

Note: This document is translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 6383)
June 6, 2016

To Shareholders with Voting Rights:

Masaki Hojo
President and CEO
Daifuku Co., Ltd.
3-2-11, Mitejima,
Nishiyodogawa-ku, Osaka, Japan

**NOTICE OF
THE 100TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage. We would also like to express our sympathy to all the disaster victims of the Kumamoto Earthquake in 2016 and wish the restoration of the devastated areas as early as possible.

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 100th Ordinary General Meeting of Shareholders of Daifuku Co., Ltd. (the "Company"). The Meeting will be held for the purposes described below.

If you are unable to attend the Meeting, you can exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders and, following the guidance below, exercise your voting rights no later than 5 p.m. on Thursday, June 23, 2016, Japan time.

1. Date and Time: Friday, June 24, 2016, at 10 a.m. Japan time

2. Place: The Company's headquarters building No. 2, Conference Room on 3rd floor, 3-2-11 Mitejima, Nishiyodogawa-ku, Osaka, Japan

3. Meeting Agenda:

Matters to be reported:

1. The Business Report, the Consolidated Financial Statements for the Company's 100th Fiscal Year (April 1, 2015 – March 31, 2016) and the results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 100th Fiscal Year (April 1, 2015 – March 31, 2016)

Proposals to be resolved:

- Proposal 1:** Election of Ten (10) Directors
Proposal 2: Election of Two (2) Audit & Supervisory Board Members
Proposal 3: Introduction of New Compensation Plan for Our Directors

Guidance on the Exercise of Voting Rights

- **Attending the Meeting**
When attending the Meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. To save paper resources, you are kindly requested to bring this Notice.
 - **Exercise of voting rights in writing**
Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it by mail so that it arrives no later than 5 p.m. on Thursday, June 23, 2016, Japan time.
 - **Exercise of voting rights via the Internet, etc.**
If you choose to exercise your voting rights via the Internet, etc., please exercise your voting rights no later than 5 p.m. on Thursday, June 23, 2016, Japan time.
- * If you have exercised your voting rights both in writing and via the Internet, only the vote via the Internet shall be deemed effective. If you have exercised your voting rights more than once via the Internet, etc., or both via PC and cell phone, only the last vote shall be deemed effective.

Other Matters Regarding This Notice of Convocation

Pursuant to the relevant laws and regulations and the provision of Article 16 of the Articles of Incorporation, the Consolidated Statement of Changes in Net Assets and the Notes to the Consolidated Financial Statements, as well as the Non-consolidated Statement of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements, are disclosed on the Company's website (<http://www.daifuku.com/jp/ir/stock/shareholders/>) and are not included in the attached documents that concern the matters to be reported.

- * Should any amendments occur to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and/or the Non-consolidated Financial Statements by the day before the Meeting's date, the amended documents will be posted on the Company's website (<http://www.daifuku.com/jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of Ten (10) Directors

The term of office of all ten (10) Directors will expire at the conclusion of the Meeting. The Company therefore proposes the election of ten (10) Directors.

Regarding the policy and process of electing nominees for Director, the Company submits the names of qualified persons who would be able to fulfill the duties and responsibilities to the Advisory Committee as those who could assume the fiduciary responsibility entrusted by the shareholders in view of their respective personality and insight, and the Board of Directors appoints such persons as nominees.

The nominees for Director are as follows. Eight (8) Internal Directors contribute to achieving operating performance by leveraging their abundant experience in charge of their respective business fields. Two (2) Outside Directors contribute to improving management transparency and protecting stakeholders' interests based on their valuable expertise in legal and accounting affairs.

Nominee No.	Name		Current positions and major duties in the Company	Attendance rate at meetings of the Board of Directors (number of attendance) for the fiscal year ended March 31, 2016
1	Masaki Hojo	Reappointed	President and Chief Executive Officer (CEO)	100% (18/18 times)
2	Akio Tanaka	Reappointed	Executive Vice President, Chief Operating Officer (COO)	100% (18/18 times)
3	Mikio Inohara	Reappointed	Executive Vice President, Chief Financial and Risk Officer (CFO and CRO)	100% (18/18 times)
4	Shuichi Honda	Reappointed	Director, Senior Managing Officer, General Manager of Corporate Business Development Division, General Manager of ATec Global Operations	100% (18/18 times)
5	Hidenori Iwamoto	Reappointed	Director, Managing Officer, General Manager of AFA Global Operations	100% (18/18 times)
6	Yoshiyuki Nakashima	Reappointed	Director, Managing Officer, Chairman of Daifuku (China) Co., Ltd.	100% (13/13 times)
7	Seiji Sato	Reappointed	Director, Managing Officer, General Manager of eFA Global Operations	100% (13/13 times)
8	Hiroshi Geshiro	Reappointed	Director, Managing Officer, General Manager of FA&DA Global Operations	100% (13/13 times)

