



Presentation of Financial Results for FY2009
(term ended March 31, 2010)

May 13, 2010

DAIKIN INDUSTRIES, LTD.

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I. Financial Results for FY2009

Business Results (Company-wide)



(¥1billion)

	FY2008	Previous Forecast (Feb.)	FY2009	Y/y Change
Sales	1202.4	1040.0	1024.0	▲15%
Operating Income <small>(Percentage of income to net sales)</small>	61.4 (5.1%)	40.0 (3.8%)	44.0 (4.3%)	▲28%
Ordinary Income <small>(Percentage of income to net sales)</small>	52.0 (4.3%)	36.0 (3.5%)	43.8 (4.3%)	▲16%
Net Income <small>(Percentage of income to net sales)</small>	21.8 (1.8%)	14.0 (1.3%)	19.4 (1.9%)	▲11%
Net Income Per Share	¥74	¥48	¥66	
DPS	¥38	¥32	¥32	—
DOE	2.2%	—	1.9%	—

■ FX rate

Yen/1USD	101.0	93.0	93.0	—
Yen/1EUR	143.0	127.0	131.0	—

■ Management Indicator

	FY2008	FY2010
ROA	1.9%	1.7%
ROE	4.3%	4.0%
FCF	▲7.0	+80.7
DVA	▲31.4	▲38.1

※DVA=Daikin Economic Value Added (Cost of invested capital calculated at 6%)

※ Effects of FX(Y/y)

On Sales : ▲70.0 billion yen

On Operating Income : ▲13.0 billion yen

Operating profit largely exceeded that of the original budget, and structural reforms necessary for future growth were performed.

- **As a result of the appreciation of the yen and lower demand due to the global recession, Daikin experienced a decline in revenue and profits compared to the previous year. Operating profit largely exceeded the amount that was forecast (40 billion yen).**

- **The management structure largely improved due to the promotion of 49 action plans for company-wide themes that gave top priority to securing short-term profit along with the tactical implementation of “contingency plans.”**
 - ✕ 49 action plans for company-wide themes
 - Share increase of existing products
 - Decrease in capital expenditures and prioritized outlays
 - Sales expansion of products related to the environment
 - Constitutional reforms such as for shrinking inventory
 - Reduction in fixed costs and cost-saving measures, etc.

- **Trying to reduce the fixed cost, we construct the business foundation that is tied to the mid-to long-term development.**
Active development, including prior investment for expansion of environmental related business and speeding up of development of environmental products, etc..
 - Volume zone strategy by RA volume zone models
 - Heat pump heating/hot water supply business
 - Applied Systems
 - Construction of business foundation in emerging markets, etc.

Profit and Loss Statement



(¥1billion)

	FY2008	FY2009	Changes from the last year
	⁹³	⁹³	
Net Sales	1,202.4	1,024.0	▲178.4
Cost of sales	838.8	704.7	▲134.1
(Percentage to net sales)	(69.8%)	(68.8%)	※1 (▲1.0%)
Gross Income	363.7	319.3	▲44.4
(Percentage of income to net sales)	(30.2%)	(31.2%)	
Selling General and Administrative expenses	302.3	275.3	▲27.0
	(25.1%)	(26.9%)	※2
Operating Income	61.4	44.0	▲17.4
(Percentage of income to net sales)	(5.1%)	(4.3%)	
Non-operating gain or losses	▲9.4	▲0.2	※3 +9.2
Ordinary Income	52.0	43.8	▲8.2
(Percentage of income to net sales)	(4.3%)	(4.3%)	
Extraordinary gains or losses	▲6.0	▲5.8	+0.2
Income before Income Taxes	46.0	38.0	▲8.0
(Percentage of income to net sales)	(3.8%)	(3.7%)	
Corporate Taxes, etc.	21.2	15.9	▲5.3
(Tax burden ratio)	(46.1%)	(41.8%)	
Minority Interest	3.0	2.7	▲0.3
Net Income	21.8	19.4	▲2.4
(Percentage of income to net sales)	(1.8%)	(1.9%)	

※1 Cost cutting measures and reduction of manufacturing fixed costs, etc., amid sales decline

