

Financial Results of Fiscal 2026, ended March 31, 2026

May 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.

About Recall of Bathroom Heater/Dryers

- Recall response measures have advanced steadily; response by Rinnai personnel has now concluded
- Impact on earnings kept to a minimum through subsequent cost controls despite temporary loss of business opportunities stemming from recall measures

■ Overview of bathroom heater/dryer recall

Announced April 15, 2025

- Affected products: Bathroom heater/dryers
- Number of affected units: 372,398
(Manufactured between August 2003 and August 2020)

*Units still in market: Unknown

- 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)

■ Progress (as of March 31, 2026)

- Number of requests received: 223,861
- Number of inspections completed: 219,204
Completion rate to number of requests received: 97.9%
Completion rate to number of affected units: 58.9%
- Personnel structure:
Service shop inspectors, Rinnai employees
→ From January 2026, scaled to team of several dozen personnel
- Impact on earnings: ¥2.54 billion (recorded in previous fiscal year) fully covered during period in review
Excess amount (approx. ¥480 million) recorded as expense in period in review



■ Fiscal 2027 (ending Mar. 2027) responses

- Personnel structure:
Response by Rinnai personnel has concluded; any further handling to be conducted as after-sales services
- Earnings impact:
Employee-led response has ended, so impact in fiscal 2027 expected to be minimal.
- Quality measures:
To ensure product safety, we will thoroughly implement risk management and establish quality that earns the trust of our customers.

Fiscal 2026 Results

Fiscal 2026: Consolidated Performance Overview

- Year-on-year increases in both sales and income despite ongoing uncertainty in the global economy

Net sales: ¥470.3 billion (up 2.2% year on year)

Record-high net sales despite uncertain economic conditions in major countries

Record-high level

[vs target: up 0.1%]

Operating income: ¥50.5 billion (up 9.8% year on year; Operating income to net sales ratio: 10.7%)

Record-high operating income thanks to increased revenue and rigorous cost-reduction measures despite rising costs across the board

Record-high level

[vs target: up 1.1%]

Ordinary income: ¥57.6 billion (up 14.6% year on year; Ordinary income to net sales ratio: 12.3%)

Increase in ordinary income supported by foreign exchange gains and higher interest income resulting from rising interest rates

Record-high level

[vs target: up 7.8%]

Net income attributable to owners of the parent company: ¥36.1 billion

(up 21.8% year on year; Net income to net sales ratio: 7.7%)

Record-high level

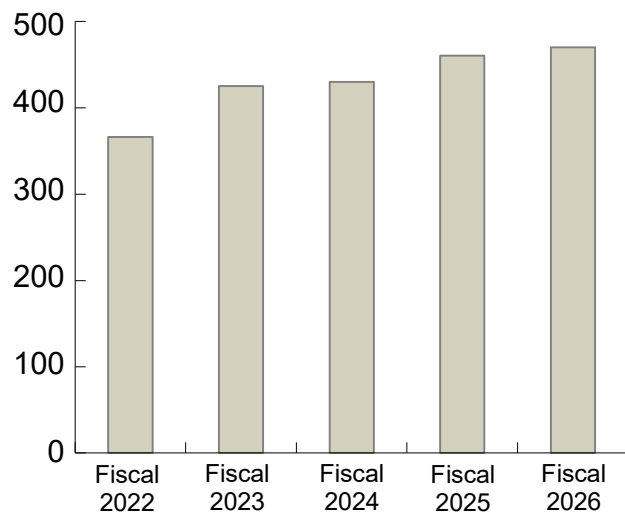
[vs target: up 9.6%]

Fiscal 2026: Consolidated Financial Results

- Record-high net sales in each fiscal year of medium-term business plan (fiscal 2022~)
- Steady improvements in both income levels and margins despite unstable market conditions and rising raw material costs

