

Financial Results for First Three Quarters of Fiscal 2025, ending March 31, 2025

February 12, 2025

Rinnai Corporation

Rinnai

Disclaimer

Forecasts, projections, strategies, and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions that the Company believes are reasonable. Actual results may differ materially from these statements due to various risks and uncertainties. This material is for informational purposes only and is not intended as a solicitation to trade.

Results of First Three Quarters of Fiscal 2024

Fiscal 2025 (First Three Quarters): Consolidated Performance Overview

- Maintained momentum from first half of the year to post record-high results despite varying performances in major countries

Net sales: ¥332.3 billion (up 7.1% year on year)

Record-high level

Record-high net sales thanks to continued normalization of business conditions despite stagnant consumer spending due to inflation

Operating income: ¥35.0 billion (up 37.6% year on year; Operating income to net sales ratio: 10.5%)

Record-high level

Record-high operating income owing to cost reduction efforts despite rising raw material and energy costs

Ordinary income: ¥38.8 billion (up 27.5% year on year; Ordinary income to net sales ratio: 11.7%)

Record-high level

Benefited from interest income and forex gain

Net income attributable to owners of the parent company: ¥22.8 billion

Record-high level

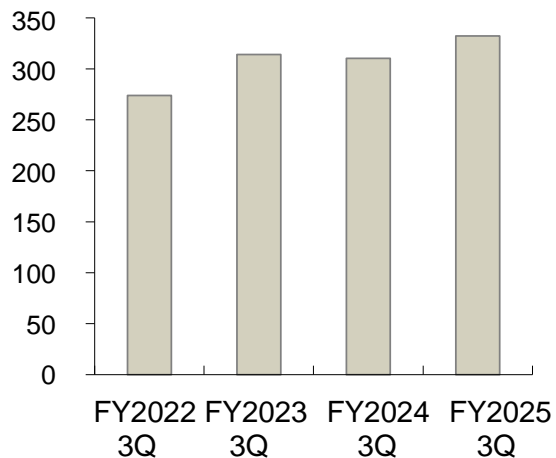
(up 31.7% year on year; Net income to net sales ratio: 6.9%)

Fiscal 2025 (First Three Quarters): Consolidated Financial Results

- Growth of high-value-added products and exchange rate effects led to record-high net sales despite sluggish consumer spending in various countries
- Profit margins have returned to previous levels owing to normalization of business conditions

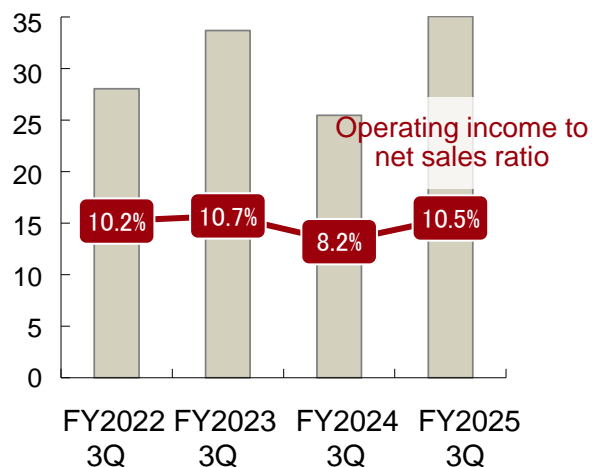
Net Sales

[Billions of Yen]



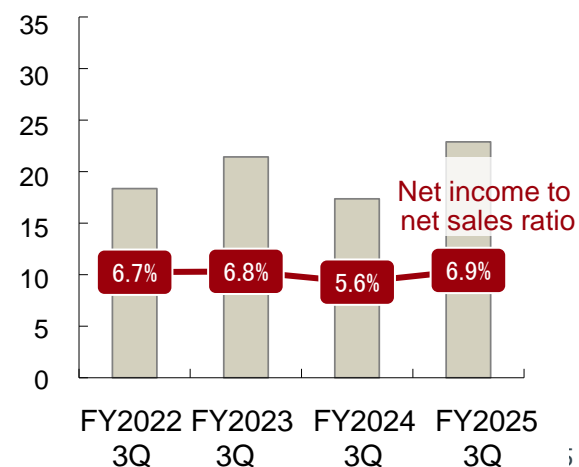
Operating Income

[Billions of Yen]



