



Shareholders' Report Vol. 63 76th Interim Term
(April 1 to September 30, 2025)

Rinnai

As we enter the final year of our medium-term business plan, we are advancing three key strategies.



It is a pleasure to report on Rinnai Corporation's performance in the two-quarter (interim) period ended September 30, 2025.

The Rinnai Group has entered the final year of its medium-term business plan, New ERA 2025. Under the plan, we are pursuing three key strategies: "Advancement in addressing social challenges," "Expansion of business scale," and "Revolution of corporate structure." In the period under review, despite continued high inflation and interest rates in major countries, we posted record-high net sales, driven by continued growth in demand for high-value-added products amid rising demand for energy efficiency. On the earnings side, although we continued facing higher cost burdens due to rising raw material and energy prices associated with global inflation, we reported record-high operating income, supported by increased sales, price revisions, and cost reduction efforts. We declared an interim dividend of ¥50.00 per share.

The Group will continue working to realize the aforementioned strategies. Specifically, under the theme of "Advancement in addressing social challenges," we have designated and are working to expand sales of products that help improve quality of life and benefit the global environment — notably *ECO ONE* hybrid water heaters with heating systems, tankless water heaters, air bubble products (Ultra Fine Bubbles & Micro Bubbles), and gas clothes dryers. In these ways, we are broadening our lineup of priority products to support the Group's carbon neutrality commitment, RIM 2050. We are also making steady progress in fulfilling our promise to customers ("Creating a healthier way of living") and achieving sustainable and stable long-term growth.

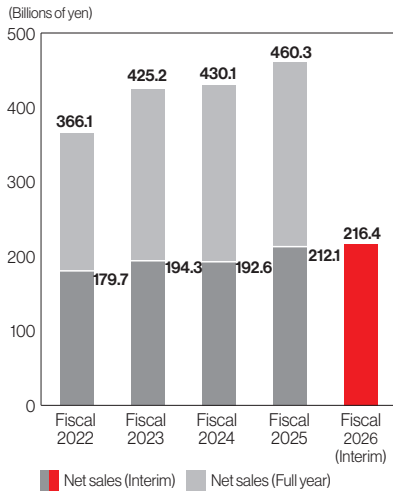
We ask our shareholders for their continued support and cooperation.

Hiroyasu Naito
President

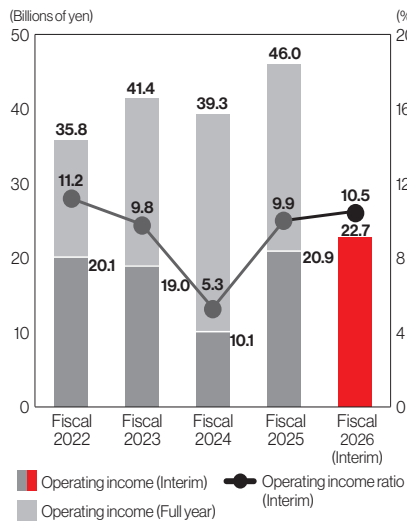
Performance Highlights

- Year-on-year net sales **increase for second consecutive period** backed by growth in high-value-added products amid rising interest in energy despite continued challenging market conditions
- Operating income also **up for second consecutive period**, supported by higher sales and cost controls, even as various expenses increased
- Interim dividend of ¥50.00 per share, the **16th consecutive increase** in interim dividends

