

NORITSU

Integrated Report
Noritsu Koki Co., Ltd.

2023

Our Philosophy

“Always become the best in every field we enter.”

Our founder declared this after inventing an automatic photo print washer.

Thus, the history of Noritsu Koki began in 1951.

Few people will ever see all the things we have made over the years, but they are all devices that play vital roles in the world.

Over the years, we have expanded beyond our manufacturing roots to tackle new challenges in various fields—creating things that society needs.

Things that people need as times change.

Things that make people happy.

Things that become necessities. Things that support lives from behind the scenes.

We continuously create things that become the very foundation of society.

Serious, dedicated and sparing no effort,

we will pioneer the next era.

That is our commitment and our promise to the world.

Mission

Prosperity for society and people

Vision

A corporate group that continues producing “No. 1/Only 1” businesses

Value

Understand the needs of the age and think one step ahead.

Pursue products and services that enrich lives.

Respect the potential for growth and innovation and support a spirit of challenge.

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Editorial Policy

This integrated report is the first issued by Noritsu Koki. The purpose of the report is to create better communication, and ultimately to support further value creation, by informing stakeholders about the Noritsu Koki Group's business model, vision and initiatives for creating value. In preparing this report, we have referred to the *International Integrated Reporting Framework* of the International Integrated Reporting Council (IIRC; now the IFRS Foundation).

Scope of the Report

Noritsu Koki Co., Ltd. and its three consolidated subsidiaries (Teibow Co., Ltd., AlphaTheta Corporation, and PEAG, LLC dba JLab)

Period Covered: January 1, 2022 to December 31, 2022

Note: Includes some information from before and after this period.

Forward-Looking Statements

Financial forecasts and other forward-looking statements in this report are predictions based on information available at the time of publication, and involve potential risks, uncertainties and other factors. Accordingly, changes in various factors could cause actual results to differ materially from forecasts.

Our History

When Noritsu Koki's founder established the Company in 1951, his aspiration was to focus on manufacturing. In passing down and adhering to this aspiration, we will advance as a corporate group that adapts to the environment and achieves sustainable growth in constantly changing times.

The Evolution of the Noritsu Koki Group

Foundation—Growth—Maturity

1951—Foundation

Founder Kan'ichi Nishimoto, who ran a photo studio in Wakayama City in post-war Japan, applied the principles behind the water wheel to create an automatic photo print washer that enabled more efficient photo development and could be used even during power outages. With his groundbreaking invention as the catalyst, Nishimoto established Noritsu Optical Machinery Works Limited. Thus, the current Noritsu Group was built on the foundation of photo processing equipment. Our founder's wish to make people's lives better by providing excellent products has been passed on as part of a heritage of innovation and taking on challenges.



1961—Growth Stage

With the development of the RF-20E black-and-white film processor, the Company became the first in the world to successfully automate the black-and-white film development process. The Company also changed its corporate name and organizational structure to make it easier to expand its business areas. The founder's aspiration to "Always become the best in every field we enter" is the root of the Group's Vision: "A corporate group that continues producing 'No. 1/Only 1' businesses." In the following period, the Company was able to capture a large market share—leading to rapid progress in the 1970s.



1976—Globalization

In 1976, the Company developed the QSS-1 (the origin of the MiniLab), a system that consolidated the whole process from film development to printing. This was a game-changing product that shortened the time needed for film development from one week to just 45 minutes. Three years later, the QSS-2 model was launched. It became the driving force behind the Company's entry into the U.S. market and overseas expansion. The Company then expanded its business by developing advanced devices and equipment. This led to the Company listing its stock on the First Section of the Tokyo Stock Exchange in 1997 (now listed on the Prime Market). With this expansion, the Company started a new chapter in its history as a global enterprise.



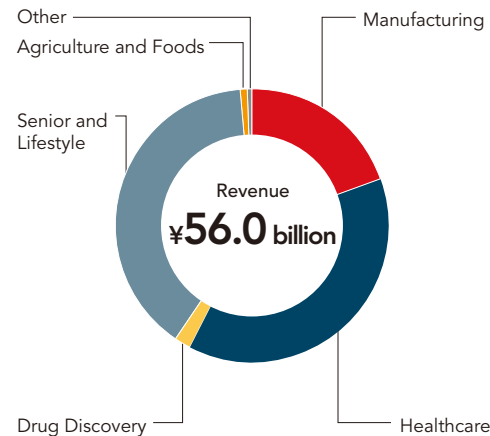
Diversification

2009—Diversification

An era of change with a focus on business diversification in order to acquire new revenue sources

As the industry shifted toward digitization, the performance of the imaging department declined, and the founder passed away in 2005. Finding itself at a major crossroads, management decided to return to the Company's founding principle, and has focused resources on business areas demanded by modern society. The Company has promoted M&A in diverse fields such as remote diagnostic imaging, regenerative medicine and pen nibs. The Company decided to transfer its founding business of photo processing equipment in 2016.

Business Portfolio (2018)



A New Stage

2018—A New Stage of Renewed Growth

Evolving into a corporate group that continues to grow globally based on the manufacturing capabilities of its three core Group companies

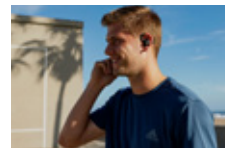
Amid rapid changes in the economic environment, the Company embarked on a realignment of the diversified business portfolio it had established through M&A. AlphaTheta, which has the world's top market share of DJ equipment, joined the Group in April 2020. JLab, which leads the U.S. earbud and headphone market, joined in May 2021. On the other hand, we removed JMDC, which handles the healthcare business, from consolidation in February 2022. With these moves, we established a new Group structure centered on three manufacturers—Teibow, AlphaTheta and JLab. Under this new structure, the Company is promoting sustainability-related initiatives to build a sustainable environment and society. The Company has also identified material issues, and will actively invest technologies, capital and human resources to resolve them. In addition, the Company aims to establish a new value creation process that balances social and economic value.

With the foresight and pioneering spirit cultivated throughout its history of more than 70 years, coupled with the strength of its high-quality product lineup, the Company will contribute to promoting prosperity for people worldwide by continuing to innovate.

Business Portfolio (2022)

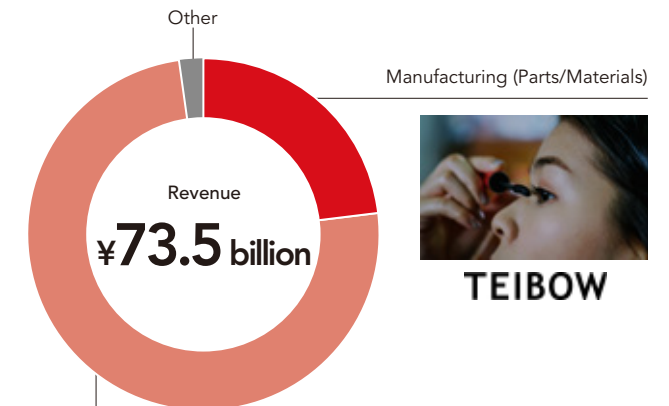


AlphaTheta



JLAB

Manufacturing (Audio Equipment/Peripherals)



TEIBOW

Noritsu Koki at a Glance

We will enhance the uniqueness of our businesses and maximize their growth potential to become a corporate group that continues producing "No. 1/Only 1" businesses as we work to promote prosperity for society and people.

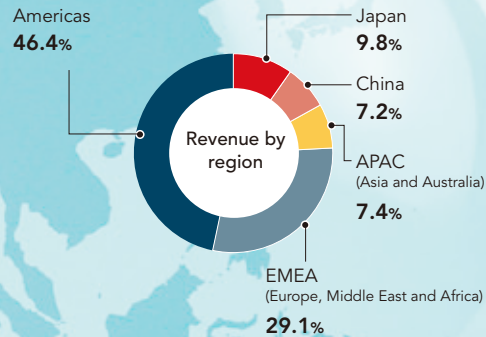
2. 2020 to 2022

3. Based on data from The NPD Group/Retail Tracking Service, U.S. (unit sales in 2020, 2021 and 2022)

4. For the years ended May 2021 to 2022 (after joining the Group)

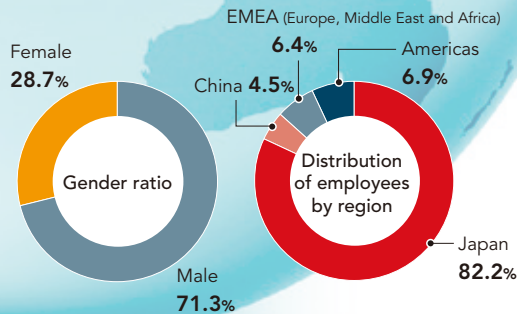
The Noritsu Koki Group: Key Facts and Figures

Global Business Operations



Diverse Human Resources

Number of consolidated employees (full-time): 1,144



High Profitability and Growth

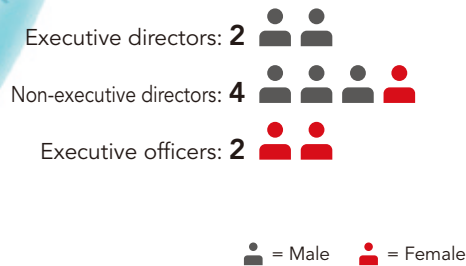
Revenue: **¥73.5 billion**

Operating EBITDA¹: **¥11.3 billion**

Operating EBITDA margin: **15.5%**

CAGR of operating EBITDA: **9.5%**

Corporate Governance



1. Operating EBITDA is defined as operating profit less other income and expenses plus depreciation and amortization (excluding depreciation costs for right-of-use assets). Although operating EBITDA is not a performance indicator defined in the consolidated financial statements, it provides a clearer picture of underlying earnings capabilities by removing the impact of non-recurring profit and loss items and depreciation and amortization. The Company has included operating EBITDA in financial disclosures to provide readers of the consolidated financial statements with more information to evaluate the Group's earnings.

The Noritsu Koki Group's Businesses

Parts/Materials Business



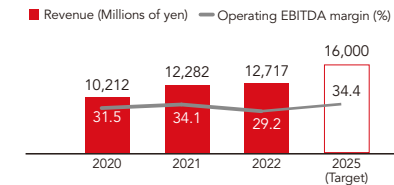
TEIBOW

Teibow handles approximately 3,400 different types of products, including marking pen nibs and cosmetic pen nibs, and its production capacity for metal injection molding (MIM) is among the largest in Japan.

Marking Pen Nib Business with Global Market Share of over 50%

Using the combined technologies and expertise it has built up over more than 120 years, the Group provides high-quality marking pen nibs to customers in more than 45 countries around the world. We continue to make rapid progress as the global leader in this category with a market share of over 50%.

Revenue/Operating EBITDA Margin



CAGR (Revenue)²
11.6%

Audio Equipment/Peripherals Business



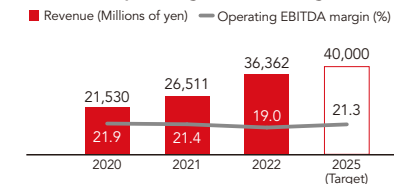
AlphaTheta

AlphaTheta deploys its outstanding user interface technology, digital audio analysis and processing technologies and more to deliver a variety of equipment and services to the DJ industry worldwide.

A DJ Equipment Manufacturer with the Top Global Market Share

Ever since it introduced the world's first commercial-use flat-top DJ CD player in 1994, AlphaTheta has been creating various products and contributing to the development of music culture as the DJ equipment manufacturer with the top global market share.

Revenue/Operating EBITDA Margin



CAGR (Revenue)²
30.0%



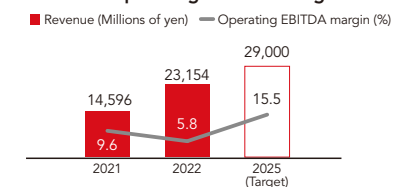
JLAB

An audio and accessories manufacturer founded in the United States in 2005, JLab provides an extensive lineup of earbuds, headphones and other audio products that utilize its unique high-performance driver technology to deliver crisp, clear and immersive sound.

Top Market Share in the U.S. for True Wireless Earbuds under \$100

JLab's earbuds, which are designed to offer the features everyone needs at affordable prices, have attracted the support of music, fitness and content lovers not just in the U.S. but worldwide. They have maintained the top market share in the U.S. for true wireless earbuds under \$100 since 2020.³

Revenue/Operating EBITDA Margin



CAGR (Revenue)⁴
58.6%

Message from the CEO



Ryukichi Iwakiri

Ryukichi Iwakiri
Representative Director
and CEO

Based on Medium-Term Management Plan FY25 and our four material issues, we will work to be a corporate group that continues producing “No. 1/Only 1” businesses.

On the Issuance of *Integrated Report 2023*

Since its foundation in 1951 as a photo processing equipment business, Noritsu Koki has stirred the hearts and minds of customers around the world with its diligent efforts and spirit of service. In light of the sudden and drastic changes in the business environment in recent years, we have focused on reforming our business structure and creating new businesses to adapt to the changing times. We have also worked to realize our “second founding” to open up a new stage of growth. In 2019, we set our Mission, Vision and Value to clearly state what the Group strives for. We then welcomed AlphaTheta to the Group in 2020, followed by JLab in 2021. We made those companies, along with Teibow, the three core Group companies, and embarked on a new journey as a global corporate group focused on craftsman-like manufacturing. Medium-Term Management Plan FY25, which covers the period from 2022 to 2025, is steadily moving forward, and we are now entering a phase in which all our efforts are devoted to executing our business strategies and achieving further growth.

We consider developing a good relationship with our various stakeholders including shareholders and investors to be a management priority. As one way to achieve this, we created *Integrated Report 2023* as a communication tool for explaining our vision and how we plan to realize it. In putting together the report, we did our best to incorporate input from management about topics such as medium- to long-term strategies, the strengths and conditions of each business, the value creation process, our governance system and sustainability promotion. I hope that *Integrated Report 2023* will serve as an opportunity to further deepen engagement with our stakeholders.

Message from the CEO

What the Noritsu Group Aims to Be

Five years have passed since I was appointed representative director and CEO of Noritsu Koki in June 2018. In 2019, my second year, we established our Mission, Vision and Value (MVV) to define the Group's purpose and the goals it seeks to accomplish. However, there were more than a few twists and turns before MVV was finalized. I read management documents from earlier periods and the books written by our founder, Kan'ichi Nishimoto, over and over and had in-depth discussions with other members of the management team. As a result, we decided to define our Mission and Value in a way that could be universally accepted at an early stage. The Vision, though, would be different depending on what we defined as the "future"—whether we took a medium-term view of about five years, or a longer-term view of 10 years or more. After pondering and discussing it countless times, we finally decided on a Vision that would be relevant even in the distant future: "A corporate group that continues producing 'No. 1/Only 1' businesses." We incorporated the phrase "No. 1" to respect the intention of our founder to "always become the best in every field we enter," and our original business that brought innovation to the economy and society.



Yet the phrase "No. 1" does not fully express our thoughts. Ever since the Company's inception, we have achieved sustainable growth by creating new value and communicating it to society. Of course, expanding revenue and winning in market competition are important, but what is even more important is to focus on quality rather than quantity, to create technologies and products that will be part of the foundation for the next generation, and to provide unique value to all our stakeholders, including customers, shareholders, investors, business partners, local communities and employees. Our strong determination to be an indispensable company for our stakeholders by delivering highly original technologies and products to society at large is encapsulated in the phrase, "Only 1."

Our Vision of "A corporate group that continues producing 'No. 1/Only 1' businesses" has been a guiding principle for management in rebuilding our business portfolio over the last several years, and served as the fundamental philosophy supporting our rapid change. We are now attempting to enter a new growth stage centered on manufacturing. I am certain that by further instilling our Mission, Vision and Value as guiding principles that foster unity of purpose among executives and employees, the Noritsu Koki Group's future strategies and measures will be even more effective.

Mission

Prosperity for society and people

Vision

A corporate group that continues producing "No. 1/Only 1" businesses

Value

Understand the needs of the age and think one step ahead

Pursue products and services that enrich lives

Respect the potential for growth and innovation and support a spirit of challenge

Message from the CEO

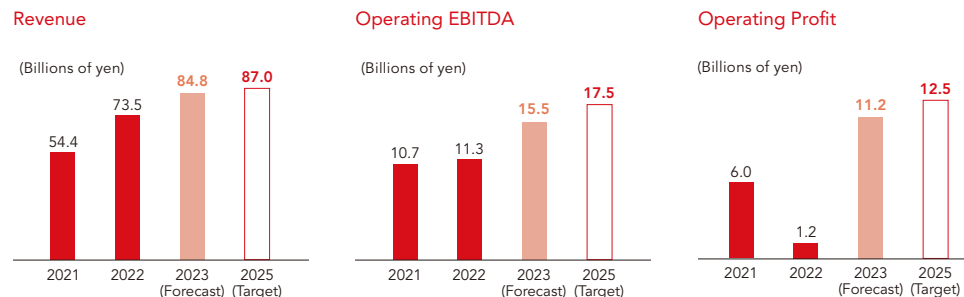
Initiatives under Medium-Term Management Plan FY25

We are currently carrying out the initiatives of Medium-Term Management Plan FY25, a four-year plan that ends in 2025. We positioned these four years as a period for accelerating growth of the three core Group companies (Teibow, AlphaTheta and JLab) and further enhancing their profitability, with a focus on realizing the Vision of being “A corporate group that continues producing ‘No. 1/Only 1’ businesses.”

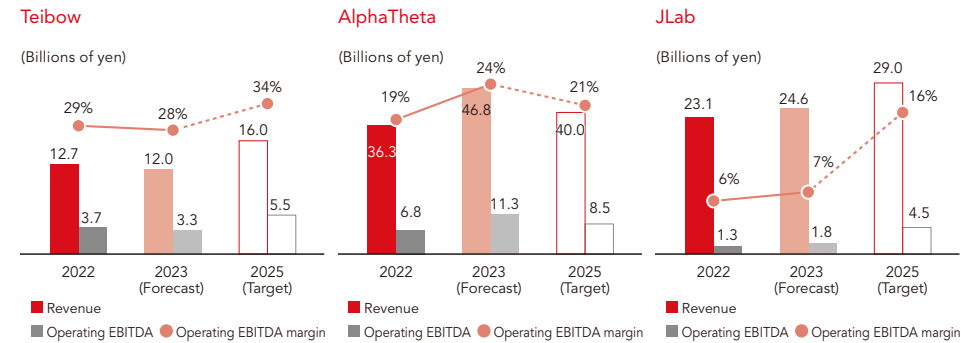
The three Group companies that form the core of the Noritsu Koki Group have consistently secured operating EBITDA margins of around 20%, excluding the last few years when COVID-19 severely impacted economies and industries worldwide. In addition to our existing business areas where we are leaders in the global market, including Teibow’s pen nibs, AlphaTheta’s DJ equipment, and JLab’s wireless earbuds, we are actively diversifying our revenue sources by developing and enhancing new businesses. Each of the three companies has growth potential of at least 10% annually, and I consider it my mission as the Group’s representative to maximize that potential.

The three core Group companies have numerous sources of competitiveness, including the extensive technological assets they have built up, and human resources who have high-level technological capabilities and knowledge, in addition to their main products that have top market shares. We will carefully manage these business resources and further refine their superiority in the market to realize synergy as a manufacturing group while also working to achieve the targets of Medium-Term Management Plan FY25. We will create a corporate group that will continue to grow even further into the future.

Targets of Medium-Term Management Plan FY25



Targets of the Three Core Group Companies



Commitment to Environmental, Economic and Social Sustainability

Achieving medium- to long-term growth and continuously expanding our corporate value requires more than simply pursuing profit; it is also imperative that we fulfill our responsibilities as a corporate citizen, including reducing the environmental impact of our manufacturing activities, maintaining positive work environments for our employees, creating employment, and paying appropriate taxes. In addition, it is essential that we cooperate and collaborate with our various stakeholders and continue to create economic and social value.

Based on this awareness, we identified and announced four material issues in 2021. In identifying issues, we were strongly conscious of consistency between the MVM and material issues to ensure that all Group companies can carry out initiatives based on a shared understanding of issues. In addition to multiple discussions by Group executives and staff, we also ensured the validity of material issues by incorporating the views of third-party experts.

Message from the CEO

The key material issues and their activity themes (individual items) include some that are extensions of what we have already been doing, but others are ones that we have newly recognized in the course of identifying issues. However, what they both have in common is that they are not material issues that were influenced by conventional wisdom regarding problems of public concern or examples of initiatives by other companies. They were also not forced on us by external influences. We asked ourselves questions like, “What measures can we take to increase corporate value,” “How can we realize the MVV in our business activities,” and “What can we do for the lasting development of the economy and society.”

Note: For details, see Material Issues on page 22.

We believe the sustainable development of companies will be difficult unless the sustainability of the environment and society are secured. To help build a sustainable society, the Noritsu Koki Group will invest resources in the following four material issues—“Creating a prosperous society and enriching people’s lives,” “Enhancing our supply chain framework to make it more environmentally and socially responsible,” “Creating inclusive workplaces where all employees can thrive and contribute with a future-oriented mindset,” and “Enhancing our sound corporate governance structure.” For the Group, which is made up of three core Group companies that are rich in character, strengthening Group governance beyond the boundaries of each company is a key management issue. In the respective boards of directors of Teibow, AlphaTheta and JLab as well as at Noritsu Koki, we emphasize fast and appropriate decision-making and close communication that eliminates information asymmetry, and are constantly working to ensure both transparency and agility in corporate management.

