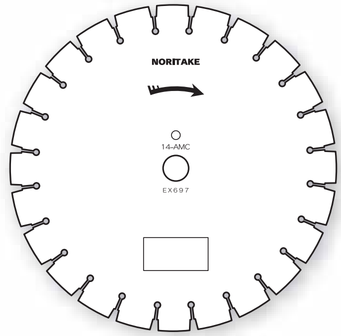
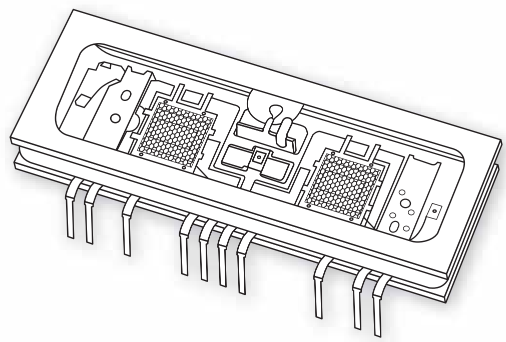
NORITAKE CO., LIMITED

ANNUAL REPORT 2015

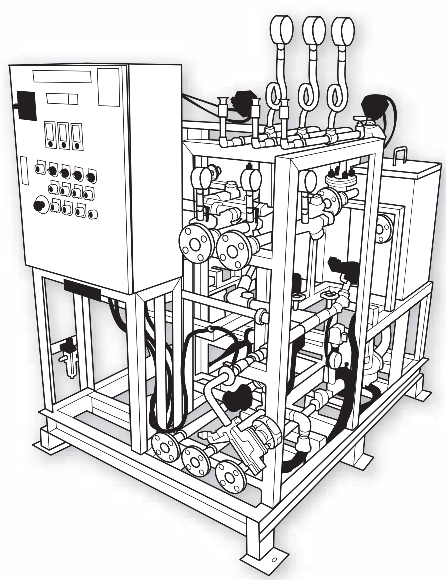
Year Ended March 31, 2015



Industrial Products



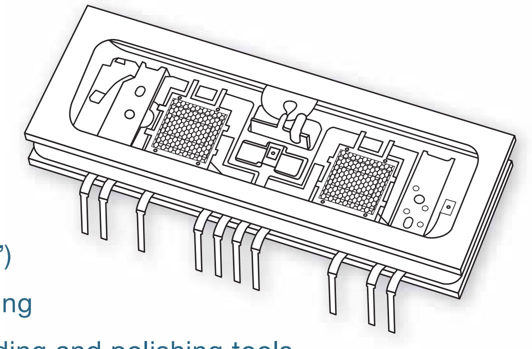
Ceramics & Materials



Engineering

Tabletop

Profile



Noritake Co., Limited, including its subsidiaries and associates (Hereinafter “The Noritake Group”, “The Group” or simply “Noritake”) has developed technologies acquired from ceramics manufacturing expertise and has expanded its business into such fields as grinding and polishing tools, electronic component materials and manufacturing equipment.
With a focus on developing new products and technologies for energy-related industries—including solar cells, an area of promising growth—
Noritake seeks to create new value for customers and society.

New Mid-term Business Plan

With the government’s recent economic policies, there were some positive signs in the Japanese economy. Nevertheless, the business environment is predicted to remain severe due to such concerns as slowing growth in China and other emerging countries, as well as uncertainty in Europe.

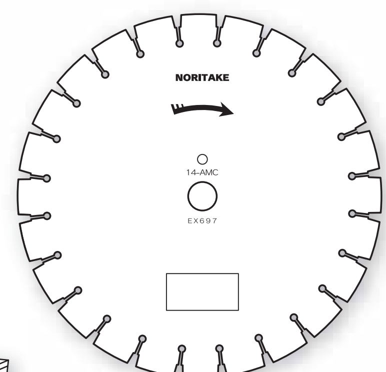
Amid these circumstances, the Group launched its 9th Mid-term Business Plan in April 2013. The Plan identifies major business challenges as being able to respond swiftly to market changes, and constructing a business and management structure capable of achieving stable growth amid increasingly intense global competition. We will make every effort to achieve full recovery and improve our business performance.

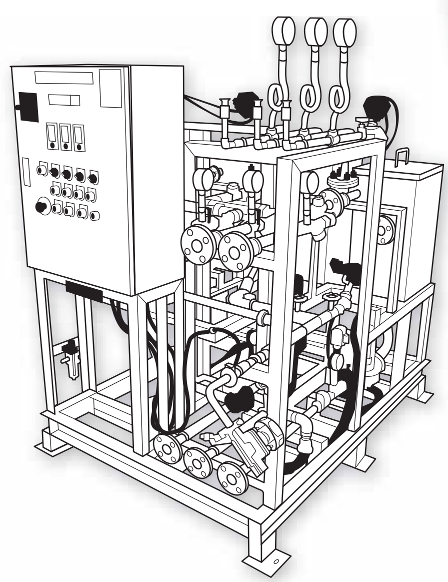
The basic strategies of the 9th Mid-term Business Plan are as follows:

(1) Boosting sales by competitively pricing new technologies and products

(2) Penetrating overseas markets and upgrading overseas manufacturing bases

(3) Promoting an efficient management structure and upgrading infrastructure





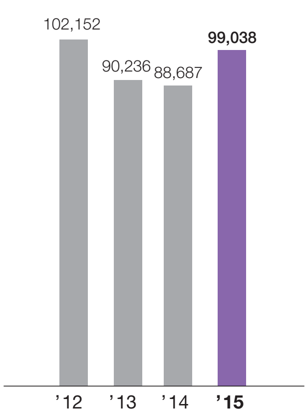
Contents

SIX-YEAR FINANCIAL SUMMARY

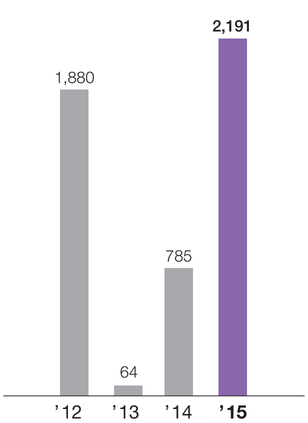
	Millions of yen						Thousands of U.S. dollars
	2015	2014	2013	2012	2011	2010	**2015**
For the year:							
Net sales	**¥ 99,038**	¥ 88,687	¥ 90,236	¥102,152	¥105,378	¥ 87,596	**$ 825,317**
Operating income (loss)	**2,191**	785	64	1,880	4,326	(1,665)	**18,258**
Income (loss) before income taxes and minority interests	**3,100**	2,485	2,693	5,972	3,703	(3,354)	**25,833**
Net income (loss)	**2,060**	1,313	1,644	4,468	1,858	(4,501)	**17,167**
Net income (loss) per share (yen/U.S. dollars)	**¥ 14.34**	¥ 8.91	¥ 11.02	¥ 31.99	¥ 13.16	¥ (31.32)	**$ 0.12**
At year-end:							
Total assets	**¥145,837**	¥118,774	¥114,419	¥117,735	¥116,126	¥109,595	**$ 1,215,308**
Total net assets	**82,817**	69,217	66,580	68,896	65,429	66,711	**690,142**
Capital ratio (%)	**54.1**	57.8	57.7	51.5	49.5	54.2	**54.1**

Note: The U.S. dollar amounts above have been translated at the rate of ¥120 to US$1.

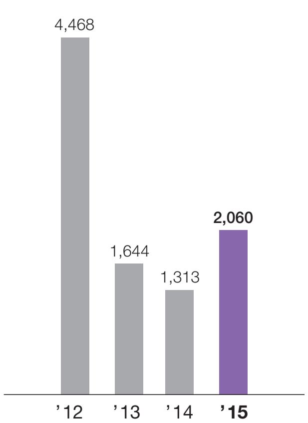
Net Sales
(Millions of yen)



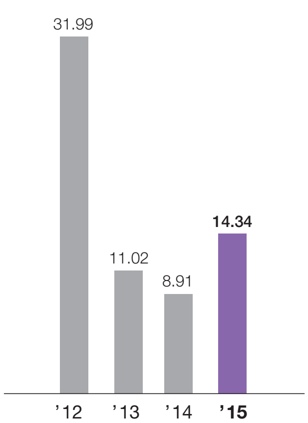
Operating Income
(Millions of yen)



Net Income
(Millions of yen)



Net Income per Share
(Yen)



The management of Noritake Co., Limited wishes to express its gratitude to all stakeholders for their continued support. We would like to take this opportunity to comment on the Group's results for fiscal 2015, ended March 31, 2015.

Hitoshi Tanemura
Chairman &
Representative Director

Tadashi Ogura
President &
Representative Director

Performance Overview for Fiscal 2015

In the first half of fiscal 2015, sales of domestic motor vehicles and other products fell as consumption cooled amid recoil from the last-minute surge in demand before the April 2014 consumption tax increase. Afterwards, the outlook grew brighter for the Japanese economy as the unemployment rate fell, the yen weakened and share prices rose due to the government's economic policies. However, the pace of recovery is still gradual and, except for a certain few companies in the manufacturing industry, most companies have yet to feel the effects of recovery.

In the United States, the economy continued to recover due in part to improved auto sales and employment conditions. In Europe, however, the economy continued to stagnate due in part to the turmoil in Ukraine and the reignited debt crisis in Greece. In emerging markets, Chinese economic growth slowed and there were no signs of full-scale recovery in Thailand.

Amid this economic environment, the Noritake Group as a whole continued to focus its efforts on the key initiatives outlined in the 9th Mid-term Business Plan during its second year: developing new technologies and products, penetrating overseas markets and upgrading overseas manufacturing bases, and promoting an efficient management structure and upgrading infrastructure.

As a result, net sales rose 11.7% year on year to ¥99,038 million thanks in part to the contribution of ¥8,660 million in net sales from Nippon Resibon Corporation, which was made a consolidated subsidiary in the second half of fiscal 2015. Looking at earnings, operating income rose to ¥2,191 million and ordinary income amounted to ¥3,389 million on the back of increased profitability for exports amid the weak yen, though this was partially offset by the increasing cost of energy and imported raw materials.

In regards to the development of new technologies and products and the expansion of sales, both nickel pastes used in multilayer ceramic capacitors for automobiles and rotary kilns used to make lithium-ion batteries, and concrete blades received praise in the market, and sales proceeded smoothly. We will maintain efforts to expand sales. In regards to penetrating overseas markets and upgrading overseas manufacturing bases, the grinding wheel plant in China was impacted by a delay in manufacturing permits but was able to steadily raise its operating capacity in the second half. The cubic boron nitride (CBN) grinding wheel plant in North America raised its competitiveness and boosted net sales by shifting to integrated production. In Thailand, we began manufacturing CBN grinding wheels in addition to electroplated tools. Sales were firm for new products for construction materials that began shipments. We were able to continue moving production of thick film circuit substrate from Japan to the plant in Indonesia according to plan.

In regards to enhancing management infrastructure, we worked to strengthen manufacturing at production sites and began efforts to improve operational quality at back-office sections. We also worked to reinforce our business management structure, improving efficiency, while pursuing stronger manufacturing; labor health and safety; compliance; and environmental management across the entire Group. We are still considering how we plan to use the former site of the headquarters' plant.

Basic Policy Regarding Earnings Distribution

Noritake has positioned returning profit to shareholders as a key management policy. Based on this policy, we place emphasis on stable dividend payments over the long term and the distribution of earnings by comprehensively taking into consideration factors that include performance results, financial conditions and future business development. In addition, we make effective use of retained earnings for investment aimed at creating new technologies and products that can become a foundation for the Noritake Group's future strength, as well as for investment for sustainable business development in growth fields. With regard to dividend payments, Noritake distributed ¥3.0 per share as the fiscal year-end dividend. Combined with the interim dividend, this brought the full-year dividend to ¥6.0 per share.

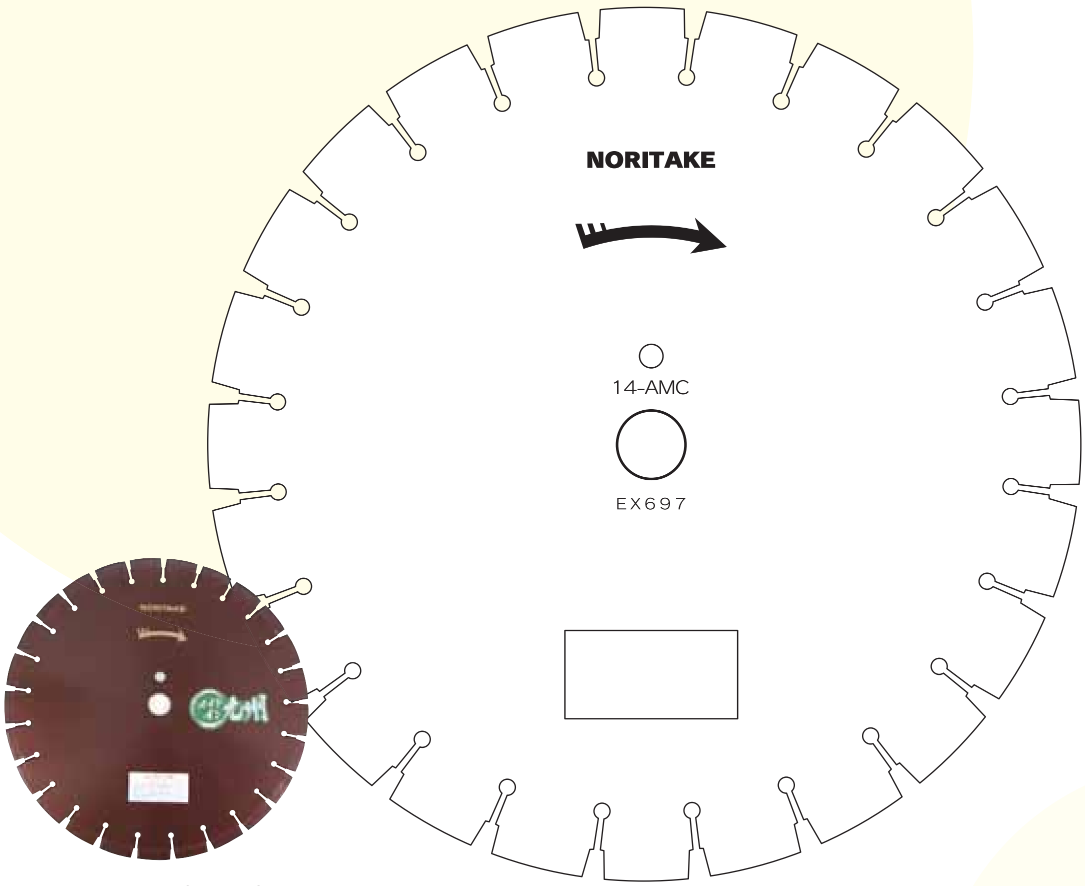
Through the concerted and unified efforts of the Noritake Group to swiftly implement the 9th Mid-term Business Plan's core strategies, Noritake aims to establish a growth trajectory responsive to changing times.

We ask for the continued understanding and steadfast support of our stakeholders.

Hitoshi Tanemura
Chairman & Representative Director

Tadashi Ogura
President & Representative Director

Industrial Products

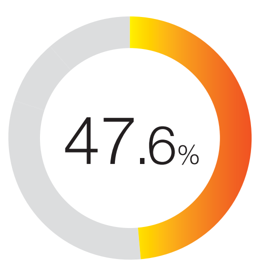


Diamond Blade for Cutting Concrete

Business Status

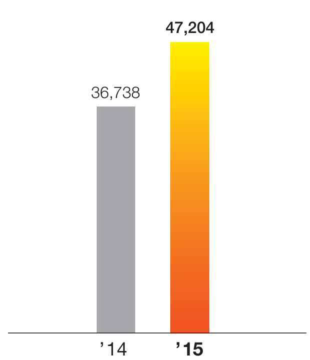
In Japan, while production remained firm in the steel and bearing industries—our main customers—the recovery for automobile-related parts was delayed as automobile production declined due to the effects of the consumption tax increase. As a result, net sales increased only slightly. Overseas, despite a decrease in net sales in Thailand, automobile production remained strong in the United States, and sales for the steel and automobile industries expanded in China. Coupled with the weak yen, net sales increased. In the second half of the year, Nippon Resibon Corporation, including its subsidiaries, was made a consolidated subsidiary. As a result, consolidated net sales of the Industrial Products Group grew 28.5% year on year to ¥47,204 million.