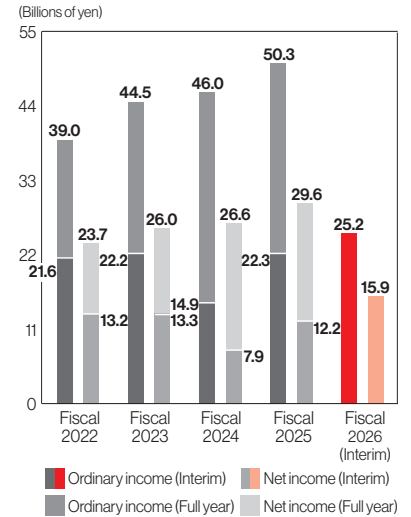
Net sales



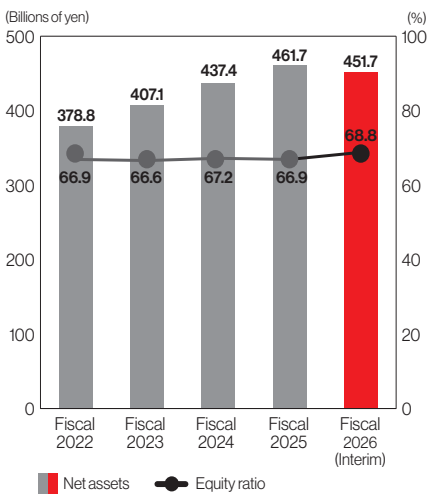
Operating income, operating income ratio



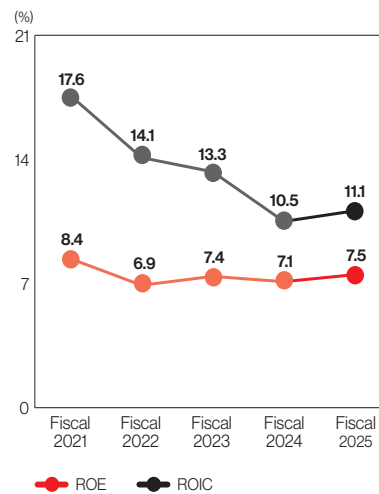
Ordinary income, net income attributable to owners of the parent company



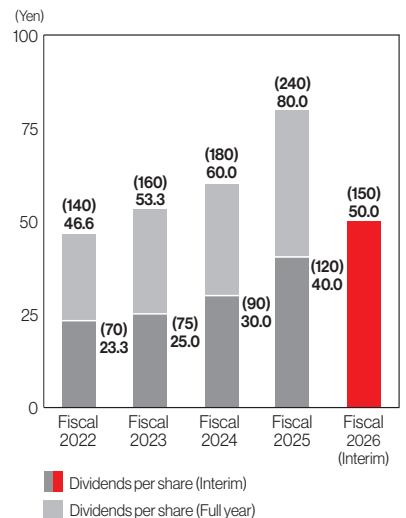
Net assets, equity ratio



ROE, ROIC



Dividends per share



* Return on invested capital (ROIC) = Operating income (after deemed tax) ÷ Invested capital (accounts receivable + inventory – accounts payable + fixed assets (tangible/intangible))

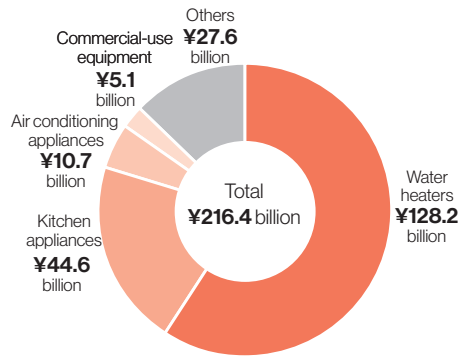
* On April 1, 2023, the Corporation conducted a 3-for-1 stock split of shares of common stock.
* Figures in parentheses are on a pre-split basis.

Highlights by Product Segment

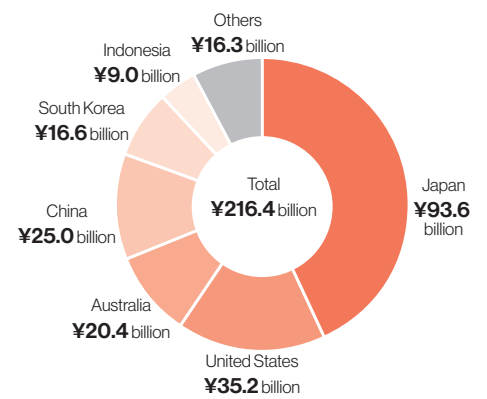
- Water heaters: **Increase in sales** backed by growth of hybrid water heaters with heating systems and air bubble products in Japan, while condensing water heaters performed strongly in the United States
- Kitchen appliances: Year-on-year **sales decline** due to lower sales in Japan and South Korea despite continued solid replacement demand in Indonesia

