

Notice of Convocation of the 76th Ordinary General Shareholders' Meeting

DATE AND TIME

Friday, June 26, 2026
at 10:00 a.m.

LOCATION

Grand Banquet Hall "The Grand
Court", 7th floor, ANA CROWNE
PLAZA Hotel Grand Court
NAGOYA, 1-1-1, Kanayama-cho,
Naka-ku, Nagoya

The venue of the meeting
will be different from last
year, so please refer to the
sheet at the end of this
document for the correct
location details.

Matters for Resolution

<Corporation's Proposals>

Agenda Item 1:

Approval of the proposed appropriation of retained
earnings

Agenda Item 2:

Election of nine (9) directors

Agenda Item 3:

Election of one (1) Audit & Supervisory Board member

Agenda Item 4:

Election of one (1) substitute Audit & Supervisory Board
Member

<Shareholder's Proposals>

Agenda Item 5:

Approval of compensation amount related to restricted
stock compensation system

Agenda Item 6:

Amendment to the Articles of Incorporation regarding the
record date for the AGM

Rinnai

TSE code 5947

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 5947

June 4, 2026

To the Shareholders of Rinnai Corporation

Hiroyasu Naito
President

Rinnai Corporation
2-26, Fukuzumi-cho, Nakagawa-ku, Nagoya-shi,
Aichi 454-0802, Japan

**Notice of Convocation of
the 76th Ordinary General Shareholders' Meeting
to Be Held on June 26, 2026**

You are cordially invited to attend the 76th Ordinary General Shareholders' Meeting of Rinnai Corporation (the "Corporation"). Details of the meeting are given below.

In convening this General Shareholders' Meeting, we have taken measures for provision in electronic format regarding materials for the General Meeting of Shareholders. This information is posted on the Rinnai Corporation website (see below).

Rinnai Corporation website:

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

Please go to the above website, select "Investor Relations," then "Stock and bond information," then "General Shareholders' Meeting."

In addition to the above website, items related to the matters subject to the measures for provision in electronic format are posted on the Tokyo Stock Exchange (TSE) website (see below).

Tokyo Stock Exchange Website (TSE-Listed Company Information Service):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

Please go to the above website, enter "Rinnai" or "5947" (Rinnai securities code) in the box under "Listed Company Search," then select "Basic Information," then "Documents for public inspection/PR information," then "Notice of General Shareholders' Meeting/Informational Materials for a General Shareholders' Meeting," then "Notice of Convocation of the 76th Ordinary General Shareholders' Meeting."

If you don't plan to attend in person, **you can exercise your voting rights digitally (via the Internet) or in writing (post), as stated on pages 3-4. You must exercise your voting rights no later than 5:20 p.m. on Thursday, June 25, 2026.**

[Exercising Voting Rights via the Internet]

Please exercise your voting rights through the "Shareholders Meeting Portal®" or the "Voting Rights Exercise Website." For instructions on how to exercise voting rights via the internet, please refer to "Exercising Voting Rights via the Internet" on page 3 of this Notice of Convocation.

[When Exercising Voting Rights in Writing (Post)]

Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and mail the Form to the Corporation by the above deadline for exercise of voting rights.

1. DATE AND TIME	Friday, June 26, 2026 at 10:00 a.m.
2. PLACE	Grand Banquet Hall “The Grand Court”, 7th floor, ANA CROWNE PLAZA Hotel Grand Court NAGOYA, 1-1-1, Kanayama-cho, Naka-ku, Nagoya (Please refer to the sheet at the end of this document)
3. AGENDA	<p>Matters for Reporting:</p> <ol style="list-style-type: none"> 1. The Business Report, report on the Consolidated Financial Statements, and the results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board Member for the 76th Fiscal Year (April 1, 2025–March 31, 2026). 2. Report on the Nonconsolidated Financial Statements for the 76th Fiscal Year (April 1, 2025–March 31, 2026). <p>Matters for Resolution: <Corporation’s Proposals> Agenda Item 1: Approval of the proposed appropriation of retained earnings Agenda Item 2: Election of nine (9) directors Agenda Item 3: Election of one (1) Audit & Supervisory Board member Agenda Item 4: Election of one (1) substitute Audit & Supervisory Board member</p> <p><Shareholder’s Proposals> Agenda Item 5: Approval of compensation amount related to restricted stock compensation system Agenda Item 6: Amendment to the Articles of Incorporation regarding the record date for the AGM The shareholder’s proposals are described in “Shareholder Proposals (Agenda Items 5 –6)” of this document.</p>
4. MATTERS TO BE DECIDED UPON CONVOCAATION OF THE MEETING (GUIDE TO EXERCISING OF VOTING RIGHTS)	<ol style="list-style-type: none"> (1) If you exercise your voting rights in writing (post) and do not indicate “Approve” or “Disapprove” for any of the proposals on the agenda, we will treat it as if you had indicated “Approve” for the Corporation’s Proposals and “Disapprove” for the Shareholder’s Proposals. (2) If you exercise your voting rights multiple times via the Internet, your final vote shall prevail. (3) If you exercise your voting rights both via the Internet and in writing (post), your final vote shall prevail. If your votes via the Internet and in writing (post) are arrived on same day, the vote exercised online shall prevail.

END

- For those planning to attend the meeting in person, please submit the attached Voting Rights Exercise Form at the reception desk upon your arrival.
- In the event of any modification to the matters subject to the measures for provision in electronic format, a notice of such modification will be posted on the Rinnai Corporation website and the TSE website showing the information before and after modification.
- At this Ordinary General Shareholders’ Meeting, the Corporation will uniformly distribute a document describing items related to the matters subject to the measures for provision in electronic format, regardless of whether or not a request for delivery of such document has been made. Among items related to the matters subject to the measures for provision in electronic format, the following are not included in the Notice of Convocation, according to applicable laws and the Corporation’s Articles of Incorporation: System to Ensure Execution of Business and Overview of Its Operational Status, Consolidated Statements of Changes in Shareholders’ Equity, Notes to Consolidated Financial Statements, and Nonconsolidated Statements of Changes in Shareholders’ Equity, and Notes to Nonconsolidated Financial Statements. Accordingly, Business Reports, Consolidated Financial Statements, and Nonconsolidated Financial Statements included in “Notice of Convocation of the 76th Ordinary General Shareholders’ Meeting: Internet Disclosure Items” are only part of the documents used by the accounting auditor to prepare the Accounting Auditor’s Report and by Audit & Supervisory Board members to prepare their audit report.



Method for Exercising of Voting Rights

Exercising Voting Rights via the Internet

If you exercise your voting rights both via the Internet and in writing (post), your final vote shall prevail. If your votes via the Internet and in writing (post) are arrived on same day, the vote exercised online shall prevail.

**Exercise deadline: Must be received by
5:20pm, Thursday, June 25, 2026**

Method for exercising voting rights using a smartphone, etc.

1. Scan the QR Code[®] printed on the voting rights exercise form.



2. Tap the "Exercise Voting Rights" button on the top page of the Shareholders Meeting Portal[®]



3. Enter your approval or disapproval in accordance with the instructions on the Smart Exercise[®] screen.



* "QR Code" is registered trademark of DENSO WAVE INCORPORATED.

Method for exercising voting rights using a PC, etc.

Access either of the following websites and enter the "Voting Rights Exercise Code (Shareholders Meeting Portal Login ID)" and "Password" shown on the voting rights exercise form. After logging in, please follow the on-screen instructions to enter your approval or disapproval.



Shareholders Meeting Portal[®] ▶ <https://www.soukai-portal.net>
Voting Rights Exercise website ▶ <https://www.web54.net>

Notice regarding the submission of questions in advance

Deadline for acceptance: 5:20pm, Thursday, June 18, 2026

For this general meeting, shareholders may submit questions regarding the agenda items in advance. Questions deemed to be of high interest to shareholders are expected to be addressed at the meeting. As with the voting rights exercise procedures above, please access the Shareholders Meeting Portal[®] and tap/click "Submit Questions in Advance" from the top page, then follow the on-screen instructions to enter your question.

- * Each shareholder may submit up to three questions.
- * Please note that it may not be possible to respond to all questions.
- * Questions not addressed at the general meeting will be treated as valuable feedback for future reference.

If you have any questions about how to exercise your voting rights online using PC, smartphone, or mobile phone, please contact us directly (see right for contact details).

Stock Transfer Agency Web Support
Sumitomo Mitsui Trust Bank, Limited
(Dedicated line)
Phone number: 0120-652-031 (toll free)
(Reception hours: 9:00 to 21:00)

Institutional investors can use the electronic voting platform for institutional investors operated by ICJ, Inc.



When Exercising Voting Rights in Writing (by Post)

Please indicate your approval or disapproval on the enclosed Voting Rights Exercise Form and return it to us by the following exercise deadline.

If no indication of approval or disapproval is made for each proposal, it will be treated as “Approve for the Corporation’s Proposals and “Disapprove” for the Shareholder’s Proposals.

**Exercise deadline: Must be arrived by
5:20pm, Thursday, June 25, 2026**

← Please cut this out and return it to us.

Please indicate your approval or disapproval for each proposal.

Approve: Make circle in the “賛 (Approve)” column

Disapprove: Make circle in the “否 (Disapprove)” column

Proposal No. 5 through No.6 were made by shareholders.

The Board of Directors of the Corporation opposes all of these proposals.

For details, please refer to Shareholder Proposals of this document.

If you **agree with the Corporation’s Proposals** and the opinion of the Board of Directors, please fill out the form as below.

Make circle in the “賛 (Approve)” column of Corporation’s Proposals

会社提案				株主提案	
第1号提案	第2号提案 (TOBE/VEB)	第3号提案	第4号提案	第5号提案	第6号提案
<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>

Make circle in the “否 (Disapprove)” column of Shareholder’s Proposals



When attending in person

Please submit the enclosed Voting Rights Exercise Form at the reception desk.

Date: 10:00am, Friday, June 26, 2026

**Location: Grand Banquet Hall “The Grand Court”, 7th floor,
ANA CROWNE PLAZA Hotel Grand Court NAGOYA**

Guide to Voting

Agenda and referenced items

The Corporation's Proposals (Agenda Items 1–4)

Agenda Item 1

Approval of the proposed appropriation of retained earnings

Appropriation of retained earnings shall be applied as follows:

1. Year-End Dividends

The Corporation regards stable return of profits to shareholders as an important management policy, based on extensive consideration of various factors, including consolidated business performance and payout ratio. Consequently, management has decided to reward shareholders for their support by distributing total annual dividends of ¥100 per share, which includes the interim dividend (¥50 per share).

(1) Type of dividend assets

Cash

(2) Allocation of dividend assets and sum total

The Corporation intends to pay **¥50** per share of common stock, resulting in total dividend payments of **¥6,903,619,600**.

(3) Effective date for dividends from retained earnings

June 29, 2026

2. Other matters concerning appropriation of retained earnings

For the purpose of ensuring flexibility in capital policy, the Corporation proposes to reverse a part of a general reserve as follows.

(1) Item and amount of surplus to be decreased

General reserve: ¥10,000,000,000

(2) Item and amount of surplus to be increased

Retained earnings carried forward: ¥10,000,000,000

Agenda Item 2

Election of nine (9) directors

The Corporation's nine (9) directors will conclude their respective terms in office at the end of the Ordinary General Meeting of Shareholders. The Corporation asks shareholders to elect nine (9) directors to said positions.

The Corporation proposes the following candidates for election.

Candidate Number	Name	Gender	Current Title and Responsibility	Type	Attendance at Board of Directors' Meetings
1	Kenji Hayashi	Male	Representative Director, and Chairman	Reappointment	13/13 (100%)
2	Hiroyasu Naito	Male	Representative Director, President and Executive President	Reappointment	13/13 (100%)
3	Hideyuki Shiraki	Male	Director and Senior Managing Executive Officer, Chief of Marketing & Sales Headquarters	Reappointment	12/13 (92%)
4	Kazuto Inoue	Male	Director and Senior Managing Executive Officer, Chief of Production Headquarters	Reappointment	13/13 (100%)
5	Hirohisa Ooi	Male	Senior Managing Executive Officer, Chief of Corporate Planning Headquarters	New appointment	—
6	Tadashi Ogura	Male	Independent outside director of the Corporation	Reappointment, Outside director, Independent director	13/13 (100%)
7	Yoko Dochi	Female	Independent outside director of the Corporation	Reappointment, Outside director, Independent director	13/13 (100%)
8	Kumi Sato	Female	Independent outside director of the Corporation	Reappointment, Outside director, Independent director	13/13 (100%)
9	Nobuaki Katoh	Male	—	New appointment, Outside director, Independent director	—

Candidate Number 1	Kenji Hayashi (Date of Birth: Jun. 27, 1949)	Reappointment
Career Summary and Current Position and Responsibility in the Corporation:		
Apr. 1972	Joined Rinnai Corporation	Jun. 2005
Sep. 1978	Director	Director, Managing Executive Officer, and General Manager of Related Business Division
Feb. 1980	Director, and General Manager of Corporate Planning Office	Jun. 2006
Jun. 1983	Managing Director, and General Manager of Production Technology Division	Representative Director, Vice Chairman
Jul. 1992	Managing Director, and General Manager of Related Business Division	Apr. 2017
		Representative Director, Chairman (current)
No. of Shares Owned: 7,369,872 shares		
Reason to propose the candidate for election as director:		
Mr. Hayashi has been involved extensively in the management of the Corporation since he joined in 1972. He has been a Director from 1978, General Manager of Corporate Planning Office (currently, Corporate Management Headquarters), General Manager of Production Technology Division (currently, Production Engineering Headquarters), and Related Business Division (currently, Corporate Planning Headquarters). He is deeply familiar with the Corporation's business and has a proven ability to solve management issues. It has been concluded, therefore, that Mr. Hayashi is highly qualified to perform his duties as a director. For this reason, management asks shareholders to reelect him to this position.		

Candidate Number 2	Hiroyasu Naito (Date of Birth: Apr. 20, 1955)	Reappointment
Career Summary and Current Position and Responsibility in the Corporation:		
Apr. 1983	Joined Rinnai Corporation	Jun. 2003
Jun. 1991	Director, Deputy Chief of Technology Research Headquarters and concurrently General Manager of New Technology Development Division	Managing Director, General Manager of Corporate Planning Division and concurrently General Manager of General Affairs Division
Jul. 1998	Director, Chief of Technology Research Headquarters	Jun. 2005
Jul. 2001	Director, General Manager of Corporate Planning Division and concurrently General Manager of General Affairs Division	Director, Managing Executive Officer, General Manager of Corporate Planning Division and concurrently General Manager of Administration Division
		Nov. 2005
		Representative Director, President and Executive President (current)
Current Representation in Other Companies: Outside director at Nagoya Railroad Co., Ltd.		
No. of Shares Owned: 1,530,540 shares		
Reason to propose the candidate for election as director:		
Mr. Naito has been extensively involved in the management of the Corporation since he joined in 1983. He has been a Director from 1991, and Chief of Research & Development Headquarters, General Manager of Corporate Planning Division (currently, Corporate Planning Headquarters), and General Affairs Division. He is also deeply familiar with the Corporation's business and has a proven ability to solve management issues. It has been concluded, therefore, that Mr. Naito is highly qualified to perform his duties as a director. For this reason, management asks shareholders to reelect him to this position.		

