



# **Fiscal 2011 Financial Results**

**Year ended March 31, 2011**

# **Rinnai**

**May 11, 2011**

# Impact of Great East Japan Earthquake

(As of May 11, 2011)

## Status of human injury or damage to facilities

- No personal injury to Rinnai Group employees
  - Damage to buildings at Tohoku Branch and some other facilities;  
temporary suspension of operations
- ⇒ Operations incrementally restarted; all facilities in full-scale operation by March 31

## Status of product distribution

- Shipments to Tohoku region suspended after disaster
- ⇒ Shipments resumed March 22; now back to normal except for some areas

## Status of production

- No production facilities in Tohoku region, so no direct impact on production equipment
- Procurement of parts became difficult just after the earthquake, but operations continue at Rinnai factories

## Status of demand

- Orders (for temporary dwellings, etc.) higher than normal years; Rinnai will raise production in May and thereafter

**Net sales: ¥239.4 billion (up 5.9% year-on-year)**

Buoyed by healthy demand in Japan and overseas (99.8% of forecast)

**Operating income: ¥25.2 billion (up 23.8%)**

Boosted by cost-cutting efforts (103.0% of forecast)

**Ordinary income: ¥26.8 billion (up 24.9%)**

Boosted by improved operating income (107.3% of forecast)

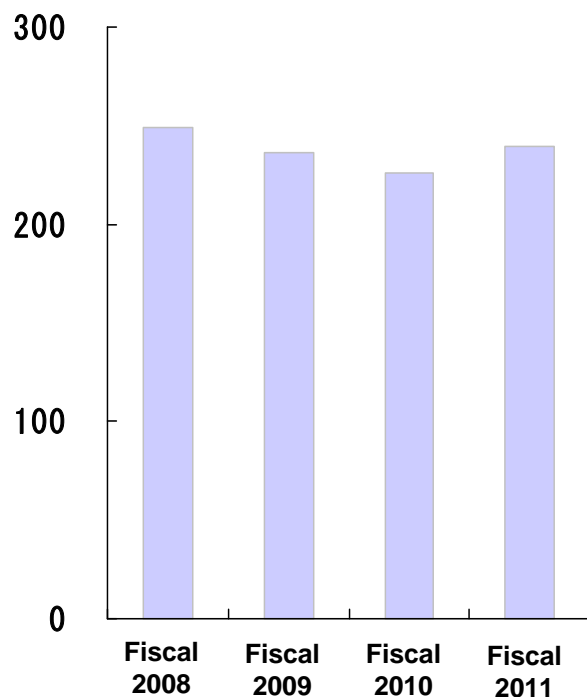
**Net income: ¥15.5 billion (up 33.2%)**

Posted extraordinary losses, but achieve original targets (103.4% of forecast)

**Steady results in second year of medium-term plan (“Reform & Breakthrough”);  
Achieved original Fiscal 2012 earnings forecasts one year ahead of schedule**

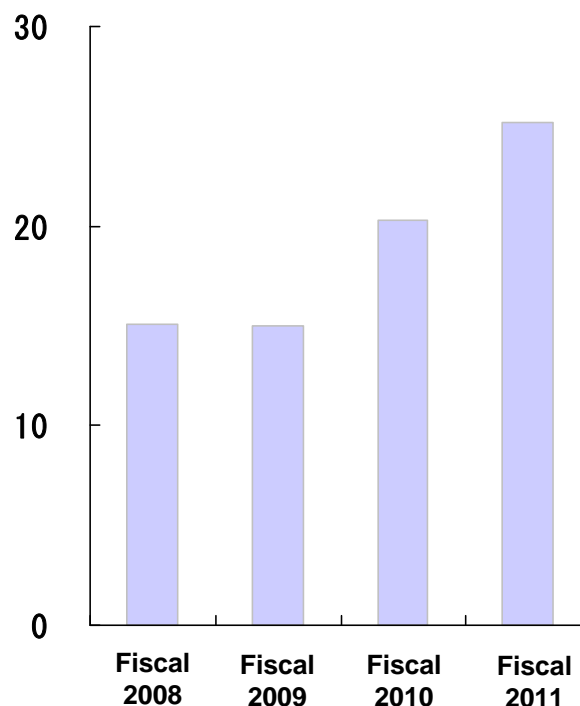
## Net Sales

[Billions of yen]



