



Presentation of Financial Results for FY2019
(Term ended March 31, 2020)

May 13, 2020

DAIKIN INDUSTRIES, LTD.

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«Reference»

Until the third quarter, Daikin had made steady progress for its annual plan despite a challenging business environment which saw lower demand due to warm winters in Japan and the United States, a slow market recovery in semiconductors, and a widening of the negative effect of foreign exchange. In the fourth quarter, the spread of the novel coronavirus infection (COVID-19) caused economic activities to halt and strongly impacted sales. Consequently, year-end results showed an increase in revenue and a decline in profits.

In the Air Conditioning business, Daikin tried to expand sales of high value-added products in each region but was greatly impacted in China by the COVID-19 pandemic, resulting in reduced profits despite higher revenue.

In the Chemicals business, both revenue and profits declined due to the impact of lower demand in the semiconductor and automotive markets.

(billion yen)	FY2018	FY2019		Y/Y
	Result	Forecast	Result	
Sales	2,481.1	2,610.0	2,550.3	103%
Operating Profit	276.3	285.0	265.5	96%
(Percentage of Profit to net sales)	(11.1%)	(10.9%)	(10.4%)	
Ordinary Profit	277.1	285.0	269.0	97%
(Percentage of Profit to net sales)	(11.2%)	(10.9%)	(10.5%)	
Profit Attributable to Owners of Parent	189.0	195.0	170.7	90%
(Percentage of income to net sales)	(7.6%)	(7.5%)	(6.7%)	

USD/JPY	¥111	¥109	¥109
EUR/JPY	¥128	¥121	¥121
RMB/JPY	¥16.5	¥15.5	¥15.6

OFX Effect (Y/Y)

On Sales	-75.0 billion yen
On Operating Profit	-20.0 billion yen

■ Management Indicator

	FY2018	FY2019
ROA	7.3%	6.4%
ROE	13.9%	12.0%
FCF	-9.8 billion yen	125.6 billion yen

※An impairment loss of 23.6 billion yen was recorded for goodwill and customer-related assets for the consolidated subsidiary Flanders.

(billion yen)		FY2018	FY2019		
		Result	Forecast	Result	Y/Y
Total	Sales	2,481.1	2,610.0	2,550.3	103%
	Operating Profit	276.3	285.0	265.5	96%
	(Percentage of Profit to net sales)	(11.1%)	(10.9%)	(10.4%)	
Air-Conditioning	Sales	2,222.2	2,353.0	2,309.1	104%
	Operating Profit	237.6	249.0	236.2	99%
	(Percentage of Profit to net sales)	(10.7%)	(10.6%)	(10.2%)	
Chemicals	Sales	200.8	194.0	179.9	90%
	Operating Profit	32.5	30.0	23.8	73%
	(Percentage of Profit to net sales)	(16.2%)	(15.5%)	(13.2%)	
Others	Sales	58.1	63.0	61.3	105%
	Operating Profit	6.1	6.0	5.5	91%
	(Percentage of Profit to net sales)	(10.4%)	(9.5%)	(9.0%)	

(billion yen)	FY2018	FY2019	Impact on profitability
	<u>108</u>	<u>103</u>	
Net sales	2,481.1	2,550.3	+69.2
Cost of sales	1,612.2 (65.0%)	1,665.4 (65.3%)	-53.2
Gross profit	868.9 (35.0%)	884.9 (34.7%)	+16.0
Selling general and administrative expenses	592.7 (23.9%)	619.4 (24.3%)	※1 -26.7
Operating profit	276.3 (11.1%)	265.5 (10.4%)	-10.7
Non-operating gain or losses	+0.8	+3.5	※2 +2.7
Ordinary profit	277.1 (11.2%)	269.0 (10.5%)	-8.0
Extraordinary gains or losses	-1.8	※3 -12.8	-11.1
Profit before income taxes	275.3 (11.1%)	256.2 (10.0%)	-19.1
Corporate taxes, etc.	79.6	79.0	+0.7
Tax burden ratio	28.9%	30.8%	
Profit attributable to non-controlling interests	6.6	6.5	+0.2
Profit attributable to owners of parent	189.0 (7.6%)	170.7 (6.7%)	-18.3

※1 Changes in selling, general and administrative expense

Labor costs	-15.9
Goodwill amortization expense	-3.7
R&D expense	-1.7
Service expense	-0.7
Product shipping costs	-0.3

※2 Changes in non-operating gains or loss

Interest income	+0.9 (+7.1→+8.0)
Subsidy income	+0.7 (+2.6→+3.2)

※3 Extraordinary income and losses

Gain on sales of investment securities	+10.8
Impairment loss	-23.6

() parentheses indicate percentage to net sales

(billion yen)	2019/3E	2020/3E	Y/Y
Cash and cash equivalents	367.8	370.8	+3.0
Receivables	<u>66 days</u> 447.8	<u>63 days</u> 440.8	-7.1
Inventories	<u>64 days</u> 436.4	<u>62 days</u> 433.8	-2.6
Fixed assets	1,101.1	1,122.6	+21.5
Investment and others	205.0	157.3	-47.6
Others	142.9	142.2	-0.7
Total Assets	2,700.9	2,667.5	-33.4

