



Presentation of Financial Results for First Half In Sep. 2007

Notes on forecast

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2007/11/15

DAIKIN INDUSTRIES, LTD.

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Business Results(Company-wide)

. First Half Results FY07

The overseas AC business, especially in Europe and China, is driving companywide performance.
 For the first half of this year, Daikin achieved 8 consecutive terms of increased revenue, 4 consecutive terms of increased operating profit and ordinary profit, and 5 consecutive terms of current term profit.
 While both sales and operating profit in the Chemicals Division did not meet targets, the domestic AC, oil hydraulics and defense businesses all made gains as planned.
 The OYL Group has achieved progress as planned, including synergy generation.

(Unit:100 million yen)

	FY2006 Actual Results			FY2007 Forecast						
	1st Half	2nd Half	Total	Forecast(May.07)		Revised on Aug.		Revised on Nov.		
				1st Half	Total	1st Half	Total	1st Half	2nd Half	Total
Sales	[113%] 4,427	[117%] 4,694	[115%] 9,121	[145%] 6,400	[140%] 12,800	[147%] 6,500	[145%] 13,200	[148%] 6,555	[144%] 6,745	[146%] 13,300
Operating Income	(9.3%) 413	(8.4%) 396	(8.9%) 809	(8.1%) 520	(7.6%) 970	(10.8%) 700	(8.9%) 1,170	(12.3%) 807	(7.3%) 493	(9.8%) 1,300
Ordinary Income	(9.4%) 417	(7.8%) 368	(8.6%) 785	(7.5%) 480	(6.9%) 880	(10.3%) 670	(8.3%) 1,090	(11.7%) 767	(6.6%) 443	(9.1%) 1,210
Current term Income	(5.4%) 240	(4.6%) 216	(5.0%) 456	(4.4%) 280	(3.9%) 510	(6.0%) 390	(3.9%) 510	(7.5%) 491	(3.5%) 239	(5.5%) 730

(%) =Percentage of Income to Net Sales; [%] =Year to Year(net change from the previous fiscal year)

OYL performance	(1st half)	(FY2007)
Sales:	117.5 bil.yen	240.0 bil.yen
Operating Profit:	9.1 bil.yen	17.0 bil.yen
Goodwill:	-5.1 bil.yen	-10.2 bil.yen

- Performance in the first half of the year went almost according to plan.
- Synergy is being generated as intended in the areas of design, production, and sales.

Exchange rate

FY2006 Actual Result

	1st half	2nd half	Total
Dollar/Yen	115	119	117
Euro/Yen	146	154	150
THB/Yen	3.0	3.3	3.2

FY2007

	1st half (Results)	2nd half (Plan)	Total (Plan)
Dollar/Yen	115	119	117
Euro/Yen	146	154	150
THB/Yen	3.0	3.3	3.2

Effects of foreign exchange

Effects on sales: +28.4 bil.yen
 Effects on operating income:
 +8.1 bil.yen

Results by Segments

. First Half Results FY07

(unit: 100 million yen)

	FY2006 Actual Results			FY2007 Forecast			
	1st Half	2nd Half	Total	Forecast	Revised forecast		
				Total	1st Half	2nd Half	Total
Air Conditioning	[114%]	[121%]	[117%]	[113%]	[159%]	[149%]	[154%]
Sales	3,664	3,862	7,526	11,450	5,827	5,773	11,600
	(9.3%)	(8.7%)	(9.0%)	(8.5%)	(13.0%)	(7.1%)	(10.1%)
Operating income	340.1	335.3	675.4	1,030	759.4	410.6	1,170
Chemicals	[111%]	[106%]	[108%]	[112%]	[102%]	[112%]	[107%]
Sales	561	604	1,165	1,300	574	676	1,250
	(12.3%)	(8.6%)	(10.4%)	(10.8%)	(8.9%)	(10.2%)	(9.6%)
Operating income	68.9	51.8	120.7	130	51.0	69.0	120
Others	[108%]	[91%]	[98%]	[98%]	[76%]	[129%]	[104%]
Sales	202	229	431	450	154	296	450
	(2.0%)	(4.0%)	(3.1%)	(3.4%)	(-2.1%)	(4.5%)	(2.2%)
Operating income	4.1	9.3	13.3	10	-3.2	13.2	10
Total	[113%]	[117%]	[115%]	[112%]	[148%]	[144%]	[146%]
Sales	4,427	4,694	9,121	13,200	6,555	6,745	13,300
	(9.3%)	(8.5%)	(8.9%)	(8.5%)	(12.3%)	(7.3%)	(9.8%)
Operating income	412.6	396.8	809.4	1,170	807.2	492.8	1,300

(%) =Percentage of Income to Net Sales

([]) =Year to Year(net change from the previous fiscal year)

Air Conditioning

	[106%]	[103%]	[104%]
Domestic Sales	1,831	1,705	3,536
	[124%]	[139%]	[132%]
Overseas Sales	1,833	2,157	3,990
Overseas Sales ratio	50%	56%	53%

(unit: 100 million yen)

	[107%]	[114%]	[110%]
Domestic Sales	1,951	1,949	3,900
	[211%]	[177%]	[193%]
Overseas Sales	3,876	3,824	7,700
Overseas Sales ratio	67%	66%	66%

Chemicals

	[107%]	[113%]	[110%]
Domestic Sales	236	259	496
	[114%]	[102%]	[108%]
Overseas Sales	325	345	669
Overseas Sales ratio	58%	57%	57%

	[105%]	[105%]	[105%]
Domestic Sales	248	272	520
	[100%]	[117%]	[109%]
Overseas Sales	326	404	730
Overseas Sales ratio	57%	60%	58%

Total

	[106%]	[102%]	[104%]
Domestic Sales	2,253	2,174	4,427
	[123%]	[132%]	[128%]
Overseas Sales	2,174	2,521	4,695
Overseas Sales ratio	49%	54%	51%

	[104%]	[114%]	[100%]
Domestic Sales	2,336	2,484	4,427
	[194%]	[169%]	[181%]
Overseas Sales	4,218	4,262	8,480
Overseas Sales ratio	64%	63%	64%

Domestic Air-conditioning

In commercial AC, where demand was forecast to be the same as last year, performance was 94% of last year's sales. In residential AC, industry demand was substantially lower due to the weather in July, but demand ended up exceeding last year's owing to the hot weather in August and September. However, Daikin was not able to make up for the decreased demand in July and performance fell below that of the first half of last year.

