## Key Activities

**List of Fiscal 2018 Key Activities**

**Environment:**
- Promoting the Spread of Energy Efficient Technology through Dialogue and Collaboration with Governments and International Agencies

**New Value Creation:**
- Creating Air Environments for Increasing Intellectual Productivity with Air Conditioning Solutions Using IoT and AI

**Customer Satisfaction:**
- Global Product Development Structure to Quickly Address Various Regional Needs

**Human Resources:**
- Developing Human Resources to Promote the Spread of Air Conditioners in the Rapidly Growing Market of Vietnam
**Environment**

**Promoting the Spread of Energy Efficient Technology through Dialogue and Collaboration with Governments and International Agencies**

> **Why is it important?**
> Concerns over Rising Environmental Impacts from Sharply Increasing Demand in Emerging Countries

> **DAIKIN’S APPROACH**
> - Promoting the Spread of Energy Efficient Air Conditioners by Creating Energy Efficiency Standards

> **DAIKIN’S PERFORMANCE**
> - Expanding Initiatives to Mexico and Brazil
> - Confirming the Right Direction through Dialogue with International Agencies

> **NEXT CHALLENGE**
> - Creating a World Where People in Need Benefit from Air Conditioning and Environmental Impacts Are Controlled
Creating Air Environments for Increasing Intellectual Productivity with Air Conditioning Solutions Using IoT and AI

Why is it important?
Pursuing Value-Added Air for Further Boosting Intellectual Productivity

DAIKIN’S APPROACH
- Promoting Open Innovation in Pursuit of the Limitless Possibilities of Air

DAIKIN’S PERFORMANCE
- Testing a Balance between Increased Intellectual Productivity and Comfort with Effective Temperature Stimulus

NEXT CHALLENGE
- Aiming for New Value Creation in Air for More Active Living
Customer Satisfaction

Global Product Development Structure to Quickly Address Various Regional Needs

Why is it important?
Air Conditioning Needs Largely Differ by Region

DAIKIN’S APPROACH
- Supplying Localized Products at the Right Prices Using Base Models and Localized Development

DAIKIN’S PERFORMANCE
- Commercialization Speed Greatly Increased after the India R&D Center Established
- Local Development Base Able to Meticulously Meet Local Needs

NEXT CHALLENGE
- Speeding Up Product Development by Harnessing Technologies from Around the World across the Daikin Group
Developing Human Resources to Promote the Spread of Air Conditioners in the Rapidly Growing Market of Vietnam

Why is it important?
Key to Cultivate Engineers and Technicians Locally as the Market for Air Conditioners Grows Each Year

DAIKIN’S APPROACH
- Opening a New Plant in Vietnam to Promote the Spread of Energy Efficient Air Conditioners

DAIKIN’S PERFORMANCE
- Overseas Locations Taking the Lead in Developing Human Resources in Manufacturing, Installation and Maintenance

NEXT CHALLENGE
- Developing Human Resources to Support the Spread of Air Conditioners and Achieve Sustainable Growth with Communities
Promoting the Spread of Energy Efficient Technology through Dialogue and Collaboration with Governments and International Agencies
Why is it important?

Concerns over Rising Environmental Impacts from Sharply Increasing Demand in Emerging Countries

Currently, only 8% of the population owns air conditioning in countries that require it due to high temperatures, such as those in Asia and Africa. However, the number of regions requiring air conditioning will increase further in the future due to rising temperatures, while demand for air conditioning is expected to increase sharply thanks to economic growth mainly in emerging countries. According to The Future of Cooling, a report published by the International Energy Agency (IEA) in 2018, the number of air conditioners in the world is forecast to roughly triple from the current amount to 5.6 billion units by 2050. In addition, this sharp increase in air conditioners generate new peak electricity demand equivalent to all the electricity generated in Japan, the U.S. and Europe today. Amid concerns of rising CO₂ emissions from electricity consumption, the IEA report cites the need to strike a balance between the predicted increase in air conditioning demand and reducing electricity consumption. Toward this end, it recommends the greater use of renewable energy along with the spread of energy efficient air conditioners and legislation on appropriate energy conservation standards.

As the only manufacturer in the world to produce both air conditioners and refrigerants, Daikin has a responsibility to harness its worldwide operations in helping to find solutions to these issues through the reduction of environmental impacts achieved with air conditioning.

