

Diversity

It is NGK Group basic policy to recruit human resources and offer stable employment and equal opportunities regardless of race, nationality, creed, gender, or physical abilities. Also, in an aim to promote autonomy and independence, NGK maintains the human resource systems necessary to provide employees with fair compensation commensurate with their degree of contribution to the company.

NGK New Graduate Hires

Note: Excluding new graduates planned to transfer from temporary to regular positions (People)

Joined company	University graduate			Junior college/ Vocational School	High school graduates
	Total	Men	Women		
April 2013	62	53	9	0	25
April 2014	36	28	8	0	20
April 2015	38	29	9	0	30
April 2016	94	67	27	0	60
April 2017	65	50	15	0	46

NGK Mid-Career Hires

(People)

Joined company	Total	Total			
		Men university graduates	Women university graduates	Other men	Other women
April 2012 - March 2013	53	17	15	21	0
April 2013 - March 2014	7	3	1	3	0
April 2014 - March 2015	49	15	4	30	0
April 2015 - March 2016	200	69	12	116	3
April 2016 - March 2017	158	66	15	73	4

System to Promote Diversity

At NGK, the Human Resources Department plays a central role in promoting diversity, including through nursing care support and promotion of women's active participation. Regarding human rights issues, NGK strives to educate employees by distributing booklets on human rights on such occasions as training for the recently promoted. A helpline is also available for consultation on these issues.

Promoting the Success of Women

Appointment of Female Key Personnel (Management Staff)

The NGK Group strives to increase opportunities for motivated and skilled people to enhance their skills regardless of gender. We are also engaged in the creation of an environment that makes working comfortable for women. The number of female key personnel (management staff) of NGK in fiscal 2016 was 16.

Promoting Women's Active Participation through the Revised Human Resources System

NGK has revised its human resources management system, aiming to enable employees in general employment positions with routine tasks to engage in a broader range and a higher level of work.

The new human resources management system supports career advancement of individual employees; they can take the initiative to challenge to move up to a higher job grade.

Establishment of a Career Consultation Helpdesk

In March 2016 we established a career consultation helpdesk for employees to discuss career-related concerns for women. At the helpdesk, certified career counselors provide support and consultation services to employees, while strictly observing confidentiality. Since May 2017, we have expanded the service to make it available not only to women but to all employees.

Introduction of System to Support Early Return from Parental Leave

We have introduced system to encourage and support employees so that they can return from maternity and childcare leave and resume their careers at an early stage.

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> Systems to Support Early Return from Parental Leave

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Certified as an “L-Boshi” Company for Its Excellence in Promoting Women's Active Participation

In March 2017, NGK was certified as an “L-Boshi” company by the Minister of Health, Labour and Welfare. This certification is granted to companies that have done excellent jobs in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace.

Each applicant for the certification is evaluated on five criteria: recruitment, employment continuity, working hours, percentage of female managers, and diverse career paths. By meeting four of these five criteria, NGK has received the second highest certification of the three levels.



Certified as a Company Promoting Women's Activities by the City of Nagoya*

In recognition of our efforts to create a workplace environment that encourages women's activities such as revising our System for Transferring to General Employment Jobs, we were certified as a Company Promoting Women's Activities by the city of Nagoya in January 2012 and recertified in 2014.



January 2012 Company Promoting Women's Activities (City of Nagoya)

* Note: System for certifying companies that conduct outstanding initiatives enabling women to actively participate in the workplace in the areas of (1) awareness improvement, (2) work-life balance and (3) promotion of women's active participation.

Submitting our Action Plan for Promoting Women's Active Participation in their Working Life to MHLW

In January 2016, in accordance with the Act to Advance Women's Active Participation in their Working Life, NGK submitted a general employer action plan to the Aichi Labor Bureau, which is overseen by the Ministry of Health, Labour and Welfare.

In this plan, NGK sets the goal of hiring more female employees. Accordingly, the proportion of women among new hires increased from 16% in fiscal 2012 to 29% in fiscal 2016.

We will keep working on the initiatives according to the action plan to accomplish our goals.

Action Plan

Topics

- Although gender is not a consideration in terms of issues, criteria for promotion, and service years, the number of women in management positions and its candidates is small.
- Occupational range (job types, job locations and titles) for successful women is limited.

Goals

- Fostering a corporate culture that promotes women's active participation
- Increasing the number of candidates for managers (section chief level) by 1.5 times and preparing them for appointment to

Initiative 1 Raising career awareness of female employees, and utilizing their inherent potential.

Initiative 2 Increasing the ratio of women among new graduate hires and diversifying career opportunities.