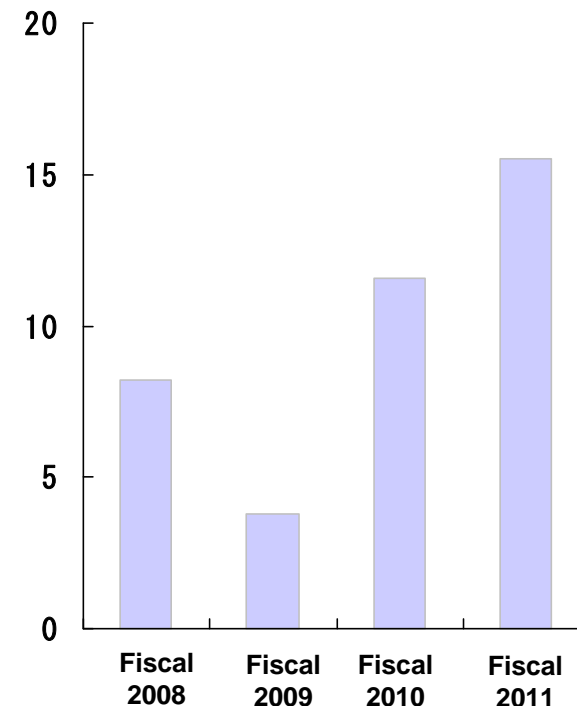
## Operating Income

[Billions of yen]



## Net Income

[Billions of yen]



- Revenue up first time in 3 years; earnings up 2 consecutive years
- Record-high figures for operating income and net income

