

August 31, 2017

Daikin Acquires Italian Fluoropolymer Compounds Manufacturer Heroflon
Aiming for full entry into the Market of fluoropolymer compounds and the development of fluoropolymers for Automotive applications

Daikin Industries, Ltd., recently agreed to acquire Heroflon S.p.A., an Italian manufacturer of fluoropolymer compounds. Daikin will obtain all company shares owned by the Heroflon Executive Officers with finalization of the acquisition planned for the end of October 2017 after completion of all necessary procedures.

Heroflon is a compound manufacturer that produces high-performance fluoropolymers by combining various materials. Its product lineup includes fluoropolymer compounds and micro-powders centering on polytetrafluoroethylene (PTFE). PTFE is a highly functional and high value-added fluoropolymer used in a wide range of fields including the automotive, construction, electrical power, and chemical industries. Business operations center on the European market.

Daikin supplies various kinds of fluoropolymers such as PTFE to processing companies including compounders. With this acquisition, Daikin fully enters the compound business for fluoropolymers and will utilize its global network to expand sales of Heroflon's fluoropolymer compounds and micro-powders. The company also expects this acquisition to further strengthen its relationship with European car manufacturers together with sales expansion of fluoroelastomers and Automotive air conditioning refrigerant. By accelerating product development that meets customer needs, Daikin expects to realize sales expansion of fluorinated materials for automobiles.

Moreover, with the automotive parts market shifting toward fluoropolymers to reduce weight, promote miniaturization, and lower fuel consumption, Daikin aims to increase global sales of fluoropolymers and fluoroelastomers to 100 billion yen in 2020 by developing products corresponding to a greater need for functional enhancement, such as in heat and wear resistance, and providing technical services.

【Summary of Heroflon】

- | | |
|-----------------------------|---|
| 1) Name: | Heroflon S.p.A. |
| 2) Headquarters: | Province of Brescia, Italy |
| 3) Representative: | Ivonne Locatelli, CEO |
| 4) Capital: | 1.5 million EUROS |
| 5) Establishment: | 1985 |
| 6) Description of Business: | Manufacturing and sale of PTFE compounds, micro-powders |
| 7) Sales (2016): | 29 million EUROS |
| 8) Number of Employees: | Approx. 100 people |