

# Respect of Humanity and Assurance of Comfortable Working Environment

The NGK Group makes an effort to respect the humanity of its employees and provide a safe and comfortable working environment. In the interest of fair treatment, NGK employs a human resources system that enables employees to maximize their potential.

## Basic Approach

In the NGK Group Guidelines for Corporate Behavior, our relationship with employees is based on Respect of Humanity and Assurance of Comfortable Working Environment and defined as follows.

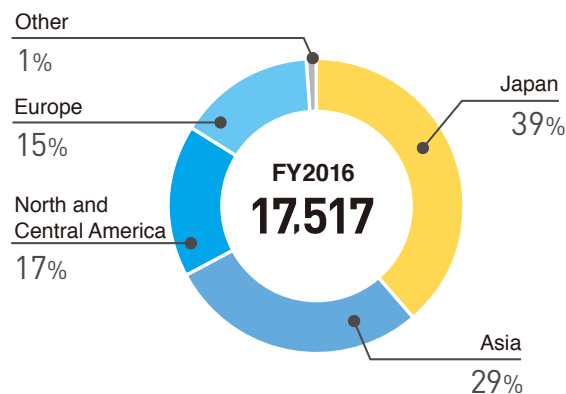
- We will hire and treat our people in a proper and fair manner and will provide a safe and pleasant working environment in which our people can work comfortably without sacrificing their family life.
- We will make available the place and opportunities that can be challenged by people with versatile talent and will support the development of human resources through acquisition of knowledge and expertise.
- We will prevent any bullying, discrimination, harassment or other acts that violate human rights and, if there is any violation, we will take appropriate actions in an expeditious manner.

## Basic Information on Employees

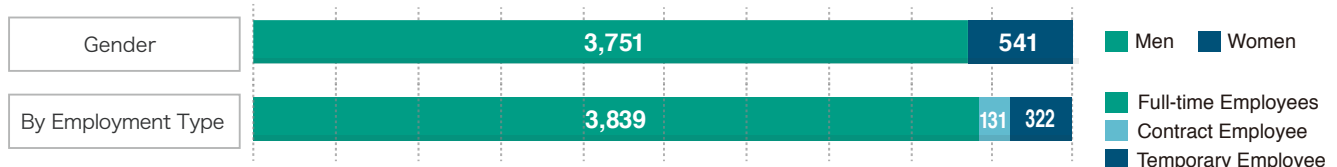
### NGK Group Number of Employees

	Number of Employees
FY2012	13,159
FY2013	13,210
FY2014	16,217
FY2015	16,657
FY2016	17,517

### NGK Group Employee Composition by Region



### NGK Employee Status in Fiscal 2016



Average age	39.0 years old (Men: 39.1/ Women: 38.9)
Average number of years worked	14.6 years (Men: 14.0 years / Women: 15.1 years)
Turnover ratio within 3 years among new hires	2.2%
Average salary	7,861,726 yen

### Turnover ratio

	FY2016
Turnover ratio	1.1% (46)
Men	0.9% (35)
Women	2.0% (11)

### Voluntary Turnover Ratio

	FY2016
Voluntary Turnover Ratio	0.8% (34)
Men	0.7% (25)
Women	1.7% (9)

### Number of New Hires Remaining at the Company (3 years)

	New graduate hires in 2014	Retention in 2017
Total	36	33
Men	28	25
Women	8	8

## Revision of the Human Resource Management System for General Employees

In April 2017, NGK revised its human resource management system for general employees to enable all employees, from the young to the experienced, to work with enjoyment and fulfillment. As NGK develops its businesses globally and promotes the creation of new products and businesses, it is essential to motivate young and mid-level employees who will enroll the future key roles and encourage them to realize their full potential. The revised system aims to build the environment that makes these possible.

### Key Points of the Revised System

<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Developing a mechanism whereby all employees can challenge to qualify for a higher job grade.</li> <li>• Clarifying the definition of each qualification.</li> </ul>
<b>Evaluation</b>	<ul style="list-style-type: none"> <li>• Shifting from age-based evaluation to evaluation based on effort and result.</li> </ul>
<b>Retirement at age 65</b>	<ul style="list-style-type: none"> <li>• Maintaining the level of salary after age 60.</li> </ul>

### Developing an Environment that Allows Employees to Demonstrate Their Full Potential

Human Resources Department Manager

**Yuka Sugiura**

In the new human resources system revised in April 2017, we have clarified what kind of human resources the company is looking for and developed a system that allows young and mid-level employees to demonstrate their full potential; I hope they can actively take on challenges to move to higher stages. This system also allows mature workers to keep working in the same way until their retirement age at 65. I hope this revised human resources system can also increase motivation among women and drive the initiatives by the NGK Group to promote women's active participation.

