

# Consolidated Financial Results

**First Half of the Fiscal Year Ending March 31, 2021**

(April 1, 2020 - September 30, 2020)

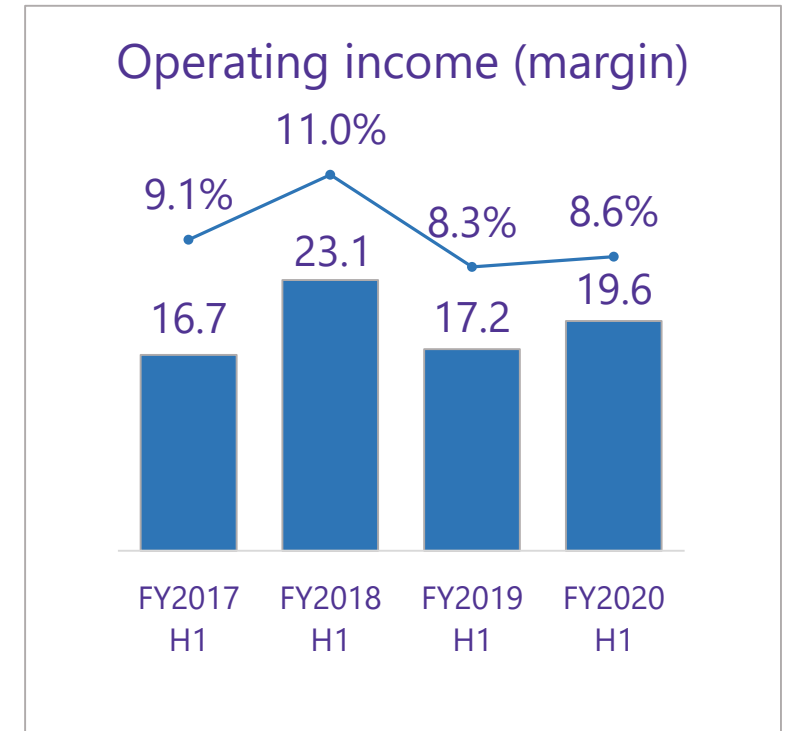
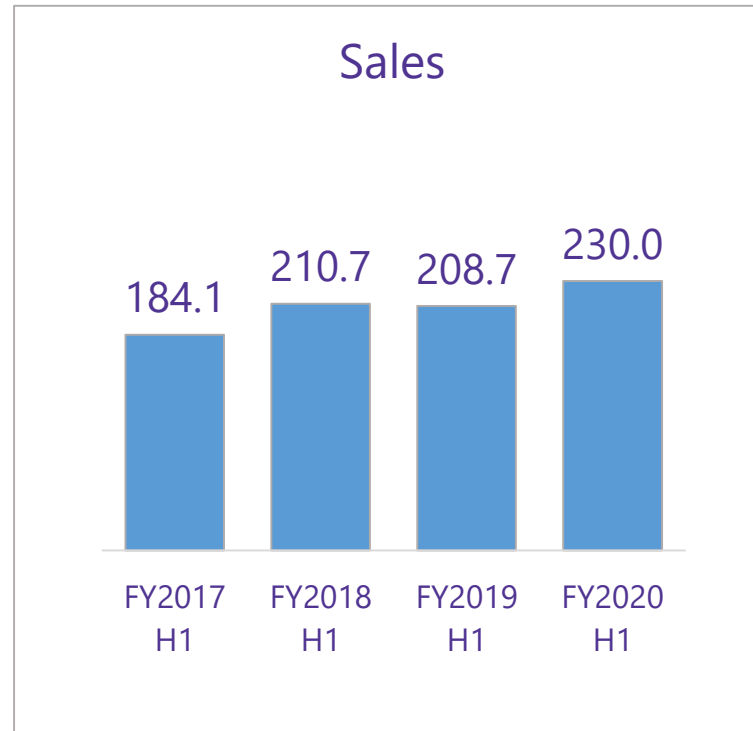
November 6, 2020

**DAIFUKU CO., LTD.**



- ✓ Orders fell, mainly due to delays in business negotiations imposed by the COVID-19 pandemic.
- ✓ Sales remained favorable, underpinned by an extensive order backlog from the end of fiscal 2019.
- ✓ Operating income were driven by the Intralogistics systems for manufacturers and distributors in Japan.

(Billion yen)



# FY2020 Interim Results (Consolidated)

(Billion yen)

	FY2019 H1 results	FY2020 H1 forecast as of August 6, 2020	FY2020 H1 results	Year-on-year
Orders	214.32	200.00	<b>189.30</b>	-11.7%
Net sales	208.73	212.00	<b>230.00</b>	+10.2%
Operating income	17.28	16.30	<b>19.66</b>	+13.8%
Ordinary income	17.61	16.90	<b>20.34</b>	+15.5%
Net income attributable to shareholders of the parent company	13.16	11.60	<b>14.73</b>	+11.9%
Comprehensive income	10.56	-	<b>13.66</b>	+29.3%
Net income per share	104.65 yen	92.16 yen	<b>116.98 yen</b>	
Exchange rate (per 1 U.S. dollar)	109.98 yen	-	<b>108.25 yen</b>	

✓ Achieved increased sales and income.

