

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II Basic Plan Information —enter all requested information		
1a Name of plan <u>THE DAIKIN 401(K) PLAN</u>	1b Three-digit plan number (PN) ▶	<u>001</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>DAIKIN COMFORT TECHNOLOGIES MANUFACTURING, L.P.</u> <u>19001 KERMIER RD.,</u> <u>WALLER, TX 77484-8810</u>	1c Effective date of plan <u>01/01/1987</u>	2b Employer Identification Number (EIN) <u>76-0423371</u>
	2c Plan Sponsor's telephone number <u>713-263-5895</u>	2d Business code (see instructions) <u>335900</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/01/2023	KRISTINE CARROLL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/01/2023	KRISTINE CARROLL
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name DAIKIN COMFORT TECHNOLOGIES MANUFACTURING, L.P. c Plan Name DAIKIN COMFORT TECHNOLOGIES MFG, L.P. 401(K) PLAN		4b EIN 76-0423371 4d PN 001
5 Total number of participants at the beginning of the plan year		5 12556
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 11683
a(2) Total number of active participants at the end of the plan year		6a(2) 12336
b Retired or separated participants receiving benefits		6b 13
c Other retired or separated participants entitled to future benefits.....		6c 822
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 13171
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 24
f Total. Add lines 6d and 6e		6f 13195
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 12020
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 256
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2S 2T 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan THE DAIKIN 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 DAIKIN COMFORT TECHNOLOGIES MANUFACTURING, L.P.	D Employer Identification Number (EIN) 76-0423371	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRINCIPAL LIFE INSURANCE COMPANY
42-0127290

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	497632	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

WILSHIRE ADVISORS LLC

95-2755361

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 72	INVESTMENT ADVISORY	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

MERCER INVESTMENTS LLC

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 50 70	INVESTMENT ADVISORY	75000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

STULB & ASSOCIATES, A.P.A.C.

72-1463592

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 99	ACCOUNTANT	26300	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
WILSHIRE ADVISORS LLC	27 72	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	1 BASIS POINT ANNUALLY ON ELIGIBLE PLAN ASSETS IN WILSHIRE 3(21) OR WILSHIRE 3(21) AUTO-EXECUTE FIDUCIARY SERVICE.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan THE DAIKIN 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 DAIKIN COMFORT TECHNOLOGIES MANUFACTURING, L.P.	D Employer Identification Number (EIN) 76-0423371	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: GALLIARD STABLE RETURN PI		
b Name of sponsor of entity listed in (a): SEI TRUST COMPANY		
c EIN-PN 82-6652363-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: INVESCO STABLE VALUE TR CLS B1		
b Name of sponsor of entity listed in (a): INVESCO NATIONAL TRUST CO		
c EIN-PN 84-1142974-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 62473844
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II **Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>THE DAIKIN 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DAIKIN COMFORT TECHNOLOGIES MANUFACTURING, L.P.</u>	D Employer Identification Number (EIN) <u>76-0423371</u>	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	11474949	14899771
(2) Participant contributions.....	1b(2)	-377	293104
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants).....	1c(7)		
(8) Participant loans.....	1c(8)	10493325	12223633
(9) Value of interest in common/collective trusts.....	1c(9)	64098411	62473844
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts.....	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	330259963	312975496
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	416326271	402865848

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	416326271	402865848
---	-----------	-----------	-----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	14935392	
(B) Participants	2a(1)(B)	36896755	
(C) Others (including rollovers)	2a(1)(C)	3257844	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		55089991
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	556711	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		556711
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	5120682	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		5120682
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		-5421658
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-77074118
c Other income	2c		108637
d Total income. Add all income amounts in column (b) and enter total	2d		-21619755
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	30263488	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)	2627	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		30266115
f Corrective distributions (see instructions)	2f		485827
g Certain deemed distributions of participant loans (see instructions)	2g		169201
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	7299	
(2) Contract administrator fees	2i(2)	497641	
(3) Investment advisory and management fees	2i(3)	97986	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		602926
j Total expenses. Add all expense amounts in column (b) and enter total	2j		31524069
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-53143824
l Transfers of assets:			
(1) To this plan	2l(1)		39683401
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **STULB & ASSOCIATES, APAC**

(2) EIN: **72-1463592**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a	☒	☐	17147