To Our Stakeholders

In 2022, the first year of Medium-Term Management Plan FY25, we made significant steps toward achieving the targets of the plan, as we recorded substantial growth in revenue and in profit attributable to owners of parent. Another outcome of the past year that I want to emphasize is that we were able to share our awareness of the business challenges, uniqueness and future potential of the three core Group companies, and our policy for future initiatives, as a Group. For the Materiality Action Plan, we have already achieved results for 2022, and are currently focusing on making solid progress on our strategies and measures with a view toward the 2023 targets.

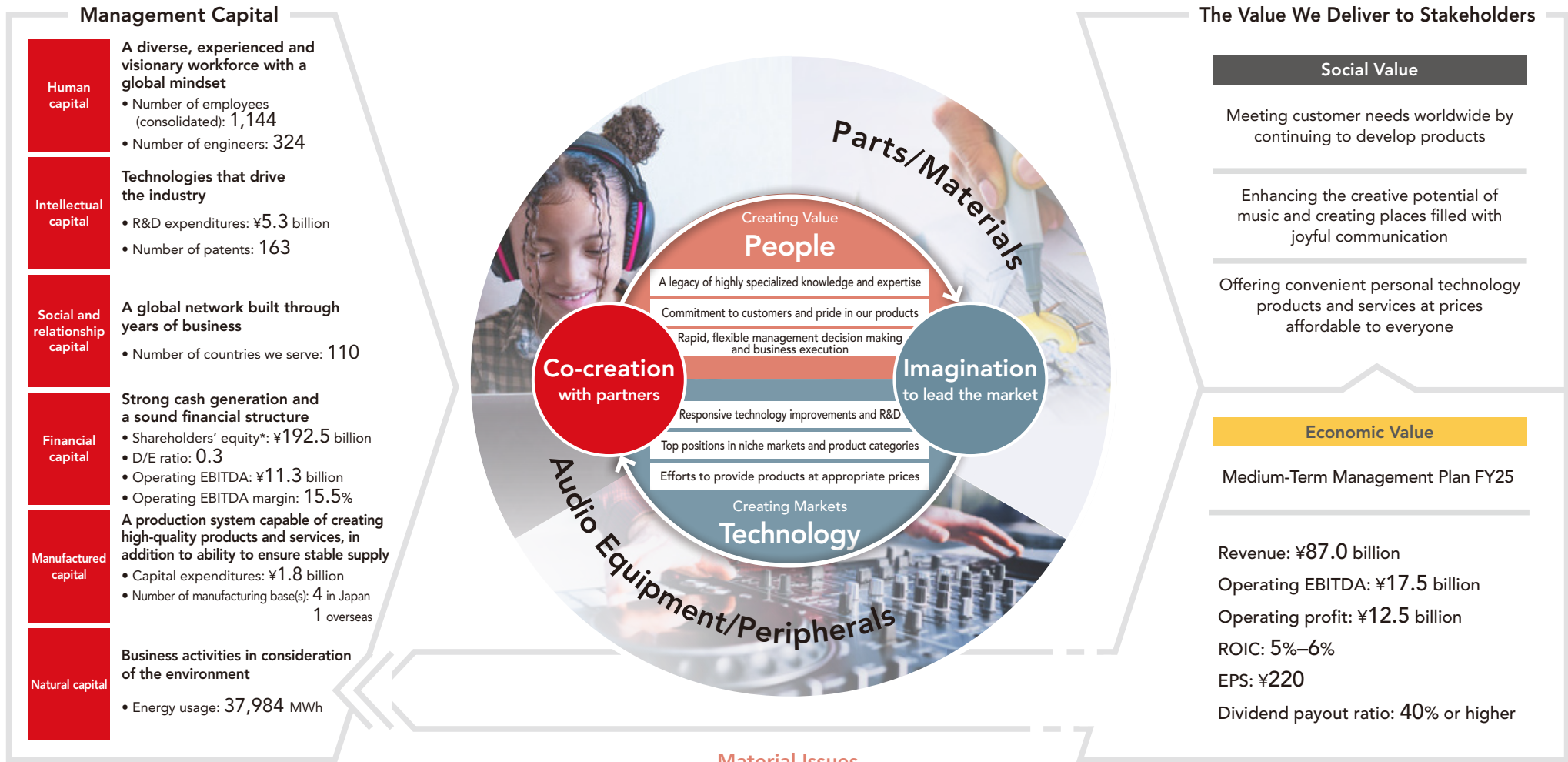
From its inception until today, the Noritsu Koki Group has grown by earning the support of stakeholders and overcoming various changes in society. The support we have cultivated through integrity in business activities and trust-based relationships with stakeholders are the foundation of our sustainable growth, and we also see them as the root of our competitive advantage. We will continue to deliver distinctive value to stakeholders, backed by the strengths of our sound financial structure and effective business strategies. For customers, we intend to further enhance customer satisfaction by continuing to provide high-quality products and services at reasonable prices. For our shareholders, we will pay dividends based on a payout ratio target of 40% or higher, and seek to maximize shareholder value through sustainable growth. For society, we will contribute to the conservation of the planet and the formation of prosperous communities with our sustainable initiatives. And for employees, we will focus on establishing an organizational structure in which diversity is highly respected and maintaining positive work environments.

We have passed the halfway mark of 2023. Although the COVID-19 pandemic is subsiding, the business environment remains hard to predict due to the rising geopolitical risk and supply chain disruptions stemming from the prolonged conflict in Ukraine, worldwide inflation and monetary tightening. Even under these conditions, we will continue to tackle bold challenges with an eye on the future and aim to realize our Vision. To our stakeholders, we aim for lasting growth into the future, and ask for your continued support.



Value Creation Process

Vision A corporate group that continues producing "No. 1/Only 1" businesses



* Equity attributable to owners of parent

Contributing to society and the community through business operations

- Shaping the future and making a positive contribution to creating a prosperous society and enriching people's lives by manufacturing products that society needs
- Enhancing our supply chain framework to make it more environmentally and socially responsible

Establishing a robust corporate foundation

- Creating inclusive workplaces where diversity is respected and all employees can thrive and contribute with a future-oriented mindset
- Enhancing our sound corporate governance structure to achieve sustainable growth

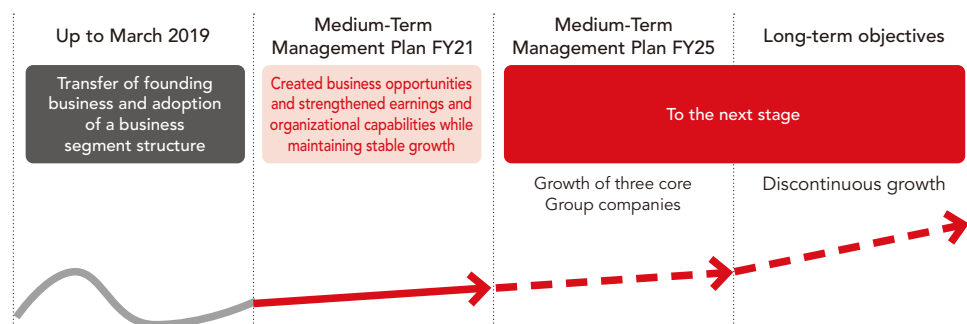
Medium-Term Management Plan FY25

Basic Policy of Medium-Term Management Plan FY25

With its heritage of manufacturing and diligent effort, Noritsu Koki will continue to create a platform for developing highly unique businesses and investing in the future.

The Noritsu Koki Group brings together great technologies, proven companies and highly experienced human resources to consistently deliver new value to society.

Positioning of Medium-Term Management Plan FY25



Progress of Medium-Term Management Plan FY25

Noritsu Koki achieved stable growth during Medium-Term Management Plan FY21, which was focused on creating business opportunities and strengthening earnings and organizational capabilities. Currently, we are working as a group to carry out Medium-Term Management Plan FY25 (2022 to 2025). Consolidated results for 2022 (the first year of the plan) saw a 34.9% year-on-year increase in revenue as JLab was included in the scope of consolidation* from May 2021. In addition, the pen nib business of Teibow and the DJ equipment business of AlphaTheta also performed well. Operating profit declined, mainly because the Group recorded an impairment loss related to goodwill for JLab as a result of the impact of interest rate hikes in the U.S., in addition to other expenses. However, profit attributable to owners of parent increased by a substantial 1,885.1% year-on-year to ¥101.5 billion, largely due to proceeds from the divestment of shares in JMDC. We believe that the first year of Medium-Term Management Plan FY25 was a success in terms of making good progress in each business, increasing financial capital and further strengthening manufacturing, which is the foundation of the Group.

* 8-month period after joining the Group (in May 2021) for 2021 and 12-month period for 2022

Quantitative Targets of Medium-Term Management Plan FY25

In Medium-Term Management Plan FY25, our quantitative targets are revenue of ¥87.0 billion with a compound annual growth rate (CAGR) of 12.4%, as well as operating EBITDA of ¥17.5 billion and operating profit of ¥12.5 billion, which will establish the financial foundation for our growth strategy. In addition, we have set targets of ROIC of 5%–6% and earnings per share (EPS) of ¥220. We have also raised the consolidated target dividend payout ratio from 25% to 40% (or higher) to further enhance shareholder returns.

Targets	Medium-Term Management Plan FY21	Medium-Term Management Plan FY25	CAGR
Revenue	¥54.4 billion	¥87.0 billion	12.4%
Operating EBITDA	¥11.0 billion	¥17.5 billion	12.2%
Operating profit	¥6.3 billion	¥12.5 billion	18.6%
ROIC	2.5%	5%–6%	–
EPS	¥110	¥220	18.8%
Dividend payout ratio	25%	40%	–

Basic Policy and Key Measures of Medium-Term Management Plan FY25

Noritsu Koki aims to be a corporate group that continues producing “No. 1/Only 1” businesses, with Teibow, AlphaTheta and JLab as its three core Group companies. We have identified three strategies that will be critical to achieving the targets of the plan: 1) Reinforce existing Group businesses and invest in growth fields to become a high-growth, innovative corporate group, 2) Implement financial strategies to achieve ROE of 8%, and 3) Promote sustainability and enhance corporate governance. In addition to working to further expand the competitiveness of the three core Group companies, we will aggressively invest in growth areas, including Teibow’s metal injection molding (MIM) business and JLab’s expansion into non-U.S. markets, as we pursue the sustainable development of the Group. We will also execute our financial strategy with an emphasis on capital efficiency, and take steps to promote sustainability and enhance corporate governance.

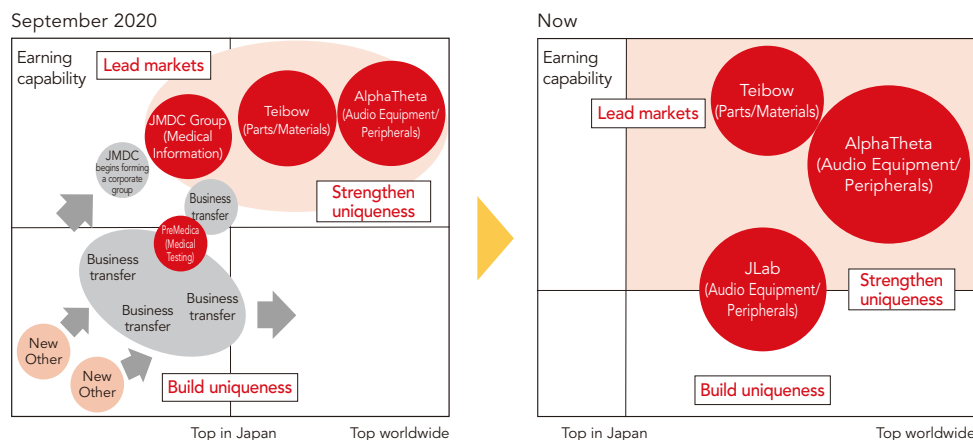
Key Strategy 1	Reinforce existing Group businesses and invest in growth fields to become a high-growth, innovative corporate group
Key Strategy 2	Implement financial strategies to achieve ROE of 8%
Key Strategy 3	Promote sustainability and enhance corporate governance

Medium-Term Management Plan FY25

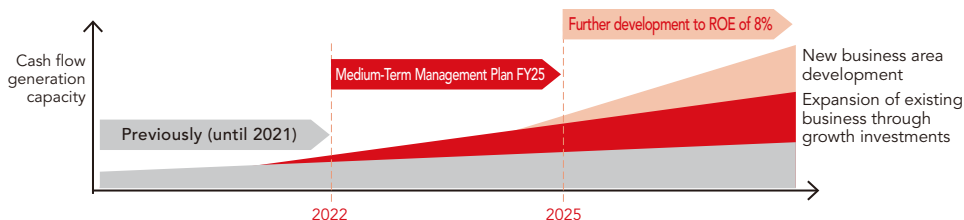
Building a Business Portfolio for Current Needs

Accurately analyzing medium- to long-term changes in the external environment and establishing a business portfolio that meets the needs of the times is essential for a company to achieve lasting growth. Taking this perspective, Noritsu Koki has been reviewing and realigning its business and revenue structures since around 2018. We have established a new Group business portfolio centered on three companies: Teibow, which handles the pen nib business and MIM business, AlphaTheta, which has the world's top share of DJ equipment and has been a member of the Noritsu Koki Group since April 2020, and JLab, which leads the U.S. earbud and headphone market and joined the Group in May 2021. In February 2022, we sold 33% of our shares in JMDC, which is no longer a consolidated subsidiary. With this restructuring of our business, Noritsu Koki took a new step forward as a global corporate group. Starting in 2022, Noritsu Koki changed its reportable structure to three segments: Manufacturing (Parts/Materials), which is handled mainly by Teibow; Manufacturing (Audio Equipment/Peripherals), which is handled by AlphaTheta and JLab; and Other. Going forward, we will focus on promoting the steady profit growth of the three core Group companies, enhancing management throughout the Group and creating synergy to maximize corporate value.

After Reorganization of Business Portfolio



Roadmap for Achieving ROE of 8%



Quantitative Targets and Growth Strategies of the Three Core Group Companies under Medium-Term Management Plan FY25

Targets

Teibow
Revenue **¥16.0 billion**
Operating EBITDA **¥5.5 billion**

Capital Expenditures
(Millions of yen)

Year	2021	2022	2023 (Forecast)
Value	649	767	1,100

Existing/Foundation Businesses

- In the writing instruments business, expand scope of business and profitability through market penetration of high value-added products and expansion of sales channels into emerging markets
- In the cosmetics business, increase sales through various measures, including expansion of sales channels for strategic products, proposals for new eyeliner and sales of polybutylene terephthalate (PBT) brushes

Growth/New Businesses

- In the MIM business, leverage the strongest production system in the industry to enhance presence in the global market and double revenue
- For new businesses, use technologies and knowledge from the pen nib business to focus on development of new fields such as air fresheners and medical applications

See page 15 for more details.

Targets

AlphaTheta
Revenue **¥40.0 billion**
Operating EBITDA **¥8.5 billion**

R&D Expenditures
(Millions of yen)

Year	2021	2022	2023 (Forecast)
Value	4,299	5,129	5,500

Existing/Foundation Businesses

- Build on brand equity and technical capabilities in DJ equipment to offer even more innovative value
- Offer customers new experience value with market proposals combining hardware and software

Growth/New Businesses

- Create and quickly commercialize new products and services in peripheral markets of the DJ equipment business, including proposal of DJ lifestyle ideas for new customer segments (growth of DJ culture and lifestyle), development and launch of music production equipment, and full-scale development of music performance data business
- Increase the revenue share of software services to more than 10%

See page 17 for more details.

Targets

JLab
Revenue **¥29.0 billion**
Operating EBITDA **¥4.5 billion**

Number of Sales Personnel
(People)

Year	2021	2022	2023 (Forecast)
U.S.	15	17	20
Non-U.S.	4	8	13

Existing/Foundation Businesses

- In the core personal audio device business, expand sales personnel in markets outside the U.S., and increase share of non-U.S. sales to 30% or more
- Increase cost-competitiveness by accelerating launches of new products and improving production efficiency, and ensure thorough quality and production management

Growth/New Businesses

- Expand peripheral businesses and evolve into a personal technology company that meets a wide range of consumer needs through one-stop solutions
- Contribute to society through businesses and products, including the use of brand ambassadors and support for sports

See page 19 for more details.

Financial Strategy

Message from the CFO



We will pursue the sustainable growth of the three core companies and increase the Group's corporate value through optimal capital allocation.

Ryosuke Yokobari
Director and CFO

Financial Policy

Noritsu Koki has grown steadily since it was founded in 1951, despite enduring some tough times that included large losses and the transfer of its founding business. I believe the strong financial footing we have established over the years is the basis of our sustainable growth and corporate value, and gives us a competitive advantage in the market.

In Medium-Term Management Plan FY25, which runs through 2025, one of our key initiatives is to implement financial strategies for achieving ROE of 8%, as well as for reinforcing existing businesses and investing in growth fields. For cash flow generation, we have set the numerical targets of an operating EBITDA margin of 20% or higher and ROIC of 5%-6%, while for

shareholder returns, our goal is to deliver continuous, stable dividends with a target dividend payout ratio of 40% or higher. Our capital policy is to reduce the net debt to operating EBITDA ratio to 3.0 times or less.

In investing for future growth, we will invest capital in growth fields in each business and explore M&A opportunities to strengthen our core businesses (the manufacturing business of the three core companies). Through optimal capital allocation, we will build a flexible business portfolio that adapts to changing times in order to maintain the sustainable growth of our businesses and increase our corporate value.

Basic Policy of Our Financial Strategy

1. Cash flow generation	<ul style="list-style-type: none"> • Operating EBITDA margin of 20% or higher • ROIC of 5%-6% (>WACC)
2. Growth investment	<ul style="list-style-type: none"> • Channel capital into growth fields in each business • M&A to reinforce core businesses
3. Shareholder returns	<ul style="list-style-type: none"> • Continuous, stable dividends with a payout ratio of 40% or higher (target)
4. Capital policy	<ul style="list-style-type: none"> • Maintain financial discipline with a target net debt to operating EBITDA ratio of 3.0 times or less

Business Environment and Measures to Enhance Earnings of the Three Core Group Companies

The business environment underlying the execution of our financial strategy is expected to remain difficult to predict. Corporate earnings will continue to be pressured by many factors, including worldwide inflation and tightening monetary policies, along with rising energy and raw material prices associated with the conflict in Ukraine. This means that management also needs to take a more prudent approach.

Financial Strategy

In these circumstances, we aim to expand earnings for each company and ensure the sustainable development of the Group as a whole under the new Group structure featuring the three manufacturing companies—Teibow, AlphaTheta and JLab—at the core. Teibow is working to capture recovering demand from schools in its mainstay pen nib business, and is also focusing on the development of metal injection molding (MIM), a growth business, and expansion of core businesses. AlphaTheta will accelerate its new business development efforts to secure future revenue sources. JLab will enter non-U.S. markets and aggressively invest business resources in the development of new products that anticipate consumer needs.

By combining the individual strategies and measures of the three core Group companies with efforts to optimize overall operations, we aim to maximize corporate value and achieve the quantitative targets of Medium-Term Management Plan FY25.

Growth Investment Strategy

As a result of our business portfolio realignment, we have improved our liquidity on hand, further expanding our investment capacity. In Medium-Term Management Plan FY25, we plan to make the investments outlined below in the following categories—R&D, capital expenditures and new businesses—all while maintaining financial soundness. We will direct funds to the development of new businesses that will contribute to future Group earnings and to the expansion of income from existing businesses. At the same time, we will aggressively invest in DX-related areas with an eye to further improving productivity.

Basic Growth Investment Strategy

Investment in R&D

- Teibow: New materials R&D and establishment of new MIM technology
- AlphaTheta: Reinforcement of new product development system, increasing the number of products being developed and expansion into new business fields

Capital Expenditures

- Teibow: Establishment of new pen nib and MIM factories, enhancement of production capacity and promotion of rationalization
- AlphaTheta: Software application development

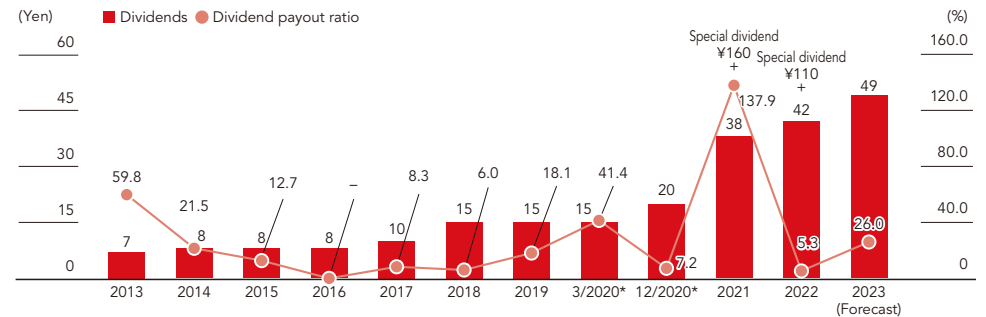
Investment in New Businesses

- JLab: Entry into non-U.S. markets and the development of new products
- Group-wide: M&A for reinforcement of core businesses and investment in DX

Shareholder Return Policy

Noritsu Koki considers expansion of returns to shareholders a key management priority, and has focused its efforts on maintaining stable, continuous dividends while securing the internal funds necessary for future business development and reinforcement of the operational foundation. In paying dividends, we ensure that the dividend amount is appropriate by taking various factors into consideration, including results for the current fiscal year, future earnings projections and our financial position. In Medium-Term Management Plan FY25, we have raised the target dividend payout ratio to 40% or higher in order to further strengthen ties with shareholders and investors. We will continue working to enhance shareholder value through expansion of shareholder returns and steady profit growth.

