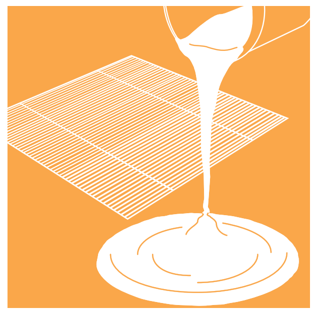
NORITAKE CO., LIMITED

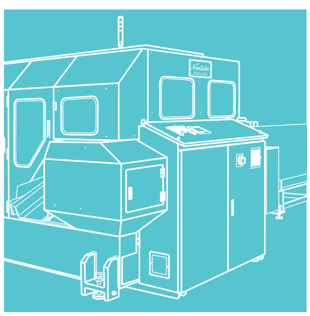
ANNUAL REPORT 2012

Year Ended March 31, 2012

INDUSTRIAL PRODUCTS



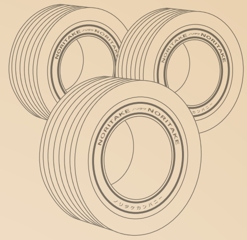
CERAMICS & MATERIALS



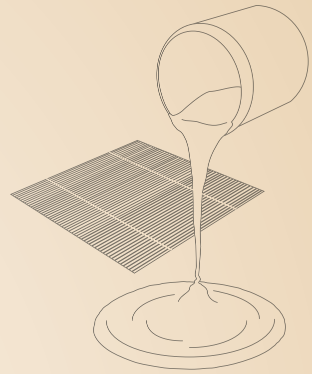
ENGINEERING

TABLETOP

Profile



Noritake Co., Limited 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.



Medium-Term Business Plan

Since the worldwide economic recession, the business environment has enormously changed. Demand is shifting to emerging countries and environmental problems are seriously worsening. Confronted with this situation, Noritake formulated a new Medium-Term Business Plan, which started in April 2010.

The fundamental points of these strategies are:

1. Selecting and concentrating businesses

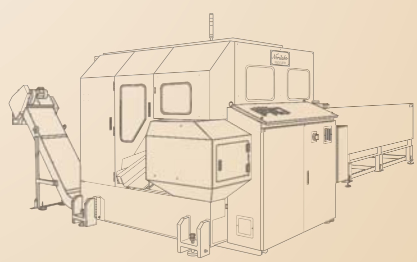
2. Strengthening new products and technological development

3. Penetrating overseas markets

4. Expanding overseas production

5. Upgrading management infrastructure

Through the above actions, the Noritake Group is taking steps to secure greater corporate value.

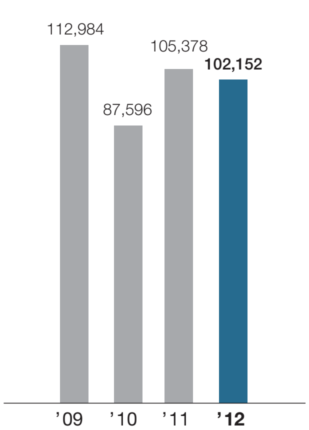


Contents

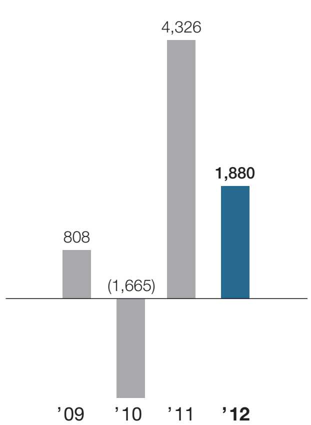
	Millions of yen						Thousands of U.S. dollars
	2012	2011	2010	2009	2008	2007	**2012**
For the year:							
Net sales	**¥102,152**	¥105,378	¥ 87,596	¥112,984	¥133,368	¥129,240	**$1,245,756**
Operating income (loss)	**1,880**	4,326	(1,665)	808	10,488	9,463	**22,927**
Income (loss) before income taxes and minority interests	**5,972**	3,703	(3,354)	(3,059)	10,171	10,398	**72,829**
Net income (loss)	**4,468**	1,858	(4,501)	(6,861)	5,669	5,796	**54,488**
Net income (loss) per share (yen/U.S. dollars)	**¥ 31.99**	¥ 13.16	¥ (31.32)	¥ (46.82)	¥ 38.36	¥ 39.20	**$ 0.39**
At year-end:							
Total assets	**¥117,735**	¥116,126	¥109,595	¥113,077	¥141,644	¥148,827	**$1,435,793**
Total net assets	**68,896**	65,429	66,711	69,192	85,908	87,108	**840,195**
Capital ratio (%)	**51.5**	49.5	54.2	55.0	55.1	53.3	

Note: The U.S. dollar amounts above have been translated at the rate of ¥82 to US$1.

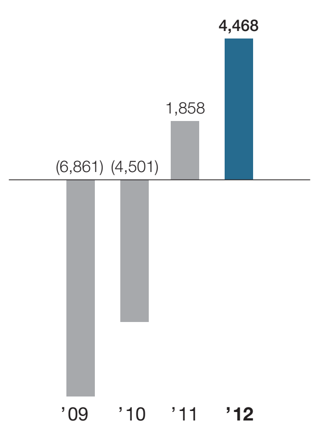
Net Sales
(Millions of yen)



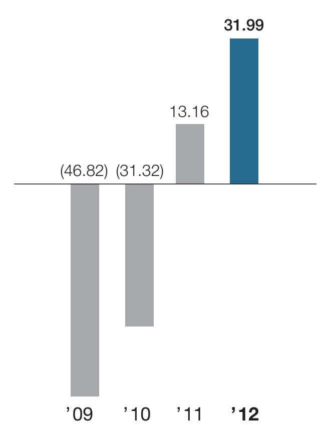
Operating Income (Loss)
(Millions of yen)



Net Income (Loss)
(Millions of yen)



Net Income (Loss) per Share
(Yen)



Hitoshi Tanemura
President and Representative Director

The management of Noritake Co., Limited wishes to thank all stakeholders for their support over the past fiscal year. In addition, we would like to take this opportunity to comment on the Group's results for fiscal 2012, ended March 31, 2012.

Performance Overview for Fiscal 2012

A significant number of people were affected by the Great East Japan Earthquake in March 2011, the subsequent nuclear accident as well as last year's severe flooding in Thailand. We would again like to extend our deepest sympathies to the victims of these disasters and our sincerest wish for the earliest possible recovery of affected areas.

The damage inflicted by these disasters seriously impacted the Japanese economy. Furthermore, countries worldwide curbed fiscal expenditure in the aftermath of the 2008 financial crisis, leading to a major decrease in demand in the television, electronics and semiconductor industries. Such factors as financial instability in Europe, the strong yen, and higher natural resource and fuel prices placed additional drag on global economic growth.

Noritake's performance was severely affected by these worsening economic conditions. Despite achieving a year-on-year net sales increase in the first half of fiscal 2012, full-year net sales decreased 3.1% to ¥102,152 million as orders fell off during the second half in Noritake's mainstay Industrial Products Group and Ceramics & Materials Group.

Looking at earnings, operating income fell 56.6% year on year to ¥1,880 million despite our efforts to reduce costs. This decrease reflected deteriorating export profitability accompanying strong yen rates as well as the inability of cost reductions to cover price hikes for such items as raw materials, petroleum and gas. Nevertheless, net income jumped 140.4% to ¥4,468 million primarily owing to gains from the sale of land in Atsugi, Japan.

Amid these operating conditions, Noritake is currently implementing its three-year medium-term business plan, which commenced in April 2010.

The following five key initiatives form the core strategies of this plan, which we have done our utmost to achieve:

1. Selecting and concentrating businesses

2. Strengthening new products and technological development

3. Penetrating overseas markets

4. Expanding overseas production

5. Upgrading management infrastructure

"Selecting and concentrating businesses" involved forming a partnership with Kuraray Co., Ltd. with regard to its dental business, streamlining the tableware and electronic display businesses, and promoting the development of solar cells and other new energy fields. In terms of "Strengthening new products and technological development," we developed and improved products in promising fields, including electronic paste used as electrodes on solar cells, diamond wire used for slicing silicon ingots for solar cells or sapphire ingots for LEDs, and kilns and dry furnaces used to manufacture lithium-ion batteries.

"Penetrating overseas markets" focused on strengthening our sales capacity, mainly in such rapidly growing Asian markets as China and Thailand. In China, we established a showroom to display our luxury tableware in Shanghai as well as an industrial products sales base in Guangzhou. For "Expanding overseas production," we have decided to construct a new resinoid grinding wheel plant in China; build a new diamond tool plant and expand an existing gypsum plant in Thailand; and promote integrated production at our cubic boron nitride (CBN) grinding wheel plant in the United States.

Finally, "Upgrading management infrastructure" entailed completing the scheduled merger and reorganization of Group companies through Noritake Co., Limited's absorption of two subsidiaries; one for grinding wheel and the other for diamond tool manufacturing. Along with streamlining the Company's administrative departments, we bolstered and improved the efficiency of our management structure in such fields as compliance, labor health and safety, and environmental management.

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 capital investment for sustainable business development in growth fields. With regard to dividend payments, Noritake distributed ¥4.0 per share as the fiscal year-end dividend. Combined with the interim dividend, this brought the full-year dividend to ¥8.0 per share.

