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Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)

(April 1–December 31, 2025)

February 12, 2026

Listed Company Name: Rinnai Corporation

Listings: Prime Sections of Tokyo Stock Exchange, and Premier Market of Nagoya Stock Exchange
(Securities Code: 5947)

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

Representative: Hiroyasu Naito, President

Contact: Takuya Ogawa, Managing Executive Officer, Chief of Corporate Administration Headquarters

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Anticipated date to begin distributing dividends: —

Supplemental information sheets of quarterly results: Yes

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

I. Performance in the First Three Quarters of the Fiscal Year Ending March 31, 2026

(April 1–December 31, 2025; amounts less than one million yen are omitted)

(1) Consolidated Operating Results

(¥ millions; %)

	Net Sales (% change)	Operating Income (% change)	Ordinary Income (% change)	Net income attributable to owners of the parent company (% change)
Three Quarters to Dec. 2025	¥339,391 [+2.1%]	¥37,132 [+5.9%]	¥41,817 [+7.6%]	¥27,538 [+20.4%]
Three Quarters to Dec. 2024	332,319 [+7.1%]	35,055 [+37.6%]	38,849 [+27.5%]	22,878 [+31.7%]

(Reference)

Comprehensive Income: First three quarters of the year ending March 31, 2026; ¥27,801 million (-4.5%)
First three quarters of the year ended March 31, 2025; ¥29,113 million (-24.1%)

(¥)

	Net Income per Share	Fully Diluted Net Income per Share
Three Quarters to Dec. 2025	¥197.54	—
Three Quarters to Dec. 2024	161.22	—

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

(2) Consolidated Financial Position

(¥ millions; %)

	Total Assets	Net Assets	Equity Ratio (%)
December 31, 2025	¥ 594,551	¥ 460,326	68.8%
March 31, 2025	606,586	461,718	66.9

(Reference) Equity capital: Three quarters of the year ending March 31, 2026; ¥ 409,200 million
Year ended March 31, 2025; ¥ 405,846 million

II. Dividends

(Basis date)	Dividend per Share				
	1st Quarter (¥)	Interim (¥)	3rd Quarter (¥)	Fiscal Year-End (¥)	Full Year (¥)
March 2025	—	¥40.00	—	¥40.00	¥ 80.00
March 2026	—	50.00	—		
March 2026 (anticipated)				50.00	100.00

Note: Revision of dividend forecast in period under review: None

III. Forecast for the Fiscal Year Ending March 31, 2026 (Consolidated)

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

(¥ millions/%)

	Net Sales	Operating Income	Ordinary Income	Net income attributable to owners of the parent company	Net Income per Share (¥)
Full year	¥470,000 [+2.1%]	¥50,000 [+8.7%]	¥53,500 [+6.3%]	¥33,000 [+11.1%]	¥237.24

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

Note: Changes in performance forecasts since most recent announcement: None

* Notes

(1) Changes in scope of consolidation of major subsidiaries during the period: Yes

Newly included one company (Company name:): MT Industrial S.A.C.

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)

December 31, 2025: 141,126,771 shares

March 31, 2025: 143,888,571 shares

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

December 31, 2025: 3,051,180 shares

March 31, 2025: 3,248,983 shares

(c) Average number of shares during the term

First three quarters of the fiscal year ending March 2026: 139,408,647 shares

First three quarters of the fiscal year ended March 2025: 141,905,256 shares

* A quarterly review process by certified public accountant or audit corporation: 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. Actual results may differ significantly from such forecasts due to various factors. For more information, please refer to “1. Consolidated Performance, (3) Explanation about Consolidated Performance Forecasts” on page 5 of this report.

* Supplemental information sheets of financial results are posted on the Corporation’s website on Thursday, February 12, 2026.

1. Consolidated Performance

(1) Operating Results

In the three-quarter period under review (April 1–December 31, 2025), the business environment remained unstable due to a lack of clarity surrounding government policies in various countries, geopolitical risks, and fluctuations in foreign exchange rates. Furthermore, increases in raw material prices have kept the business environment difficult to predict.

In the domestic housing industry, housing starts have shown temporary fluctuations due to revisions to relevant laws and regulations, as well as economic and market factors. Nevertheless, we expect an ongoing gradual decline in housing starts. Meanwhile, replacement demand driven by home renovations continues to underpin overall demand.