※2 Main breakdown of selling, general and administrative expenses

Shipping expense▲6.6,
Sales promotion expense▲6.2,
Labor cost▲4.7

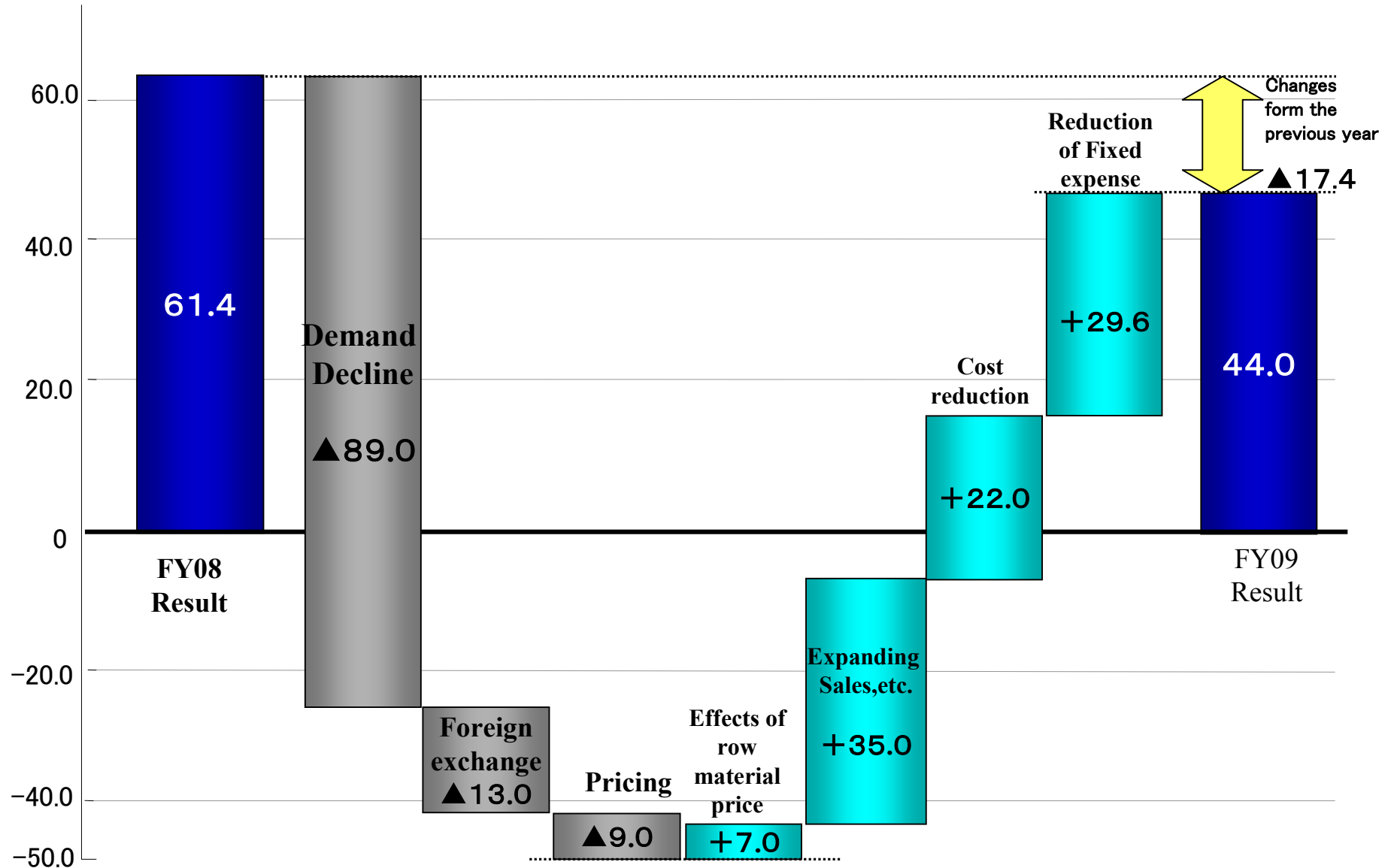
Depreciation expense▲5.2,
Travel and transportation expense▲2.6,
After sales service expense+5.2
(including expenditures for free repairs for residential-use air purifiers+3.9)

※3 Foreign exchange gain or loss +6.6
Interest +0.3

() Percentage of Income to Net sales

FY09 Actual Results: Breakdown of Operating Income

(Unit: billion yen)



Balance Sheets



(¥1billion)

	2009/3E	2010/3E	Y/y Change
Cash and cash equivalents	105.2	160.0	+54.8
Receivables	<u>54day</u> 178.2	<u>65day</u> 181.1	+2.9
Inventories	<u>66day</u> 216.6	<u>66day</u> 185.2	▲31.4
Fixed assets	445.9	427.0	▲18.9
Investment and others	94.3	117.0	+22.7
Others	77.0	69.3	▲7.7
Total Assets	1,117.4	1,139.7	+22.2

	2009/3E	2010/3E	Y/y Change
Trade payables	80.1	97.7	+17.6
Interest bearing	415.1	396.3	▲18.8
Lease debt	2.8	3.0	+0.2
(Interest-bearing ratio)	(37.4%)	(35.0%)	
Others	134.9	132.5	▲2.4
Total liabilities	632.9	629.6	▲3.3
Total equity	471.7	496.2	+24.5
(Equity ratio)	(42.2%)	(43.5%)	
Share Warrant	0.8	1.0	+0.2
Minority interests	12.0	12.9	+0.9
Total net assets	484.5	510.1	+25.6
Total	1,117.4	1,139.7	+22.2

*Numbers on the left are rating period

※Breakdown of interest-bearing debt

(¥1billion)	2009/3E	2010/3E	Y/y Change
Short-term borrowings	74.9	69.7	▲5.2
CP	120.0	17.0	▲103.0
Bonds	20.0	100.0	+80.0
Long-term borrowings	200.2	209.6	+9.4
Total	415.1	396.3	▲18.8

■ Results by Segments



(¥1billion)

Sales	FY2008	Previous Forecast(Feb.)	FY2009	Change from the previous forecast	Y/y Change
Air-conditioning	1059.4	920.0	908.6	▲ 11.4	▲ 14%
Chemicals	101.9	90.0	86.2	▲ 3.8	▲ 15%
Others	41.1	30.0	29.2	▲ 0.8	▲ 29%
Total	1202.4	1040.0	1024.0	▲ 16.0	▲ 15%

Operating Income	FY2008	Previous Forecast(Feb.)	FY2009	Change from the previous forecast	Y/y Change
Air-conditioning	71.6	42.0	45.8	3.8	▲ 36%
Chemicals	▲ 9.5	0.0	0.7	0.7	—
Others	▲ 0.8	▲ 2.0	▲ 2.6	▲ 0.6	—
Total	61.4	40.0	44.0	4.0	▲ 28%

Industry demand was down against the previous year in both residential and commercial air conditioners due to suppressed capital expenditures and stagnant housing starts. Daikin also experienced a decrease in unit sales from last year but was able to achieve increased market share in both residential and commercial air conditioners.