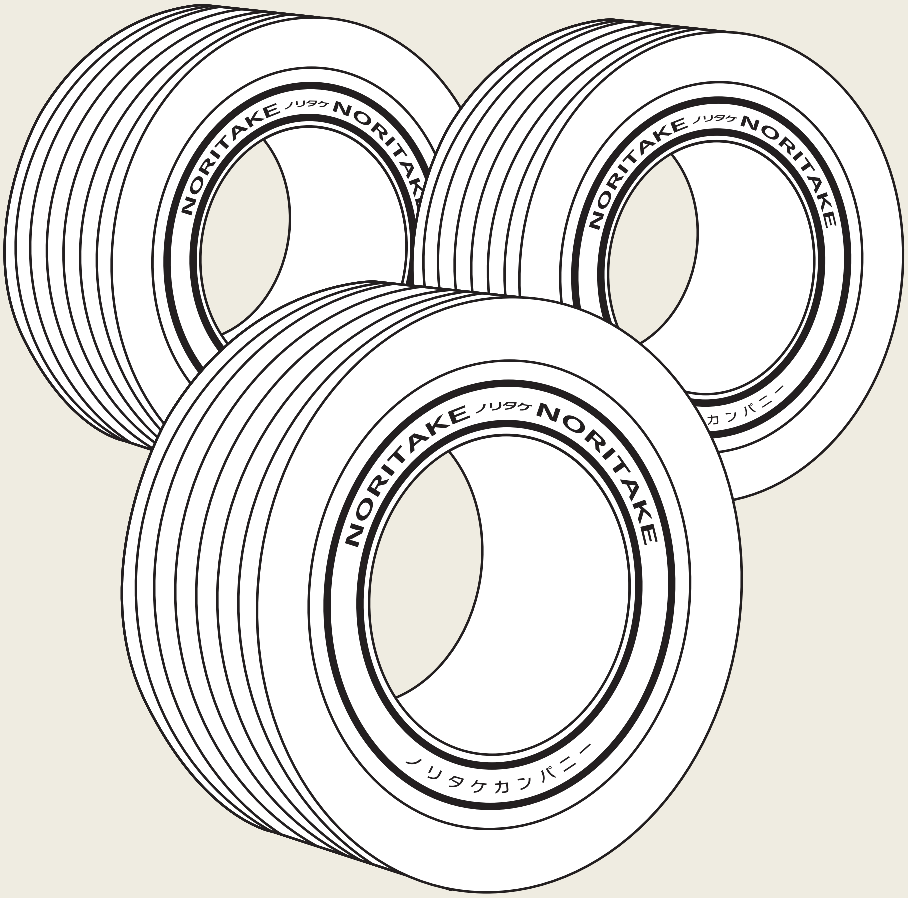
Through the concerted and unified efforts of all executive officers and employees of the Noritake Group to steadily implement the medium-term business plan’s core strategies, Noritake aims to establish a growth trajectory responsive to changing times.

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

Hitoshi Tanemura

President and Representative Director

Industrial Products

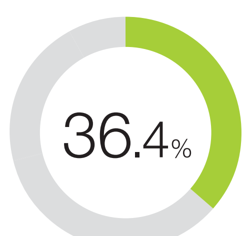


"Gear Ace": Vitrified-bonded Wheel for Gear Grinding

Business Status

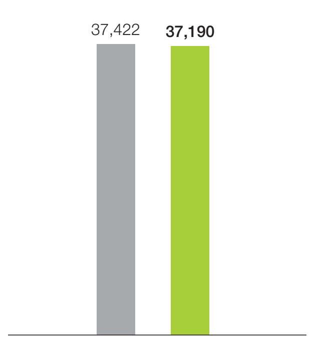
In Japan, demand from major customers in the automobile, steel and bearings industries was relatively steady despite the impact of the disaster in the first half of fiscal 2012. Upon entering the second half, orders became sluggish due to flooding in Thailand. Accordingly, sales for the entire fiscal year remained virtually unchanged year on year. Overseas, sales dipped slightly due mainly to a slowdown of the electronics and semiconductor industries, a decrease in price competitiveness accompanying the strong yen, and flooding in Thailand. As a result, consolidated net sales of the Industrial Products Group declined 0.6% year on year to ¥37,190 million.

Breakdown of Sales



Sales

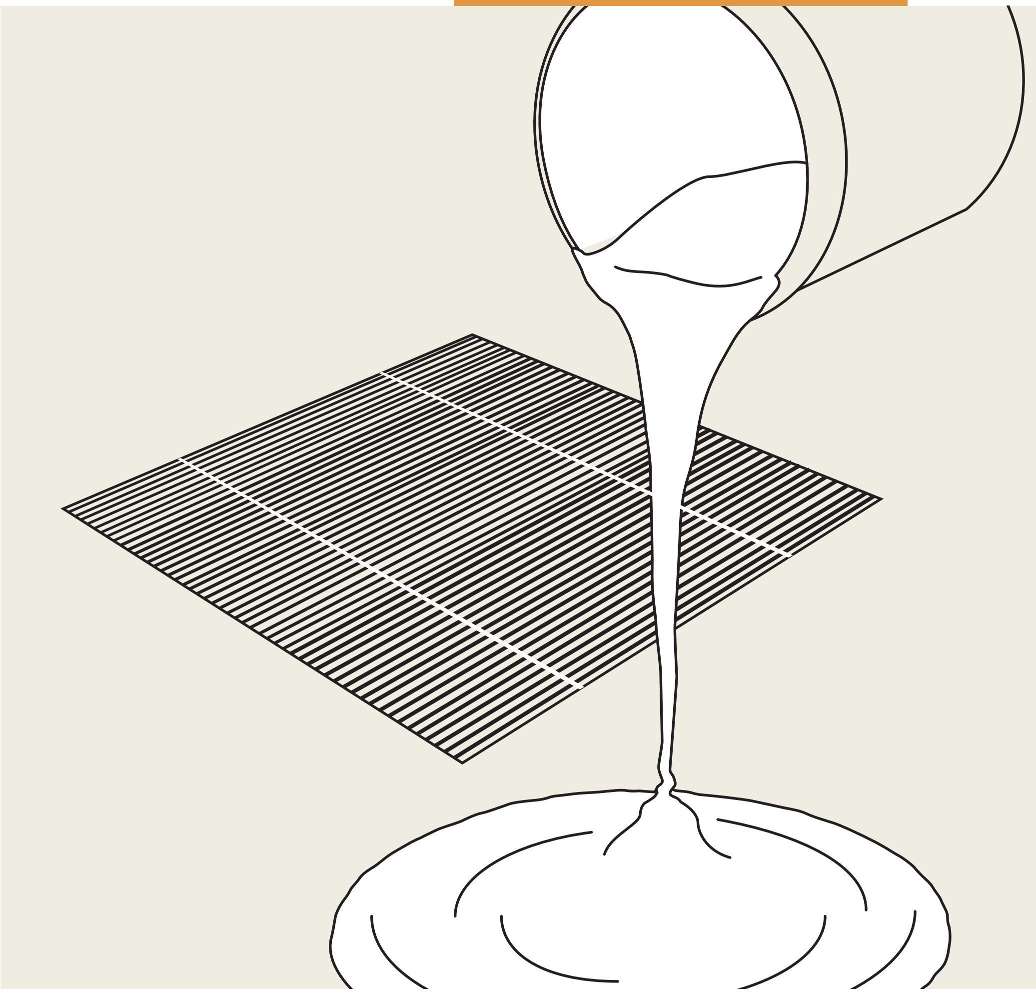
(Millions of yen)



Business Strategy

The relocation of Noritake's grinding wheel plant from the headquarters to the Miyoshi Site will improve product quality and productivity. In addition, we are working to enhance price and service competitiveness by expanding overseas production. To this end, we are expediting the construction of new plants in China and Thailand as well as an integrated cubic boron nitride (CBN) grinding wheel plant in the United States.

Ceramics & Materials

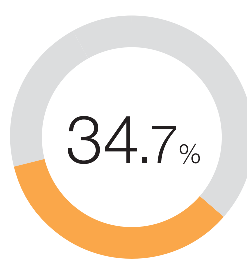


"Maxsunny": Paste for Solar Cells

Business Status

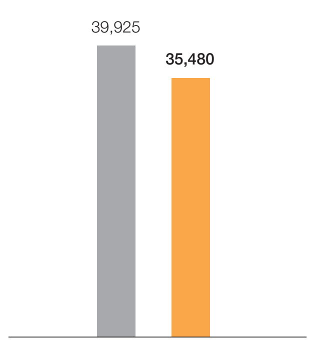
Sales of electronic pastes rose on the back of price hikes for the key material, silver, which pushed up sales prices. This increase occurred despite significant production adjustments undertaken by solar cell manufacturers in the second half of fiscal 2012. Thick film circuit substrates enjoyed slightly higher sales in line with a rebound in automobile-related demand. At the same time, sales of gypsum with strong demand in China and ceramic cores for generator turbines increased. However, sales of vacuum fluorescent displays (VFDs) decreased, reflecting the elimination of unprofitable products and strong yen rates. Despite steady sales of ceramic materials, domestic and export-related sales of electronic ceramic materials dropped significantly because of a slump in the electronics industry. As a result, consolidated net sales for the Ceramics & Materials Group fell 11.1% year on year to ¥35,480 million.

Breakdown of Sales



Sales

(Millions of yen)

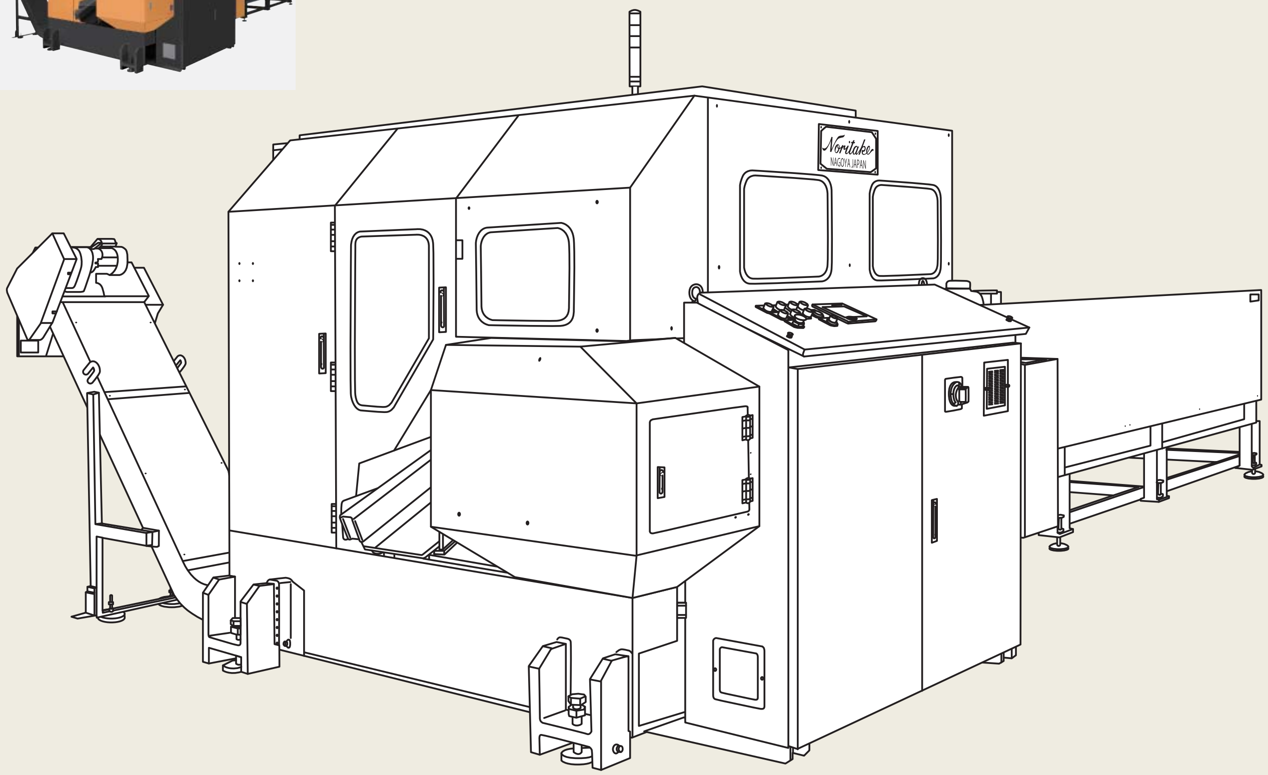


Business Strategy

In regard to electronic pastes, we will work to establish differentiated technologies for use in solar cells while promoting the development of applications in numerous fields. In addition, Noritake will take steps to improve sales of gypsum in Asia through the early completion of construction to expand production facilities operated by its Thailand-based subsidiary. Regarding such products as thick film circuit substrates and ceramic cores, we will reduce costs while promoting increases in sales and earnings.

