

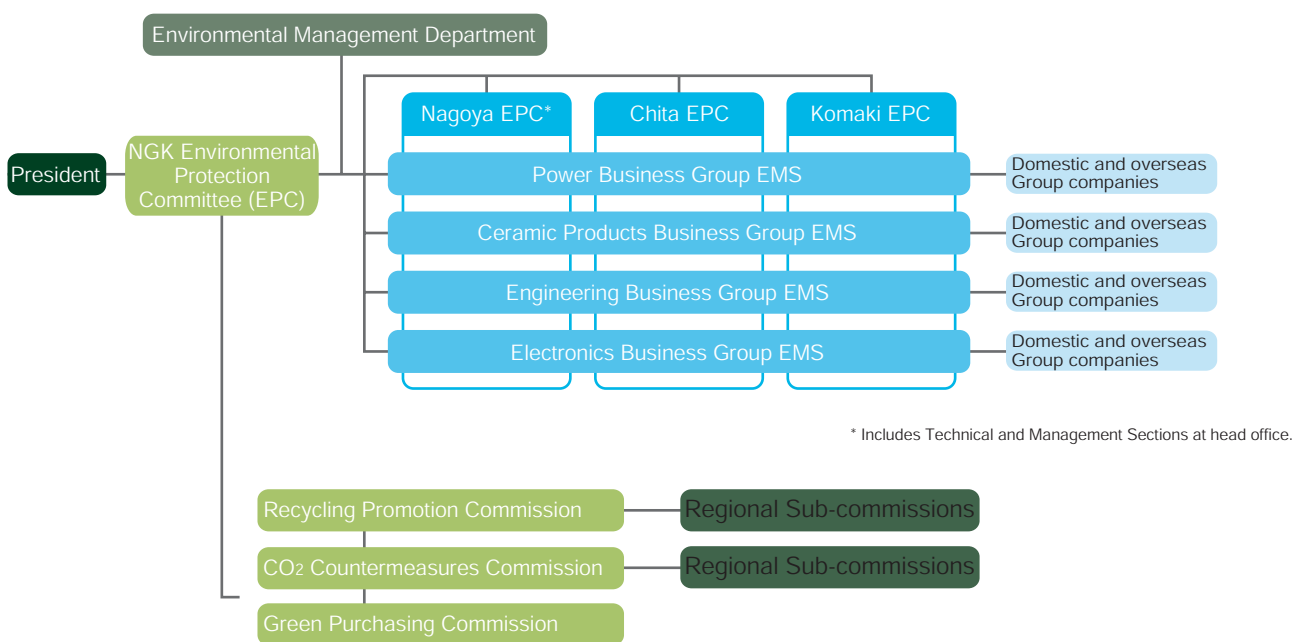
## Promotion System for Environmental Management

To promote its efforts with respect to environmental issues, NGK further strengthened its environmental management system from 2003, and is continuing in its work to confront environmental issues. In addition to environmental management systems created along plant lines at the Nagoya, Chita, and Komaki plants, the Company has enhanced green management organized along business-group lines.

This enables individual business groups to respond more effectively to their specific environmental issues such as reducing CO<sub>2</sub> emissions, reducing and recycling by-products, and enhancing management of chemical substances, working together with NGK's domestic and overseas Group companies and

cooperating companies. These issues arise from procurement, development, production, logistics, and the sale of products. Additionally, in 2004, we established Chemical Substances Committees as a part of the Environmental Protection Committees at each of our three plants, and have improved management of PRTR-listed substances.

In the future, we will further improve Green Management systems in each business group, as well as existing environmental management systems at each plant, letting us enhance our efforts to protect and contribute towards the protection of the environment.



## NGK Group and Environmental Management

NGK has established a system in which an environmental performance survey broken down into 16 areas, and with 200 items, is carried out at group company production locations both within Japan (13 companies) and overseas (17 companies). This system was put into full operation as of 2004. As a result, the Company is able to track and share both the overall status of environmental management at the group companies which are engaged in a wide range of business around the world, as well as issues relating to the reduction of the impact on the environment. In the future, by further strengthening group efforts as regards environmental issues, the whole NGK Group aims to become an excellent company in environmental management, and will further promote Green Management.

### Classifications in the Environmental Performance Survey

1. Environmental management systems (environmental management organizations, their activities, etc.)
2. By-products (treated, disposed, and recycled amounts, main causes for changes of amount, etc.)
3. Energy input and greenhouse gas emissions (CO<sub>2</sub> emissions, etc.)
4. Amount of PRTR-listed substances emitted and transferred
5. Material resources Input
6. Water resources Input
7. Environmental accounting (environmental costs, economic effect, etc.)
8. Environmental pollutant emissions into the atmosphere
9. Environmental pollutant emissions into water
10. Noise and vibration
11. Greenhouse gas emissions in logistics and sales activities, and introduction of low-emissions vehicles
12. Green purchasing, procurement, and green logistics
13. Storage and management of equipment containing PCB
14. Soil and groundwater pollution
15. Recycling and environmentally-conscious design of products
16. Community relations activities and administrative directives