FY2026 Q2 (Interim) Results
Financial Results Presentation Materials
(Briefing Material)

August 7, 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.

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Contents

■ FY2026 Q2 (Interim) Financial Results

Overview

- Consolidated net sales increased. Domestic sales grew significantly across all business sectors. Overseas sales declined as the downturn in China could not be offset.
- Consolidated operating income increased, exceeding the announced forecast. Domestic operating income increased significantly, while overseas operating income declined.
- Profit increased further due to the sale of investment securities.

Net Sales **¥99.5bn** (up ¥1.0bn YoY) (up ¥0.7bn vs. forecast)

・Domestic: ¥69.3bn (up ¥4.0bn YoY)
・Overseas: ¥30.2bn (down ¥3.0bn YoY)

Operating Income **¥1.8bn** (up ¥0.1bn YoY) (up ¥1.4bn vs. forecast)

・Domestic: ¥1.3bn (up ¥0.6bn YoY)
・Overseas: ¥0.4bn (down ¥0.4bn YoY)

Profit **¥4.9bn** (up ¥3.7bn YoY) (up ¥2.3bn vs. forecast)

A gain of ¥4.6 billion on the sale of investment securities was recognized as extraordinary income.

Year-on-Year Comparison

(Millions of yen, unless otherwise stated)

	1H FY2025 Results	1H FY2026 Results	YoY Change (amount)	YoY Change (%)
Net sales	98,523	99,566	+1,043	+1.1
Domestic Business	65,263	69,362	+4,099	+6.3
Overseas Business	33,259	30,203	(3,055)	(9.2)
Operating income	1,658	1,834	+175	+10.6
Domestic Business	673	1,342	+669	+99.4
Overseas Business	985	491	(493)	(50.1)
Ordinary income	2,236	2,020	(215)	(9.6)
Net income attributable to shareholders of parent company	1,204	4,996	+3,792	+314.9

Average exchange rates: US$1 = ¥158.57, RMB1 = ¥23.13, and A$1 = ¥111.32
* Net sales for the Domestic Business and the Overseas Business reflect external transactions only.

Domestic Business

Higher sales across all sections and improved production efficiency offset rising material costs, resulting in higher operating income.

- **In the Water Heaters and HVAC section, unit sales increased through market share expansion initiatives, while there was a temporary increase in demand due to geopolitical tensions in the Middle East.**
- **In the kitchen appliances section, sales volume increased with new built-in gas cookers, and range hoods maintained strong performance.**
- **Operating income increased despite surging material prices, driven by higher sales and lower processing costs.**

(Millions of yen, unless otherwise stated)

	1H FY2025 Results	1H FY2026 Results	YoY Change (amount)	YoY Change (%)
Net sales	65,263	69,362	+4,099	+6.3
Water Heaters and HVAC	53,397	57,071	+3,673	+6.9
o/w Residential	48,515	51,592	+3,077	+6.3
o/w Non-residential	4,882	5,479	+597	+12.2
Kitchen Appliances	7,711	7,991	+280	+3.6
Other	4,154	4,300	+145	+3.5
Operating income	673	1,342	+669	+99.4

Overseas Business

Strong growth in North America and Australia, while continued weak market conditions in China resulted in lower sales and income.

- **China: Sales declined due to continued weak market conditions, and operating income decreased despite efforts to control fixed costs.**
- **North America: Sales increased, driven by the sales channel strategy and a shift in sales toward commercial equipment. Tariff refunds also contributed to higher operating income and a return to profitability.**
- **Australia: Strong sales of heat pump water heaters and electric water heaters drove growth in both sales and operating income.**

(Millions of yen, unless otherwise stated)

		1H FY2025 Results	1H FY2026 Results	YoY Change (amount)	YoY Change (%)
China	Net sales	17,736	11,994	(5,741)	(32.4)
	Operating income	486	(834)	(1,321)	–
North America	Net sales	9,224	10,071	+847	+9.2
	Operating income	(48)	474	+523	–
Australia	Net sales	5,372	7,109	+1,736	+32.3
	Operating income	459	726	+267	+58.3
Other	Net sales	926	1,028	+102	+11.0
	Operating income	88	124	+36	+40.8
Total	Net sales	33,259	30,203	(3,055)	(9.2)
	Operating income	985	491	(493)	(50.1)

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

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

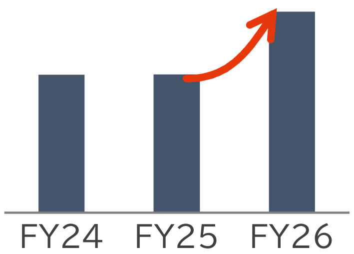
Hybrid water heater

Eco-Jozu

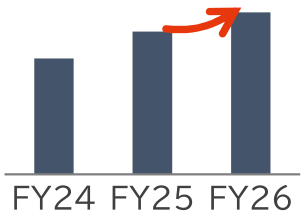
[Results] Both hybrid water heaters and high value-added products recorded significant growth.

