

Rinnai

Securities code 5947

Rinnai Information
for Shareholders

Vol. **35**

Interim Business Results
for the 62th Term
(April 1 to September 30, 2011)



<http://www.rinnai.co.jp/global/index.html>

For your comfort and efficient kitchen

Verie



September 2011 market release!

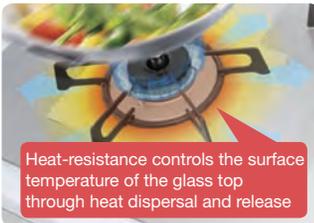
Verie Built-In Gas Stoves

The *Verie* built-in gas stove comes with Rinnai's popular heat-resistant glass top and smoke elimination function.

Combines a simple yet sophisticated design with an array of useful functions that make cooking easier.



Easy to clean and prevents burning
Heat-Resistant Glass Top



Heat-resistance controls the surface temperature of the glass top through heat dispersal and release

Verie has a new mechanism that stops the temperature of the glass top from becoming too hot—a common cause of burning. This temperature control also prevents scorching of the surface caused by spills and boil-overs. Requiring only a quick wipe, the stove top is much easier to keep clean.



Gets rid of smoke and smell
Smoke Elimination



New burner function to eliminate smoke and smell

The new burner has a grill that gets rid of smoke and smell. With a grill that minimizes smoke and smell, grilling fish is no longer an unpleasant chore.



Susumu Naito
Chairman



Hiroyasu Naito
President

In the two-quarter period under review (April 1–September 30, 2011), the world economy remained in a state of persistent apprehension that a slowdown may occur due to instability in European financial markets, as well as failure of the U.S. economic recovery to progress as expected. In Japan, meanwhile, there were concerns that the deepening problem of inadequate power supply, stemming from the Fukushima Nuclear Power Plant accident, may lead to economic retreat. Nevertheless, some positive signs began to appear, including turnarounds in personal consumption and corporate capital investments.

In the domestic housing appliance industry, the market has been rising gradually owing to several factors. These included commencement of full-scale restoration demand associated with the Great East Japan Earthquake, as well as a moderate recovery in new housing starts amid healthy sales of condominiums in the Tokyo Metropolitan Area and elsewhere.

Under these conditions, the Rinnai Group entered the final year of its medium-term business plan, entitled “Reform and Breakthrough.” During the period under review, we targeted major global advances as a comprehensive manufacturer of heating appliances amid the trend toward protecting the environment and saving energy. Specifically, we delivered heating products optimized to suit living cultures, climate, and energy conditions in various world nations and regions. With respect to revenue, in overseas markets we remained on a long-term growth trajectory, owing to expansion of infrastructural projects in emerging nations, as well as healthy replacement demand in industrialized nations. However, overseas sales declined year-on-year due to the yen’s ongoing appreciation. In Japan, meanwhile, demand for kitchen appliances shifted toward low-priced products due to a mood of restraint in the aftermath of the Great East Japan Earthquake. However, sales of hot-water units increased year-on-year, thanks to higher sales of our Eco Jozu series of gas hot-water units, which feature exceptional environmental performance. Moreover, sales of air-conditioning and heating units also increased owing to a major rise in demand as people sought to reduce power consumption and save energy amid electricity shortages.

On the income side, we reported a year-on-year increase in earnings for several reasons. In addition to the buoying effect of higher domestic sales, these included solid replacement demand for the Eco Jozu series of gas hot-water units, which incorporate high added value, as well as a reduction in cost of sales as the Company took steps to emphasize in-house manufacturing of core products. More details of the Group’s financial performance are given later in this report. The Company declared an interim cash dividend of ¥28.00 per share, up ¥4.00 from the previous corresponding period.

As a comprehensive manufacturer of heat and energy appliances, Rinnai will respond to the needs of people in Japan and various regions worldwide by developing high-quality products using a diversity of energy sources.

We look forward to the renewed support and cooperation of all shareholders.

December 2011

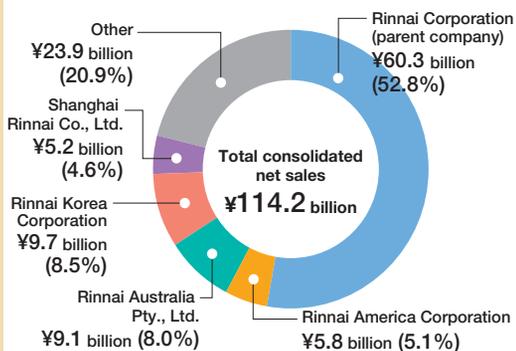
Susumu Naito
Chairman

Hiroyasu Naito
President

In addition to Japan, the Rinnai Group had member companies in 16 overseas countries/regions as of September 30, 2011. We develop and supply high-quality heating appliances optimized for the lifestyles, climates, and energy resources of each country in which we operate.