Candidate Number 3	Hideyuki Shiraki (Date of Birth: Jun. 23, 1966)	Reappointment
Career Summary and Current Position and Responsibility in the Corporation:		
Apr. 1989	Joined Rinnai Corporation	Apr. 2023
Apr. 2017	Executive Officer, General Manager of Kanto Branch Office, Marketing & Sales Headquarters	Senior Managing Executive Officer, Chief of Marketing & Sales Headquarters
Apr. 2019	Executive Officer, Deputy Chief of Marketing & Sales Headquarters, concurrently, General Manager of Kanto Branch Office	Jun. 2023
Jun. 2020	Managing Executive Officer, Chief of Marketing & Sales Headquarters	Director, Senior Managing Executive Officer, Chief of Marketing & Sales Headquarters (current)
No. of Shares Owned: 12,048 shares		
Reason to propose the candidate for election as director:		
Mr. Shiraki has gained significant experience in the Marketing & Sales Headquarters since joining the Corporation in 1989, serving as Executive Officer, General Manager of the Kanto Branch Office, and Deputy Chief of the Marketing & Sales Headquarters since 2017, Managing Executive Officer since 2020, and Director and Senior Managing Executive Officer, and Chief of the Marketing & Sales Headquarters since 2023. He is deeply familiar with the Corporation's business and has a proven ability to solve management issues. It has been concluded, therefore, that Mr. Shiraki is properly qualified to perform his duties as a director. For this reason, management asks shareholders to reelect him to this position.		

Candidate Number 4	Kazuto Inoue (Date of Birth: Nov. 12, 1961)	Reappointment
Career Summary and Current Position and Responsibility in the Corporation:		
Apr. 1985	Joined Rinnai Corporation	Apr. 2018
Apr. 2008	Vice President of Rinnai Korea Corporation	Executive Officer, General Manager of Production Engineering Division
Jun. 2012	President of Rinnai Precision Co., Ltd.	Apr. 2021
Apr. 2016	Executive Officer of the Corporation, General Manager of Production Control Division, Production Headquarters	Managing Executive Officer, Chief of Production Engineering Headquarters
Apr. 2017	Executive Officer, Deputy Chief of Production Headquarters	Apr. 2023
		Senior Managing Executive Officer, Chief of Production Engineering Headquarters
		Jun. 2023
		Director and Senior Managing Executive Officer, Chief of Production Engineering Headquarters
		Apr. 2026
		Director and Senior Managing Executive Officer, Chief of Production Headquarters (current)
No. of Shares Owned: 10,689 shares		
Reason to propose the candidate for election as director:		
Mr. Inoue has gained significant experience in the Production Headquarters since joining the Corporation in 1985, serving as Vice President (locally based) of Rinnai Korea Co., Ltd. (subsidiary of the Corporation) since 2008, then as President of Rinnai Precision Co., Ltd. As Executive Officer, he served as General Manager of Production Control Division, Production Headquarters, and Deputy Chief of Production Headquarters since 2016. As Managing Executive Officer since 2021 and Director and Senior Managing Executive Officer since 2023, he served as Chief of Production Engineering Headquarters and Production Headquarters. He is deeply familiar with the Corporation's business and has a proven ability to solve management issues. It has been concluded, therefore, that Mr. Inoue is properly qualified to perform his duties as a director. For this reason, management asks shareholders to reelect him to this position.		

Candidate Number 5	Hirohisa Ooi (Date of Birth: February 28, 1966)	New appointment	
Career Summary and Current Position and Responsibility in the Corporation:			
Apr. 1989	Joined Rinnai Corporation	Apr. 2020	Executive Office, Chief of Production Headquarters
Jul. 2014	General Manager of Production Control Division, Production Headquarters	Apr. 2021	Senior Executive Officer, Chief of Production Headquarters
Apr. 2016	President of Noto Tech Co., Ltd.	Apr. 2023	Managing Executive Officer, Chief of Production Headquarters
Apr. 2018	President of RB Controls Co., Ltd.	Apr. 2025	Managing Executive Officer, Chief of Production Headquarters and Corporate Planning Headquarters
Apr. 2019	Executive Officer of the Corporation, Chief of Production Headquarters, and General Manager of Production Control Division	Apr. 2026	Senior Managing Executive Officer, Chief of Corporate Planning Headquarters (current)
No. of Shares Owned: 7,401 shares			
Reason to propose the candidate for election as director:			
<p>Since joining the Corporation in 1989, Mr. Hirohisa Ooi has built extensive experience in the Production Headquarters. He also served as President of Noto Tech Co., Ltd., a Rinnai Corporation subsidiary, in 2016, and President of R.B. Controls Co., Ltd., another subsidiary, in 2018. Since 2019, he has successively served as Executive Officer, Senior Executive Officer, Managing Executive Officer, and Senior Managing Executive Officer, while holding positions including Chief of the Production Headquarters and Chief of the Corporate Planning Headquarters. Given his extensive knowledge of the Corporation's operations and his sufficient capabilities to address management challenges, it has been concluded that Mr. Ooi is properly qualified to perform his duties as a director. For this reason, management asks shareholders to elect him to this position.</p>			
Candidate Number 6	Tadashi Ogura (Date of Birth: Jan. 7, 1951)	Reappointment, Outside, Independent	
Career Summary and Current Position and Responsibility in the Corporation:			
Apr. 1975	Joined Nippon Toki Co., Ltd. (currently, NORITAKE CO., LIMITED)	Apr. 2012	Representative Director & Vice President, Executive Officer at NORITAKE CO., LIMITED
Jun. 2005	Director at NORITAKE CO., LIMITED	Jun. 2013	Representative Director & President, Executive Officer at NORITAKE CO., LIMITED
Apr. 2008	Director, & Managing Executive Officer at NORITAKE CO., LIMITED	Jun. 2018	Representative Director & Chairman at NORITAKE CO., LIMITED
Jun. 2010	Director, & Senior Managing Executive Officer at NORITAKE CO., LIMITED	Jun. 2021	Outside director at Meiko Trans Co., Ltd. (current)
Jun. 2011	Director & Vice President, Executive Officer at NORITAKE CO., LIMITED	Jun. 2023	Outside director, Rinnai Corporation (current)
Current Representation in Other Companies:			
Outside director at Meiko Trans Co., Ltd.			
No. of Shares Owned: 0 shares			
Reason to propose the candidate for election as outside director and expected role:			
<p>Mr. Ogura has served as Representative Director and Chairman of NORITAKE CO., LIMITED and other important positions, which allowed him to accumulate extensive experience and wide-ranging knowledge. Management believes this background will enable him to suitably execute his duties as an outside director. If he is elected, Mr. Ogura will serve as a chairman of the Nomination Advisory Committee and Compensation Advisory Committee to select candidates of directors and executives and decide directors' compensation from an objective and neutral standpoint.</p>			

Candidate Number 7	Yoko Dochi (Date of Birth: Oct. 3, 1964)	Reappointment, Outside, Independent	
Career Summary and Current Position and Responsibility in the Corporation:			
Apr. 1987	Joined The Bank of Tokyo, Ltd. (currently, MUFG Bank, Ltd.)	Nov. 2018	Joined SoftBank Group Corp. Managing Director, in charge of Finance, General Manager of Investor Relations
Sept. 1996	Joined World Bank Group (WBG)	Feb. 2020	Joined SoftBank Group International Managing Partner
May 2001	Joined Toyota Motor Europe N.V./ S.A.	Jun. 2020	Outside director of Nippo Ltd. (current)
Jan. 2015	General Manager of Global Treasury and Investor Relations at Toyota Motor Europe N.V./ S.A.	Jun. 2023	Outside director, Rinnai Corporation (current)
Mar. 2018	In charge of Investors Relations and Accounting Division, and Stock Group at Toyota Motor Corporation	Mar. 2024	Outside audit & supervisory board member at Kirin Holdings Company, Limited (current)
Current Representation in Other Companies:			
Outside director of Nippo Ltd., Trustee of Daiwa Anglo-Japanese Foundation, Outside audit & supervisory board member at Kirin Holdings Company, Limited			
No. of Shares Owned: 0 shares			
Reason to propose the candidate for election as outside director and expected role:			
Ms. Dochi has been in charge of investor relations globally at Toyota Motor Corporation and SoftBank Group Corp. for over 20 years, which allowed her to accumulate extensive experience and deep insights about investor relations and ESG. She is also well-versed in accounting and financial matters and has knowledge of international organizational management. It has been concluded, therefore, that Ms. Dochi is properly qualified to perform her duties as an outside director. For this reason, management asks shareholders to reelect her to this position. We also expect Ms. Dochi to utilize her knowledge and insight related to the Corporation's management by providing advice on formulating our capital policy and IR activities.			

Candidate Number 8	Kumi Sato (Date of Birth: Feb. 3, 1954)	Reappointment, Outside, Independent	
Career Summary and Current Position and Responsibility in the Corporation:			
1989	Editor-in-chief and publisher of an English-language magazine "AVENUES"	Apr. 2014	Event director, Aichi International Women's Film Festival (Aichi Gender Equality Foundation)
2005	Producer, Friendship Film Festival of the 2005 World Exposition, Aichi, Japan	Apr. 2021	Professor, Faculty of Technology, International Professional University of Technology in Nagoya (current)
Apr. 2012	Professor, Faculty of Global and Media Studies, Kinjo Gakuin University	Jun. 2024	Outside director, Rinnai Corporation (current)
Current Representation in Other Companies:			
Professor, Faculty of Technology, International Professional University of Technology in Nagoya			
No. of Shares Owned: 0 shares			
Reason to propose the candidate for election as outside director and expected role:			
Ms. Sato has long served as editor-in-chief and publisher of an English-language magazine and has also held professorships related to international informatics and multicultural coexistence at multiple universities. Management believes this background will enable her to suitably execute her duties as an outside director. For this reason, management asks shareholders to reelect her to this position. If Ms. Sato is elected, she will be engaged as a member of the Nomination Advisory Committee and Compensation Advisory Committee to select candidates of director and executive, and decide directors' compensation from an objective and neutral standpoint.			

Candidate Number 9	Nobuaki Katoh (Date of Birth: Nov. 3, 1948)		New appointment, Outside, Independent
Career Summary:			
Apr. 1971	Joined Nippondenso Co., Ltd. (currently, DENSO CORPORATION)	Jun. 2011	Outside Audit & Supervisory Board Member, TOYOTA BOSHOKU CORPORATION
Jun. 2000	Director, DENSO CORPORATION	Jun. 2015	Chairman, DENSO CORPORATION
Jun. 2004	Managing Director, DENSO CORPORATION	Jun. 2016	Outside Audit & Supervisory Board Member, KDDI CORPORATION
Jun. 2005	President, DENSO INTERNATIONAL EUROPE B.V.	May 2017	Chairman, Aichi Employers' Association
Jun. 2007	Senior Managing Director, DENSO CORPORATION	Jun. 2017	Outside Director, TOYOTA BOSHOKU CORPORATION
Jun. 2008	President, DENSO CORPORATION	Jun. 2018	Advisor, DENSO CORPORATION
		Jun. 2021	Outside Director, Sumitomo Mitsui Trust Group, Inc. (current)
Current Representation in Other Companies: Outside Director, Sumitomo Mitsui Trust Group, Inc.			
No. of Shares Owned: 0 shares			
<p>Reason to propose the candidate for election as outside director and expected role:</p> <p>Mr. Nobuaki Katoh possesses extensive experience and broad insight cultivated through serving in key positions, including President and Representative Director of DENSO CORPORATION. He also has experience managing overseas operations as President and Representative Director of DENSO International Europe B.V. Based on this experience, he is expected to appropriately perform the duties of an outside director of the Corporation, and his election as an outside director is therefore proposed. If elected, he is also expected to serve on the Nomination Advisory Committee and Compensation Advisory Committee, participating from an objective and neutral standpoint in the selection of director and management executive candidates and in decisions regarding executive compensation.</p>			

Notes:

1. No candidate has any particular interest in the Corporation.
2. Mr. Ogura, Ms. Dochi, Ms. Sato and Mr. Katoh are candidates for the position of outside director.
3. Mr. Ogura, Ms. Dochi and Ms. Sato are currently outside directors of the Corporation. At the end of this year's Ordinary General Meeting of Shareholders, their terms in office will be as follows:
 - Tadashi Ogura: Three (3) years
 - Yoko Dochi: Three (3) years
 - Kumi Sato: Two (2) years
4. If Mr. Ogura, Ms. Dochi, Ms. Sato and Mr. Katoh are elected and assumed their position, the Corporation will conclude agreements with them in accordance with the first paragraph of Article 427 of the Companies Act that limits liability for damages caused by failure of duties to an amount determined by legal provisions.
5. The Corporation concluded liability insurance contracts for officers with an insurance company in accordance with the first paragraph of Article 430-3 of the Companies Act that compensates court costs and damages which the insured bear due to lawsuits related to the Corporation, third-party proceedings, and shareholder-derived suits. If each candidate is elected and appointed as a director, he/she becomes an insured person under the insurance contract. The Corporation plans to update the insurance contract with the same content at the next contract renewal.
6. The Corporation has notified the Tokyo Stock Exchange and the Nagoya Stock Exchange that

Mr. Ogura, Ms. Dochi, Ms. Sato and Mr. Katoh fulfill the requirements for a position as independent directors. If they are elected and appointed as outside directors, the Corporation will appoint them as independent directors.

7. If Mr. Ogura, Ms. Sato and Mr. Katoh are elected and appointed as outside directors, they will serve as members of the Nomination Advisory Committee and the Compensation Advisory Committee and will be involved in the selection of executive candidates and the determination of executive compensation and other matters from an objective and neutral standpoint.
8. Mr. Katoh is scheduled to retire as an outside director of Sumitomo Mitsui Trust Group, Inc. upon the conclusion of its annual general meeting of shareholders scheduled for June 2026.

(Reference) Skill matrix of directors assuming election of the proposed candidates

【Areas particularly expected of the relevant directors】

*The following table does not represent all of the candidates' knowledge and experience.

Name	Expertise and Knowledge for Corporate Management								
	Corporate management	Global management	Technology (development/ production/ environmental)	Business plans/Marketing	Finance/ Accounting/ Capital policy	Human resources strategy	Governance/ Legal matters/ Risk management	Sustainability	IT/DX
Kenji Hayashi	●	●	—	—	●	●	●	—	—
Hiroyasu Naito	●	●	●	—	●	—	—	●	—
Hideyuki Shiraki	—	—	—	●	—	●	●	—	●
Kazuto Inoue	—	●	●	—	—	—	—	●	●
Hirohisa Ooi	●	—	—	—	●	●	—	●	—
Tadashi Ogura	●	—	●	—	—	●	●	—	—
Yoko Dochi	—	●	—	—	●	—	●	●	—
Kumi Sato	—	●	—	—	—	●	—	●	●
Nobuaki Katoh	●	●	—	●	—	—	—	—	●

Agenda Item 3

Election of one (1) Audit & Supervisory Board member

As Ippei Watanabe, an Audit & Supervisory Board member, will resign upon the conclusion of this general meeting, the Corporation proposes the election of one Audit & Supervisory Board member as his replacement.

