

Consolidated Financial Results
for the First Three Quarters of the Fiscal Year Ending March 31, 2023
[Japan GAAP]

Prepared in accordance with accounting principles generally accepted in Japan
Translated from the original Japanese-language document

February 9, 2023

Daifuku Co., Ltd.

Stock exchange listing: Tokyo

Securities code: 6383

URL: www.daifuku.com/jp

Representative: Hiroshi Geshiro, President and CEO

Contact: Tetsuya Hibi, Corporate Officer, Finance and Accounting Division Manager

Tel: +81-6-6472-1261

Scheduled date for filing quarterly financial report: February 10, 2023

Scheduled date of commencing dividend payment: -

Quarterly earnings supplementary materials: Yes

Quarterly earnings presentation: Yes (for institutional investors and securities analysts)

Note: Figures are rounded down to the nearest one million yen.

1. Consolidated Financial Results for the First Three Quarters of Fiscal 2022

(April 1, 2022 - December 31, 2022)

(1) Operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2022 3Qs	435,689	17.9	40,170	21.8	40,739	20.0	28,763	20.6
Fiscal 2021 3Qs	369,480	6.5	32,993	9.7	33,940	9.7	23,855	8.0

(Note) Comprehensive income

Fiscal 2022 3Qs: 50,550 million yen 65.3%

Fiscal 2021 3Qs: 30,573 million yen 41.9%

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal 2022 3Qs	228.25	—
Fiscal 2021 3Qs	189.30	—

(2) Financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Fiscal 2022 Q3	545,383	329,318	60.3
Fiscal 2021	483,322	292,059	60.2

Reference: Shareholders' equity

Fiscal 2022 Q3: 329,013 million yen

Fiscal 2021: 290,769 million yen

2. Dividends

	Dividend per share				
	Q1-end	Q2-end	Q3-end	FY-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2021	—	35.00	—	55.00	90.00
Fiscal 2022	—	40.00	—		
Fiscal 2022 (forecast)				65.00	105.00

(Note) Revisions to the latest dividend forecast: None

3. Consolidated Earnings Forecast for Fiscal 2022

(April 1, 2022 - March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	590,000	15.2	57,000	13.4	57,700	12.6	40,000	11.5	317.42

(Note) Revisions to the latest consolidated earnings forecast: Yes

Notes:

- (1) Changes in significant subsidiaries that affected the scope of consolidation during the period: None
- (2) Adoption of specific accounting methods for preparing the consolidated financial statements: None
- (3) Changes in accounting policies, accounting estimates, and restatement
 - 1) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: Yes
 - 2) Changes in accounting policies other than 1): None
 - 3) Changes in accounting estimates: None
 - 4) Restatement: None
- (4) Number of shares issued (common stock)
 - 1) Number of shares issued including treasury stock at the end of the period
Fiscal 2022 Q3: 126,610,077 shares
Fiscal 2021: 126,610,077 shares
 - 2) Number of treasury stock at the end of the period
Fiscal 2022 Q3: 591,031 shares
Fiscal 2021: 592,870 shares
 - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
Fiscal 2022 3Qs: 126,017,686 shares
Fiscal 2021 3Qs: 126,016,250 shares

Note: The number of treasury stock at the end of the period includes shares owned by the Board Benefit Trust (BBT). The number of treasury stock at the end of the third quarter of the fiscal year ending March 31, 2023 includes 103,700 shares owned by the BBT. The number of treasury stock at the end of the fiscal year ended March 31, 2022 included 106,500 shares owned by the BBT.

These consolidated financial statements are not subject to audit through the certified public accountant or an audit firm.

Disclaimer

The consolidated earnings forecast contained in this document is based on information available to management at the present time and certain assumptions judged to be rational. As such, actual sales and income may differ from this forecast due to uncertain factors present in the forecast or future changes in business circumstances. For the earnings forecast, please see 1-(3) "Outlook for the fiscal year ending March 31, 2023."

