

NORITAKE CO., LIMITED

# Results for the Year Ended March 31, 2025

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- 1. Summary of Financial Results for FY2024  
(Ended March 31, 2025)**
- 2. Forecasts for FY2025  
(Ending March 31, 2026)**
- 3. Overview of the 13th Three-Year Business  
Plan (FY2025-FY2027)**

- 1. Summary of Financial Results for FY2024  
(Ended March 31, 2025)**
2. Forecasts for FY2025  
(Ending March 31, 2026)
3. Overview of the 13th Three-Year Business  
Plan (FY2025-FY2027)

# 1. Summary of Financial Results for FY2024

## Consolidated Statements of Income



**Net Sales and Profit Attributable to Owners of Parent increased. Operating Profit and Ordinary Profit decreased.**

(Unit : billion yen)

	FY2023			FY2024			Change
	1st Half	2nd Half	Total	1st Half	2nd Half	Total	
Net Sales	67.6	70.4	137.9	69.8	68.4	138.2	+0.2%
Operating Profit	4.9	5.8	10.7	5.4	4.8	10.2	△4.6%
Ordinary Profit	7.0	7.7	14.6	7.2	6.8	14.0	△4.2%
Profit Attributable to Owners of Parent	5.8	5.7	11.5	6.0	6.9	12.9	+12.7%

Year-end dividend : 70 yen per share (Annual dividend : 135 yen per share)

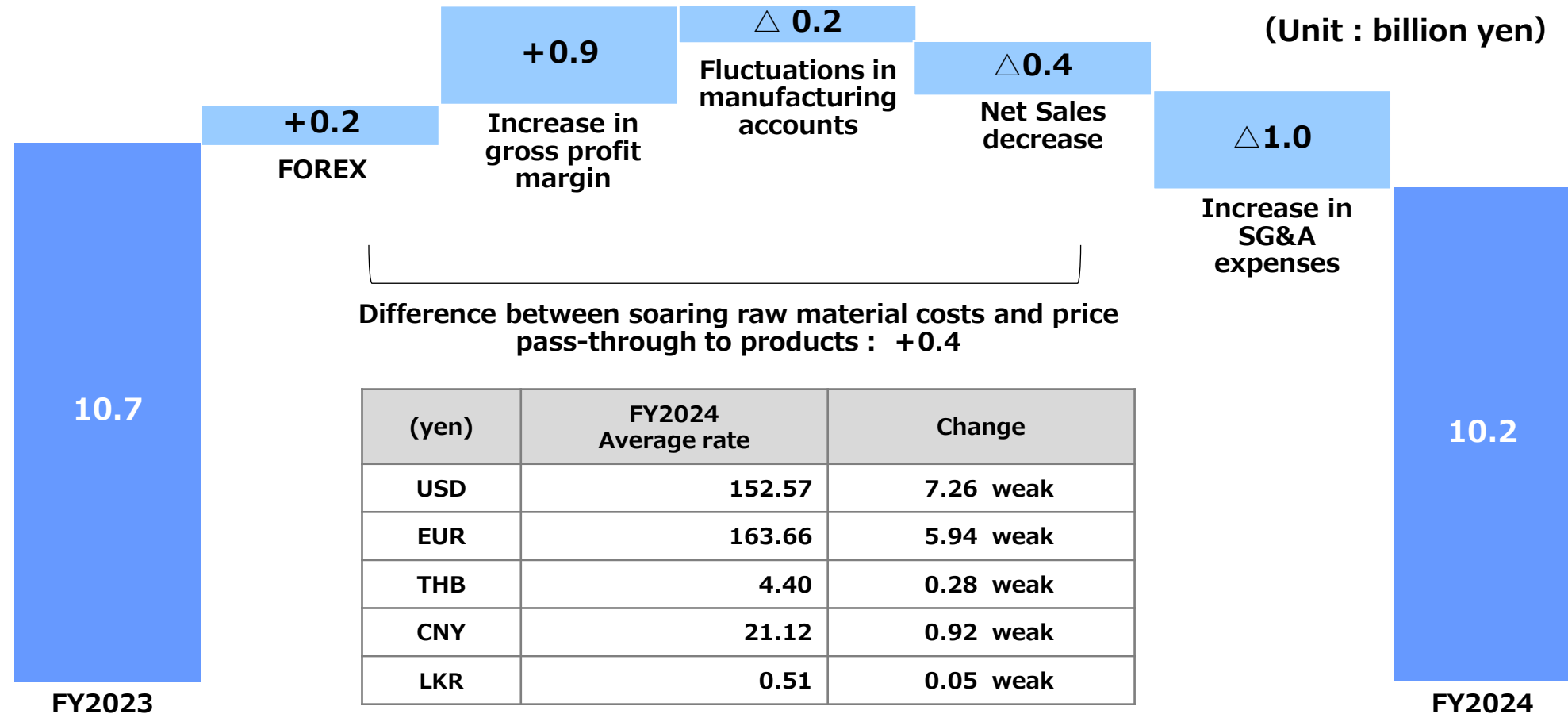
Total amount of own share acquisition costs : 2.5 billion yen (651,300 shares)

# 1. Summary of Financial Results for FY2024

## Cause of increase/decrease of Operating Profit



Operating Profit decreased by 0.5 billion yen compared to the previous year, mainly due to an increase in SG&A expenses, despite an improvement in gross profit margin.



# 1. Summary of Financial Results for FY2024



## Cause of increase/decrease of Ordinary Profit

Ordinary Profit decreased by 0.6 billion yen due to a decrease of 0.5 billion yen of Operating Profit and 0.1 billion yen of Non-operating income.

(Unit : billion yen)

	FY2023	FY2024	Change
Operating Profit	10.7	10.2	△0.5
Dividend income	1.0	1.1	+0.1
Rental income	0.5	0.6	+0.0
Foreign exchange gains/losses	0.3	△0.1	△0.4
Share of profit of entities accounted for using equity method	1.8	2.0	+0.2
Others	0.3	0.3	△0.0
Non-operating income/expenses	3.9	3.8	△0.1
Ordinary Profit	14.6	14.0	△0.6

# 1. Summary of Financial Results for FY2024



## Extraordinary income / Extraordinary losses

Gain on sales of investment securities : 3.49 billion yen,  
Gain on step acquisitions : 0.32 billion yen.  
Loss on disposal of non-current assets : 0.45 billion yen,  
Disposal costs of contaminated soil : 0.28 billion yen.

(Unit : billion yen)

Extraordinary income	
Gain on sales of investment securities※	3.49
Gain on step acquisitions	0.32
Gain on sales of non-current assets	0.19
<b>Total</b>	<b>4.00</b>

(Unit : billion yen)

Extraordinary losses	
Loss on disposal of non-current assets	0.45
Disposal costs of contaminated soil	0.28
Others	0.01
<b>Total</b>	<b>0.73</b>

# 1. Summary of Financial Results for FY2024

## Sales and Profit by business segment



**Sales increased in Industrial Products, Engineering and Tabletop. Operating Profit improved in Ceramics & Materials and Tabletop.**

(Unit : billion yen)

			FY2023	FY2024	Difference	Change
Net Sales		Industrial Products	55.7	56.4	+0.7	+1.3%
		Ceramics & Materials	46.6	45.5	△1.2	△2.5%
		Engineering	28.6	29.1	+0.5	+1.8%
		Tabletop	7.0	7.2	+0.2	+3.3%
	Total		137.9	138.2	+0.3	+0.2%
Operating Profit		Industrial Products	2.5	1.7	△0.8	△32.8%
		Ceramics & Materials	6.2	6.6	+0.4	+7.0%
		Engineering	2.2	1.9	△0.3	△12.5%
		Tabletop	△0.1	0.0	+0.2	—
	Total		10.7	10.2	△0.5	△4.6%

# 1. Summary of Financial Results for FY2024



## Sales by business segment

### Industrial Products Group

#### Sales per products

(Unit : billion yen)

		FY2023	FY2024	Change
	Grinding Wheels	17.6	17.8	+0.2
	Diamond Wheels/Tools CBN Wheels	11.5	11.4	△0.2
	Cutting/Offset Wheels	16.9	17.0	+0.1
	Coated Abrasives	5.7	6.4	+0.6
	Related Products	3.9	3.9	△0.0
Total		55.7	56.4	+0.7

#### Made-to-order products

##### Japan

Sales decreased due to reduced production in the automotive, steel, and bearing industries.



##### Overseas

Although sales mainly to the automotive industry declined in North America, steel-related sales increased in China. Electronic component-related sales were also solid in Southeast Asia.

#### Standard stock products

Offset Wheels and other products increased except for Asian markets.



Coated Abrasives increased due to consolidation of an affiliated company in Thailand.



# 1. Summary of Financial Results for FY2024



## Sales by business segment

### Ceramics & Materials Group

#### Sales per products

(Unit : billion yen)

		FY2023	FY2024	Change
	Electronic paste	9.4	10.4	+1.0
	Electronic component raw materials	16.4	18.4	+2.0
	Ceramic raw materials	10.4	6.4	△4.0
	Other ceramics	10.4	10.2	△0.2
	<b>T o t a l</b>	<b>46.6</b>	<b>45.5</b>	<b>△1.2</b>

#### Electronic paste/Electronic component raw materials

In business for multi-layer ceramic capacitors, server industries were solid. Telecommunications sector also recovered.



#### Ceramic raw materials

Sales for heat-resistant glass decreased significantly.

# 1. Summary of Financial Results for FY2024



## Engineering Group

### Sales per products

(Unit : billion yen)

		FY2023	FY2024	Change
	Heating/Drying Furnaces	21.8	22.3	+0.5
	Stirring machines	1.8	1.7	△0.1
	Filtration systems	1.2	1.8	+0.6
	Carbide-tipped circular sawing machines	1.0	0.9	△0.1
	Circular sawing cutting machines and others	2.7	2.3	△0.3
Total		28.6	29.1	+0.5



#### Heating/Drying Furnaces

Sales for lithium-ion batteries sector were strong.

#### Filtration systems

Sales to the automotive and electronics industries recovered.



#### Circular sawing cutting machines

Sales for public construction were weak.

# 1. Summary of Financial Results for FY2024

## Sales by business segment

*Noritake*

### Tabletop Group

#### Sales per area

(Unit : billion yen)

		FY2023	FY2024	Change
	Japan	3.1	3.1	+0.0
	Americas	1.6	1.7	+0.1
	Europe Asia	2.3	2.4	+0.1
	Total	7.0	7.2	+0.2



#### Americas

Overall sales in the Americas increased with steady online sales and a large increase in sales to South America.



#### Japan

Sales to airlines and sales by directly managed retail stores increased, while sales to hotels decreased. Overall domestic sales were almost flat.



#### Europe, Asia

Sales to China and India were sluggish, but solid in other regions.