Pursuant to the Articles of Incorporation, the term of office of the Audit & Supervisory Board member elected as a replacement shall continue until the expiration of the term of office of the retiring Audit & Supervisory Board member.

The submission of this proposal has received the consent of the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board member is as follows.

Ayako Yoshino (Date of Birth: June 2, 1975)	New appointment, Outside, Independent
Career Summary:	
Oct. 2001 Attorney registration Joined Goto Ota & Tateoka Law Office (Currently, Law Firm, Goto Ota & Tateoka Law Office)	May 2018 Auditor, Specified medical corporation Shusaikai (current)
Apr. 2005 Outside Audit & Supervisory Board Member of Kono Seiju Co., Ltd. (current)	Jun. 2020 Outside Audit & Supervisory Board Member, AIPHONE CO., LTD.
Jul. 2007 Staff attorney, Law Firm, Goto Ota & Tateoka Law Office (current)	Jun. 2023 Outside Director, AIPHONE CO., LTD. (current)
Current Representation in Other Companies: Staff attorney, Law Firm, Goto Ota & Tateoka Law Office Outside Director, AIPHONE CO., LTD.	
No. of Shares Owned: 0 shares	
Reason to propose the candidate for election as outside Audit & Supervisory Board member: Although Ms. Ayako Yoshino has not been involved in corporate management other than serving as an outside director or outside corporate auditor, she possesses specialized legal expertise and extensive experience as an attorney. Accordingly, she is considered capable of appropriately performing the duties of an outside Audit & Supervisory Board member, and her election as outside Audit & Supervisory Board member is therefore proposed.	

Notes:

1. No candidate has any particular interest in the Corporation.
2. Ms. Yoshino is candidate for outside member of the Audit & Supervisory Board.
3. If Ms. Yoshino is elected and appointed as Outside Audit & Supervisory Board member, the Corporation will conclude agreements with her in accordance with the first paragraph of Article 427 of the Corporate Law that limits liability for damages caused by failure of duties to an amount determined by legal provisions.
4. The Corporation concluded liability insurance contracts for officers with an insurance company in accordance with the first paragraph of Article 430-3 of the Companies Act that compensates court costs and damages which the insured bear due to lawsuits related to the Corporation, third-party proceedings, and shareholder-derived suits. If Ms. Yoshino is elected and appointed as an outside Audit & Supervisory Board member, she becomes insured person under the insurance contract. The Corporation plans to update the insurance contract with the same content at the next contract renewal.
5. The Corporation has notified the Tokyo Stock Exchange and the Nagoya Stock Exchange that Ms. Yoshino fulfills the requirements for a position as an independent officer. If she is elected and appointed as outside member; the Corporation will appoint her as independent officer.

Agenda Item 4

Election of one (1) substitute Audit & Supervisory Board member

In case of a vacancy on the Audit & Supervisory Board, which is required by law to maintain a specific number of members, the Corporation will ask shareholders to elect one (1) substitute Audit & Supervisory Board member.

This item has already been agreed upon by members of the Audit & Supervisory Board. The Corporation proposes the following candidate for election as the substitute Audit & Supervisory Board member.

Yoshirou Ishikawa (Date of Birth: Mar. 22, 1951)	Outside, Independent
Career Summary:	
Jul. 2001 Commissioner's Secretariat at National Tax Agency, Internal Inspector at Nagoya Regional Taxation Bureau	Jul. 2009 District Director at Gifu-minami Tax Office Aug. 2011 President, Yoshirou Ishikawa certified tax accountant office (current)
Jul. 2005 Special Examiner, Large Enterprise Examination Department at Nagoya Regional Taxation Bureau	Oct. 2011 Executive director, General incorporated association Nakagawa houjinkai
Jul. 2008 Appeals Judge at Nagoya National Tax Tribunal	
Current Representation in Other Companies: President, Yoshirou Ishikawa certified tax accountant office	
No. of Shares Owned: 0 shares	
Reason to propose the candidate for election as substitute outside Audit & Supervisory Board member: Mr. Ishikawa has not been involved in the management of a company, but he has vast experience and has acquired significant knowledge as a tax accountant. Management believes this background will enable him to suitably execute his duties as an outside member of the Audit & Supervisory Board, and management asks shareholders to elect him to substitute for this position.	

Notes:

1. Mr. Ishikawa has no particular interest in the Corporation.
2. Mr. Ishikawa is a candidate for the position of substitute outside member of the Audit & Supervisory Board.
3. If Mr. Ishikawa is elected and appointed as an outside member of the Audit & Supervisory Board, the Corporation will conclude an agreement with him in accordance with the Paragraph 1 of Article 427 of the Companies Act that limits liability for damages caused by failure of duties to an amount determined by legal provisions.
4. The Corporation concluded liability insurance contracts for officers with an insurance company in accordance with the first paragraph of Article 430-3 of the Companies Act that compensates court costs and damages which the insured, the Corporation's directors, bear due to lawsuits related to the Corporation, third-party proceedings, and shareholder-derived suits. If Mr. Ishikawa is elected and appointed as a member of the outside Audit & Supervisory Board, he becomes an insured person under the insurance contract.
5. If Mr. Ishikawa assumes the position of outside member of the Audit & Supervisory Board, the Corporation plans to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange that he satisfies the conditions for independent auditor.

Shareholder's Proposals (Agenda Item 5-6)

Proposals described in Agenda Items 5 and 6 were made by one shareholder. The Board of Directors **opposes all of these proposals**. Outlines of proposals and the reasons for proposal have been provided in their original form as submitted by the proposing shareholder.

Agenda Item 5

Approval of compensation amount related to restricted stock compensation system

(1) Summary of proposal

Eligible directors of the Corporation under its restricted stock compensation plan shall be granted monetary compensation claims for the purpose of granting restricted stock, up to ¥370 million per year, with an upper limit of 120,000 shares to be granted. The specific timing and allocation of such compensation shall be determined by the Board of Directors, and the plan will be structured as a performance-linked incentive scheme. Possible performance indicators may include ROE and TSR (total shareholder return), as well as various other KPIs. However, the selection of specific indicators should be appropriately determined by the Board of Directors in light of the Corporation's management strategy and business environment. In addition, if the performance targets are met, the plan shall be structured so that restricted stock equivalent to up to three times the cumulative fixed compensation will be granted over the next three years.

(2) Reason for the Proposal

We believe that the greatest weakness of Boards of Directors in Japan lies in the limited shareholdings of individual directors, which results in a lack of a shareholder-oriented perspective.

An effective benchmark for equity-based compensation, which is aimed at aligning the interests of directors and shareholders, is generally considered to be approximately three times fixed compensation. Although the Corporation has introduced a restricted stock compensation plan, fixed compensation for its directors (excluding outside directors) for the fiscal year ended March 2025 amounted to ¥251 million per year, while stock-based compensation was ¥28 million (11% of fixed compensation). At this level, it would take 27 years to accumulate shareholdings equivalent to three times fixed compensation. In Europe and the United States, the majority of major listed companies have adopted shareholding guidelines that require directors to hold a certain level of shares—considered necessary for aligning interests with shareholders—for a specified period. After a grace period of several years, top executives in most cases are required to hold shares equivalent to three to five times their base salary, and even outside directors are expected to hold shares equal to at least one times their fixed compensation. As the Corporation has also introduced shareholding guidelines, it should aim to achieve a level of ownership comparable to international benchmarks.

Opinions of the Corporation's Board of Directors on Agenda Item 5

(1) Opinion of the Board of Directors

The Board of Directors **opposes this Shareholder Proposal**.

(2) Reasons for opposition

This Shareholder Proposal calls for the Corporation to grant monetary compensation claims for the purpose of issuing restricted stock to its eligible directors that shall not exceed ¥370 million per year and 120,000 shares, and if the performance criteria are met, restricted stock equivalent to three times the fixed compensation may be granted cumulatively over the next three years.

However, this amount of director compensation does not align with the Corporation's current performance levels. As a reason for the proposal the Proposing Shareholder states that "the greatest weakness of Japanese Boards of Directors is the limited share ownership by individual directors, which results in a lack of alignment with shareholder perspectives." As described in detail below, however, this assertion is not

applicable to the Corporation.

We have established a policy on determining compensation for directors under the basic principle of fostering steady improvements in medium- to long-term corporate value while ensuring sufficient transparency and objectivity for the Corporation to fulfill its obligations to shareholders and other stakeholders.

Under this policy, compensation for directors consists of basic compensation, which is fixed, and performance-linked compensation. The structure was set to almost 60:40 to properly motivate directors to improve corporate value and achieve targeted goals. In addition, performance-linked compensation consists of annual bonuses, which are designed to encourage the achievement of firm performance targets each fiscal period, and restricted stock compensation, which aims to steadily enhance corporate value and align the interests of shareholders through medium- to long-term stock ownership. Annual bonuses and restricted stock compensation each account for approximately 20% of total director compensation. We believe the ratio of fixed compensation to performance-linked compensation is appropriate, as it has been carefully considered to reflect our specific circumstances. However, we will continue reviewing it going forward from the perspective of enhancing medium- to long-term corporate value. We have already incorporated ROE and TSR (total shareholder return), as cited by the Proposing Shareholder, as KPIs for performance-linked compensation since fiscal 2025, ended March 31 2025, reflecting our focus on capital efficiency and share price.

In addition, effective fiscal 2025, we have established shareholding guidelines to serve as a benchmark for the number of Company shares held by our directors during their tenure, with the aim of steadily enhancing corporate value and further aligning our interests with those of our shareholders. Under these guidelines, the President and Representative Director is expected to hold shares equivalent to 1.5 times its basic compensation within three years of appointment. Other directors (excluding outside directors) are expected to hold shares equivalent to one times their basic compensation within the same period.

To ensure objectivity and fairness in the compensation decision-making process, we have established a Compensation Advisory Committee, which is chaired by an independent outside director and the majority of whose members are independent outside directors. The Board of Directors determines compensation and other policies after deliberation by the Compensation Advisory Committee, thereby ensuring transparency in compensation. In the decision-making process, we also verify the appropriateness of compensation by continuously reviewing compensation levels and composition ratios through objective comparisons with other corporate groups of similar size to the Rinnai Group. In fiscal 2026, our Compensation Advisory Committee met three times and conducted deliberations with reference to objective perspectives and expert knowledge on compensation systems, incorporating information and advice from external specialists.

We have also incorporated a malus and clawback provision into the director compensation system, allowing for the reduction or recoupment of compensation, including restricted stock compensation, in the event of misconduct or serious legal violations. As a result, directors remain accountable for outcomes even after receiving compensation, thereby curbing incentives to prioritize short-term share price gains or superficial increases in share ownership.

As of March 31, 2026, the Chairman and President of the Corporation held approximately 7.36 million and 1.53 million shares, respectively, of the Corporation's stock. It is clear, therefore, that the Proposing Shareholder's assertion regarding the limited shareholdings of individual directors is not valid.

As stated above, Board of Directors has decided that the current compensation structure, which is determined by the Board of Directors after deliberation by the Compensation Advisory Committee, is appropriate as it considers the economic environment and ensures objectivity and transparency. We also believe the Corporation has proper mechanisms in place to ensure that its directors and shareholders possess shared values.

Therefore, the Board of Directors opposes this Shareholder Proposal.

Agenda Item 6

Amendment to the Articles of Incorporation regarding the record date for the AGM

(1) Summary of proposal

We propose to amend Article 14 of the Corporation's Articles of Incorporation as set forth below.

If the approval of other agenda items at the AGM (including those proposed by the Corporation) necessitates formal adjustments to the provisions set forth in this proposal (including, but not limited to, corrections to article numbering), the provisions of this proposal shall be read as the provisions after such necessary adjustments have been made.

(Underlined portions indicate amendments)

Before amendment	After amendment
(Record Date for the AGM) Article 14: The record date for voting rights at the Corporation's AGM shall be <u>March 31</u> of each year. <u>2. New addition</u>	(Record Date for the AGM) Article 14: The record date for voting rights at the Corporation's AGM shall be <u>May 15</u> of each year. <u>2. Notwithstanding the foregoing provisions, if necessary, the Corporation may, by resolution of the Board of Directors and upon prior public notice, set a record date.</u>

(2) Reason for the Proposal

Please refer to the website below for further details of the reasons for the proposal.

<https://www.daltoninvestments.co.jp/news/20260302> (Japanese only)

Currently, the record date for voting rights at the Corporation's AGM is March 31, and the meeting is held at the end of June. However, the Annual Securities Report (*Yuka Shoken Hokokusho*), which contains important information, is disclosed only immediately prior to the meeting, leaving investors with virtually no time to thoroughly analyze the information and reflect it in their voting decisions.

The Annual Securities Report is a statutory disclosure document that comprehensively covers information essential for assessing key proposals—such as business risks, management strategy, governance, compensation, and capital policy—and therefore requires disclosure with an appropriate margin of detail. Changing the record date to mid-May would allow for adequate time to secure a sufficient pre-disclosure period, providing an environment that enables investors and proxy advisors to make appropriate judgments. It will also encourage the dispersion of AGM schedules, thereby expanding opportunities for shareholder participation and enhancing dialogue. We believe this will promote proactive shareholder engagement and support the realization of the “shareholder democracy” that we advocate.

Please note that this proposal does not entail a change in the fiscal year and will have no impact on the Corporation's operations or accounting treatment.

Opinions of the Corporation's Board of Directors on Agenda Item 6

(1) Opinion of the Board of Directors

The Board of Directors **opposes this Shareholder Proposal.**

(2) Reasons for opposition

The proposal calls for changing the record date for voting rights at the AGM from March 31 to May 15 annually.

However, such a change would raise a number of issues when viewed in the context of our overall institutional framework, and is therefore not considered appropriate at this stage.

Under Article 35 of our Articles of Incorporation, March 31 is designated as the record date for year-end dividends, which aligns with the record date for voting rights at the AGM. If only the record date for voting rights were changed based on this Shareholder Proposal, a mismatch would arise between the shareholders entitled to exercise voting rights on dividend matters at the AGM and those entitled to receive the year-end dividend, which could cause confusion among shareholders.

In addition, any change to the voting record date would require careful consideration. This includes the schedule for statutory audits, the timing of statutory disclosures and convocation notice dispatch, costs related to fixing the shareholder register, and other impacts on shareholder registry administration and related operations.

Furthermore, Article 13 of our Articles of Incorporation stipulates that the AGM is to be convened in June. Therefore, even if this Shareholder Proposal were approved, the timing of convening the AGM would not change. Accordingly, changing only the AGM record date to May 15 would make it practically impossible or significantly challenging to convene the meeting in line with the Articles of Incorporation.

We also recognize the importance of ensuring that our shareholders exercise their voting rights based on sufficient information. In fiscal 2025, we strove to disclose information early. This included submitting the Annual Securities Report on June 24, 2025, the day before the 75th AGM held on June 25, 2025.

However, effectively providing information to shareholders depends on a range of measures, such as improving disclosure content, leveraging voluntary disclosures, and engaging with investors. This cannot be addressed by early filing of the Annual Securities Report alone.

