

FY2026 Q1 Results Financial Results Presentation Materials (Briefing Material)

May 14, 2026

Noritz Corporation

Securities Code:

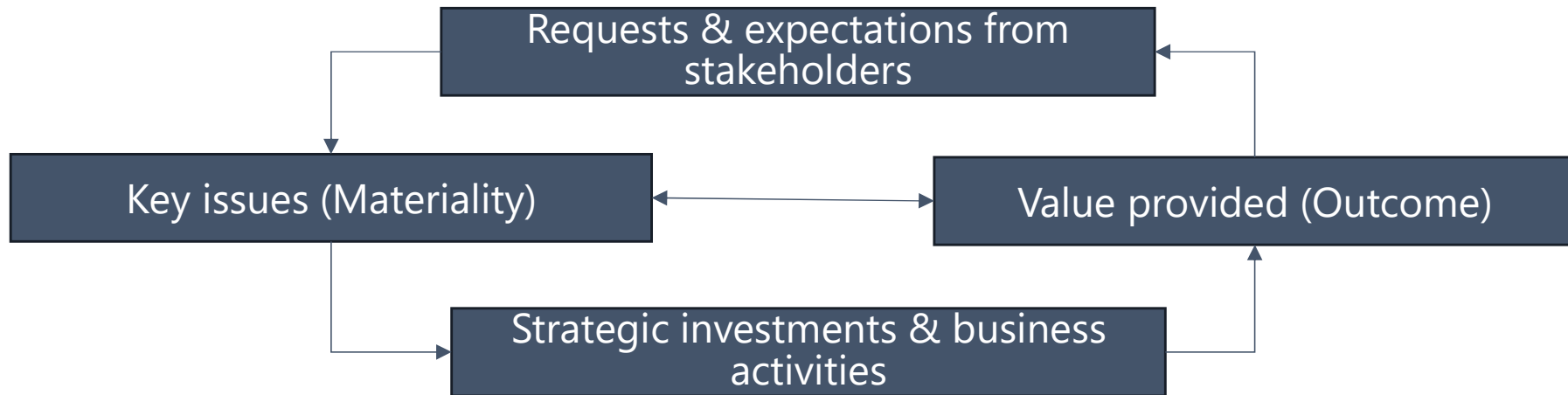
5943

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.

- **Outline of Medium-Term Management Plan “V-plan 26”**
- **FY2026 Targets**
- **FY2026 Q1 Financial Results**
 - Overview/Year-on-Year Comparison
 - Domestic Business/Overseas Business
- **“V-plan 26” progress**
 - Review of Domestic Business (by Section)/Overseas Business Review (by Area)
 - Capital Policy

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 	<ul style="list-style-type: none"> 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 	

■ FY2026 Targets

■ "V-plan 26" FY2026 Target

(Millions of yen, unless otherwise stated)

	FY2024 Results	FY2025 Results	FY2026 Revised Targets	YoY Change (Amount)
Net sales	202,204	202,049	210,000	+7,951
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	—

Average Exchange Rates: USD = ¥153.0, CNY = ¥21.7, AUD = ¥101.1

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

Stabilizing the business foundation in residential-use water heater and kitchen appliances sections and enhancing customer experience value

- Initiative 1: Stability of business foundation: Form installed base toward future with high value-added products and achieve cost competitiveness**
- Initiative 2: Growth segments: Expand non-residential and heat pump (HP) sections and create social and environmental value through recycled water heaters**
- Initiative 3: Creation of customer experience value: Promote value creation and communication strategies through three values provided**

(Millions of yen, unless otherwise stated)

	FY2024 Results	FY2025 Results	FY2026 Revised Targets	YoY Change (Amount)
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 cost competitiveness through cost improvement.**

FY2026 Initiatives by Segment	
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).

KPIs: Overseas Business

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

Initiative 1: Stabilize business profitability (China & North America): Optimize costs and strengthen commercial and heating sections.

Initiative 2: Strengthen business foundation(Australia & Hong Kong): Respond to market changes and expand products to achieve stable growth.

Initiative 3: Growth strategy: Strengthen product development capabilities and 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 (water heating and heating). 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.

