

Financial Results for First Quarter of Fiscal 2026, ending March 31, 2026

August 6, 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.

Fiscal 2026 (1Q): Consolidated Performance Overview

- Growth in sales of high-value-added products due to increasing awareness about energy efficiency despite weak consumer sentiment worldwide

Net sales: ¥102.7 billion (up 4.6% year on year)

Record-high net sales driven by growth in high-value-added products

Record-high level

Operating income: ¥9.6 billion (up 11.2% year on year, Operating income to net sales ratio: 9.4%)

Increase in operating income thanks to higher sales despite impact of rising raw material and energy prices

Ordinary income: ¥10.6 billion (down 1.9% year on year, ordinary income to net sales ratio: 10.4%)

Down due to foreign exchange loss despite increases in interest and dividend income

Net income attributable to owners of the parent company: ¥6.6 billion

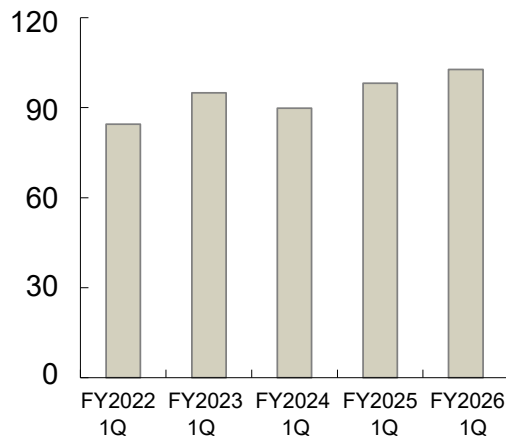
(down 2.9% year on year, net income to net sales ratio: 6.4%)

Fiscal 2026 (1Q) : Consolidated Financial Results

- Steady upward sales trend thanks to sales of high-value-added products despite challenging market conditions
- Soaring manufacturing costs led to subdued profit margins despite price revisions and cost reductions

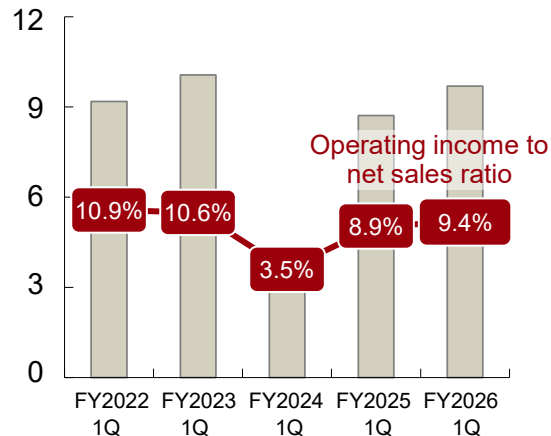
Net Sales

[Billions of Yen]



Operating Income

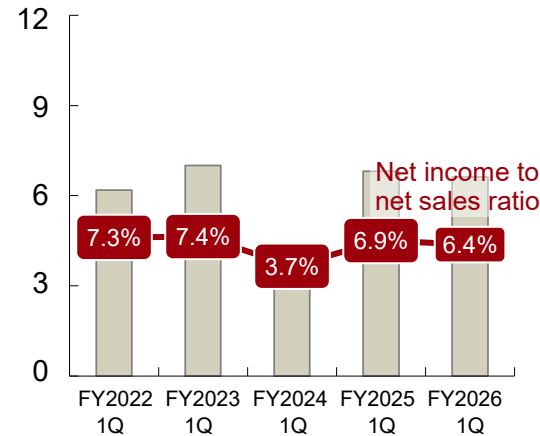
[Billions of Yen]



Attributable to owners of the parent company

Operating Income

[Billions of Yen]