Breakdown of Sales



Sales

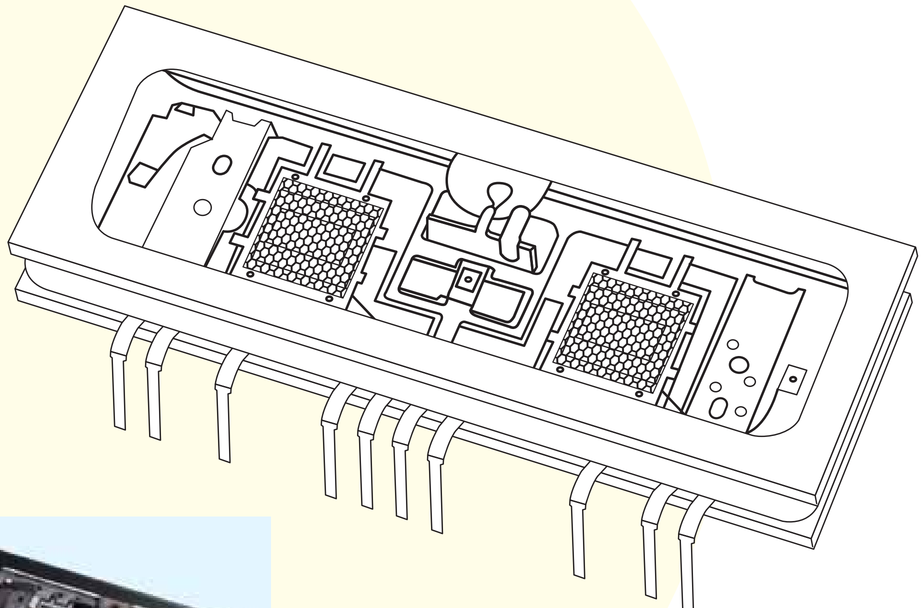
(Millions of yen)



Business Strategy

In Japan, we are still working hard to promote the development of higher performance processing tools in the advanced field of LEDs and the growth fields of aircraft and medical applications. Overseas, we will continue to set up a local production system comprising the plants in Thailand, China and the United States. We aim to use these plants as bases from which to expand sales and penetrate overseas markets. In addition, we will combine our resources with those of Nippon Resibon Corporation, which was made a consolidated subsidiary, and solidify our alliance to establish a firm position in the industry.

Ceramics & Materials

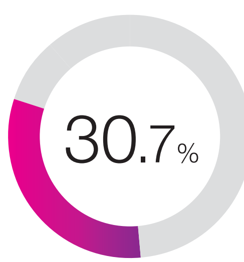


Vacuum Tube for Playing Music/ Audio Equipment "Nutube"

Business Status

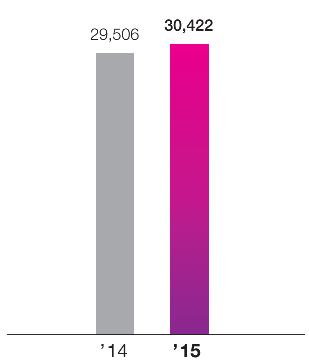
Sales of electronic pastes fell slightly due to a slump in shipments for use in solar cells, which could not be offset by an increase in shipments for use in multilayer ceramic capacitors and sensors for automobiles. Sales of gypsum expanded, especially shipments to China. Sales of thick film circuit substrates for automobiles did not pick up in the second half of the year. Orders of vacuum fluorescent displays (VFDs) increased only marginally both in Japan and overseas. KCM Corporation's sales increased with healthy exports of both ceramic materials and electronic ceramic materials. As a result, consolidated net sales of the Ceramics & Materials Group grew 3.1% year on year to ¥30,422 million.

Breakdown of Sales



Sales

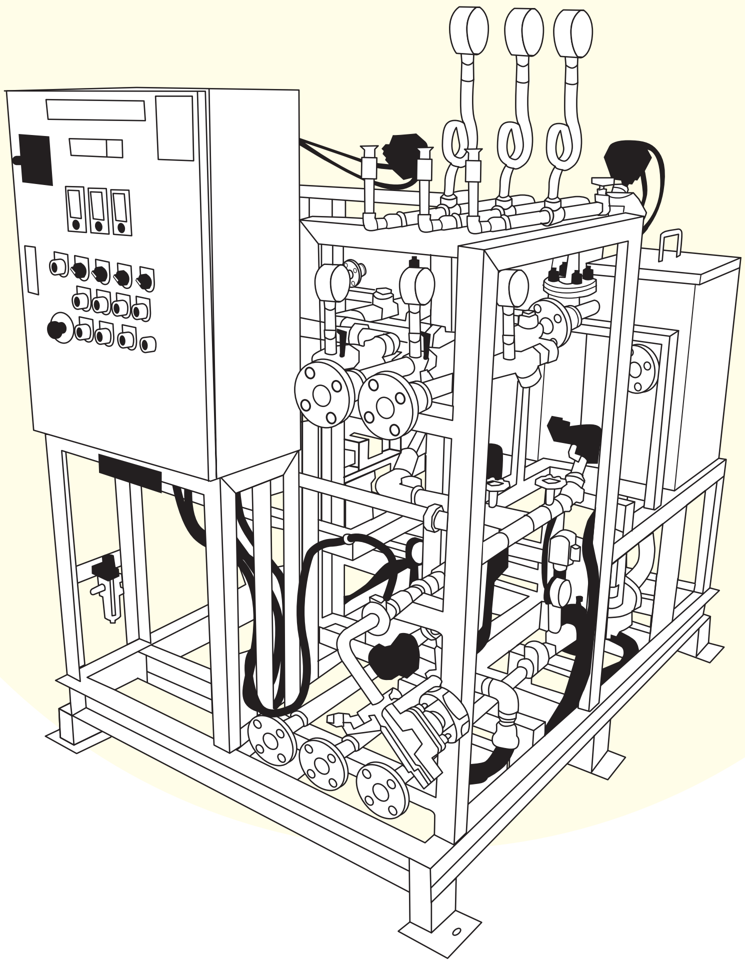
(Millions of yen)



Business Strategy

In regards to electronic pastes, we are striving to collaborate with our customers to develop products and working to secure customers and expand sales for use in multi-layer ceramic capacitors, solar cells and various sensors used in automobiles. As for ceramic products, we aim to expand sales of gypsum in the Asian market and sales of thick film circuit substrates in LEDs and other new markets. Turning to vacuum fluorescent displays (VFDs), we will promote the development of new products, including module products and touch switches, and work to expand their sales. KCM Corporation is striving to expand its market-share of materials for use in multi-layer ceramic capacitors and working hard to develop products aimed at new applications, including those for fuel cells.

Engineering

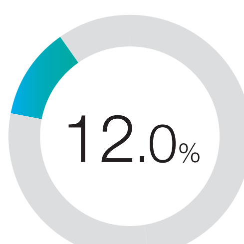


Water Heating System

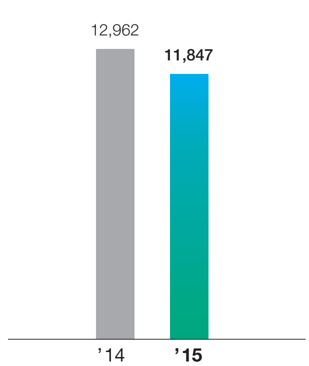
Business Status

Sales of mainstay dry-furnaces and kilns fell considerably due to weak sales for use in electronic components despite an increase in sales for use in lithium-ion batteries. Sales of filtration and mixing equipment increased due to a recovery in sales for use in bearings in the first half of the year and new applications for use in food products for mixing equipment. Sales of carbide tipped circular sawing machines fell due to weak demand overseas despite an increase in sales for use in automobile parts in Japan. As a result, consolidated net sales of the Engineering Group declined 8.6% year on year to ¥11,847 million.

Breakdown of Sales



Sales
(Millions of yen)



Business Strategy

In dry-furnaces and kilns, we aim to expand sales for those used in making electronic components and lithium-ion batteries, two areas where demand is recovering, and develop products for automobile-related fields. For filtration and mixing equipment as well as carbide tipped circular sawing machines, we aim to improve performance and functionality while opening new sales channels in Japan and markets overseas, including the rest of Asia and North America, and breaking into new fields.

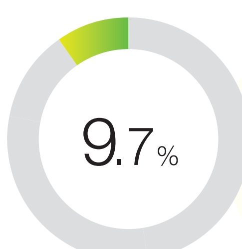
Tabletop

KIRA KARACHO×NORITAKE
“KAKU TSUNAGI”

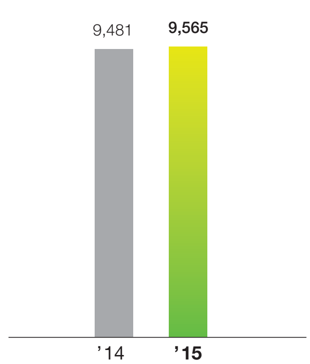
Business Status

In Japan, sales declined due to weak sales to hotels and restaurants in addition to continued stagnation at department stores attributable to the effects of the consumption tax increase. Turning overseas to Europe, shipments to Russia declined due in part to effects from the unrest in Ukraine. In the United States, sales at department stores remained firm, and in Asia, sales rose due to the effects of the weak yen in addition to expanded sales to general consumers in China, Taiwan and South Korea. As a result, consolidated net sales in the Tabletop Group rose 0.9% year on year to ¥9,565 million.

Breakdown of Sales



Sales
(Millions of yen)



Business Strategy

In Japan, we reinforce our brand power by releasing high-priced products and place importance on developing high-quality everyday tableware. We are continuing to develop new sales channels, including online sales. In addition, we are strengthening marketing activities at department stores and our directly operated stores to decisively capture demand from the increasing number of international visitors to Japan. Overseas, we aim to increase sales and strive to expand our market share in developed countries, especially those in North America, by releasing new products suited to the needs of the market. We are also enhancing our marketing structure for the wealthy population of China, India and other emerging countries.

1. General-Purpose Grinding Wheel Maker Nippon Resibon Corporation Now a Consolidated Subsidiary

In December 2014, Noritake added Nippon Resibon Corporation to its Group. Nippon Resibon manufactures and sells general-purpose grinding wheels that are used in electric power tools, such as hand grinders. The RESIBON brand is renowned in Japan, boasting the top market share for offset grinding wheels. Nippon Resibon has also expanded outside Japan, setting up a factory in Thailand nearly 30 years ago. The company now performs over two thirds of its total production overseas and sells products all over the world.

Nippon Resibon was founded in 1958. It jointly established a sales company with Noritake in 1973, building good rapport between the companies. By uniting Noritake, which prides itself on its order-made grinding wheels for major customers, and Nippon Resibon, which focuses on general-purpose grinding wheels, we can generate an array of complementary synergies. This will enable the Noritake Group to enhance its presence in the global grinding wheel market.


Nippon Resibon's Pinthong Factory in Thailand

2. Introducing the Masterpiece Collection 2014

We launched Masterpiece Collection 2014, the second offering in our Masterpiece Collection, offering a total of nine products. This collection was crafted by leveraging the technology and skill cultivated since our founding. The first offering was launched in 2011 with two types of tea sets. For this second offering, we spent over two years from inception crafting a variety of interior design products, such as vases and framed porcelain paintings. Ceramic artist Fumio Shimada, a professor at Tokyo University of the Arts, created the original designs. We then used a variety of techniques to express the concept of natural abundance. The result beautifully harmonizes the gentleness of the underlying sketch with the radiance of the overlaid painting.


Masterpiece Collection 2014

3. Jointly Developed Vacuum Tubes for Music and Audio Equipment with KORG

We developed Nutube, a vacuum tube for use in guitar amplifiers, audio equipment and other products, with musical instrument maker KORG Inc., known by their KORG brand. Nutube uses the same principle as our vacuum fluorescent displays (VFDs). With Nutube, we have succeeded in improving the energy efficiency, decreasing the size and raising the quality of vacuum tubes compared to existing products. Vacuum tubes for musical instruments are becoming increasingly scarce in recent years as they are replaced by transistors and digital systems with excellent performance. Nevertheless, the unique rich sound quality of vacuum tubes enjoys unshakable popularity even now, and expectations for Nutube are rising.


Nutube

4. Noritake Garden's Welcome Center Has Reopened

The Welcome Center of the Noritake Garden is a place where visitors can learn about the ceramic industry on the grounds of Noritake's headquarters. In March 2015, it reopened after enhancing the content of its exhibits. The new and improved Welcome Center uses display panels, actual products and videos to regale visitors with the history of Noritake and its current businesses, which grew out of tableware manufacturing.

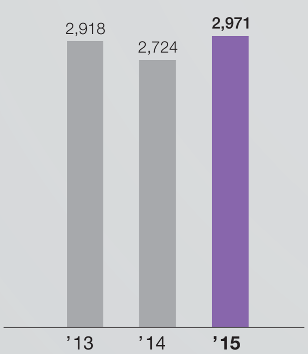

The Welcome Center at the Noritake Garden

The R&D activities of the Noritake Group primarily revolve around the Research and Development Center, which is principally involved in basic research, and the Products Development Center, which promotes the commercialization of projects that are directly connected to the business divisions. Noritake carries out product development for new technologies and new fields in collaboration with each business division and Group company.

The R&D expenditures of the Noritake Group amounted to ¥2,971 million in the fiscal year under review.

R&D Expenditure

(Millions of yen)

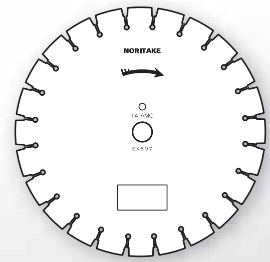


R&D for New Products and Technologies

Noritake focuses on developing new products by utilizing its materials, calcination and fabrication technologies, while augmenting and expanding the applications of such technologies. Noritake actively promotes joint R&D and technological exchanges with outside companies, universities and research institutions. At the same time, we participate in government projects and other related activities. Through these initiatives, each Noritake business segment works in unison to undertake strategic R&D with a long-term perspective.

Core basic R&D expenditures totaled ¥803 million.

Industrial Products

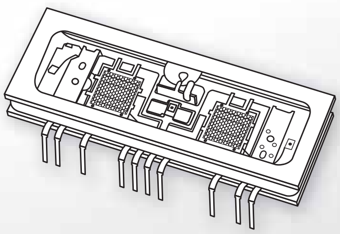


Diamond Blade for Cutting Concrete

To respond to expanding sectors and market changes, Noritake has been focusing its efforts on strengthening its development capabilities by relying on basic technologies and developing differentiated products. Noritake is augmenting the development of ecologically friendly processing tools in such growth areas as solar cells and LEDs. In the transportation equipment field (which includes automobiles, railways and aircraft), and also in the medical field, we are promoting the development of higher performance, lower-cost products with the aim of addressing market changes.

The R&D expenditures in the Industrial Products segment totaled ¥598 million in the fiscal year under review.

Ceramics & Materials



Vacuum Tube for Playing Music/ Audio Equipment "Nutube"

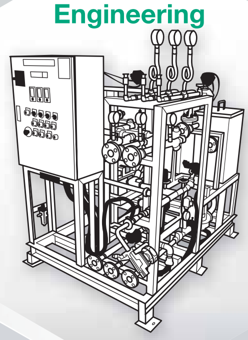
In electronic materials, the Ceramics & Materials segment focuses on the development and commercialization of electrode paste for solar cells that feature high-generation efficiency. In addition, we are developing insulating and electrode pastes for ceramic substrates used in LEDs as well as electrode pastes for electronic components installed in smart-phones and tablet PCs.

In ceramics, we developed and promoted the ongoing marketing of high performance ceramic catalyst carriers for chemical plants and thick-film, multi-layer substrates for automobiles and LEDs. We also developed "°C Monarc", a ceramic core used in precision casting that features superior heat resistance.

KCM Corporation is advancing the development of particulate material compounds for use in the growth field of multilayer ceramic capacitors, zirconium materials, high-purity silica and materials used in fuel cells. Moreover, in VFD tubes and VFD module products, we are currently developing VFD message displays, mainly used in stores, information and reception displays in public places, and disaster-related wireless systems.

The R&D expenditures in this segment were ¥1,398 million.

Engineering



Water Heating System

The Engineering segment conducts research into products and equipment for future growth fields that include semiconductors, electronics and automotive products.

The R&D expenditures in this segment amounted to ¥121 million.

Tabletop

KIRA KARACHO×NORITAKE "KAKU TSUNAGI"

The Tabletop segment continues to work to develop new decorating technology and porcelain materials.

The R&D expenditures in this segment totaled ¥49 million in fiscal 2015.

