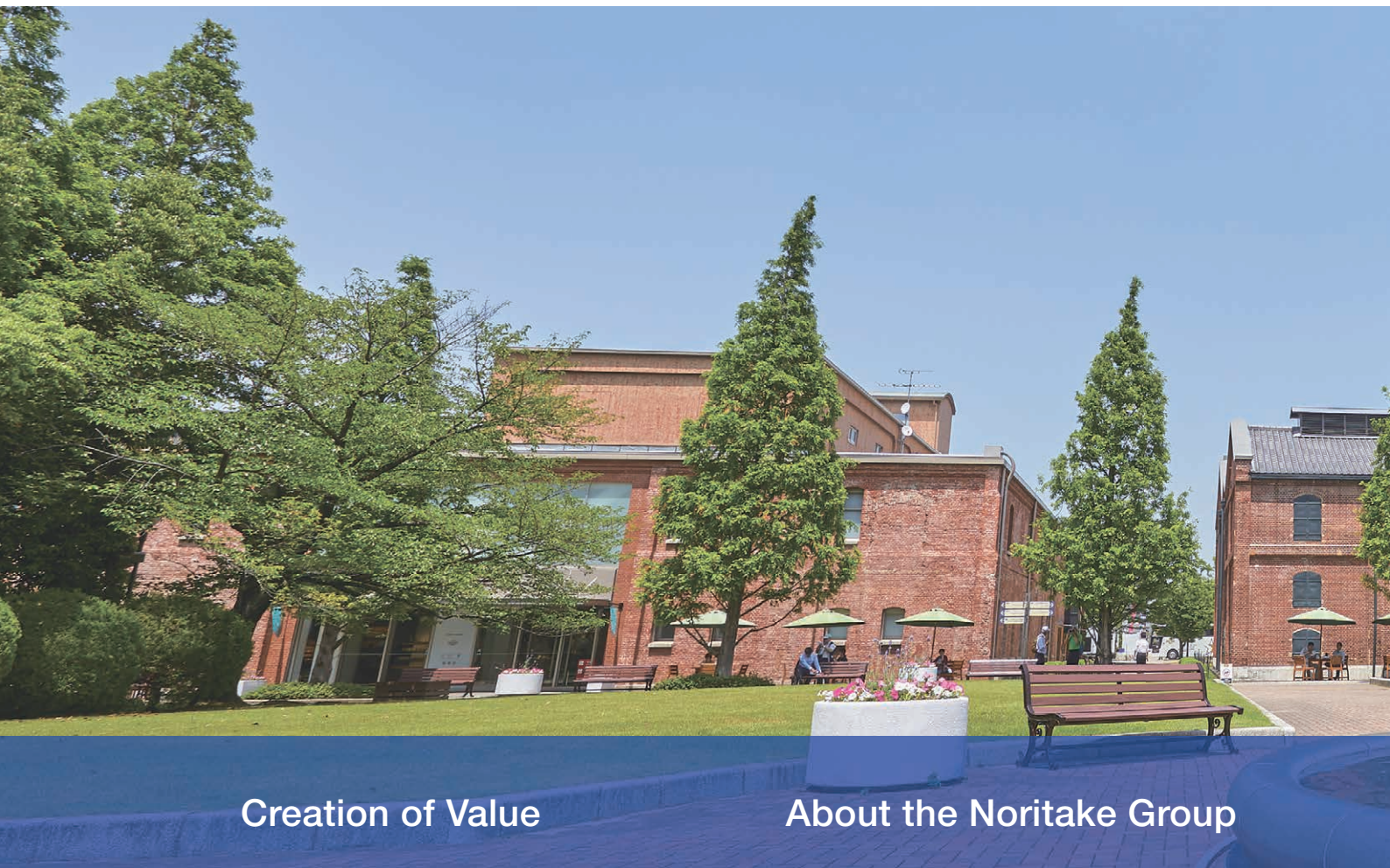




Noritake

NORITAKE
CORPORATE REPORT
2021



Creation of Value

About the Noritake Group

1. Corporate Philosophy	P03
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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-In-
vestor 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.



ESG Initiatives

Financial and Company Data

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Organizations covered

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

Period covered

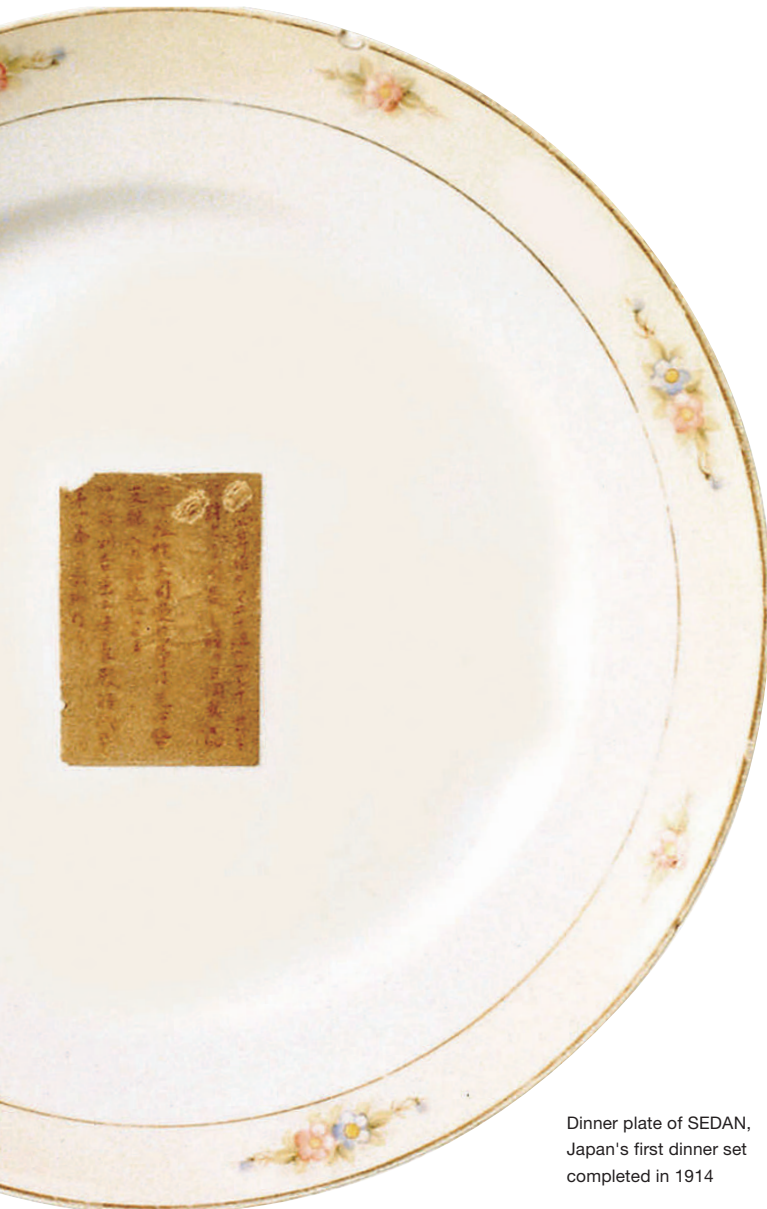
Fiscal 2020
(April 01, 2020 to March 31, 2021)
Some fiscal 2021 activities are also included in the report.

Visit our website

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



Invaluable lessons from Noritake's founders



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.

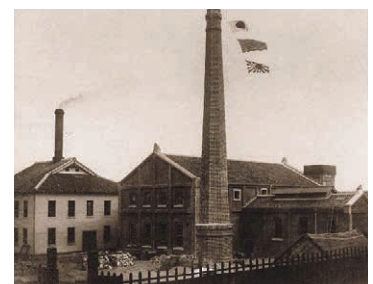
In 1904, at the site of Noritake's current company headquarters, they established a ceramics factory, brimming with modern production equipment, and set about making authentic tableware.

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 tableware, Noritake developed new technologies and expanded its business to various fields.



Ichizaemon Morimura,
founder of the company



The Headquarters Plant at the company's
founding in 1904

Philosophy Framework

「我力社ノ精神」

一、海外貿易ハ四海兄弟人權擴張共同
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
民ノ発達スルヲ樂トスルヲ目的トス
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
怠り 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
金銭杯ノ及フ所ニアラス終生ノ
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.

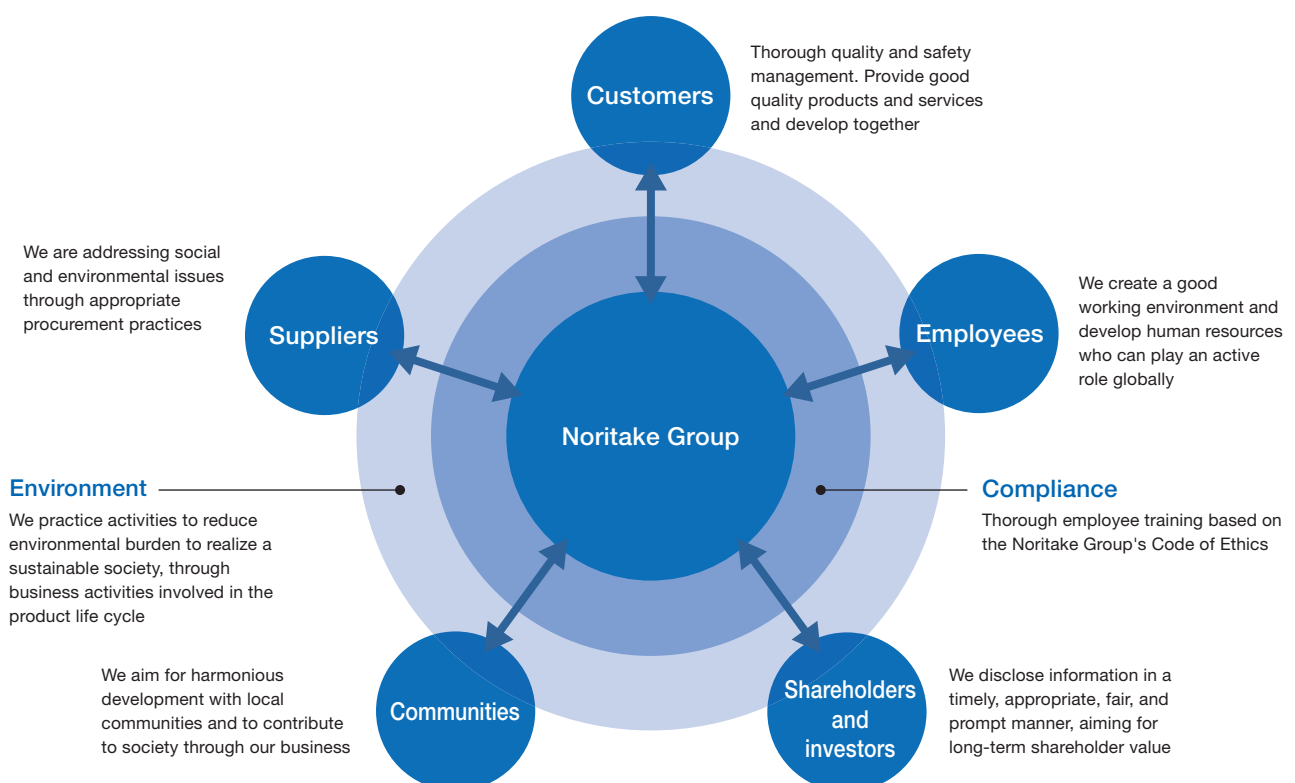
Corporate Motto

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 communitiesContribute to local communities
- 5 Disclose information to shareholders, customers, and local communities



Always creating new value to meet the diversifying social environment and needs that are evolving with time.

Noritake's products and technologies

1900~

- 1904 Russo-Japanese War
- 1914~1918 World War I
- 1920 Post war depression

1919

Succeeded in domestic production of liquid gold

1930~

- 1929~1933 The Great Depression
- 1931 Mukden Incident (start of Second Sino-Japanese War)
- 1939~1945 World War II

1939

Began full-scale manufacturing of industrial grinding wheels

1950~

- 1950 Korean War
- 1951 Treaty of San Francisco
- 1955~1973 Japanese economic miracle

1959 Development of

ZZZ Grinding Wheel for ultra-heavy grinding

1970~

- 1971 Nixon shock
- 1973 1973 oil crisis
- 1985 Plaza Accord

1964 Introduced coated abrasives technologies

1919

Began production of calcined plaster

1926 Succeeded in domestic production of decalcomania paper for tableware manufacturing

1967 Developed printing technology for thick film circuits

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






1973 Introduced static mixer technologies

1914 Succeeded in production of the first dinner set in Japan

1932 Developed the first bone china in Japan

1955 Development of heated automatic potter's wheel molding machine

1965 Developed heat-resistant porcelain (Progression China)

Noritake's history	1904	1933 ~ 1939	1947	1957	1972
	 <p>Established Nippon Toki Gomei Kaisha</p>	 <p>Modernization of buildings and equipment</p>	 <p>Established NORITAKE CO., INC. in the USA</p>	 <p>Established Corporate Motto</p>	 <p>Established current NORITAKE LANKA PORCELAIN (PVT) LIMITED</p>


Since its foundation, the Noritake Group has applied and developed technologies it has cultivated with western tableware to expand and diversify its business domains in four main areas. We will continue meet demand for new needs that are ever-evolving with time, and focus on creating new value that further enriches the lifestyles and society of people everywhere.

1990～

- 1986~1991 Japanese asset price bubble
- 1991 Dissolution of the Soviet Union
- 1991~2002 Lost Decades
(the Heisei Recession)

2000~

- **2001** September 11 attacks
- **2008** Bankruptcy of Lehman Brothers
- **2011** 2011 Tohoku earthquake and tsunami



Primadura
porcelain
I use

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. 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 coated abrasives. Through a wide product lineup, we contribute to the development of many industries, including automobiles, steel, bearings, aircraft, shipbuilding, medical care, and semiconductors.

Ceramics & Materials Business

Crushing, mixing, molding, and decorating patterns... Our technologies cultivated through the manufacturing of tableware produce outstanding 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, medical devices, display devices, and jet engines.

Engineering Business

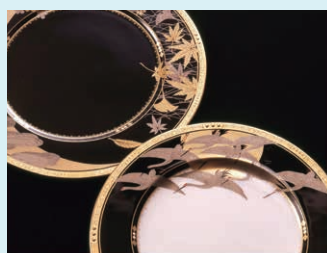
With our core technologies of heating, mixing, filtering, and cutting, we provide wide range of engineering equipment to a variety of industries including automotive, electronic components, chemicals, medicines, and food. We contribute to greater efficiency and energy savings in the manufacturing workplaces.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

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.



2001
Opened Noritake Garden



2004 100th anniversary of foundation
(Photo is of the commemorative anniversary
Bone Craft series)



2012
Established NORITAKE SA
(THAILAND) CO., LTD.



2013
Began operation NORITAKE ABRASIVES
(SUZHOU) CO., LTD. in China

Developing ceramics technologies to provide new value to society

Noritake's 115-year history began in 1904. We have applied and advanced pottery technology cultivated through the manufacture of Western 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.

FY2020 consolidated basis

INPUT

Financial capital

■ Total assets
1,549 hundred million yen

■ Cash and deposits
123 hundred million yen

Manufacturing capital

■ Equipment investment
46 hundred million yen

■ Fixed assets
898 hundred million yen

Intellectual capital

■ R&D investment
23 hundred million yen

■ Number of patents held
611 patents

Human capital

■ Number of employees
5,029 People

Societal capital

■ Domestic consolidated subsidiaries
11 Companies

■ Overseas consolidated subsidiaries
12 Companies

Value Creation Process



SUSTAINABLE DEVELOPMENT GOALS

The Noritake Group is harnessing the ceramics technology it has developed over many years to introduce a range of initiatives aimed at contributing to the creation of a sustainable society through its products and services.



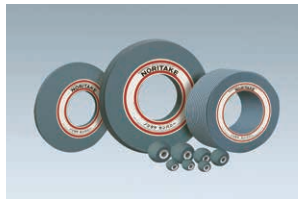
Diversified businesses to address social issues

OUTPUT

Industrial Products Business

Grinding wheels

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



Ceramics & Materials Business

Electronic paste

Electronic paste is used as a material in the electronic components mounted in smartphones and other electronic devices. Their 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. Our accuracy of form and dimensions contribute to production of high-precision cast items.



