

Raising Corporate Value

Besides stressing CSR as part of its management, the Daikin Group strives to improve financial performance to maximize corporate value.

Maximizing Corporate Value

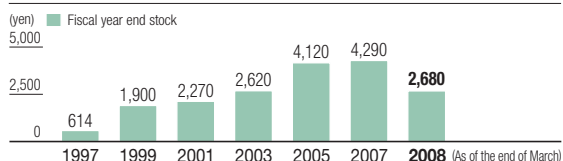
Short-Term Profit and Medium-to-Long-Term Growth despite the Severe Economy

The Daikin Group works to boost business performance and raise corporate value in order to meet the expectations of shareholders, investors, and other stakeholders. To this end, we stress free cash flow (a management indicator that can be said to be the source of corporate value), boost earnings, and reduce accounts receivable and inventory.

With the worldwide economic recession of fiscal year 2008 came decreased market demand and unfavorable currency fluctuations brought on by a stronger yen. The result was dramatically reduced profits with net sales of 1.2 trillion yen, down by 6.9% over the previous year, and operating income of 61.3 billion yen, down by 52.1%.

Although the severe economy is expected to continue for the time being, we are doing all we can to secure short-term profit. In the long term, we are accelerating efforts to get results as we focus on our FUSION 10 strategic management plan and its targets of further enlarging our business worldwide; developing energy-efficient products; and expanding the range of environmentally conscious products such in the fields of space and water heating.

Fiscal Year End Stock Prices



Distribution of Profit

Dividends according to Profits Based on Stability

By setting a target of maintaining at least a 2.0% ratio of dividends to shareholders equity, we strive to pay stable dividends that take into account a range of factors including consolidated performance, financial situations, and capital needs. The dividend for fiscal year 2008 is expected to be 38 yen, the same as the previous fiscal year.

With regard to internal reserves, we will allot them to strategic investments aimed at strengthening the management structure, accelerating the development of global business, promoting the development of environmentally conscious products, achieving business expansion, and improving competitiveness.

Daikin Included in SRI Fund* Indexes

Daikin Industries has been selected for the seventh year in a row for inclusion in the Dow Jones Sustainability Indexes, which comprise approximately 300 leading companies worldwide selected through evaluation based on economic, environmental, and social criteria.



Daikin has also been selected for the Morningstar and other SRI (socially responsible investing) funds.



* SRI Fund: SRI funds are made up of companies that, in addition to being rated as financially sound, demonstrate outstanding environmental protection and social responsibility in areas such as legal compliance and the promotion of human rights.

Daikin among Global 100 Most Sustainable Corporations in the World for 3rd Consecutive Year

Daikin Industries was selected for the Global 100 Most Sustainable Corporations in the World, known as the Global 100, for the third consecutive year.

Compiled by Canadian-based media company Corporate Knights Inc. and an investment advisor firm, the Global 100 companies are selected from among 1,800 companies worldwide based on sustainability in environmental, social, and governance areas.



We believe our selection is evidence of our global reputation for sustainable management that makes use of our environmental technologies.

Prompt, Fair Information Disclosure

Information Disclosed through Briefings and the Website

Daikin Industries makes it a top priority to disclose information in a prompt and proper manner as its responsibility to its stakeholders.

For analysts and individual investors, we hold interim and end-of-year financial performance briefings and conference calls every first and third financial quarter. For individual investors, in fiscal year 2007 we opened an IR Web site with accessible, easy-to-understand information. We also hold briefings on Daikin for individual investors.

The opinions from shareholders and investors are reflected in our management.



IR website for investors