

Consolidated Financial Results
for the First Half of the Fiscal Year Ending March 31, 2016
[Japan GAAP]

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

November 10, 2015

Daifuku Co., Ltd.

Stock code: 6383, First Section of Tokyo Stock Exchange

URL: www.daifuku.com/jp/

Representative: Masaki Hojo, President and CEO

Contact: Tsukasa Saito, General Manager of Finance & Accounting Division

Tel: +81-6-6472-1261

Scheduled date for filing quarterly financial report: November 12, 2015

Scheduled date of commencing dividend payment: December 4, 2015

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 Half of Fiscal 2015

(April 1, 2015 - September 30, 2015)

(1) Operating results

(Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half of fiscal 2015	152,791	23.3	8,547	51.5	9,130	48.5	6,184	46.8
First half of fiscal 2014	123,925	10.8	5,640	22.8	6,148	21.7	4,212	29.5

Note: Comprehensive income

First half of fiscal 2015: 6,131 million yen (85.2%)

First half of fiscal 2014: 3,311 million yen (-62.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
First half of fiscal 2015	55.78	50.79
First half of fiscal 2014	38.05	34.60

(2) Financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
First half of fiscal 2015	286,220	116,136	39.3
Fiscal 2014	271,011	111,521	39.8

Reference: Shareholders' equity

First half of fiscal 2015: 112,390 million yen

Fiscal 2014: 107,797 million yen

2. Dividends

	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2014	–	7.00	–	15.00	22.00
Fiscal 2015	–	10.00			
Fiscal 2015 (forecast)			–	15.00	25.00

Note: Revisions to the latest dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal 2015

(April 1, 2015 - March 31, 2016)

(Percentage figures denote increases or decreases compared with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company		Net income per share
Full-year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	330,000	23.5	19,500	31.0	20,000	26.7	12,500	27.4	112.74

Note: Revisions to the latest consolidated financial 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 quarterly consolidated financial statements: None
- (3) Changes in accounting policies, accounting estimates, and restatement
 - 1) Changes in accounting standards associated with the revisions of accounting standards: Yes
 - 2) Other changes: None
 - 3) Changes in accounting estimates: None
 - 4) Restatement: None

For more details, please see 2-(1) "Changes in accounting policies, accounting estimates, and restatement."

- (4) Number of shares issued (Common stock)
 - 1) Number of shares issued including treasury stock at the end of the period
First half of fiscal 2015: 113,671,494 shares
 Fiscal 2014: 113,671,494 shares
 - 2) Number of treasury stock at the end of the period
First half of fiscal 2015: 2,717,231 shares
 Fiscal 2014: 2,853,707 shares
 - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
First half of fiscal 2015: 110,876,535 shares
 First half of fiscal 2014: 110,703,628 shares

Note: The number of treasury stock at the end of the first half of the fiscal year ending March 31, 2016 includes 193,800 shares owned by a trust on behalf of Daifuku employees' shareholding association. The number of treasury stock at the end of the fiscal year ended March 31, 2015 included 260,600 shares owned by a trust on behalf of Daifuku employees' shareholding association.

Regarding the status of quarterly review procedures

These quarterly consolidated financial statements are exempted from quarterly review as provided in Japan's Financial Instruments and Exchange Act. At the time of disclosure of this report, review procedures for these financial statements pursuant to this Act have not been completed.

Disclaimer

The business forecasts contained in this document are 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 business forecasts, please see 1-(3) "Outlook for the fiscal year ending March 31, 2016."

