



2025 Business and Innovation Report  
Daikin U.S. Corporation







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Our Who, What, and Where

# United in Purpose

## A Message From Leadership



**Welcome to Daikin’s 2025 Business and Innovation Report.**

Last year, Daikin celebrated our 100th anniversary, a proud milestone for a rapidly growing global company. This achievement gave us all an opportunity to reflect on our mission, our Core Values, and our overall Group Philosophy. At a time of rapid change around the world, our bedrock principle — that companies must not only pursue profit to raise their economic value but also make contributions to the environment and society to raise their social value — is more important than ever. This mission reflects our proactive approach to problem-solving and our focus on establishing deep roots where we operate.

This publication highlights Daikin’s deep commitment across the United States — to our people, our communities, and our future. Over the past decade, Daikin has experienced remarkable growth in the U.S., driven by our investment in American manufacturing facilities, our expansion of skilled jobs, and our focus on delivering innovative HVAC solutions that meet the evolving needs of American homes and businesses.

As a world-leading HVAC company, we bring decades of global expertise to the challenge of creating quality indoor environments. Our mission is clear: To provide advanced technologies for comfort, indoor air quality, and sustainability, without compromise. From homes and schools to hospitals and data centers, Daikin’s solutions are designed to support indoor comfort and energy-efficient spaces nationwide.

Our progress in the United States is made possible by the dedication of our 25,000 U.S. employees and by the firm trust we’ve developed with our business relationships and customers. Together, we are building a future where indoor comfort is smart, sustainable, and accessible to all.

Thank you for being part of this journey.

**Jiro Tomita**  
Representative, Americas Chairman of the Board



**It is a privilege to share my perspective in Daikin’s 2025 Business and Innovation Report.**

As we look toward the next century of innovation, Daikin’s commitment to the United States — our largest employee base and our largest region globally — has never been stronger. Given our leadership position, we have a responsibility to leverage our global expertise in service of American communities and the planet we all share.

We recognize that today’s environmental and social challenges cannot be solved by one company alone. In the U.S., where energy resilience and energy security are national priorities, collective action is essential. The path forward requires not only advanced technology but also collaboration across sectors and genuine partnership with the communities we serve.

Through open innovation, Daikin is joining forces with universities, research institutions, policymakers, and industry peers to accelerate solutions that benefit both people and the planet. Our partnerships are dedicated to pushing the boundaries of what’s possible, from advancing energy-efficient heat pump technology using inverter compressors to developing circular economy models for refrigerant recovery and reuse.

Guided by our People-Centered Management philosophy and our belief in the infinite potential of people, we are inspired by what we can accomplish together.

Thank you for your continued partnership as we pursue this important journey together.

**Yoshiyuki Uemura**  
President, Daikin U.S. Corporation



# The Challenge and Our Response

**Daikin’s business has evolved significantly since our founding more than 100 years ago. What began as a small team of engineers building aircraft components has grown into a world-leading manufacturing operation with a presence in more than 170 countries.**

Daikin’s values — and the belief that our company revolves around engineering and the people behind it — have made an enduring impact on the global community. Daikin has grown exponentially in the United States over the past 30 years, which is why it’s imperative for us to constantly visualize and question what that impact represents to this country. The answers are presented in this 2025 Business and Innovation Report.





**What Defines Us**

The decisions we make and actions we take are reflected in the five core pillars that support our mission and serve as the foundation of this report. They are not merely suggestions for best practices, but the North Star that guides the way we conduct our business and approach our societal responsibility.

Perfecting The Air We Share

1

**American Impact**

For more than three decades, Daikin has proudly invested in high-quality domestic job creation and extensive cutting-edge research and development. Our expertise in manufacturing, complemented by our network of distributors, salespeople, and independent contractors across the country, delivers unique and lasting HVAC solutions to American homes and businesses.

2

**Innovation**

The makeup of our character is best exemplified through our ceaseless research. Daikin openly collaborates with both internal and external resources to eliminate barriers. The results of this attitude are breakthrough solutions that transform how we live, work, and thrive.

3

**Sustainability**

As a global HVAC leader, we strive to advance decarbonization and put energy efficiency and resiliency at the forefront. With cutting-edge technologies designed for low-energy grid impact, we create sustainable indoor environments for generations to come.

4

**Community**

Beyond our physical footprint, we have woven ourselves into the fabric of the communities in which we live and work. At Daikin, we gauge our success by our growing workforce and expanding partnerships. This allows us to help build thriving, connected communities across North America.

5

**Comfort for All**

Comfort is a right, not a privilege. We create solutions that make environments — from homes to hospitals, from small businesses to office towers — more comfortable, energy efficient, and affordable to operate.







# American IMPACT





# DAIKIN PARK

“Daikin is a well-known global brand and enjoys a reputation not only for innovative, high-quality products but also for the deep connections we forge with the communities we serve. We are thrilled to partner with the Houston Astros in building a premier position based on our shared values of excellence in both sports and community leadership.”

**Satoru Akama**

President and Chief Executive Officer  
Daikin Comfort Technologies North America, Inc.







**Our Big-League Debut: Daikin Park**

In a landmark partnership with the **Houston Astros**, **Daikin Comfort Technologies North America, Inc.** proudly introduced **Daikin Park**—the new name for the Astros’ home field as of January 1, 2025. This 15-year naming rights partnership represents more than a name change; it’s a shared commitment to innovation, community engagement, and creating a positive impact across Greater Houston.

An Impressive Year



**Improving Data Center Environments**

Information storage has become a significant contributor to global energy demand. Daikin is developing efficient solutions that are designed to limit energy consumption while ensuring reliability. In 2025, **Daikin Applied acquired DDC Solutions**, a leader in high-density cooling cabinets and management software, to further expand our countrywide capabilities.



**Championing Low-GWP Refrigerants**

As the U.S. transitions to advanced refrigerants, Daikin, leveraging our extensive expertise, carefully evaluated not only the refrigerant’s global warming potential (GWP) but also the product lifecycle and ease of refrigerant recovery, and chose **R-32**. We made this strategic decision several years ago and it is enabling us to offer advanced systems that are designed for low refrigerant charge volumes while delivering high efficiency.



**Driving Change Through Innovation**

Daikin is proud to be a founding member of the **California Heat Pump Partnership**, a public-private initiative working to install six million heat pumps across the state by 2030 to reduce carbon emissions and improve home comfort. Our role goes beyond manufacturing — we’re increasing production, supporting consumer education, and collaborating with utilities and contractors to streamline the transition.