(1) CORPORATE GOVERNANCE STRUCTURE

(i) Overview of corporate governance structure

Comprising its corporate governance structure, Noritake has positioned the Board of Directors as the body that decides on important matters, including those stipulated by management's basic policy and the law. Noritake has also introduced an executive officer system to clarify executive responsibilities and to delegate authority with the objective of further reinforcing the execution of business based on decisions made by the Board of Directors. In addition to executive officers involved in business operations, the Board of Directors meets, in principle, once a month to ensure uniformity of understanding across the entire Group. Furthermore, such matters as surplus dividends and items stipulated in Article 459-1 of the Company Law are addressed as matters for resolution by the Board of Directors, unless otherwise stipulated by law, with the aim of being able to flexibly return profits to shareholders.

With regard to important management matters, Noritake has established a structure to perform accurate and quick decisions after careful deliberation at the Executive Council, which meets weekly, in principle.

Directors are elected at the Company's Annual General Meeting of Shareholders, which is attended by at least one-third of the shareholders with exercisable voting rights, and after a majority of said voting rights is obtained, although not by cumulative voting. Noritake limits the number of directors to 18. The tenure of directors at Noritake and the Group has been set at one year. The purpose of this system is to make possible the active building of a management structure optimally suited to today's turbulent business environment and to clarify management responsibilities anew with each fiscal year.

In accordance with Article 426-1 of the Company Law and by Board of Directors' meeting resolution, Noritake decided that it would be able to exempt directors and auditors (including former directors and auditors) from liabilities for damages incurred as a result of the execution of their duties, within the limit of laws and regulations, with the aim of having them fully perform the roles expected of them by the Board of Directors and auditors.

Noritake aims to affect smooth operations by reducing the quorum necessary for extraordinary resolutions at the General Meeting of Shareholders. Resolutions proposed for approval at the Company's Annual General Meeting of Shareholders, in accordance with the provisions of Article 309-2 of the Company Law, must be ratified by a two-thirds majority vote of shareholders in attendance whose total voting rights account for one-third or more of all exercisable voting rights.

Although the establishment of other governance structures (e.g. "company with committees" and "company with a Supervisory & Audit Committee") is recognized, Noritake decided to use a corporate auditor system.

(ii) Reasons for applying corporate governance system

With the advancing globalization of business, the effects of corporate activities are being held to increasingly strict standards of corporate social responsibility. Each Group executive and employee is heir to the spirit of Noritake's founder, on which basis the Noritake Group Statement of Corporate Ethics was formulated. In observing and putting that statement into practice, they apply this corporate governance structure to realize a Noritake Group with even higher standards of corporate ethics.

(iii) Status of internal control system upgrades

Since fiscal 2008, the Noritake Group has been working to build and maintain a framework in which it forms project-based structures, advances the documentation of adherence to rules and operational processes, and addresses the systemization of internal controls related to financial reporting. Furthermore, with regard to the stipulation of internal control rules, and the status of their maintenance and implementation, Noritake conducts monitoring from the perspective of the risk of material misstatements related to financial reporting, among other measures, as it strives to preserve and improve its internal control system.

Through the Compliance Committee and the activities of persons appointed to have compliance responsibilities under the committee's authority, the Company is working to bolster its internal controls system from the compliance standpoint.

Furthermore, at the Board of Directors' meeting held on May 12 , 2015, Noritake resolved to revise its basic policy on establishing an internal controls system. The main revisions were to adopt clear, concrete terms in describing the system to ensure the appropriateness of the Group's operations and audit system, in line with a reassessment of the Group's current needs, as well as revisions to laws and regulations.

(iv) Status of risk management system upgrades

Strengthening the ongoing compliance structure of the Group as a whole, Noritake works to maintain risk management systems to prevent the Group from entering into a crisis situation due to misconduct associated with the violation of the law.

Should the Group be faced with any risk that might damage its corporate value, such as a case of misconduct, an accident or disaster, "Risk Management Regulations" have been formulated to minimize losses and to enable operations to continue with minimal disruption. In the event that a crisis does arise, a task force will be established in immediate response.

(2) STATUS OF INTERNAL AUDITS AND AUDITS BY CORPORATE AUDITORS AND INDEPENDENT AUDITORS

The Audit Office serves as the Company's internal audit department and implements operational and accounting audits. Audit results are reported to the divisional head and the general manager in charge of business operations, and, in the event that any significant problems are identified, the Audit Office is required to notify the Executive Council.

The Board of Auditors is composed of two full-time corporate auditors and two outside auditors. Besides stipulating such matters as audit guidelines and the division of duties, the Board of Auditors receives reports from each auditor providing the actual audit status and results, and expedites the flow of information between the Board of Directors and the Audit Office, which serves as the internal audit department. In addition to working to gather information, auditors attend meetings of the Board of Directors and Executive Council as well as other important meetings, where they receive status reports on the execution of executives' duties and ask for explanations when the need arises. Furthermore, the Board of Auditors, in addition to confirming that Noritake's accounting auditors maintain their independence and implement the appropriate audits, receives status reports from the accounting auditors on the execution of duties and requests explanations when the need arises.

In the Audit Office, auditors and accounting auditors work in close collaboration to maintain the effectiveness of internal audit implementation. As established by contractual ties, Noritake's independent auditor is KPMG AZSA LLC, which assigns managing partners to Noritake to implement audits from an independent perspective. In the fiscal year under review, the managing partners assigned to Noritake by KPMG AZSA LLC were as follows:

- Specified employees and managing partners
  - CPA Yasushi Yokoi
  - CPA Chika Matsumoto
  - CPA Satoshi Zengame
- Assistants
  - 13 CPAs and 14 others

(3) OUTSIDE DIRECTORS AND AUDITORS

Noritake has two outside directors and two outside auditors.

No personal, capital or business relationships or other conflicts of interest exist between Noritake, its outside auditors Yasumasa Gomi and Kazutoyo Shinohara, who were in office for the fiscal year under review, and its outside directors Kosaku Yamada and Tetsuo Komori.

The outside director has a wealth of experience and broad insight regarding business management and was hired to provide thorough counsel on matters spanning the entire business to the Board of Directors in an effort to strengthen oversight and increase transparency in the decision-making process.

Furthermore, the outside auditors reflect their wealth of experience and broad insight as business managers in Noritake audits.

When the outside director oversees business operations or when the outside auditors conduct operational audits, they may conduct internal and corporate audits as needed in addition to collaborating with accounting auditors and the internal control department through such means as the appropriate sharing of information and exchange of opinions.

Together with the two full-time corporate auditors, the outside auditors are mandated to audit the Board of Directors in the execution of its duties and the operations and assets of Noritake and its subsidiaries. In addition, the outside auditors conduct audits based on reports received from the independent accounting auditors regarding the Company's consolidated financial statements. In addition, working closely with the Audit Office, the outside auditors contribute to efficient internal audits.

The Company appoints outside directors and auditors with the expectation that they will perform their oversight duties and audits in an appropriate and objective manner based on their specialized knowledge. Although the Company's rules and regulations do not stipulate the independence of outside directors and auditors, we appoint them in line with our basic philosophy that they have no conflict of interest with ordinary shareholders.

The Company concludes limitation of liability contracts with each outside director and auditor in accordance with the provisions of Article 423-1 of the Company Law. As such, the maximum amount of liability stipulated by the aforementioned contracts is the minimum amount determined by law.

With regard to management and decision-making functions as well as its Board of Directors, which fulfills the management oversight function in terms of the business execution of its directors, Noritake strengthens management oversight by having two of four auditors from outside the Company. In corporate governance, Noritake places the utmost importance on external, objective and neutral management oversight functions. The external management oversight function is adequately performed by the system that is in place with the two outside auditors. Noritake has appointed two outside directors to further secure the oversight function of the Board of Directors as well as ensure transparency in the decision-making process.

(4) COMPENSATION TO DIRECTORS AND AUDITORS

(i) Total executive compensation by executive officer category, total compensation by type, and number of officers eligible

Executive Officer Category	Compensation Amount (Millions of yen)	Total Compensation by Type (Millions of yen)				No. of Officers Eligible
		Basic Compensation	Stock Options	Contribution	Retirement Benefits	
Director (excl. outside director)	302	236	—	—	65	9
Auditor (excl. outside auditors)	40	32	—	—	8	2
Outside director and auditor	26	24	—	—	2	3

(ii) Policy details and decision-making process with regard to executive compensation and its methods of calculation

At the 109th Annual General Meeting of Shareholders, which was held on June 28, 1990, the decision was taken to limit Noritake's total executive compensation to ¥40 million or less per month for directors and ¥6 million or less per month for auditors.

(5) DETAILS OF COMPENSATION PAID TO INDEPENDENT AUDITOR, ETC.

(i) Details of independent auditor compensation, etc.

Category	Previous Consolidated Accounting Year		Consolidated Accounting Year under Review	
	Compensation Based on Audit Certification Services (Millions of yen)	Compensation Based on Non-Auditing Services (Millions of yen)	Compensation Based on Audit Certification Services (Millions of yen)	Compensation Based on Non-Auditing Services (Millions of yen)
Parent company	59	—	59	—
Consolidated subsidiary	8	—	23	—
Total	67	—	82	—

(ii) Other significant details regarding compensation

Noritake Co., Inc., a Noritake subsidiary, paid compensation based on audit certification services of ¥8 million to KPMG LLP, which belongs to the same corporate network as the Company's independent auditor, in the consolidated accounting year under review. In the previous consolidated accounting year, the amount for such services had totaled ¥7 million.

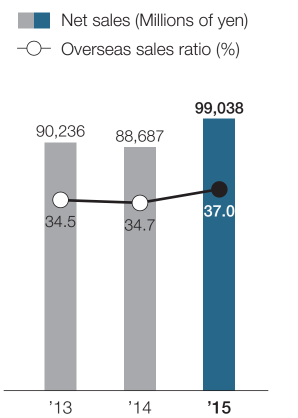
(iii) Details of non-auditing services provided to the Company by the independent auditor

In the year ended March 31, 2015, there were no relevant items.

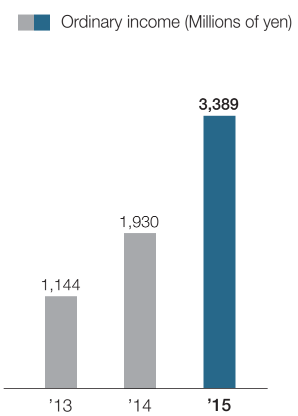
(iv) Policy for determining compensation to independent auditors

The Company calculates compensation to be paid to its CPAs, etc. taking into account such factors as the number of days of the audit and the special characteristics of Noritake's size and operational characteristics.

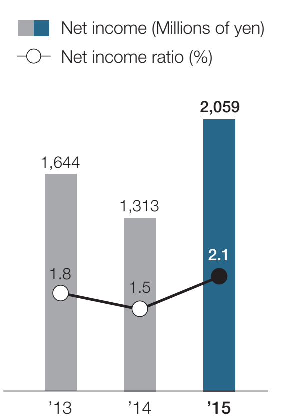
Net Sales & Overseas Sales Ratio



Ordinary Income



Net Income & Net Income Ratio



SCOPE OF CONSOLIDATION

Composed of 25 subsidiaries and 7 associates, the Noritake Group is engaged in the manufacture and sale of products in four business segments—Industrial Products, Ceramics & Materials, Engineering, and Tabletop—as well as the provision of services related to these segments.

INDUSTRIAL PRODUCTS SEGMENT

In the Industrial Products Segment, grinding wheel manufacturing and fabrication are performed by five subsidiaries and two associates in addition to the Company, while diamond tool manufacturing is undertaken by one subsidiary in addition to the Company. Coated abrasives are produced by the subsidiary Noritake Coated Abrasive Co., Ltd. and one associate; a portion of these items are supplied to the Company.

In addition to the Company's and one subsidiary's sales activities in Japan and overseas, the Industrial Products Segment's domestic sales are handled by Zen Noritake Co., Ltd. and one other subsidiary. The U.S.-based Noritake Co., Inc. and three other subsidiaries undertake sales in overseas markets. Noritake Coated Abrasive Co., Ltd. conducts direct sales of most of these products both in Japan and overseas.

CERAMICS & MATERIALS SEGMENT

In the Ceramics & Materials Group, manufacturing of electronic paste and thick film circuit substrates is conducted by the Company. Such activities are bolstered by P.T. Noritake Indonesia along with one subsidiary and one associate. VFD tubes are produced and supplied to the Company by the subsidiary Noritake Itron Corporation. In addition, the subsidiary KCM Corporation and its subsidiaries produce ceramic raw materials, a portion of which are supplied to the Company.

In addition to the Company's own sales activities for electronic paste and other ceramic products of the Ceramics & Materials Group, sales activities for VFD tubes and related products, both domestic and overseas, are mainly conducted by the integrated manufacturing and sales subsidiary Noritake Itron Corporation.

In addition, the U.S.-based Noritake Co., Inc. and three other subsidiaries conduct sales for the Ceramics & Materials Group in overseas markets. KCM Corporation undertakes direct sales of most of its own products both in Japan and overseas.

Moreover, the Company's associate, Kuraray Noritake Dental Inc., engages in the manufacture and sale of dental-related products.

ENGINEERING SEGMENT

In the Engineering Segment, the Company manufactures segment products. Various types of industrial furnaces are produced and supplied to the Company by the subsidiary Noritake TCF Co., Ltd. The Company's Taiwanese subsidiary Noritake Taipei Co., Ltd. manufactures and supplies to the Company static mixers.

Sales activities in Japan and overseas are undertaken by the Company and one of its subsidiaries. In addition, the U.S.-based Noritake Co., Inc. and another subsidiary conduct sales for the Engineering Segment in overseas markets.

TABLETOP SEGMENT

In the Tabletop Segment, in addition to the Company's production activities, porcelain tableware is manufactured by Noritake Lanka Porcelain (Private) Limited located in Sri Lanka and one associate, which is supplied to the Company.

The Company conducts sales for the Tabletop Segment in the domestic and overseas markets. In addition, the U.S.-based Noritake Co., Inc. and four other subsidiaries undertake sales in overseas markets.

Service operations in other areas are handled by Noritake Garden Co., Limited and one associate.

PERFORMANCE ANALYSIS

Consolidated net sales grew ¥10,351 million, or 11.7%, year on year to ¥99,038 million.

Ordinary income increased ¥1,459 million from the previous fiscal year to ¥3,389 million mostly due to the depreciation of the yen.

Other income totaled ¥1,474 million, with gain on step acquisitions amounting to ¥77 million. Other expenses came to ¥565 million, with loss on sales or disposals of property and equipment totaling ¥333 million.

As a result of the aforementioned, income before income taxes and minority interests for the fiscal year under review amounted to ¥3,100 million. After accounting for income taxes and minority interests, net income totaled ¥2,060 million.

Additionally, net income per share increased to ¥14.34 and the return on equity rose from 2.0% in the previous consolidated fiscal year to 2.8%.

FINANCIAL POSITION ANALYSIS

Total assets stood at ¥145,837 million, up 22.8%, or ¥27,063 million, from the previous fiscal year-end. Current assets totaled ¥61,354 million, up ¥10,847 million, while non-current assets amounted to ¥84,483 million, up ¥16,216 million. Major factors contributing to the growth of total assets included bringing Nippon Resibon Corporation into the scope of consolidation, which contributed to other factors (an increase in cash and time deposits, an increase in notes and accounts receivable, an increase in property, plant and equipment), as well as rising share prices that increased the market value of investment securities.

Total liabilities as of March 31, 2015 stood at ¥63,020 million, an increase of 27.2% year on year, or ¥13,463 million. This change was primarily attributable to the inclusion of Nippon Resibon Corporation in the scope of consolidation, which also contributed to the increase in notes and accounts payable and an increase in long-term debt, as well as an increase in deferred tax liabilities due to an increase in unrealized gains on available-for-sale securities.

Total net assets at March 31, 2015 amounted to ¥82,817 million, up 19.6% year on year, or ¥13,600 million. Major factors include the addition of Nippon Resibon Corporation to the scope of consolidation, as well as increases in minority interests, unrealized gains on available-for-sale securities, and foreign currency translation adjustments. As a result, shareholders' equity per share totaled ¥549.59, up ¥71.95 compared with the previous consolidated fiscal year-end. The capital ratio fell to 54.1% from 57.8% at the previous fiscal year-end.

CASH FLOW ANALYSIS

As of March 31, 2015, cash and cash equivalents stood at ¥10,586 million, a year on year increase of ¥1,915 million. For the year, negative free cash flows amounted to ¥1,216 million.

Net cash provided by operating activities increased ¥188 million year on year to ¥5,066 million. Inventories marked an increase of ¥1,484 million in fiscal 2015. Despite this, operating cash flow improved as we recorded ¥3,100 million in income before income taxes and minority interests and ¥3,673 million in depreciation.

