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Brief Report on the Settlement of Accounts (Consolidated) for the Business Year Ended March 31, 2026 (J-GAAP)

May 12, 2026

Name of Listed Company: **Daikin Industries, Ltd.**

Listed on TSE

Code No.: 6367

(URL: <https://www.daikin.co.jp/>)

Representative: Naofumi Takenaka, President and COO

Contact: Motoshi Hosomi,
General Manager, Corporate Communication Department
(Tel.: +81-6-6147-9925)

Planned date of Ordinary General Meeting of Shareholders: June 26, 2026

Planned date of start of dividend payment: June 29, 2026

Planned date of the filing of securities report: June 24, 2026

Preparation of supplementary explanatory materials for the settlement of accounts: Yes

Holding briefings on the settlement of accounts: Yes (for institutional investors and analysts)

1. Consolidated Business Results for the Fiscal Year Ended March 31, 2026

(From April 1, 2025, to March 31, 2026)

(1) Consolidated Business Results

Note: Amounts less than one million yen are truncated.
Percentages indicate year-over-year increases/decreases.

Fiscal Year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	5,015,036	5.5	414,991	3.3	408,171	11.4	275,229	4.0
March 31, 2025	4,752,335	8.1	401,669	2.4	366,446	3.4	264,757	1.7

Note: Comprehensive income was ¥572,694 million (123.1%) for the fiscal year ended March 31, 2026, and ¥256,712 million (-47.9%) for the fiscal year ended March 31, 2025.

Fiscal Year ended	Earnings per share	Diluted earnings per share	Ratio of earnings for the fiscal year to shareholders' equity	Ratio of ordinary profit to total assets	Operating margin
	Yen	Yen	%	%	%
March 31, 2026	939.92	939.14	9.1	7.5	8.3
March 31, 2025	904.27	903.65	9.7	7.3	8.5

(Reference) Equity in earnings of affiliates was ¥1,331 million for the fiscal year ended March 31, 2026, and ¥2,176 million for the fiscal year ended March 31, 2025.

(2) Consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	5,809,240	3,316,538	55.9	11,097.60
As of March 31, 2025	5,133,416	2,866,693	54.6	9,567.14

(Reference) Equity capital was ¥3,249,840 million as of March 31, 2026, and ¥2,801,281 million as of March 31, 2025.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	465,848	(322,239)	(156,378)	706,523
March 31, 2025	514,450	(337,406)	(153,468)	658,105

2. Dividends

	(Annual) Dividend per share					Total cash dividends for the fiscal year (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal Year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	—	185.00	—	145.00	330.00	96,624	36.5	3.6
March 31, 2026	—	165.00	—	175.00	340.00	99,565	36.2	3.3
Fiscal Year ending March 31, 2027 (forecast)	—	180.00	—	180.00	360.00		37.9	

3. Consolidated Business Forecast for the Fiscal Year Ending March 31, 2027 (From April 1, 2026, to March 31, 2027)

Note: Percentages indicate year-over-year increases/decreases.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	2,610,000	5.3	258,000	4.6	244,000	0.9	163,000	1.3	556.61
Full year	5,150,000	2.7	436,000	5.1	414,000	1.4	278,000	1.0	949.32

*Notes

(1) Significant Changes in the Scope of Consolidation during the Period: Yes

Newly included: 9 companies (Dynamic Data Centers Solutions, Inc. and others)

Excluded: 35 companies (Goodman Global Holdings, Inc. and others)

(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

(i) Changes in accounting policies relating to revisions to accounting standards, etc.: None

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatement: None

(3) Number of Shares Issued (common stock)

(i) Number of shares issued at end of period (including treasury shares)

As of March 31, 2026 293,113,973 shares

As of March 31, 2025 293,113,973 shares

(ii) Number of treasury shares at end of period

As of March 31, 2026 272,361 shares

As of March 31, 2025 311,521 shares

(iii) Average number of shares outstanding during the period

Fiscal Year Ended March 31, 2026 292,822,982 shares

Fiscal Year Ended March 31, 2025 292,784,454 shares

(Reference) Summary of Non-Consolidated Business Results for the Fiscal Year Ended March 31, 2026
(From April 1, 2025, to March 31, 2026)

(1) Non-Consolidated Business Results

Note: Percentages indicate year-over-year increases/decreases.

