Customer Satisfaction

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Policy

Providing Peace of Mind and Reliability through a Focus on Customer Orientation, Experience, Performance, and Advanced Technologies

Targets of CSR Action Plan 2020

Developing business in more than 150 countries throughout the world, Daikin provides customers with the highest degree of satisfaction by ensuring a high level of quality through efforts to provide products and services meeting local needs. We regularly listen to customer feedback from around the world and utilize this feedback in product development in a continued pursuit of customer satisfaction throughout the product life cycle.

Fiscal 2018 Achievements

We measured how much we improved after-sales service customer satisfaction compared to the base year.

Customer Satisfaction (when base year is 1.00)
Japan (compared to fiscal 2015): Singapore (compared to fiscal 2015):

1.13 1.00

Indonesia (compared to fiscal 2017): India (compared to fiscal 2016):

1.03 1.09

Spain (compared to fiscal 2016):

1.15
**Product Quality and Safety**

We believe that it is a manufacturer's mission to provide society with safe, high-quality products and services.

**Customer Satisfaction**

We listen to customers' opinions and requests so that we can anticipate their needs and bring them greater satisfaction.

**Protecting Customer Information**

We manage and use personal information about customers in an appropriate manner.

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**Related Information**

- **Key Activities of Fiscal 2018: Customer Satisfaction—Global Product Development Structure to Quickly Address Various Regional Needs** (Page 468)
Quality Policy

Providing Safe, High-Quality Products and Services

With this in mind, Daikin strives to stay ahead of customer needs by providing high-quality products and services based on its corporate policies of "Absolute Credibility," "Enterprising Management," and "Harmonious Personal Relations."

With a quality management system in place, we ensure that our products are of the highest levels of safety and quality in all processes: from design and manufacture to sales and after-sales service.

Quality Policy in the Divisions

Air conditioning divisions: "Provide high-quality products through relentless improvement activities."
Service divisions: "Achieve the highest level of service quality (in speed, accuracy, and politeness)."
Chemicals divisions: "Provide quality that sells and that satisfies customers’ demands."
Product Quality Management Structure

Thorough Management in Development, Procurement, and Production

All major manufacturing bases in Daikin are ISO 9001-compliant and have quality management systems conforming to this international standard. Company divisions maintain high levels of product quality and ensure proper management of each department, such as development, parts procurement, and production. We are also improving quality at our contract manufacturers.

In all aspects of the quality management system, each division continuously carries out internal audits, assesses the operational system, and carries out the PDCA cycle's do, check, and act steps. Furthermore, every year each division sets key quality measures and targets based on the Group’s new year policy and then plans and executes a fiscal year plan based on these measures and targets.

In fiscal 2018, the air conditioning divisions set a goal of achieving a 95% customer trust rate for 10 years after purchase in 2020. To this end, they strove to provide customers with quality they can trust by, for example, conducting continuous operation tests simulating actual environments. This will ensure greater reliability even as customer needs and usage situations become increasingly diverse.

In the chemicals divisions, numerous efforts were carried out: total inspections were conducted and defects were eliminated as measures to deal with source problems to prevent faulty products from going to market, revisions were made to the scope of production control; and all data was integrated from material for production to final product in order to detect erroneous figures. As a result of these efforts, at Daikin America, Inc., for example, there was a 38% drop in quality-based claims, and the company was able to lower the defect rate, resulting in a 21.2% decrease year-on-year in the value of inventory remaining due to quality reasons.
Quality Control System

- President
- Officer in charge of quality
- Quality Improvement Committee
- Division manager for quality
- Overseas Regional General Manager

Quality Assurance Process

1. Investigation of cause
2. Provide information
3. Processing, countermeasures
4. Quality assurance departments

Measurement, Analysis, Improvement
Correct and constantly improve problems and issues discovered during internal audits.

Development
To improve the efficiency of development, members of production, purchasing, quality control, sales, service, and distribution join the design team in carrying out a design preview.

Raw Material and Parts Procurement
Emphasis is placed on audits of, and guidance for, suppliers. Results of inspection of goods purchased are fed back to suppliers, leading to quality improvement.

Production
Detailed checks are carried out to ensure that production plans have been met and that planned level of quality is attained.

Customer needs
Various regulations; Examples of past defects

Defect information is fed back so that preventative and corrective measures can be implemented.

