

Continuing to move forward

Founded on the belief that bathing makes us happy, Noritz is celebrating its 70th anniversary in 2021.

Over this long history, we have focused on our customers and take great pride in the positive messages from customers received by our Call Center. Among those messages, a customer recently thanked us for promptly repairing a water heater that broke down in the middle of winter, allowing for a hot bath the very next day. Another customer thanked our sales staff for suggesting the perfect product to replace one that had worn out.

Inspired by such feedback from our customers, we will work to continue providing "The Simple Comforts of Life."

NORITZ REPORT 2021



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This report was compiled in line with the Guidance for Collaborative Value Creation issued by Japan's Ministry of Economy, Trade and Industry, which aims to have companies and investors jointly create value through communication.



As a signatory to the United Nations Global Compact since 2012, Noritz Corporation has committed to the compact's ten principles in four areas, and works to contribute to the sustainability of society on that basis.



NORITZ CORP.

Carrying on a 70-year tradition of serving customers

Our mission

The Simple
Comforts of Life

Founding belief

Quality baths bring joy to people

Household energy shift

Responding to the changing needs
of each generation

User-friendliness

Striving to make housework easier

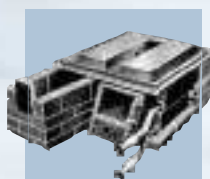
Safety and energy conservation

Providing safe and energy-saving products



Popularizing household baths

Founder, Toshiro Ota, learned to deeply appreciate the soothing power of a good bath while undergoing rigorous training at the Imperial Japanese Naval Academy. From that experience, he came to firmly believe that good-quality baths can bring joy to people, and began selling the Noritz Bath Type A made with tiles that could efficiently retain heat. Home baths were still rare in Japan in those days, but Noritz succeeded in helping promote the popularization of household baths, making people's lives more comfortable.



Noritz Bath Type A

Adapting to changing household energy sources

In the 1960s, Japanese homes widely switched from burning wood and coal to using gas and oil for heat. Accordingly, Noritz began developing gas-powered bathtub water heaters, and launched its highly efficient and smartly designed GS model of water heaters made of aluminum instead of copper, which was commonly used for gas heaters at that time.

Looking ahead, Noritz will continue to conduct research and development in step with the needs and home energy sources of each generation.



The GS model gas
water heater

Meeting requests from customers

Released in 1970, the Magicon gas water heater controller allowed users to ignite and extinguish the pilot burner from inside the bathroom. Pilot burners were switched on and off from outside the house at that time, so customers were overjoyed and praised the product for its convenience. Ever since then, Noritz has been paying close attention to customer feedback and developing products that meet their requests.



The Magicon gas
water heater controller

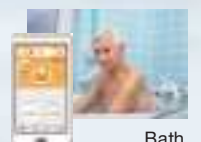
Making safe and environmentally friendly products

In Japan, thousands of bath-related accidents happen each year, such as slips and falls, cardiac arrests, and accidental drownings. Aiming to prevent such accidents, Noritz has led the industry in developing the bath monitoring function that allows users to check by remote control or smartphone when a family member has entered the bath and the length of time they are in the bathtub.

Furthermore, Noritz has developed numerous environmentally friendly products that save energy and help reduce CO₂ emissions, including its Eco-Jozu and Eco-Feel models of high-efficiency gas water heaters, as well as energy-efficient hybrid water and space heating systems.



A hybrid water and
space heating system



Bath
monitoring
functions

Noritz's History

Aiming to improve people's lives

Guided by its founder's firm belief that "quality baths bring joy to people," the Noritz Group has stayed at the forefront of Japan's bathing culture by diligently applying technologies to raise the environmental performance and user-friendliness of its products. While refining these technologies, the Group will continue to supply water heaters, kitchen appliances, and other products that are essential for everyday life to the global market with a view to provide "The Simple Comforts of Life" to people around the world.

For Noritz's further growth



1951

The Company developed its first product, the Noritz Bath Type A offering households the convenience of having daily baths at home

1970

Developed the industry's first gas cooker with a double-sided grill



1977

Released the compact Yu-Bic gas water heater equipped with a remotely controlled pilot burner and the industry's first 100-volt power source, attracting attention from gas companies

Gas Electricity

1983

Released the Yuraji water heater capable of automatically filling and maintaining the temperature of a bath, thereby saving time for users



1997

Released the highly convenient Osoji Yokuso automatic self-cleaning bathtub



2002

In response to growing environmental awareness around the world, Noritz developed the energy-saving Eco-Jozu water heater, which efficiently heats water by reusing exhaust heat



2014

Developed the Multi Grill gas cooker with multiple burners and Dutch oven compatibility, allowing users to easily stew, steam, and grill various dishes with just the gas cooker



From 2020

Developing products suited to today's needs amid digitalization and changing lifestyles



Japan's postwar recovery and growth period from 1950 to 1980

Noritz's international expansion phase

1980 to 2000

Digital innovations from 2000

Outdoor water heaters



1951

Released Noritz Bath Type A and B made with tiles that could efficiently retain heat



1961

Released the GS gas water heater, the industry's first made of aluminum



1963

Released the GQ-4 small water boiler (right) and the OM kerosene boiler (left)



1970

Released the Magicon gas heater controller, the industry's first with a switch for igniting and extinguishing the pilot burner from inside the bathroom



1977

Released the Yu-Bic gas water heater, the industry's first with a water tank for instantly supplying hot water



1982

Released the Yu-Core GT gas water heater with automatic bath water reheating function



2002

Released the high-efficiency Eco-Jozu gas water heater



2010

Released an integrated heating and solar panel system with space heating capabilities



2013

Released a hybrid water and space heating system capable of more efficient water heating



2017

Released the GT-C62 series of high-efficiency water heating systems fitted with a bath monitoring function and bacteria-killing UV lights that clean bathwater for reuse

Kitchen appliances



1966

Started production of the industry's first gas cooker with a piezoelectric igniter



1970

Developed the industry's first gas cooker fitted with upper and lower burners



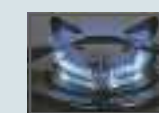
1978

Developed Japan's first kitchen unit with built-in gas cooker



1981

Developed the industry's first gas cooker with a rear-mounted exhaust outlet to free up space for cooking



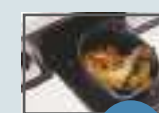
1998

Developed the high-efficiency Eco-Jet burner



2003

Released the innovative and stylishly designed S-Blink gas cooker



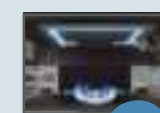
2006

Released the industry's first gas cooker with Dutch oven compatibility



2007

Enabled high-heat and extra-low-heat cooking with the high-efficiency Eco-Jet burner



2014

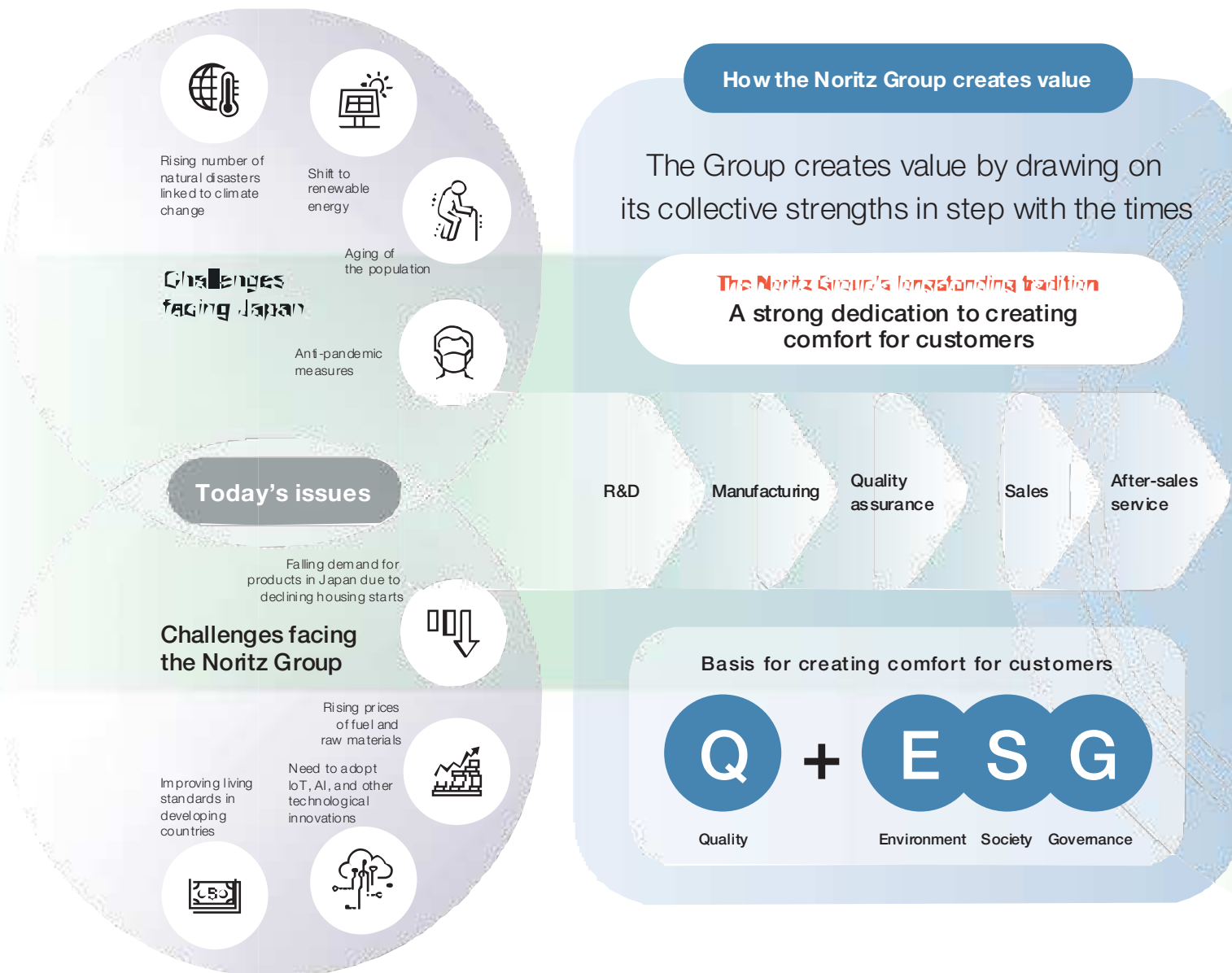
Developed the Multi Grill, the industry's first gas cooker with multiple burners. The Noritz Group began selling Harman brand products

Value-Creation Process

Staying in step with the times to provide “The Simple Comforts of Life”

While closely following broad trends and searching for solutions to issues facing society, the Noritz Group is working to create value by drawing on its collective strengths.

The Group's commitment to quality and pursuit of sustainability, as measured by environmental, social, and corporate governance (ESG) factors, forms the basis for creating comfort for customers. Accordingly, the Group is carrying out a wide range of initiatives in an effort to continue providing “The Simple Comforts of Life” through our products.



Realizing our mission

The Simple Comforts of Life



Relevant Sustainable Development Goals for the Noritz Group



Consider the future with our customers



Fulfill our responsibility to the global environment



Aim to grow with our partners

Message from the President

The entire Noritz Group is working to create more value in a challenging operating environment

Satoshi Haramaki

President and CEO Noritz Corporation

My mission as the newly appointed president

We will leverage our technological and marketing capabilities to raise the value of our products

Noritz Corporation was established in 1951 during Japan's post-World War II recovery. Its founder, Toshiro Ota, established the Company with a vision to improve the living conditions of people in Japan by supplying bath water heaters for the home, driven by his belief that "baths makes us happy." I was appointed as president on October 1, 2020, and I believe my most important mission is to ensure that the founder's vision is passed down so that the Noritz Group can continue raising the value of its products for people around the world.