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

Contents

1. Qualitative Information Relating to Quarterly Consolidated Financial Results	5
(1) Operating results	5
(2) Financial position	8
(3) Outlook for the fiscal year ending March 31, 2016	9
2. Matters Relating to Summary Information (Notes)	10
3. Consolidated Financial Statements	12
(1) Consolidated balance sheets	12
(2) Consolidated statements of income and comprehensive income	14
(3) Consolidated statements of cash flows	16
Note on Going Concern Assumption	17
Notes When There Is a Material Change in the Amount of Shareholders Equity	17
Segment Information	18

1. Qualitative Information Relating to Quarterly Consolidated Financial Results

(1) Operating results

During the first half of the fiscal year under review, the global economy benefited from a moderate recovery in developed nations; however, developed and emerging countries are increasingly facing an uncertain future in the wake of a slowdown in the Chinese economy. In the Japanese economy, manufacturers are struggling to obtain orders. On the other hand, the distribution and service sectors are enjoying improved business sentiment thanks to stronger e-commerce and inbound consumers.

Material handling systems have growth potential, since logistics-related demand from the e-commerce sector is increasing globally and capital investment by Japanese companies is on the move in terms of solving labor shortages and increasing productivity.

Amid these conditions, the Daifuku Group achieved record orders, sales, and net income during the first half of the fiscal year under review.

Orders approached the annual amount of orders (210.9 billion yen) posted in the fiscal year ended March 31, 2013 (three years ago). This was attributable to the increased number of large projects including systems for semiconductor and flat-panel display (FPD) factories in Japan and East Asia, facility upgrades on automobile paint lines for Detroit's Big Three automakers, systems for the e-commerce sector in Taiwan, and systems for a Japanese electrical equipment manufacturer. Sales remained steady, backed by strong orders.

Specifically, the Group received orders of 205,754 million yen, up 40.9% from a year earlier, and recorded net sales of 152,791 million yen, up 23.3%.

Income significantly surpassed the year-ago figure, reflecting the significantly higher sales across the Group, the increased profitability generated by Daifuku Co., Ltd., and the contribution from the results of Asian subsidiaries. Consequently, the Group posted operating income of 8,547 million yen, up 51.5% from a year earlier, and ordinary income of 9,130 million yen, up 48.5%. Net income attributable to shareholders of the parent company was 6,184 million yen, up 46.8%.

Results by reportable segment are described below. Orders from and sales to outside customers are described as segment orders and sales, and quarterly net income attributable to shareholders of the parent company is recorded as segment income. For more details about segments, please see "Segment Information" below. Daifuku Plusmore Co., Ltd., which was previously included in Other, was changed to a reportable segment due to its increased quantitative significance from the first quarter.

Daifuku Co., Ltd.

In our mainstay systems for manufacturers and distributors, orders for large projects remained firm in the distribution sectors, including e-commerce and supermarkets, and in the pharmaceutical, food, and electrical equipment sectors. In systems for FPD factories, Daifuku received a surge in orders for large projects in Japan and other Asian regions, bolstered by demand for smartphones, including the iPhone, and large high-definition TVs. In automobile production line systems, orders for services and small upgrade projects remained firm in Japan.

Sales of systems for semiconductor and FPD factories increased significantly. Sales of systems for manufacturers and distributors also increased.

In terms of profits, increased sales of systems for semiconductor and FPD factories and cost improvements in productions and installations of systems for manufacturers and distributors benefited earnings.

As a result, the Company recorded orders of 76,256 million yen, up 25.1% from the previous fiscal year, sales of 63,391 million yen, up 21.4%, and segment income of 4,267 million yen, up 77.6%.

Contec group (Contec Co., Ltd. and its affiliates)

Sales grew in a sluggish pace in industrial-use computers, measuring and control boards, and networking products, due to a slowdown in IT-related demand in Japan. In addition, sales of solution products, including photovoltaic data measuring systems, decreased. In the U.S. market, sales of industrial-use computers for the medical device sector remained favorable, despite a slowdown in manufacturers' business confidence. Income fell on increased purchasing costs along with the depreciation of the yen and higher R&D expenses for products for the IoT sector.

As a consequence, Contec posted orders of 7,260 million yen, down 7.7% from the previous fiscal year, sales of 7,050 million yen, down 1.2%, and segment income of 239 million yen, down 56.8%.

