



Briefing on Sustainability

Overview of the Chemical Business and
Initiatives Toward Realizing a Sustainable Society

Daikin Industries, Ltd.
January 15, 2026

Presenters

Yoshiyuki Hiraga

Senior Executive Officer, Responsible for Chemicals Division

Kota Miyazumi

Senior Executive Officer, Responsible for Corporate Communications

Yasuhisa Hirao

General Manager, Chemicals Division

Tadashi Ogawa

Department Manager, Planning Department, Chemicals Division

Keiko Washino

Department Manager, External Public Affairs Group, Chemicals Division

Today's Briefing Agenda

I. Overview of the Chemical Business

II. Three Pillars of Growth

- **Essential Markets**
- **Gas Business**
 - **Synergy Between Air Conditioning and Chemicals –**
- **Market beyond Fluorochemical Materials**

III. Business Foundation Supporting Growth

IV. Environmental Initiatives and Regulatory Compliance

I. Overview of the Chemical Business



Chemicals Division Structure



Senior Executive Officer
Yoshiyuki Hiraga



General Manager
Yasuhisa Hirao

Daikin Industries, Ltd. Chemicals Division

- FY2024: Sales ¥263 billion, Operating Profit ¥46.1 billion (Approx. 12% of total company profit)
- Number of Global Affiliates: 22 companies
- Global Employees: 4,399 *As of March 2025

Deputy General Manager
-Recovery & reclamation business and advocacy-
Yasuhiro Utsumi

Deputy General Manager
-Sales -
Naoki Wakao

Deputy General Manager
-Manufacturing-
Hiroyuki Imanishi

Deputy General Manager
-New business development-
Masahiko Maeda

Deputy General Manager
-New business development-
Peter Hupfield

Fluorochemical Materials Market

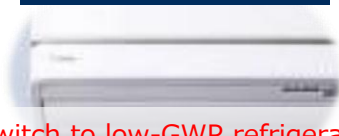
- Fluorochemical materials are high-performance materials that support the development of cutting-edge technologies, meeting the needs of a wide range of fields from semiconductors to medical care. In addition to high heat and chemical resistance, they also possess non-stick properties that make them “slippery and stain-resistant,” as well as insulation and biocompatibility. As a key material essential for promoting sustainable solutions such as carbon neutrality and green transformation, the fluorine market is expected to grow 1.2 times from \$17 billion in 2025 to \$21 billion in 2030.

Semiconductors



Further miniaturization and stacking
Maintaining an ultra-high purity environment

Refrigerant



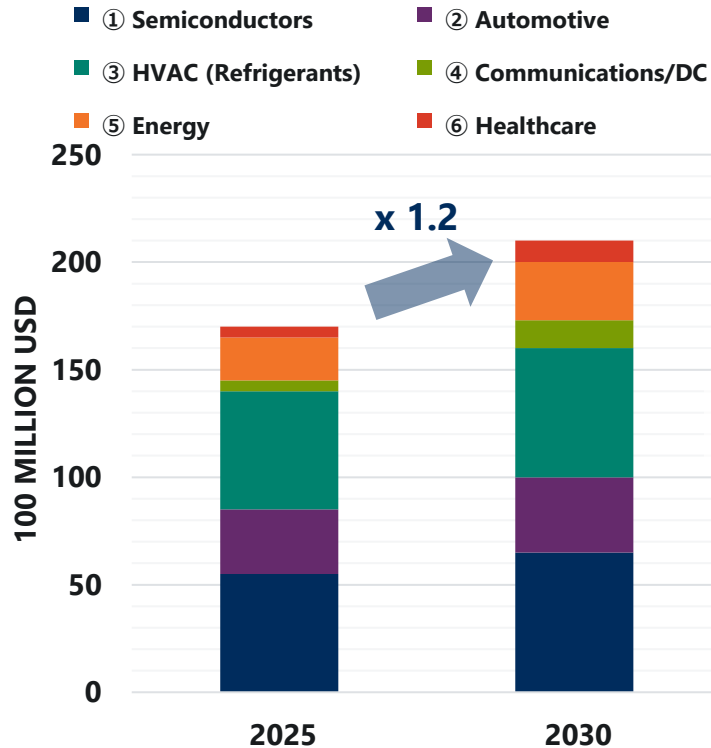
Switch to low-GWP refrigerants
Enhanced safety and energy efficiency

Energy



Liquid Hydrogen Transport (Cryogenic)
Reduction of Power Transmission Losses

Market Size of Fluorochemical Materials (Company Estimate)



Automotive



Extended EV range
Improved safety and thermal management

Telecommunications Data Center



Ultra-high-speed, high-capacity communications

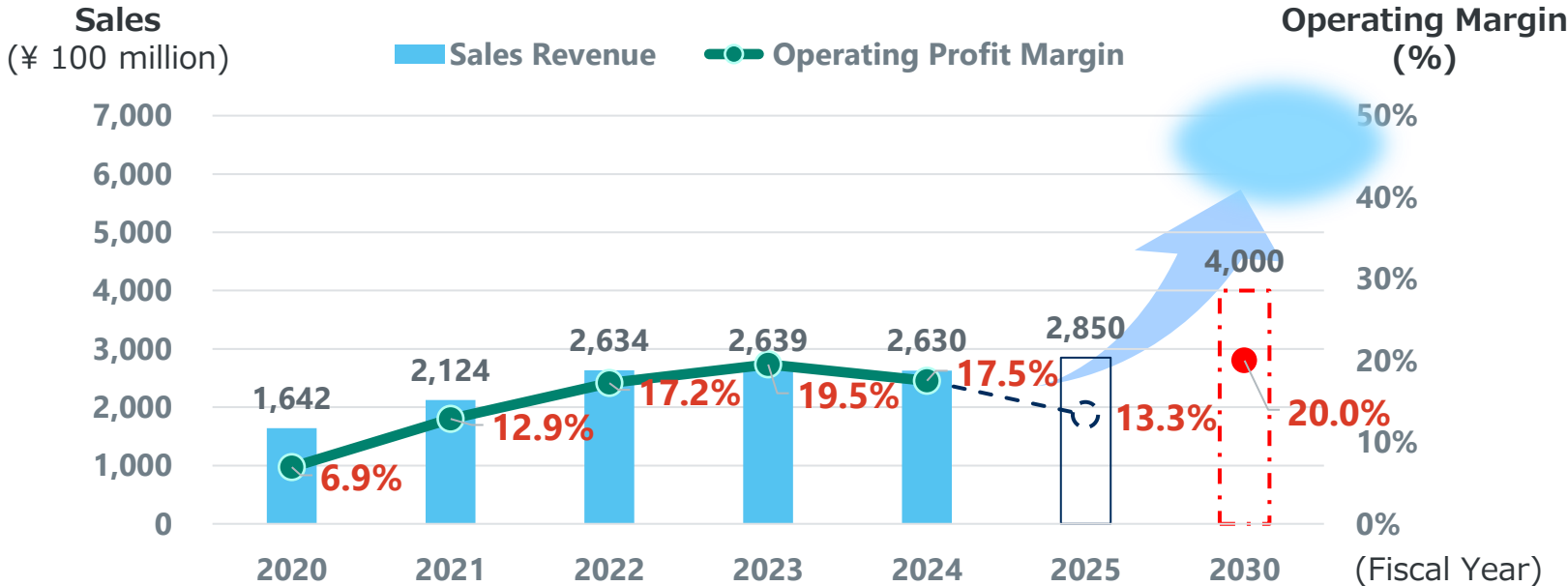
Medical



Minimally Invasive Treatment (Reduced Physical Burden)
Improved Biocompatibility of Implants