# 1. Summary of Financial Results for FY2024



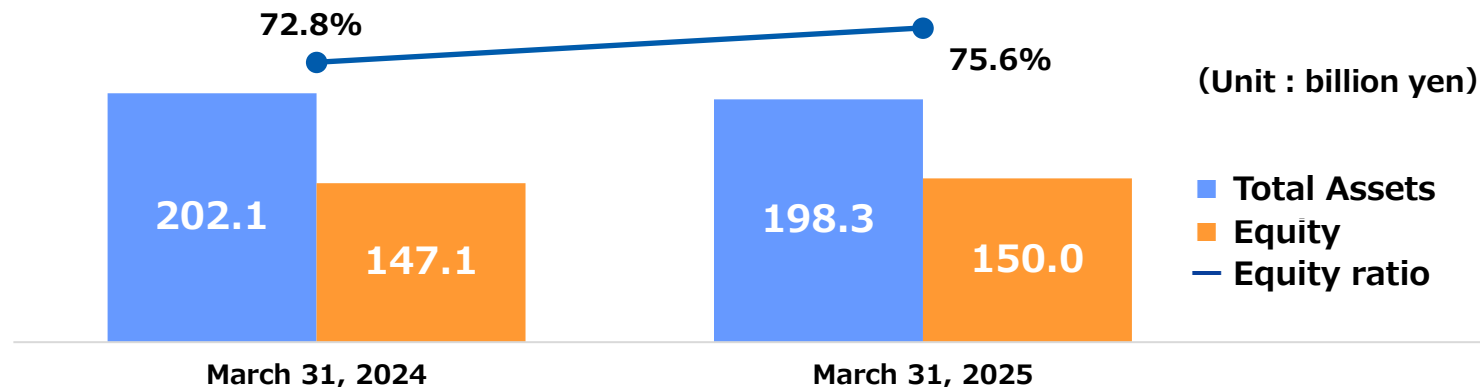
## Consolidated Balance Sheet

**Total Assets decreased, while Equity and Equity ratio increased.**

(Unit : billion yen)

	March 31, 2024	March 31, 2025	Change
Total Assets	202.1	198.3	△3.8
Equity	147.1	150.0	+2.9
Equity per Share	5,074yen	5,286yen	+212yen
Equity ratio	72.8%	75.6%	+2.8%

A two-for-one common stock split was issued on April 1, 2024. Equity per share is calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.



# 1. Summary of Financial Results for FY2024



## Consolidated Cash Flow Statement

**Free Cash Flow :  $\triangle 3.2$  billion yen**

**Cash and cash equivalents : 11.9 billion yen, decreased by 6.1 billion yen year-on-year**

(Unit : billion yen)

	FY2023	FY2024	Change
Cash flows from operating activities	22.0	2.0	$\triangle 20.0$
Cash flows from investing activities	$\triangle 3.2$	$\triangle 5.3$	$\triangle 2.0$
Free cash flow	18.8	$\triangle 3.2$	$\triangle 22.0$
Cash flows from financing activities	$\triangle 13.5$	$\triangle 3.0$	+10.5
Cash and cash equivalents at end of period	18.0	11.9	$\triangle 6.1$

# 1. Summary of Financial Results for FY2024



## Interest-bearing Debt

(Unit : billion yen)

	March 31, 2024	March 31, 2025	Change
Interest-bearing Debt※	2.6	6.1	+3.5
Cash and deposits	21.3	16.6	△4.7
Net Interest-bearing Debt	△18.7	△10.5	+8.2

※Interest-bearing Debt excludes lease liabilities

## Capital investment, Depreciation

(Unit : billion yen)

	FY2023	FY2024	Change
Capital investment	5.4	11.3	+5.9
Depreciation	4.8	5.1	+0.3

1. Summary of Financial Results for FY2024  
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Plan (FY2025-FY2027)

## 2. Forecasts for FY2025



### Forecasts for FY2025

**Net Sales : 138.0 billion yen, Operating Profit : 9.0 billion yen, Ordinary Profit : 12.5 billion yen, Profit Attributable to Owners of Parent : 10.5 billion yen.**

(Unit : billion yen)

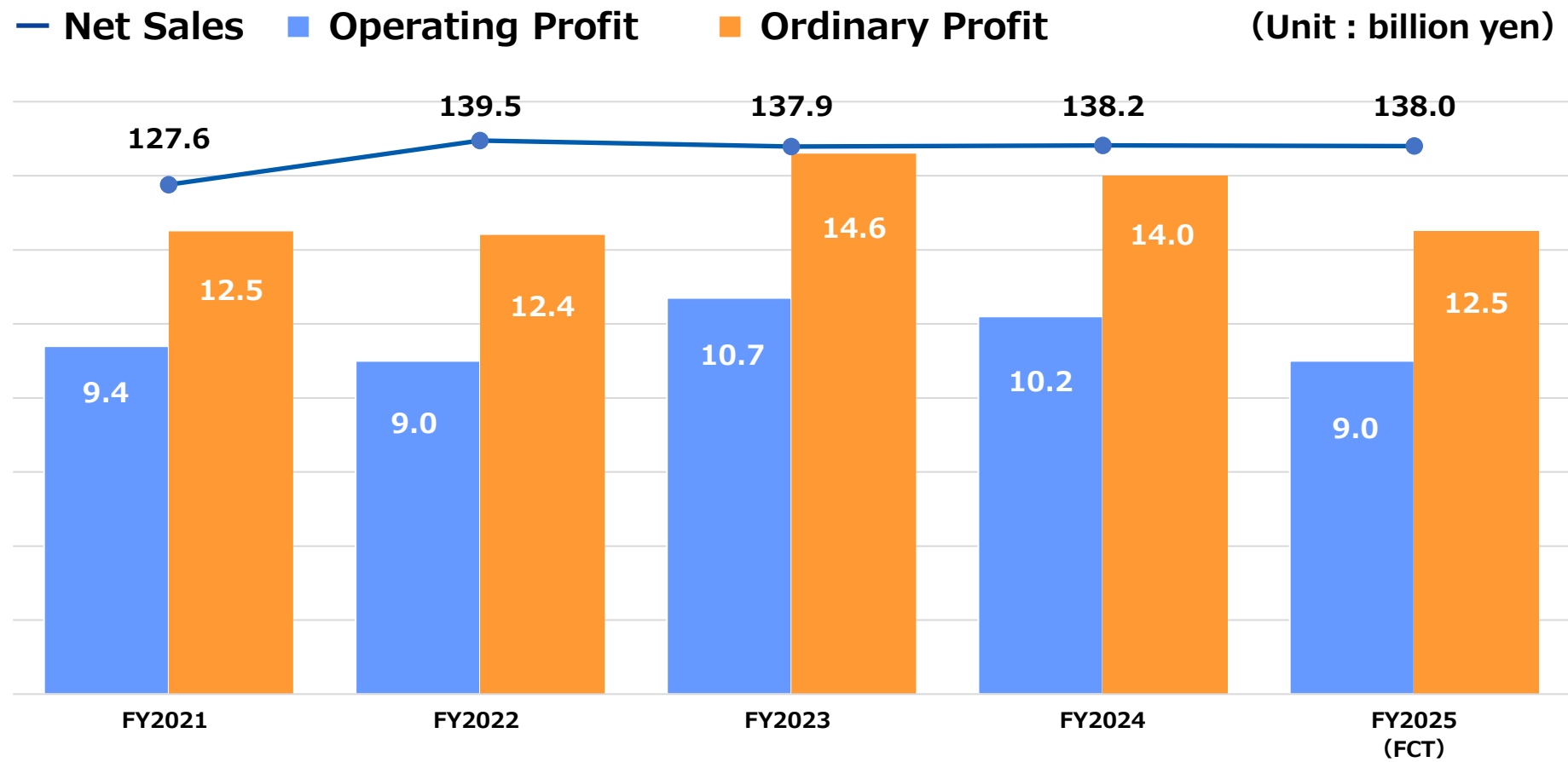
	FY2024			FY2025 (FCT)			Change
	1st Half	2nd Half	Total	1st Half	2nd Half	Total	
Net sales	69.8	68.4	138.2	67.0	71.0	138.0	△0.2
Operating Profit	5.4	4.8	10.2	3.6	5.4	9.0	△1.2
Ordinary Profit	7.2	6.8	14.0	5.2	7.3	12.5	△1.5
Profit Attributable to Owners of Parent	6.0	6.9	12.9	4.5	6.0	10.5	△2.4
USD	152.6 yen			135.0 yen			△17.6 yen

# 2. Forecasts for FY2025



## Forecasts for FY2025

Net sales are expected to remain almost flat compared to the previous fiscal year. Operating Profit and Ordinary Profit are expected to decrease.



## 2. Forecasts for FY2025



### Forecasts by business segment

(Unit : billion yen)

			FY2024			FY2025 (FCT)			Change		
			1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Net sales		Industrial Products	28.4	28.0	56.4	28.0	28.0	56.0	△0.4	△0.0	△0.4
		Ceramics & Materials	23.7	21.8	45.5	22.0	22.5	44.5	△1.7	+0.7	△1.0
		Engineering	14.5	14.6	29.1	13.5	16.5	30.0	△1.0	+1.9	+0.9
		Tabletop	3.2	4.0	7.2	3.5	4.0	7.5	+0.3	+0.0	+0.3
		Total	69.8	68.4	138.2	67.0	71.0	138.0	△2.8	+2.6	△0.2
Operating Profit		Industrial Products	1.0	0.7	1.7	0.5	0.8	1.3	△0.5	+0.1	△0.4
		Ceramics & Materials	3.7	2.9	6.6	2.9	3.1	6.0	△0.8	+0.2	△0.6
		Engineering	1.0	0.9	1.9	0.4	1.3	1.7	△0.6	+0.4	△0.2
		Tabletop	△0.2	0.2	0.0	△0.2	0.2	0.0	+0.0	△0.0	△0.0
		Total	5.4	4.8	10.2	3.6	5.4	9.0	△1.8	+0.6	△1.2

## 2. Forecasts for FY2025

### Industrial Products Group

Recovery in the domestic automotive, steel, and bearing industries has been slow.

