

Full Year FY2025

Briefing Material

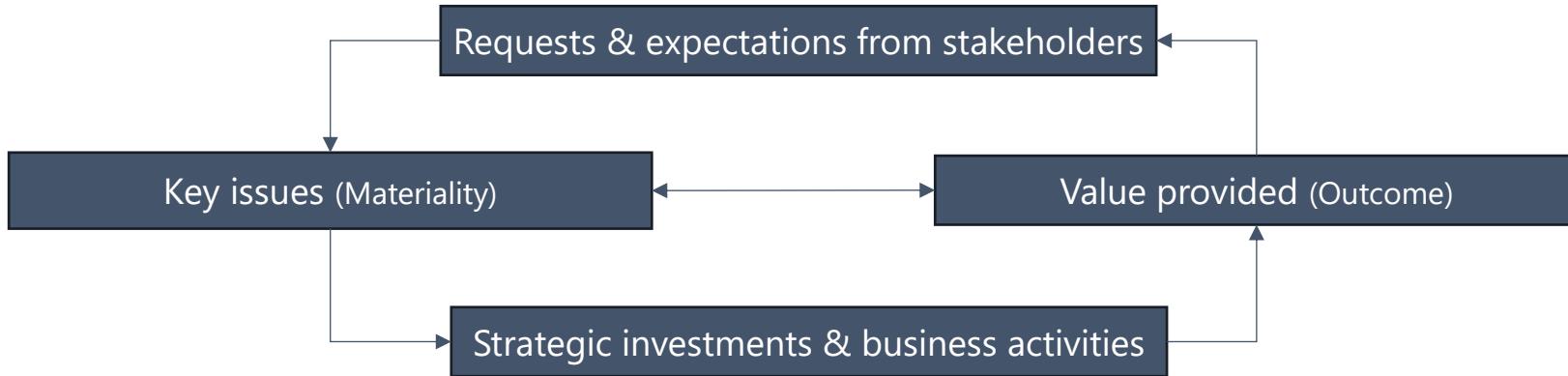
2026.2.10
NORITZ Corporation

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	<ul style="list-style-type: none"> Sales of eco-friendly products 	<ul style="list-style-type: none"> Expand service-driven sectors Explore production-driven sectors 	<ul style="list-style-type: none"> Accelerate sales of eco-friendly products 	
Well-Being	<ul style="list-style-type: none"> Sales of solution-driven products 		<ul style="list-style-type: none"> Improve awareness and expand sales of solution-driven products 	
Care	<ul style="list-style-type: none"> Provide long-term safety Provide apps 	<ul style="list-style-type: none"> Provide long-term safety 	<ul style="list-style-type: none"> Provide apps Provide easy access Expand services 	

Value provided and initiatives (overseas by area)

Area \ Value provided	China	North America	Australia	Southeast Asia
Sustainability	<ul style="list-style-type: none"> Sell water heaters 	<ul style="list-style-type: none"> Sell high-efficiency water heaters and commercial equipment 	<ul style="list-style-type: none"> Sell electric products/commercial equipment 	
Well-Being	<ul style="list-style-type: none"> Sell kitchen appliance 	<ul style="list-style-type: none"> Sell heating equipment 		<ul style="list-style-type: none"> Expand into new market areas Innovate new products
Care	<ul style="list-style-type: none"> Provide long-term safety 	<ul style="list-style-type: none"> Support remote services, construction, and repair 	<ul style="list-style-type: none"> Support repair 	

■ FY2025 Full Year (Cumulative) Results and Progress on “V-Plan 26”

FY2025 Full Year (Cumulative) Financial Results

Overview

Domestic sales increased due to price revisions and expanded sales of eco-friendly products. Profit growth was secured through cost improvements and a shift to higher value-added products.

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. Overall, sales decreased while profit increased.