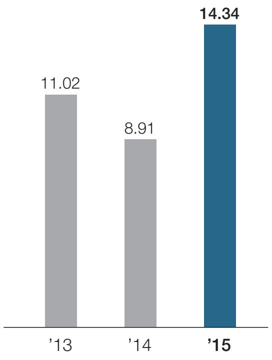
Net cash used in investing activities increased ¥1,671 million year on year to ¥6,282 million. Factors included ¥4,742 million in purchase of property, plant and equipment and intangible assets and ¥1,683 million in purchase of shares of subsidiaries resulting in change in scope of consolidation following the acquisition of additional shares of Nippon Resibon Corporation.

While net cash used in financing activities totaled ¥1,313 million in the previous fiscal year, net cash provided by financing activities came to ¥2,720 million in fiscal 2015. Cash flows provided by financing improved on the back of proceeds from long-term loans, which increased to ¥11,700 million. This came despite a net decrease in short-term borrowings of ¥3,569 million, repayments of long-term debt of ¥4,486 million and ¥862 million in dividends paid.

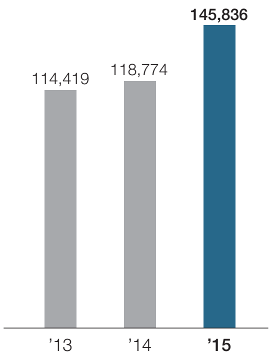
FINANCIAL POLICIES

The Noritake Group, in principle, funds general operations and capital expenditures through internal reserves and borrowings or the issue of corporate bonds. In particular, working capital for general operations is provided by short-term borrowings with a maturity of one year or less. In Japan, Noritake has adopted a cash management system under which the Company centrally

Net Income per Share
(Yen)

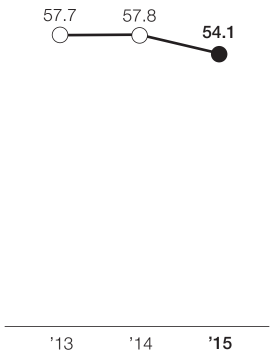


Total Assets
(Millions of yen)



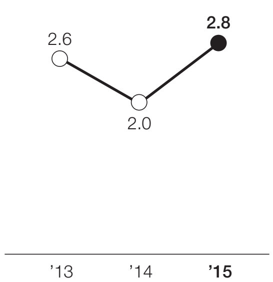
Capital Ratio

(%)



Return on Equity

(%)



procures funds and then allocates the procured funds to consolidated subsidiaries in need of operating funds. Overseas, individual consolidated subsidiaries adhere to a basic policy of procuring operating funds themselves in their respective local currencies.

As of March 31, 2015, the balance of short-term borrowings totaled ¥3,400 million, most of which is denominated in yen, with the remainder in three other currencies. Noritake, in principle, uses its internal reserves for capital expenditures and other long-term investments with a portion covered by long-term debt. As of March 31, 2015, the balance of unsecured long-term loans amounted to ¥16,938 million, most of which is denominated in yen, with the remainder in two other currencies. Unsecured bonds payable stood at ¥10,000 million.

BUSINESS AND OTHER RISKS

Raw Material and Fuel Price Risk

The Noritake Group conducts operations centered on the ceramic manufacturing industry. Like other industries, the ceramics industry is subject to manufacturing cost increases attributable to the rise in raw material and fuel prices. While continually working to improve productivity and reduce costs, Noritake is strategically implementing upward revisions of its product prices to compensate for such cost increases. However, in the event that the Company cannot carry out effective measures to deal with sudden cost increases, its business performance and financial position may be adversely affected.

Exchange Rate Fluctuation Risk

The export ratios of the Ceramics & Materials Group and the Tabletop Group are high in comparison to Noritake's other business segments. Accordingly, unfavorable trends in currency exchange rates—more specifically, the yen's rapid appreciation—may negatively impact the performance of these business segments, and, consequently, the entire Company's performance and financial position.

Disaster Risk

The Noritake Group has a number of business bases in Japan and overseas. In the event that these business bases, particularly manufacturing bases, are damaged by earthquake, fire or other disaster, their operations may have to be suspended for a certain period of time, and this would adversely affect Noritake's business performance and financial position.

Overseas Affairs Risk

The Noritake Group is actively promoting overseas operations. Deteriorations in public safety and security, coupled with changes in political conditions, in one of the countries where Noritake operates may restrict the Company's operations. In particular, in the case of war, civil disturbance, terrorist attack and the like, the Company's operations may have to be suspended for a certain period of time. Should this be the case, the Noritake Group's business performance and financial position may be negatively impacted.

Technology-Related Risk

The Noritake Group is increasingly concentrating its management resources in such growth fields as the electronics, semiconductor and energy industries. These industries are characterized by the rapid pace of their technological innovation and dynamic demand fluctuations, which cause participants to experience technology and product obsolescence at shorter intervals than other industries. Accordingly, in the event that any of the Noritake's main products becomes obsolete, or Noritake fails to launch new products in a timely manner, its business performance and financial position may be negatively affected.

Risks and factors that could have adverse effects on the Noritake Group's business performance and financial position are not limited to those described above. The analysis of risks is based on information available to the Company's management as of March 31, 2015.

KPMG

Independent Auditor's Report

To the Board of Directors of NORITAKE CO., LIMITED:

We have audited the accompanying consolidated financial statements of NORITAKE CO., LIMITED (the "Company") and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2015 and 2014, and the consolidated statements of income, statements of comprehensive income, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as at March 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(g) of the Notes to Consolidated Financial Statements, which describes the Company and its domestic consolidated subsidiaries' change in depreciation method for property, plant and equipment from the fiscal year ended March 31, 2014.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2015 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 of the Notes to Consolidated Financial Statements.

KPMG AZSA LLC

July 30, 2015
Nagoya, Japan

NORITAKE CO., LIMITED and Consolidated Subsidiaries
Consolidated Balance Sheets
March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Assets:			
Current assets:			
Cash and cash equivalents (Note 3)	¥ 10,586	¥ 8,671	$ 88,217
Short-term investments (Notes 3 and 6)	1,945	1,620	16,208
Notes and accounts receivable, net of allowance for doubtful accounts (Notes 3 and 4)	29,485	25,705	245,708
Inventories (Note 5)	17,055	12,834	142,125
Deferred tax assets (Note 15)	484	391	4,033
Other current assets	1,799	1,286	14,992
Total current assets	61,354	50,507	511,283
Investments and other assets:			
Investment securities (Notes 3 and 6)	31,342	24,488	261,183
Investments in unconsolidated subsidiaries and associates (Note 3)	2,886	5,282	24,050
Net defined benefit asset (Note 10)	2,481	-	20,675
Deferred tax assets (Note 15)	122	133	1,017
Other	2,141	1,093	17,842
Total investments and other assets	38,972	30,996	324,767
Property, plant and equipment:			
Land	13,646	11,029	113,717
Buildings and structures	41,548	37,077	346,233
Machinery and equipment	52,182	45,720	434,850
Construction in progress	292	523	2,433
Total property, plant and equipment	107,668	94,349	897,233
Less accumulated depreciation	(62,157)	(57,078)	(517,975)
Net property, plant and equipment	45,511	37,271	379,258
Total assets	¥ 145,837	¥ 118,774	$ 1,215,308

See accompanying Notes to Consolidated Financial Statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Liabilities:			
Current liabilities:			
Short-term borrowings (Notes 3 and 8)	¥ 3,400	¥ 5,318	$ 28,333
Current portion of long-term debt (Notes 3 and 8)	11,693	4,246	97,441
Notes and accounts payable (Notes 3 and 7)	15,754	13,413	131,283
Accrued expenses (Note 3)	3,981	3,866	33,175
Income taxes payable (Note 3)	695	612	5,792
Other current liabilities	1,462	837	12,184
Total current liabilities	36,985	28,292	308,208
Long-term liabilities:			
Long-term debt (Notes 3 and 8)	15,317	13,869	127,642
Net defined benefit liability (Note 10)	2,083	1,879	17,358
Accrued severance indemnities for directors and corporate auditors	833	847	6,942
Deferred tax liabilities (Note 15)	7,488	4,483	62,400
Other noncurrent liabilities	314	187	2,616
Total long-term liabilities	26,035	21,265	216,958
Total liabilities	63,020	49,557	525,166
Net assets (Note 14):			
Shareholders' equity:			
Common stock: 397,500,000 shares authorized and 158,428,497 shares issued	15,632	15,632	130,267
Capital surplus	18,833	18,833	156,942
Retained earnings	35,735	34,310	297,792
Less treasury stock, at cost: 14,821,960 shares in 2015 and 14,800,395 shares in 2014	(3,985)	(3,979)	(33,209)
Total shareholders' equity	66,215	64,796	551,792
Accumulated other comprehensive income	12,709	3,807	105,908
Minority interests	3,893	614	32,442
Total net assets	82,817	69,217	690,142
Total liabilities and net assets	¥ 145,837	¥ 118,774	$ 1,215,308

NORITAKE CO., LIMITED and Consolidated Subsidiaries
Consolidated Statements of Income
For the Years Ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Operating revenue:			
Net sales (Note 17)	¥ 99,038	¥ 88,687	$ 825,317
Operating costs and expenses:			
Cost of goods sold	72,857	66,151	607,142
Selling, general and administrative expenses	23,990	21,751	199,917
	96,847	87,902	807,059
Operating income	2,191	785	18,258
Other income (expenses):			
Interest and dividend income	541	447	4,508
Interest expense	(161)	(158)	(1,342)
Impairment loss on fixed assets	(71)	(24)	(592)
Gain on sales of investment securities	-	751	-
Loss on sales or disposals of property and equipment	(333)	(98)	(2,775)
Equity in net earnings of associates	298	275	2,483
Gain on step acquisitions (Note 16)	77	-	642
Gain on bargain purchase (Note 16)	39	-	325
Other, net	519	507	4,326
	909	1,700	7,575
Income before income taxes and minority interests	3,100	2,485	25,833
Income taxes (Note 15):			
Current	1,094	898	9,116
Deferred	(100)	310	(833)
Total income taxes	994	1,208	8,283
Income before minority interests	2,106	1,277	17,550
Less minority interests in net income (losses) of consolidated subsidiaries	46	(36)	383
Net income	¥ 2,060	¥ 1,313	$ 17,167

	Yen		U.S. dollars
Per share:			
Net income	¥ 14.34	¥ 8.91	$ 0.12
Cash dividends	6.00	6.00	0.05

See accompanying Notes to Consolidated Financial Statements.

NORITAKE CO., LIMITED and Consolidated Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended March 31, 2015 and 2014

	Millions of yen				Thousands of U.S. dollars (Note 1)	
	2015		2014		2015	
Income before minority interests:	¥	2,106	¥	1,277	$	17,550
Other comprehensive income (Note 19):						
Unrealized gains on available-for-sale securities		4,783		3,997		39,858
Foreign currency translation adjustments		2,771		2,021		23,092
Remeasurements of defined benefit plans, net of tax		1,896		-		15,800
Share of other comprehensive income of associates accounted for using equity method		(12)		112		(100)
Total other comprehensive income		9,438		6,130		78,650
Comprehensive income:	¥	11,544	¥	7,407	$	96,200
Comprehensive income attributable to:						
Owners of the parent	¥	10,961	¥	7,365	$	91,342
Minority interests		583		42		4,858
Total comprehensive income:	¥	11,544	¥	7,407	$	96,200

See accompanying Notes to Consolidated Financial Statements.

NORITAKE CO., LIMITED and Consolidated Subsidiaries
Consolidated Statements of Changes in Net Assets
For the Years Ended March 31, 2015 and 2014

	Number of shares of common stock issued	Shareholders' equity				
		Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
		Millions of yen				
Balance at April 1, 2013	158,428,497	¥ 15,632	¥ 18,833	¥ 34,211	¥ (2,396)	¥ 66,280
Net income for the year	-	-	-	1,313	-	1,313
Cash dividends	-	-	-	(1,048)	-	(1,048)
Purchases of treasury stock and fractional shares, net	-	-	-	-	(1,583)	(1,583)
Change in scope of consolidation	-	-	-	(166)	-	(166)
Net changes in items other than shareholders' equity	-	-	-	-	-	-
Balance at March 31, 2014	158,428,497	15,632	18,833	34,310	(3,979)	64,796
Cumulative effects of changes in accounting policies (Note 2(j))				445		445
Restated balance	158,428,497	15,632	18,833	34,755	(3,979)	65,241
Net income for the year	-	-	-	2,060	-	2,060
Cash dividends	-	-	-	(862)	-	(862)
Purchases of treasury stock and fractional shares, net	-	-	-	-	(6)	(6)
Change in scope of consolidation	-	-	-	(218)	-	(218)
Net changes in items other than shareholders' equity	-	-	-	-	-	-
Balance at March 31, 2015	158,428,497	¥ 15,632	¥ 18,833	¥ 35,735	¥ (3,985)	¥ 66,215

	Thousands of U.S. dollars (Note 1)				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2014	$ 130,267	$ 156,942	$ 285,917	$ (33,159)	$ 539,967
Cumulative effects of changes in accounting policies (Note 2(j))			3,708		3,708
Restated balance	130,267	156,942	289,625	(33,159)	543,675
Net income for the year	-	-	17,167	-	17,167
Cash dividends	-	-	(7,183)	-	(7,183)
Purchases of treasury stock and fractional shares, net	-	-	-	(50)	(50)
Change in scope of consolidation	-	-	(1,817)	-	(1,817)
Net changes in items other than shareholders' equity	-	-	-	-	-
Balance at March 31, 2015	$ 130,267	$ 156,942	$ 297,792	$ (33,209)	$ 551,792

	Accumulated other comprehensive income					
	Unrealized gains on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Minority interests	Total net assets
	Millions of yen					
Balance at April 1, 2013	¥ 4,737	¥ (5,009)	¥ -	¥ (272)	¥ 572	¥ 66,580
Net income for the year	-	-	-	-	-	1,313
Cash dividends	-	-	-	-	-	(1,048)
Purchases of treasury stock and fractional shares, net	-	-	-	-	-	(1,583)
Change in scope of consolidation	-	-	-	-	-	(166)
Net changes in items other than shareholders' equity	4,022	2,029	(1,972)	4,079	42	4,121
Balance at March 31, 2014	8,759	(2,980)	(1,972)	3,807	614	69,217
Cumulative effects of changes in accounting policies (Note 2(j))						445
Restated balance	8,759	(2,980)	(1,972)	3,807	614	69,662
Net income for the year	-	-	-	-	-	2,060
Cash dividends	-	-	-	-	-	(862)
Purchases of treasury stock and fractional shares, net	-	-	-	-	-	(6)
Change in scope of consolidation	-	-	-	-	-	(218)
Net changes in items other than shareholders' equity	4,758	2,220	1,924	8,902	3,279	12,181
Balance at March 31, 2015	¥ 13,517	¥ (760)	¥ (48)	¥ 12,709	¥ 3,893	¥ 82,817
	Thousands of U.S. dollars (Note 1)					
Balance at March 31, 2014	$ 72,992	$ (24,834)	$ (16,433)	$ 31,725	$ 5,117	$ 576,809
Cumulative effects of changes in accounting policies (Note 2(j))						3,708
Restated balance	72,992	(24,834)	(16,433)	31,725	5,117	580,517
Net income for the year	-	-	-	-	-	17,167
Cash dividends	-	-	-	-	-	(7,183)
Purchases of treasury stock and fractional shares, net	-	-	-	-	-	(50)
Change in scope of consolidation	-	-	-	-	-	(1,817)
Net changes in items other than shareholders' equity	39,650	18,500	16,033	74,183	27,325	101,508
Balance at March 31, 2015	$ 112,642	$ (6,334)	$ (400)	$ 105,908	$ 32,442	$ 690,142

See accompanying Notes to Consolidated Financial Statements.