Earnings supplementary materials are available at the [TDnet](#) and our website: www.daifuku.com/ir

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1. Qualitative Information Relating to Quarterly Consolidated Financial Results

(1) Operating results

During the first three quarters of the fiscal year (from April 1, 2022 to December 31, 2022) under review, the global economy generally showed signs of recovery, as behavioral restrictions imposed by the COVID-19 pandemic have been lifted or eased, mainly in Europe and the United States. Meanwhile, inflation and supply chain disruptions have not ended and given rising interest rates and recessionary concerns in Europe and the United States, the outlook remains uncertain.

In this economic and business environment, the Daifuku Group saw year-on-year increases in orders in all businesses. In particular, orders for cleanroom systems and airport systems remained strong. Sales were generally robust, driven by cleanroom systems and airport systems underpinned by an extensive order backlog from the end of the previous fiscal year, although some projects were affected by factors such as the longer time required to procure materials and components.

Specifically, the Group received orders of 599,857 million yen, up 35.9% from the same period the previous fiscal year, and recorded net sales of 435,689 million yen, up 17.9%.

Income was affected by factors such as soaring raw material costs and labor expenses. However, due to the increased sales, the Group posted operating income of 40,170 million yen, up 21.8% from the same period the previous fiscal year, and ordinary income of 40,739 million yen, up 20.0%. Net income attributable to shareholders of the parent company was 28,763 million yen, up 20.6%.

Orders received, net sales, operating income, and ordinary income reached new record highs for the first three quarters of the fiscal year.

The average exchange rates used for transactions during the first three quarters of the fiscal year under review were 129.48 yen to the U.S. dollar (109.13 yen in the year-ago period), 19.46 yen to the Chinese yuan (16.87 yen), and 0.1011 yen to the Korean won (0.0961 yen). As a result of exchange rate fluctuations, orders increased in value by about 59.5 billion yen, sales by about 28.8 billion yen, and operating income by about 1.6 billion yen, compared with the year-ago period.

Results by reportable segment

Results by reportable segment are described below. Orders from and sales to external customers are presented as segment orders and sales, and net income attributable to shareholders of the parent company is recorded as segment income. For more details about reportable segments, please see the "Segment information" below.

Of the Group, Japanese companies such as Daifuku Co., Ltd. and Contec Co., Ltd. close their books on March 31. Most non-Japan subsidiaries close their books on December 31; accordingly their status during the period from January to September 2022 is shown.

Daifuku Co., Ltd.

Orders and sales increased in all businesses. In particular, orders for cleanroom systems remained strong. Segment income rose along with increased sales, despite the impact of soaring raw material and other costs.

As a result, the Company recorded orders of 241,954 million yen, up 21.1% from the same period the previous fiscal year, sales of 177,531 million yen, up 11.5%, and segment income of 18,553 million yen, up 26.8%.

Contec Co., Ltd. and its subsidiaries

In the Japanese market, sales increased with a recovery in capital investment, while in the North American market sales to the mainstay medical device sector and the airport security-related sector recovered; however, segment income was affected by soaring prices of materials and components.

As a result, Contec posted orders of 15,182 million yen, up 0.2% from the same period the previous fiscal year, sales of 13,221 million yen, up 16.6%, and segment income of 466 million yen, down 57.2%.

Daifuku North America Holding Company and its subsidiaries

Orders increased significantly in cleanroom systems, automotive systems, and airport systems.

Sales remained steady in each system, benefiting from an order backlog from the end of the previous fiscal year.

As a result, Daifuku North America achieved orders of 168,347 million yen, up 68.3% from the same period the previous fiscal year, sales of 112,270 million yen, up 8.3%, and segment income of 5,454 million yen, up 14.2%.

Clean Factomation, Inc.

Orders, sales, and segment income significantly surpassed the year-ago results, as South Korea's semiconductor manufacturers continued to make robust investments.

