

# Consolidated Financial Results

**First Half of the Fiscal Year Ending March 31, 2020**

**(April 1, 2019 - September 30, 2019)**

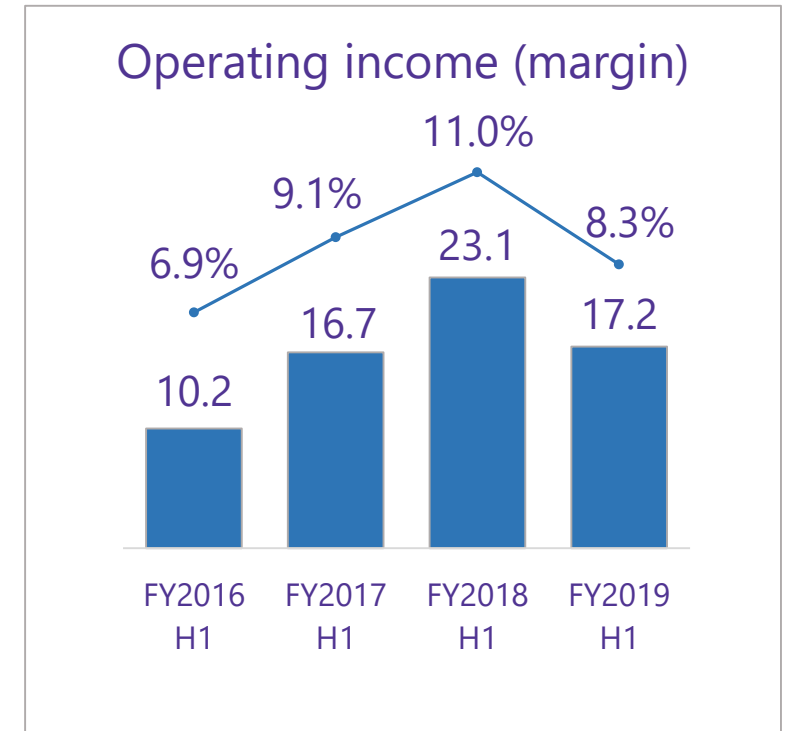
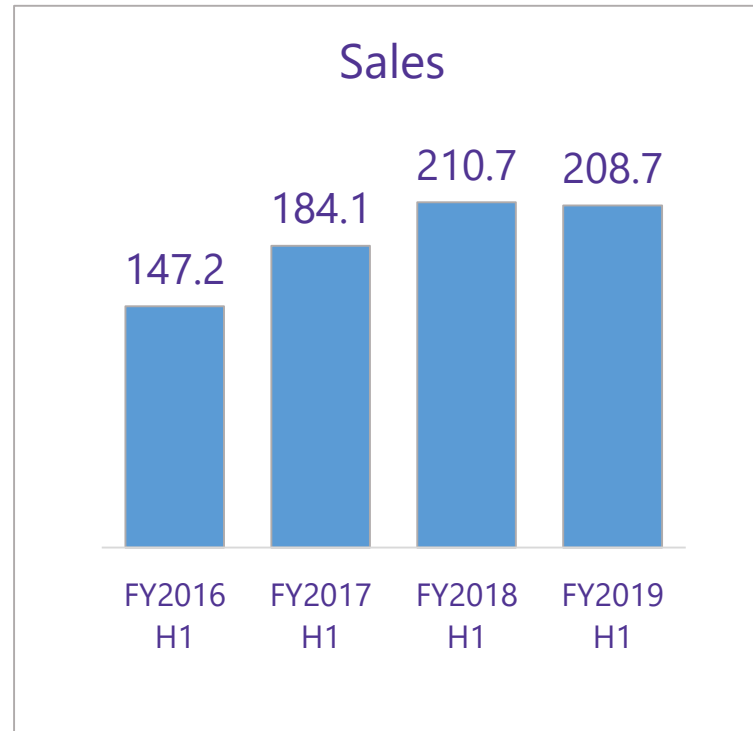
**November 8, 2019**

**DAIFUKU CO., LTD.**



- ✓ Orders reflected a cautious stance on investment in the semiconductor and flat-panel display sectors.
- ✓ Sales held steady year on year.
- ✓ Operating income reflected changes in the environment surrounding the semiconductor and flat-panel display sectors, the additional costs incurred, and other factors.

(Billion yen)



# FY2019 Interim Results (Consolidated)

(Billion yen)

	FY2018 H1 results	FY2019 H1 forecast as of August 8, 2019	FY2019 H1 results	Year-on-year
Orders	269.83	240.0	<b>214.32</b>	-20.6%
Net sales	210.71	210.0	<b>208.73</b>	-0.9%
Operating income	23.11	16.0	<b>17.28</b>	-25.2%
Ordinary income	23.75	16.2	<b>17.61</b>	-25.8%
Net income attributable to shareholders of the parent company	21.79	12.0	<b>13.16</b>	-39.6%
Comprehensive income	19.06	-	<b>10.56</b>	-44.6%
Net income per share	173.31 yen	95.37 yen	<b>104.65 yen</b>	
Exchange rate (per 1 U.S. dollar)	108.52 yen	-	<b>109.98 yen</b>	

- ✓ A gain on sales of shares in affiliates (Knapp AG) of ¥6.94 billion was included in the year-on-year results.