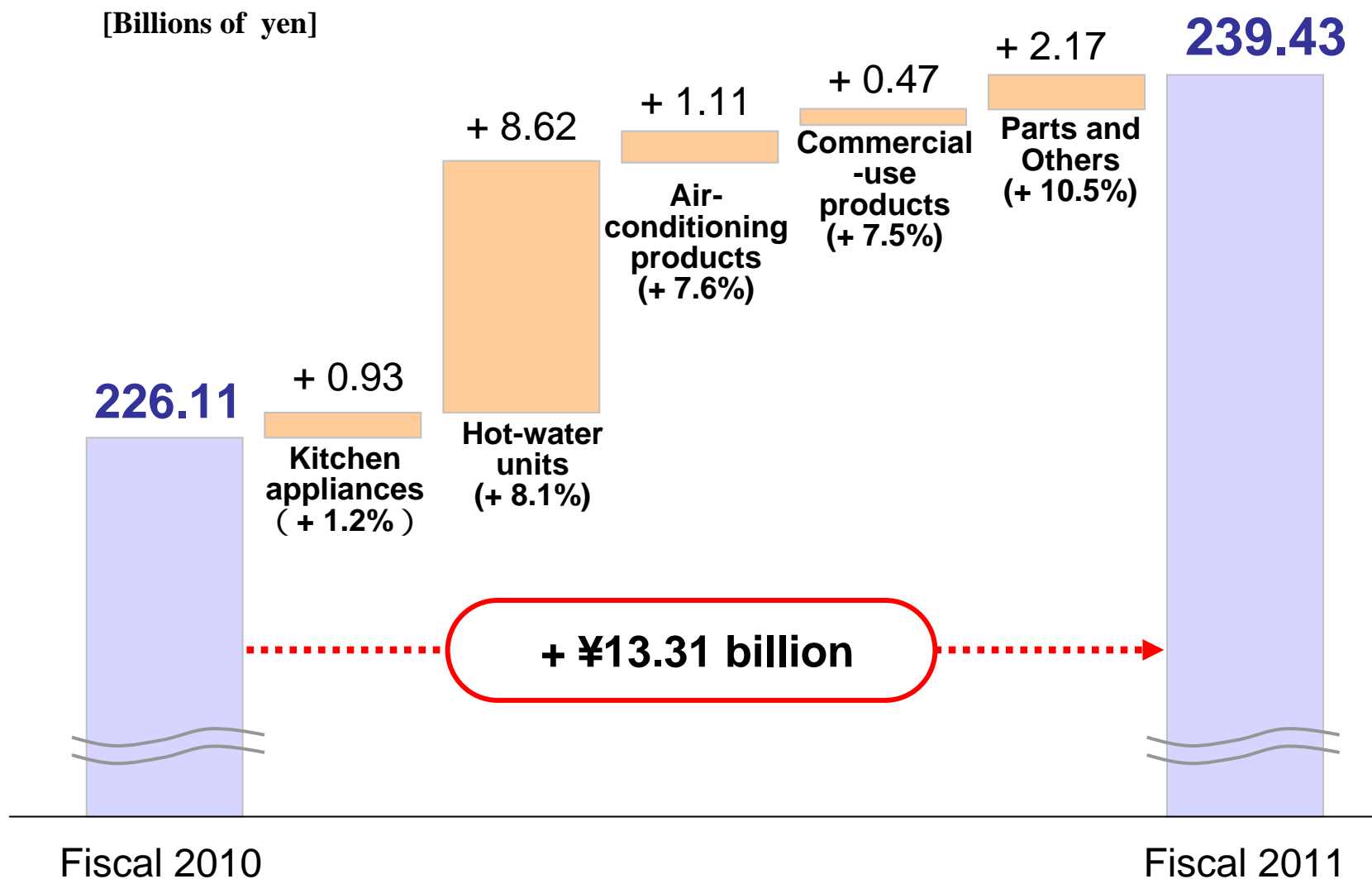
# Net Sales by Product in Fiscal 2011

		Fiscal 2010		Fiscal 2011		
		Amount	Composition ratio	Amount	Composition ratio	YOY change
[Billions of yen]						
<b>Net Sales</b>		226.1	100%	239.4	100%	+ 5.9%
Net Sales by Product	<b>Kitchen appliances</b>	78.6	34.8%	79.6	33.2%	+ 1.2%
	<b>Hot-water units</b>	105.9	46.8%	114.5	47.8%	+ 8.1%
	<b>Air-conditioning products</b>	14.6	6.5%	15.7	6.6%	+ 7.6%
	<b>Commercial-use products</b>	6.2	2.8%	6.7	2.8%	+ 7.5%
	<b>Others *</b>	20.6	9.1%	22.8	9.5%	+ 10.5%

\* "Others" consists mainly of product components (sold in Japan and overseas) and clothes dryers.

**Higher sales of all products, including mainstay products;  
hot-water units and kitchen appliances,**

# Fiscal 2011 Consolidated Net Sales by Product



From Fiscal 2010, solar hot-water units were shifted to the "Hot-water units" segment (previous included in "Others").

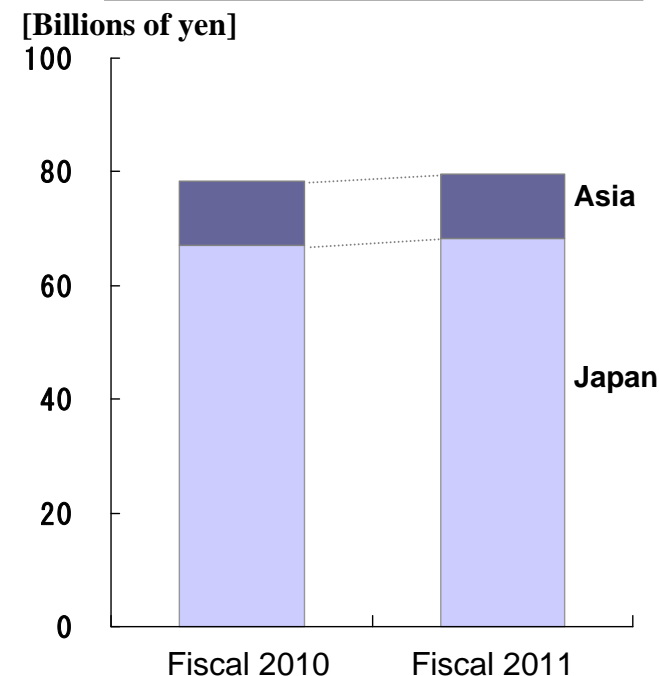
# Fiscal 2011 Sales by Business Segment (Kitchen appliances)