Performance of the Chemical Business Division

- Under “FUSION 25”, the Chemical Business Division's strategy focuses on expanding fluoropolymer operations. In semiconductor and telecommunications applications, it leverages quality control and stable supply to improve operating profit margin.
- Current-term performance is significantly impacted by slowing semiconductor demand, resulting in lower operating profit compared to the previous year. However, the division aims for record sales through expanded supply and sales growth of strong telecommunications products.
- “FUSION30” will establish competitive advantage in fluorochemical materials through development and supply capabilities that anticipate advanced needs in cutting-edge technology fields. Furthermore, as **the next growth pillar** beyond 2030, we will diversify **the materials portfolio** by developing new products and building supply chains **that convert environmental value into competitiveness in the gas business** and acquiring key materials beyond fluorochemical and advanced processing technologies, **securing stable sales and profits over the medium to long term.** [2030 Target: Sales ¥400 billion / Operating Margin over 20%]



Daikin Chemical's Strengths: Diverse Product Portfolio & Responsiveness to Market Needs

- **A comprehensive fluorochemical manufacturer addressing all customer needs, with an extensive product lineup covering everything from upstream to downstream**—including gas, resins, elastomers, film products, and fine chemicals—supporting processes in growth industries (e.g. semiconductors, EV).

Company	Gas (Refrigerants)	Resins (PFA, etc.)	Elastomers (O-ring, etc.)	Film Processed Products	Fine (chemical solutions)
Daikin Chemical	○	◎	◎	◎	△
Company A	◎	◎	△	○	×
Company B	×	◎	◎	○	△
Company C	◎	△	×	×	△
Company D	○	◎	○	◎	×

- **Centered on unique products, we operate a high-profit business with competitive quality and productivity in high-purity resins for semiconductors.** (Total sales of 5 products: ¥90 billion)

Product Name	Market	Example Applications	Market Share
Neoflon PCTFE (Fluororesin)	Semiconductor	Seat material for precision valves	100%
Neoflon PFA (Fluororesin)	Semiconductor	Tubes for High-Purity Chemical Supply Equipment	50%
DUPRA (Perfluoroelastomer O-ring)	Semiconductor	Sealing Material for Etching Equipment	50%
Neoflon FEP (Fluororesin)	Telecommunications	LAN Cables'/Data Centers Cables' Sheathing Material	60%
DAI-EL (Fluoroelastomer)	Automotive	Fuel Tubing/Gasket Material	30%

Daikin's Strengths: Regionally Focused Customer Approach

- **With sales and technical service capabilities established in key regions including Japan, North America, Europe, and Asia—particularly in the semiconductor and automotive industries—we respond swiftly to customer needs. Furthermore, in the Global South, we lead the industry in developing and nurturing local customers.**

【Sales and Technical Service Locations】

Japan

- **Daikin Industries, Ltd.** (Osaka, Tokyo, Nagoya)
Yodogawa Plant (Osaka)
Kashima Plant (Ibaraki)
- **Daikin Finetech, Ltd** (Nara/Osaka)
- **Kyoei Chemical Industries, Ltd.** (Osaka)

Europe

- **Daikin Chemical Europe GmbH** (Düsseldorf)
- **Daikin Chemical France S.A.S** (Lyon)
- **Daikin Refrigerants Frankfurt GmbH** (Frankfurt)
- **Daikin Compounding Italy S.p.A.** (Brescia)

Asia

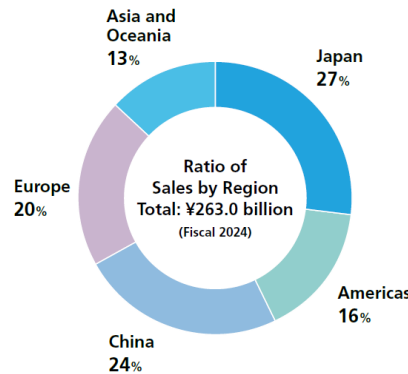
- **Daikin Korea Co., Ltd.** (Seoul)
- **Daikin Advanced Materials Korea Co., Ltd.** (Seoul/Chungcheongnam-do)
- **Daikin Finetech Korea Co., Ltd.** (Gyeonggi Province)
- **Daikin Fluorochemicals (China) Co., Ltd.** (Shanghai, Guangzhou, Beijing, Shenzhen, Wuhan, Changshu)
- **Daikin New Materials (Changshu) Co., Ltd.** (Changshu)
- **Daikin New Materials (Shanghai) Co., Ltd.** (Shanghai)

US

- **Daikin America, Inc** (Alabama)
- **Cri-Tech, Inc.** (Massachusetts)
- **MDA Manufacturing, Inc.** (Alabama)

India

- **Daikin Chemical India** (Under Consideration)



- **Jiangxi Datang Chemical Co., Ltd.** (Jiujiang)
- **Daikin Tsingyan Advanced Technology (Huizhou) Co., Ltd.** (Huizhou)
- **Taiwan Daikin Advanced Chemicals, Inc.** (Taipei)
- **Formosa Daikin Advanced Chemical Co., Ltd.** (Kaohsiung)
- **Daikin Chemical Southeast Asia Co., Ltd.** (Bangkok)

Daikin's Strengths: Global Collaboration in Product and Application Development

- Established global "Application Development Hubs" to build a system that rapidly translates customer needs into products. Accelerating further with the establishment of a new Development Promotion Center by 2026. Our "Field-Focused R&D + Global Hub Collaboration" model, which rapidly deploys global insights to each region, is the source of our high market share.

[R&D and Marketing Hubs]

Europe

- Daikin Chemical Europe Innovation Center (Dortmund)



Leading the development of environmentally friendly technologies and high-performance materials beyond fluorochemical materials.

In China, the world's largest EV market, we pursue 'local production for local consumption' development, customizing materials through direct dialogue with on-site engineers.

Japan

- Yodogawa Plant (Osaka)
- The Technology and Innovation Center (Osaka)
- Application Development Promotion Center (Scheduled for 2026)



Strengthening teams focused on solving how to integrate into customers' products to accelerate specification adoption.

Korea

Daikin Korea Co., Ltd.

- Development Center (Hwaseong)

China

Daikin Fluorochemicals (China) Co., Ltd.

