



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 Six Months Ended June 30, 2010

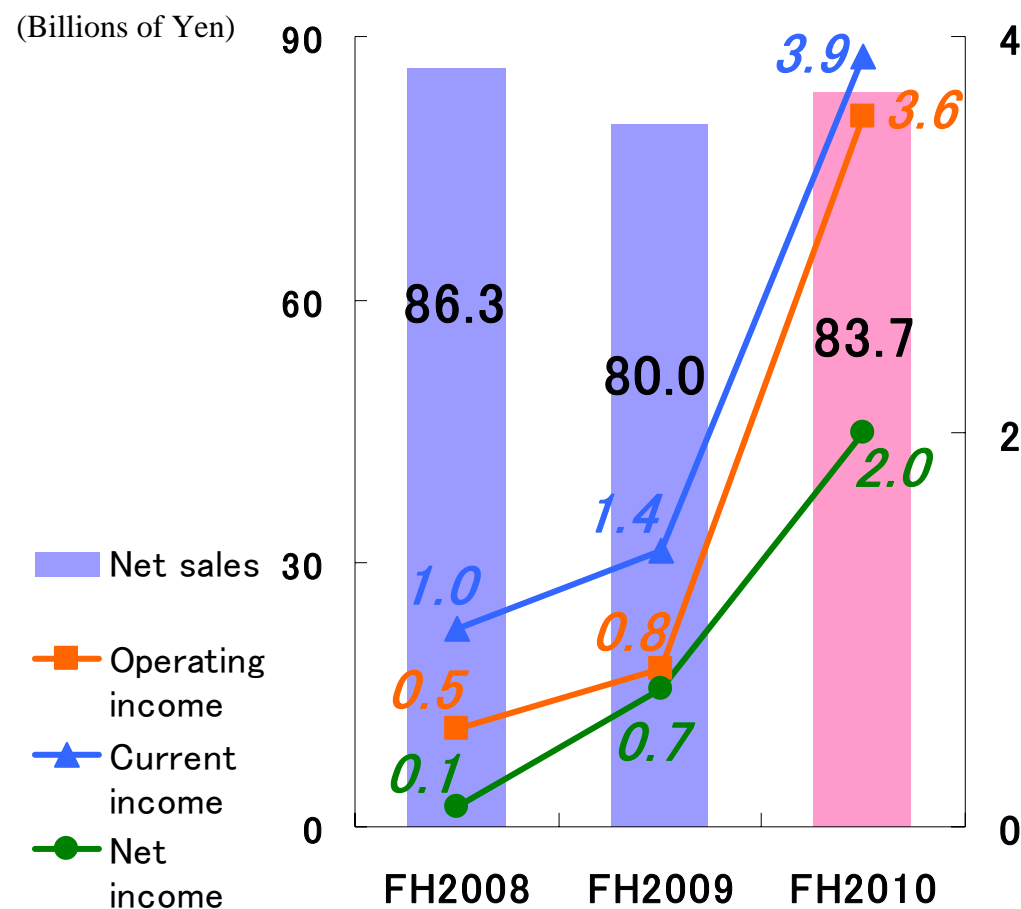
NORITZ CORP.

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 Six Months Ended June 30, 2010

Increasing trend in net sales and income continued through the end of the second quarter.

- ◆ **Net sales: ¥83.7 billion**
(+4.7% year on year)
- ◆ **Operating income: ¥3.6 billion**
(+323.7% year on year)
- ◆ **Current income: ¥3.9 billion**
(+174.9% year on year)
- ◆ **Net income: ¥2.0 billion**
(+189.7% year on year)



Quarterly Segment Information for the Six Months Ended June 30, 2010 (For reference)

(Billions of Yen)

Consolidated financial data	Fiscal year ending December 31, 2010 (FY2010)						
	First quarter	Change year on year	Second quarter	Change year on year	Six months ended June 30	Change year on year	Level vs. previous year April forecast
Net sales	44.40	+4.1%	39.36	+5.3%	83.76	+4.7%	101.5%
Operating income	2.92	+270.0%	0.72	+925.5%	3.65	+323.7%	135.3%
Current income	3.09	+153.3%	8.20	+304.8%	3.91	+174.9%	118.7%
Net income for the quarter	1.63	+67.1%	4.10	—	2.05	+189.7%	120.6%

Factors Accounting for Increase (Decrease) in Operating Income

(Billions of Yen)

Factors accounting for increase (decrease) in consolidated operating income (Comparisons with the previous year)	Amount	
	Positive impact	Negative impact
Increase in units, changes in the product mix, and other factors	4.47	
Changes in sales prices		-1.14
Changes in raw material costs	0.85	
Increase in manufacturing costs		-0.16
Increase in SG&A expenses		-1.24
Effect of foreign currency fluctuations	0.01	
Total	5.33	-2.54
Increase in operating income	2.79	

◇ Unit sales of water heaters and household system equipment increased as a result of policies to encourage a switchover to eco-friendly products.