While the number of commercial-use and residential-use units sold decreased compared with the same period last year and did not meet planned targets, profit targets were achieved due to a comprehensive price support strategy, high value-added products, and increased sales of midsize and large products.

Unit sales of Air-conditioners for the entire domestic AC market

[year-on-year change] 107%

Unit sales of Air-conditioners for the entire domestic AC market (Unit: 1000units)

[Daikin's estimate]

	FY2006		FY2007	
	1st half	Total	1st half	Total
Residential	(100%)	(99%)	(98%)	(99%)
	5,132	7,455	5,009	7,409
Commercial	(101%)	(97%)	(94%)	(97%)
	447	781	418	760

Unit sales of the Company

[FY2007 first half]

(Year-on-year change)

Residential-use : 94%

Commercial-use : 93%

Overseas Air-conditioning

Overseas sales in air-conditioning[FY2007 first half]

Year-on-year change: 211% (Europe:179%, China:174%, Asia:234%)

Especially in Europe, in addition to strong and steadily expanding demand following the heat wave that started in the latter half of July 2006, the weather was warm in April and May, which further increased demand. Through flexible product supply utilizing our dominant sales network and beneficial effects from locating production as close to markets as possible, Daikin was able to meet the increased demand without losing out on opportunities.

Due to the strong European economy, demand is increasing for commercial-use AC.

The yen is depreciating against the euro.

(1euro=¥146 in the first half of last year ¥162 the first half of this year)

Chemical

While there were steady increases in demand for automobile-related products, sales of repellants decreased and FEP sales deteriorated in the US. Sales therefore were held to 2% growth.

Changes in product composition due to decreased FEP sales as well as effects from changes to the depreciation and amortization system led to a lower ratio of net profits to sales.

Others

Amid solid demand for machine tool-related products in the oil hydraulics business, Daikin expanded sales of hybrid oil hydraulic products leveraging Daikin's original energy-saving technology to achieve planned targets.

A firing accident by the Defense Ministry caused schedule delays in the defense business. Initial targets are expected to be met on an annual basis.



Profit and Loss Statement

. First Half Results FY07

[Unit: 100 million yen]

	FY2006	FY2007	Year-on-year change
Net sales	4,427	6,555	+2,128
Cost of sales	(65.7%) 2,907	(64.3%) 4,214	(-1.4%) +1,307
Gross profit	(34.3%) 1,520	(35.7%) 2,341	(+1.4%) 1 +821
Selling, general and Administrative expenses	(25.0%) 1,107	(23.4%) 1,534	(-1.6%) 2 +427
Operating Income	412.6	807.2	1 +394.5
Interest	-19.6	-36.9	-17.3
Exchange gains or losses	6.6	-7.7	-14.3
Dividend earned	5.8	9.0	+3.2
Other non-operating gains and losses	11.7	-4.9	3 -16.6
Ordinary Income	417.2	766.7	+349.6
Extraordinary gains or losses	+47.9	-3.7	4 -51.6
Income before Income Taxes	(10.5%) 465.1	(11.6%) 763.0	(+1.1%) +297.9
Corporate taxes, etc.	-212.9	-255.4	-42.5
Minority interest	-12.5	-16.5	-4.0
Net Income	239.7	491.0	+251.3

1 Breakdown of changes in operating income
please refer to page

2 Primary factor of increase in the selling, general and administrative expenses [Unit: 100 million yen]

Effects of consolidating OYL: +208
Depreciation of OYL's goodwill: +51
Sales promotion expense: +48
Labor cost: +29
Shipping cost: +24

3 Breakdown of Other non-operating gain and losses
Expenses related to public stock offering: 7.0 million yen

4 Breakdown of Extraordinary Gains or Losses

[Unit: 100 million yen]

Appraised profit by FX hedge of funds: 41 (+41 0)
Gain on transfer of system of mechanical parking equipment maintenance business: 7.0 (+7.0 0)
Gain on ending retirement benefit scheme: 7.0 (+7.0 0)
Loss on discontinued operation: +3.0 (3.0 0)

