

Environmental Risk Management

In keeping with its Core Policy on the Environment, the Company is ensuring periodic reviews of its environmental management systems and is working to prevent accidents through efforts geared toward

preventing water, air, and other types of pollution. In addition, we have taken all necessary measures, including providing emergency-response education and training, in preparation for the occurrence of an accident.

Strict Adherence to Legal Standards

In keeping with NGK's Core Policy on the Environment, each of our plants is working to achieve strict adherence to relevant legal restrictions as well as environmental categories that have been agreed upon with supervising government agencies. Furthermore, NGK forms pollution-prevention agreements with local government bodies where NGK's business sites are located, and implements independent measures to prevent pollution in accordance with autonomous standards that are even more stringent than legal restrictions.

On February 7, 2005, within the 2004 financial year, a fire broke out from one modular battery that was undergoing voltage testing at the NAS® battery factory at the Komaki Plant. A fast response meant that no

atmospheric or water pollution, nor any other impact on the environment, was found. Reports were made to Aichi Prefecture and the cities of Komaki and Kasugai, and an accident investigation committee convened. When this had established the cause of the fire and implemented suitable countermeasures, a report was submitted to the Fire and Disaster Management Agency. Additionally, harmful substances in excess of environmental standards were detected in the soil on the premises of NGK Printer Ceramics Co., Ltd., a Group company which produces electronic products, and a notification was sent on April 19, 2004 to Aichi Prefecture and the city of Komaki, and appropriate measures were taken.

Training for Emergencies

In preparation for an emergency, each of our business sites implements education and training based on an annual plan, with the aim of minimizing the spread of pollution in the event of an accident. In 2004, we carried out emergency-response education and training. This included emergency training in response to abnormalities in water quality, acid-washing effluent treatment facilities, and final effluent treatment plants.

Education and Training Performance (2004)

Month implemented	Objective	Participants	No. of people
7	Nagoya photochemical smog emergency response training	Firing kiln and safety personnel	18
8	Komaki photochemical smog emergency response training	Firing kiln, boiler, and safety personnel	10
9	Chita Metal Plant bag filter atmospheric emission emergency response training	Construction personnel	25
9	Komaki abnormal water quality emergency response training	Water quality, construction, and safety personnel	25
9	Nagoya abnormal water quality emergency response training	Water quality, construction, and safety personnel	8
9	Chita abnormal acid-washing effluent treatment emergency response training	Construction personnel	5
11	Nagoya exhaust processing facility emergency response training	Firing kiln, construction, and safety personnel	6
12	Chita final effluent treatment plant water quality emergency response training	Water quality personnel	4
12	Chita spray dryer atmospheric emission emergency response training	Construction personnel	3

Major content: Training in notification and communication in the event of an emergency. Acquisition of emergency response skills, and identification of problem areas through training.

Employee Education and Development

To protect the Earth's environment, it is absolutely vital for each individual employee to deepen his or her understanding of environmental issues and make conscious efforts to protect the environment. One of NGK's action guidelines under its Core Policy on the

Environment is to carry out educational and public-affairs activities in order to raise environmental awareness among employees. Thus, NGK continuously implements a wide array of environmental education and development activities.

Company-wide Education

At our plants, we offer education in environmental management systems to ensure that employees understand environmental policy and work to follow it. In addition, we distribute Environment Cards, on which environmental targets for each division are listed, and each person records environmental declarations and strives to raise his or her awareness regarding the environment.

Environmental Education Performance (2004)

Month implemented	Contents of training	Participants	No. of people
7 - 9	EMS education at each site (manual revision)	All departments	All
11	Advance education for internal auditors	Internal auditors	23
12	Education in environmental law and regulation	Environment managers at Group companies	17
12	Education in environmental law and regulation	Nagoya Plant	49
12	Internal auditor training program	Personnel scheduled to become environmental managers	28

Obtaining Various Qualifications

To continually improve the content and implementation of environmental protection activities based on the environmental policy, we are focusing on cultivating staff members who possess the necessary legal qualifications – including those for pollution control manager, energy manager, and certified environmental measurer – for the operation of each business site.

Number of Employees with Environment-related Qualifications (as of March 31, 2005)

Qualification	No. of people	Qualification	No. of people
Senior pollution control manager	3	Energy manager	13
Pollution control manager	Air	Certified environmental measurer	5
	Water	Heat manager	8
	Noise	Specialty controlled industrial waste manager	3
	Vibration	Interim waste disposal controller	5
	Dust	Final waste disposal controller	3
	Dioxins		