# Results by Reportable Segment

(Billion yen)

	Orders (Orders from outside customers)		Net sales (Sales to outside customers)		Segment income (Net income attributable to shareholders of the parent company)	
	FY2019 H1	FY2020 H1	FY2019 H1	FY2020 H1	FY2019 H1	FY2020 H1
Daifuku	104.32	<b>81.22</b>	93.78	<b>99.92</b>	7.41	<b>9.74</b>
Contec	8.43	<b>7.69</b>	7.53	<b>7.86</b>	0.70	<b>0.57</b>
Daifuku North America	42.12	<b>37.86</b>	46.33	<b>67.88</b>	2.69	<b>2.70</b>
Clean Factomation	14.21	<b>21.63</b>	16.27	<b>13.81</b>	1.94	<b>2.05</b>
Other	45.22	<b>40.89</b>	45.44	<b>39.37</b>	0.83	<b>1.08</b>
Consolidated adjustment and other	-	-	-0.63	<b>1.14</b>	-0.42	<b>-1.42</b>
<b>Total</b>	214.32	<b>189.30</b>	208.73	<b>230.00</b>	13.16	<b>14.73</b>

✓ Daifuku:  
Sales of Intralogistics systems increased, which improved profitability.

✓ Daifuku North America:  
Sales were driven by Automotive systems as well as systems for the e-commerce sector.

(Billion yen)

	FY2019	FY2020 H1	Change
Current assets	319.68	<b>340.74</b>	21.05
Cash on hand and in banks	70.90	<b>85.29</b>	14.38
Notes and accounts receivable	202.71	<b>206.38</b>	3.66
Inventories	33.34	<b>39.20</b>	5.86
Other	12.71	<b>9.85</b>	-2.86
Non-current assets	91.20	<b>91.55</b>	0.34
Property, plant and equipment	47.34	<b>47.80</b>	0.46
Intangible assets	10.13	<b>10.33</b>	0.19
Goodwill	4.89	<b>4.65</b>	-0.23
Other	5.24	<b>5.67</b>	0.43
Investments and other assets	33.72	<b>33.41</b>	-0.31
<b>Total assets</b>	<b>410.88</b>	<b>432.29</b>	<b>21.40</b>

	FY2019	FY2020 H1	Change
Current liabilities	138.69	<b>151.87</b>	13.18
Notes and accounts payable	69.09	<b>65.03</b>	-4.06
Short-term borrowings	11.77	<b>25.55</b>	13.78
Other	57.82	<b>61.28</b>	3.46
Non-current liabilities	34.83	<b>34.42</b>	-0.41
Long-term borrowings	21.64	<b>21.25</b>	-0.39
Other	13.19	<b>13.17</b>	-0.02
<b>Total Liabilities</b>	<b>173.53</b>	<b>186.30</b>	<b>12.77</b>
Shareholders' equity	231.71	<b>241.23</b>	9.52
Common stock	31.86	<b>31.86</b>	—
Retained earnings	179.29	<b>188.50</b>	9.21
Other	20.55	<b>20.86</b>	0.30
Accumulated other comprehensive income	1.24	<b>-0.02</b>	-1.27
Non-controlling interests	4.39	<b>4.78</b>	0.38
<b>Total net assets</b>	<b>237.35</b>	<b>245.99</b>	<b>8.63</b>
<b>Total liabilities and net assets</b>	<b>410.88</b>	<b>432.29</b>	<b>21.40</b>

✓ **Assets:**  
Increased ¥21.4 billion  
[Main factors]  
Increase: ¥14.3 billion in cash on hand and in banks, ¥3.6 billion notes and accounts receivable and unbilled receivables

✓ **Liabilities:**  
Increased ¥12.7 billion  
[Main factors]  
Increase: ¥13.7 billion in short-term borrowings

✓ **Net assets:**  
Increased ¥8.6 billion  
[Main factors]  
Increase: ¥9.2 billion in retained earnings

# Orders and Sales by Industry (Consolidated)

(Billion yen)