	2019/3E	2020/3E	Y/Y
Trade payables	204.5	189.8	-14.7
Interest bearing	585.6	553.8	-31.8
(Interest-bearing ratio)	(21.7%)	(20.8%)	
Others	463.9	461.3	-2.6
Total liabilities	1,254.0	1,204.9	-49.1
Total equity	1,416.1	1,435.0	+18.9
(Equity ratio)	(52.4%)	(53.8%)	
Share Warrant	1.7	1.9	+0.2
Non-controlling interests	29.1	25.7	-3.3
Total net assets	1,446.8	1,462.6	+15.7
Total liabilities and net assets	2,700.9	2,667.5	-33.4

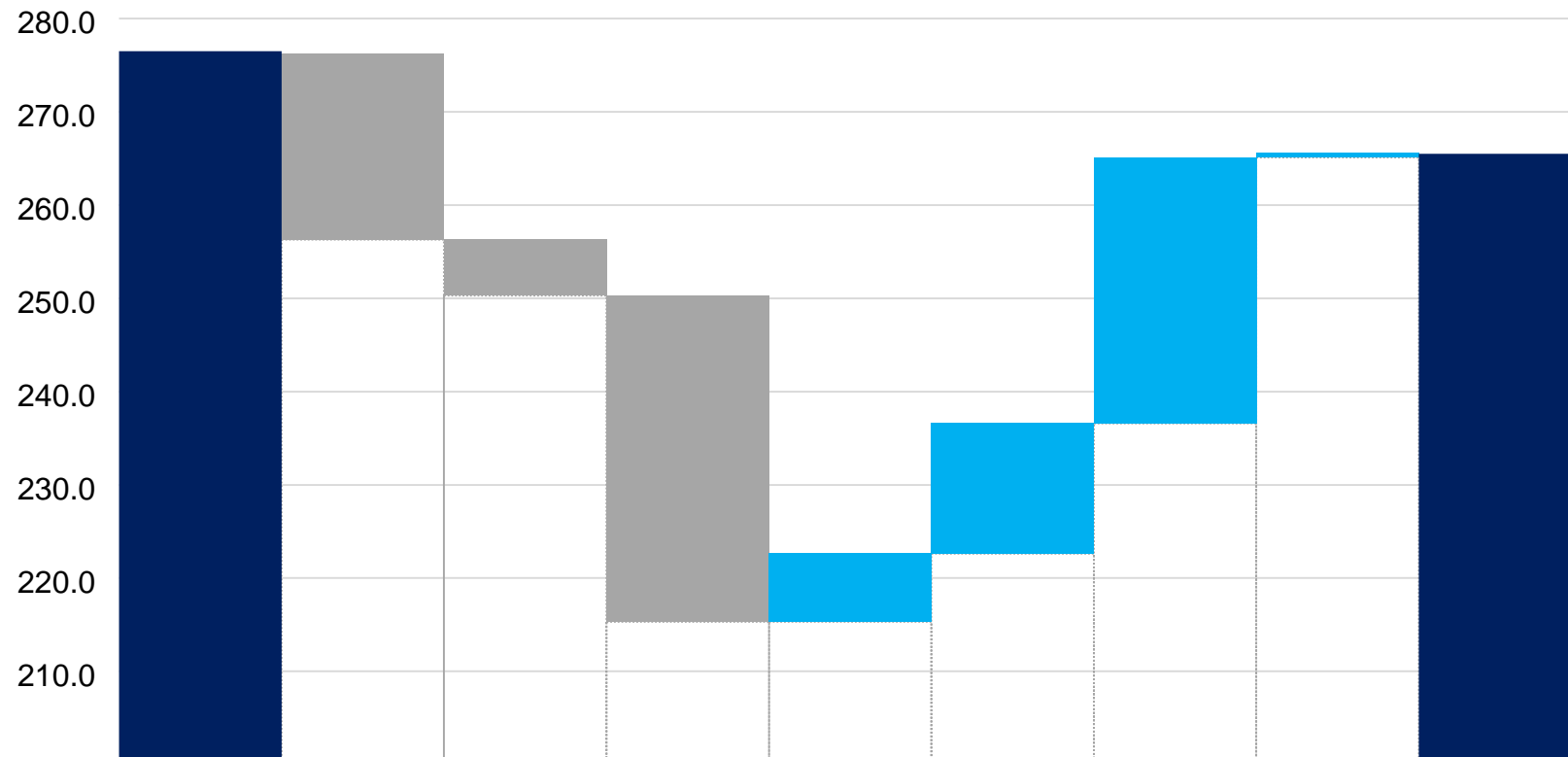
Breakdown of interest-bearing debt

	2019/3E	2020/3E	Y/Y
Short-term borrowings	136.1	48.9	-87.1
CP	10.0	0	-10.0
Bonds	110.0	90.0	-20.0
Long-term borrowings	318.4	339.1	+20.7
Lease debt	11.2	75.8	+64.6
Total	585.6	553.8	-31.8

※From the first quarter of FY2019, plant, property, and equipment as well as lease obligations increased due to application of a new lease standard (IFRS16) at overseas consolidated subsidiaries.