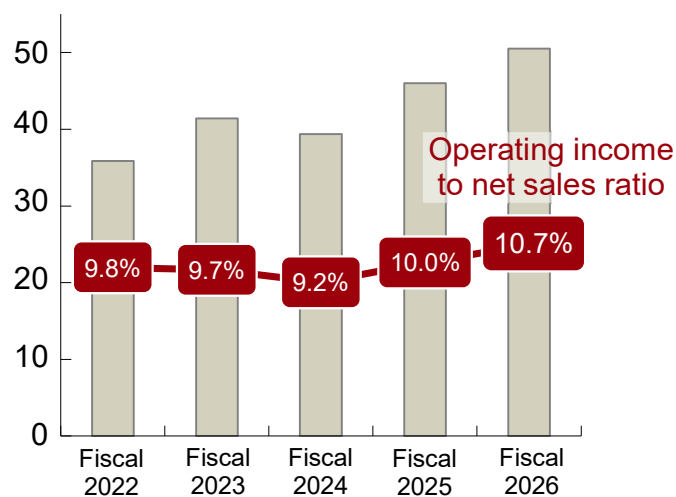
Net Sales

[Billions of yen]



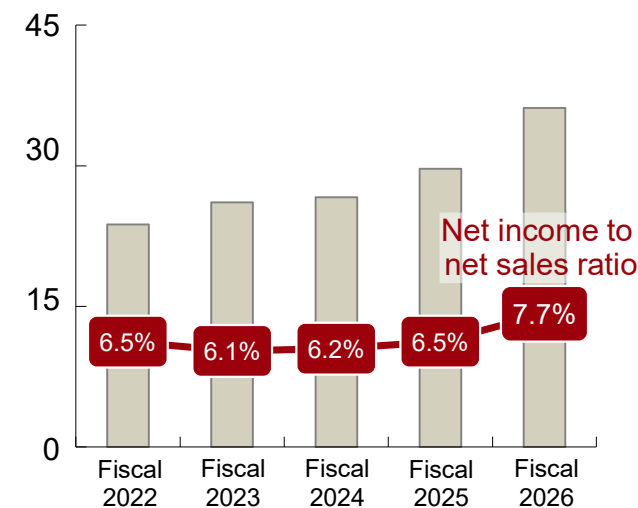
Operating Income

[Billions of yen]



Attributable to owners of the parent company Net Income

[Billions of yen]



Fiscal 2026: Net Sales by Product

| [Billions of yen] | Fiscal 2025 | | Fiscal 2026 | | YOY Change | |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|--------------|
| | Amount | % of total | Amount | % of total | Amount | (%) |
| Water heaters | 277.73 | 60.3% | 281.92 | 59.9% | +4.18 | +1.5% |
| Kitchen appliances | 96.26 | 20.9% | 93.27 | 19.8% | -2.98 | -3.1% |
| Air conditioning appliances | 22.01 | 4.8% | 24.26 | 5.2% | +2.25 | +10.3% |
| Commercial-use equipment | 11.73 | 2.5% | 11.92 | 2.5% | +0.18 | +1.6% |
| Others | 52.57 | 11.4% | 59.00 | 12.5% | +6.42 | +12.2% |
| Total | 460.31 | 100.0% | 470.39 | 100.0% | +10.07 | +2.2% |

