
Production of Gas Tankless Water Heaters to Start in United States

Rinnai America Corporation (headquarters: Peachtree City, Georgia; president: Yuzo Yoshida) is a subsidiary of Rinnai Corporation (headquarters: Nagoya, Aichi; president: Hiroyasu Naito), a manufacturer of heating and energy appliances that supports people’s heating and lifestyle needs. Due to continued growth in the U.S. market, Rinnai America has decided to begin manufacturing gas tankless water heaters in the United States, starting in April 2018.

The U.S. water heater market is estimated to be around 9 million units per year, but the market has traditionally centered on storage-type (tank-based) water heaters. Rinnai America started selling gas tankless water heaters in 1999, and has since worked to expand the market, taking the initiative to increase awareness of gas tankless water heaters, which provide an endless supply of hot water and are more energy efficient than storage-type heaters.

The market for gas tankless water heaters is been growing year by year, with Rinnai America selling 237,000 units in 2016 after surpassing the 200,000 market in 2015. It decided to produce locally in anticipation that sales of gas tankless water heaters will continue increasing.

Rinnai America plans to lease an existing facility (hereinafter, “leased factory”) in Griffin, Georgia (around 60km south of Atlanta) and start production of tankless water heaters there in April 2018. At the same time, it will construct a new factory on a separate piece of property acquired in Griffin (hereinafter, “Griffin Factory”). The Griffin Factory is scheduled to start operation in January 2021, upon which production at the leased factory will cease. Annual production capacity for the leased factory is expected to be 100,000 units per year, while that of the Griffin Factory is expected to be 200,000 units.

Overview of New Factories

<i>Leased Factory (provisional name)</i>	<i>Griffin Factory (provisional name)</i>
Location: Griffin, Georgia	Location: Griffin, Georgia
Site area: 61,500m ²	Site area: 237,550m ²
Building area: 20,000m ²	Building area: 27,000m ²
Production item: Gas tankless water heaters	Production item: Gas tankless water heaters
Production capacity: 100,000 units/year	Production capacity: 200,000 units/year
Number of employees: Approx. 50 (all new recruits)	Number of employees: Approx. 140
Investment amount: Approx. US\$8 million (Approx. ¥861 million)	Investment amount: Approx. US\$71 million (Approx. ¥7.8 billion)
Operation start: April 2018 (planned)	Construction work start: Beginning of 2019 Operation start: January 2021 (planned)

Since its foundation, the Rinnai spirit has embodied a “commitment to heat and lifestyles,” “quality is our destiny,” and “contribution to local communities.” We will ensure the succession of the Rinnai spirit to advance our overseas business according to local needs.

Operation schedule for new factories (plan)

	2018	2019	2020	2021
Leased factory				
Start of lease, Start of operation (April)				End of 3-year lease
Griffin Factory				
		Start of construction		
				Start of operation (January)

Corporate Profile of Rinnai America

Name: Rinnai America Corporation

Address: 103 International Drive, Peachtree City, GA

President: Yuzo Yoshida

Capitalization: US\$11 million

Net sales: US\$213 million (¥23.5 billion) (Fiscal 2016, ended December 31, 2016, actual)

Number of employees: 206 (As of December 31, 2016)

Main products: Gas tankless water heaters, and gas heaters

Established: August 20, 1974

Equity breakdown: 100% held by Rinnai Corporation (*Consolidated subsidiary)

Note: The information contained herein is valid as of the date of release. Please be aware that certain details may change or be made irrelevant by circumstances that emerge at a later date.