



MARKET

Daikin Industries, the Leading Japanese manufacturer of air conditioning and refrigeration systems, along with chemical, oil hydraulics and defense systems, manufactures full HVAC-R products - from the smallest 1-Ton split system to the largest 3000-Ton chiller series, including other solutions like controls, air purification, refrigerants, compressors, and offsite modular solutions.

With the diversified portfolio, Daikin provides total solutions to a range of buildings and facilities such as villas, commercial buildings, towers, stadiums, data centers, and district cooling applications, along with key market verticals such as residential, hospitality and health sectors.

Despite the difficult conditions, Daikin Industries has achieved sales increase by 2.8% to reach JPY 2,550 bn (\$23.8bn) at the end of the 2019 financial year, which ended on 31st March 2020. It is the 10th consecutive year of sales increases for the group, with air conditioning and refrigeration total sales increasing by 3.9% year on year to JPY2,309bn (\$21.5bn).



Daikin's technology offers unparalleled experience to customers and brings in the most advanced and latest solutions that uniquely address key market needs.

- Splits, Daikin is constantly promoting the inverter product range "Bluevolution" using the green refrigerant R-32 and the unique Swing compressor design.
- VRV, when Daikin launched this air conditioning system in 1982, it introduced the world's first use of variable refrigerant flow control. Till date, we remain the industry reference of such technology with an extensive range from Heat Pump, Heat Recovery, Cooling only, Invisible, Mini and Water-Cooled series, with unique VRT technology and wide range of indoor units.
- Chillers, Daikin is aiming to become among the top players in each market we operate in. The product range is highly competitive, with the introduction of the Premium Efficiency Screw chillers with HFO1234ze refrigerant and new generation of air-cooled Scroll chillers and Heat Pumps with R-32 refrigerant.
- Airside, Daikin offers plug & play designs using high efficiency, optimized fresh air treatment and high standards of indoor Air Quality "IAQ".

Daikin MEA has opened an Air Handling Unit (AHU) factory in Jebel Ali, Dubai to manufacture EUROVENT certified AHUs, and can offer customized airside solutions for all applications.

- Modular Offsite Solutions, Daikin started to promote new solutions such as Chiller Plants "MCP" and Pump Skids, engineered to meet the demands of modern buildings and highly flexible to accommodate potential expansion in the future, improve lead times and single source responsibility.
- Refrigeration, Daikin had recently acquired "Zanotti" and "AHT", which expanded our existing product offerings to cover commercial and industrial needs, from cold rooms, transportation, retail showcases and other applications.
- Controls complement our product range offering Cloud based smart control, remote monitoring, predictive maintenance, and energy management, helping to reduce breakdowns and improve operations.
- Aftermarket and Service business, Daikin aims to promote installation and service quality to ensure optimum product experience and peace of

mind to the customers. The UAE Service centers in Dubai and Abu Dhabi with 100+ employees from engineers and technicians are available to support all customers' after sales needs. Daikin MEA offers energy efficient replacement solutions for old systems which are inefficient to improve and extend the lifecycle operations. Our regional warehouses support the operations with spare-parts and key components' availability and training academy to provide specialized trainings on HVAC-R products for our customers.

We expect to further gain market share in the next years as we continue to increase visibility and presence in the region via the opening of more local offices and affiliates across major countries in the Middle East and Africa, as part of our Fusion 20 management plan. These efforts have been quite successful, prompted further our sales expansion, strengthened our visibility, and ensured our competitive advantage by being ahead of competition with a full product range.

ACHIEVEMENTS

Known for quality and innovation, Daikin has a host of inventions and technological innovations in its history. Daikin has been recognized for

decades for several of its contribution to the industry as part of its consistent efforts to increase energy efficiency in its products and contribute to reduction of carbon dioxide emissions. The company was mentioned in the World's Most Innovative Companies, Forbes list, and had received many local and international awards: the Eco-Label, IF Design, CSR label from Dubai Chamber of Commerce, EGBC - Green Building Product award and Most Trusted AC Brand in Oman. Recently, Daikin Industries has been listed on Forbes 2020 Global 2000, ranking #375, with \$ 38.3bn market value.

In 1994, Daikin has achieved the ISO9001 certification for all its air conditioner production facilities in Japan. It was part of an ongoing effort to ensure our customers about the quality management systems we implement and raise the standards of our manufacturing plants to meet international qualifications.

Daikin is renowned in Japan and in the world for many firsts as early as 1938 when the company introduced the 'Mifujirator' refrigeration unit for submarine using fluorocarbon gas for the Japanese Navy. Then in 1951, we developed Japan's first packaged air conditioner, followed by the first commercial multi-split type air conditioner in 1982, which is known as "VRV" and the 'Ururu Sarara' the world's first split AC with humidification function in 1999.

BLUEVOLUTION

We had introduced to the world the R-32 refrigerant and manufactured first systems from splits, SkyAir, VRV and lately the first scroll chiller series within our "Bluevolution" range. We further innovated the inverter technology, with the introduction of VRT and VVR.

HISTORY

Daikin was founded by Akira Yamada on October 25, 1924 and is headquartered in Osaka, Japan. In the UAE, Daikin office started in 2006 with 10 employees and small office inside a warehouse. Now Daikin MEA employs 500 staff, with regional headquarter, 5 local affiliates, AHU factory, training academy, warehouse, solution plaza, and service center:

Daikin utilized R&D centers and factories to bring full range of products designed only for the high ambient region and covering all applications.

