



**Shareholders' Report Vol. 52 70th Fiscal Year**  
(April 1, 2019 to March 31, 2020)

**Rinnai**

## **We will continue embracing challenges as a 100-year-old company.**



Fiscal 2020, ended March 31, 2020, was the second year of the Rinnai Group's medium-term business plan, "G-shift 2020," which started in April 2018. Under the plan (with the slogans "heat and lifestyles" and "health and lifestyles"), we strove to help improve living standards in the global market. In addition to existing offerings, we sought to create unique products and services by incorporating and applying new technologies into our core technologies. In Japan, for example, we launched a micro-bubble bath unit that keeps users warm even after bathing, and overseas we released a combination boiler with improved water heating performance.

With respect to revenue, we posted a decline in net sales, mainly reflecting lower sales in South Korea and China. On the earnings side, we reported an increase in operating income thanks to higher domestic sales and cost reductions in Japan, as well as healthy sales of tankless water heaters in the United States.

As a result, consolidated net sales for the year amounted to ¥340,460 million, down 2.2% from the previous year. Operating income rose 11.5%, to ¥34,422 million, and ordinary income climbed 7.1%, to ¥35,679 million. Net income attributable to owners of the parent company increased 5.3%, to ¥21,561 million. The Company declared a year-end dividend of ¥50.00 per share, up ¥2.00 from the previous year, bringing total annual dividends to ¥98.00 per share, up ¥4.00.

In September 2020, the Rinnai Group will celebrate the 100th anniversary of its founding. To realize our Brand Promise of "Creating a healthier way of living," we will provide high-value-added products and services under the themes of safety, security, environment, and health, with the aim of further increasing the value of our global brand. In the following pages, we will explain the progress of the Group's medium-term business plan and its medium-term vision.

Hiroyasu Naito  
President

## Review of fiscal 2020

### Lower sales and higher income, reflecting overseas sales decline and foreign exchange factors, despite steady domestic performance

In Japan, we enjoyed healthy sales of *Kanta-kun* clothes dryers, built-in hobs (stovetops) with automatic cooking functions, and other “Rakukaji” products that help shorten housework time, against the backdrop of increasing dual-income households. This was despite the impact of the consumption tax increase in October 2019. We also posted growth in income, mainly in Japan, reflecting the success of efforts to reduce costs and introduce new products.

Overseas, however, we reported a decline in sales amid concerns about the global economy resulting from trade problems, especially between the United States and China. In the regions of our major subsidiaries, sales in the United States were strong, especially for tankless water heaters. However, we reported lower sales in China, South Korea, Indonesia, and elsewhere, while our performance in Australia was impacted significantly by depreciation of the local currency.

As a result, we did not reach the net sales target of our medium-term business plan. However, achieved our operating income target of ¥34 billion — the figure set for fiscal 2021, ending March 31, 2021, the final year of the plan — one year ahead of schedule.

## Impact of COVID-19

### Continue our business in Japan and overseas while taking rigorous measures to prevent the spread of infection

As for the impact of the global spread of COVID-19, specific details differ according to country. At this time (May 2020), however, there has been no major suspension of production or other direct impact on the Rinnai Group's business activities.

We expect our mainstay products, which are regarded as daily necessities, to enjoy firm demand. However, the long-term effect of COVID-19 is uncertain, and for this reason our consolidated business forecasts for the fiscal year ending March 31, 2021 are undecided at the present time (May 2020). Going forward, we will wait for the global infection situation to settle down, and we will disclose our forecasts as soon as we are able to determine the impact on our business activities and make proper and rational calculations.

In order to prevent infections among employees, we have set up an internal task force to spearhead measures to minimize infection risk while continuing business activities through teleworking and other arrangements.

## Medium-Term Business Plan “G-shift 2020”

(G=Global, Generation, Governance)

### “3Gs” shift to new Rinnai

#### Global

Global shift means deploying the Group's network to promote strategies and focus on developing Rinnai as a world-renowned brand

### G-shift 2020

Generation shift means shift to a new generation that breaks common sense while inheriting the tradition cultivated for 100 years

Governance shift means building management frameworks suited to the times and organizational structures that encourage growth

#### Generation

#### Governance

### Five Group-Wide Theme

1. Branding
2. Formulate and share long-term roadmap
3. Expand business domains
4. Optimally allocate business resources
5. Improve business efficiency and management quality

### Three Process Reforms

1. Product planning process
2. Overseas business operational process
3. Just-in-time production process

### Medium-Term Business Plan (Billions of yen)

Consolidated	Fiscal 2019		Fiscal 2020		Fiscal 2021	
	Actual		Actual		Initial plan	Revised plan
Net Sales	348.0		340.4		372.0	Undecided
Breakdown	Domestic	172.5	173.5		178.5	
	Overseas	175.5	166.9		193.5	
	(Overseas sales ratio)	50.4%	49.0%		52.0%	
Operating Income	30.8		34.4		34.0	Undecided
Operating Margin	8.9%		10.1%		9.1%	

### Growth strategy for the next 100 years

#### Expand business areas and create new business pillars

As we approach the 100th anniversary of our founding, we have initiated a growth strategy for the next 100 years. As part of this, we have defined our Brand Promise—Rinnai's promise to customers and society—as “Creating a healthier way of living.” Going forward, we will advance our business under our corporate mission of creating healthier, more comfortable, and higher-quality lifestyles, through our services as well as our products. Guided by our medium-term vision for 2030, we will entrench Rinnai as a global brand while maintaining its tradition image and key product strengths: safety and security, reliability, high quality, and environmental performance.