Composition ratio:  
33.2%



[Billions of yen]	Fiscal 2010	Fiscal 2011	YOY change
<b>Japan</b>	67.0	68.4	+ 2.0%
<b>Asia</b>	11.5	11.1	- 3.5%
<b>Total</b>	78.6	79.6	+ 1.2%

## Net Sales

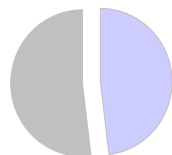


# Fiscal 2011 Sales by Business Segment (Hot-water units)

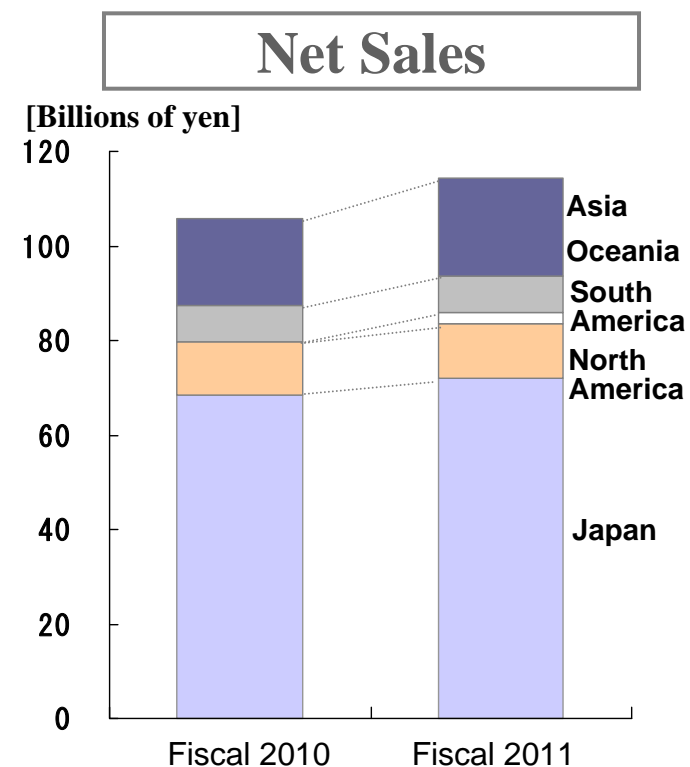
**Rinnai**

Composition ratio

47.8%



[Billions of yen]	Fiscal 2010	Fiscal 2011	YOY change
Japan	68.5	71.9	+ 4.9%
North America	11.2	11.7	+ 4.0%
South America	-	2.3	-
Oceania	7.6	7.8	+ 3.4%
Asia	18.4	20.6	+ 12.2%
<b>Total</b>	<b>105.9</b>	<b>114.5</b>	<b>+ 8.1%</b>