【Year-on-Year Comparison of Results】

(billion yen)



	FY2018 Result	Foreign Exchange	Tariff	Fixed Costs, etc.	Sales Expansion	Selling Price	Cost Reductions	Raw Materials	FY2019 Result
Total	276.3	-20.0	-6.0	-35.0	+7.3	+14.0	+28.5	+0.5	265.5
Air-Conditioning	237.6	-18.7	-6.0	-32.2	+14.8	+16.5	+26.6	-2.5	236.2
Chemicals	32.5	-1.3	—	-2.5	-6.9	-2.5	+1.5	+3.0	23.8
Others	6.1	—	—	-0.3	-0.6	—	+0.4	—	5.5
Forecast	276.3	-21.5	-6.0	-39.0	+30.2	+16.0	+29.0	—	285.0

While it is difficult to predict the impact of COVID-19, we are making contingency plans and preparing measures to both defend our current positions and act upon new ones. We intend to respond flexibly as the situation dictates and continually review the management plan once every one or two months.

To minimize the impact of COVID-19, we are preparing detailed measures by region, business, and product.

The company will further strengthen its sales and marketing capabilities, launch new high value-added and differentiated products, implement thorough selling price measures, and promote total cost reductions, including cutbacks in fixed costs.

Daikin is also looking further ahead to a post-pandemic environment and how it can develop products and globally expand solution proposals to meet new customer needs arising from greater awareness for air quality and ventilation.

(billion yen)	FY2019 Result			FY2020 Forecast					
	H1	H2	Total	H1	Y/Y	H2	Y/Y	Total	Y/Y
Net sales	1,354.2	1,196.1	2,550.3	1,070.0	79%	1,260.0	105%	2,330.0	91%
Operating Profit (Percentage of Profit to net sales)	168.3 (12.4%)	97.2 (8.1%)	265.5 (10.4%)	40.0 (3.7%)	24%	110.0 (8.7%)	113%	150.0 (6.4%)	56%
Ordinary Profit (Percentage of Profit to net sales)	170.1 (12.6%)	99.0 (8.3%)	269.0 (10.5%)	40.0 (3.7%)	24%	110.0 (8.7%)	111%	150.0 (6.4%)	56%
Profit Attributable to Owners of Parent (Percentage of Profit to net sales)	118.5 (8.8%)	52.2 (4.4%)	170.7 (6.7%)	23.0 (2.1%)	19%	77.0 (6.1%)	147%	100.0 (4.3%)	59%
USD/JPY	¥109	¥108	¥109					¥108	
EUR/JPY	¥121	¥121	¥121					¥120	
RMB/JPY	¥15.7	¥15.5	¥15.6					¥15.7	