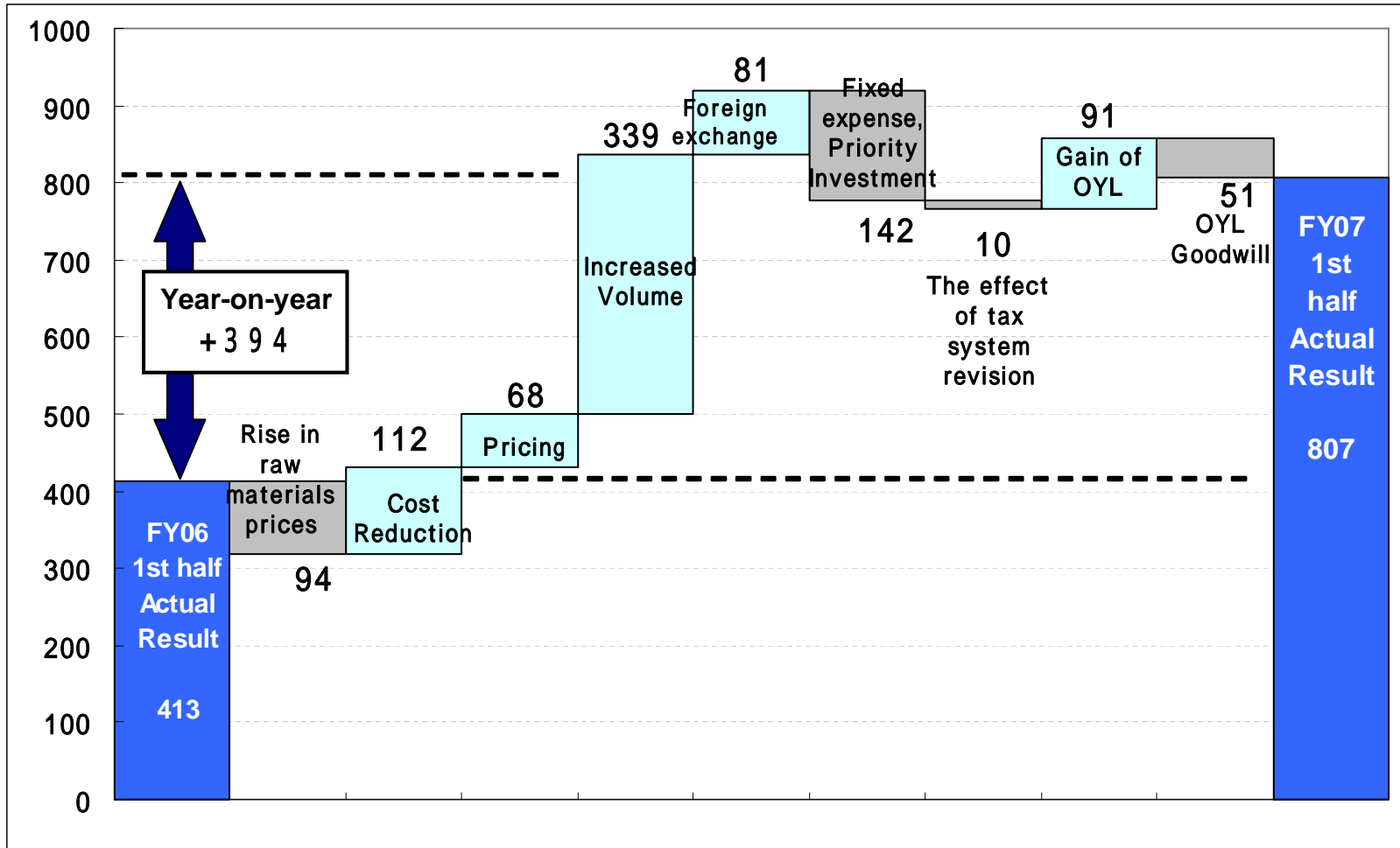


Profit and Loss Statement

. First Half Results FY07

FY2007 Actual Results : Breakdown of Operating Profit

(Unit: 100million yen)



Numbers on the left are retaining period (unit:100 million yen)

	Sep-06	Mar-07	Year-on-year Change
Cash and cash equivalents	709	1,128	+419
Receivables	65 1,574	63 2,248	1 +674
Inventories	65 1,570	66 2,359	2 -789
Fixed assets	2,128	4,587	3 +2,459
Investment and others	1,203	1,368	+165
Others	616	629	+13
Total assets	7,801	12,320	+4,519

Trade payables (Interest-bearing)	800 (25.5%)	1,206 (28.8%)	+406
Interest-bearing	1,989	3,544	4 +1,555
Others	1,244	1,792	+547
Total liabilities	4,033	6,542	+2,509

(Equity ratio)	(46.7%)	(45.7%)	
Total equity	3,643	5,629	5 +1,987
Share Warrant	2	5	+3
Minority interests	123	144	+20
Total net assets	3,768	5,778	+2,010

Total	7,801	12,320	6 +4,519
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1 Receivables:

Effects of exchange translation(overseas subsidiaries): + 11.0bil. yen

Effects of consolidating OYL: +54.6 bil.yen

Daikin Europe: + 9.5 bil.yen

Retaining period excluding OYL: 58days

2 Inventories: Effects of exchange translation(overseas subsidiaries): + 9.7 bil. Yen Effects of consolidating OYL: +38.2 bil. Yen , Daikin Europe: +11.0 bil.yen

Daikin Air-conditioning(Shanghai) +5.0 bil.yen

Retaining period excluding OYL:67days

3 Changes of Capital expenditure

(Unit:100 million yen)	FY2006	FY2007
		Total
Capial expenditures	411	600
Depreciation	329	430
R&D cost	272	300

• Effects from changes to depreciation and amortization system

1st half: 1.0 bil.yen

FY07 total: 2.5 bil.yen (AC: 1.3bil.yen, Chemical: 1.0bil.yen)

4 Breakdown of interest -bearing debt (unit:100 million yen)

	Sep.06	Sep.07	Change
Short-term borrowings	569	749	+180
C P	805	890	+85
Long-term borrowings	415	1,705	+1,290
Bonds	200	200	+0
Total A	1,989	3,544	+1,555
Cash anf cash equivalent B	709	1,128	+419
Actual interest-bearing debt A-B	1,280	2,416	+1,136

