

Rinnai

Securities code 5947

Rinnai Information
for Shareholders

Vol. **37**

Interim Business Results
for the 63rd Term
(April 1 to September 30, 2012)



<http://www.rinnai.co.jp/global/index.html>



Released
October
2012!

直火匠
じかびのたくみ

Direct heat has always been the key to cooking delicious rice.
***Jikabi-No-Takumi* is a new type of advanced gas rice cooker**

The first completely new model introduced by Rinnai in 21 years!!

Cooking using direct heat produces delicious rice.

There is a reason why Japanese people still love rice cooked in a traditional rice pot. It's because of the sweetness that comes from just the right amount of stickiness in each individual grain of rice.

The *Jikabi-No-Takumi* gas rice cooker heats the rice directly by heating the whole pot using the same method of heat transfer as a traditional rice pot. With a flame that reaches approximately 1,200°C, the rice is ready as soon as it has finished boiling.

Enjoy the true taste of rice with its distinctive stickiness, sweetness, and aroma cooked by a method that takes advantage of the high flame heat produced by gas.



- 1 Cooks using high heat**
- 2 Direct heat envelops the rice**
- 3 Cooks rice evenly**
- 4 Cooks rice in a short time**

To Our Shareholders



Susumu Naito
Chairman



Hiroyasu Naito
President

In the two-quarter period under review (April 1–September 30, 2012), the outlook for the world economy remained unclear due to several factors. These included economic stagnation in Europe stemming from the debt crisis there, as well as a slowing rate of growth in Asian nations, particularly China. Despite signs of a moderate turnaround from economic recession, conditions in the domestic economy remained challenging in the absence of improvement trends in corporate earnings, due to such factors as a slowdown in export industries caused the prolonged strength of the yen.

The domestic housing industry generally moved sideways amid lack of growth in sales of condominiums in the Tokyo Metropolitan Area. This was despite a certain level of strength in demand related to disaster restoration in the new housing market. By contrast, the home renovation market was firm thanks to growing concern among consumers about the environment and energy conservation, as well as a rising need for improved peace of mind in the face of natural disasters.

Under these conditions, the Rinnai Group embarked on its new medium-term business plan, entitled Jump Up 2014, covering the three-year period from April 2012 to March 2015. Under the plan, we advanced our businesses related to heat and lifestyles. Here, we served as a comprehensive manufacturer of heating appliances that cares about the environment and energy conservation, with the aims of building a foundation for ongoing progress and creating new levels of social value.

With respect to revenue, domestic demand for gas appliances has been rising amid shrinking sales of electricity-powered products, resulting in solid sales of hot-water/heating systems, built-in stoves, and other items. Overseas, however, overall sales remained mostly unchanged. This was due to a recoil in sales in Australia of heaters for schools, which benefited from special demand in the previous fiscal year. Another factor was a decline in sales of hot-water units in North America due to delayed economic recovery there.

On the earnings side, in Japan there has been a strong shift in sales from low-priced products to high-end offerings, which has benefited high-value-added items, such as hot-water/heating systems and built-in stoves. Overall earnings declined, however, due to lower income overseas, as well as expenses incurred from inspecting and repairing faulty dishwasher/dryers in Japan.

The Group's consolidated performance for the period is explained later in this report. The Company declared an interim cash dividend of ¥30.00 per share, up ¥2.00 year-on-year.

Going forward, the Group will continue implementing Jump Up 2014, its medium-term business plan. To this end, we will target dramatic progress for Rinnai as a global brand. Our quest is to develop high-quality heat appliances that meet the needs of customers in all regions, both in Japan and overseas, and embrace a diversity of energy sources.

We look forward to the renewed support and cooperation of all shareholders

December 2012

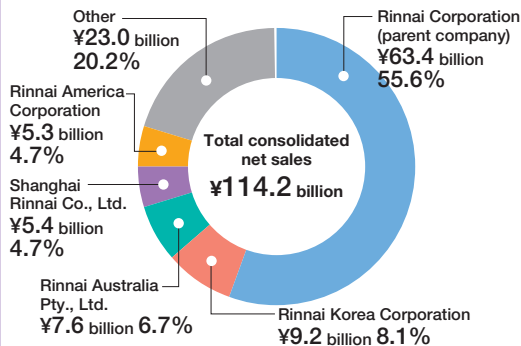
Susumu Naito
Chairman

Hiroyasu Naito
President

In addition to Japan, the Rinnai Group had member companies in 16 overseas countries/regions as of September 30, 2012. We develop and supply high-quality heating appliances optimized for the lifestyles, climates, and energy resources of each country in which we operate.