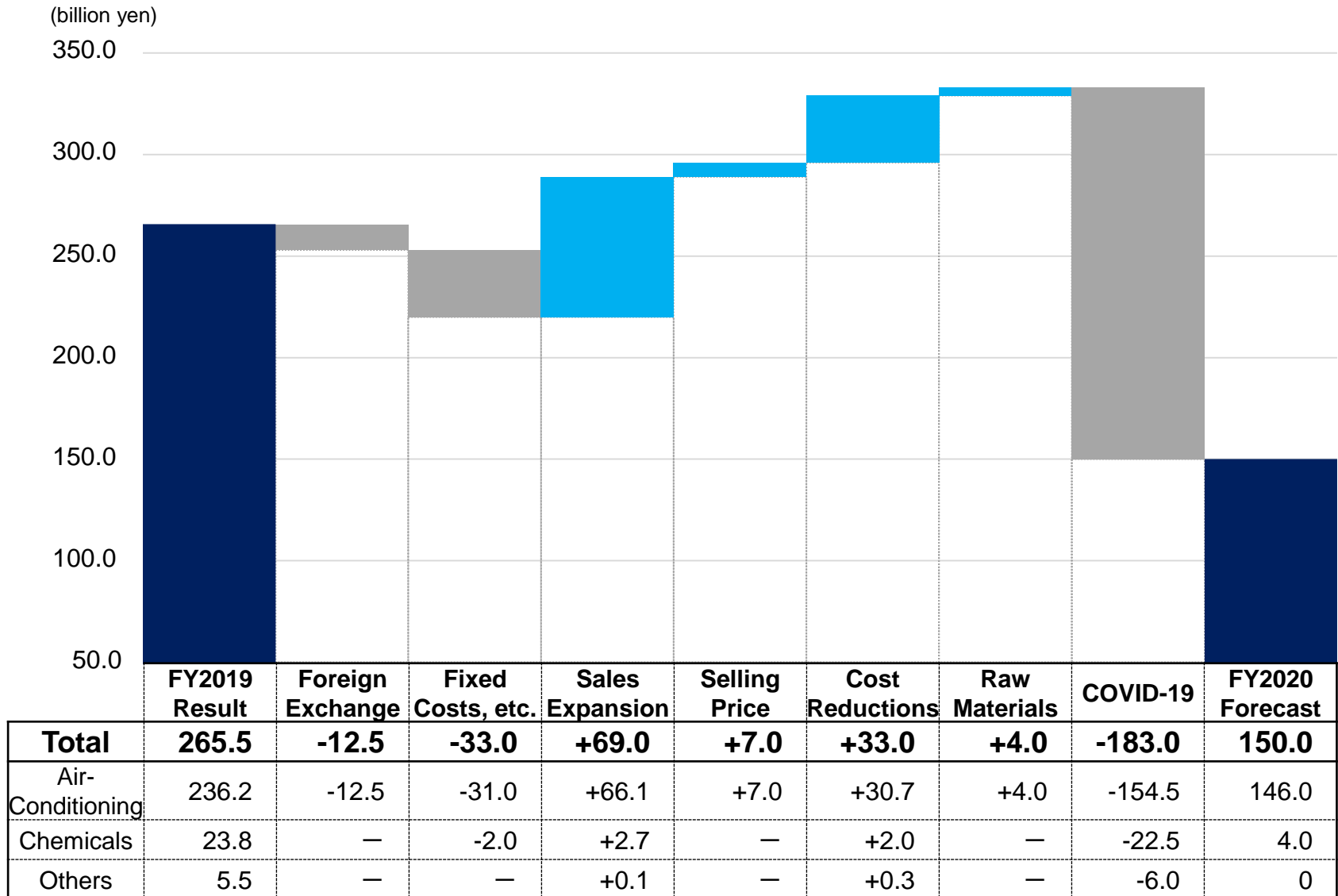
OFX Effect (Y/Y)

On Sales -36.0 billion yen

On Operating Profit -12.5 billion yen

(billion yen)		FY2019 Result	FY2020	
			Forecast	Y/Y
Total	Sales	2,550.3	2,330.0	91%
	Operating Profit <small>(Percentage of Profit to net sales)</small>	265.5 (10.4%)	150.0 (6.4%)	56%
Air-Conditioning	Sales	2,309.1	2,131.0	92%
	Operating Profit <small>(Percentage of Profit to net sales)</small>	236.2 (10.2%)	146.0 (6.9%)	62%
Chemicals	Sales	179.9	154.0	86%
	Operating Profit <small>(Percentage of Profit to net sales)</small>	23.8 (13.2%)	4.0 (2.6%)	17%
Others	Sales	61.3	45.0	73%
	Operating Profit <small>(Percentage of Profit to net sales)</small>	5.5 (9.0%)	0 (-%)	-

【Year-on-Year Comparison of Plan】



※Includes refrigerator, freezer and filter businesses

※Percentage expresses year on year comparison

(billion yen)	FY2015		FY2016		FY2017		FY2018		FY2019		FY2020 Forecast	
	Japan	101%	416.9	104%	431.7	104%	449.3	107%	481.7	103%	494.4	95%
Europe	111%	251.3	100%	250.5	120%	301.1	110%	332.2	114%	379.9	97%	370.0
China	99%	313.6	95%	297.1	115%	342.0	100%	342.2	89%	306.1	100%	305.0
Americas	113%	496.3	103%	513.4	111%	569.5	113%	645.6	109%	704.0	89%	630.0
Asia	113%	237.7	98%	232.9	108%	251.4	111%	280.2	105%	294.9	85%	250.0
Oceania	108%	47.0	109%	51.2	144%	73.7	106%	78.2	94%	73.6	75%	55.0
Middle East	113%	54.0	92%	49.7	114%	56.9	93%	53.1	90%	47.8	92%	44.0
Africa	106%	11.2	78%	8.7	104%	9.1	99%	9.0	93%	8.3	84%	7.0
Total	107%	1,828.0	100%	1,835.4	112%	2,052.9	108%	2,222.2	104%	2,309.1	92%	2,131.0
Overseas Sales ratio		77%		76%		78%		78%		79%		78%
USD/JPY		¥120		¥108		¥111		¥111		¥109		¥108
EUR/JPY		¥133		¥119		¥130		¥128		¥121		¥120
RMB/JPY		¥18.9		¥16.1		¥16.8		¥16.5		¥15.6		¥15.7

