

April 27, 2026

To Whom It May Concern

Strategic Capital, Inc.  
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**Re: Shareholder Proposal to NORITAKE CO., LIMITED (5331) and the Launch of a Campaign Website**

Strategic Capital, Inc. (hereinafter referred to as “Strategic Capital”) is under a discretionary investment contract with INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP (hereinafter referred to as the “Fund”) and the Fund and Strategic Capital (hereinafter referred to as “we”) hold approximately 9% of NORITAKE CO., LIMITED (hereinafter referred to as the “Company” or “NORITAKE”).

NORITAKE’s share price valuation has remained depressed over the long term and its PBR over the past 15 years has consistently underperformed the other companies in the Morimura Group as well as the TOPIX. The Company faces multiple capital efficiency and governance issues, including an excessively high shareholders’ equity ratio, the continued retention of unprofitable businesses, and delays in reducing cross-shareholdings.

We are pleased to announce that, in order to enhance shareholder value, we have notified the Company of our execution of the shareholders’ right to make a proposal at the annual shareholder meeting held in the coming June.

The details of the proposals and the reasons are as follows. For further details, please refer to the dedicated website (<https://stracap.jp/english/5331-NORITAKE.pdf>).

**Details**

**Summary of the Proposals**

**(1) Concerning the decision-making body for determining the dividends from surplus**

<Summary> Amend the articles so that the general meeting of shareholders (“AGM”) becomes the body authorized to determine year-end dividends

**(2) Appropriation of surplus**

<Summary> Pay a dividend based on a DOE of 8%

**(3) Concerning the formulation and disclosure of a business portfolio plan**

<Summary> Stipulate in the articles that a business plan shall be formulated based on the capital efficiency and cost of capital of each business, and that policies for addressing unprofitable businesses shall be considered.

**(4) Concerning the sale of strategic shareholdings**

<Summary> Stipulate in the articles that all strategic shareholdings are to be sold by the end of March 2029.

**(5) Concerning a stock split**

<Summary> Amend the articles so that a share split is a matter to be resolved at the AGM.

## **(6) Concerning a stock split and total number of authorized shares**

<Summary> Conduct a 3-for-1 stock split and amend the articles to set the total number of authorized shares at 200 million.

### **Reasons for the Proposals**

#### **(1) Concerning the decision-making body for determining the dividends from surplus**

The Company provides that dividends from surplus are to be determined by resolution of the Board of Directors rather than by resolution of the AGM. However, the Company's share price has remained sluggish over the long term, and it is difficult to say that the Board has pursued a capital policy that contributes to enhancing shareholder value.

The dividend policy in the Company's medium-term management plan ("MTBP") is to maintain a dividend payout ratio of at least 35%. Yet, as of the end of December 2025, the Company's shareholders' equity ratio stood at an extremely high 71%, and any further increase in equity capital would only depress ROE.

Over the past 20 years, the Company's PBR has never exceeded the TOPIX. We believe one reason for this is that the excessively high equity ratio has increased the cost of capital while ROE has remained weak.

Accordingly, the Company should improve governance by making the AGM the decision-making body for dividends and should shift toward a capital policy that contributes to enhancing shareholder value, including improving ROE and lowering the cost of equity.

#### **(2) Appropriation of Surplus**

This proposal calls for dividends to be set at 8% of shareholders' equity.

As explained in the preceding proposal, the Company needs to reduce its equity ratio to improve stock valuation.

Accordingly, the current shareholder return policy of "a dividend payout ratio of at least 35%" and "a total return ratio of 50% or more", is insufficient. We propose that this be changed to an 8% DOE or a 100% dividend payout ratio (whichever is higher depending on the fiscal year).

If the ROE falls below 8%, the payout ratio will exceed 100%, but this would gradually reduce excess equity capital, improve capital efficiency, and at the same time demonstrate a policy of providing stable shareholder returns.

#### **(3) Concerning the formulation and disclosure of a business portfolio plan**

The Company's business segments are divided into "Industrial Products," "Ceramics & Materials," "Engineering," and "Tabletop." Among these, "Industrial Products" has continued to generate capital efficiency below its cost of capital, while the "Tabletop" segment has posted losses in nine of the past ten fiscal years.

The Company has stated that, from FY 2024 onward, it will set business-specific ROIC targets and review its business portfolio, but those ROIC targets have not been disclosed.

Moreover, initiatives outlined in the MTBP for transforming its business portfolio are disclosed only in the vaguest terms, and it is difficult to say that they have sufficiently considered how to deal with unprofitable businesses.

Accordingly, the Company should reformulate its business portfolio plan from the standpoint of capital efficiency

and cost of capital, and should accelerate measures with respect to unprofitable businesses, including withdrawal. It should also disclose the business-specific ROIC targets it manages internally, together with progress toward achieving them, to reduce its cost of capital.

**(4) Concerning the sale of strategic shareholdings**

As of the end of March 2025, the strategic shareholdings including cross-shareholdings stood at nearly 20% of net assets, and it is assumed that this ratio had risen even further by the end of December 2025.

At the June 2025 AGM, the proposal to appoint President Higashiyama as a director received only 66.95% support, which given the high ratio of stable shareholders, was remarkably low. Among the reasons given by institutional investors who opposed the resolution, the majority cited the strategic shares held.

Among the shareholdings, the four largest consist of three from the Morimura Group (TOTO, NGK, and Niterra) along with Mitsubishi UFJ Financial Group. Considering the business relationships with these companies, it can only be concluded that the shares are being held either to maintain stable shareholders or simply held passively based on historical circumstances.

Various problems have been identified with strategic shareholdings, and the Company should substantially accelerate the pace of sales and dispose of all such holdings as promptly as possible.

**(5) Concerning a stock split**

As of the end of February 2026, one trading unit was approx. JPY700,000, which is extremely high. The Company announced a two-for-one stock split effective April 1, 2026, but even after this measure, one unit will still exceed JPY300,000. In addition, given the valuation, it is necessary for the stock price to rise higher going forward.

According to a survey of individual investors conducted by the Tokyo Stock Exchange, the largest number of respondents indicated that an ideal investment unit was in the range of JPY100,000 to 200,000. Data also shows that companies that have implemented stock splits experienced a significant increase in the number of individual shareholders.

Since an increase in individual investors also contributes to improved liquidity, the Company should carry out a further stock split and reduce the trading unit to a level considered ideal by individual investors. Accordingly, we propose amending the articles so that a stock split may be resolved at the AGM.

**(6) Concerning the stock split and total number of authorized shares**

For the reasons stated in the preceding proposal, a stock split would help improve the investment environment for individual investors and enhance liquidity. Accordingly, if the proposed amendment set out in the preceding proposal is approved, we propose a three-for-one stock split of the Company's common shares.

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**Disclaimer**

This press release is a reference translation of the original announcement in Japanese. In the event of any differences between the original and the English translation, the original Japanese version shall prevail.