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Corporate Governance Report

CORPORATE GOVERNANCE NORITAKE CO., LIMITED

Last Update: December 26, 2024

NORITAKE CO., LIMITED

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https://www.noritake.co.jp/eng/

The corporate governance of NORITAKE CO., LIMITED (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

At the Noritake Group, every officer and employee inherit the founding spirit of our company, and, by observing and practicing the Noritake Group's Code of Ethics formulated on the basis of that founding spirit, works toward ensuring that Noritake Group keeps to higher corporate ethics. In addition, by providing financial information and non-financial information through our website, we will strive to actively and fairly disclose information and heighten the transparency of our management.

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company complies with all of the principles set forth in the Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code

[Principle 1-4: Strategic shareholdings]

To promote stable, long-term relationships with its business partners and other stakeholders, the Company maintains strategic shareholdings that it has deemed vital to the smooth operation of its business and to the medium-to-long-term enhancement of corporate value.

Each year, the Board of Directors examines the appropriateness of continuing to hold each individual stock based on such factors as the status of relevant transactions, the stated purpose of holding, and whether the benefits of holding are commensurate with the Company's cost of capital. Holdings of stocks with poor rationales for owning are reduced. As a result of the examination conducted prior to the May 30, 2024, Board of Directors meeting, the Company proceeded to sell six stocks whose continued holding enjoys little rational support given its capital plan and trends in the stock market.

In exercising voting rights for shares held, we consider the aforementioned holding policy and whether the shares comprehensively contribute to such ends as the efficient and sound management of the issuing company.

[Principle 1-7: Transactions with related parties]

At its meetings and in accordance with its bylaws, the Board of Directors reviews and rules on transactions between directors

and competitors and instances of self-dealing. Important transactions involving major shareholders and other interested parties are also subject to approval by the Board in accordance with its bylaws.

[Supplementary Principle 2-4-1: Ensuring diversity in the recruitment of key staff]

1. Approach to ensuring diversity (women, foreigners, midcareer hires)

In accordance with the Ethics Standards and Standards of Conduct set down in its Code of Ethics, the Noritake Group respects the human rights and diversity of all our employees. It is our basic policy not to engage in any unjust discrimination in the hiring, assigning, promotion or treatment of employees on the basis of such characteristics as age, gender, origin, nationality, race, disability, religion, and political affiliation, and we promote the full participation of a diverse range of employees.

Recognizing that women are underrepresented among management and that the support for work–life balance is insufficient, we have set the following targets for promoting the active participation of women and are making various efforts to achieve them. We have not set targets for foreign nationals or midcareer hires because we do not make any special distinction based on nationality or career progression when appointing managers but, based on the above policy, we open our doors widely to highly qualified and diverse applicants.

2. Measurable voluntary targets for ensuring diversity

- The Company aims to increase the number of female managers by 20% by the end of fiscal 2024 compared to fiscal 2022.
- We promote the creation of an environment where women can demonstrate their abilities.
- We target a rate of male employees taking childcare leave of 50% or more by the end of fiscal 2024.

3. Status of diversity initiatives

- Female managers: 20% increase compared to fiscal 2022 (as of fiscal 2023 end)
- Male employees taking childcare leave: 85.3% (as of fiscal 2023 end)

4. Policies for ensuring diversity via staff development and workplace enhancement

Policy 1) Support career development for female employees

- Provide leadership training to female employees without supervisory experience
- Conduct training for supervisor candidates
- Establish a career consultation service

Policy 2) Ensure that at least 30% of new graduates hired are female

- Set up information sessions and internships exclusively for women

Policy 3) Create an environment that supports women’s work styles

- Consider the introduction of programs that allow for life events
- Introduce, promote, and raise awareness of telecommuting

Policy 4) Create an environment that encourages use of childcare leave

- Make the childcare leave system well known to employees and promote its use
- Promote multi-skilling and operational efficiency

[Principle 2-6: Effectively manage corporate pension assets]

To provide stable benefits into the future, the Noritake Group manages the pensions of the Company and its domestic Group

entities through the Noritake Group Corporate Pension Fund. The Asset Management Committee establishes basic fund management policy, sets investment guidelines, selects fund managers, and performs other activities related to the Fund. The Committee's members include such financially qualified persons as the head of the Company's finance department as well as the heads of labor organizations representing the beneficiaries. We have delegated to each selected asset manager the individual investment decisions and exercise of voting rights so as to avoid any conflicts of interest between the beneficiaries of the corporate pension plan and the Company.

[Principle 3-1: Enhancing information disclosure]

1. The Company's management: goals & philosophy, strategies, and plans

We have inherited the spirit of our founder, who swore that the Company will be sincere in its dealings and fulfill its original purpose as it works to benefit the country and its people forever. Our management philosophy drives us to contribute to society as a manufacturer by providing the highest quality products and services in keeping with our company motto, "Good Quality, Export and Co-prosperity." Our management strategies and medium-term management plan, which are published on our website at the links below, reflect this philosophy.

(Corporate Principles)

https://www.noritake.co.jp/eng/company/about/ethics/

(Medium-Term Management Plan)

https://www.noritake.co.jp/company/ir/plan/

(IR Library (financial results, etc.)

https://www.noritake.co.jp/eng/company/ir/library

2. Corporate Governance policy

Please refer to Section I-1. Basic stance on corporate governance in this report.

The basic policies concerning our corporate governance are as follows.

1) Strive to ensure the rights and fairness of shareholders.

2) Strive for appropriate cooperation with stakeholders other than shareholders (customers, suppliers, creditors, local communities, employees, etc.).

3) Strive to ensure appropriate information disclosure and transparency.

4) Strive to appropriately carry out the roles and responsibilities of the Board of Directors to enhance sustainable growth of the company and medium- to long-term corporate value.

5) Strive for constructive dialog with shareholders.

3. Board of Directors' policies and procedures governing compensation of executives and directors

The Company's approach to director compensation of is described in section II-1 of this report, matters related to the composition of the organization and organizational management, etc. [Director Remuneration].

4. Board of Directors policies and procedures for appointing and dismissing executives and nominating director candidates

1) Policies

In order to ensure proper decision-making and supervision regarding the Company's business activities, the basic policy governing the appointment of candidates for director (excluding those who are Audit & Supervisory Committee Members) defines the Board's composition and provides for the selection of Board members who are familiar with the details of each business and have a diverse range of knowledge and experience, and also the appointment of directors (outside) with extensive experience and a high level of insight into corporate management. In addition, if a director is found to have violated any of act prohibited under the Company's regulations, policy stipulates that they may be dismissed.

Candidates for director who are to be members of the Audit & Supervisory Committee and other functional groups are selected based on knowledge of finance and accounting balanced with experience and insight into corporate management.

2) Procedures

The Board of Directors appoints directors based on recommendations it has solicited from the Nomination & Compensation Committee; a majority of whose members must be independent outside directors.

In selecting candidates for the position of Audit & Supervisory Committee Member, the Nomination & Compensation Committee deliberates based on an inquiry from the Board of Directors and then recommends the winning candidate to the Audit & Supervisory Committee. The Board of Directors makes the final decision with the consent of the Audit & Supervisory Committee.

To dismiss a director, the Board of Directors may request the relevant director to resign, or it may convene a general meeting of shareholders to submit a proposal for dismissal.

5. Policies and procedures for the individual appointment/dismissal of senior management and nomination of candidates for director by the Board of Directors

https://www.noritake.co.jp/eng/company/ir/sokai

[Supplementary Principle 3-1-3: Sustainability initiatives]

1. Initiatives for sustainability

The Group has established a core policy on sustainability that is fundamental to its sustainability management and has identified six issues of significant materiality. We promote sustainability management in collaboration with the relevant committees in order to strengthen both the resilience of our business model and our initiatives on climate change and supply chains.

＜Sustainability Fundamental Policy＞

The Noritake Group's management philosophy has been based on the founders' spirit - "contributing to society through our business operations", and we have been expanding our business under the corporate motto "Good Quality, Export and Co-prosperity".

We continue to aim to make a sustainable society into practice and at the same time enhance the corporate value.

1) We engage in business activities that contribute to the reduction of impact on the global environment.

2) We develop and provide products and services that contribute to a convenient society and people's well-being.

3) We conduct appropriate information disclosure and engage in dialogue with stakeholders.

