

Human Capital Strategy

Basic approach

We have formulated a new human resource strategy to achieve the Noritake Group's Long-term Vision. This strategy redefines the human resource profile required for executing business strategies and sets out our desired human resource portfolio. This serves as a benchmark for setting specific tasks and formulating and executing measures in recruitment and human resources development. At the same time, we are strengthening our efforts to improve employee engagement*, aiming to enhance and strengthen the company's human capital by cultivating both professional skills and spirit as the two essential elements for working people.

* See page 58 for specific initiatives to improve employee engagement

MESSAGE

Aiming to be a diverse company, we will promote the creation of a system that enables human resources with diverse values to play an active role.



Noritake has formulated a new human resource strategy aimed at achieving the Long-term Vision for 2030. This strategy was created with a focus on balancing business continuity with adaptability to change, redefining Noritake's human resource identity, and contrasting the established human resource portfolio with the current situation.

Our human resource portfolio consists of three categories: those who optimize market needs into seeds, those who discover and create seeds in response to societal needs, and those who manage the outcomes of these efforts to maximize them. Based on this human resource portfolio, we will implement talent management, actively invest in human resources, promote internal environmental improvements, and strengthen our human capital base.

We also determined that our personnel system should be fundamentally reformed to advance our human resource strategy in line with our management vision. The new personnel system, introduced in April 2024, is built on three main pillars.

The first pillar is organizational culture reform. Our former personnel system had become biased toward employees

with long service history over years of operation. We felt that a stronger message was needed to evoke a spirit of challenge among our employees, and we created a system that evaluates the very attitude of taking on difficult challenges, with the aim of fostering a corporate culture that tolerates failure.

The second pillar is the establishment of a system that rewards contribution (roles and performance), which primarily refers to evaluation and compensation. By weakening the seniority element and more closely reflecting employees' contributions (roles and achievements) at given points in their compensation, we have created a system that aligns contributions with rewards.

The third pillar is encouraging the participation of diverse human resources. In addition to promoting active participation by women, it is increasingly necessary for a wide range of human resources to develop and utilize their strengths in order to respond to changes in society and the market. The new system is designed to enable employees to chart career paths based on their individual strengths, supported by a new grading and evaluation system.

By steadily advancing these efforts and fostering a culture that embraces, nurtures, and leverages diversity, and by promoting human resources from a variety of backgrounds, we hope to create a diverse company that creates a wide range of possibilities. By strengthening our human capital, we aim to achieve our Long-term Vision and, ultimately, further growth for the Noritake Group.

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Identity of human resources at Noritake

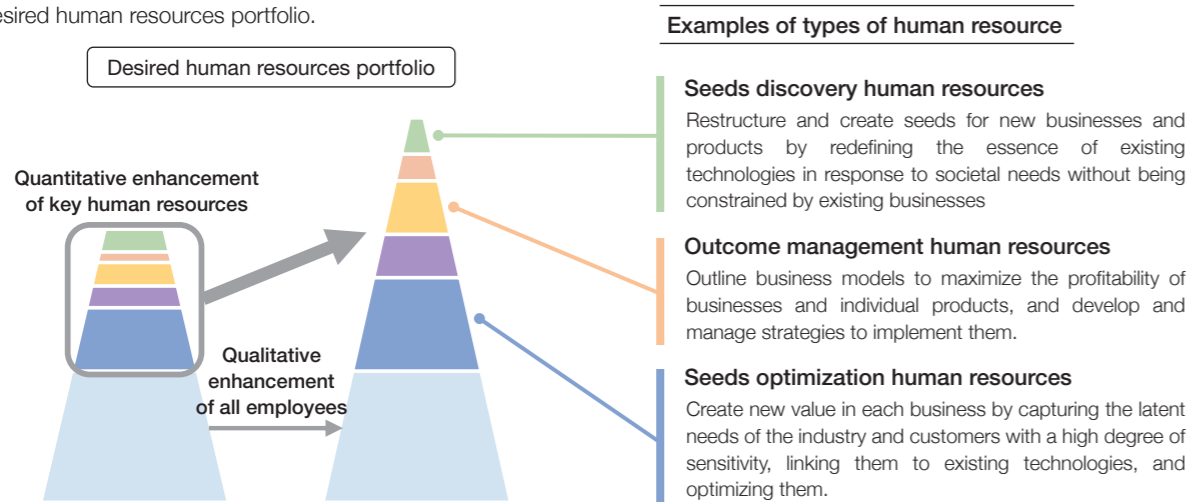
Noritake has applied and developed its ceramics technologies, cultivated through tableware production, in various ways, and has consistently created new value as society changes with the times and demands diversify.

Our unique material and process technologies, which we have inherited and refined, serve as the source of value—or seeds—that we offer to society. We believe the identity of our human resources lies in the ability to optimize and provide seeds to meet market needs and the ability to discover and create new seeds from our unique technologies in response to societal needs.



Human capital strategy linked to business strategy

When formulating our human capital strategy, we first classified the human resources needed to execute our business strategy into several types and established our desired human resources portfolio.



Through a gap analysis comparing the current human resource portfolio (“As is”) with the desired state (“To be”), we established the following human resource strategy:

Human capital strategy

- (1) **Enhancement of human resource investment** to achieve the target human resources portfolio
- (2) **Implementation of talent management system** to secure and foster diverse human resources
- (3) **Revision of personnel system** based on the roles and achievements of diverse human resources*
- (4) **Internal environment improvement** to increase employee engagement and maximize return on human capital investment

* See page 60 for details on the revision of the personnel system

To measure the progress of our human capital strategy, we primarily monitor the following three indicators:

1. Number of personnel with cross-boundary experience

At Noritake, we believe that it is important to gain experience across multiple fields throughout one's career in order to develop the ability to manage results and profits. Therefore, we monitor the number of employees with this multi-disciplinary experience, which we refer to as "cross-boundary experience." This career path is particularly encouraged for department heads and future leadership candidates, and we manage human resources intentionally to provide such cross-boundary experiences.

2. Sufficiency of human resource types

We continuously monitor how well the various human resource types defined in the human resources portfolio are represented in each business, using this as a guide for recruitment and human resource development.

3. Engagement score

To maximize the effectiveness of our investments in human capital, we monitor engagement scores and use them to address organizational issues.

Strengthening human resources investment

In addition to developing and strengthening our existing human resources, we will focus more on securing new human resources in order to achieve our desired human resource portfolio as outlined in our human resource strategy. To incorporate knowledge and specialized skills Noritake does not have, we will strengthen our organizational functions in strategic areas including organic and biotechnology, electronics and semiconductors, and specialized areas such as DX, marketing, finance and legal, by not only hiring but also utilizing outside organizations and personnel.

At the same time, we will invest more aggressively in personnel system reforms and operations, as well as in the talent management system operations, to promote the strengthening of our human capital base.

Revision of the Personnel System

In April 2024, Noritake revised its personnel system.

Under the key themes of diversity, growth, challenge, leadership, and creating new value, the new system reiterates the expected work styles of employees, redefines job grades, and renews the evaluation criteria and standards.

(See page 60 for an overview of the system)

Talent management practices

Design and entrenchment of career path models

We support career design through career education and interviews with supervisors by presenting model career paths so that each employee can develop his or her career in a highly motivated and autonomous manner, while keeping in mind the type of human resources required as the goal.

Active rotation

Since fiscal 2023, Noritake has fully implemented an internal rotation system. To enable employees to achieve the aforementioned career paths, we actively conduct rotations based on each individual's preferences and aptitudes.