Fiscal 2026: Consolidated Sales/Income Results

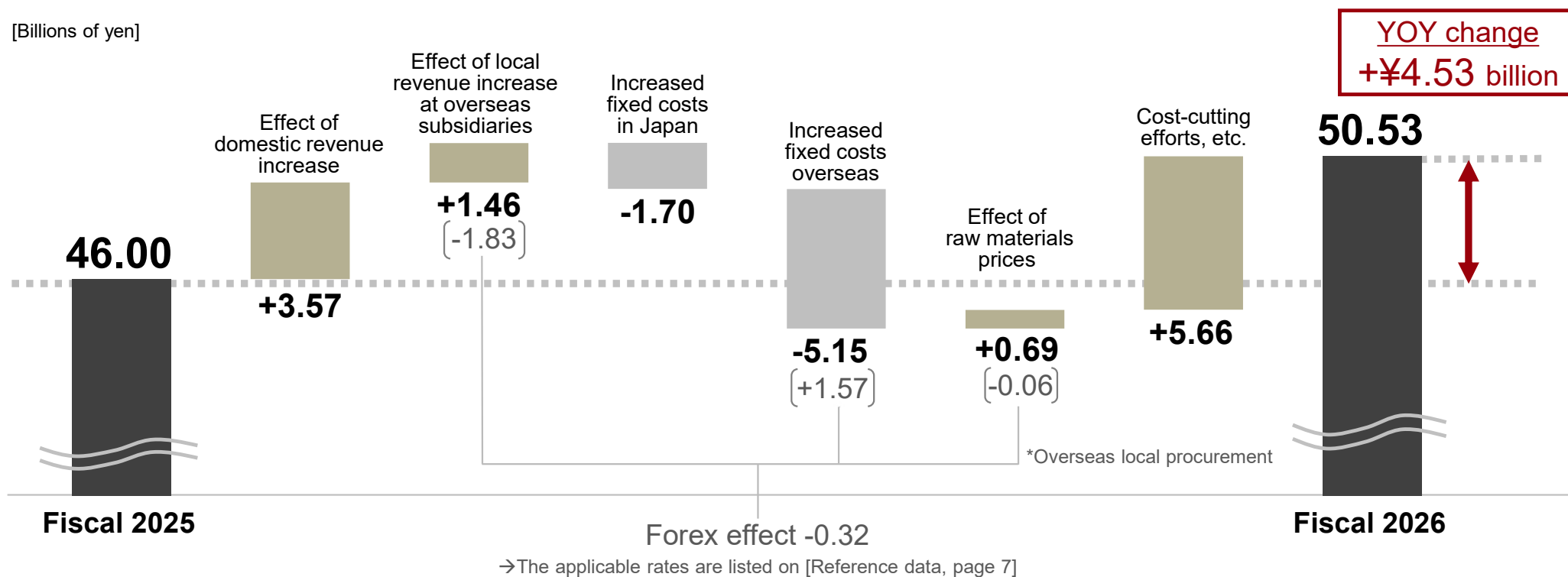
| [Billions of yen] | Net Sales | YOY Change | Operating Income | YOY Change | Operating Margin | YOY Change |
|-------------------|-----------|------------|------------------|------------|------------------|------------|
| Consolidated | 470.39 | +2.2% | 50.53 | +9.8% | 10.7% | +0.7pt |

| [Billions of yen] | Net Sales | YOY Change | Operating Income | YOY Change | Operating Margin | YOY Change |
|-------------------|-----------|------------|------------------|------------|------------------|------------|
| Japan | 207.20 | +1.7% | 27.11 | +21.5% | 13.1% | +2.1pt |
| United States | 72.13 | +8.5% | 1.85 | -12.8% | 2.6% | -0.6pt |
| Australia | 44.04 | +20.3% | 2.11 | +88.6% | 4.8% | +1.7pt |
| China | 60.68 | -11.5% | 9.41 | -6.7% | 15.5% | +0.8pt |
| South Korea | 34.28 | -1.3% | 1.09 | +17.7% | 3.2% | +0.5pt |
| Indonesia | 17.55 | +3.2% | 3.84 | +0.0% | 21.9% | -0.7pt |
| Others | 34.48 | +3.9% | 5.17 | +3.1% | 15.0% | -0.1pt |
| Adjustments | - | - | -0.08 | - | - | - |

Fiscal 2026: Consolidated Operating Income Analysis

- Increase in operating income thanks to ongoing cost reduction efforts and higher sales despite rising costs (including tariffs)
- Provision for recall (at fiscal 2025 year-end) is included in “cost reduction efforts, etc.”

[Billions of yen]

