

August 23, 2017

Establishment of DAIKIN CHEMICAL SOUTHEAST ASIA CO., LTD.
Expanding the fluorochemical business to the growing markets of Southeast Asia

Daikin Industries, Ltd., has established DAIKIN CHEMICAL SOUTHEAST ASIA CO., LTD., (Head Office: Bangkok, Kingdom of Thailand) with operations beginning from January 1, 2018. In addition to providing a stable supply of refrigerant gas for air conditioners and boosting sales of fluoropolymer and fluoroelastomer products to the automotive industry, the new subsidiary aims to expand the fluorochemical business in the growing markets of Southeast Asia by identifying demand according to market segmentation and application development in each field.

In Southeast Asia, market penetration of air conditioners has rapidly increased in recent years in countries such as Vietnam and Indonesia due to economic development, resulting in greater demand for refrigerant gas used in air conditioners. Factories for automotive and electronic manufacturers from each region around the world are also proliferating in Southeast Asia, and local procurement and product development are expanding. Furthermore, together with providing high functionality in parts and materials that are assembled to finished goods, demand is increasing for fluorochemical products, such as fluoropolymers and fluoroelastomers, with future growth expected to continue at an annual rate of 6-7% for the fluorochemical market in Southeast Asia.

In establishing a new subsidiary in Thailand where many automotive and electronic manufacturers are advancing, Daikin is hoping to not only expand its chemical business, but also to leverage these efforts to increase after sales service for the air conditioning business and expand business for the Daikin Group overall in Asia through the promotion of the following three objectives.

- (1) Expand supply even to the after sales service networks of each country at the same time the supply systems are being enhanced for refrigerant gas used in air conditioners in Southeast Asia where demand is growing, and link to the expansion of widespread use of air conditioners in Southeast Asia.
- (2) Improve cooperation with processing manufacturers and provide proposal and technology support to end users together while expanding sales in areas such as fluoropolymers and fluoroelastomers for all fields, including the automotive industry, and accelerating applications that incorporate customer needs.
- (3) Identify market potential for high performance functional coatings and surface modification materials by improving marketing activities for each field beginning with the petrochemical and electronic fields.

【Summary of new subsidiary】

- 1) Company name: DAIKIN CHEMICAL SOUTHEAST ASIA CO., LTD.
- 2) Location: Bangkok, Kingdom of Thailand
- 3) Representative: Takeshi Konishi, President
- 4) Capital: 160 million bahts
- 5) Investment ratio: Daikin Industries 100%
- 6) Established: July 2017
- 7) Business activity: Sale and marketing of fluorochemical products.