Industry	Orders				Sales			
	FY2019 H1		FY2020 H1		FY2019 H1		FY2020 H1	
	Orders	Composition	Orders	Composition	Sales	Composition	Sales	Composition
Automobile, auto parts	28.33	13.2%	<b>23.99</b>	<b>12.7%</b>	29.14	14.0%	<b>39.23</b>	<b>17.1%</b>
Electronics	79.94	37.3%	<b>62.13</b>	<b>32.8%</b>	78.82	37.8%	<b>64.36</b>	<b>28.0%</b>
Commerce, retail	39.07	18.2%	<b>46.36</b>	<b>24.5%</b>	37.55	18.0%	<b>57.95</b>	<b>25.2%</b>
Transportation, warehousing	16.71	7.8%	<b>11.76</b>	<b>6.2%</b>	13.52	6.5%	<b>10.55</b>	<b>4.6%</b>
Machinery	6.25	2.9%	<b>3.40</b>	<b>1.8%</b>	5.50	2.6%	<b>6.60</b>	<b>2.9%</b>
Chemicals, pharmaceuticals	8.95	4.2%	<b>6.39</b>	<b>3.4%</b>	7.03	3.4%	<b>8.96</b>	<b>3.9%</b>
Food	9.16	4.3%	<b>10.29</b>	<b>5.4%</b>	4.30	2.1%	<b>11.08</b>	<b>4.8%</b>
Iron, steel, nonferrous metals	3.03	1.4%	<b>2.13</b>	<b>1.1%</b>	2.69	1.3%	<b>1.75</b>	<b>0.8%</b>
Precision equipment, printing, office equipment	2.59	1.2%	<b>3.10</b>	<b>1.6%</b>	4.68	2.2%	<b>4.10</b>	<b>1.8%</b>
Airport	13.13	6.1%	<b>13.50</b>	<b>7.1%</b>	18.26	8.8%	<b>19.06</b>	<b>8.3%</b>
Other	7.10	3.4%	<b>6.21</b>	<b>3.4%</b>	7.17	3.3%	<b>6.29</b>	<b>2.6%</b>
<b>Total</b>	<b>214.32</b>	<b>100.0%</b>	<b>189.30</b>	<b>100.0%</b>	<b>208.73</b>	<b>100.0%</b>	<b>230.00</b>	<b>100.0%</b>

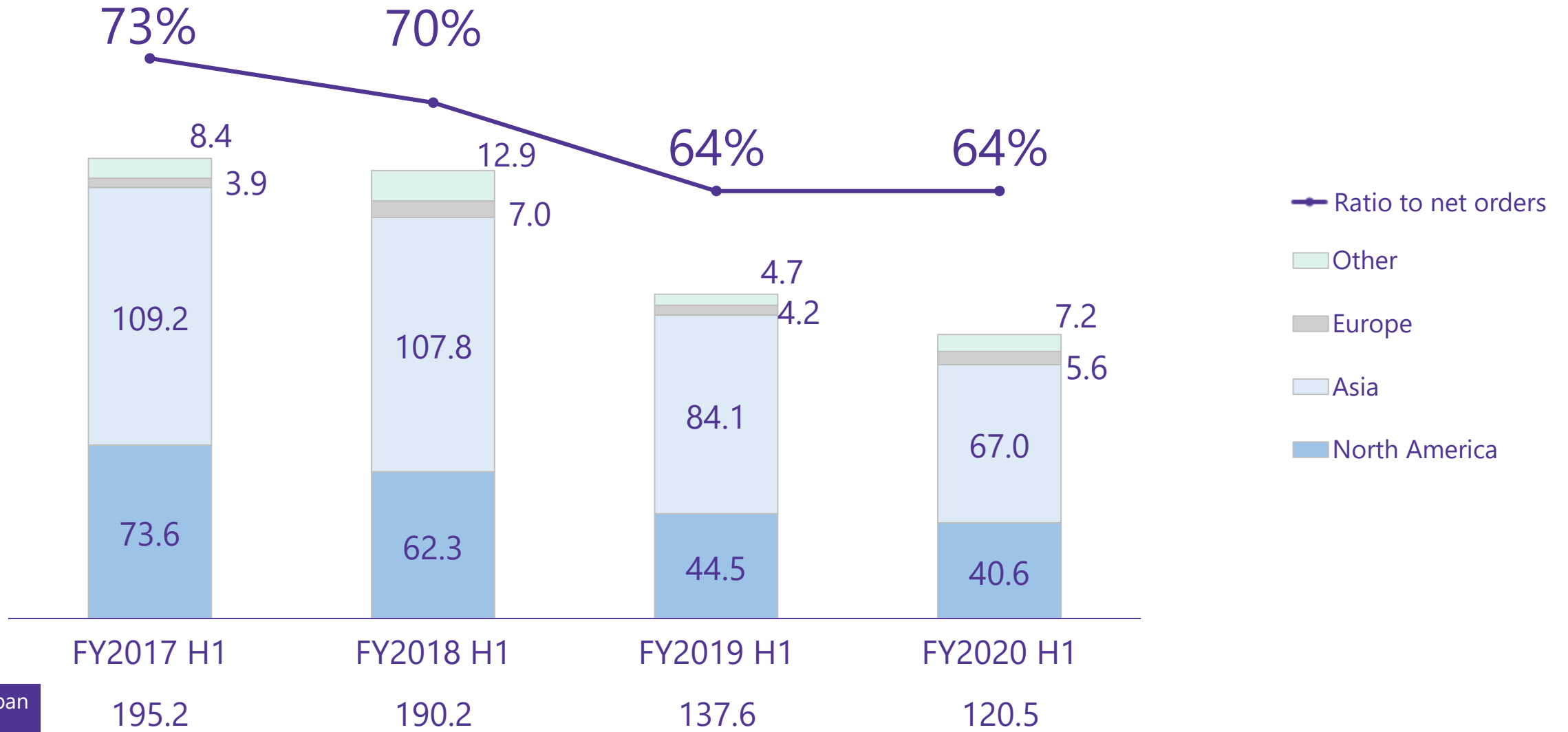
✓ Automobile, auto parts:  
Sales were driven by a large project in North America.

