD capacity and faster data read/write speeds in environments such as data centers.

Application example for piezoelectric actuators for HDDs



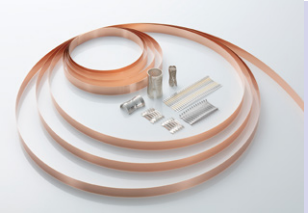
Mounted on the head slider assembly within the HDD, this part functions as an actuator for tracking the extremely narrow data tracks on the disk. By performing ultra-precise positioning control at the nanometer level while the disk spins at high speed, these parts support the reliable recording and playback of vast amounts of data.

Major Products

Digital Society Business

New Metals Business

Beryllium copper

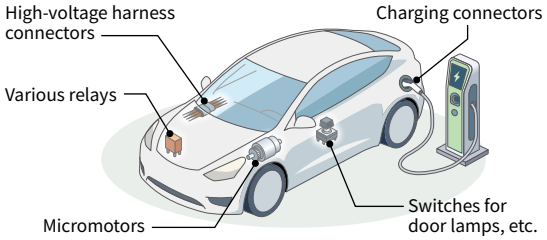


Features

- High strength and high conductivity
- Excellent workability
- Excellent wear resistance

This is a special alloy that combines the excellent electrical conductivity of copper with a high level of strength comparable to steel. This product also offers superior spring properties, durability, and heat resistance, making it widely used as a material for components that require high reliability in demanding environments, such as connectors and switches for electronic devices and automotive electrical parts.

Application example for beryllium copper



This product is used in components such as smartphone battery terminals, camera module springs, and sensor terminals for automotive engines. It also plays a vital role in industrial applications requiring reliability in demanding environments, such as explosion-proof tools for use in areas where sparks are strictly prohibited, as well as connectors for undersea cables. This material is ideal for the electronics sector, where components are becoming smaller while achieving higher performance.

Major Products

Energy & Industry Business

From suspension insulators—our original product—to radioactive waste treatment equipment, we safeguard the safety of power infrastructure and industry through proven technology, contributing to the construction of a resilient social foundation.

Insulators Business

Suspension insulators

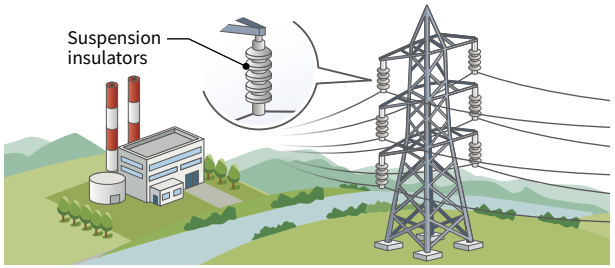


Features

- World-class strength
- High insulation performance
- Resistance to harsh environments

Installed between power transmission lines and steel towers, this product is one of our flagship products that we have offered since the company's founding. These products support the weight of the lines while insulating high-voltage electricity. Backed by technology cultivated over more than a century, these insulators provide exceptional reliability to ensure sustained power supply over the long term even in the harsh natural environments of lightning, wind, rain, and salt damage.

Application example for suspension insulators



These products are used in major power transmission networks that carry ultra-high-voltage electricity, often hundreds of thousands of volts. Suspended from steel towers as insulator strings (assemblies of multiple insulators connected in series), they securely hold the power lines while ensuring safe transmission by preventing electricity from leaking into the towers. These products continue to support the stable operation of global power infrastructure across a wide range of environments.

Energy Plant Business

Low-level radioactive waste treatment systems

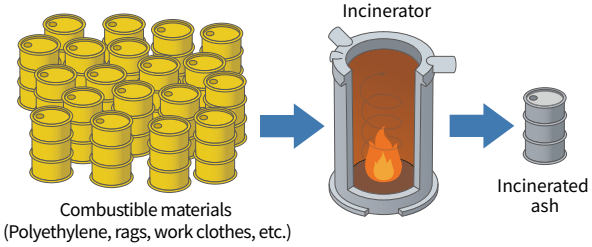


Features

- Significantly reduces volume
- High safety and sealing performance
- Proven track record and reliability

This system reduces the volume of various types of low-level radioactive waste generated at facilities such as nuclear power plants. With products that are compatible with the required type, quantity, and radioactivity level of the waste, these systems contribute to significantly reducing radioactive waste. These systems are backed by a strong track record of installations and high operating rates at nuclear power plants nationwide.

Application example for low-level radioactive waste treatment systems



Nuclear-related facilities generate various types of waste, including plastic sheeting, paper, cloth, and metal. By incorporating treatment technologies, including incinerators, melting furnaces, and high-pressure compactors, designed for the specific characteristics of the waste material, we reduce volume and safely treat exhaust gases to achieve both effective volume reduction and high safety standards. Ensuring waste management supports the stable operation of power plants.

Message from the Chair of the Board of Directors



With the formulation of the Long-Term Management Plan 2026-2035 and the changing of our company name, the NGK Group is heading towards a new growth stage.
The Board of Directors will strive for sustainable improvements in corporate value by pursuing in-depth, constructive discussions and further strengthening our supervisory functions.

Taku Oshima | Representative Director and Chair
Chair of the Board of Directors

The Board of Directors is the company's chief decision-making body and is charged with reporting, deliberating, and deciding on important matters related to the NGK Group management and business execution. It is also an important forum for deliberations from a medium- to long-term perspective on how we go about realizing sustainable growth and linking that growth to improvements in corporate value and the creation of stakeholder value. As Chair of the Board, my main focus is on objectivity and fairness. I work to create an environment that supports energetic and constructive exchanges of opinions while leading discussions and remaining open to various opinions. To ensure the effective use of limited meeting time, rather than spend time on routine reports or agenda items, we aim to have Board meetings centered on more meaningful deliberations regarding the core issues that have the potential to significantly impact the future of the Group.

In May 2026, we formulated and announced our Long-Term Management Plan 2026-2035. This Plan details how we will achieve the interim targets outlined in the NGK Group Vision, Road to 2050 – the embodiment of what we want to be in 2050. Creating this Plan involved the Board conducting multifaceted evaluations of the changes occurring within our operating environment and advancements in technology. The rapid adoption of AI and growing data center demand are driving greater-than-expected growth in the digital society (DS) domain. Conversely, the carbon neutrality (CN) domain will need more time for widespread adoption and market formation. These shifts represent significant changes in our operating environment. Aiming to accurately capture the growth opportunities manifesting through these changes, we formulated this Plan after carefully examining the current status of our business portfolio, evaluating which growth investments to prioritize, and identifying the best way to allocate management resources.

The Board met fifteen times during FY2025. In addition to the Long-Term Management Plan 2026-2035, Board deliberations also focused on reevaluating our business portfolio. One of our core themes was to respond to unprofitable businesses, about which we made important decisions to promote future growth, including decisions regarding discontinuation of manufacturing and sales activities of NAS Batteries and reorganizing the corporate structure of NGK Electronic Devices. Throughout these deliberations, the Outside Directors comprehensively evaluated NGK management from their broad and independent perspective to provide frank opinions based on their diverse expertise and experience. Their participation greatly contributed to having more in-depth deliberations and improving the quality of our decision-making.

The effectiveness of the Board is evaluated annually via a validation process that examines some thirty different criteria, including Board structure and management, the quality of deliberations, and oversight functions for business execution. Evaluation results are shared with the Board and used as part of a PDCA cycle through which we identify issues and evaluate measures to promote continuous improvements in Board effectiveness.

In FY2026, we changed the company name and set off towards a new stage of growth and towards achieving what we want to be in 2050. This change represents our commitment to changing our business portfolio and corporate culture and evolving our value creation process. The Board will support corporate management and governance that is appropriate for this new stage and will fulfill its role in conducting oversight that links change to growth. Through steady progress towards the Long-Term Management Plan 2026-2035, we will strive to be a corporate group that is trusted by all our stakeholders by achieving sustainable growth and improvements in corporate value.

Roundtable Discussion with Our Outside Directors

A compass for 2035 guided by diverse perspectives as we strive for the realization of what the NGK Group wants to be

DISCUSSION



Amid dramatic changes in the operating environment, the Long-Term Management Plan 2026-2035 (Long-Term Plan) was designed to lead the NGK Group into 2035. During this roundtable discussion, NGK Corporation Outside Directors, who were deeply involved in creating the Long-Term Plan, gathered to share their individual perspectives on the Long-Term Plan's significance and challenges, and the key points to improving corporate value.

Participating in the formulation of the Long-Term Management Plan 2026-2035

Hamada ▮ It has been five years since the company established the NGK Group Vision Road to 2050 as its direction for becoming what it wants to be in 2050. Since then, social and business environments have changed dramatically. The recently announced Long-Term Plan serves as a roadmap for solidifying the business structure transformation the company has implemented thus far. Centered on the core theme of what needs to be done as we head towards 2050, the formulation of the Long-Term Plan involved numerous discussions from various perspectives. The company also deeply evaluated its future growth strategy, including as it relates to technology development. This was a critical process in outlining NGK's path towards sustainable growth.

Miyamoto ▮ I recommended that designing the Long-Term Plan should come after in-depth discussions regarding how the company should approach 2035, the midway point to the company's goal of converting its business structure from a focus on the Automotive Ceramics Business to two-pillar structure focused on both the Carbon Neutrality (CN) and Digital Society (DS) domains. However, there were differences in the depth of discussions for each business. With the Automotive Ceramics Business, it is difficult to predict progress on EV adoption. That said, the market itself is a mature one and the NGK Group has accumulated knowledge in this domain. As such, I think the company was able to formulate a relatively precise plan. On the other hand, the DS domain involves a high level of uncertainty regarding both the market and products. It is my impression that the company gathered and analyzed various information as it worked to formulate its plan. The CN business does not yet have an actual market so I think there are strong elements of trial and error.

Kawakami ▮ Contributing to increasing medium- to long-term corporate value is one of the critical roles of Outside Directors. I knew that I wanted to get involved in the creation of the Long-Term Plan from an early stage, so I view it as incredibly meaningful that I was able to participate from the kickoff phase. In the

beginning, I had a strong impression that the Plan centered on building on the company's current progress, so I suggested that the company needed to back-cast from what the company wants to be and make sure that the commitment to transformation was reflected in strategy. From there, the company engaged in invigorated deliberations that transcended the boundaries between internal and external directors to create a Long-Term Plan that included ambitious numerical targets.

