

Consolidated Financial Results

First Half of the Fiscal Year Ending March 31, 2023

(April 1, 2022 - September 30, 2022)

November 8, 2022

DAIFUKU CO., LTD.



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Financial Highlights



Fiscal 2022 H1 Highlights (April 1, 2022 – September 30, 2022)

(Billion yen)

	FY2021 H1	Revised on August 8, 2022	FY2022 H1	Y/Y change	Y/Y rate
Orders	267.2	390.0	400.1	+132.8	+49.7%
Sales	243.4	275.0	277.7	+34.3	+14.1%
Operating income	20.3	24.0	24.4	+4.1	+20.4%
Ordinary income	20.5	25.0	24.8	+4.3	+21.1%
Net income attributable to shareholders of the parent company	13.9	17.0	17.0	+3.0	+22.2%
Comprehensive income	20.5	—	34.4	+13.8	+67.6%

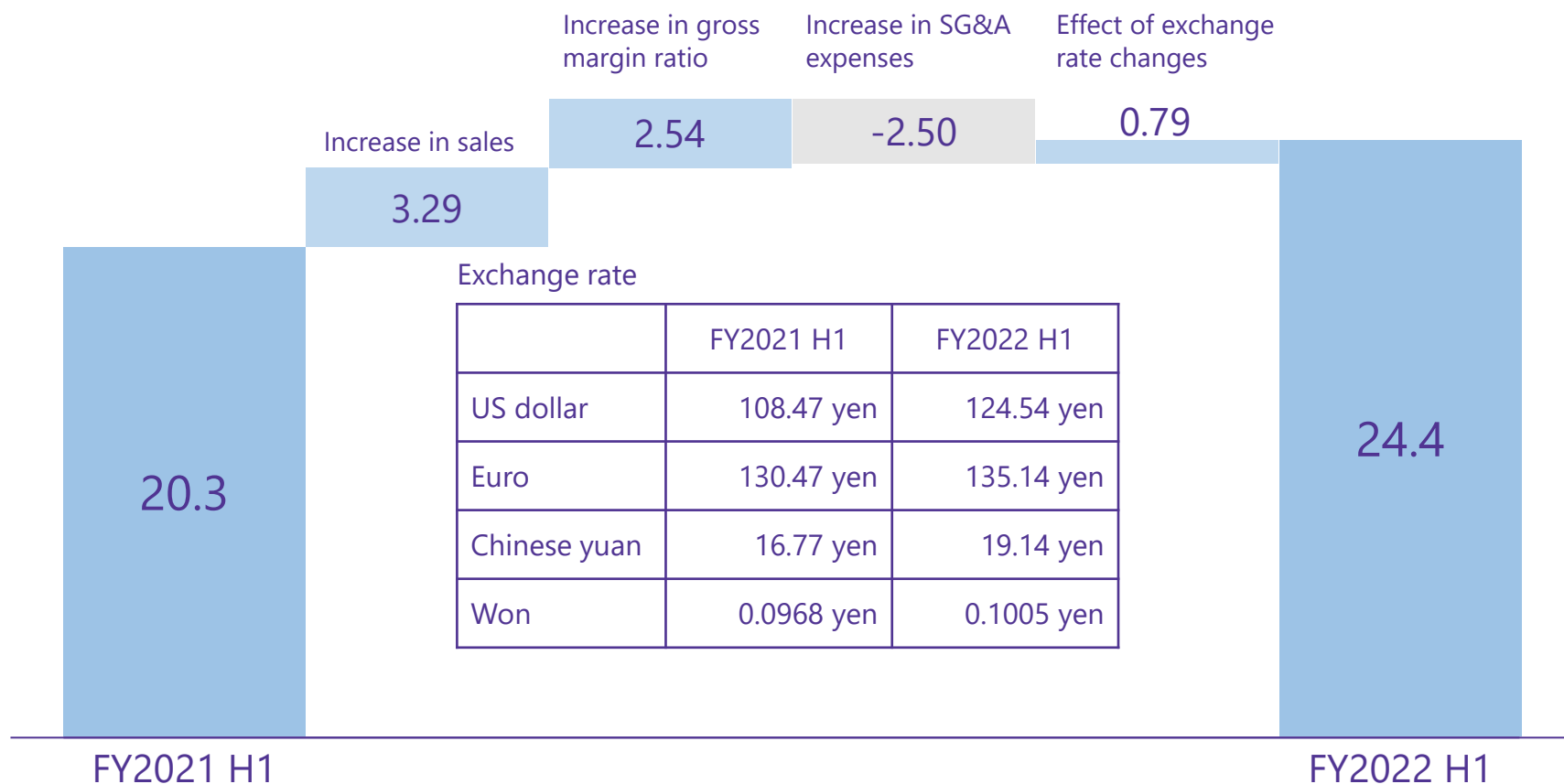
Net income per share	110.46 yen	134.90 yen	135.01 yen	+24.55 yen
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- ✓ Orders, sales, operating income, and ordinary income reached new record highs for the first half of the fiscal year.

