

Notice Regarding Construction of PT. Rinnai Indonesia's New Plant

Since its establishment by Rinnai Corporation in 1988, PT. Rinnai Indonesia, the Company's affiliated company for which the equity method is applied, has manufactured and sold various kitchen appliances, centering on table-top cookers. In order to meet expected future demand, Rinnai Indonesia has decided to construct a new plant in Balaraja, in the suburbs of Jakarta.

A national government project to promote proliferation of liquefied petroleum gas (LPG) in Indonesia has been in place since 2006. Under the project, the government delivered 3-kilogram gas cylinders and single-burner cooking stoves free of charge to 52 million households between 2007 and 2010. Amid predictions that replacement demand will jump sharply in the future, the Indonesian stove market is expected to grow from 6.9 million units in 2010 to around 14 million units annually in 2014. To address such future market expansion, Rinnai Indonesia will construct a new plant, with the aim of increasing its annual production capacity of cookers from 5.5 million to 9 million units and boosting sales.

Below is an overview of Rinnai Indonesia.

1. Company name: Rinnai Indonesia
2. Headquarters: Jakarta, Indonesia
3. President: Mr. Lenbach Sastra
4. Capitalization: IDR3,085.5 million
5. Annual sales (FY2010): Approx. IDR713.5 billion (¥7.0 billion)
6. Employees: Approx. 1,400 (as of March 31, 2011)
7. Main products: Table-top cookers, built-in hobs, range hoods, etc.
8. Established: March 1988
9. Main shareholders: Rinnai Corporation (48%),
PT RINDONATA MANDIRI (48%),
Denki Shoji Co., Ltd. (4%)

Overview of current plant

1. Location: Cikupa, Banten Province (outskirts of Jakarta)
2. Land area: Approx. 40,000m²
3. Building floor space: Approx. 30,000 m²
4. Products manufactured: Table-top cookers, built-in hobs, range hoods, etc.
5. Annual production capacity: 5.5 million units

Overview of new plant

1. Location: Balaraja (suburb of Jakarta)
2. Land area: Approx. 157,000 m²
3. Building floor space: Approx. 32,000 m²
4. Scheduled completion: June 2012
5. Products to be manufactured: Table-top cookers, range hoods, etc.
6. Annual production capacity: 3.5 million units
7. Investment amount: Approx. IDR310 billion (¥3.0 billion)