

May 9, 2024

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(Securities code: 5331; Tokyo Stock  
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## **Notice Regarding the Introduction of an Annual-Delivery Type Performance-Linked Stock Compensation Plan**

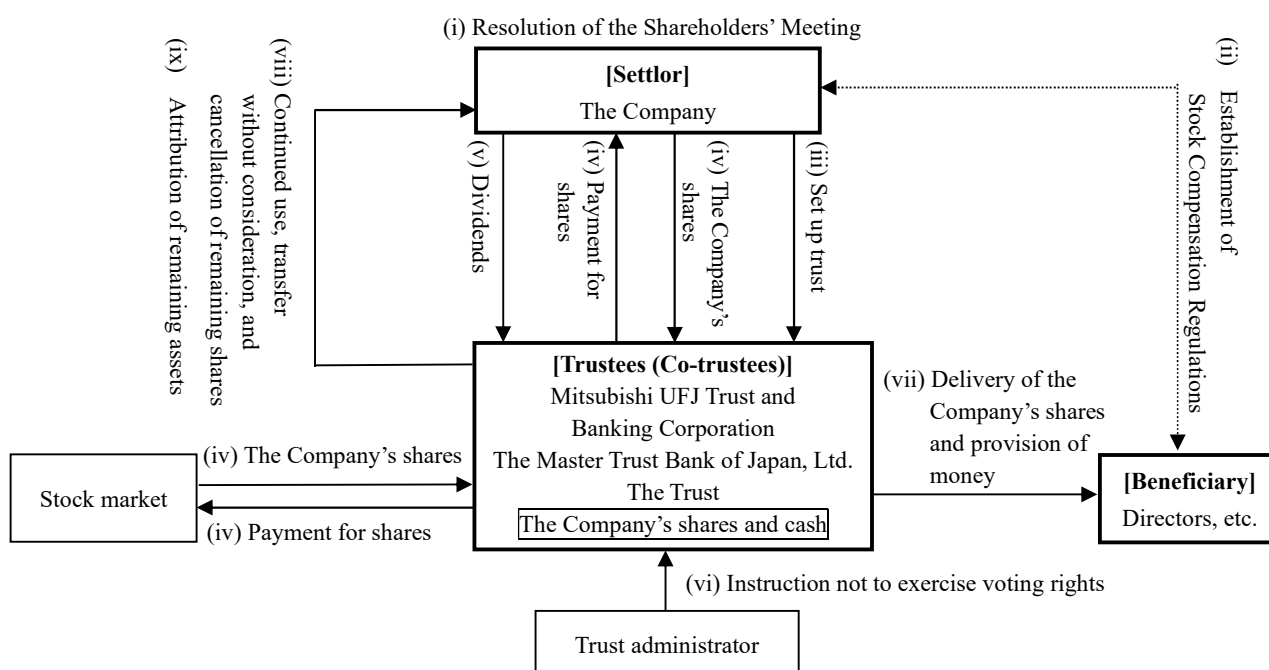
NORITAKE CO., LIMITED (the “Company”), hereby, announces that it has resolved, at a meeting of the Board of Directors held on May 9, 2024, to introduce an annual-delivery type performance-linked stock compensation plan (the “Plan”) for the Company’s Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) and Executive Officers who have met certain requirements (collectively referred to as “Director(s), etc.,” however, excluding non-residents), and to submit the relevant proposal to the 143rd Annual Shareholders’ Meeting to be held on June 24, 2024 (the “Shareholders’ Meeting”), as described below.

### 1. Introduction of the Plan

- (1) The Company will introduce the Plan to encourage the early holding of shares as compensation for Directors, etc. while motivating them to contribute to improving and achieving corporate performance as well as increasing shareholder value.
  - (2) The introduction of the Plan is subject to the approval of the proposal relating to the introduction of the Plan (the “Proposal”) at the Shareholders’ Meeting.
  - (3) The Plan is a separate plan from the performance-linked stock compensation plan whose introduction was approved at the 135th Annual Shareholders’ Meeting held on June 29, 2016 and the re-establishment and continuation of the remuneration framework following the transition to a company with an audit and supervisory committee was approved at the 142nd Annual Shareholders’ Meeting held on June 23, 2023, consisting of delivery, etc., of the Company’s shares, in principle, at the time of retirement (the “Performance-Linked Stock Compensation Plan for Delivery at Retirement”).
- \* Upon introduction of the Plan, the compensation of the Company’s Directors, etc., shall comprise fixed monthly compensation, annual delivery-type performance-linked stock compensation, and the Performance-Linked Stock Compensation for Delivery at Retirement.