# Results by Reportable Segment

(Billion yen)

	Orders (Orders from outside customers)		Net sales (Sales to outside customers)		Segment income (Net income attributable to shareholders of the parent company)	
	FY2018 H1	FY2019 H1	FY2018 H1	FY2019 H1	FY2018 H1	FY2019 H1
Daifuku	121.60	<b>104.32</b>	92.97	<b>93.78</b>	18.18	<b>7.41</b>
Contec	8.45	<b>8.43</b>	7.82	<b>7.53</b>	0.57	<b>0.70</b>
Daifuku North America	63.27	<b>42.12</b>	40.96	<b>46.33</b>	1.75	<b>2.69</b>
Clean Factomation	23.05	<b>14.21</b>	15.67	<b>16.27</b>	1.56	<b>1.94</b>
Other	53.44	<b>45.22</b>	47.80	<b>45.44</b>	1.86	<b>0.83</b>
Consolidated adjustment and other	-	-	5.46	<b>▲0.63</b>	<b>▲2.13</b>	<b>▲0.42</b>
<b>Total</b>	<b>269.83</b>	<b>214.32</b>	<b>210.71</b>	<b>208.73</b>	<b>21.79</b>	<b>13.16</b>

✓ Daifuku:  
A gain on sales of shares in affiliates was included in the year-on-year results.

✓ Daifuku North America:  
Entirely attributable to a delay in the timing of receiving orders. Sales and income increased.

✓ Other:  
Income reflected changes in the environment surrounding the semiconductor and flat-panel display sectors, mainly in East Asia.

# Consolidated Balance Sheets

(Billion yen)

	FY2018	FY2019 H1	Change
Current assets	326.23	<b>304.03</b>	-22.20
Cash on hand and in banks	90.91	<b>76.77</b>	-14.14
Notes and accounts receivable	191.86	<b>181.06</b>	-10.80
Inventories	34.20	<b>36.86</b>	2.65
Other	9.24	<b>9.32</b>	0.07
Non-current assets	83.74	<b>88.42</b>	4.68
Property, plant and equipment	37.02	<b>42.74</b>	5.72
Intangible assets	12.46	<b>11.72</b>	-0.73
Goodwill	7.56	<b>6.92</b>	-0.63
Other	4.89	<b>4.80</b>	-0.09
Investments and other assets	34.26	<b>33.95</b>	-0.30
<b>Total assets</b>	<b>409.98</b>	<b>392.45</b>	<b>-17.52</b>

	FY2018	FY2019 H1	Change
Current liabilities	155.96	<b>134.39</b>	-21.56
Notes and accounts	71.79	<b>64.10</b>	-7.69
Short-term borrowings	19.43	<b>14.98</b>	-4.44
Other	64.73	<b>55.29</b>	-9.43
Non-current liabilities	31.13	<b>32.08</b>	0.95
Long-term borrowings	20.56	<b>20.18</b>	-0.38
Other	10.56	<b>11.89</b>	1.33
<b>Total Liabilities</b>	<b>187.09</b>	<b>166.48</b>	<b>-20.61</b>
Shareholders' equity	214.65	<b>220.38</b>	5.72
Common stock	31.86	<b>31.86</b>	-
Retained earnings	162.72	<b>168.17</b>	5.45
Other	20.06	<b>20.34</b>	0.27
Accumulated other comprehensive income	4.03	<b>1.38</b>	-2.64
Non-controlling interests	4.19	<b>4.20</b>	0.00
<b>Total net assets</b>	<b>222.88</b>	<b>225.97</b>	<b>3.09</b>
<b>Total liabilities and net assets</b>	<b>409.98</b>	<b>392.45</b>	<b>-17.52</b>

✓ Total assets:  
Decreased by ¥17.5 billion  
[Factors]  
Decrease: ¥14.1 billion in cash on hand and in banks, ¥10.8 billion in notes and accounts receivable  
Increase: ¥5.7 billion in property, plant and equipment

✓ Liabilities:  
Decreased by ¥20.6 billion  
[Factors]  
Decrease: ¥7.6 billion in notes and accounts payable, ¥4.4 billion in short-term borrowings, ¥9.8 billion in income taxes payable

✓ Net assets:  
Increased by ¥30.0 billion  
[Factors]  
Increase: ¥5.4 billion in retained earnings  
Decrease: ¥2.3 billion in foreign currency translation adjustments

# Orders and Sales by Industry (Consolidated)

(Billion yen)

