

A Productive Partnership

The close relations between Rinnai, the Japanese manufacturer of household appliances, and Schott have thrived for more than 25 years. "Ceran" glass ceramic cooktops produced by Schott are used in Rinnai's gas stoves. The two companies intend to step up their joint activities – especially in Asia.

► "People should constantly set themselves higher goals," declares Susumu Naito, Chairman of the Board of Management of Rinnai Corporation with headquarters in Nagoya. Ever since its founding in 1920, the Japanese company has acted according to this motto and satisfied its customers with continuously improved technologies. "Rinnai would never have survived if we had concentrated on less expensive and technically less sophisticated products. Our aim is to improve people's quality of life by offering high-quality products and good service," stresses Naito.



Rinnai's President Yoshio Yamazaki (left) and Chairman of the Board of Management Susumu Naito are pinning their hopes on high-quality products, good service and the high brand consciousness of the Japanese.

Rinnai began to establish ties outside Japan very early on. Its first contacts were to a German manufacturer of radiant infrared gas burners in 1955. Convinced by the potentially high demand for such appliances on the Japanese market, Naito concluded a cooperation agreement.

The radiant gas burners with "Ceran," developed jointly by this German manufacturer and Schott in the early 1970s, aroused Rinnai's interest. So the company contacted Schott for the first time about this product for Japan.

The partnership between Rinnai and Schott has now existed for 25 years. "Our collaboration with Schott is based on mutual trust," says Naito.

One of the highlights of this cooperation is a gas burner system or inner burner that Rinnai designed in 1999. From this novel idea, Rinnai developed together with Schott an innovative gas stove with a "Ceran" glass ceramic cooktop panel. The high temperature resistance of this

glass ceramic made it possible to combine the extremely efficient burner with the cooking surface.

Convincing product advantages

"Ceran" cooktop panels are gaining in popularity in Japan, mainly because of their design. The smooth, even surface of the robust and durable products is also a positive feature.

According to national consumer surveys, Japanese customers prefer gas stoves with "Ceran." The main reasons cited were that the stoves are simple to handle and easy to clean. This is a big advantage, especially in light of typical Japanese deep-fried dishes. In addition to the kitchen makers that are now increasingly offering these appliances

The stove with an innovative burner system from Rinnai and a "Ceran" glass ceramic cooktop panel from Schott is a successful joint development.







Rinnai and Schott have enjoyed a partnership based on trust for more than 25 years. Both companies are convinced that the market share of Rinnai's gas stoves with Schott's "Ceran" will increase significantly in Asia.

in their product programs, many prominent Japanese cooking schools also use these gas stoves. In this application, the crucial factor is that the new type of cooking stove has to be equally suitable for preparing French, Chinese and also Japanese meals. This has been achieved by the new burner system with its high efficiency, good adjustability and excellent temperature distribution at all heating levels.

Joint marketing efforts

The Japanese are known for their extremely high brand consciousness. The name "Schott," which stands for good quality and reliability in the opinion of Japanese consumers – like many other German brands – plays an important role in marketing the new gas stoves, maintains Rinnai's President Yoshio Yamazaki. The cookers are thus ad-

**Rinnai Corporation:
A Specialist in Gas Appliances**

Founded in 1920, Rinnai Corporation with its headquarters in Nagoya, Japan, employs 3,185 people and generated sales of 172,365 billion yen (1.14 billion euros) in the fiscal year 2001/2002. The product program encompasses a broad range of gas appliances: hot-water heaters, cookers as well as cooling and heating devices. Rinnai has four production facilities, 20 branches and 86 sales offices in Japan alone. The company has a total of 14 joint ventures mostly in Asia, but also in Australia, Brazil, the United Kingdom, New Zealand and the United States.

The Japanese producer of gas appliances received the first license from Germany in 1958. In 1970 the first foreign subsidiary was established in Taiwan; the first affiliate in Europe was set up in the U.K. in 1976. Rinnai was initially quoted on the stock market in 1979.

New perspectives for chefs in Asia: Rinnai's modern gas stove generation is simple to handle and easy to clean.



vertised with great success in the combination "Rinnai & Schott 'Ceran' from Germany." According to Rinnai, many Japanese customers – as enthusiasts for detail – specifically want to see the German flag as an adhesive label on the "Ceran" cooktop panels.

"Customers are always our top priority," stresses Yamazaki. For this reason, the company pays special attention to superior customer service.

"2003 will be an extremely important year for us. With our innovative gas stove products with 'Ceran,' we hope to become market leader in Japan with a share of between 70 and 80 percent (currently 55 percent)," explains President Yamazaki. Rinnai is counting on growing demand, in particular because of the "system kitchens" that are strongly gaining in popularity in Japan.

Intensifying the partnership

In the meantime Rinnai and Schott have extended their cooperation agreement. The goal of both companies is to expand and intensify the partnership they have in Japan and Korea to all of Asia.

The Japanese market for gas stoves currently amounts to a total of five million cookers. Rinnai's market share is now about 55 percent. The number of gas stoves with "Ceran" is already substantial. Rinnai is convinced

that many consumers will soon prefer mostly Rinnai gas stove with "Ceran" and that this market share will thus clearly increase.

Japanese newspapers have also been positive about the new gas cookers. For example, the highly respected business newspaper, "Nihon Keizei Shimbun," cited the gas stove with "Ceran" in their product best-seller list.

Sights set on Korea and China

Rinnai's main target in the Eastern Asia market is South Korea. With the considerable purchasing power of the population, South Korea has developed into the second most important market for Rinnai in Asia. Koreans do not only attach importance to high-quality products, they are also very discerning about style and design.

"The new gas stoves with 'Ceran' glass ceramic cooktop panels have revolutionized kitchens in Korea," says Sung Mo Kang, President of Rinnai Korea. Not only the exquisite design, but also the high-quality technical features of the cooking appliances sold under the name "Jewell" have catapulted Rinnai to the position of market leader for gas stoves in Korea. "This is an important turning point for us. While functionality used to



Sung Mo Kang, President of Rinnai Korea, expects the demand for his innovative gas stoves to boom in the near future.

play the central role in household appliances, design aspects are becoming increasingly more important," explains Sung Mo Kang.

Rinnai Korea is optimistic about the future. "In just a few years we will follow the example of Japan and experience a real boom with our innovative gas stoves with 'Ceran'," predicts Sung Mo Kang. This success is not least due to the positive cooperation with Schott and its sales office Schott Korea.



The "Jewell," a gas stove with its exquisite design and high-quality technical features, is truly a jewel in Korean kitchens.

In addition to Korea, Rinnai has also set its sights on the gigantic Chinese market. "We hope to grow significantly in China in the coming years. Even if we only manage to secure a market share of five percent, it would be an enormous success," comments Yamazaki. How successfully Rinnai can expand in China also depends on how quickly the country is able to establish natural gas as an energy source.

Optimistic about the future

"Our collaboration with Schott Glas is getting stronger and stronger. That is why we are very optimistic about the future of our business development. Rinnai will continue to count on glass ceramics and good service from Schott," says Yamazaki. ◀