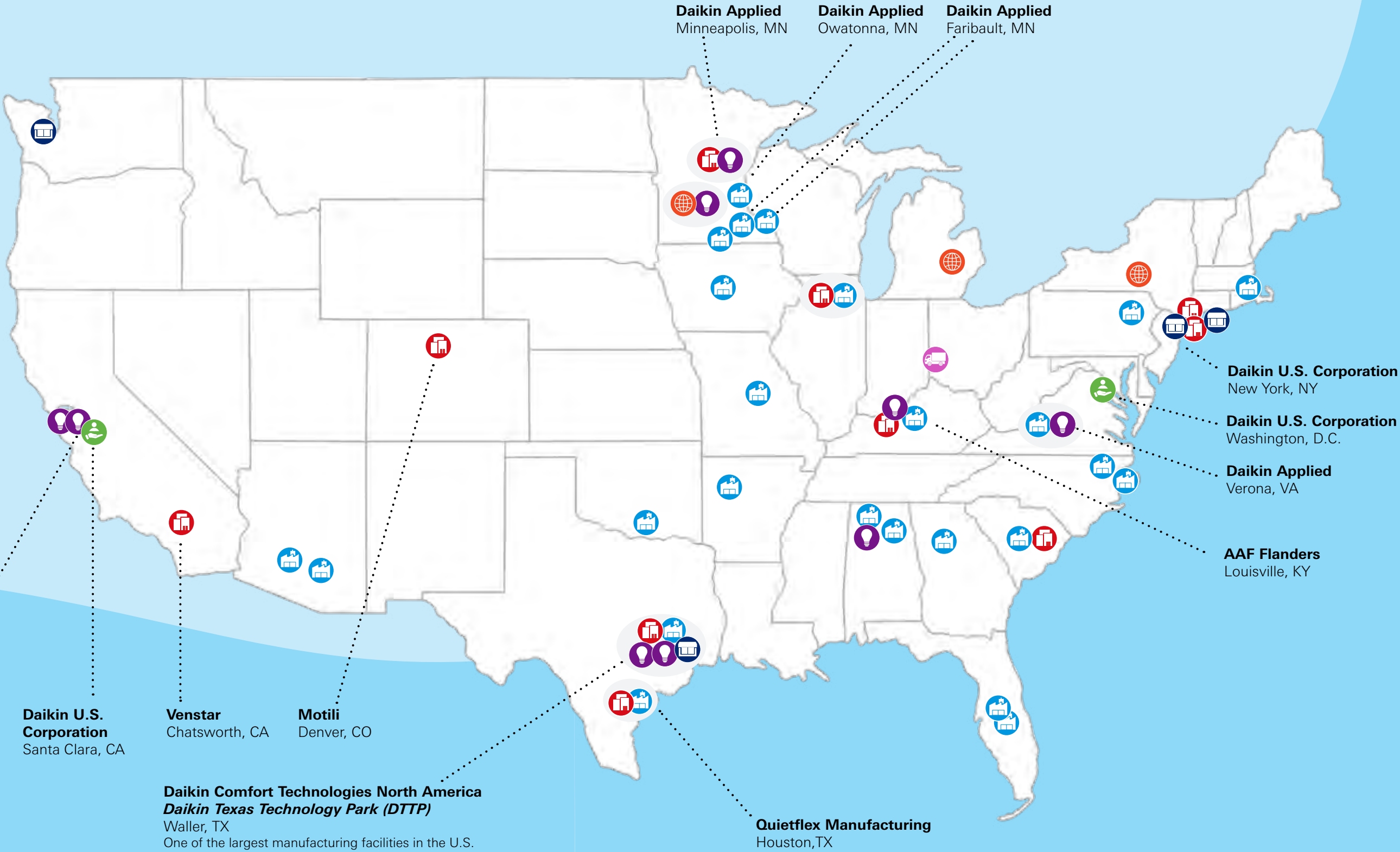




# Our Presence is Notable

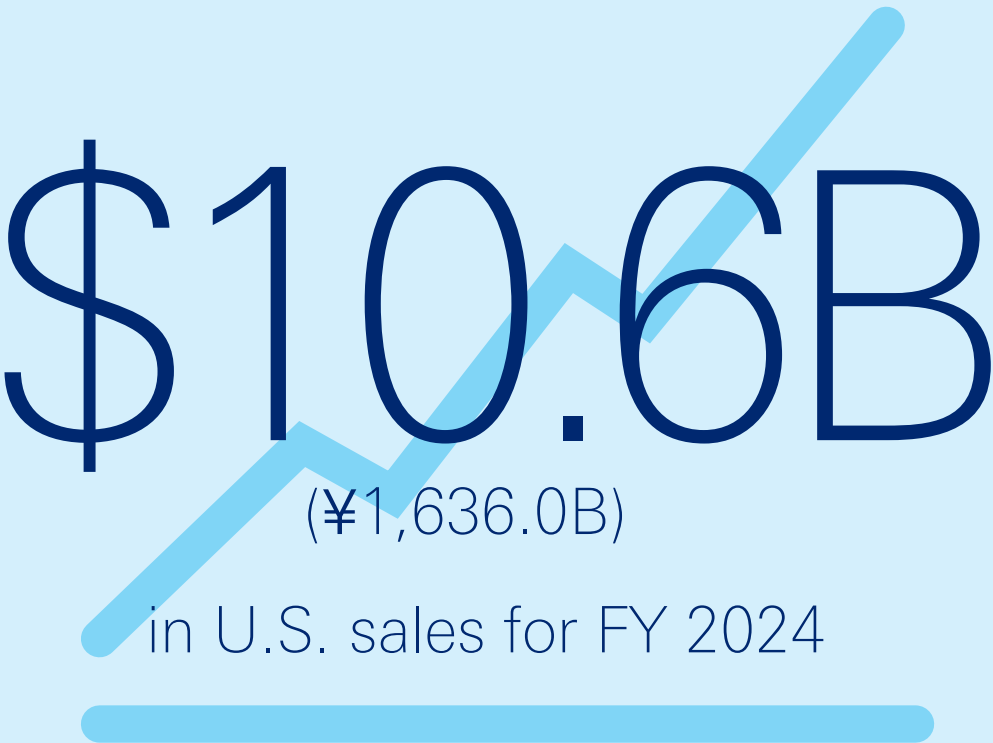
## Daikin Key Locations

-  Headquarters
-  Production Bases
-  Research and Development
-  Showroom
-  Office/Operations
-  Distribution
-  Advocacy Office





An impressive number...



As of March 31, 2025. Conversion Rate: \$1=¥153

...and a more impressive result.

We have grown our American workforce



We now have more than 25,000 employees across America after over **30 years** in the U.S.



It all adds up to:

\$9B+

Total Investment Across the U.S.