In addition to the Annual Securities Report, we have worked consistently to disclose, in a timely and appropriate manner, the information necessary for our shareholders to make informed decisions regarding the exercise of their voting rights through various documents. These include notices of convocation of AGMs, business reports, financial results presentations, corporate governance reports, and the Rinnai Report, which serves as our integrated report. We will continue to review and enhance disclosure to shareholders, including earlier release of the Annual Securities Report, while improving the quality of dialogue with investors. However, as outlined above, we believe that changing the record date for voting rights at the AGM presents various challenges and is not an optimal approach at this time.

Therefore, the Board of Directors opposes this Shareholder Proposal.

END

Business Report (April 1, 2025, to March 31, 2026)

1. Consolidated Business Overview

(1) Consolidated Business Results

In the fiscal year in review (April 1, 2025–March 31, 2026), business conditions remained unstable due to uncertainties surrounding government policies in various countries, geopolitical risks, and fluctuations in foreign exchange rates. In addition, the operating environment continues to be unpredictable amid rising raw material prices and other factors.

The domestic economy saw improvements in employment and income conditions, but the outlook remained uncertain due to downside risks stemming from U.S. trade policies and other factors.

In the domestic housing industry, new housing starts are expected to continue declining gradually, while replacement demand driven by renovations continues to underpin overall demand.

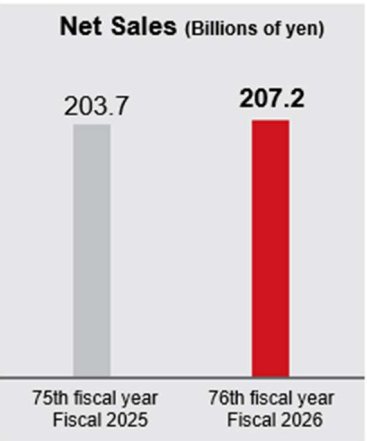
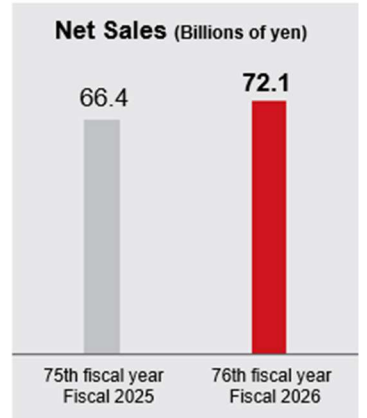
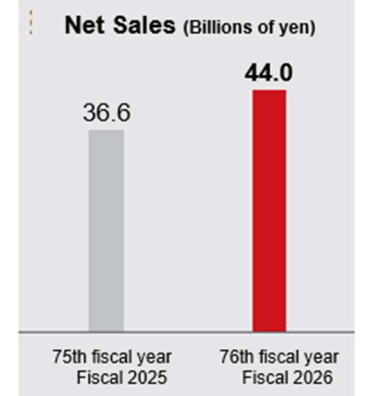
Under these circumstances, the Rinnai Group entered the final year of its medium-term business plan, New ERA 2025. Under the plan, we are pursuing three key strategies: “Advancement in addressing social challenges,” “Expansion of business scale,” and “Revolution of corporate structure.” Based on these strategies, we worked to enhance management quality and strengthen our business foundation.

Through these initiatives, we have sought to both fulfill our promise to customers (“Creating a healthier way of living”) and achieve sustainable, steady long-term growth while enhancing corporate value over the medium and long terms. As a result, we surpassed the targets for both revenue and earnings established in the medium-term business plan.

Despite regional variations in economic and housing market conditions in major countries, consolidated net sales rose to an all-time high, driven by sustained expansion in high-value-added product sales. On the earnings side as well, we posted record-high operating income, supported by increased revenue and cost-reduction initiatives. This was despite continued increases in various costs related to higher raw material prices and tariffs. As a result, consolidated net sales amounted to ¥470,392 million, up 2.2% year on year. Operating income rose 9.8%, to ¥50,531 million, and ordinary income increased 14.6%, to ¥57,686 million. Net income attributable to owners of the parent company jumped 21.8%, to ¥36,160 million.

	75th fiscal year (Year ended March 31, 2025)	76th fiscal year (Year ended March 31, 2026)	YOY change	
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	460,319	470,392	10,073	2.2%
Operating income	46,005	50,531	4,526	9.8%
Ordinary income	50,323	57,686	7,362	14.6%
Net income attributable to owners of the parent company	29,691	36,160	6,469	21.8%

Our consolidated results by geographical segment were as follows:

<p>Japan Net sales ¥207,201 million (YOY change: +1.7%)</p>	<p>While the new housing market was weakened by higher inflation and interest rates, the renovation market remained firm, supported by steady demand. In addition, sales of key products—including our <i>ECO ONE</i> hybrid water heaters with heating systems, gas clothes dryers, and air bubble products, which address energy-saving preferences and time-saving household needs—performed strongly. As a result, sales in Japan rose 1.7%, to ¥207,201 million. On the earnings side, operating income increased 21.5%, to ¥27,115 million, supported by increased sales and an improved product mix. This was despite higher raw material and energy costs and the need to carry out free repairs of bathroom heater/dryers during the period.</p>	<p style="text-align: center;">—</p>  <table border="1"> <caption>Net Sales (Billions of yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Net Sales (Billions of yen)</th> </tr> </thead> <tbody> <tr> <td>75th fiscal year Fiscal 2025</td> <td>203.7</td> </tr> <tr> <td>76th fiscal year Fiscal 2026</td> <td>207.2</td> </tr> </tbody> </table>	Fiscal Year	Net Sales (Billions of yen)	75th fiscal year Fiscal 2025	203.7	76th fiscal year Fiscal 2026	207.2
Fiscal Year	Net Sales (Billions of yen)							
75th fiscal year Fiscal 2025	203.7							
76th fiscal year Fiscal 2026	207.2							
<p>United States Net sales ¥72,134 million (YOY change: +8.5%)</p>	<p>Against a backdrop of inflationary pressures and elevated interest rates, housing demand in the United States remained subdued. Under these conditions, sales of our core condensing water heaters performed strongly. As a result, sales in the United States rose 8.5%, to ¥72,134 million. On the earnings side, profitability was limited by tariffs and difference in timing in implementing price increases, with operating income declining 12.8%, to ¥1,856 million.</p>	 <table border="1"> <caption>Net Sales (Billions of yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Net Sales (Billions of yen)</th> </tr> </thead> <tbody> <tr> <td>75th fiscal year Fiscal 2025</td> <td>66.4</td> </tr> <tr> <td>76th fiscal year Fiscal 2026</td> <td>72.1</td> </tr> </tbody> </table>	Fiscal Year	Net Sales (Billions of yen)	75th fiscal year Fiscal 2025	66.4	76th fiscal year Fiscal 2026	72.1
Fiscal Year	Net Sales (Billions of yen)							
75th fiscal year Fiscal 2025	66.4							
76th fiscal year Fiscal 2026	72.1							
<p>Australia Net sales ¥44,044 million (YOY change: +20.3%)</p>	<p>In Australia, housing demand remained high despite an upward trend interest rates to address inflation. In the water heater market, sales of heat pump water heaters performed strongly amid a shift in demand from gas to electric appliances. As a result, sales in Australia increased 20.3%, to ¥44,044 million, and operating income jumped 88.6%, to ¥2,110 million, thanks to a significant contribution by an acquired company.</p>	 <table border="1"> <caption>Net Sales (Billions of yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Net Sales (Billions of yen)</th> </tr> </thead> <tbody> <tr> <td>75th fiscal year Fiscal 2025</td> <td>36.6</td> </tr> <tr> <td>76th fiscal year Fiscal 2026</td> <td>44.0</td> </tr> </tbody> </table>	Fiscal Year	Net Sales (Billions of yen)	75th fiscal year Fiscal 2025	36.6	76th fiscal year Fiscal 2026	44.0
Fiscal Year	Net Sales (Billions of yen)							
75th fiscal year Fiscal 2025	36.6							
76th fiscal year Fiscal 2026	44.0							

<p>China</p> <p>Net sales ¥60,682 million (YOY change: -11.5%)</p>	<p>In China, unit sales of various products declined as consumer sentiment remained weak amid an economic slowdown. As a result, sales declined 11.5%, to ¥60,682 million. Due to efforts to secure earnings through flexible production adjustments and cost controls, operating income fell 6.7%, to ¥9,415 million.</p>	<p>Net Sales (Billions of yen)</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Net Sales (Billions of yen)</th> </tr> </thead> <tbody> <tr> <td>75th fiscal year Fiscal 2025</td> <td>68.5</td> </tr> <tr> <td>76th fiscal year Fiscal 2026</td> <td>60.6</td> </tr> </tbody> </table>	Fiscal Year	Net Sales (Billions of yen)	75th fiscal year Fiscal 2025	68.5	76th fiscal year Fiscal 2026	60.6
Fiscal Year	Net Sales (Billions of yen)							
75th fiscal year Fiscal 2025	68.5							
76th fiscal year Fiscal 2026	60.6							
<p>South Korea</p> <p>Net sales ¥34,284 million (YOY change: -1.3%)</p>	<p>While the South Korean economy remained lackluster, sales of core boiler equipment increased. Sales in South Korea decreased 1.3%, to ¥34,284 million, while operating income rose 17.7%, to ¥1,094 million.</p>	<p>Net Sales (Billions of yen)</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Net Sales (Billions of yen)</th> </tr> </thead> <tbody> <tr> <td>75th fiscal year Fiscal 2025</td> <td>34.7</td> </tr> <tr> <td>76th fiscal year Fiscal 2026</td> <td>34.2</td> </tr> </tbody> </table>	Fiscal Year	Net Sales (Billions of yen)	75th fiscal year Fiscal 2025	34.7	76th fiscal year Fiscal 2026	34.2
Fiscal Year	Net Sales (Billions of yen)							
75th fiscal year Fiscal 2025	34.7							
76th fiscal year Fiscal 2026	34.2							
<p>Indonesia</p> <p>Net sales ¥17,555 million (YOY change: +3.2%)</p>	<p>Supported by steady demand for mainstay tabletop stoves, sales in Indonesia increased 3.2%, to ¥17,555 million, and operating income rose 0.0%, to ¥3,843 million.</p>	<p>Net Sales (Billions of yen)</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Net Sales (Billions of yen)</th> </tr> </thead> <tbody> <tr> <td>75th fiscal year Fiscal 2025</td> <td>17.0</td> </tr> <tr> <td>76th fiscal year Fiscal 2026</td> <td>17.5</td> </tr> </tbody> </table>	Fiscal Year	Net Sales (Billions of yen)	75th fiscal year Fiscal 2025	17.0	76th fiscal year Fiscal 2026	17.5
Fiscal Year	Net Sales (Billions of yen)							
75th fiscal year Fiscal 2025	17.0							
76th fiscal year Fiscal 2026	17.5							

Consolidated net sales and operating income by reporting segment

(Millions of yen)

	75th fiscal year (Previous fiscal year) (April 1, 2024, to March 31, 2025)		76th fiscal year (Current fiscal year) (April 1, 2025, to March 31, 2026)		YOY change	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Japan	203,731	22,309	207,201	27,115	1.7%	21.5%
United States	66,457	2,130	72,134	1,856	8.5	-12.8
Australia	36,605	1,119	44,044	2,110	20.3	88.6
China	68,596	10,095	60,682	9,415	-11.5	-6.7
South Korea	34,719	930	34,284	1,094	-1.3	17.7
Indonesia	17,010	3,842	17,555	3,843	3.2	0.0
Others	33,198	5,022	34,489	5,179	3.9	3.1
Adjustments	—	555	—	(84)	—	—
Net sales on the consolidated statements of income	460,319	46,005	470,392	50,531	2.2	9.8

Notes: 1. "United States" includes sales from subsidiaries in Canada, Mexico and Costa Rica, which conduct integrate business activities based on comprehensive sales strategies.

2. "Australia" includes 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. "Net sales" are sales to external customers, and "Adjustments" under "Operating income" are the intersegment transactions to eliminate.

A breakdown by product shows that sales in the water heaters segment totaled ¥281,920 million, up 1.5% year-on-year; kitchen appliances, ¥93,279 million, down 3.1%; air conditioning appliances, ¥24,269 million, up 10.3%; commercial-use equipment, ¥11,921 million, up 1.6%; other products, ¥59,001 million, up 12.2%.

Net sales by product

(Millions of yen)

	75th fiscal year (Previous fiscal year) (April 1, 2024, to March 31, 2025)		76th fiscal year (Current fiscal year) (April 1, 2025, to March 31, 2026)		YOY change
	Amount	% of total	Amount	% of total	(%)
Water heaters	277,731	60.3	281,920	59.9	1.5
Kitchen appliances	96,266	20.9	93,279	19.8	-3.1
Air conditioning appliances	22,010	4.8	24,269	5.2	10.3
Commercial-use equipment	11,738	2.5	11,921	2.5	1.6
Others	52,572	11.4	59,001	12.5	12.2
Total	460,319	100.0	470,392	100.0	2.2

(2) Consolidated Capital Expenditures

In the fiscal year in review, the Group's total capital expenditures amounted to ¥17.6 billion. Funds were applied primarily to investments in buildings to expand production facilities in Japan and overseas; tools and fixtures, including molds for new products; and renewal and rationalization of machinery and equipment aimed at cost reduction and quality improvement.

(3) Consolidated Fund Procurement

In the fiscal year in review, the Group procured ¥10.0 billion in short-term borrowings from financial institutions as working capital.

(4) Issues Requiring Our Attention

Looking ahead, we expect business conditions surrounding the Rinnai Group to remain extremely challenging amid heightened global supply risks for components stemming from the recent situation in the Middle East, as well as rising raw material costs.

Under these circumstances, the Group has launched a new medium-term business plan, “accelerate 2030,” starting in April 2026. As a company committed to creating healthy and comfortable lifestyles, we will provide a range of products and services aimed at addressing social challenges under the themes of “improve people’s quality of life,” “address global environmental issues,” and “fulfill our responsibilities as a supplier of essential daily goods.”

In Japan, we will promote the expansion and adoption of our key products—including gas clothes dryers, air bubble products, and our *ECO ONE* hybrid water heaters with heating systems—while focusing on the strategic launch of new products. In these ways, we will work to solidify our business foundation.

In the United States, our primary overseas market, the outlook for trade policy remains uncertain. However, the market for high-efficiency tankless water heaters (condensing water heaters) and heat pump water heaters is expected to continue growing. In line with our business strategy of expanding our lineup of electrical appliances, we will focus on further broadening our product range and increasing sales.

In China, we expect sluggish consumer spending to persist amid economic slowdown. Nevertheless, we will strive to maintain high profit margins through strategic sales initiatives and ongoing efforts to manage fixed costs and improve productivity.

In other business regions, as well, we will leverage our existing technologies and sales channels to help improve people’s quality of life in growing markets earmarked for population and income growth. In countries and regions where rising environmental awareness is driving a shift from gas to electric appliances, we will introduce electric products and review of our business portfolio.

