



DAIKIN INDUSTRIES, LTD.

NONCONSOLIDATED

9, Nov., 2005

FINANCIAL INFORMATION

	Millions of JPY			
	Mar-06 FORECAST	Mar-06 1st half RESULT	Mar-05 1st half RESULT	Mar-05 RESULT
NET SALES;				
AIR CONDITIONING	321,500	168,003	172,788	335,495
OIL HYDRAULICS	15,500	5,796	5,748	14,290
DEFENSE PRODUCTS	20,000	7,974	7,818	20,376
CHEMICALS	75,000	35,683	33,839	67,968
TOTAL SALES	432,000	217,456	220,193	438,129
EXPORTS;				
AIR CONDITIONING	64,500	36,133	42,571	91,617
OIL HYDRAULICS	1,500	531	480	1,027
CHEMICALS	33,000	14,942	15,925	31,587
TOTAL EXPORTS	99,000	51,606	58,976	124,231
OPERATING INCOME	15,500	10,340	7,584	15,167
ORDINARY INCOME	22,000	13,766	9,229	26,905
INCOME BEFORE TAXES	20,000	12,423	8,941	27,751
NET INCOME	15,000	8,693	6,289	19,868

ANALYSIS OF FINANCIAL STATEMENTS

Net Income per Share	Yen 33.03	Yen 23.89	Yen 75.05
Cash Dividend per Share	Yen 9.00	Yen 7.00	Yen 18.00
Ratio of Shareholder's Equity to Total Assets	50.8%	49.0%	48.2%
Shareholder's Equity per Share	Yen 854.93	Yen 747.44	Yen 804.24

Mar-06= 1st, April, 2005 to 31th, March, 2006
 Mar-06 1st half = 1st, April, 2005 to 30th, September, 2005
 Mar-05= 1st, April, 2004 to 31th, March, 2005
 Mar-05 1st half = 1st, April, 2004 to 30th, September, 2004

NONCONSOLIDATED

STATEMENTS OF INCOME

	Millions of JPY		
	Mar-06 1st half RESULT (Apr. - Sep. '05)	Mar-05 1st half RESULT (Apr. - Sep. '04)	Mar-05 RESULT (Apr. '04 - Mar. '05)
Net Sales	217,456	220,193	438,129
Cost of Sales	160,963	161,984	323,767
Selling, General and Administrative Expenses	46,151	50,625	99,195
Operating Income	10,340	7,584	15,167
Non-Operating Incomes;			
Interest Income	101	103	186
Dividends Income	3,033	2,212	6,683
Royalty income	46	62	112
Gain on Loss-of-Profit Insurance by Explosion at Kashima Plant-net	-	-	5,954
Foreign Exchange Gain	242	494	320
Income from penalty	778	-	-
Other Incomes	229	236	675
Total Non-Operating Incomes	4,431	3,108	13,932
Non-Operating Expenses;			
Interest and Discount Charges	833	915	1,725
Other Expenses	172	547	469
Total Non-Operating Expenses	1,005	1,463	2,195
Ordinary Income	13,766	9,229	26,905
Extraordinary Gain;			
Gain on Sale of Investment Securities	1,188	2	110
Reversal of Allowance for doubtful receivable	0	0	410
Gain on property-damage insurance from explosion at Kashima Plant-net	-	-	929
Total Extraordinary Gain	1,189	3	1,450
Extraordinary Loss;			
Losses on Sale of Land	342	210	541
Impairment charge for long-lived assets	211	-	-
Write-down of investment securities.....	22	80	61
Loss on discontinued operation.....	1,955	-	-
Write-down of other investments.....	-	1	1
Total Extraordinary Loss	2,532	291	603
Income before Taxes	12,423	8,941	27,751
Income Taxes (Current).....	1,178	1,518	8,683
Income Taxes (Deferred).....	2,552	1,133	(800)
Net Income	8,693	6,289	19,868