Our Initiatives in response to TSE's "Action to Implement Management that is Conscious of Cost of Capital and Stock Price"

Capital policy

1) Strengthen shareholder return measures

With the expected application of a consolidated payout ratio of 50%, the Company plans to pay an annual dividend of ¥94 per share (interim: ¥47, year-end: ¥47).

The Company also plans to repurchase shares of its own stock at a cost up to ¥1 billion.

2) Reduce cross-shareholdings

The Company plans to reduce the balance of holdings on the consolidated balance sheet and its ratio to net asset (28.1%) as of the end of December 2025 to below 20% by the end of December 31, 2026 and allocate the proceeds from the sale to growth investments.

3) Cancel the shares of the Company's own stock

The Company will cancel its shares, retaining 5% of the total number of issued shares at the end of 2026.

■ FY2026 Q1 Financial Results

Domestic sales increased, driven by strong growth in the non-residential sector, a growth area, while overseas sales declined on a consolidated basis due to a significant impact from a prolonged weak Chinese market, despite solid performance in North America and Australia. Operating income decreased in Japan due to deteriorating cost conditions. Overseas, despite efforts in China to control fixed costs in line with sales volume, a decline in the topline resulted in lower operating income on a consolidated basis.

Net Sales

¥51.6bn (down ¥1.2bn YoY)

- Domestic: ¥36.6bn (up ¥0.4bn YoY)
- Overseas: ¥14.9bn (down ¥1.6bn YoY)

Operating Income

¥1.6bn (down ¥0.3bn YoY)

- Domestic: ¥1.4bn (down ¥0.1bn YoY)
- Overseas: ¥0.2bn (down ¥0.1bn YoY)

Profit

¥4.4bn (up ¥3.0bn YoY)

A gain of ¥4.4 billion on the sale of investment securities was recognized as extraordinary income

Year-on-Year Comparison

(Millions of yen, unless otherwise stated)

	Q1 FY2025	Q1 FY2026	YoY Change (amount)	YoY Change (%)
Net sales	52,860	51,635	(1,224)	(2.3)
Domestic business	36,254	36,686	+431	+1.2
Overseas business	16,605	14,948	(1,656)	(10.0)
Operating income	2,007	1,678	(328)	(16.4)
Domestic business	1,568	1,422	(145)	(9.3)
Overseas business	438	255	(182)	(41.7)
Ordinary income	2,165	1,517	(647)	(29.9)
Net income attributable to shareholders of parent company	1,432	4,463	+3,030	+211.6

Average exchange rates: USD = ¥156.42, CNY = ¥22.65, AUD = ¥109.34

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

While robust sales in non-residential segment boosted revenue, operating income declined due to deteriorating cost conditions.

- In the Water Heaters and HVAC segment, hybrid water heaters and non-residential section performed well.
- In the kitchen appliances section, sales volume was secured with new built-in gas cookers, and range hoods maintained strong performance.
- Operating income declined due to rising procurement prices for components although topline increased.

(Millions of yen, unless otherwise stated)

	Q1 FY2025	Q1 FY2026	YoY Change (amount)	YoY Change (%)
Net sales	36,254	36,686	+431	+1.2
Water heaters and HVAC	30,251	30,553	+302	+1.0
o/w Residential	27,561	27,531	(30)	(0.1)
o/w Non-residential	2,689	3,022	+333	+12.4
Kitchen appliances	3,939	3,996	+57	+1.5
Other	2,064	2,136	+71	+3.5
Operating income	1,568	1,422	(145)	(9.3)

China market remains sluggish. Sales and income declined despite strong performance in North America and Australia.

- **China:** Sales declined due to continued weak market conditions, and income decreased despite efforts to control fixed costs.
- **North America:** Sales and income increased due to our channel policy for residential-use tankless water heaters.
- **Australia:** Strong sales of heat pump water heaters, driven by electrification policy, drove both sales and income.

