NORITZ
The Simple Comforts of Life

FY2026 Q1–Q3 Results
Financial Results Presentation Materials
(Briefing Material)

November 12, 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.

Material Issues

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Targets and Progress (as of December 31, 2025)

Priority tasks for business continuity

Key Issues		Main Initiatives	"V-Plan 26" KPIs and Milestones		2025	2030 Roadmap
			KPIs	Target		
Maximize value for product users to maintain the customer base		• Improve relations with customers	• Cumulative number of registered customer accounts in Japan	• 6 million	• 5.06 million	• 9 million
Develop and supply low-emission and solution-driven products	Residential-use products sold in Japan	• Standardize high-efficiency water heaters (low-emission products) and high-performance gas cookers (solution-driven products)	• Proportion of high-efficiency water heater sales in Japan • Proportion of high-performance product sales in Japan • Reduction of CO_2 emissions from product usage in Japan compared with 2018	• 50% • 37% • 20% reduction	• 44.3% • 31.3% • 29.3% reduction	• 90% • 40% • 30% reduction
	Non-residential-use products sold in Japan	• Upgrade non-residential equipment to low-emission products • Establish a non-residential thermal solutions business	• Amount of CO_2 emissions reduced in Japan (compared with 2018) by replacing boilers with high-efficiency water heaters	• 330 thousand tons of CO_2	• 282 thousand tons of CO_2	• 400 thousand tons of CO_2
	Products sold outside Japan	• Expand markets for low-emission products in countries of operations • Deploy technologies and launch products in new countries	• Amount of CO2 emissions reduced outside Japan (compared with 2018) by replacing storage-type water heaters with tankless water heaters	• 4.00 million tons of CO_2	• 2.78 million tons of CO_2	• 7.50 million tons of CO_2

Priority tasks for enhancing resources

Key Issues	Main Initiatives	"V-Plan 26" KPIs and Milestones		2025	2030 Roadmap
		KPIs	Target		
Use natural resources in ways that facilitate recycling and decarbonization	• Reduce CO_2 emissions from operations • Make advances in the recycling business	• Secure 100% of electricity from renewable energy sources • Number of products collected for recycling	• Achieve target at the Akashi Main Factory • 150,000	• — • 85,000	• Reduce business CO_2 emissions by 50% compared with 2018 • Collect 300,000 units for recycling
Develop human resources that can sustain the Group's businesses	• Implement programs to enhance employee well-being • Diversity and inclusion	• Employee engagement score	• 70	• 69	• 73
Apply intellectual resources to expand the Group's businesses	• Develop technical solutions for decarbonization and wellness-related issues, and apply them worldwide • Improve management quality to enhance the corporate brand	• Number of newly developed technologies related to decarbonization or wellness-related issues • Score from the Nikkei Research Brand Strategy Survey	• 5 • 585	• 1 • 579	• 5 (either patented or sources of a new business model) • 600
Improve manufacturing resources through digital technologies	• Introduce digital applications, automation, modular design, and other innovations to manufacturing operations	• Proportion of automated production to total production at the Akashi Main Factory	• 70% of gas water heater production	• —	• Realize smart factories by digitalizing factory operations and deploying AI and IoT

FY2026 Q1–Q3 Financial Results

Overview

- Consolidated net sales increased. Domestic sales continued to grow significantly across all business sectors. Overseas sales declined as solid performance in North America and Australia was insufficient to offset the decline in China.
- Consolidated operating income increased. Domestic operating income increased significantly, driven by top-line growth. Overseas operating income decreased due to the decline in China.

Net Sales

¥147.4bn (up ¥4.8bn YoY)

- Domestic: ¥102.1bn (up ¥7.5bn YoY)
- Overseas: ¥45.3bn (down ¥2.6bn YoY)

Operating Income

¥1.0bn (up ¥0.1bn YoY)

- Domestic: ¥0.6bn (up ¥0.8bn YoY)
- Overseas: ¥0.3bn (down ¥0.6bn YoY)

Profit

¥5.8bn (up ¥5.1bn YoY)

A gain of ¥6.6 billion on the sale of investment securities was recognized as extraordinary income.

