



Rinnai

**Financial Results of Fiscal 2013,
ended March 31, 2013**

May 10, 2013

Fiscal 2013 : Consolidated Results: Summary

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Net sales: ¥251.8 billion (up 2.1% year-on-year)

Buoyed by domestic sales; overseas sales decline in first half offset by second half

Operating income: ¥ 26.3 billion (down 1.1% year-on-year)

Profits and profit margins squeezed by incurrence of expenses for product repairs

Ordinary income: ¥ 29.0 billion (up 0.5% year-on year)

Helped by improved foreign exchange gain, despite lower operating income

Net income: ¥ 19.3 billion (up 15.3% year-on year)

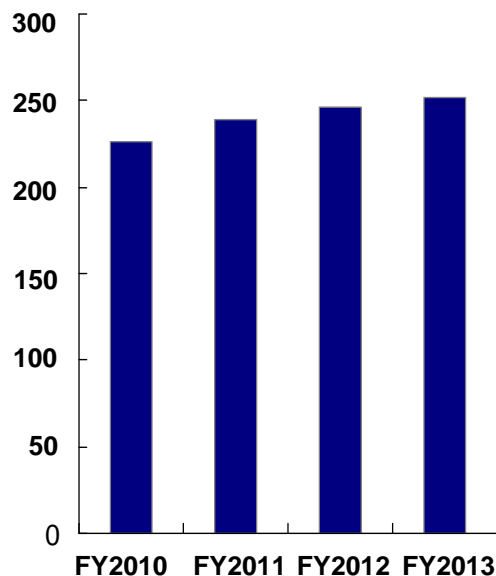
Increase compared with previous year, which saw loss on valuation of investment securities

- Continued healthy results in Japan complemented by sales recovery overseas
- Projected results for ordinary income and net income achieved, despite lower operating income stemming from product repair expenses

Consolidated Financial Results

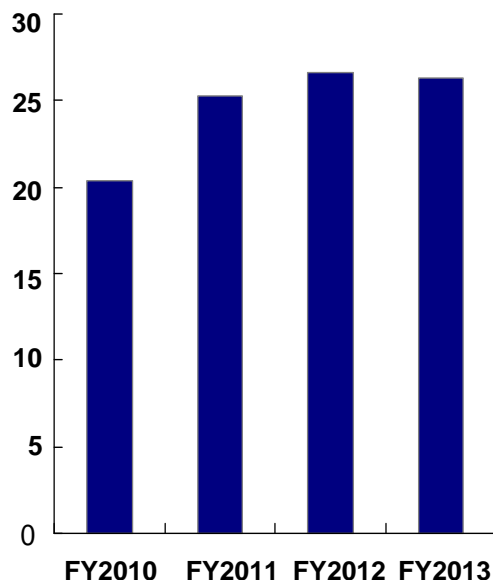
Net Sales

[Billions of yen]



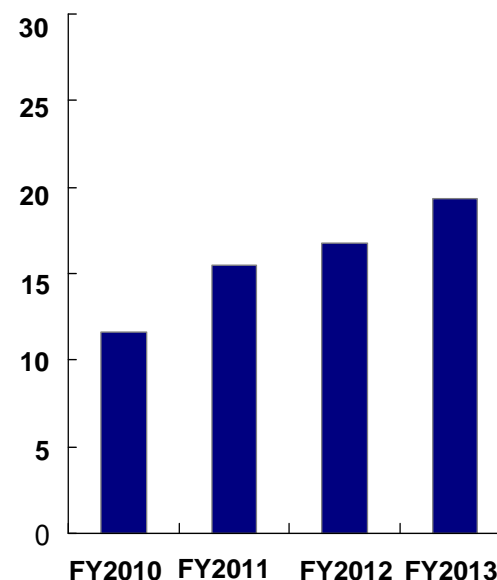
Operating Income

[Billions of yen]