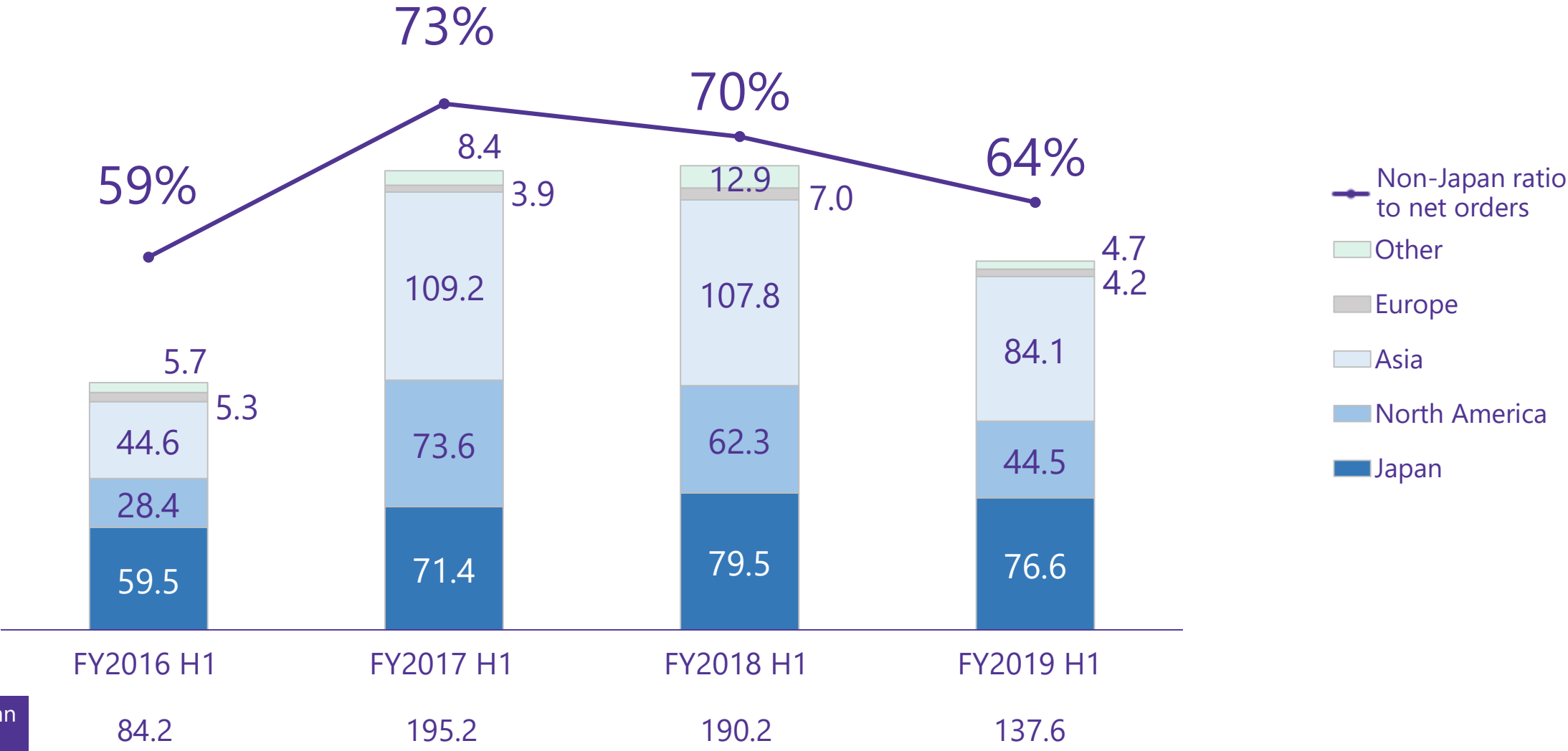
Industry	Orders				Sales			
	FY2018 H1		FY2019 H1		FY2018 H1		FY2019 H1	
	Orders	Composition	Orders	Composition	Sales	Composition	Sales	Composition
Automobile, auto parts	36.83	13.7%	<b>28.33</b>	<b>13.2%</b>	30.43	14.4%	<b>29.14</b>	<b>14.0%</b>
Electronics	109.25	40.5%	<b>79.94</b>	<b>37.3%</b>	93.67	44.5%	<b>78.82</b>	<b>37.8%</b>
Commerce, retail	41.43	15.4%	<b>39.07</b>	<b>18.2%</b>	30.02	14.2%	<b>37.55</b>	<b>18.0%</b>
Transportation, warehousing	23.89	8.9%	<b>16.71</b>	<b>7.8%</b>	11.64	5.5%	<b>13.52</b>	<b>6.5%</b>
Machinery	6.64	2.5%	<b>6.25</b>	<b>2.9%</b>	4.03	1.9%	<b>5.50</b>	<b>2.6%</b>
Chemicals, pharmaceuticals	7.52	2.8%	<b>8.95</b>	<b>4.2%</b>	6.58	3.1%	<b>7.03</b>	<b>3.4%</b>
Food	4.16	1.5%	<b>9.16</b>	<b>4.3%</b>	5.64	2.7%	<b>4.30</b>	<b>2.1%</b>
Iron, steel, nonferrous metals	3.23	1.2%	<b>3.03</b>	<b>1.4%</b>	1.76	0.8%	<b>2.69</b>	<b>1.3%</b>
Precision equipment, printing, office equipment	5.33	2.0%	<b>2.59</b>	<b>1.2%</b>	2.98	1.4%	<b>4.68</b>	<b>2.2%</b>
Airport	22.74	8.4%	<b>13.13</b>	<b>6.1%</b>	15.27	7.2%	<b>18.26</b>	<b>8.8%</b>
Other	8.74	3.1%	<b>7.10</b>	<b>3.4%</b>	8.65	4.3%	<b>7.17</b>	<b>3.3%</b>
<b>Total</b>	269.83	100.0%	<b>214.32</b>	<b>100.0%</b>	210.71	100.0%	<b>208.73</b>	<b>100.0%</b>

✓ Orders decreased in the electronics, transportation, warehousing, and airport sectors. Orders from the food sector increased.

