Financial Results for First Two Quarters (Interim) of Fiscal 2027, ending March 31, 2027

November 5, 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.

1. Results of First Two Quarters (Interim) of Fiscal 2027/ Fiscal 2027 Performance Forecasts

2. Business Outlook

Fiscal 2027 (First Two Quarters/ Interim): Consolidated Performance Overview

- Increase in revenue due to overseas sales growth, including M&A contribution, but decrease in income due to rising raw material costs and weak performance in China

Record-high level

Net sales: ¥239.9 billion (up 10.9% year on year)

Increase in revenue as M&A contribution and growth in Japan and overseas offset decline in Chinese market, with weaker yen also contributing

Operating income: ¥21.5 billion (down 5.2% year on year, Operating income to net sales ratio: 9.0%)

Decrease in income as higher raw material costs and a significant profit decrease in China outweighed the benefit of higher sales

Ordinary income: ¥22.8 billion (down 9.7% year on year, Ordinary income to net sales ratio: 9.5%)

Decrease in ordinary income due to lower operating income and foreign exchange losses

Net income attributable to owners of the parent company: ¥13.9 billion

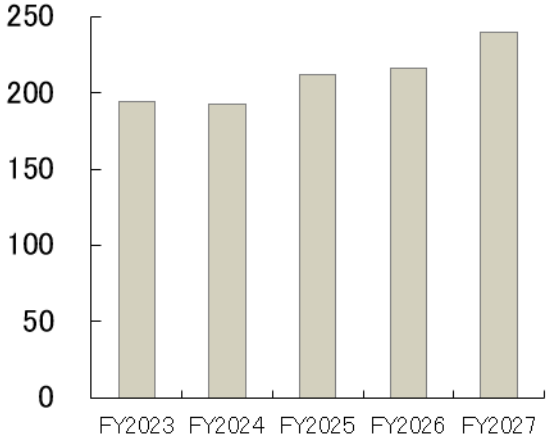
(down 12.6% year on year, Net income to net sales ratio: 5.8%)

Fiscal 2027 (First Two Quarters/ Interim): Consolidated Financial Results

- Third consecutive year of consolidated net sales growth, driven mainly by overseas business growth and the impact of a weaker yen, despite challenging market conditions
- Decline in profitability due to rising raw material costs that exceeded cost reduction benefits

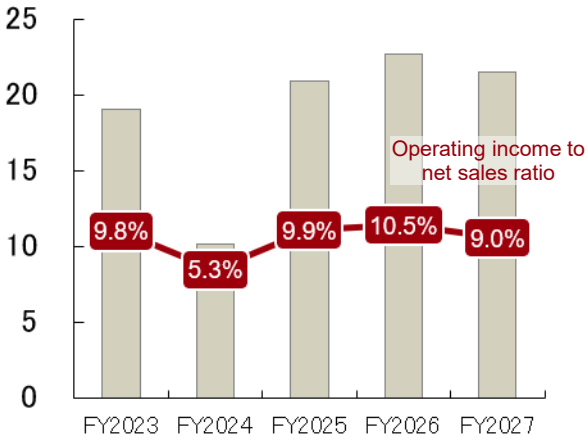
Net Sales

[Billions of Yen]



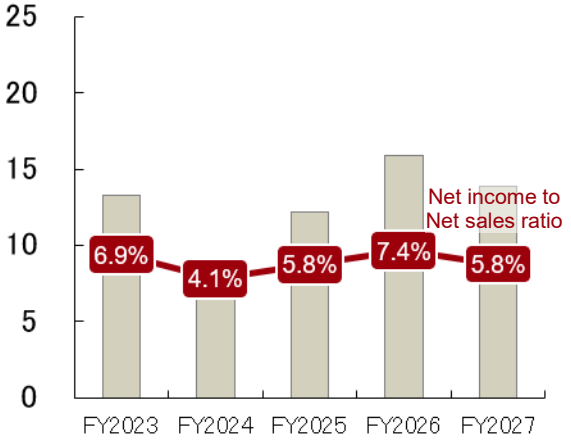
Operating Income

[Billions of Yen]



Attributable to owners of the parent company Net Income

[Billions of Yen]



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Fiscal 2027 (First Two Quarters/ Interim): Net Sales by Product

[Billions of yen]

	Fiscal 2026		Fiscal 2027		YOY Change	
	Amount	% of total	Amount	% of total	Amount	(%)
Water heaters	128.24	59.3%	138.75	57.8%	＋10.50	＋8.2%
Kitchen appliances	44.68	20.6%	48.32	20.1%	＋3.63	＋8.1%
Air conditioning appliances	10.75	5.0%	12.25	5.1%	＋1.50	＋14.0%
Commercial-use equipment	5.12	2.4%	6.18	2.6%	＋1.06	＋20.8%
Others	27.60	12.8%	34.40	14.3%	＋6.79	＋24.6%
Total	216.41	100.0%	239.92	100.0%	＋23.50	＋10.9%

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Fiscal 2027 (First Two Quarters/ Interim): Consolidated Sales/Income Results

[Billions of yen]	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin	YOY Change
Consolidated	239.92	+10.9%	21.54	−5.2%	9.0%	−1.5pt

