

Rinnai Group Medium-Term Business Plan 2021-2025

Rinnai

- **Medium-Term Business Plan**
- **Fiscal 2022 Plan**

Background

From its founding in 1920 to the present day, Rinnai has helped enrich the lives of people around the world by providing products and services that reflect the lifestyles, climatic conditions, and energy conditions of each country and region.

Rinnai celebrated its 100th anniversary in 2020. As a fresh start for the next 100 years, we formulated a new Medium-Term Business Plan covering the five-year period from April 2021 to March 2026. The aim of the plan is to realize healthy, comfortable lifestyles and deliver sustainable corporate growth.



Review of Previous Medium-Term Business Plan (G-shift 2020)

Years ended Mar. 31

Fiscal 2019

Sales up;
income down

Japan: Weak performance by main products due to industry shrinkage and price competition
Overseas: Decline in income due to upfront investments despite ongoing growth in sales

Fiscal 2020

Sales down;
income up

Japan: Improved income amid changing conditions stemming from consumption tax hike
Overseas: Performance in some areas weakened by intensifying competition and depreciation of local currencies

Fiscal 2021

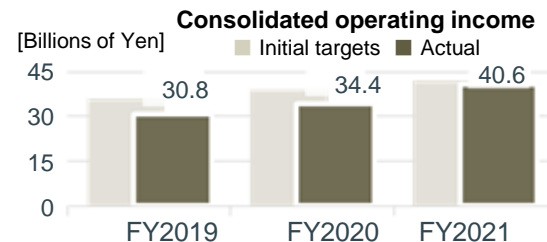
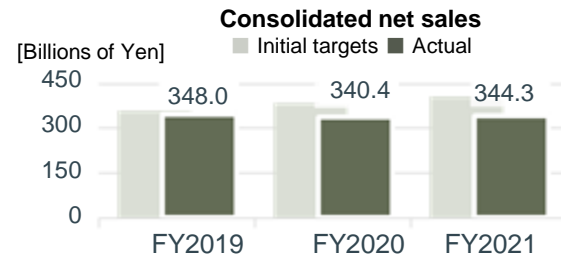
Sales up;
income up

Record-high earnings

COVID-19 pandemic impacted the entire world
Japan: Performance driven by strong sales of growth items, stay-at-home demand, and cold snap
Overseas: Sales growth in the United States; recovery in China and elsewhere exceeded initial expectations

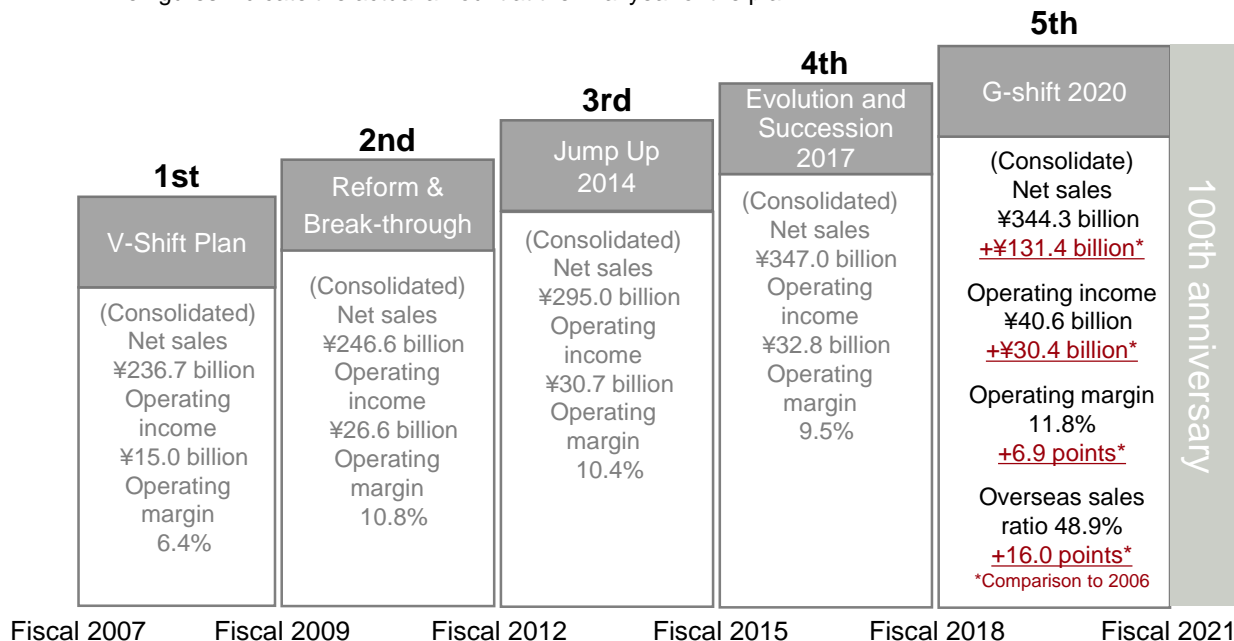
Looking back on Fiscal 2019– Fiscal 2021 (from Apr 1, 2018 to Mar. 31, 2021)

- Failed to achieve plan's initial targets for net sales and operating income due to major changes in the business environment
- Greater-than-expected improvement in profit structure, owing to corporate efforts including cost reduction
- Reached new record-high income, and reinforced the foundation for the next 100 years



Positioning of Medium-Term Business Plan 2021-2015

*The figures indicate the actual amount at the final year of the plan



Changes in business conditions expected to accelerate in the future

- Efforts to achieve carbon neutrality
- Transformation of needs and entrenchment of “new normal”
- Progressive digitalization

Positioning of new medium-term business plan

Aiming to be the brand of choice in the new rapidly changing era, we have positioned the next five years as a period for delivering growth and implementing reforms from medium- and long-term perspectives.

Strengthening corporate structure through the past five business plans (15 years)

New Medium-Term Business Plan

External Business Trends and Rinnai Group Strengths



Global

- Increase in world population and continuous economic growth in emerging countries
- Accelerating movement to achieve carbon neutrality to combat global warming
- Changes in lifestyles due to advances in digital technology
- United States: Strong housing market; China: Expansion of gas infrastructure to regional cities



Japan

- Increase in double-income households due to the declining population and number of households
- Gas appliance market expected to remain flat amid decreasing number of housing starts
- Increases in frequency and magnitude of natural disasters
- Changes in people's values and behaviors

Rinnai

- In-house development and automation equipment of key units, and in-house production of molds
- Hybrid technologies for energy saving and core technologies for heating
- Superior manufacturing capabilities with state-of-the-art factories and unique manufacturing affiliates
- Nationwide sales channels and spaces for experiential proposals
- Local production bases; strong overseas network
- Firmly established brand image for high-quality products
- Solid financial base

New Medium-Term Business Plan (2021-2025)

New ERA 2025

New Expansion, **R**evolution and **A**dvancement

We have positioned the year 2021 (101 years since our foundation) as the start of a New ERA.

We will achieve Advancement in addressing social challenges through Expansion of business scale and Revolution of corporate structure.