Increase/Decrease in Operating Income

(Billion yen)

[Reference]
Effect of exchange rate changes
Sales: +15.0 billion yen



Results by Reportable Segment (April 1, 2022 – September 30, 2022)

(Billion yen)

	Orders (Orders from external customers)			Net sales (Sales to external customers)			Segment income (Net income attributable to shareholders of the parent company)		
	FY2021 H1	FY2022 H1	Y/Y change	FY2021 H1	FY2022 H1	Y/Y change	FY2021 H1	FY2022 H1	Y/Y change
Daifuku	130.0	166.9	+36.9	107.1	119.5	+12.4	10.6	12.3	+1.6
Contec	9.8	10.8	+1.0	7.1	8.2	+1.0	0.6	0.3	-0.2
Daifuku North America	50.3	95.7	+45.4	66.2	73.0	+6.8	2.5	3.9	+1.4
Clean Factomation	18.5	37.0	+18.5	17.1	17.0	-0.1	1.6	1.2	-0.4
Other	58.5	89.4	+30.8	46.2	59.1	+12.8	-0.2	1.9	+2.1
Consolidated adjustment and other	—	—	—	-0.6	0.6	+1.2	-1.3	-2.8	-1.4
Total	267.2	400.1	+132.8	243.4	277.7	+34.3	13.9	17.0	+3.0

✓ Daifuku:
Orders increased significantly in cleanroom systems.
Sales were favorable, underpinned by an extensive order backlog.

✓ Daifuku North America:
Orders increased significantly in cleanroom systems for the semiconductor sector, automotive systems, and airport systems.

✓ Clean Factomation:
Orders reflected the continued robust investment of semiconductor manufacturers.

Consolidated Balance Sheets

(Billion yen)

	March 31, 2022	September 30, 2022	Change
Current assets	381.3	403.9	+22.6
Cash on hand and in banks	118.7	84.2	-34.5
Notes and accounts receivable	208.9	244.0	+35.0
Inventories	41.2	59.1	+17.9
Other	12.3	16.5	+4.2
Non-current assets	102.0	116.1	+14.1
Property, plant and equipment	55.2	64.4	+9.2
Intangible assets	10.7	10.8	+0.1
Goodwill	3.9	4.2	+0.3
Other	6.7	6.6	-0.1
Investments and other assets	36.0	40.8	+4.7
Total assets	483.3	520.1	+36.8

	March 31, 2022	September 30, 2022	Change
Current liabilities	173.6	182.0	+8.4
Notes and accounts payable	76.1	84.6	+8.4
Short-term borrowings	22.4	13.4	-9.0
Other	75.0	84.0	+9.0
Non-current liabilities	17.6	19.8	+2.2
Long-term borrowings	3.9	3.8	-0.1
Other	13.7	16.0	+2.3
Total Liabilities	191.2	201.9	+10.6
Shareholders' equity	279.2	289.0	+9.7
Common stock	31.8	31.8	—
Retained earnings	227.6	237.6	+10.0
Other	19.7	19.4	-0.2
Accumulated other comprehensive income	11.5	28.8	+17.3
Non-controlling interests	1.2	0.2	-0.9
Total net assets	292.0	318.2	+26.1
Total liabilities and net assets	483.3	520.1	+36.8

✓ Total assets:
Increased ¥36.8 billion
[Factors]
Increase: ¥35.0 billion in notes and
accounts receivables

✓ Liabilities:
Increased ¥10.6 billion
[Factors]
Increase: ¥10.2 billion in contract
liabilities

✓ Net assets:
Increased ¥26.1 billion
[Factors]
Increase: ¥10.0 billion in retained
earnings, ¥17.9 billion in foreign
currency translation adjustments

Consolidated Statements of Cash Flows

(Billion yen)

	FY2021 H1	FY2022 H1	Y/Y change
Cash flows from operating activities	27.4	-18.5	-46.0
Cash flows from investing activities	-4.3	-5.7	-1.3
Free cash flows	23.1	-24.2	-47.4
Cash flows from financing activities	-12.1	-19.0	-6.9
Effect of exchange rate change on cash and cash equivalents	2.9	8.8	+5.8
Net increase in cash and cash equivalents	13.9	-34.5	-48.4
Cash and cash equivalents at beginning of period	94.0	118.6	+24.5
Cash and cash equivalents resulting from change in scope of consolidation	0.4	—	-0.4
Cash and cash equivalents at end of period	108.4	84.1	-24.2

✓ Cash used by operating activities: ¥18.5 billion

[Factors]
Income before income taxes: ¥22.9 billion
Increase in notes and accounts receivables and contract assets: -¥21.4 billion
Increase in inventories: -¥15.1 billion

✓ Cash used in investing activities: ¥5.7 billion

[Factors]
Payments for purchase of property, plant and equipment: -¥6.1 billion

✓ Cash used in financing activities: ¥19.0 billion

[Factors]
Payments of cash dividends: -¥6.9 billion
Repayment of long-term borrowings: -¥9.3 billion