[Residential Air Conditioning]

- Increased share was achieved by actively promoting the ability to provide comfortable air spaces and make environmental proposals centering on high value-added products that feature selectable airflow settings (a maximum of 12 airflow patterns possible) in addition to an automatic filter cleaning feature that excels in quiet operation.
- Contribution to improved profitability by commissioning Gree Electric Appliances, Inc. for unit production that reached 500,000 units.

■ Unit sales of AC for the entire Japanese market, Daikin sales

	(1000units)	FY2009					
		1H	Y/y	2H	Y/y	Total	Y/y
Residential	Market	4,408	83%	2,336	103%	6,744	89%
	Daikin	—	83%	—	106%	—	91%
Commercial	Market	329	79%	277	89%	606	83%
	Daikin	—	83%	—	95%	—	88%

[Commercial Air Conditioning]

- Launch of differentiated products such as Clean ZEAS-Q with its automatic filter cleaning feature and Flash Streamer ZEAS-Q featuring Daikin's own unique Streamer technology to achieve past highest share.

[Other products]

- Achieved plan for sales of 500,000 air purifiers (twice the number of last year) in tailwind of demand for H1N1 preventative measures.

Air-conditioning Business in Europe and China



Europe

- Within the continuation of a severe demand environment, the business foundation was strengthened to utilize the network constructed in the past, and fixed costs were reduced while working in cooperation with dealers to increase market share of existing products.
- In the declining market of the Applied business, sales expansion exceeded the previous year with the launch of the global air-cooled chiller, a new product of the Applied Development Center. (Comparison against previous year: Industry 82%, Daikin 105%)
- Demand was slow from the effect of such factors such as the decrease in new housing starts in France, which is the largest market for the heating business.

Sales exceeded the previous year by the immediate full-scale activation of new dealer development, strengthening of after sales service structure, and vertical start-up of new products aiming for the replacement demand (High Temperature Daikin Altherma). (Comparison against previous year: 107%)

■ Reference: increasing ratio of sales units in Europe market(Y/y)

	RA	SKY	VRV
Market	82%	77%	86%
Daikin	97%	78%	88%

China

- The economy got on the recovery track as a result of economic measures taken by the government and began to exceed the previous year from May. Sales expansion measures such as launch of differentiated products and the strengthening of the sales networks to regional cities and inland regions, which was initiated at the beginning of the year, were successful and results exceeded those of the previous year for number of unit sales.

■ Reference:trends in the sales of Daikin China ■ Reference:trends in the sales of Market

1H	2H	Total
88%	123%	104%

※Y/y(local currency)

1H	2H	Total
81%	114%	96%

※Y/y change

- Positioning of fiscal year 2009 as the “Year of the Second Stage”

-Changed strategy from business centered on sales of conventional VRV to a full product lineup sales strategy that includes sales expansion of inverter volume zone models, Applied products, and heating products.

-Launched Daikin Altherma in the heating business in August 2009 and began full-fledged business start, including PR activities for new dealer development and greater product awareness.

-Accompanying the launch of residential inverter air conditioners for the product volume zone in cooperation with Gree Electric Appliances, the sales structure and networks were organized and strengthened to begin full-fledged business expansion of the residential air conditioner market.



Asia, Oceania

- With relatively minimal impact in the region from the financial crisis, efforts to expand sales were successful, and advancement went according to plan.
 - In Australia, residential purchasing subsidies and a severe heat wave occurring in the main season became a tailwind that resulted in a sales expansion of residential air conditioners.
 - Despite the shrinking demand of commercial air conditioners in Singapore and Thailand because of the business downturn and stagnant demand in construction, results exceeded the previous year due to the tackling of new dealer development and strengthening orders for small-sized proposals.
 - Sales expansion proceeded smoothly by development of sales networks for emerging markets, such as Vietnam, where there was minimal impact from the worsening of the economy.

North America

- Stagnant market conditions for housing and construction contributed to lower demand in the Applied market. Sales declined over the previous year, but signs of a recovery were seen in orders received beginning in November due to the launch of strategic products that offer unmatched energy-savings, such as an air-cooled screw chiller and a centrifugal chiller with DC inverter.

■ Reference: trends of AC market in North America (bolume)

	Residencial duct	Industrial duct	Ductless	Total
FY07→08	92%	104%	108%	96%
FY08→09	92%	77%	96%	84%

- VRV sales expanded in the ductless market by strengthening of the sales network, and sales in the ductless market exceeded those of the previous year due to sustained efforts for market creation.
- In the heating business, sales of Daikin Altherma began in earnest from October. Construction of a sales structure, dealer support, and lobbying activities to create a market for energy-saving air conditioning systems were actively pursued.

Within the substantial decline in demand, an operating profit was achieved by comprehensively implementing total cost-cutting measures.

- Amid the substantial decline in demand for fluorochemical products, the business constitution was comprehensively strengthened by inventory optimization.
- Fluoropolymers experienced a trend toward recovery of demand in the semiconductor and automobile industries.
- In fine chemical products, sales exceeded the previous year for water and oil repellency. Sales of anti-fouling coating agents (OPTOOL) greatly surpassed the previous year through sales expansion activities concentrated on LCD applications.
- F-gas sales were substantially lower due to a decline in demand in China, Asia, and Japan.

<Oil Hydraulics Business>

- Stagnant demand exerted an impact on both construction machinery, which is a Daikin strength, and industrial machinery. Sales in Japan were substantially lower than the previous year.
- Oil hydraulic equipment for construction vehicles was also affected by stagnation in global demand. Demand began falling in the primary market of Japan and overlapped to the US and European markets, resulting in lower sales compared to the previous year.
- Sales turned favorable in the Asian market centering on South Korea, China, and Taiwan.

<Defense Systems Business>

- Although sales to the defense industry declined, sales in the home health care business expanded as planned.