✓ Sales increased in the commerce, retail, transportation, warehousing, and machinery sectors.

# Orders by Region (Consolidated)

(Billion yen)



Non-Japan Total

# Orders by Region (Consolidated)

(Billion yen)

Region	FY2016 H1		FY2017 H1		FY2018 H1		FY2019 H1	
	Orders	Composition	Orders	Composition	Orders	Composition	Orders	Composition
Japan	59.59	41.4%	71.47	26.8%	79.57	29.5%	<b>76.63</b>	<b>35.8%</b>
Non-Japan	84.29	58.6%	195.24	73.2%	190.25	70.5%	<b>137.68</b>	<b>64.2%</b>
North America	28.47	19.8%	73.62	27.6%	62.39	23.1%	<b>44.55</b>	<b>20.7%</b>
Asia	44.69	31.1%	109.24	41.0%	107.83	40.0%	<b>84.15</b>	<b>39.3%</b>
China	20.07	14.0%	66.19	24.8%	56.13	20.8%	<b>38.27</b>	<b>17.9%</b>
South Korea	12.18	8.5%	28.38	10.7%	31.03	11.5%	<b>22.69</b>	<b>10.6%</b>
Taiwan	8.95	6.2%	9.58	3.6%	14.06	5.2%	<b>18.83</b>	<b>8.8%</b>
Other	3.48	2.4%	5.07	1.9%	6.60	2.5%	<b>4.34</b>	<b>2.0%</b>
Europe	5.38	3.7%	3.90	1.5%	7.08	2.6%	<b>4.21</b>	<b>2.0%</b>
Latin America	1.10	0.8%	3.06	1.1%	7.38	2.7%	<b>0.53</b>	<b>0.2%</b>
Other	4.62	3.2%	5.40	2.0%	5.56	2.1%	<b>4.22</b>	<b>2.0%</b>
Total	143.89	100.0%	266.71	100.0%	269.83	100.0%	<b>214.32</b>	<b>100.0%</b>

✓ Orders remained stable at a high level.

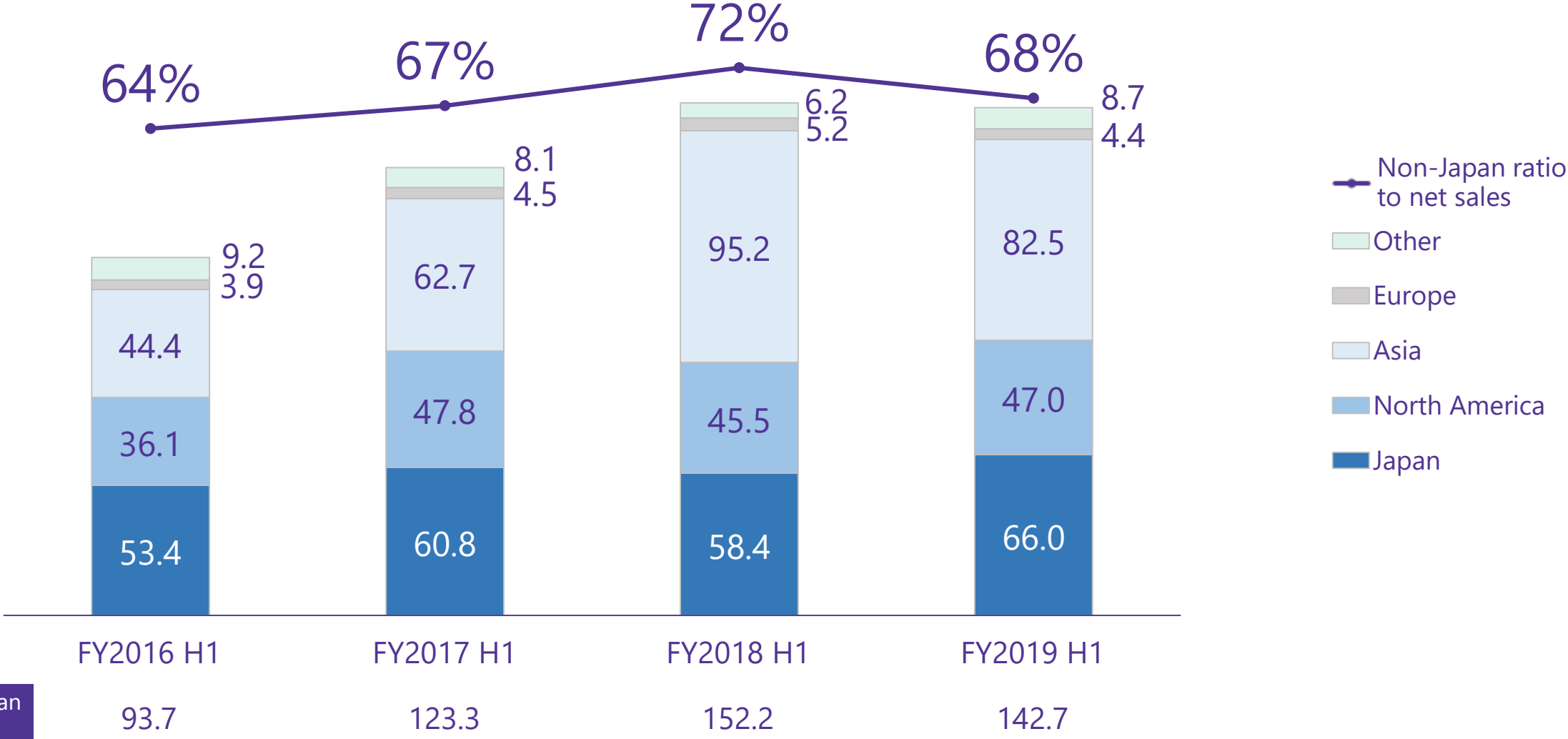
✓ In Asia, orders reflected trends in the electronics sector.