Fiscal Year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	840,459	6.1	19,117	219.2	184,238	22.9	185,240	9.8
March 31, 2025	792,314	8.1	5,989	-67.9	149,911	29.2	168,760	17.0

Fiscal Year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	632.59	632.07
March 31, 2025	576.39	575.99

(2) Non-Consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	2,171,823	1,368,233	62.8	4,655.75
As of March 31, 2025	1,910,436	1,243,700	64.9	4,233.12

(Reference) Equity capital was ¥1,363,419 million as of March 31, 2026, and ¥1,239,488 million as of March 31, 2025.

The Brief Report on the Settlement of Accounts is outside the scope of audit by a certified public accountant or an audit corporation.

Explanation about the Appropriate Use of the Business Forecast and Other Noteworthy Points

- The Company plans to hold a briefing on business results for institutional investors and analysts on Tuesday, May 12, 2026. Documents and materials distributed in this briefing are posted on the Company's website (https://www.daikin.com/investor/library/results_materials).

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	FY2024 (As of March 31, 2025)	FY2025 (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	802,663	933,484
Notes and accounts receivable – trade, and contract assets	856,542	1,011,104
Merchandise and finished goods	709,232	769,715
Work in process	72,190	78,570
Raw materials and supplies	271,444	289,616
Other	163,975	203,907
Allowance for doubtful accounts	(22,395)	(23,519)
Total current assets	2,853,654	3,262,880
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	524,369	585,839
Machinery, equipment and vehicles, net	415,530	482,098
Land	99,532	107,313
Leased assets, net	5,789	6,099
Construction in progress	154,876	195,105
Other, net	79,228	88,018
Total property, plant and equipment	1,279,327	1,464,475
Intangible assets		
Goodwill	266,337	274,767
Customer-related intangible assets	237,048	228,708
Other	134,481	166,066
Total intangible assets	637,867	669,541
Investments and other assets		
Investment securities	160,032	199,020
Long-term loans receivable	1,799	1,892
Deferred tax assets	66,331	71,039
Retirement benefit asset	36,795	36,878
Other	98,089	104,001
Allowance for doubtful accounts	(481)	(490)
Total investments and other assets	362,566	412,342
Total non-current assets	2,279,761	2,546,359
Total assets	5,133,416	5,809,240

	(Millions of yen)	
	FY2024	FY2025
	(As of March 31, 2025)	(As of March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	362,158	419,985
Short-term borrowings	294,643	286,097
Commercial papers	29,554	28,393
Current portion of bonds payable	15,000	25,000
Current portion of long-term borrowings	58,176	94,285
Lease liabilities	42,790	52,328
Income taxes payable	47,193	50,632
Provision for bonuses for directors (and other officers)	259	323
Provision for product warranties	112,835	132,908
Accrued expenses	283,116	305,260
Other	297,317	293,655
Total current liabilities	1,543,047	1,688,870
Non-current liabilities		
Bonds payable	175,000	200,000
Long-term borrowings	239,920	249,387
Lease liabilities	131,766	159,095
Deferred tax liabilities	93,286	102,204
Retirement benefit liability	21,760	23,418
Other	61,941	69,726
Total non-current liabilities	723,675	803,831
Total liabilities	2,266,723	2,492,702
Net assets		
Shareholders' equity		
Share capital	85,032	85,032
Capital surplus	87,304	68,521
Retained earnings	2,068,308	2,252,762
Treasury shares	(1,348)	(1,178)
Total shareholders' equity	2,239,296	2,405,138
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,770	82,318
Deferred gains or losses on hedges	945	1,737
Foreign currency translation adjustment	512,313	768,278
Remeasurements of defined benefit plans	(5,042)	(7,632)
Total accumulated other comprehensive income	561,985	844,702
Share acquisition rights	4,212	4,813
Non-controlling interests	61,199	61,884
Total net assets	2,866,693	3,316,538
Total liabilities and net assets	5,133,416	5,809,240