Consolidated Net Sales by Company

(Six months ended September 30, 2012)



Note: The above amounts exclude inter-regional transactions

Rinnai Corporation

Mainstay products



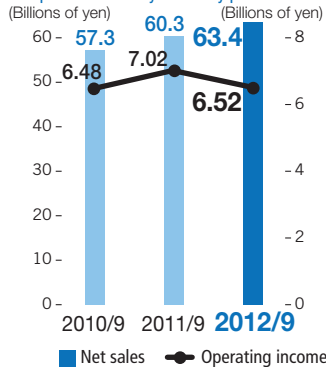
Eco Jozu highly efficient hot-water unit



Built-in stove

Consolidated net sales and operating income

We reported lower earnings due to the recall of some built-in dishwashers, despite solid performances by mainstay products.



Rinnai America Corporation

Mainstay products



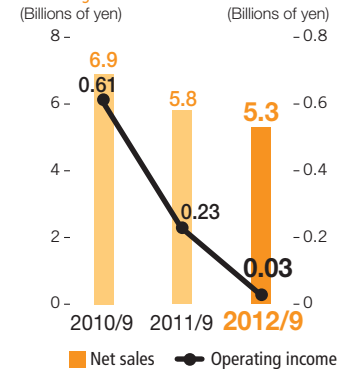
Hot-water unit



Fan-forced heater

Consolidated net sales and operating income

Both sales and earnings from mainstay gas hot-water units struggled due to the ongoing weakness of the housing and construction materials markets.



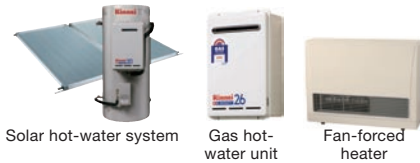
Rinnai P.T. Indonesia Opens New Plant

In September 2012, Rinnai P.T. Indonesia held an opening ceremony at its new plant in Balaraja, a suburb of the capital Jakarta. The addition of the Balaraja Plant to the our existing Cikupa Plant will raise annual production capacity for tabletop gas stoves to 11 million units by 2014. In 2005, the Indonesian government announced a new household fuel policy to promote a switch from kerosene to LPG. The government also distributed free LPG cylinders and single gas burners to around 54 million households. Since then, there has been a sharp increase in replacement demand. Annual sales of dual-burner tabletop gas stove sales by Rinnai P.T. Indonesia jumped from 450,000 units in fiscal 2006, to 5.25 million units in fiscal 2012. We anticipate further market expansion in the future.



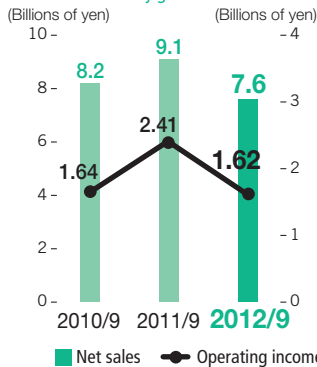
Rinnai Australia Pty., Ltd.

Mainstay products



Consolidated net sales and operating income

Earnings were down due to the end of subsidies for fan-forced heaters, despite expanded sales of mainstay gas hot-water units.



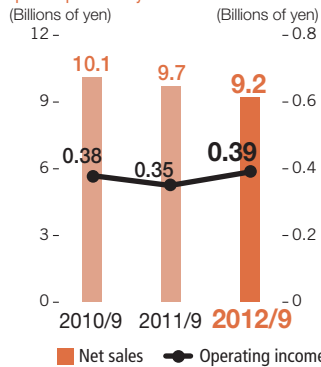
Rinnai Korea Corporation

Mainstay products



Consolidated net sales and operating income

Despite revenue declined due to impact of foreign exchange, income increased because of healthy boiler sales, and improved profitability thanks to business reforms.



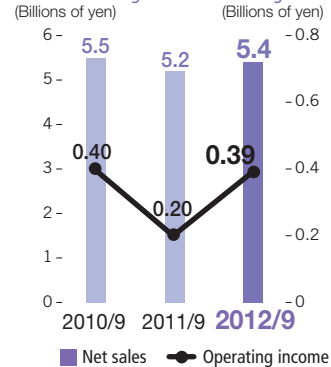
Shanghai Rinnai Co., Ltd.

