

# Consolidated Financial Results

**Fiscal Year Ended March 31, 2021**  
(April 1, 2020 - March 31, 2021)

May 11, 2021

**DAIFUKU CO., LTD.**



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# Financial Highlights



# Fiscal 2020 Highlights (April 1, 2020 – March 31, 2021)

(Billion yen)

|                                                                     | FY2019     | FY2020<br>initial plan | FY2020            | Y/Y change | Y/Y rate | Achievement ratio<br>to initial plan |
|---------------------------------------------------------------------|------------|------------------------|-------------------|------------|----------|--------------------------------------|
| Orders                                                              | 483.1      | 480.0                  | <b>451.0</b>      | -32.1      | -6.6%    | 94.0%                                |
| Sales                                                               | 443.6      | 460.0                  | <b>473.9</b>      | +30.2      | +6.8%    | 103.0%                               |
| Operating income                                                    | 40.4       | 41.0                   | <b>44.5</b>       | +4.0       | +10.0%   | 108.7%                               |
| Ordinary income                                                     | 40.9       | 41.8                   | <b>45.8</b>       | +4.8       | +11.9%   | 109.7%                               |
| Net income attributable to<br>shareholders of the parent<br>company | 28.0       | 29.0                   | <b>32.3</b>       | +4.3       | +15.4%   | 111.7%                               |
| Comprehensive<br>income                                             | 25.6       | -                      | <b>33.3</b>       | +7.7       | +30.1%   | -                                    |
| Net income per share                                                | 222.96 yen | -                      | <b>257.13 yen</b> | +34.17 yen |          |                                      |

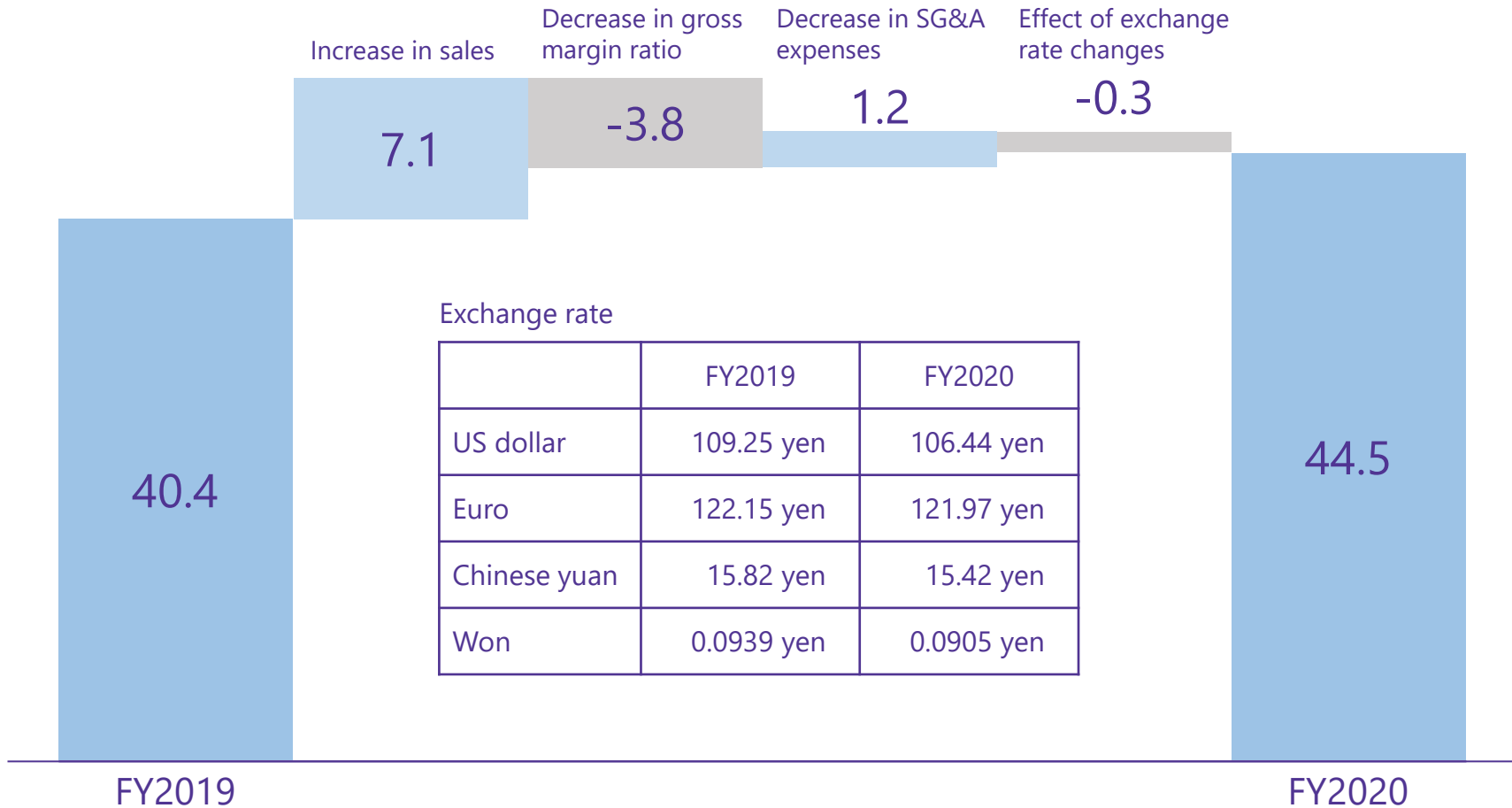
✓ Orders mainly reflected delays in business negotiations due to restrictions on both international/domestic movements and working at the office imposed by the COVID-19 pandemic.

✓ Achieved increased sales and income. Sales marked a new record high.

# Increases and Decreases in Operating Income

(Billion yen)

[Reference] Effect of exchange  
Sales: -6.6 billion yen



# Results by Reportable Segment

(Billion yen)

|                                   | Orders<br>(Orders from outside customers) |              |            | Net sales<br>(Sales to outside customers) |              |            | Segment income<br>(Net income attributable to shareholders of the parent company) |             |            |
|-----------------------------------|-------------------------------------------|--------------|------------|-------------------------------------------|--------------|------------|-----------------------------------------------------------------------------------|-------------|------------|
|                                   | FY2019                                    | FY2020       | Y/Y change | FY2019                                    | FY2020       | Y/Y change | FY2019                                                                            | FY2020      | Y/Y change |
| Daifuku                           | 218.3                                     | <b>184.1</b> | -34.2      | 204.4                                     | <b>199.3</b> | -5.0       | 18.6                                                                              | <b>26.0</b> | +7.3       |
| Contec                            | 16.8                                      | <b>15.3</b>  | -1.4       | 16.3                                      | <b>16.2</b>  | -0.1       | 1.6                                                                               | <b>1.1</b>  | -0.4       |
| Daifuku North America             | 136.7                                     | <b>119.4</b> | -17.3      | 102.2                                     | <b>137.1</b> | +34.8      | 6.2                                                                               | <b>6.0</b>  | -0.2       |
| Clean Factomation                 | 23.8                                      | <b>31.0</b>  | +7.2       | 32.6                                      | <b>30.5</b>  | -2.1       | 2.5                                                                               | <b>2.7</b>  | +0.2       |
| Other                             | 87.4                                      | <b>101.0</b> | +13.6      | 93.9                                      | <b>89.6</b>  | -4.3       | 2.5                                                                               | <b>2.3</b>  | -0.2       |
| Consolidated adjustment and other | —                                         | —            | —          | -6.0                                      | <b>0.9</b>   | +7.0       | -3.6                                                                              | <b>-5.9</b> | -2.3       |
| Total                             | 483.1                                     | <b>451.0</b> | -32.1      | 443.6                                     | <b>473.9</b> | +30.2      | 28.0                                                                              | <b>32.3</b> | +4.3       |

✓ Daifuku:  
Orders were sluggish in automotive systems and cleanroom systems, while income was boosted by intralogistics systems.