(Millions of yen, unless otherwise stated)

		Q1 FY2025	Q1 FY2026	YoY Change (amount)	YoY Change (%)
China	Net sales	9,026	6,022	(3,003)	(33.3)
	Operating income	212	(191)	(403)	–
North America	Net sales	4,589	5,122	+533	+11.6
	Operating income	(23)	100	+123	–
Australia	Net sales	2,502	3,275	+772	+30.9
	Operating income	211	276	+65	+30.8
Other	Net sales	487	528	+40	+8.4
	Operating income	37	70	+32	+87.1
Total	Net sales	16,605	14,948	(1,656)	(10.0)
	Operating income	438	255	(182)	(41.7)

“V-plan 26” progress

Review of Domestic Business (by Section)

Water Heaters and HVAC– Residential

Strengthen earning power through high value-added products and eco-friendly products

- Expand adoption of hybrid water heaters in new and existing installations
- Increase the ratio of high-efficiency water heaters
- Repromotion of socially impactful products by creating customer experience value

Repromotion of socially impactful products



Water heater with disinfection & sleep support functions

Accelerated sales of eco-friendly products

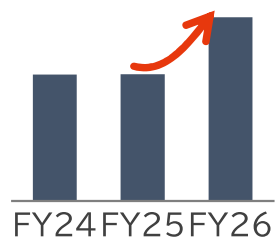


Hybrid water heater Eco-Jozu

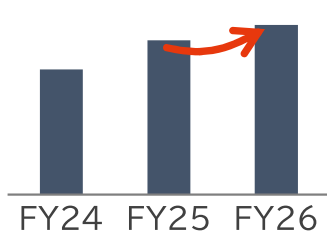
[Results] Both hybrid water heaters and high value-added products recorded growth.

- Sales of natural refrigerant hybrid water heater “HP HB R290” launched last November grew significantly.
- Noritsu EX centers were deployed to promote customer experience value, which also contributed to the sales expansion of premium water heaters.
- New deployment of technological brand AQUA OZONE drove business expansion.

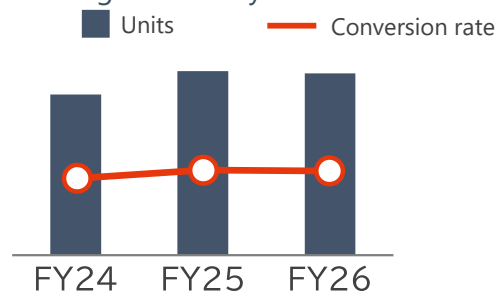
<Hybrid water heater>



<Premium water heater>



<High-efficiency water heater>

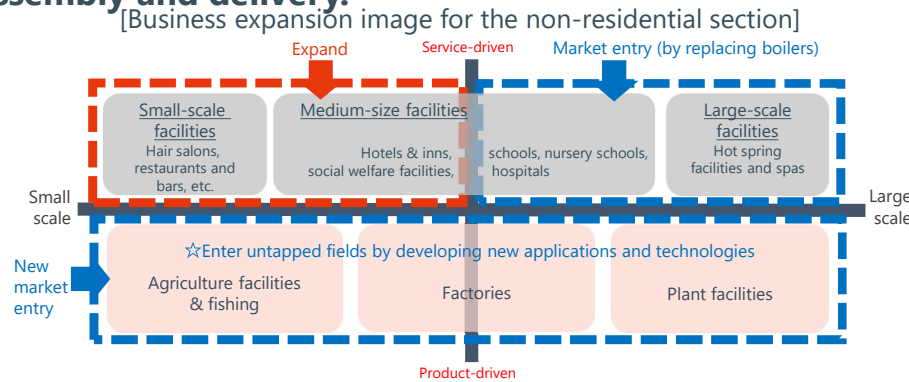


<NORITZ EX center in TSUKUBA>

Water Heaters and HVAC Non-Residential

Strengthen earning power through high value-added products and eco-friendly products

- Expand sales of commercial-use water heaters in service-driven sectors
- Expand production-driven sectors (thermal solutions business)
- Expand profit through maintenance contracts & assembly and delivery.