9	Noboru Kashiwagi	Reappointed Outside Director Independent Officer	Outside Director	100% (18/18 times)
10	Yoshiaki Ozawa	Reappointed, Outside Director, Independent Officer	Outside Director	94% (17/18 times)

(Note) A total of 18 (12 ordinary and 6 extraordinary) Board of Directors meetings were held during the fiscal year ended March 31, 2016. Mr. Yoshiyuki Nakashima, Mr. Seiji Sato, and Mr. Hiroshi Geshiro attended the Board of Directors meetings held after assuming the office on June 26, 2015.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
1	Masaki Hojo (October 2, 1948) Reappointed	<p>April 1971 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>June 1998 Director, member of the board</p> <p>April 2000 President of Daifuku America Corporation, an affiliate of Daifuku Co., Ltd.</p> <p>April 2004 Senior Managing Director COO of Business Support Management COO of Overseas Business Management President of Daifuku Canada Inc., a subsidiary of Daifuku Co., Ltd.</p> <p>April 2006 Executive Vice President</p> <p>April 2007 COO of AFA Operations General Manager of AFA Operations</p> <p>December 2007 Chairman and Co-CEO of Jervis B. Webb Company, an affiliate of Daifuku Co., Ltd.</p> <p>April 2008 President and Co-CEO COO of Webb Business</p> <p>January 2011 Chairman and Co-CEO of Daifuku Webb Holding Company (now Daifuku North America Holding Company), a subsidiary of Daifuku Co., Ltd.</p> <p>April 2012 President and CEO (to present) COO of Production Control COO of Service Control</p> <p>April 2014 Supervisor of Daifuku North America Holding Company, Daifuku Canada Inc., and Daifuku de Mexico S.A. de C.V., a subsidiary of Daifuku Co., Ltd.</p>	99,100
<p>[Reason for nomination as Director]</p> <p>Mr. Masaki Hojo has abundant experience and a good track record in the management of the Company and overseas Group companies as a manager for many years. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position as he endeavors to realize the group strategy toward further business growth and the improvement of operating performance and that he plays a key role in the decision making in the Group management.</p>			

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
2	Akio Tanaka (January 19, 1951) Reappointed	<p>April 1973 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>July 2004 Administration Officer with director status</p> <p>June 2006 Director, member of the board General Manager of the Sales Division under FA&DA Operations</p> <p>April 2010 Managing Director General Manager of FA&DA Operations</p> <p>June 2011 Director, Managing Officer with an introduction of corporate officer system</p> <p>April 2012 Director, Senior Managing Officer COO of FA&DA Operations</p> <p>April 2013 Senior Managing Director</p> <p>April 2014 Executive Vice President (to present) COO of all business operations (to present) Supervisor of Daifuku (Thailand) Ltd., Daifuku Mechatronics (Singapore) Pte. Ltd., Daifuku (Malaysia) Sdn. Bhd., and Daifuku (China) Co., Ltd.</p>	21,700
		<p>[Reason for nomination as Director] Mr. Akio Tanaka has abundant experience and a good track record in business management concerning the Company's mainstay material handling systems for general manufacturers and distributors, and is in a position to supervise the Group's entire business operations as COO. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.</p>	

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
3	Mikio Inohara (May 5, 1950) Reappointed	<p>April 1969 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>July 2004 Administration Officer with director status</p> <p>June 2005 Director, member of the board General Manager of the Business Support Operations</p> <p>April 2008 General Manager of Finance and Accounting Division</p> <p>April 2009 Managing Director</p> <p>April 2010 Chief Financial Officer (CFO)</p> <p>June 2011 Director, Managing Officer with an introduction of corporate officer system</p> <p>April 2012 Senior Managing Director CFO and CRO</p> <p>April 2013 CFO and CRO (to present)</p> <p>April 2014 Executive Vice President (to present) Supervisor of Daifuku Business Service Corporation, Hiniaratakan Corporation, and Daifuku Manufacturing Technology Co., Ltd.</p>	47,500
	<p>[Reason for nomination as Director]</p> <p>Mr. Mikio Inohara has a high level of knowledge in the accounting and financial fields, and serves as CFO and CRO of the Group based on his abundant experience and achievements in corporate management. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.</p>		