25

Manufacturing Plants

Sales and Service in

50

States

9

R&D Centers

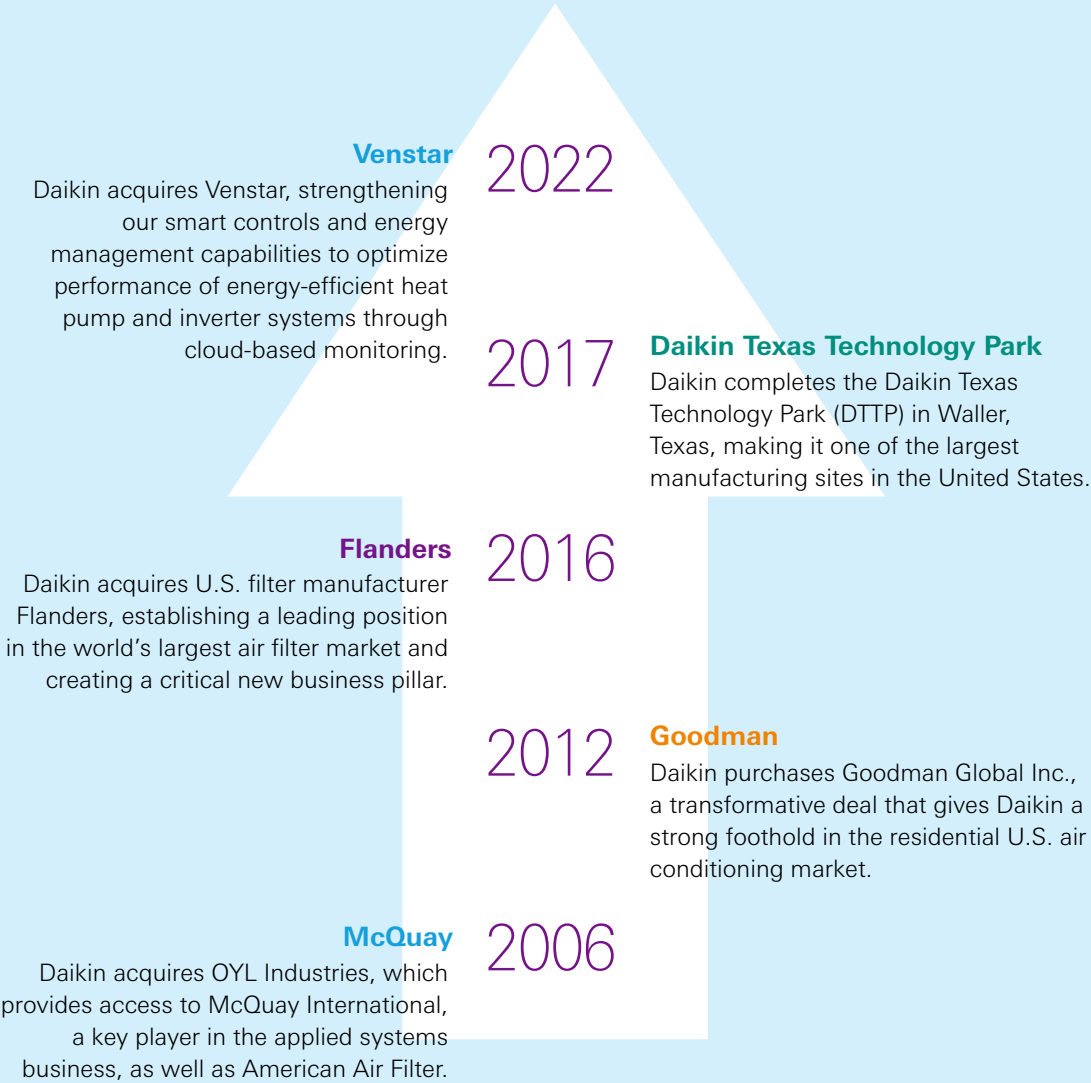
400+

Sales Networks

Multiple

Skilled Training Programs

U.S. Organic and Acquisitional Growth





# Hometown Manufacturing

Daikin embraces a “local production for local consumption” philosophy. Because of this, we can better serve specific regional needs, quickly react to evolving customer demands, and comply with local regulatory requirements. These benefits exemplify our commitment to rooting ourselves in the communities in which we operate. By onshoring production and investing across North America, we have become trusted neighbors and partners.



## Daikin Texas Technology Park

**10,000+ Jobs Created in Greater Houston Area**

- A 7% annual compound employee growth since 2015.

**4.3 Million Square Feet** (the size of 74 football fields).

**\$500M+ invested in a state-of-the-art manufacturing ecosystem.**

- Recent \$45 million investment for next-generation variable-speed Daikin *FIT* units added 220 jobs.
- The only U.S. site for advanced *VRV* technology.

**\$1 Billion+** Invested in the Houston area.



## Daikin Applied Facilities in Minnesota

**1,800+** Employees.

**\$3 Million+** in Daily Shipments.

\*As of March 31, 2025.





# Global Company Profile

## Global Impact

- **100** Years of History (Founded 1924)
- **\$31.6 Billion** (¥4,752.3B) FY24 Sales
- **103,544** Employees
- Business Operations in More Than **170** Countries
- **133** Production Bases
- **59** R&D Centers
- **\$887M** (¥135.7B) FY24 R&D Investment
- **350** Group Companies

# U.S. HVAC Businesses

## Daikin U.S. Corporation



## Daikin Comfort Technologies North America, Inc.



## Daikin Applied Americas, Inc



## American Air Filter International



Amana® is a registered trademark of Maytag Corporation or its related companies and is used under license. All rights reserved.

# Our Offerings

## Residential

 Inverter Heat Pumps

 Air Conditioners

 Air Purifiers

 Humidifiers

 Gas Furnaces

 Thermostats and Controls

 Connected HVAC

## Commercial

 Rooftop Systems & Heat Pumps

 Air- & Water-Cooled Chillers and Hydronic Heat Pumps

 Applied Terminal Systems

 Air Filtration & IAQ Solutions

 HVAC & Building Services

 Applied Air Handlers with VRV, DOAS, ERV

 Controls & Systems Integration

## Applied (Industrial)

 Data Center Cooling

 Semi- & Fully-Custom Air Handlers

 Air- & Water-Cooled Chillers

 Gas-Phase Filtration

 HVAC & Building Services

 Controls & Systems Integration



# Committed to You



Over decades, Daikin has helped transform the HVAC landscape. Our cutting-edge technology, state-of-the-art manufacturing facilities, and expansive distribution networks have allowed us to not only meet our promise to customers but surpass it. We are proudest, however, of how we’ve grown with and become an integral part of the communities in which we live and work.

We have invested in creating skilled jobs and training programs, developing relationships, and belonging. The scale and scope of what we have accomplished here are only as good as the people who have made it happen. Beyond the numbers and documented success, our primary priority is contributing to the culture and promise that this country was built on. We are not bystanders; we are participants.

The Daikin story in America is one of acceptance and inclusion. Together, we can realize a future in which comfort and prosperity are possible for all.







INNOVATION





# Our Approach

## Merging Ideas and Technology



2024 proudly marked [Daikin’s 100th anniversary of innovation](#). From pioneering Japan’s first packaged commercial air conditioner to launching the world’s first VRV multi-split system, our technological advancements continually translate to comfort and reliability. With engineering at the core of our approach, our legacy is perpetually being forged as we endeavor to reshape the HVAC industry.

In the U.S., the transformation of this landscape constantly evolves. Across companies, our focus is not only on what we do but how we do it: developing products, solving problems, and managing relationships. Innovation at Daikin goes beyond hardware, advanced controls, cloud-based monitoring, and integrated systems. We create atmospheres that allow our customers to live and work comfortably and with confidence. Daikin turns space into smart, resilient environments.

