

NORITAKE CO., LIMITED

# First Half Results

# for Fiscal Year Ending March 2024

**This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.**

**This document contains forward-looking statements.  
Actual future results may differ materially from these forward-looking statements due to changes in the business environment and other factors.**

- 1. Summary of Financial Results for  
FY2024 1st Half (Ended September 30, 2023)**
- 2. Forecasts for FY2024 (Ending March 31, 2024)  
and Priority Measures**
- 3. Progress of the 12th Three-year Business  
Plan (FY2023-FY2025)**

- 1. Summary of Financial Results for  
FY2024 1st Half (Ended September 30, 2023)**
2. Forecasts for FY2024 (Ending March 31, 2024)  
and Priority Measures
3. Progress of the 12th Three-year Business  
Plan (FY2023-FY2025)

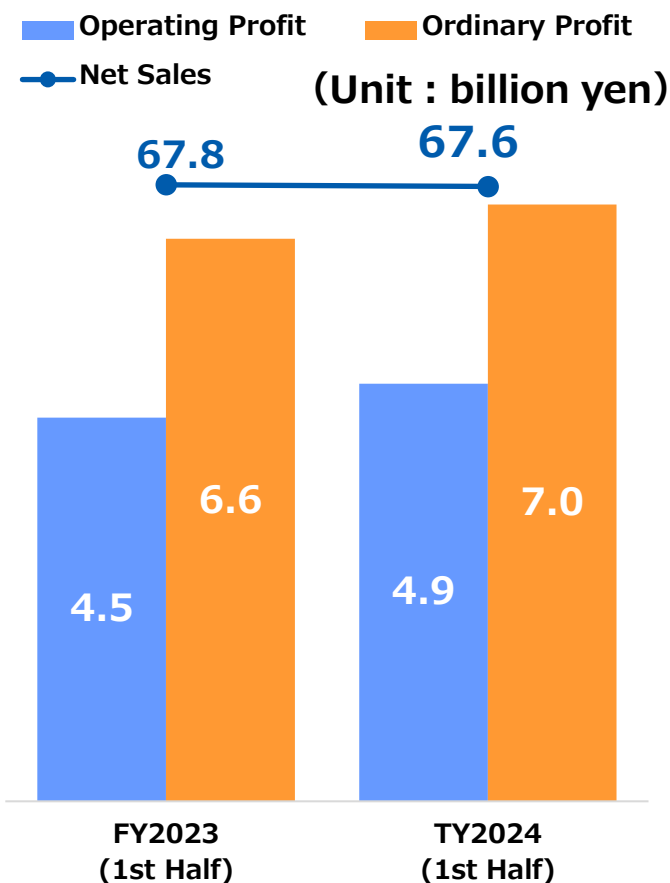
# 1. Summary of Financial Results for FY2024–H1

## Consolidated Statements of Income

Ordinary Profit and Profit Attributable to Owners of Parent increased and reached a record high, despite a year-on-year decrease in sales.

(Unit : billion yen)

	FY2023 (1st Half)	FY2024 (1st Half)	YoY change
Net Sales	67.8	67.6	△0.4%
Operating Profit	4.5	4.9	+7.9%
Ordinary Profit	6.6	7.0	+5.8%
Profit Attributable to Owners of Parent	5.2	5.8	+11.9%



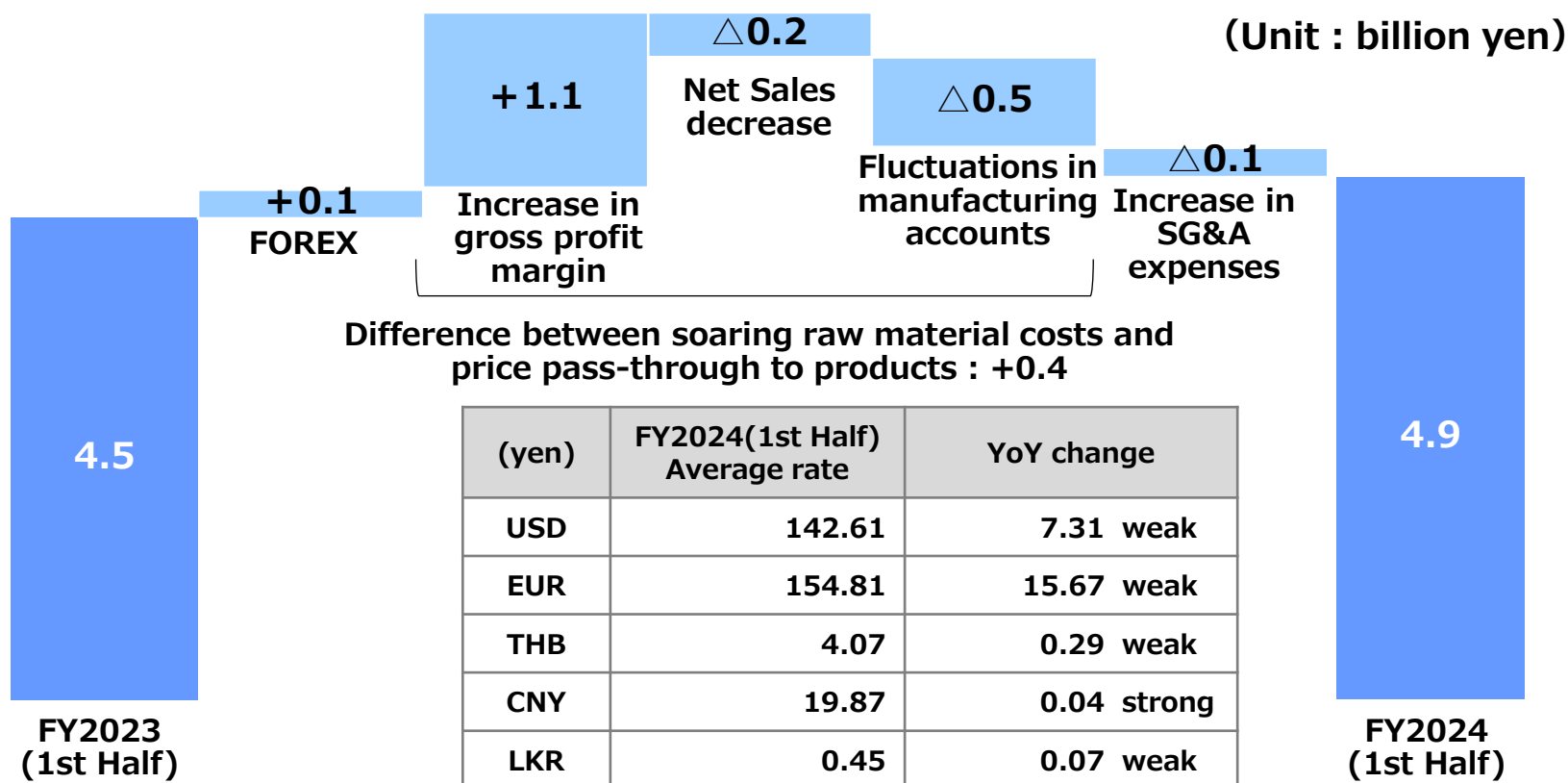
Interim dividend : 120 yen per share

<sup>4</sup> (Forecast for Year-end dividend : 120 yen per share) © 2023 NORITAKE CO., LIMITED All Rights Reserved.