One important priority is to expand our business domains. Rinnai started out as a maker of oil and gas stoves and other kitchen appliances, and has expanded its portfolio to include water heaters and products that meet the needs of the times. We also have strategic products that address the highly demanding environmental needs of the global market. These include our *Eco Jozu* high-efficiency gas water heaters, as well as *ECO ONE*, the world's first home-use hybrid water heater with heating system that is combined with a heat pump. To achieve another 100 years of growth, however, we believe it is essential to create new business pillars alongside our mainstay water heaters, based on the themes of “heat and lifestyles” and “health and lifestyles.”



Fast drying and shorter housework time thanks to the power of gas

### Expanding our business domains

#### Reinforce existing categories and develop new ones

One strategy to expand our business domains is to reinforce our existing product categories. In Japan, for example, our *Kanta-kun* gas clothes dryers are popular among dual-income households and nursing and welfare facilities. The main feature of *Kanta-kun* dryers, first commercialized by Rinnai in the 1990s, is that they dry clothes very quickly, regardless of weather conditions and time of day. As such, they became a market hit, with consumers reaffirming their value as “Rakukaji” products that help address the social issues of aging population and declining birthrate. In April 2020, meanwhile, we launched a water heater system featuring a highly functional micro-bubble bath unit that epitomizes our “health and lifestyles” theme.

The second strategy for expanding our business domains is to develop new fields that go beyond the scope of our existing products and services. In Japan, our New Business Strategy Office (part of the Research & Development Headquarters) spearheads reinforcement of existing domains and works in conjunction with the Business Planning Division, which is responsible for creating new businesses.

In addition to cultivating products and services and strengthening their functions, we will work to expand our business domains by strengthening our design capabilities and stepping up sales promotion, advertising, and public relations activities, in order to proliferate the Rinnai brand.



Large-scale advertisement at Tokyo International Airport (Haneda Airport): Visual representation of Rinnai's worldwide commitment to healthy and comfortable lifestyles.

## Global brand

### Business domain expansion led by Group companies

Looking to increase its overseas sales ratio, Rinnai has positioned the United States and China as strategic markets. Including Japan, we now have operations in 18 countries and regions and sell our products in more than 80 countries (as of March 31, 2020). We are developing our business with an emphasis on local production and local sales, with the aims of contributing to local communities (including employment) and mitigating currency risk.

In the Chinese market, where there are many competitors, Shanghai Rinnai Co., Ltd. has earned high acclaim for the quality of its Rinnai-brand products and engages in sales of profitable, value-added products centered on water heaters and boilers.

In the United States, Rinnai America Corporation surpassed the 200,000-unit mark for water heaters sold in 2015. It commenced local production in April 2018 at a leased facility in Griffin, Georgia. In 2018, it reached the 300,000-unit mark and decided to build a new factory under its ownership (see page 12). Like its parent company in Japan, Rinnai America has established a marketing section to expand into new business areas. Meanwhile, Rinnai Australia Pty Ltd, which has sold electrical equipment for some time, is also independently broadening its business domains, mainly through M&As. These include the acquisition of Bravis Climate Systems Pty Ltd, a local maker of air conditioning equipment. Unbound by instructions from Japan, each overseas Rinnai Group company is cultivating businesses in new areas based on local needs, resulting in various success stories across the Group. Through this flexible system, we are expanding our business domains. In addition, engineers and young employees from Japan are stationed at major overseas Group bases in an effort to foster human resources from a global perspective.



## To our stakeholders

### Implement growth strategies with a view to future expansion

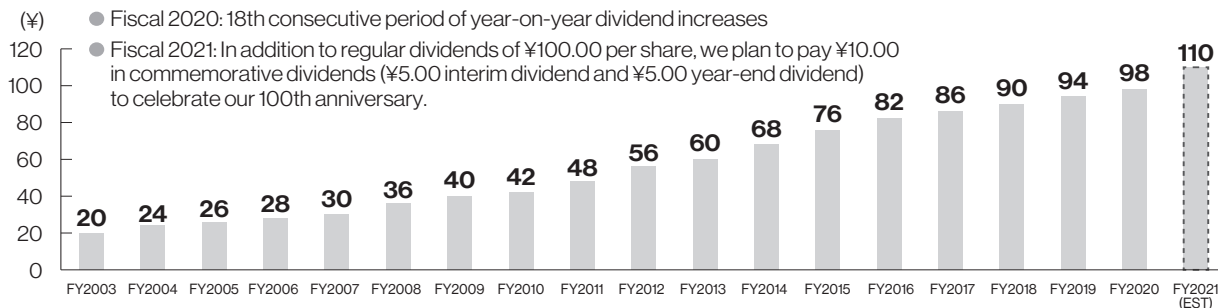
In fiscal 2020, we increased year-on-year dividends for the 18th consecutive period.