II. Management Plan for FY2010

(¥1billion)

	FY2007 Actual Results	FY2008 Actual Results	FY2009 Actual Results	FY2010 Forecast	Y/y Change
Sales	1291.1	1202.4	1024.0	1155.0	113%
Operating Income <small>(Percentage of income to net sales)</small>	128.1 (9.9%)	61.4 (5.1%)	44.0 (4.3%)	73.0 (6.3%)	166%
Ordinary Income <small>(Percentage of income to net sales)</small>	121.7 (9.4%)	52.0 (4.3%)	43.8 (4.3%)	69.0 (6.0%)	158%
Net Income <small>(Percentage of income to net sales)</small>	74.8 (5.8%)	21.8 (1.8%)	19.4 (1.9%)	37.0 (3.2%)	191%

FX rate

Yen/1USD	114	101	93	90	—
Yen/1EUR	162	143	131	120	—

※Effects of FX(Y/y)

On Sales: ▲32.0billion yen

On Operating Income: ▲8.5billion yen

Business forecast (1H/2H)



(¥1billion)

	FY2009 Actual Results			FY2010 Forecast		
	1H	2H	Total	1H	2H	Total
Net sales	497.9	526.1	1024.0	560.0	595.0	1155.0
Operating Income (Percentage of income to net sales)	18.4 (3.7%)	25.6 (4.9%)	44.0 (4.3%)	32.0 (5.7%)	41.0 (6.9%)	73.0 (6.3%)
Operating Income (Percentage of income to net sales)	17.9 (3.6%)	25.9 (4.9%)	43.8 (4.3%)	30.0 (5.4%)	39.0 (6.6%)	69.0 (6.0%)
Net Income (Percentage of income to net sales)	10.1 (2.0%)	9.2 (1.7%)	19.3 (1.9%)	15.5 (2.8%)	21.5 (3.6%)	37.0 (3.2%)

FX rate

Yen/1USD	96	90	93	90
Yen/1EUR	133	129	131	120

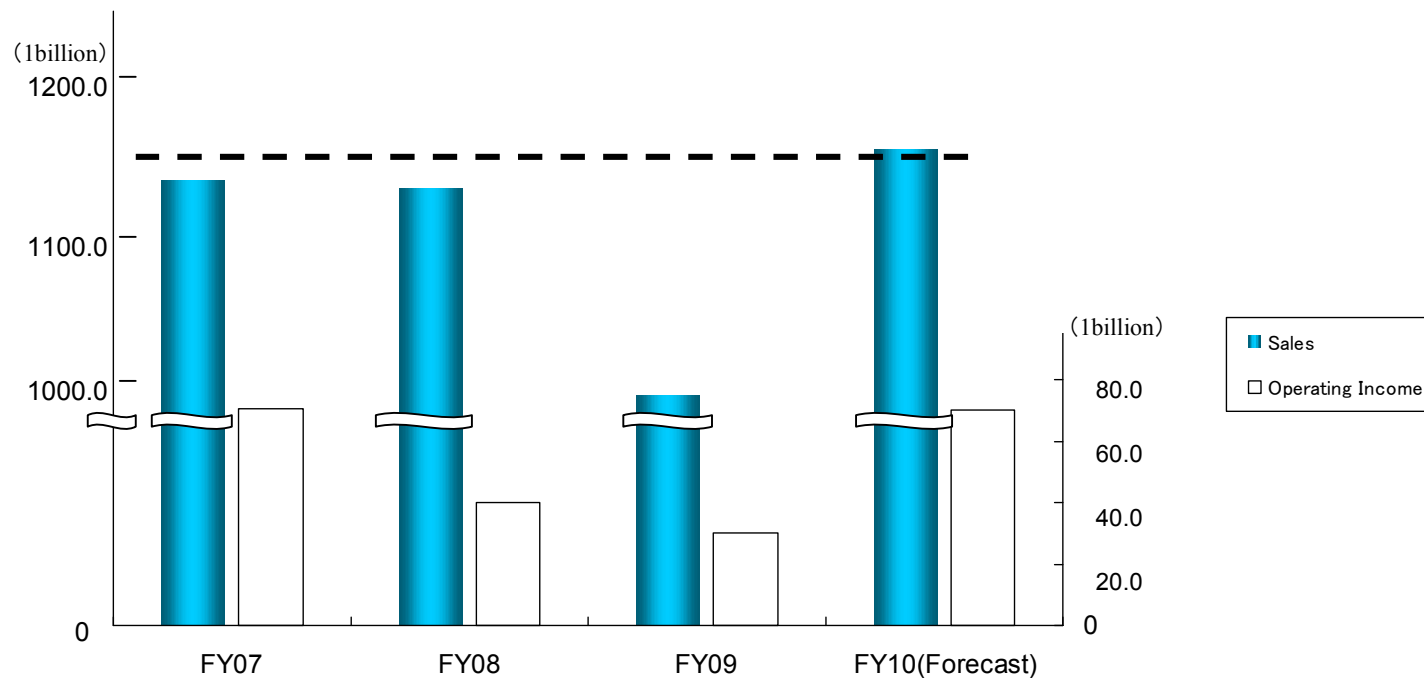
※ Effects of FX(Y/y) On Sales: 1H ▲21.0billion yen、2H▲11.0billion yen
 On operating Income : 1H▲4.0billion yen、2H▲4.5billion yen

【Aiming for a “V-shaped Recovery” in Performance】

Upon gaining a sense of the timing for the global economic recovery, we intend to return sales to their past highest level on a quantity basis, make sustained efforts to strengthen management structure, and improve profitability.

