



Presentation of Financial Results
for the First Half in September 2019

November 7, 2019

DAIKIN INDUSTRIES, LTD.

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《Reference》

Note: This material presents the cumulative Q2 results (April-September).

Amid the ever more severe business environment that included the negative impact of foreign exchange rates and the substantial downturn in the semiconductor market, Daikin took pre-emptive measures such as launching new products consistent with market changes while increasing sales of high value-added products, implementing thorough selling price measures, and promoting total cost reductions. Consequently, we achieved record highs in both sales and profits.

In the Air Conditioning business, Daikin maintained revenue and profits on a local currency basis in the economic slowdown in China by enhancing the product lineup in step with the market environment as sales expanded in Japan, the Americas, Europe, and Asia. As a result, revenue and profits grew.

In the Chemicals business, the stagnant semiconductor and automotive markets significantly impacted results and led to a decline in both revenue and profits.

(billion yen)	FY2018 H1	FY2019 H1		Y/Y
	Result	Forecast	Result	
Net sales	1,299.0	1,390.0	1,354.2	104%
Operating profit (Percentage of profit to net sales)	160.6 (12.4%)	164.0 (11.8%)	168.3 (12.4%)	105%
Ordinary profit (Percentage of profit to net sales)	162.9 (12.5%)	164.0 (11.8%)	170.1 (12.6%)	104%
Profit attributable to owners of parent (Percentage of profit to net sales)	112.8 (8.7%)	114.0 (8.2%)	118.5 (8.8%)	105%

USD/JPY ¥110 ¥108 **¥109**

EUR/JPY ¥130 ¥125 **¥121**

RMB/JPY ¥16.8 ¥16.2 **¥15.7**

OFX Effect (Y/Y)

On Sales -41.0 billion yen

On Operating Profit -11.0 billion yen

(billion yen)		H1 Result		
		FY2018	FY2019	Y/Y
Total	Sales	1,299.0	1,354.2	104%
	Operating profit (Percentage of profit to net sales)	160.6 (12.4%)	168.3 (12.4%)	105%
Air-Conditioning	Sales	1,172.4	1,234.4	105%
	Operating profit (Percentage of profit to net sales)	140.5 (12.0%)	152.5 (12.4%)	109%
Chemicals	Sales	101.2	90.0	89%
	Operating profit (Percentage of profit to net sales)	17.6 (17.4%)	12.9 (14.4%)	73%
Others	Sales	25.4	29.8	118%
	Operating profit (Percentage of profit to net sales)	2.5 (10.0%)	2.8 (9.5%)	111%

Profit and Loss Statement



(billion yen)	FY2018 H1	FY2019 H1	Impact on profitability
	111	104	
Net sales	1,299.0	1,354.2	+55.2
Cost of sales	839.0	874.4	-35.5
	(64.6%)	(64.6%)	
Gross profit	460.1	479.8	+19.7
	(35.4%)	(35.4%)	
Selling general and administrative expenses	299.4	311.5	※1 -12.0
	(23.1%)	(23.0%)	
Operating profit	160.6	168.3	+7.7
	(12.4%)	(12.4%)	
Non-operating gain or losses	2.2	1.8	※2 -0.5
Ordinary profit	162.9	170.1	+7.2
	(12.5%)	(12.6%)	
Extraordinary gains or losses	-1.2	0.2	※3 +1.5
Profit before income taxes	161.6	170.3	+8.7
	(12.4%)	(12.6%)	
Corporate taxes, etc.	45.1	48.0	-2.8
Tax burden ratio	27.9%	28.2%	
Profit attributable to non-controlling interests	3.7	3.8	-0.1
Profit attributable to owners of parent	112.8	118.5	+5.7
	(8.7%)	(8.8%)	

※1 Changes in selling, general and administrative expense

Labor costs	-6.7
Service expense	-2.3
R&D expense	-1.3
Product shipping costs	-0.9

※2 Changes in non-operating gain or losses

Subsidy income	-1.5 (+2.4→+0.9)
Share of profit of entities accounted for using equity method	-1.3 (+1.5→+0.1)
FX losses	+1.3 (+1.3→0)
Interest paid	+0.4 (+6.6→+6.2)

※3 Changes in extraordinary gains or losses

Gain on sale of assets	+0.4(0→+0.4)
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() parentheses indicate percentage to net sales

(billion yen)	2018/9E	2019/9E	Y/Y
Cash and cash equivalents	417.9	382.7	-35.3
Receivables	<u>59 days</u> 419.8	<u>61 days</u> 451.3	+31.5
Inventories	<u>56 days</u> 398.6	<u>58 days</u> 427.3	+28.8
Fixed assets	992.3	1,133.2	+140.9
Investment and others	225.8	199.4	-26.4
Others	133.2	129.5	-3.7
Total Assets	2,587.7	2,723.5	+135.8

