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Noritake

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024

[Japanese GAAP]

November 7, 2024

Company name	NORITAKE CO., LIMITED
Stock Exchange Listings	Tokyo, Nagoya
Code number	5331
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(Millions of Yen: Amounts less than 1 million yen are omitted)
(Percentages indicate year-on-year changes)

1. Consolidated Financial Results for the Six months Ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results (cumulative)

Six months ended	Net sales		Operating profit		Ordinary profit	
	Millions of Yen	Change	Millions of Yen	Change	Millions of Yen	Change
September 30, 2024	69,789	3.3%	5,443	11.3%	7,217	3.7%
September 30, 2023	67,559	(0.4%)	4,889	7.9%	6,959	5.8%
(Reference) Comprehensive income :	Six months ended September 30, 2024 : 3,900 million yen (58.3%)		Six months ended September 30, 2023 : 9,349 million yen 23.0%			
Six months ended	Profit attributable to owners of parent		Basic earnings per share		Diluted earnings per share	
	Millions of Yen	Change	Yen	Yen	Yen	Yen
September 30, 2024	6,048	4.4%	208.82	—	—	—
September 30, 2023	5,793	11.9%	200.27	—	—	—

(Note) A two-for-one common stock split was issued on April 1, 2024.

Basic earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

As of	Total assets	Total net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
September 30, 2024	195,668	149,252	75.8	5,146.69
March 31, 2024	202,069	147,970	72.8	5,074.49

(Reference) Equity : As of September 30, 2024 : 148,361 million yen
As of March 31, 2024 : 147,100 million yen

(Note) A two-for-one common stock split was issued on April 1, 2024.

Net assets per share is calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

2. Cash Dividends

	Dividends per share		
	Interim (Yen)	Year-End (Yen)	Total (Yen)
Fiscal year ended March 31, 2024	120.00	130.00	250.00
Fiscal year ending March 31, 2025	65.00	—	—
Fiscal year ending March 31, 2025 (Forecast)	—	65.00	130.00

(Note) Revisions to forecast of dividends per share : None

A two-for-one common stock split was issued on April 1, 2024. For the fiscal year ended March 31, 2024, the actual dividend amount before the stock split is shown.

3. Forecast for Fiscal Year Ending March 31, 2025

	Net sales		Operating profit		Ordinary profit	
	Millions of Yen	Change	Millions of Yen	Change	Millions of Yen	Change
Full year	141,000	2.2%	11,000	2.7%	14,500	(1.0%)
	Profit attributable to owners of parent		Basic earnings per share			
	Millions of Yen	Change	Yen			
Full year	12,000	4.5%	413.96			

(Note) Revisions to forecast of consolidated financial results : None

4. Other information

- (1) Significant changes in the scope of consolidation during the period : None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : None
- (3) Change in accounting policies, change in accounting estimates, and restatement
 - ① Changes in accounting policies due to revision to accounting standards and other regulations : Yes
 - ② Changes in accounting policies due to other reasons : None
 - ③ Changes in accounting estimates : None
 - ④ Restatement : None
- (4) Number of issued shares (common shares)

	Issued shares at the end of period (including treasury shares)	Treasury shares at the end of period	Average number of shares outstanding during the period	
As of September 30, 2024	29,685,698	859,183	Six months ended September 30, 2024	28,966,097
As of March 31, 2024	29,685,698	697,360	Six months ended September 30, 2023	28,929,205

(Note) A two-for-one common stock split was issued on April 1, 2024. Issued shares at the end of period, treasury shares at the end of period, average number of shares outstanding during the period are calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

*** Cautionary Statement:**

1. Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.
2. The performance forecast described in this report are based on management's assumptions and beliefs in the light of information currently available. A number of important risks and uncertainties could cause actual results to differ materially from it, therefore Noritake suggests that you should not place undue reliance on it for investment purpose and so forth.