Orders and Sales by Destination (April 1, 2022 – September 30, 2022)

(Billion yen)

Region	Orders					Sales				
	FY2021 H1		FY2022 H1		Y/Y change	FY2021 H1		FY2022 H1		Y/Y change
	Orders	Composition	Orders	Composition		Sales	Composition	Sales	Composition	
Japan	111.0	41.6%	127.7	32.0%	+16.6	87.6	35.9%	97.0	35.0%	+9.3
Non-Japan	156.1	58.4%	272.3	68.0%	+116.2	156.3	64.1%	180.0	65.0%	+23.6
North America	45.5	17.1%	88.9	22.2%	+43.3	64.0	26.2%	71.6	25.8%	+7.5
Asia	85.9	32.2%	162.0	40.5%	+76.0	76.5	31.3%	91.7	33.2%	+15.1
China	28.5	10.7%	46.8	11.7%	+18.2	23.9	9.8%	27.8	10.1%	+3.8
South Korea	27.0	10.1%	41.5	10.4%	+14.5	25.5	10.5%	26.5	9.6%	+1.0
Taiwan	23.9	9.0%	53.4	13.4%	+29.4	22.3	9.1%	27.4	9.9%	+5.0
Other	6.3	2.4%	20.1	5.0%	+13.8	4.6	1.9%	9.8	3.6%	+5.1
Europe	12.0	4.5%	9.3	2.3%	-2.7	8.4	3.5%	7.9	2.9%	-0.4
Latin America	2.0	0.8%	4.4	1.1%	+2.3	2.5	1.0%	1.9	0.7%	-0.5
Other	10.4	3.8%	7.5	1.9%	-2.8	4.8	2.1%	6.8	2.4%	+2.0
Subtotal	–	–	–	–	–	244.0	100.0%	277.1	100.0%	+33.0
Consolidated adjustment and other	–	–	–	–	–	-0.6	–	0.6	–	+1.2
Total	267.2	100.0%	400.1	100.0%	+132.8	243.4	–	277.7	–	+34.3

✓ Japan:
Sales were favorable, underpinned by an extensive order backlog from the previous year-end.

✓ North America:
Orders increased significantly in cleanroom systems for the semiconductor sector, automotive systems, and airport systems. Sales remained favorable in airport systems.

✓ Asia:
Orders and sales were driven by cleanroom systems.

Orders and Sales by Industry (April 1, 2022 – September 30, 2022)

(Billion yen)

