Financial Results for First Two Quarters (Interim) of Fiscal 2026, ending March 31, 2026

November 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.

Progress on Recall of Bathroom Heater/Dryers

- The recall of bathroom heater/dryers announced in April 2025 is ongoing
- We are identifying affected products and conducting inspections (to improve the inspection completion rate), aiming to bring employee responses to an early conclusion

■ Overview of bathroom heater/dryer recall (Announced April 15, 2025)

- Affected products: Bathroom heater/dryers
- Number of affected units: 372,398 *Units still in market: Unknown
  (Manufactured between August 2003 and August 2020)
- Inspection details: Installation of a control board to prevent ignition
- Work time per unit: Approx. 1 hour
- Implementation period: From May 2025

*Allowance for product guarantee: ¥2,540 million
(recorded in fiscal year to March 2025)

Wall-mounted remote control

BHY-05A

Installed image

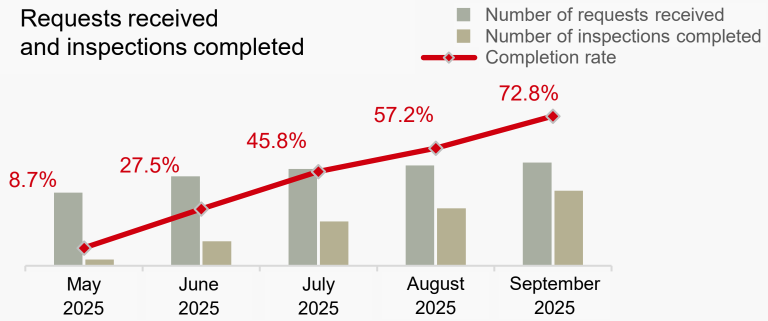
Installed on the bathroom ceiling

■ Progress status (September 30, 2025)

- Number of requests received: 185,456
- Number of inspections completed: 134,923 (completion rate: 72.8%)
- Personnel structure: Service shop inspectors
  Rinnai employees: Up to 350

Plan to improve inspection completion rate and reduce employee involvement by December 31, 2025

Requests received
and inspections completed



1. Results of First Two Quarters (Interim) of Fiscal 2026/ Fiscal 2026 Performance Forecasts

2. Business Outlook

Fiscal 2026 (First Two Quarters/ Interim): Consolidated Performance Overview

- Increase in sales of high-value-added products despite continued high inflation and interest rates in major countries

Record-high level

Net sales: ¥216.4 billion (up 2.0% year on year)

Ongoing increase in sales of high-value-added products driven by growing energy-saving awareness

Record-high level

Operating income: ¥22.7 billion (up 8.2% year on year, Operating income to net sales ratio: 10.5%)

Higher operating income due to increase in revenue despite surging prices of raw materials, energy, and other items

Record-high level

Ordinary income: ¥25.2 billion (up 13.2% year on year, Ordinary income to net sales ratio: 11.7%)

Increase in ordinary income thanks to higher operating income and foreign exchange gain

Record-high level

Net income attributable to owners of the parent company: ¥15.9 billion

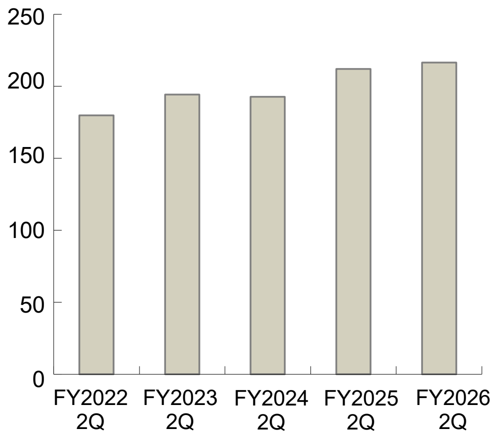
(up 30.0% year on year, Net income to net sales ratio: 7.4%)

Fiscal 2026 (First Two Quarters/ Interim): Consolidated Financial Results

- Continued growth in sales of high-value-added products backed by rising energy-saving awareness each year, keeping overall sales on an upward trend
- Continued profit improvement since supply–demand imbalance bottomed out in 2023

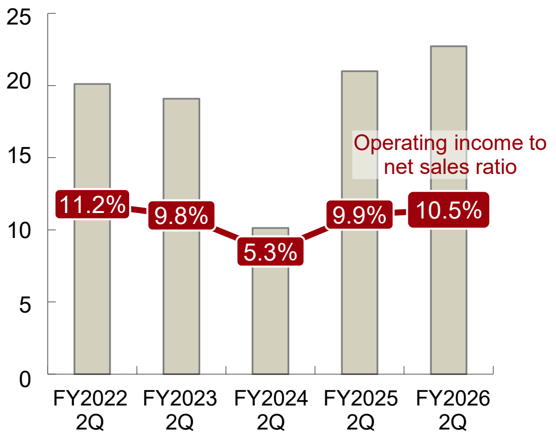
Net Sales

[Billions of Yen]