Engineering 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.



Tabletop Business

Tableware

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



OUTPUT 01

Net Sales

1,070 hundred million yen

OUTPUT 02

Profit Attributable to Owners of the Parent

44 hundred million yen

OUTPUT 03

Return on Equity

2.7 %

OUTPUT 04

Capital Ratio

71.6 %

TOP MESSAGE



Hiroshi Kato

Representative Director & President

The group's true value is put in test. Great shifts are underway to enable Noritake to become a truly powerful company.

Looking Back at FY2020 and a Business Overview

It goes without saying that the economic impact from the expanding COVID-19 infections worldwide has been severe for Japan as well as the countries all over the world. And not simply because of COVID-19, the business environment in which our group operates continues to change. Risks have been incurred from natural disasters and climate change, as well as changing trends caused by trade issues. The Noritake Group has continued to operate within this environment, with maximum considerations to prevent further COVID-19 infections. The impact from COVID-19 was most significant in our first two quarters, but we have started to see some recovery from the end of the third quarter onward.

As a result, FY2020 sales for the Noritake Group were down YoY by 11.3 percent to 107 billion yen. Operating profits were down YoY by 39.2 percent to 2.557 billion yen and ordinary profits were 4.480 billion yen. Overviews for each of our businesses are below.

► Overview for FY2020

Industrial Products Business

The impact of major production adjustments within Japan for our primary business drivers, automobiles, steel, and bearings, has resulted in lower sales, despite a trend toward recover near the end of the fiscal year. Sales have also been lower overseas, although we have witnessed resurging production as a result of the restart of China's economy and recovering demand, as well as a gradual recovery in Europe and North America, together with Southeast Asia.

Ceramics & Materials Business

Sales have greatly increased for electronic paste as a result of the firm demand for electronics used in both high-speed cellular communications and in personal computers. In addition to the impact from stable trends for communication infrastructure, the recovery in trends for automotive applications has led to increased sales. Sales of thick-film circuit boards, ceramic raw materials, and vacuum fluorescent displays, which were affected by effects of lower customer demand, decreased significantly.

Engineering Business

Given the delays in installation work and cutbacks of infrastructure investments as a result of COVID-19, the sales were lower for our primary drying furnaces and heating furnaces. The sales also declined for mixing and agitation equipment because of the less orders from general chemical sector. For filtration systems, there have been orders for large-scale bearings systems, but overall demand has trended lower, and sales have

been down for both Japan and overseas. There have been major decreases for carbide-tipped circular sawing machines as well, given the downward trends for automobiles and machinery both within Japan and overseas.

Tabletop Business

Although the increasing rates of COVID-19 infections in Japan increase our sales for online shopping, the overall sales largely decreased due to down for sales to airlines, department stores, hotels and restaurants.

Despite the increase of overseas online sales, the sales decreased due to the temporary closing of our major dedicated retailers in the United States and decreased sale rates for hotels, restaurants and airlines in other countries and regions.

Main progress of the Three-year Business Plan in FY2020

FY2020 was the mid-point for the 11th Three-year Business Plan. The entire group has been involved in our four basic strategies: promoting the development of competitive new products and new technologies, reinforcing overseas production sites and promoting overseas market development, reconstructing our domestic sales structure and manufacturing structure, and unifying our approaches to manufacturing, the environment, safety, and changes to the way we work. These strategies were designed to retransform the business fundamentals of our group to transform it to the group with a higher-profit organizational culture. Increasing COVID-19 infections have greatly changed the business environment and we have therefore added the acceleration of Concentration in Core Competence as our highest-priority strategy.

The progress and principal efforts for the 11th Three-year Business Plan are as follows.

01 Promote development of new competitive products and technologies

Progress has been made by Concentrating in Core Competence on development themes to increase the speed to realize products. This especially applies for the Ceramics & Materials Business and the Engineering Business, where the focus is on developing new products and finding new applications for products in the electronic parts and lithium battery fields, given the increasing demand that has resulted from the shift to electric automobiles and the increasing speed of communication.

02

Reinforcement of overseas production sites and promotion of overseas market development

The plans to increase production at the plant in Suzhou, China, and to expand the plant facilities in Thailand have been revised because the plans were delayed due to the spread of COVID-19. We continue to monitor the impact of COVID-19 on global economics and to respond appropriately.

03

Reconstruction of our domestic sales structure and manufacturing structure

Efforts were made to consolidate and reorganize locations to improve operational efficiencies and to reduce transportation costs for the Industrial Products Business. In addition, new manufacturing lines were added at plants within Japan for the Ceramics & Materials Business, increasing our production capacity for electronic components such as multi-layer ceramic capacitors.

04

Unification of business with “Noritake Manufacturing activity”, “Environmental activities”, “Occupational safety and health activities” and “Work style reform”

The company worked together in order to push forward with the activities. The manufacturing and technology divisions worked to develop management tools and standards for safety, quality and production, while the sales and management division focused on increasing business efficiencies. As we promoted the activities, online meetings have been utilized to keep our employees safe from infection in the face of COVID-19.

All the above is connected to our successes for safety, quality, production, and environmental issues.

Accelerating Concentration in Core Competence for the Future

The Tabletop Business is our core business which started at the foundation of the company, and has been an ongoing part of Noritake for more than 100 years. Regardless of its long history, there have been concerns that there are areas in the business which is no longer appropriate for our times. In FY2020, a review of the business was put forward to both analyze all processes, from development and manufacturing through sales, to identify ways to improve the growth and profitability aspects of the business. Updates were also made to the online shop in March of 2021 to strengthen our online sales as part of our Concentration in Core Competence for the market. Plans call for further strengthening of online sales.

When we consider trends for our Industrial Products Business, we see the acceleration of shifts to electric vehicle production in the automobile industry and ever faster changes to the market environments both within Japan and overseas. As such, the expectation is that the demand for grinding and polishing equipment will contract in future. We believe that a further emphasis on synergy, taking advantage of the uniqueness of each group company, is needed to respond to these current trends. We reviewed the structure of our group companies and the Industrial Products Business and will start operating two business systems, one for general purpose items and one for custom orders, starting in FY2021. These efforts will lead to improved profitability for each of our product groups.

These are based on a newly added, highest-priority strategy for the three-year business plan: accelerating Concentration in Core Competence. This applies to other businesses as well, and business resources will be focused on products with higher profitability. Effective strategies will also be taken for less profitable products.

Moving forward, the Noritake Group will not only focus technological and business resources on areas where we anticipate future growth, including energy and communication, but we will also invest in mergers and acquisitions. Furthermore, the New Business Promotion Committee will play a role in FY2021 to advance the quicker conversion of development themes to actual business.

Strengthening our Commitment to the Environment, Society, and Governance (ESG)

Demands on companies for social responsibility are growing in volume. In response, we will strengthen our commitment to the environment, society, and governance (ESG) as one of the business issues raised in the 11th Three-year Business Plan.

While recognizing that protection of the safety and health of all workers is the highest priority of all of our corporate activities, the Noritake Group works to create safe, comfortable, and motivating workplaces. A new work-from-home system was developed in FY2020 in response to growing numbers of COVID-19 infections.

We are also working to advance working environments that allow for a better work-life balance for all employees, regardless of gender or age. To further encourage the taking of paid leave, additional paid leave days will be offered to younger employees starting in FY2021.

In addition to the above, we plan to continue introducing more flexible and diverse work styles.

Within our governance efforts, the Nomination and Compensation Committee we established in FY2019 has increased the rational aspects and the transparency for executive personnel and compensation decisions. Furthermore, we focused in FY2020 to improve the effectiveness of corporate governance, including efforts to implement executive training

Our aim is to develop values that are needed today though our extensive technical expertise, values that we can share with the world.

and to strengthen our risk management system. Moving forward, the Noritake Group will make these systems even more effective and will increase our value as a company.

From the environmental perspective, preserving the global environment has been a critical business issue and we work toward the realization of a sustainable society through our business efforts. Every aspect of our business is reviewed for their impacts on society and the environment, leading to increased efforts to develop products with fewer impacts on the environment.

For example, fusing new gas combustion technologies with our heating furnaces for lithium-ion batteries has enabled significant reductions in energy costs.

Our newly developed resinous pastes, offer both heat resistance at 200°C and flexibility, are expected to support industry shifts, including the move to more electric vehicles and wearable devices, as well as changing lifestyles. Efforts are also underway to adopt new methods that are more friendly to the environment for the final stages of semiconductor manufacturing and processing.

Taking advantage of our accumulated experience and expertise, we develop technologies that are aligned with today's environmental and social values, and will continue to contribute to the world.

Message to our stakeholders

The Noritake Group has emphasized the importance of a return on investment for all our shareholders. A key part of that is the continuation of long-term, stable dividends. We have used our business results, financial status, and future growth potential to make comprehensive decisions when sharing those benefits. The FY2020 annual dividend has been set at 60 yen per share, taking into comprehensive consideration of our current business results, our future business environment, and expectations for future business results.

The economic impacts, world-wide, from increasing COVID-19 infections are expected to be long-lasting. FY2021 will be a year to be questioned the Noritake Group's true value and what values we can offer to the world. We are currently in the process of making major changes to ensure that Noritake will become more powerful.

The Noritake Group began with the manufacturing of tableware in 1904. Now, a much wider range of products, from ceramics and electronic paste to electronic components, support many different industries and contribute to society.

There is a stable growth for products that include electronic paste, electronic components, drying furnaces, and heating furnaces. However, for the business groups with a longer history, such as tabletop and grinding wheels, this is a time to change. Looking at the future for our group, we must take advantage of our accumulated technological expertise for new growth, and we need to act more quickly to develop products and services that will connect to a greater perception of our company's value among our customers. We will also strengthen our involvement in sustainable development goals (SDGs), promoting the development and manufacture of products to realize those goals.

We are responsible to sincerely listen to the voices of all stakeholders, such as our shareholders, customers, employees, and the local communities, and respond appropriately and rapidly. We want to continue to be a company that society values and deems necessary.

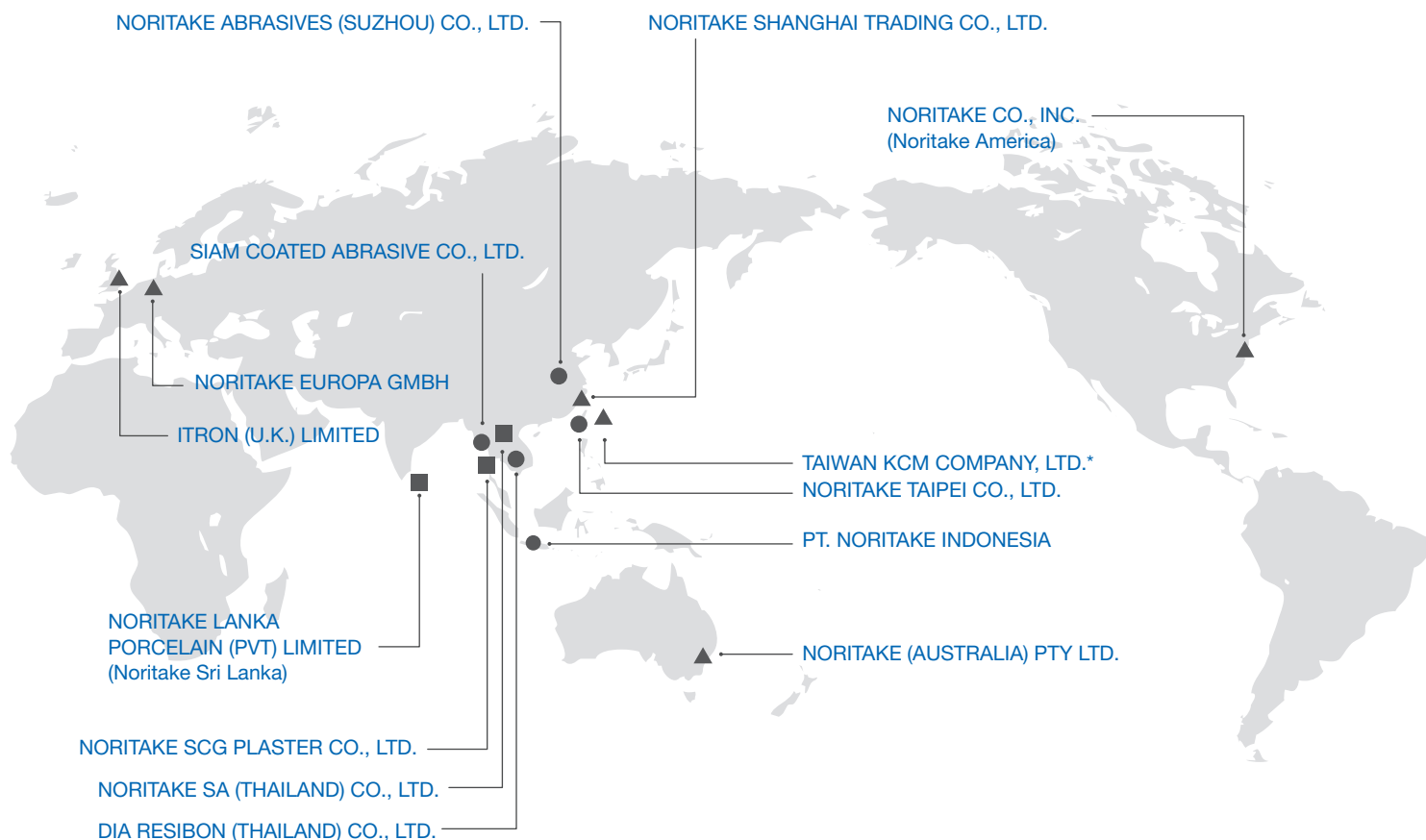
We ask you for your continued support.



Global Operations of the Noritake Group

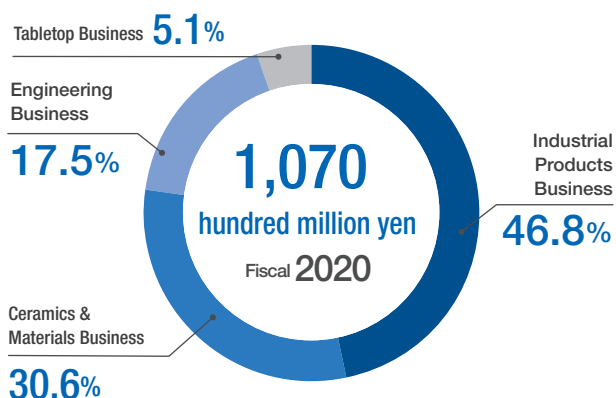
The Company has 25 subsidiaries and 7 affiliated companies in Japan and overseas as the Noritake Group.

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.