- **Strong sales of the natural refrigerant hybrid water heater "HPHB R290" continued.**
- **NORITZ EX Centers were rolled out sequentially, driving sales of premium water heaters by promoting AQUA OZONE and UFB[*1].**
- **NORITZ EXPO 2026 was held in major cities across Japan beginning in June and was well received.**

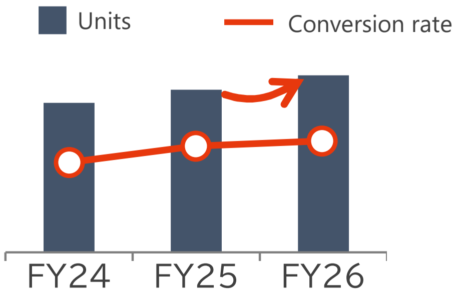
<Hybrid water heater>



<Premium water heater>



<High-efficiency water heater>



＜NORITZ EXPO＞

*1 UFB: Ultra Fine Bubble

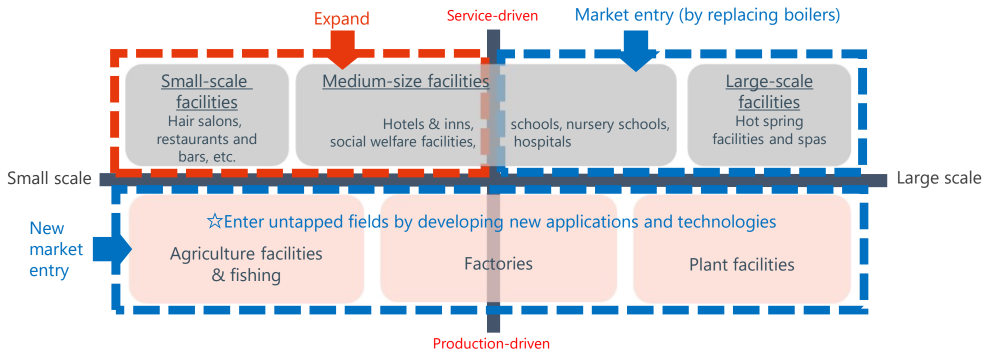
*The graphs compare results from January to June on a unit basis.

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)**
- **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

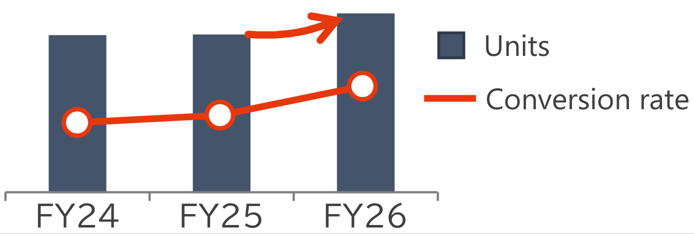
Filtration and heating pump unit

Cascade installation of commercial-use gas water heaters

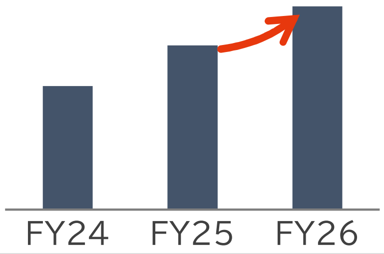
[Results] Commercial-use water heaters remained solid, with both market share and the conversion rate improving.

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

<Commercial-use water heater>



<Cumulative number of non-residential maintenance contracts>



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

Kitchen Appliances

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

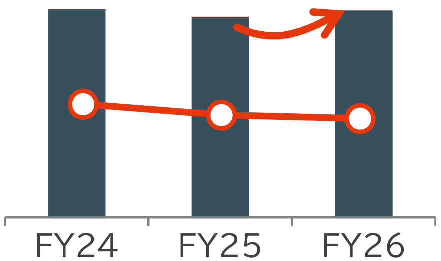
Smart eco burner

Range hood

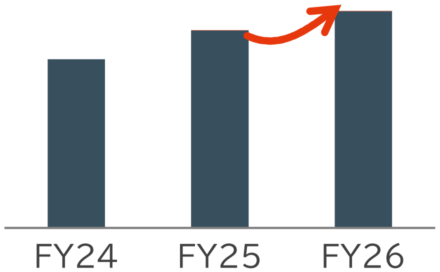
[Results] Higher market share for built-in gas cookers, with continued growth in range hood sales

- **Built-in gas cookers performed well, driven by strong sales of new mass-market models, which also drove sales of mid- to high-end models.**
- **Sales volume of range hoods increased, driven by demand creation through the development of new sales channels.**