Engineering

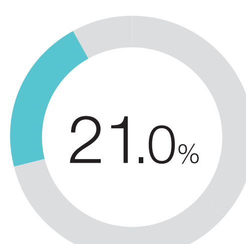
"Thin Cut Master": Carbide Tipped Circular Sawing Machine



Business Status

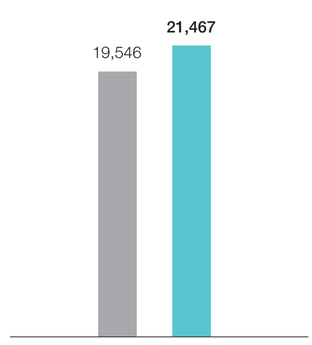
In the mainstay heat technology business, favorable sales related to lithium-ion battery electrode materials led to higher overall sales, in spite of the slump in the electronics industry. The fluid technology business experienced higher sales of coolant filtration equipment used in the bearing and machine tool industries as well as inline-mixing equipment for the chemical and food industries. Despite weak sales of grinding machines in the steel industry, the machinery business enjoyed a rebound in sales mainly on the back of overseas demand for carbide tipped circular sawing machines. As a result, consolidated net sales for the Engineering Group increased 9.8% year on year to ¥21,467 million.

Breakdown of Sales



Sales

(Millions of yen)



Business Strategy

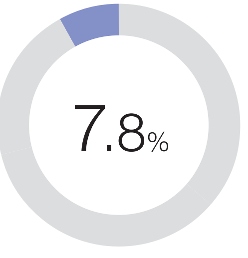
Noritake will promote new product development in the field of kilns and dry furnaces for use in the highly promising new energy field. In addition, we will take steps to reduce costs and improve price competitiveness by expanding overseas procurement including filtration equipment and grinding machines.

"ISLAY": Noritake Bone China

Business Status

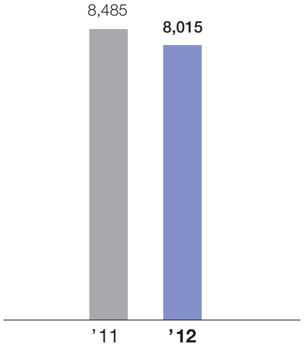
In Japan, sales fell due to persistently harsh conditions in relation to mainstay department stores, hotels and restaurants, while sales to airlines rose. Announcing the launch of high-end items in October 2011 as well as new luxury and casual tableware in December 2011, Noritake began making renewed efforts to develop domestic markets. Although sales in Asia were favorable, overseas sales were weak overall due to sluggish consumption in Europe and the strong yen. As a result, the Tabletop Group posted a year-on-year decline in consolidated net sales of 5.5% to ¥8,015 million.

Breakdown of Sales



Sales

(Millions of yen)



Business Strategy

Noritake will work to expand sales of its luxury and casual tableware brand "Cher Blanc", which was released at the end of the previous fiscal year. At the same time, we will focus on improving brand power and increasing orders by developing and releasing high-end items. Overseas, we will begin building distribution channels in emerging markets in Asia, particularly China, while reducing costs and improving profits mainly by boosting production yields.

1. "Masterpiece Collection"

Noritake launched the "Masterpiece Collection" with an event at the Imperial Hotel Tokyo on October 13, 2011. The "Masterpiece Collection" signifies our lineup of high-end tableware created using advanced technologies and techniques, accumulated in Noritake's history of more than 100 years.

During this event, we showcased two different types of tea sets "Queen's Garden" bone china and "Kingin Sai Hoo Mon" white porcelain (featuring phoenix decoration in gold and silver). Through these two new products, we aim to make the "Masterpiece Collection" a globally unrivaled western-style tableware brand.

True to its name, "Queen's Garden" is characterized by highly sophisticated forms and elegant designs. In addition, "Kingin Sai Hoo Mon", features gold and silver phoenix designs embossed on our newly developed white porcelain, expressing the essence of Japan through our uniquely creative worldview.


"Queen's Garden"


"Kingin Sai Hoo Mon"

2. Expansion of Gypsum Facility in Thailand

Noritake has expanded its Thailand gypsum facility operated by The Siam Moulding Plaster Co., Ltd. (SMP). The increasing production in recent years of sanitary ware and ceramic ware throughout Southeast Asia has led to a drastic increase in the demand for gypsum moulding plaster. Moreover, the current building boom in Thailand is also expected to create high demand for building materials in which gypsum is used. The purpose of our facility expansion, therefore, is to accommodate this increasing demand for gypsum.

Overview of facility expansion

	After expansion	Before expansion
Facility space	16,900m^2	9,850m^2
Employees	Approx. 180	Approx. 150
Production capacity	81,000t/year	54,000t/year
Investment amount	¥1 billion	


Expanded Gypsum Facility at SMP

3. Construction of a Grinding Wheel Plant in Suzhou, China

China boasts over 40% of the global share of crude steel production. This has generated significant demand for resinoid grinding wheels, especially snagging wheels used in steel milling. This high demand for these specialized grinding wheels is covered by importing in China. To address this need and enhance competitiveness, Noritake will promote local production of grinding wheels. This represents a shift away from the previous business model of exporting grinding wheels from Japan to cover Chinese market demand with local production. Through these efforts, we aim to expand grinding wheel business operations that target China's burgeoning steel industry.

1) Company name	Noritake Abrasives (Suzhou) Co., Ltd.
2) Location	Suzhou City, Jiangsu Province, China
3) Capital	US$13.7 million (approx. ¥1.1 billion)
4) Investment ratio	Noritake: 70%
	Carbo Tzujan Industrial Co., Ltd.: 30%
5) Investment plan	US$14.8 million (approx. ¥1.2 billion)
6) Sales projections	Initial year: approx. ¥200 million
	Fiscal 2017: approx. ¥1 billion

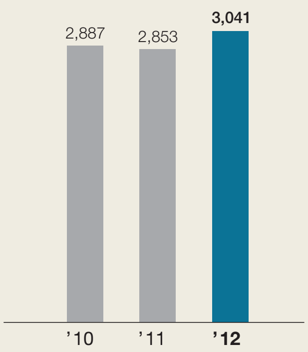

Noritake Abrasives (Suzhou) Co., Ltd.

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 Strategic Development Projects 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 ¥3,041 million in the fiscal year under review.

R&D activities by business segment were as follows.

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 ¥496 million.

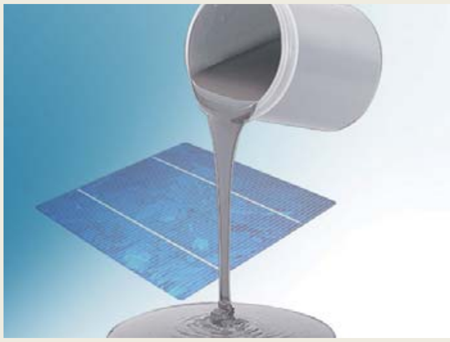
Industrial Products

"Gear Ace": Vitrified-bonded Wheel for Gear Grinding

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 ¥790 million in the fiscal year under review.

Ceramics & Materials



"Maxsunny": Paste for Solar Cells

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

In the ceramics business, we promoted the ongoing development of high-performance ceramic carriers for chemical plants and thick-film, multi-layer substrates for automobiles. 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 multi-layer ceramic capacitors, zirconium materials, high-purity silica and materials used in fuel cells.

Moreover, Noritake Itron Corporation—a leading manufacturer of VFD tubes and VFD module products—is currently developing a VFD message display, mainly used in stores, information and reception displays in public places, and disaster-related wireless systems.

The R&D expenditures in this segment were ¥1,443 million.

Engineering

"Thin Cut Master": Carbide Tipped Circular Sawing Machine

The Engineering segment conducts research into products and equipment for future growth fields that include batteries and other energy related products.

The R&D expenditures in this segment amounted to ¥244 million.

Tabletop

"ISLAY": Noritake Bone China

The Tabletop segment continues to work to develop new decorating technology and enhance the quality of porcelain.

The R&D expenditures in this segment totaled ¥66 million in fiscal 2012.

(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 Corporation 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 Corporation 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 Corporation 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 a "company with committees" 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 2007, 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.

(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 (comprising four personnel) 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, Noritake's accounting auditors maintain their independence and confirm the implementation of appropriate audits. The Board of Auditors 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.

Noritake's independent auditor is KPMG AZSA LLC as established by contractual ties, 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 Kanemaru Yasui

CPA Chika Matsumoto

CPA Hideki Saito

(Assistants)

13 CPAs and 10 others

(3) OUTSIDE DIRECTORS AND AUDITORS

Noritake has two outside auditors.

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

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

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 corporate auditors with the expectation that they will perform 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 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 auditor in accordance with the provisions of Article 423-1 of the Corporation 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. On the grounds that audits are implemented by two outside auditors, Noritake has not elected any outside directors as the external management oversight function is adequately performed by the system that is in place.

(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	360	284	—	—	76	11
Auditor (excl. outside auditors)	40	32	—	—	8	3
Outside auditor	21	16	—	—	4	2

(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	57	8	55	2
Consolidated subsidiary	21	—	21	—
Total	78	8	76	2

(ii) Other significant details regarding compensation

Noritake Co., Inc., a Noritake subsidiary, paid compensation based on audit certification services of ¥18 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 ¥20 million.

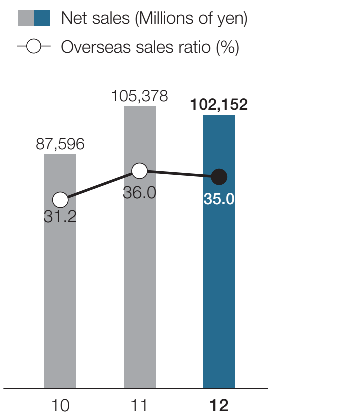
(iii) Details of non-auditing services provided to the Company by the independent auditor

In the year ended March 31, 2012, the Company paid compensation to its CPA for such non-auditing services as advisory services in connection with the introduction of International Financial Reporting Standards (IFRS) and the drawing up of papers, such as letters of comfort on the issuance of corporate bonds.