✓ Daifuku North America:  
Recorded sales of a large project for automotive systems, the order for which had been received during the previous fiscal year.

✓ Clean Factomation:  
Orders were driven by an increase in semiconductor-related demand for data centers.

(Billion yen)

|                               | FY2019       | FY2020       | Change       |
|-------------------------------|--------------|--------------|--------------|
| Current assets                | 319.6        | <b>350.6</b> | +30.9        |
| Cash on hand and in banks     | 70.9         | <b>94.1</b>  | +23.2        |
| Notes and accounts receivable | 202.7        | <b>211.9</b> | +9.1         |
| Inventories                   | 33.3         | <b>34.2</b>  | +0.8         |
| Other                         | 12.7         | <b>10.2</b>  | -2.4         |
| Non-current assets            | 91.2         | <b>94.8</b>  | +3.6         |
| Property, plant and equipment | 47.3         | <b>49.5</b>  | +2.2         |
| Intangible assets             | 10.1         | <b>10.0</b>  | -0.1         |
| Goodwill                      | 4.8          | <b>4.2</b>   | -0.6         |
| Other                         | 5.2          | <b>5.8</b>   | +0.5         |
| Investments and other assets  | 33.7         | <b>35.2</b>  | +1.5         |
| <b>Total assets</b>           | <b>410.8</b> | <b>445.4</b> | <b>+34.5</b> |

|                                         | FY2019       | FY2020       | Change       |
|-----------------------------------------|--------------|--------------|--------------|
| Current liabilities                     | 138.6        | <b>149.1</b> | +10.4        |
| Notes and accounts payable              | 69.0         | <b>62.9</b>  | -6.1         |
| Short-term borrowings                   | 11.7         | <b>15.5</b>  | +3.7         |
| Other                                   | 57.8         | <b>70.7</b>  | +12.8        |
| Non-current liabilities                 | 34.8         | <b>34.2</b>  | -0.5         |
| Long-term borrowings                    | 21.6         | <b>19.6</b>  | -2.0         |
| Other                                   | 13.1         | <b>14.6</b>  | +1.4         |
| <b>Total Liabilities</b>                | <b>173.5</b> | <b>183.4</b> | <b>+9.9</b>  |
| Shareholders' equity                    | 231.7        | <b>255.2</b> | +23.5        |
| Common stock                            | 31.8         | <b>31.8</b>  | —            |
| Retained earnings                       | 179.2        | <b>202.3</b> | +23.0        |
| Other                                   | 20.5         | <b>21.0</b>  | +0.4         |
| Accumulated other comprehensive income  | 1.2          | <b>1.7</b>   | +0.5         |
| Non-controlling interests               | 4.3          | <b>4.9</b>   | +0.5         |
| <b>Total net assets</b>                 | <b>237.3</b> | <b>262.0</b> | <b>+24.6</b> |
| <b>Total liabilities and net assets</b> | <b>410.8</b> | <b>445.4</b> | <b>+34.5</b> |

✓ **Assets:**  
Increased ¥34.5 billion  
[Factors]  
Increase: ¥23.2 billion in cash on hand and in banks, ¥9.1 billion in notes and accounts receivable

✓ **Liabilities:**  
Increased ¥9.9 billion  
[Factors]  
Increase: ¥7.3 billion in income taxes payable

✓ **Net assets:**  
Increased ¥24.6 billion  
[Factors]  
Increase: ¥23.0 billion in retained earnings

# Consolidated Statements of Cash Flows

(Billion yen)

|                                                                           | FY2019 | FY2020      | Y/Y change |
|---------------------------------------------------------------------------|--------|-------------|------------|
| Cash flows from operating activities                                      | 13.7   | <b>38.2</b> | +24.5      |
| Cash flows from investing activities                                      | -14.7  | <b>-6.6</b> | +8.1       |
| Free cash flows                                                           | -1.0   | <b>31.5</b> | +32.6      |
| Cash flows from financing activities                                      | -18.3  | <b>-8.3</b> | +9.9       |
| Effect of exchange rate change on cash and cash equivalents               | -0.5   | <b>-0.7</b> | -0.1       |
| Net increase in cash and cash equivalents                                 | -20.0  | <b>22.4</b> | +42.4      |
| Cash and cash equivalents, beginning of the year                          | 90.9   | <b>70.8</b> | -20.0      |
| cash and cash equivalents resulting from change in scope of consolidation | —      | <b>0.7</b>  | +0.7       |
| Cash and cash equivalents, end of the year                                | 70.8   | <b>94.0</b> | +23.1      |

✓ Cash provided by operating activities: ¥38.2 billion  
 [Factors]  
 Income before income taxes and non-controlling interests: ¥45.1 billion  
 Increase in notes and accounts receivable: -¥10.6 billion

✓ Cash used in investing activities: ¥6.6 billion  
 [Factors]  
 Payments for purchase of property, plant and equipment: -¥7.4 billion

✓ Cash used in financing activities: ¥8.3 billion  
 [Factors]  
 Short-term borrowings: ¥1.7 billion  
 Payments of cash dividends: -¥9.4 billion



# Orders and Sales by Industry

(Billion yen)