# 1. Summary of Financial Results for FY2024–H1

## Cause of increase/decrease of Operating Profit

Operating Profit increased by 0.4 billion yen compared to the same period of the previous year, mainly due to increase in gross profit margin and the effect of the weak yen.



# 1. Summary of Financial Results for FY2024–H1

## Cause of increase/decrease of Ordinary Profit

Ordinary Profit increased by 0.4 billion yen with an increase of 0.4 billion yen of Operating Profit, and Non-operating income/expenses remained almost unchanged.

(Unit : billion yen)

	FY2023 (1st Half)	FY2024 (1st Half)	YoY change
Operating Profit	4.5	4.9	+0.4
Dividend income	0.5	0.5	+0.0
Rental income	0.3	0.3	+0.0
Foreign exchange gains	0.4	0.3	△0.2
Share of profit of entities accounted for using equity method	0.7	0.8	+0.1
Others	0.1	0.1	+0.1
Non-operating income/expenses	2.0	2.1	+0.0
Ordinary Profit	6.6	7.0	+0.4

# 1. Summary of Financial Results for FY2024–H1

## Extraordinary income / Extraordinary losses

Gain on sales of investment securities : 1.00 billion yen

Loss on disposal of non-current assets : 0.43 billion yen

(Unit : billion yen)

Extraordinary income	
Gain on sales of investment securities※	1.00
Others	0.02
<b>Total</b>	<b>1.02</b>

Extraordinary losses	
Loss on disposal of non-current assets	0.43
Others	0.00
<b>Total</b>	<b>0.44</b>

※ Reduction of cross-Shareholdings

# 1. Summary of Financial Results for FY2024–H1

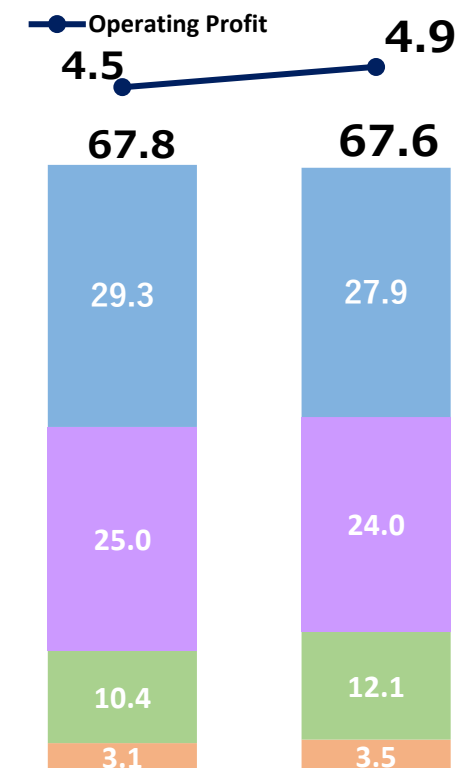
## Sales and Profit by business segment

Industrial Products decreased, and Operating Profit in the other segments improved.

(Unit : billion yen)

			FY2023 (1st Half)	FY2024 (1st Half)	YoY change
Net Sales		Industrial Products	29.3	27.9	△4.9%
		Ceramics & Materials	25.0	24.0	△3.8%
		Engineering	10.4	12.1	+17.1%
		Tabletop	3.1	3.5	+11.6%
	Total		67.8	67.6	△0.4%
Operating Profit		Industrial Products	1.5	1.0	△35.1%
		Ceramics & Materials	2.8	3.2	+15.3%
		Engineering	0.6	0.7	+32.1%
		Tabletop	△0.3	△0.0	—
	Total		4.5	4.9	+7.9%

## Sales / Operating Profit (Unit : billion yen)



FY2023(1st Half) FY2024(1st Half)



# 1. Summary of Financial Results for FY2024–H1

Noritake

## Sales by business segment

### Industrial Products Group

## Sales per products

(Unit : billion yen)

		FY2023 (1st Half)	FY2024 (1st Half)	YoY change
	Grinding Wheels	9.0	8.8	△0.2
	Diamond Wheels/Tools CBN Wheels	6.1	5.6	△0.5
	Cutting/Offset Wheels	8.6	8.8	+0.2
	Coated Abrasives	3.7	2.7	△1.0
	Related Products	1.9	2.0	+0.1
Total		29.3	27.9	△1.4

### Custom-made products

#### Japan

Sales remained flat year on year due to lower production in the steel, bearing, and electronic parts industries, although production has recovered in the automotive industry.

#### Overseas

Automotive-related sales recovered in North America, but steel-related sales decreased significantly in China, and the decline in automotive production affected in Southeast Asia. Overall sales decreased.



#### Coated Abrasives

Sales were weak both domestically and overseas.

# 1. Summary of Financial Results for FY2024–H1

## Sales by business segment

### Ceramics & Materials Group

#### Sales per products

(Unit : billion yen)

		FY2023 (1st Half)	FY2024 (1st Half)	YoY change
	Electronic paste	4.6	4.9	+0.3
	Electronic component raw materials	6.8	8.1	+1.3
	Ceramic raw materials	8.9	5.9	△3.0
	Other Ceramics	4.6	5.1	+0.5
Total		25.0	24.0	△0.9

#### Electronic paste/Electronic component raw materials

Sales for automotive industry were solid. In addition, sales for communications equipment increased due to progress in inventory adjustments at some customers.



#### Ceramic raw materials

Sales for heat-resistant glass decreased significantly.

# 1. Summary of Financial Results for FY2024–H1

## Sales by business segment

### Engineering Group

#### Sales per products

(Unit : billion yen)

		FY2023 (1st Half)	FY2024 (1st Half)	YoY change
	Heating/Drying Furnace	7.3	9.0	+1.7
	Stirring machines	0.6	0.8	+0.2
	Filtration systems	0.5	0.5	+0.0
	Carbide-tipped circular sawing machine	0.5	0.5	△0.0
	Circular sawing cutting machine and others	1.4	1.4	△0.1
Total		10.4	12.1	+1.8



#### Heating/Drying Furnace

Sales for lithium-ion batteries were strong.

#### Stirring machines

Sales to the chemical industry have recovered.



#### Circular sawing cutting machine

Sales for public construction were weak.



# 1. Summary of Financial Results for FY2024–H1

## Sales by business segment

### Tabletop Group

### Sales per products

(Unit : billion yen)

		FY2023 (1st Half)	FY2024 (1st Half)	YoY change
	Japan	1.4	1.4	+0.0
	Americas	0.6	0.8	+0.2
	Europe Asia	1.2	1.3	+0.1
	<b>T o t a l</b>	<b>3.1</b>	<b>3.5</b>	<b>+0.4</b>



#### Japan

Online sales decreased, sales by directly managed retail stores, and sales to hotels increased.



#### Americas

Online sales and sales to Mexico were strong.



#### Europe, Asia

Sales to China struggled, but sales to India and other Asian countries were strong.

