

FY2025 Q3 Results

Briefing Material

November 11, 2025
NORITZ Corporation

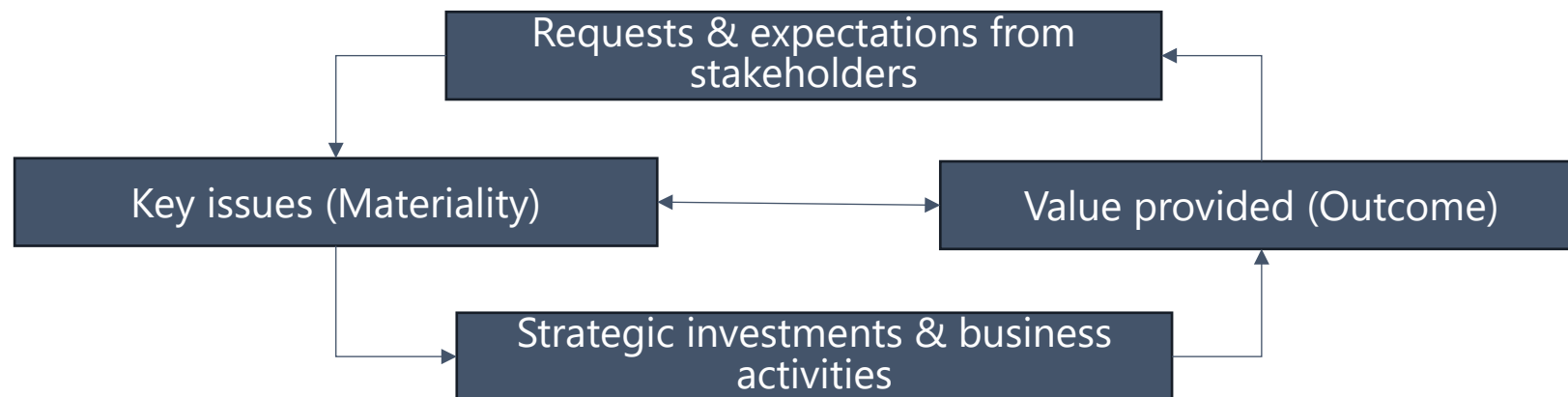
Securities Code:

5943

The financial outlook in this material is based on information available to the Company as of the publication date and reflects projections on its own and therefore entails risks and uncertainties. Accordingly, there is no guarantee that any results will align with the forecasts.

Harmonize Key Issues, Value Provided, and Business Activities

In response to increasingly diverse requests and expectations from its stakeholders, the Noritz Group specified issues to address to achieve what we aspire to be by 2030. Striving to enhance our corporate value and delivering it to society through our business activities, the Noritz Group aims for society with products and services that help communities live more comfortably and contribute to the planet.



Value provided and initiatives (domestic by section)

Section \ Value provided	Water heaters and HVAC – residential	Water heaters and HVAC – non-residential	Kitchen appliances	Establishment of a business foundation
Sustainability	Sales of eco-friendly products	- Expand service-driven sectors - Explore production-driven sectors	Accelerate sales of eco-friendly products	
Well-Being	Sales of solution-driven products		Improve awareness and expand sales of solution-driven products	
Care	- Provide long-term safety - Provide apps	Provide long-term safety	Provide apps	- Provide easy access - Expand services

Value provided and initiatives (overseas by area)

Area \ Value provided	China	North America	Australia	Southeast Asia
Sustainability	Sell water heaters	Sell high-efficiency water heaters and commercial equipment	Sell electric products/commercial equipment	
Well-Being	Sell kitchen appliance	Sell heating equipment		- Expand into new market areas - Innovate new products
Care	Provide long-term safety	Support remote services, construction, and repair	Support repair	

■ FY2025 Targets

■ "V-plan 26" FY2025 Target

(Millions of yen, unless otherwise stated)