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan THE DAIKIN 401(K) PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 DAIKIN COMFORT TECHNOLOGIES MANUFACTURING, L.P.		D Employer Identification Number (EIN) 76-0423371
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 42-0127290		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:	
a	The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14a
b	The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b
c	The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:	
a	The corresponding number for the plan year immediately preceding the current plan year.....	15a
b	The corresponding number for the second preceding plan year.....	15b
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:	
a	Enter the number of employers who withdrew during the preceding plan year	16a
b	If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐	

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

THE DAIKIN 401(k) PLAN

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

December 31, 2022 and 2021

Stulb & Associates, APAC

THE DAIKIN 401(k) PLAN

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INDEPENDENT AUDITORS' REPORT

To the Participants and Administrator of
The Daikin 401(k) Plan
Waller, Texas

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the accompanying financial statements of The Daikin 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of The Daikin 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from Principal Trust Company as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Daikin 401(k) Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Daikin 401(k) Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Daikin 401(k) Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Goodman 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedules Required by ERISA

The supplemental schedules of Schedule H, Line 4a – Schedule of Delinquent Participant Contributions and Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



Lake Charles, Louisiana
September 11, 2023

THE DAIKIN 401 (k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Investments:		
Mutual Funds, at Fair Value	\$ 312,966,824	\$ 330,259,963
Common/Collective Trust Fund, at Contract Value	<u>67,510,916</u>	<u>62,750,147</u>
Total Investments	380,477,740	393,010,110
Receivables:		
Employer Contributions	14,899,758	11,474,572
Participant Contributions	293,104	-
Notes Receivable from Participants	<u>12,656,163</u>	<u>10,770,269</u>
Total Receivables	<u>27,849,025</u>	<u>22,244,841</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 408,326,765</u></u>	<u><u>\$ 415,254,951</u></u>

See notes to the financial statements

THE DAIKIN 401 (k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2022

Additions (Reductions):

Investment Activities:

Net Depreciation in Fair Value of Investments	\$ (77,067,320)
Dividends	<u>6,070,206</u>
Net Increase (Decrease) from Investment Activities	(70,997,114)

Interest Income on Notes Receivable from Participants	546,399
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Contributions:

Participant	36,896,604
Employer	14,935,535
Rollover	<u>3,257,844</u>
Total Contributions	<u>55,089,983</u>

Total Additions (Reductions)	(15,360,732)
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Deductions:

Benefits Paid to Participants	30,416,906
Corrective Distributions	484,470
Administrative Expenses	<u>533,385</u>

Total Deductions	<u>31,434,761</u>
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Net Increase (Decrease) in Net Assets Available for Benefits Before Transfer	(46,795,493)
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Net Transfers In (Out)	<u>39,867,307</u>
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CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	(6,928,186)
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NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>415,254,951</u>
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NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u><u>\$ 408,326,765</u></u>
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See notes to the financial statements

THE DAIKIN 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of The Daikin 401(k) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information. The Plan document is controlling at all times. The Plan is sponsored by Daikin Comfort Technologies Manufacturing, L.P. (the Company) for the benefit of its employees.

General

The Plan was adopted effective January 1, 1987, and is a defined contribution plan covering substantially all employees of the Company, and certain of its affiliates, who are not covered by a collective bargaining agreement. The purpose of the Plan is to provide employees with retirement benefits. The Plan is subject to the provisions of the Employment Retirement Income Security Act of 1974 (ERISA). Under the terms of the Plan, employees become eligible to make salary deferral contributions upon the completion of three months of service.

Contributions

Participants may contribute up to 50% of their salary and wages, through pretax compensation deferrals, not to exceed \$20,500 for 2022 and \$19,500 2021. Additionally, participants who are at least 50 years of age by December 31, 2022 are permitted to make additional contributions up to \$6,500 for 2022. Eligible employees can begin making contributions as of the beginning of each payroll period. Employee contributions may be made only by payroll deductions. The Company, at its sole discretion, can elect to make 100% matching contributions up to 6% of a maximum salary of \$50,000 on behalf of each participant employed on December 31 for each plan year. Participants may also contribute amounts representing distributions from other qualified retirement defined benefit or defined contribution plans.

Participant Accounts

Separate accounts are maintained for each participant. Participant accounts are credited with the participant contributions, rollover contributions, allocations of Company contributions and investment earnings and losses, and charged with withdrawals and administrative fees. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contributions plus actual earnings thereon is based upon completion of three years of credited service. Participants who do not complete three years of credited service forfeit their right to all Company contributions and actual earnings thereon.