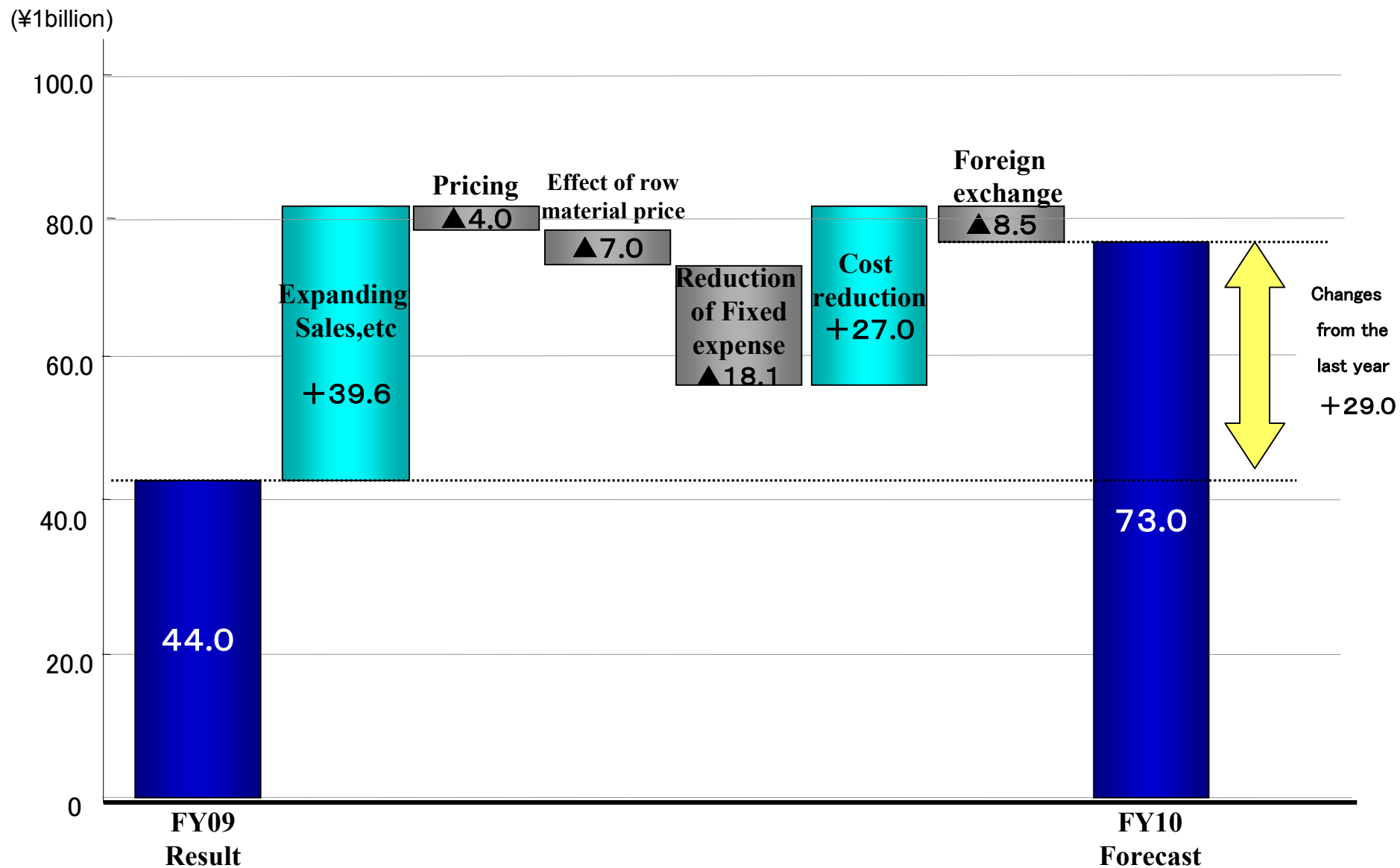
We will link our next great leap forward with the next interim plan and promote mid- to long-term development themes such as expanding environmental products and entering emerging markets.

(Image) Comparison of past performances at exchange rate of fiscal year 2010 plan



Aim for V-shaped recovery in fiscal year 2010 sales and plan for sales of the level of the past highest on a quantity basis.

FY2010 Forecast: Breakdown of Operating Income



■ Business Forecast by Segments



(¥1billion)

Sales	FY2009 Actual Results	FY2010 Forecast	Change from Last Year	Y/y Change
Air-conditioning	908.6	1012.0	+103.4	111%
Chemicals	86.2	108.0	+21.8	125%
Others	29.2	35.0	+5.8	120%
Total	1024.0	1155.0	+131.0	113%

Operating Income	FY2009 Actual Results	FY2010 Forecast	Change from Last Year	Y/y Change
Air-conditioning	45.8	64.5	+18.7	141%
Chemicals	0.7	8.0	+7.3	1143%
Others	▲ 2.6	0.5	+3.1	—
Total	44.0	73.0	+29.0	166%

Air-conditioning Business-Japan



There is a recovery keynote for the economy, but stagnant investment in plant and equipment for commercial air conditioning remains prolonged with only a low-level recovery.

We will concentrate our efforts in the “environment solution proposal business” and strive for an increase in share.

- Obtain renewal demand by launch of differentiated products in the tailwind provided by revision of energy conservation laws and proposal business.
 - Launch market leading products that uniquely meet customer expectations ("Eco-ZEAS80" etc.).
 - After sales service/Solutions "AirNet II," "ENE-FOCUS," "Seino Toban," and similar products
- Develop high value-added products for residential-use and raise cost competitiveness by commissioning manufacturing to Gree. Promote energy-saving efficiency and ensure that all models are eligible for Eco Points.
- Expand sales of products centered on Flash Streamer technology.
 - Further expand sales of air purifiers by product development that matches the season (pollen and rainy seasons, etc.).
 - Make Flash Streamer technology standard equipment in residential and commercial air conditioners.