| Industry                                        | Orders       |               |              |               |            | Sales        |               |              |               |            |
|-------------------------------------------------|--------------|---------------|--------------|---------------|------------|--------------|---------------|--------------|---------------|------------|
|                                                 | FY2019       |               | FY2020       |               | Y/Y change | FY2019       |               | FY2020       |               | Y/Y change |
|                                                 | Orders       | Composition   | Orders       | Composition   |            | Sales        | Composition   | Sales        | Composition   |            |
| Automobile, auto parts                          | 89.9         | 18.6%         | <b>49.0</b>  | <b>10.9%</b>  | -40.8      | 68.4         | 15.4%         | <b>80.1</b>  | <b>16.9%</b>  | +11.6      |
| Electronics                                     | 146.2        | 30.3%         | <b>129.5</b> | <b>28.7%</b>  | -16.6      | 144.1        | 32.5%         | <b>137.0</b> | <b>28.9%</b>  | -7.1       |
| Commerce, retail                                | 94.5         | 19.6%         | <b>136.3</b> | <b>30.2%</b>  | +41.7      | 86.2         | 19.4%         | <b>115.5</b> | <b>24.4%</b>  | +29.2      |
| Transportation, warehousing                     | 27.4         | 5.7%          | <b>23.3</b>  | <b>5.2%</b>   | -4.1       | 28.5         | 6.4%          | <b>23.5</b>  | <b>5.0%</b>   | -4.9       |
| Machinery                                       | 11.1         | 2.3%          | <b>12.0</b>  | <b>2.7%</b>   | +0.9       | 13.5         | 3.1%          | <b>11.2</b>  | <b>2.4%</b>   | -2.2       |
| Chemicals, pharmaceuticals                      | 18.4         | 3.8%          | <b>13.9</b>  | <b>3.1%</b>   | -4.5       | 15.3         | 3.4%          | <b>18.3</b>  | <b>3.9%</b>   | +3.0       |
| Food                                            | 17.0         | 3.5%          | <b>17.3</b>  | <b>3.8%</b>   | +0.2       | 13.1         | 3.0%          | <b>17.7</b>  | <b>3.7%</b>   | +4.5       |
| Iron, steel, nonferrous metals                  | 5.4          | 1.1%          | <b>3.7</b>   | <b>0.8%</b>   | -1.7       | 5.3          | 1.2%          | <b>4.4</b>   | <b>0.9%</b>   | -0.9       |
| Precision equipment, printing, office equipment | 7.6          | 1.6%          | <b>6.1</b>   | <b>1.4%</b>   | -1.5       | 11.4         | 2.6%          | <b>8.7</b>   | <b>1.8%</b>   | -2.7       |
| Airport                                         | 47.6         | 9.9%          | <b>46.0</b>  | <b>10.2%</b>  | -1.6       | 41.9         | 9.5%          | <b>41.2</b>  | <b>8.7%</b>   | -0.7       |
| Other                                           | 17.5         | 3.6%          | <b>13.3</b>  | <b>3.0%</b>   | -4.1       | 15.3         | 3.5%          | <b>15.8</b>  | <b>3.4%</b>   | +0.4       |
| <b>Total</b>                                    | <b>483.1</b> | <b>100.0%</b> | <b>451.0</b> | <b>100.0%</b> | -32.1      | <b>443.6</b> | <b>100.0%</b> | <b>473.9</b> | <b>100.0%</b> | +30.2      |

✓ Automobile, auto parts:  
Recorded sales of a large project, the order for which had been received during the previous fiscal year in North America.

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

# Orders by Destination

(Billion yen)

| Region        | FY2017 |             | FY2018 |             | FY2019 |             | FY2020       |               |              |
|---------------|--------|-------------|--------|-------------|--------|-------------|--------------|---------------|--------------|
|               | Orders | Composition | Orders | Composition | Orders | Composition | Orders       | Composition   | Y/Y change   |
| Japan         | 145.3  | 29.8%       | 174.0  | 34.6%       | 170.0  | 35.2%       | <b>152.5</b> | <b>33.8%</b>  | <b>-17.5</b> |
| Non-Japan     | 342.5  | 70.2%       | 329.3  | 65.4%       | 313.1  | 64.8%       | <b>298.5</b> | <b>66.2%</b>  | <b>-14.5</b> |
| North America | 107.1  | 22.0%       | 111.0  | 22.0%       | 140.5  | 29.1%       | <b>120.5</b> | <b>26.7%</b>  | <b>-20.0</b> |
| Asia          | 207.3  | 42.5%       | 182.2  | 36.2%       | 152.1  | 31.5%       | <b>144.6</b> | <b>32.1%</b>  | <b>-7.5</b>  |
| China         | 115.9  | 23.8%       | 88.9   | 17.7%       | 58.3   | 12.1%       | <b>55.2</b>  | <b>12.2%</b>  | <b>-3.1</b>  |
| Taiwan        | 12.6   | 2.6%        | 27.6   | 5.5%        | 42.4   | 8.8%        | <b>34.0</b>  | <b>7.6%</b>   | <b>-8.4</b>  |
| South Korea   | 64.8   | 13.3%       | 50.1   | 10.0%       | 39.2   | 8.1%        | <b>45.0</b>  | <b>10.0%</b>  | <b>+5.8</b>  |
| Other         | 13.8   | 2.8%        | 15.4   | 3.0%        | 12.0   | 2.5%        | <b>10.3</b>  | <b>2.3%</b>   | <b>-1.7</b>  |
| Europe        | 10.9   | 2.2%        | 14.2   | 2.8%        | 9.4    | 2.0%        | <b>16.2</b>  | <b>3.6%</b>   | <b>+6.7</b>  |
| Latin America | 7.9    | 1.6%        | 9.4    | 1.9%        | 0.9    | 0.2%        | <b>2.6</b>   | <b>0.6%</b>   | <b>+1.6</b>  |
| Other         | 9.1    | 1.9%        | 12.4   | 2.5%        | 9.9    | 2.0%        | <b>14.5</b>  | <b>3.2%</b>   | <b>+4.5</b>  |
| Total         | 487.9  | 100.0%      | 503.3  | 100.0%      | 483.1  | 100.0%      | <b>451.0</b> | <b>100.0%</b> | <b>-32.1</b> |

✓ Japan:  
Orders fell, given a reactionary fall in airport systems, which had benefited from an order for a large project during the previous fiscal year, as well as sluggish orders in automotive systems.

✓ North America:  
Orders fell, given a reactionary fall in automotive systems, which had benefited from an order for a large project during the previous fiscal year.

# Sales by Destination

(Billion yen)

| Region        | FY2017       |               | FY2018       |               | FY2019       |               | FY2020       |               |              |
|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
|               | Sales        | Composition   | Sales        | Composition   | Sales        | Composition   | Sales        | Composition   | Y/Y change   |
| Japan         | 132.4        | 32.7%         | 127.6        | 27.8%         | 155.0        | 34.9%         | <b>163.9</b> | <b>34.6%</b>  | <b>+8.9</b>  |
| Non-Japan     | 272.4        | 67.3%         | 331.8        | 72.2%         | 288.6        | 65.1%         | <b>309.9</b> | <b>65.4%</b>  | <b>+21.2</b> |
| North America | 95.5         | 23.6%         | 99.1         | 21.6%         | 99.6         | 22.5%         | <b>138.9</b> | <b>29.3%</b>  | <b>+39.2</b> |
| Asia          | 150.5        | 37.2%         | 204.6        | 44.5%         | 163.4        | 36.8%         | <b>144.0</b> | <b>30.4%</b>  | <b>-19.4</b> |
| China         | 72.5         | 17.9%         | 111.3        | 24.2%         | 70.2         | 15.8%         | <b>59.5</b>  | <b>12.6%</b>  | <b>-10.6</b> |
| Taiwan        | 15.5         | 3.8%          | 21.1         | 4.6%          | 37.1         | 8.4%          | <b>30.5</b>  | <b>6.5%</b>   | <b>-6.5</b>  |
| South Korea   | 50.8         | 12.6%         | 56.7         | 12.3%         | 43.5         | 9.8%          | <b>43.3</b>  | <b>9.2%</b>   | <b>-0.1</b>  |
| Other         | 11.5         | 2.9%          | 15.3         | 3.4%          | 12.5         | 2.8%          | <b>10.4</b>  | <b>2.1%</b>   | <b>-2.0</b>  |
| Europe        | 9.6          | 2.4%          | 12.8         | 2.8%          | 9.2          | 2.1%          | <b>13.3</b>  | <b>2.8%</b>   | <b>+4.1</b>  |
| Latin America | 6.1          | 1.5%          | 6.0          | 1.3%          | 6.2          | 1.4%          | <b>4.1</b>   | <b>0.9%</b>   | <b>-2.0</b>  |
| Other         | 10.6         | 2.6%          | 9.2          | 2.0%          | 9.9          | 2.3%          | <b>9.3</b>   | <b>2.0%</b>   | <b>-0.6</b>  |
| <b>Total</b>  | <b>404.9</b> | <b>100.0%</b> | <b>459.4</b> | <b>100.0%</b> | <b>443.6</b> | <b>100.0%</b> | <b>473.9</b> | <b>100.0%</b> | <b>+30.2</b> |

