Financial Results for First Quarter of Fiscal 2027, ending March 31, 2027

August 6, 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 Corporation and certain assumptions that the Corporation 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.

Impact of Middle East Situation

■ Impacts in fiscal 2027 (1Q)

Production	No impact on production or procurement; concerns over supply stability led to some advance orders in Japan, but delivery delays have been resolved
Cost	Limited effect on performance despite some impact from higher material costs, particularly for thinners and plastic-based materials

■ Potential impacts in fiscal 2027

Production	Procurement environment expected to continue improving; no impact on production or procurement is currently anticipated
Cost	While costs for naphtha-based materials are rising, we will continue to absorb the increase through component standardization, greater parts commonality, and inventory optimization, minimizing the impact on performance

Fiscal 2027 (1Q): Consolidated Performance Overview

- Decrease in income due to rising raw material prices despite higher sales driven by overseas market growth including M&A effects

Record-high level

Net sales: ¥113.6 billion (up 10.6% year on year)

Record-high net sales thanks to M&As and overseas market growth despite slowdown in Chinese market

Operating income: ¥9.1 billion (down 5.2% year on year, Operating income to net sales ratio：8.1%)

Operating income exceeded internal projection despite negative impact of significant year-on-year increase in copper prices

Ordinary income: ¥10.3 billion (down 3.5% year on year, Ordinary income to net sales ratio：9.1%)

Decrease in ordinary income due to lower operating income

Net income attributable to owners of the parent company: ¥6.7 billion

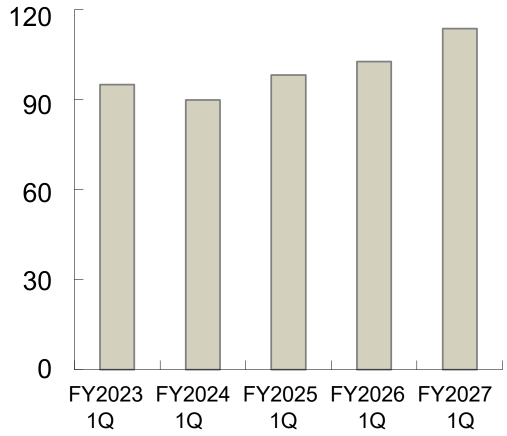
(up 1.8% year on year, Net income to net sales ratio: 5.9%)
Increase due to lower profit attributable to non-controlling interests

Fiscal 2027 (1Q) : Consolidated Financial Results

- Continued increase in net sales driven by overseas business growth despite continued challenging business conditions
- Operating income and operating margin broadly unchanged due to year-by-year increases in raw material prices despite steady progress of cost reduction efforts

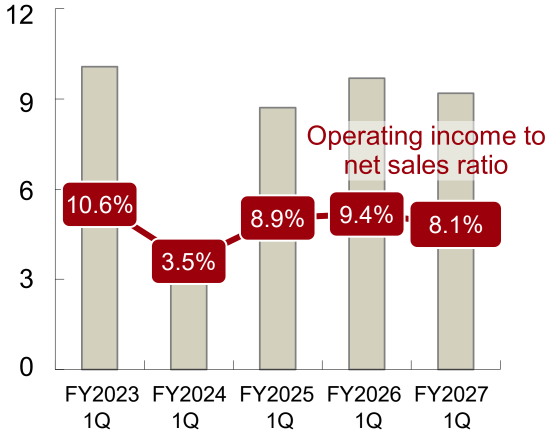
Net Sales

[Billions of Yen]



Operating Income

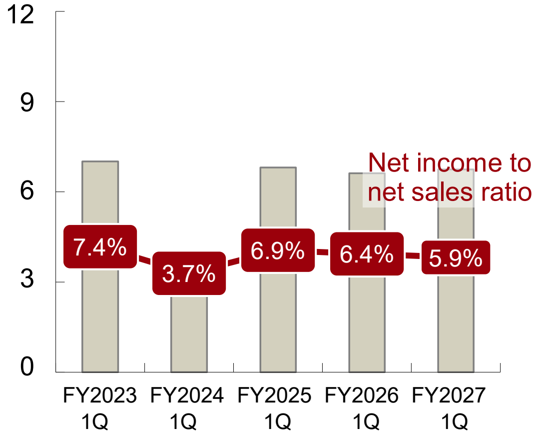
[Billions of Yen]