Attributable to owners of the parent company Net Income

[Billions of Yen]



Fiscal 2025 (First Three Quarters): Net Sales by Product

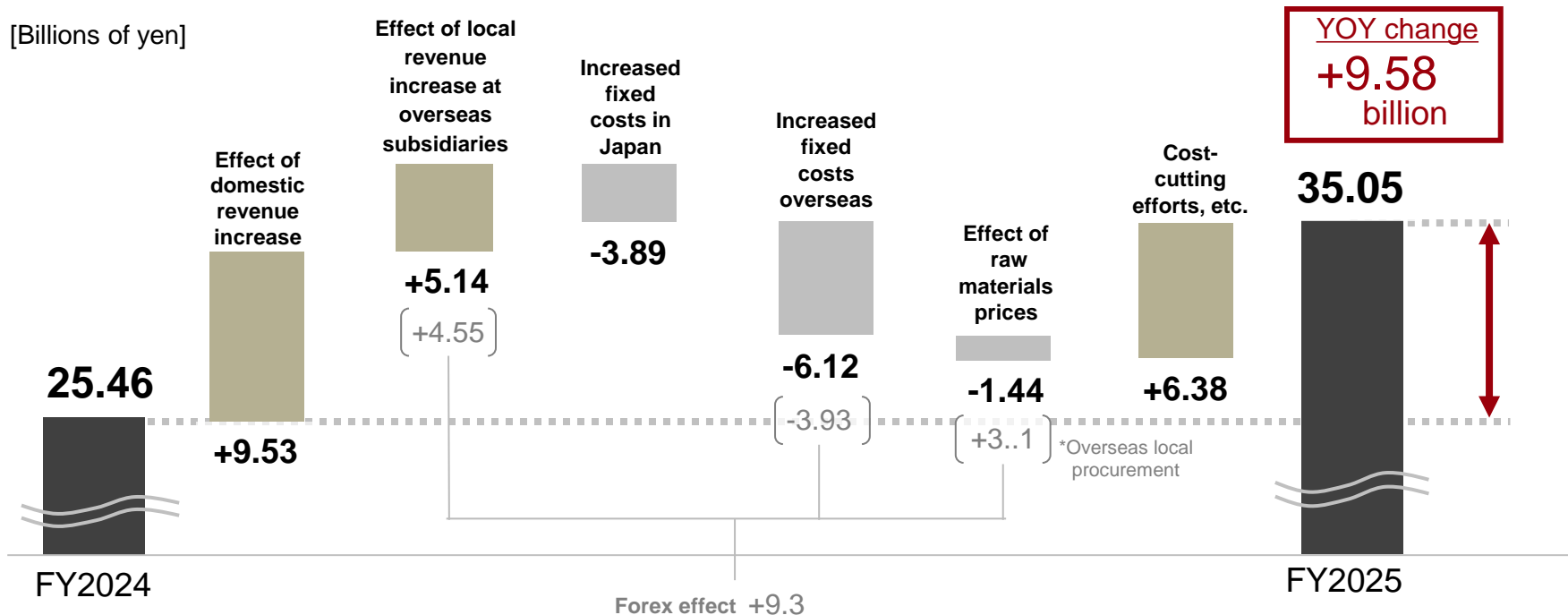
	Fiscal 2024 3Q		Fiscal 2024 3Q		YOY Change	
	Amount	% of total	Amount	% of total	Amount	(%)
Water heaters	185.11	59.7%	196.50	59.1%	+11.38	+6.2%
Kitchen appliances	68.53	22.1%	72.83	21.9%	+4.30	+6.3%
Air conditioning appliances	16.69	5.4%	16.58	5.0%	-0.11	-0.7%
Commercial-use equipment	8.23	2.7%	8.63	2.6%	+0.39	+4.8%
Others	31.57	10.2%	37.76	11.4%	+6.19	+19.6%
Total	310.16	100.0%	332.31	100.0%	+22.15	+7.1%