- Research and Development Center (Changshu)
- Advanced Processing Technology Center (Changshu)
- Shenzhen Lab (Shenzhen)
- UNIDYNE Technical Center · Zeffle Technical Center (Shanghai)



US

Daikin America, Inc

- Research and Development Center (Alabama)
- San Jose Lab (California)
- Cri-Tech, Inc. (Massachusetts)

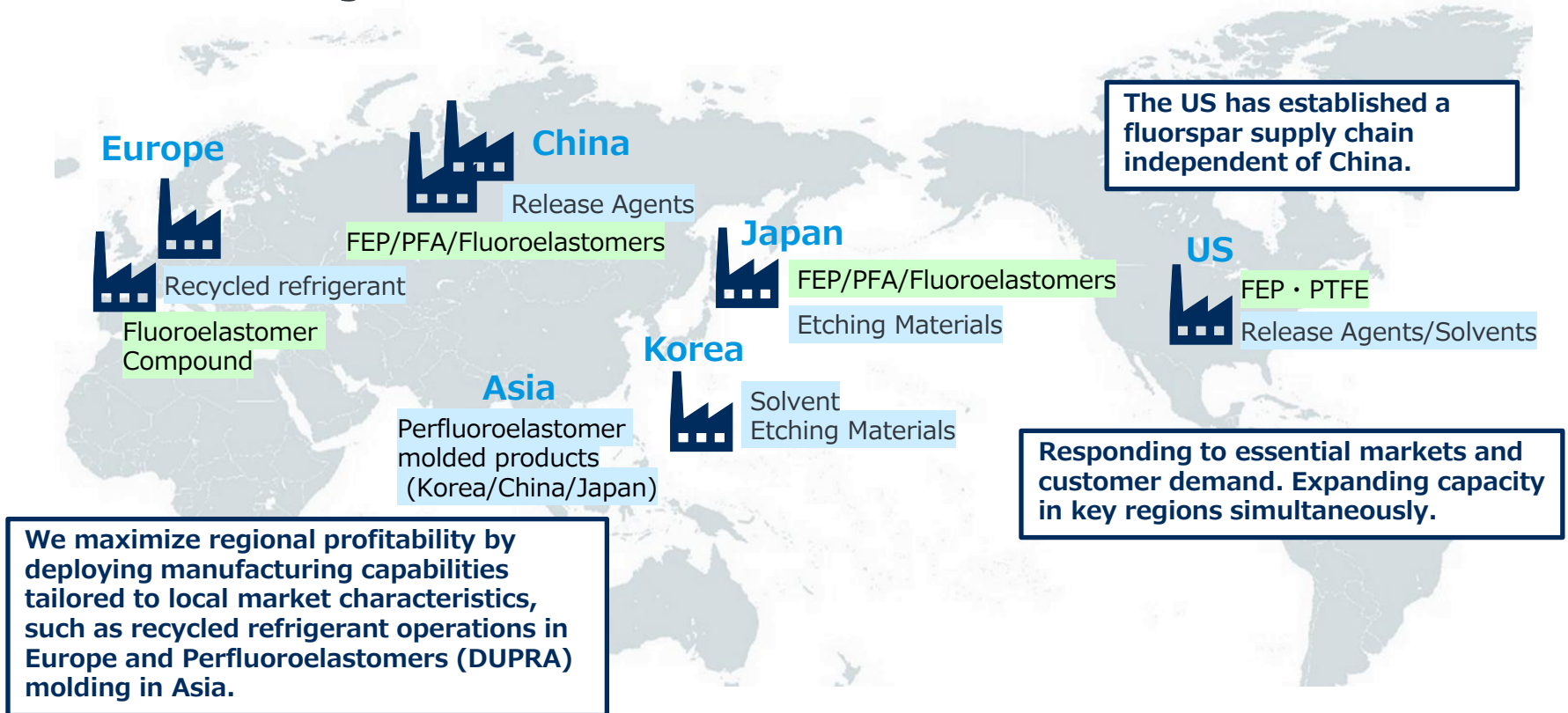
Establishing bases in Silicon Valley and Massachusetts, where tech companies gather, to capture trends in next-generation semiconductors and new materials and swiftly initiate development.

Daikin's Strengths: Global Supply Chain and Stable Supply

- Anticipating geopolitical risks, we accelerate diversification of raw material sourcing and local production in key markets. Aggressive investments ahead of competitors enable us to build supply chain that supports expansion in essential markets. **This stable supply system underpins customer trust and high market share.**

【Manufacturing Locations】

Customer-Proximity Production and Multi-Site Strategy



II. Growth Strategy for the Chemical Business



Growth Strategy for the Chemical Business

3 Pillars of Growth

Essential Market

Focusing on high-profit markets (semiconductors, telecommunications, automotive, healthcare), we provide differentiated products that meet end-customer needs, maintaining No.1 industry share.

Sales Target : ¥140 billion in 2025

¥240 billion by 2030
¥300 billion by 2035

Gas Business

Leveraging the expertise as the global leading air conditioning manufacturer, we lead the industry in new refrigerant. Development of semiconductor and medical gases through collaboration with end manufacturers.

Sales Target: ¥50 billion in 2025

¥70 billion by 2030
¥150 billion by 2035

Market beyond Fluorochemical Materials

Responding to customer needs, we are expanding business beyond fluorochemical materials. Particularly, we accelerate new material development and strengthen processing technologies to become a leading company in high-performance materials.

Sales Target: ¥20 billion in 2025

¥40 billion ~ by 2030
¥150 billion by 2035

- To achieve growth, we will accelerate DX in our existing established global outreach. Graduates of Daikin Information and Communication Technology University and domain experts we have cultivated will drive accelerated development and efficiency improvement.
- For environmental regulations on chemical substances, we minimize their impact on our business through proactive equipment investment and technological development while also creating environmental value.

