



Always an Edge Ahead

Consolidated Financial Results

First Quarter of the Fiscal Year Ending March 31, 2019

(April 1, 2018 - June 30, 2018)

August 8, 2018

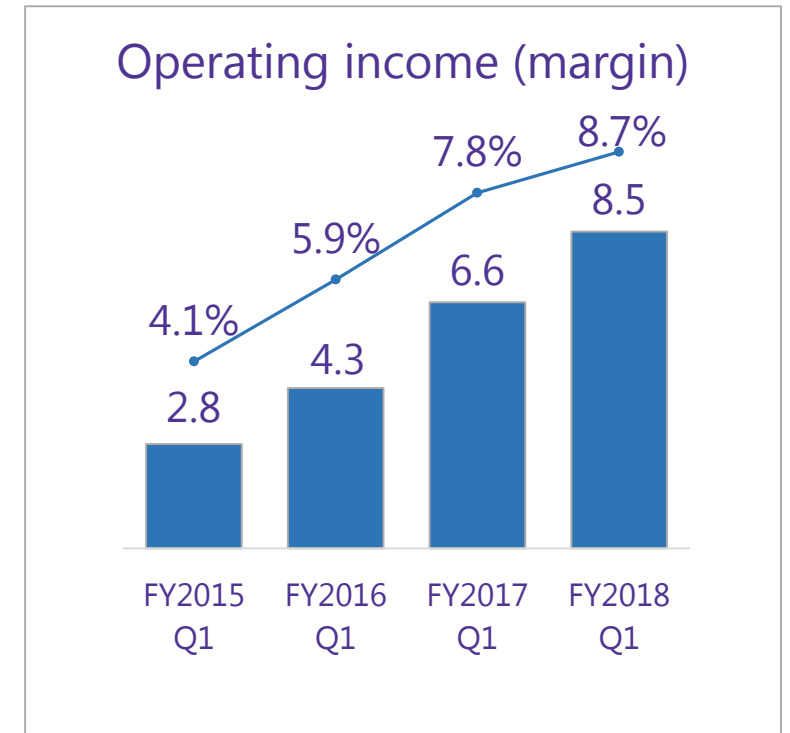
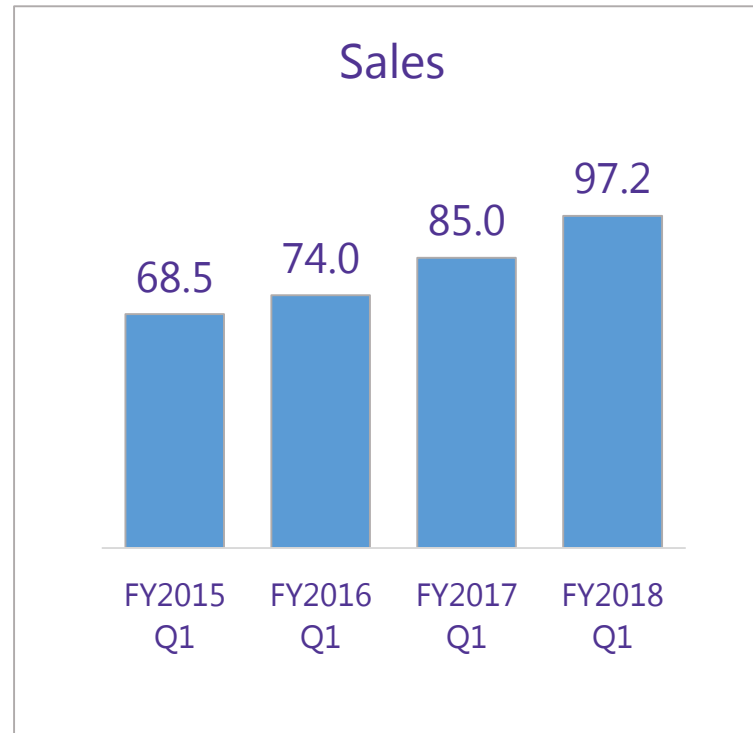
DAIFUKU CO., LTD.