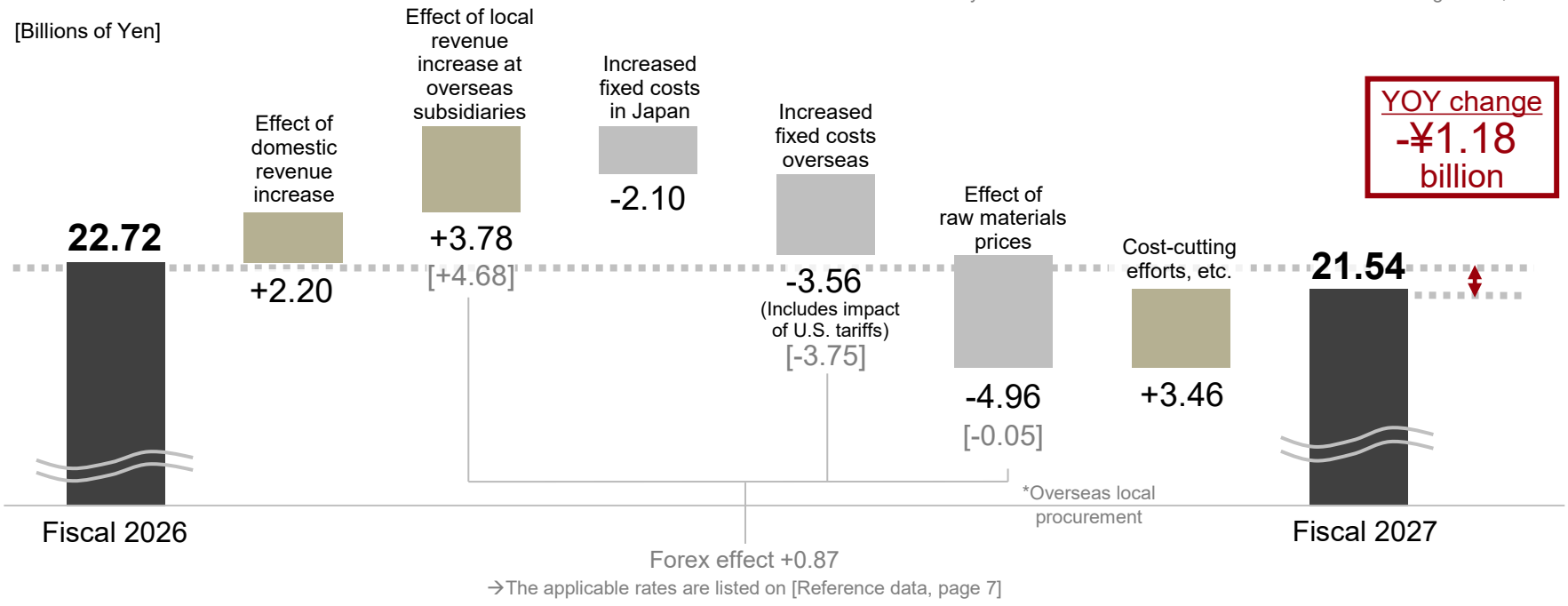
[Billions of yen]	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin	YOY Change
Japan	98.44	+5.1%	8.14	−24.2%	8.3%	−3.2pt
United States	37.96	+7.6%	2.45	+112.8%	6.5%	+3.2pt
Australia	28.51	+39.5%	1.64	+54.1%	5.8%	+0.5pt
China	22.29	−11.0%	1.53	−64.4%	6.9%	−10.3pt
South Korea	16.45	−0.9%	0.82	+3.0%	5.0%	+0.2pt
Indonesia	10.78	+19.0%	2.35	+21.3%	21.8%	+0.4pt
Others	25.45	+56.0%	3.52	+43.8%	13.8%	−1.2pt
Adjustments	−	−	1.07	+304.6%	−	−

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Fiscal 2027 (First Two Quarters/ Interim): Consolidated Operating Income Analysis

- Price revisions and cost reduction efforts helped mitigate the profit decline despite raw material costs exceeding initial assumptions

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



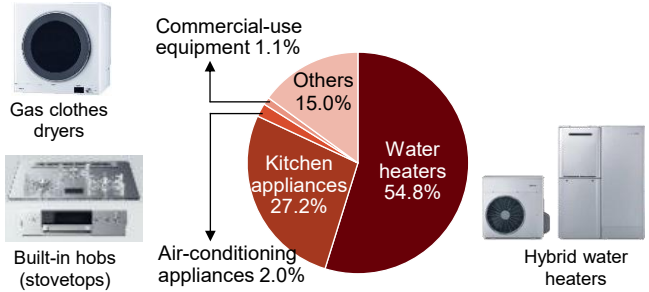
* From April to September, 2026

Japan Fiscal 2027 (First Two Quarters/ Interim) Results

■ Segment companies

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

■ Net sales by product, Fiscal 2027 (2Q) results



■ Segment results

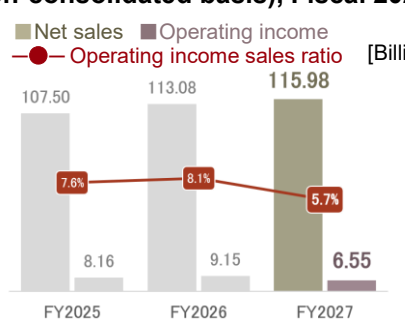
[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change
Net Sales	93.65	98.44	+5.1%
Operating Income	10.75	8.14	-24.2%
Operating income to net sales ratio	11.5%	8.3%	-3.2pt