Corporate Vision

Brand Promise

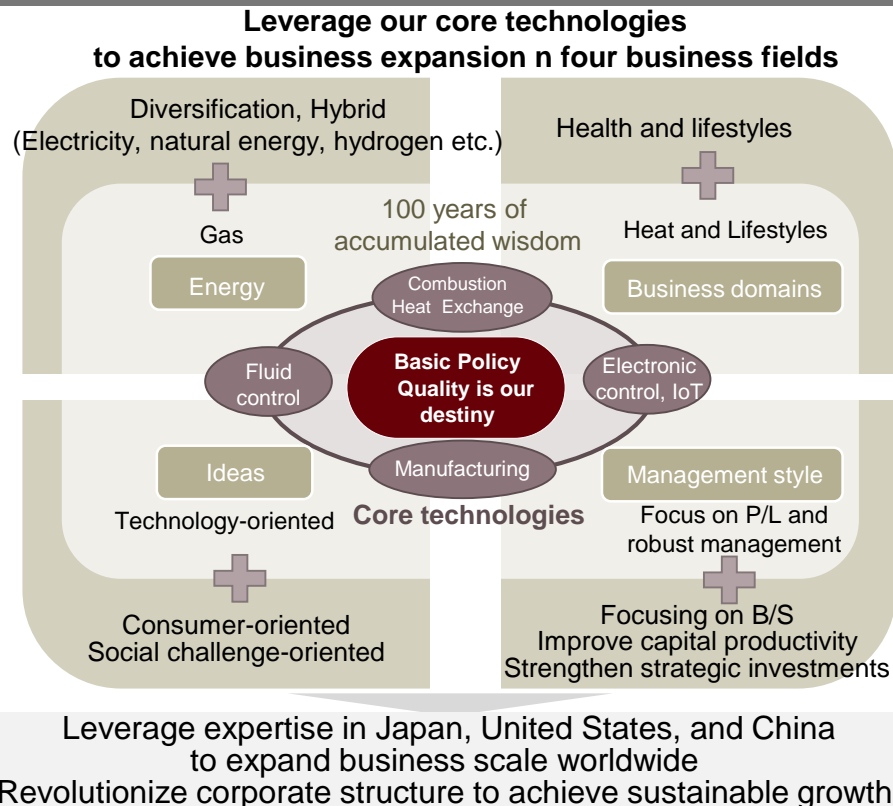
Creating a healthier way of living

Social Challenges Rinnai should embrace

- ◆ Improve quality of life
- ◆ Help resolve global environmental problems

Corporate Vision

We will utilize various kinds of energy resources and our own core technologies to address social challenges in our business field “heat and lifestyles” “health and lifestyles” and achieve a sustainable, steady, long-term growth.



Key Strategies

We have formulated three key strategies: Help resolve social issues, expand business scale, and revolutionize corporate structure.

Advancement in addressing social challenges



1. Improve quality of life
2. Help resolve global environmental problems

Expansion of business scale



1. Expand regional domains
2. Expand business domains

Revolution of corporate structure

Rinnai

1. Become more consumer-oriented
2. Make focused investments in intangible assets
3. Enhance profitability

Advancement in Addressing Social Challenges : Improve Quality of Life

We develop products closely related to people's lives, including water heaters (for making hot water), kitchen appliances (for cooking), and air-conditioning appliances (for heating rooms). By providing products with even greater value, we can improve quality of life in addition to supporting people's lives.

[Example: Efforts to improve quality of life in the United States]



Tank-based water heaters



Tankless water heaters

Our tankless water heaters offer the convenience of never running out of hot water and reduce stress in people's daily lives



Making people's lives more comfortable and joyful is a major element of our Brand Promise. We will increase sales by offering products that improve people's lives by making them healthier and more comfortable while providing enjoyment and excitement.

Advancement in Addressing Social Challenges : Improve Quality of Life

Quality-of-life improvement criteria

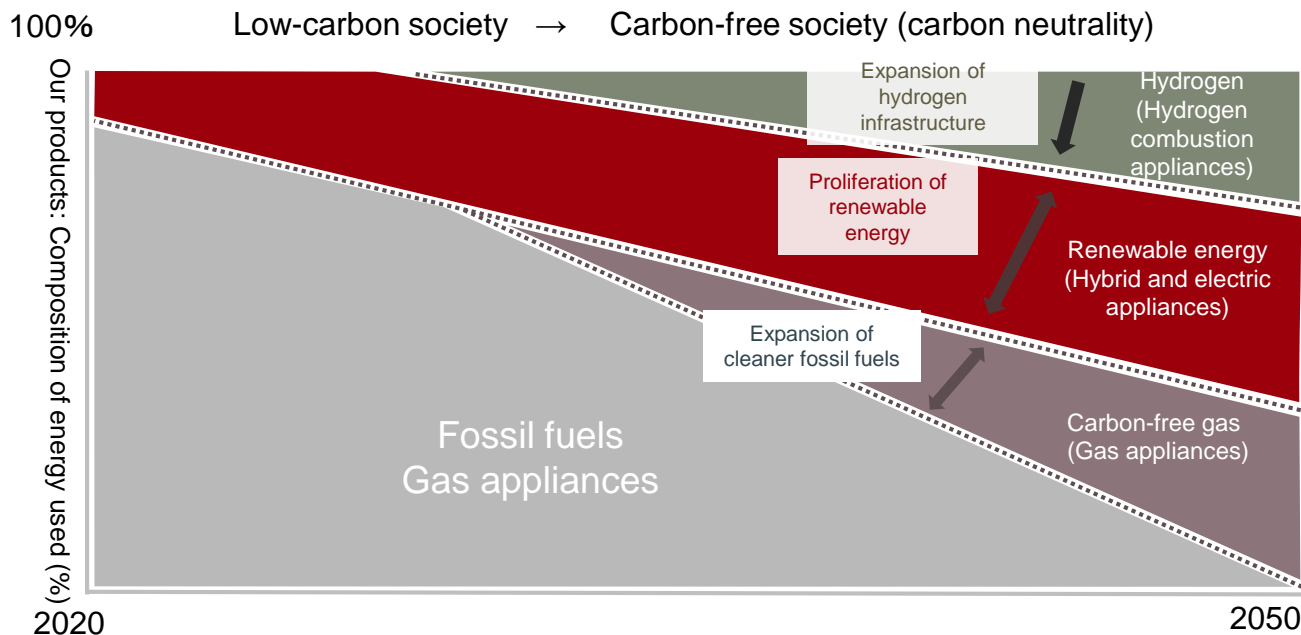
1. Reduced stress through improved convenience
2. Increased safety of living spaces
3. Improved levels of hygiene and health
4. Enhanced resilience

Below are examples of Rinnai products that have improved people's lives in each country and region in comparison with popularized existing products.