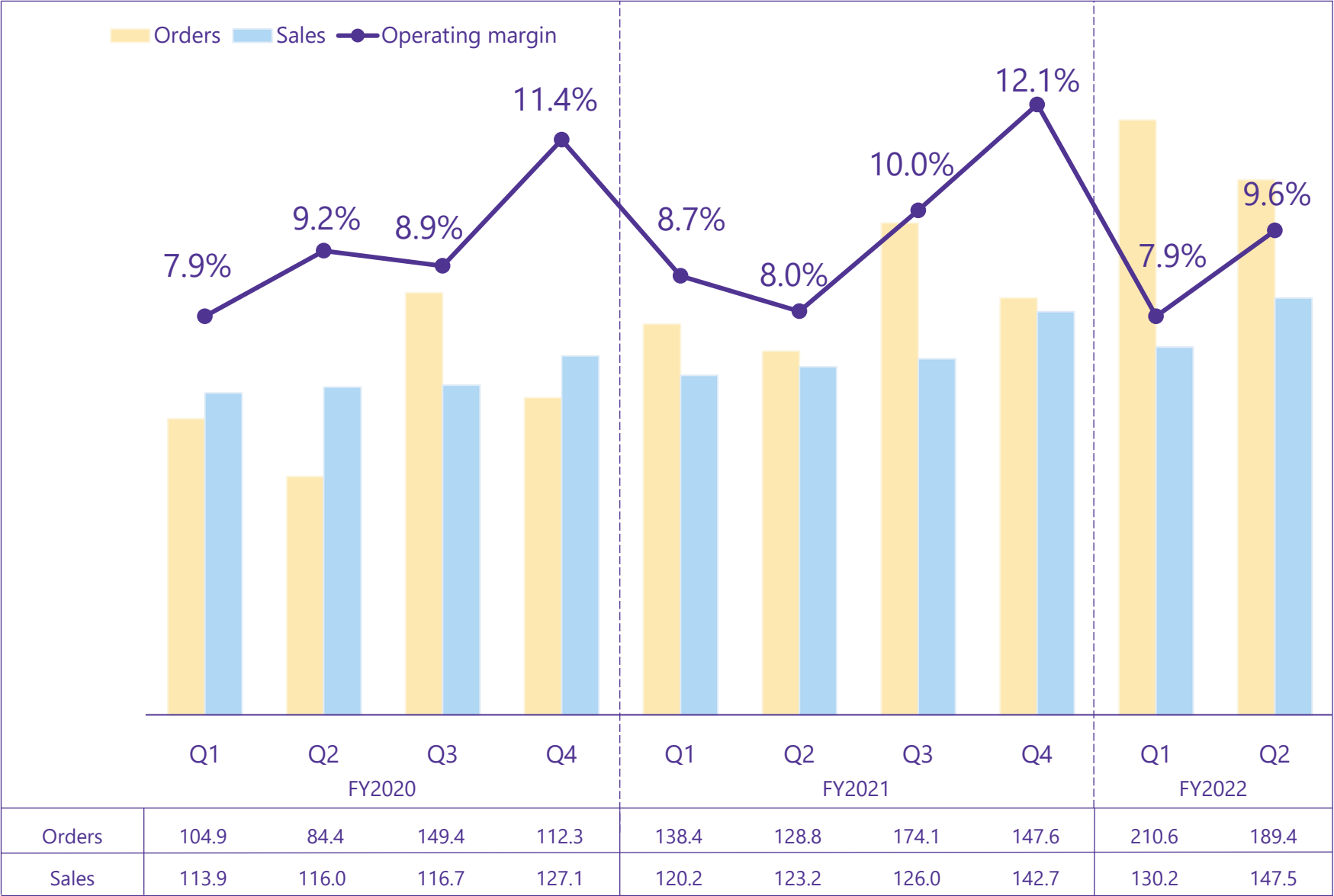
Industry	Orders					Sales				
	FY2021 H1		FY2022 H1		Y/Y change	FY2021 H1		FY2022 H1		Y/Y change
	Orders	Composition	Orders	Composition		Sales	Composition	Sales	Composition	
Automobile, auto parts	32.4	12.1%	40.4	10.1%	+8.0	27.7	11.4%	26.2	9.5%	-1.4
Electronics	86.5	32.4%	185.6	46.4%	+99.1	72.0	29.5%	95.8	34.6%	+23.8
Commerce, retail	83.7	31.3%	84.5	21.1%	+0.8	78.1	32.0%	82.0	29.6%	+3.8
Transportation, warehousing	16.8	6.3%	11.7	2.9%	-5.0	13.9	5.7%	16.0	5.8%	+2.1
Machinery	5.5	2.1%	6.4	1.6%	+0.9	4.5	1.9%	6.0	2.2%	+1.5
Chemicals, pharmaceuticals	10.2	3.8%	20.4	5.1%	+10.1	7.7	3.2%	9.9	3.6%	+2.1
Food	7.0	2.6%	6.8	1.7%	-0.2	9.6	3.9%	6.4	2.3%	-3.1
Iron, steel, nonferrous metals	2.5	1.0%	2.5	0.6%	-0.0	1.4	0.6%	1.9	0.7%	+0.4
Precision equipment, printing, office equipment	2.8	1.1%	4.4	1.1%	+1.5	3.0	1.3%	2.7	1.0%	-0.2
Airport	9.5	3.6%	30.4	7.6%	+20.9	19.5	8.0%	20.4	7.4%	+0.9
Other	9.8	3.7%	6.4	1.8%	-3.3	6.1	2.5%	9.1	3.3%	+2.9
Subtotal	–	–	–	–	–	244.0	100.0%	277.1	100.0%	+33.0
Consolidated adjustment and other	–	–	–	–	–	-0.6	–	0.6	–	+1.2
Total	267.2	100.0%	400.1	100.0%	+132.8	243.4	–	277.7	–	+34.3

✓ Electronics:
Orders and sales reflected the continued robust demand for capital investment for semiconductors.

