

# Rinnai

Shareholders' Report

Vol. 41

65th Interim Term  
(April 1 to September 30, 2014)



TSE code 5947

<http://www.rinnai.com/>

## To Our Shareholders



Susumu Naito  
*Chairman*



Hiroyasu Naito  
*President*

In the two-quarter period under review (April 1–September 30, 2014), the world economy remained in a state of uncertainty. Although the economies of Europe and United States showed moderate recovery, overall growth slowed in Asia, especially in China. In Japan, the economic recovery showed signs of weakness due to the prolonged recoil in demand after a surge ahead of the consumption tax hike.

Conditions in the domestic housing appliance industry became increasingly difficult. Although there was a moderate increase in replacement demand, including for renovations aimed at helping the environment and saving energy, the consumption tax hike caused new housing starts to decline.

For the period, sales in Japan declined year on year as the reduction in demand following the consumption tax hike had a longer-than-expected impact. Overseas, however, we posted an overall increase in sales, owing mainly to healthy sales of water heaters in China and United States, as well as the inclusion of P.T. Rinnai Indonesia in the scope of consolidation. We also reported a rise in earnings thanks to a switchover to high-value-added products in Japan, as well as favorable foreign exchange factors and the effects of higher sales overseas. More details of the Group's financial performance are given later in this report. The Company declared an interim cash dividend of ¥38.00 per share, up ¥6.00 year on year.

The Rinnai Group is currently implementing its medium-term business plan, entitled Jump Up 2014, aimed at reinforcing the Group's corporate base and building a foundation for long-term growth. In the current fiscal period, the final year of the plan, we will upgrade our product lineup and advance global business initiatives as a comprehensive manufacturer of heating appliances that contributes to people's lives and the global environment.

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

December 2014

Susumu Naito  
Chairman

Hiroyasu Naito  
President

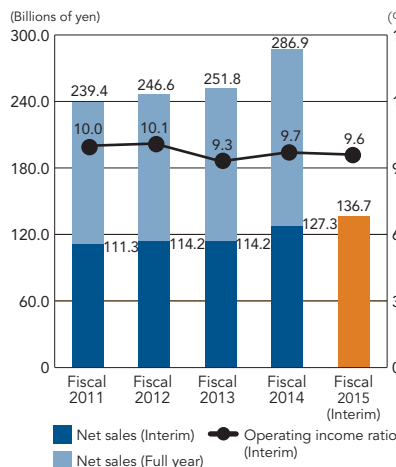
# Consolidated Business Results

(First Two Quarters of the Fiscal Year ending March 2015)

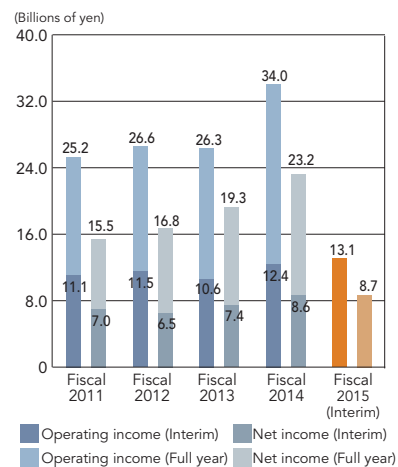
## Performance Highlights

- **New record-high figures** for net sales, operating income, ordinary income, and net income
- **Results differed according to region.** Despite increased year-on-year sales and income in China, South Korea, and North America, we reported lower sales and income in Japan, Australia, and elsewhere. Our performance benefited from the inclusion of P.T. Indonesia in the scope of consolidation.
- The Company declared an interim dividend of ¥38.00 per share, marking **increases in interim dividends for five consecutive years.**