※Percentage expresses year on year comparison

(billion yen)	FY2015		FY2016		FY2017		FY2018		FY2019		FY2020 Forecast	
	Japan	101%	39.8	105%	41.9	112%	46.8	118%	55.2	91%	50.2	81%
Americas	104%	44.5	94%	42.0	101%	42.6	110%	46.9	94%	44.1	88%	39.0
China	100%	33.9	92%	31.2	124%	38.5	94%	36.3	93%	33.7	89%	30.0
Asia	110%	18.4	97%	17.8	127%	22.6	119%	27.0	95%	25.6	86%	22.0
Europe	156%	24.7	93%	22.9	136%	31.2	108%	33.7	74%	25.0	90%	22.5
Others	99%	1.0	107%	1.0	134%	1.4	124%	1.7	75%	1.3	—	—
Total	109%	162.3	97%	156.8	117%	183.1	110%	200.8	90%	179.9	86%	154.0
Overseas Sales ratio		75%		73%		74%		72%		72%		74%
USD/JPY		¥120		¥108		¥111		¥111		¥109		¥108
EUR/JPY		¥133		¥119		¥130		¥128		¥121		¥120
RMB/JPY		¥18.9		¥16.1		¥16.8		¥16.5		¥15.6		¥15.7

FY2019 Results

Industry demand for Residential Use fell below the previous fiscal year due to an unusually warm winter and a reversal of the surge in demand in the second half ahead of the consumption tax increase. However, we expanded share and capitalized on demand for a wide range of products that included **Urusara X**, our flagship air conditioner with a built-in interior cleaning function for the indoor unit, **risora**, which pursues both design and functionality, and products designed for cold regions.

Industry demand for Commercial Use exceeded the previous fiscal year due to special government demand for public school air conditioning. Daikin strengthened sales of products including **FIVE STAR ZEAS**, **machi MULTI**, and **MULTI CUBE**. By taking a sales strategy focused on profitability, sales growth fell below the industry average.

In Applied, sales expanded for high value-added products including those using R32 refrigerant.

FY2020 Plan

Demand is expected to decrease due to the conclusion of special demand for school air conditioning and the impact of the COVID-19 pandemic.

As interest grows for air quality, sales of high value-added products having a ventilation function will expand, and we will work to increase share and profitability. Together with constructing a flexible manufacturing system that corresponds to changes in demand, we will strengthen dealer support.

Y/Y change (Volume basis)	FY2019		FY2020	
	Market	Daikin	Market	Daikin
Residential	98%	99%	85%	95%
Commercial	108%	101%	81%	86%
Applied※	94%	101%	86%	94%

※Applied is based on sales.

(Demand forecast: The COVID-19 pandemic is expected to affect demand to some extent in the first quarter and have an effect for the first half.)

FY2019 Results

As a result of demand supported by personal spending, we enlarged the sales network, strengthened product development, and expanded the After Sales Service business. Selling price also had an effect, and sales exceeded the previous fiscal year.

- In Ducted Unitary for Houses, we enlarged company owned distributor network while training and supporting dealers. Sales within company owned distributor network were solid.
- In Ductless, sales expanded for low-cost RA models in the residential-use market. In **VRV systems**, we strengthened sales activities under User Direct.
- In Applied, in addition to expanding sales by strengthening the sales network and enhancing the product lineup, we expanded the After Sales Service business.

FY2020 Plan

Due to the impact of COVID-19, personal spending and capital investments are expected to stagnate and the economy worsen.

Despite this decrease in demand, we will work to increase market share in Ducted Unitary for Houses by launching new products that are designed for replacement demand, implementing selling price measures, and strengthening technical support to dealers by making more information available online. We will aim for improvement in profitability by increasing productivity at the new Goodman factory and reducing fixed costs.

Y/Y change (Volume basis)	FY2019	FY2020	
	Daikin	Market	Daikin
Ducted unitary for houses	104%	86%	90%
RA & SKY	115%	95%	94%
VRV	103%	86%	88%
Applied※	119%	94%	106%

※Applied is based on sales in local currency.

(Demand forecast: Demand is expected to significantly decrease in the first quarter, gradually begin to recover from the second quarter, and still have an adverse effect throughout the year.)

FY2019 Results

In addition to enhancing the product lineup in response to market changes and developing dealers in regional cities, we took advantage of softening market conditions for raw materials and reduced costs through in-house production and automation. Until the third quarter, year-on-year financial results showed an increase in revenue and profits (based on local currency). However, the impact of COVID-19 was significant, and we suspended manufacturing and sales activities for February. In March, the market stopped. Consequently sales decreased the previous fiscal year.

- In the Residential Use market, we promoted development of the PROSHOP specialty stores in regional cities expecting growth. In addition to products marketed to middle-to-upper class residences, we enhanced the product lineup for general residences.
- In the Commercial Use market, we accelerated the shift from equipment sales to a Solutions business, promoted the adoption of IoT in products, and expanded our After Sales Service business. In the mature markets of urban cities, we worked to obtain replacement demand.
- In the Applied market, we promoted proposal sales in fields such as the field of information and communications where demand is growing.

FY2020 Plan

We will focus on dealer development in regional cities, sales expansion of IoT products, and growth of a Maintenance and Servicing business that utilizes operational data. We will respond to market changes triggered by COVID-19, aim to expand business while ascertaining conditions for a market recovery.

