



## Brief Report on the Settlement of Accounts (Consolidated) for the Three Months Ended June 30, 2024 (J-GAAP)

August 6, 2024

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 start of dividend payment: —

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 Three Months Ended June 30, 2024

(From April 1, 2024, to June 30, 2024)

#### (1) Consolidated Business Results (Accumulated)

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

|                    | Net sales       |      | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |       |
|--------------------|-----------------|------|------------------|------|-----------------|------|---|-------|
|                    | Millions of yen | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen                         | %     |
| Three months ended |                 |      |                  |      |                 |      |   |       |
| June 30, 2024      | 1,251,029       | 14.3 | 115,410          | -2.1 | 105,193         | -8.4 | 63,099                                  | -21.4 |
| June 30, 2023      | 1,094,715       | 13.1 | 117,884          | 9.3  | 114,809         | 4.8  | 80,258                                  | 13.8  |

Note: Comprehensive income was ¥198,557 million (-7.8%) for the three months ended June 30, 2024, and ¥215,375 million (3.6%) for the three months ended June 30, 2023.

|                    | Earnings per share | Diluted earnings per share |
|--------------------|--------------------|----------------------------|
|                    | Yen                | Yen                        |
| Three months ended |                    |                            |
| June 30, 2024      | 215.53             | 215.40                     |
| June 30, 2023      | 274.18             | 274.01                     |

#### (2) Consolidated Financial Position

|                      | Total assets    | Net assets      | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
|                      | Millions of yen | Millions of yen | %            |
| As of June 30, 2024  | 5,251,607       | 2,846,514       | 53.2         |
| As of March 31, 2024 | 4,880,230       | 2,687,302       | 54.0         |

(Reference) Equity capital was ¥2,792,416 million as of June 30, 2024, and ¥2,637,536 million as of March 31, 2024.

## 2. Dividends

|  | (Annual) Dividend per share |        |        |          |        |
|--|-----------------------------|--------|--------|----------|--------|
|  | 1Q-end                      | 2Q-end | 3Q-end | Year-end | Total  |
|  | Yen                         | Yen    | Yen    | Yen      | Yen    |
| Fiscal Year ended March 31, 2024             | —                           | 120.00 | —      | 130.00   | 250.00 |
| Fiscal Year ending March 31, 2025            | —                           |        |        |          |        |
| Fiscal Year ending March 31, 2025 (forecast) |                             | 185.00 | —      | 135.00   | 320.00 |

Note: Revisions to the dividend forecast announced most recently: None

Dividend per share for the 2Q-end of the fiscal year ending March 31, 2025 (forecast) consists of an ordinary dividend of ¥135 and a commemorative dividend of ¥50 for the Company's 100th anniversary.

## 3. Consolidated Business Forecast for the Fiscal Year Ending March 31, 2025

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

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 | 2,300,000       | 3.4 | 243,000          | 3.1 | 222,000         | 0.4  | 153,000                                 | -0.0 | 522.61             |
| Full year  | 4,540,000       | 3.3 | 425,000          | 8.4 | 390,000         | 10.0 | 267,000                                 | 2.6  | 912.01             |

Note: Revisions to the consolidated business forecast announced most recently: None

### \*Notes

(1) Significant Changes in the Scope of Consolidation during the Three Months Ended June 30, 2024: Yes

Newly included: 2 companies (DAIKIN FINETECH KOREA CO., LTD. and 1 other)

Excluded: 1 company (BV Froid SAS)

(2) Adoption of Accounting Treatment Specific to Quarterly Consolidated Financial Statement Preparation: Yes

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

(i) Changes in accounting policies relating to revisions to accounting standards, etc.: Yes

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

(iii) Changes in accounting estimates: None

(iv) Retrospective restatement: None

(4) Number of Shares Issued (common stock)

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

As of June 30, 2024 293,113,973 shares

As of March 31, 2024 293,113,973 shares

(ii) Number of treasury shares at end of period

As of June 30, 2024 347,735 shares

As of March 31, 2024 353,293 shares

(iii) Average number of shares outstanding during the three months

Three Months Ended June 30, 2024 292,763,534 shares

Three Months Ended June 30, 2023 292,725,415 shares

**Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit corporation: Yes (voluntary)**

**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, August 6, 2024. Documents and materials distributed in this briefing are posted on the Company's website ([https://www.daikin.com/investor/library/results\\_materials](https://www.daikin.com/investor/library/results_materials)).