Net sales

¥202.0bn (down ¥0.1bn YoY)

- Domestic : ¥136.7bn (up ¥3.2bn YoY)
- Overseas: ¥65.3bn (down ¥3.4bn YoY)

Operating income

¥4.3bn (up ¥1.9bn YoY)

- Domestic : ¥2.1bn (up ¥0.7bn YoY)
- Overseas: ¥2.1bn (up ¥1.1bn YoY)

Profit

¥3.3bn (down ¥1.0bn YoY)

Year-on-Year Comparison

(Millions of yen, unless otherwise stated)

	FY2024 Cumulative	FY2025 Cumulative	Cumulative YoY Change (amount)	Cumulative YoY Change (%)
Net sales	202,204	202,049	(154)	(0.1)
Domestic business	133,486	136,748	+3,261	+2.4
Overseas business	68,717	65,301	(3,416)	(5.0)
Operating income	2,395	4,300	+1,904	+79.5
Domestic business	1,364	2,121	+757	+55.5
Overseas business	1,031	2,179	+1,147	+111.3
Ordinary income	3,579	5,544	+1,964	+54.9
Net income attributable to shareholders of parent company	4,383	3,358	(1,024)	(23.4)

* Average exchange rate: USD = ¥149.75, CNY = ¥20.88, AUD = ¥96.60

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

Review of Domestic Business (by Section)

Sales and profit increased, driven by strong performance of new hybrid products and growth in eco-friendly products in water heaters and HVAC.

- Water heaters and HVAC continued to expand strongly driven by eco-friendly products, and profit from non-residential applications also steadily increased.
- In kitchen appliances, high-end range hoods and built-in gas cookers performed well, while challenges remain in mid-range and standard models.

(Millions of yen, unless otherwise stated)

	FY2024 Cumulative	FY2025 Cumulative	Cumulative YoY Change (amount)	Cumulative YoY Change (%)
Net sales	133,486	136,748	+3,261	+2.4
Water heaters and HVAC	108,249	111,356	+3,107	+2.9
o/w Residential	99,158	101,414	+2,256	+2.3
o/w Non-residential	9,091	9,942	+851	+9.4
Kitchen appliances	16,747	16,448	(298)	(1.8)
Other	8,489	8,943	+453	+5.3
Operating income	1,364	2,121	+757	+55.5

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



AQUA
OZONE



HIITO
Human Thermal Model



Water heater with disinfection & sleep support functions

Standardization of eco-friendly products



Hybrid water
heater



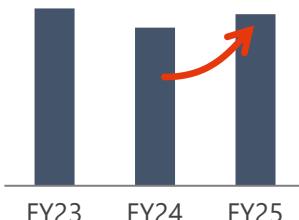
Eco-Jozu

[Results] Both hybrid water heaters and high-efficiency water heaters continued to glow.

* The graphs compare results from January to December.

- Premium water heaters delivered strong performance through expanded sales of high-value-added products.
- Hybrid water heaters saw unit sales increase, driven by strong market reception of new products.
- **Unit volume and sales mix of high-efficiency water heaters increased, targeting top runner standards.**

<Premium water heater>

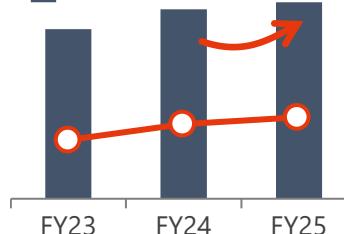


<Hybrid water heater>



<High-efficiency water heater>

■ Units — Conversion rate

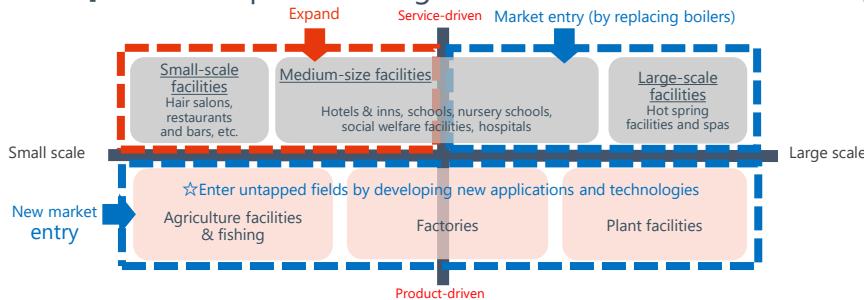


Water heaters and HVAC – non-residential

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

- **Expand 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

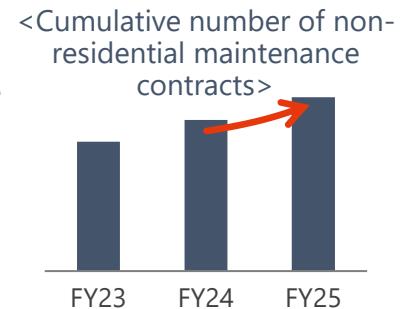
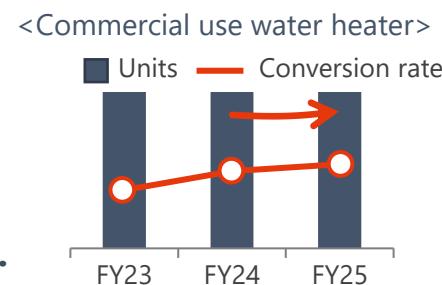


Commercial-use heat pump water heater

[Results] Service-driven sectors expanded steadily across both appliances and services, with solid profitability.