After joining the Company in 1983, I helped improve various products and develop new features while working mainly in our product development and manufacturing divisions. I then worked at two group companies from 2004, serving as a director at Harman Pro Co., Ltd., (currently Harman Co., Ltd.) and president of Sinwa Industry Co., Ltd., for seven years, through which I gained the valuable experience of observing Noritz Corporation

from the outside.

That experience taught me about the importance of feedback from the users of our products. To create new value for people, applying advanced technologies to differentiate products from the competition is necessary, of course, but it is also essential to be situated as close as possible to customers, carefully collect feedback from users, and identify exactly what they want. For that reason, I believe that the sources of a manufacturer's competitiveness are its capabilities in both technology and marketing, firmly grounded on customer feedback.

From that standpoint, management is committed to refining the Group's technical development expertise and enhancing its customer contact points. We aim to make the Noritz Group more valuable for people around the world by developing and supplying even more beneficial products and services going forward.

Accelerating workplace reforms

Digitalization stepped up amid severe limitations on face-to-face sales

In response to measures for preventing the spread of COVID-19, the Noritz Group greatly restricted its face-to-face sales operations, especially in Japan. Sales of high-value-added products were particularly affected since their success largely depends on direct meetings with customers. Nevertheless, we expanded selling opportunities through a number of remote sales methods. For example, we provided product information through unstaffed booths set up in store display areas, and provided online product installation training for sales staff. We plan to accelerate digitalization with a view to enhance communication with our business partners and

customers in the future.

To help prevent the spread of COVID-19 infections, the Company facilitated telecommuting for employees who do not need to work onsite. For employees who are required onsite, particularly factory workers and other essential personnel, we took steps to minimize close contact settings, such as increasing the number of commuter buses and staggering lunchtime hours. We also responded to stay-at-home requests by stepping up digitalization to accelerate workplace reforms. For example, we automated order taking and made computer-aided design (CAD) tools available remotely.

Top Message

Vision and Strategies



Management plan from 2021 to 2023

Fiscal 2023 targets

Consolidated operating income	Net sales in Japan	Net sales outside Japan
¥8 billion	¥132 billion	¥60 billion

Main objectives

- Maintain the sustainability of group-wide operations
- Develop innovative ways to maintain customer loyalty
- Foster an organizational culture that takes on challenges

Explore and create
new technologies and
businesses for the future



Overview of fiscal 2020

Structural reforms greatly increased income despite a decline in sales

In 2020, the global economy practically came to a halt due to the COVID-19 pandemic. In Japan, the pace of residential construction slowed amid measures to deal with the pandemic, resulting in lower demand for water heaters.

In this extremely challenging operating environment, the Noritz Group designated the year as a time for executing forward-looking structural reforms, and, accordingly, continued to revamp its profit structure and business model through initiatives that had been launched prior to the pandemic. For example, with the goal of streamlining its operations, the Company reduced fixed costs by offering voluntary early retirement to its employees, and sold off its unprofitable kitchen and bath unit business.

The net sales of the Company's consolidated financial results ended in December 31, 2020, decreased by 11.8% year on year to ¥183.8 billion; however, operating income jumped 76.8% to ¥4.7 billion, and ordinary income rose 72.4% to ¥5.9 billion.

The decrease in net sales was mainly due to the withdrawal from the kitchen and bath unit business. The COVID-19 pandemic was also a major factor as it suppressed demand

across all industries the Group operates in and prompted the cancellation of major trade shows held in autumn, which provide excellent opportunities for marketing kitchen ranges and appliances. Sales in China, an important country for the Group's business, also dropped substantially due to the pandemic, particularly in the first half of the year.

The increase in income was largely due to the success of the structural reforms in reducing fixed and variable costs, which greatly improved the breakeven point. Furthermore, operating margin improved substantially as high-value-added products accounted for a comparatively high proportion of total product sales.

Despite these improvements, however, Noritz posted a net loss attributable to shareholders of parent company amounting to ¥3.0 billion, compared with net income of ¥1.5 billion in fiscal 2019. This was mainly due to an extraordinary loss of ¥9.1 billion associated with one-time expenses for structural reforms recorded in the first quarter of fiscal 2020.

New medium-term management plan launched

Strengthening our businesses and creating new ones through organizational ambidexterity

In January 2021, the Noritz Group launched a new three-year medium-term management plan extending to the end of 2023. The plan's main objectives are to ensure that the Group's existing operations are sustainable going forward and to develop innovative ways to maintain customer loyalty. Adopting an ambidextrous leadership approach, we intend to realize an optimal balance between strengthening the Group's businesses and creating new businesses for the future.

In Japan, our biggest challenge is to make our businesses more profitable. The markets for our products are expected to shrink due to the country's declining population. Therefore, to secure profits, we have been shifting from our former one-time sales model to a new business model designed for recurring sales. For example, we equip residential water heaters with an inspection alert function that notifies users via the product's remote control when an inspection is due after 10 years of usage. This results in a steady flow of customer requests for inspections and replacement sales.

Another challenge in Japan is to expand our supply of products to hotels, medical clinics, and other non-residential buildings. This will also involve a shift in our business model

from one-time sales to comprehensive solutions, including maintenance contracts.

Globally, we will pursue various strategies in each region. In China, we will strengthen our functions there by making our factory a base for global production and development, while developing products tailored for domestic market needs. Furthermore, we are aiming to maximize synergies among the three group companies in the United States, and to increase earning capacity in Australia by expanding product lineups and sales areas. In addition, the Group plans to enter growing markets in the future, especially in Southeast Asia.

Through all of these initiatives, we will work to accomplish our target of ¥8 billion in consolidated operating income by fiscal 2023.

At the same time, the Noritz Group is focusing on strengthening its businesses and creating new businesses. Our goals are to develop new business models and technologies for the future through various initiatives, including our employee suggestion program, and by promoting open innovation with universities, research institutions, and companies in other industries.

Vision and Strategies

Quality and ESG initiatives

Aiming for solid financial results with a focus on quality and the environment

As part of our long-term social and environmental vision extending up to 2030, we specified material issues for the Noritz Group and management objectives to achieve by 2023 related to quality and the environment, society, and corporate governance (ESG).

I believe that the Group's continuous focus on quality and ESG will be important for achieving solid financial results in the future.

Recognizing that quality is always essential for manufacturers, we designated quality assurance as a vital component of our new medium-term management plan, just as we did in the previous plan. Over the three years of the new plan from 2021 to 2023, we will aim to reduce the rate of product defects by half of the 2020 level through initiatives for improving quality at the design, manufacturing, and product installation stages. At the same time, we intend to devote more attention to the environment than ever before. The Group's mainstay products emit CO₂, which is a major cause of climate change, so reducing those emissions is a challenge that strikes at the heart of our business. Therefore, by 2030, the Group will aim to reduce CO₂ emissions from products during the usage stage by 15% compared with the level in 2018. To accomplish that, we plan to supply more efficient products and hybrid gas and electric water heaters. Moreover, Noritz is committed to achieving the "100% renewable electricity" target of the RE100, a global initiative that the Company joined in 2020.

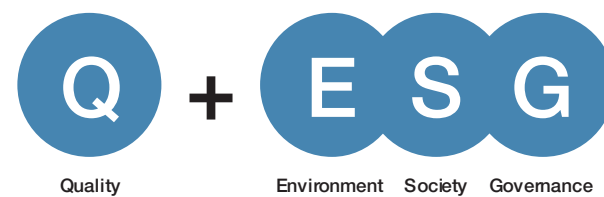
To contribute to society, the most important actions we

can take are to develop and provide products and services that are genuinely helpful and beneficial for families and their communities. For example, our baths with monitoring systems help prevent bath-related accidents involving elderly family members, which have been rising in Japan as the population ages. Our bath water heaters with bacteria-killing functions are extremely relevant today as communities fight the spread of COVID-19. In addition, our Multi Grill gas cookers are designed to make cooking easier and more convenient for working families. We also contribute to communities through our employment practices. For example, the Noritz Group actively hires people with disabilities and helps them thrive in the workplace, and offers special occupational health and safety programs for all employees.

Meanwhile, Noritz has been taking steps to enhance its corporate governance by facilitating speedier decision-making and management transparency. Towards that end, the Company established its Audit & Supervisory Committee in 2019, and increased the ratio of outside directors serving on its Board of Directors by reducing the number of inside directors. The Company plans to continue strengthening its corporate governance in order to ensure sustainable growth in the future.

Finally, Noritz became a signatory to the United Nations Global Compact in 2012. Accordingly, we are carrying out our business activities with a commitment to the compact's ten principles in the four areas of human rights, labor, the environment, and anti-corruption.

Basis for creating comfort for customers



Relevant Sustainable Development Goals for the Noritz Group



Noritz's long-standing traditions

Crisis management capabilities in daily operations

Over the Company's history, many outstanding traditions have been passed down. One of these traditions, in particular, is the ability to respond forcefully in times of crisis. Noritz has experienced a number of major operational crisis in the past, but it overcame each one by demonstrating this ability. During those times, our workplaces played a key role. When it became clear what needed to be done to deal with the crisis, the employees in those workplaces came to independent conclusions, then brought their ideas and collaborated as a team exhibiting their collective strength. I believe that this ability is an intangible asset that has continuously been passed down within the Company.

I want this ability to be exercised at all times, even when

there is no crisis. To do that, it is important to clearly specify which direction to take and which objectives are to be accomplished. With that in mind, when formulating our new medium-term management plan, we intentionally created clear and simple policies while keeping the number of targets to a minimum. As a rule, the number of targets set by our highest ranking organizations was limited to three, respectively, and all targets must be quantitative and measurable by indicators.

By setting clear targets, I am confident that all employees will recognize what we are trying to accomplish and will join together to contribute our collective individual skills. From this, we will always demonstrate our combined strengths as a team during normal operations just as we would during an emergency or crisis.

Celebrating the Company's

70th

anniversary

To the Company's stakeholders

We will continue striving to provide "The Simple Comforts of Life" through our products

The aspiration to create new products is a wonderful tradition that has been passed down over the generations from the Company's founders.

Indeed, since its founding, Noritz has developed many industry-first technologies that helped improve people's lives. Today, as the markets of developed countries mature, it has become more difficult to create ground-breaking innovations, but I am confident that we can still do more to realize our mission of providing "The Simple Comforts of Life" through our products.

In the process of preparing this report, I had an opportunity to hold a roundtable discussion with young employees who have been with the Company for under a year (see pages 13 to 16). While talking with them, I became convinced that the Company's long-held aspirations and traditions will continue to be passed down into the future.

We will celebrate the 70th anniversary of the Company's founding this year. While it remains unclear when the COVID-19 pandemic will end and how it will impact our business going forward, all members of the Noritz Group will remain united as a team to overcome the challenges ahead, so that we can celebrate new milestones and continue realizing our mission. We look forward to working together with the Group's many stakeholders as we push ahead with these endeavors.

Satoshi Haramaki

President and CEO
Noritz Corporation



Vision and Strategies

Celebrating the Company's

70th
anniversaryTowards a future
of building on
Noritz's traditions
and strengths

In 2020, President Satoshi Haramaki held a roundtable discussion with five new employees to discuss the Company's culture and traditions.

Impressions of Noritz

■ President Haramaki

When I joined Noritz about 37 years ago, the Company was growing rapidly and its employees were very active and motivated. I wanted to join Noritz because I thought it had great potential, and I was impressed by its vision and business activities. I would like to know what attracted each of you to Noritz and why you decided to join the Company.