Sakuma From the beginning of the plan creation process, I shared my opinion without reservation. The first point I made was the need to explicitly indicate management's commitment. As Ms. Kawakami stated, the first plan left a strong impression of a focus on increasing the numerical performance of each business division but lacked in terms of sufficiently reflecting management's commitment. I used my position as an Outside Director to raise awareness of this issue and requested that the Board engage in deeper discussions on this matter. The other point I made was the need for a more concrete growth strategy. In FY2025, the company achieved record highs for net sales, operating income, and ordinary income. The company also underwent a name change. These factors are driving capital markets to have higher expectations for the new NGK Group. To ensure the company would take advantage of this unique position, I asked that the plan outline a specific path to maximizing corporate value and realizing sustainable growth. This led to a shift from the concept of a balanced approach to the CN and DS businesses to a plan weighted more heavily towards the DS businesses. In the end, I believe the company has now presented a growth strategy that clearly reflects its commitment while also balancing current market conditions and the Group's position.

Key points for evaluating the Long-Term Plan from the perspective of the Outside Directors

Kawakami I highly commend the company for clearly defining what it wants to be, something that had been somewhat abstract in the Group Vision. This is particularly important in terms of improving corporate value.

Sakuma In 2025, the company made the decision to terminate manufacturing and sales activities for NAS batteries in the Energy Storage business. This was a very significant decision but it also served as a catalyst; the Long-Term Plan contains details on the evaluation process for the rehabilitation of or withdrawal from unprofitable businesses and products. The Group has created clear standards for business withdrawal, which is something I view as truly meaningful.

Kawakami Technology development and product commercialization are processes that do not produce visible results in one or two years. At the same time, continuous losses may result in the need to exit from a project. Establishing these standards makes it possible to identify projects that do not meet those criteria for evaluation. This is critical. However, decisions cannot be made solely based on numbers. Decisions must be made after deliberations and a careful evaluation of the business's future value. As an Outside Director, I want to be firmly involved in that process.

Hamada In addition to the business rehabilitation / withdrawal process, I also commend the plan for clarifying the elements expected by shareholders and investors, including the Five Transformations, financial targets and non-financial KPIs, and cash allocation. As an Outside Director, I keenly recognize that now my responsibility is to take a step back and provide appropriate oversight regarding whether or not this plan, which outlines management's commitment, is thoroughly executed.

Miyamoto The company updated its commercialization initiatives, expanding on New Value (NV) 1000, the target of securing 100 billion yen or more in net sales from New Value products (New businesses that were launched in or after FY2021) by FY2030, and challenging itself to exceed 300 billion yen in net sales from new value products by FY2035. I commend the company for setting such a challenging target. Clearing the targets outlined in its roadmap, CN and DS products representing 60% or more of net sales in FY2035, will require further expansion of both CN and DS products. As such, I want to encourage the Group to unite towards accelerating its efforts toward achieving these targets.

Sakuma I think NV1000 in part originated from a desire to create a catalyst for breaking down the conservative mindset that was deeply prevalent within the company. While the company has made steady progress with organizational reform, NGK will need to further strengthen cross-divisional alliances to achieve its targets. My hope is that Corporate NV Creation, which is responsible for marketing functions, will serve as a catalyst for fusing various business divisions to create a positive synergy.

Kawakami In that sense, I am focusing on the NGK Collaboration Square DIVERS, the co-creation facility the company opened in July 2025. This will surely be critical as a forum for accelerating collaborations with other companies. I believe it will serve as an important base for future value creation.

Miyamoto The plan significantly increases cash allocation towards growth investments. As aggressive investments are a prerequisite to advancing business structure transformation, I have no objection to this. However, raising the dividend payout ratio from 30% to near 35%

I expressed the importance of focusing on two points: management's commitment and the company's growth strategy.

— Hiroshi Sakuma





It is important to maintain and strengthen a structure that enables rapid responses in the event of unforeseen risks.

— Noriko Kawakami

means the company will be both investing and issuing shareholder returns. In that sense, I do have some concerns as this is a very ambitious plan. Needless to say, the best outcome would be able to achieve both. However, I do think that future changes in the operating environment could cause conditions that force the need for adjustments.

Key issues and challenges in the growth strategy for the DS business

Hamada As Mr. Sakuma just touched on, the Long-Term Plan outlines a direction of positioning the DS business as a growth driver on which the company will focus capital and human resources to capture the rapid expansion of generative AI and advancements in communications technology seen in recent years. At the same time, the DS market comprises a wide range of domains and there is a need to carefully analyze the traits and competitive environments of each market. I think the company will need to have these types of discussions at greater depth. This sudden market expansion is also resulting in vast amounts of capital inflow, meaning the company must maintain its awareness of risks such as excessive capital expenditures and the potential for the market to become a red ocean (cutthroat competition).

Sakuma The DS business in particular has an element of timing that requires companies to make investment decisions to avoid being late to market despite lacking absolute certainty in market trends. In these situations, being able to make decisions rapidly will be critical. My view is that the NGK Group has made progress on organizing unprofitable businesses and has established an environment for making bold decisions. What the company must avoid is the loss of growth opportunities due to a lack of decisiveness in critical moments. My hope is that the company will open itself to the opinions of experts, both internal and external, from various fields and evaluate risk avoidance measures while proactively executing investments.

Miyamoto The DS domain is subject to rapid change. It can be difficult to accurately identify the market launch potential and timing for individual products, and the investment amounts are large. For these reasons, winning in the DS domain will require speedy and decisive investment decisions. At the same time, there will be cases where market conditions require that the company slow down or change directions. This type of timely and appropriate decision-making is a critical role of the Board. As an Outside Director, I intend to continuously monitor the process and practicality of investment decisions as well as post-investment progress.

Responding to risks and uncertainties

Kawakami The Board of Directors has been continuously discussing current developments such as soaring energy prices, the shift toward EVs, and issues surrounding rare earth elements, and has outlined measures for addressing potential future risks. Incorporating a process for evaluating business revitalization or withdrawal into the Long-Term Plan can also be seen as a form of risk management. That said, in an era of uncertainty, whether conditions will stay within the scope of anticipated risks remains entirely unknown. As such, it is crucial to further enhance agility to ensure an organizational structure that enables rapid information gathering and allows the Board to deliberate on countermeasures in the event of unforeseen risks. As Outside Directors, we intend to monitor the speed of such responses and ensure that issues are evaluated thoroughly.

Hamada For example, I believe the risk management framework is more fully developed compared to five years ago. Reviewing the minutes from Risk Management Committee meetings reveals that discussions are being conducted very thoroughly. The past year in particular has seen unexpected changes in both the social and economic landscapes. This change has likely served as an opportunity to consider the risks associated with each business, including the supply chain, from a multifaceted perspective. As Ms. Kawakami pointed out, even when measures are devised with various risks in mind, things do not necessarily proceed as anticipated. In such

Expanding the DS business will require increasing clarity regarding the domain.

— Emiko Hamada



situations, the ability to respond flexibly, including by switching to a Plan B or C, will prove to be essential.

Governance challenges for improving corporate value

Miyamoto Realizing business transformation in line with the Long-Term Plan will require proactive new investments. The Board must both promote investments that are essential to company growth and be willing to apply the brakes when necessary. Using metrics such as ROI, ROE, and the NGK ROIC for each business to monitor factors such as financial discipline and investment efficiency will become increasingly important in the future.

Hamada As for new business creation, it is crucial that the company establish monitoring metrics to evaluate progress. I think it is necessary to look beyond sales figures alone to also consider metrics that allow for a proper assessment of future potential.

Sakuma Under present conditions, I think it will be critical to thoroughly examine financial metrics. The company must continuously monitor metrics such as net sales growth ratio, operating income, the NGK ROIC, and the NGK version of added value to conduct analysis based on objective data and clearly identify latent risks. It is important that the company uses that process as a foundation for deciding whether to pursue new business ventures, continue existing operations or to pause and re-evaluate its approach. When looking to further expand co-creation initiatives, a key challenge lies in enhancing the company's expertise regarding M&A. In this regard, the four Outside Directors, myself included, offer diverse backgrounds and areas of expertise, and I believe we can contribute to the company's decision-making and growth strategies by offering advice and recommendations from a wide range of perspectives.

Kawakami The key to achieving the Long-Term Plan will be whether or not the company is conducting appropriate and sufficient investments. With the DS domain in particular, business cycles are getting shorter. As such, a critical difference compared to conventional investments will be how the company shortens the timeframe between investment and value creation. I am sure management is sufficiently aware of this but I also feel like the company is holding on to conventional thinking and processes in some areas. For that reason, it will be important that the Board commit itself to supporting necessary risk-taking while promoting aggressive growth investments.

To NGK stakeholders

Hamada I think that the company's efforts to improve corporate value are beginning to gain a certain level of recognition from the market. This past spring, in addition to the company changing its name, it also announced its Long-Term Plan. Moving forward, the company will strive to deliver the results that meet market expectations by outlining the concrete measures needed to realize this plan and steadily executing those measures. As Outside Directors, we will continuously monitor the progress of this execution and keep a close watch on the initiatives aimed at improving medium- to long-term corporate value.

Kawakami Through the formulation of the Long-Term Plan, I believe the company was able to reevaluate its business portfolio based on current trends and build a platform for sustainable growth. As is represented by the establishment of DIVERS, the company explicitly outlined its policy of enhancing its external collaborations and co-creation to pioneer new possibilities for ceramics and link those efforts to resolving social issues and contributing to society. Steadily converting these initiatives into results will require that the company strengthens the personnel base supporting these efforts, its human capital. Creating an organization where everyone can thrive, regardless of differences in gender, age, experience, or values, leads to improvements in corporate value. Moving forward, I intend to continuously monitor and support these efforts to promote steady implementation and tangible results.

While it is important to support growth initiatives, we must also be able to provide oversight depending on the circumstances.

— Kengo Miyamoto



Miyamoto NGK is making a major shift in its business structure toward the DS and CN businesses. Realizing this direction is essential for the company to achieve sustainable growth while contributing to society. Through the formulation of this Long-Term Plan, I have sensed powerful energy driving the entire company to make this transformation a success. As an Outside Director, I intend to contribute to the realization of the Long-Term Plan by providing oversight and supporting management from an independent and objective perspective.

Sakuma The NGK Group is currently in an environment that allows it to aggressively take on challenges towards achieving new growth. The DS domain in particular is presenting major business opportunities that are positioning the company at a critical juncture where it must accelerate investments and business expansion to drive growth. The Group has a track record of achieving growth by transforming itself in response to changes in its business environment. I view this DNA of embracing challenges and transformation as one of the company's greatest strengths. By leveraging this strength, NGK is demonstrating its commitment to achieving sustainable growth and improving its medium- to long-term corporate value as it strives to evolve into a company that consistently meets the expectations of all its stakeholders.

Corporate Governance

Basic Approach

NGK Group's basic policy on corporate governance is to ensure legality in business activities and management transparency. The NGK Group has established a structure that can respond swiftly to business environment changes and has built and maintains a 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 enhances effectiveness 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 management decision-making and supervisory functions from business execution functions, clearly defining and strengthening each role.