Consolidated Net Sales by Company

(Six months ended September 30, 2011)



Note: The above amounts exclude inter-regional transactions

Rinnai Corporation

Mainstay products



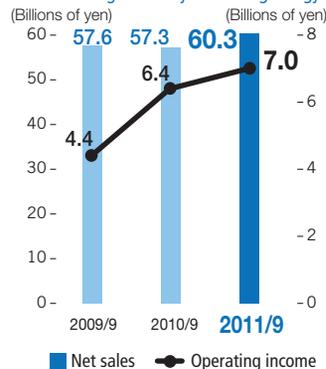
Eco Jozu highly efficient hot-water unit



Built-in stove

Consolidated net sales and operating income

Solid performances in *Eco Jozu* products and gas heaters thanks to growing awareness about reducing electricity and saving energy



Rinnai America Corporation

Mainstay products



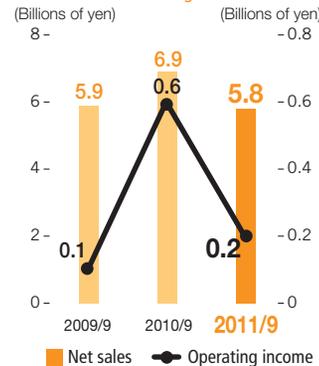
Hot-water unit



Fan-forced heater

Consolidated net sales and operating income

Sales of mainstay gas hot-water units struggled due to weakness of local economy and housing market



“Good Design” Awards Earned in Fiscal 2011

Rinnai strives to develop products featuring both excellent designs and functions that offer convenience and peace of mind. So far in fiscal 2011, Rinnai-brand kitchen appliances, hot-water units, and commercial appliances have received six design awards (listed below).



- Built-in dishwasher/dryer
- Glass-top built-in stove for Southeast Asian region
- Stainless-steel-top built-in stove for Southeast Asian region
- Commercial kitchen unit (right photo)
- Remote control for hot-water unit and hot-water/heating system
- Glass-top built-in stove for South Korea (awarded to Rinnai Korea Corporation)



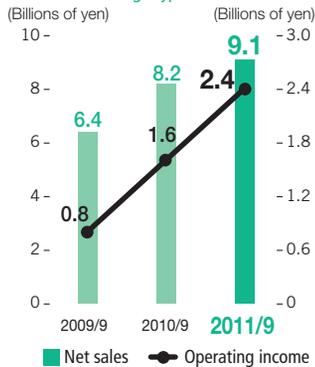
Rinnai Australia Pty., Ltd.

Mainstay products



Consolidated net sales and operating income

Higher year-on-year sales of gas hot-water units due to prohibited sales of electric storage-type units



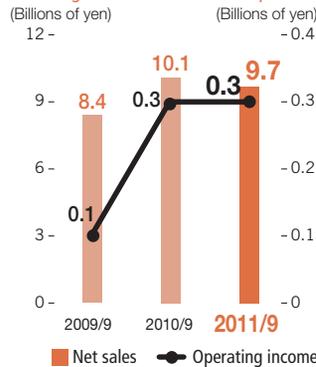
Rinnai Korea Corporation

Mainstay products



Consolidated net sales and operating income

Lower revenue amid stiff competition in stove market despite good performance of gas boilers due to cold snap



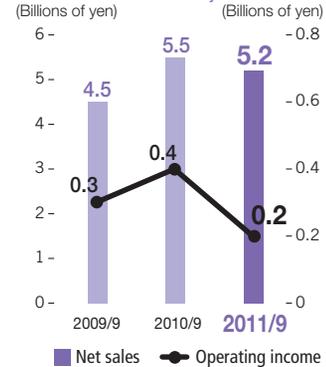
Shanghai Rinnai Co., Ltd.

Mainstay products



Consolidated net sales and operating income

Expanded sales in urban and regional areas, but earnings down due to higher fixed costs caused by inflation



Rinnai Korea Wins Top Award in Two Divisions in Local Brand Surveys

Following a fiscal 2011 brand survey conducted by Korea Management Association Consultants Inc., Rinnai Korea Corporation received first prize again this year—in two divisions. For the fourth year in a row, we won the top prize among “Korea’s Most Admired Companies” in the Boiler Division. This prize was in recognition of our service features, including 365-day after-sales service, 24-hour service in winter, extension of no-charge warranty period to three years, and improved customer satisfaction level. In addition, Rinnai Korea won the top prize in the Range Division of the “Korea Brand Power” awards for the 12th consecutive year. Since launching tabletop stoves in South Korea in 1975, Rinnai has been widely popular as a reliable brand. Today, 67.3% of local consumers rated Rinnai as a “Top of Mind” brand.



Save electricity—
Use gas!

Saving power in the home begins with a gas stove Why not switch to using gas appliances wisely on a daily basis to save electricity?