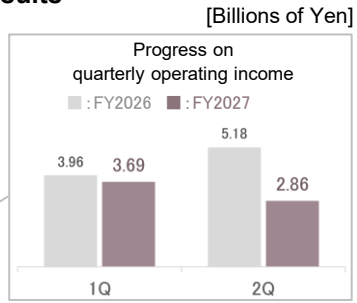
■ Non-consolidated results of major company

Rinnai (non-consolidated basis)

- Housing market remained weak overall despite recent recovery, while demand for high-value-added products continued to grow
- Growth in Air Bubble products and ECO JOZU drove higher water heater sales
- Decrease in income due to higher raw material costs and increased allowance for product guarantee (¥0.94 billion)

Rinnai (non-consolidated basis), Fiscal 2027 (2Q) Results





[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change
Net Sales	113.08	115.98	+2.6%
Operating Income	9.15	6.55	-28.4%
Operating income to net sales ratio	8.1%	5.7%	-2.4pt

[Sales Volume in Japan]	YOY change
Water heater with heating systems	+4.4%
Hybrid water heaters	-7.2%
Built-in hobs (stovetops)	-2.9%
Gas clothes dryers	+6.2%

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Japan Topics:
Initiatives to Expand Sales of High-Value-Added Products

Held “Discover! Rinnai 2026,” a major exhibition targeting industry professionals, at 9 venues across Japan

Domestic market environment	**Growing awareness of energy efficiency** GX ZEH standards take effect in April 2027, further improving the energy efficiency of homes	**Increasingly high-performance homes** Growing demand for high-value-added products that save time, enhance comfort, and promote health

Initiatives showcased at “Discover! Rinnai 2026”

Collaborative exhibition highlighting GX ZEH homes

- Collaborating with residential equipment manufacturers to showcase a comprehensive range of products required for GX ZEH homes
- Raising the profile of hybrid water heaters amid growing demand for energy-efficient products



Hybrid water heaters with Solar power generation + Battery storage + HEMS

GX ZEH requirements (effective April 2027)

Reduction in primary energy consumption	35% or more
Thermal Insulation Performance Grade	Grade 6 insulation
Solar power generation	Mandatory
Advanced energy management (HEMS)	Mandatory
Storage battery	Mandatory

Proposals to industry professionals involved in product design and adoption

- Making direct proposals to architectural firms, homebuilders, house construction companies, etc.
- Displaying entire living spaces to demonstrate how products can be incorporated at the design stage



Utility space centered around a clothes dryer



Space-saving installation of hybrid water heater

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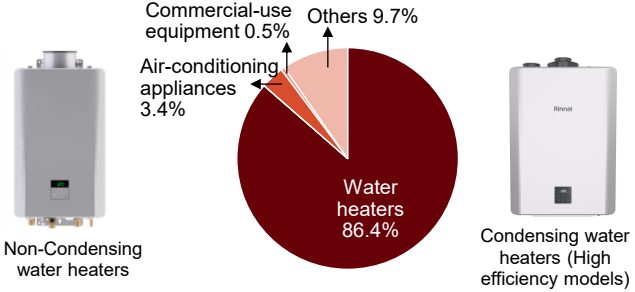
United States Fiscal 2027 (First Two Quarters/ Interim) Results

* From January to June, 2026

■ Segment company

Rinnai America

■ Net sales by product, Fiscal 2027 (2Q) results



■ Segment results

[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change
Net Sales	35.28	37.96	+7.6%
Operating Income	1.15	2.45	+112.8%
Operating income to net sales ratio	3.3%	6.5%	+3.2pt

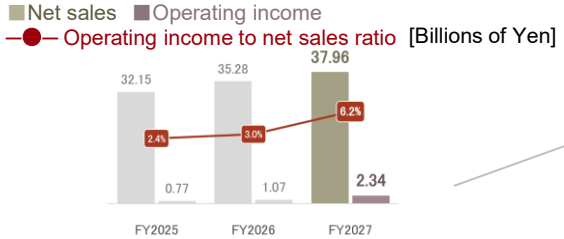
■ Non-consolidated results of major company

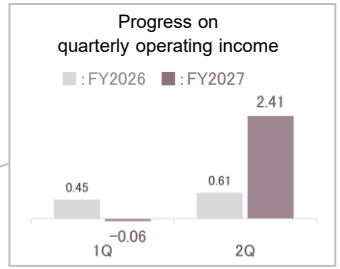
Rinnai America

- Continued challenging conditions in both new and existing housing markets due to high interest rates and rising home prices
- Increase in revenue due to sales growth for boilers and commercial equipment, as well as higher sales to Canada, which offset weak tankless water heater sales
- Higher sales drove a return to profitability in the second quarter from the first quarter, while tariff refunds contributed to a substantial increase in interim profit

[Billions of Yen]

Rinnai America, Fiscal 2027 (2Q) Results





[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change	
			Yen	Local currency
Net Sales	35.28	37.96	+7.6%	+1.3%
Operating Income	1.07	2.34	+118.4%	+105.6%
Operating income to net sales ratio	3.0%	6.2%	+3.1pt	

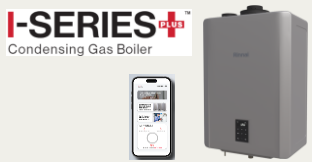
[Sales Volume]	YOY change
Tankless water heaters	-6.3%
Condensing water heaters of total (High-efficiency models)	-2.8%
Heat pump water heaters	+59.4%