Daifuku North America group (Daifuku North America Holding Company and its affiliates)

In systems for manufacturers and distributors, orders remained firm, bolstered by large projects for the online industrial supply, transportation, apparel, and other sectors.

In automobile production line systems, Daifuku North America received multiple orders for large systems for Detroit's Big Three automakers. Thus, orders received by this segment increased significantly.

In systems for semiconductor manufacturers, orders are reflecting delays in contract procedures.

In airport baggage handling systems, order size and profits for new projects have been recovering.

Profits reflected firm sales of automobile production line systems and semiconductor production line systems. Meanwhile, income declined because of unprofitable projects in systems for distributors and manufacturers. Earnings were also affected by the amortization of goodwill associated with a U.S. company that joined the group through M&A, which was reflected in Daifuku North America's results.

As a result, Daifuku North America achieved orders of 62,178 million yen, up 48.3% from the previous fiscal year, sales of 37,789 million yen, down 2.6%, and segment income of 399 million yen, down 38.3%.

Daifuku Plusmore Co., Ltd.

Daifuku Plusmore mainly sells car wash machines and bowling-related products and provides rental roll box pallets in Japan. Sales of car wash machines for car service stations remained steady, underpinned by demand for upgrades of aging machines and subsidies operated by the government's business stabilization and support operations.

As a result, Daifuku Plusmore reported orders of 7,110 million yen, up 28.3% from the previous fiscal year, sales of 6,317 million yen, up 22.0%, and segment income of 76 million yen, up 219.4%.

Other

The Other segment includes all other Daifuku Group companies, excluding the aforementioned Contec and Daifuku North America group companies and Daifuku Plusmore. The Group has 59 consolidated subsidiaries and affiliates in total located worldwide.

Outside Japan, major subsidiaries include Daifuku (China) Co., Ltd. in China; Taiwan Daifuku Co., Ltd. in Taiwan; Daifuku Korea Co., Ltd. and Clean Factomation, Inc. in South Korea; and Daifuku (Thailand) Ltd. in Thailand, which primarily sell and manufacture material handling systems and equipment. These companies have boosted exports to markets in other countries and are playing a global role in the optimal local production and procurement framework of the Group.

In China, brisk capital investment for FPD factories contributes significantly to orders and sales. Orders for systems for manufacturers and distributors remained steady, with projects for the pharmaceutical and food sectors. In automobile production line systems, orders for conveyors and automatic guided vehicles for Euro-American automobile factories remained firm. In addition, three Chinese subsidiaries and affiliates were reorganized effective July 1st. Daifuku China and its affiliates will strengthen their production and sales divisions in unison to further expand operations and enhance operational efficiency.

In Taiwan, the Group received orders for systems for semiconductor and FPD factories and systems for large distribution centers of online stores.

In South Korea, orders from semiconductor manufacturers were steady.

In Thailand, Singapore, Indonesia, and Malaysia, orders grew at a sluggish pace, given unfavorable business sentiment. In consideration of ASEAN's potential, however, the Group will continue to strengthen its local operating frameworks, including production, sales and information infrastructure, to receive orders from automobile factories that need to upgrade or replace their facilities, as well as to meet demand for low-temperature logistics in the food and beverage sectors.

Orders and sales reported by BCS Group Limited, which sells airport baggage handling systems in Oceania and Asia, remained firm.

Consequently, the segment recorded orders of 52,948 million yen, up 78.0% from the previous fiscal year, sales of 35,095 million yen, up 59.7%, and segment income of 1,742 million yen, up 12.0%.

(2) Financial position

Assets

Total assets at the end of the first half of the fiscal year under review stood at 286,220 million yen, an increase of 15,208 million yen from the end of the previous fiscal year. The result principally reflected an increase of 9,611 million yen in notes and accounts receivable from completed contracts.