Attributable to owners of the parent company

Net Income

[Billions of Yen]



Fiscal 2027 (1Q): Net Sales by Product

[Billions of yen]	Fiscal 2026 1Q		Fiscal 2027 1Q		YOY Change	
	Amount	% of total	Amount	% of total	Amount	(%)
Water heaters	60.60	59.0%	65.19	57.4%	+4.58	+7.6%
Kitchen appliances	21.95	21.4%	23.40	20.6%	+1.45	+6.6%
Air conditioning appliances	4.30	4.2%	5.00	4.4%	+0.69	+16.1%
Commercial-use equipment	2.33	2.3%	3.05	2.7%	+0.72	+31.2%
Others	13.54	13.2%	17.01	15.0%	+3.46	+25.6%
Total	102.74	100.0%	113.66	100.0%	+10.92	+10.6%

Fiscal 2027 (1Q): Consolidated Sales/Income Results

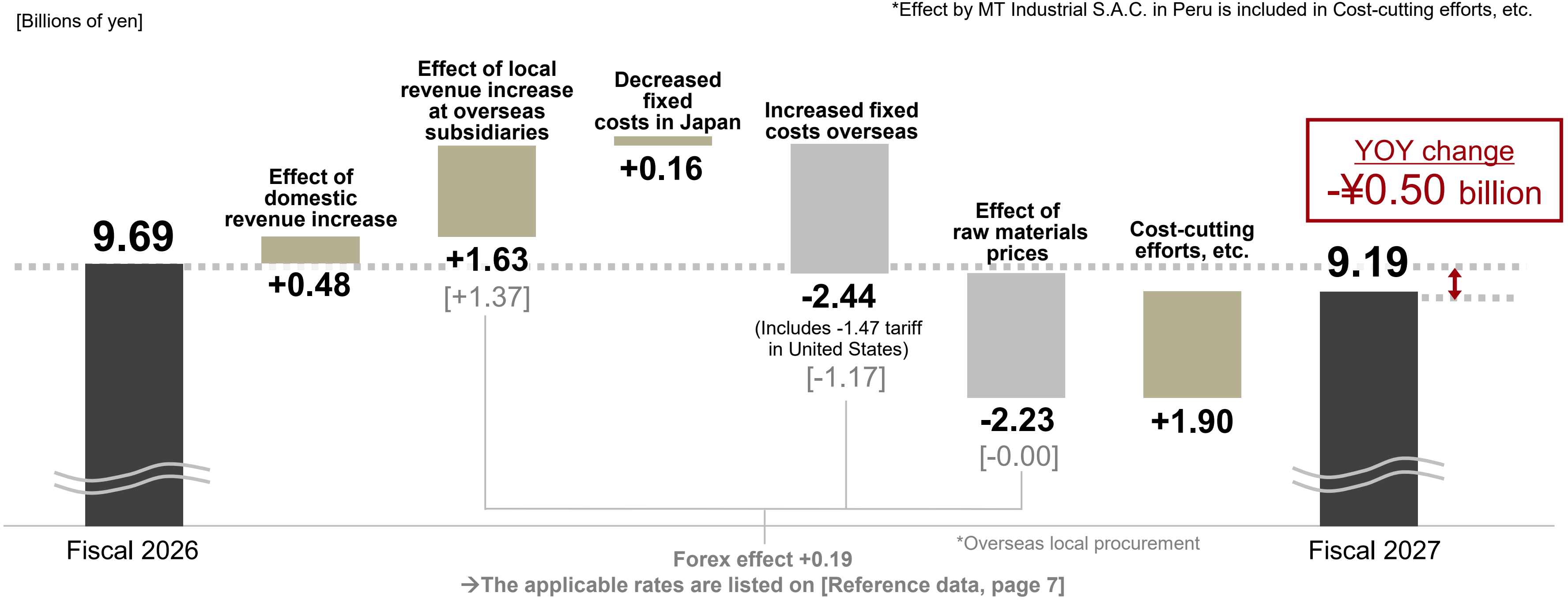
[Billions of yen]	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin	YOY Change
Consolidated	113.66	+10.6%	9.19	-5.2%	8.1%	-1.3pt

