



Presentation of Financial Results for the First Half Ended in September 2021

November 5, 2021

Table of Contents

I . Financial Results for the First Half	· · · · ·	P. 3
II . Business Forecast for FY2021	· · · · ·	P. 9
III . Business and Regional Overview	· · · · ·	P. 14
IV . Dividends Plan	· · · · ·	P. 22

«Reference»

I . Financial Results ■ Companywide Results

Achieving Record High Financial Results in First Half

- ✓ Daikin Industries faced headwinds, including soaring prices for raw materials and logistics costs and the spread of the novel coronavirus (COVID-19) pandemic in Asia, but we were able to absorb the negative impact of these by generating results from our seven key themes for FY2021 (strategic selling prices measures, sales expansion/market share increase, cost reductions, etc.).
- ✓ In the Air-Conditioning business, we boosted market share by launching new products related to indoor air quality (IAQ) and ventilation, strengthening sales and marketing capabilities, and flexibly responding with supplies to avert shortages, such as for electronic components. While expanding sales in Americas, China, and Europe centering on Residential Air Conditioning, we also increased sales in Europe on strong demand for heat-pump type space and hot water heaters.
- ✓ In the Chemicals business, we improved sales by capitalizing on a recovery in demand in the semiconductor and automotive markets.

(billion yen)	FY2020	FY2021 H1		Y/Y
	H1 Results	Forecast (Aug.)	Results	
Net sales	1,229.2	1,510.0	1,558.9	127%
Operating profit	131.6	183.0	192.7	146%
(Percentage of profit to net sales)	(10.7%)	(12.1%)	(12.4%)	
Ordinary profit	131.9	183.0	196.8	149%
(Percentage of profit to net sales)	(10.7%)	(12.1%)	(12.6%)	
Profit attributable to owners of parent	84.6	120.0	139.1	164%
(Percentage of profit to net sales)	(6.9%)	(7.9%)	(8.9%)	

USD/JPY
EUR/JPY
RMB/JPY

¥107
¥121
¥15.3

¥110
¥131
¥17.0

FX Effect (Y/Y)

Sales +55.5 billion yen
Operating Profit +7.5 billion yen

(Reference) Key Themes for FY2021

1. Strategic selling price measures that absorbs cost increases of market conditions, etc., with the aim of maintaining profitability
2. Outperforming rivals and increasing market share
 - Further sales expansion of residential-use air conditioners, capturing replacement demand for commercial air conditioners, and acceleration of digital sales
 - Global sales expansion of air quality and ventilation products, development of differentiated products, and development of solution proposal options
3. Reinforcement and maximization of variable cost reductions
 - Replacement of materials from copper to aluminum, standardization of core parts, and expansion of in-house production
4. Measures to control soaring logistics costs and further streamlining of logistics
5. Drastic reduction of fixed costs and as improving efficiency of indirect operations
6. Building of a flexible position that is prepared for the highs and lows of the management environment
7. Start dash of key themes for “Fusion 25” that include heating, air quality, and solutions

■ Financial Results by Segments

(billion yen)		H1 Results		
		FY2020	FY2021	Y/Y
Total	Sales	1,229.2	1,558.9	127%
	Operating profit (Percentage of profit to net sales)	131.6 (10.7%)	192.7 (12.4%)	146%
Air Conditioning	Sales	1,131.7	1,427.9	126%
	Operating profit (Percentage of profit to net sales)	124.5 (11.0%)	174.1 (12.2%)	140%
Chemicals	Sales	74.6	101.9	136%
	Operating profit (Percentage of profit to net sales)	5.9 (8.0%)	15.5 (15.2%)	261%
Others	Sales	22.9	29.1	127%
	Operating profit (Percentage of profit to net sales)	1.2 (5.3%)	3.1 (10.7%)	255%

※Air-Conditioning business includes filter, refrigerator and freezer businesses.

■ Profit and Loss Statement

(billion yen)	FY2020 H1	FY2021 H1	Impact on profitability
	91	127	
Net sales	1,229.2	1,558.9	+329.6
Cost of sales	798.1 (64.9%)	1,010.4 (64.8%)	-212.3
Gross profit	431.1 (35.1%)	548.4 (35.2%)	+117.3
Selling general and administrative expenses	299.5 (24.4%)	355.7 (22.8%)	-56.2
Operating profit	131.6 (10.7%)	192.7 (12.4%)	+61.1
Non-operating gain or losses	0.2	4.1	※ +3.9
Ordinary profit	131.9 (10.7%)	196.8 (12.6%)	+65.0
Extraordinary gains or losses	-0.3	0.3	+0.5
Profit before income taxes	131.6 (10.7%)	197.1 (12.6%)	+65.5
Corporate taxes, etc.	43.5	53.7	-10.2
Tax burden ratio	33.1%	27.2%	
Profit attributable to non-controlling interests	3.5	4.3	-0.9
Profit attributable to owners of parent	84.6 (6.9%)	139.1 (8.9%)	+54.5

※ Changes in non-operating gains or losses

Exchange gain or loss	+2.0 (-1.5→+0.5)
Interest income	+0.8 (+2.9→+3.7)

