

# Financial Results for First Three Quarters of Fiscal 2026, ending March 31, 2026

February 12, 2026

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

## ■ Recall progressing largely as planned (inspections conducted by employees now winding down)

### ■ 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: Attach 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 ended March 2025)

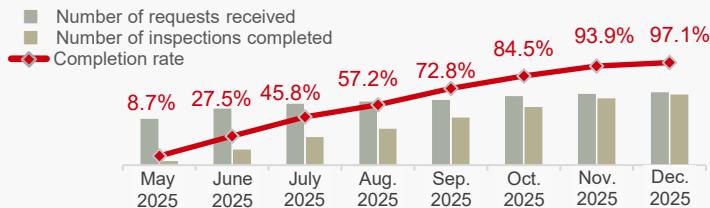
### ■ Future recall response measures

Will maintain response team consisting of service shop inspectors and several dozen Rinnai employees; will continue market response activities (including for outstanding cases)

### ■ Progress (as of December 31, 2025)

- Number of requests received: 207,105
- Number of inspections completed: 201,079 (completion rate: 97.1%)
- Personnel structure: Service shop inspectors  
Rinnai employees: Approx. 350  
→Scaled to team of several dozen personnel (from January 2026)

Requests received and inspections completed



### ■ Impact on business performance

Allowance for product guarantee (recorded in fiscal 2025, ended March 31, 2025) has been fully utilized; partial increase in expenses expected in second half of current fiscal year, but impact on business performance expected to be minimal

# Results of First Three Quarters of Fiscal 2026

# Fiscal 2026 (First Three Quarters): Consolidated Performance Overview

- Year-on-year increases in revenue and income with steady contributions from each region despite ongoing global economic uncertainty

## **Net sales: ¥339.3 billion** (up 2.1% year on year)

Record-high level

Increase in net sales even as major economies overall move into adjustment period

## **Operating income: ¥37.1 billion** (up 5.9% year on year, Operating income to net sales ratio: 10.9%)

Record-high level

Increase in operating income thanks to higher revenue and ongoing cost-cutting efforts despite continued increases in various costs

## **Ordinary income: ¥41.8 billion** (up 7.6% year on year, Ordinary income to net sales ratio: 12.3%)

Record-high level

Higher ordinary income due to increased operating income and foreign exchange gains

## **Net income attributable to owners of the parent company: ¥27.5 billion**

Record-high level

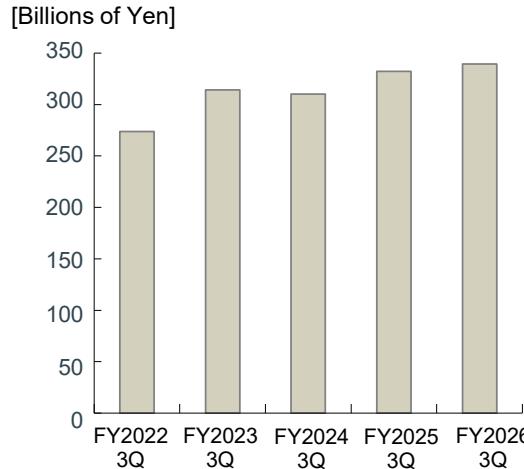
(up 20.4% year on year, Net income to net sales ratio: 8.1%)

Recorded ¥799 million of “Reversal of allowance related to antimonopoly law” in extraordinary income following settlement between Rinnai Brasil Heating Technology Ltd. (subsidiary) and local authorities in Brazil

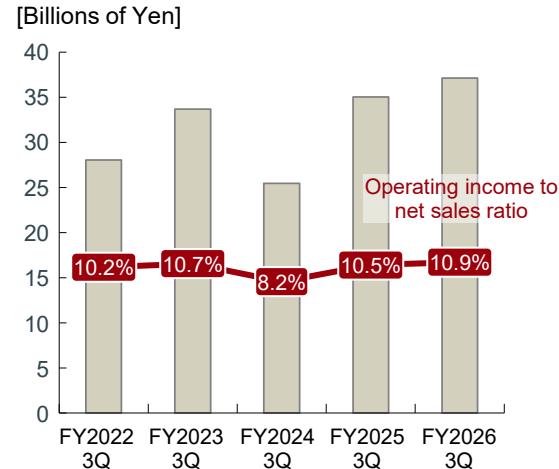
# Fiscal 2026 (First Three Quarters): Consolidated Financial Results