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



<Range hood>



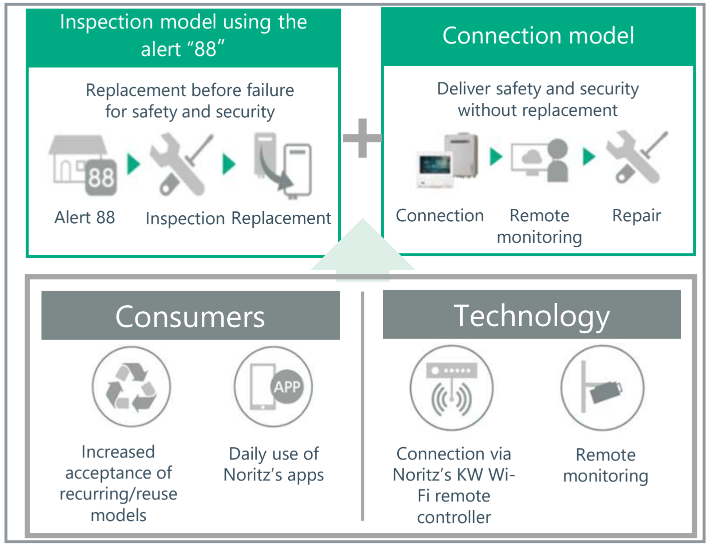
New product
Built-in gas cooker N3WV6M
Features a "Tsuyameki Glossy Glass Top" that combines stylish design and easy maintenance

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

Establishment of a Business Foundation

Create new business opportunities and build a connected customer base

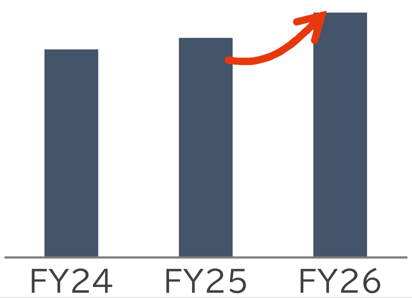
- **Expand IoT remote controller sales**
- **Establish customer bases by acquiring active users**
- **Promote water heater recycling ("Bringing Smiles to People" Project)**
- **Promote pre-failure replacement to improve market quality**



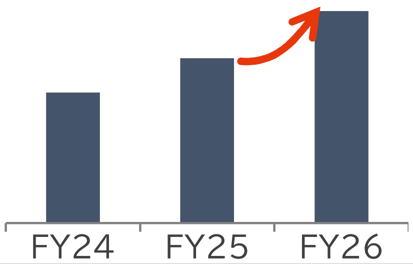
[Results] Expansion of IoT remote controller sales strengthened customer engagement, while collections for recycling also remained strong.

- **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.**

<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 June 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

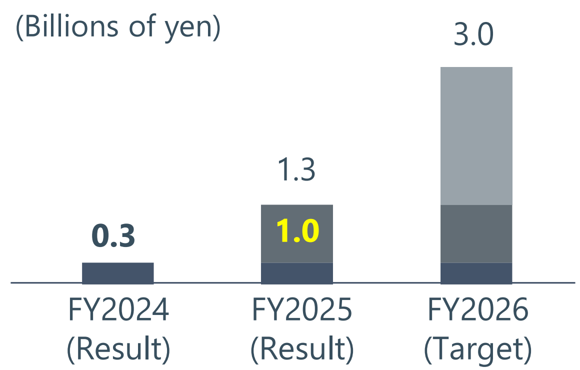
Total: ¥3.0bn

1H FY2026 Results (Excluding material price fluctuations and cost increases due to procurement of market-distributed products)

¥533mn

(V-Plan 26 cumulative total: ¥1.889bn)

Cost Reduction Target through FY2026



Review of Overseas Business (by Area)

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 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

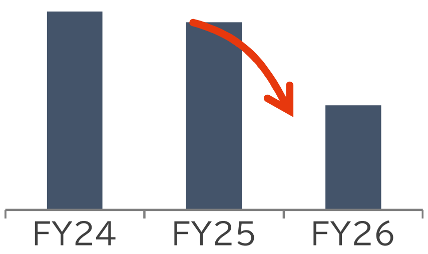
- **Expand exclusive stores in regional areas**
- **Expand sales through bundled sales of water heaters and kitchen appliances**
- **Reduce costs through controlling fixed costs in line with sales volume**

Water heaters Kitchen appliances

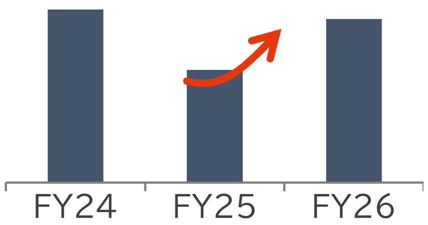
[Result] Despite efforts to control fixed costs, sales and profit declined due to the continued market slowdown.

