



Presentation of Financial Results for FY2024

May 8, 2025

I . FY2024 Financial Results	p. 3
II . FY2025 Business Forecast	p. 8
III . Business and Regional Overview	p. 15
IV . Shareholder Return	p. 23

«Reference»

I . FY2024 Financial Results

Both net sales and operating profit exceeded the previous fiscal year, achieving new record highs.

Facing a challenging business environment, Daikin expanded sales in regions and businesses with robust demand, bolstered product and service proposals from the perspective of carbon neutrality and energy solutions, promoted strategic selling price measures, and thoroughly implemented total cost reductions.

- ✓ Air Conditioning business: In addition to our slow recovery in market share for Ducted Unitary for Houses in the Americas, our business in Europe was impacted by a decline in demand for Heat Pump Heating. Nevertheless, we expanded sales for businesses showing strong demand, such as Applied and Commercial Air Conditioning, and high-performing regions, such as India and Japan. Both revenue and profits improved in real terms excluding the effect of foreign exchange rates.
- ✓ Chemicals business: While efforts were made to expand sales of fine chemicals, the impact of slow semiconductor demand and slow recovery demand of automotives and LAN cables led to lower profits.

(billion yen)	FY2023	FY2024		YoY
	Results	Forecast	Results	
Net sales	4,395.3	4,770.0	4,752.3	108%
Operating Profit	392.1	428.0	401.7	102%
(%)	(8.9%)	(9.0%)	(8.5%)	
Ordinary Profit	354.5	392.0	366.4	103%
(%)	(8.1%)	(8.2%)	(7.7%)	
Profit Attributable to Owners of Parent	260.3	267.0	264.8	102%
(%)	(5.9%)	(5.6%)	(5.6%)	

USD/JPY	¥145	¥153
EUR/JPY	¥157	¥164
RMB/JPY	¥20.1	¥21.1

FX Effect (YoY)

Net Sales	+165.0 billion yen
Operating Profit	+13.0 billion yen

YoY Results Excluding FX Effect

Net Sales	104%
Operating Profit	99%

Financial Results by Segment

(billion yen)		FY2023	FY2024		
		Results	Forecast	Results	YoY
Total	Net sales	4,395.3	4,770.0	4,752.3	108%
	Operating Profit (%)	392.1 (8.9%)	428.0 (9.0%)	401.7 (8.5%)	102%
Air Conditioning	Net sales	4,028.8	4,392.0	4,384.5	109%
	Operating Profit (%)	333.3 (8.3%)	371.0 (8.4%)	351.0 (8.0%)	105%
Chemicals	Net sales	263.9	278.0	263.0	100%
	Operating Profit (%)	51.5 (19.5%)	52.0 (18.7%)	46.1 (17.5%)	90%
Others	Net sales	102.6	100.0	104.8	102%
	Operating Profit (%)	7.3 (7.2%)	5.0 (5.0%)	4.5 (4.3%)	62%

*Air-Conditioning business includes filter, refrigerator and freezer businesses.

Profit and Loss Statement

(billion yen)	FY2023	FY2024	vs PY
	110	108	
Net sales	4,395.3	4,752.3	+357.0
Cost of sales	2,885.6	3,125.6	-240.0
	(65.7%)	(65.8%)	
Gross profit	1,509.7	1,626.7	+117.0
	(34.3%)	(34.2%)	
Selling general and administrative expenses	1,117.5	1,225.0	*1 -107.5
	(25.4%)	(25.8%)	
Operating profit	392.1	401.7	+9.5
	(8.9%)	(8.5%)	
Non-operating income and expenses	-37.6	-35.2	*2 +2.4
Ordinary profit	354.5	366.4	+12.0
	(8.1%)	(7.7%)	
Extraordinary income and losses	30.8	9.6	*3 -21.2
Profit before income taxes	385.3	376.1	-9.2
	(8.8%)	(7.9%)	
Income taxes	115.5	100.6	+14.8
Tax burden ratio	30.0%	26.8%	
Profit attributable to non-controlling interests	9.5	10.7	-1.2
Profit attributable to owners of parent	260.3	264.8	+4.4
	(5.9%)	(5.6%)	

*1 Changes in selling, general and administrative expense

R&D expense	-11.9
Sales promotion / advertising expenses	-5.4
Product shipping costs	-3.8

*2 Changes in non-operating gains or losses

Foreign exchange gains	-8.1 (-1.1 → -9.2)
Interest income	+4.0 (16.1 → 20.1)
Interest expenses	+1.9 (44.9 → 43.0)
Inflation accounting adjustment	+3.5 (-12.5 → -9.0)

〔 Adjustments due to the application of inflation accounting in Turkey. 〕

*3 Changes in extraordinary gains or losses

Loss (gain) on sale of investment securities	-34.1 (46.3 → 12.2)
Impairment loss	+12.2 (12.2 → 0)

*The parentheses above indicate percentages to net sales.