- Second consecutive period of year-on-year net sales increase backed by growth in sales of high-value-added products emphasizing energy efficiency and functionality despite uncertain market environment
- Signs of gradual improvement in consolidated profit margins; will continue monitoring market conditions and cost trends

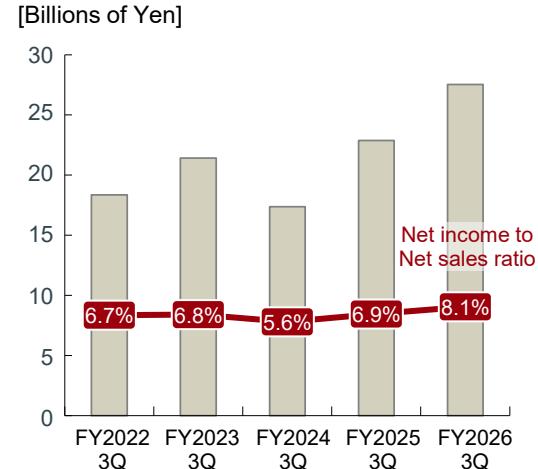
## Net Sales



## Operating Income



## Attributable to owners of the parent company Net Income



# Fiscal 2026 (First Three Quarters): Net Sales by Product

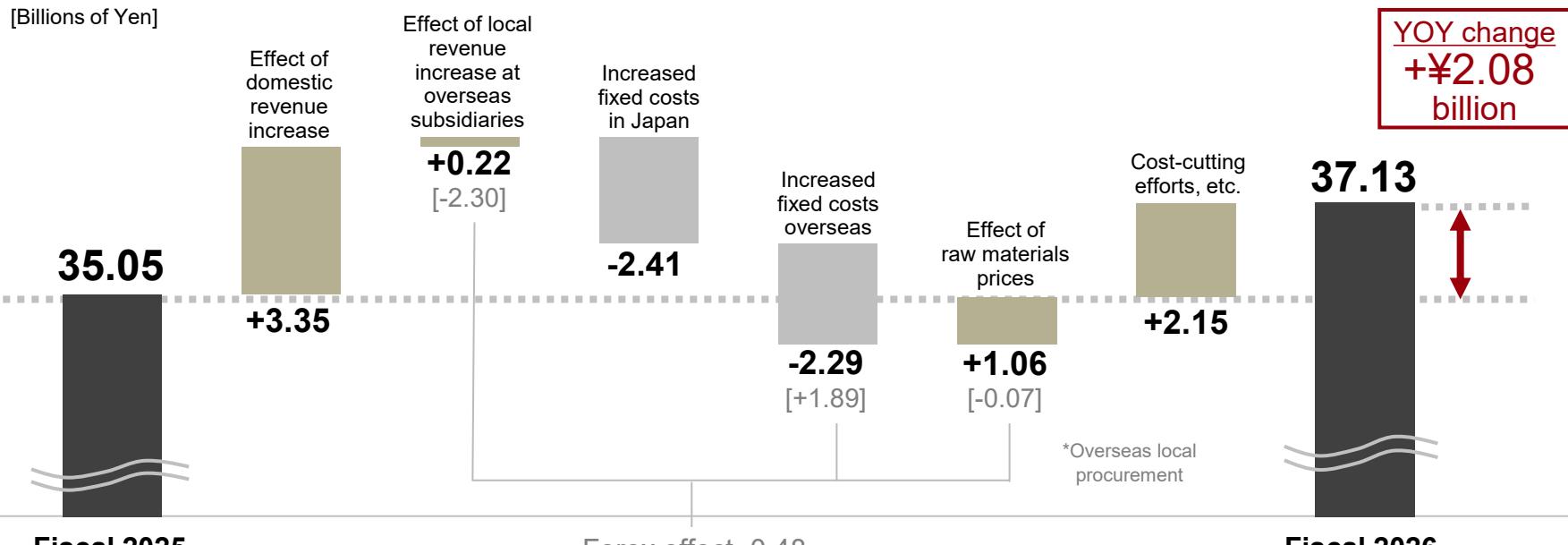
[Billions of yen]	Fiscal 2025 3Q		Fiscal 2026 3Q		YOY Change	
	Amount	% of total	Amount	% of total	Amount	(%)
Water heaters	196.50	59.1%	198.81	58.6%	+2.30	+1.2%
Kitchen appliances	72.83	21.9%	70.42	20.7%	-2.41	-3.3%
Air conditioning appliances	16.58	5.0%	18.02	5.3%	+1.44	+8.7%
Commercial-use equipment	8.63	2.6%	8.69	2.6%	+0.06	+0.8%
Others	37.76	11.4%	43.43	12.8%	+5.66	+15.0%
Total	332.31	100.0%	339.39	100.0%	+7.07	+2.1%