✓ Electronics:  
Orders and sales declined, reflecting the impact of the COVID-19 pandemic and a severe business environment.

✓ Commerce, retail:  
Orders and sales were favorable, driven by systems for the e-commerce sector.

# Non-Japan Orders (Consolidated)

(Billion yen)



Non-Japan Total

# Orders by Region (Consolidated)

(Billion yen)

Region	FY2017 H1		FY2018 H1		FY2019 H1		FY2020 H1	
	Orders	Composition	Orders	Composition	Orders	Composition	Orders	Composition
Japan	71.47	26.8%	79.57	29.5%	76.63	35.8%	<b>68.74</b>	<b>36.3%</b>
Non-Japan	195.24	73.2%	190.25	70.5%	137.68	64.2%	<b>120.56</b>	<b>63.7%</b>
North America	73.62	27.6%	62.39	23.1%	44.55	20.7%	<b>40.65</b>	<b>21.5%</b>
Asia	109.24	41.0%	107.83	40.0%	84.15	39.3%	<b>67.08</b>	<b>35.4%</b>
China	66.19	24.8%	56.13	20.8%	38.27	17.9%	<b>24.47</b>	<b>12.9%</b>
Taiwan	9.58	3.6%	14.06	5.2%	18.83	8.8%	<b>8.76</b>	<b>4.6%</b>
South Korea	28.38	10.7%	31.03	11.5%	22.69	10.6%	<b>29.79</b>	<b>15.7%</b>
Other	5.07	1.9%	6.60	2.5%	4.34	2.0%	<b>4.04</b>	<b>2.1%</b>
Europe	3.90	1.5%	7.08	2.6%	4.21	2.0%	<b>5.60</b>	<b>3.0%</b>
Latin America	3.06	1.1%	7.38	2.7%	0.53	0.2%	<b>0.92</b>	<b>0.5%</b>
Other	5.40	2.0%	5.56	2.1%	4.22	2.0%	<b>6.29</b>	<b>3.3%</b>
Total	266.71	100.0%	269.83	100.0%	214.32	100.0%	<b>189.30</b>	<b>100.0%</b>

✓ Japan:  
Orders reflected delays in negotiations with customers.

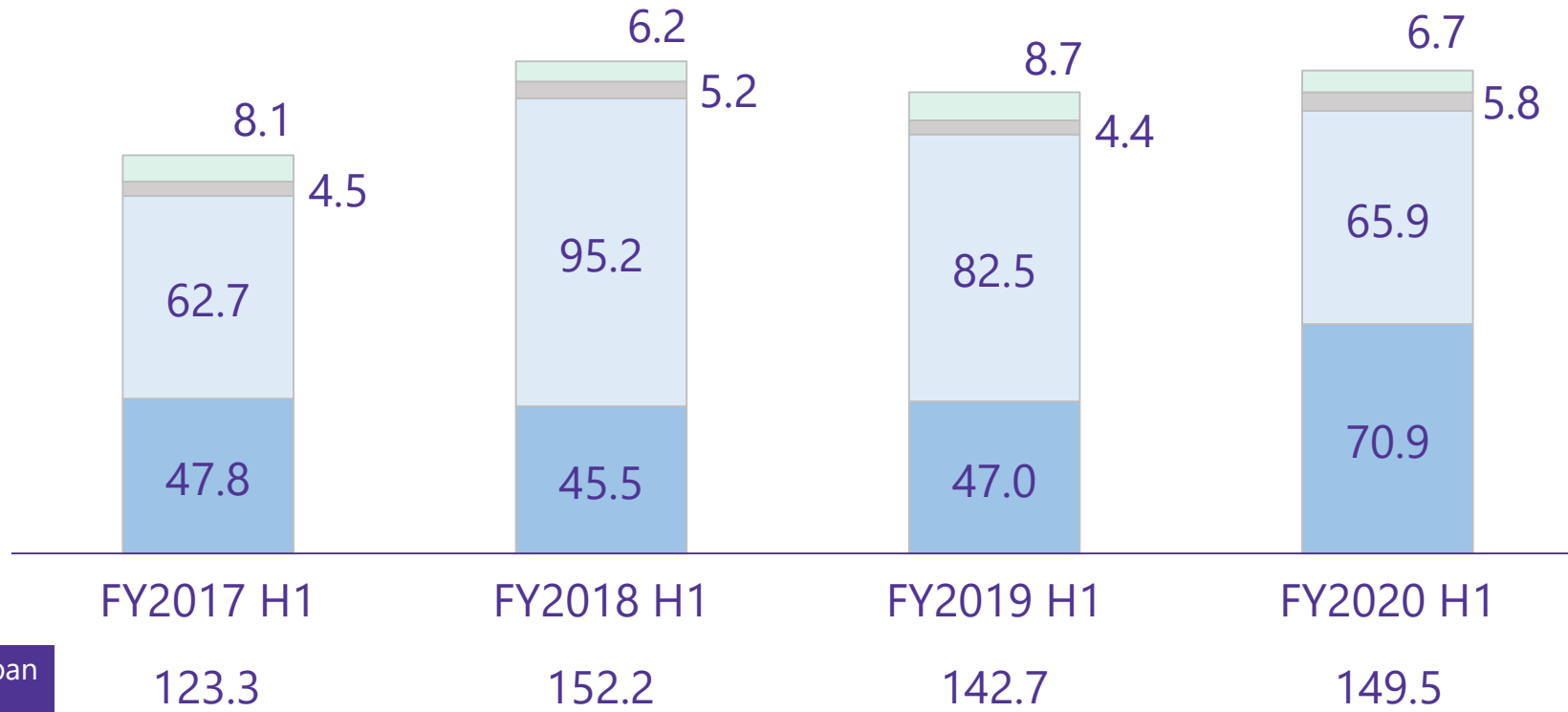
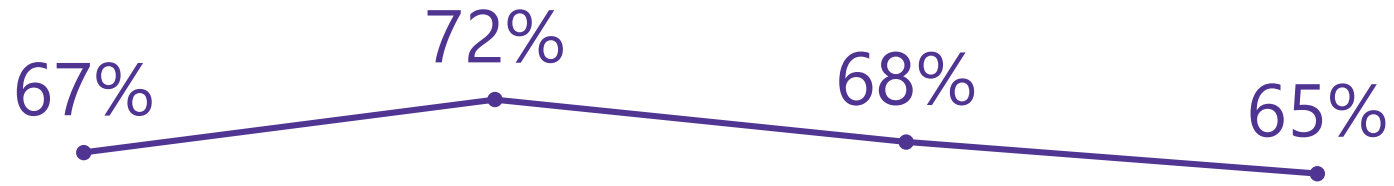
✓ North America:  
Orders were driven by demand for Intralogistics systems.