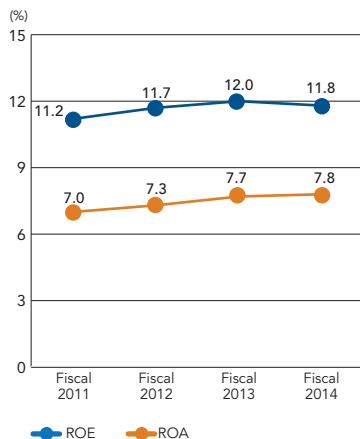
### Net sales, operating income ratio



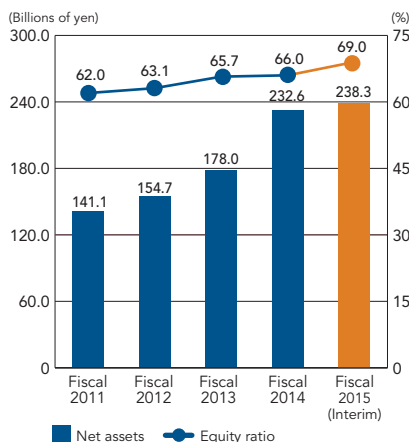
### Operating income, net income



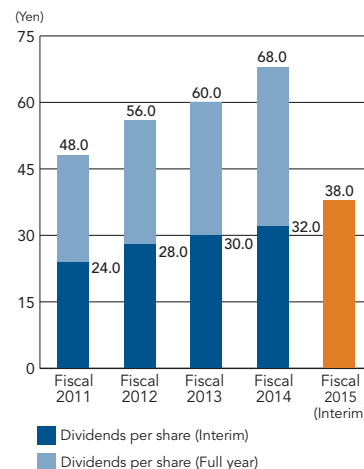
### ROE, ROA



### Net assets, equity ratio



### Dividends per share



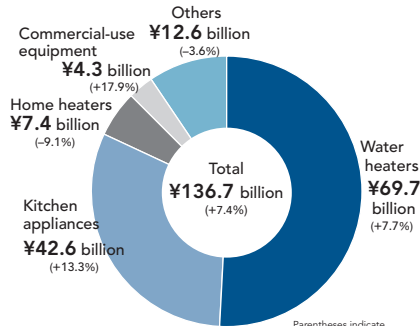
# Consolidated Business Results by Product/Region

(First Two Quarters of the Fiscal Year ending March 2015)

## Highlights by Product Segment

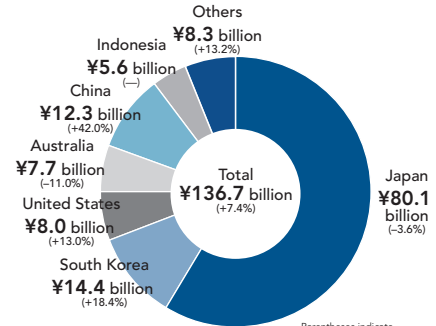
- Water heaters:** Health sales of high-efficiency water heaters with heating systems in Japan, together with firm sales of tankless water heaters in China and United States, led to a **year-on-year sales increase**.
- Kitchen appliances:** Despite weakness in domestic demand following the consumption tax hike, we posted sales growth in South Korea. Thanks also to the inclusion of P.T. Indonesia in the scope of consolidation, **sales were up year on year**.
- Home heaters:** A recoil in demand for fan heaters led to a **decline in sales**.

### Net sales by product



Parentheses indicate percentage change over previous corresponding period.

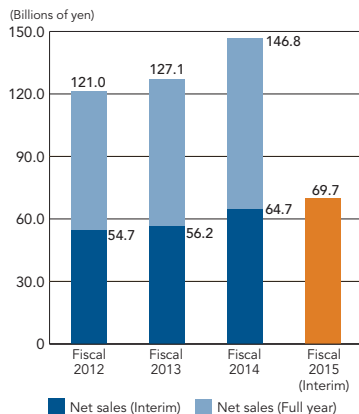
### Net sales by region



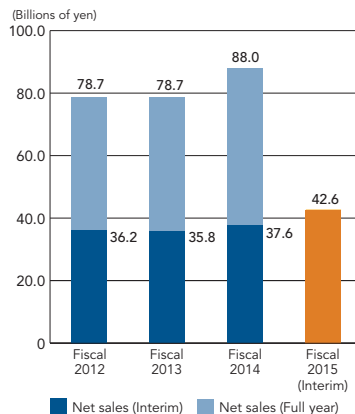
Parentheses indicate percentage change over previous corresponding period.