As a result, Clean Factomation posted orders of 40,243 million yen, up 68.7% from the same period the previous fiscal year, sales of 32,028 million yen, up 42.4%, and segment income of 2,742 million yen, up 25.8%.

Other

The Group has a total of 69 consolidated subsidiaries worldwide. The Other segment includes all consolidated subsidiaries excluding the aforementioned Contec and its subsidiaries, Daifuku North America and its subsidiaries, and Clean Factomation. These companies manufacture, sell, install, and service material handling systems, car washing machines, and other equipment. The status of major subsidiaries is as follows.

Japan subsidiaries

Daifuku Plusmore Co., Ltd. provides car wash machines and related services. Sales volume was strong due to the government subsidy policies for customers and is expected to reach a record high for the fiscal year under review.

Non-Japan subsidiaries

The Group has production sites for material handling systems in China, Taiwan, South Korea, Thailand, India, and other regions, which also provide sales, installations and services, playing a role in the optimal local production and procurement framework.

In addition, the Group has subsidiaries in the regions of North and Central America, Asia, Europe, and Oceania, which provide sales, installations and services.

Orders and sales remained strong in cleanroom systems in Asia. Segment income improved significantly from the year-ago level.

As a result, the segment reported orders of 134,129 million yen, up 30.8% from the same period the previous fiscal

year, sales of 100,525 million yen, up 36.6%, and segment income of 4,556 million yen, up 106.6%.

(2) Financial position

Assets, liabilities and net assets

Assets at the end of the third quarter of the fiscal year under review stood at 545,383 million yen, an increase of 62,060 million yen from the end of the previous fiscal year. The result principally reflected an increase of 66,197 million yen in notes receivable, accounts receivable from completed construction contracts and other, and contract assets.

Liabilities at the end of the third quarter of the fiscal year under review amounted to 216,064 million yen, an increase of 24.8 billion yen from the end of the previous fiscal year. This was mainly attributable to an increase of 24,592 million yen in contract liabilities.

Net assets at the end of the third quarter of the fiscal year under review were 329,318 million yen, an increase of 37,259 million yen from the end of the previous fiscal year, mainly attributable to increases of 16,782 million yen in retained earnings and 21,329 million yen in foreign currency translation adjustments.

Cash flows

Cash and cash equivalents during the first three quarters of the fiscal year under review decreased 50,175 million yen from the end of the previous fiscal year, to 68,496 million yen.

Cash flows from operating activities

Cash used in operating activities totaled 30,050 million yen (37,075 million yen in cash provided in the year-ago period). This was mainly attributable to 39,106 million yen in income before income taxes, an increase of 49,366 million yen in notes and accounts receivables and contract assets, and an increase of 20,694 million yen in inventories.

Cash flows from investing activities

Cash used in investing activities was 7,296 million yen (6,516 million yen in cash used in the year-ago period). Major factors included an outlay of 8,680 million yen for payments for purchase of property, plant and equipment.

Cash flows from financing activities

Cash used in financing activities was 22,769 million yen (17,482 million yen in cash used in the year-ago period), mainly attributable to payments of cash dividends of 11,974 million yen, and an outlay of 9.4 billion yen in repayment of long-term borrowings.

(3) Outlook for the fiscal year ending March 31, 2023

In light of recent business performance trends, Daifuku Co., Ltd. has revised its full-year earnings forecast for the fiscal year ending March 31, 2023, which was announced on November 8, 2022, as follows.

The full-year forecast for orders has been revised from 710 billion yen to 720 billion yen, while that for net sales has been revised from 580 billion yen to 590 billion yen, mainly due to the strong performance in cleanroom systems.

Income will remain unchanged as previously forecasted due to the effects of soaring raw material costs and other factors throughout the year, despite the increased sales.