() parentheses indicate percentage to net sales

■ Balance Sheet

(billion yen)	2020/9E	2021/9E	Y/Y
Cash and cash equivalents	730.0	807.3	+77.3
Receivables	<u>64 days</u> 430.6	<u>60 days</u> 510.3	+79.7
Inventories	<u>60 days</u> 402.1	<u>61 days</u> 518.0	+115.9
Fixed assets	1,111.5	1,187.9	+76.4
Investment and others	177.0	220.2	+43.1
Others	140.9	174.5	+33.6
Total Assets	2,992.2	3,418.2	+426.1

	2020/9E	2021/9E	Y/Y
Trade payables	187.3	254.4	+67.2
Interest bearing (Interest-bearing ratio)	784.2 (26.2%)	730.8 (21.4%)	-53.3
Others	479.0	601.3	+122.3
Total liabilities	1,450.5	1,586.6	+136.1
Total equity (Equity ratio)	1,511.2 (50.5%)	1,794.6 (52.5%)	+283.3
Share Warrant	2.1	2.7	+0.5
Non-controlling interests	28.3	34.4	+6.1
Total net assets	1,541.7	1,831.7	+289.9
Total liabilities and net assets	2,992.2	3,418.2	+426.1

※Breakdown of interest-bearing debt

	2020/9E	2021/9E	Y/Y
Short-term borrowings	56.7	46.3	-10.4
Bonds	140.0	130.0	-10.0
Long-term borrowings	511.1	468.7	-42.4
Lease debt	76.4	85.9	+9.5
Total	784.2	730.8	-53.3

■ Breakdown of Changes in Operating Profit

[Year-on-Year Comparison of First Half Results]

(billion yen)

