

Consolidated Results 2025 1Q

1. Consolidated Performance Overview for January to March 2025

During the first three months of the fiscal year ending December 31, 2025, Japan's economy saw continued normalization of socioeconomic activities due to improvements in the employment and income environments and growth of inbound demand. On the other hand, the future remained uncertain due to the rise in prices of raw materials and various other prices worldwide, as well as due to geopolitical risks such as U.S. policy trends, continued sluggishness in the Chinese real estate market, and the situation in the Middle East.

Against this backdrop, the Group has begun the second year of its Medium-Term Management Plan "V-plan 26" which it launched in the previous fiscal year, in order to respond to changes in the business environment and aim for sustainable growth and enhancement of corporate value. The Group has positioned the three-year period of the Medium-Term Management Plan as a phase for "initiating reform," with the aim of reforming to the structure that is biased towards the residential use water heater business in the Domestic Business, and in the Overseas Business, mitigating the risk in overly relying on the Chinese market and cultivating new markets.

However, the impact of the sluggishness in the Chinese real estate market and other factors in the previous fiscal year led to challenging results. In response, the Group boosted earning power through high value-added products and environmentally friendly products in the Domestic Business and proceeded with restructuring of current operations in Chinese and North American regions in the Overseas Business in the first three months of the fiscal year ending December 31, 2025.

As a result, consolidated operating results for the first three months of the fiscal year ending December 31, 2025 were as follows: net sales of ¥52.8 billion (an increase of 4.6% year on year), operating income of ¥2.0 billion (an increase of 160.8% year on year), ordinary income of ¥2.1 billion (an increase of 172.6% year on year), and net income attributable to shareholders of parent company of ¥1.4 billion (an increase of 398.3% year on year).

	Billions of yen				
	2022	2023	2024 1Q	2025 1Q	2025 (plan)
Net Sales	¥210.9	¥201.8	¥50.5	¥52.8	¥205.0
Domestic Business*	141.4	131.4	33.0	36.2	137.0
Overseas Business*	69.5	70.4	17.5	16.6	68.0
Operating Income	6.8	3.8	0.7	2.0	3.0
Domestic Business	3.3	0.3	0.4	1.5	1.5
Overseas Business	3.5	3.4	0.3	0.4	1.5
Ordinary Income	7.9	1.2	0.7	2.1	3.9
Net Income attributable to shareholders of parent company	4.8	0.8	0.2	1.4	2.4

*Does not include figures for internal transactions

Operating results by segment are described below.

i. Domestic Business

In the Domestic Business segment, for the first three months of the fiscal year ending December 31, 2025, we achieved sales of ¥36.2 billion (an increase of 9.7% year on year) and segment income of ¥1.5 billion (an increase of 260.7% year on year).

In the Water Heaters section, unit sales of high value-added water heaters and high-efficiency water heaters for residential use remained strong. In the Commercial section, unit sales of commercial water heaters remained solid due to strengthened sales activities, and the cumulative number of maintenance agreements increased.

In the Kitchen Appliances section, unit sales of range hoods increased. Consequently, we achieved higher sales and higher income for the overall domestic business.

ii. Overseas Business

In the Overseas Business segment, for the first three months of the fiscal year ending December 31, 2025, net sales were ¥16.6 billion (a decrease of 5.2% year on year), and segment income was ¥0.4 billion (an increase of 31.0% year on year).

In the Chinese region, amid the continued slump in market conditions, unit sales of residential water heaters decreased, but income was secured by controlling costs.

In the North American region, amid decreasing demand for tankless water heaters, unit sales decreased only slightly while maintaining market share, and unit sales of high-efficiency water heaters grew. The costs of heating boilers were reduced due to the normalization of component procurement, contributing to a narrower loss.

In the Australian region, sales of residential tankless water heaters, tank-type water heaters, and heat pump water heaters were strong. Consequently, we experienced lower sales and higher income for the overall overseas business.

2. Explanation regarding consolidated financial position

Total assets at the end of the first quarter were ¥215.9 billion (down ¥7.7 billion from the end of the previous fiscal year). Due to the decrease in bills receivable, accounts receivable, and contract assets, current assets were ¥119.4 billion (a decrease of ¥6.8 billion from the end of the previous fiscal year). In addition, due to the decrease in investment securities and other factors, noncurrent assets were ¥96.5 billion (a decrease of ¥0.9 billion from the end of the previous fiscal year).

Due to the decrease in bills payable and accounts payable, liabilities at the end of the first quarter were ¥82.8 billion (a decrease of ¥3.9 billion from the end of the previous fiscal year).

Total net assets at the end of the first quarter were ¥133.1 billion (a decrease of ¥3.8 billion from the end of the previous fiscal year). As a result, the equity ratio was 59.4%.

3. Explanation regarding consolidated operating results forecast and other forward-looking statements

There have been no changes to the consolidated operating results forecast announced in the consolidated results on February 13, 2025.

4 Consolidated Financial Highlights

Noritz Corporation and Consolidated Subsidiaries Years ended December 31, 2022, 2023, 2024 and 2025

Millions of yen

	2022	2023	2024	2025 1Q
Fiscal Year:				
Net sales	¥210,966	¥201,891	¥202,204	¥52,860
Operating income	6,889	3,840	2,395	2,007
Operating margin (%)	3.3	1.9	1.2	3.8
Net income attributable to shareholders of parent company	4,800	868	4,383	1,432
Net cash provided by operating activities	2,403	(1,868)	8,618	-
Net cash used in investing activities	(7,790)	(5,664)	(5,996)	-
Net cash used in financing activities	(4,778)	(3,235)	(2,477)	-
Cash and cash equivalents	35,147	25,159	27,346	28,190
Capital expenditures	6,223	9,201	10,425	3,077
Depreciation and amortization	6,590	7,438	7,599	1,809
At Fiscal Year—End:				
Total assets	¥216,974	¥207,771	¥223,767	¥215,996
Net assets	119,656	126,667	136,939	133,105
Per Share Data (Yen):				
Net income	¥104.64	¥18.84	¥94.89	¥30.99
Cash dividend	53.00	53.00	69.00	-
Net assets	2,508.08	2,644.38	2,852.62	2,780.75
Financial Ratios (%):				
Return on equity (ROE)	4.2	0.7	3.5	-
Equity ratio	53.1	58.7	59.0	59.4