✓ Asia:  
Orders fell in China, mainly affected by the COVID-19 pandemic.



# Non-Japan Sales (Consolidated)

(Billion yen)



Non-Japan  
Total

# Sales by Region (Consolidated)

(Billion yen)

Region	FY2017 H1		FY2018 H1		FY2019 H1		FY2020 H1	
	Sales	Composition	Sales	Composition	Sales	Composition	Sales	Composition
Japan	60.85	33.0%	58.41	27.7%	66.00	31.6%	<b>80.49</b>	<b>35.0%</b>
Non-Japan	123.30	67.0%	152.29	72.3%	142.72	68.4%	<b>149.51</b>	<b>65.0%</b>
North America	47.89	26.0%	45.50	21.7%	47.00	22.5%	<b>70.98</b>	<b>30.9%</b>
Asia	62.74	34.1%	95.29	45.2%	82.50	39.5%	<b>65.92</b>	<b>28.7%</b>
China	25.87	14.1%	50.83	24.1%	35.56	17.0%	<b>26.44</b>	<b>11.5%</b>
Taiwan	9.02	4.9%	6.31	3.0%	18.18	8.7%	<b>15.85</b>	<b>6.9%</b>
South Korea	23.59	12.8%	30.79	14.6%	22.48	10.8%	<b>18.75</b>	<b>8.2%</b>
Other	4.24	2.3%	7.34	3.5%	6.26	3.0%	<b>4.87</b>	<b>2.1%</b>
Europe	4.50	2.4%	5.27	2.5%	4.49	2.2%	<b>5.82</b>	<b>2.5%</b>
Latin America	3.05	1.7%	2.42	1.1%	2.91	1.4%	<b>1.38</b>	<b>0.6%</b>
Other	5.10	2.8%	3.80	1.8%	5.80	2.8%	<b>5.38</b>	<b>2.3%</b>
Total	184.15	100.0%	210.71	100.0%	208.73	100.0%	<b>230.00</b>	<b>100.0%</b>