Revisions to the full-year earnings forecast for the fiscal year ending March 31, 2023

(April 1, 2022 - March 31, 2023)

	Net sales	Operating income	Ordinary income	Net income attributable to shareholders of the parent company	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	580,000	57,000	57,700	40,000	317.42
Current forecast (B)	590,000	57,000	57,700	40,000	317.42
Change (B – A)	10,000	–	–	–	–
Rate of change (%)	1.7	–	–	–	–
Reference: Results for fiscal year ended March 31, 2022	512,268	50,252	51,253	35,877	284.71

The above forecast values are our projections based on information available at the time of this release and contain various uncertainties. Actual results may differ materially from forecast values due to factors such as changes in the business performance of the Company.

2. Consolidated Financial Statements

(1) Consolidated balance sheets

(Million yen)

	FY2021 (ended March 31, 2022)	FY2022 Q3 (ended December 31, 2022)
ASSETS		
Current assets:		
Cash on hand and in banks	118,769	68,516
Notes receivable, accounts receivable from completed construction contracts and other, and contract assets	208,915	275,113
Merchandise and finished goods	7,045	9,295
Costs incurred on uncompleted construction contracts and other	11,430	19,988
Raw materials and supplies	22,778	35,844
Other	13,148	17,857
Allowance for doubtful accounts	(777)	(811)
Total current assets	381,310	425,804
Non-current assets:		
Property, plant and equipment	55,215	66,027
Intangible assets		
Goodwill	3,956	4,280
Other	6,764	6,638
Total intangible assets	10,720	10,918
Investments and other assets		
Other	36,079	42,632
Allowance for doubtful accounts	(3)	(0)
Total investments and other assets	36,076	42,632
Total non-current assets	102,012	119,578
Total assets	483,322	545,383
LIABILITIES		
Current liabilities:		
Notes and accounts payable and construction contracts payable	48,046	52,356
Electronically recorded obligations - operating	28,084	31,461
Short-term borrowings and current portion of long-term borrowings	22,449	15,765
Income taxes payable	7,252	3,696
Contract liabilities	40,682	65,275
Provision for losses on construction contracts	711	785
Other	26,419	27,523
Total current liabilities	173,645	196,863
Non-current liabilities:		
Long-term borrowings	3,907	3,100
Liabilities for retirement benefits	7,494	7,746
Other reserves	327	433
Other	5,888	7,921
Total non-current liabilities	17,617	19,201
Total liabilities	191,263	216,064

(Million yen)

	FY2021 (ended March 31, 2022)	FY2022 Q3 (ended December 31, 2022)
NET ASSETS		
Shareholders' equity:		
Common stock	31,865	31,865
Capital surplus	20,691	20,397
Retained earnings	227,609	244,391
Treasury stock	(901)	(897)
Total shareholders' equity	279,264	295,756
Accumulated other comprehensive income:		
Net unrealized gain (loss) on securities	4,107	3,919
Deferred gain (loss) on hedges	(637)	45
Foreign currency translation adjustments	8,380	29,709
Accumulated adjustments on retirement benefits	(344)	(417)
Total accumulated other comprehensive income	11,504	33,256
Non-controlling interests	1,289	304
Total net assets	292,059	329,318
Total liabilities and net assets	483,322	545,383

(2) Consolidated statements of income and comprehensive income

(Million yen)

	FY2021 3Qs (April 1, 2021 - December 31, 2021)	FY2022 3Qs (April 1, 2022 - December 31, 2022)
Net sales	369,480	435,689
Cost of sales	304,386	357,728
Gross profit	65,094	77,960
Selling, general and administrative expenses:		
Selling expenses	11,044	13,080
General and administrative expenses	21,056	24,710
Total selling, general and administrative expenses	32,100	37,790
Operating income	32,993	40,170
Other income:		
Interest income	257	365
Dividend income	383	432
Rent income	170	208
Other	648	265
Total other income	1,460	1,272
Other expenses:		
Interest expenses	284	224
Foreign exchange losses	195	261
Other	33	216
Total other expenses	513	702
Ordinary income	33,940	40,739
Extraordinary income:		
Gain on sales of investments in securities	45	605
Other	243	145
Total extraordinary income	289	750
Extraordinary loss:		
Loss on disposal or sales of property, plant and equipment	223	281
Value-added tax and other for a prior period	—	2,078
Other	245	23
Total extraordinary loss	469	2,383
Income before income taxes	33,760	39,106
Income taxes - current	8,963	14,834
Income taxes - deferred	492	(4,499)
Total income taxes	9,456	10,334
Net income	24,303	28,772
Net income attributable to:		
Shareholders of the parent company	23,855	28,763
Non-controlling interests	448	8