■ Unit sales of AC for the entire Japanese market, Daikin sales

		FY2009		FY2010(Forecast)	
		Total	Y/y	Total	Y/y
Residential	Market	6,744	89%	7000	104%
	Daikin	—	91%	—	113%
Commercial	Market	606	83%	606	100%
	Daikin	—	88%	—	103%

■ Index of market demand index [assumption]

(Y/y change)	FY2008	FY2009	FY2010 (Forecast)
Personal spending	▲0.5%	+0.6%	+0.6%
New housing starts	+0.3%	▲25.6%	+8.3%
Private capital investment	▲6.8%	▲15.6%	+1.5%
Floor areas of new construction of commercial building(Less than 3000㎡)	▲2.3%	▲15.0%	+3.0%

Air-conditioning Business in Europe



Europe

Demand forecast to be largely similar to the previous year.

There is a sense that the economy has bottomed out but the future is uncertain.

- Attempt to increase share of existing products by further strengthening sales channels.
- Continue to strengthen the sales network, after sales service structure, and product lineup for the heating business (Daikin Altherma).
 - Focus energies on expanding sales of High Temperature Daikin Altherma to obtain renewal demand where consumer demand is high.
 - Launch Mega Altherma for multi-residential complexes as a part of strengthening product lineup.
- Proceed with model expansion of new products (inverter chiller) for the Applied business that have inverters built-in and strengthen the Solution business that includes after sales services, maintenance and servicing.
- Begin full-scale sales of products centered on Streamer technology and inverter volume zone models.

■ Reference:trends of new housing starts in Europe

	FY09	FY10
France	▲12.8%	▲2.8%
Italia	▲19.2%	▲4.8%
Spain	▲55.0%	▲8.5%
UK	▲20.9%	+7.3%
Germany	▲4.5%	▲0.5%

Authority:Euroconstruct

China

This is a growth market that is expected to have the largest demand ever, and it is rapidly moving toward inverter use. We intend to accelerate business expansion throughout China by utilizing environmental technology to the greatest extent possible.

- Increase share in flagship of commercial air conditioning (VRV/Multi). Launch differentiated products centering on the environment, increase SE/sales personnel, and move forward with strengthening order acceptance for public projects. Anticipate regulations for non-inverter room air conditioners (targeting the elimination of models below Class 3) to be enforced from June.
- Build a sales network of 4,000 stores centering on large retail chains/specialty shops/PROSHOPS and plan annual sales of 500,000 units.
- Start production at the joint venture companies (key components and molds) formed with Gree on schedule (April).
- Proceed forward with development of the Solution business from a nucleus of equipment sales and attempt to enlarge in one stroke.
- Begin production in the heating business of Daikin Altherma according to Chinese specifications.
Accelerate the creation of a heating market.
- Establish R&D center in China (January). Strengthen regional development function such as for products related to the environment.
- At the same time, be mindful that demand can also rapidly change in the future, and refrain from large-scale plant investment while preparing for risks.

Asia, Oceania

The decline due to the financial crisis is short-term, and the recovery for air conditioning demand is seen to be on the growth track.

- Attempt to increase share by further strengthening the sales network (Australia, Singapore, Thailand)
- Expand sales networks (small-sized room air conditioners) in the emerging markets such as in Malaysia, Vietnam, and Indonesia.
- Work within the operations of the new factory in India to prepare a product supply system that covers a full range of products from residential to commercial, and strengthen sales including the hiring of local staff personnel.

North America

- The situation for Applied demand is severe, but existing inquiries suggest a trend toward recovery that can be linked to orders in the second half.
- Applied Solution Plaza has been established in New Jersey, United States.
The latest energy conservation technology is being promoted.
- Preparation in building a sales network are continuing for ductless and VRV, and efforts are being made to create demand.
- The aim for the heating business is to obtain more than 3,000 orders.
An attempt to expand sales to the North American region is to be made by increasing full-time SE (promotion activities, sales support). Specifications for development of a North American Daikin Altherma are being investigated.

Chemicals

A shift to large sales expansion based on demand recovery in the automobile and semiconductor industries is expected. Efforts are to continue for strengthening business constitution.

- Comprehensive share increase in Japan and US (fluoroelastomers, FEP, repellency, etc.)
- Attempt for a large expansion of sales that receives infrastructure demand by the Chinese government (railways, electrical power, and communications)
- Attempt for sales expansion to manufacturers of electric machinery and semiconductors in South Korea and Taiwan
- Accelerate research for products that correspond to the environment as a pillar for future profit (shielding paint, functional materials, new refrigerant, material for next generation electrical batteries) and attempt full-fledged sales expansion from FY 2010.

■ Demands by Products(Y/y Change)

	FY2009	FY2010(Forecast)
For all fluorochemical products	▲16%	+8%
FEP in USA	▲14%	▲2%
Semiconductor related products	▲11%	▲5%

Other

< Oil Hydraulics Business >

- Aim for profitability in continuing constitution reforms within the severe demand environment in the Japanese domestic market
- Overseas, strengthen business foundation for China and make it a focus market because of its dynamic plant investment.

< Defense Systems Business >

- Attempt to accelerate defense business and expand sales of home health care business.

