

Communications with Stakeholders

Through various opportunities, the NGK Group makes an attempt to communicate with customers, suppliers, regional citizens, employees and a variety of stakeholders in an effort to build and maintain a trusting relationship.

System for Making Use of Customer Feedback in Management

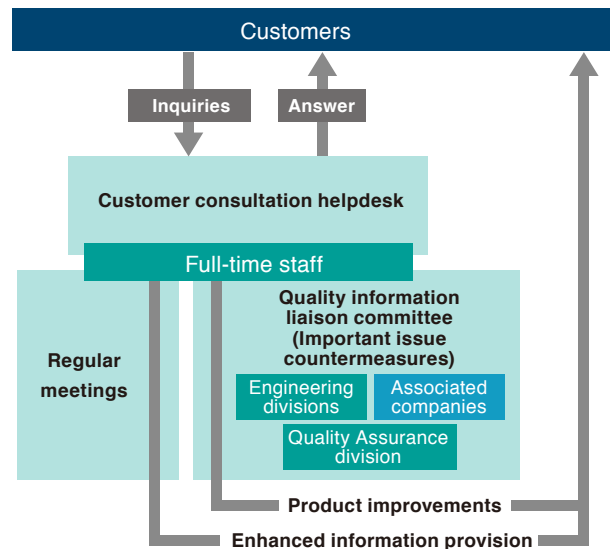
Establishment of a Customer Consultation Helpdesk

As the top industrial ceramics manufacturer in the industry, NGK makes use of its accumulated technologies to manufacture and sell C1 home-use water purifiers and promotes the creation of mechanisms for reflecting customer feedback.

We set up an C1 inquiry counter in-house for customers only to create a mechanism for reflecting customer feedback in our products and services.

During fiscal 2016, we received around 10,000 inquiries via phone and e-mail on various issues, including: installation methods, product performance, requests for catalogs and requests for repair and installation.

We also displayed C1 at the Chubu Electric Power Group Family Fair in May, introducing the wonderful features of C1 to customers directly.



Customer Cards

We also respond to various customer feedback provided on customer cards sent from the customers who purchased the C1.

Information on the customer card is added to a list and then used to improve the service we provide for our customers, such as notifying them when it is time to replace the cartridge.



TOPIC

C1 Celebrating the 15th Anniversary

C1 celebrates its 15th anniversary in May 2017. We developed this product out of a desire to use NGK's ceramic technologies to contribute to general households.

There are many reasons behind the longevity of the product, including our efforts to support its excellent quality and to sincerely listen to and respond to the concerns of our customers.

We will continue to value communication with customers, as well as to improve our technologies and quality as we strive to deliver products that make our lives better.



Distributing the Latest Information on CSR Activities on the CSR-Web

The CSR-Web was established on our intranet to introduce Group CSR initiatives with the intent of inculcating an awareness of CSR among all NGK domestic Group. In addition to sharing CSR topics with all employees and presenting objectives for each area, information on the site is regularly updated to include CSR Committee meeting discussions and all, in principle, Q&A between senior management and general employees who attend the CSR Talk Live event in an attempt to provide a wealth of content only available on this website.

In fiscal 2016, we started publishing a monthly Compliance Newsletter, introducing and explaining familiar themes with four-frame comics.



Related information:

> Compliance Newsletter

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TOPIC

Site Visits by Management

As part of the commitment to bottom-up management, President Oshima of NGK visited various sites in order to hold direct discussions with employees. Such sites include departments at the head office, business units and sales offices, as well as production bases across the world.

These visits served as unique opportunities to identify and address the challenges at each site. Comments made later by employees who spoke with the president include, "His visit has made me feel a sense of unity with the NGK Group" and "Direct discussion with the president has inspired me."



CSR Talk Live (Dialogue with Employees Aimed at CSR Practices)

To deepen employees' understanding of CSR and its initiatives, the NGK Group conducts "CSR Talk Live," a talk event facilitating direct discussion with senior management held at all domestic sites since fiscal 2009.