■ Higashinaka

After visiting the plants of various manufacturers, I felt that Noritz's factory would be the most pleasant to work in. I can't explain it well, but the workplace environment not only seemed comfortable because of the systems and facilities; there was also something about the ambience that made me feel that this was a good company. As it turned out, my workplace was as good as I had imagined.

■ Eguchi

I had been hoping for a job that is relevant for people's daily

lives, so I had been looking for a position in a housing-related industry. Noritz sells baths that make it easy for people to relax, and marketing such products was something I wanted to do. My decision was also based on the fact that women with long, successful careers are working in Noritz.

■ Fukuta

I, too, wanted to find a job that is related to people's lives. I decided to join Noritz because it responded to all of my concerns. There was a point when I was unsure about joining the company, but the people from human resources were very helpful and reassuring when I talked with them over the phone, so my worries gradually disappeared. I felt that the company was welcoming and caring.

■ Nishimura

In my case, I was not really particular about the type of industry I wanted to work in; rather, I searched for companies that seemed to have good prospects. I received job offers from a number of companies, but in the end, I decided on Noritz not just because it is well known but also because it has a good reputation for how it treats its employees. Therefore, I intuitively felt that I could start a long career at the company.

■ Horai

I have been interested in how water flows and heat is conducted since I was a child, and I did research on heat exchangers at university, so I hoped to work for a company that would allow

me to apply what I have studied. To be honest, I didn't know much about water heaters until I began job searching, but after doing some research, I became interested in these products because various kinds of engineering know-how go into making them. While most people don't realize it, water heaters are essential products because they supply the hot water we use every day.

Different ways of feeling motivated on the job

■ President Haramaki

Less than a year has passed since you were assigned to your jobs, so I imagine there are many things you haven't experienced or don't know yet, but what interests and motivates you in your day to day work?

■ Higashinaka

I like making things, so I enjoy just being able to directly see how our products are made and shipped to customers each day. When I come across a Noritz water heater in town on my day off, I wonder if I had assembled the parts for it, and I even feel like checking it.

■ Fukuta

I work in human resources training, and because that involves people, my work can be rather complicated. We don't deal with things like product sales or development, and my job is often difficult, but those things are outweighed by how much I enjoy and feel interested in my work.

■ Eguchi

Due to the type of work my department handles, we cannot see our results for two or three years, so I haven't experienced any big accomplishments yet. Nevertheless, I have been really happy when I convinced customers about the merits and benefits of our products using my own explanation. I still have a lot to learn, so I will keep studying in order to have more experiences like that.



Vision and Strategies

Make it a habit
to follow up

Yasutoshi Nishimura
Sales Management Division



■ Nishimura

In my department, too, we can't see our results in a short period of time, but I feel motivated to build up relationships with the customers I deal with. The little things about the job are rewarding for me, like having more opportunities to meet with customers, or being asked to explain products in detail.

■ Horai

My department is in charge of developing water heaters for overseas markets, and recently I was given the chance to help develop a core component. There have been times when I suggested my own idea to my supervisors for making an improvement, and, amazingly, they agreed. I was really surprised about that at first.

■ President Haramaki

I also started out in product development, so I know exactly how you felt. I was given full responsibility for a product in my third year at the company, when I was still a newcomer. In product development, we have a tradition of handing responsibility to younger members and letting them make their own decisions. Have any of you experienced that in your workplace?

■ Higashinaka

Yes, I am allowed to pursue things that I think are worthwhile in my workplace. That said, however, I often make mistakes, but I feel that I am gradually improving my skills.

■ President Haramaki

Making mistakes is an essential part of learning. What's important is to think on your own and take the initiative. If you end up failing, I don't think anyone will blame you for that.

Exemplary traditions passed down over Noritz's history

■ President Haramaki

As I have said in our morning assemblies, Noritz is a company that has the ability to effectively deal with unexpected circumstances and always get through tough situations even when under pressure. I believe this is deeply ingrained in our corporate culture, and we can be proud of that. As a senior manager, I think it is really important for Noritz to regularly exercise this ability and realize its full potential.

■ Eguchi

Why is the company able to get through tough situations when under pressure?

■ President Haramaki

I think one fundamental reason is that the company's employees

are very diligent. During an emergency, for instance, we know exactly what tasks must be done and how to carry them out. When that happens, our employees work together as a team and demonstrate their collective strength.

■ Higashinaka

Actually, I have been very impressed by how fast equipment breakdowns were fixed in our factory. My older coworkers quickly come to check the details and seriousness of the problem, and immediately decide on how to solve it or who to contact. Their ability to quickly find a solution is outstanding.

■ Nishimura

My supervisors and senior colleagues were also quick to follow up on a few difficult situations I was in, like when a customer was angry with me for making a mistake. Looking back at that, I can imagine how many of them could overcome major problems that came up in the past.

■ Fukuta

In my workplace, I always feel that my supervisors are monitoring my progress, and helps me think of ways to be motivated.

Create new value

Gakuto Horai
Research &
Development Headquarters



■ Horai

My colleagues also gave me a hand when my experiments were not going well. At times, they even helped with everything from the start. Perhaps that mutual desire to help each other is the source of the company's ability to get through tough situations.

■ President Haramaki

Yes, helping each other at critical times and coming together as a team is an exemplary tradition that has been passed down over Noritz's history. If a new employee makes a mistake, his or her colleagues will quickly offer support, which allows the new employee to grow through the experience. This is a great aspect of our corporate culture that we should preserve.

Becoming the person you want to be in the future

■ President Haramaki

I would like to know about your aspirations. How would you like to grow and what kind of work would you like to do in the future?

■ Eguchi

I have a senior colleague who I really depend on, and I admire the way this person has established solid relations of trust with

customers by working with them to solve problems as a business partner.

Just like my colleague, I want to be put in charge of assignments because of my own track record.

■ Nishimura

I also admire one of my senior colleagues in my workplace. They cared for me by checking if I was alright when I was confused, and helped me make an appointment with a customer who was difficult to contact. I hope to be that kind of person in the future for younger coworkers.

Listen closely to what
others have to say

Misato Fukuta
Human Resources &
General Affairs Division



■ Fukuta

I am expected to train younger employees as a human resources manager, so I want to make effective use of our comprehensive training programs and help pass down Noritz's corporate culture. When I start training new employees, I will be just a little older than them, so I want to listen carefully to each of them and consider their concerns together, just as my senior colleagues did for me.

■ Horai

I hope to work overseas someday. My job involves developing products for international markets, but if I only carry out research in Japan, I will not be able to fully understand how those products are actually used by customers and under what kinds of conditions.

■ Higashinaka

At present, I am only able to handle one process on my production line, so my immediate goal is to gradually increase the operations I can do and eventually be an employee that can take responsibility for any production process. I would also like to be involved in training in the future, as that experience could give me a different viewpoint of the factory. Furthermore, I hope to be able to have discussions with development departments on a more equal footing and play a role in raising productivity.

Have a broader
perspective

Riki Higashinaka
Water Heater Production
Department



Envisioning Noritz 30 years from now

■ President Haramaki

Noritz will celebrate its 70th anniversary this year, but when its 100th anniversary arrives in 30 years, what kind of company do you hope it will be? I would like to know how you envision the company's future.

■ Nishimura

Improving profitability is a big task right now, but I hope that the company will also increase its market share and have a number-one share in every region of the country.

■ Eguchi

Market share is important, of course, but I want the company to have a larger number of loyal customers. Our products have many great features, but a lot of consumers still don't know about them. I would like more people to know the strength of Noritz products so that we can attract more loyal customers.

Always be
considerate

Rie Eguchi
Sales Management Division



■ Horai

I hope that Noritz becomes a more global company than it is now. Our custom of relaxing in the bath at the end of the day is still not common in other countries, so I want the company to promote it globally and have people around the world associate bathing with Noritz.

■ Fukuta

In 30 years, I hope our corporate culture will have been passed down to all employees and the company will still be a place where everyone has big aspirations and is highly motivated to work hard.

■ Higashinaka

I feel the same way. I have sensed the good relations among employees and a positive atmosphere in the workplace, so I hope that will continue over the next 30 years.

■ President Haramaki

Joining a discussion while only in your first year at the company may have been a little daunting, so I really appreciate your participation today. Each of you expressed your ideas much more clearly and thoughtfully than I could have done when I joined the company. I hope that you and every other member of the Noritz Group hold on to your dreams and take actions to realize them. If those actions lead to failure, consider what actions to take next without giving up. While carrying out that process, please work together with your colleagues towards our 100th anniversary. I have high expectations for each of you. Please do your best.

Creating Value through Manufacturing

Enriching people's lives through R&D and manufacturing capabilities

The Noritz Group has been supporting Japan's bathing culture for many years as a leading manufacturer of water heaters. In the 1990s, the Group began extending its operations globally. Backed by a 70-year history of accumulated R&D and manufacturing capabilities, the Group has been leveraging these strengths to accelerate this global expansion.



Manufacturing sites International operations

15 locations **16** countries



Manufacturing facilities in Japan

Noritz Corporation: Akashi Main Factory, Akashi Factory, and Tsuchiyama Factory (all in Hyogo Prefecture)

RB Corporation: Tsukuba Factory (Ibaraki Prefecture)
Harman Co., Ltd. (Osaka Prefecture)

Sales offices

Nationwide network of sales branches
Contact Center (Hyogo Prefecture)

Chinese market

Meeting demand for high-quality and high-performance Japanese products



Noritz (China) Co., Ltd.

Demand for high-quality and high-performance Japanese products has been growing in China on the back of the country's rising standard of living. While meeting that demand and ensuring the same quality assurance standards as in Japan, Noritz (China) manufactures a wide range of products, including gas water heaters, gas cookers, range hoods, and electric water heaters. The company is selling these products across the country, firmly establishing Noritz as a premium brand in China.

Manufacturing facilities in China

Noritz (Shanghai) Home Appliance Co., Ltd. (Shanghai)
Sakura Bath and Kitchen Products (China) Co., Ltd. (Jiangsu)
Sakura Shunde Co., Ltd.
Dongguan Daxin Noritz Electronics Co., Ltd.

Sales offices

Noritz (China) Co., Ltd. (Shanghai)
Noritz Hong Kong Co., Ltd. (Hong Kong)

Manufacturing facility and sales office in Australia

Dux Manufacturing Limited (New South Wales)

Japanese market

Playing a central role in the Group's global expansion



Noritz's Akashi Main Factory

Playing a leading role in the Group's global expansion, the Akashi Main Factory develops and manufactures technically advanced, high-quality water heaters, with annual production of about 1.1 million units. The factory also manufactures and supplies various other products for the Japanese market, including co-generation systems, solar water heaters, and gas cookers.

North American market

Aiming to be number-one in tankless water heaters



Noritz America Corporation

As storage-type water heaters represent most of the North American market, Noritz America Corporation is promoting the popularization of tankless (instantaneous) water heaters, which offer exceptional energy savings and environmental benefits. The company is aiming to be number-one in the tankless water heater market by promoting the ease in which customers can switch over from tank-type water heaters. Noritz America Corporation began selling heating products in 2016 and has been stepping up its business expansion in North America, including Canada.

Manufacturing facility in the United States

PB Heat, LLC (Pennsylvania)

Sales offices

Noritz America Corporation (California)
Facilities Resource Group LLC (Michigan)

Australian market

Combining the strengths of Dux Manufacturing and the Noritz Group



Dux Manufacturing Limited

Noritz Corporation entered the Australian market in 2014 when it acquired Dux Manufacturing Limited, a leading manufacturer of storage-type water heaters in Australia with over 100 years of history. Since then, Dux Manufacturing has expanded business and broadened its product lineup by including tankless (instantaneous) water heaters—Noritz's specialty—with its conventional electric and gas storage-type water heaters.