◆ The ratio of sales of “ECO-JOZU” at list price deteriorated because of increased competition.

◆ Labor costs and other expenses rose because of the rise in the number of units sold.

◆ Bonuses and other costs increased, accompanying improvement in performance.

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 year)	Amount	
	Positive impact	Negative impact
Foreign exchange gains (losses)		-0.38
Interest and dividends received, other	0.09	
Total	0.09	-0.38
Increase (decrease) in non-operating income	-0.29	

Non-operating income (expenses), net, deteriorated by ¥290 million compared with the same period of the previous year, but current income rose 174.9%.

◆ Changes in Net Income for the Quarter

Increase of ¥1.3 billion year on year.

Segment Information for the Six Months Ended June 30, 2010

(Billions of Yen)

Consolidated financial data	Six Months Ended June 30, 2009		Six Months Ended June 30, 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	49.15	0.96	50.57	+2.9%	2.70	+179.3%
Overseas water heater equipment	7.42	0.29	9.08	+22.3%	0.59	+103.1%
Household system equipment	8.65	-0.82	8.94	+3.4%	-0.21	—
Gas range equipment	10.87	-0.04	10.87	+0.0%	0.12	—
Other	3.92	0.46	4.28	+9.0%	0.43	-6.0%
Consolidated total	80.03	0.86	83.76	+4.7%	3.65	+323.7%

◇Domestic water heater and air-conditioning equipment

Total demand for water heaters was up 2% (year on year), and units sold rose 3.3% (year on year). Sales of eco-friendly “ECO-JOZU” and “ECO-FEEL” products increased, and both sales and operating income rose.

◇Household system equipment

Demand for household system equipment recovered, and sales of system kitchens, system baths, and bathroom washstand units rose (year on year). Unit sales of system baths increased 3.1% (year on year), sales in value terms rose, and operating income improved.

◇Gas range equipment

Total demand for gas range equipment increased 2.3%, but sales to manufacturers of kitchen equipment dropped; however, unit sales showed a slight rise. Sales were robust, supported by replacement demand, and operating income improved, moving into the black.

Quarterly Segment Information for the Six Months Ended June 30, 2010

(For reference)

(Billions of Yen)

Consolidated financial data		Fiscal year ending December 31, 2010 (FY2010)						
		First quarter	Change year on year	Second quarter	Change year on year	Six months ended June 30	Change year on year	Level vs. previous year April forecast
Domestic water heater and air-conditioning equipment	Net sales	28.24	+1.7%	22.33	+4.5%	50.57	+2.9%	100.3%
	Operating income (loss)	2.46	+126.7%	0.24	—	2.70	+179.3%	135.2%
Overseas water heater equipment	Net sales	4.40	+35.1%	4.67	+12.3%	9.08	+22.3%	105.6%
	Operating income (loss)	0.37	+320.0%	0.22	+7.8%	0.59	+103.1%	119.8%
Household system equipment	Net sales	4.33	+2.3%	4.61	+4.4%	8.94	+3.4%	102.8%
	Operating income (loss)	-0.16	—	-0.05	—	-0.21	—	—
Gas range equipment	Net sales	5.38	-0.3%	5.48	+0.4%	10.87	+0.0%	100.7%
	Operating income (loss)	0.05	—	0.06	-1.4%	0.12	—	126.0%
Other	Net sales	2.03	+2.7%	2.25	+15.4%	4.28	+9.0%	100.7%
	Operating income (loss)	0.19	-15.1%	0.24	+3.0%	0.43	-6.0%	125.1%
Consolidated total	Net sales	44.40	+4.1%	39.36	+5.3%	83.76	+4.7%	101.5%
	Operating income (loss)	2.92	+270.0%	0.72	+925.5%	3.65	+323.7%	135.3%

Unit Sales of Principal Products for the Six Months Ended June 30, 2010 (For reference)

(1,000 Units)

		Six Months Ended June 30, 2009		Six Months Ended June 30, 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	283	38.9%	760	104.4%	297	105.6%	39.1%
	Gas-fired water heaters	191	35.2%	526	97.1%	188	98.7%	35.7%
	Oil-fired water heaters	61	39.4%	167	107.7%	67	109.8%	40.1%
	Sub-total	535	37.5%	1,455	102.0%	553	103.3%	38.0%
	System baths (for unit housing)	13	4.1%	323	103.2%	13	103.1%	4.1%
	System kitchens (for unit housing)	5	1.9%	274	103.0%	6	119.1%	2.2%
	Bathroom washstands	47	6.2%	718	95.4%	54	116.1%	7.5%
	Built-in gas stoves	165	35.7%	474	102.3%	166	100.5%	35.1%

※Figures for demand were estimated by Noritz.

