

Consolidated Financial Results

First Three Quarters of the Fiscal Year Ending March 31, 2023

(April 1, 2022 - December 31, 2022)

February 9, 2023

DAIFUKU CO., LTD.



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Financial Highlights



Fiscal 2022 3Qs Highlights (April 1, 2022 – December 31, 2022)

(Billion yen)

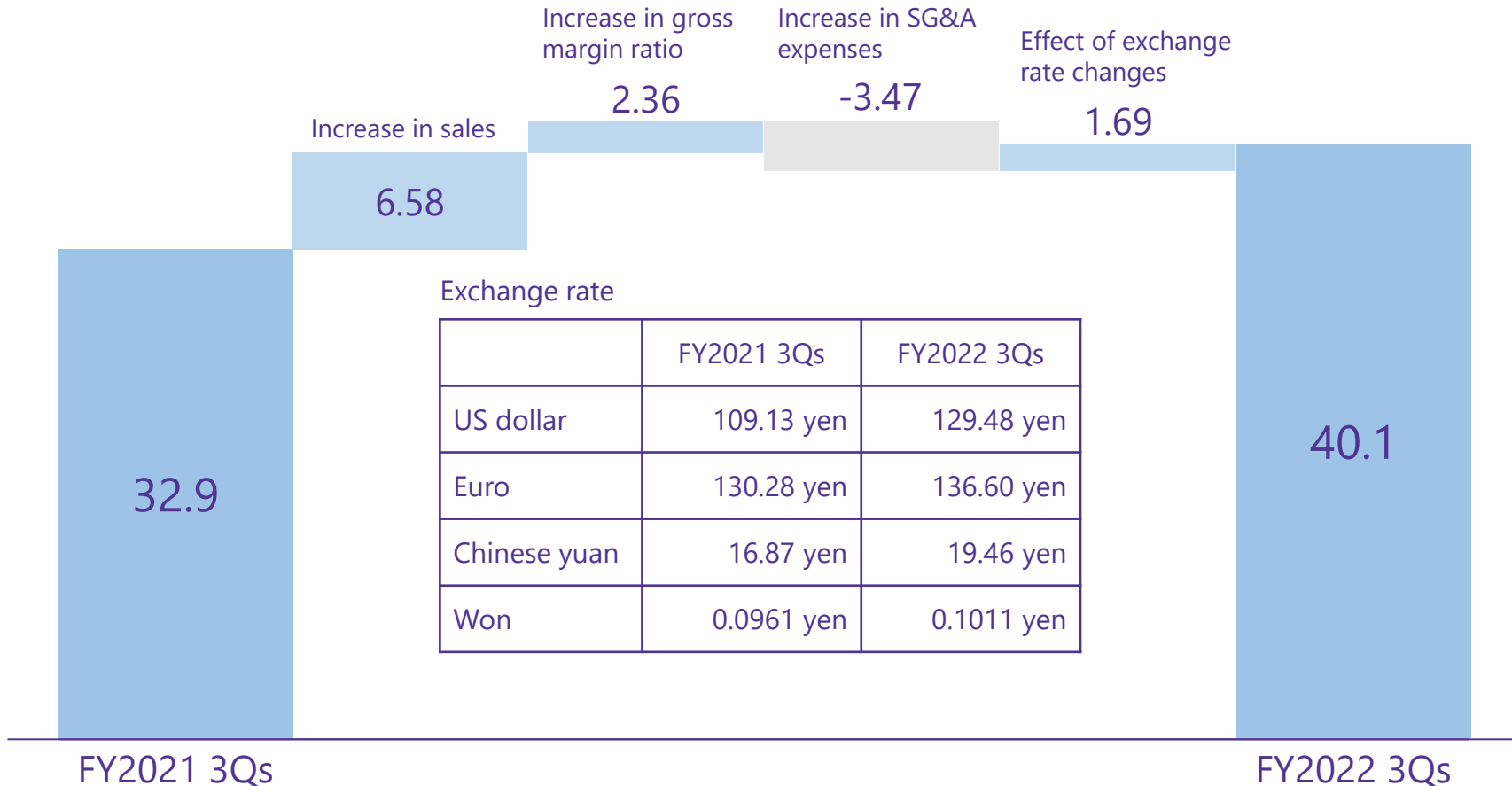
	FY2021 3Qs	FY2022 3Qs	Y/Y change	Y/Y rate
Orders	441.4	599.8	+158.4	+35.9%
Sales	369.4	435.6	+66.2	+17.9%
Operating income	32.9	40.1	+7.1	+21.8%
Operating margin	8.9%	9.2%	+0.3 pts.	—
Ordinary income	33.9	40.7	+6.7	+20.0%
Net income attributable to shareholders of the parent company	23.8	28.7	+4.9	+20.6%
Comprehensive income	30.5	50.5	+19.9	+65.3%
Net income per share	189.30 yen	228.25 yen	+38.95 yen	