Market information
Quality information on customers' use of the product

Sales
Improving Quality

Only Those Products That Pass Our Strict Design Review for Product Safety Are Manufactured

The air conditioning divisions have reformed their development process with a stricter, more segmented design review* under which the personnel in charge of the development divisions inspect the proposed products for conformity to Daikin standards using the four criteria of an individual design review (DR): product quality, monotsukuri (the art of manufacturing), cost-effectiveness, and compliance. The same design review is conducted at Daikin’s overseas bases.

In the chemicals divisions, we have been conducting reviews based on a four-level management system consisting of development theme verification, technology establishment, business-viability establishment, and mass-productivity. As key review standards, in addition to the four criteria of product quality, monotsukuri (the art of manufacturing), cost-effectiveness, and compliance, we focus on safety and environmental consciousness. Because we were not able to get evaluations from customers and the industry with regards to criteria in the stage of business-viability establishment, since fiscal 2015 we have increased the number of inspections we do to strengthen design review functionality.

* Design review: A system of coordinated activities covering design quality of products under development and the various processes involved in bringing these products to fruition. The products in question are objectively assessed and improvement suggestions are made, and only those products that pass each stage can move onto the next.
Example of Quality Improvement in Development: Forced Fire Test Conducted in Combustion Test Room

During the development stage, actual products are used to ensure that even if an accident occurs due to a faulty product the problem does not spread beyond the product itself.

**Forced fire test conducted in a combustion test room**

A fire is set on purpose by igniting a point, such as solid fuel or nichrome wire, in a part where risk of fire exists (such as inside the product casing). This is to ensure fire does not spread beyond the product.

Example of Quality Improvement in Development: Global Product Structural Audit

Every two years, Daikin holds a meeting of the Global Product Structural Audit. With participation by quality control managers from production bases, the goal of this meeting is to share know-how and bring together those working on the front lines of quality so as to ensure that Daikin’s product structural auditing is conducted at the highest possible level worldwide.

At a Global Product Structural Audit activity
Tracking Customer Information and Product Information

We have two global systems for gathering information—on customers and products—from markets around the world. The information is used to solve problems at each base and thus create better products.

System for Sharing Information to Solve Problems

Establishing Protocol for Promptly Handling Product Accidents

Daikin products are designed based on quality standards and design standards that ensure that, even if users err in operating the machinery or use it beyond recommended limits, there is no danger for the users; and even if there is a product accident, the danger to the user is minimized.

In case of a product accident, we have systems in place that allow us to quickly relay the necessary information and handle the problem, and minimize the impact on the product users and the general public.

In fiscal 2018, we systematized the provision and management of product accident information in order to accelerate information provision and strengthen the follow-up system. Behind this effort is the increasing speed at which information proliferates on the Internet: we believe that we must respond ever more quickly to product accidents to minimize any negative effects these may have on our customers and society as a whole.

We strive to prevent major product accidents from occurring. When the cause of a minor product accident is discovered, we examine it to determine whether this could also lead to a major accident. The information we gather is reflected into the development of future products.

In fiscal 2018, there were no cases of product recall.

Related information

Important Announcements (available in Japanese only) (https://www.daikin.co.jp/taisetsu/)

Working Closely with Suppliers

Refer to "Raising Product Quality and Ensuring Safety Together with Suppliers" (Working Closely with Suppliers) (Page 363)
Policy on Product Safety

Product Safety Voluntary Action Guidelines

The Daikin Group (hereinafter, "the Group") believes that its most important management task is to provide products that satisfy customers from the standpoint of our customer when designing and making products that have a high level of safety and quality. To this end, we have formulated the following basic policies on product safety in efforts to provide ever-greater levels of safety and quality in products.

1. **Legal Compliance**
   The Group shall observe the Consumer Product Safety Act and other product-related laws and safety standards.

2. **Ensuring Product Safety**
   The Group shall establish a quality management system and execute measures to maintain product safety in all processes extending from product design to production, sales, and after sales service. And the Group shall display appropriate, easy-to-understand instructions and warnings on products and in instruction manuals to ensure the safe use of our products by our customers.

3. **Collecting and Providing Product Accident Information**
   The Group shall actively collect information from our customers concerning accidents involving Daikin products and quickly report this information to our executive management while providing customers with suitable information.

