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## Brief Report on the Settlement of Accounts (Consolidated) for the Nine Months Ended December 31, 2023 (J-GAAP)

February 6, 2024

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

Listed on TSE

Code No.: 6367

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

Representative: Masanori Togawa, President and CEO

Contact: Motoshi Hosomi,

General Manager of the Corporate Communication Department of the Head Office

(Tel.: +81-6-6147-9925)

Planned date of the filing of quarterly report: February 7, 2024

Planned date of start of dividend payment: —

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

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

### 1. Consolidated Business Results for the Nine Months Ended December 31, 2023

(From April 1, 2023, to December 31, 2023)

#### (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	%
Nine months ended								
December 31, 2023	3,263,652	9.3	306,490	0.9	282,113	-5.7	193,850	-7.2
December 31, 2022	2,985,667	29.7	303,757	17.1	299,255	12.3	208,952	16.9

Note: Comprehensive income was ¥326,588 million (20.4%) for the nine months ended December 31, 2023, and ¥271,319 million (14.9%) for the nine months ended December 31, 2022.

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2023	662.19	661.77
December 31, 2022	713.87	713.44

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	4,681,851	2,526,721	52.9
As of March 31, 2023	4,303,682	2,279,095	51.9

(Reference) Equity capital was ¥2,474,406 million as of December 31, 2023, and ¥2,235,030 million as of March 31, 2023.

## 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, 2023	—	100.00	—	140.00	240.00
Fiscal Year ending March 31, 2024	—	120.00	—		
Fiscal Year ending March 31, 2024 (forecast)				120.00	240.00

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

## 3. Consolidated Business Forecast for the Fiscal Year Ending March 31, 2024

(From April 1, 2023, to March 31, 2024)

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
Full year	4,240,000	6.5	400,000	6.1	380,000	3.8	264,000	2.4	901.87

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

### \*Notes

(1) Changes in Significant Subsidiaries during the Nine Months Ended December 31, 2023: None

(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.: None

(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 December 31, 2023 293,113,973 shares

As of March 31, 2023 293,113,973 shares

(ii) Number of treasury shares at end of period

As of December 31, 2023 359,202 shares

As of March 31, 2023 389,416 shares

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

Nine Months Ended December 31, 2023 292,739,162 shares

Nine Months Ended December 31, 2022 292,703,477 shares

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

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

- The business forecasts are based on information currently available to Daikin Industries, Ltd. (the “Company”) and certain assumptions that are deemed reasonable. Actual results may differ significantly from these forecasts.
- The Company plans to hold a briefing on business results for institutional investors and analysts on Tuesday, February 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)

	FY2022 (As of March 31, 2023)	Third Quarter of FY2023 (As of December 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	617,663	719,105
Notes and accounts receivable – trade, and contract assets	706,315	692,920
Merchandise and finished goods	668,310	709,545
Work in process	65,518	83,607
Raw materials and supplies	259,555	271,737
Other	128,901	158,043
Allowance for doubtful accounts	(19,180)	(23,021)
Total current assets	2,427,082	2,611,938
Non-current assets		
Property, plant and equipment	900,944	1,053,744
Intangible assets		
Goodwill	304,331	295,065
Other	354,122	367,836
Total intangible assets	658,454	662,901
Investments and other assets		
Investment securities	169,602	197,869
Other	148,114	155,951
Allowance for doubtful accounts	(516)	(554)
Total investments and other assets	317,200	353,266
Total non-current assets	1,876,599	2,069,912
Total assets	4,303,682	4,681,851
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	352,647	313,345
Short-term borrowings	293,541	392,965
Commercial papers	79,000	134,472
Current portion of bonds payable	20,000	10,000
Current portion of long-term borrowings	53,900	64,458
Income taxes payable	37,726	30,712
Provision for product warranties	85,528	95,123
Other	526,975	543,152
Total current liabilities	1,449,321	1,584,229
Non-current liabilities		
Bonds payable	140,000	130,000
Long-term borrowings	174,148	144,712
Retirement benefit liability	18,176	16,969
Other	242,941	279,218
Total non-current liabilities	575,266	570,899
Total liabilities	2,024,587	2,155,129

	(Millions of yen)	
	FY2022 (As of March 31, 2023)	Third Quarter of FY2023 (As of December 31, 2023)
<b>Net assets</b>		
Shareholders' equity		
Share capital	85,032	85,032
Capital surplus	79,478	77,961
Retained earnings	1,712,165	1,829,713
Treasury shares	(1,676)	(1,549)
Total shareholders' equity	1,874,999	1,991,157
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	51,980	71,505
Deferred gains or losses on hedges	459	(496)
Foreign currency translation adjustment	315,392	421,305
Remeasurements of defined benefit plans	(7,801)	(9,065)
Total accumulated other comprehensive income	360,031	483,248
Share acquisition rights	3,116	3,868
Non-controlling interests	40,947	48,446
Total net assets	2,279,095	2,526,721
<b>Total liabilities and net assets</b>	4,303,682	4,681,851