4) We strengthen governance and build a firmer management foundation.

<Sustainability promotion scheme>

In recognizing that sustainability is an important management issue, we have established and are operating a Sustainability Management Committee chaired by the president. The Committee formulates policies, goals, and plans related to sustainability while monitoring and taking directive measures as necessary. The Sustainability Management Committee works to promote sustainability management by coordinating the activities of the Environment Committee, Quality Committee, Human Resources Management Committee, Compliance Committee, Procurement Committee, and Risk Management Committee (established in April 2024). Each committee includes executive officers and other members and promotes initiatives that involve relevant parties across the Company. The Sustainability Management Committee meets four times a year to report its progress and other important matters to the Board of Directors. The Board of Directors also makes decisions on important matters and oversees the progress of initiatives.

<Material sustainability issues>

The Group evaluates and identifies material issues to be addressed via the following process.

Step 1: Identifying issues	Environmental, social, and governance issues are identified with reference to such international guidelines such as the GRI and SASB standards and the UN's Sustainable Development Goals.
Step 2: Assessing materiality	Discussions are held by a task force made up of representatives from each of the Company's departments, and questionnaires are submitted to employees and customers.
Step 3: Mapping material issues	The materiality of each issue is evaluated by mapping it on two axes: "importance to the Company" and "importance to stakeholders".
Step 4: Determining initiatives and goals	High-materiality issues are subjected to specific initiatives and targets.
Step 5: Resolution	The identified material issue is officially ratified as such by the Board of Directors.

Details of material sustainability issues are disclosed on our website and in our integrated report.

https://www.noritake.co.jp/company/csr/management/materiality/

2. Investment in human capital and intellectual property

・Investment in human capital

In order to implement the organizational culture necessary to realize our long-term vision of reaching, by fiscal 2030, our ideal state as an indispensable driving force for a changing society through our unique materials and process technologies, we believe it is essential to foster an appetite for challenges among our employees and improve their engagement.

Our human resources policy subscribes to the fundamental notions that a company is its people and that people live for inspiration.

We value and encourage a willingness to boldly take on creative challenges and, by improving the working environment and supporting employees' careers, we have committed to the core objective of creating a company where people can work with joy. We aim to achieve sustainable growth and productivity improvements for our group by raising employee engagement through human resource policies that encourage self-directed growth and a good work-life balance.

Information on our investment in human capital is disclosed on our website and in our integrated report, the Noritake Corporate Report.

https://www.noritake.co.jp/company/csr/esg/social/staff/

・Investment in intellectual property

Our company leverages its intellectual property rights in order to broaden and extend our business. Our business group, R&D, and intellectual property operations combine their efforts to appropriately acquire intellectual property rights based on research into business and technological trends, and strategically utilize these rights to protect our differentiated products and expand our business by providing better value to our customers. Notably, we hold 725 patents and invested ¥2.3 billion in R&D in fiscal 2023.

Our approach to and initiatives for intellectual property are disclosed on our website.

https://www.noritake.co.jp/property/

3. Climate change–related disclosure

The Group has established reducing environmental impact as one of its material sustainability goals and aims to contribute to developing a sustainable society through its business activities. In August 2022, we expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). For more information, please see our website.

https://www.noritake.co.jp/company/csr/esg/environment/tcfd/

[Supplementary Principle 4-1-1: Outline of the scope of delegation to management]

The range of matters designated as requiring resolution by the Board of Directors is defined in the Board of Directors' bylaws and agenda standards. These matters include those that relate to the General Meeting of Shareholders; personnel and organization; financial settlements; shares, bonds, and stock acquisition rights; and company assets. Also included are matters stipulated in the Companies Act and other laws and regulations as well as the Articles of Incorporation, and any other matters of sufficient importance.

The Company employs an executive officer system to delegate, within certain limits, executive authority and to clarify executive responsibility. Among delegated matters that do not require a decision by the Board of Directors, certain specified matters of high importance are decided after deliberation at a meeting of the Management Committee (held once a week in principle), which is composed of the executive directors and executive officers appointed by the President.

[Principle 4-9: Criteria for determining the qualifications and independence of outside directors]

The Company appoints outside directors based on criteria stipulated in the Companies Act and the independence standards stipulated by relevant financial instruments exchanges, under the governing principle that outside directors are expected to fulfill

functions and roles such as objective and appropriate supervision based on their specialized knowledge and without the risk of a conflict of interest with general shareholders.

[Supplementary Principle 4-10-1: Authority and role of the Nomination & Compensation Committee]

Four of the nine members of the Board of Directors are independent outside directors. To ensure the rationality and transparency of personnel and compensation decisions pertaining to officers, a Nomination & Compensation Committee has been established as an advisory body to the Board of Directors. Based on consultations from the Board of Directors, the Committee deliberates on matters related to the personnel and compensation of directors and executive officers and reports the results to the Board of Directors. To ensure its independence, four of the Committee's six members are independent outside directors.

In fiscal 2023, the committee met twice to consider personnel and compensation issues relating to directors and executive officers and reported the results of its deliberations to the Board of Directors.

[Supplementary Principle 4-11-1: Stance on diversity of the Board of Directors]

The Company's Board of Directors is composed of internal directors who understand each business in detail and offer diverse knowledge and experience and external directors who bring extensive experience and broad insight into corporate management. The Company ensures that the Board maintains a suitable number of directors to promote rapid decision-making and supervision of business execution without hindering lively discussion.

In addition, we have prepared a skills matrix that lists the knowledge, experience, and abilities of each director. It appears at the end of this report.

[Supplementary Principle 4-11-2: Concurrent service by directors at other listed companies]

Disclosure information regarding materially important positions held concurrently by each of the Company's directors at other organizations—including listed companies—is presented in the Business Report that appears among the reference materials and addenda attached to the Notice of the Ordinary General Meeting of Shareholders.

[Supplementary Principle 4-11-3 : Summary analysis and evaluation of the effectiveness of the Board of Directors]

The Company evaluates the effectiveness of the Board of Directors with the aim of enhancing the Board's effectiveness and raising corporate value. At the end of each fiscal year, directors are surveyed, and the results are reported to the Board of Directors following third-party analysis and evaluation.

In fiscal 2023, survey questions relating to board composition and operation, management and business strategies, corporate ethics and risk management, performance monitoring and management evaluation and compensation, and dialogue with shareholders were supplemented with interviews with non-executive directors. The conclusions of the analysis and evaluation of the effectiveness of the Board of Directors were reported as follows.

- The Board of Directors is appropriately structured to fulfill its roles and functions.
- Agenda items for the Board of Directors meetings are selected appropriately. In addition, prior notice of the agenda is provided before the Board meets so that outside directors arrive with a precise understanding of the information to be discussed. This results in vigorous discussion regarding issues to be decided upon.
- Appropriate measures are being taken to improve issues identified in the Board of Directors' effectiveness evaluation.

・The Company is taking proactive steps to address issues related to sustainability, such as by instituting a system to respond to the recommendations of the TCFD.
・The suitability of strategic shareholdings is properly evaluated at Board of Directors meetings.
・The Board of Directors appropriately supervises the implementation and operation of internal control systems.

Based on the above, we confirm that the Company's Board of Directors is operating as designed and that its effectiveness has been demonstrated.

In response to the item "Review of the business portfolio based on the cost of capital," which was tabled during the fiscal 2022 effectiveness evaluation, as part of our regular reporting to the Board of Directors on the progress of the Medium-Term Management Plan and the changes in the business portfolio, we have adopted return on invested capital (ROIC) benchmarking as a means to achieve our target of 9% ROE, which is an objective of the 12th medium-term plan.

We are addressing the agenda item "Long-term strategic investment in human capital and implementation of human resource strategies" by quantitatively assessing our current human resource portfolio. Thus, we aim to arrive at a staff profile that can execute a business strategy dedicated to achieving our long-term vision for 2030. Results are reported to the Board of Directors along with disclosures related to human capital. In addition, we introduced a new HR system in April 2024 designed to improve engagement and foster a spirit among employees of facing challenges.

Since the previous fiscal year, the Sustainability Management Committee has addressed the item "Strengthening risk management" by analyzing and evaluating the risks surrounding our Group, identifying those of the highest importance, and establishing a risk management system.