Expand service-driven sectors/
Explore production-driven sectors

Commercial-use gas water heater
* Specialized product

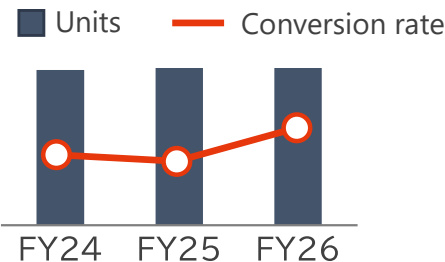
Filtration and heating pump unit

Commercial-use heat pump water heater

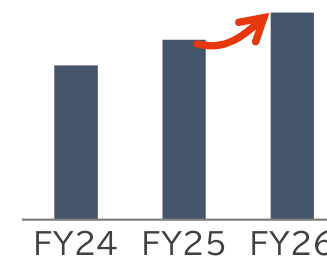
[Results] Large commercial-use water heaters performed well and conversion rate also grew

- The strong performance was due to the effectiveness of sales promotion activities leveraging a strong installed base supported by high market share, as well as favorable evaluations of assembly and delivery..
- Steady growth in cumulative non-residential maintenance contracts, due to the high evaluation of the remote monitoring function.

<Commercial-use water heater>



<Cumulative number of non-residential maintenance contracts>



Strengthen earning power through high value-added products and eco-friendly products

- Increase the ratio of mid- to high-end built-in gas cookers
- Increase sales share of range hoods
- Expand sales of eco-friendly products (smart eco burners)

Qualitative improvement and quantitative expansion in the kitchen appliances section



Built-in gas cooker



Smart eco burner

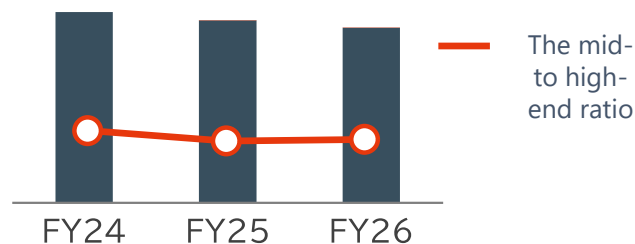


Range hood

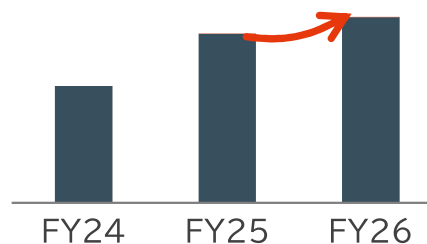
[Results] Range hood continues to sell well

- While the ratio of mid- to high-end built-in gas cookers remained flat, strong sales of new products launched in March drove market share.
- Sales volume of range hoods expanded steadily by capturing demand for replacement.

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



<Range hood>



New product
Built-in gas cooker N3WV6M
Adoption of "Tsuyameki Glossy Glass Top" that combines stylish design and easy maintenance



Realize smart manufacturing by establishing production system infrastructure and improve in-house production ratio.

Item	Details
➤ Reduce material costs	Lowering procurement costs for raw materials
➤ Realize a smart factory	Enhancing production facilities with smart technology
	Driving automation and efficiency through digital technologies
➤ Maximize added value through in-house production	Internalizing value-added processes previously outsourced
	Mitigating cost increases
	Optimizing production facilities



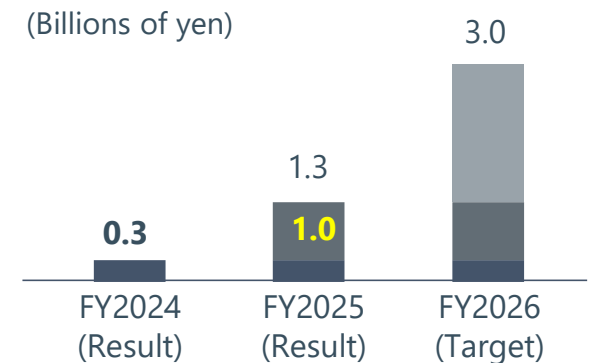
V26
Target
Total: ¥3.0bn

Q1 FY2026 Results (Excluding material price fluctuations and cost increases due to procurement of market-distributed products)

279mn

(V-Plan 26 cumulative total: 1.635bn)