# Fiscal 2026 (First Three Quarters): Consolidated Sales/Income Results

[Billions of yen]	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin	YOY Change
<b>Consolidated</b>	339.39	+2.1%	37.13	+5.9%	10.9%	+0.4pt
[Billions of yen]	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin	YOY Change
<b>Japan</b>	154.62	+2.3%	21.06	+11.6%	13.6%	+1.1pt
<b>United States</b>	51.79	+8.5%	1.16	+12.3%	2.3%	+0.1pt
<b>Australia</b>	32.40	+24.0%	1.84	+77.5%	5.7%	+1.7pt
<b>China</b>	37.17	-17.1%	5.73	-6.7%	15.4%	+1.7pt
<b>South Korea</b>	24.50	-1.0%	0.91	+50.0%	3.8%	+1.3pt
<b>Indonesia</b>	13.55	+4.0%	2.93	-1.2%	21.7%	-1.1pt
<b>Others</b>	25.31	+2.9%	3.80	-1.1%	15.0%	-0.6pt
<b>Adjustments</b>	-	-	-0.34	-	-	-

# Fiscal 2026 (First Three Quarters): Consolidated Operating Income Analysis

■ Increase in operating income as increased fixed costs in Japan and overseas offset by higher revenue and cost reductions



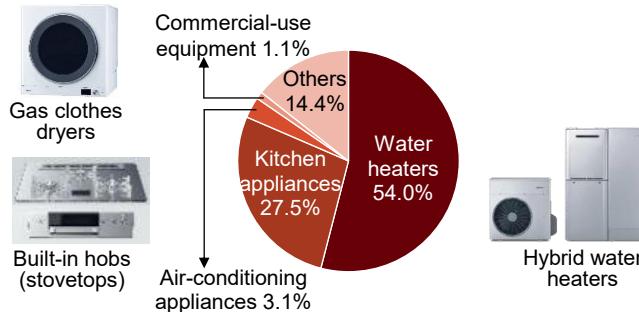
→ The applicable rates are listed on [Reference data, page 7]

# Japan Fiscal 2026 (First Three Quarters) Results

## ■ Segment companies

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

## ■ Net sales by product, Fiscal 2026 (3Q) results

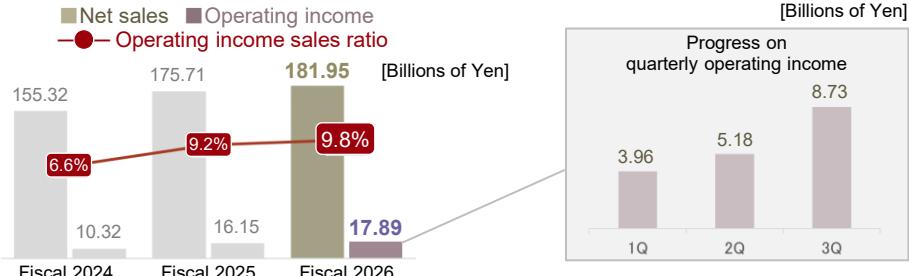


## ■ Non-consolidated results of major company

### Rinnai (non-consolidated basis)

- Market supported by renovation demand amid sluggish conditions in new housing market
- Steady performance supported by strong sales of core products as demand peaked in 3Q
- Improving profitability sustained through continuous cost reduction efforts

### Rinnai (non-consolidated basis), Fiscal 2026 (3Q) results



## ■ Segment results

[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	151.22	154.62	+2.3%
Operating Income	18.87	21.06	+11.6%
Operating income to net sales ratio	12.5%	13.6%	+1.1pt

[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change	[Sales volume in Japan]	YOY change
Net Sales	175.71	181.95	+3.6%	Water heater with heating systems	+6.4%
Operating Income	16.15	17.89	+10.8%	Hybrid water heaters	+9.7%
Operating income to net sales ratio	9.2%	9.8%	+0.6pt	Built-in hobs (stovetops)	-2.9%
				Gas clothes dryers	+3.5%