Dividends and Dividend Payout Ratio



* Figures for both the fiscal year ended March 31, 2020 and the nine-month period ended December 31, 2020 are presented due to a change in the fiscal year end.

Engagement with Shareholders and Investors

The support of shareholders and investors is essential for the Noritsu Koki Group to continue to achieve sustained growth. Through timely and accurate disclosure of information, we properly highlight the growth potential of Group companies. In addition, we are committed to taking advantage of various opportunities to expand dialogue and deepen understanding of the Group, including by holding briefings and presentations and producing an integrated report. We want to be a corporate group that has high expectations from and is trusted by all its stakeholders, including shareholders, customers, suppliers, local communities, employees and others.

Technological Advantages

The Noritsu Koki Group's Approach to Technology

For manufacturing companies, technology is the source of competitiveness and the foundation for creating value. Our three core Group companies (Teibow, AlphaTheta and JLab) have each created products using unique technologies cultivated through incremental improvements and strategic research and development, and established dominance in their respective markets by steadily working to provide those products at competitive prices. The foresight to accurately perceive emerging needs and the ability to produce innovation that shakes up conventional ideas are the main forces driving the Group's continuous progress. Based on our commitment to bringing better products to consumers and craftsmanship that values the input of users, we will continue to maintain and strengthen our value creation cycle of "creation of innovative technologies and products," "a good reputation and dominant share in the market," and "accumulation of funds for the next research and development activities." With this approach, Noritsu Koki intends to be a corporate group that continues producing "No. 1/Only 1" businesses.

Highlight

Teibow's NEXT Facility: Dedicated to Creating Next-Generation Technologies

In 2018, Teibow established NEXT, a facility dedicated to development, and brought together engineers who had until then been assigned to the head office factory and the Technical Center, to speed up the creation of next-generation technologies. With its specialized facilities and equipment, NEXT's integrated system facilitates the completion of all processes from design to manufacturing and evaluation in one location, enabling rapid development with no time lag. It also has a benchmark construction (BMC) section for performing evaluations and comparisons with competing products. Keeping up with the latest industry and market trends has helped us to clarify concepts in technology development and achieve further progress in product development. At NEXT, Teibow is responding to increasingly complex market and customer needs through the establishment and rapid commercialization of new technologies such as a hollow plastic feeder and other special processes (a special polishing process and special processing of materials).



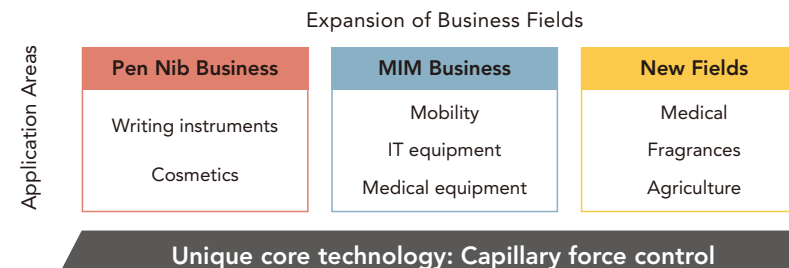
The training facility at NEXT

Technological Advantages of Group Companies

Teibow

Leveraging Micro-technologies to Develop the MIM Business and New Fields

Conceptual diagram of Teibow's core technologies and new business fields and application areas



Core Technology

Capillary force control technology

Capillarity refers to the physical phenomenon in which a liquid in narrow tubes called capillaries moves without an external force or energy. The force that causes capillarity is called capillary force. Teibow built on its felt-processing technology for hats, its original business, and micro-level fine processing technology to establish an elaborate capillary force control technology. It has applied this unique technology to the development of an assortment of more than 3,400 types of high-quality products, including marking pen nibs and materials for use in fragrance applications.

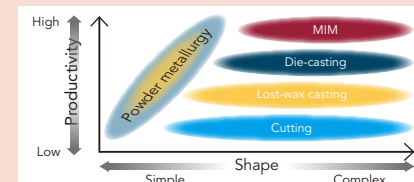


Microstructure that enables superb capillary force control

Technology Applications

Development of MIM business

Metal injection molding (MIM) is an advanced metal processing technique that combines traditional plastic injection molding with powder metallurgy. It makes it easy to manufacture 3D structures with horizontal holes, transverse grooves, and so on. This technique also makes it possible to manufacture a wide variety of parts, including the ability to design products that previously consisted of numerous different parts in a single unit. Leveraging its fine processing technology, Teibow entered the MIM business and successfully produced complex hollow-core products, which were previously considered difficult to manufacture. This is one example of Teibow's advantage of having a flexible production system that is responsive to the diverse needs of customers.



MIM is advantageous for productivity and manufacturing complex shapes

Technological Advantages

Technological Advantages of Group Companies

AlphaTheta **Mixing Core Technologies with New Technologies to Create New Surprises, Joy and Excitement**

Core Technologies **Core technologies to consistently create products and services that meet customer expectations**

AlphaTheta's DJ equipment, which is trusted by professional DJs worldwide, was born from a corporate culture that prioritizes the creation of customer value, driven by the three core technologies supporting that culture. Sophisticated user interface technology, high-quality sound technology, and digital audio analysis and signal processing technologies help DJs deliver exceptional performances, bringing diversity and creativity to the enjoyment of music.

User Interface Technology	A user interface that adds versatile performance expression to music is a key factor in elevating the DJ into an artist. AlphaTheta is working to further enhance the ease of use, intuitiveness, stability and durability of this interface.
High-Quality Sound Technology	AlphaTheta uses its unique design knowledge to create a rich audio experience with frequencies in the tight low range, realistic mid-range and high-resolution range. It pursues sound design that stirs audiences with great sound quality even at loud volumes.
Digital Audio Analysis and Signal Processing Technologies	DJs deliver smooth performances by using their understanding of the composition and characteristics of musical pieces to mix tracks with different tempos and keys. AlphaTheta's original analysis technology expresses the music's composition and characteristics in visual form, and its innovative signal processing technology supports DJs in sound design.

Technology Applications **Utilizing original system technology to propose new ways of enjoying music**

AlphaTheta is offering new ways of enjoying music by enhancing its various technologies, including technologies compatible with the latest forms of music media, wireless technologies and AI. Its technology for isolating vocals and instruments enables musical expression that was not possible before, such as by removing vocals and replacing instruments. The LAN system, which links the music to lights and visual elements, helps the DJ express their own world perspective and contributes to an innovative production. In addition, AlphaTheta is focusing on using cloud and networking technologies to build a digital database that collects, analyzes and accumulates the performance techniques of professional DJs.

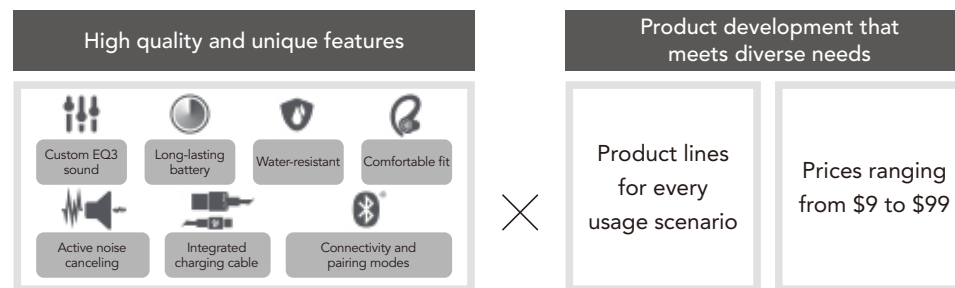


Flagship DJ system for pro DJs and clubs



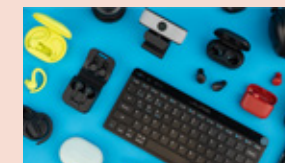
Automation of stage lighting using system technology

JLab **Maximizing Value for Customers with Innovative Product Technologies and a Production System Focused on Market Needs**



Product Technologies **Unique product designs that create high-value products at prices everyone can afford**

All JLab products are equipped with the audio drivers best suited for the design. The drivers utilize JLab's signature C3 (Crystal Clear Clarity) technology that produces clean, crisp, immersive sound to achieve exceptionally vibrant highs to deep bass. Its products are also full of user-friendly new functions and new standards. JLab's focus on designing products with user convenience in mind is apparent in the use of long-life batteries, excellent noise isolation and a patent pending integrated USB charging cable. The clear sound and unique product designs that offer a high level of satisfaction at affordable prices has won the support of technology fans around the world.



Unique product designs

R&D System **Accelerating co-creation between in-house R&D teams and suppliers in each country to succeed in competitive markets**

JLab coordinates and manages in-house R&D teams to strategically tackle a variety of technical challenges. This enables rapid product planning and development based on an accurate grasp of potential needs in the market. In addition, JLab is accelerating creation of competitive technologies and products not only by leveraging its own technology assets and intellectual property, but also by expanding co-creation initiatives in various fields of R&D with suppliers in China and other countries.

Business Strategy | Teibow

Message from Top Management of Group Companies

We are building a diversified, stable profit structure by reinforcing the foundation of the pen nib business and expanding the MIM business.



Kiyoshi Kochi
Representative
Director and President
Teibow Co., Ltd.

In addition to the marking pen nib and cosmetics pen nib businesses, where it holds the world's top market share, Teibow is also building its presence as Japan's leading company in the metal injection molding (MIM) business. We will continue to enhance our position in Japan in the pen nib business through the development of highly original technologies and products, and also cultivate the global market with a focus on emerging countries. In the MIM business, we will take advantage of our flexible production system to provide optimized solutions to the various challenges customers face in their manufacturing processes. At the same time, we will accelerate the creation and commercialization of new technologies for heavy products of 200 grams or more and hollow MIM to build a more diverse and stable profit structure.

Business Overview

Existing

Existing business (pen nib business)

Manufacture of nibs for writing instruments, brush pens and cosmetics tools



Writing instruments

Market share
worldwide: Over 50%

Teibow firmly maintains the world's top market share for marking pen nibs. Leveraging capillary force control technology, it manufactures five billion nibs per year, and its highly original technologies and products have an excellent reputation in Japan and abroad. Teibow also has a presence in the cosmetics business.



Cosmetics

Nylon tips for eyeliner
Market share
worldwide: No. 1

Growth

Growth business (MIM business)

Small parts for transportation equipment



Ability to create small
and complex shapes



Unique hollow
technologies

MIM

Enabling Production of Complex Shapes with a Unique Technology That Combines Hollow Technologies with MIM

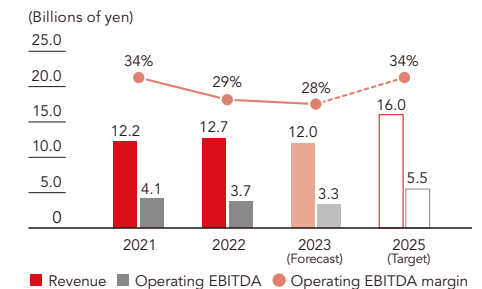
In the MIM business, where we have one of the highest production capacities in Japan, Teibow uses a technique that integrates conventional plastic injection molding technology with powder metallurgy to manufacture otherwise hard-to-machine parts, including micro, precision and 3D parts.

Goals of Medium-Term Management Plan FY25

As a manufacturer of parts/materials and miniature components with a pen nib business that holds the world's top market share, Teibow will work to achieve high profitability in the mainstay pen nib business while also expanding the MIM business, where continued market growth is expected. Teibow will help to realize the Noritsu Koki Group's Vision of being "A corporate group that continues producing 'No. 1/Only 1' businesses."

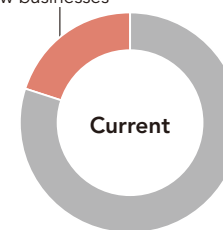
Progress and Outlook

While revenue was up in 2022 compared with the previous year, driven by the solid performance of the pen nib business, operating EBITDA declined by approximately 11% due to higher logistics costs, raw material prices and other expenses. Teibow will continue to pursue sustainable growth by strengthening the profitability of its core businesses and leveraging the technology and knowledge cultivated in the pen nib business to develop new fields such as household goods and medical equipment, and by nurturing the MIM business. In the writing instrument pen nib business, Teibow will focus on developing high value-added products and expanding sales channels. In the cosmetics business, it will expand sales channels primarily in China, develop the market for new eyeliners, and work to boost sales of polybutylene terephthalate (PBT) brushes. For the MIM business, which is expected to be a growth driver, Teibow will promote global sales backed by its strengths of superior quality and mass-production system, while also focusing on application development in new fields. Teibow aims to double revenue in this business from the level when the medium-term management plan was drawn up.



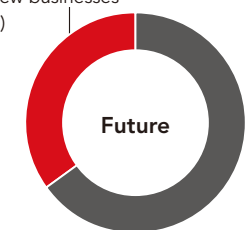
Teibow's Goal (Revenue Composition)

Growth/New businesses
(MIM, etc.)



Existing/Core businesses
(Pen nib business)

Growth/New businesses
(MIM, etc.)



Existing/Core businesses
(Pen nib business)

Business Strategies | Teibow

Strengths and Opportunities

Teibow's advantage in the market is its diverse product lineup, backed by its advanced technological capabilities as well as its flexible production system capable of handling everything from mass production to small-lot items while maintaining high quality. Based on close communication with customers, Teibow will respond to increasing demand in the pen nib business centered on emerging countries. In the MIM business, it will expand applications to transportation and medical equipment, in addition to deepening its presence in the global market.

Strengths

- Strong relationships with customer companies (trust in quality and technologies)
- Production system capable of handling everything from mass production to small-lot items while maintaining high quality
- Rapid development speed
- Capillary force control technology
- Ability to produce complex shapes through the combination of hollow technologies and MIM

Opportunities

- Pen nib business**
 - In writing instruments and cosmetics markets, demand is expanding with GDP growth in emerging countries
- MIM business**
 - Global market centered on transportation equipment expected to grow
 - Expansion of new applications in medical equipment field, etc.



Business Strategies

Writing instruments business	<ul style="list-style-type: none"> • Leverage unique technologies and know-how to develop new products with a competitive advantage and high added value • Invest management resources in expansion of sales channels in China and emerging countries where increased demand is expected • Collaborate with other companies that have outstanding technologies to promote development of new products and expansion of applications. Uncover new needs of existing customers and develop new customers (applications such as air fresheners and in medical and agriculture industries, etc.)
Cosmetics business	<ul style="list-style-type: none"> • Promote further expansion of business foundation, primarily in the major markets of China and Southeast Asia • Focus on development of strategic products for major markets <ul style="list-style-type: none"> – Focus on sales expansion of eyeliners by partnering with major brands in Europe, the U.S. and elsewhere – Develop new nylon tips and adapt to demand for nibs for eyeliners
MIM business	<ul style="list-style-type: none"> • Aim to expand adoption in transportation equipment parts based on the combination of hollow technologies and MIM • Focus on expansion of new applications and sales growth in the field of medical equipment, where miniaturization and precision technologies are advanced • By opening a new factory, establish a strong production system capable of mass-producing high-quality products

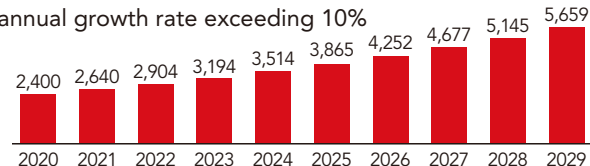
Highlight

MIM Development Center, a New Production Base for MIM Products

The MIM Development Center, a dedicated factory in Hamamatsu (Shizuoka Prefecture) that was constructed to further advance the MIM business, began operation in July 2021. Production capacity has expanded to twice the previous level, and we have established a mass-production system that can adapt to expansion of demand for MIM products primarily in the transportation equipment and medical fields.

Global MIM market expected to grow to ¥800 billion* in the future with a high annual growth rate exceeding 10% (Millions of dollars)

MIM Global Market Trend



* Converted at the exchange rate (TTM) of ¥140.97 to \$1 as of July 31, 2023
 Source: Prepared by Noritsu Koki based on joint research and multiple market forecasts by the European Powder Metallurgy Association (EPMA) and Kato P.E. Office



MIM Development Center (Miyakoda-cho, Kita-ku, Hamamatsu City)

Business Strategy | AlphaTheta

Message from Top Management of Group Companies

We operate a wide range of businesses from DJ equipment to software applications, and will continue working toward our mission of "One Through Music."



Yoshinori Kataoka
President and CEO
AlphaTheta Corporation

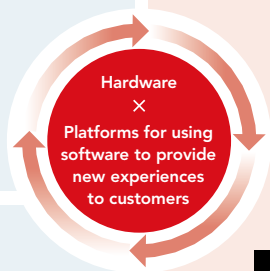
AlphaTheta pursues its mission of "One Through Music" through its various businesses and products, such as world-leading DJ equipment and other audio equipment. We are focusing on the sustainable growth of our businesses with a two-pronged strategy of reinforcing existing businesses with DJ equipment at the core and enhancing growth businesses centered on software applications and digital services. In our core DJ equipment business, we will offer new experiences to our broad customer base, develop new markets in the APAC region, and work to create next-generation applications in the software market. As a company valued by society, we will continue to tackle new challenges as we create innovative products and services and strive for the development of music culture.

Business Overview

Existing Existing businesses (hardware category)
Audio equipment, mainly DJ equipment



Growth Growth businesses (software applications and services)
Music management, royalty distribution service, DJ school operation, etc.



Best known for its DJ equipment (with a strong market presence in Europe and North America in particular), AlphaTheta offers a wide range of products including music production equipment that supports artists in the studio and on stage, as well as various types of audio equipment.

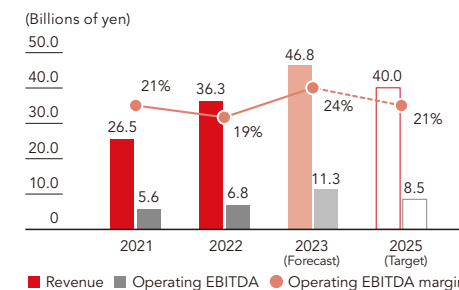
AlphaTheta supports the development of the world's music culture by providing rekordbox, an application for DJs, KUVO, a music performance data analysis service, AlphaTheta Care, an extended warranty service, and through the operation of the DJ school Yokohama DJ Lab.

Goals of Medium-Term Management Plan FY25

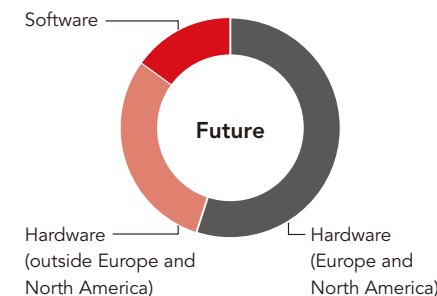
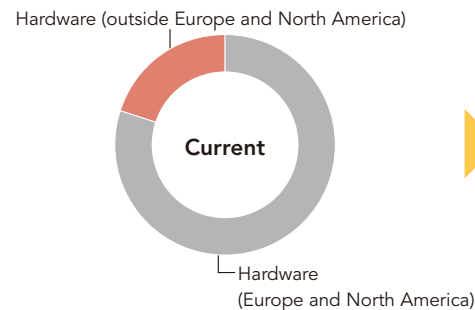
AlphaTheta is developing a variety of equipment and services based on its core technologies: user interface technology, high-quality sound technology, digital audio analysis and signal processing technologies, and data analytics technology. With its original, cutting-edge R&D, AlphaTheta will propose optimal solutions for the sophisticated needs of DJs and other music professionals, as well as contribute to effective use of energy through resource and energy-saving products.

Progress and Outlook

In 2022, AlphaTheta's revenue grew substantially on the back of firm demand, while operating EBITDA also increased steadily. The music industry, which AlphaTheta has close ties with, is also making a comeback with the post-pandemic resumption of events. AlphaTheta views the changes that have taken place in the external environment as a good opportunity to expand its business scope and will strive to provide new experiences in both hardware and software. It will also work to establish services in adjacent markets, including proposal of the DJ lifestyle to a new customer base and data services related to musical performances. AlphaTheta aims to increase the revenue share of software services to 10% or more.