In fiscal 2016, a total of nine events were held at eight locations, including Group companies, and were attended by about 330 employees. At the Talk Live event, the Senior Vice President and the CSR Committee Chair talked about CSR initiatives by the NGK Group, stressing the importance of CSR. Then, representatives from the Environmental Management Department and CSR Promotion Office detailed the NGK Report 2016 (internal edition), using specific examples.

The employees who attended the event asked questions and made comments on various initiatives, such as work-life balance, CSR and helplines. Moreover, a new Talk Live event titled "CSR lessons from our corporate history" was also held, with attendance open to the public. This proved a wonderful opportunity to think about and discuss the spirit that has led to the current CSR initiatives and to deepen our understanding of it by learning about the early history of NGK and exploring new perspectives.



CSR Talk Live events held in FY2016
(Location, Date, No. of Participants)

NGK Metex	October 17: 30
Ishikawa Plant	October 25: 23
NGK Kilntech, NGK Chem-Teck	October 31: 43
NGK Okhotsk	November 10: 31
Nagoya Site	November 17: 50 November 18: 51 November 21: 21
Chita Site	November 30: 47
Komaki Site	October 20: 49

Cumulative total number of
participants since launch
(2009 to 2016) :

3,339

CSR Talk Live Questions and Answers in the CSR Talk Live (Excerpt)

Corporate governance: Whistle-blowing System

Q Would you say the helpline has been used as expected?

A About 70 to 80% of the inquiries/reports are about interpersonal relations at workplaces. Each case is carefully handled and resolved. Since the protection of whistle-blowers is ensured, please make sure to report any suspected rule violations.

Human resources: Diversity

Q You mentioned diversity within NGK. Do you have any specific activity scheduled?

A We are planning to actively host non-Japanese employees temporarily assigned from overseas Group companies according to the needs at each division. We will also promote recruitment of people with disabilities.

CSR: Management

Q You mentioned that you would apply international standards. Yet, I'm not clear on what these standards are.

A We need to think about whether we are violating the broader and global rules and standards rather than determining things based on narrower standards, such as those applicable within the company and Japan. The 10 principles under the Global Compact, which the NGK Group signed in April 2015, serve as one of the current global concepts and standards.

Environment: Environmental Products

Q I now understand NGK's environmental initiatives, but I would like to know about their level of contribution to society.

A In terms of the environmental contribution through products, I consider it to be at quite a high level. The products that directly contribute to environmental preservation account for 60% of our total sales. We will aim for an even higher level by further highlighting our efforts for conserving biodiversity.

Earnings Presentations for Suppliers

NGK held an earnings presentation meeting for major suppliers in June 2016, attended by 238 participants from 131 companies.

In the meeting, the director in charge of purchasing explained the company's plan to expand production and asked the partner companies for continuous support and cooperation to a greater extent. This was followed by the finance director's briefing on NGK's business results, and an explanation by the purchasing director about activities to address issues associated with promoting global production and CSR procurement throughout the supply chain.



Suppliers invited to the earnings presentation.

Ongoing Operation of the Supplier Helpline

In 2008, NGK established the supplier helpline system. Receiving consultation via email, fax and telephone, we make an effort to respond with solutions quickly.

 For more details:

> **Supplier Helpline**

<http://www.ngk.co.jp/english/about/procure/index.html>

Visiting Individual Suppliers in Japan and Overseas

In order to ensure procurement from the most appropriate suppliers, NGK visits individual suppliers in Japan and overseas to conduct on-site audits, evaluating their QCD (quality, cost and delivery) performance in a fair and equitable manner. In fiscal 2016, we visited a total of 123 suppliers, consisting of 21 new and 102 existing companies. Following the visit, we explained audit results to each company, and asked them to conduct improvement measures in underperforming areas. Through these activities, we strive to strengthen our QCD management system as well as to communicate with our suppliers to forge a relationship of mutual trust with them.