Fiscal 2026 (1Q): Net Sales by Product

[Billions of yen]	Fiscal 2025 1Q		Fiscal 2026 1Q		YOY Change	
	Amount	% of total	Amount	% of total	Amount	(%)
Water heaters	57.73	58.8%	60.60	59.0%	+2.86	+5.0%
Kitchen appliances	22.38	22.8%	21.95	21.4%	-0.42	-1.9%
Air conditioning appliances	3.81	3.9%	4.30	4.2%	+0.48	+12.8%
Commercial-use equipment	2.72	2.8%	2.33	2.3%	-0.39	-14.5%
Others	11.51	11.7%	13.54	13.2%	+2.03	+17.6%
Total	98.18	100.0%	102.74	100.0%	+4.56	+4.6%

Fiscal 2026 (1Q): Consolidated Sales/Income Results

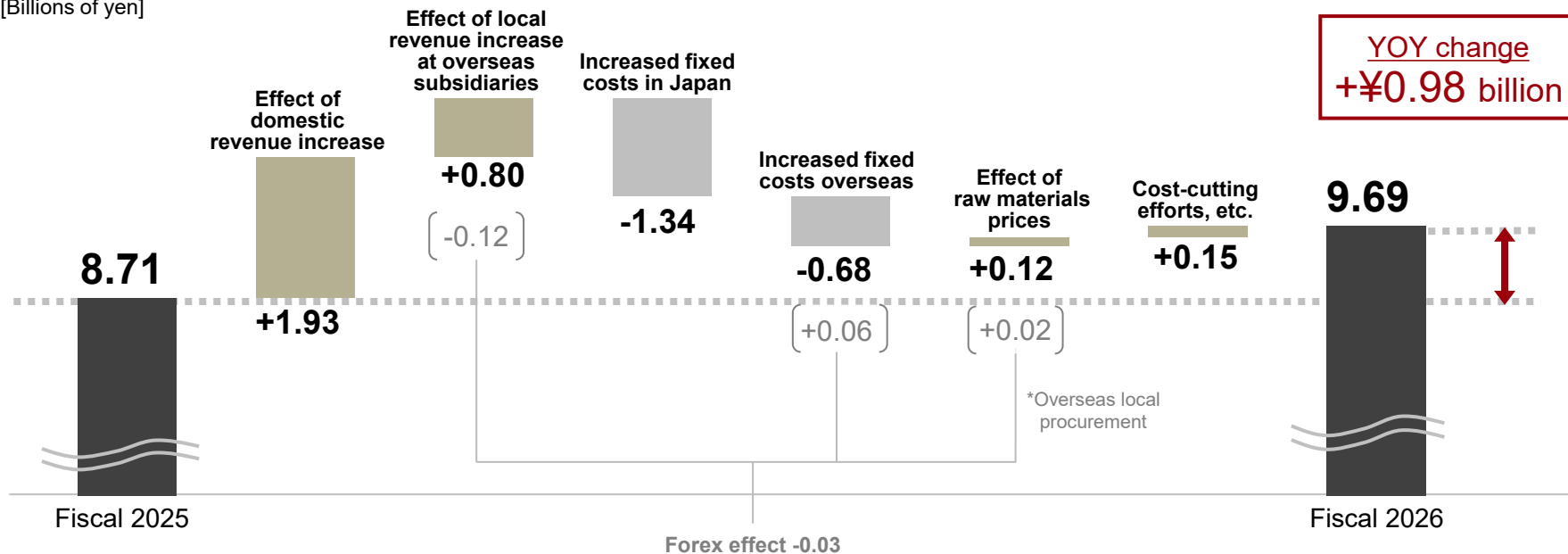
[Billions of yen]	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin	YOY Change
Consolidated	102.74	+4.6%	9.69	+11.2%	9.4%	+0.6pt

[Billions of yen]	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin	YOY Change
Japan	45.96	+4.1%	4.69	-4.9%	10.2%	-1.0pt
United States	17.33	+10.6%	0.50	-	2.9%	+2.6pt
Australia	9.27	+28.0%	0.14	+34.6%	1.5%	+0.0pt
China	8.69	-14.9%	1.18	-1.1%	13.6%	+1.9pt
South Korea	8.98	+4.0%	0.45	+44.3%	5.1%	+1.4pt
Indonesia	4.33	+0.5%	0.94	+0.8%	21.8%	+0.1pt
Others	8.16	+3.0%	1.19	-0.5%	14.6%	-0.5pt
Adjustments	-	-	0.57	-	-	-