In fiscal 2021, we plan to pay annual dividends of ¥110 per, including a ¥10.00 commemorative dividend to celebrate our 100th anniversary. Buoyed by stable growth, Rinnai has strengthened preparations for large-scale disasters. At the same time, we have emphasized capital investments, including outlays to renovate sales offices, factories, and the like. Going forward, we will further promote a capital strategy that strikes a balance between upfront investments, including in new businesses and M&As, and returns to shareholders and employees.

As part of our 100th anniversary activities, we are focusing on nurturing young people who will spearhead Rinnai's future and revitalizing the Group. One initiative is an in-house award system called "Tomorrow's Rinnai Proposition Grand Prize."

The short-term business outlook is uncertain due to the worldwide spread of COVID-19 and other factors. Nevertheless, Rinnai provides high-value-added heating equipment that is indispensable to daily life, and demand trends for such equipment in the medium term are stable. Now is the time to steadily implement measures for the future. We ask you, our shareholders, for your continued understanding and support.

## Dividends per share







100th Anniv.

## Connected in passion for the next 100 year

On September 1, 2020, Rinnai will celebrate its 100th anniversary. The Group has consistently provided diverse products and services that meet the needs of the times and contribute to people's lives. Since the 1970s, when we started global expansion, we have engaged in business activities based on a policy of helping improve the lifestyles and employment of the people who live in our respective markets.

**1937**

Started selling oil and gas stoves across north China market from base in Tianjin City



**1970**

Established Rinnai Taiwan Corporation; engaged in full-scale overseas expansion under policy of contributing to local communities



Current Rinnai Taiwan

**1973**

Established Rinnai (Malaysia) Sdn. Bhd.

**1971**

Established Rinnai Australia Pty., Ltd.



Current Rinnai Australia

**1974**

Established Rinnai America Corporation, and Rinnai Korea Corporation



Current Rinnai America head office (left) and leased Griffin factory (right)



Current Rinnai Korea

**1975**

Established Rinnai New Zealand Ltd., and Equipamentos NGK-Rinnai Ltda. (currently Rinnai Brasil Heating Technology)



Current Rinnai New Zealand



Current Rinnai Brasil Heating Technology

**1976**

Established Rinnai Industries (UK) Ltd. (currently Rinnai UK Ltd.)

Founded  
**1920**

Foundation-1960s

**1950**

Reorganized as a corporation, name changed to Rinnai Seisakusho

株式会社 林内製作所

**1971**

Changed company name to Rinnai Corporation

リンナイ 株式会社

1970s  
Full-scale launch of overseas business

**1993**

Established Shanghai Rinnai Co., Ltd.



Current Shanghai Rinnai (left) and an experimental showroom (right)

**1991**

Established Rinnai Singapore (currently Rinnai Holdings (Pacific) Pte Ltd.)

**1990**

Established Rinnai (Thailand) Co., Ltd.



Current Rinnai (Thailand)

**1988**

Established P.T. Rinnai Indonesia



Current Rinnai Indonesia

**1998**

Established Rinnai Hong Kong Ltd., and Rinnai Viet Nam Co., Ltd.



Current Rinnai Viet Nam

**2009**

Established Rinnai Canada Holdings Ltd.

**2008**

Established Rinnai Italia S.r.l.



Current Rinnai Italia

**2015**

Established Dubai representative office



Current Rinnai Dubai

**2019**

Established Rinnai Trading B.V.

September 1, 2020

**100th**  
anniversary of  
founding

**2019**

Renewed the Rinnai logomark in pursuit of global brand status

**Rinnai**

2000s-2010s  
Overseas sales ratio surpasses 50%



**2008**

Received Supernova Star Award (energy efficiency award) from the U.S. Energy Saving Promotion Organization for gas tankless water heaters



**2008**

P.T. Rinnai Indonesia received Best Brand Award in Tabletop Stove Category for first time (received for 12 consecutive years since)



1980s-1990s  
Expansion of overseas network and steady growth

**1996**

Obtained accreditation as certification agency from IAS (International Approval Service)

**1983**

Listed on First Sections of Tokyo Stock Exchange and Nagoya Stock Exchange

**Overseas sales ratio**

Fiscal 1997  
Surpassed  
**10%**

Fiscal 2000  
Surpassed  
**20%**

Fiscal 2006  
Surpassed  
**30%**

**Consolidated net sales**

**Overseas sales**

Fiscal 2015  
Surpassed  
**40%**

Fiscal 2019  
Surpassed  
**50%**

**Fiscal 2020**  
(consolidated basis)

Net sales ¥ **340.4 billion**

Overseas sales ¥ **166.9 billion**

Overseas sales ratio **49 %**



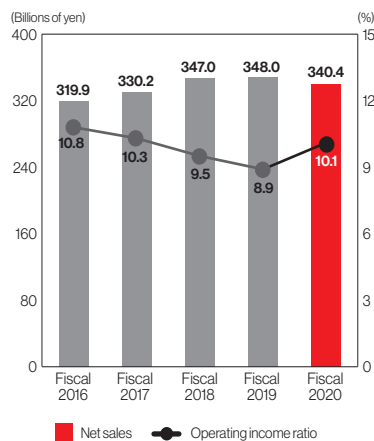
# Consolidated Business Results for Fiscal 2020