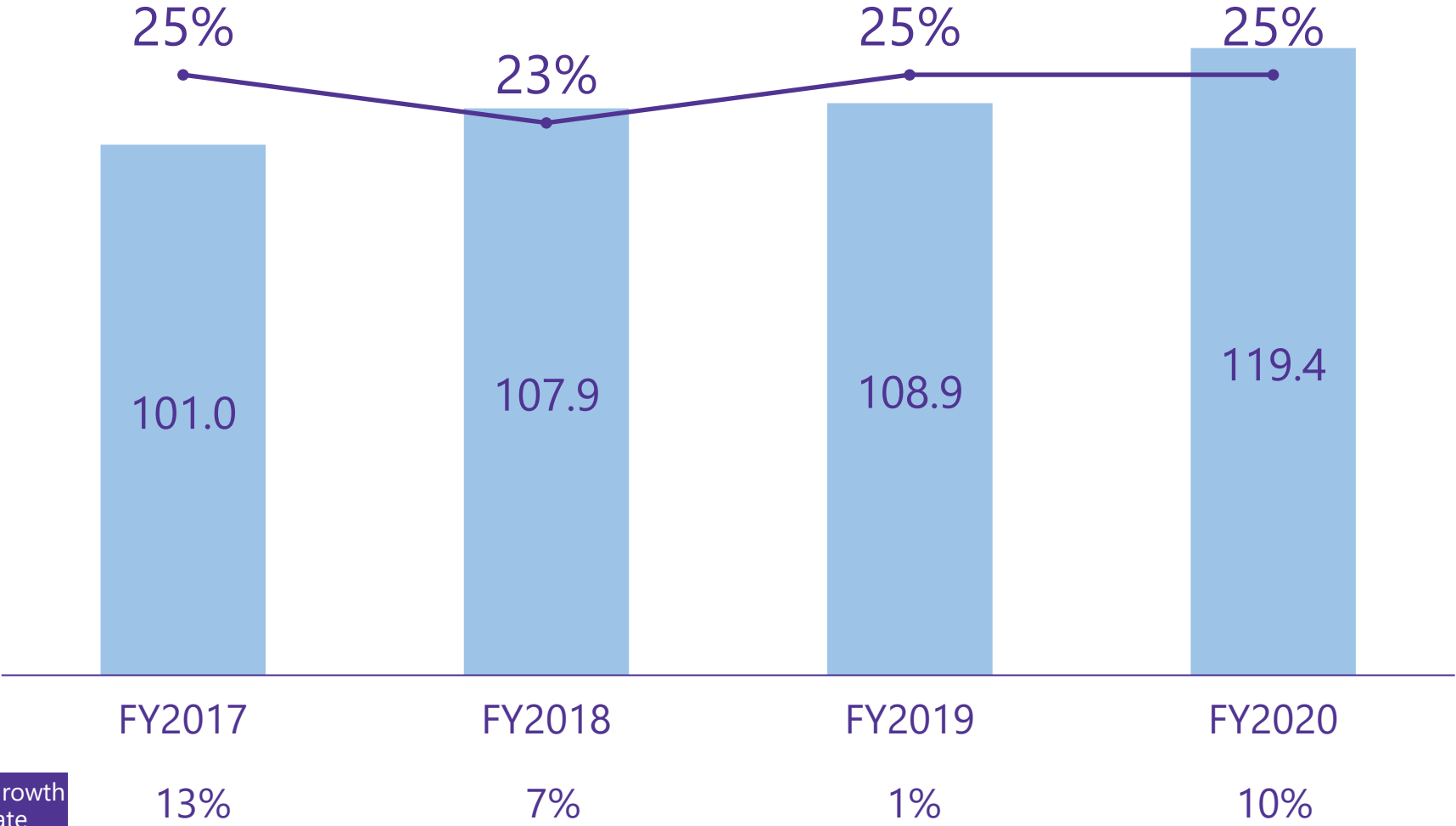
✓ North America:  
Sales were driven by automotive systems and intralogistics systems.

✓ Asia:  
Sales of cleanroom systems fell.

# Service Sales

(Billion yen)