# Japan Topics Reinforced Lineup of Key Products

## ■ Ongoing growth in sales of key products contributing to higher profitability

### Hybrid water heater with heating systems

Combines gas and electricity to achieve highest efficiency in the industry



### Air Bubble product

Fine bubbles enhance bathing comfort and make cleaning easier



### Gas clothes dryers

Quick drying with powerful warm air generated by gas



## ■ Continuation of METI subsidy program for promoting energy efficiency

2025

Budget: ¥58.0 billion

¥150,000/unit

2026  
(supplementary budget proposal)

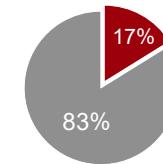
Budget: ¥57.0 billion

¥120,000/unit

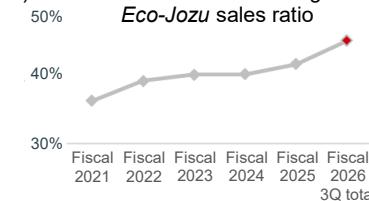
Overall budget scale to be maintained and number of supported units set to increase despite reduction in per-unit subsidy  
(Estimated supported units: Approx. 450,000 in 2025 → Approx. 500,000 in 2026)

■ Growing recognition of air bubble technology to drive further expansion → Cumulative sales exceeding 170,000 units (As of December 2025)

Share of air bubble installations among Eco-Jozu sales (fiscal 2026/3Q)



Eco Jozu sales breakdown  
Growth in sales of air bubble models contributed to higher Eco-Jozu sales ratio



Balance of energy efficiency with strong product competitiveness contributing to added value enhancement

■ Gradually expanding lineup to meet consumer needs while addressing installation-related challenges



Standard type

3kg

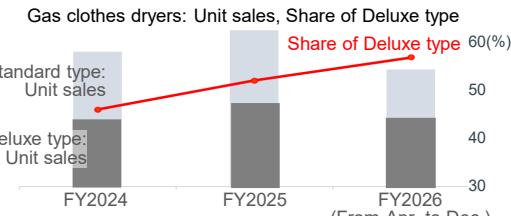


Deluxe type

5kg



Deluxe type  
Under-eaves installation

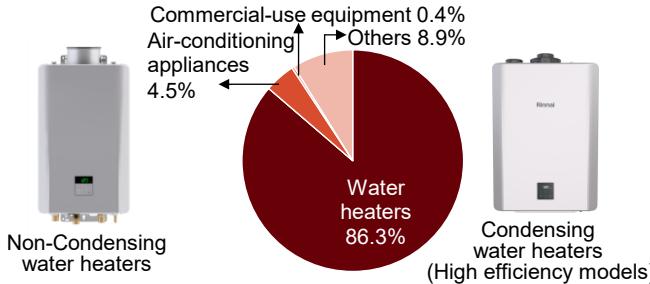


# United States Fiscal 2026 (First Three Quarters) Results

## ■ Segment company

Rinnai America

## ■ Net sales by product, Fiscal 2026 (3Q) results



## ■ Segment results

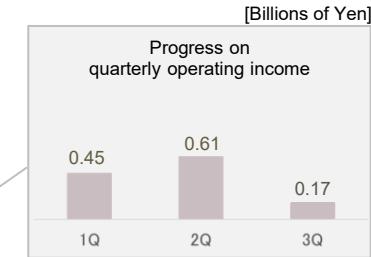
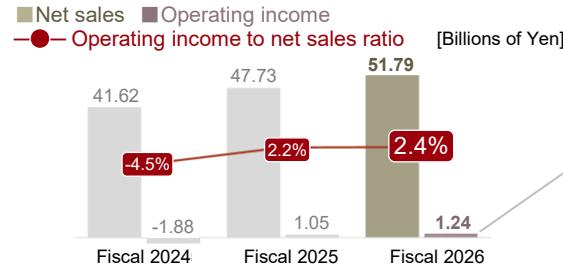
[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	47.73	51.79	+8.5%
Operating Income	1.04	1.16	+12.3%
Operating income to net sales ratio	2.2%	2.3%	+0.1pt