	FY2024 Results	FY2025 Targets	YoY Change	FY2026 Targets
Net sales	202,204	205,000	+2,796	210,000
Domestic Business	133,486	137,000	+3,514	140,000
Overseas Business	68,717	68,000	(717)	70,000
Operating income	2,395	3,000	+605	4,500
Domestic Business	1,364	1,500	+136	2,500
Overseas Business	1,031	1,500	+469	2,000
Ordinary income	3,579	3,900	+321	—
Net income attributable to shareholders of parent company	4,383	2,400	(1,983)	—
ROE (%)	3.5	1.9	(1.6)	Over 6.0

Average Exchange Rates: USD = ¥150.00, CNY = ¥20.5, AUD = ¥95.8

*Net sales for the Domestic and Overseas business reflect external transactions only.

KPIs: Domestic Business

Delivering New Values Through Carbon Neutrality and Solutions to Social Challenges

Initiative 1: Drive top-line growth: Strengthen profitability with high-value and eco-friendly products

Initiative 2: Capture added value: Create new business opportunities and promote recycling business

Initiative 3: Establish a business foundation: Provide long-term safety and security through establishment of a customer base

(Millions of yen, unless otherwise stated)

	FY2024 Results	FY2025 Targets	YoY Change (amount)	YoY Change (%)	FY2026 Targets
Net sales	133,486	137,000	+3,514	+2.6	140,000
Water heaters and HVAC	108,249	111,500	+3,251	+3.0	114,000
o/w Residential	99,158	102,000	+2,842	+2.8	104,000
o/w Non-residential	9,091	9,500	+409	+4.5	10,000
Kitchen appliances	16,747	17,000	+253	+1.5	17,500
Other	8,489	8,500	+11	+0.1	8,500
Operating income	1,364	1,500	+136	+9.9	2,500

KPIs: Overseas Business

Strengthening Growth in North America and advancing new business development in Southeast Asia

Initiative 1: Strengthen existing businesses and facilitate local subsidiary independence

Initiative 2: Promote new business development (Area & Products)

(Millions of yen, unless otherwise stated)

		FY2024 Results	FY2025 Targets	YoY Change (amount)	YoY Change (%)	FY2026 Targets
China	Net sales	37,631	36,200	(1,431)	(3.8)	37,000
	Operating income	36	340	+304	+820.3	500
North America	Net sales	17,285	18,000	+715	+4.1	19,000
	Operating income	(156)	0	+156	–	240
Australia	Net sales	11,799	11,800	+1	+0.0	12,000
	Operating income	1,007	1,000	(7)	(0.8)	1,100
Other	Net sales	2,001	2,000	(1)	(0.1)	2,000
	Operating income	142	160	+18	+12.0	160
Total	Net sales	68,717	68,000	(717)	(1.0)	70,000
	Operating income	1,031	1,500	+469	+45.4	2,000

FY2025 Initiatives: Domestic Business

FY2025 Initiatives and Targets		
Water heaters and HVAC – residential	Strengthen initiatives on solution-driven products	Secure premium water heater sales volume
	Accelerate sales of eco-friendly products	- Secure hybrid water heater sales volume - High-efficiency water heaters (Conversion rate)
Water heaters and HVAC – non-residential	Expand service-driven sectors	- Secure commercial water heater sales volume - Secure maintenance contract volume
	Explore production-driven sectors	Progress in the thermal solutions business
Kitchen appliances	Improve awareness and expand sales of solution-driven products	- Built-in gas cooker mid-to-high-end ratio - Secure range hood sales volume
	Accelerate sales of eco-friendly products	Secure smart eco burner-equipped product sales ratio
Establishment of a business foundation	Create new business opportunities Promote recycling business	- Secure pre-failure replacement volume - Secure water heater unit collection volume for recycle
	Customer base (Providing long-term safety and security)	- Secure active user volume - Secure service contract volume