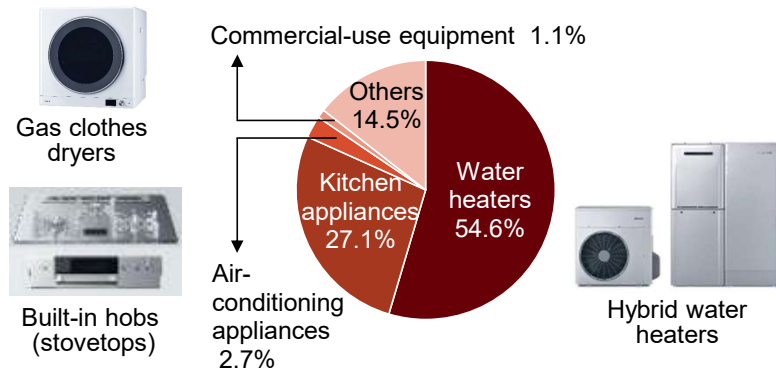


Japan, Fiscal 2026 Results

■ Segment companies

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

■ Net sales by product, fiscal 2026 results



■ Segment results

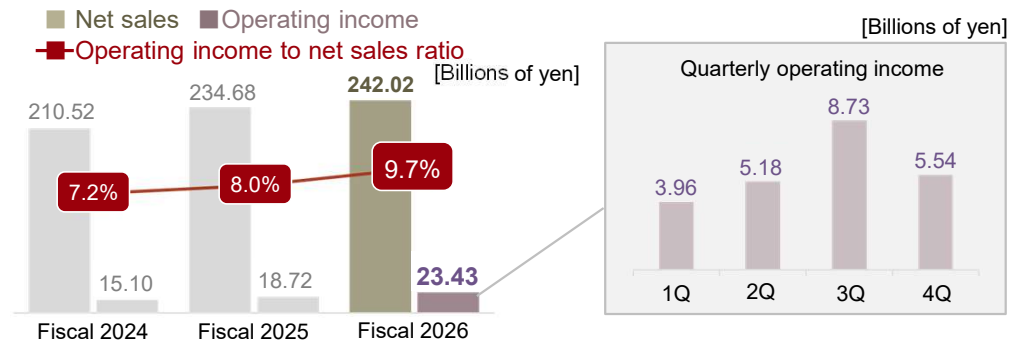
| [Billions of yen] | Fiscal 2025 | Fiscal 2026 | YOY change |
|-------------------------------------|-------------|-------------|------------|
| Net Sales | 203.73 | 207.20 | +1.7% |
| Operating Income | 22.30 | 27.11 | +21.5% |
| Operating income to net sales ratio | 11.0% | 13.1% | +2.1pt |

■ Non-consolidated results of major company

Rinnai (non-consolidated basis)

- Overall housing market supported by continued stable replacement demand despite contraction of new housing
- Growth in sales thanks to higher sales of key products that capture consumer needs despite intensifying competition
- Improvement in profit margin thanks to cost reductions and enhanced product mix, resulting in higher operating income

Rinnai (non-consolidated basis), Fiscal 2026 results



| [Billions of yen] | Fiscal 2025 | Fiscal 2026 | YOY change |
|-------------------------------------|-------------|-------------|------------|
| Net Sales | 234.68 | 242.02 | +3.1% |
| Operating Income | 18.72 | 23.43 | +25.1% |
| Operating income to net sales ratio | 8.0% | 9.7% | +1.7pt |

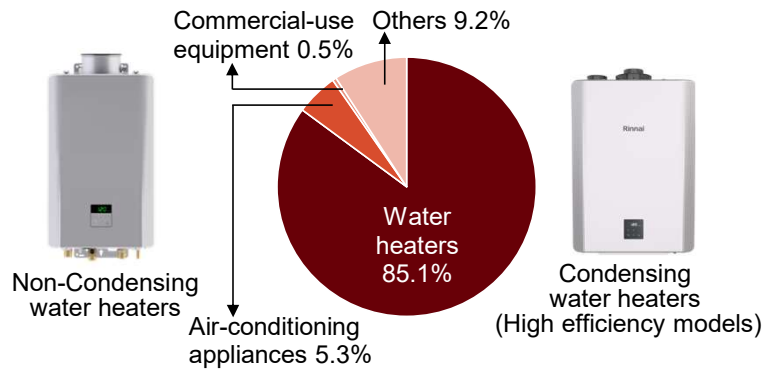
| [Sales volume in Japan] | YOY change |
|-----------------------------------|------------|
| Water heater with heating systems | +3.3% |
| Hybrid water heaters | +5.9% |
| Built-in hobs (stovetops) | -3.5% |
| Gas clothes dryers | +1.7% |