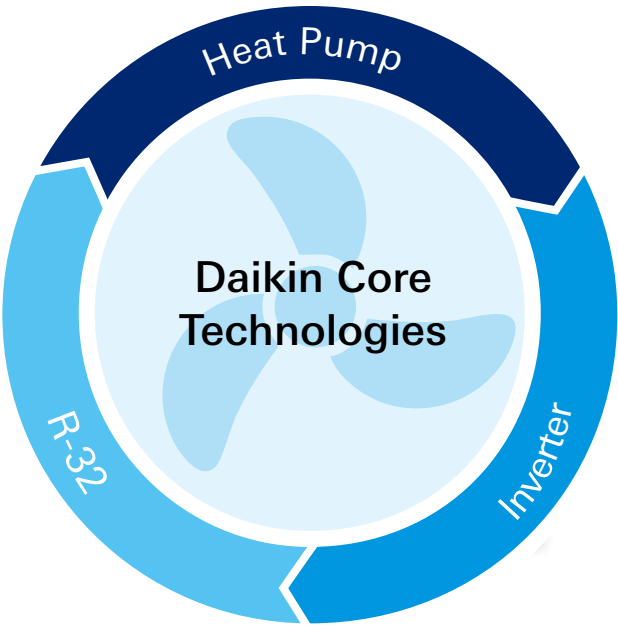
Our commitment comes to life on the manufacturing floor, where we apply three core technologies to engineer and assemble many of Daikin’s advanced HVAC solutions.



# The Big Three

Inverter heat pump  
with R-32 refrigerant

By combining Daikin’s three core technologies, we’ve advanced the standard for comfortable and reliable heating and cooling.



### Inverter

*The Core of Energy Efficiency*

Daikin’s inverter technology is the heart of modern indoor comfort solutions, acting as a high-precision technology that offers energy-efficient and comfortable solutions by controlling the compressor motors of cooling and heating products. Inverters control electrical voltage, current, and frequency. An inverter-equipped product appropriately adjusts the speed of the compressor motor according to the load to precisely adjust and control its cooling and heating capacity. Think of it as adaptive cruise control for buildings, continuously adjusting cooling and heating output to match exact building needs and eliminating wasteful on/off cycling that plagues conventional systems.

Daikin inverter systems are revolutionizing how Daikin systems provide precise temperature control, effective humidity management, and energy efficiency in residential, commercial, and industrial spaces. Simply put, inverters help make people comfortable while using low energy and operating quietly. Daikin is the first company in the world to develop inverters specifically for air conditioners. This advanced technology is designed for energy efficiency, and we will continue to promote the wider use of inverter air conditioners and heat pumps.



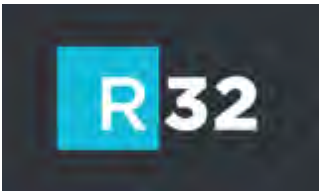
### Heat Pump Technology

*A Solution for Decarbonization and Electrification*

Heat pumps are a highly promising technology used year-round in air conditioners and heating, as well as water heaters, to absorb and transfer heat from the air. Daikin’s advanced heat pump technology is an all-electric solution that requires no direct fossil fuels, with many using low-GWP R-32 refrigerant to move heat in the air with only a small amount of electricity. Daikin’s heat pump models are designed to be smart, high-performance solutions for heating, cooling, and dehumidification in residential, commercial, and industrial buildings. For cooling, they efficiently remove heat from indoor spaces and for heating, they capture heat even from frigid outdoor air, carrying it to warm indoor spaces. Some Daikin models operate in outdoor temperatures as low as -13° F.

### Energy Efficiency and Decarbonization

According to the International Energy Agency, heating in buildings is responsible for 4 gigatonnes (Gt) of global carbon dioxide (CO<sub>2</sub>) emissions annually<sup>1</sup>. The IEA also estimates that “heat pumps globally have the potential to reduce CO<sub>2</sub> emissions by at least 500 million tonnes in 2030 – equal to the annual CO<sub>2</sub> emissions of all cars in Europe today.”<sup>2</sup> As an all-electric solution, heat pump technology can significantly reduce CO<sub>2</sub> emissions in comparison with the direct heating of water and air by burning fossil fuels. In 1958, Daikin developed the first domestic water-cooled heat pump for a packaged air conditioner. Since then, we have continued to push the boundaries of technology that transfer heat without generating it. As a leading environmental solutions company, Daikin is developing heat pump technology that contributes to energy efficiency and conservation.



### R-32

*A Balanced and Practical Solution*

Daikin is the only comprehensive HVAC manufacturer in the world that engages in everything from the development of refrigerants and HVAC products to the recovery, recycling, and reclamation of refrigerants, which circulate and transfer heat. Refrigerants circulate and transfer heat between indoor and outdoor units. Our refrigerant control technology, which controls refrigerant flow to efficiently transfer heat, is a key to our air conditioners’ energy-efficient capabilities.

In line with the Kigali Amendment, Daikin has been at the forefront of adopting refrigerants with low GWP. Daikin selected R-32 for use in the United States. There are many benefits to working with R-32. It is easy to recover, and in some cases, can allow systems to benefit from small design. R-32 delivers multiple environmental benefits while offering high performance. It has now been deployed by 50 companies in more than 370 million units across 130 countries.



**Product Spotlight:** Across the landscape, Daikin’s innovative products are becoming the standard for comfort, efficiency, and sustainability.

# Advancing HVAC Technology



**The Daikin FIT**  
*The Right FIT*

The Daikin *FIT* is a compact air conditioning system that is ideal for space-limited installations. Offering a balance between performance and size, it delivers the advantages of traditional systems in an efficient package. The Daikin *FIT* connects to ducted solutions traditional to the unitary segment. The inverter technology is designed to minimize energy consumption and reduce system wear and tear, thereby keeping utility costs low.



**Daikin Rebel Heat Pump**  
*Performance Accolades*

Daikin’s *Rebel* Heat Pump is an ultra high-efficiency solution featuring variable speed compression and a packaged DX rooftop design. The Daikin *Rebel* Heat Pump has been honored with a 2024 FacilitiesNet Vision Award.



**Venstar®**  
*WiFi, WiNot*

In 2022, Daikin acquired Venstar®, a leading HVAC controls, thermostat, and energy management systems provider whose products are used in millions of residences and light commercial applications across North America. Venstar’s advanced smart thermostats controls technology, and energy management systems support Daikin’s role in connected solutions and efficient, peak performance operations of HVAC systems through cloud-connected monitoring and control.



At Daikin, we're always looking ahead, developing next-generation solutions that push the boundaries of comfort, efficiency, and responsibility. Below is a preview of what's on the horizon.

# Advancing HVAC Technology



**Altherma**  
*A Signature Entrant in the Residential Heat Pump Segment*

An advanced heat pump system offering a complete 3-in-1 solution for heating, cooling, and domestic hot water that delivers outstanding comfort and control. A great alternative to gas and oil hydronic systems, Altherma features Daikin's high-efficiency compressors and low-GWP R-32 refrigerant and can operate in temperatures as low as -18°F, while providing hot water up to 158°F.



**Mega-Q**  
*Advanced Commercial Hot Water Generation System*

With a streamlined three-component design, Mega-Q offers hot water capabilities with split design simplicity for commercial applications. This all-electric hot water generation system is designed to reduce dependence on fossil fuel boilers while providing efficiency through inverter technology. Its innovative dual refrigerant circuits deliver water temperatures of up to 194°F, even in conditions as low as -4°F.