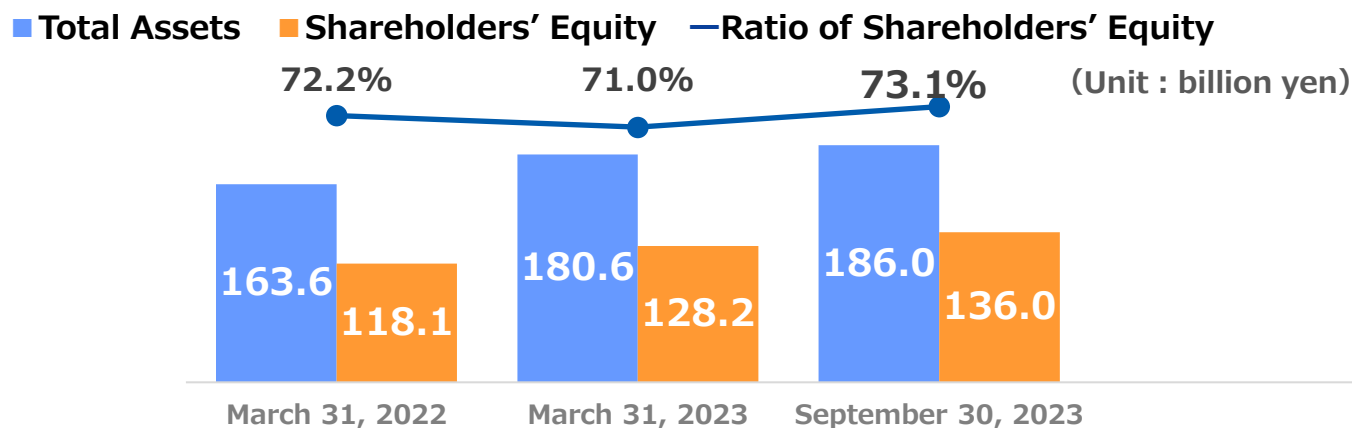
# 1. Summary of Financial Results for FY2024–H1

## Consolidated Balance Sheet

**Total Assets, Shareholders' Equity and Ratio of Shareholders' Equity increased.**

(Unit : billion yen)

	March 31, 2022	March 31, 2023	September 30, 2023	change
Total Assets	163.6	180.6	186.0	+5.4
Shareholders' Equity	118.1	128.2	136.0	+7.8
Shareholders' Equity per Share	8,184yen	8,882yen	9,380yen	+498yen
Ratio of Shareholders' Equity	72.2%	71.0%	73.1%	+2.1%



# 1. Summary of Financial Results for FY2024–H1

## Consolidated Cash Flow Statement

**Free Cash Flow : 7.9 billion yen**

**Cash and cash equivalents : 12.6 billion yen, increased by 2.2 billion yen year-on-year**

(Unit : billion yen)

	FY2023 (1st Half)	FY2024 (1st Half)	YoY change
Cash flows from operating activities	△1.4	10.2	+11.5
Cash flows from investing activities	△2.6	△2.3	+0.3
Free cash flow	△4.0	7.9	+11.9
Cash flows from financing activities	1.8	△7.8	△9.6
Cash and cash equivalents at end of period	10.4	12.6	+2.2

# 1. Summary of Financial Results for FY2024–H1

Noritake

## Interest-bearing Debt

(Unit : billion yen)

	March 31, 2023	September 30, 2023	change
Interest-bearing Debt※	12.5	6.5	△6.0
Cash and deposits	14.6	15.9	+1.3
Net Interest-bearing Debt	△2.2	△9.5	△7.3

※Interest-bearing Debt excludes lease liabilities.

## Capital investment, Depreciation expenses

(Unit : billion yen)

	FY2023 (1st Half)	FY2024 (1st Half)	YoY change
Capital investment	2.5	2.7	+0.1
Depreciation expenses	2.4	2.4	+0.0

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## 2. Forecasts for FY2024 and Priority Measures

### Forecasts for FY2024

**Net Sales : 139.0 billion yen, Operating Profit : 10.0 billion yen,  
Ordinary Profit : 13.5 billion yen, Profit Attributable to Owners  
of Parent : 11.0 billion yen**

(Unit : billion yen)

	FY2023			FY2024 (FCT)			
	1st Half	2nd Half	Total	1st Half	2nd Half	Total	YoY change
Net Sales	67.8	71.7	139.5	67.6	71.4	139.0	△0.5
Operating Profit	4.5	4.4	9.0	4.9	5.1	10.0	+1.0
Ordinary Profit	6.6	5.8	12.4	7.0	6.5	13.5	+1.1
Profit Attributable to Owners of Parent	5.2	4.8	10.0	5.8	5.2	11.0	+1.0

USD	136.0 yen	143 yen	135 yen
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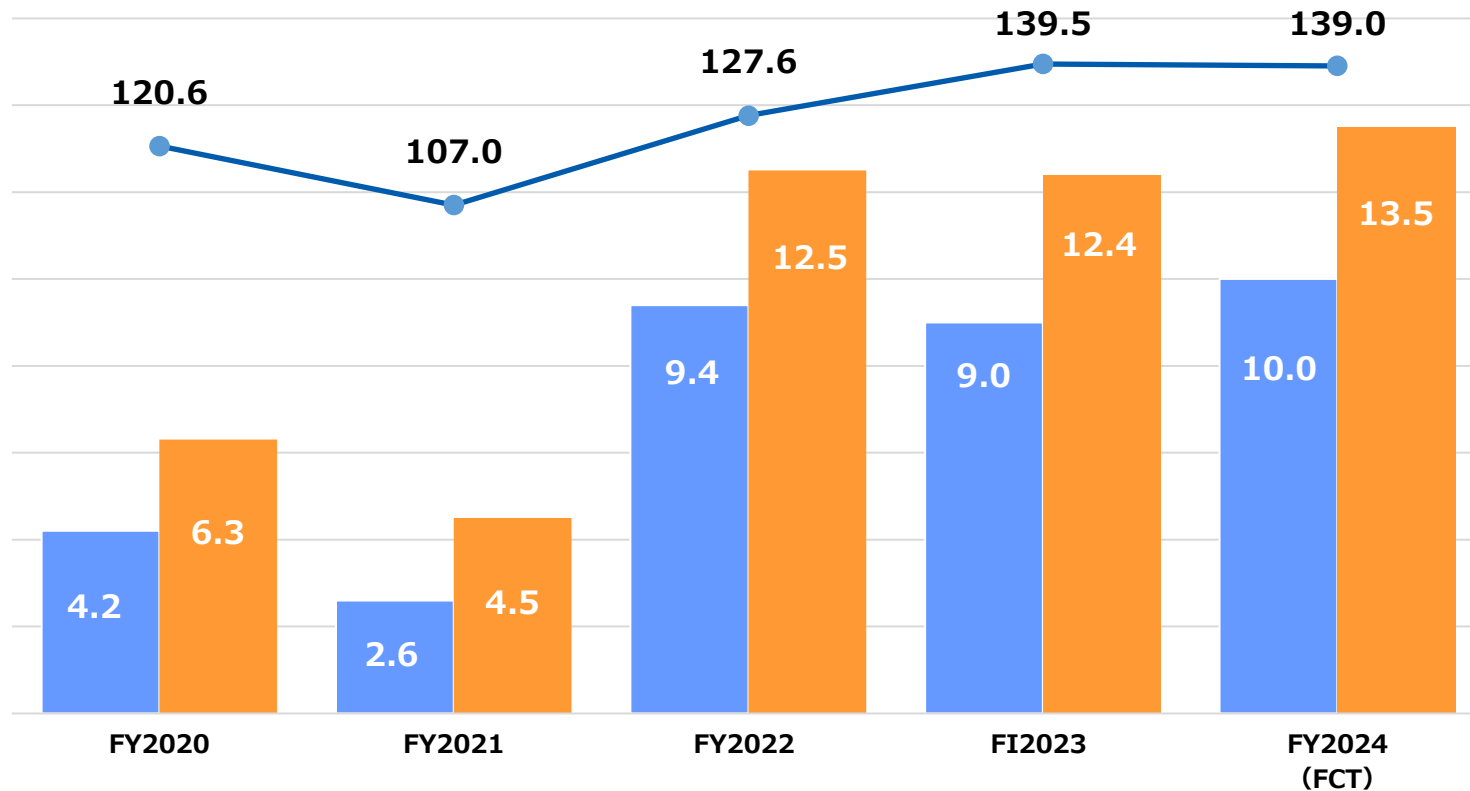
## 2. Forecasts for FY2024 and Priority Measures