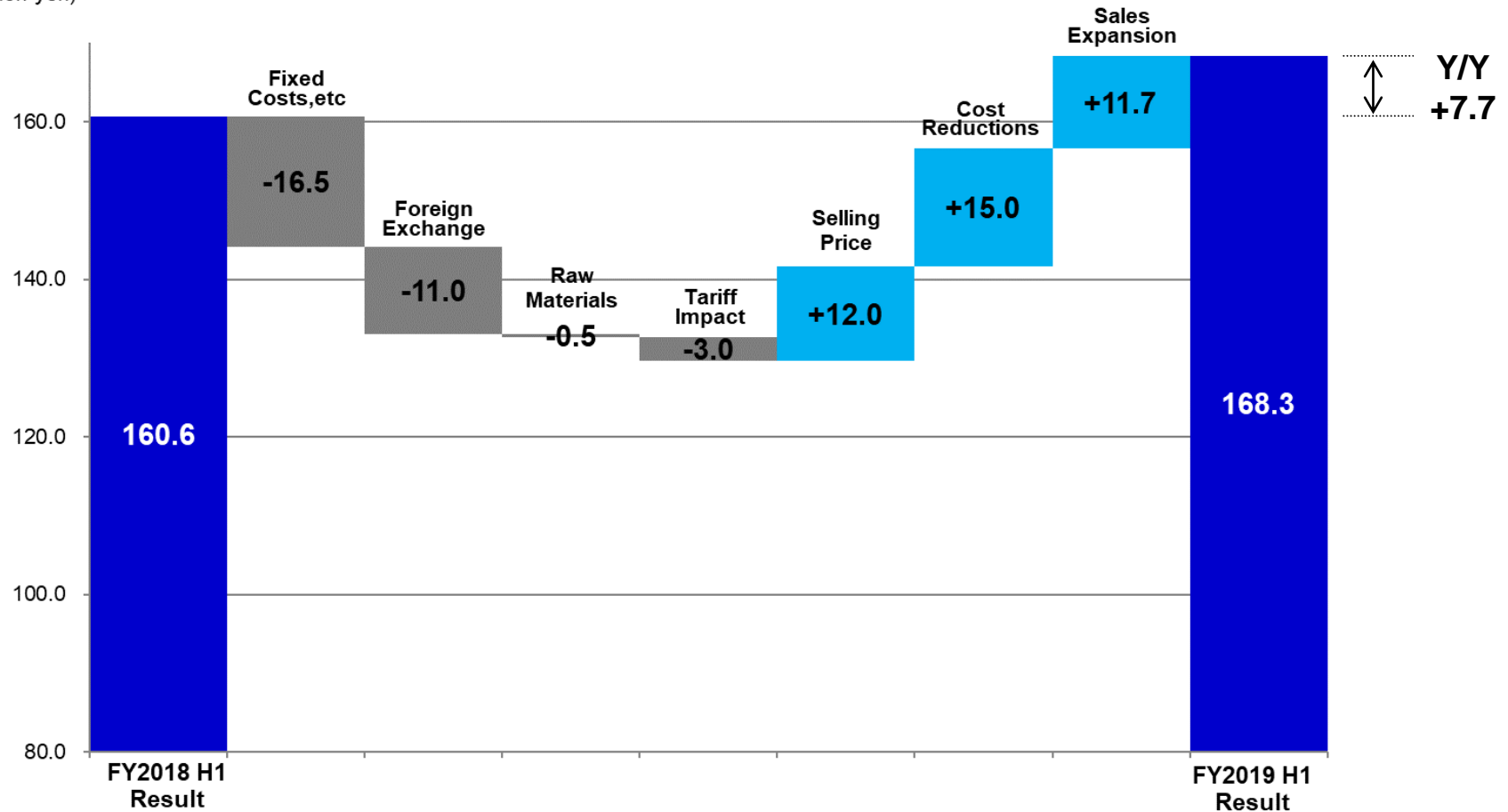
	2018/9E	2019/9E	Y/Y
Trade payables	190.2	188.1	-2.1
Interest bearing	524.3	591.6	+67.4
(Interest-bearing ratio)	(20.3%)	(21.7%)	
Others	440.2	464.2	+24.0
Total liabilities	1,154.7	1,244.0	+89.3
Total equity	1,403.5	1,445.2	+41.7
(Equity ratio)	(54.2%)	(53.1%)	
Share Warrant	1.8	2.1	+0.3
Non-controlling interests	27.7	32.3	+4.6
Total net assets	1,433.0	1,479.5	+46.5
Total liabilities and net assets	2,587.7	2,723.5	+135.8

※Breakdown of interest-bearing debt

	2018/9E	2019/9E	Y/Y
Short-term borrowings	51.5	41.9	-9.6
CP	0	48.0	+48.0
Bonds	110.0	70.0	-40.0
Long-term borrowings	352.0	361.5	+9.6
Lease debt	10.8	70.2	+59.5
Total	524.3	591.6	+67.4

【Year-on-Year Comparison of First Half Results】

(billion yen)



Sales by Region – Air Conditioning



※Includes the refrigerator and freezer and the filter businesses.

