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Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

(April 1, 2026 to September 30, 2026)

November 5, 2026

Listed Company Name: Rinnai Corporation
Listings: Prime Market of Tokyo Stock Exchange, and Premier Market of Nagoya Stock Exchange (Securities Code: 5947)
Website: https://www.rinnai.co.jp
Representative: Hiroyasu Naito, President
Contact: Takuya Ogawa, Managing Executive Officer, Chief of Corporate Administration Headquarters
TEL: +81 (52) 361-8211
Anticipated date for releasing quarterly securities report: November 11, 2026
Anticipated date to begin distributing dividends: December 4, 2026
Supplemental information sheets of quarterly results: Yes
Information meeting of quarterly results: Yes (for analyst and institutional investors)

1. Performance in the First Two Quarters of the Fiscal Year Ending March 31, 2027

(April 1, 2026 – September 30, 2026; amounts less than one million are omitted)

(1) Consolidated Operating Results

(¥ millions; %)

	Net Sales (% change)	Operating Income (% change)	Ordinary Income (% change)	Net income attributable to owners of the parent company (% change)
Two-quarter total at September 2026	¥239,920 (+10.9)	¥21,541 (-5.2)	¥22,822 (-9.7)	¥13,908 (-12.6)
Two-quarter total at September 2025	216,415 (+2.0)	22,725 (+8.2)	25,272 (+13.2)	15,918 (+30.0)

Note: Comprehensive Income: Six months ended September 30, 2026; ¥23,718 million (+130.5%)
Six months ended September 30, 2025; ¥10,288 million (-68.1%)

(¥)

	Net Income per Share	Fully Diluted Net Income per Share
Two-quarter total at September 2026	¥100.73	—
Two-quarter total at September 2025	113.77	—

Note: Percentage figures in net sales, operating income, ordinary income and net income columns indicate increase or decrease from the previous term.

(2) Consolidated Financial Position

(¥ millions; %)

	Total Assets	Net Assets	Equity Ratio (%)
Two-quarter total at September 2026	¥666,869	¥505,441	67.4
Full-year at March 2026	649,569	494,124	67.3

(Reference) Equity capital: Six months ended September 30, 2026; ¥449,533 million
Year ended March 31, 2026; ¥437,253 million

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2. Dividends

	Dividend per Share				
	1st Quarter (¥)	2nd Quarter (¥)	3rd Quarter (¥)	Fiscal Year-End (¥)	Full Year (¥)
March 2026	—	¥50.00	—	¥50.00	¥100.00
March 2027	—	53.00	—	—	—
March 2027 (anticipated)	—	—	—	53.00	106.00

Note: Changes on the forecast in period under review: None

3. Forecast for the Fiscal Year Ending March 31, 2027

(April 1, 2026, to March 31, 2027) (¥ millions; %)

	Net Sales (% change)	Operating Income (% change)	Ordinary Income (% change)	Net income attributable to owners of the parent company (% change)	Net Income per Share (¥)
Full year	¥500,000 (+6.3)	¥50,500 (-0.1)	¥54,100 (-6.2)	¥36,300 (+0.4)	¥262.71

Note: Percentage figures in parentheses indicate increase or decrease from the previous fiscal year.
Note: Revision of fiscal year forecast in period under review: None

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*** Notes**

(1)Changes in scope of consolidation of major subsidiaries during the period: None
Newly included — (Company name: —): Excluded — (Company name: —)

(2) Application of special accounting method for interim consolidated financial reporting:
None

(3) Changes in accounting policies; changes in accounting estimates; retrospective restatement
(a) Changes due to revision of accounting standard: None
(b) Other changes than (a): None
(c) Changes in the rules for the accounting estimates: None
(d) Retrospective restatement: None

(4) Number of Outstanding Shares (Common Stock)
(a) Number of outstanding shares at term-end (including treasury stock)
September 30, 2026: 141,126,771 shares
March 31, 2026: 141,126,771 shares
(b) Number of treasury stock shares at term-end
September 30, 2026: 3,042,263 shares
March 31, 2026: 3,054,379 shares
(c) Average number of shares during the term
First two quarters of the fiscal year ending March 2027: 138,076,836 shares
First two quarters of the fiscal year ended March 2026: 139,923,538 shares

***** This report is exempt from a quarterly review process by certified public accountant or audit corporation.

*** Note on appropriate use of performance forecasts**

Performance forecasts contained in this document are based on information currently available and certain judgments deemed by the Corporation to be reasonable. No intent is implied of promise by the Corporation to achieve such forward-looking statements. Actual results may differ significantly from such forecasts due to various factors. For more information, please refer to “1. Consolidated Performance, (3) Explanation about Consolidated Performance Forecasts” on page 6 of this report.