>Switching from electricity to gas achieves:

- Monthly electricity savings of approximately **4.0%***1 if you cook rice using a gas stove
- Monthly electricity savings of around **0.7%*2** if you make toast using a gas stove

(Based on monthly household electricity consumption of 400kWh)

*1 Cooking three cups of rice in a five-cup IH rice pot for 30 days; Electricity consumption approximately 200Wh each time; Approximately 336.4Wh used when keeping rice warm for 12 hours

*2 Toasting two pieces of bread twice/day for 30 days; Electricity consumption approximately 47.0Wh each time



>For further tips,



For further tips, take a look at the Save Electricity – Use Gas! page (Japanese language only) by clicking the link on the Rinnai home page
http://rinnai.jp/rinnai_life/topics/saving/

Rice pot with same specifications as a traditional *kamado* Launch of new **KAMADO** rice pot

Rinnai has released a special three-cup rice pot that cooks rice automatically on a gas stove

Released
September 2011

>Features

- Pot distributes heat evenly
- Dual layer construction realizes stable heat and keeps rice warm
- Taste is similar to rice cooked in a gas rice cooker
- Three cups of rice are ready to eat in approximately 35 minutes
- Designed so that the pot can be taken from the stove top to the table



Release of New **Ancie** Top-End Tabletop Gas Stove!

Featuring Rinnai's easy-to-clean heat-resistant top, *Ancie* makes cooking safe with its cookware detection function that detects the absence of pots/pans.

Released
September 2011

>Features

- Easy-to-clean heat-resistant top prevents burning
- Cookware detection function turns off the gas if no pot/pans are detected, preventing the flame from burning clothing
- Flat, easy-to-clean grill
- Easy-to-see touch switches



Ancie

Also equipped with an automatic rice-cooking function that cooks rice perfectly!

Comfortable room heating while reducing electricity consumption
Rinnai's highly efficient gas fan heaters use less electricity than heat pumps or electric heaters

>Features

- **Comfort!** | No unpleasant odor when switching on or off
- **Easy!** | Because it uses gas there is no need for bothersome refueling
- **Speedy!** | Radiates heat just 5 seconds after being switched on



A-style IV
エーススタイル

Advances in Operability and Style!
New A-style IV gas fan heater equipped with Plasmacluster technology!

Gas fan heater that couples the Plasmacluster ion function with sophisticated colors and design to blend in with any room.

Released August 2011



>Features

- Three color options
- Plasmacluster ion function
- Swing function and voice message function
- "Eco operation function" delivers efficient heating
- Lights display operation mode



* The Plasmacluster logo and name are trademarks of Sharp Corporation

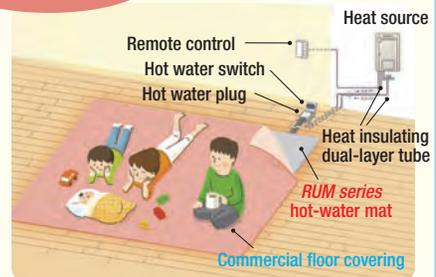
Bring it out when needed and roll it up and put away in the off season
Launch of RUM series of hot-water mats!

Simple hot-water heating with no need for major under-floor construction; keeps your feet warm

Released August 2011

>Features

- Easy installation
- Circulated hot water warms you from the feet up
- No need for concern about electromagnetic waves associated with electric floor mats
- Gas heats the water so you can save electricity
- Efficient heating using water heated to 50° (when combined with Eco Jozu)

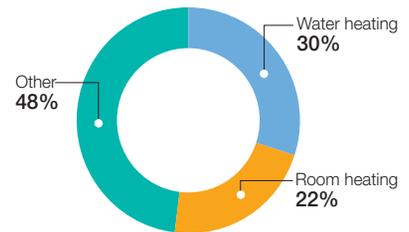


In Japan, debate surrounding the country's energy policies, centering on global environmental issues, has become more vigorous since the Great East Japan Earthquake. As a comprehensive manufacturer of heat and energy appliances, the Rinnai Group adheres to its social mission of developing products for diverse energy resources.

Developing highly efficient household appliances for heating water and heating is vital to make full use of limited energy resources

In Japan, more than half of household energy consumption is used for water and room heating. Rinnai believes that the country's energy-saving policy needs to take account of the characteristics of diverse energy resources, such as electricity, gas, and petroleum. At the same time, it is vital that Rinnai offers consumers heating appliances with optimum energy efficiency.