**Net Sales 56.0 billion yen**

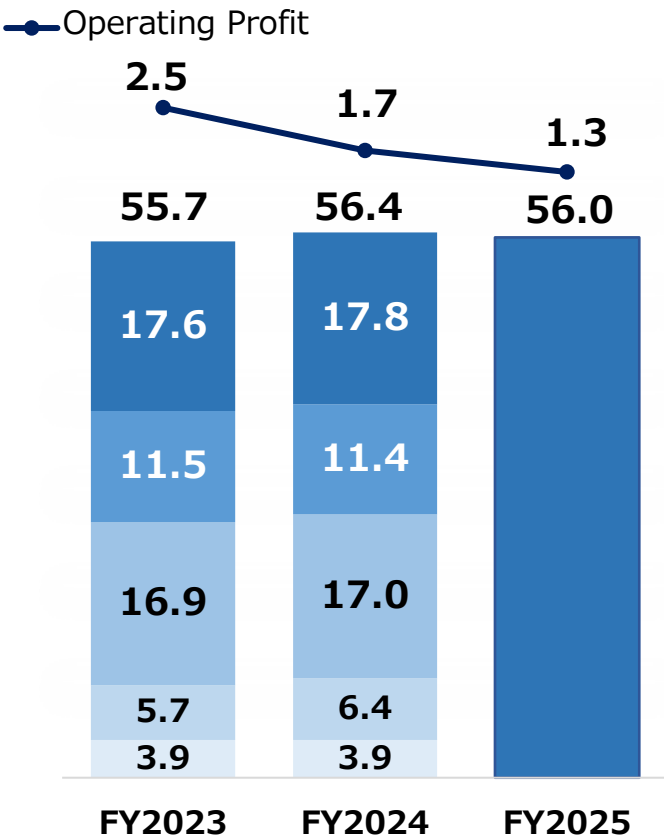
(0.4 billion yen decrease)

**Operating Profit 1.3 billion yen**

(0.4 billion yen decrease)

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

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



## 2. Forecasts for FY2025

### Ceramics & Materials Group



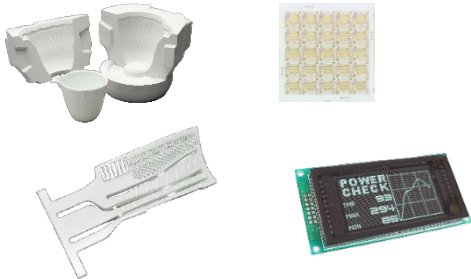
Ceramic raw materials are decreasing. Business for multi-layer ceramic capacitors for servers is increasing.

**Net Sales 44.5 billion yen**

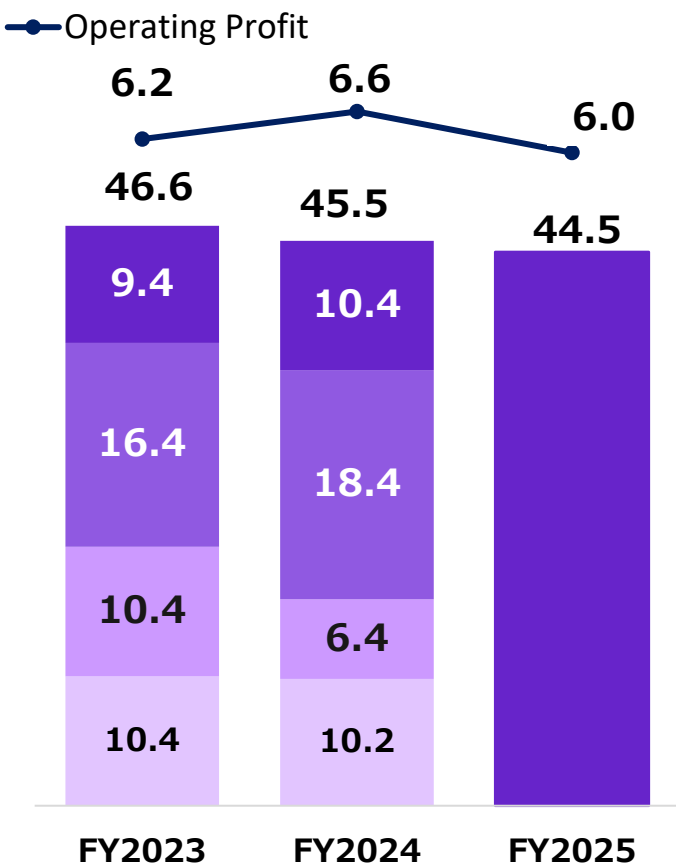
(1.0 billion yen decrease)

**Operating Profit 6.0 billion yen**

(0.6 billion yen decrease)

	Electronic paste	
	Electronic component raw materials	
	Ceramic raw materials	
	Other ceramics	

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



## 2. Forecasts for FY2025

### Engineering Group



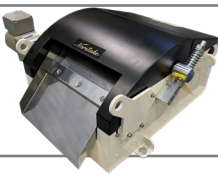
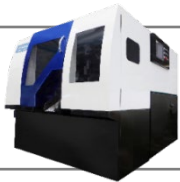

Sales of the mainstay, heating/drying furnaces for lithium-ion batteries sector, are remaining steady.

**Net Sales 30.0 billion yen**

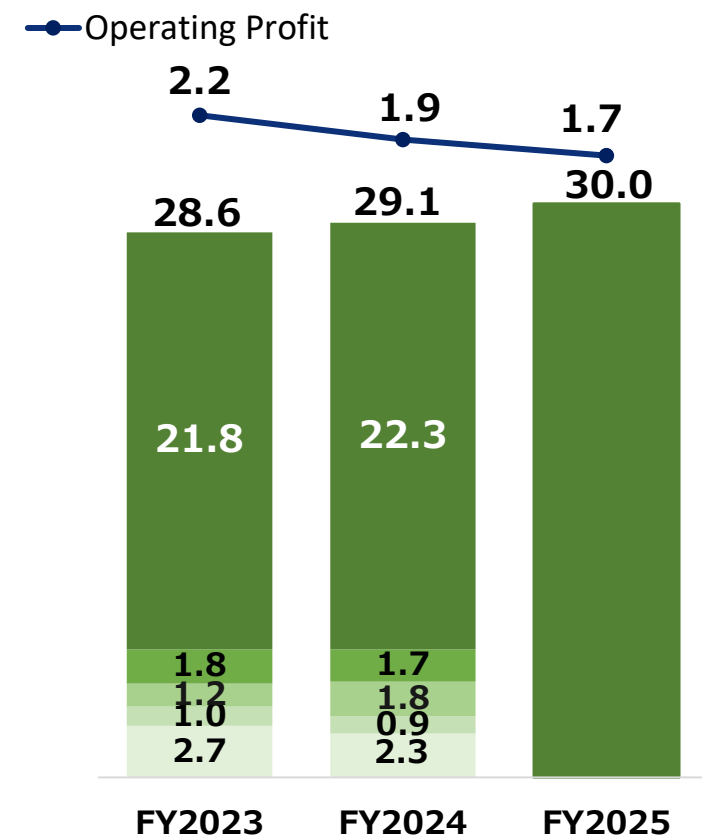
(0.9 billion yen increase)

**Operating Profit 1.7 billion yen**

(0.2 billion yen decrease)

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

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





## 2. Forecasts for FY2025

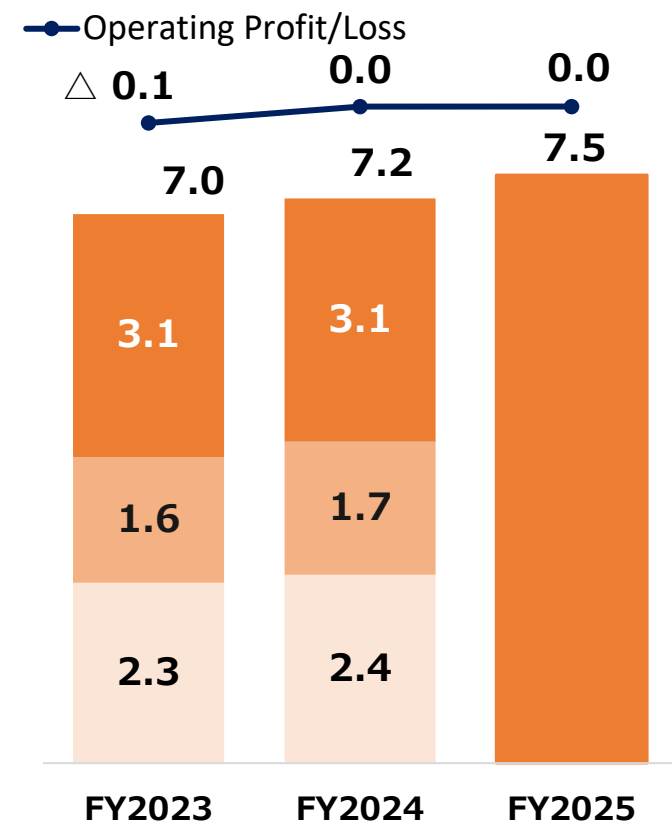
### Tabletop Group

Operating Profit is expected to be at the same level.

Net Sales 7.5 billion yen  
(0.3 billion yen increase)  
Operating Profit 0.0 billion yen

Japan	
Americas	
Europe Asia	

Sales and Profit (Unit : billion yen)



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2. Forecasts for FY2025  
(Ending March 31, 2026)
3. **Overview of the 13th Three-Year Business  
Plan (FY2025-FY2027)**

### 3. Overview of the 13th Three-year Business Plan

#### VISION2030 [Ideal target of fiscal 2030 and the positioning of the 13th Three-Year Business Plan]



The 13th Three-Year Business Plan (hereinafter, the 13th Plan) is positioned as “Establishment of Growth Base” with the aim of realizing VISION2030 (ideal target).

#### Changes in business environment

- Increase and materialization of geopolitical risk
- Rise of protectionism
- Foreign exchange risk
- Population decline, aging population, and labor shortages
- Growing interest in mental and physical health and well-being
- Intensifying severity of climate change and other environmental issues
- Increasing awareness of sustainability
- Progress with generative AI and digital transformation

#### VISION2030 (Ideal target)

To Be a driving force essential for today's changing society with our unique material and process technologies

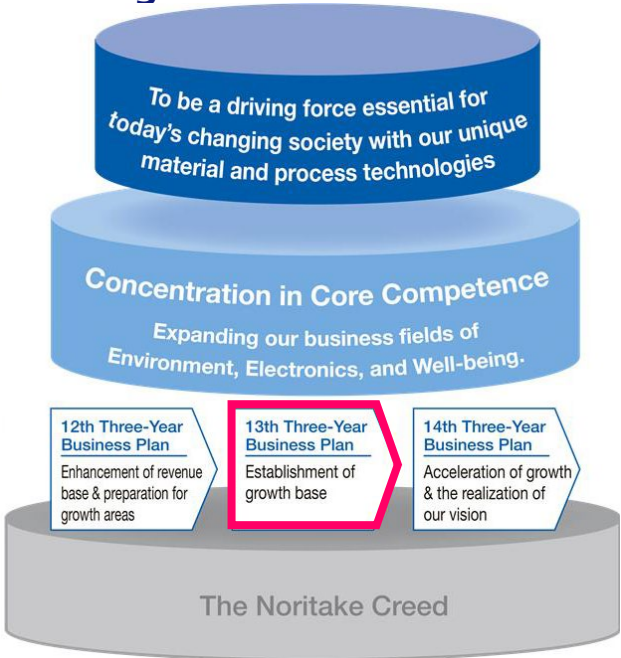
#### VISION2030 (Ideal Target)

#### Group Strategy

#### Three-Year Business Plan

#### Philosophy

#### 13th Plan



#### Establishment of Growth Base

### 3. Overview of the 13th Three-year Business Plan VISION2030 【Noritake Group Vision】



We have identified three business segments that we expect to grow: the environment, electronics and well-being. Since the 12th Three-Year Business Plan, the company has promoted a group strategy of concentration in core competence, and aims to shift its business from current core areas (internal combustion engines, ceramics, etc.) to these growth areas. Thus, the Noritake Group will contribute to “the global environment”, “a convenient society”, and “people's well-being”.