Principal products	Principal Products
Water heaters	Tankless water heater with basic functions, bath-filling systems, heating systems, and hybrid water heater with heating systems
Kitchen appliances	Tabletop cookers, built-in hobs, dishwashers, ovens, and rice cookers
Home heaters	Fan heaters, fanned flue heaters and infrared heaters
Commercial-use equipment	Commercial-use ceramics griller, stoves and rice cookers
Others	Clothes dryers, infrared burners and components

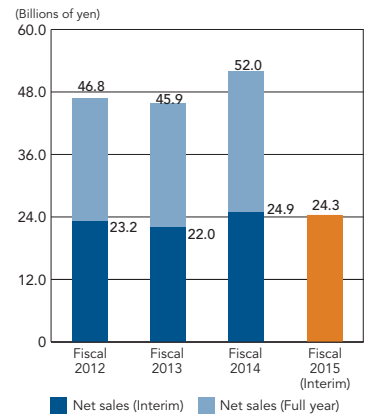
### Sales of water heaters



### Sales of kitchen appliances



### Sales of heaters, commercial-use equipment, and others

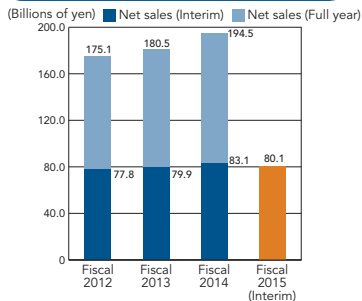


Japan



Eco Jozu highly efficient water heater  
Range hood Built-in-hob  
Gas fan heater

Despite maintaining higher sales of high-efficiency water heaters, falling demand for stoves, especially tabletop models, led to declines in both revenue and earnings.

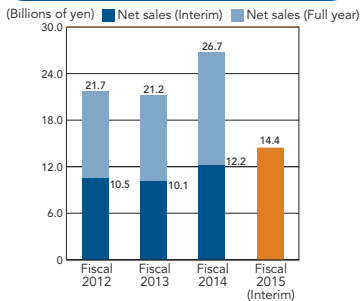


South Korea



Tabletop cooker Gas boiler Commercial-use steam oven

Healthy sales of boilers and higher unit prices of stoves led to an increase in revenue, while the absence of one-time costs incurred in the previous year resulted in a return to profitability.

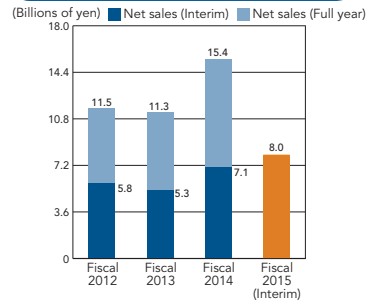


United States



Tankless water heater Gas boiler Gas fan-forced heater

Buoyed by recovery in housing-related demand, sales of high-efficiency tankless water heaters were firm, leading to increases in both revenue and earnings.

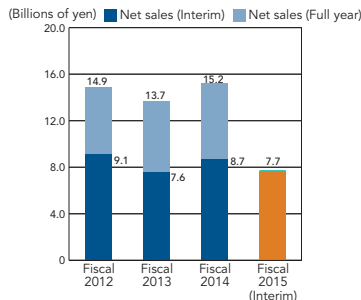


Australia

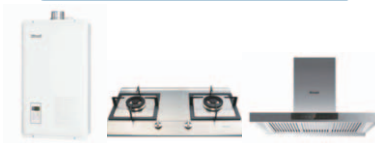


Tankless water heater Gas fan-forced heater Solar water heater with gas tankless backup

Despite increased sales of commercial water heaters, a warm winter and a weak local economy led to declines in both revenue and earnings.

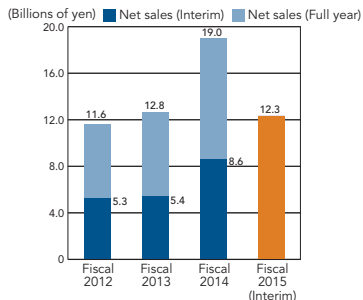


China

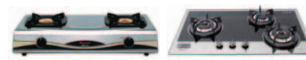


Tankless water heater Built-in-hob Range hood

Expanded sales channels and increased sales of water heaters, thanks to construction of gas infrastructure, resulted in higher revenue and earnings.