200

180

160

140

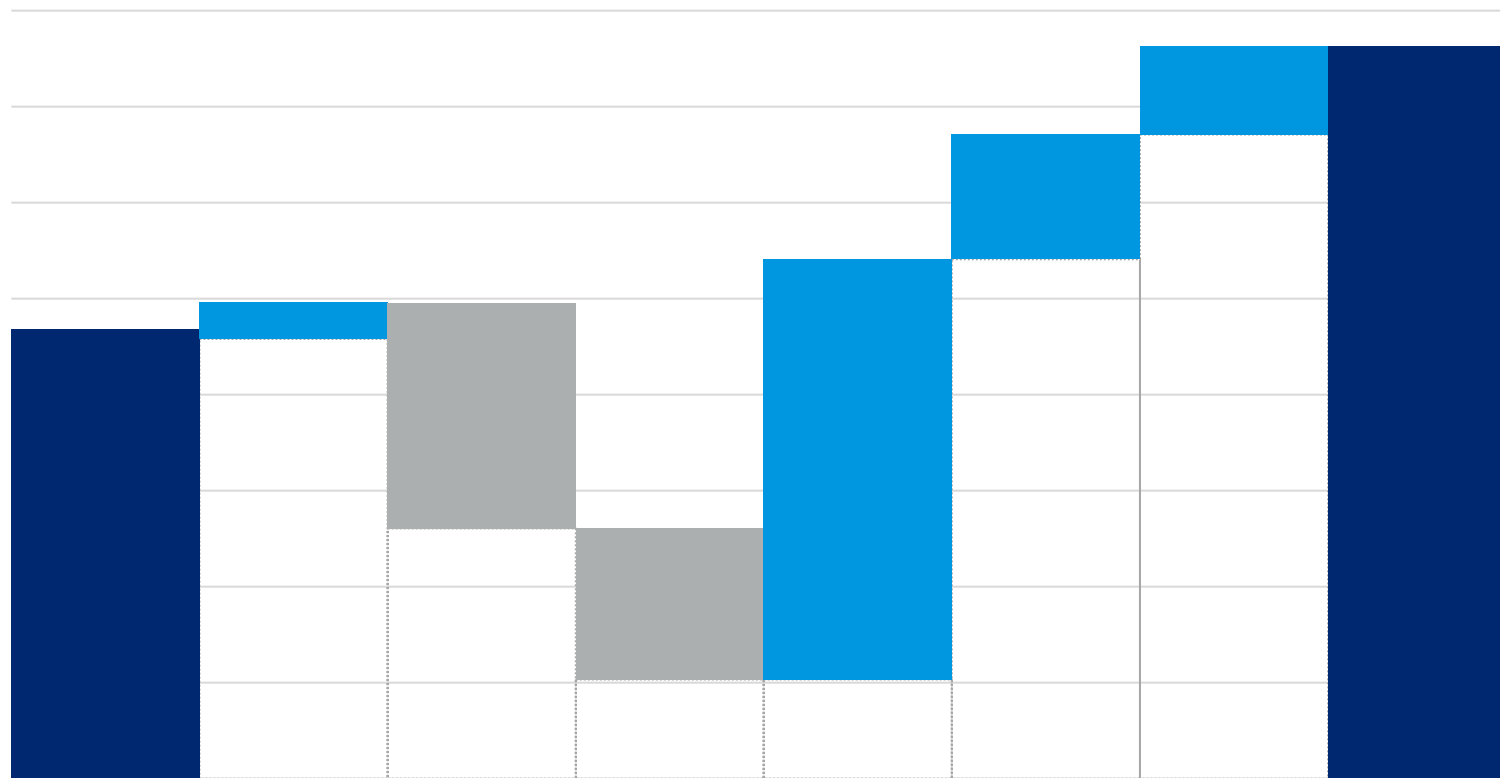
120

100

80

60

40



	FY2020 Results	Foreign Exchange	Raw Materials (Including logistics costs)	Fixed Costs, etc.	Sales Expansion	Selling Price	Cost Reductions	FY2021 Results
Total	131.6	+7.5	-47.0	-31.5	+87.6	+26.0	+18.5	192.7
Air Conditioning	124.5	+6.6	-43.2	-29.7	+74.1	+23.8	+18.0	174.1
Chemicals	5.9	+0.9	-3.5	-1.5	+11.1	+2.1	+0.4	15.5
Others	1.2	—	-0.3	-0.3	+2.3	+0.1	+0.1	3.1

II. Business Forecast for FY2021 ■ Companywide Business Forecast

Aiming for Record Highs after Second Upward Revision for This Term

- ✓ By further generating results for our seven key themes, we will absorb the negative impact of soaring prices for raw materials and logistics costs, a delay in recovery of demand in Commercial Air Conditioning, and the continued spread of the COVID-19 pandemic in Asia.
- ✓ We intend to achieve the business forecast by responding flexibly to the assumed risks (manufacturing personnel shortage in the United States, power shortages in China, and SCM confusion from regulations on behavior in Asia, etc.).
- ✓ Profit structure reform will be implemented according to the cumulative results of the seven key themes while aiming for results in operating profit exceeding 300 billion yen.

	FY2020 Results			FY2021 Forecast (Aug.)	FY2021			
	H1	H2	Total	Total	H1 Results	H2 Forecast	Total Forecast	Y/Y
(billion yen)								
Net sales	1,229.2	1,264.1	2,493.4	2,810.0	1,558.9	1,371.1	2,930.0	118%
Operating profit	131.6	107.0	238.6	290.0	192.7	107.3	300.0	126%
(Percentage of profit to net sales)	(10.7%)	(8.5%)	(9.6%)	(10.3%)	(12.4%)	(7.8%)	(10.2%)	
Ordinary profit	131.9	108.4	240.2	290.0	196.8	105.2	302.0	126%
(Percentage of profit to net sales)	(10.7%)	(8.6%)	(9.6%)	(10.3%)	(12.6%)	(7.7%)	(10.3%)	
Profit attributable to owners of parent	84.6	71.6	156.2	190.0	139.1	63.9	203.0	130%
(Percentage of profit to net sales)	(6.9%)	(5.7%)	(6.3%)	(6.8%)	(8.9%)	(4.7%)	(6.9%)	
USD/JPY	¥107	¥105	¥106		¥110	¥105	¥107	
EUR/JPY	¥121	¥126	¥124		¥131	¥125	¥128	
RMB/JPY	¥15.3	¥16.1	¥15.7		¥17.0	¥16.5	¥16.7	

FX Effect (Y/Y)