## ■ Non-consolidated results of major company

Rinnai America

- Consumer sentiment remains weak with lack of recovery in new housing market despite down-trending interest rates
- Steady sales of condensing water heaters driven by proactive sales activities
- Increase in operating income in three quarters despite lower third quarter income stemming from difference in timing of tariff-related price adjustments

## Rinnai America, Fiscal 2026 (3Q) results



[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change		[Sales volume]	YOY change
			Yen	Local currency		
Net Sales	47.73	51.79	+8.5%	+9.8%	Tankless water heaters	+2.5%
Operating Income	1.05	1.24	+18.5%	+19.9%	Condensing water heaters of total (High-efficiency models)	+9.6%
Operating income to net sales ratio	2.2%	2.4%	+0.2pt			

# United States Topics Tariff Impact and Response Measures

## ■Flexible price adjustments to absorb costs arising from additional or revised tariffs

### ■Status of tariff impact and price adjustments

Tariff	1Q	2Q	3Q	4Q	Price revision
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	
Steel and aluminum (KD Parts, etc.)		25%		50%	★
Copper (Heat exchangers, etc.)				50%	★
Reciprocal tariffs (Finished products, etc.)		10%		15%	★
	1Q	2Q	3Q		
Impact of tariffs (Amount paid)	-	Approx. ¥280 million	Approx. ¥1.2 billion		

### ■Impact on water heater market

Market unit sales Year on year (cumulative)	1Q	2Q	3Q
Water heater market	+0.3%	+0.7%	+0.2%
Tankless water heater market	-0.5%	+5.3%	+1.5%

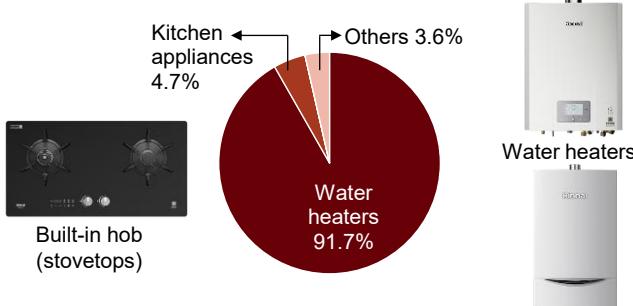
- No material impact from tariffs on unit sales at this stage
- Tankless segment (focus for Rinnai) growing, albeit slowly, despite overall water heater market stagnation

# China Fiscal 2026 (First Three Quarters) Results

## ■ Segment company

Shanghai Rinnai, Guangzhou Rinnai,  
Rinnai Hong Kong

## ■ Net sales by product, Fiscal 2026 (3Q) results



## ■ Segment results

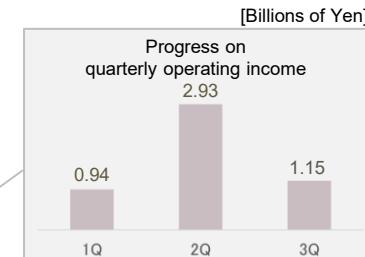
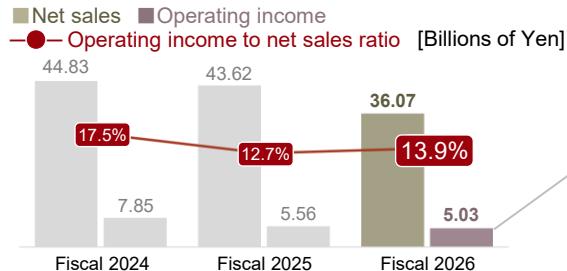
[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	44.84	37.17	-17.1%
Operating Income	6.15	5.73	-6.7%
Operating income to net sales ratio	13.7%	15.4%	+1.7pt

## ■ Non-consolidated results of major company

### Shanghai Rinnai

- Subsidy funds running dry; no visible signs of market recovery; consumer sentiment remains cool
- Market inventories normalized thanks to detailed sales measures by distributors and EC channels despite revenue decline
- Profitability maintained through agile production adjustments and cost controls despite revenue decline

### Shanghai Rinnai, Fiscal 2026 (3Q) results



[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change	
			Yen	Local currency
Net Sales	43.62	36.07	-17.3%	-15.9%
Operating Income	5.56	5.03	-9.5%	-8.0%
Operating income to net sales ratio	12.7%	13.9%	+1.2pt	

[Sales volume]	YOY change
Water heaters	-20.0%
Built-in hob (stovetops)	-22.2%
Range hoods	-39.1%
Boilers	-13.8%

# China Topics Initiatives to address challenging business environment

## ■ Maintained market competitiveness backed by rising external recognition despite sluggish market conditions

### ■ First-ever award received in the gas water heater category in “JD Gold List” (JD.com Ranking)\*

\*Official ranking based on sales performance and customer evaluations on JD.com (major Chinese e-commerce platform)  
JD.com is a massive platform with second-largest share of China's e-commerce market

Award criteria: Based on a comprehensive evaluation of sales and quality

- Sales: Cumulative sales to consumers during the period
- Quality: Product popularity ratings, return rates, customer reviews, sampling inspections, etc.