Year-on-Year Comparison

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(Millions of yen, unless otherwise stated)

	Q1–Q3 FY2025 Results	Q1–Q3 FY2026 Results	YoY Change (amount)	YoY Change (%)
Net sales	142,610	147,499	+4,888	+3.4
Domestic Business	94,658	102,175	+7,517	+7.9
Overseas Business	47,952	45,323	(2,628)	(5.5)
Operating income	809	1,003	+194	+24.1
Domestic Business	(213)	622	+836	–
Overseas Business	1,022	381	(641)	(62.7)
Ordinary income	1,765	1,445	(319)	(18.1)
Net income attributable to shareholders of parent company	671	5,855	+5,183	+771.7

Exchange rates: US$1 = ¥158.83, RMB1 = ¥23.31, and A$1 = ¥111.71

Domestic Business

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The Domestic Business recorded sales growth across all sectors, led by water heaters and HVAC, and returned to operating profitability for the first nine months of the fiscal year.

- **Residential: Sales of eco-friendly products, particularly hybrid models, grew, while sales of high value-added products also increased.**
- **Non-residential: Sales continued to expand, particularly for large commercial-use water heaters.**
- **Kitchen appliances: Sales were driven by replacement demand for built-in gas cookers, with particularly strong growth in sales of new entry-level models.**

(Millions of yen, unless otherwise stated)

	Q1–Q3 FY2025 Results	Q1–Q3 FY2026 Results	YoY Change (amount)	YoY Change (%)
Net sales	94,658	102,175	+7,517	+7.9
Water Heaters and HVAC	76,705	83,447	+6,742	+8.8
o/w Residential	69,429	75,169	+5,740	+8.3
o/w Non-residential	7,276	8,278	+1,002	+13.8
Kitchen Appliances	11,474	12,157	+682	+5.9
Other	6,478	6,571	+92	+1.4
Operating income	(213)	622	+836	–

Overseas Business

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Despite growth in North America and Australia, overseas sales and income declined as this growth was insufficient to offset the downturn in China

- China: Sales declined due to continued sluggish market conditions; income also declined as higher costs of sales outweighed fixed cost reductions.
- North America: Returned to profitability, driven by increased sales of commercial-use water heaters, an improved channel mix, and tariff refunds.
- Australia: Sales of electric products, including heat pump water heaters, continued to grow significantly.

(Millions of yen, unless otherwise stated)

		Q1–Q3 FY2025 Results	Q1–Q3 FY2026 Results	YoY Change (amount)	YoY Change (%)
China	Net sales	24,173	17,996	(6,177)	(25.6)
	Operating income	70	(1,737)	(1,808)	–
North America	Net sales	13,641	14,310	+669	+4.9
	Operating income	(56)	674	+730	–
Australia	Net sales	8,682	11,358	+2,675	+30.8
	Operating income	906	1,318	+411	+45.4
Other	Net sales	1,454	1,658	+203	+14.0
	Operating income	101	126	+24	+24.4
Total	Net sales	47,952	45,323	(2,628)	(5.5)
	Operating income	1,022	381	(641)	(62.7)

Review of Domestic Business (by Section)

FY2026 Initiatives: Domestic Business

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- **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 Section	
Water Heaters and HVAC – Residential	• 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	• 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 the thermal solutions business.
Kitchen Appliances	• 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 leveraging products specifically for growth channels.
Establishment of a business foundation	• Develop a customer base by expanding IoT remote controller sales and increasing active users of the Wakasu app. • Reduce costs by adopting smart production equipment, bringing value-added processes in-house, and optimizing the entire supply chain (SCP).