Forecast of CO₂ Emissions from Space Cooling in 2050

Note: Graph figures compiled by Daikin based on IEA The Future of Cooling
**DAIKIN'S APPROACH**

**Promoting the Spread of Energy Efficient Air Conditioners by Creating Energy Efficiency Standards**

Daikin has promoted the spread of energy efficient air conditioners since before the IEA's recommendation. We are committed to spreading worldwide air conditioners using inverter technologies to reduce electricity consumption through more efficient operation.

Until now, we have focused on developing indicators and mechanisms for assessing the energy efficiency of air conditioners mainly in India and emerging countries in ASEAN. We have also supported the introduction of cooling seasonal performance factor (CSPF) as an indicator properly assesses the energy saving effects of inverters. As a result, in fiscal 2015, India rolled out a voluntary energy labelling program using CSPF as an assessment criterion. Daikin will continue to provide assistance aimed at the introduction of a unified program across ASEAN.

**DAIKIN'S PERFORMANCE**

**Expanding Initiatives to Mexico and Brazil**

Currently, Daikin is implementing initiatives in various regions in order to expand its activities in Asia to the rest of the world.

In Mexico, where air conditioner demand is growing on the back of the country’s economic development, the government has established a target to reduce greenhouse gas (GHG) emissions 22% by 2030. However, the low cost of electricity has meant little progress is being made in conserving energy.

In fiscal 2016, Daikin together with Mexico’s National Institute for Electricity and Clean Energy conducted a demonstration test comparing non-energy efficient (non-inverter) air conditioners, which account for more than 70% of the local market, with Daikin’s energy efficient (inverter) air conditioners. The results showed that the air conditioners with an inverter are about 60% more energy efficient because they use a highly efficient refrigerant. With these results in hand, we presented the effects of reduced electricity demand from the greater use of energy efficient air conditioners to the government of Mexico.

With our track record recognized, in 2018 our environmental conscious air conditioner promotion project proposed to Mexico was adopted for a Collaboration Program with the Private Sector for Disseminating Japanese Technology administered by the Japan International Cooperation Agency (JICA), with the support of the governments of Japan and Mexico.
In June 2018, a delegation from the government of Mexico visited Japan to observe Daikin’s manufacturing plant and other facilities, where we shared knowledge related to energy efficiency policy. We aim to create markets for environmentally conscious air conditioners through workshops and other opportunities to report the quantification of energy efficiency effects based on the results of the demonstration test in Mexico. In addition, under a similar JICA project in Brazil, we are raising awareness and making policy recommendations aimed at the spread of energy efficient air conditioners.

Initiatives to Spread Energy Efficient Air Conditioners in Emerging Countries

**2013-2015 India**
Explanations for governments and technical support for evaluators
Explained the effectiveness of CSPF for its introduction as a method for evaluating the seasonal efficiency of cooling operation and instructed measurement methods.

**2016- ASEAN**
Support for the introduction of unified evaluation system
For governments in ASEAN that have decided to introduce an energy labelling system with the help of industry, we promoted understanding of CSPF and supported the introduction of a unified system in each country. Also, we provided technical support to local engineers on the handling of R-32 refrigerant.

**2018- Mexico/Brazil**
Present energy conservation effects from demonstration tests to governments and promote understanding
Engagement with energy efficiency officials in Mexico

Technical support in Malaysia
Confirming the Right Direction through Dialogue with International Agencies

The IEA released a report during the course of Daikin’s initiatives, and in October 2018, Daikin invited Mr. John Dulac, an IEA analyst for building energy technology and policy, to be part of a seminar and panel discussion. The goal of the seminar was to confirm the direction of initiatives based upon a thorough understanding of the report’s recommendations.

During the panel discussion attended by persons in charge from Daikin’s operations in Europe, the U.S. and Asia, the IEA presented its stance that there are already technologies for balancing growing demand for air conditioning with controlling energy demand, but these solutions need to be spread further. On top of this, the IEA provided three other recommendations. First, manufacturers need to not only revolutionize technology for cheaper, higher efficiency air conditioners, but also use creative ingenuity for spreading the use of products and technologies. Second, the promotion of attractive technologies and services for consumers is key to spreading these products and services. Finally, third, the spread of these technologies requires that manufacturers correctly convey the advantages of technologies to government policymakers.

