

Why is it important?

Society Requires Air Environments Rather Than Air Conditioners

It was once said, "People don't want to buy a quarter-inch drill. They want a quarter-inch hole!" Similarly, people, who buy an air conditioner, want a comfortable air environment for as long as possible. To satisfy this want, instead of simply selling air conditioners, Daikin needs to identify and provide methods by which consumers can use the functions of its products in the best way possible. That is, we need to change our approach from goods to experiences to deliver services with the most optimal approach to using air conditioning for customers, users and the environment.

True Needs in Commercial Air Conditioning

Facility owner

Conventional approach

• Purchase, maintain, and manage air conditioners

Recent issues

- Shortage of people to manage
- Settings and controls not optimized

The true need of facility owners is a comfortable air environment

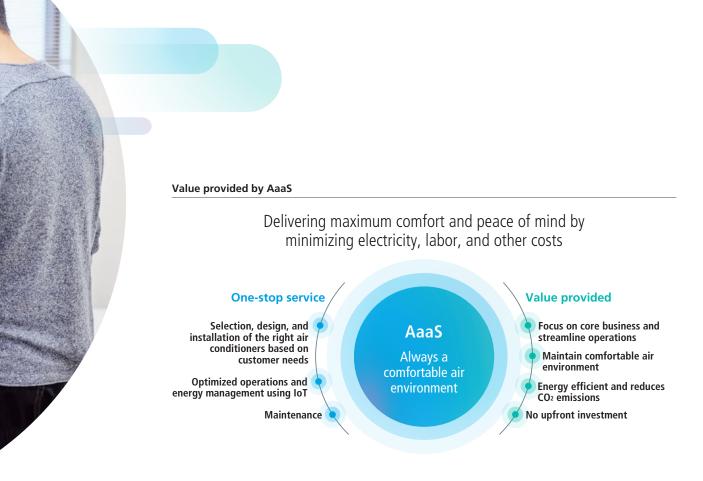
DAIKIN'S APPROACH

Guaranteeing Comfortable Air Conditioner Operations with a One-Stop Service

Daikin has developed a new PaaS* service called Air as a Service (AaaS) together with Mitsui & Co., Ltd. AaaS provides Daikin's business resources of air conditioner development and operation along with maintenance services as a package. AaaS is a monthly subscription-based air conditioning service that eliminates the need to purchase air conditioners. Under this service, Daikin provides everything from air conditioner selection and installation to optimal operation, energy management and maintenance as a one-stop service. During the term of the contract, Daikin guarantees the stable operation of its air conditioners using preventive maintenance based on detection of breakdowns. There are no repair costs should a breakdown occur, and all statutory inspections are conducted by Daikin.

AaaS can lower a customer's overhead and workforce in terms of upfront installation of air conditioners, electricity consumption, and operations management. Air conditioners never sell out and we provide support up to operation, enabling us to provide comfortable air environments closely in tune with customer needs.

^{*} PaaS: An acronym for Product as a Service.



DAIKIN'S PERFORMANCE

Maximum Comfort and Peace of Mind from Minimized Electricity, Labor, and Other Costs

By introducing AaaS, users can focus on their core operations without having to worry about air conditioning. This is especially important at hospitals, which must provide stable operation of air conditioning as an essential service. If problems were to arise, this could negatively impact not only patient conditions, but also precision medical devices and information systems. With healthcare duties piling up, the bother of setting air conditioning temperature and maintenance is a cause of stress for nurses and staff. Hospitals stand to benefit greatly from being able to maintain a comfortable air environment. In terms of spending, sudden expenditures due to breakdowns are no longer needed.

Daikin has concluded AaaS contracts with 25 customers over the past three years since 2018. Uegahara Hospital in Hyogo Prefecture is one of these customers. It has been able to reduce electricity consumption from air conditioning by 36.8% over two years compared to before. In addition, staff members are able to focus on their work and a comfortable air environment is maintained for patients. This service won the Chairman Prize of Energy Conservation Center, Japan, at the fiscal 2020 Energy Conservation Grand Prize.

In addition to hospitals and nursing care facilities, AaaS is being adopted rapidly by buildings and plants owned by companies. In addition to lowering labor costs related to air conditioner upkeep, companies can benefit from improved cash flow as upfront investments are no longer needed since air conditioning equipment is no longer as a company asset.

No Longer Have to Worry About Air Conditioning

Yokiko Oe Uegahara Hospital



Since introducing AaaS, we no longer worry about cooling or heating. It's really encouraging because we can change our energy management settings with a single telephone call. Proposals based on actual operating data are very effective and the reduction of our electricity bill has been greater than expected. This fixed subscription air conditioning service that doesn't require ownership of equipment is a very reasonable solution.

NEXT CHALLENGE

Creating New Services Using Demonstration Testing

Daikin is conducting various trials at point 0 marunouchi, a demonstration site, for continually providing a comfortable air environment to customers using the best format possible. In December 2020, we launched the Air as Ventilation service validated here that visualizes confinement and ventilates accordingly. This is a monthly subscription service that provides a comfortable, safe, and secure air environment to spaces where an unspecified large number of people gather, such as shared offices.

We will continue to pursue solutions that address the true needs of air in the future.