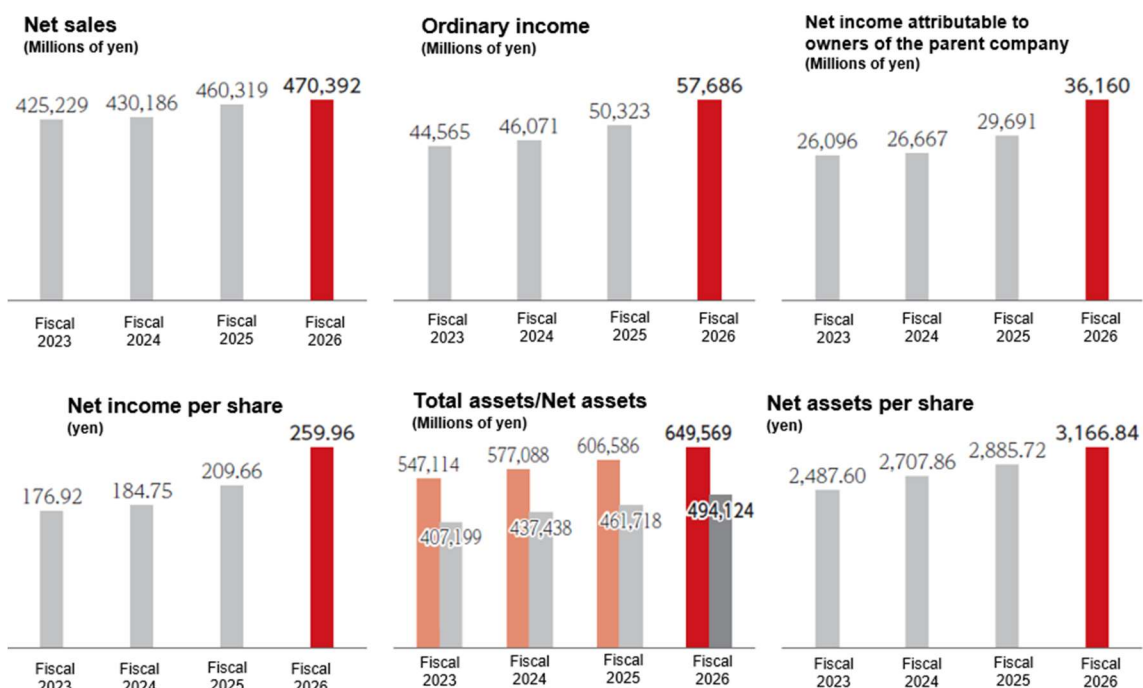
In the fiscal year ending March 2027, we forecast consolidated net sales of ¥500,000 million (up 6.3% year on year), operating income of ¥50,500 million (down 0.1%), ordinary income of ¥54,100 million (down 6.2%), and net income attributable to owners of the parent company of ¥36,300 million (up 0.4%).

Please note that, due to the high degree of uncertainty surrounding the recent escalation of tensions in the Middle East, it is difficult to make a reasonable estimate at this time. Accordingly, our earnings forecasts do not factor in the potential impact of the Middle East situation. Any event deemed likely to have a material impact on our results will be disclosed promptly.

(5) Changes in Performance and Assets (Millions of yen / except where noted)

	73rd fiscal year (Year ended March 31, 2023)	74th fiscal year (Year ended March 31, 2024)	75th fiscal year (Year ended March 31, 2025)	76th fiscal year (Year ended March 31, 2026)
Net sales	425,229	430,186	460,319	470,392
Ordinary income	44,565	46,071	50,323	57,686
Net income attributable to owners of the parent company	26,096	26,667	29,691	36,160
Net income per share (yen)	176.92	184.75	209.66	259.96
Total assets	547,114	577,088	606,586	649,569
Net assets	407,199	437,438	461,718	494,124
Net assets per share (yen)	2,487.60	2,707.86	2,885.72	3,166.84

- Notes: 1. Net income per share is calculated using the average number of shares outstanding during the fiscal year, and net assets per share is calculated using the number of shares outstanding at fiscal year-end. Number of outstanding shares excludes treasury stock.
2. On April 1, 2023, the Corporation conducted a 3-for-1 stock split of shares of common stock. The above figures for “Net income per share” and “Net assets per share” are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.



(6) Significant Subsidiaries (As of March 31, 2026)

Name	Capital	Corporation Holdings	Primary Business
Yanagisawa Manufacturing Co., Ltd.	¥150 million	100.0%	Manufacture and sale of gas appliances
Rinnai Technica Co., Ltd.	¥200 million	100.0%	Manufacture and sale of gas appliances
RB Controls Co., Ltd.	¥150 million	100.0%	Manufacture and sale of electronic control units
Rinnai Precision Co., Ltd.	¥128 million	100.0%	Manufacture and sale of gas appliance components
Gastar Co., Ltd.	¥2,450 million	90.0%	Manufacture and sale of gas appliances
Rinnai Net Co., Ltd.	¥300 million	100.0%	Sale of gas appliances
Rinnai Australia Pty., Ltd.	A\$20 million	*100.0%	Manufacture and sale of gas appliances
Rinnai America Corporation	US\$81 million	100.0%	Manufacture and sale of gas appliances
Rinnai Korea Corporation	15,107 million won	*100.0%	Manufacture and sale of gas appliances
Shanghai Rinnai Co., Ltd.	74 million yuan	50.0%	Manufacture and sale of gas appliances
P.T. Rinnai Indonesia	3,085 million rupiah	52.0%	Manufacture and sale of gas appliances

* Percentage of shares includes shares held indirectly by subsidiaries.

(7) Principal Business (As of March 31, 2026)

The Group is primarily engaged in the manufacture and sale of gas appliances and related businesses. Principal products by division are as follows:

Division	Principal Products
Water heaters	Water heaters, water heaters with bath-filling system, water heaters with heating system, and hybrid water heaters with heating system
Kitchen appliances	Tabletop cookers, built-in hobs (stovetops), 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, commercial-use ranges, and commercial-use rice cookers
Others	Clothes dryers, infrared burners, and components

(8) Major Offices and Production Facilities (As of March 31, 2026)**(a) Rinnai Corporation**

	Name	Address
Head office and related centers	Head office	Nakagawa-ku, Nagoya-shi, Aichi
	Technology Development Center	Oguchi-cho, Niwa-gun, Aichi
	Production Technology Center	Komaki-shi, Aichi
	Kasugai Logistics Center	Kasugai-shi, Aichi
	Atsugi Logistics Center	Atsugi-shi, Kanagawa
Factories	Oguchi Factory	Oguchi-cho, Niwa-gun, Aichi
	Seto Factory	Seto-shi, Aichi
	Akatsuki Factory	Seto-shi, Aichi
Sales branch offices	Tohoku branch office	Wakabayashi-ku, Sendai-shi, Miyagi
	Kanto branch office	Shinagawa-ku, Tokyo
	Chubu branch office	Nakagawa-ku, Nagoya-shi, Aichi
	Kansai branch office	Yodogawa-ku, Osaka-shi, Osaka
	Kyushu branch office	Hakata-ku, Fukuoka-shi, Fukuoka

(b) Subsidiaries

Name	Address
Yanagisawa Manufacturing Co., Ltd.	Kadoma-shi, Osaka
Rinnai Technica Co., Ltd.	Minato-ku, Tokyo
RB Controls Co., Ltd.	Kanazawa-shi, Ishikawa
Rinnai Precision Co., Ltd.	Komaki-shi, Aichi
Gastar Co., Ltd.	Yamato-shi, Kanagawa
Rinnai Net Co., Ltd.	Nakagawa-ku, Nagoya-shi, Aichi
Rinnai Australia Pty., Ltd.	Melbourne, Victoria, Australia
Rinnai America Corporation	Peachtree City, Georgia, United States
Rinnai Korea Corporation	Incheon, South Korea
Shanghai Rinnai Co., Ltd.	Shanghai, People's Republic of China
P.T. Rinnai Indonesia	Jakarta, Indonesia

(9) Number of Consolidated Employees (As of March 31, 2026)

Number of employees	Increase (decrease) from previous fiscal year-end
11,328	+420

Notes: The above figures do not include temporary employees.

The average number of temporary employees during the fiscal year was 2,365.

(10) Major Lenders (As of March 31, 2026)**Major Lenders of the Group**

Lenders	Loan balance
MUFG Bank, Ltd.	¥6,500 million
Mizuho Bank, Ltd.	¥3,500 million

Major Lenders of Rinnai Corporation

Lenders	Loan balance
MUFG Bank, Ltd.	¥6,500 million
Mizuho Bank, Ltd.	¥3,500 million

(11) Other Significant Matters regarding Rinnai Group Status

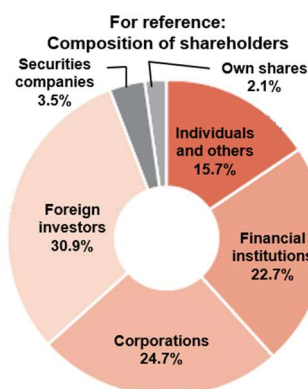
There is no applicable information.

2. Stock Information (As of March 31, 2026)

(a) Number of authorized shares: 600,000,000

(b) Number of issued shares: 138,072,392
(Excluding 3,054,379 shares of treasury stock)

(c) Number of shareholders: 10,046



Notes:

- The Corporation executed cancellation of treasury stock on December 15, 2025, and the total number of issued shares decreased 2,761,800 for the fiscal year in review.
- Figures for "Composition of shareholders" are rounded down to the second decimal point.

(d) Major shareholders (top 10)

Name of shareholders	Number of shares (thousand)	Shareholding ratio (%)
Naito Co., Ltd.	18,647	13.50
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,584	12.01
Kenji Hayashi	7,369	5.33
Custody Bank of Japan, Ltd. (Trust Account)	6,966	5.04
Rinnai Scholarship Foundation	4,200	3.04
STATE STREET BANK AND TRUST COMPANY 505001	3,396	2.45
National Mutual Insurance Federation of Agricultural Cooperatives	3,337	2.41
STATE STREET BANK AND TRUST COMPANY 505103	2,539	1.83
Rinnai Shareholding Association	2,465	1.78
Makoto Naito	1,710	1.23

Notes:

- Treasury stocks (3,054,379 shares) held by the Corporation are excluded from the above figures.
- Figures for "Number of shares" are rounded down to the nearest thousand.
- Shareholding ratios are calculated by number of shares excluding treasury stock, and are rounded down to the third decimal point.
- According to the Report of Large Volume Holding (Change Report) dated September 18, 2025 (which is available for public inspection), NOMURA INTERNATIONAL PLC and Nomura Asset Management Co., Ltd. held the number of shares shown below as of September 15, 2025. However, the Corporation has not been able to confirm the number of shares actually held by these companies as of March 31, 2026, and therefore NOMURA INTERNATIONAL PLC and Nomura Asset Management Co., Ltd. are not included in the major shareholders listed above.

Name of shareholders	Number of shares held	Shareholding ratio (%)
NOMURA INTERNATIONAL PLC	470,409	0.33
Nomura Asset Management Co., Ltd.	6,545,700	4.55
Total	7,016,109	4.88

- According to the Report of Large Volume Holding (Change Report) dated January 30, 2026 (which is available for public inspection), Dalton Investments, Inc. held 8,921,217 shares (shareholding ratio: 6.32%) as of January 23, 2026. However, the Corporation has not been able to confirm the number of shares actually held by Dalton Investments as of March 31, 2026, and therefore Dalton Investments is not included in the major shareholders listed above.

(e) Status of stocks delivered to Directors and Audit & Supervisory Board members as compensation for the execution of their duties during the fiscal year

	Number of shares	Person to be delivered
Directors (excluding outside directors and directors who hold more than a certain number of stocks)	7,359	3

Note: Please refer to (4) Remuneration for Directors and Audit & Supervisory Board Members” of “4. Officers of Rinnai Corporation” regarding the Corporation’s stock compensation.

(f) Other significant matters related to stocks

1. During the fiscal year, the Corporation acquired 11,528 treasury shares at no cost due to retirement and other events prior to the expiration of the transfer restriction period for restricted stock.
2. The Corporation disposed 20,474 shares of common stock from treasury stocks on July 24, 2025, to grant restricted stock for directors (excluding outside directors and directors who hold more than a certain number of stocks) and executive officers who do not concurrently serve as directors.
3. At its meeting held on August 6, 2025, the Board of Directors of the Corporation resolved a matter related to treasury stock disposal as restricted stock incentive for employee shareholding association, and disposed of 186,212 shares of common stock from treasury stocks on October 17, 2025.
4. At its meeting held on May 9, 2025, the Board of Directors of the Corporation resolved a matter related to a share buyback, pursuant to Article 156 of the Companies Act of Japan as applied to Article 165 (Paragraph 3) of the same Act and implemented a share buyback as follows.

(1) Type of shares acquired	Common stock of the Corporation
(2) Total number of shares acquired	2,761,800 shares
(3) Total value of shares acquired	¥9,999,713,000
(4) Acquisition period	May 12–November 4, 2025

5. At its meeting held on May 9, 2025, the Board of Directors of the Corporation resolved a matter related to the cancellation of treasury stock, pursuant to Article 178 of the Companies Act of Japan and implemented the cancellation as follows.

(1) Type of shares cancelled	Common stock of the Corporation
(2) Total number of shares cancelled	2,761,800 shares
(3) Total value of shares cancelled	¥9,568,957,018
(4) Cancellation date	December 15, 2025

3. Stock Acquisition Rights

There is no applicable information.

4. Officers of Rinnai Corporation

(1) Names of Directors and Audit & Supervisory Board Members

(As of March 31, 2026)

Position	Name	Position at Other Institutions or Major Profession
Representative Director, and Chairman	Kenji Hayashi	
Representative Director, President and Executive President	Hiroyasu Naito	Outside director at Nagoya Railroad Co., Ltd.
Representative Director and Executive Vice President Assistant to the President	Tsunenori Narita	
Director and Senior Managing Executive Officer Chief of Marketing & Sales Headquarters	Hideyuki Shiraki	
Director and Senior Managing Executive Officer Chief of Production Engineering Headquarter	Kazuto Inoue	
Chief independent outside director Chairman of the Nomination Advisory Committee and the Compensation Advisory Committee	Takashi Kamio	
Independent outside director	Tadashi Ogura	Outside director at Meiko Trans Co., Ltd.
Independent outside director	Yoko Dochi	Outside director of Nippo Ltd. Trustee of Daiwa Anglo-Japanese Foundation Outside audit and supervisory board member at Kirin Holdings Company, Limited
Independent outside director	Kumi Sato	Professor, Faculty of Technology, International Professional University of Technology in Nagoya
Standing Audit & Supervisory Board Member	Masanori Shimizu	
Standing Audit & Supervisory Board Member	Atsuo Kashima	
Independent outside Audit & Supervisory Board Member	Masaaki Matsuoka	President of Masaaki Matsuoka CPA office Outside director at Mitachi Co., Ltd. (audit & supervisory board member)
Independent outside Audit & Supervisory Board Member	Ippei Watanabe	President of TRUTH & TRUST Law Office

- Notes: 1. Mr. Kashima (standing audit & supervisory board member) was engaged in accounting division of the Corporation for many years and has considerable knowledge about accounting and finance.
2. Mr. Matsuoka (outside Audit & Supervisory Board Member) is a certified public accountant and has considerable knowledge about accounting and finance.
3. Mr. Watanabe (outside Audit & Supervisory Board Member) is a licensed attorney at law and has considerable knowledge of corporate and legal affairs.
4. The Corporation has notified the Tokyo Stock Exchange and the Nagoya Stock Exchange that Mr. Kamio, Mr. Ogura, Ms. Dochi and Ms. Sato (outside directors), and Mr. Matsuoka and Mr. Watanabe (outside Audit & Supervisory Board members) satisfy the conditions for being independent directors/auditors.
5. Mr. Ogura (Outside Audit & Supervisory Board member) is scheduled to retire as an Outside Director at Meiko Trans Co., Ltd. at the conclusion of that company's Ordinary General Meeting of Shareholders to be held in June 2026.