Financing of OYL acquisition

• OYL acquisition price: 246.1 billion yen

• 230.0 billion yen in short-term debt, with the remainder self-financed

• July 2007: 114.0 billion yen appropriated through capital increase

• September 2007: The remaining total was converted to long-term debt

5 Causes of increase in total equity [Year-on-year change](Unit: billion yen)

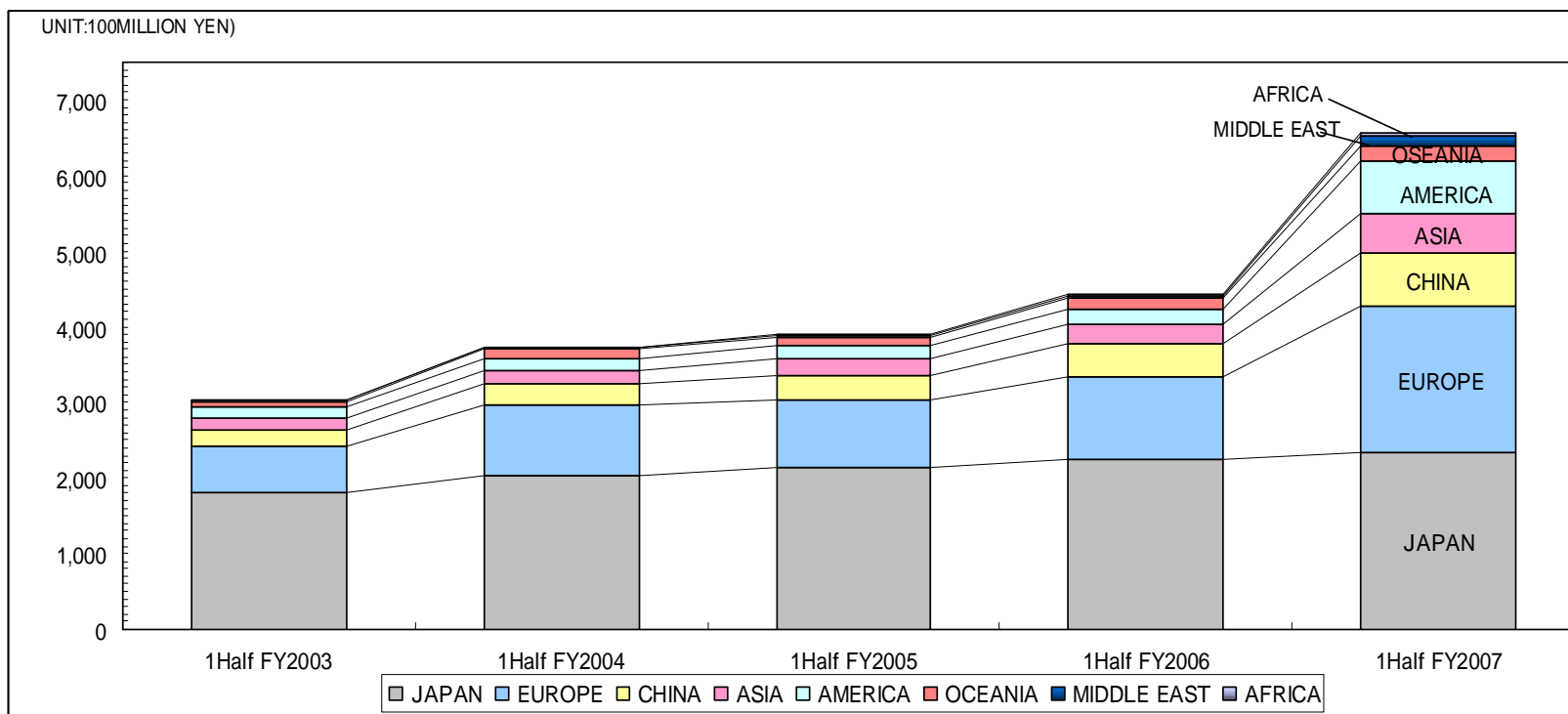
	2006/9	2007/9
Capital increase by public stock offering: +114.0 (0 114.0)		
Changes of Retained earnings: +63.3 (271.2 334.5)		
Changes of appraisal of securities holdings: 2.2 (29.7 27.5)		
Foregin currency translation adjustments: +24.9 (11.9 36.8)		

6 OYL assets worth ¥154.8 billion is included



Sales by region (Company-wide)

. First Half Results FY07



(%: GROWTH RATE)

	1Half FY2003		1Half FY2004		1Half FY2005		1Half FY2006		1Half FY2007	
JAPAN	98%	1,805	112%	2,022	106%	2,133	106%	2,253	104%	2,337
EUROPE	122%	609	155%	945	96%	903	121%	1,090	178%	1,934
CHINA	117%	218	127%	276	118%	327	130%	425	165%	700
ASIA	127%	164	112%	184	117%	214	120%	256	207%	530
N&S AMERICA	98%	137	115%	157	105%	164	132%	217	317%	689
OCEANIA	132%	84	142%	119	103%	123	117%	143	145%	207
MIDDLE EAST	59%	13	170%	22	110%	24	106%	26	430%	112
AFRICA	93%	9	147%	14	122%	17	105%	17	263%	46
TOTAL	118%	3,039	123%	3,739	104%	3,905	113%	4,427	148%	6,555

(UNIT: 100million YEN)