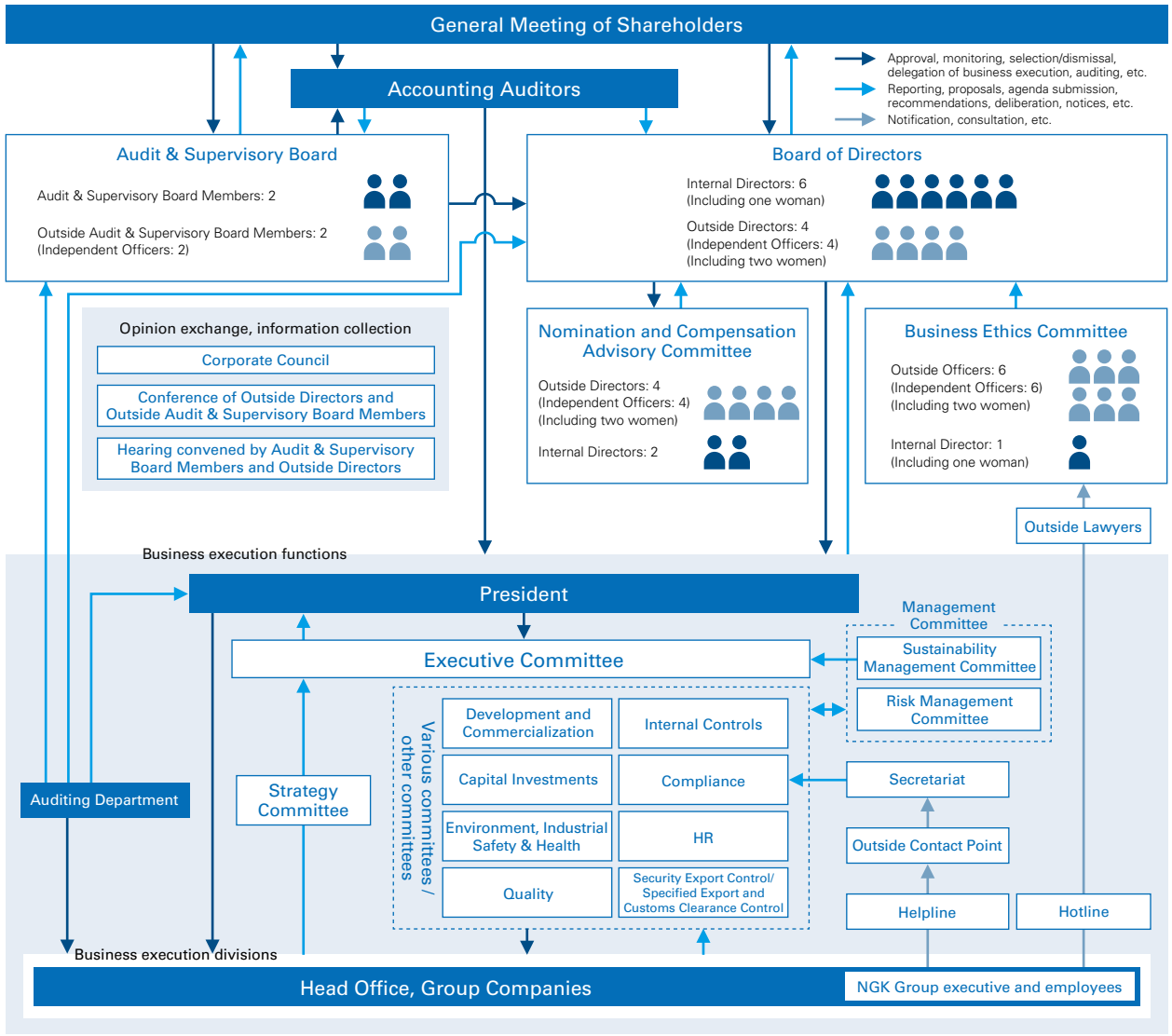
To strengthen the supervisory and oversight functions of the Board of Directors, we have mandated reporting to the Board of Directors from key committees that handle various risks surrounding NGK. To ensure the thorough implementation of objectives of the Corporate Governance Code, we established the Nomination and Compensation Advisory Committee, Corporate Council, Conference of Outside Directors and Outside Audit & Supervisory Board Members, the Business Ethics Committee, and other committees.

We have also established the NGK Group Corporate Business Principles and NGK Group Code of Conduct to stipulate how everyone working for the NGK Group should execute their jobs, ensuring compliance with society's laws, NGK Group's Articles of Incorporation, and corporate ethics. All executives and employees are well versed in the code and are obligated to abide by it.

Internal Control Systems

Our Board has established a system designed to ensure that the execution of duties by Directors complies with laws and regulations and NGK's Articles of Incorporation, and that business practices are appropriate. This system is applied to the operations of the NGK Group consisting of NGK and its subsidiaries, and business execution organizational bodies that report to the president are responsible for the implementation.

Corporate Governance System Chart



Basic Views on Internal Controls System and Status of Development
https://www.ngk-global.com/sustainability/governance/pdf/governance-system.pdf

List of Directors and Audit & Supervisory Board Members (As of June 26, 2026)

● Number of shares of the Company held
● Years in Office

Directors



Taku Oshima
Representative Director and Chairman

(Important concurrent positions)
Outside Director of Central Japan Railway Company, Outside Director of Toho Gas Co., Ltd., Outside Director of Nomura Holdings, Inc.

● 50,000
● 12



Shigeru Kobayashi
Representative Director and President

Overall Corporate Management, Responsible for Business Groups, Executive Committee Chair, Strategy Committee Chair, Sustainability Management Committee Chair, Risk Management Committee Chair

● 50,126
● 6



Jun Mori
Representative Director and Executive Vice President

Responsible for Corporate R&D, Manufacturing Engineering, Corporate Safety, Quality & Environment Dept., Digital Transformation & Innovation Dept., and ICT Dept., Development and Commercialization Committee Chair, Quality Committee Chair, Environment, Industrial Safety & Health Committee Chair

● 22,590
● 1



Hideaki Shindo
Director and Senior Vice President

Responsible for Sustainability Management Dept., Corporate Communications Dept., Corporate Planning Office, Secretarial Office, Finance & Accounting Dept., and Purchasing Dept., Senior Officer in charge of Group Companies, Sustainability Management Vice Committee Chair, Risk Management Vice Committee Chair, and Logistics Management Administrator

● 26,000
● 5



Mayumi Inagaki
Director and Senior Executive Officer

Responsible for Auditing Dept., DIVERS Administration Office, Human Resources Dept., Group Compliance Dept., Legal Dept., and General Affairs Dept., Chief Compliance Officer, Compliance Committee Chair, Internal Controls Committee Chair, HR Committee Chair, and Construction Business Act Managing Supervisor

● 18,741
● 2



Takao Ohnishi
Director and Senior Executive Officer

Responsible for Corporate NV Creation, IP Strategy Dept., Group Executive of Corporate R&D, Development and Commercialization Vice Committee Chair

● 17,000
● —

Outside Directors



Emiko Hamada
Outside Director

(Important concurrent positions)
Outside Director of TAIYO YUDEN Co., Ltd.
(Abbreviated history)
Possesses extensive practical experience. After leading CD-R development at TAIYO YUDEN Co., Ltd., Hamada engaged in research activities centered on industry–academia–government collaborations as a professor at the Nagoya Institute of Technology and visiting professor at Nagoya University.

● 5,000
● 9



Hiroshi Sakuma
Outside Director

(Abbreviated history)
Past positions include serving as Managing Executive Officer at Mitsubishi Corporation. Sakuma possesses expertise in the energy sector and experience in managing large-scale organizations.

● 0
● 2



Noriko Kawakami
Outside Director

(Important concurrent positions)
Senior Fellow, Power Electronics Systems Division, TMEIC Corporation / Outside Director of Daido Steel Co., Ltd. / Outside Director of SANKYU INC.
(Abbreviated history)
Possesses extensive practical experience, including expertise in the energy and digital fields.

● 3,000
● 2



Kengo Miyamoto
Outside Director

(Important concurrent positions)
Representative Attorney at Miyamoto International Lawyers
(Abbreviated history)
Engaged in corporate legal affairs as an attorney in Japan and overseas.
Possesses extensive practical experience and specialized knowledge.

● 3,000
● 2

Audit & Supervisory Board Members



Naoya Yagi
Full-time Audit & Supervisory Board Member

● 4,306
● 3



Koji Hasegawa
Full-time Audit & Supervisory Board Member

● 1,040
● 1



Masayoshi Sakaguchi
Outside Audit & Supervisory Board Member

(Important concurrent positions)
Representative Director and Chairman of the Japan Automobile Federation
(Abbreviated history)
Held positions including Superintendent General of the Osaka Prefectural Police Headquarters and Commissioner General of the National Police Agency.
Possesses extensive experience in public administration and a proven track record in managing large-scale organizations.

● 0
● 7



Go Watanabe
Audit & Supervisory Board Member, Outside

(Abbreviated history)
Held positions including Managing Executive Officer at The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.). Possesses experience in management within the financial and manufacturing sectors, as well as serving as a full-time Outside Corporate Auditor of a listed company.

● 0
● —

Approach to the Knowledge, Experience, and Capabilities of Directors, and the Number of Directors

The skills required of directors include practical experience and leadership in the business fields of our Group, as well as expertise in areas such as finance, legal affairs, human resources and labor, information and communications. Highly independent outside directors are required to have advanced expertise in areas such as law and corporate finance, as well as insight into international affairs, technology trends, and corporate management. The total number of directors is limited to 15.