Fiscal 2026 (1Q): Consolidated Operating Income Analysis

- Profit growth driven by increased revenue despite rising costs

[Billions of yen]

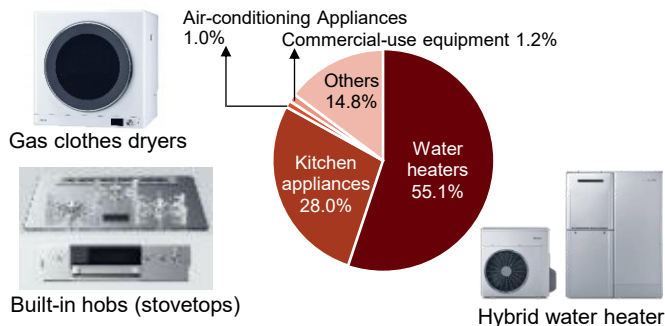


Japan Fiscal 2026 (1Q) Results

■ Segment companies

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

■ Net sales by product, Fiscal 2026 (1Q) results



■ Segment results

[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	44.16	45.96	+4.1%
Operating Income	4.93	4.69	-4.9%
Operating income to net sales ratio	11.2%	10.2%	-1.0pt

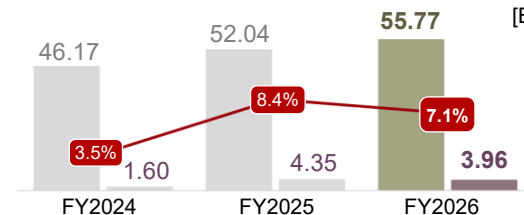
■ Non-consolidated results of major company

Rinnai (non-consolidated basis)

- Reactionary drop following revisions to relevant laws led to significant decline in new housing starts
- Sales remained strong for key products, including hybrid water heaters that benefited from subsidies
- Profit impacted by rising costs and limited effect of cost reductions

Rinnai (non-consolidated basis), Fiscal 2026 1Q Results

■ Net sales ■ Operating income ● -Operating income to net sales ratio [Billions of yen]

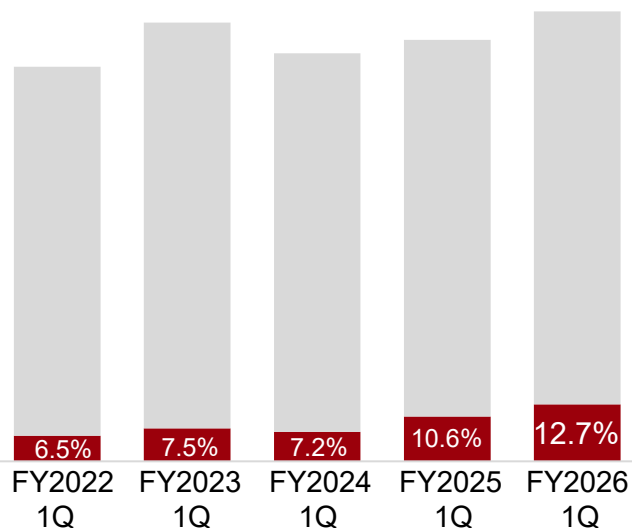


[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change	[Sales Volume in Japan]	YOY change
Net Sales	52.04	55.77	+7.2%	Water heater with heating systems	+10.7%
Operating Income	4.35	3.96	-9.0%	Hybrid water heaters	+18.1%
Operating income to net sales ratio	8.4%	7.1%	-1.3pt	Built-in hobs (stove tops)	+1.5%
				Gas clothes dryers	+6.1%

