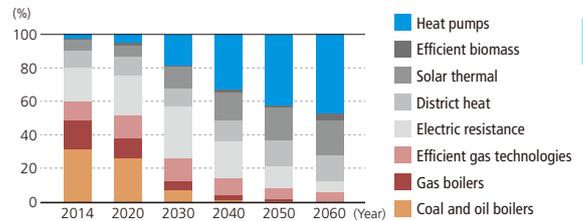


Why is it important?

The Paris Agreement Has Spurred Global Warming Countermeasures, and Society Has High Hopes for Decarbonized in Space and Water Heaters

A large percentage of Europe's CO₂ emissions come from heating, but it is in the midst of switching from combustion heating using gas and kerosene to heat-pump heating, which has a lower environmental impact than combustion heating thanks to the use of heat in the air. However, heat-pump heating is still a relatively unfamiliar concept in Europe. Daikin believes that it is important to create a mechanism that both customers and dealers can rely on.

Change in Heat Source for Space and Water Heaters to Achieve Paris Agreement Goals



Note: Compiled by Daikin based on Energy Technology Perspectives 2017, published by the International Energy Agency (IEA) According to B2DS scenario (holding the future temperature increase to less than 2°C)

Feature

Create a Mechanism That Brings Peace of Mind by Promoting Adoption of Low-Environmental-Impact Heat-Pump Heating

DAIKIN'S APPROACH

Developing a Platform Linking Three Parties: Europe's Customers, Dealers, and Daikin

Europe is aggressively reducing greenhouse gas emissions through government policies aimed at transitioning to a highly energy-efficient, decarbonized society. Over 80% of total household energy consumption in Europe, a relatively cold region, is for space and water heaters, and there is an ongoing shift of these products from conventional combustion-heat source equipment to heat-pump heating, which emits less CO₂. That being said, heat-pump heaters still account for only a small percentage of the European heating market. Having used combustion-type heating for so many years, Europeans are still unfamiliar with heat-pump heating and have a low awareness of its heating capacity, durability, and after-sales service

system. These factors make people hesitant to change how they heat their homes.

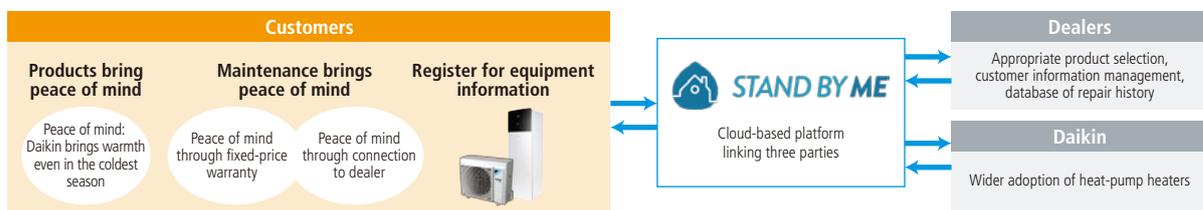
To help raise awareness, in 2017 we developed a cloud-based platform that links the three parties of customers, dealers, and Daikin, with the goal of putting customers at ease about using heat-pump heating. We call this service Stand By Me (SBM) to symbolize that Daikin is always by your side to assist with heating needs.

DAIKIN'S PERFORMANCE

Eliminate Customers' Concerns and Help Dealers' Work Efficiently

To eliminate the biggest concern about heat-pump heaters—whether they can warm a house at extremely cold times—we developed an online tool for dealers called Heat Solution Navigator, which allows them to select a heating product for customers that provides

Stand By Me: Linking Customers, Dealers, and Daikin





sufficient warmth for a particular region and even for the coldest times of the year. In addition to aiding product selection, Heat Solution Navigator eases the burden on dealers by, for example, simplifying calculation of energy consumption depending on where the product is installed.

In Europe, great importance is placed on heating equipment after-sales service. With this in mind, Daikin links customers and dealers by having equipment registered under the SBM service. Customers are provided with an eight year extended warranty and a maintenance contract on the SBM portal site, and they can even settle accounts online. The service will soon include listings online of the available times of maintenance staff and prices they charge, and a system for customers to request when they want staff to make maintenance visits. Our goal is to have maintenance staff visit customers within eight hours of the request, another way we are providing peace of mind through this service.

Furthermore, dealers who customers have a maintenance contract with can conduct this maintenance based on the customer information stored in the SBM database, thus streamlining work processes. Dealers get the ability to read repair history and order the appropriate service parts for customers, while customers get the peace of mind that comes from knowing their servicing needs will be met.

Dealers Satisfied with How SBM Enhances Relationships with Customers

As of May 2018, there were approximately 30,000 units of heating equipment registered under the SBM service in Europe.

A survey of dealers in Spain showed high ratings for SBM in terms of reducing workload, supporting sales, and enabling long-term customer relationships, with more than 67% of respondents saying that they were either "extremely satisfied" and 50% saying "satisfied" with these aspects.

Stakeholder's Comment

Wide-Ranging Information Provision Enables Efficient Work Processes

Under SBM, Daikin provides us with comprehensive information on all heating equipment installed at customer locations, such as warranty period and the maintenance and repair situations. This has dramatically streamlined our work processes.

In addition, Daikin has gone out of its way to make the interface intuitive and easy to operate.



Mr. Luis José García
Reparaciones Técnicas del Hogar S L (Daikin Dealer)

NEXT CHALLENGE

Contribute to Overall Reduction of CO₂ Emissions in Society while Bringing Customers and Dealers Greater Satisfaction

In October 2018, Daikin will offer improved after-sales service support for dealers with the addition of a remote monitoring function to SBM. This will make it possible to confirm equipment's operational state over the Internet, without having to visit the actual site, with the information gathered useful for diagnosing problems and predicting breakdowns. In addition, through a platform linking customers, Daikin, and its formidable dealer network, all three parties can benefit as products registered under SBM expand beyond heating equipment to include air conditioners as well.

We will continue to promote the adoption of heat-pump heaters so that we can bring greater satisfaction to customers and dealers while helping realize a decarbonized society.