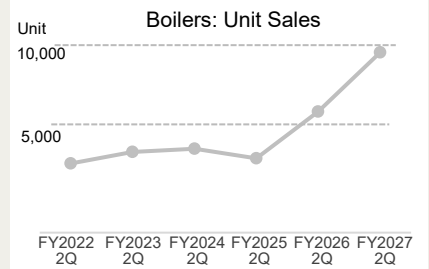
United States Topics: Expanding Our Foundation for Growth

Strengthening competitiveness in boiler equipment and expanding sales to Canada, in addition to mainstay tankless water heaters

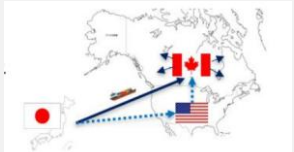
	Initiatives to strengthen competitiveness		Outlook
Boilers	Expanding our product lineup with higher thermal efficiency and greater ease of installation	Capitalizing on a competitor's withdrawal last year to gain market share	Leveraging expanded customer base to further strengthen market presence
Canada	Leveraging local warehouse to establish direct shipment system from Japan to Canada. Streamlined logistics and shortened delivery times.	Improved customer satisfaction has propelled Rinnai to No. 1 position in Canada's tankless water heater market	Leveraging our Canada base to consider ways to expand facilities and functions aimed at strengthening customer engagement



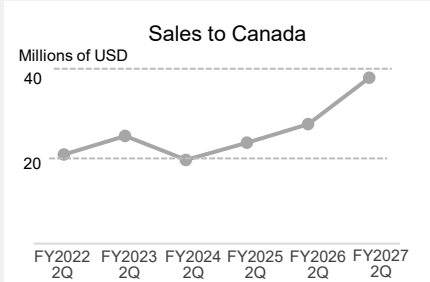








Source: https://www.ciph.com/



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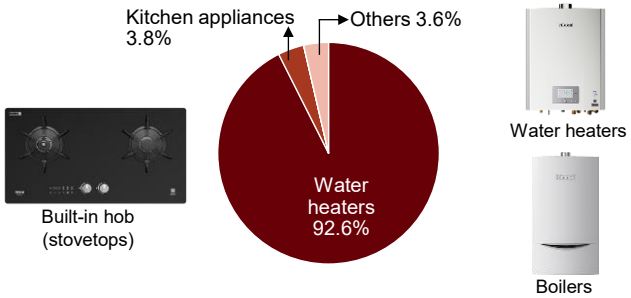
* From January to June, 2026

China Fiscal 2027 (First Two Quarters/ Interim) Results

■ Segment company

Shanghai Rinnai, Guangzhou Rinnai,
Rinnai Hong Kong

■ Net sales by product, Fiscal 2027 (2Q) results



■ Segment results

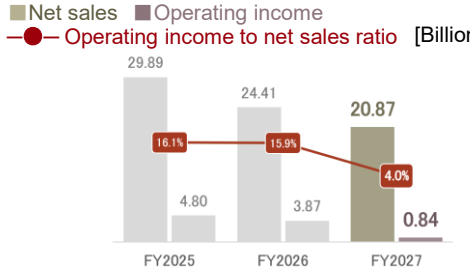
[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change
Net Sales	25.04	22.29	-11.0%
Operating Income	4.30	1.53	-64.4%
Operating income to net sales ratio	17.2%	6.9%	-10.3pt

■ Non-consolidated results of major company

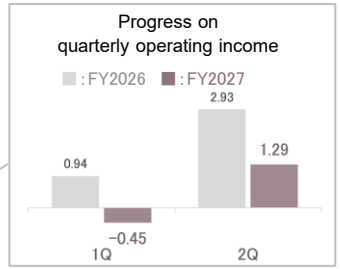
Shanghai Rinnai

- Weak consumer sentiment continued amid the economic slowdown
- E-commerce events underpinned sales in the second quarter, but revenue fell amid a continued shift toward lower-priced products
- Despite returning to profitability in the second quarter from the first quarter, interim income declined sharply due to lower sales and soaring raw material prices

Shanghai Rinnai, Fiscal 2027 (2Q) Results



[Billions of Yen]



[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change	
			Yen	Local currency
Net Sales	24.41	20.87	-14.5%	-23.7%
Operating Income	3.87	0.84	-78.2%	-80.6%
Operating income to net sales ratio	15.9%	4.0%	-11.8pt	

[Sales Volume]	YOY change
Water heaters	-17.6%
Built-in hob (stovetops)	-33.8%
Range hoods	-46.8%
Boilers	-18.1%

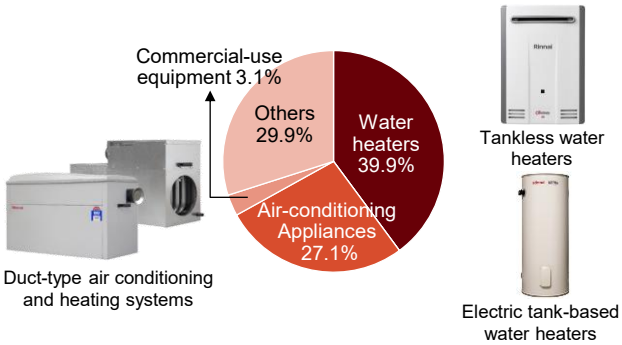
Australia Fiscal 2027 (First Two Quarters/ Interim) Results