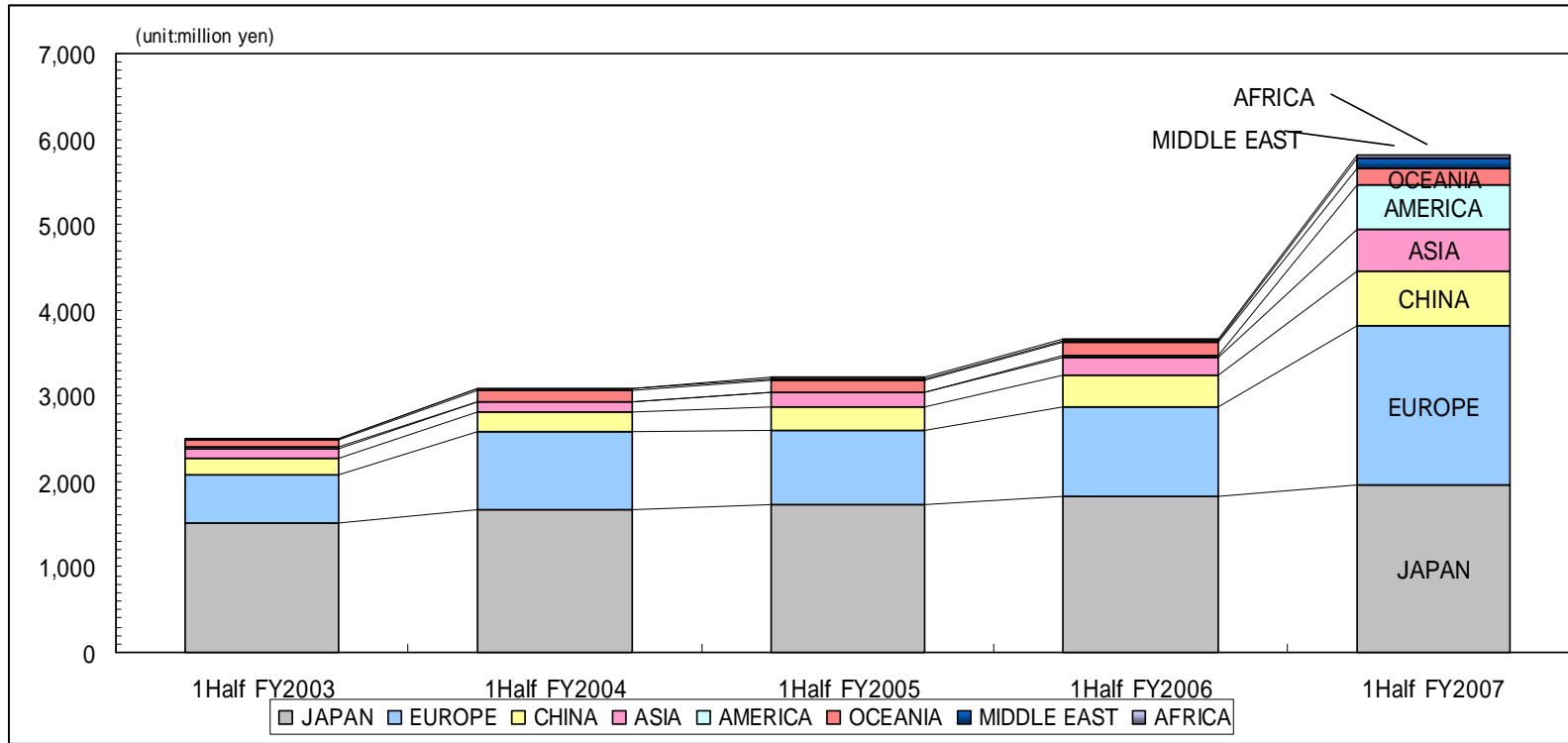
FY2007 PLAN	
109%	4,820
158%	3,706
162%	1,500
203%	1,057
331%	1,433
127%	457
390%	235
219%	93
146%	13,300

OVERSEAS SALES RATIO	41%	46%	45%	49%	64%	64%
FX RATE USD	¥118	¥110	¥109	¥115	¥119	¥117
EUR	¥133	¥133	¥136	¥146	¥162	¥159



Sales by Region(Air conditioning)

. First Half Results FY07



(%: GROWTH RATE)

	1Half FY2003		1Half FY2004		1Half FY2005		1Half FY2006		1Half FY2007		OYL (Estimate)
JAPAN	101%	1,509	110%	1,662	104%	1,734	106%	1,831	107%	1,950	-
EUROPE	123%	574	158%	909	96%	868	120%	1,045	179%	1,875	258
CHINA	111%	186	127%	237	117%	276	131%	361	174%	630	138
ASIA	135%	124	98%	122	130%	158	131%	207	234%	484	217
N&S AMERICA	149%	5	130%	7	178%	12	293%	35	1490%	523	475
OCEANIA	132%	84	142%	118	103%	122	117%	143	145%	207	12
MIDDLE EAST	59%	13	172%	22	110%	24	105%	25	440%	111	61
AFRICA	94%	9	147%	14	122%	17	105%	17	263%	46	14
TOTAL	108%	2,504	123%	3,090	104%	3,212	114%	3,664	159%	5,826	1,175

(unit:100million yen)

	FY2007		OYL (Estimate)
JAPAN	110%	3,900	-
EUROPE	159%	3,560	520
CHINA	167%	1,326	295
ASIA	226%	962	435
N&S AMERICA	1496%	1,070	960
OCEANIA	127%	456	28
MIDDLE EAST	399%	234	130
AFRICA	219%	93	32
TOTAL	154%	11,600	2,400