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

For the Nine Months Ended December 31	(Millions of yen)	
	First Nine Months of FY2022 (April 1, 2022, to December 31, 2022)	First Nine Months of FY2023 (April 1, 2023, to December 31, 2023)
Net sales	2,985,667	3,263,652
Cost of sales	1,986,786	2,133,257
Gross profit	998,881	1,130,395
Selling, general and administrative expenses	695,123	823,904
Operating profit	303,757	306,490
Non-operating income		
Interest income	8,480	11,108
Dividend income	5,109	4,693
Share of profit of entities accounted for using equity method	1,436	1,430
Foreign exchange gains	2,423	—
Other	5,874	5,494
Total non-operating income	23,324	22,726
Non-operating expenses		
Interest expenses	13,170	32,257
Settlement payments	4,228	2,547
Inflation accounting adjustment	6,347	8,633
Foreign exchange losses	—	424
Other	4,079	3,240
Total non-operating expenses	27,826	47,103
Ordinary profit	299,255	282,113
Extraordinary income		
Gain on sale of land	—	37
Gain on sale of investment securities	7,490	5,674
Gain on liquidation of subsidiaries and associates	101	—
Gain on reversal of share acquisition rights	5	—
Total extraordinary income	7,597	5,711
Extraordinary losses		
Loss on disposal of non-current assets	774	2,285
Loss on sale of land	10	—
Loss on valuation of investment securities	343	5
Loss on sale of shares of subsidiaries and associates	—	0
Loss on liquidation of subsidiaries and associates	93	—
Loss on restructuring of subsidiaries and associates	190	—
Other	0	0
Total extraordinary losses	1,413	2,291
Profit before income taxes	305,439	285,532
Income taxes	89,872	83,733
Profit	215,567	201,799
Profit attributable to non-controlling interests	6,614	7,949
Profit attributable to owners of parent	208,952	193,850

**(Consolidated Statement of Comprehensive Income)**

For the Nine Months Ended December 31	(Millions of yen)	
	First Nine Months of FY2022 (April 1, 2022, to December 31, 2022)	First Nine Months of FY2023 (April 1, 2023, to December 31, 2023)
Profit	215,567	201,799
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,732)	19,524
Deferred gains or losses on hedges	(5,574)	(956)
Foreign currency translation adjustment	67,754	105,739
Remeasurements of defined benefit plans	(1,302)	(1,263)
Share of other comprehensive income of entities accounted for using equity method	2,607	1,745
Total other comprehensive income	55,752	124,789
Comprehensive income	271,319	326,588
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	264,029	317,067
Comprehensive income attributable to non-controlling interests	7,289	9,520

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

(Millions of yen)

	First Nine Months of FY2022 (April 1, 2022, to December 31, 2022)	First Nine Months of FY2023 (April 1, 2023, to December 31, 2023)
<b>I. Cash flows from operating activities</b>		
Profit before income taxes	305,439	285,532
Depreciation	105,688	124,379
Amortization of goodwill	29,087	33,706
Increase (decrease) in allowance for doubtful accounts	822	2,972
Interest and dividend income	(13,590)	(15,801)
Interest expenses	13,170	32,257
Share of loss (profit) of entities accounted for using equity method	(1,436)	(1,430)
Loss (gain) on disposal of non-current assets	774	2,285
Loss (gain) on sale of investment securities	(7,490)	(5,674)
Loss (gain) on valuation of investment securities	343	5
Decrease (increase) in trade receivables	(8,240)	50,564
Decrease (increase) in inventories	(219,539)	(23,693)
Increase (decrease) in trade payables	6,123	(56,365)
Increase (decrease) in accounts payable - other	(16,647)	(17,088)
Increase (decrease) in accrued expenses	39,759	2,172
Increase (decrease) in retirement benefit liability	1,078	(2,057)
Decrease (increase) in retirement benefit asset	(794)	(2,721)
Other, net	(7,583)	11,166
Subtotal	226,965	420,210
Interest and dividends received	14,830	18,317
Interest paid	(13,021)	(31,455)
Income taxes paid	(104,175)	(109,571)
Net cash provided by (used in) operating activities	124,598	297,499
<b>II. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(118,200)	(190,560)
Proceeds from sale of property, plant and equipment	6,073	1,806
Purchase of investment securities	(1,481)	(1,027)
Proceeds from sale of investment securities	16,300	7,634
Purchase of shares of subsidiaries and associates	(909)	(893)
Payments for acquisition of businesses	(5,496)	(8,683)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(63,987)	(1,125)
Payments for investments in capital of subsidiaries resulting in change in scope of consolidation	(14,388)	—
Decrease (increase) in time deposits	17,191	(26,676)
Other, net	(18,512)	367
Net cash provided by (used in) investing activities	(183,411)	(219,159)



	(Millions of yen)	
	First Nine Months of FY2022 (April 1, 2022, to December 31, 2022)	First Nine Months of FY2023 (April 1, 2023, to December 31, 2023)
<b>III. Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	331,435	142,744
Proceeds from long-term borrowings	62,612	14,541
Repayments of long-term borrowings	(381,599)	(47,169)
Proceeds from issuance of bonds	39,837	—
Redemption of bonds	(30,000)	(20,000)
Dividends paid	(61,485)	(76,109)
Proceeds from share issuance to non-controlling shareholders	1,652	464
Dividends paid to non-controlling interests	(1,476)	(2,721)
Repayments of lease liabilities	(30,257)	(35,004)
Other, net	(5,801)	(1,615)
Net cash provided by (used in) financing activities	(75,082)	(24,869)
<b>IV. Effect of exchange rate change on cash and cash equivalents</b>		
	2,722	19,293
<b>V. Net increase (decrease) in cash and cash equivalents</b>	(131,172)	72,764
<b>VI. Cash and cash equivalents at beginning of period</b>	717,802	548,242
<b>VII. Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries</b>	(570)	257
<b>VIII. Cash and cash equivalents at end of period</b>	586,059	621,263