* From January to June, 2026

■ Segment company

Rinnai Australia

■ Net sales by product, Fiscal 2027 (2Q) results



■ Segment results

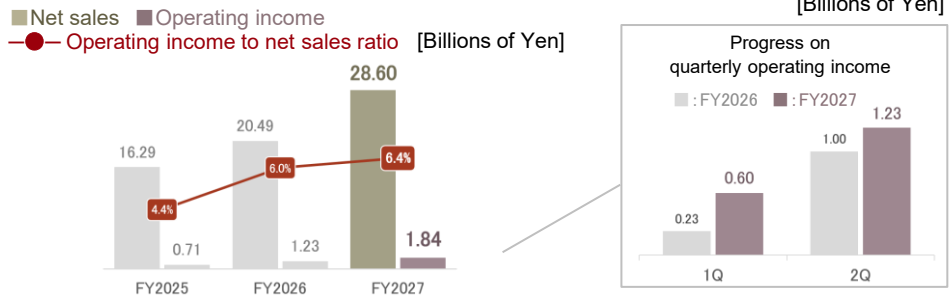
[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change
Net Sales	20.44	28.51	+39.5%
Operating Income	1.06	1.64	+54.1%
Operating income to net sales ratio	5.2%	5.8%	+0.5pt

■ Non-consolidated results of major company

Rinnai Australia

- Housing starts continued to recover, while demand for electrified solutions remained strong
- Growth in heat pump water heaters and other electrified products supported by government subsidy programs
- Increase in income thanks to strong sales growth, accompanied by improved profit margin

Rinnai Australia, Fiscal 2027 (2Q) Results



[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change	
			Yen	Local currency
Net Sales	20.49	28.60	+39.6%	+19.1%
Operating Income	1.23	1.84	+49.0%	+27.1%
Operating income to net sales ratio	6.0%	6.4%	+0.4pt	

[Sales Volume]	YOY change
Tankless water heaters	+2.9%
Electric tank-based water heaters	+9.7%
Duct-type air-conditioning and heating systems	+124.0%

Australia Topics

Strategic M&A has expanded our electrified product lineup, enabling us to offer products that meet changing market needs

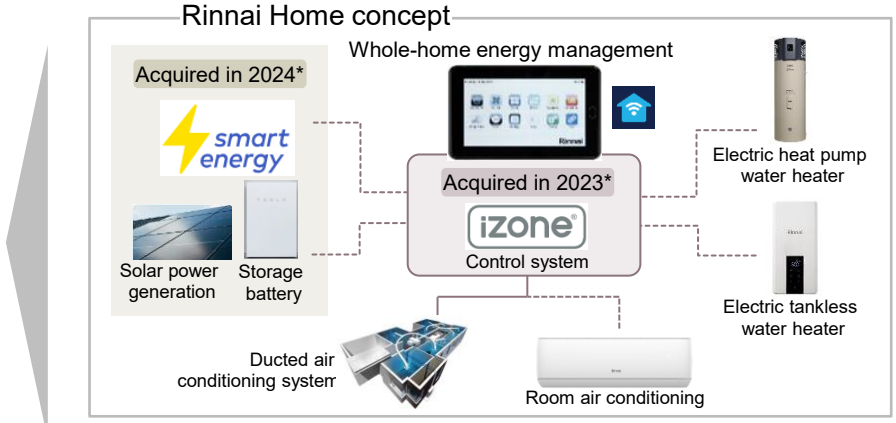
Exhibited at ARBS 2026, Australia's largest HVAC trade show, held in Melbourne

- Showcased products and services to around 10,000 visitors to develop further sales channels、leveraging our business model with M&A contributions
- Exhibited "Rinnai Home," a future home vision that enables whole-home energy management through connected devices





ARBS2026
AIR CONDITIONING, REFRIGERATION, BUILDING SERVICES EXHIBITION



* Smart Energy (energy product sales): Acquired in August 2024
* iZone (air conditioning control systems): Acquired in October 2023

* —— : Currently Connected Products
---- : Products Planned for Connection

Aiming to build an optimal product lineup and strengthen market presence in Australia, the Rinnai Group's most advanced market for electrified products

* From January to June, 2026

South Korea Fiscal 2027 (First Two Quarters/ Interim) Results

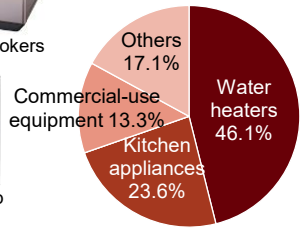
■ Segment company

Rinnai Korea, RB Korea

■ Net sales by product, Fiscal 2027 (2Q) results


Gas tabletop cookers


Electric tabletop cookers




Environmentally friendly boilers

■ Segment results

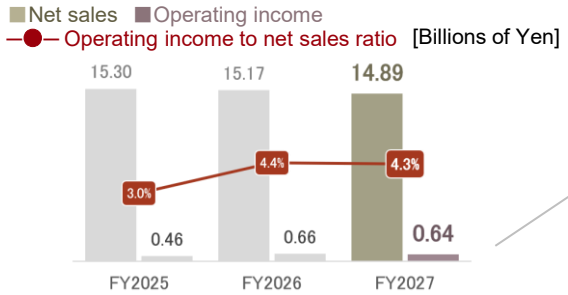
[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change
Net Sales	16.60	16.45	-0.9%
Operating Income	0.79	0.82	+3.0%
Operating income to net sales ratio	4.8%	5.0%	+0.2pt

