

**Establishment of Daikin Airconditioning Netherlands B.V.
The 12th Air-conditioning Sales Company in Europe**

Daikin Industries, Ltd. has established an air-conditioning equipment sales company, Daikin Airconditioning Netherlands B.V. (Capital: approximately 380 million yen, Head office: Schiedam), in the Kingdom of the Netherlands.

As of 11:00 a.m. on April 12 (local time), Daikin Europe N.V., a wholly owned subsidiary of Daikin Industries, and Itho AirConditioning B.V. (known as Itho) (Head office: Schiedam (a suburb of Rotterdam); 2006 sales: approximately 3 billion yen; Number of employees: 43), a distributorship with which Daikin has done business since 1967, have agreed to 100% acquisition of Itho stock by Daikin Europe (Registration of the company has been backdated to April 1).

Through the new company, Daikin intends to achieve sales of approximately 6.3 billion yen (45 million euros) in the Kingdom of the Netherlands by 2010.

The Netherlands air-conditioning market is worth approximately 16.4 billion yen (117 million euros, FY2006 demand estimate by Daikin) and is comprised mainly of commercial and industrial equipment. The Netherlands is one of the more environmentally conscientious markets in Europe and we anticipate rapid increase in demand for energy saving air-conditioning products in the future.

After establishment of the new company, 2 new sales offices (Amsterdam, Eindhoven) will be opened to reinforce the sales network. Daikin will enhance sales of all its products in the Netherlands market, from residential units to large-scale industrial systems, concentrating sales on its leading VRV (Variable Refrigerant Volume). In addition, it will develop a product strategy focused on the environment to attract new users.

With the establishment of the new company, the sales network for key countries in Europe is complete. Including Daikin Europe, there are now 12 companies with a sales function in Europe.

[Summary of New Company]

- 1) Company name: Daikin Airconditioning Netherlands B.V.
- 2) Place of incorporation: Schiedam, Kingdom of the Netherlands
- 3) Representative: president Christophe Verplanken
- 4) Capital: approximately 380 million yen
- 5) Investment ratio: wholly owned subsidiary of Daikin Europe N.V.
- 6) Established: April 1, 2007
- 7) Description of business: sales and after sales service of air-conditioning equipment
- 8) Number of employees: 54 (planned)

[Summary of Daikin Europe N.V.]

- 1) Name: Daikin Europe N.V.
- 2) Place of incorporation: Oostende, Kingdom of Belgium
- 3) Capital: approximately 7.8 billion yen
- 4) Investment ratio: wholly owned subsidiary of Daikin Industries, Ltd.
- 5) Established: March 1972
- 6) Representative: managing director Masatsugu Minaka
- 7) Description of Business: manufacture and sales of commercial and industrial air-conditioning equipment
- 8) Sales: 168.5 billion yen (consolidated base as of period ending March 2006)
- 9) Number of employees: approximately 1,250 (as of March 2007)