### ■ Anticipated benefits of award

Advertising benefits from priority display positions and exposure in dedicated JD.com channels



Approximately 1 billion consumers use “JD Gold List” as reference when making online purchases



### ■ Strategic direction for our business in China

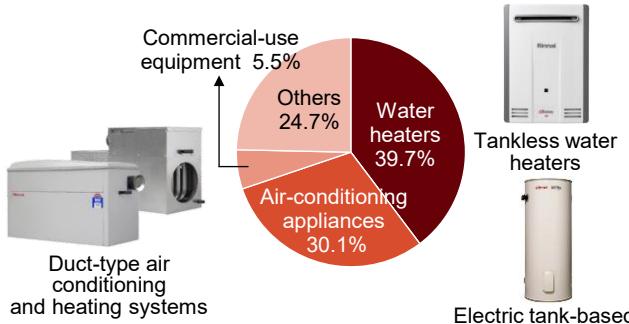
- Maintain and promote high-quality brand image based on Japanese quality standards
- Ensure price discipline and thoroughly implement profitability-focused EC sales

# Australia Fiscal 2026 (First Three Quarters) Results

## ■ Segment company

Rinnai Australia

## ■ Net sales by product, Fiscal 2026 (3Q) results



## ■ Segment results

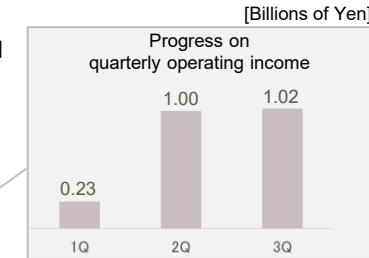
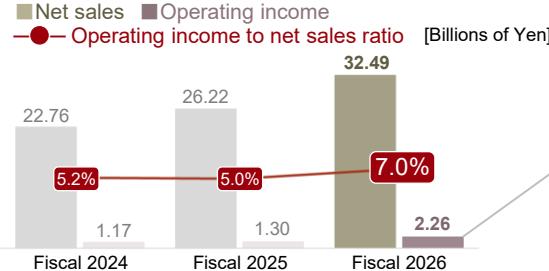
[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	26.12	32.40	+24.0%
Operating Income	1.03	1.84	+77.5%
Operating income to net sales ratio	4.0%	5.7%	+1.7pt

## ■ Non-consolidated results of major company

Rinnai Australia

- Gas appliance market shrinking due to electrification trends despite elevated housing demand
- Growth in revenue supported by increased sales of electrification-related products centered on heat pump water heaters
- Ongoing increase in profit supported by enhanced profitability from M&A synergies

## Rinnai Australia, Fiscal 2026 (3Q) results



[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change Yen	YOY change Local currency	[Sales volume]	YOY change
Net Sales	26.22	32.49	+23.9%	+30.6%	Tankless water heaters	-4.5%
Operating Income	1.30	2.26	+74.0%	+83.4%	Electric tank-based water heaters	+1.6%
Operating income to net sales ratio	5.0%	7.0%	+2.0pt		Duct-type air-conditioning and heating systems	+146.8%

# Australia Topics Increasing value provided as residential environment solutions

- Emerging synergies from acquisition of Smart Energy, strengthening foundations of our gas and electrification businesses
- Building a foundation responding flexibly to structural market changes while capturing expanding electrification demand (including through government-led subsidies)
- Main products sold by Rinnai Australia

	Gas	Electric	Other (electric)				
Water heaters		 Electric storage-type water heaters	 Solar water heaters	 Heat pump water heaters	 Electric tankless water heaters	 Energy management systems	<b>Strengths of Smart Energy</b> Residential battery installations No. 1 in industry
Air-conditioning appliances		 Home air conditioners	 Portable air conditioners	 Ducted air conditioners	 Solar power generation systems	 Storage batteries	 Honored by independent research company