We believe that true innovation flourishes when knowledge is shared and communities are empowered. **Come visit our showrooms to learn more about Daikin's advanced technologies.**

## Locations

- Daikin Experience Center  
Seattle, WA
- Daikin Experience Center  
Lynbrook, NY
- Solution Plaza  
Jersey City, NJ







## A Prime Example

**Data centers are some of the world's most advanced facilities. They require precision environments where efficiency, reliability, scalability, and asset protection are non-negotiable. Backed by bold product innovation, strategic acquisitions, and a new dedicated global data center business unit, Daikin is helping power this future.**

At the forefront of Daikin's expanded data center solutions is the groundbreaking Magnitude® WME-C Quad Chiller, the industry's largest-capacity chiller featuring magnetic-bearing technology that is engineered for maximum uptime and efficiency in mission-critical facilities. Joining the WME-C Quad in the future are the Pathfinder® AWV-C fan deck and AWM Chiller, each offering next-generation advancements in cooling performance.

To support our innovative approach to new product development for data centers, we are expanding our Test Lab located near our Daikin Applied Minneapolis headquarters, growing testing capacity and capabilities for chillers and custom air handler solutions. The expansion will add 71,000 square feet and nine new test cells. And as part of our broader strategy, we are acquiring innovative companies that add new capabilities to our data center solutions portfolio.

**The acquisition of DDC Solutions**, announced in August 2025, adds modular, ultra high-density hybrid and in-room, rack-level solutions for white space cooling, enabling us to deliver a complete data center cooling solution.

These strategic investments will allow our Daikin Applied business to meet the surging demands of data centers while ensuring operational excellence and an unrivaled experience for all customers.



"Data centers have become the beating heart of the global economy, each presenting a distinct set of technical challenges that make cooling a critical and strategic priority. Our goal regarding data centers at Daikin Applied is to continue to develop advanced, innovative cooling ecosystems that future-proof our customer's investments."

**Yu Nishiwaki**, Chief Operating Officer, Daikin Applied Americas, Inc.



# Open Innovation

## The future is now

At Daikin, we believe that facing today’s urgent challenges requires more than our individual effort. It calls for bold collaboration across and beyond this industry, and for that reason, we’ve joined forces with those who share our vision for a better future. We seek to drive innovation that not only advances business but, more importantly, creates a lasting impact on society.



### Daikin Sustainability and Innovation Center

In America, this vision comes to life at the Daikin Sustainability and Innovation Center (DSIC) in Washington, D.C. Located a few steps from the White House, the DSIC serves as a platform for education and partnership, bringing together industry leaders, policymakers, and community partners to collaborate. Fostering dialogue and driving innovation will shape the future of indoor environments and sustainability.



### Technology and Innovation Center

The Technology and Innovation Center (TIC), Daikin’s LEED Platinum Building located in Osaka, Japan, is our global hub for research and development. At TIC, more than 900 engineers conceptualize and develop new products, services, and solutions to help tackle global issues with a focus on creating comfortable indoor environments while aiming for carbon neutrality.

400+  
R-32-related  
patents shared

### R-32 Refrigerant

A standout example of our open innovation approach is our commitment to the adoption of R-32 refrigerant. Recognizing the urgent need to lower the GWP of HVAC systems, Daikin made a bold global decision: to grant free access to more than 400 of our R-32-related patents. This unprecedented move has empowered more than 50 companies worldwide to deploy more than 370 million R-32 systems, accelerating the transition to more sustainable, energy-efficient solutions across the industry.



# Innovation through Collaboration



## Aurelia Institute – Space Garden

We have been working with Aurelia Institute, a nonprofit space architecture R&D lab, education, and outreach center, to research internal technical components for the Space Garden, a near-Earth orbit project exploring autonomous horticulture in space. With a century of expertise in pioneering energy-efficient HVAC technologies, Daikin is applying its core philosophy of open innovation to explore new opportunities to deliver HVAC solutions that meet the unique demands of outer space. Daikin and Aurelia will work together to explore groundbreaking approaches to air and water management for the next hundred years — on earth and beyond.

To achieve net zero by 2050, Daikin is taking on numerous technological development challenges. In order to accelerate the process, Daikin Open Innovation Lab Silicon Valley has taken the lead and expanded our climate tech research through collaboration and strategic partnerships with startup companies in the United States.



## Breakthrough Energy Ventures

In 2024, Daikin invested in Breakthrough Energy Ventures, an investment firm seeking to finance, launch, and scale companies that will eliminate greenhouse gas emissions around the globe. Daikin was the only HVAC company chosen to invest in BEV Select Fund I. This fund is a later-stage investment vehicle created to support climate tech companies that have overcome core technical hurdles and are either on the verge of commercial deployment or are already in the marketplace generating revenue.



## Plug and Play

Plug and Play is the world’s largest open innovation platform that connects entrepreneurs, corporations, and investors globally to accelerate technological advancement. Daikin began working with Plug and Play in 2014 and continues to leverage this relationship to connect with startups around the Bay Area.





# SUSTAINABILITY



# Where We All Live

## Daikin's Commitment to Easing the Burden

Daikin's new global Group Philosophy strives to "Resolve Social Issues and Enhance Corporate Value." This affirms our dedication to meeting the increased challenges of today's society. Our commitment is particularly relevant as the convergence of geopolitical instability and economic uncertainty further emphasizes the importance of corporate responsibility.

Air is the single most important element to life on this planet and is the foundation in our approach to environmental sustainability. Employing a holistic approach prioritizes not only decarbonization but also energy efficiency and resilience.



# Our Commitment to Net Zero



### The 2050 Vision

Daikin’s Environmental Vision 2050 is our long-term global commitment to achieving net-zero greenhouse gas emissions throughout the entire lifecycle of our products. This goal guides our efforts to reduce emissions during production, product use, and end-of-life, ensuring positive impact.

We’ve already achieved a **27% reduction in net greenhouse gas emissions** in FY24 (compared to business as usual with 2019 as the base year), and we are accelerating toward our 30% reduction target by 2025 and 50% by 2030.

### Environmental Vision 2050 Reduction Targets:

- **30% reduction** in net greenhouse gas emissions by 2025 (vs. 2019)
- **50% reduction** in net greenhouse gas emissions by 2030 (vs. 2019)
- **0** Net-zero emissions across our entire value chain by 2050