FY2025 Initiatives: Overseas Business

FY2025 Initiatives and Indicators		
China	Ensure sales volume of water heater and kitchen appliance	- Physical (Establish exclusive/dedicated stores): Secure sales volume of water heaters) - Online: Secure sales volume of water heaters - Kitchen appliances (water purifiers/dishwashers): Secure sales volume
North America	Promote sales of high-efficiency water heaters and commercial equipment, and revitalizing the heater business	- High-efficiency water heaters (Premixed burner design): Secure sales volume - Secure sales volume of commercial equipment - Secure sales volume of heating equipment
Australia	Expand sales of electric products	- Secure sales volume of heat pump water heaters - Secure sales volume of commercial-use water heaters
Southeast Asia	Product development for new market expansion	Product development for local markets: water purifiers, electric water heaters, and kitchen appliances

■ FY2025 Q3 (Cumulative) Results and Progress on "V-Plan 26"

FY2025 Q3 (Cumulative) Financial Results

Overview

Domestic sales increased and losses narrowed due to expanded sales of eco-friendly products and improved profitability.

Overseas sales declined due to the continued weak market conditions in China, but profit increased due to a recovery in North America and strong performance in Australia.

Net Sales

¥142.6bn (up ¥1.4bn YoY)

- Domestic: ¥94.6bn (up ¥4.0bn YoY)
- Overseas: ¥47.9bn (down ¥2.6bn YoY)

Operating Income

¥0.8bn (up ¥1.2bn YoY)

- Domestic: (¥0.2)bn (up ¥0.9bn YoY)
- Overseas: ¥1.0bn (up ¥0.2bn YoY)

Profit

¥0.6bn (down ¥1.6bn YoY)

Year-on-Year Comparison

(Millions of yen, unless otherwise stated)

	Q3 FY2024	Q3 FY2025	YoY Change (amount)	Q3 FY2024 Cumulative	Q3 FY2025 Cumulative	Cumulative YoY Change (amount)	Cumulative YoY Change (%)
Net Sales	45,181	44,087	(1,093)	141,193	142,610	+1,417	+1.0
Domestic business	29,540	29,394	(145)	90,610	94,658	+4,047	+4.5
Overseas business	15,641	14,692	(948)	50,582	47,952	(2,630)	(5.2)
Operating Income	(288)	(849)	(560)	(415)	809	+1,225	—
Domestic business	(469)	(887)	(417)	(1,193)	(213)	+979	—
Overseas business	180	37	(142)	777	1,022	+245	+31.5
Ordinary income	2	(470)	(472)	412	1,765	+1,352	+327.8
Net income attributable to shareholders of parent company	2,703	(532)	(3,235)	2,348	671	(1,677)	(71.4)

*Average exchange rates: USD = ¥147.75, CNY = ¥20.48, AUD = ¥94.54

*Net sales for the Domestic and Overseas business reflect external transactions only.

Review of Domestic Business (by Section)

Domestic Business

Growth in water heaters and HVAC eco-friendly products led to increased sales and narrowed losses

- Water heaters and HVAC continued to expand strongly driven by eco-friendly products.
- In the kitchen appliances sector, Built-in gas cookers are performing well with new high-end models, and range hoods continue to perform well.

(Millions of yen, unless otherwise stated)

	Q3 FY 2024	Q3 FY2025	YoY Change (amount)	Q3 FY 2024 Cumulative	Q3 FY2025 Cumulative	Cumulative YoY Change (amount)	Cumulative YoY Change (%)
Net Sales	29,540	29,394	(145)	90,610	94,658	+4,047	+4.5
Water heaters and HVAC	23,410	23,307	(102)	73,082	76,705	+3,622	+5.0
o/w Residential	21,241	20,913	(328)	66,544	69,429	+2,885	+4.3
o/w Non-residential	2,169	2,394	+225	6,538	7,276	+738	+11.3
Kitchen appliances	3,997	3,763	(233)	11,522	11,474	(47)	(0.4)
Other	2,132	2,323	+191	6,005	6,478	+472	+7.9
Operating Income	(469)	(887)	(417)	(1,193)	(213)	+979	—