Balance Sheet

(billion yen)	2024/3E		2025/3E		vs PY
Cash and deposits		738.0		802.7	+64.7
Notes and accounts receivable – trade, and contract assets	<u>68 days</u>	815.3	<u>66 days</u>	856.5	+41.2
Inventories	<u>87 days</u>	1,047.7	<u>81 days</u>	1,052.9	+5.1
Fixed assets		1,818.7		1,917.2	+98.5
Investment securities		171.9		160.0	-11.8
Others		288.7		344.1	+55.5
Total Assets		4,880.2		5,133.4	+253.2

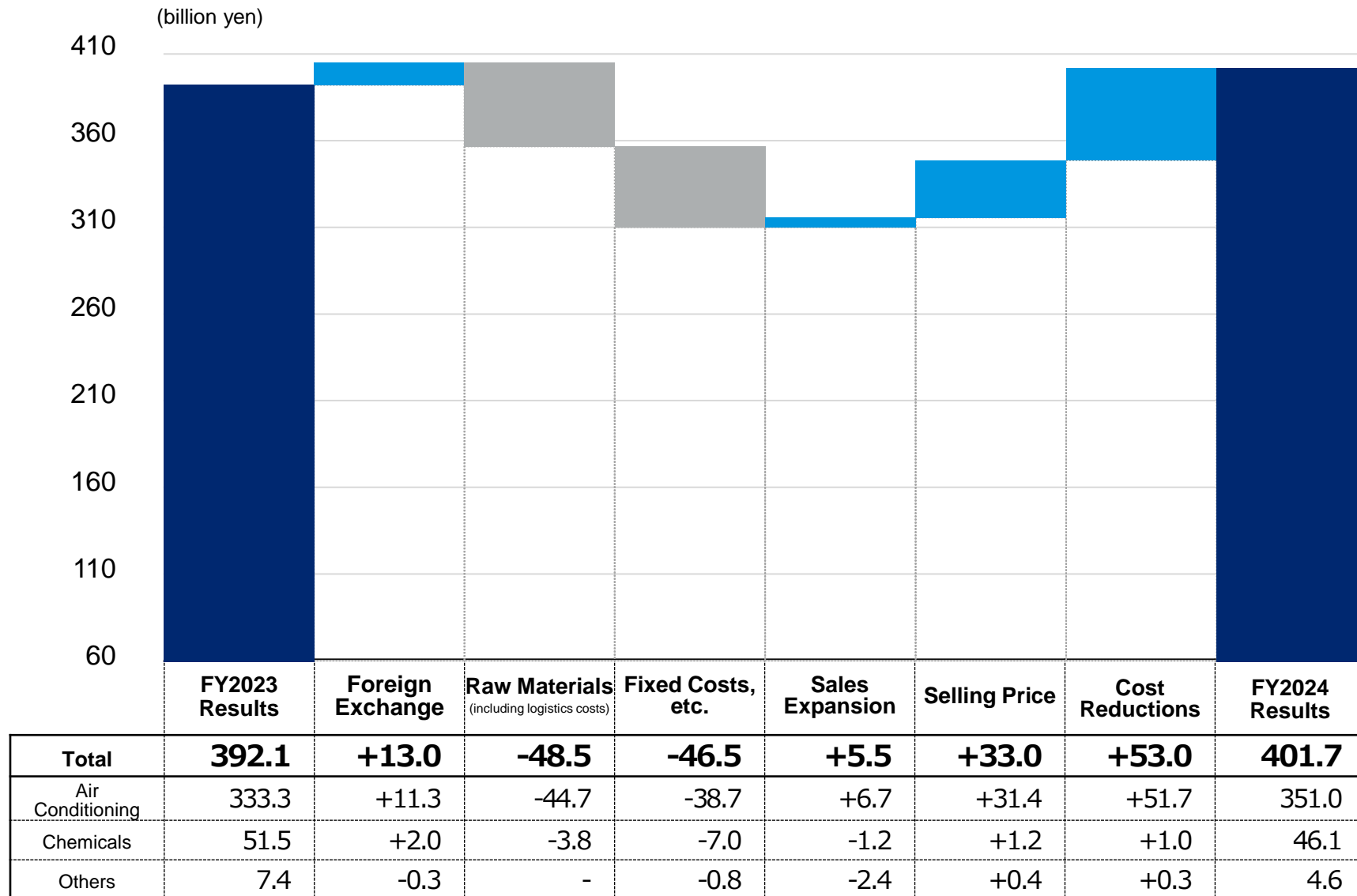
	2024/3E	2025/3E	vs PY
Notes and accounts payable – trade	326.0	362.2	+36.1
Interest bearing debt*	968.2	986.9	+18.7
(Interest bearing debt ratio)	(19.8%)	(19.2%)	
Others	898.7	917.7	+19.0
Total liabilities	2,192.9	2,266.7	+73.8
Total equity	2,637.5	2,801.3	+163.7
(Equity ratio)	(54.0%)	(54.6%)	
Share acquisition rights	3.8	4.2	+0.4
Non-controlling interests	46.0	61.2	+15.2
Total net assets	2,687.3	2,866.7	+179.4
Total liabilities and net assets	4,880.2	5,133.4	+253.2

*Breakdown of interest bearing debt

	2024/3E	2025/3E	vs PY
Short-term borrowings	363.2	294.6	-68.6
Commercial papers	50.4	29.6	-20.9
Bonds	140.0	190.0	+50.0
Long-term borrowings	258.4	298.1	+39.7
Lease debt	156.2	174.6	+18.4
Total	968.2	986.9	+18.7

Analysis of Changes in Operating Profit - YoY

*Air-Conditioning business includes filter, refrigerator and freezer businesses.



II . FY2025 Business Forecast

Despite the lingering severity in the business environment, including the sluggish U.S. housing market, slow recovery in Heat Pump Heating demand in Europe, and protracted slump in the Chinese real estate market, Daikin will maintain its upward trajectory toward increased revenue and profits. In moving forward, we will continue to further strengthen our competitiveness and profitability to achieve record highs in performance.