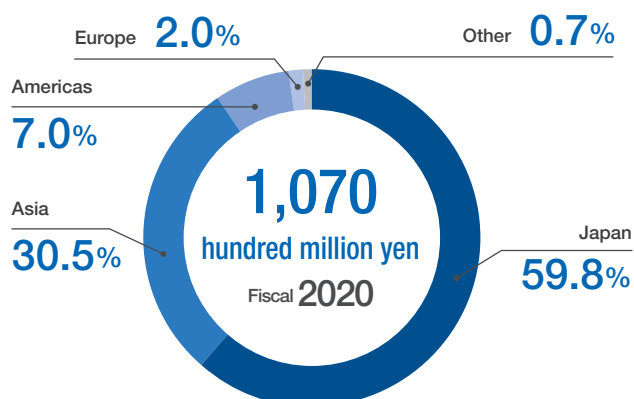
By segment

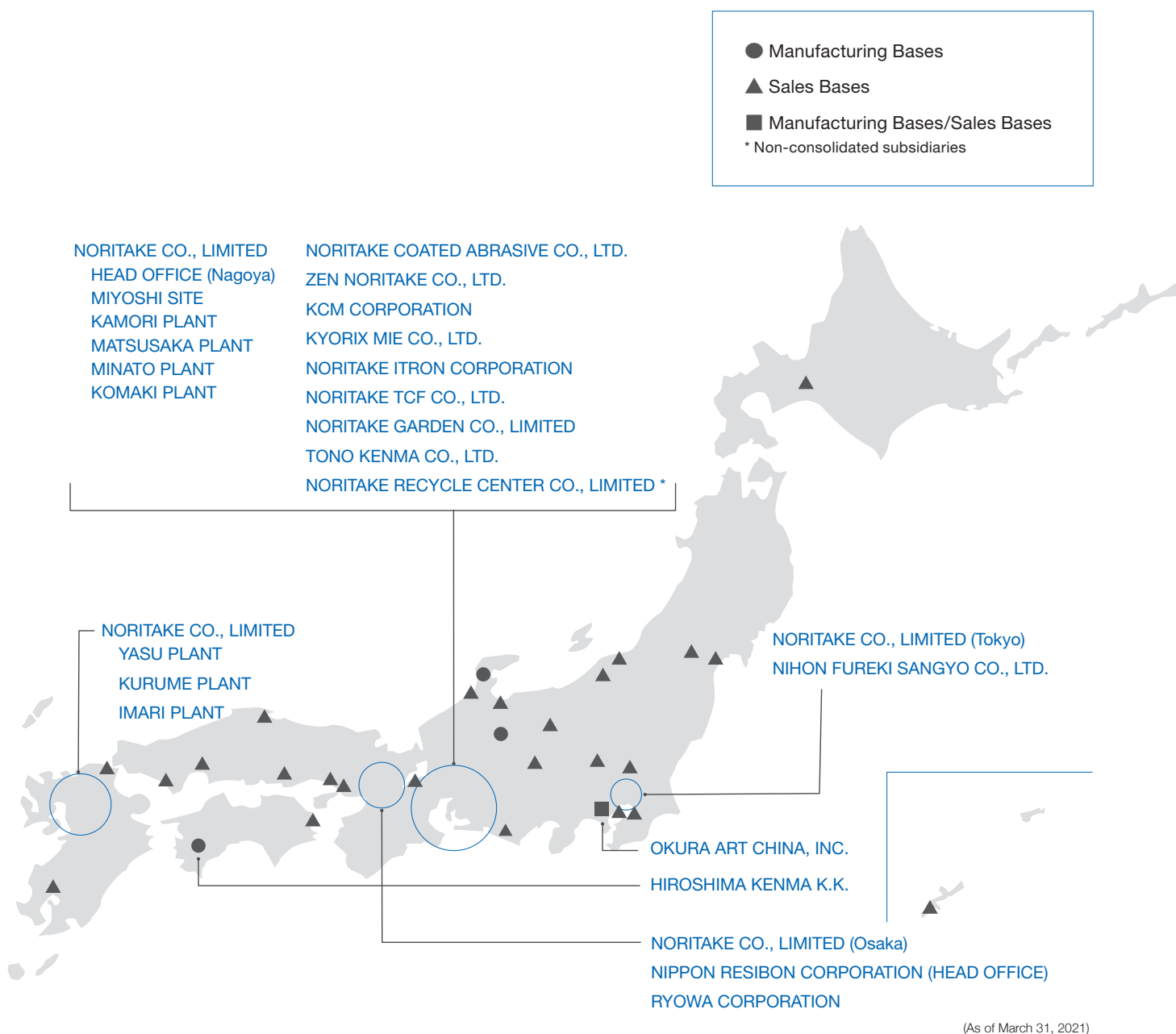
Net sales composition ratio



By area

Net sales composition ratio





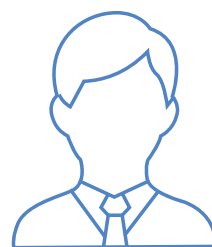
Number of consolidated subsidiaries

23 Companies



Overseas bases

9 Countries/regions



Number of employees

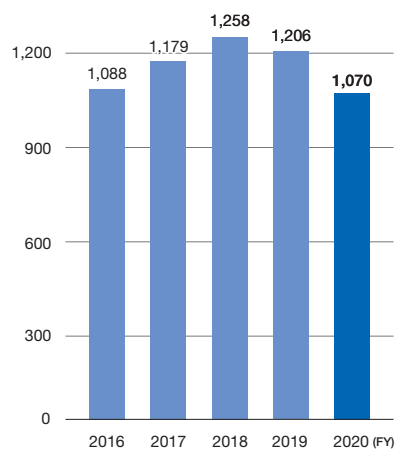
5,029 People

Regular employees only

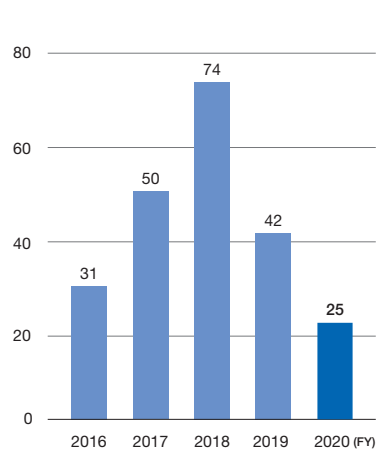
Financial Highlights

FY2020 consolidated basis

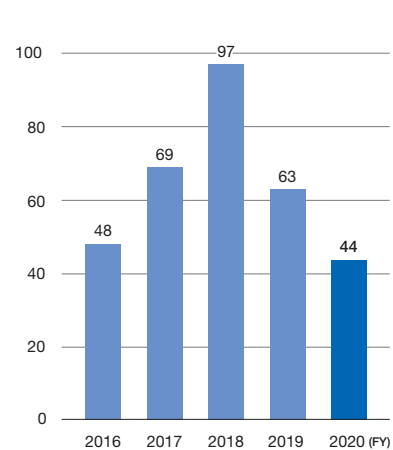
Net sales (Hundred million yen)



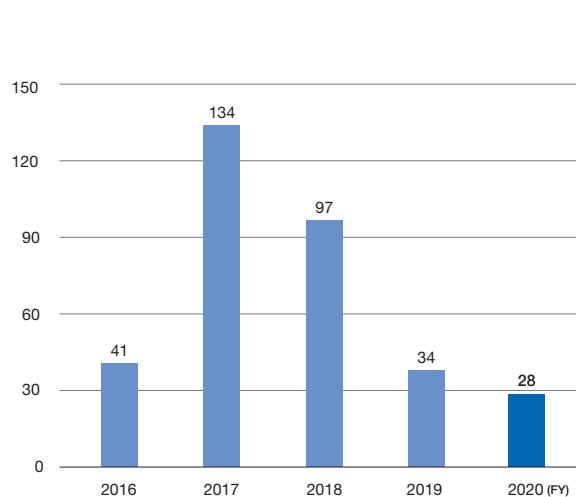
Operating profit (Hundred million yen)



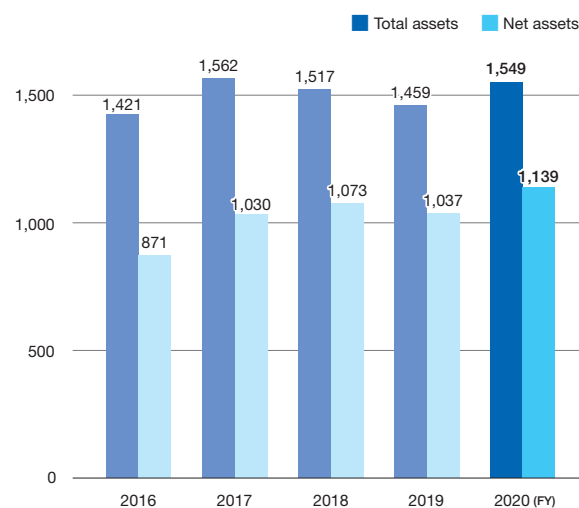
Ordinary profit (Hundred million yen)



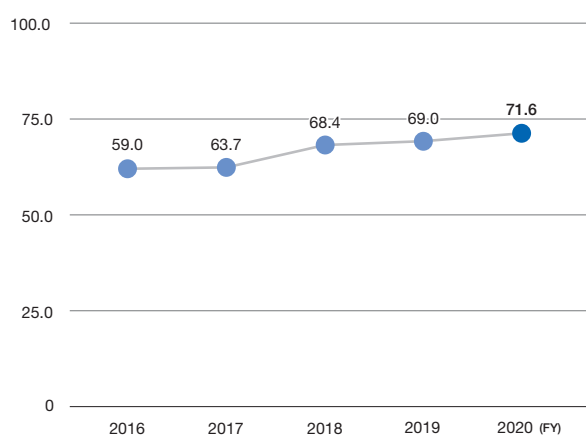
Profit (Hundred million yen)



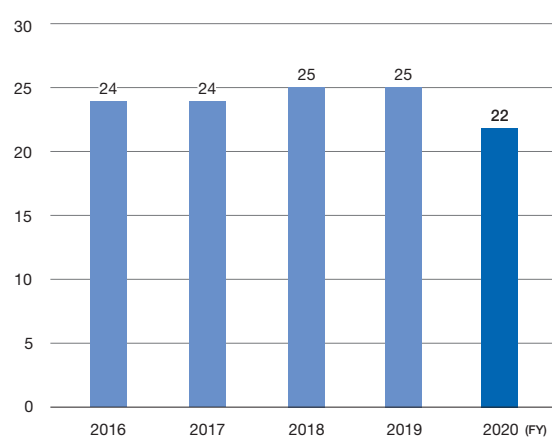
Total assets, net assets (Hundred million yen)



Capital ratio (%)



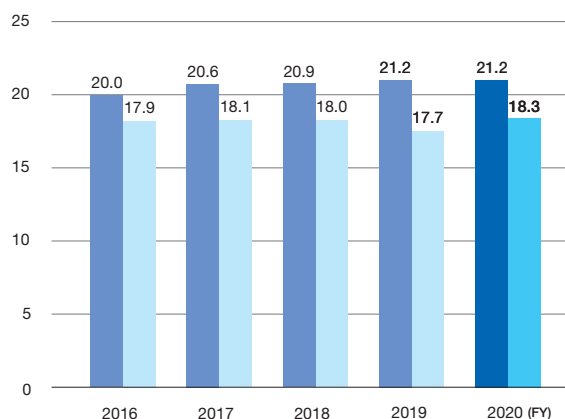
Research and development expenditures (Hundred million yen)



Non-Financial Highlights

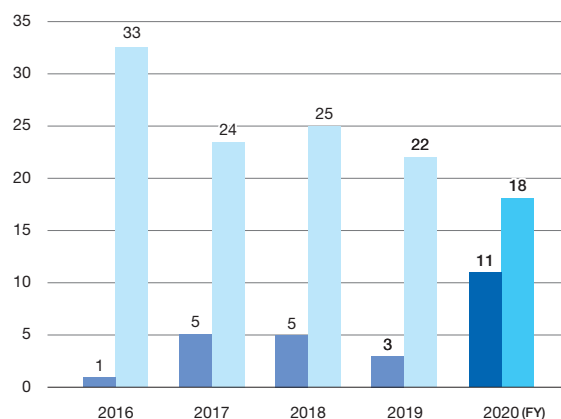
Average length of service (by gender; years)

NORITAKE CO., LIMITED (non-consolidated) ■ Men ■ Women



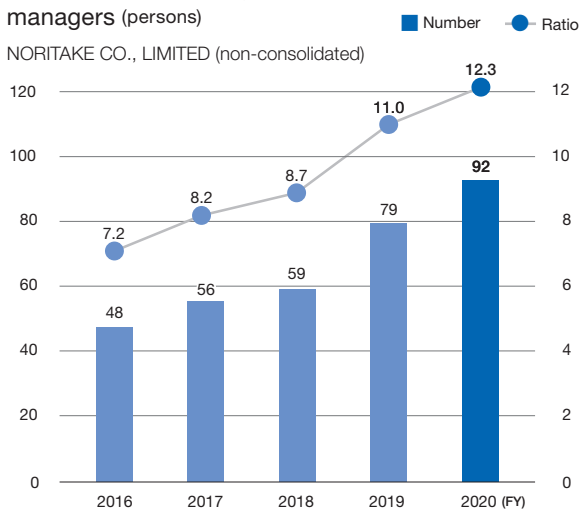
Use of parental leave (by gender; persons)

NORITAKE CO., LIMITED (non-consolidated) ■ Men ■ Women



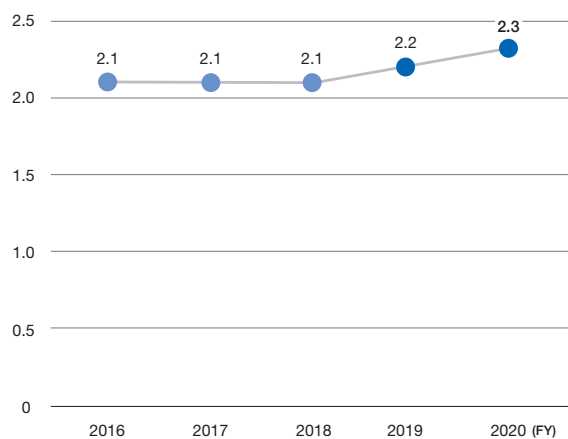
Ratio of female managers (%), number of female managers (persons)

NORITAKE CO., LIMITED (non-consolidated)



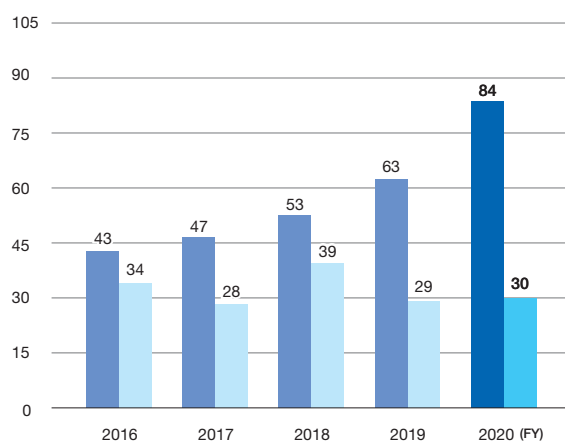
Percentage of disabled employees (%)

NORITAKE CO., LIMITED (non-consolidated)



Number of patent applications (number)

NORITAKE CO., LIMITED (non-consolidated) ■ Domestic ■ Overseas



Number of employees by business (persons)

Consolidated

	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Industrial Products	2,613	2,561	2,620	2,617	2,566
Ceramics & Materials	934	919	887	895	875
Engineering	235	238	241	245	254
Tableware	1,093	1,082	1,135	1,141	1,085
Management	222	212	208	222	249
Total	5,097	5,012	5,091	5,120	5,029

Industrial Products Business

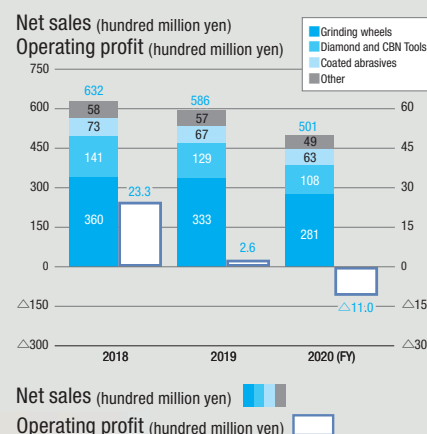
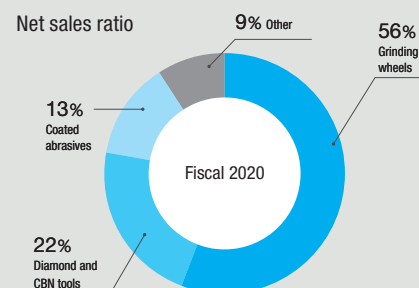
Main products

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

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.



Group General Manager of
Industrial Products Group
Akira Higashiyama



Performance in fiscal 2020

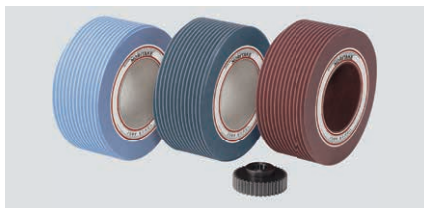
The Japanese markets for automobiles, steel, and bearings were significantly affected by the spread of COVID-19. This had a great impact on our business, for these markets are the key focuses of our business. Recovery was beginning to be seen near the end of the fiscal year, but sales were lower throughout as a result. Although we have witnessed resurging production because of the restart of Chinese economy and recovering demand as well as

a gradual recovery in Europe and North America, together with Southeast Asia, our sales have been dramatically low at overseas throughout the fiscal year. There were decreases both within Japan and overseas in general purpose grindstones, including cut-off wheels. These results ended with net sales of 50.094 billion yen for our Industrial Products Business, for a YoY decrease of 14.5 percent, with an operating loss of 1.098 billion yen.

