

Profile

Since its establishment in 1934, Daikin Industries, Ltd., has grown into a leading producer of air-conditioning systems and fluorochemical products. Faced with major competition due to the advent of a single global market, we are making every effort to expand our operations on a global basis.

Combining different specialist technologies with our strength in R&D, we are also expanding our business in the oil hydraulics and electronics industries to generate revolutionary products with industrial and lifestyle applications.

Currently, Daikin is striving to meet the targets set forth in its strategic management plan, "Fusion 05." Daikin aims to freely and rapidly implement various policies to build a management framework emphasizing total corporate value and establish a more refined management under our unique "fast & flat" management framework that can be applied globally. Daikin is aiming to develop into a "global top-tier company" by fiscal 2006.

In fiscal 2003, both consolidated net sales and operating income reached record highs and operating income rose for the ninth consecutive year. These are major achievements.

To ensure still greater progress, we will raise the quality of our management framework by honing our technological strengths through radical reform, refining our speed of management and developing a unique corporate governance system, and strengthening and enhancing consolidated management.

In August 2002, we compiled "Our Group Philosophy," with the aim of honing and spreading our concept of "people-oriented management," developed over many years, to Group companies around the world. By maximizing the ability of every employee in the Group, we believe we can achieve the Group goal of making a quantum leap forward.

Daikin is challenging itself to develop leading-edge technologies and will continue to provide dependable products and systems, so that it becomes an organization that enjoys the highest level of trust of all its stakeholders.

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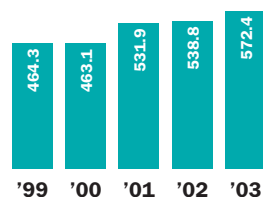
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Forward-Looking Statements

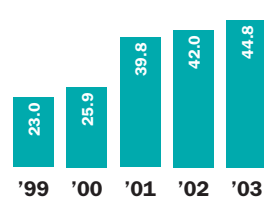
This annual report contains statements regarding future plans and strategies of Daikin Industries, Ltd. (the Company), as well as the Company's future performance. These statements are not statements of past facts but are based on judgments made by the Company on the basis of information known at the 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

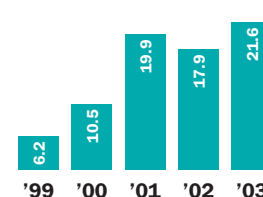
Net Sales
(¥ billion)



Operating Income
(¥ billion)



Net Income
(¥ billion)



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

	Millions of yen		
	2003	2002	2001
Net sales.....	¥572,413	¥538,790	¥531,908
Operating income	44,789	41,968	39,814
Net income	21,591	17,937	19,939
Total assets.....	475,760	460,549	453,142
Total shareholders' equity.....	205,101	191,196	173,924
	Yen		
Per share of common stock:			
Net income*	¥81.48	¥67.58	¥75.60
Cash dividends applicable to the year	12.00	12.00	12.00

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