4. **Immediate and Appropriate Response to Product Accidents**
   In the unlikely event of a safety problem occurring in the use our product, our first and primary concern shall be for the safety of our customers, and we shall take immediate actions to minimize and prevent the occurrence of a serious accident. Actions to be taken immediately shall include repairing or replacing the product in question, publicizing the problem through the appropriate media, and submitting a statutory report on the problem to the relevant authorities. All relevant people outside the company, including sales company personnel, will be informed of the situation.

5. **Product Safety Promotion**
   The Group shall establish a quality assurance system that it uses to ensure product safety and quality. We shall ascertain information related to the safety and quality in the marketplace and provide accurate feedback to personnel within our company in order to reflect it into future product design and manufacture.

6. **Education, Training, and Monitoring**
   The Group shall constantly make every effort to promote the safety and quality of our product through widespread education and training within the company in laws and regulations on product safety. We also shall regularly monitor work to ensure product safety is being achieved.

(Formulated in June 2007)
Global Product Safety Standards

We have formulated our Global Product Safety Standards to ensure products are designed for the utmost safety by having standards common to all Daikin worldwide bases. The goal is to make sure that products can be operated safely and that damage is limited to the absolute minimum in case of a product accident—whether the customer is using the product correctly or incorrectly.

These safety standards set common rules for the global Daikin Group regarding things like fire, electrical shock, and explosion, and stipulate two layers of safety in the design: design that will prevent accidents from occurring, and design that will minimize damage should an accident occur.
Efforts to Ensure Safety

Clear and Concise Product Use Instructions

The Consumer Product Safety Act obligates companies to design products for safety and provide consumers with information and warnings so that household product accidents can be avoided.

Based on the failsafe philosophy, Daikin’s system of checks ensures that customer safety is the top priority in design and that design review (DR) leads to safe products.

Our website also provides consumers with information including the model number and production year of products already on the market. In April 2009, the Ministerial Ordinance of technical standards for the Electrical Appliance and Material Safety Law went into effect. We abide by this ordinance by placing labels on our residential air conditioners and ventilation fans (which are covered by this law) that state the duration of product use.

* Failsafe: Checks and measures are in place to ensure safety in case of a breakdown of mechanisms or systems.

User Manuals Available Online

In Japan, about one-third of the product accidents are the result of improper product operation. We therefore strive to provide customers with accurate, easy-to-understand operating instructions so that they can use our products safely.

The air conditioning divisions conduct product labeling in compliance with industry guidelines, such as the Guidelines for Labeling Household Products for Safe Use (5th edition, revised October 2015), published by the Association for Electric Home Appliances, and the Revisions Labeling Procedures (March 2010), published by the Japan Refrigeration and Air Conditioning Industry Association.

When we make product user manuals, we make sure they are readable, easy to understand, and easily searchable. This ensures that customers can use products with peace of mind. We work with our design, quality control, service, and sales departments to improve areas of customer confusion in order to make manuals with which customers can get the answers they need quickly.

For the installation product user manual of commercial air conditioners developed in fiscal 2014, we changed the page size from A1 to A4 to make the text easier to read. For wired remote controllers launched in April 2017, users can easily download the manual from our website by smartphone or computer.
Basic Policy

Daikin measures the degree to which customers are satisfied with after-sales services and utilizes this information to improve customer satisfaction. We are engaged in enhancing service engineer technical capabilities and improving the level of support for customers under a basic policy aimed at “the ultimate in quality service through speed, accuracy, and good manners” in the service divisions responsible for maintenance and other services.

The Daikin group philosophy states that our mission is to identify and realize our customers’ future needs and dreams, even those that they themselves may not yet be aware of. By providing high quality products, materials, and service, as well as proactively proposing new products, we want to not only improve convenience and comfort for customers, but also increase the level of customer satisfaction.
Increasing Satisfaction with Services

Building a Worldwide Customer Service System

At Daikin, we aim to enhance the comfort and convenience of customers; thereby increasing their satisfaction by taking the initiative to make proposals and follow up in addition to continually enhancing the skills of our engineers and level of dedication to provide high quality products and services.

For customers in Japan, the Daikin Contact Center is open 24 hours a day, every day of the year for general inquiries from addressing repair requests to providing information and advice on air conditioners from purchasing to technical consultations.

