

*Noritake*

NORITAKE  
CORPORATE REPORT

2020



## 「我力社ノ精神」

一、海外貿易ハ四海兄弟人權拡張共同  
幸福ヲ得テ永ク世界ノ平和ヲ保チ  
国家富強ノ元ヲ開キ将来国家ニ  
志ス者ノ執ルベキ事業ト決心シ創  
立シタル社中也

一、私利ヲ不樂一身ヲ犠牲トシ後世国  
民ノ發達スルヲ樂トスルヲ目的トス

一、至誠ヲ心トシ信実ヲ旨トシ約束ヲ  
違ヘサル事

一、ウソヲツカズ慢心 イカリ 驕リ  
怠リ 私欲ヲ慎ム事

一、身ヲケガスナカレ朋友ハ肉身ヨリ  
大切ナリ 和合共力スル時ハ其功德  
金錢杯ノ及フ所ニアラズ終生ノ  
神靈ナリ

一、天ノ道ヲ信スヘシ天ハ人ノ為ニ万物  
ヲ經營シ寸時モ休ム事ナシ

右ノ條々ヲ鉄石心ヲ以勇氣昇天ノ如ク  
確守スベシ修養シテ怠ラサレハ心神ノ  
至誠天ニ通スベシ

## The Noritake Creed

In 1909, Ichizaemon Morimura, one of Noritake's founders, set down "The Noritake Creed," the philosophy to which our company is to adhere. Outlining concepts such as "Harmonious Coexistence and Co-prosperity," "Social Contribution," "Trust First," and "Integrity and Cooperation," have been upheld to this day, conducted by every member of the company.

## Corporate Motto

## Good Quality

Making all-out efforts to manufacture the finest quality products

## Export

Pursuing internationalism and contribute to society from a global perspective

## Co-prosperity

Growing and developing together with society as a good corporate citizen

## Noritake Group's Code of Ethics

## Ethics Standards

- 1 Put in practices Noritake's corporate motto of "Good Quality, Export, and Co-prosperity"
- 2 Observe the laws, regulations and social norms
- 3 Respect the human rights of employees
- 4 Preserve the global environment and contribute to affluent and comfortable local communities
- 5 Disclose information to shareholders, customers, and local communities

## Creation of Value

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## About the Noritake Group

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## Editorial policies

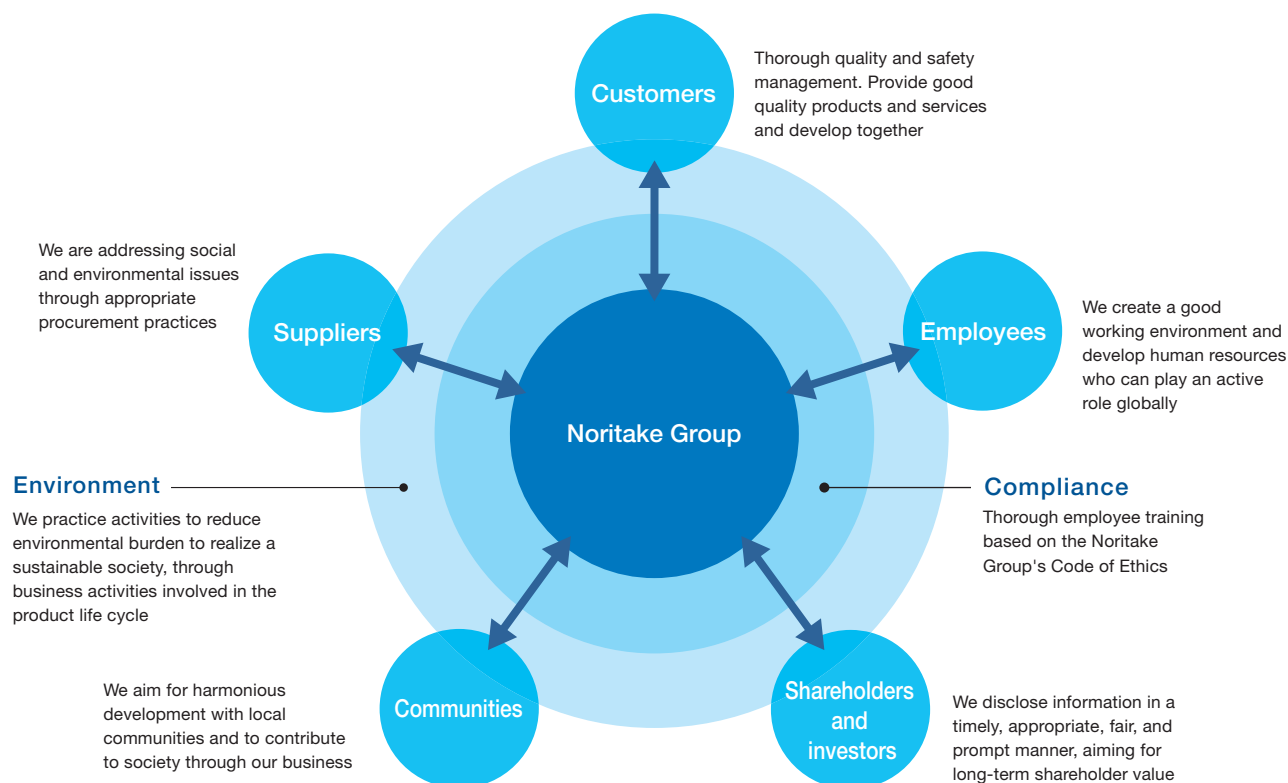
Noritake issues this report with the aim of communicating with stakeholders and gain their understanding of the company. We actively disclose information on our management plans, our business performances, and our initiatives involving society, environment, and corporate governance.

## Guidelines referenced

GRI (Global Reporting Initiative)  
Sustainability Reporting Guidelines (4th Edition)  
Ministry of Economy, Trade and Industry  
"Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation"  
International Organization for Standardization (ISO) ISO26000

## Forward-looking statements

Performance outlooks and other forward-looking statements contained in this report are prepared on the basis of currently available information and on assumptions considered to be reasonable. Please be aware that actual performance may differ due to various key factors.



## Our ESG

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## Financial and Company Data

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### Organizations covered

#### The Noritake Group

Some non-consolidated information of NORITAKE CO., LIMITED is included in the report.

### Period covered

#### Fiscal 2019

(April 01, 2019 to March 31, 2020)

Some fiscal 2020 activities are also included in the report.

### Visit our website

The content of this report and more detailed IR information can be viewed on our website.





Dinner plate of SEDAN,  
Japan's first dinner set  
completed in 1914

Noritake's history begins in the late 1800s, a heady age for Japan as the country emerged from centuries of isolation to interact with the rest of the world.

The company's founder, Ichizaemon Morimura, spurred by a desire to prevent Japan's wealth from being drained out of the country and buoyed by advice from scholar Yukichi Fukuzawa, a prominent leader of Japan's development at the time, set up an international trade business with the idea of generating wealth for the country and happiness for its people.

Trading with the outside world, Ichizaemon and his comrades met the beautiful, white porcelain of Europe which attracted their attention.

They longed to manufacture this work of art with exquisite craftsmanship and impeccable whiteness in Japan, and to contribute to society through their business.

In 1904, at the site of Noritake's current company headquarters, they established a ceramics factory, brimming with modern production equipment, and set about making authentic tableware.

Producing 25 cm plates, a core item of any dinner set, proved to be a challenge. The company's engineers and executives put their heads together to come up with a solution. After ten long years of research, they finally completed Noritake's first dinner set, named "SEDAN". This was, Japan's first domestically produced dinner set.

SEDAN established Noritake as a global tableware brand. Through the technologies we acquired through producing tablewares, Noritake developed new technologies and expanded its business to various fields.

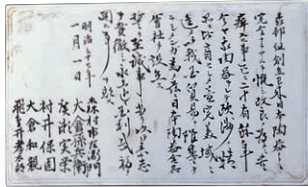




**1919** Succeeded in domestic production of liquid gold



**1955** Developed heated automatic potter's wheel molding machine



**1904** Established Nippon Toki Gomei Kaisha



**1932** Developed the first bone china in Japan



**1964** Introduced coated abrasives technologies

**1926** Succeeded in domestic production of decalcomania paper for tableware manufacturing



**1914** Succeeded in production of the first dinner set in Japan



**1939** Began full-scale production of industrial grinding wheels



**1959** Developed ZZZ Grinding Wheel for ultra-heavy grinding



**1904** Establishment of the company

Having visited Europe and the United States many times, the executives tackled modernization of the company's management itself when building a factory with the latest equipment. They also poured their enthusiasm into improving employee benefit programs and developing human resources.



**1905** Opening of medical office

The company launched a medical office to manage the health of employees, and in 1926 established a health insurance association. (The photo is from 1934)



**1907** Publication of internal newsletter

The company issued an internal newsletter to educate and communicate to all employees. Initially, the newsletter content included Western essays on streamlining, along with instructive messages from company executives.



**1909** Enhancement of employee education

The company established an arts and crafts course for training painters and a general education course covering topics such as Japanese, mathematics, and English, laying the foundations for our employee education. As women tended to participate less, courses such as sewing were also added in 1919.

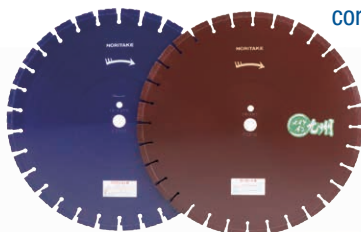
## 1. Strengths Cultivated through History



**1965**  
Developed heat-resistant porcelain  
(Progression China)



**1970**  
Launched  
non-water-based  
filtration equipment  
(A-0 Filter)



**1972**  
Began production of  
diamond tools



**1974**  
Introduced ceramic  
core technologies



**1984**  
Launched electrode paste for  
multi-layer ceramic capacitors

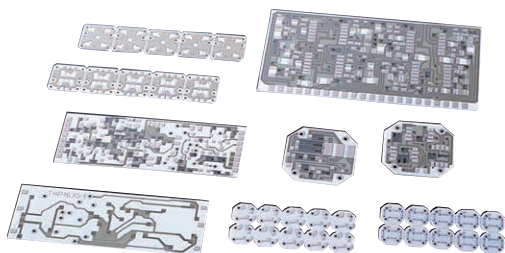
**1971** Succeeded in developing the world's first  
vitrified CBN grinding wheel



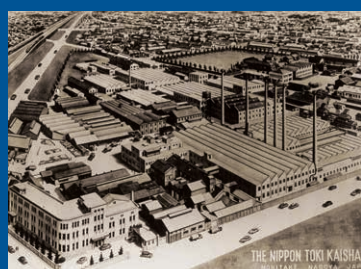
**1975** Launched Noritake  
Roller Hearth Kiln (RHK)



**1967** Developed printing technology  
for thick film circuits



**1973**  
Introduced static  
mixer technologies

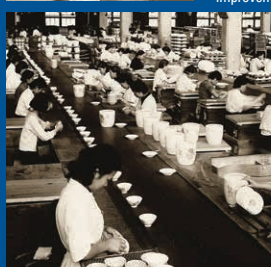


**1933 to 1939** Major factory reforms

We introduced conveyor belts and tunnel kilns to establish a streamlined mass production system for assembly line work, and became the first company in Japan's ceramics industry to switch from coal to gas fuel to resolve smog issues. We also improved earthquake resistance and greatly improved the working environment.



◀ Ceramic  
painting process  
Before  
improvement



▼ After  
improvement



**1946 to 1948** Rose China

Following the end of World War II, securing quality materials was difficult and skilled craftspersons were in short supply. We marked our products with the trademark Rose China until we were able to produce products worthy of the Noritake brand.



**1957** Established Corporate Motto

On the 50th year since our company's founding, we revisited our vision for the company and created our Corporate Motto: "Good Quality, Export, and Co-prosperity."

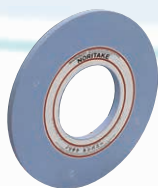




**1988** Developed Thin Cut Master  
(carbide tipped circular sawing machines)



**2012**  
Developed new white porcelain  
material LX-13 (Cher Blanc)



**1990** Developed ceramic  
grain wheel (CX wheel)

**1998** Launched large-panel heating  
furnaces for PDPs



**1967 ZD (Zero Defects) initiative**

We rolled out Zero Defects, an initiative that began in the US in the 1960s, across the company with the aim of achieving zero defective products.



**2001 Opening of Noritake Garden**

In commemorating the 100th anniversary of Noritake, Noritake Garden was created on the premise of our headquarter to express gratitude to the local community and contribute to the environment.

## Industrial Products Business

We are one of largest comprehensive manufactures of grinding and polishing tools in Japan, supporting indispensable processes in manufacturing - cutting, shaving, and polishing materials - through world-class technologies. We contribute to the development of many industries, including automobiles, steel, bearings, aircraft, shipbuilding, medical care, and semiconductors.

### Main products

Grinding wheels, Diamond wheels and tools, CBN wheels, Coated abrasive, Dressers, Grinding/polishing-related products (grinding oil, etc.)

## Ceramics & Materials Business

Crushing, mixing, molding, and painting / decorating patterns... Our technologies cultivated through the manufacturing of tableware produce one-of-a-kind materials and components that play roles in many fields. These products support a number of industries including the manufacture of electronic components such as multi-layer ceramic capacitors and components for automobiles, LED lighting, medical devices, display devices, and jet engines.

### Main products

Electronic paste, Thick film circuit substrate, Ceramic cores, Catalyst carriers, Decalcomania paper, Plaster, Ceramic raw materials, Electronic ceramic powder, Vacuum fluorescent displays and modules, etc.

## Engineering Business

With our core technologies of heating, mixing, filtering, and cutting, we provide wide range of engineering equipment to a variety of industries including automotive, electronic components, chemicals, medicines, and food. We contribute to greater efficiency and energy savings in the manufacturing workplaces. We develop and design drying furnaces, heating furnaces, mixers, filtration equipment, cutting machines, and other equipment to match the customers' needs.

### Main products

High-efficiency heating furnace roller hearth kiln, Far-infrared drying furnace, Mixing and stirring machines (static mixer, etc.), Coolant filtration system, Cutting machine, etc.

## Tabletop Business

For over 100 years, Noritake tableware has been loved around the world. We offer a wide lineup of beautiful and easy-to-use tableware for daily use at home and for gifts, as well as for commercial use in hotels, restaurants, in-flight service, and more. By providing products infused with impeccable quality and taste, we enrich our customers' lives.

### Main products

Porcelain tableware, Other tableware-related products, Decorations/works of art, etc.

# Developing ceramics technologies to provide new value to society

Noritake's 115-year history began in 1904. We have applied and advanced porcelain technology cultivated through the manufacture of tableware to create a variety of ceramics technologies and products. Today, these are used in a wide range of fields, from automobiles, steel, and electronic components to food and pharmaceuticals.

## INPUT

(Fiscal 2019)

### 01 Financial capital

■ Total assets  
**1,459** hundred million yen

■ Cash and deposits  
**126** hundred million yen

### 02 Manufacturing capital

■ Equipment investment  
**90** hundred million yen

■ Fixed assets  
**774** hundred million yen

### 03 Intellectual capital

■ R&D investment  
**26** hundred million yen

■ Number of patents held  
**599** patents

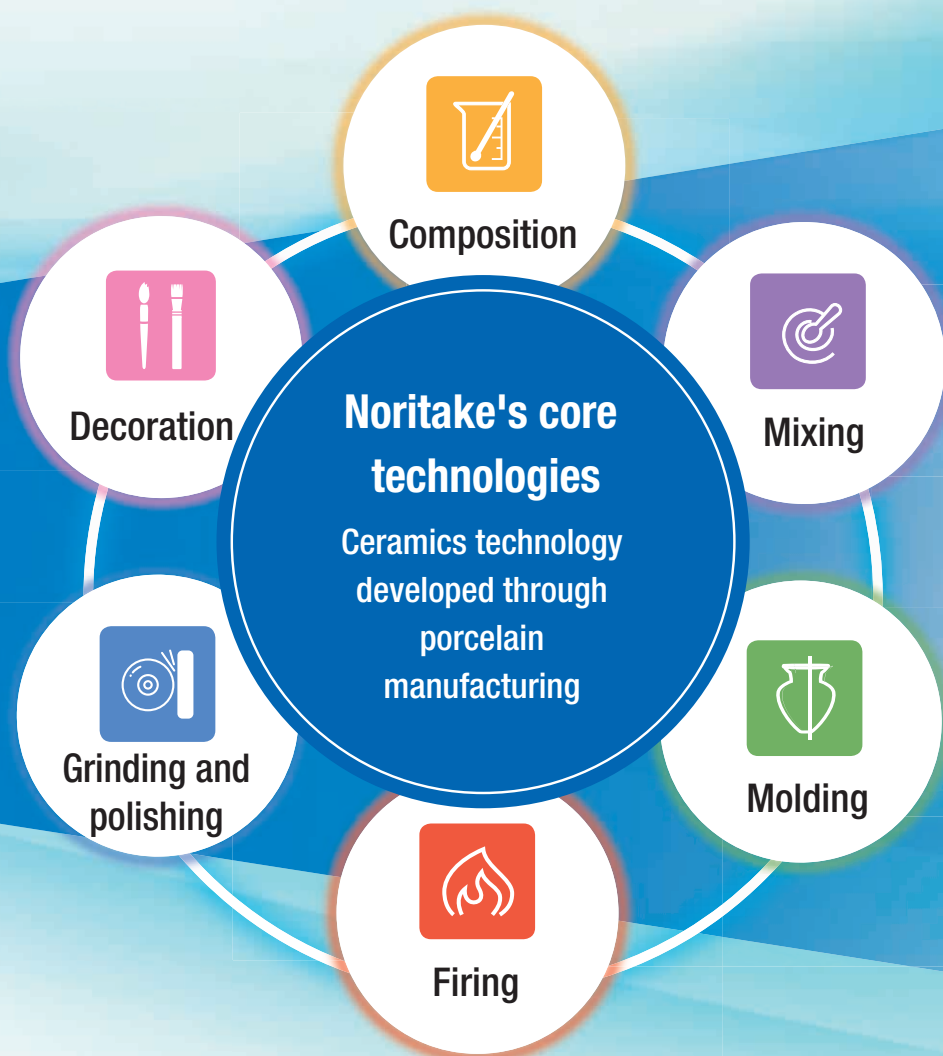
### 04 Human capital

■ Number of employees  
**5,120** people

### 05 Societal capital

■ Domestic consolidated subsidiaries  
**11** companies

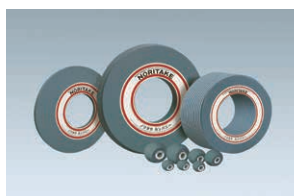
■ Overseas consolidated subsidiaries  
**12** companies



The Noritake Creed



## Diversified businesses to address social issues



### Grinding wheels

Grinding wheels are used to grind and polish materials in the manufacturing processes of many items, from automobile components to syringes. Our company boasts world-class processing precision and efficiency.

### Industrial Products Business



### Electronic paste

Electronic paste is used as a material in electronic components mounted in smartphones and other electronic devices. Our stable quality has earned us a high reputation among customers.



### Ceramic cores

Ceramic cores are used to create a hollow structure for the blades of power station and aircraft turbines. Their accuracy of form and dimensions contribute to production of high-precision cast items.

### Ceramics & Materials Business



### Drying furnaces, heating furnaces

Noritake's drying furnaces and heating furnaces began from the firing of painted porcelain. Our furnaces are characterized by accurate atmosphere adjustment and temperature control. They are used in many sectors, including automobiles and electronic components.