### Areas where we plan to reduce greenhouse gas emissions across the full life cycle:

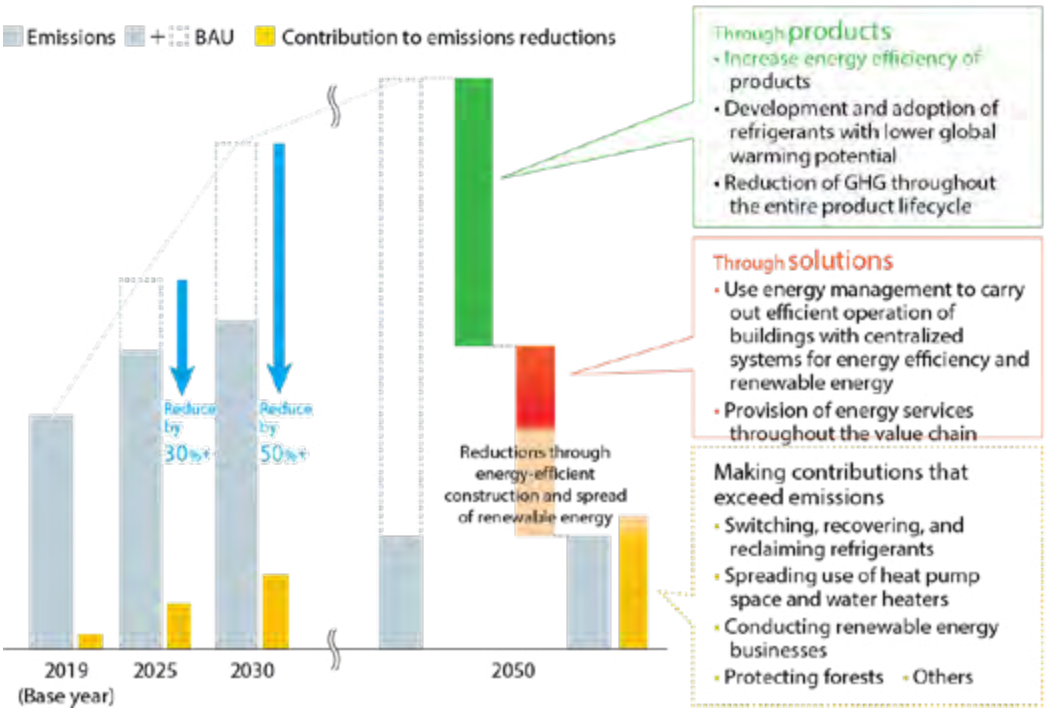
- Helping end users reduce product lifecycle emissions, from the energy they consume and the refrigerants they contain.
- Investing in the development and supporting the adoption of low-carbon technologies for the decarbonization of new and existing buildings.
- Lowering or avoiding greenhouse gas emissions throughout the entire lifetime of equipment. Heat pumps play an essential role in energy transition and the path to carbon neutrality.
- Collaborating with stakeholders to create a circular economy for refrigerants and solutions for their recovery, recycling, reclamation, and reuse.



### Reduction targets and results for net greenhouse gas emissions\* throughout the lifecycle

\* Defined as the total after subtracting our contribution to remissions reduction from our total greenhouse gas emissions.

With 2019 as the base year, reduce net greenhouse gas emissions **by 30% or more in 2025 and by 50% or more in 2030** compared to emissions without measures (business as usual: BAU).  
FY 2024 results: **27% reduction**



### Fusion 25

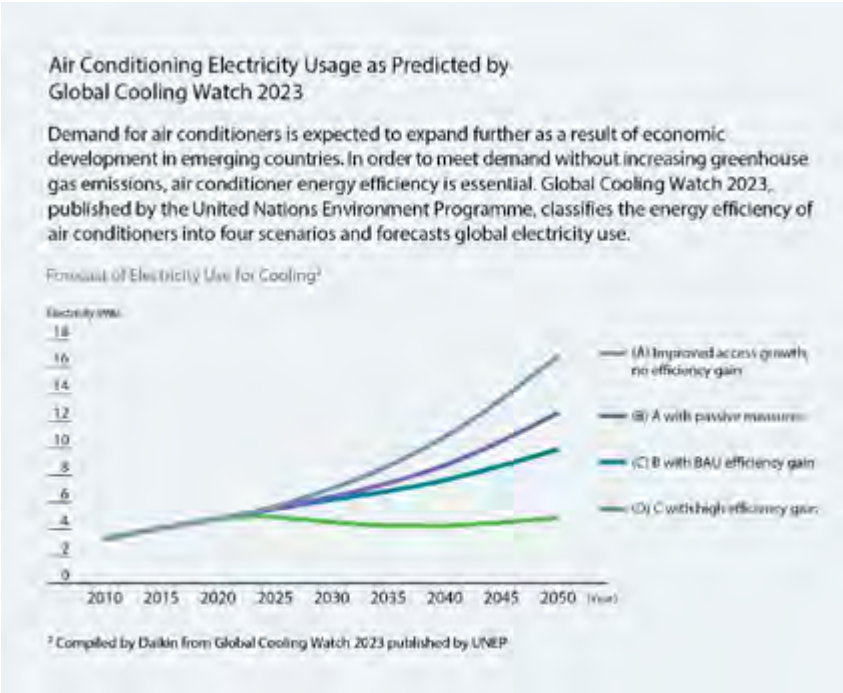
Efforts for Environmental Vision 2050 have been made in close alignment with the global strategic management plan Fusion. In the Fusion 25 Latter-Half Three-Year Plan formulated in 2023, Daikin established a “Challenge to Achieve Carbon Neutrality” as a growth strategy theme. We continue to promote initiatives in support of this, including that, by 2030, all Daikin equipment manufacturing sites aim to achieve net-zero greenhouse gas emissions.



If it's Not One Thing,  
It's Another

In the United States, 19% of energy consumption in homes comes from air conditioner use<sup>3</sup> and worldwide cooling accounts for 10% of all electricity consumption<sup>4</sup>.

The global inventory of air conditioners is set to explode from 1.6 billion today to 5.6 billion by 2050. This is equivalent to 10 new units sold every second for the next 30 years and will consume as much electricity as China and India's combined use today<sup>5</sup>.



In the U.S. alone, buildings use approximately **75% of the country's electricity**<sup>6</sup>. Meanwhile, more and more American families who need heating and cooling can't afford it.

And while AI data centers are creating what the U.S. Department of Energy calls an “unprecedented surge” in electricity demand, the International Energy Agency states that air conditioning will actually contribute more to rising global energy demand than these AI centers through 2030<sup>7</sup>. This prospect results in both national and international challenges that must be addressed. The way we think about climate change and carbon emissions remains central, but true sustainability also means highlighting solutions to help address broader energy resilience challenges, from affordability to grid reliability.

“The scale of the climate and energy challenges we face demands bold leadership, and as an industry innovator, Daikin is committed to doing our part. Climate change, energy resilience, and affordability are not separate issues — they are deeply interconnected challenges and require an integrated solution. Our three-pillar strategy is designed to help break the cooling paradox and accelerate building decarbonization.”

**Yoshiyuki Uemura**, President, Daikin U.S. Corporation

<sup>3</sup> EIA 2024: Residential Energy Consumption Survey, <https://www.eia.gov/tools/faqs/faq.php?id=1174&t=1>  
<sup>4</sup> IEA 2018: The Future of Cooling, <https://www.iea.org/news/air-conditioning-use-emerges-as-one-of-the-key-drivers-of-global-electricity-demand-growth>, License: CC BY 4.0  
<sup>5</sup> IEA 2018: The Future of Cooling, <https://www.iea.org/news/air-conditioning-use-emerges-as-one-of-the-key-drivers-of-global-electricity-demand-growth>, License: CC BY 4.0

<sup>6</sup> DOE 2024: Decarbonizing the U.S. Economy by 2050, <https://www.energy.gov/sites/default/files/2024-12/bto-decarbonizing-us-economy-2050-122724.pdf>  
<sup>7</sup> IEA (2024). What the data centre and AI boom could mean for the energy sector, IEA, Paris <https://www.iea.org/commentaries/what-the-data-centre-and-ai-boom-could-mean-for-the-energy-sector>, Licence: CC BY 4.0



# It's Our Responsibility



## Building Decarbonization and Energy Resilience

Daikin has made steady global progress through our Environmental Vision 2050, but more needs to be done.

