



For Immediate Release

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Toshiba Carrier to Establish New Manufacturing Subsidiary in Europe

Kawasaki-shi, Japan, January 21, 2020 - Toshiba Carrier Corporation announced the establishment of a new manufacturing subsidiary in Gniezno, a mid-western city of Poland. The heating, ventilating and air-conditioning (HVAC) joint venture between Toshiba Corporation and Carrier Corporation will invest approximately 3.0 billion Japanese yen in this subsidiary to enhance its business foundation and presence in Europe. The new manufacturing subsidiary is scheduled to start its operation before the end of 2020.

Europe has seen sound HVAC growth for the last three years (2016 – 2018) with a Compound Annual Growth Rate (CAGR) over 6%^(*), and is expected to enjoy sustainable growth driven by solid demands for energy-efficient HVAC products to address environmental concerns and legislation. Europe is also witnessing a recent surge in sales of heating and hot water supply equipment using heat pumps, or air to water (ATW) equipment as an alternative for heating and hot water supply equipment using gas and other conventional boilers.

The new manufacturing facility will allow Toshiba Carrier to reduce product lead time by one-third, reduce product cost, and bolster its product lineup catering to particular needs in Europe.

Poland's quality workforce, proximity to Western European nations and attractive investment incentives are the major factors for Toshiba Carrier to locate its first European manufacturing base in the country.

The establishment of the new subsidiary will boost Toshiba Carrier's global manufacturing and engineering portfolio, which includes on-going programs such as a new global R&D center at Fuji Operations and the relocation and expansion of development and manufacturing facilities at Toshiba Carrier Air Conditioning (China) Co., Ltd., in Hangzhou, China. With these proactive investment initiatives inside and outside Japan and its long-standing alliance with Carrier Corporation, Toshiba Carrier strives to capitalize opportunities in order to better serve customers with better solutions and further grow globally.

Outline of the New Company

Name	Toshiba Carrier Air-Conditioning Europe Sp. z o. o.
Location	Gniezno, Województwo wielkopolskie, Republic of Poland
Factory Outline	Land Area: approx. 37,000m ² ; Floor Area: approx. 17,000m ² The property planned to be acquired is to be renovated for the manufacturing use.
Legal Representative	Hideaki Motohashi, President of the Board
Business Scope	Manufacturing and sales of commercial AC, heating, and hot water supply equipment
Registered Capital (Scheduled)	PLN 92M (approx. JPY 2.6B ^{(*)2})
Establishment	Dec 31, 2019
Ownership	100% by Toshiba Carrier Europe S.A.S. ^{(*)3} at the operation start-up

Contemplated New Manufacturing Subsidiary (as of January 2020)



*1 Source: "World Air Conditioner Demand 2019" by the Japan Refrigeration and Air Conditioning Industry Association (JRAIA)

*2 Foreign exchange rate used: PLN 1 = JPY 28

*3 Toshiba Carrier Europe S.A.S is a wholly-owned subsidiary of Toshiba Carrier Corporation.

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