Skills matrix for Directors and Audit & Supervisory Board Members, and the reasons for item selection

https://www.ngk-global.com/sustainability/governance/pdf/governance-board.pdf

Skill Matrix of Directors and Audit & Supervisory Board Members

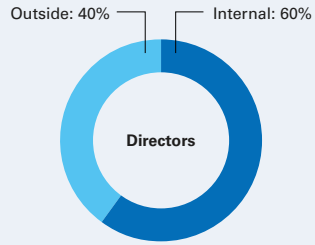
Name	Attributes			Field of experience							Expertise		
	Years in Office	Gender	Independent Officer	Business Management	Sustainability	Overseas Business / International Experience	Marketing	Manufacturing Technology / R&D	Carbon Neutrality	Digital	Finance	Legal / Compliance / Risk Management	HR/Labor
Taku Oshima	12	Male		●	●	●		●	●				●
Shigeru Kobayashi	6	Male		●	●	●	●		●			●	
Jun Mori	1	Male			●	●	●	●	●			●	
Hideaki Shindo	5	Male			●	●	●				●	●	
Mayumi Inagaki	2	Female			●							●	●
Takao Ohnishi	—	Male			●			●		●			
Emiko Hamada	9	Female	●	●	●	●		●	●	●			
Hiroshi Sakuma	2	Male	●	●	●	●	●		●		●		●
Noriko Kawakami	2	Female	●		●	●		●	●	●			
Kengo Miyamoto	2	Male	●		●	●						●	●
Naoya Yagi	3	Male			●	●	●				●	●	
Koji Hasegawa	1	Male			●	●	●				●		
Masayoshi Sakaguchi	7	Male	●	●	●							●	●
Go Watanabe	—	Male	●	●	●	●					●	●	●

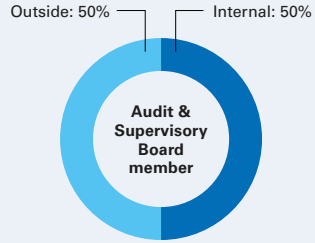
Reason for Skill Selection

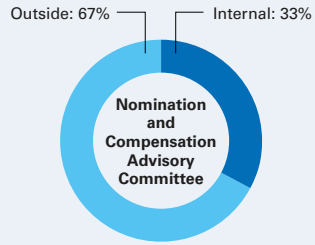
As a global materials manufacturer, we prioritize business and technology knowledge as well as expertise in fields such as finance and legal affairs. To ensure diverse executive officers are able to make accurate decisions towards supporting carbon neutrality and a digital society based on their various experiences, we select ten fields that are essential to business management and audits. We will build a highly effective governance system by fusing expertise and diversity.

Member Composition of the Board of Directors and Audit & Supervisory Board

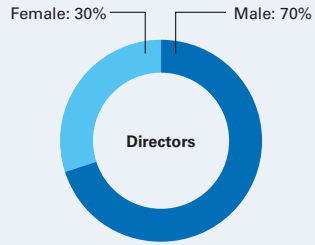
Ratio of Outside Directors







Ratio of Females



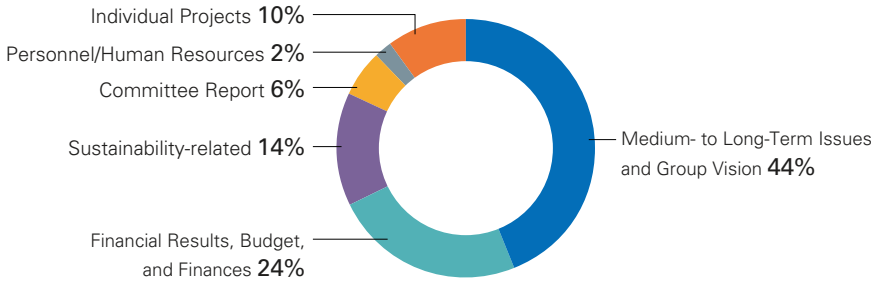
Activities of the Board of Directors

The Board of Directors comprises ten members (seven males, three females), of whom one-third or more are Outside Directors. In FY2025, the Board convened 15 times to vote on matters mandated by the Companies Act, our Articles of Incorporation, and the Rules for the Board of Directors (agenda included matters such as the Group budget, strategic plans such as company dissolution, mergers, and business alliances, the selection and dismissal of the representative director, approval of business reports and financial statements, disposal and acquisition of important assets, and the appointment and dismissal of key personnel). Furthermore, the Board monitors the status of business execution by Directors.

Main Agenda Items in FY2025

- 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
- Sustainability-related
  - Progress report on the 5-Year Environmental Action Plan
  - Information disclosure based on TNFD recommendations
  - Reports on IR/SR activities
  - Revisions to NGK Group Social Contribution Activities Policy
- Committee Report
  - Report on principal committee activities
- Personnel/Human Resources
  - Organization and personnel
  - Review committee for human rights
  - Adoption of stock incentive system for key personnel
- Individual Projects
  - Investment in production facilities, R&D, etc.

Time Allocated to Key Topics



Training for Officers

Recognizing that Directors and Audit & Supervisory Board members are entrusted by the Company to bear the due care of a good manager, we conduct training based on the following policy to ensure executives are able to sufficiently fulfill their duties as experts in various kinds of management or supervisors of business execution.

Training Policy

1. For internal officers:
   - Training on the Companies Act, the Financial Instruments and Exchange Act, competition laws, corporate governance, and compliance

   FY2025 results:
   - Training related to competition laws and quality compliance (1 time in total)
2. For outside officers:
   - Explanation from departments in charge concerning agenda submitted to the Board of Directors, regular information provision concerning business environment and issues, provision of opportunities for the exchange of opinions

   FY2025 results:
   - Visit to factories and sites by Outside Officers (4 times in total: Co-Creation Center, Nagoya, Yamaguchi, Yamanashi)
   - Briefings before meetings of the Board of Directors and business explanations (14 times in total)
   - Interviews with executive departments (13 times in total)

Status of Activities by the Audit & Supervisory Board

The Audit & Supervisory Board comprises four Audit & Supervisory Board members and the Board met 14 times in FY2025. Each Audit & Supervisory Board member attends meetings of the Board of Directors and other important meetings to receive reports from directors and employees, as well as request explanations as necessary. This process enables Audit & Supervisory Board members to audit the decision-making process and status of business execution by directors. Additionally, the Audit & Supervisory Board confirms the establishment and operating status of the internal control system as well as verifies the appropriateness of the accounting auditor's audit methods and results.

Main Agenda Items and Reported Matters in FY2025

- Resolutions
  - Audit & Supervisory Board members' audit policy and audit plan and audit reports of the Audit & Supervisory Board
  - Consent to the compensation, etc. for the Accounting Auditor
  - Confirmation of proposals and documents to be submitted to the General Meeting of Shareholders
  - Formulation of standards for Audit & Supervisory Board member candidates
  - Consent to comprehensive advance agreement process for non-assured engagement provided by the auditing firm to which the accounting auditor belong and said network firms
- 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 accounting draft by the Finance & Accounting Department
  - Report on the results of internal audits by the Auditing Department
  - Confirmation of the document indicating information subject to electronic provision

Status of Activities by the Nomination and Compensation Advisory Committee

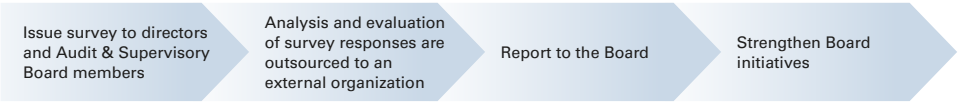
The Nomination and Compensation Advisory Committee was established as an advisory body to the Board of Directors to ensure fairness and transparency in personnel and compensation decisions regarding officers. In consultation with the Board of Directors, the Committee will review matters such as personnel decisions on directors and Audit & Supervisory Board members, compensation for executive officers, total compensation limits, and succession plans for the chief executive officer. The results of said deliberations are then submitted to the Board of Directors. The Committee comprises six members (four males, two females), with the majority of members being Independent Outside Directors. The Committee 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.

Main Agenda Items in FY2025

- 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

Analyzing and Evaluating Effectiveness of the Board of Directors

The Board of Directors continuously works to improve its effectiveness. To evaluate the effectiveness of the Board, at the conclusion of each fiscal year the Board sends surveys to directors and Audit & Supervisory Board members. The analysis and evaluation of survey responses are outsourced to an external organization, and those results are reported to the Board. Depending on the significance and necessity of each issue identified, the Board will reinforce initiatives related to those issues in Board of Directors meetings during the following fiscal year.



● Method of Effectiveness Evaluation for FY2025

At the beginning of April 2026, a survey comprising a total of 37 questions (including five questions evaluating initiative policies and two free-response entries) was issued to all directors (nine members) and all Audit & Supervisory Board members (four members), and the analysis and evaluation of the responses were outsourced to an external organization. The survey questions are also periodically reviewed in light of changes to the current environment.

As part of the effectiveness evaluation for the Board of Directors, the Nomination and Compensation Advisory Committee also submitted a survey to its members (chairperson, members, and observers), and outsourced the analysis and evaluation of the responses to an external organization.

● Summary of Evaluation Results for FY2025

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 results indicated that the Board is operating appropriately.

General evaluation by the external organization

- The foundations that support Board functions, such as the commitment of each member and a healthy Board culture, have been appropriately established.
- A self-evaluation by the Nomination and Compensation Advisory Committee indicates that it holds effective discussions and appropriately shares information with the Board of Directors.
- The Board was particularly highly evaluated in FY2025 for having more concrete and substantial discussions related to business strategy and business portfolio in line with the policy for initiatives of the Board of Directors formulated based on the results of the previous fiscal year's efficacy evaluation. Based on important decision-making concerning concentrating on growth domains and the rehabilitation of or withdrawal from unprofitable businesses, it was deemed that the Board's strategic supervisory functions had been further enhanced.

● Policy for Initiatives in FY2026 to Further Enhance Effectiveness

Based on evaluation results for FY2025 and discussions held by the Board of Directors, we have formulated the following policy for initiatives for FY2026. Through continuous efforts, we will strive to enhance the effectiveness of the Board of Directors and the Nomination and Compensation Advisory Committee.

Policy for Initiatives of the Board of Directors

- To promote the realization of the NGK Group Vision, the status of initiatives related to business portfolio transformation and New Value 1000 (goal of recording 100 billion yen in sales of New Value products in 2030), Group-wide risk management, IR/SR activities, and the activities of each committee will be regularly reported to, discussed, and monitored by the Board of Directors. Based on those reports, the Board shall deliberate necessary matters and conduct monitoring.
- Identify and prioritize key issues requiring focused discussion to enhance deliberations on business strategy while also monitoring of unprofitable businesses to ensure appropriate management and oversight of the evaluation process for business revitalization or withdrawal.
- Further expand opportunities for dialogue between senior management and outside officers as well as enhance discussions regarding succession planning, the development of senior management, and compensation for senior management.

Policy for Initiatives of the Nomination and Compensation Advisory Committee

- Further enhance information sharing from the Committee to the Board of Directors regarding the status of deliberations, while also working to further ensure the appropriateness of the Committee's deliberation processes.
- Further improve information provision to the Committee regarding compensation and nominations.

Message from the Chair of the Nomination and Compensation Advisory Committee



To achieve what we want to be as outlined in the Long-Term Management Plan 2026-2035, I will contribute to sustainable improvements in the NGK Group's corporate value by working to strengthen governance from the perspective of nominations and compensation.

Emiko Hamada | Outside Director
Chair of the Nomination and Compensation Advisory Committee

The Nomination and Compensation Advisory Committee works to meet the expectations of company shareholders by working from the perspective of management oversight to ensure nominations and compensation that contribute to sustainable improvements in the NGK Group's corporate value.