### Engineering Business



### Tableware

We offer enriched living through products made with the highest quality and elegance. Our technologies cultivated in the manufacture of tableware have now led to a variety of ceramics technologies and products.

### Tabletop Business

# OUTPUT

(Fiscal 2019)

## OUTPUT 01

### Net Sales

**1,206** hundred million yen

## OUTPUT 02

### Profit Attributable to Owners of Parent

**63** hundred million yen

## OUTPUT 03

### Return on Equity

**3.3** %

## OUTPUT 04

### Capital Ratio

**69.0** %

\* FY2019 consolidated basis

# TOP MESSAGE

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To be a company that contributes to society,  
Noritake will create businesses in step with the  
times with our unique technological capabilities  
and global network.



*Hiroshi Kato*  
Representative Director & President

## A review of fiscal 2019 and our progress under our Three-year Business Plan

Japan's economy remained weak, particularly in the manufacturing industry, due to a decline in exports. The US economy remained fairly strong due to a robust consumer spending. Business conditions in Europe were sluggish, while China continued its gradual slowdown due to causes including trade friction with the US. COVID-19 spread around the world from the fourth quarter onward, creating economic impacts that are expected to be protracted.

Amid these circumstances, the Noritake Group's fiscal 2019 performance yielded net sales of 120,611 million yen (a decrease of 4.1% from the previous year), operating profit of 4,207 million yen (a decrease of 43.8% from the previous year), and ordinary profit of 6,312 million yen.

In fiscal year 2019, the first year of the 11th Three-year Business Plan, our Group worked as one to tackle the following four basic strategies.

### 01 » Promote development of competitive new products and new technologies

Our Industrial Products Business is developing new products for the electrification of vehicles, while our Ceramics & Materials Business is working to develop new products for multi-layer ceramic capacitors.

### 02 » Reinforcement of overseas production sites and promotion of overseas market development

We began construction of a new plant to produce large grinding wheels in Suzhou, China, with production scheduled to start in June 2020. While delays have occurred because of the COVID-19 pandemic, we expect to begin full-scale operation soon. At our gypsum subsidiary in Thailand, we increased our investment ratio to improve management efficiency, and successfully completed an expansion of manufacturing facilities to meet increasing demand in Southeast Asia.

### 03 » Reconstruction of our domestic sales structure and manufacturing structure

In the Industrial Products Business, we have begun examining the efficient operation of sales and distribution bases, including in our Group companies. In the Ceramics & Materials Business, we built and expanded domestic plant facilities to increase our production capacity of multi-layer ceramic capacitor materials, for which demand is expected to grow under the proliferation of the 5G next-generation communication standard and the Internet of Things (IoT) that connects all things to the Internet.

### 04 » Unification of business activities with activities to strengthen manufacturing, environmental activities, occupational safety and health activities and work style reform

We drafted plans for company-wide activities in line with our Business Plan, and in fiscal 2019 we worked to identify issues and adopted countermeasures in each of our businesses. We also strengthened our corporate governance structure through actions including establishment of Nomination and Compensation Committee and conducted third-party evaluations of our Board of Directors.

The outlook for the global economy in fiscal 2020 is very unclear, considering the risks from climate change and natural disasters, movements due to trade issues, and fears of economic stagnation due to the COVID-19 pandemic. The business environment surrounding our Group has become increasingly severe, and we expect difficulties in forecasting business performance. However, we continue enhancing the company's vitality by addressing the three management issues that we set forth in our 11th Three-year Business Plan.

### Management Issues

- 1 Enhancement of growth and profitability
- 2 Acceleration of investment (M&A, equipment, and development)
- 3 ESG (Environmental, Social, and Governance) initiatives





Even in the face of adversity,  
we will keep strengthening the foundations of  
the Group's management, and grow into an even  
stronger organization.

#### Creating new value by leveraging the Group's strength in technology

Over 115 years since its founding, Noritake is now developing a wide range of businesses. I am honored to state that in our history, we always sought and met the needs in the world by developing and applying the technologies we cultivated through tableware manufacturing, which is the starting point of the company.

Our company was founded with the aim to prosper Japan through overseas trade. The company actively expanded its business to overseas market since the dawn, and has established sales bases and plants in many locations. Our Industrial Products Business is currently focused on overseas expansion, with the aim of establishing a "structure of local production for local consumption" by setting up a factory that will serve as a hub in China.

Not only had we successfully manufactured Japan's first dinner sets, we passionately worked to develop the technologies and products to meet the change and the needs of the time. High-quality polishing and grinding wheels are one of the examples. The spirit of Noritake is deeply inherited throughout the company. We believe we can make new innovations, especially from Ceramics & Materials Business and Engineering Business. In particular, we intend to focus on technological development in advanced fields related to the mobile communication industry, including the 5G next-generation communications standard and the IoT that connects all things to internet. By doing so, we aim to create values unique to Noritake and contribute to society.

Noritake will create businesses in step with the times with our unique technological capabilities and global network.

businesses to identify issues regarding impacts on society and the environment. We continue promoting the development of products, with lower impact on the environment and the reduction of CO<sub>2</sub> in product manufacturing processes, in order to tackle social issues. We are further examining our governance and reviewing related structures in light of the Noritake Group's Code of Ethics, which is based on the Noritake Creed that has been handed down since our founding.

If we are unable to provide products that meet the interest and demands of the times and of society, we will face difficulty in continuing any of our businesses. From that aspect, we are also making efforts to secure sustainable supply chains and to hand down our skills to next generations.

In fiscal 2019, we established the Nomination & Compensation Committee to further strengthen our corporate governance structure. This allows us to ensure rationality and transparency in personnel of board members and in determination of their compensation. We also developed various company-wide activities, having the Noritake Manufacturing Committee, Environmental Committee, and Central Safety and Health Committee, all of which I chair, as the core. In order to improve the quality of our manufacturing, we dedicate to activities related to safety, quality, production and environment.

I often visit and observe work sites by myself so that I can identify actual problems and issues. In fiscal 2019, I visited a number of manufacturing sites as the chairman of the Noritake Manufacturing Committee to check the status of the activities at each spots and to implement improvements.

Regarding environmental activities, under our Group-wide management system, divisions lead to consider environmental risks and opportunities and formulate action plans to promote environmentally friendly products and reducing environmental impacts. This is incorporated deeply to our business activities.

#### What the Noritake Group can do to achieve a sustainable society through its businesses

The Noritake Group sets conservation of the environments as a key issue for management, and seeks to contribute to the achievement of a sustainable society through our business activities. We also believe that ESG investment, which emphasizes corporate environmental, social, and governance initiatives, is essential to the formation of a sustainable society. It can be used continuously as a metric for the long-term growth of a company, and once activated as a cycle, can be expected to exhibit considerable societal effect.

Our Group focuses on ESG management, and is working throughout our

#### Enhancing the vitality of both employees and the company through work style reform

While recognizing that protection of the health and safety of all workers is the highest priority of all of our corporate activities, the Noritake Group works to create safe, comfortable, and motivating workplaces. In April 2020, we announced our Health Management Declaration. Understanding that the vitality of our employees is the wellspring of our corporate vitality, we will work actively to promote the health of employees and their families. To begin with, we held health seminars and events at all of our Group companies to raise employees' health awareness and to improve their physical and mental health.



Our basic approach to work style reform comes from the understanding that ensuring compatibility between work and private life leads to both good outcomes in work and a well-balanced life. Every worker has their own circumstances, and the company has a responsibility to prepare environments in which all employees can work without problem. The Noritake Group is continuously enhancing its systems to support work styles so that we can flexibly correspond to situations such as childcare, nursing care and medical treatment. For pregnant employees before maternity leave, we recently established new maternity programs for shortened working hours and flextime. Under the COVID-19 pandemic, we adopted staggered commuting times, telecommuting, and other measures matched to the circumstances to ensure safety of our employees.

Under the "Action Plan Based on the Act on Promotion of Woman's Participation and Advancement in the Workplace" that we settled in April 2019, we are passionately working to improve workplace environments and promote capability of career formation. As a result, we achieved our target of increasing the number of female personnel by 25% from fiscal 2018, ahead of schedule.

We will continue making efforts to increase the number of key female personnel to create environments in which women can realize their abilities and to foster a culture that promotes the active role of women. Our target is to double the number of female managers from the number of that of fiscal 2018. In addition to taking measures for female employees, we will also work to raise the awareness of the superiors and male employees to have their understandings.

In recognition of these efforts, Noritake was selected as an Aichi Josei Kagayaki Company, a designation by Aichi Prefecture for companies that actively promotes women's career advancement.

## Message to our stakeholders

Return of profits to shareholders is our Group's highly important management policy. While keeping the continuation of long-term and stable dividends as our base, we comprehensively examine business performance, financial conditions and future business forecast to carry out distribution of financial results. Based on comprehensive consideration of business performance, the future business environment and our business outlook, we set the year-end dividend for fiscal 2019 to 50 yen per share (for 100 yen per year for the year-end and interim dividends combined).

The Noritake Group will contribute to society with all of our employees embodying the Corporate Motto of "Good Quality, Export, Co-prosperity" and providing good products and good services. We recognize that our responsibility and mission is to listen sincerely to our shareholders, customers, employees, local communities and all other stakeholders, and to appropriately and promptly respond to their opinions. Under that recognition, we will always strive to remain as a company that is needed by society.

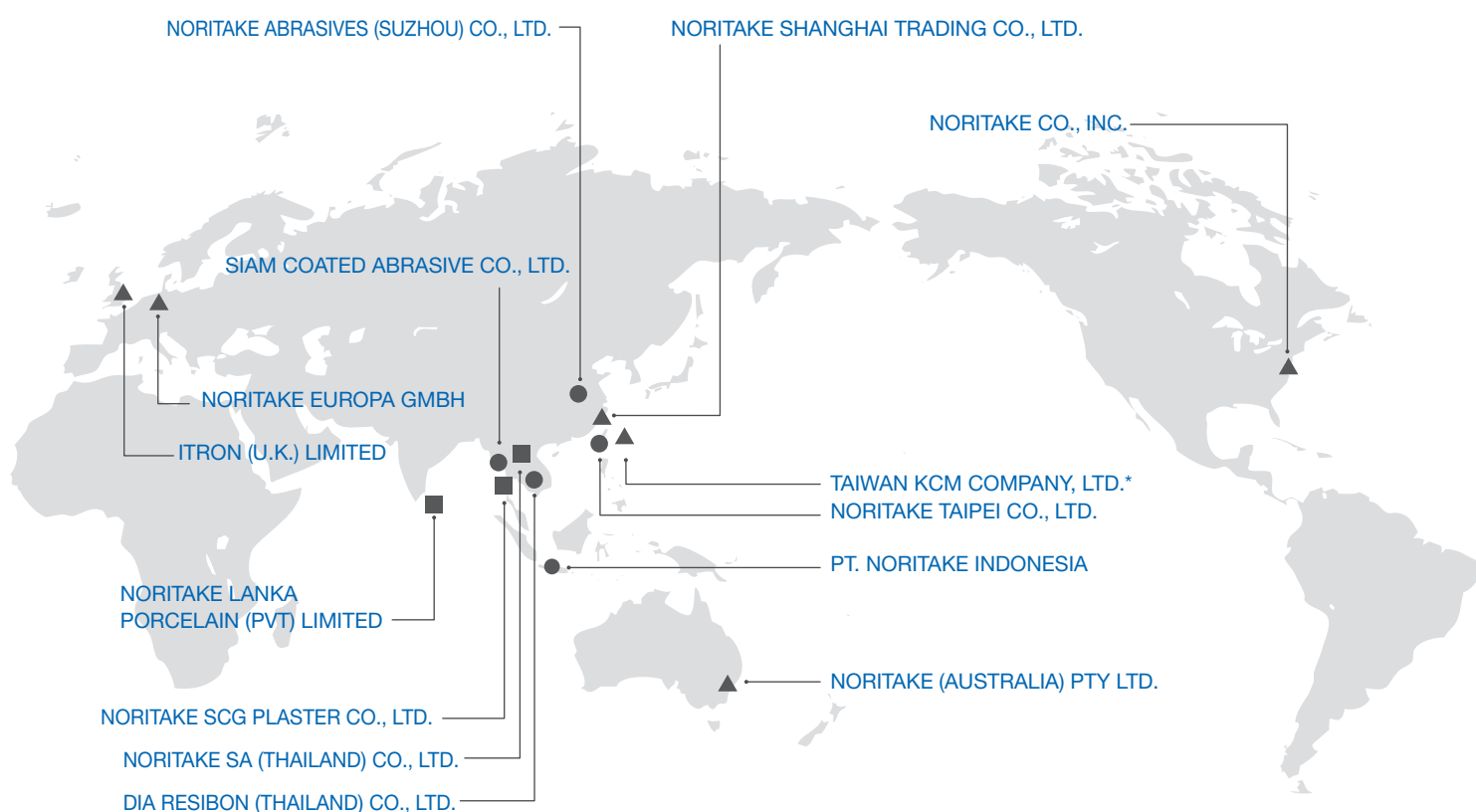
Although we must sail and navigate fiscal 2020 while the hard wind is blowing against us, the unprecedented global pandemic, we will work to strengthen the Group's management foundations and grow into an organization that generates even greater vitality of our Three-year Business Plan. We ask for your continued support.



# Global Operations of the Noritake Group

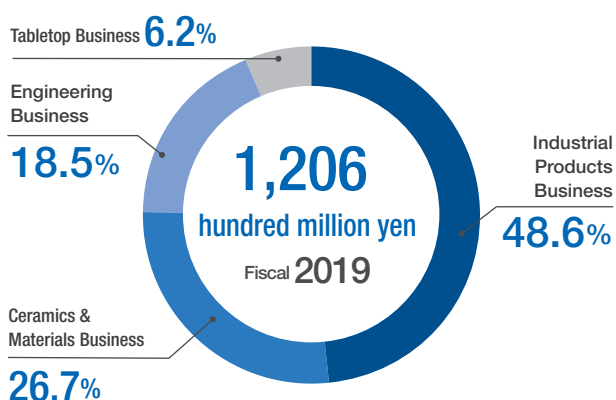
The Company has 25 subsidiaries and 7 affiliated companies in Japan and overseas as the Noritake Group.

These group companies will seek for the best working environment and the best systems as well as protecting the human rights of workers. In addition they will develop activities and systems based on the circumstances of each company and the laws of the country.



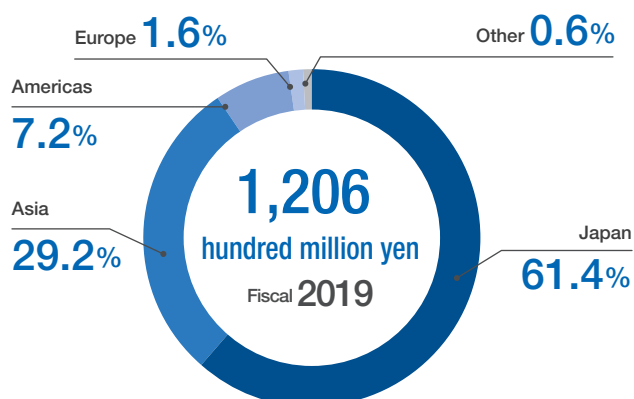
## By segment

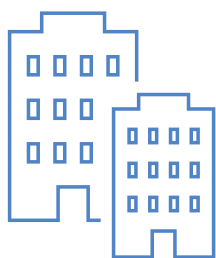
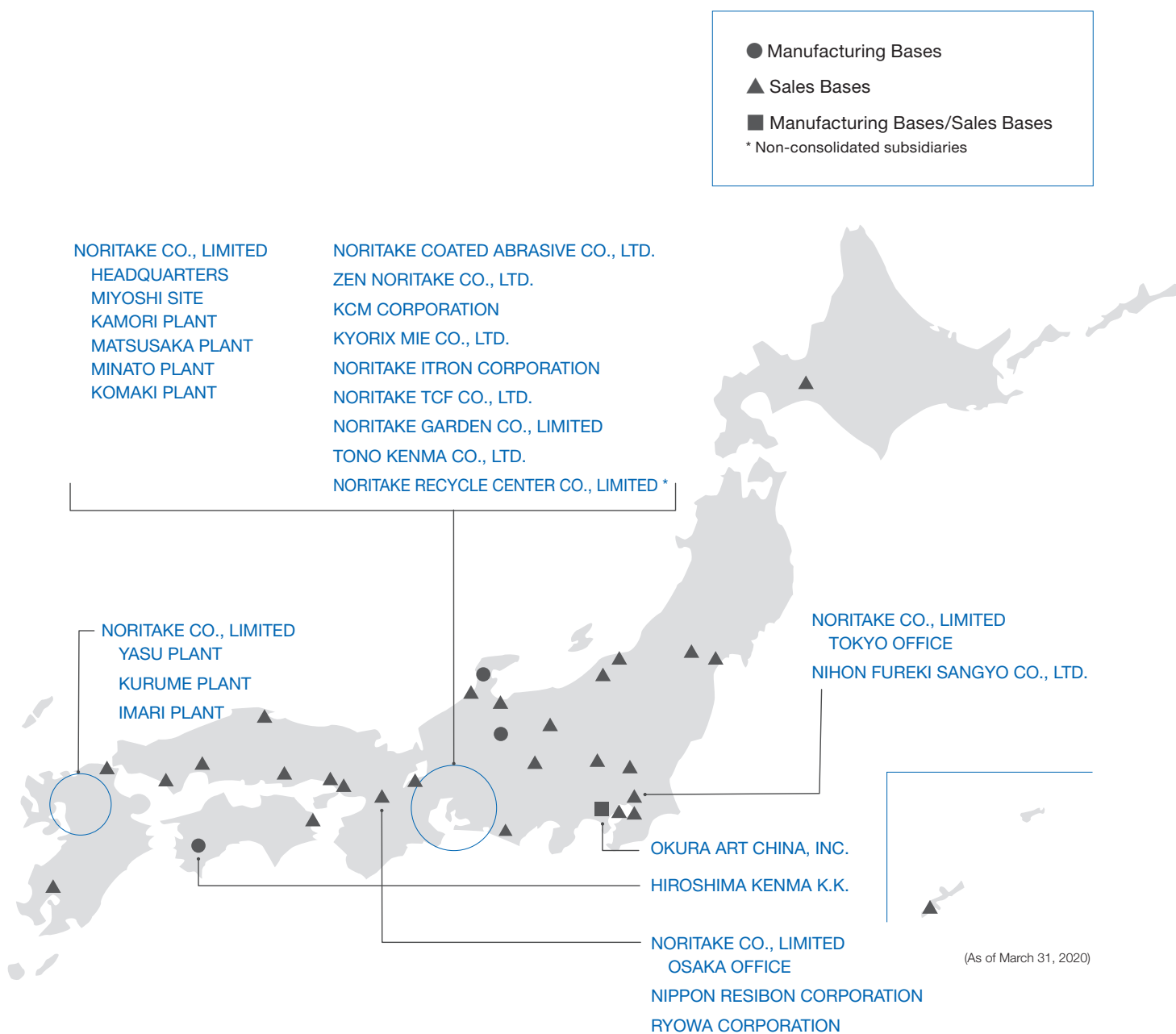
Net sales composition ratio