- ✓ Orders, sales, operating income, and ordinary income reached new record highs for the first three quarters of the fiscal year.
- ✓ Orders in all businesses increased.
- ✓ Sales were strong, driven by cleanroom systems, which were underpinned by an extensive order backlog from the previous year-end.
- ✓ Income rose along with increased sales, despite the impact of soaring raw material and other costs.

Increase/Decrease in Operating Income

(Billion yen)

[Reference]
 Effect of exchange rate changes
 Orders: +59.5 billion yen
 Sales: +28.8 billion yen



Results by Reportable Segment (April 1, 2022 – December 31, 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 3Qs	FY2022 3Qs	Y/Y change	FY2021 3Qs	FY2022 3Qs	Y/Y change	FY2021 3Qs	FY2022 3Qs	Y/Y change
Daifuku	199.8	241.9	+42.1	159.2	177.5	+18.2	14.6	18.5	+3.9
Contec	15.1	15.1	+0.0	11.3	13.2	+1.8	1.0	0.4	-0.6
Daifuku North America	100.0	168.3	+68.3	103.6	112.2	+8.5	4.7	5.4	+0.6
Clean Factomation	23.8	40.2	+16.3	22.4	32.0	+9.5	2.1	2.7	+0.5
Other	102.5	134.1	+31.5	73.5	100.5	+26.9	2.2	4.5	+2.3
Consolidated adjustment and other	—	—	—	-0.9	0.1	+1.0	-1.0	-3.0	-1.9
Total	441.4	599.8	+158.4	369.4	435.6	+66.2	23.8	28.7	+4.9

✓ Daifuku:
Orders and sales increased in all businesses.

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

✓ Clean Factomation:
Orders and sales surpassed the year-ago results, as semiconductor manufacturers continued to make robust investments.

Consolidated Balance Sheets

(Billion yen)

	March 31, 2022	December 31, 2022	Change
Current assets	381.3	425.8	+44.4
Cash on hand and in banks	118.7	68.5	-50.2
Notes and accounts receivable	208.9	275.1	+66.1
Inventories	41.2	65.1	+23.8
Other	12.3	17.0	+4.6
Non-current assets	102.0	119.5	+17.5
Property, plant and equipment	55.2	66.0	+10.8
Intangible assets	10.7	10.9	+0.1
Goodwill	3.9	4.2	+0.3
Other	6.7	6.6	-0.1
Investments and other assets	36.0	42.6	+6.5
Total assets	483.3	545.3	+62.0

	March 31, 2022	December 31, 2022	Change
Current liabilities	173.6	196.8	+23.2
Notes and accounts payable	76.1	83.8	+7.6
Short-term borrowings	22.4	15.7	-6.6
Other	75.0	97.2	+22.2
Non-current liabilities	17.6	19.2	+1.5
Long-term borrowings	3.9	3.1	-0.8
Other	13.7	16.1	+2.3
Total Liabilities	191.2	216.0	+24.8
Shareholders' equity	279.2	295.7	+16.4
Common stock	31.8	31.8	—
Retained earnings	227.6	244.3	+16.7
Other	19.7	19.5	-0.2
Accumulated other comprehensive income	11.5	33.2	+21.7
Non-controlling interests	1.2	0.3	-0.9
Total net assets	292.0	329.3	+37.2
Total liabilities and net assets	483.3	545.3	+62.0

- ✓ Total assets:
Increased ¥62.0 billion
[Factors]
Increase: ¥66.1 billion in notes and accounts receivable, ¥23.8 billion in inventories
- ✓ Liabilities:
Increased ¥24.8 billion
[Factors]
Increase: ¥24.5 billion in contract liabilities
- ✓ Net assets:
Increased ¥37.2 billion
[Factors]
Increase: ¥16.7 billion in retained earnings, ¥21.3 billion in foreign currency translation adjustments