■ Non-consolidated results of major company

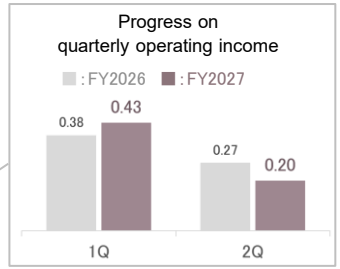
Rinnai Korea

- Weak housing market and continued intense price competition amid economic stagnation
- Lower sales due to increased competition from new entrants in income due to lower sales and higher raw material costs
- Decrease in income due to lower sales and higher raw material costs

Rinnai Korea, Fiscal 2027 (2Q) Results



[Billions of Yen]



[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change	
			Yen	Local currency
Net Sales	15.17	14.89	-1.8%	-4.3%
Operating Income	0.66	0.64	-3.1%	-5.5%
Operating income to net sales ratio	4.4%	4.3%	-0.1pt	

[Sales Volume]	YOY change
Boilers	+0.6%
Gas tabletop cookers	-26.8%
Electric tabletop cookers	-14.8%

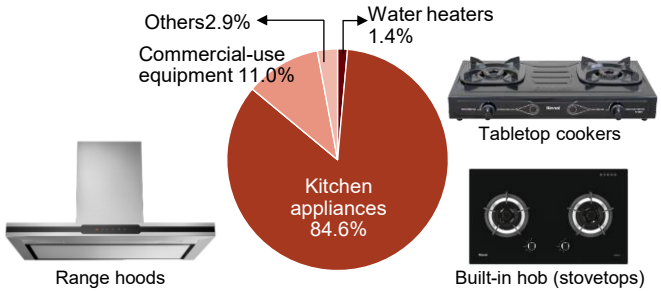
* From January to June, 2026

Indonesia Fiscal 2027 (First Two Quarters/ Interim) Results

■ Segment company

P.T. Rinnai Indonesia

■ Net sales by product, Fiscal 2027 (2Q) results



■ Segment results

[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change
Net Sales	9.06	10.78	+19.0%
Operating Income	1.94	2.35	+21.3%
Operating income to net sales ratio	21.4%	21.8%	+0.4pt

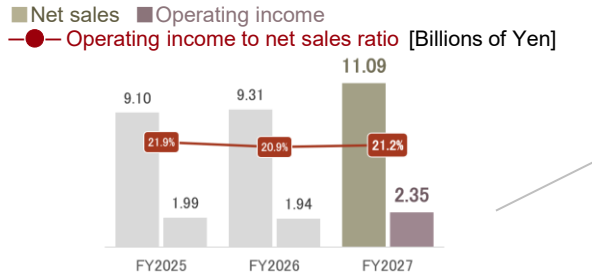
■ Non-consolidated results of major company

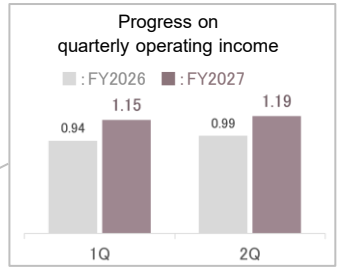
P.T. Rinnai Indonesia

- Steady economic growth, with buyers stocking up in anticipation of price increases caused by the weakening rupiah
- Continued favorable sales of mainstay tabletop cookers, with increased sales of high-value-added products in the second quarter
- Increase in income thanks to price revisions and an improved sales mix

P.T. Rinnai Indonesia, Fiscal 2027 (2Q) Results

[Billions of Yen]





[Billions of Yen]	Fiscal 2026	Fiscal 2027	YOY change	
			Yen	Local currency
Net Sales	9.31	11.09	+19.2%	+17.7%
Operating Income	1.94	2.35	+21.3%	+19.8%
Operating income to net sales ratio	20.9%	21.2%	+0.4pt	

[Sales Volume]	YOY change
Tabletop cookers	+14.8%
Built-in hob (stovetops)	+9.7%
Range hoods	+1.6%

Progress of Consolidated Earnings Forecast

- Yen's depreciation having a positive effect on both sales and income, with first-half (interim) income exceeding forecast in real terms (excluding U.S. tariff refunds)
- Full-year forecasts unchanged amid continued uncertainty over rising raw material prices and developments in the Chinese market

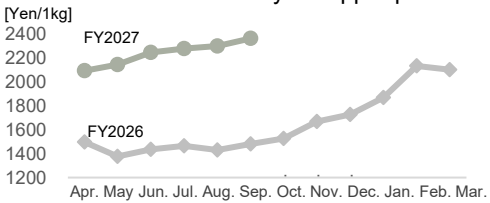
[Millions of yen]

		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 [results]	1st half	239,920	21,541	9.0%	22,822	9.5%	13,908	5.8%
	Change vs plan	+3.9%	+9.9%		+6.6%		+7.0%	
	Vs progress on full year estimates	48.0%	42.7%		42.2%		38.3%	
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%	

Reference: Exchange rates

	FY2027 (2Q) Applicated exchange rates	FY2027 (beginning) Assumed exchange rates
USD	158.297	150.000
AUD	110.430	103.781
CNY	23.016	21.639
KRW	0.1071	0.1031
IDR	0.00924	0.00894