The highest priority agenda of the Committee is the selection of the Chief Executive Officer (CEO). Committee members are keenly aware of the weight of this responsibility. We work to refine the selection process by seeking the opinions of relevant internal and external parties as well as by utilizing external entities to ensure that we make the best selection for promoting the sustainable development of the company. Facing a future that is likely to see increasing uncertainty and dramatic change in the market environment, I believe the next generation of leaders must possess a broad perspective, unshakeable mental resilience, a willingness to listen to diverse opinions, and the ability to identify and organize issues. It is this type of person in whom we must entrust the future of the NGK Group. Specifically, we meet with executive officers and proactively communicate with Board members to further understanding among candidates for senior management.

We also reevaluated the NGK Group's compensation structure to ensure a framework that increases the link between executive remuneration and improvements in corporate value, and that promotes shared interests with shareholders. Major changes include shifting from a system with a high ratio of fixed compensation to a design that incentivizes corporate value improvements by increasing the rate of variable compensation. The other major change was to adopt NGK's version of added value (NGK Value-added) and employee engagement as management metrics for medium- to long-term incentives related to sustainability. Positioned as part of measures to strengthen governance, this was the topic the Committee spent the most time deliberating in FY2025, and the new structure was officially adopted following the General Meeting of Shareholders for FY2026. By aligning the launch of this new structure with the announcement of the Long-Term Management Plan 2026-2035, NGK is conveying, both internally and externally, its commitment to initiatives aimed at increasing corporate value.

The Committee is comprised of four independent Outside Directors and two Internal Directors with myself, an independent Outside Director, serving as Chair. This structure, and an emphasis on communication among members and securing sufficient time for deliberation, ensures the effectiveness of this Committee. The Committee met five times in FY2025. On multiple occasions, we engaged in discussions regarding the reevaluation of the compensation system while incorporating the perspectives of stakeholders to redesign the system to ensure fairness and foster a sense of acceptance and understanding among stakeholders.

As its operating environment undergoes dramatic change, the NGK Group is facing a paradigm shift. The Nomination and Compensation Advisory Committee is the organization charged with the essential role of strengthening and ensuring transparency in Board oversight functions. As Chair of this Committee, I will maintain an awareness of issues while working to increase the quality of deliberations. By leading the effort to invigorate Board activities, I will contribute to the sustainable growth of the NGK Group.

Succession Plan

NGK has formulated a Chief Executive Officer Succession Plan in which we outline the required qualities of successors to the chief executive officer as well as development policy and selection procedures for successors. In accordance with this Plan, each year the Representative Director and President provides a progress report to the Nomination and Compensation Advisory Committee, which confirms the appropriateness of the Plan.

Procedures for Selecting and Removing Directors and Audit & Supervisory Board Members

The nomination of director and Audit & Supervisory Board member candidates is subject to deliberations by the Company's directors. For director candidates, deliberation by all representative directors is required. For Audit & Supervisory Board member candidates, consent by the Audit & Supervisory Board is obtained. Additionally, the Nomination and Compensation Advisory Committee, which comprises a majority of Independent Outside Directors, holds deliberations concerning the nomination of each director and Audit & Supervisory Board member candidate and the selection and removal of the representative director and managing directors. The Committee then reports the results of its deliberations to the Board of Directors. Through this process, we work to ensure fairness, transparency, and appropriateness in the nomination, selection, and removal of directors. The Board of Directors selects director and Audit & Supervisory Board member candidates after thorough evaluation of the recommendations of the Committee, and then presents its selection as an agenda item (proposal) at the General Meeting of Shareholders. After the director nomination is approved at the General Meeting of Shareholders, the Board of Directors will consider the recommendations of the Committee and then select a representative director and managing directors.

Director and Audit & Supervisory Board Member Compensation

We established a compensation system for directors (excluding Outside Directors) and executive officers that contributes to the Group's sustainable growth and the enhancement of its medium- to long-term enterprise value. This system is aligned with the NGK Group Philosophy and realizing the NGK Group Vision.

Compensation for directors (excluding Outside Directors) and executive officers consists of three components: basic compensation, a performance-linked bonus, and stock-based compensation. To prioritize their independence from management, Outside Directors and Audit & Supervisory Board members are paid only fixed annual compensation, and do not receive performance-linked bonuses or stock-based compensation in the form of restricted shares.

The relative ratios of variable compensation and fixed annual compensation are determined with a focus on stability and improving medium- to long-term performance. Variable compensation, which is comprised of a performance-linked bonus and the cash conversion value of allocated restricted shares, is set as an appropriate percentage of total compensation. The total amount of compensation, including basic compensation, is set according to the position and rank of each recipient. Compensation is set to an appropriate level relative to the size of our Company, which is determined based on data from reliable external organizations.

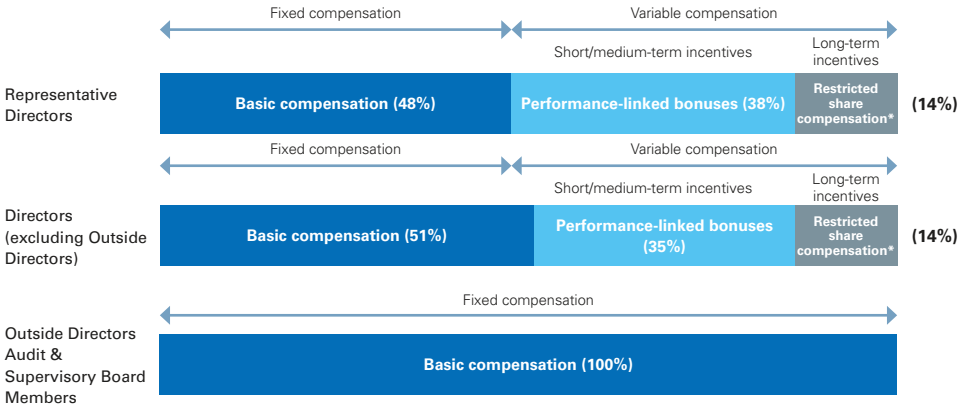
At the request of the Board of Directors, the Nomination and Compensation Advisory Committee, which consists of a majority of Independent Outside Directors, deliberates on the policies and procedures related to determining compensation. These deliberations include the following:

- Total maximum compensation for all Directors and Audit & Supervisory Board members
- Basic compensation, the base amount for calculating performance-linked bonuses, and the number of restricted shares to be allocated (the level of monetary claims for payment issued as compensation for restricted shares granted) to each individual director and executive officer based on their respective position and rank
- The amount of the performance-linked bonus for each individual director

The Committee then submits a report on the results of its deliberations to the Board of Directors.

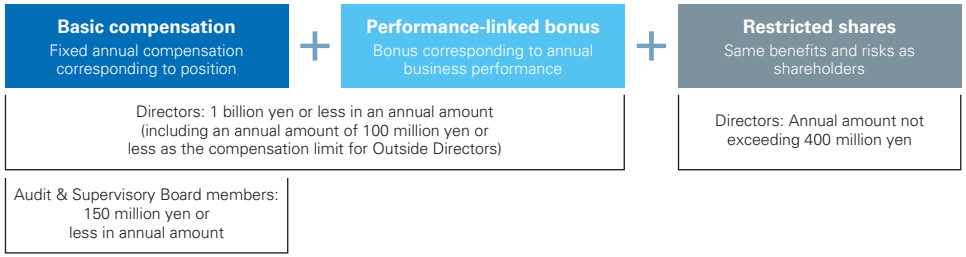
The Board of Directors determines the amounts of compensation for directors and executive officers after sufficient consideration of the recommendations received from the Nomination and Compensation Advisory Committee, as described above.

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

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



Items Related to Performance-linked Compensation, etc.

● Details of Performance Indicators and Reasons for their Selection as the Standard for Calculating Performance-linked Compensation Amount

NGK pays its directors (excluding Outside Directors) and executive officers performance-linked bonuses as performance-linked compensation. These are calculated using the following indicators.

Short-term perspective

- 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)

Medium- to long-term perspective

Focusing on medium- to long-term growth, in FY2026 we reevaluated our compensation system for officers from the perspective of achieving the NGK Group Vision and ESG. For the following priority issues, we set indicators such as the level of achievement relative to the targets for each year.

- Rate of increase/decrease in operating income among the medium- to long-term performance targets in the Long-Term Management Plan
- Rate of achievement for creating new products and businesses
- Rate of achievement for increasing NGK Added Value
- Rate of achievement for increasing employee engagement

Non-monetary Compensation etc.

● Details of Non-monetary Compensation, etc.

The Company issues restricted stock compensation to directors (excluding Outside Directors) and executive officers (excludes executive officers who are non-temporary overseas residents) to increase their sensitivity to stock price, further share the merits and risks of stock price fluctuations with shareholders, and increase motivation towards medium- to long-term improvements in corporate value. Since stock price fluctuations are directly related to stock value, the amount of restricted shares is not fixed. Instead, the number of shares issued is fixed in accordance with the position.

An overview of restricted stock compensation issued in FY2025 is as described in the table above.

Overview of Restricted Share Compensation issued in FY2025

Overview of Restricted Share Compensation	
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)

*1 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.
*2 Directors (excluding Outside Directors) were issued 45,000 shares of treasury stock as restricted stock compensation during the fiscal year in question but 5,250 shares were acquired free of charge by the Company due to the death of a director.

● 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.

	Fixed compensation
Directors (Chair, President)	200% or higher of basic compensation (annual amount)
Directors*2 and executive officers*3	150% or higher of basic compensation (annual amount)

*1 Includes stock compensation-type stock options that have not yet reached the exercise commencement date
*2 Excludes the Chair, President, and Outside Directors
*3 Excludes executive officers who are non-temporary overseas residents

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 Members	28	28	—	—	2

*1 The total amount of compensation for the abovementioned directors (excluding Outside Directors), the total amount of compensation by type, and the number of directors receiving compensation include two directors who resigned on June 26, 2025, and one director who resigned on September 2, 2025, as well as the amounts of compensation they received
*2 The total amount of compensation for the aforementioned Audit & Supervisory Board Members, the total amount of compensation by type, and the number of directors include one Audit & Supervisory Board Member who resigned on June 26, 2025, as well as the amounts of compensation paid to that individual

Engagement with Shareholders and Investors

Dialogue with Shareholders and Investors

NGK Group strives to explain management conditions and management policy accurately and swiftly and maximize corporate value through two-way communication with shareholders and investors.

We work to promote constructive dialogue by diligently responding to questions from shareholders raised at the General Meeting of Shareholders and inquiries made to our corporate website. Responses are made under the supervision of the respective directors in charge of the Finance & Accounting Dept. and the General Affairs Dept., with both departments working in close cooperation with relevant departments to ensure an appropriate response. We also focus on opportunities for frank dialogue with institutional investors, with senior management directly involved in the various meetings we hold, including earnings briefings and overseas IR activities. The results of these dialogues are regularly reported to the Board of Directors to provide feedback to management, as we strive to improve management efficacy and transparency.