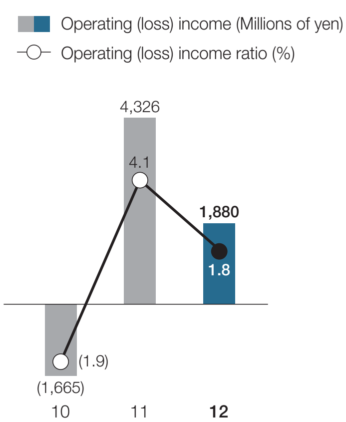
(iv) Policy for determining compensation to independent auditors

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.

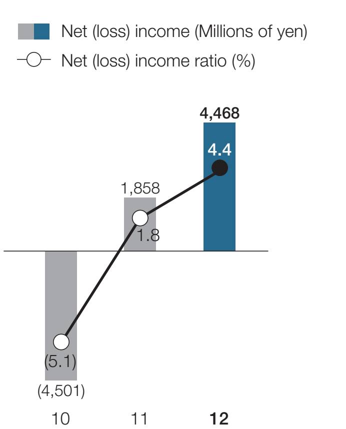
Net Sales & Overseas Sales Ratio



Operating Income (Loss) & Operating Income (Loss) Ratio



Net Income (Loss) & Net Income (Loss) Ratio



SCOPE OF CONSOLIDATION

Composed of 28 subsidiaries and 8 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 externally by four subsidiaries and one associate, while diamond tool manufacturing is undertaken externally by one subsidiary.

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 sales activities in Japan and overseas, the Industrial Products Segment's domestic sales are primarily handled by Zen Noritake Co., Ltd. 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.

In addition, the Noritake associate Nippon Resibon Corporation, engages in the manufacture and sale of grinding wheels.

CERAMICS & MATERIALS SEGMENT

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

In the area of the Company's domestic and overseas sales activities, actual sales are conducted by the integrated manufacturing and sales subsidiary Noritake Itron Corporation. 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 these products both in Japan and overseas.

Moreover, the Company's associate, Kuraray Noritake Dental Holdings Co., Limited, which has its own subsidiaries, Kuraray Medical Inc. and Noritake Dental Supply Co., Limited, 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. Noritake engages in sales activities in Japan and overseas.

In addition to the Company's sales activities in Japan and overseas, the U.S.-based Noritake Co., Inc. conducts 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, a Noritake subsidiary engages in sales in Japan, while 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., Ltd, two subsidiaries and one associate. Philippines-based Noritake Porcelana Mfg., Inc., which is currently in the process of liquidation, also engages in these operations.

PERFORMANCE ANALYSIS

Consolidated net sales declined 3.1% year on year to ¥102,152 million. The cost of goods sold rose 2.1% year on year to ¥77,983 million due to rising material costs. Selling, general and administrative expenses decreased 9.6% year on year to ¥22,289 million. As a result, operating income declined to ¥1,880 million from ¥4,326 million in the previous fiscal year.

Other income climbed to ¥4,092 million, a ¥4,715 million turnaround from other expenses totaling ¥623 million in the previous fiscal year. Major contributing factors included gain on sales or disposals of property and equipment and gain on changes in equity of associate.

As a result of the aforementioned, income before income taxes and minority interests amounted to ¥5,972 million. After accounting for income taxes and minority interests, net income totaled ¥4,468 million, and net income per share rose to ¥31.99.

FINANCIAL POSITION ANALYSIS

Total assets stood at ¥117,735 million, up 1.4%, or ¥1,609 million, from the previous fiscal year-end. Current assets totaled ¥63,848 million, down ¥1,495 million, while non-current assets amounted to ¥53,887 million, up ¥3,104 million. Major factors contributing to the increase in total assets included an increase in investments in unconsolidated subsidiaries and associates that exceeded decreases in cash and cash equivalents and inventories.

Total liabilities as of March 31, 2012 stood at ¥48,839 million, a decrease of 3.7% year on year, or ¥1,858 million. This change was primarily attributable to decreases in notes and accounts payable and deferred tax liabilities.

Total net assets at March 31, 2012 amounted to ¥68,896 million, up 5.3% year on year, or ¥3,467 million. Major factors for the rise were increases in retained earnings and minority interests, which offset a decrease in accumulated other comprehensive income. As a result, shareholders' equity per share totaled ¥434.14, up ¥22.85 compared with the previous consolidated fiscal year-end. The capital ratio improved to 51.5% from 49.5% at the previous fiscal year-end.

CASH FLOW ANALYSIS

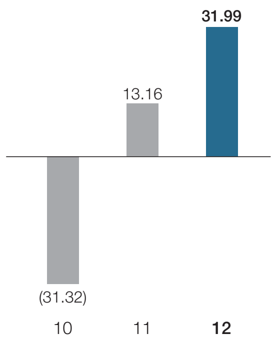
As of March 31, 2012, cash and cash equivalents stood at ¥13,813 million, a year on year decrease of ¥1,952 million.

Net cash provided by operating activities decreased ¥3,956 million year on year to ¥3,338 million. Contributing factors included a gain on sales or disposals of property and equipment of ¥2,401 million and a decrease in trade payables of ¥1,472 million, both of which offset a year-on-year increase in income before income taxes and minority interests of ¥2,269 million.

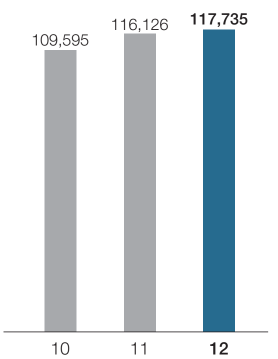
Net cash used in investing activities increased ¥290 million year on year to ¥4,127 million. Despite a decrease in property and long-term investments totaling ¥3,727 million, major contributors to this rise were payments for investments in unconsolidated subsidiaries of ¥1,256 million and increase in short-term investments amounting to ¥1,412 million.

Net cash used in financing activities amounted to ¥1,033 million compared with ¥700 million provided by financing activities in the previous fiscal year. Major contributors were the absences of proceeds from issuance of bonds and increase in long-term debt. In the previous fiscal year, proceeds from issuance of bonds and increase in long-term debt totaled ¥9,949 million and ¥4,000 million, respectively. The negative turnaround occurred without the repayment of long-term debt (which amounted to ¥2,200 million in the previous fiscal year), with a ¥1,088 million decline year on year in outflows for the purchase of treasury stock and fractional shares, and with a reduction of ¥9,446 million in the net decrease in short-term borrowings compared with the previous fiscal year.

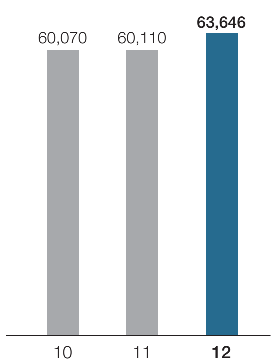
Net Income (Loss) per Share
(Yen)



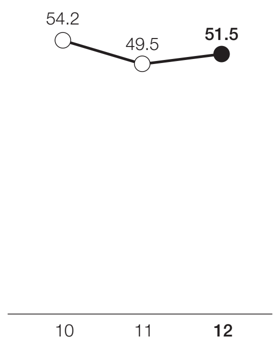
Total Assets
(Millions of yen)



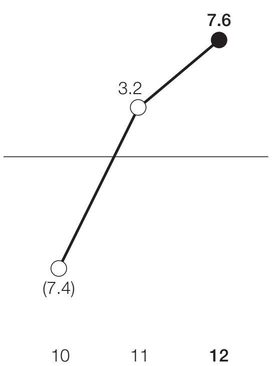
Total Shareholders' Equity
(Millions of yen)



Capital Ratio
(%)



Return on Equity
(%)



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 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, 2012, the balance of short-term borrowings totaled ¥1,634 million, most of which is denominated in yen, with the remainder in five 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, 2012, the balance of long-term debt amounted to ¥20,290 million.

BUSINESS AND OTHER RISKS

Raw Material and Fuel Price Risk

The Noritake Group conducts operations centered on ceramic engineering. 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 Tabletop Group and the Ceramics & Materials 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 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, 2012.

CONSOLIDATED BALANCE SHEETS

NORITAKE CO., LIMITED and Consolidated Subsidiaries
March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
Assets:			
Current assets:			
Cash and cash equivalents (Note 3)	¥ 13,813	¥ 15,765	$ 168,451
Short-term investments (Notes 3 and 6)	2,655	1,284	32,378
Notes and accounts receivable, net of allowance for doubtful accounts (Notes 3 and 4)	30,369	29,979	370,354
Inventories (Note 5)	14,848	15,551	181,073
Deferred tax assets (Note 14)	315	445	3,841
Other current assets	1,848	2,319	22,537
Total current assets	63,848	65,343	778,634
Investments and other assets:			
Investment securities (Notes 3 and 6)	15,881	15,822	193,671
Investments in unconsolidated subsidiaries and associates (Note 3)	5,530	1,569	67,439
Deferred tax assets (Note 14)	136	341	1,659
Other	2,206	2,919	26,902
Total investments and other assets	23,753	20,651	289,671
Property, plant and equipment:			
Land	11,588	12,011	141,317
Buildings and structures	32,317	32,743	394,110
Machinery and equipment	39,777	40,180	485,085
Construction in progress	1,914	807	23,342
Total property, plant and equipment	85,596	85,741	1,043,854
Less accumulated depreciation	(55,462)	(55,609)	(676,366)
Net property, plant and equipment	30,134	30,132	367,488
Total assets	¥117,735	¥116,126	$1,435,793
Liabilities:			
Current liabilities:			
Short-term borrowings (Notes 3 and 8)	¥ 1,634	¥ 1,616	$ 19,927
Current portion of long-term debt (Notes 3 and 8)	44	44	536
Notes and accounts payable (Notes 3 and 7)	18,232	19,005	222,341
Accrued expenses (Note 3)	3,237	2,624	39,476
Income taxes payable (Note 3)	537	857	6,549
Other current liabilities	871	1,495	10,622
Total current liabilities	24,555	25,641	299,451
Long-term liabilities:			
Long-term debt (Notes 3 and 8)	20,290	20,328	247,439
Employee retirement benefit liability (Note 9)	1,193	1,477	14,549
Accrued severance indemnities for directors and corporate auditors	807	737	9,841
Deferred tax liabilities (Note 14)	1,817	2,326	22,159
Other noncurrent liabilities	177	188	2,159
Total long-term liabilities	24,284	25,056	296,147
Total liabilities	48,839	50,697	595,598
Net assets (Note 13):			
Shareholders' equity:			
Common stock: 397,500,000 shares authorized and 158,428,497 shares issued	15,632	15,632	190,634
Capital surplus	18,833	18,833	229,671
Retained earnings	36,815	33,257	448,963
Less treasury stock, at cost: 18,827,051 shares in 2012 and 18,728,054 shares in 2011	(7,634)	(7,612)	(93,097)
Total shareholders' equity	63,646	60,110	776,171
Accumulated other comprehensive income	(3,039)	(2,652)	(37,061)
Minority interests	8,289	7,971	101,085
Total net assets	68,896	65,429	840,195
Total liabilities and net assets	¥117,735	¥116,126	$1,435,793