Water Heaters and HVAC – Residential

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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**
- **Renewed promotion of socially impactful products through the creation of customer experience value**

Renewed promotion of socially impactful products

AQUA OZONE

HIITO
Human Thermal Model





Water heater with functions supporting disinfection, sleep, and beauty

UFB *1 fitting

Accelerated sales of eco-friendly products



Hybrid water heater



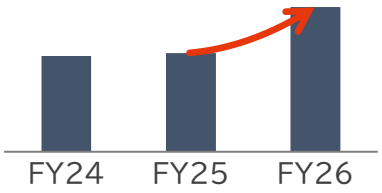


Eco-Jozu

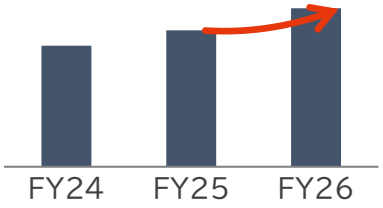
[Results] Sales of hybrid water heaters and high value-added products increased significantly.

- **Sales of the natural refrigerant hybrid water heater "HPHB R290" continued to grow significantly.**
- **Sales of high value-added products, particularly premium water heaters, increased significantly by leveraging EX centers and NORITZ EXPO to promote the value of products featuring AQUA OZONE and UFB*1 fittings.**

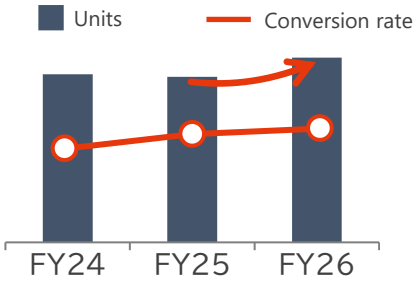
<Hybrid water heater>



<Premium water heater>



<High-efficiency water heater>



*1 UFB: Ultra Fine Bubble

*The graphs compare results from January to September on a unit basis.

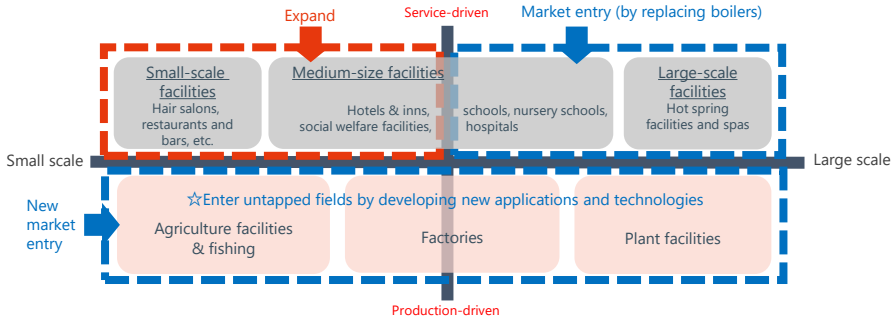
Water Heaters and HVAC – Non-Residential

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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)**
- **Increase earnings through maintenance contracts and assembly-and-delivery services.**

[Vision for Business Expansion in the Non-Residential Section]



Expand service-driven sectors/
Explore production-driven sectors



Commercial-use gas water heater
* Specialized product



Filtration and heating pump unit

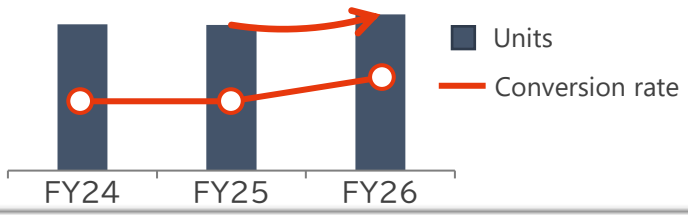


Cascade installation of commercial-use gas water heaters

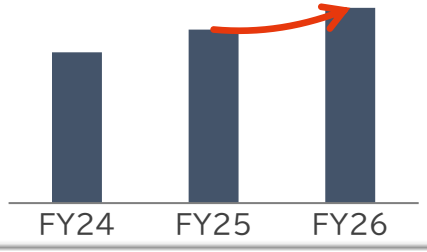
[Results] Sales of commercial-use water heaters remained solid, with both market share and the conversion rate improving.