(2) Summary of liability-limiting agreements

In accordance with the provisions of Article 427, Paragraph 1, of the Companies Act, four outside directors and two outside members of the Audit & Supervisory Board have signed agreements that limit liability for damages as provided for in Article 423, Paragraph 1, of the same law. The limit of liability for damages, based on these agreements, is an amount prescribed by law.

(3) Summary of liability insurance contract for officers

The Corporation concluded liability insurance contract for officers with an insurance company in accordance with the first paragraph of Article 430-3 of the Companies Act for all of the Corporation's directors, Audit & Supervisory Board members, executive officers, and important employees. The insurance contracts compensate court costs and damages which the insured bear due to lawsuits related to the Corporation, third-party proceedings, and shareholder-derived suits. As a measure that does not impair the appropriateness of the insured person's job execution, damage caused by an insured person's crime are excluded from compensation. The Corporation pays all insurance premiums of the contracts.

(4) Remuneration for Directors and Audit & Supervisory Board Members

a. Total amount of remuneration for fiscal 2026, ended March 31, 2026

	Total Remuneration (Millions of yen)	Total Remuneration by Item (Millions of yen)			Recipients (persons)
		Basic component	Annual bonus	Restricted stock	
Directors (including outside directors)	436 (40)	292 (40)	118 (-)	26 (-)	9 (4)
Audit & Supervisory Board members (including outside members)	52 (16)	52 (16)	- (-)	- (-)	4 (2)
Total (including outside members)	488 (56)	344 (56)	118 (-)	26 (-)	13 (6)

- Notes: 1. Compensation for directors does not include the employee portion in the case of directors who serve concurrently as employees.
2. Annual bonuses, which is to achieve solid performance targets and promote medium- to long term value creation, consist of financial and non-financial evaluation components. Bonus amounts are determined based on the degree of achievement of key management indicators—namely, consolidated operating income and ROE—as well as improvements in employee engagement and qualitative evaluations of each director's medium- to long-term initiatives in their respective areas of responsibility.
3. Non-monetary compensation consists of shares of the Corporation's stock. Terms and conditions for allotment of such compensation are as described in "b. Policies regarding officers' compensation" as follows. The delivery status of such compensation in the fiscal year in review is shown in "e. Status of stocks delivered to Directors and Audit & Supervisory Board members as compensation for the execution of their duties

during the fiscal year” of Stock Information.

4. As of March 31, 2026, the Corporation had nine (9) directors, including four (4) outside directors, and four (4) Audit & Supervisory Board members, including two (2) from outside.

(Reference)

Resolutions regarding compensation of Ordinary General Shareholders’ Meeting

	Compensation	Compensation limit	Resolution	Number of officers at the end of the meeting
Directors	Basic component	Up to ¥370 million per year (including ¥50 million for outside directors)	71st Ordinary General Shareholders’ Meeting held on Jun. 29, 2021	5 (including 2 outside directors)
	Annual bonuses	Up to ¥220 million per year		
	Restricted-stock compensation	Up to ¥120 million per year (maximum number of shares allotted: up to 60,000 shares per year * After adjustment for a 3-for-1 stock split of the Corporation’s common stock, effective April 1, 2023		
Audit & Supervisory Board Members	Basic component	Up to ¥5 million per month	58th Ordinary General Shareholders’ Meeting held on Jun. 27, 2008	4 (including 2 outside members)

b. Policies regarding officers’ compensation

At its meeting held on April 25, 2024, the Corporation’s Board of Directors resolved to revise the Corporation’s policies on determining compensation for individual directors and rules for officer compensation, and resolved to introduce Malus and clawback provisions at its meeting held on July 18, 2024.

The Corporation’s policy for determining the content of compensation of directors shall be decided by resolution of the Board of Directors after objective deliberation by the Compensation Advisory Committee, the majority of whom are outside officers. Individual director compensation for the fiscal year in review was determined by deliberation at the meeting of Compensation Advisory Committee, which was delegated the authority based on the resolution made by the Board of Directors at its meeting held on June 25, 2025, in accordance with the aforementioned policies on determining officers’ compensation and rules for officer compensation.

Since the amount of compensation for each individual director is determined through procedures based on such objective deliberations, the Board of Directors has determined that the content of compensation is in line with the Corporation’s determination policies.

A summary of the Corporation’s policies on determining compensation for individual directors is given below.

1. Basic principles on determining compensation for directors

(1) Promoting solid corporate value creation over the medium to long term

- The level and composition of compensation are set so that directors will be strongly motivated to realize increased corporate value and attain goals through the concerted efforts of the entire Corporation.
- Directors will be motivated to routinely attain performance targets every fiscal year and create corporate value over the medium to long term by exercising appropriate quantitative evaluation on the basis of financial performance indicators and assessment of medium- to- long-term efforts on compensation.
- Steady improvement of corporate value is sought through directors holding the Corporation’s shares for the medium to long term, thus having common interests

with shareholders.

(2) Securing objectivity and transparency to underline our accountability to a broad range of stakeholders, including shareholders

- Policies on determining compensation are deliberated by the Compensation Advisory Committee, mainly composed of outside directors, and then ratified by the Board of Directors based on the Committee's recommendations.
- The level and composition ratio of compensation are continuously validated by an objective comparison with those of comparable companies.

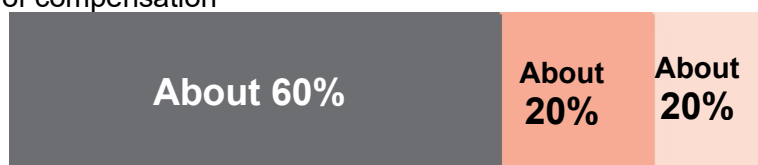
2. Structure of compensation

Compensation for directors consists of a basic component (fixed compensation) and a performance-linked component in a ratio of approximately 60:40 for the purpose of providing a sound motivation for increased corporate value and target achievement. Performance-linked compensation consists of an annual bonus, designed to promote steady attainment of performance targets every fiscal year, and a restricted stock compensation, designed to seek steady improvement of corporate value through sharing interests with shareholders by holding the Corporation's shares for the medium to long term.

Compensation for outside directors is limited to a basic component (fixed compensation) only, in order to promote proper conduct of their duties to supervise and give advice to management from a position independent of executive management.

The composition of compensation and summary of each component are as follows:

Composition of compensation



- Basic component
- Annual bonus
- Restricted stock

Summary of each component

Type of compensation	Summary
Basic compensation	Cash compensation paid monthly in a fixed amount based on position and duties
Annual bonus	<p>Cash compensation designed to promote steady attainment of performance targets every fiscal year and corporate value creation over the medium to long term</p> <p>Consisting of a financial evaluation portion (80%) and a non-financial evaluation portion (20%)</p> <ul style="list-style-type: none"> • The financial evaluation portion varies between 0 and 200% of the standard amount, depending on the degree to which key performance indicators (consolidated operating income and ROE) have been achieved. • The non-financial evaluation portion varies between 0 and 200% of the standard amount, depending on the degree of improvement in employee engagement and qualitative evaluations of medium- to long-term initiatives based on each director's area of responsibility. • Determined amounts will be paid as a lump-sum cash payment after the end of each fiscal year

Restricted stock	<p>Stock-based compensation designed to contribute to steady improvement of corporate value through shared interests with shareholders by holding the Corporation's shares for the medium to long term</p> <ul style="list-style-type: none"> • In principle, a certain number of shares with transfer restrictions are issued each fiscal year in accordance with the director's position and responsibilities, and the restrictions on transfer are lifted when the director retires. • Corporate value enhancement levels are evaluated using total shareholder return and other indicators. After deliberation by the Compensation Advisory Committee, the number of shares to be delivered may be added within the maximum remuneration amount and the maximum number of shares decided by the Ordinary General Shareholders' Meeting.
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If any individual director holds a number of shares exceeding a specified number over the medium to long term, the director may not be eligible to receive the restricted stock and receive only an annual bonus as a performance-linked compensation incentive given the purposes of performance-linked compensation and effectiveness as incentive. Directors eligible to receive restricted stocks are identified at a meeting of the Compensation Advisory Committee, and then ratified by the Board of Directors.

3. Level of compensation

The level of compensation for directors (excluding outside directors) is set so that directors are strongly motivated to realize increased corporate value and attain goals through the concerted efforts of the entire Corporation. It is determined on the basis of position and duties and by using objective data on executive compensation gathered through a survey conducted by an outside expert agency (Willis Towers Watson's Executive Compensation Data) and using those of selected comparable companies as a benchmark.

4. Stock ownership guidelines

Effective the 75th fiscal year (ended March 31, 2025), the Corporation established the following guidelines for the number of shares of its stock to be held by directors during their terms of office, with the aim of steadily increasing corporate value and further promoting common interests between directors and shareholders.

- President and representative directors: Shares equivalent to 1.5 times the amount of base compensation by the end of three years after assuming office
- Other directors (excluding outside directors): Shares equivalent to one time the amount of base compensation by the end of three years after assuming office

5. Malus and clawback provisions

The Corporation has introduced a system under which corrective actions may be taken if material revisions are made to the financial statements used as the basis for bonus calculation, or if a serious violation of laws or internal regulations by a bonus recipient is identified. Based on deliberation and recommendation by the Compensation Advisory Committee and a resolution by the Board of Directors, the Corporation may reduce or withhold the annual bonus or request the return of all or part of the amount paid. In addition, under the restricted stock compensation plan, the restricted stock allotment agreement stipulates a clause that allows the Corporation to acquire all of the shares granted without compensation in the event of misconduct by the bonus recipient, such as a violation of laws, regulations, or internal rules.

6. Process of determining compensation

Policies on determining compensation for directors are deliberated objectively at a meeting of the Compensation Advisory Committee, composed of a majority outside directors, and ratified by resolution of the Board of Directors based on the Committee's recommendations. The amount of each director's compensation, including an

assessment of an individual performance-evaluation component of annual bonus, and additional transfer of restricted stock based on valuation of corporate value, is determined by deliberation of the Compensation Advisory Committee to which the Board of Directors has resolved to delegate authority.

Deliberations of the Compensation Advisory Committee are conducted from an objective viewpoint and by referring to expertise about compensation systems. Accordingly, information is obtained from an outside expert agency (Willis Towers Watson in fiscal 2026) when necessary.

(5) Items Related to Outside Executives

a. Status of important concurrent positions at other entities, and relationships with Corporation and those entities

Title	Name	Main concurrent position	Relationship with the Corporation
Director	Takashi Kamio	-	-
Director	Tadashi Ogura	- Outside director at Meiko Trans Co., Ltd.	The Corporation has trade- and shipping-related transactions with Meiko Trans Co., Ltd., but those transactions do not affect the Corporation's independence.
Director	Yoko Dochi	- Outside Director of Nippo Ltd. - Trustee of Daiwa Anglo-Japanese Foundation - Outside audit and supervisory board member at Kirin Holdings Company, Limited	The Corporation has parts purchasing transactions with Nippo Ltd., but those transactions do not affect the Corporation's independence. The Corporation has no special relationships with other entities.
Director	Kumi Sato	- Professor, Faculty of Technology, International Professional University of Technology in Nagoya	The Corporation has no special relationships with International Professional University of Technology in Nagoya
Audit & Supervisory Board member	Masaaki Matsuoka	- President of Masaaki Matsuoka CPA office - Outside director at Mitachi Co., Ltd. (audit & supervisory board member)	The Corporation has no special relationships with Masaaki Matsuoka CPA office or Mitachi Co., Ltd.
Audit & Supervisory Board member	Ippei Watanabe	- President of TRUTH & TRUST Law Office	The Corporation has no special relationships with TRUTH & TRUST Law Office.

b. Main activities in fiscal 2026

Title	Name	Attendance at meetings	Main Activities and Job Summary of Expected Role as Outside Directors
Director	Takashi Kamio	[Board of Directors' meetings] 13/13 (100%) [Nomination Advisory Committee meetings] 4/4 (100%) [Compensation Advisory Committee meetings] 3/3 (100%)	Actively express opinions at Board of Directors meetings based on his extensive experience and wide-ranging insight as a director of other companies. In particular, supervise and provide advice as an expert in company management to ensure the adequacy and appropriateness of decision-making. Led discussions at Board of Directors meetings as lead independent outside director. Engaged as Chairman of the Nomination Advisory Committee and Compensation Advisory Committee to select director candidates and decide directors' compensation from an objective and neutral standpoint.
Director	Tadashi Ogura	[Board of Directors' meetings] 13/13 (100%) [Nomination Advisory Committee meetings] 4/4 (100%) [Compensation Advisory Committee meetings] 3/3 (100%)	Actively express opinions at Board of Directors meetings based on his extensive experience and wide-ranging insight as a director of other companies. In particular, supervise and provide advice from the perspective of corporate management to ensure the adequacy and appropriateness of decision-making. Engaged as a member of the Nomination Advisory Committee and Compensation Advisory Committee to oversee the selection of director candidates and determination of director compensation from an objective and neutral standpoint.
Director	Yoko Dochi	[Board of Directors' meetings] 13/13 (100%) In addition, consulting on capital policies and reports about IR activities	Actively express opinions at Board of Directors' meetings based on her extensive experience and deep insight into investors' relations and ESG-related matters, as well her knowledge of international organizational management, at other companies. In particular, supervise and provide advice from the perspective of management strategy to ensure the adequacy and appropriateness of decision-making. In addition, consult with relevant departments about the Corporation's capital policy, and regularly receive reports on the status of the Corporation's IR activities and play expected role as outside director by providing useful advice on how to improve the corporate value from an objective and neutral standpoint.

Director	Kumi Sato	[Board of Directors' meetings] 13/13 (100%) [Nomination Advisory Committee meetings] 4/4 (100%) [Compensation Advisory Committee meetings] 3/3 (100%)	Actively express opinions at Board meetings from the perspective of an academic expert in international studies and multicultural coexistence. In particular, play an appropriate role in ensuring the validity and soundness of decision-making by providing oversight and advice from a global strategic perspective. Engaged as a member of the Nomination Advisory Committee and Compensation Advisory Committee to oversee the selection of director candidates and determination of director compensation from an objective and neutral standpoint.
Audit & Supervisory Board member	Masaaki Matsuoka	[Board of Directors' meetings] 13/13 (100%) [Audit & Supervisory Board members' meetings] 13/13 (100%)	Provide impartial advice from accounting and taxation perspectives to ensure the adequacy and appropriateness of decision-making. Make necessary remarks as appropriate at the meeting of Audit & Supervisory Board members.
Audit & Supervisory Board member	Ippei Watanabe	[Board of Directors' meetings] 13/13 (100%) [Audit & Supervisory Board members' meetings] 13/13 (100%)	Provide impartial advice from legal perspective to ensure the adequacy and appropriateness of decision-making. Make necessary remarks as appropriate at the meeting of Audit & Supervisory Board members.