Having established Contact Centers overseas, we are building up our after-sales service system so that customers can get the service they need according to the situation in their particular country or region based on Daikin’s slogan of “speed, accuracy, and good manners.” In fiscal 2018, we revamped existing customer service center in China. In addition to its existing role of addressing repair issues, it has been structured as a one-stop service point for general inquiries where customers can get professional advice about model selection as well as usage proposals.

Contact Center (UK)  Customer Service Center (China)
Understanding Service Satisfaction

At Daikin, we attempt to understand the degree of service satisfaction using the degree to which customer satisfaction with after-sales service has improved compared to fiscal 2015 as a benchmark.

Customer Satisfaction*

<table>
<thead>
<tr>
<th>(Base year)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan (FY2015)</td>
<td>1.00</td>
<td>1.07</td>
<td>1.11</td>
<td>1.13</td>
</tr>
<tr>
<td>Singapore (FY2015)</td>
<td>1.00</td>
<td>1.01</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Indonesia (FY2017)</td>
<td>-</td>
<td>-</td>
<td>1.00</td>
<td>1.03</td>
</tr>
<tr>
<td>India (FY2016)</td>
<td>-</td>
<td>1.00</td>
<td>1.06</td>
<td>1.09</td>
</tr>
<tr>
<td>Spain (FY2016)</td>
<td>-</td>
<td>1.00</td>
<td>1.21</td>
<td>1.15</td>
</tr>
</tbody>
</table>

* Satisfaction of after-sales services, regarding the base year as 1.00

In Japan, we conduct fureai surveys after-sales service has been completed to assess customer support with aim of improving customer service within after-sales services. In fiscal 2018, services received an overall customer satisfaction score of 4.56 out of a total 5.0 points, the highest score to date. We believe this result reflects our education and training in such areas as "enhancing technical capabilities" and "improving our response to customers" as well as priority measures including "speed from reception to completion" and "repairs completed in one visit."

Overall Satisfaction

(Customer satisfaction: Weighted average of 5-stage assessment)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>4.10</td>
<td>4.05</td>
<td>4.34</td>
<td>4.49</td>
<td>4.56</td>
</tr>
<tr>
<td>4</td>
<td></td>
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<td></td>
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<td></td>
</tr>
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<td>3</td>
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<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Results of responses online as well as on postcard-sized surveys that are sent to a random sampling of customers one or two weeks after they receive servicing. Weighted average on a scale of 5.
Establishing Systematic Knowledge and Skills Education Necessary for Improving Service Quality

Service engineers’ individual technical expertise is crucial to providing quality service. In addition to basic training on air conditioning service quality for service engineers, we conduct a variety of training for each management level and job description and provide education necessary for acquiring certification.

In Japan, we hold workshops and giving technical assessment tests to all service engineers. Our rule is that service engineers must be certified with a minimum level of skill before they can do repair work alone.

To further improve their abilities, we hold high-level training for chief engineers. So far, a cumulative total of 1,800 people have passed the certification test for chief engineers.

We are striving to provide training and education that raises skill levels and produces service engineers who can carry out precise, appropriate work while ensuring their safety on the job, thus meeting customer demands in terms of technologies and skills.

Overseas, we also introduced service engineer certification systems and educational programs among other efforts to promote systematic regional unification, launching programs in China in 2016 and in ASEAN and Oceania in 2017. Further, we have also introduced these programs in Europe.

We dispatch service experts from Japan to each country to conduct brazing instruction, diagnose failures and provide technical guidance on repairs for key personnel to improve service quality. We provide a foundation and support enabling key personnel to continue developing these efforts in their own country.

In fiscal 2017, six service experts from Japan were dispatched to Hong Kong, Malaysia, the Philippines, Indonesia and France to conduct 10 training sessions over 30 days to 50 service engineers.

### Case Study: Service Olympics

After holding the first Service Olympics in 2016 at which 28 service engineers from overseas companies in 20 countries were selected to compete, in 2017 the first skills contests where participants competed on repair technology and customer support service quality were held in China, Asian countries and France.

Further, in fiscal 2018 we hosted skills contests in Italy, which was attended by 10 engineers. The first regional competition was held in the ASEAN/Oceania region, with 21 engineers representing 11 countries in the event. In 2019, we are planning to host a regional competition for Europe.

Going forward, we will provide an environment in which employees and engineers in each country and region are able to improve through competition.

### Case Study: Service University and Service Awards

For service engineers in Japan, in the four-year-long "Service University" training program, just like in university, participants can choose the courses right for their job. They also have regular tests to ensure they are retaining what they have learned.