Investment Options

Upon enrollment in the Plan, participants may direct the investment of their individual accounts among alternative investment funds provided under the Plan. Participants may change their investment elections at any time, as well as transfer existing balances between investment funds.

THE DAIKIN 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – DESCRIPTION OF THE PLAN - CONTINUED

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000, reduced by the excess of the highest outstanding note receivable balance in the previous year over their current note receivable balance, or 50% of their vested account balance, whichever is less. Note receivable transactions are treated as a transfer between investment funds and the note receivable fund. Terms range from one to five years, or up to 10 years for the purchase of a primary residence. No more than one note receivable may be outstanding at any one time. The notes receivable are secured by the vested balance in the participant's account and bear interest at the prime lending rate plus one percentage point. Principal and interest is paid ratably through weekly payroll deductions for hourly participants and semi-monthly payroll deductions for salaried participants.

Payment of Benefits

On termination of service due to death, disability, retirement or for other reasons, a participant or their beneficiary may elect to receive a lump-sum distribution equal to the value of their vested account or substantially equal annual, quarterly, or monthly installments over a period not to exceed their life expectancy.

Withdrawal

Participants may make early withdrawals of all or a portion of their elective deferral contributions in their account under the hardship provision of the Plan. Participants may make unrestricted early withdrawals of amounts representing distributions from other qualified retirement defined benefit or contribution plans. On or after age 59½, participants may withdraw pre-tax contributions from their account. Participants that have attained five years of vesting service and have no outstanding loan balances may make up to two early withdrawals per year of vested employer matching transferred to the Plan from the Goodman Company, L.P. 401(k) Plan for Specified Hourly Payroll Employees. Effective September 22, 2013, the plan was amended to allow a participant who has completed five years of vesting service to withdraw any or all of the portion of his employer contributions account attributable to employer matching contributions transferred from the Goodman 401(k) Plan for Specified Hourly Payroll Employees.

Forfeitures

Participants terminating employment prior to full vesting forfeit their right to the non-vested portion of Company contributions. At December 31, 2022 and 2021, the forfeiture account totaled \$529,465 and \$512,271, respectively. These forfeitures will be used to pay administration expenses or to reduce future Company contributions. During 2022, \$487,578 of forfeitures were used to reduce employer contributions and \$63,551 of forfeitures were used to pay administrative expenses. During 2021, \$487,926 of forfeitures were used to reduce employer contributions and \$1,166 of forfeitures were used to pay administrative expenses.

THE DAIKIN 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – DESCRIPTION OF THE PLAN - CONTINUED

Coronavirus Aid, Relief, and Economic Security Act

The plan adopted provisions of the Coronavirus Aid, Relief, and Economic Security Act (the Act), enacted March 27, 2020. The relief was available to participants who suffer due to the COVID-19 disaster as specified in Section 2202, Special Rules for Use of Retirement Funds of the Act, subsection (a)(4)(A)(ii). Provisions of the Act include:

Tax Favored Withdrawals:

The Plan will permit Coronavirus-Related Distributions as of March 27, 2020 (or as soon as operationally feasible thereafter). The aggregate amount of distributions received by a participant which may be treated as Coronavirus-Related Distributions for any taxable year will not exceed \$100,000. The aggregate amount of Coronavirus-Related Distributions from the Plan and all other plans maintained by the same employer (and any member of any Controlled Group which includes such employer) to a participant may not exceed \$100,000.

Coronavirus-Related Distributions will not be treated as eligible rollover distributions for purposes of sections 401(a)(31), 402(f), and 3405 of the Internal Revenue Code of 1986 (i.e., mandatory 20% federal tax withholding does not apply). Additionally, Coronavirus-related distributions are available to all participants regardless of employment status.

At any time during the three (3) year period beginning on the day after the date on which a Plan participant receives a Coronavirus-Related Distribution, such Plan participant is permitted to make one or more contributions to the Plan in an aggregate amount not to exceed the amount of such Coronavirus-Related Distribution, provided that such Coronavirus-Related Distribution is an eligible rollover distribution within the meaning of section 402(c)(4) of the Internal Revenue Code of 1986. Any such contribution to the Plan will be treated as having been made in a direct rollover to the Plan.