As an industry, we must intensify our efforts to decarbonize buildings and improve overall energy resilience. Building decarbonization is one of Daikin’s most essential responsibilities, and the scale of this challenge requires comprehensive solutions. We are tackling this with a three-pillar strategy focused on innovative technologies and solutions. This holistic approach includes a mix of policies and programs to ensure effective implementation.

- 1. Technology Leadership
- 2. Lifecycle Solutions
- 3. Implementation & Policy

### Technology Leadership

Daikin is supporting the transition to lower emissions and better energy resilience through breakthrough technologies that are **achievable, scalable, and affordable**.

Inverter compressor technology, low-GWP R-32 refrigerant, and heat pump engineering are readily implementable solutions that support our path to net-zero buildings and a more reliable electricity grid. Daikin is also making a difference by integrating buildings with centralized products like commercial Variable Refrigerant Volume (VRV) systems and smart energy management controls.

## Lifecycle Approach

Daikin knows tackling building decarbonization and energy resilience requires taking a holistic view that goes beyond equipment efficiency — this includes basing global reduction targets on emissions throughout the lifecycle in our Environmental Vision 2050.

In selecting refrigerants, we consider not only their direct impact on global warming but also their impact over the entire product life cycle, including the energy efficiency of HVAC systems using these refrigerants. We also consider other factors including life cycle impacts concerning safety issues, such as flammability and toxicity, as well as the price of the refrigerant itself and the manufacturing costs of HVAC systems. Daikin will always strive to ensure that the right refrigerant is selected for each application.

At a global level, Daikin will also always carry out all our business activities in consideration of circularity throughout the value chain, from the procurement of raw materials to the design and production of products, usage by customers, and final disposal.

## Implementation & Policy

Daikin believes that successful building decarbonization requires a coordinated policy framework that supports both innovation and business transformation.



### Spotlight On

The American Innovation and Manufacturing (AIM) Act of 2020 is a landmark U.S. policy aimed at reducing the use of hydrofluorocarbons (HFCs), the high global warming potential (GWP) refrigerants commonly found in traditional HVAC and refrigeration systems. The AIM Act sets a gradual schedule to phase down high-GWP HFCs, targeting an 85% reduction by 2036. At Daikin, we’re fully aligned with the AIM Act’s goals. As the global HVAC industry transitions to sustainable refrigerants, Daikin stands firmly behind its strategic decision to choose R-32 as a reliable, efficient, low-GWP refrigerant solution for customers in the United States.





# Spotlight On Daikin Texas Technology Park



Daikin is determined to make Daikin Texas Technology Park (DTTP) a net-zero factory by 2030 to set an example for sustainable manufacturing and environmental responsibility. As part of this commitment, Daikin is diligently working to reduce our electricity and fuel consumption, and has implemented a conservation and renewable energy strategy.

The nearly 1-megawatt solar power plant installation at Daikin Texas Technology Park in Waller, Texas, is one component of Daikin’s sustainability approach that will eliminate an estimated **845 metric tons of carbon emissions** annually.

Building on this recent installation of a solar array at DTTP, in September 2025, we announced a five-year agreement with ENGIE North America to power all of our Daikin Comfort Technologies’ facilities, including DTTP, with 100% renewable energy.



# Responsibility, Action, and Recognition



### Climate Week NYC 2025

Climate Week NYC 2025 was one of the world’s largest annual climate gatherings of global leaders. Participation fuels discussion on environmental and energy action, and serves as a platform for inspiring heads of government and leaders in business and academia to come together to address this massive worldwide challenge.

In 2025, Daikin led critical conversations on fostering decarbonization and energy resilience, which emphasized our three-pillar strategy for addressing America’s pressing environmental and energy challenges. Highlights included hosting a U.S. Chamber of Commerce panel event, *The Circular Economy is an Important Pathway to Energy Security Progress*, and participating in a fireside chat at Newsweek’s *Pillars of the Green Transition* event. At this event, Daikin outlined how technology, innovation, and corporate responsibility can drive progress toward decarbonization and energy resilience.



### COP29

Daikin leaders joined a panel discussion with representatives from the United Nations Environment Programme (UNEP) and the Global Alliance for Buildings and Construction (Global ABC) to explore strategies for decarbonizing the construction sector.

Daikin is planning for our largest-ever COP presence at COP30 in Belém, Brazil, where we will communicate our vision, showcase our technologies, and offer solutions for achieving carbon neutrality and energy resilience.



### SBTi Daikin’s Greenhouse Gas Emissions Reduction Target Approval

In August 2025, Daikin Industries Ltd. announced that it had received certification from the Science Based Targets initiative (SBTi) for its greenhouse gas (GHG) emissions reduction targets for 2050. With this, Daikin joined a group of approximately 2,000 companies worldwide to have science-based net-zero targets for 2050.



### DC Climate Week

During DC Climate Week in April 2025, Daikin opened the doors to Daikin Sustainability and Innovation Center (DSIC) in Washington. Daikin hosted two event series, *Technology Focus* and *Policy Focus*, to spotlight how we are advancing sustainable building solutions and supporting climate goals through collaborative innovation.



### Daikin Global Named to CDP Climate Change A List

CDP operates a global environmental disclosure system for companies and local governments, and Daikin Industries, Ltd. was recently selected for it’s “A List” in recognition of our performance in climate actions and environmental disclosure.



COMMUNITY



# Elevating our Workfoce




## People-Centered Management



People-Centered Management (PCM), a philosophy focused on the belief that everyone has potential, forms the foundation of our corporate culture. At Daikin, we are guided by this philosophy and strive to create an environment in which all feel valued and empowered. When individuals thrive, the collective succeeds. PCM is rooted in the belief that people are the source of growth and the foundation for the company’s development.

We celebrate the unique talents and perspectives each person brings, making our diversity a powerful strength. Fostering enthusiasm, trust, and open communication empowers our team members to highlight their individuality and pursue personal growth.

PCM is defined by three core behaviors:

-  1. Taking Action
-  2. Building Relationships
-  3. Generating Results

### The Future is Bright

Our people-first mindset is woven into everything we do, from anticipating customer needs and developing world-leading technologies to making a positive impact in our communities. PCM is more than a philosophy; it’s how we unlock potential for success and point a beacon toward the future.







## Spotlight On Skills Competition



Our commitment to nurturing talent is extensive. For more than 20 years, Daikin's Skills Competition has brought together employees from around the globe to showcase practical expertise and workplace safety knowledge. This event reflects our people-centered management philosophy by empowering individuals to grow, challenge themselves, and reach their full potential. Winners of the regional competition at DTTP in Waller, Texas, advance to the global finals in Osaka, Japan, where they meet senior leaders, tour Daikin facilities, and become immersed in Japanese culture.





# Fueling Investment

## Strength in Numbers

At Daikin, innovation goes beyond engineering. It’s about people, places, and possibilities. Our focus on positively impacting society is rooted in our desire to help build stronger communities. From supporting youth sports in Houston to empowering future leaders in Minnesota, our commitment to social impact is embedded in everything we do. Our success is dependent on local talent promoting local success.