※Percentage expresses year on year comparison

(billion yen)	FY2015 H1		FY2016 H1		FY2017 H1		FY2018 H1		FY2019 H1		FY2019 Forecast (Nov.)		FY2019 Forecast (May)	
Japan	99%	211.9	104%	220.8	105%	232.9	108%	250.7	107%	268.7	104%	500.0	104%	500.0
Europe	110%	128.6	98%	126.4	115%	145.6	114%	166.6	113%	188.7	117%	390.0	117%	390.0
China	106%	189.9	88%	166.8	117%	195.2	107%	207.9	96%	199.4	96%	327.0	99%	340.0
Americas	121%	273.0	99%	270.7	112%	304.4	112%	341.4	108%	369.4	108%	700.0	110%	710.0
Asia	116%	121.1	97%	117.3	107%	126.0	111%	140.3	106%	148.7	109%	305.0	112%	315.0
Oceania	108%	21.4	108%	23.2	142%	32.9	113%	37.3	90%	33.7	92%	72.0	102%	80.0
Middle East	127%	24.4	91%	22.1	113%	25.1	95%	23.9	92%	22.0	94%	50.0	100%	53.0
Africa	106%	4.9	72%	3.5	101%	3.6	122%	4.3	86%	3.7	100%	9.0	100%	9.0
Total	110%	975.2	98%	950.9	112%	1,065.5	110%	1,172.4	105%	1,234.4	106%	2,353.0	108%	2,397.0
Overseas Sales ratio	78%		77%		78%		79%		78%		79%		79%	
USD/JPY	¥122		¥105		¥111		¥110		¥109		¥109		¥108	
EUR/JPY	¥135		¥118		¥126		¥130		¥121		¥121		¥125	
RMB/JPY	¥19.4		¥15.9		¥16.4		¥16.8		¥15.7		¥15.5		¥16.2	

※Percentage expresses year on year comparison

(billion yen)	FY2015 H1		FY2016 H1		FY2017 H1		FY2018 H1		FY2019 H1		FY2019 Forecast (Nov.)		FY2019 Forecast (May)	
	YoY %	Value	YoY %	Value	YoY %	Value	YoY %	Value	YoY %	Value	YoY %	Value	YoY %	Value
Japan	110%	19.1	102%	19.4	119%	23.2	115%	26.6	98%	26.2	98%	54.0	103%	57.0
Americas	120%	21.1	87%	18.4	112%	20.5	114%	23.4	91%	21.3	98%	46.0	101%	47.5
China	102%	16.9	91%	15.4	119%	18.3	107%	19.6	92%	17.9	102%	37.0	108%	39.0
Asia	128%	9.0	86%	7.8	135%	10.5	120%	12.6	91%	11.4	98%	26.5	107%	29.0
Europe	163%	12.3	91%	11.2	120%	13.5	135%	18.2	68%	12.3	88%	29.5	111%	37.5
Others	70%	0.3	122%	0.4	170%	0.6	135%	0.9	93%	0.8	58%	1.0	—	—
Total	118%	78.8	92%	72.5	119%	86.6	117%	101.2	89%	90.0	97%	194.0	105%	210.0
Overseas sales ratio	76%		73%		73%		74%		71%		72%		73%	
USD/JPY	¥122		¥105		¥111		¥110		¥109		¥109		¥108	
EUR/JPY	¥135		¥118		¥126		¥130		¥121		¥121		¥125	
RMB/JPY	¥19.4		¥15.9		¥16.4		¥16.8		¥15.7		¥15.5		¥16.2	

Daikin intends to maintain the underlining direction of increased revenue and profits by implementing measures in line with the challenging targets it set at the start of the fiscal year. Even within the future uncertainty of the business environment and negative impact of foreign exchange rates, the publicly-announced annual plan for operating profit remains unchanged. In the Air Conditioning business, we will promote sales expansion of high value-added products centered on regions of strong demand, and even in the Chemicals business we will identify markets where there is demand and work to ensure profits. Efforts will be made to strengthen sales and marketing capabilities, thoroughly implement selling price measures, and further promote total cost reductions.