Fiscal 2025 (First Three Quarters): Consolidated Sales/Income Results

[Billions of yen]	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin	YOY Change
Consolidated	332.31	+7.1%	35.05	+37.6%	10.5%	+2.3pt
[Billions of yen]	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin	YOY Change
Japan	151.22	+5.9%	18.87	+56.0%	12.5%	+4.0pt
United States	47.73	+14.7%	1.04	-	2.2%	+6.8pt
Australia	26.12	+15.2%	1.03	-11.2%	4.0%	-1.2pt
China	44.84	-4.3%	6.15	-26.4%	13.7%	-4.1pt
South Korea	24.74	+12.6%	0.61	-	2.5%	+3.0pt
Indonesia	13.04	+8.8%	2.97	+38.9%	22.8%	+4.9pt
Others	24.60	+10.7%	3.84	+24.5%	15.6%	+1.7pt
Adjustments	-	-	0.51	-21.8%	-	-

Fiscal 2025 (First Three Quarters): Consolidated Operating Income Analysis

■ Increase in sales of high-value-added products and cost reduction efforts led to profit growth

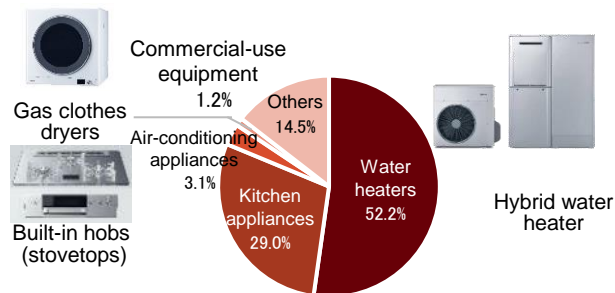


Japan Fiscal 2025 (First Three Quarters) Results

■ Segment companies

Rinnai (non-consolidated basis), domestic consolidated subsidiaries (manufacture and sales of products)

■ Net sales by product, Fiscal 2025 (3Q) results



■ Segment results

[Billions of Yen]	Fiscal 2024	Fiscal 2025	YOY change
Net Sales	142.79	151.22	+5.9%
Operating Income	12.10	18.87	+56.0%
Operating income to net sales ratio	8.5%	12.5%	+4.0pt

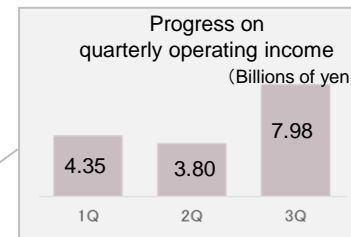
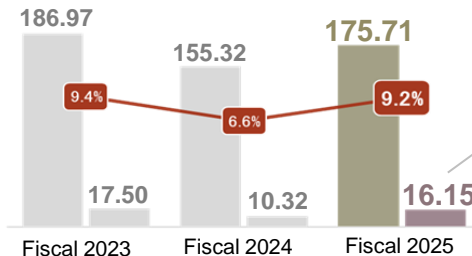
■ Non-consolidated results of major company

Rinnai (non-consolidated basis)

- Continued normalization of supply–demand balance despite sluggish consumption due to rising prices
- Strong growth in sales of highly distinctive key products that anticipate consumer needs
- Growth in income thanks to improved product mix despite continued increases in raw material and logistics costs

Rinnai (non-consolidated basis), Fiscal 2025 (3Q) Results

■ : Net sales ■ : Operating income (Billions of yen)
-●- : Operating income to net sales ratio



[Billions of Yen]	Fiscal 2024	Fiscal 2025	YOY change
Net Sales	155.32	175.71	+13.1%
Operating Income	10.32	16.15	+56.4%
Operating income to net sales ratio	6.6%	9.2%	+2.6pt

[Sales Volume in Japan]	YOY change
Water heater with heating systems	-0.5%
Hybrid water heaters	+51.1%
Built-in hobs (stovetops)	-5.6%
Gas clothes dryers	+15.1%