Water Heaters and HVAC – Residential

Strengthened earning power through high-value products and eco-friendly products

- **Appeal of socially impactful products by promoting channel-specific policies**
- **Promotion of the standardization of eco-friendly products in compliance with mandatory energy saving standard**

Appeal of socially impactful products



Water heater with disinfection & sleep support functions

Standardization of eco-friendly products



Hybrid water heater

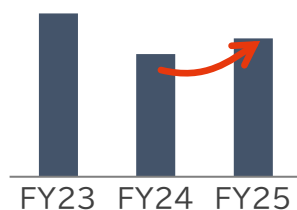


Eco-Jozu

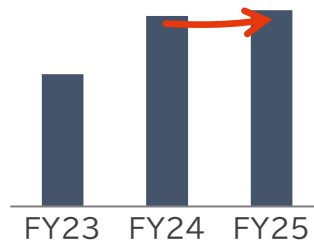
[Results] Both hybrid water heaters and high-efficiency water heaters continued to glow. *The graphs compare results from January to September.

- Premium water heaters increased through expanded sales of high-value-added products.
- Hybrid water heaters saw increased unit sales through increased adoption in new installations.
- Sales volume of high-efficiency water heaters increased, targeting top runner standards.

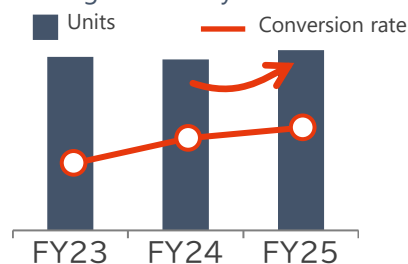
<Premium water heater>



<Hybrid water heater>



<High-efficiency water heater>



Hybrid water heater
HPHB R290 Series
Launched in November

Adopted natural
refrigerant R290

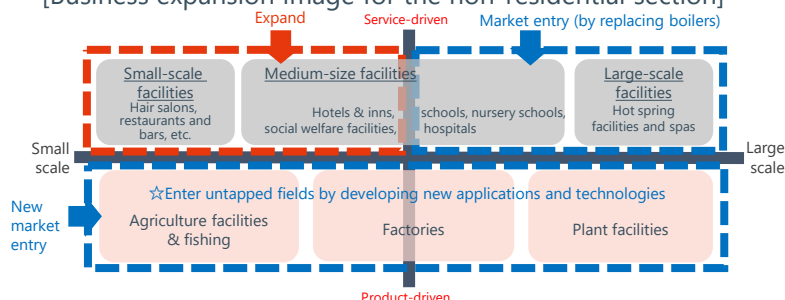


Water Heaters and HVAC - Non-Residential

Strengthened earning power through high-value products and eco-friendly products

- Expanded service-driven sectors
- Expanded maintenance service profit
- Explored production driven sectors (thermal solutions business)

[Business expansion image for the non-residential section]



Expand service-driven sectors
Explore production-driven sectors



Commercial-use gas water heater
(*Specialized product)



Filtration and heating pump unit



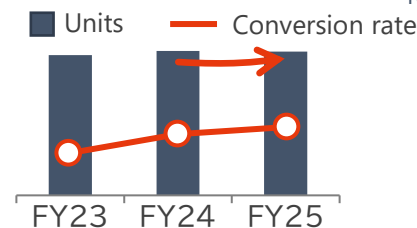
Commercial-use heat pump water heater

[Results] Steady progress in both service-driven and production-driven sectors.

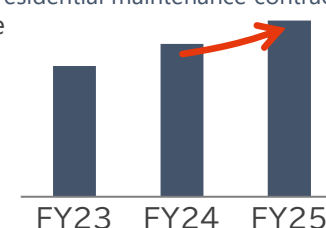
*The graphs compare results from January to September.