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME

NORITAKE CO., LIMITED and Consolidated Subsidiaries
For the Years Ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
Operating revenue:			
Net sales (Note 15)	¥102,152	¥105,378	$1,245,756
Operating costs and expenses:			
Cost of goods sold	77,983	76,388	951,012
Selling, general and administrative expenses	22,289	24,664	271,817
	100,272	101,052	1,222,829
Operating income	1,880	4,326	22,927
Other income (expenses):			
Interest and dividend income	386	333	4,707
Interest expense	(155)	(157)	(1,890)
Impairment loss on fixed assets	(126)	(92)	(1,537)
Gain (loss) on sales or disposals of property and equipment	2,401	(371)	29,280
Equity in net earnings of associates	339	242	4,134
Gain on changes in equity of associate (Note 2(a))	990	—	12,073
Loss on financial support to subsidiaries and associates	—	(200)	—
Other, net	257	(378)	3,135
	4,092	(623)	49,902
Income before income taxes and minority interests	5,972	3,703	72,829
Income taxes (Note 14):			
Current	924	1,095	11,268
Deferred	73	126	890
Total income taxes	997	1,221	12,158
Income before minority interests	4,975	2,482	60,671
Less minority interests in net income of consolidated subsidiaries	507	624	6,183
Net income	¥ 4,468	¥ 1,858	$ 54,488
		Yen	U.S. dollars
Per share:			
Net income	¥ 31.99	¥ 13.16	$ 0.39
Cash dividends	8.00	5.00	0.10

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

NORITAKE CO., LIMITED and Consolidated Subsidiaries
For the Years Ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
Income before minority interests:	¥4,975	¥2,482	$60,671
Other comprehensive income (Note 17):			
Net changes in unrealized gains on available-for-sale securities	60	(1,103)	732
Net changes in foreign currency translation adjustments	(506)	(961)	(6,171)
Share of other comprehensive income of associates accounted for using equity method	(47)	(1)	(573)
Total other comprehensive income	(493)	(2,065)	(6,012)
Comprehensive income:	¥4,482	¥ 417	$54,659
Comprehensive income attributable to:			
Owners of the parent	¥4,080	¥ (122)	$49,756
Minority interests	402	539	4,903
Total comprehensive income:	¥4,482	¥ 417	$54,659

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

NORITAKE CO., LIMITED and Consolidated Subsidiaries
For the Years Ended March 31, 2012 and 2011

		Shareholders' equity				
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
						Millions of yen
Balance at April 1, 2010	158,428,497	¥15,632	¥18,833	¥32,109	¥(6,504)	¥60,070
Net income for the year	—	—	—	1,858	—	1,858
Cash dividends	—	—	—	(708)	—	(708)
Purchases of treasury stock and fractional shares, net	—	—	—	(2)	(1,108)	(1,110)
Net changes in items other than shareholders' equity	—	—	—	—	—	—
Balance at March 31, 2011	158,428,497	15,632	18,833	33,257	(7,612)	60,110
Net income for the year	—	—	—	4,468	—	4,468
Cash dividends	—	—	—	(908)	—	(908)
Purchases of treasury stock and fractional shares, net	—	—	—	(2)	(22)	(24)
Net changes in items other than shareholders' equity	—	—	—	—	—	—
Balance at March 31, 2012	**158,428,497**	**¥15,632**	**¥18,833**	**¥36,815**	**¥(7,634)**	**¥63,646**
						Thousands of U.S. dollars (Note 1)
Balance at March 31, 2011		$190,634	$229,671	$405,573	$(92,829)	$733,049
Net income for the year		—	—	54,488	—	54,488
Cash dividends		—	—	(11,073)	—	(11,073)
Purchases of treasury stock and fractional shares, net		—	—	(25)	(268)	(293)
Net changes in items other than shareholders' equity		—	—	—	—	—
Balance at March 31, 2012		**$190,634**	**$229,671**	**$448,963**	**$(93,097)**	**$776,171**

	Accumulated other comprehensive income				
	Net unrealized gains on available-for-sale securities	Foreign currency translation adjustments	Total accumulated other comprehensive income	Minority interests	Total net assets
					Millions of yen
Balance at April 1, 2010	¥3,819	¥(4,491)	¥ (672)	¥7,313	¥66,711
Net income for the year	—	—	—	—	1,858
Cash dividends	—	—	—	—	(708)
Purchases of treasury stock and fractional shares, net	—	—	—	—	(1,110)
Net changes in items other than shareholders' equity	(1,034)	(946)	(1,980)	658	(1,322)
Balance at March 31, 2011	2,785	(5,437)	(2,652)	7,971	65,429
Net income for the year	—	—	—	—	4,468
Cash dividends	—	—	—	—	(908)
Purchases of treasury stock and fractional shares, net	—	—	—	—	(24)
Net changes in items other than shareholders' equity	105	(492)	(387)	318	(69)
Balance at March 31, 2012	**¥2,890**	**¥(5,929)**	**¥(3,039)**	**¥8,289**	**¥68,896**
					Thousands of U.S. dollars (Note 1)
Balance at March 31, 2011	$33,964	$(66,305)	$(32,341)	$ 97,207	$797,915
Net income for the year	—	—	—	—	54,488
Cash dividends	—	—	—	—	(11,073)
Purchases of treasury stock and fractional shares, net	—	—	—	—	(293)
Net changes in items other than shareholders' equity	1,280	(6,000)	(4,720)	3,878	(842)
Balance at March 31, 2012	**$35,244**	**$(72,305)**	**$(37,061)**	**$101,085**	**$840,195**

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

NORITAKE CO., LIMITED and Consolidated Subsidiaries
For the Years Ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 5,972	¥ 3,703	$ 72,829
Adjustments for:			
Depreciation	3,460	3,677	42,195
Impairment loss on fixed assets	126	92	1,537
Gain on changes in equity of associate	(990)	—	(12,073)
(Gain) loss on sales or disposals of property and equipment	(2,401)	371	(29,280)
Decrease in employee retirement benefit liability	(258)	(265)	(3,147)
Increase in trade receivables	(1,118)	(2,640)	(13,634)
Decrease (increase) in inventories	417	(3,367)	5,085
(Decrease) increase in trade payables	(1,472)	5,418	(17,951)
Other, net	468	755	5,707
Subtotal	4,204	7,744	51,268
Interest and dividends received	404	400	4,927
Interest paid	(151)	(153)	(1,842)
Income taxes paid	(1,119)	(697)	(13,646)
Net cash provided by operating activities	3,338	7,294	40,707
Cash flows from investing activities:			
Increase in property, plant and equipment	(3,993)	(3,321)	(48,695)
Increase in long-term investments and loans receivable	(327)	(356)	(3,988)
Purchase of investment in subsidiaries	(700)	(57)	(8,537)
Payments for investments in unconsolidated subsidiaries	(1,256)	—	(15,317)
Decrease in property and long-term investments	3,727	142	45,451
Increase in short-term investments	(1,412)	(163)	(17,219)
Other, net	(166)	(82)	(2,024)
Net cash used in investing activities	(4,127)	(3,837)	(50,329)
Cash flows from financing activities:			
Increase in long-term debt	—	4,000	—
Repayment of long-term debt	—	(2,200)	—
Proceeds from issuance of bonds	—	9,949	—
Net decrease in short-term borrowings	(19)	(9,465)	(232)
Dividends paid	(908)	(708)	(11,073)
Purchase of treasury stock and fractional shares	(25)	(1,114)	(305)
Proceeds from contributions from minority interests	—	309	—
Other, net	(81)	(71)	(988)
Net cash (used in) provided by financing activities	(1,033)	700	(12,598)
Effect of exchange rate changes on cash and cash equivalents	(130)	(226)	(1,585)
Net (decrease) increase in cash and cash equivalents	(1,952)	3,931	(23,805)
Cash and cash equivalents at beginning of year	15,765	11,834	192,256
Cash and cash equivalents at end of year	¥13,813	¥15,765	$168,451

See accompanying 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, 2012, which was ¥82 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, 2012 and 2011 was as follows:

	2012	2011
Consolidated subsidiaries:		
Domestic	9	12
Overseas	11	11
Associates accounted for by the equity method	4	3
Unconsolidated subsidiaries stated at cost	8	6
Associates stated at cost	4	5

During the years ended March 31, 2012 and 2011, respectively, two domestic wholly-owned consolidated subsidiaries were merged into the Company in order to concentrate management resources and make the structure of the Noritake Group more efficient. These transactions were accounted for using accounting treatment for business combinations under the common control in accordance with "Accounting Standard for Business Combinations" (originally issued by the Business Accounting Council of Japan ("BAC") and revised by Accounting Standards Board of Japan ("ASBJ") as ASBJ Statement No. 21) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10). During the year ended March 31, 2011, one domestic consolidated subsidiary was merged into another domestic consolidated subsidiary, and two overseas consolidated subsidiaries were liquidated.

In addition, on April 13, 2011, the Company and Kuraray Co., Ltd. established a joint holding company, Kuraray Noritake Dental Holdings Co., Ltd. ("KNDH"), which owns the entire shares of Kuraray Medical Inc. ("Kuraray Medical") and Noritake Dental Supply Co., Limited ("Noritake Dental Supply"). After the establishment and as the Company owned 33.3% of the issued shares of KNDH, KNDH became an associate of the Company and was accounted for by the equity method. Effective April 1, 2012, KNDH, Kuraray Medical, and Noritake Dental Supply were integrated into one company, Kuraray Noritake Dental Co., Ltd. As a result, Noritake Dental Supply was excluded from consolidation for the year ended March 31, 2012. As this transaction was accounted for using ASBJ Statement No. 7, "Accounting Standard for Business Divestitures," and ASBJ Guidance No. 10, goodwill of ¥845 million ($10,305 thousand) resulting from the difference of the Company's investment amount over a total net asset value of KNDH was recognized and a gain on changes in equity in the Company's ownership's interest of ¥990 million ($12,073 thousand) was recorded as other income in the accompanying consolidated statements of income for the year ended March 31, 2012.