Value Innovation 2020

- ✓ Orders: A high volume due to orders received for large projects worldwide
- ✓ Sales: Remained favorable backed by an extensive order backlog
- ✓ Operating income:
Increase in the operating margin, reflecting growing earnings strength from higher sales and cost cutting by the parent company, Daifuku Co., Ltd., as well as earnings of a subsidiary in East Asia

(Billion yen)



(Billion yen)

	FY2017 Q1 results	FY2018 Q1 results	Year-on-year
Orders	148.57	129.17	-13.1%
Net sales	85.06	97.27	14.4%
Operating income	6.66	8.50	27.7%
Ordinary income	7.02	8.97	27.8%
Net income attributable to shareholders of the parent company	5.02	11.22	123.2%
Comprehensive income	5.39	6.87	27.5%
Net income per share	41.30 yen	89.24 yen	
Exchange rate (per 1 U.S. dollar)	112.82 yen	107.50 yen	

✓ Operating income and ordinary income increased by about 30% year on year.

✓ Extraordinary income included 6.9 billion yen from the sale of shares of equity-method affiliate Knapp AG.

FY2018 Q1 Results by 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)	
	FY2017 Q1	FY2018 Q1	FY2017 Q1	FY2018 Q1	FY2017 Q1	FY2018 Q1
Daifuku	69.88	62.49	38.52	43.29	4.16	10.76
Contec	3.22	4.02	3.55	3.68	0.13	0.19
Daifuku North America	38.87	20.28	21.02	19.98	0.45	0.76
Daifuku Plusmore	3.54	2.91	2.49	2.65	-0.01	-0.00
Other	33.04	39.44	17.43	28.34	0.36	1.77
Consolidated adjustment and other	-	-	2.02	-0.68	-0.08	-2.27
Total	148.57	129.17	85.06	97.27	5.02	11.22

✓ Daifuku:
Income increased significantly due to increased revenue and improved costs, as well as extraordinary income.

✓ Daifuku North America:
Orders declined year on year due to delays in receiving orders but are projected to recover in the second and subsequent quarters.

✓ Other:
Income increased significantly due to increased sales of systems for the semiconductor and flat-panel display sectors in East Asia.

Consolidated Balance Sheets

(Billion yen)

	FY2017 Q1	FY2018 Q1	Change
Current assets	286.08	292.74	6.66
Cash on hand and in banks	85.16	101.29	16.13
Notes and accounts receivable	163.10	149.19	-13.90
Inventories	27.03	33.03	5.99
Other	10.78	9.22	-1.56
Non-current assets	86.92	79.13	-7.79
Property, plant and equipment	35.25	34.34	-0.90
Intangible assets	14.03	13.17	-0.86
Goodwill	8.79	8.10	-0.68
Other	5.24	5.06	-0.17
Investments and other assets	37.63	31.60	-6.02
Total assets	373.01	371.87	-1.13

	FY2017 Q1	FY2018 Q1	Change
Current liabilities	148.78	146.91	-1.87
Notes and accounts payable	69.27	67.64	-1.63
Short-term borrowings and bonds	19.96	18.32	-1.64
Other	59.54	60.94	1.39
Non-current liabilities	32.74	32.32	-0.42
Long-term borrowings and bonds	18.00	18.00	-
Other	14.74	14.32	-0.42
Total Liabilities	181.53	179.23	-2.30
Shareholders' equity	181.45	187.02	5.56
Common stock	31.86	31.86	-
Retained earnings	129.65	135.21	5.56
Other	19.93	19.93	0.00
Accumulated other comprehensive income	6.42	2.09	-4.32
Non-controlling interests	3.59	3.52	-0.07
Total net assets	191.47	192.64	1.16
Total liabilities and net assets	373.01	371.87	-1.13

✓ Total assets:
Decreased by 1.1 billion yen
[Main factors]
An increase in cash on hand and in banks and decreases in notes and accounts receivable, unbilled receivables and affiliate shares

✓ Liabilities:
Decreased by 2.3 billion yen
[Main factors]
Decreases in notes and accounts payable and income taxes payable

✓ Net assets:
Increased by 1.1 billion yen
[Main factors]
An increase of 5.5 billion yen in retained earnings

Orders and Sales by Industry (Consolidated)

(Billion yen)

