



# News Release

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## **Daikin Industries, Ltd. Announces Expansion and Consolidation of Goodman Operations in Houston, TX**

**HOUSTON (January 6, 2015)** – Daikin Industries, Ltd., the world's largest manufacturer of heating, cooling and refrigerant products, announced today that its board members have approved an expansion plan for its Goodman operations in the United States. Over the next several years, Daikin will be building a new state-of-the art business campus that consolidates the current manufacturing and logistics footprints to a location outside of Houston, TX, in an area near U.S. 290 and approximately three miles west of Texas State Highway 99. The new campus is currently projected to be operational mid-2016. This commitment of approximately \$417M represents the largest single investment since the founding of the Goodman organization over thirty years ago. The construction is planned to commence in the coming months.

The new facility, when finished, will include one of the largest and most technologically advanced HVAC (Heating, Ventilating, and Air Conditioning) manufacturing facilities in the country. The consolidated campus will enable Daikin to manufacture in one location the full range of energy-efficient ducted residential and light commercial products as well as various ductless products that are currently imported from other inter-company business units located outside North America. In fact, the facility will manufacture both ducted and ductless HVAC products, which is a first for Daikin. Ducted heating and cooling systems are considered the standard in the United States. Ductless systems are installed extensively around the world. Ductless systems have gained rapid acceptance in the North American marketplace and have become one of the fastest growing HVAC market segments.

Texas and Tennessee operations that will be relocated to the new business campus include engineering, logistics, procurement, manufacturing, and marketing. Manufacturing operations at this new campus will consist of residential and commercial heating and cooling systems marketed primarily under the Daikin, Goodman® and Amana® brand names.

"The new business campus will provide many outstanding benefits to our customers," stated Mr. Takeshi Ebisu, President and CEO. "The operational efficiencies we achieve will be reflected in the superb quality of our high-efficiency, energy-saving heating and cooling systems. We are excited about the outstanding value that this move will bring to our current and future customers. As the leading global HVAC manufacturer, Daikin expressed a strong, long-term commitment to its customers in North America by constructing this new business campus."

"Our successful growth has fueled the need for additional manufacturing capacity. The new campus will allow us to dramatically increase our production efficiencies and enable us to continue to serve our customers better than ever before from the leading market position that we hold today," said Sam Bikman, SVP Global Supply Chain. "The integration of our engineering, procurement, logistics, manufacturing and marketing functions at the same location will facilitate and expedite our ability to respond proactively to customer needs."

This consolidation directly reflects Daikin's global commitment to local, in-country, manufacturing. This philosophy is a driving force throughout the organization and is central to the consistent growth that has led to Daikin being the leading global manufacturer in the HVAC industry. "Our employees in the United States embrace a philosophy of American Pride," added Ebisu. "This is because employees are the driving force and a core value that allows us to continue as a leader in the market. Building the new campus is an exciting opportunity that will help us create synergies by bringing together our valuable employees and giving them what we believe will be the best facilities and work environment in the HVAC industry."

"Our selection of Houston as the location for our new campus was a result of careful analysis and business considerations. We know that Houston is one of the best cities in the United States for this type of expansion program. It offers an outstanding combination that includes the ability to provide an educated workforce, economic growth, and a favorable year-long climate necessary for manufacturing and operational excellence", continued Ebisu. Houston is well known as the energy capital of the United States. Soon it will be recognized as the energy-savings capital with regard to the production of high-efficiency heating and cooling systems for residential, commercial and industrial applications.

Employment at the new campus will increase as a result of expanded product manufacturing and the consolidation of facilities located in Texas and Tennessee. "Our goal is to treat our current employees fairly and equitably when the transfer of manufacturing operations begins," said Kari Durham, senior vice president human resources. "Total employment in the Houston area will increase to approximately 4000 employees."

Goodman Sales and Distribution operations, Quietflex Manufacturing Company, L.P. (a leading manufacturer of flexible duct and fiberglass products), Daikin Marine Container, and other Daikin operations are not impacted by the consolidation.

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#### About Daikin Industries, Ltd.

Daikin Industries, Ltd., headquartered in Osaka, Japan, is the world's largest manufacturer of heating, cooling and refrigerant products in the world. As a Global Fortune 1000 company with over 50,000 employees worldwide, the company engages in the development, manufacture, sales and aftermarket support of heating, ventilation, air conditioning and refrigeration equipment, refrigerants and other chemicals. The company recently celebrated its 90th anniversary. The company also has manufacturing operations in 18 countries and a sales presence in more than 90 countries. For additional information, please visit [www.daikin.com](http://www.daikin.com).

#### About Daikin North America

Daikin North America LLC (DNA) is a subsidiary of Daikin Industries, Ltd. DNA and its affiliates manufacture heating and cooling systems for residential, commercial and industrial use and are sold via a select group of independent HVAC contractors. For additional information, visit [www.daikincomfort.com](http://www.daikincomfort.com).

A member of the DAIKIN group, Houston-based Goodman Global Group, Inc. is a leading manufacturer of heating, ventilation and air conditioning products for residential and light commercial use. Goodman's products are predominantly sold through company-operated and independent distribution networks, with more than 1000 total distribution points throughout North America. Goodman factories are ISO 14001:2004 accredited, an international certification that recognizes manufacturing processes and policies that are sustainable. For more information, visit [www.goodmanmfg.com](http://www.goodmanmfg.com).

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