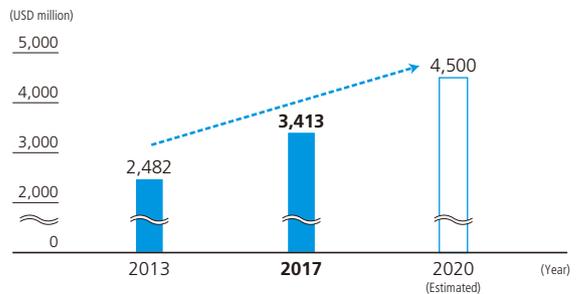


## Why is it important?

### For a Company to Grow Sustainably, Its Employees Must Grow

The U.S. is the world's largest air conditioning market and the birthplace of air conditioning. Recently, there has been increasing demands for energy-efficient and environmentally conscious air conditioners. In response, Daikin is pursuing innovation that will allow us to progress with society. To this end it is crucial that we hire high-quality human resources in all fields and foster them over the long term.

### Sales of Goodman Global Group, Inc.



## Feature

# Human Resource Development in the U.S.— Growing with Local Communities

## DAIKIN'S APPROACH

### Daikin Group's Largest Plant Opens, Embarks on New Initiatives in Human Resource Development

In 2012, Daikin acquired Goodman Global Group, Inc., the company with the largest share of the North American residential air conditioner market. This marked our full-fledged entry into the U.S., the world's largest air conditioning market. Since then, we have continued to increase sales.

In May 2017, we opened Daikin Texas Technology Park (DTTP), the largest production facility in the Daikin Group, in Waller, Texas, just outside Houston. Daikin invested approximately 450 million dollars in the 2-million-square-meter site, which comprises four existing Goodman factories and a distribution base. DTTP manufactures a range of products including commercial and residential air conditioners and heating

equipment for the U.S. market. Besides consolidating various departments for smoother in-house coordination, DTTP has a new R&D center that boosts our ability to develop products locally.

DTTP will continue to value Goodman's corporate culture while at the same time implementing people-centered management, which is based on Our Group Philosophy that "the cumulative growth of all Group members serves as the foundation for the Group's development." We will strive to create an environment in which each and every employee can enjoy rewarding work and use their strengths to the fullest.

## DAIKIN'S PERFORMANCE

### People-Centered Management Takes Hold in the U.S.

Upon opening of DTTP, the production division established a training center, called a "Dojo," where



Birds-eye view of DTTP



Training in the Dojo



employees systematically learn technologies and skills. At the training center, all employees, including dispatch workers, are shown what skills they should acquire to advance their careers. This gives everyone an equal opportunity to prove themselves anywhere in the world in the future. As a result of efforts like this, employees have been able to plan concrete, long-term careers, set goals, and enjoy rewarding work. DTTP has also raised the skill level of its employees, as shown by the results of the fiscal 2017 Global Skills Competition\*, where the company turned out some of the top finishers. Human resources growth has also led to product quality improvements in the form of a decrease in the defect rate.

In order to come up with innovations by balancing business growth with environmental efforts in the U.S. market, human resource development is crucial in not just the production division but in all company divisions, including product development, marketing, sales, and after sales service. In addition to on-the-job training (OJT), we have introduced a training management system for company-wide training called Compass that gives employees opportunities to study both online and in the classroom with others. In fiscal 2017, our educational programs offered approximately 3,000 courses in areas such as leadership and IT.

As we have proceeded with these efforts, people-centered management is starting to take firm root at DTTP, as shown by comments from managers, such as “our entire organization is encouraging new challenges and we are building a corporate culture that values this” and “I now understand the importance of raising motivation.”

As of the end of March 2018, DTTP had hired approximately 5,000 employees and it is striving to create an environment conducive to improving the quality of work and to promote inter-departmental coordination. DTTP is looking to increase the number of employees to 7,000 as it expands business in the U.S.

\* A global competition among production base employees that aims to ultimately boost skill levels of workers in manufacturing processes.

### Stakeholder's Comment

#### We Expect Daikin to Contribute to Regional Development as a Good Corporate Citizen

Daikin has brought a breeze of fresh air to our community. I am grateful for not only the positive economic effect that the company has had through job creation, but also for how it has aggressively boosted the capabilities our local human resources and given residents hopes and dreams. I look forward to continuing to strengthen our partnership with Daikin—a company indispensable to regional growth.



**Mr. Danny Marburger**  
Mayor, Waller, Texas

### NEXT CHALLENGE

#### Human Resource Development in the U.S. Will Lead to Higher Quality of Human Resources Worldwide

A company's sustainable growth is tied closely to its hiring practices and human resource development. Daikin will continue to create jobs and develop human resources in the U.S. contributing to the country and communities.

We also believe that aggressively developing human resources in the U.S. will lead to a higher level of human resources and skills throughout the entire Daikin Group. By having well trained human resources create and provide the world with new products and services, we can contribute to higher quality lifestyles and achieve sustainable growth together with society.