AlphaTheta's Goal (Revenue Composition)



Business Strategies | AlphaTheta

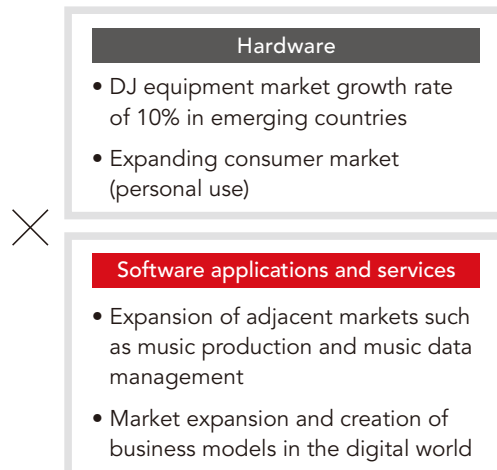
Strengths and Opportunities

The music industry in developed countries, particularly Europe and North America, is now clearly on the path to recovery, while the DJ equipment market in emerging countries is maintaining sales growth of around 10% per year, backed by the development of domestic economies. With its flexible production system, AlphaTheta will pursue further progress and growth by meeting increasing global demand. In the hardware category, AlphaTheta will leverage the strengths of its outstanding technologies and brand to further expand the value it offers, and in the applications and services category, it will focus on forming new platforms that combine hardware and software.

Strengths

- Pioneer DJ's brand equity (strong reputation among the world's top DJs and nightclubs)
- Global market leader
- Product development and technological capabilities
- Extensive product lineup (for both professional and personal use)
- Intuitive user interface
- Operation of DJ training school

Opportunities



Hardware

- DJ equipment market growth rate of 10% in emerging countries
- Expanding consumer market (personal use)

Software applications and services

- Expansion of adjacent markets such as music production and music data management
- Market expansion and creation of business models in the digital world

Business Strategies



Hardware

- Leverage technology and brand strength to further enhance customer value in the key markets of Europe and North America
 - └ Work closely with diverse customers and expand the range of products and services that help them succeed
 - └ Stabilize production to meet increased demand due to diversification of suppliers and expansion of sales channels
- Expand sales channels in emerging countries and China, where high growth rates are expected
 - └ Strengthen sales structure in the APAC region
- Expand new user base and create new markets by developing products for personal use
 - └ Focus on development of entry-level models
 - └ Expand market presence through sponsorship and participation in music events worldwide

Software

- Create a platform that combines hardware and software to deliver high customer value
 - └ Evolve rekordbox into a next-generation application that utilizes cloud technologies and multi-device support technology
 - └ Attract entry-level and new users through DJ applications for mobile devices
- Help to shape environments where music creators can maximize their creativity
 - └ Build a support service for fair distribution of royalties in collaboration with DJ Monitor

Highlight

Start of Alliance between AlphaTheta and DJ Monitor

In October 2022, AlphaTheta entered into an alliance with DJ Monitor B.V., an Amsterdam-based company that digitalizes information of music performed at nightclubs and other venues using music recognition technology (MRT) and provides the data to copyright holders. To create an environment where music creators can achieve maximum creativity, AlphaTheta has made it a priority to establish an ecosystem that enables fair distribution of royalties, and entered into the business and equity alliance with the belief that creation of new businesses through cooperation and synergy between the two companies will contribute to the music industry. Currently, the two companies are working on co-development, starting with the evolution of KUVO, a music performance data analysis service.

AlphaTheta

Offers KUVO, a service that supports fair distribution of royalties to musicians and copyright holders worldwide



A global leader in music recognition technology
Develops music usage reporting and royalty distribution technology for musicians and copyright holders

Business Strategies |

Message from Top Management of Group Companies

We are focusing our resources on the four pillars of audio, work, gaming/content and health, and intend to grow non-U.S. sales to at least 30% of revenue.



Win Cramer
CEO
PEAG, LLC dba JLab

JLab, the U.S. market leader in high-quality wireless earbuds and headphones, is a personal technology company that develops and supplies familiar electronic products and various types of equipment to deliver new value to customers and enrich their lives. Based on the high brand awareness we have built through our portable audio devices, we will invest resources into four pillars where we expect demand to grow in the future—audio, work, gaming/content and health—to diversify our revenue streams. We will also use our excellent reputation and track record in the U.S. market as a springboard to accelerate sales expansion in the EMEA and APAC regions, and aim to increase the share of revenue from non-U.S. sales to at least 30% in 2025.

Business Overview

Existing Existing business (personal audio device business)
A wide range of affordably priced audio equipment



No. 1 in U.S. in multiple categories (2022)

JLab offers a wide range of high-quality, easy-to-handle personal audio devices. Delivering vivid sound from treble to deep bass, its earbuds and headphones have earned strong support from users, and it has captured the No. 1 market share in the U.S. in multiple categories.*

Growth Growth business (products in the work series and health-related products)
Personal work devices, hearing aids, etc.



Products geared to diversification of workstyles

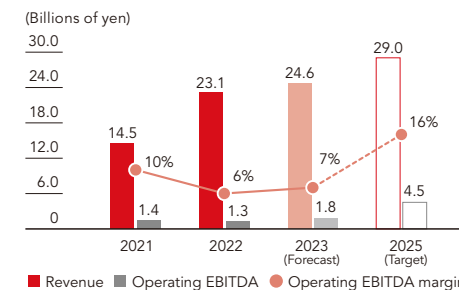
Along with its world recognized wireless earbuds and headphones, JLab meets a wide range of customer needs with peripherals that combine mobility and high quality, including wireless mice, wireless keyboards, network cameras, USB microphones and more.

Goals of Medium-Term Management Plan FY25

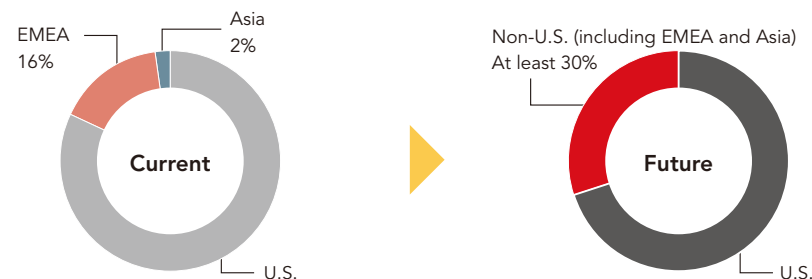
JLab will pursue further growth for its wireless earbuds and headphones, which have the top share in their respective categories in the U.S. market. At the same time, JLab will actively invest business resources into peripheral businesses to be a personal technology company that meets diverse customer needs. In addition, it will contribute to more fulfilling and comfortable lives for people worldwide with socially responsible activities through its businesses and products, including ambassador marketing and sponsorship of sports.

Progress and Outlook

In 2022, JLab achieved positive growth in revenue despite negative year-on-year growth in the U.S. market as a whole. Outside the U.S., it made upfront investments in online sales expansion, sales promotions and other areas, which resulted in a decrease in operating EBITDA and profit margins. To further strengthen its global business, JLab is expanding sales channels and aims to increase non-U.S. sales to at least 30% of revenue. JLab will also take various measures to reinforce its business operations, such as accelerating new product development, enhancing cost competitiveness, and upgrading quality and logistics management systems. Furthermore, it will work to develop and expand peripheral devices to establish a diverse business portfolio that is resilient to changes in the external environment.



JLab's Goal (Revenue Composition)



* Based on data from The NPD Group/Retail Tracking Service, U.S. (unit sales in 2022) for true wireless earbuds under \$100, headphones under \$50 and headphones for kids.

Business Strategies | 

Strengths and Opportunities

JLab's strengths are its sales and market development capabilities, and its ability to quickly commercialize trending technologies as well as technologies that are a step ahead. Based on the trust and support of customers, demonstrated by the top share in the U.S. market for true wireless earbuds under \$100, JLab's team-oriented structure that enables it to stay in front of rapidly changing trends in personal audio devices is the source of its competitive advantage and the driving force for future growth. Building on its accumulated technologies and knowledge, JLab will diversify its businesses and products and aims to be a manufacturing company that meets a wide range of needs.

Strengths

- Marketing that incorporates trends and ability to quickly commercialize products
- Selling power through strong relationships with major retailers (Walmart, Target, Best Buy, etc.)
- Products that offer high performance and added value at affordable prices
- A leading position established with clearly targeted product development (target segments/positioning)



Opportunities

Personal audio devices

- Market penetration in Europe and the APAC region
- Increasing needs for mid-price products

New businesses

- Emergence of new needs in response to the "new normal"
- Customization and personalization



Business Strategies

Personal audio devices

- Increase market share in regions outside the U.S.
 - └ Promote partnerships with major distributors
 - └ Establish cooperative framework with AlphaTheta in logistics and parts procurement
- Accelerate expansion of the pillars of audio and gaming/content
 - └ Strengthen sales of high value-added products based on ability to quickly commercialize products with multiple options to meet various needs
 - └ Collaborate with large retailers such as Walmart and Target to identify the latest trends, and leverage them in new product development
- Work to improve quality and stabilize the supply chain
- Improve manufacturing processes and diversify suppliers
 - └ Make continuous investments to increase inventory management efficiency and strengthen logistics functions

New businesses

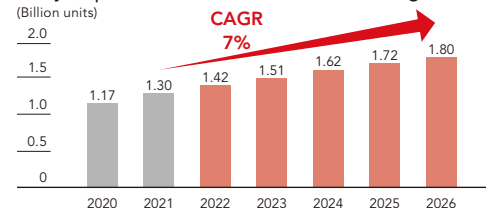
- Full-scale entry into the health category with hearing-related health products, a growth field
 - └ Develop and expand hearing protection products in response to deregulation related to sales of hearing aids in the U.S.
- In light of changes in the way people work, enter the market for devices other than earbuds with the goal of becoming a personal technology company
 - └ Strengthen development of peripherals such as mice, keyboards, web cameras and microphones

Highlight

Accelerating Expansion in Non-U.S. Markets

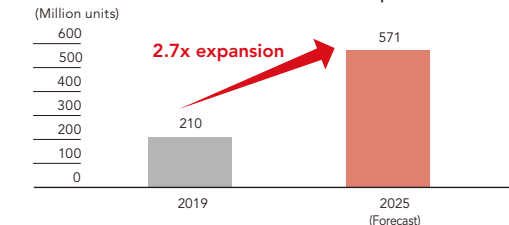
JLab is the leader in multiple product categories in the U.S. However, to ensure sustainable growth into the future, it must evolve into a true global company by developing and cultivating new markets. In expanding its global presence, JLab will allocate resources to sales promotion and the establishment of a global network adapted to regional characteristics in Europe, which has a rich and diverse music culture, and Asia, where demand for personal audio devices and peripheral devices is expanding amid rising living standards.

Yearly Shipments of Bluetooth Audio Streaming Devices*



* Audio streaming devices include wireless headsets, wireless speakers and automotive systems. Forecast from 2023 onward.
Source: 2022 Bluetooth Market Update prepared by Bluetooth Special Interest Group based on ABI Research 2022 report and other sources

Global Market for Wireless Earbuds/Headphones



Source: Fuji Keizai Group, press release no. 20054

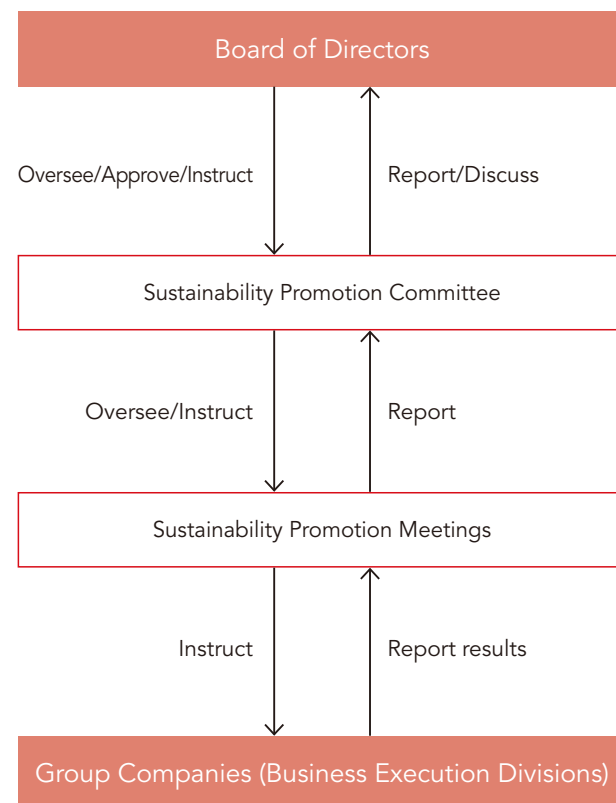
Sustainability Promotion Framework

Approach to Sustainability

The Noritsu Koki Group has been working to address the rapid and dramatic social changes that have occurred over the past decade, and strives to create businesses that are indispensable and can serve as part of the infrastructure of society. To respond to increasingly serious social and global environmental challenges, we have set four material issues that we believe we must address in order to continue to fulfill our Mission of delivering “Prosperity for society and people,” and as such are working to integrate sustainability into our business operations.

By mobilizing the Group’s resources to solve environmental, social and governance challenges based on the material issues, we intend to create value for customers and society, and thereby achieve sustainable growth.

Sustainability Promotion Framework



The Noritsu Koki Group has set up the Sustainability Promotion Committee to integrate sustainability, centered on the Group’s Materiality Action Plan, into its corporate governance system. Chaired by the representative director and CEO, the committee includes the director and CFO, executive officers of Noritsu Koki and presidents of Group companies. The committee develops all sustainability-related policies, strategies and action plans, discusses ESG risks, monitors the implementation of plans, and provides reports and recommendations to the Board of Directors.

To ensure the steady implementation of the Group’s Materiality Action Plan, Sustainability Promotion Meetings are held to monitor progress, make assessments and promote specific measures. An executive officer of Noritsu Koki chairs these meetings, and participants are those responsible for promoting sustainability at Group companies. Through these meetings, we will share sustainability information as well as support the achievement of sustainability targets throughout the Group.

Sustainability Promotion Committee

Purpose	<ul style="list-style-type: none"> • Develop policies on sustainability • Discuss important issues and report to the Board
Composition	<p>Chair Representative director and CEO of Noritsu Koki Co., Ltd.</p> <p>Members Director and CFO/Executive officers of Noritsu Koki Co., Ltd. President and representative director of Teibow Co., Ltd. President and CEO of AlphaTheta Corporation CEO of PEAG, LLC dba JLab CEO of PreMedica Inc.</p>
Frequency of Meetings	Annually (March)

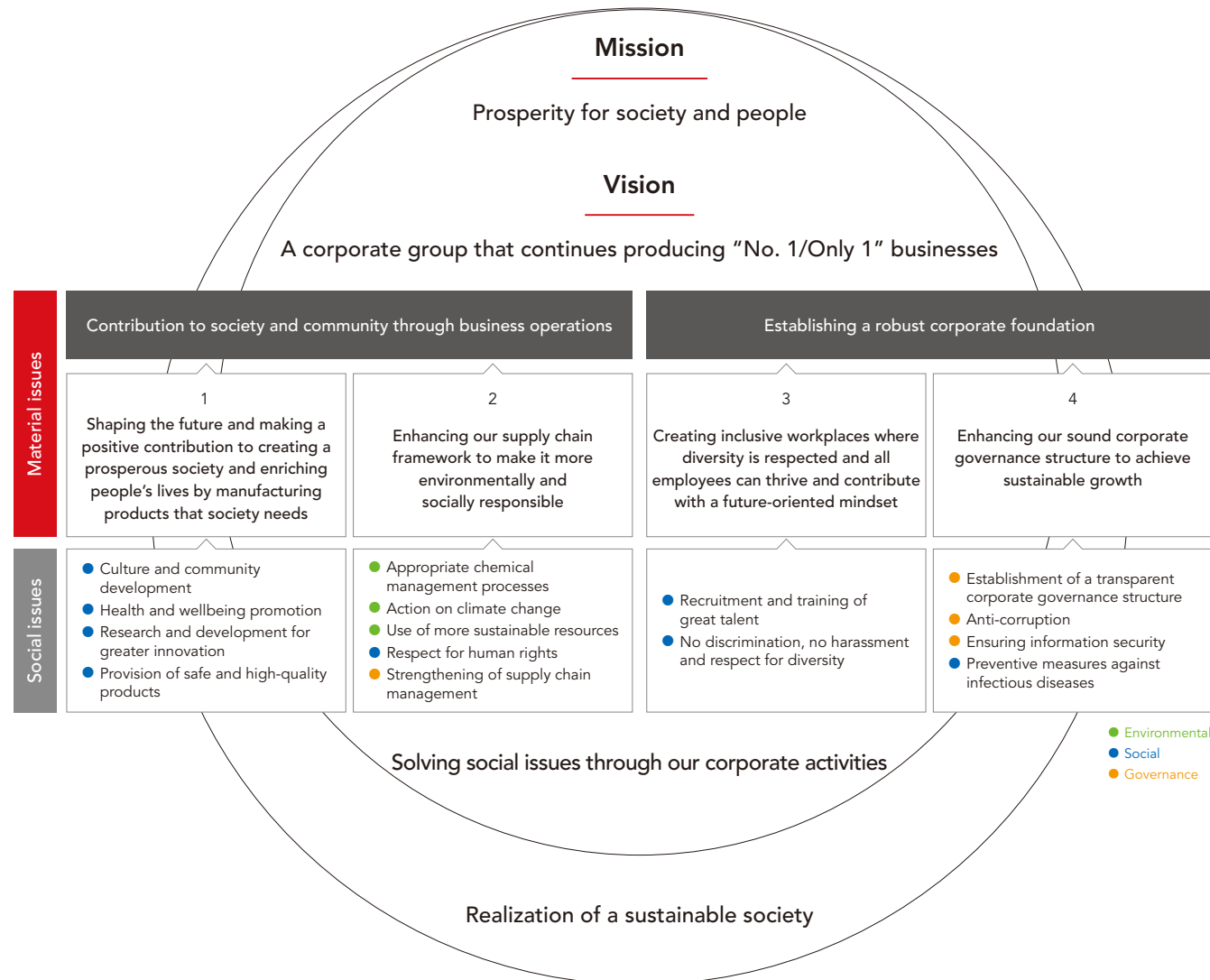
Sustainability Promotion Meetings

Purpose	<ul style="list-style-type: none"> • Compile the sustainability results of Group companies • Discuss issues raised by Group companies regarding sustainability activities and monitor progress • Give directions related to sustainability activities, etc.
Composition	<p>Chair Executive officer of Noritsu Koki Co., Ltd.</p> <p>Members Employees responsible for promoting sustainability at Teibow Co., Ltd., AlphaTheta Corporation, PEAG, LLC dba JLab, and PreMedica Inc.</p>
Frequency of Meetings	Twice a year (February and August)

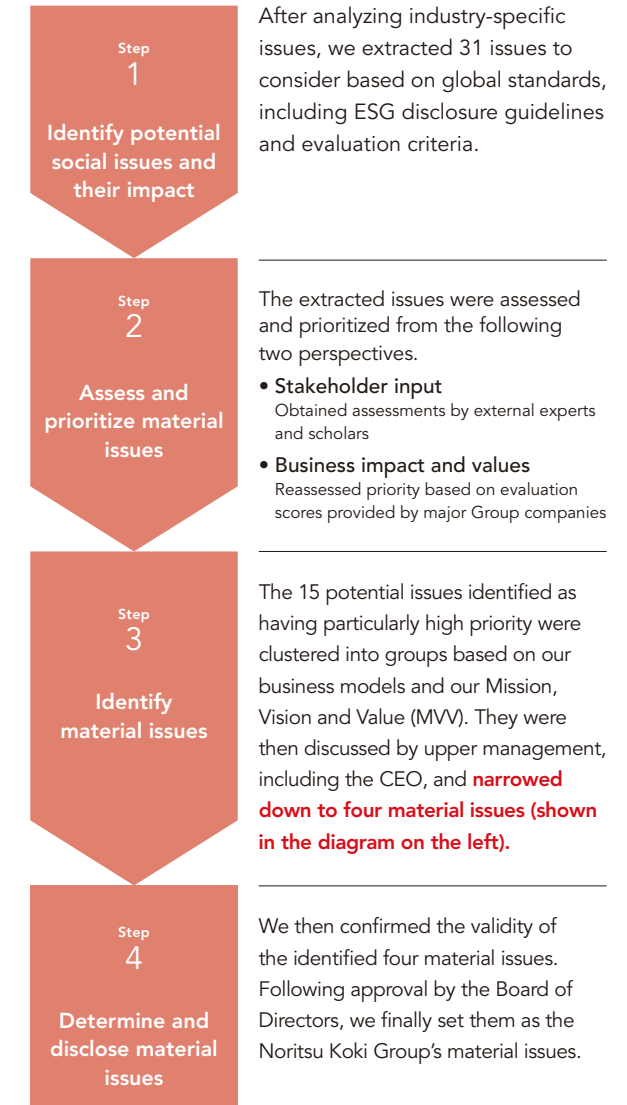
Material Issues

Materiality Framework

The Noritsu Koki Group has identified four material issues for realizing a sustainable society.



Materiality Assessment Process



Material Issues

Materiality Action Plan and Progress

To take action on the material issues, we developed a Materiality Action Plan that sets annual targets, and are promoting the plan throughout the Group. The progress of the action plan is managed based on the Group's sustainability promotion framework.