Product segment	Principal products
Water heaters	Tankless water heater with basic functions, bath-filling systems, heating systems, and hybrid water heater with heating systems
Kitchen appliances	Tabletop cookers, built-in hobs (stove-tops), ovens, dishwashers, range hoods and rice cookers
Air conditioning appliances	Fan heaters, fanned flue heaters and infrared heaters
Commercial-use equipment	Commercial-use ceramics griller, ranges and rice cookers
Others	Clothes dryers, infrared burners and components

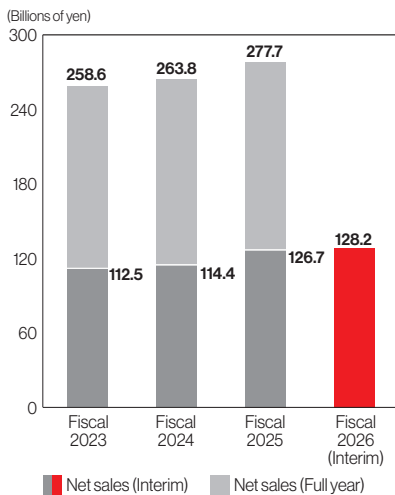
Net sales by product



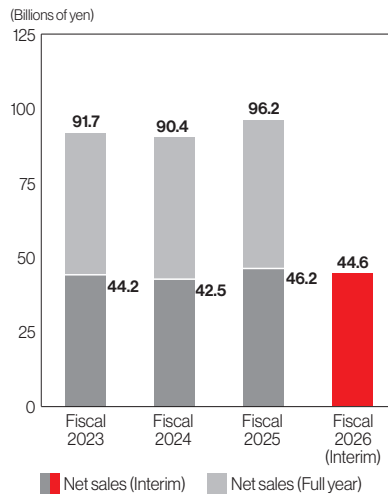
Net sales by region



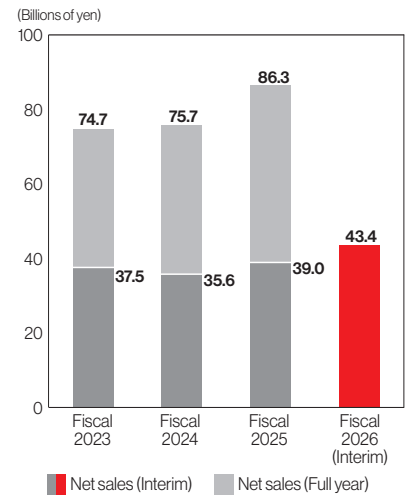
Sales of water heaters



Sales of kitchen appliances



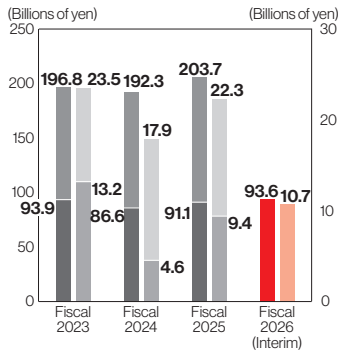
Sales of air conditioning appliances, commercial-use equipment, and others



Highlights by Regional Segment

■ Net sales ■ Operating income

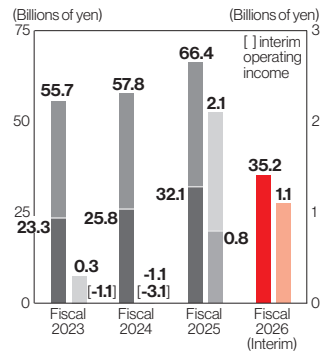
Japan



Year-on-year **increase in sales and income** thanks to strong growth of key products that address energy-saving and time-saving needs despite sluggish new housing market

■ Net sales (Interim) ■ Operating income (Interim)
■ Net sales (Full year) ■ Operating income (Full year)