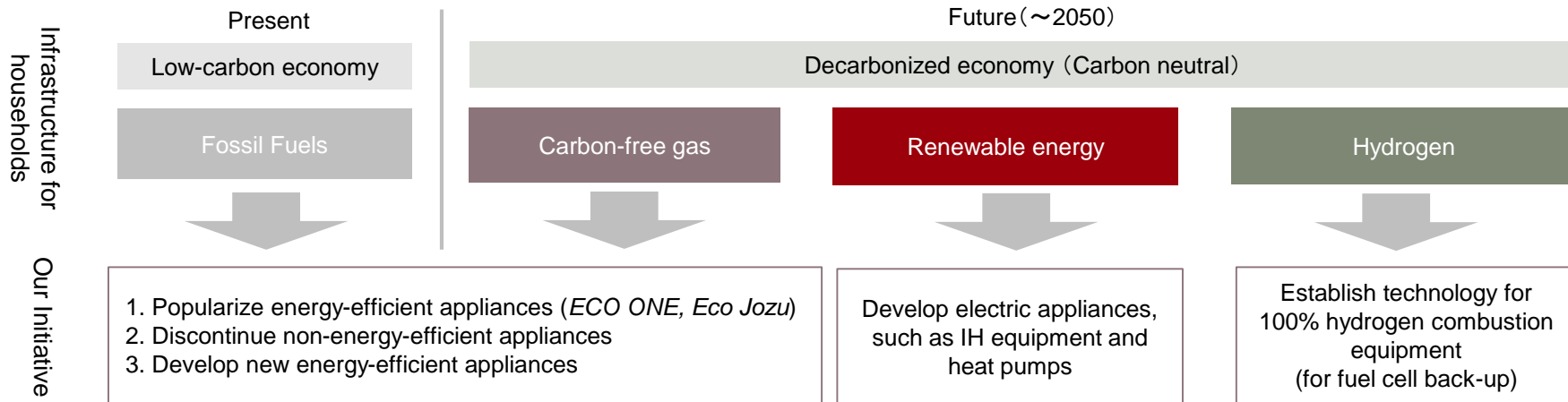
	Criteria	Main products	Details of improvement
1	Reduced stress through improved convenience	Gas tankless water heaters (USA) Gas clothes dryers (Japan, China, South Korea) Gas dishwasher/dryers (Japan, China)	-Endless supply of hot water thanks to gas water heaters -Reduced housework burden thanks to gas clothes dryers and dishwasher/dryers
2	Increased safety of living spaces	Wireless LAN-compatible remote controls (Japan) Gas stoves with sensors (Japan, ASEAN)	-Remote control and monitoring functions -Stoves equipped with sensors ensure prevention against fires
3	Improved levels of hygiene and health	Micro Bubble Bath units (Japan) Air purifiers (China) Gas and electric water heaters (ASEAN)	-Micro Bubble Bath units have health improvement benefits -Increased hygiene levels thanks to better air quality -Water heaters installed in houses that previously did not have them
4	Enhanced resilience	<i>ECO ONE</i> (Japan) Gas stoves (ASEAN)	-Hot water supply even in times of disaster -Cooking possible even during electricity blackouts

Advancement in Addressing Social Challenges : Help resolve global environmental problems

The Paris Agreement of 2016 accelerated the movement toward CO₂ emission reduction and zero emissions (carbon neutrality) in each country. Rinnai, which is engaged in the manufacturing of gas appliances, pursue the possible development of various energy equipment for carbon-free society.



Advancement in Addressing Social Challenges : Help resolve global environmental problems



Help resolve environmental issues on a global scale through our core technology strengths
to reduce CO₂ emissions and air pollution

Expand our lineup and sales of environmental products in the current low carbon society,
and further refine our technologies responding to various energies for the future decarbonized society

Advancement in Addressing Social Challenges : Help resolve global environmental problems

Measures during the New Medium-Term Management Plan

Products that help reduce CO₂ and PM2.5 emissions are defined as “Products that benefit the global environment.”

For the period of the new Medium-Term Business Plan, we have defined gas water heaters, which help reduce CO₂ emissions, and gas boilers, which help reduce PM2.5 emissions, as “Products that benefit the global environment.”

	Goal	Main products (reflecting the energy situation in each country and region)	Details of environmental contribution
1	Reduce Co2 emissions	<i>Eco Jozu, ECO ONE</i> (Japan)	Highly energy-efficient water heaters help reduce CO ₂ emissions
		Tankless gas water heaters (United States, Australia)	
		Gas water heaters (China)	
		Condensing boilers (South Korea)	
		Gas tabletop stoves (Indonesia)	Gas stoves with high combustion efficiency help reduce CO ₂ emissions
		Solar hot water panels (Brazil)	Using solar heat to supply hot water helps reduce CO ₂ emissions
2	Reduce PM2.5 emissions	Boilers (China, Mongolia)	Switching from coal boilers to gas boilers helps reduce PM2.5 emissions

Expansion of Business Scale : Regional Domains

Priority strategic markets: Expand sales in the United States

- Increase awareness about highly environmentally friendly tankless water heaters that save space and never run out of hot water
- Promote sales/marketing strategies to achieve sustainable growth
- Open an innovation center and new factory to strengthen local technological capabilities and competitiveness
- Increase sales to ¥100 billion, with 2025 as a growth milestone

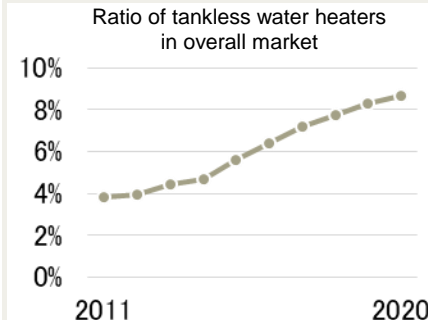
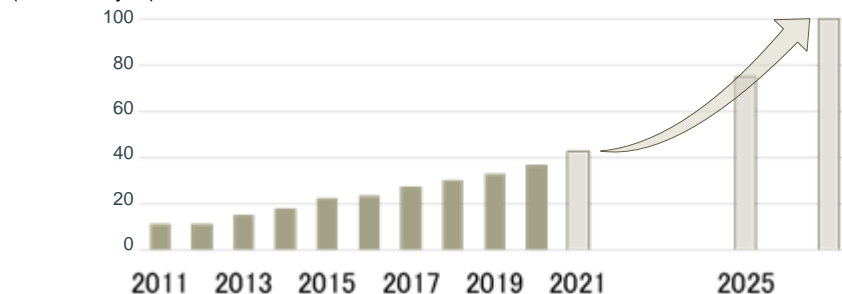
Griffin Factory

Scheduled for completion in October 2021
Total floor area: 28,532m²
(As of April 2021)



To meet growing demand for tankless water heaters, we will open a new factory to expand production capacity and improve productivity. (Production capacity: 200,000~ units)

Rinnai America Sales: Results and Projections



Rinnai America is driving expansion of the tankless water heater market as the manufacturer with the largest market share. Similar to Australia, where the tankless ratio has increased to 30%, we expect the U.S. market to continue growing.