✓ In Latin America, investment in the automobile factories eased.



# Sales by Region (Consolidated)

(Billion yen)



Non-Japan Total

# Sales by Region (Consolidated)

(Billion yen)

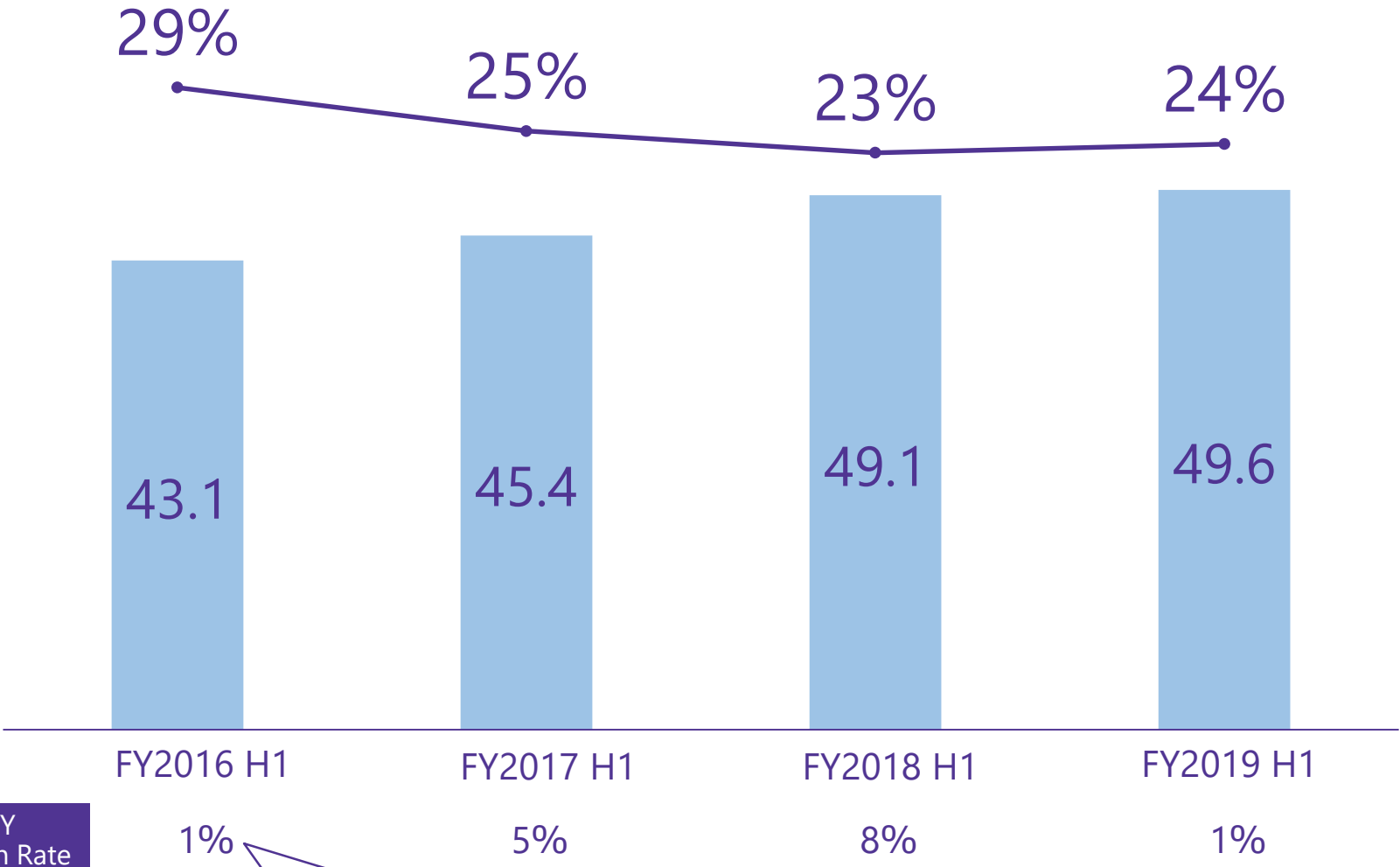
Region	FY2016 H1		FY2017 H1		FY2018 H1		FY2019 H1	
	Sales	Composition	Sales	Composition	Sales	Composition	Sales	Composition
Japan	53.49	36.3%	60.85	33.0%	58.41	27.7%	<b>66.00</b>	<b>31.6%</b>
Non-Japan	93.76	63.7%	123.30	67.0%	152.29	72.3%	<b>142.72</b>	<b>68.4%</b>
North America	36.12	24.5%	47.89	26.0%	45.50	21.7%	<b>47.00</b>	<b>22.5%</b>
Asia	44.42	30.2%	62.74	34.1%	95.29	45.2%	<b>82.50</b>	<b>39.5%</b>
China	13.70	9.3%	25.87	14.1%	50.83	24.1%	<b>35.56</b>	<b>17.0%</b>
South Korea	13.23	9.0%	23.59	12.8%	30.79	14.6%	<b>22.48</b>	<b>10.8%</b>
Taiwan	12.40	8.4%	9.02	4.9%	6.31	3.0%	<b>18.18</b>	<b>8.7%</b>
Other	5.07	3.5%	4.24	2.3%	7.34	3.5%	<b>6.26</b>	<b>3.0%</b>
Europe	3.92	2.7%	4.50	2.4%	5.27	2.5%	<b>4.49</b>	<b>2.2%</b>
Latin America	1.53	1.0%	3.05	1.7%	2.42	1.1%	<b>2.91</b>	<b>1.4%</b>
Other	7.75	5.3%	5.10	2.8%	3.80	1.8%	<b>5.80</b>	<b>2.8%</b>
Total	147.26	100.0%	184.15	100.0%	210.71	100.0%	<b>208.73</b>	<b>100.0%</b>

