

Making the most of the technologies we acquired through our company history, Noritake provides high quality and value to various manufacturing industries worldwide. Through developing state-of-the-art technology, we continue to grow and contribute to the society.



Noritake began manufacturing western style tableware for export in 1904. For over 110 years since, we have delivered tableware to dining tables in every corner of the world. In recent years, by making the use of technologies which we acquired through tableware (porcelain) manufacturing, we develop and offer products that support a variety of manufacturing industries, such as grinding wheels, heating furnaces, mixers, electronic components and raw material. Today, we are advancing these technologies to take on the challenge of creating businesses in cutting-edge fields such as alternative energy, and are working to become a company that achieves further growth and contribution to society.

Looking back on fiscal 2019 and the 10th Three-year Business Plan

Despite gradual improvement in the domestic economy during fiscal 2019, a slowing of exports to China and a decline in production by manufacturers were visible from autumn, especially in semiconductor-related industries. Overseas, consumer spending was strong in the US and gradual economic recovery was seen in Europe, but economic slowdown in China continued.

Having its background, the Noritake Group engaged all-out in four basic strategies and worked to build a strong foundation for further growth in the last year of our 10th Three-year Business Plan. As a result, our business performance in fiscal 2019 resulted net sales of 125,802 million yen (an increase of 6.7% compared to the previous year), operating profit of 7,484 million yen, and ordinary profit of 9,764 million yen.

While we achieved our targets for the 10th Three-year Business Plan, delays have occurred in our progress in improving overseas production sites and developing overseas markets, and we recognize that we must accelerate our initiatives. The major results of the 10th Three-year Business Plan are as follows.

01» Expand market share and break into new markets by promoting sales activities that unite manufacturing, sales, and technology.

Our Industrial Products Group expanded share and developed new markets by investing in products that capture needs, such as gears and uniform structure grinding wheels for linear guides. Our Ceramics & Materials Group did likewise with products including catalyst carriers, thick film circuit boards for LEDs, ceramic cores, and electronic ceramic materials for multilayer ceramic capacitors.

02» Enhance competitiveness and expand sales by developing new products and technologies.

Our Ceramics & Materials Group expanded sales through development and commercialization of electronic paste for inductors, while our Engineering Group did so for products including heating furnaces for new materials. New products developed through collaboration between our Development & Engineering Group and other Groups, such as our micro-nano bubble generator, have been well received in the marketplace.

03» Penetrate overseas markets and upgrade overseas manufacturing bases to expand business.

Our Industrial Products Group will construct a new plant in Suzhou, China to increase production of large grinding wheels, for which significant demand growth is forecast in Asia. Our Ceramics & Materials Group will increase production capacity at its plaster plant in Thailand.

04» Promote a more resilient management structure and upgrade infrastructure.

We undertook quality improvements in our products and services, development of frameworks for greater work efficiency and multi-skill acquisition, and activities to strengthen our manufacturing, along with reinforcement of information security and promotion of activity by female employees.

Our 11th Three-year Business Plan We aim to become a company with vitality.

Since assuming the office of President in June, 2018, I have focused on "seeing work in the field." By heading into the field, I was able to see actual problems and issues. The 11th Three-year Business Plan (fiscal 2020-2022) that was formulated to address these issues, and we aim to become a company with vitality by improving growth potential and profitability, accelerating investment, and strengthening ESG initiatives.

11th Three-year Business Plan

■ Basic strategy

- 1 Promote development of competitive new products and new technologies
- 2 Reinforcement of overseas production sites and promotion of overseas market development
- 3 Reconstruction of our domestic sales structure and manufacturing structure
- 4 Activities to strengthen manufacturing, environmental activities, occupational safety and health activities, and unification of work style reform and business activities

Key policies of our businesses are as follows. Our Industrial Products Group will reinforce its overseas production sites in China, Thailand, North America, and other locations. It will also advance the development of overseas markets by establishing new sales bases and collaborating with other companies to construct a global business structure. The Group will also expand its share in key sectors such as automobiles, steel, and bearings by reinforcing product competitiveness. We will further develop markets in new sectors and in growth sectors by developing new products for electrical vehicles and the IoT.

Our Ceramics & Materials Group will promote the development of electronic paste used in product development aimed at advanced electronic components for high-speed communications. It will expand its share among major customers inside and outside of Japan, while developing new customers overseas. In electronics materials, they will work to develop new products and expand market share by reinforcing its production capacity of materials for multilayer ceramic capacitors. In ceramics, they will promote reinforcement of production capacity and overseas market development for plaster and ceramic cores. We will also improve performance of catalyst carriers, as well as the development of next-generation products, and the development of new markets for small- and medium-sized display devices and touch switches.



My mission is to clearly indicate our course to all stakeholders, as we energetically sail across the sea.

Our Engineering Group will expand its sales through the development of new products, new technologies, and new applications in the energy sector, automotive sector, and electronics sector. It will also undertake application development and market entry in new sectors such as new materials and cosmetics.