- **Sales of large commercial-use water heaters were driven by both leveraging the strong installed base supported by a high market share and expanding assembly-and-delivery services.**
- **The cumulative number of non-residential maintenance contracts increased steadily, driven by positive feedback on the remote monitoring service.**

<Commercial-use water heater>



<Cumulative number of non-residential maintenance contracts>



*The graphs compare results from January to September on a unit basis.

Kitchen Appliances

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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

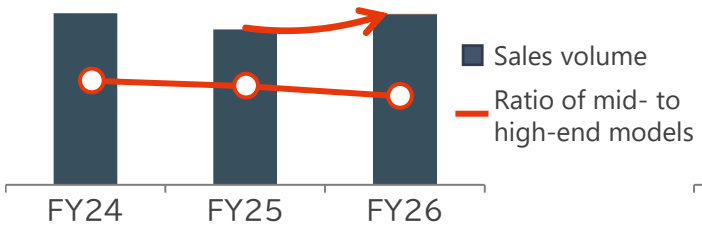

Smart eco burner


Range hood

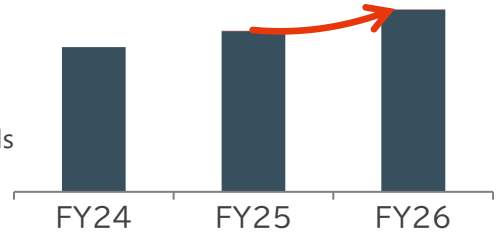
[Results] Higher market share for built-in gas cookers, with continued growth in range hood sales

- **Sales of built-in gas cookers significantly outperformed the market, driven by the positive impact of new products, while sales volume of mid- to high-end models also increased.**
- **Sales of range hoods increased significantly, driven by demand creation through bundled sales proposals and expansion of the dealer network.**

<Built-in gas cookers>



<Range hood>



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



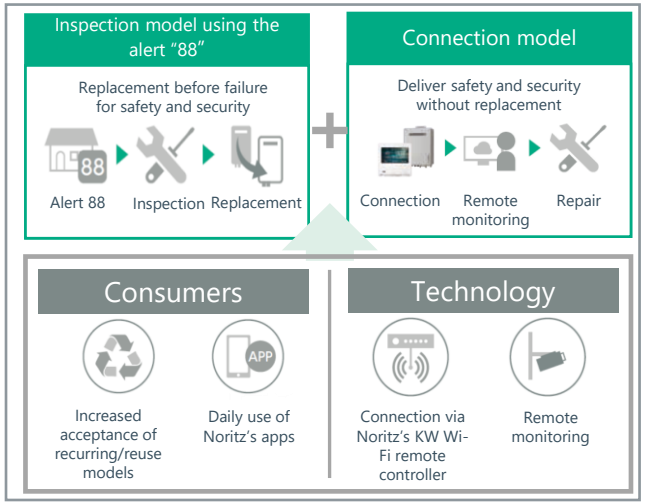
*The graphs compare results from January to September on a unit basis.

Establishment of a Business Foundation

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Create new business opportunities and build a connected customer base

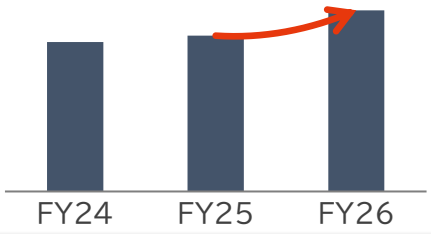
- Expand IoT remote controller sales
- Establish customer bases by acquiring active users
- Promote water heater recycling (“Bringing Smiles to People” Project)
- Promote pre-failure replacement to improve market quality



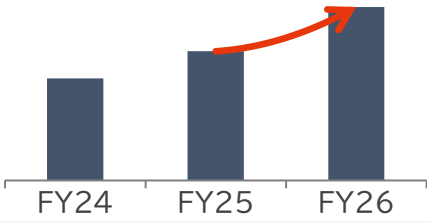
[Results] Expansion of IoT remote controller sales strengthened customer engagement, while collections for recycling continued to remain strong.