The period under review represents the peak period of annual demand for the Rinnai Group's main businesses. Despite various external factors, sales of core products performed steadily on the back of replacement demand and seasonal factors, reflecting solid progress toward achieving our full-year performance targets.

Specifically, our core products are those that help improve quality of life and benefit the global environment as defined in our medium-term business plan, New ERA 2025. Examples are shown below.

ECO ONE hybrid water heaters with heating systems

Driven by government subsidies and moves to introduce GX-ZEH (next-generation net-zero energy housing), interest in hybrid water heaters that deliver superior energy-saving performance is growing, leading to increasing sales even in new construction projects.

Air bubble products (Ultra Fine Bubbles & Micro Bubbles)

By actively highlighting the superior cleaning effectiveness and health benefits of air-bubble technology on an ongoing basis, we have sustained robust sales of our air bubble products. This has also boosted sales of *Eco Jozu* high-efficiency water heaters, boosting overall sales of water heaters.

Gas clothes dryers

By accurately capturing consumer needs with respect to sophisticated design, ease of maintenance, and a lineup of large-capacity models, we have generated strong sales of our high-value-added "Deluxe" gas clothes dryers.

In these ways, we are expanding sales of our key products, and also making steady progress in fulfilling our promise to customers ("Creating a healthier way of living") and achieving sustainable and stable long-term growth.

In the period under review, economic conditions and housing markets in major countries continued to undergo adjustments despite regional disparities. Against this backdrop, we posted record-high net sales, driven by continued growth in demand for high-value-added products. On the earnings side, although we continued facing higher cost burdens due to rising raw material and energy prices, we reported record-high operating income, supported by increased sales and cost reduction efforts.

As a result, consolidated net sales amounted to **¥339,391 million**, up 2.1% year on year. Operating income rose 5.9%, to **¥37,132 million**, and ordinary income increased 7.6%, to **¥41,817 million**. Net income attributable to owners of the parent company jumped 20.4%, to **¥27,538 million**.

Our results by geographical segment were as follows:

Japan

While the new housing market has remained sluggish amid rising prices and interest rates, demand in the renovation sector firmed. In addition, we benefited from strong demand for key products that address energy-saving demand and time-saving needs in household chores. These included our *ECO ONE* hybrid water heaters with heating systems, gas clothes dryers, and air-bubble-related products. In the period under review, sales in Japan rose 2.3% year on year, to **¥154,627 million**. Operating income rose 11.6%, **¥21,068 million**, thanks to higher 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.

United States

Although interest rates have begun to ease, the housing market continues to experience sluggish demand due to uncertainty stemming from tariff policies and other factors. In this business environment, sales of our mainstay condensing water heaters remained strong. As a result, sales in the United States increased 8.5%, to ¥51,798 million. Although the impact of tariffs became evident, this was more than offset by stable sales. Accordingly, operating income climbed 12.3%, to ¥1,167 million.

Australia

Amid persistently high housing demand, the ongoing shift toward electrification supported strong sales of heat pump water heaters. Consequently, sales in Australia grew 24.0% year on year, to ¥32,407 million. This stable sales performance, combined with synergy effects from an acquired company, led to a 77.5% jump in operating income, to ¥1,843 million.

China

In China, consumer sentiment failed to recover due to the lack of subsidy funds —part of the government's economic stimulus measures—causing unit sales of various products to decline. As a result, sales in China fell 17.1%, to ¥37,174 million. During the period, we worked to secure earnings through agile production adjustments and cost controls. Accordingly, operating income decreased 6.7%, to ¥5,739 million.

South Korea

While the housing market continued to lack momentum and sales of our mainstay boiler products eased, we worked to improve our mix of kitchen appliances and other products to generate sales. As a result, sales in South Korea edged down 1.0%, to ¥24,508 million, and operating income jumped 50.0%, to ¥919 million.

Indonesia

Although the local economy remained sluggish due to continued reductions in public investment, sales of our mainstay tabletop stoves were solid. As a result, sales in Indonesia rose 4.0% year on year, to ¥13,558 million, while operating income declined 1.2%, to ¥2,937 million.