[Billions of yen]	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin	YOY Change
Japan	47.80	+4.0%	4.47	-4.6%	9.4%	-0.8pt
United States	18.78	+8.4%	-0.01	-	-0.1%	-3.0pt
Australia	12.70	+36.9%	0.51	+263.0%	4.1%	+2.5pt
China	7.05	-18.9%	-0.01	-	-0.2%	-13.8pt
South Korea	9.50	+5.7%	0.54	+19.5%	5.8%	+0.7pt
Indonesia	5.28	+21.8%	1.15	+22.5%	21.9%	+0.1pt
Others	12.53	+53.6%	1.74	+46.5%	13.9%	-0.7pt
Adjustments	-	-	0.77	+34.5%	-	-

Fiscal 2027 (1Q): Consolidated Operating Income Analysis

- Higher sales in both Japan and overseas, but income pressured by higher costs centered on rising raw material prices

*Effect by MT Industrial S.A.C. in Peru is included in Cost-cutting efforts, etc.



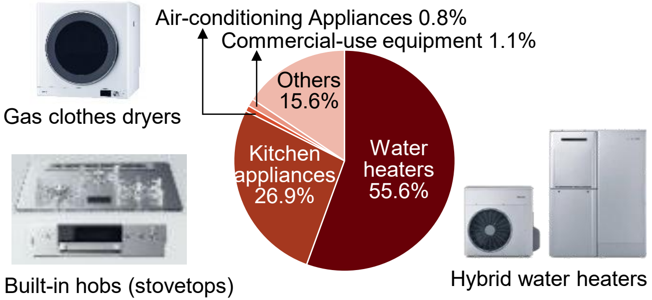
Japan Fiscal 2027 (1Q) Results

*From April to June 2026

■Segment companies

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

■Net sales by product, Fiscal 2027 (1Q) results



■Segment results

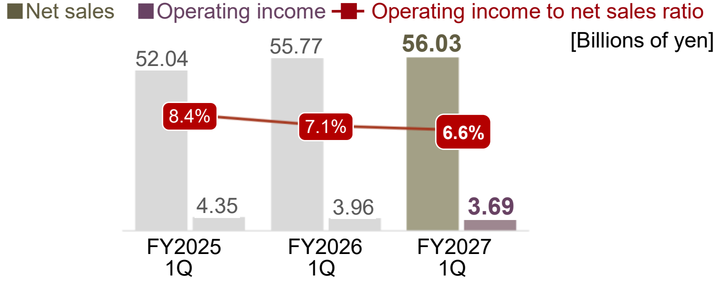
[Billions of yen]	Fiscal 2026	Fiscal 2027	YOY change
Net Sales	45.96	47.80	+4.0%
Operating Income	4.69	4.47	-4.6%
Operating income to net sales ratio	10.2%	9.4%	-0.8pt

■Non-consolidated results of major company

Rinnai (non-consolidated basis)

- Housing demand remained weak due to higher interest rates and rising home prices
- Increase in sales thanks to growth in Air Bubble products and clothes dryers despite lower sales of hybrid water heaters
- Profit decline mitigated by tighter control of fixed costs despite negative impact of rising raw material prices

Rinnai (non-consolidated basis), Fiscal 2027 1Q results



[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change
Net Sales	55.77	56.03	+0.5%
Operating Income	3.96	3.69	-6.9%
Operating income to net sales ratio	7.1%	6.6%	-0.5pt

[Sales Volume in Japan]	YOY change
Water heater with heating systems	+5.2%
Hybrid water heaters	-8.8%
Built-in hobs (stovetops)	-3.1%
Gas clothes dryers	+6.0%

Japan Topics: New Kitchen Appliances and Clothes Dryers

- Aiming to expand sales in second half through launch of new products that address market needs

Ultra Fine Bubble dishwashers

Front-open model: Launched May 25, 2026
Slide-open model: Launched August 3, 2026

Air Bubble Technology

Featuring Rinnai’s proprietary Ultra Fine Bubble technology, this dishwasher delivers outstanding cleaning performance while helping maintain the cleanliness of the appliance itself, fostering a more hygienic and comfortable kitchen environment and better quality of life.

New MYTONE built-in gas cooktop

Launched August 3, 2026

To strengthen its competitiveness in the mid-price segment, Rinnai has refreshed its MYTONE built-in gas cooktop.