Progress of the Three-year Business Plan

In addition to the significant production adjustments made by our customers and the changing market conditions in FY2020, we also call into account the medium- and long-term market trend to take measures to improve our profitability. We are accelerating our improvement of profitability through taking effective measures, taking into account both income and expenditures through manufacturing to sales of each product. We continue to reassess locations

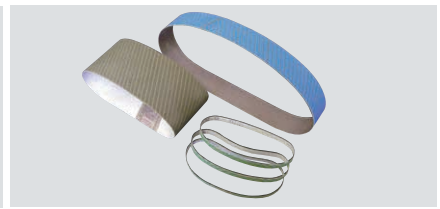
within Japan, including those of our group companies. In doing so, we have reviewed our business through examining the unique characteristics needed for both general purpose products and for custom made products as part of our efforts to increase profitability. On the other hand, our partially remote operation of manufacturing lines in China and Thailand has strengthened our overseas manufacturing, which improves our global business systems.



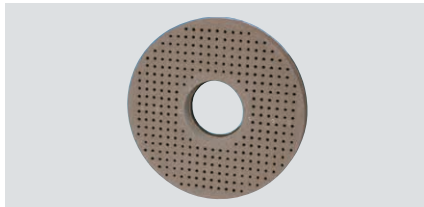
Vitrified-bonded Wheel for Gear Grinding "Gear Ace"



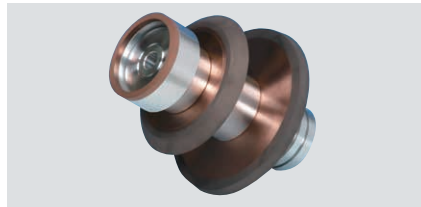
Vit-CBN Wheel "MEGA-LIFE WHEEL"



Diamond belt "Alta"



Disc grinding Wheel "Flatdy"



Metal Wheel for Super-Hard Main Groove Grinding
"Dress-less Metal (MDL)"



Offset Wheels

Our medium- to long-term business vision

In order to correspond to the next generation, we continue our efforts to strengthen our business foundations and maximize the synergy with each of the group company. Furthermore, the acquisition of opportunities from new and expanding markets is considered to be most important for mid-term business expansion.

In practical terms, customers are increasingly demanding lower CO₂ emissions in the manufacturing process in response to government policy to achieve a carbon neutral status by 2050. We are therefore focused on developing products that can be more easily produced, require less energy, and can lower CO₂ emissions at the same time.

In recent years, the interest of the automotive industry has rapidly shifted to electric vehicles. This shift over electric vehicles is not only limited to the change from fuel to batteries. The lighter vehicles improve fuel efficiency, and the greater precision in drive chain parts leads to lower levels of energy loss, which combined will lead to reductions in CO₂. Our focus until now has been on providing the grinding and polishing tools used for internal combustion engines. However, we are keeping pace with the transition to electric vehicles and will provide new products that meet the unique needs for the parts our customers will be manufacturing.

One example: when we combine the different types of grindstones used in multiple grinding and polishing processes into one, we can develop a grindstone that increases drive chain part precision processing and can reduce energy loss. Use of such a grindstone can also shorten the working process and can greatly increase production efficiencies. Given our long history of developing and manufacturing different types of grindstones, and our deep store of fundamental and elemental technical expertise, we are confident that this development is feasible.

Our focus until now has been on the grinding and polishing technologies for metal materials, including those used in automobiles, steel, and bearings. Moving forward, we are advancing prioritized development for the semiconductor and telecommunication fields, where market is expected to grow. We are creating an environment that improves individual motivation and maximizes employee abilities, which in turn can lead to further growth. Noritake will take maximum advantage and inherit our expertise and experience that accumulated over more than 80 years to train personnel for the next generation. At the same time, we will cultivate human resources who can play active roles in the next generation.

TOPICS

Expanding Production Overseas: New Facilities in China and Thailand

The opening of the new production line for NORITAKE ABRASIVES CO., LTD., in Suzhou, China, was delayed due to the spread of COVID-19, but is now scheduled to start its operation in July. This line will manufacture larger grindstones for the steel market, reflecting increasing global demand. This new line is planned to supply customers not only in China, but in Europe, North America, and India as well. We have also increased the number of manufacturing lines for ultrafine (vitrified CBN) grinding tools at NORITAKE SA CO., LTD. in Thailand. Consistent production began onsite in May on 2021. This has enabled through production for vitrified CBN products at three locations in Japan, North America, and Thailand. We will continue to strengthen onsite service systems to serve customers who are growing production world-wide.



NORITAKE SA (THAILAND) CO., LTD.

Ceramics & Materials Business

Main products

● Electronic component raw materials
Electronic paste
Decalomania paper
Electronic ceramic powder

● Ceramic component raw materials
Plaster
Ceramic raw materials

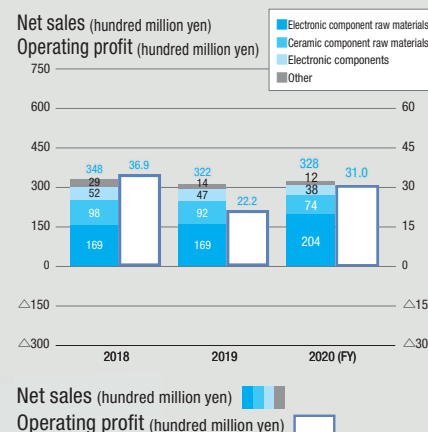
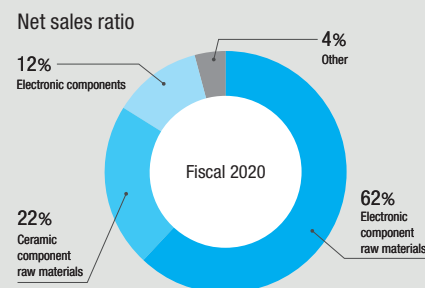
● Electronic components
Thick film circuit substrate
Vacuum fluorescent displays and modules

● Other
Catalyst carriers
Ceramic cores

Crushing, mixing, molding, and decorating patterns... Our technologies cultivated through the manufacturing of tableware produce outstanding 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, medical devices, display devices, and jet engines.



Group General Manager of
Ceramics & Materials Group
Hiroshi Yorita



Performance in fiscal 2020

Sales have greatly increased for electronic paste because of the firm demand for electronics used in both high-speed cellular communications and in personal computers. Sales for raw materials for electronic components has increased due to stable demands for communication infrastructure and the recovery of the needs for automotive applications. Sales of thick film circuit have greatly decreased because of the lower demands from customers. Sales

of plaster and catalyst carriers have also decreased both within Japan and overseas. Customers' production adjustments have resulted in lower sales of ceramic cores, and sales of ceramic raw materials and vacuum fluorescent displays have dropped significantly. As a result, net sales for the Ceramics & Materials Business were at 32.780 billion yen, a YoY increase of 1.7 percent, and operating profits were at 3.099 billion yen, a YoY increase of 39.7 percent.

Progress of the Three-year Business Plan

FY2020 was a year that saw disparities in progressing plans for our products because of the impacts from the spread of COVID-19. Materials for multi-layer ceramic capacitors (MLCC), used in electronics, trended favorably, with the increase in working from home, the greater adoption of 5G and the increasing number of base stations for 5G. Electronic paste has increased the production capacity of new plants, expanding our market share for product development. We also strengthened our development by

concentrating on our core competencies. We have increased production capacity and operations for electronic materials and for MLCC-specific needs. There were also products that suffered from decreased demand and production adjustments, and we turned our attention to improving the capabilities of catalyst carriers and improving the productivity for ceramic cores. Business systems for products, such as electronic displays and thick film circuit substrates, has been reviewed.



Decalcomania paper



Ceramic raw materials for electronic parts



Plaster products



Electrode paste



Vacuum fluorescent displays



Ceramic cores

Our medium- to long-term business vision

In the midst of drastic changes within the social environment, our business, with its focus on precision technologies for pulverizing and dispersing inorganic materials like ceramics and precious metal will keep on offering new value. We continue to provide top-ranked materials to a wide range of markets for areas such as information technology, automobiles, and construction materials. With the increase in remote work because of COVID-19, there has been a sudden spike in demand for computers, cellular devices and telecommunication devices. We have continued to supply materials needed for the electronic components.

The key to success for this business is to keep meeting the needs of both customers and society in leading-edge fields. In order to meet the needs, we must focus on 5-year and 10-year plans for the future market and work on organizational reform. We have been making such changes up until now, but the focus has been on reforming organizations where problems were already apparent. Organizations without obvious problems

were maintained as-is. Given the speed at which the business environment is changing, we need to change to new ideas and approaches. Failing to do so means that we will be left behind the society as it changes at ever faster rates. We will keep making new challenges as we review our business and organizations thoroughly, including development, manufacturing and sales. We will not rely on a few talented employees to lead the innovative changes. Rather, we will work together with all employees step by step to make reliable changes.

Moving forward, we anticipate that there will be new products and business opportunities for the digital transformation (DX) that results from greater advances in information communication technologies, and from carbon neutral policies that bring everyone's focus to preserving the global environment. Our role will be to create and offer new products and values which will contribute to both the customers and the environment.

TOPICS

More Ceramic Core Production Lines

Ceramic cores are a consumable good used for precision casting in the formation of gas turbine, jet engine dynamic and static blade casting processes because they can be used stably even in high temperatures to create a hollow core. Despite being consumable goods, ceramic cores contribute greatly to higher efficiencies for gas turbines and jet engines. The ceramic core market was impacted significantly when there were slowdowns in energy production and aviation equipment production because of COVID-19, but because we expect future increases for demand, a new production line for ceramic cores was added at the Matsuzaka plant. During this, we addressed issues raised from the existing manufacturing lines in the Miyoshi plant, and solved these issues with Noritake Manufacturing knowledge and expertise. In addition, splitting the manufacturing into two location supports our business continuity plans.



MATSUZAKA PLANT

Engineering Business

Main products

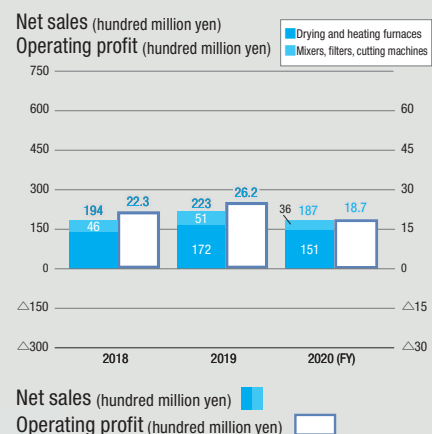
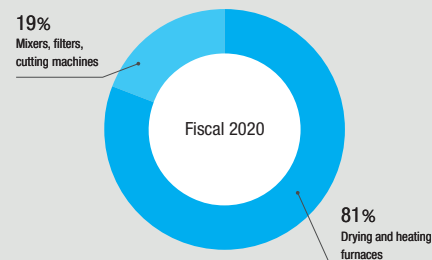
- High-efficiency heating furnace roller hearth kiln
- Far-infrared drying furnace
- Mixing and stirring machines (static mixer, etc.)
- Cutting machine
- Carbide-tipped circular sawing machine

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, mixing and stirring machines, filtration equipment, cutting machines, and other equipment to match the customers' needs.



Group General Manager
of Engineering Group
Tomoaki Maeda

Net sales ratio



Performance in fiscal 2020

Sales of our primary drying furnaces and heating furnaces have been down for major customers, given the delays in equipment installations and the restraint for equipment investment that resulted from COVID-19. Sales for mixing and stirring machines remained good for food industry, but sales were weak for chemical customers. Sales were lower for filtration systems. There were orders for large-scale devices for domestic machine part

customers, but overseas demand trended lower. Sales for carbide-tipped circular sawing machines declined dramatically, given the slump of automotive and industrial machinery customers both domestically and overseas. Engineering Business net sales therefore were 18.720 billion, down 16.2 percent YoY, and operating profits were 1.871 billion yen, down 28.5 percent YoY.

Progress of the Three-year Business Plan

The Engineering Business is involved in promoting the development of competitive new products and new technologies for the 11th Three-year Business Plan. Installation work is needed when delivering new equipment, but after overseas travel restrictions were announced in early FY2020, we have been unable to work onsite. We have also been unable to meet with customers to share our new products and to identify new markets, which resulted to the delays for development and proposal work.

We are involved in efforts to develop new products and associate higher value propositions for existing products as we concentrate in core competence

that will allow the business to return to the right direction. In addition to focusing attention on promoting drying furnaces and heating furnaces to battery material and electronic component customers, where growth is expected to continue, we are also promoting the development of new products for automotive customers. Promotions are underway to introduce mixing and stirring machines to pharmaceutical and cosmetic customers, and filtration systems to automotive parts customers. Regarding carbide-tipped circular cutting machines, we focus on developing new materials and on construction material customers.



Static mixer



Roller hearth kiln



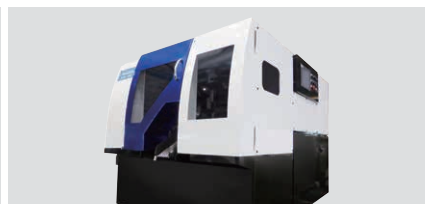
Coolant filtration system



Food sterilizer



Rotary kiln



Carbide-tipped circular sawing machine (Thin Cut Master)

Our medium- to long-term business vision

The Engineering Business provides machinery and equipment designed to meet customer applications and needs. We support manufacturing in a variety of different industries. There was favorable growth for heating furnaces for lithium-ion battery and 5G-related business customers. Our prioritized focus has been on technological development here. The Heat Technology Testing Center for this business unit, located in Komaki City, Aichi, receives product inquiries from customers. Based on their requirements, test equipment is selected, and the center performs verification testing, changing the temperature and transportation conditions. This type of development system has been able to support the rapidly changing technological needs of our electronic component customers. We are currently performing higher heating efficiency verification testing on heating furnaces for lithium-ion battery materials. This facility has also provided the heating process work for multi-layer ceramic capacitors used in electronic components, but recently we have been using two heating processes: non-binder and re-oxidation. Development is underway for a new system that can offer non-binder, heating, and re-oxidation all in one. We have already entered the testing phase for it.

Given concerns over material shortages, we are preparing to work with new battery materials. Moving forward, plans call for aggressive research and development with an outside partner with experience in technologies we lack.

For mixing and stirring machines, we have completed work on an all-in-one system to allow for a switch to a serial line from what was once batch processing. This will be promoted to customers in the pharmaceutical and cosmetic fields. This uses the ultra-compact static mixer developed last year within a systematic approach. We are also moving forward in finding uses for the fine bubble generators, capable of creating microscopic foams. One of the primary items for filtration systems has been for gear grinding equipment. At present, the primary coolant for gear grinding is oil-based, but we are now promoting a water-soluble coolant filtration system that is more eco-friendly.

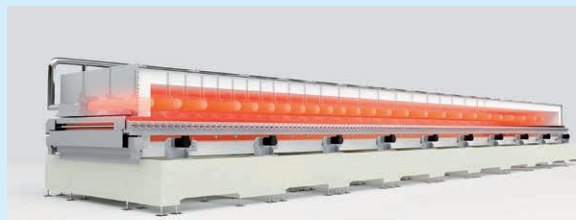
Dedicated personnel are critical for continually and stably enabling these systems. Such personnel can conduct onsite inspections at manufacturing locations for different industries. Moving forward, more attention will be given to personnel training. This business has a constant eye on the future. We are working vigorously toward the vision we have developed.