Expansion of Business Scale : Regional Domains

Priority strategic markets: Expand sales in China

- Evolving into one of world's largest markets as improvements in living standards drive growth of the middle class
 - Increase brand recognition and promote differentiation by strengthening marketing in a competitive environment
 - Develop new sales methods that combine expanded Internet sales and offline communication
 - Foster our next growth pillar and expand into comprehensive energy equipment
- Reached ¥100 billion in sales

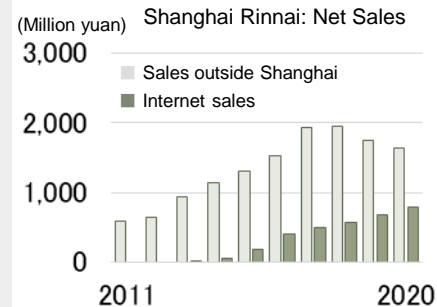
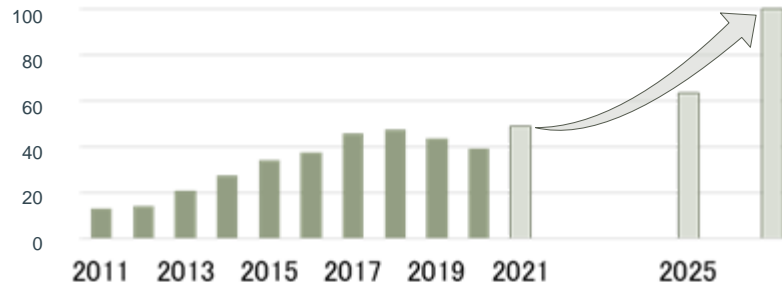
Fengxian Factory (Phase 2)

Scheduled for completion in February 2023
Total floor area: 174,474m²



In addition to boosting sales of mainstay gas water heaters, we will increase production capacity in anticipation of expanding markets in new areas, such as boilers and kitchen appliances. We will also strengthen our ability to generate business globally by stepping up in-house production, streamlining production processes, and enhancing our manufacturing capabilities through improved production design.

(Billions of yen) Shanghai Rinnai Sales: Results and Projections

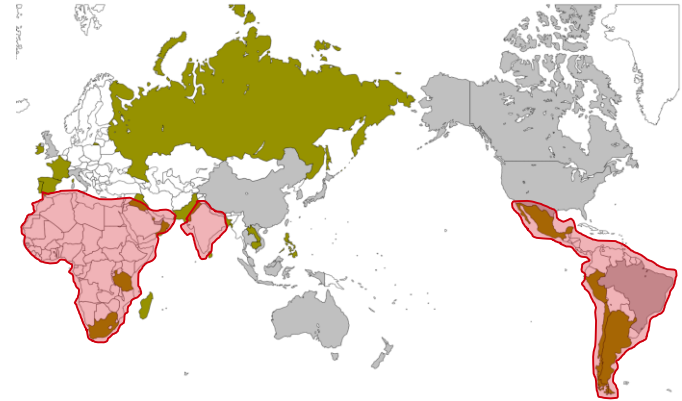
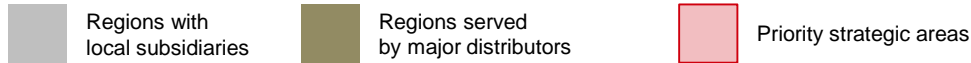


Economic growth and expansion of gas infrastructure have increased the use of gas appliances in each district in China. In addition, the Internet sales ratio has increased due to expansion of e-commerce. Rinnai has won first place in terms of sales at major e-commerce events, such as the 618 Midyear Shopping Festival and Singles' Day.

Expansion of Business Scale : Regional Domains

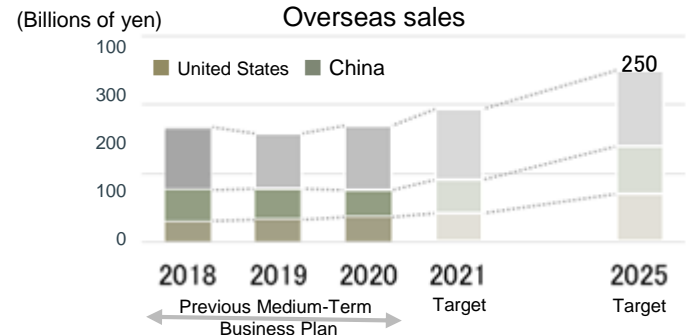
Enter new and emerging markets

Enter new markets in Latin America and expand sales channels in emerging nations, such as India and countries in Africa.



Expand scale of overseas business

Increase the Rinnai Group's contribution to society by expanding the scale of its operations in growth markets and new markets, targeting overseas sales of ¥250 billion in 2025.



Expansion of Business Scale : Business Domains

In addition to “heat and lifestyles,” we will develop new products for the “health and lifestyles” sector.

We will create user-oriented value in such areas as beauty, support for seniors, and pet care, while developing products that are not limited to gas, like electricity and hydrogen.

We will conduct R&D with a view to the next 10–20 years by strengthening basic/applied research and enhancing our overseas product development system.

Expand business in the “health and lifestyles” sector

Heat and lifestyles



Health and Lifestyles



Utilize multiple energy sources

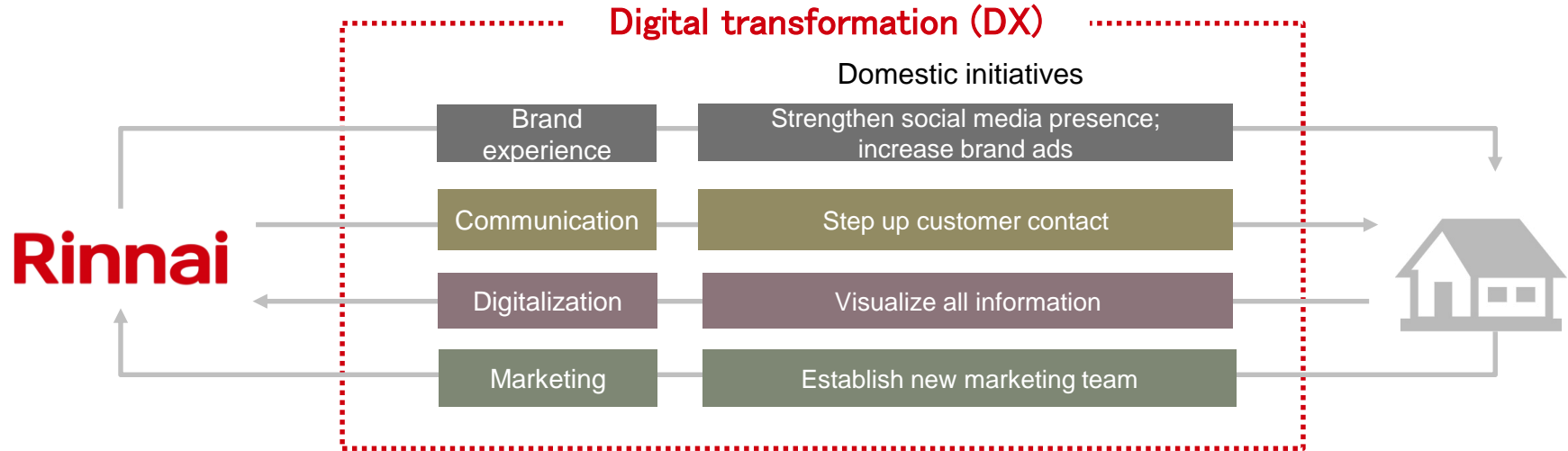


Pursue value from the consumer’s perspective in the fields of “heat and lifestyles” and “health and lifestyles” by emphasizing basic research and development of elemental technologies.