(Year ended March 31, 2020)

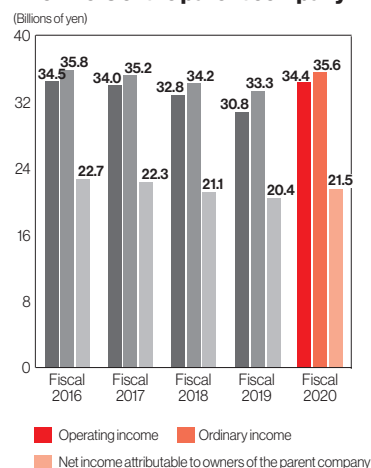
## Performance Highlights

- **Net sales declined for the first time in 10 years** due to a decrease in overseas sales, but **operating income increased for the first time in four years** thanks to higher sales and efforts to reduce costs in Japan, as well as strong sales of tankless water heaters in the United States.
- Annual dividends of ¥98.00 per share, representing the **18th consecutive period of year-on-year dividend increases**

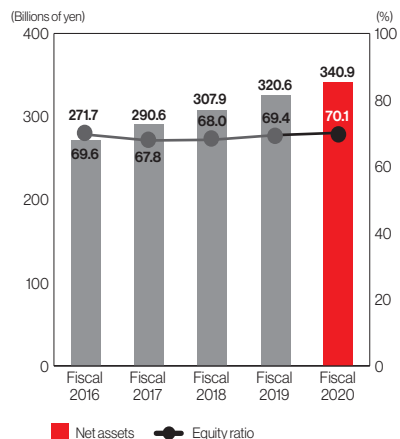
### Net sales, operating income ratio



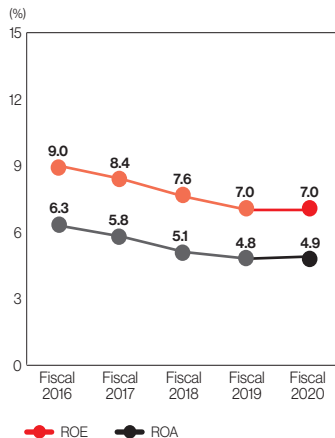
### Operating income, ordinary income, net income attributable to owners of the parent company



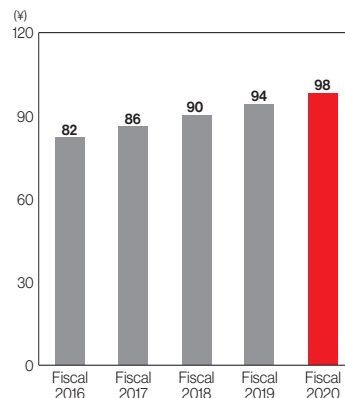
### Net assets, equity ratio



### ROE, ROA



### Dividends per share (annual)

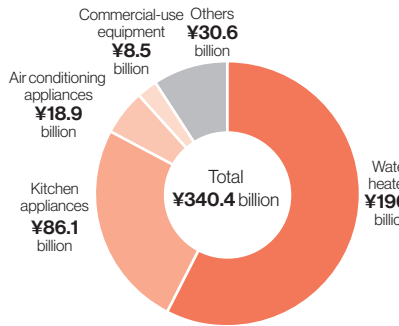




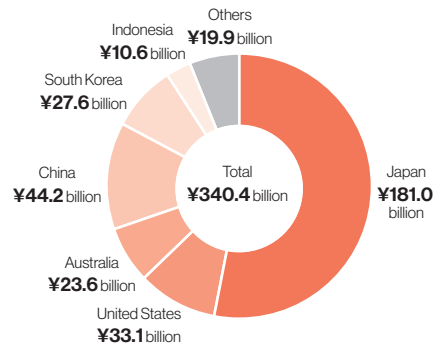
## Highlights by Product Segment

- Water heaters: **Decline in sales** due to lower sales of boilers in China and South Korea
- Kitchen appliances: **Sales down** due to decreased sales of tabletop stoves in South Korea and Indonesia
- Others: **Increase in sales** thanks to growing demand for gas clothes dryers in Japan