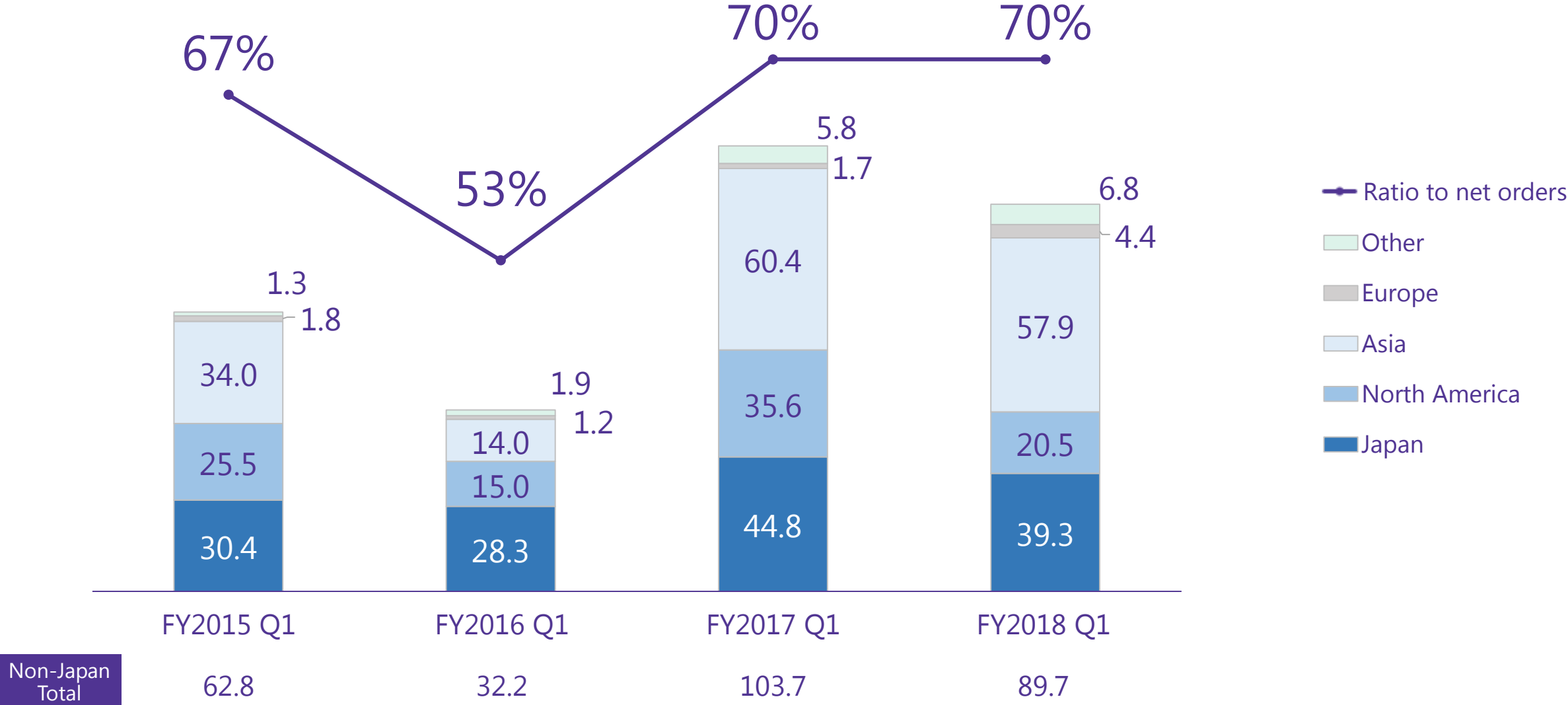
Industry	Orders				Sales			
	FY2017 Q1		FY2018 Q1		FY2017 Q1		FY2018 Q1	
	Orders	Composition	Orders	Composition	Sales	Composition	Sales	Composition
Automobile, auto parts	17.39	11.7%	19.25	14.9%	14.68	17.3%	14.19	14.6%
Electronics	65.34	44.0%	57.31	44.4%	32.16	37.8%	41.67	42.8%
Commerce, retail	22.71	15.3%	24.64	19.1%	15.27	18.0%	13.81	14.2%
Transportation, warehousing	3.92	2.6%	7.41	5.7%	5.03	5.9%	5.66	5.8%
Machinery	1.67	1.1%	2.13	1.7%	1.14	1.3%	1.57	1.6%
Chemicals, pharmaceuticals	3.38	2.3%	4.37	3.4%	3.36	4.0%	3.29	3.4%
Food	2.11	1.4%	2.10	1.6%	2.83	3.3%	2.71	2.8%
Iron, steel, nonferrous metals	1.28	0.9%	1.59	1.2%	0.58	0.7%	0.83	0.9%
Precision equipment, printing, office equipment	2.78	1.9%	2.89	2.2%	1.05	1.2%	1.49	1.5%
Airport	13.16	8.9%	3.09	2.4%	6.85	8.1%	7.02	7.2%
Other	14.77	9.9%	4.34	3.4%	2.06	2.4%	4.98	5.2%
Total	148.57	100.0%	129.17	100.0%	85.06	100.0%	97.27	100.0%

✓ Orders from the electronics sector remained high. Orders from airports are projected to recover in the U.S. in the second and subsequent quarters.