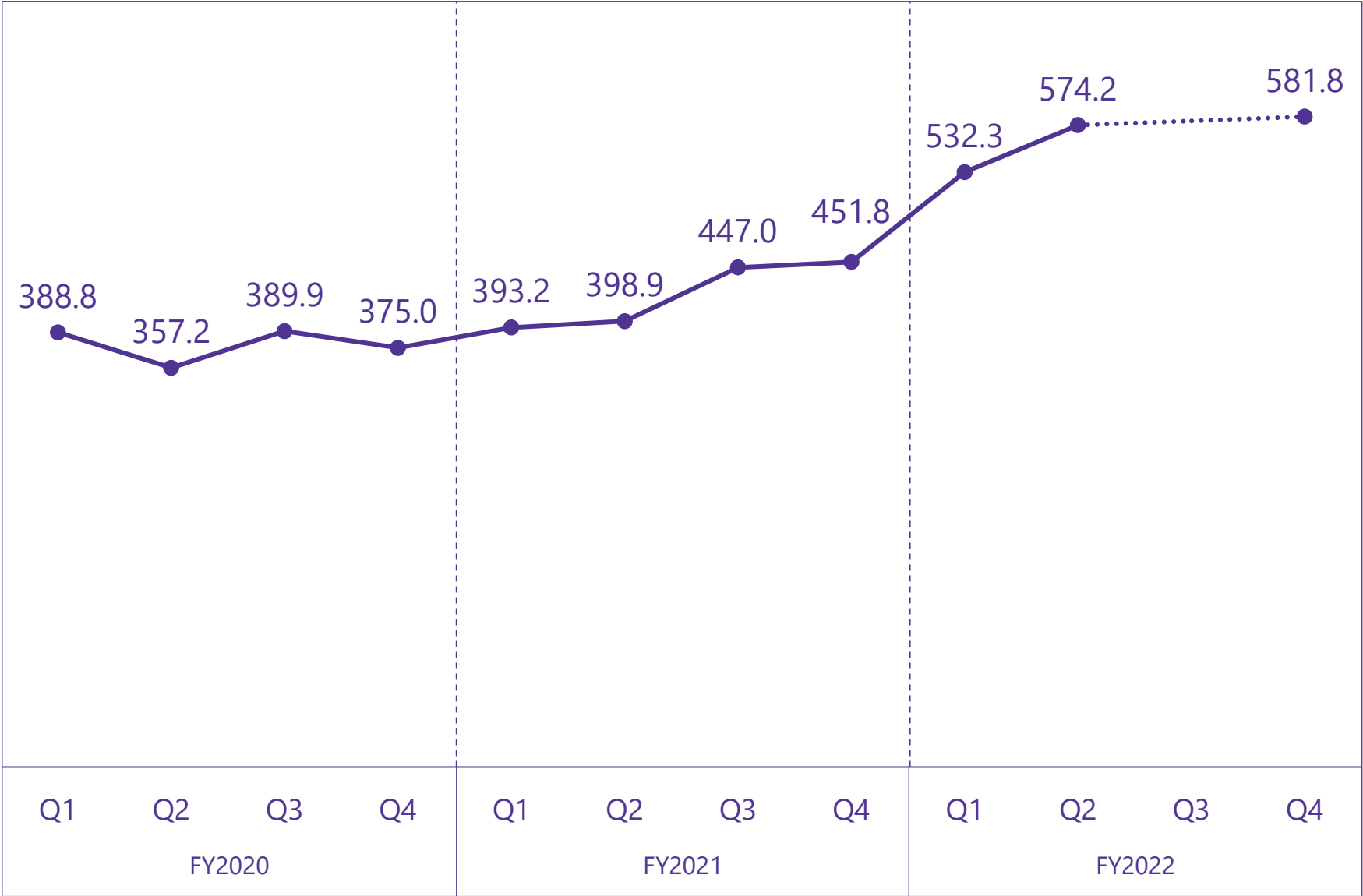
✓ Airport:
Orders increased significantly in North America.

Quarterly Orders, Sales, and Operating Margin

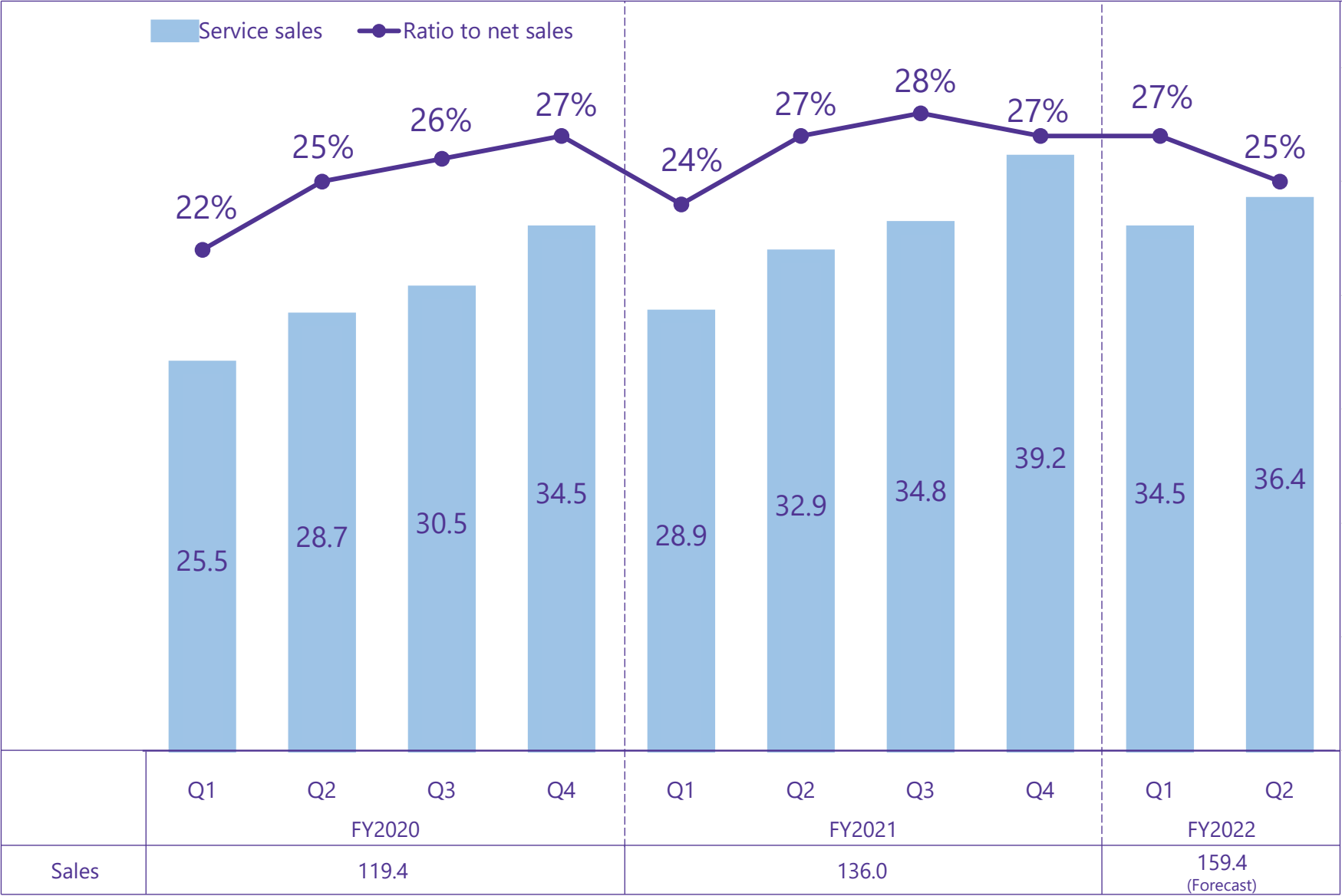
(Billion yen)