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 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 permitted by the accounting standard for financial instruments, hedging interest rate swap contracts are accounted for on an accrual basis and recorded net of interest expense generated from borrowings for the hedged items if certain conditions are met. In addition, during the years ended March 31, 2012 and 2011, 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 for overseas consolidated subsidiaries and by the declining balance method for the Company and its domestic consolidated subsidiaries at rates based on the estimated useful life of the asset. Buildings of the Company and its domestic consolidated subsidiaries acquired on and after April 1, 1998, however, are depreciated by the straight-line method.

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 that commenced on and after April 1, 2008, 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. As permitted by the current accounting standard for lease transactions, finance leases as lessee which commenced prior to April 1, 2008 and have been accounted for with accounting treatment similar to that used for operating leases, continue to be accounted for with accounting treatment similar to that used for operating leases with the disclosure of certain "as if capitalized" information. (See also Note 10.)

(i) Impairment of fixed assets

The Company and its domestic consolidated subsidiaries have adopted "Accounting Standard for Impairment of Fixed Assets," issued by BAC 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, 2012 and 2011 as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Buildings	¥126	¥17	$1,537
Land	—	75	—
	¥126	¥92	$1,537

(j) Employee retirement benefits

Employees who terminate their service with the Noritake Group are entitled to retirement benefits determined generally by reference to basic rates of pay at the time of retirement, length of service and the conditions under which the termination occurred. The Noritake Group recognizes retirement benefits, including pension cost and related liability, based principally on the actuarial present value of the projected benefit obligation using the actuarial appraisal approach and the fair value of pension plan assets available for benefits at the fiscal year-end. Unrecognized actuarial differences from changes in the projected benefit obligation or value of pension plan assets resulting from actual amounts being different from projected amounts and from changes in assumptions upon which the projected amounts were based 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 cost is recognized in a single year as incurred.

(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 ¥3,041 million ($37,085 thousand) and ¥2,853 million for the years ended March 31, 2012 and 2011, 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) Directors' bonuses
The Noritake Group has adopted ASBJ Statement No. 4, "Accounting Standard for Directors' Bonuses." Under the standard, the directors' bonuses, including those for corporate auditors, are accounted for as an expense of the accounting period in which the bonuses accrue.

(q) 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.

(r) 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, 2012 or 2011.

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.

(s) Consolidated statements of comprehensive income
Effective March 31, 2011, the Noritake Group has adopted the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25). As a result of the adoption of this standard, the Noritake Group presented the consolidated statement of comprehensive income in the consolidated financial statements for the years ended March 31, 2012 and 2011.

(t) New accounting standards adopted in the year ended March 31, 2011
Effective from the year ended March 31, 2011, the Company and its domestic consolidated subsidiaries have adopted the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, issued on March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, issued on March 31, 2008). This Standard requires the Noritake Group to recognize a liability for the asset retirement obligation, which is defined as a statutory or similar obligation with regard to the removal of tangible fixed assets and incurred when tangible fixed assets are acquired, constructed, developed or used in an ordinary way together with the removal of hazardous substances, etc., contained in tangible fixed assets, using a method stipulated by law, etc., upon the removal of the tangible fixed assets, even though there may not be any obligation concerning the removal of the tangible fixed assets themselves. As a result, operating income decreased by ¥3 million and income before income taxes and minority interests decreased by ¥161 million for the year ended March 31, 2011 from the amounts that would have been recorded with the previous accounting method.

Effective from the year ended March 31, 2011, the Noritake Group has adopted "Accounting Standard for Business Combination" (ASBJ Statement No. 21) and the related guidance, "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22), "Revised Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7), "Revised Accounting Standard for Equity Methods of Accounting for Investments" (ASBJ Statement No. 16) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10).

(u) New accounting standards adopted in the year ended March 31, 2012
The Noritake Group has adopted the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, issued on December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, issued on December 4, 2009) for accounting changes and corrections of prior period errors made from the fiscal year beginning on April 1, 2011.

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 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 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 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, 2012 and 2011 of financial instruments other than unlisted equity securities for which the fair value was extremely difficult to determine.

	Carrying values	Fair values	Differences
As of March 31, 2012:			Millions of yen
Financial assets:			
Cash and time deposits	¥16,447	¥16,447	¥ —
Trade receivables	30,411	30,411	—
Investment securities:			
Available-for-sale securities	15,350	15,350	—
Investments in associates	1,031	733	(298)
Total	¥63,239	¥62,941	¥(298)
Financial liabilities:			
Short-term borrowings	¥ 1,634	¥ 1,634	¥ —
Trade payables	17,481	17,481	—
Payables included in accrued expenses	1,751	1,751	—
Income taxes payable	537	537	—
Bonds payable	10,000	10,074	74
Long-term bank loans, including current portion	10,200	10,201	1
Total	¥41,603	¥41,678	¥ 75
Derivative instruments	—	—	—

	Carrying values	Fair values	Differences
As of March 31, 2011			Millions of yen
Financial assets:			
Cash and time deposits	¥17,029	¥17,029	¥ —
Trade receivables	29,915	29,915	—
Investment securities:			
Available-for-sale securities	15,259	15,259	—
Investments in associates	992	727	(265)
Total	¥63,195	¥62,930	¥(265)
Financial liabilities:			
Short-term borrowings	¥ 1,616	¥ 1,616	¥ —
Trade payables	18,378	18,378	—
Payables included in accrued expenses	1,360	1,360	—
Income taxes payable	857	857	—
Bonds payable	10,000	9,871	(129)
Long-term bank loans, including current portion	10,200	10,152	(48)
Total	¥42,411	¥42,234	¥(177)
Derivative instruments	—	—	—

As of March 31, 2012:	Carrying values	Fair values	Differences
			Thousands of U.S. dollars
Financial assets:			
Cash and time deposits	$200,573	$200,573	$ —
Trade receivables	370,866	370,866	—
Investment securities:			
Available-for-sale securities	187,195	187,195	—
Investments in associates	12,573	8,939	(3,634)
Total	$771,207	$767,573	$(3,634)
Financial liabilities:			
Short-term borrowings	$ 19,927	$ 19,927	$ —
Trade payables	213,183	213,183	—
Payables included in accrued expenses	21,354	21,354	—
Income taxes payable	6,549	6,549	—
Bonds payable	121,951	122,853	902
Long-term bank loans, including current portion	124,390	124,402	12
Total	$507,354	$508,268	$ 914
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 payable 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 12 for the calculation method for the fair value of derivative instruments such as interest rate swaps or foreign currency forward exchange contracts.
2. Unlisted equity securities of ¥3,667 million ($44,720 thousand) and ¥1,031 million at March 31, 2012 and 2011, 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, 2012:

	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	¥16,447	¥—	¥—	¥—
Trade receivables	30,411	—	—	—
Total	¥46,858	¥—	¥—	¥—
				Thousands of U.S. dollars
Financial assets:				
Cash and time deposits	$200,573	$—	$—	$—
Trade receivables	370,866	—	—	—
Total	$571,439	$—	$—	$—

4. NOTES AND ACCOUNTS RECEIVABLE

As of March 31, 2012 and 2011, notes and accounts receivable consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Trade notes receivable	¥ 5,782	¥ 5,326	$ 70,512
Trade accounts receivable	24,629	24,590	300,354
Other	194	208	2,366
Less allowance for doubtful accounts	(236)	(145)	(2,878)
	¥30,369	¥29,979	$370,354

5. INVENTORIES

As of March 31, 2012 and 2011, inventories consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Merchandise and finished goods	¥ 5,988	¥ 5,768	$ 73,024
Work-in-process	4,657	5,982	56,793
Raw materials and supplies	4,203	3,801	51,256
	¥14,848	¥15,551	$181,073

A write-down of ¥54 million ($659 thousand) was recognized as costs of goods sold for the year ended March 31, 2012, while a reversal of write-down of ¥244 million was recorded as a reduction of the costs of goods sold for the year ended March 31, 2011.

6. INVESTMENTS

As of March 31, 2012 and 2011, short-term investments consisted of time deposits with an original maturity of more than three months.

At March 31, 2012 and 2011, investment securities consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Available-for-sale securities with fair values:			
Equity securities	¥15,350	¥15,259	$187,195
Other securities without fair values	531	563	6,476
	¥15,881	¥15,822	$193,671

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, 2012 and 2011, 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, 2012	¥11,215	¥4,656	¥(521)	¥15,350
As of March 31, 2011	10,908	4,746	(395)	15,259
				Thousands of U.S. dollars
Available-for-sale equity securities:				
As of March 31, 2012	$136,768	$56,781	$(6,354)	$187,195

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 ¥19 million ($232 thousand) and ¥3 million for the years ended March 31, 2012 and 2011, respectively.

7. NOTES AND ACCOUNTS PAYABLE

As of March 31, 2012 and 2011, notes and accounts payable consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Trade notes payable	¥12,003	¥10,283	$146,378
Trade accounts payable	5,478	8,095	66,805
Other	751	627	9,158
	¥18,232	¥19,005	$222,341

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 0.85% and 0.76% per annum for the years ended March 31, 2012 and 2011, respectively.

As of March 31, 2012 and 2011, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Unsecured bonds through December 2015 at a rate of 0.658% per annum	¥10,000	¥10,000	$121,951
Unsecured loans from banks and insurance companies due through July 2015 with interest at an average rate of 0.72% per annum at March 31, 2012	10,200	10,200	124,390
Capitalized lease obligations	134	172	1,634
	20,334	20,372	247,975
Less current portion	(44)	(44)	(536)
	¥20,290	¥20,328	$247,439

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

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2013	¥ 44	$ 536
2014	5,141	62,695
2015	4,125	50,305
2016	11,019	134,378
2017	4	49
Thereafter	1	12
	¥20,334	$247,975

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. EMPLOYEE RETIREMENT BENEFITS

The Noritake Group has defined benefit pension plans and lump-sum retirement benefit plans which substantially cover all employees. Eight domestic consolidated subsidiaries have joined the Company's defined benefit pension plans. A consolidated subsidiary located in the US has a similar defined benefit plan. For the years ended March 31, 2012 and 2011, respectively, one and three domestic consolidated subsidiaries also participated in a certain corporate pension plan under a multi-employer pension program (see note below).

The following table reconciles the benefit liability and net periodic retirement benefit expense as of and for the years ended March 31, 2012 and 2011:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Reconciliation of benefit liability:			
Projected benefit obligation	¥18,679	¥19,137	$227,793
Less fair value of pension plan assets at end of year	(14,119)	(14,267)	(172,183)
Projected benefit obligation in excess of pension plan assets	4,560	4,870	55,610
Unrecognized actuarial differences	(4,094)	(4,268)	(49,927)
	466	602	5,683
Prepaid pension cost	727	875	8,866
Balance of employee retirement benefit liability recognized on the consolidated balance sheets	¥ 1,193	¥ 1,477	$ 14,549

Notes: 1. The projected benefit obligation of certain consolidated subsidiaries with less than 300 employees was calculated using the simplified calculation method permitted by the accounting standard for employee retirement benefits..