✓ In Japan, sales grew steadily.

✓ In Asia, sales reflected trends in the electronics sector.

%: Ratio to net sales

(Billion yen)



✓ Sales remained almost flat.

Note: Sales in the service business include maintenance, retrofitting, and remodeling work for products and systems Daifuku delivered.

Y/Y  
Growth Rate

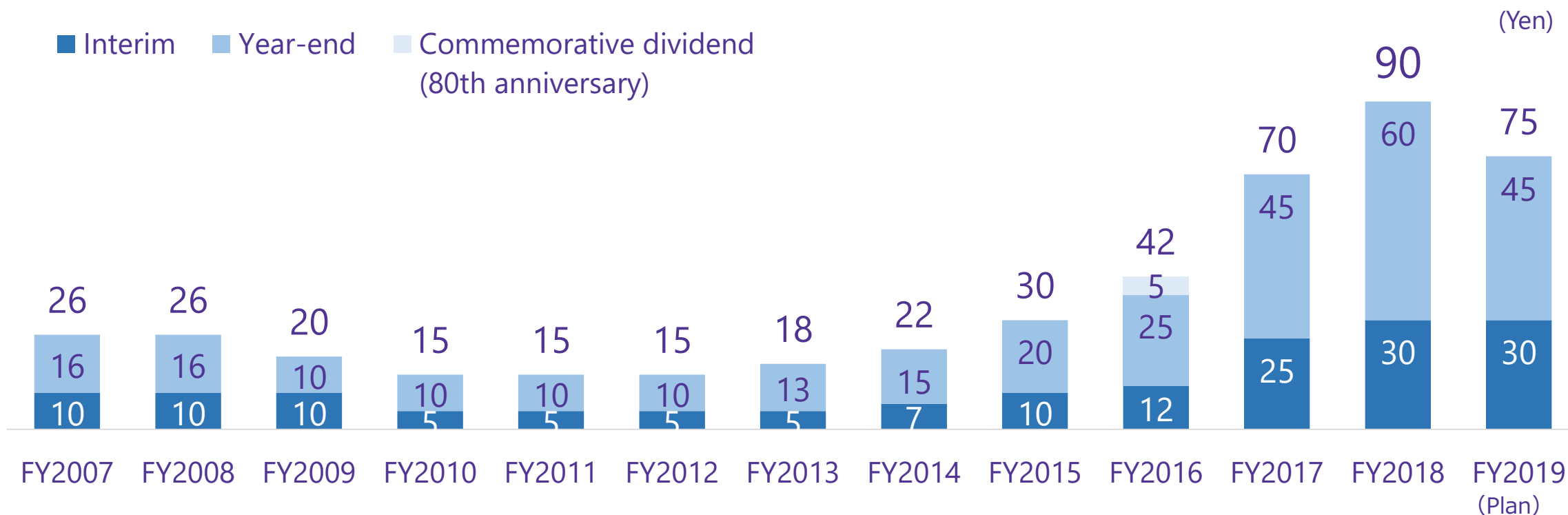
1%  
Impact from the appreciation of the yen

(Billion yen)