Liabilities

Total liabilities at the end of the first half of the fiscal year under review amounted to 170,083 million yen, an increase of 10,593 million yen from the end of the previous fiscal year. Primary factors included increases of 4,128 million yen in electronically recorded obligations, 4,115 million yen in other current liabilities such as excess charges for uncompleted construction and advances received, and 3,224 million yen in notes and accounts payable and construction contracts payable.

Net assets

Net assets at the end of the first half of the fiscal year under review were 116,136 million yen, a rise of 4,614 million yen from the end of the previous fiscal year. This was mainly attributable to an increase of 4,518 million yen in retained earnings.

Cash flows

Cash and cash equivalents at the end of the first half of the fiscal year under review increased 11,205 million yen year on year, to 57,904 million yen.

Individual cash flows during the first half of the fiscal year under review and contributing factors are as

follows:

Cash flows from operating activities

Cash provided by operating activities totaled 6,770 million yen, an increase in cash of 9,232 million yen from a year ago. This primarily reflects 8,788 million yen in income before income taxes, an increase of 7,202 million yen in notes and accounts payable and an increase of 9,510 million yen in notes and accounts receivable.

Cash flows from investing activities

Cash used in investing activities was 491 million yen, a decrease in cash of 83 million yen from a year ago. Major factors included an outlay of 1,327 million yen for the purchase of property, plant and equipment, and other proceeds of 625 million yen, including the sale of investments in securities.

Cash flows from financing activities

Cash used in financing activities was 2,587 million yen, a decrease in cash of 1,012 million yen from a year ago, mainly attributable to dividend payments of 1,665 million yen.

(3) Outlook for the fiscal year ending March 31, 2016

The Group has revised its earnings forecast for the fiscal year ending March 31, 2016, which was announced on August 11, 2015, as follows. The forecast reflected steady progress in the production of systems for semiconductor and FPD factories. These orders, which doubled on a year-on-year basis, were concentrated in the first half of the fiscal year under review.

Revisions to the earnings forecast for the fiscal year ending March 31, 2016
(April 1, 2015 - March 31, 2016)

(Million yen)

	Net sales	Operating income	Ordinary income	Net income attributable to shareholders of the parent company	Net income per share (yen)
Previous forecast (A)	320,000	18,000	18,200	12,000	108.27
Current forecast (B)	330,000	19,500	20,000	12,500	112.74
Change (B – A)	10,000	1,500	1,800	500	–
Rate of change (%)	3.1	8.3	9.9	4.2	–
Reference: Results for fiscal year ended March 31, 2015	267,284	14,883	15,783	9,810	88.59

*Disclaimer

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

The full-year orders forecast for the fiscal year under review of 360,000 million yen, which was announced on August 11, 2015, remains unchanged.

2. Matters Relating to Summary Information (Notes)

(1) Changes in accounting policies, accounting estimates, and restatement

Changes in significant accounting policies

(Application of accounting standard for business combination, etc.)

The Company applied the Accounting Standard for Business Combination (ASBJ Statement No. 21; September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22; September 13, 2013), and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7; September 13, 2013) and others from the first quarter. Differences caused by changes in the Company's holdings in subsidiaries that remain under its control are recorded as capital surplus, and expenses related to acquisition are now recorded as expenses for the fiscal year in which the acquisition occurred. Regarding business combinations conducted after the beginning of the first quarter, revisions to the purchase price allocation following the determination of provisional accounting methods are now reflected in the quarterly consolidated financial statements for the quarter in which the business combination occurred. In addition, the quarterly net income and other statements have been changed accordingly, and minority interests have been changed to non-controlling interests. To reflect these changes, the Company has revised the financial statements for the first half of the previous fiscal term and the previous fiscal year.

In the consolidated statements of cash flows for the first half of the fiscal year under review, cash flow related to the acquisition or sale of shares in subsidiaries unaccompanied by a change in the scope of consolidation is classified as the "Cash flows from financing activities." Cash flow related to the acquisition costs of shares in subsidiaries accompanied by a change in the scope of consolidation and cash flows related to the cost of acquiring or selling shares in subsidiaries unaccompanied by a change in the scope of consolidation are classified as the "Cash flows from operating activities."