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
4	Shuichi Honda (January 8, 1957) Reappointed	<p>April 1979 Joined The Dai-Ichi Kangyo Bank, Limited (now Mizuho Financial Group, Inc.)</p> <p>March 2006 Executive Officer and General Manager of Business Administration Division of Mizuho Corporate Bank, Ltd. Corporate Officer of Corporate Banking Unit General Manager for Human Resource Management Division</p> <p>June 2011 Managing Director and Chief Strategy Officer Chief Risk Officer Chief Operations Officer</p> <p>April 2012 Joined Daifuku Co., Ltd. as a corporate advisor</p> <p>June 2013 Director, member of the board, Managing Officer COO of Corporate Affairs General Manager of the Corporate Social Responsibility Division General Manager of the Business Continuity Plan Promotion Division</p> <p>April 2014 Director, Senior Managing Officer (to present) General Manager of the Global Strategy Department</p> <p>April 2015 General Manager of Corporate Business Development Division (to present) General Manager of ABH Global Operations</p> <p>April 2016 General Manager of ATec Global Operations (to present)</p>	6,700
<p>[Reason for nomination as Director] Mr. Shuichi Honda has been involved in the management of a megabank and has extensive international experience with a good track record. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position as he is in charge of establishing management strategies and ATec (Airport Technologies) global operations based on the aforesaid experience and achievements.</p>			

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
5	Hidenori Iwamoto (October 15, 1955) Reappointed	<p>April 1981 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>April 2007 President of Daifuku Canada Inc.</p> <p>April 2009 General Manager of the Sales Division under AFA Operations</p> <p>June 2010 Director, member of the board</p> <p>June 2011 Managing Officer with an introduction of corporate officer system</p> <p>June 2014 Director, Managing Officer (to present) General Manager of AFA (Global) Operations (to present)</p> <p>April 2015 General Manager of AFA Operations under AFA Global Operations (to present) General Manager of the Sales Division under AFA Operations</p>	12,300
<p>[Reason for nomination as Director]</p> <p>Mr. Hidenori Iwamoto has abundant experience and a good track record in business management concerning the material handling systems for automobile factories at the Company and overseas Group companies. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.</p>			

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held	
6	Yoshiyuki Nakashima (September 16, 1955) Reappointed	April 1980	Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)	12,300
		July 2008 June 2010	Administration Officer with director status Director, member of the board General Manager of the Corporate Social Responsibility Division	
		June 2011	Managing Officer with an introduction of corporate officer system	
		April 2012	General Manager of the Business Continuity Plan Promotion Division	
		April 2013	Chairman of Daifuku (China) Co., Ltd. (to present)	
		June 2015	Director, Managing Officer (to present)	
		Significant concurrent positions Chairman of Daifuku (China) Co., Ltd.		
	[Reason for nomination as Director] Mr. Yoshiyuki Nakashima has extensive experience and a good track record in the fields of human resources and general affairs and serves as Chairman of a Group company in China, the world's largest market after Japan and North America. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.			

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held	
7	Seiji Sato (January 15, 1960) Reappointed	April 1983	Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)	23,500
		April 2008	General Manager of the Semiconductor Division under eFA Operations (to present)	
		June 2010	Director, member of the board	
		June 2011	Managing Officer with an introduction of corporate officer system	
		April 2015	General Manager of eFA Global Operations (to present)	
		June 2015	General Manager of eFA Operations (to present) Director, Managing Officer (to present)	
	[Reason for nomination as Director] Mr. Seiji Sato has abundant experience and a good track record in business management concerning the material handling systems for semiconductor and flat-panel display factories in Japan and overseas. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.			

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
8	Hiroshi Geshiro (June 13, 1958) Reappointed	<p>April 1983 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>April 2012 Corporate Officer General Manager of the Sales Division under FA&DA Operations</p> <p>April 2014 Managing Officer General Manager of FA&DA (Global) Operations (to present)</p> <p>April 2015 General Manager of FA&DA Operations (to present)</p> <p>June 2015 Director, Managing Officer (to present)</p> <p>April 2016 General Manager of International Division, FA&DA Operations (to present)</p>	3,099
<p>[Reason for nomination as Director] Mr. Hiroshi Geshiro has abundant experience and a good track record in the field of mainstay material handling systems for general manufacturers and distributors in Japan and overseas. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.</p>			