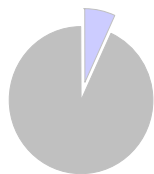




# Fiscal 2011 Sales by Business Segment (Air-conditioning products)

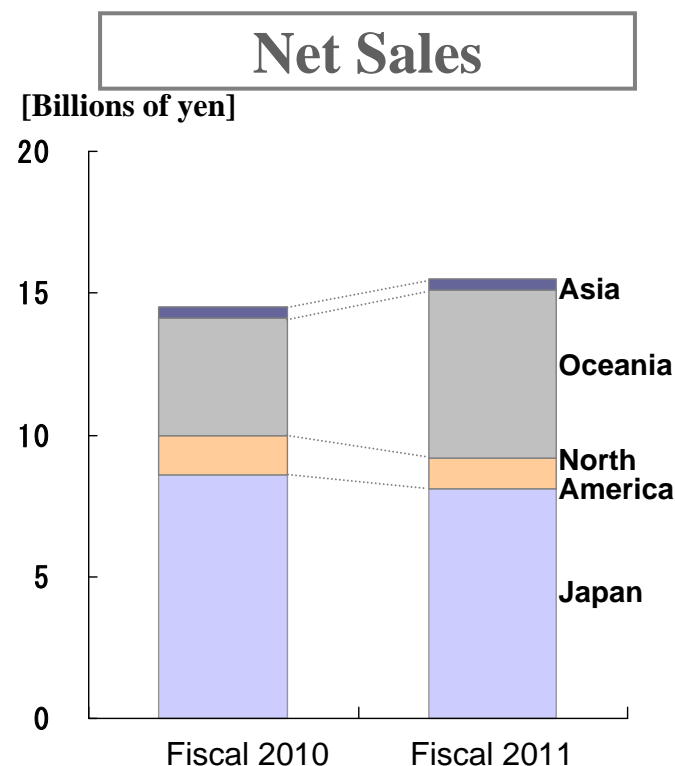
Composition ratio

6.6%



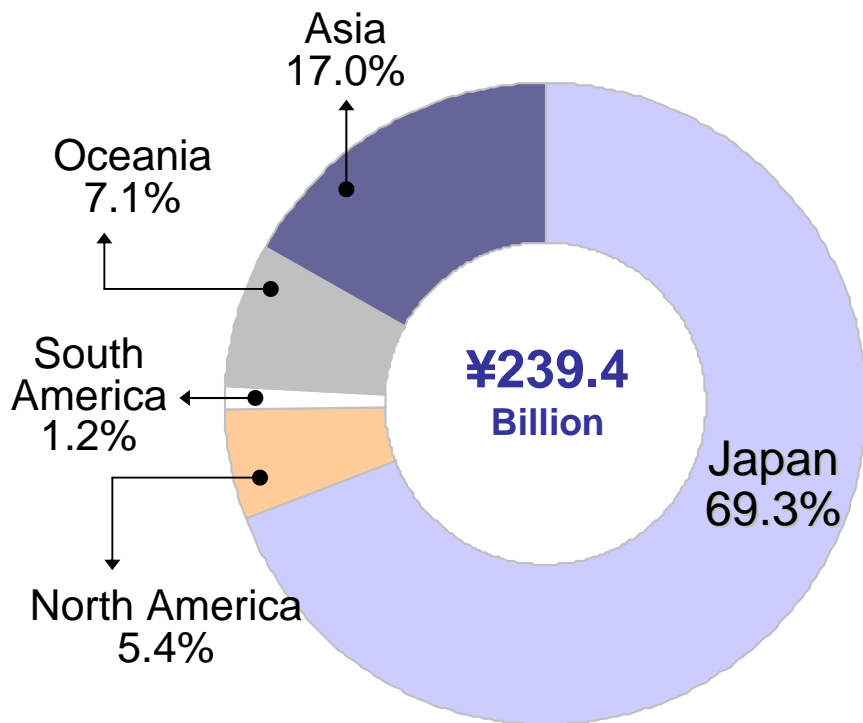
[Billions of yen]

	Fiscal 2010	Fiscal 2011	YOY change
<b>Japan</b>	8.6	8.1	- 5.7%
<b>North America</b>	1.4	1.1	- 16.5%
<b>Oceania</b>	4.1	5.9	+ 45.7%
<b>Asia</b>	0.4	0.4	- 6.8%
<b>Total</b>	14.6	15.7	+ 7.6%



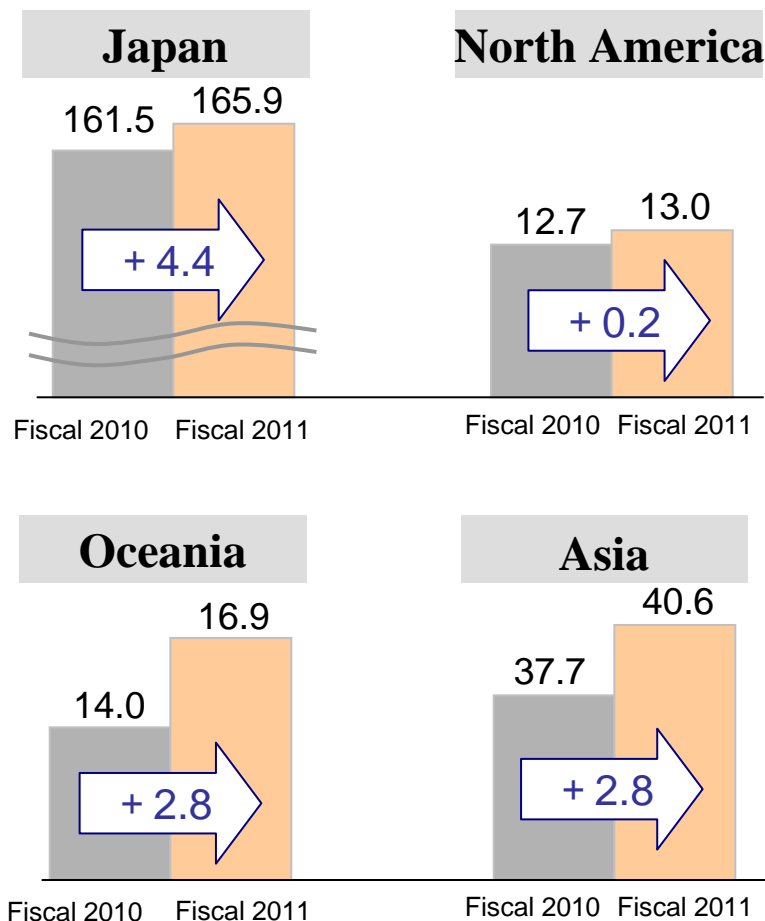
# Consolidated Net Sales by Geographical Segment