- Sales volumes of commercial-use water heaters remained flat, but revenue increased due to price revisions, etc.
- Cumulative non-residential maintenance contracts continued to increase steadily, due to high evaluation of the remote monitoring function.
- In the thermal solutions business, we are promoting collaboration with local governments through certification as a supporter of the Akashi Decarbonization Management Power-Up Program.

<Commercial use water heater>



<Cumulative number of non-residential maintenance contracts>



Strengthened earning power through high-value products and eco-friendly products

- Expanded built-in gas cooker share
- Increased the ratio of mid- to high-end products by launching built-in gas cookers
- Accelerate sales of eco-friendly products
- Accelerated sales of eco-friendly products
- Developed demand for and increase market share of range hoods

Qualitative improvement and quantitative expansion in the kitchen appliances section



Built-in gas cooker



Smart eco burner



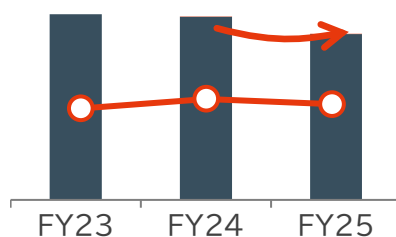
Range hood

[Results] Range hood unit sales steadily increased through continued demand development

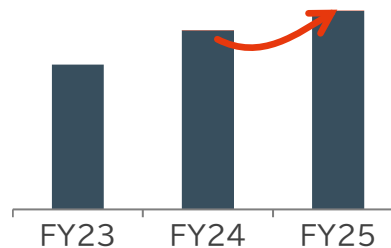
*The graphs compare results from January to September.

- While the cumulative ratio of mid-to-high-end built-in gas cookers decreased, the new high-end model released in August is performed well.
- Range hood unit sales increased due to higher sales volume through strengthened channel development.

<Built-in gas cooker/
Ratio of mid- to high-end products>



<Range hood>



Built-in gas cooker
PROGRE
Launched in August

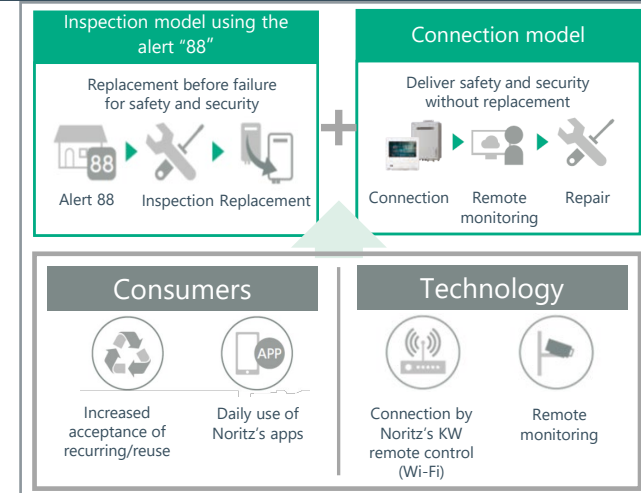


Range hood
Curara
Launched in March

Establishment of a Business Foundation

Created new business opportunities/ Established customer bases

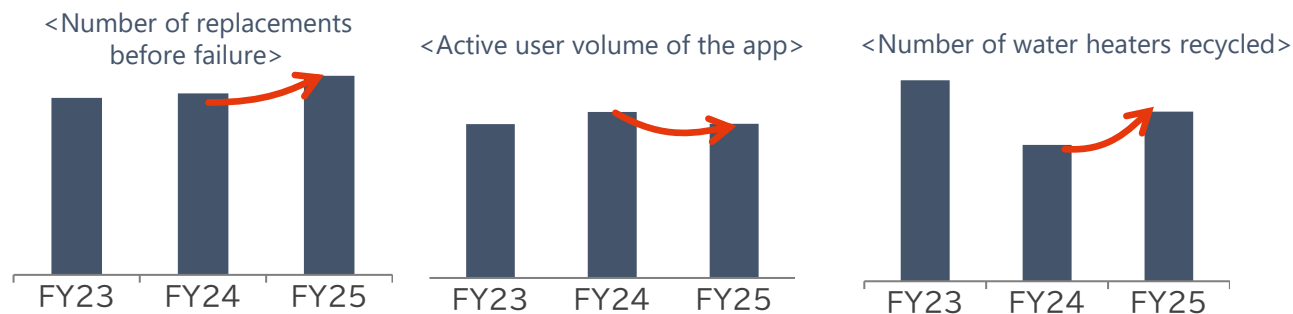
- Provided safety and security through connections via repair, inspection, and maintenance (renewal of repair management system)
- Promoted pre-failure replacement to improve market quality
- Promoted collection of water heaters for recycling