- **Water Heaters: New products are scheduled to be launched from August to support a recovery in sales volume.**
- **Kitchen appliances: Strong sales of new products continued, while bundled sales with water heaters were strengthened.**
- **The Innovation Center was completed in June, creating new value through enhanced collaboration between Japan and China in product development.**

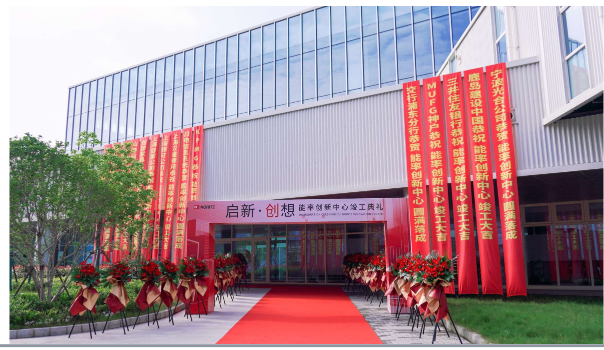
＜Noritz China: Residential Water Heater＞



＜Noritz China: Kitchen Appliances＞



<Innovation Center>



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

Overseas Business Review (by Area)

North America

NORITZ
The Simple Comforts of Life

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

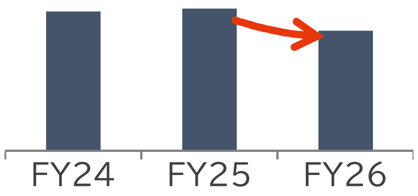

Hybrid Hot


Rack system

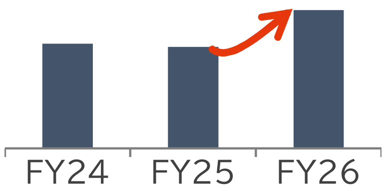
[Results] Profit improved through the promotion of channel policies and higher sales of commercial equipment

- **Residential-use: Profitability of tankless water heaters 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.**

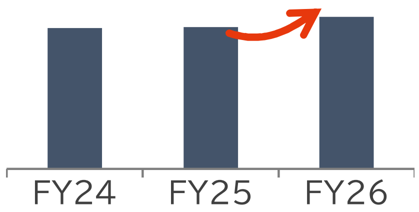
<Tankless water heaters>



<Commercial-use>



<Heaters>



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

Australia

Expanded sales of electric products in response to accelerating market electrification

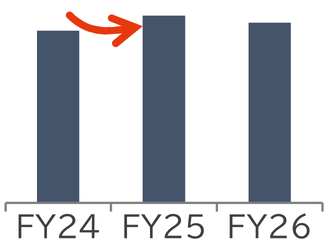
- Increase the sales volume of heat pump water heaters, a growth section product
- Expand sales of commercial-use water heaters and smart electric water heaters
- Reduce costs by improving production efficiency

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

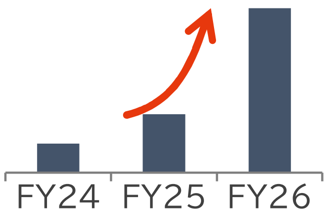
[Results] Sales and profit increased, driven by the growth of electric products.

- The Company strengthened sales of electric products, including heat pump water heaters and smart electric water heaters.
- Despite rising operating costs, price revisions and improved production efficiency contained the increase in the cost ratio, while stronger sales activities drove higher sales, resulting in higher operating income.

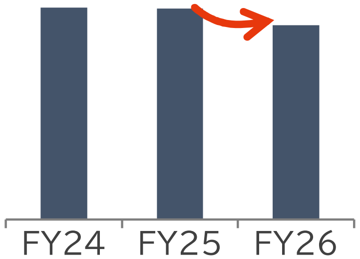
<Residential-use tankless water heaters>



<Heat pump water heaters>
(Australia only)



<Commercial-use>



*The graphs compare results from January to June 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 Vietnam and neighboring countries (collaboration with local firms)**
- **Achieve cost improvements and profit growth at Kangaroo**

Kangaroo

Kangaroo International Joint Venture Company

Water purifier under Noritz brand

Electric water heaters under Noritz brand

[Results] Equity-method affiliate Kangaroo in Vietnam returned to profitability with higher sales and profit

- **Development capabilities and the sales network were strengthened to expand sales across Southeast Asia.**
- **Kangaroo continued to record improved business performance.**
  Sales grew at a pace significantly exceeding overall market growth.
  Higher sales and cost reduction initiatives contributed to its return to profitability.

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"