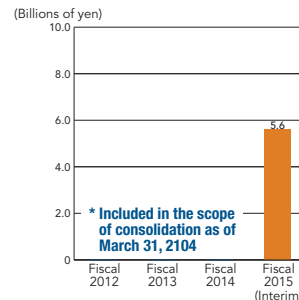


Indonesia



Tabletop cooker Built-in-hob

Our business benefited from proliferation of LP gas and growing use of gas appliances, as well as healthy replacement demand.\* New geographical segment



Rinnai uses its advanced technologies to develop products that enrich the kitchen experience. Here, we introduce two themes for new products: “New Grilling Concept” and “Clean Eco Hood.”

1. New Grilling Concept

New product description

2. Clean Eco Hood

Just launched

New DELICIA



Just launched

New Clean Eco Hood



Just launched

DELICIA Griller



Just launched

LiSse



Launched in August 2014

Built-in hob  
**DELICIA**



Grill plate attachment\*1 substitutes for gridiron rack to allow non-fried cooking



Compatible with Cocotte and Cocotte Dutch Oven



New color: Clear White Mist



### Upgrade of flagship model

Further improvements in ease of grilling and cleaning

#### Enhanced grilling functions

- **Allows more diverse cooking options**  
Wider range of cooking options thanks to newly developed grill plate, as well as Cocotte\*2 and Cocotte Dutch Oven\*2
- **Griller easier to clean**  
Major reduction in griller cleaning time and no odor problems

#### Functions unique to Rinnai!

- **Heat OFF**  
Surface plate temperature kept low to minimize spill-over scorching and make cleaning easier
- **Smoke OFF**  
Minimizes smoke and odors released when grilling fish and the like

### Rinnai's New Grilling Concept!

#### Cocotte\*2: grill pan with cover



Net-like cover: Food browns from direct fire, similar to a gridiron rack

#### Cocotte Dutch Oven\*2



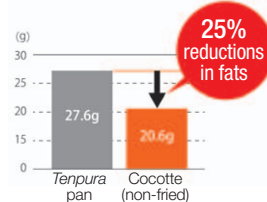
More compact and easier to use than existing vessels 4.2kg → 1.7kg

- **Grime entering griller interior cut by 99.3%\*3!**  
Cocotte\*2 reduces oil splashes and greatly reduces interior grime compared with gridiron racks.

- **Non-fried cooking: Major reductions in calories and fats!**  
With Cocotte\*2, you can prepare (normally deep-fried) deep-fried pork/chicken cutlets and the like in a healthy manner, without frying.



Fats included in deep-fried pork (100g)



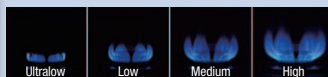
\*1: Grill plate comes with stove

\*2: Cocotte and Cocotte Dutch Oven are sold separately (but come with DELICIA grills)

\*3: Based on Rinnai testing. Two whole *sanma* (saury) fish were grilled using gridiron grill and Cocotte, and left for 30 seconds after cooking with door closed. The amount of grime fixed to various griller-interior components (excluding gridiron grill and Cocotte) was measured five times to calculate the average. "Whole Fish Grill Standard Mode" used for gridiron grill; "Cocotte Fish Strong Mode" used for Cocotte.

Launched September 2014

Built-in hob  
**DELICIA GRILLER**



**Burners' thermal range from low flame to strong flame**

Maximum heating power of around 4,150 kcal/h increases both culinary repertoire and efficiency.

\*Around 4,000 kcal/h for LPG



Compatible with Cocotte Dutch Oven and Cocotte

\*1 Comes with Cocotte Dutch Oven and grill plate

\*2 Cocotte can be purchased separately

**Expand culinary repertoire**  
Powerful domestic-use gas burner

● **Expand range of grilled dishes**

The Cocotte Dutch Oven and grill plate that come with this latest DELICIA GRILLER make grilling dishes, pizza, and other grilled meals easy and fun.

● **Full range of heat settings, from powerful to low**

The built-in hob with griller offers the most powerful burners available in a domestic stove; perfect for Chinese stir fries to dishes simmering on a very low heat.

● **Simple design and improved practicality**

The high-quality flat aluminum top plate is easy to clean, while the wide burner trivets provide stability for heavy cooking vessels. The practical design is coupled with soft styling.