The Accounting Standard for Business Combination and other standards are applied in accordance with the transitional treatment provided in Article 58-2 (4) of the Accounting Standard for Business Combination, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Article 57-4 (4) of the Accounting Standard for Business Divestitures, and are applied from the beginning of the first quarter onwards.

This change has no impact on the consolidated financial statements for the first half of the fiscal year under review.

(Application of Practical Solution on Accounting for Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

The Company applied the Practical Solution on Accounting for Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (PITF No. 18; March 26, 2015) from the first quarter. In accordance with the transitional treatment provided in the PITF, the goodwill that the Company's overseas subsidiary Daifuku North America Holding Company group elected to amortize in accordance with the FASB Accounting Standards Codification Topic 350 *Intangibles—Goodwill and other* as amended in January 2014 was amortized based on the remaining useful life of the goodwill stated in the consolidated financial statements.

This change has no impact on the consolidated financial statements for the first half of the fiscal year under review.

3. Consolidated Financial Statements

(1) Consolidated balance sheets

(Million yen)

	FY2014 (Year ended March 31, 2015)	First half of FY2015 (Period ended September 30, 2015)
ASSETS		
Current assets:		
Cash on hand and in banks	54,202	57,950
Notes and accounts receivable and unbilled receivables	76,645	86,257
Merchandise and finished goods	3,561	3,709
Costs incurred on uncompleted construction contracts and other	8,990	10,980
Raw materials and supplies	11,980	12,213
Other current assets	29,798	32,128
Allowance for doubtful accounts	(137)	(191)
Total current assets	185,041	203,048
Non-current assets:		
Property, plant and equipment		
Intangible assets		
Goodwill	12,905	11,872
Other	6,140	5,977
Total intangible assets	19,045	17,850
Investments and other assets		
Other	32,380	32,088
Allowance for doubtful accounts	(129)	(128)
Total investments and other assets	32,251	31,960
Total non-current assets	85,970	83,171
Total assets	271,011	286,220
LIABILITIES		
Current liabilities:		
Notes and accounts payable and construction contracts payable	36,568	39,793
Electronically recorded obligations - operating	10,827	14,955
Short-term borrowings	12,904	11,923
Income taxes payable	1,210	2,750
Provision for losses on construction contracts	505	377
Other current liabilities	31,837	35,953
Total current liabilities	93,853	105,753
Non-current liabilities:		
Bonds	2,700	2,700
Bonds with stock acquisition rights	15,093	14,975
Long-term borrowings	29,849	30,076
Liabilities for retirement benefits	12,142	12,131
Other non-current liabilities	5,851	4,446
Total non-current liabilities	65,636	64,329
Total liabilities	159,490	170,083

(Million yen)

	FY2014 (Year ended March 31, 2015)	First half of FY2015 (Period ended September 30, 2015)
NET ASSETS		
Shareholders' equity:		
Common stock	8,024	8,024
Capital surplus	9,239	9,281
Retained earnings	83,626	88,144
Treasury stock	(2,419)	(2,280)
Total shareholders' equity	98,469	103,170
Accumulated other comprehensive income:		
Net unrealized gain on securities	4,639	4,201
Deferred gain (loss) on hedges	(72)	7
Foreign currency translation adjustments	10,542	10,731
Accumulated adjustments on retirement benefits	(5,781)	(5,719)
Total accumulated other comprehensive income	9,327	9,220
Non-controlling interests:		
	3,723	3,745
Total net assets	111,521	116,136
Total liabilities and net assets	271,011	286,220

(2) Consolidated statements of income and comprehensive income

(Million yen)