Plan Loans to Qualified Individuals:

For all loans from the Plan to a qualified individual made during the period beginning on the date of enactment of the Act (March 27, 2020) and ending 180 days thereafter the loan limits are increased to the lesser of \$100,000 or 100% of the present value of the non-forfeitable accrued benefit of the qualified individual under the Plan. No other Plan loan requirements or limits are changed. Unless otherwise specified by the Client, this Coronavirus-related loan provision shall apply to sources currently identified in the Plan's loan policy. Current Plan loan policy provisions otherwise apply.

THE DAIKIN 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – DESCRIPTION OF THE PLAN - CONTINUED

Each qualified individual with an outstanding loan from the Plan on or after the date of enactment (March 27, 2020) may defer loan payments due between enactment (March 27, 2020) and December 31, 2020 by one year. Any subsequent repayments for any such loan will be appropriately adjusted to reflect the delay in the due date and any interest accruing during the delay. The period of the delay will be disregarded for purposes of applying the 5-year repayment and level amortization requirements of section 72(p)(2)(B) and (C) of the Internal Revenue Code of 1986 and the corresponding provisions of the Plan's loan policy. Additionally, this loan suspension provision is available to all participants regardless of employment status.

Transfers

During 2022, the Plan was amended to allow employees of Stevens Equipment Supply, LLC and Thermal Mechanics, Inc. to become participants of the Plan. During 2022, employees of Stevens Equipment Supply, LLC transferred \$9,538,200, including participants' loans totaling \$20,122, into the Plan. During 2022, employees of Thermal Mechanics, Inc., Inc. transferred \$26,139,460, including participants' loans totaling \$88,438, into the Plan.

During 2021, the Plan was amended to allow employees of ABCO Refrigeration Supply Corp. and Robinson Plumbing & Heating Supply Co., Inc. to become participants of the Plan. During 2021, employees of ABCO Refrigeration Supply Corp. transferred \$23,306,987, including participants' loans totaling \$233,509, into the Plan. During 2021, employees of Robinson Plumbing & Heating Supply Co., Inc. transferred \$2,106,874, including participants' loans totaling \$55,835, into the Plan.

Mergers

During 2022, the Plan was amended to merge The Goodman Company, L.P. 401(k) Plan and the Retirement Savings Plan for Daikin Group Affiliated Companies into The Daikin 401(k) Plan. During 2022, The Goodman Company, L.P. 401(k) Plan for Specified Hourly Payroll Employees transferred \$3,055,029 into The Daikin 401(k) Plan. During 2022, The Retirement Savings Plan for Daikin Group Affiliated Companies transferred \$1,134,618 into The Daikin 401(k) Plan.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates. Estimates that have the most impact on financial position and results of performance primarily relate to the fair value of investments and the collectability of notes receivable from participants. Plan management believes these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

THE DAIKIN 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value (as determined by the Trustee), except for fully benefit-responsive investment contracts, which are reported at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The net change in the fair value of investments is reported in the statement of changes in net assets available for benefits in the period of the change. Contract value is the relevant measure for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

Purchases and sales of securities are recorded on a trade-date basis. Expenses relating to the purchase or sale of investments are added to cost or deducted from proceeds. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

The Plan requires participant loans to be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when earned.

Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document; thus no allowance for doubtful accounts has been recorded at December 31, 2022 and 2021.

Payment of Benefits

Benefit payments to participants are recorded when paid.

Subsequent Events

The Company has evaluated subsequent events through September 11, 2023, which is the date the financial statements were available to be issued. No matters were identified affecting the accompanying financial statements.

NOTE 3 – FAIR VALUE MEASUREMENTS

The Plan measures and reports certain assets and liabilities at fair value and within a hierarchal disclosure framework which prioritizes and ranks the level of observable inputs used in measuring fair value. At each financial statement date, the Plan's Trustee performs an analysis of all assets and liabilities subject to fair value measurements.

THE DAIKIN 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 3 – FAIR VALUE MEASUREMENTS – CONTINUED

The three levels of the fair value hierarchy are described as follows:

Level 1- Inputs to the valuation methodology are unadjusted, quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2- Inputs, excluding those included in Level 1, are either observable prices for identical assets or liabilities in inactive markets, observable prices for similar assets and liabilities, or other inputs derived principally from, or corroborated by, observable market data at the measurement date.