- Development of the connected customer base remained on track, driven by expanded sales of IoT remote controllers and increased connections to the Wakasu app.
- The network of partner dealers for the water heater recycling program expanded through the recruitment of participating dealers, while the number of units collected also increased significantly.

<Number of IoT remote controllers sold>



<Number of water heaters recycled〉





<Wakasu App>

人に笑顔プロジェクト

*The graphs compare results from January to September on a unit basis.

Cost Reduction

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Realize smart manufacturing by establishing production system infrastructure and increasing the 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

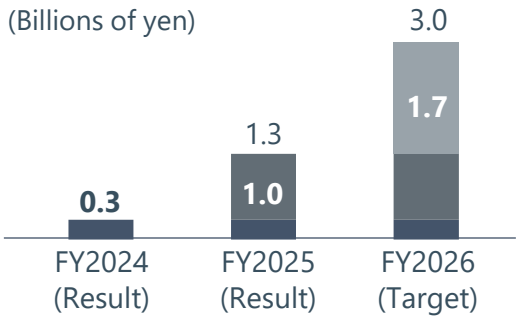
Total: ¥3.0bn

Q1–Q3 FY2026 Results (Excluding material price fluctuations and cost increases due to procurement of market-distributed products)

¥0.761bn

(V-Plan 26 cumulative total: ¥2.117bn)

Cost Reduction Target through FY2026



Review of Overseas Business (by Area)

FY2026 Initiatives: Overseas Business

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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 by Area	
China	• 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	• Achieve a channel mix focused on the profitability of residential tankless products. • Increase unit sales of commercial equipment by shifting resources to commercial-use water-heating and space-heating products. • Strengthen initiatives for heat pump products in response to energy shifts.
Australia	• 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	• Expand Noritz-brand water purifiers and electric water heaters into Southeast Asia. • Reduce costs at Kangaroo, an equity-method affiliate, and increase profit in Vietnam.

China

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



Water heaters

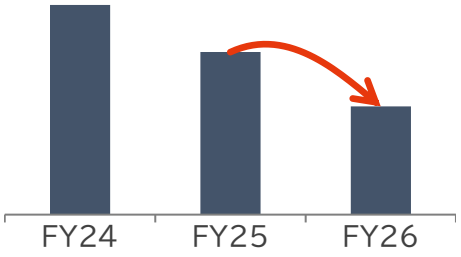


Kitchen appliances

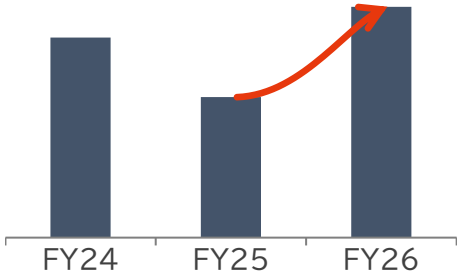
[Result] Amid continued sluggish market conditions, cumulative water heater sales volume declined.

- **Water Heaters:** New products were launched starting in September to support a recovery in sales volume, but cumulative sales volume declined.
- **Kitchen appliances:** Strong sales of new products continued, while bundled sales with water heaters were strengthened.

＜Noritz China: Residential Water Heater＞



＜Noritz China: Kitchen Appliances＞



<New Product: Onsen Series>



*The graphs compare results from January to September on a unit basis.