(Million yen)

	FY2021 3Qs (April 1, 2021 - December 31, 2021)	FY2022 3Qs (April 1, 2022 - December 31, 2022)
Other comprehensive income:		
Net unrealized gain (loss) on securities	(77)	(187)
Deferred gain (loss) on hedges	48	683
Foreign currency translation adjustments	6,273	21,308
Retirement benefits reserves adjustments	1	(72)
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	23	46
Total other comprehensive income (loss)	6,269	21,777
Comprehensive income	30,573	50,550
Comprehensive income (loss) attributable to:		
Shareholders of the parent company	29,987	50,515
Non-controlling interests	586	34

(3) Consolidated statements of cash flows

(Million yen)

	FY2021 3Qs (April 1, 2021 - December 31, 2021)	FY2022 3Qs (April 1, 2022 - December 31, 2022)
Cash flows from operating activities:		
Income before income taxes	33,760	39,106
Depreciation	5,344	6,188
Interest and dividend income	(641)	(798)
Interest expenses	284	224
Decrease (increase) in notes and accounts receivables and contract assets	7,275	(49,366)
Decrease (increase) in inventories	(6,870)	(20,694)
Increase (decrease) in notes and accounts payable	9,835	(344)
Increase (decrease) in contract liabilities	5,120	18,917
Other	(1,703)	(4,763)
Subtotal	52,406	(11,529)
Interest and dividend received	630	790
Interest paid	(335)	(218)
Income taxes refund (paid)	(16,355)	(19,346)
Other	729	252
Net cash provided by (used in) operating activities	37,075	(30,050)
Cash flows from investing activities:		
Payments for purchase of property, plant and equipment	(6,674)	(8,680)
Proceeds from sales of property, plant and equipment	50	222
Proceeds from sales of investments in securities	65	1,201
Payments for purchase of investments in securities	(24)	(28)
Other	66	(11)
Net cash provided by (used in) investing activities	(6,516)	(7,296)
Cash flows from financing activities:		
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(1,284)
Increase (decrease) in short-term borrowings, net	(5,860)	1,212
Repayment of long-term borrowings	—	(9,400)
Payments for purchase of treasury stock	(11)	(7)
Payments of cash dividends	(10,723)	(11,974)
Other	(885)	(1,315)
Net cash provided by (used in) financing activities	(17,482)	(22,769)
Effect of exchange rate change on cash and cash equivalents	2,713	9,940
Net increase (decrease) in cash and cash equivalents	15,789	(50,175)
Cash and cash equivalents at beginning of period	94,079	118,672
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	412	—
Cash and cash equivalents at end of period	110,281	68,496

(4) Notes on consolidated financial statements

Notes on going concern assumption

Not applicable

Notes on a material change in the amount of shareholders' equity

Not applicable

Changes in accounting policies

(Adoption of ASC 842 Leases)

Starting from the first quarter of the fiscal year under review, subsidiaries in North America that adopt US GAAP apply ASC 842 Leases. Due to the adoption of this accounting standard, the lessee in subsidiaries in North America recognizes assets and liabilities for all leases on the consolidated balance sheets, in principle.

With the adoption of this accounting standard, in accordance with the transition provisions, the right-of-use assets and lease liabilities are recognized at the beginning of the fiscal year under review.

