

## Work-life balance

To promote a work-life balance and reduce long working hours, in fiscal 2011 NGK formulated specific rules based on initiatives that had been conducted by labor-management over the previous three fiscal periods.

We keep track of social changes, such as changing attitudes toward work as well as legislative amendments, and strive to respond to these changes flexibly and properly by improving systems and revising operations.

### Seven Rules for Promoting a Work-Life Balance

- No more than 70 hours of overtime work per month.
- Overtime work exceeding 45 hours per month limited to six months each year.
- At least six days of paid leave must be taken each year.
- No more than 300 hours of overtime work per six months.
- In principle, there will be no overtime work on refresh days (Wednesdays and Fridays). If overtime is necessary, a prior permit application must be submitted.
- In principle, work must not be performed for more than seven days straight. If work in excess of seven days straight is necessary, a prior permit application must be submitted.
- Written applications must be submitted when requesting employees work on holidays or late at night.

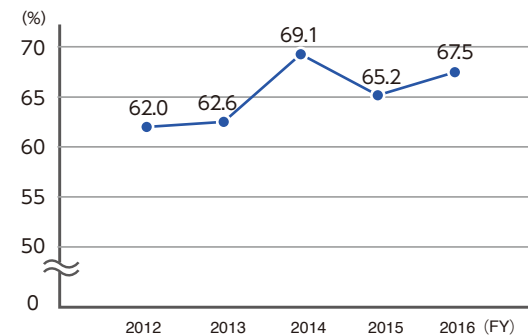
### Initiatives to Limit Overtime Work

If, for any reason, overtime work in excess of 45 hour per month appears likely, the reason for the increase in overtime work must be confirmed through prior labor-management consultations to distribute time periods and workloads or increase the number of employees.

### Countermeasures for Mitigating Increased Overtime Working Hours

Each year, NGK discloses statistics on hours worked and paid leave utilization to its Labor Union for discussion and countermeasure deliberation purposes. When cases of long working hours are found, Labor Union meets with each workplace to devise countermeasures. When long working hours are found for employees who have been temporarily assigned overseas, they must submit in writing the reason for the long working hours and undergo a health check. These measures are taken to maintain their health, and the written report is used to identify the reasons for long working hours and to develop countermeasures.

Rate of Paid Leave Utilization



For the third consecutive year, more than 99% of employees use six or more granted days of paid leave

For the fifth or more consecutive year, average number of used days of granted paid leave exceeds 10.0

For the fifth or more consecutive year, use rate of granted paid leave exceeded 60%

### Enhancing Systems Supporting Work-Life Balance

NGK offers flexible systems to help employees maintain a balance between work and lifestyle, especially family care. To support childcare and nursing care, we are enhancing financial support by providing a babysitter expense subsidy system, and a lump-sum payment system for nursing care support. Considering , the working environment, we support by providing shortened working hour system.

### Enhancement of Work-Life Balance System

In 2010, NGK made a major revision to its human resources management system, and we have since been continuously enhancing our support measures by identifying employees' needs. One recent example is the establishment of a system in 2013 to allow employees to take a leave of absence for accompanying a spouse posted overseas for work.

In fiscal 2016, we responded to the needs of employees who would like to gradually increase their working hours linking with children's growth. The accommodation was made possible by relaxing restrictions setup for children's age for which the exemption from unscheduled work and limitation on overtime work apply. We have also introduced Childcare Concierge\* services for employees working in the Tokyo metropolitan area, where it is difficult to find childcare.

In May 2017, we also launched a system for flexible work arrangements that enables balance between work and care not only for those who provide care to children and family members but also for those who need to attend to a health condition of their own that requires repeated and ongoing treatment.

\* Services to help facilitate the process of starting to use childcare and returning to work, including tailored support for individual employees during childcare leave to help them start using childcare services and advice in preparation for their return to work.

## System to support employees to balance work and childcare at each stage

		Interview(employee, supervisor and HR)		Interview(employee, supervisor and HR)	
		During pregnancy	Before/after birth	During childcare leave	Balancing work and care
Work systems		Measures on health management Overtime work exemption Late-night working hours exemption Flex time system	Time off before/after birth Special paid leave when a spouse gives birth Childcare leave (using accumulated vacation days)	Childcare leave Continuing the childcare leave	Shortened working hours Flex time system Unscheduled work exemption Limitation on overtime work Late-night working hours exemption Half-day paid leave Caring for a family member (using accumulated vacation days) Caring for a child
	Other systems			Childcare Concierge (For those living in the Tokyo metropolitan area)	Priority use of a commuter parking lot(In Nagoya) Unlicensed childcare expense subsidy
Financial support systems	Family Fund		Maternity gift		Babysitter expense subsidy Elementary school enrollment gift
	Insurance benefits	Health insurance	Lump sum birth allowance		
		Employment insurance			Lump sum childcare leave allowance
Salary		During the time off before/after birth Paid 2/3 of the standard daily wage	Unpaid		Lump sum payment six months after returning to work (330,000 yen)
Bonus		During the time off before/after birth Paid the bonus calculated with the 2/3 attendance rate	Unpaid		

## Systems to Support Early Return from Parental Leave

NGK has systems to encourage and support employees who have taken maternity and childcare leave so that they can return to their careers at an early stage. These systems are aimed at developing workplaces that support female employees in particular, with the expectation of promoting their active participation.