(For references 1) Sales Composition by Business Segment

(¥ millions; %)

	Three Quarters to Dec. 31, 2024		Three Quarters to Dec. 31, 2025		Change		Year to March 31, 2025	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total
Water heaters	¥196,504	59.1%	¥198,812	58.6%	¥2,308	1.2%	¥277,731	60.3%
Kitchen appliances	72,837	21.9	70,423	20.7	(2,414)	(3.3)	96,266	20.9
Air conditioning appliances	16,580	5.0	18,024	5.3	1,444	8.7	22,010	4.8
Commercial-use equipment	8,630	2.6	8,696	2.6	66	0.8	11,738	2.5
Others	37,766	11.4	43,433	12.8	5,666	15.0	52,572	11.4
Total	¥332,319	100.0%	¥339,391	100.0%	¥7,071	2.1%	¥460,319	100.0%

(For references 2) Overseas Sales

(¥ millions; %)

	Three Quarters to Dec. 31, 2024			Three Quarters to Dec. 31, 2025		
	Asia	Others	Total	Asia	Others	Total
I. Overseas sales	¥100,151	¥87,684	¥187,835	¥93,116	¥98,094	¥191,210
II. Consolidated net sales	—	—	332,319	—	—	339,391
III. Composition ratio of overseas sales to consolidated net sales	30.1%	26.4%	56.5%	27.4%	28.9%	56.3%

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

(2) Financial Position

As of December 31, 2025, Rinnai had total assets of ¥594,551 million, down ¥12,034 million from March 31, 2025. Total liabilities decreased ¥10,642 million, to ¥134,224 million. Net assets were down ¥1,391

million, to ¥460,326 million. The equity ratio at the end of the period was 68.8%.

(3) Explanation about Consolidated Performance Forecasts

Rinnai has not changed its forecasts for the full-year period ending March 31, 2026. (Those forecasts were released on May 9, 2025.)

2. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(¥ millions)

	At March 31, 2025 (Fiscal 2025)	At December 31, 2025 (Three Quarters of Fiscal 2026)
ASSETS:		
Current assets		
Cash and deposits	¥170,846	¥136,836
Notes and accounts receivable, and contract assets	93,914	95,270
Electronically recorded monetary claims	12,886	13,849
Marketable securities	5,967	11,220
Products	41,526	46,726
Raw materials and stores	36,826	36,402
Other	6,902	7,749
Less allowance for doubtful accounts	(6,389)	(5,791)
Total current assets	362,482	342,263
Fixed assets		
Tangible fixed assets	152,293	150,661
Intangible fixed assets		
Goodwill	2,859	11,106
Other	4,931	4,543
Total intangible fixed assets	7,791	15,650
Investments and advances		
Investments in securities	35,919	32,313
Other	48,133	53,697
Less allowance for doubtful accounts	(34)	(33)
Total investments and advances	84,019	85,976
Total fixed assets	244,103	252,288
Total assets	¥606,586	¥594,551

(¥ millions)

	At March 31, 2025 (Fiscal 2025)	At December 31, 2025 (Three Quarters of Fiscal 2026)
LIABILITIES:		
Current liabilities		
Notes and accounts payable	¥ 32,897	¥ 25,862
Electronically recorded obligations	17,906	16,499
Accrued income taxes	7,011	5,053
Accrued employee's bonuses	6,653	4,223
Allowance for product guarantee	7,929	5,215
Other allowances	1,413	1,585
Other	34,793	38,976
Total current liabilities	108,605	97,416
Long-term liabilities		
Allowance for environmental measures	2,255	2,255
Allowance related to antimonopoly law	1,065	—
Reserves	86	72
Net defined benefit liabilities	8,313	8,269
Other	24,542	26,210
Total long-term liabilities	36,262	36,808
Total liabilities	144,867	134,224
NET ASSETS:		
Shareholders' equity:		
Common stock	6,484	6,484
Capital surplus	8,428	8,304
Earned surplus	352,932	358,407
Treasury stock	(10,851)	(10,567)
Total shareholders' equity	356,994	362,629
Other comprehensive income:		
Unrealized gain on marketable securities	8,438	10,372
Foreign exchange translation adjustment	29,357	26,010
Remeasurements of defined benefit plans	11,055	10,187
Total other comprehensive income	48,851	46,570
Non-controlling interests	55,872	51,126
Total net assets	461,718	460,326
Total liabilities and net assets	¥606,586	¥594,551