During the seminar, details of Daikin’s Environmental Vision 2050 were also shared, and confirmation was made that Daikin will continue cooperating with the IEA going forward through close communication.

Panel discussion with Mr. John Dulac of the IEA
**NEXT CHALLENGE**

**Creating a World Where People in Need Benefit from Air Conditioning and Environmental Impacts Are Controlled**

To sustain the air conditioning business globally, Daikin will need to promote the spread of environmentally conscious products around the world and to introduce solutions to social issues advocated by the IEA from the standpoint of a business. For this reason, Daikin will work even more closely on engagement with the IEA and the governments of each country to lobby for energy conservation and CO₂ emission reduction. Our goal is to create a world without added environmental impacts from air conditioning while benefiting from the cooling and heating provided, by offering products and services that satisfy the needs of customers, including not only energy conservation, but also affordable prices and usability.

**Voice**

**Expectations for Daikin to Contribute to Global Efforts for the Future of Air Conditioning**

I find it very reassuring that Daikin has worked to promote dialogue globally on the future of air conditioning. Going forward, it will be more important than ever for industry, government and other air conditioning stakeholders to work together to find simple, high efficiency and low-carbon solutions. I have high expectations for the role Daikin will play in promoting such global collaboration.

Mr. John Dulac
Energy Analyst, IEA
Creating Air Environments for Increasing Intellectual Productivity with Air Conditioning Solutions Using IoT and AI
Pursuing Value-Added Air for Further Boosting Intellectual Productivity

Air conditioning has played a major role in increasing intellectual productivity, such as enabling people in tropical climates to work just as efficiently as their counterparts in cooler climates. Daikin aims to create new air conditioning solutions that offer more advanced controls. This will involve using IoT and AI technologies to identify human factors (mental and physical condition of individual people) for improving the air environment.

Examples of Human Factors

<table>
<thead>
<tr>
<th>Conventional air conditioning controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Temperature, humidity, air flow and purification</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Stimulate the senses (light, aroma, sound, etc.)</td>
</tr>
<tr>
<td>• Slightly cooler air flow</td>
</tr>
<tr>
<td>• Changes in air quality</td>
</tr>
</tbody>
</table>

Changes in autonomic nerve balance ≈ Changes in arousal level

- Activate sympathetic nerves
- Prevent drowsiness
- Increase concentration
- Activate parasympathetic nerves
- Relax
- Reduce fatigue

Sample applications:
Improve performance, etc.
Promoting Open Innovation in Pursuit of the Limitless Possibilities of Air

Daikin is promoting open innovation through tie-ups mainly between its Technology and Innovation Center (TIC) and various companies, research institutes, and universities. The goal of these partnerships is to create new value for air that goes beyond the air conditioning elements of temperature, humidity, air flow and purification.

In 2016, we began joint research with NEC Corporation aimed at air and spaces that increase intellectual productivity. By combining Daikin’s strengths of technology for optimizing air control and knowledge concerning the impacts of air and space on people with NEC’s strength of leading IoT and AI technologies, we engaged in research with the goal of providing new solutions for optimal environmental controls in order to increase work performance (intellectual productivity) in offices.

**Linking Sensing (NEC) and Control (Daikin/NEC)**

- **Sensing**
  - Arousal-level estimation technology
  - Quantify condition of drowsiness from camera images

- **Control**
  - Control technology
  - Propose air conditioning, lighting and aroma settings
  - Air conditioning, lighting and aroma settings

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**Key Activities**

- 464 -
DAIKIN’S PERFORMANCE

Testing a Balance between Increased Intellectual Productivity and Comfort with Effective Temperature Stimulus

During this joint research, we focused on arousal level (an indicator of brain activity) which is correlated to intellectual productivity. This is because studies have shown that maintaining the right level of arousal without drowsiness or nervousness is important for improving performance.

As a result, we examined what methods and timing of stimuli help to maintain arousal at the right level when feeling drowsy. During the test, 55 test subjects performed simple two-digit addition to make them feel drowsy. They were then asked to report their level of drowsiness on a five-step scale every five minutes. We also estimated their drowsiness using image processing technology to take pictures of eyelid movements. As test subjects became drowsy, we added various stimuli such as air conditioning (temperature), lighting (illuminance), and aroma (fragrance), and observed changes.

