



February 15, 2016

Company Name: Rinnai Corporation
 Representative: Hiroyasu Naito, President and Representative Director
 (Securities Code: 5947, TSE/NSE First Sections)
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NOTIFICATION OF PURCHASES OF STOCK IN GASTAR CO., LTD.

Rinnai Corporation (“the Company”) has today entered agreements to purchase stock in GASTAR Co., Ltd. (“GASTAR”) as follows.

1. Reason for stock purchases

Further to negotiations on transferring management control of GASTAR to the Company under basic agreements with Tokyo Gas Co., Ltd. (“Tokyo Gas”) and LIXIL Corporation (“LIXIL”) announced on December 2, 2015, stock purchase agreements were today signed to transfer a portion of the shares in GASTAR held by Tokyo Gas and LIXIL to the Company.

2. Overview of GASTAR

(1) Name	GASTAR Co., Ltd.		
(2) Address	3-4 Fukamidai, Yamato-shi, Kanagawa		
(3) Name and title of representative	Hisao Watanabe, President and Representative Director		
(4) Business	(1) Water heating business (production and sale of gas water heaters), (2) air-conditioning business (sale and repair of gas heat pump air conditioners, etc.), (3) home appliance business (sale of LIXIL home appliances), (4) building lease business (leasing of warehouse space)		
(5) Capital	2,450 million yen		
(6) Date of establishment	August 1959		
(7) Number of shares outstanding	1,200,000		
(8) Shareholders and shareholding ratios	Tokyo Gas 66.7%, LIXIL 22.2%, Rinnai 11.1%		
(9) Business results and financial position for past three years			
Fiscal year	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2015
Net assets	17,990 million yen	19,901 million yen	21,447 million yen
Total assets	27,991 million yen	30,772 million yen	31,509 million yen
Net assets per share	14,991.96 yen	16,584.74 yen	17,873.25 yen
Net Sales	32,115 million yen	36,934 million yen	35,652 million yen
Operating income	2,084 million yen	2,945 million yen	2,576 million yen
Ordinary income	2,149 million yen	3,009 million yen	2,661 million yen
Net income	1,263 million yen	1,781 million yen	1,760 million yen
Net profit per share	1,052.50 yen	1,484.82 yen	1,466.67 yen

3. Overview of stock purchase counterparts

(1) Name	Tokyo Gas Co., Ltd.	LIXIL Corporation
(2) Address	1-5-20 Kaigan, Minato-ku, Tokyo	2-1-1 Ojima, Koto-ku, Tokyo
(3) Name and title of representative	Michiaki Hirose, President and Representative Director	Kinya Seto, President and Representative Director
(4) Capital	141,844 million yen	34,600 million yen

4. Numbers of shares purchased and shareholdings before and after purchases

(1) Number held before purchases	133,000
(2) Number purchased from LIXIL	92,000 (purchase price: 1,876 million yen)
(3) Number purchased from Tokyo Gas	226,800 (purchase price: 4,626 million yen)
(4) Number held after purchases	451,800

5. Schedule

(1) Stock purchase agreements signed	February 15, 2016
(2) Shares purchased from LIXIL	March 25, 2016
(3) Shares purchased from Tokyo Gas	April 1, 2016

6. These stock purchases are conditional on the receipt of notification that no cease and desist order will be issued under the provisions of Article 9 of the Rules on Applications for Approvals, Reporting, Notification, etc. Pursuant to the Provisions of Articles 9 to 16 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade.

END

(For reference)

- It was resolved today at a general meeting of shareholders of GASTAR to buy back 698,000 shares of treasury stock from specific shareholders (Tokyo Gas and LIXIL). The shares can be purchased between February 15, 2016, and April 30, 2016 (inclusive).
- If these stock purchases and the stock buybacks by GASTAR are completed as planned, the Company will hold 90% of the management rights in GASTAR, and GASTAR will become a subsidiary of the Company.