

(Translated from the Japanese original)

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Notice Regarding Differences between Consolidated Forecasts and Results for First Two Quarters of Fiscal 2022, ending March 31, 2022

Rinnai Corporation hereby provides details of differences between its consolidated forecasts for the two-quarter period ended September 30, 2021 (announced on May 12, 2021) and actual results (announced today).

1. Differences between Consolidated Forecasts and Results for First Two Quarters (April 1, 2021, to Sept. 30, 2021)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net income attributable to owners of the parent company	Net Income per Share (Yen)
Previous forecast (A)	169,000	15,800	16,300	9,900	192.62
Actual results (B)	179,721	20,107	21,687	13,247	259.38
Difference (B – A)	10,721	4,307	5,387	3,347	—
Change (%)	6.3	27.3	33.1	33.8	—
(For references) Previous first two quarters (first two quarters of fiscal 2021 ended March 31, 2021 (actual))	148,945	12,957	13,920	10,029	195.13

2. Reasons for differences

During the two-quarter period under review, overseas sales were stronger than expected, especially in China and the United States, and domestic sales were also favorable. Despite sharp increases in raw material prices and logistics costs, moreover, we made progress in reducing costs. We also exceeded our previous forecasts for net sales, operating income, ordinary income, and net income attributable to owners of the parent company.

Going forward, we expect the situation to become even more challenging in terms of surging raw material prices and logistics costs, as well as tight procurement conditions. Because we cannot foresee the impact on our business, therefore, we have not changed our full-year consolidated performance forecasts for fiscal 2022 (ending March 31, 2022) at this stage. If we determine that any revision is necessary based on future business trends, we will make a prompt disclosure.

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