Sales +57.0 billion yen
Operating Profit +5.5 billion yen

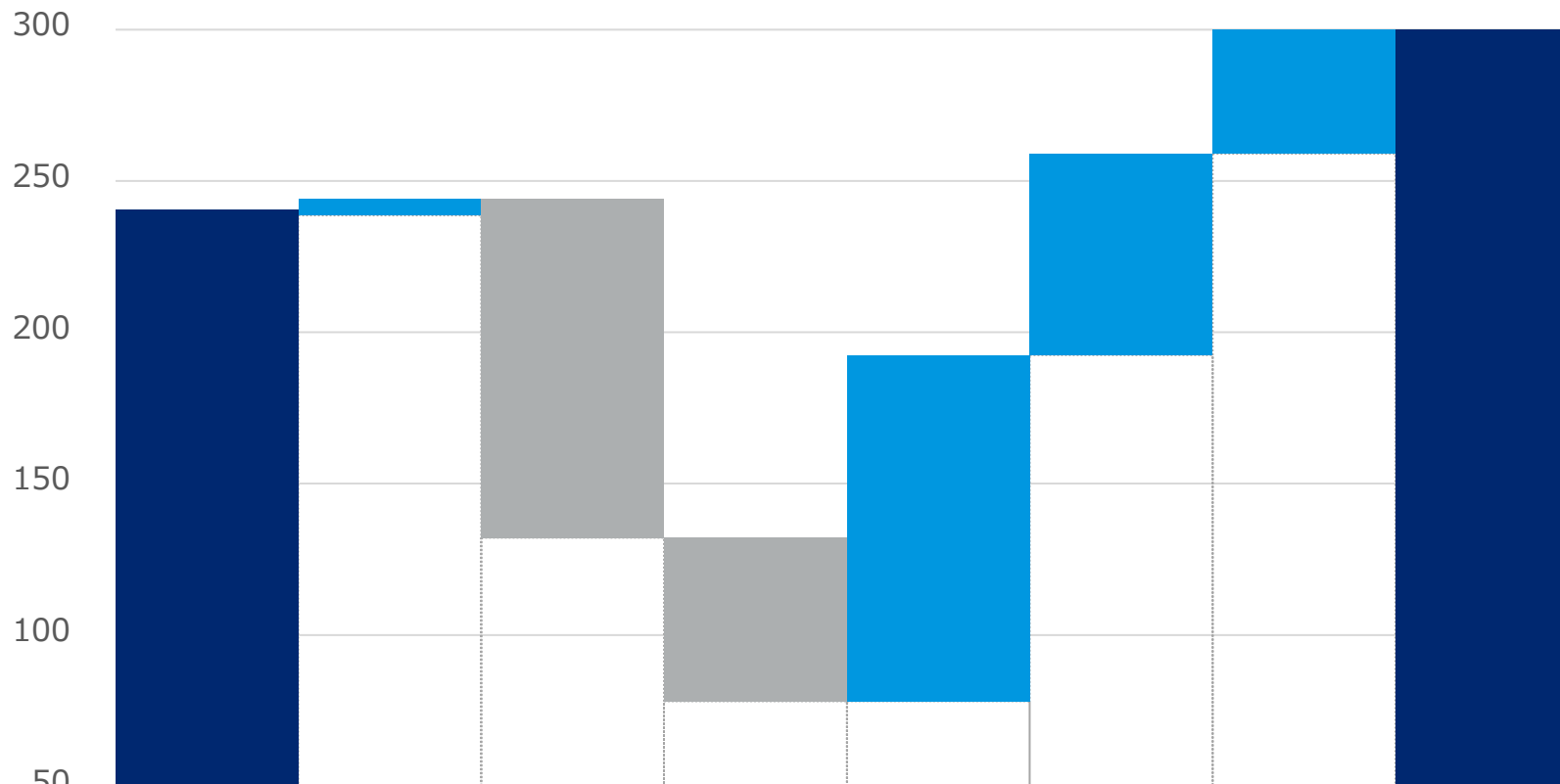
■ Business Forecast by Segments

		FY2020	FY2021			
		Results	H1 Results	H2 Forecast	Total Forecast	Y/Y
(billion yen)						
Total	Sales	2,493.4	1,558.9	1,371.1	2,930.0	118%
	Operating profit (Percentage of profit to net sales)	238.6 (9.6%)	192.7 (12.4%)	107.3 (7.8%)	300.0 (10.2%)	126%
Air Conditioning	Sales	2,273.8	1,427.9	1,237.6	2,665.5	117%
	Operating profit (Percentage of profit to net sales)	223.1 (9.8%)	174.1 (12.2%)	95.9 (7.7%)	270.0 (10.1%)	121%
Chemicals	Sales	164.2	101.9	99.6	201.5	123%
	Operating profit (Percentage of profit to net sales)	11.4 (6.9%)	15.5 (15.2%)	8.5 (8.5%)	24.0 (11.9%)	211%
Others	Sales	55.4	29.1	33.9	63.0	114%
	Operating profit (Percentage of profit to net sales)	4.1 (7.5%)	3.1 (10.7%)	2.9 (8.5%)	6.0 (9.5%)	145%

■ Breakdown of Changes in Operating Profit

[Full-Year Forecast Comparison with Previous Fiscal Year]

(billion yen)



	FY2020 Results	Foreign Exchange	Raw Materials <small>(Including logistics costs)</small>	Fixed Costs, etc.	Sales Expansion	Selling Price	Cost Reductions	FY2021 Forecast
Total	238.6	+5.5	-112.0	-54.0	+114.4	+66.5	+41.0	300.0
Air Conditioning	223.1	+4.8	-98.7	-49.3	+94.9	+55.8	+39.4	270.0
Chemicals	11.4	+0.8	-12.8	-4.0	+17.1	+10.5	+1.0	24.0
Others	4.1	—	-0.5	-0.7	+2.4	+0.2	+0.6	6.0

■ Sales by Region - AC Business

※Percentage expresses year on year comparison

(billion yen)	FY2017 H1		FY2018 H1		FY2019 H1		FY2020 H1		FY2021 H1		FY2021 Forecast (Currently announced)		FY2021 Forecast (May)	
Japan	105%	232.9	108%	250.7	107%	268.7	93%	250.8	109%	272.8	107%	530.0	105%	520.0
Europe	115%	145.6	114%	166.6	113%	188.7	98%	185.7	139%	258.4	123%	485.0	112%	440.0
China	117%	195.2	107%	207.9	96%	199.4	91%	181.4	134%	243.2	121%	395.0	105%	345.0
Americas	112%	304.4	112%	341.4	108%	369.4	93%	343.9	129%	443.9	122%	820.0	114%	770.0
Asia	107%	126.0	111%	140.3	106%	148.7	76%	112.5	117%	131.3	111%	275.0	117%	290.0
Oceania	142%	32.9	113%	37.3	90%	33.7	106%	35.8	130%	46.7	120%	95.5	104%	82.5
Middle East	113%	25.1	95%	23.9	92%	22.0	84%	18.5	144%	26.6	123%	55.0	112%	50.0
Africa	101%	3.6	122%	4.3	86%	3.7	84%	3.2	157%	5.0	115%	10.0	103%	9.0
Total	112%	1,065.5	110%	1,172.4	105%	1,234.4	92%	1,131.7	126%	1,427.9	117%	2,665.5	110%	2,506.5