## ■ Growth of our renewable energy business in Australia

Government subsidy scheme for battery storage introduced in July 2025, driving faster uptake through lower initial costs

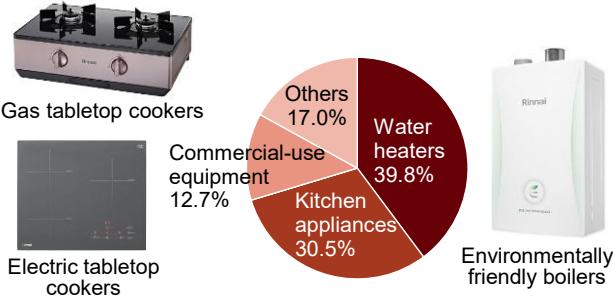
Electricity prices rising year by year; consumers benefit from lower electricity costs through self-generation and self-consumption using storage batteries

# South Korea Fiscal 2026 (First Three Quarters) Results

## ■ Segment company

Rinnai Korea, RB Korea

## ■ Net sales by product, Fiscal 2026 (3Q) results

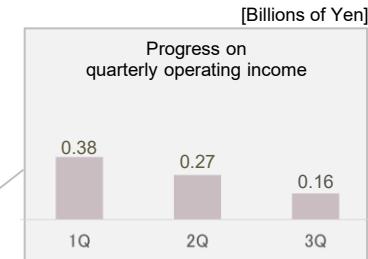
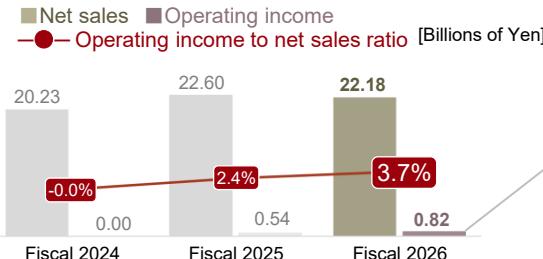


## ■ Non-consolidated results of major company

### Rinnai Korea

- Ongoing weakness in new housing market due to economic slowdown
- Continued growth in local-currency sales despite weak market conditions
- Increase in profit driven by growth in sales of high-value-added products

## Rinnai Korea, Fiscal 2026 (3Q) results



## ■ Segment results

[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	24.74	24.50	-1.0%
Operating Income	0.61	0.91	+50.0%
Operating income to net sales ratio	2.5%	3.8%	+1.3pt

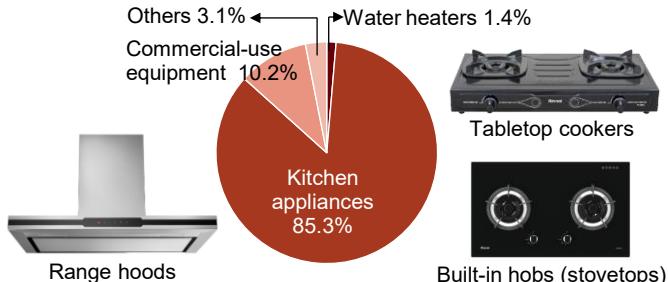
[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change		[Sales volume]	YOY change
			Yen	Local currency		
Net Sales	22.60	22.18	-1.9%	+4.6%	Boilers	+18.1%
Operating Income	0.54	0.82	+52.9%	+62.9%	Gas tabletop cookers	-8.3%
Operating income to net sales ratio	2.4%	3.7%	+1.3pt		Electric tabletop cookers	-5.4%

# Indonesia Fiscal 2026 (First Three Quarters) Results

## ■ Segment company

P.T. Rinnai Indonesia

## ■ Net sales by product, Fiscal 2026 (3Q) results

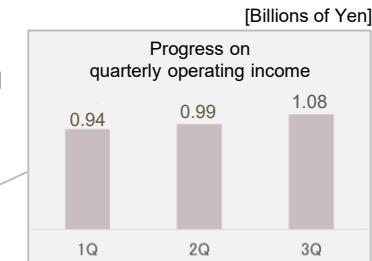
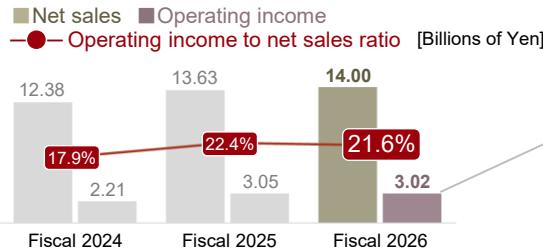