## 2. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheet

(Millions of yen)

|  | FY2023<br>(As of March 31, 2024) | First Quarter of FY2024<br>(As of June 30, 2024) |
|--|----------------------------------|--|
| <b>Assets</b>  |                                  |  |
| Current assets   |                                  |  |
| Cash and deposits  | 737,961                          | 843,613  |
| Notes and accounts receivable – trade, and contract assets | 815,305                          | 897,510  |
| Merchandise and finished goods                             | 696,363                          | 705,371  |
| Work in process  | 75,932                           | 84,477   |
| Raw materials and supplies                                 | 275,446                          | 289,684  |
| Other  | 148,126                          | 170,449  |
| Allowance for doubtful accounts                            | (22,536)                         | (24,616)   |
| Total current assets                                       | 2,726,598                        | 2,966,490  |
| Non-current assets   |                                  |  |
| Property, plant and equipment                              | 1,134,982                        | 1,244,899  |
| Intangible assets  |                                  |  |
| Goodwill   | 306,627                          | 311,419  |
| Other  | 377,099                          | 394,218  |
| Total intangible assets                                    | 683,726                          | 705,637  |
| Investments and other assets                               |                                  |  |
| Investment securities                                      | 171,857                          | 159,884  |
| Other  | 163,616                          | 175,246  |
| Allowance for doubtful accounts                            | (550)                            | (551)  |
| Total investments and other assets                         | 334,922                          | 334,580  |
| Total non-current assets                                   | 2,153,631                        | 2,285,117  |
| <b>Total assets</b>  | <b>4,880,230</b>                 | <b>5,251,607</b>                                 |
| <b>Liabilities</b>   |                                  |  |
| Current liabilities  |                                  |  |
| Notes and accounts payable – trade                         | 326,033                          | 381,155  |
| Short-term borrowings                                      | 363,205                          | 375,115  |
| Commercial papers  | 50,419                           | 121,169  |
| Current portion of bonds payable                           | 10,000                           | 10,000   |
| Current portion of long-term borrowings                    | 63,446                           | 92,866   |
| Income taxes payable                                       | 41,261                           | 51,705   |
| Provision for product warranties                           | 104,616                          | 114,629  |
| Other  | 608,007                          | 617,926  |
| Total current liabilities                                  | 1,566,990                        | 1,764,568  |
| Non-current liabilities                                    |                                  |  |
| Bonds payable  | 130,000                          | 130,000  |
| Long-term borrowings                                       | 194,918                          | 175,508  |
| Retirement benefit liability                               | 19,910                           | 21,073   |
| Other  | 281,107                          | 313,943  |
| Total non-current liabilities                              | 625,936                          | 640,524  |
| <b>Total liabilities</b>                                   | <b>2,192,927</b>                 | <b>2,405,093</b>                                 |

|   | (Millions of yen)                |  |
|---|----------------------------------|--|
|   | FY2023<br>(As of March 31, 2024) | First Quarter of FY2024<br>(As of June 30, 2024) |
| Net assets  |                                  |  |
| Shareholders' equity                                  |                                  |  |
| Share capital   | 85,032                           | 85,032   |
| Capital surplus                                       | 78,014                           | 77,370   |
| Retained earnings                                     | 1,896,173                        | 1,921,013  |
| Treasury shares                                       | (1,525)                          | (1,503)  |
| Total shareholders' equity                            | 2,057,695                        | 2,081,912  |
| Accumulated other comprehensive income                |                                  |  |
| Valuation difference on available-for-sale securities | 65,729                           | 57,377   |
| Deferred gains or losses on hedges                    | 358                              | 1,254  |
| Foreign currency translation adjustment               | 524,273                          | 666,044  |
| Remeasurements of defined benefit plans               | (10,520)                         | (14,172)   |
| Total accumulated other comprehensive income          | 579,840                          | 710,503  |
| Share acquisition rights                              | 3,771                            | 3,694  |
| Non-controlling interests                             | 45,994                           | 50,402   |
| Total net assets                                      | 2,687,302                        | 2,846,514  |
| Total liabilities and net assets                      | 4,880,230                        | 5,251,607  |