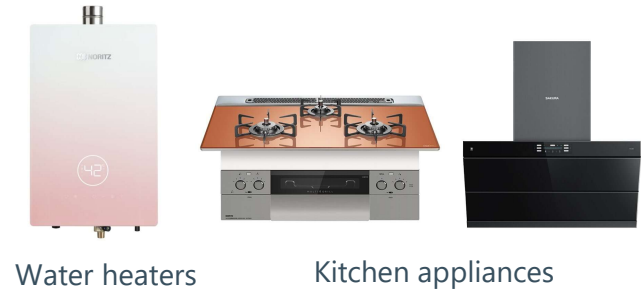
Cost Reduction Target by FY2026



Overseas Business Review (by Area)

Secured sales volume of water heaters and kitchen appliances

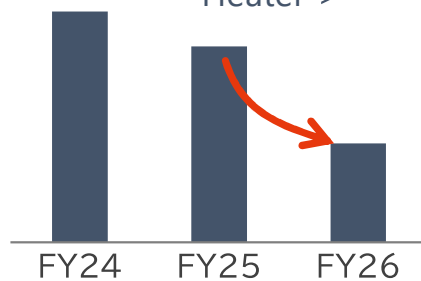
- Expand exclusive stores in regional areas
- Expand sales through bundled sales of water heaters and kitchen appliances
- Reduce costs through controlling fixed costs in line with sales volume



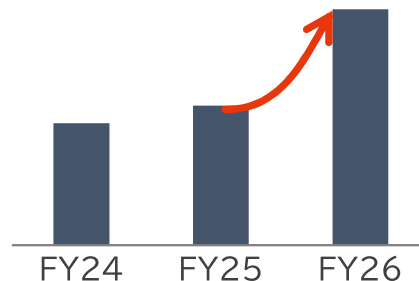
[Result] Despite control over fixed costs, sales and profit declined due to continued slowdown in market conditions

- **Water Heaters:** Sales volume decreased due to the persistent market slowdown.
- **Kitchen appliances:** New products launched in the fourth quarter of the previous year to meet local needs performed strongly.
- **Amid the ongoing effort to deploy exclusive store models across local areas, experience-based stores expanded.**

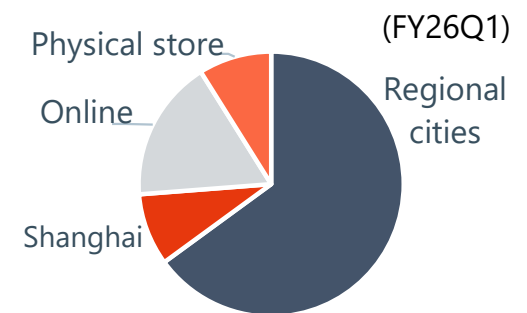
<Noritz China-Residential Water Heater >



<Noritz China- Kitchen >



<Channel structure>



Improve channel mix, expand sales of commercial-use equipment and adapt to energy transition

- **Residential-use: Tankless: Improve profitability through channel mix sales**
Expand sales of high-efficiency water heaters
- **Commercial-use: Expand sales of commercial-use water heaters mounted in 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)

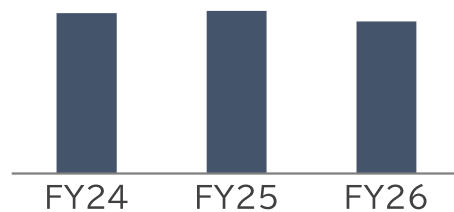


High-efficiency water heater Combination boiler Rack system

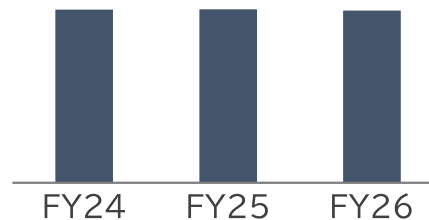
[Results] Profit improved for residential-use tankless water heaters through channel policy

- **Residential-use: Profit improved through enhanced sales of high-efficiency water heaters and effective channel mix.**
- **Commercial-use: Sales volume remained the same as the previous year despite certain delay in installation of water heaters due to cold waves**
- **Heaters: Strong performance continued from the second half of the previous year, with significant growth.**

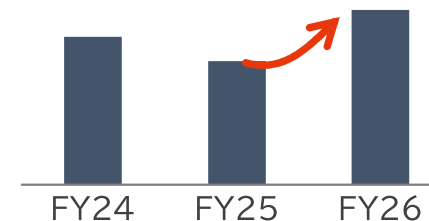
<Tankless water heaters>



<Commercial-use>



<Heaters>



Australia

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

- Increase the sales volume of heat pump water heaters, a growth segment product
- Expand sales of commercial-use water heaters and smart electric water heaters
- Reduce costs through production efficiency improvement