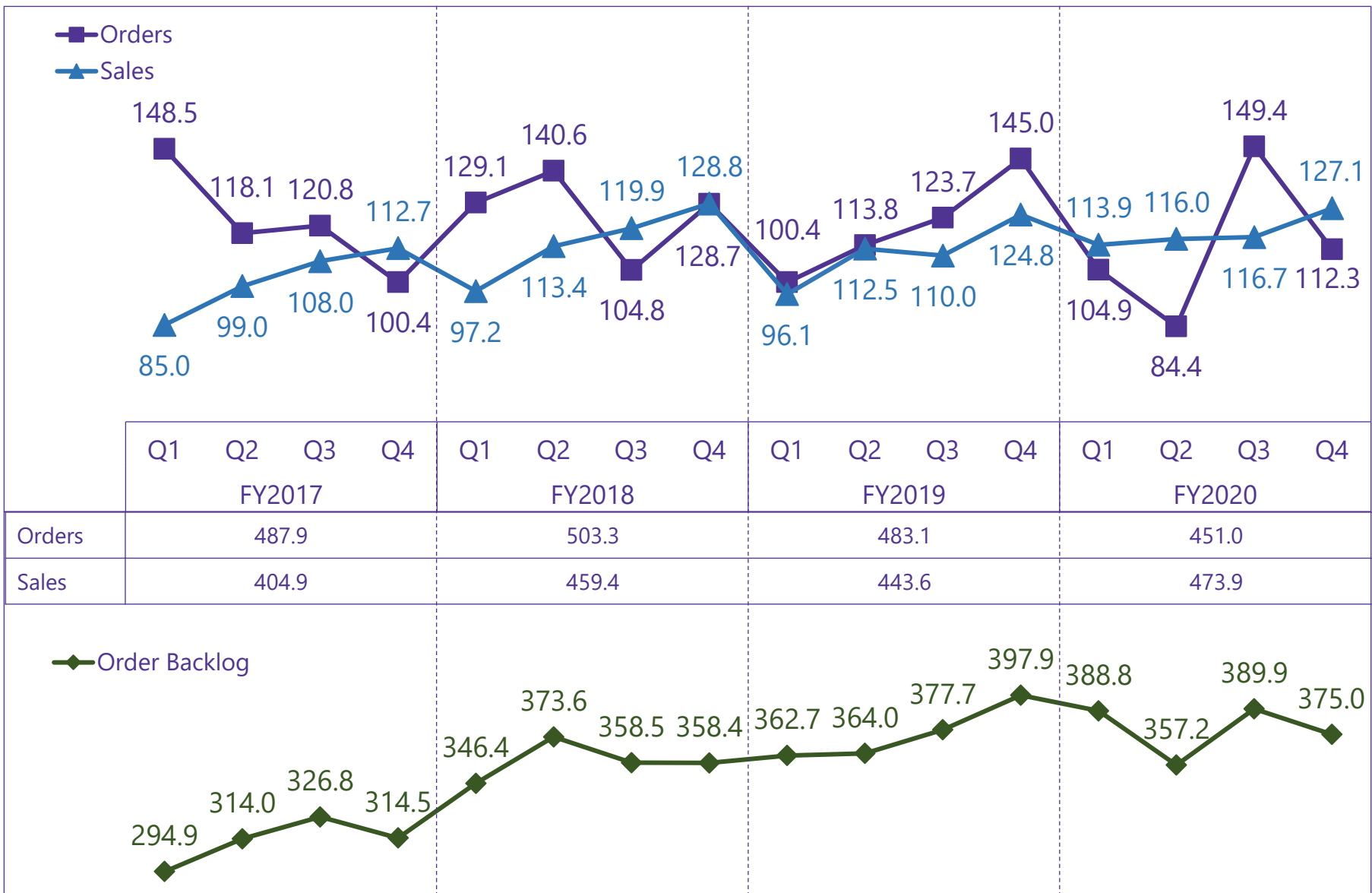
■ Service sales    ● Ratio to net sales



Y/Y Growth Rate

# Quarterly Orders, Sales and Order Backlogs (Consolidated)

(Billion yen)



✓ FY2021 (Forecast)

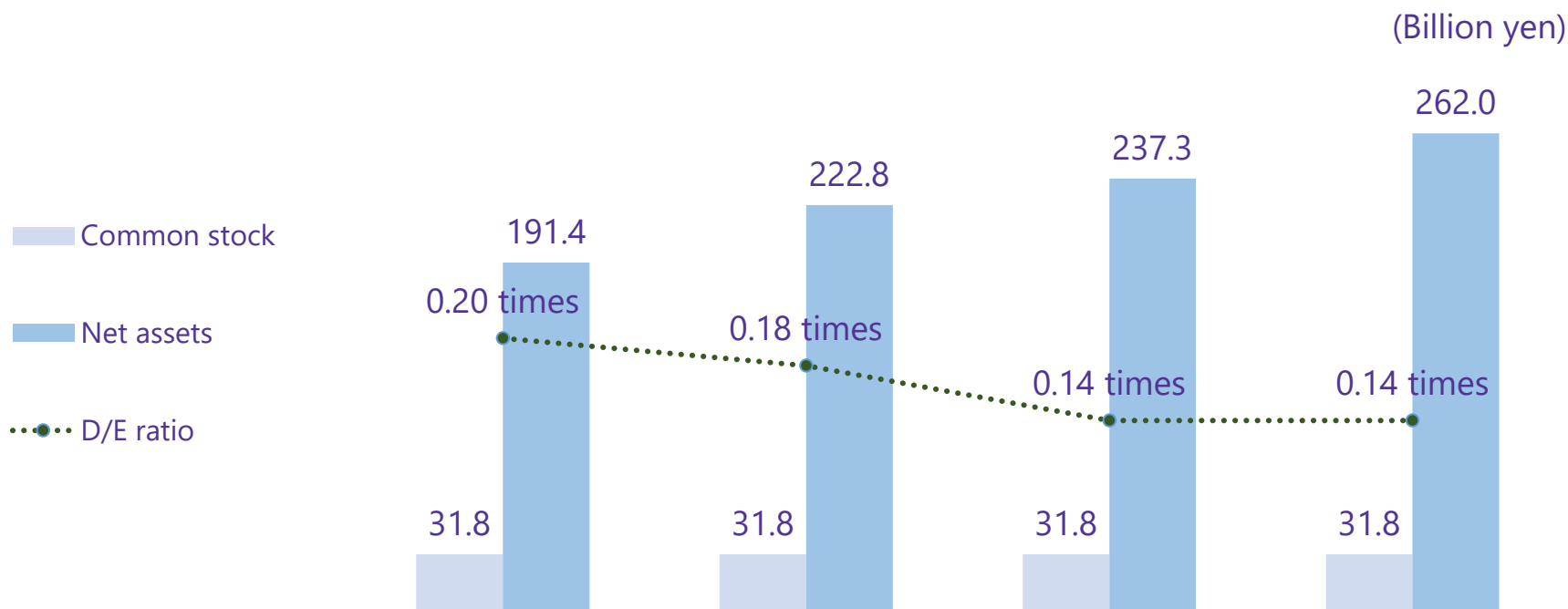
Orders: 520.0

Sales: 500.0

(Billion yen)

|                      | FY2017 | FY2018 | FY2019 | FY2020        | Y/Y change |
|----------------------|--------|--------|--------|---------------|------------|
| Short-term           | 19.9   | 19.4   | 11.7   | <b>15.5</b>   | +3.7       |
| Long-term            | 18.0   | 20.5   | 21.6   | <b>19.6</b>   | -2.0       |
| Total                | 37.9   | 40.0   | 33.4   | <b>35.1</b>   | +1.7       |
| D/E ratio* (times)   | 0.20   | 0.18   | 0.14   | <b>0.14</b>   | —          |
| Fixed cost           | 107.7  | 119.3  | 117.6  | <b>117.4</b>  | -0.1       |
| Personnel expenses   | 73.0   | 76.8   | 80.2   | <b>83.1</b>   | +2.8       |
| Employees (year-end) | 9,193  | 9,857  | 10,863 | <b>11,697</b> | +834       |
| Outside Japan        | 5,936  | 6,459  | 7,312  | <b>8,045</b>  | +733       |

\*Debt-Equity ratio = interest-bearing liabilities / shareholders' equity (year-end)



- ✓ Net assets: Favorable growth
- ✓ D/E ratio: Favorable level at below 0.2

|                                 | FY2017 | FY2018 | FY2019 | FY2020       |
|---------------------------------|--------|--------|--------|--------------|
| ROE*                            | 17.7%  | 19.5%  | 12.4%  | <b>13.2%</b> |
| 1) Return on sales              | 7.16%  | 8.61%  | 6.32%  | <b>6.83%</b> |
| 2) Total asset turnover (times) | 1.20   | 1.17   | 1.08   | <b>1.11</b>  |
| 3) Financial leverage (times)   | 1.99   | 1.87   | 1.76   | <b>1.73</b>  |

- ✓ ROE: Secure 10% or higher (medium-term business plan target)

\*ROE = net income / shareholders' equity (average of beginning and end of year) × 100

$$= 1) \text{ Return on sales} \times 2) \text{ Total asset turnover} \times 3) \text{ Financial leverage} = \frac{\text{Net income}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Total assets (average of beginning and end of year)}} \times \frac{\text{Total assets (end of year)}}{\text{Equity (end of year)}}$$