Consolidated Statements of Cash Flows

(Billion yen)

	FY2021 3Qs	FY2022 3Qs	Y/Y change
Cash flows from operating activities	37.0	-30.0	-67.1
Cash flows from investing activities	-6.5	-7.2	-0.7
Free cash flows	30.5	-37.3	-67.9
Cash flows from financing activities	-17.4	-22.7	-5.2
Effect of exchange rate change on cash and cash equivalents	2.7	9.9	+7.2
Net increase in cash and cash equivalents	15.7	-50.1	-65.9
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	110.2	68.4	-41.7

✓ Cash used by operating activities: ¥30.0 billion

[Factors]
Income before income taxes: ¥39.1 billion
Increase in notes and accounts receivables and contract assets: -¥49.3 billion
Increase in inventories: -¥20.6 billion

✓ Cash used in investing activities: ¥7.2 billion

[Factors]
Payments for purchase of property, plant and equipment: -¥8.6 billion

✓ Cash used in financing activities: ¥22.7 billion

[Factors]
Payments of cash dividends: -¥11.9 billion
Repayment of long-term borrowings: -¥9.4 billion

Orders and Sales by Destination (April 1, 2022 – December 31, 2022)

(Billion yen)

Region	Orders					Sales				
	FY2021 3Qs		FY2022 3Qs		Y/Y change	FY2021 3Qs		FY2022 3Qs		Y/Y change
	Orders	Composition	Orders	Composition		Sales	Composition	Sales	Composition	
Japan	164.1	37.2%	187.0	31.1%	+22.8	130.3	35.2%	144.1	33.1%	+13.7
Non-Japan	277.2	62.8%	412.8	68.9%	+135.5	240.0	64.8%	291.4	66.9%	+51.4
North America	94.2	21.4%	158.0	26.3%	+63.7	100.3	27.1%	109.5	25.2%	+9.2
Asia	152.4	34.6%	217.9	36.4%	+65.5	115.9	31.2%	153.9	35.3%	+38.0
China	49.3	11.2%	77.6	13.0%	+28.3	38.6	10.4%	44.0	10.1%	+5.4
South Korea	41.1	9.3%	51.8	8.6%	+10.6	35.6	9.6%	46.2	10.6%	+10.5
Taiwan	42.2	9.6%	61.6	10.3%	+19.3	34.2	9.2%	45.0	10.3%	+10.7
Other	19.6	4.5%	26.8	4.5%	+7.1	7.4	2.0%	18.6	4.3%	+11.2
Europe	16.1	3.7%	13.1	2.2%	-3.0	12.1	3.3%	12.3	2.8%	+0.2
Latin America	2.7	0.6%	8.1	1.4%	+5.3	4.2	1.2%	3.3	0.8%	-0.9
Other	11.6	2.5%	15.5	2.6%	+3.9	7.3	2.0%	12.2	2.8%	+4.9
Subtotal	–	–	–	–	–	370.3	100.0%	435.5	100.0%	+65.1
Consolidated adjustment and other	–	–	–	–	–	-0.9	–	0.1	–	+1.0
Total	441.4	100.0%	599.8	100.0%	+158.4	369.4	–	435.6	–	+66.2

- ✓ Japan: Orders increased significantly in cleanroom systems. Sales were driven by intralogistics systems.
- ✓ North America: Orders increased in all businesses. Orders for automotive systems and airport systems remained particularly strong.
- ✓ Asia: Orders and sales were driven by cleanroom systems.

Orders and Sales by Industry (April 1, 2022 – December 31, 2022)