Ratio of women employees

	FY2012	FY2013	FY2014	FY2015	FY2016
Ratio of women employee *1	13.4%	13.3%	12.9%	12.6%	12.7%
Ratio of women key personnel *2	1.0%	1.5%	1.8%	1.8%	2.0%
Ratio of women general *3 employees	16.9%	16.6%	16.1%	15.6%	15.5%

*1 Ratio among all employees *2 Ratio to all key personnel *3 Ratio among all general employees

Ratio of Women in Managerial Positions at Overseas Group Companies

(as of August 2016)

	Europe	North and Central America	Asia	Other
Ratio of women in managerial positions *2	9%	14%	28%	25%

Career Planning Roundtable

NGK hosted a career planning roundtable for female employees with less than three years' experience. The goal was to help them develop their career paths through input from more experienced employees.

Participants offered many comments about the event, including: “It was a valuable experience to speak with women from various workplaces.”



Supervisor Training to Promote Women's Active Participation

Since March 2017, NGK has hosted training programs for supervisors of female staff. The goal is to help these supervisors recognize the importance of women's active participation and to learn about the supervisors' roles in promoting career advancement of their staff.



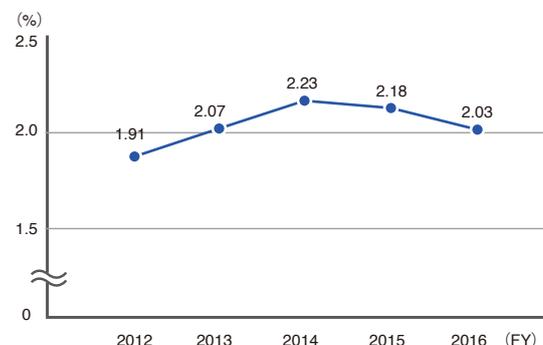
Expanding Employment of the People with disabilities beyond the Legally Stipulated Rate

The NGK Group promotes employment of people with disabilities by accepting students from special needs schools as trainees and hiring participants from employment seminars for people with disabilities. As a result, the percentage of employees with disabilities at the end of fiscal 2016 was 2.03%, which exceeded the legally mandated ratio of 2.0%, for the fourth straight year.

In fiscal 2016, we continued to accept students from special needs schools as trainees then hired them as new employees in fiscal 2017.

We have also expanded the divisions that hire people with disabilities in order to broaden the scope of jobs available.

Percentage of Employees with disabilities (NGK)



Various Systems Attempting to Make Use of Diverse Human Resources

The NGK Group employs systems promoting the use of human resources based on the idea that human resource diversity is linked to changes in organizational culture.

Human Resources Utilization Systems Aligned with Employee Individuality and Skills

To open the way for employees to take full advantage of their individuality and skills, NGK operates an internal job application system. Open positions are announced internally and eligible applicants are appointed, a system for career track registration enabling applicants to register their work history, qualifications and desired position to provide an opportunity for individuals to carry out their work duties with a sense of satisfaction, and a system designated as "FA (free agent)" for employees to register their personal desires and preference of jobs to appeal themselves internally.

Internal Job Application System Results

Fiscal year	FY2012	FY2013	FY2014	FY2015	FY2016
Applications (Cases)	3	2	19	28	17
Recruits (People)	4	3	23	36	28
Applicants (People)	8	3	12	23	11
Successful applications (People)	4	1	8	9	4

Career Follow-Up System

Fiscal year	FY2012	FY2013	FY2014	FY2015	FY2016
Registered (People)	8	5	2	2	0
Transferred (People)	3	0	1	0	0

FA System

Fiscal year	FY2014	FY2015	FY2016
Registered (People)	0	1	0
Transferred (People)	0	0	0

Promoting the Regular Employment of Manufacturing Contract Employees

NGK established a system for appointing manufacturing contract employees to become regular employees, and 15 employees were appointed in fiscal 2016. Excellent employees are identified through biannual human resource assessments and recommended by division heads to sit for the regular employee promotion exam. Those who pass the exam become regular employees.

Excellent workers out of the ones who transfer to regular employment positions also have a chance for promotion to two higher ranks of company qualification. In fiscal 2016, 11 employees were promoted under this system.

Transfers from Contract Manufacturing Worker to Regular Employee

Fiscal year	FY2012	FY2013	FY2014	FY2015	FY2016
Converted employees	17	4	27	25	15

Double Promotions

Fiscal year	FY2012	FY2013	FY2014	FY2015	FY2016
Promoted employees	11	7	4	11	11

Management of Follow-up System to Fit Young Employees in the Workplace

To prevent career mismatches, there is a follow-up system for younger employees in NGK. We conduct surveys and interviews about their jobs and the work environment to career-track employees in their second year and manufacturing technology staff in their third or fourth year of employment. If they desire, feedback is provided to their superior managers, leading to younger employees' job stability. A job rotation system is also provided mainly to young career-track employees: After working with us for four years, they are transferred to a different job including overseas and outside of the departments to which they currently belong.

Come-back System

In fiscal 2016, NGK launched “Come-back System” to rehire people who had left the company for various reasons (e.g., job change, studying abroad, job transfer of a spouse, etc.) as mid-career employees.

 Reference URL
> Come-back System http://www.ngk.co.jp/recruit/comeback/