Creating Value through Manufacturing



Research and Development

Aiming to offer safer and more convenient baths by applying proprietary core technologies

Founded on the belief that quality baths bring joy to people, the Company offered the Noritz Bath equipped with water heaters to Japanese consumers in 1951 with the hope of raising living standards in the country.

Still cherishing that belief, the Noritz Group is not only providing comfortable baths that customers desire but also developing even safer and more dependable products, including bath systems with monitoring functions for reducing bath-related accidents, bacteria-killing functions for allowing bathwater to be safely reused, and remote controllers and smartphone apps designed for greater convenience. By applying advanced research and development, the Group looks forward to satisfying customers and providing "The Simple Comforts of Life" through its products in the future.

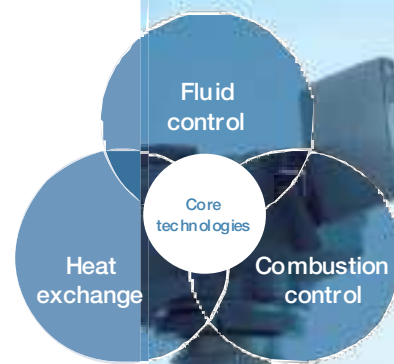
Core technologies

Applying combustion control, heat exchange, and fluid control technologies to develop reliable and comfortable baths

The Noritz Group has been conducting research and development for many years with the goal of attaining the world's highest level of bathing comfort by leveraging its stable hot water supply technologies and combining its three advanced core technologies—combustion control, heat exchange, and fluid control.

Through its combustion control technology, Noritz aims for precision controlling and consistent burning of gas to efficiently burn it in the combustion chamber and limit NOx emissions from the combustion. Noritz applies its heat exchange technology to develop heat exchangers that are compact, highly efficient, corrosion-resistant, and very reliable. It applies its fluid control technology to develop control devices and sensors designed to maintain consistent bathwater temperature for more comfortable baths.

Through the development of these core technologies, Noritz has completed a substantial amount of research on methods of limiting CO₂ emissions and maintaining good health through bathing, creating a basis for providing "The Simple Comforts of Life" through its products.



R&D expenses to
net sales ratio*

Approx. **2.6** %

* As of December
31, 2020

Percentage of
employees
engaged in R&D

13 %



Innovation

Enhancing existing technologies to realize organizational ambidexterity and create new businesses

In today's world, sources of energy are becoming increasingly diverse. Since Noritz's products emit CO₂ when used, we are working to develop environmentally friendly products that save on energy. In the past, Noritz developed the Eco-Jozu gas-water heater, which saves energy by efficiently heating water using a relatively small amount of gas, as well as hybrid water and space heating systems that consume a combination of gas and electricity. Noritz has also focused on developing products that bring new value for the diverse lifestyles of consumers today, including the Multi Grill gas cooker featuring multiple burners designed to make everyday cooking easier and more pleasurable, and the Osoji Yokuso bathtub featuring a convenient self-cleaning function.

The Noritz Group continues to develop products tailored to the latest needs with a view to expand beyond its current businesses.

Product development for the global market

Developing products that meet demand and environmental requirements in each country through group-wide collaboration

Noritz is striving to develop products that can attract customers around the world by facilitating cooperation between its overseas manufacturing facilities and technical departments in Japan. Through these group-wide efforts, various products have been developed with particular attention to environmental friendliness, including highly efficient combination boilers and the EZ Series of highly efficient tankless water heaters with a pre-mixed burner design, which meet NOx emissions and thermal efficiency standards in North America where environmental and energy conservation regulations are stricter than in Japan.

By making the most of its expertise and technologies developed in Japan, the Noritz Group intends to accelerate its global expansion by developing products suited to the cultures and energy markets of various countries.



Creating Value through Manufacturing



Manufacturing

Striving to raise quality through a safe and efficient manufacturing network

The Noritz Group makes use of a wide range of standards, indices, and management systems to ensure the efficiency of its manufacturing operations and to supply safe, dependable, and high-quality products to customers. With about 20 million households already using Noritz products in Japan, the Group has been working to offer safe and reliable products to its global customer base by raising safety standards to comply with international quality standards. Furthermore, while placing the highest priority on product quality, the Group has been collaborating with suppliers across its entire supply chain to speed up production and shipments while further enhancing the quality of products.

Highly efficient production system

Leveraging the advantages of the Noritz Production System to shorten delivery times

Deployed by the entire Noritz Group, the Noritz Production System combines just-in-time manufacturing with built-to-order manufacturing. Noritz created this unique system in order to quickly deliver products to customers while eliminating all kinds of inefficiencies as much as possible. Originally deployed by the Akashi Main Factory for its gas water heater production line, the system has since been adopted by all factories group-wide.

Production systems in Japan have been changing over the generations, shifting from small-lot production of diverse products during the country's post-war period of rapid economic growth to mass production of fewer types of products that are currently in demand. Automation of production has also become more common in recent years. Accordingly, the Group is constantly updating its Noritz Production System to raise manufacturing efficiency.

Built-to-order
manufacturingNoritz
Production
SystemJust-in-time
manufacturing

Quality assurance

All manufactured products are subject to quality inspections

GT series of
mainstay products

Same-day shipping*

* For orders received by 2:00 p.m. (conditions may change depending on weather or natural disasters); certain products may be shipped the following day



Partnership with suppliers

Delivering on time without production or shipment stoppages by managing risks in partnership with suppliers

Noritz products like baths and gas cookers are indispensable for customers because they are used in everyday life. Recognizing that failure to deliver these products would greatly inconvenience customers, the Noritz Group strives to ensure that production and shipments proceed on schedule while working closely with its suppliers to manage risks associated with natural disasters and, more recently, the COVID-19 pandemic.

In addition, Noritz and its group companies around the world have acquired ISO 9001 certification, the international standard for quality management, and promote responsible procurement in cooperation with suppliers.

Comprehensive quality assurance

Automating production and manually conducting comprehensive inspections to ensure product safety and dependability for customers

The Noritz Group takes steps to improve quality at the manufacturing stage so that customers can depend on its products for the comfort they bring to everyday life. To make manufacturing more efficient, the Group has adopted robotic process automation in back-office operations, and installed automated conveyor systems to step up automation. It is also improving workplace environments in an effort to make work more rewarding for employees.

While automating production lines with a human touch, the Group assures quality by having employees manually conduct 100% inspections, including inspecting gas leaks at the final stage of production. Through these measures, the Noritz Group is providing safe products that customers can depend on in their everyday lives.



Creating Value through Manufacturing



Sales and services

Offering a full range of reliable support spanning from sales to after-sales services

The Noritz Group has earned the trust of customers through its partnerships with a wide range of sales outlets around the world. It also offers them training programs in and outside Japan to keep their service staff updated about products and equip them with the skills they need for sales, installation, maintenance, and repair work, thereby ensuring a uniform level of service quality. The Group's full range of after-sales services is provided promptly to shorten inconvenient waiting times for customers.

Noritz's Contact Center

Providing prompt, helpful, and courteous customer service 24 hours a day, 365 days a year

Noritz established its Contact Center in Japan to handle customers' concerns and inquiries in a helpful and friendly manner. Available every day of the year, all day and night, the center can promptly respond to customers even during times of emergency. The center strives to improve the quality of its customer service and shorten call waiting times, which has been aided by an AI-based voice assistant. Various departments in the Noritz Group examine and make use of customer feedback collected by the center to make improvements and incorporate the views of customers in product development.

Service staff support app

Helping staff quickly propose replacement models with a chatbot app

In January 2020, Noritz created an official account on the popular LINE app to provide daily support for service staff of product dealers in Japan. The account instantly provides information on suitable replacement models of water heaters after a user inputs the model name of the current water heater on the chat screen or uploads a photo of the product nameplate. This enables service personnel to quickly propose replacement models without keeping customers waiting.

Market shares in Japan
Water heaters

Approx. **40** %

Kitchen appliances*

Approx. **25** %

* gas cookers with at least two burners and built into kitchen units

Calls handled by the Contact Center in 2020

Approximately **1.13** million

The Contact Center receives a wide range of calls from customers, including questions and requests about products, repairs and servicing, product inspections, owner registration, and orders for parts.

Customer support**Providing information on registered products through a free membership website**

For Noritz, it is very important to interact with customers in various ways, such as by notifying them of upcoming product inspections and readily responding to their inquiries. To facilitate such interaction, Noritz launched a free membership website in 2018 for customers in Japan, providing users with information on how to use products safely and comfortably based on the products they register.

Please refer to the Japanese website for details
https://mypage.noritz.co.jp/member_web/auth/

Sales activities during the COVID-19 pandemic**Facilitating and promoting remote sales globally**

The Noritz Group places importance on meeting with customers directly, as those opportunities allow sales staff to explain the safe and dependable features of its products, and convince customers to choose those products. In 2020, however, the Group deployed various remote sales methods as face-to-face sales became difficult due to the worldwide COVID-19 pandemic. In Japan, unstaffed booths were set up in display areas to provide product information via videos and touch panel displays. In other countries, the Group promoted sales over the internet and provided online product installation training.

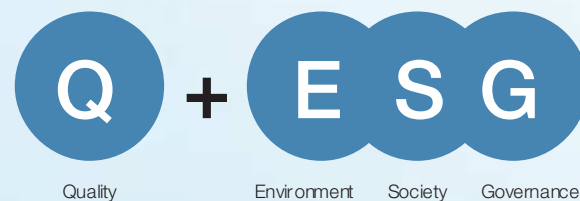


Sustainability

Aiming to maintain customer loyalty

Throughout its 70-year history, the Noritz Group has continued to provide customers with safe and reliable products that make their lives more enriching and comfortable. To ensure that customers continue choosing Noritz products, the Group is working to create value by pursuing environmental, social, and corporate governance (ESG) initiatives while placing the highest importance on quality. At the same time, the Group is aiming to provide new value by contributing to the accomplishment of four of the United Nations' Sustainable Development Goals through its most relevant business activities: Goal 9 ("Industry, Innovation and Infrastructure"), Goal 12 ("Responsible Consumption and Production"), Goal 13 ("Climate Action"), and Goal 17 ("Partnership for the Goals").

Basis for creating comfort for customers



Long-term social and environmental vision towards 2030

Fulfill our responsibility to the global environment



The Noritz Group will strive to help solve environmental issues by actively developing and providing high-quality products that save energy and conserve resources.

Aim to grow with our partners



The Noritz Group will collaborate with business partners to help solve issues facing society and promote sustainable growth together.

Consider the future with our customers



The Noritz Group will engage with customers to envision ways to make their lives more comfortable in the future through innovations.

Material issues

Important goals to achieve by 2023 as part of the Long-Term Social and Environmental Vision towards 2030

Noritz specified its material issues in 2015 and periodically revises them in consideration of changing trends in society and its business environment. In tandem with its revision in 2020, Noritz created a long-term social and environmental vision extending up to 2030, and a new medium-term management plan spanning from 2021 to 2023. As a framework for accomplishing its objectives by 2030, Noritz set 21 goals for 10 categories of materiality issues grouped under quality, the environment, society, and corporate governance. In each of these areas, the Noritz Group will pursue strategic initiatives that integrate societal and environmental issues with its business activities to achieve the goals by 2023.