2. Some of the Company's domestic consolidated subsidiaries participate in a certain corporate pension plan under a multi-employer pension program established by the subsidiaries together with other employers. As information that would allow a determination of whether the value of the pension plan assets has been reasonably calculated in proportion to the contributions made by the subsidiaries is not available, the Noritake Group records the required contributions as net periodic retirement benefit expense for the period, in accordance with the amended accounting standard for employee retirement benefits, ASBJ Statement No. 14. The above table excluded the portion of the pension plan assets under the multi-employer pension program.

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
	2012	2011	2012
Latest calculation period-end	March 31, 2011:	March 31, 2010:	
Pension plan assets	¥105,046	¥108,492	$1,281,049
Related benefit obligation under program	(132,730)	(136,168)	(1,618,659)
Difference, resulting primarily from unamortized past service cost	¥ (27,684)	¥ (27,676)	$ (337,610)
Ratio of subsidiaries' contributions to total contributions to entire plan	0.3%	0.7%	

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Components of net periodic retirement benefit expense:			
Service cost	¥ 808	¥1,081	$ 9,854
Interest cost	353	367	4,305
Expected return on pension plan assets	(190)	(183)	(2,317)
Amortization of actuarial differences	868	949	10,585
Net periodic retirement benefit expense	¥1,839	¥2,214	$22,427

Major assumptions used in the calculation of the above information for the years ended March 31, 2012 and 2011 were as follows:

	2012	2011
Method attributing the projected benefits to periods of service	Straight-line method	Straight-line method
Discount rate	2.0%	2.0%
Expected rate of return on pension plan assets	2.0%	2.0%
Amortization of actuarial differences	10 years	10 years

10. 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. As disclosed in Note 2(h), finance leases that do not transfer ownership of the leased assets to the lessee and which commenced prior to April 1, 2008 and have been accounted for with accounting treatment similar to that used for operating leases continue to be accounted for with accounting treatment similar to that used for operating leases, with disclosure of certain "as if capitalized" information, and are not capitalized. The aggregate future minimum payments under such finance leases, including imputed interest, and operating leases as of March 31, 2012 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Finance leases:			
Due within one year	¥ 10	¥ 46	$ 122
Due after one year	3	14	37
	¥ 13	¥ 60	$ 159
Operating leases:			
Due within one year	¥ 85	¥ 70	$1,037
Due after one year	133	91	1,622
	¥218	¥161	$2,659

11. CONTINGENT LIABILITIES

There were no contingent liabilities at March 31, 2012 and 2011.

12. DERIVATIVE INSTRUMENTS

At March 31, 2012 and 2011, 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, 2012 and 2011. 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, 2012 and 2011 are summarized as follows:

	Notional principal or contract amounts		
	Total	Over 1 year	Fair value
			Millions of yen
At March 31, 2012:			
Foreign currency exchange contracts (*1):			
Forward - selling	¥ 529	¥ —	*
Forward - buying	135	—	*
Interest rate swap contracts (*2):			
Fixed rate receipt, floating rate payment	3,000	3,000	*
Floating rate receipt, fixed rate payment	1,200	1,200	*

	Notional principal or contract amounts		
	Total	Over 1 year	Fair value
			Millions of yen
At March 31, 2011:			
Foreign currency exchange contracts (*1):			
Forward - selling	¥ 657	¥ —	*
Interest rate swap contracts (*2):			
Fixed rate receipt, floating rate payment	3,000	3,000	*
Floating rate receipt, fixed rate payment	1,200	1,200	*

	Notional principal or contract amounts		
	Total	Over 1 year	Fair value
			Thousands of U.S. dollars
At March 31, 2012:			
Foreign currency exchange contracts (*1):			
Forward - selling	$ 6,451	$ —	*
Forward - buying	1,646	—	*
Interest rate swap contracts (*2):			
Fixed rate receipt, floating rate payment	36,585	36,585	*
Floating rate receipt, fixed rate payment	14,634	14,634	*

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 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.

13. 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 Japanese Corporate Law ("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, 2012 and 2011, 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 ($42,439 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, 2012, the Company paid interim dividends of ¥4.00 per share, amounting to ¥559 million ($6,817 thousand.) In addition, on May 10, 2012, the Board of Directors of the Company resolved to pay cash dividends as an appropriation of retained earnings in the amount of ¥558 million ($6,805 thousand, ¥4.00 per share) to the shareholders as of March 31, 2012. The appropriation was not accrued in the consolidated financial statements as of March 31, 2012.

14. 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, 2012 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Deferred tax assets:			
Intercompany unrealized gains on property	¥ 56	¥ 142	$ 683
Accrued bonuses to employees	564	513	6,878
Employee retirement benefit liability	3,909	4,458	47,671
Accrued severance indemnities for directors and corporate auditors	289	308	3,524
Inventories	450	492	5,488
Net operating loss carryforwards	3,375	5,555	41,159
Other	1,976	2,163	24,097
Less valuation allowance	(6,398)	(8,937)	(78,025)
Total deferred tax assets	4,221	4,694	51,475
Deferred tax liabilities:			
Gain on transfer of investment securities to trusts for retirement benefit plans	2,866	3,289	34,951
Unrealized gains on available-for-sale securities	1,742	2,089	21,244
Other	979	856	11,939
Total deferred tax liabilities	5,587	6,234	68,134
Net deferred tax liabilities	¥1,366	¥1,540	$16,659

As of March 31, 2012 and 2011, deferred tax assets and liabilities were recorded as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Deferred tax assets:			
Current	¥ 315	¥ 445	$ 3,841
Noncurrent	136	341	1,659
Deferred tax liabilities:			
Current	—	—	—
Noncurrent	1,817	2,326	22,159

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, 2012 and 2011, 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, 2012 and 2011 were as follows:

	Percentage of pretax income	
	2012	2011
Japanese statutory tax rate	40.6%	40.6%
Increase (decrease) due to:		
Permanently non-deductible expenses	1.4	1.7
Tax exempt income	(1.9)	(4.5)
Local minimum taxes per capita levy	1.2	2.1
Differences between Japanese and foreign tax rates	(0.5)	(2.5)
Changes in valuation allowances	(13.8)	(4.3)
Tax credit for research and development expenses	0.4	1.3
Equity in net earnings of associates	(2.2)	(1.9)
Gain on change in equity of associate	(6.8)	—
Effect on income tax rate changes	(0.2)	—
Other	(1.5)	0.5
Effective income tax rate	16.7%	33.0%

On December 2, 2011, the "Act for Partial Amendment of the Income Tax Act, etc., for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114, 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction Following the Great East Japan Earthquake" (Act No. 117, 2011) were promulgated. Accordingly, the corporate income tax rate will be lowered and a special restoration surtax will be imposed from the fiscal years beginning on or after April 1, 2012. Therefore, the effective statutory tax rates to calculate deferred tax assets and liabilities are changed from 40.6% to 37.7% for temporary differences which are expected to be reversed during the period from the fiscal year beginning on April 1, 2012 to the fiscal year beginning on April 1, 2014, and to 35.3% for temporary differences which are expected to be reverse from the fiscal years beginning on or after April 1, 2015. As a result of these changes, at March 31, 2012, deferred tax liabilities and net unrealized gains on available-for-sale securities decreased by ¥265 million ($3,232 thousand) and ¥188 million ($2,293 thousand), respectively. For the year ended March 31, 2012, deferred income taxes decreased by ¥77 million ($939 thousand).

15. 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." 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 directly are allocated to each reportable segment.

(c) Information about reported segments:

Information about reported segment income, segment assets and other items for the years ended March 31, 2012 and 2011 was as follows:

	Reported segments						
	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total	Adjustments	Consolidated
							Millions of yen
For the year 2012:							
Net sales:							
External customers	¥37,190	¥35,480	¥21,467	¥8,015	¥102,152	¥ —	¥102,152
Segment income (loss)	902	1,911	(267)	(666)	1,880	—	1,880
Segment assets	31,740	35,769	10,669	7,332	85,510	32,225	117,735
Other items:							
Intersegment sales and transfers	34	258	204	222	718	(718)	—
Depreciation	1,564	1,204	292	400	3,460	—	3,460
Investments in equity-method associates	1,239	2,012	—	168	3,419	—	3,419
Increases in tangible and intangible fixed assets	¥ 1,522	¥ 1,191	¥ 334	¥ 341	¥ 3,388	¥ 1,493	¥ 4,881
For the year 2011:							
Net sales:							
External customers	¥37,422	¥39,925	¥19,546	¥8,485	¥105,378	¥ —	¥105,378
Segment income (loss)	1,326	3,914	(182)	(732)	4,326	—	4,326
Segment assets	28,992	35,943	10,594	7,739	83,268	32,858	116,126
Other items:							
Intersegment sales and transfers	43	231	521	275	1,070	(1,070)	—
Depreciation	1,558	1,391	330	398	3,677	—	3,677
Investments in equity-method associates	1,229	—	—	181	1,410	—	1,410
Increases in tangible and intangible fixed assets	¥ 1,446	¥ 1,009	¥ 140	¥ 280	¥ 2,875	¥ 597	¥ 3,472

	Reported segments						
	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total	Adjustments	Consolidated
							Thousands of U.S. dollars
For the year 2012:							
Net sales:							
External customers	$453,536	$432,683	$261,793	$97,744	$1,245,756	$ —	$1,245,756
Segment income (loss)	11,000	23,305	(3,256)	(8,122)	22,927	—	22,927
Segment assets	387,073	436,207	130,110	89,415	1,042,805	392,988	1,435,793
Other items:							
Intersegment sales and transfers	415	3,146	2,488	2,707	8,756	(8,756)	—
Depreciation	19,073	14,683	3,561	4,878	42,195	—	42,195
Investments to equity-method associates	15,110	24,536	—	2,049	41,695	—	41,695
Increases in tangible and intangible fixed assets	$ 18,561	$ 14,524	$ 4,073	$ 4,159	$ 41,317	$ 18,207	$ 59,524

Notes: 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 of tangible fixed assets 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, 2012 and 2011, net sales and tangible fixed assets about geographic areas were summarized as follows:

	Japan	North America	Europe	Asia	Other	Total
						Millions of yen
Net sales:						
For the year 2012	¥66,361	¥8,622	¥2,332	¥24,222	¥615	¥102,152
For the year 2011	67,433	8,515	2,360	26,439	631	105,378
Tangible fixed assets:						
At March 31, 2012	¥27,843	¥ 620	¥ 10	¥ 1,441	¥220	¥ 30,134
At March 31, 2011	28,049	710	16	1,122	235	30,132

	Japan	North America	Europe	Asia	Other	Total
						Thousands of U.S. dollars
Net sales for the year 2012	$809,281	$105,146	$28,439	$295,390	$7,500	$ 1,245,756
Tangible fixed assets at March 31, 2012	339,549	7,561	122	17,573	2,683	367,488

(3) Information about major customers:

The Noritake Group had no single external customer which accounted for more than 10% of net sales for the year ended March 31, 2012 and 2011.