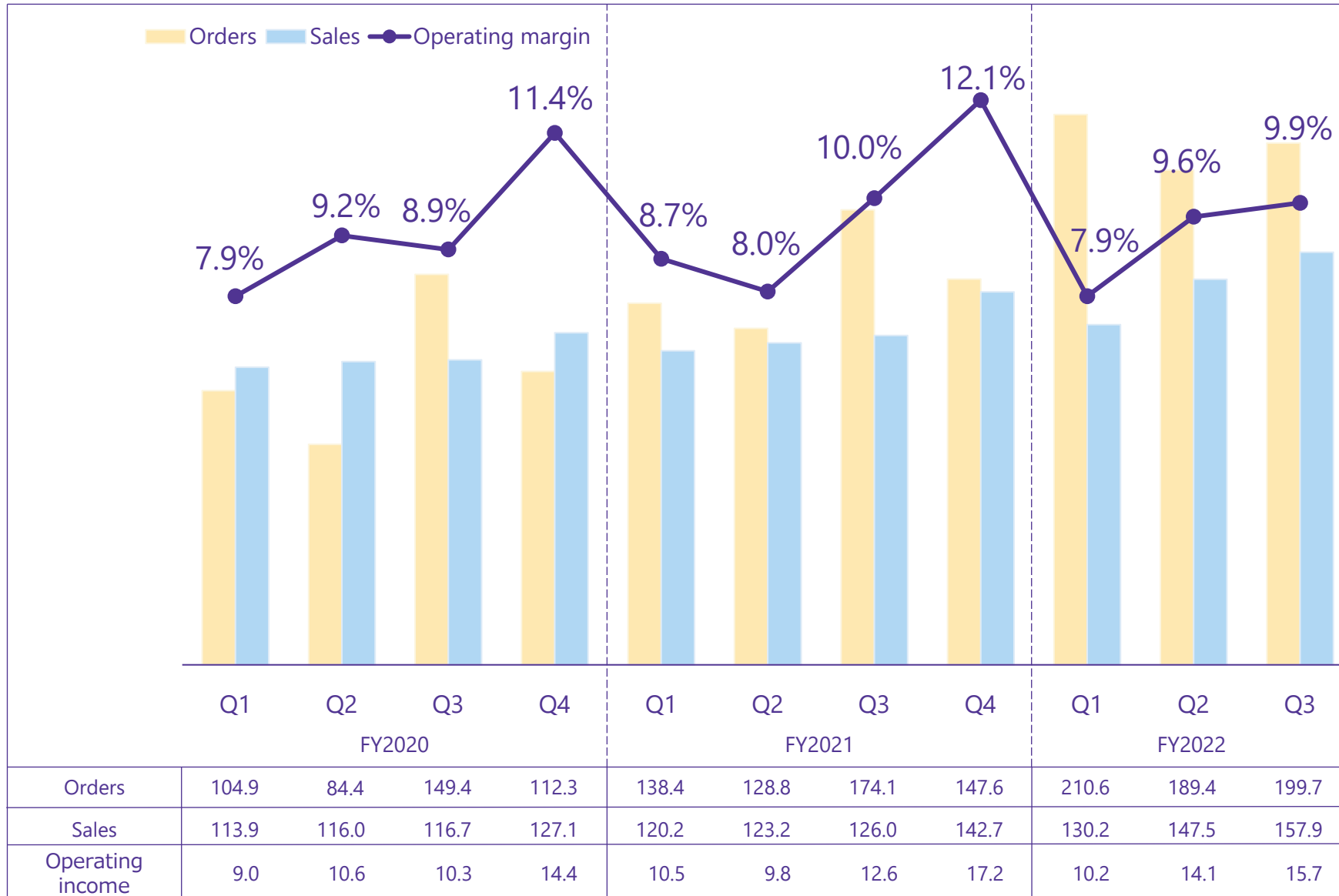
(Billion yen)

Industry	Orders					Sales				
	FY2021 3Qs		FY2022 3Qs		Y/Y change	FY2021 3Qs		FY2022 3Qs		Y/Y change
	Orders	Composition	Orders	Composition		Sales	Composition	Sales	Composition	
Automobile, auto parts	45.4	10.3%	64.0	10.7%	+18.5	42.7	11.6%	43.8	10.1%	+1.0
Electronics	161.8	36.7%	239.9	40.0%	+78.0	107.7	29.1%	159.3	36.6%	+51.5
Commerce, retail	131.0	29.7%	163.8	27.3%	+32.8	112.3	30.3%	120.8	27.7%	+8.4
Transportation, warehousing	25.6	5.8%	18.2	3.1%	-7.3	22.9	6.2%	22.6	5.2%	-0.2
Machinery	6.4	1.5%	8.3	1.4%	+1.9	7.6	2.1%	8.2	1.9%	+0.5
Chemicals, pharmaceuticals	15.5	3.5%	26.1	4.4%	+10.5	11.7	3.2%	16.0	3.7%	+4.2
Food	9.1	2.1%	13.4	2.2%	+4.2	14.3	3.9%	10.7	2.5%	-3.6
Iron, steel, nonferrous metals	3.5	0.8%	3.6	0.6%	+0.1	2.2	0.6%	3.3	0.8%	+1.0
Precision equipment, printing, office equipment	4.1	0.9%	5.2	0.9%	+1.1	4.4	1.2%	4.2	1.0%	-0.1
Airport	25.6	5.8%	41.8	7.0%	+16.2	33.7	9.1%	32.9	7.6%	-0.8
Other	13.0	2.9%	15.1	2.4%	+2.0	10.2	2.7%	13.3	2.9%	+3.1
Subtotal	–	–	–	–	–	370.3	100.0%	435.5	100.0%	+65.1
Consolidated adjustment and other	–	–	–	–	–	-0.9	–	0.1	–	+1.0
Total	441.4	100.0%	599.8	100.0%	+158.4	369.4	–	435.6	–	+66.2