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

Overseas Business Activities for the Six Months Ended June 30, 2010

(1,000 Units, Billions of Yen)

Consolidated financial data	Six Months Ended June 30, 2009		Six Months Ended June 30, 2010			
	Net sales	Operating income	Net sales	Change year on year	Operating income	Change year on year
North America	2.85 (US\$30 million)	—	2.90 (US\$32 million)	+1.7%	—	—
Asia	3.80	—	4.78	+22.0%	—	—
Others	0.86	—	1.54	+78.2%	—	—
Total	7.50	0.30	9.23	+23.0%	0.68	+126.6%

- ◆ **Net Sales** North America: Sales rose because of an increase in unit sales of water heaters.
China: Sales increased because of higher unit sales through the retail sales route.
Others: Sales were especially strong in Australia, where unit sales rose about twofold year on year.
- ◆ **Operating Income** Income increased due to gains in total unit sales, including those of high-efficiency water heaters and other products.



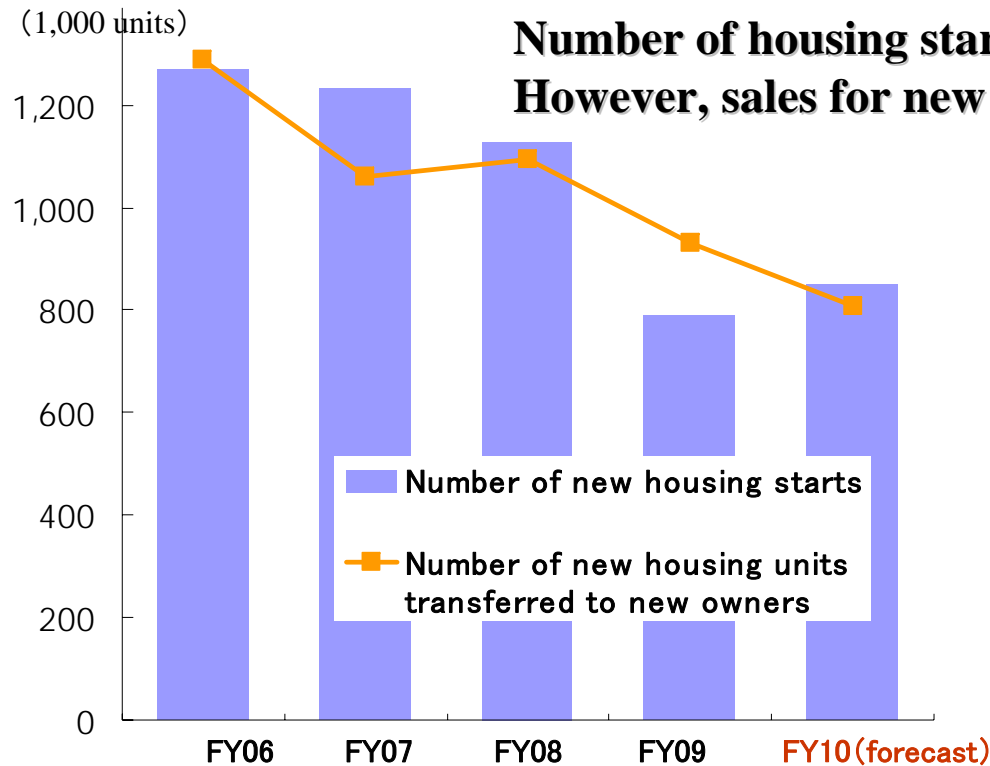
In March 2009, Noritz made a promise to Japan's Ministry of the Environment regarding its environmental preservation initiatives. Based on this "ECO FIRST" promise, Noritz will step up its environmental management activities going forward.

Forecast for Financial and Business Performance for the Fiscal Year Ending December 31, 2010 (FY2010)

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External Operating Environment during the Fiscal Year Ending December 31, 2010

Domestic



- Housing-related demand is on a rising trend because of the housing-related eco-point system and other factors.
- Trend toward installation of “ECO-JOZU” as standard equipment in the gas and gas equipment industries.
- Rise in raw material prices (steel, SUS)

North America

● Concerns grow about future trends in the housing market accompanying the reactionary decline after the ending of tax-break measures.

■ High-efficiency water heaters have been added to the “ENERGY STAR” list of eligible products.