Mainstay products



Consolidated net sales and operating income

Both sales and income increased owing to strong sales of hot-water units amid infrastructure growth in interior regions.



Donation to the Nakagawa Canal Restoration and Cultural/Artistic Activity Assistance Project

In October 2012, Rinnai Corporation decided to donate a total of ¥100 million to the Nakagawa Canal and Restoration Cultural/Artistic Activity Assistance Project starting in the year ending March 2013. Centered in Nagoya City in the same district as Rinnai's headquarters, the aim of the Project is to revitalize the area around the Nakagawa Canal, which was once known as the largest canal in the Far East. The Project will promote the revitalization of the area through support for various creative, cultural, and artistic activities by and for the citizens of Nagoya. Rinnai believes that it can play an important role in revitalizing the local community and fostering industry. It hopes that the project will nurture the seeds of creativity needed for manufacturing innovative products.

Project overview:

Assistance to support cultural and artistic activities in the Nigiwai Zone (Bustling Zone) identified in the Nakagawa Canal Restoration Plan

Project leader:

Nagoya Urban Institute of the Nagoya Urban Development Public Corporation

Selection of assisting organizations:

Chosen by a newly formed selection committee established by the Nagoya Urban Institute

Donation details:

Rinnai will donate a total of ¥100 million for a 10-year period starting in fiscal 2012 (year ending March 2013)

**Popular
Product
Spotlight**

Heat is produced evenly across the entire room **Hot-water type floor heating**

Floor heating is ideal for Japanese-style living where shoes are removed at the front door and the tradition is to sit on the floor. Set at a comfortable temperature, there is no risk of receiving a low-temperature burn if you fall asleep on the floor.

In addition, because combustion takes place outside the room, the air remains clean and odorless.



Three Advantages of Hot-Water-Type Gas Floor Heating: **Radiance, Conduction, and Convection**

1 **Radiant heating** uses far infrared rays to warm your body to the core.

Far infrared rays bounce off the walls and ceiling and fill the room

2 **Conductive heating** warms you from the feet up.
Your head remains clear while your feet are nice and warm

3 **Convection heating** reduces uneven room temperatures.
Cold air heated on the floor surface creates natural air circulation.



Rinnai's ECO ONE Hybrid Hot-Water/Heating System, Combined with Energy Efficient Floor Heating, Makes Floor Heating More Affordable

Double Hybrid Hot-Water/Heating System

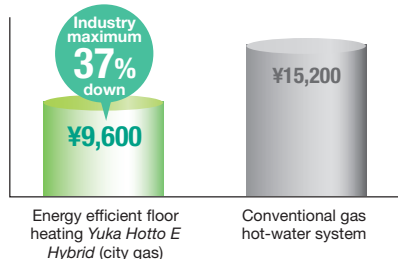
ECO ONE

Hybrid



Monthly savings on lighting and heating expenses of approx. 37%

Considerable reductions in lighting and heating expenses are achieved with a hybrid heating system and a high-efficiency floor heating system

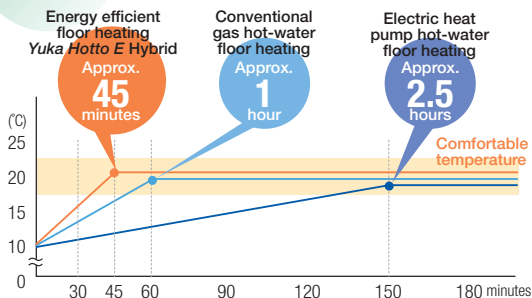


* Floor heating load: Floor area 29.16m², 8 hours/day, two response times, used for 120 days, city gas charges of ¥155/m³, electricity charges ¥22/kWh;
 Floor heating: Hot-water heating unit with water temperature of 60°C and conventional hot-water mat, and Yuka Hotto E Hybrid double hybrid hot-water/heating system with water temperature of 40°C

* January 2012 Rinnai survey; system compared with Rinnai's earlier HFM series of gas hot-water floor heating systems

Response time of just 45 minutes

Gas ensures a rapid response time, warming up your home in no time at all.



* Response time: Time taken for room temperature to rise from 13°C to 20°C.

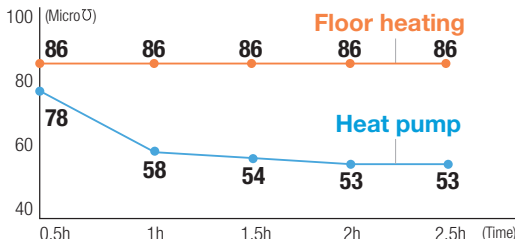
* Response times may vary depending on the system set-up.