CONSOLIDATED BALANCE SHEETS

	As of March 31, 2024	As of September 30, 2024
	Millions of Yen	Millions of Yen
Assets		
Current assets		
Cash and deposits	21,343	16,467
Notes and accounts receivable - trade	30,475	29,392
Electronically recorded monetary claims - operating	5,968	5,793
Merchandise and finished goods	12,676	12,455
Work in process	15,346	15,083
Raw materials and supplies	7,766	8,037
Other	3,024	2,512
Allowance for doubtful accounts	(24)	(30)
Total current assets	96,576	89,712
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,560	18,646
Other, net	27,855	29,846
Total property, plant and equipment	46,415	48,492
Intangible assets		
	1,943	2,114
Investments and other assets		
Investment securities	47,524	45,687
Retirement benefit asset	8,077	8,153
Other	1,664	1,638
Allowance for doubtful accounts	(132)	(129)
Total investments and other assets	57,134	55,348
Total non-current assets	105,493	105,956
Total assets	202,069	195,668
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,788	8,041
Electronically recorded obligations - operating	12,711	9,054
Short-term borrowings	2,606	4,076
Income taxes payable	3,497	1,685
Provision for bonuses	1,793	1,846
Provisions	—	11
Notes payable - facilities	115	83
Electronically recorded obligations - non-operating	967	1,570
Other	10,236	8,048
Total current liabilities	41,716	34,419
Non-current liabilities		
Provisions	614	611
Retirement benefit liability	1,689	1,719
Other	10,077	9,665
Total non-current liabilities	12,382	11,996
Total liabilities	54,099	46,416
Net assets		
Shareholders' equity		
Share capital	15,632	15,632
Capital surplus	18,593	18,593
Retained earnings	87,959	92,095
Treasury shares	(1,088)	(1,790)
Total shareholders' equity	121,096	124,530
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,432	17,822
Foreign currency translation adjustment	2,288	2,008
Remeasurements of defined benefit plans	4,283	3,999
Total accumulated other comprehensive income	26,004	23,830
Non-controlling interests		
	869	891
Total net assets	147,970	149,252
Total liabilities and net assets	202,069	195,668

CONSOLIDATED STATEMENTS OF INCOME

	Six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)
	Millions of Yen	Millions of Yen
Net sales	67,559	69,789
Cost of sales	49,353	50,262
Gross profit	18,206	19,526
Selling, general and administrative expenses		
Selling expenses	8,447	8,667
General and administrative expenses	4,869	5,415
Total selling, general and administrative expenses	13,316	14,083
Operating profit	4,889	5,443
Non-operating income		
Interest income	141	174
Dividend income	549	564
Rental income	259	281
Foreign exchange gains	279	—
Share of profit of entities accounted for using equity method	845	1,013
Other	109	154
Total non-operating income	2,185	2,188
Non-operating expenses		
Interest expenses	10	9
Foreign exchange losses	—	298
Rental expenses on non-current assets	71	73
Other	32	32
Total non-operating expenses	115	413
Ordinary profit	6,959	7,217
Extraordinary income		
Gain on sale of non-current assets	18	43
Gain on sale of investment securities	1,003	756
Gain on step acquisitions	—	320
Total extraordinary income	1,022	1,120
Extraordinary losses		
Loss on disposal of non-current assets	433	174
Disposal costs of contaminated soil	—	279
Loss on valuation of investment securities	1	0
Total extraordinary losses	435	453
Profit before income taxes	7,546	7,884
Income taxes - current	2,479	1,533
Income taxes - deferred	(749)	275
Total income taxes	1,730	1,809
Profit	5,815	6,074
Profit attributable to non-controlling interests	21	25
Profit attributable to owners of parent	5,793	6,048

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)
	Millions of Yen	Millions of Yen
Profit	5,815	6,074
Other comprehensive income		
Valuation difference on available-for-sale securities	1,676	(1,610)
Foreign currency translation adjustment	2,025	(182)
Remeasurements of defined benefit plans, net of tax	(183)	(284)
Share of other comprehensive income of entities accounted for using equity method	14	(96)
Total other comprehensive income	3,533	(2,173)
Comprehensive income	9,349	3,900
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,287	3,874
Comprehensive income attributable to non-controlling interests	61	25