NORITAKE CO., LIMITED and Consolidated Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 3,100	¥ 2,485	$ 25,833
Adjustments for:			
Depreciation	3,673	2,905	30,608
Impairment loss on fixed assets	71	24	592
Gain on step acquisitions	(77)	-	(642)
Gain on bargain purchase	(39)	-	(325)
Equity in net earnings of associates	(298)	(275)	(2,483)
Gain on sales of investment securities	-	(751)	-
Loss on sales or disposals of property and equipment	333	98	2,775
Increase (decrease) in net defined benefit liability and asset	568	(1,066)	4,733
Decrease in trade receivables	49	2,246	408
(Increase) decrease in inventories	(1,485)	1,164	(12,375)
Decrease in trade payables	(81)	(1,416)	(675)
Other, net	(150)	(226)	(1,249)
Subtotal	5,664	5,188	47,200
Interest and dividends received	767	594	6,392
Interest paid	(159)	(160)	(1,325)
Income taxes paid	(1,206)	(744)	(10,050)
Net cash provided by operating activities	5,066	4,878	42,217
Cash flows from investing activities:			
Increase in property, plant and equipment	(4,742)	(6,451)	(39,517)
Increase in long-term investments and loans receivable	(267)	(38)	(2,225)
Purchase of shares of subsidiaries resulting in change in scope of consolidation (Note 20)	(1,683)	-	(14,025)
Collection of investments in capital	491	-	4,092
Payments for investments in capital	-	(380)	-
Decrease in property and long-term investments	182	1,441	1,517
(Increase) decrease in short-term investments	(83)	984	(692)
Other, net	(180)	(167)	(1,500)
Net cash used in investing activities	(6,282)	(4,611)	(52,350)
Cash flows from financing activities:			
Increase in long-term debt	11,700	2,700	97,500
Repayments of long-term debt	(4,486)	(5,100)	(37,383)
Net (decrease) increase in short-term borrowings	(3,569)	3,719	(29,742)
Dividends paid	(862)	(1,048)	(7,183)
Purchase of treasury stock and fractional shares	(6)	(1,584)	(50)
Other, net	(57)	-	(475)
Net cash provided by (used in) financing activities	2,720	(1,313)	22,667
Effect of exchange rate changes on cash and cash equivalents	305	482	2,541
Net increase (decrease) in cash and cash equivalents	1,809	(564)	15,075
Cash and cash equivalents at beginning of year	8,671	8,778	72,258
Increase in cash and cash equivalents from newly consolidated subsidiary	106	457	884
Cash and cash equivalents at end of year	¥ 10,586	¥ 8,671	$ 88,217

See accompanying Notes to Consolidated Financial Statements.

NORITAKE CO., LIMITED and Consolidated Subsidiaries
Notes to Consolidated Financial Statements

1. Basis of Consolidated Financial Statements

The accompanying consolidated financial statements of NORITAKE CO., LIMITED (the "Company") and its consolidated subsidiaries (together with the Company, the "Noritake Group") have been prepared in accordance with the provisions set forth in the Financial Instrument and Exchange Law of Japan and its related accounting regulations and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards ("IFRS"). The accompanying consolidated financial statements have been reformatted and translated into English, with some expanded descriptions, from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instrument and Exchange Law of Japan. Certain supplementary information included in the statutory Japanese language consolidated financial statements is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollar amounts has been included solely for the convenience of readers outside Japan, using the prevailing approximate exchange rate at March 31, 2015, which was ¥120 to U.S. $1.00. The translation should not be construed as a representation that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

Certain comparative figures have been reclassified to conform to the current year's presentation.

2. Summary of Significant Accounting Policies

(a) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its significant subsidiaries. Investments in significant unconsolidated subsidiaries and associates are accounted for by the equity method. Investments in unconsolidated subsidiaries and associates not accounted for by the equity method are stated at cost. The differences between the acquisition cost of investments in subsidiaries and the underlying equity in the net assets adjusted based on the fair value at the time of acquisition are principally deferred as goodwill. Goodwill is amortized over five years on a straight-line basis. All intercompany accounts and transactions have been eliminated on consolidation.

The number of consolidated subsidiaries, unconsolidated subsidiaries and associates for the years ended March 31, 2015 and 2014 was as follows:

	2015	2014
Consolidated subsidiaries:		
Domestic	10	8
Overseas	13	11
Associates accounted for by the equity method	4	5
Unconsolidated subsidiaries stated at cost	2	4
Associates stated at cost	3	4

From April 1, 2014, one overseas unconsolidated subsidiary was newly included in the scope of consolidation. On October 1, 2014, one domestic subsidiary, which had been accounted for by the equity method, was included in the scope of consolidation, in addition to two subsidiaries, as the Company's ownership increased due to purchase of stocks.

From April 1, 2013, one overseas unconsolidated subsidiary was newly included in the scope of consolidation. During the year ended March 31, 2014, one overseas consolidated subsidiary was liquidated.

The Company's overseas consolidated subsidiaries close their books on December 31, three months earlier than the Company and the domestic consolidated subsidiaries. The Company has consolidated these subsidiaries' financial statements as of their December 31 year-end because the difference between their fiscal year-end and that of the Company and the domestic consolidated subsidiaries was not more than three months. Significant transactions during the period between these subsidiaries' year-end and the Company's year-end are adjusted for on consolidation.

(Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

The Company has adopted ASBJ Practical Issues Task Force ("PITF") No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements." PITF No. 18 requires that the accounting policies and procedures applied by a parent company and its subsidiaries to similar transactions and events under similar circumstances should, in principle, be unified for the preparation of the consolidated financial statements. PITF No. 18, however, as a tentative measure, allows a parent company to prepare consolidated financial statements using its foreign subsidiaries' financial statements prepared in accordance with either IFRS or U.S. generally accepted accounting principles ("U.S. GAAP"). In this case, adjustments for the following five items are required in the consolidation process so that the impact on net income is accounted for in accordance with Japanese GAAP, unless the impact is not material.

(a) Goodwill not subject to amortization
(b) Actuarial gains and losses of defined-benefit retirement plans recognized outside profit or loss
(c) Capitalized expenditures for research and development activities
(d) Fair value measurement of investment properties and revaluation of property, plant and equipment and intangible assets
(e) Accounting for net income attributable to minority interests

(Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method)

The Company has also adopted ASBJ PITF No. 24, "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method." Under PITF No. 24, a Japanese investment company is not allowed to apply the equity method to its investments in associates using their financial information prepared in accordance with the local GAAP. The financial information of associates outside Japan is required to be prepared in accordance with Japanese GAAP, IFRS or U.S. GAAP. IFRS or U.S. GAAP is allowed only if the five specific adjustments are made for significant differences between Japanese GAAP and IFRS or U.S. GAAP.

(b) Cash equivalents

The Noritake Group considers cash equivalents to be highly liquid debt instruments purchased with an original maturity of three months or less.

(c) Investments and marketable securities

The Noritake Group classifies certain investments in debt and equity securities as "held-to-maturity," "trading" or "available-for-sale." The classification determines the respective accounting method, as stipulated by the accounting standards for financial instruments. According to the investment policy of the Noritake Group, its securities portfolio consists of available-for-sale securities other than trading or held-to-maturity. The accounting standard requires that available-for-sale securities for which fair value is available be stated at fair value and that net unrealized gains and losses on such securities be recorded as a component of accumulated other comprehensive income, net of applicable income taxes. Gains and losses on the disposition of available-for-sale securities are computed by the moving average method. Available-for-sale securities without available fair values are carried at cost determined by the moving average method. Adjustments in the carrying values of individual investment securities are charged to income through write-downs when a decline in value is deemed other than temporary.

(d) Accounting for derivatives

The Noritake Group is a party to derivative instruments such as foreign currency forward exchange contracts and interest rate swap contracts, and interest rate and currency swap contracts in the ordinary course of business for hedging purposes to reduce its exposure to fluctuations in exchange rates and interest rates. Foreign currency forward exchange contracts are accounted for by translating foreign currency denominated assets and liabilities at the contract rate as an interim measure if certain hedging criteria are met. According to the special treatment as permitted by the accounting standard for financial instruments, hedging interest rate swap contracts, and interest rate and currency swap contracts are accounted for on an accrual basis and recorded net of interest expense generated from the hedged borrowings if certain conditions are met. Furthermore, interest rate and currency swap contracts are accounted for on an accrual basis through translating foreign currency denominated liabilities at such contracts rates as an interim measure if certain hedging criteria are met. In addition, during the years ended March 31, 2015 and 2014, the Company had a derivative contract outstanding to hedge the risks associated with the occurrence of an earthquake. As the fair value of the contract was not considered determinable, that derivative contract was not accounted for at fair value.

(e) Inventories

In accordance with the accounting standard for measurement of inventories, inventories held for sale in the ordinary course of business are stated at the lower of cost or net realizable value. If the net realizable value falls below the cost at the end of the period, the cost basis is reduced to net realizable value and regarded as decreased profitability of inventories. The cost of inventories is determined principally by the first-in, first-out method.

(f) Allowance for doubtful accounts

The allowance for doubtful accounts has been provided for in the aggregate amount of estimated credit loss based on an individual financial review approach for certain doubtful or troubled receivables and a general reserve for other receivables based on the historical loss experience for a certain past period.

(g) Property, plant and equipment and depreciation

Property, plant and equipment, including significant renewals and additions, are stated at cost and depreciated principally by the straight-line method based on the estimated useful life of the asset.

(Changes in accounting policies for depreciation method of property, plant and equipment)
The Company and its domestic consolidated subsidiaries had depreciated property, plant and equipment, except for buildings, using the declining balance method. From the fiscal year ended March 31, 2014, the Company and its domestic consolidated subsidiaries have changed their depreciation method for all properties to the straight-line method. The Noritake Group completed the consolidation of the group company, which has been carried out for the development of management infrastructure, and as a next step, made the relocation of the headquarters plant for the establishment of an efficient production system. On this timing, the Noritake Group did a reassessment of actual use of the properties. As a result, this change is based on the Noritake Group's judgment that employing the straight-line method by allocating acquisition costs of property, plant and equipment equally over the useful life would be more appropriate. In addition, unifying the Noritake Group's accounting policies to the straight-line method is consistent with the practices of the overseas consolidated subsidiaries, which calculate depreciation by the straight-line method, and can contribute to accuracy improvement of business management. As a result, for the fiscal

year ended March 31, 2014, depreciation costs decreased by ¥1,229 million, operating income increased by ¥1,114 million, and income before income taxes and minority interests increased by ¥1,145 million compared with the amounts that would have been recorded without the change.

Repair and maintenance expenses are charged to current operations as incurred.

(h) Leases

The Company and its domestic consolidated subsidiaries capitalize the assets used under finance leases as lessee, except for certain immaterial or short-term finance leases accounted for as operating leases in accordance with the current accounting standard. Depreciation of leased assets capitalized in finance lease transactions is computed by the straight-line method over the lease term with the assumption of no residual value. (See also Note 11.)

(i) Impairment of fixed assets

The Company and its domestic consolidated subsidiaries have adopted "Accounting Standard for Impairment of Fixed Assets," issued by the Business Accounting Council of Japan and the related practical guidance issued by ASBJ. The standard requires that fixed assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss should be recognized in the income statement by reducing the carrying amount of the impaired asset or group of assets to the recoverable amount, measured as the higher of the asset's net selling price or value in use. Fixed assets include intangible assets, as well as land, plants, buildings and other forms of property, and are to be grouped at the lowest level for which there are identifiable cash flows separate from those of other groups of assets. For the purpose of recognition and measurement of an impairment loss, fixed assets of the Company and its domestic consolidated subsidiaries are grouped principally into cash-generating units based on the business division under managerial accounting classifications. The Noritake Group determines if assets are impaired by comparing their undiscounted expected cash flows to the carrying amounts in the accounting records. An impairment loss is recognized if the undiscounted expected cash flows are less than the carrying amount of the asset. Recoverable amounts are measured based on net selling prices primarily from appraisal valuations.

The Noritake Group recognized impairment loss for the years ended March 31, 2015 and 2014 as follows:

	Millions of yen				Thousands of U.S. dollars	
	2015		2014		2015	
Machinery and equipment	¥	69	¥	-	$	575
Other		2		24		17
	¥	71	¥	24	$	592

(j) Employee retirement benefits

The difference between retirement benefit obligations and plan assets has been recognized as net defined benefit liability and net defined benefit asset. To calculate the retirement benefit obligations, the method of allocation of estimated retirement benefits is the benefit formula basis. Actuarial gains and losses that are yet to be recognized are amortized principally on a straight-line basis over ten years, a period within the average remaining service years of employees, from the year following the year in which they arise. Past service costs is recognized in a single year as incurred. Net defined benefit liability, net defined benefit asset and retirement benefit expense of certain consolidated subsidiaries are calculated using the simplified method as permitted by the accounting standard for retirement benefits.

(Changes in accounting policies for retirement benefits)
The Company and its consolidated domestic subsidiaries adopted the Article 35 of the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012 (hereinafter, "Statement No. 26")) and the Article 67 of the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015 (hereinafter, "Guidance No. 25")) from the current fiscal year, and have changed the determination of retirement benefit obligations and current service costs. In addition, the Company and its consolidated domestic subsidiaries have changed the method of attributing expected benefit to periods from a straight-line basis to a benefit formula basis and have changed the method of determining the discount rate based on the estimated average remaining years of service of the employees to a discount rate based on a single weighted average. In accordance with the Article 37 of Statement No. 26, the effect of changing the determination of retirement benefit obligations and current service costs has been recognized in retained earnings at the beginning of the current fiscal year. As a result of the application, the liability for retirement benefits obligation decreased by ¥764 million ($6,367 thousand) and retained earnings increased by ¥445 million ($3,708 thousand) at the beginning of the current fiscal year. In addition, the effect on profit and loss is not material.

Effective from the year ended March 31, 2014, the Noritake Group has applied the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012 (hereinafter, "Statement No. 26")) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012 (hereinafter, "Guidance No. 25")) except the Article 35 of the Statement No. 26 and the Article 67 of the Guidance No. 25 and actuarial gains and losses that are yet to be recognized have been recognized and the difference between retirement benefit obligations and plan assets has been recognized as net defined benefit liability. In accordance with the Article 37 of the Statement No. 26, the effect of the change in accounting policies arising from initial application has been recognized in remeasurements of defined benefit plans in accumulated other comprehensive income. As a result, net defined benefit liability in the amount of ¥1,879 million has been recognized, accumulated other comprehensive income has decreased by ¥1,972 million at the end of the current fiscal year.

(Changes in presentation of retirement benefits)
With respect to the "Guidance on Accounting Standard for Retirement Benefits"(ASBJ Guidance No. 25, March 26, 2015, which will be hereinafter referred to as the "Retirement Benefit Application Guidance"), the presentation of notes on retirement benefits based on a multi-employer pension program was changed and the consolidated financial statement for the previous consolidated fiscal year was reclassified. The reclassification contents and the amount of the main items in the consolidated financial statement for the previous fiscal year are stated in the relevant places.

(k) Accrued severance indemnities for directors and corporate auditors

The Noritake Group may pay severance indemnities to directors and corporate auditors, subject to the approval of the shareholders. The Noritake Group has provided for this liability at the amount which would have been payable assuming all directors and corporate auditors had terminated their service at the respective balance sheet date.

(l) Translation of foreign currency accounts

Receivables, payables and securities, other than stocks of subsidiaries and certain other securities, are translated into Japanese yen at the exchange rate effective at the fiscal year-end. Transactions in foreign currencies are recorded based on the prevailing exchange rate on the transaction date. Resulting translation gains and losses are included in current earnings.

In respect to financial statement items of overseas consolidated subsidiaries, all asset and liability accounts are translated into yen by applying the exchange rate in effect at the respective fiscal year-end. All income and expense accounts are translated at the average rate of exchange for the fiscal year. Translation differences, after allocating portions attributable to minority interests, are reported as foreign currency translation adjustments in a component of accumulated other comprehensive income in the accompanying consolidated balance sheets.

(m) Research and development expenses

Expenses related to research and development activities are charged to income as incurred. Such research and development expenses were included in cost of goods sold and selling, general and administrative expenses in the accompanying consolidated statements of income and amounted to ¥2,971 million ($24,758 thousand) and ¥2,724 million for the years ended March 31, 2015 and 2014, respectively.

(n) Enterprise taxes

When levied as size-based corporate taxes for local government enterprise taxes, the enterprise taxes are calculated based on "added value" and "capital" amounts and are recorded in selling, general and administrative expenses.

(o) Income taxes

Income taxes are accounted for by the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the promulgation date.

(p) Appropriation of retained earnings

Cash dividends are recorded in the fiscal year when a proposed appropriation of retained earnings is approved by the Board of Directors.

(q) Per share data

Net income per share is computed by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding during the respective year. Diluted net income per share is not disclosed as the Noritake Group had no diluted common shares for the years ended March 31, 2015 or 2014.

Cash dividends per share shown for each fiscal year in the accompanying consolidated statements of income represent dividends declared as applicable to the respective year.

