



Feature
Human Resources

Accelerating the Development of Globally-Minded Employees

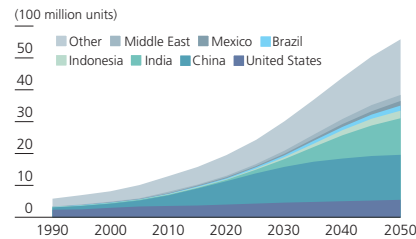
Why is it important?

Because globally-minded employees are vital to unlocking greater business growth

In recent years, human capital management has been attracting more and more attention and people are more aware that drawing out the capabilities of each individual is essential for the sustainable development of a company. Committed to “people-centered management,” Daikin has fostered human resources around the world who are responsible for manufacturing, sales, and services. These human resources have provided the foundation for Daikin’s growth into a global company with operations in more than 170 countries and over 80% of its sales and workforce located overseas.

Looking ahead, to further enhance the quality of our business operations, it is important to look at our business not only from the perspective of a particular country, but also from a regional and global perspective, and to formulate and execute strategies and measures accordingly. To this end, it is vital that we employ “globally-minded employees” who can demonstrate their abilities and drive the growth of the business regardless of where they may be located around the world. In order to continue meeting the ever-expanding demand for air conditioning, it is also imperative to strengthen human resource development from a broader perspective, in addition to conventional education and training in technology and skills.

Forecast of Air Conditioner Stock (Number of Units)



Graph figures compiled by Daikin based on IEA, *The Future of Cooling*

Daikin’s Approach

Fostering Human Resources Groupwide Who Can Drive Our Operations Around the World

In light of the accelerating globalization of its business operations, Daikin is promoting the development of globally-minded employees across the entire Group. Daikin Industries, Ltd. is taking the lead in developing senior management and business leaders for the Group, while regional management executives and next-generation leaders are also being developed at each of our bases and regions, including Europe, Asia and Oceania, China, and North America. In order to increase the motivation and conviction of each and every employee and to continue strengthening our human resources and organizational capabilities, we are promoting not only technology and skills, but also an understanding of Daikin’s DNA, including our management philosophy, sense of values, and culture, leadership and management skills to bring together our diverse workforce, and the ability to think and act independently with an eye toward the future.

Daikin’s Performance

Developing Joint Regional Training Systems to Expand Our Global Perspective and Human Networks

For example, in the Asia and Oceania region, our workforce has doubled over the past decade in response to growing demand for air conditioning. In this region, where languages and cultures differ greatly from country to country, we have traditionally conducted human resource development exclusive to each base and country, but in order to further strengthen

System for Fostering Globally-Minded Employees in the Asia and Oceania Region

Executives fostered by Daikin Industries, Ltd.

Daikin Executive Program (D-EP)
Develops next-generation executives globally

Next-generation executives/leaders fostered regionally

R-DEP (selective training for management personnel)
Fosters management executives in the Asia and Oceania region with a global perspective

Young Shining Star Academy (YSSA)
Mainly for sales and service employees

Regional Engineer Development (R-ED)
Mainly for engineers

Fostering global thinking

our business structure, we began joint regional training in 2015. We offer three types of training programs for different levels of employees, including young employees and candidates for executive positions. By the end of fiscal 2023, 320 people from various divisions within the region had participated in joint training, learning face-to-face the skills and knowledge necessary to foster globally-minded employees. Through dialogue with executives, participants gained an understanding of Daikin's DNA and developed an awareness of themselves as leaders. In addition, as a result of broadening their perspectives through discussions and group work with employees from other countries with different thinking and ideas, and fostering their ability to formulate comprehensive regional strategies, each individual's thinking and actions have become more dynamic.

The quality and speed of solutions have also improved as the human network has been strengthened, enabling working level employees to share the issues they face and discuss them from a variety of perspectives and with diverse knowledge. Furthermore, as mutual understanding among bases deepens, strategies and measures that reflect the situation of each base and country are being formulated. For example, the sales division has begun to formulate marketing strategies for the entire Asia-Oceania region, leading to the expansion of the sales network. Also, during product development, we are able to effectively allocate the resources of our development bases and optimize our development plans as a whole by looking at and discussing the needs of each country's market.

Employee Collaboration and Assignments Across Bases and Borders Strengthens the Business Foundation

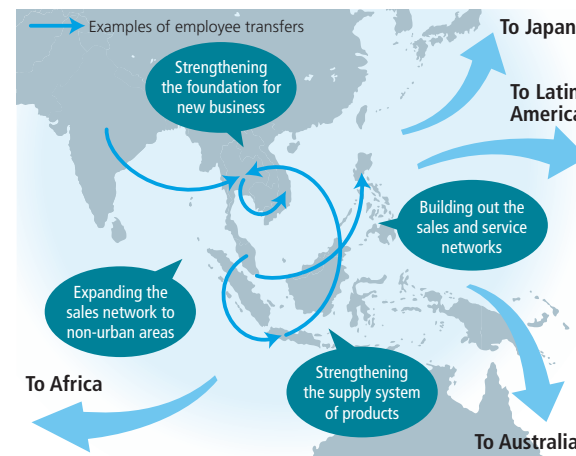
While strengthening our training system, we also believe that it is important to provide opportunities for the human resources we have fostered to take the initiative to play an active role at work. With this in mind, we are promoting the production transfer to local bases and the globalization of human resource assignments. As a result, the number of human resources in Asia and Oceania who have mastered

Daikin's DNA and can play an active role regardless of geographic location is increasing. When establishing a new base or launching a new project, we can now dispatch the most suitable personnel from other bases in the region, rather than dispatching them from Japan as in the past. For example, local personnel who had been in charge of business planning in India were placed in Australia. They have been driving the applied business by utilizing strategic thinking and team building skills they learned in training, and they were also instrumental in the acquisition of a leading local company. This acquisition significantly expanded the applied business in the Australian market, including expansion of sales beyond its core products and expansion into the services and solutions business area.

In addition, an executive from Thailand who is well versed in Daikin's manufacturing know-how will be appointed president of the new plant to be built in Indonesia in 2024. They will be involved from the start-up of the new plant, drawing on their knowledge and experience in plant operation and management in Thailand.

The presence of such role models who are active across borders serves as an inspiration to other employees around them and helps to raise their awareness by broadening the scope of their own careers and work.

Examples of Employee Assignments Across Bases and Borders



Next Challenge

Continue to Foster Globally-Minded Employees to Grow Our Business Sustainably

In order to further expand our business, we will need to continue to develop new technologies that will enable innovation, expand sales channels to spread our products, and take many other initiatives. To this end, it is important to foster human resources who can play an active role in their respective regions and, by extension, around the world.

Daikin will continue to focus on fostering globally-minded employees to support its air conditioning business in all regions where it operates. Going forward, we will continue to maximize the performance of our workforce through training that is not restricted by national or regional boundaries and by providing opportunities for employees to play an active role, which will lead to sustainable growth for the entire Group.

Respect for Individuals and Strict Yet Fair Human Capital Formation



Tsuyoshi Komori
Representative Director
CORESCO

Amid the rapid development of artificial intelligence, the inherent value of humans in work is being questioned. At the same time, the global environment is changing and geopolitical risks are becoming more acute. In order to further develop global management in such a world, it is essential to strengthen individual uniqueness as well as encourage cooperation and collaboration between individuals. As Daikin practices, recognizing and respecting the potential of individuals across national borders and having a strict yet fair human capital formation process are now an indispensable foundation for a global company.