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Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

(April 1–June 30, 2026)

August 6, 2026

Listed Company Name: Rinnai Corporation

Listings: Prime Sections of Tokyo Stock Exchange, and Premiere Section of Nagoya Stock

Exchange (Securities Code: 5947)

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

Representative: Hiroyasu Naito, President

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Anticipated date to begin distributing dividends: —

Supplemental information sheets of quarterly results: Yes

Information meeting of quarterly results: Yes (for analysts and institutional investors)

I. Performance in the First Quarter of the Fiscal Year Ending March 31, 2027

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

(1) Consolidated Operating Results

Percentage figures in parentheses indicate increase or decrease from the previous term.

(¥ millions; %)

	Net Sales	Operating Income	Ordinary Income	Net income attributable to owners of the parent company
First Quarter to June 2026	¥113,669 [+10.6%]	¥9,195 [-5.2%]	¥10,302 [-3.5%]	¥6,744 [+1.8%]
First Quarter to June 2025	102,749 [+4.6%]	9,697 [+11.2%]	10,679 [-1.9%]	6,622 [-2.9%]

Notes: Comprehensive income: First quarter of the year ending March 31, 2027; ¥9,425 million [—%]

First quarter of the year ended March 31, 2026; ¥(1,939) million [—%]

(¥)

	Net Income per Share	Fully Diluted Net Income per Share
First Quarter to June 2026	¥48.85	—
First Quarter to June 2025	47.15	—

(2) Consolidated Financial Position

(¥ millions; %)

	Total Assets	Net Assets	Equity Ratio (%)
June 30, 2026	¥647,567	¥491,140	67.6%
March 31, 2026	649,569	494,124	67.3

(Reference) Equity capital: First quarter of the year ending March 31, 2027: ¥437,881 million

Year ended March 31, 2026: ¥437,253 million

II. Dividends

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

Notes: 1. Revision of dividend forecast in period under review: None

III. Forecast for the Fiscal Year Ending March 31, 2027 (Consolidated)

(April 1, 2026, to March 31, 2027)

(¥ millions/%)

	Net Sales	Operating Income	Ordinary Income	Net income attributable to owners of the parent company	Net Income per Share (¥)
First half	¥231,000 [+6.7%]	¥19,600 [-13.8%]	¥21,400 [-15.3%]	¥13,000 [-18.3%]	¥ 94.15
Full year	500,000 [+6.3]	50,500 [-0.1]	54,100 [-6.2]	36,300 [+0.4]	262.91

Note: Percentage figures in parentheses indicate increase or decrease from the previous fiscal year.

Note: Revision of fiscal year forecast in period under review: None

* Notes

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

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

(3) Changes in accounting policies; changes in accounting estimates; retrospective restatement

(a) Changes due to revision of accounting standard: None

(b) Other changes than (a): None

(c) Changes in the rules for the accounting estimates: None

(d) Retrospective restatement: None

(4) Number of Outstanding Shares (Common Stock)

(a) Number of outstanding shares at term-end (including treasury stock)

June 30, 2026: 141,126,771 shares

March 31, 2026: 141,126,771 shares

(b) Number of treasury stock shares at term-end

June 30, 2026: 3,057,159 shares

March 31, 2026: 3,054,379 shares

(c) Average number of shares during the term

First quarter of the fiscal year ending March 2027: 138,070,576 shares

First quarter of the fiscal year ended March 2026: 140,455,431 shares

* Quarterly review process by certified public accountants and accounting auditors: None

* Note on appropriate use of performance forecasts, and other specified notes

Performance forecasts contained in this document are based on information currently available and certain judgments deemed by the Corporation to be reasonable. No intent is implied of promise by the Corporation to achieve such forward-looking statements. Actual results may differ significantly from such forecasts due to various factors. For more information, please refer to “1. Consolidated Performance, (3) Consolidated Performance Forecasts” on page 5 of this report.

Supplemental information sheets of quarterly results:

Please refer to Supplemental information sheets of quarterly results, which will be posted on the Corporation’s website on Thursday, August 6, 2026.