III. Reference

Sales by Region (Air-conditioning)



Unit: Billion yen

	FY2005		FY2006		FY2007		FY2008		FY2009		FY2010 Forecast	
Japan	107%	338.4	104%	353.2	106%	372.8	99%	370.7	88%	324.8	112%	363.5
Europe	106%	170.1	132%	223.7	153%	341.3	80%	272.1	81%	220.6	104%	229.0
China	120%	60.3	132%	79.6	174%	138.2	102%	140.5	93%	130.0	123%	160.0
Asia	125%	31.8	134%	42.5	234%	99.4	98%	97.7	85%	82.8	111%	92.0
America	147%	2.8	257%	7.2	1429%	102.9	103%	105.8	81%	85.9	116%	100.0
Oceania	107%	29.5	122%	35.9	134%	48.1	78%	37.4	106%	39.5	103%	40.5
Middle east	134%	4.7	126%	5.9	341%	20.1	123%	24.8	71%	17.7	110%	19.5
Africa	132%	4.1	102%	4.2	217%	9.1	114%	10.4	70%	7.3	103%	7.5
Total	109%	641.7	117%	752.2	150%	1,131.9	94%	1,059.4	86%	908.6	111%	1,012.0
Overseas Sales ratio	47%		53%		67%		65%		64%		64%	
FX rate(USD/Yen)	¥112		¥116		¥114		¥101		¥93		¥90	
(EUR/Yen)	¥137		¥148		¥162		¥143		¥131		¥120	

Sales by Region (Chemicals)



Unit: Billion yen

	FY2005		FY2006		FY2007		FY2008		FY2009		FY2010 Forecast	
Japan	107%	45.2	110%	49.6	100%	49.8	83%	41.5	82%	34.2	129%	44.2
America	111%	33.1	106%	35.0	86%	30.0	88%	26.5	83%	22.1	113%	25.0
Asia	88%	10.0	85%	8.5	104%	8.8	91%	8.0	89%	7.1	131%	9.3
China	128%	10.6	120%	12.7	118%	15.0	103%	15.4	88%	13.5	141%	19.0
Europe	108%	8.3	127%	10.5	116%	12.2	77%	9.4	86%	8.1	112%	9.1
Others	105%	0.2	112%	0.2	71%	0.2	669%	1.2	105%	1.2	114%	1.4
Total	108%	107.4	108%	116.5	100%	116.0	88%	101.9	85%	86.2	125%	108.0
Overseas sales ratio	58%		57%		57%		61%		62%		60%	
FX rate(USD/Yen)	¥112		¥116		¥114		¥101		¥93		¥90	
(EUR/Yen)	¥137		¥148		¥162		¥143		¥131		¥120	

Foreign Exchange



	FY2008 Actual Results			FY2009 Actual Results		
	1H	2H	Total	1H	2H	Total
US\$	¥106	¥95	¥101	¥96	¥90	¥93
EUR	¥163	¥124	¥143	¥133	¥129	¥131
THB	¥3.2	¥2.7	¥3.0	¥2.8	¥2.7	¥2.8
RMB	¥14.9	¥14.9	¥14.9	¥14.0	¥13.4	¥13.7
AUS\$	¥97	¥63	¥80	¥76	¥82	¥79

■ Sensibility of Foreign Exchange

(Impact of change by one yen to operating income)

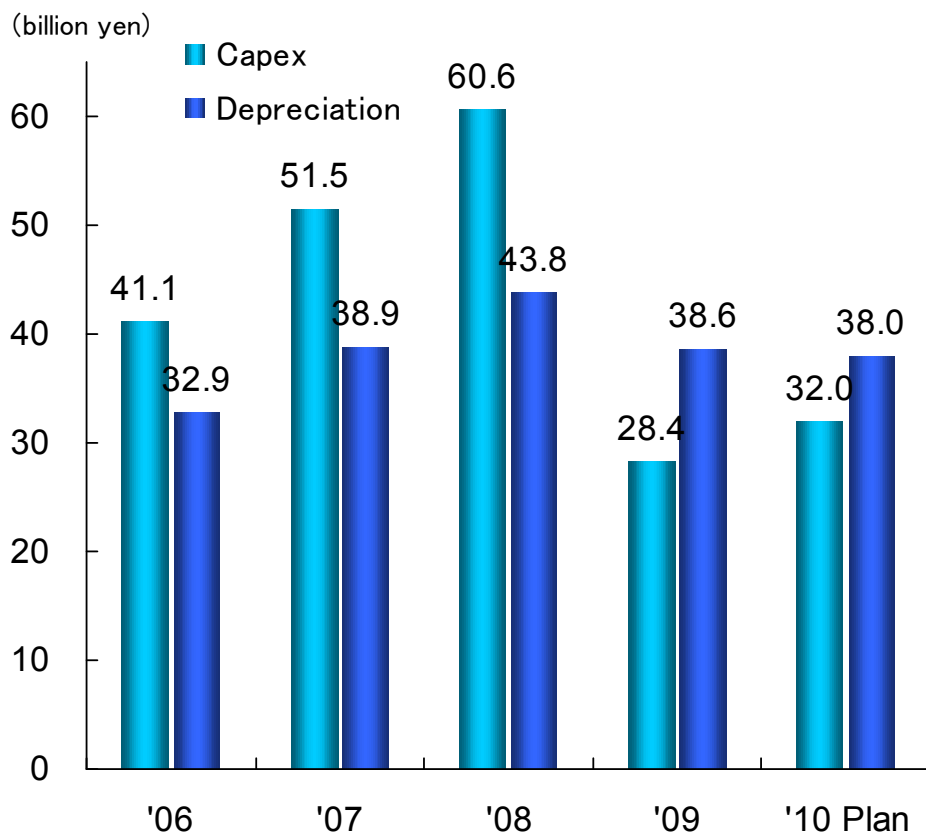
	FY2009 Result	FY2009 Forecast
US\$	*0.5 billion yen	*0.6 billion yen
EUR	0.5 billion yen	0.5 billion yen

