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Code Number: 6367
June 6, 2007

To Shareholders:

Yukiyoshi Okano
President and Director
Daikin Industries, Ltd.
Umeda Center Bldg.,
4-12, Nakazaki-Nishi 2-chome,
Kita-ku, Osaka

Notice of Convocation of the 104th Ordinary General Meeting of Shareholders

You are hereby invited to attend the 104th Ordinary General Meeting of Shareholders of Daikin Industries, Ltd. (the Company), which will be held as indicated below.

If you are unable to attend the above-mentioned meeting, after reviewing the “Reference Documents for the General Meeting,” attached hereto, please exercise your voting rights using one of the methods described below by 5:30 p.m. on Wednesday, June 27, 2007.

Exercising your voting rights by means of the Voting Rights Exercise Form

On the enclosed Voting Rights Exercise Form, please indicate your approval or disapproval of the agenda items and return the form so that it arrives at the Company by the above-stated exercise deadline.

Exercising your voting rights via electronic method, such as the Internet

Please access the relevant website for the exercise of voting rights (<http://daiko-sb.gcan.jp>) using a personal computer or mobile telephone. After keying in the “voting rights exercise code” and “password” indicated in the enclosed Voting Rights Exercise Form, follow the screen instructions and indicate your approval or disapproval of the agenda items by the above-stated exercise deadline.

Particulars

- 1. Date and Time:** 10 a.m. on June 28, 2007 (Thursday)
2. Place: Hotel Hankyu International
19-19, Chayamachi, Kita-ku, Osaka, Japan

3. Agenda

Matters to be reported:

- First Item:** Report on the Business Report, Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 104th fiscal year (from April 1, 2006, to March 31, 2007)
Second Item: Report on the Audit Reports on the Consolidated Financial Statements by the Accounting Auditors and the Board of Corporate Auditors

Matters to be resolved:

- First Item:** Appropriation of Retained Earnings
Second Item: Acquisition by the Company of Its Own Shares
Third Item: Election of One (1) Corporate Auditor
Fourth Item: Election of One (1) Substitute Corporate Auditor
Fifth Item: Payment of Directors' and Corporate Auditors' Bonuses

4. Decision Items Pertaining to Convocation

Handling of Voting Rights in the Event of Multiple Exercise

- (1) In the event voting rights are exercised multiple times in writing, the last effective exercise of voting rights that arrives shall prevail.
- (2) In the event of the multiple exercise of voting rights via electronic method, the last effective exercise of voting rights that arrives shall prevail.
- (3) In the event of the overlapping exercise of voting rights via electronic method and in writing, the effective exercise of voting rights via electronic method shall prevail.

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- * If attending the meeting, please submit the attached Voting Rights Exercise Form at the meeting hall reception.
* In the event of revisions to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements, the revised documents will be available on the Company's Internet website (<http://www.daikin.co.jp>).

Reference Documents for the General Meeting of Shareholders

Agenda reference information

First Item: Appropriation of Retained Earnings

The Company pays stable dividends to shareholders, based on its target of a 2.0% payout ratio (ratio of dividends to consolidated shareholders' equity).

During the fiscal year under review, the Company achieved its 13th consecutive increase in consolidated ordinary income, which also amounted to a new record high for the 7th term in a row. In view of this situation, we propose a ¥3 per-share increase in the year-end dividend, compared with the preceding year, as described below. This dividend would result in dividends for the year—including the interim dividend—of ¥28 per share, an increase of ¥6 per share.

1. Items pertaining to year-end dividends

(1) Items concerning and amount of dividend assets to be allocated to shareholders

Cash of ¥14 per share of common stock of the Company

Total: ¥3,682,287,980

(2) Effective date of dividends from retained earnings

June 29, 2007

2. Items pertaining to the appropriation of retained earnings

(1) Retained earnings account item increasing, and amount of increase

Special reserves

¥17,000,000,000

(2) Retained earnings account item decreasing, and amount of decrease

Retained earnings carried forward

¥17,000,000,000

Second Item: Acquisition by the Company of Its Own Shares

In accordance with Article 156 of the Corporation Act, we request approval to repurchase, during the one-year period following the conclusion of this general meeting of shareholders, a number of the Company's common shares not to exceed 400,000 shares or a total acquisition cost of ¥2.2 billion.