[Results] Promoted safety and security through customer relations

*The graphs compare results from January to September.

- Pre-failure replacements aimed at ensuring safety and security continued to increase.
- Collection volume of recycled water heaters remained on track with the expansion of business partnerships.



Realized smart manufacturing by establishing production system infrastructure and improved in-house production ratio.

Item	Details
➤ Reduced material costs	Lowering procurement costs for raw materials
➤ Realized a smart factory	Enhancing production facilities with smart technology
	Driving automation and efficiency through digital technologies
➤ Maximized added value through in-house production	Internalized value-added processes previously outsourced
	Mitigated cost increases
	Optimized production facilities

V26 Target

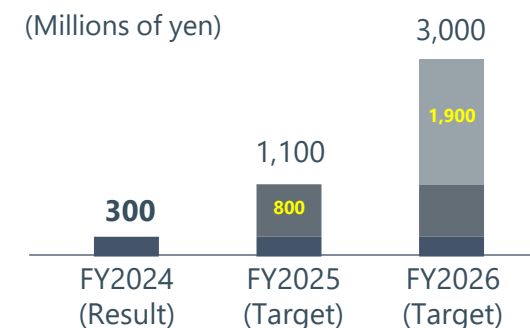
Total: ¥3.0bn

Q3 FY2025 Results (Excluding material price fluctuations and cost increases due to procurement of market-distributed products)

607mn

(V-Plan 26 cumulative total: 909mn)

Cost Reduction Target by FY2026



Overseas Business Review (by Area)

Overseas Business

While sales declined due to the prolonged market downturn in China, profit increased due to a recovery in North American and strong performance in Australia.

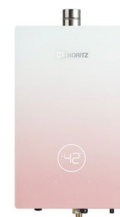
- **China:** Amid the continued weak market conditions since the Q2 of last year, sales and revenue declined due to intensifying price competition and continued cost increases.
- **North America:** saw increased revenue due to strong performance of commercial-use and heaters, aiming for full-year profitability.
- **Australia:** Tankless and heat pump sales remain strong. Cost reductions also prove successful, leading to increased sales in local currency terms, and increased profit despite revenue decreased.

(Millions of yen, unless otherwise stated)

		Q3 FY 2024	Q3 FY2025	YoY Change (amount)	Q3 FY 2024 Cumulative	Q3 FY2025 Cumulative	Cumulative YoY Change (amount)	Cumulative YoY Change (%)
China	Net Sales	8,620	6,437	(2,182)	27,860	24,173	(3,686)	(13.2)
	Operating Income	108	(415)	(523)	336	70	(265)	(79.0)
North America	Net Sales	3,422	4,417	994	12,403	13,641	1,238	+10.0
	Operating Income	(268)	(7)	261	(377)	(56)	321	—
Australia	Net Sales	3,107	3,309	202	8,870	8,682	(188)	(2.1)
	Operating Income	294	447	152	689	906	217	+31.6
Other	Net Sales	491	528	36	1,447	1,454	6	+0.5
	Operating Income	46	12	(34)	129	101	(27)	(21.6)
Total	Net Sales	15,641	14,692	(948)	50,582	47,952	(2,630)	(5.2)
	Operating Income	180	37	(142)	777	1,022	245	+31.5