## By area

Net sales composition ratio





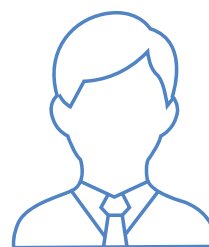
Number of consolidated subsidiaries

**23** Companies



Overseas bases

**9** Countries/regions



Number of employees

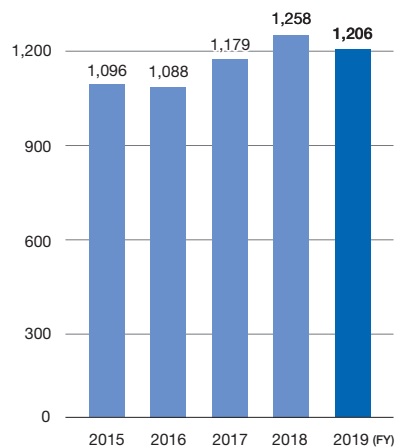
**5,120** People

\* Regular employees only

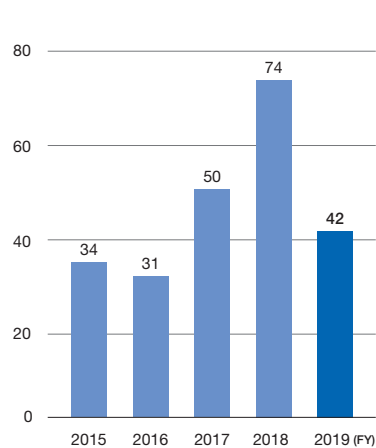
## Financial Highlights

Consolidated base

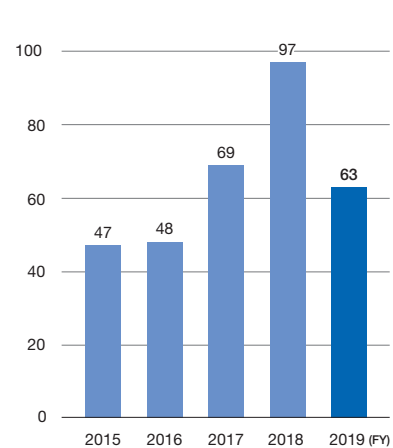
Net sales (Hundred million yen)



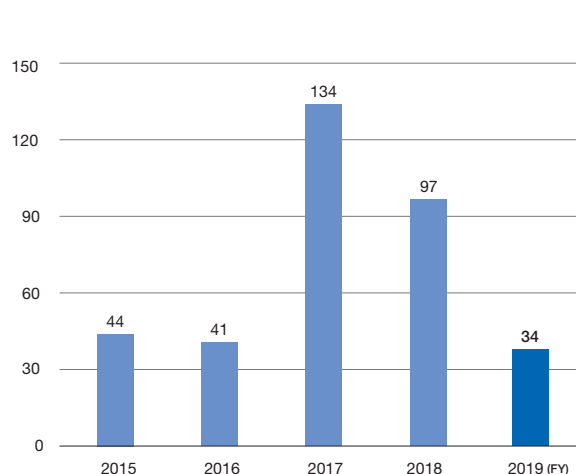
Operating profit (Hundred million yen)



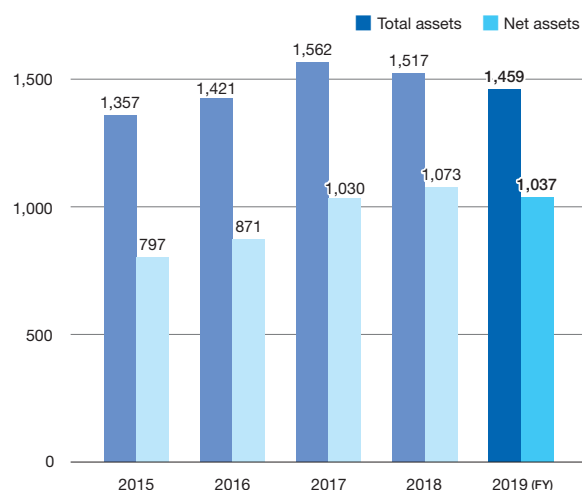
Ordinary profit (Hundred million yen)



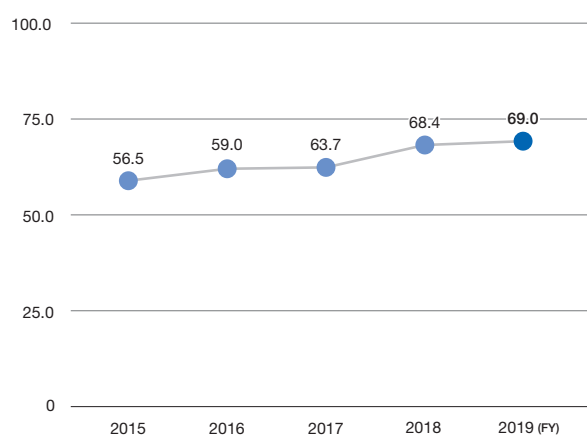
Profit (Hundred million yen)



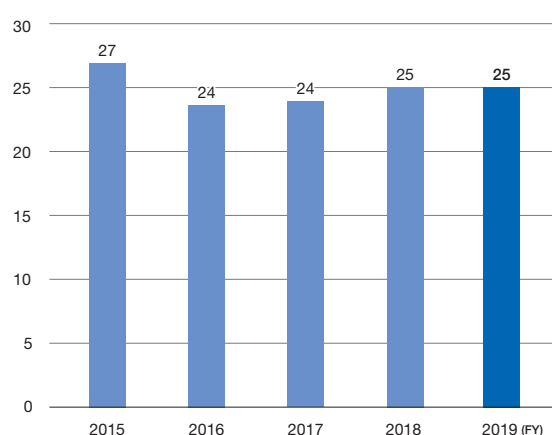
Total assets, net assets (Hundred million yen)



Capital ratio (%)



Research and development expenditures (Hundred million yen)

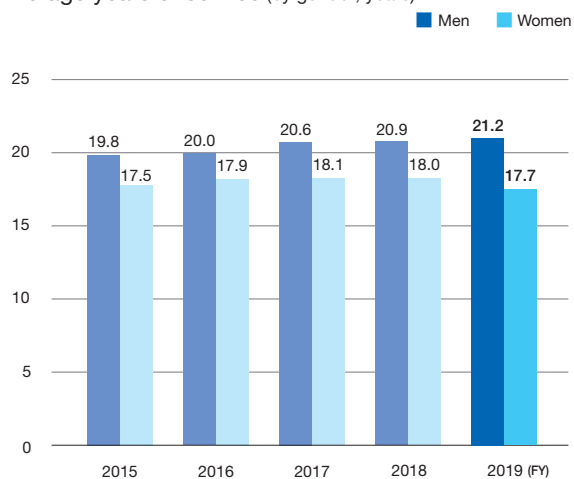




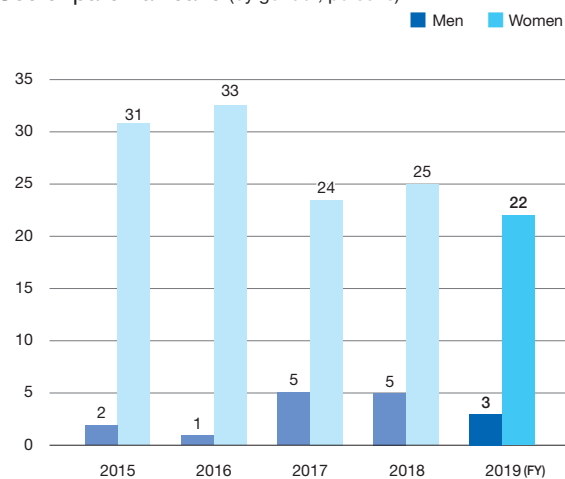
## Non-Financial Highlights

NORITAKE CO., LIMITED (non-consolidated)

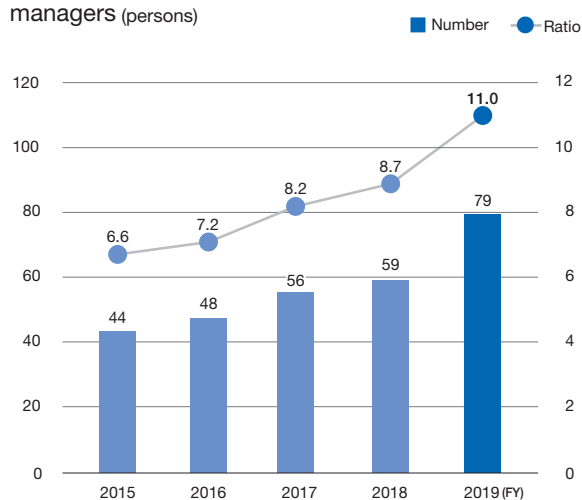
Average years of service (by gender; years)



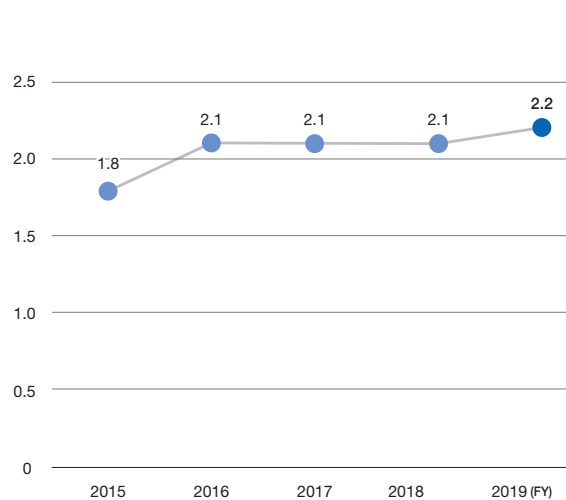
Use of parental leave (by gender; persons)



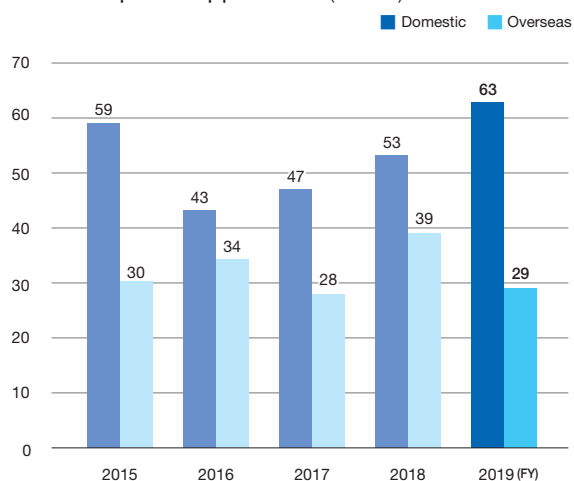
Ratio of female managers (%), number of female managers (persons)



Percentage of disabled employees (%)



Number of patent applications (number)



Number of employees by business (consolidated; persons)

	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
Industrial Products	2,546	2,613	2,561	2,620	2,617
Ceramics & Materials	937	934	919	887	895
Engineering	243	235	238	241	245
Tableware	1,105	1,093	1,082	1,135	1,141
Company-wide (shared)	223	222	212	208	222
<b>Total</b>	<b>5,054</b>	<b>5,097</b>	<b>5,012</b>	<b>5,091</b>	<b>5,120</b>

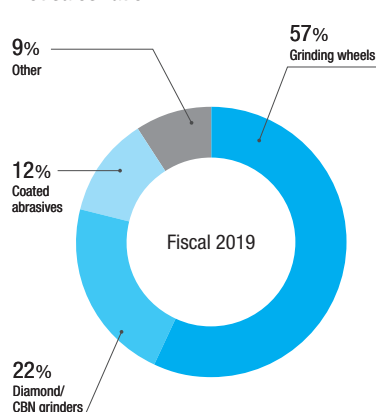
# Industrial Products Business



Group General Manager of  
Industrial Products Group  
**Akira Higashiyama**

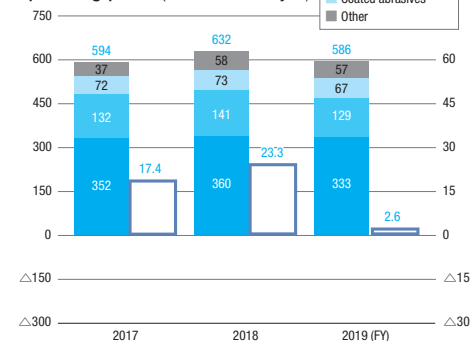
We are one of the largest comprehensive manufacturers of grinding and polishing tools in Japan, using world-class technology to support the materials shaving, polishing, and cutting processes that are indispensable in manufacturing. Our Group includes companies such as Nippon Resibon Corporation and Hiroshima Kenma K.K., which handle offset grinding wheels and other general-purpose grinding wheels, and Noritake Coated Abrasive Co., Ltd., which handles abrasive-coated paper. Through a wide product lineup, we contribute to the development of many industries, including automobiles, steel, bearings, aircraft, shipbuilding, medical care, and semiconductors.

Net sales ratio



Net sales (hundred million yen)

Operating profit (hundred million yen)



Net sales (hundred million yen)

Operating profit (hundred million yen)

## Main products

- Grinding wheels
- Diamond wheels and tools
- CBN wheels
- Coated abrasives
- Dressers
- Grinding/polishing-related products (grinding oil, etc.)

## TOPICS

### Construction of a new plant to produce large grindstones for steel at Suzhou, China

We have manufactured grinding wheels for steel manufacturers at Noritake Abrasives (Suzhou) Co., Ltd., a Chinese manufacturing company. We constructed a new plant and expanded our manufacturing facilities to manufacture large grinding wheels for the market, for which demand is growing worldwide. We will supply the products to the Chinese market as well as to markets in Europe, India, and other areas of the world.

Despite impacts from the COVID-19 pandemic, production lines in the new plant is likely to begin its full-scale operation soon. Through going into the market for large grinding wheels for steel manufacturers, we aim to become the No.1 in the world in this field and accelerate the expansion of our global business.



Grinding wheels for steel manufacturers



NORITAKE ABRASIVES (SUZHOU) CO., LTD.

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## Performance in fiscal 2019

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In fiscal 2019, domestic production in the automobile, steel, and bearing industries, the mainstays of the Industrial Products Business, remained sluggish. Overseas, lower automobile sales in North America and Southeast Asia led to lower production. Steel production remained at a high level in China, but declined overseas as a whole. In the semiconductor market, the strong performance that had continued through 2018 slowed, stocks accumulated, and production began to decline. Sales of offset grinding

wheels and other general-purpose grinding wheels were sluggish both in Japan and overseas. In addition, COVID-19 spread worldwide in the fourth quarter, causing stagnation in economies and production structures worldwide. As a result, net sales in the Industrial Products Business were 58,579 million yen (a decrease of 7.3% from the previous year) while operating profit was 258 million yen (a decrease of 88.9% from the previous year).

## Progress of the Three-year Business Plan

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Under the 11th Three-year Business Plan that began in fiscal 2019, we have set "reinforcement of overseas production sites and promotion of overseas market development" and "reconstruction of our domestic sales structure and manufacturing structure" as basic strategies. First, aiming to capture expected future growth in overseas demand, we are working to develop markets by building a global manufacturing and sales structure centered on China, Thailand, North America and other markets. Next, we are working to improve our business efficiency by improving and restructuring our manufacturing and sales bases in Japan and overseas.

We are also focusing efforts on promoting the development of new competitive products and new technologies for growth areas such as electric automobiles and the Internet of Things (IoT), and aim to maintain and improve our market share while opening up new markets. We are promoting technological and product development in our aim to become the top in the world in each of our fields, and are aggressively allocating management resources to advanced fields to enhance our technical services.

## Our medium- to long-term business vision

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After beginning full-scale manufacture of industrial grinding wheels in 1939, Noritake began manufacturing coated abrasives in 1965 (currently by Noritake Coated Abrasive). We developed the world's first vitrified CBN wheel in 1971, and began manufacturing diamond wheels and tools in 1972. We have also established domestic and overseas sales networks as well as overseas manufacturing bases. We expanded our product lineup in 2014 by welcoming a new company to the Noritake Group, Nippon Resibon, which manufactures and sells offset grinding wheels and other general-purpose grinding wheels in Japan and overseas. As a comprehensive manufacturer of grinding and polishing tools, we have played a part in growth and technological innovation in industries including the automobile, steel, and bearing industries, all of which are indispensable industries in building the foundation of our society and the economy.

With the economies of developed countries such as Japan have now matured, we find ourselves pressed to carry out global economic activities through new means, in response to changes in the global environment and society. The need for grinding tools and peripheral equipments adapted to further technological innovation in different industries is expected to grow. In addition, more difficult grinding technologies will be required for non-ferrous

metal materials, metal substitute materials, and the field of next-generation mobility. In these new areas, too, we want to utilize the basic and elemental technologies cultivated by our Group, to contribute to industrial development and the resolution of social issues around the globe.

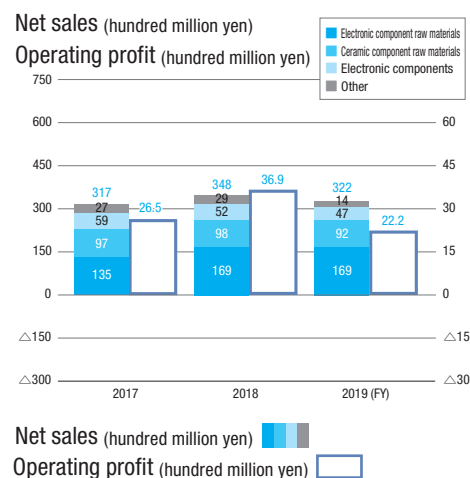
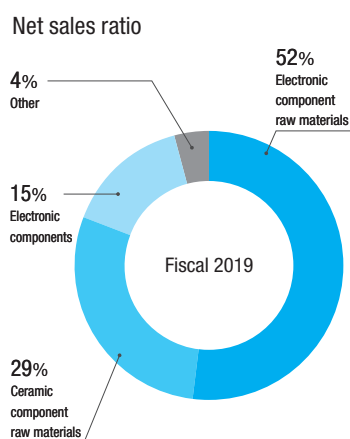
We will make relationships among Group companies stronger and will work toward improvement of production efficiency, expansion of our sales bases, utilization of mutual technologies, development and promotion of human resources, and other activities to achieve revitalization across the Group. The development of new products will require the abilities of our sales, technology, manufacturing divisions, and collaboration among these. We will create an organization that skillfully links these by improving the divisions' individual sales, technological, and manufacturing capabilities. We will place our focus on products that demonstrate the technological and manufacturing superiority of our Group, and will promote selection and focus initiatives by working to improve profitability through improved business efficiency. To achieve these transformations of business, we will further strengthen our human resource development. We will then connect these actions to the medium- to long-term expansion of the Industrial Products Business.

# Ceramics & Materials Business



Group General Manager of  
Ceramics & Materials Group  
**Hiroshi Yorita**

Crushing, mixing, molding, and painting / decorating patterns... Our technologies cultivated through the manufacturing of tableware produce one-of-a-kind materials and components that play roles in many fields. These products support a number of industries including the manufacture of electronic components such as multi-layer ceramic capacitors and components for automobiles, LED lighting, medical devices, display devices, and jet engines.



## Main products

- Electronic component raw materials
  - Electronic paste
  - Decalcomania paper
  - Electronic ceramic powder
- Ceramic component raw materials
  - Plaster
  - Ceramic raw materials
- Electronic components
  - Thick film circuit substrate
  - Vacuum fluorescent displays and modules
- Other
  - Catalyst carriers
  - Ceramic cores

## TOPICS

### Increasing production capacity at domestic factories to meet growing demand for high-speed communications

Demand for the electronic components known as multi-layer ceramic capacitors are increasing due to the increase of higher performance smartphones and electric vehicles. In anticipation of the proliferation of 5G, the IoT, and remote technologies, along with the advancing electrification of automobiles, we decided to expand production lines at new bases in the Ceramics & Materials Business. The purpose is to increase production of electronic paste, a material used in multi-layer ceramic capacitors, which are expected to see growing demand. The production line has already been completed, with mass production began in June 2020. Increasing lines in the new production base increases our production capacity and also formulate a business continuity planning (BCP) in preparation for disasters.