The results confirmed that temperature stimulus from air conditioning can sustain the right level of arousal for longer compared to light and aroma stimuli, since the average arousal level compared to no stimuli was two steps higher and drowsiness was prevented for more than 45 minutes. When signs of drowsiness first appeared, the right level of arousal was maintained when lowering the room temperature three degrees Celsius. At this setting, room temperature can also be returned to the original setting in a short period of time. Therefore, the balance with comfort was also confirmed.

Past studies have shown that people become drowsy if they are too comfortable and that drowsiness can be stopped with a flow of cool air. However, the mechanism was unclear and ways of preventing drowsiness while maintaining comfort were unknown. This research demonstrated that drowsiness prevention and comfort can be balanced using effective temperature stimulus, marking a major step toward air conditioning solutions that increase intellectual productivity. Looking ahead, we plan to accumulate data and create an air environment that considers various human factors by using IoT and AI.
Relationship between Arousal Level and Performance

Yerkes-Dodson Law

- Intellectual productivity is maximized with the right level of arousal
- Maintain the appropriate condition using environmental controls

Changes in Arousal Level Due to Various Stimuli

- Room temperature setting: constant 27°C, lighting at 700lx, no aroma

Source: Atsushi Nishino et. al, Approaches to Environmental Controls Considering Human Factors Annual Meeting Presentation Compilation 2018 of the Architectural Institute of Japan
NEXT CHALLENGE

Aiming for New Value Creation in Air for More Active Living

Looking ahead, we will work with other companies and universities to increase the overall quality of indoor spaces, not just office spaces, where people are said to spend 90% of their lives. This will include providing an air environment tailored to people’s needs and condition, while combining the latest technologies, data and know-how.

Voice

Validating This Research in Various Fields

We developed technology for quantifying drowsiness using NEC’s AI technology along with control technology for air conditioning and lighting to prevent drowsiness. After testing the effects of these technologies in a work environment, we found that performance increased without sacrificing comfort. Going forward, we will continue to support activities in the field for validating this technology in real life business settings.

Mr. Toshihiko Hiroaki
General Manager Data Science Research Laboratories, NEC
Global Product Development Structure to Quickly Address Various Regional Needs
There is growing worldwide demand for air conditioners following economic growth in emerging countries. However, the required functions and performance largely differs based on various factors such as climate, culture, and income level. Additional costs and time are necessary to develop the products localized to consumer needs. Daikin recognizes that to enhance customer satisfaction we need to supply products suited to local needs quickly and at an affordable price.

### Examples of City-Specific Needs

<table>
<thead>
<tr>
<th>City</th>
<th>Regional Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delhi</td>
<td>Heating and cooling needs due to seasonal temperature differences; compatible with frequent power outages</td>
</tr>
<tr>
<td>Jakarta</td>
<td>Smaller sized outdoor units compatible with urbanization</td>
</tr>
<tr>
<td>Singapore</td>
<td>Energy efficient air conditioners for buildings that can operate extended hours</td>
</tr>
<tr>
<td>Paris</td>
<td>Emphasis on quiet operation and interior design</td>
</tr>
<tr>
<td>New York</td>
<td>Durability for central air conditioning that is always on</td>
</tr>
</tbody>
</table>

●...Demand for cooling ●...Demand for heating
DAIKIN’S APPROACH

Supplying Localized Products at the Right Prices Using Base Models and Localized Development

With operations in over 150 countries around the world, Daikin not only establishes plants close to markets, but also hires and fosters engineers locally in each region, thereby enhancing product development capabilities.

Moreover, we created a “base model” in Japan that encompasses the basic functions and components that comprise products. This is utilized in the “base model development method” where each region can localize approaches to suit specific needs. This reduces costs and shortens product development lead time, enabling us to deliver products at the right prices to meet consumer needs.