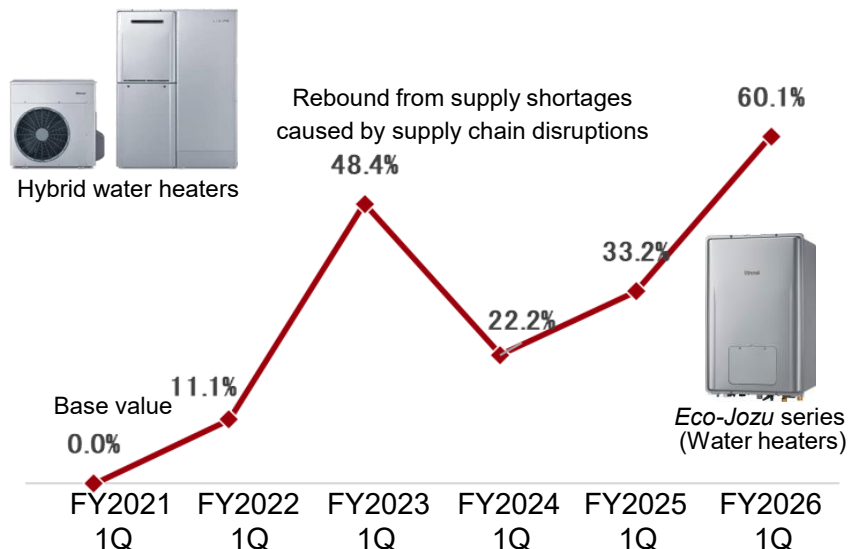
Japan Topics: Priority products

- Highly distinctive key products (hybrid water heaters, air-bubble-related offerings, and clothes dryers) continued performing as we captured market needs
- Accelerating shift toward high-efficiency water heaters (hybrid water heaters and *Eco-Jozu*) in line with carbon neutrality efforts

Domestic sales composition of key products



Sales growth for high-efficiency water heaters (VS first quarter of fiscal 2021)

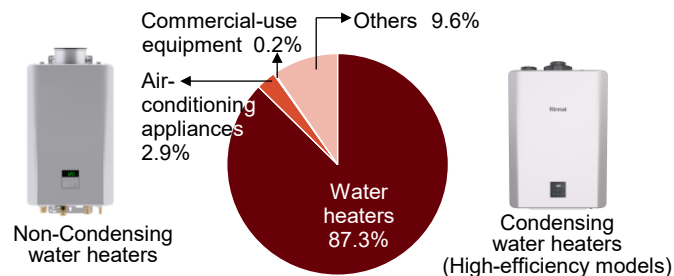


United States Fiscal 2026 (1Q) Results

■ Segment companies

Rinnai America

■ Net sales by product, Fiscal 2026 (1Q) results



■ Segment results

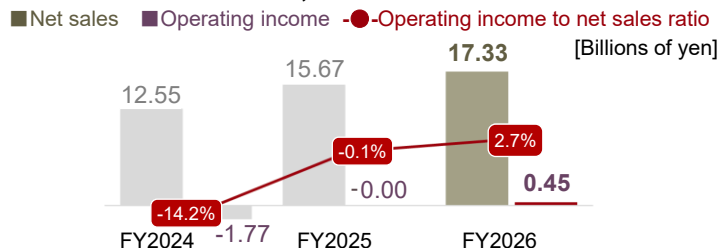
[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	15.67	17.33	+10.6%
Operating Income	0.04	0.50	-
Operating income to net sales ratio	0.3%	2.9%	+2.6pt

■ Non-consolidated results of major company

Rinnai America

- Persistently high interest rates led to sluggish conditions in both housing market and consumer sentiment
- Maintained strong performance for new condensing water heaters following previous year
- Higher income thanks to improved product mix despite increased expenses due to proactive sales promotions

Rinnai America, Fiscal 2026 1Q Results



[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change		[Sales Volume]	YOY change
			Yen	Local currency		
Net Sales	15.67	17.33	+10.6%	+6.9%	Tankless water heaters	-0.7%
Operating Income	-0.00	0.45	-	-	Condensing water heaters of total (High-efficiency models)	+0.2%
Operating income to net sales ratio	-0.1%	2.7%	-	-		

United States Topics: Tariff Impact and Response Measures

- Tariff burden offset by price revision amid constantly changing tariff policy situation