The ongoing themes identified in the questionnaire and interviews as paths to improving the effectiveness of the Board of Directors—"Review of the business portfolio based on the cost of capital," "Long-term strategic investment in human capital and implementation of human resource strategies," and "Strengthening risk management"—were joined by a new issue, "Enhancing corporate value through dialogue with shareholders". We will continue to work on maintaining and improving the effectiveness of the Board of Directors by addressing these issues.

[Supplementary Principle 4-14-2. Policy on training for directors]

We provide internal directors with appropriate training on their legal obligations and responsibilities when they assume their posts, making use of external training resources when necessary. Once in their roles, new directors work to acquire necessary skills and knowledge by attending seminars and other events as appropriate. We also conduct regular in-house training for directors, and, in fiscal 2023, we held four sessions on such topics as legal considerations for M&A and diversity and inclusion. For outside directors, we provide information on the Group's management strategy, business and operations, and financial standing. In addition, we deepen their understanding of the Group through factory tours and regular interviews with our internal directors.

[Principle 5-1: Policy on constructive dialogue with shareholders]

1. Fundamental Policy

The Company works to build long-term relationships of trust with shareholders and investors while producing sustainable growth and enhancing corporate value over the medium-to-long term. We provide necessary information accurately and fairly at appropriate times and in appropriate ways in accordance with relevant laws and regulations, and engage in dialogue as necessary.

・IR System

The chief financial officer is responsible for dialogue with shareholders and investors. This is mainly handled by the finance department in coordination with corporate public relations activities.

・Enhancing dialogue channels

We hold regular financial results briefings for institutional investors and analysts. Individual investors can stay informed through the active exchange of opinions at general meetings of shareholders and by accessing such informational publications as business reports and financial results announcements via our constantly improving website. In addition, to ensure effective dialogue, we regularly conduct surveys on the shareholder ownership structure.

・Internal feedback

Topics of dialogue with shareholders and investors are fed back to the Board of Directors, Management Committee, as necessary.

・Management of insider information

We recognize the importance to the fairness and soundness of the securities market of managing material insider information that could affect investment decisions, and we have established a silent period during the fiscal year-end.

2. Implementation status regarding dialogue with stakeholders

During the period under review, we hosted two financial results briefings for institutional investors and analysts. We also held individual meetings with domestic and overseas institutional investors and securities analysts. These were mainly handled by the president and CFO. The status of these interactions has been reported to the Board of Directors, and we have publicized information of interest to investors, relating to such topics as earnings trends, full-year forecasts, and medium-to-long-term outlooks and initiatives.

[Principle 5-2: Formulation and disclosure of management strategies and plans]

Actions to increase management focus on capital costs and our share price

Based on capital asset pricing model (CAPM) analysis and dialogue with shareholders and investors, we calculate our cost of equity at approximately 7% to 9%.

ROE was 8.3% in fiscal 2023 (ended March 2024). While this figure represents some improvement, we recognize that it is nevertheless below or level with our cost of equity. Under our 12th Medium-Term Management Plan, which took effect in April 2022, we target earnings in excess of the cost of shareholders' equity. From fiscal 2024, we will set ROIC targets for individual businesses and promote capital efficiency while also reviewing our business portfolio and ensuring an appropriate allocation of management resources.

Although we expect P/B to improve significantly in fiscal 2023, we believe it will remain below 1x, and we recognize that rapid improvement is necessary. Under the 12th Mid-Term Management Plan, we have designated three business disciplines—the environment, electronics and well-being—as future growth areas and are promoting a “selection and concentration” strategy to shift our focus toward these and away from our current core areas of concentration (internal combustion engines, ceramics, etc.). In addition to promoting sustainability management, we are also working to shore up our investor relations function and expand information disclosure not only in Japanese but in English, as well.

In order to achieve consistent growth and improve corporate value in the future, our management will operate with intense consciousness of capital costs and our share price.

[Supplementary Principle 5-2-1: Fundamental business portfolio policy and status of review]

The Group is developing four businesses: Industrial Products, Ceramics & Materials, Engineering, and Tabletop. To achieve consistent growth and add corporate value over the medium-to-long term, we evaluate the profitability and growth potential of each business and allocate management resources accordingly. We also regularly optimize our business portfolio, taking into account future growth strategies and other factors.

Our company wide strategy (fundamental policy), formulated with fiscal 2030 targets in mind, defines three broad business areas—the environment, electronics, and well-being—as future growth areas. It promotes a "selection and concentration" dynamic to shift the focus of our business domain from current core areas (internal combustion engines, ceramics, etc.) to growth areas.

2. Capital Structure Update

Foreign Shareholding Ratio	20% or more but less than 30%

Status of Major Shareholders Update

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,234,000	11.07
Meiji Yasuda Life Insurance Company	2,582,130	8.84
The Dai-ichi Life Insurance Company, Limited	2,082,894	7.13
Custody Bank of Japan, Ltd. (Trust Account)	1,134,700	3.88
TOTO LTD.	814,588	2.79
Nippon Life Insurance Company	768,410	2.63
MUFG Bank, Ltd.	731,968	2.50
RE FUND 107-CLIENT AC	500,000	1.71
NORITAKE Business Partners' Stock-holding Association	482,606	1.65
NGK INSULATORS, LTD.	419,200	1.43

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	—
Name of Parent Company, if applicable	None

Supplementary Explanation Update

1. The status of major shareholders above is as of September 30, 2024.
2. The major shareholder data above excludes 459,667 shares of treasury stock the company holds.
3. According to a public Large Shareholding Report filed on July 29, 2024, the MUFG Bank, Ltd., and two other members of its industrial group collectively owned, as of July 22, 2024, approximately 1,461,000 Noritake common shares, or 4.93% of the

Company's stock. As of September 30, 2024, The Company is unable to independently confirm these shareholdings and, as a result, has not reflected this data in the foregoing section on major shareholders.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange, Prime Market Nagoya Stock Exchange, Premier Market
Fiscal Year-End	March
Business Sector	Glass & Ceramics Products
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100 billion or more but less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

5. Other Special Circumstances which may have a Material Impact on Corporate Governance

—

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Supervisory Committee

Directors

Number of Directors Stipulated in Articles of Incorporation	17
Directors' Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board	Chairperson (excluding those concurrently serving as President)
Number of Directors	9
Election of Outside Directors	Elected
Number of Outside Directors	4
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Ryoichi Yamamoto	From another company								△			
Takahiro Fujioka	From another company								○			
Tatsuhiko Saruwatari	From another company								△			
Takashi Morisaki	From another company								△			

*Categories for "Relationship with the Company".
(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

a. Person who executes business for the Company or its subsidiary
b. Person who executes business for a non-executive director of the Company's parent company
c. Person who executes business for a fellow subsidiary
d. Person/entity for which the Company is a major Business Partner or a person who executes business for said person/entity
e. Major Business Partner of the Company or a person who executes business for said Business Partner
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
k. Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Ryoichi Yamamoto		○	No business relationship exists between J.Front Retailing Co., Ltd., the company from which Mr. Ryoichi Yamamoto hails, and the Company. There is, however, a sales relationship between the Company and Daimaru Matsuzakaya Department Stores Co., Ltd., a major group company of J.Front Retailing. Nevertheless, annual sales transactions amounted to less than 1% of the Company's consolidated revenue for the previous fiscal year, and the absolute purchase transaction amount for the previous fiscal year was less than ¥1 million. As sales are small in absolute and relative terms, the company is not deemed a business partner that exercises meaningful influence over the Company's management. In addition, Daido Steel Co., Ltd., where Mr. Yamamoto serves as an outside director, has a sales relationship with the Company, but the annual sales transaction amount is small, at less than 1% of the Company's consolidated revenue in the previous fiscal year.	We regard Mr. Yamamoto as a qualified independent director because we expect him to leverage his experience as a corporate manager to accurately advise and supervise the Board of Directors in the execution of its duties. Moreover, we believe that there is no risk of a conflict of interest with our general shareholders.
Takahiro Fujioka		○	While Mr. Fujioka is a former employee of Toyota Motor Corporation, which is a business partner of the Company, and is also the Chairman of the Board of Aichi	We expect Mr. Fujioka to accurately advise and supervise the Board of Directors in the execution of its duties based on his