* The Outdoor Environment Simulator Department of the Hokkaido Research Organization built an experimental room of 29.16m² based on Japan's Next-Generation Energy Standards for Ib regions. Experiments were conducted to assess heating performance when the room was heated to 20°C with outdoor temperatures of 5°C and below.

Benefits of hot-water floor heating

Since floor heating does not generate air movement, the skin does not lose moisture, so does not become dry. Also, because your feet touch the floor you are warmed directly, which is beneficial for people who suffer from cold intolerance.

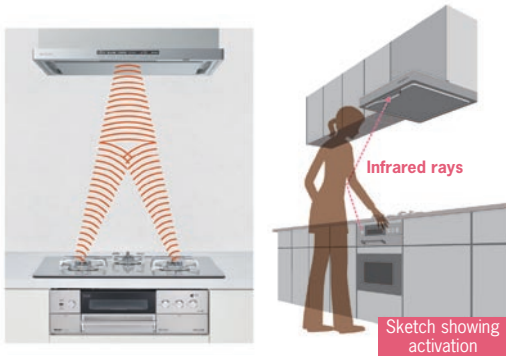
Comparison of Moisture Content of Women's Skin



Popular Product Spotlight

**Automatic extractor fan activation upon burner ignition =
peace of mind + power savings**
Coupled Built-In Stove/Range Hood

The range hood turns on/off automatically when the built-in stove is turned on/off. In addition to reproducing the same fan speed used the last time, it also remembers whether the range hood light was on or off.



When you turn the stove off the range hood also turns off automatically.

Elimination of wasteful use of the range hood when you forget to turn the range hood off has the added bonus of reducing power consumption!

The range hood is controlled automatically using infrared rays.

When you switch the stove on the extractor fan will automatically turn on.
Delivers economic and efficient operation.

Problem solved! /

There's no need to worry about forgetting to turn off the range hood when using a Coupled Built-In Stove/Range Hood!

*When using a Coupled Built-In Stove/Range Hood



Fan starts automatically!

Fan stops automatically!



Released September 2012!






Eco-friendly, ultraslim, stylish design
Range hood XGR Series

Coupled Built-In Stove/Range Hood



DELICIA

-  **Smoke elimination**
-  **Heat-resistant glass top**
-  **Easy-to-clean grill**

In addition to the *DELICIA*, Rinnai's new Coupled Built-In Stove/Range Hood is available for the *Udea*, *SAFULL*, *Verie*, and *Mytone* series of built-in stoves. For more details, please refer to the catalog on the Rinnai website.

Easy and convenient ▶

Order replacement parts, care products, and accessories using Rinnai's online shopping site!

R.STYLE Official Rinnai Merchandise Online Shopping Site

R. Style (Rinnai Style) is Rinnai's use-friendly online shopping site, which sells replacement parts that customers can fit themselves, as well as care products and accessories. R. Style affords customers greater convenience and contributes to better care of Rinnai products.



A special cleaner and scraper for use on glass tops are ideal for getting rid of stubborn, burnt-on marks.



<http://www.rinnai-style.jp> (Japanese only)

Expanded lineup of kitchen and cooking goods!

Rinnai has boosted the range of goods available online, such as rice cookers and heat-resistant plates for grilling fish, which can be used together with Rinnai products to make working in your kitchen easier and more efficient.



Limited Internet-only sales of tabletop stove

HOWARO is Rinnai's fashionable plain white tabletop stove introduced in response to requests from young women. The HOWARO is compact, making it an ideal choice for studio apartments. It has a hollow flat plate that is easy to keep clean and offers safety functions, including sensors fitted to each burner.



HOWARO

- Plain white body color
- Choice of five accent colors

<http://www.howaro.jp/>
(Japanese only)

Performance

Consolidated net sales for the period amounted to ¥114,216 million, down 0.1% from the previous corresponding period. Operating income declined 7.9%, to ¥10,602 million, and ordinary income decreased 7.0%, to ¥11,514 million. During the period, the Company booked a loss on valuation of investment securities. Net income increased 13.7%, to ¥7,473 million. This was because the Company booked a loss on valuation of investment securities in the previous corresponding period.