## Fiscal 2011 Consolidated Net Sales



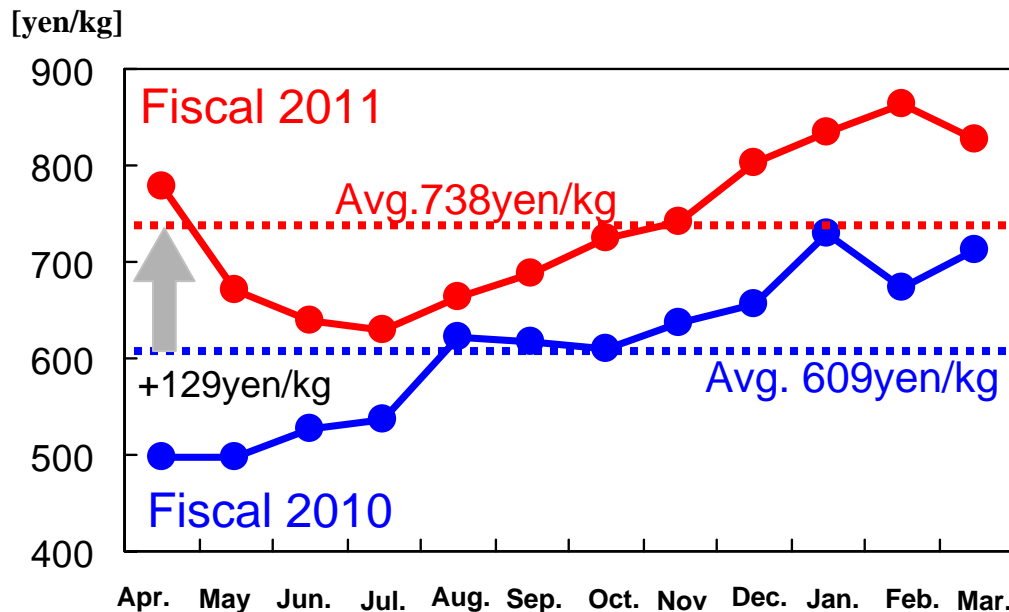
## YOY Change by Geographical Segment

[Billions of yen]



## Electrolytic Copper

- Assumed price: ¥730/kg
- Prices trending higher than assumed price due to rises in second half