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated Statement of Income)**

	(Millions of yen)	
	FY2024 (April 1, 2024, to March 31, 2025)	FY2025 (April 1, 2025, to March 31, 2026)
Net sales	4,752,335	5,015,036
Cost of sales	3,125,646	3,282,519
Gross profit	1,626,688	1,732,516
Selling, general and administrative expenses	1,225,019	1,317,524
Operating profit	401,669	414,991
Non-operating income		
Interest income	20,109	18,795
Dividend income	3,846	4,433
Share of profit of entities accounted for using equity method	2,176	1,331
Subsidy income	2,275	1,966
Inflation accounting adjustment	—	14,519
Other	5,601	5,769
Total non-operating income	34,010	46,816
Non-operating expenses		
Interest expenses	43,030	38,976
Foreign exchange losses	9,163	1,448
Settlement payments	—	2,059
Inflation accounting adjustment	9,023	—
Other	8,015	11,153
Total non-operating expenses	69,233	53,637
Ordinary profit	366,446	408,171
Extraordinary income		
Gain on sale of land	439	518
Gain on sale of investment securities	12,162	13,831
Gain on sale of shares of subsidiaries and associates	—	0
Gain on liquidation of subsidiaries and associates	—	15
Gain on insurance claims	2,108	—
Gain on revision of retirement benefit plan	—	1,345
Gain on step acquisitions	1,717	—
Total extraordinary income	16,428	15,712
Extraordinary losses		
Loss on disposal of non-current assets	1,198	7,395
Loss on sale of land	181	18
Loss on sale of investment securities	—	141
Loss on valuation of investment securities	1,051	232
Loss on liquidation of subsidiaries and associates	46	22
Loss on valuation of shares of subsidiaries and associates	—	39
Impairment loss	—	11,849
Loss on disaster	—	554
Distinguished service compensation	4,300	—
Other	1	—
Total extraordinary losses	6,779	20,255
Profit before income taxes	376,095	403,628
Income taxes – current	134,613	125,940
Income taxes – deferred	(33,966)	(8,658)
Total income taxes	100,647	117,281
Profit	275,448	286,346
Profit attributable to non-controlling interests	10,690	11,117
Profit attributable to owners of parent	264,757	275,229

(Consolidated Statement of Comprehensive Income)

	(Millions of yen)	
	FY2024 (April 1, 2024, to March 31, 2025)	FY2025 (April 1, 2025, to March 31, 2026)
Profit	275,448	286,346
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,962)	28,684
Deferred gains or losses on hedges	586	791
Foreign currency translation adjustment	(14,419)	258,238
Remeasurements of defined benefit plans	5,594	(2,401)
Share of other comprehensive income of entities accounted for using equity method	1,465	1,034
Total other comprehensive income	(18,735)	286,348
Comprehensive income	256,712	572,694
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	246,902	557,945
Comprehensive income attributable to non-controlling interests	9,810	14,749

(3) Consolidated Statement of Changes in Equity

FY2024 (April 1, 2024, to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	85,032	78,014	1,896,173	(1,525)	2,057,695
Changes in items during period					
Dividends of surplus			(92,227)		(92,227)
Profit attributable to owners of parent			264,757		264,757
Effect of changes in accounting period of subsidiaries			(395)		(395)
Purchase of treasury shares				(7)	(7)
Disposal of treasury shares		591		183	775
Capital increase of consolidated subsidiaries		5,835			5,835
Purchase of treasury shares of consolidated subsidiaries		3,542			3,542
Change in ownership interest of parent due to transactions with non-controlling interests		(679)			(679)
Net changes in items other than shareholders' equity					
Total changes in items during period	—	9,289	172,134	176	181,600
Balance at end of current period	85,032	87,304	2,068,308	(1,348)	2,239,296

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	65,729	358	524,273	(10,520)	579,840	3,771	45,994	2,687,302
Changes in items during period								
Dividends of surplus								(92,227)
Profit attributable to owners of parent								264,757
Effect of changes in accounting period of subsidiaries								(395)
Purchase of treasury shares								(7)
Disposal of treasury shares								775
Capital increase of consolidated subsidiaries								5,835
Purchase of treasury shares of consolidated subsidiaries								3,542
Change in ownership interest of parent due to transactions with non-controlling interests								(679)
Net changes in items other than shareholders' equity	(11,959)	586	(11,960)	5,477	(17,855)	440	15,204	(2,210)
Total changes in items during period	(11,959)	586	(11,960)	5,477	(17,855)	440	15,204	179,390
Balance at end of current period	53,770	945	512,313	(5,042)	561,985	4,212	61,199	2,866,693

FY2025 (April 1, 2025, to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	85,032	87,304	2,068,308	(1,348)	2,239,296
Changes in items during period					
Dividends of surplus			(90,774)		(90,774)
Profit attributable to owners of parent			275,229		275,229
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		604		171	776
Change in ownership interest of parent due to transactions with non-controlling interests		(19,387)			(19,387)
Net changes in items other than shareholders' equity					
Total changes in items during period	—	(18,782)	184,454	170	165,842
Balance at end of current period	85,032	68,521	2,252,762	(1,178)	2,405,138