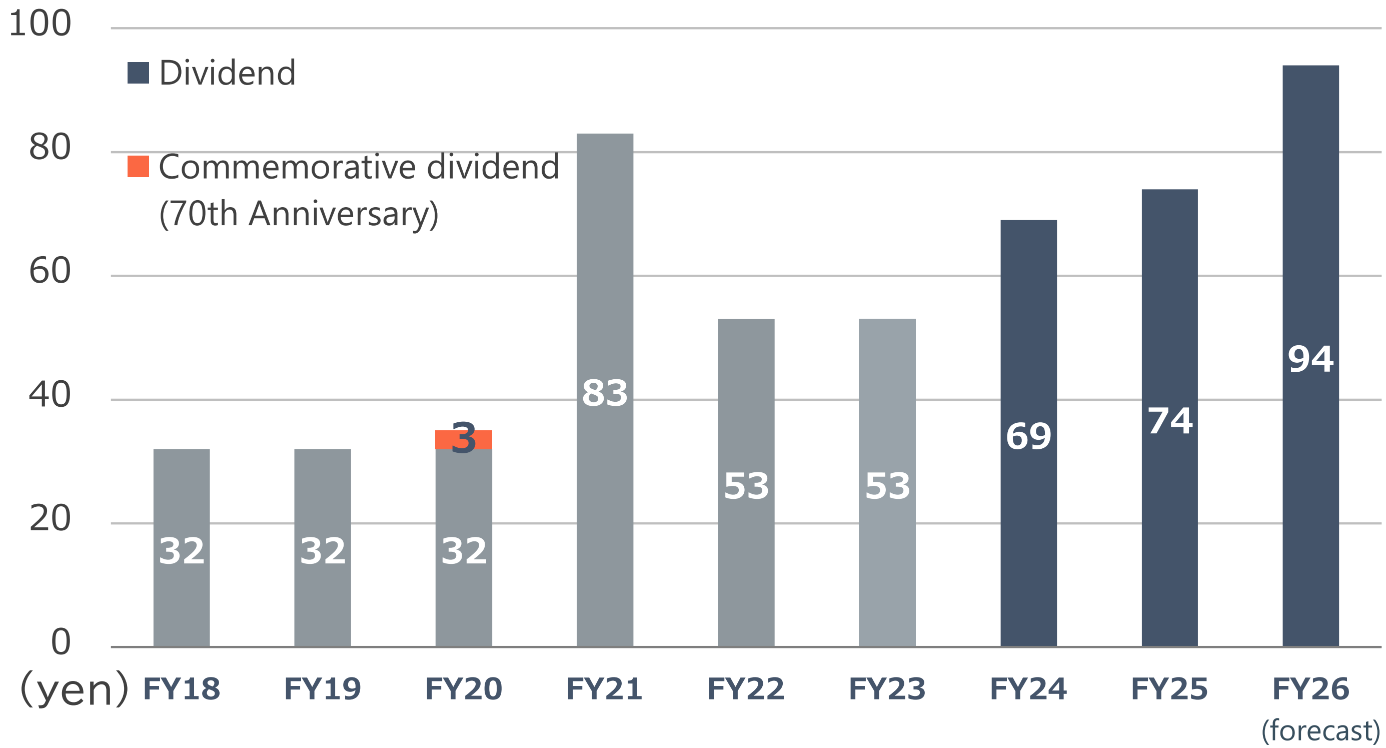
Capital policy	1) Strengthen shareholder return measures With the expected application of a consolidated payout ratio of 50%, the Company plans to pay an annual dividend of ¥94 per share (interim: ¥47, year-end: ¥47). The Company also plans to repurchase shares of its own stock at a cost of up to ¥1 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 June 30, 2026, the Company had repurchased 81,000 shares of its own stock at a cost of ¥188mn.

Sale of investment securities

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 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 four companies totaling ¥5.9bn

The ratio of cross-shareholdings to net assets decreased by 3.5 percentage points to 24.6%.

A gain of ¥4.6bn on the sale was recognized as extraordinary income and will be used to fund growth investments.

■ Revised FY2026 Full-Year Targets

KPIs

■"V-Plan 26" Further Revised FY2026 Targets

(Millions of yen, unless otherwise stated)

	FY2025 Results	FY2026 Revised Targets	FY2026 Further Revised Targets	Change vs. Previous Targets	YoY Change (Amount)
Net sales	202,049	210,000	214,000	+4,000	+11,951
Domestic Business	136,748	140,000	146,500	+6,500	+9,752
Overseas Business	65,301	70,000	67,500	(2,500)	+2,199
Operating income	4,300	4,500	4,500	–	+200
Domestic Business	2,121	2,200	2,800	+600	+679
Overseas Business	2,179	2,300	1,700	(600)	(479)
Ordinary income	5,544	5,500	5,200	(300)	(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 2H exchange rates: US$1 = ¥159.38, RMB1 = ¥23.53, and A$1 = ¥114.10

KPIs: Domestic Business

Full-year targets revised upward following strong first-half results

- First half: Strong sales volume driven by market share expansion in key products, resulting in higher sales.
- Second half: The price revisions implemented in August are expected to stabilize profitability amid rising material costs. Although risks remain, including geopolitical tensions in the Middle East, the full-year targets incorporate the expected revenue contribution from strengthened sales initiatives.

(Millions of yen, unless otherwise stated)

	FY2025 Results	FY2026 Revised Targets	FY2026 Further Revised Targets	Change vs. Previous Targets	YoY Change
Net sales	136,748	140,000	146,500	+6,500	+9,752
Water heaters and HVAC	111,356	113,500	120,500	+7,000	+9,144
o/w Residential	101,414	103,000	110,000	+7,000	+8,586
o/w Non-residential	9,942	10,500	10,500	–	+558
Kitchen appliances	16,448	17,000	17,000	–	+552
Other	8,943	9,500	9,000	(500)	+57
Operating income	2,121	2,200	2,800	+600	+679

KPIs: Overseas Business

Profit targets were raised significantly, reflecting growth in electric products in Australia and tariff refunds in North America.