As a result, at the beginning of the fiscal year under review, right-of-use assets included in property, plant and equipment increased 1,514 million yen, lease obligations included in "Other" under "Current liabilities" increased 449 million yen, and lease obligations included in "Other" under "Non-current liabilities" increased 1,127 million yen. The impact of the above change on earnings for the first three quarters of the fiscal year under review is insignificant.

Segment information

Fiscal 2021 3Qs (April 1, 2021 - December 31, 2021)

1. Information relating to the amounts of net sales and income (loss) by reportable segment

(Million yen)

	Reportable segments					Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Subtotal		
Net sales							
Sales to external customers	159,292	11,334	103,670	22,498	296,796	73,594	370,391
Intersegment sales or transfers	27,692	8,006	371	1,492	37,562	5,671	43,233
Total	186,984	19,341	104,041	23,990	334,358	79,266	413,624
Segment income (loss)	14,636	1,090	4,777	2,180	22,683	2,205	24,888

* "Other" represents an operating segment comprising subsidiaries that are not in the reportable segments.

2. Differences between total amounts of net sales and income (loss) for reportable segments and the reportable amount in the consolidated statements of income and comprehensive income and main details of the difference (matters relating to reconciliation)

(Million yen)

Net sales	
Reportable segments total	334,358
Segment net sales classified in "Other"	79,266
Elimination of intersegment transactions	(43,233)
Other adjustments for consolidation	(910)
Net sales in consolidated financial statements	369,480

(Million yen)

Income	
Reportable segments total	22,683
Segment income classified in "Other"	2,205
Elimination of dividends from affiliates	(493)
Other adjustments for consolidation	(539)
Net income attributable to shareholders of the parent company in consolidated financial statements	23,855

Fiscal 2022 3Qs (April 1, 2022 - December 31, 2022)

1. Information relating to the amounts of net sales and income (loss) by reportable segment

(Million yen)

	Reportable segments					Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Subtotal		
Net sales							
Sales to external customers	177,531	13,221	112,270	32,028	335,051	100,525	435,576
Intersegment sales or transfers	38,952	9,746	545	1,929	51,174	11,923	63,098
Total	216,483	22,967	112,815	33,957	386,225	112,449	498,674
Segment income (loss)	18,553	466	5,454	2,742	27,217	4,556	31,773

* "Other" represents an operating segment comprising subsidiaries that are not in the reportable segments.

2. Differences between total amounts of net sales and income (loss) for reportable segments and the reportable amount in the consolidated statements of income and comprehensive income and main details of the difference (matters relating to reconciliation)

(Million yen)

Net sales	
Reportable segments total	386,225
Segment net sales classified in "Other"	112,449
Elimination of intersegment transactions	(63,098)
Other adjustments for consolidation	112
Net sales in consolidated financial statements	435,689

(Million yen)

Income	
Reportable segments total	27,217
Segment income classified in "Other"	4,556
Elimination of dividends from affiliates	(2,683)
Other adjustments for consolidation	(326)
Net income attributable to shareholders of the parent company in consolidated financial statements	28,763

Revenue recognition

Information of disaggregated revenue from contracts with customers

Fiscal 2021 3Qs (April 1, 2021 - December 31, 2021)

1. Disaggregation information by industry

(Million yen)

	Reportable segments					Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Subtotal		
Automobile, auto parts	12,827	95	12,716	—	25,639	17,143	42,783
Electronics	47,022	879	14,470	22,498	84,871	22,885	107,756
Commerce, retail	48,383	5,726	42,564	—	96,674	15,708	112,382
Transportation, warehousing	16,174	66	5,767	—	22,008	921	22,930
Machinery	5,922	660	167	—	6,749	945	7,695
Chemicals, pharmaceuticals	7,077	2,921	29	—	10,028	1,764	11,793
Food	11,794	0	1,322	—	13,117	1,213	14,331
Iron, steel, nonferrous metals	2,172	11	7	—	2,191	89	2,281
Precision equipment, printing, office equipment	2,152	819	4	—	2,976	1,510	4,487
Airport	944	25	22,368	—	23,337	10,390	33,728
Other	4,820	128	4,251	—	9,200	1,020	10,221
Sales to external customers	159,292	11,334	103,670	22,498	296,796	73,594	370,391
Other adjustments for consolidation	—	—	—	—	—	—	(910)
Net sales in consolidated financial statements	—	—	—	—	—	—	369,480

* "Other" represents an operating segment comprising subsidiaries that are not in the reportable segments.