NONCONSOLIDATED

BALANCE SHEETS

	Millions of JPY		
	End of September		End of March
	Mar-06 <u>(30, Sep., '05)</u>	Mar-05 <u>(30, Sep., '04)</u>	Mar-05 <u>(31, Mar., '05)</u>
ASSETS			
<u>CURRENT ASSETS:</u>			
Cash and Time Deposit	27,948	29,557	14,932
Note Receivable-Trade	2,491	2,432	2,283
Account Receivable-Trade	49,599	50,359	60,841
Marketable Securities	3,000	3,148	14,000
Finishes Products and Merchandise	29,104	28,536	29,036
Work in Process	33,636	30,380	33,481
Raw Materials and Supplies	3,510	3,361	3,785
Prepaid Expense	760	691	529
Deffered tax assets.....	5,866	6,664	8,044
Short-term Loan Receivable	14,231	15,209	14,387
Account Receivable-Other	11,001	8,798	14,618
Other Current Assets	1,093	1,485	1,054
Allowance for Bad Debts	(64)	(37)	(78)
Total Current Assets	182,179	180,589	196,916
<u>FIXED ASSETS:</u>			
Property Plant and Equipment(Note;1)			
Buildings	25,533	26,496	25,998
Structures	2,555	2,492	2,494
Machinery	37,632	35,733	38,291
Automobiles and Vehicles	60	59	62
Tools and Furniture	7,518	6,967	7,441
Land	19,767	19,908	19,908
Construction in Progress	1,492	888	1,058
Total Property, Plant and Equipment	94,561	92,546	95,255
INTANGIBLE ASSETS	1,564	1,135	1,404
<u>INVESTMENTS AND NON-CURRENT RECEIVABLE;</u>			
Investment Securities	66,665	45,996	53,961
Investments in Subsidiaries	92,225	75,236	86,697
Long-term Loan Receivable	1,121	1,239	1,166
Deposits for Guarantee	2,786	2,753	2,792
Other Investments	2,914	4,161	2,495
Allowance for Bad Debts	(1,548)	(2,008)	(1,545)
Total Investments and Non-Current Receivable	164,164	127,379	145,569
TOTAL ASSETS	442,469	401,650	439,144

Notes;

1.Accumulated Depreciation	261,712	253,878	259,040
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NONCONSOLIDATED

BALANCE SHEETS

	Millions of JPY		
	End of September	End of March	
	Mar-06	Mar-05	Mar-05
	(30, Sep., '05)	(30, Sep., '04)	(31, Mar., '05)
LIABILITIES AND SHAREHOLDER'S EQUITY			
<u>CURRENT LIABILITIES</u>			
Notes Payable-Trade	4,166	3,681	3,895
Account Payable-Trade	30,545	33,274	42,272
Short-term Borrowings	25,280	25,280	25,280
Commercial Paper	40,000	22,000	38,000
Current Portion of Long-term Debt	515	518	517
Current Portion of Straight Bond	10,000	10,000	10,000
Account Payable-Other	7,211	5,443	6,582
Accrued Expenses	17,322	17,509	18,718
Accrued Corporation and Inhabitants Taxes	387	736	2,682
Advance Received	1,389	1,498	1,106
Deposits Received	8,394	7,577	7,667
Reserve for Warranty	6,360	8,108	6,975
Payable-Construction	7,680	7,699	10,676
Others.....	151	78	31
Total Current Liabilities	159,406	143,408	174,406
<u>LONG-TERM LIABILITIES</u>			
Straight Bond	20,000	30,000	20,000
Long-term Debt	25,142	25,677	25,407
Long-term accounts payable	564	602	602
Deferred Taxes Liabilities	9,186	1,825	3,524
Liabilities for retirement benefits	3,175	3,381	3,371
Total Long-term Liabilities	58,069	61,488	52,906
Total Liabilities	217,476	204,896	227,312
<u>SHAREHOLDER'S EQUITY</u>			
Common Stock	28,023	28,023	28,023
Additional Paid-in Capital	25,968	25,970	25,970
Legal Reserves	6,066	6,066	6,066
Retained Earnings;			
Appropriated	133,380	118,380	118,380
Unappropriated	13,295	10,870	22,607
Net unrealized gains on marketable securities.....	19,836	8,836	12,129
Treasury Stock.....	(1,602)	(1,394)	(1,344)
Total Shareholder's Equity	224,993	196,754	211,832
TOTAL	442,469	401,650	439,144