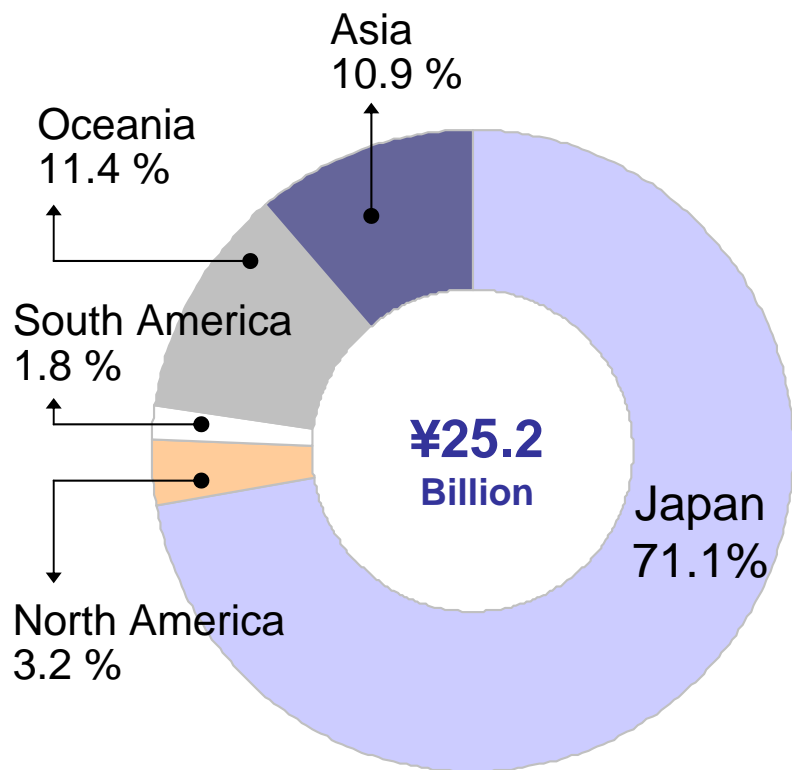
Fiscal 2011 avg.	<b>738 yen/kg</b>
Fiscal 2010 avg.	<b>609 yen/kg</b>
YOY change	<b>+ 21.1%</b>
Relevant products	<b>Hot-Water units</b> (Heat exchangers, etc.)

## Steel

- Rising prices of steel ⇒ Prices increased in July and December 2010 (average unit price increased 10–20%)

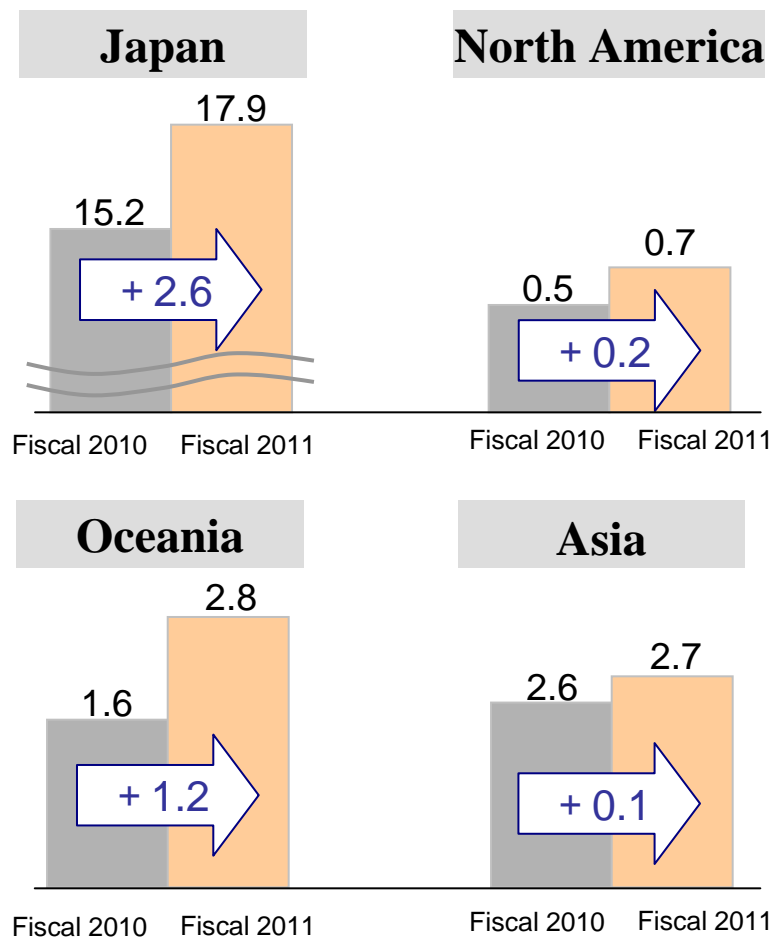
# Consolidated Operating Income by Geographical Segment **Rinnai**