The newly developed Premium Glass Coat top plate enhances both appearance and ease of cleaning, while also improving safety.

Our aim is to capture demand and expand sales in the kitchen appliance market.

Gas hot water clothes dryers

Scheduled for launch: Autumn 2026

Designed to overcome the installation constraints of conventional gas clothes dryers, this gas hot water clothes dryer can be installed in apartment buildings and other multi-family units where installation was previously difficult. Its hot water heating system lowers exhaust duct installation costs and offers greater installation flexibility.

With drying times around half those of electric dryers and a softer finish, it helps reduce household chores and deliver a more comfortable lifestyle.

*From January to March 2026

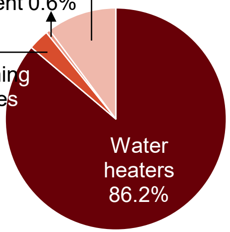
United States Fiscal 2027 (1Q) Results

■Segment companies

Rinnai America

■Net sales by product, Fiscal 2027 (1Q) results

Non-condensing water heaters



Condensing water heaters (High-efficiency models)

■Segment results

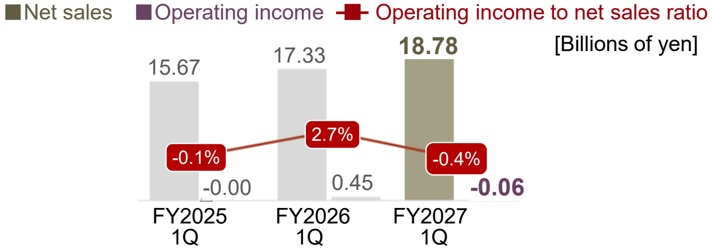
[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change
Net Sales	17.33	18.78	+8.4%
Operating Income	0.50	-0.01	-
Operating income to net sales ratio	2.9%	-0.1%	-3.0pt

■Non-consolidated results of major company

Rinnai America

- Sluggish housing market due to persistently high interest rates and continued inflationary pressures
- Growth in sales supported by favorable sales to Canada and strong sales of boilers and commercial equipment
- Operating loss due to increased R&D investment and higher fixed cost burden resulting from lower production volumes in United States

Rinnai America, Fiscal 2027 1Q results



[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change	
			Yen	Local currency
Net Sales	17.33	18.78	+8.4%	+5.9%
Operating Income	0.45	-0.06	-	-
Operating income to net sales ratio	2.7%	-0.4%	-3.0pt	

[Sales Volume]	YOY change
Tankless water heaters	-3.3%
Condensing water heaters of total (High-efficiency models)	+4.0%
Heat pump water heaters	+39.3%

United States Topics: Tariff Impact

- Tariff measures to change significantly from 2026; we will continue closely monitoring their impact on performance

■Status of tariff impact and price adjustments

★Price revision

Tariff	2025 1Q Jan.-Mar.	2025 2Q Apr.-Jun.	2025 3Q Jul.-Sep.	2025 4Q Oct.-Dec.	2026 1Q Jan.-Mar.	2026 2Q Apr.-Jun.	2026 3Q Jul.-Sep.
Steel and aluminum (KD Parts, etc.)		25% ★	50%	★		15-50% Change in calculation formula	
Copper (Heat exchangers, etc.)			50%	★		25-50% Change in calculation formula	
Reciprocal tariffs (Finished products, etc.)		10%	15% ★	★	10% *Alternative tariff (Tariff under Article 122)		12.5%

*Temporary alternative measure due to the invalidation of IEEPA (International Emergency Economic Powers Act) tariffs

■Fiscal 2027 tariff impact and outlook

Tariff impact in first quarter

- Limited impact on performance in first quarter as higher tariffs largely offset by price increase

Potential impacts in full year

- Increased tariff burden related to raw materials by changes on tariff measures.
- Regarding applications for IEEPA tariff refunds, we will receive refunds in the second and third quarters.