In the Air Conditioning business, we will focus on strengthening sales capabilities in the United States and Europe, further boosting the Applied and Commercial Solutions businesses, and expanding sales in high-performing regions such as India. We intend to minimize the negative impacts of rising costs—such as soaring prices of procurement parts, increased labor costs, and U.S. tariffs—by balancing strategic selling price measures and efforts to increase market share alongside global total cost reductions.

The direct impact of the U.S. tariffs will be absorbed by utilizing pass-through pricing and cost reductions. (Details to follow.)

Under a project directly overseen by top management, Daikin will globally promote six Group-wide themes (strengthening sales and marketing capabilities, accelerating the launch of differentiated products, bolstering the supply chain including response to U.S. tariffs, cost reductions, etc.) Our goal will be to improve profitability by strengthening our business structure while also generating results in short term.

(billion yen)	FY2024 Results			FY2025 Forecast					
	H1	H2	Total	H1	YoY	H2	YoY	Total	YoY
Net sales	2,493.1	2,259.3	4,752.3	2,470.0	99%	2,370.0	105%	4,840.0	102%
Operating Profit (%)	246.6 (9.9%)	155.1 (6.9%)	401.7 (8.5%)	247.0 (10.0%)	100%	188.0 (7.9%)	121%	435.0 (9.0%)	108%
Ordinary Profit (%)	224.2 (9.0%)	142.2 (6.3%)	366.4 (7.7%)	231.0 (9.4%)	103%	174.0 (7.3%)	122%	405.0 (8.4%)	111%
Profit Attributable to Owners of Parent (%)	151.7 (6.1%)	113.1 (5.0%)	264.8 (5.6%)	152.0 (6.2%)	100%	120.0 (5.1%)	106%	272.0 (5.6%)	103%
	USD/JPY	¥153	¥152	¥153				¥140	
	EUR/JPY	¥166	¥162	¥164				¥160	

FX Effect (YoY)

Net Sales -270.0 billion yen
Operating Profit -37.0 billion yen

YoY Comparison Excluding FX Effect

Net Sales 108%
Operating Profit 118%

Business Forecast by Segments

(billion yen)		FY2024 Results	FY2025	
			Forecast	YoY
Total	Net sales	4,752.3	4,840.0	102%
	Operating Profit (%)	401.7 (8.5%)	435.0 (9.0%)	108%
Air Conditioning	Net sales	4,384.5	4,455.0	102%
	Operating Profit (%)	351.0 (8.0%)	383.0 (8.6%)	109%
Chemicals	Net sales	263.0	280.0	106%
	Operating Profit (%)	46.1 (17.5%)	47.0 (16.8%)	102%
Others	Net sales	104.8	105.0	100%
	Operating Profit (%)	4.5 (4.3%)	5.0 (4.8%)	110%

Effect of U.S. Tariff Measures ① Direct Impact

Regarding the effect of tariffs on our financial results for the fiscal year ending March 2026, **we anticipate the impact on operating profit to be approximately 47 billion yen***. This impact will be absorbed by utilizing pass-through pricing and cost reductions. Because the finished products manufactured at our factories in Mexico meet USMCA standards, they will be exempt from tariffs.

*Reflection of tariffs already in effect

- ✓ Tariffs on China (20%), Mexico (25%), and Canada (25%), and tariffs on steel and aluminum (25%)
- ✓ A flat 10% reciprocal tariff on all imports (except for China's 125%)
- ✓ Retaliatory tariffs imposed by China and Canada

Currently incorporated into the plan

(1) DNA

- ✓ Impact on imported finished products: **Fit, RA, SKY, VRV system** products imported from Japan, Asia, and Europe.
- ✓ Impact on U.S. products: Parts imported from China and Asia. However, there will be no impact on R32 since the purchased refrigerant is produced in the U.S.

(2) DAA

- ✓ Impact of imported finished products: Applied equipment imported from Japan
- ✓ Impact on U.S. products: Parts imported from Asia

(3) Chemicals business, Oil Hydraulics business: Products imported from Japan, China, Europe and Asia

Effect of U.S. Tariff Measures ② Indirect Impact

Because the risk of an economic slowdown from the indirect impact of tariff measures is difficult to predict, it has not been incorporated into in the plan. Preparations are being made for multiple scenarios for taking quick action in response to changes in the business environment.