### Forecasts for FY2024

Although sales are expected to decrease compared to the previous fiscal year, both Operating Profit and Ordinary Profit are expected to increase.

— Net Sales   ■ Operating Profit   ■ Ordinary Profit

(Unit : billion yen)



## 2. Forecasts for FY2024 and Priority Measures

### Forecasts by business segment

(Unit : billion yen)

		FY2023			FY2024 (FCT)			YoY change		
		1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Net Sales	Industrial Products	29.3	28.2	57.5	27.9	28.6	56.5	△1.4	+0.4	△1.0
	Ceramics & Materials	25.0	24.2	49.2	24.0	22.5	46.5	△0.9	△1.7	△2.7
	Engineering	10.4	15.5	25.9	12.1	16.9	29.0	+1.8	+1.4	+3.1
	Tabletop	3.1	3.8	6.9	3.5	3.5	7.0	+0.4	△0.3	+0.1
	Total	67.8	71.7	139.5	67.6	71.4	139.0	△0.2	△0.3	△0.5
Operating Profit	Industrial Products	1.5	0.9	2.4	1.0	1.2	2.2	△0.5	+0.3	△0.2
	Ceramics & Materials	2.8	2.0	4.8	3.2	2.6	5.8	+0.4	+0.6	+1.0
	Engineering	0.6	1.5	2.1	0.7	1.4	2.1	+0.2	△0.1	+0.1
	Tabletop	△0.3	0.0	△0.3	△0.0	△0.1	△0.1	+0.3	△0.1	+0.2
	Total	4.5	4.4	9.0	4.9	5.1	10.0	+0.4	+0.7	+1.0

## 2. Forecasts for FY2024 and Priority Measures

### Industrial Products Group

Although production in the automotive industry is on a recovery trend, sales and profit are expected to decline due to the economic slowdown in China and other factors.

**Net Sales : 56.5 billion yen**

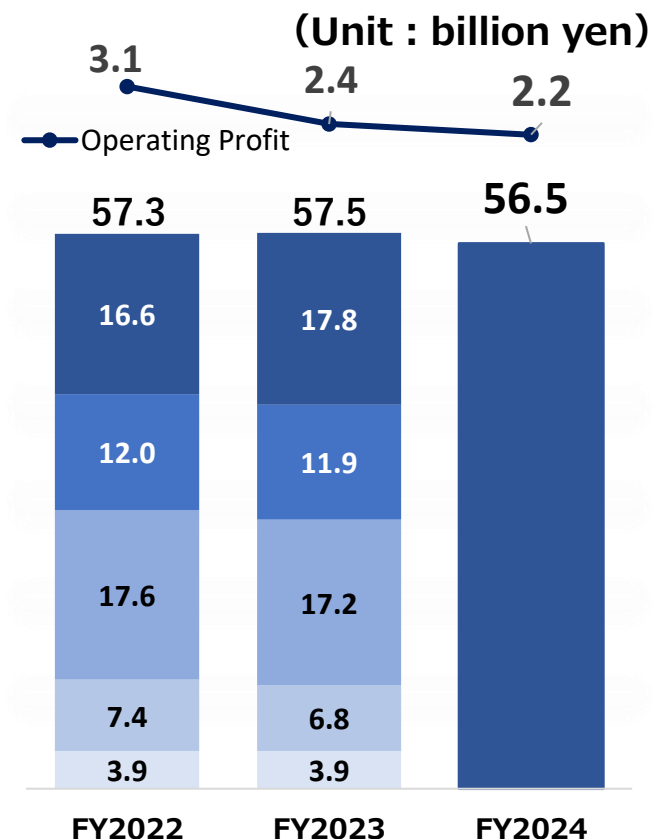
(1.0 billion yen decrease)

**Operating Profit : 2.2 billion yen**

(0.2 billion yen decrease)

	Grinding Wheels	
	Diamond Wheels/Tools CBN Wheels	
	Cutting/Offset Wheels	
	Coated Abrasives	
	Related Products	

### Sales and Profit per products



## 2. Forecasts for FY2024 and Priority Measures

### Industrial Products Group

**Profit improvement in existing businesses and preparation for entry into growth areas.**

In the previous year, the business was restructured into two types, custom-made products and general-purpose products, to build an efficient business structure.

#### Custom-made products business

- Strengthen our earnings by establishing a system to increase production of growth area products and by establishing sales bases.
- Focus on development of new technologies and products that support the semiconductor business and the electrification of automobiles.
- Started mass production of power semiconductor wafer tools and increased production capacity for grinding wheels for hypodermic needles

#### General-purpose products business

- Strengthen profitability by streamlining the management base and realign our manufacturing and sales structure.
- Build a manufacturing, development and sales system to increase production of electronics products and advance into growth areas and focus management resources.



## 2. Forecasts for FY2024 and Priority Measures

### Ceramics & Materials Group




Although ceramic raw materials are decreasing, electronic component raw materials are increasing.

