

August 4, 2023

(Translated from the Japanese original)

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Notice Regarding Revision of Performance Forecasts

In light of its recent performance, Rinnai Corporation has revised its initial forecasts for the first two quarters of the fiscal year ending March 31, 2024, and the full-year period ending March 31, 2024 as shown below. (The initial forecasts were released on May 10, 2023.)

Revision of consolidated performance forecasts for the first two quarters of the fiscal 2024 (April 1, 2023–September 30, 2023)

(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)	190,000	15,000	16,500	9,500	65.28
Revised forecast (B)	190,000	10,000	14,000	7,500	51.54
Difference (B – A)	—	(5,000)	(2,500)	(2,000)	
Change (%)	—	-33.3	-15.2	-21.1	
(For references) First two quarters of the year ended March 31, 2023 (actual)	194,347	19,084	22,213	13,382	90.14

**Revision of consolidated performance forecasts for fiscal 2024
(April 1, 2023–March 31, 2024)**

(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)	440,000	43,000	46,000	26,500	183.34
Revised forecast (B)	440,000	39,000	44,000	25,000	172.96
Difference (B – A)	—	(4,000)	(2,000)	(1,500)	
Change (%)	—	-9.3	-4.3	-5.7	
(For references) Year ended March 31, 2023 (actual)	425,229	41,418	44,565	26,096	176.92

Note: On April 1, 2023, the Corporation conducted a 3-for-1 stock split of shares of common stock. The above figure for “Net income per share” is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

Reasons for revision

Rising prices and monetary tightening around the world have caused business confidence to deteriorate and consumer sentiment for purchasing housing appliances to cool off. This has led to a slowdown in sales of high-value-added products. To address an increase in inventories, moreover, the Corporation has curbed production operations and been unable to offset various fixed costs. Due also to soaring raw materials prices in Japan, we expect first-half profits to fall short of our previous forecast. In the second half, we expect profits to improve beyond our initial forecasts due to some recovery in business confidence and consumer sentiment, the appeal of new products such as high-efficiency water heaters and gas clothes dryers, and further cost reduction activities. The revisions in the above table are based on our financial results in the first quarter of the current fiscal year and our recent business performances.

Note: The aforementioned performance forecasts are based on information available at the time of this release. Actual results may differ significantly from such forecasts due to various future factors.

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