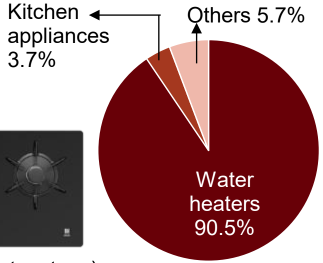
China Fiscal 2027 (1Q) Results

■Segment companies

Shanghai Rinnai, Guangzhou Rinnai,
Rinnai Hong Kong

■Net sales by product, Fiscal 2027 (1Q) results


Built-in hobs (stovetops)




Water heaters


Boilers

■Segment results

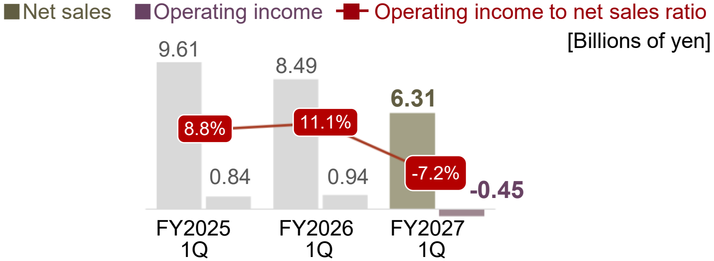
[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change
Net Sales	8.69	7.05	-18.9%
Operating Income	1.18	-0.01	-
Operating income to net sales ratio	13.6%	-0.2%	-13.8pt

■Non-consolidated results of major company

Shanghai Rinnai

- Consumer sentiment remains cool due to economic slowdown
- Improvement expected in second half despite revenue decline stemming from ongoing adjustments to distribution inventories
- Operating loss incurred due to impact of lower sales, despite continuing rigorous management of fixed costs

Shanghai Rinnai, Fiscal 2027 1Q results



[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change	
			Yen	Local currency
Net Sales	8.49	6.31	-25.7%	-31.0%
Operating Income	0.94	-0.45	-	-
Operating income to net sales ratio	11.1%	-7.2%	-18.3pt	

[Sales Volume]	YOY change
Water heaters	-24.2%
Built-in hob (stovetops)	-56.0%
Range hoods	-45.1%
Boilers	-20.0%

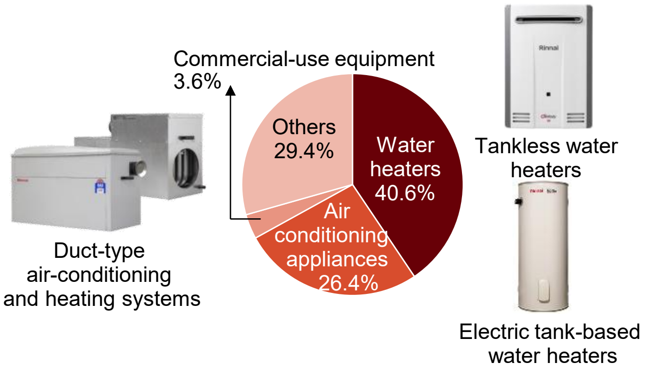
*From January to March 2026

Australia Fiscal 2027 (1Q) Results

■Segment companies

Rinnai Australia

■Net sales by product, Fiscal 2027 (1Q) results



■Segment results

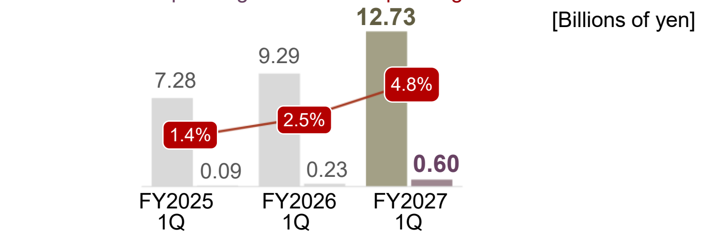
[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change
Net Sales	9.27	12.70	+36.9%
Operating Income	0.14	0.51	+263.0%
Operating income to net sales ratio	1.5%	4.1%	+2.5pt

■Non-consolidated results of major company

Rinnai Australia

- Housing starts recovering gradually; trend toward electrification continues gaining momentum
- In addition to strong sales of tankless water heaters, sales of electrified products (such as storage batteries and heat pump water heaters) grew significantly, driven by government subsidies and synergies with acquired company
- Increase in income thanks to higher revenue resulting from strong sales

Rinnai Australia, Fiscal 2027 1Q results



[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change (Yen)	YOY change (Local currency)
Net Sales	9.29	12.73	+36.9%	+20.7%
Operating Income	0.23	0.60	+163.6%	+132.2%
Operating income to net sales ratio	2.5%	4.8%	+2.3pt	