(Reference) Evaluation of Board effectiveness

To evaluate the effectiveness of the Board of Directors, the Corporation conducts an annual questionnaire survey of directors and Audit & Supervisory Board members, including open-comment sections, and collects specific evaluations, opinions, and recommendations. The results of such surveys are shared with the Board of Directors as a reporting matter. After discussions on measures to address identified issues, the Board secretariat takes the lead in formulating and implementing improvement measures.

The status of initiatives related to the effectiveness evaluation in the year in review is as follows:

1. Major initiatives undertaken during the fiscal year in review based on the previous Board effectiveness evaluation results

- (1) Enhancement of Board reports and meetings held exclusively for outside directors for formulation of medium-term business plan
Shared the medium-term plan with outside directors from an early stage of its conceptualization. Held multiple meetings for exchanging opinions and discussing ideas (not just for deliberation at Board meetings).
- (2) Regular reporting on advisory committee deliberations to the Board of Directors
Established a regular practice of reporting the key points of discussions held in each advisory committee meeting to the Board of Directors.

2. Methodology for evaluating the effectiveness of the Board of Directors during fiscal 2026

- Target Group: Directors (excluding the Chair) and Audit & Supervisory Board Members
- Date: January 2026
- Evaluation format: Questionnaire [5-point scale (20 questions total) + open-ended comments]
- Main evaluation criteria
 - (1) Composition of the Board of Directors
 - (2) Operation of the Board of Directors
 - (3) Roles and responsibilities of the Board of Directors and advisory committees
 - (4) Relations with shareholders and other stakeholders; disclosure information

3. Results of the Board effectiveness assessment conducted in fiscal 2026

- Based on the results of the survey evaluation, confirmed that the Board of Directors functions and operates appropriately and that the effectiveness of the Board is ensured.
- Received requests to ensure opportunities for discussion regarding corporate strategy and expand the range of topics for discussion. Included these as agenda items for Board meetings in fiscal 2027.

(Reference) Activities of the Nomination and Compensation Advisory Committee

To further ensure objectivity and transparency in decisions regarding the nomination and compensation of senior management, the Corporation has established a Nomination Advisory Committee and a Compensation Advisory Committee as advisory bodies to the Board of Directors. The majority of the members of each committee are independent outside directors, and the chairperson and presiding officer of each committee are outside directors. The nomination of directors, Audit & Supervisory Board members, and executive officers, as well as the compensation of directors and executive officers, is determined by the Board of Directors following deliberation by the respective committees. (* The nomination of Audit & Supervisory Board members is subject to the consent of the Audit & Supervisory Board.)

The composition of Advisory Committees, member attendance status, and main contents of deliberation in the year in review is as follows:

(Member attendance status)

	Name	Attendance at meetings	
		Nomination Advisory Committee	Compensation Advisory Committee
Chairman	Takashi Kamio (lead independent outside director)	100% (4/4)	100% (3/3)
Member	Tadashi Ogura (independent outside director)	100% (4/4)	100% (3/3)
Member	Kumi Sato (independent outside director)	100% (4/4)	100% (3/3)
Member	Hiroyasu Naito (Representative Director, President)	100% (4/4)	100% (3/3)

(Main contents of deliberation)

Nomination Advisory Committee	Compensation Advisory Committee
<ul style="list-style-type: none"> * Succession planning for senior executives * Nomination of candidates for directors and Audit & Supervisory Board members * Nomination of executive officers, and directors and executive officers * Nomination of chairman and members of Advisory Committees * Directors' skill matrix * Personnel changes of managers * Interview with candidates for new officers 	<ul style="list-style-type: none"> * Personal evaluation (including CEO) * Performance-linked compensation amount * Individual officers' compensation * Review of current composition and level of officers' compensation * Next compensation policy

(Reference) Succession Planning for Senior Executives

Succession planning for senior executives, including top management, is one of the most important issues required under Japan's Corporate Governance Code. At Rinnai Corporation, we formulate and implement succession planning under a framework centered on the Personnel and Organization Council and the Nomination Advisory Committee, ensuring transparency and objectivity.

Our Personnel and Organization Council, consisting mainly of internal directors, evaluates candidates for future top management and executive roles from multiple perspectives—including performance, experience, and qualities—based on the talent requirements set by the Nomination Advisory Committee. It then carries out their selection and development in a planned and phased manner. We manage evaluation and development over the medium to long term and carry out periodic reviews as a fundamental premise.

The Nomination Advisory Committee, acting from an independent standpoint, regularly reviews the evaluation and development of candidates conducted by the Personnel and Organization Council and provides advice and recommendations on their validity and appropriateness. It also submits recommendations to the Board of Directors on key appointments, including those of top management and division general managers. In addition, each year it reviews whether incumbent directors should be reappointed or not and submits the matter to the Board of Directors for resolution.

Taking into account the Nomination Advisory Committee's recommendations, the Board of Directors provides ongoing oversight of succession planning and ultimately determines appointments of senior executives and division general managers, including top management. We have also established a framework to address unforeseen circumstances, thereby ensuring business continuity.

Through these processes, we aim to reduce the risks associated with leadership transitions and strengthen our management framework to support sustainable growth and enhance corporate value.

Succession Planning: Roles and Processes

1.	Personnel and Organization Council (Review, proposal, and execution)	Internal directors take the lead in collecting a wide range of views and information from within and outside the Corporation. 1. Formulation of candidate pool and list 2. Preparation of succession plan draft 3. Execution of development plan
2.	Nomination Advisory Committee (Review, evaluation, and advice)	1. Formulation of talent requirements 2. Review of proposals from the Personnel and Organization Council 3. Interviews with candidates (assessment of suitability) 4. Preparation of final personnel proposals
3.	Board of Directors (Approval and oversight)	1. Oversight of overall plans 2. Final approval of personnel proposals

5. Status of Accounting Auditor

(1) Name of accounting auditor

Deloitte Touche Tohmatsu LLC

(2) Compensation to accounting auditor in the year in review (Millions of yen)

Compensation for services as accounting auditor	70
Total monetary and other financial profits paid by the Corporation and its subsidiaries	79

- Notes:
1. Under the agreement between the Corporation and its accounting auditor, there is no clear distinction between compensation for audits under the Companies Act and audits under the Financial Instruments and Exchange Law. For this reason, only the total compensation amounts to the accounting auditor are listed here.
 2. Among major subsidiaries, overseas subsidiaries have different accounting auditors.
 3. In addition to the above, additional compensation of ¥2 million related to audits in the previous fiscal year was paid.

(3) Reason Audit & Supervisory Board agrees to compensation for accounting auditor

The Audit & Supervisory Board reviewed and discussed such aspects as the content of the audit plan by the accounting auditor, the execution of duties by the accounting auditor, and the basis for calculation of compensation estimates, and agreed that compensation to the accounting auditor was in line with Article 399, Paragraph 1 of the Companies Act.

(4) Policy on removal or non-reappointment of accounting auditor

If the Audit & Supervisory Board finds it necessary, due to an obstacle that prevents the accounting auditor from properly executing their required duties or due to some other issue of consequence, the Audit & Supervisory Board will prepare the content of an agenda item on the dismissal or non-reappointment of the accounting auditor to be put before the Ordinary General Meeting of Shareholders.

In addition, the Audit & Supervisory Board will dismiss the accounting auditor upon the consent of all members of the Audit & Supervisory Board, if the accounting auditor falls subject to any of the provisions in Article 340, Paragraph 1 of the Companies Act. In this event, a member of the Audit & Supervisory Board, chosen among board members, will give a report on the purpose for dismissing the accounting auditor and associated background at the first Ordinary General Meeting of Shareholders that convenes after the dismissal.

Consolidated Balance Sheets

(As of March 31, 2026)

(Millions of yen)

ASSETS		LIABILITIES	
Current assets	374,185	Current liabilities	110,615
Cash and deposits	172,202	Notes and accounts payable	29,439
Notes and accounts receivable, and contract assets	94,649	Electronically recorded monetary claims	12,923
Electronically recorded monetary claims	13,494	Short-term borrowings	12,801
Marketable securities	12,922	Other payables	21,625
Products	44,324	Accrued consumption taxes	1,921
Raw materials and stores	36,104	Accrued income taxes	7,069
Other	6,973	Accrued employees' bonuses	6,644
Less allowance for doubtful accounts	(6,485)	Allowance for product guarantee	5,481
		Other	12,708
Fixed assets	275,383	Long-term liabilities	44,829
Property, plant and equipment	157,817	Deferred tax liabilities	26,369
Buildings and structures	65,957	Allowance for environmental measures	2,255
Machinery, equipment and vehicles	22,173	Net defined benefit liabilities	7,389
Tools, furniture and fixtures	5,551	Other	8,815
Land	51,993	Total liabilities	155,445
Leased assets	7,757	NET ASSETS	
Construction in progress	4,384	Shareholders' equity	371,269
Intangible fixed assets	17,946	Common stock	6,484
Goodwill	6,891	Capital surplus	8,324
Other	11,055	Earned surplus	367,029
Investments and advances	99,618	Treasury stock	(10,568)
Investments in securities	33,829	Other accumulated comprehensive income	65,983
Net defined benefit assets	52,006	Unrealized gain on marketable securities	12,024
Deferred income taxes	4,357	Foreign exchange translation adjustment	34,213
Other	9,437	Remeasurements of defined benefit plans	19,745
Less allowance for doubtful accounts	(12)	Non-controlling interests	56,870
		Total net assets	494,124
Total assets	649,569	Total liabilities and net assets	649,569

Consolidated Statements of Income

(Year ended March 31, 2026)

(Millions of yen)

Net sales		470,392
Cost of sales		306,704
Gross profit		163,687
Selling, general and administrative expenses		113,156
Operating income		50,531
Other income		
Interest income	3,294	
Dividends received	716	
Foreign exchange income	1,724	
Other	2,196	7,931
Other expenses		
Interest expenses	137	
Loss on retirement of fixed assets	105	
Depreciation	250	
Other	283	777
Ordinary income		57,686
Extraordinary income:		
Gain on sale of investment securities	1,095	
Subsidy income	365	
Reversal of allowance related to antimonopoly law	870	2,331
Extraordinary losses:		
Impairment loss	96	
Loss on reduction of fixed assets	365	
Excavation research expenses for buried cultural properties	63	525
Income before income taxes		59,492
Income taxes (current)	13,896	
Income taxes (deferred)	2,286	16,182
Net income		43,310
Net income attributable to non-controlling interests		7,149
Net income attributable to owners of the parent company		36,160

Nonconsolidated Balance Sheets

(As of March 31, 2026)

(Millions of yen)

ASSETS		LIABILITIES	
Current assets	118,957	Current liabilities	46,926
Cash and deposits	37,268	Accrued payable	13,134
Notes receivable	471	Electronically recorded monetary claims	6,731
Accounts receivable	42,375	Short-term borrowings	10,000
Electronically recorded monetary claims	12,417	Lease obligations	73
Marketable securities	7,059	Other payables	5,654
Products	10,871	Accrued expenses	793
Raw materials and stores	6,204	Accrued income taxes	4,671
Other	2,298	Deposits payable	175
Less allowance for doubtful accounts	(9)	Accrued employees' bonuses	3,045
Fixed assets	188,291	Allowance for product guarantees	1,047
Property, plant and equipment	77,876	Other	1,600
Buildings	29,083	Long-term liabilities	13,106
Structures	1,915	Lease obligations	153
Machinery and equipment	5,233	Accrued employees' retirement benefits	3,557
Vehicles and delivery equipment	74	Other	9,395
Tools, furniture and fixtures	2,304	Total liabilities	60,032
Land	37,638	NET ASSETS	
Leased assets	206	Shareholders' equity	235,618
Construction in progress	1,419	Common stock	6,484
Intangible fixed assets	1,253	Capital surplus	8,743
Software	958	Capital reserve	8,743
Other	294	Earned surplus	230,958
Investments and advances	109,161	Legal reserve	1,614
Investments in securities	32,218	Other legal reserve:	229,343
Stocks of affiliated companies	43,700	General reserve	150,000
Investments in affiliated companies	1,870	Retained earnings carried forward	79,343
Long-term deposits	4,766	Treasury stock	(10,568)
Prepaid pension expenses	23,404	Other adjustments	11,597
Other	3,209	Unrealized gain on marketable securities	11,597
Less allowance for doubtful accounts	(7)	Total net assets	247,215
Total assets	307,248	Total liabilities and net assets	307,248

Nonconsolidated Statements of Income

(Year ended March 31, 2026)

(Millions of yen)

Net sales		242,025
Cost of sales		179,817
Gross profit		62,207
Selling, general and administrative expenses		38,771
Operating income		23,436
Other income		
Interest income and dividends received	12,459	
Foreign exchange income	1,786	
Other	1,543	15,788
Other expenses		
Loss on retirement of fixed assets	80	
Depreciation	283	
Other	41	405
Ordinary income		38,819
Extraordinary income:		
Gain on sale of investment securities	1,095	
Subsidy income	365	1,460
Extraordinary losses:		
Loss on reduction of fixed assets	365	
Excavation research expenses for buried cultural properties	63	428
Income before income taxes		39,851
Income taxes		
Current	7,395	
Deferred	1,132	8,528
Net income		31,322

(Translation: Accounting auditor's audits of consolidated financial statements)

ACCOUNTING AUDITOR'S REPORT

May 12, 2026

To the Board of Directors of
Rinnai Corporation:

Deloitte Touche Tohmatsu LLC
Nagoya Office
Designated Limited Liability Partner, Engagement Partner,
Certified Public Accountant: Atsuki Jinno
Designated Limited Liability Partner, Engagement Partner,
Certified Public Accountant: Tetsuro Shigemitsu

Auditor's Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we, Deloitte Touche Tohmatsu LLC ("the Auditor") have audited the consolidated financial statements of Rinnai Corporation (the "Corporation") and its consolidated subsidiaries, for the fiscal year ended March 31, 2026, namely, consolidated balance sheets, consolidated statements of income, consolidated statements of changes in shareholders' equity, notes to the consolidated financial statements, and other notes.

In the Auditor's opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Corporation and its consolidated subsidiaries as of March 31, 2026, and the results of their operations for the year then ended, in conformity with accounting principles generally accepted in Japan.

Basis for Auditor's Opinion

The Auditor conducts its audit in accordance with auditing standards generally accepted in Japan. The Auditor's responsibility with respect to auditing standards is described in "Auditor's responsibility on auditing consolidated financial statements". According to regulations on professional ethics in Japan (including regulations applied to audits on financial statements for Public Interest Entities), the Auditor is independent from the Corporation and its consolidated subsidiaries, and fulfills its responsibility in an ethical manner. The Auditor believes the audit it has performed provides an adequate and reasonable basis for opinion.

Other Information

Other information comprises business report and its attachments. It is the responsibility of management to prepare and disclose the above information. The Audit & Supervisory Board and Audit & Supervisory Board Members are responsible for monitoring the execution of directors' duties in preparing and implementing the reporting process.