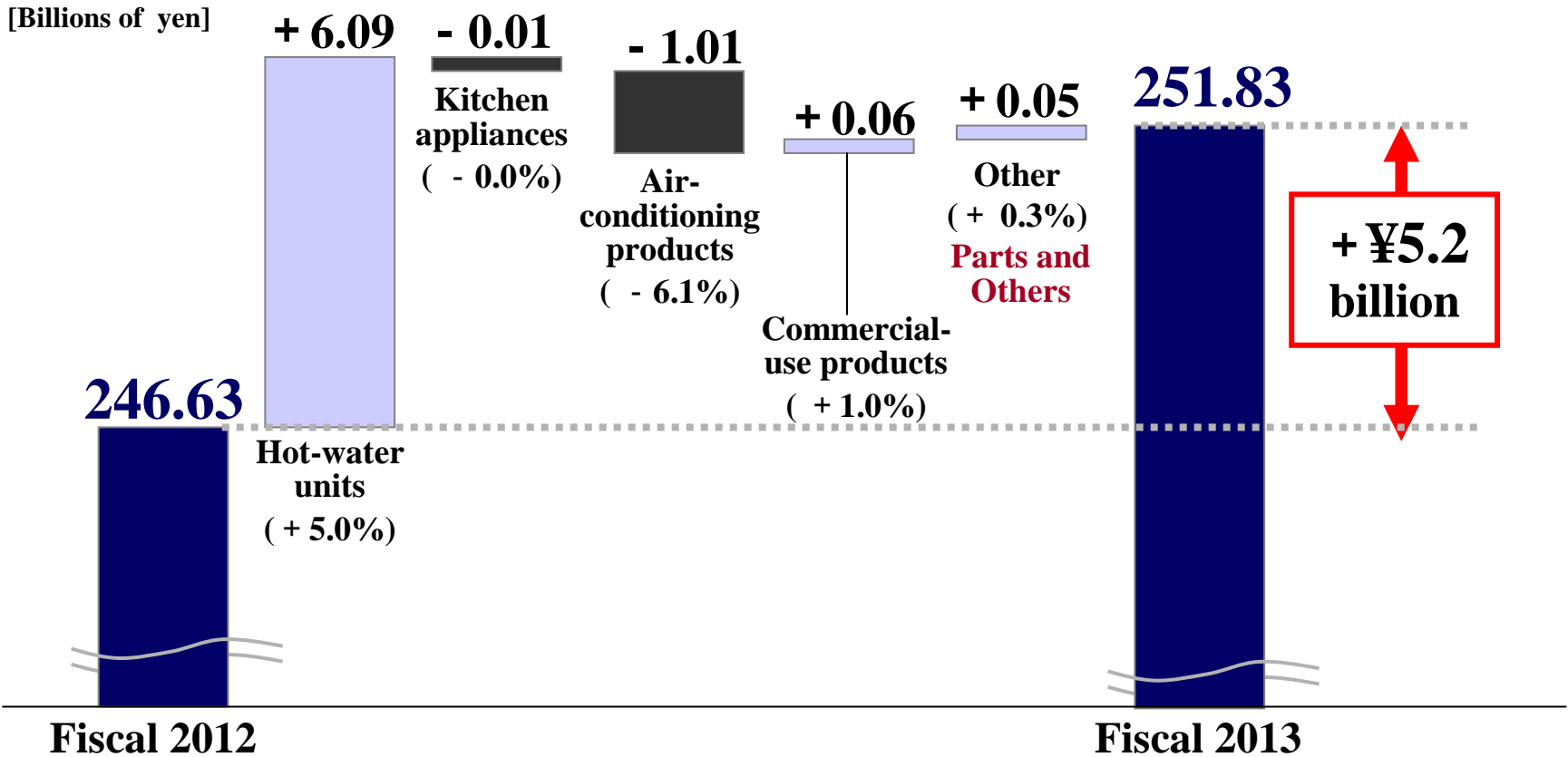
Net Income

[Billions of yen]