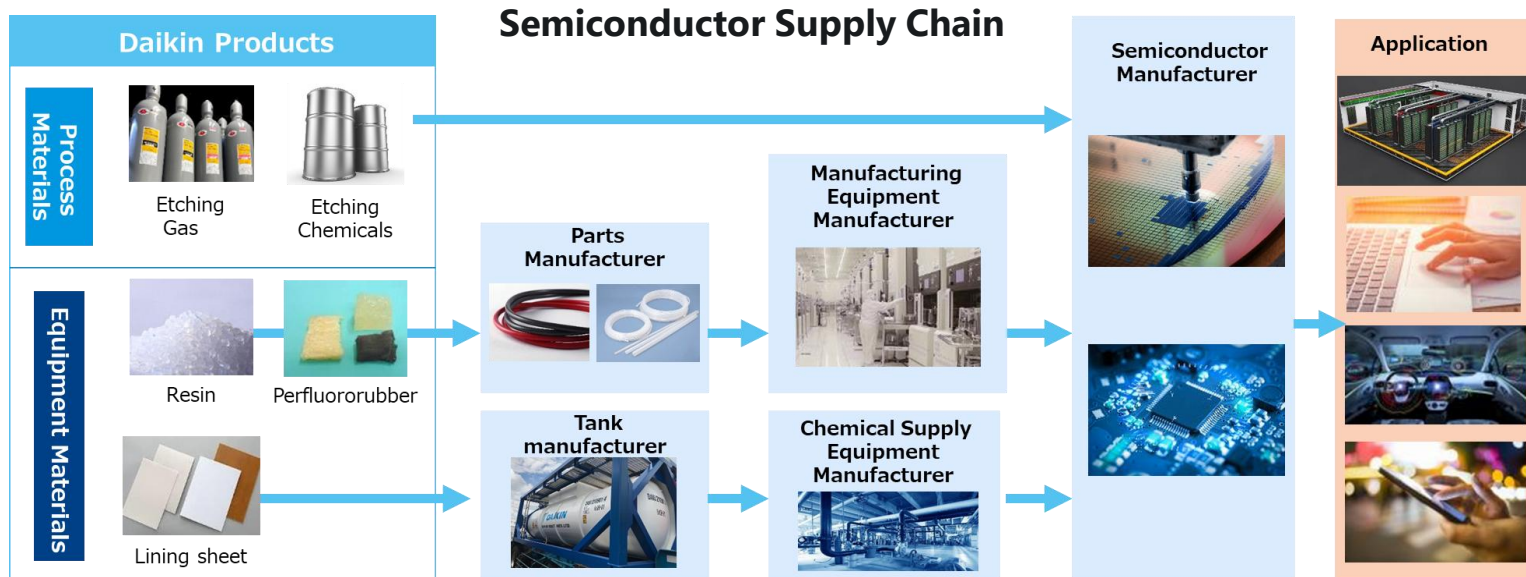
II. Three Pillars of Growth



- **Essential Markets**
- Gas Business - Synergy Between Air Conditioning and Chemicals -
- Market beyond Fluorochemical Materials

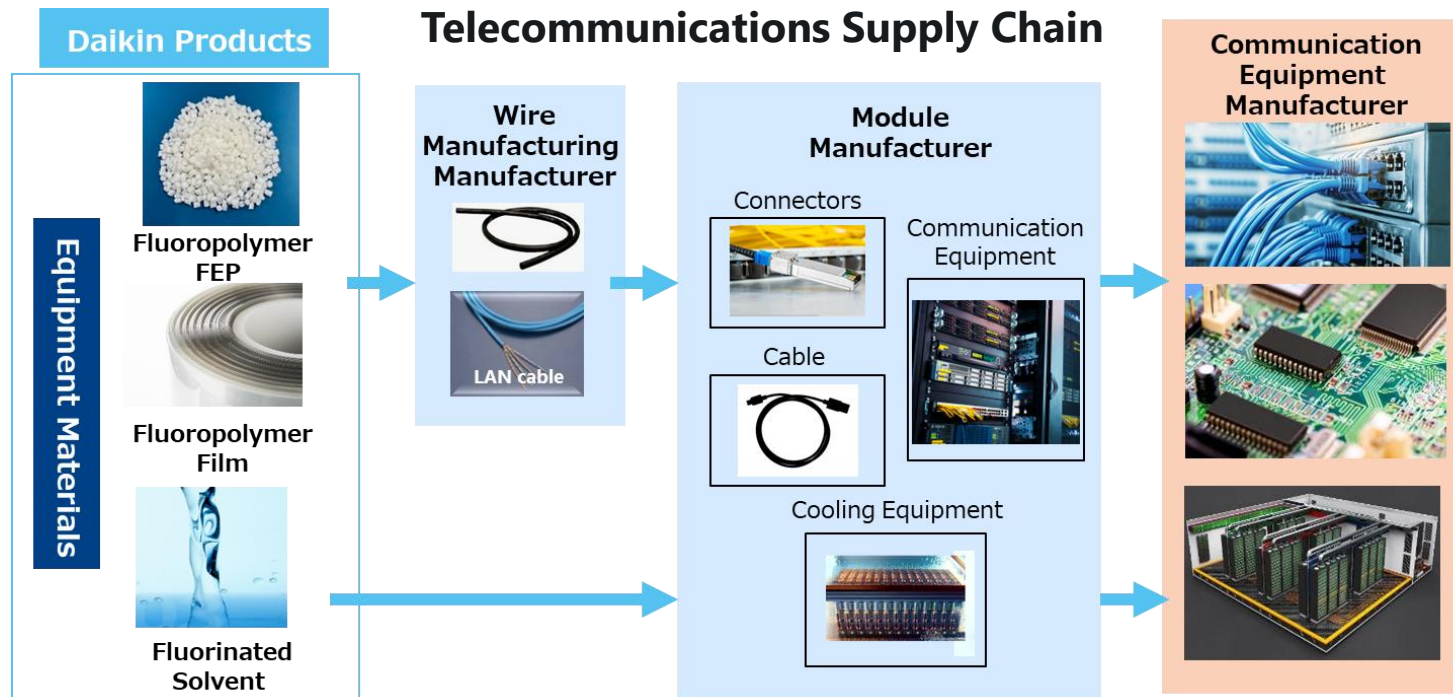
Essential Markets: Semiconductors

- The market size is expected to expand by **1.5 times by 2030**. Our fluoropolymers hold the **top market share in the industry** by the chemical resistance and cleanliness.
- As semiconductor manufacturing miniaturises, sealants materials that can withstand harsh conditions and ultra-high-purity etching materials are indispensable. We accurately capture the speed of technological innovation and offer new products with the indispensable features in a timely manner.
- We will drive forward the development of **new resins that meet low-permeability and anti-static requirements, alongside next-generation products that reduce environmental impact (low GWP)**.
- We are strengthening **ultra-clean quality control** (e.g., automated pellet inspection) to meet demands for even higher purity and **enhancing supply capacity** to further expand sales of our core products.



Essential Markets: Telecommunications

- The market size is projected to grow rapidly, reaching 2.5 times by 2030.
- Our fluororesin FEP holds the top market share, because for high-speed communication cable jackets due to processibility. Our solution supports high-speed and highly reliable communication infrastructure by improving transmission quality.
- We will solidify the top share in FEP for high-speed communication cable jacketing by strengthening supply chain reliability through user support coordinated across our four global bases.
- We will also accelerate the development of new materials and wire processing technologies to meet next-generation wire design requirements.



Essential Markets: Medical and Automotive

Medical

- **Fluorinated materials have been safely utilized for many years due to biocompatibility, lubricity, and electrical insulation.** The U.S. Food and Drug Administration (FDA) has stated that no alternative materials exist for these devices. We will continue to pursue business expansion and contribute to society.

* PFAS in Medical Devices (FDA):

<https://www.fda.gov/medical-devices/products-and-medical-procedures/pfas-medical-devices>



Fluorine Gas
(Asthma Inhaler Spray)



Fluororesins and Fluoroelastomers
(Catheters, Endoscopes)



Fluoroelastomers and Fluororesins
(Artificial Dialysis Devices)

Automotive

- In the growing EV market, there is strong demand for longer battery life, increased electrical capacity, and safety. **Daikin's proprietary technology has achieved the sealing performance and electrolyte resistance required by the world's largest battery manufacturers for safe battery use, contributing to longer battery life.**



Fluoroelastomers/Fluororesins
(EV Battery Gaskets and Binders)



Fluoroelastomers and Fluororesins
(Fuel Hoses/Tubes)



Automotive Refrigerants

II. Three Pillars of Growth



- Essential Markets
- **Gas Business - Synergy Between Air Conditioning and Chemicals -**
- Market beyond Fluorochemical Materials

Gas Business: Development of New Refrigerants

- Due to global environmental regulations (the Kigali Amendment to the Montreal Protocol), **the currently mainstream refrigerants* (HFC) are being phased out.**
- **Leveraging our experience as the global leading air conditioning manufacturer, we are leading the development of the next-generation refrigerant.** Through the collaboration between HVAC business, as a user of refrigerants, and chemical business, which has strength in MI, we will develop new refrigerant and HVAC that reduce environmental impact.
- We have expanded new refrigerant (1132e) to EV and freezer, being evaluated by users.