United States, Fiscal 2026 Results

■ Segment company

Rinnai America

■ Net sales by product, fiscal 2026 results



■ Segment results

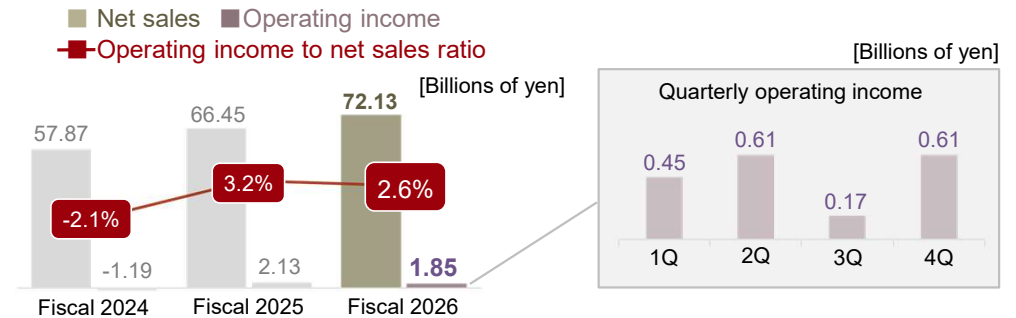
| [Billions of yen] | Fiscal 2025 | Fiscal 2026 | YOY change |
|-------------------------------------|-------------|-------------|------------|
| Net Sales | 66.45 | 72.13 | +8.5% |
| Operating Income | 2.13 | 1.85 | -12.8% |
| Operating income to net sales ratio | 3.2% | 2.6% | -0.6pt |

■ Non-consolidated results of major company

Rinnai America

- Housing market remained weak amid inflationary pressures and a high-interest rate environment
- Growth in revenue supported by stable sales of condensing water heaters
- Bottom-line income ended at low level partly due to tariffs

Rinnai America, Fiscal 2026 results



| [Billions of yen] | Fiscal 2025 | Fiscal 2026 | YOY change | |
|-------------------------------------|-------------|-------------|------------|----------------|
| | | | Yen | Local currency |
| Net Sales | 66.45 | 72.13 | +8.5% | +9.3% |
| Operating Income | 2.13 | 1.85 | -12.8% | -12.2% |
| Operating income to net sales ratio | 3.2% | 2.6% | -0.6pt | |

| [Sales Volume] | YOY change |
|--|------------|
| Tankless water heaters | -0.9% |
| Condensing water heaters of total (High-efficiency models) | +5.7% |

United States Topics: Tariff Impact in 2025

- Tariff-related cost increases in 2025 have already been passed on through price increase

■ Status of tariff impact and price adjustments

Fiscal 2026 ★ 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% → ★ |
| | 1Q | 2Q | 3Q | 4Q |
| Impact of tariffs (Amount paid) | - | Approx. ¥280 million | Approx. ¥1.2 billion | Approx. ¥1.23 billion |

- Full-year tariff-related impact: Approx. ¥2.7 billion
- Timing gaps in changes in tariff measures and price increase put downward pressure on cumulative earnings