Electronic paste



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## Performance in fiscal 2019

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Despite strong sales of new products for multi-layer inductors, sales of electronic paste decreased significantly due to a decline in overseas production of smartphones and other communications equipment. Sales of electronic components increased slightly due to increased sales for automobiles and communication infrastructure, despite a decline in sales for consumer equipment. Sales of plaster increased only slightly amid an increase in sales to Asia but a decrease in sales within Japan. Sales of ceramic cores for gas turbines grew. Sales of

vacuum fluorescent displays decreased in North America and Europe. Sales of catalyst carriers declined significantly. Sales of thick film circuit substrate leveled off, with new applications making up for a decline associated with the end of sales for automotive use. As a result, net sales in the Ceramics & Materials Business were 32,240 million yen (a decrease of 7.4% from the previous year) while operating profit was 2,218 million yen (a decrease of 39.9% from the previous year).

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## Progress of the Three-year Business Plan

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Under the 11th Three-year Business Plan, the Ceramics & Materials Business will primarily undertake the strengthening of domestic and overseas production bases and the development of markets, along with the development of competitive new products and new technologies. Demand is expected to grow for electronic components that use electronic paste and electronic component materials, such as multi-layer ceramic capacitors and inductors. In fiscal 2019, we implemented a plan to increase production of electronic paste and electronic components, and worked to develop new products with the aim of expanding share among

domestic customers and cultivating new overseas customers.

For the ceramic cores used in the precision casting of components for gas turbines and jet engines, we will increase production lines at new production bases and will expand production capacity in the fall of 2020. For the plaster used in areas including ceramics, casting, architecture, and civil engineering, we increased our investment ratio in our Thai subsidiary to improve management efficiency, and expanded our manufacturing facilities to meet increasing demand in Southeast Asia.

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## Our medium- to long-term business vision

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A strength of our Ceramics & Materials Business is its ability to provide top-class, high quality products to a wide range of markets including information and communications, automobiles, and construction materials. The business inherits on advanced technologies cultivated by Noritake in the manufacture of tableware, such as technology for the crushing and dispersion of inorganic materials. Our lineup of products that apply to diverse markets shows that we have the technological capabilities to continually provide new value despite the rapid changes in the social environment. Up to now, we have met the demands of our customers and society by developing new products even during great changes in society and in regulations brought about by climate change and resource issues. In envisioning the future of the Ceramics & Materials Business, we believe that achieving technological superiority is the foundation. We also believe that continuing to earn trust by meeting the sophisticated demands of customers,

particularly in cutting-edge fields that call for speed in technological innovation, will be essential. To achieve our vision, we are actively engaging in joint development with customers.

At present, our overseas sales ratio is 48% (FY2019). This is centered on customers in Asia, where there is a large market for electronic paste and electronic components. In the future, we intend to accelerate business development in the Americas and Europe. We will develop products that can compete against the world's top manufacturers, and open up new markets.

Human resource development holds the key to realize this vision. While the COVID-19 pandemic forces restrictions on overseas travel, Japanese and local staff are protecting Noritake's technology and quality at our overseas bases. We intend to continue developing human resources who can play active roles globally, and to evolve into a strong corporate group that can win in more markets around the world.

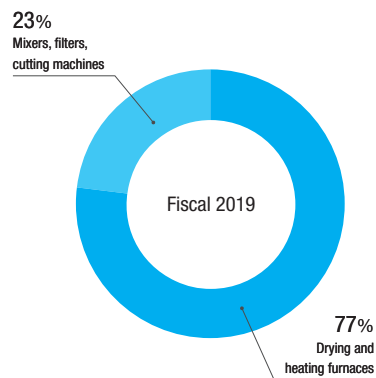
# Engineering Business



Group General Manager of  
Engineering Group  
**Tomoaki Maeda**

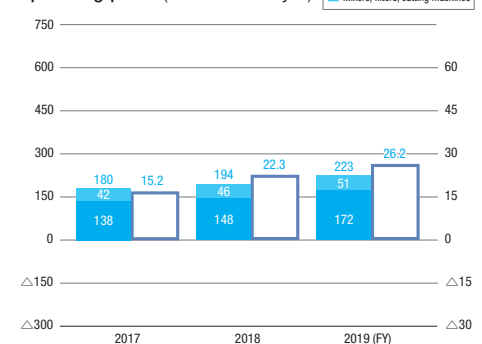
With our core technologies of heating, mixing, filtering, and cutting, we provide wide range of engineering equipment to a variety of industries including automotive, electronic components, chemicals, medicines, and food. We contribute to greater efficiency and energy savings in the manufacturing workplaces. We develop and design drying furnaces, heating furnaces, mixers, filtration equipment, cutting machines, and other equipment to match the customers' needs.

Net sales ratio



Net sales (hundred million yen)

Operating profit (hundred million yen)



Net sales (hundred million yen)

Operating profit (hundred million yen)

## Main products

- High-efficiency heating furnace roller hearth kiln
- Far-infrared drying furnace
- Mixing and stirring machines (static mixer, etc.)
- Coolant filtration system
- Cutting machine

## TOPICS

### Noritake's mixing and stirring machines contribute to the taste of sake

Noritake offers mixing and stirring machines used in the processing and mixing processes of foods such as miso paste and milk. Our products are installed at various food manufacturers. We have performed demonstration testing to see whether our technology can be applied to the production of sake. Through over two years of testing, we confirmed that our technology is effective in maintaining the taste and aroma of sake for a long period, and introduced our first equipment to a sake brewing line. Following that, we concluded deals for delivery to dozens of other brewers.

The brewing industry has long used the method of stirring raw materials in a tank for the mixing process. As our mixing and stirring machines performs mixing continuously inside sealed pipes, it greatly lessens the chance of contamination while shortening time and saving labor. Our equipment has already been adopted by some famous sake brands with exceptional tastes and by other brands with high market share. We are proud to offer our technology to contribute to the highly refined tastes of sake.



Heating sterilization equipment for sake brewing



Mixing and stirring machines (static mixer)

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## Performance in fiscal 2019

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The leading products of the Engineering Business<sup>1</sup>, drying furnaces and heating furnaces, exhibited strong performance due to active capital investment in the lithium-ion battery and electronic component sectors. Sales of mixing and stirring machines increased significantly due to robust sales to the chemical and food industries. Sales of filtration equipment in overseas market were sluggish, but sales increased overall due

to orders for large-scale domestic projects. Sales of cutting machines for the automobile industry and machine tool industry were sluggish, with sales decreased in both Japan and in overseas. As a result net sales of the Engineering Business were 22,326 million yen (an increase of 15.5% from the previous year) while operating profit was 2,616 million yen (an increase of 17.2% from the previous year).

## Progress of the Three-year Business Plan

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Under the 11th Three-year Business Plan, the Engineering Business primarily worked on the promotion of development of competitive new products and new technologies. Its mainstay products, drying furnaces and heating furnaces grew sales in the battery materials and electronic component sectors, which are involved in lithium-ion batteries and 5G. Concerns on shortages of battery materials and other factors had a positive effect on our business by increasing orders. At the same time, the industry is moving to develop new materials in response to shortages. The Engineering Business, too, is engaging in research and development of new products and technologies for new materials.

The Engineering Business worked to pioneer new applications for mixing and agitation equipment in the chemical and food sectors, and to strengthen sales of filtration equipment in the automobile and machine tool sectors. For cutting machines, the business expanded its lineup of products suitable for cutting not only general carbon steel and stainless steel but also non-ferrous metals such as aluminum alloys and nickel alloys, and carbon fiber reinforced plastic (CFRP). We will also work to further enhance our sales capabilities through expanding ancillary equipment and supporting on-site safety education.

## Our medium- to long-term business vision

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The mission of the Engineering Business is to contribute to our customers' technological innovation by proposing industrial machines and equipment suited to their applications, as new products and technologies appear in different industries. Based on the technologies we have nurtured and on our relationship and trust with our customers, we are developing new products and technologies and are pioneering new applications in the fields of energy, automobiles, and electronics. As an example, the proliferation of electric vehicles (EVs) highly demands for lighter-weight vehicles and higher-efficiency lithium-ion batteries. Given this, we anticipate growing demand for the drying furnaces and heating furnaces that are mainstays of the Engineering Business, as well as greater need for their innovation. Accordingly, the Engineering Business is focusing on the development of new battery materials.

Moreover, as the environment and society undergo rapid changes in the face of resource and energy issues, we are also considering development aimed at the new energy sector, as well as entry into new fields such as chemicals and cosmetics. For example, through the development of fine bubble generators, we are pioneering applications in the fields of chemicals, bioproducts, and machining. Meanwhile, reduction of labor and the introduction of the IoT are ramping up worldwide through the advancement of artificial intelligence (AI) and sensing technologies. The Engineering Business will accelerate its development of new products and ancillary equipment to quickly meet needs for automation, continuous operation, and remote control.

The Engineering Business is inseparable from the growth of global industries and global environmental issues. We will always look ahead to the future, and contribute to society with our unique vision.

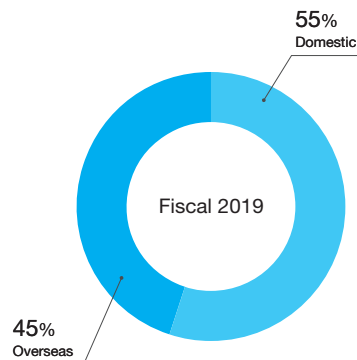
# Tabletop Business



Group General Manager of  
Tabletop Group  
**Munenari Mizukuchi**

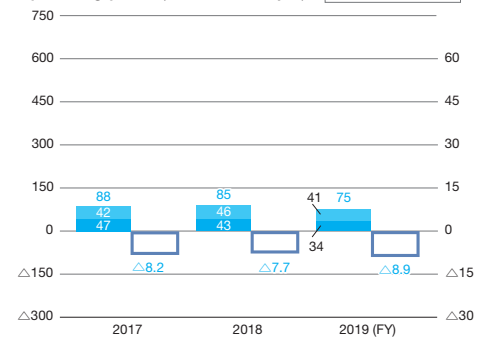
For over 100 years, Noritake tableware has been loved around the world. We offer a wide lineup of beautiful and easy-to-use tableware for daily use at home and for gifts, as well as for commercial use in hotels, restaurants, in-flight service, and more. By providing products infused with impeccable quality and taste, we enrich our customers' lives.

Net sales ratio



Net sales (hundred million yen)

Operating profit (hundred million yen)



Net sales (hundred million yen)

Operating profit (hundred million yen)

## Main products

- Porcelain tableware
- Other tableware-related products
- Decorations/works of art, etc.

## TOPICS

### Introducing the Japanese texture and fired color changes of the ORIGGI series to the world

ORIGGI is a stylish, à la carte plate series featuring a one-of-a-kind texture and coloration created by the way glaze changes in the kiln. It was born as a commercial series for hotels and restaurants. In 2020, we will expand the ORIGGI lineup and launch sales for home use. Made with a premium white material, the ORRIGI series has a sharpness and lightness that dramatically enhance foods



through its primitive touch and varying texture. Please enjoy your dish with our newest tableware technology.



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## Performance in fiscal 2019

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In the domestic market, severe conditions continued for department stores. Sales to hotels and restaurants, which was strong until the third quarter, increased only slightly from the start of the year due to the COVID-19 pandemic. As a result, domestic sales decreased. In overseas markets, sales declined in the United States due to the ongoing sales stagnation of major

customers, while sales to airlines were sluggish in Europe and Asia and terrorist attacks in Sri Lanka had an impact. Overall, sales in overseas markets decreased significantly.

As a result, net sales in the Tabletop Business were 7,465 million yen (a decrease of 11.9% from the previous year), resulting in an operating loss of 858 million yen.

## Progress of the Three-year Business Plan

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Under the 11th Three-year Business Plan, the Tabletop Business is working to rebuild its business, reforming its manufacturing and sales structure and pioneering new markets to establish a structure that can yield profits even in shrinking markets. In Japan, we reviewed our sales and distribution, worked to advance efficiency, strived to cultivate new markets

and sales channels, strengthen online sales, and grow sales of commercial tableware. Overseas, we worked to recover sales and improve profits in sales companies in the US, where the ratio of online sales continues to rise. The Tabletop Business also undertook the construction of sales structures in emerging markets including Southeast Asia and India.

## Our medium- to long-term business vision

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Tableware is the founding business of our Group, as well as the business that symbolizes the Noritake brand.

With the general decline of the department store business and widespread utilization of dishwashers and microwave ovens, the Tabletop Business remains sluggish as the world moves away from formal-style tableware. Amid this circumstances, we have sought to turn this business into one that can secure profits even under a smaller structure. In fiscal 2019, however, we faced successive terrorist bombing incidents in Sri Lanka, our main production base for tableware, as well as the COVID-19 pandemic. We believe some course correction is needed in the direction we seek for this business.

Factory operations were temporarily suspended due to the incidents in Sri Lanka, which greatly impacted not only local sales but also the supply of products to Japan and other countries. In early 2020, when the impacts of the terrorism had subsided and supply from factories had begun to stabilize, the COVID-19 pandemic struck a severe blow to the hotel, restaurant, bridal, airline, and other industries that are the main customers of the Tabletop Business. In every respect, we were

forced to make changes to business plans that we had drafted at the start of the period. On the other hand, online sales in every country are unexpectedly setting new records every month.

The pandemic is expected to have prolonged effects worldwide. We believe that the Tabletop Business should take a careful look at the course of its planned medium- to long-term brand restructuring, and bring about this plan ahead of schedule. We aim to create new business domains related to cuisine environment by leveraging the know-how we have cultivated with high-end customers such as hotels and restaurants. We will increase a sense of presence of the Noritake brand for each and every customer through a fusion of physical stores in new business forms with online sales media. We also hope to deepen our marketing in locations including China and India to widespread Noritake brand. In the midst of significant societal changes, Noritake has made a decision to change the structure and format of the Tabletop business, so that we can continue protecting the value that we have created. We ask you to hold high expectations for the future of Noritake.

# ESG Initiatives

The Noritake Group seeks to contribute to society under the fundamental tenets of our Corporate Motto that call for making all-out efforts to manufacture the finest quality products (Good Quality), pursue international customers and aim at business that delights customers in the global market (Export), and to grow and develop together with society as a good corporate citizen (Co-prosperity). We have the Noritake Group's Code of Ethics as a guiding principle by which all employees can take action with moderation, integrity, and high ambition based on our Corporate Motto. Furthermore, we have established and will engage in our ESG Promotion Items, to build a sustainable and a better social environment together with our stakeholders through our everyday corporate activities.

## Noritake Group's Code of Ethics

**Put in practices Noritake's corporate motto of "Good Quality, Export, and Co-prosperity"**

In accordance with the Company's corporate motto, "Good Quality, Export and Co-prosperity," we shall develop and offer outstanding products and services throughout the world, giving full consideration to their safety. In this manner, the Group can grow with its customers and contribute widely to society as a good corporate citizen.

**Observe the laws, regulations and social norms**

We shall observe laws, regulations and social norms. The Group shall promote fair, transparent and free competition, and engage in sensible business activities. Moreover, and without exception, the Group shall not be involved with any antisocial forces or organizations that obstruct sound business practices.

**Respect the human rights of employees**

We shall respect the fundamental human rights of its employees, and engage in no practices of unjust discrimination due to age, gender, origin, nationality, race, disability, religion, supporting political party, etc. Furthermore, the Group shall safeguard employees' health while maintaining a safe and hygienic working environment.

**Preserve the global environment and contribute to affluent and comfortable local communities**

We shall do its utmost to help preserve the global environment against deterioration and promote efficient use of limited natural resources. At the same time, we will contribute to creating local communities that offer abundant and comfortable lifestyles.

**Disclose information to shareholders, customers, and local communities**

Noritake shall actively and impartially disclose corporate information not only to its shareholders but also to society as a whole.

## Corporate motto

### Good Quality

Making all-out efforts to manufacture the finest quality products

### Export

Pursuing internationalism and contributing to society from a global perspective

### Co-prosperity

Growing and developing together with society as a good corporate citizen

ISO26000 Core subjects	Promotion items	Details
Organizational governance	Practice Corporate Motto and observe the laws, regulations and social norms	<ul style="list-style-type: none"> <li>Promote our Corporate Philosophy</li> <li>Establish governance structure</li> <li>Utilize the whistle-blowing system</li> <li>Observe business-related laws and regulations</li> <li>Prevent corruption</li> <li>Enhance intellectual property education</li> </ul>
Human rights	Respect for fundamental human rights and diversity	<ul style="list-style-type: none"> <li>Treat human rights with respect</li> <li>Promote active participation by women</li> <li>Emphasize human resources development</li> <li>Promote occupational safety and health activities</li> <li>Promote hiring of disabled employees</li> <li>Promote health management</li> </ul>
Labor practices	Prioritization of safety and health over everything else	<ul style="list-style-type: none"> <li>Respect work-life balance</li> </ul>
The environment	Preservation of the global environment and achievement of a sustainable society	<ul style="list-style-type: none"> <li>Enhance products that contribute to the environment</li> <li>Reduce CO<sub>2</sub> and wastes</li> <li>Promote use of environmentally-friendly machinery</li> </ul>
Fair operating practices	Disclosure of information to stakeholders	<ul style="list-style-type: none"> <li>Disclose information timely and accurately</li> </ul>
Consumer issues	Provision of finest quality products and services	<ul style="list-style-type: none"> <li>Strengthen manufacturing activities</li> <li>Sustainable business development</li> </ul>
Community involvement and development	Achievement of affluent and comfortable local communities	<ul style="list-style-type: none"> <li>Coexist with local communities</li> <li>Continue supporting foreign students</li> <li>Promote regional contribution activities</li> </ul>

Together with  
the Global  
Environment

Together with  
Communities

Together with  
Shareholders  
and Investors

Together with  
Business Partners

Together with  
Customers

Together with  
Employees

## Management structure



### Directors

- 1 Tadashi Ogura**  
Representative Director & Chairman
- 2 Hiroshi Kato**  
Representative Director & President

- 3 Akira Higashiyama**  
Director & Senior Managing Executive Officer  
Group General Manager of Industrial Products Group,  
General Manager of Sales Division of the Group
- 4 Yuko Fuma**  
Director & Executive Officer  
Group General Manager of Corporate Administration Group

- 5 Tetsuo Komori**  
Director (Outside)
- 6 Masanao Tomozoe**  
Director (Outside)





## Executive Officers



**Kenichi Horaguchi**  
Senior Managing Executive Officer  
Director & Chairman of NIPPON RESIBON CORPORATION  
Representative Director & Chairman of NORITAKE COATED ABRASIVE CO., LTD.