- Operating margin remained high, at 10.5%; continuation of real growth
- Record-high figures for net sales, ordinary income, and net income

Fiscal 2013: Consolidated Net Sales by Products



- **Hot-water units:** Revenue driven by healthy demand in Japan, plus recovery in sales overseas
- **Air-conditioning and heating units:** Sales down due to recoil effect following end of special demand for heaters for schools in Australia

Fiscal 2013: Consolidated Sales/Income Results

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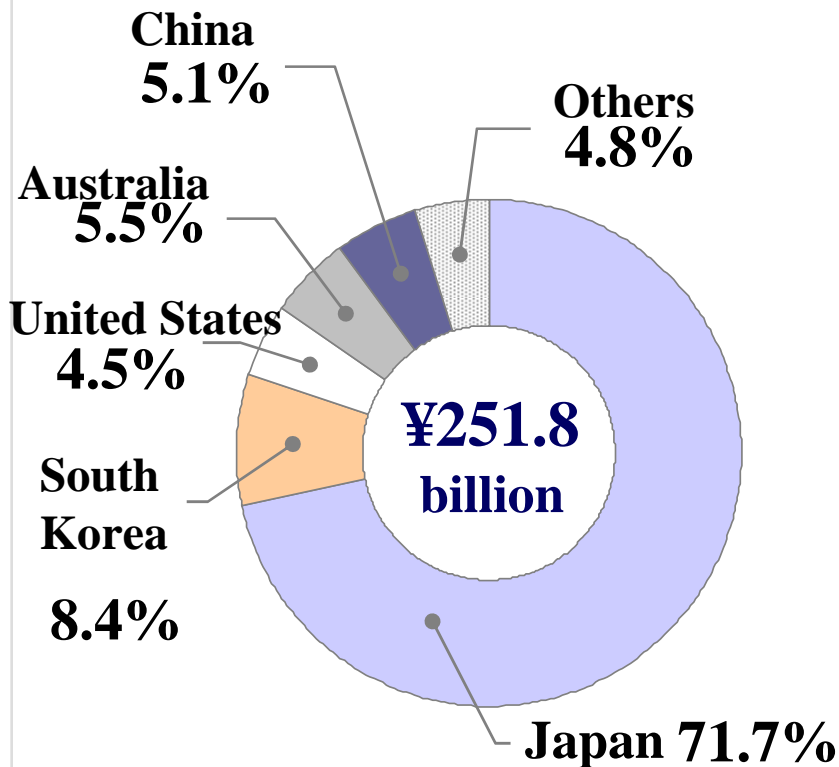
[Billions of yen]	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin	YOY Change
Consolidated	251.83	+ 2.1%	26.35	- 1.1%	10.5%	- 0.3P



[Billions of yen]	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin	YOY Change
Rinnai	188.55	+ 3.0%	18.06	+ 0.1%	9.6%	- 0.3P
Domestic	96.82	- 0.3%	2.40	+ 16.0%	2.5%	+ 0.3P
Overseas	77.08	+ 0.4%	5.96	- 3.5%	7.7%	- 0.3P
Total	362.46	+ 1.5%	26.43	+ 0.5%	7.3%	- 0.1P