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	53,770	945	512,313	(5,042)	561,985	4,212	61,199	2,866,693
Changes in items during period								
Dividends of surplus								(90,774)
Profit attributable to owners of parent								275,229
Purchase of treasury shares								(0)
Disposal of treasury shares								776
Change in ownership interest of parent due to transactions with non-controlling interests								(19,387)
Net changes in items other than shareholders' equity	28,548	791	255,965	(2,589)	282,716	601	685	284,003
Total changes in items during period	28,548	791	255,965	(2,589)	282,716	601	685	449,845
Balance at end of current period	82,318	1,737	768,278	(7,632)	844,702	4,813	61,884	3,316,538

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY2024 (April 1, 2024, to March 31, 2025)	FY2025 (April 1, 2025, to March 31, 2026)
I. Cash flows from operating activities		
Profit before income taxes	376,095	403,628
Depreciation	197,443	224,835
Impairment loss	—	11,849
Amortization of goodwill	48,572	51,371
Increase (decrease) in allowance for doubtful accounts	(173)	(1,272)
Interest and dividend income	(23,956)	(23,229)
Interest expenses	43,030	38,976
Share of loss (profit) of entities accounted for using equity method	(2,176)	(1,331)
Loss (gain) on disposal of non-current assets	1,198	7,395
Loss (gain) on sale of investment securities	(12,162)	(13,690)
Loss (gain) on valuation of investment securities	1,051	232
Gain on revision of retirement benefit plan	—	(1,345)
Loss (gain) on step acquisitions	(1,717)	—
Decrease (increase) in trade receivables	(40,093)	(80,315)
Decrease (increase) in inventories	(10,918)	(5,606)
Increase (decrease) in trade payables	30,580	24,559
Increase (decrease) in accounts payable - other	(128)	58
Increase (decrease) in accrued expenses	5,862	(770)
Increase (decrease) in retirement benefit liability	1,649	1,321
Decrease (increase) in retirement benefit asset	(9,436)	(3,781)
Other, net	57,350	(8,409)
Subtotal	662,072	624,475
Interest and dividends received	25,382	24,702
Interest paid	(43,325)	(38,917)
Income taxes paid	(129,677)	(144,412)
Net cash provided by (used in) operating activities	514,450	465,848
II. Cash flows from investing activities		
Purchase of property, plant and equipment	(245,985)	(209,081)
Proceeds from sale of property, plant and equipment	6,627	6,409
Purchase of investment securities	(17,505)	(2,321)
Proceeds from sale of investment securities	19,543	18,647
Purchase of shares of subsidiaries and associates	(1,094)	—
Payments for investments in capital of subsidiaries and associates	—	(258)
Payments for acquisition of businesses	(573)	(889)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(8,383)	(52,703)
Payments for investments in capital of subsidiaries resulting in change in scope of consolidation	(15,866)	(1,974)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	95	—
Decrease (increase) in time deposits	(42,028)	(58,829)
Other, net	(32,237)	(21,237)
Net cash provided by (used in) investing activities	(337,406)	(322,239)

	(Millions of yen)	
	FY2024 (April 1, 2024, to March 31, 2025)	FY2025 (April 1, 2025, to March 31, 2026)
III. Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(96,689)	(29,934)
Proceeds from long-term borrowings	106,428	95,068
Repayments of long-term borrowings	(66,088)	(62,193)
Proceeds from issuance of bonds	59,802	49,830
Redemption of bonds	(10,000)	(15,000)
Dividends paid	(92,192)	(90,749)
Proceeds from share issuance to non-controlling shareholders	15,112	4,417
Dividends paid to non-controlling interests	(13,447)	(13,326)
Repayments of lease liabilities	(56,073)	(64,690)
Other, net	(320)	(29,800)
Net cash provided by (used in) financing activities	(153,468)	(156,378)
IV. Effect of exchange rate change on cash and cash equivalents	2,033	61,187
V. Net increase (decrease) in cash and cash equivalents	25,608	48,418
VI. Cash and cash equivalents at beginning of period	634,008	658,105
VII. Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries	(1,511)	—
VIII. Cash and cash equivalents at end of period	658,105	706,523