North America

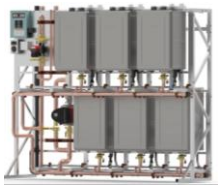
Improve the channel mix, expand sales of commercial-use equipment, and respond to the energy transition

- **Residential-use:** Tankless: Improved profitability through sales channel mix
  Expand sales of high-efficiency water heaters
- **Commercial-use:** Expanded 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

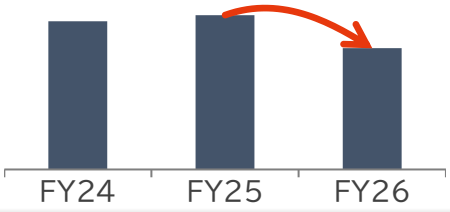

Hybrid Hot


Rack system

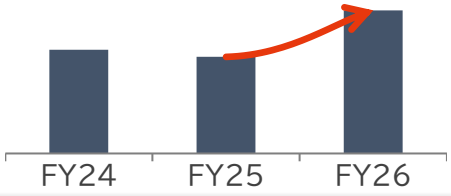
[Results] Profitability improved through the promotion of channel policies and higher sales of commercial equipment

- **Residential-use:** Despite a decline in sales volume of tankless water heaters, profitability improved through an optimized channel mix.
- **Commercial-use:** Sales expanded through enhanced proposals for Hybrid Hot systems and rack systems.
- **Heaters:** Performance remained stable, supported by a recovery in demand and the effects of price revisions.

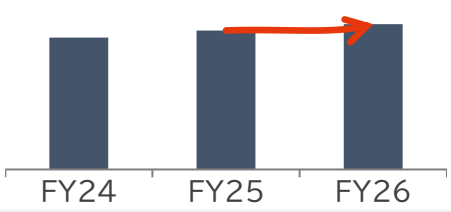
<Tankless water heaters>



<Commercial-use>



<Heaters>



*The graphs compare results from January to September on a unit basis.

Australia

Expanded sales of electric products in response to accelerating market electrification

- **Increase the sales volume of heat pump water heaters, a product in a growth area**
- **Expand sales of commercial-use water heaters and smart electric water heaters**
- **Reduce costs by improving production efficiency**


Residential-use water heaters

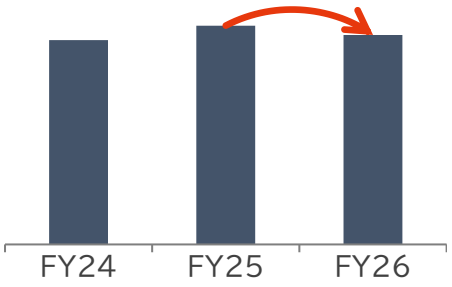

Commercial-use water heaters


Heat pump water heaters

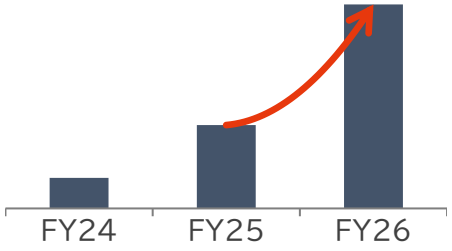
[Results] Sales and profit continued to increase, driven by the growth of electric products.

- **Sales of electric products, including heat pump water heaters and smart electric water heaters, increased significantly, contributing to business performance.**
- **Despite rising operating costs, price revisions and improved production efficiency contained the increase in the cost ratio, resulting in higher operating income.**

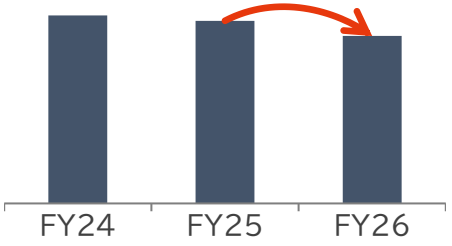
<Residential-use tankless water heaters>



<Heat pump water heaters>



<Commercial-use>



*The graphs compare results from January to September on a unit basis.