Accelerate improvements in quality of life and contribute to the environment by cultivating energy utilization technologies in such areas as electricity, natural energy, and hydrogen.

Strengthen local product development capabilities by investing resources in overseas bases.

Revolution of Corporate Structure : Become More Consumer-Oriented



We will establish a new marketing organization and build new lines of communication with consumers, both digitally and in the real world, within the framework of DX, by capturing people's essential needs for improved quality of life and linking them to our product planning and sales promotion activities. We will also create a business model that continuously provides value to consumers throughout their lives through brand experiences that they can enjoy with peace of mind.

Revolution of Corporate Structure : Become More Consumer-Oriented

Marketing activities to strengthen consumer focus: four themes

Capture user needs



Improve
Rinnai's image through
distinctive products



Appeal directly
to end-users



Incorporate into
the value chain



Planning

Development

Mass production

Sales promotion

Revolution of Corporate Structure : Make Focused Investments In Intangible Assets

Human resources



(Investment targets)

Formulate engagement improvement measures; establish system for self-growth evaluations; build education system; establish workplace environments that welcome new work styles

Information Technology



(Investment targets)

Develop information infrastructure for strengthening global cooperation; develop technologies for digital transformation

Core Technology (Know How)



(Investment targets)

Build advanced manufacturing system; enhance R&D system focusing on “heat and lifestyles” and “health and lifestyles”

Branding



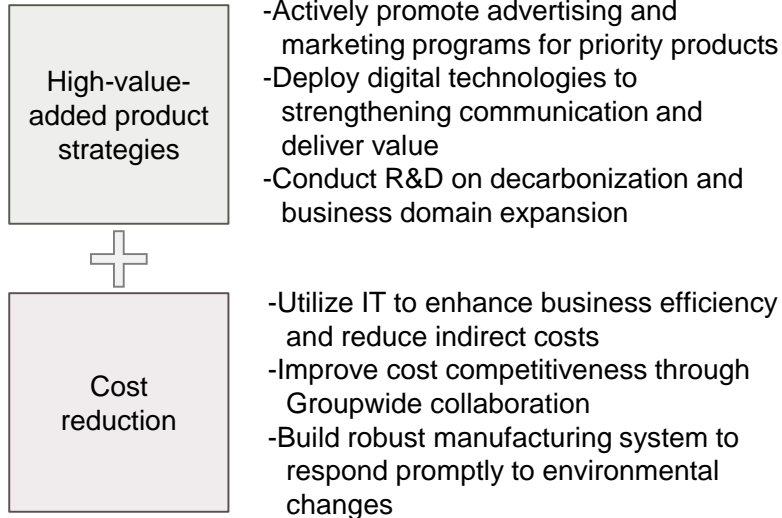
(Investment targets)

Popularize global brand image externally; strengthen internal branding

Revolution of Corporate Structure : Enhance Profitability

Further improve earning power

Further raise the profitability, which has been increasing, by promoting high-value-added product strategies and rigorously reducing costs.



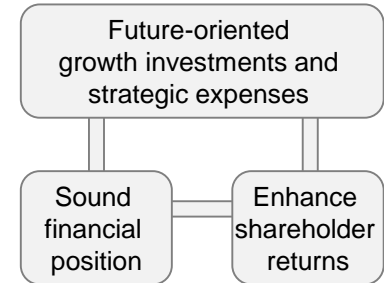
Set ROIC as key performance indicator

Increase capital productivity by rigorously improving earning power and investing management capital productivity

P/L perspective	B/S perspective
Net sales	Working capital
Operating income	Fixed assets

Optimize capital balance

Control the balance between investments, shareholder returns, and financial position based on sound capital policy



Eight Priority Measures

1

Expand range of products that improve quality of life and benefit the environment

2

Expand R&D domains and build next-pillar businesses

3

Strengthen manufacturing system to support long-term profits

4

Strengthen global framework

5

Deploy digital transformation (DX) to achieve business restructuring and strengthen cyber-security measures

6

Proliferate the Rinnai brand both internally and externally

7

Improve the value of our human resources

8

Improve our ESG (environment, social, governance) evaluation

Numerical Targets for Fiscal 2026 (Consolidated)

Expansion of business scale

Expand regional domains
Expand business domains

Revolution of corporate structure

Become more consumer-oriented
Make focused investments in intangible assets
Enhance profitability

Advancement in addressing social challenges

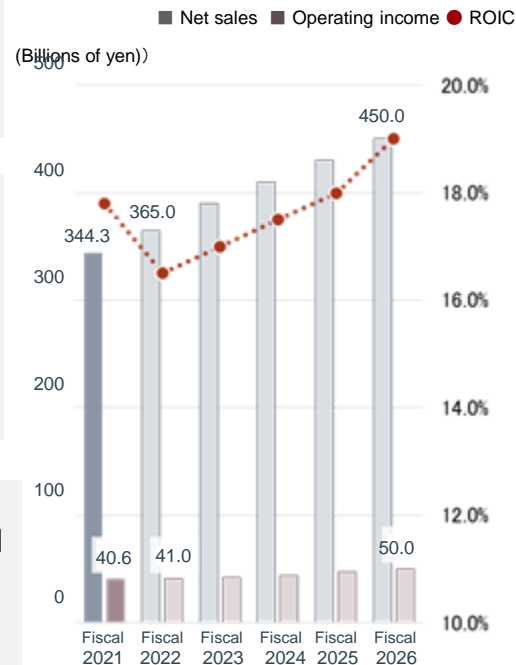
Improve quality of life
Help resolve global environmental problems

Consolidate Net Sales: **¥450 billion**
(Japan: ¥200 billion yen;
overseas: ¥250 billion yen)

Operating Income: **¥50 billion**
Return on invested capital (ROIC):
19.0%
Total return ratio (five-year average):
40.0%

Sales of products that improve quality of life and benefit the global environment (compared with fiscal 2021, ended March 2021):
50% up
Contribution to CO₂ emission reduction:
7 million tons

Net Sales, Operating Income, ROIC Plan (image)



Basic Policy on Capital Management

Make future-oriented growth investments and provide stable returns to shareholders while maintaining a sound financial position.

Growth
investments

Strategic
spending

Make focused investments in R&D, capital equipment, and intangible assets to achieve healthy and comfortable lifestyles and sustainable growth.

Shareholder
return

Raise the dividend payout ratio and improve the total return ratio through flexible share buybacks.

Soundness

Maintain a strong financial position centered on risk response funds to secure stable supplies of our products, which are daily necessities.

Basic Scenario, Growth Investments, and Strategic Expenses

Basic scenario

Target consolidated net sales of ¥450 billion and consolidated operating income of ¥50 billion by expanding sales of strategic products in Japan and accelerating growth overseas.