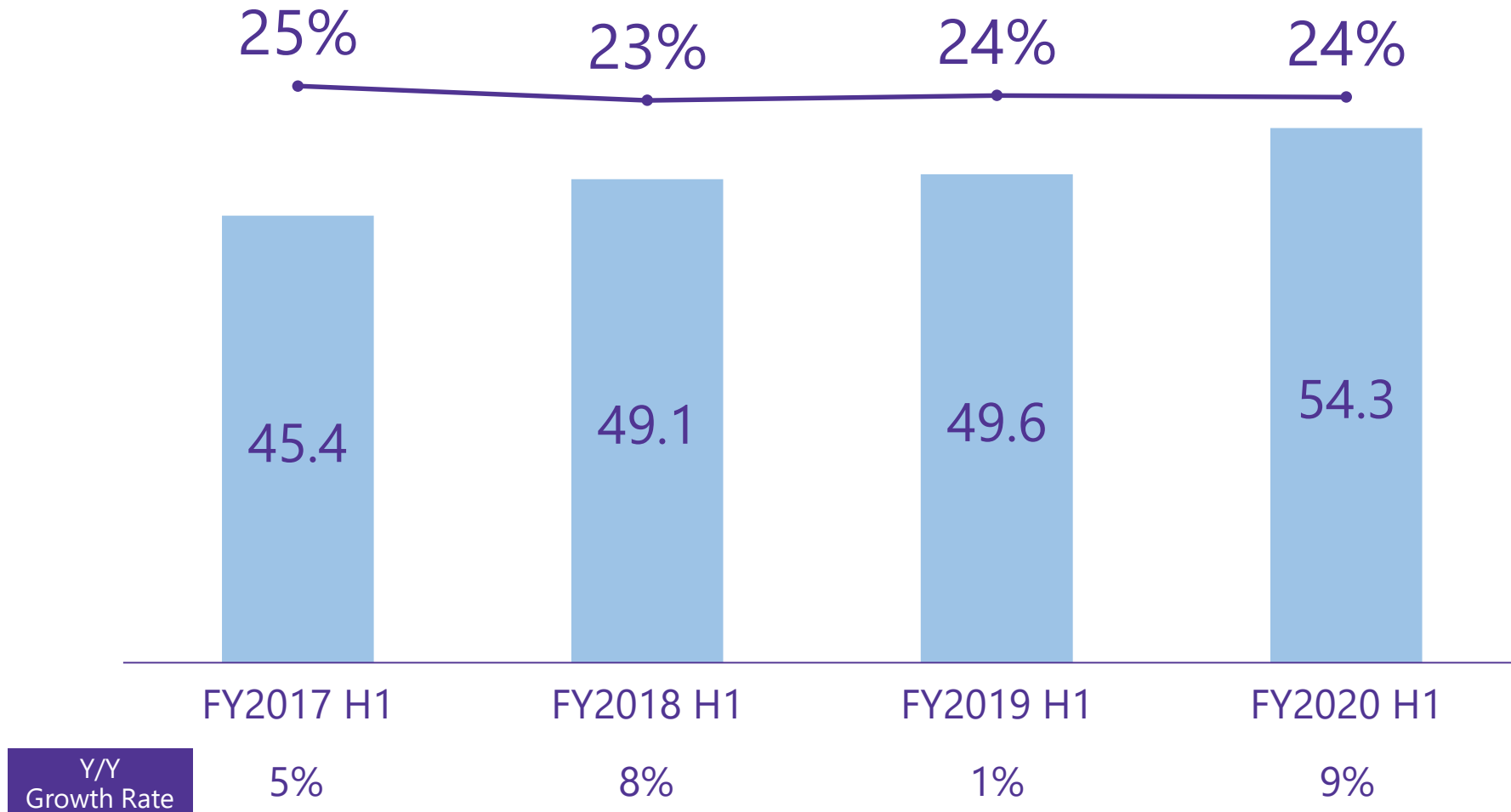
✓ Japan and North America:  
Sales remained favorable.

✓ Asia:  
Sales were affected by the  
COVID-19 pandemic.

# Service Sales (Consolidated)

(Billion yen)

∶ Ratio to net sales



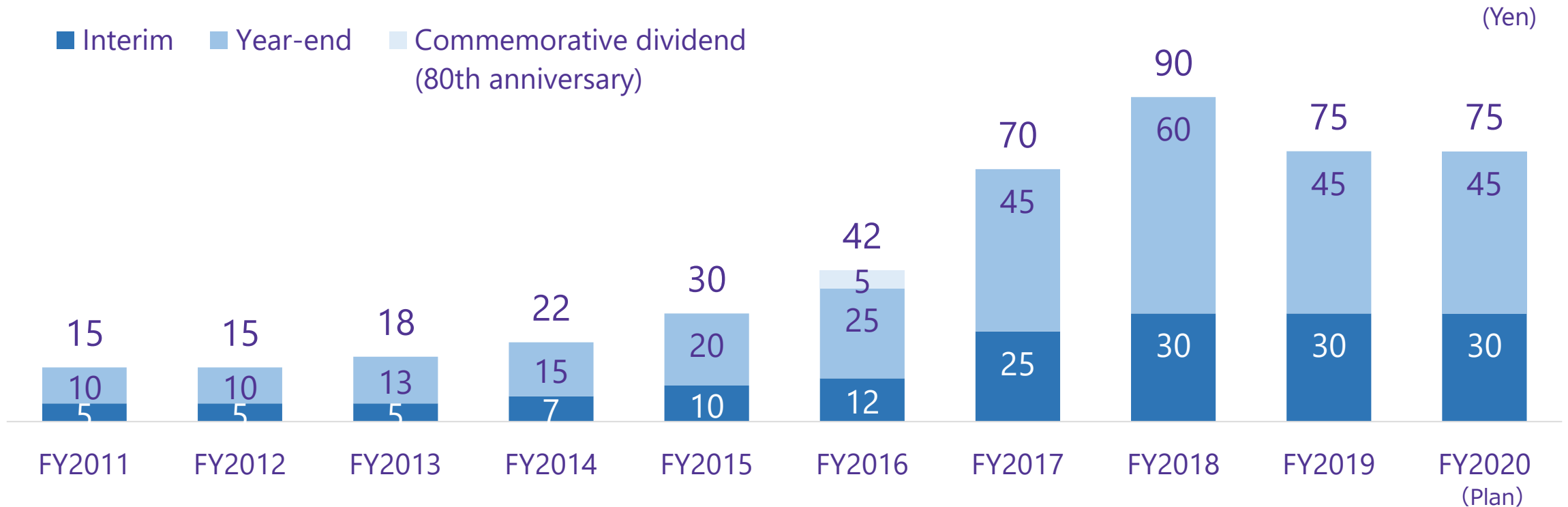
Note: Sales in the service business include maintenance, retrofitting, and remodeling work for products and systems Daifuku delivered.

