



May 9, 2017

Company Name: Rinnai Corporation  
Representative: Hiroyasu Naito, President and Representative Director  
(Securities Code: 5947, TSE/NSE First Sections)  
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## **Announcement of Discontinuation (Abolition) of the Policy (Actions against Corporate Acquisition) toward Large-Scale Purchases of the Share Certificates, etc., of Rinnai Corporation**

Rinnai Corporation (the “Corporation”) introduced the “Policy (Actions against Corporate Acquisition) toward Large-Scale Purchases of the Share Certificates, etc., of Rinnai Corporation”, which was approved by shareholders at the 58th Ordinary General Shareholders’ Meeting held on June 27, 2008. Following introduction, it was partially revised and continued as the current plan (the “Current Plan”) through approval at the 61st Ordinary General Shareholders’ Meeting held on June 29, 2011, and the 64th Ordinary General Shareholders’ Meeting held on June 27, 2014.

The Current Plan is set to expire at the close of the 67th Ordinary General Shareholders’ Meeting to be held on June 28, 2017. However, the Corporation resolved to discontinue (abolish) the Current Plan at the Board of Directors’ Meeting on this date, effective upon such expiration. Details are provided below.

### **Details**

To date, the Corporation has deemed that persons who buy up its shares in a manner that damages corporate value and/or the common interests of shareholders are unfit to influence decisions on the Corporation’s financial and business policies. Accordingly, the Corporation adopted necessary and appropriate countermeasures against large-scale purchases of its shares by such persons, and has continued the Current Plan, regarding it as necessary to protect corporate value and the common interests of shareholders.

However, the business environment and other factors facing the Corporation have changed from the time when the Current Plan was revised, and regulations on large-scale share purchases covered by the Financial Instruments and Exchange Act have prevailed. For these reasons, the Corporation’s shareholders and its Board of Directors have determined that the aim of the Current Plan—which is to secure the necessary information and time to make appropriate judgments—has been fulfilled to a certain extent, and judged that the significance of the Current Plan is in relative decline. Therefore, a resolution has been passed to discontinue the Current Plan when its effective period expires at the close of the upcoming 67th Ordinary General Shareholders’ Meeting.

Even after the Current Plan’s effective period expires, the Corporation will continue treating persons who seek to make large-scale share purchases or purchase proposals according to the relevant laws. Specifically, it will request disclosure of necessary and sufficient information for shareholders to properly judge the advantages and disadvantages of large-scale purchases, and also disclose the opinions of its Board of Directors. In addition, the Corporation will endeavor to secure the time necessary for consideration by shareholders and take other appropriate measures.

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