(r) Accounting standards issued but not yet adopted

-Revised Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013)
-Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013)
-Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013)
-Revised Accounting Standard for Earnings Per Share (ASBJ Statement No. 2, September 13, 2013)
-Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, September 13, 2013)
-Revised Guidance on Accounting Standard for Earnings Per Share (ASBJ Guidance No. 4, September 13, 2013)

(1) Summary
The above standards and guidance have been revised primarily to account for:

① How the changes of the shares in subsidiaries, over which the Company continues to control, should be treated by the Company when additional stock of a subsidiary is acquired.
② Treatment of acquisition related costs
③ Presentation of current net income and the change of shareholder's equity from minority interests to non-controlling interests
④ Provisional application of accounting treatments

(2) Effective date
Effective from the beginning of the fiscal year ending March 31, 2016.
Provisional application of the accounting standards is scheduled to begin for business combinations effective after the beginning of the fiscal year ending March 31, 2016.

(3) Effects of the application of the standards
The Company and its consolidated domestic subsidiaries are currently in the process of determining the effects of these new standards on the consolidated financial statements

3. Financial Instruments

(a) Qualitative information on financial instruments

The Noritake Group does not permit the investment of surplus funds in transactions other than short-term bank deposits and uses financing from corresponding banks and from the issuance of bonds to satisfy short-term and long-term funding requirements.

The Noritake Group is exposed to credit risk primarily with respect to trade receivables. In order to reduce the credit risk of these receivables, the Noritake Group performs credit management on a customer by customer basis, including the monitoring of credit balances of major customers on a semi-annual basis and reviewing the credit capacity of customers on a regular basis. The Noritake Group holds investments in equity securities which have market risk. However, the fair values of such equity securities, whose issuers principally have a business relationship with the Company, are monitored on a quarterly basis. Although trade payables and bank borrowings have liquidity risk, the Noritake Group performs effective cash flow management.

The Noritake Group is a party to derivative instruments such as foreign currency forward exchange contracts and interest rate swap and interest rate currency swap agreements in the normal course of business principally for hedging purposes in order to reduce its own exposure to fluctuations in exchange rates and interest rates. These transactions include certain anticipated export sales and import purchases for which foreign exchange forward contracts are used and bank borrowings for which interest rate swap and interest rate currency swap contracts are used. The Noritake Group does not hold or issue derivative financial instruments for trading purposes. Pursuant to the Noritake Group's financial management policies, contract balances of currency derivatives are limited to certain anticipated export sales or import purchases and interest rate swap and interest rate currency swap transactions are matched with the cash flows of the related bank borrowings. The Noritake Group is also exposed to credit risk in the event of nonperformance by counterparties. However, the Noritake Group does not expect nonperformance by counterparties because the counterparties to the derivative transactions are limited to major banks with relatively high credit ratings.

(b) Fair values of financial instruments

The following table is a summary of the carrying values and fair values at March 31, 2015 and 2014 of financial instruments other than unlisted equity securities for which the fair value was extremely difficult to determine.

	Carrying values	Fair values	Differences
		Millions of yen	
As of March 31, 2015:			
Financial assets:			
Cash and time deposits	¥ 12,531	¥ 12,531	¥ -
Trade receivables	29,291	29,291	-
Investment securities:			
Available-for-sale securities	30,773	30,773	-
Total	¥ 72,595	¥ 72,595	¥ -
Financial liabilities:			
Trade payables	¥ 14,321	¥ 14,321	¥ -
Short-term borrowings	3,400	3,400	-
Current portion of bonds	10,000	10,028	28
Payables included in accrued expenses	2,559	2,559	-
Income taxes payable	695	695	-
Long-term bank loans, including current portion	16,938	16,786	(152)
Total	¥ 47,913	¥ 47,789	¥ (124)
Derivative instruments	¥ -	¥ -	¥ -

	Carrying values	Fair values	Differences
		Millions of yen	
As of March 31, 2014:			
Financial assets:			
Cash and time deposits	¥ 10,291	¥ 10,291	¥ -
Trade receivables	25,179	25,179	-
Investment securities:			
Available-for-sale securities	23,975	23,975	-
Investments in associates	1,239	810	(429)
Total	¥ 60,684	¥ 60,255	¥ (429)
Financial liabilities:			
Trade payables	¥ 12,495	¥ 12,495	¥ -
Short-term borrowings	5,318	5,318	-
Payables included in accrued expenses	2,460	2,460	-
Income taxes payable	612	612	-
Bonds payable	10,000	10,058	58
Long-term bank loans, including current portion	8,024	8,062	38
Total	¥ 38,909	¥ 39,005	¥ 96
Derivative instruments	¥ -	¥ -	¥ -

As of March 31, 2015:	Thousands of U.S. dollars		
Financial assets:			
Cash and time deposits	$ 104,425	$ 104,425	$ -
Trade receivables	244,092	244,092	-
Investment securities:			
Available-for-sale securities	256,441	256,441	-
Total	$ 604,958	$ 604,958	$ -
Financial liabilities:			
Trade payables	$ 119,342	$ 119,342	$ -
Short-term borrowings	28,333	28,333	-
Current portion of bonds	83,333	83,567	234
Payables included in accrued expenses	21,325	21,325	-
Income taxes payable	5,792	5,792	-
Long-term bank loans, including current portion	141,150	139,883	(1,267)
Total	$ 399,275	$ 398,242	$ (1,033)
Derivative instruments	$ -	$ -	$ -

Notes:

(1) Details of the methods and assumptions used to estimate fair value of financial instruments are summarized below.

The fair values of financial instruments include the values based on quoted market prices or values based on reasonable estimates and assumptions if quoted market prices are not available. Actual results could differ from these estimates.

(i) The fair value of cash and time deposits, trade receivables, trade payables, short-term borrowings, payables included in accrued expenses and income taxes payable are approximately equal to their carrying value due to their short-term maturities.
(ii) The fair value of equity securities is based on quoted market prices in active markets.
(iii) The fair value of bonds is determined by the price presented by the corresponding financial institutions.
(iv) The fair value of long-term interest-bearing bank loans is estimated based on a discounted cash flow analysis using current interest rates considered to be applicable to similar loans.
(v) See Note 13 for the calculation method for the fair value of derivative instruments such as interest rate and currency swaps or foreign currency forward exchange contracts.

(2) Unlisted equity securities of ¥3,455 million ($28,792 thousand) and ¥3,331 million at March 31, 2015 and 2014, respectively, were not included in the table above because they had no quoted market price on securities exchanges and their fair values were considered extremely difficult to determine.

(3) Contractual maturities of financial instruments

The following table presents the contractual maturities of the Noritake Group's financial instruments at March 31, 2015:

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	Millions of yen			
Financial assets:				
Cash and time deposits	¥ 12,531	¥ -	¥ -	¥ -
Trade receivables	29,291	-	-	-
Total	¥ 41,822	¥ -	¥ -	¥ -

	Thousands of U.S. dollars			
Financial assets:				
Cash and time deposits	$ 104,425	$ -	$ -	$ -
Trade receivables	244,092	-	-	-
Total	$ 348,517	$ -	$ -	$ -

4. Notes and Accounts Receivable

As of March 31, 2015 and 2014, notes and accounts receivable consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Trade notes receivable	¥ 7,470	¥ 4,658	$ 62,250
Trade accounts receivable	21,821	20,521	181,842
Other	216	563	1,800
Less allowance for doubtful accounts	(22)	(37)	(184)
	¥ 29,485	¥ 25,705	$ 245,708

5. Inventories

As of March 31, 2015 and 2014, inventories consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Merchandise and finished goods	¥ 8,644	¥ 6,273	$ 72,034
Work-in-process	3,829	3,244	31,908
Raw materials and supplies	4,582	3,317	38,183
	¥ 17,055	¥ 12,834	$ 142,125

A reversal of write-down of ¥258 million ($2,150 thousand) and ¥72 million was recognized as costs of goods sold for the years ended March 31, 2015 and 2014, respectively.

6. Investments

As of March 31, 2015 and 2014, short-term investments consisted of time deposits with an original maturity of more than three months.

At March 31, 2015 and 2014, investment securities consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Available-for-sale securities with fair values:			
Equity securities	¥ 30,773	¥ 23,975	$ 256,441
Other securities without fair values	569	513	4,742
	¥ 31,342	¥ 24,488	$ 261,183

Available-for-sale securities with fair values are stated at fair value with unrealized gains and losses, which are excluded from current earnings, reported as a net amount within the accumulated other comprehensive income account until realized. As of March 31, 2015 and 2014, gross unrealized gains and losses for available-for-sale securities with fair value were summarized as follows:

	Cost	Gross unrealized gains	Gross unrealized losses	Fair and carrying value
	Millions of yen			
Available-for-sale equity securities:				
As of March 31, 2015	¥ 10,893	¥ 19,920	¥ (40)	¥ 30,773
As of March 31, 2014	10,506	13,544	(75)	23,975
	Thousands of U.S. dollars			
Available-for-sale equity securities:				
As of March 31, 2015	$ 90,775	$ 166,000	$ (334)	$ 256,441

The Noritake Group sold available-for-sale securities and recorded net gains of ¥751 million for the year ended March 31, 2014. The Noritake Group recorded a loss on the write-down of available-for-sale securities due to other-than-temporary impairment in the amount of ¥5 million for the year ended March 31, 2014.

7. Notes and Accounts Payable

As of March 31, 2015 and 2014, notes and accounts payable consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Trade notes payable	¥ 8,127	¥ 8,034	$ 67,725
Trade accounts payable	6,194	4,461	51,617
Other	1,433	918	11,941
	¥ 15,754	¥ 13,413	$ 131,283

8. Short-term Borrowings and Long-term Debt

Short-term borrowings consisted principally of unsecured bank overdrafts and bank loans with interest at average rates of 0.74% and 0.50% per annum for the years ended March 31, 2015 and 2014, respectively.

As of March 31, 2015 and 2014, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Unsecured bonds through December 2015 at a rate of 0.658% per annum	¥ 10,000	¥ 10,000	$ 83,333
Unsecured loans from banks and insurance companies due through February 2020 with interest at an average rate of 0.68% per annum at March 31, 2015	16,938	8,024	141,150
Capitalized lease obligations	72	91	600
	27,010	18,115	225,083
Less current portion	(11,693)	(4,246)	(97,441)
	¥ 15,317	¥ 13,869	$ 127,642

The aggregate annual maturities of long-term debt are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2016	¥ 11,693	$ 97,441
2017	1,960	16,333
2018	397	3,309
2019	12,638	105,317
2020	322	2,683
Thereafter	-	-
	¥ 27,010	$ 225,083

As is customary in Japan, substantially all bank borrowings are subject to general agreements which provide, among other things, that the banks may under certain circumstances request additional security for these loans and may treat any security so furnished, as well as cash deposited with them, as security for all present and future indebtedness. The banks have never requested the Company or its subsidiaries to submit such additional security. Also, as is customary in Japan, the Company and certain of its subsidiaries may have time deposits with the banks from which they have short-term and long-term borrowings. However, there are no agreements with any banks which would require maintaining such deposits.

9. Collateral Assets and Liabilities of the Collateral

Assets and liabilities with collateral pledged as collateral in consolidated subsidiaries (NIPPON RESIBON CORPORATION and its subsidiary) are as follows.

(1) Collateral assets (carrying values)

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Buildings and structures	¥ 397	¥ -	$ 3,308
Land	1,152	-	9,600
	¥ 1,549	¥ -	$ 12,908

(2) Liabilities of the collateral

	Millions of yen				Thousands of U.S. dollars	
	2015		2014		2015	
Short-term borrowings	¥	840	¥	-	$	7,000
Current portion of long-term debt		174		-		1,450
Long-term debt		293		-		2,442
	¥	1,307	¥	-	$	10,892

10. Employee Retirement Benefits

The Company and its consolidated subsidiaries have adopted a defined benefit pension plans and lump-sum retirement benefit plans. The Company has contributed certain available-for-sale securities to the employee retirement benefit trust under the defined benefit plans. Certain overseas consolidated subsidiaries have adopted a defined contribution plans. Net defined benefit liability, net defined benefit asset and retirement benefit expense of certain consolidated subsidiaries are calculated using the simplified method as permitted by the accounting standard for retirement benefits. In addition, certain domestic consolidated subsidiaries also participated in a certain corporate pension plan under a multi-employer pension program.

Information about employee retirement benefits for the year ended March 31, 2015 and 2014 was as follows:

Defined benefit plan

(1) Movement in retirement benefit obligations, except plans applying the simplified method

	Millions of yen				Thousands of U.S. dollars	
	2015		2014		2015	
Balance at beginning of current period	¥	19,118	¥	19,067	$	159,317
Cumulative effects of changes in accounting policies		(764)		-		(6,367)
Restated balance		18,354		19,067		152,950
Service cost		851		723		7,092
Interest cost		194		260		1,617
Actuarial loss		331		69		2,758
Benefits paid		(927)		(1,186)		(7,725)
Other		1,375		185		11,458
Balance at end of current period	¥	20,178	¥	19,118	$	168,150

(2) Movements in plan assets, except plans applying the simplified method

	Millions of yen				Thousands of U.S. dollars	
	2015		2014		2015	
Balance at beginning of current period	¥	17,617	¥	15,587	$	146,808
Expected return on plan assets		290		243		2,417
Actuarial gain		2,770		1,093		23,083
Contributions paid by the employer		258		1,354		2,150
Benefits paid		(682)		(798)		(5,683)
Other		514		138		4,283
Balance at end of current period	¥	20,767	¥	17,617	$	173,058

(3) Movement in net defined benefit liability and net defined benefit asset of defined benefit plans applying the simplified method

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Balance at beginning of current period	¥ 379	¥ 513	$ 3,158
Retirement benefit expense	-	70	-
Benefits paid	(156)	(192)	(1,300)
Contributions paid by the employer	(36)	(16)	(300)
Other	4	3	33
Balance at end of current period	¥ 191	¥ 378	$ 1,591

(4) Reconciliation from retirement benefit obligations and plan assets to net defined benefit liability and net defined benefit asset, including plans applied simplified method

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Funded retirement benefit obligations	¥ 21,417	¥ 20,922	$ 178,475
Plan assets	(22,590)	(19,212)	(188,250)
	(1,173)	1,710	(9,775)
Unfunded retirement benefit obligations	775	169	6,458
Total net defined benefit liability (asset) at end of current period	(398)	1,879	(3,317)
Net defined benefit liability	2,083	1,879	17,358
Net defined benefit asset	(2,481)	-	(20,675)
Total net defined benefit liability (asset) at end of current period	¥ (398)	¥ 1,879	$ (3,317)

(5) Retirement benefit expense

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Service cost	¥ 851	¥ 723	$ 7,092
Interest cost	194	260	1,617
Expected return on plan assets	(290)	(243)	(2,417)
Net actuarial loss amortization	514	87	4,283
Retirement benefit expense based on the simplified method	-	70	-
Other	-	40	-
Total retirement benefit expense for the fiscal year	¥ 1,269	¥ 937	$ 10,575

(6) Remeasurements of defined benefit plans, before tax

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Actuarial gains and losses	¥ 2,901	¥ -	$ 24,175

(7) Remeasurements of defined benefit plans (before adjusting for tax effects)

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Actuarial gains and losses that are yet to be recognized	¥ 73	¥ 2,986	$ 608

(8) Plan assets

(i) Plan assets comprise:

	2015	2014
Bonds	12%	17%
Equity securities	51%	53%
General accounts of life insurance	28%	23%
Other	9%	7%
Total	100%	100%

Note: 29% of plan assets are contributed to the employee retirement benefit trust under the defined benefit plans at March 31, 2015 and 2014, respectively.

(ii) Long-term expected rate of return

Current and target asset allocations, historical and expected returns on various categories of plan assets have been considered in determining the long-term expected rate of return.

(9) Actuarial assumptions

The principal actuarial assumptions at March 31, 2015 and 2014 are as follows:

	2015	2014
Discount rates	0.8%	1.2%
Long-term expected rate of return	2.0%	2.0%

Defined contribution plan

The amount of the required contribution to defined contribution plans of the consolidated subsidiaries was ¥68 million ($567 thousand) and ¥62 million for the years ended March 31, 2015 and 2014, respectively.

Multi-employer pension program

The amount of the required contribution to multi-employer pension program of the certain domestic consolidated subsidiaries was ¥63 million ($525 thousand) and ¥24 million for the year ended March 31, 2015 and 2014, respectively.