Operating Income

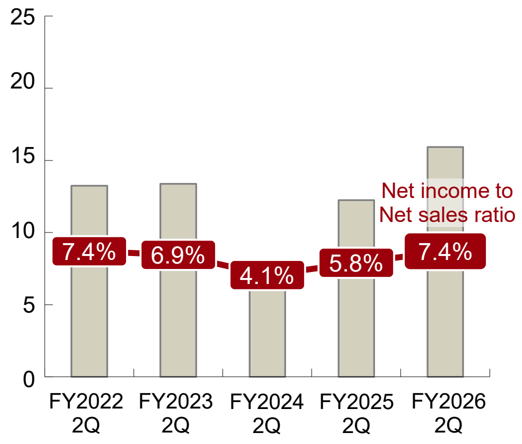
[Billions of Yen]



Attributable to owners of the parent company

Net Income

[Billions of Yen]



Fiscal 2026 (First Two Quarters/ Interim): Net Sales by Product

[Billions of yen]	Fiscal 2025 2Q		Fiscal 2026 2Q		YOY Change	
	Amount	% of total	Amount	% of total	Amount	(%)
Water heaters	126.74	59.8%	128.24	59.3%	+1.49	+1.2%
Kitchen appliances	46.26	21.8%	44.68	20.6%	-1.57	-3.4%
Air conditioning appliances	9.83	4.6%	10.75	5.0%	+0.91	+9.3%
Commercial-use equipment	5.70	2.7%	5.12	2.4%	-0.58	-10.2%
Others	23.56	11.1%	27.60	12.8%	+4.03	+17.1%
Total	212.12	100.0%	216.41	100.0%	+4.29	+2.0%

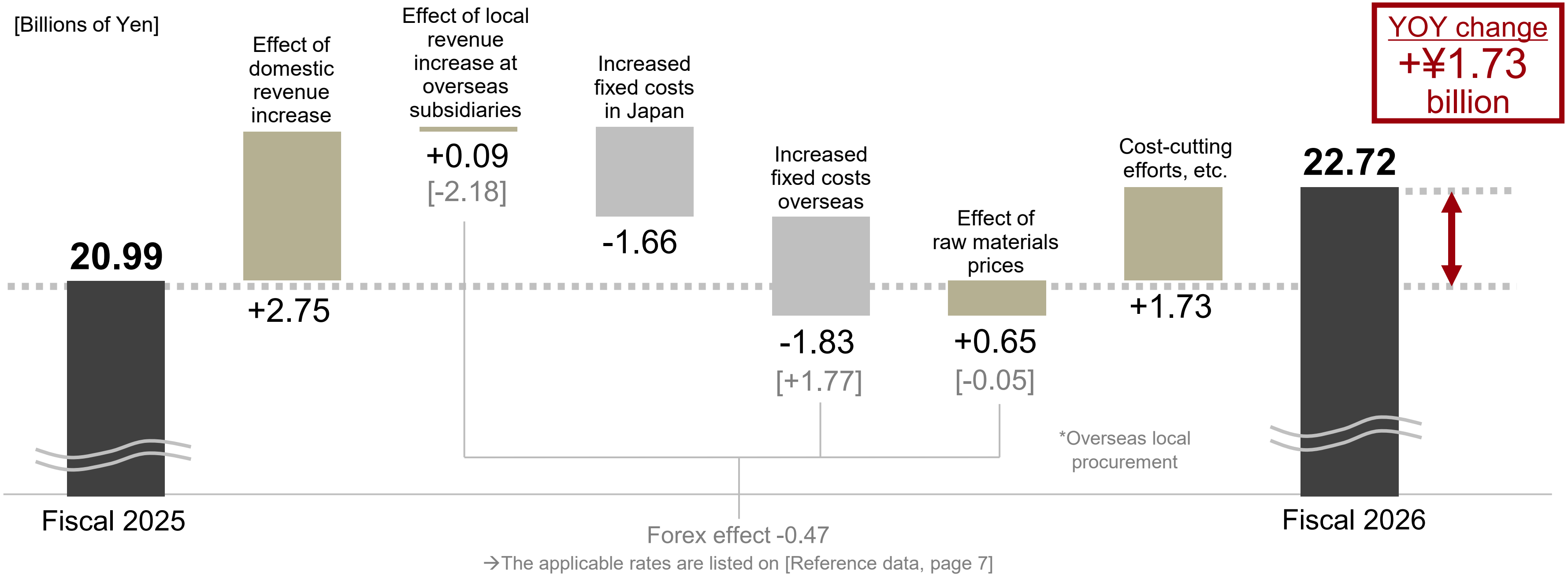
Fiscal 2026 (First Two Quarters/ Interim): Consolidated Sales/Income Results

[Billions of yen]	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin	YOY Change
Consolidated	216.41	+2.0%	22.72	+8.2%	10.5%	+0.6pt

[Billions of yen]	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin	YOY Change
Japan	93.65	+2.7%	10.75	+13.4%	11.5%	+1.1pt
United States	35.28	+9.7%	1.15	+28.7%	3.3%	+0.5pt
Australia	20.44	+26.1%	1.06	+46.8%	5.2%	+0.7pt
China	25.04	-18.7%	4.30	-13.6%	17.2%	+1.0pt
South Korea	16.60	-0.3%	0.79	+41.5%	4.8%	+1.4pt
Indonesia	9.06	+3.8%	1.94	-2.4%	21.4%	-1.4pt
Others	16.31	-0.4%	2.45	-5.3%	15.0%	-0.8pt
Adjustments	-	-	0.26	-	-	-