	Fiscal 2021	Fiscal 2026
Net sales	¥344.3 billion	¥450.0 billion
Operating income	¥40.6 billion	¥50.0 billion
Operating margin	11.8%	11.1%
ROIC	17.6%	19.0%

Investments
required to realize
basic scenario
(¥80 billion)

- Ordinary capital investments
- Investment in new distribution center
- Investment in new factories in United States and China

Growth investments and strategic spending for further growth

Aim for sustained growth surpassing the basic scenario through additional growth investments and strategic spending based on capital productivity and systematic profitability management.

Become more consumer-oriented

- Create value by strengthening marketing and building consumer contact points
- Strongly promote branding and business transformation through IT investments

Accelerate overseas growth

- Invest in advertising/marketing necessary for market expansion and regional strategy

Expand R&D

- Conduct R&D to expand business domains and achieve carbon neutrality
- Build overseas R&D system

Invest in human resources

- Promote human resource strategy to achieve growth and provide returns to employees

M&As

- Engage in M&As as necessary to achieve the above

Required Levels of Cash

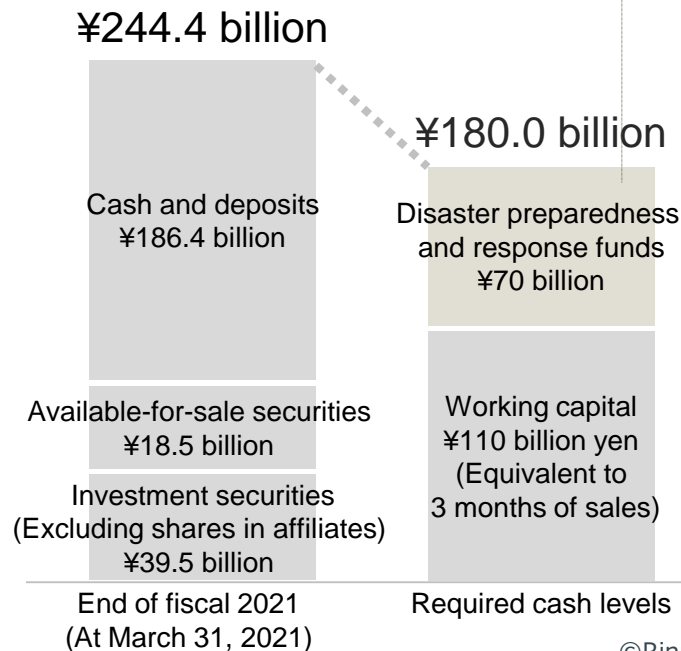
Our viewpoint on cash requirements

We prioritize future growth-oriented investments and strategic spending to increase shareholder return while maintaining a solid financial position enabling us to fulfill our responsibilities in handling daily necessities and retaining flexible funds to avoid missed opportunities for M&As, capital alliances, and the like.

Our viewpoint on strategic shareholdings

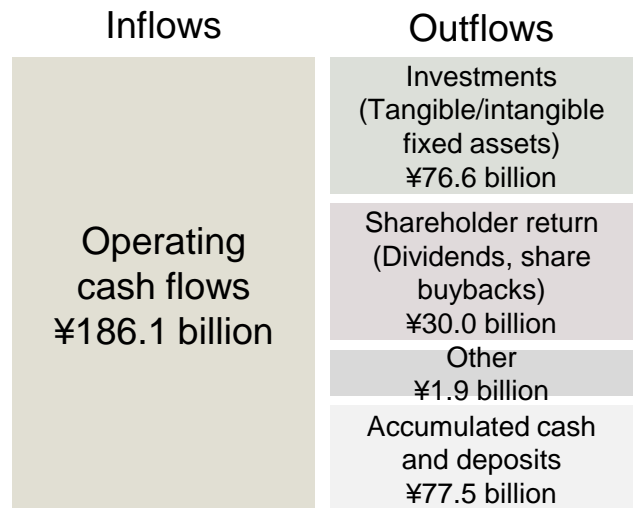
We will aim to reduce strategic shareholdings from a medium-to-long-term perspective while verifying the policy and economic rationality of such holdings.

- Recovery costs and employee compensation in event of large-scale disaster
- Funding for growth opportunities, such as M&As

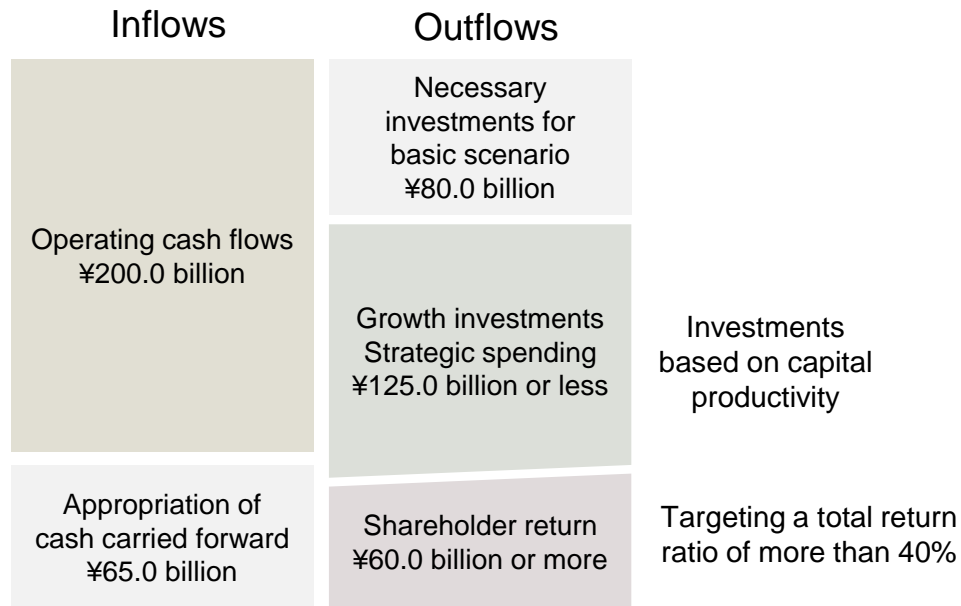


Capital Allocation during Medium-Term Business Plan

Cash flows for past 5 years
(Fiscal 2017–2021 results)







Cash flows for FY2022–2026



We will work to achieve a significantly different resource allocation (compared with past 5 years) by making growth investments and strategic spending aimed at implementing our three key strategies while controlling levels of cash and deposits held.