Level 3- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022.

Mutual funds are valued at the net asset value of shares held by the plan at the financial statement date.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although the Plan's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022:

	Quoted Market Prices in Active Markets (<u>Level 1</u>)	Other Observable Inputs (<u>Level 2</u>)	Unobservable Inputs (<u>Level 3</u>)
Mutual Funds:			
Balanced Funds	\$173,579,215	\$ -	\$ -
Bond Funds	16,571,746	-	-
Foreign Equity Funds	13,397,509	-	-
U.S. Equity Funds	<u>109,418,354</u>	<u>-</u>	<u>-</u>
Total Assets at Fair Value	<u>\$312,966,824</u>	<u>\$ -</u>	<u>\$ -</u>

THE DAIKIN 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 3 – FAIR VALUE MEASUREMENTS – CONTINUED

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021:

	Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual Funds:			
Balanced Funds	\$158,173,920	\$ -	\$ -
Bond Funds	16,514,151	-	-
Foreign Equity Funds	15,550,504	-	-
U.S. Equity Funds	<u>140,021,388</u>	<u>-</u>	<u>-</u>
Total Assets at Fair Value	<u>\$330,259,963</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 4 – CERTIFIED INVESTMENTS

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedules, including investments and notes receivable from participants held at December 31, 2022 and 2021, and net appreciation (depreciation) in fair value of investments, dividends, and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained by management and agreed to or derived from information certified as complete and accurate by Principal Trust Company (the trustee of the Plan).

NOTE 5 – CONTRACT VALUE MEASUREMENTS

The common/collective trust fund's underlying assets consist of investment contracts and security-backed contracts. An investment contract is a contract issued by a financial institution to provide a stated rate of return to the buyer of the contract for a specified period of time. A security-backed contract has similar characteristics to a traditional investment contract and is comprised of two parts: the first part is a fixed-income security or portfolio of fixed-income securities; the second part is a contract value guarantee (wrapper) provided by a third party. Wrappers provide contract value payments for certain participant-initiated withdrawals and transfers, a floor crediting rate, and return of fully accrued contract value at maturity.

Because the contracts meets the criteria to be considered fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the common/collective trust fund. The common/collective trust fund is presented on the face of the statement of net assets available for benefits at contract value. Contract value represents contributions made under the contract less any participant-directed withdrawals plus accrued interest. Security-backed contracts are carried at contract value in the aggregate, which consists of the fair value of the underlying portfolio, accrued interest on the underlying portfolio assets, the fair value of the contract, and the adjustment to contract value.

THE DAIKIN 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 5 – CONTRACT VALUE MEASUREMENTS – CONTINUED

The Plan's common/collective trust investment values at December 31, 2022, as reported by the Trustee, are summarized as follows:

	<u>Contract Value</u>	<u>Fair Value</u>
Invesco Stable Return Fund	<u>\$67,510,916</u>	<u>\$62,473,844</u>

The Plan's common/collective trust investment values at December 31, 2021, as reported by the Trustee, are summarized as follows:

	<u>Contract Value</u>	<u>Fair Value</u>
Wells Fargo Stable Return Fund	\$60,344,877	\$61,672,685
Invesco Stable Return Fund	<u>2,405,270</u>	<u>2,425,726</u>
Total Common/Collective Trusts	<u>\$62,750,147</u>	<u>\$64,098,411</u>

The Funds do not invest directly in fully benefit-responsive contracts, and therefore are not required to include in the financial statements the disclosure requirements for stable value investment funds. The Invesco Stable Return Funds are 100% invested in the Invesco Stable Value Trust Fund Class B1. For information not included in these financial statements, refer to the financial statements of the Invesco Stable Value Trust, which are available upon request.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. Investment contracts have elements of risk due to lack of a secondary market and resale restrictions resulting in the inability of the Trust to sell a contract. In addition, investment contracts may be subject to credit risk based on the ability of the wrapper providers to meet their obligations under the terms of the contract.

The Trust may invest in securities that are subject to interest rate risk, meaning the risk that the prices will generally fall as interest rates rise and, conversely, the prices will generally rise as interest rates fall. Specific securities differ in their sensitivity to changes in interest rates depending on their individual characteristics. Changes in interest rates may result in increased market volatility, which may affect the value and/or liquidity of certain of the Trust's investments.