**Net Sales : 46.5 billion yen**

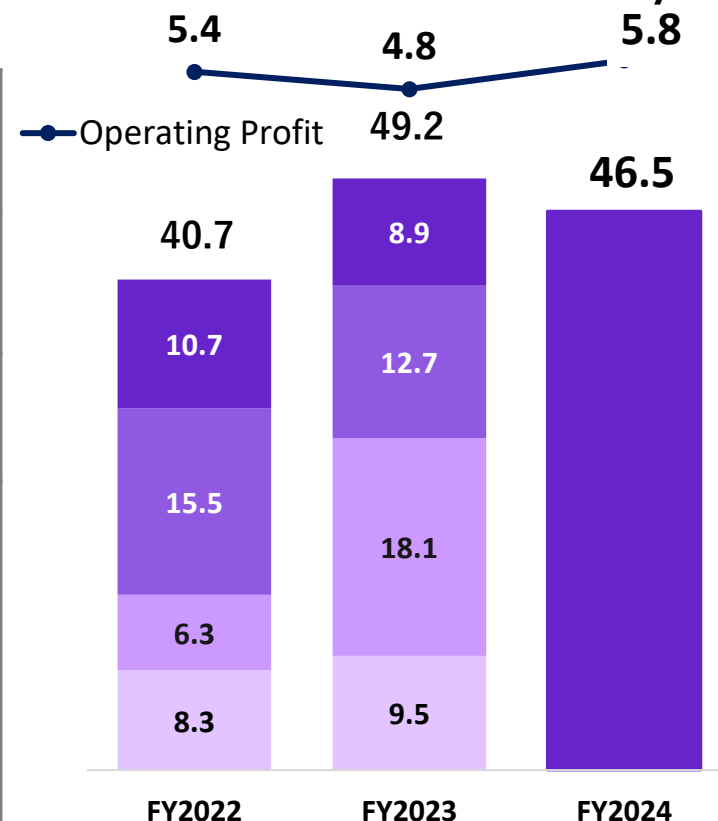
(2.7 billion yen decrease)

**Operating Profit : 5.8 billion yen**

(1.0 billion yen increase)

	Electronic paste	
	Electronic component raw materials	
	Ceramic raw materials	
	Other Ceramics	

### Sales and Profit per products (Unit : billion yen)



## 2. Forecasts for FY2024 and Priority Measures

### Ceramics & Materials Group

Concentration in core competence, Restructuring business portfolio.

#### Electronic paste

Expand our product lineup in the electronics field, and develop new products.



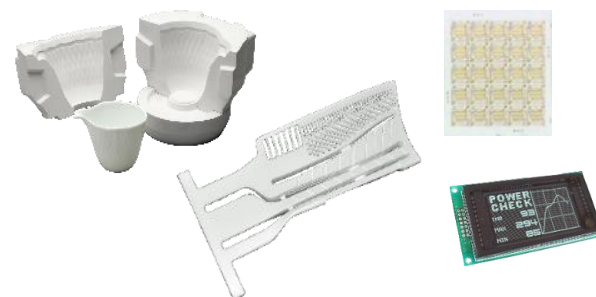
#### Electronic component raw materials

Expand business by increasing production capacity of materials for multi-layer ceramic capacitors and developing new products in growth areas.



#### Other Ceramics

Restructure our business portfolio, through "Concentration in Core Competence" and the creation of new products and businesses.



## 2. Forecasts for FY2024 and Priority Measures

### Engineering Group




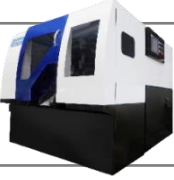

Sales of the mainstay lithium-ion battery heating furnaces and drying furnaces are remaining steady.

**Net Sales : 29.0 billion yen**

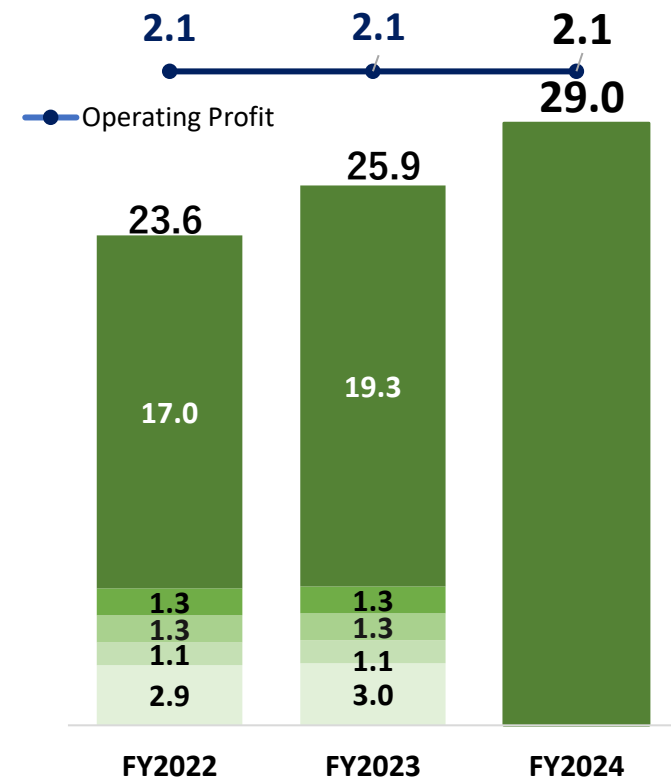
(3.1 billion yen increase)

**Operating Profit : 2.1 billion yen**

(0.1 billion yen increase)

	Heating/Drying Furnace	
	Stirring machines	
	Filtration systems	
	Carbide-tipped circular sawing machine	
	Circular sawing cutting machine and others	

### Sales and Profit per products (Unit : billion yen)





## 2. Forecasts for FY2024 and Priority Measures

### Engineering Group

Focus on growth areas and develop new products, Entry into new fields.

#### Energy and electronics field

Expand market share by increasing sales, strengthening after-sales service system, and introducing new products, Started expansion of assembly plant for continuous heating furnaces for lithium-ion batteries.

#### Automotive field

Development of new applications and new products associated with electrification of automobiles.

#### New field

Entry into new fields (medical/pharmaceutical, semiconductor, new material) and market development.

#### Environmental field

Strengthen development of new applications and new products.



## 2. Forecasts for FY2024 and Priority Measures

### Tabletop Group

**Shrinking Operating Loss by expanding sales by directly managed retail stores, sales to hotels and growth markets, etc.**

**Net Sales : 7.0 billion yen**

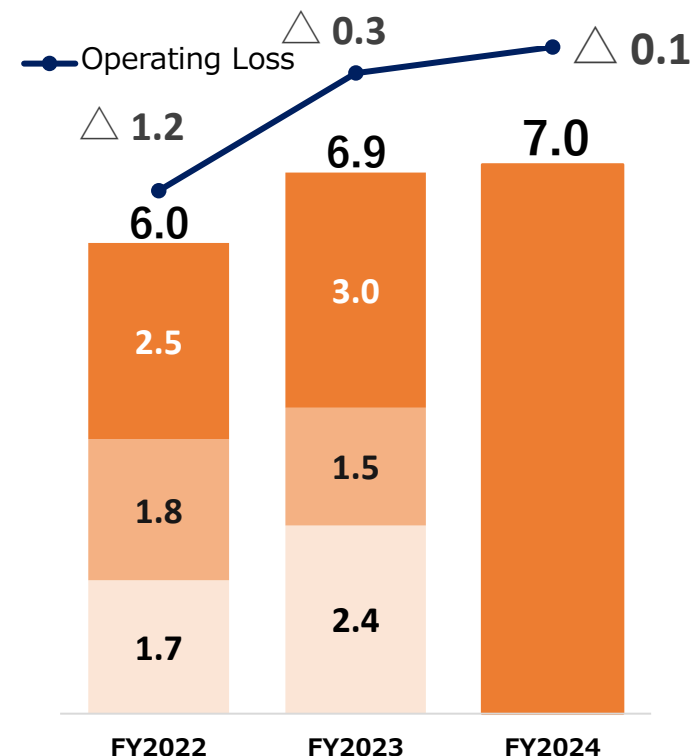
(0.1 billion yen increase)

**Operating Loss :  $\Delta 0.1$  billion yen**

(0.2 billion yen increase)

Japan	
Americas	
Europe Asia	

**Sales and Profit per products**  
(Unit : billion yen)



## 2. Forecasts for FY2024 and Priority Measures

### Tabletop Group

Continuing to improve profitability to move into the black.