## Fiscal 2011 Consolidated Operating Income



## YOY Change by Geographical Segment

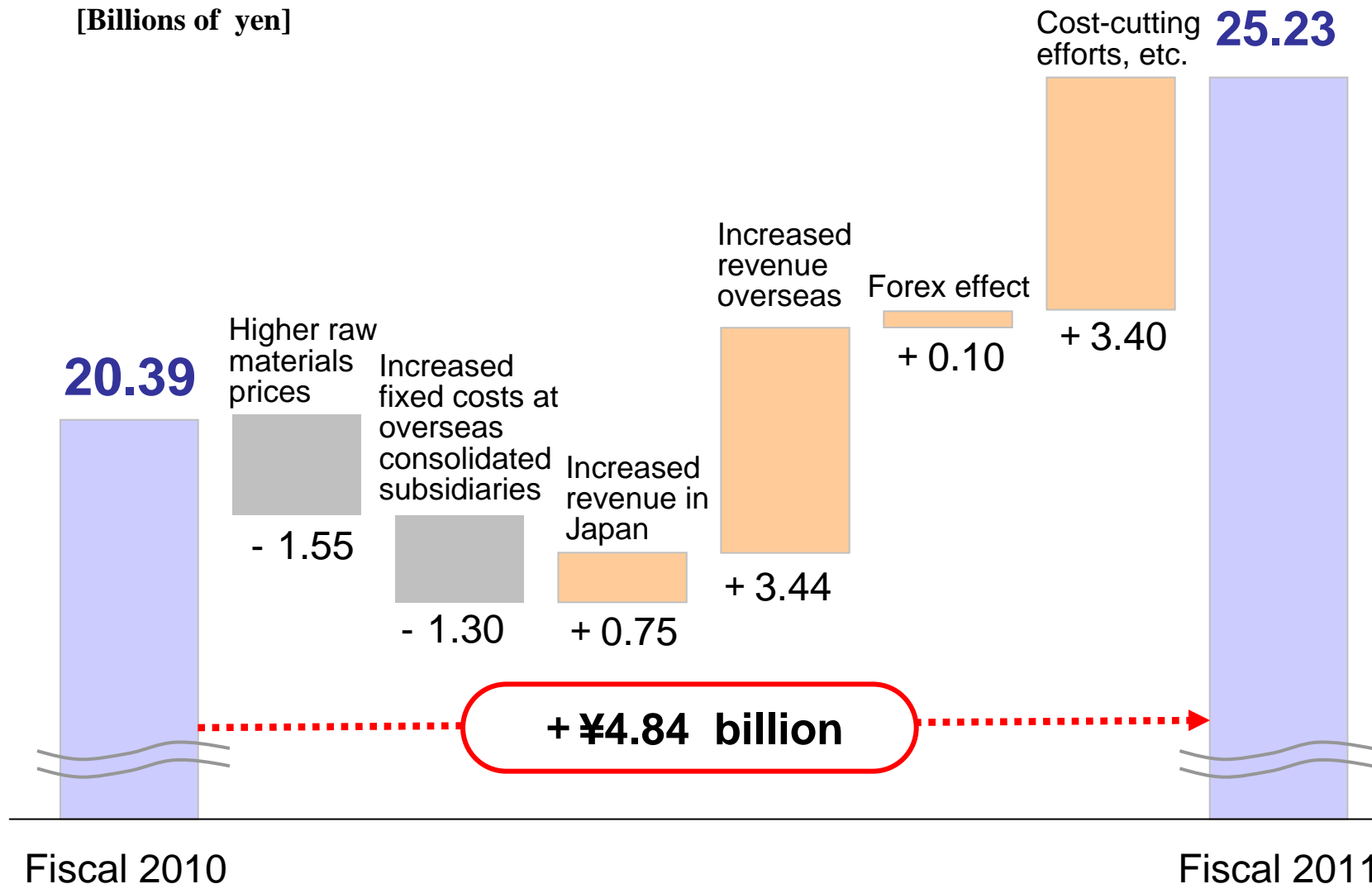
[Billions of yen]



# Fiscal 2011 Consolidated Statements of Income

**Rinnai**

[Billions of yen]



# Rinnai

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Performance forecasts and other future-oriented predictions contained in these materials are based on the Company's judgments using available information. Actual results may differ from such forecasts and predictions due to changing future circumstances.