

# Disclosure of Corporate Information

The NGK Group promotes shareholder-oriented management emphasizing capital efficiency across the entire Group and strives to improve corporate value with the goal of realizing sustainable growth.

## Basic Approach

NGK is engaged in the maximization of corporate value through two-way communication with shareholders and investors, including efforts to provide accurate and timely explanations regarding management conditions and policies.

NGK makes best effort to promote constructive dialogue through sincere responses to requests for interviews with shareholders and investors, questions raised at general shareholder meetings and inquiries sent through NGK's website, which are facilitated under the guidance of the directors in charge of the Finance and General Affairs departments, which work in close cooperation with the Corporate Strategy Office, the Public Relations Office and Legal Department when necessary.

NGK also places importance on direct dialogue with institutional investors, conducting biannual earnings presentations and overseas IR road shows led by senior managements.

As for dialogue with individual investors, we took part in an IR event organized by a securities company.

The details of these dialogues are regularly reported to the Board of Directors. This management feedback is used to improve management efficiency and transparency.

Shareholder and investor dialogues are conducted with the objective of increasing corporate value and capital efficiency, as well as promoting sustainable growth. The disclosure of material information not already publicly available within the context of these dialogues constitutes damage to the equality between shareholders. In principle, NGK does not disclose unannounced material information.

## Disclosure of Corporate Information

We will release, in an accurate and timely manner, any information sought by the public; including information on our management, finance, products and services to improve transparency in management and to gain society's trust in NGK Group companies.

## Behavioral Guidelines

- We will promptly disclose any information required by society in accordance with applicable laws, regulations and our internal rules.
- We will establish and adequately operate a mechanism for internal control relating to financial reports to disclose accurate financial information.
- We will make good faith effort to answer any inquiry from customers pertaining to our products and services, providing responses in an appropriate manner.

 Reference URL

> **NGK Group Guidelines for Corporate Behavior**

<http://www.ngk.co.jp/info/governance/index.html>

## Open Shareholder Meetings

NGK endeavors to hold open shareholder meetings that its shareholders feel welcome to attend. Every year, we introduce NGK corporate activities at the shareholder meeting with permanent booths near the venue displaying product exhibits explained by NGK staff.

We also make efforts toward expanding shareholder meeting-related information, including the following:

(1) Mailing a convocation notice well in advance	Three weeks before the day prior to the meeting date.
(2) Disclosing information on the website well in advance	Two days before the mailing of the convocation notice (since fiscal 2017).
(3) Taking part in the Tokyo Stock Exchange's (TSE's) Electronic Voting Platform*1	Making an online voting system available.
(4) Posting shareholder meeting documents on the website	Disclosing such documents as convocation notices, results of exercising voting rights, notices of resolution and extraordinary reports on the website.

**General Meeting of Shareholders-Related Information**  
<http://www.ngk.co.jp/IR/meeting/index.html>

\*1 TSE Electronic Voting Platform: An electronic voting system operated by TSE. It allows people to vote not only through the conventional printed materials but also via the Internet, making the process more convenient for shareholders in Japan and overseas.

## Two-Way Communication

In addition to regular presentations held in Japan and overseas, the NGK Group conducts one-on-one meetings and participates in interviews among other ongoing initiatives to expand dialogues with institutional investors. NGK senior management also visits and conducts one-on-one discussions with institutional investors in Japan and overseas.

### Activities in Fiscal 2016

Activities in Fiscal	Details
Japan	Senior management conducts presentations for analysts and institutional investors twice each year. They also conduct one-on-one meetings and participate in interviews.
Overseas	Senior management conducts overseas IR targeting analysts and institutional investors twice each year.
Click here to access online IR Library	Includes reporting information and the timely disclosure of non-reporting information, securities reports, annual reports, General Meeting of Shareholder materials and other information.

 Reference URL

> **Investor Relations**

<http://www.ngk.co.jp/IR/index.html>

### Taking Part in a Forum for Individual Investors for the First Time

In December 2016, we took part in the Nomura IR Asset Management Fair 2016 (hosted by Nomura Investor Relations Co., Ltd. and supported by Nomura Securities Co., Ltd.) held at the Tokyo International Forum. This was the first time we had participated in the event.

The two-day event featured a total of 76 companies as exhibitors, including listed companies and investment trust companies, and attracted 14,400 individual investors. Our booth welcomed about 500 visitors, to whom we explained our business activities so as to provide a deeper understanding of our company through direct dialogue. It was also a great opportunity to draw attention to our company.