(billion yen)	FY2018 Result			FY2019 Forecast (May)	FY2019 Forecast (Nov.)			
	H1	H2	Total	Total	H1 Result	H2	Total	Y/Y
Net sales	1,299.0	1,182.1	2,481.1	2,670.0	1,354.2	1,255.8	2,610.0	105%
Operating profit (Percentage of profit to net sales)	160.6 (12.4%)	115.6 (9.8%)	276.3 (11.1%)	285.0 (10.7%)	168.3 (12.4%)	116.7 (9.3%)	285.0 (10.9%)	103%
Ordinary profit (Percentage of profit to net sales)	162.9 (12.5%)	114.2 (9.7%)	277.1 (11.2%)	285.0 (10.7%)	170.1 (12.6%)	114.9 (9.2%)	285.0 (10.9%)	103%
Profit attributable to owners of parent (Percentage of profit to net sales)	112.8 (8.7%)	76.2 (6.4%)	189.0 (7.6%)	193.0 (7.2%)	118.5 (8.8%)	76.5 (6.1%)	195.0 (7.5%)	103%
USD/JPY	¥110	¥112	¥111	¥108	¥109	¥108	¥109	
EUR/JPY	¥130	¥126	¥128	¥125	¥121	¥120	¥121	
RMB/JPY	¥16.8	¥16.2	¥16.5	¥16.2	¥15.7	¥15.2	¥15.5	

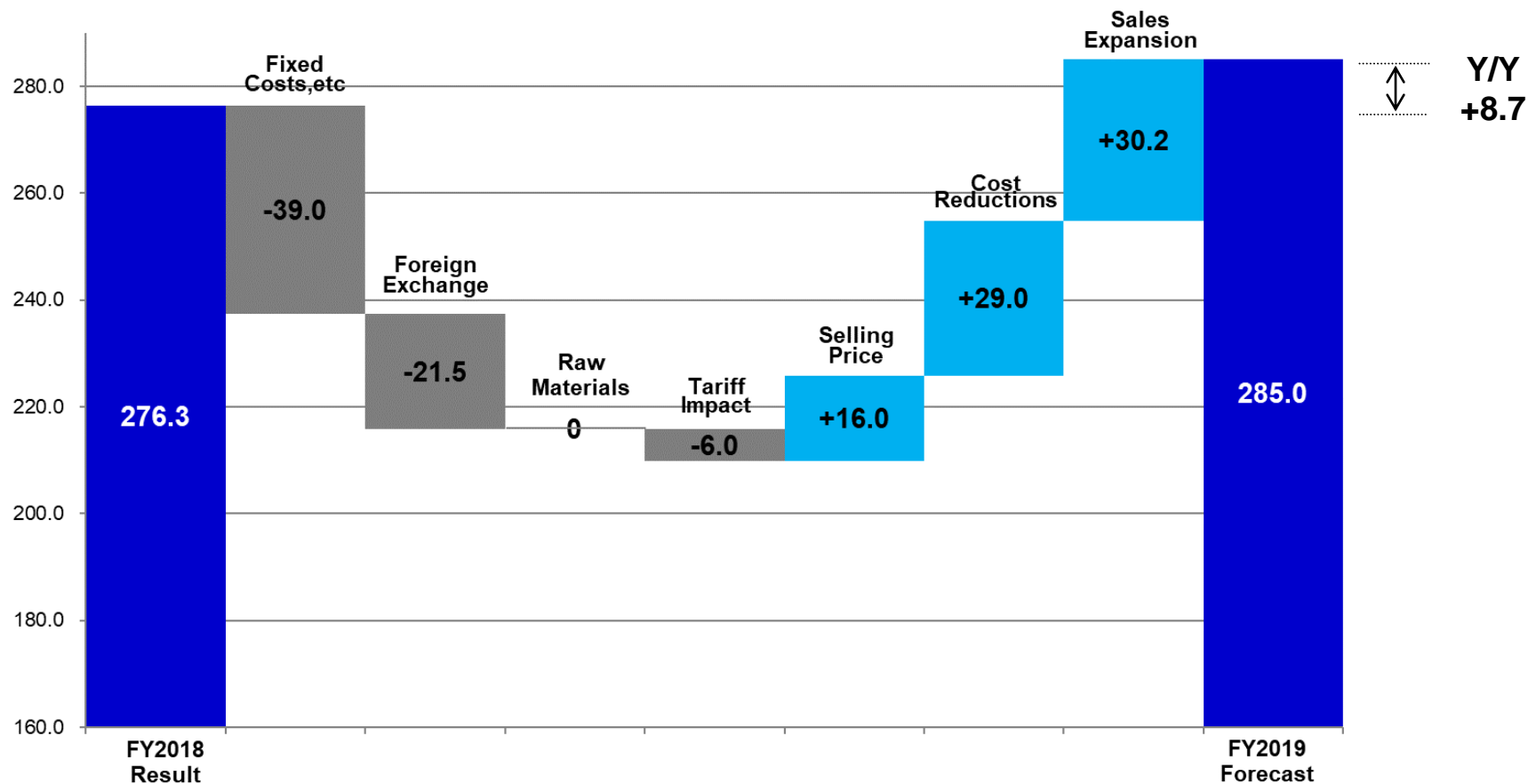
OFX Effect (Y/Y)