Japan Topics

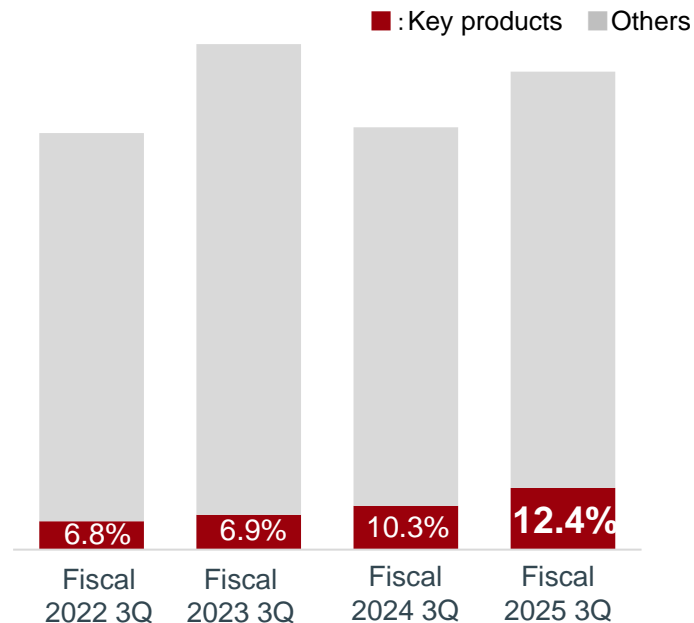
Growth in Sales of Key Products

- Performance driven by strong sales of highly distinctive key products despite challenging market and consumer conditions

■ Factors behind strong performance of key products

Hybrid water heaters	<p>-Subsidies for energy-saving water heater businesses</p> <table border="1"> <thead> <tr> <th>Fiscal</th><th>Budget</th></tr> </thead> <tbody> <tr> <td>2024</td><td>¥30 billion</td></tr> <tr> <td>2025</td><td>¥58 billion</td></tr> <tr> <td>2026</td><td>¥58 billion</td></tr> </tbody> </table> <p>¥50,000 per unit ¥150,000 per unit ¥150,000 per unit</p> <p>- Launch of X5 Plug-In Model, which requires no dedicated power supply wiring (September 2023) Capturing replacement demand in existing homes</p>	Fiscal	Budget	2024	¥30 billion	2025	¥58 billion	2026	¥58 billion
Fiscal	Budget								
2024	¥30 billion								
2025	¥58 billion								
2026	¥58 billion								
Air Bubble *	<p>- Launch of Ultra Fine Bubble water heater (October 2022) High cleaning power and hair-beautifying benefits prompting customers to replace existing appliances early (before they break down)</p> <p><small>* General term for Ultra Fine Bubble and Micro Bubble products</small></p>								
Clothes dryers	<p>-- Launch of deluxe gas clothes dryer (July 2023) 9kg model added to lineup in response to growing demand for larger drying capacity</p>								

■ Increase in the Domestic Sales Ratio for Key Products (First Three Quarters)



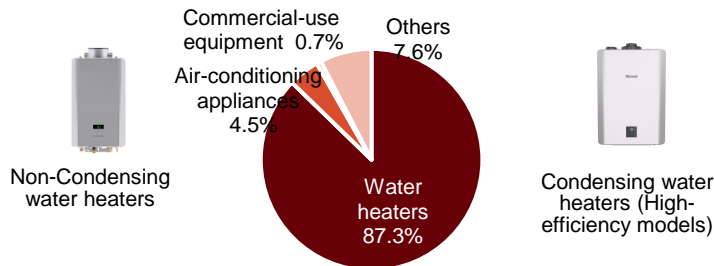
* From January to September, 2024

United States Fiscal 2025 (First Three Quarters) Results

■ Segment company

Rinnai America

■ Net sales by product, Fiscal 2025 (3Q) results



■ Segment results

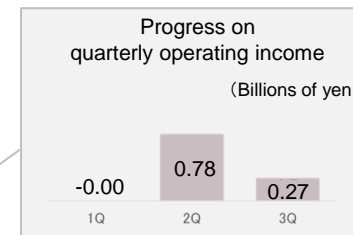
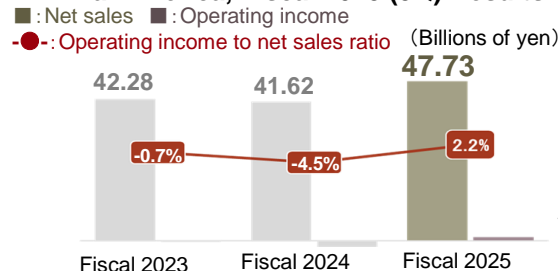
[Billions of Yen]	Fiscal 2024	Fiscal 2025	YOY change
Net Sales	41.62	47.73	+14.7%
Operating Income	-1.92	1.04	—
Operating income to net sales ratio	-4.6%	2.2%	+6.8pt