	Material Issues	Our Actions	Goals for 2022	2022 Results	Goals for 2023
Contribution to society and community through business operations	1 Shaping the future and making a positive contribution to creating a prosperous society and enriching people's lives by manufacturing products that society needs	Conducting quality audits, identifying issues to be addressed and finding solutions Page 27	Create a quality management policy and improve our existing management system	Developed a Group Quality Management Policy Set standards on quality management for reporting to the Board	Monitor Group response to customers regarding quality issues
		Providing continuous support for local communities and culture Page 31	–	Carried out community support activities related to our business	–
		Investing in R&D to create new technologies and value Pages 13–14	R&D investment of ¥3.3 billion	Invested ¥3.4 billion in R&D	R&D investment of ¥4.0 billion
	2 Enhancing our supply chain framework to make it more environmentally and socially responsible	Delivering environmentally responsible products Page 26	Formulate a medium- to long-term plan for developing environmentally responsible products	Finalized a new environmentally responsible product development plan	Make efforts to be environmentally conscious throughout the entire lifecycle of products
		Reducing greenhouse gas emissions (Scope 1 and 2) by 37% in 2030 (compared with 2019) Page 24	Calculate greenhouse gas emissions produced by Group companies and develop an action plan to reduce emissions	Calculated Group greenhouse gas emissions Developed a greenhouse gas emission reduction plan	Implement a greenhouse gas emission reduction plan
		Establishing our supply chain management framework and promoting risk mitigation Page 26	Create a procurement policy (covering issues including human rights, labor, the environment and anti-corruption)	Developed a Group Procurement Policy	Inform all key suppliers about our Procurement Policy
Establishing a robust corporate foundation	3 Creating inclusive workplaces where diversity is respected and all employees can thrive and contribute with a future-oriented mindset	Providing diversity and inclusion training Page 28	Create a human rights policy and related rules to be adopted at all workplaces	Developed a Group Human Rights Policy and established a framework for carrying out human rights training and due diligence from 2023 and beyond	Provide human rights training more than once a year
		Promoting health and productivity management Page 29	Create a health and productivity management policy and improve the wellbeing support system for employees	Developed a Group Health Management Policy Designed a monitoring and support system	Monitor the promotion of health and productivity management and address issues based on the results
		Improving initiatives for developing talent, skills, a proactive mindset and leadership skills of employees at all levels Page 28	Create a human resource development policy and a system to promote educational opportunities for employees	Developed a Group Human Resource Development Policy and created a system to support education and training aligned with the policy	Provide an average of 22.4 hours of training per employee per year
	4 Enhancing our sound corporate governance framework to achieve sustainable growth	Promoting more diverse and flexible ways of working Page 29	Improve the current working environment and conditions based on organization type, employment system and responsibilities	Offered new ways of working in the wake of COVID-19 Developed a monitoring process to promote diverse and flexible ways of working	Monitor the promotion of diverse and flexible ways of working and address issues based on the results
		Assessing Board effectiveness and providing more information about the results of the assessment Page 33	–	Carried out an assessment of Board effectiveness	Address issues based on the 2022 assessment results and continue to assess Board effectiveness
		Providing information security training to employees at all levels Page 40	Provide training once a year or more	Carried out information security training (once)	Provide information security training once a year or more

Responding to Climate Change

Approach (Supporting the Adoption and Implementation of the TCFD Recommendations)

The Noritsu Koki Group has set taking action on climate change as one of the social issues it must address as part of its material issues, and expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in October 2022. Guided by the recommendations, we will identify the potential business implications of climate-related risks and opportunities and reflect them in our business strategy. We are committed to information disclosure and ensuring the realization of a sustainable society as well as the Group's sustainable growth.

Initiatives

2022 Activities and Achievements

Contributing to conservation of the global environment is a management priority for the Noritsu Koki Group. We are making Group-wide efforts to reduce emissions of greenhouse gases—a primary cause of climate change—and to promote information disclosure based on the TCFD recommendations. In 2022, Teibow proceeded with installation of energy-saving equipment. It also focused on reducing the environmental impact of its manufacturing process by further improving production system efficiency. Yokohama i-Mark Place, where AlphaTheta's head office is located, converted to 100% green energy for the electricity it uses in August 2018. JLab has reduced its carbon emissions by installing smart lights and smart thermostats. Noritsu Koki has also taken steps to save energy, including switching from fluorescent lights to LED lights.

Policies and Quantitative Targets for 2023

The Noritsu Koki Group will continue working to reduce the environmental impact of its business and production activities in 2023 in order to achieve its long-term goal of a 37% reduction in greenhouse gas (GHG) emissions (Scope 1 and 2) by 2030 (compared with 2019). Teibow will continue its efforts from last year to build a next-generation production system that achieves resource and energy savings through improved efficiency. In addition, it will gradually switch over to renewable energy sources. AlphaTheta will continue to monitor progress toward achievement of its goals for 2030. JLab, as it did last year, will work for further reduction of CO₂ emissions by introducing smart lights and other energy-saving equipment.

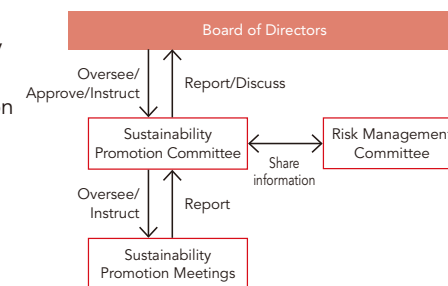
Disclosure Based on the TCFD Recommendations

Governance and Risk Management

Role of the Board of Directors and Monitoring System

The Group's Sustainability Promotion Committee, chaired by the representative director and CEO of Noritsu Koki, deliberates on important sustainability issues including climate change responses. It also provides reports and recommendations to the Board at least once a year, thereby ensuring an appropriate monitoring system. The Board deliberates and makes decisions on important climate-related risks and opportunities, and also provides direction and oversees progress.

Prior to the deliberations of the Sustainability Promotion Committee, important sustainability issues are first discussed in Sustainability Promotion Meetings with members including the Company's executive officer (serving as chair) and those responsible for promoting sustainability at Group companies. In the meetings, members share the results of Group-wide climate change responses and efforts to reduce GHG emissions throughout the Group.



Risk Assessment, Identification and Management Process

The Sustainability Promotion Committee assesses, analyzes and identifies climate-related risks and opportunities that may significantly impact the Group and its business. The committee develops policies and measures to mitigate these risks and take advantage of opportunities. It also presents reports and recommendations to the Board of Directors. The Board oversees the effectiveness of the risk management process and overall progress.

The Risk Management Committee manages overall risks across the entire Group. It shares information on climate change-related risks with the Sustainability Promotion Committee and considers further action as appropriate.

Responsible Parties	Purpose
Board of Directors	<ul style="list-style-type: none"> Discussing and making decisions on important climate-related risks and opportunities Providing direction and overseeing progress Overseeing the effectiveness of the Sustainability Promotion Committee's risk management process and overall progress
Sustainability Promotion Committee	<ul style="list-style-type: none"> Assessing and analyzing climate-related risks and opportunities. Identifying important climate-related risks and opportunities. Developing policies and measures to mitigate these risks and take advantage of opportunities. Presenting reports and recommendations to the Board of Directors
Risk Management Committee	<ul style="list-style-type: none"> Sharing information about these climate-related risks. Considering further action as appropriate.
Sustainability Promotion Meetings	<ul style="list-style-type: none"> Discussing climate-related risks and opportunities Sharing the results of Group-wide climate change responses and tracking efforts to reduce GHG emissions throughout the Group

Responding to Climate Change | Disclosure Based on the TCFD Recommendations

Strategy

Scenario Analyses

To strengthen the Group's resilience to climate-related risks, respond to opportunities that may impact business and develop new strategies, we performed scenario analyses. We used the "below 2°C (in some cases 1.5°C) scenario" and the "4°C scenario" as presented by organizations such as the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). Based on the quantitative analyses, we assessed the possible financial impact by 2030.

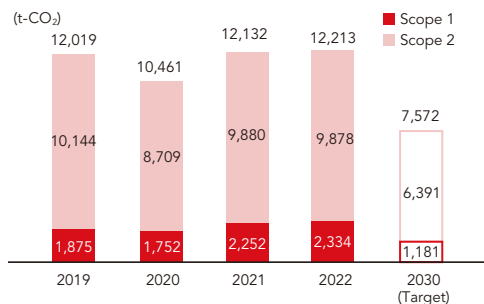
In the below 2°C scenario, it is assumed that stricter policies and regulations targeting the transition to a zero carbon society could increase and lead to response costs (transition risks). In the 4°C scenario, it is assumed that the impact of climate change such as increased severity and frequency of extreme weather events or a rise of average temperatures could increase and lead to response costs (physical risks).

Adopted Scenarios	Below 2°C scenario	IPCC RCP 2.6, IEA SDS (including a part of IEA NZE)
	4°C scenario	IPCC RCP 8.5, IEA STEPS
Metrics	Timetable	Short Term (by 2023) / Medium Term (by 2025) / Long Term (2025 onwards)
	Financial impact	Small (less than ¥500 million) / Medium (from ¥500 million to less than ¥2 billion) / Large (¥2 billion or more)

Metrics and Targets

To measure and manage the potential business impact of climate change, using Scope 1* and Scope 2* GHG emissions as our metrics, we have set a target of 37% reduction by 2030 (compared with 2019). In addition, we will begin to calculate Scope 3* emissions and work to reduce GHG emissions throughout our entire supply chain

Scope 1 and 2 Emissions and Targets (Consolidated)



* Scope 1: Direct emissions from a company's business (fuel consumption, industrial processes, etc.)

Scope 2: Indirect energy-derived emissions from electric power and other energy consumed by a company

Scope 3: Indirect emissions other than Scope 1 and Scope 2 (emissions by others in the upstream and downstream of a company's activities)

Our Responses to Climate-related Risks and Opportunities

[For more details](#)

Main Risks and Opportunities in the Below 2°C Scenario (Transition Risks)

Risks/Opportunities		Timetable	Financial Impact	Response	
Policies and regulations	Risk	Increased costs due to introduction of a carbon tax and emissions trading	Medium- to Long-Term	Small	<ul style="list-style-type: none"> Management of emissions by setting reduction targets Promotion of energy savings by introducing energy-efficient equipment and making operational improvements
	Opportunity	Increased sales opportunities for products made from recycled materials in response to stronger recycling regulations	Medium- to Long-Term	Medium	<ul style="list-style-type: none"> Development of new products made from recycled materials
Market and reputation	Risk	Reduced sales opportunities resulting from the perception of inadequate efforts for the environment	Medium- to Long-Term	Medium	<ul style="list-style-type: none"> Enhancement of climate change-related disclosure and dialogue Encouraging suppliers to consider the environment Development of environmentally responsible products
	Opportunity	Increased demand for parts due to growing demand for electric vehicles and bicycles	Short- to Long-Term	Medium	<ul style="list-style-type: none"> Expansion of customer base for electric vehicle and bicycle components

Main Risks and Opportunities in the 4°C Scenario (Physical Risks)

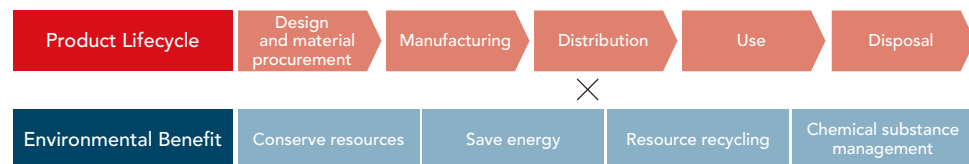
Risks/Opportunities		Timetable	Financial Impact	Response	
Acute	Risk	Damage to production bases and supply chains caused by more extreme weather events such as typhoons and flooding as well as the resulting suspension of operations and distribution, which will lead to response costs	Short- to Long-Term	Large	<ul style="list-style-type: none"> Development of a business continuity plan (BCP) including the supply chain Diversify suppliers Stronger flood measures
Chronic	Risk	Decrease in demand for products and services for outdoor use due to fewer opportunities for going out as a result of rising temperatures and more days with precipitation	Short- to Long-Term	Small	<ul style="list-style-type: none"> Monitoring climate change and consumer trends and utilizing such data in production planning and product development
		Increase in air conditioning costs and decline in labor productivity during summer due to rising temperatures	Short- to Long-Term	Small	<ul style="list-style-type: none"> Utilizing more energy-efficient air conditioning facilities Management of air conditioning temperature in response to climate change

Delivering Environmentally Responsible Products

Approach

As a company whose core business is manufacturing, Noritsu Koki believes that it has a responsibility to develop technologies that lessen environmental impact and design products that are easy to reuse and recycle, taking into consideration the entire product lifecycle from design and material procurement to use and disposal by the customer. The Noritsu Koki Group has established “Enhancing our supply chain framework to make it more environmentally and socially responsible” as one of its material issues. As part of that effort, we are taking steps to deliver environmentally responsible products to our customers. This entails efforts to use fewer resources in our products and packaging, and enhancing the energy efficiency and recyclability of products.

Consideration of the Environment throughout the Entire Product Lifecycle



Initiatives and Programs

Strategy

Delivering environmentally responsible products has been incorporated into our Materiality Action Plan as a material issue, and we are steadily implementing the plan based on the sustainability promotion framework with the representative director and CEO as the person in charge.

2022 Activities and Achievements

In 2022, Group companies formulated plans for medium- to long-term development of environmentally responsible products, and worked on developing and delivering products based on those plans. Teibow focused on reducing its environmental impact by developing a manufacturing method that does not use organic solvents of environmental concern, and by switching the raw materials used in the fiber of pen nibs from petrochemical-based chemical fibers, such as polyester, acrylic and nylon fibers, to recycled fibers made from PET bottles and biomass materials. AlphaTheta is making its products more energy-efficient, as well as digitizing manuals and reducing use of plastic. JLab has been successful in eliminating plastic in packaging materials and improving recyclability.

Future Goals

The Group will take proactive measures to conserve energy, switch to environmentally responsible raw materials, and use fewer resources in products and packaging as it strives to reduce environmental impact and improve environmental performance throughout the product lifecycle.

Strengthening Supply Chain Management

Approach

With the aim of building an environmentally and socially responsible supply chain together with its suppliers, who are business partners, the Noritsu Koki Group established the Noritsu Koki Group Procurement Policy in July 2022 outlining what it expects suppliers to comply with. Through procurement activities based on this policy, the Group will contribute to the realization of a sustainable society.

The Noritsu Koki Group Procurement Policy (Key Points)

1. Complying with applicable laws and regulations
2. Selecting suppliers
3. Information security
4. Environmental stewardship
5. Human rights, occupational health and safety
6. Building trusted partnerships with suppliers

[For more details](#)

Initiatives and Programs

Strategy

Under the sustainability promotion framework led by the representative director and CEO, Noritsu Koki is working with Group companies to carry out initiatives for strengthening supply chain management.

2022 Activities and Achievements

We have formulated and announced our Procurement Policy based on the Code of Conduct and various other policies as the most basic standards to which we adhere to in our corporate activities, including business transactions with customers and suppliers. In addition, AlphaTheta took measures to enhance the effectiveness of its environmental response, including updating its internal standards for chemical substances contained in products, and ensuring that contract manufacturers are aware of these updated standards.

Future Goals

In 2023, we have set the goal of informing all key suppliers (including subcontractors) about our Procurement Policy. We have set up a contact point for accepting questions and feedback about the policy from suppliers, and are working with Group companies to raise awareness of the policy. For issues that become apparent during the process, we will work together with suppliers to find solutions. In addition, we will create a framework for strengthening the management of sustainable procurement risks in the supply chain.

Delivering Safe, High-Quality Products

Approach

The Noritsu Koki Group is committed to complying with applicable laws and regulations related to product quality. To this end, we have developed a Quality Management Policy to ensure we are able to deliver products and services that are safe and reliable.

The Noritsu Koki Group Quality Management Policy

- 1 Compliance**
We comply with all rules pertaining to the products and services we deliver, including applicable laws and regulations, social norms, and internal rules and regulations.
- 2 Product Quality and Safety**
We are committed to ensuring product quality and safety, and have created a quality management system and continually improve on it to enhance the quality of our products.
- 3 Education and Training**
We provide our employees with appropriate education and training to help them increase their understanding of product quality and safety, and to develop relevant expertise.
- 4 Disclosure**
We provide all stakeholders of the Noritsu Koki Group with appropriate information in a timely manner whenever any issue related to quality occurs.
- 5 Building Trusted Partnerships**
Based on trusted partnerships, we strive to maintain and improve product quality throughout the supply chain.

Delivering Safe, High-Quality Products

Quality Management System and Initiatives

We have an effective monitoring system led by Sustainability Promotion Meetings, and strive to ensure uncompromising quality management and safety. We have established unified reporting standards across the Group and share incident reports related to quality and safety. We also develop plans and implement countermeasures.

Teibow, AlphaTheta and JLab each carry out their own quality management activities based on the Group's Quality Management Policy and each company's quality management regulations. Teibow, the only company in the Noritsu Koki Group with its own production bases, works to ensure and improve quality with monthly quality meetings and annual quality audits in each manufacturing department. AlphaTheta holds monthly quality meetings and conducts quality audits once a year for EMS providers and OEMs (written audits were conducted from 2020 to 2022 due to the COVID-19 pandemic). JLab manages and shares quality management reports at the team level. Each of the companies focuses on ensuring safety in the production processes of its own operations and those of external contractors, and strives to maintain sustainable business activities.

Quality Audits

Based on the Group's Quality Management Policy, Teibow and JLab work to identify significant quality problems through their respective quality audits. In 2022, four quality issues at Teibow and two at JLab were reported to the Board of Directors, but these six issues have all been resolved. In 2023, AlphaTheta started counting the number of incidents that had a customer support response time of 7 days or longer as significant quality management issues.

Group Company	Number of Significant Quality Management Issues
Teibow	4
AlphaTheta	(Not available)
JLab	2

Note: All of the above issues have been resolved.

Quality Management Initiatives at Each Company

Teibow, AlphaTheta and JLab, the three core manufacturing companies of the Group, work to deliver safe, high-quality products based on strict quality management systems. Teibow has acquired ISO 9001 certification, an international standard for quality management systems, at its MIM Development Center, and develops and manufactures high-quality, environmentally responsible products. AlphaTheta conducts continuous quality improvement activities and compliance reviews on safety and environmental responsibility to provide safe and reliable products and services. JLab is further enhancing its brand value with product development and production that conforms to strict quality standards, as well as by establishing a comprehensive product assurance system.

Future Goals

In 2023, we will continue to deliver a steady supply of high-quality products by ensuring the implementation of our Quality Management Policy across the Group and through the quality improvement activities of Group companies. In addition, we will monitor customer support to identify significant quality issues and implement appropriate measures. The Noritsu Koki Group will promote organic collaboration between the holding company and Group companies to further improve the quality management system.

Human Capital Initiatives

Backed by our excellent human resource infrastructure, we will create products and services that are indispensable for society.

Yukiko Katabe
Executive Officer
Director of Personnel and
General Affairs



The Noritsu Koki Group is developing its business to continue producing “No. 1/Only 1” businesses. To achieve sustainable growth and expand corporate value, we believe it is important that all Group employees have a broad perspective and work with a future-oriented attitude and mindset. The Noritsu Koki Group works to enhance employee motivation and foster a vibrant organizational climate through the creation of a positive work environment. This includes providing fair evaluations and treatment, and respecting the diversity of employees. We will continue to enhance our work environment and education and training systems to further strengthen and expand our human capital and pursue the realization of our Mission, Vision and Value in each area of our business operations.

Human Capital Management in the Noritsu Koki Group

For the Noritsu Koki Group, our employees, who are dedicated to their everyday work and strive to contribute to the development of a better society, are the driving force of sustainable growth. They are also the source of our competitive advantage in the industry and the market.

The defining characteristic of the human capital management of the Noritsu Koki Group is that the holding company and the three core Group companies—Teibow, AlphaTheta and JLab—each fulfill their respective roles and functions, and aim to expand the human capital of the Group as a whole. Noritsu Koki, the holding company, formulates human resource development plans and human rights and compliance policies for the Group, and communicates them to Group companies. The three core Group companies separately recruit and develop people who contribute to the respective company’s corporate value and medium- to long-term growth strategies, and work to expand the human resource infrastructure.

In addition to this multi-tiered approach to human capital management, we are also focusing on promoting diversity through workstyle reforms to accommodate the desires of our diverse employees for growth. The gender ratio of the holding company is roughly 50/50, and women hold more than 30% of managerial positions. Our employees come from a variety of backgrounds in terms of not only gender, but also age, nationality, beliefs and other characteristics, and they all play an active role as independent professionals.

Recruiting and Developing Superior Talent

The Noritsu Koki Group’s Approach to Human Resource Development

In October 2021, we identified four material issues. One of those is “Creating inclusive workplaces where diversity is respected and all employees can thrive and contribute with a future-oriented mindset.” We set two specific areas of action for accomplishing that: “Recruitment and training of superior talent” and “No discrimination, no harassment and respect for diversity.” Attracting talented people and supporting their success is a key management priority for the Group in order to make human resources a driver of value creation. We actively recruit people who have initiative and a strong desire to contribute to enhancing the Group’s value, whether they are new graduates or mid-career professionals. Moreover, we work to produce the talent who play leading roles in the Group’s sustainable development by providing suitable learning opportunities and offering human rights and compliance training and various other systems.