2. Disaggregation information by destination

(Million yen)

	Reportable segments					Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Subtotal		
Japan	113,885	7,086	13	—	120,985	9,384	130,369
Non-Japan	45,406	4,248	103,657	22,498	175,810	64,210	240,021
North America	687	3,219	93,855	9	97,771	2,571	100,343
Asia	42,652	853	560	22,489	66,555	49,402	115,957
China	12,695	484	72	1,218	14,470	24,142	38,613
South Korea	7,404	115	—	21,270	28,791	6,886	35,678
Taiwan	22,122	145	—	—	22,267	11,977	34,245
Other	429	107	488	—	1,025	6,394	7,420
Europe	1,959	172	6,290	—	8,422	3,682	12,105
Latin America	6	2	2,426	—	2,436	1,854	4,290
Other	100	0	524	—	625	6,699	7,325
Sales to external customers	159,292	11,334	103,670	22,498	296,796	73,594	370,391
Other adjustments for consolidation	—	—	—	—	—	—	(910)
Net sales in consolidated financial statements	—	—	—	—	—	—	369,480

* "Other" represents an operating segment comprising subsidiaries that are not in the reportable segments.

3. Disaggregation information by timing of revenue recognition

(Million yen)

	Reportable segments					Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Subtotal		
Performance obligations satisfied at a point in time	32,027	9,166	10,326	610	52,131	17,300	69,432
Performance obligations satisfied over time	127,264	2,167	93,344	21,888	244,665	56,293	300,959
Sales to external customers	159,292	11,334	103,670	22,498	296,796	73,594	370,391
Other adjustments for consolidation	—	—	—	—	—	—	(910)
Net sales in consolidated financial statements	—	—	—	—	—	—	369,480

* "Other" represents an operating segment comprising subsidiaries that are not in the reportable segments.

Fiscal 2022 3Qs (April 1, 2022 - December 31, 2022)

1. Disaggregation information by industry

(Million yen)

	Reportable segments					Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Subtotal		
Automobile, auto parts	15,740	91	16,106	—	31,939	11,901	43,840
Electronics	63,277	711	16,699	32,028	112,717	46,588	159,306
Commerce, retail	51,493	5,870	46,730	—	104,094	16,741	120,836
Transportation, warehousing	11,862	53	4,646	—	16,562	6,127	22,690
Machinery	6,196	802	448	—	7,447	775	8,223
Chemicals, pharmaceuticals	10,016	4,112	11	—	14,140	1,876	16,017
Food	5,193	1	1,332	—	6,527	4,195	10,722
Iron, steel, nonferrous metals	2,810	1	8	—	2,821	560	3,381
Precision equipment, printing, office equipment	2,183	926	3	—	3,114	1,177	4,291
Airport	2,910	471	20,599	—	23,981	8,932	32,913
Other	5,845	175	5,681	—	11,703	1,648	13,351
Sales to external customers	177,531	13,221	112,270	32,028	335,051	100,525	435,576
Other adjustments for consolidation	—	—	—	—	—	—	112
Net sales in consolidated financial statements	—	—	—	—	—	—	435,689

* "Other" represents an operating segment comprising subsidiaries that are not in the reportable segments.