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)
	Millions of Yen	Millions of Yen
Cash flows from operating activities		
Profit before income taxes	7,546	7,884
Depreciation	2,363	2,492
Loss (gain) on step acquisitions	—	(320)
Increase (decrease) in allowance for doubtful accounts	(157)	4
Increase (decrease) in net defined benefit liability and asset	(324)	(485)
Increase (decrease) in provisions	(232)	8
Interest and dividend income	(691)	(738)
Interest expenses	10	9
Share of loss (profit) of entities accounted for using equity method	(845)	(1,013)
Loss (gain) on sale of short-term and long-term investment securities	(1,003)	(756)
Loss (gain) on valuation of short-term and long-term investment securities	1	0
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	415	130
Disposal costs of contaminated soil	—	279
Decrease (increase) in trade receivables	2,594	1,228
Decrease (increase) in inventories	(2,799)	119
Increase (decrease) in trade payables	221	(5,405)
Other, net	3,586	(784)
Subtotal	<u>10,683</u>	<u>2,652</u>
Interest and dividends received	691	738
Interest paid	(10)	(9)
Income taxes refund (paid)	(1,185)	(3,347)
Net cash provided by (used in) operating activities	<u>10,179</u>	<u>34</u>
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2,921)	(3,330)
Proceeds from sale of property, plant and equipment and intangible assets	22	105
Purchase of investment securities	(14)	(15)
Proceeds from sale of investment securities	1,241	725
Loan advances	(49)	(35)
Proceeds from collection of loans receivable	31	8
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(440)
Payments into time deposits	(2,896)	(3,625)
Proceeds from withdrawal of time deposits	2,480	2,621
Other, net	(209)	(438)
Net cash provided by (used in) investing activities	<u>(2,315)</u>	<u>(4,424)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,989)	1,469
Proceeds from sale of treasury shares	—	0
Purchase of treasury shares	(2)	(753)
Dividends paid	(1,691)	(1,912)
Other, net	(89)	(96)
Net cash provided by (used in) financing activities	<u>(7,773)</u>	<u>(1,291)</u>
Effect of exchange rate change on cash and cash equivalents	506	37
Net increase (decrease) in cash and cash equivalents	<u>596</u>	<u>(5,644)</u>
Cash and cash equivalents at beginning of period	12,008	17,991
Cash and cash equivalents at end of period	<u>12,605</u>	<u>12,347</u>

SEGMENT INFORMATION

Six months ended September 30, 2023 (April 1, 2023 to September 30, 2023) (Millions of Yen)

	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total
Net sales:					
Revenue from contracts with customers	27,885	24,042	12,144	3,487	67,559
Sales to external customers	27,885	24,042	12,144	3,487	67,559
Operating profit (loss)	959	3,226	745	(42)	4,889

Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024) (Millions of Yen)

	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total
Net sales:					
Revenue from contracts with customers	28,388	23,667	14,505	3,227	69,789
Sales to external customers	28,388	23,667	14,505	3,227	69,789
Operating profit (loss)	957	3,693	996	(203)	5,443

NOTES ON QUATERLY CONSOLIDATED FINANCIAL STATEMENTS

(Notes on Significant Changes in Shareholder's Equity)

Not applicable.

(Notes on Premise of Going Concern)

Not applicable.



[Reference] Supplementary Materials for Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024

November 7, 2024

1. Consolidated Financial Results for the Six Months Ended September 30, 2024

【Consolidated operating results (cumulative)】

Net sales 69.8 billion yen (YoY change +2.2 billion yen)

Incl. Forex YoY change +1.13 billion yen as JPY/USD 9.84 weak yen, JPY/THB 0.23 weak yen, JPY/CNY 1.33 weak yen

Operating profit 5.44 billion yen (YoY change +0.55 billion yen)

Ordinary profit 7.22 billion yen (YoY change +0.26 billion yen)

Profit attributable to owners of parent 6.05 billion yen (YoY change +0.25 billion yen)

【Scope of consolidation】

Consolidated subsidiaries 23 companies (+1) , Equity-method affiliates 3 companies (Δ1)

【Extraordinary income / Extraordinary losses】

Extraordinary income 1.12 billion yen : Gain on sale of investment securities 0.76 billion yen, Gain on step acquisitions 0.32 billion yen etc.