In 2023, as a quantitative goal for human resource development, we set an average of 22.4 hours of training annually per person for all Group employees. At each company, we are expanding the menu of training options and establishing the support systems necessary for achieving dramatic improvement from the result in 2022 (Group average of 12.4 hours).

2022 Results

Item	Unit	Teibow	Alpha Theta	JLab	Noritsu Koki	Group-wide	2023 Group Target
Training hours per person	Hours annually	6.6	15.0	4.2	15.1	12.4	22.4

Initiatives at Group Companies

Teibow is stepping up hiring in the areas of sales, technology development and quality control, and is implementing unique education and training programs including a workplace mentoring program in which one senior employee is assigned to each new employee to provide guidance. It is also conducting training for production site engineers at the NEXT facility, which is leading to the creation of a virtuous cycle of passing on technology and knowledge and strengthening relationships across departmental lines.

AlphaTheta is developing people who have both excellent technical skills and people skills. Through the *Values Book*, which consists of philosophy training and guidelines for behavior, it is working to align the values of employees with the company’s principles and create awareness of the need to exemplify the corporate philosophy as a team.

JLab is utilizing external training programs and creating a system for all employees to participate in programs suited to their respective roles and responsibilities. As a result, it is conducting effective talent development that leads directly to improvement of individual performance and strength as a team.

Human Capital Initiatives

Creating Work Environments That Enable Diverse, Flexible Working Practices

The Noritsu Koki Group's Approach to Workplace Development

We conduct business globally. To continue producing “No. 1/Only 1” businesses and achieve growth, it is imperative to understand the diverse attributes (nationality, culture, beliefs, etc.) of our employees.

We will take a proactive approach to diversity, equity and inclusion—elements that are closely related to “Creating inclusive workplaces where diversity is respected and all employees can thrive and contribute with a future-oriented mindset.”

Group-wide Initiatives

We consider the creation of a vibrant work environment that accommodates diverse and flexible working practices as the foundation for value creation in the Group. Seeing the need to respond to the “new normal” caused by the COVID-19 pandemic, we introduced a telework system and improved various other systems to create an open work environment that enables all employees to do their work responsibly and in their own way. In 2023, we set seven items to measure our progress in promoting more diverse and flexible working practices. These items include the percentage of paid holidays taken, the telework adoption rate, and the percentage of eligible employees taking parental leave. We will monitor progress, identify issues based on the areas of “relationship with employers,” “place of work” and “diversity,” and take steps to address areas of concern.

For health and productivity management, we are implementing wide-ranging initiatives under Group-wide policies established in 2022. These initiatives include assessing and increasing the percentage of employees receiving regular health checkups, improving dietary habits, and expanding exercise opportunities. We can only achieve our Mission of “Prosperity for society and people” if our employees are in good physical and mental health. We will continue to maintain and promote the health of employees and ensure safe and comfortable environments in which they can work with peace of mind. By doing so, we intend to be a corporate group that earns the trust of stakeholders and society.

Group-wide Metrics for Ensuring Diverse Working Styles

1.	2.	3.	4.	5.	6.	7.
Percentage of paid holidays taken	Telework adoption rate	Percentage of eligible employees taking parental leave	Average number of days of parental leave taken	Percentage of eligible employees taking family care leave	Percentage of employees with disabilities	Post-retirement reemployment rate

Workplace Environment Data

Indicators	2022 Results
	(For permanent employees of Group companies as listed on page 43, unless otherwise specified)
Employment and Retention Indicators	
Total number of employees	1,144
Number of temporary employees	238 (Annual average)
Number of new employees hired	New graduates: 30 Mid-career hires: 88
Average length of service	9.8 ¹
Turnover rate (Voluntary termination)	5.0%
Diversity Indicators	
Percentage of female employees	All employees: 28.7% Management: 14.3% (For reference) Noritsu Koki only: All employees: 47.1%, Management: 33.3%
Variation in average annual salary (Average for women ÷ Average for men)	61.5% (Permanent employment: 62.8%, Temporary employment: 52.3%) ¹
Percentage of employees hired in mid-career	All employees: 35.7%
Percentage of eligible employees taking parental leave	All employees: 44% (Men: 25%, Women: 120%) ²
Average number of days of parental leave taken	All employees: 115 days (Men: 35 days, Women: 182 days) ¹
Percentage of eligible employees taking family care leave	All employees: 0.1%
Legally mandated ratio of employees with disabilities	Teibow: 2.1% AlphaTheta: 1.4% ³
Post-retirement reemployment rate	90.9%
Indicators Related to Health, Safety and Work Environment	
Number of occupational incidents and recurrence rate	1 incident Frequency rate: 0.65% ⁴
Number of lost workdays and severity rate of occupational incidents	0.82 Severity rate: 0 ⁴
Telework adoption rate	13.8%–100% ⁵

1. Excluding AlphaTheta subsidiaries (3 companies)

2. Figure may exceed 100% depending on the method of calculation

3. Applies to companies in Japan that are subject to the employment requirements of the Act to Facilitate the Employment of Persons with Disabilities

4. Applies to Teibow, Teibow Nib Manufacturing (Changshu) and Soliton

5. Utilization of telework system varies significantly depending on job type

Initiatives at Group Companies

Each of the three core Group companies—Teibow, AlphaTheta and JLab—is carrying out its own initiatives to create and maintain work environments that enable diverse employees to excel.

At Teibow, communication sheets are used to manage the performance and careers of employees while aligning the self-actualization of employees with the expectations of the company. In addition, Teibow management is able to engage in dialogue directly with employees by having executives take part in career interviews, skills training and so on.

Human Capital Initiatives

AlphaTheta has established the AlphaTheta Awards with the aim of fostering a corporate culture that encourages people to take on challenges. The awards are given annually to departments and teams that embody AlphaTheta’s value and contribute to achievement of its mission and vision. By doing so, AlphaTheta shares the Group’s management philosophy and highlights examples of the kinds of employees and teams that AlphaTheta looks for.

At JLab, the results of the team member engagement survey conducted annually are reviewed by the CEO and team leaders, and are used to improve the work environment and workplace systems.

Measures to Ensure Worker Safety (Teibow)

Teibow, the only company in the Noritsu Koki Group with its own manufacturing bases, has established a Health and Safety Committee, and assigns health and safety leaders to each department to ensure safe workplace environments. The Health and Safety Committee performs workplace inspections twice a month, checks high-risk areas and other factors that could cause health hazards, and reviews and formulates measures for improvements. If an occupational injury or illness occurs, the committee conducts an immediate investigation, draws up improvement measures such as equipment improvements and changes to work procedures, and disseminates the information to all employees.

Respect for Human Rights to Support Diverse Values

Respect for Human Rights and Diverse Values

The Noritsu Koki Group regards respect for human rights as a fundamental element of its business activities, and promotes initiatives for respecting human rights throughout the Group. We formulated our Human Rights Policy in July 2022, support the International Bill of Human Rights and other international human rights standards, and are committed to fulfilling our responsibility to respect the human rights of all people involved in our business activities. We are a global enterprise with operations around the world, and have close relationships with people in various countries and regions. The Group itself is comprised of people of different nationalities, genders and backgrounds, and considers respect for human rights and diverse values key to sustainability.

 For more details

Current Initiatives and Future Goals

The Personnel & General Affairs Department of Noritsu Koki is in charge of promoting respect for human rights at Group companies and managing the risk of human rights violations. In 2022, along with the formulation and public announcement of the Group’s Human Rights Policy, human rights

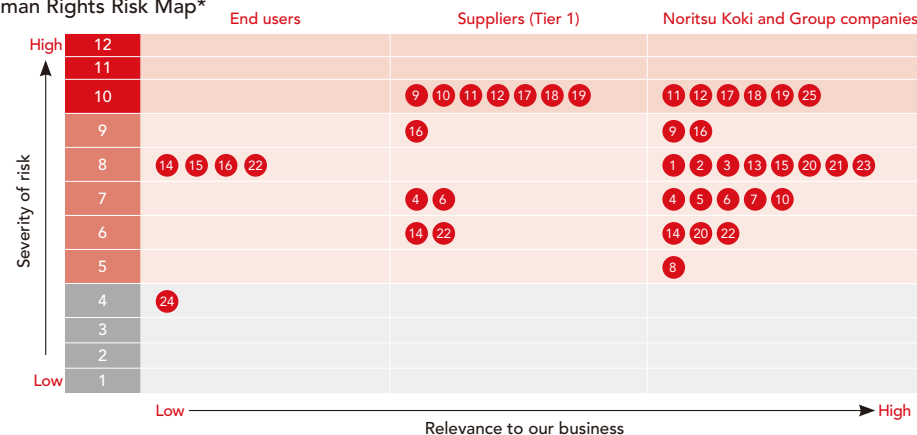
training was provided to all employees on the topics of “Thinking about human rights related to labor” and “Human rights issues and corporate challenges in local communities where our businesses operate.” We will continue to conduct human rights training for all employees once a year.

To ensure the effectiveness of human rights initiatives, we have begun human rights due diligence and prepared a human rights risk map that shows the severity and relevance to our business of risks in a matrix. Through this process, we visualized the human rights issues that we should address in the medium and long term.

Using those results as a starting point, we are identifying human rights risks related to the Group’s business operations, and will assess individual risks. We will then formulate and implement risk reduction measures.

We continue to implement a wide range of initiatives, including promoting human rights awareness throughout the Group, taking measures to mitigate human rights risks, and conducting ongoing human rights training. In addition, we will work to foster an open corporate culture of respect for diverse values and strive to further expand the social value the Group provides.

Human Rights Risk Map*



- 1 Insufficient or unpaid wages and living wages
- 2 Excessive or unreasonable working hours
- 3 Occupational health and safety
- 4 Right to receive social security
- 5 Power harassment (abuse of power)
- 6 Sexual harassment
- 7 Maternity/paternity harassment
- 8 Nursing care harassment
- 9 Forced labor
- 10 Freedom of movement
- 11 Freedom of association
- 12 Rights of foreign workers
- 13 Child labor
- 14 Human rights issues related to technology and AI
- 15 Right to privacy
- 16 Consumer safety and right to be informed
- 17 Discrimination
- 18 Human rights issues related to gender (including gender minorities)
- 19 Freedom of expression
- 20 Rights of indigenous people and local residents
- 21 Human rights issues related to the environment and climate change
- 22 Intellectual property rights
- 23 Bribery and corruption
- 24 Human rights in supply chains (presented as part of “Suppliers (Tier 1)”)
- 25 Right of access to remedy

* Based on key human rights issues that companies must address as summarized in the Report on Business and Human Rights by the Human Rights Bureau of the Ministry of Justice

Cultural and Community Development

Approach

The Noritsu Koki Group recognizes that contributing to the sustainable development of society is part of its responsibility as a corporate citizen. As such, we have specified in our Code of Conduct that we will actively work to resolve social issues, and are carrying out initiatives toward that end. We support activities tied to the development of communities where we operate, and to the cultural enhancement that is closely related to our businesses.

Initiatives and Programs

In 2022, we made the following social contributions. We remain committed to supporting cultural and community development in 2023 and beyond.

Entity	Initiatives	Impact (2022)
Noritsu Koki	Donation to Room to Read Japan	Support for an educational project for a total of 5,274 children in Asia and Africa (donated part of the revenue from the pen nib business)
	Donations to the cities of Hamamatsu and Yokohama through the hometown tax donation program for corporations	
Teibow	Workshop at the Hamamatsu Science Museum and factory tour for elementary school students	300 participants (106 groups) (Hamamatsu Science Museum) 15 participants (factory tour for elementary school students)
AlphaTheta	Participation in interactive event to enjoy music with hearing-impaired people	About 780 participants (including 50 hearing-impaired people)
JLab	Support for Toys for Tots	Donated a total of 5,000 sets of headphones and earbuds

Highlight | Social Contributions of Noritsu Koki and Group Companies

Noritsu Koki

Support for NPO Working on Improving Literacy and Girls' Education

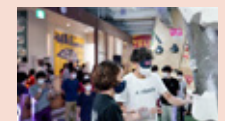
Since 2022, Noritsu Koki has provided donations to support the activities of the NPO Room to Read Japan, the Japanese branch of Room to Read, an international NPO working on improving literacy and gender equality in education in low-income countries. Noritsu Koki began supporting the initiative because we agree with its philosophy of working toward “a world in which all children can pursue a quality education that prepares them to lead fulfilled lives and make positive change—in their families, communities and the world.” Improving literacy and gender equality in education is a goal that is highly compatible with the Group’s pen nib business.



AlphaTheta

Interactive Event to Enjoy Music with Hearing-Impaired People

AlphaTheta’s Yokohama DJ Lab has taken part in a “new DJ experience using light and vibrations” event at a bouldering gym in Ogikubo (Tokyo) three times since 2022. Using a tool called Ontenna, a user interface that converts sound into light and vibrations, the music played by the DJ was transmitted through rekordbox in the form of wireless vibrations based on different signals. Through its active participation in this and other music-related events, AlphaTheta will strive for a world in which all people can connect through music, regardless of disability, age, gender, race, or other characteristics.



Teibow

Workshop to Teach Children the Fun of Manufacturing

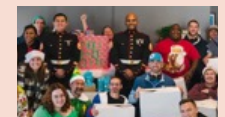
In 2022, Teibow held a workshop called “Let’s make a rocket pen!” The event gave the children who will shape the future a chance to experience the fun of manufacturing. Teibow held a free workshop at the Hamamatsu Science Museum in January 2022, and a factory tour and workshop for students of Miyakoda Elementary School in Teibow’s home city of Hamamatsu (Shizuoka Prefecture) in December 2022. At the workshop, the students tried making a “rocket pen” using the power of capillary force. Through this experience, Teibow hopes to foster an interest in technology and research among the children, and eventually help to develop people who will play a role in revitalizing the manufacturing industries of Hamamatsu.



JLab

Providing Children with Headphones through a Charity Program

JLab supports Toys for Tots, a volunteer program in the United States that distributes Christmas gifts to economically disadvantaged children. Originally started in 1947 as a Christmas project of the U.S. Marine Corps Reserve, this program gives approximately 18 million gifts donated by individuals and businesses to more than 7 million children every year. In December 2022, JLab gave a total of 5,000 sets of headphones and earbuds to the program. While donated gifts tend to be toys for younger children, JLab’s gift delighted many children in the upper grades.



Corporate Governance

Approach

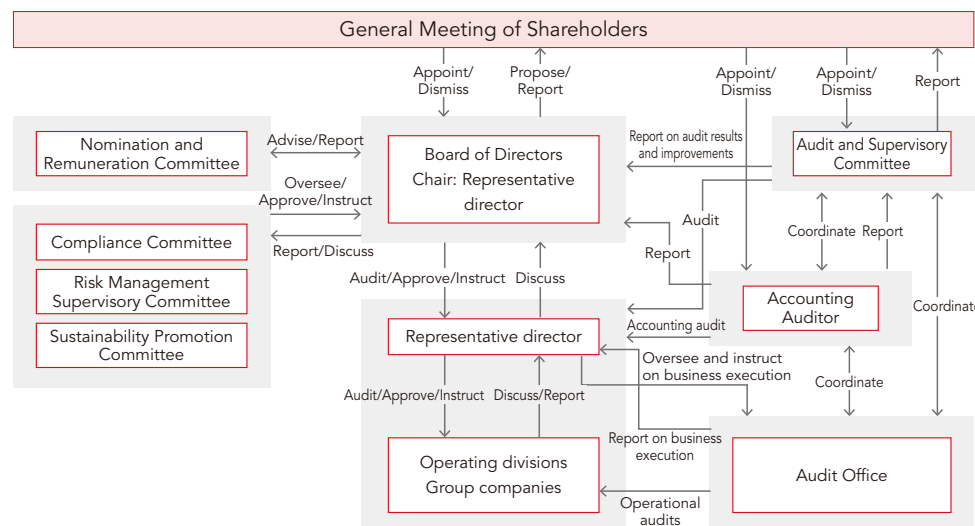
The Noritsu Koki Group believes that fulfilling its social responsibility is a prerequisite for enhancing corporate value as a company that retains the trust and support of customers and shareholders. In addition, by strengthening corporate governance, we aim to support quick and accurate management decision-making and reinforce competitiveness. Our basic approach to corporate governance and policies are summarized in the Corporate Governance Policy, which is available on the Noritsu Koki website.

 For more details

Corporate Governance Structure

Building a corporate governance structure that combines transparency, fairness and agility is the foundation for continuing our sound development in the future, and is therefore a key management priority. Based on this awareness, we have taken a number of steps to strengthen corporate governance since the 2010s. In 2015, we shifted to a “company with an audit and supervisory committee” structure, and in 2018, we voluntarily established the Nomination and Remuneration Committee and brought in a number of highly accomplished non-executive directors. Currently, four of the Company’s six directors are non-executive directors. This structure has expanded checks and balances in the decision-making process. Noritsu Koki will further strengthen the functions of each supervisory body as it works to create new economic and social value in order to be a Group trusted by stakeholders.

Overview



Roles and Composition of Each Organization (2022)

Organization	Board of Directors	Audit and Supervisory Committee	Nomination and Remuneration Committee
Composition <small>♂ = Male ♀ = Female</small>	Executive: 2 Non-executive: 4	Executive: 0 Non-executive: 3	Executive: 0 Non-executive: 4 <small>(including one non-director third-party expert)</small>
Chair/Committee chair	Representative director and CEO	Non-executive director	Non-executive director
Purpose and functions	The Board of Directors of Noritsu Koki is made up of two executive directors and four non-executive directors. A female non-executive director was appointed in June 2019 to ensure diverse perspectives. Through active and free discussions, the Board performs its function of monitoring management and business execution.	Noritsu Koki shifted to “company with an audit and supervisory committee” structure in June 2015, mainly to achieve both management transparency and agility by strengthening the supervisory function of the Board of Directors. Three of the four non-executive directors serve as committee members, and all committee members monitor the execution of duties of directors from an impartial position as independent directors.	The Nomination and Remuneration Committee was established in December 2018 to strengthen the independence, objectivity and accountability of the Board of Directors. This committee is responsible for appointment and dismissal of senior executives, the nomination of director candidates, and decisions on directors’ compensation.
Number of meetings	17	9	5
Attendance rate	100%	100%	100%
Key initiatives in 2022	<ul style="list-style-type: none"> Review of/decisions on M&A Qualitative and quantitative assessments of important matters of individual subsidiaries Review of/decisions on use of funds Enactment and revision of regulations Review of/decisions on refinancing and other financial matters Review of exercise of voting rights Discussion of consolidated business results and targets 	<ul style="list-style-type: none"> Operational audits (to check whether directors are performing their duties in compliance with laws and the Articles of Incorporation) Accounting audits (to check whether the accounting auditors’ audits, method and results are appropriate) Audit of risk management system (assessing the establishment and operation of the risk management system and understanding the management of domestic and overseas subsidiaries) 	<ul style="list-style-type: none"> Nomination and review of directors Setting and review of compensation of directors Review and decisions on independence requirements

Corporate Governance

Board Effectiveness Evaluation

We work to maintain and improve the functions of the Board of Directors by conducting an evaluation of its effectiveness and then analyzing and assessing the results to make further improvements.

2022 Analysis and Evaluation Methodology	
Evaluation and aggregation method	Anonymous questionnaire using a third-party organization/Tabulation and compilation by a third-party organization
Questionnaire topics	Board composition/Operation of Board meetings/Board discussions/Monitoring function of the Board/Support system for directors (including Audit and Supervisory Board members)/Training/Engagement with shareholders (investors)/Own efforts

Issues Identified

1.
Timing of providing documents, enhancement of document organization and analysis

2.
Cooperation with Audit Office

3.
Providing more training opportunities

Future Action Policies

Information support and sharing framework for non-executive directors

At Noritsu Koki, we offer training through materials and seminars as well as provide and share updated information at Board meetings and through various other channels. Our aim is to enhance collaboration among members of the Board of Directors and improve their skills.

Continuous monitoring

In order to continuously enhance the corporate governance structure, we must regularly review and verify operational conditions and progress in responding to issues. Noritsu Koki conducts an annual analysis and evaluation of the overall effectiveness of the Board of Directors through a third-party organization, and discloses the results.

Policy on Appointment and Dismissal of Directors by the Nomination and Remuneration Committee

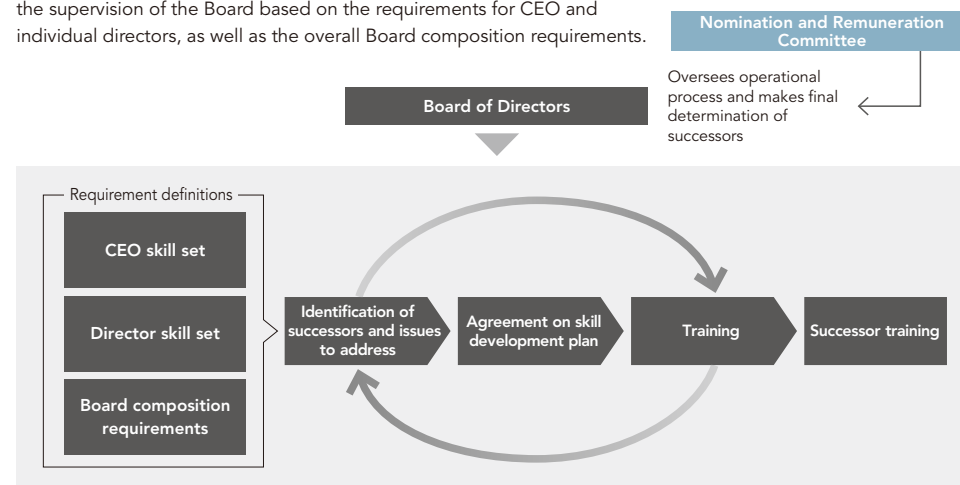
In selecting directors of the Company, we consider aspects such as the diverse perspectives, experience and knowledge of each candidate to ensure the optimal balance of know-how, expertise, ability and diversity on the Board of Directors. Please see page 35 for the skills matrix of the Board of Directors.