Southeast Asia

Establish a business foundation in Southeast Asia

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





Water purifier under Noritz brand



Electric water heaters under Noritz brand

[Results] Equity-method affiliate Kangaroo in Vietnam continued to record higher sales and profit and remained profitable.

- Efforts to expand sales across Southeast Asia were strengthened through enhanced product development and initiatives to enter new markets, including Singapore.
- Kangaroo's business performance improved, with sales growing at a pace significantly exceeding overall market growth.
  Higher sales and cost reduction initiatives contributed to sustained profitability.

Re-revised FY2026 Full-Year Targets

KPIs

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■"V-Plan 26" Re-revised FY2026 Targets

- **Domestic Business: No revision to full-year plan**
- **Overseas Business: Plan revised downward due to further deterioration of market conditions in China**

(Millions of yen, unless otherwise stated)

	FY2025 Results	FY2026 Revised Targets	FY2026 Re-revised Targets	Change vs. Previous Targets	YoY Change (Amount)
Net sales	202,049	214,000	208,000	(6,000)	+5,951
Domestic Business	136,748	146,500	146,500	—	+9,752
Overseas Business	65,301	67,500	61,500	(6,000)	(3,801)
Operating income	4,300	4,500	2,800	(1,700)	(1,500)
Domestic Business	2,121	2,800	2,800	—	+679
Overseas Business	2,179	1,700	0	(1,700)	(2,179)
Ordinary income	5,544	5,200	3,200	(2,000)	(2,344)
Net income attributable to shareholders of parent company	3,358	8,600	8,600	—	+5,242
ROE (%)	2.5	Over 6.0	Over 6.0	—	—

Assumed full-year exchange rates: US$1 = ¥159.13, RMB1 = ¥23.43, and A$1 = ¥112.45

KPIs: Overseas Business

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Full-year plan revised downward again in light of further deterioration in China

- **China: Full-year plan revised downward again on expected further deterioration**
- **Australia and North America: Progressing well; full-year outlook unchanged**

(Millions of yen, unless otherwise stated)

		FY2025 Results	FY2026 Revised Targets	FY2026 Re-revised Targets	Change vs. Previous Targets	YoY Change (Amount)
China	Net sales	32,227	29,800	23,800	(6,000)	(8,427)
	Operating income	235	(1,050)	(2,750)	(1,700)	(2,985)
North America	Net sales	19,206	20,600	20,600	—	+1,394
	Operating income	519	850	850	—	+331
Australia	Net sales	11,837	14,900	14,900	—	+3,063
	Operating income	1,310	1,700	1,700	—	+390
Other	Net sales	2,029	2,200	2,200	—	+171
	Operating income	113	200	200	—	+87
Total	Net sales	65,301	67,500	61,500	(6,000)	(3,801)
	Operating income	2,179	1,700	0	(1,700)	(2,179)

Assumed full-year exchange rates: US$1 = ¥159.13, RMB1 = ¥23.43, and A$1 = ¥112.45