	FY2018	FY2019 (Forecast)				Year-on-year
		As of May 10, 2019	As of August 8, 2019	Revised on November 8, 2019		
Orders	503.39	530.0	510.0	<b>500.0</b>	▲0.7%	
Net sales	459.48	480.0	460.0	<b>450.0</b>	▲2.1%	
Operating income	54.68	52.8	46.0	<b>39.0</b>	▲28.7%	
Ordinary income	55.84	53.5	46.5	<b>39.7</b>	▲28.9%	
Net income attributable to shareholders of the parent company	39.56	38.2	33.5	<b>28.5</b>	▲28.0%	
Net income per share	314.54 yen	303.67 yen	266.24 yen	<b>226.47 yen</b>	-	

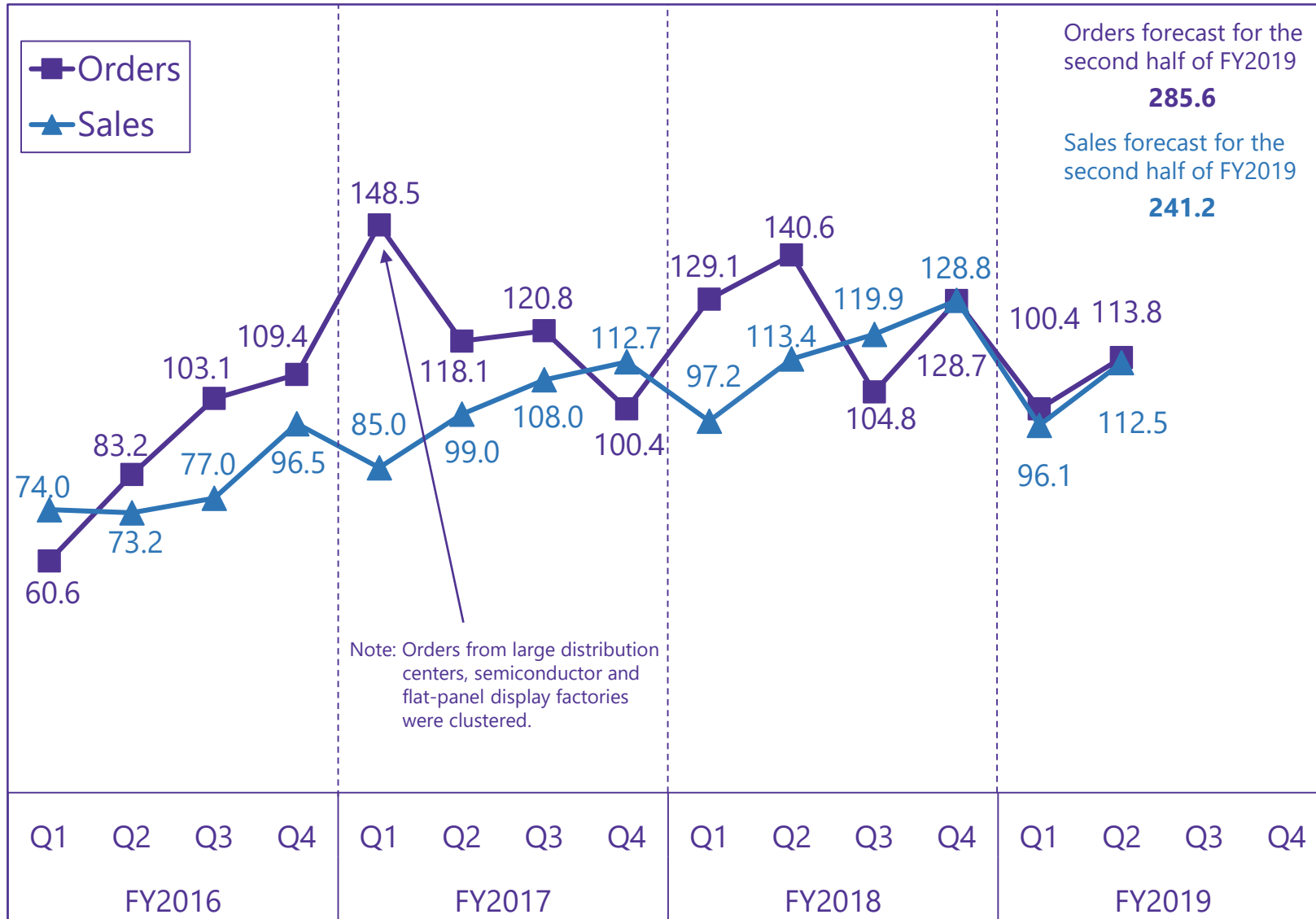
## Revision to the year-end dividend forecast

Daifuku has revised its year-end dividend to 45 yen per share, from 60 yen for the fiscal year ending March 31, 2020. Accordingly, the annual dividend per share is projected to be 75 yen. The consolidated dividend payout ratio of 30% is to be maintained on a three-year (FY2017-FY2019) average during the ongoing medium-term business plan.