TOPICS

Developed the World's First Gas-Fired Serial Heating Furnace for Lithium-Ion Battery Electrode Materials

Noritake has developed the world's first gas-fired serial heating furnace for lithium-ion battery electrode materials, using a unique ceramic radiant tube burner. Sales began in August of 2020. This product was born from a melding of different technologies. Noritake offered heating furnace technology and Tokyo Gas and Tokyo Gas Engineering Solutions, offered gas-fired heating technology. This new and highly efficient heating equipment can realize up to a 40 percent reduction in energy costs. The lithium-ion battery electrode manufacturing process, for which there has been increasing demand in recent years, requires a heating process that can be stably maintained at high heats of 1,000°C or more. A solution arose when combining technologies for gas-fired

high-temperature heating issues from three companies, and we brought that solution to market.



Gas-fired serial heating furnace for lithium-ion battery electrode materials (C-SERT-RHK)

Tabletop Business

Main products

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

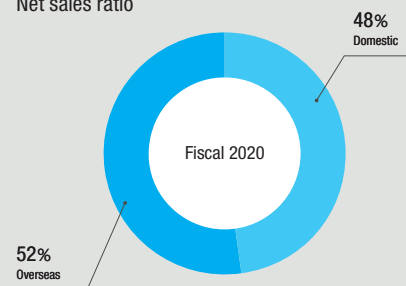
For over 100 years, Noritake tableware has been loved around the world. We offer a wide lineup of beautiful and easy-to-use tableware for daily use at home and for gifts, as well as for commercial use in hotels, restaurants, in-flight service, and more. By providing products infused with impeccable quality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



Group General Manager
of Tabletop Group

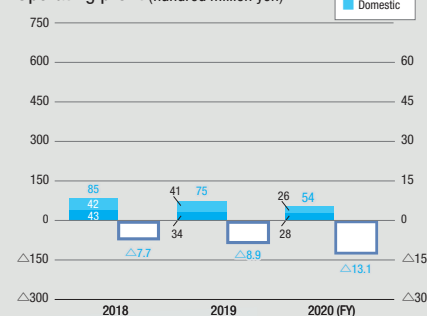
Munenari Mizukuchi

Net sales ratio



Net sales (hundred million yen)

Operating profit (hundred million yen)



Net sales (hundred million yen)

Operating profit (hundred million yen)

Performance in fiscal 2020

The domestic market has been impacted by the spread of COVID-19. Despite increases in online sales, sales for the airline, department store, hotel, and restaurant industries decreased dramatically. Despite increases in online sales for the overseas market, overseas sales were lower because of impacts from

large-scale reseller shutdowns in the United States. Sales for hotel, restaurant, and airline customers were lower as well, which led to overall decreases world-wide.

As a result, net sales for Tabletop Business 5.44 billion yen, a 27.6 percent YoY decrease, with a 1.314 billion yen operating loss.

Progress of the Three-year Business Plan

For the 11th Three-year Business Plan, the Tabletop Business has been involved in efforts to revitalize the business and identify systems that would maintain profitability even as the market shrinks. The strategy for revitalizing the business needed to review in light of COVID-19 in FY2020, and we focused to revise our strategies. Domestically, we reviewed sales and distribution, and in addition to promoting higher efficiencies through Concentration in Core

Competence, we also set about identifying new markets and sales routes. Three existing Noritake stores were closed. On the other hand, in addition to opening a new style of store, Noritake Square Plus, in Nagoya's Sakae Mitsukoshi, we also ran pop-up sales in locations like outlet malls. Ion mall is to be opened at a new location right next to our company in the fall of 2021, and we expect to attract new foot traffic. In response, we are renovating the Noritake



Yoshino



Rosa Rossa



Homage Collection



Orige



COLORTEX



Maison Collection (quilted pink)

Square Nagoya store. Updates were also made to the official Noritake online store, where access numbers have been increasing, improving the website's ease-of-use.

Regarding overseas market, more and more retail sales are done online in the United States. We focus to strengthen online sales, increase profit and improve profitability. We have also been revising

our sales systems for China, India, and Oceania, working also to improve profitability. As a result of the efforts, there has been a particular growth in online sales, especially in Australia. We are strengthening our relationship with a powerful and comprehensive agency in India, and promoting more publicity there.

Our medium- to long-term business vision

Tableware is what our business group was founded on. We have been focusing on transitioning systems to one that can ensure profit, developing products that meet more casual needs in Japan and the United States. The economy, however, has been hit with stagnation after the FY2019 explosions in Sri Lanka and the spread of COVID-19 in FY2020. We have therefore been forced to make changes to the plans announced in the three-year business plan. Of particular concern has been the massive hits to the hotel, restaurant, bridal, and airline industries, where our major customers exist. Some course revisions are needed for the directions we need to aim for. Conversely, online sales have been doing well everywhere.

Moving forward, although even as more and more countries can proceed with vaccinations, the economic and lifestyle changes that COVID-19 precipitated, such as restrictions on movement, travel, eating-out and shifts to online sales for small retailers, is expected to

remain the same. Our business is reviewing the brand re-genesis called for in the three-year business plan, and believes we need to accelerate necessary strategies now. Regarding brick-and-mortar shops, we will accelerate to shift our business from department stores to outlet malls. We will also correspond to online sales media, which will help us propose and strengthen appeals of Noritake brand to a wider circle of customers. We can also take advantage of our accumulated expertise in working with high-end customers like hotels and restaurants and are working to develop new business spaces for the dining sphere.

We are certain that these efforts will help to shine a light on the prestige and quality of Noritake formal ware for new customers in online and new business model environments. Please look forward to the changing Noritake.

TOPICS

Website Updates for the Official Noritake Tableware Online Shop

We relaunched a new version of the official Noritake online store on March 25, 2021. The new normal precipitated by COVID-19 has increased visitors to our online store, and we have improved the website's ease-of-use with more shopping features for customers using smartphones and mobile devices to visit. We have also added new content, including a concierge service where dining professionals introduce selected tableware, providing more comfortable living spaces that go beyond the dining table.



NORITAKE ONLINE SHOP

Research & Development

The roots of Noritake technologies stretch back 100 years when techniques for manufacturing Western tableware were developed. At the time our passion for creating beautiful, white, delicate ceramics began an inherited skillset that has continued to this date. We continue to find a wide range of unique ceramics characteristics that form the basis for the new products we share with the world. We will continue to work to develop the technologies and products that customers all over the world expect from us while all along keeping our eyes on the next, upcoming trends.



Group General Manager
of Development &
Engineering Group
Akira Nagata

Technologies of Our Strength

- **Fusion Technologies for Fine-particle:** Techniques to fusion metal or ceramic fine-particle from the size of nanometer to micron.
- **Coating Technologies for Fine-particle:** Coating technologies to improve the quality and the functionality of the metal and ceramic fine-particle
- **Dispersion Technologies:** Liquid dispersion technologies for particles made of metals or ceramics
- **Forming Technologies:** Techniques to form various ceramics parts with less cost and with greater stability
- **Technologies for Porous Materials:** Core technologies for porous ceramics materials, such as grinding stones
- **Fusion Technologies:** Glass techniques to fuse materials with different thermal expansion coefficients, such as metals and ceramics
- **Environmentally-friendly Decorative Material Technologies:** Pigments, enamels, and paints that shine with brilliant color and are kind to the environment
- **Printing and Decorative Technologies:** Screen printing, decorative and circuit printing for industrial inkjet printing

Research and Development System

Both the Development & Engineering Group and the engineering teams at each business group are involved in product development. The Development & Engineering Group is responsible for identifying new projects and products that can contribute to realizing a sustainable society, as well as the

necessary new technologies for making such projects and products to come into a reality. We actively participate in national projects, and cooperate with university and external research organizations to develop leading-edge technology development.

Principal Development Themes and Targets

We are focusing our efforts on developing technologies that can contribute to the future of our society and to make industrial innovation. We are taking advantage of the benefits of the numerous technologies we have developed over the years and refine those technologies to an even higher degree. The technologies we have acquired are for products such as tableware, grindstones, electronic paste, ceramics, and engineering equipment. We set milestones for developments at each stages, from the one that is ready to be set off to the market and the one for the future. We go ahead with our development with a medium- to long-term perspectives.

More and more governments and industries are working to contribute to the issue of climate change, aiming for carbon neutral status. The same is for the Noritake Group. We need environmental perspectives to move our research and development forward. More and more technological innovations are needed to make our future society comfortable, and we will actively participate to make it come true. Innovations are required in areas such as electric vehicles, power semiconductors, energy-related components, and next-generation high-speed mobile communication. We will keep on our effort to contribute to the society.

Ceramic Technologies will be the Key for Major Changes for the Environment and Society

Glass enamels are used when glazing tableware. Noritake has developed unique glass materials that do not deteriorate when exposed to high-temperature hydrogen. This glass material will help to realize next-generation hydrogen manufacture devices that can produce hydrogen more cheaply.

Roughly 50 percent of the grindstones we sell are made from highly porous ceramics, known as porous mediums. One of Noritake's greatest strengths has been the research and development of porous ceramics, with a wide variety of features that take advantage of the pores, or holes, within ceramics.

Fine bubble generation technology, for both micro-bubbles and ultra-fine bubbles, has been used for the structure of porous ceramics. This is unique in a way that allows bubbles to be generated in a variety of liquids without

the addition of any powerful force. We have taken advantage of that unique aspect to provide products with useful applications in a wide range of industries, including foods and beverages, chemical engineering, metal processing, waste processing, and biological solutions.



Fine bubble high-efficiency gas-liquid reaction device

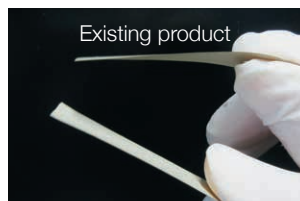


Photo of fine bubble generation

Toward Non-heating Technologies Arising from Material Technologies Developed in the Heating Process

For many years, Noritake has refined and perfected technologies to form materials at high temperatures and develop products based on them. One such example is electronic paste developed for electronic components. The decorative techniques to apply liquid gold and paint to ceramic dishes is applied here to combine resins and solvents to form a paste. The market for in-vehicle products has grown lately, and the demand has grown for conductive pastes that use resin and do not burn off, which helps to reduce vehicle weight and lessen the damage from vehicle vibrations. To meet that need, Noritake is focusing on the development of a conductive resinous silver paste. Conventional pastes used for in-vehicle electronic component electrodes are used to absorb vibrations, but are also affected by the heat

generated by peripheral equipment. Since Noritake's conductive resinous silver paste is highly heat-resistant, it is suited for use in in-vehicle electronic components.



Existing product



Developed product

Conductive resinous silver paste after heat-resistance testing (200°C for 10 hours)

Processing Technologies and Heat Strategies Contributing to Solutions for Information Communication

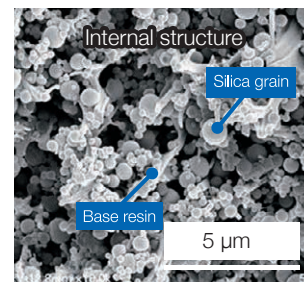
In recent years, the use of silicon semiconductors has increased in mobile devices such as smartphones and computers. Attention is shifting, however, to materials with less loss of electricity, for use as power semiconductors with increasing use in electric vehicles and next-generation high-speed mobile communication. The materials used here are very difficult to process. As such, an innovation in processing tools and technologies is needed. We have therefore developed a semi-fixed abrasive grain polisher, the LHA pad, which is more friendly to the environment. This technology controls porous structures, and represents a fusion of different technologies, including micro-granular precious metals, liquid gold within ceramic pigments, paints, and electronic pastes. Our present technologies owe to more than 115 years of experiences we have cultivated through the manufacture of tableware.

Another innovation is specific to heat issues. One of our greatest strength is our unique technique of firing. It enables us to express different forms and

colors to the fired substances freely. This technology also helps us to advance our development on heating and heat release. We believe we can contribute to a wide range of innovations with our skills. Now, we also work with heat-dissipating ceramic materials to help to take countermeasure against heat for the growing power semiconductor market.



Overall image



Internal structure

Semi-fixed abrasive grain polisher, the LHA pad

ESG Initiatives

The Noritake Group seeks to contribute to society based on our Corporate Motto that calls for making all-out efforts to provide 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 established the Noritake Group's Code of Ethics based on our Corporate Motto as a guiding principle by which all employees can take action with moderation, integrity, and high ambition. Furthermore, we have established and will engage in our ESG Promotion Items, to build a sustainable and better society 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"> Promote our Corporate Philosophy Establish governance structure Utilize the whistle-blowing system Observe business-related laws and regulations Prevent corruption Enhance intellectual property education
Human rights	Respect for fundamental human rights and diversity	<ul style="list-style-type: none"> Treat human rights with respect Promote active participation by women Emphasize human resources development Promote hiring of disabled employees
Labor practices	Prioritization of safety and health over everything else	<ul style="list-style-type: none"> Promote occupational safety and health activities Promote health management Respect work-life balance
The environment	Preservation of the global environment and achievement of a sustainable society	<ul style="list-style-type: none"> Reduce CO₂ and wastes Enhance products that contribute to the environment Promote use of environmentally-friendly machinery
Fair operating practices	Disclosure of information to stakeholders	<ul style="list-style-type: none"> Disclose information timely and accurately
Consumer issues	Provision of finest quality products and services	<ul style="list-style-type: none"> Promote activities to enhance manufacturing
Community involvement and development	Achievement of affluent and comfortable local communities	<ul style="list-style-type: none"> Coexist with local communities Promote regional contribution activities Continue supporting foreign students

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

4 Yuko Fuma
Director & Executive Officer
Group General Manager of Corporate Administration Group

5 Masanao Tomozoe
Director (Outside)

6 Ryoichi Yamamoto
Director (Outside)



Executive Officer



Shuji Shite
Senior 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



Makoto Okabe
Managing Executive Officer
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



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



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



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



Tomoharu Kondo
Executive Officer
General Manager of Engineering Division, Industrial Products Group



Shinji Kato
Executive Officer
Group General Manager of Ceramics Group, Ceramics & Materials Group

Audit & Supervisory Board Members

- 7 Sumihito Sago**
Audit & Supervisory Board Member
- 8 Kazumasa Yoshida**
Audit & Supervisory Board Member
- 9 Tatsuhiko Saruwatari**
Audit & Supervisory Board Member (Outside)
- 10 Takashi Morisaki**
Audit & Supervisory Board Member (Outside)



Headquarters

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 are shown on the right.

Basic policies

- 01** | Strive to ensure the rights of shareholders and fairness.
- 02** | Strive for appropriate cooperation with stakeholders other than shareholders (customers, suppliers, creditors, local communities, employees, etc.).
- 03** | Strive to ensure appropriate information disclosure and transparency.
- 04** | 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.
- 05** | Strive for constructive dialog with shareholders.

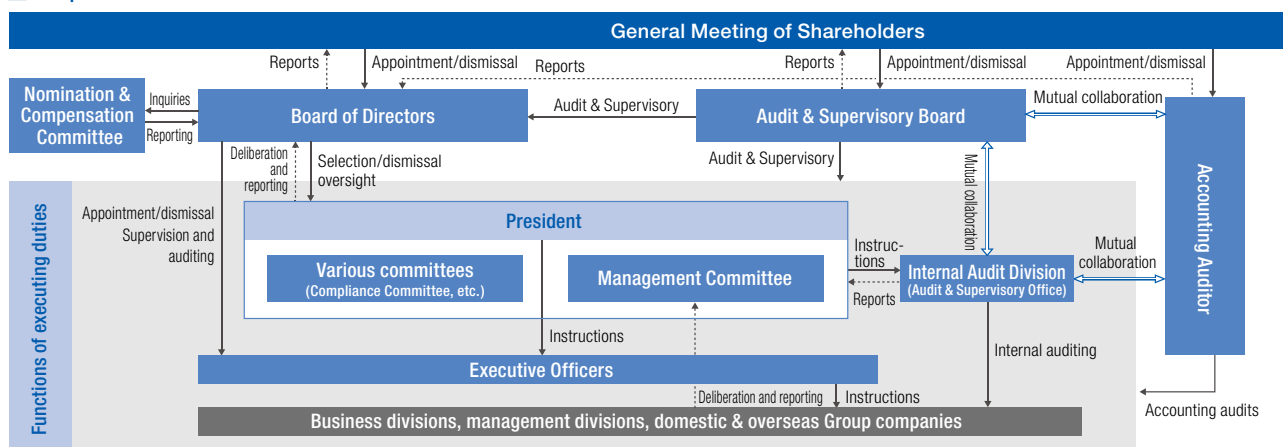
Corporate Governance System

In addition to the General Meeting of Shareholders, Board of Directors, and Audit & Supervisory Board, Noritake has established Audit & Supervisory Board to form a system of corporate governance together with the Management Committee and other various committees.