### Net sales by product

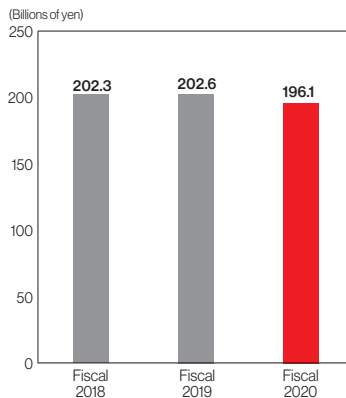


### Net sales by region

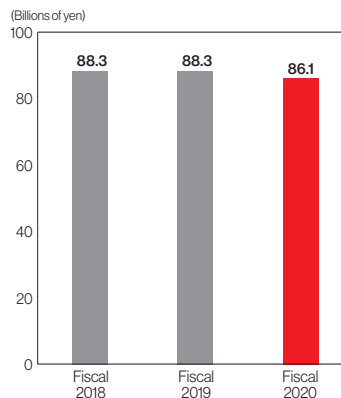


Product segment	Principal products
Water heaters	Tankless water heater with basic functions, bath-filling systems, heating systems, and hybrid water heater with heating systems
Kitchen appliances	Tabletop cookers, built-in hobs (stovetops), ovens, dishwashers, range hoods and rice cookers
Air conditioning appliances	Fan heaters, fanned flue heaters and infrared heaters
Commercial-use equipment	Commercial-use ceramics griller, ranges and rice cookers
Others	Clothes dryers, infrared burners and components

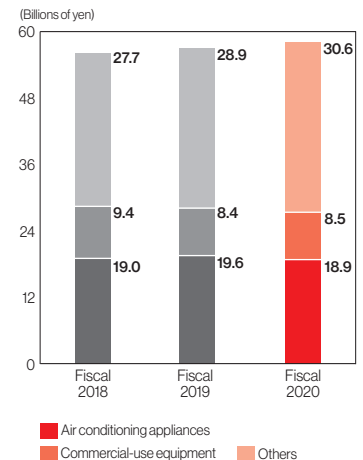
### Sales of water heaters



### Sales of kitchen appliances



### Sales of air conditioning appliances, commercial-use equipment, and others





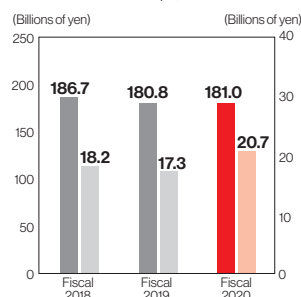
# Consolidated Business Results for Fiscal 2020

(Year ended March 31, 2020)

## Financial Data

### Highlights by Regional Segment

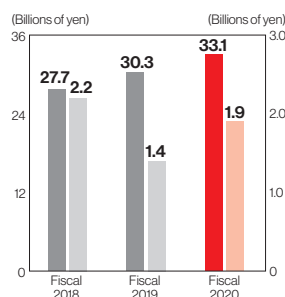
#### Japan



**Increases in sales and income** thanks to growing demand for gas clothes dryers and built-in hobs (stovetops) despite recoil in demand following rush ahead of consumption tax hike

■ Net sales ■ Operating income

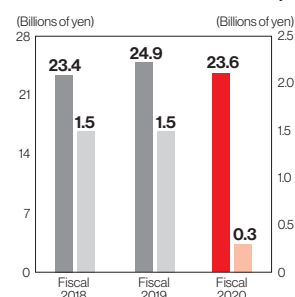
#### United States



Growing sales of highly convenient tankless water heaters, as well as an increase the proportion of high-grade, high-efficiency water heaters sold, led to **higher sales and income**

■ Net sales ■ Operating income

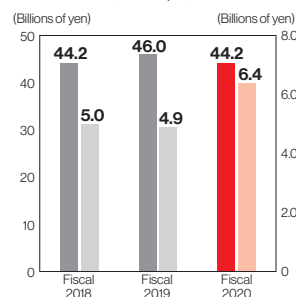
#### Australia



**Decrease in sales** due to foreign exchange factors despite healthy local sales, and **decline in income** due to rising purchasing costs stemming from depreciation of the local currency

■ Net sales ■ Operating income

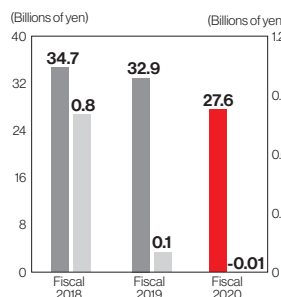
#### China



**Decrease in sales** due to a significant decline in demand for boilers, but **increase in income** owing to higher sales of mainstay water heaters and the inclusion of Guangzhou Rinnai Gas and Electric Appliance Co., Ltd. in the scope of consolidation.

■ Net sales ■ Operating income

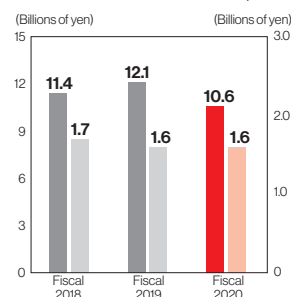
#### South Korea



Decline in sales of mainstay gas stoves and boilers amid economic downturn and onslaught of low-priced models offered by other companies, leading to **decrease in sales** and an **operating loss**

■ Net sales ■ Operating income

#### Indonesia



**Decreases in sales and income** due to lack of strength in market for mainstay tabletop stoves, despite recovery in sales of high-priced built-in stoves and range hoods.