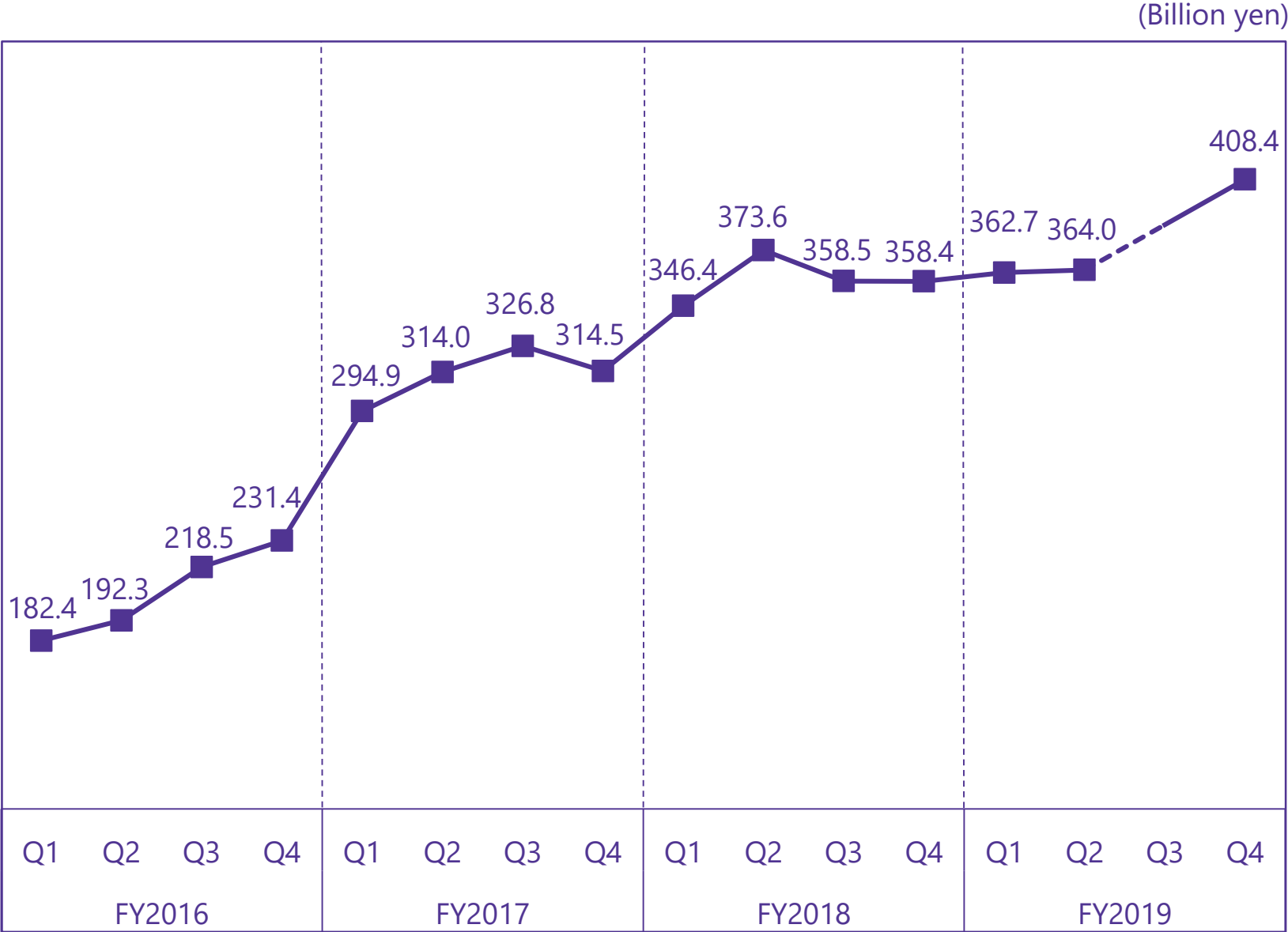
# Quarterly Orders and Sales (Consolidated)

(Billion yen)



✓ Orders were buoyed from Q1.

# Order Backlogs (Consolidated)



✓ The high level of orders was maintained.

## Acquisition of two software companies to strengthen airport digital solutions

Daifuku has acquired Netherlands-based Scarabee Aviation Group B.V. and Australia-based Intersystems (Asia Pacific) Pty Limited. Against a backdrop of increased number of air travelers in recent years, we will diversify our Airport Technologies business through a new entry into the digital-related sector, including airport security and integrated information systems, both of which hold growth potential.



Scarabee Smart Security Lane  
(Amsterdam Airport Schiphol)



Intersystems flight information display  
(Shanghai Pudong International Airport)



## New subsidiary established in Vietnam to meet the needs of global companies relocating their factories

Daifuku has established its Vietnamese subsidiary, Daifuku Intralogistics Vietnam Co., Ltd., in Ho Chi Minh City, with operations commencing on October 1, 2019. Daifuku Intralogistics Vietnam manages local sales, installation and after-sales services of material handling systems for manufacturers and distributors. We will actively promote our business in Vietnam, where the momentum toward automation is rising.



Expanding business for manufacturers and distributors into ASEAN countries and India



Opening ceremony

# DAIFUKU

## Always an Edge Ahead

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### **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.