✓ Sales for the electronics sector drove performance, while sales for other sectors remained firm.

Orders by Region (Consolidated)

(Billion yen)



Non-Japan
Total

Orders by Region (Consolidated)

(Billion yen)

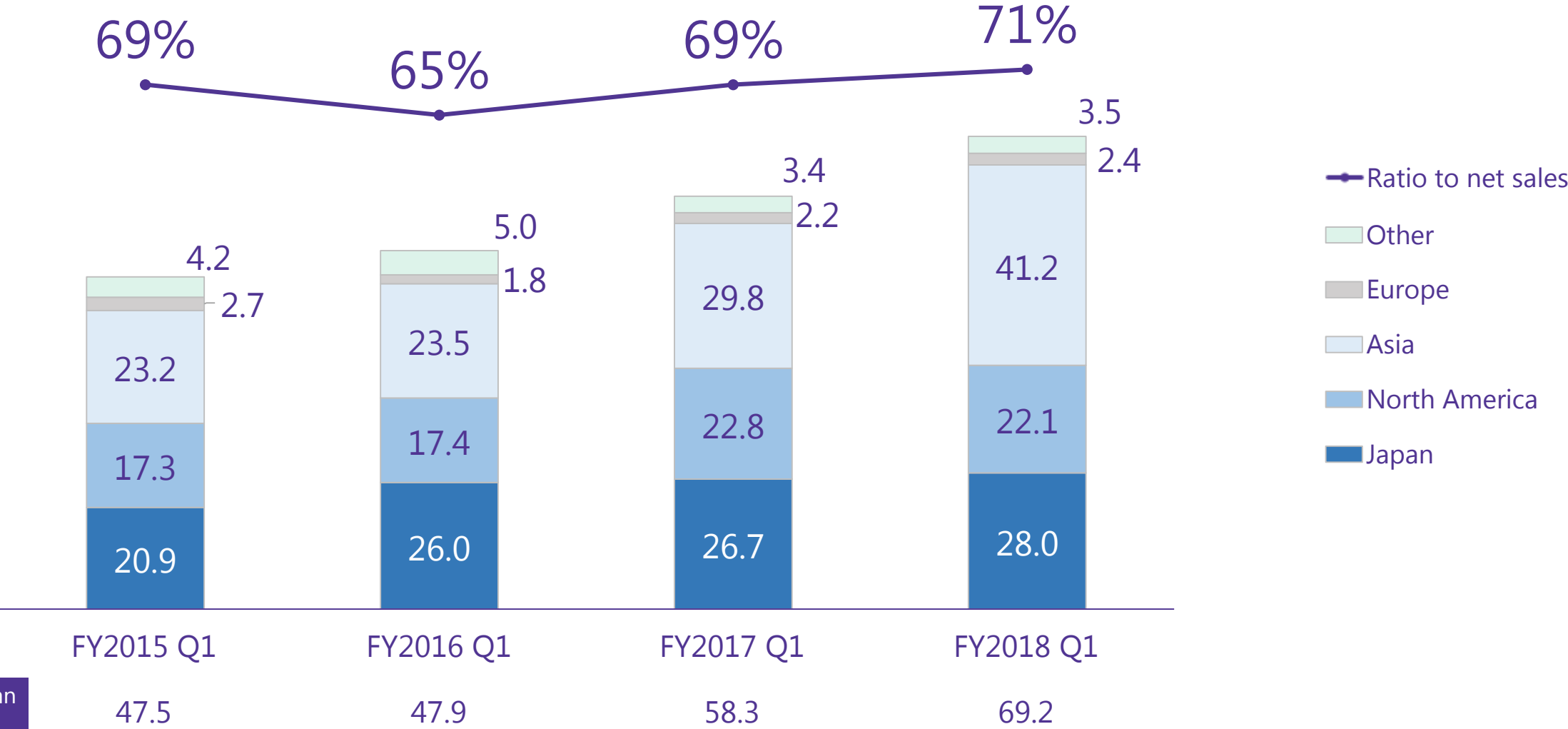
Region	FY2015 Q1		FY2016 Q1		FY2017 Q1		FY2018 Q1	
	Orders	Composition	Orders	Composition	Orders	Composition	Orders	Composition
Japan	30.42	32.6%	28.38	46.8%	44.86	30.2%	39.38	30.5%
Non-Japan	62.84	67.4%	32.28	53.2%	103.70	69.8%	89.78	69.5%
North America	25.59	27.5%	15.07	24.8%	35.67	24.0%	20.56	15.9%
Asia	34.09	36.5%	14.01	23.1%	60.41	40.7%	57.93	44.9%
China	13.64	14.6%	4.40	7.3%	34.15	23.0%	25.31	19.6%
South Korea	10.92	11.7%	3.53	5.8%	19.03	12.8%	20.14	15.6%
Taiwan	6.47	6.9%	3.92	6.5%	5.16	3.5%	8.34	6.5%
Other	3.05	3.3%	2.14	3.5%	2.05	1.4%	4.13	3.2%
Europe	1.84	2.0%	1.24	2.1%	1.76	1.2%	4.41	3.4%
Latin America	0.44	0.5%	-0.02	0.0%	1.98	1.3%	5.11	4.0%
Other	0.85	0.9%	1.97	3.2%	3.86	2.6%	1.75	1.3%
Total	93.27	100.0%	60.66	100.0%	148.57	100.0%	129.17	100.0%