			Steel Corporation, which is a business partner of the Company, the annual sales transaction amount from the Company to each of these companies was less than 1% of the Company's consolidated revenue for the previous fiscal year, and neither company is a business partner that exercises influence on the management of the Company. In addition, Mr. Fujioka was an officer at Toyota Motor Corporation until June 2011, but 13 years have passed since he retired from that position, and he is currently in no position to influence Toyota's decisions.	extensive knowledge and broad insight gained from his experience as a corporate manager. We foresee no risk of a conflict of interest with our general shareholders, and we therefore judge him to be qualified as an independent officer.
Tatsuhiko Saruwatari	○	○	Until June 2016, Mr. Saruwatari had been an officer of TOTO Ltd., which is a shareholder and business partner of the Company, but eight years have passed since he retired as an officer of that company, and he is currently in no position to influence its decisions. Annual sales transactions from the Company to TOTO amounted to less than 1% of the Company's consolidated revenues for the previous fiscal year, and TOTO's holdings of the Company's shares total less than 5%. TOTO is, therefore, not deemed a business partner or shareholder that exercises influence over the Company's management. In addition, there is no business relationship between the Company and Japan Cash Machine Co., Ltd., where Mr. Saruwatari serves as an	We consider Mr. Saruwatari to be qualified as an independent director because we believe that his extensive knowledge and broad insight gained from his experience as a corporate manager will enable him to accurately advise and supervise the Board of Directors in the execution of its duties, and we foresee no risk of a conflict of interest with our general shareholders.

			outside director.	
Takashi Morisaki	○	○	Mr. Morisaki was an officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFJ Bank, Ltd.), which was a shareholder and business partner (lender) of the Company until June 2016. However, eight years have passed since he retired as an officer of the bank, and he is currently in no position to exercise any influence over the bank's management. The Company does business with multiple financial institutions, and loans from the MUFJ Bank account for less than 10% of our total borrowing. Furthermore, the Company's capital adequacy ratio is 72.8%, so we therefore do not believe that the company's dependence on loans from the MUFJ Bank is material. In addition, the bank holds less than 5% of the Company's shares and does not wield any influence over our management. Therefore, the bank's influence over the Company is minimal, and there are no conflicts of interest between the bank and the Company. In addition, there are no business relationships between the Company and Mitsubishi Research Institute, Inc., where Mr. Morisaki serves as Chairman of the Board, or with INES Corporation, where he serves as an outside director.	We consider Mr. Morisaki to be qualified as an independent director because we expect that he can leverage his extensive knowledge and broad insight gained from his experience as a manager at a financial institution to provide accurate advice and proper supervision of the Board of Directors in the execution of its duties. We believe that there is no risk of a conflict of interest with our general shareholders.

Supervisory Committee

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	3	1	1	2	Inside Director

Appointment of Directors and/or Staff to Support the Supervisory Committee	Appointed

Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

To assist the Audit & Supervisory Committee in its duties, the Company has established an Audit & Supervisory Committee Office that is independent of the business departments and reports directly to the Audit & Supervisory Committee and has assigned full-time employees to this office. These employees do not hold positions related to the execution of business at the Company or its subsidiaries and are directed by the Audit & Supervisory Committee. When making decisions regarding the transfer and evaluation of these employees and other matters relating to them, the Company obtains the consent of the Audit & Supervisory Committee.

Cooperation among the Supervisory Committee, Accounting Auditors and Internal Audit Department

The Audit & Supervisory Committee, in close collaboration with the accounting auditors, implements efficient audits each year based on the audit policy and audit plan. The four-member Internal Audit Division conducts operational and accounting audits and provides reports on audit plans and results to the general managers of the relevant business divisions and departments, as well as to the Management Committee. The Internal Audit Division ensures the efficiency of internal audits by holding regular liaison meetings with the full-time Audit & Supervisory Committee Members to share information on such matters as internal audit plans and implementation status and maintaining a regular dialog with the accounting auditors.

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination & Compensation Committee	6	0	2	4	0	0	Inside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination & Compensation Committee	6	0	2	4	0	0	Inside Director

Supplementary Explanation

We established the Nomination & Compensation Committee in order to ensure reasonable and transparent decision-making regarding Board of Directors membership and compensation. With independent Directors comprising a majority of its members, the committee serves as an advisory body to the Board of Directors. The Nomination and Remuneration Committee consists of two representative directors and four independent outside directors. Based on inquiries from the Board of Directors, the committee discusses personnel matters, assignments and compensation concerning Directors and Executive Officers, then reports to the Board of Directors on the results of its deliberations.

Matters Concerning Independent Directors

Number of Independent Directors	4

Other Matters Concerning Independent Directors

The Company has designated all of its outside directors who meet the qualifications for independent directors as independent directors.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation for Applicable Items

The Company maintains a performance-linked stock compensation system.
For details of the system, please refer to our policies for determining compensation calculation methods and amounts described in Section II 1. Director Compensation of this report.

Persons Eligible for Stock Options	—

Supplementary Explanation for Applicable Items

—

Director Remuneration

Status of Disclosure of Individual Director's Remuneration	No Disclosure for any Directors

Supplementary Explanation for Applicable Items

The total amount of compensation paid to directors is disclosed in the business and securities reports.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The Company, via its Board of Directors, has approved and ratified the following policy for determining the content of remuneration and other compensation for individual directors, excluding those who are audit and other committee members.

In determining compensation packages for individual directors for a given fiscal year, the Nomination & Compensation Committee, which is majority-composed of independent outside directors, conducts a multifaceted review of draft proposals covering such topics as consistency with compensation procedures. The Board of Directors accepts the committee's report and determines whether it is in line with proper procedure.

a. Policy on fixed monthly compensation

Compensation packages for the Company's directors (excluding those who are Audit & Supervisory Committee Members) consist of monthly fixed compensation, annual performance-linked stock compensation, and performance-linked stock-based retirement allowances. The Nomination & Compensation Committee considers the basic policy for the compensation system and determines the appropriateness of the compensation amount for each position commensurate with its role and responsibilities. The Committee then reports its findings to the Board of Directors to ensure rationality and transparency. The Board of Directors finally determines compensation within the scope approved at the General Meeting of Shareholders.

Only a fixed monthly salary will be paid to outside directors (excluding those who are Audit & Supervisory Committee Members), in consideration of their role in independently supervising the Company’s management.

Directors who are Audit & Supervisory Committee Members are eligible for only a fixed monthly salary within the scope approved at the General Meeting of Shareholders. Compensation is decided through consultation among directors who are Audit & Supervisory Committee Members.

b. Policy on annual performance-linked stock compensation

The purpose of annual performance-linked stock compensation is to incentivize management, in accordance with the stock compensation rules, to prioritize the growth of corporate value and shareholder value over the medium-to-long term, while also promoting early stock ownership for the Company's directors (excluding outside directors and directors who are Audit & Supervisory Committee Members).

Points are awarded based on the degree of achievement of the corporate performance targets set for each fiscal year (ROIC, until the fiscal year ending March 31, 2025). Shares of the Company or their cash equivalent are paid out annually in accordance with the number of points awarded.

c. Policy on performance-linked stock-based remuneration for directors upon retirement

The purpose of performance-linked stock-based remuneration upon retirement for directors (excluding outside directors and those who are Audit & Supervisory Committee Members) is to incentivize management, in accordance with the stock compensation rules, to prioritize the growth of corporate value and shareholder value over the medium-to-long term.

Points are awarded based on progress toward corporate performance targets (consolidated sales, consolidated operating income, etc.) for each fiscal year as set out in the medium-term management plan. Points awarded accumulate and, at the time of retirement, the directors receive the delivery of the Company's shares or their cash equivalent in accordance with the number of points accumulated.

In addition, the range of variable compensation spans from 0% to 150%, with 100% corresponding to full achievement of corporate performance targets (consolidated net sales, consolidated operating income, etc.). For the fiscal year under review, the

actual values of performance indicators for variable compensation included ¥137.9 billion in consolidated net sales and ¥10.7 billion in consolidated operating profit. Remuneration was set to correspond to a 100% level of achievement. The Company has set the performance targets for the final year of its 12th Medium-Term Management Plan (fiscal 2022 to fiscal 2024), including consolidated net sales of ¥147 billion and consolidated operating profit of ¥13 billion.

For details of the performance-linked stock compensation plan, please refer to the Annual Securities Report (Japanese-language only), “Part 4: Status of the Submitting Company, 1. Status of Shares, etc. (8) Details of the Executive and Employee Stock Ownership Plan”.

d. Policies concerning the ratio of compensation, etc.