## 2. Outline of the Plan

### [The Scheme]



- (i) The Company shall obtain approval regarding executive compensation for the introduction of the Plan at the Shareholders' Meeting.
- (ii) The Company's Board of Directors shall establish rules (Stock Compensation Regulations) on compensation to Directors, etc. related to the Plan.
- (iii) The Company shall contribute money to a trust, beneficiaries of which will be Directors, etc. who satisfy the beneficiary requirements (the "Trust"), within the range approved by resolution of the Shareholders' Meeting.
- (iv) The Trust shall purchase the Company's shares from the stock market or from the Company (disposal of treasury shares), in accordance with the instructions of the trust administrator, using the money entrusted to the Trust in (iii).  
The number of shares to be acquired by the Trust shall be within the range approved by resolution of the Shareholders' Meeting in (i).
- (v) Dividends on the Company's shares held by the Trust will be paid in the same manner as other shares of the Company.
- (vi) The voting rights of the Company's shares held by the Trust shall not be exercised throughout the trust period.
- (vii) During the trust period, points will be granted to Directors, etc., based on their position, the degree to which performance targets were achieved, and other factors, at a specified time each year. Additionally, at a specified time each year, Directors, etc., who satisfy certain beneficiary requirements, will receive delivery of the Company's shares corresponding to a certain ratio of the points granted, and money equivalent to the number of shares corresponding to the remaining number of points, upon conversion into cash within the Trust.

- (viii) Any shares of the Company remaining in the Trust at the time of expiry of the Trust will be transferred to the Company without consideration on the condition of cancellation of the shares. Additionally, any remaining cash will be distributed to the beneficiaries who satisfy certain beneficiary requirements.
- (ix) In the liquidation of the Trust, any remaining assets will belong to the Company within the range of the reserve for trust expenses derived by deducting the funds for purchasing shares from the funds of the Trust.

(1) Outline of the Plan

The Plan is a performance-linked stock compensation plan under which the Company's shares are acquired by a trust established by the Company using cash contributed by the Company. Through the Trust, the Company's shares are delivered and cash equivalent to the amount of the Company's shares converted into cash is paid (the "Share Delivery, etc.") to Directors, etc. on an annual basis, according to the degree of achievement of corporate performance targets, among other factors, based on the Stock Compensation Regulations established by the Company.

Additionally, the upper limit of cash to be contributed to the Trust, the upper limit of the number of the Company shares subject to the Share Delivery, etc. to the Directors, etc., and other required matters shall be resolved at the Shareholders' Meeting.

In continuing the Plan, modifications to the trust agreement at the expiry of the trust period and additional contributions to the Trust shall be determined by resolution of the Board of Directors, within the range approved by resolution of the Shareholders' Meeting.

(i) Persons eligible under the Plan (Persons eligible for the Share Delivery, etc. under the Plan)

- Directors, etc. (Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors), and Executive Officers who meet certain requirements, however, excluding non-residents)
- Survivors of Directors, etc. (excluding non-residents) who meet certain requirements

(ii) Applicable period of the Plan

- The initial period shall be the one business year ending March 31, 2025
- After the expiry of the initial period, the three business years from the business year ending March 31, 2026 to the business year ending March 31, 2028 shall be the applicable period. Thereafter, the applicable period shall be the following three consecutive business years.

(iii) The impact of the Company's shares subject to the Plan on the total number of issued shares

a. Upper limit of cash to be contributed to the Trust:	378 million yen for each applicable period of three business years. However, 126 million yen per business year in the initial period.
b. Upper limit of the number of the Company's shares subject to the Share Delivery, etc. from the Trust:	93 thousand shares for each applicable period of three business years. However, 31 thousand shares per business year in the initial period.
c. The proportion of the upper limit of the number of the Company's shares subject to the Share Delivery, etc. to the total number of issued shares <sup>*1*2</sup> :  <sup>*1</sup> As of March 31, 2024, after the deduction of treasury shares, etc.  <sup>*2</sup> Reflecting the stock split with effect from April 1, 2024.	0.4% <sup>*3</sup> for the applicable period of three business years (The proportion of the upper limit of the number of shares to the total number of issued shares is 0.1% <sup>*3</sup> per business year)  <sup>*3</sup> Rounded up to one decimal place.
d. Method of the acquisition of the Company's shares by the Trust:	Acquisition through the disposal of treasury shares by the Company through a third-party allotment or purchases from the stock market

(iv) How the Plan is linked to performance

- The Plan is linked to the degree of achievement of the corporate performance targets (ROIC in the initial period) set for each business year

(v) The timing and content of the Share Delivery, etc. to Directors, etc.