Results by Geographical Segment

Japan

In Japan, where concern about saving electricity continues, we benefited from proliferation and expansion of our Eco Jozu series of high-efficiency hot-water units. We also enjoyed solid overall sales of gas appliances, especially built-in stoves and hot-water/heating systems. Product lines that are new to the Group also posted healthy growth. These included high-heat-efficiency hybrid hot-water units combining electricity and gas, as well as range hoods linked to built-in stoves. Accordingly, sales in Japan rose 2.7%, to ¥79,963 million. However, operating income declined 6.4%, to ¥7,324 million. This was due to expenses incurred from inspecting and repairing faulty dishwasher/dryers.

South Korea

Sales of mainstay boilers in South Korea remained healthy owing to solid replacement demand. Due to foreign exchange factors, however, sales in South

Korea declined 3.8%, to ¥10,113 million. Operating income increased 10.7%, to ¥485 million, due mainly to increased sales of high-value-added boilers.

United States

Overall demand for hot-water units in United States stagnated, due to weak sales of houses and home appliances stemming from delayed recovery of the local economy. This led to a decline in sales of tank-less hot-water units. As a result, sales in United States slipped 8.3%, to ¥5,319 million. Operating income fell 86.9%, to ¥30 million, impacted by the sales decrease. This was despite the launch of new, lower-cost products and an improvement trend in earnings.

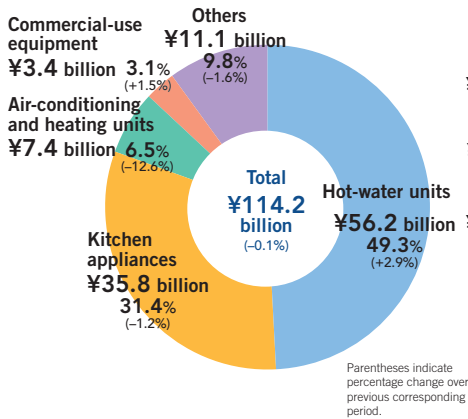
Australia

Sales of gas hot-water units in Australia remained firm due to the progressive termination of sales of electric storage-type systems. However, sales in Australia declined 16.7%, to ¥7,633 million, due to a recoil in sales of heaters for schools, which enjoyed special demand in the previous fiscal year. Operating income fell 31.1%, to ¥1,623 million.

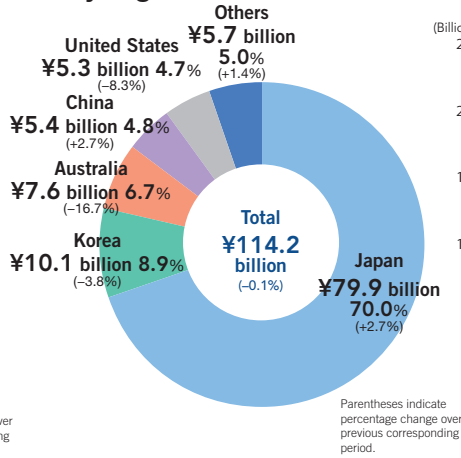
China

Despite challenges for sales in Shanghai and other major cities, the uptrend in demand for gas hot-water units in China remained strong amid expansion of gas infrastructure in interior regional cities. Consequently, sales in China grew 2.7%, to ¥5,471 million. However, we made good progress in reducing costs thanks to declines in unit prices of raw materials, which previously had soared. As a result, operating income jumped 153.2%, to ¥421 million.

