

Introduction



Founded in Namba, Osaka, in 1924, Daikin Industries began as a town factory with no more than 15 employees, including the president. Thirty-five years later in the late 1950s just after I joined the company, Daikin had grown to become a manufacturer employing 3,000 people and handling both air conditioners and refrigerants. By the time the company welcomed the 90th anniversary of its founding in 2014, Daikin had transformed into a global company operating in 145 countries and employing over 60,000 people. Capital had expanded at 85 billion yen, and the company had become the global No. 1 in sales of air conditioning equipment.

The driving force of Daikin growth has been strategic planning that stays a half-step or a step ahead of the times through management with foresight followed by employee initiative in

which employees fearlessly take action at the workplace. Especially in the past 10 to 20 years, Daikin has grown and developed by making bold decisions from new perspectives that cast aside past successes; by establishing innovative strategies such as global expansion and open technology; and by having these strategies implemented through the concerted efforts of employees.

Since its founding, Daikin has always been a company that has not only valued people but has made people its focus. Founder Akira Yamada strongly encouraged conciliation and cooperation inside the company saying “a company is like a ship,” and Minoru Yamada, the third Daikin president, said, “A company is made up of people eating from the same pot and sharing the same fate.” With the approach of our founder and his son as my touchstone, I pressed management forward with deep appreciation for the dynamism and boldness generated by providing opportunities to people with passion and desire to challenge themselves and by giving these people room to grow. Work was entrusted to them based on a management philosophy that believes in the inherent goodness of people and their infinite potential. Policies were implemented to allow a culture recognizing diversity to take root in the organization while enabling employees to fully demonstrate their capabilities and have employee efforts linked to results.

This type of corporate culture that Daikin has cultivated over its many years of corporate activities could be said to be, in a manner of speaking, Daikin’s DNA, but conveying the true significance of that culture in one word is indeed difficult.

In this book *People. At the heart of our DNA*, we have collected

a series of narratives centered on practical examples that describe the footprints of the grueling struggle of countless senior colleagues beginning with our founder, the difficult management decisions such as M&A, partnerships, and alliances during the past 20 years, the cooperation engineers demonstrated to clear the difficult issues for new product development, and the progress made to expand in overseas markets with little understanding of the local language. Within that, we can see just how Daikin employees demonstrated the full extent of their capabilities.

To our employees of the Daikin Group, I hope you gain from these testimonials an understanding of the essence of the Daikin Group DNA: namely, management with foresight and People-Centered Management. With a firm understanding of this, I ask that you continuously impart that same spirit to those following in your footsteps. To all shareholders, business partners, and distributors, I hope this book provides useful insight into our corporate culture.



Noriyuki Inoue
Chairman of the Board and
Chief Global Group Officer