Fiscal 2026 (First Two Quarters/ Interim): Consolidated Operating Income Analysis

- Increase in operating income thanks to higher revenue and increased fixed costs in Japan despite partial materialization of tariff impact in the United States



* From April to September, 2025

Japan Fiscal 2026 (First Two Quarters/ Interim) Results

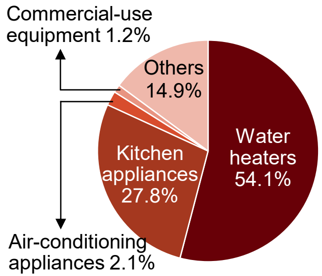
■ Segment companies

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

■ Net sales by product, Fiscal 2026 (2Q) results

Gas clothes dryers

Built-in hobs (stovetops)



Hybrid water heaters

■ Segment results

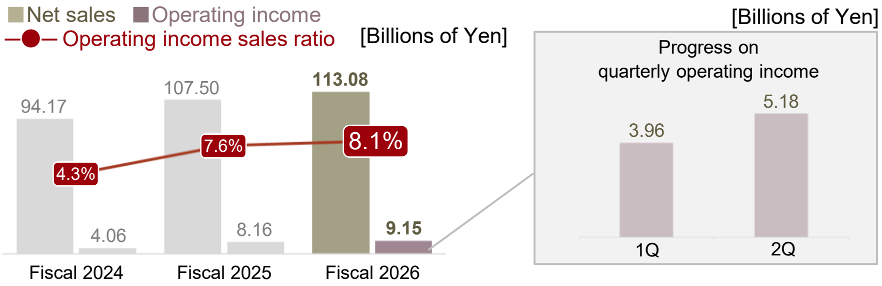
[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	91.18	93.65	+2.7%
Operating Income	9.48	10.75	+13.4%
Operating income to net sales ratio	10.4%	11.5%	+1.1pt

■ Non-consolidated results of major company

Rinnai (non-consolidated basis)

- Recovery trend in demand for home renovations despite ongoing decline in new housing starts
- Increase in sales owing to strong demand for key products and steady overall sales of water heaters
- Higher income due to increase in sales backed by strong performance and cost controls

Rinnai (non-consolidated basis), Fiscal 2026 (2Q) Results



[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	107.50	113.08	+5.2%
Operating Income	8.16	9.15	+12.1%
Operating income to net sales ratio	7.6%	8.1%	+0.5pt

[Sales Volume in Japan]	YOY change
Water heater with heating systems	+7.6%
Hybrid water heaters	+13.1%
Built-in hobs (stovetops)	-1.1%
Gas clothes dryers	+5.4%

Japan Topics Received award for technologies that help improve quality of life

- Received award in health and resilience field by utilizing both new and existing technologies
- We will further acquire and deepen technologies and explore their practical application and commercialization

■ Received CEATEC Award 2025 (Innovation Category)

Use of in-bathtub ECG measurement module*

*Device that enables non-contact measurement of weak electrical signals generated by the bather’s heart activity through the bathwater

Predicts physical and mental conditions (such as core body temperature, autonomic nervous activity, and circulatory function)

Supports recommendations for healthier lifestyles and preventive practices

■ Received Minister of State for Disaster Management Award and Grand Prize at New Integrated Disaster Information System Ideathon 2025

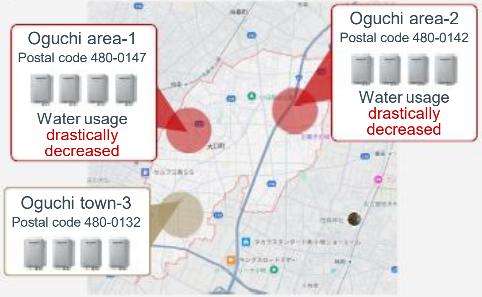
Identifies areas where water and gas services are suspended during disasters

Postal code registration

-Registers user’s postal code in the app (option)

-Identifies areas where the water heaters are installed

After disasters



Water usage has drastically decreased in 1 and 2 areas.
→ Water outages in Oguchi area 1 and 2

Retrieves area-specific operating data on water heaters using registered postal codes

Uses narrowed-down water outage and gas service suspended areas to determine priority of recovery efforts

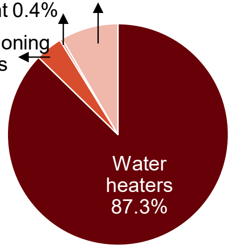
* From January to June, 2025

United States Fiscal 2026 (First Two Quarters/ Interim) Results

■ Segment company

Rinnai America

■ Net sales by product, Fiscal 2026 (2Q) results



■ Segment results

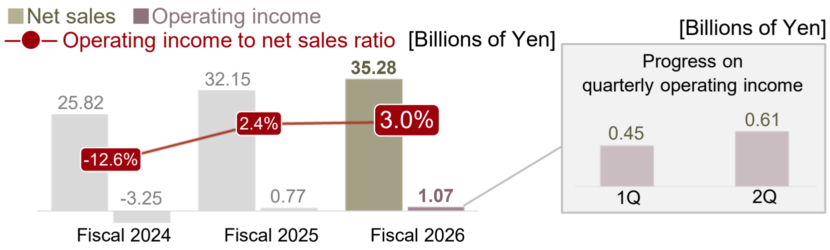
[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	32.15	35.28	+9.7%
Operating Income	0.89	1.15	+28.7%
Operating income to net sales ratio	2.8%	3.3%	+0.5pt

