

(Translated from the original Japanese)

December 15, 2014

Company Name: Rinnai Corporation  
Address: 2-26, Fukuzumi, Nakagawa, Nagoya  
454-0802 Japan  
Representative: Hiroyasu Naito, President  
Stock Listing: First sections of the Tokyo and Nagoya Stock  
Exchanges  
Securities Code: 5947  
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**Rinnai to acquire Australian heating and cooling system manufacturer  
Brivis Climate Systems Pty Ltd**

Rinnai Corporation (hereafter, the “Company”) has reached an agreement with GWA Group Limited (hereafter, “GWA”), an Australian Securities Exchange–listed supplier of building fixtures and fittings to households and commercial premises headquartered in Fortitude Valley, Queensland. The transfer of shares (“the Acquisition”) in Brivis Climate Systems Pty Ltd (hereafter, “Brivis”), which is a manufacturer of heating and cooling systems owned by GWA and is based in Braeside, Victoria will be completed through the Company’s second-tiered subsidiary Rinnai Australia Pty Ltd (Managing Director: Greg Ellis; hereafter, “Rinnai Australia”) located in Keysborough, Victoria.

Through Rinnai Australia, the Company launched sales of heating systems in Australia in the 1970s and then complemented its presence with tankless water heaters in the 1990s, establishing an active profile as a top distributor in this market.

With the acquisition of Brivis, which is known for its air-conditioning systems, the Company expects to enhance activities in this segment as well, reinforcing business prospects in the Oceania—the core of its overseas business strategy.

Brivis manufactures ducted heating and cooling systems—predominately for the air-conditioning needs of Australia—and has solid connections within the builder’s market. For the fiscal year ended June 30, 2014, the company posted net sales of A\$62,455 thousand (about ¥6.1 billion) and had net assets worth A\$49,227 thousand (about ¥4.8 billion).

Working together with the rest of the Rinnai Group, the Management seeks to improve business results and enhance corporate group value with this Brivis acquisition.

### 1. Outline of acquisition

The Acquisition will be conducted through Rinnai Australia, the second tier of the subsidiary of the Company. The total cost of the Acquisition is estimated to be A\$49.2 million (about ¥4.8 billion).

Note that the acquisition price for shares may be adjusted from the A\$49.2 million set out in the transfer agreement of share acquisition (closing).

### 2. Outline of acquired company

(1) Corporate name	Brivis Climate Systems Pty Ltd
(2) Address	61 Malcolm Road Braeside, VIC 3195 Australia
(3) Name and title of representative	Peter Charles Crowley, Director Richard Thornton, Director Darryl Denis McDonough, Director
(4) Businesses	Manufacture and sale of heating and cooling systems
(5) Date of establishment	1950
(6) Net assets	A\$49,227 thousand (Year ended June 2014)
(7) Major shareholders and shareholding ratios	GWA Group Holdings Limited (100%) (Note)
(8) Relationships between the Company and the subject company	There is no notable capital, personnel, and business relationship between the Company and the subject company. There is no notable capital, personnel, and business relationship between affiliates and affiliated companies of the Company and affiliates and affiliated companies of the subject company.

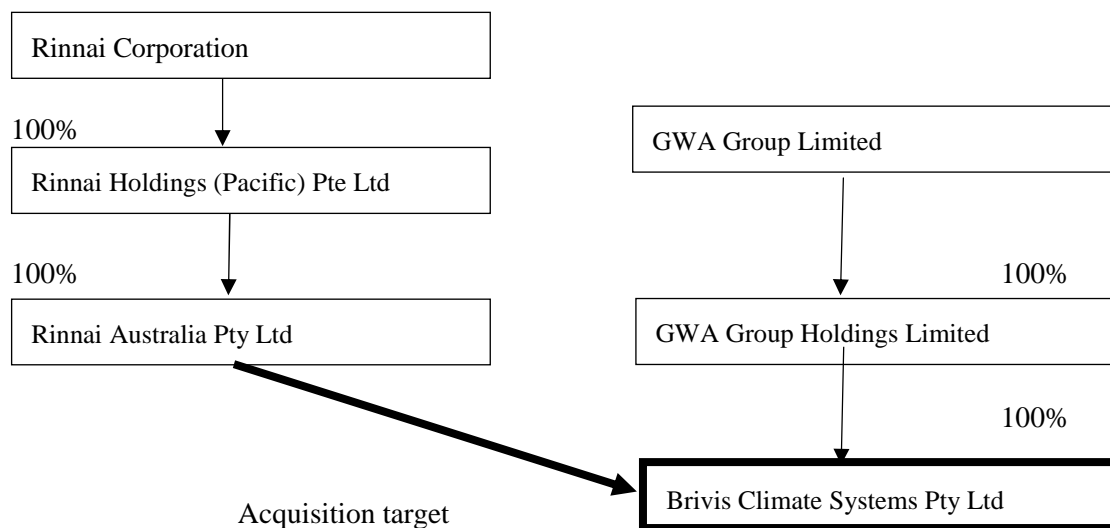
Note: GWA Group Holdings, which is the direct shareholder of Brivis, is an intermediary holding company in which GWA holds 100% equity.

### 3. Outline of selling company

(1) Corporate name	GWA Group Limited
(2) Address	Level 2, HQ South Tower 520 Wickham Street, Fortitude Valley, QLD 4006 Australia
(3) Name and title of representative	Darryl Denis McDonough, Independent Chairman and Non-Executive Director
(4) Businesses	Manufacture and sale of fixtures and fittings for households and commercial premises
(5) Paid-in capital	A\$408,100 thousand (Year ended June 2014)
(6) Date of establishment	1989
(7) Net assets	A\$425,989 thousand (Year ended June 2014)

(8) Total assets	A\$752,235 thousand (Year ended June 2014)
(9) Major shareholders and shareholding ratios	(As of August 14, 2014) JP Morgan Nominees Australia Limited(18.12%) HSBC Custody Nominees (Australia) Limited(10.24%) National Nominees Limited(7.00%) HGT Investments Pty Ltd(4.57%) KFA Investments Pty Ltd(3.66%)
(10) Relationships between the Company and the subject company	There is no notable capital, personnel, and business relationship between the Company and the subject company. There is no notable capital, personnel, and business relationship between affiliates and affiliated companies of the Company and affiliates and affiliated companies of the subject company.

#### 4. Scheme chart (for reference)



#### 5. Acquired price, and shareholding ratio before/after acquired shares

(1) Shareholding ratio before acquired shares	0%
(2) Acquired price	A\$49.2 (approx. ¥4.8 billion)
(3) Shareholding ratio after acquired shares	100%

Note: This information uses an exchange rate of A\$1 = ¥98.2.

#### 6. Schedule

(1) Conclude agreement on transfer of shares	December 15, 2014
(2) Date acquisition goes into effect (plan)	Beginning of February in 2015

## 7. Outlook

The impact of the Acquisition on the Company's consolidated performance for the fiscal year ending March 31, 2015, is currently under review. Management will provide an update when details are finalized.

(For references) Consolidated performance forecast announced on May 9, 2014, and actual results for the year ended March 31, 2014

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Consolidated performance, forecast (year ending March 31, 2015)	313,000	36,500	37,800	23,800
Consolidated performance, actual (year ended March 31, 2014)	286,981	34,018	36,910	23,254

END