Meeting of the Board of Directors is where the important decisions are made, such as basic principles on management

and matters stipulated by law. It has introduced an executive officer system to clarify executive responsibilities and the delegation of executive authority. Furthermore, 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.

Corporate Governance Structure



Board of Directors

Members: 6 Directors (4 internal Directors, 2 Director (Outside))

No. of meetings during FY2020: 13

To make decisions on key matters and monitor the execution of duties, Noritake's 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. During FY2020, a total of 13 meetings were held, with a 100% average attendance rate for directors and 98% for auditors & supervisors. 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.

Key topics of the Board of Directors

During FY2020, deliberations covered the following key issues.

Resolutions

- Approval of budget and financial results
- Forecast of operating results, amendment of expected dividend amounts
- Revision of basic policies to create internal control system
- Establishing and revising key regulations
- Concluding key contracts

Reported Matters

- Progress of the Three-year Business Plan
- Investment plans for production equipment, etc.
- Ownership of investment securities
- Reports from each committee (Compliance Committee, Central Safety and Health Committee, Noritake Manufacturing Committee)

Management Committee

Members: 7 Directors

(Executive Officers designated by internal Directors and the President)

No. of meetings during FY2020: 25

Conducting full deliberations with key administrative matters related to execution of business, the Management Committee is composed of internal Directors as well as Executive Officers designated by the President. It convenes once a week and takes part in systems for precise and prompt management decision-making.

Nomination & Compensation Committee

Members: 6 Directors (2 Representative Director, 4 Director (Outside))

No. of meetings during FY2020: 2

We established the Nomination & Compensation Committee in order to ensure reasonable and transparent decision-making regarding Board of Directors membership and compensation. 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 matters, assignments and compensation concerning Directors and Executive Officers, then reports to the Board of Directors on the results of its deliberations.

Audit & Supervisory Board

Members: 4 Directors

(2 Audit & Supervisory Board Members, 2 Audit & Supervisory Board Member (Outside))

No. of meetings during FY2020: 12

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).



Management Committee

Evaluations of the effectiveness of Board of Directors

We perform evaluations of the effectiveness of the Board of Directors for the purpose of heightening its effectiveness and increasing corporate value. At the end of each fiscal year, a survey is conducted for Directors and Audit & Supervisory Board members, and the results will be analyzed and evaluated by an external organization before being reported to the Board of Directors.

In fiscal 2020, a questionnaire survey was administered to the 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, managerial evaluation/compensation, and dialog with shareholders. 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 are as follows:

- The Board of Directors is composed of appropriate members with the required knowledge, skills, experience, and diversity to carry out their roles and responsibilities. The matters to be discussed and to be decided by the Board of Directors, and those to be delegated to management are classified properly.
- The Board of Directors plans actions to make improvements to key issues identified through the effectiveness analysis and evaluation held every fiscal year, and works toward to improve its effectiveness.
- The Board of Directors works to establish a corporate culture based on 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 throughout the entire Noritake Group.
- The design of compensation schemes for management is aligned with the company's management and business strategies, and is ideally balanced for both short-term and long-term goals.

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

Of the areas of effectiveness that were identified as those requiring improvements in the FY2019 survey, "Enhancement of Director training" was improved by holding regular training for Directors, and "Reinforcement of risk management systems" was improved by developing a system to identify and discuss risks. While improvements were seen in FY2020 effectiveness evaluations, we continue to work on making further improvements.

In addition, new items have derived from these survey results, indicating areas in which the effectiveness of the Board of Directors may be improved. This includes revising business portfolios factoring in capital and other costs, and sharing details of dialog with shareholders and institutional investors. Moving forward, we will address these items as we continue to work to maintain and improve the effectiveness of the Board of Directors.

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.

Reason for Appointment of Directors (Outside) and Audit & Supervisory Board Members (Outside) (June 2021)

	Name	Reason for Appointment
Director (Outside)	Masanao Tomozoe	With his extensive experience and global insight regarding business management, he was appointed as a Director (Outside) where he is expected to play an effective role in contributing to strengthening monitoring functions of the Board of Directors and providing advice from his broad perspective of management.
	Ryoichi Yamamoto	With his extensive experience and high-level insight regarding business management, he was appointed as a Director (Outside) where he is expected to play an effective role in contributing to strengthening monitoring functions of the Board of Directors and providing advice from his broad perspective of management.
Audit & Supervisory Board Member (Outside)	Tatsuhiko Saruwatari	With his extensive experience and high-level insight regarding business management, he was appointed as an Audit & Supervisory Board Member (Outside) where he is expected to apply his expertise to company audits.
	Takashi Morisaki	Through his extensive experience and broad-ranging insight as a financial institution executive, he was appointed as an Audit & Supervisory Board Member (Outside) where he is expected to apply his expertise to company audits.

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 2020)

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)
		Monetary compensation	Non-monetary compensation, etc.	
Directors (excluding Directors (Outside))	208	182	26	5
Audit & Supervisory Board Members (excluding Audit & Supervisory Board Members (Outside))	40	40	—	2
Outside officers	38	38	—	4

1. The limit of fixed compensation for Directors was resolved to be within 40 million yen per month at the 109th Annual General Meeting of Shareholders (held on June 28, 1990).
Note that at the 135th Annual General Meeting of Shareholders (held on June 29, 2016), the amount of performance-linked stock compensation was resolved to be paid separately to fixed compensation, where the maximum limit of trust money is to be 600 million yen for applicable Directors other than Directors (Outside), and Executive Officers who meet specific requirements, for each 3-fiscal year period in which the system is applicable.
2. The limit of fixed compensation for Audit & Supervisory Board Members was resolved to be within 6 million yen per month at the 109th Annual General Meeting of Shareholders (held on June 28, 1990).

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 2020, four seminar sessions were held 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.



Seminar for board members

Internal Control

We conduct reviews of our structures to ensure the properness of duties 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.

The Internal Audit Division governs internal control regulations for financial reporting, 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 Board of Directors or the Management Committee.

Promotion of supply chain management

We believe that supply chain management is important for the Noritake Group to continue with our business in a stable manner, and we established our Purchasing Policy in FY2020. 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 continually 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.

<Noritake Group Purchasing Policy>

Based on Noritake's corporate motto of "Good Quality, Export, and Co-prosperity", we will engage in purchasing activities aimed at continually providing our customers with good products and services that satisfy them. Furthermore, by building trusting relationships aimed at co-prosperity with our suppliers, we will proactively fulfill our corporate social responsibility in cooperation with our suppliers, that is:

- (1) We will keep our doors open impartially and globally to all suppliers and conduct fair transactions in good faith.
- (2) We will judge from every perspectives when selecting suppliers.
- (3) We will not only consider quality, cost and delivery, but also the supplier's attitude in its corporate responsibilities.
- (4) We will comply with the laws and regulations as well as social norms of each country and region while conducting business based on highly ethical standards.
- (5) We will perform environmentally friendly purchasing in line with Environmental Policy of the Noritake Group.

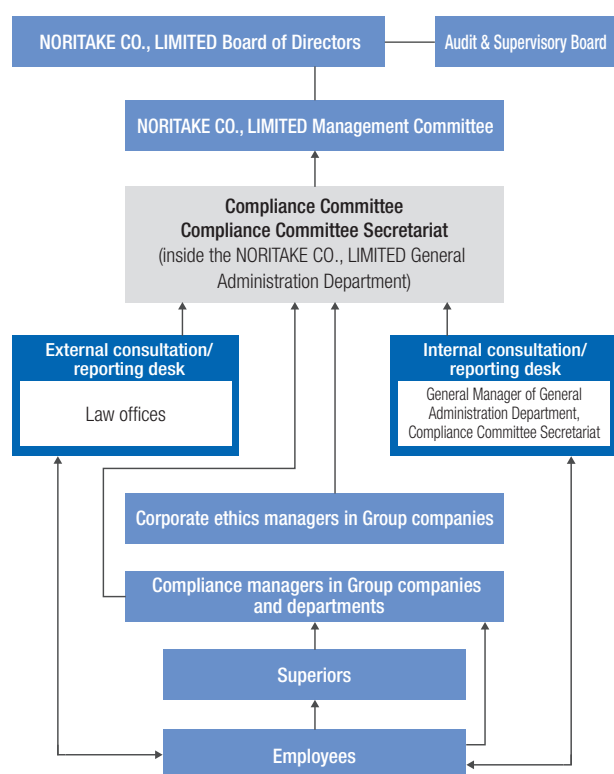
Enforcement of compliance

With its Compliance Committee, the Noritake Group focuses on ongoing compliance activities throughout the entire organization, and appoints compliance managers on a workplace level.

The committee meets twice a year, and a compliance meeting is also held four times a year, where actual cases are studied and shared in order to prevent such recurrences. Compliance is also included in training by qualification, training by organization, training by purpose, and training for staff appointed overseas as part of employee education to encourage them to acquire specialist knowledge. We also 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.

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 while also focusing on preventive measures.

■ Compliance Structure



Preparation of an internal reporting system

We have established contact points both inside and outside the company so that any employee of the Noritake Group can consult and report directly, without going through managers, in the event that a violation of laws, ordinances, standards of conduct or company rules, etc., is discovered or suspected. 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 11 reports were made during fiscal 2020.

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 started 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.

In accordance with "disaster prevention management regulations," 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/

Message from Director (Outside)

As a Director (Outside), I am committed to improving the long-term corporate value of the Noritake Group while always maintaining a neutral stance.

● How do you view measures to prevent the spread of COVID-19 infections?

Initially, I think that many people, including myself, held an optimistic view, thinking the impact of infections were only a temporary setback and markets would recover quickly. Yet as COVID-19 spread rapidly around the world and there seemed to be no end in sight, the Board of Directors clearly recognized the risk and revised plans as it moved to devise a more defensive budget. As we made proper management decisions despite the lack of clear solutions, we were able to recover a loss in revenue when the market recovered faster than anticipated by the second half of the year. This experience did not only pushed the move to digitalization within the company, but also increased awareness amongst employees of business risks and opportunities, and defense or offensive strategies. I believe that the Noritake Group has emerged even stronger as a result of the incident.

● What do you think about your roles as a Director (Outside) and governance?

I am aware that the responsibilities of Directors (Outside) has increased as revisions were made to the corporate governance code. The Noritake Group has a long history and cherishes the relationship of trust it has built with customers. Making continual improvements to the corporate governance system in line with the Group's management conditions based on the corporate governance code will be essential to ensure its effectiveness on a day-to-day basis. To achieve this, incorporating the views of all stakeholders associated with Noritake, including shareholders, into management through ongoing dialog will be extremely important.

As a Director (Outside), I will continue to provide feedback and point out risks or problems that members may have missed during meetings of the Board of Directors. I am committed to improving the long-term corporate value of the Noritake Group while always maintaining a neutral stance.

● What domains should the Noritake Group be focusing on in the future?

Today, companies are more and more questioned on how they can contribute to the society. With this in mind, I think that efforts toward ESG as well as helping to protect the global environment will be essential. Ceramics-related technology, the very core of the Noritake Group, is used in applications like batteries, clean water and atmospheric purification and contributes to the environment in a broad ways. I believe the Noritake Group should put its effort on development associated with SDGs targets or that help to resolve social or environmental issues.

● What can be expected to the Noritake Group in the future?

The company operates in four core business areas, employs staff located in many countries around the world, and has a diverse range of customers. Its production and sales network also spans the globe, which means the Noritake Group has contact with a lot of information. I believe that the Noritake Group has the ability to collect, organize and analyze this information in order to create new products that meet trends occurring throughout society. I expect the Noritake Group to make an even greater leap in the global markets.

Director (Outside)
**Masanao
Tomozoe**





Skills development training

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 our 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 "training by qualification" where employees can learn more about the roles required of them as well as the way to approach work in order to resolve issues and problems.

We also provide "training by purpose" as OFF-JT to teach employees specialized knowledge and skills across a broad range of topics including sales, engineering, purchasing, legal affairs, and quality.

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



Training by qualification (online)



New employee training

Number of employees receiving official qualifications and taking correspondence courses

Fiscal year	2017	2018	2019	2020
Recipients of official qualifications	118	131	115	78
Correspondence course participants	600	576	605	671

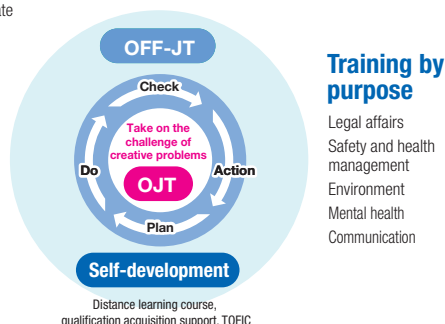
"Managerial position"

Strengthening problem-solving capabilities
Strengthening subordinate training skills
Leadership
Management
Compliance

Training by qualification

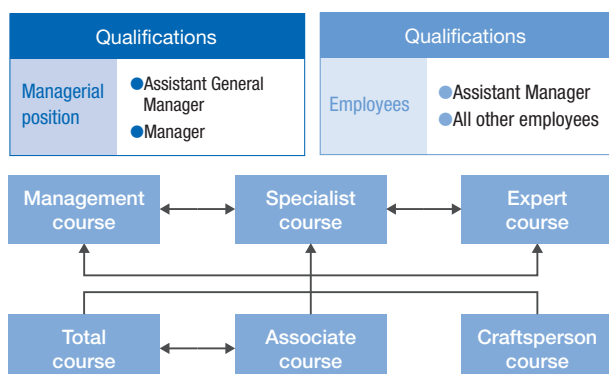
"Employees"

Strengthening problem-solving capabilities
Role recognition
Quality management
Compliance
Finance & accounting



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. We have also established a system, for certain levels of positions, in which employees can perform their own analysis and evaluation of their capabilities and suitability for their work, as well as workplace relationships, and report these directly to the company.



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.

General Employers Action Plan

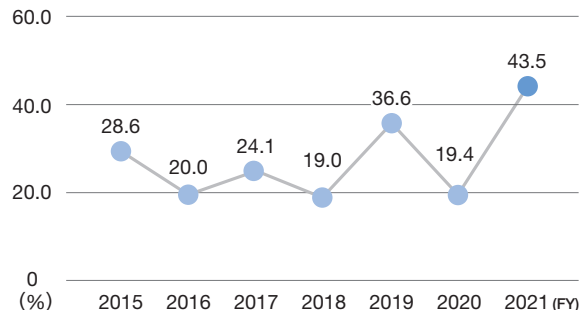
Plan period: April 01, 2019 to March 31, 2022

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 2020 we implemented measures to boost awareness throughout the company, such as increasing the ratio of recruiting female university graduates and providing training for senior workers to assist their subordinates to achieve a better work-life balance.

In fiscal 2021 we issued a "Usage Guide" recommending childcare leave and shorter work hours for male employees. We continue to hold ability building and human resources utilization seminars and training to promote the active participation of women, such as skills development training for female employees not enrolled in the Total Course, and training for senior workers with female subordinates who were promoted to the managerial position or changed personnel courses.

Trend in the ratio of females as new graduate recruits (university or higher education)



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.

Childcare leave is not only taken by female employees, but in recent years, a growing number of male employees is taking childcare leave as part of company-wide efforts to promote such programs.

More recently, we have established systems to allow telecommuting to deal with the spread of COVID-19, and workstyles are becoming increasingly diverse.

Average number of days of paid leave taken:

10 days or more for 5 consecutive years

► 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



Central Safety and Health Committee

► Initiatives to prevent occupational accidents

In fiscal 2020, we promoted company-wide safety and health activities based on the concept of the Occupational Safety and Health Management System, with internal audits to resolve problems and issues in activities and to make continuous improvements. As initiatives to prevent occupational accidents, we have continued to forward our hazard location mapping campaigns, safety experience education, and risk forecasting training, 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).

During fiscal 2021, we are re-evaluating occupational accident risks, and carrying out preventive activities that all employees participate in.