✓ In Japan, China, and the U.S., the volume of large orders posted was lower than in the previous fiscal year.

✓ Overall, a high level of orders was maintained.

Sales by Region (Consolidated)

(Billion yen)



Non-Japan
Total

Sales by Region (Consolidated)

(Billion yen)

Region	FY2015 Q1		FY2016 Q1		FY2017 Q1		FY2018 Q1	
	Sales	Composition	Sales	Composition	Sales	Composition	Sales	Composition
Japan	20.96	30.6%	26.03	35.2%	26.74	31.4%	28.01	28.8%
Non-Japan	47.56	69.4%	47.99	64.8%	58.31	68.6%	69.26	71.2%
North America	17.31	25.3%	17.45	23.6%	22.81	26.8%	22.11	22.7%
Asia	23.29	34.0%	23.56	31.8%	29.82	35.1%	41.20	42.4%
China	6.38	9.3%	7.09	9.6%	11.09	13.1%	22.79	23.4%
South Korea	8.78	12.8%	7.28	9.8%	12.17	14.3%	13.21	13.6%
Taiwan	5.68	8.3%	6.43	8.7%	4.24	5.0%	1.44	1.5%
Other	2.43	3.6%	2.74	3.7%	2.31	2.7%	3.74	3.9%
Europe	2.74	4.0%	1.89	2.6%	2.24	2.6%	2.40	2.5%
Latin America	0.97	1.4%	0.73	1.0%	1.14	1.3%	1.40	1.4%
Other	3.24	4.7%	4.34	5.8%	2.29	2.8%	2.12	2.2%
Total	68.53	100.0%	74.03	100.0%	85.06	100.0%	97.27	100%

✓ The non-Japan sales ratio to total sales exceeded 70%.