### Systems to Support Early Return from Parental Leave

- A lump - sum payment for early return (from April 2017)
- Licensed childcare center expense subsidy (from April 2017)
- Childcare Concierge (to be introduced in 2017)

## Overview of Childrearing Support Measures and Users

### Systems that Exceed Legal Requirements

System name	Details	Fiscal Year	Number of users				
			2012	2013	2014	2015	2016
Childcare leave of absence	Last day of the month in which the child turns 18 months old or the end of March after the child turns one, whichever longer (Legal requirement: until child is 18 months old)	Female	35	40	52	49	44
		Of which returned to work (Ratio of returned)	100%	94.1%	100%	100%	100%
		Ratio of employees still working a year after returning to work	100%	100%	100%	100%	- (Taking a leave of absence)
		Male	9	8	12	11	7
		Of which returned to work (Ratio of returned)	9 (100%)	8 (100%)	12 (100%)	11 (100%)	7 (Taking a leave of absence)
		Ratio of employees still working a year after returning to work	100%	100%	100%	100%	- (Taking a leave of absence)
Shortened working hours during childrearing	Six hours or seven hours per day for employees until the fiscal year when their children start fourth grade in elementary school (Legal requirement: Only for children not yet three years old)	Users	33	38	43	53	57

### Systems Operated Independently by NGK

System name	Details	FY2012	FY2013	FY2014	FY2015	FY2016
Lump sum payment six months after returning to work	Lump-sum payment received six months after returning to work	11	13	20	16	26
System for taking annual paid leave in hourly increments for employees working shortened hours	Paid leave can be taken in hourly increments by employees working shortened hours (one day).	Unintroduced	Unintroduced	18	35	36
Childcare leave system for fathers	Unused annual paid holidays can be used for childcare leave of absence	9	8	12	11	7
Pre-maternity leave interview	Interview attended by employee, HR and supervisor to provide the employee with peace of mind while on maternity leave and ensure both sides have proper understanding of procedures related to systems supporting childcare and work.	15	23	25	22	20
Interview before returning to work	Supports smooth transition back to work focused on work details and work style.	13	14	14	27	18
System for accompanying family on overseas assignment	Enables employees to take a leave of absence of up to two years and six months while accompanying a spouse (including a non-NGK employee) posted overseas for work, and allows employees to continue their career path, which was difficult to do prior to the establishment of this system.	Unintroduced	1	2	3	6
Maternity gift (family fund)	¥50,000 gift when a child is born	156	165	183	175	208
Elementary school enrollment gift (family fund)	¥50,000 gift when a child enrolls in elementary school 106 cases	106	134	137	124	142
Babysitter expense subsidy (family fund)	Provides up to ¥100,000 per year for employees who must pay for a babysitter or daycare due to working hours.	25	33	13	16	19
Childcare Concierge (For those living in the Tokyo metropolitan area)	Support to facilitate the process of starting to use childcare and returning to work	N/A	N/A	N/A	N/A	2
Priority parking spaces to support childcare (For those working at the headquarters)	Priority parking spaces available at a commuter parking lot	N/A	No data	12	17	19

## A user of the childcare leave system for fathers

Production Technologies Department, Manufacturing Division,  
Ceramic Products Business Group

### Daniel Kitaguchi

I decided to take childcare leave with my first child, as I didn't want to miss the special moments during my child's growth and I wanted to support my wife. I'm glad I used the system because I was able to stay close to watch my child grow day by day.

In order to use this system, it was essential to have the understanding and support of the people around me. For this reason, I consulted my supervisor in advance to arrange the work. Since I believe men should also play an active role in childrearing, I hope to see further understanding and cooperation both within the company and across the entire society so that more men can use this system.



## List of Systems for Nursing Care Support

Working hours	Time off	Financial support
<ol style="list-style-type: none"> <li>Shortened working hours</li> <li>Working 3 days a week</li> <li>Flex time system (for employees at departments to which the regular flex time system does not apply)</li> <li>Limitation on overtime work</li> <li>Unscheduled work exemption</li> <li>Late-night working hours exemption</li> </ol>	<ol style="list-style-type: none"> <li>Caring for a family member using accumulated vacation days</li> <li>Unpaid days off to provide care</li> </ol>	<ol style="list-style-type: none"> <li>Care leave benefits</li> <li>Care leave support fund</li> <li>Lump sum care allowance</li> </ol>
	Leave of absence	
	<ol style="list-style-type: none"> <li>Care leave</li> </ol>	

## Revision of the care leave system

In January 2017, we revised our system to respond to the amendments of the Child Care and Family Care Leave Act. Under the new system, for example, employees can take the one-year leave in three separate blocks.

Moreover, we have signed a corporate contract with SeaCare, an NPO that supports caregiving, to introduce services helpful to caregivers.

## Company Intranet

We have launched a support site for diverse work styles on the company intranet to widely announce our measures to support balance between work and family life. The new site is a redesigned and more user-friendly version of the Work and Life style, Especially Family Life Support Site. Its new features include, for example, a handbook on childcare and nursing care.