	FY2014 H1 (April 1, 2014 - September 30, 2014)	FY2015 H1 (April 1, 2015 - September 30, 2015)
Net sales	123,925	152,791
Cost of sales	100,650	124,299
Gross profit	23,274	28,492
Selling, general and administrative expenses:		
Selling expenses	8,542	9,151
General and administrative expenses	9,091	10,793
Total selling, general and administrative expenses	17,633	19,945
Operating income	5,640	8,547
Other income:		
Interest income	78	97
Dividend income	169	202
Equity in earnings of affiliates	107	218
Rental income	90	112
Refunded foreign taxes	168	10
Miscellaneous income	173	252
Total other income	787	893
Other expenses:		
Interest expenses	221	250
Miscellaneous expenses	58	60
Total other expenses	279	310
Ordinary income	6,148	9,130
Extraordinary income:		
Gain on sales of property, plant and equipment	153	166
Gain on sales of investments in securities	300	374
Other	9	1
Total extraordinary income	463	542
Extraordinary loss:		
Loss on disposal or sales of property, plant and equipment	38	414
Impairment loss	-	449
Loss on liquidation of subsidiaries and associates	94	-
Other	3	19
Total extraordinary loss	135	883
Income before income taxes	6,476	8,788
Income taxes - current	1,655	2,923
Income taxes - deferred	379	(430)
Total income taxes	2,034	2,492
Net income	4,441	6,295
Net income attributable to:		
Shareholders of the parent company	4,212	6,184
Non-controlling interests	228	111

(Million yen)

	FY2014 H1 (April 1, 2014 - September 30, 2014)	FY2015 H1 (April 1, 2015 - September 30, 2015)
Other comprehensive income		
Net unrealized gain on securities	374	(504)
Deferred gain (loss) on hedges	7	66
Foreign currency translation adjustments	(1,520)	(22)
Adjustments on retirement benefits	188	67
Share of other comprehensive income (loss) of affiliates accounted for by the equity method	(179)	229
Total other comprehensive income (loss)	(1,129)	(164)
Comprehensive income:	3,311	6,131
Comprehensive income attributable to:		
Shareholders of the parent company	3,177	6,076
Non-controlling interests	133	54

(3) Consolidated statements of cash flows

(Million yen)

	FY2014 H1 (April 1, 2014 - September 30, 2014)	FY2015 H1 (April 1, 2015 - September 30, 2015)
Cash flows from operating activities:		
Income before income taxes	6,476	8,788
Depreciation	2,008	2,225
Interest and dividend income	(247)	(299)
Interest expenses	221	250
Decrease (increase) in notes and accounts receivable	7,493	(9,510)
Decrease (increase) in inventories	(6,121)	(2,245)
Increase (decrease) in notes and accounts payable	(5,158)	7,202
Increase (decrease) in advances received on uncompleted contracts	1,547	6,886
Other	(5,136)	(6,178)
Sub total	1,081	7,119
Interest and dividend income received	248	299
Interest expenses paid	(248)	(252)
Income taxes refund (paid)	(3,967)	(614)
Other proceeds	423	217
Net cash provided by (used in) operating activities	(2,462)	6,770
Cash flows from investing activities:		
Proceeds from refund of time deposits	146	76
Payments for purchase of property, plant and equipment	(1,387)	(1,327)
Proceeds from sales of property, plant and equipment	180	145
Payments for purchase of investments in securities	(10)	(11)
Payments for acquisition of shares in subsidiaries and affiliates	(15)	-
Other proceeds	679	625
Net cash used in investing activities	(407)	(491)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	197	(588)
Proceeds from long-term borrowings	7	602
Repayment of long-term borrowings	(315)	(874)
Payments for purchase of treasury stock	(1)	(3)
Payments of cash dividends	(1,443)	(1,665)
Other	(18)	(57)
Net cash provided by (used in) financing activities	(1,574)	(2,587)
Effect of exchange rate change on cash and cash equivalents	(827)	132
Net increase (decrease) in cash and cash equivalents	(5,272)	3,823
Cash and cash equivalents at beginning of period	51,852	54,081
Increase in cash and cash equivalents resulting from change of scope of consolidation	119	-
Cash and cash equivalents at end of period	46,699	57,904