■ Non-consolidated results of major company

Rinnai America

- Continued weakness in consumer sentiment due to persistently high interest rates and ongoing inflation caused by impact of tariffs
- Sales of new condensing water heaters (launched early 2024) have remained strong
- Increase in income thanks to price revisions and improved product mix despite partial materialization of tariff impact

Rinnai America, Fiscal 2026 (2Q) Results



[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change	
			Yen	Local currency
Net Sales	32.15	35.28	+9.7%	+12.2%
Operating Income	0.77	1.07	+38.0%	+41.0%
Operating income to net sales ratio	2.4%	3.0%	+0.6pt	

[Sales Volume]	YOY change
Tankless water heaters	+3.7%
Condensing water heaters of total (High-efficiency models)	+14.9%

United States Topics Tariff Impact and Response Measures

- Additional tariff costs already passed on through price adjustments, thus maintaining competitiveness

■ **Status of tariff impact and price adjustments**

★ Price revision

Tariff	1Q Jan.-Mar.	2Q Apr.-Jun.	3Q Jul.-Sep.	4Q Oct.-Dec.
Steel and aluminum (KD Parts, etc.)		25%	50%	
		★		★
Copper (Heat exchangers, etc.)				50%
				★
Reciprocal tariffs (Finished products, etc.)		10%		15%
			★	★

Current situation

- Trade policy outlook remains uncertain
- Tariffs passed through to prices in timely manner

Direction

- Reaffirm importance of local production for local consumption
- Promote increase in in-house production ratio at local factories
    - Increase local procurement ratio of parts
    - Enhance manufacturing capabilities with Japanese support

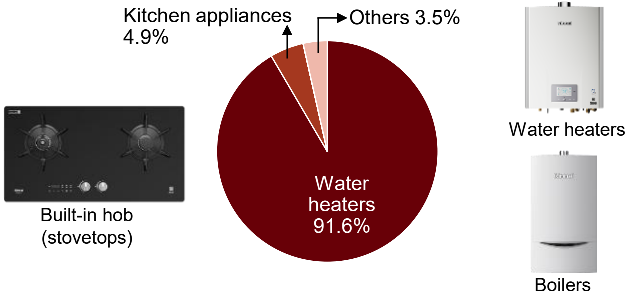
China Fiscal 2026 (First Two Quarters/ Interim) Results

* From January to June, 2025

■ Segment company

Shanghai Rinnai, Guangzhou Rinnai,
Rinnai Hong Kong

■ Net sales by product, Fiscal 2026 (2Q) results



■ Segment results

[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	30.79	25.04	-18.7%
Operating Income	4.97	4.30	-13.6%
Operating income to net sales ratio	16.2%	17.2%	+1.0pt

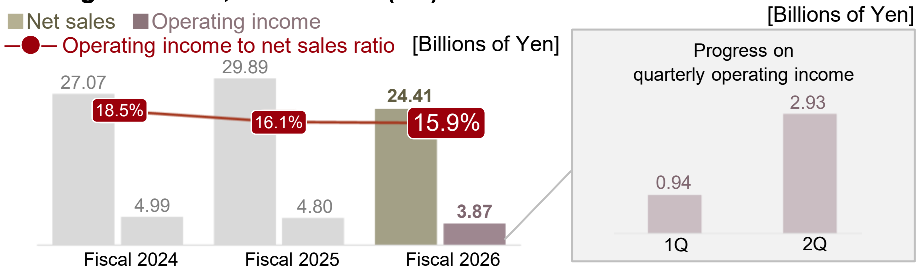
■ Non-consolidated results of major company

Shanghai Rinnai

Note: PF is Shanghai Rinnai's main water heater model

- Consumer sentiment cooling further, with subsidy reductions occurring in some areas
- Maintained certain level of price discipline despite aggressive discounting by competitors during e-commerce events
- Despite income decreases, exceeded our forecasts thanks to cost control and increase in PF2.0 sales ratio

Shanghai Rinnai, Fiscal 2026 (2Q) Results



[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change	
			Yen	Local currency
Net Sales	29.89	24.41	-18.3%	-16.2%
Operating Income	4.80	3.87	-19.4%	-17.3%
Operating income to net sales ratio	16.1%	15.9%	-0.2pt	

[Sales Volume]	YOY change
Water heaters	-19.0%
Built-in hob (stovetops)	-28.1%
Range hoods	-35.4%
Boilers	-5.6%

* From January to June, 2025

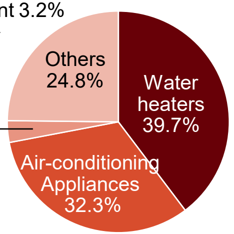
Australia Fiscal 2026 (First Two Quarters/ Interim) Results