Reference: Electrolytic copper prices



1. Results of First Two Quarters (Interim) of Fiscal 2027/ Fiscal 2027 Performance Forecasts

2. Business Outlook

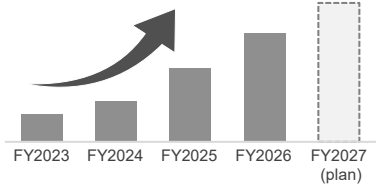
Expanding Value Creation through Air Bubble Technology in Japan and Overseas

Expanding domestic sales and developing overseas markets to address growing demand for air bubble technology

[Japan] Applying ultra-fine bubble (UFB) technology to dishwashers

- Growing awareness of air bubble water heaters is driving demand each year

Sales of air bubble water heaters



Customer feedback

- "It's easier to clean the bathroom now."
- "My sink stays cleaner."
- "I've noticed less slime buildup in the drain and pipes."

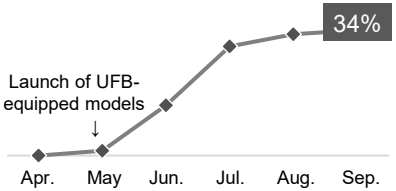
- Sales of Japan's first dishwasher equipped with UFB technology are progressing well



Air Bubble Technology

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

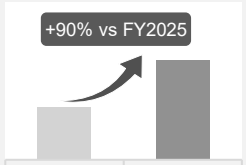
UFB adoption rate for replacement front-opening dishwashers



[Overseas] Steadily growing demand for air bubble products driving accelerated global expansion

- Firm sales in East Asia, particularly China and South Korea
- Exploring further expansion into markets expected for demand growth

Overseas unit sales



Air bubble product sales in major countries and regions (FY2026)

Country/ region	Main products	YOY change
China	Water heaters, boilers	188%
South Korea	Boilers	222%
Taiwan	Water heaters	158%

Global expansion status





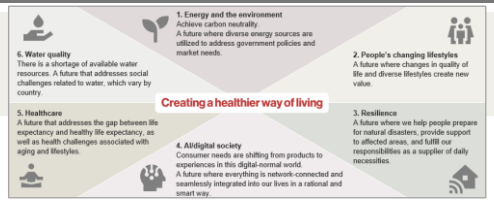


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Research and Development Examples to Create New Value

Showcased technologies and services currently under development at CEATEC 2026 as part of efforts to bring Rinnai's "The Future of Living" vision to life

CEATEC 2026 exhibits and six domains shaping Rinnai's "The Future of Living" vision under "accelerate 2030" (medium-term business plan)



Energy & environment / Resilience

Hybrid water heaters (*ECO ONE*)



- Operation adjustments of *ECO ONE* (demand–response) responding to electricity supply
- Integration with weather forecasts and alerts

Ways of living / Healthcare

Smart bath controller



- Connecting remote controls, smartphones, and health monitoring devices
- Using heart rate and other health data to offer new bathing experiences

Resilience / AI/digital society

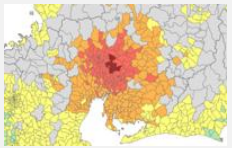
Disaster alert remote controller



- Provides voice guidance on evacuation procedures
- Smartphone app allows users to check power outages and the status of their homes

Resilience / AI/digital society

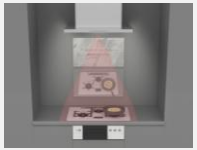
Identifies areas affected by water and gas supply outages



- Uses water heater data to identify areas affected by water and gas supply outages and help prioritize restoration efforts

Ways of living / AI/digital society

AI-powered cooking assistance system



- Integrates appliances, cameras, and AI to help prevent fires and support automated cooking

Expanding our business scope from providing equipment to delivering value and services that support everyday living
Accelerate R&D and external collaboration to produce results based on innovation center, newly established in previous fiscal year

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Initiatives to Strengthen Profitability in Key Markets (United States and China)

United States: Leveraging our growth platform to restore profitability
China: Restructuring our business targeting higher profitability without relying on a market recovery

United States

Current assessment

- Housing market expected to remain weak amid persistently high inflation and interest rates
- Declining local production volume of non-condensing tankless water heaters is driving up fixed costs

Short-term measures

- Strictly control fixed costs in line with production volumes
- Maintain steady sales volume of condensing water heaters, and expand sales of boilers and sales to Canada

Medium- to long-term measures

- Strengthen competitiveness through new product launches of both condensing and non-condensing tankless water heaters
- Step up initiatives in anticipation of growth in the heat pump water heater market

China

Current assessment

- Concern about prolonged market downturn with consumers increasingly prioritizing quality and functionality alongside low price
- Intensifying competition from local manufacturers and need to quickly introduce new products to respond changing market conditions

Short-term measures

- Preserve brand value by emphasizing Japanese quality and avoiding aggressive price competition

Medium- to long-term measures

- Strengthen cost competitiveness and enhance product lineup with both quality and price competitiveness (development of platform 3.0 water heaters)