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
9	<p>Noboru Kashiwagi (February 3, 1942) Reappointed</p> <p>Outside Director Independent Officer</p> <p>Period of service as Outside Director: four (4) years</p>	<p>April 1965 Joined Mitsubishi Corporation</p> <p>January 1984 Worked as assistant manager of legal affairs department at Mitsubishi Corporation (Americas)</p> <p>January 1988 Worked as deputy general manager of legal department at Mitsubishi Corporation</p> <p>August 1993 Professor at Institute of Business Law and Comparative Law and Politics of the University of Tokyo</p> <p>April 2003 Professor of Law at Chuo University</p> <p>June 2003 Professor emeritus at the University of Tokyo (to present)</p> <p>April 2004 Professor at Graduate School of Law of Chuo University</p> <p>June 2011 Director of the Foundation for Civil Dispute Resolution Research Funds (to present)</p> <p>June 2012 Outside Director of Daifuku Co., Ltd. (to present)</p> <p>August 2015 Chair of the New National Stadium Project Process Investigation Panel</p> <p>Significant concurrent positions</p> <p>Director of the Foundation for Civil Dispute Resolution Research Funds</p> <hr/> <p>[Reasons for nomination as Outside Director]</p> <p>Mr. Noboru Kashiwagi is familiar with corporate legal affairs and international transaction laws based on his experience as a university professor and working overseas for a trading firm. His abundant experience and extensive knowledge make us confident that he is capable of fulfilling the duties of Outside Director. To obtain professional advice and counsel from him and secure the transparency of management and enhance the supervision thereof, we would like him to continuously assume the office of Outside Director. Although he has not been involved in corporate management in a way other than being an outside director or an outside auditor, for the above reasons we believe that he is capable of properly executing the duties of Outside Director. He satisfies the requirements set forth in the "Independence Standards for Outside Directors and Outside Members of the Audit & Supervisory Board" stipulated by the Company (page 18). The Company designated him as an independent officer as stipulated by the rules of the Tokyo Stock Exchange and provided such notification thereto. If he is reappointed as originally proposed, he will remain an independent officer.</p>	—

- (Notes) 1. There are no significant conflicts of interest between the nominee and the Company.
2. As Mr. Kashiwagi is currently an Outside Director of the Company, the Company has a limited liability agreement with him to limit the liability for damages to the amount set by law, pursuant to Article 27 of the Company's Articles of Incorporation. If he is reappointed, the Company will continue said agreement with him.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
10	<p>Yoshiaki Ozawa (May 31, 1954) Reappointed</p> <p>Outside Director Independent Officer</p> <p>Period of service as Outside Director: two (2) years</p>	<p>July 1978 Joined PricewaterhouseCoopers (PwC) Osaka Office October 1979 Joined Chuo Accounting Corporation Osaka Office August 1982 Registered as a Japanese certified public accountant (CPA) October 1985 Worked at Coopers & Lybrand New York Office July 1990 Registered as a U.S. CPA (New York) July 1995 Senior partner at Chuo Shinko Audit Corporation July 2005 Joined the PwC New York Office as the partner overseeing all Japanese clients in the U.S. July 2007 Joined PwC Aarata January 2008 Senior partner of PwC Aarata April 2009 Specially-appointed professor at Kansai University April 2012 Professor at St. Andrew's University (to present) September 2012 Left PwC Aarata June 2014 Outside Director of Daifuku Co., Ltd. (to present)</p> <p>Significant concurrent positions Professor at St. Andrew's University</p> <p>[Reasons for nomination as Outside Director] Mr. Yoshiaki Ozawa has considerable knowledge in financial and accounting matters and experience working abroad for about six years. As a university professor in the analysis of management, he has done research into signs of corporate fraud through the analysis of financial statements. His abundant experience and extensive knowledge make us confident that he is capable of fulfilling the duties of Outside Director. To obtain professional advice and counsel from him for helping us to promote globalization of the Company group and secure the transparency of management and enhance the supervision thereof, we would like him to continuously assume the office of Outside Director. Although he has not been involved in corporate management in a way other than being an outside director or an outside auditor, for the above reasons we believe that he is capable of properly executing the duties of Outside Director. He once served as a representative partner of PricewaterhouseCoopers Aarata—the Accounting Auditor of the Company, but since he resigned from said audit firm in September 2012, there have been no business transactions between him and the Company. Accordingly, he satisfies the requirements set forth in the "Independence Standards for Outside Directors and Outside Members of the Audit & Supervisory Board" stipulated by the Company (page 18). The Company designated him as an independent officer as stipulated by the rules of the Tokyo Stock Exchange and provided such notification thereto. If he is reappointed as originally proposed, he will remain an independent officer.</p>	—

(Notes) 1. There are no significant conflicts of interest between the nominee and the Company.