(Billion yen)



(Billion yen)



Orders by Industry

(Billion yen)

Industry	FY2020				FY2021				FY2022			
	Q1	Q2	Q3	Q4	Q1	Q2 (a)	Q3	Q4	Q1	Q2 (b)	Composition	Y/Y Change (b-a)
Automobile, auto parts	15.1	8.8	11.1	13.9	15.3	17.0	13.0	12.0	18.0	22.4	11.8%	+5.3
Electronics	31.3	30.8	34.8	32.5	44.9	41.6	75.3	71.5	98.4	87.2	46.1%	+45.5
Commerce, retail	27.7	18.6	57.7	32.2	40.1	43.5	47.3	25.9	50.3	34.1	18.0%	-9.3
Transportation, warehousing	6.3	5.4	2.9	8.6	12.5	4.2	8.7	5.0	5.4	6.2	3.3%	+2.0
Machinery	2.4	0.9	2.2	6.3	1.5	3.9	0.8	1.6	4.2	2.2	1.2%	-1.7
Chemicals, pharmaceuticals	3.2	3.1	3.6	3.9	4.3	5.8	5.3	6.6	11.4	8.9	4.7%	+3.0
Food	2.5	7.7	3.8	3.1	4.8	2.2	2.1	7.0	3.1	3.6	1.9%	+1.3
Iron, steel, nonferrous metals	1.2	0.9	0.8	0.7	1.6	0.9	0.9	1.6	1.5	0.9	0.5%	+0.0
Precision equipment, printing, office equipment	1.2	1.8	1.2	1.7	1.1	1.7	1.2	1.3	2.4	1.9	1.1%	+0.2
Airport	10.5	2.9	26.9	5.6	7.7	1.7	16.0	7.6	10.9	19.5	10.3%	+17.7
Other	3.1	3.0	3.9	3.1	3.9	5.8	3.2	7.0	4.5	1.8	1.1%	-3.9
Total	104.9	84.4	149.4	112.3	138.4	128.8	174.1	147.6	210.6	189.4	100.0%	+60.5

Sales by Industry

(Billion yen)

Industry	FY2020				FY2021				FY2022			
	Q1	Q2	Q3	Q4	Q1	Q2 (a)	Q3	Q4	Q1	Q2 (b)	Composition	Y/Y Change (b-a)
Automobile, auto parts	18.4	20.7	21.5	19.3	13.7	13.9	15.0	16.2	11.5	14.7	10.0%	+0.7
Electronics	33.3	31.0	34.2	38.3	40.0	31.9	35.7	43.6	43.2	52.6	35.9%	+20.6
Commerce, retail	25.5	32.3	26.2	31.3	37.2	40.9	34.1	42.7	41.6	40.4	27.5%	-0.5
Transportation, warehousing	5.5	4.9	6.1	6.8	6.0	7.8	9.0	9.9	8.2	7.7	5.3%	-0.0
Machinery	3.9	2.6	2.4	2.2	2.0	2.4	3.1	3.8	2.9	3.0	2.1%	+0.6
Chemicals, pharmaceuticals	4.3	4.6	4.7	4.5	3.9	3.8	4.0	5.8	4.2	5.7	3.9%	+1.9
Food	6.2	4.8	3.3	3.3	3.0	6.5	4.7	5.7	3.1	3.3	2.3%	-3.2
Iron, steel, nonferrous metals	0.7	1.0	1.2	1.4	0.5	0.9	0.8	1.2	0.7	1.1	0.8%	+0.2
Precision equipment, printing, office equipment	1.9	2.1	2.5	2.0	1.5	1.4	1.4	1.7	1.1	1.6	1.1%	+0.1
Airport	10.4	8.5	10.5	11.6	9.5	9.9	14.2	10.0	9.1	11.3	7.7%	+1.4
Other	3.2	3.0	3.7	5.8	2.8	3.3	4.0	3.3	4.3	4.8	3.4%	+1.5
Subtotal	113.9	116.0	116.7	127.1	120.7	123.2	126.3	144.4	130.3	146.7	100.0%	+23.5
Consolidated adjustment and other	–	–	–	–	-0.5	-0.0	-0.3	-1.6	-0.1	0.7	–	+0.8
Total	113.9	116.0	116.7	127.1	120.2	123.2	126.0	142.7	130.2	147.5	–	+24.3