Policy on Director Appointment and Dismissal	
Appointment	In appointing directors, we will consider individuals who satisfy the following criteria and are capable of fulfilling their duties appropriately, taking into account concurrent duties. <ul style="list-style-type: none"> Individuals who satisfy all legal requirements, with excellent character and business acumen, and are capable of performing all delegated duties Individuals who are attuned to the Group's Corporate Philosophy and capable of driving sustainable growth in the Group's corporate value by responding appropriately to the external environment
Dismissal	We will consider submitting a resolution for the dismissal of a director to the General Meeting of Shareholders if any of the following criteria are met. <ul style="list-style-type: none"> Confirmation of socially reprehensible links with antisocial forces Violations of laws or regulations, the Articles of Incorporation or other Group rules that cause significant loss to the Group or that interfere with the execution of business activities Significant issues preventing the execution of duties Discovery of qualities that fall short of appointment criteria

Succession Planning

Noritsu Koki has established succession plans for the representative director and CEO, and for directors and other senior executives.

To continuously improve the Board's effectiveness, candidates are selected, evaluated and trained under the supervision of the Board based on the requirements for CEO and individual directors, as well as the overall Board composition requirements.



Corporate Governance

Director Compensation

Approach

The compensation system for the directors of Noritsu Koki (excluding directors who serve as Audit and Supervisory Committee members) is designed to be aligned with the interests of shareholders. The goal is to provide sufficient incentive to sustainably enhance corporate value. Compensation of individual directors is determined based on a policy of setting compensation at appropriate levels according to respective responsibilities.

Composition of Director Compensation

Director compensation consists of base compensation, which is a fixed amount; bonuses, which are linked to the Company's performance; and stock compensation, which is non-cash compensation. The compensation level and composition ratio is set after review by the Nomination and Remuneration Committee.

Directors (excluding Audit and Supervisory Committee members and non-executive directors)	Cash compensation		Non-cash compensation (stock compensation)*
	Fixed compensation (base compensation)	Variable compensation (bonuses)	
	Determined based on comprehensive consideration of the director's title, responsibilities and years of service, taking into account compensation levels at other companies, the Company's performance, and the level of the director's employee salary	Standard of approx. 20% of base compensation × 0% to 200% from performance linkage	40%-60% of base compensation (up to ¥80 million/100,000 shares per year)
Non-executive directors	Consists of cash (fixed) compensation (base compensation) only	–	–

* Performance-linked paid stock options based on operating EBITDA were issued to Representative Director and CEO Ryukichi Iwakiri effective April 5, 2019, in addition to stock compensation.

Decision-Making Process for Compensation Amounts

The amounts of base compensation and bonuses to be paid to individual directors are decided by Representative Director and CEO Ryukichi Iwakiri within the compensation limits set by resolution of the General Meeting of Shareholders. However, the CEO must refer to the advisory proposal of the Nomination and Remuneration Committee, and make the final decision in accordance with its report.

Type of compensation	Amounts of base compensation and bonuses paid to individual directors	Stock compensation
Decision-making process	Decision-making is delegated to the representative director and CEO within the compensation limits set by resolution of the General Meeting of Shareholders. However, the representative director and CEO must refer to the advisory proposal of the Nomination and Remuneration Committee, and make the final decision in accordance with its report.	The number of shares to be allocated to individual directors is decided by the Board of Directors based on the report of the Nomination and Remuneration Committee.

2022 Results

Director compensation for 2022 was decided by a resolution of the General Meeting of Shareholders held on March 24, 2022. Compensation of individual directors is consistent with the Group's basic policy on compensation.

	Base compensation	Bonuses	Stock compensation
Representative director and CEO	61%	15%	24%
Director and CFO	56%	14%	30%

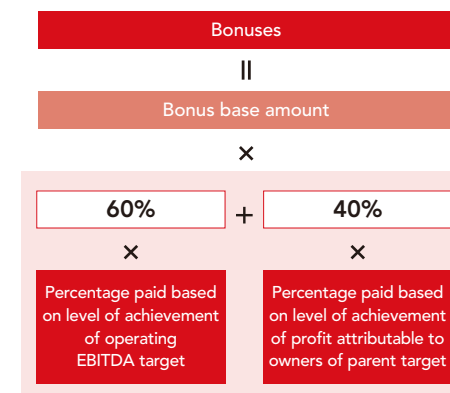
Target indicator	Target	Actual (achievement rate)
Operating EBITDA	¥11.8 billion	¥11.3 billion (96%)
Profit attributable to owners of parent	¥3.7 billion	¥4.1 billion (111%)

Note: The representative director and CEO is issued paid stock options (effective April 5, 2019) in addition to stock compensation, so the variation rate is substantially higher than that of the director and CFO.

Director category	Total cash compensation (Millions of yen)	Total compensation by type (Millions of yen)			Number of directors eligible
		Base compensation	Bonuses	Restricted stock compensation	
Directors (excluding Audit and Supervisory Committee members and non-executive directors)	214	127	31	54	2
Non-executive directors	24	24	–	–	4

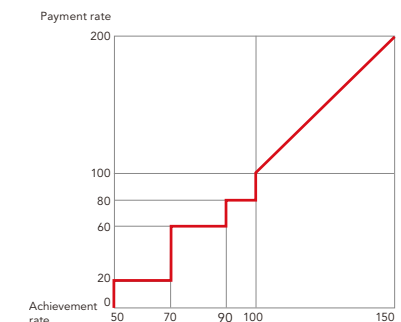
Performance-Linked Compensation (Bonuses)

Noritsu Koki determines the amount of bonuses by evaluating the Company's operating performance and each director's contribution to performance. In the performance evaluation, the Company considers the operating EBITDA achievement rate and the profit attributable to owners of parent achievement rate at a ratio of 60% and 40%, respectively.



Payment Rate Based on Target Achievement Level

As shown in the graph below, the payment rate varies in steps from 0%–200%, with 100% indicating achievement of the target



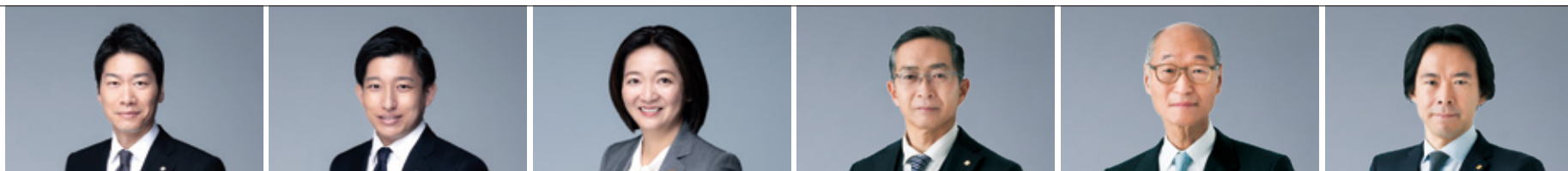
Corporate Governance

Management Team

Notes:

1. The term of office of directors (excluding Audit and Supervisory Committee members) is one year (from the close of the Ordinary General Meeting of Shareholders held on March 23, 2023 until the close of the Ordinary General Meeting of Shareholders for the fiscal year that ends within one year after their election).
2. The term of office of directors who are Audit and Supervisory Committee members is two years (from the close of the Ordinary General Meeting of Shareholders held on March 23, 2023 until the close of the Ordinary General Meeting of Shareholders for the fiscal year that ends within two years after their election).
3. Four directors (Akari Otsuka, Akihisa Ota, Motoaki Ibano and Tsuyoshi Takada) are non-executive directors. The Company has designated Akihisa Ota, Motoaki Ibano and Tsuyoshi Takada as independent officers based on the rules of the Tokyo Stock Exchange, and reported their appointment to the Tokyo Stock Exchange.

Directors



Ryukichi Iwakiri

Ryosuke Yokobari

Akari Otsuka

Akihisa Ota

Motoaki Ibano

Tsuyoshi Takada

Position	Representative Director and CEO	Director and CFO	Non-Executive Director	Independent Non-Executive Director (Audit and Supervisory Committee Member)	Independent Non-Executive Director (Audit and Supervisory Committee Member)	Independent Non-Executive Director (Audit and Supervisory Committee Member)	
Career background	Apr. 2001 Joined F&M Co., Ltd. Sep. 2003 Joined OPT, Inc. (currently DIGITAL HOLDINGS, Inc.) Mar. 2011 Director Jun. 2018 President, Representative Director and CEO (currently Representative Director and CEO), the Company (current position) Jun. 2018 Director, NK Medico Co., LTD. (currently PreMedica Inc.) Jul. 2018 Director, Teibow Co., Ltd. (current position) Apr. 2020 Director, AlphaTheta Corporation (current position) May 2021 Director, PEAG, LLC dba JLab (current position)	Nov. 2010 Passed the CPA Examination Apr. 2012 Joined ES NETWORKS Co., Ltd. Dec. 2016 Registered as a CPA Jan. 2020 Executive Officer, the Company Mar. 2020 Director, NK Medico Co., LTD. (currently PreMedica Inc.) Apr. 2020 Executive Officer and CFO, the Company Apr. 2020 Director, AlphaTheta Corporation (current position) Jun. 2020 Director, Teibow Co., Ltd. (current position) Mar. 2021 Director and CFO, the Company (current position) May 2021 Director, PEAG, LLC dba JLab (current position)	Apr. 1999 Admitted to the bar (Tokyo Bar Association) Apr. 1999 Joined Matsuo & Kosugi Law Office Feb. 2017 Established Otsuka Law Office, President Jun. 2019 Non-Executive Director, the Company (current position) Dec. 2021 External Auditor, CUBE Co., Ltd. (current position) May 2022 External Auditor, OPENSTREAM HOLDINGS Co., Ltd. (current position)	Apr. 2005 Registered as a CPA Jan. 2007 Joined Kaisei Certified Public Accountant Joint Office Jan. 2007 Established Akihisa Ota C.P.A. Office, President (current position) Feb. 2007 Registered as a tax accountant Jun. 2010 Auditor, Sansei Co., Ltd. (current position) Jun. 2015 Non-Executive Director, Audit and Supervisory Committee Member, the Company (current position) Jan. 2021 Auditor, Lcode Co., Ltd. (current position) Jul. 2022 Partner, TSUMUGU AUDIT CORPORATION (current position)	Apr. 1974 Joined IBM Japan Apr. 1988 Director of the Board, Recruit Co., Ltd. Apr. 1993 President, RECRUIT U.S.A., INC. Feb. 2005 Distinguished Professor, Research Institute for Digital Media and Content, Keio University (New York, USA) Apr. 2009 President and Representative Director, M's Holding International Corporation (current position) Jun. 2012 Director, Advanced Visual Communication Center (currently Advanced Valuable Communication Center) (current position) Jun. 2012 Auditor, the Company Jun. 2015 Non-Executive Director, Audit and Supervisory Committee Member, the Company (current position)	Apr. 2000 Admitted to the bar May 2007 External Audit & Supervisory Board Member, The Maruetsu, Inc. (current position) Jun. 2015 Outside Director, Topre Corporation (current position) Jan. 2016 Partner attorney-at-law, Wadakura Gate Law Office (current position) Mar. 2020 Outside Director, IP Dream Inc. (current position) Mar. 2021 Non-Executive Director, Audit and Supervisory Committee Member, the Company (current position) Jun. 2022 Outside Director, OpenDoor Inc. (current position)	
Term	One year ¹	One year ¹	One year ^{1,3}	Two years ^{2,3}	Two years ^{2,3}	Two years ^{2,3}	
2022 Board meeting attendance	17/17	17/17	17/17	17/17 (Audit and Supervisory Committee meetings: 9/9)	17/17 (Audit and Supervisory Committee meetings: 9/9)	17/17 (Audit and Supervisory Committee meetings: 9/9)	
Committee memberships	–	–	–	Audit and Supervisory Committee Nomination and Remuneration Committee	Audit and Supervisory Committee Nomination and Remuneration Committee	Audit and Supervisory Committee Nomination and Remuneration Committee	

Skills Matrix

Corporate management (CEO experience)	○				○	
Finance/accounting		○		○		
Engineering/technology/DX	○					
Marketing/global business	○				○	
Legal/risk management			○			○
Main qualifications/research, etc.		CPA	Attorney-at-law	CPA Tax accountant		Attorney-at-law Research/presentations on nomination and compensation

Executive Officers

Yukiko Katabe Executive Officer, Director of Business Administration, and Director of Personnel and General Affairs

Megumi Iwamoto Executive Officer, Manager of Business Development

Corporate Governance

Group Governance

Approach

Noritsu Koki continuously works to strengthen Group governance with the aim of maximizing the corporate value of the Group. As basic guidelines, Noritsu Koki has formulated Subsidiary Management Regulations. Noritsu Koki is responsible for deciding management policies, monitoring performance and making investment decisions regarding Group companies based on what is optimal for the Group as a whole. In the interest of expediting decision-making, Noritsu Koki respects the judgment of the management of each Group company with regard to planning and executing individual strategies and measures. Some of the directors and executive officers of Noritsu Koki are also officers of major subsidiaries, and focus on making governance work effectively and facilitating cooperation between Noritsu Koki and Group companies.

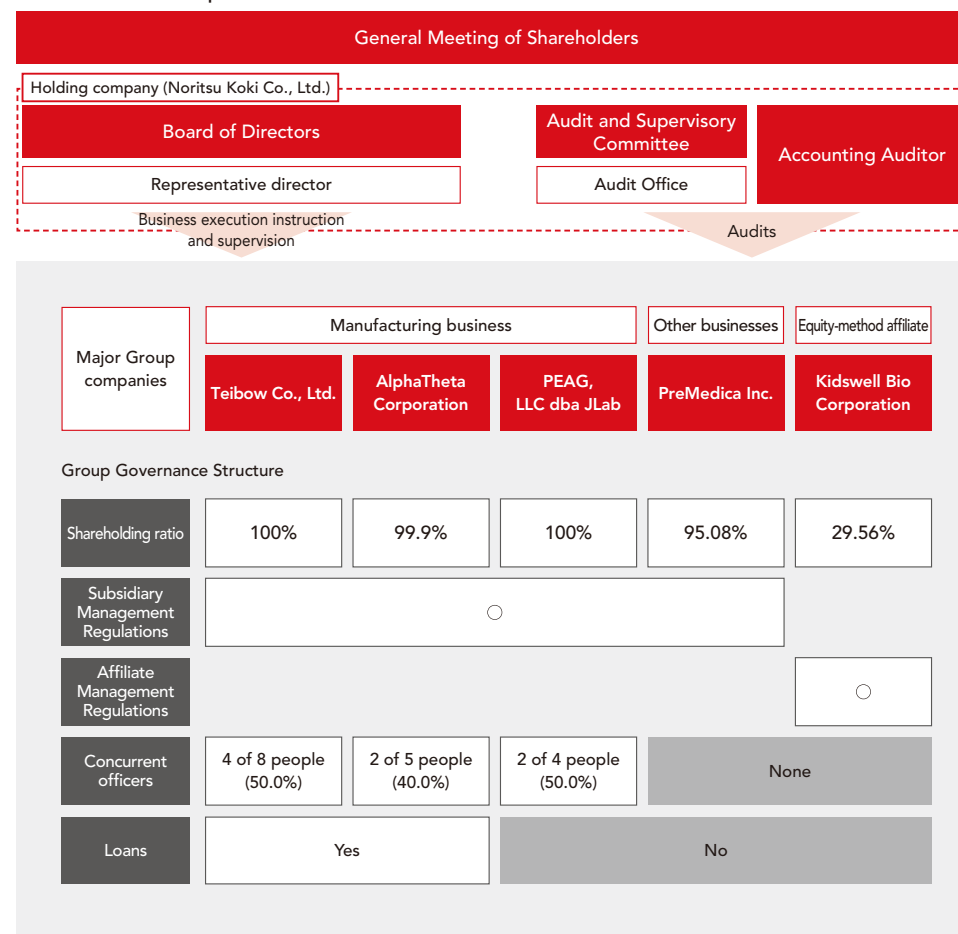
Governance of Subsidiaries Engaged in Manufacturing

Noritsu Koki, the core company of the Group, conducts a wide range of businesses through its three consolidated subsidiaries—Teibow, AlphaTheta and JLab. Each of these subsidiaries has directors and auditors seconded from Noritsu Koki in order to strengthen governance and facilitate sharing of information. This results in a flexible, well-governed management structure in which the intentions of the Group are reflected, with details concerning business execution delegated to each subsidiary, while Noritsu Koki participates in the decision-making process for major decisions.

Governance System for Other Group Companies

PreMedica, a consolidated subsidiary in the “Others” segment, and Kidswell Bio, an equity-method affiliate, are currently listed on a stock exchange or preparing for a public listing. Accordingly, under the Subsidiary Management Regulations and Affiliate Management Regulations, Noritsu Koki conducts appropriate information sharing as the parent company while ensuring each company’s independence. The shares of JMDC Inc. (shareholding ratio 14.08% as of March 31, 2023), which was excluded from the scope of consolidation of Noritsu Koki in 2022, are treated the same as cross-shareholdings.

Overview of Group Governance



Management based on Regulations

To ensure effective Group governance, Noritsu Koki has formulated Subsidiary Management Regulations and Affiliate Management Regulations, as well as various rules for decision-making, and requires consolidated subsidiaries and affiliated companies to periodically report to Noritsu Koki on their business performance, financial condition and other important matters.

Corporate Governance

Round-Table Discussion by Non-Executive Directors



We are committed to strengthening governance by supervising management and offering advice from a broader perspective.

Roles and Responsibilities of Non-Executive Directors

Ota: I am a certified public accountant, and serve as a non-executive director and chair of the Audit and Supervisory Committee at Noritsu Koki. The role of a non-executive director is, first of all, to monitor business execution. In particular, when the top shareholders hold a majority of the shares, as is the case at Noritsu Koki, it is essential to make sure the management decisions do not conflict with the interests of minority shareholders. Also, Noritsu Koki has been reshaping its business portfolio through strategic acquisitions. In addition to examining whether the risks involved in major investments are acceptable, it is also important to closely monitor whether the investment could harm the interests of minority shareholders.

Takada: I am also an Audit and Supervisory Committee member. I always perform my duties with an awareness of whether the management decisions of company executives have

sufficient legitimacy and are appropriate when viewed from a social perspective. As non-executive directors, we represent the shared interests of stakeholders, so it is important that we fulfill both our supervisory function and advisory function to ensure that management's judgment and the decision-making process can be explained effectively.

The Noritsu Koki Group's Management Structure and Growth Strategy

Ibano: I was elected as an external statutory auditor in 2012, and have been a member of the Audit and Supervisory Committee as a non-executive director since 2015, when Noritsu Koki transitioned to a "company with an audit and supervisory committee" structure. What has struck me during that time is that the organizational structure and each business are designed to operate very efficiently and rationally. Besides having a Board composition that helps to ensure management transparency, the Company also pays sufficient attention to diversity, and has appointed one woman as a director and two women as executive officers. The corporate vision and specific strategies and measures are linked, and the management priorities of the Group as a whole are made clear. I see this as a major strength.

Otsuka: When I became a non-executive director in 2019, Noritsu Koki had many subsidiaries, and was a corporate group engaged in diversified businesses. Later on, by strategically selling off businesses and acquiring global companies with future potential, it transformed into a manufacturing-based group of three core Group companies within a short period of time. Group governance has also been reinforced, and I feel that the sharing of information and unity of values among the holding company and Group companies play a major role in the effectiveness of governance. I myself receive detailed explanations on management issues and focal points on a regular basis from executive members, including the CEO, and the relationship between the CEO and the heads of Group companies is also close. In discussions in Board meetings, we engage in active dialogue that reflects the open climate.

Ota: Currently, the Board of Directors consists of two executive directors and four non-executive directors, and I am sure this composition contributes greatly to ensuring the transparency and fairness of governance. Some people might be concerned that having a board with non-executive members as a majority will slow down decision-making, but as you pointed out, Ms. Otsuka, the close communication between executive members and non-executive directors facilitates both quick management decisions and effective supervisory functions.



Corporate Governance

Round-Table Discussion by Non-Executive Directors

Performing the Management Oversight Function

Ibano: I was involved in launching many overseas subsidiaries for 20 years in New York. In American companies, boards are comprised primarily of non-executive directors, and full monitoring and supervision of executive decision-making and the state of business operations takes place. Even in the Noritsu Koki Group, which has overseas companies under its control, establishing a globally applicable governance system has become an important management task. In my view, the Group can further expand the social value it provides by drawing on the expertise of non-executive directors in supervising and giving advice to management.

