

May 18, 2018

## **New AC Factory in Vietnam Starts Full-Scale Operations**

Daikin Industries, Ltd. announces the completion and recent start of full-scale operations of a new air conditioner factory in Vietnam by its subsidiary Daikin Air Conditioning Vietnam (Headquarters: Ho Chi Minh City, Socialist Republic of Vietnam). Located in the suburbs of the capital city of Hanoi, this new factory is the first in Vietnam to provide full-scale production of air conditioners and functions ranging from air conditioner assembly to technician training and education. Moreover, taking advantage of its extensive training facilities, the factory will be utilized as a base for technician training while also ensuring the timely supply of high quality products to an air conditioning market where demand is rapidly expanding.

In recent years, economic growth in Asia has continued from active investment in infrastructure and the advance of overseas companies. Furthermore, with the increase in population and income levels, the air conditioning market has also increased. Centering on residential air conditioners, air conditioning demand in Vietnam has continued to grow from the country's remarkable economic development and rise in the middle class, making the country one of the largest air conditioning markets in Asia. Moreover, because electric bills relative to incomes are expensive, Daikin anticipates future demand to expand even further with the spread of energy-saving products, including inverter-equipped air conditioners. Taking all these factors into consideration, Daikin decided to build a factory and with this opportunity we will produce energy-saving products in Vietnam" to linked to previous sentence on energy saving.

Incorporating Daikin technology and know-how from Daikin Group factories worldwide, the new factory is a global state-of-the-art factory in areas including production control technologies and inspection systems utilizing IoT and technical training. For the meantime, residential air conditioners will be manufactured at the new factory under a system capable of producing one million units by the year 2020 with 1500 employees in total. Expansion of production items will correspond to future market growth.

Daikin regards the factory as a priority measure of its strategic management plan Fusion 20 that will boost its air conditioning business in Asia where the market is rapidly growing. To strengthen the business foundation for Vietnam, the company intends to not only manufacture products in Vietnam but also to continue its investments, which include product development having close proximity to the market and the building of a sales network and after sales service system. In this way, Daikin hopes to contribute to the development of Vietnam while creating employment.

**【Summary of new factory】**

Location: Thang Long Industrial Park II (TLIPII), Hanoi  
Site area: 210,000 m<sup>2</sup>  
Total floor area of factory building is 28,000 m<sup>2</sup>  
Investment amount: Approximately 8 billion yen  
Production items: Residential-use air conditioners

**【Summary of Daikin Vietnam】**

Company name: Daikin Air Conditioning (Vietnam) Joint Stock Company  
Location: Ho Chi Minh City, Socialist Republic of Vietnam  
Representative: Lee Ji hoon Chang, President  
Capital: 128,000 million Vietnamese Dong  
Establishment: July 2008  
Areas of business: Manufacture, sale, and after sales service of air conditioners