● **Heat OFF and Smoke OFF functions**

Launched September 2014

Built-In Hob  
**LiSse**



Features new color options for the top plate and "jewel-like lights" around the ignition dial



**Flat face and multicolor top plates**

The name LiSse was created to represent the "Life," "Style," and "Sense" embodied by this new built-in hob.

● **Improved grill functions**

LiSse's griller has a far-infrared ceramic burner over a large grill capable of cooking a 24cm pizza to a delicious crispy finish. It comes with a newly developed grill plate that can also be used for non-fried dishes.

● **Rinnai's unique functions**

Rinnai's unique wide thermal burners, Heat OFF and Smoke OFF functions, and other features offer more cooking options and make the LiSse easy to clean.

● **Subtle high-end exterior perfect match for stylish interior design**

The four color options for the thick top plate and "jewel-like lights" color around the ignition dials add a touch of sophistication.



Launched in August 2014

### Clean Eco Hood

Slender and stylish  
with ultraslim  
35mm design



### ● Three Economical Eco Features



**Eco Run:** Equipped with "Eco Run" operation, a new form of energy-efficient control



**DC motor:** High-performance DC-drive motor



**LED lights:** Energy-saving and long-life LED lighting  
\* Eco Run fitted to range hoods with "High" and "Medium" modes only.

Using the OGR Series for a 10-year period brings savings of around **¥53,000** in electricity charges\*5

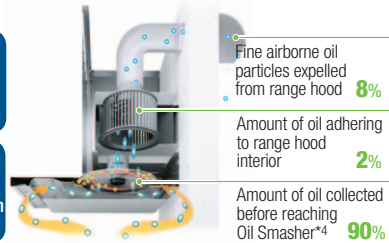
Save cleaning time and effort to clean the fan!  
New "Oil Smasher" function an industry first\*1



### ● "Grime-free"

**75%** reduction in cleaning time compared with conventional models\*2

**70%** reduction in water required for cleaning compared with conventional models\*2



### ● Range hood operation synchronized with gas built-in hob\*3

Operation of the range hood (start/stop, lights on/off) and the cooking hob are automatically synchronized.

\*1 Among domestic exhaust range hoods (according to Fuji Industrial Co., Ltd.), as of November 2013

\*2 Test comparing cleaning of parts requiring cleaning (filter and fan) with those of Fuji Industry's products (BDR-DHL-AP). Comparison of cleaning time and amount of water used over a one-year period.

\*3 For details on built-in hobs with this function, please see Rinnai's website and catalogs.

\*4 Measured using Fuji Industry's established testing methods.

\*5 [Conditions] Electricity unit price: ¥27/kWh, operating time: 2,410 hrs/year (66 hrs/day), lighting on: 2,410 hrs/year (66 hrs/day) [According to JIS C002102]

## DELICIA Campaign On Now!

\ All those who apply online will receive coupons/

## DELICIA Campaign

GRILLER for purchases to the value of ¥5,000. The coupons can be redeemed at Rinnai's official parts retail website, Rinnai Style (R.Style), which sells Cocottes, Cocotte Dutch ovens, replacement tabletop stove parts, and kitchen accessories.

From September 1 through December 31, Rinnai is giving coupons to customers who have bought either a DELICIA built-in hob or DELICIA

● Special campaign website: [http://rinnai.jp/delicia\\_cp/](http://rinnai.jp/delicia_cp/) (Japanese only)



Campaign image

## Plaudits for design and functionality that supports comfortable lifestyles Five Products Receive a “2014 Japan Good Design Award”

Five of Rinnai’s products, including those for overseas markets, received a 2014 Japan Good Design Award in the “Household furniture, interior accessories, and house fixtures” category in recognition of their superior features, including design, convenience, and safety.



### 1. Built-in gas hob DELICIA GRILLER

**Selling points** A cooking appliance that delivers quality and convenience on a daily basis owing to a mix of innovations that make cooking easy for the serious chef.  
(See page 7 for product details)



### 2. Built-in gas hob LiSe Series

**Selling points** The flat top plate makes cleaning a breeze. The newly developed grill plate also makes cleaning up easy.  
(See page 7 for product details)



### 3. MY HOB Series Gas built-in hob

**Selling points** Stylish design coupled with safety and quality for which Japanese manufacturers are renowned.  
Rinnai will produce 44 models destined for markets in Southeast Asia, Russia, Central and South America, Middle East, and other regions.



