

# Tabletop Business



Group General Manager of  
Tabletop Group  
Tomoyuki Katada

**Main products** | Porcelain tableware, other tableware-related products, decorations/works of art, etc.



## Performance in Fiscal 2023

Domestically, while online sales declined due to a slowdown in stay-home demand, sales at our directly operated stores increased thanks to a rise in inbound tourism and domestic tourism. Sales for hotels also recovered and there were large-scale orders. As a result, sales were about the same level as the previous year. Overseas, sales in the US increased due to a recovery in sales to department store, and online sales remained strong. In Asia, while sales to China were affected by

the economic slowdown, sales to other Asian countries remained the same as the previous year. Combined with the favorable exchange rate, overseas sales saw a slight increase overall. As a result, net sales in the tabletop business were 6.968 billion yen (a 0.9% increase from the previous year), with an operating loss of 147 million yen (an operating loss of 277 million yen compared to the previous year).

## Progress of the 12th Three-year Business Plan

Working to achieve the Group's Long-term Vision, our top priority has been achieving profitability. For many years, our Japanese business has been operating at a loss, but we have been steadily working on improving profitability in line with a restructuring plan that started one year before the current mid-term plan. This includes cost reductions and the streamlining of our sales network, and we are beginning to see positive results. In the US, we worked to improve profits by cultivating new customers and expanding sales to existing customers, but we did not achieve profitability. In fiscal 2024, we

aim to further improve profits by reducing expenses, including labor and warehousing costs, cultivating new customers, strengthening online sales and revising prices in line with rising raw material costs.

In our key markets in China and India, inventory adjustments led to stagnation in fiscal 2023. However, because we have built a profitable structure through the implementation of a distributor system and that there is a significant potential in the market, we expect to grow in the future.

## Growth Strategy

Based on the 12th Three-year Business Plan, we are developing a growth strategy and allocating resources with a focus on high-growth potential markets such as China and India. Our product strategy focuses on hotels and restaurants, and we are developing well over a hundred product designs tailored to the needs of individual establishments. In fiscal 2023, we introduced over a hundred new product models to the market. These have been well received, and we have received large-scale orders. These results include the effects of enhanced marketing efforts. In fiscal 2023, we implemented several marketing automation tools. For example, it was extremely

effective for sales staff to increase communication opportunities by delivering information about new products and other information tailored to each customer online, rather than physically visiting each individual restaurant. In line with this era where online sales and digital marketing are the norm, we launched a new sales structure in fiscal 2024. The two sales departments, which used to be divided domestically and overseas, were integrated into the Marketing Department to strengthen both sales and marketing capabilities. The launch of borderless activities at home and abroad has had a very positive effect on sales to customers of global hotel chains.

## MESSAGE

### Creating positive momentum among employees through organizational reforms

Our business has its largest manufacturing base, NORITAKE LANKA PORCELAIN (PVT) LIMITED (NLPL), in Sri Lanka. While we have been working to improve profitability, we have faced challenges in maintaining profitability when orders in Asia were sluggish due to our high production volume. In response, NLPL has begun its own OEM and other sales activities. Previously, we had separate marketing and sales departments in Sri Lanka, the U.S., and Australia, working in collaboration with headquarters. Now, we have integrated these into a single global team, and provided opportunities for mutual communication on a regular basis. One of the aims of this unified approach is to propose optimized product

strategies from a global perspective and streamline product development.

In this business, where we have put profitability as our top priority, it is a major issue that a mindset of refraining investment has become prevalent at manufacturing sites and that there are less opportunities where we can actively utilize the proposals of young employees. The recent major reorganization of the Sales Department has already generated positive moves, and in fiscal 2024, the Manufacturing Department will also work to renew its work environment, and we will strive to increase employee engagement and motivation.