Quality



Product safety and reliability

Eliminate product accidents

Minimize downtime in production

Global technological applications

Bolster global competitiveness

R&D

Maximize returns on investment in R&D

More information on pages 27 and 28

Environment



Initiatives against climate change

Reduce CO₂ emissions from operations and products

Develop environmentally friendly products

Promote and market environmentally friendly products

Resource recycling

Promote the Company's water heater recycling business

Reduce waste through recycling

Optimize logistics

More information on pages 29 to 32

Society



Supply chain management

Promote socially responsible procurement

Development and promotion of products that solve social issues

Cultivate new applications

Revitalize existing technologies

Promote products that benefit people's lives

Employee engagement

Manage corporate culture through change

Educate employees about innovation

Promote quality and ESG initiatives in-house

Improve workplace conditions

More information on pages 33 to 36

Governance



Compliance

Raise awareness of compliance among employees

Risk management

Enhance risk management

Ensure a stable supply of products

More information on pages 37 and 38

Sustainability

Sustainability Quality

Ensuring product safety and dependability

Placing the highest priority on quality, the Noritz Group strives to provide products and services that are a step ahead of the competition. In its business activities, the Group incorporates feedback from customers while paying close attention to raise the quality of its products and services.

The Group's products burn gas, so even a small defect could potentially lead to a serious accident.

For that reason, the Group always puts quality first to ensure that customers can use its products safely every day.



Ensuring safety and reliability for users—measures for eliminating product accidents

Carrying out product safety inspections and promoting early replacement to prevent accidents caused by deterioration over time

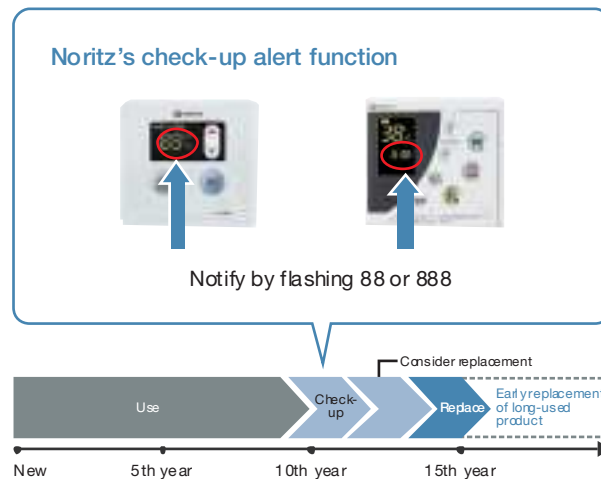
Water heaters equipped with inspection alert functions

Aiming to prevent serious accidents involving aging water heaters, Noritz equips its products with an alert function to notify users that an inspection is needed. The number “88” or “888” will be displayed on the product's remote controller if the period or number of times that the heater has been used exceeds its specified service life.

The inspections are effective in preventing sudden malfunction of products, enabling continued use of our product with greatly reduced possibility of a malfunction, as well as providing opportunities for customers to consider purchasing a new, more convenient or economical replacement.

More details are available on the following website (Japanese-language only):

<https://www.noritz.co.jp/info/houtei/tenken.html>



Detailed product evaluations from the standpoint of consumers

While Noritz designs its products to be easily used by anyone, it also has products evaluated by consumers, including senior citizens, prior to their release in order to eliminate potential accidents caused by improper handling or usage. Products can only be released after passing these evaluations.

The Company's department in charge of the evaluations pays close attention to product safety and reliability during usage from the user's perspective, and creates a wide range of usage scenarios, including usage by senior citizens. In these ways, the department identifies problems and risks that are difficult to detect at the development and design stages, and

makes improvements accordingly.

Noritz also has another department that specializes in improving product design. It has prototypes assessed by third-party organizations at the design stage.

Through this framework, the Company is improving product quality while ensuring their safety, reliability, and user-friendliness.



Ensuring safety and reliability for users—measures for eliminating downtime

Improving product maintenance by remotely monitoring equipment with IoT devices to enable immediate repair work when products break down

In the past, commercial facility operators have experienced system failures because they did not immediately notice error messages displayed on remote controllers when commercial water heaters broke down. Now, however, the Noritz Group can monitor equipment 24 hours a day using IoT devices that detect system errors and automatically provide information about the breakdown. In Japan, that information is sent to Noritz's Contact Center, and in other countries, the error information is sent to smartphones or terminals. This enables repair workers to respond quickly and minimizes operational downtime caused by water heater malfunctions.



Deploying technologies globally—enhancing international competitiveness

Leveraging Noritz's manufacturing capabilities and applying Japanese technologies globally

With a view to enhance its international competitiveness, Noritz newly established its Products Headquarters to centralize manufacturing operations, specifically in four divisions involved in manufacturing in Japan (R&D, raw materials procurement, production, and quality assurance). This framework is intended to speed up decision-making with the Global Headquarters. The Company is aiming to expand its international operations by leveraging its technologies in Japan and strengthening joint development and collaboration with its group companies around the world.



Technical development—maximizing development efficiency

Aiming for even better quality assurance by developing modular components and using automation to prevent human error

To make products tailored to each market the Noritz Group operates in, assembly workers carefully assemble each Noritz product by hand. With the goal of even higher quality assurance, the Group has been introducing automation and developing modular components to ensure consistent quality regardless of which workers assemble the products.



Employee message | Our approach to quality

Our water heaters can break down or cause an accident if they are worn out from usage beyond their specified service life, so to prevent that from happening and maintaining a safe and secure hot water supply for our customers, we inspect and diagnose our products to verify their safety.

We also have consumers evaluate our products periodically to confirm that anyone can operate the remote controllers and equipment, and to assess the ease of installation. Since our products are used by people on a daily basis, we are striving to further improve the safety and quality of products to eliminate serious accidents. Our goal is to ensure product quality that satisfies and impresses our customers.

Keriji Mizuta
Corporate Social Responsibility
Head



Sustainability

Sustainability

Environment

A clean Earth for future generations

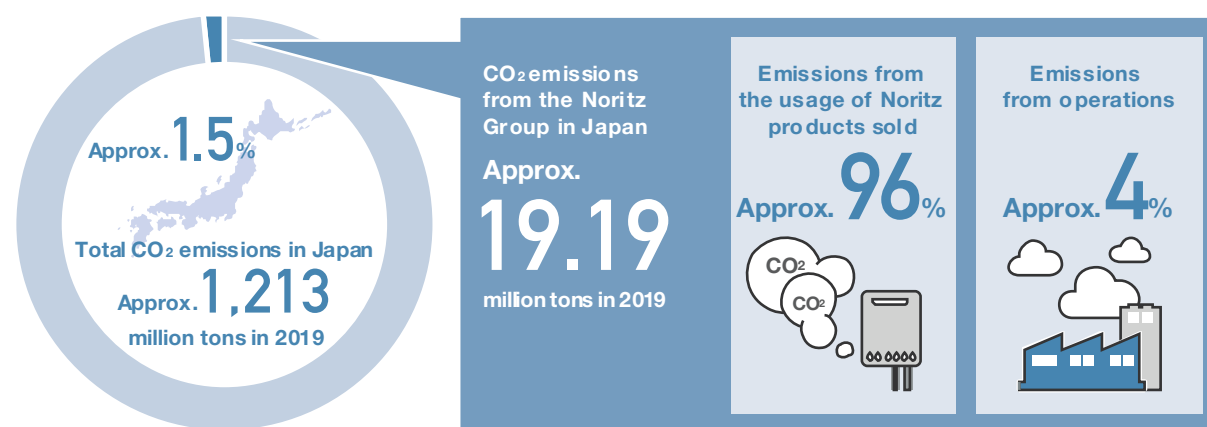
The Noritz Group has a mission to provide “The Simple Comforts of Life” through its products. For us, that also means supplying products that are friendly to the global environment and greatly satisfy and impress customers.

The Group is keenly aware of its responsibility to help protect the global environment and reduce CO₂ emissions since it manufactures and sells water heaters and kitchen ranges that emit CO₂.

Under the slogan, “A clean Earth for future generations,” the Group has established an environmental management system and is carrying out proactive initiatives for protecting the global environment.



Annual CO₂ emissions from the Noritz Group's products (at the usage stage) and operations in Japan account for about 1.5% of the country's total CO₂ emissions. Therefore, the Group recognizes that reducing emissions to help curb climate change is an extremely important task.



*1 Preliminary data of Japan's greenhouse gas emissions for 2019, Greenhouse Gas Inventory Office, National Institute for Environmental Studies

In 2019, the Noritz Group emitted a total of about 19.19 million tons of CO₂ in Japan from the usage of its products and its domestic operations. That amount represents about 1.5% of total CO₂ emissions in Japan in the same year.

For companies that manufacture and sell greenhouse gas emitting products, it is essential to contribute to curb climate change. Positioning this as an important task for its management, Noritz regards increasingly strict environmental regulations as opportunities and recognizes its responsibility to carry out relevant initiatives through its value chain.

Fighting climate change—reducing CO₂ emissions

Strengthening initiatives for saving energy and resources through products and operations

The world has been stepping up efforts to tackle environmental problems, as indicated by the United Nations call for carbon neutrality by 2050. Noritz has also accelerated its past initiatives, setting medium-term environmental targets and renewing its commitment to Japan's Eco First program. It has also endorsed the Task Force on Climate-related Financial Disclosures (TCFD) and the RE100 global initiative.

As the first company in the gas and oil equipment industry to join RE100, Noritz has committed to 100% renewable energy by 2050, meaning that all companies of the Group must match 100% of the electricity used in global operations with electricity produced from renewable sources.

In addition, Noritz is periodically assessed by the CDP (formerly the Carbon Disclosure Project), and received a score of B in 2020.



Fighting climate change—reducing CO₂ emissions Promoting resource recycling—reducing waste matter

Targets for 2030 under the social and environmental vision

Building a low carbon society through products

15% reduction of CO₂ emissions from product usage by 2030 compared with the 2018 level



Building a low-carbon society through business activities

30% reduction of CO₂ emissions from operations in Japan by 2030 compared with the 2018 level



Building a resource-recycling society through products and business activities

20% reduction of waste matter generated from operations in Japan by 2030 compared with the 2018 level



The Noritz Group is working to reduce emissions of CO₂, a major cause of global warming, not only at the product usage stage but also from its factories located in Japan. Those factories are also carrying out ongoing initiatives for saving energy, reducing waste matter, facilitating recycling, and preventing environmental pollution.

Also in logistics, the Group is improving transport efficiency as a means to reduce CO₂ emissions.

Employee message Environmental initiatives are a company's responsibility, and environmental considerations can lead to cost reduction

As a member of the Noritz Group, Sinwa Industry has been carrying out a workplace energy saving project year round. Backed by Noritz's deep commitment to environmental initiatives and the UN's Sustainable Development Goals, we have become even more aware of our responsibility to environmental conservation.

Under our company policy, we have been incorporating environmental considerations into cost reduction measures. By quantifying the results of reductions as costs in familiar monetary terms, we are monitoring the degree of our environmental contribution, which had been difficult to measure clearly.

To raise environmental awareness among employees, we have taken steps to get them involved by suggesting environmental tips for the home and having them vote for their favorite energy-saving products.

In the future, we plan to further improve operations and install new equipment to save energy in our workplaces.



Sustainability

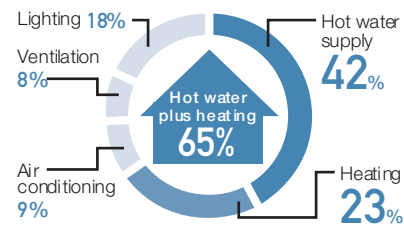
Sustainability

Environment

Fighting climate change—developing environmentally friendly products

In Japan, the supply of hot water and heating accounts for about 65% of energy consumed by residences. Therefore, Noritz has been focusing on developing next-generation products that comply with the country's net zero energy house initiative spearheaded by the Ministry of Economy, Trade and Industry.