■ Non-consolidated results of major company

Rinnai America

- Signs of recovery in new construction while market for existing homes bottoming out
- Launched new condensing boiler amid strong sales of new condensing water heaters
- Higher production volumes and improved profitability at local factories led to a ¥2.9 billion year-on-year increase in operating income

Rinnai America, Fiscal 2025 (3Q) Results



[Billions of Yen]	Fiscal 2024	Fiscal 2025	YOY change	
			Yen	Local currency
Net Sales	41.62	47.73	+14.7%	+5.7%
Operating Income	-1.88	1.05	-	-
Operating income to net sales ratio	-4.5%	2.2%	+6.7pt	

[Sales Volume]	YOY change
Tankless water heaters	+7.3%
Condensing water heaters of total (High-efficiency models)	+24.1%

United States Topics

- Actively promoting residential condensing boilers, particularly in northern regions, with expanded product lineup bolstered by new releases
- Features of new residential condensing boiler

Applying successful features of high-performance new condensing water heaters to our boilers as well

Merits for
consumers



In addition to offering high energy efficiency, it learns hot water usage patterns to ensure smooth circulation during peak demand periods

Merits for
installers



Gas models can be changed with optional accessories



Bluetooth® connectivity and smartphone app reduce construction time

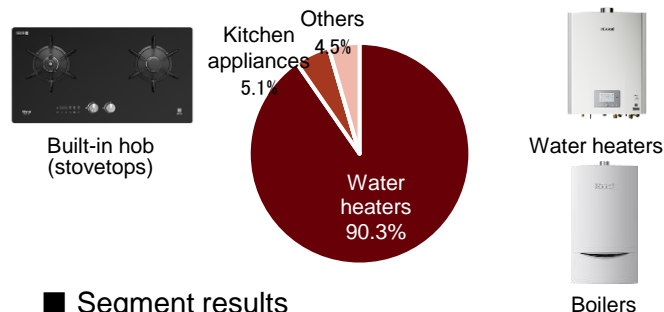


China Fiscal 2025 (First Three Quarters) Results

■ Segment company

Shanghai Rinnai, Guangzhou Rinnai, Rinnai Hong Kong

■ Net sales by product, Fiscal 2025 (3Q) results



■ Segment results

[Billions of Yen]	Fiscal 2024	Fiscal 2025	YOY change
Net Sales	46.86	44.84	-4.3%
Operating Income	8.36	6.15	-26.4%
Operating income to net sales ratio	17.8%	13.7%	-4.1pt

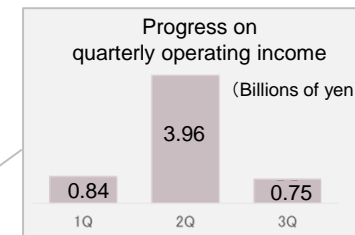
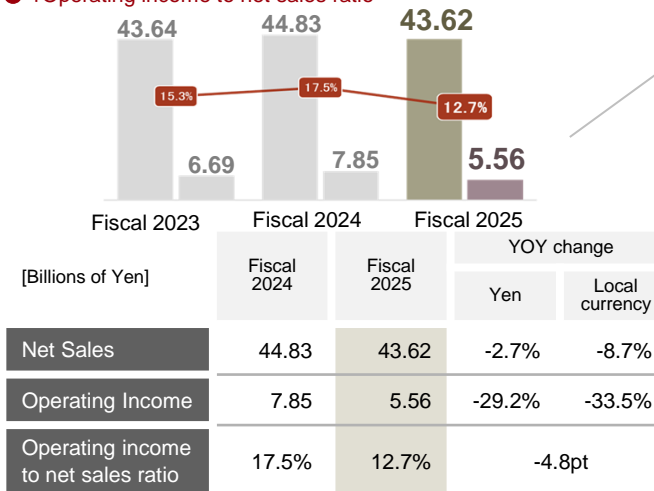
■ Non-consolidated results of major company

Shanghai Rinnai

- Sharp decline in consumer sentiment due to economic stagnation, highlighting increases in distribution inventories
- Decline in sales despite special pricing for select products at limited time to address aggressive price competition
- Single-quarter profit maintained thanks to positive effects of e-commerce channel and PF2.0 products despite market slowdown

Shanghai Rinnai, Fiscal 2025 (3Q) Results

■ : Net sales ■ : Operating income
 -●- : Operating income to net sales ratio (Billions of yen)