* Supplemental information sheets of financial results are posted on the Corporation’s website on Thursday, November 5, 2026.

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1. Consolidated Performance

(1) Operating Results

In the two-quarter period under review, the business environment remained highly uncertain due to developments in U.S. trade policy, economic slowdown in China, and other factors. In addition, soaring raw material prices continued to create challenging business conditions.

In Japan, employment and consumer spending showed signs of improvement, although the potential impact of rising prices and geopolitical risks remained a concern.

In the domestic housing industry, new housing starts are generally weak despite recent signs of recovery, while replacement demand driven by home renovations continued to provide underlying support.

Against this backdrop, the Rinnai Group launched its new medium-term business plan, “accelerate 2030,” which began in April 2026. The plan will further strengthen our business foundation while creating new business and regional opportunities to accelerate sustainable growth. Through these initiatives, we will leverage diverse energy sources to help address social issues in the fields of “heat and lifestyles” and “health and lifestyles” as we strive to become a company that continues creating better lifestyles, respecting the diverse lifestyles and values around the world”. At the same time, we will fulfill our promise to customers—“Creating a healthier way of living”—while achieving sustainable growth, with the aim of enhancing corporate value over the medium to long term.

In the period under review, the Rinnai Group reported record-high net sales due to increased sales at our overseas affiliates, despite the impact of economic slowdown in China. On the earnings side, operating income declined year on year due to higher raw material prices and a significant drop in profits in China. As a result, net sales amounted to ¥239,920 million, up 10.9% year on year. Operating income declined 5.2%, to ¥21,541 million, and ordinary income fell 9.7%, to ¥22,822 million. Net income attributable to owners of the parent company was ¥13,908 million, down 12.6% year on year.

Our results by geographical segment were as follows:

Japan

While Japan’s new housing market was weakened by rising prices and interest rates, the renovation market remained firm, supported by steady demand. Against this business backdrop, sales of air bubble products and *Eco Jozu* water heaters overall performed strongly. As a result, sales in Japan increased 5.1% year on year, to ¥98,443 million. Operating income declined 24.2%, to ¥8,147 million, as significantly higher raw material costs and an increase in allowance for product guarantee outweighed the benefits of higher revenue.

United States

Amid inflationary pressures and elevated interest rates, housing demand in the United States remained subdued. While sales of our core tankless water heaters were sluggish, sales to Canada and sales of boilers and commercial-use equipment performed strongly. As a result, sales in the United States increased 7.6% year on year, to ¥37,968 million. On the earnings side, operating income jumped 112.8%, to ¥2,451 million, supported by the receipt of tariff refunds.

Australia

In Australia, the water heater market continued its shift from gas to electric models amid growing awareness of environmental regulations. Against this business backdrop, sales of

gas water heaters remained strong ahead of anticipated regulatory changes, while subsidies supported robust sales of electrified products, including heat pump water heaters and battery storage systems. As a result, sales in Australia increased 39.5% year on year, to ¥28,518 million, and operating income rose 54.1%, to ¥1,640 million.

China

In China, continued weakness in consumer sentiment amid an economic slowdown led to lower unit sales across various product categories. As a result, sales in China declined 11.0% year on year, to ¥22,296 million. On the earnings side, consumers shifted to lower-priced products, while efforts to reduce distribution inventories led to restrained sales. Consequently, we were unable to fully absorb fixed costs, with operating income falling 64.4%, to ¥1,533 million.

South Korea

Declining sales of mainstay products, including boiler equipment, tabletop stoves, and commercial-use equipment, resulted in a 0.9% year-on-year decrease in sales in South Korea, to ¥16,453 million, and a 3.0% increase in operating income, to ¥820 million.

Indonesia

Supported by steady demand for mainstay tabletop stoves, sales in Indonesia increased 19.0% year on year, to ¥10,782 million, and operating income rose 21.3%, to ¥2,353 million.