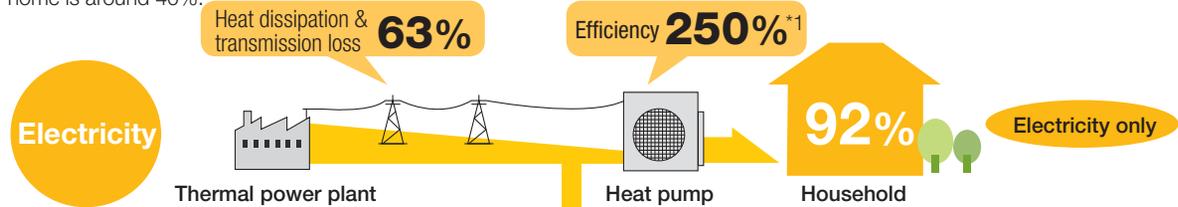
Household energy consumption per application



Source: "2010 Energy White Paper," Agency for Natural Resources and Energy

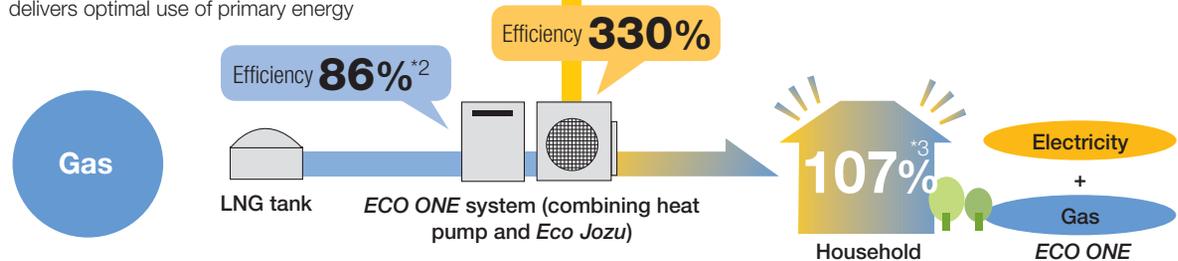
Primary energy efficiency of ECO CUTE system (APF 3.0) [Annual Performance Factor = 3.0]

Approximately 60% of the primary energy of electricity is lost through heat dissipation and transmission loss before electricity from power plants reaches the home. Accordingly, the primary energy ratio of electricity used in the home is around 40%.



Primary energy efficiency of the ECO ONE hybrid hot-water/heating unit

Rinnai's clever combination of electricity and gas delivers optimal use of primary energy



^{*1} Although heat efficiency is stated as 300%, a ratio of 250% is more correct when heat dissipation during hot water storage is taken into account.

^{*2} The energy efficiency of Rinnai's standard Eco Jozu system is 89%.

^{*3} Based on Zone IVa as determined by regional criteria established by residential builders. Japan is divided into eight zones based on climate, and standard primary energy consumption has been set for each zone.

Hybrid hot-water/heating system

ECO ONE



World's first*1 hybrid hot-water/heating system featuring optimal combination of gas and electricity Hybrid hot-water/heating system **ECO ONE**

*1 Released on April 1, 2010
Applies to residential hot-water systems that combine a heat pump and highly efficient hot-water unit

Energy Savings

Primary energy efficiency 107%

Rinnai realizes hot water that saves energy by combining an electric heat pump with its *Eco Jozu* gas hot-water/heating systems

Environmental Friendliness

Up to 40% reduction in CO₂ emissions

Addresses the worldwide problem of global warming; also contributes to environmental initiatives that begin in the home

Economy

Less than half the cost of conventional water heating

The savings made in hot water running costs can be used for hot-water type floor heating or bathroom heaters

Comfort

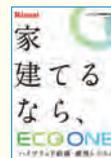
The warmth provided by **ECO ONE** delivers a comfortable home environment

No risk of running out of hot water when using the hybrid hot-water/heating unit; you can also use hot water for floor heating or bathroom heaters

New TV Commercial for **ECO ONE** Hybrid Hot-Water/Heating System!



A new TV commercial that sings the praises of **Rinnai's hybrid gas and electric system** hit television screens for the first time on October 1, 2011. As the latest environmentally friendly way of living, it introduces the **ECO ONE hybrid hot-water/heating system** as the successor to going all-electric.



Hybrid Hot-Water/Heating System pamphlet

Performance

In the first two quarters under review (April 1–September 30, 2011), consolidated net sales amounted to ¥114,274 million, up 2.6% from the previous corresponding period. Operating income rose 3.7%, to ¥11,516 million, and ordinary income grew 4.8%, to ¥12,377 million. During the period, the Company booked a loss on valuation of investment securities. Accordingly, net income for the period declined 6.3%, to ¥6,575 million.

Results by Geographical Segment

Japan

In kitchen appliances, sales were affected by a mood of restraint among consumers following the earthquake, which caused an increase in demand for low-priced products. In hot-water units, our *Eco Jozu* series, featuring high efficiency, performed well thanks to an industry-wide campaign promoting product replacement. In air-conditioning and heating units, there was an increase in demand for gas stoves and fan heaters, which benefited from the mood of consumer restraint. As a result, sales in Japan totaled ¥77,832 million, up 5.1% from the previous corresponding period. Operating income in Japan rose 8.6%, to ¥7,822 million.