The Trust maintains investment contracts issued by insurance companies, banks and other financial institutions as required by the Declaration of Trust. The issuing institution's ability to meet its contractual obligations under the respective contracts may be affected by future economic and regulatory developments in the insurance and banking industries.

Investment contracts are valued at contract value principally because unitholders are able to transact at contract value when initiating benefit-responsive withdrawals, taking loans or making investment option transfers permitted by the participating plan. A benefit-responsive withdrawal includes a payment to a unitholder arising from retirement, termination of employment, disability or death. In the normal course, unitholder events are predictable (for unitholders as a group) such that the economic integrity of investment contracts is largely unaffected by unitholder withdrawals.

THE DAIKIN 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 5 – CONTRACT VALUE MEASUREMENTS – CONTINUED

Employer-initiated events, if material, may affect the underlying economics of investment contracts. These events include plant closings, layoffs, plan termination, bankruptcy or reorganization, merger, early retirement incentive programs, tax disqualification of a trust or other events. The occurrence of one or more employer-initiated events could limit the Trust's ability to transact at contract value with plan unitholders.

For example, retirement benefit payments which occur because an employer has offered a subsidized early retirement program will not transact at contract value unless the scope of the program is not material or the investment contract includes a "contract value corridor". Whether an employer-initiated event is probable is foremost within the knowledge of the employer, but in the normal course may be communicated to the investment manager of the Trust. While the investment manager may take action to minimize or eliminate the impact of the employer-initiated event, there is no assurance that the issuer will continue to transact at contract value once the corridor is used. In that case, the Trust would be unable to maintain the ability to transact at contract value.

As of December 31, 2022, the Trust's management believes the occurrence of an event that would limit the ability of the Trust to transact at contract value with the unitholders in the Trust is not probable.

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan in whole or in part subject to the provisions of ERISA. In the event of Plan termination, including partial Plan termination, active participants will become 100% vested in their accounts and the Trustee will distribute all assets remaining after payment of any expenses chargeable to the Plan to participants or their beneficiaries in accordance with the Plan's provisions.

NOTE 7 – ADMINISTRATION OF PLAN ASSETS

The Plan's assets are held and certain administrative functions are performed by the Trustee of the Plan. The Company provides certain administrative functions and absorbs a portion of the Plan's administrative costs on behalf of the Plan.

NOTE 8 – PARTY-IN-INTEREST

Net assets available for benefits include notes receivable from participants and investments managed by the Trustee at December 31, 2022 and 2021. As a result, these assets and all transactions relating to these assets qualify as party-in-interest transactions. These transactions are exempt from being prohibited transactions by ERISA.

THE DAIKIN 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 8 – PARTY-IN-INTEREST - CONTINUED

Fees paid by the Plan for administrative services were as follows for the year ended December 31 (2021 includes payments to both Trustees for the applicable service period):

	<u>2022</u>	<u>2021</u>
Loan fees	\$48,090	\$39,816
Plan advisory fees	56,273	-
Contract administrator fees	378,537	313,722
Participant distribution fees	<u>49,735</u>	<u>22,867</u>
Total paid to parties-in-interest	532,635	376,405
Professional fees – paid to third party	750	2,500
Other	<u>-</u>	<u>806</u>
Total administrative fees	<u>\$533,385</u>	<u>\$379,711</u>

NOTE 9 – RISKS AND UNCERTAINTIES

The Plan holds various investment securities for its participants. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 10 – TAX STATUS

The Company makes periodic amendments to the Plan and received formal notification from the Internal Revenue Service (IRS) in February 2018 that the Plan, as amended and restated effective January 1, 2017, was in compliance with the applicable requirements of the IRS Code. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

THE DAIKIN 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 11 – DIFFERENCES BETWEEN FINANCIAL STATEMENTS AND FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2022:

Net Assets Available for Benefits per the Financial Statements		\$408,326,765
Differences in:		
Participant Loans	\$12,223,633	
Notes Receivable from Participants	<u>(12,656,163)</u>	
Deemed Loans		(432,530)
Mutual Funds, Effective Date	\$312,975,496	
Mutual Funds, at Fair Value	<u>(312,966,824)</u>	
Share Price Adjustment		8,672
CCT, at Fair Value	\$62,473,844	
CCT, at Contract Value	<u>(67,510,916)</u>	
Fair Value adjustments from Contract Value		<u>(5,037,072)</u>
Net Assets Available for Benefits per Form 5500, Schedule H		<u>\$402,865,835</u>