Note on Going Concern Assumption

Not applicable

Notes When There Is a Material Change in the Amount of Shareholders Equity

Not applicable

Segment Information

I. The first half of the fiscal year ended March 31, 2015 (from April 1, 2014 to September 30, 2014)

1. Information on the amounts of net sales and income by reportable segment

(Million yen)

	Reportable segment					Other*	Total
	Daifuku	Contec	Daifuku North America	Daifuku Plusmore	Total		
Net sales							
Sales to outside customers	52,217	7,138	38,812	5,178	103,347	21,978	125,326
Intersegment sales or transfers	10,275	3,852	177	13	14,318	6,717	21,035
Total	62,493	10,991	38,989	5,192	117,666	28,696	146,362
Segment income	2,403	555	647	23	3,629	1,555	5,185

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

2. Differences between total amounts of net sales and income (loss) of reportable segments and those in quarterly consolidated statements of income and comprehensive income and details thereof (matters relating to difference reconciliation)

Net sales	(Million yen)
Reportable segment total	117,666
Net sales classified in "Other"	28,696
Elimination of inter-segment transactions	(21,035)
Consolidation adjustments to net sales under the percentage-of-completion method	(1,421)
Other adjustments for consolidation	20
Net sales in quarterly consolidated financial statements	123,925

Segment income	(Million yen)
Reportable segment total	3,629
Segment income classified in "Other"	1,555
Elimination of dividends from affiliates	(137)
Consolidation adjustments to net sales under the percentage-of-completion method	(79)
Other adjustments for consolidation	(756)
Net income attributable to shareholders of the parent company in quarterly consolidated financial statements	4,212

II. The first half of the fiscal year ending March 31, 2016 (from April 1, 2015 to September 30, 2015)

1. Information on the amounts of net sales and income by reportable segment

(Million yen)

	Reportable segment					Other*	Total
	Daifuku	Contec	Daifuku North America	Daifuku Plusmore	Total		
Net sales							
Sales to outside customers	63,391	7,050	37,789	6,317	114,549	35,095	149,644
Intersegment sales or transfers	12,444	4,800	263	13	17,521	7,433	24,954
Total	75,835	11,851	38,052	6,331	132,070	42,528	174,598
Segment income (loss)	4,267	239	399	76	4,982	1,742	6,725

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

2. Differences between total amounts of net sales and income (loss) of reportable segments and those in quarterly consolidated statements of income and comprehensive income and details thereof (matters relating to difference reconciliation)

Net sales	(Million yen)
Reportable segment total	132,070
Net sales classified in "Other"	42,528
Elimination of inter-segment transactions	(24,954)
Consolidation adjustments to net sales under the percentage-of-completion method	2,699
Other adjustments for consolidation	447
Net sales in quarterly consolidated financial statements	152,791

Segment income	(Million yen)
Reportable segment total	4,982
Segment income classified in "Other"	1,742
Elimination of dividends from affiliates	(172)
Consolidation adjustments to net sales under the percentage-of-completion method	146
Other adjustments for consolidation	(514)
Net income attributable to shareholders of the parent company in quarterly consolidated financial statements	6,184

3. Changes to reportable segments

Daifuku Plusmore Co., Ltd., which was previously included in Other, was changed to a reportable segment due to its increased quantitative significance from the first quarter under review. In addition, Daifuku Webb Holding Company changed its name to Daifuku North America Holding Company in January 2015. Because of these changes, the reportable segments were changed as follows.

Formerly: Daifuku Co., Ltd.

Contec group (Contec Co., Ltd. and its affiliates)

Daifuku Webb group (Daifuku Webb Holding Company and its affiliates)

From fiscal 2015: Daifuku Co., Ltd.

Contec group (Contec Co., Ltd. and its affiliates)

Daifuku North America group (Daifuku North America Holding Company and its affiliates)

Daifuku Plusmore Co., Ltd.

The segment information of the first half of the previous fiscal year is based on the new reportable segments.