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Earnings Forecast



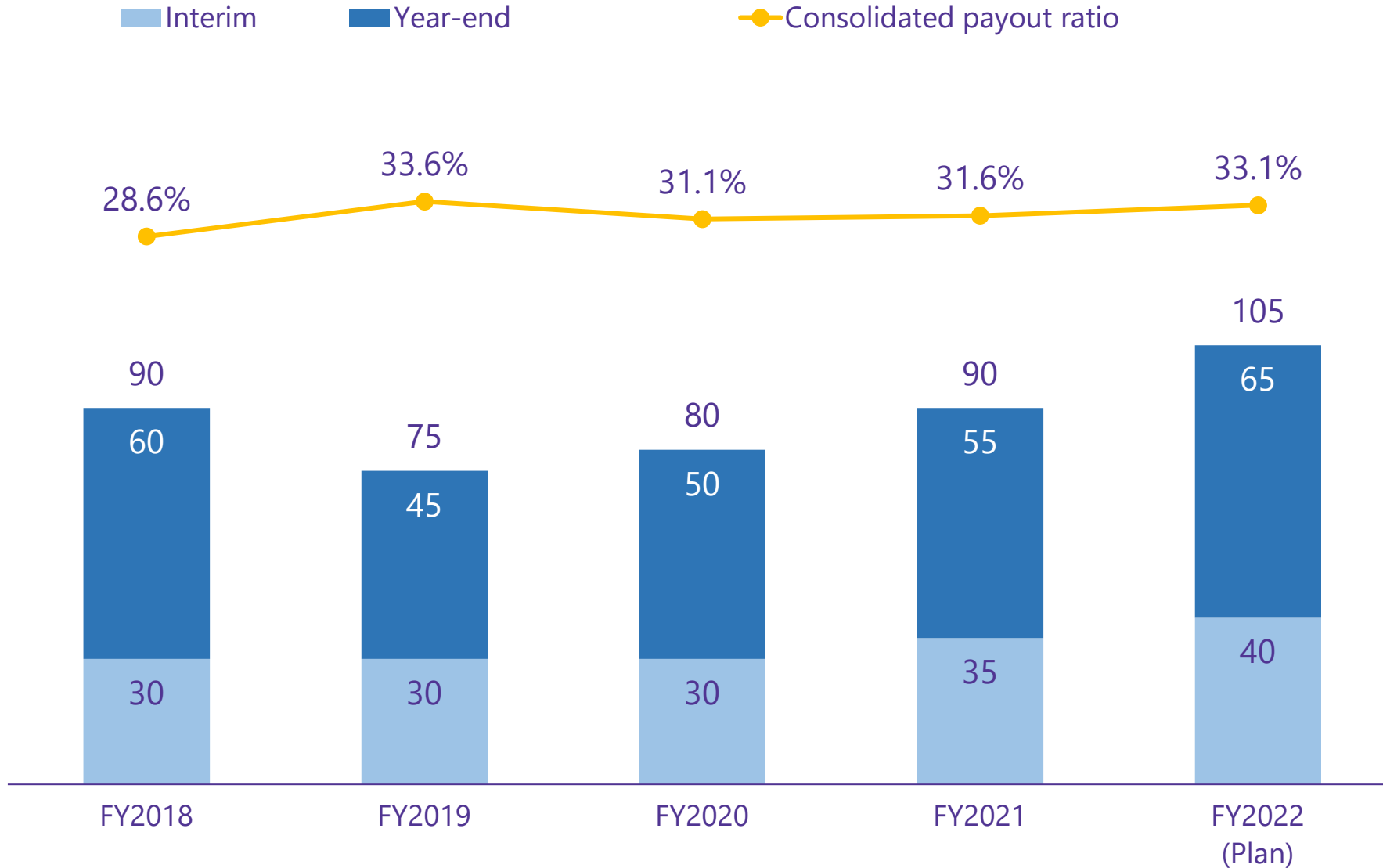
Fiscal 2022 Forecast (Consolidated)

(Billion yen)