#### Japan

Strengthen online sales.  
Expand sales to hotels and restaurants.  
Reduce costs by redeveloping distribution channels and logistics.



#### Americas/Europe/Asia

Expand sales in growth markets of India, China, and other major countries in Southeast Asia.  
Improving profitability in the US market.

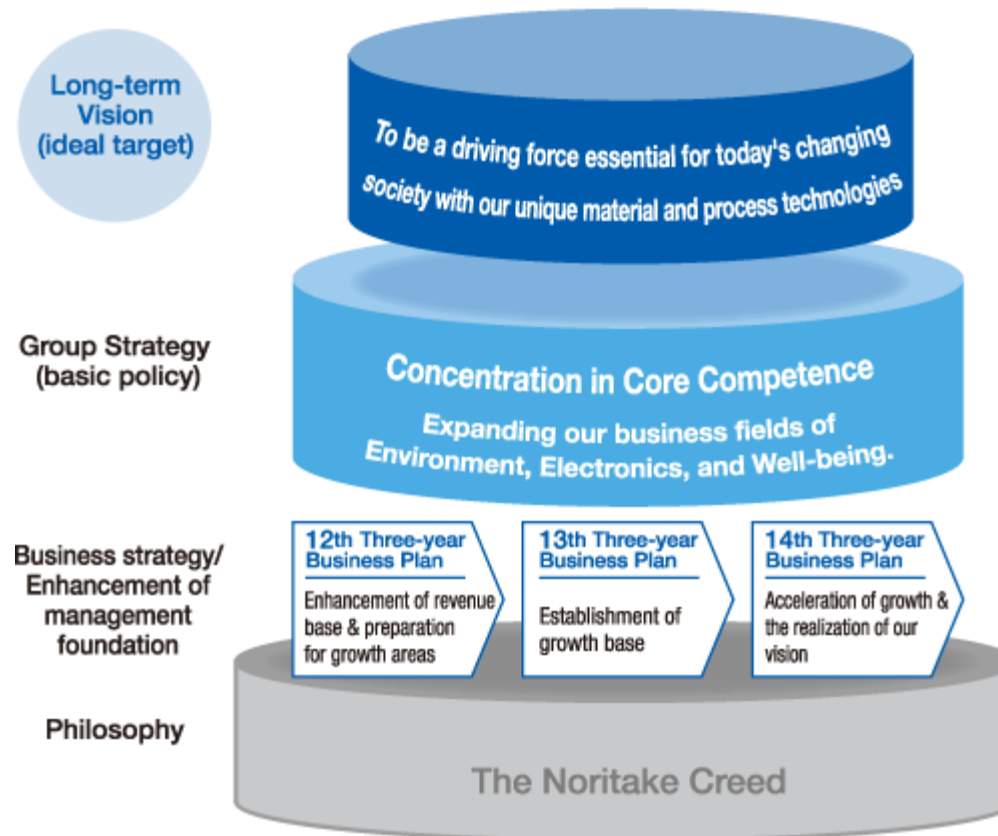


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FY2024 1st Half (Ended September 30, 2023)
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Plan (FY2023-FY2025)**

### 3. Progress of the 12th Three-year Business Plan

#### <Overview of the 12th Three-year Business Plan>

#### Long-term Vision for 2030 (Ideal target)



We aim to become a Group that contributes to “the global environment,” “a convenient society,” and “the people’s well-being.”

### 3. Progress of the 12th Three-year Business Plan

#### <Overview of the 12th Three-year Business Plan>

Looking ahead to fiscal 2030, the 12th Business Plan is positioned as a period for "enhancing the revenue base and preparing for growth areas."

#### [5 items to focus on]

- Reorganization of unprofitable products and businesses
- Improve and rationalize profitability
- Increase production and sales
- Creation of new businesses
- Enhance our management foundation

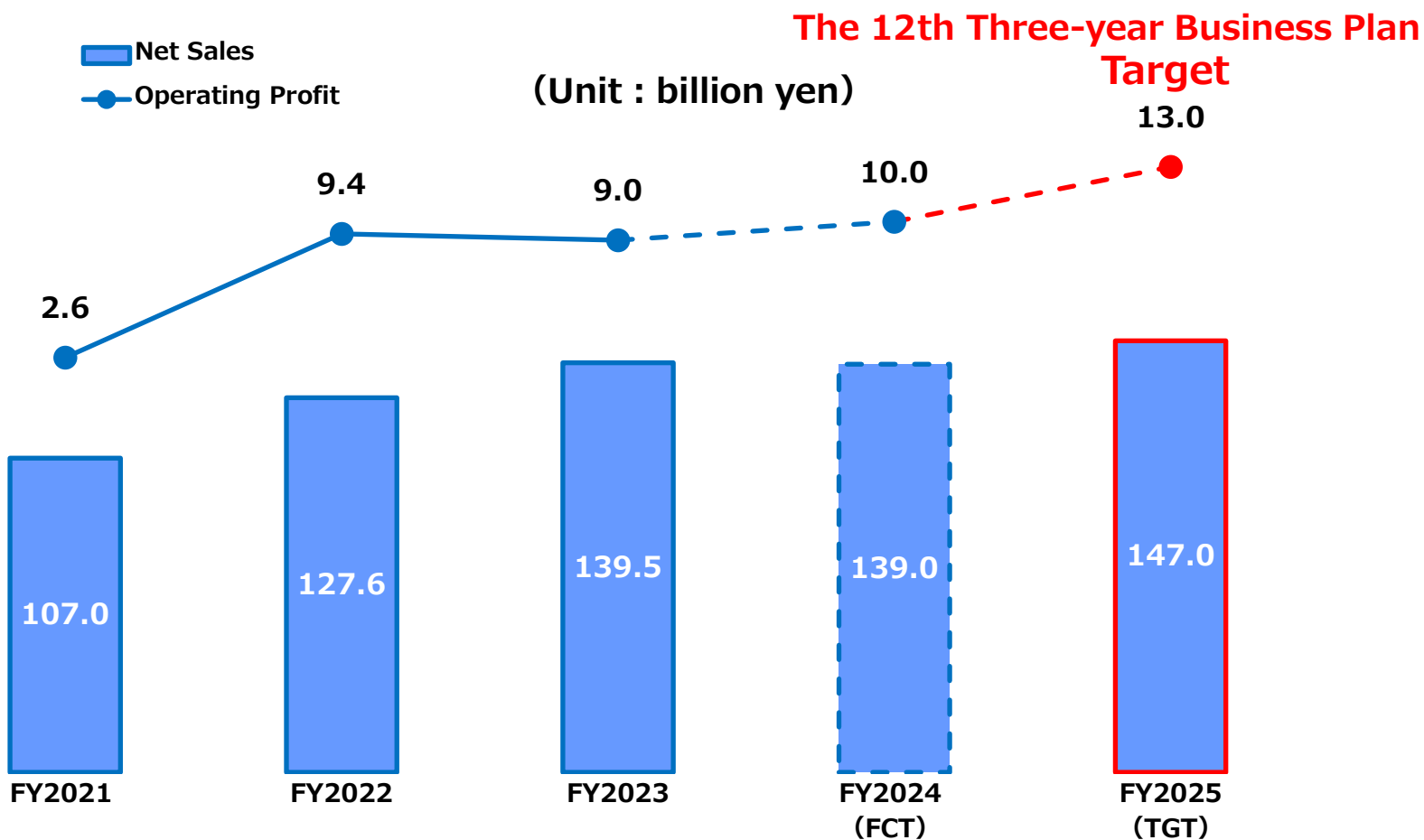
Management Target	FY2025
Net Sales	147.0 billion yen
Operating Profit	13.0 billion yen
Operating Profit Margin	9 %
Return On Equity (ROE)	9 %
Free Cash Flow (FCF)	20.0 billion yen (3-year cumulative total)