South Korea

In South Korea, our business in hot-water units performed well, benefiting from healthy demand for boilers thanks to a cold snap at the beginning of the year, as well as an increase in replacement demand. In kitchen appliances, however, sales of stoves were slightly down year-on-year, due to intense market competition. As a result, sales in South Korea declined 4.7%, to ¥10,513 million, and operating income fell 13.2%, to ¥438 million.

North America

In hot-water units, we enjoyed an increase in sales of condensing units, which offer excellent energy-saving advantages. In air-conditioning and heating units, we reported healthy sales of fan-forced heaters amid ongoing implementation of energy-saving measures in various states. However, sales of instant-heating (tankless) hot-water units declined because these items are priced higher than traditional storage-type (tank-based) units and thus are more easily impacted by economic slowdown. Accordingly, sales in North America declined 16.3%, to ¥5,801 million, and operating income dropped 62.1%, to ¥233 million.

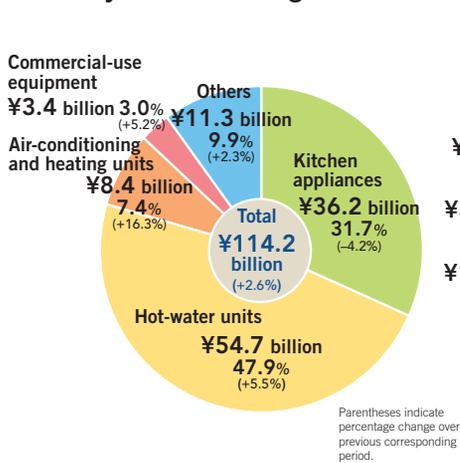
Australia

Due to environmental protection measures by the Australian government, there has been a progressive shift toward tankless hot-water units and away from electric storage-type units, sales of which will be prohibited by 2012. The government also continued its system for subsidizing purchases of fan-forced heaters as a measure aimed at stimulating replacement demand for open-type heaters. Overall sales of mainstay products increased as a result. Consequently, sales in Australia climbed 11.6%, to ¥9,163 million, and operating income jumped 45.9%, to ¥2,354 million.

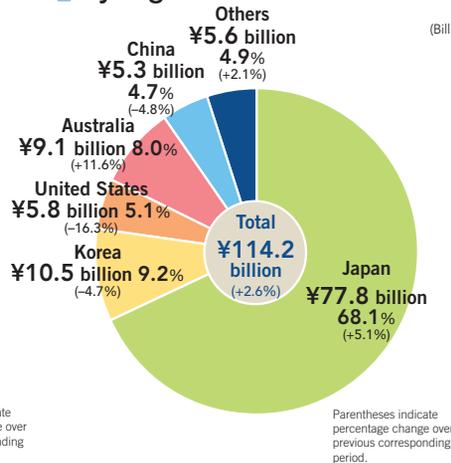
China

Sales of water heaters struggled amid a slowdown in demand for housing appliances, due to restrictions on real estate investments in urban areas. Nevertheless, sales of stoves and boilers continued showing solid growth in local currency terms, buoyed by expansion of gas infrastructure in regional areas. Due to foreign exchange factors, however, sales in China slipped 4.8%, to ¥5,330 million. Operating income fell 50.8%, to ¥166 million, resulting mainly from soaring costs of raw materials and inflation.

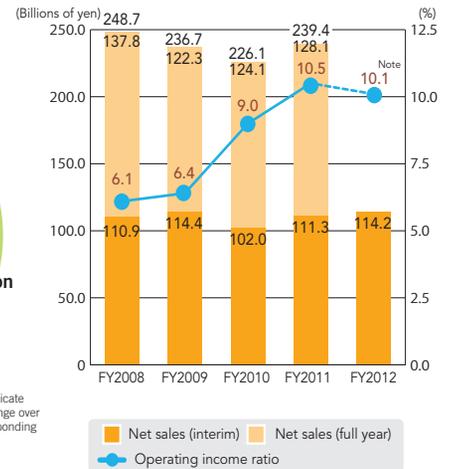
Net sales by business segment



Net sales by region



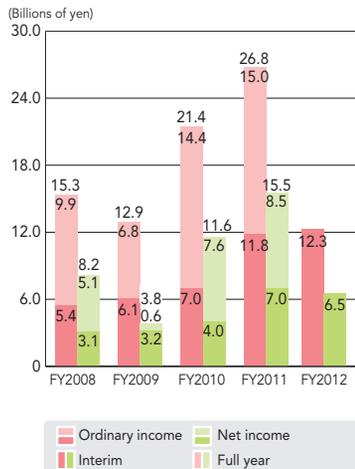
Sales, operating income ratio



Note: The above amounts exclude inter-regional transactions.