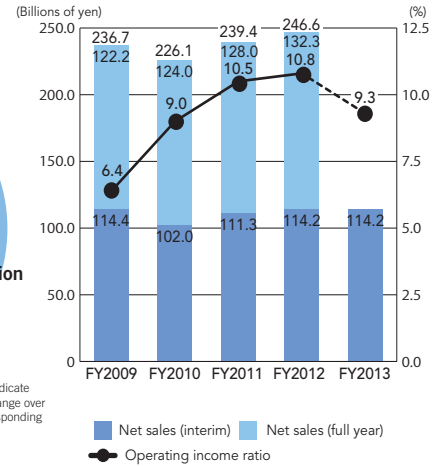
Net sales by business segment



Net sales by region



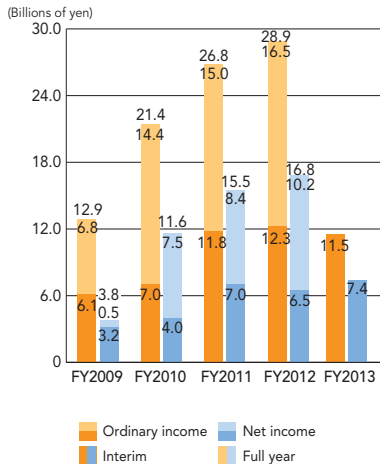
Sales, operating income ratio



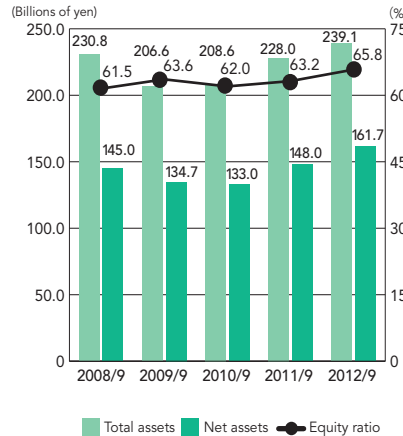
Note: The above amounts exclude inter-regional transactions.

Note: Operating income ratio of FY2013 indicates percentage at interim term-end.

Ordinary income, net income



Total assets, net assets, equity ratio



ROE, ROA

	ROE (%)		ROA (%)	
	Interim	Full year	Interim	Full year
FY2009	2.3	2.8	1.4	1.7
FY2010	3.0	8.5	1.9	5.4
FY2011	5.2	11.2	3.3	7.0
FY2012	4.7	11.7	2.9	7.3
FY2013	4.9	-	3.1	-

Consolidated Balance Sheets (Millions of yen)

Current Term (As of September 30, 2012)

Previous Term (As of March 31, 2012)

	Current Term	Previous Term		Current Term	Previous Term
Assets			Liabilities		
Current assets	154,007	156,300	Current liabilities	65,571	72,757
Cash and deposits	31,113	34,596	Notes and accounts payable	40,785	43,895
Notes and accounts receivable	53,933	56,776	Short-term debt	4,209	4,254
Marketable securities	36,769	35,651	Accrued income taxes	3,096	6,064
Goods and products	18,066	14,530	Accrued employees' bonuses	3,084	3,131
Materials and supplies	9,647	9,402	Other allowances	2,126	1,857
Other	4,930	5,803	Other	12,268	13,554
Less allowance for doubtful accounts	(452)	(461)	Long-term liabilities	11,780	11,358
Fixed assets	85,132	82,553	Long-term debt	3,288	3,325
Property, plant and equipment	43,397	43,040	Accrued employees' retirement benefits	4,688	4,554
Intangible fixed assets	1,492	1,489	Other allowances	36	61
Investments and advances	40,242	38,023	Other	3,767	3,417
Investments in securities	28,682	26,966	Total liabilities	77,351	84,116
Other	11,983	11,476	NET ASSETS:		
Less allowance for doubtful accounts	(423)	(419)	Shareholders' equity:	159,820	153,722
Total assets	239,140	238,853	Common stock	6,459	6,459
			Capital surplus	8,720	8,720
			Earned surplus	168,114	162,014
			Treasury stock	(23,474)	(23,471)
			Other comprehensive income:	(2,560)	(3,103)
			Unrealized gain on marketable securities	911	518
			Foreign exchange translation adjustment	(3,472)	(3,622)
			Minority interests	4,529	4,119
			Total net assets	161,789	154,737
			Total liabilities and net assets	239,140	238,853

Consolidated Statements of Income (Millions of yen)

Current Term (From April 1, 2012, to September 30, 2012)

Previous Term (From April 1, 2011, to September 30, 2011)

	Current Term	Previous Term
Net sales	114,216	114,274
Cost of sales	79,709	79,042
Gross profit	34,507	35,232
Selling, general and administrative expenses	23,904	23,716
Operating income	10,602	11,516
Other income	1,305	1,365
Other expenses	393	504
Ordinary income	11,514	12,377
Extraordinary loss	157	1,212
Income before income taxes	11,357	11,165
Income taxes	3,513	4,397
Income before minority interests	7,843	6,767
Minority interests	369	192
Net income	7,473	6,575

Consolidated Statements of Cash Flows (Millions of yen)

Current Term (From April 1, 2012, to September 30, 2012)

Previous Term (From April 1, 2011, to September 30, 2011)

	Current Term	Previous Term
Cash flows provided by operating activities	3,173	5,219
Cash flows provided by investing activities	(2,792)	(10,763)
Cash flows provided by financing activities	(1,652)	(1,283)
Cash and cash equivalents at end of term	47,468	39,579