### 4. [RKWR-F402C Series] Built-in dishwasher

**Selling points** The dishwasher’s large size makes it possible to wash pans, pots, and other large items. Convenient features such as time-saving, water-saving and energy-saving modes support environmentally conscious consumers.



### 5. [FC-09DR Series] Floor heating remote control

**Selling points** The surface features a minimal operation bar. The round silver bar is simple yet evokes a sense of luxury.



## Regular updating of useful everyday information R.STYLE on Facebook and Smartphone App Launch Daily Recipes

Rinnai Style (R.STYLE)—Rinnai’s official parts retail website—has launched an official Facebook page. Every weekday, it provides new useful information concerning Rinnai products, including cooking recipes, cleaning techniques, and special campaigns. R.STYLE’s official mascot Goto-kun posts one of his favorite recipes everyday on a special website for smartphones only.

● Facebook page: <http://www.facebook.com/rinnaistyle> (Japanese only)

● “Goto-kun’s Daily Recipe” website: <http://www.rinnai-style.jp/dailyrecipe/> (Japanese only)



## Largest environmental exhibition in Japan

### Rinnai participates in eco-products exhibition for second consecutive year

Rinnai will take part in Eco-Products 2014—Japan’s largest exhibition of environmentally friendly products, services, and technologies—which will be held at Tokyo Big Sight from December 11 to 13. It is the second consecutive year that Rinnai has participated in the trade fair.

At this year’s exhibition, Rinnai will showcase the Group’s environmental initiatives along with displays on energy-saving and comfort in the home. With the aim of raising visitors’ awareness concerning the environment, these displays will look at the relationship between resources and heat, the situation regarding household energy consumption, and other contemporary issues.

Rinnai will ask visitors to participate in a survey. We will present those who take part in this activity with a commemorative gift. We look forward to seeing you at Eco-Products 2014!



Image of display booth

Dates: Thursday, December 11–Saturday, December 13 10:00am–6:00pm  
(Closes at 5:00pm on December 13)

Venue: Tokyo Big Sight Booth No. 2-017, East 2 Hall Admission: Free

## Rinnai brand penetrates deeper into the market for 7th consecutive year

### Rinnai Indonesia receives Platinum Award in Best Brand Awards

Rinnai Indonesia received the Platinum Award—the top award—in the tabletop stove category of the 2014 Indonesia Best Brand Awards. It was the 7th consecutive year that Rinnai Indonesia had received an award in the tabletop stove category, illustrating the high level of trust placed in the Rinnai brand in Indonesia. Award winners are selected on the basis of product surveys conducted by SWA, Indonesia’s leading business magazine, which assess a number of factors, including domestic brand recognition, market share, and customer satisfaction.

In Indonesia, demand for gas household appliances has expanded on the back of a government policy promoting the roll out of LPG. Sales of tabletop stoves have rocketed in the past few years. As a brand that has captured a market share of around 60%, Rinnai will increase its business in Indonesia as continues enhancing brand value and contributing to local communities.



Rinnai Indonesia products

## Unique initiative for recycling of gas fireplace packaging

### Rinnai New Zealand wins Bronze Prize in the Best Design Awards

Rinnai New Zealand has launched a novel initiative to recycle product packaging, which previously had mostly been discarded as waste. As part of this initiative, customers can re-assemble the exterior packaging used for gas fireplaces to create a castle, complete with gates that open and close, which their children can enjoy. When cardboard boxes for gas fireplaces were seen by visitors at an exhibition venue, many visitors asked Rinnai if they would give them just part of the cardboard boxes.

Rinnai New Zealand’s “Evolve Castle” packaging was awarded a Bronze in the Graphic category of the country’s Best Design Awards.