On Sales -84.0 billion yen
On Operating Profit -21.5 billion yen

		FY2018 Result	FY2019 Forecast (May)	FY2019 Forecast (Nov.)			
				H1 Result	H2	Total	Y/Y
(billion yen)							
Total	Sales	2,481.1	2,670.0	1,354.2	1,255.8	2,610.0	105%
	Operating profit (Percentage of profit to net sales)	276.3 (11.1%)	285.0 (10.7%)	168.3 (12.4%)	116.7 (9.3%)	285.0 (10.9%)	103%
Air- Conditioning	Sales	2,222.2	2,397.0	1,234.4	1,118.6	2,353.0	106%
	Operating profit (Percentage of profit to net sales)	237.6 (10.7%)	246.0 (10.3%)	152.5 (12.4%)	96.5 (8.6%)	249.0 (10.6%)	105%
Chemicals	Sales	200.8	210.0	90.0	104.0	194.0	97%
	Operating profit (Percentage of profit to net sales)	32.5 (16.2%)	33.0 (15.7%)	12.9 (14.4%)	17.1 (16.4%)	30.0 (15.5%)	92%
Others	Sales	58.1	63.0	29.8	33.2	63.0	108%
	Operating profit (Percentage of profit to net sales)	6.1 (10.4%)	6.0 (9.5%)	2.8 (9.5%)	3.2 (9.6%)	6.0 (9.5%)	99%

【Full-Year Plan Comparison with Previous Fiscal Year】

(billion yen)



(Reference) May	Operating Profit	Fixed Expense, etc.	Foreign Exchange	Raw Materials	Tariff Impact	Selling Price	Cost Reduction	Sales Expansion	Operating Profit
	276.3	-45.0	-10.0	-7.0	-6.0	+16.0	+29.0	+31.7	285.0

First Half Overall

Industry demand for residential use was affected by unseasonable weather in July but exceeded the previous fiscal year due to a surge in demand ahead of the consumption tax increase and a strong first quarter. Daikin expanded sales based on demand generated by a wide product lineup including its flagship model **Urusara 7** and **risora**, a product which pursues both design and functionality.

Industry demand for commercial use exceeded the previous fiscal year due to special demand for school air conditioning and solid capital investments. In addition to mainstay products such as **FIVE STAR ZEAS** and **machi MULTI**, Daikin expanded sales for differentiated products including **MULTI CUBE**, which enables individual control even in large spaces like factories. Results fell short of industry growth due to a sales strategy focused on high profitability. In Applied Systems, sales expanded for high value-added products including those using R32 refrigerant.

Second Half Measures

For the 20th anniversary of the launch of the **Ururu Sarara** series, we are working to expand products featuring our unique humidifying function without a water supply in models ranging from residential to commercial use as we strive to increase sales of mid-range and high-end models. Also, we will promote upgrades to R32 models centering on commercial use by capitalizing on replacement demand triggered by the end of R22 refrigerant production.

<AC sales by product (volume basis)>

(Y/Y change)		H1 Result	Full Year Forecast
Residential	Market	103%	97%
	Daikin	106%	100%
Commercial	Market	115%	105%
	Daikin	106%	101%
Applied	Market	104%	97%
	Daikin	109%	100%

※Applied is based on sales.

<Market demand indexes relating to AC>

(Y/Y change)	FY2018	FY2019 Forecast	
		in Mar.	in Sep.
Personal spending	+0.5%	+0.5%	+0.4%
New housing starts	+0.7%	-7.1%	-8.1%
Private capital investment	+3.5%	+2.1%	+1.0%
Floor areas of new construction of non-residential building	-4.3%	+1.5%	-1.0%

First Half Overall

Although corporate capital investments slowed, personal spending supported the economy, and demand remained solid. Price increases and cost reductions helped soften the impact of custom duties from China-U.S. trade friction. In addition to enlarging the sales network and the After Sales Service business, an increase in sales price also contributed, and sales exceeded the previous fiscal year.

- For Ducted Unitary for Houses, we expanded company owned distributor network and promoted distributor development and support. Sales remained on par with the previous fiscal year due to a reversal from the heat wave in the last fiscal year.
- For Ductless, sales of a low-cost mini-split air conditioners were strong in the residential-use market.
- In Applied Systems, in addition to expanding equipment sales by enhancing the product lineup, we enlarged the After Sales Service business.