Connection between Medium-Term Business Plan and ESG

ESG item	Main initiatives	Connection with Medium-Term Business Plan (three key strategies)	Benefiting SDGs
E: Environment	<p>Popularize energy-saving water heaters to reduce CO₂ emissions → 2025 target: 7 million tons</p> <p>Develop and promote energy-saving equipment</p> <p>Expand R&D investments targeting a carbon-free society</p>	<ul style="list-style-type: none"> -Advancement in addressing social challenges (help resolve global environmental problems) -Expansion of business scale (regional expansion) -Revolution of corporate structure (focused investments in intangible assets) 	 
S: Social	<p>Create products that improve quality of life</p> <p>Make efforts to improve human resource value → Invest in human resource growth, review personnel system, and promote health management</p> <p>Create environments for diverse work styles</p>	<ul style="list-style-type: none"> -Advancement in addressing social challenges (improved quality of life) -Expansion of business scale (expansion of business domains) -Revolution of corporate structure (becoming more consumer-oriented) -Revolution of corporate structure (focused investments in intangible assets) 	 
G: Governance	<p>Instill compliance</p> <p>Strengthen cybersecurity measures</p> <p>Implement each principle of Corporate Governance Code</p> <p>Introduce performance-linked and stock-based compensation</p> <p>Establish Nomination Advisory Board and Compensation Advisory Board</p>	<ul style="list-style-type: none"> -Revolution of corporate structure 	

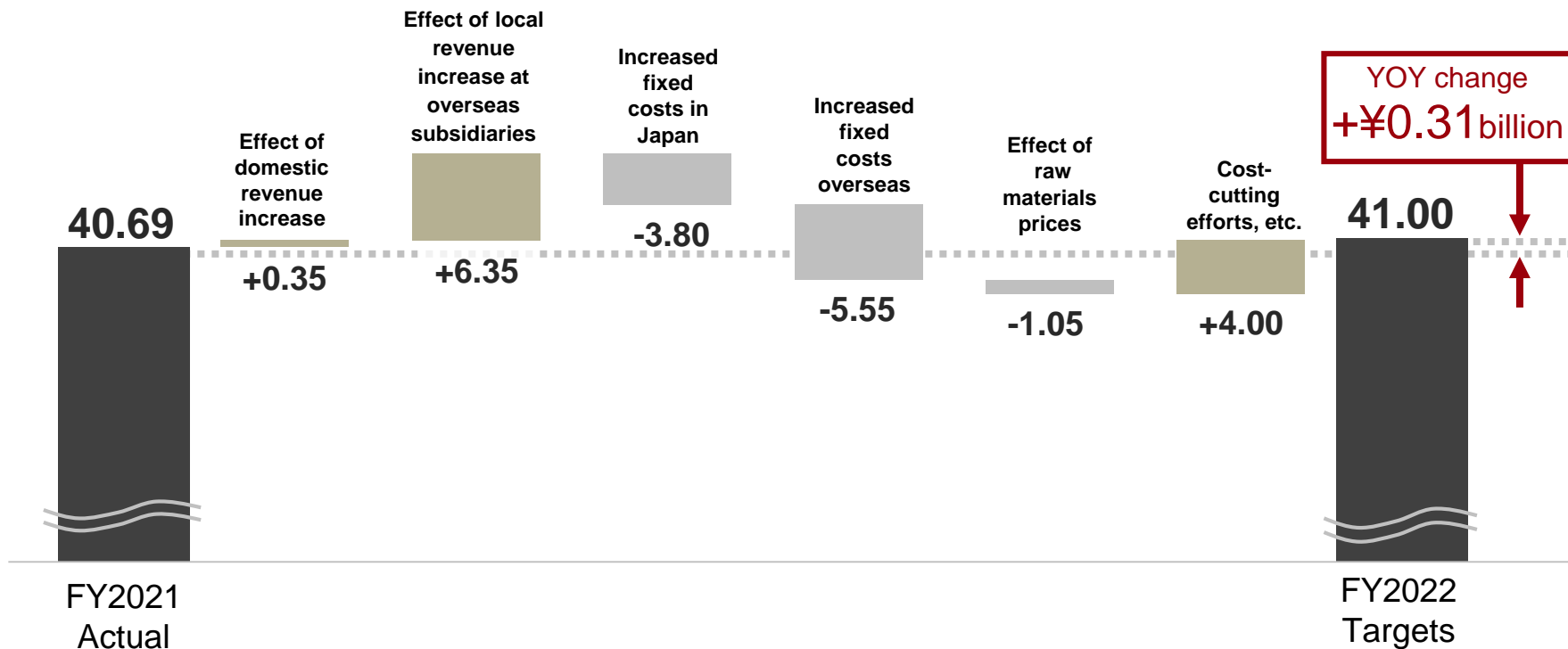
- **Medium-Term Business Plan**
- **Fiscal 2022 Plan**

Fiscal 2022 Business Plan (Consolidated Basis)

[Billions of Yen]	Fiscal 2021 (actual)	Fiscal 2022 (plan)	YOY Change
Net Sales	344.3	365.0	+6.0%
Domestic	175.8	177.0	+0.7%
Overseas	168.4	188.0	+11.6%
(Overseas ratio)	48.9%	51.5%	+2.6pt
Operating Income	40.6	41.0	+0.8%
Operating Margin	11.8%	11.2%	-0.6%
ROIC	17.6%	16.5%	-1.1%

Fiscal 2022: Consolidated Operating Income Plan

[Billions of yen]



Rinnai (non-consolidated basis), Fiscal 2022 Plan

Performance

Fiscal 2022 net sales (plan): ¥213.0 billion

- ▶ Increase sales of products that help improve quality of life and benefit the global environment
- ▶ Grasp and communicate needs according to market changes
- ▶ Construct new distribution center (scheduled for completion in June 2022)
- ▶ Expected decrease in profit due to the strategic investments (advertising, marketing, R&D, etc.)



Gas clothes dryers



Dishwasher/dryers



New distribution center

[Billions of Yen]	Fiscal 2021	Fiscal 2022	YOY Change
Net Sales	212.38	213.00	+0.3%
Operating Income	20.61	18.50	-10.2%

[Sales Volume Plan in Japan]

Water heater with heating systems (hybrid water heater)

+0.3%
(+16.7%)

Water heater with bath-filling systems of total

+1.8%

Built-in hobs (stovetops)

-0.7%

Gas clothes dryers

+25.9%

Dishwashers

+5.0%

Rinnai America, Fiscal 2022 Plan

Performance

Established:1974

Fiscal 2022 net sales (plan): **¥42.41 billion**

- ▶ Expand market by strengthening sales/marketing structure
- ▶ Expanding the lineup of high-efficiency boilers, etc.
- ▶ Complete construction of Griffin Factory (scheduled to start in October 2022)
- ▶ Expected decrease in profit due to increase in sales promotion and R&D expenses, and increased employees



High-efficiency
water heaters
SENSEI



High-efficiency
boilers



Commercial
rack systems

[Billions of Yen]	Fiscal 2021	Fiscal 2022	YOY Change (yen)	YOY Change (local currency)
Net Sales	36.97	42.41	+14.7%	+15.4%
Operating Income	2.18	1.96	-10.0%	-9.4%

[Sales Volume Plan]	YOY Change
Tankless water heaters	+11.5%
Boilers	+43.8%

Shanghai Rinnai, Fiscal 2022 Plan

Performance

Established: 1993

Fiscal 2022 net sales (plan): ¥45.89 billion

- ▶ Further strengthen/expand online sales
- ▶ Promote new business pillar following gas water heaters
- ▶ Start second phase construction of Fengxian Factory (scheduled for completion in February 2023)



Boilers



Range hoods



Water purifiers

[Billions of Yen]	Fiscal 2021	Fiscal 2022	YOY Change (yen)	YOY Change (local currency)
Net Sales	39.19	45.89	+17.1%	+17.8%
Operating Income	5.51	6.32	+14.7%	+15.4%