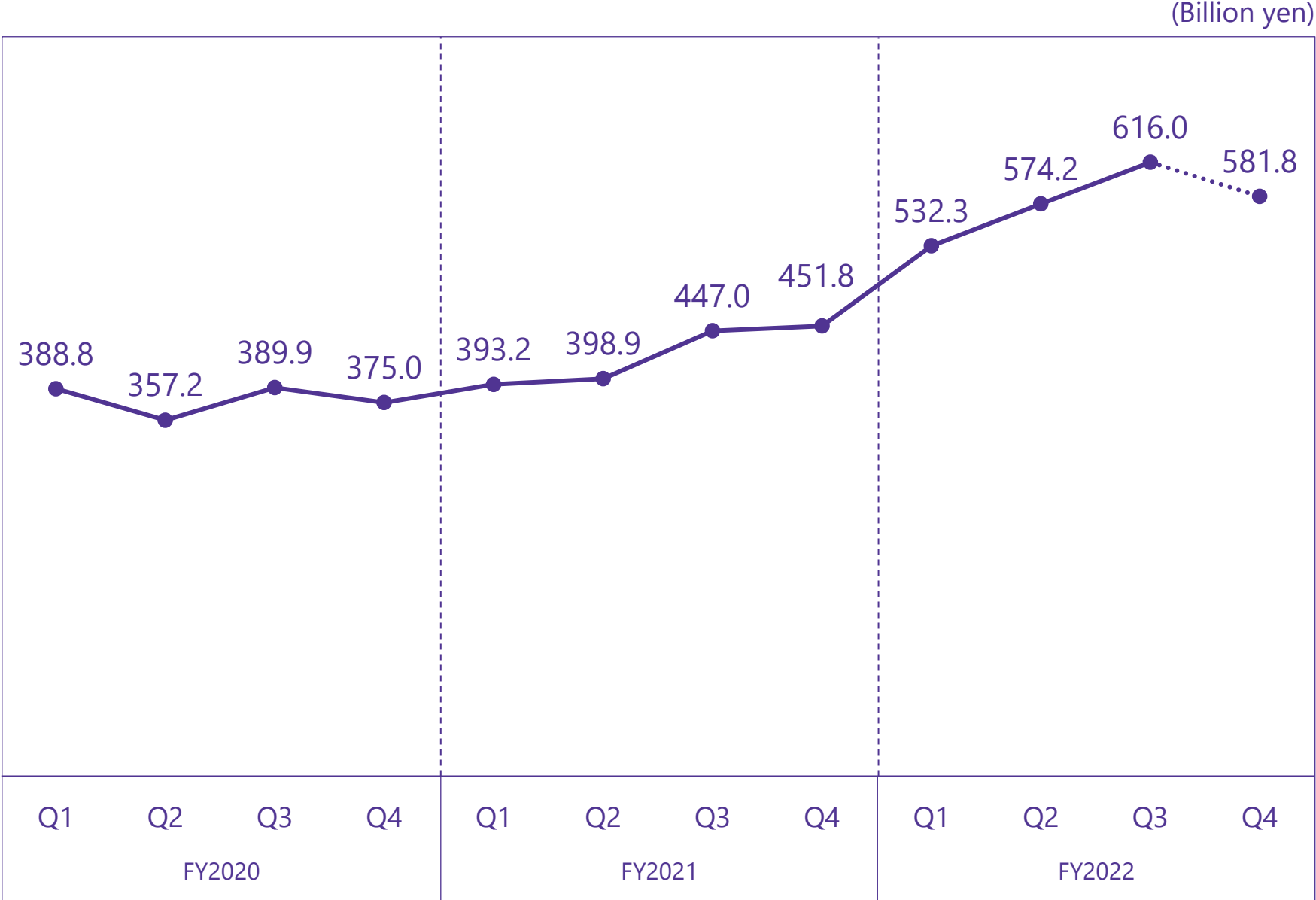
✓ Electronics:
Orders and sales increased due to robust capital investment by semiconductor manufacturers.