Note: Operating income ratio of FY2011 indicates percentage at interim term-end.

Ordinary income, net income



Total assets, net assets, equity ratio



ROE, ROA

	ROE (%)		ROA (%)	
	Interim	Full year	Interim	Full year
FY2008	2.3	6.0	1.4	3.6
FY2009	2.3	2.8	1.4	1.7
FY2010	3.0	8.5	1.9	5.4
FY2011	5.2	11.2	3.3	7.0
FY2012	4.7		2.9	

Consolidated Balance Sheets (Millions of yen)

Current Term (As of September 30, 2011)

Previous Term (As of March 31, 2011)

	Current Term	Previous Term
Assets		
Current assets	140,469	136,145
Cash and deposits	30,599	28,338
Notes and accounts receivable	52,136	53,155
Marketable securities	25,455	28,663
Goods and products	17,009	11,545
Materials and supplies	9,955	9,478
Other	5,896	5,413
Less allowance for doubtful accounts	(583)	(449)
Fixed assets	87,537	85,350
Property, plant and equipment	42,780	41,997
Intangible fixed assets	1,548	1,581
Investments and advances	43,208	41,771
Investments in securities	31,129	29,604
Other	12,514	12,603
Less allowance for doubtful accounts	(435)	(437)
Total assets	228,006	221,495

	Current Term	Previous Term
Liabilities		
Current liabilities	69,125	70,301
Notes and accounts payable	41,818	40,781
Short-term debt	6,635	6,277
Accrued income taxes	3,659	5,034
Accrued employees' bonuses	2,883	2,765
Other allowances	1,906	2,926
Other	12,222	12,515
Long-term liabilities	10,862	10,083
Long-term debt	2,729	2,763
Accrued employees' retirement benefits	4,928	4,547
Other allowances	57	53
Other	3,147	2,718
Total liabilities	79,988	80,384
NET ASSETS:		
Shareholders' equity:	144,866	139,471
Common stock	6,459	6,459
Capital surplus	8,720	8,719
Earned surplus	153,155	147,757
Treasury stock	(23,468)	(23,465)
Other adjustments:	(853)	(2,197)
Unrealized gain on marketable securities	72	(394)
Foreign exchange translation adjustment	(925)	(1,803)
Minority interests	4,004	3,836
Total net assets	148,018	141,110
Total liabilities and net assets	228,006	221,495

Consolidated Statements of Income (Millions of yen)Current Term (From April 1, 2011, to September 30, 2011)
Previous Term (From April 1, 2010, to September 30, 2010)

	Current Term	Previous Term
Net sales	114,274	111,359
Cost of sales	79,042	76,213
Gross profit	35,232	35,145
Selling, general and administrative expenses	23,716	24,036
Operating income	11,516	11,109
Other income	1,365	1,209
Other expenses	504	513
Ordinary income	12,377	11,806
Extraordinary income	—	46
Extraordinary loss	1,212	867
Income before income taxes	11,165	10,984
Income taxes	4,397	3,682
Income before minority interests	6,767	7,302
Minority interests	192	287
Net income	6,575	7,015

Consolidated Statements of Cash Flows (Millions of yen)Current Term (From April 1, 2011, to September 30, 2011)
Previous Term (From April 1, 2010, to September 30, 2010)

	Current Term	Previous Term
Cash flows provided by operating activities	5,219	7,256
Cash flows provided by investing activities	(10,763)	(4,113)
Cash flows provided by financing activities	(1,283)	(13,644)
Cash and cash equivalents at end of term	39,579	35,163

Corporate Data

Directory (As of September 30, 2011)

Incorporated	September 1, 1920
Established	September 2, 1950
Paid-in capital	¥6,459,746,974
Head office	2-26, Fukuzumi-cho, Nakagawa-ku, Nagoya 454-0802 TEL: +81-52-361-8211
Number of employees	8,335 (Consolidated) 3,478 (Nonconsolidated)

Domestic Network (As of September 30, 2011)

Factories and related centers Technology Development Center, Production Technology Center, Integrated Logistics Center, Parts Center, Oguchi Factory, Seto Factory, Asahi Factory, Aichi Factory

Branches Tohoku, Kanto, Chubu, Kansai, Kyushu

Domestic sales offices Hokkaido, Sendai, Niigata, Tokyo, Kita-Kanto, Higashi-Kanto, Minami-Kanto, Nagoya, Shizuoka, Hokuriku, Nagano, Osaka, Keji, Hyogo, Chugoku, Shikoku, Fukuoka

Domestic satellite offices (77 offices)

Other domestic offices 10 Training Centers, 3 Customer Centers

Board of Directors (As of September 30, 2011)