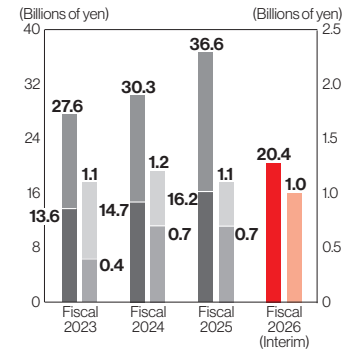
United States



Growth in sales and income thanks to price revisions and strong performance of new condensing water heaters despite partial impact of tariffs

■ Net sales (Interim) ■ Operating income (Interim)
■ Net sales (Full year) ■ Operating income (Full year)

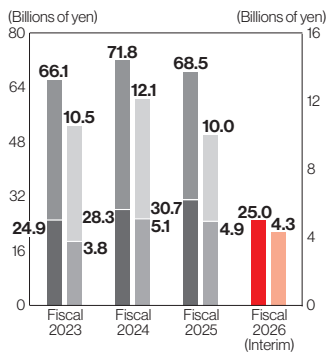
Australia



Higher sales and income driven by robust demand for electrified products centered on heat pump water heaters along with synergy benefits of recent acquisitions

■ Net sales (Interim) ■ Operating income (Interim)
■ Net sales (Full year) ■ Operating income (Full year)

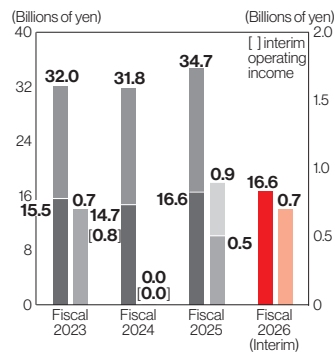
China



Decrease in sales amid ongoing weak consumer demand but diligent streamlining and cost-reduction initiatives **narrowed the decline in income**

■ Net sales (Interim) ■ Operating income (Interim)
■ Net sales (Full year) ■ Operating income (Full year)

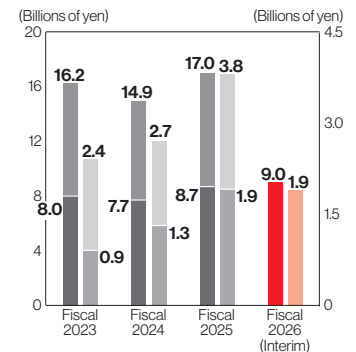
South Korea



Lower sales amid intensified competition in kitchen appliance market but **higher income** thanks to solid demand for our core boilers

■ Net sales (Interim) ■ Operating income (Interim)
■ Net sales (Full year) ■ Operating income (Full year)

Indonesia



Revival in sales of mainstay tabletop cookers owing to active promotional efforts but currency translation effects resulted in **higher sales and lower income**

■ Net sales (Interim) ■ Operating income (Interim)
■ Net sales (Full year) ■ Operating income (Full year)

Opening of Rinnai Aoyama, a showroom where visitors can experience a “luxurious space”

In July 2025, we opened Rinnai Aoyama, our first brand-experience facility for the general public, in Minami-Aoyama, Minato-ku, Tokyo. The space allows visitors to experience the richer, more fulfilling environments that Rinnai aims to create, while also serving as a hub for communication with experts and creators from various fields. Through this interaction, we will generate new value for the future of “heat and lifestyles” and share it both in Japan and abroad.

©photo by yansu

Meticulously crafted products

What Rinnai values most in product development is delivering “surprise” and “delight” to customers. To achieve this, we are relentlessly committed to superior quality. At Rinnai Aoyama, we showcase a range of meticulously crafted products, including our *G:LINE* and *DELICIA* built-in hobs (stovetops), our widely praised *Kanta-kun* gas clothes dryers, our Micro Bubble Units that produce luxuriously cloudy hot water, and our *ECO ONE* hybrid water heaters with heating systems.



©photo by Daisuke Shima



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A co-creation space that explores the possibilities of “heat and lifestyles”

Rinnai Aoyama also represents a new frontier in Rinnai’s more than 100-year history. Located in Minami-Aoyama, a crossroads of lifestyle culture and information, we aim to engage with diverse talents from Japan and abroad, generate new value around “heat and lifestyles,” and communicate Japan’s rich food culture and residential values to the global community.