- a. Timing: Delivery, etc. of shares shall be conducted annually after the corporate performance has been finalized during the business year subject to assessment (Shall mean the one business year ending March 31. Hereinafter the same applies). However, the Company's shares acquired through the Plan shall be continuously held until that time at which one year has elapsed after retirement.
- b. Content: Delivery of the Company's shares and payment of cash equivalent to the amount of the Company's shares converted into cash.

(2) Upper limit of cash to be contributed to the Trust

The Company shall contribute cash to the Trust during the applicable period of three consecutive business years (126 million yen per business year for the initial period) within the upper limit of 378 million yen. Using this contributed cash, the Trust will acquire the Company's shares to be subject to the Share Delivery, etc. to Directors, etc., by means of the disposal of shares by the Company through a third-party allotment or purchases from the stock market.

Even after the expiry of the applicable period, in lieu of setting a new trust, the Trust may be continued by modifying the trust agreement and making additional contributions to the Trust. In such cases, the

three business years after the extension shall be a new applicable period. For each extended trust period, the Company shall make additional contributions within the upper limit of 378 million yen and continue to grant points and make delivery, etc. of the Company's shares to the Directors, etc., during the extended trust period. However, in making additional contributions, if there are any shares of the Company (excluding the Company's shares corresponding to the points granted to the Directors, etc., for which the Share Delivery, etc. has not been completed) and cash remaining in the Trust prior to the extension of the Trust ("Remaining Shares, etc."), the total amount of Remaining Shares, etc., and the trust money to be additionally contributed by the Company shall be within 378 million yen.

(3) Calculation method and the upper limit of the number of the Company's shares subject to the Share Delivery, etc. to Directors, etc.

The number of the Company's shares subject to the Share Delivery, etc. to Directors, etc. shall be calculated based on the points granted to Directors, etc. These points are granted according to position and rank, and shall vary according to the degree of achievement of corporate performance targets.

Under the Plan, on a specified date that has been set as the record date each business year, a standard number of points for the relevant business year that has been set according to position and rank will be granted to Directors, etc., who have satisfied certain conditions. These points shall vary according to the degree of achievement of corporate performance targets (ROIC in the initial period) in the business year subject to assessment.

Under the Plan, the upper limit of the number of the Company's shares subject to the Share Delivery, etc. per business year shall be 31 thousand shares. Accordingly, the upper limit of the number of the Company's shares to be acquired by the Trust for each applicable period of three business years shall be 93 thousand shares.

In the event that the Company's shares undergo a share split, reverse share split, etc., the number of shares corresponding to one point may be adjusted according to the split ratio, reverse split ratio, etc., if it is deemed that the adjustment of the number of points corresponding to shares is fair.

(4) Timing and the content of the Share Delivery, etc. to Directors, etc.

Directors, etc., who meet the beneficiary requirements shall receive the Share Delivery, etc. from the Trust corresponding to the number of points held after the corporate performance has been finalized during the business year subject to assessment.

The Share Delivery, etc. to Directors, etc., shall comprise the delivery of 1) the Company's shares corresponding to a certain ratio of the total points held by the Directors, etc., and 2) the Company's shares corresponding to the remaining points, which shall be converted within the Trust and the cash equivalent to the converted amount shall be paid for use in the payment of income taxes, etc. (As for the cash equivalent of the converted amount, the Company will take the necessary tax payment procedures, and pay the amount remaining after tax payment to the Directors, etc.)

If a Director, etc., passes away during the trust period, the Company's shares equivalent to the points held by such Director, etc. at the time of his or her death will be converted within the Trust and the cash equivalent of the converted amount will be paid to the survivor of such Director, etc., who meets certain

requirements.

(5) Clawback Provisions, etc

Under the Plan, in the event of serious misconduct, violation or other such incident by Eligible Directors arises, the Company may forfeit or expropriate the Eligible Director's rights to receive the Company Shares, etc. under the Plan (malus), or may seek return of money equivalent to the Company Shares, etc. that have been vested (clawback).

(6) Voting rights for the Company's shares within the Trust

The voting rights for the Company's shares within the Trust shall not be exercised during the trust period, in order to ensure the neutrality of management.

(7) Handling of dividends relating to the Company's shares within the Trust

The dividends relating to the Company's shares within the Trust shall be received by the Trust and used to cover the trust fees and trust expenses of the Trust.

(8) Handling at the termination of the Trust

At the termination of the Trust, the Company's shares remaining within the Trust will be transferred to the Company without compensation, as shareholder returns, on the condition that the Company would cancel such shares. In addition, any cash remaining within the Trust at the time of termination will be paid to the beneficiaries of the Trust who have satisfied the beneficiary requirements as stipulated in the trust agreement, upon being used to cover various expenses.