

(Translated from the Japanese original)

February 7, 2017

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Listings: First Sections of Tokyo and Nagoya Stock
Exchanges (Securities Code: 5947)
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Notice Related to Revision of Performance Forecasts

In light of its recent performance, Rinnai Corporation has revised its initial forecasts for the full-year period ending March 31, 2017, as set out below. (The initial forecasts were released on May 10, 2016.)

Revision of Performance Forecasts

Revision of consolidated performance forecasts for fiscal 2017
(April 1, 2016–March 31, 2017)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net income attributable to owners of the parent company	Net Income per Share (Yen)
Previous forecast (A)	337,000	37,000	38,000	23,500	451.90
Revised forecast (B)	328,000	33,000	34,600	21,300	409.60
Difference (B – A)	-9,000	-4,000	-3,400	-2,200	—
Change (%)	-2.7	-10.8	-8.9	-9.4	—
(For references) Year ended March 31, 2016 (actual)	319,935	34,593	35,807	22,710	436.71

Reasons for revision

Despite solid results of its overseas subsidiaries, Rinnai now expects to underperform its initial forecasts for the full-year period ending March 31, 2017. This is due to the impact of the yen's appreciation, an increase in the sales ratio for low-priced products in Japan, and depressed unit sales of kitchen appliances and home heaters. In light of its recent performance, as well, Rinnai has revised its forecasts as shown above.

Note: The aforementioned performance forecasts are based on information available at the time of this release. Actual results may differ significantly from such forecasts due to various future factors.

END