Extraordinary losses 0.45 billion yen : Disposal costs of contaminated soil 0.28 billion yen Loss on disposal of non-current assets 0.17 billion yen etc.

【Interim dividend (yen per share)】

Interim dividend 65 (previous year 120※) ,Year-end dividend (FCT) 65 (previous year 130※)

※ For the previous year, the actual dividend amount before the stock split is shown.

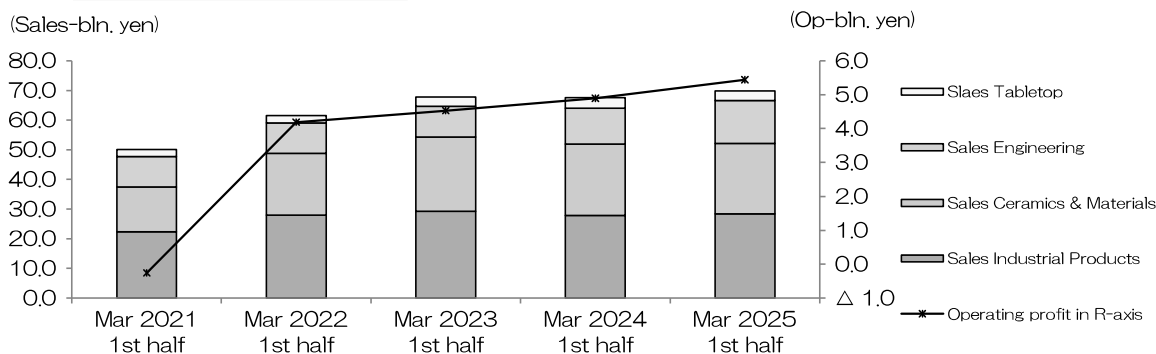
(1) Consolidated Financial Highlights

(Unit : billion yen)

	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025	YoY Change	
	1st half	1st half	1st half	1st half	1st half		
Net Sales	Industrial Products	22.3	28.0	29.3	27.9	28.4	0.5
	Ceramics & Materials	15.1	20.8	25.0	24.0	23.7	Δ 0.4
	Engineering	10.3	10.2	10.4	12.1	14.5	2.4
	Tabletop	2.4	2.5	3.1	3.5	3.2	Δ 0.3
	50.2	61.5	67.8	67.6	69.8	2.2	
Operating Profit	Industrial Products	Δ 1.59	1.25	1.48	0.96	0.96	Δ 0.00
	Ceramics & Materials	1.01	2.88	2.80	3.23	3.69	0.47
	Engineering	0.97	0.78	0.56	0.75	1.00	0.25
	Tabletop	Δ 0.65	Δ 0.72	Δ 0.31	Δ 0.04	Δ 0.20	Δ 0.16
	Δ 0.26	4.19	4.53	4.89	5.44	0.55	
(Operating profit margin)	(Δ0.5%)	(6.8%)	(6.7%)	(7.2%)	(7.8%)	-	
Ordinary profit	0.66	5.69	6.58	6.96	7.22	0.26	
Profit attributable to owners of parent	Δ 0.02	4.21	5.18	5.79	6.05	0.25	
Basic earnings per share※	Δ0.72 yen	145.70 yen	179.30 yen	200.27 yen	208.82 yen	-	
Net assets per share※	3,541.59 yen	3,941.05 yen	4,326.28 yen	4,689.91 yen	5,146.69 yen	-	
USD Average rate	108.2 yen	108.5 yen	135.3 yen	142.6 yen	152.5 yen	-	

※ Basic earnings per share and Net assets per share for prior years are shown on an after-stock split basis.