Second Half Measures

Together with completing transfer by the end of the year to the new Goodman factory located in the Daikin Texas Technology Park and further improving productivity, we will accelerate strengthening of the sales network. In Ducted Unitary for Houses, we will expand the lineup of inverter models. For Ductless, sales expansion is expected from improvement of the product lineup for cold regions in **VRV systems**. In Applied Systems, we will increase production capacity to capitalize on solid orders and expand sales.

<AC sales by product (volume basis)>

(Y/Y change)	H1 Result	Full Year Forecast	
		Market	Daikin
Ducted unitary for houses	101%	104%	106%
Ductless	RA/SKY	111%	115%
	VRV	106%	109%
Applied	113%	108%	123%

※SKY・・・Medium or compact size packaged air conditioners

※VRV・・・Multi-split system for commercial

※Applied is based on sales in local currency.

First Half Overall

Despite the economic slowdown resulting from the China-U.S. trade friction and the Chinese government's policy to restrict new housing, Daikin enhanced the product lineup in response to market changes and expanded sales to regional cities. Together with capitalizing on softening market conditions for raw materials, we acted to curtail fixed costs and reduce costs through in-house production and automation. As a result, revenue and profits increased on a local currency basis.

- In Residential Use, sales resources shifted to regional cities expecting growth, and PROSHOP specialty stores increased. In addition to the **New Life Multi Series**, which is marketed to middle-to-upper class residences, we enlarged the product lineup for general residences and increased sales.
- In Commercial Use, despite lower demand for new construction of large-scale projects, we capitalized on the solid demand for store projects, such as restaurants, and small- and medium-sized bid proposals for renewal projects. In major cities with mature markets, sales grew by gaining replacement demand with **Intelligent VRV systems**, which link to customers via the Internet.
- In Applied Systems, we proceeded with proposal sales in fields where demand is expected to grow such as data centers.

Second Half Measures

We will build a new business model corresponding to market changes. Together with accelerating differentiation with intelligent products that strengthen IoT function in both the residential-use and commercial-use markets, we will work to expand the After Sales Service business that includes servicing and maintenance utilizing operation data.

<AC sales by market (aggregate sales in local currency)>

(Y/Y change)	H1 Result	Full Year Forecast	
		Market	Daikin
Residential※	105%	97%	102%
Commercial	97%	96%	100%
Applied	103%	98%	101%

※Multi-split air conditioners for residential use are included.

First Half Overall

In Europe, sales grew for environmental products in the backdrop of solid personal spending. Although sales declined in Turkey, the new AHT consolidation generated a positive effect, and overall regional sales greatly exceeded the previous fiscal year.

- In Residential Use, sales increased for high value-added products including R32 models. The effect of the heat wave was seen in France and Germany, and sales grew significantly in continuation of the previous fiscal year.
- In Commercial Use, sales of **SkyAir** models using R32 expanded in most European countries. For **VRV systems**, sales increased for differentiated products using refrigerant reclaimed in Europe and refrigerant-saving models, However, Middle East sales decreased
- In the Heating Business, the product lineup for heat pump type hot water heating systems increased. In France, incentives promoting switchover from combustion type heaters were strengthened, and sales substantially grew.
- In Applied Systems, sales significantly increased for R32 chillers that were launched ahead of other companies in the Middle East market, which is the largest market.

Second Half Measures

In Residential Use, sales are expected to increase based on higher demand for multi-split air conditioners.

In Commercial Use, we will work to expand sales of environmental products in anticipation of lower demand in the Middle East.

In the Heating business, we will capture strong demand and enlarge market share by promoting the environmental performance of heat pump type hot water heating systems.

In the Refrigerator and Freezer business, we intend to expand business for the cold chain overall by using the combined sales networks and product lineups of Zanotti and AHT.

<AC sales by product (volume basis)>

(Y/Y change)		H1	Full Year Forecast	
		Result	Market	Daikin
Residential		106%	98%	109%
Commercial	SKY	103%	87%	106%
	VRV	99%	100%	109%
Heating		125%	125%	131%
Applied		118%	100%	103%

※SKY・・・Medium or compact size package air conditioners

※VRV・・・Multi-split system for commercial

※Applied is based on sales in local currency.

First Half Overall

In each country, we expanded the sales network from urban to regional cities, developed differentiated products corresponding to regional needs, and strengthened the after sales service system as sales exceeded the previous fiscal year.

- In Residential Use, although we faced price competition from competitors in Malaysia, sales expanded for differentiated products such as cooling-only inverter units in Thailand and Vietnam. And also in India, we built a sales network in regional cities and significantly increased sales.
- In Commercial Use, proposal sales customized to applications were promoted, and spec-in activities were improved. Sales particularly in India, Vietnam, and Malaysia.
- In Applied Systems, sales significantly grew from the strengthening of product supply capabilities and training dealers.