Non-Condensing water heaters



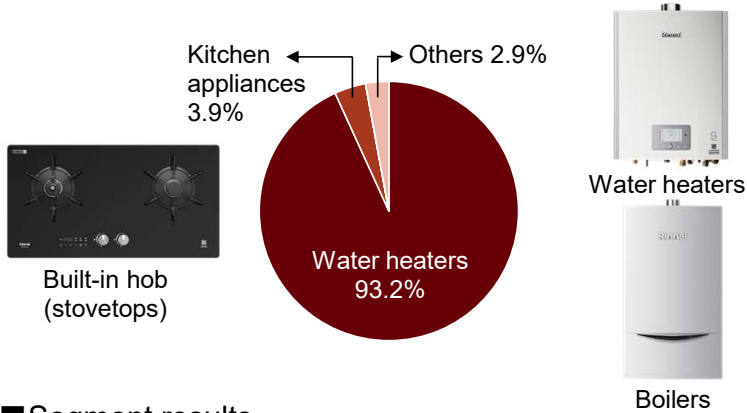
Condensing water heaters

China, Fiscal 2026 Results

■ Segment company

Shanghai Rinnai, Guangzhou Rinnai, Rinnai Hong Kong

■ Net sales by product, fiscal 2026 results



■ Segment results

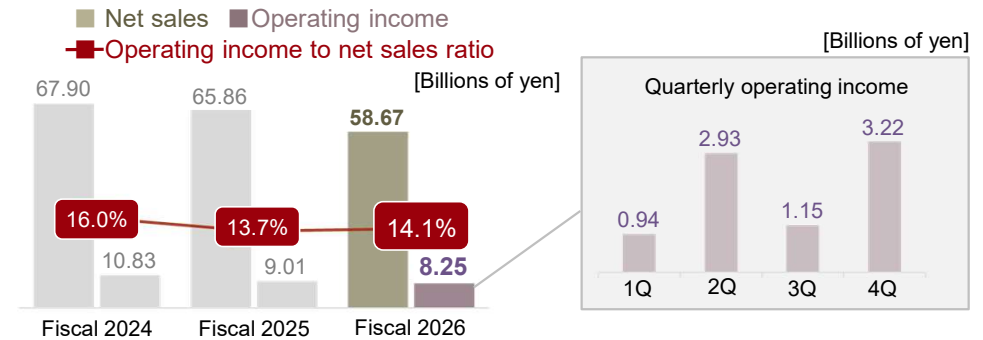
| [Billions of yen] | Fiscal 2025 | Fiscal 2026 | YOY change |
|-------------------------------------|-------------|-------------|------------|
| Net Sales | 68.59 | 60.68 | -11.5% |
| Operating Income | 10.09 | 9.41 | -6.7% |
| Operating income to net sales ratio | 14.7% | 15.5% | +0.8pt |

■ Non-consolidated results of major company

Shanghai Rinnai

- Business conditions remain challenging as consumer sentiment continues to cool
- Stable sales through online channels in latter half helped curb the decline in revenue
- Improvement in profit margin thanks to reduced promotional expenses and enhanced production efficiency despite lower revenue

Shanghai Rinnai, Fiscal 2026 results



| [Billions of yen] | Fiscal 2025 | Fiscal 2026 | YOY change | |
|-------------------------------------|-------------|-------------|------------|----------------|
| | | | Yen | Local currency |
| Net Sales | 65.86 | 58.67 | -10.9% | -10.5% |
| Operating Income | 9.01 | 8.25 | -8.5% | -8.1% |
| Operating income to net sales ratio | 13.7% | 14.1% | +0.4pt | |

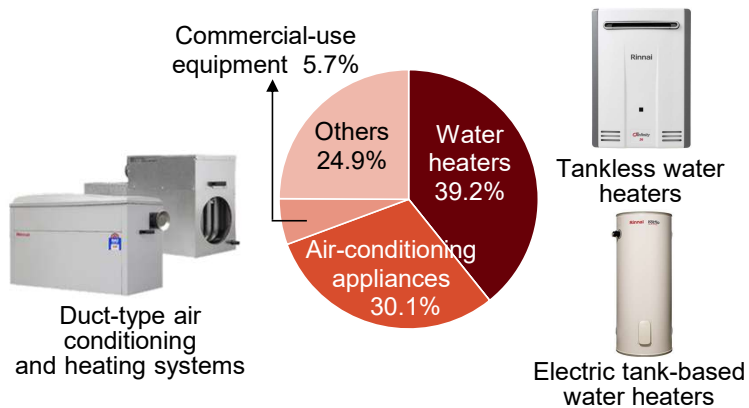
| [Sales volume] | YOY change |
|--------------------------|------------|
| Water heaters | -12.0% |
| Built-in hob (stovetops) | -27.3% |
| Range hoods | -38.8% |
| Boilers | -6.6% |

Australia, Fiscal 2026 Results

■ Segment companies

Rinnai Australia

■ Net sales by product, fiscal 2026 results



■ Segment results

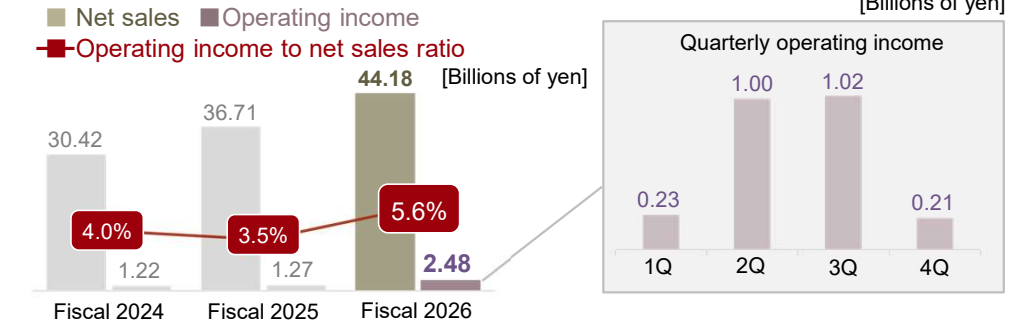
| [Billions of yen] | Fiscal 2025 | Fiscal 2026 | YOY change |
|-------------------------------------|-------------|-------------|------------|
| Net Sales | 36.60 | 44.04 | +20.3% |
| Operating Income | 1.11 | 2.11 | +88.6% |
| Operating income to net sales ratio | 3.1% | 4.8% | +1.7pt |