* The graphs compare results from January to December.

- **Sales of commercial-use water heaters increased due to price revisions and improved efficiency**
- **Amid labor shortages, the assembly-and-delivery system was well received, and the cumulative number of non-residential maintenance contracts increased steadily.**
- **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.**



Kitchen Appliances

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
- 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



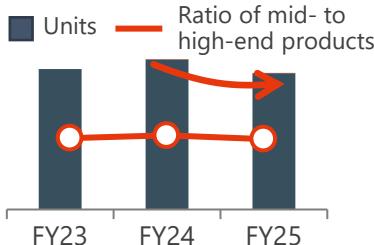
Range hood

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

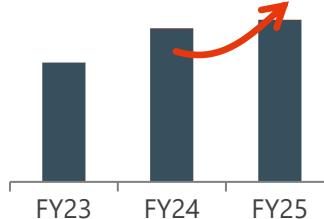
* The graphs compare results from January to December.

- While the cumulative ratio of mid-to-high-end built-in gas cookers decreased, the 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
Released in August

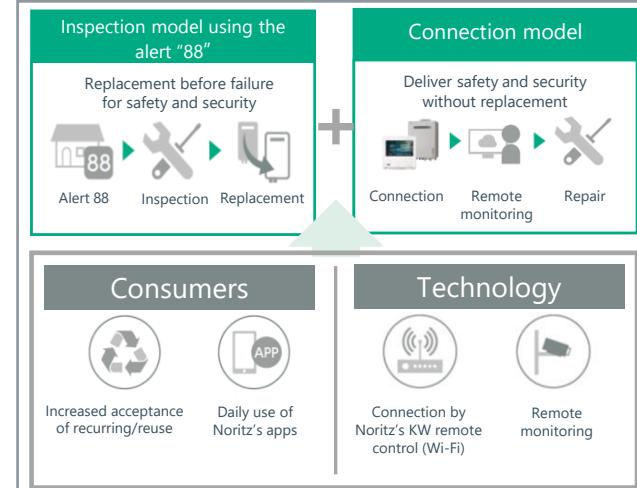


Range hood
Curara
Released in March

Establishment of a business foundation

Created new business opportunities/ Established customer bases

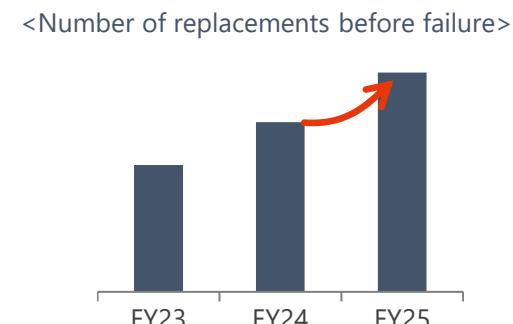
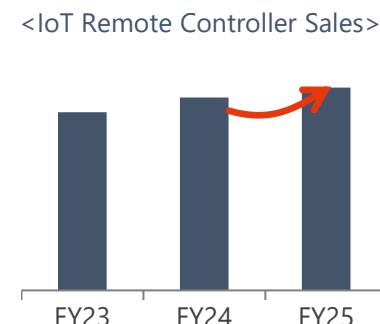
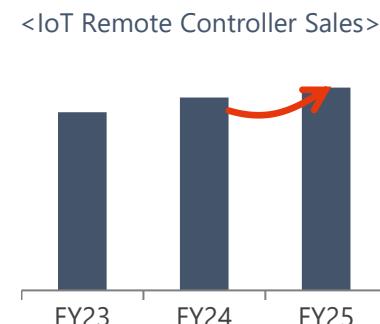
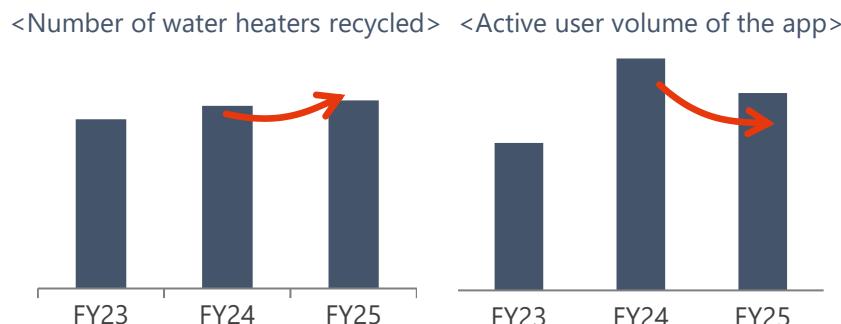
- **Provided safety and security through connections via repair, inspection, and maintenance (renewal of repair management system)**
- **Promoted pre-failure replacement to improve market quality**
- **Promoted collection of water heaters for recycling**