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

(¥ millions)

	Three Quarters of Fiscal 2025 (From April 1 to December 31, 2024)	Three Quarters of Fiscal 2026 (From April 1 to December 31, 2025)
Net sales	¥332,319	¥339,391
Cost of sales	219,408	221,145
Gross profit	112,910	118,246
Selling, general and administrative expenses	77,854	81,114
Operating income	35,055	37,132
Other income:		
Interest income	2,160	2,286
Dividends received	527	670
Foreign exchange income	521	1,227
Other	1,206	968
Total other income	4,415	5,152
Other expenses:		
Interest expenses	59	67
Loss on retirement of fixed assets	166	49
Depreciation	251	191
Other	144	158
Total other expenses	622	467
Ordinary income	38,849	41,817
Extraordinary income:		
Gain on sale of investment securities	791	1,095
Reversal of allowance related to antimonopoly law	—	※2 799
Total extraordinary income	791	1,895
Extraordinary losses:		
Loss related to antimonopoly law	※1 1,198	—
Total extraordinary losses	1,198	—
Income before income taxes	38,441	43,712
Income taxes (current)	9,638	10,592
Income taxes (deferred)	1,168	951
Total income taxes	10,806	11,543
Net income	27,634	32,169
Net income attributable to non-controlling interests	4,756	4,630
Net income attributable to owners of the parent company	¥ 22,878	¥ 27,538

Consolidated Statements of Comprehensive Income

(¥ millions)

	Three Quarters of Fiscal 2025 (From April 1 to December 31, 2024)	Three Quarters of Fiscal 2026 (From April 1 to December 31, 2025)
Net Income	¥27,634	¥32,169
Other comprehensive income		
Unrealized gain on marketable securities	189	1,938
Foreign exchange translation adjustment	2,320	(5,447)
Remeasurements of defined benefit plans	(1,031)	(859)
Total other comprehensive income	1,478	(4,368)
Comprehensive income	29,113	27,801
Total comprehensive income attributable to:		
Owners of Rinnai Corporation	23,145	25,257
Non-controlling interest	5,968	2,543

(3) Notes to Quarterly Consolidated Financial Statements

Notes on Segment Information

I. First Three Quarters of the Fiscal Year Ended March 31, 2025 (April 1 to December 31, 2024)

Sales and income by reportable segment

(¥ millions)

	Reportable Segments							Others (Note 3)	Adjustments (Note 4)	Amounts on 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	¥151,220	¥47,733	¥26,129	¥44,844	¥24,747	¥13,041	¥307,716	¥24,603	¥ —	¥332,319
Intersegment sales	33,503	—	100	2,203	461	591	36,860	2,732	(39,592)	—
Total	184,723	47,733	26,229	47,047	25,209	13,632	344,576	27,335	(39,592)	332,319
Segment Income (loss)	18,878	1,040	1,038	6,152	613	2,972	30,694	3,846	514	35,055

- 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 (loss) refers to intersegment transactions to eliminate.
5. "Segment income (loss)" is adjusted from operating income in Consolidated Statements of Income.

II. First Three Quarters of the Fiscal Year Ending March 31, 2026 (April 1 to December 31, 2025)

1. Sales and income by reportable segment

(¥ millions)

	Reportable Segments							Others (Note 3)	Adjustments (Note 4)	Amounts on 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	¥154,627	¥51,798	¥32,407	¥37,174	¥24,508	¥13,558	¥314,075	¥25,316	¥ —	¥339,391
Intersegment sales	35,717	—	85	2,130	501	445	38,880	2,565	(41,445)	—
Total	190,345	51,798	32,492	39,305	25,009	14,004	352,955	27,881	(41,445)	339,391
Segment Income (loss)	21,068	1,167	1,843	5,739	919	2,937	33,676	3,805	(349)	37,132

- 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 (loss) refers to intersegment transactions to eliminate.
5. "Segment income (loss)" is adjusted from operating income in Consolidated Statements of Income.

2. Information on impairment losses on fixed assets or goodwill by reportable segment (Significant change in goodwill)

In the "Other" segment, the Company acquired shares of MT Industrial S.A.C. and included that company in the scope of consolidation. This transaction led to an ¥8,737 million increase in goodwill in the period under review. The amount of goodwill has been determined provisionally, as the allocation of the acquisition cost had not been completed.