Breakdown of home energy consumption in Japan^{*1}



^{*1} Data was compiled by the Building Research Institute in cooperation with the Ministry of Land, Infrastructure, Transport and Tourism's National Institute of Land and Infrastructure Management through a program for measuring the energy consumption of buildings in Japan.

About 65% of energy consumed by residences in Japan is for supplying hot water and heating. It is possible to greatly reduce home energy consumption, however, while maintaining the same supply by improving the energy-saving performance of hot water and space heaters.

The Japanese government has set the target of making all newly constructed residences compliant with its net zero energy house requirements by 2020. Accordingly, Noritz has been developing compliant hybrid water supply and heating systems.

Noritz is also collaborating with other companies to jointly develop a household fuel cell cogeneration system that produces electricity from gas and heats water using the heat from the electricity generation. Leveraging its technological capabilities, the Company is supplying hot-water storage units and auxiliary heat source equipment.

Aiming to promote these compliant products and highly efficient gas water heaters for baths, the Company is expanding its lineup of products designed for Japan's housing market. In an effort to reduce CO₂ emissions, Noritz will continue developing products for today's needs in the changing energy market.

Hybrid water supply and heating systems with the industry's best environmental performance

Improved efficiency over conventional gas water heaters

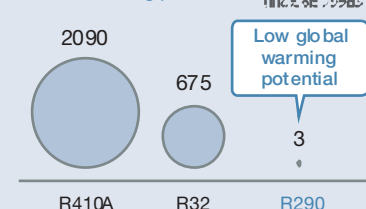
Approx. 145%^{*2}



^{*2} Based on a Noritz study using residential building assessment standards in six regions of Japan issued by the Institute for Building Environment and Energy Conservation.

Adopting R290 as an eco-friendly alternative to fluorocarbon refrigerants

Global warming potential

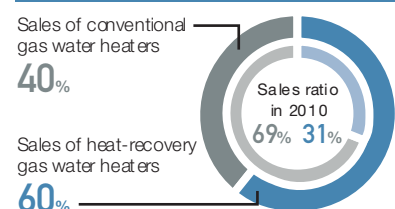


Recognizing the need for refrigerant substitutes to replace fluorocarbons, which contribute to ozone depletion, Noritz adopted propane (R290), an organic compound consisting entirely of hydrogen and carbon, as a refrigerant for the first time in Japan's home appliance industry. R290 is a natural refrigerant and outstanding fluorocarbon substitute due to its extremely low global warming potential (GWP) of 3, which is about 700 times lower than the GWP of 2,090 for R410A, a fluorocarbon substitute commonly used in conventional heat pumps, and 225 times lower than the GWP of 675 for difluoromethane (R32), a refrigerant with a comparatively lower GWP used in air conditioners.

Fighting climate change—marketing environmentally friendly products

Working to increase sales of highly efficient heat-recovery gas water heaters (known as Eco-Jozu in Japan) for baths that consume less energy than conventional models, resulting in lower CO₂ emissions during usage and lower utilities expenses for users.

Sales ratio up 30% over 10 years



Noritz's sales ratio of highly efficient heat-recovery gas water heaters in 2020

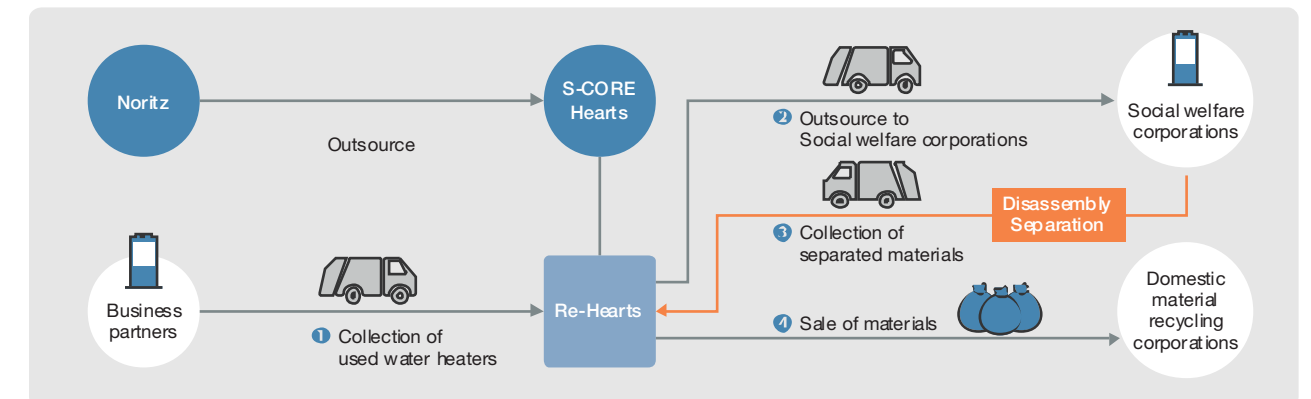
In an effort to help realize a low-carbon society, Noritz has worked hard to establish highly efficient heat-recovery gas water heaters as the de facto standard in the market. As a result, the Company has increased its sales ratio of these products compared to conventional gas water heaters by 30% between 2010 and 2020.

Heat-recovery gas water heaters (known as Eco-Jozu in Japan) help save energy because they can heat up water comparatively more efficiently using a small amount of gas. While conventional models emit high-temperature heat generated when heating up water into the air, heat-recovery models are equipped with advanced technologies that recover the heat and reuse most of it in the water heating process.

Noritz will continue supplying these and other products that lower environment burden in cooperation with its business partners.

Promoting resource recycling—promoting water heater recycling

Meticulously recycling used water heaters in recognition of the scarcity of natural resources Supporting the independence of people with disabilities through jobs in the recycling business



Re-Hearts K.K., a group company of Noritz Group's S-CORE Hearts K.K., operates a water heater recycling business with the goals of recycling resources in Japan while also creating job opportunities for people with disabilities.

The company collects used water heaters from its business partners and outsources the disassembly and separation work to organizations employing people with disabilities, thereby supporting their independence and reducing environmental burdens through resource recycling.



^{*} S-CORE Hearts: a special group company of Noritz
^{*} Re-Hearts: a group company of S-CORE Hearts, engaged in the water heater recycling business

Promoting resource recycling—reducing waste and optimizing logistics

Taking responsibility for the entire product lifecycle, Noritz applies the 3Rs principle of reducing, reusing, and recycling packaging materials to help conserve the global environment.

Noritz has been searching for more environmentally friendly packaging materials for many years. In 1998, it began using fiberboard made from recycled paper for packaging water heaters instead of styrene foam, and in 2000, it switched to shrink wrap materials to reduce packaging materials. Since 2001, the Company has been using returnable packages that can be reused after the materials have been inspected and cleaned.

Cushioning material made from recycled ground barley (Reduce & Recycle)

Jointly with a major beverage maker ITO EN, Ltd., we developed cushioning material for packaging of water heaters, made from Ito En's used and recycled ground barley after production of barley tea beverages. Adoption of the material for packaging of gas water heaters began in 2019. The functions (the desirable rigidity when packaged, and shock absorption property) remain the same as ordinary cushioning material but with about 7% reduction in weight, contributing to more recycling of materials and less environment impact from shipment.



Cushioning material made from used ground barley

Sustainability

Sustainability Society

Providing useful solutions through products and services

Noritz was founded on the belief that quality baths can bring joy to people. The Company continues to apply that approach in its business activities and offer useful solutions to customers through its products and services.

For example, it has developed baths with monitoring functions to help reduce bath-related accidents, which have been on the rise in Japan as its population ages. Noritz also designs kitchen ranges to be simple and convenient to use for working families. In these ways, the Company provides products that people need today, and because its products are used on a daily basis, we will continue updating them in line with societal trends.



Supply chain management—promoting socially responsible procurement

The Noritz Group works closely with all of its suppliers to grow businesses together and solve issues facing their communities.



Suppliers Businesses Communities
Mutually beneficial procurement

As a finished product manufacturer, the Noritz Group works in partnership with all of its suppliers to procure materials in a socially responsible manner that mutually benefits the suppliers, businesses, and communities.

The Group requires suppliers to follow its socially responsible procurement guidelines and monitors their compliance by administering conflict mineral surveys and the United Nations Global Compact self-assessment tool.

Human rights initiatives

For the well-being of all people involved in the Group's business activities

The Noritz Group formulated its Human Rights Policy based on various international human rights standards.* In accordance with this policy, the Noritz Group has established relevant guidelines and systems to ensure that the rights of all stakeholders and others who engage with the Group are respected and secured.

Furthermore, the Group provides human rights training to employees, has put in place internal and external whistleblowing systems, and has set up an organization to monitor matters related to human rights.

* The Universal Declaration of Human Rights, the International Covenants on Human Rights, the ILO Core Labor Standards, the Ten Principles of the United Nations Global Compact, and the United Nations Guiding Principles on Business and Human Rights, etc.

Employing and supporting the independence of people with disabilities

As part of its efforts to promote a corporate culture that values diversity and fulfill its corporate social responsibility, the Noritz Group fosters workplaces that allow employees with disabilities to play an active role.

Noritz's group company S-CORE Hearts K.K. strives to provide stable employment for many people with disabilities by creating jobs in a variety of businesses. It was recognized as a company that empowers people with disabilities by the Japan Association of Employers of Persons with Disabilities in 2017.

S-CORE Hearts established Smile Hearts K.K. in 2015 as a group company providing full-time factory jobs, and outsources used water heater disassembly work to organizations employing people with disabilities as part of its efforts to facilitate recycling.



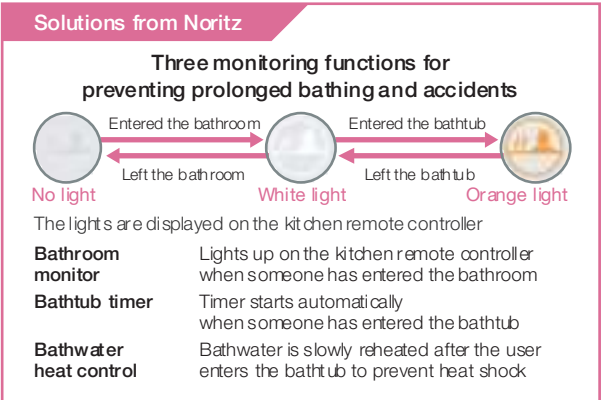
Noritz has joined The Valuable 500, a global initiative promoting disability inclusion

Developing and promoting solutions—marketing products that offer solutions to social issues

Solution for reducing bath-related accidents among the elderly

More bath-related deaths occur than traffic accident fatalities in Japan

● Approx. 19,000 bathing-related deaths in 2013*



The most common cause of bath-related accidents are heat shock response and hot flashes. Heat shock involves a sudden change in blood pressure due to extreme changes in temperature when one moves from a warm room to a cold bathroom and then into a hot bath. A hot flash happens if one's sense of body temperature weakens while in a bath for too long or if the bathwater is too hot. In many cases, people have been found dead from drowning after passing out without anyone realizing it. Bath-related deaths are a serious problem in Japan, as they have been increasing every year and are more numerous than traffic accident deaths.

* Based on research on bathing-related accidents and preventative measures

Responding to the need to eliminate bacteria amid the spread of infectious diseases

99.9% effective in killing bacteria, helping realize hygienic and safety bathing

increasingly becoming aware of the need to eliminate bacteria since the outbreak of COVID-19 in 2020, Noritz has developed next-generation water heaters equipped with UV lighting units that can kill 99.9%* of bacteria in bathwater, allowing users to bathe hygienically with peace of mind.

99.9%
of bacteria eliminated

* 99.9% of bacteria were killed under laboratory conditions according to test results by the Hygiene & Microbiology Research Center (test code 28D-BT-019). The tests measured the number of bacteria in water before and after a UV lighting unit was applied at a flow rate of 9.5 liters per minute.