(Billion yen)

	FY2019	FY2020		
		As of August 6, 2020	Revised on November 6, 2020	Year-on-year
Orders	483.18	480.00	<b>460.00</b>	-4.8%
Net sales	443.69	460.00	<b>460.00</b>	+3.7%
Operating income	40.49	41.00	<b>41.00</b>	+1.2%
Ordinary income	40.97	41.80	<b>41.80</b>	+2.0%
Net income attributable to shareholders of the parent company	28.06	29.00	<b>29.00</b>	+3.3%
Net income per share	222.96 yen	230.40 yen	<b>230.40 yen</b>	—

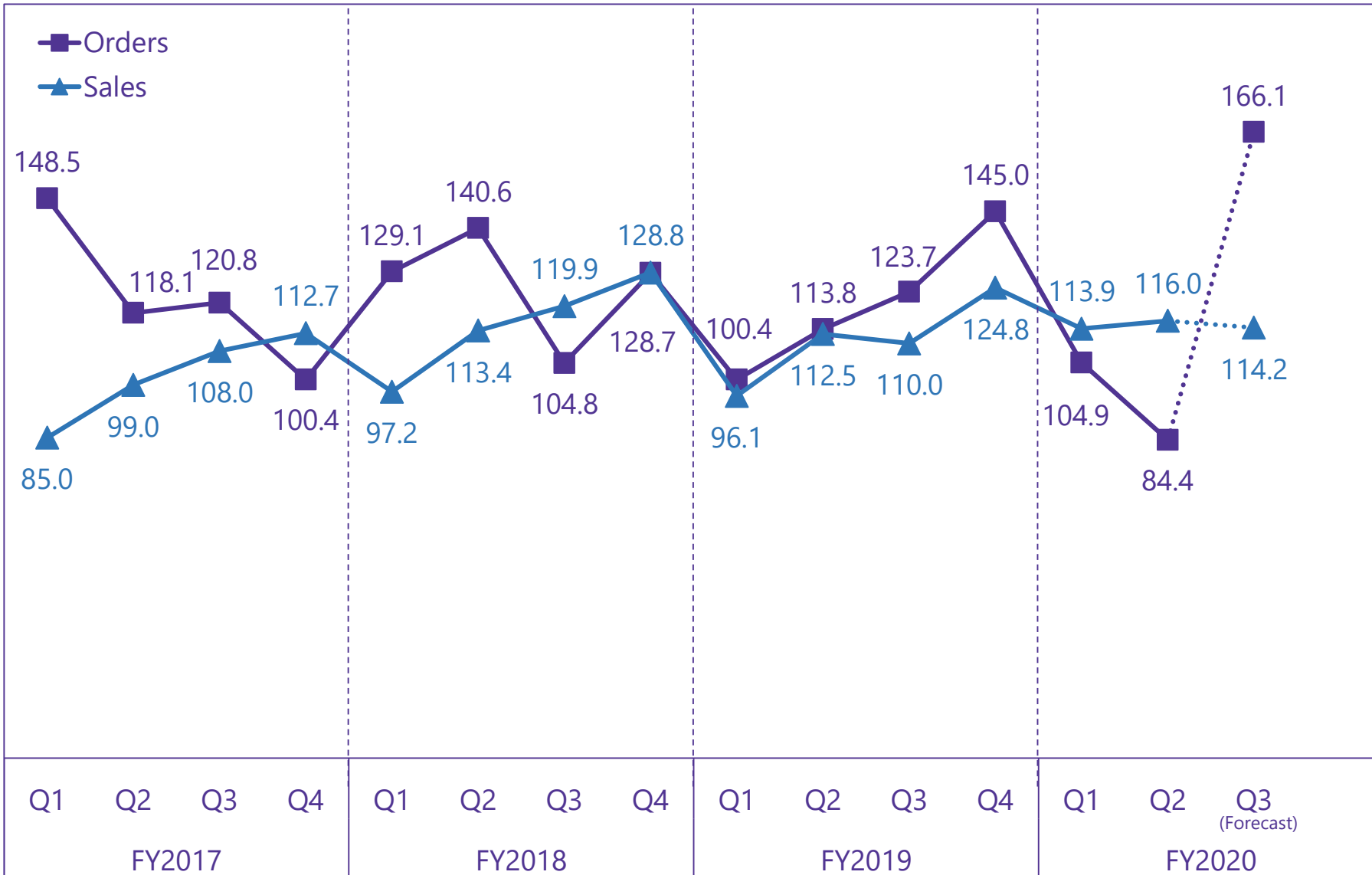
- ✓ The FY2020 orders forecast has been revised downward. Other remains unchanged.

The annual dividend per share is projected to be 75 yen, including the interim dividend of 30 yen. The consolidated dividend payout ratio of 30% is to be maintained on a four-year (FY2017-FY2020) average during the ongoing medium-term business plan.



