



In March 2009, Noritz made a promise to Japan's Ministry of the Environment regarding its environmental preservation initiatives. Based on this "ECO FIRST" promise, Noritz will step up its environmental management activities going forward.

Outline of Financial and Business Performance for the First Quarter Ended March 31, 2010

NORITZ CORP.

Statements contained in this presentation regarding business results and other forward-looking matters are forecasts prepared by the Company based on information currently available and may contain elements of risk and uncertainty. Therefore, these statements do not represent any guarantee that actual results will be the same as the forecasts contained herein.

Consolidated Performance for the First Quarter Ended March 31, 2010

Operating Environment Remained Difficult, but Net Sales and Income Increased

(Millions of Yen)

Consolidated financial data	Fiscal year ended December 31, 2009	Fiscal year ending December 31, 2010 (FY2010)	
	First quarter	First quarter	Change year on year
Net sales	42,661	44,401	+4.1%
Operating income	791	2,928	+270.0%
Current income	1,221	3,094	+153.3%
Net income	981	1,639	+67.1%

Factors Accounting for Increase (Decrease) in Operating Income

(Billions of Yen)

Factors accounting for increase (decrease) in consolidated operating income(Comparisons with the previous first quarter)	Amount	
	Positive impact	Negative impact
Increase in units, changes in the product mix, and other factors	2.49	
Changes in sales prices		-0.50
Changes in raw material costs	0.39	
Decrease in manufacturing costs	0.12	
Increase in SG&A expenses		-0.37
Effect of foreign currency fluctuations	0.01	
Total	3.01	-0.87
Increase (decrease) in operating income	2.14	

◇ Unit sales of both gas water heaters and household system equipment increased.

◆ More-intense competition for gas water heaters and an increase in sales of lower-priced household systems caused deterioration in the selling-price ratio.

◇ Progress toward lowering raw material and manufacturing costs was better than planned levels.

◆ The provision to the reserve for bonuses increased because of the Company's performance-based bonus system.

Factors Accounting for Increase (Decrease) in Current Income and Net Income

◆ Changes in Current Income

(Billions of Yen)

Factors accounting for increase (decrease) in net consolidated non-operating income (loss) (Comparisons with the previous first quarter)	Amount	
	Positive impact	Negative impact
Foreign exchange gains (losses)		-0.27
Interest and dividends received, other	0.01	
Total	0.01	-0.27
Increase (decrease) in non-operating income	-0.26	

Net non-operating income showed a deterioration of ¥0.2 billion because of a decrease in foreign exchange gains.

Current income increased 153.3% (compared with the same quarter of the previous year).

◆ Changes in Net Income for the Quarter

The Company reported valuation losses on investment securities of ¥0.3 billion, but extraordinary losses decreased ¥0.9 billion. Net income for the quarter rose 67.1% (compared with the same quarter of the previous year).

Segment Information for the First Quarter Ended March 31, 2010

(Billions of Yen)

Consolidated financial data	First Quarter Ended March 31, 2009		First Quarter Ended March 31, 2010			
	Net sales	Operating income(loss)	Net sales	Change year on year	Operating income(loss)	Change year on year
Domestic water heater and air-conditioning equipment	27.7	1.0	28.2	+1.7%	2.4	+126.7%
Overseas water heater equipment	3.2	0	4.4	+35.1%	0.3	+320.0%
Household system equipment	4.2	-0.5	4.3	+2.3%	-0.1	—
Gas range equipment	5.4	-0.1	5.3	-0.3%	0	—
Other	1.9	0.2	2.0	+2.7%	0.1	-15.1%
Consolidated total	42.6	0.7	44.4	+4.1%	2.9	+270.0%

◇ Domestic water heater and air-conditioning equipment

Demand for water heaters was approximately level with the previous year, but unit sales increased 2% (compared with the same quarter of the previous year). Sales and operating income increased in the water heater and air-conditioning equipment business.

Amid these developments, demand for ECO-JOZU rose 26%, and unit sales increased 30%. The ratio of ECO-JOZU sales to total sales rose 4.3 percentage points.

◇ Household system equipment

Lower-priced system baths were favorably received in the market, and unit sales rose 2.3% (compared with the same quarter of the previous fiscal year). Unit sales of system kitchens and bathroom vanity units both increased about 15% (compared with the same quarter of the previous fiscal year). As a result, sales of the household system equipment segment rose, and the segment moved back into the black for the quarter.

◇ Gas range equipment

Sales to kitchen equipment manufacturers declined, and sales of this segment decreased. However, the number of unit sales remained at about the same level as in the previous year. Within demand for replacement, unit sales of high-value-added product rose. As a result, this segment moved back into the black for the quarter.