	FY2021 (a)	FY2022 (Forecast)					
		Announced on May 13, 2022	Revised on August 8, 2022 (b)	Revised on November 8, 2022 (c)	Change (c-b)	Y/Y change (c-a)	Y/Y rate ((c-a)/a)
Orders	589.0	600.0	630.0	710.0	+80.0	+120.9	+20.5%
Net sales	512.2	565.0	565.0	580.0	+15.0	+67.7	+13.2%
Operating income	50.2	56.5	56.5	57.0	+0.5	+6.7	+13.4%
Ordinary income	51.2	57.5	57.5	57.7	+0.2	+6.4	+12.6%
Net income attributable to shareholders of the parent company	35.8	39.6	39.6	40.0	+0.4	+4.1	+11.5%
Net income per share	284.71 yen	314.24 yen	314.24 yen	317.42yen	+3.18 yen	+32.71 yen	—

Dividends

(Yen)



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Topics



In October 2022, our Group company Jervis B. Webb Company's new manufacturing plant was completed in Boyne City, Michigan, to manufacture products for airport baggage handling products and automatic guided vehicles. In addition to increasing production capacity, the manufacturing plant combines the operations of existing three plants under one roof to improve production efficiency.

Investment amount: USD 26 million

Site area: Approx. 89,000 sq.m

Building area: Approx. 20,900 sq.m



Site tour at the grand opening ceremony



Automatic guided vehicle

In October 2022, we delivered the latest baggage handling system and centralized monitoring system to Terminal 1 (domestic flights) of Kansai International Airport, which is undergoing extensive renovations in anticipation of the Expo 2025 Osaka Kansai.

By combining software to constantly monitor and track various conveyors and the position of baggage, we will help prevent delays and non-delivery of checked baggage, reduce management costs, and improve customer satisfaction.

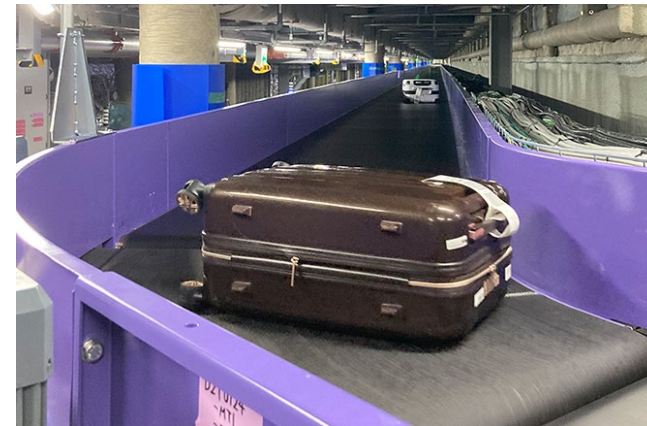
Kansai International Airport is also undergoing renovations for international flights, and its grand opening is scheduled for 2025.

For details on the renovation of Kansai International Airport, see the following site:

www.kansai-airport.or.jp/en/t1renovation



Baggage claim carousel



Baggage handling system

Shiga Works, our largest core factory in Japan, has switched to using renewable energy sources for all of the electricity it uses from this November, including power from a mega solar farm it has been operating since 2013. When converted to CO₂ emissions, the Group's Scope 1 and 2 emissions will be reduced by about 16% (compared to 2018).

Group companies in Japan (Contec Headquarters) and China (Changshu plant) have also introduced photovoltaic systems. In addition, we are planning to install solar panels to expand the introduction of renewable energy in China (a new plant in Suzhou), South Korea, Thailand, Taiwan, and the United States from 2023 to 2024.

Going forward, we will continue to promote energy-saving activities, introduce photovoltaic systems, switch to renewable energy power menus and other technologies, and advance Group-wide efforts to realize a decarbonized society.



Mega solar farm at the Shiga Works operating since 2013



A plant for automotive systems (Changshu, China) introduced a rooftop photovoltaic system in 2021.



Contec Co., Ltd. Headquarters introduced a rooftop photovoltaic system in 2022.



A new plant for cleanroom systems (Suzhou, China) will introduce a rooftop photovoltaic system in 2023.

DAIFUKU

Automation that Inspires

Cautionary Statement with Respect to Forward-Looking Statements

The strategies, beliefs and plans related to future business performance as described in this document are not established facts. They are business prospects based on the assumptions and beliefs of the management team judging from the most current information, and therefore, these prospects are subject to potential risks and uncertainties. Due to various crucial factors, actual results may differ materially from these forward-looking statements. These crucial factors that may adversely affect performance include 1) consumer trends and economic conditions in the Daifuku Group's operating environment; 2) the effect of yen exchange rates on sales, assets and liabilities denominated in U.S. dollars and other currencies; 3) the tightening of laws and regulations regarding safety and other matters that may lead to higher costs or sales restrictions; and 4) the impact of natural disasters and intentional threats, war, acts of terrorism, strikes, and plagues. Moreover, there are other factors that may adversely affect the Group's performance.