Secured sales volume of water heaters and kitchen appliances

- **Water Heaters:** Expanded regional city sales through local operations and distributor partnerships.
- **Online:** Optimized strategy for online and physical stores.
- **Established the kitchen appliance business:** Expanded growth in gas cookers and range hoods.
- **Invested to strengthen production and development.**
(Innovation Center scheduled for completion in March 2026)



Kitchen appliances



Water heaters

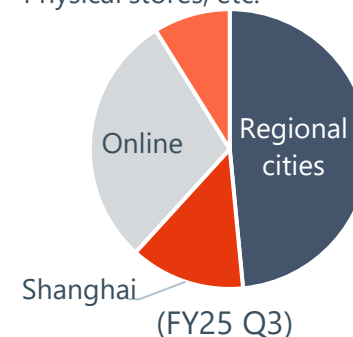
[Results] Amid continued slowdown in market conditions, cost control was maintained

*The graphs compare results from January to September.

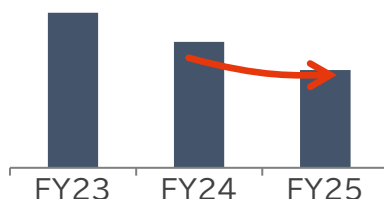
- **Water Heaters:** Sales volume declined due to reduced online demand.
- **Physical:** Shanghai remained strong. Regional cities leverage exclusive stores and strengthen direct sales channels.
- **Online:** Significant decline in demand, reduced sales volume.
- **Kitchen appliances:** Sales volume declined due to a cooling of consumer sentiment.

<Channel structure>

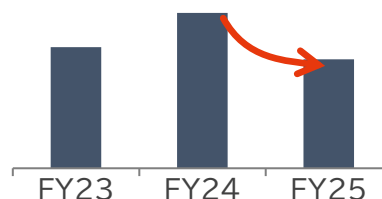
Physical stores, etc.



<Noritz China: Residential water heaters>



<Noritz China: Kitchen>



Promoted high-efficiency water heaters and commercial equipment/Rebuilt heaters business

- **Residential use: Expanded sales of high-efficiency water heaters for carbon neutrality.**
 - Redeveloped existing distribution channels with new high-efficiency water heaters.
 - Explored new sales channels.
- **Commercial-use: Established the academy and expanded sales of rack systems.**
- **Heaters: Strengthened sales of combination and high efficiency boilers.**

Key Strengths of Our Products

- Versatile exhaust and piping designs for a wide range of applications
- Top-tier thermal efficiency with low NOx combustion
- Vast selection of premixed burner water heaters (Compliant with updated ENERGY STAR standards)



High-efficiency water heater



Combination boiler



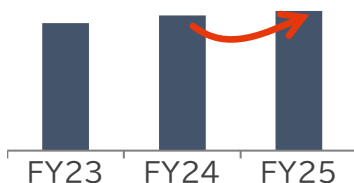
Rack system

[Results] Commercial-use and heater sales expanded significantly, making major progress toward profitability

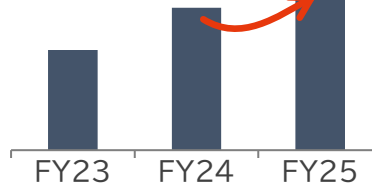
*The graphs compare results from January to September.

- **Residential-use: Sales volume of tankless and high-efficiency water heaters increased through strengthened marketing efforts.**
- **Commercial-use: Sales volume increased through strengthening of sales and installation systems**
- **Heaters: Sales volume increased with the recovery in demand and normalization of parts procurement.**

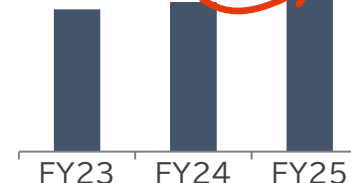
<Tankless water heaters>



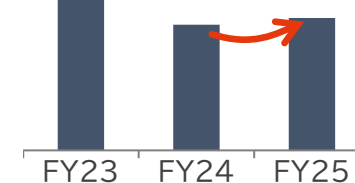
<High-efficiency water heater>



<Commercial-use>



<Heaters>



Expanded sales of electric appliances in response to the accelerating electrification in the market

- **Tankless water heaters:** Expanded sales in Australia and entered the New Zealand market.
- **Electric products:** Strengthened procurement and sales of heat pumps and other electric solutions.
 - Launched integrated heat pump water heaters.
- **Cost improvement:** Upgraded production facilities.
 - Automated and streamlined welding processes.
 - Promoted smart factory advances.