References 1: Net sales by product

(¥ millions; %)

	First two quarters for the year ended March 31, 2026 (April 1, 2025, to Sept. 30, 2025)		First two quarters for the year ending March 31, 2027 (April 1, 2026, to Sept. 30, 2026)		Change		Year ended March 31, 2026 (April 1, 2025, to March 31, 2026)	
	Amount	% of total	Amount	% of total	Amount	(%)	Amount	% of total
Water heaters	¥128,248	59.3	¥138,754	57.8	¥10,506	8.2	¥281,920	59.9
Kitchen appliances	44,688	20.6	48,324	20.1	3,635	8.1	93,279	19.8
Air conditioning appliances	10,750	5.0	12,253	5.1	1,502	14.0	24,269	5.2
Commercial-use equipment	5,122	2.4	6,186	2.6	1,063	20.8	11,921	2.5
Others	27,605	12.8	34,401	14.3	6,796	24.6	59,001	12.5
Total	¥216,415	100.0	¥239,920	100.0	¥23,505	10.9	¥470,392	100.0

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References 2: Overseas sales

(¥ millions; %)

	First two quarters for the year ended March 31, 2026 (April 1, 2025, to Sept. 30, 2025)			First two quarters for the year ending March 31, 2027 (April 1, 2026, to Sept. 30, 2026)		
	Asia	Other regions	Total	Asia	Other regions	Total
I. Overseas sales	¥62,023	¥64,585	¥126,609	¥62,214	¥83,554	¥145,769
II. Consolidated net sales	—	—	216,415	—	—	239,920
III. Composition ratio of overseas sales to consolidated net sales	28.7%	29.8%	58.5%	25.9%	34.8%	60.8%

Note: Above indicates sales of the Corporation and consolidated subsidiaries in overseas countries or regions.

(2) Financial Position

As of September 30, 2026, Rinnai had total assets of ¥666,869 million, up ¥17,300 million from March 31, 2026. Total liabilities increased ¥5,982 million, to ¥161,427 million. Net assets were up ¥11,317 million, to ¥505,441 million. The equity ratio at the end of the period was 67.4%.

Cash Flows

Cash and cash equivalents at September 30, 2026, stood at ¥150,721 million, up ¥16,214 million from March 31, 2026.

Net cash provided by operating activities amounted to ¥30,487 million, up 34.7% from the previous corresponding period. The main factor was the secured operating income and a cash decrease due to income taxes paid.

Net cash used in investing activities totaled ¥5,620 million, up 175.7% from the previous corresponding period. Main factors were purchases of tangible fixed assets.

Net cash used in financing activities was ¥11,978 million, down 20.4% from the previous corresponding period. This was due mainly to payment of dividends and repayment of Short-term borrowings.

(3) Explanation about Consolidated Performance Forecasts

Rinnai has not changed its forecasts for the full-year period ending March 31, 2027. (Those forecasts were released on May 12, 2026.)

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2. Interim Consolidated Financial Statements
(1) Consolidated Balance Sheets

(¥ millions)

	At March 31, 2026 (Year ended March 31, 2026)	At Sept. 30, 2026 (First two quarters for the year ending March 31, 2027)
	Amount	Amount
ASSETS		
Current assets		
Cash and deposits	¥172,202	¥189,432
Notes and accounts receivable, and contract assets	94,649	84,691
Electronically recorded monetary claims	13,494	11,813
Marketable securities	12,922	15,198
Products	44,324	46,626
Raw materials and stores	36,104	38,461
Other	6,973	7,864
Less allowance for doubtful accounts	(6,485)	(6,703)
Total current assets	374,185	387,384
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	65,957	68,051
Other (net)	91,860	97,463
Total property, plant and equipment	157,817	165,515
Intangible fixed assets		
Goodwill	6,891	6,561
Other	11,055	11,526
Total intangible fixed assets	17,946	18,087
Investments and advances		
Investments in securities	33,829	26,929
Other	65,801	68,965
Less allowance for doubtful accounts	(12)	(12)
Total investments and advances	99,618	95,882
Total fixed assets	275,383	279,484
Total assets	¥649,569	¥666,869

(¥ millions)