■ Non-consolidated results of major company

Rinnai Australia

- Shift to electrification expedited by contraction of gas appliance market despite ongoing strength of housing market
- Favorable sales of heat pump water heaters and storage batteries (supported by subsidies) contributed to revenue growth
- Increase in income thanks to corporate acquisition and resulting synergy benefit

Rinnai Australia, Fiscal 2026 results



| [Billions of yen] | Fiscal 2025 | Fiscal 2026 | YOY change | |
|-------------------------------------|-------------|-------------|------------|----------------|
| | | | Yen | Local currency |
| Net Sales | 36.71 | 44.18 | +20.3% | +24.2% |
| Operating Income | 1.27 | 2.48 | +95.2% | +101.5% |
| Operating income to net sales ratio | 3.5% | 5.6% | +2.1pt | |

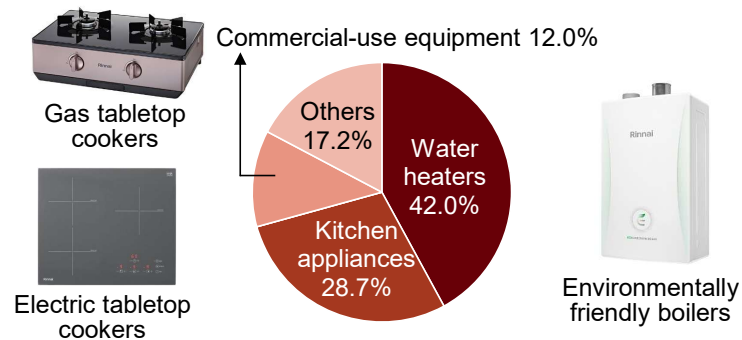
| [Sales Volume] | YOY change |
|--|------------|
| Tankless water heaters | -6.2% |
| Electric tank-based water heaters | +1.7% |
| Duct-type air-conditioning and heating systems | +146.4% |

South Korea, Fiscal 2026 Results

■ Segment companies

Rinnai Korea, RB Korea

■ Net sales by product, fiscal 2026 results



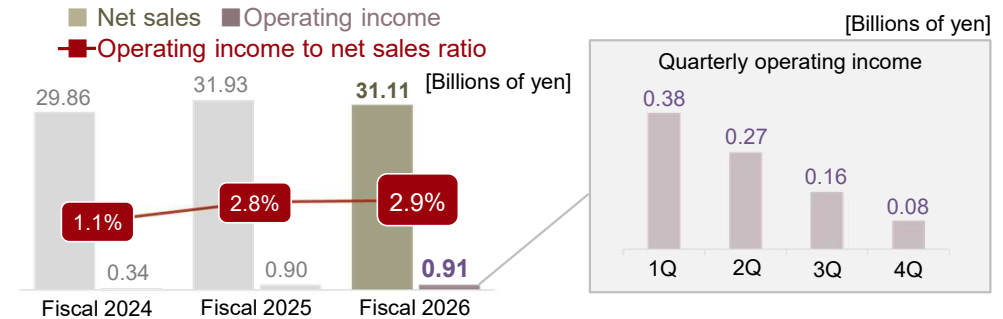
■ Segment results

| [Billions of yen] | Fiscal 2025 | Fiscal 2026 | YOY change |
|-------------------------------------|-------------|-------------|------------|
| Net Sales | 34.71 | 34.28 | -1.3% |
| Operating Income | 0.93 | 1.09 | +17.7% |
| Operating income to net sales ratio | 2.7% | 3.2% | +0.5pt |

■ Non-consolidated results of major company Rinnai Korea

- Performance affected by continued price competition intensity in addition to economic stagnation
- Favorable sales of boilers, which are our core products, from beginning of period enabled revenue growth on local-currency basis
- Income secured by ongoing cost-reduction efforts as well as appropriate promotional activities