Unit Sales of Principal Products for the First Quarter Ended March 31, 2010

(1,000 Units)

		1st Quarter Ended March 31, 2009		1st Quarter Ended March 31, 2010				
		Unit sales	Market share	Demand	Level vs. previous year	Unit sales	Level vs. previous year	Market share
Water heaters	Japanese-style gas-fired baths	162	39.1%	432	104.1%	169	104.5%	39.3%
	Gas-fired water heaters	113	35.4%	303	94.8%	109	96.6%	36.0%
	Oil-fired water heaters	32	39.0%	90	108.7%	36	111.4%	40.0%
	Sub-total	308	37.7%	826	101.0%	315	102.3%	38.2%
System baths (for unit housing)		6	4.3%	145	101.0%	6	102.3%	4.3%
System kitchens (for unit housing)		2	1.7%	130	96.7%	2	115.8%	2.0%
Bathroom washstands		23	5.7%	370	89.4%	27	114.6%	7.3%
Built-in gas stoves		82	35.0%	235	101.0%	83	100.1%	35.3%

*Demand figures shown for January and February are actual, and figures for March were estimated by Noritz.

*Figures for built-in gas stoves exclude single-burner stoves.

Overseas Business Activities for the First Quarter Ended March 31, 2010

(1,000 Units, Billions of Yen)

Consolidated financial data	1st Quarter Ended March 31, 2009		1st Quarter Ended March 31, 2010			
	Net sales	Operating income	Net sales	Change year on year	Operating income	Change year on year
North America	1.3 (US\$14 million)	—	1.4 (US\$15 million)	+7.7%	—	—
Asia	1.6	—	2.5	+56.3%	—	—
Others	0.5	—	0.6	+20%	—	—
Total	3.3	0.1	4.5	+36%	0.4	+300%

◆ **Net Sales** North America: Unit sales of condensing-type water heaters rose, and, on a local-currency basis, sales expanded.

China: Unit sales were expanded above planned levels, reflecting favorable market conditions, and sales in value terms increased.

◆ **Operating Income** North America: As a result of an increase in sales of high-value-added products, we increased the selling-price ratio, and income increased.

China: Integration of production plants resulted in lower manufacturing costs, and efforts to expand sales of high-value-added products resulted in increased income.

Revision of Consolidated Forecast for the Year Ending December 31, 2010 (FY2010)

● Revision of Consolidated Forecast for FY2010

(Millions of Yen)

Consolidated financial data	Fiscal year ended December 31, 2009		Fiscal year ending December 31, 2010 (FY2010)					
	Six months ended June 30	Fiscal year ended December 31	February forecast for the six months ending June 30	Revised forecast for the six months ending June 30	Change year on year	February forecast for the fiscal year ending December 31	Revised forecast for the fiscal year ending December 31	Change year on year
Net sales	80,034	169,350	79,000	82,500	+3.1%	169,000	172,500	+1.9%
Operating income	862	4,369	600	2,700	+213.1%	4,500	6,000	+37.3%
Current income	1,424	4,821	800	3,300	+131.7%	4,900	6,700	+39.0%
Net income(Iloss)	707	838	-100	1,700	+140.2%	2,000	3,500	+317.2%

Revision of Consolidated Forecast for the Year Ending December 31, 2010 (FY2010)

● Segment Information for the Revision of Consolidated Forecast for FY2010

(Billions of Yen)

Consolidated financial data	Fiscal year ending December 31, 2010											
	Six months ending June 30						Fiscal year ending December 31					
	Net sales			Operating income(loss)			Net sales			Operating income(loss)		
	February forecast	Revised forecast	Change year on year	February forecast	Revised forecast	Change year on year	February forecast	Revised forecast	Change year on year	February forecast	Revised forecast	Change year on year
Domestic water heater and air-conditioning equipment	47.8	50.4	+2.6%	0.5	2.0	+122.2%	100.0	102.5	-0.6%	2.7	3.6	+5.9%
Overseas water heater equipment	7.4	8.6	+16.2%	0.1	0.5	+150.0%	16.0	17.1	+13.2%	0.5	0.8	+166.7%
Household system equipment	9.2	8.7	+1.2%	-0.2	-0.2	—	19.5	19.0	+6.7%	-0.3	-0.3	—
Gas range equipment	10.5	10.8	+0.0%	-0.1	0.1	—	25.0	25.3	+1.2%	0.8	1.1	+22.2%
Other	4.0	4.0	+2.6%	0.3	0.3	-25.0%	8.5	8.5	+4.9%	0.8	0.7	-30.0%
Consolidated total	79.0	82.5	+3.1%	0.6	2.7	+213.1%	169.0	172.5	+1.9%	4.5	6.0	+37.3%

Capital Investment, Depreciation, and R&D Expenses for the First Quarter Ended March 31, 2010

● Capital Investment, Depreciation, and R&D Expenses

(Billions of Yen)

Consolidated financial data	Capital Investment			Depreciation			R&D Expenses		
	Fiscal year ended December 31, 2009 (FY2009)	Fiscal year ending December 31, 2010 (FY2010)		Fiscal year ended December 31, 2009 (FY2009)	Fiscal year ending December 31, 2010 (FY2010)		Fiscal year ended December 31, 2009 (FY2009)	Fiscal year ending December 31, 2010 (FY2010)	
		First Quarter			First Quarter			First Quarter	
Domestic	4.0	5.3	0.9	5.5	5.6	1.0	—	—	—
Overseas	0.4	0.4	0.1	0.4	0.4	0.1	—	—	—
Total	4.5	5.8	1.0	6.0	6.1	1.1	5.1	5.1	1.3
(Including investment in metal molds)	1.7	1.9	0.4						