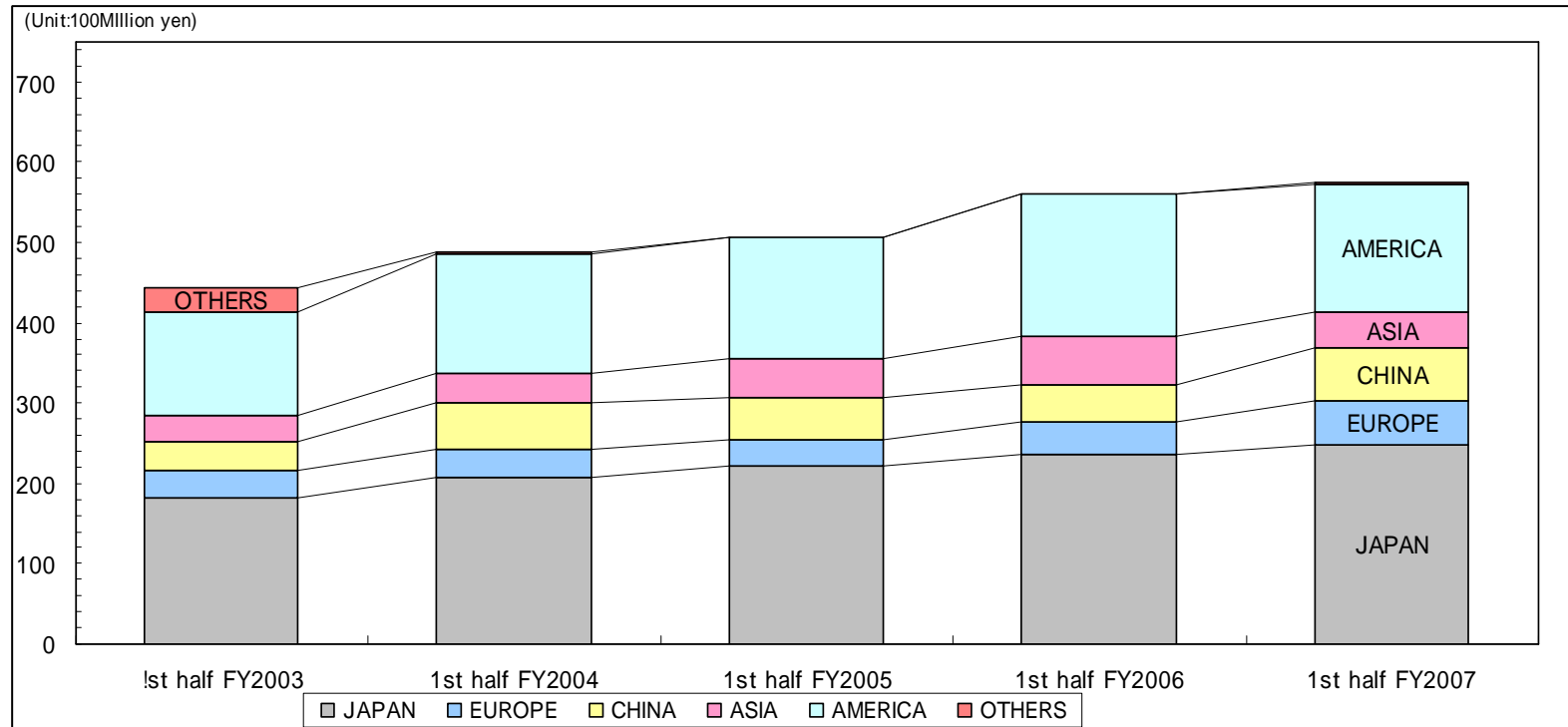
OVERSEAS SALES RATIO 40% 46% 46% 50% 67%

FX RATE	USD	¥118	¥110	¥109	¥115	¥119	¥117
	EUR	¥133	¥133	¥136	¥146	¥162	¥159



Sales by Region (Chemicals)

. First Half Results FY07



(%: GROWTH RATE)

	1st Half FY2003		1st Half FY2004		1st Half FY2005		1st Half FY2006		1st Half FY2007		FY07 Plan	
	101%	182	114%	207	107%	222	107%	236	105%	248	105%	520
Japan	101%	182	114%	207	107%	222	107%	236	105%	248	105%	520
America	96%	131	114%	149	101%	151	118%	177	90%	160	100%	350
Asia	104%	36	161%	59	88%	52	87%	45	96%	43	100%	85
China	168%	31	122%	38	130%	49	124%	61	111%	67	125%	158
Europe	107%	34	101%	35	96%	33	123%	41	132%	54	128%	135
Others	61%	29	2%	1	145%	1	100%	1	108%	1		1
Total	110%	444	110%	487	104%	507	111%	561	102%	574	107%	1,250

(Unit:100million yen)

Overseas sales ratio	56%	58%	56%	58%	57%	58%
FX rate:USD/JPY	¥118	¥110	¥109	¥115	¥119	¥117
FX rate:EUR/JPY	¥133	¥133	¥136	¥146	¥162	¥159

Management Plan(Company-wide)

. Management Plan for FY07

Daikin intends to maintain the momentum gained from substantial increases in revenue and profit in the first half of the year to achieve the same on an annual basis and mark 14 consecutive years of increased profit and 8 consecutive years of record sales and profit.

Excluding impact from OYL consolidation, sales encompassing just the former Daikin base are on a scale surpassing one trillion yen.

If this term's targets are reached, Daikin will be able to achieve the F10 targets set for fiscal 2008 almost a year ahead of schedule (Sales: 1.330 trillion yen, operating profit: 130.0 billion yen).

Daikin is currently in the process of reformulating the action plan and numerical targets for the final 3 years of F10.

(unit:100 million yen)

	FY2006			FY2007 Plan				
	1st Half	2nd Half	Total	Forecast(Aug.07)		Revised Forecast		
				1st Half	Total	1st Half	2nd Half	Total
Sales	[113%] 4,427	[117%] 4,694	[115%] 9,121	[147%] 6,500	[145%] 13,200	[148%] 6,555	[144%] 6,745	[146%] 13,300
Operating Income	(9.3%) 413	(8.5%) 397	(8.9%) 809	(10.8%) 700	(8.9%) 1,170	(12.3%) 807	(7.3%) 493	(9.8%) 1 1,300
Ordinary Income	(9.4%) 417	(7.8%) 368	(8.6%) 785	(10.3%) 670	(8.3%) 1,090	(11.7%) 767	(6.6%) 443	(9.1%) 1,210
Net Income	(5.4%) 240	(4.6%) 216	(5.0%) 456	(6.0%) 390	(3.9%) 510	(7.5%) 491	(3.5%) 239	(5.5%) 2 730