Quarterly Orders, Sales, and Operating Margin

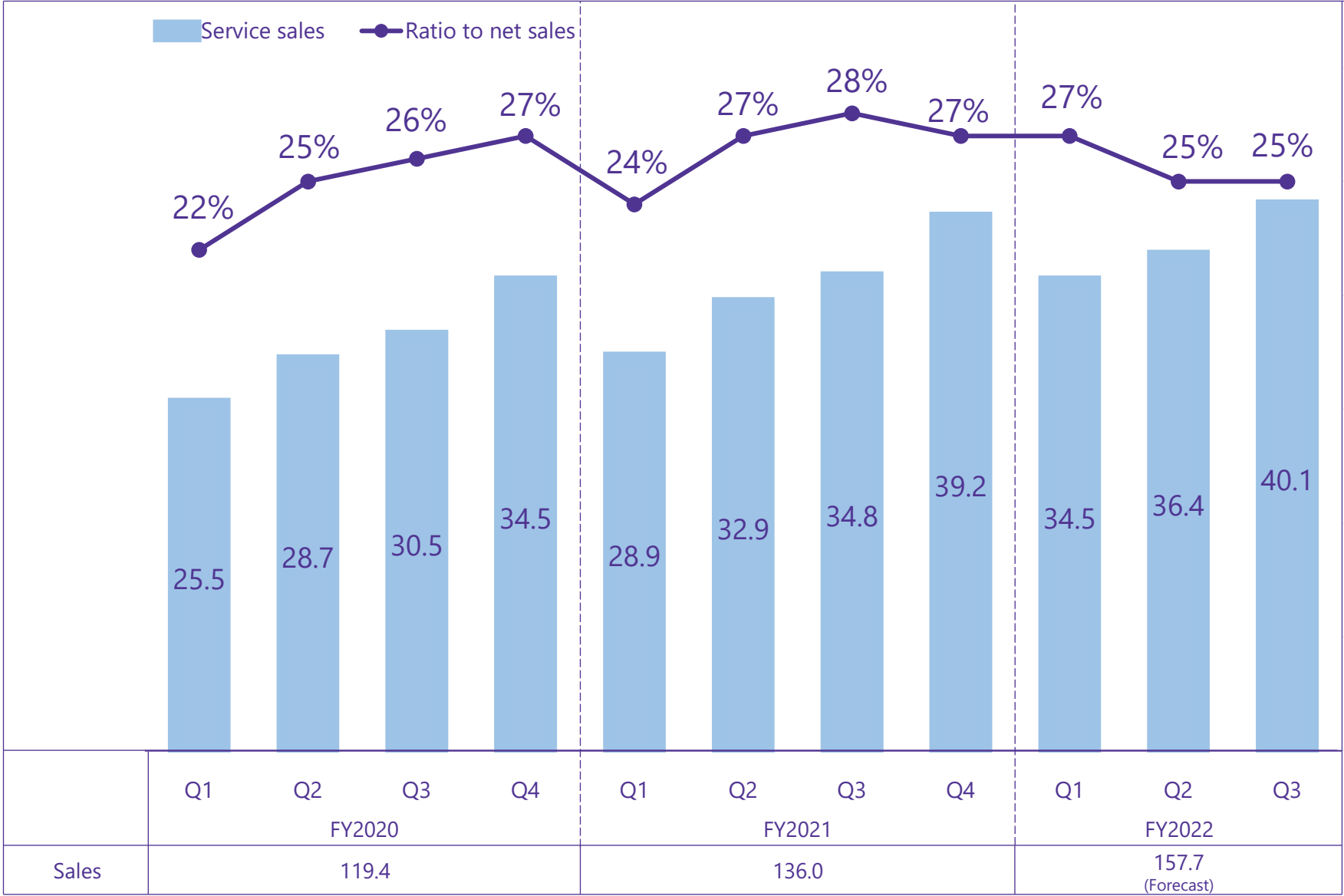
(Billion yen)