Third Item: Election of One (1) Corporate Auditor

The term of office of Corporate Auditor Yoshitake Hata will expire at the conclusion of this General Meeting of Shareholders. Therefore, we propose the election of one (1) Corporate Auditor.

This proposal has been approved by the Board of Corporate Auditors.

The candidate for Corporate Auditor is as follows.

Name (Date of Birth)	Brief Personal History, ranks within the Company, areas of responsibility and Representative Position in Other Companies	Number of Company Shares Owned
Shinichi Fujita (Sept. 26, 1947)	<p>April 1970 Entered the Company</p> <p>July 1996 General Manager of Human Resources Department, responsible for Labor Relations of the Company</p> <p>June 2004 General Manager of the Human Resources Department of the Company</p> <p>July 2006 General Manager of Corporate Audit Department of the Company (Current position)</p>	1,000 shares of common stock

Note: The candidate does not have any special-interest relationship with the Company.

Fourth Item: Election of One (1) Substitute Corporate Auditor

Based on the provisions of Article 329, Paragraph 2, of the Corporation Act, we propose the election of one (1) substitute Corporate Auditor to prepare for the possibility that the number of external Corporate Auditors as defined in Article 335, Paragraph 3, of the Corporation Act may become insufficient.

This proposal has been approved by the Board of Corporate Auditors.

The candidate for substitute external Corporate Auditor is as follows.

Name (Date of Birth)	Brief Personal History and Representative Position in Other Companies	Number of Company Shares Owned
Masanao Iechika (July 18, 1933)	April 1962 Registered as a lawyer (Current position) April 1981 Vice Chairman of the Osaka Bar Association March 1988 Member of the Corporate Law Section of the Legislative Council of the Ministry of Justice July 1994 Examination Member, National Bar Examination April 2004 Professor, Graduate Law School of KONAN University (Current position)	0

Notes:

1. The candidate does not have any special-interest relationship with the Company.
2. Masanao Iechika is a candidate for external Corporate Auditor.
3. We believe that Masanao Iechika is an appropriate candidate because we anticipate that his activities as an attorney will enable him to contribute to the Company's audit activities in an objective and impartial manner, primarily from a legal perspective.
4. Masanao Iechika has not participated in corporate management, other than in positions as an external Director or external Corporate Auditor. However, owing to his extensive insight into corporate management, based on abundant experience and expertise as an attorney, he has been judged able to fulfill the duties of an external Corporate Auditor.
5. In the event that Masanao Iechika is selected as a Corporate Auditor, the Company intends to conclude a limitation of liability agreement with him, in accordance with Article 427, Paragraph 1, of the Corporation Act and Article 35 of the Company's Articles of Incorporation. Under this contract, liabilities for compensation are the lowest amount of liability stipulated by Article 425, Paragraph 1, of the Corporation Act.

Fifth Item: Payment of Directors' and Corporate Auditors' Bonuses

We request approval to pay bonuses to the nine (9) Directors (excluding the two (2) external Directors) and two (2) Corporate Auditors (excluding the two (2) external Corporate Auditors) as of the conclusion of the fiscal year under review, in consideration of the Company's operating performance during the fiscal year, executive bonuses totaling ¥150,000,000 (¥147,250,000 to Directors and ¥2,750,000 to Corporate Auditors).

The above represents a translation, for reference and convenience only, of the original notice issued in Japanese. We did our utmost to ensure accuracy in our translation and believe it to be of the highest standard. However, due to differences of accounting, legal and other systems as well as of language, this English version might contain inaccuracies, and therefore might be inconsistent with the original intent imported from the Japanese. In the event of any discrepancies between the Japanese and English versions, the former shall prevail as the official version.