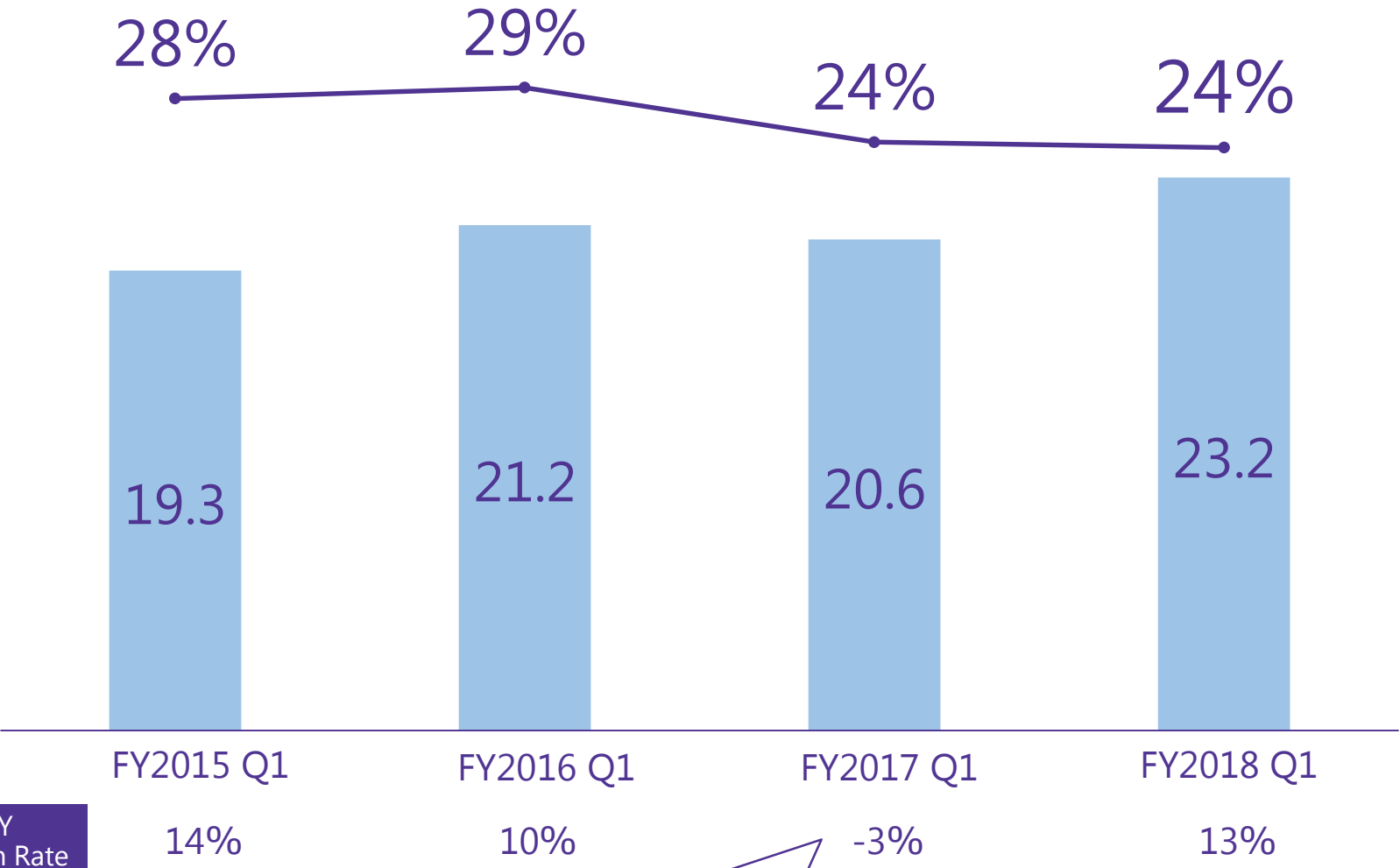
✓ Sales in Japan and North America remained firm.

✓ In China, sales doubled year on year.

Service Sales (Consolidated)

(Billion yen)

%: Ratio to net sales



Y/Y
Growth Rate

Impact from the appreciation of the yen

✓ Sales amount and the year-on-year growth rate both rose.