*Refrigerants are vital materials, like the "blood" circulating within equipment to perform cooling and heating functions (directly impacting equipment performance). The Chemicals Division handles their production, development, procurement, and recycling.

Development of New Refrigerants (Next-Generation Refrigerants) ¥100 billion in 2035

- ✓ We offer a lineup of next-generation refrigerants that balance environmental performance and air conditioner performance according to application. (Evaluation and registration completed under ASHRAE, the global standard)
- ✓ At the Osaka Expo, our products were adopted by Seven-Eleven as environmentally friendly next-generation refrigeration units.
- ✓ Currently promoting adoption in air conditioning systems for future applications. (Mass production facilities are also under consideration)

	R32	R479B	R479A	R474A	R474B	R290
GWP	675 🌿	299 🌿🌿	147 🌿🌿	<1 🌿🌿🌿	<1 🌿🌿🌿	<1 🌿🌿🌿
Performance	★★★★	★★★	★★★	★★★	★★★	★★★
Safety	Slightly flammable 🔥	Slightly flammable 🔥	Slightly flammable 🔥	Slightly flammable 🔥	Slightly Combustible 🔥	Highly Combustible 🔥🔥🔥

New Refrigerants Lineup with Low Environmental Impact



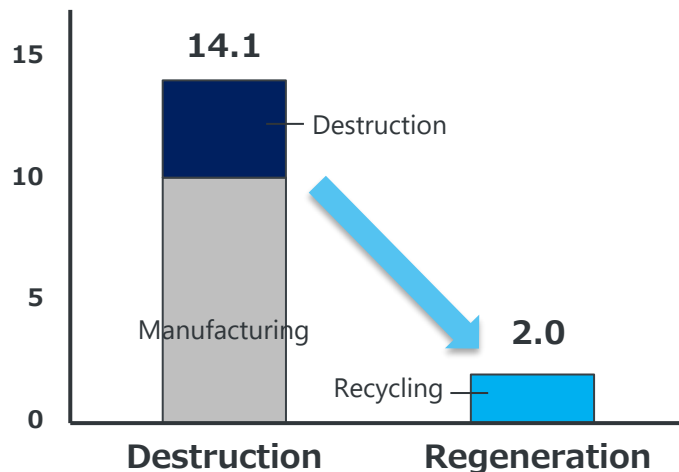
Freezer units equipped with new refrigerants adopted at Seven-Eleven stores at the Osaka Expo

Gas Business: Resource Circulation of Refrigerants

- **As the only air conditioning manufacturer capable of recycling refrigerants recovered from air conditioning systems in-house**, we are actively implementing resource circulation for used refrigerants.
- **We operate refrigerant regeneration plants in Europe and Japan.** In Europe, we also recover refrigerant from third-party equipment through distributors, regenerating it into high-purity refrigerant equivalent to new refrigerant. **This business is expanding as a way to achieve environmental contributions, stable refrigerant supply, and profitability.**

Environmental Benefits

- ✓ Significantly reduces greenhouse gas emissions and energy consumption by recycling and reusing refrigerants instead of disposing (incinerating) them. Contributes to lowering the environmental impact of refrigerants throughout their entire lifecycle.



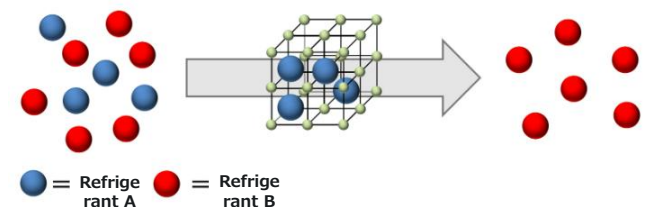
GHG Emission Comparison (for R410A)



Refrigerant Regeneration Plant (Germany)

Stable Refrigerant Supply

- ✓ Anticipating potential future tightening of refrigerant regulations, having an in-house recovery and recycling system is a key differentiator for the air conditioning business.
- ✓ At our European plant, we have successfully developed new technology using MOF (*). This achieves improved regeneration capacity with lower energy consumption and higher separation efficiency than conventional methods.
※MOF = Metal-Organic Framework, a material with a fine porous structure



Schematic Diagram of MOF Technology Installed at European Plant

II. Three Pillars of Growth



- Essential Markets
- Gas Business - Synergy Between Air Conditioning and Chemicals –
- **Market beyond Fluorochemical Materials**

Market beyond Fluorochemical Materials: Substitutes for Existing Fluorine Products

- For applications such as food packaging and textiles, where customer needs are shifting from fluorine to the materials that do not contain fluorine, **we are developing and launching new products using hydrocarbon-based and other materials.**

Development of Alternative Materials for Existing Fluorine Products

Oil-resistant agents for paper made from natural ingredients (Launched in 2023)

- ✓ Condensing Daikin's unique technology cultivated over 50 years, it achieves excellent oil resistance while being composed of over 50% naturally derived ingredients.



Hydrocarbon-based film processing aid (Launched in 2024)

- ✓ Achieves superior finish (transparency) and production efficiency equivalent to fluorine-based products. Has obtained FDA and EU approvals, particularly for food contact applications.



Market beyond Fluorochemical Materials: High-performance materials

- Leveraging our established customer base and material development expertise, **we will expand our high-performance materials portfolio and broaden our business areas beyond fluorochemical materials** through partnerships, collaborations, and M&A.
- Focusing on key markets such as semiconductors, telecommunications, and automotive, alongside air conditioning applications, we aim to become **a leading company in high-performance materials essential for the advancement of cutting-edge industries** through the development of new materials and the acquisition of processing technologies.

Technology Development, Collaborations, and M&A for High-Performance Materials

- ✓ To meet customer demands for even higher functionality, we are developing new composite materials by blending high-performance materials (such as PEEK and PPS) with fillers (materials added to supplement physical properties) and small amounts of fluorine, while also acquiring new processing technologies.
- ✓ We are accelerating the expansion of our business domains and technological foundations through industry-academia collaboration, strategic alliances, and M&A, without limiting ourselves to internal resources.