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# Earnings Forecast





# Fiscal 2021 Forecast (Consolidated)

**DAIFUKU**
**16**

(Billion yen)

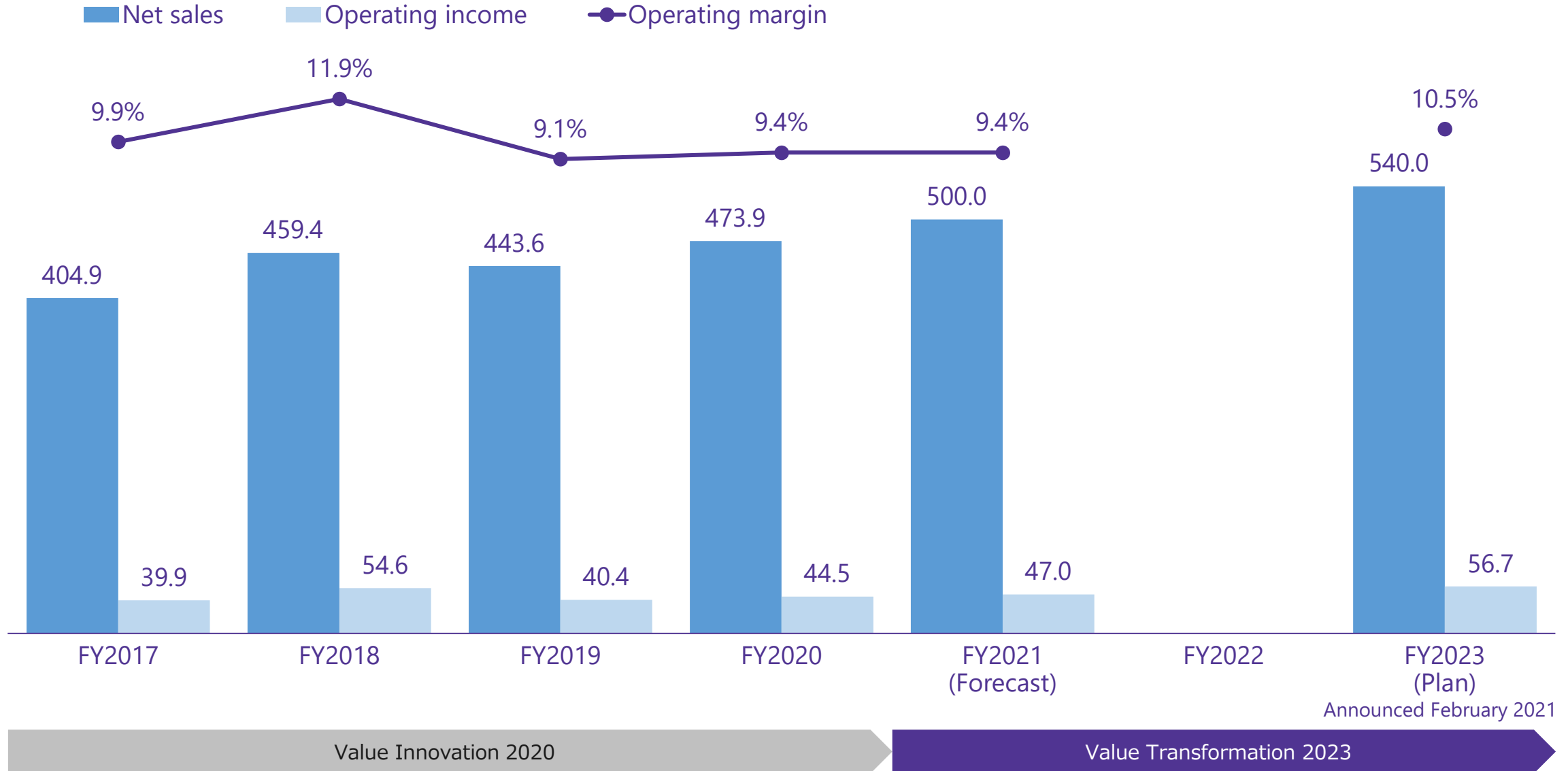
|                                                                     | FY2020<br>H1 | FY2021            |                  |               | FY2020     | FY2021            |                   |               |
|---------------------------------------------------------------------|--------------|-------------------|------------------|---------------|------------|-------------------|-------------------|---------------|
|                                                                     |              | H1<br>(Forecast)  | Y/Y change       | Y/Y rate      |            | FY<br>(Forecast)  | Y/Y change        | Y/Y rate      |
| Orders                                                              | 189.3        | <b>290.0</b>      | <b>+100.6</b>    | <b>+53.2%</b> | 451.0      | <b>520.0</b>      | <b>+68.9</b>      | <b>+15.3%</b> |
| Net sales                                                           | 230.0        | <b>240.0</b>      | <b>+9.9</b>      | <b>+4.3%</b>  | 473.9      | <b>500.0</b>      | <b>+26.0</b>      | <b>+5.5%</b>  |
| Operating income                                                    | 19.6         | <b>20.5</b>       | <b>+0.8</b>      | <b>+4.2%</b>  | 44.5       | <b>47.0</b>       | <b>+2.4</b>       | <b>+5.5%</b>  |
| Ordinary income                                                     | 20.3         | <b>21.1</b>       | <b>+0.7</b>      | <b>+3.7%</b>  | 45.8       | <b>47.9</b>       | <b>+2.0</b>       | <b>+4.5%</b>  |
| Net income attributable<br>to shareholders of the<br>parent company | 14.7         | <b>15.0</b>       | <b>+0.2</b>      | <b>+1.8%</b>  | 32.3       | <b>34.0</b>       | <b>+1.6</b>       | <b>+5.0%</b>  |
| Net income per share                                                | 116.98 yen   | <b>119.08 yen</b> | <b>+2.10 yen</b> | -             | 257.13 yen | <b>269.91 yen</b> | <b>+12.78 yen</b> | -             |