Takada: One of the most notable features of Noritsu Koki's governance is the distinct histories and strengths of the three core Group companies, which operate in diverse sectors and regions. However, ensuring the unity of the Group is a challenge. This encompasses promoting and sharing the MVV, strengthening cooperation and creating synergy among the four organizations including the holding company, and establishing effective Group governance.



Otsuka: I've always thought the one word that best describes the corporate culture of Noritsu Koki is "sincere." Employees do their day-to-day work sincerely, the CEO and other top executives pursue fair and impartial management, and at the same time they manage the three core Group companies with integrity. By applying this climate and culture to Group governance, the Company can foster a sense of unity among management.

Role of the Nomination and Remuneration Committee

Takada: I have served as chair of the Nomination and Remuneration Committee since March 2021. The committee, which is made up of three non-executive directors and one third-party expert, conducts reviews of appointments, dismissals and compensation of directors and key executives, and reports the results to the Board of Directors. One issue that I think needs to be addressed is talent development. Actively promoting internal talent who are well-versed in the Company's business would enable faster and more accurate decision-making. Also, in 2022, Noritsu Koki established a performance-linked compensation system, using operating EBITDA and profit attributable to owners of parent as KPIs. I will continue to



pursue transparency and fairness in management, in terms of both personnel and compensation.

Ibano: In terms of the appointment and dismissal of directors and key executives, many Japanese companies are focusing on promoting diversity. This point, as mentioned earlier, is one area where Noritsu Koki is making progress. But personally, I think it would be ideal if in promoting talent in the future, companies did not have to pay excessive attention to aspects such as gender and nationality, and give preference to people who have skills that fit the company's mission and the job description. Diversity would ideally come about as a result.



Working toward Sustainable Growth and Enhancement of Corporate Value

Otsuka: As an attorney, I am definitely willing to execute my supervisory and advisory functions, especially when the Company is making decisions that pertain to the law. I am also experienced in areas such as raising children and taking care of parents, so I will support increasing the Company's corporate value from my perspective as a woman and as a consumer.

Ota: Our role is to provide support for Noritsu Koki to maintain sound long-term growth. I believe it can evolve into a stronger corporate group by fostering a climate and culture as a unified entity, rather than a mishmash of Group companies. As a non-executive director, I will work to strengthen the Group's capabilities while maintaining a balance between monitoring and supervisory functions and making suggestions for fostering the optimal climate and culture.

Ibano: I have always believed that commitment and reason are both necessary in managing a company. Commitment is the founding philosophy, corporate mission and the behavioral guidelines for developing employees. Reason, on the other hand, is the company's specific strategies and measures, and numerical performance targets. From a medium- to long-term perspective, both elements are important, and in my assessment, the relationship between commitment and reason is well-balanced and the necessary role of each employee of Noritsu Koki is well-defined in Medium-Term Management Plan FY25. We non-executive directors are the representatives of stakeholders, but at the same time, we bear responsibility for sustainable growth and enhancement of corporate value. I will continue to fulfill my duties and contribute to the realization of a corporate group that continues producing "No. 1/Only 1" businesses.

Compliance

Approach

The Noritsu Koki Group thoroughly complies with laws, internal and external regulations and rules, and social norms. We strive to earn the trust of society and stakeholders by fulfilling our legal responsibilities and the more ethical responsibilities expected by society. The Group continues to promote compliance, including through activities to raise the compliance awareness of executives and employees.

Compliance Promotion Framework

Based on its Basic Compliance Policy, Noritsu Koki formulated a Code of Conduct composed of five items—legal compliance, social contribution, working environment, information management and ethical behavior—and declared that it will conduct business activities in accordance with this code. To ensure responsible management, we have established the Compliance Committee chaired by the representative director and CEO as an advisory body to the Board of Directors. The committee deliberates on compliance-related organizational systems, rules and regulations, annual plans and other matters, and submits its proposals to the Board of Directors. In addition to having discussions on compliance issues and working to prevent recurrence of compliance violations, the Compliance Committee conducts compliance training once a year for Noritsu Koki and Group companies to instill and establish awareness of the importance of legal compliance.

Compliance Committee	
Composition	Noritsu Koki Co., Ltd. Chair: Representative director and CEO Vice chair: Director and CFO Members: Executive officers (2), Audit Office manager Observers: Audit and Supervisory Committee member (non-executive director)
Purpose and Authority	<ul style="list-style-type: none"> • Discussion and approval of compliance-related organizations and systems • Discussion and approval of compliance-related rules, regulations and manuals, etc. • Discussion and progress management of annual compliance plan, and proposal/reporting to the Board of Directors • Discussion and approval of compliance-related education and training plans • Discussion and reporting to the Board of Directors on measures to prevent recurrence of serious violations • Discussion and approval of measures to address other compliance issues, and proposal/reporting to the Board of Directors
Number of Meetings Held in 2022	4 (March, April, August and September)

Compliance Promotion Measures

Compliance Training

Noritsu Koki is focusing efforts on raising awareness of compliance in ways such as regularly conducting compliance training for Group employees. In addition to compliance training for new employees and managers, we conduct training on various laws in Japan, including the Act against Unjustifiable Premiums and Misleading Representations, and the Antimonopoly Act, and work to ensure fairness and transparency in our business activities. We flexibly review the content and scope of training according to changes in risks, and enhance the effectiveness of education and training programs. We are also incorporating training via e-learning to make it easier for employees working overseas and in remote locations to participate.

Internal Audits

The Audit Office, which reports directly to the representative director and CEO of Noritsu Koki, conducts internal audits as needed. The Audit Office and the Audit and Supervisory Committee share their annual audit plans and reports, and strive to improve the quality of audits by closely exchanging information and opinions. To respond quickly and accurately to compliance-related concerns, we are further enhancing audit functions, including through the appropriate operation of a whistleblower system and by increasing the number of auditing staff.

Internal Whistleblower System

Noritsu Koki has an internal whistleblower system covering the entire Group as a means of early detection and prevention of risks and problems associated with business activities. While a contact point is available in the Audit Office of Noritsu Koki, the holding company, individual Group companies also have their own whistleblower hotlines that accept reports on acts that violate, or could potentially violate, the Noritsu Koki Group Code of Conduct, including legal violations, human rights issues and corruption. Noritsu Koki makes the internal whistleblower system known through compliance training that all employees attend. In addition, in accordance with the rules governing the use of the internal whistleblower system, we ensure anonymity, safeguard the confidentiality of reports and thoroughly protect the human rights of whistleblowers. There were no whistleblower reports in 2020 and 2021 and four* in 2022. The person overseeing the contact point works with those concerned and fully investigates and reviews the matters reported, and if a problem is confirmed, corrective measures are promptly taken.

* Type of report: Harassment (2), labor/personnel evaluations (1) and work environment/personal relationships (1)

Risk Management

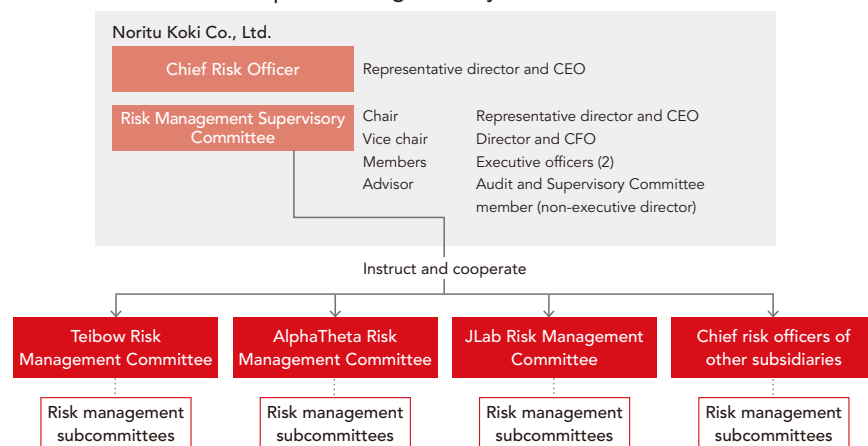
Approach

The Noritsu Koki Group conducts business activities that involve various risks related to management, business and finance. To achieve sound, sustainable growth, it is imperative to clearly define the risks that should be addressed, and to manage them appropriately. After identifying and visualizing the risks the Group faces, such as foreign exchange risk, country risk and cyber risk, we formulate the responses we should take when risks materialize to prepare for the unexpected.

Risk Management System

Noritsu Koki has formulated Risk Management Regulations and established systems and policies for risk management. In terms of systems, the Risk Management Supervisory Committee, with the representative director and CEO of Noritsu Koki as the chief risk officer, manages matters concerning risks and crises. The committee meets regularly or as needed to discuss risk management and countermeasures, and takes the necessary actions to address risks. Business continuity plans (BCPs) and various manuals are provided so that a rapid initial response can be taken in the event that a risk arises. In addition, risk management committees have also been set up at each subsidiary and members discuss matters concerning risk management in order to raise the level of risk management across the Group.

Noritsu Koki Group Risk Management System



Note: Subcommittees are set up at subsidiaries as needed according to the nature of risks

Risks and Responses

Identification of Significant Business Risks

We identify significant business risks through an assessment of the probability of occurrence and degree of impact on our business and operations. In addition to the items in the table on the right, we have identified country risk, business partner credit risk, corporate acquisition-related risk and climate change risk as major risks. We analyze the causes of these risks and take measures to prevent them. For unavoidable risks, we examine them individually to manage them appropriately and reduce their impact.

Business Risks (Excerpt)	Probability of Occurrence	Degree of Impact
Foreign exchange risk	High	Medium
Intellectual property risk	Low	High
Risk of suspension of production due to disaster, etc.	Medium	High
Cyber risk	Low	High
Supply chain risk	Medium	High

Individual Response Example 1: Formulation of BCPs

Based on the Risk Management Regulations covering the entire Group, the subsidiaries of Noritsu Koki are focusing on establishing business continuity plans (BCPs) to be prepared for material risks such as natural disasters or infectious disease outbreaks. In addition, emergency preparedness drills based on the BCPs are conducted annually at each location in Japan and overseas. In 2022, drills simulating disaster scenarios such as a major earthquake, fire or chemical leak were conducted. Noritsu Koki and its Group companies are aiming to establish effective BCPs by regularly reviewing their initial disaster response and recovery plans to ensure business continuity.

Individual Response Example 2: Strengthening Information Security

The Noritsu Koki Group is deeply aware of the importance of properly safeguarding the information assets it handles, and established an Information Security Policy in May 2022. The Information Security Policy consists of five items—compliance with applicable laws and regulations; protecting information assets; education and training; responding to security incidents and continual improvement—along with specific themes to be addressed by the Company or employees for each item. Noritsu Koki and Group companies are working to ensure the inculcation of the Information Security Policy, and will audit the implementation of the policy as appropriate to continuously improve its information management system.

Financial and Non-Financial Data

Financial Data

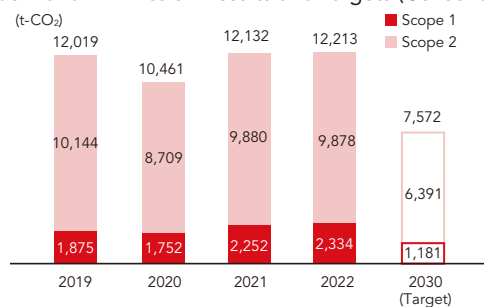
(Millions of yen)

		2013	2014	2015	2016	2017	2018	2019	3/2020	12/2020	2021	2022
		Japanese GAAP				IFRS						
Income Statement	Revenue	27,379	55,084	35,598	43,145	50,045	56,035	63,527	26,147	41,148	54,481	73,515
	Operating profit	616	2,967	1,943	2,030	4,611	5,954	6,053	4,134	5,816	6,068	1,262
	Profit attributable to owners of parent	417	1,324	2,250	(2,955)	4,290	8,920	2,948	1,289	9,893	5,115	101,548
	Operating EBITDA	-	-	-	-	-	-	7,965	6,847	9,487	10,739	11,367
Financial Position	Total assets	80,849	92,269	121,469	102,873	116,309	148,658	149,755	160,308	236,660	264,141	307,257
	Net assets	56,896	61,229	56,255	52,621	58,935	76,709	77,971	83,833	119,183	126,736	192,869
Cash Flows	Cash flows from operating activities	2,553	3,208	3,670	5,787	2,100	2,785	7,099	7,064	5,557	3,907	11,738
	Cash flows from investing activities	(3,421)	(2,903)	(31,082)	15,942	(9,143)	(1,105)	(1,572)	(1,345)	(21,984)	(40,460)	93,391
	Cash flows from financing activities	4,263	2,425	23,420	(13,190)	1,179	(329)	(2,610)	14,910	35,808	4,275	(47,586)
	Cash and cash equivalents at end of period	23,576	27,105	23,622	31,187	25,314	26,663	27,573	50,162	69,596	38,141	96,436
Performance Indicators	EPS (Yen)	11.71	37.20	63.21	(82.97)	120.46	250.47	82.80	36.22	277.80	143.58	2,848.36
	Cash dividends per share (Yen)	7.00	8.00	8.00	8.00	10.00	15.00	15.00	15.00	20.00	198.00	152.00
	ROE (%)	0.7	2.2	4.1	(5.4)	7.8	13.4	3.9	1.7	10.8	4.7	66.9
	ROA (%)	0.8	2.7	1.6	2.0	5.8	4.6	4.0	0.4	1.3	2.1	1.4
	Operating EBITDA margin (%)	-	-	-	-	-	-	12.5	26.2	23.1	19.7	15.5

Non-Financial Data

Environment (E)

Scope 1 and 2 Emission Results and Targets (Consolidated)



Social (S)

Number of employees (consolidated)

1,144

R&D expenditures

¥5.3 billion

Percentage of women in managerial positions

14.3%

Number of patents

163

Number of engineers

324

Number of countries we serve

110

Governance (G)

Highly transparent governance

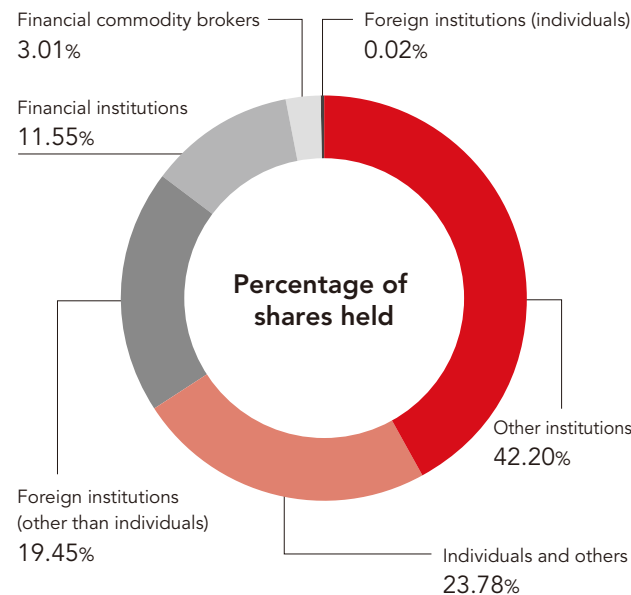
Executive directors: **2** Non-executive directors: **4** Executive officers: **2**  = Male  = Female

Shareholder Information (As of December 31, 2022)

Stock Information

Stock exchange listing	Tokyo Stock Exchange, Prime Market
Securities code	7744
Total number of authorized shares	64,000,000
Shares issued and outstanding	36,190,872
Trading unit	100 shares
Number of shareholders	16,656

Breakdown of Shareholder by Type



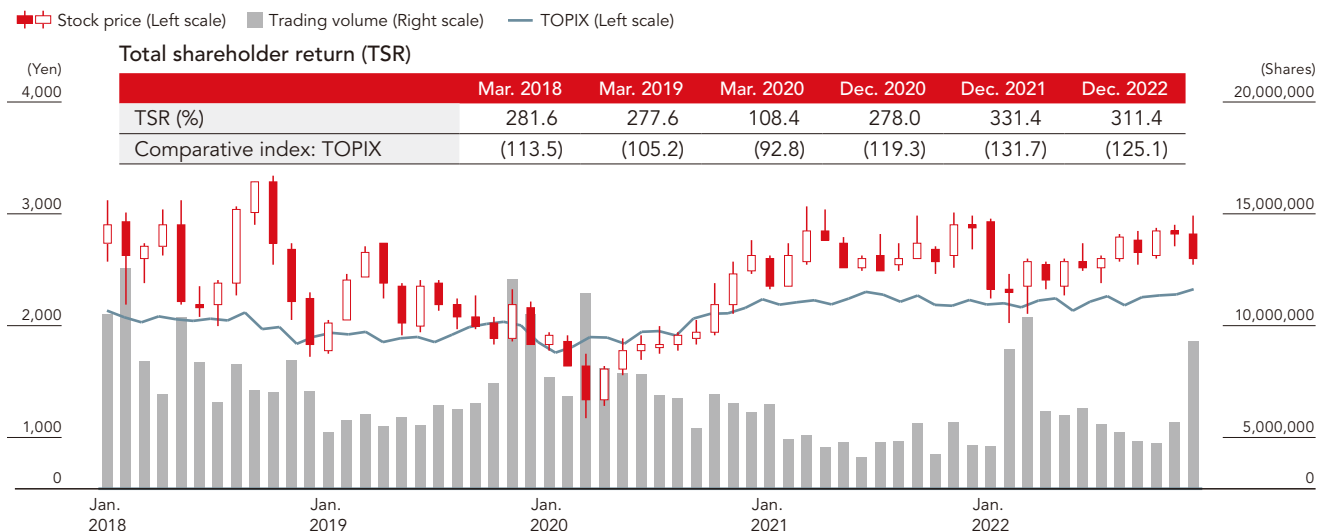
Major Shareholders (Top 10)

Name of Shareholder	Number of Shares Held	Percentage of Shares Held
THANK Planning Inc.	15,019,200	42.12
Kayo Nishimoto	2,401,700	6.73
The Master Trust Bank of Japan Ltd. (Trust Account)	2,249,500	6.30
MSIP CLIENT SECURITIES	776,330	2.17
Custody Bank of Japan, Ltd. (Trust Account)	645,200	1.80
UBS AG LONDON A/CIPB SEGREGATED CLIENT ACCOUNT	641,009	1.79
THE BANK OF NEW YORK 133652	607,200	1.70
THE BANK OF NEW YORK MELLON 140051	549,200	1.54
Sumitomo Mitsui Banking Corporation	540,800	1.51
Natixis Japan Securities Co., Ltd. BNYM	450,000	1.26

Notes:

1. The percentage of shares held is calculated excluding treasury stock (533,341 shares).
2. The percentage of shares held is rounded down to the second decimal place.
3. The Company holds 533,341 shares of treasury stock, but it is not included in the above list of major shareholders.

Stock Price and Trading Volume



Note: The Company decided to change its fiscal year end from March to December at an Ordinary General Meeting of Shareholders held in 2020.

Company Information (As of December 31, 2022)

Company Overview

Company name	Noritsu Koki Co., Ltd.
Representative	Ryukichi Iwakiri, Representative Director and CEO
Founded	June 1951
Established	June 1956
Capital	¥7,025,302,000
Main business activities	Development of Group business strategy and overall management
Head office	Joule A 5th Floor, 1-10-10 Azabu-juban, Minato-ku, Tokyo 106-0045 Tel: +81-(0)3-3505-5053 Fax: +81-(0)3-3505-5907
Employees	1,144

Group Companies

Parts/Materials

Manufacture of marking pen nibs and miniature parts and materials

Teibow Co., Ltd.

Company name	Teibow Co., Ltd.
Representative	Kiyoshi Kochi, Representative Director and President
Capital	¥50 million

Main business activities Manufacture and sale of nib parts for writing (felt, synthetic fiber, plastic), non-writing tip parts, MIM manufactured products, cosmetic nibs (synthetic cores, plastic cores, polybutylene terephthalate (PBT) brushes, etc.)

Subsidiaries

TEIBOW NIB MANUFACTURING (CHANG SHU) Co., Ltd.
 • Manufacturing and sales base for marking pen nibs in China (Jiangsu Province)

Soliton Corporation

• Manufacture and sale of cosmetics pen nibs

Audio Equipment/Peripherals

Development of audio and music production equipment

AlphaTheta Corporation

Company name	AlphaTheta Corporation (formerly Pioneer DJ Corporation)
Representative	Yoshinori Kataoka, President and CEO
Capital	¥100 million

Main business activities Design, development, sales and related services for DJ/nightclub equipment, professional audio equipment and music production equipment

Subsidiaries

AlphaTheta EMEA Limited
 AlphaTheta Music Americas, Inc.
 AlphaTheta (Shanghai) Co., Ltd.

Audio Equipment/Peripherals

Personal audio device business

PEAG, LLC dba JLab

Company name	PEAG, LLC dba JLab
Representative	Win Cramer, CEO
Capital	\$19 million

Main business activities Design and sale of personal audio devices and technology products

Please visit the following websites for more details.

Homepage



<https://www.noritsu.co.jp/en/>

IR



https://www.noritsu.co.jp/ir_en/

Teibow Co., Ltd.



<https://teibow.co.jp/english/>

Group company websites

AlphaTheta Corporation



<https://www.alphatheta.com/en/>

JLab



<https://www.jlab.com/>