

Notice on Construction of New Facilities at Akatsuki Plant

Rinnai Corporation, a comprehensive manufacturer of heat and energy appliances, has decided to construct two new buildings (No. 2 Wing and No. 3 Wing) on the site of its Akatsuki Plant (Seto City, Aichi Prefecture). The aim of the project is to increase the production capacity of Rinnai's *ECO ONE* hybrid water heater with heating system, as well as bathroom heater/dryers and other hot water terminals, and to increase overall production efficiency.



Image of completed No. 2 Wing (left) and No. 3 Wing (right) at Akatsuki Plant

The Akatsuki Plant, which opened in May 2013, mainly manufactures bathroom heater/dryers and components for gas water heaters. With proliferation of energy-efficient homes, we expect demand for our *ECO ONE* hybrid water heater with heating system and our high-efficiency water heaters to increase, with an accompanying rise in sales of hot water terminals.

The Rinnai Group will construct two new buildings (No. 2 Wing and No. 3 Wing) on the site of its Akatsuki Plant, with the aim of increasing overall production capacity for water heaters and hot water terminals and raising production efficiency. When the new facilities start operation, we will relocate production of our *ECO ONE* hybrid water heater with heating system from the Seto Plant to the Akatsuki Plant, and increase the production capacity of *ECO ONE* to 100,000 units per year.

Overview of existing and new facilities at Akatsuki Plant

Address: 3-96 Akatsuki Town, Seto City, Aichi Prefecture

Site area: 33,333m²

Total floor space: 31,800m²

No. 1 Wing: 8,490m², 2-story building (Current wing; includes 3-story building)

No. 2 Wing: 21,044m², 3-story building (New wing; to include 4-story building)

No. 3 Wing: 2,266m², 3-story building (New wing)

Construction start: September 2015

Construction end: March 2017 (operation to start in April 2017)

Main products: *ECO ONE* hybrid water heater with heating system,
bathroom heater/dryers, etc.

Production capacity: *ECO ONE*: 100,000 units/year

Bathroom heater/dryers: 120,000 units/year

Total investment: ¥7.6 billion (buildings: ¥5.6 billion; equipment: ¥2.0 billion)

Through the three themes—heat and lifestyles, quality, and contributing to local communities—that infuse the Rinnai Spirit, we will continue emphasizing environmentally friendly business operations.

Inquiries

Rinnai Corporation

2-26, Fukuzumi, Nakagawa, Nagoya 454-0802 Japan

Corporate Communications Office, Administration Headquarters,

Tel: +81 (52) 361-8211

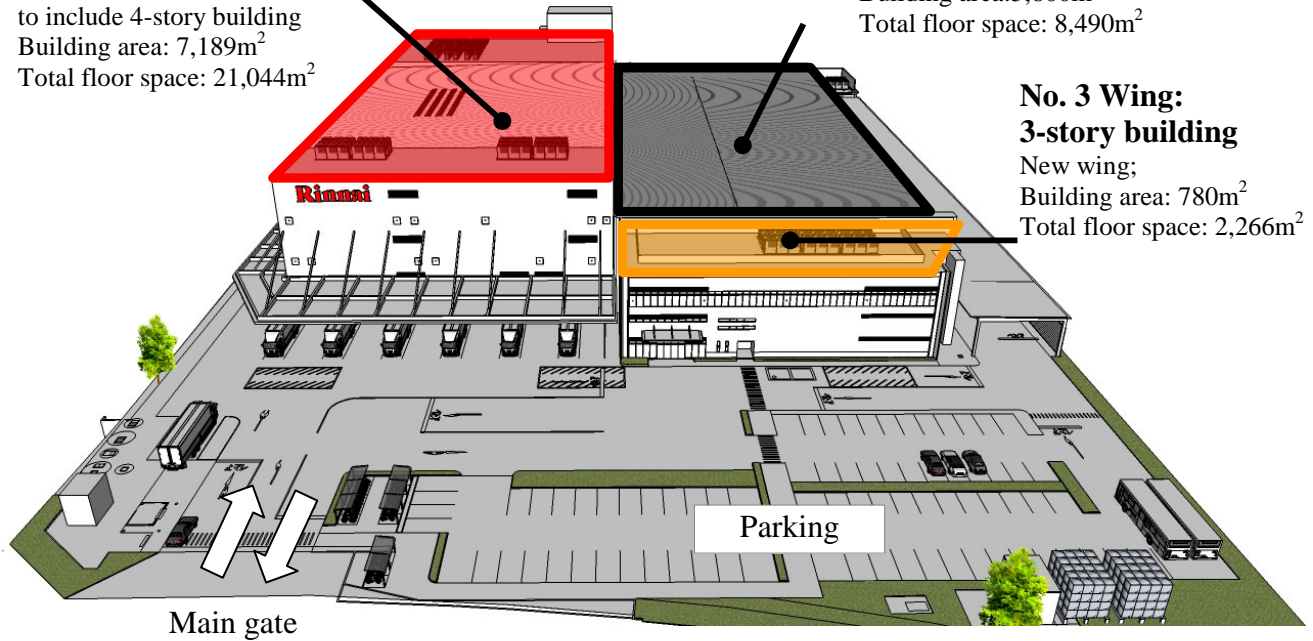
Akatsuki Plant

(A view of the whole plant from the east side sky)

**No. 2 Wing:
3-story building**
New wing;
to include 4-story building
Building area: 7,189m²
Total floor space: 21,044m²

**No. 1 Wing:
2-story building**
Current wing;
includes 3-story building
Building area: 5,800m²
Total floor space: 8,490m²

**No. 3 Wing:
3-story building**
New wing;
Building area: 780m²
Total floor space: 2,266m²



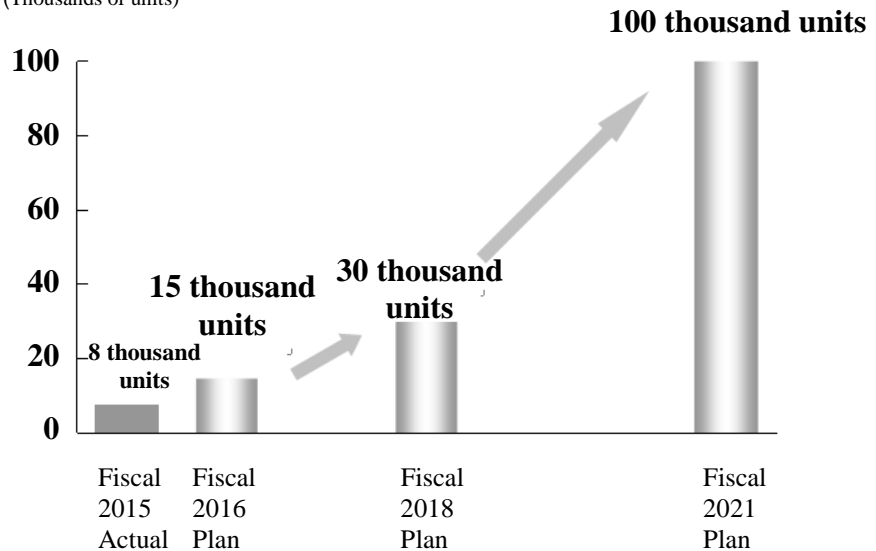
ECO ONE



Sales Plan of

Eco One hybrid water heater with heating systems

(Thousands of units)



(Years ended March 31)

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.