★ Price Revision

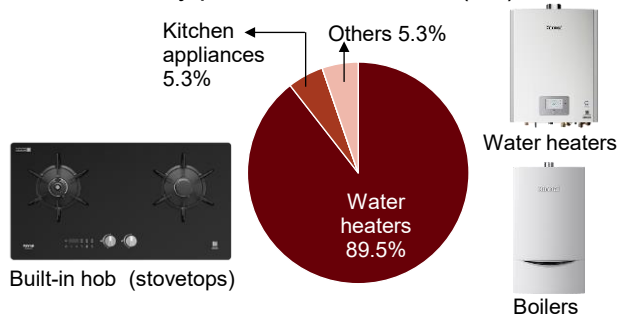
	First quarter			Second quarter			Third quarter		
Tariff	January	February	March	April	May	June	July	August	September onwards
Steel and aluminum (KD Parts, etc.)			25%			50%			
					★				★ Under Consideration
Copper (Heat exchangers, etc.)								50%	
									★ Under Consideration
Reciprocal tariffs (Finished products, etc.)				10%			15%		
							★		★ Under Consideration

China Fiscal 2026 (1Q) Results

■ Segment companies

Shanghai Rinnai, Guangzhou Rinnai,
Rinnai Hong Kong

■ Net sales by product, Fiscal 2026 (1Q) results



■ Segment results

[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	10.21	8.69	-14.9%
Operating Income	1.19	1.18	-1.1%
Operating income to net sales ratio	11.7%	13.6%	+1.9pt

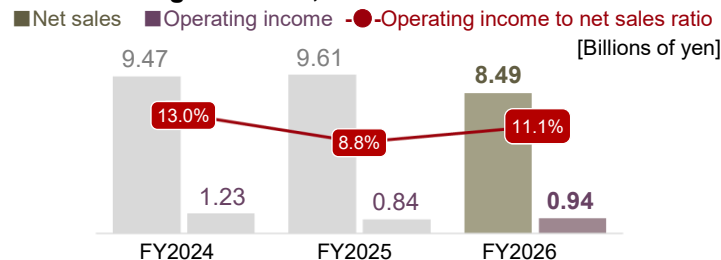
■ Non-consolidated results of major company

Shanghai Rinnai

- Consumer sentiment remained subdued due to economic conditions despite positive effect of subsidies
- Maintained strict pricing discipline despite continued consumption downturn and declining sales
- Focused on securing profit through cost controls and increased PF2.0 sales ratio

Note: PF refers to our core water heater model

Shanghai Rinnai, Fiscal 2026 1Q Results



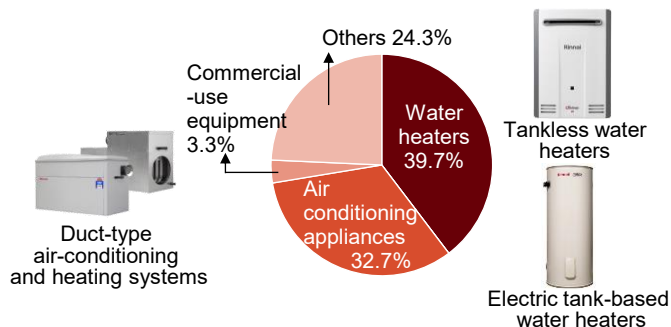
[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change		[Sales Volume]	YOY change
			Yen	Local currency		
Net Sales	9.61	8.49	-11.6%	-13.5%	Water heaters	-11.7%
Operating Income	0.84	0.94	+11.8%	+9.5%	Built-in hob (stovetops)	+2.4%
Operating income to net sales ratio	8.8%	11.1%	+2.3pt		Range hoods	-46.4%
					Boilers	-16.5%

Australia Fiscal 2026 (1Q) Results

■ Segment companies

Rinnai Australia

■ Net sales by product, Fiscal 2026 (1Q) results



■ Segment results

[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	7.24	9.27	+28.0%
Operating Income	0.10	0.14	+34.6%
Operating income to net sales ratio	1.5%	1.5%	+0.0pt