Helping reduce cooking time for busy working families

Gas cooker designed for easy and convenient cooking of authentic cuisine for everyone

Our accumulated technology and safe, reliable know-how were adopted to develop the Noritz "Multi Grill." In addition to quick and easy cleaning, the bottom-up burner with a temperature sensor accurately detects the temperature of the bottom of the special container and automatically adjusts the flame, depending on the menu (patented). A variety of cooking procedures that could not be done with conventional grills has become possible.



Employee message | In-depth research on bathing for a more comfortable time in the bath

I conduct research on bathing based on physiology and ergonomics, and probably take more baths than any other Noritz employee! I actually take baths and measure various bodily responses when I use a bath, such as body temperature and blood pressure, and study their impact on health. I also examine how to make baths more comfortable and relaxing in my day-to-day research, which is applicable to new product development. Through our bath monitoring functions, in particular, we are very focused on finding ways to reduce bathing accidents, which have been increasing as the population ages. Noritz was founded on the idea that "baths make us happy," and with that in mind, I look forward to doing even more in-depth research on bathing.

Hiroko Koga
Research & Development
Headquarters



Sustainability

Sustainability Society

Fostering flexible, motivated, and creative employees

Recognizing employees as its most important asset, Noritz strives to create a workplace environment that allows all members to realize their maximum potential.

Furthermore, we are organizing teams that can produce human resources who produce excellent results in an effort to realize organizational ambidexterity that can not only increase profits from businesses today but also cultivate new businesses for tomorrow.



Employee engagement—corporate culture reform and employee training for innovation

Fostering an environment that encourages young employees to take on challenges Grooming employees to develop new businesses

Aiming to realize organizational ambidexterity, the Noritz Group is grooming its employees with the skills needed to secure profits from its businesses and develop new businesses. The Group is taking steps to develop personnel who can think independently and produce outstanding results.

Research trial project system

Noritz's Research & Development Division has established a research trial project system, through which employees can propose new projects they want to research and carry them out if their proposals are approved. This allows researchers to look beyond the Company's existing businesses and work towards creating new businesses. They can also accumulate their findings and share ideas on an intranet portal that has been set up to promote innovation.



Next New Noritz Project

The Next New Noritz Project was launched to develop and enhance the skills of core personnel capable of opening new possibilities and driving businesses towards Noritz's 100th anniversary. Employees selected for the project compete to have their ideas for new businesses chosen for adoption by senior managers. Presentations by 16 selected project members were evaluated by the managers and narrowed down for the final round of judging, in which final presentations by six members in three teams will be given to the managers.



Employee engagement—workplace reforms

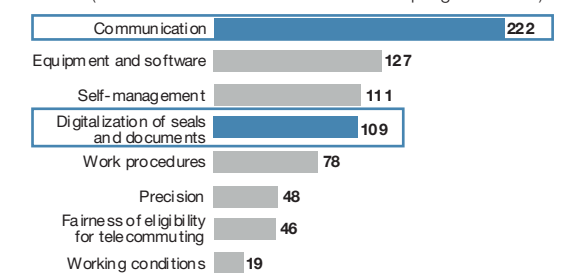
Improving equipment and communication to help employees work safely and comfortably during the pandemic

In response to the outbreak of COVID-19 in Japan and requests by the government for people to stay home, Noritz took steps to implement telecommuting in consideration of the safety of its employees. Specifically, we improved equipment and software needed for telecommuting, introduced electronic signatures to replace traditional Japanese stamps, and shifted to electronic documentation of contracts.

The Company allowed a broad range of employees to work from home, including Headquarters staff and members of sales and R&D divisions.

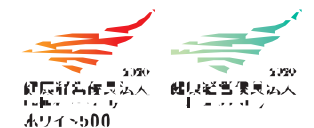
Noritz also conducted an employee survey concerning the COVID-19 situation, and found that with respect to telecommuting, employees felt that communication, in particular, needed to be improved. In response, the labor union led an initiative to have expenses for online gatherings subsidized.

Q. What are the points that need improvement regarding telecommuting and the challenges for effective implementation?
(More than one answer was allowed / top eight answers)



Occupational health and job satisfaction

Fostering a workplace environment that allows diverse employees to pursue long, healthy careers and maximize their potential



Noritz Pledge on Health and Wellness

We promote health-oriented management so that employees can perform their best in good health and wellness to create value and make sustainable growth.

- Together with our health insurance association and labor union, we give unified support so that each employee is mindful of getting healthy and maintaining and improving health.
- We strive for corporate culture reform and establish programs and the environment so that individual employees can actualize their optimum workstyle, that leads to their fuller work/private life and productivity improvement.
- We deliver "The Simple Comforts of Life," as stated in our Mission Statement.

For Noritz, the well-being of all employees is essential for fulfilling its mission of providing customers with "The Simple Comforts of Life" through its products, and the health of employees is the source of their collective strength. From that standpoint, the Company created the Noritz Pledge on Health and Wellness, and carries out initiatives aimed at enabling every employee to realize their maximum potential.

In cooperation with health insurance associations and labor unions, Noritz organizes comprehensive health checks for its employees, provides health management advice in specific cases, and offers support to employees who wish to quit smoking. As a means to raise awareness of personal health and help prevent work-related diseases, the Company provides a simple daily physical exercise program that was designed by physiotherapists based on conditions in its workplaces.



Employee message | The research trial project system gave us a chance to change Noritz

We felt that the research trial project system would give us a chance to change Noritz, so we applied to join. The Company has provided many ways for employees to propose ideas in the past, but this system is very different as it gives us time to focus on working towards our goals and realizing our ideas while on the job.

Management is providing support, including funds, and seems to have high expectations for us. To meet those expectations, we are working diligently to turn our project into a feasible business.

Yoshiki Hironaka
Research & Development
Headquarters



Isao Kondo
Research & Development
Headquarters



Sustainability

Sustainability Governance

Highly transparent and sound corporate management

Noritz's management regards impartiality and fairness as basic principles of decision-making, and works to ensure transparent information disclosure with a view to build public trust, which it greatly values. Recognizing the utmost importance of maintaining sound corporate governance, management strives to make decisions promptly and with the best possible judgment, and takes steps to improve the Company's soundness and transparency while dealing with changes in its operating environment.



Improving the independence and objectivity of the Board of Directors and strengthening the framework for corporate governance

■ Composition of the Nominating Advisory Committee and the Remuneration Advisory Committee

Chairman



External directors



External experts



Internal directors

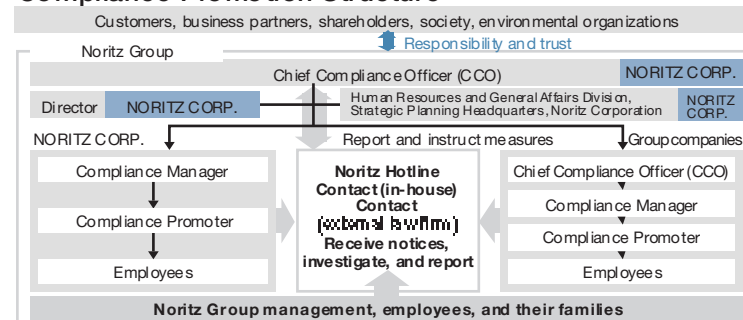
As part of its corporate governance framework, Noritz has established an Audit & Supervisory Committee. The Company's Board of directors is made up of nine members, three (or one-third) of whom are outside directors (one of whom is female). The Company has also established a Nominating Advisory Committee and Remuneration Advisory Committee as advisory bodies to the Board of Directors, for the purpose of strengthening the independence and objectivity of the Board of Directors and of enhancing the corporate governance framework.

In 2020, the Nominating Advisory Committee deliberated on the appointment of a new president and candidates for outside directors that would also serve on the Audit & Supervisory Committee. In addition, the Remuneration Advisory Committee conducted a review of the officer remuneration system.

Compliance—raising awareness of compliance among employees

The Noritz Group shares expectations for proper standards of behavior through its Code of Ethics with the goal of raising awareness of compliance group-wide.

Compliance Promotion Structure



For Noritz, compliance means observing all standards of corporate ethical behavior, including laws and regulations, the Company's articles of incorporation and internal rules, as well as social norms. On that basis, the Company has established the Noritz Group Code of Ethics and is taking steps to ensure it is closely followed by all members of the Group.

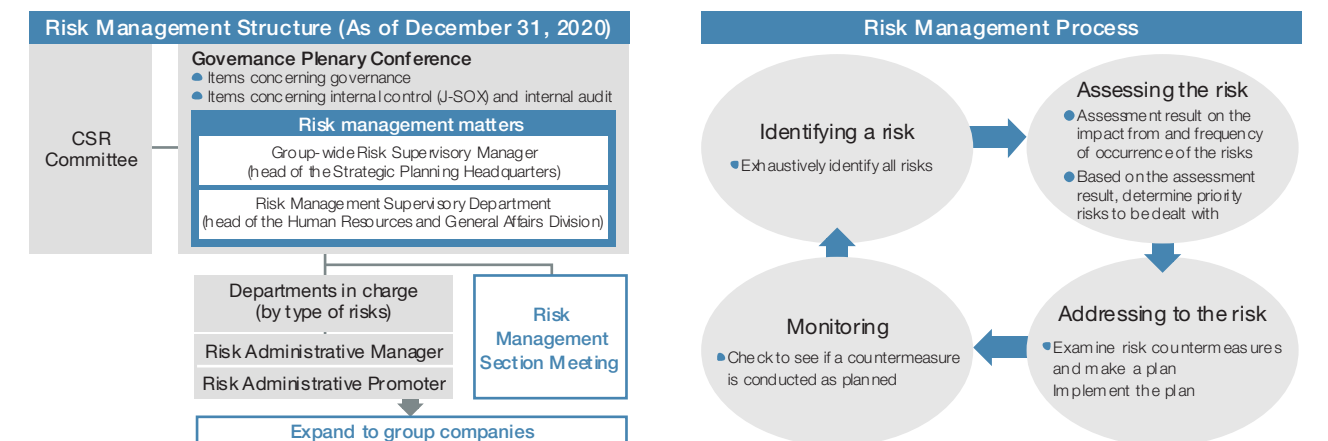
With the aim of prevention and early detection of compliance violations, and of exposing and solving compliance issues, Noritz has established a Noritz Hotline, a whistle-blowing system which group directors, officers, employees, and their family members can use.

Risk management—ensuring a stable product supply while enhancing risk management

Stepping up risk management amid the impact of the COVID-19 pandemic Bolstering systems for handling supply chain risks

Risk management issues have been discussed in the Governance Conference and its results have been discussed by the CSR Committee. Aimed at conducting continuous risk management, we have followed a PDCA cycle, which has also been deployed at our domestic group companies.

In the future, the Company will quantify risks as a means to clarify their order of priority, and establish a framework for improving risk management.



■ Specifying and managing risks

Hazard risks	<ul style="list-style-type: none"> Natural disasters Accidents and breakdowns Pandemics Supply chains
Operational risks	<ul style="list-style-type: none"> Products and services (quality) Production facility troubles Fault in implementation and services IT and information security Legal and ethical matters (prevention of corruption) Intellectual properties Labor affairs Social reputational damage by SNS, etc. Accidents, etc. of the management Environmental hazardous substance Aging of buildings and facilities Financial and accounting
Strategic risks	<ul style="list-style-type: none"> Investment Organization IR Response to climate change Production technology innovation Surge in material costs Markets and marketing Economic conditions, including foreign exchange fluctuation Fluctuation in prices of investable securities

■ Preventing the spread of COVID-19 infections

In late January 2020, Noritz set up an emergency response headquarters and began taking measures for preventing the spread of COVID-19 infections among employees.