The relative weighting of fixed monthly salary, annual performance-linked stock compensation, and retirement performance-linked stock compensation is set so that the proportion of performance-linked stock remuneration, which is linked to business performance, does not become excessive, and that an emphasis on stable medium-to-long-term business performance and growth of corporate and shareholder value is maintained.

e. Resolutions of the General Meeting of Shareholders regarding remuneration, etc., for directors

The maximum monthly fixed compensation pool available to directors (excluding those who are Audit & Supervisory Committee Members) was resolved at the 142nd Ordinary General Meeting of Shareholders, held on June 23, 2023, to be no more than ¥40 million per month, of which a maximum of ¥7 million is allotted to outside directors. At the time of the conclusion of the aforementioned General Meeting of Shareholders, the number of directors (excluding those who are Audit & Supervisory Committee Members) was six, including two outside directors.

The annual performance-linked stock compensation plan was approved at the 143rd Ordinary General Meeting of Shareholders, held on June 24, 2024, as a separate plan from the fixed monthly compensation and the retirement performance-linked stock compensation plan. A maximum trust amount was established for the plan’s duration, which is partitioned into two periods: the fiscal year ending March 31, 2025, and the three consecutive fiscal years thereafter. The amount is set for the initial period at ¥126 million and for the following three-year period at ¥378 million. At the time of the conclusion of the General Meeting of Shareholders, the number of directors covered by the plan was four. The plan also covers executive officers and, of the non-director executive officers appointed at the Board of Directors meeting held after the conclusion of the General Meeting of Shareholders, the number of those covered by the plan was six.

Performance-linked stock compensation for retired directors was determined at the 142nd Ordinary General Meeting of Shareholders, held on June 23, 2023, and is to be paid separately from the fixed monthly compensation. An upper limit of ¥600 million was set for the trust for the period covered by the plan (three fiscal years from the fiscal year ended March 31, 2023, through the fiscal year ended March 31, 2025, and the following three consecutive fiscal years). The number of directors covered by the plan at the conclusion of the General Meeting of Shareholders was four. The plan also covers executive officers and, of the non-director executive officers appointed at the Board of Directors meeting held after the conclusion of the General Meeting of Shareholders, the number of those covered by the plan was six.

The maximum amount available for monthly fixed compensation of directors who are Audit & Supervisory Committee Members was resolved at the 142nd Ordinary General Meeting of Shareholders, held on June 23, 2023, to be no more than ¥6 million. The number of Directors who were Audit & Supervisory Committee Members at the end of said General Meeting of Shareholders is three.

Support System for Outside Directors

The Secretary Office and Corporate Planning Office provide support.

For outside directors who are also Audit & Supervisory Committee Members, the Audit & Supervisory Committee Office has been established to assist the Audit & Supervisory Committee in its duties and staffed with dedicated support personnel.

In addition, to promote understanding of the agenda items at Board of Directors meetings, we distribute materials and provide briefings in advance for particularly important agenda items. Furthermore, to deepen understanding of the business we plan and promote such learning opportunities as factory tours and regular interaction with internal officers.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Tadashi Ogura	Corporate Adviser	Business activities Social contribution activities	Part-time with remuneration	2023/6/23	For 3 years

Number of Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) After Retiring as Representative Director and President, etc.	1

Other Related Matters

—

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

{Company organization}

The Board of Directors comprises nine Directors (including 4 Directors (Outside)) makes decisions on key matters like management basic policies and matters stipulated by laws and regulations, and monitors the execution of duties. The Board generally convenes once a month. In accordance with the regulations and deliberation standard of the Board of Directors, deliberations are held to decide items regarding General Meetings of Shareholders, human resources and organizational matters, and financial reporting. The Board of Directors also appoint two Directors (Outside) as part of a system to strengthen oversight functions and ensure transparency in decision-making.

The Representative Director is appointed to make decisions for certain matters, who receives reports from the Representative Director and other Executive Directors to supervise the status of execution of operations.

Board of Directors membership

Representative Director and Chairman:	Hiroshi Kato (Chairman)
Representative Director and President:	Akira Higashiyama
Director:	Makoto Okabe, Yuko Fuma
Director (Outside):	Ryoichi Yamamoto, Takahiro Fujioka
Director and Audit & Supervisory Committee Member:	Yoshimasa Nakamura
Director (Outside) and Audit & Supervisory Committee Member:	Tatsuhiko Saruwatari, Takashi Morisaki

We established the Nomination & Compensation Committee in order to ensure reasonable and transparent decision-making regarding Board of Directors membership and compensation. With independent Directors comprising a majority of its members, the committee serves as an advisory body to the Board of Directors and is generally held twice a year. Based on inquiries from the Board of Directors, the committee discusses personnel matters, assignments and compensation concerning Directors and Executive Officers, then reports to the Board of Directors on the results of its deliberations.

Nomination & Compensation Committee membership

Representative Director and Chairman:	Hiroshi Kato (Committee Chairman)
Representative Director and President:	Akira Higashiyama
Outside Directors:	Ryoichi Yamamoto, Takahiro Fujioka, Tatsuhiko Saruwatari, Takashi Morisaki

The Audit & Supervisory Committee comprises three Audit & Supervisory Committee Members (of which 2 are Audit & Supervisory Committee Members (Outside)), and audits and monitors the status of execution of duties by Directors. The Audit & Supervisory Committee participates in important meetings like the Management Committee and various committees by selecting Standing Audit & Supervisory Committee members, and ensures effective auditing and monitoring functions by collecting information on a daily basis and ensuring smooth coordination between the Accounting Auditors and Internal Audit Division.

Audit & Supervisory Committee Membership

Full-time Audit & Supervisory Committee Member:	Yoshimasa Nakamura (Chair)
Audit & Supervisory Committee Member:	Tatsuhiko Saruwatari, Takashi Morisaki

Regarding key matters for management that involve prosecution of work, we conduct full deliberations in a Management committee, convened once a week regularly and composed of Directors and Executive Officers designated by the Representative Director & President and approved by the Board of Directors, as part of a system for precise and prompt management decision-making.

Management Committee membership

Representative Director and Chairman:	Hiroshi Kato
Representative Director and President:	Akira Higashiyama (Chairman)
Director and Senior Managing Executive Officer:	Makoto Okabe
Director and Managing Executive Officer:	Yuko Fuma
Managing Executive Officer:	Hiroshi Yorita
Managing Executive Officer:	Tomoaki Maeda
Executive Officer:	Shinji Kato
Executive Officer:	Munenari Mizukuchi

The Company has introduced an executive officer system with the aim of strengthening the execution of operations in line with the decisions of the Board of Directors, and has delegated executive authority and clarified executive responsibility. In addition, the Company has introduced an executive officer development program to promote the timely appointment of talented individuals.

{Activities of the Board of Directors and the Nomination and Compensation Committee}

・Board of Directors

The status of activities in 2023 is as follows.

Position in the Company	Name	Attendance
Representative Director	Tadashi Ogura	3/3（100%）
Representative Director	Hiroshi Kato	14/14（100%）
Representative Director	Akira Higashiyama	14/14（100%）
Director	Makoto Okabe	11/11（100%）
Director	Yuko Fuma	14/14（100%）
Director (Outside)	Masanao Tomozoe	14/14（100%）
Director (Outside)	Ryoichi Yamamoto	14/14（100%）
Audit & Supervisory Board Member	Sumihito Sago	3/3（100%）
Audit & Supervisory Board Member	Kazumasa Yoshida	3/3（100%）
Director and Audit & Supervisory Committee member	Yoshimasa Nakamura	11/11（100%）
Director (Outside) and Audit & Supervisory Committee member	Tatsuhiko Saruwatari	14/14（100%）

Director (Outside) and Audit & Supervisory Committee member	Takashi Morisaki	14/14（100%）

Note 1: Differences in the total number of meetings owes to variances in the time of appointment.

Note 2: The attendance status of Mr. Saruwatari and Mr. Morisaki, who are outside directors and Audit & Supervisory Committee Members, includes the three meetings they attended as outside corporate auditors prior to their appointment on June 23, 2023.

Note 3: Positions are for the current fiscal year and may differ from those at the time of submission of this report.