■ Net sales ■ Operating income

**Consolidated Balance Sheets** (Millions of yen)

Current Term (As of March 31, 2020)

Previous Term (As of March 31, 2019)

	Current Term	Previous Term
<b>ASSETS</b>		
<b>Current assets</b>	<b>294,713</b>	<b>280,891</b>
<b>Fixed assets</b>	<b>155,773</b>	<b>149,993</b>
Property, plant and equipment	84,633	82,854
Intangible fixed assets	3,480	5,743
Investments and advances	67,659	61,395
<b>Total assets</b>	<b>450,486</b>	<b>430,885</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>86,607</b>	<b>88,350</b>
<b>Long-term liabilities</b>	<b>22,919</b>	<b>21,838</b>
<b>Total liabilities</b>	<b>109,527</b>	<b>110,188</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>	<b>307,153</b>	<b>289,495</b>
Common stock	6,459	6,459
Capital surplus	8,756	8,756
Earned surplus	293,807	276,143
Treasury stock	(1,870)	(1,864)
<b>Accumulated other comprehensive income</b>	<b>8,461</b>	<b>9,640</b>
<b>Non-controlling interests</b>	<b>25,343</b>	<b>21,560</b>
<b>Total net assets</b>	<b>340,959</b>	<b>320,696</b>
<b>Total liabilities and net assets</b>	<b>450,486</b>	<b>430,885</b>

**Consolidated Statements of Income** (Millions of yen)

Current Term (From April 1, 2019, to March 31, 2020)

Previous Term (From April 1, 2018, to March 31, 2019)

	Current Term	Previous Term
<b>Net sales</b>	<b>340,460</b>	<b>348,022</b>
Cost of sales	227,885	235,915
Gross profit	112,575	112,106
Selling, general and administrative expenses	78,153	81,227
<b>Operating income</b>	<b>34,422</b>	<b>30,879</b>
Other income	2,328	2,801
Other expenses	1,070	362
<b>Ordinary income</b>	<b>35,679</b>	<b>33,318</b>
Extraordinary income	—	69
Extraordinary loss	844	222
Income before income taxes	34,834	33,164
Income taxes	9,144	9,162
Net income	25,690	24,001
Net income attributable to non-controlling interests	4,128	3,521
<b>Net income attributable to owners of the parent company</b>	<b>21,561</b>	<b>20,480</b>

**Consolidated Statements of Cash Flows** (Millions of yen)

Current Term (From April 1, 2019, to March 31, 2020)

Previous Term (From April 1, 2018, to March 31, 2019)

	Current Term	Previous Term
<b>Cash flows provided by operating activities</b>	<b>37,694</b>	<b>29,479</b>
<b>Cash flows used in investing activities</b>	<b>(7,124)</b>	<b>(7,288)</b>
<b>Cash flows used in financing activities</b>	<b>(6,436)</b>	<b>(6,150)</b>
<b>Cash and cash equivalents at end of term</b>	<b>140,138</b>	<b>116,133</b>



New Rinnai products that represent “health and lifestyles”

# Micro-bubble bath unit

that delivers stimulation and excitement during bath time

Launched April 21, 2020

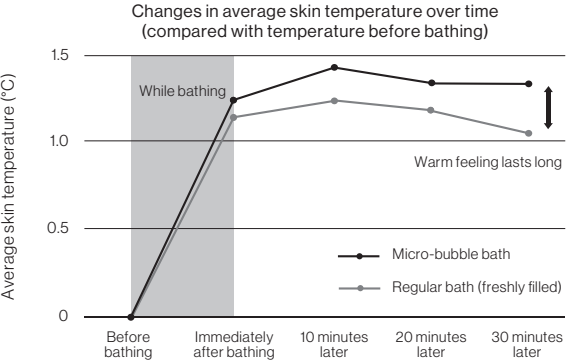


Special feature

1

## Wrapping bubble keeps you warm

The wrapping bubbles gently transfer heat from the water to the body, which continues to feel warm even after leaving the bath.



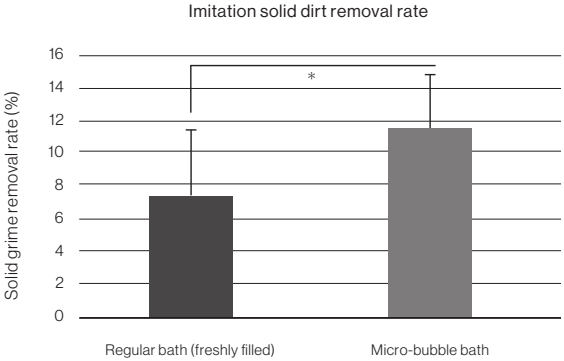
**[Experimental conditions]**  
 Joint research by Nihon Fukushi University and Toho Gas Co., Ltd. (2019)  
 Subjects: 7 healthy women in their 30s  
 Bathroom environment: Temperature 29°C; humidity 97%  
 Bathing method: Bathwater temperature 40°C; whole body immersed for 10 minutes

Special feature

2

## Minute bubbles gently remove grime on the skin surface

The tiny micro-bubbles gently remove dirt and dust mixed together on the skin's surface.



**[Experimental conditions]**  
 Test data compiled by Rinnai Corporation (2019)  
 Imitation grime—mixture of beef fat and carbon black (10%)—was applied to each subject's abdomen, and the grime's brightness was measured before and after bathing using a colorimeter. The removal rate was calculated by comparing the brightness levels before and after bathing.  
 Subjects: 6 healthy adult men  
 Bathing method: Bathwater temperature 38°C; bathing for 10 minutes  
 \* Statistically meaningful difference with significance rate of less than 5%  
 Note: Bathing in this micro bubble bath will not necessarily remove all grime from the body.