PPS/Glass Filler Composite
(Achieves low cost and high functionality through our proprietary dispersion technology)



PEEK alone



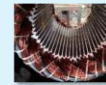
PEEK / Fluoropolymer Composite Materials
(Combines high strength and flexibility)

Our composite materials developed with proprietary technology



Material for rotor covers inside air conditioner outdoor units
(Proven track record)

Motor Insulation Paper



Heat Resistance/Sliding Properties



Gears/Bearings



Heat Resistance and Toughness



Sliding Properties/Chemical Resistance

Automotive Materials
(Marketing in progress)

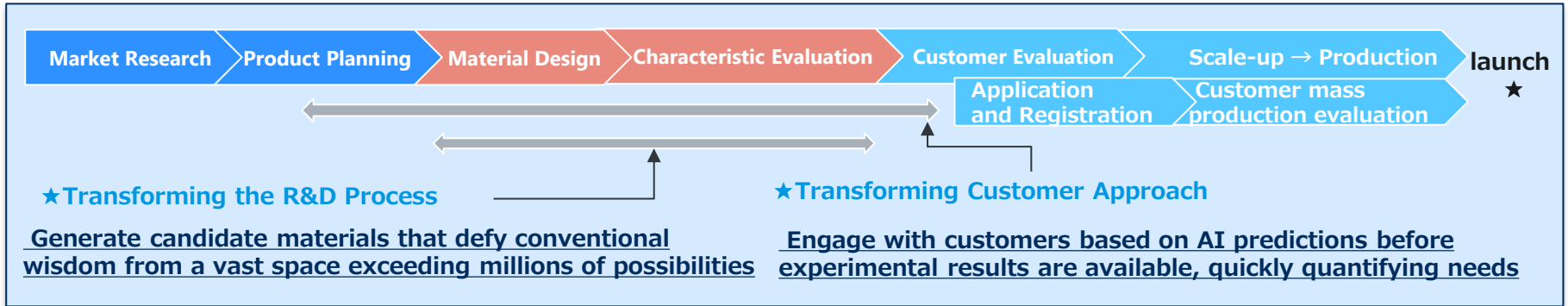
Examples of Applications Using Composite Materials

III. Business Foundation Supporting Growth

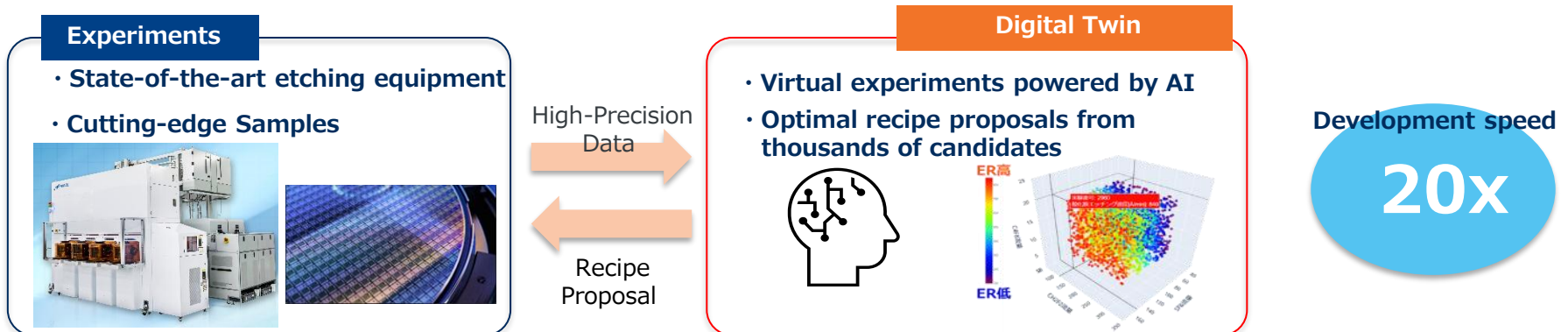


Digital Transformation in R&D

- By using development DX to enhance market research, customer approaches, and product design, we will accelerate R&D with new ideas/materials through **digital transformation in R&D processes**.
- **Through partnership with the University of Tokyo**, we will innovate technologies including Material Informatics (MI), machine learning, and simulation.
- **We will achieve development speeds 20x faster** by building data pipelines (accumulating massive experimental data) and introducing automated experimental equipment.



[Case Study: New Dry Etching Gas Development and Processing Recipe Proposal]



Safe and Stable Manufacturing

- Since 2005, we have modernized manufacturing through production innovation and digital transformation (DX).
- We have consolidated manufacturing expertise at the Integrated Production Center (IPC) while enabling global sites to connect and continuously innovate.

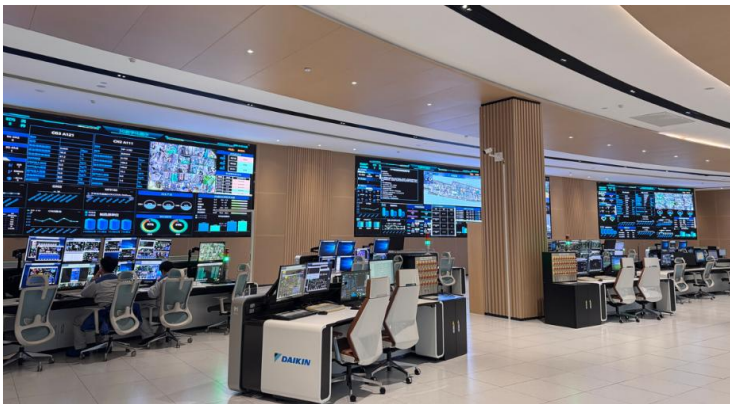
Kashima Plant Integrated Production Center (IPC)



Awarded "Plant of the Year 2023", the international prize recognizing DX in the process industry.

This is the world's first case enabling real-time detection of equipment abnormalities by AI-monitoring previously ignored internal data from instrumentation devices (HART signals) and process data.

Daikin Fluorochemicals (China) Co., Ltd. Integrated Production Center (IPC)



Swiftly achieved China's own reform with Japanese manufacturing practices.

Set good practices for the industry with China's Class 1 Safety Certification and Smart Factory Certification

Built the second factory in 2023 which optimized existing human resource (implementing 100 man-hours worth of reforms in a short period).

IV. Environmental Initiatives and Regulatory Compliance



Environmental Initiatives and Regulatory Compliance

- By engaging in sustainable production activities, we minimize environmental impact throughout the product lifecycle and **contribute to societal development as a trusted company.**
- We supply materials that have undergone scientific evaluation while complying with regulations and **will continue to meet society's critical needs.**

Chemical Substance Management and Compliance with Regulations

Preventing chemical releases from plant operations and product

- Reduction of Volatile Organic Compounds (VOCs)
- Minimizing PFAS environmental emissions
- PFOA cleanup

Circular Economy Initiatives

Life-cycle resource circularity and a stable fluorine resource supply

- Regeneration into Fluorspar
- Recycling of fluorine resources (Gas/Fluoropolymer)

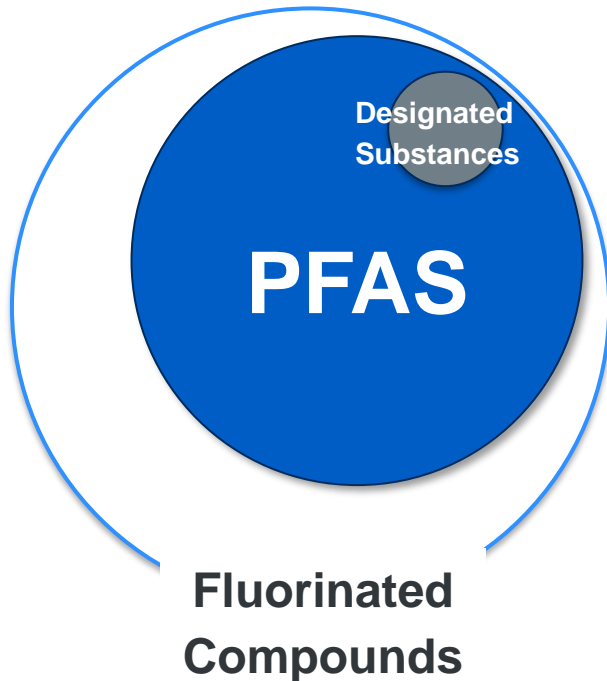
Addressing Climate Change

GHG Emissions Reduction

- Development of Low-GWP refrigerants
- Recovery, reclamation, and destruction of refrigerants used in air conditioning equipment

What are PFAS?