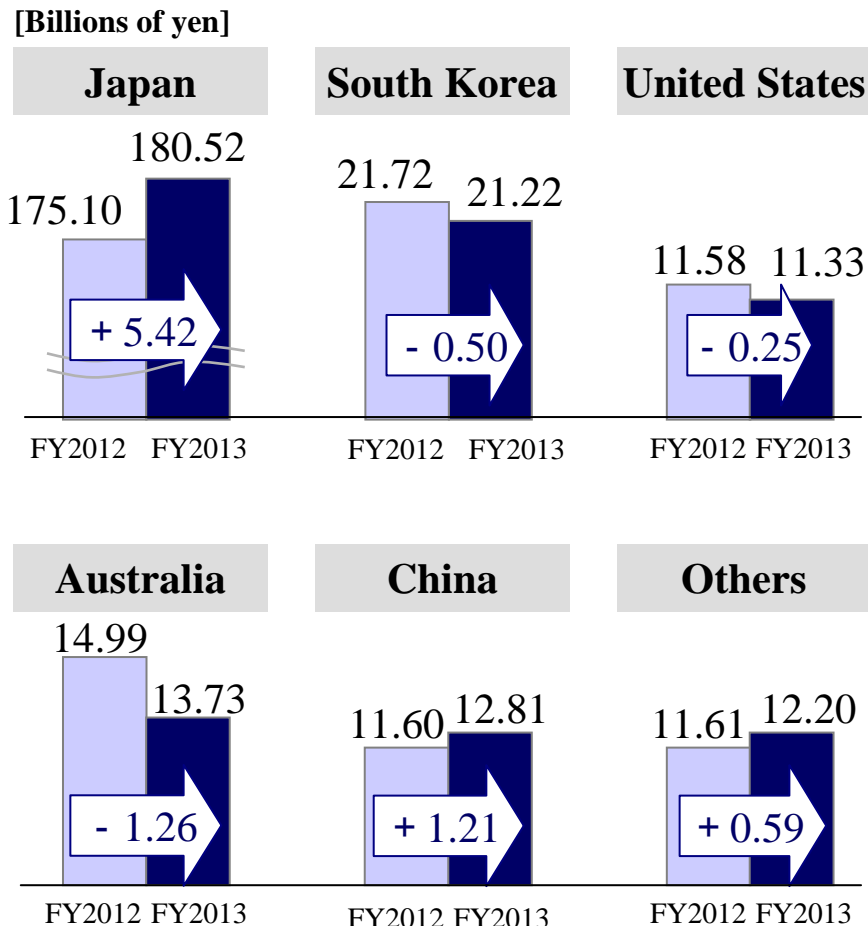
Consolidated Net Sales by Geographical Segment

Fiscal 2013 Consolidated Net Sales



Composition of Others :
Local group companies in Taiwan, Thailand, Vietnam,
New Zealand, Brazil and etc.

YOY Change by Geographical Segment



Sales by Business Segment (Hot-water units)

[Billions of yen]	Fiscal 2012	Fiscal 2013	YOY Change
Japan	78.18	83.23	+ 6.5%
South Korea	9.46	9.43	- 0.2%
United States	10.29	10.16	- 1.3%
Australia	8.03	7.79	- 3.1%
China	9.35	10.46	+ 11.8%
Others	5.69	6.03	+ 6.0%
Total	121.02	127.12	+ 5.0%

Composition ratio:50.5%



- **Japan:** Healthy results thanks for high demand for gas appliances, together with shift to high-value-added products
- **United States:** Magnitude of sales decline down despite delayed economic recovery
- **China:** Growth amid expanding gas infrastructure in interior regions; sales boosted by recovery in Shanghai region

Sales by Business Segment (Kitchen appliances)

[Billions of yen]	Fiscal 2012	Fiscal 2013	YOY Change
Japan	67.83	68.14	+ 0.5%
South Korea	6.09	5.48	- 10.0%
China	1.87	2.02	+ 7.6%
Others	2.97	3.12	+ 5.0%
Total	78.79	78.78	- 0.0%

Composition ratio:

31.3%



Japan



South Korea



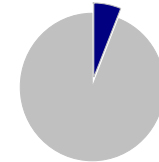
China

- **Japan: Growth in sales of built-in-stoves and range hoods amid rising demand for system-based kitchens**
- **South Korea: Sales of stoves down due to market contraction and intensified competition**

Sales by Business Segment (Air-conditioning products)