The Board of Directors deliberated on the following main agenda items

- ・Approval of the budget and financial statements
- ・Revision of earnings and dividend forecasts
- ・Changes in dividend policy
- ・Changes in the Company name
- ・Stock splits
- ・Sales of investment securities
- ・Construction of a new plant

In addition to the status of execution and matters discussed and reported at Management Committee meeting, the following matters were noted.

- ・Progress of the medium-term management plan
- ・Status of investment securities holdings
- ・Results of the Board of Directors' effectiveness evaluation
- ・Management awareness of capital costs and stock prices
- ・Investments in affiliated companies
- ・Revisions to the personnel system
- ・Formulation of a human rights policy
- ・Establishment of a Risk Management Committee
- ・Updates on activities of the Sustainability Management Committee
- ・Updates on activities of each committee

・Nomination & Compensation Committee

The status of activities in fiscal 2023 is as follows.

Position in the Company	Name	Attendance
Representative Director	Tadashi Ogura	1/1（100%）
Representative Director	Hiroshi Kato	2/2（100%）
Representative Director	Akira Higashiyama	1/1（100%）
Director (Outside)	Masanao Tomozoe	2/2（100%）
Director (Outside)	Ryoichi Yamamoto	2/2（100%）
Director (Outside)	Tatsuhiko Saruwatari	2/2（100%）
Director (Outside)	Takashi Morisaki	2/2（100%）

Note 1: Differences in the total number of meetings owes to variances in the time of appointment.
Note 2: The attendance status of Mr. Saruwatari and Mr. Mori-saki, who are outside directors and Audit & Supervisory Committee Members, includes the three meetings they at-tended as outside corporate auditors prior to their appointment on June 23, 2023.
Note 3: Positions are for the current fiscal year and may differ from those at the time of submission of this report.

The Nomination & Compensation Committee deliberated on the following main agenda items

- The appointment of officers and delegation of duties thereto
- Matters related to officer compensation, such as performance-linked stock compensation

{Status of Audits}

・Audit by the Audit & Supervisory Committee

The Audit & Supervisory Committee is composed of three members (two of whom are outside auditors).
The full-time Audit & Supervisory Committee Members work to ensure the effectiveness of audit & supervisory functions by attending important meetings of the Management Committee and various other committees, gathering information on a daily basis, and ensuring smooth cooperation with the accounting auditor and Internal Audit Division. The outside Audit & Supervisory Committee Members discuss the implementation status and results of audits conducted by the full-time Audit & Supervisory Committee Members and also receive information shared by the Internal Audit Division and the internal control organization.
In addition, Mr. Nakamura, a full-time Audit & Supervisory Committee Member, has worked in the Company's Finance Department as a director, and Mr. Morisaki, an outside Audit & Supervisory Committee Member, has many years of experience working at financial institutions. They thus contribute considerable knowledge of finance and accounting.
In addition, to assist with the duties of the Audit & Supervisory Committee, we have dedicated employees in the Audit & Supervisory Committee Office, which reports directly to the Audit & Supervisory Committee. In this and other ways, we are working to enhance the audit & supervisory functions of the Committee.

・Internal Audit

To fulfill the mission of our Internal Audit Division, we have established a four-member Audit Office, which conducts operational audits and accounting audits, and reports plans and results to the relevant general managers of the business divisions and departments and to the Management Committee.
The Audit Office holds regular liaison meetings with the full-time Audit & Supervisory Committee Members to share information on internal audit plans and implementation status, etc., and also exchanges opinions with the accounting auditors to maintain close cooperation and conduct efficient internal audits.

・Accounting audit

We confirm that (1) the accounting auditor function maintains its independence and conducts appropriate audits and (2) that we receive reports from the accounting auditor on the status of its execution of duties and request further explanation as necessary.
With regard to accounting audits, we have contracted KPMG AZSA LLC to serve as our accounting auditor, and the audit work is being executed from an independent standpoint by certified public accountants belonging to the same audit corporation.

{Summary of the contents of the limited liability contract}

The Company has entered into a contract with its outside directors to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the same Act. The maximum amount of liability for damages under the contract is the minimum amount stipulated by law.

3. Reasons for Adoption of Current Corporate Governance System

The Company aims to further enhance corporate governance through such means as strengthening the supervisory function of the Board of Directors, by appointing to the Board of Directors the Audit & Supervisory Committee Members who are responsible for auditing the executive function of the directors.

Moreover, by delegating part of the Board's authority to make decisions relating to business execution to individual directors, the Company intends to speed up management decision-making, shift its formal corporate structure from "Company with a Board of Auditors" to "Company with an Audit & Supervisory Committee", based on a resolution passed at the 142nd Ordinary General Meeting of Shareholders, held on June 23, 2023.

The current system has been established because we believe that within the framework of a Company with an Audit & Supervisory Committee the supervisory and auditing functions are strengthened and that the transparency of decision-making has been further assured.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The notice of the 143rd Ordinary General Meeting of Shareholders was sent out nine days earlier than the statutory notification due date. In addition, we have taken measures to provide electronic copies of the General Meeting of Shareholders documents on our website and the Tokyo Stock Exchange website five days before the statutory limit.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The date of the general meeting of shareholders is set to allow as many shareholders as possible to attend, within the limits of the financial settlement schedule, which is determined by the time required for various administrative processes and audits.
Electronic Exercise of Voting Rights	Voting rights can be exercised via the Internet.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	We participate in the electronic voting platform for institutional investors operated by ICJ Inc.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	We provide English translations of parts of the convocation notice.
Other	—

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Noritake Group Code of Ethics requires that the Noritake Group communicate with shareholders and society at large and will proactively and fairly disclose corporate information. It further notes that the Group, acting in accordance with relevant laws and regulations, will disclose—at appropriate times and in the appropriate manner and with the exception of contractually proprietary information and internal company data—accurate information required by shareholders and other investors, business partners, local communities, and other interested parties. The Group will respond to requests for disclosure from outside parties unless there is a justifiable reason not to do so and will accurately convey the facts without changing the	

	response or altering the content depending on the identity of the other party. In addition, the Group prohibits the unauthorized use of undisclosed internal information and the unauthorized trading of securities, including stocks, using undisclosed information of other companies that has been obtained in the course of business (insider trading), and we will take strict measures against violators. Our Code of Ethics is published on our website. https://www.noritake.co.jp/eng/company/csr/about/philosophy/	
Regular Investor Briefings held for Individual Investors		Not Held
Regular Investor Briefings held for Analysts and Institutional Investors	We hold these twice a year.	Held
Regular Investor Briefings held for Overseas Investors		Not Held
Online Disclosure of IR Information	Our website includes an IR Library section where we post our financial statements, business reports, corporate reports, and materials from analyst briefings. https://www.noritake.co.jp/eng/company/ir/library/	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Finance Department is responsible for IR activities, which are conducted in coordination with our corporate PR function.	
Other		

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Noritake Group has established a Code of Ethics that clearly defines our relationships with our stakeholders, including our shareholders, business partners, and local communities and commands respect for their positions. https://www.noritake.co.jp/eng/company/csr/about/philosophy/
Implementation of Environmental Preservation Activities and CSR Activities, etc.	Our Group has established a foundational policy on sustainability that underpins our sustainability management effort, and we have identified six material issues. We will promote environmental conservation and undertake corporate social responsibility (CSR) activities in line with recognized issues of materiality. Please see our website for information on implementation status. https://www.noritake.co.jp/company/csr/
Formulation of Policies, etc. on Provision of Information to Stakeholders	Under the Noritake Group Code of Ethics and in accordance with relevant laws and regulations, we disclose— at the appropriate time and in the appropriate manner—accurate information as required by shareholders and other investors, business partners, and local communities. In addition, we respond to requests for information disclosure from outside parties unless there is a justifiable reason not to do so, and we accurately convey the facts without changing our response or the content depending on the identity of the other party. https://www.noritake.co.jp/company/eng/csr/about/philosophy/
Other	—

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

The following is an outline of the Board of Directors' resolution regarding the establishment of a system to ensure the Company's operations are conducted properly. (Last revised June 23, 2023)

1. System to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation

(1) The Noritake Group Code of Ethics has been established to define ethical norms and standards of behavior with which the directors shall comply.

(2) In accordance with defined Board of Directors bylaws and approval procedures, Board of Directors meetings shall be convened for the purpose of deciding important matters as stipulated in laws, regulations, and the Company's Articles of Incorporation. In addition, a deliberative system has been established that includes the Management Committee and various other committees.