[Sales Volume]	YOY change
Tankless water heaters	+5.8%
Electric tank-based water heaters	+11.6%
Heat pump water heaters	+185.3%

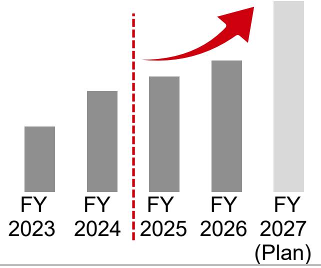
Australia Topics

- Key initiatives to address the electrified product market in Australia

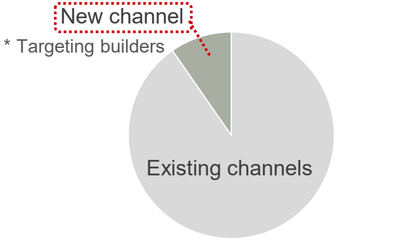
■ Leveraging synergies with Smart Energy

- Smart Energy has posted record-high sales since being acquired in August 2024
- In addition to sales growth, in fiscal 2027 we expect to expand sales through new channels by leveraging Rinnai's sales network

Smart Energy: Net sales



Fiscal 2027 net sales forecast



New channel business

Bundling electrified products and selling them to builders in Rinnai's sales network

Smart Energy products

Rinnai products

■ Growth in sales of heat pump water heaters

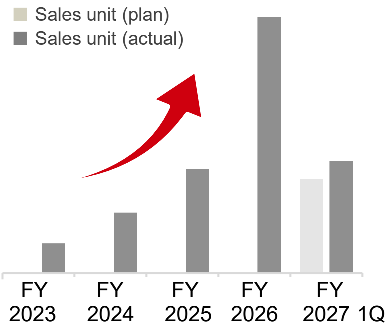
- Sales of heat pump water heaters have remained strong, boosted by government subsidies
- Aim to further boost sales by expanding our product lineup and broadening our sales channels
- Secured a major government contract current fiscal year

Expanded lineup

Integrated type

Split type

Heat pump water heaters: Unit sales



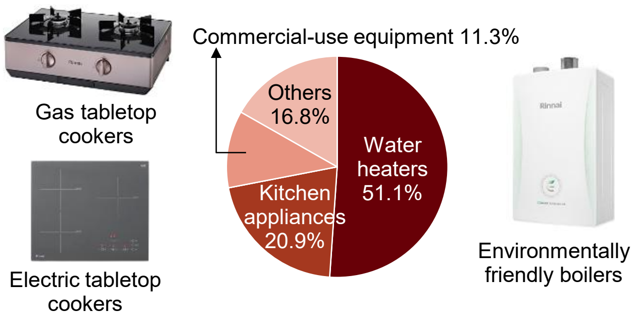
*From January to March 2026

South Korea Fiscal 2027 (1Q) Results

■Segment companies

Rinnai Korea, RB Korea

■Net sales by product, fiscal 2027 (1Q) results



■Segment results

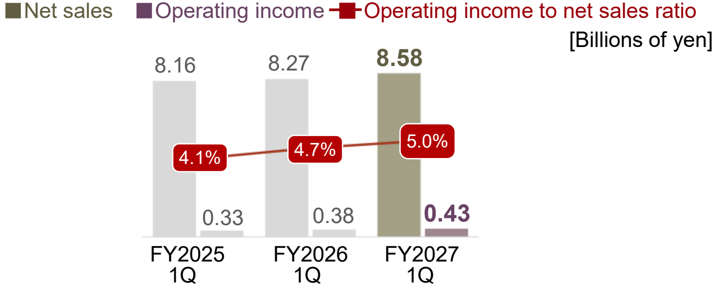
[Billions of yen]	Fiscal 2026	Fiscal 2027	YOY change
Net Sales	8.98	9.50	+5.7%
Operating Income	0.45	0.54	+19.5%
Operating income to net sales ratio	5.1%	5.8%	+0.7pt

■Non-consolidated results of major company

Rinnai Korea

- Sluggish housing market due to rising inflation and an economic slowdown
- Increase in revenue as sales boosted by launch of new core boiler products
- Increase in income reflecting higher demand prior to March 2026 price revision and improved profitability after price revision