Small Meeting with Outside Directors

Aiming to further increase the effectiveness and transparency of our governance, the NGK Group held our first-ever small meeting with Outside Directors in December 2025. On this day, all four Outside Directors participated to engage in dialogue with institutional investors. We later created an opportunity with the Inside Directors to share meeting details and have an exchange of opinions as part of our efforts to fully leverage our IR activities.



Status of Dialogue with Shareholders and Investors (FY2025)

Format of dialogue and number of sessions

Financial results briefings	2 times
Small meetings in Japan (institutional investors)	2 times
Individual meetings in Japan (institutional investors/analysts/ESG officers, voting officers)	188 meetings
Overseas IR (institutional investors)	3 times
Investment forum participation	1 time
Small meeting with Outside Directors (institutional investors)	1 time
Asset management briefings (individual investors)	2 times

Major Dialogue Themes

Management strategy and growth potential	• Status of business portfolio shift • Status of New Value 1000 (NV1000) and new product development, and expectations for future profits • Correlation between manufacturing facility and human capital investments and growth strategy • Concrete correlation between intellectual property and intangible assets strategy and improving enterprise value
Individual businesses	• Changes in demand trends and competitive environment for each business • Status of price revisions to reflect soaring costs • Response to unprofitable businesses
Financial strategy	• Our approach to shareholder capital cost adequacy • Correlation between business strategy and capital allocation • Approach to shareholder returns
Governance, etc.	• Policy on maintaining cross-shareholdings • Status of promoting women's workplace advancement • Status of environment initiatives related to issues such as CO_2 reduction and biodiversity • Increased opportunities for dialogue with Outside Directors

Initiatives to improve management (reporting to Board of Directors and Executive Committee (twice/year))

- Diversify and enhance dialogue with investors
- Incorporate new non-financial indicators into officer compensation
- Establish business portfolio management with rules for responding to unprofitable businesses
- Improve disclosure methods for information related to progress on new business launches (NV1000)

Compliance

Compliance Promotion Structure

The NGK Group has established a Compliance Committee that is responsible for formulating policy and deliberating important matters related to compliance activities. As part of the Compliance Committee, we also established a Compliance Activity Promotion Subcommittee comprised of managers in charge of implementation.

The status of activities is regularly reported to the Board of Directors, which monitors Committee activities.

To build a compliance system that is both meaningful and effective, the NGK Group also designates compliance managers and staff at Group companies in Japan and overseas to deliberate and promote compliance policy details and plans.

We are aiming to establish a system in which, in the future, each Group company will autonomously engage in the planning, implementation, evaluation, and improvement of their own compliance policy.

Whistleblowing System

The NGK Group has established a whistleblowing system to promote the early discovery of compliance violations and function as a mechanism for organizational self-cleansing. These helplines and hotlines are in compliance with the Whistleblower Protection Act and other relevant laws, and can be used by all employees of NGK Corporation and Group companies.

In principle, consultations and reporting can be made anonymously via telephone or over the internet to an outside contact point operated by a third party. The protection of consultations or reporting is outlined in internal rules and retaliation is prohibited. Responses to whistleblowing are managed solely by staff who have been designated in accordance with the Whistleblower Protection Act and staff at NGK Corporation and Group companies in Japan receive annual training on receiving reports, verifying facts, points of caution regarding corrective action, and how to handle reported cases, including harassment. In FY2025, training included examples of responses to customer harassment and responses to fraudulent activities.

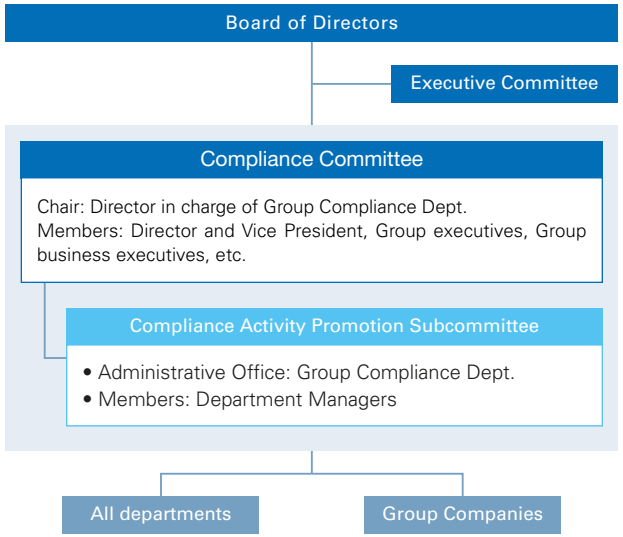
Upon receiving a report from a whistleblower, we respond fairly and sincerely, from the investigation of facts to implementing corrective action based on advice from an external independent attorney. If the investigation confirms any violations of laws or misconduct, those involved will be disciplined in accordance with employment regulations.

Compliance Promotion Structure
https://www.ngk-global.com/sustainability/governance/compli-structure.html

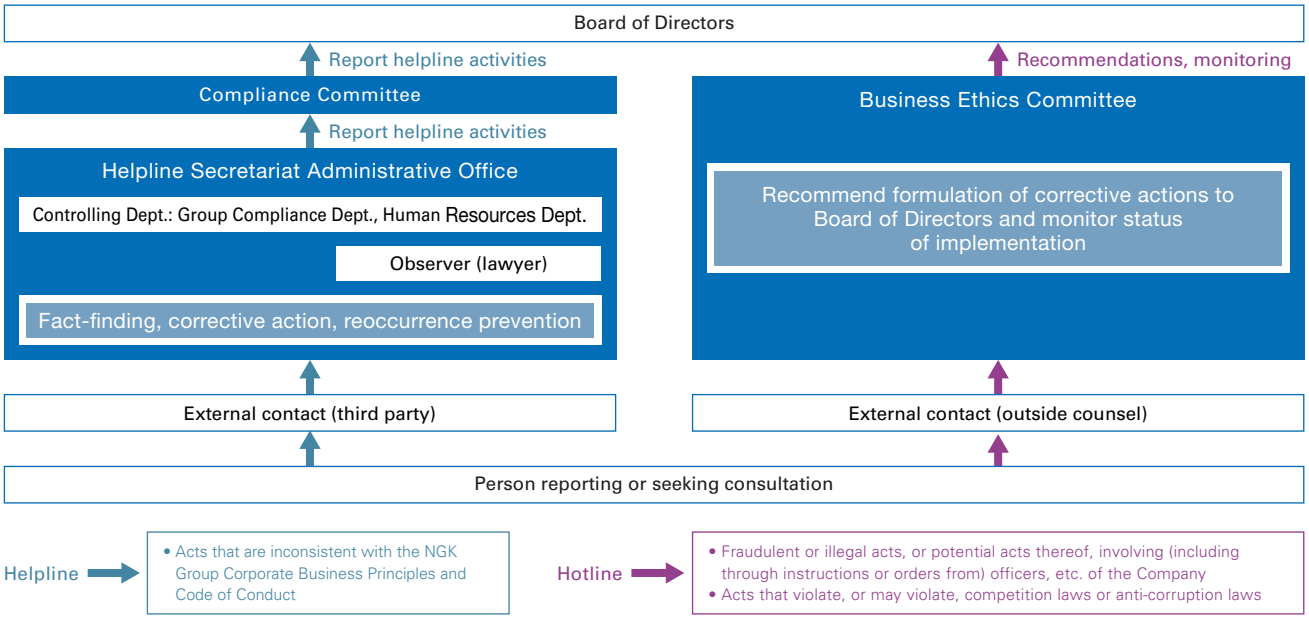
Initiatives to Ensure Thorough Compliance
https://www.ngk-global.com/sustainability/governance/compli-promotion.html

Anti-Corruption
https://www.ngk-global.com/sustainability/governance/compli-corruption.html

Compliance Promotion Structure Chart



Organization of Whistleblowing System Chart



Risk Management

Basic Approach

The NGK Group considers uncertainties which may affect achievement of the Group Vision to be risks. We have established an approach of handling risks according to their type, which enables us to control these risks by appropriately recognizing and preventing them, and to minimize losses caused by risks that do materialize.

Risk Management Structure

In FY2023, the NGK Group established a new Risk Management Committee chaired by the President, and is comprehensively managing the Group's significant risk issues under the supervision of the Board of Directors in accordance with the risk management process described below. The risk management structure in question is managed independently of the Audit & Supervisory Board.

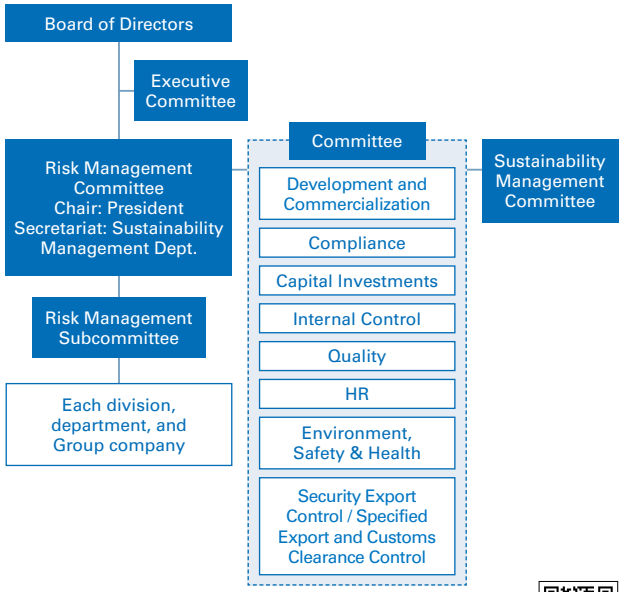
In the event of a disaster, accident, or other risk, response is conducted in accordance with the Basic Rules of Crisis Management under the supervision of the heads of the departments and committees specified in said rules. For extremely serious risks, the heads of the relevant committees and the executive officer in charge of the Sustainability Management Dept. will deliberate and convene a response meeting, and a response will be carried out under the direction of the president.

Risk Management Process

To promote the realization of the NGK Group Vision, the Board of Directors has outlined the NGK Approach to Risk Management to outline initiatives based on risk category, including which risks we should take and which we should avoid. Under this approach, the Risk Management Committee references the COSO-ERM Framework* to conduct regular risk analysis and assessments. We identify and reevaluate important risks, and outline initiatives such as monitoring and countermeasures by controlling departments. To identify important risks, once per year we evaluate relevant risks from a top-down and bottom-up approach to reviewing our risk assessments from the perspective of impact level and likelihood of occurrence. For risks associated with our external environment that are difficult to control directly, senior management holds discussions on relevant themes to concretely anticipate events that could trigger risk occurrence and the impact on business and management. By establishing a management system and methods for such risks, we are strengthening the sustainability of overall operations.