1. Consolidated Performance

(1) Operating Results

In the first quarter under review (April 1–June 30, 2026), business conditions remained unstable due to heightened geopolitical risks stemming from escalating tensions in the Middle East. In addition, the operating environment continues to be unpredictable due to rising raw material prices and other factors.

The domestic economy saw improvements in employment and income conditions, but we must continue closely monitoring the soaring prices of raw materials and energy, as well as the impact on supply chains, resulting from the prolonged situation in the Middle East. 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.

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

In the period under review, we reported record-high net sales due to contributions from acquired companies and increased sales at our overseas affiliates. This was despite the impact of economic slowdown in the Chinese market. On the earnings side, operating income declined year on year as higher raw material prices and rising costs across the business put pressure on profits. As a result, net sales increased 10.6% year on year, to ¥113,669 million. Operating income declined 5.2%, to ¥9,195 million, and ordinary income decreased 3.5%, to ¥10,302 million. Net income attributable to owners of the parent company increased 1.8%, to ¥6,744 million.

Our results by geographical segment were as follows:

Japan

While Japan’s new housing market was weakened by higher inflation and interest rates, the renovation market remained firm, supported by steady demand. Against this business backdrop, sales of gas clothes dryers and air bubble products, which address consumers’ growing demand for more comfortable and higher-quality lifestyles, remained strong. As a result, sales in Japan increased 4.0% year on year, to ¥47,808 million. Operating income declined 4.6%, to ¥4,475 million, as the impact of higher raw material prices outweighed the benefits of increased sales.

United States

Amid 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 8.4%, to ¥18,782 million. On the earnings side, we reported an operating loss of ¥14 million (operating income of ¥509 million at first quarter of fiscal 2026). This is mainly due to R&D investments

aimed at future growth, as well as increased burden of fixe-costs due to sales unit decrease of non-condensing water heaters produced in United States.

Australia

In Australia, housing demand remained at a high level, while the water heater market continued its shift from gas to electric models. In this business environment, sales synergies through cross-selling by acquired Smart Energy Group companies contributed to strong sales of electrified products, including heat pump water heaters and battery storage systems. As a result, sales in Australia jumped 36.9%, to ¥12,704 million, and operating income surged 263.0%, to ¥518 million.

China

In China, unit sales of various products declined as consumer sentiment remained weak amid an economic slowdown. As a result, sales declined 18.9%, to ¥7,055 million. While we worked to secure earnings through flexible production adjustments and cost controls, the impact of lower sales was significant, and we were unable to fully offset the burden of fixed costs. Accordingly, we reported an operating loss of ¥11 million (operating income of ¥1,181 million at first quarter of fiscal 2026).

South Korea

While the local economy remained lackluster, sales of core boiler equipment increased. Sales in South Korea increased 5.7% year on year, to ¥9,501 million, and operating income rose 19.5%, to ¥546 million.

Indonesia

Supported by steady demand for mainstay tabletop stoves, sales in Indonesia increased 21.8%, to ¥5,280 million, and operating income rose 22.5%, to ¥1,158 million.

(For references 1)

Sales Composition by Business Segment

(¥ millions; %)

	First Quarter to June 30, 2025		First Quarter to June 30, 2026		Change		Year to March 31, 2026	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total
Water heaters	¥ 60,605	59.0%	¥ 65,190	57.4%	¥4,585	7.6%	¥281,920	59.9%
Kitchen appliances	21,957	21.4	23,408	20.6	1,450	6.6	93,279	19.8
Air conditioning appliances	4,307	4.2	5,000	4.4	693	16.1	24,269	5.2
Commercial-use equipment	2,330	2.3	3,056	2.7	726	31.2	11,921	2.5
Others	13,549	13.2	17,013	15.0	3,464	25.6	59,001	12.5
Total	¥102,749	100.0%	¥113,669	100.0%	¥10,920	10.6%	¥470,392	100.0%

(For references 2)

Overseas Sales

(¥ millions; %)

	First Quarter to June 30, 2025			First Quarter to June 30, 2026		
	Asia	Others	Total	Asia	Others	Total
I. Overseas sales	¥27,571	¥30,798	¥ 58,369	¥27,975	¥39,850	¥ 67,826
II. Consolidated net sales	—	—	102,749	—	—	113,669
III. Composition ratio of overseas sales to consolidated net sales	26.8%	30.0%	56.8%	24.6%	35.1%	59.7%

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

(2) Financial Position

As of June 30, 2026, Rinnai had total assets of ¥647,567 million, down ¥2,001 million from March 31, 2026. Total liabilities increased ¥981 million, to ¥156,426 million. Net assets were down ¥2,983 million, to ¥491,140 million. The equity ratio at the end of the period was 67.6%.