Notes on Major Changes in Shareholders' Equity

Not applicable.

Assumptions for Going Concern

Not applicable.

Notes on Quarterly Consolidated Statements of Income

*1. Loss related to antimonopoly law

Three-quarter period of the previous fiscal year (April 1–December 31, 2024)

In the previous fiscal year Rinnai Brasil Heating Technology Ltd., a subsidiary of Rinnai Corporation, received an administrative notice from Brazil's Administrative Council for Economic Defense regarding that nation's antimonopoly law. In connection with this matter, the Corporation provided an allowance for estimated future losses arising from the alleged violation of that law.

*2: Reversal of allowance related to antimonopoly law

Three-quarter period of the current fiscal year (April 1–December 31, 2025)

In the previous fiscal year, Rinnai Brasil Heating Technology Ltd., a subsidiary of Rinnai Corporation, received an administrative notice from Brazil's Administrative Council for Economic Defense regarding that nation's antimonopoly law. In connection with this matter, the Corporation provided an allowance for estimated future losses arising from the alleged violation of that law. During the third quarter of the current consolidated fiscal year, a settlement was reached with the local authorities, and the amount of the loss was finalized. As a result, the Corporation recorded a "Reversal of allowance related to antimonopoly law."

Note on Quarterly Consolidated Statements of Cash Flows

The Corporation has not prepared consolidated statements of cash flows for the three-quarter period under review. However, cumulative depreciation expenses for the period (including amortization of intangible fixed assets, excluding goodwill) are as follows.

	Three Quarters of Fiscal 2025 (From April 1 to December 31, 2024)	Three Quarters of Fiscal 2026 (From April 1 to December 31, 2025)
Depreciation	¥11,100 million	¥11,024 million

Notes on Acquisition

The Board of Directors of Rinnai Corporation decided at its meeting on October 23, 2025, that the Corporation would acquire all of the shares of MT Industrial S.A.C. (hereafter, "MT Industrial") and make it a subsidiary. Subsequently, the Corporation entered into a share transfer agreement on October 24, 2025, and acquired all shares on October 31, 2025.

(1) Overview of acquisition

(a) Name and business of acquired company

Company name : MT Industrial S.A.C.

Business activities: Sale of water heaters, home appliances, and sanitary equipment
Installation and maintenance services for products sold

(b) Main reasons for acquisition

Further expand the Group's business scale in Central and South America, a key strategic market.

(c) Date of acquisition

October 31, 2025 (deemed acquisition date: December 31, 2025)

(d) Legal form of the business acquisition

Acquisition of shares for cash consideration

(e) Name of acquired company

No change

(f) Ratio of voting rights acquired
100%

(g) Primary basis for determining the acquired company
Purchase of shares by the Corporation in exchange for cash.

(2) Period of the acquired company's results included in the consolidated financial statements
Only the acquired company's balance sheet has been included in the consolidated financial statements for the three-quarter period under review. The acquired company's statements of income have not been included.

(3) Acquisition cost of acquired company and type of consideration

Consideration of acquisition	Cash	¥11,176 million
Acquisition cost		¥11,176 million

(4) Major acquisition-related expenses
Fees and commissions paid to advisors: ¥169 million (approximate)

(5) Amount, origin, amortization method, and amortization period of goodwill

(a) Amount of goodwill recognized

¥8,737 million

The amount of goodwill has been determined provisionally, as the allocation of the acquisition cost had not been completed by the end of the three-quarter period under review.

(b) Reason for recognition

The goodwill arose from the expected future excess earnings capacity anticipated from future business development.

(c) Amortization method and period

Goodwill will be amortized on a straight-line basis over a reasonable period, estimated based on the period during which investment effects are expected to be realized. The amortization period is currently under determination.

(6) Assets acquired and liabilities assumed on acquisition date

Not yet determined

(7) Allocation of acquisition cost

As of the end of the three-quarter period under review (December 31, 2025), the identification of assets and liabilities of the acquired company and the determination of their fair values on the acquisition date had not been completed. Therefore, the allocation of the acquisition cost had not been finalized. Accordingly, we have applied provisional accounting based on reasonable information available at that time.