Overseas Sales ratio	78%	79%	78%	78%	81%	80%	79%
USD/JPY	¥111	¥110	¥109	¥107	¥110	¥107	¥105
EUR/JPY	¥126	¥130	¥121	¥121	¥131	¥128	¥125
RMB/JPY	¥16.4	¥16.8	¥15.7	¥15.3	¥17.0	¥16.7	¥16.0

■ Sales by Region - Chemicals Business

※Percentage expresses year on year comparison

(billion yen)	FY2017 H1		FY2018 H1		FY2019 H1		FY2020 H1		FY2021 H1		FY2021 Forecast (Currently announced)		FY2021 Forecast (May)	
	YoY %	Value	YoY %	Value	YoY %	Value	YoY %	Value	YoY %	Value	YoY %	Value	YoY %	Value
Japan	119%	23.2	115%	26.6	98%	26.2	72%	18.8	145%	27.2	129%	54.5	119%	50.5
Americas	112%	20.5	114%	23.4	91%	21.3	76%	16.1	124%	20.0	119%	42.5	117%	41.5
China	119%	18.3	107%	19.6	92%	17.9	109%	19.6	128%	25.0	111%	45.0	106%	43.0
Asia	135%	10.5	120%	12.6	91%	11.4	88%	10.0	126%	12.6	118%	27.0	111%	25.5
Europe	120%	13.5	135%	18.2	68%	12.3	79%	9.7	170%	16.6	143%	31.5	114%	25.0
Others	170%	0.6	135%	0.9	93%	0.8	49%	0.4	143%	0.6	118%	1.0	118%	1.0
Total	119%	86.6	117%	101.2	89%	90.0	83%	74.6	136%	101.9	123%	201.5	114%	186.5
Overseas sales ratio		73%		74%		71%		75%		73%		73%		72%
USD/JPY		¥111		¥110		¥109		¥107		¥110		¥107		¥105
EUR/JPY		¥126		¥130		¥121		¥121		¥131		¥128		¥125
RMB/JPY		¥16.4		¥16.8		¥15.7		¥15.3		¥17.0		¥16.7		¥16.0

III. Business and Regional Overview ■ AC Business - Japan

First Half Overall

Industry demand for Residential Air Conditioning declined from the previous year due to the impact of unseasonable weather in August. Daikin strengthened sales for high value-added products such as **Urusara X**, which is equipped with a ventilation function. With more time being spent indoors, interest has grown for energy savings and increased the need for IAQ. For air purifiers, Daikin suffered a reversal of the increased demand in the previous fiscal year from the special cash payment for COVID-19 in the second quarter.

Industry demand for Commercial Air Conditioning exceeded the previous year in a gradual renewal of economic activities. Daikin enhanced system proposals that combine air conditioners and ventilation products. Sales for ventilation equipment, such as heat reclamation ventilators, substantially increased. For Applied, sales of R32 chillers grew.

Second Half Measures

For Residential, we will launch differentiated products that can switch between air supply and air exhaust ventilation and increase sales activities of products for cold regions where demand is expected to be strong as we aim to further increase market share.

For Commercial, we will enhance the lineup for ventilation products, such as heat reclaim ventilators, and strengthen proposal sales as we strive to expand sales based on a recovery in demand accompanying the renewal of economic activities.

For Air Purifiers, we will widen the lineup equipped with UV Streamer, which significantly inhibits viruses and bacteria.

Y/Y change (Volume basis)		H1 Results	Full-Year Forecast
Residential	Market	92%	93%
	Daikin	104%	104%
Commercial	Market	103%	104%
	Daikin	113%	110%
Applied	Market	94%	96%
	Daikin	85%	92%
Air purifiers	Market	96%	88%
	Daikin	96%	133%

※Applied is based on total sales.

■ AC Business - Americas

First Half Overall

The economy gradually recovered with the renewal of economic activities, and Daikin expanded sales mainly in the Residential Air Conditioning market where demand is strong. In addition, the selling price effect, sales greatly exceeded the previous fiscal year.

- In Ducted Unitary for Houses, we accelerated initiatives to increase manufacturing personnel and reduce employee turnover as we stabilized production. Sales increased due to the launch of new products equipped with inverters.
- For Ductless, we captured the rising demand for **RA/SKY** in the Residential market and expanded sales. In addition to strong sales for Residential, sales of **VRV systems** also increased for Commercial with the resumption of projects. Sales company acquisitions also contributed to the substantial increase in sales over the previous fiscal year.
- In Applied, we capitalized on the market recovery by responding specifically to diverse needs according to application. Sales expanded for the After Sales Service business.

Second Half Measures

Accelerated initiatives for acquiring and retaining manufacturing personnel and improving productivity will continue. Amid rising labor costs and soaring prices for raw materials and higher logistics costs, we will implement further selling price measures and work to secure profits.

- In Ducted Unitary for Houses, we will focus on sales that utilize online tools while aiming to increase market share and sales by promoting our strengths of inverter and heat pump functions.
- In Ductless, we will reinforce our supply system for **RA/SKY** where demand is expanding. In **VRV systems**, new products with even higher energy savings will be launched.
- In Applied, we will strengthen solutions proposals by leveraging the appeal of ventilation and IAQ products.

Y/Y change (Volume basis)		H1 Results	Full-Year Forecast	
			Market	Daikin
Ducted Unitary for houses		122%	102%	114%
Ductless	RA/SKY	140%	133%	142%
	VRV	136%	118%	123%
Applied		108%	102%	113%

※Applied is based on total sales in local currency.