- We will develop a sales model combining our forte of a bricks-and-mortar sales network and the Internet.
- The product lineup will be strengthened to respond to the air quality needs (air purification, ventilation, disinfection) of each market such as commercial buildings, stores, and residences.

Y/Y change (Local currency basis)	FY2019	FY2020	
	Daikin	Market	Daikin
Residential	97%	90%	95%
Commercial	90%	95%	98%
Applied	95%	90%	91%

(Daikin forecast: Demand will slowly recover from April)

FY2019 Results

In Europe, sales of high value-added products expanded due to greater environmental awareness. From the end of February, we were impacted by COVID-19, mainly in Italy, but the new consolidation of AHT had a positive effect, and sales for the entire region significantly exceeded the previous year.

- In Residential Use, sales expanded for high value-added products including R32 units. A summer heat wave in France and Germany had a positive impact, resulting in significant sales growth from the previous year.
- In Commercial Use, sales for **VRV systems** increased for differentiated products using recycled refrigerant and refrigerant-saving models in Europe. For **SkyAir**, sales of R32 units expanded.
- In the Heating business, Daikin capitalized on its wide product lineup of heat pump type hot water heating systems, and market share expanded based on strong demand. In France, incentives promoting replacement from combustion-type equipment provided a tailwind, and sales substantially grew.
- In Applied, sales significantly increased for R32 chillers launched ahead of other companies.

FY2020 Plan

Demand is expected to decrease due to restrictions on economic activities such as city lockdowns. Both Residential and Commercial Use will promote sales expansion of environmentally-conscious products. In the Heating business, we will promote environmental performance of heat pump type hot water heating systems to increase market share. In the Refrigerator and Freezer business, Daikin together with Zanotti and AHT will accelerate business expansion in the cold chain. Differentiated and environmentally-conscious products such as CO2 refrigerants will be launched and promoted.

Y/Y change (Volume basis)		FY2019	FY2020	
		Daikin	Market	Daikin
Residential		103%	72-82%	87%
Commercial	SKY	101%	73-83%	88%
	VRV	106%	71-81%	88%
Heating		124%	95-105%	115%
Applied※		106%	72-82%	94%

※Applied is based on sales in local currency.

(Demand forecast: Demand is expected to significantly decrease for the first half and gradually begin to recover from the third quarter)

FY2019 Results

Together with expanding the sales network from urban cities to regional cities in each country, we strengthened the after sales service system and increased sales personnel. Particularly in India, we expanded sales of differentiated products corresponding to regional needs. Sales improved over the previous fiscal year.

- In Residential Use, sales of differentiated products such as cooling-only inverter units expanded primarily in India, Thailand, and Indonesia.
- In Commercial Use, together with promoting proposal sales customized by application, we focused on training dealers. Sales increased in each country, primarily in India, Thailand, Vietnam, and Indonesia.
- In Applied, sales significantly grew from the strengthening of product supply capabilities and training dealers.

FY2020 Plan

■ Year-on-year sales of main countries (local currency basis)
 Australia: 102% India: 107% Vietnam: 105%
 Thailand: 115% Malaysia: 103% Indonesia: 115%

Demand is expected decrease due to having expanded impact of COVID-19 from after the middle of March. Daikin will continue to focus on expanding sales of differentiated products while developing and training dealers. We intend to increase market share by working to strengthen our relationships with dealers through stable product supply, technical and sales promotion support, and enhancement of online training.

Y/Y change (Volume basis)		FY2019	FY2020	
		Daikin	Market	Daikin
Residential		106%	80%	87%
Commercial	SKY	106%	85%	92%
	VRV	111%	92%	97%
Applied		120%	66%	83%

※Applied is based on sales in local currency.

(Demand forecast: Demand is expected to significantly decrease for the first half and gradually begin to recover from the third quarter)

FY2019 Results

Sales fell below the previous fiscal year from the impact of lower demand, mainly in the semiconductor and automotive markets, and slumping sales of refrigerant gas in Europe.

- Sales of fluorocarbon gas in Europe fell below the previous fiscal year from distribution stock stagnation due to strong demand in the previous year.
- In fluoropolymers and fluoroelastomers, reduced demand in the global semiconductor and automotive markets led to a significant decline in sales.
- In Fine Chemicals, sales for etching solution fell due to lower demand in the semiconductor market. Sales of water and oil repellent agents decreased in China and the United States due to a lack of demand. Sales for the surface antifouling agent **OPTOOL** also decreased.

FY2020 Plan

In addition to the slow recovery in the semiconductor market and a slowdown in the automotive market, demand is expected to large decline due to a slump in personal consumption and capital investments resulting from the impact of COVID-19.

Leveraging the acceleration of IT use in the adoption of 5G and the increase in online learning and telecommuting, we will work to increase share in the fields of semiconductors and information and communications while strengthening spec-in activities centering on materials for lithium - ion batteries for next-generation vehicles.