[Sales Volume]	YOY change
Water heaters	-7.3%
Built-in hob (stovetops)	-9.5%
Range hoods	-11.1%
Boilers	+4.2%

China Topics

- Worked to increase PF2.0 Water Heaters composition ratio by leveraging subsidies and optimizing cost structures to address decline in revenue

- Overview of China's Consumer Goods Replacement Promotion Action Plan (subsidy initiative) Note: Below are selected excerpts

Central and local governments work together to support replacement of appliances increase investments and consumption

Eligible products: Products that qualify for the subsidy must be rated as Grade 2 or higher under the Energy and Water Efficiency Labeling System. Eligible categories include:

Refrigerators, washing machines, televisions, air conditioners, personal computers, water heaters, residential-use gas stoves, range hoods

*Specific products eligible for the subsidy are determined by each local government.

Subsidy amount: Up to 2,000 yuan (approx. ¥40,000, based on exchange rate of 1 yuan = ¥20)
- 15% of the final sales price (20% for products rated Grade 1 or higher)

Period: From around September 2024

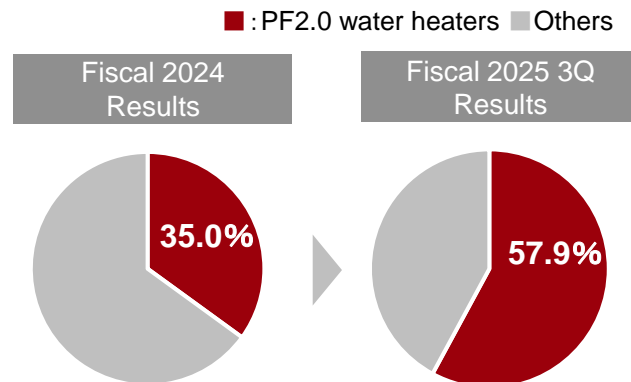
* Start dates vary according to each local government

Similar subsidies will continue being offered in 2025

- PF2.0 Water Heaters: Sales Composition Ratio

Note: PF refers to main water heater models

Since launching PF2.0 water heaters in October 2022, we rolled out PF2.0 across various price ranges

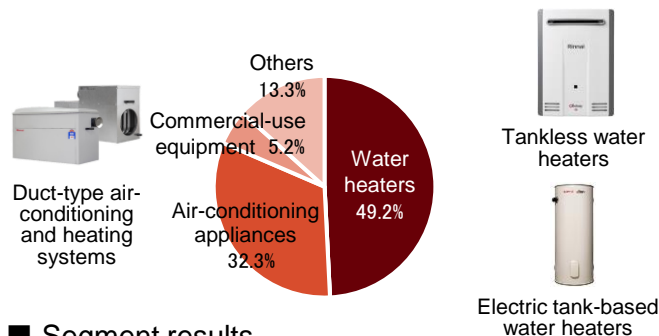


Australia Fiscal 2025 (First Three Quarters) Results

■ Segment company

Rinnai Australia

■ Net sales by product, Fiscal 2025 (3Q) results



■ Segment results

[Billions of Yen]	Fiscal 2024	Fiscal 2025	YOY change
Net Sales	22.68	26.12	+15.2%
Operating Income	1.16	1.03	-11.2%
Operating income to net sales ratio	5.2%	4.0%	-1.2pt

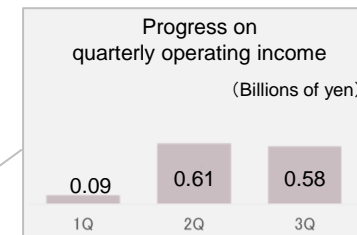
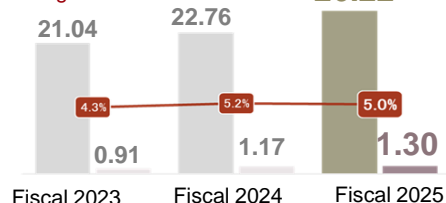
■ Non-consolidated results of major company

Rinnai Australia

- Sluggish housing market despite signs of recovery in new home construction
- Increased sales thanks to recovery in sales of mainstay tankless water heaters and corporate acquisition effect
- Improved product mix through ongoing shift towards higher-margin gas appliances, leading to increased profits