■ Segment company

Rinnai Australia

■ Net sales by product, Fiscal 2026 (2Q) results

Duct-type air conditioning and heating systems



Tankless water heaters

Electric tank-based water heaters

■ Segment results

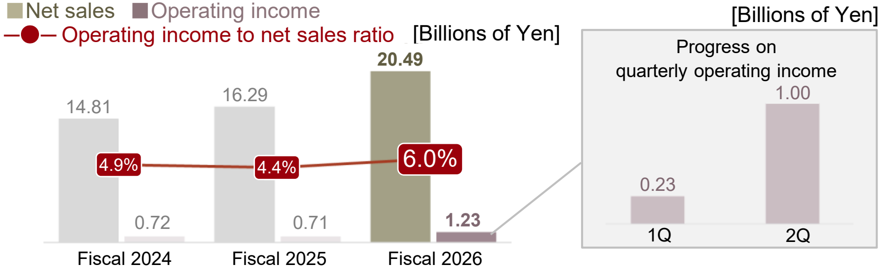
[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	16.21	20.44	+26.1%
Operating Income	0.72	1.06	+46.8%
Operating income to net sales ratio	4.5%	5.2%	+0.7pt

■ Non-consolidated results of major company

Rinnai Australia

- Continued recovery in new housing market but gas appliance market shrinking due to electrification initiatives
- Solid performance of expanded lineup of heat pump water heaters, contributing to sales increase
- Continued growth in income driven by higher revenue, as well as synergy from corporate acquisition

Rinnai Australia, Fiscal 2026 (2Q) Results



[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change	
			Yen	Local currency
Net Sales	16.29	20.49	+25.8%	+34.3%
Operating Income	0.71	1.23	+73.4%	+85.2%
Operating income to net sales ratio	4.4%	6.0%	+1.6pt	

[Sales Volume]	YOY change
Tankless water heaters	-4.0%
Electric tank-based water heaters	+1.7%
Duct-type air-conditioning and heating systems	+185.4%

* From January to June, 2025

South Korea Fiscal 2026 (First Two Quarters/ Interim) Results

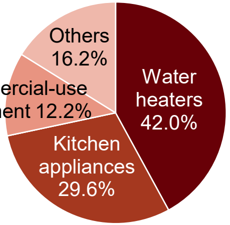
■ Segment company

Rinnai Korea, RB Korea

■ Net sales by product, Fiscal 2026 (2Q) results

Gas tabletop cookers

Electric tabletop cookers



Environmentally friendly boilers

■ Segment results

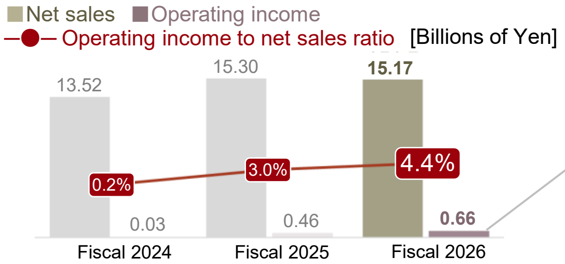
[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	16.66	16.60	-0.3%
Operating Income	0.56	0.79	+41.5%
Operating income to net sales ratio	3.4%	4.8%	+1.4pt

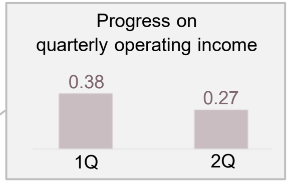
■ Non-consolidated results of major company

Rinnai Korea

- Economic stagnation continues to dampen the new home market
- Higher sales in local-currency terms despite intensifying competition from new entrants in kitchen appliance market
- Growth in income driven by stable boiler sales and robust performance of new high-end appliances

Rinnai Korea, Fiscal 2026 (2Q) Results





[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change Yen	YOY change Local currency
Net Sales	15.30	15.17	-0.8%	+7.3%
Operating Income	0.46	0.66	+43.1%	+54.9%
Operating income to net sales ratio	3.0%	4.4%	+1.4pt	

[Sales Volume]	YOY change
Boilers	+26.6%
Gas tabletop cookers	-10.1%
Electric tabletop cookers	-3.4%

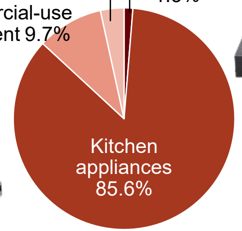
Indonesia Fiscal 2026 (First Two Quarters/ Interim) Results

* From January to June, 2025

■ Segment company

P.T. Rinnai Indonesia

■ Net sales by product, Fiscal 2026 (2Q) results




Tabletop cookers


Range hoods


Built-in hob (stovetops)

■ Segment results

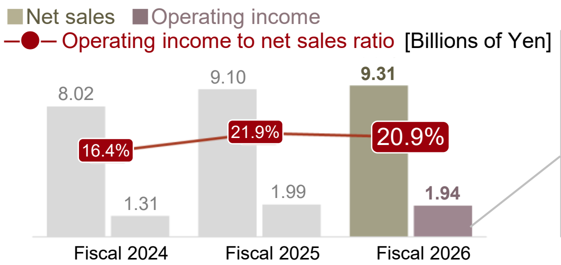
[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	8.72	9.06	+3.8%
Operating Income	1.98	1.94	-2.4%
Operating income to net sales ratio	22.8%	21.4%	-1.4pt