Y/Y change (Sales basis)	FY2019	FY2020	
	Daikin	Market	Daikin
For all fluorochemical products	90%	80%	86%
Fluorocarbon Gas	73%	60%	60%
Polymers & Fluoroelastomers	92%	80%	88%
Fine Chemicals, etc.	93%	86%	90%

(Demand forecast: Demand is expected to significantly decrease for the first half and gradually begin to recover from the third quarter)

FY2019 Results

Although we reorganized our manufacturing system to improve profitability and strengthened our business structure, sales fell in each region, including Japan, Europe, and the United States. This led to a decline against the previous fiscal year. In the United States where sales continue to deteriorate, we carefully reviewed the mid-term business plan concerning intangible assets and recorded an impairment loss.

- In the Air Filter segment, despite efforts to improve air filter manufacturing in the United States, supply delays caused sales to decrease. In Europe and China, sales declined from increased competition, and Japan was affected by a decrease in semiconductor-related demand.
- At P&I※, we faced a severe demand environment and worked to improve the business structure by expanding the After Sales Service business; nevertheless, sales decreased.

FY2020 Plan

We will strengthen efforts to resolve social issues related to IAQ/Air environment by capitalizing on the high interest in air quality worldwide. Together with improving productivity and reducing costs in the United States, we will work to strengthen our marketing capabilities of high value-added products such high-performance filters and cleanroom equipment.

- In U.S., we will expand sales for high-performance residential air filters by utilizing the Internet.
- In Europe, we will expand sales of products for high-end markets such as hospitals and pharmaceutical companies along with food processing factories.
- In China, we will expand sales of IAQ products by promoting sterilization and antibacterial properties.
- P&I will expand its After Sales Service business and promote total cost reductions.

※P&I : Commercial-use dust collection systems for applications including gas turbines and large-scale plants

FY2019 Results

◇ Oil Hydraulics business

Even through sales increased for construction equipment, sales dropped due lower demand for industrial machinery, primarily in Japan.

◇ Defense Systems business

In addition to expanding sales to the Japanese Ministry of Defense, we also expanded sales of home oxygen concentrators to increase sales.

◇ Electronics business

Sales expanded for products supporting higher work efficiency in the manufacturing industry and CG production systems, leading to increased sales.

FY2020 Plan

◇ Oil Hydraulics business

Profits are expected to decrease due to a significant decline in demand from lower capital investments, mainly in Japan and the United States. We will work to strengthen sales and marketing capabilities and promote cost reductions in order to improve the business structure.

◇ Defense Systems business

We will promote sales expansion of home oxygen concentrators in Japan and China.

◇ Electronics business

We will aim to expand sales in strong demand markets such as for CAD and CG software.

- ◆ As currently announced, Daikin plans an annual dividend of 160 yen (interim 80 yen and term-end 80 yen.)
- ◆ The dividend for the next fiscal year is undetermined.

【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.

		FY2015	FY2016	FY2017	FY2018	FY2019 (Proposed)
Dividend per share	Interim	¥55	¥60	¥65	¥70	¥80
	Annual	¥120	¥130	¥140	¥160	¥160
Earning per share	H1	¥274.6	¥330.1	¥347.1	¥385.8	¥405.1
	Annual	¥469.2	¥526.8	¥646.5	¥646.4	¥583.6
(Reference) DOE Trends		3.4%	3.6%	3.4%	3.5%	3.3%

Exchange Rate

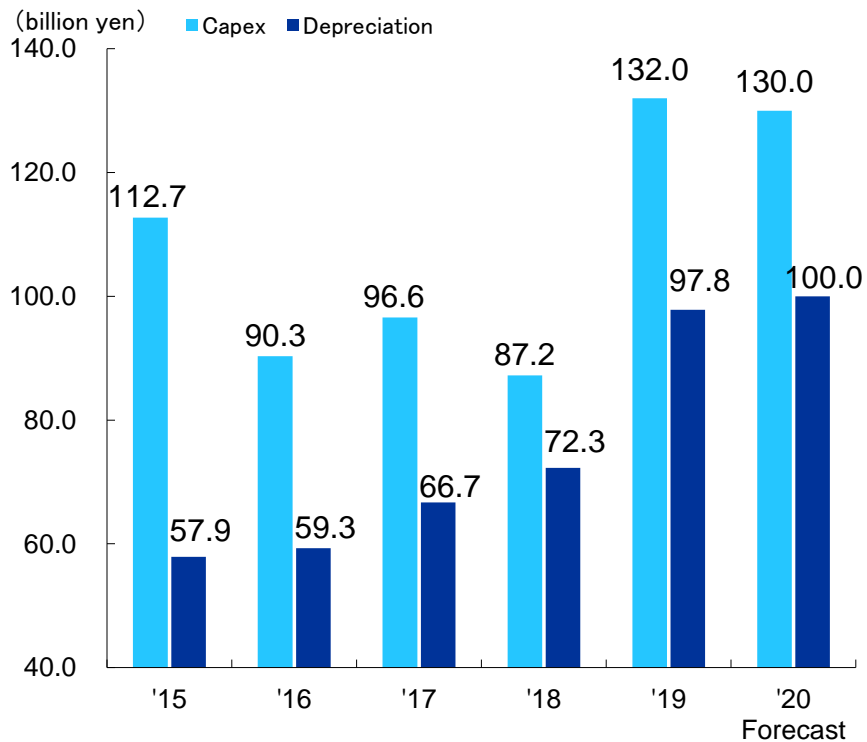
	FY2018 Result			FY2019 Result			FY2020 Forecast
	H1	H2	Total	H1	H2	Total	
USD	¥110	¥112	¥111	¥109	¥108	¥109	¥108
EUR	¥130	¥126	¥128	¥121	¥121	¥121	¥120
THB	¥3.4	¥3.4	¥3.4	¥3.5	¥3.5	¥3.5	¥3.6
RMB	¥16.8	¥16.2	¥16.5	¥15.7	¥15.5	¥15.6	¥15.7
AUD	¥82	¥80	¥81	¥75	¥73	¥74	¥66