Chairman	Susumu Naito	Managing Executive Officers	Takashi Nagasaka	Corporate Auditors (Standing Auditors)	Katsuhiro Warita
Vice Chairman	Kenji Hayashi		Yuzo Yoshida		Yasuhiko Goto
President*	Hiroyasu Naito	Executive Officers	Sadao Yoshimura	Corporate Auditors	Ken Yazaki
Director and Executive Vice President	Tsunenori Narita		Takeshi Iwata		Kiyoakira Fukui
Director and Managing Executive Officers	Masao Kosugi		Tadanobu Netsu		
	Yuji Kondo		Terumasa Kaneko		
			Kinji Mori		
			Yasuo Koketsu		
			Izuka Suzuki		
			Takashi Sonoda		
			Katsuhiko Shinji		

Notes: 1. President (*) doubles as Executive Officer.
2. Ken Yazaki and Kiyoakira Fukui (Corporate Auditors) serves as an outside auditor.

Share Composition (As of September 30, 2011)

Number of shares

Authorized:

200,000,000

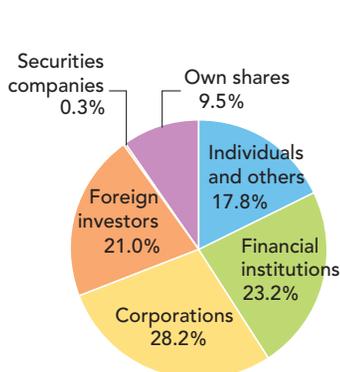
Outstanding:

54,216,463 (Including treasury stock)

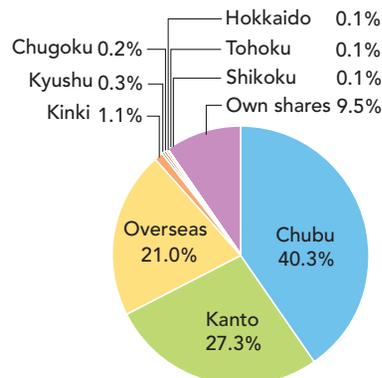
Number of shareholders:

3,766

Composition of shareholders



Shareholders by region



Rinnai Group (As of March 31, 2011)

14 Domestic Subsidiaries

Manufacture of Products

- Yanagisawa Manufacturing Co., Ltd.
- Rinnai Technica Co., Ltd.

Manufacture of Components

- RB Controls Co., Ltd.
- Rinnai Precision Co., Ltd.
- RT Engineering Co., Ltd.
- Japan Ceramics Co., Ltd.
- Noto Tech Co., Ltd.
- Techno Parts Co., Ltd.
- RB Techno Co., Ltd.

Sale of Products

- Rinnai Net Co., Ltd.
- RG Co., Ltd.

Other Business

- Rinnai Enterprises
- Rinnai Tech Hokuriku Co., Ltd.
- Rinnai Kogyo Co., Ltd.

- Consolidated subsidiary
- Nonconsolidated subsidiary
- Affiliated company (equity method applied)
- Affiliated company (equity method not applied)

29 Overseas Subsidiaries and Affiliates

Holding Company/Sale of Products

- Rinnai Holdings (Pacific) Pte Ltd.

Sale of Products

- Rinnai America Corporation
- Rinnai Hong Kong Ltd.
- Rinnai Canada Holdings Ltd.
- Rinnai SE Corporation
- Rinnai Plus Corp.
- Guangzhou Rinnai Gas and Electric Appliance Co., Ltd.
- Rinnai (Malaysia) Sdn. Bhd.
- Rinnai UK Ltd.
- Rinnai Italia S.r.l.
- Hainan Rinnai Minsheng Kitchen Appliances Sales Co., Ltd.

Manufacture and Sale of Products

- Rinnai Australia Pty., Ltd.
- Rinnai New Zealand Ltd.

- Rinnai Taiwan Corporation
- Rinnai Korea Corporation
- Shanghai Rinnai Co., Ltd.
- Rinnai (Thailand) Co., Ltd.
- Rinnai Viet Nam Co., Ltd.
- Rinnai Brasil Heating Technology Ltd.
- P.T. Rinnai Indonesia
- Guangzhou Ming Hai Gas & Electrical Appliance Co., Ltd.

Manufacture and Sale of Components

- RB Korea Ltd.
- RK Precision Co., Ltd.
- RS Korea Ltd.
- Shanghai RB Controls Co., Ltd.
- Mikuni RK Corporation

Other Business

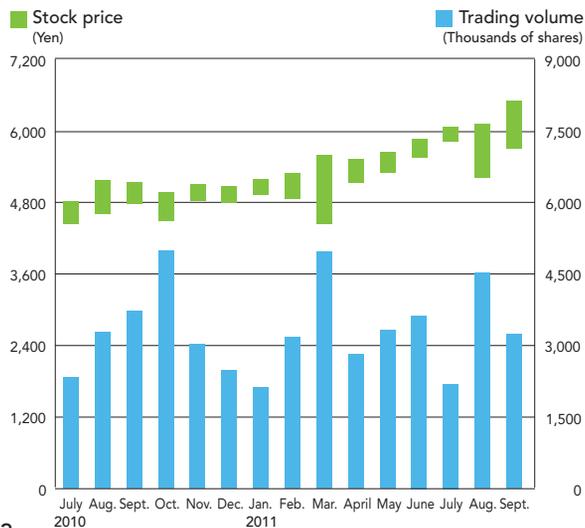
- Rinnai Services (MS) Corporation
- Rinnai CS Corporation
- Shanghai Rinnai Thermo Energy Engineering Co., Ltd.