■ AC Business - China

First Half Overall

In the steady personal consumption in China, Daikin strengthened the product lineup, including IAQ and ventilation products, and enhanced sales activities combining offline and online. Consequently, sales saw a significant increase over the previous year. Operating profit was impacted by soaring prices for raw materials and semiconductor shortages, but we maintained high profitability by expanding sales of high value-added products, reducing costs, and curtailing fixed costs.

- In the Residential market, we boosted sales activities combining online sales with conventional sales at our **PROSHOP** specialty stores. By focusing on identifying new customers and capturing replacement demand, we greatly expanded sales of residential multi-split air conditioners.
- In the Commercial market, customer contact points were expanded by leveraging interest in ventilation and cleaning in the retail market such as at stores and offices. We incorporated demand for equipment replacements and additional purchases. For large projects, we reinforced sales through solutions proposals.
- In the Applied market, in addition to a shift in resources to growth fields, such as infrastructure, data centers, and semiconductors, we strengthened our maintenance and servicing business.

Second Half Measures

With the delay in the economic recovery, we will utilize our strength of direct sales to users to promote meticulous sales activities for each customer as we aim for sales exceeding the strong sales of the previous year.

- In the Residential market, we will continue to increase sales activities that combine offline and online.
- In the Commercial market, we will accelerate the development of the Solutions business for each market and customer based on themes including IAQ, energy management, and energy savings.

Y/Y change (Local currency basis)	H1	Full-Year Forecast	
	Results	Market	Daikin
Residential	122%	107%	114%
Commercial	111%	105%	108%
Applied	105%	103%	102%

■ AC Business - Europe, Middle East, and Africa

First Half Overall

In Europe, sales expanded by capitalizing on a recovery in demand by ensuring stable supply through localized production. In the Middle East, a heat wave in Turkey helped to increase sales along with improved sales capabilities in each country. Regional sales overall were substantially higher than the previous fiscal year.

- In Residential, unseasonable weather impacted the second quarter in countries including France and Spain, sales grew by capitalizing on pent-up demand in each country.
- In Commercial, the renewal of economic activities from the lifting of the lockdown led to a sales expansion as we capitalized on customer needs with proposals for IAQ improvement.
- In the Heating business, we utilized a wide product lineup of heat-pump heaters to substantially increase sales in each country, especially in France and Germany.
- In Applied, sales grew for environmentally conscious products such as R32 chillers used in small projects. Sales also increased for industrial applications, including hospitals and factories, as we achieved growth that exceeded demand.
- In the Refrigerator and Freezer business, we accelerated development of one-stop solutions, mainly in Germany and Central Europe, and sales to food retailers increased due to strong demand.

Second Half Measures

In Residential, sales activities will be fortified in each country for future uncertainty in demand with sales growth seen mainly in Italy, Greece, and Turkey where demand is strong.

In Commercial, sales will be strengthened to hospitals and for IT infrastructure where demand is strong.

In the Heating business, market share will increase on strong demand in heat-pump heaters to achieve decarbonization.

In Applied, we will widen the R32 chiller lineup.

In the Refrigerator and Freezer business, spec-in activities will be accelerated for one-stop solution development in each European company.

Y/Y change (Volume basis)		H1	Full-Year Forecast	
		Results	Market	Daikin
Residential		110%	105%	106%
Commercial	SKY	121%	102%	105%
	VRV	122%	105%	111%
Heat-pump Heaters		184%	151%	160%
Applied		122%	103%	118%
Refrigerator and Freezer		141%	118%	135%

※Residential, commercial, and heat-pump heaters are only for Europe.

※Applied is based on total sales in local currency.

■ AC Business - Asia and Oceania

First Half Overall

The reemergence of COVID-19 has significantly impacted every country in Asia with a decline in demand and restrictions placed on activities. To combat this, we have worked to expand our sales network and promote dealer support with the use of online tools. In Oceania, where demand is relatively strong, sales expanded, and a selling price effect was seen as overall regional sales exceeded the previous fiscal year.

- In Residential, restrictions on activities in Thailand, Malaysia, and Vietnam adversely impacted sales, whereas sales in Indonesia and Australia increased. In India, where restrictions on activities have been relaxed, demand is seeing a recovery, and sales have significantly grown by enlarging the sales network and strengthening relationships with dealers.
- In Commercial, we focused on sales to public facilities where demand is relatively stable and expanded sales despite sluggish capital investment from the economic downturn, delays in start of construction work due to insufficient workers at the building sites, and construction postponements.
- In Applied, we concentrated on the After Sales Service business such as maintenance and servicing.

Second Half Measures

In the challenging external environment that continues due to the reemergence of COVID-19, we will promote dealer development and strengthen sales activities utilizing online tools.

- In Residential, we will expand sales of high value-added products that promote the appeal of ventilation and IAQ along with new products equipped with inverters that improve cost competitiveness.
- In Commercial, we will focus on sales to public facilities where demand is expected from government economic policies.
- In Applied, we will aim for sales expansion by expanding the service network and strengthening product appeal.