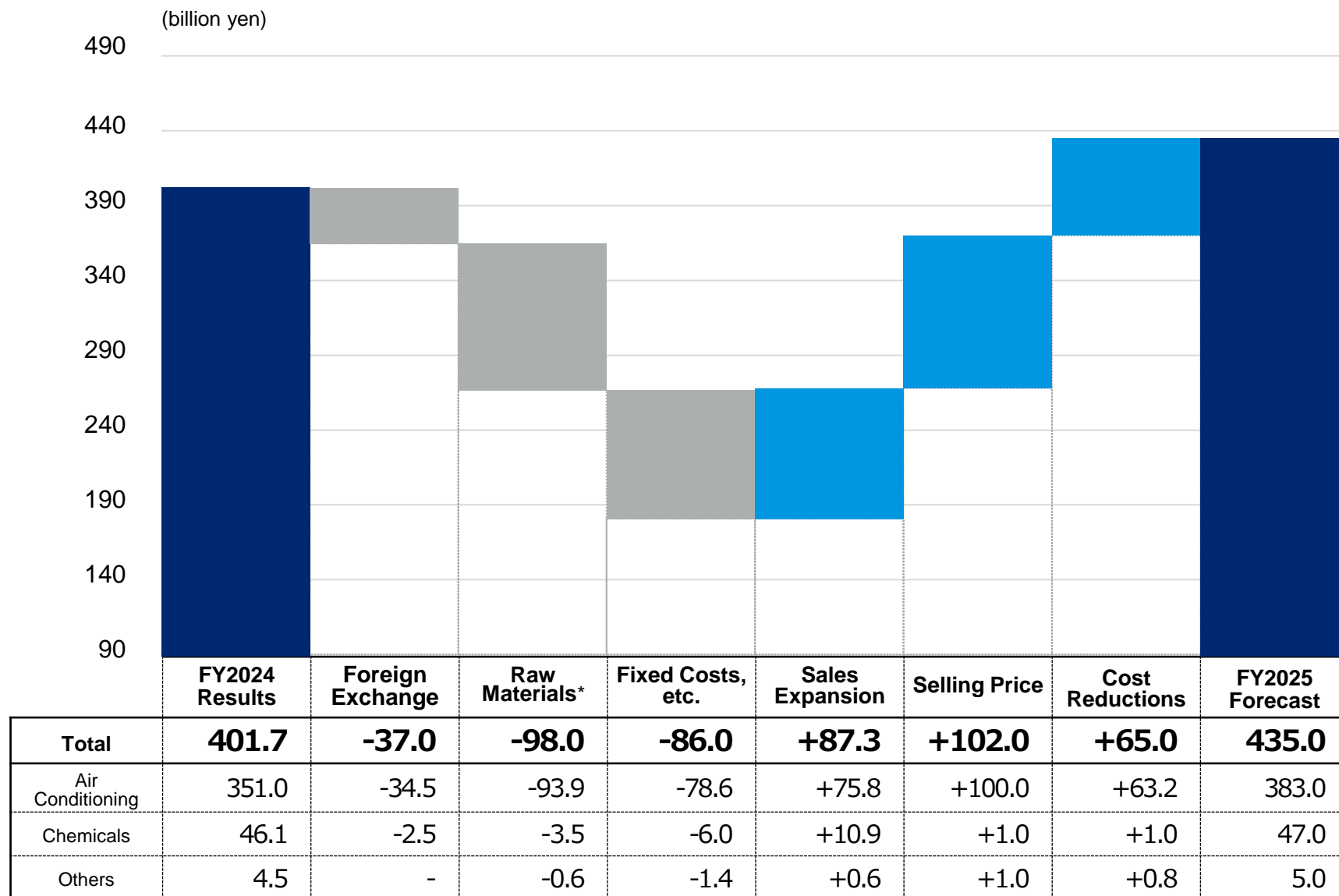
Possible risks in the future

- ✓ Changes occur in tariffs policy including retaliatory tariffs
- ✓ Economic growth slows due to disruption of global supply chains
- ✓ Consumer purchasing power weakens due to rising product prices
- ✓ Companies postpone capital investments

Planning for the risk of a global economic slowdown

- ✓ Accelerate and move product development forward; improve leading products
- ✓ Further increase sales of differentiated products
- ✓ Shift resources by identifying growth areas such as high-performing regions/businesses
- ✓ Create results through six Group-wide themes
- ✓ Perform a sweeping review of upfront investments
- ✓ Implement urgent cost reductions

Analysis of Changes in Operating Profit - Forecast



* Air-Conditioning business includes filter, refrigerator and freezer businesses.

* Includes direct tariff impact (-47 billion yen) and logistic costs

Sales by Region - AC Business

*Percentage expresses year on year comparison

*Includes refrigerator, freezer and filter businesses

(billion yen)	FY2020		FY2021		FY2022		FY2023		FY2024		FY2025 Forecast	
	Percentage	Value	Percentage	Value	Percentage	Value	Percentage	Value	Percentage	Value	Percentage	Value
Japan	100%	496.0	106%	523.9	106%	553.0	106%	588.7	110%	646.5	102%	660.0
Europe	104%	394.5	131%	518.7	127%	657.4	101%	666.6	107%	714.6	102%	730.0
China	107%	327.7	130%	424.7	101%	430.1	107%	458.8	93%	428.1	93%	400.0
Americas	96%	674.8	132%	889.8	150%	1,334.6	118%	1,575.9	111%	1,743.4	104%	1,810.0
Asia	84%	247.8	118%	293.5	141%	414.7	110%	455.2	118%	537.1	105%	565.0
Oceania	108%	79.5	131%	104.5	123%	128.6	105%	134.8	109%	147.0	92%	135.0
Middle East	94%	44.8	135%	60.7	160%	97.0	138%	133.9	113%	151.3	93%	140.0
Africa	105%	8.7	145%	12.6	113%	14.3	105%	15.0	111%	16.7	90%	15.0
Total	98%	2,273.8	124%	2,828.5	128%	3,629.8	111%	4,028.8	109%	4,384.5	102%	4,455.0
Overseas Net Sales ratio		78%		81%		85%		85%		85%		85%
USD/JPY		¥106		¥112		¥135		¥145		¥153		¥140
EUR/JPY		¥124		¥131		¥141		¥157		¥164		¥160
RMB/JPY		¥15.7		¥17.5		¥19.8		¥20.1		¥21.1		¥19.5

Sales by Region - Chemicals Business

*Percentage expresses year on year comparison

*Others: Oceania, Middle East, Africa etc.