(3) To strengthen the supervisory function of the Board of Directors, increase decision-making transparency, and obtain a broad range of advice and recommendations regarding overall management, we shall involve multiple outside directors.

2. System for the storage and management of information related to the execution of duties by directors

The Company shall appropriately store and manage documents and other important information pertaining to the execution of duties by directors in accordance with laws, regulations, and internal policy.

3. Rules and procedures for managing risk

(1) To counter events where the Company's value is put at risk of impairment by a crisis resulting from illegal conduct, accidents, disasters, or other causes, we shall establish crisis management procedures to limit losses to the greatest possible extent and ensure business continuity without significant impact. In the event of a crisis, we shall immediately establish a task force to respond.

(2) We shall establish procedures for mitigating against large earthquakes, fires and other disasters and implement disaster prevention education and training to clarify the standards of behavior expected of our employees in the event of a disaster so as to ensure the safety of our employees and limit damage.

(3) We will avoid and prevent operational risk by ensuring that our decision process comprehensively examines and analyzes risk factors affecting business plans, budgets, capital investment plans, and other important matters.

(4) The Sustainability Management Committee identifies risks that could significantly impact the Company, formulates a response policy, and works to prevent such risks from materializing. In addition, the Committee regularly reports the progress of these efforts to the Board of Directors.

4. System for ensuring efficient execution of duties by directors

(1) In addition to the regular monthly Board of Directors meetings, management meetings shall be held weekly to address important matters stipulated in the approval procedures that are to be deliberated upon and resolved promptly and carefully. For important matters affecting the Group, various committees shall be convened that span across business divisions and

departments to facilitate deliberation and resolutions and to share information.
(2) We shall introduce an executive officer framework and an executive officer development program to ensure speedy decision-making and clarify responsibilities in the execution of business.
(3) We shall hold meetings twice a year to ensure that the basic strategies enumerated in the medium-term management plan and annual business plans are properly understood. We also hold meetings every quarter to monitor performance and progress toward annual business plan objectives and to share information.
(4) We shall establish decision-making procedures and rules to govern such organizational matters as professional authority and the delineation of responsibilities and shall delegate authority to promote efficient business execution.

5. Framework for ensuring employees actions conform with laws, regulations, and the Articles of Incorporation
(1) The Noritake Group Code of Ethics shall define Ethical Standards and Standards of Behavioral and ensure that all employees are thoroughly informed of these standards.
(2) The Company shall establish a Compliance Committee and assign a person in charge of corporate ethics oversight as well as a compliance officer to each designated organization and promote the implementation of measures to prevent compliance violations and support the ongoing fortification of the compliance system.
(3) The Company shall foster a compliance-conscious culture via continuous compliance training tailored to the nature of each trainee's work, the relevant business, and staff qualifications.
(4) The Company shall establish an whistle-blowing system with dedicated points of contact both inside and outside the company and work to prevent misconduct and detect it at an early stage.
(5) The Company shall thoroughly promulgate its Standards of Conduct to ensure that it maintains no relationship with antisocial forces or groups that threaten the order and safety of civil society.

6. Framework for ensuring the propriety of Group operations involving the Company and its subsidiaries
(1) We shall require our subsidiaries to regularly report on their business performance and finances to the Company. For important subsidiaries, we shall require them to report to our Management Committee and/or Board of Directors.
(2) The Company shall establish management policies for Group companies and require its subsidiaries to obtain prior approval and report to the Company on important management matters.
(3) To promote awareness of and compliance with the Noritake Group Code of Ethics, subsidiaries shall participate in the activities of the Compliance Committee, and directors and employees of subsidiaries shall have access to the internal and external compliance and ethics hotlines established by the Company.
(4) Meetings shall be held twice a year to promote the core strategies of the medium-term management plan and annual business plans, and meetings shall be held quarterly to monitor the progress and outcomes of the annual business plan and to share information. The above meetings shall be attended by the person in charge of the subsidiary.
(5) To ensure the reliability of financial reporting, internal control procedures related to financial reporting shall be established, and the Internal Audit Division shall continuously monitor the development and operation of internal controls at the Company and its subsidiaries.
(6) The boards of directors and audit committees of the Company's subsidiaries shall include at least one member from the Company, who may be a director or auditor (including directors who are Audit & Supervisory Committee Members) or a

designated employee.

7. Matters concerning employees tasked with assisting the Audit & Supervisory Committee in its duties, their independence from directors (excluding directors who are Audit & Supervisory Committee Members), and the effectiveness of their training and instruction

(1) To assist the Audit & Supervisory Committee in its duties, the Company shall establish an Audit & Supervisory Committee Office directly under the Audit & Supervisory Committee that is independent of the operational business departments and shall assign full-time employees to it.

(2) The aforementioned employees shall not hold any positions related to business operations at the Company or its subsidiaries. Such employees shall follow the instructions of the Audit & Supervisory Committee.

(3) When making decisions regarding transfers, evaluations, and other actions affecting the aforementioned employees, the consent of the Audit & Supervisory Committee shall be obtained.

8. Framework for ensuring that directors and employees of the Company and its subsidiaries report information to the Audit & Supervisory Committee, and an antiretaliation mechanism safeguarding such reporting

(1) Directors and employees of the Company and its subsidiaries shall make documents related to important decisions available for inspection by the Audit & Supervisory Committee and shall regularly report on the status of their operations and assets to the Audit & Supervisory Committee. They shall also report on matters related to the execution of operations in response to requests from the Audit & Supervisory Committee.

(2) The internal reporting point of contact for the Company and its subsidiaries shall be established within the Compliance Committee Secretariat. The Secretariat shall regularly report to the Audit & Supervisory Committee on the status of internal reporting from the directors and employees of the Company and its subsidiaries.

(3) Audit & Supervisory Committee Members shall attend the Management Committee and various committees.

(4) No disadvantageous treatment shall be imposed on the grounds of reporting to the Audit & Supervisory Committee.

9. Procedures for the advance payment or reimbursement of expenses incurred in the execution of duties by Audit & Supervisory Committee Members and other matters concerning the handling of expenses or liabilities incurred in the course of business

The Company shall bear the expenses required for the execution of duties by Audit & Supervisory Committee Members, except in cases where it is deemed that such expenses are not required for the execution of duties by the relevant Audit & Supervisory Committee Member.

10. Other systems to ensure that audits by the Audit & Supervisory Committee are effective

(1) The Audit & Supervisory Committee shall consist of three members, including one full-time Audit & Supervisory Committee Member and two Audit & Supervisory Committee Members who are outside directors with no vested interest in the Company. The Committee shall audit the execution of duties by the directors. In addition, the Company shall conduct efficient audits accounting through close cooperation with the accounting auditor.

(2) The representative director shall hold regular meetings with the Audit & Supervisory Committee Members to promote mutual communication.

(3) The Internal Audit Division shall regularly report the internal audit plan and results to the Audit & Supervisory Committee Members and work with them as necessary to promote mutual cooperation.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

The following provisions regarding insulation from antisocial forces are stipulated in the Noritake Group Code of Ethics, and are known and practiced throughout the Group. Regarding insulation from antisocial forces, the Noritake Group shall not engage in any relationship with any individual or group that may interfere with social order or the soundness of corporate activities. All Noritake Group officers shall deal with such individuals and groups in a resolute manner. If such individuals or groups create find way to involve themselves or demand money or other property, we shall mount an organized response and never succumb to any unreasonable demands, and will eliminate any threat.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