©photo by Daisuke Shima

Rinnai Aoyama
<https://aoyama.rinnai.jp/en>

Forest Hills East 1F/4F
4-18-11 Minami-Aoyama, Minato-ku, Tokyo
1F: Walk-in access; 4F: Reservation required
Open: Tue–Sat, 10:00–17:00
Closed: Sunday, Monday, national holidays,
Golden Week, summer break, and
New Year holidays

New deluxe *Kanta-kun* model designed for installation under the eaves



In April 2025, Rinnai released an under-eave installation version of its deluxe *Kanta-kun* gas clothes dryers, making it suitable for balcony installations in both standalone homes and multi-unit residences. This model retains the drying capacity, usability, and refined design of the existing version, plus water-resistant structure that allows installation outdoors under the eaves.

Awarded the Minister for Disaster Management Prize (Grand Prize) at the “New Integrated Disaster Information System Ideathon 2025.”



Rinnai received the Minister for Disaster Management Award (Grand Prize) at the “New Integrated Disaster Information System (SOBO-WEB) Ideathon 2025,” hosted by the Cabinet Office of Japan. Rinnai has been developing products aimed at improving quality of life, and its research achievements related to resilience—one of the key objectives of this effort—were highly evaluated, leading to this award.

The New Integrated Disaster Information System (SOBO-WEB) is a platform for sharing disaster information as geospatial data. Its purpose is to help disaster-response agencies quickly understand and assess the situation during an emergency, grasp disaster information from a broad perspective, and gain an overall picture of the damage.

JIA certification achieved for our commercial hydrogen cooktop (following our hydrogen grill)



Commercial hydrogen tabletop cooker that received certification

For our commercial hydrogen tabletop cooker, jointly developed with Toyota Motor Corporation, we obtained certification from the Japan Gas Appliances Inspection Association (JIA) based on its “Inspection Standards for Commercial Hydrogen Gas Kitchen Equipment.” This marks the first certification issued under the inspection regulations for a commercial hydrogen tabletop cooker. Anticipating its use as an environmentally conscious product, we will continue expanding our range of hydrogen-based solutions.

Prize-winner at CEATEC AWARD 2025 (Innovation Category)

CEATEC[®] AWARD



Rinnai was honored at CEATEC AWARD 2025 (Innovation Category) for its bathtub-integrated electrocardiogram measurement module. The award recognizes Rinnai’s efforts in the field of health enhancement, particularly its development of a business model that enables customers to feel secure. Going forward, we will continue creating products and services that accompany customers in their daily lives and provide lasting value throughout their lifetimes.

At CEATEC, a showcase of the most advanced technologies from Japan and across the globe, the CEATEC AWARD 2025 is granted to exhibiting products, technologies, and services that demonstrate exceptional innovation and excellence.

The Rinnai Group manufactures and sells thermal equipment in approximately 80 countries and regions worldwide. Below is an overview of market trends and our strategies in key overseas markets. (For regional details, please also refer to page 4.)

Rinnai America [Established 1974]

Main products: Tankless water heaters, gas fan-forced heaters

- Fiscal 2025: Net sales ¥66.4 billion; operating income ¥2.1 billion**
- ✓ The U.S. water heater market is approximately 10 million units per year, of which roughly 90% are tank-type models
 - ✓ Tankless water heaters, our core products, offer superior environmental performance and the convenience of unlimited hot water, with further market expected



Rinnai Australia [Established 1971]

Main products: Tankless water heaters, heat pump water heaters, air conditioners

- Fiscal 2025: Net sales ¥36.7 billion; operating income ¥1.2 billion**
- ✓ Government environmental policies are driving a shift toward high-efficiency gas water heaters
 - ✓ Promotes a diversified business portfolio, including heat pumps and the Group's first solar power generation business



Rinnai Indonesia [Established 1988]

Main products: Tabletop cookers, built-in hobs (stovetops)