[Results] Promoted safety and security through customer relations

* The graphs compare results from January to December.

- **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.**



Cost Reduction

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

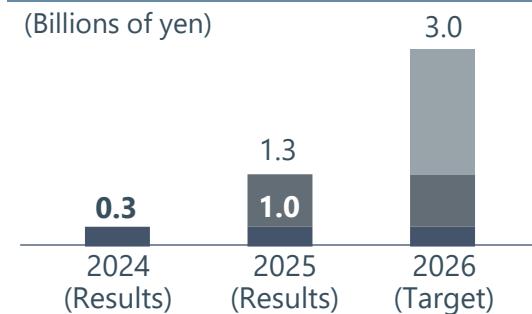
V26 Target

Total: **¥3.0bn**

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

Cost Reduction Target by FY2026

FY2025 Results: ¥1,055mn
(V-Plan 26 cumulative total: 1,357mn)



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 America and strong performance in Australia.

- **China:** profit increased through cost control despite continued weak market conditions.
- **North America:** saw increased revenue due to strong performance across all segments, achieving full-year profitability.
- **Australia:** Tankless and heat pump sales remain strong. Cost reductions also prove successful, leading to increased sales and profit.

(Millions of yen, unless otherwise stated)

		FY2024 Cumulative	FY2025 Cumulative	Cumulative YoY Change (amount)	Cumulative YoY Change (%)
China	Net sales	37,631	32,227	(5,403)	(14.4)
	Operating income	36	235	+198	+537.8
North America	Net sales	17,285	19,206	+1,920	+11.1
	Operating income	(156)	519	+675	—
Australia	Net sales	11,799	11,837	+37	+0.3
	Operating income	1,007	1,310	+303	+30.1
Other	Net sales	2,001	2,029	+28	+1.4
	Operating income	142	113	(29)	(20.7)
Total	Net sales	68,717	65,301	(3,416)	(5.0)
	Operating income	1,031	2,179	+1,147	+111.3

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)



Water heaters



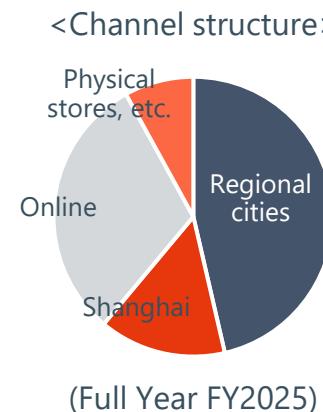
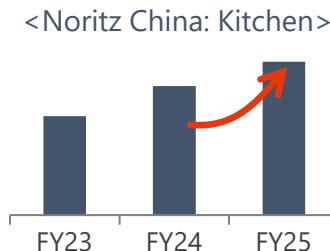
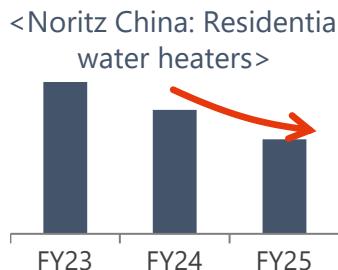
Kitchen appliances



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

- Water heaters: Unit sales for residential use declined due to weak market conditions, while heating equipment remained solid.
- Physical: Shanghai remained strong. Regional cities developed exclusive stores and focused resources on direct sales channels.
- Online: Significant decline in demand, reduced sales volume.
- Kitchen appliances: Sales expanded driven by the impact of new products launched in the fourth quarter.