China

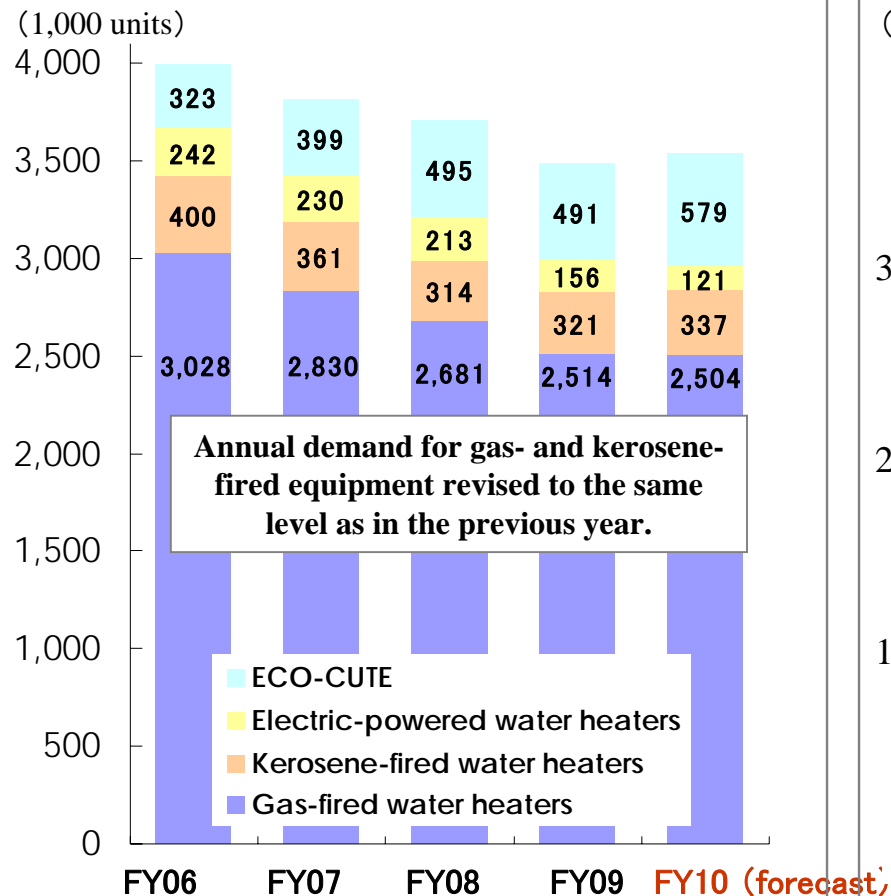
● Demand for new housing construction declines due to policies to restrain real estate prices.

■ Among legal and regulatory movements, the program have begun for promoting energy-saving equipment.

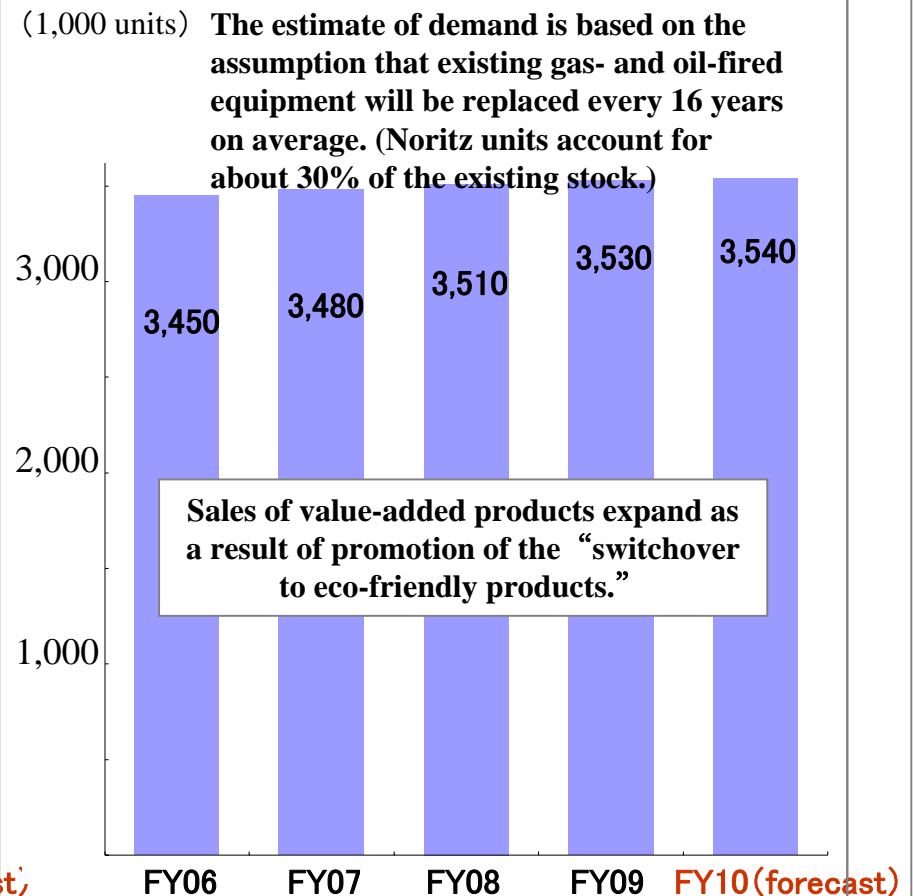
External Operating Environment during the Fiscal Year Ending December 31, 2010

The trend toward promoting the “switchover to eco-friendly products” accelerates.