1 Breakdown of changes in operating income
please refer to page

Impact of FY2007(average of 2nd half) foreign exchange fluctuations
(impact of change by one yen)
1 US \$: 2.5
1 EURO: 2.5 (unit:100 million yen)

(%) =Percentage of Income to Net Sales

[%) =Year to Year(net change from the previous fiscal year)

Exchange rate

Dollar/Yen	115	119	117	115	115	119	115	117
Euro/Yen	146	154	150	155	155	162	155	159

Dividends

While Daikin has achieved substantial increases in profit this term, financial demands such as investment to increase production and R&D investment are running high. A dividend increase of 10 yen, interim dividend of 19yen, and final dividend of 19yen for an annual dividend of 38yen has been decided. *Last fiscal year's dividend was 28 yen (interim dividend of 14 yen, final dividend of 14 yen)

[While maintaining an equity dividend rate (DOE) of 2.0% or more, Daikin makes a comprehensive determination of dividends based on such factors as dividend ratio, dividend yield and future investment plans.

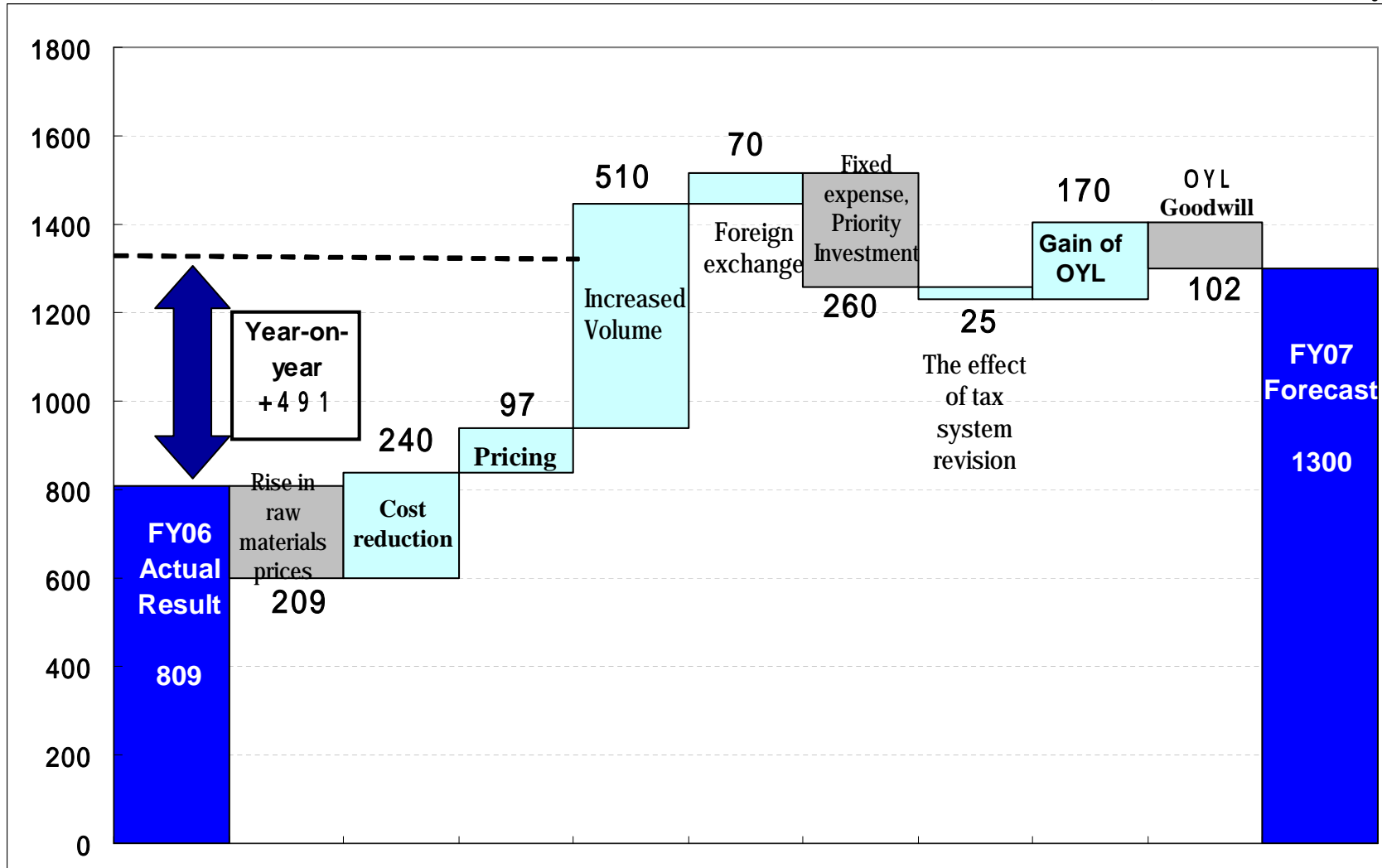


Management Plan(Company-wide)

. Management Plan for FY07

FY2007Plan : Breakdown of Operating Profit

(Unit:100million yen)





Management Plan by Segments

. Management Plan for FY07

(unit : 100million)	FY2006	FY2007 Plan	
		Forecast(Aug.07)	Revised Forecast
Air conditioning	[117%]	[152%]	[154%]
Sales	7,526 (9.0%)	11,450 (9.0%)	11,600 (10.1%)
Operating income	675	1,030	1,170
Chemicals	[108%]	[112%]	[96%]
Sales	1,165 (10.4%)	1,300 (10.0%)	1,250 (9.6%)
Operating income	121	130	120
Others.....	[98%]	[104%]	[100%]
Sales	431 (3.1%)	450 (2.2%)	450 (2.2%)
Operating income	13	10	10
Total	[115%]	[145%]	[101%]
Sales	9,121 (8.9%)	13,200 (8.9%)	13,300 (9.8%)
Operating income	809	1,170	1,300