2. Disaggregation information by destination

(Million yen)

	Reportable segments					Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Subtotal		
Japan	125,783	7,102	—	—	132,886	11,240	144,126
Non-Japan	51,747	6,118	112,270	32,028	202,164	89,284	291,449
North America	1,124	4,879	100,993	9	107,008	2,549	109,557
Asia	45,589	1,026	1,717	32,018	80,351	73,611	153,962
China	11,766	527	93	1,172	13,560	30,461	44,021
South Korea	9,494	146	5	30,846	40,493	5,715	46,208
Taiwan	23,257	185	—	—	23,442	21,592	45,034
Other	1,070	167	1,618	—	2,856	15,842	18,698
Europe	566	212	7,117	—	7,896	4,415	12,311
Latin America	162	0	2,115	—	2,277	1,065	3,343
Other	4,303	—	327	—	4,630	7,643	12,274
Sales to external customers	177,531	13,221	112,270	32,028	335,051	100,525	435,576
Other adjustments for consolidation	—	—	—	—	—	—	112
Net sales in consolidated financial statements	—	—	—	—	—	—	435,689

* "Other" represents an operating segment comprising subsidiaries that are not in the reportable segments.

3. Disaggregation information by timing of revenue recognition

(Million yen)

	Reportable segments					Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Subtotal		
Performance obligations satisfied at a point in time	32,487	9,425	9,072	704	51,690	20,515	72,205
Performance obligations satisfied over time	145,043	3,795	103,197	31,324	283,360	80,010	363,371
Sales to external customers	177,531	13,221	112,270	32,028	335,051	100,525	435,576
Other adjustments for consolidation	—	—	—	—	—	—	112
Net sales in consolidated financial statements	—	—	—	—	—	—	435,689

* "Other" represents an operating segment comprising subsidiaries that are not in the reportable segments.

Major subsequent events

(Stock split and partial amendment of the Articles of Incorporation)

Daifuku Co., Ltd.'s Board of Directors resolved at a meeting on February 9, 2023 to effect a stock split and to partially amend its Articles of Incorporation accordingly. Details are as follows.

(1) Purpose of the stock split

The stock split aims to expand the Company's investor base by lowering the investment unit price and making stock ownership more accessible to investors.

(2) Outline of the stock split

1) Stock split method

Each share of Daifuku's common stock owned by shareholders listed or recorded in the final shareholder registry as of March 31, 2023 will be split into three shares.

2) Increase in number of shares as a result of the stock split

Total number of shares issued before the stock split: 126,610,077 shares

Increase in the number of shares as a result of the stock split: 253,220,154 shares

Total number of shares issued following the stock split: 379,830,231 shares

Total number of authorized shares following the stock split: 750,000,000 shares

3) Schedule for stock split

Public notice of the record date: March 15, 2023

Record date: March 31, 2023

Effective date: April 1, 2023

4) Effect on per share information

Per share information, assuming that the stock split had been conducted at the beginning of the previous fiscal year, is as follows.

	FY2021 3Qs (April 1, 2021 - December 31, 2021)	FY2022 3Qs (April 1, 2022 - December 31, 2022)
Net income per share	63.10 yen	76.08 yen

Note: Diluted net income per share is not recorded, as dilutive shares do not exist.

(3) Partial amendment to Articles of Incorporation

1) Reason for amendment

In line with the stock split, Daifuku will amend a related provision of its Articles of Incorporation effective April 1, 2023, by a resolution of the Board of Directors pursuant to the Paragraph 2 of Article 184 of the Companies Act.

2) Details of amendment

Total number of authorized shares stipulated in Article 6 of the Articles of Incorporation will be amended, as follows.

(Changes are underlined.)

Current	Amended
Article 6. (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>two hundred fifty million (250,000,000)</u> .	Article 6. (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>seven hundred fifty million (750,000,000)</u> .

(4) Other

1) Change in the amount of stated capital

The amount of stated capital will remain unchanged as a result of the stock split.

2) Dividends

As the stock split will take effect on April 1, 2023, the year-end dividend for the fiscal year ending March 31, 2023 will be paid based on the number of shares before the stock split.

The year-end dividend forecast for the fiscal year ending March 31, 2023 will remain unchanged at 65 yen per share.