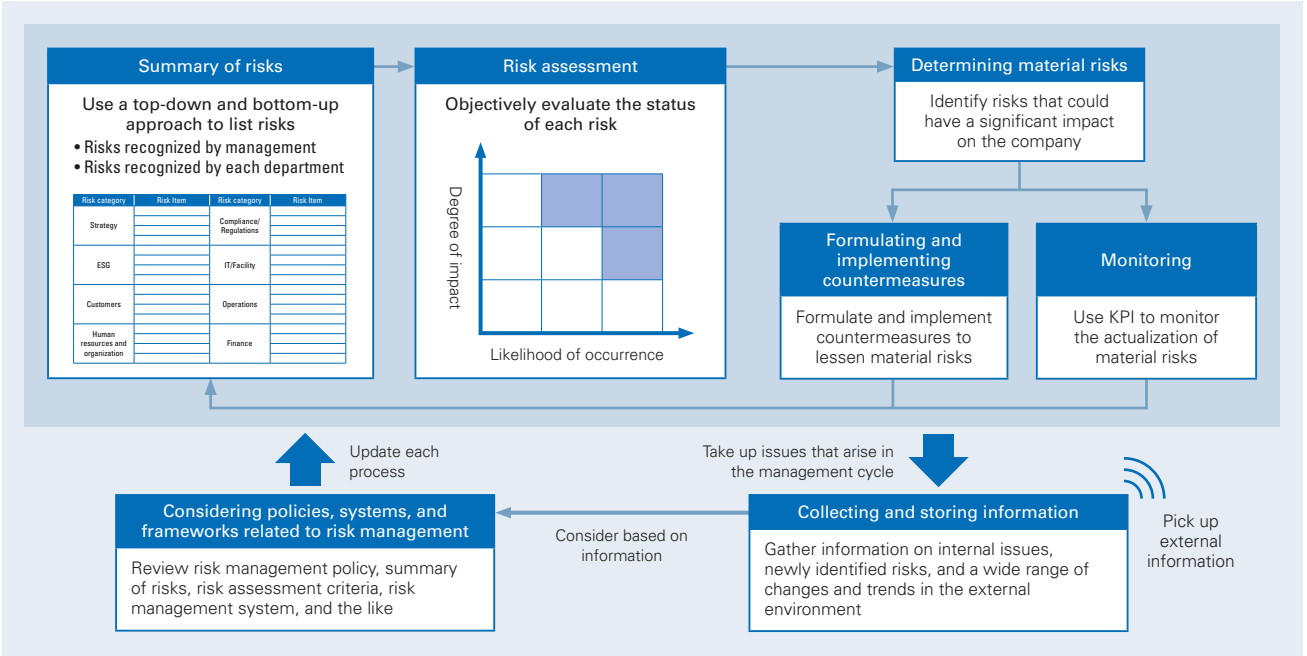
*COSO-ERM: An international framework created by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in the USA, that aims to manage the risks facing businesses and integrate strategy and performance

Risk Management Structure Chart



Risk Management
https://www.ngk-global.com/sustainability/governance/risk.html

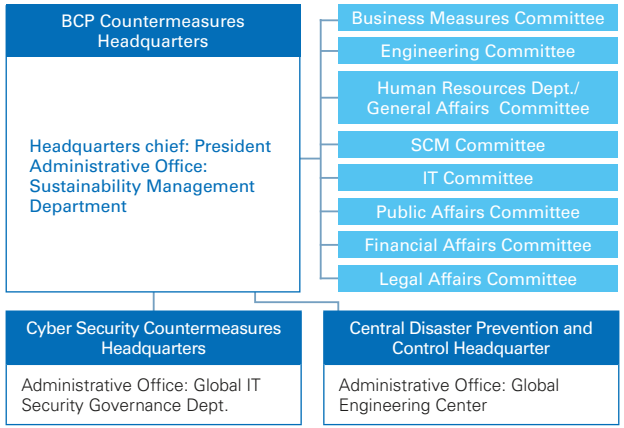
Material Risk Management Cycle



Business Continuity Plan (BCP) Initiatives

Under a basic policy of respecting human life and cooperating with the local community, NGK has established a BCP Countermeasures Headquarters under the direction of the President to promote business continuity plan (BCP) activities for the entire NGK Group. Activities conducted in preparation for putting our BCP into action include dispersing our manufacturing bases and selecting multiple procurement sources, and implementing damage mitigation measures for buildings and equipment, and ensuring employee safety. To increase our emergency response capabilities in the event of a disaster, we also conduct drills based on a scenario plan that assumes a large-scale disaster, such as a Nankai Trough megathrust earthquake, to validate plan effectiveness and improve problem points. To address the risk of a break in our supply chain due to the spread of infectious disease, geopolitical factors, or economic security, the BCP Secretariat leads efforts to ensure business continuity through early information gathering and implementing countermeasures. In the event our BCP is activated, we will establish a BCP Countermeasures Headquarters led by the president, and have put in place a system for implementing recovery measures in cooperation with task forces and other organizations relevant to the situation.

BCP Organizational Structure



*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

Risk Management
https://www.ngk-global.com/sustainability/governance/risk.html

Information Security Measures

The NGK Group ensures the appropriate management and use of information assets through a collaborative effort by the General Affairs Department and ICT Department working together with other relevant departments in accordance with the Basic NGK Group Information Security Policy. We issue our Electronic Information Security Handbook to all employees involved in the handling of electronic data and provide training on the proper use of data. Additionally, we require that employees contact the General Affairs Department and ICT Department in the event their computer is lost, infected with a computer virus, or otherwise compromised. In the event an employee causes a confidential information leak or other serious impact, they will be subject to disciplinary action in accordance with employment regulations. Furthermore, each year ICT Department staff visit Group companies to confirm IT security measures and provide training. In FY2025, we held online and in-person global IT conferences twice for all our overseas Group companies in each region – North and Central America, Europe, China, and Asia-Pacific – to discuss and raise awareness regarding security management and incident prevention.

Ensure IT Security Against Cyberattacks

Referring to the NIST (National Institute of Standards and Technology) Cybersecurity Framework, NGK is strengthening our defense, detection, response, and recovery categories to prepare for cyberattacks. In FY2025, we improved security readiness by raising awareness of threats through training at the Cybersecurity Response Headquarters and phishing email training for all employees of NGK Corporation and domestic Group companies. From FY2026, we also began integrated security education and phishing email training for overseas Group companies to improve security awareness throughout the entire Group. In FY2025, no security incidents affecting business activities occurred across the entire NGK Group.

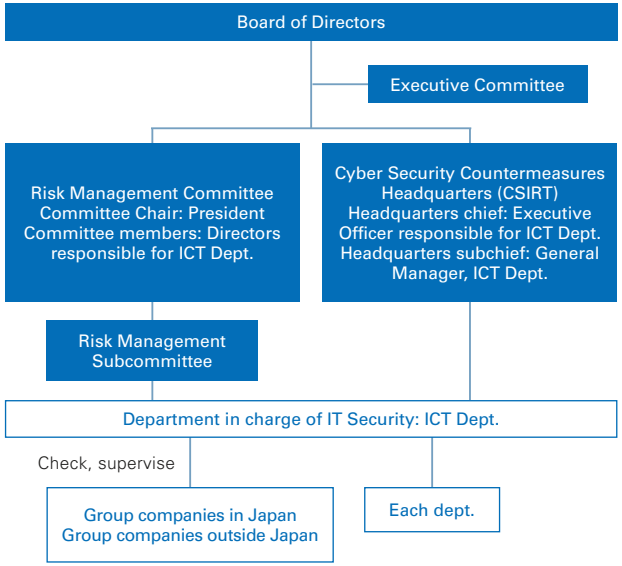
Information Security
https://www.ngk-global.com/sustainability/society/information.html

IT Security Management Framework

The NGK Group has formulated the NGK Group IT Security Standards, which we update each year, to ensure uniform information security standards for the entire NGK Group.

Our IT security promotion framework defines roles and responsibilities for each department in normal times. IT security risks are reviewed by the Risk Management Committee and reported to the Board of Directors at least once per year. To prepare for security incidents involving critical systems, we have established a Computer Security Incident Response Team (CSIRT) and have put in place a system for quick and accurate responding and recovery based on the Basic Rules of Crisis Management.

IT Security Management Framework Chart



*In the event of a security incident involving a critical system, we will respond promptly and appropriately in accordance with the Basic Rules of Crisis Management.

11-Year Key Financial Data

(Millions of yen)