Total Domestic Demand for Water Heaters



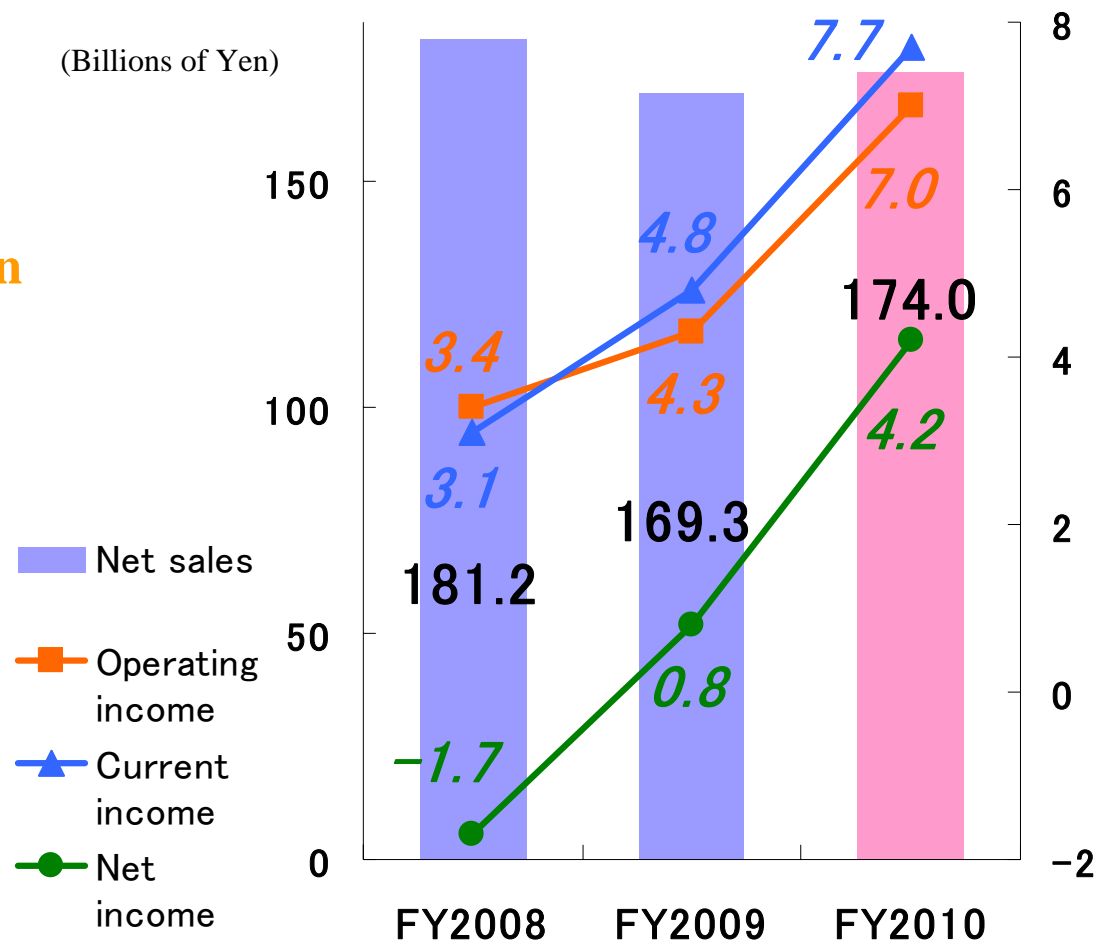
If Existing Units Are Replaced Every 16 Years



Forecast for Consolidated Management Performance for the Fiscal Year Ending December 31, 2010

The operating environment remains tough, but we are moving forward with “tactics aimed at growth.”