- Among fluorine compounds, the group of organic fluorine compounds is called "PFAS."
 - ✓ Only four substances of PFAS are designated as regulated substances under the Stockholm Convention (POPs Convention).
 - ✓ While we previously manufactured and used PFOA, we voluntarily completed its phase-out and replacement by 2015, ahead of regulations. We never used or manufactured the other three substance groups.
 - ✓ For other PFAS, we are developing technologies to minimize environmental emissions.



Designated Substances (Specific PFAS)

The four substance groups designated under the POPs Convention: PFOS, PFOA, PFHxS, and C9-C21 fluorocarboxylic acids.

Other PFAS





Numerous PFAS are not designated under the POPs Convention. Most raw materials and products handled by Daikin, such as fluororesins, fluoroelastomers, and refrigerants, fall under this category.

Fluorinated compounds

In addition to PFAS, these include inorganic fluorine compounds and certain organic fluorine compounds. Examples include hydrofluoric acid for semiconductors and certain refrigerants (R32).

PFAS Regulatory Trends in Each Jurisdiction

- **The proposed regulation in Europe is shifting toward a more pragmatic approach** from a comprehensive one based on the precautionary principle due to strong opposition from customers, industry associations, and government agencies that emphasized the indispensability of PFAS.
- The initial proposal would have made fluoropolymer manufacturing in Europe practically impossible. However, an option has been formally added to the proposal that **allows for the manufacture and use of PFAS, including fluoropolymers, in facilities that meet certain emission conditions.**

	Europe 	United States (Federal) 	United States (State)	Japan  Other Regions 
Basic regulatory approach	Proposing broad regulation on the manufacture/use of PFAS under the precautionary principle (*)	Conducting risk assessments and reviewing individual chemical through environmental surveys and emissions.	Some states adhere to the precautionary principle; others are based on risk assessment.	Revising their domestic laws based on the UN Stockholm Convention
Regulatory trends	<p>REACH: The proposed regulation in Europe is shifting toward a more pragmatic approach from a comprehensive one.</p> <p>An option has been formally added to the proposal that permits the manufacture and use of PFAS under certain conditions.</p>	<p>TSCA: Data collection rules for specific PFAS information will come into effect.</p>	<p>PFAS legislation has gained momentum in some Democratic-leaning states.</p> <p>However, due to lobbying by industry, there is a tendency for regulations to be scaled back from blanket restrictions to those targeting consumer applications. e.g., Maine, Minnesota, New Mexico</p>	No movement toward comprehensive regulation of PFAS

Note: REACH / Registration, Evaluation, Authorization, and Restriction of Chemicals; TSCA / Toxic Substances Control Act

(*) Precautionary Principle: A risk management strategy that advocates taking preventive measures in advance, considering cost-effectiveness, even when sufficient scientific certainty regarding causality is lacking, if serious and irreversible risks to human health or the environment are anticipated.

Daikin's Technology

- We have already achieved the emission control standard proposed under EU regulations.
- Furthermore, we are executing upfront investments and R&D to ensure stable business operations and supply systems.

Recovery of PFAS from wastewater



UF Membrane

Removal of Water-soluble resin removal in wastewater



RO Membrane

Volume Reduction and Filtration Concentration



Ion Exchange Resin

PFAS Adsorption Removal

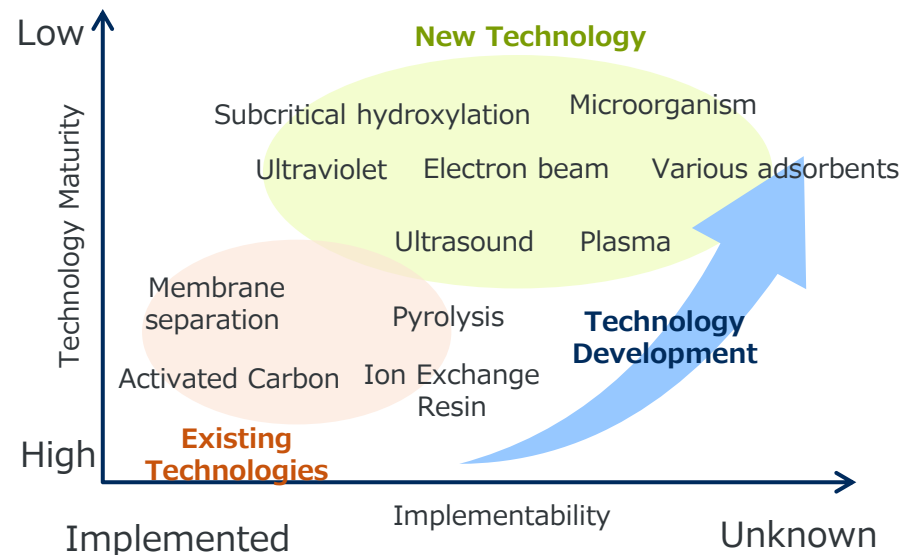
We are promoting PFAS recovery from wastewater at our global manufacturing sites. In the US and Europe, 99% recovery of polymerization emulsifiers from fluoropolymer manufacturing processes has already been achieved, which meets the standard currently proposed under EU regulations.

We are currently working toward a 99.9% recovery rate of PFAS from wastewater at all sites. Achieving this will establish a new benchmark for PFAS manufacturing.