In the MEA region, Daikin focused on the global group strengths, products, and solutions, to build the awareness and penetrate each local market. In 2013, Daikin opened the AHU factory in Jebel



Ali, and in 2014 completed the brand unification process and relaunched the new company name as "Daikin MEA", whereas previously known as "Daikin McQuay ME". Local affiliates in Saudi, Egypt, Africa, and Qatar were established, supported by the strategic move to our new HQ facility in Jebel Ali in 2019, combining our offices, factory, and academy under one roof and launched the toll-free number 800-DAIKIN. We were later awarded the In-Country Value certificate "ICV" for our Abu Dhabi Company.



PRODUCT

Our DNA from the first is to be an industry leader in manufacturing full HVAC-R systems, with technological superiority, highest quality, unique features, and design, ensuring maximum energy efficiency and lowest running costs.

For all applications, our products offer a unique solution, meeting customer's needs and requirements. In homes, our products ensure optimum energy use, smart control, and variety of indoor solutions with stylish look and design. While in commercial applications, we aim to give a total solution for any facility, from equipment, controls, and remote monitoring, with other unique features to improve efficiency, air quality, and predictive maintenance.

RECENT DEVELOPMENTS

Daikin has recently launched the new generation of Mini-VRV systems using R-32 refrigerant. We also further expanded our chiller ranges, airside,



and modular solutions. New inverter splits and SkyAir series were launched in both GCC and Africa regions, meeting the increasing energy requirements and government standards. We also expanded our VRV range with the introduction of the Cooling-Only series.

Daikin MEA has recently signed a strategic Memorandum of Understanding (MoU) with the Jebel Ali Free Zone (JAFZA) where we both look to harness our capabilities to provide sustainable solutions for companies, considering JAFZA's strategic location as a vital logistics hub. The agreement was confirmed during the visit of Mohammed Al Muallem, CEO and Managing Director, DP World, UAE Region and CEO of Jafza to Daikin's new facility in Dubai.

PROMOTION

We are heavily utilizing our direct marketing activities to promote our business, reach customers and gain further awareness among the industry professionals. From product launches and seminars, to industry conferences, exhibitions, and factory visits, we aim to present the brand and product solutions with a differentiated value and a customer-centric approach. For the consumer business, we utilize our dealer shops for visibility in key areas, showing customers our residential ranges and installation techniques.

Digital channels became our focus and we are trying to utilize various media to reach out to customers in a faster and cost-effective manner. We launched the new country website (www.daikinmea.com) and soon to be available in three languages, in addition to our social media channels. In our overall customer journey management, we aim to increase and improve the touchpoints, making the brand accessible and business easier, ensuring superior customer experience. In the recent years, Daikin had arranged and managed many successful events, including product launches, end-user campaigns, in addition to various industry participations. To name a few: Product launches in 2013 (3000-ton Chiller), 2015 (VRV IV and First R-32 Splits), 2017 (Premium Air-cooled VVR Chiller) and in 2020 (replacement campaign).

We are in progress to prepare and finalize our E-commerce platforms, targeting our customers and partners, to facilitate operations, reduce time and manpower work and move to further automate processes in our business operations.

BRAND VALUES

Through efforts to find solutions to social problems through our business, Daikin provides new value, and aims for sustainable growth. Global society is continually changing, and directly faces many problems related to climate change and other issues. Through its business, Daikin Group provides society with new value, and by contributing to the realization of a sustainable society, seeks growth for itself as well.

"Realization of Society Envisioned by Daikin, The

Future for Daikin"

Daikin envisions "a society where people and space are healthier and more comfortable while reducing the environmental impact." Although the air conditioner has revolutionized life around the world, however, its widespread adoption has also led to increased electricity consumption that impacts the environment, especially climate change. That is why Daikin continues to challenge global issues through new value for air and the environment.

- New Value to People including health management and removal of pollutants, is created for space through air conditioning and filters that improve the air environment.
- New Value to Earth; we strive to minimize environmental impact to Earth. We will contribute to Earth by further improving the environmental performance of air conditioning equipment.
- New Value to Cities; We will contribute to cities by achieving "zero energy consumption of buildings."

"Provide new value to the world through air and the environment"

Daikin is committed to creating sustainable climate solutions and provide homes, businesses, and industries with the most efficient and safest HVAC-R solutions today and in the future. Aiming to help solve social and community

problems and grow business, Daikin strives to meet expectations and maintain trust worldwide as a global company that supports human health and comfort.

"The Daikin Logo is the symbol of our bold, continuous pursuit of high ideals."

The sharp triangle, composed of two colors, Daikin Light Blue and Black, represents the three technological fields of machinery, chemicals, and electronics, and the integrated technologies that Daikin develops in those fields. The logo's orientation, up and to the right, expresses the pioneering spirit of the Daikin Group, forging ahead into the future.

"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. In all aspects of the quality management system, each division continuously carries out internal audits, assesses the operational system, and conducts the PDCA cycle's plan, do, check, and act steps.

"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.

www.daikinmea.com



THINGS YOU DIDN'T KNOW ABOUT DAIKIN

- Daikin Industries Acquisitions: McQuay in 2006 | AAF in 2006 | J&E Hall in 2006 | Rotex in 2008 | Airfel in 2011 | Goodman in 2012 | Dinari in 2016 | Flanders in 2016 | Zanotti in 2016 | AHT in 2018
- Total Employees = 80,369 (as of March 2020)
- Consolidated companies = 313
- Business had grown by 90% in the last 10 years
- In 2017, we manufactured 6,600,000 residential units, in an average of 13 units in 1 minute
- \$ 3.7Bn invested in R&D in the last 10 years
- 20,000 active patents
- 93 free access patents for using R-32 in AC's
- 100 factories worldwide
- Sold in more than 150 countries