# Financial Performance

**DAIFUKU**

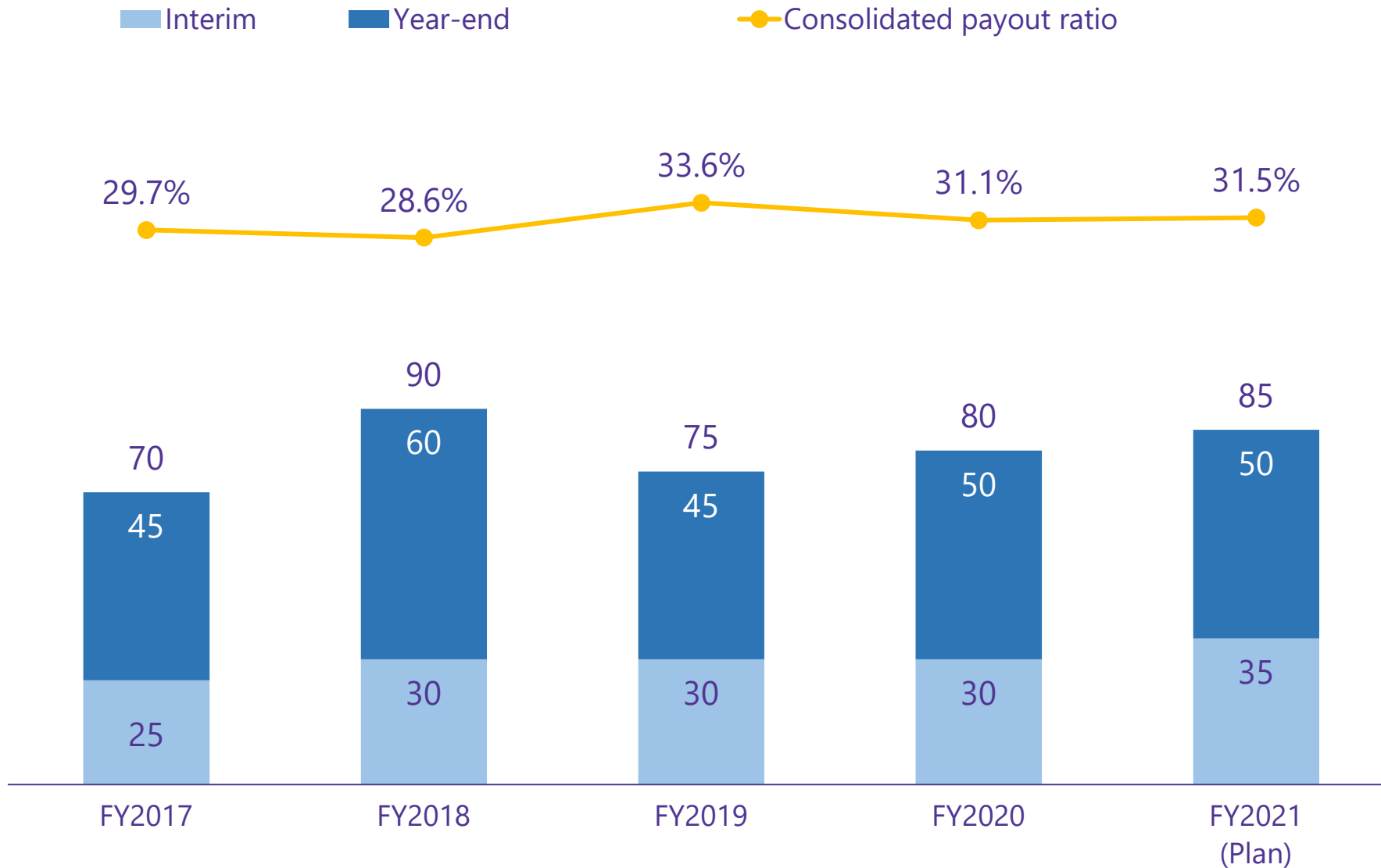
**17**

(Billion yen)



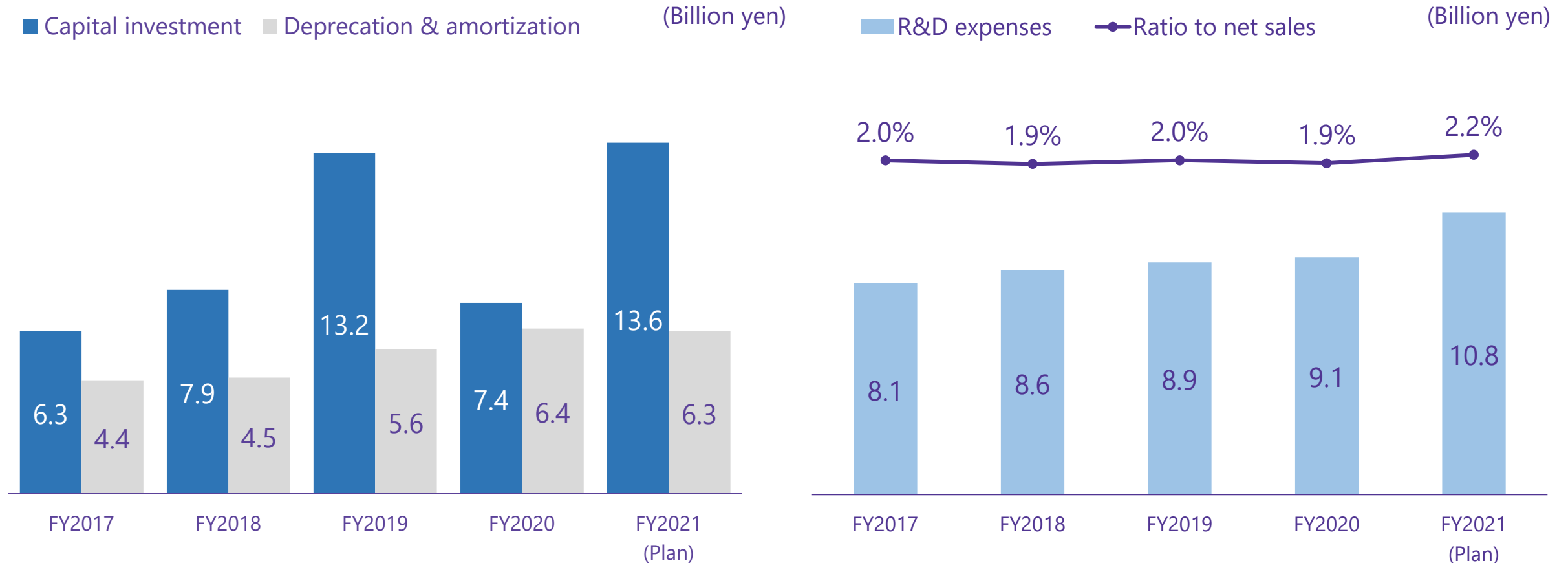
Announced February 2021

(Yen)



- ✓ Kept the consolidated dividend payout ratio at roughly 30% in every fiscal year. A consolidated dividend payout ratio of 30.8% was maintained on a four-year (FY2017-FY2020) average during the previous medium-term business plan.

- ✓ Invested in maintaining and retrofitting production facilities at factories in Japan and North America.
- ✓ Depreciation has remained mostly at the same level.