Corporate Data

Directory (As of September 30, 2012)

Incorporated	September 1, 1920
Established	September 2, 1950
Paid-in capital	¥6,459,746,974
Head office	2-26, Fukuzumi-cho, Nakagawa-ku, Nagoya 454-0802 TEL: +81-52-361-8211
Number of employees	8,550 (Consolidated) 3,554 (Nonconsolidated)

Domestic Network (As of September 30, 2012)

Factories and related centers Technology Development Center, Production Technology Center, Integrated Logistics Center, Parts Center, Oguchi Factory, Seto Factory, Asahi Factory, Aichi Factory

Branches Tohoku, Kanto, Chubu, Kansai, Kyushu

Domestic sales offices Hokkaido, Sendai, Niigata, Tokyo, Kita-Kanto, Higashi-Kanto, Minami-Kanto, Nagoya, Shizuoka, Hokuriku, Nagano, Osaka, Keji, Hyogo, Chugoku, Shikoku, Fukuoka

Domestic satellite offices (76 offices)

Other domestic offices 10 Training Centers, 2 Customer Centers

Board of Directors (As of September 30, 2012)

Chairman	Susumu Naito	Managing Executive Officers	Takashi Nagasaka	Corporate Auditors (Standing Auditors)	Yasuhiko Goto
Vice Chairman	Kenji Hayashi		Yuzo Yoshida		Toshinori Tsutsumi
President*	Hiroyasu Naito	Executive Officers	Sadao Yoshimura	Corporate Auditors	Kiyokira Fukui
Director and Executive Vice President	Tsunenori Narita		Tadanobu Netsu		Kinya Nankan
Director and Managing Executive Officers	Masao Kosugi		Terumasa Kaneko		
	Yuji Kondo		Kinji Mori		
			Yasuo Koketsu		
			Izuka Suzuki		
			Takashi Sonoda		
			Katsuhiko Shinji		

Notes: 1. President (*) doubles as Executive Officer.
2. Kiyokira Fukui and Kinya Nankan (Corporate Auditors) serve as an outside auditor.

Share Composition (As of September 30, 2012)

Number of shares

Authorized:

200,000,000

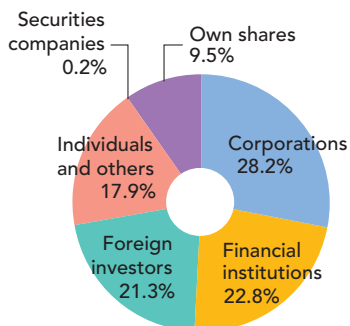
Outstanding:

54,216,463 (Including treasury stock)

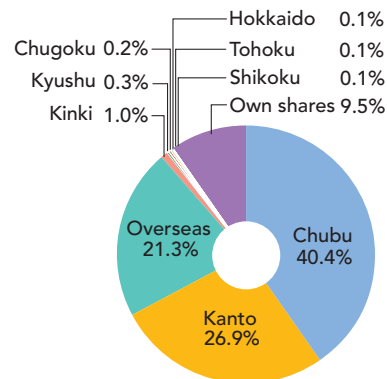
Number of shareholders:

4,043

Composition of shareholders



Shareholders by region



Rinnai Group (As of September 30, 2012)

14 Domestic Subsidiaries

Manufacture of Products

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

Manufacture of Components

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

Sale of Products

- Rinnai Net Co., Ltd.
- RG Co., Ltd.

Other Business

- Rinnai Enterprises
- Rinnai Tech Hokuriku Co., Ltd.
- Rinnai Kogyo Co., Ltd.

- Consolidated subsidiary
- Nonconsolidated subsidiary
- Affiliated company (equity method applied)
- Affiliated company (equity method not applied)

29 Overseas Subsidiaries and Affiliates

Holding Company/Sale of Products

- Rinnai Holdings (Pacific) Pte Ltd.

Sale of Products

- Rinnai America Corporation
- Rinnai Hong Kong Ltd.
- Rinnai Canada Holdings Ltd.
- Rinnai SE Corporation
- Rinnai Plus Corp.
- Guangzhou Rinnai Gas and Electric Appliance Co., Ltd.
- Rinnai (Malaysia) Sdn. Bhd.
- Rinnai UK Ltd.
- Rinnai Italia S.r.l.
- Hainan Rinnai Minsheng Kitchen Appliances Sales Co., Ltd.

Manufacture and Sale of Products

- Rinnai Australia Pty., Ltd.
- Rinnai New Zealand Ltd.