**Noritake Group's vision for society**  
The company's goals in each segment

#### Group Strategy

**Concentration in Core Competence**  
(environment, electronics, and well-being)

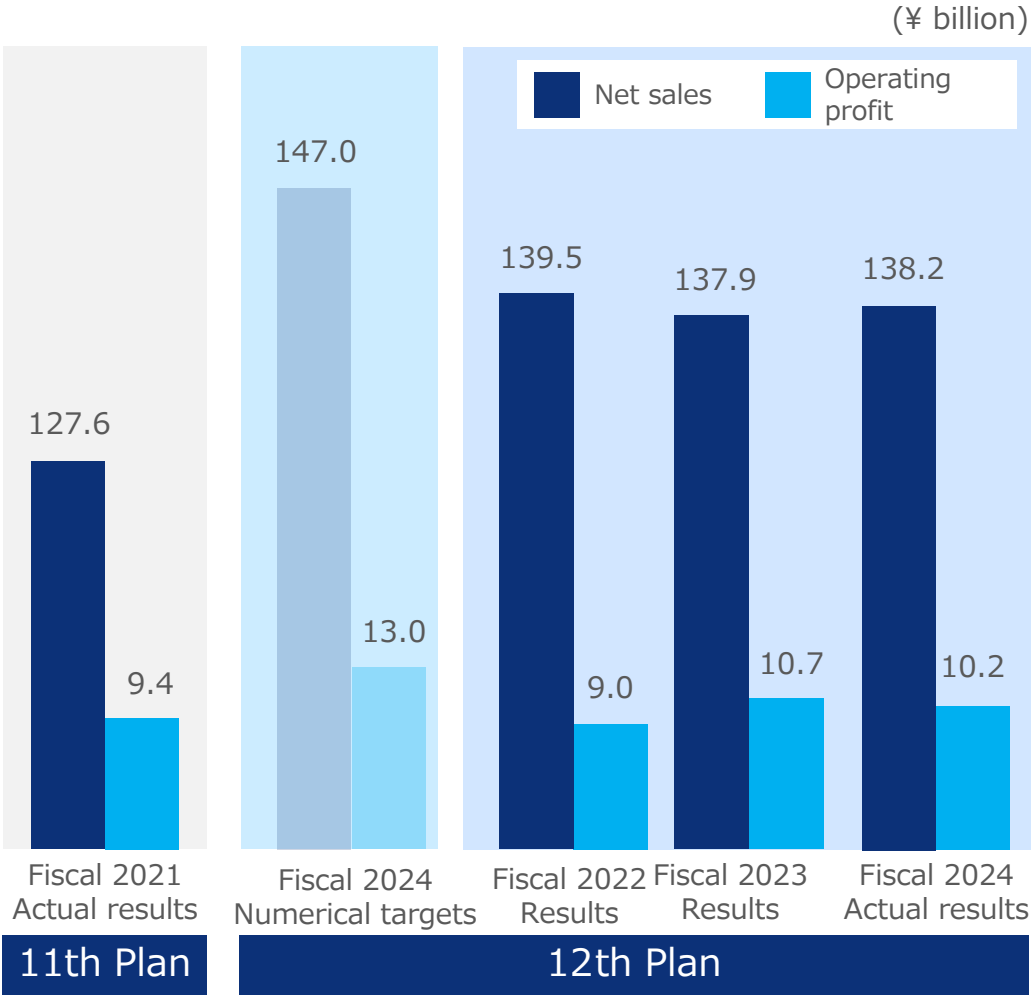


### 3. Overview of the 13th Three-year Business Plan

#### Review of the 12th Three-Year Business Plan [Assessment versus numerical targets]



The 12th Three-Year Business Plan (hereafter, the 12th Plan) promoted the enhancement of our revenue base and preparation for growth areas. Its numerical targets were not achieved due to demand from major customers in the automotive, steel, bearing, and electronic components industries being lower than expected.



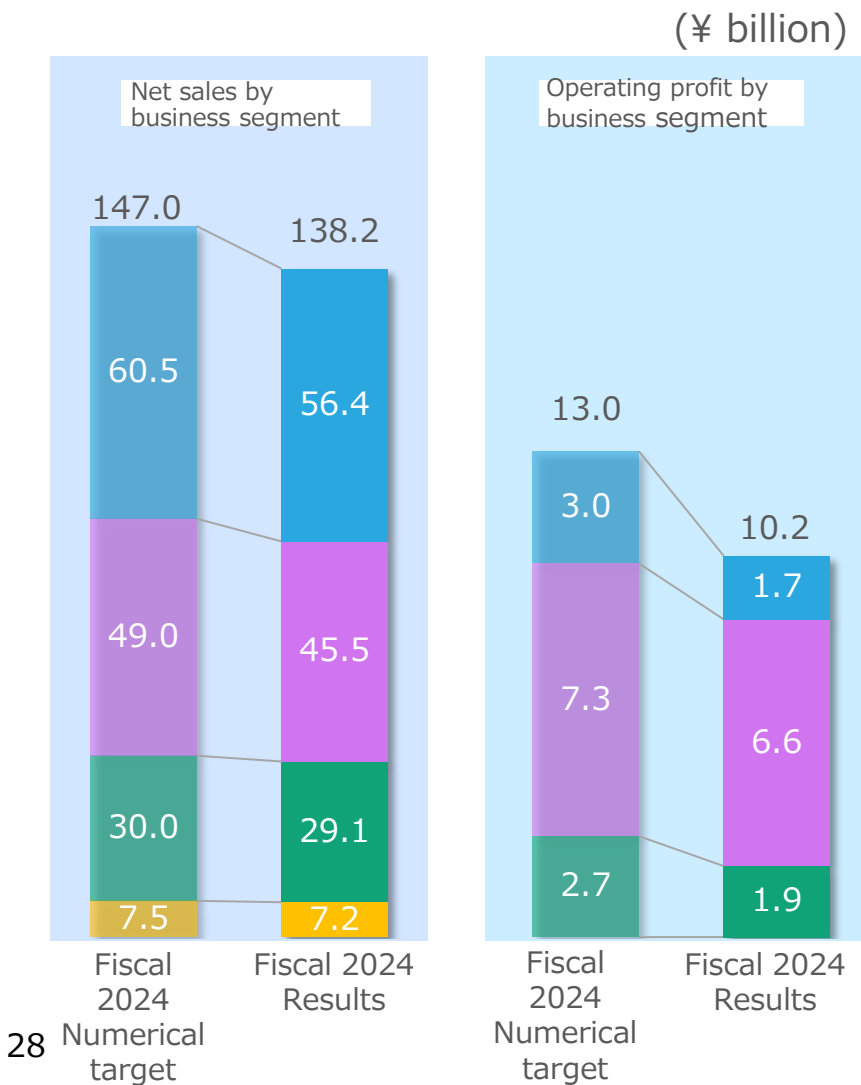
	11th Plan	12th Plan	
	Fiscal 2021 Results	Fiscal 2024 Numerical target	Fiscal 2024 Achievement
Net sales	¥127.6 billion	¥147.0 billion	¥138.2 billion
Operating profit	¥9.4 billion	¥13.0 billion	¥10.2 billion
Operating profit margin	7.3%	9.0%	7.4%
Ordinary profit	¥12.5 billion	-	¥14.0 billion
Profit attributable to owners of parent	¥9.1 billion	-	¥12.9 billion
Return on equity (ROE)	7.9 %	9.0 %	8.7 %
Free cash flow (FCF)	¥6.1 billion (3-year total)	¥20.0 billion (3-year total)	¥11.8 billion (3-year total)

### 3. Overview of the 13th Three-year Business Plan

#### Review of the 12th Three-Year Business Plan 【Net sales and operating profit by business】



Net sales and operating profit targets were not achieved in all business segments.



Business Segment	Fiscal 2024 Numerical target		Fiscal 2024 Result	
	Net sales	Operating profit	Net sales	Operating profit
Industrial Products	¥60.5 billion	¥3.0 billion	¥56.4 billion	¥1.7 billion
Ceramic Materials	¥49.0 billion	¥7.3 billion	¥45.5 billion	¥6.6 billion
Engineering	¥30.0 billion	¥2.7 billion	¥29.1 billion	¥1.9 billion
Tabletop	¥7.5 billion	¥0.0 billion	¥7.2 billion	¥0.0 billion
Total	¥147.0 billion	¥13.0 billion	¥138.2 billion	¥10.2 billion

### 3. Overview of the 13th Three-year Business Plan

#### Review of the 12th Three-Year Business Plan 【Progress of major initiatives】



The 12th Plan was positioned as a period for “Enhance of revenue base” and “Preparation in growth areas”. The following agenda was promoted.

Enhancement of revenue base		Reorganization of unprofitable products and businesses	▶ Business restructuring through the integration of subsidiaries, etc.
		Improvement of revenue and rationalization	▶ Implementation of price optimization, cost reduction, etc.
Preparation for growth areas		Expansion of production and sales	▶ Increasing production capacity for materials used in multi-layer ceramic capacitors (MLCCs), expanding the assembly plant for continuous heating furnaces for lithium-ion batteries (LiBs), etc.
		Strengthening the Management Base	▶ Initiatives implemented based on the following four themes
Enhancement of management base	Creation of new businesses	▶ Establishment of commercialization processes (development theme proposal system, stage-gate system) ▶ Establishment of open innovation promotion system	
	Organizational culture reform	▶ Introduction of new personnel system ▶ Commencement of engagement survey, promotion of workstyle reform	
	Implementation of sustainability management structure	▶ Establishment of sustainability management structure (Sustainability Management Committee) ▶ Identification of materiality, promotion of initiatives	
	Promotion of digital transformation	▶ Establishment of a system for promoting digital transformation ▶ Implementation of a program to train “DX promotion leaders”	