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

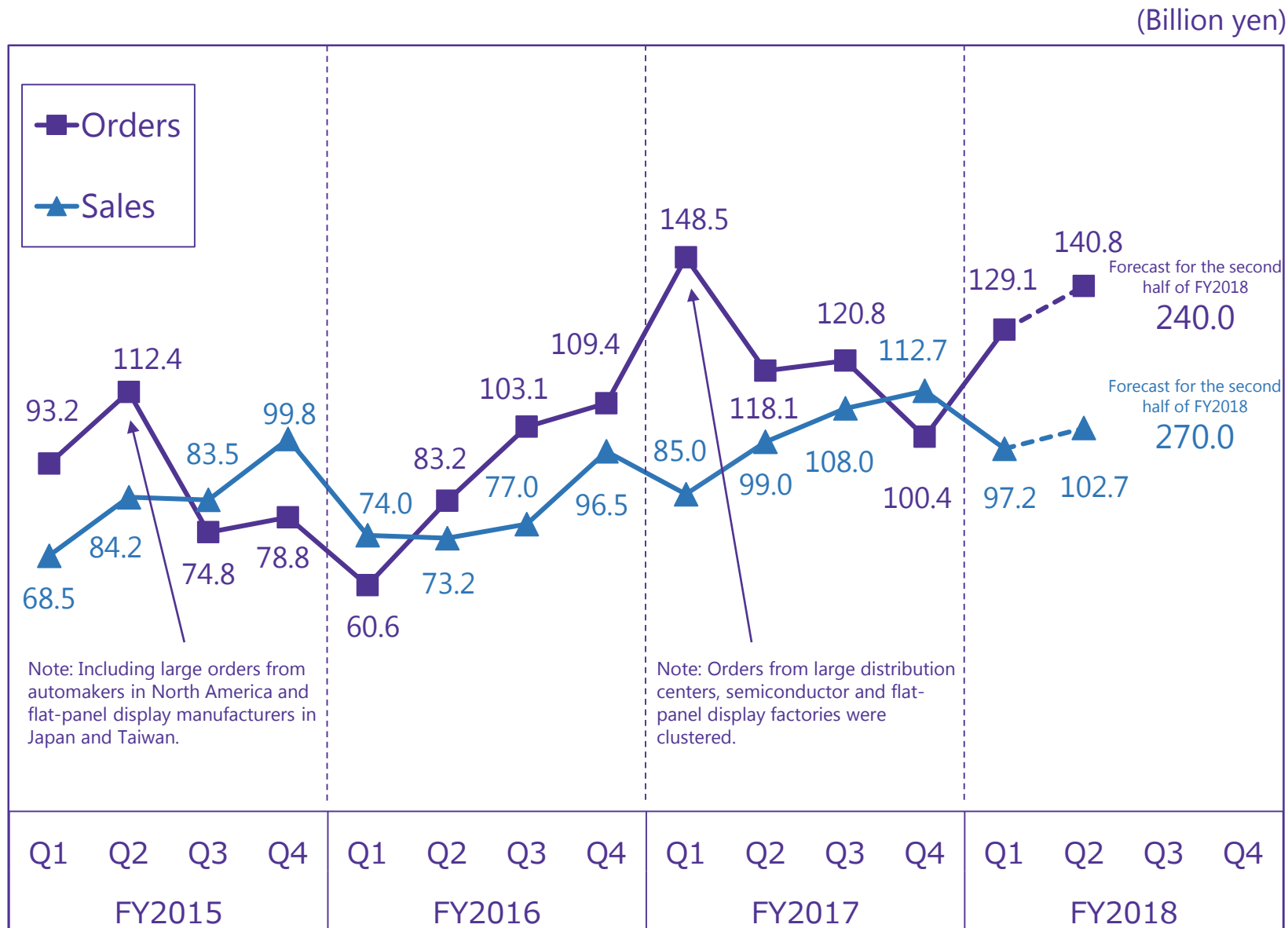
FY2018 Forecast (Consolidated)

(Billion yen)

	FY2017 H1	FY2018 H1 (Forecast)			FY2017	FY2018 (Forecast)		
		Announced on May 11, 2018	Revised on August 8, 2018	Year-on-year		Announced on May 11, 2018	Revised on August 8, 2018	Year-on-year
Orders	266.71	270.0	270.0	+1.2%	487.97	490.0	510.0	+4.5%
Net sales	184.15	210.0	200.0	+8.6%	404.92	460.0	470.0	+16.1%
Operating income	16.71	21.0	20.0	+19.7%	39.92	46.0	48.0	+20.2%
Ordinary income	17.43	21.6	20.5	+17.6%	41.10	46.7	48.7	+18.5%
Net income attributable to shareholders of the parent company	12.23	21.0	20.0	+63.5%	29.00	31.5	32.5	+12.0%
Net income per share	100.45 yen	166.96 yen	159.00 yen	-	235.62 yen	250.44 yen	258.38 yen	-