Packaging box can be recycled to create a model castle

# Financial Data

## Consolidated Balance Sheets (Millions of yen)

Current Term (As of September 30, 2014) Previous Term (As of March 31, 2014)

	Current Term	Previous Term		Current Term	Previous Term
<b>Assets</b>			<b>Liabilities</b>		
<b>Current assets</b>	<b>192,587</b>	<b>213,520</b>	<b>Current liabilities</b>	<b>76,082</b>	<b>88,495</b>
Cash and deposits	51,283	57,540	Notes and accounts payable	45,077	52,142
Notes and accounts receivable	60,397	68,102	Short-term debt	4,904	5,950
Marketable securities	40,647	53,491	Accrued income taxes	3,050	7,701
Goods and products	23,015	17,397	Accrued employees' bonuses	3,614	3,127
Materials and supplies	12,347	11,696	Other allowances	2,780	2,831
Other	5,537	6,016	Other	16,654	16,742
Less allowance for doubtful accounts	(642)	(725)	<b>Long-term liabilities</b>	<b>13,792</b>	<b>13,251</b>
<b>Fixed assets</b>	<b>135,598</b>	<b>120,861</b>	Reserves	44	41
Property, plant and equipment	53,488	51,186	Net defined benefit liabilities	5,680	5,067
Intangible fixed assets	4,042	4,312	Other	8,066	8,142
Investments and advances	78,067	65,362	<b>Total liabilities</b>	<b>89,874</b>	<b>101,747</b>
Investments in securities	58,488	44,554	<b>NET ASSETS:</b>		
Other	20,191	21,424	<b>Shareholders' equity:</b>	<b>213,106</b>	<b>208,249</b>
Less allowance for doubtful accounts	(611)	(616)	Common stock	6,459	6,459
			Capital surplus	8,719	8,719
			Earned surplus	198,902	194,036
			Treasury stock	(975)	(965)
			<b>Other comprehensive income:</b>	<b>13,290</b>	<b>12,538</b>
			Unrealized gain on marketable securities	4,157	3,048
			Foreign exchange translation adjustment	5,468	5,561
			Remeasurements of defined benefit plans	3,664	3,929
			<b>Minority interests</b>	<b>11,914</b>	<b>11,846</b>
<b>Total assets</b>	<b>328,185</b>	<b>334,382</b>	<b>Total net assets</b>	<b>238,311</b>	<b>232,635</b>
			<b>Total liabilities and net assets</b>	<b>328,185</b>	<b>334,382</b>

**Consolidated Statements of Income** (Millions of yen)

Current Term (From April 1, 2014, to September 30, 2014) Previous Term (From April 1, 2013, to September 30, 2013)

	Current Term	Previous Term
<b>Net sales</b>	<b>136,768</b>	<b>127,322</b>
Cost of sales	94,528	88,310
Gross profit	42,240	39,011
Selling, general and administrative expenses	29,073	26,605
<b>Operating income</b>	<b>13,166</b>	<b>12,406</b>
Other income	1,298	1,587
Other expenses	208	196
<b>Ordinary income</b>	<b>14,256</b>	<b>13,797</b>
Extraordinary loss	14,256	13,797
Income before income taxes	4,437	4,637
Income taxes	9,818	9,159
Income before minority interests	1,110	519
Minority interests	<b>8,707</b>	<b>8,639</b>
<b>Net income</b>		

**Consolidated Statements of Cash Flows** (Millions of yen)

Current Term (From April 1, 2014, to September 30, 2014) Previous Term (From April 1, 2013, to September 30, 2013)

	Current Term	Previous Term
<b>Cash flows provided by operating activities</b>	<b>3,429</b>	<b>6,467</b>
Cash flows provided by investing activities	(14,050)	(19,809)
Cash flows provided by financing activities	(2,996)	15,876
Cash and cash equivalents at end of term	<b>60,219</b>	<b>58,778</b>

## Corporate Data

### Directory (As of September 30, 2014)

<b>Incorporated</b>	September 1, 1920
<b>Established</b>	September 2, 1950
<b>Paid-in capital</b>	¥6,459,746,974
<b>Head office</b>	2-26, Fukuzumi-cho, Nakagawa-ku, Nagoya 454-0802 TEL: +81-52-361-8211
<b>Number of employees</b>	9,552 (Consolidated) 3,570 (Nonconsolidated)

### Domestic Network (As of September 30, 2014)

**Factories and related centers** Technology Development Center, Production Technology Center, Integrated Logistics Center, Parts Center, Oguchi Factory, Seto Factory, Asahi Factory, Akatsuki 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, 2014)

