



Presentation of Financial Results for the Third Quarter in Dec.2009

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DAIKIN INDUSTRIES, LTD.

Financial Results for the Third Quarter in Dec.2009

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Business Results(Company-wide)



➤ Third quarter results progressed favorably along the management plan.

(¥1billion)

	3Q(Oct.-Dec.)			1-3Q(Apr.-Dec.)			FY09 Forecast
	FY08	FY09	Y/y changes	FY08	FY09	Y/y changes	
Net Sales	274.8	256.2	▲7%	942.1	754.2	▲20%	1,040.0
Operating Income <small>(Percentage of income to net sales)</small>	5.7 (2.1%)	18.4 (7.2%)	224%	71.3 (7.6%)	36.7 (4.9%)	▲48%	40.0 (3.8%)
Ordinary Income <small>(Percentage of income to net sales)</small>	3.4 (1.2%)	18.2 (7.1%)	437%	66.5 (7.1%)	36.1 (4.8%)	▲46%	36.0 (3.5%)
Net Income <small>(Percentage of income to net sales)</small>	▲ 5.2 —	8.8 (3.4%)	—	33.7 (3.6%)	19.0 (2.5%)	▲44%	14.0 (1.3%)

FX rate

Yen/1USD	¥96	¥90	—	¥103	¥94	—	¥93
Yen/1EUR	¥127	¥133	—	¥151	¥133	—	¥127

*Effects of FX (Year on year)

(Oct.-Dec.) On sales: +1.5billion yen

On Operating Income: +4.0billion yen

(Apr.-Dec) On sales: ▲59.5billion yen

On Operating Income: ▲13.0billion yen

*FX rate

(1H Result) 1USD=¥96, 1EUR=¥133

(2H Forecast) 1USD=¥90, 1EUR=¥120

Business Results by segments



(¥1billion)

Net sales	3Q(Oct.-Dec.)			1-3Q(Apr.-Dec.)			FY09 Forecast
	FY08	FY09	Y/y changes	FY08	FY09	Y/y changes	
Air-conditioning	242.5	228.9	▲6%	830.2	680.6	▲18%	920.0
Chemicals	22.7	21.7	▲4%	83.7	58.3	▲30%	90.0
Others	9.5	5.7	▲40%	28.2	15.3	▲46%	30.0
Total	274.8	256.2	▲7%	942.1	754.2	▲20%	1,040.0

Operating Income	3Q(Oct.-Dec.)			1-3Q(Apr.-Dec.)			FY09 Forecast
	FY08	FY09	Y/y changes	FY08	FY09	Y/y changes	
Air-conditioning	10.9	19.3	77%	73.0	42.0	▲42%	42.0
Chemicals	▲ 4.9	▲ 0.2	—	▲ 1.1	▲ 2.1	—	0.0
Others	▲ 0.3	▲ 0.7	—	▲ 0.6	▲ 3.3	—	▲ 2.0
Total	5.7	18.4	223%	71.3	36.7	▲48%	40.0

■ Sales by region: Air-conditioning Business

(¥1billion)

	FY05 1~3Q		FY06 1~3Q		FY07 1~3Q		FY08 1~3Q		FY09 1~3Q		FY2009 Forcast	
Japan	104%	245.0	107%	262.9	104%	274.7	103%	282.8	86%	244.3	87%	323.5
Europe	95%	121.1	128%	155.4	164%	255.5	87%	221.7	75%	166.5	83%	225.0
China	116%	44.6	132%	58.9	174%	102.5	109%	111.3	87%	97.4	100%	140.0
Asia	129%	23.3	128%	29.7	249%	74.1	105%	78.1	78%	60.8	86%	84.0
America	161%	2.0	243%	4.9	1627%	79.6	100%	79.3	82%	64.6	87%	92.0
Oceania	99%	20.5	127%	26.0	131%	34.2	86%	29.4	99%	29.1	85%	31.8
Middle east	137%	3.6	116%	4.2	350%	14.6	136%	19.8	62%	12.2	67%	16.7
Africa	124%	2.7	105%	2.8	227%	6.4	122%	7.9	72%	5.7	87%	7.0
Total	104%	462.9	118%	544.9	154%	841.5	99%	830.2	82%	680.6	87%	920.0
Overseas Sales ratio	47%		52%		67%		66%		64%		65%	
FX rate(USD/Yen)	¥112		¥116		¥117		¥103		¥94		¥93	
(EUR/Yen)	¥137		¥148		¥163		¥151		¥133		¥127	

