

## Rinnai to Build New Plant to Address Expanding Chinese Market

Shanghai Rinnai Co., Ltd. has decided to construct a new factory in the Fengxian District of Shanghai, China, in anticipation of future expansion of the Chinese market. Shanghai Rinnai is a consolidated subsidiary of Rinnai Corporation, a comprehensive manufacturer of heating appliances dedicated to benefitting people's lives.



Image of the new Fengxian Plant

Since being established by Rinnai Corporation in 1993, Shanghai Rinnai has achieved steady growth through the manufacture and sale of gas hot-water units, gas boilers, gas stoves, and other items. There are predictions that demand for gas appliances in China will rise in the future, bolstered by rising worker incomes and expansion of infrastructure on the back of economic growth. This prompted the decision to build a new plant and shift Shanghai Rinnai's main production base to Fengxian from its current location in Pudong. Once the new facility is in operation, Shanghai Rinnai's production capacity will double from its present level, to around one million hot-water units and 500,000 stoves annually.

### Overview of new Fengxian Plant

Address	Fengcheng Economic Zone, Fengxian District, Shanghai, China (Located 40km southwest from Shanghai Pudong International Airport)
Land area	142,321m <sup>2</sup>
Building floor space	67,901m <sup>2</sup> (including factory, warehouse, research center, offices, welfare facilities)
Commencement of construction	March 2013
Completion of construction	August 2015 (operation scheduled to start in September 2015)
Items produced	Gas hot-water units, gas boilers, gas stoves, etc.

Annual production capacity	One million gas hot-water units; 500,000 gas stoves
Total investment (approx.)	Land: 76 million yuan (¥1.3 billion); 50-year lease (already acquired) Buildings: 230 million yuan (¥3.9 billion) Equipment: 73 million yuan (¥1.2 billion)

Going forward, we will continue advancing our overseas operations in accordance with local needs by emphasizing the three keys elements of the Rinnai spirit: “heat and comfortable lifestyles,” “product,” and “contributing to local communities.”

### **Inquiries**

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## References:

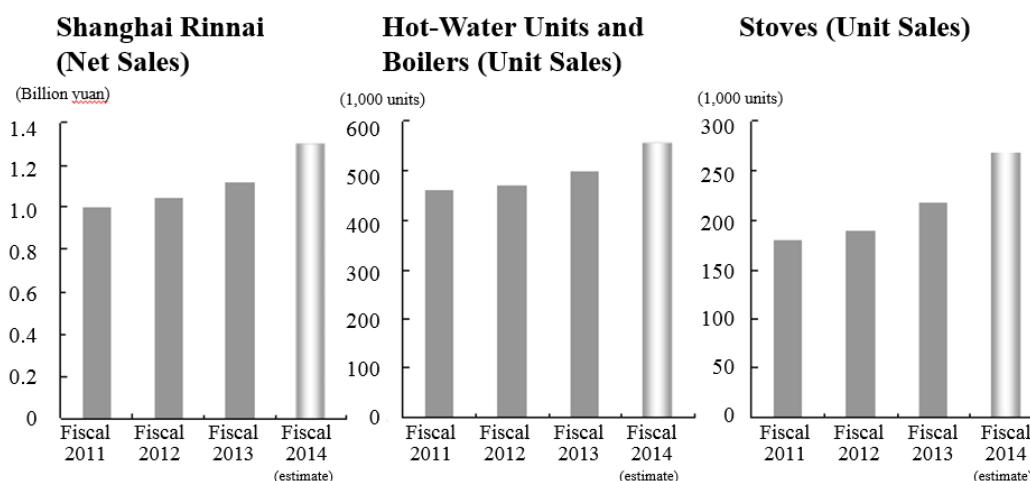
### Overview of Shanghai Rinnai

Company Name	Shanghai Rinnai Co., Ltd.
Address	1520 Pudong North Road, Pudongxinqu, Shanghai, China
Chairman	Li Song Hua
President	Katsuhiko Shinji (Executive Officer of Rinnai Corporation)
Capitalization	74 million yuan
Annual net sales (Fiscal 2013, ended Mar. 31, 2013)	1,118 million yuan (approx. ¥14.2 billion)
Number of Employees	704 (as of December 31, 2012)
Items produced	Gas hot-water units, gas boilers, gas stoves, etc.
Established	September 28, 1993
Equity partners	Rinnai Corporation: 50%; consolidated subsidiary Shanghai Gas (Group) Co., Ltd. : 45% Saisan Co., Ltd.: 5%

### Overview of Pudong Plant

Address	1520 Pudong North Road, Pudongxinqu, Shanghai, China
Land area	24,000m <sup>2</sup>
Building floor space	13,036m <sup>2</sup>
Items produced	Gas hot-water units, gas boilers, gas stoves, etc.

### Rinnai Sales in Chinese Market



Note: Information in this press release is valid at the date of publication. Readers are advised that such information is subject to change without notice.