(billion yen)	FY2020		FY2021		FY2022		FY2023		FY2024		FY2025 Forecast	
	Japan	84%	42.3	138%	58.4	120%	70.1	104%	72.6	99%	71.8	99%
Americas	81%	35.6	116%	41.2	144%	59.3	82%	48.4	85%	41.3	116%	48.0
China	120%	40.5	126%	51.2	109%	55.8	99%	55.4	115%	63.7	104%	66.0
Asia	90%	23.0	118%	27.0	128%	34.6	105%	36.4	96%	34.9	132%	46.0
Europe	88%	22.0	152%	33.5	126%	42.4	118%	49.9	100%	50.0	98%	49.0
Others	66%	0.8	130%	1.1	118%	1.3	88%	1.1	120%	1.4	-	-
Total	91%	164.2	129%	212.4	124%	263.4	100%	263.9	100%	263.0	106%	280.0
Overseas Net Sales ratio		74%		72%		73%		72%		73%		75%
USD/JPY		¥106		¥112		¥135		¥145		¥153		¥140
EUR/JPY		¥124		¥131		¥141		¥157		¥164		¥160
RMB/JPY		¥15.7		¥17.5		¥19.8		¥20.1		¥21.1		¥19.5

III. Business and Regional Overview AC Business - Japan

FY2024 Results

Industry demand for Residential grew year-on-year because of higher-than-average temperatures nationwide and an upturn in consumer confidence due to higher wages. Industry demand for Commercial also exceeded the previous year due to increased capital investment in large-scale redevelopment projects as well as from new construction and renovations of office buildings and commercial facilities.

In addition to expanding sales of high value-added products, net sales also increased over the previous fiscal year due to the effectiveness of selling price measures.

- ✓ Residential: In response to rising electricity prices and a substantial increase in length of time customers use air conditioners, we improved user proposals for the high energy-saving performance of **Urusara X**.
- ✓ Commercial: We enhanced user proposals to focus on high value-added products, including **FIVE STAR ZEAS**, which combines high energy-saving performance and ease of installation, **machi Multi**, which corresponds to the needs of small-capacity individual air conditioning, and the **VRV Q** series, which facilitates smooth replacement of air conditioning equipment by utilizing existing refrigerant piping.

FY2025 Forecast

Residential: Daikin will concentrate on user proposals for high value-added products such as **Urusara X** while strengthening its spec-in activities for home equipment systems to home builders and construction companies.

Commercial: In addition to sales expansion of high-value-added products such as **FIVESTAR ZEAS**, we will focus on solutions, such as energy-saving proposals for buildings and factories, as we aim to increase market share. Daikin will also work toward market penetration of R32 by expanding the product lineup of **VRV systems** using R32 while bolstering proposal sales.

YoY change (Volume basis)	FY2024		FY2025	
	Market	Daikin	Market	Daikin
Residential	107%	101%	96%	101%
Commercial	106%	104%	97%	101%
Applied	106%	121%	95%	96%

*Applied is based on total net sales.

AC Business - Americas

FY2024 Results

With product changeovers due to changes in refrigerant GWP regulations, a strong trend was seen for ensuring sufficient inventory of the current refrigerant models (R410A models), and industry demand for Residential sharply increased. Because we had been preparing to switch to the new refrigerant units (R32 units), we were unable meet customer needs for R410A units, leading to a loss of customers and a decrease in sales for Residential Unitary. Nevertheless, net sales improved year-on-year due to a significant increase in sale of Applied business.

- ✓ Ducted Unitary for Houses: Although we tried to regain market share by immediately increasing production of R410A models and sales of early launched R32 units, Residential sales fell below the previous fiscal year due to the delay in efforts to lure customers back (win-back), whereas sales of the premium environmentally products **Fit** system grew substantially due to our focus on developing and supporting dealers.
- ✓ Ductless: **RA/SKY** sales grew because of steady sales by our nationwide wholesalers and sales reps. Efforts were made to boost **VRV system** sales by providing technical support and training to dealers.
- ✓ Applied: In addition to increasing production capacity, equipment sales increased, mainly in data centers and manufacturing where demand is strong. Leveraging instrumentation and engineering companies, net sales also increased in the Solutions business to significantly exceed the previous fiscal year.

FY2025 Forecast

Ducted Unitary for Houses: Through Win-Back, support for existing dealers, and development of new dealers, we aim to build awareness of the advantages of R32 units throughout the distribution network, expand sales, and regain market share. Sales of R410A units will expand through meticulous sales management. We will expand the **Fit** lineup with a focus on developing and supporting dealers.

Ductless: The sales network for handling ductless units will be expanded by new dealer development and training of existing dealers. We will also aim to expand sales by increasing the lineup of R32 units.

Applied: For data centers, where demand is strong, we will utilize the new factory (operation scheduled to start in June 2025) of an acquired company to increase equipment sales and expand the Solutions business by enlarging our After Sales Service network and service menu.

YoY change (Volume basis)		FY2024	FY2025	
		Daikin	Market	Daikin
Ducted unitary for houses		92%	93%	111%
Ductless	RA/SKY	108%	123%	138%
	VRV	99%	93%	101%
Applied		127%	116%	116%

*Applied is based on total net sales in local currency.

AC Business - China

FY2024 Results

As the business environment continues to be severe with a worsening real estate market and lower consumer spending, net sales fell below the previous fiscal year. To contend with this, Daikin concentrated its resources on direct sales to users, such as in the support of PROSHOP specialty stores and the strengthening of customer centers and live commerce. Operating profit remained at a high level due to sales expansion of high value-added products and cost reduction efforts.