### 3. Progress of the 12th Three-year Business Plan

#### <Progress of the 12th Three-year Business Plan>

【Targets for FY2025】

Net Sales : 147.0 billion yen, Operating Profit : 13.0 billion yen



### 3. Progress of the 12th Three-year Business Plan

#### <Progress of the 12th Three-year Business Plan>

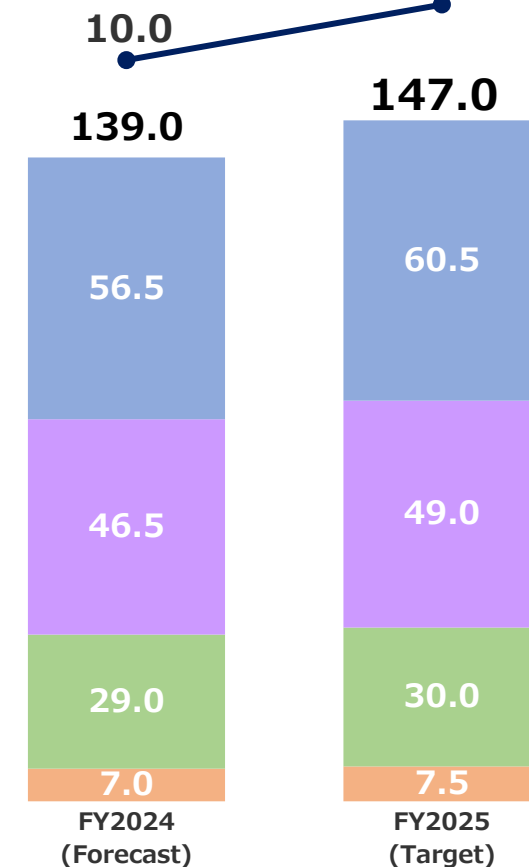
#### Target of Sales and Profit by business segment

(Unit : billion yen)

			FY2024 (Forecast)	FY2025 (Target)	Diff.
Net Sales		Industrial Products	56.5	60.5	+4.0
		Ceramics & Materials	46.5	49.0	+2.5
		Engineering	29.0	30.0	+1.0
		Tabletop	7.0	7.5	+0.5
	計		139.0	147.0	+8.0
Operating Profit		Industrial Products	2.2	3.0	+8.0
		Ceramics & Materials	5.8	7.3	+1.5
		Engineering	2.1	2.7	+0.6
		Tabletop	△0.1	0.0	+0.1
	計		10.0	13.0	+3.0

#### Sales / Operating Profit

Operating Profit 13.0





### 3. Progress of the 12th Three-year Business Plan

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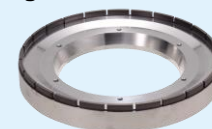
Aiming for virtuous cycle of investment in growth areas  
(Environment, Electronics, Well-being)  
and making a profit

Electronics/Semiconductors

Materials for  
multi-layer  
ceramic capacitor



Surface grinding wheel  
for wafer



Polishing tool  
“LHA Pad”



Electronics

Concentration in  
core competence to  
three growth areas

Environmentally friendly products

Multi-layer gear  
grinding wheel



Heating furnace  
for lithium-ion batteries



Environment

Resource recycling and  
food loss reduction

Heat  
sterilization  
System



Sludge  
solidification machine  
“Smart Briquetter”



Well-being

Grinding  
wheel for  
hypodermic  
needles



Life Science

“CLÉMENCE”



Fine bubble  
generator  
“Cerapor”



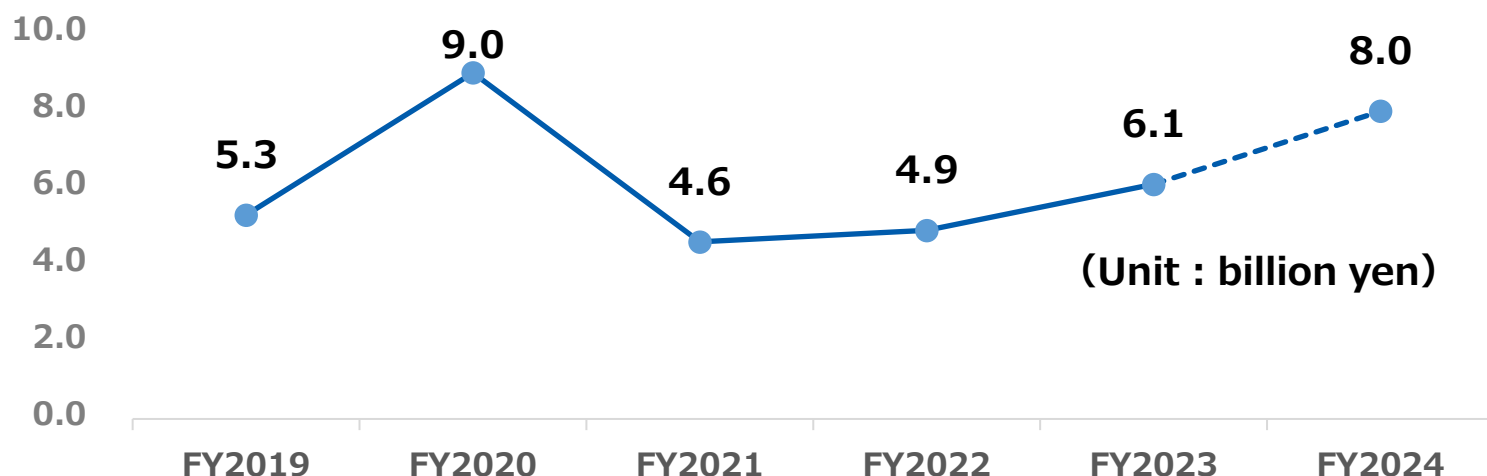
### 3. Progress of the 12th Three-year Business Plan

#### Capital investment

Proactive investment in three growth areas, “Environment, Electronics, and Well-being”.