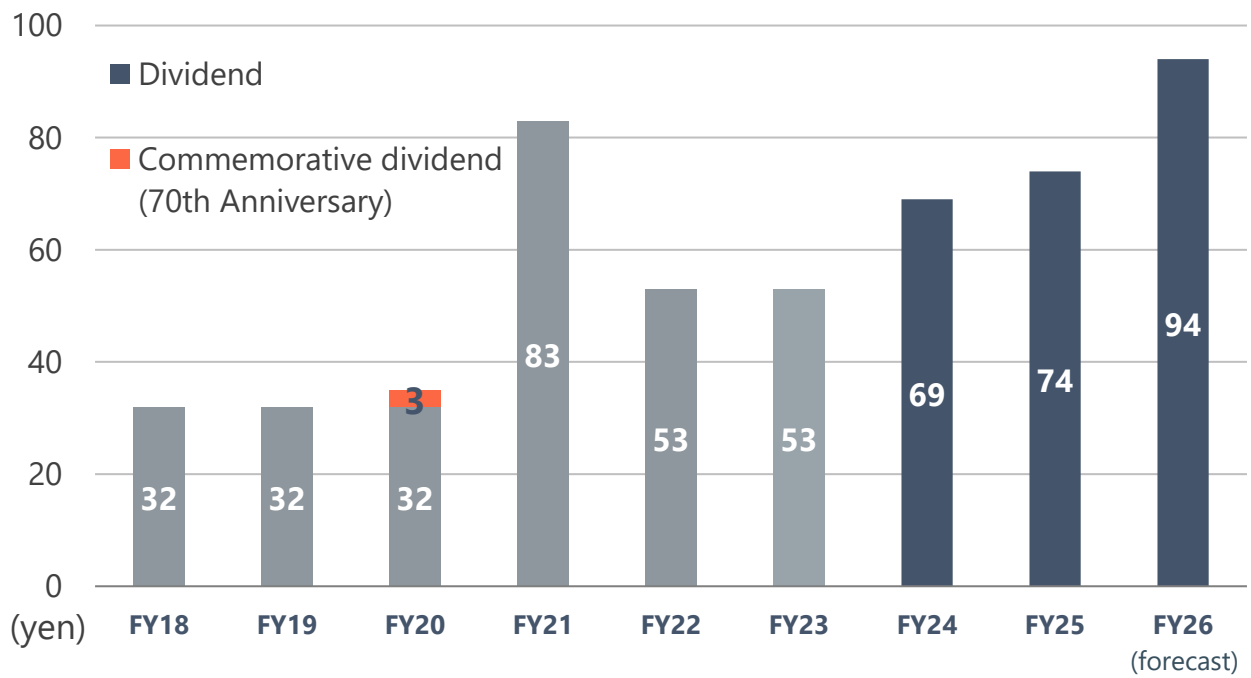
Capital Policy

Capital Policy

Our Initiatives in response to the 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 of up to ¥1 billion. 2) Reduce cross-shareholdings The Company plans to reduce the balance of cross-holdings and lower their ratio to consolidated net assets from 28.1% as of December 31, 2025, to below 20% by December 31, 2026, and allocate the proceeds from the sales to growth investments. 3) Cancel treasury shares The Company will cancel treasury shares at the end of 2026, retaining treasury shares equivalent to 5% of its total issued shares.

Shareholder Returns

Dividend policy	Adopt the higher of a consolidated payout ratio of 50% or DOE of 2.5%.
Dividend results (forecast)	
Share Buyback	➢ A share buyback of up to ¥1.0bn is planned by December 31, 2026. As of September 30, 2026, the Company had repurchased 237,400 shares of its own stock at a cost of ¥555mn.

Sale of Investment Securities

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Capital policy (Excerpt)

Our Initiatives in response to the 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 ratio of cross-shareholdings to consolidated net assets from 28.1% as of December 31, 2025, to below 20% by December 31, 2026, and allocate the proceeds from the sale to growth investments.

[Progress] Sold cross-shareholdings in five companies totaling ¥8,805mn

The Company reduced the ratio of cross-shareholdings to net assets by 4.0 pp to 24.1%.

A gain of ¥6,687mn on the sale was recognized as extraordinary income and will be used to fund growth investments.

(Millions of yen)	Beginning balance	End of Q3 balance	
			(Excl. market value increases)
Net assets	145,029	144,092	143,215
Cross-shareholdings	40,800	34,702	33,475
Ratio of cross-shareholdings to net assets	**28.1%**	**24.1%** (Down 4.0 pp)	**23.4%** (Down 4.7 pp)

* Cross-shareholdings include ¥1,961mn of deemed shareholdings.

Disclaimer

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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 the date of publication of this document. They do not imply an obligation to update or revise any forward-looking statements in light of future events or circumstances.

Noritz Corporation

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