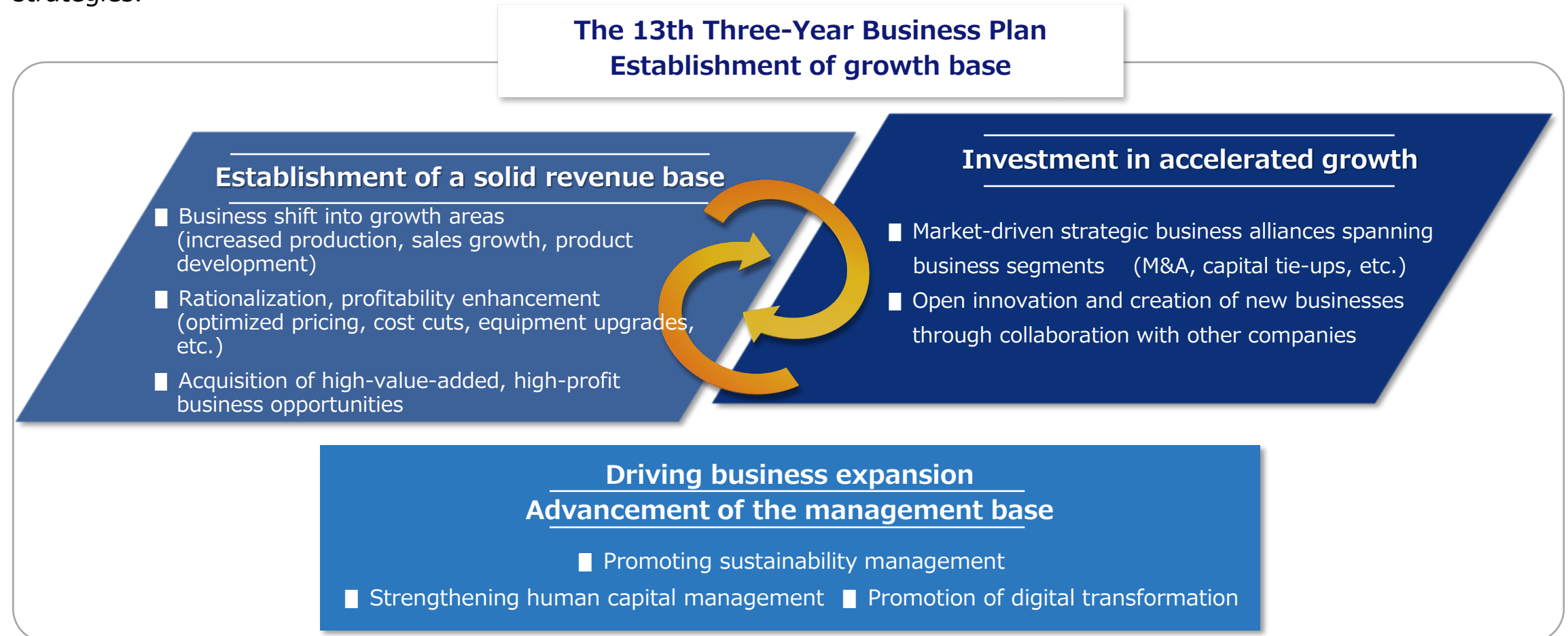
▶ ▶ ▶ Revenue base enhancement has achieved some degree of success. Work is underway with regard to preparation in growth areas, centering on the creation of new businesses and responding to changes in the market environment, but we recognize that it will take time to achieve results.

### 3. Overview of the 13th Three-year Business Plan

#### The 13th Three-Year Business Plan 【Overview】



As a management strategy, the 13th Plan simultaneously promotes the establishment of a solid revenue base and investment in accelerated growth, while working on the advancement of the management base in support of business expansion. It also lays out a reorganization and structural optimization of our businesses as a means to implement these strategies.



### 3. Overview of the 13th Three-year Business Plan

#### The 13th Three-Year Business Plan 【Numerical Targets】



#### The 13th Three-Year Business Plan Establishment of growth base

##### Capital efficiency

**ROE 9% or more (fiscal 2027)**

**Early realization of PBR of more than 1**

##### Profitability

**Operating profit: of ¥13.5 billion (fiscal 2027)**

**Ordinary profit: ¥17.5 billion (fiscal 2027)**

##### Shareholder returns

**Dividend payout ratio of 35% or more**

(During the 13th Plan's term, the progressive dividend will have a minimum annual amount of ¥140 per share, which is assumed to be double the dividend amount at the end of fiscal 2025.)

**Flexible acquisition of treasury stock**

**Total shareholder return of at least 50%  
(cumulative for the 13th Plan duration)**

##### Numerical targets by business (¥ billion)

	Results for fiscal 2024			Targets for fiscal 2027		
	Net sales	Operating profit	Ordinary profit <sup>*1</sup>	Net sales	Operating profit	Ordinary profit <sup>*1</sup>
Industrial Products	56.4	1.7	1.7	61.5	3.1	3.1
Ceramic Materials	45.5	6.6	8.8 <sup>*2</sup>	54.0	7.9	10.2 <sup>*2</sup>
Engineering	29.1	1.9	1.9	34.5	2.5	2.5
Tabletop	7.2	0	0	7.5	0	0
Other	-	-	1.6	-	-	1.7
Total	138.2	10.2	14.0	157.5	13.5	17.5

Assumed exchange rate: ¥140/US\$

\*1 These figures for 4 business segments are profits for Noritake original ROIC calculation purpose, which equal Net Operating Profit + Equity Method Investment Income, etc.

31 \*2 These figures include profits of the dental materials business.

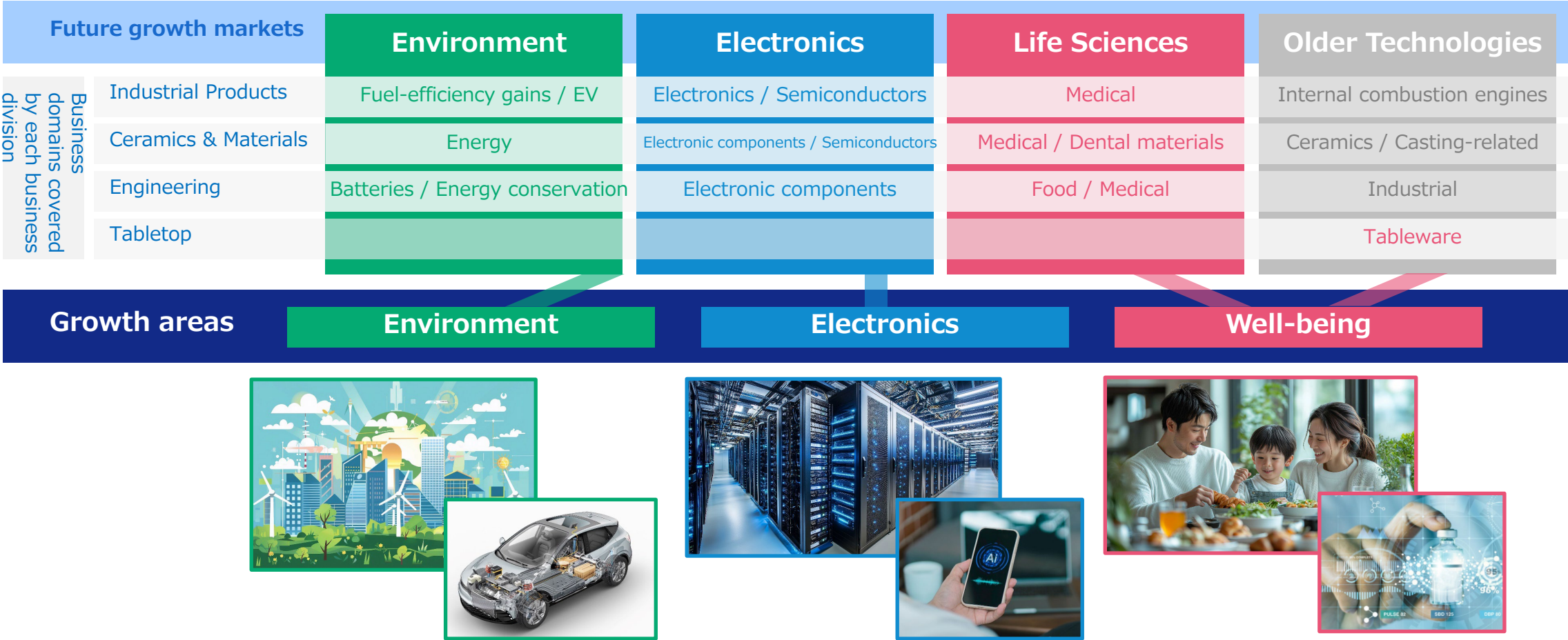
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3. Overview of the 13th Three-year Business Plan

The 13th Three-Year Business Plan 【Business shift toward growth areas】



Growth areas (environment, electronics, well-being) for each business are as follows.



### 3. Overview of the 13th Three-year Business Plan

#### The 13th Three-Year Business Plan

#### 【Strategies by Business Segment : Industrial Products, Ceramics & Materials】

	Rationalization, profitability enhancement	Business shift into growth areas
Industrial Products Business	<ul style="list-style-type: none"> <li>Continue to thoroughly improve profitability (expand sales, optimize pricing, utilize OEM partnerships, reduce costs, etc.)</li> <li>Reorganize and equip manufacturing structures domestically and abroad</li> <li>Establish sales bases domestically and abroad</li> <li>Reform sales systems and manufacturing systems</li> </ul>	<ul style="list-style-type: none"> <li>Establish a business structure by market (growth areas) rather than by product to ensure agile adaptation to market changes</li> <li>Develop new products targeted at growth areas (particularly electronics), expand sales channels, and prepare for the increased production</li> </ul>
Ceramics & Materials Business	<ul style="list-style-type: none"> <li>Optimize pricing and expand product lineup</li> <li>Strengthen competitiveness by developing manufacturing infrastructure and reducing costs</li> <li>Establish a new business base centered on printing technology through reorganization</li> </ul>	<ul style="list-style-type: none"> <li>Enter the power semiconductor peripheral materials market and begin mass-production</li> <li>Increase production capacity for MLCC materials</li> <li>Develop new products for growth areas (environment, electronics, and well-being)</li> <li>Invest in the dental materials business (Kuraray Noritake Dental Inc.*) to drive growth</li> </ul>

\* Kuraray Noritake Dental: equity-method affiliate

### 3. Overview of the 13th Three-year Business Plan

#### The 13th Three-Year Business Plan

#### 【Strategies by Business Segment : Engineering, Tabletop】

	Rationalization, profitability enhancement	Business shift into growth areas
<div>Engineering Business</div>	<ul style="list-style-type: none"> <li>Equip management systems for development, sales, manufacturing, and quality control to expand sales of mainstay products for energy and electronics (continuous heating furnaces for LiBs, etc.)</li> <li>Establish after-sales service network (maintenance, sales of consumables, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Enter new fields (pharmaceuticals, semiconductors, circular economy) and develop markets</li> <li>Develop new applications and products in growth areas (environment, electronics, and well-being)</li> </ul>
<div>Tabletop Business</div>	<ul style="list-style-type: none"> <li>Improve US profitability and equip a sales structure in each country</li> <li>Promote new product development (new technology, high added value, reduced environmental impact)</li> <li>Develop business foundations (manufacturing, sales, and technology)</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen brand and enter new fields (interior, lifestyle, etc.)</li> <li>Expand sales in overseas HoReCa * markets, where future growth is expected</li> </ul>

