

[Translation]

June 27, 2025

Company Name: Daikin Industries, Ltd.

(Securities Code: 6367, TSE Prime Market)

Name of Representative: Naofumi Takenaka, President and COO

Inquiries: Motoshi Hosomi, General Manager of Corporate Communication Department

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**Notice Concerning Allotment of Share Acquisition Rights  
(Share-Based Remuneration Type Stock Option)**

Daikin Industries, Ltd. (hereafter: the Company) hereby announces that it has resolved, at a meeting of the Board of Directors held today, pursuant to Articles 236, 238 and 240 of the Companies Act, to issue stock acquisition rights as stock compensation-type stock options to our members of the board (excluding external member), executive officers, associate officers and honorary officers as follows.

1. Persons to whom Stock Acquisition Rights are allotted (hereafter referred to as "Grantee") and the number of Stock Acquisition Rights to be allotted to the Grantee

Member of the Board	5 people	Number of Stock Acquisition Rights	143
Executive Officers	30 people	Number of Stock Acquisition Rights	305
Associate Officers	29 people	Number of Stock Acquisition Rights	301
Honorary Officers	15 people	Number of Stock Acquisition Rights	93

2. Total Number of Stock Options to Be Issued

842

3. Stock to be Purchased and Number of Shares Purchasable per Option

The common stock of the grantor shall be 84,200 shares.

The number of shares purchasable per Option (hereinafter referred to as the "Number of Shares to be Granted") shall be one hundred (100) shares. In the event that the Grantor splits (including allotment of new shares without contribution; hereinafter the same when share split is referred to) or reverse-splits its shares after the allotment date of Stock Options (hereinafter referred to as the "Allotment Date"), the Number of Shares to be Granted shall be adjusted in line with the formula set forth below, with any fraction short of one (1) unit rounded down.

Adjusted Number of Shares to be Granted = Number of Shares to be Granted before Adjustment x Split Ratio or Reverse-split Ratio

In addition, in the event the Grantor conducts after the Allotment Date company consolidation, company split or share-to-share exchange (with the existing sole parent company or the sole

parent company to be newly incorporated), or it allots of shares without contribution, or in any other event in which the Number of Shares to be Granted is required to be adjusted, the Grantor shall appropriately adjust the Number of Shares to be Granted to the extent necessary and reasonable.

In the event the Grantor adjusts the Number of Shares to be Granted, the Grantor shall notify those who hold subscription rights to new shares in the ledger of Options (hereinafter referred to as the “Holders of Stock Options”) of necessary matter(s), or give a public notice of them, no later than the day before the adjusted Number of Shares to be Granted shall go into effect; provided that, if the Grantor is unable to notify the Holders of Stock Options or give a public notice by the day before such effectuation, it shall notify them, or give a public notice, of the matters promptly thereafter.

4. Allotment Date

July 11, 2025

5. Cash Amount to be Paid in Exchange for Options (Payment Amount)

The amount to be paid by the Grantee to the Grantor in exchange for Options shall be the amount of the option price per share that is calculated according to the Black-Scholes Model set forth below based on the basic coefficients listed in the following items (ii) to (vii) (any friction short of one (1) JPY shall be rounded off to the nearest whole number), multiplied by the Number of Shares to be Granted.

$$C = Se^{-qT}N(d) - Xe^{-rT}N(d - \sigma\sqrt{T})$$

In this model,

$$d = \frac{\ln\left(\frac{S}{X}\right)}{\sigma\sqrt{T}} + \frac{\left(r - q + \frac{\sigma^2}{2}\right)T}{\sigma\sqrt{T}}$$