	At March 31, 2026 (Year ended March 31, 2026)	At Sept. 30, 2026 (First two quarters for the year ending March 31, 2027)
	Amount	Amount
LIABILITIES		
Current liabilities		
Notes and accounts payable	¥ 29,439	¥ 29,928
Electronically recorded obligations	12,923	12,462
Short-term borrowings	12,801	10,089
Accrued corporate taxes	7,069	4,249
Accrued employee's bonuses	6,644	6,516
Allowance for product guarantee	5,481	6,456
Other allowances	1,671	1,714
Other	34,584	39,434
Total current liabilities	110,615	110,850
Long-term liabilities		
Allowance for environmental measures	2,255	2,255
Other allowances	78	86
Net defined benefit liabilities	7,389	6,873
Other	35,106	41,361
Total long-term liabilities	44,829	50,577
Total liabilities	155,445	161,427
NET ASSETS:		
Shareholders' equity:		
Common stock	6,484	6,484
Capital surplus	8,324	8,325
Earned surplus	367,029	374,034
Treasury stock	(10,568)	(10,510)
Total shareholders' equity	371,269	378,333
Other comprehensive income:		
Unrealized gain on marketable securities	12,024	12,378
Foreign exchange translation adjustment	34,213	40,371
Remeasurements of defined benefit plans	19,745	18,449
Total other comprehensive income	65,983	71,199
Non-controlling interests	56,870	55,908
Total net assets	494,124	505,441
Total liabilities and net assets	¥649,569	¥666,869

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(2) Consolidated Statements of Income, and Statements of Comprehensive Income

Consolidated Statements of Income

(¥ millions)

	First two quarters for the year ended March 31, 2026 (April 1, 2025, to Sept. 30, 2025)	First two quarters for the year ending March 31, 2027 (April 1, 2026, to Sept. 30, 2026)
	Amount	Amount
Net sales	¥216,415	¥239,920
Cost of Sales	140,478	156,417
Gross Profit	75,936	83,502
Selling, general and administrative expenses	53,210	61,961
Operating income	22,725	21,541
Other income:		
Interest income	1,572	1,719
Dividends received	519	540
Foreign exchange income	189	–
Other	580	686
Total other income	2,861	2,946
Other expenses:		
Interest expenses	45	244
Loss on retirement of fixed assets	30	44
Depreciation	129	34
Foreign exchange loss	–	896
Fair value fluctuation amount related to contingent consideration	–	362
Other	109	83
Total other expenses	314	1,665
Ordinary income	25,272	22,822
Extraordinary income:		
Gain on sale of investment securities	1,089	–
Total extraordinary income	1,089	–
Extraordinary losses:		
Excavation research expenses for buried cultural properties	–	296
Total extraordinary losses	–	296
Income before income taxes	26,362	22,525
Income taxes:		
Current	7,136	6,589
Deferred	6	(150)
Total income taxes	7,143	6,438
Net income	19,219	16,086
Net income attributable to non-controlling interests	3,300	2,178
Net income attributable to owners of the parent company	¥ 15,918	¥ 13,908

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Consolidated Statements of Comprehensive Income

(¥ millions)

	First two quarters for the year ended March 31, 2026 (April 1, 2025, to Sept. 30, 2025)	First two quarters for the year ending March 31, 2027 (April 1, 2026, to Sept. 30, 2026)
	Amount	Amount
Net Income	¥ 19,219	¥ 16,086
Other comprehensive income		
Unrealized gain on marketable securities	1,416	352
Foreign exchange translation adjustment	(9,791)	8,573
Remeasurements of defined benefit plans	(556)	(1,294)
Total other comprehensive income	(8,930)	7,631
Comprehensive income	10,288	23,718
Total comprehensive income attributable to:		
Owners of Rinnai Corporation	10,253	19,123
Non-controlling interest	34	4,594

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(3) Consolidated Statements of Cash Flows

(¥ millions)