## ■ Non-consolidated results of major company

P.T. Rinnai Indonesia

- Interest rates trending downward; housing market growth slowing due to weak public sector investment
- Increase in sales led by strong demand for tabletop stoves
- Continued higher sales and income in local-currency terms, but foreign exchange translation resulted in slight income decrease (yen terms)

## P.T. Rinnai Indonesia, Fiscal 2026 (3Q) results



## ■ Segment results

[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change
Net Sales	13.04	13.55	+4.0%
Operating Income	2.97	2.93	-1.2%
Operating income to net sales ratio	22.8%	21.7%	-1.1pt

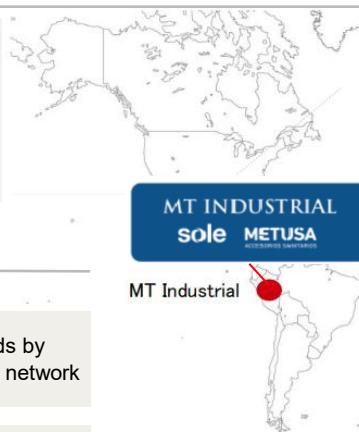
[Billions of Yen]	Fiscal 2025	Fiscal 2026	YOY change		[Sales volume]	YOY change
			Yen	Local currency		
Net Sales	13.63	14.00	+2.7%	+7.6%	Tabletop cookers	+5.1%
Operating Income	3.05	3.02	-1.1%	+3.6%	Built-in hob (stovetops)	+1.2%
Operating income to net sales ratio	22.4%	21.6%	-0.8pt		Range hoods	-15.4%

# Other Regional Topics MT Industrial(MTI) Newly Consolidated as Subsidiary

- Strengthening sales networks and expanding growth opportunities in Peru and neighboring countries through the acquisition of MTI

## ■ Objectives of MTI acquisition

Peru positioned as strategically important Latin American market, with natural gas demand expected to grow due to demographic and policy factors; acquisition of a leading local distributor (MTI) aimed at expanding our coverage across Latin America



## ■ Anticipated synergistic benefits

**sole**  
- Rinnai Group -

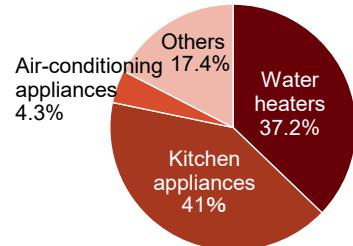


Cross-utilization of both brands by leveraging MTI's strong sales network

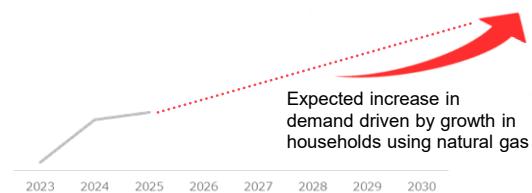
Expansion of business scale by selling Rinnai's product portfolio (commercial equipment, dryers, etc.)

Use base as regional hub for western South America to strengthen sales to neighboring countries

MTI: Net sales by product  
(2024 results)



MTI: Sales forecast



## ■ No. 1 market share in unit sales in 7 product categories

Key business foundation highly aligned with Rinnai's businesses



# Progress of Consolidated Earnings Forecast

- Expect to achieve full-year targets with rising costs to be absorbed in 4Q despite continued copper price increases
- Maintaining full-year forecasts with results progressing in line with plan

[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 sales/income results [Plan]	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 financial results [Actual]	Third quarter	339,391	37,132	10.9%	41,817	12.3%	27,538	8.1%
	YOY change	+2.1%	+5.9%		+7.6%		+20.4%	
	Vs progress on full year plan	72.2%	74.3%		78.2%		83.4%	

- Copper prices and foreign exchange fluctuations remain particular sources of uncertainty for achieving future targets

Reference: Exchange rates

	FY2026 (3Q) Applied exchange rates	FY2026 (beginning) Assumed exchange rates
USD	148.824	145.000
AUD	94.970	95.658
CNY	20.597	20.135
KRW	0.1051	0.1066
IDR	0.00911	0.00917

Reference: Electrolytic copper prices





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