Major Shareholders

Name	Shares held (Thousands)
Naito Co., Ltd.	6,215
Yoshikane Shoji Co., Ltd.	4,002
Japan Trustee Services Bank, Ltd.	2,969
The Master Trust Bank of Japan, Ltd.	2,900
Kenji Hayashi	2,652
Susumu Naito	1,400
Nippon Life Insurance Company	900
SSBT OD05 OMNIBUS ACCOUNT	811
Tokyo Gas Co., Ltd.	784
The Nomura Trust and Banking Co., Ltd.	765

* The above list does not include the treasury stock held by the Corporation, which amounts to 5,156 thousand shares.

Stock Price Range



Memorandum for Shareholders

Financial year

From April 1 to March 31

Annual meeting of shareholders

Every June

Dates of record

Annual meeting of shareholders,

year-end dividend: March 31

Interim dividend: September 30

Minimum trading unit

100 shares

Public notice

Public notices by the Company will be announced online.

<http://www.rinnai.co.jp>

However, if due to accident or some other unavoidable reason that prevents the Company from completing an online announcement should arise, a public notice will be made by posting in the *Nihon Keizai Shimbun*.

Transfer agent*1

The Chuo Mitsui Trust & Banking Company, Limited.
33-1, Shiba 3-chome, Minato-ku, Tokyo 105-8574

Special account administrator

The Chuo Mitsui Trust & Banking Company, Limited
33-1, Shiba 3-chome, Minato-ku, Tokyo 105-8574

Mailing and contact

The Chuo Mitsui Trust & Banking Company, Limited.
Stock Transfer Agency Department
8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063

(Telephone)

Freedial 0120-78-2031

Transfer administration offices:

The Chuo Mitsui Trust & Banking Company, Limited.;

Head office, and branches throughout Japan

Japan Securities Agents, Ltd.;

Head office, and branches throughout Japan*2

Stock Listings:

Tokyo Stock Exchange, First Section

Nagoya Stock Exchange, First Section

Notices:

1. Subject to approval of the relevant authorities, The Chuo Mitsui Trust & Banking Company, Limited (transfer agent) is scheduled to merge with The Sumitomo Trust & Banking Co., Ltd. and Chuo Mitsui Asset Trust and Banking Company Limited on April 1, 2012. Because April 1 is a business holiday for transfer agents, the newly merged company, to be called Sumitomo Mitsui Trust Bank, Limited, will commence actual operations on April 2, 2012.

Transfer agent: Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005

Special account administrator: Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005

Mailing and contact: Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Department

Telephone: No change in telephone number

2. As of March 31, 2012, Japan Securities Agents, Ltd. will cease serving as transfer administrator.

Inquiries Pertaining to Share-Related Procedures

1. Non-Payment of Dividends

Please contact the transfer agent (Chuo Mitsui Trust & Banking; contact details above).

2. Change of address, purchases (or increases in purchases) of fractional shares, designation of dividend payment method, etc.

Please contact the securities company handling your account.

With respect to shares for which a special account has been opened (due to absence of account with a securities company), please contact the transfer agent, which is in charge of handling special accounts.

Dividend Calculation Notice

The Dividend Calculation Notice, sent to shareholders at the time of dividend payment, also functions as the Payment Notice according to regulations under the Act on Special Measures Concerning Taxation. This document can be used as a reference attachment when preparing final tax returns. The

Company will issue a Dividend Calculation Notice to shareholders who receive dividends by presenting the Year-End Dividend Receipt.

* Shareholders who prepare their own final tax returns are asked to keep the Dividend Calculation Notice in a safe place.

Notice regarding text to be used for shareholders' names and addresses

With the conversion to electronic stock certificates, shareholder names and addresses that include *kanji* characters not contained in JASDEC's giro system are converted, in whole or in part, to *kanji* characters recognized by JASDEC or to *katakana* text for inclusion in the Shareholder Register. Shareholders are asked to understand that notification documents sent to them may include characters in the name and/or address that have been converted to JASDEC-recognized text.

For inquiries about characters used in registration of shareholder names and addresses, please contact your securities company (or the transfer agent, in the case of shareholders with special accounts).