- ✓ Residential: We focused on our own unique sales activities that combine user-direct offline retail sales with online activities such as live broadcasting using showrooms, web advertising, and SNS. In addition to selling system products such as air conditioning, ventilation, heat pump floor heating, and air quality sensors, we strengthened our Residential solutions that utilize IoT and data analysis to propose optimal air quality that is crafted to the individual lifestyle of each customer.
- ✓ Commercial: In response to the growth markets for government projects, factories, green buildings, and other areas due to the promotion of carbon neutrality policies, we are enhancing Solutions proposals by focusing on energy savings.
- ✓ Applied: Efforts were made to strengthen the After Sales Service business, including maintenance and servicing, but it suffered the impact of lower investment, especially in the manufacturing industry.

FY2025 Forecast

Residential: In addition to the new housing market, we will focus on the expanding remodeled and existing housing market. To maintain high profitability, we will strengthen Residential solutions. We continue to propose new air value to customers by launching new system products to the market by combining hardware and software to provide the optimal air for each situation.

Commercial: In markets such as buildings, factories, and government projects, where demand is expanding in the backdrop of carbon neutrality, we are focusing on sales proposals that focus on energy savings.

YoY change (Local currency basis)	FY2024	FY2025	
	Daikin	Market	Daikin
Residential	92%	95%	103%
Commercial	89%	95%	103%
Applied	82%	91%	102%

AC Business - Europe, Middle East, and Africa

FY2024 Results

Net sales for the region overall exceeded the previous fiscal year.

In Europe, recovery in demand for heat pump heating continued to lag, but net sales improved year on year from a focus on Residential and Commercial sales. In the Middle East, net sales were significantly higher than the previous fiscal year due to the expansion of the Residential sales in Turkey, and Commercial sales in Saudia Arabia.

- ✓ Residential: While sales fell in France and Spain, Daikin focused on dealer development in Italy and Central Europe.
- ✓ Commercial: Sales expanded for segments with strong demand such as hotels and restaurants.
- ✓ H/P Heating: Despite signs in Germany and France that lower demand from subsidy reductions is bottoming out, purchase restraint among customers persists. Daikin focused on strengthening sales capabilities such as dealer development and support in applying for subsidies. In the UK, sales grew due to the movement toward strengthening the subsidy system and banning combustion heating in addition to our efforts for bolstering sales capabilities by acquiring service companies.
- ✓ Applied: Sales of medium-to-large chillers to data centers expanded, along with sales in the After Sales Service business.
- ✓ Freezer and Refrigerator: We enhanced sales capabilities to leverage the recovery in demand from food retail chains.

FY2025 Forecast

Residential: By bolstering dealer support, we will aim to expand mid-range to high-end zones and increase market share. New product launches are also planned even for volume zone.

Commercial: With steady demand anticipated in the hotel and restaurant markets, we look to capture replacement demand by focusing on the environment and energy savings. We will aim to expand our Solutions business by strengthening direct proposals to owners, expanding our service menu, and providing energy management support.

H/P Heating: We intend to accelerate the use of our air conditioning sales channels and expand sales. In Germany, we will work on dealer development to capitalize on the rapidly expanding demand for R290 units to increase market share and expand sales. In the UK, we will leverage the movement to ban combustion type heating to expand sales.

Applied: We will expand sales by identifying markets with steady demand, such as data centers.

Freezer and Refrigerator: We are improving our Solution proposals for environmentally conscious products, such as showcases that use CO₂ refrigerant.

YoY change (Volume basis)		FY2024	FY2025	
		Daikin	Market	Daikin
Residential		104%	101%	107%
Commercial	SKY	98%	100%	105%
	VRV	106%	103%	110%
Heat Pump Heating		89%	98%	131%
Applied		106%	103%	113%
Refrigerator and Freezer		139%	103%	122%

*Residential, commercial, and heat-pump heaters are only for Europe.

*Applied, Refrigerator and Freezer are based on total net sales in local currency.

AC Business - Asia and Oceania

FY2024 Results

Unrelentingly high inflation led to sluggish demand and a challenging business environment. Nevertheless, strong sales continued in India as we made efforts to develop and support dealers, leading to net sales for the overall region that significantly exceeded the previous fiscal year.

- ✓ Residential: In India, we expanded sales by capitalizing on improvements in our sales network and supply capacity to capture growing demand in an environment of economic growth. By implementing sales measures focused on dealers and consumers, sales expanded in Australia, Vietnam, and other countries.
- ✓ Commercial: We were able to steadily convert small-scale projects into orders and expand sales by developing and supporting dealers and strengthening our Solutions proposals.
- ✓ Applied: Equipment sales expanded by capturing growing demand at factories and data centers. A focus on the After Sales Service business, including Maintenance and Servicing, also contributed to sales growth.

Year-on-year net sales of main countries (local currency basis)

Australia: 105%, India: 126%, Vietnam: 107%,
Malaysia: 107%, Indonesia: 107%, Thailand: 99%

FY2025 Forecast

Residential: In India, we will increase sales by enlarging our sales network in regional cities, adding high value to our products and services, and increasing our production capacity. In the ASEAN region, we will promote the sale of cost-competitive inverter units in countries with low inverter penetration rates, such as Indonesia and Malaysia. We will also expand our customer base by implementing product development and sales strategies that meet the needs of the wealthy and young generations.

Commercial: We will aim to expand sales by making direct proposals to building owners and introducing new products. We will strengthen proposals of high value-added Solutions such as energy conservation, IAQ, and maintenance and servicing.