Our Tabletop Group will redevelop its domestic distribution channels, strengthen online sales, and expand sales of commercial-use tableware for hotels and restaurants. Overseas, we will improve our bottom line in the U.S. market and expand sales channels in Asian markets where growth is forecasted.

Achieving a sustainable society through our business activities

The Noritake Group views conservation of the environment as a key issue for management, and seeks to contribute to the achievement of a sustainable society through our business activities. Focusing especially on global warming, we continually engage in the reduction of our energy usage in order to lessen the CO₂ that we emit as our business, in tableware, industrial grinding wheels, and others, require firing processes. Our company has a history of producing our own equipment for manufacturing porcelain since our founding. The kilns we use for firing are of our own design. In the design and development of production equipment, we have always held to the goal of pursuing energy conservation and high efficiency, and have made efforts to reduce the environmental impact that occur through manufacturing processes. We are currently accumulating technology involving far infrared radiation heaters, and are providing customers in Japan and overseas with environmentally considerate products such as heaters that use less energy and other high-efficiency heating equipment, as we contribute to higher efficiency, lower energy use, and reduced space requirements in manufacturing.

The Noritake Group engages in ongoing social contribution activities in Japan and overseas. The porcelain manufacturing company that we established in Sri Lanka in 1972, NLPL, is the core plant for our Tabletop Group while also serving as a place for interaction with surrounding companies and local residents. The company is active in social contribution activities, such as repairing of roads damaged by flooding, support for schools and hospitals, blood donation, visiting

senior homes, and more. Through these activities, we engage good relations with the Sri Lankan government.

We have also opened a part of the grounds of the Noritake headquarters (Nagoya, Aichi Prefecture) to the public as Noritake Garden to express our gratitude towards the local community. The facility promotes industrial tourism and contributes to the environment. This Garden is visited by about 350,000 people a year, reaching a cumulative 7 million visitors in 2019. Equipped with a museum, a gallery, and other attractions, the Garden is a place where people can relax. It will also serve as a temporary shelter for people unable to return home at a time of disasters.

Initiatives for work style reforms and diversity

While recognizing that protection of the safety and health of all workers is the highest-priority to all of our corporate activities, the Noritake Group works to create safe, comfortable, and motivating workplaces. Our basic approach to work styles come from the understanding that ensuring compatibility between work and private life leads to both good outcomes in work and a well-balanced life. Each worker has their own circumstances, and the company has a responsibility to prepare environments in which all employees can work without problem. Since 2017, we have worked to enhance our programs for supporting a balance between jobs and lifestyles, creating a new "Long-term Family Care Leave Program", "By-The-Hour Annual Paid Vacation", "Child Care And Family Care Flextime Program", and "Work Program for Medical Care Support", while also taking away upper limits on accumulated years under the "Expired Annual Leave Program".

What is also important in promoting work style reforms is to improve work efficiency and to achieve the same outcomes as usual while working shorter hours. The Noritake Group is moving ahead with work style reforms in line with the enhancement of the "Noritake Manufacturing." Our manufacturing and engineering departments engage in M3-1 activities while our sales and management departments conduct S3-1 activities, pursuing standardization of work, multi-skill acquisition, and the elimination of irrationality, waste, and inconsistency through the participation of all employees. Through the activities, we achieve workplaces where people do not need to work overtime and take paid leaves as they need.

We have also addressed diversity from the time of our founding. In recent years, we have accelerated activities by setting target values for the promotion of active participation by women. As a result of activities conducted since fiscal 2016, we have achieved a female employment ratio of 44% against a target of 30% for office and sales positions, and 32% against a target of 20% for engineering positions. We met both targets by a significant margin. As for our general course employment target, which we have set for the purpose of increasing the number of women in managerial posts, we achieved 1.4 times the target with 42 persons. Not only increasing the employment ratio, we also constructed a career formation program premised on child care leave and work during child care that is required for female employees to continue working. We held training for female employees and their superiors, to promote understanding of these programs, as well as creating a handbook on support for balancing work with child care.

Moreover, we will realize improvement of workplace environments and promote capability and career formation, under our new "Action Plan Based on the Act on Promotion of Women's Participation and Advancement in the Workplace," settled in April 2019.

A message to our stakeholders

The Noritake Group aims to be a company in which all employees follow the principle of "Good Quality, Export and Co-prosperity" and contribute to society by providing good products and good services. Since I took the position of president, I have wanted to break down our staid company culture and effect a transformation to an energetic company, while respecting the traditions and history that we have built. One method for doing so has been the establishment of our new Executive Officer system, by which employees serve as executive officers while maintaining their regular positions. By doing so, we hope to take the energetic power of employees in their 40s and early 50s, to leverage in management.

I see the Noritake Group as a ship, with me as a captain. It is my role and my mission to clearly indicate to shareholders, customers, employees, business partners, communities, and other stakeholders the course that we should take, and to cooperate to head the same shared destination. Please sail together with the Noritake Group toward the bright future.