Sensitivity of Foreign Exchange (Impact of change by 1 yen to operating profit)

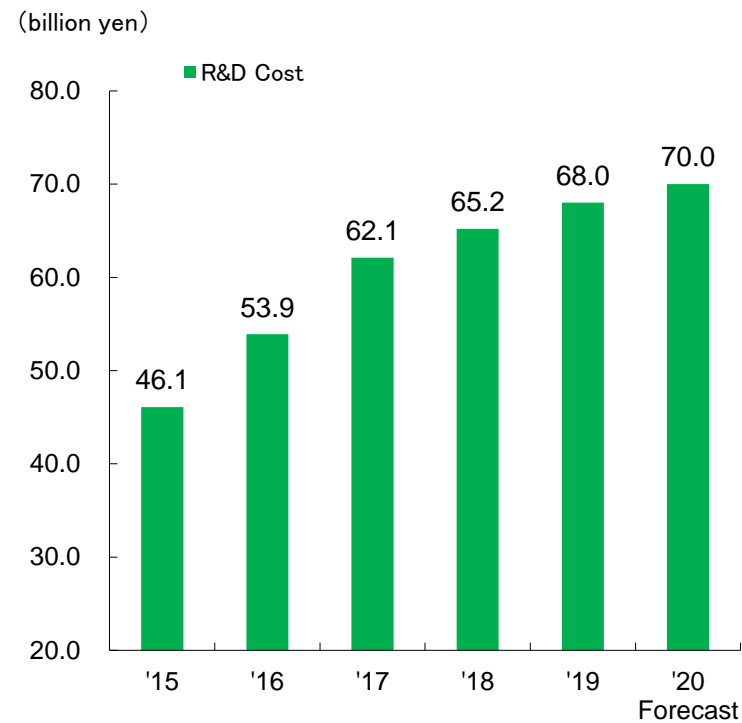
	FY2020 Forecast
USD	1.3 billion yen※
EUR	0.4 billion yen

※Changes for the THB, RMB, AUD, etc., are assumed to be linked to the US\$

Capex and Depreciation



R&D Cost



Air Conditioning Business

【Japan】	
Manufacturing	Normal operations
Sales	Relying mainly on telecommuting that continues activities by telephone and online

【Americas】	
Manufacturing	Resumption of operations for the new Goodman factory after temporary suspension (April 1st-21 th)
Sales	<ul style="list-style-type: none"> ▪ Continuation of curfew ▪ Continuation of activities by telephone and online

【China】	
Manufacturing	<ul style="list-style-type: none"> ▪ Extended spring holidays of main factories; resumed operations ▪ Manufacturing in line with suppliers' operation status
Sales	<ul style="list-style-type: none"> ▪ Restrictions on commuting to work and installations in large cities ▪ Continuation of communication with customers by SNS and telecommuting

<Reference: Operation Status of Factories>
 • Shanghai Factory (Commercial), Suzhou Factory (Residential): Resumed Feb 10th
 • Wuhan Factory (Applied) : Resumed March 23rd

【Europe】	
Manufacturing	Temporary suspension of Applied factory in Italy (March 23rd-April 6th); resumed operations
Sales	<ul style="list-style-type: none"> ▪ City lockdowns and home confinement continue in each country (partially lifted) ▪ Logistics function declines in Italy ▪ Introduced telecommuting and activities continue by telephone and online

【Asia/Oceania】	
Manufacturing	Some temporary factory closures in some countries; resumed operations
Sales	<ul style="list-style-type: none"> ▪ Lockdown of urban areas continues in all countries ▪ Introduced telecommuting and continued activities by telephone and online

<Reference: Operation Status of Factories>
 • Malaysia (Applied): Closed March 18th-April 19th
 • India (Residential/Commercial): Closed March 22nd-May 3rd
 • Vietnam (Residential): Closed April 1st-April 19th

Chemicals Business

Manufacturing	Short-term factory closures in some regions (Italy / America), resumed operations
Sales	Activities in areas where there are lockdowns and curfew continue by telephone and online



DAIKIN INDUSTRIES, LTD.

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.
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