- **Profit targets were raised significantly, reflecting growth in electric products in Australia and tariff refunds in North America.**
- **China: Full-year targets were revised downward, reflecting the expectation that the market slowdown will continue.**

(Millions of yen, unless otherwise stated)

		FY2025 Results	FY2026 Revised Targets	FY2026 Further Revised Targets	Change vs. Previous Targets	YoY Change
China	Net sales	32,227	34,400	29,800	(4,600)	(2,427)
	Operating income	235	630	(1,050)	(1,680)	(1,285)
North America	Net sales	19,206	20,300	20,600	+300	+1,394
	Operating income	519	270	850	+580	+331
Australia	Net sales	11,837	13,200	14,900	+1,700	+3,063
	Operating income	1,310	1,220	1,700	+480	+390
Other	Net sales	2,029	2,100	2,200	+100	+171
	Operating income	113	180	200	+20	+87
Total	Net sales	65,301	70,000	67,500	(2,500)	+2,199
	Operating income	2,179	2,300	1,700	(600)	(479)

Assumed 2H exchange rates: US$1 = ¥159.38, RMB1 = ¥23.53, and A$1 = ¥114.10

■ Supplementary Financial Data

Full-Year Financial Targets by Overseas Area (Local Currency Basis)

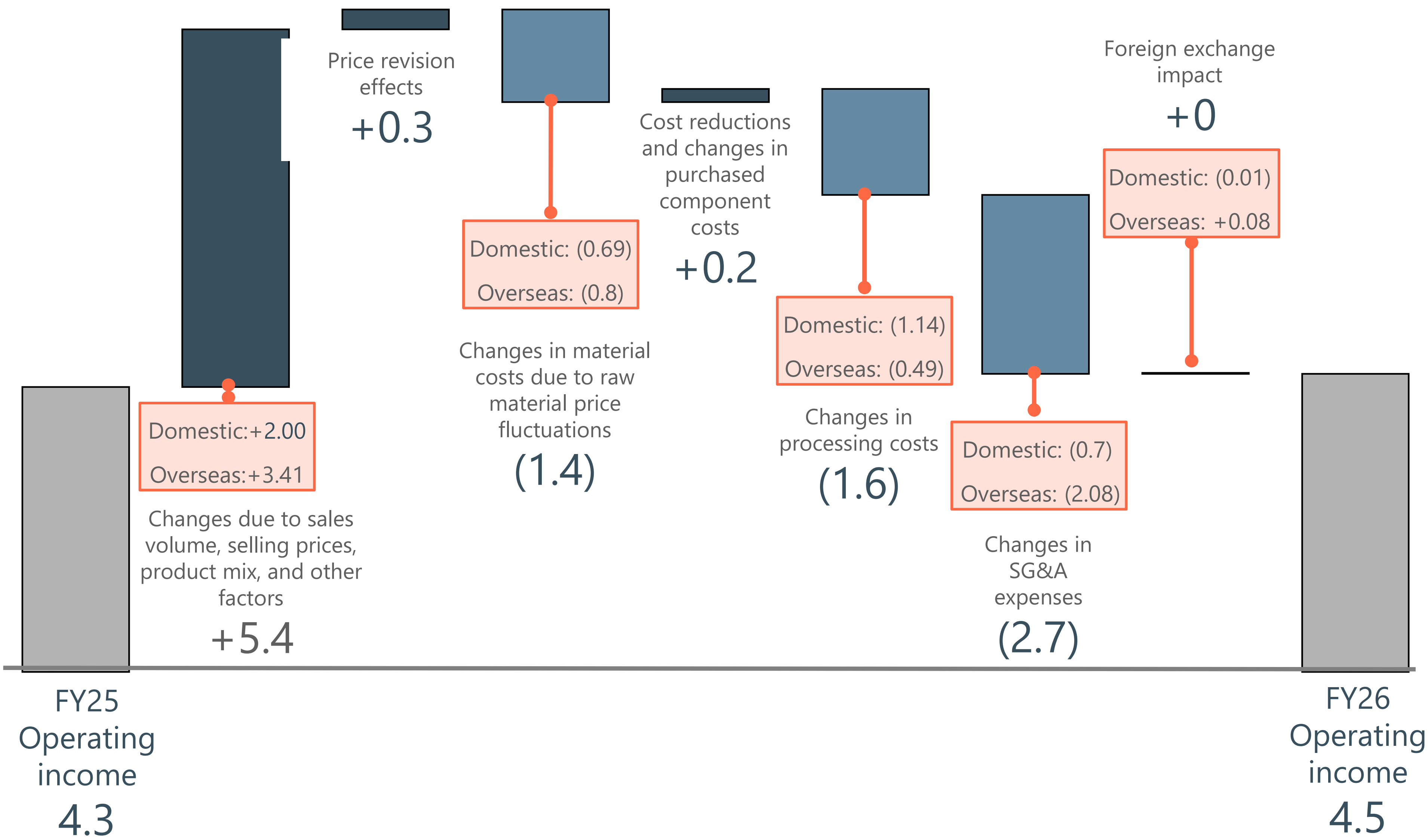
		FY2025 Full-Year Results	FY2026 Full-Year Targets	YoY Change (Amount)	YoY Change (%)
China (RMB thousands)	**Net sales**	1,543,469	1,275,284	(268,185)	(17.4)
	Operating income	11,286	(45,238)	(56,524)	–
North America (US$ thousands)	**Net sales**	128,257	129,574	+1,317	+1.0
	Operating income	3,468	5,348	+1,880	+54.2
Australia (A$ thousands)	**Net sales**	122,542	132,143	+9,601	+7.8
	Operating income	13,569	15,058	+1,489	+11.0