* The graphs compare results from January to December.



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

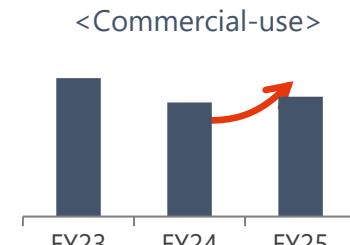
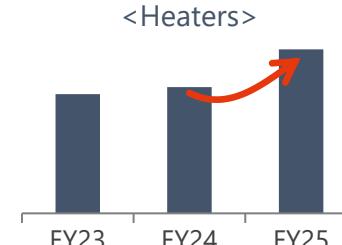
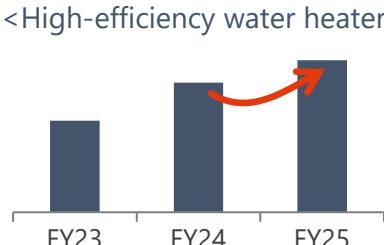
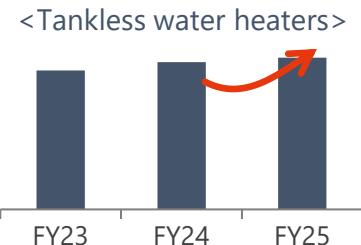


Rack system

[Results] Sales expanded across all sections, achieving a return to profitability.

* The graphs compare results from January to December.

- **Residential-use:** Sales volume of tankless and high-efficiency water heaters both increased through strengthened marketing efforts.
- **Commercial-use:** Sales volume increased through strengthening of sales and installation systems
- **Heaters:** Unit sales increased due to demand recovery and strengthened sales activities.



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 heater



Commercial-use water heater

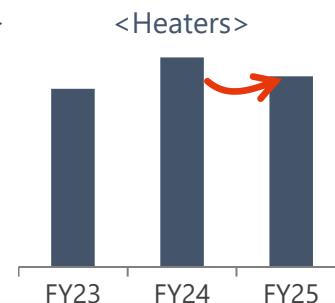
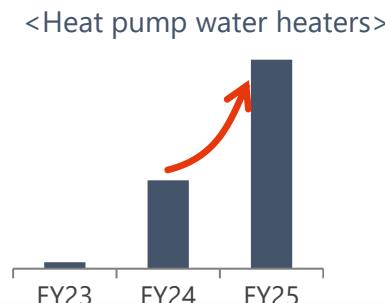
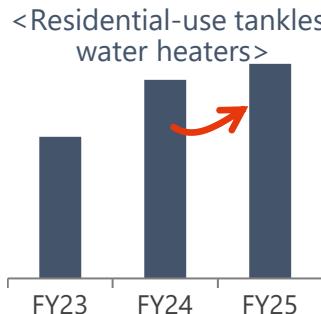


Heat pump water heater

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

* The graphs compare results from January to December.

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



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 (Vietnam)
 - Business support
 - Inventory optimization
 - Production support



[Results] Noritz brand water purifiers entered the Thai market

- Product development: Launched the new water purifier product in Thailand under the Noritz brand in October
- Sales network: An office was established in Bangkok, Thailand, making progress in expansion into neighboring countries.
- Kangaroo: Manufactured new Noritz-brand products, improving profitability through cost improvement and sales expansion.



New water purifier product

■ FY2026 Targets

■ "V-plan 26" FY2026 Target

(Millions of yen, unless otherwise stated)

	FY2024 Results	FY2025 Results	FY2026 Revised Targets	YoY Change
Net sales	202,204	202,049	210,000	+7,950
Domestic business	133,486	136,748	140,000	+3,252
Overseas business	68,717	65,301	70,000	+4,699
Operating income	2,395	4,300	4,500	+200
Domestic business	1,364	2,121	2,200	+79
Overseas business	1,031	2,179	2,300	+121
Ordinary income	3,579	5,544	5,500	(44)
Net income attributable to shareholders of parent company	4,383	3,358	8,600	+5,242
ROE (%)	3.5	2.5	Over 6.0	—

*Assumed exchange rate for 2026: USD = ¥153.0, CNY = ¥21.7, AUD = ¥101.1

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

Expand sales of high value-added products through communication strategies.