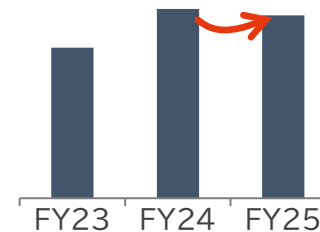
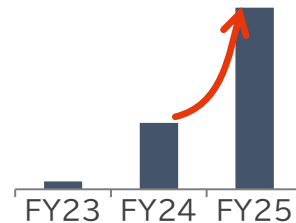
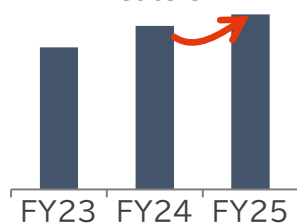
Residential-use
water heaterCommercial-use
water heaterHeat pump water
heater

[Results] Continued stable growth driven by strong sales of tankless and heat pump water heaters

*The graphs compare results from January to September.

- **Tankless:** Sales increased through higher residential unit volume and price revisions.
- **Electric products:** Sales of heat pump water heaters remained strong, supported by electrification policies.
- **Cost Improvement:** Factory productivity improvements and reduced material costs contributed to increased revenue.

<Residential-use tankless water heaters> <Heat pump water heaters> <Commercial-use>



New area market development/Product development

- Developed electric water heaters, water purifiers and kitchen appliances for local market
- Strengthened the management foundation
 - Developed distributor partnerships in Southeast Asian countries
- Strengthened the management foundation of Kangaroo
 - Business support
 - Inventory optimization
 - Production support



[Results] Noritz brand water purifiers entered the Thai market

- Product development: New water purifier product under the Noritz brand, launched in Thailand in October
- Sales network: "NORITZ ASEAN," a new official website launched for Southeast Asia
- Kangaroo: Began producing new Noritz-brand products



New water purifier product

Capital Policy

The annual dividend is forecasted at ¥71 per share.

Dividend Policy

➤ FY2024–FY2026: Adopt the higher of "50% consolidated payout ratio" or "2.5% DOE" to implement shareholder returns that are linked to performance with financial stability considered.

Fiscal Year	Dividend (¥)	Commemorative dividend (70th Anniversary) (¥)	Dividend at 2.5% DOE (¥)
FY17	32	0	0
FY18	32	0	0
FY19	32	0	0
FY20	32	3	3
FY21	83	0	0
FY22	53	0	0
FY23	53	0	0
FY24	69	0	0
FY25 (forecast)	71	0	71

Share Buyback

➤ On July 16, 2025, the share buyback of ¥2.0bn (1,085,700 shares) was completed.

Promotion of Sustainability Management

*For details, please scan the QR code on the right.



This document contains references to forward-looking statements based on the Company's current plans, estimates, expectations, or forecasts concerning its business and industry trends.

Such forward-looking statements are subject to various risks and uncertainties. Both known and unknown risks, uncertainties, and other factors may lead to outcomes that differ materially from those expressed in the forward-looking statements.

The Company makes no commitment that the forward-looking statements or expectations regarding future prospects will prove to be accurate, and actual results may differ significantly from those projected.

The forward-looking statements in this document are based on information available to the Company as of November 2025 and are made as of that date. They do not imply an obligation to update or revise any forward-looking statements in light of future events or circumstances.

NORITZ Corporation
<https://www.noritzglobal.com/company/finance.html>