Order Backlogs



(Billion yen)



Orders by Industry

(Billion yen)

Industry	FY2020				FY2021				FY2022				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3 (a)	Q4	Q1	Q2	Q3 (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	23.5	11.8%	+10.4
Electronics	31.3	30.8	34.8	32.5	44.9	41.6	75.3	71.5	98.4	87.2	54.2	27.2%	-21.0
Commerce, retail	27.7	18.6	57.7	32.2	40.1	43.5	47.3	25.9	50.3	34.1	79.3	39.7%	+32.0
Transportation, warehousing	6.3	5.4	2.9	8.6	12.5	4.2	8.7	5.0	5.4	6.2	6.5	3.3%	-2.2
Machinery	2.4	0.9	2.2	6.3	1.5	3.9	0.8	1.6	4.2	2.2	1.8	0.9%	+1.0
Chemicals, pharmaceuticals	3.2	3.1	3.6	3.9	4.3	5.8	5.3	6.6	11.4	8.9	5.6	2.8%	+0.3
Food	2.5	7.7	3.8	3.1	4.8	2.2	2.1	7.0	3.1	3.6	6.6	3.3%	+4.5
Iron, steel, nonferrous metals	1.2	0.9	0.8	0.7	1.6	0.9	0.9	1.6	1.5	0.9	1.1	0.6%	+0.1
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	0.7	0.4%	-0.4
Airport	10.5	2.9	26.9	5.6	7.7	1.7	16.0	7.6	10.9	19.5	11.3	5.7%	-4.6
Other	3.1	3.0	3.9	3.1	3.9	5.8	3.2	7.0	4.5	1.8	8.6	4.3%	+5.4
Total	104.9	84.4	149.4	112.3	138.4	128.8	174.1	147.6	210.6	189.4	199.7	100.0%	+25.5

Sales by Industry

DAIFUKU
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(Billion yen)

Industry	FY2020				FY2021				FY2022				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3 (a)	Q4	Q1	Q2	Q3 (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	17.5	11.1%	+2.5
Electronics	33.3	31.0	34.2	38.3	40.0	31.9	35.7	43.6	43.2	52.6	63.4	40.0%	+27.7
Commerce, retail	25.5	32.3	26.2	31.3	37.2	40.9	34.1	42.7	41.6	40.4	38.7	24.5%	+4.5
Transportation, warehousing	5.5	4.9	6.1	6.8	6.0	7.8	9.0	9.9	8.2	7.7	6.6	4.2%	-2.4
Machinery	3.9	2.6	2.4	2.2	2.0	2.4	3.1	3.8	2.9	3.0	2.1	1.4%	-0.9
Chemicals, pharmaceuticals	4.3	4.6	4.7	4.5	3.9	3.8	4.0	5.8	4.2	5.7	6.0	3.8%	+2.0
Food	6.2	4.8	3.3	3.3	3.0	6.5	4.7	5.7	3.1	3.3	4.2	2.7%	-0.4
Iron, steel, nonferrous metals	0.7	1.0	1.2	1.4	0.5	0.9	0.8	1.2	0.7	1.1	1.4	0.9%	+0.6
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	1.5	1.0%	+0.0
Airport	10.4	8.5	10.5	11.6	9.5	9.9	14.2	10.0	9.1	11.3	12.4	7.8%	-1.7
Other	3.2	3.0	3.7	5.8	2.8	3.3	4.0	3.3	4.3	4.8	4.2	2.6%	+0.1
Subtotal	113.9	116.0	116.7	127.1	120.7	123.2	126.3	144.4	130.3	146.7	158.4	100.0%	+32.0
Consolidated adjustment and other	–	–	–	–	-0.5	-0.0	-0.3	-1.6	-0.1	0.7	-0.5	–	-0.2
Total	113.9	116.0	116.7	127.1	120.2	123.2	126.0	142.7	130.2	147.5	157.9	–	+31.8