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

For the years ended March 31, 2012 and 2011, impairment loss on fixed assets was summarized as follows:

	Reported segments						
	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total	Adjustments	Consolidated
							Millions of yen
Impairment loss on fixed assets:							
For the year 2012	¥—	¥—	¥—	¥—	¥—	¥126	¥126
For the year 2011	46	—	—	—	46	46	92

	Reported segments						
	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total	Adjustments	Consolidated
							Thousands of U.S. dollars
Impairment loss on fixed assets:							
For the year 2012	$—	$—	$—	$—	$—	$1,537	$1,537

Note: The “Adjustments” column denotes impairment losses on fixed assets in the Company’s administrative department.

(f) Information about goodwill in reportable segments:

For the years ended March 31, 2012 and 2011, amortization of goodwill, the unamortized balance and gains arising from negative goodwill were summarized as follows:

	Reported segments						
	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total	Adjustments	Consolidated
							Millions of yen
As at or for the year 2012:							
Amortization of goodwill or negative goodwill	¥—	¥—	¥ 6	¥—	¥ 6	¥—	¥ 6
Unamortized balance	—	—	—	—	—	—	—
Gains arising from negative goodwill	—	—	—	—	—	—	—
As at or for the year 2011:							
Amortization of goodwill or negative goodwill	¥—	¥—	¥ 6	¥—	¥ 6	¥—	¥ 6
Unamortized balance	—	—	6	—	6	—	6
Gains arising from negative goodwill*	—	59	—	—	59	—	59

	Reported segments						
	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total	Adjustments	Consolidated
							Thousands of U.S. dollars
As at or for the year 2012:							
Amortization of goodwill or negative goodwill	$—	$—	$73	$—	$73	$—	$73
Unamortized balance	—	—	—	—	—	—	—
Gains arising from negative goodwill	—	—	—	—	—	—	—

Note: * For the year ended March 31, 2011, the Company recorded gains from negative goodwill arising from the Company's acquisition of additional equity securities of a certain consolidated subsidiary from the minority shareholder, in accordance with the revised accounting standard for business combination (ASBJ Statement No. 21).

16 RELATED PARTY TRANSACTIONS INFORMATION

(a) Related party transactions

There were no significant transactions with related parties for the years ended March 31, 2012 or 2011.

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

A financial summary of Kuraray Noritake Dental Holdings Co., Ltd., which is a significant associate of the Company, as of or for the year ended March 31, 2012 is as follows:

	Millions of yen	Thousands of U.S. dollars
	2012	2012
At March 31, 2012:		
Total current assets	¥5,162	$ 62,951
Total noncurrent assets	7,551	92,085
Total current liabilities	3,842	46,853
Total noncurrent liabilities	3,378	41,195
Total net assets	5,493	66,988
For the year ended March 31, 2012:		
Operating revenue	¥8,222	$100,268
Income before income taxes	2,128	25,951
Net income	1,275	15,549

17. OTHER COMPREHENSIVE INCOME

Amounts reclassified to net income (loss) in the current 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 are as follows:

	Millions of yen	Thousands of U.S. dollars
	2012	2012
Unrealized gains on available-for-sale securities		
Decrease during the year	¥(233)	$(2,841)
Reclassification adjustments	17	207
Subtotal, before tax	(216)	(2,634)
Tax effect	(276)	(3,366)
Subtotal, net of tax	60	732
Foreign currency translation adjustments		
Decease during the year	(506)	(6,171)
Share of other comprehensive income of associates accounted for using equity method		
Decrease during the year	(48)	(585)
Reclassification adjustments	1	12
Subtotal	(47)	(573)
Total other comprehensive income	¥(493)	$(6,012)

18. SUBSEQUENT EVENT

Wholly-owned subsidiary by the share exchange

On May 21, 2012, the Company and its consolidated subsidiary KCM Corporation ("KCM") entered into a stock-for-stock exchange agreement based on a resolution of the respective Boards of Directors of the Company and KCM that will make KCM into a wholly-owned subsidiary of the Company. The stock-for-stock exchange transaction is to be effective August 1, 2012 after obtaining the approval of the annual shareholders meeting of KCM held on June 28, 2012, as it is acceptable without obtaining approval at the Company's shareholders meeting in accordance with the simplified share exchange procedures set forth in Article 796, Paragraph 3, of the Law. In advance of this transaction, the common stock of KCM is scheduled to be delisted from the Nagoya Stock Exchange (the final trading is scheduled for July 26, 2012).

KCM is engaged in mining, refining, manufacture, stocking and sale of ceramic industrial materials, and manufacture and sale of ceramic materials for electric components, as a consolidated subsidiary in the "Ceramic and materials " segment of the Noritake Group. This transaction is planned in order to establish a more stable capital relationship, expand operations and create further synergy in the ceramic and materials business of the Noritake Group. In addition, it is expected to make possible the elimination of potential conflicts of interest concerning the publicly listed parent and make a more efficient business structure through reducing the expense of listing a stock.

In accordance with the stock-for-stock exchange agreement, on August 1, 2012, the Company will issue 16,080,799 shares of the Company's common stock at the exchange rate of 1.75 shares of the Company's common stock for one share of common stock of the minority shareholders of KCM based on the stock exchange ratio calculation results determined by independent appraisers of both companies. This transaction will be accounted for using accounting treatment for business combinations under common control in accordance with ASBJ Statement No. 21 and ASBJ Guidance No. 10.

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, 2012 and 2011, 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, 2012 and 2011, 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 18 of the Notes to Consolidated Financial Statements, which on May 12, 2012, the Company and its consolidated subsidiary, KCM Corporation ("KCM"), entered into a stock-for-stock exchange agreement based on a resolution of the respective Board of Directors of the Company and KCM that will make KCM into a wholly-owned subsidiary of the Company.

Convenience Translation
The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2012 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, 2012
Nagoya, Japan

OVERSEAS NETWORK

(As of June 28, 2012)

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Tel: 86-21-6237-5789 Fax: 86-21-6237-5790

CERAMICS & MATERIALS GROUP

NORITAKE CO., INC.
2635 S. CLEARBROOK DRIVE,
ARLINGTON HEIGHTS, IL 60005, U.S.A.
Tel: 1-847-439-9020 Fax: 1-847-593-2285

ITRON (U.K.) LIMITED
VANTAGE HOUSE, HARFREY'S ROAD,
HARFREY'S INDUSTRIAL ESTATE,
GREAT YARMOUTH, NORFOLK, NR31 0LS,
UNITED KINGDOM
Tel: 44-1493-601144 Fax: 44-1493-600343

NORITAKE EUROPA GmbH
KURHESSENSTRASSE. 3, D-64546
MÖRFELDEN-WALLDORF, GERMANY
Tel: 49-6105-2092-20 Fax: 49-6105-2092-99

THE SIAM MOULDING PLASTER CO., LTD.
NO. 32 MOO7 NONGPLAKRADI ROAD,
NONGPLING, NONGKHAE, SARABURI, 18140,
THAILAND
Tel: 66-36-373578 Fax: 66-36-373577

PT. NORITAKE INDONESIA
BLOK A-II NO. 9A, KAWASAN BERIKAT,
KOTA BUKIT INDAH, PURWAKARTA, 41181,
JAWA BARAT, INDONESIA
Tel: 62-264-351311 Fax: 62-264-351314

NORITAKE CO., LIMITED SHANGHAI OFFICE
ROOM 701 AETNA TOWER NO. 107,
ZUN YI ROAD, CHANG NING DISTRICT,
SHANGHAI, 200051 CHINA
Tel: 86-21-6237-5789 Fax: 86-21-6237-5790

NORITAKE CO., LIMITED TAIPEI OFFICE
7F-2, NO.46, SEC.2, CHUNG SHAN N. RD.,
TAIPEI, 104 TAIWAN R.O.C.
Tel: 886-2-2531-9906 Fax: 886-2-2531-9906

ENGINEERING GROUP

NORITAKE TAIPEI CO., LTD.
NO.37 ALLEY 105, LANE 514, ZHONGZHENG RD.,
XINZHUANG DIST., XINBEI CITY 242, TAIWAN,
R.O.C.
Tel: 886-2-2907-1221 Fax: 886-2-2905-1529

NORITAKE CO., LIMITED SHANGHAI OFFICE
ROOM 701 AETNA TOWER NO. 107,
ZUN YI ROAD, CHANG NING DISTRICT,
SHANGHAI, 200051 CHINA
Tel: 86-21-6237-5789 Fax: 86-21-6237-5790

NORITAKE CO., INC.
2635 S. CLEARBROOK DRIVE,
ARLINGTON HEIGHTS, IL 60005, U.S.A.
Tel: 1-847-439-9020 Fax: 1-847-593-2285

DIRECTORS, CORPORATE AUDITORS AND EXECUTIVE OFFICERS

(As of June 28, 2012)

PRESIDENT
Hitoshi Tanemura*

VICE PRESIDENT
Tadashi Ogura*

DIRECTORS
Kouichi Saburi*
Kazutaka Nakayama
Satoru Shimazaki
Masahiro Nakagawa
Hisaya Ogura
Yoshitaka Mabuchi
Hiroshi Kato

*Representative Director

CORPORATE AUDITORS
Masatoshi Fujii
Yasuyuki Mitsukawa
Yasumasa Gomi
Kazutoyo Shinohara

EXECUTIVE OFFICERS
Hitoshi Tanemura
Tadashi Ogura
Kouichi Saburi
Takashi Horiguchi
Kazutaka Nakayama
Satoru Shimazaki
Masahiro Nakagawa
Hisaya Ogura
Kohei Katoh
Kiichi Hirano
Yoshitaka Mabuchi
Hiroshi Kato
Kenji Hayasaka
Satoshi Aoki
Kozo Kato
Kenji Ito

CORPORATE DATA

(As of June 28, 2012)

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

4,023 (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 28, 2012)

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 cutlery
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 (Pvt.) 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 Abosorbed Noritake Bonded Abrasive Co., Ltd. and Noritake Super Abrasive Co., Ltd.

Caution with respect to forward-looking statements

This annual report includes forward-looking statements pertaining to expectations, plans, strategies, management goals, future performance, expenses, revenues, income and other forecasts formulated on past experiences. Forward-looking statements necessarily entail some degree of uncertainty, and the content conveyed in the results as well as underlying factors identified in the report may differ materially from actual results depending on changes in those factors.

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