Daikin Texas Technology Park

Positive for TEXAS

U.S. based Employment growth

Over $500M investment in Texas
Daikin Industries, Ltd. - Company Overview

**Founded in 1924 in Osaka, Japan** Daikin has manufacturing facilities in 80 locations across the world and approximately $18.9 billion in global sales.

- **Daikin** is a world leading heating, air conditioning, and refrigerant manufacturer, with products sold in over 150 countries, including the United States.
- **Daikin** is committed to boosting the ever-evolving challenges of comfort. By leveraging state-of-the-art technology to create outstanding products and system solutions, we will help the people of the world ensure comfortable and sustainable living environments.
- **Daikin**, through a combination of enhanced, innovative technology and solutions, with a focus on efficiency and our end user experience, will contribute to comfort and increased energy efficiency.

### Historic Actions Taken by Daikin in North America

Daikin acquired O.Y.L., parent of McQuay (now Daikin Applied),
The first of several large-scale investments in the United States.

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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</thead>
<tbody>
<tr>
<td>2006</td>
<td>Daikin acquired O.Y.L. (now Daikin Applied)</td>
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<td>2006</td>
<td>Goodman was a member of the DAIKIN group</td>
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<td>2012</td>
<td>Daikin acquired Goodman Global Group, Inc., one of the largest HVAC manufacturer and distributors in the United States</td>
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<td>2015</td>
<td>Daikin began construction of the Daikin Texas Technology Park</td>
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<td>2017</td>
<td>A “Grand Opening Ceremony” is held for Daikin’s new, $500M investment in Texas in May, 2017</td>
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Daikin Group

**Companies in the United States**

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Overview of the Daikin Texas Technology Park (DTTP)
Daikin’s largest facility investment

Summary
- Total investment >$500M
- No public funding
- 497 acres for the full site
  - 94 acres under roof
  - Up to 7,000 people working on campus by 2020

Vision
- Meet the needs of American consumers with innovative and value-added products
- Be a good corporate citizen
- Contribute to the economy of Texas and the U.S.
- Lead a new wave in HVAC culture and manufacturing in America

Location and Community
- Thousands of potential employees live in Waller/ Cypress/ Jersey Village/ Houston
- Proximity to our customers. Central US location
- Excellent highway connections
- Partnership w/Waller ISD on vocational curriculum
- Partnership with Lone Star College on tech skills
- We recruit from Texas universities

1 Manufacturing
- Over $100 Million investment in new and upgraded equipment
  - Latest technology offers increased productivity

2 Distribution Center
- Twelve warehouses consolidated into a single location
- Connection to Manufacturing reduces lead time and costs of moving material

3 Engineering Laboratories
- 54 test labs facilities
- Ability to create test conditions with temperature ranges from -40° F to +140° F

4 Offices & Amenities
- LEED Certified Gold
- Co-location of groups to improves collaboration and speed of innovative execution
- In-house wellness clinic – access to healthcare

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Aiming to be a trusted community partner and well-respected leader

- We create **environmentally advanced, high-value products** incorporating Daikin technology that **meets customer needs**. Through innovation, we promote brand strength in the U.S. and the expansion of sales and profits.
- Striving for **sustainable growth rooted in the North American market**, we build **strong relationships with all stakeholders**. (Customers, as well as regional and local communities, government / industry / academia, employees, etc.)
- In the U.S. where air conditioning was born, we are creating a **new culture and innovative business** by bringing together knowledge, know-how and the technology of Daikin group.

**Customer First**
Gaining customer trust is of utmost importance to us. We strive for customer voices to directly link with our product development. This allows the best products to emerge.

**Society**
By bringing Japanese technology to the U.S., we build a state-of-the-art business. To generate new growth, we bring value to American society. We place great value on local engagement and partnerships.

**Environment**
Daikin Texas Technology Park (DTTP) will launch our sustainable site. The products will also be designed to be environmentally friendly business solutions.

**Work Environment**
We provide employees a work place that promotes collaboration and continuously improves quality of work.

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**DTTP is the No.1 air-conditioner production facility that will utilize Daikin’s most advanced manufacturing technology**
DTTP Grand Opening Ceremony

Held in May 2017 to show appreciation to local communities and employees and demonstrate Daikin’s commitment to continue to invest in the US

- 4,500 guests attended the community event
- 500 employees volunteered
- 400 VIP guests visited the new facility

Ribbon Cutting Ceremony

Sake Barrel Opening Ceremony

Welcoming by employees

Opening Festival
Daikin Texas Technology Park: Now and in the Future

**Now:**
- Greater than 4,900 people working on campus
- 17 Assembly Lines
- 13,000 Units produced daily
- 43 sheet metal presses
- >1,000 Different product SKUs including Indoor and Outdoor unitary units, furnaces, and VRVs

**By 2020:**
- Up to 7,000 people working on campus
- 22 Assembly Lines
- 20,000 Units produced daily
- 72 sheet metal presses
- >3,000 Different product SKUs including Indoor and Outdoor unitary units, furnaces, and VRVs, PTAC, Light Commercial, Mini Split systems

*Fin Presses operating at the DTTP
*Tubing employees at the DTTP
*VRV assembly line employees at the DTTP

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*July 2017
Why Daikin Chose Texas for Expansion

Texas gives Daikin access to highly talented potential employees

- Renowned schools such as Texas A&M University, University of Texas at Austin, University of Houston, Rice University and Prairie View A&M University are all in close proximity and give Daikin access to a pipeline of talent
- **Houston** is a large, diverse, international, and fast growing city, where Daikin is able to hire talented employees at all levels
- Centrally located, Texas has a **state-of-the-art transportation network** for providing timely access to domestic and global markets via air, land and sea
- Texas has a **growing dynamic economy** and provides many opportunities for business expansion
- Daikin historically manufacturing products in the same country where they are sold
Corporate Social Responsibility

The community where we live and work are an integral part of what we do. We show our commitment by volunteering locally and making a pledge to sustainability which is demonstrated by partnerships with government, industry and academia.

### Giving Locally with our Heart - Love of the Earth Activities

- As an official participant in Harris County’s Adopt-A-County Mile program (a litter abatement initiative), our employees volunteer three times a year to clean a one mile stretch of the roadways surrounding our campus: Kermier Road and Kickapoo Road.
- In honor of Earth Day, Daikin employee volunteers spend time at local schools leading students through activities focusing on sustainability.

### Establishing Roots in our Community and Sharing Japanese Culture

- **Donation**
  As a gift to the City of Waller, Daikin donated $125,000 to buy new playground equipment and renovate the city park, now called Daikin Park.

- **School Art Contest**
  Partnering with Waller ISD, Daikin sponsors an environmentally themed art contest for fifth graders. The winning artwork is featured in the lobby of our building.

- **Homestay Program**
  Our 10-day homestay in Japan offers students from Waller a unique experience – staying with a Daikin family in Osaka while they gain an understanding of Japanese culture.

- **Education**
  In honor of Earth Day, Daikin employee volunteers spend time at local schools leading students through activities focusing on sustainability.
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