Daikin R&D Centers

- Production Bases: Over 90 locations
- R&D Centers: 25 locations
- Mother R&D Centers: 5 of the 25 locations (as of March 31, 2019)
Commercialization Speed Greatly Increased after the India R&D Center Established

India is one of the markets where we have successfully developed localized products by setting up an R&D center. Daikin started selling air conditioners in India in 2000 and established the Neemrana Plant in 2009. At that time, however, the plant lacked product development capabilities as products that were developed in Japan and Thailand were manufactured and sold in India. As a result, it took time to commercialize products that met market needs and we were not able to fully reflect consumer voices in our products.

In 2016, we established an R&D center inside the plant responsible for new product and technology development. This makes it possible for Indian developers who can directly hear consumer needs to promptly create prototypes and engage in testing, greatly reducing the time needed for commercializing products. Consequently, the lead time from identifying customer needs to delivering actual products is now as short as three months.

Local Development Base Able to Meticulously Meet Local Needs

The market for air conditioners in India differs greatly than Japan. Firstly, Daikin’s R&D Center in India has identified issues unique to each region based on climate and electricity infrastructure.

Using the base model, we first tackled issues that can be addressed with minor changes. For example, malfunctions caused by damages resulting from off-road transportation were addressed by changing the product baseplate or packing materials. Also, to address pipe corrosion due to gas from domestic wastewater released into the rivers, the affected pipes were coated with special rust-proof material.

By carefully addressing local needs, our R&D Center in India has honed its product development capabilities, which mainly involves addressing high outside temperatures. As the central and coastal regions often see days of over 46ºC, which exceeds the limit of the base model, the R&D Center has developed ways to accommodate temperature up to 54ºC based on its own research studies. This technology is not only utilized in India but is also exported to the Middle East.

Challenges by Region and Examples of Solutions in India

- Northern capital region
  - Trouble due to frequent power outages resulting from electricity infrastructure
    - Switched to circuit boards compatible with temporary high voltage load at power recovery

- Coastal region
  - Damages due to off-road transport
  - Modified packing materials
  - High humidity
    - Introduced high-power dehumidifier control developed in Japan

- Central and coastal region
  - High outside temperature
  - Air conditioner that can operate at 54ºC

- Piping corrosion due to domestic wastewater
  - Coated joints between parts

- River region
  - Corrosion due to domestic wastewater

- Coastal region
  - Damages due to off-road transport
NEXT CHALLENGE

Speeding Up Product Development by Harnessing Technologies from Around the World across the Daikin Group

Daikin has established a production system headed by a global network of Mother R&D Centers where key technologies developed and consolidated in Japan are allocated to our fields of expertise in different regions. With the goal of making development even more efficient, in 2017 we established a total of five Mother R&D Centers, one each in Europe, the Americas, India, China and Japan, and with the Technology and Innovation Center (TIC) in Japan as the control tower, we strategically allocate engineers and medium- to long-term budgets for development.

Looking ahead, we will continue to supply products localized to customer needs around the world in a prompter and more cost effective manner, by sharing know-how across our development network, with an eye toward localized product development that takes into account the special needs of each market.

Voice

Consumers Happy with Daikin's Prices and Response to Their Needs

Daikin excels at development. In the region we cover, consumers are very happy with products that suit their needs at an affordable price. This includes models with a heating function and models that are energy efficient. I look forward to Daikin's continued efforts to develop products localized for the India market.

Mr. Sanjeev Agarwal
President A.S. Air System (Daikin Dealer)
Developing Human Resources to Promote the Spread of Air Conditioners in the Rapidly Growing Market of Vietnam
Why is it important?

Key to Cultivate Engineers and Technicians Locally as the Market for Air Conditioners Grows Each Year

In Vietnam, where the average age is 30 years old and the population and economy continue to grow, demand for air conditioners increased approximately five-fold from 2008 to 2018, and this trend is expected to continue. However, along with rapid economic growth, there is a lack of engineers and technicians capable of manufacturing, installing and maintaining air conditioners. Therefore, it is imperative to start developing human resources in order to support the spread of air conditioners in Vietnam.