- Fiscal 2025: Net sales ¥17.7 billion; operating income ¥3.8 billion**
- ✓ Government energy policies have led to the spread of LP gas, driving demand for gas stoves
 - ✓ In a market of several million stoves per year, high-quality Rinnai products consistently maintain a market share of over 70%



Shanghai Rinnai (China) [Established 1993]

Main products: Gas water heaters, gas stoves

- Fiscal 2025: Net sales ¥65.8 billion; operating income ¥9.0 billion**
- ✓ As income levels rise, highly convenient products like gas water heaters are becoming increasingly widespread even outside major urban areas
 - ✓ With online purchasing rates higher than in many other countries, we are partnering with leading internet companies to build new distribution channels



Rinnai Korea (South Korea) [Established 1974]

Main products: High-efficiency gas boilers, gas stoves

- Fiscal 2025: Net sales ¥31.9 billion; operating income ¥0.9 billion**
- ✓ Backed by the traditional "ondol" floor-heating culture, boilers (hot-water-based heating systems) dominate the market
 - ✓ In addition to steady replacement demand for boilers and cooktops, requirements for improved environmental performance and mandatory safety devices have caused the market to mature



Further expanding our business scale

- ✓ Overseas sales account for 57.6% in (fiscal 2025, ended March 31, 2025)
- ✓ We have strengthened our expansion into Central and South America, adding Group companies in Mexico and Costa Rica in recent years in addition to our long-established manufacturing and sales base in Brazil. In October 2025, we acquired a housing appliance sales company in Peru, bringing it into the Group. Alongside regional expansion, our business domains are also widening. For example, Rinnai Australia acquired a home-energy product sales company and entered the solar power generation business.

Priority strategic regions outlined in our medium-term business plan



* Figures for net sales and operating income are on a non-consolidated basis

Consolidated Balance Sheets (Millions of yen)

Current Term (As of September 30, 2025)

Previous Term (As of March 31, 2025)

	Current Term	Previous Term
Assets		
Current assets	347,620	362,482
Fixed assets	238,552	244,103
Property, plant and equipment	148,539	152,293
Intangible fixed assets	6,846	7,791
Investments and advances	83,166	84,019
Total assets	586,172	606,586
Liabilities		
Current liabilities	97,974	108,605
Long-term liabilities	36,489	36,262
Total liabilities	134,464	144,867
NET ASSETS:		
Shareholders' equity:	359,882	356,994
Common stock	6,484	6,484
Capital surplus	8,307	8,428
Earned surplus	363,225	352,932
Treasury stock	(18,136)	(10,851)
Other comprehensive income:	43,187	48,851
Minority interests	48,639	55,872
Total net assets	451,708	461,718
Total liabilities and net assets	586,172	606,586

Consolidated Statements of Income (Millions of yen)

Current Term (From April 1, 2025, to September 30, 2025)

Previous Term (From April 1, 2024, to September 30, 2024)

	Current Term	Previous Term
Net sales	216,415	212,124
Cost of sales	140,478	140,506
Gross profit	75,936	71,617
Selling, general and administrative expenses	53,210	50,621
Operating income	22,725	20,996
Other income	2,861	2,670
Other expenses	314	1,339
Ordinary income	25,272	22,327
Extraordinary income	1,089	791
Extraordinary losses	—	1,243
Income before income taxes	26,362	21,874
Income taxes	7,143	5,958
Net income	19,219	15,916
Net income attributable to non-controlling interests	3,300	3,668
Net income attributable to owners of the parent company	15,918	12,247

Consolidated Statements of Cash Flows (Millions of yen)

Current Term (From April 1, 2025, to September 30, 2025)

Previous Term (From April 1, 2024, to September 30, 2024)

	Current Term	Previous Term
Cash flows from operating activities	22,632	15,952
Cash flows from investing activities	(2,038)	(468)
Cash flows from financing activities	(15,052)	(13,657)
Cash and cash equivalents at end of term	137,555	132,469

Corporate Data

Directory (As of September 30, 2025)