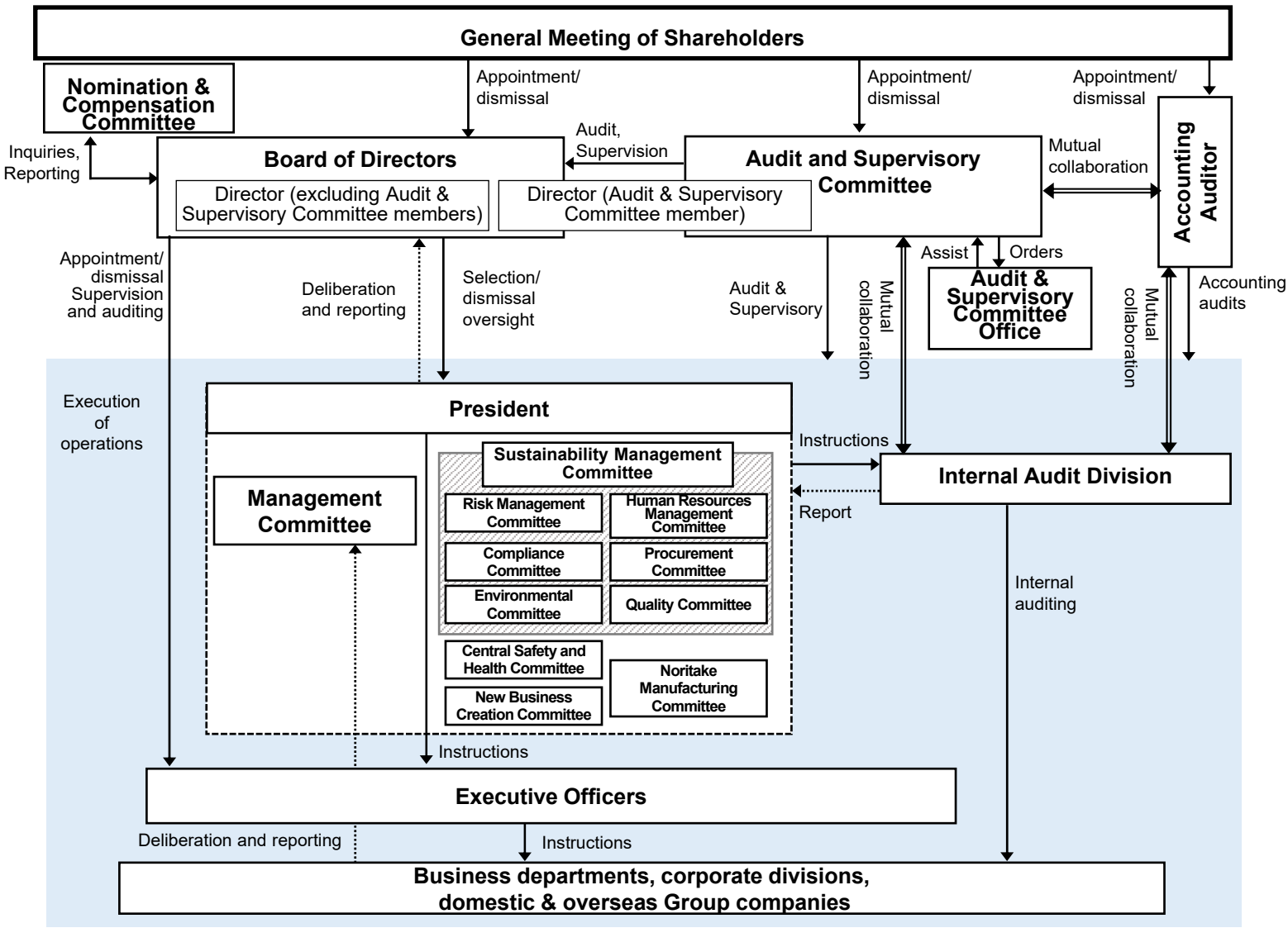
Supplementary Explanation for Applicable Items

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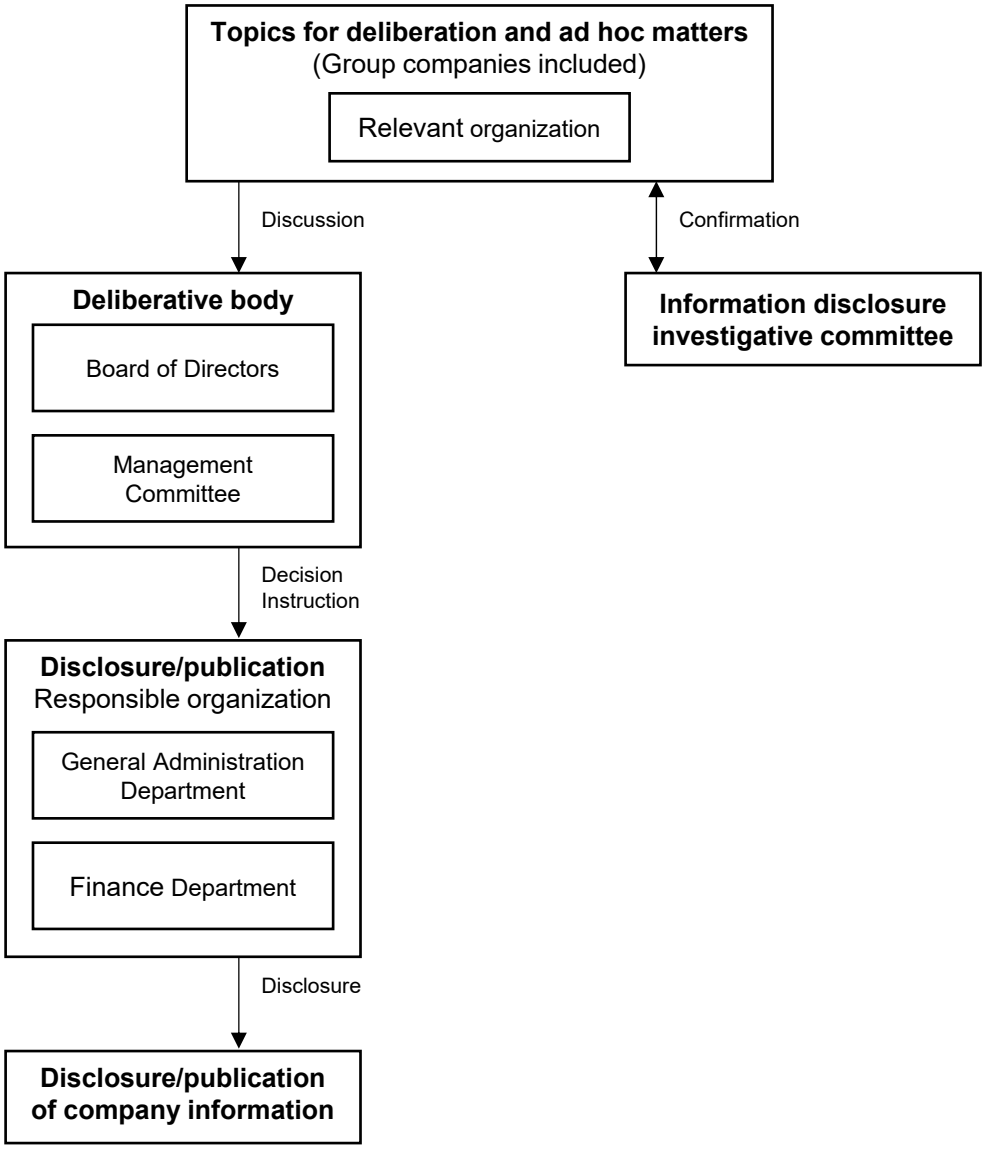
2. Other Matters Concerning the Corporate Governance System

With the aim of maintaining the soundness of the Noritake Group and the trust of society, we shall promote the ongoing development of our internal control system based on compliance with laws and regulations through activities such as compliance with and implementation of the “Noritake Group Code of Ethics” and the activities of the Compliance Committee.

[Corporate Governance Structure]



[Timely Disclosure System Overview]



[Expertise and Experience of Directors (Skills Matrix)]

Name	Position in the Company	Expertise and experience						
		Corporate management	Sales	Manufacturing, technology, and R&D	Finance & accounting	Human resources and labor	Legal affairs and Risk management	Global
Hiroshi Kato	Representative Director and Chairman	○			○	○	○	○
Akira Higashiyama	Representative Director and President	○	○	○		○	○	
Makoto Okabe	Director and Senior Managing Executive Officer	○	○			○		○
Yuko Fuma	Director and Managing Executive Officer	○				○	○	○
Ryoichi Yamamoto	Director (Outside)	○	○					
Takahiro Fujioka	Director (Outside)	○		○				○
Yoshimasa Nakamura	Director and Audit & Supervisory Committee Member	○			○			
Tatsuhiko Saruwatari	Director (Outside) and Audit & Supervisory Committee Member	○		○			○	
Takashi Morisaki	Director (Outside) and Audit & Supervisory Committee Member	○			○			○

Note: The above list is not a full representation of all the expertise and experience that each Director has.