# Quarterly Orders and Sales (Consolidated)

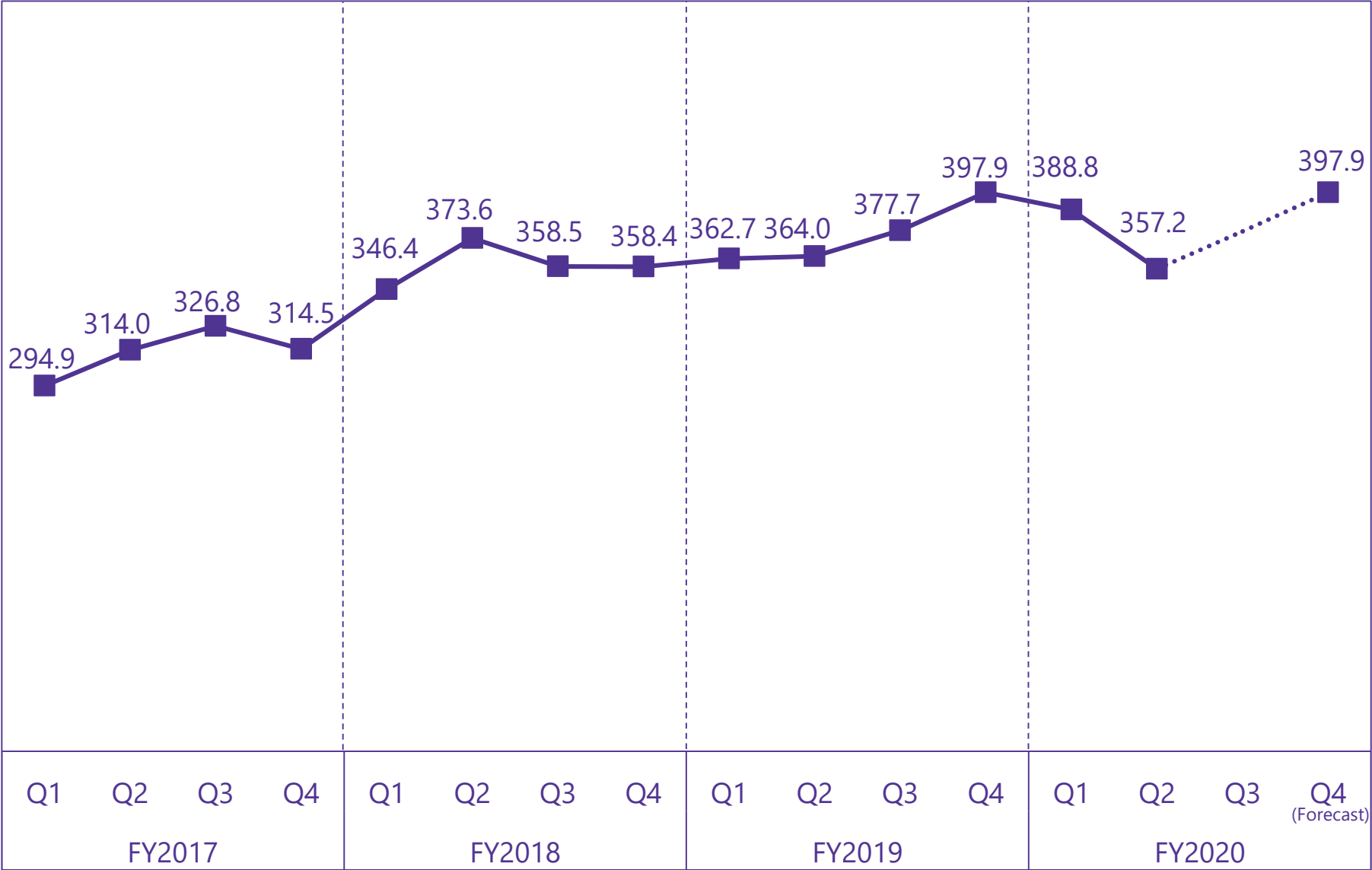
(Billion yen)



- ✓ Orders during the first half reflected delays in negotiations with customers. In the third quarter, orders are projected to turn around.
- ✓ Sales remain favorable.

# Order Backlogs (Consolidated)

(Billion yen)



✓ Order backlogs are projected to recover toward the year end, offsetting the decline in the first half.

# DAIFUKU

## Always an Edge Ahead

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### **Cautionary Statement with Respect to Forward-Looking Statements**

The strategies, beliefs and plans related to future business performance as described in this document are not established facts. They are business prospects based on the assumptions and beliefs of the management team judging from the most current information, and therefore, these prospects are subject to potential risks and uncertainties. Due to various crucial factors, actual results may differ materially from these forward-looking statements. These crucial factors that may adversely affect performance include 1) consumer trends and economic conditions in the Daifuku Group's operating environment; 2) the effect of yen exchange rates on sales, assets and liabilities denominated in U.S. dollars and other currencies; 3) the tightening of laws and regulations regarding safety and other matters that may lead to higher costs or sales restrictions; and 4) the impact of natural disasters and intentional threats, war, acts of terrorism, strikes, and plagues. Moreover, there are other factors that may adversely affect the Group's performance.