Incorporated	September 1, 1920
Established	September 2, 1950
Paid-in capital	¥6,484,416,754
Head office	2-26, Fukuzumi-cho, Nakagawa-ku, Nagoya 454-0802 TEL: +81-52-361-8211
Number of employees	10,910 (Consolidated) 3,508 (Nonconsolidated)

Domestic Network (As of September 30, 2025)

Factories and related centers Technology Development Center, Production Technology Center, Kasugai Logistics Center, Atsugi Logistics Center, Oguchi Factory, Seto Factory, Akatsuki Factory

Branch Offices Tohoku, Kanto, Chubu, Kansai, Kyushu

Branches Hokkaido, Kita-Tohoku, Sendai, Niigata, Tokyo, Kita-Kanto, Higashi-Kanto, Minami-Kanto, Tokai, Shizuoka, Hokuriku, Nagano, Osaka, Keiji, Hyogo, Chugoku, Shikoku, Fukuoka

Sales and satellite offices (86 offices)

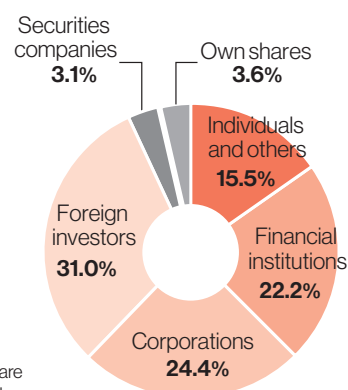
Corporate Officers (As of September 30, 2025)

Representative Director and Chairman	Kenji Hayashi	Director and Senior Managing Executive Officers	Hideyuki Shiraki Kazuto Inoue	Managing Executive Officers	Chuji Nakashima Hirohisa Ooi Takuya Ogawa
Representative Director, President and Executive President	Hiroyasu Naito	Directors (outside)	Takashi Kamio Tadashi Ogura Yoko Dochi Kumi Sato	Executive Officers	Yoshihiko Takasu Hayao Nishizawa Kenji Endo
Representative Director and Executive Vice President	Tsunenori Narita	Standing Audit & Supervisory Board Members	Masanori Shimizu Atsuo Kashima		Katsunori Tanioka Hiroyuki Hoyano Yasunobu Takemoto
		Standing Audit & Supervisory Board Members (outside)	Masaaki Matsuoka Ippei Watanabe		

Share Composition (As of September 30, 2025)

Number of shares	
Authorized:	600,000,000
Outstanding:	143,888,571 (Including treasury stock)
Number of shareholders:	9,473

Composition of shareholders



* Figures for "Composition of shareholders" are rounded down to the second decimal point.

Rinnai Group (As of September 30, 2025)

12 Domestic Subsidiaries

Manufacture and Sale of Products

- Yanagisawa Manufacturing Co., Ltd.
- Rinnai Technica Co., Ltd.
- Gastar Co., Ltd.

Sale of Products

- Rinnai Net Co., Ltd.

Manufacture and Sale of Components

- RB Controls Co., Ltd.
- Rinnai Precision Co., Ltd.
- RT Engineering Co., Ltd.
- Noto Tech Co., Ltd.
- Techno Parts Co., Ltd.

Other Business

- Rinnai Enterprises
- Other two companies

39 Overseas Subsidiaries and Affiliates

Holding Company/Sale of Products

- Rinnai Holdings (Pacific) Pte Ltd.

Manufacture and Sale of Products

- Rinnai America Corporation
- Rinnai Australia Pty., Ltd.
- Shanghai Rinnai Co., Ltd.
- Rinnai Korea Corporation
- P.T. Rinnai Indonesia
- Rinnai New Zealand Ltd.
- Rinnai Taiwan Corporation
- Rinnai (Thailand) Co., Ltd.
- Rinnai Viet Nam Co., Ltd.
- Rinnai Brasil Heating Technology Ltd.
- Rinnai Manufacturing Malaysia Sdn. Bhd.
- Industrias MASS SA de CV
- Thermosolutions Group SA

Sale of Products

- Rinnai Italia S.r.l.
- Rinnai Hong Kong Ltd.
- Rinnai Canada Holdings Ltd.
- Guangzhou Rinnai Gas and Electric Appliance Co., Ltd.
- Central Heating New Zealand Ltd.
- Smart Energy Group
- * Rinnai Plus Corp.
- * Rinnai (Malaysia) Sdn. Bhd.
- * Rinnai UK Ltd.
- * Rinnai Trading BV.
- * Cool Breeze FM Ltd.
- Hainan Rinnai Minsheng Kitchen Appliances Sales Co., Ltd.