Realize competitive cost levels.

(Millions of yen, unless otherwise stated)

	FY2024 Results	FY2025 Results	FY2026 Revised Targets	YoY Change
Net sales	133,486	136,748	140,000	+3,252
Water heaters and HVAC	108,249	111,356	113,500	+2,144
o/w Residential	99,158	101,414	103,000	+1,586
o/w Non-residential	9,091	9,942	10,500	+558
Kitchen appliances	16,747	16,448	17,000	+552
Other	8,489	8,943	9,500	+557
Operating income	1,364	2,121	2,200	+79

FY2026 Initiatives: Domestic Business

- **Boost top-line growth through expanding sales of high value-added products (eco-friendly and social issue-solving products).**
- **Expand sales of commercial-use water heaters and production-driven sectors by leveraging the non-residential installed base and high market share.**
- **Promote communication strategies to convey value and promote added value.**
- **Realize competitive cost levels through cost improvement.**

FY2026 Initiatives by Section	
Water Heaters and HVAC – Residential	<ul style="list-style-type: none"> • Expand adoption in both new installations and replacements by leveraging the environmental performance, energy efficiency, and ease of installation of hybrid water heaters. • Increase the sales mix of high-efficiency water heaters by responding to the revised top runner standards. • Expand sales of premium water heaters through the creation of customer experience value.
Water heaters and HVAC – non-residential	<ul style="list-style-type: none"> • Expand sales of commercial-use water heaters through reliable replacements by leveraging the installed base. • Secure peripheral services (maintenance contracts and a pre-assembled product delivery system) leveraging a high market share. • Expand production driven sectors through thermal solutions business.
Kitchen Appliances	<ul style="list-style-type: none"> • Improve the mid-to-high-end ratio of built-in gas cookers by promoting features through hands-on experiences. • Expand sales of range hoods by utilizing products dedicated to growth channels.
Establishment of a business foundation	<ul style="list-style-type: none"> • Develop a customer base by expanding IoT remote controller sales and increasing active users of the Wakasu app. • Reduce costs through enhancing production facilities with smart technology, in-house manufacturing to capture added value, and overall supply chain optimization (SCP).

**Stabilize earnings in China and North America.
Establish a business foundation in Southeast Asia.**

(Millions of yen, unless otherwise stated)

		FY2024 Results	FY2025 Results	FY2026 Revised	YoY Change
China	Net sales	37,631	32,227	34,400	+2,173
	Operating income	36	235	630	+395
North America	Net sales	17,285	19,206	20,300	+1,094
	Operating income	(156)	519	270	(249)
Australia	Net sales	11,799	11,837	13,200	+1,363
	Operating income	1,007	1,310	1,220	(90)
Other	Net sales	2,001	2,029	2,100	+71
	Operating income	142	113	180	+67
Total	Net sales	68,717	65,301	70,000	+4,699
	Operating income	1,031	2,179	2,300	+121

FY2026 Initiatives: Overseas Business

China: Amid market uncertainty, expand operations outside Shanghai, optimize costs, and strengthen the kitchen appliances section.

North America: Optimize channel mix, expand sales of commercial equipment, and respond to energy shifts.

Australia: Maintain stable organic growth by responding to market changes.

Southeast Asia: Establish a business foundation in Southeast Asia.

FY2026 Initiatives and Indicators	
China	<ul style="list-style-type: none"> Secure water heater unit sales by expanding exclusive stores outside Shanghai. Expand kitchen appliance unit sales through bundled sales with water heaters. Reduce costs through controlling fixed costs in line with sales volume.
North America	<ul style="list-style-type: none"> Achieve a channel mix focused on the profitability of residential tankless products. Increase unit sales of commercial equipment through resource shifts toward the commercial use. Strengthen initiatives for heat pump products in response to energy shifts.
Australia	<ul style="list-style-type: none"> Expand sales volume of heat pump water heaters by leveraging tanks' strengths. Expand sales of commercial-use water heaters and smart electric water heaters. Reduce costs through production efficiency improvement.
Southeast Asia	<ul style="list-style-type: none"> Expand Noritz-brand water purifiers and electric water heaters into Southeast Asia. Improve costs at Kangaroo, an equity-method affiliate, and increase profit in Vietnam.

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 February 2026 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.

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