Safety audits



Safety experience education



Safety work observations

► Employee health management

Promote health management

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

We actively work to improve the health of our employees and their families

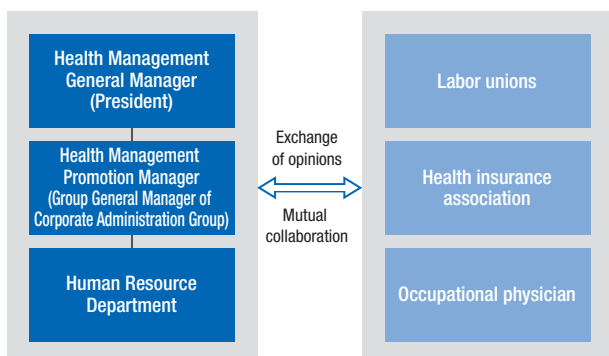
under our promotional structure, in which the company President serves as Group General Manager of the Corporate Administration Group, in partnership with health insurance associations, labor unions and occupational physicians led by the Human Resource Department.

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 work environment.
Maintain an environment in which everyone can work enthusiastically

System diagram



Healthy lifestyle business

In fiscal 2020, posters were provided to each workplace to increase awareness of the declaration, and a health management survey was held to gain a better insight into employee health awareness and thoroughness, which was used when developing policies. Some 420 employees took part in a walking event organized by the Noritake Group health insurance association, with participants saying it helped to raise their awareness of exercise, and that they started to enjoy walking. Further efforts are being made during fiscal 2021 to ensure that employees maintain a healthy lifestyle, including running health seminars and providing subsidies for female employees to cover costs for breast cancer screening.



Heatstroke protection seminar

Reduction in health risks

The insurance benefit expenses per member of the Noritake Group health insurance association have changed as shown below.

Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
126,254 yen	134,434 yen	129,818 yen	121,614 yen	114,957 yen

With regard to prevention of lifestyle habit-related illnesses, which are considered 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), and have provided direct personal encouragement for employees to undergo health check-ups.

Specific health guidance implementation rate
(all Noritake Group health insurance association members)

Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
20.3%	22.0%	39.1%	47.9%	45.0%

In addition to focusing effort on special health guidance toward achieving goals, we will also be working to promote health among healthy employees as a way of reducing long-term health risks.

Mental healthcare

We work to improve mental health by conducting mental health education to each employees at their level, from newly hired to managers.

Workplace improvement and analysis are conducted in light of the results of organizational analysis, as we work to reduce our overall risk.

Stress check overall risks (NORITAKE CO., LIMITED)

Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
106	104	104	103	100

Quality initiatives

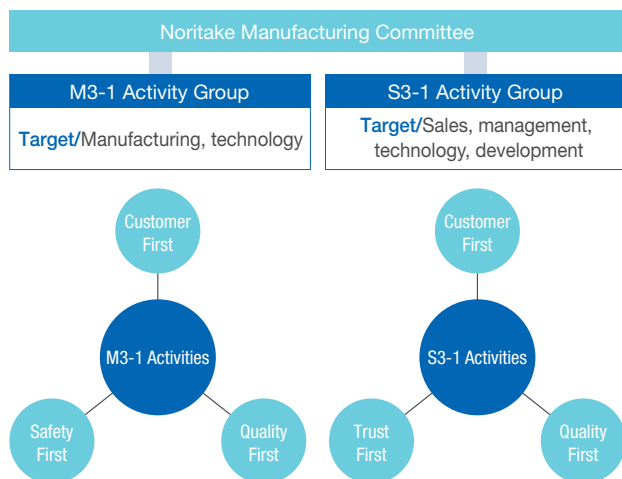


Activities to enhance manufacturing

The Noritake Group 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 Group is focused on improving 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.

"S3-1 activities" have also been expanded to the sales, management, engineering, and development divisions, and we are currently promoting activities based on the two pillars of "M3-1 activities" and "S3-1 activities" that everyone can participate in.



M3-1 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-pronged approach that includes basic enhancement activities and quality activities.

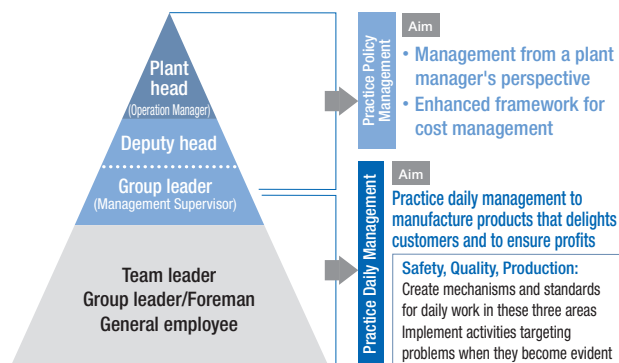
Basic enhancement activities

In our basic enhancement activities, in order to more reliably control Quality (Q), Cost (C), and Delivery (D), we are conducting key activities out of the five major missions of our production sites: Safety, Quality, Production, Cost, and Human Resources, with the aim of improving daily management quality. From fiscal 2020, we have also worked on recreating a framework for cost management.

The Noritake Group's 13 plants hold activity meetings with real locations

and real things, where the activities under 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 useful information about measures against defects in manufacturing processes, and strive to make corrections and improvements by using "Obeya" activities. 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:

To enhance processes from product planning to mass production, "Production preparation activities" are used to establish standard steps for items to be performed and items to be confirmed in each step. Common Noritake Group standards are defined for production preparation, and applied to operation at each plant as a way to make improvements.



Obeya

S3-1 activity (sales/technology/management)

"S3-1" activities are manufacturing-enhancement activities carried out by our staff divisions such as sales, management, engineering, and development. S represents the S of service, and 3-1 represents the three "First": Customer First, Quality First and Trust First, which our staff must always observe conscientiously as they carry out their work duties. We are aiming to elevate the quality of work by focusing on delighting our customers while keeping these activities in mind.

The mottoes of our activities are "Participation by all" and "Customers are the final part of the process," where all employees of staff divisions adopt the customer's perspective in taking a fresh look at their work, and aiming for that ideal as they complete their work. Activities are generally encouraged in small groups based on organizational structure with the aim of preventing mistakes and making improvements to work QCD. Engagement in these activities is also intended to improve employee and organizational awareness and boost problem-solving capabilities, leading to human resource development and building stronger organizational structures.



S3-1 Activity Meeting

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 140th Annual General Meeting of Shareholder of June 2021 was held with less people than usual due to the spread of COVID-19.

In addition, after the announcement of these financial results and the second quarter results, we ordinarily hold a financial results briefing for securities analysts. Yet this was canceled in Fiscal 2020 due to the spread of COVID-19, and instead explanatory materials were uploaded to the website.

Additionally, we are continually improving the website so that shareholders and investors can easily obtain various types of information such as business reports and financial results announcements.



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 we establish on our own. 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, this publication, the Noritake Corporate Report, is distributed once a year.

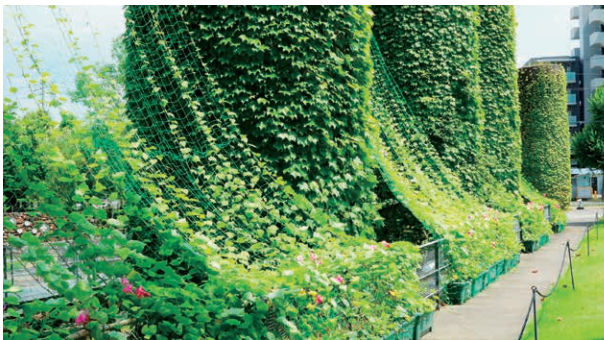
Social contribution activities



► 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 34,000 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 a large number of 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.



NORITAKE GARDEN "Green Curtain"

► 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 foreigners.

► 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 fiscal 2020, Noritake was selected from more than 600 companies in 19 countries for the Asia Responsible Enterprise Award in the Green Leadership category at NGO Enterprise Asia's 6th International CSR & Sustainability Summit 2020. This award recognizes the many years of efforts that Noritake Sri Lanka has made toward activities such as tree planting.



Noritake Sri Lanka tree planting



International CSR & Sustainability Summit Awards Ceremony



Noritake Garden (Biotope)

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 "13. Harmony with the Environment" (P44 to 52) was created using data from the following group companies.

- NORITAKE CO., LIMITED ●NORITAKE COATED ABRASIVE CO., LTD.
- ZEN NORITAKE CO., LTD. ●HIROSHIMA KENMA K.K.
- KCM CORPORATION ●KYORIX MIE CO., LTD.
- NORITAKE ITRON CORPORATION ●NORITAKE TCF CO., LTD.
- NORITAKE GARDEN CO., LIMITED
- NORITAKE RECYCLE CENTER CO., LIMITED
- NORITAKE SCG PLASTER CO., LTD.
- PT. NORITAKE INDONESIA ●NORITAKE TAIPEI CO., LTD.
- NORITAKE LANKA PORCELAIN (PVT) LIMITED



NORITAKE GARDEN

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 CO₂ 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.



Solar power generation equipment

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 focusing on reducing energy use, changing raw materials and reducing defective products as we work on reducing our environmental impact such as greenhouse gases and landfill waste. We will also progress with development and expand sales that are friendly to the environment.

Although there was a delay during 2020, the second fiscal year of the three-year plan, in reducing greenhouse gas emissions, other efforts were mainly implemented on schedule according to plan. During fiscal 2021, the final year of the plan, 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 2020)

Activity item		Fiscal 2020		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: increase by 5% compared to previous fiscal year	×
	[Global] Reduce greenhouse gas emissions	Per unit of production: reduce by 2% or more compared to previous fiscal year	Per unit of production: increase by 1% compared to previous fiscal year	×
Resource recycling measures	[Domestic] Reduce landfill waste generation	Per unit of production: reduce by 4% or more compared to previous fiscal year Recycling rate: 85% or more	Per unit of production: reduce by 20% compared to previous fiscal year Recycling rate: 88%	○
	[Global] Reduce waste	Per unit of production: reduce by 3% or more compared to previous fiscal year	Per unit of production: reduce by 2% compared to previous fiscal year	△
Pollution measures	Respond to use of prohibited substances	Reduce devices that use specified mercury and specified CFCs	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 chemical substance regulation	Reduce use of chemical substances subject to PRTR Continuous monitoring of chemical substance regulation	○
Product measures	Environmentally-friendly products	Net sales ratio: 8.0%	Net sales ratio: 10.9%	○
	Enhance green procurement	Continue operation of Green Procurement Guidelines	Continue operation of Green Procurement Guidelines	○
Environmental communications	Practice of environmental education	Continued expansion of environmental education	Continued expansion of environmental education	○
	Disclose information to stakeholders	Continued issuance of integrated reports	Continued issuance of integrated reports	○

Activity item		Fiscal 2021 Plan
Environmental management system	ESG Initiatives	Achievement of environmental management based on the Group management system
	Promote environmental activities at overseas plants	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: 11.0%
	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.

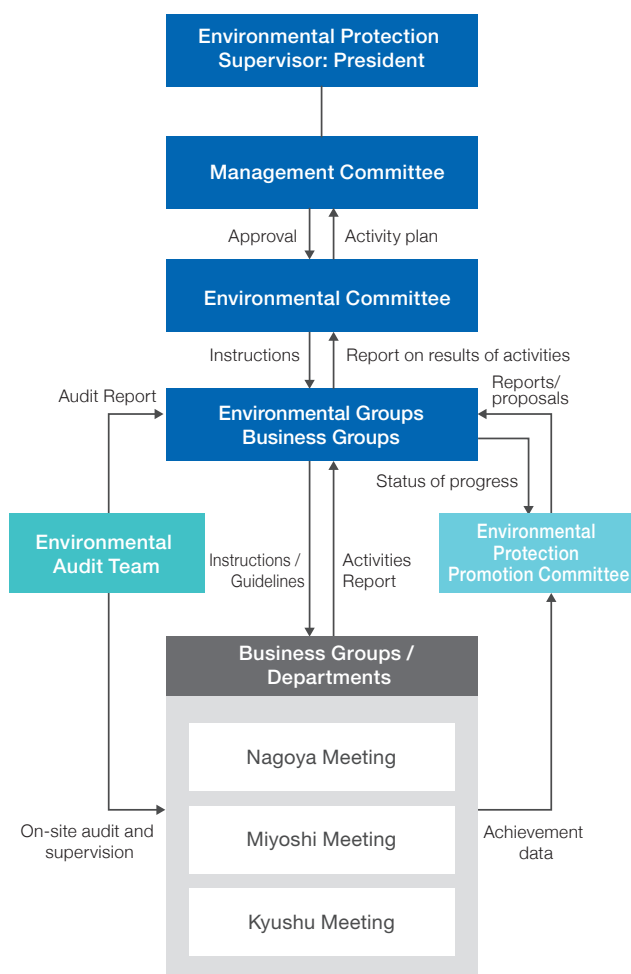
The Environmental Committee, chaired by the company President and with members comprising managers in charge of each business, deliberates the activity plan based on the results of the activities and approves unified guidelines for environmental protection promotion activities at the Management Conference.

For environmental protection activities in each business, Environmental Groups chaired by managers in charge of business 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.

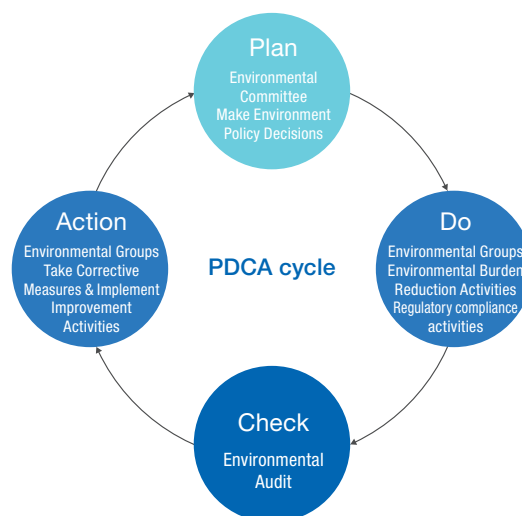
■ Environmental management organization and structure



► 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 2021) ▶

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

■ NORITAKE CO., LIMITED

Head Office, Miyoshi Site, Kamori Plant, Komaki Plant, Minato Plant, Matsusaka Plant, Yasu Plant, Kurume Plant, Imari Plant

■ ZEN NORITAKE CO., LTD.

■ HIROSHIMA KENMA K.K.

■ NORITAKE RECYCLE CENTER CO., LIMITED

■ NORITAKE TCF CO., LTD.

■ NORITAKE GARDEN CO., LIMITED

■ NORITAKE ITRON CORPORATION

Omiya Office/Ouchiya Office

■ NORITAKE COATED ABRASIVE CO., LTD.

Head Office/Noto Plant

■ KCM (JSAE393 was obtained in 2001)

■ KCM CORPORATION

Head Office/Head Office Plant

■ KYORIX MIE CO., LTD.

Mie Plant

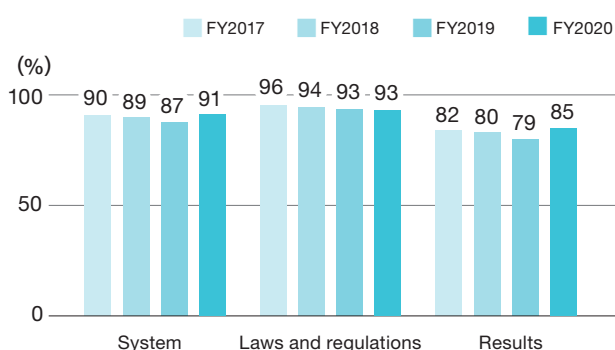
In addition to the above, overseas offices are also establishing Environmental Management Systems to promote environmental protection activities in the same way as in Japan. They are setting up environmental systems considering the regional characteristics of each country, such as laws and regulations.

▶ Results of fiscal 2020 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 evaluate the results. In particular, in order to preemptively 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 2020 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 management of relevant legal regulations and environmental pollution measures are being operated properly based on the procedures of the Environmental Management System. Yet as there is insufficient coordination between initiatives for environmental activities and business plans, fiscal 2021 will focus on policies with a higher level of effectiveness than coordinating with business plans.



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.