Development of PFAS Destruction Technologies

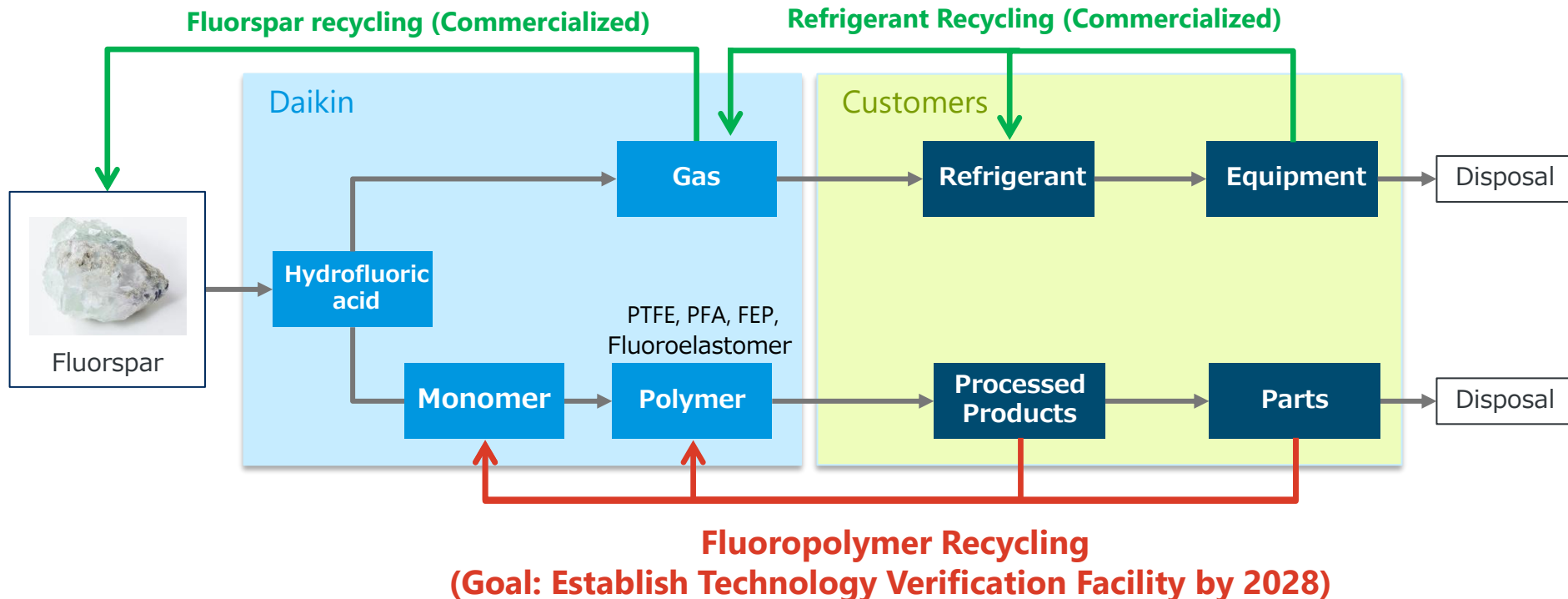
We are focusing on the development of PFAS destruction technologies. We are accelerating R&D through partnership with other industry/academia to develop technologies implementable in real-world wastewater treatment.

While PFAS destruction technologies are being widely studied, we aim to establish solutions that achieve both practical applicability and high efficiency.



Fluorine Resource Recycling

- **We aim to recycle all fluorine materials in the future** by developing recycling technologies to achieve both resource circularity and supply stability.
- ✓ To ensure sustainable growth in the fluorine business and a stable supply of fluorine resources essential for advanced industries, we are promoting the development and practical application of recycling technologies.
- ✓ We recover refrigerants used in air conditioning equipment and Off-gases from our own factories, recycling them into fluorspar and refrigerants. For fluoropolymer resins, we are prioritizing technological development and advancing the establishment of a recycling model for practical application.



Fluorine Resource Recycling: Fluoropolymer

- ✓ We collect waste and cutting scraps generated during molding and processing, regardless of whether they are from our own or other manufacturers. **For some fluoropolymers, we have commercialized the collection, regeneration using our own facilities, and sale of regenerated products.**
- ✓ We are currently developing technologies to recycle all other fluoropolymers. **Aiming for 2028, we will construct the first technical verification facility (PTFE chemical recycling)** and advance model development for future practical application and business expansion.

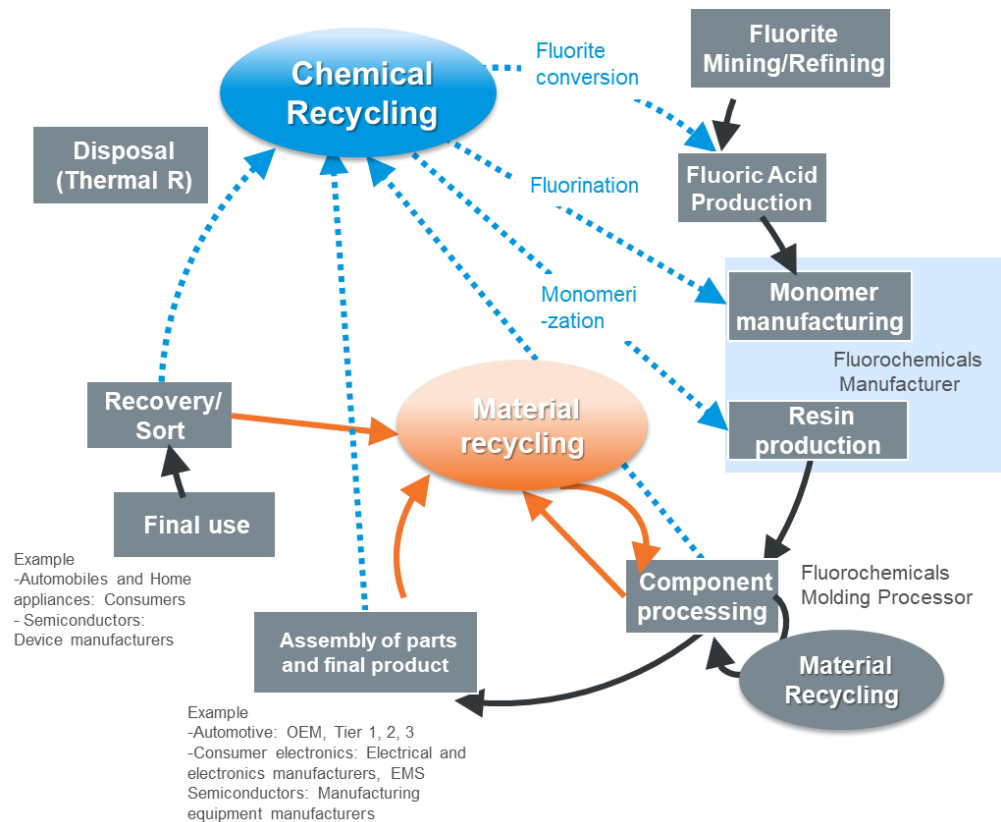
Commercialized Fluoropolymer Recycling



Recycling process



Our Vision for Fluoropolymer Recycling



Conclusion



Fluorine materials play an important role in realizing a decarbonized society. They are used in essential societal applications such as semiconductors, automobiles, telecommunications, medicine and medical devices, energy and, air conditioning/heat pumps/refrigeration.

Our Chemicals business is a pioneer that first tackled fluorochemicals in Japan. Moving forward, we will continue to grow as a leading company, supplying fluorine materials that have undergone scientific evaluation while complying with regulations, thereby meeting society's critical needs.

As the only company in the world dedicated to manufacturing both air conditioning systems and refrigerants, we will develop refrigerants and equipment, collaborating between our air conditioning and chemical businesses. We will minimize environmental impact throughout the product lifecycle and contribute to societal development as a trusted company.



Notes on forecast

This data is compiled for informational purposes and is not to be construed as a solicitation of any action. This data (includes management plan) was compiled by Daikin Industries., Ltd. (the Company) based on reliable information available at the time of compilation. It may include some risks and uncertainties. The Company is not responsible for its accuracy or completeness. The Company asks for your own discretion in using this data. The Company accepts no liability for any loss or damage of any kind arising out of judgment for investment made solely relying on the business forecast or target figures described in the data.