■ Year-on-year sales of main countries (local currency basis)
 India: 116% Australia: 97% Vietnam: 108%
 Thailand: 117% Malaysia: 99% Indonesia: 112%

Second Half Measures

Launch of new products offering energy-saving needs will accelerate market conversion to inverters in all countries.

In Residential Use, sales are expected to grow for differentiated products such as multi-split air conditioners. In Commercial Use, the **SkyAir** lineup will expand with introduction of cooling-only inverter units using refrigerant R32.

Also, detailed proposal sales according to application, such as for schools or hospitals, will be promoted for **VRV systems**.

<AC sales by product (volume basis)>

(Y/Y change)		H1 Result	Full Year Forecast	
			Market	Daikin
Residential		105%	104%	111%
Commercial	SKY	105%	104%	115%
	VRV	110%	107%	118%
Applied		125%	104%	134%

※SKY...Medium or compact size package air conditioners

※VRV...Multi-split system for commercial

※Applied is based on sales in local currency.

First Half Overall

A market decline in demand for semiconductors and automobiles along with lower sales of refrigerant gas in Europe resulted in a sales decrease over the previous fiscal year.

- For Fluorocarbon Gas, distribution stock accumulated due to reversal of the strong demand seen in the previous fiscal year in Europe, and sales declined.
- Polymers and Fluoroelastomers
 - Fluoropolymers experienced a decrease in sales due to lower global demand for global semiconductor-related products.
 - Fluoroelastomers were affected by lower demand in the automotive market, and sales decreased.
- In Fine Chemicals, sales for etching solution fell due to lower demand in the semiconductor market. Sales were strong in Asia for water and oil repellent agents but decreased in other regions. Sales for the surface antifouling agent **OPTOOL** fell centering on China and Asia.

Second Half Measures

In addition to expanding sales in solid markets such as LAN cable, we will work to ensure profits by promoting total cost reductions. Even in the semiconductor market where demand is stagnant, we will work toward stable sales and improve product supply capabilities in preparation of demand recovery. Also, we will promote application development for the automotive market.

<Chemical sales by product (aggregate sales)>

(Y/Y change)	H1 Result	Full Year Forecast	
		Market	Daikin
For all fluorochemical products	89%	95%	97%
Fluorocarbon Gas	73%	88%	78%
Polymers & Fluoroelastomers	92%	95%	100%
Fine Chemicals, etc.	92%	96%	98%

First Half Overall

Although the manufacturing system was reorganized to strengthen profitability, sales fell in Japan, Europe, and the United States, and this resulted in a decline over the previous fiscal year.

- In Air Filter, sales decreased due to lower demand in the semiconductor market in Japan in addition to a decline in sales due to a supply delay in the main U.S. market.
- At P&I※, we promoted a resource shift to the After Sales Service business, but sales greatly declined from lower demand due to a slowdown in the gas turbine market.

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

Second Half Measures

In Air Filter, we will aim to expand sales for high-end markets such as biotechnology and pharmaceuticals in Europe and Asia while proceeding with reorganization of the manufacturing system in the United States.

At P&I, we will strive to promote total cost reductions by reviewing the manufacturing system and reducing fixed costs in order to build a stable business foundation.

First Half Overall

In the Oil Hydraulics business, sales grew for construction equipment in Japan and North America, and revenue increased.

The Defense Systems business experienced a sales increase in home oxygen concentrators in addition to a recovery in orders from the Japanese Ministry of Defense for artillery shells, resulting in higher revenue.

In the Electronics business, sales expanded for R&D support systems (visual R&D), and revenue increased.

Second Half Measures

In the Oil Hydraulics business, we will work to expand sales for industrial machinery focusing on North America and build a foundation for business in Europe and Asia.

In the Defense business, we intend to promote sales of home oxygen concentrators in Japan and China.

In the Electronics business, we will accelerate sales of system products that support operational efficiency for the manufacturing industry.

As currently announced, Daikin plans an annual dividend of 160 yen (interim 80 yen and term-end 80 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.

		FY2015	FY2016	FY2017	FY2018	FY2019 (Forecast)
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	¥666.7