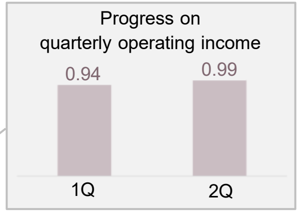
■ Non-consolidated results of major company

P.T. Rinnai Indonesia

- Local economy remains sluggish due reduced public works investment and other factors
- Rebound in sales of flagship tabletop stoves thanks to aggressive promotional activities
- Higher sales and income in local-currency terms, but foreign exchange translation resulted in slight income decrease (in yen terms)

P.T. Rinnai Indonesia, Fiscal 2026 (2Q) Results





[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change	
			Yen	Local currency
Net Sales	9.10	9.31	+2.3%	+7.5%
Operating Income	1.99	1.94	-2.4%	+2.5%
Operating income to net sales ratio	21.9%	20.9%	-1.0pt	

[Sales Volume]	YOY change
Tabletop cookers	+4.2%
Built-in hob (stovetops)	+6.4%
Range hoods	+7.0%

Other Regions Acquisition of Peru-based housing appliance sales company

- Rinnai Corporation has acquired a housing appliance sales company in Peru, where we anticipate an increase in households using natural gas (proliferation of gas appliances).
- MT Industrial (acquired company) has a strong sales network and high market share in Peru for water heaters and kitchen appliances.

■ About MT Industrial S.A.C (Announced October 31, 2025)

Name	MT Industrial S.A.C
Established	October 2013
Net sales (2024)	¥9.8 billion
Main business	Sale of water heaters, kitchen appliances, and sanitary equipment Installation and maintenance services for sold products
Acquisition date	October 31, 2025

*Inclusion in consolidation scope B/S: Fiscal 2026, ending March 31, 2026 (3Q)
P/L: Fiscal 2027, ending March 31, 2027 (1Q)

Water heaters

Instantaneous water heaters (gas/electric), Storage-type water heaters (gas/electric), Electric showers

Kitchen appliances

Built-in hobs (stovetops), ovens, range hoods

Other

Water purifiers

Progress of Consolidated Earnings Forecast

- Both net sales and operating income ahead of first-half targets
- Despite no change in outlook for second half, the full-year earnings forecast has been maintained in consideration of various risk factors

[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 Financial Results [1st half]	**Plan (A)**	216,400	21,300	9.8%	22,800	10.5%	14,000	6.5%
	Actual (B)	216,415	22,725	10.5%	25,272	11.7%	15,918	7.4%
	B/A ratio	+0.0%	+6.7%		+10.8%		+13.7%	
Consolidated Financial Results [Full year]	**Plan**	470,000	50,000	10.6%	53,500	11.4%	33,000	7.0%

Reference

	FY2026 (2Q) Applicated exchange rates	FY2026 (beginning) Assumed exchange rates
USD	149.007	145.000
AUD	94.230	95.658
CNY	20.533	20.135
KRW	0.1044	0.1066
IDR	0.00913	0.00917

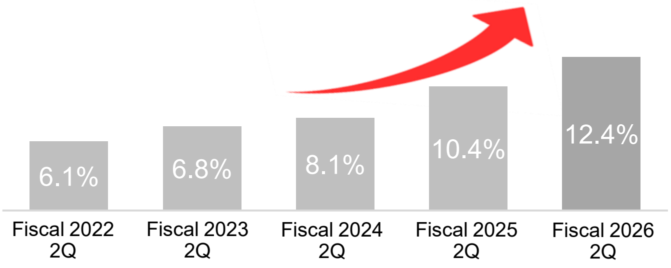
1. Results of First Two Quarters (Interim) of Fiscal 2026/ Fiscal 2026 Performance Forecasts

2. Business Outlook

Direction of Growth In the Japanese Market

- Key products that help improve quality of life and benefit the global environment are expected to grow in the Japanese market

■ Domestic sales composition ratio of key products

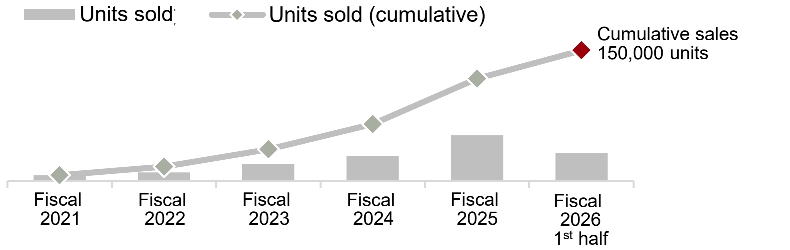


Key products

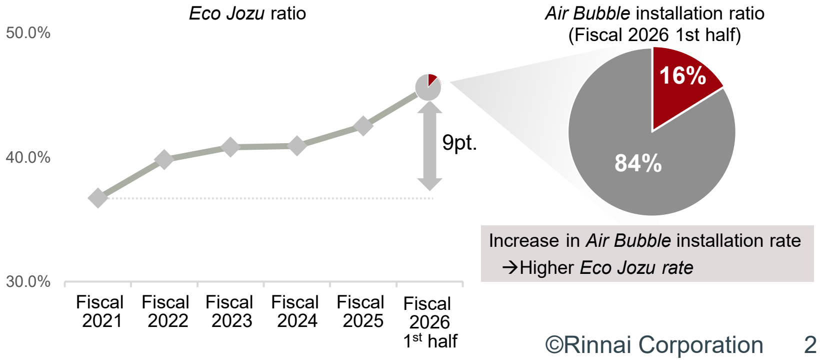
Hybrid water heaters with heating systems	*Air Bubble* products	Gas clothes dryers
		
