

June 17th, 2010

**Daikin Europe Begins European Net Zero Energy Project:
“Crossing Borders in Germany with Cooperative Project
To Construct Net Zero Energy Office for Energy Balance”**

Daikin Europe N.V. (Ostend, Kingdom of Belgium), a wholly owned subsidiary of Daikin Industries, Ltd. (Osaka, Japan), has begun the European Net Zero Energy Project, an experimental cooperative project between industry and academia that aims for energy balance in buildings to achieve zero net energy consumption. As a first step, Daikin Europe, in cooperation with Zeller Group, a sole agent of Daikin Airconditioning Germany, will construct a Net Zero Energy Office in northwest Germany (Hertern) that features photovoltaic solar power generation and energy-saving Daikin products.

Over a period of one year beginning from July 2010, energy efficiency of the project will be verified by data measurements, such as energy consumption of the building's heating, cooling, hot water supply, ventilation, and lighting systems as well as a combination of energy-saving devices and energy harvesting, in hopes of realizing a building with net zero energy for the year. Furthermore, Daikin Europe plans to utilize this project as a means for field-testing new next generation technology and products that correspond to the environmental measures of Europe where regulations are being strengthened.

The Commission of the European Communities has established the Energy Performance of Building Directive (EPBD) as one measure for reducing energy consumption 20% in the region of the European Union by 2020. Revised in April 2010, the EPBD obliges buildings to meet the energy efficiency standards to be determined for each country in new construction and renovation of existing buildings. In 2020, all new buildings, including offices and residences, will be required to operate annually as near zero energy buildings. Consequently, it will be necessary to achieve energy reduction for the more than 80% of the energy that is consumed in buildings for heating, cooling, hot water supply, ventilation, and lighting systems.

Daikin Europe has equipped the office building with efficient lighting, a photovoltaic solar power generation system, and energy-saving Daikin products including Daikin Altherma, the heat pump type heating and hot water supply system that uses heat pump technology to provide renewable energy, and the highly energy efficient VRV, a building type multi-split air conditioner. By evaluating the performance of the net zero energy building complex aiming for zero energy consumption, Daikin Europe intends to promote overall energy conservation in its building equipment proposals.

In addition to this project, plans are being made to expand similar type projects to countries such as France, and the United Kingdom. Other organizations planned to participate in this project include the German research facility Fraunhofer UMSICHT, Fraunhofer IBP, TU Dortmund University, the French research institute CETIAT (Technical Centre for the Heating, Ventilation and Air Conditioning Industries), and the University of Manchester in the United Kingdom.

Net Zero Energy Office



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Summary of Daikin Europe N.V.

- 1) Company name: Daikin Europe N.V.
- 2) Location: Ostend, Kingdom of Belgium
- 3) Share capital: approximately 7.8 billion yen
- 4) Investment ratio: wholly owned subsidiary of Daikin Industries, Ltd.
- 5) Established: March 1972
- 6) Representative: President Masatsugu Minaka
- 7) Description of business: manufacture and sale of commercial and industrial air conditioning equipment
- 8) Sales: 1.6 billion euros (approximately 210 billion yen: as of March 2010, consolidated)
- 9) Number of employees: approximately 3800 (as of March 2010, consolidated)

Summary of Zeller Group

- 1) Company name: Zeller Group
- 2) Location: Herten, Land Nordrhein-Westfalen, Federal Republic of Germany
- 3) Established: 1928
- 4) Representative: Managing Directors :
Mr Achim Zeller, Mr Thorsten Zeller
- 5) Description of business: Sales of heating, cooling, hot water supply, ventilation products
- 6) Number of employees: 50 ca.