[Sales Volume Plan]	YOY Change
Water heaters	+6.9%
Boilers	+12.3%
Range hoods	+1.9%

Rinnai Australia, Fiscal 2022 Plan

Performance

Established:1971

Fiscal 2022 net sales (plan): ¥24.49 billion

- ▶ Target steady growth of mainstay water heaters
- ▶ Roll out advertising and digital marketing programs



Tankless water heaters



Electric tank-based water heaters

[Billions of Yen]	Fiscal 2021	Fiscal 2022	YOY Change (yen)	YOY Change (local currency)
Net Sales	24.40	24.49	+0.4%	+1.0%
Operating Income	0.92	0.99	+6.8%	+7.5%

[Sales Volume Plan]

YOY Change

Tankless water heaters	+2.3%
Electric tank-based water heaters	+4.0%
Duct-type air-conditioning and heating systems	-7.1%
Room air conditioners	+1.2%

Other Consolidated Subsidiaries, Fiscal 2022 Plan

Rinnai Korea

Performance

Established:1974

- ▶ Further accelerate management improvement activities and secure cost competitiveness
- ▶ Expand domestic demand/exports according to customer needs

[Billions of Yen]	Fiscal 2021	Fiscal 2022	YOY Change (yen)	YOY Change (local currency)	[Sales Volume Plan]	YOY Change
Net Sales	27.50	27.54	+0.2%	+0.8%	Boilers	-1.6%
Operating Income	0.05	0.72	+1130.8%	+1138.7%	Gas stoves	-12.0%
					Electric stoves	-0.6%

P.T. Rinnai Indonesia

Performance

Established:1988

- ▶ Promote sales of tabletop stoves (which are expected to continue performing well)
- ▶ Launch new products, such as high-priced built-in hobs (stovetops) and microwave ovens, in growth fields

[Billions of Yen]	Fiscal 2021	Fiscal 2022	YOY Change (yen)	YOY Change (local currency)	[Sales Volume Plan]	YOY Change
Net Sales	11.76	12.04	+2.4%	+3.0%	Table-top cookers	+2.0%
Operating Income	2.42	2.41	-0.3%	+0.3%	Built-in hobs (Stovetops)	+5.3%

Capital Expenditure Plan

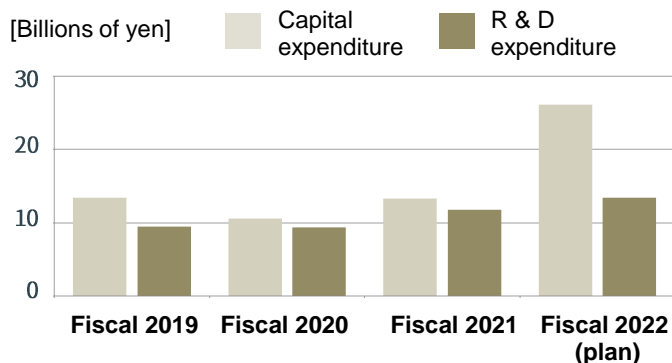
Fiscal 2021 Results and Fiscal 2022 Plan

[Billions of yen]	Fiscal 2021 (Actual)	Fiscal 2022 (Plan)	YOY change
Capital investment	13.3	26.1	+12.8
Depreciation	11.4	12.5	+1.1
R&D expenditure	11.8	13.4	+1.6

Principal capital investments in fiscal 2022

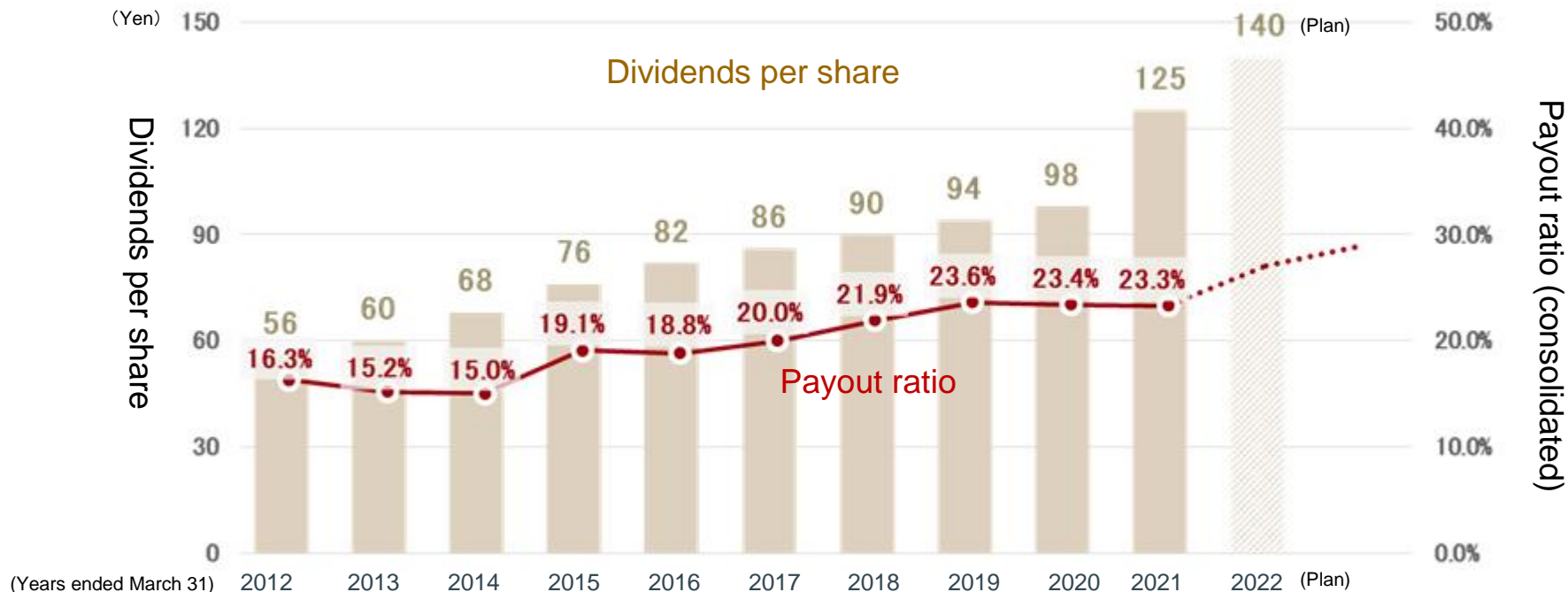
- ▶ Japan: Comprehensively reassess logistics system to respond quickly and flexibly to demand
- ▶ Overseas: Make active investments overseas (United States, China)

Capital Expenditure and R&D Expenditure



- ▶ Make record high level investments in growth fields
- ▶ Strengthen R&D in Japan and overseas

Shareholder Return Policy



- ▶ Increased dividends in fiscal 2021 from initial plan of ¥110.00 per share (including 100th anniversary dividend) to ¥125.00; 19th consecutive period of year-on-year increases
- ▶ Plan to gradually increase shareholder return while giving top priority to future-oriented growth investments

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.