Residential-use water heaters Commercial-use water heaters Heat pump water heaters

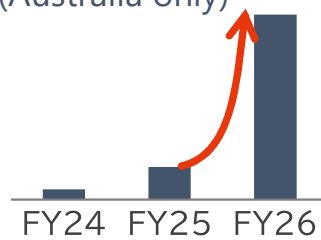
[Results] Sales and profit increased by launching products aligned with market changes and efforts to reduce costs

- Sales volume of heat pump water heaters and smart electric water heaters increased significantly, driven by electrification policy.
- Although sales volume of both residential-use and commercial-use tankless water heaters declined, the total number of units sold—including those with tanks—increased.
- Amid surging material prices, cost rise was contained by improved production efficiency.

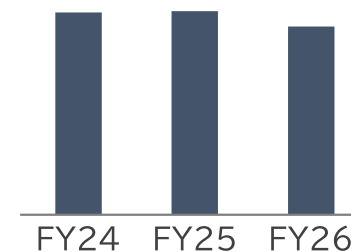
<Tankless water heaters>



<Heat pump water heaters>
(Australia only)



<Commercial-use>



Establish business foundation in Southeast Asia

- Expand sales of electric water heaters and water purifiers under the Noritz brand
- Strengthen the management foundation
 - Develop sales channels in Vietnam and neighboring countries (collaboration with local firms)
- Achieve cost improvements and profit growth at Kangaroo