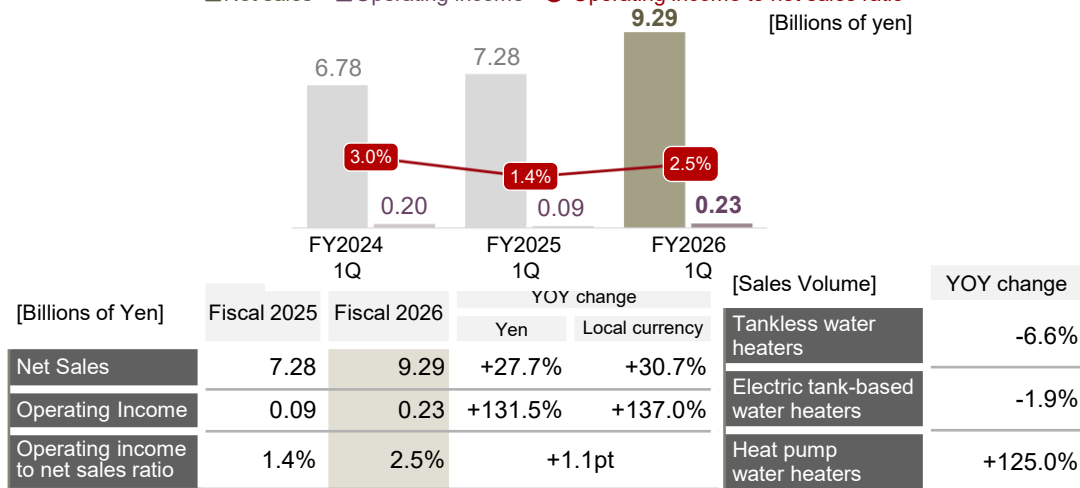
■ Non-consolidated results of major company

Rinnai Australia

- Government electrification policies caused ongoing contraction of gas appliance market despite signs of recovery in new housing market
- Heat pump products continued performing well; sales of air conditioning equipment also up due to extreme heat
- Increase in income thanks to business acquisition in addition to increased revenue from strong sales performance

Rinnai Australia, Fiscal 2026 1Q Results

■ Net sales ■ Operating income ● -Operating income to net sales ratio
[Billions of yen]

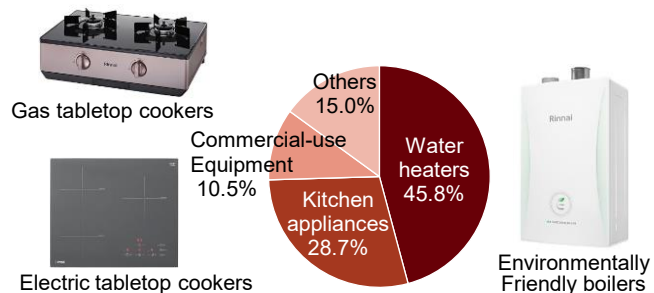


South Korea Fiscal 2026 (1Q) Results

■ Segment companies

Rinnai Korea, RB Korea

■ Net sales by product, Fiscal 2026 (1Q) results



■ Segment results

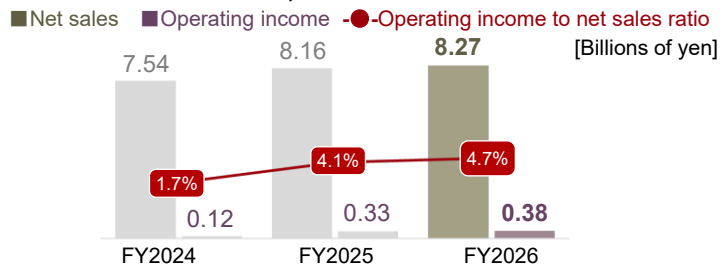
[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	8.64	8.98	+4.0%
Operating Income	0.31	0.45	+44.3%
Operating income to net sales ratio	3.7%	5.1%	+1.4pt

■ Non-consolidated results of major company

Rinnai Korea

- Sluggish conditions in new housing market and ongoing challenges in boiler market
- Increase in boiler sales thanks to proactive sales promotions despite challenging market conditions
- Price revisions helped maintain profitability despite lower sales volume of kitchen appliances due to increased competition