■ Year-on-year sales of main countries (local currency basis)

Australia: 113% India: 173% Vietnam: 84%
 Malaysia: 89% Thailand: 86% Indonesia: 113%

Y/Y change (Volume basis)		H1 Results	Full-Year Forecast	
			Market	Daikin
Residential		110%	106%	112%
Commercial	SKY	110%	104%	111%
	VRV	111%	110%	113%
Applied		100%	105%	124%

※Applied is based on total sales in local currency.

■ Chemicals Business

First Half Overall

Sales expanded in all product groups mainly in the semiconductor and automotive markets where demand is strong. There was also a selling price effect, and sales substantially exceeded the previous fiscal year.

- In Fluorocarbon Gas, applications expanded to medical fields in Europe, and sales exceeded the previous fiscal year.
- Polymers and elastomers
 - Fluoropolymers showed a sales increase from a recovery in demand in the semiconductor market and the information and communication field, including LAN cables. Sales in all regions bested the previous fiscal year.
 - Fluoroelastomers saw sales expand in the automotive market for Japan, Europe, and Asia. Sales in all regions surpassed the previous fiscal year.
- In Fine Chemicals, sales for anti-smudge surface coating agents decreased due to lower demand from a reversal of the strong sales in the previous fiscal year for table PCs and smartphones. Sales for water and oil repellent agents grew mainly in Europe, China, and Asia in textile and paper applications. By capitalizing on a recovery in demand in the semiconductor market, we increased sales of etching gas.

Second Half Measures

We will aim to substantially expand sales and increase market share centered on the semiconductor and automotive markets where demand is strong. New repellent products that use non-fluorine materials will be launched for paper applications.

Application development will be strengthened mainly for next-generation vehicles and the information and communication field where demand is increasing.

Y/Y change (Sales basis)	Q1 Results
Total	142%
Fluorocarbon Gas	121%
Polymers & Elastomers	154%
Fine Chemicals, etc.	128%

■ Filter Business

First Half Overall

As demand began to recover mainly in Japan, Europe, and the United States, we promoted building a stable supply system, reducing total costs, and sales activities for high value-added products that seek to mitigate the spread of infectious diseases and improve air quality.

Sales exceeded the previous fiscal year.

- In the Air Filter segment, we responded to the growing needs for ventilation and strengthened sales activities for high value-added products that mitigate the spread of infectious diseases such as high-performance filters and negative pressure units. Sales for hospitals, cleanrooms, and residences expanded in each region.
- In P&I*, although demand in the gas turbine market is improving in the recovering economy, efforts were made to improve the business structure by shifting resources to the After Sales Service business.

Second Half Measures

In the Air Filter segment, we will improve productivity and reduce costs while expanding sales product that mitigate the spread of infectious diseases to markets in each region with strong demand including hospitals, pharmaceutical factories, and offices.

P&I aims to improve profitability by strengthening the After Sales Service business and reducing fixed costs in order to build a stable business foundation.

*Commercial use dust collection systems such as for gas turbines and large-scale plants

■ Other Businesses

First Half Overall

In the Oil Hydraulics business, demand for hydraulic equipment recovered for both industrial and construction equipment, and revenue increased.

In the Defense Systems business, sales for pulse oximeters, which measure oxygen saturation in the blood, and oxygen concentrators grew, and revenue increased.

In the Electronics business, with the renewal and strengthening of corporate IT investments, revenue increased.

Second Half Measures

In the Oil Hydraulics business, we will strengthen spec-in activities for manufacturers of machine tools and construction equipment to capitalize on strong demand.

In the Defense Systems business, we are building a stable supply system in the thriving field of home healthcare and are aiming for a further increase in market share.

In the Electronics business, we will work to expand sales of database systems for the design and development fields, and facilities CAD.

IV. Dividends Plan

- ◆ An annual dividend of 180 yen is planned. (interim 90 yen / year-end 90 yen)

【Daikin Dividend Policy】

Together with making every effort to maintain a ratio of dividends to shareholder equity (DOE) of 3.0% based on the principle of always providing stable dividends to shareholders, we will continue striving in our mission to provide shareholders with even greater return by aiming for an increasingly higher level of dividend payout ratio.

		FY2017	FY2018	FY2019	FY2020	FY2021 (Forecast)
Dividend per share	Interim	¥65	¥70	¥80	¥80	¥90
	Annual	¥140	¥160	¥160	¥160	¥180
Earning per share	H1	¥347.1	¥385.8	¥405.1	¥289.2	¥475.3
	Annual	¥646.5	¥646.4	¥583.6	¥478.5	¥693.7
(Reference) DOE Trends		3.4%	3.5%	3.3%	3.0%	3.0%

■ Exchange Rate

	FY2020 Results			FY2021		
	H1	H2	Total	H1 Results	H2 Forecast	Total Forecast
USD	¥107	¥105	¥106	¥110	¥105	¥107
EUR	¥121	¥126	¥124	¥131	¥125	¥128
RMB	¥15.3	¥16.1	¥15.7	¥17.0	¥16.5	¥16.7
THB	¥3.4	¥3.5	¥3.4	¥3.4	¥3.5	¥3.4
AUD	¥73	¥79	¥76	¥83	¥82	¥82

■ Sensitivity of Foreign Exchange

(Impact of change by 1 yen to operating profit)