	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Net sales	435,797	401,266	451,125	463,504	441,956	452,043	510,439	559,240	578,913	619,513	670,125
Cost of sales	289,266	272,434	312,107	323,224	313,458	329,061	347,748	405,463	423,059	443,540	474,963
Selling, general, and administrative expenses	65,633	65,619	68,991	75,574	73,496	72,158	79,163	87,015	89,456	94,731	100,163
Operating income	80,898	63,212	70,026	64,705	55,000	50,823	83,527	66,761	66,397	81,241	94,997
Operating income margin (%)	18.6	15.8	15.5	14.0	12.4	11.2	16.4	11.9	11.5	13.1	14.2
Ordinary income	81,498	64,557	70,615	64,410	51,952	53,006	86,248	65,887	63,042	78,249	95,202
Net income attributable to owners of the parent	53,316	36,379	45,814	35,506	27,135	38,496	70,851	55,048	40,562	54,933	59,936
Capital expenditures	45,437	60,101	71,713	105,336	93,997	50,831	38,130	43,694	47,296	48,807	55,848
Depreciation and Amortization	27,365	26,615	30,316	35,728	39,579	44,942	49,270	53,729	56,806	57,253	57,487
Research and development expenses	17,410	18,653	21,100	23,271	22,928	22,448	23,551	26,157	31,605	29,590	31,786
Net cash flow provided by operating activities	59,445	80,172	50,554	61,224	53,200	85,641	94,831	97,949	99,159	96,658	137,989
Net cash flow used in investing activities	(47,772)	(56,452)	(49,413)	(109,743)	(60,830)	(51,724)	(46,291)	(52,006)	(68,593)	(55,081)	(77,121)
Free cash flow	11,673	23,720	1,141	(48,519)	(7,630)	33,917	48,540	45,943	30,566	41,577	60,868
Net cash flow provided by financing activities	(373)	(13,013)	22,546	3,564	(18,796)	12,250	(45,263)	(34,568)	(36,123)	(34,219)	(48,277)
Cash and cash equivalents at end of period	136,065	144,692	169,918	123,984	94,691	146,031	154,855	168,863	171,432	177,708	199,643
Total assets	711,897	759,434	826,243	863,636	833,085	908,967	982,833	1,029,168	1,127,576	1,142,986	1,243,330
Interest-bearing debt	163,973	174,150	211,573	229,423	234,400	264,244	252,350	253,357	259,326	252,242	244,635
Shareholders' equity	406,743	416,740	460,983	477,516	458,551	512,003	583,147	635,447	695,425	719,803	808,553
Net assets	417,972	427,593	472,863	489,245	469,118	517,892	589,594	642,446	703,225	727,506	817,352
D/E Ratio (times)	0.40	0.42	0.46	0.48	0.51	0.52	0.43	0.40	0.37	0.35	0.30
Equity ratio (%)	57.1	54.9	55.8	55.3	55.0	56.3	59.3	61.7	61.7	63.0	65.0
Profit per share (yen)	163.28	112.71	142.42	110.35	84.73	121.61	226.56	177.47	133.65	185.96	206.32
Net assets per share (yen)	1,245.47	1,295.66	1,432.67	1,483.98	1,448.62	1,617.33	1,871.22	2,074.66	2,334.21	2,455.87	2,811.27
Cash dividends per share (yen)	38	40	44	50	50	30	63	66	50	60	80
Of which, interim dividends (yen)	18	20	21	25	25	10	30	33	25	30	38
Of which, year-end dividends (yen)	20	20	23	25	25	20	33	33	25	30	42
Dividend payout ratio (%)	23.3	35.5	30.9	45.3	59.0	24.7	27.8	37.2	37.4	32.3	38.8
Dividend payout ratio (%) three-year average	23.6	26.3	29.2	36.7	42.7	41.1	33.0	30.2	33.3	35.4	36.1
Dividend on equity (DOE) (%)	3.1	3.1	3.2	3.4	3.4	2.0	3.6	3.4	2.3	2.5	3.0
Dividend on equity (DOE) (%) three-year average	2.7	2.9	3.2	3.3	3.4	2.9	3.0	3.0	3.0	2.7	2.6
Return on equity (ROE) (%)	13.3	8.8	10.4	7.6	5.8	7.9	12.9	9.0	6.1	7.8	7.8
NGK ROIC (%) return on invested capital	—	—	—	—	—	—	13.3	10.1	9.8	11.8	13.9
WACC before tax (%)	—	—	—	—	—	—	—	10.0	9.3	9.0	11.3
CAPM (cost of equity) (%)	—	—	—	—	—	—	—	9.1	8.5	8.0	9.3
WACC after tax (%) weighted average cost of capital	—	—	—	—	—	—	—	6.9	6.5	6.2	7.9
Price-earnings ratio (PER) (times)	12.7	22.4	12.9	14.6	16.7	16.6	7.7	9.9	15.3	9.9	19.3
Price/book value ratio (PBR) (times)	1.7	1.9	1.3	1.1	1.0	1.3	0.9	0.8	0.9	0.7	1.4
Share price at fiscal year-end (yen)	2,079	2,520	1,834	1,608	1,417	2,024	1,753	1,752	2,040	1,836	3,977
Number of employees at fiscal year-end (persons)	16,657	17,517	18,783	20,115	20,000	19,695	20,099	20,077	19,540	19,931	19,869

11-Year Key Non-Financial Data

	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
GHG emissions (Scope 1: CO_2 emissions from energy sources)*1 (10,000 metric tons, Group)	31	32	32	32	31	26	29	25	24	21	20
GHG emissions (Scope 2: CO_2 emissions from energy sources) (10,000 metric tons, Group)	45	49	52	55	56	49	33	31	32	33	19
GHG emissions (Scope 3) (10,000 metric tons, Group)	—	—	—	—	—	—	344.9	351.9	327.0	375.3	420.7
Total water use (10,000 m^3, Group)	285.5	408.7	432.0	453.5	433.5	377.7	433.6	414.3	422.6	403.8	402.5
VOC emissions (metric tons, Group)	7	155	145	145	68	83	77	107	88	46	109
PRTR substance emissions (metric tons, Group)	14	163	154	128	76	89	84	110	92	49	112
Total water discharge (10,000 m^3, Group)	197	279	287	281	314	253	274	268	271	264	289
Waste emissions (10,000 metric tons, Group)	5.9	5.9	5.9	5.8	5.4	4.6	5.4	4.7	4.8	4.4	4.6
Waste emissions, net sales intensity (metric tons, 100 million yen)	—	—	—	—	—	—	10.5	8.4	8.3	7.1	6.9
Number of employees at fiscal year-end (persons)	16,657	17,517	18,783	20,115	20,000	19,695	20,099	20,077	19,540	19,931	19,869
Number of employees (persons, non-consolidated)	3,700	3,937	4,142	4,119	4,224	4,316	4,382	4,547	4,775	4,876	5,024
Employee breakdown (female) (%, non-consolidated)	12.6	12.7	12.5	12.6	12.8	13.0	12.9	12.7	13.0	13.2	13.4
Ratio of female managers (%, non-consolidated)	1.8	1.9	2.0	2.2	2.9	3.0	3.4	3.8	3.7	4.0	4.8
Ratio of female managers (%, overseas Group companies)	16.6	15.3	21.0	16.0	20.2	22.7	23.1	19.4	21.3	20.5	21.8
Number/percentage of disabled employees (persons, %, non-consolidated)	56 (2.18)	55 (2.03)	57 (1.90)	62 (1.92)	135 (2.20)	145 (2.35)	155 (2.46)	160 (2.43)	172 (2.55)	195 (2.83)	203 (2.88)
Lost-time injury frequency rate (non-consolidated)*2	0.29	0.34	0.11	0.40	0.00	0.10	0.19	0.28	0.28	0.18	0.18
Total social contribution expenditures (100 million yen, non-consolidated)	3.46	3.15	3.00	3.02	2.73	2.96	5.33	7.54	6.41	6.78	6.72
Number of Directors (persons, non-consolidated)	12	13	12	12	13	11	9	9	10	10	9
Number of Outside Directors (persons, non-consolidated)	2	2	3	3	3	3	3	3	4	4	4
Total compensation of directors (millions of yen, non-consolidated)	723	803	799	698	660	715	820	678	667	763	715
Number of patents held (Japan) (cases, non-consolidated)	2,907	3,038	3,191	3,352	3,513	3,521	3,374	3,448	3,536	3,275	3,082
Number of patents held (overseas) (cases, non-consolidated)	4,042	4,134	4,186	4,346	4,485	4,452	4,444	4,589	4,780	4,603	4,378
Survey on Workplace Vitality, Score for taking on challenges*3	—	—	—	—	—	—	—	3.26	3.30	3.31	3.29
Survey on Workplace Vitality, utilization of diversity score*3	—	—	—	—	—	—	—	3.34	3.37	3.41	3.38

Note: Values for Scope 1 (CO_2 emissions from energy sources) and Scope 2 (CO_2 emissions from energy sources) were recalculated retroactively after we changed the calculation standard for the electricity emission coefficient, which converts electricity use into CO_2, from the previous fixed value to actual values for each fiscal year provided by electric power companies in 2021.

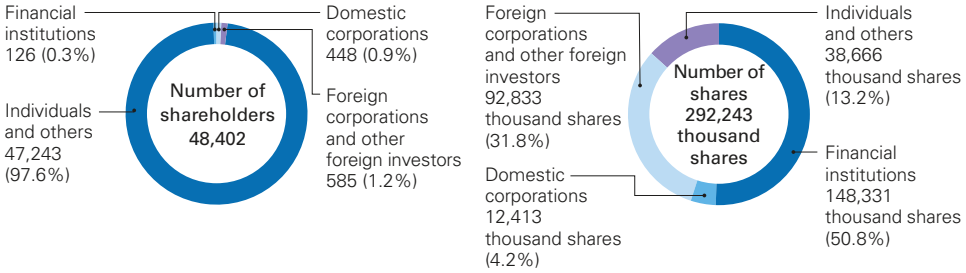
*1 Includes offsets from the use of CN (Carbon Neutrality)-LNG from fiscal 2021.
*2 Calculated on a calendar-year basis.
*3 5-point scale

Corporate Outline / Stock Information / External Evaluation (as of March 31, 2026)

Corporate Outline

Company name	NGK Corporation
Trade name	NGK Corporation
Address	2-56 Suda-cho, Mizuho-ku, Nagoya 467-8530, Japan Tel: +81-52-872-7181
Established	May 5, 1919
Paid-in capital	70.1 billion yen
Net sales	670.1 billion yen (consolidated, FY2025)
Consolidated subsidiaries	46 companies
Equity-method affiliates	1 company
Number of employees	Non-consolidated: 5,024 Consolidated: 19,869
Stock exchange code	5333

Share Distribution



Stock Information

Total number of shares authorized
735,030,000 shares

Total number of shares issued
292,243,496 shares
(including 4,632,457 shares of treasury stock)

Total number of shareholders
48,402

Stock exchanges listed
Tokyo Stock Exchange
Nagoya Stock Exchange

Major Shareholders

Shareholder name	Number of shares held (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	48,052,200	16.70
Meiji Yasuda Life Insurance Company	21,695,140	7.54
Custody Bank of Japan, Ltd. (Trust Account)	19,315,400	6.71
National Mutual Insurance Federation of Agricultural Cooperatives	9,663,900	3.36
The Dai-ichi Life Insurance Company, Limited	9,457,926	3.28
MUFG Bank, Ltd.	7,204,443	2.50
BNYM AS AGT/CLTS 10 PERCENT	5,716,354	1.98
STATE STREET BANK AND TRUST COMPANY 505001	4,994,460	1.73
Aioi Nissay Dowa Insurance Co., Ltd.	4,387,600	1.52
JP MORGAN CHASE BANK	3,773,052	1.31

Note: NGK holds 4,632,457 shares of treasury stock, which are excluded from the major shareholders listed above. The shareholding ratios above are calculated based on the number of shares obtained by deducting treasury stock from the total number of shares issued, and figures are truncated to two decimal places.

Support for and Participation in Initiatives

NGK has been working to provide greater value to society through its business under the NGK Group Philosophy, aiming to contribute to the realization of a sustainable society. As a responsible corporate citizen, we actively participate in international initiatives to help solve social issues on a global scale.

External Evaluations

NGK has been selected for the FTSE4Good Index Series*1, which consists of companies that meet ESG-related evaluation criteria established by FTSE Russell. We have also been selected for the FTSE Blossom Japan Index*2, the MSCI Japan Empowering Women Index (WIN), and the MSCI Japan ESG Select Leaders Index, all of which are used by the Government Pension Investment Fund (GPIF).

We have also received various certifications in Japan, including Certified Health & Productivity Management Outstanding Organization, which is promoted jointly by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

FTSE4Good

FTSE Blossom Japan Index

2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

2026 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

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*1 For more information about the FTSE4Good Index Series, please visit: https://www.ftserussell.com/products/indices/ftse4good
*2 For more information about the FTSE Blossom Japan Index, please visit: https://www.ftserussell.com/products/indices/blossom-japan

NGK Corporation

NGK Group Integrated Report

NGK Report 2026

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