Combines gas and electricity to achieve highest efficiency in the industry	Fine bubbles enhance bathing comfort and make cleaning easier	Quick drying with powerful warm air generated by gas

■ *Air Bubble* products: Cumulative sales reached 150,000 units

(Announced on October 27, 2025, Japanese only)



■ *Eco Jozu* ratio and *Air Bubble* installation rate



Direction of Growth in the U.S. Market

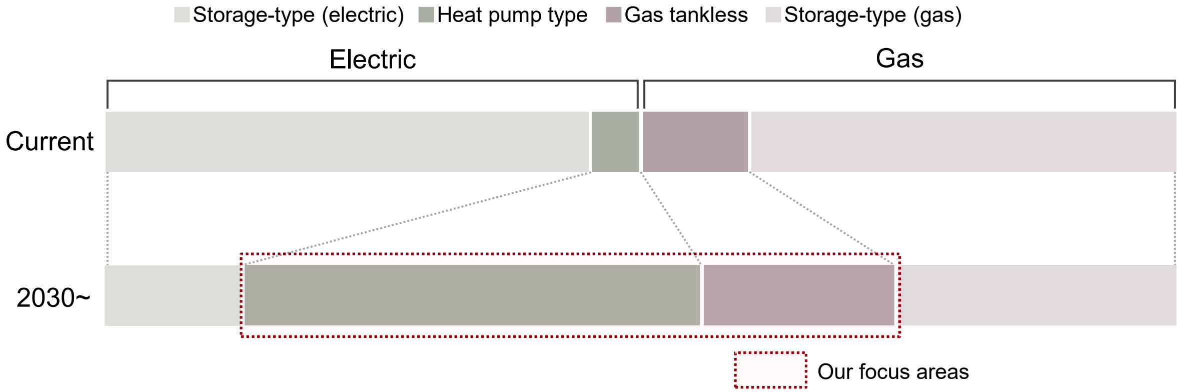
- Market expected to change significantly during our next medium-term plan period due to Department of Energy’s water heater regulations

■ **Projected market changes due to thermal efficiency regulations for water heaters aimed at carbon neutrality (scheduled for January 2030 enactment)**

Sales restrictions on low-efficiency electric storage-type water heaters

→Accelerating shift to high-efficiency heat pump water heaters that can utilize existing piping systems

[Water heater market] Rinnai's forecasts



Heat pump water heaters

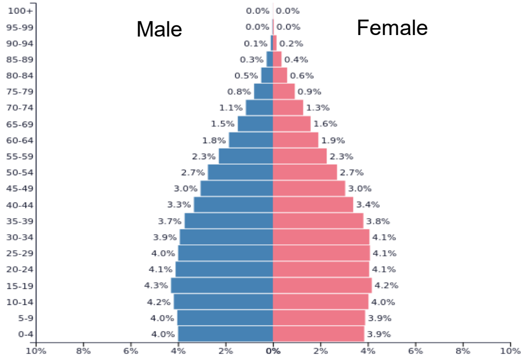
Gas tankless water heaters
Condensing water heaters
(High efficiency models)

South America Purpose of acquiring MT Industrial (Peru)

- Peru expected to see population growth and continued stable economic growth
- Households using natural gas on the rise: Peruvian government has announced plans to continue expanding the number of households using natural gas

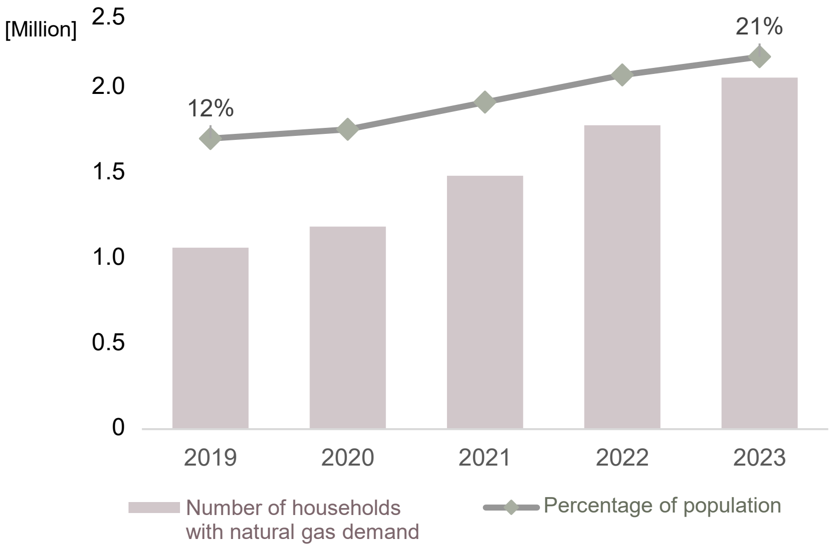
■ Peruvian market overview

Population	34.4 million
Age distribution	Approx. 60% are young people aged 34 and under
GDP	US$289.2 billion (2024)
Per-capita GDP	US$8,452