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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	Revised on November 8, 2022 (b)	Revised on February 9, 2023 (c)	Change (c-b)	Y/Y change (c-a)	Y/Y rate ((c-a)/a)
Orders	589.0	600.0	630.0	710.0	720.0	+10.0	+130.9	+22.2%
Net sales	512.2	565.0	565.0	580.0	590.0	+10.0	+77.7	+15.2%
Operating income	50.2	56.5	56.5	57.0	57.0	—	+6.7	+13.4%
Operating margin	9.8%	10.0%	10.0%	9.8%	9.7%	-0.1 pts.	-0.1 pts.	—
Ordinary income	51.2	57.5	57.5	57.7	57.7	—	+6.4	+12.6%
Net income attributable to shareholders of the parent company	35.8	39.6	39.6	40.0	40.0	—	+4.1	+11.5%
Net income per share	284.71 yen	314.24 yen	314.24 yen	317.42 yen	317.42 yen	—	+32.71 yen	—

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Topics



Daifuku will implement a stock split with the aim of expanding its investor base by lowering the investment unit price and making stock ownership more accessible to investors.

[Details of stock split]

Method: **Three-for-one** split of Daifuku's common stock

Record date	March 31, 2023
Effective date	April 1, 2023

As the stock split will take effect on April 1, 2023, the year-end dividend for the fiscal year ending March 31, 2023 (65 yen per share) will remain unchanged.

[Increase in number of shares as a result of the stock split]

	Total number of shares issued	Total number of authorized shares
Current	126,610,077 shares	250,000,000 shares
Following the stock split	379,830,231 shares	750,000,000 shares*

* 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 Paragraph 2 of Article 184 of the Companies Act of Japan.

Daifuku's Indian subsidiary, Daifuku Intralogistics India Private Limited (formerly Vega Conveyors and Automation Private Limited), will build a new plant for intralogistics systems in Hyderabad, Telangana, where it is currently located.

In recent years, India's swift economic growth has led to the rapid expansion of the country's market, and orders from manufacturers have been increasing. The investment in the construction of the facility is expected to quadruple the current production capacity. Viewing India as a priority market, we are planning further expansion in the future.

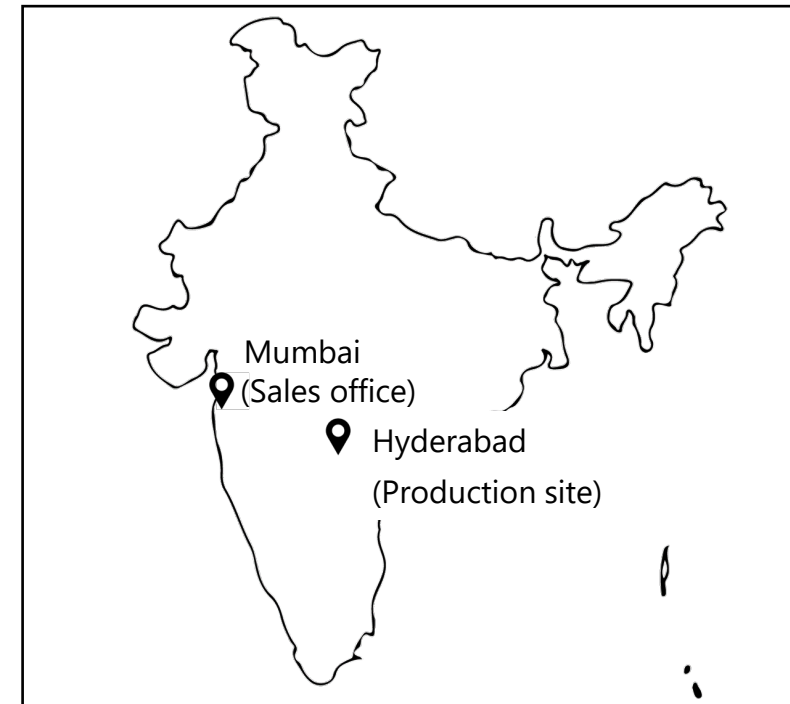
Investment amount: About 2 billion Indian rupees
(about 3.2 billion yen)

Scheduled completion: 2024

Products (planned): Automated warehouses, rail-guided vehicle systems, conveyors, sorters, and more



A plant currently in operation



In December 2022, we held our first “Daifuku Investor Relations Day 2022” for institutional investors and analysts at Hini Arata Kan, a hands-on demo center for material handling and logistics within our Shiga Works. First, we provided visitors with a tour of the demo center, which underwent a major renovation in 2022. Second, we presented our initiatives and future visions under three themes of Cleanroom business, Automotive business, and ESG (environment, society, governance), for visitors and online participants. We will strive to provide more opportunities like this to deepen understanding of the Daifuku Group.

[Demo center tour]



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.