

**Daikin Acquires Duplomatic MS S.p.A,
an Italian Comprehensive Hydraulic Equipment Manufacturer**

Leveraging full-scale entry into the European oil hydraulic business for
environmental contribution in the field of industrial machinery

Daikin Industries, Ltd. has recently concluded a share purchase agreement with Duplomatic MS S.p.A (hereinafter referred to as “Duplomatic”), an Italian hydraulic equipment manufacturer. The acquisition price is 220 million euros (27.5 billion yen at an exchange rate of 1 euro = 125 yen). Acquisition is scheduled for completion in June 2022 when Daikin is expected to obtain all shares from Alcedo Sgr S.p.A., an Italian private equity firm, and the management of Duplomatic, after concluding all necessary procedures for acquisition.

Duplomatic is a hydraulic equipment manufacturer that handles such products as hydraulic valves, pumps, and cylinders and has developed business in a wide range of fields targeting areas including industrial machinery and mobile construction equipment.

With a history spanning more than 70 years since its founding, Duplomatic has production bases in Italy, the United Kingdom, Germany, the United States and other countries. It boasts an extensive product lineup and robust engineering capabilities and has a strong business foundation in Europe that provides optimum engineering proposals and hydraulic systems to meet the various needs of local customers.

For Daikin Industries, its Oil hydraulics business is one of its founding businesses for which the company has been developing business activities for over 90 years. Utilizing the motor inverter technology cultivated in its air conditioning business, in 2000, Daikin introduced hydraulic power units with advanced energy-saving performance to the market ahead of the industry. Since then, it has expanded business focusing on expansion of energy-saving hydraulic equipment series and application development.

In its strategic management plan FUSION 25 that aims for fiscal year 2025, Daikin set forth global business expansion for its oil hydraulics business as part of its basic strategy. While initiatives for carbon neutrality are increasing worldwide, the trend toward energy savings for production facilities is advancing in Europe, which is one of the world’s leading industrial hydraulic equipment markets, and Daikin views this development as an opportunity to expand its business.

With this acquisition, Daikin intends to realize energy savings in the field of industrial equipment in Europe by integrating the business foundation of Duplomatic with its own specialty of environmental technologies to reduce environmental load and contribute to a sustainable society.

【Summary of Duplomatic】

Name:	Duplomatic MS S.p.A
Location:	Parabiago (near Milan), Italy
Representative:	Roberto Maddalon, CEO
Capital:	4.8 million euros
Establishment:	1952
Description of Business:	Design, manufacture, and sale of hydraulic equipment
Sales: (FY 2021)	147 million euros (18.4 billion yen at an exchange rate of 1 euro = 125 yen)
Number of Employees: (FY 2021)	655 people

【Summary of Daikin's Oil Hydraulic Business】

Description of Business:	Development, manufacture and sales of hydraulic equipment and units, cooling equipment for industrial machinery, transmission for construction machinery (HST), and centralized lubrication equipment and devices
Sales Scale (FY 2021):	Approximately 40 billion yen
Production Locations:	Yodogawa Plant (Settsu City, Osaka, Japan) Daikin-Sauer-Danfoss America LLC (Iowa, United States) All World Machinery Supply, Inc. (Illinois, United States) Daikin Device (Suzhou) Co., Ltd. (Suzhou, People's Republic of China)