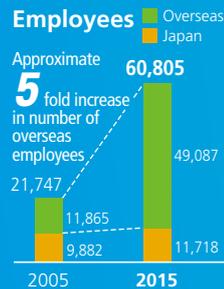


Human Resources

Why is it Important?

Responding to Rapid Globalization

The past 10 years have seen the rapid globalization of the Daikin Group, with the number of overseas employees today standing at five times that of a decade ago. These employees—our human resources—represent the most crucial factor in meeting the expectations of our various stakeholders in order to fully realize Daikin’s strengths in the fields of “environment,” “new value creation,” and “customer satisfaction.”



DAIKIN’S POLICY

Respecting Individual Personalities and Values, and Maximizing the Potential of Each Employee

The Daikin Group advocates people-centered management in the belief that people are the source of a company’s competitiveness. To leverage our strengths to contribute to society, we are creating an organization under which all of our worldwide employees can use their unique talents to the fullest.

Feature Rapid Growth in Overseas Production and Employees

Transferring Japanese Skills to Ensure High-Quality Production Worldwide

DAIKIN’S APPROACH

Global System for Skills Transfer Amid Expanding Overseas Production

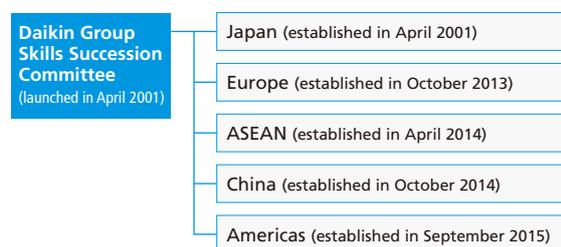
Brazing, lathing, sheet metal processing, arc welding, die and mold making, jig and tool making—these are just some of the skills that form the foundation of manufacturing. Even today, amid the increasing automation of lines where air conditioners are manufactured, people working the lines still have to be taught these manual skills. This is because transferring these skills gives technicians passion and pride in their work, and because taking the initiative to improve quality leads to continuous better products. Daikin possesses superior fundamental skills and focuses on training engineers so that they can teach these skills to others.

In the first decade of the 21st century in Japan, Japan’s baby boomer generation began retiring in large numbers, and at Daikin we had to ensure that our unique skills were properly transferred on to the next generation. It was also a time when the number of overseas manufacturing bases was growing rapidly, and

we were pressed to train engineers at our bases in regions around the world.

To this end, we launched the Daikin Group Skills Succession Committee, creating a system for training engineers under which engineers with outstanding skills are designated as “Takumi” and Takumi candidates are designated as “Trainers.” Since 2013, succession committees have been established in four regions around the world, working to create an environment in which Takumi and Trainers provide skills guidance to their colleagues. Daikin bases around the world have also been working autonomously to transfer skills.

System for Global Skills Transfer



Feature Transferring Japanese Skills to Ensure High-Quality Production Worldwide



The first overseas engineer to be designated a Takumi instructs employees at Daikin Isıtma ve Soğutma Sistemleri San. Tic. A.Ş.

DAIKIN'S PERFORMANCE

Takumi Skills Mentoring System Spreads Across the Globe

For trainers to be designated as Takumi, they must possess a high level of skills and coaching ability. At the Daikin Ales Aoya Global Training Center in Tottori Prefecture, Japan, Takumi provide trainers with guidance in a 16-week training program. Besides learning guidance theories and basic skills knowledge, trainers undergo practical hands-on lessons that help them acquire the ability to give clear explanations to others and to come up with improvement solutions when problems arise during manufacturing processes. Being taught directly by Takumi in a free and open

atmosphere ignites the trainers' passion and pride in being a Daikin engineer, and further spurs their enthusiasm to, in turn, become Takumi themselves who provide guidance to the next generation of trainers.

To give an example, a Belgian trainer at Daikin Europe N.V. who possessed outstanding brazing skills, improved the teaching methods used in training engineers at the company's factory, which led to quality improvements. This trainer succeeded in reducing brazing defects by one-third, and went on to teach engineers at other bases and Daikin suppliers, as a result becoming the first overseas engineer to earn the designation of Takumi. This is a big step towards Daikin's European bases taking control of skills transfer themselves, and will motivate more Daikin engineers in the region to seek Takumi designation.

System for Training Excellent Skilled Engineers



Overseas Engineers Account for More Than 60% of Top Finishers in Global Skills Competition

Daikin's skills competitions constitute another pillar of skills transfer. Held every second year since 2004, the Global Skills Competition raises the level engineers by having them face off against each other in contests of the skills they have learned. Engineers who give exemplary performances in this event become Trainer candidates.

With each successive competition, more overseas bases take part and a greater percentage of overseas participants account for the top finishers. At the sixth Global Skills Competition in October 2014, 145 competitors (70 of them from overseas bases) took part after getting through the preliminary rounds held at 28 bases in 13 countries. Of the top 33 finishers in the final, 21 (64%) were from overseas. Through this competition, the Daikin Group is able to boost employee motivation, give overseas engineers better skills, and prevent the loss of valuable technical skills.

Of the top finishers in the sixth Global Skills Competition

64% were from Daikin overseas bases

NEXT CHALLENGE

Take Fast Track to Designating Takumi at Overseas Bases

Daikin's regional skills succession committees have been striving to foster Takumi, who lead efforts in skills transfer, at the earliest possible date. The aim is to have each Daikin worldwide base build a better system for autonomously fostering engineers who possess skills, leadership, and the ability to come up with solutions on the fly during manufacturing. By boosting the level of skills and enthusiasm, we want ensure the same high level of Daikin quality worldwide and become a corporate group that continues to stay ahead of our competitors.

Stakeholder's Comment

I Will Continue to Pass on My Skills and Dreams to Young Engineers Worldwide

It is a joy and an honor to be able to share my experiences with the younger generation of engineers, to teach them skills, and to show them respect.

When teaching them, I stress the following three points: have pride and loyalty; never lose sight of your dream; and take on challenges with passion and dedication. So, have the passion to realize your dreams and the determination to never give up. I want to continue sharing my skills and my dreams with people around the world.



Marc Bertens
Daikin Europe N.V.

Fostering Takumi the Core of Autonomy in Skills at Overseas Bases



The Daikin Global Skills Competition