Sales by region: Chemicals



(¥1billion)

	FY05 1~3Q		FY06 1~3Q		FY07 1~3Q		FY08 1~3Q		FY09 1~3Q	
Japan	105%	32.2	109%	35.3	103%	36.4	94%	34.2	69%	23.5
America	105%	22.7	110%	25.0	89%	22.1	96%	21.2	70%	14.8
Asia	90%	7.8	79%	6.1	105%	6.4	104%	6.7	69%	4.6
China	125%	7.3	120%	8.7	120%	10.5	120%	12.6	72%	9.0
Europe	104%	5.4	129%	6.9	118%	8.2	99%	8.1	67%	5.4
Others	94%	0.2	101%	0.2	84%	0.1	731%	1.0	94%	0.9
Total	105%	75.6	109%	82.2	102%	83.7	100%	83.7	70%	58.3

FY09 Forecast	
83%	34.5
87%	23.0
87%	7.0
104%	16.0
91%	8.5
85%	1.0
88%	90.0

Overseas sales ratio	57%	57%	57%	60%	61%	62%
FX rate(USD/Yen)	¥112	¥116	¥117	¥103	¥94	¥93
(EUR/Yen)	¥137	¥148	¥163	¥151	¥133	¥127

Air-conditioning business

Japan

- Although decreased demand, particularly demand for commercial-use air conditioners, has continued because of the impact of economic stagnation and results have fallen short of the management plan, market share for both residential-use and commercial-use air conditioners has increased due to sales expansion measures.
- With the prevalence of the H1N1 influenza, sales for air purifiers with built-in Flash Streamer technology have exceeded the management plan and are progressing satisfactorily because of a shift in personnel to sales expansion and reinforcement of sales promotion activities.

Europe

- Sales for the third quarter period recovered at local currency base to the level of the previous year.
- Dealer inventories have been eliminated for residential-use air conditioners, and shipments are proceeding satisfactorily.
- Within the severe demand environment for commercial-use air conditioners, results are largely progressing as planned.
- Although the third quarter showed a 20% expansion for the heating business (Daikin Altherma) compared to the previous year, results fell short of the management plan because of stagnation in industry demand. However, business inquiries were brisk for high temperature hot water heating systems (launched in August 2009) directed toward replacement demand.

China

- Results since July have showed a rapid recovery for the third quarter period (July-September), and sales expanded more than 20% compared to the previous year. Market expansion progressed satisfactorily to inland and western areas.
 - Benefiting from economic development and economic stimulus measures, VRVs (building type multi air conditioning systems) experienced brisk sales. Results for the fourth quarter (October-December) also exceeded 20% of the previous year.
 - Sales of air conditioners jointly developed with Gree began as planned.

Air-conditioning business

Asia/Oceania

- Results exceeded the management plan. Particularly for Australia, home ownership subsidies and a heat wave had a positive effect on results.

North America

- Prospects remain weak for industry demand, particularly in the applied business; however, professionals in the field have showed high interest for new inverter type products, and development is underway for winning orders.
- The energy efficiency of the ductless products have been highly appraised, and activities to create demand are steadily moving forward.

Chemical business

- A trend towards slow recovery of demand from the automobile and semiconductor industries is being seen, and sales for the third quarter period recovered to a level on par with the previous year.
- With demand expected to remain sluggish, the aim of the Chemicals Division for this period is to 'stay in the black' by further reducing fixed expenses and implementing cost cutting measures in the fiscal year as a defensive measure against the possibility of unachieved sales targets.

■ Expenditure, Depreciation, R&D Cost



(¥1billion)	FY2008		FY2009	
	1-3Q	Total	1-3Q	Forecast
Expenditure	46.1	60.6	21.7	35.0
Depreciation	32.6	43.8	30.6	41.0
R&D Cost	24.8	30.5	22.0	30.0



DAIKIN INDUSTRIES, LTD.

Notes on forecast

- This data is compiled for informational purposes and is not to be construed as a solicitation of any action. This data (includes management plan) was compiled by Daikin Industries., Ltd. (the Company) based on reliable information available at the time of compilation. It may include some risks and uncertainties. The Company is not responsible for its accuracy or completeness.

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