- ◆ **Net sales: ¥174.0 billion**
(+2.7% year on year)
- ◆ **Operating income: ¥7.0 billion**
(+60.2% year on year)
- ◆ **Current income: ¥7.7 billion**
(+59.7% year on year)
- ◆ **Net income: ¥4.2 billion**
(+400.7% year on year)



Forecast for Change in Operating Income by Principal Factor

(Billions of Yen)

Factors accounting for increase (decrease) in consolidated operating income(Comparisons with the previous year)	April forecast for the fiscal year ending December 31		Revised forecast for the fiscal year ending December 31	
	Positive impact	Negative impact	Positive impact	Negative impact
Increase in units, changes in the product mix, and other factors	1.51		5.33	
Changes in sales prices		-1.00		-1.94
Changes in raw material costs	0.59		1.20	
Increase (decrease) in manufacturing costs	0.49			-0.53
Increase (decrease) in SG&A expenses	0.07			-1.39
Effect of foreign currency fluctuations		-0.03		-0.04
Total	2.66	-1.03	6.53	-3.90
Increase in operating income	1.63		2.63	

Forecasts by Business Segment for the Fiscal Year Ending December 31, 2010

(Billions of Yen)

Consolidated financial data	Fiscal year ended December 31, 2009		Fiscal year ending December 31, 2010 (FY2010)					
	Net sales	Operating income (loss)	Net sales			Operating income (loss)		
			April forecast	Revised forecast	Change year on year	April forecast	Revised forecast	Change year on year
Domestic water heater and air-conditioning equipment	103.18	3.46	102.55	105.10	1.9%	3.60	4.80	38.6%
Overseas water heater equipment	15.12	0.28	17.15	16.90	11.7%	0.85	0.70	144.8%
Household system equipment	17.87	-1.38	19.00	18.20	1.8%	-0.30	-0.30	—
Gas range equipment	25.04	0.95	25.30	25.00	-0.1%	1.10	0.95	-0.8%
Other	8.12	1.04	8.50	8.80	8.4%	0.75	0.85	-18.9%
Consolidated total	169.35	4.36	172.50	174.00	2.7%	6.00	7.00	60.2%

Forecasts of Unit Sales by Principal Product Group for FY2010 (For reference)

(1,000 Units)

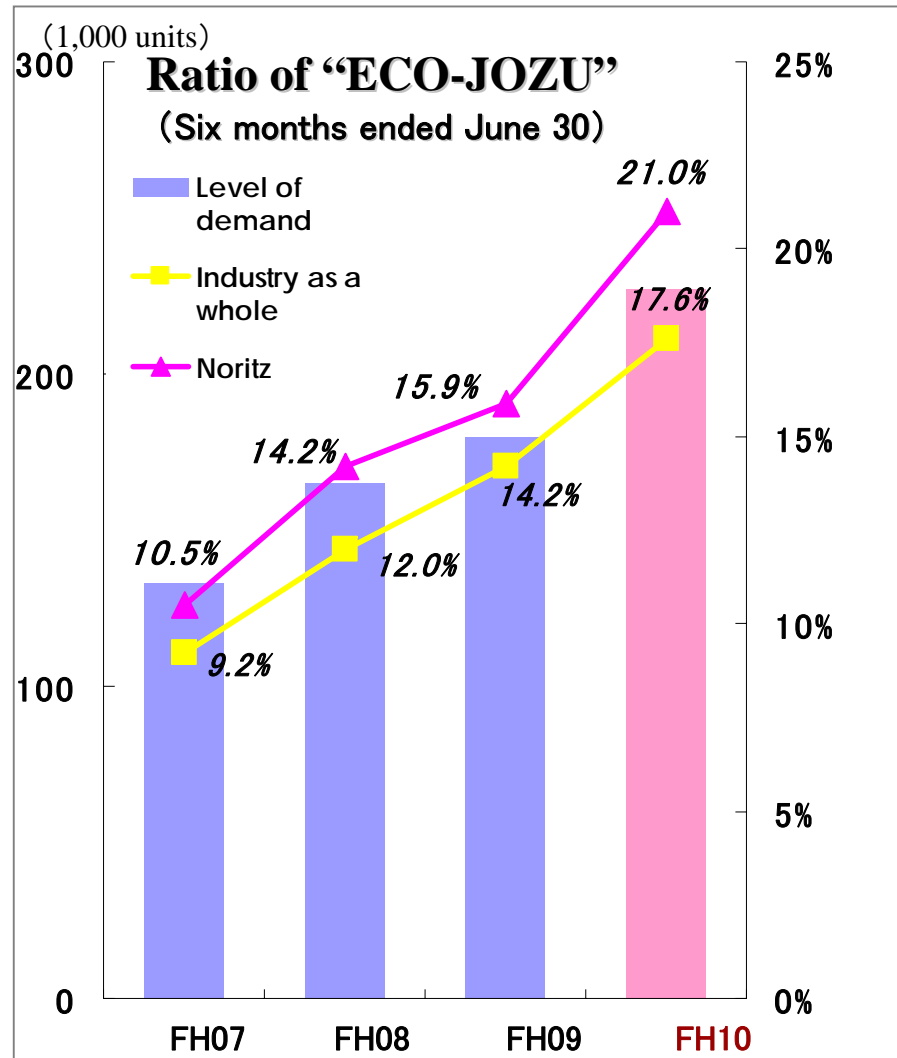
		Fiscal year ended December 31, 2009		Fiscal year ending December 31, 2010 (FY2010)				
		Unit sales	Market share	Demand	Level vs. previous year	Unit sales	Level vs. previous year	Market share
Water heaters	Japanese-style gas-fired baths	579	39.3%	1,495	101.3%	595	102.8%	39.8%
	Gas-fired water heaters	360	34.8%	1,009	97.2%	359	99.6%	35.6%
	Oil-fired water heaters	124	38.8%	337	104.8%	137	109.2%	40.6%
	Sub-total	1,065	37.6%	2,842	100.2%	1,092	102.5%	38.4%
System baths (for unit housing)		26	4.0%	679	103.5%	28	106.6%	4.1%
System kitchens (for unit housing)		10	1.9%	577	104.0%	12	117.8%	2.2%
Bathroom washstands		97	6.4%	1,476	96.7%	112	115.5%	7.6%
Built-in gas stoves		358	34.8%	1,022	102.2%	375	104.7%	36.6%