Manufacture and Sale of Components

- RB Korea Ltd.
- * Shanghai RB Controls Co., Ltd.
- Mikuni RK Corporation

Other Business

- iZone Pty., Ltd.
- Other nine companies

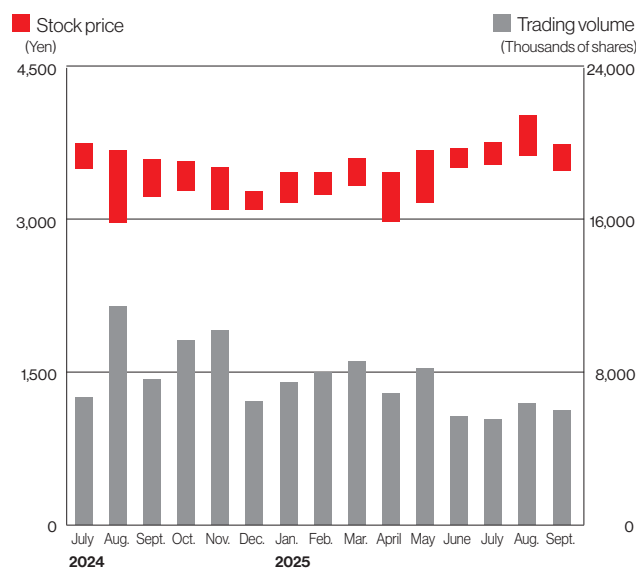
○ Consolidated subsidiary * Nonconsolidated subsidiary ● Affiliated company (equity method not applied)

Major Shareholders (As of September 30, 2025)

Name	Shares held (Thousands)
Naito Co., Ltd.	18,647
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,774
Kenji Hayashi	7,369
Custody Bank of Japan, Ltd. (Trust Account)	7,266
Rinnai Scholarship Foundation	4,200
State Street Bank and Trust Company 505001	3,393
State Street Bank and Trust Company 505103	2,709
National Mutual Insurance Federation of Agricultural Cooperatives	2,487
Rinnai employee stock ownership association	2,211
Makoto Naito	1,710

* Treasury stocks (5,230 thousand shares) held by the Corporation are excluded from the above figures.

Stock Price Range



Financial year

From April 1 to March 31

Annual meeting of shareholders

Every June

Dates of record

Annual meeting of shareholders,

year-end dividend: March 31

Interim dividend: September 30

Minimum trading unit

100 shares

Public notice

Public notices by the Company will be announced online.

<https://www.rinnai.co.jp/>

However, if due to accident or some other unavoidable reason that prevents the Company from completing an online announcement should arise, a public notice will be made by posting in the *Nihon Keizai Shimbun*.

Transfer agent

Sumitomo Mitsui Trust Bank, Limited

4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005

Special account administrator

Sumitomo Mitsui Trust Bank, Limited

4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005

Mailing and contact

Sumitomo Mitsui Trust Bank, Limited

Stock Transfer Agency Department

8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063

(Telephone)

Freedial 0120-782-031(9:00 am-17:00 pm on weekdays)

Stock Listings:

Tokyo Stock Exchange, Prime Section

Nagoya Stock Exchange, Premiere Section

Inquiries Pertaining to Share-Related Procedures

1. Non-Payment of Dividends

Please contact the transfer agent (Sumitomo Mitsui Trust Bank, Limited; contact details above).

2. Change of address, purchases (or increases in purchases) of fractional shares, designation of dividend payment method, etc.

(1) Shareholders with account at a securities company

Please contact the securities company handling your account.

(2) Shareholders with a special account opened due to absence of account at a securities company

Please contact Sumitomo Mitsui Trust Bank, Limited