* Including Chinese Yuan, AUS\$, THB

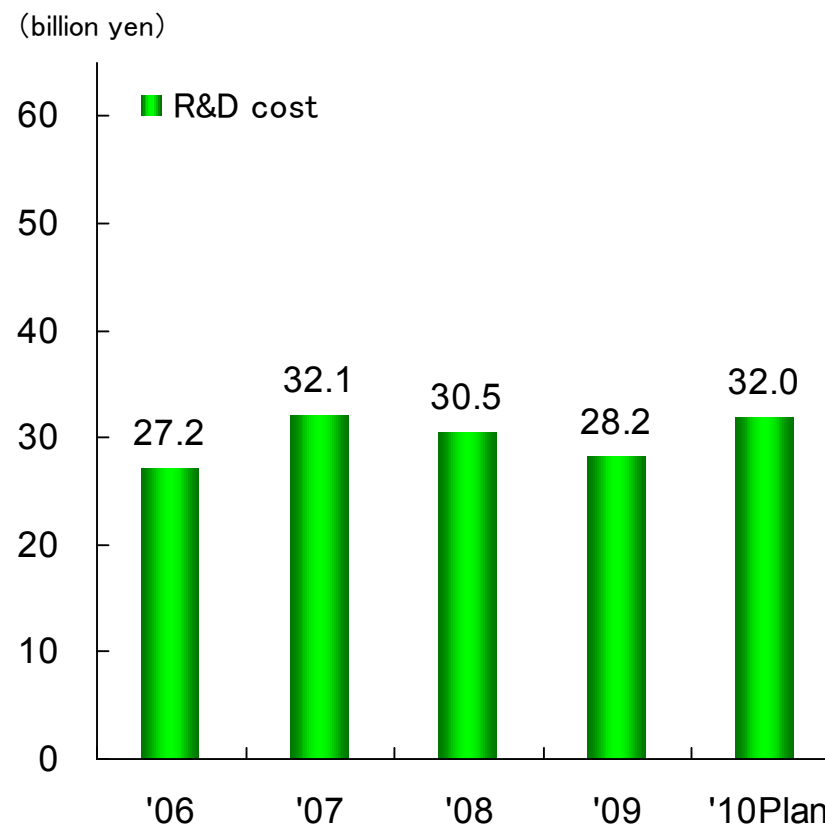
Capital Expenditure, Depreciation and R&D cost



Capex and Depreciation

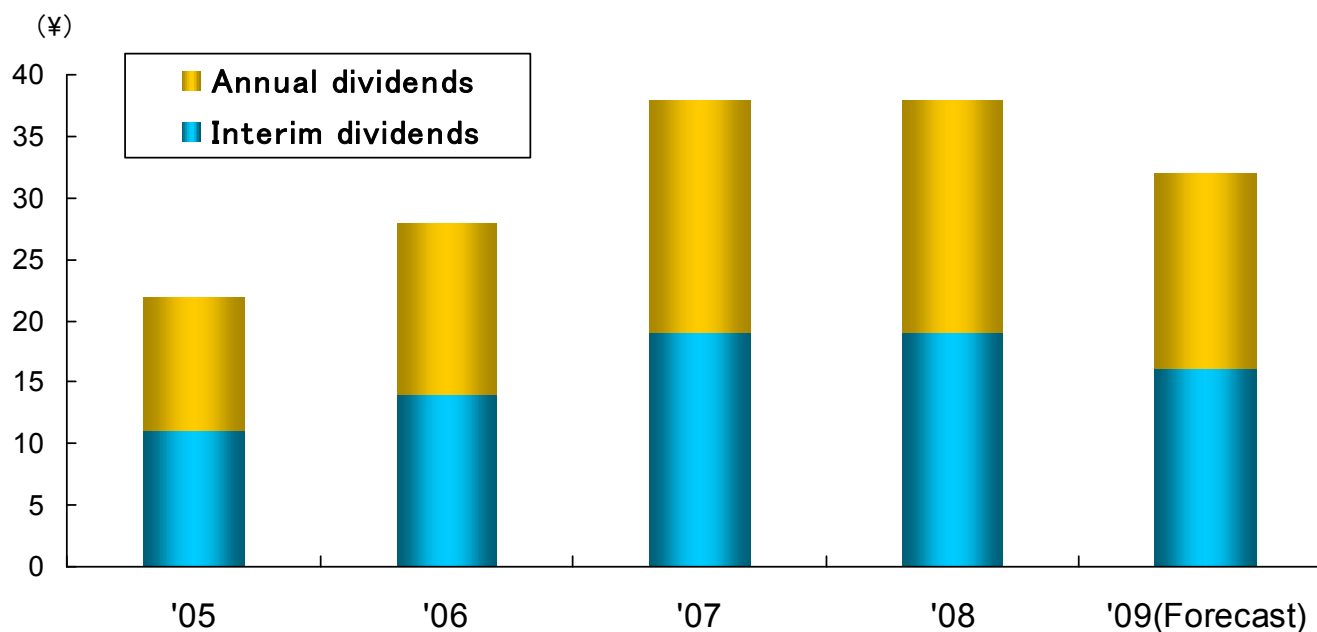


R&D Cost



(billion yen)	FY06	FY07	FY08	FY09	FY10(Forecast)
Capex	41.1	51.5	60.6	28.4	32.0
Depreciation	32.9	38.9	43.8	38.6	38.0
R&D Cost	27.2	32.1	30.5	28.2	32.0

Dividends Plan



		'05	'06	'07	'08	'09 (Forecast)
Dividends per share	Interim	¥11	¥14	¥19	¥19	¥16
	Annual	¥22	¥28	¥38	¥38	¥32
Earnings per share	1H	¥83.4	¥91.0	¥176.5	¥133.4	¥34.7
	Annual	¥152.1	¥172.7	¥262.2	¥74.5	¥66.4



DAIKIN INDUSTRIES, LTD.

Notes on forecast

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