

August 6, 2008

To Whom It May Concern,

Company Name: Daikin Industries Ltd.
 Representative's Name: Yuki Yoshi Okano, President
 (Code number: 6367)
 Inquiries: Susumu Okano, Department Manager of
 the Corporate Communication Department
 & Executive Officer
 (TEL: 06-6373-4348)

Announcement of Revised Consolidated Business Forecast for Fiscal Year Ending March 2009

We hereby inform all concerned parties that the consolidated business forecast for the fiscal year ending March 2009, announced on May 14, 2008, has been revised as described in the following. The non-consolidated business forecast has not been made public.

Description

1. Revision of the numerical values in the consolidated business forecast for the fiscal year ending March 2009 (April 1, 2008 – March 31, 2009)

(In millions of yen for items other than current net profit per share)

	Sales	Operating profit	Ordinary profit	Current Net profit	Current Net Profit Per Share
Previous forecast (A)	1,400,000	140,000	133,000	82,000	280.69
Revised forecast (B)	1,390,000	135,000	129,000	79,500	272.09
Amount of change (B–A)	△10,000	△5,000	△4,000	△2,500	—
Rate of change (%)	△0.7%	△3.6%	△3.0%	△3.0%	—
Results in the previous fiscal year (fiscal year ending March 2008)	1,290,893	128,496	122,106	75,223	263.65

2. Revision of the numerical values in the consolidated business forecast for the first & second quarters combined of the fiscal year ending March 2009 (April 1, 2008 – September 30, 2008)

(In millions of yen for items other than current net profit per share)

	Sales	Operating profit	Ordinary profit	Current Net profit	Current Net Profit Per Share
Previous forecast (A)	682,000	78,000	74,500	47,500	162.60
Revised forecast (B)	676,000	70,000	67,500	43,000	147.17
Amount of change (B–A)	△6,000	△8,000	△7,000	△4,500	—
Rate of change (%)	△0.9%	△10.3%	△9.4%	△9.5%	—
Results in the first & second quarters combined of the previous fiscal year (Interim period of the fiscal year ending March 2008)	655,458	80,715	76,674	49,104	176.32

3. Reason for revision of the business forecast

We have revised the consolidated business forecast for the first half and full-year of the fiscal year ending March 2009, which was announced on May 14, 2008, according to the consolidated results in the first quarter.

While there is concern regarding rising prices in the market and decline in the demand for residential air conditioner in Europe after the second quarter, we are striving to achieve our business targets through various measures, including sales promotion of commercial air conditioners, heating and sanitary hot water supply units, and applied systems, sales promotion in the emerging markets such as China, Asian countries and the Middle East as well as in Japan, and total cost reduction efforts. Our forecast is based on the exchange rate of ¥160 to the euro and ¥103 to the dollar.

(Note) Although the business forecast is based on the information that is available at the present time and on the assumptions that can be considered rational, it may differ substantially from the actual results.

Major factors that may affect the results include the following.

- Sudden change in the political/economic conditions or demand for products in major markets (Japan, Europe, the United States, and Asia including China)
- Change in the demand for air conditioner due to unseasonable weather
- Substantial change in the foreign exchange (especially in euro and dollar exchange rates)
- Serious trouble occurring in quality or manufacturing
- Change in the market value of securities or other properties possessed by this company

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