(Unit : billion yen)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (Target)
Capital investment	5.3	9.0	4.6	4.9	6.1	8.0



## Capital investment planning

For the next 13th Three-year Business Plan, We accelerate capital investment in growth areas, **Total of approximately 20.0 billion yen.** (FY2026~ FY2028)

(Unit : billion yen)

Overview	Place	Amount (approx.)	Planned for completion
<b>&lt;Ceramics &amp; Materials&gt;</b> Increase production of electronic materials for Multi-Layer Ceramic Capacitor, etc.	<b>Minato Plant</b> (Minato-ku, Nagoya)	<b>7.0</b>	<b>FY2026 2nd Half</b>
	<b>Miyoshi Plant</b> (Miyoshi, Aichi)	<b>6.0</b>	<b>FY2026 1st Half</b>
<b>&lt;Engineering&gt;</b> Increase production capacity of heating furnace for lithium-ion batteries, etc.	<b>Komaki Plant</b> (Komaki, Aichi)	<b>2.5</b>	<b>FY2025 2nd Half</b>
<b>&lt;Industrial Products, Ceramics &amp; Materials&gt;</b> Restructuring of manufacturing bases and establishment of increased production system, etc.	<b>Miyoshi 2nd Plant</b> (Miyoshi, Aichi)	<b>4.5</b>	<b>FY2031</b>

### 3. Progress of the 12th Three-year Business Plan

#### < Change in distribution policy >

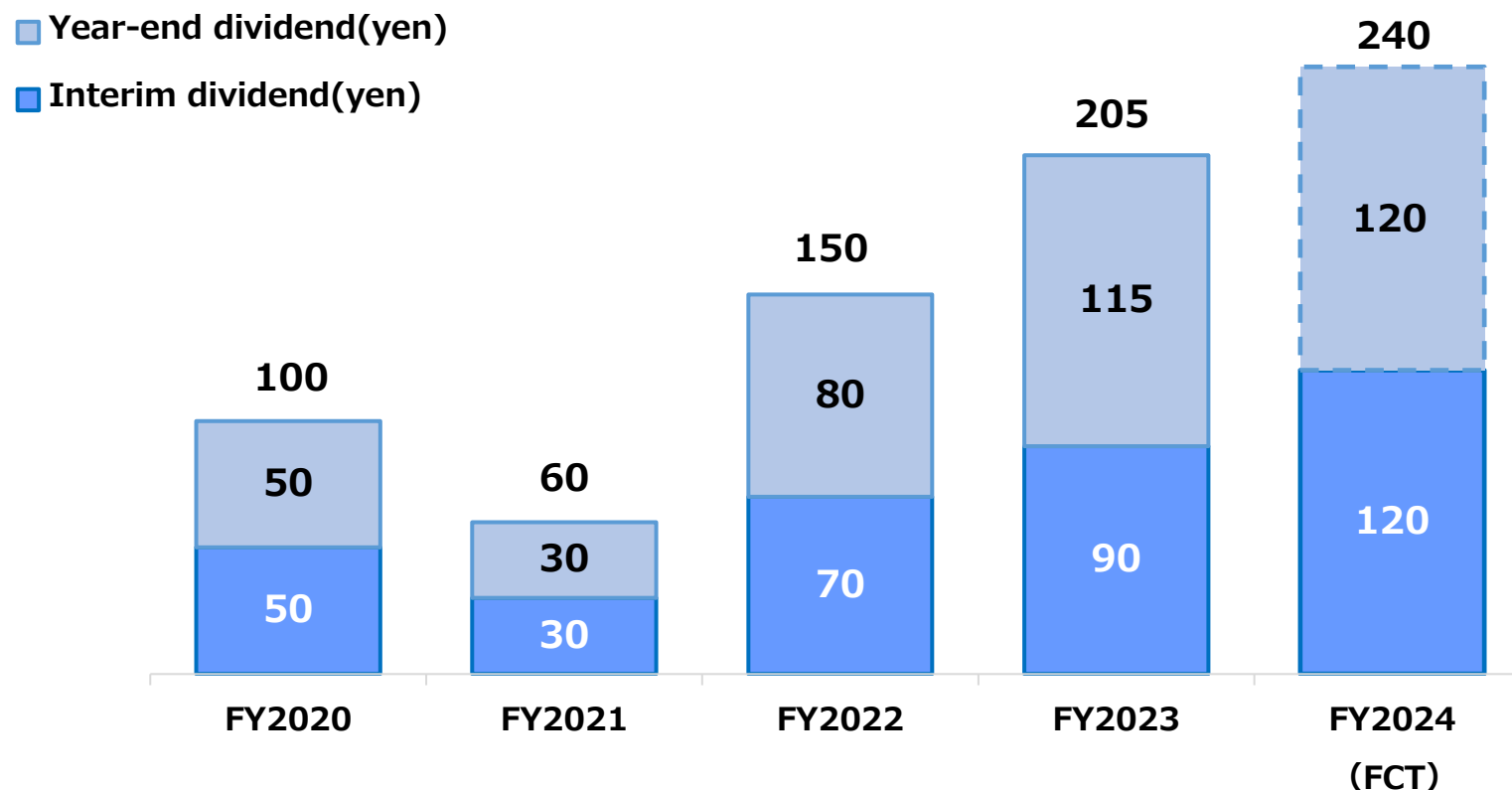
Before	After
The Company regards the return of profits to shareholders as an important management policy and its basic dividend policy is to maintain stable dividends over the long term, and to distribute profits based on a comprehensive assessment of business performance, financial strength, future business development, and other factors.	The Company regards the return of profits to shareholders as an important management policy. The Company's basic dividend policy is to maintain stable dividends over the long term and <b><u>a consolidated dividend payout ratio of 30% or more</u></b> for the full year, and the Company aims to return profits linked to business performance while comprehensively taking into consideration our financial position, future business development, and other factors.

### 3. Progress of the 12th Three-year Business Plan

#### < Dividend >

**The annual dividend forecast for FY2024 is 240 yen per share.**

Interim dividend : 120 yen per share, Year-end dividend : 120 yen per share



### 3. Progress of the 12th Three-year Business Plan

#### Stock Split and Partial Amendment of Articles of Incorporation

Each share of common stock owned by shareholders listed or recorded in the closing register of shareholders on the record date of Sunday, March 31, 2024, will be split into two shares.

##### Number of shares to be increased by the stock split

Total number of issued shares prior to the stock split	14,842,849
Number of shares to be increased by the stock split	14,842,849
Total number of issued shares after the stock split	29,685,698
Total number of authorized shares after the stock split	79,500,000

##### Schedule for the stock split

Public notice of record date (scheduled)	Thursday, March 14, 2024
Record date	Sunday, March 31, 2024
Effective date	Monday, April 1, 2024

##### Total number of authorized shares

Current Articles of Incorporation	39,750,000
Articles of Incorporation after Amendment	79,500,000