First-Half Financial Results by Overseas Area (Local Currency Basis)

		FY2025 1H Results	FY2026 1H Results	YoY Change (Amount)	YoY Change (%)
China (RMB thousands)	**Net sales**	871,572	518,569	(353,002)	(40.5)
	Operating income	23,889	(36,099)	(59,988)	–
North America (US$ thousands)	**Net sales**	62,555	63,515	+960	+1.5
	Operating income	(330)	2,994	+3,325	–
Australia (A$ thousands)	**Net sales**	57,472	63,864	+6,391	+11.1
	Operating income	4,910	6,526	+1,615	+32.9

FY2026 Full-Year Targets: Factors Affecting Operating Income (Initial Targets)

(Billions of yen)



FY2026 Full-Year Targets: Factors Affecting Operating Income (Revised Targets)

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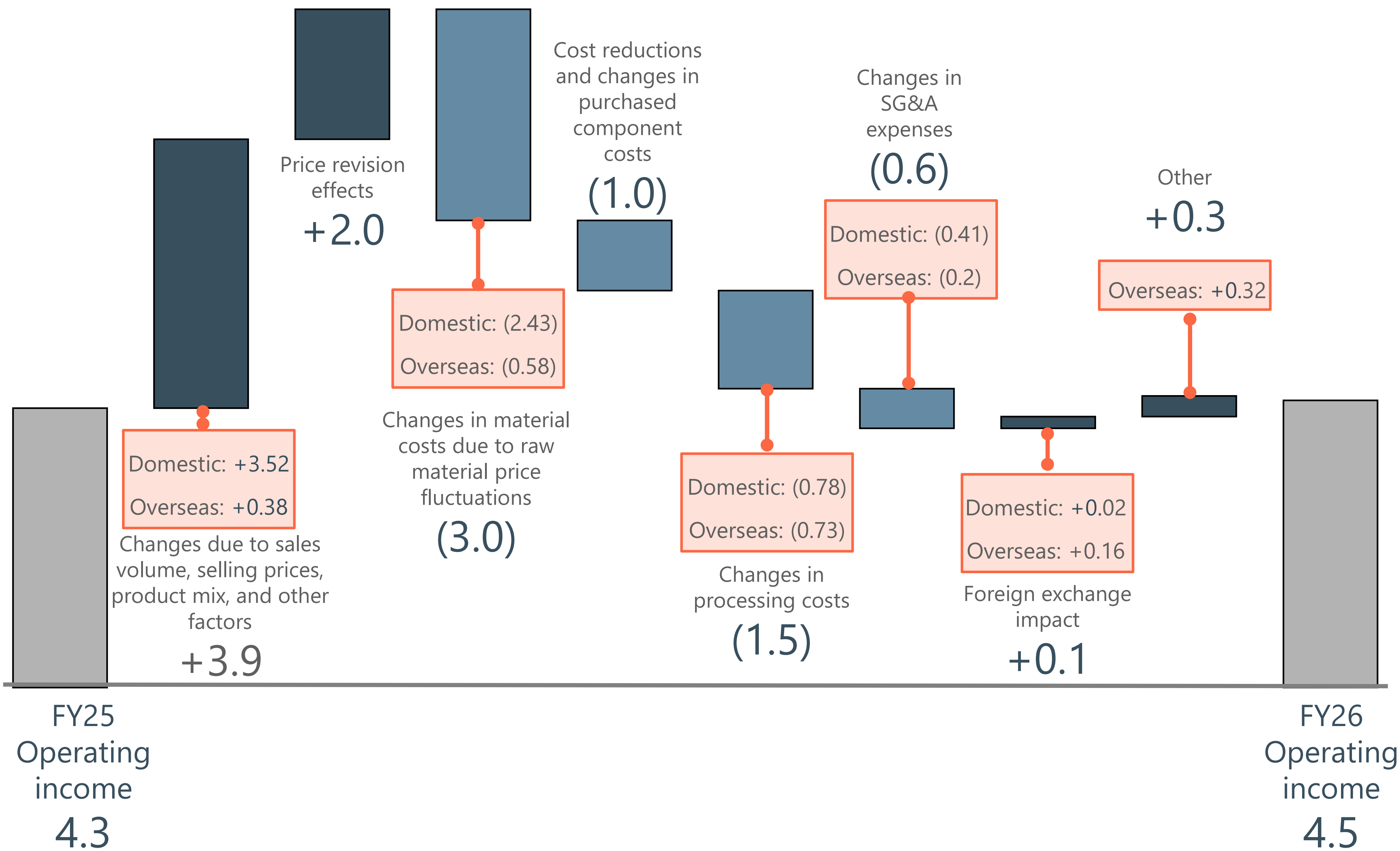
(Billions of yen)