<table>
<thead>
<tr>
<th>Demand for Air Conditioners in Vietnam</th>
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<tbody>
<tr>
<td>(10,000 units)</td>
</tr>
<tr>
<td>250</td>
</tr>
<tr>
<td>200</td>
</tr>
<tr>
<td>150</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>50</td>
</tr>
<tr>
<td>0</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>41.4</td>
</tr>
<tr>
<td>2013</td>
<td>99.8</td>
</tr>
<tr>
<td>2018</td>
<td>203.7</td>
</tr>
</tbody>
</table>

Opening a New Plant in Vietnam to Promote the Spread of Energy Efficient Air Conditioners

The cost of electricity in Vietnam is high relative to household income, which has spurred demand for energy efficient air conditioners such as inverter air conditioners. In order to deliver a stable supply of high quality and highly energy efficient air conditioners, Daikin Vietnam opened a new plant in a suburb of Hanoi in May 2018. We plan to increase annual production capacity from 500,000 to 1,000,000 units as well as increase the total number of employees in Vietnam to over 2,000 by fiscal 2020. In addition, Daikin Vietnam is putting efforts into developing the human resources required for marketing and servicing air conditioners.

### Employees in Daikin Vietnam

<table>
<thead>
<tr>
<th>Year</th>
<th>Production divisions</th>
<th>Sales and services divisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,500</td>
<td>0</td>
</tr>
<tr>
<td>2018</td>
<td>1,779</td>
<td>819</td>
</tr>
<tr>
<td>2020</td>
<td>2,250</td>
<td>1,000</td>
</tr>
</tbody>
</table>

(*People*)
DAIKIN’S PERFORMANCE

Overseas Locations Taking the Lead in Developing Human Resources in Manufacturing, Installation and Maintenance

With operations around the world, Daikin is now rapidly increasing its plants through business expansion and acquisitions. Our system of production places each region in the leading role. The launch of the new plant in Vietnam was led by Daikin Industries (Thailand) Ltd. (hereinafter called “Daikin Thailand”) and manufacturing personnel at the new Vietnam plant were trained with the support of the Daikin headquarters in Japan (hereinafter called “Daikin Japan”).

The new plant in Vietnam faces a lack of experienced personnel with basic skills in air conditioner manufacturing. Therefore, before the new plant’s launch, about 60 managerial employees from Vietnam began training at the Daikin plant in Thailand, with this training still ongoing today. Moreover, with guidance from Daikin Japan, the plant has adopted the latest technologies including a production management system utilizing IoT, making it our first plant in Asia and Oceania to do so. This not only results in training in Vietnam but also cultivates personnel in Thailand, who in turn train workers in Vietnam. Such international exchanges enhance instructional and technical skills as well as increase motivation for both those receiving and providing training.

Moreover, as Daikin Vietnam lacks technicians capable of air conditioner installation and maintenance, we established a training center within the new plant where personnel from the company and dealers can receive training, with the collaboration of Daikin Japan and Daikin Thailand.

Personnel from Daikin Vietnam learn the basics at the training center and move on to more advanced technical training in Thailand thereafter. Following this, they acquire more practical experience through the services division and eventually are trained as instructors for dealers and outside technicians.

For our dealers, we provide both lectures as well as practical training on installation using actual air conditioner units. As of March 31, 2019, a total of 2,100 trainees have participated and our goal is to train a total of 10,000 people by fiscal 2020. Training is not limited to residential air conditioners, but also encompasses installation of multi-split type air conditioners for commercial buildings which require more advanced skills, whereby expanding the number of models carried by dealers.
Contributing to the Human Resource Development across Borders

I am proud to be a global trainer who teaches the essential skills and knowledge for the manufacturing of air conditioners. On this occasion, I was involved training brazing technicians at the new plant in Vietnam. The opportunity to be involved in training at my home location as well as another location is a big challenge for myself, and I feel very lucky to have been chosen for this task. Going forward, I hope to continue enhancing my skills and teaching abilities as a global trainer in order to continue contribute to the development of technicians at the Daikin Group.

Mr. Phongthorn Yoonutch
Daikin Industries (Thailand) Ltd.

Developing Human Resources to Support the Spread of Air Conditioners and Achieve Sustainable Growth with Communities

At Daikin, we are committed to empowering our local operations around the world, not just in Vietnam, to take the lead in developing their own human resources to support the air conditioning industry, including manufacturing and maintenance, as well as to provide instruction and training both within and across each location, whereby developing a pool of human resources who can play an active role at Daikin globally. Through such efforts, we hope to contribute to the development of each region and country as well as grow sustainably as a Group.