(3) Consolidated Performance Forecasts

Rinnai has not changed its forecasts for the first two-quarter period ending September 30, 2026 or the full-year period ending March 31, 2027 (Those forecasts were released on May 12, 2026.)

2. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(¥ millions)

	At March 31, 2026 (Fiscal 2026)	At June 30, 2026 (First Quarter of Fiscal 2027)
ASSETS:		
Current assets		
Cash and deposits	¥172,202	¥166,825
Notes and accounts receivable, and contract assets	94,649	90,985
Electronically recorded monetary claims	13,494	12,446
Marketable securities	12,922	13,610
Products	44,324	46,808
Raw materials and stores	36,104	36,289
Other	6,973	9,161
Less allowance for doubtful accounts	(6,485)	(6,474)
Total current assets	374,185	369,653
Fixed assets		
Tangible fixed assets	157,817	164,386
Intangible fixed assets		
Goodwill	6,891	6,615
Other	11,055	10,682
Total intangible fixed assets	17,946	17,297
Investments and advances		
Investments in securities	33,829	29,209
Other	65,801	67,033
Less allowance for doubtful accounts	(12)	(12)
Total investments and advances	99,618	96,230
Total fixed assets	275,383	277,914
Total assets	¥649,569	¥647,567

(¥ millions)

	At March 31, 2026 (Fiscal 2026)	At June 30, 2026 (First Quarter of Fiscal 2027)
LIABILITIES:		
Current liabilities		
Notes and accounts payable	¥ 29,439	¥ 28,735
Electronically recorded obligations	12,923	11,191
Short-term borrowings	12,801	10,092
Accrued income taxes	7,069	4,276
Accrued employee's bonuses	6,644	3,281
Allowance for product guarantee	5,481	5,414
Other allowances	1,671	1,564
Other	34,584	43,385
Total current liabilities	110,615	107,941
Long-term liabilities		
Allowance environmental measures	2,255	2,255
Other allowances	78	81
Net defined benefit liabilities	7,389	7,095
Other	35,106	39,053
Total long-term liabilities	44,829	48,485
Total liabilities	155,445	156,426
NET ASSETS:		
Shareholders' equity:		
Common stock	6,484	6,484
Capital surplus	8,324	8,324
Earned surplus	367,029	366,870
Treasury stock	(10,568)	(10,568)
Total shareholders' equity	371,269	371,110
Other comprehensive income:		
Unrealized gain on marketable securities	12,024	10,888
Foreign exchange translation adjustment	34,213	36,785
Remeasurements of defined benefit plans	19,745	19,097
Total of other comprehensive income	65,983	66,771
Non-controlling interests	56,870	53,258
Total net assets	494,124	491,140
Total liabilities and net assets	¥649,569	¥647,567

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

Consolidated Statements of Income

	(¥ millions)	
	First Quarter of Fiscal 2026 (From April 1 to June 30, 2025)	First Quarter of Fiscal 2027 (From April 1 to June 30, 2026)
Net sales	¥102,749	¥113,669
Cost of sales	67,402	75,830
Gross profit	35,347	37,839
Selling, general and administrative expenses	25,650	28,643
Operating income	9,697	9,195
Other income:		
Interest income	742	729
Dividends received	492	496
Other	271	261
Total other income	1,507	1,488
Other expenses:		
Interest expenses	32	130
Foreign exchange loss	387	196
Loss on retirement of fixed assets	9	8
Depreciation	77	17
Other	16	30
Total other expenses	524	381
Ordinary income	10,679	10,302
Extraordinary losses:		
Excavation research expenses for buried cultural properties	—	146
Total extraordinary losses	—	146
Income before income taxes	10,679	10,155
Income taxes (current)	3,119	3,516
Income taxes (deferred)	(276)	(786)
Total income taxes	2,842	2,729
Net income	7,836	7,426
Net income attributable to non-controlling interests	1,214	681
Net income attributable to owners of the parent company	¥ 6,622	¥ 6,744