**Shuji Shite**  
Managing Executive Officer  
President of KCM CORPORATION



**Akira Nagata**  
Managing Executive Officer  
Group General Manager of Development & Engineering Group



**Masahiko Horie**  
Managing Executive Officer  
President of NORITAKE COATED ABRASIVE CO., LTD.



**Hiroshi Yorita**  
Managing Executive Officer  
Group General Manager of Ceramics & Materials Group  
Group General Manager of Ceramics Group



**Makoto Okabe**  
Managing Executive Officer  
Deputy General Manager of Sales Division, Industrial Products Group



**Tomoaki Maeda**  
Executive Officer  
Group General Manager of Engineering Group



**Naoyuki Ukai**  
Executive Officer  
General Manager of Manufacturing Division, Industrial Products Group



**Hiroyuki Murai**  
Executive Officer  
President of NIPPON RESIBON CORPORATION



**Kenichi Ichikawa**  
Executive Officer  
Group General Manager of Electronic Materials Group, Ceramics & Materials Group



**Yoshimasa Nakamura**  
Executive Officer  
Group Deputy General Manager of Corporate Administration Group, General Manager of Finance & Accounting Department



**Munenari Mizukuchi**  
Executive Officer  
Group General Manager of Tabletop Group  
President of NORITAKE CO., INC.  
Chairman of NORITAKE LANKA PORCELAIN PRIVATE LIMITED



**Kazumasa Yoshida**  
Executive Officer  
General Manager of Engineering Division, Industrial Products Group

## Audit & Supervisory Board Members

- 7 **Naoyuki Shiraishi**  
Audit & Supervisory Board Member
- 8 **Sumihito Sago**  
Audit & Supervisory Board Member
- 9 **Ryuichi Murata**  
Audit & Supervisory Board Member (Outside)
- 10 **Tatsuhiko Saruwatari**  
Audit & Supervisory Board Member (Outside)

# Corporate Governance

## Basic approach and basic policies toward corporate governance

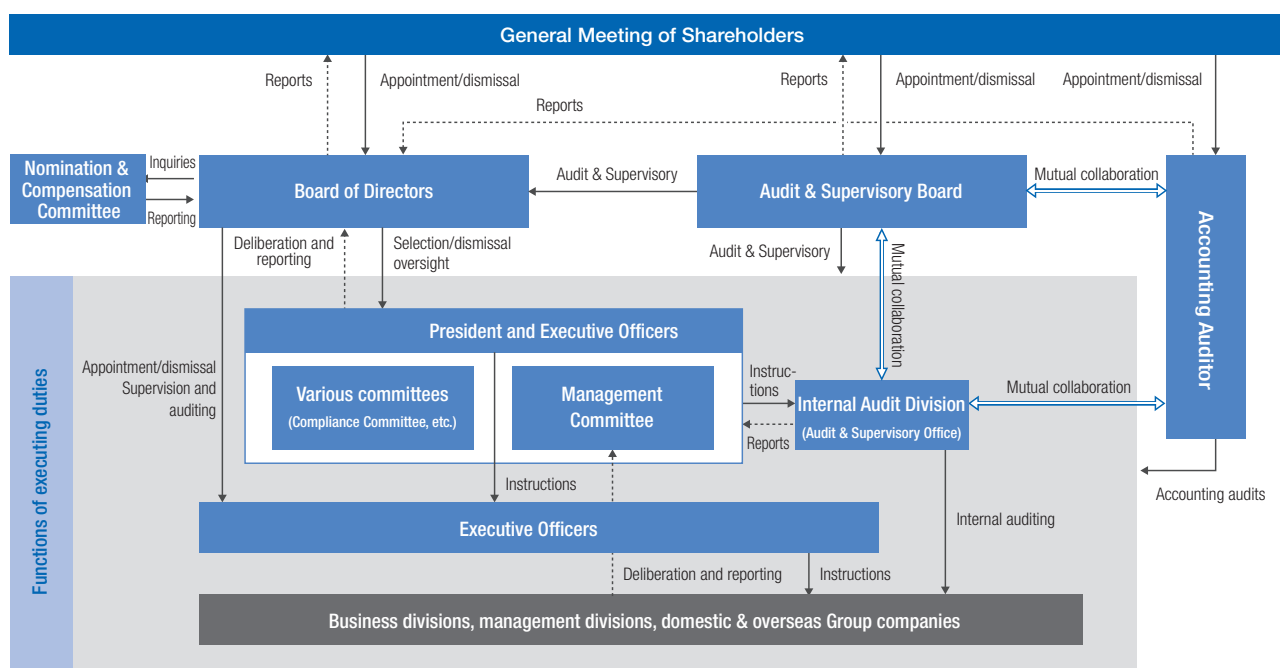
The globalization of business is progressing, and social responsibility for the impacts of corporate activities is coming under severe scrutiny. At the Noritake Group, every officer and employee inherits the founding spirit of our company, and, by observing and practicing the Noritake Group's Code of Ethics formulated on the basis of that founding spirit, embodies a Noritake Group that holds to higher corporate ethics. In addition, by providing financial information through our website, we will strive to actively and fairly disclose information and heighten the transparency of our management.

The basic policies concerning our Corporate Governance Code are shown on the right.

### Basic policies

- 1 Strive to ensure the rights of shareholders and fairness.
- 2 Strive for appropriate cooperation with stakeholders other than shareholders (customers, suppliers, creditors, local communities, employees, etc.).
- 3 Strive to ensure appropriate information disclosure and transparency.
- 4 Strive to appropriately carry out the roles and responsibilities of the Board of Directors to enhance sustainable growth of the company and medium- to long-term corporate value.
- 5 Strive for constructive dialog with shareholders.

## Corporate Governance Structure



## Major conference bodies

As an organization that makes decisions on basic principles of management, matters stipulated by law, and other key matters, the Board of Directors has introduced an executive officer system to clarify executive responsibilities and the delegation of executive authority, in order to strengthen functions for execution of duties performed on the basis of decisions by the Board of Directors.

In addition, to promote the early appointment and promotion of talented human resources, the Board of Directors introduced a new Executive Officer system on April 1, 2019. The Board of Directors also establishes conference bodies to strengthen its oversight and monitoring functions, for the purpose of further reinforcing and enhancing our corporate governance structure.

## Board of Directors

To make decisions on key matters and monitor the execution of duties, the Board of Directors joined by executive officers engaging in execution of duties meet once a month regularly to build a consensus among the Group as a whole. In accordance with the regulations and deliberation standard of the Board of Directors, deliberations are held to decide items regarding General Meetings of Shareholders, human resources and organizational matters, and financial reporting. The Board of Directors also appoint two Directors (Outside) as part of a system to strengthen oversight functions and ensure transparency in decision-making.

## Management Committee

To decide key business concerns, Management Committee consists of internal Directors as well as Executive Officers appointed by the President. The Committee convenes once a week in principle to make precise and prompt management decision-making.

## Nomination & Compensation Committee

In order to ensure reasonable and transparent decision-making regarding Board of Directors membership and their compensation, we established the Nomination and Compensation Committee in December 2019. With

independent External Directors comprising a majority of its members, the committee serves as an advisory body to the Board of Directors. Based on inquiries from the Board of Directors, the committee discusses personnel and compensation concerning Directors, Executive Officers and Audit & Supervisory Board Members. Considerations are promptly reported to Board of Directors.

## Audit & Supervisory Board

The Audit & Supervisory Board determines auditing and supervisory policy, and receives reports from Audit & Supervisory Board Members regarding the current status and results of auditing and supervisory implementation. It also communicates with and collects information from the Board of Directors and the Audit & Supervisory Office, which serves as an internal audit division. Moreover, Audit & Supervisory Board Members attend important meetings including those of the Board of Directors and Management Committee, receive reports on the status of execution of duties by Directors, and request explanations as required. Our company considers functions for objective and neutral monitoring of management from outside to be important in corporate governance, and has prepared a structure by which management monitoring functions are ably performed by two Audit & Supervisory Board Members (Outside).

## Internal control system

Our company has established internal control regulations for financial reporting as an internal control system, and performs continuous monitoring of work procedures to ensure the reliability of financial reporting. We have also established internal auditing regulations and conduct internal audits involving the legal compliance of the business activities of our business divisions and Group companies. Key matters discovered through these initiatives are reported to the Management Committee.

In addition, we have established a Compliance Committee that promotes the communication and observance of the Noritake Group's Code of Ethics, and that works through these activities to ensure the properness of duties.

We also conduct reviews of our structures to ensure the properness of duties and structures concerning oversight, in accordance with revisions to laws and the current state of our Group. Our current Basic Principles on Internal Control Systems were revised through resolution by the Board of Directors on April 23, 2020.

## Training for board members

When we appoint new members to Directors and Audit & Supervisory Board, we conduct appropriate explanations about the legal duties and responsibilities to be observed and make use of external training bodies as necessary. We also offer seminars to the members, to acquire higher skills and new knowledge required for them to perform better. In fiscal 2019, we held two seminars for Directors. For outside members, we offer sessions individually for them to acquire Noritake Group's key management factors, such as our management strategy, contents of our businesses and work, and financial information.

## Status of Directors (Outside) and Audit & Supervisory Board Members (Outside)

We bring in outside Board members who have extensive experience and broad insight regarding business management, to provide thorough counsel on matters spanning the overall management. Outside members also strengthen Board of Directors monitoring functions and enhance the transparency of decision-making.

Outside members have no personal, capital, or business relationships, or other conflicts of interest with our company.

### Status of activities of outside officers

	Name	Status of main activities
Director (Outside)	Tetsuo Komori	Through extensive knowledge and insight obtained through experience as a financial institution executive, he provides sound advice and oversight of the execution of duties by the Board of Directors.
	Masanao Tomozoe	Through extensive knowledge and insight obtained through experience as a company executive, he provides sound advice and oversight of the execution of duties by the Board of Directors.
Audit & Supervisory Board Member (Outside)	Ryuichi Murata	Through extensive knowledge and insight obtained through experience as a financial institution executive, he provides sound advice and oversight of the execution of duties by the Board of Directors.
	Tatsuhiko Saruwatari	Through extensive knowledge and insight obtained through experience as a company executive, he provides sound advice and oversight of the execution of duties by the Board of Directors.

## Policies concerning the determination of compensation for Directors

Compensation for Directors is composed of fixed compensation and performance-based compensation.

Fixed compensation is determined by the Board of Directors. Reasonable and transparent decision-making is ensured by a process in which the Nomination and Compensation Committee, within which independent External Directors comprise a majority, deliberates and reports its findings to the Board of Directors regarding the appropriateness of compensation amounts for each Directorship position as appropriate to its roles and duties in keeping with the basic policies pertinent to the compensation system.

Performance compensation is determined in accordance with degree of achievement of corporate performance targets (consolidated sales, consolidated operating profit, etc.) for the fiscal year based on regulations for the granting of stock, as an incentive for management that takes into account medium- to long-term improvement in corporate value. The ratio of fixed compensation to performance-linked compensation is set with an emphasis on stability and improvement of medium- to long-term performance, avoiding an excess percentage of performance-linked compensation.

External Directors and Audit & Supervisory Board Members (Outside) receive only fixed compensation, because of their roles in supervising and auditing from an independent standpoint.

Total amount of compensation, etc., for Directors and Audit & Supervisory Board Members (Fiscal 2019)

Board members category	Total amount of compensation, etc. (million yen)	Total amount of compensation, etc., by type (million yen)		Number of eligible board members (persons)
		Fixed compensation	Performance-linked compensation	
Directors (excluding Directors (Outside))	262	212	49	6
Audit & Supervisory Board Members (excluding Audit & Supervisory Board Members (Outside))	40	40	—	3
Outside officers	37	37	—	5

## Evaluations of the effectiveness of Board of Directors

Since fiscal 2019, we have been performing evaluations of the effectiveness of the Board of Directors for the purpose of heightening its effectiveness and increasing corporate value.

In fiscal 2019, survey was done among Board of Directors and Audit & Supervisory Board regarding their evaluation of Board of Directors composition and operation, management and business strategies, corporate ethics and risk management, business performance monitoring and managerial evaluation/compensation. Analysis and evaluation of these results were entrusted to an external organization, and the results were reported to the Board of Directors. The results of the analysis of the Board of Directors is as follows:

- The Board of Directors is composed of a sufficient ratio of independent Directors (Outside), and has a balanced composition in terms of diversity. Matters are appropriately classified between those to be addressed by Board of Directors decisions and those to be delegated to management.

- The Board of Directors works to establish a corporate culture emphasizing corporate ethics, while also performing appropriate oversight and supervision for its dissemination. It also performs appropriate oversight and supervision regarding the construction and application of internal control systems.
- Performance reports by management incorporate appropriate indices, and a system has been adopted in which independent Directors (Outside) determine management evaluations and compensation.

From the above information, we have confirmed that our company's Board of Directors is operated appropriately, and that its effectiveness is generally ensured.

In addition, items derived from these survey results indicate areas in which the effectiveness of the Board of Directors may be improved, including enhancement of Director training and reinforcement of risk management systems. We will keep addressing items to be improved as we continue to work to maintain and improve the effectiveness of the Board of Directors.

## Promotion of supply chain management

We believe that supply chain management is important for the Noritake Group to continue stably with our business. We work to build mutual relationships of trust with all of our business partners, and to engage in transactions in compliance with the laws of each country. We also constantly review our relationships with our key business partners. We proceed to purchase environmentally-friendly raw materials, and pay well attention not to consume ores originating in areas of conflict.

## Enforcement of compliance

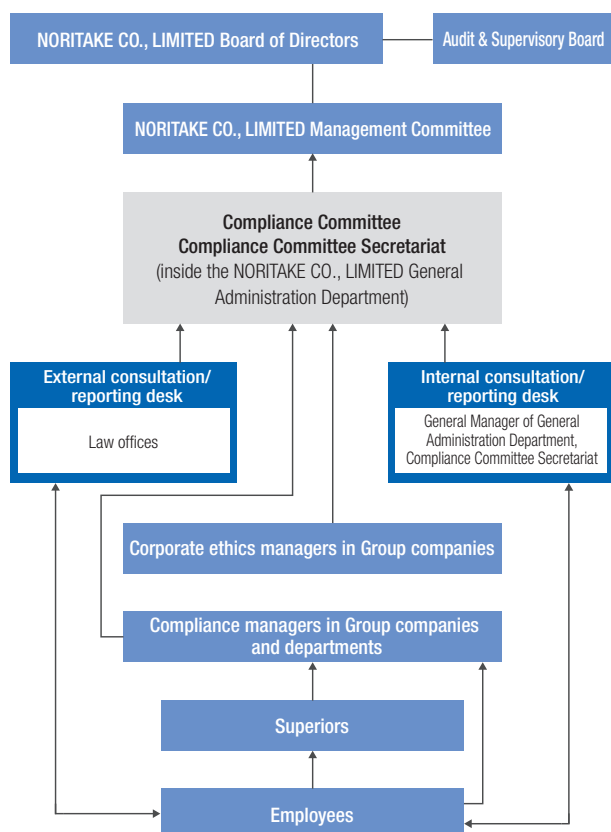
The Noritake Group has established a Compliance Committee and is working to strengthen our compliance structure. We appoint a compliance manager in every Business Group or Group company, and perform meticulous activities related to compliance. The committee meets twice a year, and ad hoc conferences are also called. In addition to training for the acquisition of expert knowledge, we provide easily understood explanations of laws and ordinances in every issue of our internal newsletter with case examples that relate to our everyday work to make these understood by all employees.



## Preparation of an internal reporting system

We have a contact desk inside and outside the company so that all employees can consult and report directly without going through managers in case discovering acts that violate or may violate laws, ordinances, standards of conduct, company rules and so on. The confidentiality of persons reporting and the content of reports is strictly protected. No disadvantage shall be taken toward the persons by the company for having made consultation or reporting. A total of 15 reports were made during fiscal 2019.

### Compliance Structure



## Initiatives to prevent corruption

In the Noritake Group's Code of Ethics, we set forth ethical standards for the execution of duties and the observance of laws and ordinances concerning the prevention of bribery and other improprieties, and ensure that these standards are met by all employees.

## Disaster readiness and disaster mitigation initiatives

Disaster Prevention Committee meetings are held twice every year companywide, and evacuation drills assuming a large-scale disaster are also held twice a year at every workplace.

We have also begun formulating business continuity plans (BCPs) for some businesses.

## Preparation of a risk management system

We have risk management rules so that, when faced with the risk of a loss of corporate value due to problems in management, accident or disaster, we can mitigate losses to the extent and continue with our business. Safety is taken on the highest priority, especially to secure human life. In the case of an emergency, we set up a task force immediately to respond to the risks.

We also have a risk management structure in which we assume the occurrence of all manner of risks and make these continually known to all employees, so as to enable prompt and appropriate response in the event of emergency.

## Strengthening of information security

With regard to the protection of personal information and other information assets, we have information security management rules in order to eliminate risks and safely carry out business activities. These rules indicate a code of conduct concerning information security for all officers and employees. We create and employ countermeasure standards and implementation manuals based on this code.

We also have a promotional division under the officer in charge, and are working to strengthen security. To guard against unauthorized access and cyber attacks, we perform strict ID management, logging of PC access, 24-hour monitoring at our Security Operation Center. Drills for targeted e-mail are taken place periodically.

## Policies for the protection of personal information

The Noritake Group fully recognizes the importance of the protection of personal information. We comply with Japan's Act on the Protection of Personal Information and heed the laws of other countries as well, and properly manage the personal information provided by customers.

Reference URL (Protection of Personal Information)  
[https://www.noritake.co.jp/utility/privacy\\_policy/](https://www.noritake.co.jp/utility/privacy_policy/)

## Message from Directors (Outside)

In order to achieve mid and long term growth, I hope to contribute to rational business judgement by constantly watching the business from the perspective of an outsider and a stakeholder.

### ● The impact of the spread of COVID-19

It is no longer simply a medical problem. The COVID-19 situation has come to have a major impact on politics and the economy, on society, and on people's values. It is shaking the presuppositions of globalism, and influencing the state of nationhood and individual's lives. Even when the pandemic is over, it is anticipated that we will not return to the same society we had lived before.

Companies around the world are forced to respond to the situation where the future cannot be predicted, and the Noritake Group is no exception. Since the automotive, steel and bearing industries that have suffered prominently are the core customers of our Industrial Products Business, we can predict a severe environment to continue for the time being. Moreover, conventional business models are likely to become unworkable in industries like transport and tourism. On the other hand, we can expect to see new trends emerge, such as intensified telecommunication-related needs. The ability of how we can get the picture of these changes and incorporate them into our businesses will be extremely crucial.

### ● What are the most crucial challenges the Noritake Group is facing at the moment?

The first is to incorporate the market changes into our 11th Three-year business Plan, and also to accelerate the actions toward new growth areas. In order to survive the unprecedented environment surrounding us, it is surely essential for us to transcend conventional wisdom and radically strengthen our growth strategy and corporate character.

In our previous Three-year Business Plan, we undertook to strengthen competitiveness and explore new markets in each business operation. As a result, Ceramics & Material Business and Engineering Business have strengthened their basis by increasing their profitability. These two businesses have grown into new two pillars of Noritake, while having Industrial Products Business as the main pillar. We should make a great stride forward from this foundation.

Since each business division within the Noritake Group is highly specialized, they tend to be independent. I think it will become more crucial than ever for us to work on strengthening our corporate character from a companywide perspective.

### ● What is your role as a Director (Outside)?

I question myself about what I am capable of doing as a Director (Outside) amid today's circumstances. My most important role is to take a companywide view in aiming for mid and long term growth of the Noritake Group, while always keeping an outside perspective as I check whether management decisions are fair from the standpoint of our stakeholders, then thoroughly stating my views at Board of Directors meetings. I would also like to take on the role running the PDCA cycles in our Three-year Business Plan by forthrightly stating issues that may be difficult for an Internal Director to notice or to mention.

### ● The establishment of Nomination & Compensation Committee

Through the deliberations by the Nomination & Compensation Committee which was established last year, I have become intensely aware of how crucial it is to develop managerial talents. I believe the activated discussions among the Board of Directors will serve as a venue for development of managerial human resources.

I will keep working to enhance corporate governance in the Noritake Group by heightening the effectiveness of the Board of Directors and Nomination & Compensation Committee.

Director (Outside)  
Tetsuo Komori



The Noritake Group is a highly well-balanced company with a history over 100 years. I look forward to its challenge of breaking down barriers and achieving major growth.