Noritz has been providing masks and disinfectant to employees, including those of group companies and enforcing hand-washing and gargling as basic preventative measures. The Company has prohibited business travel and responded to situations in other countries of the world where it conducts business. The Company has also installed IT-related equipment and software for holding online meetings and working from home, and implemented telecommuting on a company-wide basis in April 2020. Looking ahead, Noritz will continue taking steps to ensure employee safety and business continuity.

Employee message | Raising awareness of compliance

Recognizing the demands and expectations of the public, the Legal Affairs Department plays an important role in preventing compliance violations, which could reduce the Company's standing in society. To maintain interest among employees, we distribute puzzles and materials featuring examples of small compliance-related incidents that happen regularly. We have also issued the Noritz Group Code of Ethics and are widely promoting it to raise awareness among all members of the Group. I hope we can help foster a corporate culture and workplaces in which everyone can work comfortably while being fully aware of compliance, and the risk of violations is low.

Maiko Kai
General Administration & Legal Section



Financial and Non-Financial Results, and Company Overview

Highlights of financial results

Financial Highlights



Masayuki Takenaka

Director, Chief Financial Officer
and Managing Executive Officer



Message from the CFO

We are shifting to a high earning structure while strengthening the sustainability of our businesses.

Basic strategies and initiatives in fiscal 2020

Working to bolster profitability through structural reforms

Fiscal 2020, ended December 31, 2020, was the final year of our medium-term management plan, but we changed our direction by initiating structural reforms aimed at bolstering profitability. In Japan, the Company sold off its unprofitable kitchen and bath unit business, and offered a voluntary early retirement package to employees for the purpose of reducing fixed costs. In China, the Company's main country of operations outside Japan, we also carried out structural reforms to reduce fixed costs.

The one-time expenses for these structural reforms resulted in an extraordinary loss of ¥9,186 million in fiscal 2020. Consequently, Noritz posted a net loss attributable to shareholders of parent company amounting to ¥3,013 million. Nevertheless, we were able to significantly lower the breakeven point of sales and put in place a solid financial base for generating high earnings in the future.

Financial strategies under the new medium-term management plan

Aiming to improve capital efficiency and increase earning power in each business

As CFO, I place particular importance on raising capital efficiency in our financial strategies. We use return on equity (ROE) as an indicator of capital efficiency, and while there are several ways to improve ROE, I give first priority to increasing profits. Accordingly, I have been emphasizing the importance of strengthening the ability to earn in each business and increasing profitability.

Under our new medium-term management plan launched in fiscal 2021, we are aiming to generate stable profits now that the Group's operations have been strengthened through the structural reforms we implemented in 2020. We will continue working to reduce variable costs and optimize operations that incur fixed costs in order to steadily increase profits going forward. With respect to capital efficiency, we are targeting ROE of at least 5%.

In Japan, the market as a whole is projected to shrink due to the country's aging population. Under those circumstances, Noritz is focusing on marketing high-added-value products, adopting a business model designed to promote replacement sales through product inspections, and expanding product offerings to non-residential buildings. Through these strategies, we are shifting to an earnings structure that can generate profits even if sales do not increase.

The Company's growth will be driven by its operations outside Japan, and environmental issues around the world will offer opportunities for business expansion. In China, our main market overseas, more households than ever before are expected to be supplied with gas, so we will shift to sales channels that can respond to this market trend and promptly release suitable products. In North America, market demand for tankless (instantaneous) water heaters is projected to grow, so Noritz will work to increase earnings by stepping up collaboration with its group companies; Noritz America Corporation, PB Heat, and Facilities Resource Group. We are also planning to expand business by entering markets in Southeast Asia, which are projected to grow substantially in the future.

Over the three years of our new medium-term management plan, we expect capital investment to be about the same amount as the previous medium-term management plan. In order to change our business model, however, our investment policy going forward will place importance on the Group's digital transformation, which will involve digitalizing operations and further enhancing the digital features of products and services.

Financial measures and growth strategies against COVID-19

A stable financial base to overcome COVID-19

Securing enough cash liquidity on hand is important to prepare for the prolonged impact of the COVID-19 pandemic. I am happy to report that the Company possesses sufficient cash on hand and its financial base is both sound and stable. Moreover, our businesses are backed by steady product replacement demand, so as long as we can effectively capture that demand, I believe that a cash shortage is highly unlikely, even during the pandemic.

At some point, however, the Company might pursue a large investment in a merger or acquisition in accordance with its strategy for future growth. In that case, we would consider raising the

required capital not only by using the Company's cash and equivalents but also by newly procuring funds from external sources. Based on the policy in our new medium-term management plan, the Company may flexibly procure funds while paying close attention to its cash position and financial soundness, which includes maintaining a minimum credit rating of A and a capital adequacy ratio of at least 50%.

Shareholder return policy

Committed to stable and continuous shareholder return

Returning profits to shareholders is a priority matter for the Company's management. Since fiscal 2018, we have returned profits while targeting a payout ratio of 50%, which includes the total amount of stock repurchases. In fiscal 2020, Noritz posted a net loss attributable to shareholders of parent company; however, with a view to continue paying a stable dividend, management decided to maintain the previous year's annual dividend amount of ¥32 per share along with an additional ¥3 per share to commemorate the Company's 70th anniversary, bringing the total annual dividend to ¥35 per share.

Under our new medium-term management plan, we have revised our shareholder return policy by linking stable dividends to financial performance. Over the three years of the plan from fiscal 2021, management will set the dividend amount based on either a consolidated dividend payout ratio of at least 50%, or a dividend on equity ratio of at least 2%, whichever is higher. The Company will also flexibly consider repurchasing its own shares. Finally, we plan to retire treasury stock to reduce it from the current level of approximately 10% of total shares issued to about 5% by 2023.

Financial and Non-Financial Results, and Company Overview

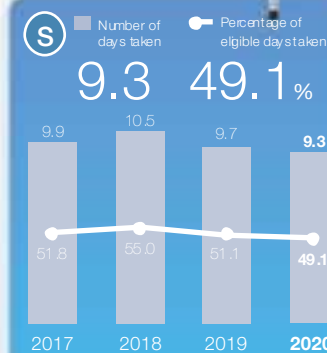
Non-financial Highlights

Highlights of non-financial results

CO₂ emissions from product usage (group-wide)



Average days and percentage of paid holidays taken by employees (Noritz Corporation)



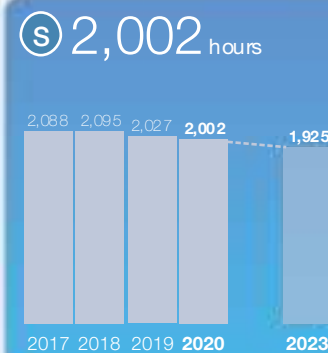
Number of employees with disabilities (group-wide) (Notes 4)



CO₂ emissions from business operations (group-wide) (Note 1)



Average annual hours worked per employee (Noritz Corporation) (Note 2)



Ratio of employees with disabilities (group-wide) (Notes 4)



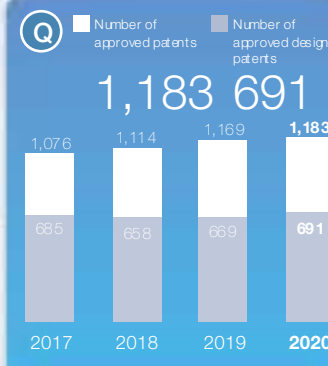
Percentage of fully automated water heaters equipped with bacteria-killing functions



Ratio of female managers (Noritz Corporation) (Notes 3)



Number of patents and design patents



Notes: 1. Emissions in 2017 are based on calculation methods used by the Eco First program of Japan's Ministry of Environment. Emission figures since 2018 have been verified by a third party organization, and the 2020 result is currently being verified by a third party organization. 2. Calculations are based on the average number of employees of Noritz Corporation. 3. Figures are based on executive management positions until 2019, and all management positions from 2020. 4. Figures are as of June 30 for each year.

Company Overview

Company Details (as of December 31, 2020)

Name	Noritz Corporation
Founded	March 1951
Headquarters Address	Eiko Building, 93 Edo-machi, Chuo-ku, Kobe, Hyogo, Japan
Paid-in Capital	¥20,167 million
President and CEO	Satoshi Haramaki
Number of Employees	2,225 (6,995 including group companies)

Board of Directors (as of December 31, 2020)

Chairman	Soldhiro Kokui
President and CEO	Satoshi Haramaki
Director and senior managing executive officer	Masamine Hirosawa
Director and managing executive officer	Masayuki Takenaka
Director and managing executive officer	Kazushi Hirooka
Outside director	Hideaki Takahashi
Director and full-time member of the Audit & Supervisory Committee	Tsuyoshi Ayabe
Outside director and member of the Audit & Supervisory Committee	Yasuhiko Ogawa
Outside director and member of the Audit & Supervisory Committee	Yasuko Masaki

Please refer to Noritz's global website for the most up-to-date information about the Company's management team.
<https://www.noritzglobal.com/en/company/executive.html>

About this Report

Scope of contents

Period covered by this report	January 1 to December 31, 2020
Companies covered by this report	Noritz Corporation and its group companies worldwide
Guidelines used for compiling this report	II RC International Integrated Reporting Framework, United Nations Sustainable Development Goals, ISO 26000 International Standards, GRI Sustainability Reporting Guideline, SASB Standards, United Nations Global Compact Principles, Charter of Corporate Behavior issued by the Japan Business Federation, and Guidance for Collaborative Value Creation issued by Japan's Ministry of Economy, Trade and Industry
Previously published report	The previous version of this report was published in July 2020 (following the publication of the original Japanese version in April 2020)
Next scheduled publication	Noritz plans to publish its next annual report in English in June 2022 (following the scheduled publication of the original Japanese version in May 2022)

Message from the report production team

This report is the seventh annual report published by Noritz Corporation since its initial report in 2015. The report has been compiled as source of information for the Noritz Group's many stakeholders about consolidated financial results and targets as well as the Group's approach to creating value. Additional information is also available on Noritz's global website.

Disclaimer

This report contains statements regarding plans, strategies, and other activities of Noritz Corporation or the Noritz Group. Those statements that are not historical facts as of March 31, 2021, are forward-looking statements, and, therefore, are subject to risks and uncertainties. Future outcomes and financial results may differ greatly from those forward-looking statements due to various factors.

Noritz's Websites

Global website

<https://www.noritzglobal.com/en/html>

The Noritz Group's global website features a wide range of information about products and services, group companies, financial results, and CSR-related activities.

Scan here with your smartphone



Sustainability

<https://www.noritzglobal.com/en/csr.html>

The "CSR Activities" section of the global website provides detailed information about quality and environmental, social, and corporate governance (ESG) initiatives carried out each year by the Group.

Scan here with your smartphone



Official social media accounts

Facebook



Instagram



Youtube



Members' webpage

https://mypage.noritz.co.jp/member_web/auth

A free-to-join members' webpage offering information about sales campaigns in Japan (Japanese-language only)

Scan here with your smartphone



Online shopping portal

<https://days.noritz.co.jp/>

Noritz's official online shopping and media services portal in Japan (Japanese-language only)

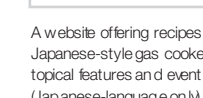
Scan here with your smartphone



Recipe and cooking website

<https://www.mainichigribu.com/>

A website offering recipes for cooking with Japanese-style gas cookers as well as topical features and event news in Japan (Japanese-language only)



Bath-related stories

<https://ofurubu.com/>

A media portal featuring selected essays by writers who love bathing (Japanese-language only)