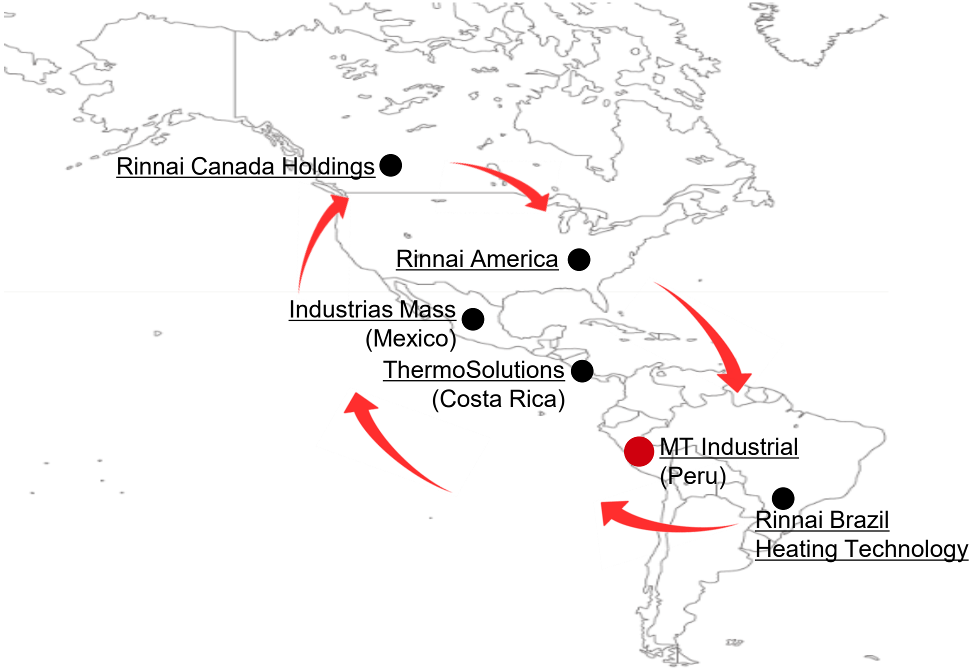
Peru's population pyramid (2024)

■ Households using natural gas on the rise



Sale Territory Expansion in the Americas

- Acquisition of MT Industrial: Aim to leverage synergies across the Americas and strengthen our sales capabilities in Latin America, a key focus area



2021

Acquisition of Industrias Mass (Mexico)

Business: Manufacture and sale of commercial water heaters

2024

Acquisition of ThermoSolutions (Costa Rica)

Business: Manufacture and sale of electric water heaters

2025

Acquisition of MT Industrial (Peru)

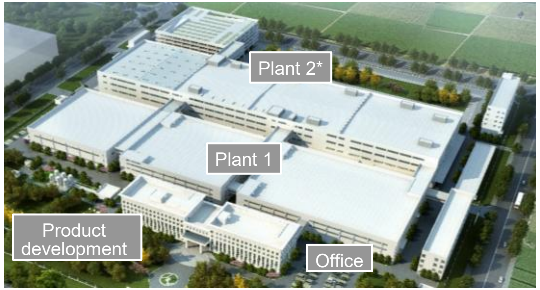
Business: Sale of kitchen appliances (gas) and water heaters (electric and gas); sale of sanitary equipment

Our Policy in the Increasingly Challenging Chinese Market

- Aim to further strengthen our high-profit structure despite expectations of a persistently challenging market environment

■ Location of Shanghai Rinnai (main Rinnai Group base in China)

*Full-scale operation since June 2024



■ Direction of Chinese market

Current status

- Assume that economic factors causing sluggish consumption will continue for time being
- Aim to maintain profit margins through management efforts despite challenging market conditions
- China remains an important market for the Group

Direction

- Maintain and promote high-quality Rinnai brand built on Japanese technology
- Centralize operations to facilitate prompt decision-making and strict control of fixed costs
- Enhance management efficiency through efficient operation of Plant 2

Next Medium-Term Management Plan

- Our next medium-term management plan, to be announced in May 2026, will take the following perspectives into account.

Business environment	■ **Accelerating movement toward carbon neutrality** - Transition to low-carbon society is advancing, with energy-saving and energy regulations being strengthened ■ **Advances in AI and other digital technologies are transforming lifestyles and workstyles** - Lifestyles and household appliances changing as living habits and values diversify
Business direction	■ **Response to energy transition** - In addition to acquiring electrification technologies, we aims to develop technologies related to various energy sources (hydrogen, renewable energy, e-methane, etc.) ■ **Thermal equipment market is growing both in Japan and overseas** - We see major business opportunities particularly in the United States, where significant market changes are expected
Capital policy	■ **Prioritize investments to maintain and further strengthen our business foundation** - In addition to sustaining and expanding earning power in existing businesses, we will execute growth investments and realize returns at an early stage ■ **Promote management focused on capital efficiency indicators (ROE, ROIC, etc.)** - Implement balance sheet management to appropriately control shareholders' equity