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2021:

Net Assets Available for Benefits per the Financial Statements		\$415,254,951
Differences in:		
Participant Loans	\$10,493,325	
Notes Receivable from Participants	<u>(10,770,269)</u>	
Deemed Loans		(276,944)
CCT, at Fair Value	\$64,098,411	
CCT, at Contract Value	<u>(62,750,147)</u>	
Fair Value adjustments from Contract Value		<u>1,348,264</u>
Net Assets Available for Benefits per Form 5500, Schedule H		<u>\$416,326,271</u>

The following is a reconciliation of change in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2022:

Change in Net Assets Available for Benefits per the Financial Statements		(\$6,928,186)
Differences:		
Loan Transfers		(173,594)
Fair Value Adjustment from Contract Value		(6,385,336)
Deemed Loans		(18,410)
Share Price Adjustment		<u>45,103</u>
Change in Net Assets Available for Benefits per Form 5500, Schedule H		<u>(\$13,460,423)</u>

THE DAIKIN 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 12 – OTHER MATTERS

Under the provisions of ERISA and the Internal Revenue Code (IRC), if a Plan fails the ADP non-discrimination test, failure can be corrected after the Plan year end by re-characterization of the excess elective deferral as an employee after-tax contribution or catch-up contribution or by timely distribution of excess contributions to the appropriate participants. Re-characterization of the deferral must be made no later than two and a half months after the Plan's year end, and distribution of excess contributions must be made within twelve months of the Plan's year end. However, if the excess contributions are distributed later than two and a half months after the end of the Plan year, the Plan sponsor must pay a 10% excise tax on the non-earnings portion of the required corrective distribution.

For the year ended December 31, 2021, the Plan failed the ADP non-discrimination test but did not perform re-characterization of contributions or distribution of excess contributions within two and a half months of the Plan's year end. Therefore, the Company is required to pay excise tax. Required corrective distributions from the Plan to the employees total \$489,224 for the year ended December 31, 2021.

THE DAIKIN 401(k) PLAN
EIN 76-0423371, PLAN NO. 001
SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2022

Participant Contributions Transferred Late to Plan		Total that Constitute Nonexempt Prohibited Transactions			Totally Fully Corrected Under VFCP and PTE 2002-51	
Check here if Late Participant Loan Repayments are included: ☐		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP		
☒	2022 \$ 13,682	\$ -	\$ 13,682	\$ -	\$	-
☐	2021 \$ 3,464	\$ -	\$ 3,464	\$ -	\$	-

See Independent Auditors' Report

THE DAIKIN 401(k) PLAN
 EIN 76-0423371, PLAN NO. 001
 SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 DECEMBER 31, 2022

The following details assets held for investment purposes at December 31, 2022, as required by Section 2520.103-11 of the Department of Labor's Rules for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(e) Current Value
	Loomis Sayles & Company, L.P.	Mutual Fund - Investment Grade Bond (Y)	\$ 12,530,747
	American Funds	Mutual Fund - Foreign Stock Fund	10,010,164
	American Funds	Mutual Fund - American Balanced Fund R6	106,091,922
	Dodge and Cox Funds	Mutual Fund - Foreign Stock Fund	20,865,647
	T. Rowe Price Investment Services	Mutual Fund - Small Cap Stock	18,939,192
	Vanguard Group	Mutual Fund - US Growth Fund	38,236,191
	Fidelity Investments	Mutual Fund - Extended Market Index Fund	11,721,130
	Fidelity Investments	Mutual Fund - Total International Index Fund	3,387,348
	Fidelity Investments	Mutual Fund - U.S. Bond Index Fund	4,050,412
	Fidelity Investments	Mutual Fund - 500 Index Fund	19,656,233
	State Street Global Advisors	Mutual Fund - Target Return 2020	4,073,213
	State Street Global Advisors	Mutual Fund - Target Return 2025	6,105,523
	State Street Global Advisors	Mutual Fund - Target Return 2030	16,237,054
	State Street Global Advisors	Mutual Fund - Target Return 2035	6,967,172
	State Street Global Advisors	Mutual Fund - Target Return 2040	16,379,457
	State Street Global Advisors	Mutual Fund - Target Return 2045	3,949,928
	State Street Global Advisors	Mutual Fund - Target Return 2050	7,444,871
	State Street Global Advisors	Mutual Fund - Target Return 2055	2,264,402
	State Street Global Advisors	Mutual Fund - Target Return 2060	2,267,676
	State Street Global Advisors	Mutual Fund - Target Return 2065	654,246
	State Street Global Advisors	Mutual Fund - Target Return Retirement	1,142,968
	Invesco National Trust Co	Common/Collective Trust Fund - Stable Return Fund	62,473,844
*	Participant Loans	Maturity Dates Ranging from 2023 to 2032 and Interest Rates Ranging from 4.25% to 10.00%	<u>12,223,633</u>
			<u>\$ 387,672,973</u>