Also, at service bases across Japan, teams are created that compete against each other in the annual Service Awards tournament. There, teams are quantitatively judged and awarded for their level of service in areas such as speed, accuracy, and good manners. This makes for a fun and rewarding way for service bases to raise our ability to offer customer satisfaction.
Developing Educational Programs to Improve Installation Quality

Quality of installation work is also an important aspect of customer satisfaction when using air conditioning. Daikin Industries, Ltd., has six training centers around Japan where we hold a variety of courses so that distributors can learn design, installation, and service techniques. We develop training programs to improve the installation and service skills of Daikin engineers as well as dealers.

With the goal of offering customers service that is practical and easy to understand, and offering this service in a pleasant manner, the centers use the latest products, videos, and other instructional tools to provide training that simulates actual working conditions and situations. To foster technicians at dealers in extremely cold climate regions, where demand is growing rapidly, we opened up Daikin Training Center Tohoku and Daikin Training Center Sapporo, where we hold hands-on training in areas such as air conditioner installation and servicing.

The training includes specialized courses geared to the particular desires of participants from the dealers and repair outlets. There is systematic step-up training to improve trainees' levels, solution training that helps dealers meet their diversifying needs, solution seminars aimed at improving customer satisfaction, and certification/preparatory classes. There is a total of 53 courses. In fiscal 2018, we revised the content of the lecture "Air Conditioner for Beginners" targeting first time dealers. In addition, we hosted a lecture onsite in Okinawa in response to a request for training.

There are five environment-related solution training courses that deepen participants' understanding of the importance of environmental protection. Trainees in these courses receive eco-booklets, which contain general knowledge on global warming and ozone layer destruction, handling fluorocarbons, and steps to mitigating global warming. These issues are expanded on in the courses.

Another way in which we strive to raise customer satisfaction and ensure safety among Daikin workers is to continue to offer more and improved training; for example, seminars for new employees at group companies in Japan and skills training for dealers of overseas group companies.

In this fiscal year, we collaborated with the Air Conditioning Sales Division in hosting the "Daikin's Updated Lecture on Fluorocarbon Handling" targeting dealers with certification for refrigerant destruction. We have enhanced our PR activities aimed at raising environmental awareness.

Skills training for distributors

eco-booklet
Understanding and Reflecting Customer Needs

Stepping Up Worldwide Marketing Research

With the Daikin Group rapidly accelerating business expansion around the world, it is important that we raise customer satisfaction by accurately and promptly grasping customer needs in each world region and reflecting these in our products. To this end, we are switching from an air conditioner development system centered in Japan to a decentralized one in which regional bases conduct product development and research, and we are stepping up our worldwide market research. Since opening R&D centers in China and Europe, we have been gradually stepping up development functions at bases in Asia, Oceania, and North America.

In China, we have been developing products to meet customer needs and lifestyles; for example, air conditioners that filter PM2.5, a major problem in China, indoor units especially for kitchens that filter strong oily smoke, and indoor units for bathrooms with improved dehumidifying and drying functions.

In North America, we established an R&D Center and in fiscal 2017, we opened the Daikin Open Innovation Lab Silicon Valley. In addition to creating product differentiation combining the technologies (inverters, multi-units, refrigerants, etc.) comprising Daikin’s strengths to air conditioning products unique to North America, we are planning to promote new value utilizing advanced AI and IoT technologies in North America.

Related information

- Key Activities of Fiscal 2018: Customer Satisfaction—Global Product Development Structure to Quickly Address Various Regional Needs (Page 468)

Utilization of Daikin Solutions Plaza

Daikin aims to propose optimal solutions that make customer lifestyles more comfortable. To anticipate future customer desires amid increasingly diverse lifestyles, we believe it is essential that products designers and engineers deepen communications with customers to get a direct sense of their needs. At our Solutions Plaza facilities located in Tokyo, Osaka, Shanghai, New York, Istanbul in Turkey, and throughout the world, we consult with customers while they are browsing actual products and energy management systems.

Daikin Solutions Plaza Fuha Osaka
Customer Inquiries Used in Improving Products and Developing New Ones

Requests, complaints, and other information obtained by the Contact Centers is recorded in a database. Information regarding the opinions and requests that sales representatives obtain from customers is shared among the Quality Division and relevant departments, who investigate causes and establish countermeasures to improve products and after-sales services.