The Auditor's opinion on the consolidated financial statements does not cover other information, and the Auditor does not express its opinion on other information.

It is the responsibility of the Auditor to audit consolidated financial statements, and examine if there are significant differences between other information and consolidated financial statements or knowledge gained through audit process. In addition, the Auditor pays attention to other sign of significant mistakes than significant differences.

If the Auditor conclude that there are any significant mistakes in other information based on the works performed, it is required to report that fact.

The Auditor does not have any matters to report regarding other information.

Responsibility of Management, Audit & Supervisory Board, and Audit & Supervisory Board Member, for Consolidated Financial Statements

It is the responsibility of management to prepare and properly disclose consolidated financial statements, in accordance with corporate accounting standards generally accepted in Japan. This responsibility includes establishment and operation of an internal control system that management deems necessary to ensure preparation and

proper disclosure of consolidated financial statements without material misstatement due to fraudulent activity or error.

In preparing consolidated financial statements, management is responsible for evaluating the appropriateness of such statements based on going concern assumptions, and for disclosing going concern matters if necessary, in accordance with corporate accounting standards generally accepted in Japan.

The Audit & Supervisory Board and Audit & Supervisory Board Members are responsible for monitoring the execution of directors' duties in preparing and implementing the financial reporting process.

Auditor's Responsibility on Auditing Consolidated Financial Statements

It is the responsibility of the Auditor to obtain reasonable assurance about whether the overall presentation of consolidated financial statements is free of material misstatement due to fraudulent activity or error, and express an opinion by auditor's report on the consolidated financial statements from an independent perspective, based on its audit. Misstatements can arise from fraudulent activity or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the decisions of the users of consolidated financial statements.

The Auditor performs audits as follows, using professional judgement and maintaining professional skepticism throughout the audit, in accordance with auditing standards generally accepted in Japan.

- The Auditor identifies and evaluates the risk of material misstatement in the consolidated financial statements due to fraudulent activity or error. The Auditor plans and performs auditing procedures while addressing the risk of material misstatement. The auditing procedures are selected and applied, based on the Auditor's judgement. The Auditor obtains adequate and reasonable audit evidence before making opinions.
- The purpose of an audit is not to express an opinion on the effectiveness of the internal control system, and when evaluating risk, the Auditor examines the internal control system pertaining to the audits of consolidated financial statements so that auditing procedures appropriate to the situation may be designed.
- The Auditor evaluates the appropriateness of the accounting policies used and their method of application as well as the reasonableness of estimates made by management and the applicability of related financial notes.
- The Auditor makes conclusions with respect to the appropriateness of preparing consolidated financial statements based on going concern assumptions. The Auditor also makes conclusions, based on audit evidence at hand, about the risk of material uncertainty regarding events and/or circumstances that could cause material doubt about the going concern assumption. If material uncertainty about going concern assumptions is recognized, the Auditor is required to call attention to notes to the consolidated financial statements in its Accounting Auditor's Report. If the notes to the consolidated financial statements regarding material uncertainty are deemed to be inappropriate, the Auditor is required to modify the opinion about the consolidated financial statements. The Auditor's conclusions are based on audit evidence obtained by the date of its auditor's report. Depending on future events or circumstances, however, the Corporation may not be able to survive as a going concern.
- The Auditor evaluates whether or not the presentation of the consolidated financial statements and notes comply with corporate accounting standards generally accepted in Japan. The Auditor also evaluates the presentation, composition, and contents of the consolidated financial statements (including related notes) and assesses whether or not such statements properly reflect underlying transactions and accounting events.
- In order to obtain adequate and reasonable audit evidence regarding the financial information of the Corporation and its consolidated subsidiaries for forming an opinion on the consolidated financial statement, the Auditor is required to plan and perform the audit of the consolidated financial statements. The Auditor is responsible for instruction, supervision, and implementation of audits of the consolidated financial statements. The Auditor is solely responsible for its auditing opinion.

The Auditor make reports to the Audit & Supervisory Board and Audit & Supervisory Board Members about the following: scope and timing of planned audits, important findings (including material deficiencies in internal control recognized during the auditing process), and other items as required under auditing standards.

In its report to the Audit & Supervisory Board and Audit & Supervisory Board Members, the Auditor confirms that it has complied with regulations on professional ethics in Japan concerning independence. Its report also includes matters deemed reasonably to affect the Auditor's independence, measures being taken to eliminate impeding factors, and safeguards applied to reduce impeding factors to an acceptable level.

Financial Interest

Neither the firm nor its engagement partners have any financial interest in the Corporation and its consolidated subsidiaries for which disclosure is required under the provisions of the Certified Public Accountants Law.

The above represents a translation, for convenience only, of the original report issued in Japanese.

END.

(Translation: Accounting auditor's audits of financial statements)

ACCOUNTING AUDITOR'S REPORT

May 12, 2026

To the Board of Directors of
Rinnai Corporation:

Deloitte Touche Tohmatsu LLC
Nagoya Office
Designated Limited Liability Partner, Engagement Partner,
Certified Public Accountant: Atsuki Jinno
Designated Limited Liability Partner, Engagement Partner,
Certified Public Accountant: Tetsuro Shigemitsu

Auditor's Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we, Deloitte Touche Tohmatsu LLC ("the Auditor") have audited the financial statements of Rinnai Corporation (the "Corporation"), for the fiscal year ended March 31, 2026, namely, nonconsolidated balance sheets, nonconsolidated statements of income, nonconsolidated statements of changes in shareholders' equity, notes to nonconsolidated financial statements, and other notes and attachments.

In the Auditor's opinion, the financial statements and attachments referred to above present fairly, in all material respects, the financial position of the Corporation as of March 31, 2026, and the results of their operations for the year then ended, in conformity with accounting principles generally accepted in Japan.

Basis for Auditor's Opinion

The Auditor conducts its audit in accordance with auditing standards generally accepted in Japan. The Auditor's responsibility with respect to auditing standard is described in "Auditor's responsibility on auditing financial statements". According to regulations on professional ethics in Japan (including regulations applied to audits on financial statements for Public Interest Entities), the Auditor is independent from the Corporation, and fulfills its ethical manner. The Auditor believes the audit it has performed provides an adequate and reasonable basis for opinion.

Other Information

Other information comprises business report and its attachments. It is the responsibility of management to prepare and disclose the above information. The Audit & Supervisory Board and Audit & Supervisory Board Members are responsible for monitoring the execution of directors' duties in preparing and implementing the reporting process.

The Auditor's opinion on the financial statements does not cover other information, and the Auditor does not express its opinion on other information.

It is the responsibility of the Auditor to audit financial statements, and examine if there are any significant differences between other information and financial statements or knowledge gained through audit process. In addition, the Auditor pays attention to other sign of significant mistakes than significant differences.

If the Auditor conclude that there are any significant mistakes in other information based on the works performed, it is required to report that fact.

The Auditor does not have any matters to report regarding other information.

Responsibility of Management, Audit & Supervisory Board, and Audit & Supervisory Board Member, for Financial Statements

It is the responsibility of management to prepare and properly disclose financial statements, in accordance with corporate accounting standards generally accepted in Japan. This responsibility includes establishment and operation of an internal control system that management deems necessary to ensure preparation and proper disclosure of financial statements without material misstatement due to fraudulent activity or error.

In preparing financial statements, management is responsible for evaluating the appropriateness of such statements based on going concern assumptions, and for disclosing going concern matters if necessary, in accordance with corporate accounting standards generally accepted in Japan.

The Audit & Supervisory Board and Audit & Supervisory Board Members are responsible for monitoring the execution of directors' duties in preparing and implementing the financial reporting process.

Auditor's Responsibility on Auditing Financial Statements

It is the responsibility of the Auditor to obtain reasonable assurance about whether the overall presentation of financial statements is free of material misstatement due to fraudulent activity or error, and express an opinion by auditor's report on the financial statements from an independent perspective, based on its audit. Misstatements can arise from fraudulent activity or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the decisions of the users of financial statements.

The Auditor performs audits as follows, using professional judgement and maintaining professional skepticism throughout the audit, in accordance with auditing standards generally accepted in Japan.

- The Auditor identifies and evaluates the risk of material misstatement in the financial statements due to fraudulent activity or error. The Auditor plans and performs auditing procedures while addressing the risk of material misstatement. The auditing procedures are selected and applied, based on the Auditor's judgement. The Auditor obtains adequate and reasonable audit evidence before making opinions.
- The purpose of an audit is not to express an opinion on the effectiveness of the internal control system, and when evaluating risk, the Auditor examines the internal control system pertaining to the audits of financial statements so that auditing procedures appropriate to the situation may be designed.
- The Auditor evaluates the appropriateness of the accounting policies used and their method of application as well as the reasonableness of estimates made by management and the applicability of related financial notes.
- The Auditor makes conclusions with respect to the appropriateness of preparing financial statements based on going concern assumptions. The Auditor also makes conclusions, based on audit evidence at hand, about the risk of material uncertainty regarding events and/or circumstances that could cause material doubt about the going concern assumption. If material uncertainty about going concern assumptions is recognized, the Auditor is required to call attention to notes to the financial statements in its Accounting Auditor's Report. If the notes to the financial statements regarding material uncertainty are deemed to be inappropriate, the Auditor is required to modify the opinion about the financial statements. The Auditor's conclusions are based on audit evidence obtained by the date of its auditor's report. Depending on future events or circumstances, however, the Corporation may not be able to survive as a going concern.
- The Auditor evaluates whether or not the presentation of the financial statements and notes comply with corporate accounting standards generally accepted in Japan. The Auditor also evaluates the presentation, composition, and contents of the financial statements (including related notes) and assesses whether or not such statements properly reflect underlying transactions and accounting events.

The Auditor makes reports to the Audit & Supervisory Board and Audit & Supervisory Board Members about the following: scope and timing of planned audits, important findings (including material deficiencies in internal control recognized during the auditing process), and other items as required under auditing standards.

In its report to the Audit & Supervisory Board and Audit & Supervisory Board Members, the Auditor confirms that it has complied with regulations on professional ethics in Japan concerning independence. Its report also includes matters deemed reasonably to affect the Auditor's independence, measures being taken to eliminate impeding factors, and safeguards applied to reduce impeding factors to an acceptable level.

Financial Interest

Neither the firm nor its engagement partners have any financial interest in the Corporation for which disclosure is required under the provisions of the Certified Public Accountants Law.

The above represents a translation, for convenience only, of the original report issued in Japanese.

END.

(Translation)

Report of the Audit & Supervisory Board

The Audit & Supervisory Board reviewed each member's report regarding the directors' execution of their duties, obligations and responsibilities for the 76th financial period, from April 1, 2025, through March 31, 2026. Upon deliberation, we created the auditor's report and would like to report as follows:

1. Methods and contents of audits by members of the Audit & Supervisory Board and the Audit & Supervisory Board
 - (1) The Audit & Supervisory Board determined the policies of audits and duties of members, and received reports on the status of the implementation of audits and the results from members. In addition, the Audit & Supervisory Board received reports on execution of duties from directors and accounting auditors, and received explanations when necessary.
 - (2) According to the policies of audits and duties of members, determined by the Audit & Supervisory Board, members develop the environment for audits, collecting information through communication with directors, executive officers, and employees at the internal auditing division and other divisions, and have audited procedures as follows.
 - (a) Members of the Audit & Supervisory Board also attended important meetings including Board of Directors' meeting (in person or via web conferencing system) and constantly received reports on execution of duties from directors, executive officers, and other employees, and received explanations when necessary. In addition, members reviewed important documents about closing the books and investigated the state of operations and assets of the headquarters and major offices. For subsidiary companies, members received business reports, sharing information with directors and members of the audit & supervisory board of subsidiaries when necessary.
 - (b) The internal control system of the Corporation, which is based on the content of resolutions by the Board of Directors and relevant resolutions in accordance with the first and third clauses of Article 100 of the Ordinance for Enforcement of the Companies Act, is necessary for systems to ensure that execution of business by directors conforms to legal regulations and the Articles of Incorporation and systems to ensure appropriateness of the business activities of the Corporation and subsidiary companies described in this business report. Members reviewed regular reports about the formulation and effectiveness of the internal control system, and received explanation when necessary from directors, executive officers, and employees, in order to declare its opinion.
 - (c) Members of the Audit & Supervisory Board monitored and inspected the independence of accounting auditors and execution of adequate audits, and received the report and explanation on execution of duties from accounting auditors when necessary. We also received notice from accounting auditors that they conducted their audits in accordance with the "System to secure adequate execution of duties" (Article 131, accounting and computation rule of the Companies Act) and the "Quality control standard regarding audits" (Business Accounting Council), and received explanation when necessary.

Based on measures as stated above, we reviewed the business reports and attachments, nonconsolidated financial statements (nonconsolidated balance sheets, nonconsolidated statements of income, nonconsolidated statements of changes in shareholders' equity, and notes to nonconsolidated financial statements) and attachments, and consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of changes in shareholders' equity and notes to consolidated financial statements), for the fiscal year ended March 31, 2026.

2. Audit results

(1) Audit results of business report and attachments

- a. The business report and the attachments fairly reflect the state of the Corporation, in accordance with legal requirements and the Articles of Incorporation.
- b. There are no exceptions to be made, regarding the overlapping of director duties, and there are no violations of relevant legal requirements or the Articles of Incorporation.
- c. We recognize the appropriateness of resolutions by the Board of Directors' meetings as regarding the internal control system. As to the description in this business report and the execution of directors' duties regarding said internal control system, there are no exceptions to be made.

(2) Audit results of nonconsolidated financial statements and attachments

In our opinion, the auditing methods applied by Deloitte Touche Tohmatsu LLC, accounting auditors and their results are appropriate.

(3) Audit results of consolidated financial statements and attachments

In our opinion, the auditing methods applied by Deloitte Touche Tohmatsu LLC, accounting auditors and their results are appropriate.

May 19, 2026

The Audit & Supervisory Board, Rinnai Corporation.

Masanori Shimizu, Standing Audit & Supervisory Board Member
Atsuo Kashima, Standing Audit & Supervisory Board Member
Masaaki Matsuoka, Outside Audit & Supervisory Board Member
Ippei Watanabe, Outside Audit & Supervisory Board Member

Note: Masaaki Matsuoka and Ippei Watanabe (Audit & Supervisory Board Members) serve as outside members of the Audit & Supervisory Board, in accordance with the 16th item of Article 2 and the third clause of Article 335 of the Companies Act.

The above represents a translation, for convenience only, of the original report issued in Japanese.

END.

Rinnai Corporation
Notice of Convocation of
The 76th Ordinary General Shareholders' Meeting

PLACE

Grand Banquet Hall “The Grand Court”, 7th floor, ANA CROWNE PLAZA Hotel Grand Court
NAGOYA 1-1-1, Kanayama-cho, Naka-ku, Nagoya
(Please note that the venue of the meeting will be different from last year)

DIRECTIONS

- One-minute walk from South Gate of Kanayama Station (JR line, Meitetsu line, and subway)
- Five-minute ride from Nagoya Station (JR line or Meitetsu line) to Kanayama Station
- Ten-minute ride from Sakae Station (subway) to Kanayama Station

*Gifts will not be distributed at this General Meeting.