

[Translation]

May 30, 2019

Company Name: Daikin Industries, Ltd.

Name of Representative: Masanori Togawa, President & CEO
(Code No.6367, TSE 1st Section)

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Notice of Establishment of New Subsidiary in China

Daikin Industries, Ltd. announces that a resolution was passed at the Board of Directors meeting held on May 30, 2019, to establish a new subsidiary in China for the manufacture and sales of fluorochemical products as stated below.

Description

1. Purpose of the establishment of the subsidiary

The subsidiary is being established to strengthen the manufacturing and sales functions for fluorochemical products in China in the semiconductor and battery materials market where demand is expected to substantially expand in the medium and long term.

2. Outline of the subsidiary (Plan)

(1) Company Name	Daikin New Materials (Changshu) Co., Ltd.	
(2) Location	No.28 Hai Kang Road, Advanced Materials Industrial Park, Changshu, Jiangsu Province, China	
(3) Representative	To be determined	
(4) Description of Business	Manufacture and sales of fluorochemical products	
(5) Capital	1 billion yuan (16 billion yen*) * Calculation of 1 yuan = 16.0 yen	
(6) Establishment	October 2019	
(7) Investment ratio	Daikin Fluorochemicals (China) Co., Ltd.	60%
	Daikin Industries, Ltd.	40%
(8) Relationship between Daikin Industries and the subsidiary	Capital Relationship	The subsidiary will be established with Daikin Industries holding a 40% interest.
	Human Relationship	A Daikin Industries company director will be appointed as one of the three company directors of the subsidiary.
	Business Relationship	Sales transactions of products will be conducted between Daikin Industries and the subsidiary.

3. Effect on the operating results

The establishment of the subsidiary will have no significant effect on the consolidated operating results for the fiscal year ending March 31, 2020.

END