

Strengthen Global Human Resources and Continue Growth While Contributing To Environmental Protection



On March 11, 2011, an unprecedented earthquake struck Eastern Japan, and I offer our sincerest condolences to all those afflicted by this disaster. The Daikin Group will continue to support the stricken areas with donations of money and relief supplies.

Although the Kashima Plant of Daikin Industries, Ltd. was affected by the disaster, damage to production equipment was minimal, and we were able to quickly resume manufacturing. Along with the concentrated aid provided to suppliers, measures were adopted to secure parts for the supply chain, including changing to substitution parts, and the impact to production was minimized.

The earthquake presented us with an array of challenges: one of which involves energy consumption and the pressing need for society to reduce peak electricity use. To Daikin, whose products have a significant impact on electricity use, this crisis represents not only a temporary necessity for Japan but is also a crucial issue that must be addressed worldwide as a demand of the times. Beginning with our control technology that operates air conditioners to minimize energy consumption, we intend to fully utilize our energy-saving and power conservation technologies to help the world meet its growing energy needs in the medium and long term.

Environmental Protection as a Major Pillar of Our Growth Strategy

Daikin's CSR is founded on two pillars: providing environmentally conscious products and services, and fostering the human resources that make this possible.

Critical to our environmental efforts is the FUSION 10 strategic management plan ended fiscal 2010. Under this plan, we set forth a basic policy of

maintaining a balance between active contributions to solving global environmental problems and business expansion by striving to reduce environmental impact during manufacturing and contribute to environmental protection through our business. For example, we have striven to promote the use of products using energy-efficient inverter technology and heat-pump space heating, which has less global warming impact than combustion-type space heating. We believe this has enabled our customers to achieve greater energy efficiency and reduce CO₂ emissions. We have also succeeded in reducing greenhouse gas emissions from production processes by 73% against fiscal 2005, bettering our target of a 50% reduction.

In fiscal 2011, we began FUSION 15, which focuses on a strategy of growth by accelerating our environmental business. Moreover, we aim to further reduce greenhouse gas emissions from production processes to one-third of fiscal 2005 levels by 2015. By concentrating on protecting and revitalizing our precious natural environment, we aim to achieve sustainable business growth and development while contributing to environmental protection.

Strengthen Human Resources Throughout the Global Group by Implementing People-Centered Management

People are the force that executes strategic activities. Daikin believes that the “cumulative growth of all Group members serves as the foundation for the group’s development.” Consequently, “People-Centered Management” is implemented with the aim of creating a work environment in which each employee can use his or her talents to the fullest.

Under FUSION 15, we are making the strengthening of human resources a core strategy

company-wide. With more than 60% of the sales of the Daikin Group coming from overseas, fostering personnel who can contribute at our global bases is an urgent task.

Currently at our major overseas subsidiaries, one in every four members of management is locally hired. As well, three of these also serve as board members of Daikin Industries. In order to train more local personnel in Daikin’s management philosophy to run more local Daikin subsidiaries, we will continue to increase global hiring and pursue measures such as building a global human resources system and promoting better communication between the Daikin Head Office and worldwide subsidiaries.

Meet Stakeholder Expectations Through CSR that Earns the Trust of Society

Times are changing at lightning speed. As major transformations take place within the framework of the world economy, society, and politics, we must quickly adapt to the structural changes of the times so that we can meet the expectations of our stakeholders and thus achieve sustainable development. We firmly believe that by looking 10 years into the future and flexibly adapting to predicted changes, the Daikin Group can further grow and develop. We will strive to listen even more closely to stakeholder opinions so that we can continue to be a trusted company that meets society’s expectations. We look forward to your continued support in our endeavors.

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Noriyuki Inoue
Chairman and CEO
Daikin Industries, Ltd.