



May 7, 2010

**Daikin/Arkema Joint Venture Company Starts
Production of New Refrigerant In China**
responding to demand in China and Asia; switch to HFC is progressing

Arkema Daikin Advanced Fluorochemicals (Changshu) Co.,Ltd. or “ADAF” (Head office : Changshu, Jiangsu province, China) the joint venture company of Arkema S.A. (Head office : Colombes, France) and Daikin Industries, Ltd. (Head office : Osaka,Japan) has recently started the full-scale production in China of HFC-125, the main component of new refrigerant for air conditioners.

HFC-125 is a fluorocarbon essential in generating new refrigerants for non-ozone-depletion HFC refrigerants such as R404A, R407C, and R410A. Compliance with the Montreal Protocol requires a 75% reduction of HCFC in 2010 compared from 1989 in the United States, so the demand for these refrigerants to replace HCFC-22 is increasing. In China, also, demand is increasing as air conditioners exported to the United States must switch to the new HFC refrigerants.

Additionally regulations limiting HCFC-22 in developing countries will likely be brought forward, spurring additional demand of HFC-125 in China and Southeast Asia.

“The startup of production in ADAF meet the needs of the increasing demand stated above on a timely manner and we are confident that the air conditioning manufacturers and other customers will feel assured of their supply chain” comments Guntaro Kawamura, Senior Executive Officer, Director, and Member of Board, Daikin Industries, Ltd.

“The startup of the Changshu R125 plant falls in line with our strategy to serve our customers in Asia, a growth region in which China is a major player in the manufacture of air-conditioning equipment. Following the launch of R32 in the United States in 2007, this latest development confirms Arkema’s commitment to investing in the production of new generation components poised to replace HCFCs” comments Pierre Chanoine, Group President of Arkema’s fluorochemicals business unit.

Arkema and Daikin have established Daikin Arkema Refrigerants Asia, Ltd. (hereafter DAR) (Head office : Hong Kong, China) which sell refrigerants for air conditioners to Asia and Oceania areas, excluding Japan.

Refrigerants including HFC-125 will be sold globally in Asia and Oceania through DAR, and also in Japan, Europe, USA through Daikin and Arkema. By taking advantage of the increased production of this time, DAR will expand sales to areas such as Thailand, Guanzhou China, North China, and plan to more than double the sales (approximately 20 billion yen) in China and Asia compared to the current sales turnover by 2015.

Arkema Daikin Advanced Fluorochemicals (Changshu) Co., Ltd.

Place of incorporation : Changshu, Jiangsu province, China
(within Arkema's Changshu plant)

Representative : President Dominique Namer

Established : February 2008

Capital : \$ 41.4 million USD (approximately 3.7 billion yen)

Investment ratio : 40% Daikin Industries, Ltd., 60% Arkema Inc.

Description of business : Manufacture and sale of HFC-125

Daikin Arkema Refrigerants Asia, Ltd.

Place of incorporation : Special Administrative Region , Hong Kong, China

Representative : President Susumu Ozaki

Established : November 2007

Capital : \$ 1 million USD (approximately 100 million yen)

Investment ratio : 60% Daikin Industries, Ltd., 40% Arkema Inc.

Description of business : Sale of new refrigerants (R410A, R407C, R404A) , sale of refrigerants HCFC-22、HFC-134a (to Asia and Oceania, excluding Japan)

Arkema SA

Head office : Colombes, France

Chairman and CEO : Thierry le Henaff

Established : 2004

Sales : 4444 million Euro (approximately 580 billion yen)

*Consolidated basis for period ending December 2009

(Calculated exchange rate is 1 Euro = 131 yen)

Description of business : Manufacture and sales of vinyl products, industrial chemicals and performance products