Rinnai Korea, Fiscal 2027 1Q results



[Billions of yen]	Fiscal 2026	Fiscal 2027	YOY change Yen	YOY change Local currency
Net Sales	8.27	8.58	+3.7%	+0.9%
Operating Income	0.38	0.43	+12.1%	+9.1%
Operating income to net sales ratio	4.7%	5.0%	+0.4pt	

[Sales volume]	YOY change
Boilers	+8.3%
Gas tabletop cookers	-31.2%
Electric tabletop cookers	-10.7%

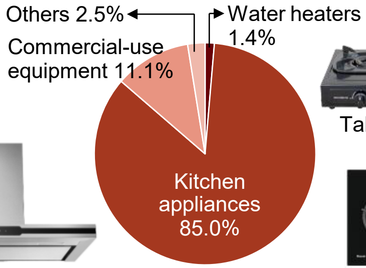
Indonesia Fiscal 2027 (1Q) Results

*From January to March 2026

■Segment company

P.T. Rinnai Indonesia

■Net sales by product, fiscal 2027 (1Q) results



Tabletop cookers

Range hoods

Built-in hobs (stovetops)

■Segment results

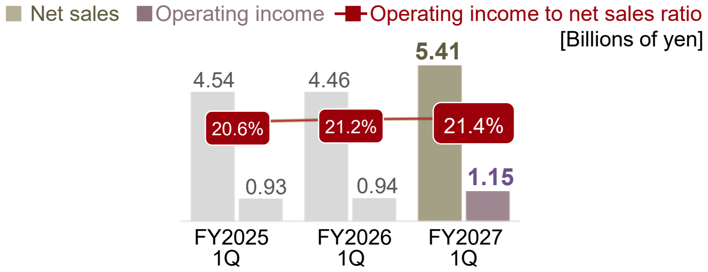
[Billions of yen]	Fiscal 2026	Fiscal 2027	YOY change
Net Sales	4.33	5.28	+21.8%
Operating Income	0.94	1.15	+22.5%
Operating income to net sales ratio	21.8%	21.9%	+0.1pt

■Non-consolidated results of major company

P.T. Rinnai Indonesia

- Continued steady growth in kitchen appliance market supported by the expanding middle-income population
- Increase in sales as replacement demand following natural disasters rose and demand ahead of planned price revision remained strong throughout first quarter
- Increase in income driven by higher sales of core tabletop gas cookers and positive impact of price revisions

P.T. Rinnai Indonesia, Fiscal 2027 1Q results



[Billions of yen]	Fiscal 2026	Fiscal 2027	YOY change	
			Yen	Local currency
Net Sales	4.46	5.41	+21.5%	+22.1%
Operating Income	0.94	1.15	+22.6%	+23.2%
Operating income to net sales ratio	21.2%	21.4%	+0.2pt	

[Sales volume]	YOY change
Tabletop cookers	+26.8%
Built-in hob (stovetops)	-7.2%
Range hoods	-18.9%

Consolidated Performance Forecasts

- First half: No change in forecasts; first-quarter performance slightly ahead of internal projection
- Second half: Maintaining full-year forecasts as domestic price adjustments expected to offset impact of rising copper prices

[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**	**231,000**	**19,600**	**8.5%**	**21,400**	**9.3%**	**13,000**	**5.6%**
	YOY change	+6.7%	-13.8%		-15.3%		-18.3%	
	Full year	**500,000**	**50,500**	**10.1%**	**54,100**	**10.8%**	**36,300**	**7.3%**
	YOY change	+6.3%	-0.1%		-6.2%		+0.4%	

Consolidated [results]	**1st quarter**	**113,669**	**9,195**	**8.1%**	**10,302**	**9.1%**	**6,744**	**5.9%**
	YOY change	+10.6%	-5.2%		-3.5%		+1.8%	
	1st quarter progress to 1st half estimates	**49.2%**	**46.9%**		**48.1%**		**51.9%**	

Reference: Exchange rates

	FY2027 (Q1) Applicated exchange rates	FY2027 (beginning) Assumed exchange rates
USD	**¥156.478**	**¥150.000**
AUD	**108.263**	**103.781**
CNY	**22.573**	**21.639**
KRW	**0.1076**	**0.1031**
IDR	**0.00933**	**0.00894**

Reference: Electrolytic copper prices