Information regarding the funded status of the entire corporate pension plan available as of the latest calculation period-end was as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Latest calculation period-end	March 31, 2014:	March 31, 2013:	
Plan assets	¥ 126,998	¥ 116,171	$ 1,058,316
Total of actuarial obligation and minimum liability reserve under program	(146,473)	(140,708)	(1,220,608)
Difference, resulting primarily from unamortized past service cost	¥ (19,475)	¥ (24,537)	$ (162,292)
Ratio of subsidiaries' contributions to total contributions to entire plan	1.68%	0.28%	

11. Lease Commitments

As lessee, the Noritake Group has entered into various rental and lease agreements principally for office space that are non-cancelable or cancelable with a few months advance notice. A lessee, the Noritake Group also leases machinery, office equipment and vehicles under leases which are not usually cancelable. The aggregate future minimum payments under such finance leases, including imputed interest, and operating leases as of March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Operating leases:			
Due within one year	¥ 114	¥ 92	$ 950
Due after one year	124	144	1,033
	¥ 238	¥ 236	$ 1,983

12. Contingent Liabilities

There were no contingent liabilities at March 31, 2015 and 2014.

13. Derivative Instruments

At March 31, 2015 and 2014, all derivative instruments, except for one, were accounted for by hedge accounting. The one exception was a derivative contract of the Company to hedge the risks associated with the occurrence of an earthquake that was outstanding at March 31, 2015 and 2014. That derivative contract was not accounted for at fair value because the fair value of the contract was not considered determinable. Derivative financial instruments to which hedge accounting was applied as of March 31, 2015 and 2014 are summarized as follows:

	Notional principal or contract amounts: Total	Notional principal or contract amounts: Over 1 year	Fair value
	Millions of yen		
At March 31, 2015:			
Foreign currency exchange contracts *(*1)*:			
Forward - selling	¥ 339	¥ -	*
Interest rate swap contracts *(*2)*:			
Floating rate receipt, fixed rate payment	40	-	*
Interest rate and currency swap contracts *(*2)*:			
Floating rate receipt, fixed rate payment U.S.Dollars receipt, Japanese Yen payment	1,200	1,200	*
	Millions of yen		
At March 31, 2014:			
Foreign currency exchange contracts *(*1)*:			
Forward - selling	¥ 487	¥ -	*
Interest rate and currency swap contracts *(*2)*:			
Floating rate receipt, fixed rate payment U.S.Dollars receipt, Japanese Yen payment	1,200	1,200	*
	Thousands of U.S. dollars		
At March 31, 2015:			
Foreign currency exchange contracts *(*1)*:			
Forward - selling	$ 2,825	$ -	*
Interest rate swap contracts *(*2)*:			
Floating rate receipt, fixed rate payment	333	-	*
Interest rate and currency swap contracts *(*2)*:			
Floating rate receipt, fixed rate payment U.S.Dollars receipt, Japanese Yen payment	10,000	10,000	*

*Note:(*1) As derivative instruments, foreign currency forward exchange contracts are accounted for by hedge accounting such that the derivative instruments are not separated from the hedged receivables or payables. Therefore, the fair value of such derivative instruments is reflected in the calculation of the fair value of the related account. (See Note 3.)*

*(*2) As derivative instruments, interest rate and currency swap or interest rate swap contracts are accounted for by hedge accounting such that the derivative instruments are not separated from the hedged bank loans. Therefore, the fair value of such derivative instruments is reflected in the calculation of the fair value of related bank loan. (See Note 3.)*

(3) The contracts amounts of derivatives which are shown in the table above do not represent the amounts exchanged by the parties and do not measure the Company's exposure to credit and market risk.

14. Net Assets

Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one half of the issue price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases in which a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets. Under the Law, legal earnings reserve and additional paid-in capital can be used to eliminate or reduce a deficit by a resolution of the shareholders' meeting. Additional paid-in capital and legal earnings reserve may not be distributed as dividends. All additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends. At both March 31, 2015 and 2014, capital surplus principally consisted of additional paid-in capital, and retained earnings included legal earnings reserve of the Company in the amount of ¥3,480 million ($29,000 thousand).

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with Japanese laws and regulations.

During the year ended March 31, 2015, the Company paid interim dividends of ¥3.00 per share, amounting to ¥431 million ($3,592 thousand). In addition, on May 12, 2015, the Board of Directors of the Company resolved to pay cash dividends as an appropriation of retained earnings in the amount of ¥431 million ($3,592 thousand, ¥3.00 per share) to the shareholders as of March 31, 2015. The appropriation was not accrued in the consolidated financial statements as of March 31, 2015.

15. Income Taxes

The tax effects of temporary differences that gave rise to a significant portion of deferred tax assets and liabilities as of March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Deferred tax assets:			
Intercompany unrealized gains on property	¥ 51	¥ 52	$ 425
Accrued bonuses to employees	470	499	3,917
Net defined benefit liability and asset	3,054	4,408	25,450
Accrued severance indemnities for directors and corporate auditors	267	299	2,225
Inventories	353	460	2,942
Net operating loss carryforwards	5,505	5,055	45,875
Other	1,786	1,993	14,883
Less valuation allowance	(7,926)	(7,862)	(66,050)
Total deferred tax assets	3,560	4,904	29,667
Deferred tax liabilities:			
Gain on transfer of investment securities to trusts for retirement benefit plans	2,600	2,866	21,667
Unrealized gains on available-for-sale securities	6,540	4,902	54,500
Other	1,302	1,095	10,850
Total deferred tax liabilities	10,442	8,863	87,017
Net deferred tax liabilities	¥ 6,882	¥ 3,959	$ 57,350

As of March 31, 2015 and 2014, deferred tax assets and liabilities were recorded as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Deferred tax assets:			
Current	¥ 484	¥ 391	$ 4,033
Noncurrent	122	133	1,017
Deferred tax liabilities:			
Current	-	-	-
Noncurrent	7,488	4,483	62,400

In assessing the realizability of deferred tax assets, management of the Noritake Group considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. At March 31, 2015 and 2014, a valuation allowance was provided to reduce deferred tax assets to the amount the management believed was realizable.

Reconciliation of the difference between the Japanese statutory tax rate and the effective income tax rate on pretax income reflected in the accompanying consolidated statements of income for the years ended March 31, 2015 and 2014 was as follows:

	Percentage of pretax income	
	2015	2014
Japanese statutory tax rate	35.3 %	37.7 %
Increase (decrease) due to:		
Permanently non-deductible expenses	2.0	2.5
Tax exempt income	(5.7)	(6.1)
Local minimum taxes per capita levy	2.6	3.1
Differences between Japanese and foreign tax rates	1.9	1.2
Changes in valuation allowances	(0.4)	11.5
Gain on step acquisitions	(0.9)	-
Gain on bargain purchase	(0.4)	-
Tax credit for research and development expenses	(2.0)	(1.5)
Equity in net earnings of associates	(0.8)	(2.0)
Effect on income tax rate changes	(0.9)	0.9
Other	1.4	1.3
Effective income tax rate	32.1 %	48.6 %

"Act on Partial Amendment to the Income Tax Act, etc" (Act No. 9, 2015) and "Act on Partial Amendment to the Local Tax Act, etc" (Act No. 2, 2015) were promulgated on March 31, 2015, and accordingly, the corporate tax rate and other rates have been lowered from the fiscal year beginning on or after April 1, 2015. Due to this change, the effective statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities has been revised from the previous rate of 35.3%. The rate of 32.8% has been applied to the temporary differences, expected to be either deductible, taxable or expired in the fiscal year beginning on April 1, 2015, while the rate of 32.1% has been applied to the temporary differences, expected to be either deductible, taxable, or expired in or after the fiscal year beginning on April 1, 2016. As a result of this change in tax rate, at March 31, 2015, deferred tax liabilities decreased by ¥702 million ($5,850 thousand), deferred income taxes decreased by ¥61 million ($508 thousand), unrealized gains on available-for-sale securities increased by ¥636 million ($5,300 thousand), and remeasurements of defined benefit plans increased by 6 million ($50 thousand).

"Act on Partial Amendment of the Income Tax Act" (Act No. 10, 2014) was promulgated on March 31, 2014, and accordingly, Special Corporate Tax for Reconstruction has been abolished from the fiscal year beginning on or after April 1, 2014. Due to this change, the effective statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities for the temporary differences expected to be either deductible, taxable or expired in the fiscal year beginning on April 1, 2014 has been revised from the previous rate of 37.7% to 35.3%. As a result of this change in tax rate, at March 31, 2014, deferred tax assets decreased by ¥23 million, and deferred income taxes increased by ¥23 million.

16. Business Combinations

Business combinations due to acquisition

1. Outline of business combination

(1) Name and business description of the acquired company

Name of the acquired company: NIPPON RESIBON CORPORATION

Business description: Manufacturing & Sales of Resin-bonded Abrasive Products, Sales of Machinery Tools

(2) Principal reasons for carrying out the business combination

To survive the global competition and build a strong position in the abrasive products industry, it is necessary to cooperate closely between NIPPON RESIBON CORPORATION (NIPPON RESIBON) and the Company, such as in bringing together the infrastructure and resources of NIPPON RESIBON and the Company's abrasive products business. It was concluded that by closing the shares it is the best to build a stronger partnership between both companies under a stable capital relationship, promote faster decision and flexible and strategic business operations, use both company's management resources each other and strengthen the management foundation of the entire group.

(3) Date of business combination

December 26, 2014

(4) Legal form of business combination

Share acquisition by tender offer

(5) Name of company after the business combination

There is no change.

(6) Share of the voting rights acquired

Voting rights before the business combination: 21.72%

Voting rights additionally acquired on the business combination: 54.10%

Voting rights after the business combinations: 75.82%

(7) Main reason determining the acquiring companies

The shares were acquired by the company using cash consideration.

2. Period of operations of the acquired company is included in the consolidated financial statements

From October 1, 2014 to March 31, 2015

3. Acquisition cost and breakdown of the acquired company

		Millions of yen	Thousands of U.S. dollars
Consideration for acquisition	Fair value of the shares held immediately before the additional acquisition as of the date of business combination	¥ 1,309	$ 10,908
	Cash and deposits	3,260	27,167
Expenses directly required for the acquisition	Advisory costs	118	983
Acquisition cost		¥ 4,687	$ 39,058

4. Difference between the acquisition cost of the acquired company and the total amount of the acquisition cost arising from transactions
Gain on step acquisitions ¥77 million ($642 thousand)

5. Amount of gain on bargain purchase and reason for recognition
(1) Amount of gain on bargain purchase
¥39 million ($325 thousand)

(2) Reason for recognition
The fair value of the net assets of the acquired company at the time of the business combination exceeded the acquisition cost, and the difference between these values is recognized as gain on bargain purchase.

6. The major assets and liabilities of the acquired companies as of the date of the business combination

	Millions of yen	Thousands of U.S. dollars
Current assets	¥ 7,730	$ 64,417
Non-current assets	6,343	52,858
Total assets	14,073	117,275
Current liabilities	4,883	40,691
Non-current liabilities	2,099	17,492
Total liabilities	6,982	58,183

7. Estimated impact on the consolidated statements of income result if the business combination had been completed at the beginning of the fiscal year ended March 31, 2015

	Millions of yen	Thousands of U.S. dollars
Net sales	¥ 7,532	$ 62,767
Operating income	238	1,983
Ordinary income	185	1,542
Income before minority interests	188	1,567
Net income	80	667

	yen
Net income per share	¥ 0.56

(Calculation method for the estimated amount)
The difference between the information about sales and profit/loss which were calculated on the assumption that the business combination was completed at the beginning of the fiscal year and these in the consolidated statements of income is used as the estimated amount of effect. In addition, there is no audit certification regarding the estimated effect.

17. Segment Information

(a) General information about reportable segments:

The Noritake Group defines a reportable segment as a constituent business unit of the Noritake Group for which discrete financial information is available and reviewed regularly by the Board of Directors to determine the best allocation of managerial resources and evaluate business performance. The Noritake Group's reportable segments are determined by products and classified into "Industrial Products," "Ceramics & Materials," "Engineering" and "Tabletop."

(b) Basis of measurement about reportable segments:

The accounting methods used for the reportable segments are consistent with the accounting methods described in Note 2, "Summary of Significant Accounting Policies." The total amount of segment income for each reportable segment is presented on an operating income basis, and intersegment profit is accounted for based on prices of ordinary transactions with independent third parties. Operating expenses not belonging to reportable segments are directly allocated to each reportable segment.

(Changes in accounting policies for depreciation method of property, plant and equipment)

As disclosed in Note 2(g), the Company and its domestic consolidated subsidiaries had depreciated property, plant and equipment, except for buildings, using the declining balance method until the year ended March 31, 2013. From the fiscal year ended March 31, 2014, the Company and its domestic consolidated subsidiaries have changed the depreciation method for all properties to the straight-line method. As a result, for the year ended March 31, 2014, segment income increased by ¥686 million in the "Industrial Products" segment, segment income increased by ¥254 million in the "Ceramics & Materials" segment, segment loss decreased by ¥97 million in the "Engineering" segment, and segment loss decreased by ¥77 million in the "Tabletop" segment, compared with the amounts that would have been recorded without the change.

(c) Information about reported segments:

Information about reported segment income, segment assets and other items for the years ended March 31, 2015 and 2014 was as follows:

	Reported segments				
	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total
	Millions of yen				
For the year 2015:					
Net sales:					
External customers	¥ 47,204	¥ 30,422	¥ 11,847	¥ 9,565	¥ 99,038
Segment income (loss)	900	1,544	276	(529)	2,191
Segment assets	52,202	31,026	6,711	8,919	98,858
Other items:					
Intersegment sales and transfers	25	205	144	233	607
Depreciation	2,227	893	196	357	3,673
Investments in equity-method associates	307	2,432	-	99	2,838
Increases in tangible and intangible fixed assets	¥ 1,125	¥ 931	¥ 154	¥ 368	¥ 2,578

	Adjustments	Consolidated
	Millions of yen	
For the year 2015:		
Net sales:		
External customers	¥ -	¥ 99,038
Segment income (loss)	-	2,191
Segment assets	46,979	145,837
Other items:		
Intersegment sales and transfers	(607)	-
Depreciation	-	3,673
Investments in equity-method associates	-	2,838
Increases in tangible and intangible fixed assets	¥ 1,914	¥ 4,492

	Reported segments				
	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total
	Millions of yen				
For the year 2014:					
Net sales:					
External customers	¥ 36,738	¥ 29,506	¥ 12,962	¥ 9,481	¥ 88,687
Segment income (loss)	834	640	(402)	(287)	785
Segment assets	37,369	29,404	6,594	7,809	81,176
Other items:					
Intersegment sales and transfers	23	329	183	221	756
Depreciation	1,578	819	212	296	2,905
Investments in equity-method associates	1,512	2,340	-	158	4,010
Increases in tangible and intangible fixed assets	¥ 3,454	¥ 633	¥ 130	¥ 233	¥ 4,450

	Adjustments	Consolidated
	Millions of yen	
For the year 2014:		
Net sales:		
External customers	¥ -	¥ 88,687
Segment income (loss)	-	785
Segment assets	37,598	118,774
Other items:		
Intersegment sales and transfers	(756)	-
Depreciation	-	2,905
Investments in equity-method associates	-	4,010
Increases in tangible and intangible fixed assets	¥ 864	¥ 5,314

	Reported segments				
	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total
	Thousands of U.S. dollars				
For the year 2015:					
Net sales:					
External customers	$ 393,367	$ 253,517	$ 98,725	$ 79,708	$ 825,317
Segment income (loss)	7,500	12,867	2,300	(4,409)	18,258
Segment assets	435,017	258,550	55,925	74,325	823,817
Other items:					
Intersegment sales and transfers	208	1,708	1,200	1,942	5,058
Depreciation	18,558	7,442	1,633	2,975	30,608
Investments in equity-method associates	2,558	20,267	-	825	23,650
Increases in tangible and Intangible fixed assets	$ 9,375	$ 7,758	$ 1,283	$ 3,067	$ 21,483

	Adjustments	Consolidated
	Thousands of U.S. dollars	
For the year 2015:		
Net sales:		
External customers	$ -	$ 825,317
Segment income (loss)	-	18,258
Segment assets	391,491	1,215,308
Other items:		
Intersegment sales and transfers	(5,058)	-
Depreciation	-	30,608
Investments in equity-method associates	-	23,650
Increases in tangible and intangible fixed assets	$ 15,950	$ 37,433

Note: (1) Adjustments column in "Segment assets" denotes unallocated general corporate items which were not assigned to specific segments such as cash, short-term and long-term investments in securities and general managed property.

(2) Adjustments column in "Other items: Intersegment sales and transfers" denotes eliminations of intersegment transactions.

(3) Adjustments column in "Other items: Increases in tangible and intangible fixed assets" denotes capital expenditures of administrative department which were not assigned to specific segments.

(d) Enterprise-wide information:

(1) Information about products and services:

Information for each product and service is not disclosed because similar information is disclosed in the segment information above.