FY2026 Q2 (Interim) Results: Factors Affecting Operating Income

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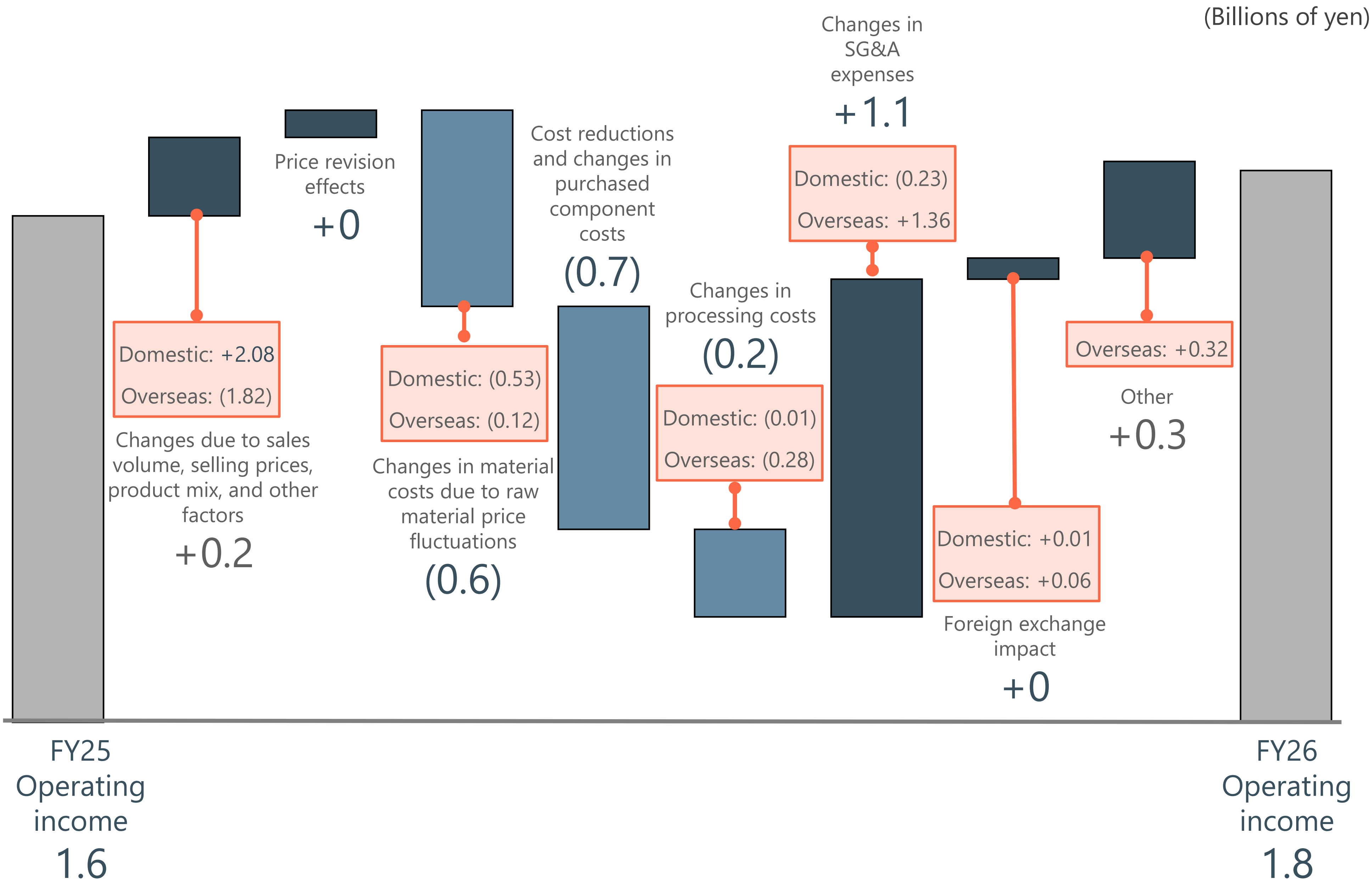

Disclaimer

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 August 7, 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