Furthermore, 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 2020, 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)

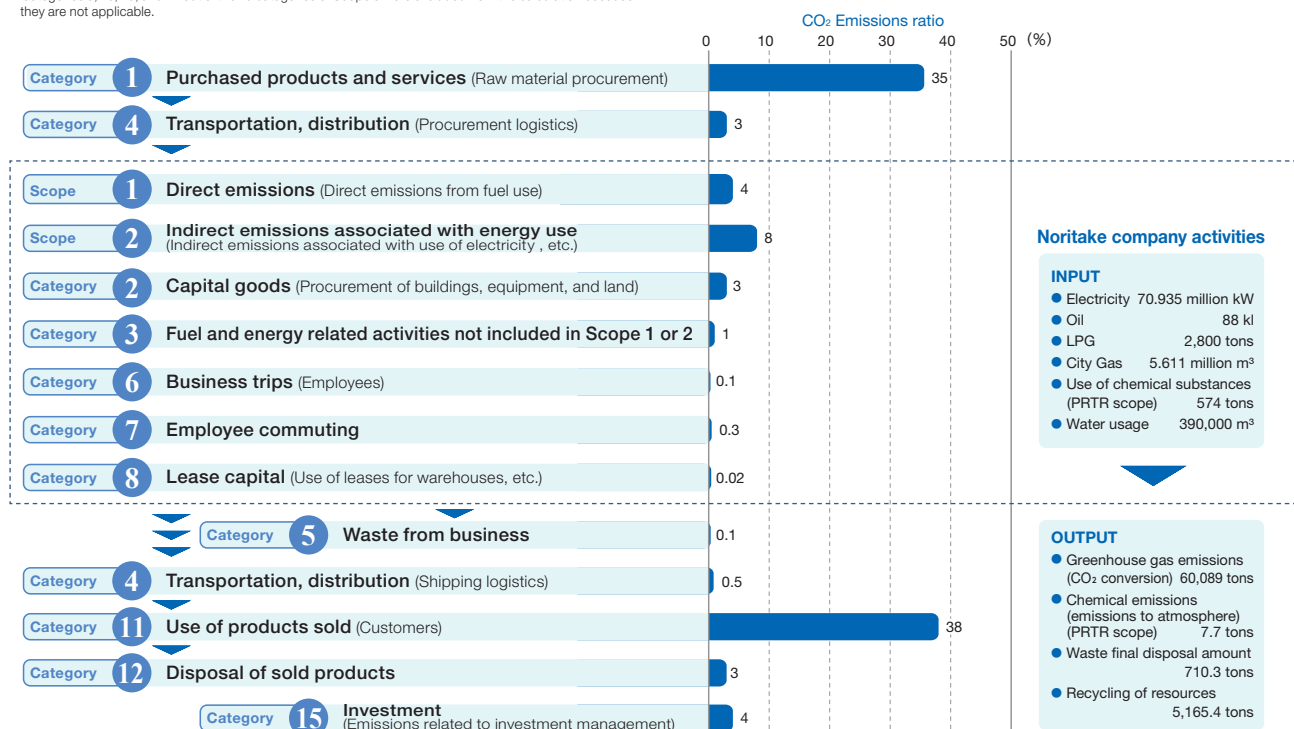
We are working to reduce environmental burden more effectively by monitoring the overall environmental burden of the entire product life cycle from raw material procurement to disposal after product use.

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 conduct chemical substance management that meets environmental-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 CO₂ emissions by 1,500 tons or more.



Solar power generation facility

◀ Global Warming Countermeasures Dedicated Committee initiatives ▶

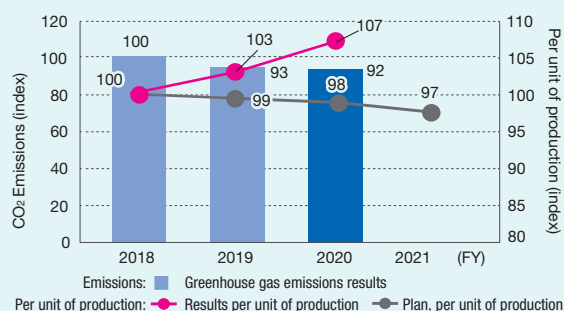
In order to share information necessary for global warming countermeasures and work on activities with a company-wide policy, we have established a Global Warming Countermeasures Dedicated Committee in which "energy management plan promotion staff" and "energy management managers" from the main plants 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.

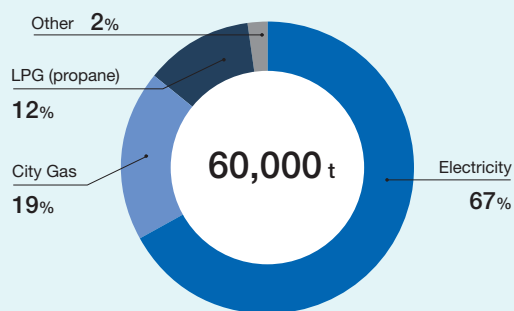
Greenhouse gas emissions results

During fiscal 2020, the second year of the 11th Three-Year Environmental Action Plan, our continuous efforts to improve quality and increase productivity linked with manufacturing enhancement activities resulted in a reduction in CO₂ emissions by approximately 1%. Yet insufficient reductions in fixed energy use due to production fluctuations meant that we were not able to meet our planned goal of a 1% or greater year-on-year reduction in CO₂ emissions per production volume.

■ Domestic greenhouse gas emissions results

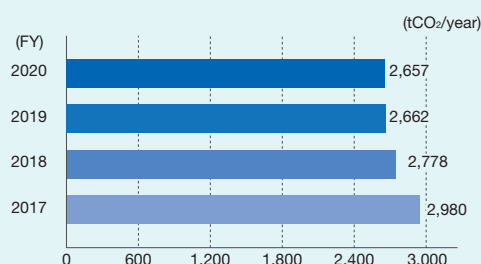


■ CO₂ emissions ratio by energy type



In addition, the company continuously monitors the amount of logistics transport in order to achieve efficient logistics. In fiscal 2020, our CO₂ emissions were 26.57 million tons with 14.93 million ton-kilometers.

■ CO₂ emissions from logistics and transport



▶ 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 ▶

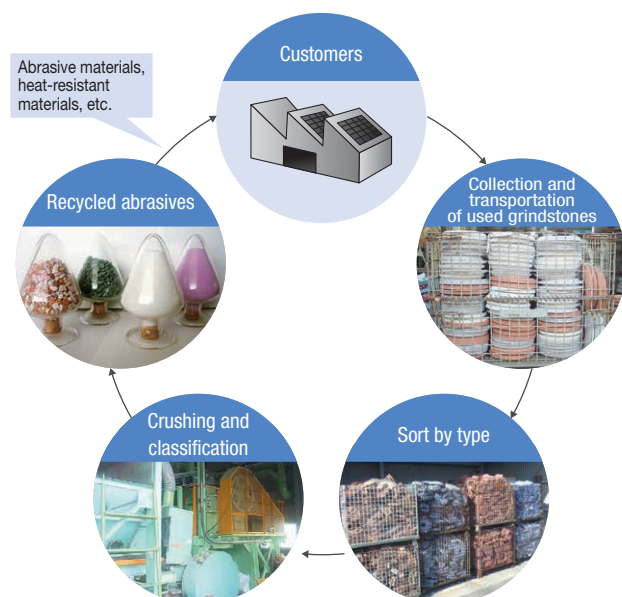
Industrial grinding wheels, Noritake's main business, are consumable products, and are disposed of in landfills as industrial waste after use. This has been a major issue in terms of the effective use of resources.

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

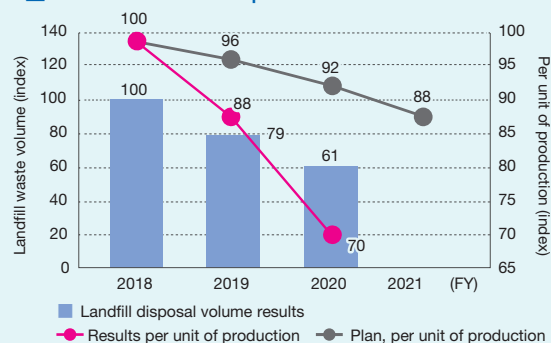


Waste emission result

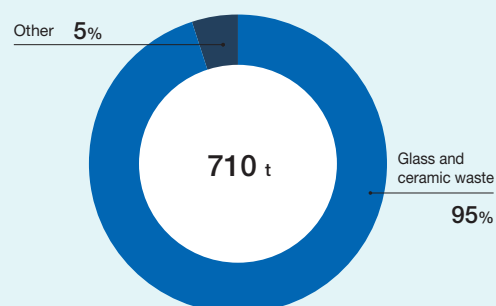
In fiscal 2020, the second year of our 11th Three-Year Environmental Action Plan, we continued to promote the reduction of waste by reducing the defect rate, and the recycling of resources by reviewing disposal methods. We succeeded in reducing the amount of waste sent to landfill per production volume by approximately 24%. We reduced the volume of waste sent to landfill per production volume by 20% compared to the previous year, accomplishing our plan.

By promoting resource recycling, we were also able to recycle 88% of generated waste.

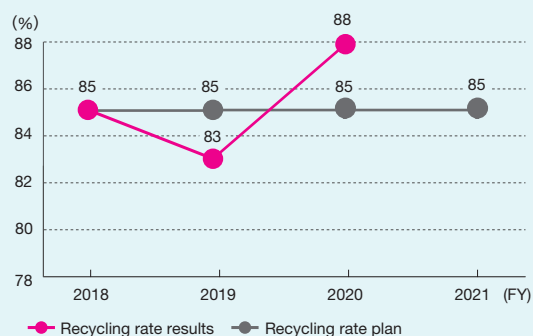
■ Domestic landfill disposal volume results



■ 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

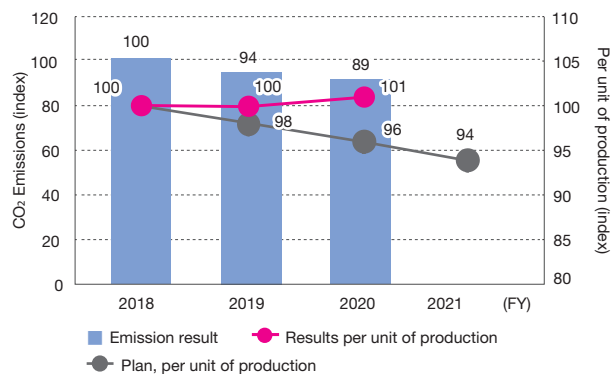
Initiatives at overseas business sites



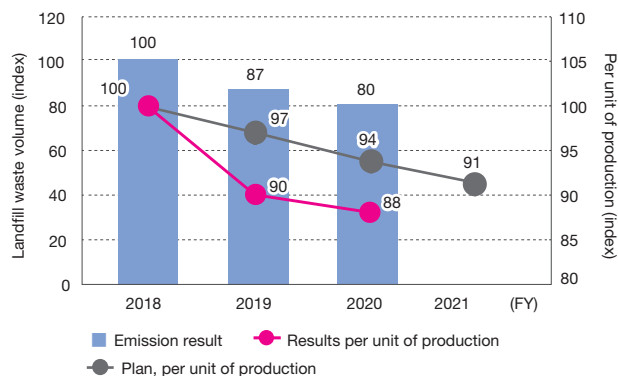
The Noritake Group is working to reduce its environmental impact at overseas production sites as we expand our overseas business. In the 11th three-Year Environmental Action Plan, we set global targets for greenhouse gases and waste, and activities have proceeded.



Transition of greenhouse gas emissions (global)



Transition of waste disposals (global)



Trends in major consolidated management indicators

Fiscal year	2016	2017	2018	2019	2020
Net sales (million yen)	108,808	117,928	125,802	120,611	107,000
Cost of sales (million yen)	79,537	86,484	91,852	90,045	80,327
Gross profit (million yen)	29,271	31,443	33,949	30,566	26,673
Gross profit margin (%)	26.9	26.7	27.0	25.3	24.9
Selling, general and administrative expenses (million yen)	26,151	26,346	26,465	26,358	24,115
Operating profit (million yen)	3,119	5,097	7,484	4,207	2,557
Operating profit margin (%)	2.9	4.3	5.9	3.5	2.4
Ordinary profit (million yen)	4,861	6,992	9,764	6,312	4,480
Ordinary profit margin (%)	4.5	5.9	7.8	5.2	4.2
Profit attributable to owners of the parent (million yen)	4,107	13,432	9,707	3,415	2,806
Current net profit margin (%)	3.8	11.4	7.7	2.8	2.6
Amount of capital investment (million yen)	4,478	4,352	5,299	8,965	4,553
Depreciation (million yen)	4,026	4,030	4,057	4,442	4,784
Research and development expenditure (million yen)	2,443	2,491	2,554	2,571	2,294
Cash flows from operating activities (million yen)	9,128	9,684	8,237	8,232	5,903
Cash flows from investing activities (million yen)	-2,546	8,468	-2,408	-7,473	-7,601
Cash flows from financing activities (million yen)	-5,974	-11,056	-10,348	-2,210	1,597
Cash and cash equivalents at the end of the fiscal year (million yen)	8,910	16,087	11,395	9,939	9,741
Total assets (million yen)	142,157	156,283	151,773	145,923	154,905
Interest-bearing debt (million yen)	23,177	13,221	4,875	5,335	8,180
Total shareholders' equity (million yen)	83,928	99,608	103,747	100,668	110,926
Total net assets (million yen)	87,125	103,026	107,349	103,757	113,988
Net income per share (yen)	286.12	935.57	675.77	237.22	194.54
Annual dividend (yen)	60.00	70.00	90.00	100.00	60.00
Return on equity (ROE) (%)	5.1	14.6	9.5	3.3	2.7
Capital ratio (%)	59.0	63.7	68.4	69.0	71.6
Total capital turnover (%)	76.5	75.5	82.9	82.7	69.1
Price earnings ratio (PER) (times)	10.0	4.9	7.8	14.5	18.2
Price-book value ratio (PBR) (times)	76.50	0.66	0.73	0.49	0.46
Stock price at the end of the fiscal year (yen)	2,851	4,610	5,300	3,440	3,550
Number of employees at the end of the fiscal year (persons)	5,097	5,012	5,091	5,120	5,029

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.

15. 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	https://www.noritake.co.jp/eng/
Representative	Hiroshi Kato Representative Director & President
Capital	15,632 million yen
Main Business	<ul style="list-style-type: none"> ■ Industrial Products Business Grinding and polishing tools, etc. ■ Ceramics & Materials Business Electronic components, ceramic raw materials, plaster products, vacuum fluorescent displays, etc. ■ Engineering Business Heating furnaces, filtration equipment, mixing equipment, cutting machines, etc. ■ Tabletop Business Porcelain ware, etc.

(As of March 31, 2021)

Subsidiaries

* Non-consolidated subsidiaries

NIPPON RESIBON CORPORATION
 RYOWA CORPORATION
 NORITAKE COATED ABRASIVE CO., LTD.
 ZEN NORITAKE CO., LTD.
 NIHON FUREKI SANGYO CO., LTD.
 HIROSHIMA KENMA K.K.
 KCM CORPORATION
 KYORIX MIE CO., LTD.
 NORITAKE ITRON CORPORATION
 NORITAKE TCF CO., LTD.
 NORITAKE GARDEN CO., LIMITED
 NORITAKE RECYCLE CENTER CO., LIMITED*

NORITAKE CO., INC.
 NORITAKE SHANGHAI TRADING CO., LTD.
 NORITAKE EUROPA GMBH
 NORITAKE ABRASIVES (SUZHOU) CO., LTD.
 NORITAKE SA (THAILAND) CO., LTD.
 DIA RESIBON (THAILAND) CO., LTD.
 NORITAKE SCG PLASTER CO., LTD.
 PT. NORITAKE INDONESIA
 ITRON (U.K.) LIMITED
 NORITAKE TAIPEI CO., LTD.
 NORITAKE LANKA PORCELAIN (PVT) LIMITED
 NORITAKE (AUSTRALIA) PTY. LTD.
 TAIWAN KCM CO., LTD.*

Equity-method affiliates

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

SIAM COATED ABRASIVE CO., LTD.

NORITAKE CO., LIMITED

3-1-36, Noritake-shinmachi, Nishi-ku, Nagoya, Aichi 451-8501, Japan
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Inquiries

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