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

| For the Three Months Ended June 30                            | (Millions of yen)   |   |
|---|---|---|
|   | First Three Months of<br>FY2023<br>(April 1, 2023, to<br>June 30, 2023) | First Three Months of<br>FY2024<br>(April 1, 2024, to<br>June 30, 2024) |
| Net sales   | 1,094,715   | 1,251,029   |
| Cost of sales   | 707,223   | 823,635   |
| Gross profit  | 387,491   | 427,394   |
| Selling, general and administrative expenses                  | 269,606   | 311,984   |
| Operating profit  | 117,884   | 115,410   |
| Non-operating income  |   |   |
| Interest income   | 3,181   | 4,829   |
| Dividend income   | 2,475   | 1,949   |
| Share of profit of entities accounted for using equity method | 306   | 398   |
| Foreign exchange gains  | 4,551   | 790   |
| Other   | 2,494   | 1,071   |
| Total non-operating income                                    | 13,009  | 9,040   |
| Non-operating expenses  |   |   |
| Interest expenses   | 9,061   | 12,337  |
| Settlement payments   | 2,403   | —   |
| Inflation accounting adjustment                               | 1,050   | 2,252   |
| Other   | 3,569   | 4,666   |
| Total non-operating expenses                                  | 16,085  | 19,257  |
| Ordinary profit   | 114,809   | 105,193   |
| Extraordinary income  |   |   |
| Gain on sale of land  | —   | 14  |
| Gain on sale of investment securities                         | 3,473   | 3,063   |
| Total extraordinary income                                    | 3,473   | 3,078   |
| Extraordinary losses  |   |   |
| Loss on disposal of non-current assets                        | 477   | 697   |
| Loss on valuation of investment securities                    | 0   | 1   |
| Distinguished service compensation                            | —   | 4,300   |
| Total extraordinary losses                                    | 477   | 4,999   |
| Profit before income taxes                                    | 117,804   | 103,272   |
| Income taxes  | 35,278  | 37,545  |
| Profit  | 82,526  | 65,726  |
| Profit attributable to non-controlling interests              | 2,268   | 2,627   |
| Profit attributable to owners of parent                       | 80,258  | 63,099  |

**(Consolidated Statement of Comprehensive Income)**

| For the Three Months Ended June 30   | (Millions of yen)   |   |
|--|---|---|
|  | First Three Months of<br>FY2023<br>(April 1, 2023, to<br>June 30, 2023) | First Three Months of<br>FY2024<br>(April 1, 2024, to<br>June 30, 2024) |
| Profit   | 82,526  | 65,726  |
| Other comprehensive income   |   |   |
| Valuation difference on available-for-sale securities                                | 13,730  | (8,352)   |
| Deferred gains or losses on hedges   | (920)   | 896   |
| Foreign currency translation adjustment  | 120,379   | 142,815   |
| Remeasurements of defined benefit plans  | (928)   | (3,651)   |
| Share of other comprehensive income of entities<br>accounted for using equity method | 587   | 1,123   |
| Total other comprehensive income   | 132,848   | 132,831   |
| Comprehensive income   | 215,375   | 198,557   |
| Comprehensive income attributable to   |   |   |
| Comprehensive income attributable to owners of parent                                | 210,652   | 193,762   |
| Comprehensive income attributable to non-controlling<br>interests                    | 4,722   | 4,795   |