(%) = Percentage of Income to Net Sales

[%] = Year to Year (net change from the previous fiscal year)

Air Conditioning

Domestic Sales	[104%] 3,536
Overseas Sales	[132%] 3,990
Overseas Sales ratio	53%

	[110%] 3,900
	[193%] 7,700
	66%

Chemicals

Domestic Sales	[110%] 496
Overseas Sales	[108%] 669
Overseas Sales ratio	57%

	[105%] 520
	[109%] 730
	58%

Total

Domestic Sales	[104%] 4,427
Overseas Sales	[128%] 4,695
Overseas Sales ratio	51%

	[109%] 4,820
	[181%] 8,480
	64%

Domestic Air-conditioning

Daikin will further enhance its overall strength, comprised of such aspects as its dominant sales networks, product capability, after sales service capability and production adaptability. It will ensure its market share while maintaining its pricing strategy by conducting proposal-based solution sales in concert with sales outlets.

Trends in market demands (Unit:1000units)

	FY2006 Results	FY2007 Plan(May.)	FY2007 Plan
Residential	(99%) 7,455	(97%) 7,200	(99%) 7,409
Commercial	(97%) 781	(100%) 782	(97%) 760

Daikin's unit sales plan

(in comparison with the same term previous year)

Residential-use unit sales: 100%

Commercial-use unit sales: 98%

Personal spendings (Year-on-year change)

FY2006 Results	FY2007 Plan	
	May.07	Revised(Sep.07)
100.7%	102.0%	101.4%

New housing starts (Year-on-year change)

102.9%	99.5%	89.0%
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Private sector capital investment

(Year-on-year change)

108.0%	104.8%	103.8%
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Floor areas of new construction of

commercial building [Less than 3000m²]

(Year-on-year change)

96.8%	98.0%	92.0%
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Overseas Air-conditioning

Sales will be further expanded in all regions, including Europe and China, and measures to generate synergy with OYL accelerated.

(Europe)

- 1) Enhance measures in emerging markets that show impressive economic growth (Russia, CIS, Middle East, Turkey, Africa)
- 2) Utilizing McQuay's strengths in large-scale AC, enhance proposal ability from residential to large-scale AC
- 3) Expand sales of Altherma in the heating market

(China)

- 1) Expand sales from major metropolitan areas to regional cities, concentrating on commercial-use AC and VRV systems
- 2) Establish new sales networks corresponding to market changes
- 3) Develop product strategy taking the lead in environmental issues (energy-saving INV, new refrigerants, heating)
- 4) Enhance measures in applied and ubiquitous markets

(Asia and Oceania)

- 1) Absolutely capture commercial market based on OYL products and generate synergy.
- 2) Realize No.1 share in each country we operate through integration and strengthening of sales network.

(America)

- 1) Reinforce sales network by developing McQuay reps, SEs spec-in capability and further developing the distributor network
- 2) Accelerate introduction of ductless and VRV system products to meet market needs

Management Plan by Segments

. Management Plan for FY07

(unit : 100million)	FY2006	FY2007 Plan	
		Forecast(Aug.07)	Revised Forecast
Air conditioning	[117%]	[152%]	[154%]
Sales	7,526 (9.0%)	11,450 (9.0%)	11,600 (10.1%)
Operating income	675	1,030	1,170
Chemicals	[108%]	[112%]	[96%]
Sales	1,165 (10.4%)	1,300 (10.0%)	1,250 (9.6%)
Operating income	121	130	120
Others	[98%]	[104%]	[100%]
Sales	431 (3.1%)	450 (2.2%)	450 (2.2%)
Operating income	13	10	10
Total	[115%]	[145%]	[101%]
Sales	9,121 (8.9%)	13,200 (8.9%)	13,300 (9.8%)
Operating income	809	1,170	1,300

(%) = Percentage of Income to Net Sales

[] = Year to Year (net change from the previous fiscal year)

Air Conditioning

Domestic Sales	[104%] 3,536	[110%] 3,900
Overseas Sales	[132%] 3,990	[193%] 7,700
Overseas Sales ratio	53%	66%

Chemicals

Domestic Sales	[110%] 496	[105%] 520
Overseas Sales	[108%] 669	[109%] 730
Overseas Sales ratio	57%	58%

Total

Domestic Sales	[104%] 4,427	[109%] 4,820
Overseas Sales	[128%] 4,695	[181%] 8,480
Overseas Sales ratio	51%	64%

Chemicals

While sales of FEP in the US and repellants did not meet targets, recover performance through increased market share of fluorocarbon gas in Asia, increased market share in China, expanded sales of intermediates for anesthetic raw materials, etc.

- Expand sales in the Japanese semiconductor, liquid crystal and automotive markets.
- Expand sales in the U.S. and China market and improve profitability.
- Strengthen R&D efforts for future growth and upgrade infrastructure for safe operations.

Demands for all fluorochemical products (Year-on-year change)

FY2006	FY2007 Plan
104%	103%

Demands for semiconductor related products out of overall demand (Year-on-year change)

FY2006	FY2007 Plan
103%	103%

Demands for FEP in USA out of overall demand (Year-on-year change)

FY2006	FY2007 Plan
100%	100%

Others

Oil hydraulics business

(Industrial-use oil hydraulic equipment)

- Utilizing Daikin's original AC technology (energy-saving motors, inverter technology), expand business through sustained generation of hybrid oil hydraulic products
- Accelerate global development, starting with Chinese market

(Construction machinery/oil hydraulic equipment for vehicles)

- Expand into global construction machinery and vehicle market focusing on development of hybrid products
- Further expand construction machinery joint venture (established in 2001) with Sauer-Danfoss to achieve No.1 share in Asian HST market

Defense Business

▣ Achieve sustained growth with the two pillars of the defense and civilian sectors