Applied: In addition to increasing production capacity, we will focus on our After Sales Service business, such as maintenance and servicing, to expand sales.

YoY change (Volume basis)		FY2024	FY2025	
		Daikin	Market	Daikin
Residential		114%	112%	122%
Commercial	SKY	109%	111%	118%
	VRV	111%	116%	123%
Applied		111%	108%	114%

*Applied is based on total net sales in local currency.

Chemicals Business

FY2024 Results

Sales were impacted by the slow recovery in demand for semiconductor manufacturing processes and the automotive sector along with subsequent adjustments in distribution inventory. Nevertheless, the effect of foreign exchange rates kept sales on par with the previous fiscal year.

- ✓ Fluorocarbon Gas: We worked to maintain selling prices in a difficult environment of declining demand.
- ✓ Polymers and Fluoroelastomers
 - Fluoropolymers: The slow recovery in demand for LAN cables and a decline in demand for semiconductor manufacturing equipment affected results.
 - Fluoroelastomers: Sales decreased due to inventory adjustments in the automotive sector.
- ✓ Fine Chemicals, etc.: Sales of anti-smudge surface coating agents and etching agents for the semiconductor manufacturing process increased, whereas demand for water and oil repellents decreased.

FY2025 Forecast

The business environment remains challenging as demand recovery in the semiconductor and automotive sectors continues to be slow.

We will focus on selling materials for AI semiconductor manufacturing equipment and electrical wire covering materials to meet the needs for faster communication speeds.

Additionally, Daikin is accelerating application development in the data center sector, where demand is expanding.

In the automotive segment, we will strengthen sales for positive electrode binders and sealing materials for lithium-ion batteries for the EV market and accelerate application development for high-performance materials.

In repellents, we will expand sales of environmentally advanced paper-use products amid a shift away from plastic.

YoY change (Net sales basis)	FY2024	FY2025	
	Daikin	Market	Daikin
Total	100%	95%	106%
Fluorocarbon Gas	109%	87%	89%
Fluoropolymers & Fluoroelastomers	99%	95%	104%
Fine Chemicals, etc.	97%	101%	122%

Filter Business

FY2024 Results

Although a slow recovery in the semiconductor sector had an impact, overall demand remained strong, and the effect of foreign exchange resulted in net sales exceeding the previous fiscal year. However, profitability deteriorated from stagnant sales in the United States for highly profitable businesses, such as semiconductors and pharmaceuticals, and short-term expenses incurred in Europe for factory restructuring to improve productivity.

- ✓ Air Filter: Sales increased in the U.S. due to the expansion of our own dealers. In Europe, sales were strong in Northern Europe, as we captured the needs for energy savings and air quality. In Asia, sales fell from a slow recovery in the semiconductor market and the effect of price competition.
- ✓ P&I*: While sales were strong because of efforts to expand the sales domain of specialty filters for oil fields, sales revenue fell year over year because of the withdrawal from unprofitable business to improve the business structure.

*P&I: commercial-use dust collection systems such as for gas turbines and large-scale plants

FY2025 Forecast

Air Filter: In the United States, we will strive to expand sales of high-gross-margin products by strengthening sales at our own dealers. In Japan, Asia, and Europe, Daikin will also work to expand sales in high-end markets such as semiconductors, pharmaceuticals, and data centers, in addition to focusing on productivity improvements and cost reductions to improve profitability.

P&I: Resources will be shifted to favorable businesses such as After Sales Services as we work to improve our business structure. For dust collection systems, we will focus on developing new customers by strengthening our sales capabilities to expand sales.

Other Businesses

FY2024 Results

Oil Hydraulics: Construction and industry machinery experienced stagnant demand, and sales of construction machinery and vehicles for Japan and the United States fell. Sales for industrial machinery to Japan and Europe also decreased, leading to a decline in net sales compared to the previous fiscal year.

Defense Systems: Net sales exceeded the previous fiscal year due to an increase in orders from the Japan Ministry of Defense and sales expansion of oxygen concentrators and hypoxic systems (devices that provide a high exercise effect by controlling oxygen concentration).

Electronics: Sales of database systems for the design and development fields decreased, resulting in net sales falling below the previous fiscal year.

FY2025 Forecast

Oil Hydraulics: In response to environmental changes such as stricter environmental regulations and carbon neutrality goals, Daikin will aim to expand sales of highly energy-efficient hybrid equipment.

Defense Systems: Together with expanding sales and increasing market share for oxygen concentrators, we will aim to develop new sales opportunities, such as the fitness market, and enhance proposals for hypoxic systems.

Electronics: We will strengthen R&D support for the manufacturing industry and Solutions proposals for the construction industry.

IV. Shareholder Return

- ✓ The year-end dividend is planned to be increased by 10 yen to 145 yen, due to record highs in net sales and operating profit. Combined with the interim dividend of 185 yen (including the 50 yen commemorative dividend for our 100th anniversary), the total annual dividend is expected to be 330 yen.
- ✓ The dividend for the next fiscal is planned for 330 yen (interim of 165 yen; term-end of 165 yen).

【Daikin Dividend Policy】

Together with making every effort to maintain a ratio of dividends to shareholder equity (DOE) of 3.0% based on the principle of always providing stable dividends to shareholders, we will continue striving in our mission to provide shareholders with even greater return by aiming for an increasingly higher level of dividend payout ratio.

