

Profile

Daikin Industries, Ltd., was founded in 1934 and is one of the world's leading companies in the fields of air conditioning systems and fluorochemicals. In the field of industrial-use air conditioning systems, recent data show that Daikin's market share in Japan is approximately 40% and its share of the world market for fluorochemicals is 20%.

Daikin has also diversified its business portfolio into oil hydraulic and electronics-related equipment. By combining the specialized technologies in these various fields with its R&D capabilities, Daikin has created products that have had an epoch-making impact on industry and our everyday lives.

In April 2001, Daikin has prepared a strategic management plan entitled "Fusion 05," with 2005 as the target year. The principal objective of this plan is to draw together the momentum that Daikin has nurtured to date and take this power to a critical point, with the aim of speedily implementing the two goals of "strong focus on

management that emphasizes Daikin's market capitalization" and "enhancing the sophistication of Daikin's unique flat and quick management style that meets global standards," on a thorough-going, Companywide basis. The ultimate objective of these activities will be to take the Daikin Group forward to become "an international enterprise" and "a truly first-rate company."

As the world moves toward a single market and an era of megacompetition, Daikin will take up the challenge of accelerating the development of its business operations on a global basis. Daikin's global development in the five regions of Japan, Europe, the Americas, and Asia, including China, is already under way and growth of these borderless business activities will continue.

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Forward-Looking Statements

This Annual Report contains statements regarding future plans and strategies of Daikin Industries, Ltd. (the Company), as well as the Company's future performance. These statements are not statements of past facts but are based on judgments made by the Company on the basis of information known at the time. Therefore, readers should refrain from drawing conclusions based only on these statements regarding the future performance of the Company. The actual future performance of the Company may be influenced by economic trends, strong competition in the industrial sectors where it conducts its operations, foreign currency exchange rates, and changes in taxation and other systems. For these reasons, these forward-looking statements are subject to latent risk and uncertainty.

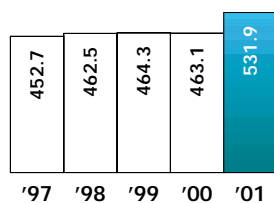
Financial Highlights

Daikin Industries, Ltd. and Consolidated Subsidiaries
Years Ended March 31

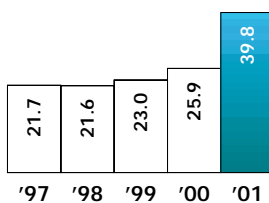
| | Millions of yen | | |
|---|-----------------|----------|----------|
| | 2001 | 2000 | 1999 |
| Net sales..... | ¥531,908 | ¥463,069 | ¥464,332 |
| Operating income..... | 39,814 | 25,888 | 23,004 |
| Net income..... | 19,939 | 10,453 | 6,194 |
| Total assets..... | 453,142 | 431,009 | 434,290 |
| Total shareholders' equity..... | 173,924 | 159,635 | 149,089 |
| | Yen | | |
| Per share of common stock: | | | |
| Net income* | ¥75.60 | ¥39.62 | ¥23.48 |
| Cash dividends applicable to the year | 12.00 | 10.00 | 10.00 |

* Calculated on the basis of the weighted average number of common shares outstanding during each year

Net Sales
(¥ billion)



Operating Income
(¥ billion)



Net Income
(¥ billion)