### Measures for Returning Profits to Shareholders

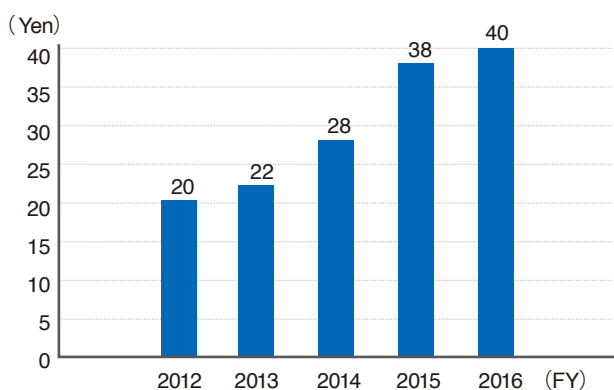
At NGK, returning profits to shareholders is considered one of the highest management priorities.

As basic policies, we aim for management that focuses on shareholders and ROE. Based on these basic policies, we share profits while comprehensively taking account of our business performance, financial structure and future business development. Our mid-term benchmark for the consolidated payout ratio is around 30%.

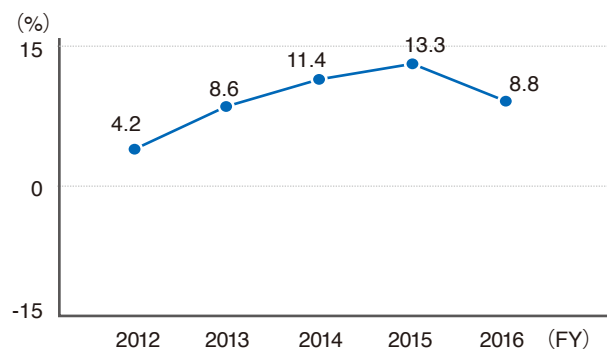
In fiscal 2016, we increased the annual dividend by 2 yen to 40 yen per share. The consolidated payout ratio stood at 35.5%. We also acquired 5 million shares of treasury stock.

We will keep striving to secure profitability above the capital cost and to maintain financial soundness. We opt to proactively return profits to our shareholders from the mid- to long-term perspective.

Dividends per Share



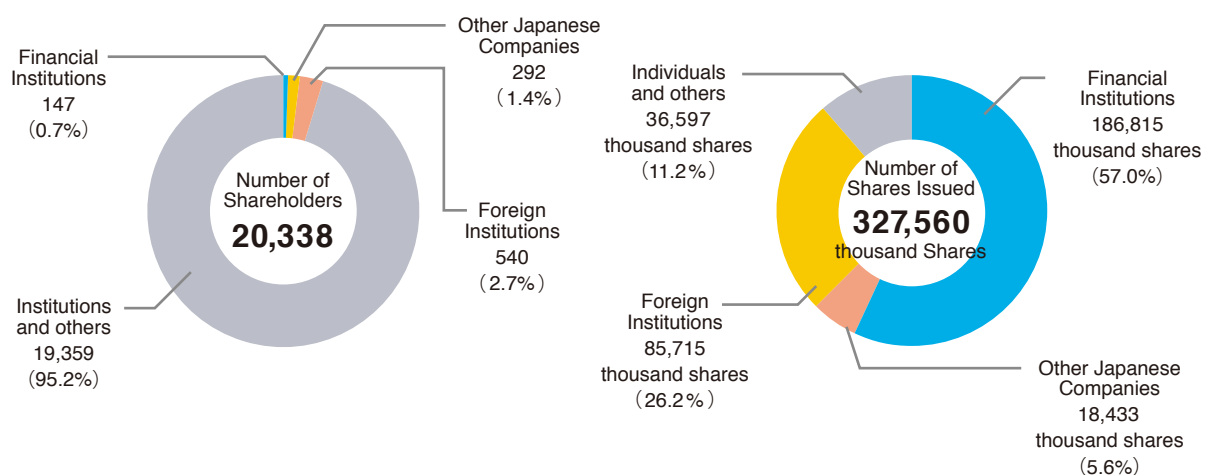
Return on Equity (ROE)



## Shareholders Information

### Shares Information (as of March 31, 2017)

Total number of Shares authorized	735,030 thousand
Total number of shares issued	327,560 thousand
Number of shareholders	20,338



### Major Shareholders (as of March 31, 2017)

Name of shareholder	Number of shares held (1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	38,101	11.84
Japan Trustee Services Bank, Ltd. (Trust Account)	27,780	8.63
The Dai-ichi Life Insurance Company, Limited	21,457	6.67
Meiji Yasuda Life Insurance Company	18,695	5.81
State Street Bank and Trust Company	10,292	3.19
Japan Trustee Services Bank, Ltd. (Trust Account 5)	4,857	1.51
The Nomura Trust and Banking Co., Ltd. (Trust Account)	4,650	1.44
Aioi Nissay Dowa Insurance Co., Ltd.	4,387	1.36
Nippon Life Insurance Company	4,313	1.34
National Mutual Insurance Federation of Agricultural Cooperatives	4,309	1.33

Note: The above list of major shareholders does not include NGK, which holds a total of 5,915,570 treasury shares. The shareholding ratios above are calculated based on the number of shares derived by deducting the number of treasury stocks from the number of shares issued, and rounded down to two decimal places.