Chairman	<b>Susumu Naito</b>	Managing Executive Officers	<b>Takashi Nagasaka</b>	Corporate Auditors (Standing Auditors)	<b>Yasuhiko Goto</b>
Vice Chairman	<b>Kenji Hayashi</b>		<b>Yuzo Yoshida</b>		<b>Toshinori Tsutsumi</b>
President*	<b>Hiroyasu Naito</b>	Executive Officers	<b>Sadao Yoshimura</b>	Corporate Auditors	<b>Kiyoakira Fukui</b>
Director and Executive Vice President	<b>Tsunenori Narita</b>		<b>Terumasa Kaneko</b>		<b>Kinya Nankan</b>
Director and Managing Executive Officers	<b>Masao Kosugi</b>		<b>Kinji Mori</b>	Notes: 1. President (*) doubles as Executive Officer.	
Director	<b>Yuji Kondo</b>		<b>Yasuo Koketsu</b>	2. Nobuyuki Matsui (Director) serves as an outside director.	
	<b>Nobuyuki Matsui</b>		<b>Kazuhiko Yamada</b>	3. Kiyoakira Fukui and Kinya Nankan (Corporate Auditors) serve as an outside auditor.	
			<b>Haruhiko Ishikawa</b>		
			<b>Fuminobu Ishikawa</b>		
			<b>Chuji Nakashima</b>		
			<b>Takashi Sonoda</b>		
			<b>Katsuhiko Shinji</b>		

### Share Composition (As of September 30, 2014)

#### Number of shares

**Authorized:**  
200,000,000

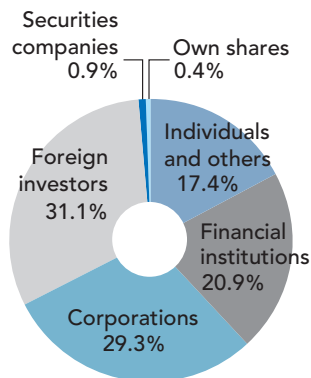
#### Outstanding:

52,216,463 (Including treasury stock)

#### Number of shareholders:

4,302

#### Composition of shareholders





## Rinnai Group (As of September 30, 2014)

### 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.

### 26 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 Plus Corp.
- Guangzhou Rinnai Gas and Electric Appliance Co., Ltd.
- Rinnai (Malaysia) Sdn. Bhd.
- Rinnai UK Ltd.
- Rinnai Italia S.r.l.
- Guangzhou Rishangsheng Gas and Electric Appliances Sales Co.
- 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.
- Shanghai Rinnai Thermo Energy Engineering Co., Ltd.
- Rinnai (Thailand) Co., Ltd.
- Rinnai Viet Nam Co., Ltd.
- Rinnai Brasil Heating Technology Ltd.
- P.T. Rinnai Indonesia

#### Manufacture and Sale of Components

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

#### Other Business

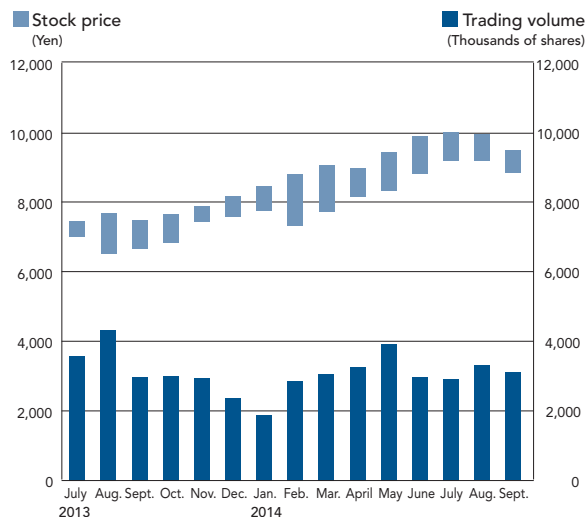
- Rinnai Services (MS) Corporation

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

### Major Shareholders (As of September 30, 2014)

Name	Shares held (Thousands)
Naito Co., Ltd.	6,215
Yoshikane Shoji Co., Ltd.	4,002
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,762
Kenji Hayashi	2,502
Japan Trustee Services Bank, Ltd. (Trust Account)	1,582
Susumu Naito	1,250
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,117
Tokyo Gas Company, Limited	784
Nippon Life Insurance Company	720
Rinnai employee's association	588

### 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).