Rinnai Australia, Fiscal 2025 (3Q) Results

■ : Net sales ■ : Operating income (Billions of yen)
 -●- : Operating income to net sales ratio 26.22



[Billions of Yen]	Fiscal 2024	Fiscal 2025	YOY change	
			Yen	Local currency
Net Sales	22.76	26.22	+15.2%	+6.3%
Operating Income	1.17	1.30	+10.8%	+2.2%
Operating income to net sales ratio	5.2%	5.0%	-0.2pt	

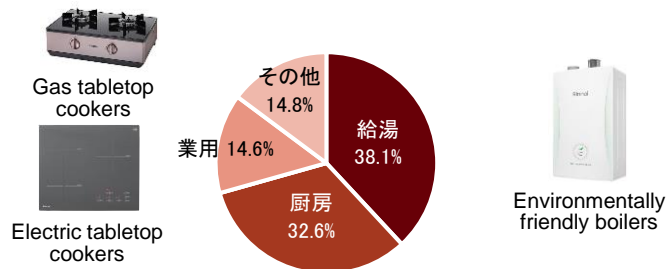
[Sales Volume]	YOY change
Tankless water heaters	-0.2%
Electric tank-based water heaters	-5.0%
Duct-type air-conditioning and heating systems	-10.4%

South Korea Fiscal 2025 (First Three Quarters) Results

■ Segment company

Rinnai Korea, RB Korea

■ Net sales by product, Fiscal 2025 (3Q) results



■ Segment results

[Billions of Yen]	Fiscal 2024	Fiscal 2025	YOY change
Net Sales	21.98	24.74	+12.6%
Operating Income	-0.12	0.61	-
Operating income to net sales ratio	-0.6%	2.5%	+3.0pt

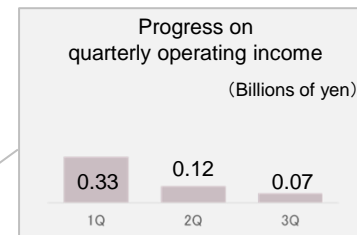
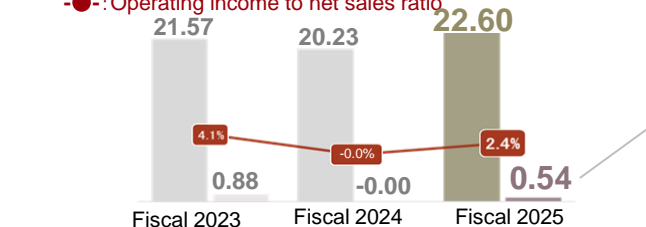
■ Non-consolidated results of major company

Rinnai Korea

- Gas appliance market remained weak amid continued deterioration of economic sentiment
- Decline in boiler sales in absence of market recovery despite continued steady performance of kitchen appliances
- Maintained profit thanks to cost reductions in core boiler products and increased sales of kitchen appliances

Rinnai Korea, Fiscal 2025 (3Q) Results

■ : Net sales ■ : Operating income (Billions of yen)
 -●- : Operating income to net sales ratio



[Billions of Yen]	Fiscal 2024	Fiscal 2025	YOY change	
			Yen	Local currency
Net Sales	20.23	22.60	+11.7%	+6.4%
Operating Income	-0.00	0.54	-	-
Operating income to net sales ratio	-0.0%	2.4%	+2.4pt	

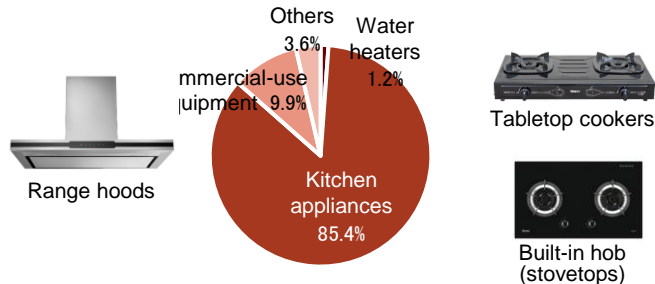
[Sales Volume]	YOY change
Boilers	-12.4%
Gas tabletop cookers	+51.1%
Electric tabletop cookers	+18.9%