### Number of Inquiries to the Contact Center (Japan)

<table>
<thead>
<tr>
<th>Year</th>
<th>Repair inquiries</th>
<th>Technical advice</th>
<th>Parts inquiries</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1,776</td>
<td>318</td>
<td>699</td>
<td>715</td>
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<tr>
<td>2015</td>
<td>1,770</td>
<td>48</td>
<td>674</td>
<td>736</td>
</tr>
<tr>
<td>2016</td>
<td>1,856</td>
<td>312</td>
<td>723</td>
<td>771</td>
</tr>
<tr>
<td>2017</td>
<td>1,874</td>
<td>323</td>
<td>796</td>
<td>765</td>
</tr>
<tr>
<td>2018</td>
<td>1,918</td>
<td>393</td>
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<td>799</td>
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### Number of Inquiries to the Contact Center (China)

<table>
<thead>
<tr>
<th>Year</th>
<th>Repair inquiries</th>
<th>Technical advice</th>
<th>Parts inquiries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>655</td>
<td>59</td>
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</tr>
<tr>
<td>2018</td>
<td>962</td>
<td>139</td>
<td>815</td>
</tr>
</tbody>
</table>

Survey Results Go toward Improving Products and Services

Each division conducts customer surveys to enhance customer satisfaction.

In order to determine customer needs and levels of satisfaction, we gather opinions on products on the Daikin website. We also gather information by questioning customers visiting volume retail outlets, and by having Daikin air purifier users be product monitors. For residential air conditioners, we use a research company to regularly conduct awareness surveys among purchasers to research trends in brand image and changes in awareness.

We utilize customer opinions in the development of new products.
Gathering Customer Feedback for Use in Products Development

Products Reflecting Customer Feedback: risora

In fiscal 2017, in response to requests for stylish air conditioners from customers who "want to remodel their home to become more fashionable but don't know what to about the air conditioner," we developed risora residential air conditioner offering designs that pursue harmony with interior design and offer the latest features. With a body only 185mm thick, this model pursues comfort of space and is equipped with the latest features, including vertical airflow, ceiling airflow and premium dehumidification, features culminated in the Urusara 7 energy-efficient air conditioner. In fiscal 2018, we added the option of customizable coatings of the front panel with a selection of 600 colors available in order to coordinate with the diversified interior designs. The risora residential air conditioner design and functionality have gained a strong reputation in Japan and overseas, winning the fiscal 2017 Good Design Award and the international design award iF Design Award 2018.

![risora, which balances design and functionality](image)

Products Reflecting Customer Feedback: cocotas

The cocotas multi-cassette-type air conditioner for small spaces that went on sale in fiscal 2017 is for small spaces such as washrooms, kitchens and study rooms that have no air conditioning, a product born from customer comments (dissatisfaction) about having to put up with heat or cold in the past. This is an air conditioner for small spaces in response to customer feedback including "I lose my appetite when frying food in the hot kitchen" and "I get sweaty when using the hair dryer in the bathroom after getting out of a hot bath."

The cocotas was selected for the Good Design Best 100 in the Good Design Awards. Even after sales, we enhance after-marketing with feedback from dealers and contractors on product usage and are anticipating future needs by looking at recent housing information.
**Products Reflecting Customer Feedback: Karaie**

In fiscal 2018, we launched Karaie, which dehumidifies homes without manual draining, in response to customers who worry about the interior humidity while they are away from home for an extended time for the Japanese market.

![Karaie which addresses dehumidification needs at home](image)

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**Products Reflecting Customer Feedback: Intuitive Remote Control Units That Are Easy for Seniors and Foreign Visitors in Japan to Operate**

Commercial air conditioners used in offices, shops and hotels are advancing with a variety of features that consider comfort, energy-saving and convenience. At the same time, remote controls are becoming more complicated, making them difficult to understand by seniors and foreign visitors to Japan, two groups that have been on the rise in recent years, resulting in an inability to use the air conditioner in the way they expect.