- i. Option price per Share (C)
- ii. Share price (S): Closing price of the Grantor’s common stock on the Tokyo Stock Exchange as of July 11, 2025 (Allotment Date) (In the case that the closing price is not available, the base price as of the following business day shall be adopted.)
- iii. Option exercise price (X): One (1) JPY
- iv. Estimated remaining duration (T): Nine (9) years
- v. Volatility of stock price( $\sigma$ ): Volatility calculated based on the closing price of the Grantor’s common stock in ordinary dealings on the last business day of each week for the period of nine (9) years (starting on July 12, 2016, and ending on July 11, 2025)
- vi. Risk-free rate of interest (r): Rate of interest of Japanese Government Bond with

remaining duration corresponding to the estimated remaining duration

- vii. Dividend yield (q): Dividend amount per share, which is three-hundred thirty (330) JPY (Actual dividend result of December 2024 and June 2025) / Share price defined in ii. above.
- viii. Cumulative distribution function of standard normal distribution (N (·))

Upon allotment of Options, such remuneration as equivalent to the total Payment Amount shall be rewarded to the Grantee. The Payment Amount shall be deemed to be paid by way of offsetting the claim of the Grantee for such remuneration, in lieu of actual payment of the Payment Amount.

6. Payment Due Date for Option

July 11, 2025

7. Period for Exercising Options

From July 12, 2028, to July 11, 2040

8. Amount to be Contributed When Exercising Options

The amount to be contributed by the Grantee to the Grantor upon exercise of each Option shall be one (1) JPY per share to be granted by the Option exercise multiplied by the Number of Shares to be Granted.

9. Conditions Precedent to Option Exercise

- 1. The Grantee may not exercise Options in any of the following events:

- (1) During the period for exercising Options set forth in Article 7 (hereinafter referred to as the “Period for Exercising Options”), one (1) year has elapsed after the Grantee ceases to hold the status of director, executive officer, associate officer, employee of the Grantor, or director or employee of the Grantor’s subsidiary (including the date on which the said event for triggering such cessation occurs). Notwithstanding the foregoing, if the date immediately following the elapse of the one (1) year (including the date on which the said event for triggering such cessation occurs) falls beyond the Period for Exercising Options, the Grantee may not exercise Options after the completion of the Period for Exercising Options, even before the elapse of the one (1) year. Furthermore, in the event the Grantee ceases to hold the status of director, executive officer, associate officer, employee of the Grantor, or director or employee of the Grantor’s subsidiary before the start date of the Period for Exercising Options, irrespective of the provision set forth in Article 7, the Grantee may exercise Options only during a one (1) year period beginning on the first day of the Period for Exercising Options.

- (2) If the Grantee falls within any of the following circumstances:
      - (i) The Grantee deceases.
      - (ii) The Grantee misappropriates or leaks the Grantor's trade secrets, thereby causing a loss to the Grantor.
      - (iii) The Grantee takes office of a director or an employee of another corporation (except where the Grantee obtains written approval from the Grantor in advance).
    - (3) The Grantee falls within item 4 (involuntary dismissal) or item 5 (disciplinary dismissal) of paragraph 1, Article 4 of the Grantor's Disciplinary Regulations, or the Grantor judges the Grantee was involved in any equivalent acts and it is reasonably determined that allowing the Grantee to exercise Options is not appropriate.
    - (4) The Grantee is sentenced to jail or heavier.
    - (5) The Grantee declares to abandon all or a part of Options in the written form designated by the Grantor.
  2. The Grantee may not transfer, donate, establish a pledge or other collateral right on, or make other dispositions of Options.
  3. The rights to the shall belong only to the Grantee and are not to be inherited.
  4. The Grantee may partially exercise Options; provided, however, the Grantee may not split one (1) Option.
  5. Any other terms and conditions for Option exercise shall be subject to what will be defined in the Agreement on Allocation of Subscription Rights to New Shares to be executed between the Grantor and the Grantee.
10. Amounts of Capital and Capital Reserve to Be Increased in the Event of New Shares Being Issued due to the Exercise of Stock Options
- The amount of capital to be increased in the event of the issuance of shares upon the exercise of stock acquisition rights shall be half of the capital increase limit calculated in accordance with Article 17, Paragraph 1 of the Ordinance on Company Accounting, with any fraction less than one (1) yen arising as the result of calculation rounded up. The remainder shall be incorporated into capital reserves.
11. Rounding Off of Any Fraction Short of 1 Share Arising from Exercise of Option
- In the event any fraction short of one (1) share arises when issuing Options, such fraction will be rounded off.
12. Restriction of Options Transfer
- For the option transfer, A grantee is required to obtain the approval by resolution at the Board of Directors.