## Rinnai America increases total capital by US\$70 million to construct new plant



Image of new plant (Griffin Factory)

Rinnai America Corporation has decided to build its own new plant in Griffin, Georgia, and is currently preparing to start construction. In the U.S. market, where tankless water heaters are performing well, Rinnai America began production of residential gas tankless water heaters at a leased factory in April 2018. Recently, it undertook a US\$70 million capital raising and plans to make a capital investment of US\$63 million in the new facility. The new Griffin Factory is expected to have an annual production of around 200,000 units, and production at the existing leased facility will end when operations at the new one begin.

## G-LINE series of domino-type built-in stoves win international design prize, “Red Dot Design Award 2020”



Rinnai's G-LINE series of domino-style built-in stoves won a prize in the “Product Design” category of the internationally prestigious international design awards, “Red Dot Design Award 2020.” G-LINE is a series of drop-in modular-type cookers for high-end kitchens. Users can freely combine and configure multiple components according to their lifestyles. With stylish designs, the cookers have pictorial and parameter-based operating instructions rather than written ones, making them easy to use for non-Japanese residents.



reddot winner 2020

## Rinnai included in Health and Productivity Index 2020 (third consecutive year)



### What is the Health and Productivity Index?

Started in 2015, this is a list of companies (among those listed on the Tokyo Stock Exchange) selected because they strategically practice health management for employees and others from a managerial perspective. It introduces companies that would be attractive to investors who place importance on increasing corporate value from a long-term standpoint.

※ Kenko Keiei (Health and Productivity) is registered by Nonprofit Organization Kenko Keiei.

Rinnai works hard to promote the health of employees, having established dedicated entities—welfare & health team and health support office—within its Personnel Affairs Division. These efforts are conducted under a three-pronged system centered on our health insurance union, employee union, and the Company itself. In recognition of these efforts, Rinnai Corporation has been included in the Health and Productivity Index 2020, presented by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange, for the fourth consecutive year. It was also selected in the 2020 “White 500” (large enterprise category) list of companies that practice superior health management (also presented by METI), for the third consecutive year.



## Corporate Data

### Directory (As of March 31, 2020)

<b>Incorporated</b>	September 1, 1920
<b>Established</b>	September 2, 1950
<b>Paid-in capital</b>	¥6,459,746,974
<b>Head office</b>	2-26, Fukuzumi-cho, Nakagawa-ku, Nagoya 454-0802 TEL: +81-52-361-8211
<b>Number of employees</b>	10,451 (Consolidated) 3,758 (Nonconsolidated)

### Domestic Network (As of March 31, 2020)

**Factories and related centers** Technology Development Center, Production Technology Center, Integrated Logistics Center, East Japan Logistics Center, Parts Center, Oguchi Factory, Seto Factory, Akatsuki Factory

**Branches** Tohoku, Kanto, Chubu, Kansai, Kyushu

**Domestic sales offices** Hokkaido, Kita-Tohoku, Sendai, Niigata, Tokyo, Kita-Kanto, Higashi-Kanto, Minami-Kanto, Tokai, Shizuoka, Hokuriku, Nagano, Osaka, Keiji, Hyogo, Chugoku, Shikoku, Fukuoka

**Domestic satellite offices** (94 offices)

**Other domestic offices** 11 Training Centers, Customer Center

### Corporate Officers (As of June 26, 2020)

Chairman	<b>Kenji Hayashi</b>	Managing Executive Officers	<b>Kinji Mori</b>	Standing Audit & Supervisory Board Members	<b>Haruhiko Ishikawa</b>
President and Executive Officer	<b>Hiroyasu Naito</b>	Executive Officers	<b>Hideyuki Shiraki</b>		<b>Katsuhiko Shinji</b>
Director and Executive Vice President	<b>Tsunenori Narita</b>		<b>Chuji Nakashima</b>	Audit & Supervisory Board Members	<b>Masaaki Matsuoka</b>
Director and Senior Managing Executive Officers	<b>Masao Kosugi</b>		<b>Hirohisa Ooi</b>		<b>Ippei Watanabe</b>
	<b>Yuji Kondo</b>		<b>Terumasa Kaneko</b>		
Directors	<b>Nobuyuki Matsui</b>		<b>Kazuhiko Matsumoto</b>		
	<b>Takashi Kamio</b>		<b>Masanori Shimizu</b>		
			<b>Kazuto Inoue</b>		
			<b>Kenichi Ebata</b>		
			<b>Katsunori Tanioka</b>		
			<b>Takuya Ogawa</b>		
			<b>Hiroyuki Hoyano</b>		
			<b>Fuminobu Ishikawa</b>		
			<b>Kenji Endo</b>		

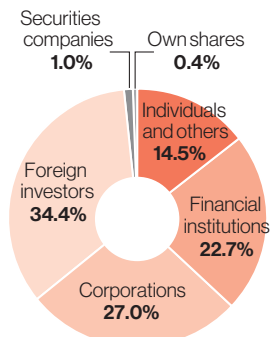
Notes: 1. Nobuyuki Matsui and Takashi Kamio (Directors) serve as an outside director.  
2. Masaaki Matsuoka and Ippei Watanabe (Audit & Supervisory Board Members) serve as an outside auditor.