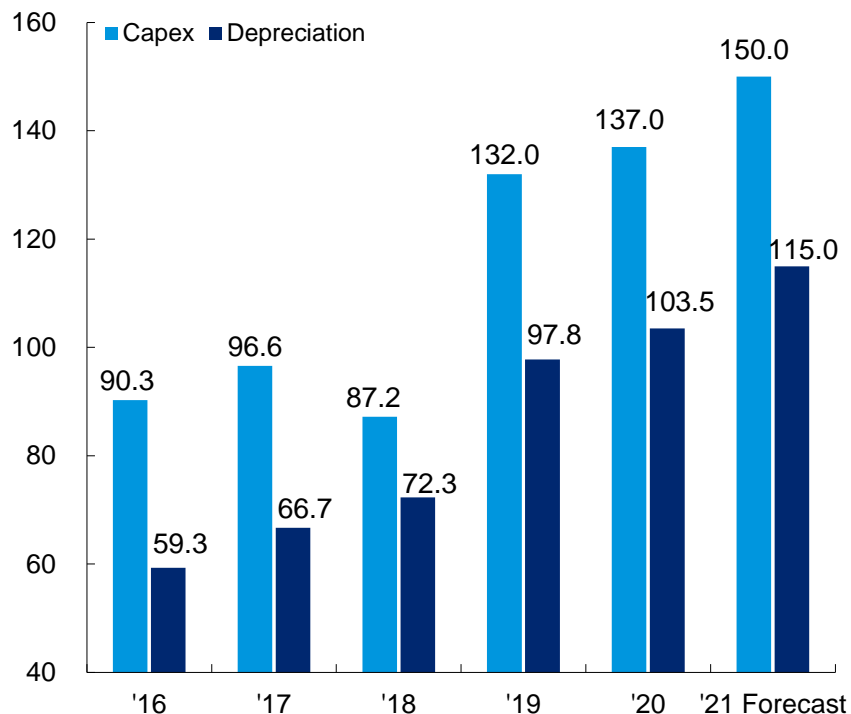
	FY2021 Forecast
USD	1.7 billion yen *
EUR	0.6 billion yen

*Changes for the THB, RMB, AUD, etc., are assumed to be linked to the USD.

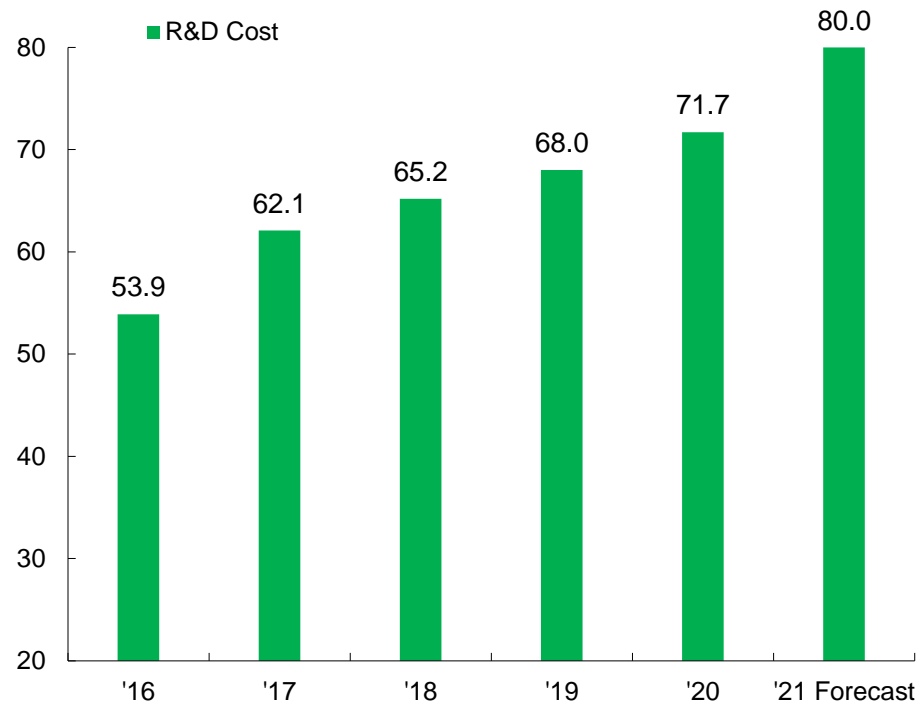
■ Capex, Depreciation and R&D Cost

Capex and Depreciation

(billion yen)



R&D Cost



<Reference> First Half Trends

(billion yen)	FY2017	FY2018	FY2019	FY2020	FY2021
Capex	40.4	39.8	54.0	63.3	64.8
Depreciation	32.5	35.7	46.1	50.3	55.7
R&D Cost	30.3	31.7	33.6	33.0	38.7



Notes on forecast

This data is compiled for informational purposes and is not to be construed as a solicitation of any action.

This data (includes management plan) was compiled by Daikin Industries., Ltd. (the Company) based on reliable information available at the time of compilation. It may include some risks and uncertainties. The Company is not responsible for its accuracy or completeness.

The Company asks for your own discretion in using this data. The Company accepts no liability for any loss or damage of any kind arising out of judgment for investment made solely relying on the business forecast or target figures described in the data.