Net sales and Operating profit



(2) Capital investment, Depreciation

(Unit : billion yen)

	Mar 2024 (1st half)		Mar 2025 (1st half)	
	Capital investment	Depreciation	Capital investment	Depreciation
Industrial Products	1.2	1.0	1.1	1.1
Ceramics & Materials	0.7	0.8	0.6	0.8
Engineering	0.1	0.1	0.6	0.1
Tabletop	0.1	0.1	0.2	0.2
Corporate	0.5	0.3	1.4	0.3
Total	2.7	2.4	3.8	2.5

(3) Interest-bearing Debt

(Unit : billion yen)

	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Sep 2024	YoY Change
Interest-bearing Debt※	7.9	6.5	12.5	2.6	4.1	1.5
Cash and deposits	12.3	14.2	14.6	21.3	16.5	△ 4.9
Net Interest-bearing Debt	△ 4.4	△ 7.7	△ 2.2	△ 18.7	△ 12.4	6.3

※ Interest-bearing Debt excludes lease liabilities.

2. Forecasts for fiscal year ending March 31, 2025**(1) Priority measures****【Industrial Products】**

- We reorganized the Industrial Products Business into custom-made products and general-purpose products and are working to build an efficient business structure.
- In the custom-made products business, we will work on establishing a production system to increase the supply of products for growth areas. Furthermore, we will strengthen our earnings foundation through thorough improvement of profitability and the organization of sales bases. Moreover, we will continue to advance the development of new technologies and products in future growth markets such as semiconductors and electrification of automobiles.
- For the Coated abrasives in the general-purpose products business, we will utilize the manufacturing subsidiary in Thailand, which was fully subsidiarized in the first quarter, to restructure the manufacturing and sales system, aiming to improve and strengthen its profitability. In addition, we will build a manufacturing, development, and sales structure in preparation for expansion into growth areas, and optimize our management resource.

【Ceramics & Materials】

- For electronics paste, we are increasing our product lineup and promoting development of new products for the electronics sector.
- For electronic component raw materials, we are reinforcing our production capacity of materials for MLCC's as well as developing new products for growth areas.
- We will restructure our business portfolio by promoting concentration in core competence and by creating new products and new businesses.

【Engineering】

- To increase market share, we are expanding sales promotion and strengthening our after-sales service structure, as well as introducing new products in the energy and electronics sector. We will advance the development of new applications and new products in the automotive sector in response to electrification.
- We are entering new sectors, such as medical care, pharmaceuticals, semiconductors and advanced materials and are also strengthening the development of new applications and new products in the environmental sector.

【Tabletop】

- Domestically, we will reorganize the distribution channels for cost reduction, review our sales structure to strengthen our marketing capabilities, and focus on sales to hotels and restaurants, our online and direct stores.
- Overseas, we are working to expand sales in key growth markets, such as India, China and Southeast Asia, as well as improving the financial performance of our subsidiary in the United States.

【Capital investment】

Capital investment 12.0 billion yen Depreciation 5.0 billion yen

(2) Consolidated Sales and Profit forecasts

(Unit : billion yen)

	Mar 2024	Mar 2025 (Forecasts)				
		Full year	1st half	2nd half(FCT)	Full year(FCT)	YoY Change
Net Sales	Industrial Products	55.7	28.4	28.6	57.0	1.3
	Ceramics & Materials	46.6	23.7	23.3	47.0	0.4
	Engineering	28.6	14.5	15.5	30.0	1.4
	Tabletop	7.0	3.2	3.8	7.0	0.0
		137.9	69.8	71.2	141.0	3.1
Operating Profit	Industrial Products	2.5	1.0	1.0	2.0	△ 0.5
	Ceramics & Materials	6.2	3.7	3.3	7.0	0.8
	Engineering	2.2	1.0	1.0	2.0	△ 0.2
	Tabletop	△ 0.2	△ 0.2	0.2	0.0	0.2
		10.7	5.4	5.6	11.0	0.3
Non-operating income	14.6	7.2	7.3	14.5	△ 0.1	
Ordinary profit	11.5	6.0	6.0	12.0	0.5	

(Assumed exchange rate for the 2nd half : JPY/USD 140 yen)