[Billions of yen]	Fiscal 2012	Fiscal 2013	YOY Change
Japan	9.83	9.82	- 0.1%
South Korea	0.29	0.32	+ 8.9%
United States	1.16	1.01	- 12.6%
Australia	4.90	4.03	- 17.7%
Others	0.48	0.46	- 2.6%
Total	16.68	15.66	- 6.1%

Composition ratio : 6.2%



Japan

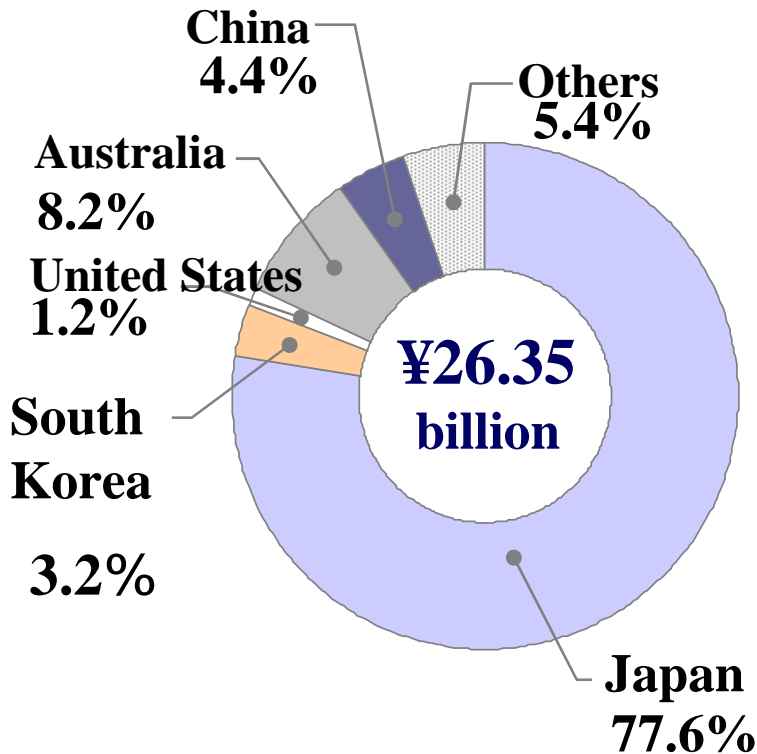


Australia

- **Japan:** Continued shift to gas heaters due to heightened electricity reduction awareness (sales up 20.6% from fiscal 2011)
- **Australia:** Downward recoil in sales following end of special demand due to subsidies granted until second half of previous year

Consolidated Operating Income by Geographical Segment

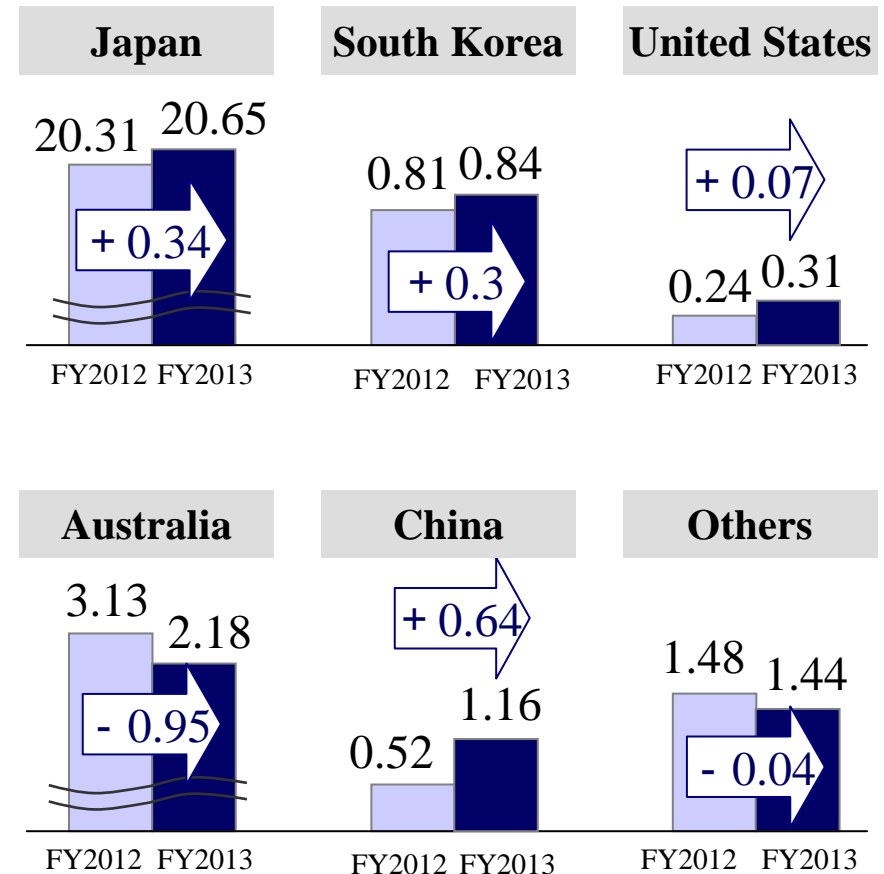
Fiscal 2013 Consolidated Operating Income