		FY2020	FY2021	FY2022	FY2023	FY2024 (Proposed)	FY2025 (Forecast)
Dividend per share	Interim	¥80	¥90	¥100	¥120	¥185	¥165
	Annual	¥160	¥200	¥240	¥250	¥330	¥330
Earnings per share	H1	¥289.2	¥475.3	¥534.3	¥522.7	¥518.0	¥519.1
	Annual	¥534.0	¥743.9	¥880.6	¥889.2	¥904.3	¥929.0
(Reference) DOE Trend		3.0%	3.2%	3.3%	3.0%	3.6%	3.3%

◀ Reference ▶ Foreign Exchange

Exchange Rate

	FY2023 Results			FY2024 Results			FY2025 Forecast
	H1	H2	Total	H1	H2	Total	
USD	¥141	¥148	¥145	¥153	¥152	¥153	¥140
EUR	¥153	¥161	¥157	¥166	¥162	¥164	¥160
RMB	¥19.8	¥20.5	¥20.1	¥21.2	¥21.1	¥21.1	¥19.5
THB	¥4.1	¥4.2	¥4.1	¥4.3	¥4.5	¥4.4	¥4.2
AUD	¥93	¥97	¥95	¥101	¥98	¥99	¥90

Sensitivity of Foreign Exchange

(Impact of change by 1 yen to operating profit)

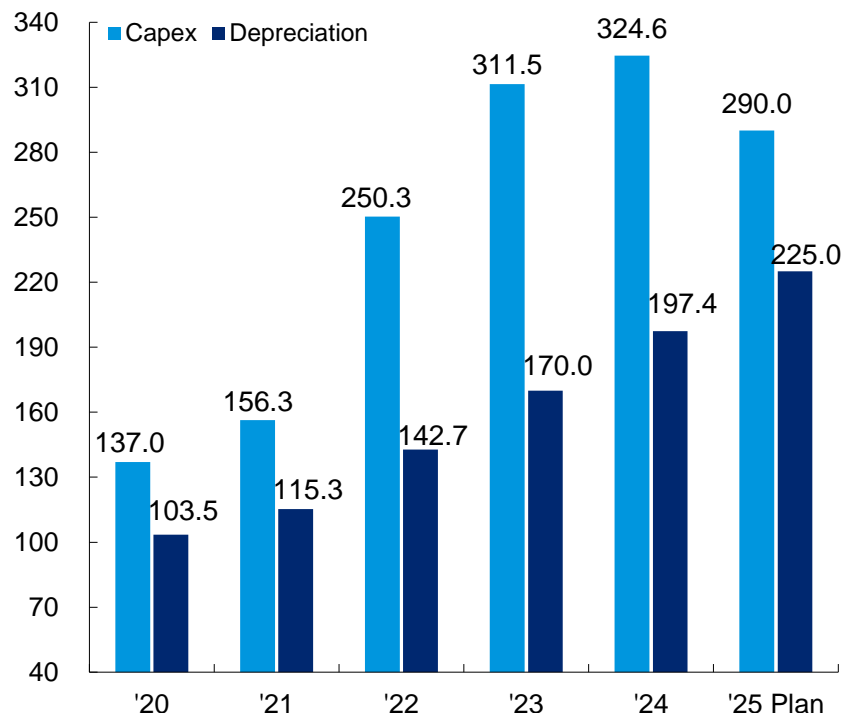
	FY2025 Forecast
USD	2.3 billion yen *
EUR	0.6 billion yen

*Changes for the THB, RMB, AUD, etc., are assumed to be linked to the USD.

Capex, Depreciation and R&D Cost

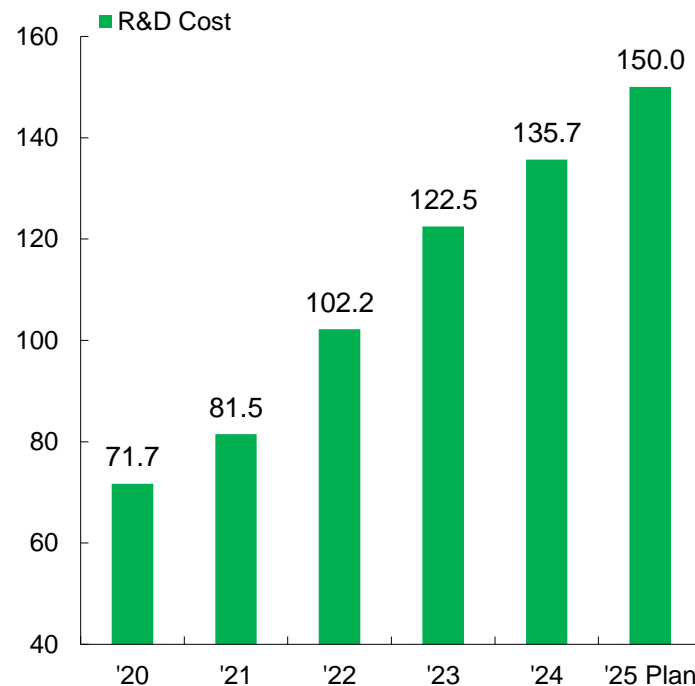
Capex and Depreciation

(billion yen)



R&D Cost

(billion yen)





Notes on forecast

This data is compiled for informational purposes and is not to be construed as a solicitation of any action. This data (includes management plan) was compiled by Daikin Industries, Ltd. (the Company) based on reliable information available at the time of compilation. It may include some risks and uncertainties. The Company is not responsible for its accuracy or completeness. The Company asks for your own discretion in using this data. The Company accepts no liability for any loss or damage of any kind arising out of judgment for investment made solely relying on the business forecast or target figures described in the data.