### Share Composition (As of March 31, 2020)

#### Number of shares

<b>Authorized:</b>	200,000,000
<b>Outstanding:</b>	51,616,463 (Including treasury stock)
<b>Number of shareholders:</b>	4,166

#### Composition of shareholders





## Rinnai Group (As of March 31, 2020)

### 14 Domestic Subsidiaries

#### Manufacture and Sale of Products

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

#### Sale of Products

- Rinnai Net Co., Ltd.

#### Manufacture and Sale 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.

#### Other Business

- Rinnai Enterprises
- Other three companies

### 34 Overseas Subsidiaries and Affiliates

#### Holding Company/Sale of Products

- Rinnai Holdings (Pacific) Pte Ltd.

#### Manufacture and Sale of Products

- Rinnai America Corporation
- Rinnai Australia Pty., Ltd.
- Shanghai Rinnai Co., Ltd.
- Rinnai Korea Corporation
- PT. Rinnai Indonesia
- Rinnai New Zealand Ltd.
- Rinnai Taiwan Corporation
- Rinnai (Thailand) Co., Ltd.
- Rinnai Viet Nam Co., Ltd.
- Rinnai Brasil Heating Technology Ltd.
- Rinnai Manufacturing Malaysia Sdn. Bhd.

#### Sale of Products

- Rinnai Italia S.r.l.
- Rinnai Hong Kong Ltd.
- Rinnai Canada Holdings Ltd.

- Shanghai Rinnai Thermo Energy Engineering Co., Ltd.
- Guangzhou Rinnai Gas and Electric Appliance Co., Ltd.
- Rinnai Plus Corp.
- Rinnai (Malaysia) Sdn. Bhd.
- Rinnai UK Ltd.
- Rinnai Trading B.V.
- Central Heating New Zealand Ltd.
- Hainan Rinnai Minsheng Kitchen Appliances Sales Co., Ltd.

#### Manufacture and Sale of Components

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

#### Other Business

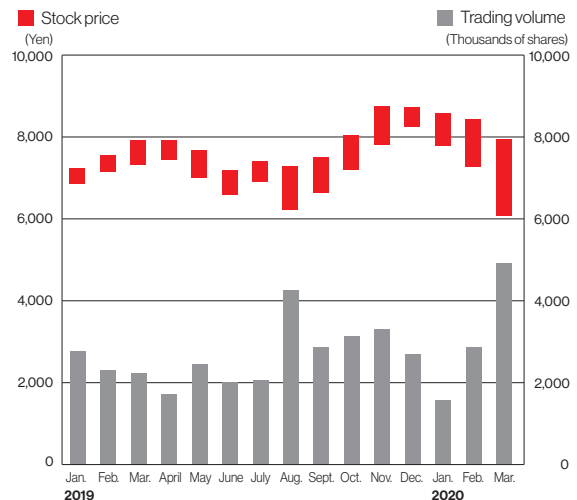
- Gas Appliance Services Pty., Ltd.
- Other six companies

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

## Major Shareholders (As of March 31, 2020)

Name	Shares held (Thousands)
Naito Co., Ltd.	6,215
Yoshikane Shoji Co., Ltd.	3,502
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,962
Kenji Hayashi	2,454
Japan Trustee Services Bank, Ltd. (Trust Account)	2,097
MISAKI ENGAGEMENT MASTER FUND	1,867
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,131
BNYMAS AGT/CLTS 10 PERCENT	1,058
Tokyo Gas Company, Limited	784
Japan Trustee Services Bank, Ltd. (Trust Account 5)	782

## Stock Price Range





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**Financial year**

From April 1 to March 31

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**Annual meeting of shareholders**

Every June

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**Dates of record**

Annual meeting of shareholders,

year-end dividend: March 31

Interim dividend: September 30

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**Minimum trading unit**

100 shares

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**Public notice**

Public notices by the Company will be announced online.

<https://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*.

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**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

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**Mailing and contact**

Sumitomo Mitsui Trust Bank, Limited

Stock Transfer Agency Department

8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063

**(Telephone)**

Freedial 0120-782-031(9:00 am-17:00 pm on weekdays)

Transfer administration offices:

Sumitomo Mitsui Trust Bank, Limited

Head office, and branches throughout Japan

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**Stock Listings:**

Tokyo Stock Exchange, First Section

Nagoya Stock Exchange, First Section

### Inquiries Pertaining to Share-Related Procedures

**1. Non-Payment of Dividends**

Please contact the transfer agent (Sumitomo Mitsui Trust Bank, Limited; contact details above).

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

(1) Shareholders with account at a securities company

Please contact the securities company handling your account.

(2) Shareholders with a special account opened due to absence of account at a securities company

Please contact Sumitomo Mitsui Trust Bank, Limited