	First two quarters for the year ended March 31, 2026 (April 1, 2025, to Sept. 30, 2025)	First two quarters for the year ending March 31, 2027 (April 1, 2026, to Sept. 30, 2026)
Cash flows from operating activities		
Income before income taxes	¥ 26,362	¥ 22,525
Depreciation and amortization	7,083	8,374
Amortization of goodwill	281	552
Increase (decrease) in allowance for product guarantee	(2,132)	974
Interest and dividends income	(2,091)	(2,260)
Loss (gain) on sales of investment securities	(1,089)	—
Decrease (increase) in trade receivables, and contract assets	12,053	14,012
Decrease (increase) in inventories	(184)	(2,938)
Increase (decrease) in trade payables	(6,979)	(912)
Other	(3,876)	(2,562)
Subtotal	29,428	37,765
Interest and dividends received	2,389	2,257
Interest paid	(35)	(181)
Income taxes paid	(9,149)	(9,353)
Net cash provided by operating activities	22,632	30,487
Cash flows from investing activities		
Transfers to time deposits	(31,496)	(26,194)
Withdrawals from time deposit	32,116	24,131
Purchases of securities	(2,845)	(2,858)
Proceeds from redemption of securities	1,893	5,281
Purchases of tangible fixed assets	(5,676)	(8,606)
Purchases of investments in securities	(404)	(27)
Sale and redemption of investments in securities	4,424	3,000
Other	(49)	(346)
Net cash used in investing activities	(2,038)	(5,620)
Cash flows from financing activities		
Repayment of Short-term borrowings	—	(2,779)
Acquisition of treasury stock	(7,355)	(0)
Dividends paid	(5,621)	(6,900)
Dividends paid to non-controlling shareholders	(1,208)	(1,514)
Other	(866)	(782)
Net cash used in financing activities	(15,052)	(11,978)
Effect of exchange rate fluctuations on cash and cash equivalents	(4,286)	3,325
Net increase (decrease) in cash and cash equivalents	1,255	16,214
Cash and cash equivalents at beginning of term	136,300	134,506
Cash and cash equivalents at end of term	¥137,555	¥150,721

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(4) Notes to Interim Consolidated Financial Statements

Segment Information

1. First two quarters for the year ended March 31, 2026 (April 1, 2025, to Sept. 30, 2025) Sales and Income (Loss) by Reportable Segment

(¥ millions)

	Reportable Segments							Others (Note 3)	Adjustments (Note 4)	Amounts on consolidate statements of income (Note 5)
	Japan	United States (Note 1)	Australia (Note 2)	China	South Korea	Indonesia	Total			
Net sales										
Sales to outside customers	¥ 93,655	¥35,286	¥20,444	¥25,044	¥16,606	¥9,061	¥200,098	¥16,316	¥ —	¥216,415
Intersegment sales	24,578	—	48	1,471	375	253	26,727	1,769	(28,496)	—
Total	118,234	35,286	20,493	26,515	16,982	9,314	226,825	18,086	(28,496)	216,415
Segment Income	10,754	1,151	1,064	4,302	796	1,941	20,011	2,450	264	22,725

Notes:1. “United states” include sales from subsidiaries in Canada, Mexico, and Costa Rica, which conduct integrate business activities based on comprehensive sales strategies.
2. “Australia” include sales from a subsidiary in Malaysia, which complements the production system, and conducts integrate business activities.
3. “Others” include sales from subsidiaries in Taiwan, Thailand, Vietnam, New Zealand, Brazil and other regions.
4. “Adjustments” of segment income refers to intersegment transactions to eliminate.
5. “Segment income” is adjusted from operating income in Consolidated Statements of Income.

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2. First two quarters for the year ending March 31, 2027 (April 1, 2026, to Sept. 30, 2026) Sales and Income (Loss) by Reportable Segment

(¥ millions)

	Reportable Segments							Others (Note 3)	Adjustments (Note 4)	Amounts on consolidate statements of income (Note 5)
	Japan	United States (Note 1)	Australia (Note 2)	China	South Korea	Indonesia	Total			
Net sales										
Sales to outside customers	¥ 98,443	¥37,968	¥28,518	¥22,296	¥16,453	¥10,782	¥214,464	¥25,455	¥ —	¥239,920
Intersegment sales	23,032	—	87	1,429	313	316	25,180	1,879	(27,059)	—
Total	121,476	37,968	28,606	23,725	16,767	11,099	239,644	27,335	(27,059)	239,920
Segment Income	8,147	2,451	1,640	1,533	820	2,353	16,947	3,522	1,071	21,541

Notes:1. “United states” include sales from subsidiaries in Canada, Mexico, Costa Rica and other regions, which conduct integrate business activities based on comprehensive sales strategies.
2. “Australia” include sales from a subsidiary in Malaysia, which complements the production system, and conducts integrate business activities.
3. “Others” include sales from subsidiaries in Taiwan, Thailand, Vietnam, New Zealand, Brazil, Peru and other regions.
4. “Adjustments” of segment income refers to intersegment transactions to eliminate.
5. “Segment income” is adjusted from operating income in Consolidated Statements of Income.

Notes on Major Changes in Shareholders’ Equity

Not applicable.

Assumptions for Going Concern

Not applicable.