Composition of Others :
Local group companies in Taiwan, Thailand, Vietnam,
New Zealand, Brazil and etc.

YOY Change by Geographical Segment

[Billions of yen]

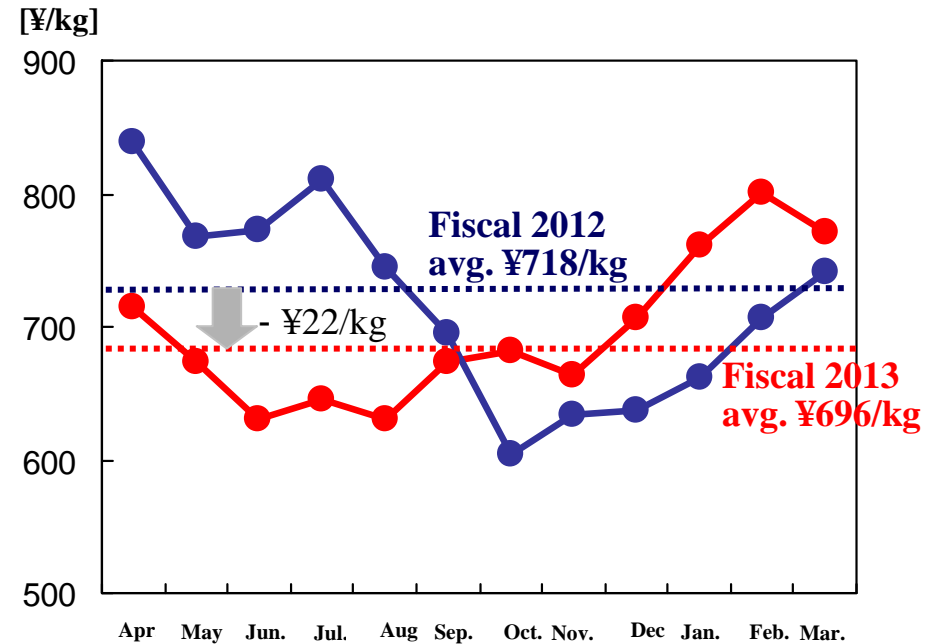


Electrolytic Copper

- Fiscal 2013 average assumed price: ¥780/kg
- Prices trending lower than assumed price

	Fiscal 2013	Fiscal 2012	YOY change
Avg. price	696	718	- 3.0%

Used in: Hot-Water units (Heat exchangers, etc.)