Indonesia Fiscal 2025 (First Three Quarters) Results

■ Segment company

P.T. Rinnai Indonesia

■ Net sales by product, Fiscal 2025 (3Q) results



■ Segment results

[Billions of Yen]	Fiscal 2024	Fiscal 2025	YOY change
Net Sales	11.99	13.04	+8.8%
Operating Income	2.13	2.97	+38.9%
Operating income to net sales ratio	17.8%	22.8%	+4.9pt

■ Non-consolidated results of major company

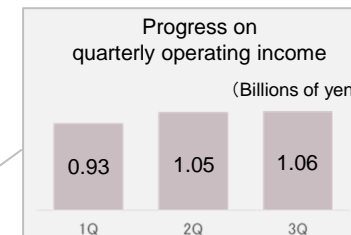
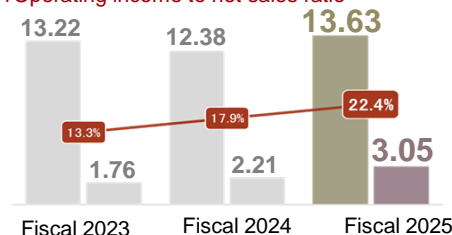
P.T. Rinnai Indonesia

- Sluggish consumer sentiment due to rising prices
- Maintained overwhelmingly high market share of mainstay tabletop stove market
- Strong sales plus impact of price adjustments led to even higher profit margins

P.T. Rinnai Indonesia, 2025 (3Q) Results

■ : Net sales ■ : Operating income (Billions of yen)

-●- : Operating income to net sales ratio



[Billions of Yen]	Fiscal 2024	Fiscal 2025	YOY change	
			Yen	Local currency
Net Sales	12.38	13.63	+10.1%	+6.3%
Operating Income	2.21	3.05	+38.1%	+33.4%
Operating income to net sales ratio	17.9%	22.4%	+4.5pt	

[Sales Volume]	YOY change
Tabletop cookers	-2.6%
Built-in hob (stovetops)	+19.9%
Range hoods	+12.1%

Shareholder Returns

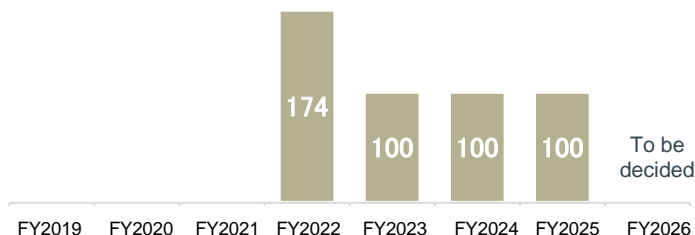
■ Shareholder returns have significantly increased during the period of the current medium-term business plan.

Cumulative shareholder returns over period of the plan (4 years): More than ¥80 billion

* Estimate based on the scheduled year-end dividend for fiscal 2025

■ Acquisition of Treasury Stock

(100 millions of yen)

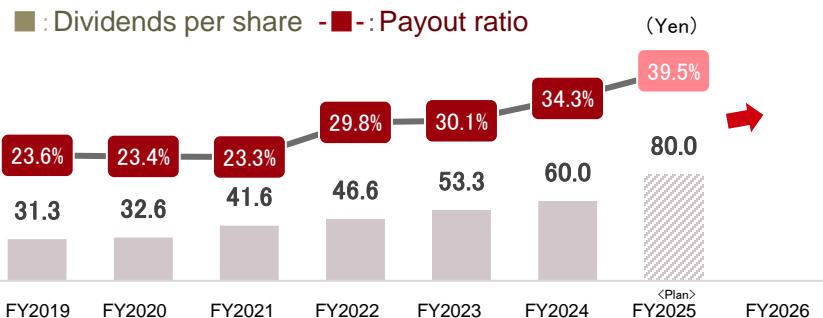


Previous Medium-Term Business Plan

New ERA 2025

Cumulative number of shares acquired (①)	14,005,200 shares
Number of shares outstanding (March 31, 2021) (②) (Excluding treasury shares)	154,193,331 shares (After consideration for stock split)
(①/②)	9.08%

■ Dividends per share, Payout ratio



Previous Medium-Term Business Plan

New ERA 2025

May 2023: Additional shareholder return policy introduced

-Decision to gradually increase dividend payout ratio

-Fiscal 2026 dividend payout ratio target: 40%

