

June 22, 2017

Daikin Acquires Australian Company Airmaster
Aiming to strengthen its service and solutions businesses in Asia and Australia

Daikin Industries, Ltd., through its subsidiary Daikin Australia Pty., Ltd., concluded an agreement on June 21 to acquire Airmaster Corporation Pty Ltd., a leading company in Australia in the business fields of service and solutions for air conditioning equipment. Daikin plans to purchase all company shares held by Airmaster's executives at an acquisition price of 100 million Australian dollars (*approximately 8 billion Japanese yen).

Employing approximately 400 service engineers at 12 branch offices in the main cities of Australia, Airmaster has developed business in the installation, after sales service, maintenance, and controls of air conditioners. The company is particularly adept in providing services and maintenance for large buildings.

Daikin entered the Australian air conditioning market in 1969 and has been steadily expanding its presence there with a focus primarily on residential-use air conditioners and commercial-use products for small- to medium-sized buildings such as its multi-split air conditioners for buildings. As one of the largest markets in the region of Asia and Oceania, the air conditioning market in Australia totals approximately 270 billion yen in equipment sales and sales for services and solutions. Of this, services and solutions are estimated to account for roughly half of the total. Although the greater part of demand for services is currently for large-sized buildings, stricter environmental regulations are expected to drive expansion of services for small- to medium-sized buildings.

Through this acquisition, Daikin plans to combine Airmaster's service network, which extends throughout Australia, and its valuable know-how with Daikin's expertise on HVAC technologies. Even as Daikin strives to expand sales of large-scale air conditioning equipment to large buildings, the company is also planning a comprehensive expansion of its service and solutions businesses for small- to medium-sized buildings where many of Daikin air conditioners are installed. Consequently, its business domain will expand from sales of air conditioning equipment to services and solutions with expectation of even further business growth in Australia.

Furthermore, expansion of the air conditioning business in Asia and Oceania region has been established as one of strategic priorities for Daikin and is a key theme of Fusion 20, the company's strategic management plan aiming for 2020. With this acquisition, Daikin intends to establish a business model for its service and solutions business in Australia that can be expanded to Asia and Oceania region in future.

*Calculated at 1 AUD=80 JPY

【Summary of Airmaster】

- 1) Name: Airmaster Corporation Pty Ltd.
- 2) Headquarters: Melbourne, Victoria, Australia
- 3) Representative: Noel Courtney, CEO
- 4) Capitalization: 14 million AUD (*approx. 1.12 billion JPY)
- 5) Established: 1988
- 6) Description of business: Sale, maintenance, control, and installation of air conditioners.
- 7) Sales: 155 million AUD
(approx. 12.4 billion JPY for fiscal year 2016)
- 8) Number of employees: Approx. 600 people (at the end of March 2017)

【Summary of Daikin Australia】

- 1) Name: Daikin Australia Pty., Ltd.
- 2) Headquarters: Chipping Norton, New South Wales, Australia
- 3) Representative: Shoji Uehara, President
- 4) Capitalization: 10 million AUD (*approx. 800 million JPY)
- 5) Established: 1969 (formerly known as Clark Daikin Co.)
- 6) Description of business: Manufacturing, sale, and after sales service of air conditioning equipment
- 7) Sales: Approx. 50 billion JPY (fiscal year 2016)
- 8) Number of employees: Approx. 500 people (at the end of March 2017)