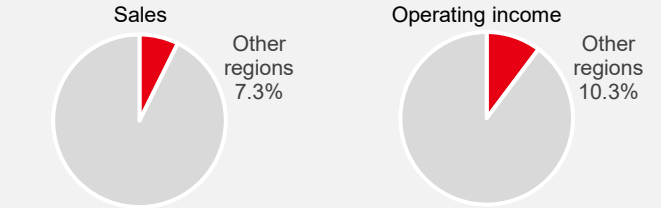
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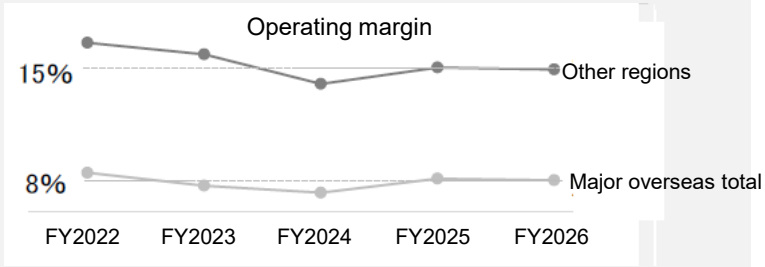
Overseas Business Supported by Steady Growth in Other Regions

Demonstrate our presence in other regions building on growth in major overseas segments

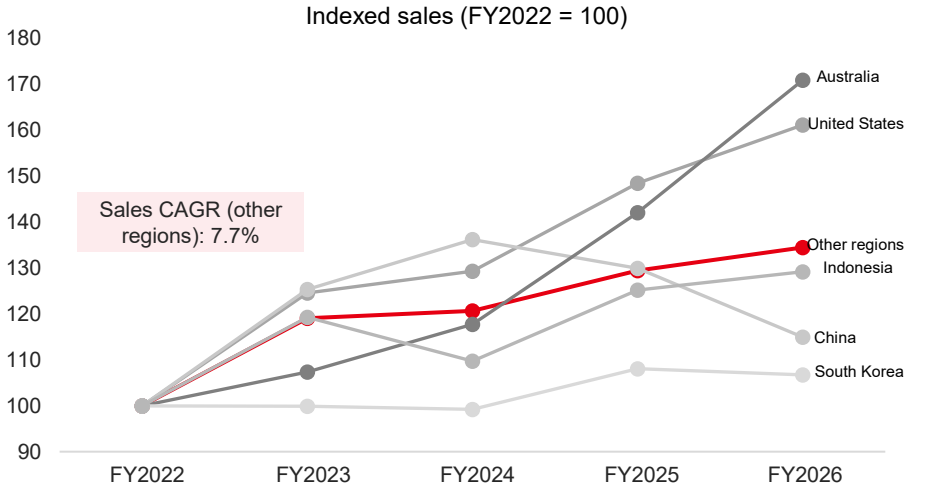
Maintaining high profitability compared with the major overseas segments*1

Sales and operating income by other region*2 (FY2026 actual)





Delivering strong sales growth across both major overseas segments and other regions



Further business expansion expected in FY2027 supported in part by M&As

*1 Refers to the United States, China, Australia, South Korea, and Indonesia
*2 Local subsidiaries in Taiwan, Thailand, Vietnam, Brazil, Peru, and other countries and regions

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Growth Markets Driving Performance in Other Regions

Pursuing further growth by expanding product offerings and strengthening sales activities tailored to each market

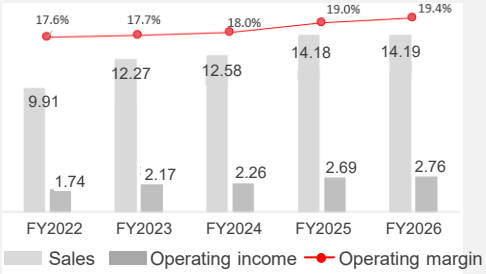
Taiwan Rinnai

Established in 1970
Started local production from 1970

Achieve high profitability based on production system refined over many years and sales structure with price discipline

- Establish solid market position (second only to local manufacturers) in gas water heater and kitchen appliance businesses, and aim for further business expansion
- Expand lineup of high-value-added models to further improve profitability

Taiwan Rinnai performance [Billions of Yen]



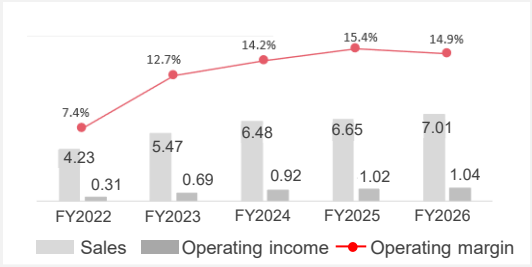
Rinnai Brasil

Established in 1975
Started production of gas water heaters from 2000

Establish highly profitable business model, as a leading company of gas water heaters by market cultivation capturing business opportunity

- Maintain No.1 market share in gas water heaters despite intensifying price competition due to new entry from domestic and foreign companies
- Establish sales structure for electric water heaters and kitchen appliances as future growth drivers

Rinnai Brasil performance [Billions of Yen]



MT Industrial (Peru)

Acquired through M&A in 2025

Strong brand recognition for “Sole” in Peru’s kitchen appliances and water heater markets

- Expand business by leveraging strong sales network as more households adopt natural gas
- Aim to generate synergies by expanding sales of Rinnai-branded products

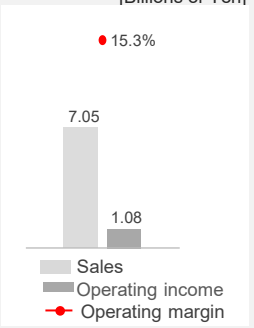




“Sole” brand products

MT Industrial performance (FY2027 first half)

[Billions of Yen]



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