Rinnai Korea, Fiscal 2026 1Q Results



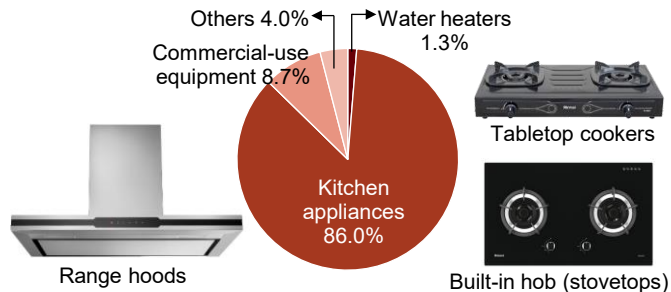
[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change		[Sales Volume]	YOY change
			Yen	Local currency		
Net Sales	8.16	8.27	+1.4%	+8.2%	Boilers	+27.8%
Operating Income	0.33	0.38	+15.7%	+23.4%	Gas tabletop cookers	-12.2%
Operating income to net sales ratio	4.1%	4.7%	+0.6pt		Electric tabletop cookers	-5.2%

Indonesia Fiscal 2026 (1Q) Results

■ Segment companies

P.T. Rinnai Indonesia

■ Net sales by product, Fiscal 2026 (1Q) results



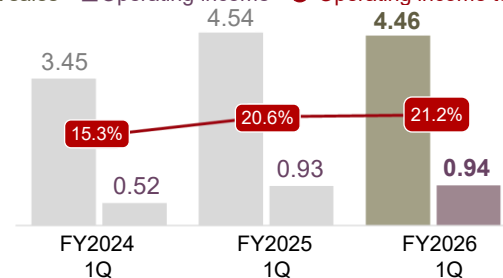
■ Non-consolidated results of major company

P.T. Rinnai Indonesia

- Sharply slowing local economy due to reduced public investment and other factors
- Increase in sales of high-value-added products despite slow sales of tabletop stoves
- Increase in income thanks to price revisions and improved product mix despite decline in sales

P. P.T. Rinnai Indonesia, Fiscal 2026 1Q Results

■ Net sales ■ Operating income ● -Operating income to net sales ratio
[Billions of yen]



■ Segment results

[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	4.31	4.33	+0.5%
Operating Income	0.93	0.94	+0.8%
Operating income to net sales ratio	21.7%	21.8%	+0.1pt

[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change		[Sales Volume]	YOY change
			Yen	Local currency		
Net Sales	4.54	4.46	-2.0%	-1.2%	Tabletop cookers	-6.9%
Operating Income	0.93	0.94	+0.8%	+1.5%	Built-in hob (stove tops)	+8.9%
Operating income to net sales ratio	20.6%	21.2%	+0.6pt		Range hoods	+20.6%

Progress of Consolidated Earnings Forecast

- Both sales and income are progressing as planned, with no changes to our interim and full-year performance forecasts

[Millions of Yen]		Net Sales	Operating Income	VS Net sales	Ordinary Income	VS Net sales	Net income attributable to owners of the parent company	VS Net sales
Consolidated estimates	1st half	216,400	21,300	8.8%	22,800	10.5%	14,000	6.5%
	YOY change	+2.0%	+1.4%		+2.1%		+14.3%	
	Full year	470,000	50,000	10.6%	53,500	11.4%	33,000	7.0%
	YOY change	+2.1%	+8.7%		+6.3%		+11.1%	
Consolidated results	1st half	102,749	9,697	9.4%	10,679	10.4%	6,622	6.4%
	YOY change	+4.6%	+11.2%		-1.9%		-2.9%	
	VS 1st half estimates	47.5%	45.5%		46.8%		47.3%	

Reference

	FY2026 (Q1) Applied exchange rates	FY2026 (beginning) Assumed exchange rates
USD	152.950	145.000
AUD	95.393	95.658
CNY	20.980	20.135
KRW	0.1047	0.1066
IDR	0.00938	0.00917