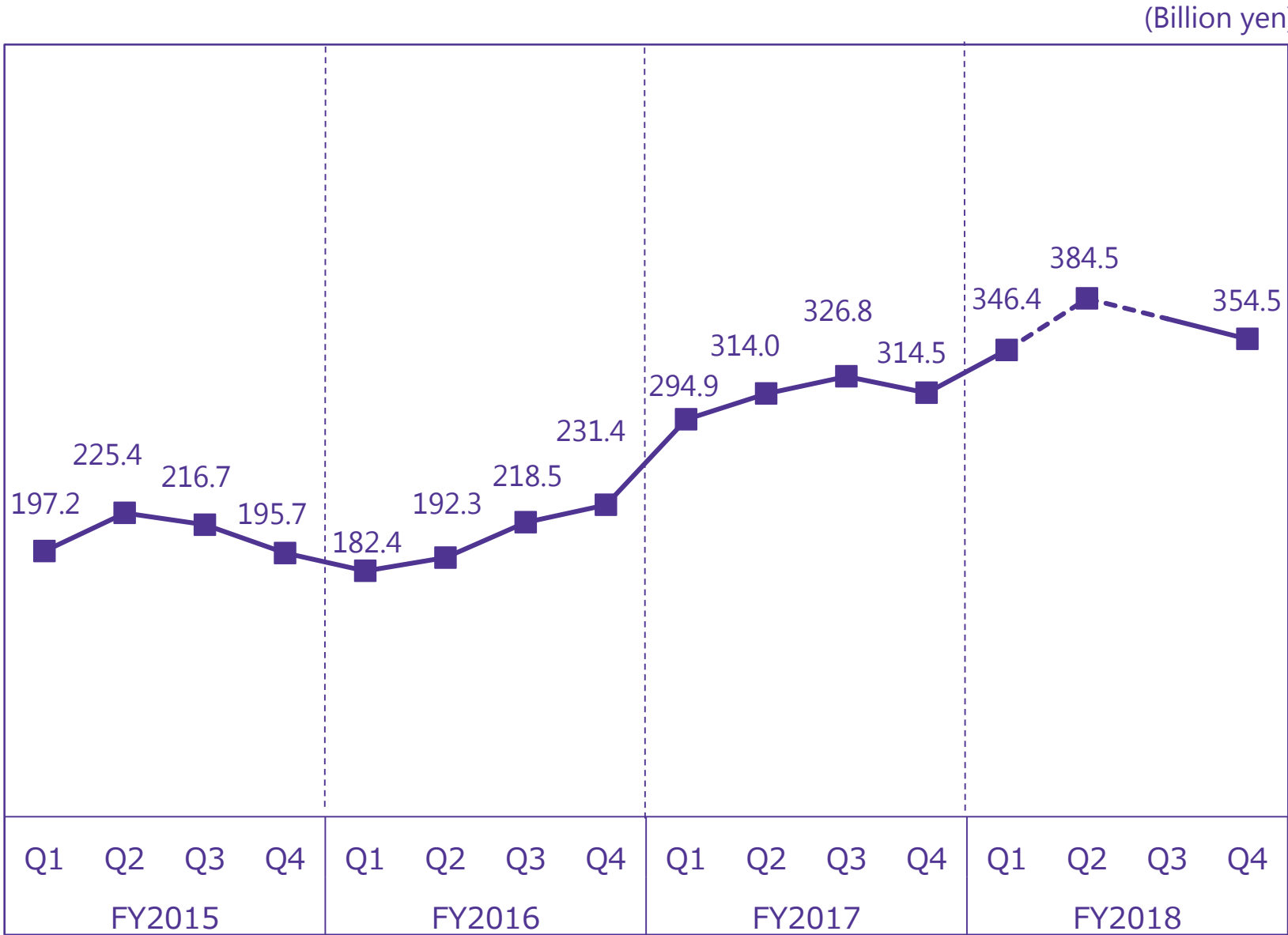
✓ The full-year earnings forecast was revised upward; in terms of orders, sales, and income.

Quarterly Orders and Sales (Consolidated)



- ✓ Q1 orders were the second-highest ever.
- ✓ Along with strong orders, sales are projected to exceed 100 billion yen in every quarter from Q2.

Order Backlogs (Consolidated)



✓ The backlog at the end of FY2018 is projected at 354.5 billion yen, an increase of 40.0 billion yen year on year.

Broadcasting new brand movie

With the message of “Getting what matters to you”, the brand movie highlights the material flow of a tin toy (personified by an actor) that is stored in an e-commerce warehouse. The toy, which brings a young boy happy memories with him and his grandfather, is delivered via material handling systems. Available in five languages; Japanese, English, simplified Chinese, traditional Chinese, and Korean, the video will be used for exhibitions and events around the world.



* The video can be viewed on our corporate website.

DAIFUKU

Always an Edge Ahead

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.