Rinnai Korea, Fiscal 2026 results



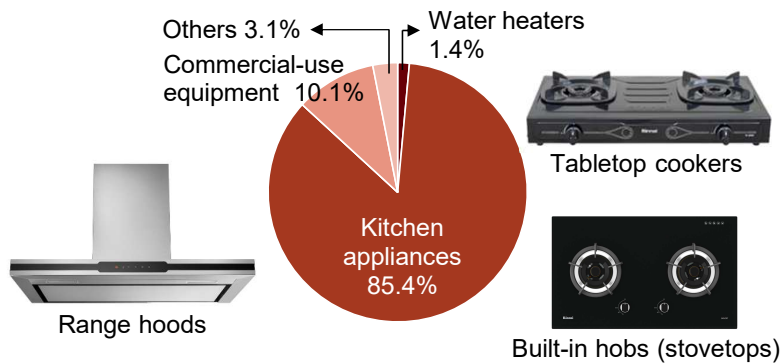
| [Billions of yen] | Fiscal 2025 | Fiscal 2026 | YOY change | | [Sales volume] | YOY change |
|-------------------------------------|-------------|-------------|------------|----------------|---------------------------|------------|
| | | | Yen | Local currency | | |
| Net Sales | 31.93 | 31.11 | -2.6% | +2.5% | Boilers | +15.4% |
| Operating Income | 0.90 | 0.91 | +1.4% | +6.6% | Gas tabletop cookers | -8.8% |
| Operating income to net sales ratio | 2.8% | 2.9% | +0.1pt | | Electric tabletop cookers | +2.9% |

Indonesia, Fiscal 2025 Results

■ Segment company

P.T. Rinnai Indonesia

■ Net sales by product, fiscal 2026 results



■ Segment results

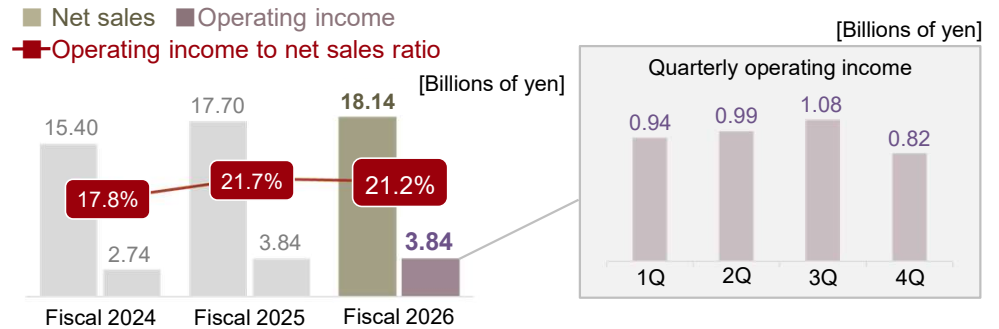
| [Billions of yen] | Fiscal 2025 | Fiscal 2026 | YOY change |
|-------------------------------------|-------------|-------------|------------|
| Net Sales | 17.01 | 17.55 | +3.2% |
| Operating Income | 3.84 | 3.84 | +0.0% |
| Operating income to net sales ratio | 22.6% | 21.9% | -0.7pt |

■ Non-consolidated results of major company

P.T. Rinnai Indonesia

- Thanks to government policies, new-home market performing well (small-sized and low-price segments) while replacement demand remains stable
- Increase in revenue driven by steady sales of flagship tabletop stoves
- Maintained stable income and high profit margin

P.T. Rinnai Indonesia, Fiscal 2026 results



| [Billions of yen] | Fiscal 2025 | Fiscal 2026 | YOY change | | [Sales volume] | YOY change |
|-------------------------------------|-------------|-------------|------------|----------------|--------------------------|------------|
| | | | Yen | Local currency | | |
| Net Sales | 17.70 | 18.14 | +2.5% | +7.1% | Tabletop cookers | +4.6% |
| Operating Income | 3.84 | 3.84 | +0.0% | +4.5% | Built-in hob (stovetops) | +2.6% |
| Operating income to net sales ratio | 21.7% | 21.2% | -0.5pt | | Range hoods | -17.7% |