(2) Information about geographic areas:

As of and for the years ended March 31, 2015 and 2014, net sales and tangible fixed assets about geographic areas were summarized as follows:

	Japan		North America		Europe	
	Millions of yen					
Net sales:						
For the year 2015	¥	62,384	¥	9,401	¥	1,971
For the year 2014		57,955		7,620		1,834
	Thousands of U.S. dollars					
Net sales for the year 2015	$	519,867	$	78,342	$	16,425

	Asia		Other		Total	
	Millions of yen					
Net sales:						
For the year 2015	¥	24,567	¥	715	¥	99,038
For the year 2014		20,662		616		88,687
	Thousands of U.S. dollars					
Net sales for the year 2015	$	204,725	$	5,958	$	825,317

	Japan		North America		Europe	
	Millions of yen					
Tangible fixed assets :						
At March 31, 2015		36,589	¥	1,118	¥	17
At March 31, 2014		32,745		1,020		24
	Thousands of U.S. dollars					
Tangible fixed assets at March 31, 2015	$	304,908	$	9,317	$	142

	Asia				Other		Total	
	Thailand		Other					
	Millions of yen							
Tangible fixed assets :								
At March 31, 2015	¥	5,424	¥	2,107	¥	256	¥	45,511
At March 31, 2014		2,530		703		249		37,271
	Thousands of U.S. dollars							
Tangible fixed assets at March 31, 2015	$	45,200	$	17,558	$	2,133	$	379,258

(3) Information about major customers:

The Noritake Group had no single external customer which accounted for more than 10% of net sales for the years ended March 31, 2015 and 2014.

(e) Information about impairment loss on fixed assets in reportable segments:

For the years ended March 31, 2015 and 2014, impairment loss on fixed assets was summarized as follows:

	Reported segments				
	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total
	Millions of yen				
Impairment loss on fixed assets:					
For the year 2015	¥ 65	¥ 4	¥ -	¥ -	¥ 69
For the year 2014	-	-	-	-	-
	Thousands of U.S. dollars				
Impairment loss on fixed assets:					
For the year 2015	$ 542	$ 33	$ -	$ -	$ 575

	Adjustments	Consolidated
	Millions of yen	
Impairment loss on fixed assets:		
For the year 2015	¥ 2	¥ 71
For the year 2014	24	24
	Thousands of U.S. dollars	
Impairment loss on fixed assets:		
For the year 2015	$ 17	$ 592

Note: "Adjustments" column denotes impairment losses on fixed assets in the Company's administrative department.

(f) Information about goodwill in reportable segments:

For the year ended March 31, 2014, amortization of goodwill and unamortized balance were summarized as follows:

	Reported segments				
	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total
	Millions of yen				
As at or for the year 2014:					
Amortization of goodwill	¥ 15	¥ -	¥ -	¥ -	¥ 15
Unamortized balance	33	-	-	-	33
	Thousands of U.S. dollars				
As at or for the year 2014:					
Amortization of goodwill	$ 125	$ -	$ -	$ -	$ 125
Unamortized balance	275	-	-	-	275

	Adjustments	Consolidated
	Millions of yen	
As at or for the year 2014:		
Amortization of goodwill	¥ -	¥ 15
Unamortized balance	-	33
	Thousands of U.S. dollars	
Amortization of goodwill	$ -	$ 125
Unamortized balance	-	275

(g) Information about gain on bargain purchase in reportable segments:

In the "Industrial Products" segment, NIPPON RESIBON CORPORATION became a consolidated subsidiary by the acquisition of additional shares. Due to the transaction, the Company recorded a gain on bargain purchase of ¥39 million ($325 thousand) for the year ended March 31, 2015.

18. Related Party Transactions Information

(a) Related party transactions

There were no significant transactions with related parties for the years ended March 31, 2015 or 2014.

(b) Financial summary of a significant associate of the Company

A financial summary of Kuraray Noritake Dental Inc., which is a significant associate of the Company, as of or for the years ended March 31, 2015 and 2014 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Total current assets	¥ 5,712	¥ 6,140	$ 47,600
Total noncurrent assets	6,168	5,969	51,400
Total current liabilities	2,208	3,108	18,400
Total noncurrent liabilities	2,875	2,989	23,958
Total net assets	6,797	6,012	56,642
Operating revenue	¥ 9,961	¥ 9,383	$ 83,008
Income before income taxes	2,081	1,664	17,342
Net income	1,370	1,130	11,417

19. Other Comprehensive Income

Amounts reclassified to net income (loss) in the current or previous period that were recognized in other comprehensive income in the current or previous periods and the tax effects for each component of other comprehensive income were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Unrealized gains on available-for-sale securities			
Increase during the year	¥ 6,409	¥ 6,946	$ 53,408
Reclassification adjustments	-	(769)	-
Subtotal, before tax	6,409	6,177	53,408
Tax effect	(1,626)	(2,180)	(13,550)
Subtotal, net of tax	4,783	3,997	39,858
Foreign currency translation adjustments			
Increase during the year	2,771	2,021	23,092
Remeasurements of defined benefit plans, net of tax			
Increase during the year	¥ 2,388	¥ -	$ 19,900
Reclassification adjustments	513	-	4,275
Subtotal, before tax	2,901	-	24,175
Tax effect	(1,005)	-	(8,375)
Subtotal, net of tax	1,896	-	15,800
Share of other comprehensive income of associates accounted for using equity method			
Increase during the year	(12)	113	(100)
Reclassification adjustments	-	(1)	-
Subtotal	(12)	112	(100)
Total other comprehensive income	¥ 9,438	¥ 6,130	$ 78,650

20. Cash Flow Statement

Acquisition cost and net payments for assets and liabilities of NIPPON RESIBON and its two subsidiaries, newly consolidated subsidiaries acquired through stock purchase, for the year ended March 31, 2015 were as follows:

	Millions of yen	Thousands of U.S. dollars
Current assets	¥ 7,730	$ 64,417
Non-current assets	6,343	52,858
Current liabilities	(4,883)	(40,691)
Non-current liabilities	(2,099)	(17,492)
Minority interests	(2,365)	(19,709)
Valuation under the equity method prior to acquisition	(1,232)	(10,266)
Gain on bargain purchase	(39)	(325)
Gain on step acquisitions	(77)	(642)
Additional purchase cost of shares	3,378	28,150
Amount unpaid	(22)	(183)
Cash and cash equivalents of the newly consolidated subsidiary	(1,673)	(13,942)
Difference: Expenses from the purchase of shares of the consolidated subsidiary	¥ 1,683	$ 14,025

OVERSEAS NETWORK

(As of June 26, 2015)

INDUSTRIAL PRODUCTS GROUP

NORITAKE CO., INC.
4990 ALLIANCE DR., MASON, OH 45040, U.S.A.
Tel: 1-513-234-0770

(ATLANTA BRANCH)
490 Sun Valley Drive, Suite #102, Roswell,
GA 30076 U.S.A.
Tel: 1-770-518-8233

NORITAKE EUROPA GmbH
KURHESSENSTRASSE 3, D-64546
MOERFELDEN-WALLDORF, GERMANY
Tel: 49-6105-2092-44

NORITAKE SHANGHAI TRADING CO., LTD.
ROOM 701 AETNA TOWER NO. 107,
ZUN YI ROAD, CHANG NING DISTRICT,
SHANGHAI, 200051, CHINA
Tel: 86-21-6237-5667

(GUANGZHOU BRANCH)
2510, GOLDLION DIGITAL NETWORK CENTER,
138 TIYU ROAD EAST,
GUANGZHOU 510620, CHINA
Tel: 86-20-3877-2253

(DALIAN BRANCH)
22K, INTERNATIONAL FINANCE BUILDING, No15
RENMIN ROAD ZHONGSHAN DIST. DALIAN
116001, CHINA
Tel: 86-411-825-06065

NORITAKE SA (THAILAND) CO., LTD.
(BANGKOK OFFICE)
222 VORAVIT BUILDING 9TH FL., UNIT B
SURAWONG ROAD, SIPRAYA, BANGRAK,
BANKOK 10500, THAILAND
Tel: 66-2-235-1688

SIAM COATED ABRASIVE CO., LTD.
AMATA CITY INDUSTRIAL ESTATE 7-126 MOO4,
T. MABYANGPORN, A. PLUAKDAENG,
RAYONG 21140, THAILAND
Tel: 66-3-865-0150

CERAMICS & MATERIALS GROUP

NORITAKE CO., INC.
2635 CLEARBROOK DRIVE,
ARLINGTON HEIGHTS, IL 60005, U.S.A.
Tel: 1-847-439-9020

(NEW JERSEY BRANCH)
15-22 FAIR LAWN AVENUE, FAIR LAWN,
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(LOS ANGELS BRANCH)
21081 SOUTH WESTERN AVE.,
SUITE 180 TORRANCE, CA 90501, U.S.A.
Tel: 1-310-320-1700

NORITAKE SCG PLASTER CO., LTD.
NO. 32 MOO7 NONGPLAKRADI ROAD,
NONGPLING, NONGKHAE,
SARABURI, 18140, THAILAND
Tel: 66-36-373578

PT. NORITAKE INDONESIA
BLOK A-II NO. 9A, KAWASAN BERIKAT,
KOTA BUKIT INDAH, PURWAKARTA 41181,
JAWA BARAT, INDONESIA
Tel: 62-264-351311

NORITAKE CO., LIMITED
(TAIPEI OFFICE)
7F-2, NO.46, SEC-2,
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ROOM 701 AETNA TOWER NO. 107,
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SHANGHAI, 200051, CHINA
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ITRON (U.K.) LIMITED
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HARFREYS INDUSTRIAL ESTATE,
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UNITED KINGDOM
Tel: 44-1493-601144

NORITAKE EUROPA GmbH
KURHESSENSTRASSE 3, D-64546
MOERFELDEN-WALLDORF, GERMANY
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ENGINEERING GROUP

NORITAKE CO., INC.
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ARLINGTON HEIGHTS, IL 60005, U.S.A.
Tel: 1-847-439-9020

NORITAKE TAIPEI CO., LTD.
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ZHONGZHENG RD., XINZHUANG DIST.,
XINBEI CITY 242, TAIWAN, R.O.C.
Tel: 886-2-2907-1221

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SHANGHAI, 200051, CHINA
Tel: 86-21-6237-5789

TABLETOP GROUP

NORITAKE CO., INC.
15-22 FAIR LAWN AVENUE,
FAIR LAWN, NJ 07410, U.S.A.
Tel: 1-201-796-2222

NORITAKE CANADA LIMITED
90 NUGGET AVENUE, AGINCOURT,
ONTARIO, M1S 3A7, CANADA
Tel: 1-416-291-2946

NORITAKE EUROPA GmbH
KURHESSEN STRASSE 3, D-64546
MOERFELDEN-WALLDORF, GERMANY
Tel: 49-6105-2092-18

NORITAKE LANKA PORCELAIN (PRIVATE) LIMITED
WARAKAMURA, MATALE, SRI LANKA
Tel: 94-66-2244130

(SHOWROOM)
77, DHARMAPALA MAWATHA,
COLOMBO 7, SRI LANKA
Tel: 94-11-2301334

NORITAKE (AUSTRALIA) PTY LIMITED
UNIT 4, 153 BEAUCHAMP ROAD,
MATRAVILLE, N.S.W. 2036, AUSTRALIA
Tel: 61-2-9316-7123

NORITAKE CO., LIMITED
(SHANGHAI OFFICE)
ROOM 701 AETNA TOWER NO. 107,
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SHANGHAI, 200051, CHINA
Tel: 86-21-6237-5789

DIRECTORS, CORPORATE AUDITORS AND EXECUTIVE OFFICERS

(As of June 26, 2015)

CHAIRMAN
Hitoshi Tanemura*

PRESIDENT
Tadashi Ogura*

DIRECTORS
Masahiro Nakagawa
Hisaya Ogura
Yoshitaka Mabuchi
Hiroshi Kato
Kozo Kato
Kosaku Yamada
Tetsuo Komori

*Representative Director

CORPORATE AUDITORS
Kiyoshi Yoshida
Satoshi Aoki
Yasumasa Gomi
Kazutoyo Shinohara

EXECUTIVE OFFICERS
Tadashi Ogura
Masahiro Nakagawa
Hisaya Ogura
Kiichi Hirano
Yoshitaka Mabuchi
Hiroshi Kato
Kozo Kato
Kenichi Horaguchi
Kenji Ito
Seiya Ogata
Koji Ogawa
Koji Sato
Akira Higashiyama

CORPORATE DATA

(As of June 26, 2015)

HEAD OFFICE

3-1-36, Noritake-Shinmachi
Nishi-ku, Nagoya, Aichi
451-8501, Japan
Tel: +81-52-561-7112
Fax: +81-52-561-9721

DATE OF ESTABLISHMENT

January 1904

NUMBER OF EMPLOYEES

5,089 (Consolidated)

STOCK EXCHANGE LISTINGS

Tokyo Stock Exchange
Nagoya Stock Exchange

ADMINISTRATOR OF SHAREHOLDER REGISTRY

Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome,
Chiyoda-ku, Tokyo
100-8212, Japan

ANNUAL MEETING OF SHAREHOLDERS

The annual meeting of shareholders of the Company is normally held in June each year in Nagoya, Japan.

In addition, the Company may hold an extraordinary meeting of shareholders whenever necessary by giving at least two weeks' advance notice to shareholders.

INDEPENDENT AUDITORS

KPMG AZSA LLC

HISTORY OF NORITAKE

(As of June 26, 2015)

1876 Ichizaemon Morimura established Morimura-kumi in Tokyo, and Toyo Morimura and others established the Hinode Shokai (Morimura Brothers) in New York

1904 Established Nippon Toki Gomei Kaisha

1907 Began production of grinding wheels for in-house use

1914 Succeeded in production of the first dinner set in Japan

1917 Sanitary ware division spun off to become TOTO Ltd.

Established Nippon Toki Co., Ltd.

1919 Electric insulator division spun off to become NGK Insulators Ltd.

1932 Began production of first bone china in Japan

1939 Began full-scale production of industrial grinding wheels

1943 Tableware production stopped on account of World War II, changed to full production of grinding wheels (only bone china production continued to preserve technique)

1945 Production of tableware resumed

1947 Established Noritake Co., Inc. in the United States

1956 Began production of cutleryware

1958 Established Noritake (Australia) Pty. Ltd. in Australia

1960 Began production of resinoid grinding wheels at the Kamori Plant

1961 Began production of crystal glassware

Began production of melamine ware

1962 Began production of grinding machines

1963 Began production of belt and fabric abrasives

1968 Established Noritake Canada Ltd. in Canada

1969 Began production of electronic products

1970 Established Noritake (U.K.) Ltd. in the United Kingdom

Began production of fine ceramic industrial products

1971 Began production of filtration equipment

1972 Established Noritake Lanka Porcelain (Private) Ltd. in Sri Lanka

1973 Began production of diamond tools

1974 Established Noritake Porcelana Mfg., Inc. in the Philippines

1979 Began operation of the Craft Center

Began production of materials and equipment for the ceramics industry

1981 Changed the Company name to Noritake Co., Limited

1987 Established Noritake Europa G.m.b.H. in Germany

1988 Established Noritake Taipei Co., Ltd. in Taiwan

1991 Established Noritake Hong Kong Ltd.

1992 Established Noritake Singapore Pte. Ltd.

1993 Opened the Noritake Gallery

1995 Established Pt. Noritake Indonesia

1996 Established Noritake (Siam) Co., Ltd. in Thailand

1997 Established Itron (U.K.) Ltd. in the United Kingdom

1998 Established Noritake Dental Supply Co., Limited.

2001 Established Noritake Gypsum Co., Ltd.

Opened the Noritake Garden

2002 Established Noritake Bonded Abrasive Co., Ltd.

2005 Established Noritake Shanghai Trading Co., Ltd.

2009 Made Nippon Resibon Corporation its associate by acquiring additional shares of the stock of the company.

Absorbed Noritake Engineering Co., Ltd., Noritake China Mfg. Co., Limited, Noritake Tableware Co., Ltd. and Tokyo Toishi Co., Ltd.

2010 Absorbed Noritake Kizai Co., Ltd. and Noritake Ceramics Co., Ltd.

2011 Absorbed Noritake Bonded Abrasive Co., Ltd. and Noritake Super Abrasive Co., Ltd.

Established Noritake SA (Thailand) Co., Ltd. in Thailand

2012 Made KCM Corporation its wholly-owned subsidiary via a stock swap

Established Noritake Abrasives (Suzhou) Co., Ltd. in China

2014 Made Nippon Resibon Corporation its consolidated subsidiary by acquiring additional shares through a tender offer

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