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### ● What is your impression of the Noritake Group?

For many years before being assigned as a Director (Outside), the image I had of Noritake was that the company is primarily based on ceramic tableware. But upon being appointed, I realized that the Group has actively spread its business to areas like grinding wheels and engineering, and that it contributes to manufacturing worldwide with its ceramics technology as its core.

The Noritake Group has achieved current businesses after going through many pivotal moments throughout its history which spans over a century, and now is another turning point. Like the automotive industry, with which I have long been involved and which is also facing a turning point of its own, the Noritake Group, too, is heading into new development as it enters their time of transformation.

### ● What are the strengths of the Noritake Group, and the challenges it is facing?

They were the first company in Japan to manufacture genuine ceramic tableware, and offered it overseas from the time of their founding. But in addition to that brave spirit at the start, they also continued over the next century to work assiduously on developing and expanding their business operations. I believe that the Noritake Group is a well-balanced company, conducting businesses aggressively while holding a defense when it is in need. In order to continue growing, it will be essential to elevate the awareness of each and every one of the employees. It is crucial to take the long-term growth strategy laid by the company's Three-year Business Plan as their personal matter, to think what each person can do to stride Noritake to its next stage of development, and to act in that direction. I believe that concentrating their efforts and striving forward together will lead to further corporate growth.

It is commonly said how it is generally difficult for companies with long histories to depart from their successful experiences of the past and to summon the strength to take new challenges. The current market demands the world to break down the barriers and to deploy business operations speedily. I have high hopes that by taking on these challenges courageously, the Noritake Group can achieve a greater growth than today.

### ● What is the most crucial aspect of organizational transformation?

While there are a number of approaches for corporate transformation, my experience to date informs me of four necessary perspectives in changing a company. The first is organizational structure. The second is systems and frameworks. The third is company climate and culture. And the fourth is people.

In the current Three-year Business Plan, the Noritake Group stresses three elements: (1) Increasing growth potential and profitability, (2) Accelerating investment (M&A, facilities, development) and (3) Achieving ESGs. Of these, the most crucial is investment in growth areas and development. Since it is people who engender the innovation, it is crucial to focus efforts on improving employee awareness together while carrying out organizational and structural reform and proactive investment.

The leader of a company I used to work for used to say, "Once you're standing in the batter's box, swing your bat without worrying about your batting average. The worst thing you can do is to get called out on strikes." He was expressing how important it is to be a doer instead of a bystander, putting ideas out, taking action and trying new things. Now, more than ever, I want the Noritake Group employees to swing the bat with all they've got.

Also, now that we face the worldwide spread of COVID-19 infections, a new variety of new efforts we must undertake in the ESG domain have come in to view. As we envision a picture of our future society, the new forms of business and the direction of the organization will be determined when we consider how to get there, step by step.

### ● What role do you hope to fulfill as a Director (Outside)?

In order to function most effectively in furthering the development of the Noritake Group as one of its Directors (Outside), I want to do my utmost to state meaningful opinions through actual observations on the ground.

As a Director (Outside), I hope to fulfill my role by taking the perspectives of shareholders, suppliers and other stakeholders, as well as society, as we engage generously in deliberations based on an understanding of the actual state of business operations and of goals shared with Internal Directors.

Director (Outside)  
**Masanao  
Tomozoe**



# Together with Communities

## With society

### Together with employees

#### ► Basic approach

Based on the Ethics Standards and Standards of Conduct set down in Noritake Group's Code of Ethics, the Noritake Group respects human rights and diversity of all our employees. It is our basic policy not to engage in any unjust discrimination in the hiring, assigning, promotion or treatment of employees on the basis of age, gender origin, nationality, race disability, religion, political party supported, etc., and we promote participation of diverse human resources.

As part of human rights education activities, we implement training on themes including human rights in the workplace and in corporate activities.

#### ► Human resource development

The Noritake Group is promoting human resource development centered on on-the-job training (OJT) at each workplace. To support this OJT effort, we conduct OFF-JT activities, such as "training by qualification" for new employees and candidates for promotion. We also provide "training by purpose" to teach employees specialized knowledge and skills on topics such as finance, legal affairs, and communication.

Correspondence courses are also provided for self-development, and there is a system that subsidizes tuition fees for courses particularly recommended by the company. Many employees use this system to improve their language skills and acquire official qualifications.

Number of employees receiving official qualifications and taking correspondence courses (people)

Fiscal year	2016	2017	2018	2019
Recipients of official qualifications	133	118	131	115
Correspondence course participants	658	600	576	605

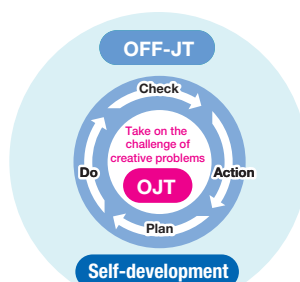
#### "Managerial position"

Strengthening problem-solving capabilities  
Subordinate training  
Leadership  
Management  
Compliance

#### Training by qualification

#### "Employees"

Strengthening problem-solving capabilities  
Role recognition  
Quality management  
Developing logical thinking  
Compliance

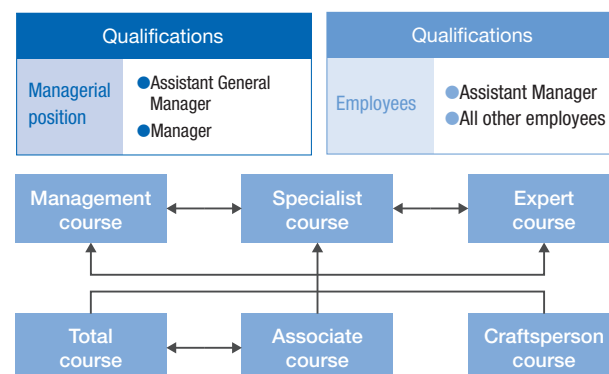


#### Training by purpose

Finance & accounting  
Legal affairs  
Safety and health management  
Environment  
Mental health  
Communication

#### ► Human Resources courses that harness individuality

The Noritake Company offers multiple personnel courses so that each employee can fully harness their individuality in their work. Employees can change to a different course from the one they selected via reviews. For certain levels of positions, we have also established a system in which employees can analyze and evaluate their own capabilities and suitability for their work or their relationships within the workplace, and report them directly to the company.



\*1. Total / for Associate Course only \*2. For Craftsperson Course only

#### ► Promotion of action plans based on the Act on Promotion of Women's Participation and Advancement in the Workplace

Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, we have developed and promoted a "General Employers Action Plan." The aim of the plan is to advance diversity by promoting the active participation of women and contribute to securing excellent human resources and business growth.

#### Plan period: April 01, 2019 to March 31, 2022

We formulated a new action plan to create a work environment where women can play an active role, realize their abilities, and develop their careers. The goals are to increase the number of key female personnel in fiscal 2021 by 25% compared to fiscal 2018, double the number of female managers, create an environment where women can realize their abilities, and foster a culture that promotes the active role of women, and we are taking steps to achieve these goals.

In fiscal 2019, the number of women in the total course has increased as a result of the seminars and training that were conducted to raise the awareness of women's active participation in work and the development of female employee's abilities. From fiscal 2020, we will work to raise the consciousness of career development among female employees. We will also encourage male employees to share the same awareness by providing trainings for supervisors and providing awareness-raising leaflets for male employees.



## ▶ Improving work-life balance

We promote improvements in the work-life balance of our employees. In supporting diverse work-styles among our employees, we restrict overtime work, encourage use of annual paid leave, and have established a variety of holidays and leave systems adaptable to personal life events. In recent years, we have introduced and increased the use of a system that allows employees to take annual paid leave in units of one hour, and promoted a flextime system for both shorter working hours and full-time employees who engage in child care and/or nursing care. As a result of our efforts, the idea of work-life balance has spread among employees to work efficiently while enjoying their private life.

Since last fiscal year, we have introduced a medical treatment support system that enables employees to continue working while undergoing treatment as a part of our efforts to create a better working environment for employees. We have also advanced our efforts to create an even more work-friendly environment by establishing a Maternity Reduced Work Hour System and Maternity Flex Time System, which employees can apply during the term of their pregnancy before they take maternity leave.

## ▶ Safety and Health Management System

The Noritake Group believes that the foundation of our business activities is a comfortable work environment that is safe, hygienic, and allows employees to work in a healthy manner both physically and mentally. We also believe that it is our responsibility to undertake continual improvements.

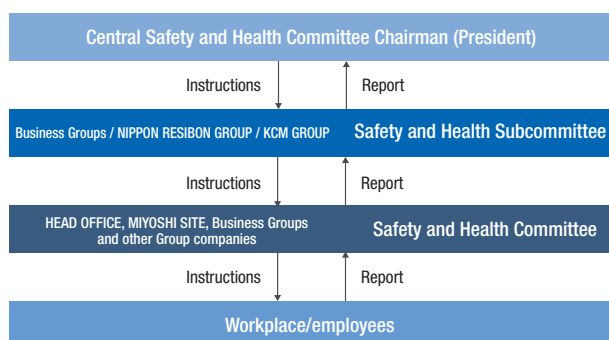
### Noritake Groups Basic Policy of Safety and Health

The Noritake Group actively works to create safe and comfortable working environments where employees gain satisfaction from their work with the recognition that protecting the safety and health of all our employees is the most important foundation of our corporate activities.

- ① We prioritize safety and health over everything else.
- ② We observe laws and company rules regarding safety and health and work to improve the standard of safety and health management.
- ③ We strive to maintain and improve good communication and ensure the participation of all employees.

In order to prevent occupational accidents and maintain the health of our employees, we set safety and health management targets every year based on the Group's Basic Policy of Safety and Health. The Safety and Health Committee is held every month to share examples of occupational accidents and countermeasures to prevent similar accidents. In addition, we distribute health and safety guidebooks to all employees and strive to make employees aware of the basics of safety and health and the precautions related to each type of work.

### Health and Safety Management System diagram



## ▶ Initiatives to prevent occupational accidents

In fiscal 2019, we promoted company-wide safety and health activities in accordance with the concept of the Occupational Safety and Health Management System (OSHMS) and conducted internal audits to resolve problems and issues in activities and make continuous improvements. As initiatives to prevent occupational accidents, we have continued to develop hazard location mapping campaigns, safety experience education, and risk forecasting training.

During fiscal 2020, we implemented a risk assessment re-evaluation, and carried out preventive activities with all members participating, while also engaging in ongoing safety observations in day-to-day management (two-way communication to ensure that workers follow the work standards and that managers create an environment conducive to doing so).

## ▶ Employee health management

### Promote health management

Understanding that the vitality of employees is the source of corporate vitality, Noritake adopted a Health Management Declaration on April 1, 2020.

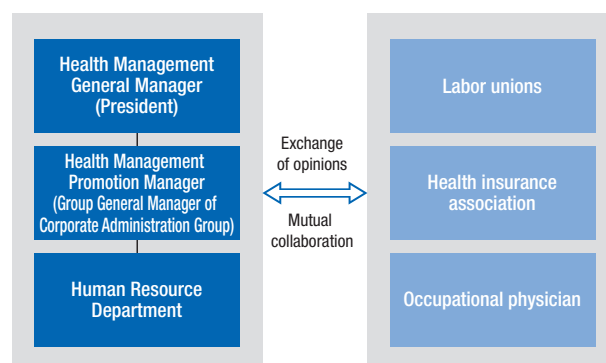
We actively work to improve the health of our employees and their families under our promotional structure, in which the company President serves as Group General Manager of the Corporate Administration Group, and the Human Resource Department works in partnership with health insurance associations, labor unions and occupational physicians.

### Health Management Declaration

The Noritake Group understands the vitality of employees to be the source of corporate vitality, and we actively promote improvements in health for employees and their families.

- ▶ We work to improve health awareness.
  - Strengthen health education
  - Foster a mindset that treasures health
- ▶ We work to enhance physical and mental health.
  - Promote early detection & early treatment
  - Help improve meals, exercise, sleep and other lifestyle habits
  - Promote refreshment of body and mind
- ▶ We maintain the good work environment.
  - Maintain an environment in which everyone can work enthusiastically

### System diagram



## Health checkups and follow-up

We conduct regular general health checkups in the first half of the fiscal year, and specialized health exams throughout the year in order to identify diagnostic problems at an early stage. Due to our effort, health checkups were implemented to 100% of our employees. Considering lifestyle habit-related illnesses as a particularly important issue for employees, we have set our goal for the specific health guidance implementation rate at 55% by the end of fiscal 2021. By providing direct personal encouragement for employees to undergo health checkups, the number steadily improved the exam rate from 21.2% (fiscal 2016) to 45.5% (fiscal 2018).

Other than promoting specific health guidance, will keep encouraging all our employees, not just the ones with health risks, to achieve our goal.

We undertake to improve work environments by regularly conducting work environment measurements to determine whether manufacturing raw materials containing substances that may affect the human body, such as dust, organic solvents, and specified chemicals, are being handled appropriately.

## Mental healthcare

We work to improve mental health by conducting mental health education to each employees at their level, from newly hired to managers. Since fiscal 2016, we have conducted yearly stress checks, and implemented workplace improvement and analysis in light of the results of the organizational analysis. The overall risk level has been reduced for three consecutive years.

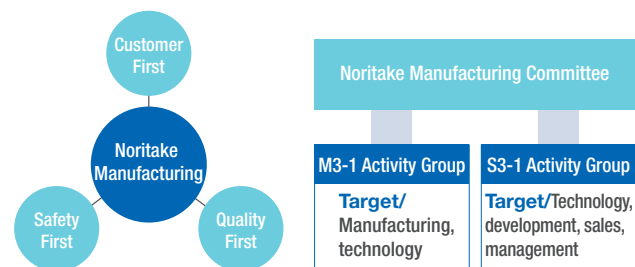
## Quality initiatives

### ► Activities to enhance manufacturing

Noritake is a manufacturer that was born from the passionate desires of the founders to "make porcelain with exquisite craftsmanship and impeccable whiteness." Based on this spirit, the Noritake Manufacturing Committee was established in 2011 to improve the quality of our products and services.

In 2011, we began basic development activities under the "Manufacturing 3-1 (M3-1) Activities", started by the manufacturing departments. To ensure stable production, we have implemented a system that is the foundation for safety, organized & in order, and standardization. In addition, we have integrated "quality activities" for the engineering division and we are evolving them into activities that promote manufacturing and technology together. Since 2016, as basic enhancement activities, we have expanded our activities to develop management standards and systems that control the five major missions of our production sites: Safety, Quality, Production, Cost, and Human Resources.

We have expanded our manufacturing activities for engineering, development, sales and management as "S3-1 activities," and are currently promoting activities based on the two pillars of "M3-1 activities" and "S3-1 activities."



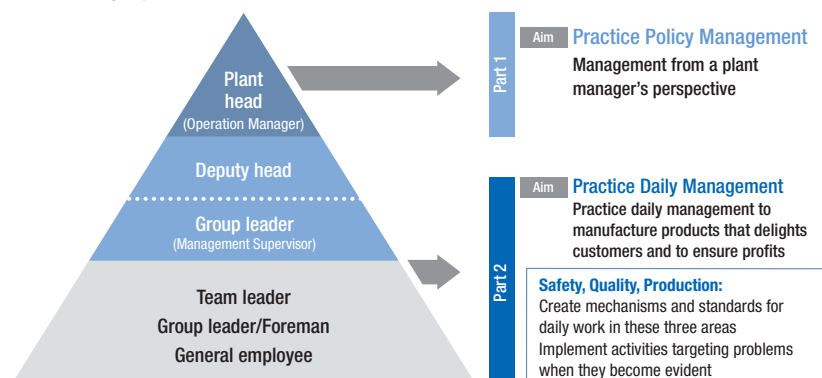
### ○ M3-1 activity (manufacturing and technology)

Throughout our M3-1 activities, we stress the concept of "Customer First, Safety First and Quality First" in our manufacturing and engineering departments, and promote activities based on the recognition that achieving these three "Firsts" is important for continuing to contribute to society through our business. In order to further strengthen our manufacturing framework, we advance these efforts based on a two-pillars approach that includes basic enhancement activities and quality activities.

### Basic enhancement activities

In our basic enhancement activities, in order to more reliably control Quality (Q), Cost (C), and Delivery (D), we have created a system that operates according to the management standards and roles by hierarchy for the five major missions of our production sites. This system is shown as a template. The Noritake Group's 13 plants hold "Genchi Genbutsu (real location, real thing) meetings" where the activities for the five missions are confirmed at the plant site. At these meetings, participants have discussions and promote good practices across departments.

### Plant roles by qualification



## Quality activities

We promote "Good Quality activities" and "Production preparation activities" in order to establish systems that can promptly and reliably provide the "Good Quality" that customers demand.

### Good quality activities:

We share information about how we deal with complaints and also useful information about measures against defects in manufacturing processes. We strive to make corrections and improvements while conducting "Obeya" activities. In these "Obeya" activities, top administrators, such as plant managers, gather with the people involved, from manufacturing, production technology, quality assurance, product development and so on. Cross-departmental meetings are held to promptly carry out practical activities through factor analysis and discussions of countermeasures.

### Production preparation activities:

Common Noritake Group standards are defined for items to be performed and items to be confirmed in each step from product planning to mass production. We have been carrying out audits (Quality Audits) since FY2016 to confirm the understanding of purpose, operational status, and effectiveness related to these standards. We are continuously working to respond to the issues that have emerged through the audits and reduce complaints.

## ○ S3-1 activity (sales/technology/management)

Noritake manufacturing enhancement activities are not limited to the plants at which we manufacture our products. To delight our customers with our products, both the tasks performed by departments that directly involve in our business operations and the management and the work done by the management and development divisions are all linked in one way or another. These manufacturing-enhancement activities carried out by our non-factory member are called "S3-1" activities. S represents the S of service, and 3-1 represents the three "First": Customer First, Quality First and Trust First, which all our staff must always observe consciously as they carry out their work duties. S3-1 activities are performed while keeping aware of these "First", and are designed to elevate the quality of work.

In our S3-1 activities, all employees review their work from the customer's perspective in order to aim for the ideal. Two basic policies are "I am responsible" and "My work I pass on to is my customer". Small groups are formed to carry out the activities, and by achieving clear results that improve work precision, quality and efficiency (customer satisfaction, work process improvement, paid leave utilization, etc.) we aim to create a comfortable workplace while achieving the trusts by customers at the same time. Engagement in these activities is also intended to improve employee awareness and boost problem-solving capabilities, leading to human resource development and building stronger organizational structures.

## Communication with stakeholders

### ▶ Communication with shareholders and investors

We hold an Annual General meeting of Shareholders at the Noritake Company headquarters in Nagoya City every year in late June. The 139th Annual General Meeting of Shareholder of June 2020 was held with less people than usual due to the spread of COVID-19.

In addition, after the announcement of these financial results and second quarter results, we ordinary hold a financial results briefing for securities analysts. However, it was cancelled this time due to the spread of COVID-19 in Fiscal 2019.

Also, we keep on improving the Noritake Group website so that shareholders and investors can easily obtain various types of information such as business reports and financial results announcements.