\* HoReCa: Hotel, Restaurant, and Café/Catering

### 3. Overview of the 13th Three-year Business Plan

#### The 13th Three-Year Business Plan

【Active investment in growth areas】

Establishment of a  
solid revenue base

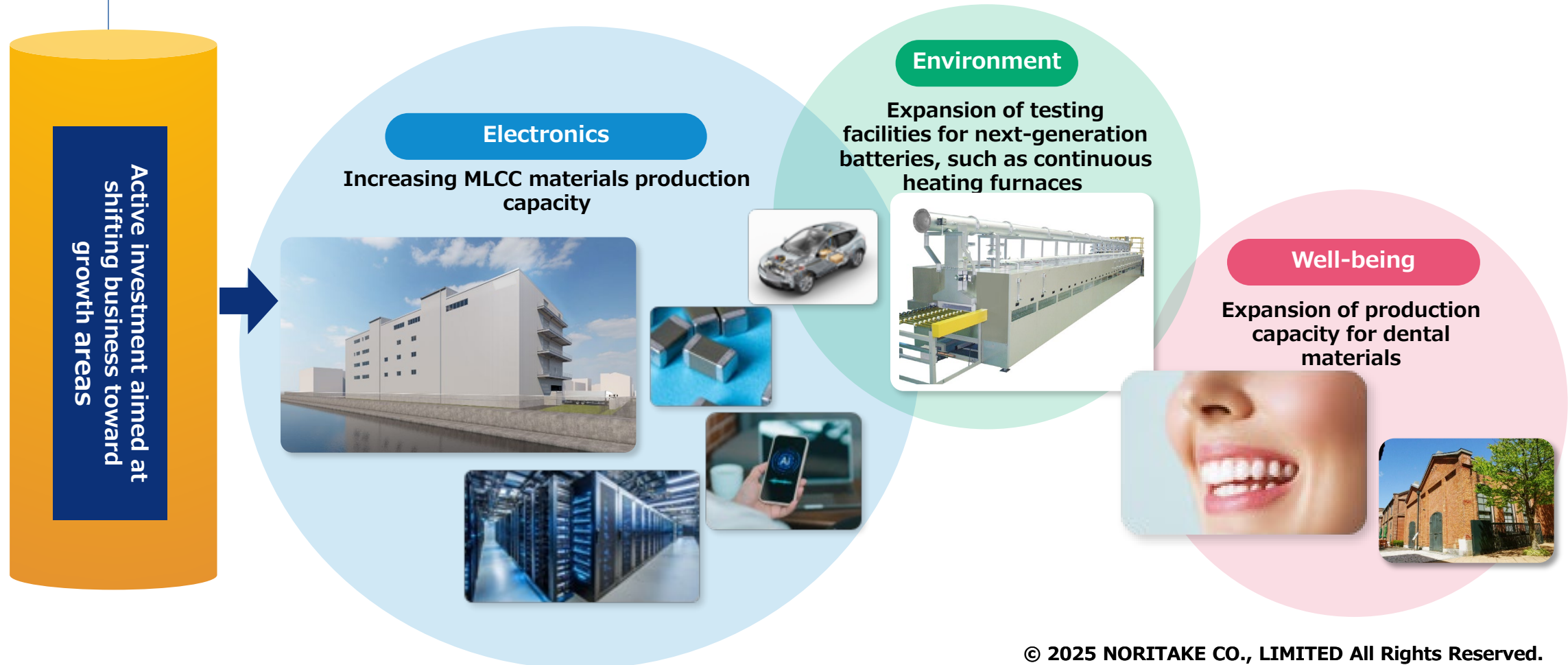
Investment in  
accelerated growth

Advancement of the management base

*Noritake*

We are stepping up investment in growth areas while also solidifying our revenue base by promoting efficiency through the renewal of aging facilities.

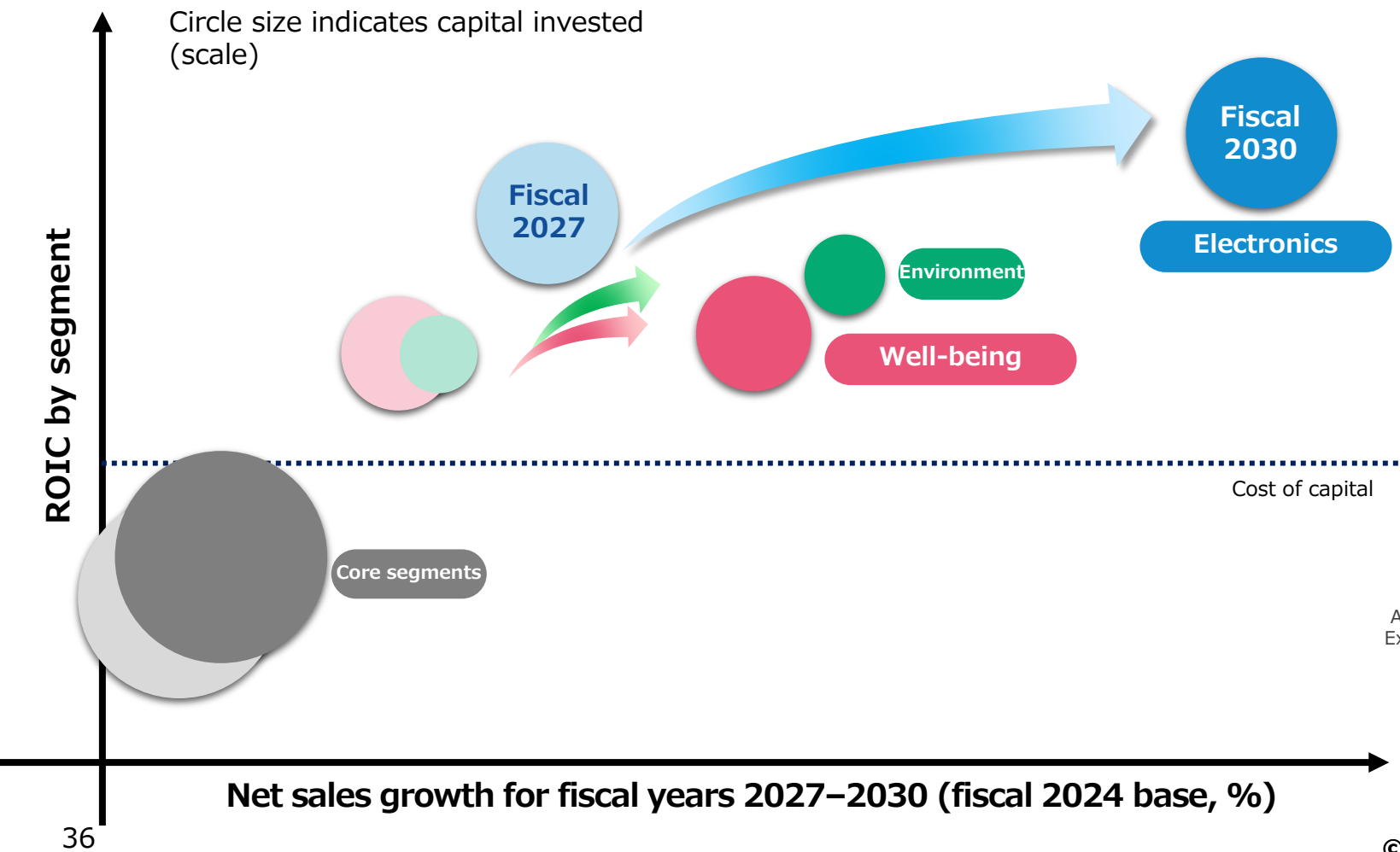
**The 13th Plan plans for capital expenditure of over ¥35 billion during its term**



### 3. Overview of the 13th Three-year Business Plan

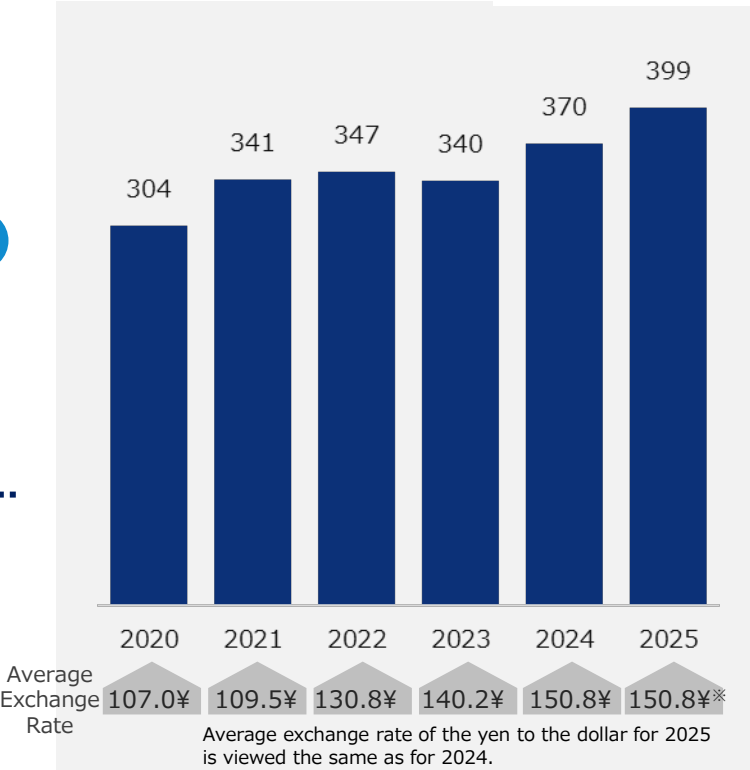
#### The 13th Three-Year Business Plan 【Focusing on electronics】

We plan to expand our business in the electronics segment, which is expected to continue growing, centered on electronic components such as MLCCs, with a target capex of over ¥12 billion.