(Reference) DOE Trends

3.4%

3.6%

3.4%

3.5%

3.2%

Exchange Rate

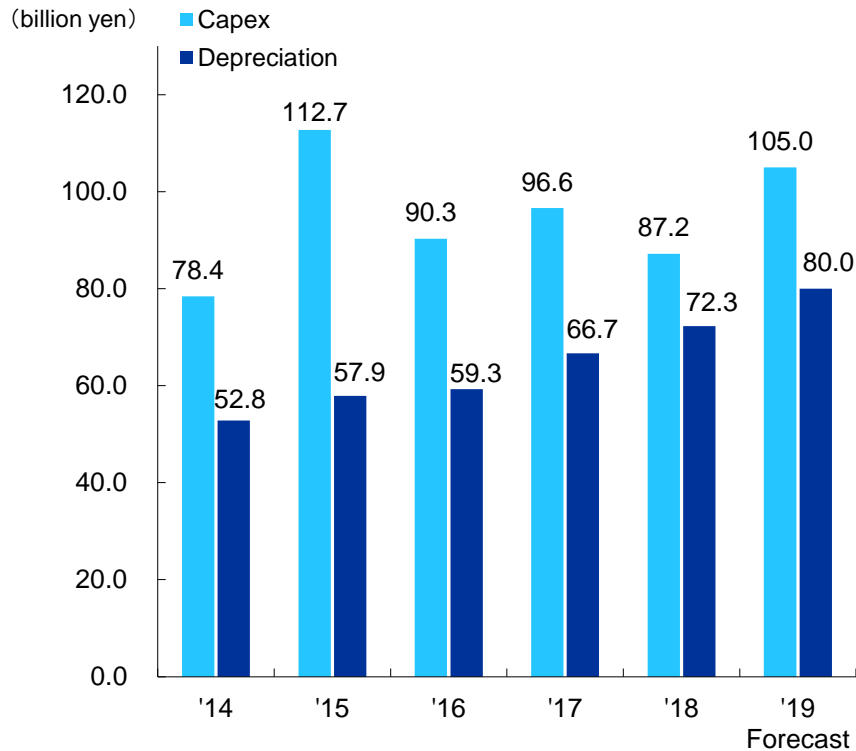
	FY2018 Result			FY2019 Forecast		
	H1	H2	Total	H1 Result	H2	Total
USD	¥110	¥112	¥111	¥109	¥108	¥109
EUR	¥130	¥126	¥128	¥121	¥120	¥121
THB	¥3.4	¥3.4	¥3.4	¥3.5	¥3.5	¥3.5
RMB	¥16.8	¥16.2	¥16.5	¥15.7	¥15.2	¥15.5
AUD	¥82	¥80	¥81	¥75	¥75	¥75

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

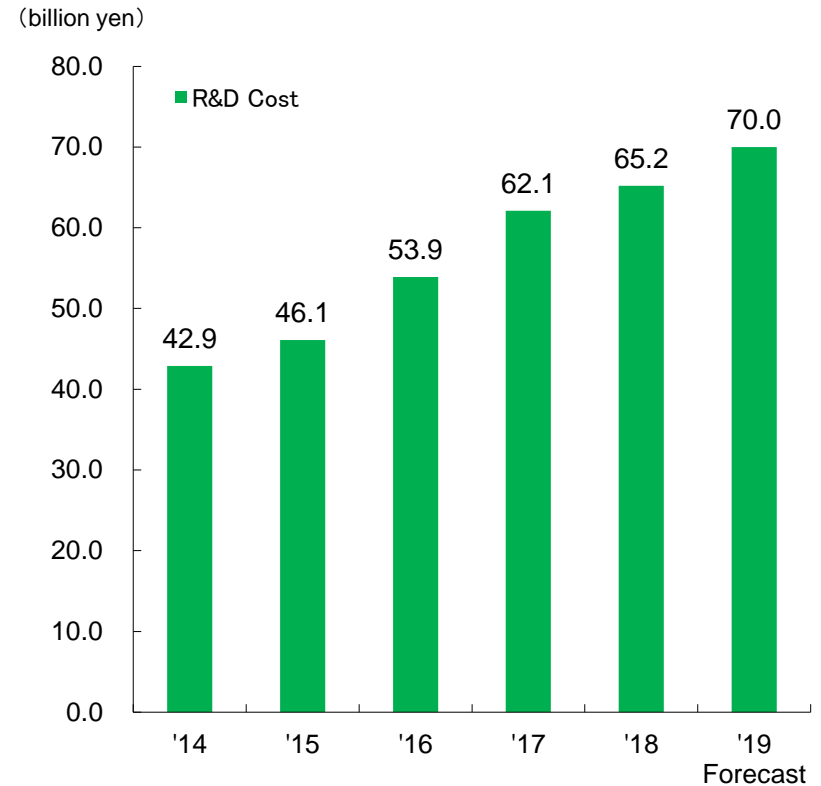
	FY2019 Forecast
USD	1.8 billion yen ※
EUR	0.6 billion yen

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

Capex and Depreciation



R&D Cost



<Reference> First Half Trends

(billion yen)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Capex	38.9	49.1	39.7	40.4	39.8	54.0
Depreciation	24.9	28.6	28.3	32.5	35.7	46.1
R&D Cost	21.3	22.7	26.1	30.3	31.7	33.6



DAIKIN INDUSTRIES, LTD.

Notes on forecast

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