Consolidated Statements of Comprehensive Income

(¥ millions)

	First Quarter of Fiscal 2026 (From April 1 to June 30, 2025)	First Quarter of Fiscal 2027 (From April 1 to June 30, 2026)
Net income	¥ 7,836	¥ 7,426
Other comprehensive income		
Unrealized gain on marketable securities	703	(1,136)
Foreign exchange translation adjustment	(10,238)	3,783
Remeasurements of defined benefit plans	(241)	(647)
Total of other comprehensive income	(9,776)	1,999
Comprehensive income	(1,939)	9,425
Total comprehensive income attributable to:		
Owners of Rinnai Corporation	(335)	7,532
Non-controlling interest	(1,604)	1,893

(3) Notes to Quarterly Consolidated Financial Statements

Segment Information

1. First Quarter of the Fiscal Year Ended March 31, 2026 (From April 1 to June 30, 2025)

Sales and Income by Reportable Segment

(¥ millions)

	Reportable Segments							Others (Note 3)	Adjustments (Note 4)	Amounts in Consolidated Statements of Income (Note 5)
	Japan	United States (Note 1)	Australia (Note 2)	China	South Korea	Indonesia	Total			
Net sales										
Sales to outside customers	¥45,961	¥17,332	¥9,276	¥8,695	¥8,988	¥4,333	¥ 94,587	¥8,161	¥ —	¥102,749
Intersegment sales	12,383	—	22	897	158	127	13,588	863	(14,452)	—
Total	58,344	17,332	9,299	9,592	9,146	4,460	108,176	9,025	(14,452)	102,749
Segment Income	4,691	509	142	1,181	457	944	7,927	1,193	576	9,697

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

2. "Australia" include sales from a subsidiary in Malaysia, which complements the production system, and conducts integrate business activities.

3. "Others" include sales from subsidiaries in Taiwan, Thailand, Vietnam, New Zealand, Brazil and other regions.

4. "Adjustments" of segment income refers to intersegment transactions to eliminate.

5. "Segment income" is adjusted from operating income in Consolidated Statements of Income.

2. First Quarter of the Fiscal Year Ending March 31, 2027 (From April 1 to June 30, 2026)

Sales and Income (Loss) by Reportable Segment

(¥ millions)

	Reportable Segments							Others (Note 3)	Adjustments (Note 4)	Amounts in Consolidated Statements of Income (Note 5)
	Japan	United States (Note 1)	Australia (Note 2)	China	South Korea	Indonesia	Total			
Net sales										
Sales to outside customers	¥47,808	¥18,782	¥12,704	¥7,055	¥9,501	¥5,280	¥101,133	¥12,536	¥ —	¥113,669
Intersegment sales	10,885	—	31	776	117	139	11,949	795	(12,744)	—
Total	58,694	18,782	12,735	7,831	9,618	5,419	113,082	13,332	(12,744)	113,669
Segment Income (loss)	4,475	(14)	518	(11)	546	1,158	6,673	1,747	774	9,195

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

2. "Australia" include sales from a subsidiary in Malaysia, which complements the production system, and conducts integrate business activities.

3. "Others" include sales from subsidiaries in Taiwan, Thailand, Vietnam, New Zealand, Brazil, Peru and other regions.

4. "Adjustments" of segment income (loss) refers to intersegment transactions to eliminate.

5. "Segment income (loss)" is adjusted from operating income in Consolidated Statements of Income.

Major Changes in Shareholders' Equity

Not applicable.

Assumptions for Going Concern

Not applicable.

Note on Quarterly Consolidated Statements of Cash Flows

The Corporation has not prepared quarterly consolidated statements of cash flows for the period under review. Depreciation (including intangible assets which exclude goodwill) and goodwill amortization for the period under review are as follows:

	First Quarter of Fiscal 2026 (From April 1 to June 30, 2025)	First Quarter of Fiscal 2027 (From April 1 to June 30, 2026)
Depreciation	¥3,527 million	¥4,060 million
Goodwill amortization	146 million	273 million