The intuitive remote control used for the FIVE STAR ZEAS series of air conditioners for stores and offices released in April 2017 have a limited number of buttons and the LCD display can be changed to make operation easier for the user. In addition, the display languages include Japanese, English, and for the first time, Chinese, as well as pictograms for those who speak other languages. In addition to the FIVE STAR ZEAS series, the remote controls can be used with multi-split type air conditioners for commercial buildings, realizing intuitive remote control operation easy for anyone to understand in a wider range of settings.
Universal Design in Product Development

Developing Products That Anyone Can Use Easily

The Daikin Group incorporates universal design (UD) into product development to enable even the elderly and physically disabled to operate products with ease.

Daikin Industries, Ltd. constantly strives to ensure that UD takes into account the needs of users by developing products with the realization that UD and monotsukuri are one and the same.

Example of Universal Design

Guidelines for Universal Design of Smartphone Software

In December 2012, Daikin Industries, Ltd. began providing an application, Daikin Smart APP, that allows users to control air conditioning using a smartphone. The application allows control not just from within the room; users can also easily check air conditioner operation, turn it on or off, and switch modes from an outside location.

We also created universal design guidelines to ensure applications were easy and stress-free for anyone to use. Through a usability test, we sought the optimal button size and layout for preventing operation errors.

In April 2014, we made available for download the Daikin Home Controller APP, which allows control of air conditioners, the Eco-Cute (a gas water heater), floor heating, and other home appliances from a smartphone or mobile information terminal.

Related information

- Daikin Smart APP, Daikin Home Controller APP (available in Japanese only) (https://www.daikinaircon.com/app/)
Chemicals Division Initiatives

The Chemicals Division has identified “improvement of quality,” “stable supply,” “cost,” and “response to needs (development of new products)” as the main points to increase customer satisfaction, and aims to gain greater trust and satisfaction from customers by continually assessing information regarding the level of customer satisfaction and making improvements accordingly.

Product Study Sessions and Various Exchange Gatherings

While the fluorochemical products produced by the Chemicals Division are highly advanced and highly functional materials, molding/processing them can sometimes require specialized methods. Not only do representatives of the Technical Service Department visit our customers to explain about our products, but we also conduct customer-oriented training seminars, titled “the Fluorine Classroom,” to explain about the special properties of fluorne materials, and we hold product study sessions to guide them on the molding/processing methods using the facilities and equipment available to the company.

In fiscal 2018, we held four Fluorine Classroom sessions covering plastics, rubber, and paint.

In addition, we have vastly increased the amount of product information on our website in efforts to share more about the features and safety of our products. Inquiries from customers via our website are handled by sales representatives, who share the details of these inquiries with Daikin divisions related to technical service, research and development, quality assurance, and environment and safety.

Sharing Broad Knowledge about Product Features and Their Target Fields, Etc.

The sales representatives of the Chemicals Division need to listen to researchers and product developers, who are Daikin customers, about the product functions they seek and offer them the ideal products for their needs. In order to optimize product functions in accordance with the circumstances of these customers, it is essential to have diverse knowledge of such things as processing methods, amount of additives, and temperatures.

For this purpose, once a month the Chemicals Division holds meetings that integrate business, research, and manufacturing, sales performance announcement meetings, and training sessions. The goal is to share not only business information, but also knowledge regarding products, related laws and patent information. By giving concrete examples of product applications and use, as well as relaying customer needs, these meetings aid in the development of new products and applications. They also give sales staff a deeper understanding of product features so that they can provide customers with new solutions.

In fiscal 2018, meetings were held on topics including trade control, trademarks and utilization of AI.

The Division also makes use of the “Fluorine Classroom” customer education program as an opportunity for personnel to educate themselves and deepen their knowledge.

The Chemicals Division will continue to train personnel so that they acquire a deep knowledge on the use fluorine in various business situations.
Related information

- Fluorochemicals website (available in Japanese only) [](https://www.daikinchemicals.com/jp.html)
Protecting Customer Information

Personal Information Managers and Thorough Employee Education

To properly protect the range of customer information entrusted to us, Daikin has a Personal Information Protection Policy, as well as various in-house rules for information protection. For example, in the Daikin Group in Japan, personal information managers and others in each division follow these in-house rules in leading employees in the strict protection of personal information. Since 2005, we have striven to strengthen information management through annual conferences of personal information managers, who make every effort to reduce risk related to confidential information and personal information.

particularly in divisions that handle repair information data on customers on a daily basis, we do everything possible to keep this information secure. To continually monitor and improve on our information security system, employees conduct their own self assessments, the legal department conducts legal audits, and the Internal Auditing Department conducts audits.

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