



DAIKIN INDUSTRIES, LTD.

9, Nov., 2004

CONSOLIDATED

FINANCIAL INFORMATION

	Millions of JPY			
	Mar-05 FORECAST	Mar-05 1st half RESULT	Mar-04 1st half RESULT	Mar-04 RESULT
NET SALES;				
AIR CONDITIONING	597,000	309,005	250,415	501,186
OIL HYDRAULICS	24,000	8,338	7,671	17,862
DEFENSE PRODUCTS	21,000	7,818	4,369	18,177
CHEMICALS	101,000	48,703	41,479	88,492
TOTAL SALES	743,000	373,864	303,934	625,717
OPERATING INCOME	61,500	32,964	21,470	47,987
ORDINARY INCOME	60,500	31,360	20,047	45,209
INCOME BEFORE TAXES	61,200	30,993	19,578	43,787
NET INCOME	38,500	19,581	12,542	28,611

ANALYSIS OF FINANCIAL STATEMENTS

Net Income per Share	Yen 74.37	Yen 47.62	Yen 108.18
Ratio of Shareholder's Equity to Total Assets	44.2%	43.9%	44.0%
Shareholder's Equity per Share	Yen 963.78	Yen 835.19	Yen 894.91

Mar-05 = 1st, April, 2004 to 31st, March, 2005
Mar-05 1st half = 1st, April, 2004 to 30th, September, 2004
Mar-04 = 1st, April, 2003 to 31st, March, 2004
Mar-04 1st half = 1st, April, 2003 to 30th, September, 2003

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STATEMENTS OF INCOME

	Millions of JPY		
	Mar-05 1st half RESULT (Apr. - Sep. '04)	Mar-04 1st half RESULT (Apr. - Sep. '03)	Mar-04 RESULT (Apr. '03 - Mar. '04)
Net Sales	373,864	303,934	625,717
Cost of Sales	241,682	202,478	412,450
Selling, General and Administrative Expenses	99,218	79,985	165,279
Operating Income	32,964	21,470	47,987
Non-Operating Incomes;			
Interest Income	330	249	469
Dividends Income	323	246	379
Equity in earnings of unconsolidated subsidiaries.....	199	85	148
Royalty income.....	62	147	296
Foreign Exchange Gain	592	-	-
Gain on Loss-of-Profit Insurance by Explosion at Kashima Plant-net	-	-	806
Other Incomes	701	669	1,662
Total Non-Operating Incomes	2,210	1,398	3,763
Non-Operating Expenses;			
Interest and Discount Charges	2,114	1,961	4,028
Foreign Exchange Loss	-	82	526
Other Expenses	1,700	777	1,987
Total Non-Operating Expenses	3,814	2,821	6,541
Ordinary Income	31,360	20,047	45,209
Extraordinary Gain;			
Gains on Sales of Land	-	-	111
Gains on Sales of Investment Securities	3	4	1,027
Others	-	-	140
Total Extraordinary Gain	3	4	1,279
Extraordinary Loss;			
Losses on Sales of Land	-	75	75
Losses on Disposal of Fixed Assets	288	244	697
Loss on Explosion at Kashima Plant-net	-	-	1,682
Write-down of investment securities	80	146	172
Write-off of other investments	1	6	72
Total Extraordinary Loss	369	473	2,700
Income before Income Taxes	30,993	19,578	43,787
Income Taxes(Current)	9,008	6,102	17,582
Income Taxes(Deffered)	890	(31)	(4,546)
Minority interests	1,513	965	2,139
Net Income	19,581	12,542	28,611

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BALANCE SHEETS

	Millions of JPY		
	End of September		End of March
	Mar-05 (30, Sep., '04)	Mar-04 (30, Sep., '03)	Mar-04 (31, Mar., '04)
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	57,272	44,754	50,547
Note and Accounts Receivable (Note)	136,989	111,522	117,928
Marketable Securities	3,148	1,610	1,530
Inventories	121,854	102,195	110,419
Deffered tax assets.....	13,101	8,961	13,184
Others	19,773	16,718	20,370
Allowance for Bad Debts	(2,101)	(1,711)	(1,963)
Total Current Assets	350,039	284,050	312,017
FIXED ASSETS:			
Property Plant and Equipment (Note)			
Buildings and Structures	46,806	45,434	44,937
Machinery and Equipment	63,577	53,120	60,632
Land	23,651	23,365	23,514
Construction in Progress	6,333	15,423	8,523
Other Fixed Assets	12,655	11,031	12,182
Total Property, Plant and Equipment	153,025	148,374	149,790
INTANGIBLE ASSETS	11,352	11,653	10,767
INVESTMENTS AND NON-CURRENT RECEIVABLE;			
Investment Securities	48,478	44,184	52,440
Long-term Loan Receivable	1,496	1,728	1,595
Deffered tax assets.....	1,768	2,151	2,110
Other Assets	9,050	10,034	8,815
Allowance for Bad Debts	(1,103)	(1,492)	(1,158)
Total Investments and Non-Current Receivable	59,691	56,606	63,803
TOTAL ASSETS	574,108	500,685	536,378
Notes;			
Accumulated Depreciation	316,774	307,071	306,993

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BALANCE SHEETS

	Millions of JPY		
	End of September		End of March
	Mar-05 (30, Sep., '04)	Mar-04 (30, Sep., '03)	Mar-04 (31, Mar., '04)
LIABILITIES AND SHAREHOLDER'S EQUITY			
<u>CURRENT LIABILITIES</u>			
Notes and Accounts Payable	77,142	59,924	70,181
Short-term Borrowings	51,457	57,927	51,341
Commercial Paper	22,000	18,000	21,000
Current Portion of Long-term Debt	8,239	14,675	6,680
Current Portion of Straight Bond.....	10,000	-	10,000
Accrued Corporation and Inhabitants Taxes	7,477	5,499	7,837
Accrued Expenses	27,437	21,570	25,202
Reserve for Warranty	9,842	4,576	5,198
Other Current Liabilities	26,551	22,915	26,478
Total Current Liabilities	240,148	205,089	223,920
<u>LONG-TERM LIABILITIES</u>			
Straight Bonds	30,000	40,000	30,000
Long-term Debt	33,516	22,878	29,926
Accrued Severance Indemnities	4,467	3,961	4,542
Deferred Taxes Liabilities	3,206	956	4,377
Long-term Account Payable	602	982	982
Total Long-term Liabilities	71,793	68,779	69,828
Total Liabilities	311,941	273,868	293,749
Minority Interests	8,469	6,887	6,858
<u>SHAREHOLDER'S EQUITY</u>			
Common Stock	28,023	28,023	28,023
Additional Paid-in Capital	25,971	25,969	25,969
Retained Earnings	198,350	166,456	180,945
Net unrealized gains on marketable securities	8,962	5,646	11,199
Translation Adjustments.....	(6,213)	(5,066)	(9,256)
Treasury Stock	(1,397)	(1,100)	(1,109)
Total Shareholder's Equity	253,698	219,928	235,771
TOTAL	574,108	500,685	536,378