最新R情報ダウンロード	一括ダウンロード (139th年度)	ファイルサイズ
① 決算報告書	2019年度 (2020年3月期) 第1四半期決算報告書	318.27KB
② 決算説明会資料	2019年度 (平成31年3月期) 決算説明会	1.63MB
③ 有価証券報告書	2018年度 (平成31年3月期) 第138期 有価証券報告書	613.07KB
④ アニュアルレポート	2018年アニュアルレポート	6.18MB
⑤ 主要株主名簿	第138期 報告書	1.21MB

よく聞かれるページ

- 決算報告書
- 株主名簿
- 中期経営計画
- 株主総会
- 投資イグザナリー

### ► Communication with business partners

The Noritake Group shares information such as information about the economic environment and trends in the industry and our procurement prospects with our business partners in order to establish and maintain good relationships. We are also making efforts to ensure safety and health. In particular, the Engineering

Group, which receives cooperation from many business partners in manufacturing and construction, regularly holds seminars to prevent occupational accidents.

In addition, we regularly conduct seminars on the Subcontract Act within Noritake to ensure that employees are thoroughly informed.

### ► Communication with customers

In order to reflect customer feedback in our products and services, and to ensure that customers can use our products safely, we have set up a customer service center within the

Tabletop Group to build a system to share customers' opinions and inquiries.

#### Product safety

The Noritake Group strives to ensure that customers can use our products safely. We carefully consider product safety in all our processes from research and development to design, manufacturing, distribution, and sales. To that end, we comply with laws and regulations, as well as with standards that are established within Noritake. In addition, we strive to prevent accidents caused by incorrect usage by including

easy-to-understand instruction manuals with our products. In the event that an accident or problem occurs due to a product or service provided by Noritake, we will promptly communicate this information to customers and minimize the spread of damage in a prompt and appropriate manner. Also, in order to prevent recurrence, we will work to create a system to thoroughly investigate the causes of incidents.

### ► Communication with employees

In order to provide Noritake Group employees with awareness regarding company policies as well as education, Noritake publishes the Japanese edition of the Noritake Group internal

newsletter "SAKIGAKE" 12 times each year, and distributes the global edition four times each year. In addition, the Noritake Corporate Report, is distributed once a year.

## Social contribution activities

### ► Noritake Garden

Part of the Noritake Company headquarters site is open to the public as "Noritake Garden." This garden, planted with more than 6,000 trees over approximately 22,000 square meters, is a complex facility that was established at the founding site based on feelings of gratitude for local people and the desire to protect the environment. It is popular as an industrial tourist facility and a place of relaxation in the city, and since its opening in 2001, it has been visited by more than 7 million people.

Also, we have signed an agreement with Nagoya City to act as a temporary evacuation site for people who have difficulty returning home in the event of a large-scale disaster. In this way the facility provides peace of mind to local residents.

#### We were authorized by the "Conservation System of Civic Green Spaces"

In December 2018, this was the first private-sector facility in the Chubu region that was certified as a "civic green space" by the Conservation System of Civic Green Spaces.



#### \* Conservation System of Civic Green Spaces

In urban areas, there is a shortage of green and open spaces that are indispensable for creating a good urban environment. To solve this problem by promoting the conservation and creation of green spaces and making effective use of vacant lots, the Conservation System of Civic Green Spaces installs and manages open spaces as "civic green spaces" for use by local residents, based on an installation and management plan authorized by the municipal mayor.

### ► Support for international students

To support students from overseas, we participate in the "International Student Acceptance Program for Employee Dormitories" organized by the Foundation of Corporate Friendship Network for Foreign Students and provide accommodation for international students attending universities

and graduate schools. This provides low cost accommodation for international students, and for the employees who live in the employee dormitories, it serves as an opportunity to communicate with people from all over the world.



### ► Regional contribution at Noritake Sri Lanka

Noritake established Noritake Sri Lanka in 1972 as a tableware manufacturer in Sri Lanka. Since then, the company has continued to interact with the community in various ways, including making donations to hospitals and schools, and carrying out environmental activities.

In November 2019, 250 employees of Noritake Sri Lanka carried out a tree-planting campaign in cooperation with 120 students from the local University of Peradeniya and Wayamba University of Sri Lanka. Plans call for the trees they planted to serve as subjects for future research on environmental conservation by each of the universities.



Tree-planting campaign (Sri Lanka)

# Harmony with the Environment

In order to "achieve a sustainable society," the Noritake Group has acquired certification under the international standard ISO 14001 at all of our major domestic business sites and promotes environmental activities such as developing environmentally-friendly products and taking countermeasures on global warming. In particular, as a measure against global warming, we believe that the use of renewable energy has a significant effect on the reduction of greenhouse gases, and we have installed solar power generation facilities at our domestic offices, including Noritake Garden.



The report "12. Harmony with the environment" (P41 to 48) was created using data from NORITAKE CO., LIMITED, HIROSHIMA KENMA K.K., NORITAKE COATED ABRASIVE CO., LTD., ZEN NORITAKE CO., LTD., NORITAKE RECYCLE CENTER CO., LIMITED, KCM CORPORATION, KYORIX MIE CO., LTD., NORITAKE ITRON CORPORATION, NORITAKE TCF CO., LTD., NORITAKE GARDEN CO., LIMITED, PT. NORITAKE INDONESIA, NORITAKE SCG PLASTER CO., LTD., NORITAKE TAIPEI CO., LTD., and NORITAKE LANKA PORCELAIN (PVT) LIMITED.

## Environmental action policy

### Environmental Policies

The Noritake Group, as a company that manufactures products based on its founding spirit of "Good Quality, Export and Co-prosperity," positions the preservation of the global environment as an important management issue, and is contributing to the achievement of a "sustainable society" through its business activities.

- 1 We will strive to develop and provide environmentally-friendly products and services.
- 2 We will endeavor to reduce environmental burden in all processes of our business activities. In particular, we will strive to achieve the goals set for the reduction of CO<sub>2</sub> generation, resource saving, waste reduction, and recycling, and to manage hazardous substances appropriately.
- 3 We will build Environmental Management Systems from a global perspective and strive to reduce environmental burdens continually.
- 4 We will comply with environmental laws, regulations, and other requirements.
- 5 We will disclose information about our environmental activities and enhance our communication activities with stakeholders.

### ○ Aim

The Noritake Group as a whole will make efforts to promote voluntary environmental protection activities, actively work to reduce the environmental burdens and risks that occur in our business activities, and aim to contribute to global environmental protection. In addition, we will strive for co-prosperity with our stakeholders by implementing environmental management that balances environmental protection and generating business profits.

### ○ 11th Three-Year Environmental Action Plan initiatives

In the 11th three-Year Environmental Action Plan starting in fiscal 2019, we aim for environmentally friendly business activities by advancing the integration between our business activities and environmental action. We are linking our countermeasures for global warming and our resource recycling activities with our manufacturing enhancement work in an effort to eliminate "unreasonableness, inconsistency and waste," thereby reducing environmental burdens such as greenhouse gases and landfill waste. We will also move to increase products that are friendly to the environment.

Although there was a delay during 2019, the first fiscal year of the plan, in reducing greenhouse gas emissions and increasing environmentally friendly products, other efforts were accomplished according to plan.

During fiscal 2020, we will continue to move forward with the 11th Three-Year Environmental Action Plan in efforts to build an environmental management framework that unifies our business activities with environmental action.

## 11th Three-Year Environmental Action Plan (Fiscal 2019 to 2021 plan and results of the plan through fiscal 2019)

Activity item		Fiscal 2019		Evaluation
		Plan	Results	
Environmental management system	ESG Initiatives	Achievement of environmental management based on the Group management system	Establishing a foundation for environmental management based on the Group management system	○
	Promote environmental activities at overseas plants	Promoting environmental activities at each overseas office	Activity items defined for each overseas business operation	○
Countermeasures for global warming	[Domestic] Reduce greenhouse gas emissions	Per unit of production: reduce by 1% or more compared to previous fiscal year	Per unit of production: reduce by 0.3% compared to previous fiscal year	×
	[Global] Reduce greenhouse gas emissions	Per unit of production: (Compared to previous fiscal year) 2% or more reduction	Per unit of production: increase by 0.2% compared to previous fiscal year	×
Resource recycling measures	[Domestic] Reduce landfill waste generation	Per unit of production: (Compared to previous fiscal year) 4% or more reduction Recycling rate: 85% or more	Per unit of production: reduce by 7% compared to previous fiscal year Recycling rate: 83%	△
	[Global] Reduce waste	Per unit of production: (Compared to previous fiscal year) 3% or more reduction	Per unit of production: reduce by 10% compared to previous fiscal year	○
Pollution measures	Respond to use of prohibited substances	Reduce devices that use specified mercury and specified CFCs	Formulation of plans to reduce devices that use specified mercury and specified CFCs	○
	Chemical substance management under PRTR regulations Compliance with chemical substance regulations	Reduce use of chemical substances subject to PRTR regulations Continuous monitoring of reduction / chemical substance regulation	Reduce use of chemical substances subject to PRTR regulations Continuous monitoring of chemical substance regulation	○
Product measures	Environmentally-friendly products	Net sales ratio: 7.5% or more	Net sales ratio: 7.2%	×
	Enhance green procurement	Continue operation of Green Procurement Guidelines	Continue operation of Green Procurement Guidelines	○
Environmental communication	Practice of environmental education	Expand environmental education	Start education for managers/supervisors	○
	Disclose information to stakeholders	Link to integrated reports and use website to disseminate information	Issue integrated reports	○

Activity item		Fiscal 2020 Plan	Fiscal 2021 Plan
Environmental management system	ESG Initiatives	Achievement of environmental management based on the Group management system	
	Promote environmental activities at overseas plants	Activity items defined for overseas business operations	Promote activities at each overseas office
Countermeasures for Global warming	[Domestic] Reduce greenhouse gas emissions	Per unit of production: 1% or more reduction compared to previous fiscal year	
	[Global] Reduce greenhouse gas emissions	Per unit of production: 2% or more reduction compared to previous fiscal year	
Resource recycling measures	[Domestic] Reduce landfill waste generation	Per unit of production: 4% or more reduction compared to previous fiscal year Recycling rate: 85% or more	
	[Global] Reduce waste	Per unit of production: 3% or more reduction compared to previous fiscal year	
Pollution measures	Respond to use of prohibited substances	Reduce devices that use specified mercury and specified CFCs	
	PRTR chemical substance management Compliance with chemical substance regulations	Reduce use of chemical substances subject to PRTR regulations Continuous monitoring of chemical substance regulation	
Product measures	Environmentally-friendly products	Net sales ratio: 8.0%	Net sales ratio: 8.5%
	Enhance green procurement	Continue operation of Green Procurement Guidelines	
Environmental communication	Practice of environmental education	Continued expansion of environmental education	
	Disclose information to stakeholders	Continued issuance of integrated reports	

## Management system

### ► Environmental Management System organizational structure

We have established an environmental protection promotion system having the president as the Environmental Protection Supervisor.

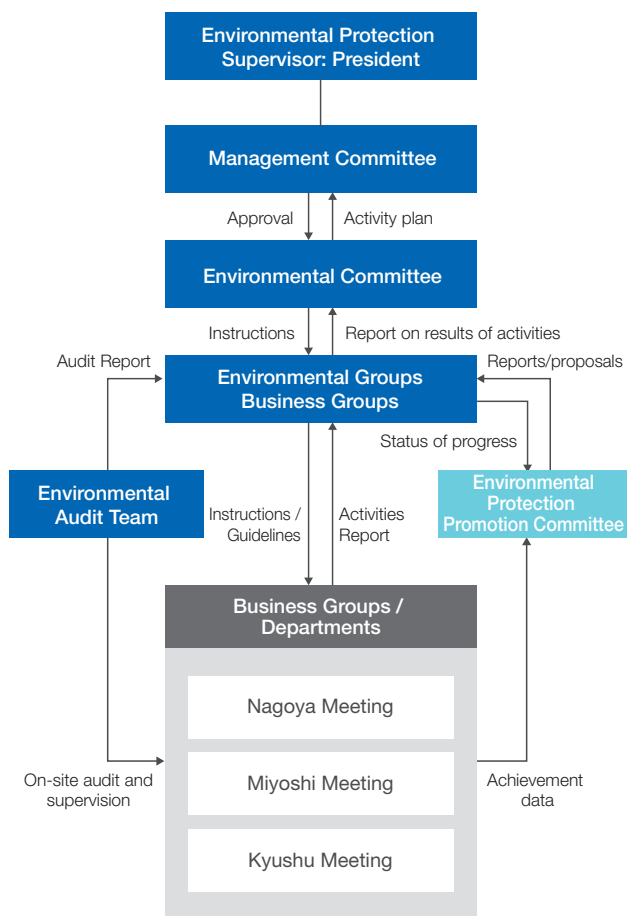
The Environmental Committee, chaired by the company President, deliberates the activity plan based on the results of the activities and approves unified guidelines for environmental protection promotion activities at the Management Conference.

For environmental protection activities in each business, Environmental Groups are established in each Business Group to plan initiatives and manage progress in line with business activities.

In addition, the Environmental Protection Promotion Committee is held on a regular basis to plan and manage environmental protection activities and evaluate the results of activities.

In addition, in order to operate the Environmental Management System in cooperation with each region, we hold "ISO Meetings" in various locations.

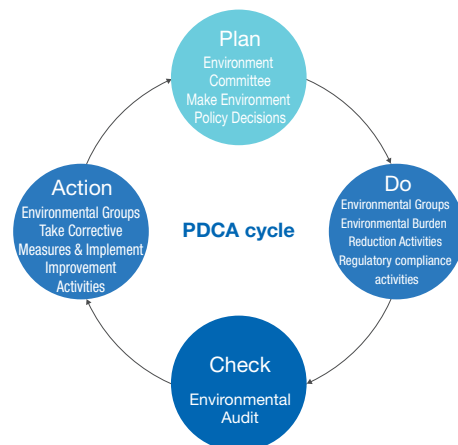
### Environmental management organization and structure



### ► Operation of Environmental Management System

In efforts to appropriately implement environmental management, we have established an Environmental Management System based on the international standard ISO14001 and are continuously promoting environmental protection activities. We have received ISO14001 certification from a third-party organization at all domestic production sites.

### PDCA cycle



### ○ ISO14001 certified offices (Situation as of March 2020)

#### NORITAKE CO., LIMITED (JQA-E-90071 was obtained in 1997)

- NORITAKE CO., LIMITED  
Head Office, Miyoshi Site, Kamimori Plant, Komaki Plant, Minato Plant, Matsusaka Plant, Yasu Plant, Kurume Plant, Imari Plant
- ZEN NORITAKE HEAD OFFICE
- HIROSHIMA KENMA
- NORITAKE RECYCLE CENTER
- NORITAKE TCF
- NORITAKE GARDEN
- NORITAKE ITRON  
Omiya Office/Ouchiyama Office
- NORITAKE COATED ABRASIVE  
Head Office/Noto Plant

#### KCM (JSAE393 was obtained in 2001)

- KCM  
Head Office/Head Office Plant
- KYORIX MIE  
Mie Plant

Overseas offices are also establishing Environmental Management Systems to promote environmental protection activities in the same way as in Japan. They are setting up environmental systems considering the regional characteristics of each country, such as laws and regulations.

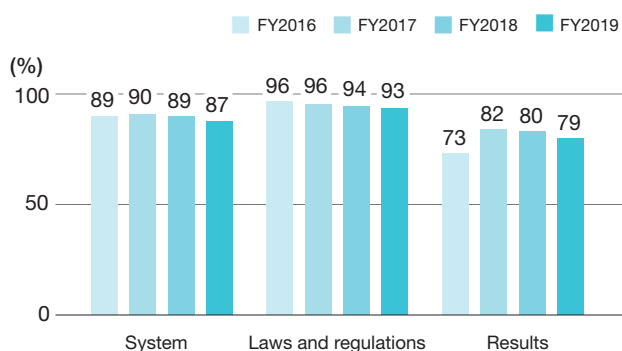


## ▶ Results of fiscal 2019 group environmental supervision

In order to properly promote environmental protection activities, the Environmental Audit is conducted every year by the Environmental Protection Promotion Committee.

The Audit investigates the status of implementation of environmental activities at all plants and evaluates the results. In particular, in order to prevent environmental pollution, it focuses on on-site confirmation of production processes and facilities. In addition, by conducting this Audit, we are working to resolve problems and issues related to environmental burden reduction activities, and to help improve the overall system.

### Average score rate for each audit item



(Global warming countermeasures, resource recycling countermeasures, pollution countermeasures)

The Environmental Audit in fiscal 2019 evaluated the results of the environmental burden reduction activities in the Environmental Management System, legal and regulatory management, and the 11th Three-Year Environmental Action Plan.

As a result, we were able to confirm that the Environmental Management System and legal and regulatory management are being operated based on the established procedures. We also confirmed that the environmental burden reduction activities are generally being carried out according to the three-Year Plan, although there were some delays.

However, given that integration of core business and environmental issues necessary to promote more effective environmental activities is lacking in the planning stages of these efforts, in our fiscal 2020 activities, we will proceed with formulation of an environmental activity plan based on our business plan.



Environmental internal audit

## ▶ Environmental communications

In order to promote environmental protection activities throughout the company, it is important for each person, from management to new employees, to correctly recognize environmental issues and to raise awareness of environmental protection. Therefore, in addition to providing environmental education by qualification, we regularly disseminate information on environmental activities through our in-house newsletter to publicize environmental initiatives. We also hold specialized education for personnel who require specialized knowledge such as laws and regulations.

In order for as many people as possible to understand the Noritake Group's approach to the environment, we disseminate information in this report and on our website.



In-house environmental education

## ▶ Regulatory compliance and complaints

### ○ Regulatory compliance and complaints

In fiscal 2019, there were no deviations or complaints regarding environmental regulations or standard values. In addition, there were no penalty or lawsuits from the supervisory authorities regarding the environment.

### ○ Devices containing PCB

For equipment containing PCB, we implement strict storage management, and proceed with appropriate processing sequentially based on the processing plan.

## Reduce environmental burden

### ► Overall picture of environmental burden (Scope 3)

We are working to reduce environmental burden more effectively by monitoring the overall environmental burden of the entire product life cycle from raw material procurement to disposal after product use.