PRODUCTION TRENDS IN THE GLOBAL ELECTRONICS AND IT INDUSTRIES

Unit : \$10 billion



Source : PRODUCTION FORECASTS FOR THE GLOBAL ELECTRONICS AND INFORMATION TECHNOLOGY INDUSTRIES, Japan Electronics and Information Technology Industries Association (JEITA) December 2024

### 3. Overview of the 13th Three-year Business Plan

#### The 13th Three-Year Business Plan

#### [Market-driven strategic alliances spanning business segments]

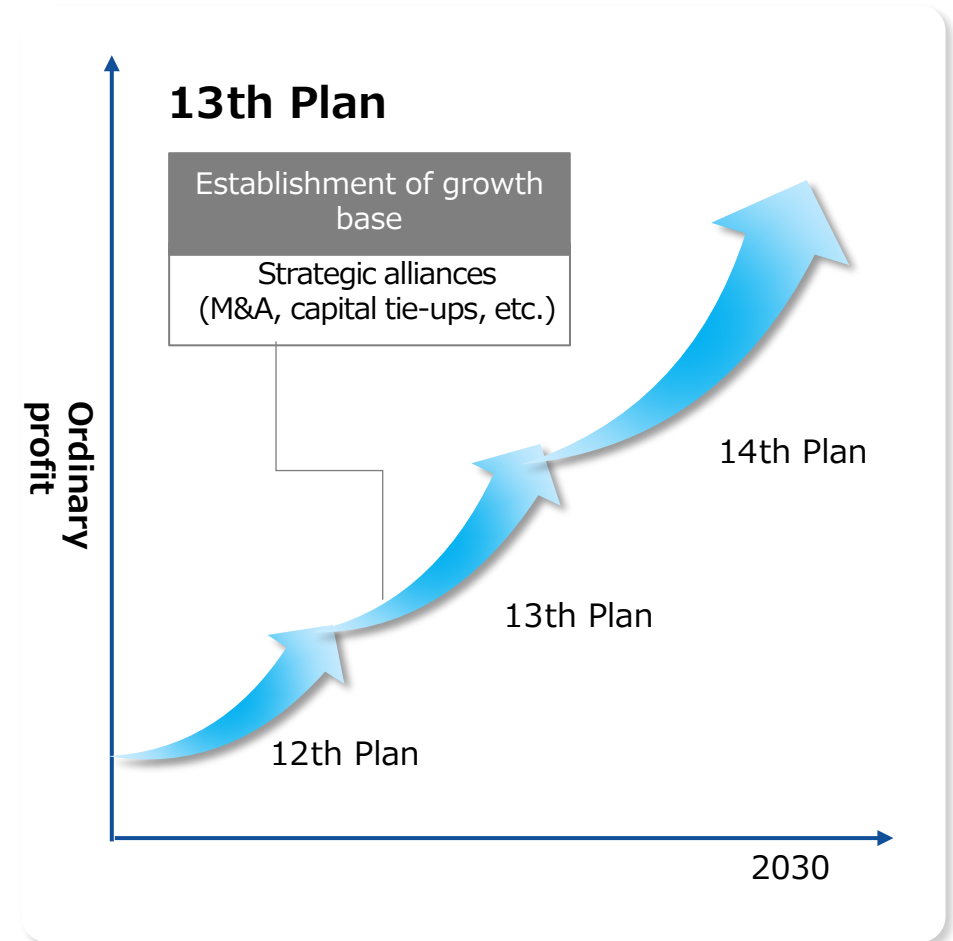
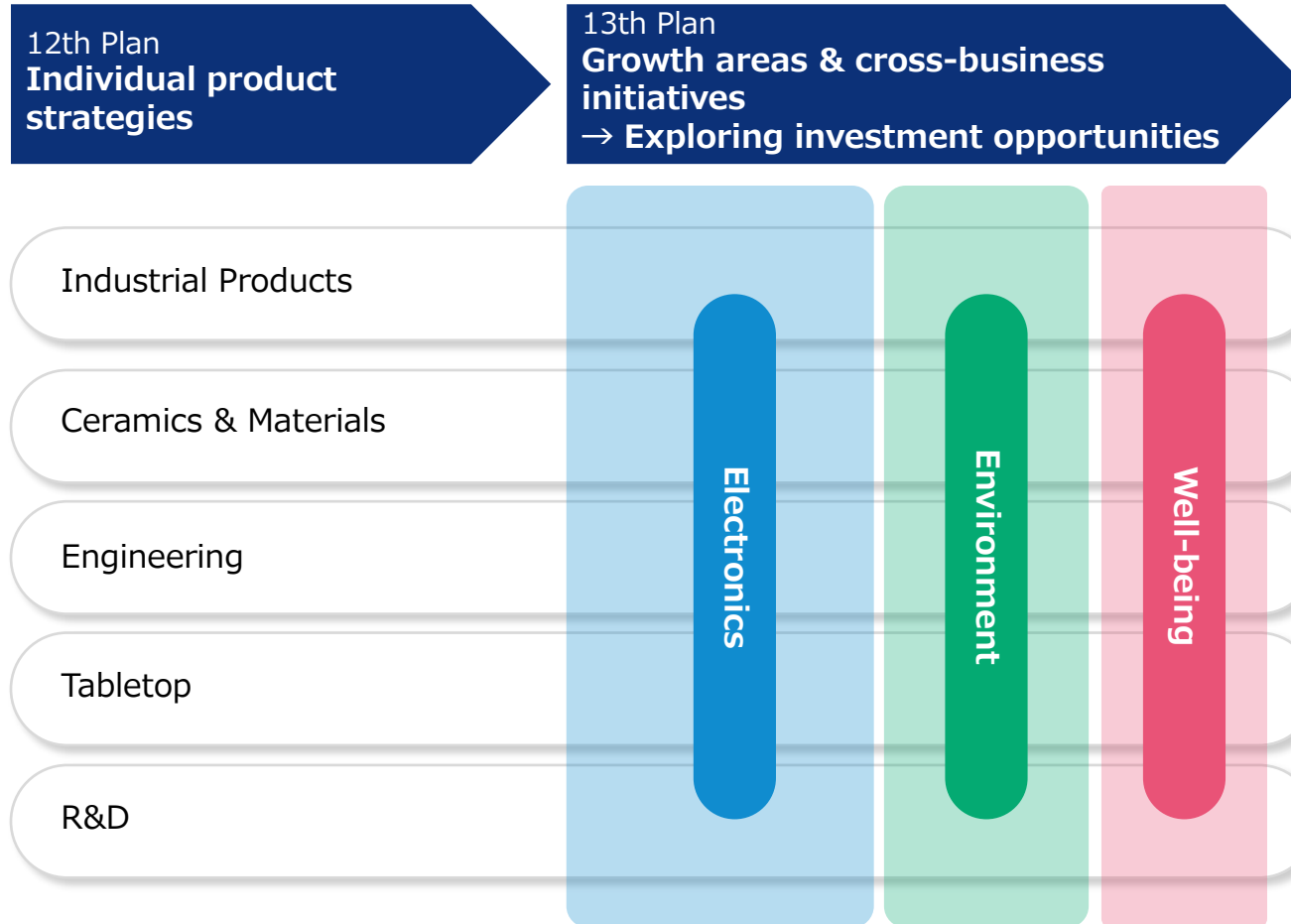
Establishment of a  
solid revenue base

Investment in  
accelerated growth

Advancement of the management base

*Noritake*

We are shifting away from the conventional product-based business strategy limited to each business and are exploring new market-based, cross-business investment opportunities in growth areas through strategic alliances (M&A, capital tie-ups, etc.).



### 3. Overview of the 13th Three-year Business Plan

#### The 13th Three-Year Business Plan

#### 【Creation of new businesses through accelerated use of open innovation】

Establishment of a  
solid revenue base

Investment in  
accelerated growth

Advancement of the management base

*Noritake*

We foster new businesses through a companywide effort that leverages a development theme proposal system that broadly solicits ideas from all employees, as well as a stage-gate process. At the same time, we are moving away from our traditional self-reliance approach and linking it to the creation of new businesses through open innovation.

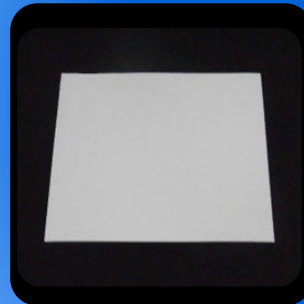


#### Development theme proposal system

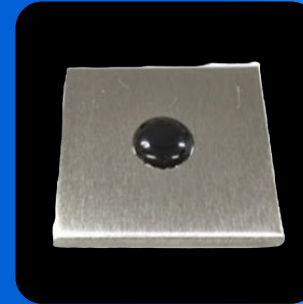
Optimization of development resources via stage-gate system



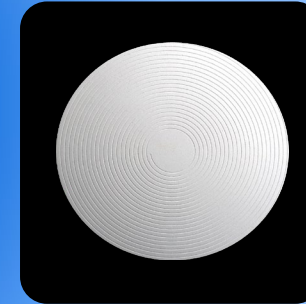
Columnless continuous chromatography system for biopharmaceuticals



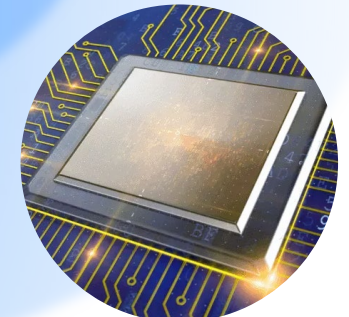
Porous material "SUPCA" for use with direct air capture (DAC)



New successfully prototyped glass material made using MI \*



Polishing tools for power semiconductor wafers



#### Accelerating Open Innovation

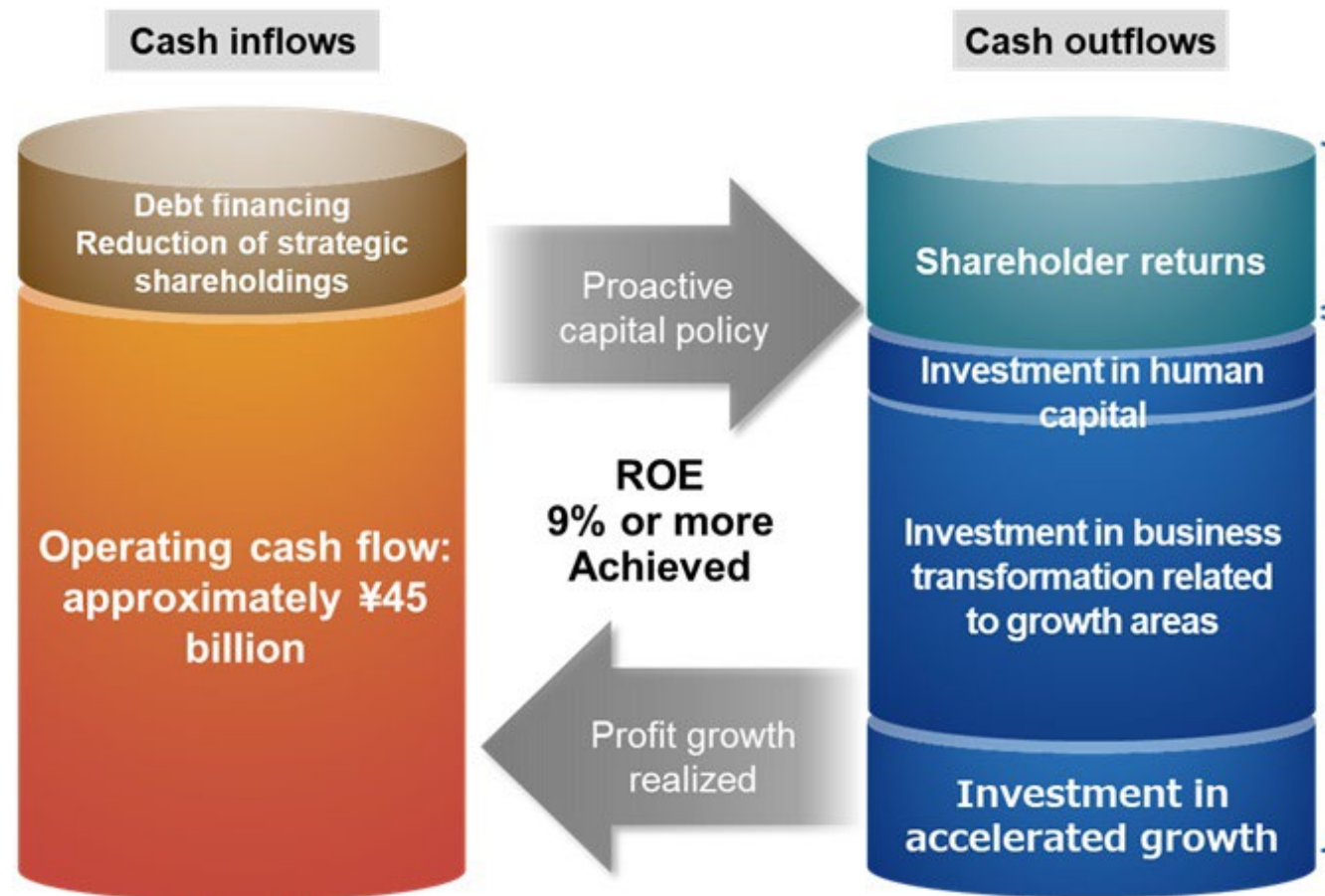
Collaboration with startups / Industry-academia-government collaboration

### 3. Overview of the 13th Three-year Business Plan

#### The 13th Three-Year Business Plan [apital allocation and shareholder returns]



In accordance with the 13th Plan, we expect to invest ¥35 billion to ¥50 billion in growth via a combination of operating cash flow, debt financing, and a reduction of cross-shareholdings. Regarding shareholder returns, we aim to increase the dividend payout ratio to 35% or more. We will also implement a progressive dividend and flexibly acquire treasury stock to yield a total shareholder return ratio of 50% or more (cumulative over the 13th Plan's term).