13. Event and Conditions for Acquisition of Options

1. In the event that any bill for approving an agreement on company consolidation in which the Grantor ceases to exist, approving an agreement on an absorption-type company split or an incorporation-type company split plan in which the Grantor is split, or approving an agreement with the existing sole parent company on, or a plan to incorporate the new sole parent company for, share-to-share exchange, in which the Grantor becomes a wholly-owned subsidiary, is approved at the General Meeting of Shareholders of the Grantor (in the case where approval in the General Meeting of Shareholders is not required, at a board of directors meeting), the Grantor may acquire Options for free on a date separately determined by the board of directors of the Grantor.
2. In the event that according to the provision set forth in the Article 9, any of the Grantees becomes unable to exercise his or her Option, the Grantor may acquire the Option for free.

14. Handling of stock options if the Company carries out a reorganization

If the Company carries out a merger (limited to the case where the Company dissolves due to the merger), an absorption-type company split, an incorporation-type company split, a share exchange or a share transfer (hereinafter referred to collectively as "Reorganization Activity"), the Company shall grant the number of stock options in the joint stock company listed in sub-items (i) thru (ho) of Article 236, Paragraph 1, Item 8 of the Companies Act (hereinafter referred to as the "Reorganized Company") appropriate in each case to the owners of stock options in the Company remaining at the time of entry into force of the Reorganization Activity (hereinafter referred to as "Remaining Stock Options") based on the following conditions.

1. Number of stock options in the Reorganized Company to be granted  
The same number of stock options as the owner of Remaining Stock Options owns will be granted.
2. Type of shares of the Reorganized Company subject to stock options  
The common shares of the Reorganized Company will be subject to the stock options.
3. Number of shares of the Reorganized Company subject to stock options  
The Board of Directors of the Company shall determine the number of shares subject to stock options upon consideration of the conditions of the Reorganization Activity, etc.
4. Amount to be paid when exercising stock options  
The amount to be paid in after the Organization Restructuring, which is obtained by adjusting the amount to be paid in set forth in Article 5. above in consideration of the terms and conditions of the restructuring transaction, multiplied by the number of shares of the Reorganized Company to be issued for such stock acquisition rights as determined in accordance with 3. above.

5. Period for the exercise of stock option rights

The period for the exercise of stock option rights shall be from the date of commencement of the period for the exercise of the Remaining Stock Options stipulated in Article 7. above or the date of entry into force of the Reorganization Activity, whichever is later, to the final day of the period for the exercise of the Remaining Stock Options stipulated in Article 7. above.

6. The amounts of capital and capital reserve to be increased in the event of shares being issued due to the exercise of stock options

These amounts shall be determined in accordance with Article 10. above.

7. Restriction on the acquisition of stock options by transfer

Approval by the Restructured Companies is required.

8. Cause and Conditions for Regaining Option

Cause and conditions for regaining Option shall be determined in accordance with Article 13. above.

9. Other conditions for the exercise of stock options

Other conditions shall be determined in accordance with Article 9. above.

15. Name of Bank Handling Payment for Exercised Options

Sales Department, Osaka Head Office, Sumitomo Mitsui Banking Corporation

16. Name, Address and Business Office of Shareholder Registry Administrator

(Name) Mitsubishi UFJ Trust and Banking Corporation

(Address) 4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo 100-8212, Japan

(Sales Office) 3-6-3, Fushimimachi, Chuo-ku, Osaka, 541-0044, Japan

Mitsubishi UFJ Trust and Banking Corporation, Osaka Corporate Agency Division

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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