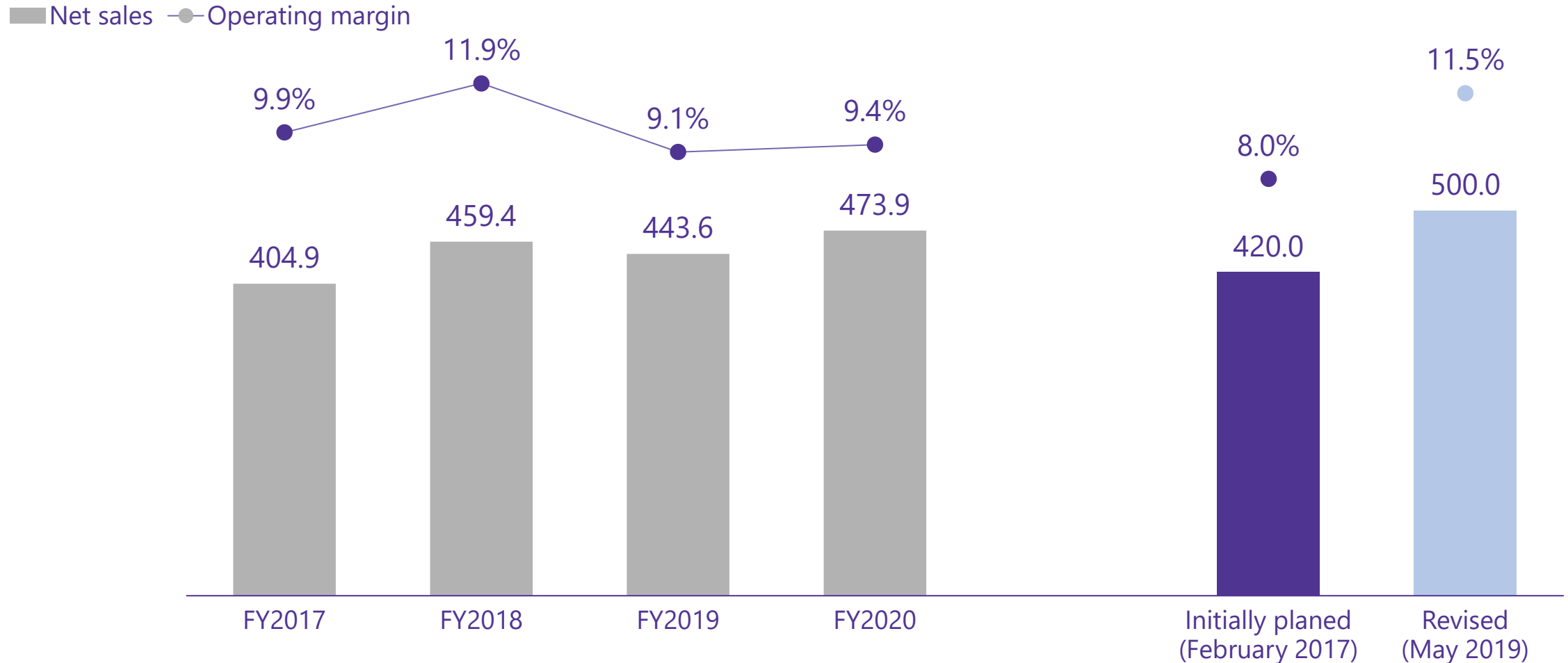


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# Medium-Term Business Plan





|                           |       |       |       |       |                         |               |               |
|---------------------------|-------|-------|-------|-------|-------------------------|---------------|---------------|
| ROE                       | 17.7% | 19.5% | 12.4% | 13.2% |                         | 10% or higher | 10% or higher |
| Consolidated payout ratio | 29.7% | 28.6% | 33.6% | 31.1% | Four-year average 30.8% | 30%           | 30%           |

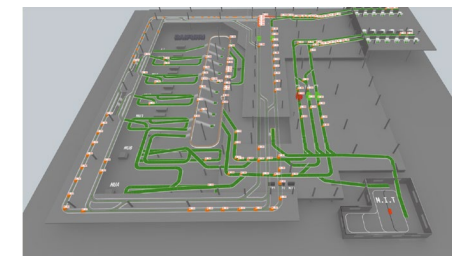


## Core Policies

Provide smart logistics for customers

### Develops 3D software package, Sym3, across the Daifuku Group

With these technologies, development and testing are possible without physically making anything, the current status of operations can be confirmed without being on site, and predictions and preventive measures are made based on accumulated data. It also became possible to enhance quality and shorten time in all processes from development to maintenance.



Establish Airport Technologies business as the fourth core business

### Supplies Self Baggage Drops to Japan Airlines (photo: Haneda Airport)

Increasingly adopted at airports around the world, Self Baggage Drops enable passengers to check-in their own baggage by following the on-screen instructions, which greatly reduces queuing time compared to conventional manned check-in counters.



Pursue best combination of localization and globalization

### Builds Wynright's new manufacturing complex

A new production site, called Daifuku Intralogistics North America Works, which consolidated the company's conveyor manufacturing and machining factories, is expanding its product lineup, by increasing production of conventional products and starting production of main products that had been exported from Japan. The Works, which has boosted production capacity to 1.5 times that of its predecessor facilities, is well placed to meet increased demand.



### Formulates the Daifuku Environmental Vision 2050

Daifuku Group has formulated its Environmental Vision 2050, a complete revision of the previous environmental vision, for the establishment of a sustainable society. We have set a goal to create material handling systems with zero environmental impact by 2050 and established targets for each issue area to meet by 2030.





## ● **Period of the new business plan (April 2021 – March 2024)**

While the previous business plan was formulated to address a four-year period, the period of this business plan is three years to enable a quicker response to drastic change in the social, environmental and business climates surrounding the Company.

## ● **Concept**

### 1. **Transformation of the value provided through DX<sup>2</sup>**

*DX<sup>2</sup> (DX Squared) = Digital Transformation × Daifuku Transformation*

The Group will transform the value provided to its customers and other stakeholders through the promotion of Digital Transformation (DX) and of the transformation of the Daifuku Group itself (Daifuku Transformation).

### 2. **Creation of new value in the new normal**

The goal of the Group is to continue to stride forward in a society that demands the creation of new value, leveraging its flexible, creative ability to create ideas free from precedent and its power to execute its plans to transform existing frameworks.

### 3. **Towards realizing a sustainable society**

From the perspective of promoting efforts for ESG (environment, society and governance), sustainability, and related endeavors, the Group positions its three-year business plan and Sustainability Action Plan\* as the two wheels of its business strategy. The Group will implement these plans to contribute to the achievement of the Sustainable Development Goals (SDGs) of the United Nations.

\*The Group formulated Sustainability Action Plan in April 2021.

## Current Business Environment

**Market Trends**  
Global expansion of e-commerce  
Diversified automation needs

**Business Environment**  
Progress of DX (Digital Transformation)  
Rising competition in emerging markets

**Operating Environment**  
Increase in non-Japan Group companies through M&A  
Review of analog business processes and acceleration of digitalization

**Social Environment**  
Strengthening of stakeholder engagement  
Fulfillment of corporate social responsibility through business activities

## Themes and Business Strategy

**Business Domains**

1. Accelerating globalization  
Strategically invest in the global market
2. Strengthening existing business  
Create next-generation business models
3. Developing new business  
Invest in promising new domains

**Profitability**

1. Enhancing product value  
Transform value provided through cutting-edge technologies
2. Increasing productivity  
Strengthen international price competitiveness
3. Reinforcing production framework  
Promote innovation in *monozukuri* (manufacturing) through digitalization

**Operating Framework**

1. Rebuilding Group management  
Strengthen Group governance
2. Transforming business operations  
Increase efficiency and add value from a customer-oriented perspective
3. Reforming personnel systems  
Adopt diverse human capital management systems

**Brand**

1. Innovating value provided  
Provide smart logistics through TOP\* innovation
2. Creating social value  
Strengthen framework consistent with our role as a company responsible for social infrastructure
3. Transforming internal perceptions  
Create a global corporate culture

\*TOP: Time, Occasion, Place

# 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.