#### Dividend payout ratio of 35% or more

(During the 13th Plan's term, the progressive dividend will have a minimum annual amount of ¥140 per share, which is assumed to be double the dividend amount at the end of fiscal 2025.)

#### Flexible acquisition of treasury stock

#### Total return ratio: 50% or more

(Cumulative total for the 13th Plan term)

#### Growth investment: ¥35 billion to ¥50 billion

- Human capital investment, DX promotion
- Promotion of production increase and rationalization
- Decarbonization measures
- R&D-related facilities
- M&A
- Open innovation

### 3. Overview of the 13th Three-year Business Plan

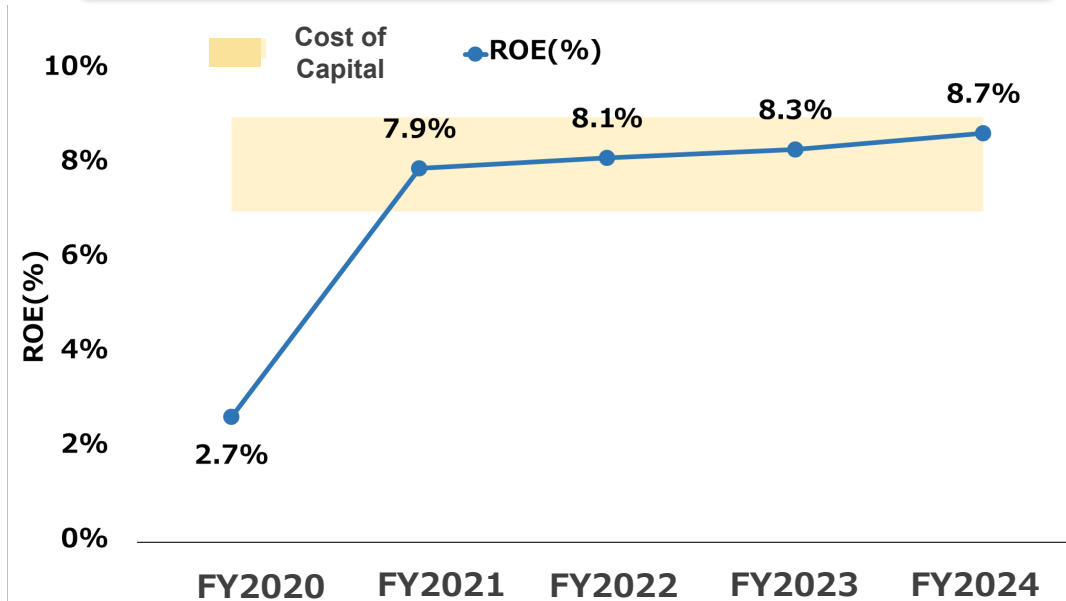


#### The 13th Three-Year Business Plan

#### 【Measures to focus management on capital costs and the share price】

The current situation regarding return on equity (ROE) and market valuations (PBR, PER) is as follows.

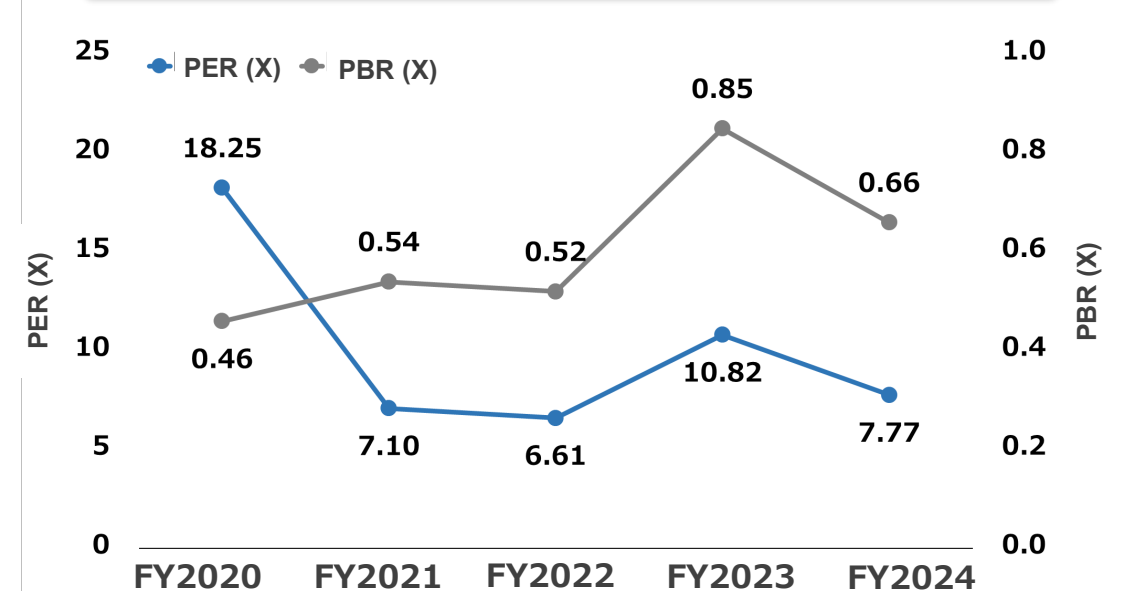
#### Return on equity (ROE)



#### Current situation

- Our cost of equity is estimated to be approximately 7%–9% based on the capital asset pricing model (CAPM) and dialogue with shareholders and investors.
- ROE trends at or below the cost of equity

#### Market valuation (PBR, PER)



#### Recognition of the current situation

- PBR has remained below 1 and needs early improvement
- PER is also weak and failing to build shareholder confidence in future profitability

### 3. Overview of the 13th Three-year Business Plan

#### The 13th Three-Year Business Plan

#### [Measures to focus management on capital costs and the share price]



We will consistently implement the 13th Plan with the goal of achieving ROE of 9% or more and PBR of at least 1.0 by fiscal 2027 and taking the following initiatives regarding cost of capital and the share price.

#### Planned measures

##### Improved return on capital (ROE, ROIC)

- By setting business-segment targets for ROIC and managing actual results, we promote capital efficiency
- Actively invest in growth areas (environment, electronics, and well-being)
- Continued reduction of cross-shareholdings

##### Heightened market valuation (PBR, PER)

- Enhanced shareholder returns

**Dividend payout ratio: 30% or more ⇒ 35% or more**

(During the 13th Plan's term, the progressive dividend will have a minimum annual amount of ¥140 per share, which is assumed to be double the dividend amount at the end of fiscal 2025.)

**Flexible acquisition of treasury stock**

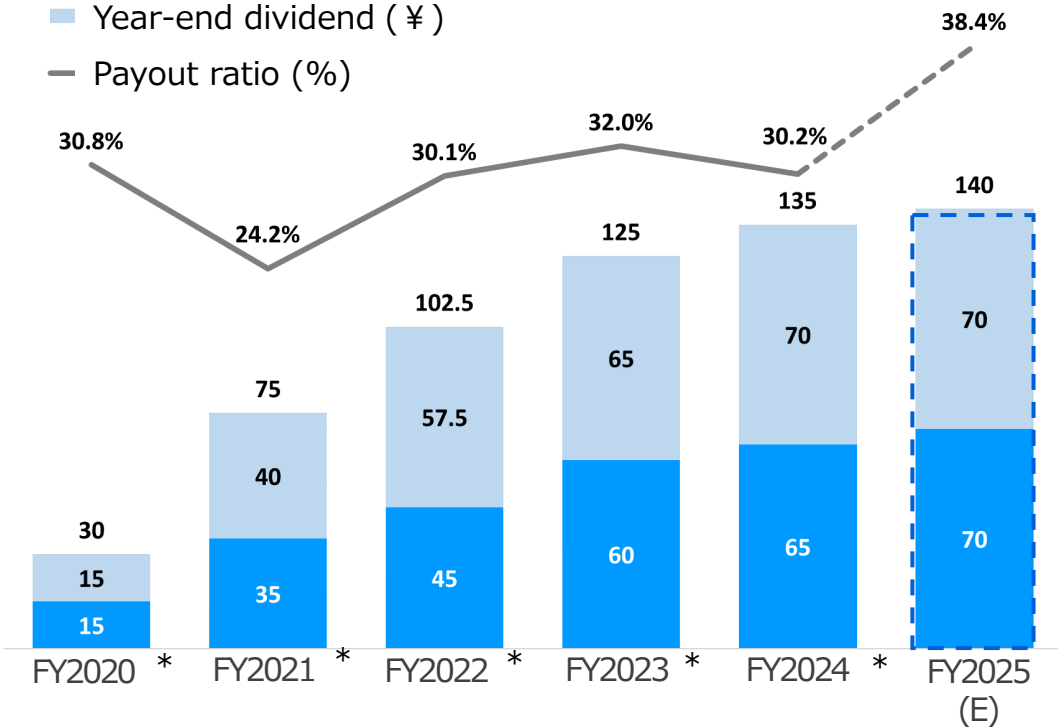
**Total shareholder return ratio: 50% or more**  
(cumulative total for the 13th Plan term)

- Timely and appropriate disclosure of information on growth strategies and progress
- Strengthening of IR systems and expansion of individual meetings
- Reporting information obtained through dialogue with investors to the meeting of the Board of Directors, and taking measures to resolve issues

■ Interim dividend ( ¥ )

■ Year-end dividend ( ¥ )

— Payout ratio (%)



41 \* A two-for-one common stock split was issued on April 1, 2024.  
Dividends for FY2020 through FY2023 are also based on the post-split for the purpose of comparison.