* Party-in-Interest

See Independent Auditors' Report

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

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EIN 76 0423371
 PLAN NUMBER 001
 PLAN YEAR 01/01/2022 TO 12/31/2022

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	The American Funds	Registered Investment Company Am Fds EuroPacific Grth R6 Fd	\$ 0.00	\$ 10,010,163.91
	The American Funds	Registered Investment Company Amer Funds Amer Bal R6 Fd	\$ 0.00	\$106,091,921.87
	Dodge and Cox Funds	Registered Investment Company Dodge & Cox Stock I Fund	\$ 0.00	\$ 20,865,646.86
	Fidelity Investments	Registered Investment Company Fidelity Extended Mkt Idx Fd	\$ 0.00	\$ 11,721,130.42
	Fidelity Investments	Registered Investment Company Fidelity Total Int Idx Fund	\$ 0.00	\$ 3,387,347.73
	Fidelity Investments	Registered Investment Company Fidelity US Bond Index Fund	\$ 0.00	\$ 4,050,411.93
	Fidelity Investments	Registered Investment Company Fidelity 500 Index Fund	\$ 0.00	\$ 19,656,232.57
	Invesco National Trust Co	Common/Collective Trust Invesco Stable Value Tr Cls B1	\$ 0.00	\$ 62,473,844.00
	Loomis Sayles	Registered Investment Company Loomis Sayles Inv Gr Bd Y Fund	\$ 0.00	\$ 12,530,746.95
	State Street Global Advisors	Registered Investment Company State Street Target Rt K Fund	\$ 0.00	\$ 1,142,968.36
	State Street Global Advisors	Registered Investment Company SSGA Target Ret 2020 K Fund	\$ 0.00	\$ 4,073,212.92
	State Street Global Advisors	Registered Investment Company SSGA Target Ret 2025 K Fund	\$ 0.00	\$ 6,105,523.27
	State Street Global Advisors	Registered Investment Company SSGA Target Ret 2030 K Fund	\$ 0.00	\$ 16,237,053.94
	State Street Global Advisors	Registered Investment Company SSGA Target Ret 2035 K Fund	\$ 0.00	\$ 6,967,171.39
	State Street Global Advisors	Registered Investment Company SSGA Target Ret 2040 K Fund	\$ 0.00	\$ 16,379,457.31

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

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EIN 76 0423371
 PLAN NUMBER 001
 PLAN YEAR 01/01/2022 TO 12/31/2022

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	State Street Global Advisors	Registered Investment Company SSGA Target Ret 2045 K Fund	\$ 0.00	\$ 3,949,927.69
	State Street Global Advisors	Registered Investment Company SSGA Target Ret 2050 K Fund	\$ 0.00	\$ 7,444,871.38
	State Street Global Advisors	Registered Investment Company SSGA Target Ret 2055 K Fund	\$ 0.00	\$ 2,264,402.35
	State Street Global Advisors	Registered Investment Company SSGA Target Ret 2060 K Fund	\$ 0.00	\$ 2,267,675.45
	State Street Global Advisors	Registered Investment Company SSGA Target Ret 2065 K Fund	\$ 0.00	\$ 654,246.28
	T. Rowe Price Funds	Registered Investment Company T Rowe Price Sm Cap Stock Fund	\$ 0.00	\$ 18,939,191.76
	Vanguard Group	Registered Investment Company Vanguard US Growth Admiral Fd	\$ 0.00	\$ 38,236,191.34
*	Participant Loans	Range of Interest Rates Rates Range From 0.00% To 10.00%	\$ 0.00	\$ 12,223,633.00