

Company Name: Rinnai Corporation
 2-26, Fukuzumi-cho, Nakagawa-ku,
 Nagoya 454-0802, Japan

Representative: Hiroyasu Naito,
 President & Representative Director

Listings: First Sections of Tokyo and Nagoya Stock
 Exchanges (Securities Code: 5947)

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Announcement of Revised Performance Forecasts

In light of its recent business performances, Rinnai Corporation has revised its financial results forecast, previously announced on May 11, 2010, as follows.

Revised Performance Forecasts

Revision of consolidated results forecast for first two quarters of the fiscal year ending March 31, 2011 (April 1, 2010 to September 30, 2010)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Previous forecast (A)	111,000	8,000	8,500	4,900	94.66
Revised forecast (B)	111,300	11,100	11,800	7,000	138.86
Difference (B – A)	300	3,100	3,300	2,100	—
Change (%)	0.3	38.8	38.8	42.9	—
(For references) First two quarters of the year ended March 31, 2010 (actual)	102,030	6,701	7,009	4,043	74.89

Revision of consolidated results forecast for the fiscal year ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Previous forecast (A)	241,000	22,000	23,000	13,000	251.15
Revised forecast (B)	240,000	24,500	25,000	15,000	301.27
Difference (B – A)	-1,000	2,500	2,000	2,000	—
Change (%)	-0.4	11.4	8.7	15.4	—
(For references) Year ended March 31, 2010 (actual)	226,117	20,392	21,481	11,642	219.83

Reasons for Revision

On the revenue front, the Corporation posted a year-on-year increase in sales, thanks to brisk replacement demand in Japan and generally favorable market conditions overseas as well as a positive impact from exchange rates between the yen and the Australian dollar and South Korean won. On the income front, results in each category exceeded expectations. The cost of materials skyrocketed, but the impact was limited to the second quarter, and higher overseas sales and successful cost-cutting throughout the Corporation underpinned solid income status.

Management has revised the Corporation's full-year performance forecast, based on first-half results.

Revision of nonconsolidated results forecast for first two quarters of the fiscal year ending March 31, 2011 (April 1, 2010 to September 30, 2010)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Previous forecast (A)	80,000	4,600	5,700	3,500	67.62
Revised forecast (B)	78,900	6,400	7,200	4,300	85.30
Difference (B – A)	-1,100	1,800	1,500	800	—
Change (%)	-1.4	39.1	26.3	22.9	—
(For references) First two quarters of the year ended March 31, 2010 (actual)	76,772	4,493	5,525	3,504	64.90

Revision of nonconsolidated results forecast for the fiscal year ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Previous forecast (A)	176,000	14,000	16,000	9,000	173.87
Revised forecast (B)	175,000	16,000	17,000	10,500	210.89
Difference (B – A)	-1,000	2,000	1,000	1,500	—
Change (%)	-0.6	14.3	6.3	16.7	—
(For references) Year ended March 31, 2010 (actual)	169,277	13,455	15,515	8,654	163.41

Note: The performance forecasts stated in this report are based on available information and are deemed rational by management. Actual results may differ from these forecasts for various reasons.