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## **Daikin Establishes New Heat Pump Heating Factory in Poland**

Daikin Industries, Ltd. has recently decided to invest 300 million euros (equivalent to 37.5 billion yen at the exchange rate of 1 euro = 125 yen) to establish a new factory for heat pump units at the Ksawerów Industrial Park in Lodz Province, Poland. The new production base will start operations in July 2024 to meet the rapidly increasing demand for heat pumps in Europe.

Over the past decade, the European heat pump heating market has grown by an average annual rate of 10% to achieve sales of 1 million units in 2021. The European Green Deal policy, which aims to eliminate greenhouse gas emissions in the EU region by 2050, has further accelerated the spread of heat pumps. Market expansion is forecast to hit annual sales of at least 3 million units by 2025.

In Europe, where combustion heating using fossil fuels had been mainstream, Daikin began selling heat pump heating units, which are powered by electricity, as early as 2006 and has been working to develop the market. As a leading company in the European market, Daikin expanded its heat pump product lineup to meet customer needs in each country and increased production capacity by boosting capital investment and employment at existing factories in response to growing demand.

The Ksawerów Industrial Park, where the new factory will be established, is centrally located in Poland with easy access to the entire European market. This will help facilitate parts procurement and employment of skilled engineers.

As the new production base in Europe, the new factory in Poland will serve to augment current production in Germany, Belgium, and the Czech Republic with production capacity quadrupling by 2025. It will also help the company to create a production system with a stable product supply for the ever-growing heat pump market.

In its strategic management plan FUSION 25, Daikin has positioned Europe as the most important region for expanding its heat pump heating business. In expanding use of heat pumps in Europe, Daikin is striving to contribute to a sustainable society by reducing environmental impact.