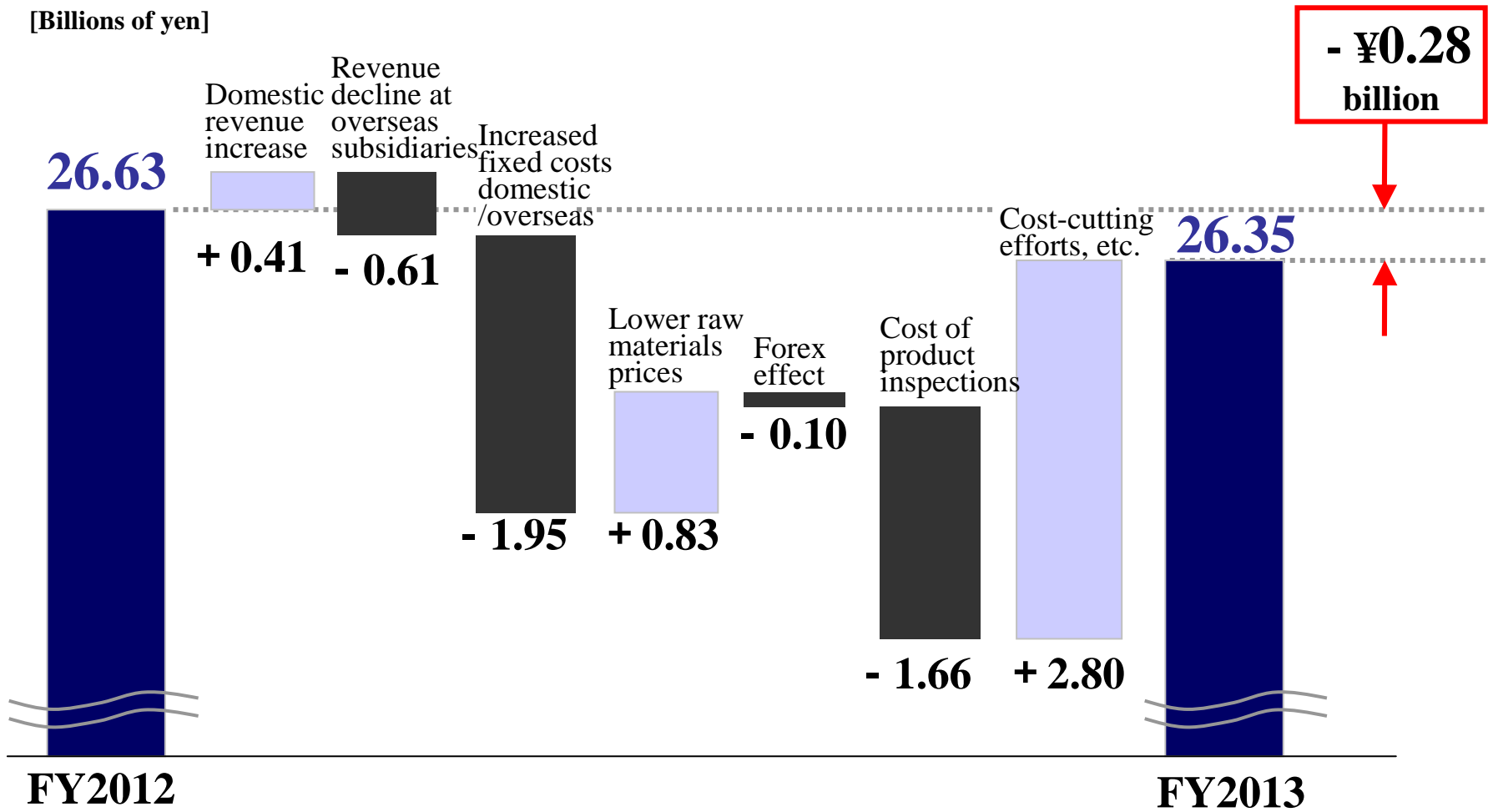


Steel

- Iron and steel prices trending lower than fiscal 2012 prices

Fiscal 2013: Consolidated Operating Income

[Billions of yen]



Rinnai

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