Water purifier under Noritz brand

Kangaroo

Kangaroo International Joint Venture Company

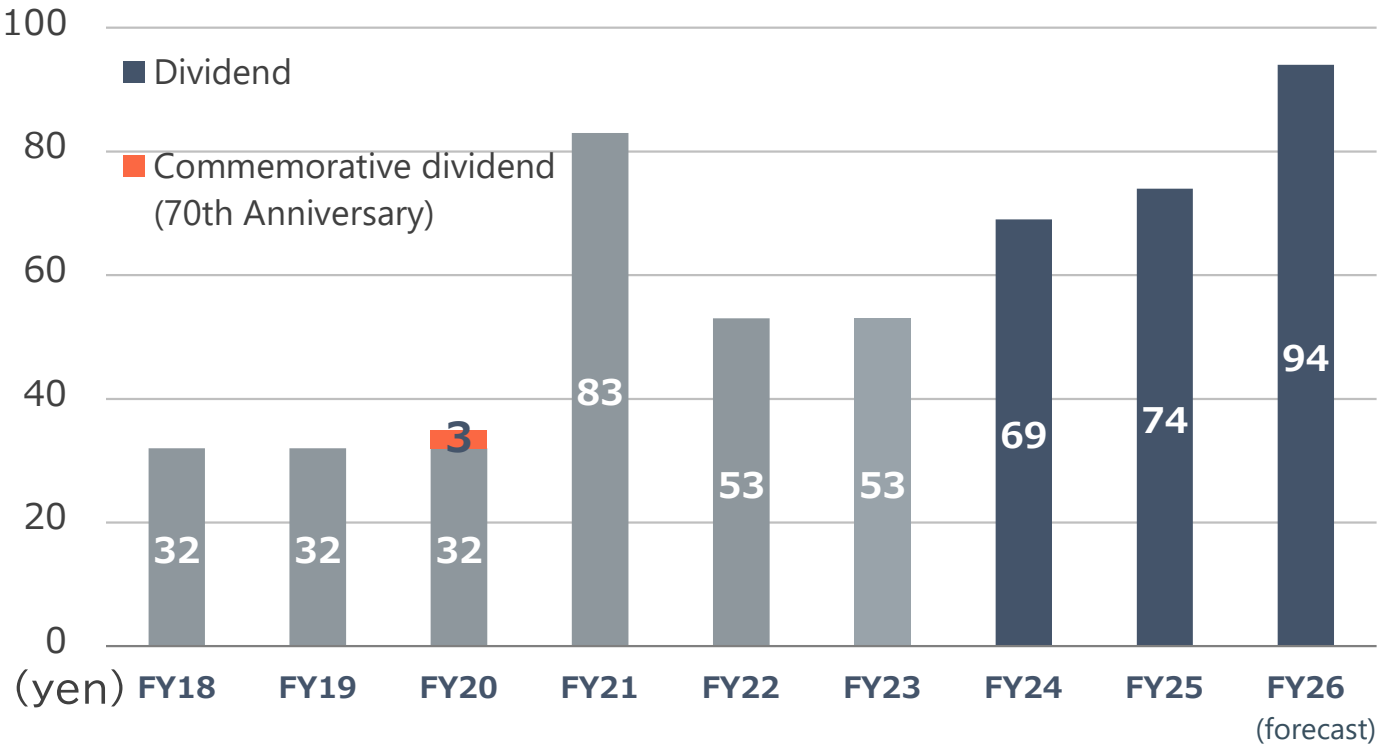


<Exhibition at a special venue in Bangkok>

[Results] Steady progress in building a sales network

- **Product development:** Development of new small instantaneous electric water heaters
- **Sales network:** A representative office was established in Bangkok and our official sales website "NORITZ ASEAN" was launched. Sales channels were expanded for Noritz-brand water purifiers in Laos in addition to Thailand.
- **Kangaroo:** Sales and profit increased due to a recovery in sales and the effects of cost improvements.

Capital Policy

<p>Dividend policy</p>	<p>Adopt the higher of "50% consolidated payout ratio" or "2.5% DOE."</p>																														
<p>Dividend results (forecast)</p>	 <table border="1"> <caption>Dividend Results (Forecast)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Dividend (yen)</th> <th>Commemorative Dividend (70th Anniversary) (yen)</th> </tr> </thead> <tbody> <tr> <td>FY18</td> <td>32</td> <td>0</td> </tr> <tr> <td>FY19</td> <td>32</td> <td>0</td> </tr> <tr> <td>FY20</td> <td>32</td> <td>3</td> </tr> <tr> <td>FY21</td> <td>83</td> <td>0</td> </tr> <tr> <td>FY22</td> <td>53</td> <td>0</td> </tr> <tr> <td>FY23</td> <td>53</td> <td>0</td> </tr> <tr> <td>FY24</td> <td>69</td> <td>0</td> </tr> <tr> <td>FY25</td> <td>74</td> <td>0</td> </tr> <tr> <td>FY26 (forecast)</td> <td>94</td> <td>0</td> </tr> </tbody> </table>	Fiscal Year	Dividend (yen)	Commemorative Dividend (70th Anniversary) (yen)	FY18	32	0	FY19	32	0	FY20	32	3	FY21	83	0	FY22	53	0	FY23	53	0	FY24	69	0	FY25	74	0	FY26 (forecast)	94	0
Fiscal Year	Dividend (yen)	Commemorative Dividend (70th Anniversary) (yen)																													
FY18	32	0																													
FY19	32	0																													
FY20	32	3																													
FY21	83	0																													
FY22	53	0																													
FY23	53	0																													
FY24	69	0																													
FY25	74	0																													
FY26 (forecast)	94	0																													
<p>Share Buyback</p>	<p>➤ A share buyback of up to ¥1.0bn is planned by December 31, 2026. As of March 31, 2026, the Company had repurchased 21,000 shares of its own stock at a cost of ¥48mn.</p>																														

Capital policy (Excerpt)

Our Initiatives in response to TSE's "Action to Implement Management that is Conscious of Cost of Capital and Stock Price"

Capital policy

Reduce cross-shareholdings

The Company plans to reduce the balance of holdings on the consolidated balance sheet and its ratio to net asset (28.1%) as of the end of December 2025 to below 20% by the end of December 31, 2026 and allocate the proceeds from the sale to growth investments.

[Progress] Sold cross-shareholdings in three companies totaling ¥5.5 billion

The ratio of cross-shareholdings to net assets decreased by 2 percentage point to 26.1%.

A gain on sale of ¥4.4 billion was recognized as extraordinary income and used for growth investments.

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 May 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.

Noritz Corporation

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