**(3) Consolidated Statement of Cash Flows**

(Millions of yen)

|  | First Three Months of<br>FY2023<br>(April 1, 2023, to<br>June 30, 2023) | First Three Months of<br>FY2024<br>(April 1, 2024, to<br>June 30, 2024) |
|--|---|---|
| <b>I. Cash flows from operating activities</b>                                   |   |   |
| Profit before income taxes   | 117,804   | 103,272   |
| Depreciation   | 39,209  | 48,326  |
| Amortization of goodwill   | 10,865  | 12,171  |
| Increase (decrease) in allowance for doubtful accounts                           | 1,372   | 734   |
| Interest and dividend income   | (5,657)   | (6,779)   |
| Interest expenses  | 9,061   | 12,337  |
| Share of loss (profit) of entities accounted for using equity method             | (306)   | (398)   |
| Loss (gain) on disposal of non-current assets                                    | 477   | 697   |
| Loss (gain) on sale of investment securities                                     | (3,473)   | (3,063)   |
| Loss (gain) on valuation of investment securities                                | 0   | 1   |
| Decrease (increase) in trade receivables   | (38,453)  | (39,947)  |
| Decrease (increase) in inventories   | (31,433)  | 19,968  |
| Increase (decrease) in trade payables  | (11,435)  | 38,839  |
| Increase (decrease) in accounts payable - other                                  | (12,515)  | (18,204)  |
| Increase (decrease) in accrued expenses  | 558   | 12,342  |
| Increase (decrease) in retirement benefit liability                              | (2,390)   | 255   |
| Decrease (increase) in retirement benefit asset                                  | (1,636)   | 3,798   |
| Other, net   | (1,139)   | (2,900)   |
| Subtotal   | 70,907  | 181,450   |
| Interest and dividends received  | 7,663   | 7,039   |
| Interest paid  | (8,495)   | (12,189)  |
| Income taxes paid  | (28,846)  | (26,660)  |
| Net cash provided by (used in) operating activities                              | 41,228  | 149,640   |
| <b>II. Cash flows from investing activities</b>                                  |   |   |
| Purchase of property, plant and equipment  | (77,826)  | (79,895)  |
| Proceeds from sale of property, plant and equipment                              | 524   | 491   |
| Purchase of investment securities  | (468)   | (388)   |
| Proceeds from sale of investment securities                                      | 4,769   | 4,108   |
| Purchase of shares of subsidiaries and associates                                | —   | (380)   |
| Payments for acquisition of businesses   | (6,612)   | —   |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | —   | (2,707)   |
| Decrease (increase) in time deposits   | (8,611)   | (5,637)   |
| Other, net   | 563   | (9,553)   |
| Net cash provided by (used in) investing activities                              | (87,662)  | (93,962)  |

|  | (Millions of yen)   |   |
|--|---|---|
|  | First Three Months of<br>FY2023<br>(April 1, 2023, to<br>June 30, 2023) | First Three Months of<br>FY2024<br>(April 1, 2024, to<br>June 30, 2024) |
| III. Cash flows from financing activities  |   |   |
| Net increase (decrease) in short-term borrowings   | 159,516   | 68,232  |
| Proceeds from long-term borrowings   | 13,743  | 8,183   |
| Repayments of long-term borrowings   | (33,303)  | (14,348)  |
| Dividends paid   | (40,997)  | (38,069)  |
| Proceeds from share issuance to non-controlling shareholders   | 227   | —   |
| Dividends paid to non-controlling interests  | (508)   | (4,564)   |
| Repayments of lease liabilities  | (10,879)  | (15,143)  |
| Other, net   | (1,627)   | (324)   |
| Net cash provided by (used in) financing activities  | 86,170  | 3,966   |
| IV. Effect of exchange rate change on cash and cash equivalents  | 23,854  | 35,622  |
| V. Net increase (decrease) in cash and cash equivalents  | 63,591  | 95,266  |
| VI. Cash and cash equivalents at beginning of period   | 548,242   | 634,008   |
| VII. Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries | 257   | (1,511)   |
| VIII. Cash and cash equivalents at end of period   | 612,090   | 727,763   |