- Rinnai Taiwan Corporation
- Rinnai Korea Corporation
- Shanghai Rinnai Co., Ltd.
- Rinnai (Thailand) Co., Ltd.
- Rinnai Viet Nam Co., Ltd.
- Rinnai Brasil Heating Technology Ltd.
- P.T. Rinnai Indonesia
- Guangzhou Ming Hai Gas & Electrical Appliance Co., Ltd.

Manufacture and Sale of Components

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

Other Business

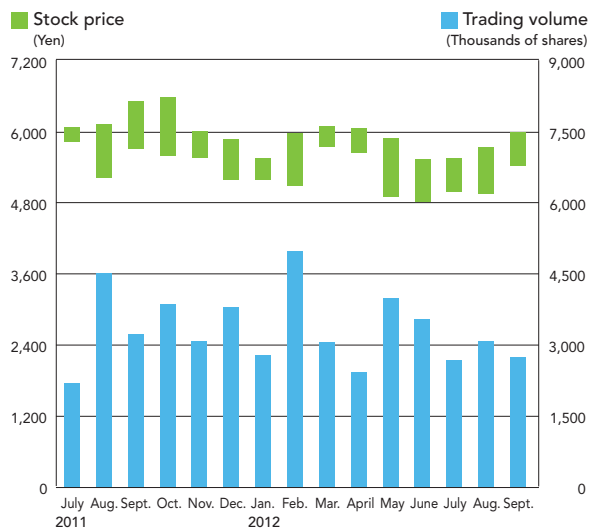
- Rinnai Services (MS) Corporation
- Rinnai CS Corporation
- Shanghai Rinnai Thermo Energy Engineering Co., Ltd.

Major Shareholders (As of September 30, 2012)

Name	Shares held (Thousands)
Naito Co., Ltd.	6,215
Yoshikane Shoji Co., Ltd.	4,002
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,127
Japan Trustee Services Bank, Ltd. (Trust Account)	2,763
Kenji Hayashi	2,652
Susumu Naito	1,400
Nippon Life Insurance Company	900
Tokyo Gas Company, Limited	784
The Chase Manhattan Bank, N.A. London	
Secs Lending Omnibus Account	690
Rinnai employee's association	609

* The above list does not include the treasury stock held by the Corporation, which amounts to 5,157 thousand shares.

Stock Price Range



Memorandum for Shareholders

Financial year

From April 1 to March 31

Annual meeting of shareholders

Every June

Dates of record

Annual meeting of shareholders,

year-end dividend: March 31

Interim dividend: September 30

Minimum trading unit

100 shares

Public notice

Public notices by the Company will be announced online.

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

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

Transfer agent

Sumitomo Mitsui Trust Bank, Limited

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

Special account administrator

Sumitomo Mitsui Trust Bank, Limited

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

Mailing and contact

Sumitomo Mitsui Trust Bank, Limited

Stock Transfer Agency Department

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

(Telephone)

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

Transfer administration offices:

Sumitomo Mitsui Trust Bank, Limited

Head office, and branches throughout Japan

Stock Listings:

Tokyo Stock Exchange, First Section

Nagoya Stock Exchange, First Section

Inquiries Pertaining to Share-Related Procedures

1. Non-Payment of Dividends

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

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

(1) Shareholders with account at a securities company

Please contact the securities company handling your account.

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

Please contact Sumitomo Mitsui Trust Bank, Limited

Dividend Calculation Notice

The Dividend Calculation Notice, sent to shareholders at the time of dividend payment, also functions as the Payment Notice according to regulations under the Act on Special Measures Concerning Taxation. This document can be used as a reference attachment when preparing final tax returns. The

Company will issue a Dividend Calculation Notice to shareholders who receive dividends by presenting the Year-End Dividend Receipt.

* Shareholders who prepare their own final tax returns are asked to keep the Dividend Calculation Notice in a safe place.

Notice regarding text to be used for shareholders' names and addresses

With the conversion to electronic stock certificates, shareholder names and addresses that include *kanji* characters not contained in JASDEC's giro system are converted, in whole or in part, to *kanji* characters recognized by JASDEC or to *katakana* text for inclusion in the Shareholder Register. Shareholders are asked to understand that notification documents sent to them may include characters in the name and/or address that have been converted to JASDEC-recognized text.

For inquiries about characters used in registration of shareholder names and addresses, please contact your securities company (or the transfer agent, in the case of shareholders with special accounts).