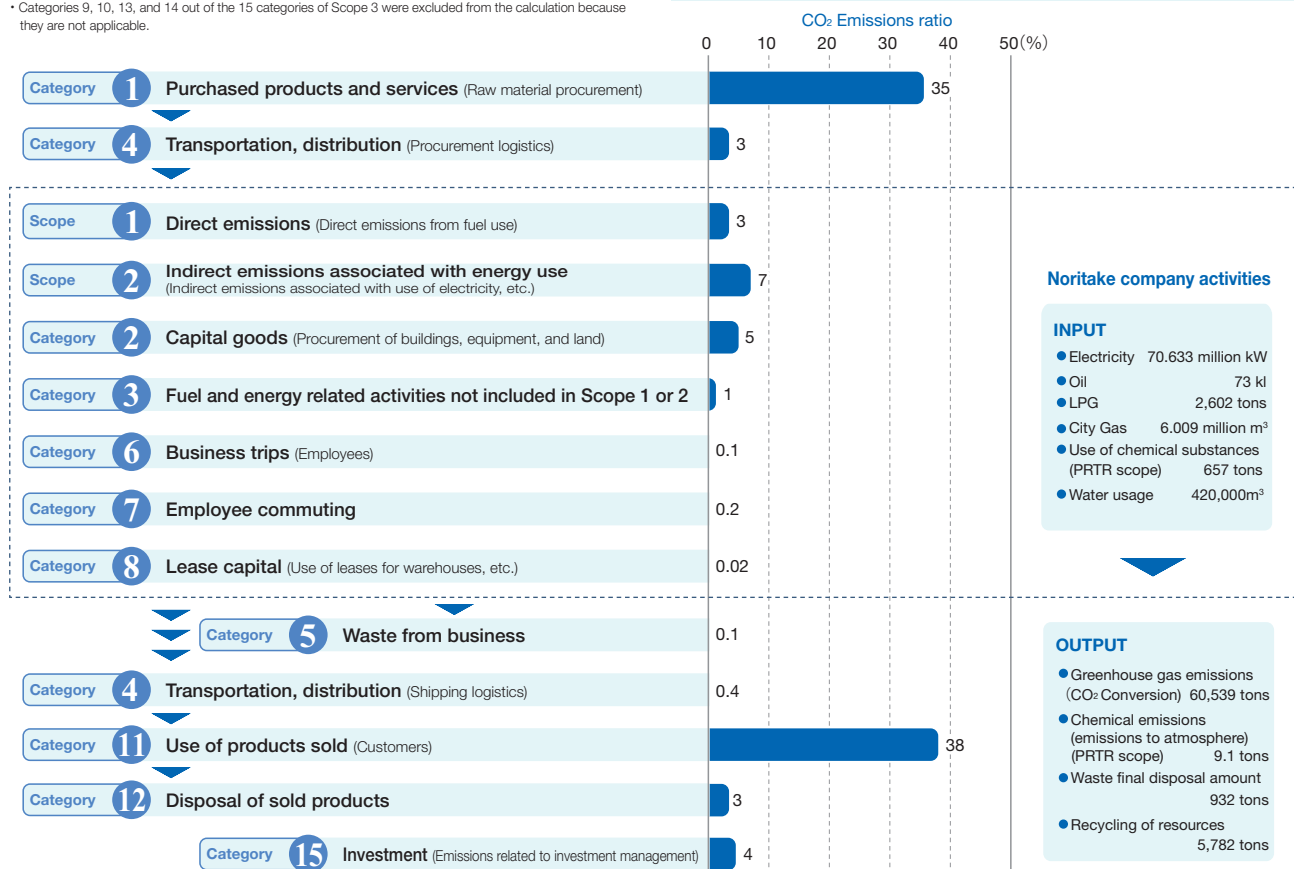
Noritake calculates greenhouse gas emissions based on the international standard Scope 3 and uses them as an activity indicator.

\* Calculation method

• Calculated in accordance with the Ministry of the Environment and Ministry of Economy, Trade and Industry's

"Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain Ver 2.0."

• Categories 9, 10, 13, and 14 out of the 15 categories of Scope 3 were excluded from the calculation because they are not applicable.



### ► Pollution measures

#### ○ Pollution control activities

In order to reduce the risk of environmental pollution caused by chemical substances, it is important to reduce the use of substances that adversely affect the environment as much as possible and to prevent dispersal and leakage through proper storage and handling.

In the 11th Three-Year Environmental Action Plan, we aimed to reduce the impact of harmful chemicals on the environment, strengthened the management of chemical substances, and promoted the reduction of chemical substances used.

#### ○ Chemical substance management

We have established a chemical substance management system that covers chemical substance-related laws for the entire Noritake Group. Chemical substance management consists of two parts: Screening and approval rules to control new use of harmful chemical substances, and monitoring the amount of chemical substances used and transferred. In this way, we are visualizing the conditions of chemical substances used and working to reduce the use and emission of hazardous substances.

We also issue and operate the "Chemical Contamination Prevention Control Standard" that uniquely defines the structural standards and inspection standards of related facilities for the storage and use of harmful chemical substances, and we are striving to prevent the dispersal and leakage of chemical substances.

## ▶ Countermeasures for global warming

### ○ Global warming countermeasure activities

The Noritake Group is working to reduce greenhouse gases that cause global warming. In the 11th Three-Year Environmental Action Plan, we are working to reduce greenhouse gas emissions per production volume by 1% or more compared to the previous year. In order to reduce greenhouse gases, we are actively promoting the reduction of energy consumption by means including increased productivity and adoption of energy-saving facilities.

We are also taking measures to counter global warming by expanding the use of renewable energy. We operate solar power generation facilities at six domestic business sites, making effective use of their premises in reducing annual CO<sub>2</sub> emissions by 1,500 tons or more.



Solar power generation facility

### ○ Global Warming Countermeasures Dedicated Committee initiatives

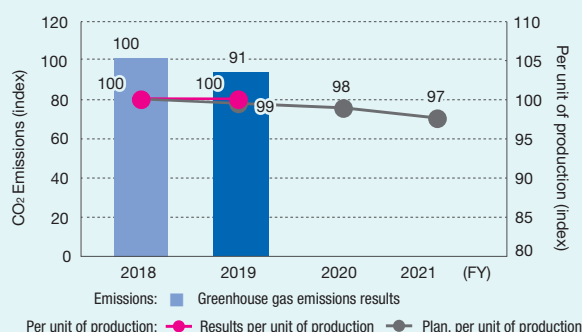
In order to share information necessary for global warming countermeasures and work on activities with a company-wide policy, we have established a Global Warming Countermeasures Dedicated Committee in which "energy management plan promotion staff" and "energy management managers" from the main plants participate. This Global Warming Countermeasures Dedicated Committee confirms the progress of company-wide greenhouse gas reduction activities and considers ways to promote preventing global warming.

In addition, in order to spread our advanced activities and effective means to prevent global warming, we share the information within the Group. We also promote company-wide activities such as taking a local-tour at the sites where the activity is being well performed, and create guidebook on how we corresponded to each environmental cases. The main plants are taking initiatives on working on this matter.

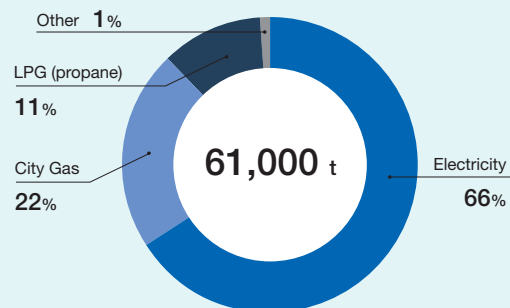
## Greenhouse gas emissions results

During fiscal 2019, the first year of the 11th Three-Year Environmental Action Plan, our efforts to increase productivity, linked with manufacturing enhancement activities, resulted in a reduction in CO<sub>2</sub> emissions of approximately 9%. Due to a reduction in production volume, however, we were not able to meet our planned goal of a 1% or greater year-on-year reduction per production volume.

### Domestic greenhouse gas emissions results

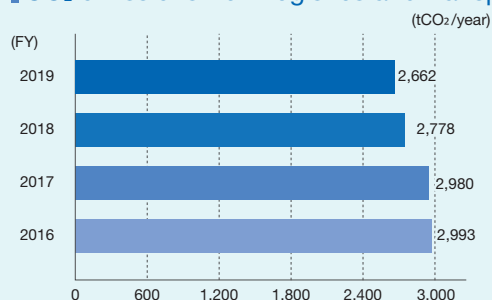


### CO<sub>2</sub> emissions ratio by energy type



In addition, the company continuously monitors the amount of logistics transport in order to achieve efficient logistics. In fiscal 2019, our CO<sub>2</sub> emissions were 26.62 million tons with 14.96 million ton-kilometers.

### CO<sub>2</sub> emissions from logistics and transport



## Reduce environmental burden

### ► Resource recycling measures

#### ○ Resource recycling activities

We understand that doing our utmost to reduce the generation of waste in our business activities is critical to making effective use of limited resources. At the Noritake Group, we undertake to reduce waste in conjunction with our manufacturing enhancement activities and quality improvement.

In our 11th Three-Year Environmental Action Plan, we have been working to reduce the amount of waste sent to landfill per production volume by 2% or more compared to the previous fiscal year in order to promote resource recycling. In addition, as a main initiative, we aim for a recycling rate of over 85% in order to promote the recycling of waste that was previously sent to landfill.

#### ○ Noritake Recycling Center initiatives

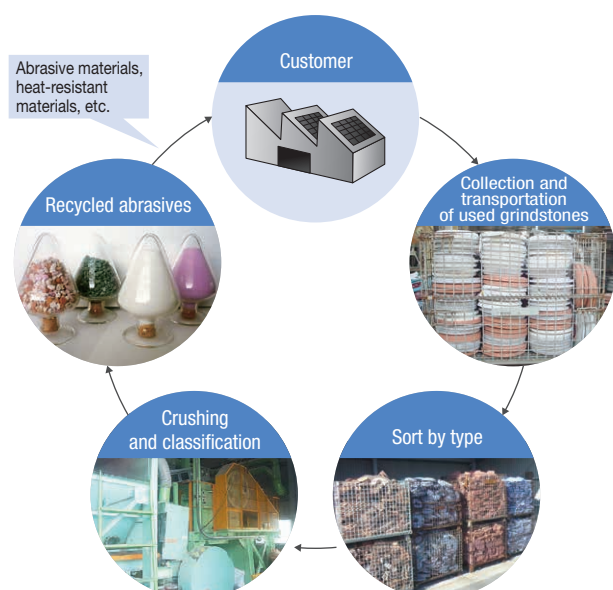
Industrial grinding wheels, Noritake's main business, are consumable products, and are disposed of in landfills as industrial waste after use. This has been a major issue in terms of the effective use of resources.

In order to recycle the industrial grinding wheels that we sell, the Noritake Recycling Center collects about 500 tons of used vitrified grindstones annually.

The collected grindstones are crushed, classified, and then reborn as products such as abrasives and heat-resistant materials.

We are also actively developing applications so that used grindstones can be used effectively.

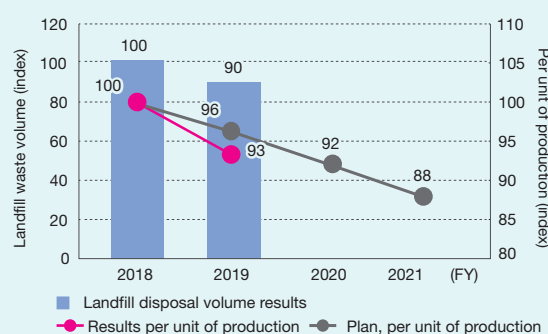
#### Recycling process of used industrial grinding wheels



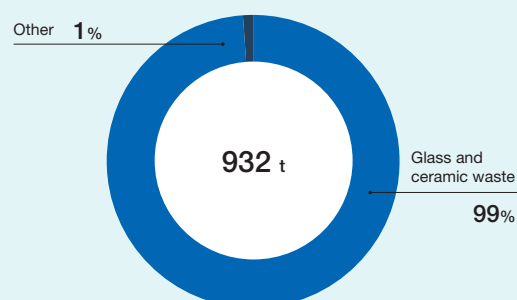
### Waste emissions results

In fiscal 2019, the first year of our 11th Three-Year Environmental Action Plan, we continued to promote the reduction of waste by reducing the defect rate, and the recycling of resources by reviewing disposal methods. We succeeded in reducing the amount of waste sent to landfill per production volume by approximately 10%. We reduced the volume of waste sent to landfill per production volume by 7% compared to the previous year, accomplishing our plan. Since the reduction in the overall volume of waste sent to landfill was low, however, our recycling rate was 83%.

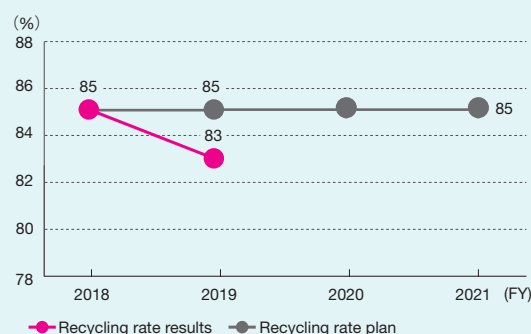
#### Domestic landfill disposal volume results



#### Landfill disposal volume rate by waste type



#### Trend in recycling rate





## Initiative for biodiversity

In order to realize the "sustainable society" that the Noritake Group is aiming for, we are promoting initiative for biodiversity aimed at preserving nature and ecosystems. We are promoting the greening activity of our business sites, and the "Noritake Garden" adjacent to our headquarters provides an environment where wild birds and insects can flourish.



Noritake Garden (Biotope)

## Water resource conservation

In order to conserve important water resources, the Noritake Group strives to prevent pollution of rivers and other areas managing wastewater from its production processes appropriately. In factories that generate a large amount of waste liquid, all wastewater from the process is collected so that they do not spread into rivers and other areas, and some process wastewater such as washing water is recycled.



Wastewater processing equipment



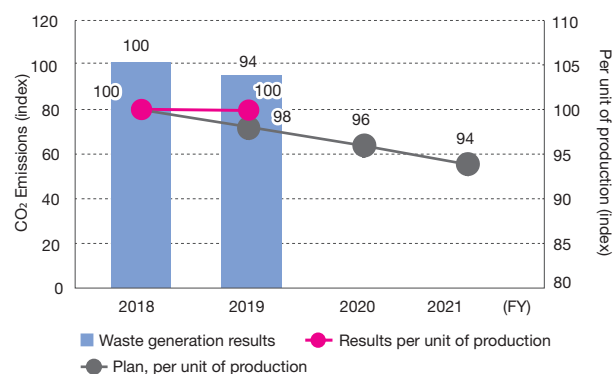
Waste liquid collection and recycling equipment

## Initiatives at overseas business sites

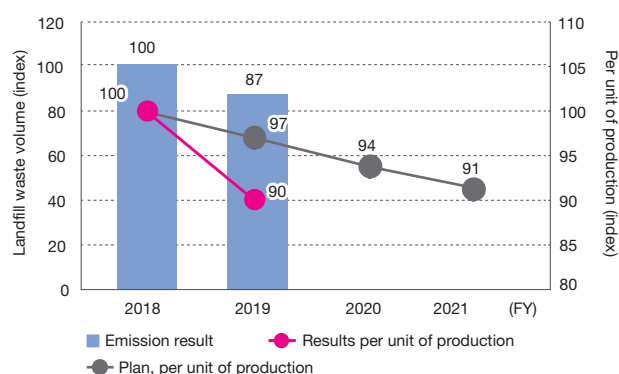


The Noritake Group is working to reduce its environmental impact at overseas production sites as we expand our overseas business. In the 11th three-Year Environmental Action Plan, we set global targets for greenhouse gases and waste, and activities have proceeded.

### Transition of greenhouse gas emissions (global)



### Transition of waste disposals (global)



## Trends in major consolidated management indicators

Fiscal year	2015	2016	2017	2018	2019
Net sales (million yen)	109,631	108,808	117,928	125,802	120,611
Cost of sales (million yen)	80,385	79,537	86,484	91,852	90,045
Gross profit (million yen)	29,245	29,271	31,443	33,949	30,566
Gross profit margin (%)	26.7	26.9	26.7	27.0	25.3
Selling, general and administrative expenses (million yen)	25,797	26,151	26,346	26,465	26,358
Operating profit (million yen)	3,448	3,119	5,097	7,484	4,207
Operating profit margin (%)	3.1	2.9	4.3	5.9	3.5
Ordinary profit (million yen)	4,780	4,861	6,992	9,764	6,312
Ordinary profit margin (%)	4.4	4.5	5.9	7.8	5.2
Profit attributable to owners of the parent (million yen)	4,412	4,107	13,432	9,707	3,415
Current net profit margin (%)	4.0	3.8	11.4	7.7	2.8
Amount of capital investment (million yen)	3,724	4,478	4,352	5,299	8,965
Depreciation (million yen)	4,147	4,026	4,030	4,057	4,442
Research and development expenditure (million yen)	2,797	2,443	2,491	2,554	2,571
Cash flows from operating activities (million yen)	6,114	9,128	9,684	8,237	8,232
Cash flows from investing activities (million yen)	-4,028	-2,546	8,468	-2,408	-7,473
Cash flows from financing activities (million yen)	-3,907	-5,974	-11,056	-10,348	-2,210
Cash and cash equivalents at the end of the fiscal year (million yen)	8,583	8,910	16,087	11,395	9,939
Total assets (million yen)	135,772	142,157	156,283	151,773	145,923
Interest-bearing debt (million yen)	28,263	23,177	13,221	4,875	5,335
Total shareholders' equity (million yen)	76,749	83,928	99,608	103,747	100,668
Total net assets (million yen)	79,765	87,125	103,026	107,349	103,757
Net income per share (yen)	307.32	286.12	935.57	675.77	237.22
Annual dividend (yen)	60.00	60.00	70.00	90.00	100.00
Return on equity (ROE) (%)	5.7	5.1	14.6	9.5	3.3
Capital ratio (%)	56.5	59.0	63.7	68.4	69.0
Total capital turnover (%)	80.7	76.5	75.5	82.9	82.7
Price earnings ratio (PER) (times)	8.3	10.0	4.9	7.8	14.5
Price-book value ratio (PBR) (times)	0.48	76.50	0.66	0.73	0.49
Stock price at the end of the fiscal year (yen)	2,540	2,851	4,610	5,300	3,440
Number of employees at the end of the fiscal year (persons)	5,054	5,097	5,012	5,091	5,120

As of October 1, 2016, 10 common shares were consolidated into one share. Net assets per share and net profit per share are calculated on the assumption that the share consolidation was conducted at the beginning of fiscal 2016.

"Partial Amendments to 'Accounting Standard for Tax Effect Accounting'" (Corporate Accounting Standard No. 28, February 16, 2018), etc. have been applied from the beginning of the current consolidated fiscal year. Key management indicators before fiscal 2018 are those after retroactive application of the accounting standards.

## 14. Company Overview

Company name	NORITAKE CO., LIMITED
Establishment	January 1, 1904
Headquarters	3-1-36, Noritake-shinmachi, Nishi-ku, Nagoya, Aichi 451-8501, Japan
Website	<a href="https://www.noritake.co.jp/eng/">https://www.noritake.co.jp/eng/</a>
Representative	Hiroshi Kato Representative Director & President
Capital	15,632 million yen
Main Business	<ul style="list-style-type: none"> <li>■ Industrial Products Business Grinding and polishing tools, etc.</li> <li>■ Ceramics &amp; Materials Business Electronic components, ceramic raw materials, plaster products, vacuum fluorescent displays, etc.</li> <li>■ Engineering Business Heating furnaces, filtration equipment, mixing equipment, cutting machines, etc.</li> <li>■ Tabletop Business Porcelain ware, etc.</li> </ul>

(As of March 31, 2020)

## Subsidiaries

\* Non-consolidated subsidiaries

NIPPON RESIBON CORPORATION	NORITAKE CO., INC,
RYOWA CORPORATION	NORITAKE SHANGHAI TRADING CO., LTD.
NORITAKE COATED ABRASIVE CO., LTD.	NORITAKE EUROPA GMBH
ZEN NORITAKE CO., LTD.	NORITAKE ABRASIVES (SUZHOU) CO., LTD.
NIHON FUREKI SANGYO CO., LTD.	NORITAKE SA (THAILAND) CO., LTD.
HIROSHIMA KENMA K.K.	DIA RESIBON (THAILAND) CO., LTD.
KCM CORPORATION	NORITAKE SCG PLASTER CO., LTD.
KYORIX MIE CO., LTD.	PT. NORITAKE INDONESIA
NORITAKE ITRON CORPORATION	ITRON (U.K.) LIMITED
NORITAKE TCF CO., LTD.	NORITAKE TAIPEI CO., LTD.
NORITAKE GARDEN CO., LIMITED	NORITAKE LANKA PORCELAIN (PVT) LIMITED
NORITAKE RECYCLE CENTER CO., LIMITED*	NORITAKE (AUSTRALIA) PTY. LTD.
	TAIWAN KCM CO., LTD*

## Equity-method affiliates

TONO KENMA CO., LTD.	SIAM COATED ABRASIVE CO., LTD.
KURARAY NORITAKE DENTAL INC.	
OKURA ART CHINA, INC.	

# NORITAKE CO., LIMITED

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