*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.

Initiatives Aimed at Growth: Domestic Water Heater Business (Eco-Friendly and Energy-Saving)

Expecting “ECO-JOZU” ratio to rise to 23.5% for the full year



◆ Ratio of “ECO-JOZU” sales increases

● As a result of the promotion of the switch to eco-friendly products through the introduction of new products, the ratio of “ECO-JOZU” products to the total through the end of the second quarter rose 5.1 percentage points (year on year).

Ratio of 23.5% expected for the full fiscal year

● Made progress in adjusting inventories through “switchover to eco-friendly products” campaign

“Thank you and switchover to eco-friendly campaign” began in July

Stepping up proposal sales activity for installation in apartments

Industry Trends

- Gas industry: Proclamation to make “ECO-JOZU” standard equipment by 2015
- Gas equipment manufacturers: Unveiled “Switchover to ECO-JOZU Proclamation 2013”



Initiatives Aimed at Growth: Domestic Water Heater Business (Eco-Friendly and New Energy)

Moving ahead with creating the basis for new energy fields

◆ Program for high-level use of solar heat and energy (solar electric power generation/solar-powered water heater equipment).

● Solar-powered water heater equipment

- Programs of Japan's Ministry of the Environment's "Project for Expanding Installation of Household Solar Heat Systems" began in May 2010.
- Activities to step up initiatives in these business areas with our 761 business partner retail stores
- Scheduling sales of a maximum of about 700 units through these business activities and accelerating program to increase the number of stores with installation permits

● Solar electric power generation

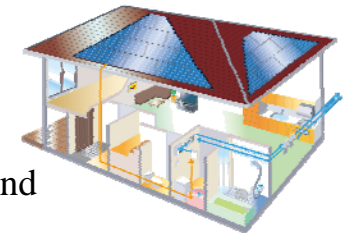
- Further improvements in sales systems making use of Mitsubishi Electric solar energy generators
- Strengthen construction/installation capabilities by integrating construction work of Group companies
- Complete production line equipment and design, aiming for start-up of in-house activities in 2011



◆ New Energy Initiatives

● Fuel cells

- Strengthen ties with other companies to make full use of hot water storage tank production and other technologies



Initiatives Aimed at Growth: Household System Equipment

Work to increase unit volume of household system equipment.

◆ Increase unit sales and improve product mix

- Strengthen collaboration with tactical priority stores to boost unit sales
- Increase the number of installations in place and improves the product mix
- Increase the working efficiency of the specialized household system

● Make product proposals that are original and provide value added by selling as a set with water heaters

(System Kitchens)



Estudio
PREMIERE

SYSTEM KITCHEN
Beste^o
システムキッチン[ベスト]

“Just the Right Renovation” for
Kitchens (Systems and equipment for
“just right” kitchen renovation)



(System Baths)

“Conserving water”
bathtubs

Self-cleaning bathtubs



クレッセ
Clesse
—クリーン&エコ—

Noritz expanding
the range of options
for the bathroom



yupatio
Riz

Grasio



Initiatives Aimed at Growth: Gas Range Equipment Business

Entry into mass merchandiser sales routes.

