

December 26, 2023

## **Daikin Establishes Air Conditioning Sales Company in Cambodia**

To accelerate business expansion in the region of Asia

Daikin Industries, Ltd. has established Daikin Airconditioning (Cambodia) Co., Ltd. (Head Office: Phnom Penh, Kingdom of Cambodia) with operations scheduled to begin in January 2024.

With a rising population, Asia remains a growth market in great need of air conditioning because of its climate, which is mostly tropical. Among the countries in Asia, Cambodia occupies a strategic location on the Southern Economic Corridor, which traverses the southern part of the Indochina Peninsula, and its expected one of the highest GDP growth rates in Asia, at 6% in 2024. Cambodia also has a young population with an average age in its mid-twenties. In 2021, a new investment law was enacted to attract both domestic and foreign investment. Real estate development, including resorts, and automobile-related companies is expected to expand, and further economic development is anticipated in the future.

Cambodia's HVAC (Heating, Ventilation, and Air Conditioning) market, particularly the commercial air conditioning market, is currently expanding as a result of higher investment in shopping centers, hotels, and factories in the Phnom Penh area. With the overall HVAC market expecting 10% annual growth over the next 5 years, Cambodia looks to be a promising market in which demand for residential use is also expected to increase due to future population growth.

Based on its market localization strategy, Daikin has been expanding its business in Asia since the late 1960s and has expanded its business by establishing sales companies in various countries while reinforcing its production facilities. In addition to establishing a sales company in Cambodia and enhancing its sales network and after-sales service system, Daikin will also set up a training facility to nurture service engineers in the skills necessary for installing and servicing air conditioners. Daikin aims to promote a comfortable air-conditioning environment with its close proximity to the Cambodian HVAC market.

### [Summary of new subsidiary]

- 1) Company name: Daikin Airconditioning (Cambodia) Co., Ltd.
- 2) Location: Phnom Penh, Kingdom of Cambodia
- 3) Representative: Toshiyuki Tanaka
- 4) Capital: 10 million USD
- 5) Established; November 2023