

Notification of Donation to “Nakagawa Canal Restoration & Cultural/Artistic Activity Assistance Project” (Provisional Name)

Rinnai Corporation has decided that, from the fiscal year ending March 2013, it will donate ¥100 million (aggregate amount for 10 years) to the “Nakagawa Canal Restoration & Culture/Art Activity Assistance Project” (provisional name; hereinafter “the Project”), in order to support the restoration of Nakagawa Canal.

The Project is based on guidelines issued by the City of Nagoya and the Nagoya Port Authority. Under the Project, the Nagoya Urban Institute of the Nagoya Urban Development Public Corporation is assisting with cultural/artistic activities designed to provide ongoing support for interactive and creative activities in the “*Nigiwai Zone (Bustling Zone)*” within the restoration plan.

Since its foundation, Rinnai Corporation has conducted its business with a commitment to manufacturing products as a heat energy provider that offers “comfortable lifestyles” to society. Our products and technologies have helped promote diversification and advancement of living styles. Meanwhile, we have entered an era in which people are demanding products that are more innovative than ever. In such an era, it is important to have progressive creative power, based on rich conceptual abilities and manual skills that together form the cornerstone of product manufacture. This relates closely with cultural/artistic activities that appeal to people’s sensitivities.

By making donations to this assistance project, Rinnai hopes to nurture the seeds of creativity necessary for product manufacture. At the same time, we believe in the great significance of being able to help energize regional interaction and foster local production, hence our decision to provide support.

Overview of Donation to “Nakagawa Canal Restoration & Culture/Art Activity Assistance Project” (Provisional Name)

Summary	Assistance to support cultural/artistic activities of citizens in the “ <i>Nigiwai Zone (Bustling Zone)</i> ” identified in the “Nakagawa Canal Restoration Plan”
Head body	Nagoya Urban Institute of the Nagoya Urban Development Public Corporation
Selection of assistance body	Determined by selection committee newly set up by the Nagoya Urban Institute
Donation details	Rinnai will donate ¥100 million (aggregate amount), starting from fiscal 2012 (year ending March 2013), for a 10-year period

Relationship between Nakagawa Canal and Rinnai Corporation

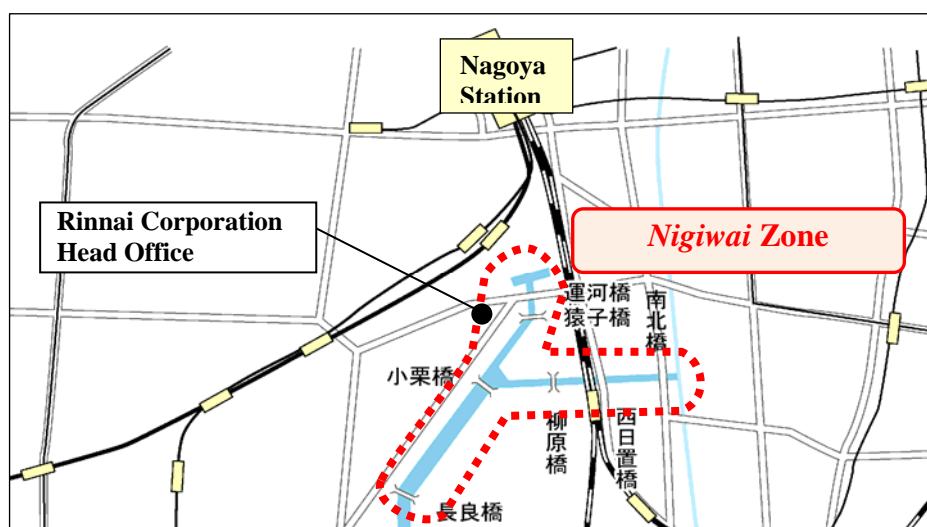
Rinnai was founded in 1920 in Nakagawa Ward of Nagoya City, close to the current location of Nakagawa Canal. Work started on the Nakagawa Canal in 1926 as part of an urban planning project of Nagoya City, and water began flowing in 1930. With a length of more than 8km, the canal extends from Nagoya Port to the former JNR Sasashima Freight Station (now the Sasashima Live 24 area of Nakagawa Ward, Nagoya City). At the time, it was regarded as the “largest canal in the Orient.” The huge canal excavation project led to the disappearance of the site of Rinnai’s foundation. However, the resulting water transportation and land creation activities helped advance urban production, and Rinnai’s business also steadily expanded.

From the mid-1960s, however, land transportation took over as the main form of freight carriage, due to the upgrading of highway networks and containerization of freight. Accordingly, usage of the canal declined, to the extent that freight vessel traffic on the canal is practically nonexistent. Now, Nakagawa Canal is being promoted as a new resource in a restoration project designed to reinvent its surrounding area and better utilize the water environs. We sincerely hope that Nakagawa Canal, currently in a state of peaceful limbo, will be reborn as a valuable asset that revitalizes local communities and industries.

* Nakagawa Canal Restoration Project

The Project, formulated by the City of Nagoya and the Nagoya Port Authority, entails a restoration concept that envisages the canal 20 years in the future, as well as a detailed activity plan for the next 10-year period. By redefining the role of Nakagawa Canal, which no longer functions as a piece of logistics infrastructure, the plan is to breathe new life into the waterway and its surroundings, and create a space filled with replenishment, recreation, and lively activity, which will attract new industries. The aim is to restore the canal in a way that contributes to advancement of product manufacturing in Nagoya.

“Nigiwai Zone (Bustling Zone)” within the Nakagawa Canal Restoration Project



Inquiries

Mr. Takuya Ogawa and Mr. Yuya Fujino, Corporate Communications Office,
Administration Headquarters, Rinnai Corporation Tel: +81 (52) 361-8792