◆ Development of new products and new sales routes

● Development of new products

- Table-type gas range for the mass merchandiser sales route going on sale in August

● Development of new routes

- Entry into electric appliance mass merchandisers, home product centers, and other routes

“Just the Right Fit Series” of products went on sale on August 1



• Functional design



• Easy to clean and priced for the wider market



Forecasts for Overseas Operations for the Fiscal Year Ending December 31, 2010

Move forward with business development in North America and China

(Billions of Yen)

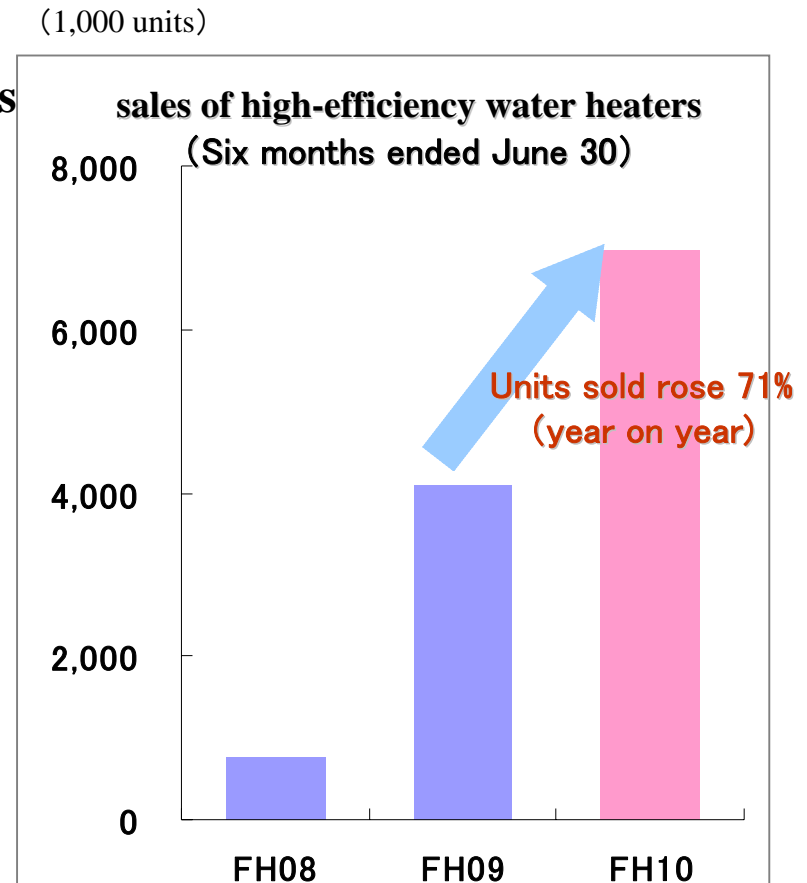
Consolidated financial data	Fiscal year ended December 31, 2009		Fiscal year ending December 31, 2010 (FY2010)			
	Net sales	Operating income	Net sales	Change year on year	Operating income	Change year on year
North America	5.33 (US\$58 million)	—	5.90 (US\$64 million)	+9.2%	—	—
Asia	8.30	—	9.29	+11.9%	—	—
Others	1.70	—	2.10	+23.5%	—	—
Total	15.50	0.38	17.29	+11.5%	0.87	+128.9%

※Forecasts assume an exchange rate of ¥90 to US\$1.

Initiatives Aimed at Growth: Overseas Business Activities North America

Expand sales of high-efficiency water heaters (condensing types)

- ◆ **Expand safe and eco-friendly products**
 - **Expand sales of high-efficiency water heaters**
 - Range of types eligible for “ENERGY STAR” expanded and unit sales increased 71% year on year
 - **Development of eco-friendly products**
 - Beginning sales of products in August that comply with legal regulations (for low NO_x emissions) coming into effect in 2012
- ◆ **Development of new areas**
 - **Strengthening sales systems in Canada**
 - Unit sales in Canada increased 30% year on year.
- ◆ **Development of new sales routes**
 - **Entry into the commercial-use market**



Initiatives Aimed at Growth: Overseas Business Activities China

Work to expand sales in priority cities

◆ Development of new areas

- Expand sales in priority urban areas
 - Unit sales through the second quarter rose 48% year on year.

◆ Develop new sales routes and increase the number of specialty stores

- Aim for 100 specialty stores
 - Increase by 25 in the near term to a total of 69

◆ Increase the number of high-value-added products

- Expand sales in the proportionally controlled 10-liter water heaters and higher categories

◆ Raise productivity and lower manufacturing costs

- Expand value added of major components through bringing production in-house and increasing quality
- Promote local procurement of parts



High-efficiency (condensing-type) water heaters made in China introduced in May

Capital Investment, Depreciation, and R&D Expenses for the Fiscal Year Ending December 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)	First half	Fiscal year ended December 31, 2009 (FY2009)	Fiscal year ending December 31, 2010 (FY2010)	First half	Fiscal year ended December 31, 2009 (FY2009)	Fiscal year ending December 31, 2010 (FY2010)	First half
	Domestic	4.09	5.39	2.07	5.56	5.67	2.30	—	—
Overseas	0.46	0.46	0.16	0.46	0.46	0.24			
Total	4.55	5.80	2.24	6.02	6.10	2.56	5.17	5.10	2.58
(Including investment in metal molds)	1.70	1.90	0.94						