## Local Success

### Reaping Rewards in the Heartland

The Daikin Applied team is deeply ingrained in the rural Minnesota communities where we operate, employing 1,200 of 3,500 total U.S. and Canadian employees across the state’s three manufacturing facilities. To ensure new hires succeed from day one, we developed a 40-hour training program at our Faribault and Owatonna sites. Education is available to anyone with a high school diploma or a General Educational Development (GED) certificate, as well as to those still in school.

In June 2025, these long-standing workforce investments earned statewide recognition when our Daikin Applied team was selected as one of 80 Minnesota businesses to receive part of a \$5 million Workforce Training Grant. This award will enhance our dual-training program that merges technical education with hands-on experience.

# Everything’s Big in Texas

We’re proud of the spirit of volunteerism that’s instilled in Daikin employees. From packing 10,000 bagged lunches to hosting Earth Day art contests at elementary schools, our associates are dedicated to the communities in which they live and work.



## Houston Astros Foundation

Our partnership with the Houston Astros has allowed Daikin to further support local education initiatives and community improvement.



In June 2025, we launched the \$100,000 **Most Valuable STEAM Scholarship**, awarding \$10,000 each to 10 Houston-area high school seniors who have shown promise in science, technology, engineering, arts, and mathematics. This program helps prepare Houston’s next generation of leaders as they pursue higher education.



The following month, Daikin and the Astros Foundation joined forces again to launch **Cooling Communities**, an initiative to enhance comfort in public spaces. The first recipient, Bayland Community Center in Harris County Precinct 4, a vital hub for youth sports, senior programs, and local clubs, will receive \$55,000 in HVAC upgrades powered by our advanced inverter technology.





# COMFORT

For All





# Comfort is a Right, Not a Privilege... and for Everyone

For more than a century, we’ve been motivated by this premise. We are committed to *Perfecting The Air We Share* and leading our industry to create and sustain superior indoor environments.

Today, Daikin is 25,000 employees strong across America. We’re here because we care, and in an ever-evolving world, the importance of clean, fresh air can’t be overstated, from homes to hospitals and factories to office towers, Daikin’s advanced heating and cooling solutions strive to provide maximum user comfort while operating efficiently. Air quality is arguably the most important demand placed on any indoor environment. Backed by groundbreaking R&D and precision engineering, Daikin Indoor Air Quality (IAQ) solutions bring a level of intelligence to HVAC systems that make spaces breathable.



# To Serve is an Honor



Following January’s devastating Los Angeles-area wildfires, American Air Filter, one of Daikin’s brands and a global pioneer in air filtration solutions, enhanced the indoor air quality of Pasadena’s elderly community by donating advanced home air filters and room purifiers to the residents of the Pasadena Senior Center and Pasadena Village.



We’re honored to work with the City of Houston. Over the next three years, we’re installing up to 30 advanced inverter Daikin *FIT* heat pump in low-to-moderate-income households, including seniors and families whose homes are being renovated through the city’s Home Repair Program. As part of our commitment to supporting Houston’s vision for decarbonization and energy grid resiliency, homeowners can enjoy low energy bills, low CO<sub>2</sub> emissions, and the convenience of internet connectivity for remote monitoring and control.

“We are proud to work with the City of Houston to launch this program that can directly advance their vision for decarbonization and increasing grid resiliency through high efficiency.”

**Satoru Akama,**  
President and Chief Executive Officer  
Daikin Comfort Technologies North America, Inc.







## Spotlight On WELL Platinum Certification



**In October 2025, the Daikin U.S. Washington, D.C. office earned WELL Platinum certification — the highest designation from the International WELL Building Institute (IWBI). The certification recognizes buildings that exemplify best practices in supporting people’s comfort in the workplace.**

Our office maximized points across four key categories: Air, Light, Movement, and Community. Air quality is maintained through multi-stage filtration, including MERV 13 and MERV 11 filters for outdoor air, plus sorbent-laced media that absorb volatile organic compounds (VOCs) and CO<sub>2</sub> to enable fresh air circulation without additional outdoor air intake.

We prioritize employee wellness through fully adjustable workstations, on-premises gym access, bike commuting facilities, and proximity to parks. Communal building features include a wellness room, lactation room, kitchen spaces, and collaborative work areas.

At the certification celebration, Yoshiyuki Uemura, President of Daikin U.S. Corporation, emphasized the company’s commitment to creating more comfortable, more sustainable, and more inclusive workplaces. IWBI President and CEO Rachel Hodgdon acknowledged Daikin’s exceptional achievement in advancing workplace wellness standards.



# Comfort and Innovation



**Putting the IQ in IAQ**

Through Daikin’s American Air Filter International (AAF) business, we’ve developed significant air quality products including advanced air filters, filtration systems, and smart monitoring technology that improve Indoor Air Quality (IAQ). Our AAF products, such as MERV-rated HEPA filters that capture particulates and gas-phase filters to eliminate odor and harmful gases, are integrated into building control platforms.

Advancing the state of IAQ technology is at the heart of AAF’s 33,000-sq.-ft. Clean AIR Center in Jeffersonville, Indiana. Engineers rigorously test every new AAF filter design before it is released. Existing AAF filtration products are also tested as technicians look for ways to increase their performance. This includes loading HEPA filters with diesel exhaust, a byproduct of delivery trucks that can affect a building’s indoor air quality. Filters that have reached the end of their lifecycle in the field are also examined. The center’s test ducts meet or exceed all industry standards and use all common protocols. Testing includes ASHRAE 52.2, ISO 16890, and UL 900 in a dedicated UL filter testing room.



**Daikin Efficiency Advisor**  
*Energy Modeling & Cost Savings*

Daikin Comfort Technologies’ Efficiency Advisor is an interactive tool that uses advanced energy modeling to demonstrate how HVAC choices impact costs, savings, and efficiency before installation. By turning complex data into clear ROI insights, it empowers homeowners and builders to make smarter, sustainable decisions, reinforcing Daikin’s commitment to long-lasting, high-performing solutions.



**Daikin SkyportCare and SkyportHome**  
*More Control, Greater Comfort*

The **SkyportHome** app is designed to work with Daikin, Goodman, and Amana® brand smart thermostats, helping users remotely manage and optimize their home’s heating and cooling system. Users can also give their contractor remote access to their system through SkyportCare, improving peace of mind and overall comfort for both residential and commercial customers while allowing for exciting new over-the-air updates.



**Daikin Charge Integrity**  
*Smart Sensing*

In 2023, aiming to identify slow refrigerant leaks into the atmosphere, Daikin introduced Charge Integrity, which is a feature designed for its cloud-based services that alerts HVAC contractors if refrigerant charge levels drop below optimal thresholds. It was for this product innovation that Daikin was the Silver Award winner of the ACHR News 2024 Dealer Design Awards.



# Our Who, What, and Where

## Daikin U.S. Corporation

### Headquarters, NY

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### Advocacy Office, DC

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## Daikin Comfort Technologies North America, Inc.

### Headquarters, TX

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## Daikin Applied Americas, Inc.

### Headquarters, MN

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## American Air Filter International (AAF)

### Headquarters, KY

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For convenience, the term Daikin and  
terms like us, we, and our simplified  
references to separate corporate  
affiliates that are members of the  
Daikin group of companies.