2. As Mr. Ozawa is currently an Outside Director of the Company, the Company has a limited liability agreement with him to limit the liability for damages to the amount set by law, pursuant to Article 27 of the Company's Articles of Incorporation. If he is reappointed, the Company will continue said agreement with him.

Proposal 2: Election of Two (2) Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members Mr. Tatsujiro Kurosaka and Mr. Harumichi Uchida will expire at the conclusion of the Meeting. The Company therefore proposes the election of two (2) Audit & Supervisory Board Members.

Regarding the policy and process of electing nominees for Audit & Supervisory Board Member, the Company submits the names of qualified persons who would be able to fulfill the duties and responsibilities to the Advisory Committee as those who could assume the fiduciary responsibility entrusted by the shareholders, and the Board of Directors appoints such persons as nominees upon obtaining the accord of the Audit & Supervisory Board.

One or more persons who have appropriate knowledge in finance and accounting will be appointed as Audit & Supervisory Board Members.

This proposal has already gained the consent of the Audit & Supervisory Board.

The nominees for Audit & Supervisory Board Member are as follows.

Nominee No.	Name		Current position in the Company	Attendance rate at meetings of the Board of Directors and of the Audit & Supervisory Board (number of attendance) for the fiscal year ended March 31, 2016
1	Tatsujiro Kurosaka	Reappointed	Audit & Supervisory Board Member	Board of Directors: 100% (18/18 times) Audit & Supervisory Board: 100% (7/7 times)
2	Ryosuke Aihara	Newly appointed, Audit & Supervisory Board Member (outside), Independent Officer	—	—

(Note) A total of 18 (12 ordinary and 6 extraordinary) Board of Directors meetings and a total of seven Audit & Supervisory Board meetings were held during the fiscal year ended March 31, 2016.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
1	Tatsujiro Kurosaka (March 9, 1955) Reappointed	<p>April 1978 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>April 2005 Manager of the Logistics Systems Sales Group of the Sales Division, under FA&DA Operations</p> <p>April 2012 Senior assistant to the President</p> <p>June 2012 Audit & Supervisory Board Member (to present)</p> <p>[Reasons for nomination as Audit & Supervisory Board Member] Mr. Tatsujiro Kurosaka has abundant knowledge and experience in the sales field of the Company's mainstay material handling systems for general manufacturers and distributors. The Company reappoints him as a nominee for Audit & Supervisory Board Member based on its judgement that he is well-versed in the Company's business operation and qualified for this position as an extremely important person from whom the Company could expect to obtain professional advice and counsel to enhance the function of auditing.</p>	12,300

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
2	<p>Ryosuke Aihara (March 15, 1952) Newly appointed</p> <p>Outside Member of the Audit & Supervisory Board</p> <p>Independent Officer</p>	<p>April 1977 Registered as an attorney, belonging to Daini Tokyo Bar Association (to present) Joined Mori Sogo Law Office (now Mori Hamada & Matsumoto)</p> <p>January 1982 Partner of Mori Hamada & Matsumoto Law Office</p> <p>April 2004 Professor at Graduate School of Law of the University of Tokyo</p> <p>April 2007 Adjunct Lecturer at Graduate School of Law of the University of Tokyo</p> <p>June 2015 Outside Member of the Auditor & Supervisory Board of Nippon Shuppan Hanbai Inc. (to present)</p> <p>March 2016 Left Mori Hamada & Matsumoto Law Office</p> <p>April 2016 Representative of Aihara Law Office (to present)</p> <p>Significant concurrent positions Representative of Aihara Law Office Outside Member of the Auditor & Supervisory Board of Nippon Shuppan Hanbai Inc.</p> <p>[Reasons for nomination as Outside Member of the Audit & Supervisory Board] Mr. Ryosuke Aihara is a lawyer who for many years has specialized in corporate governance and compliance—significant management issues of the Company. The Company would like him to assume this position in expectation of obtaining advice and counsel regarding overall management to secure the legality of management and enhance the functions of management supervision and auditing from his professional viewpoint as lawyer. Although he has not been involved in corporate management in a way other than being an outside director or an outside member of audit & supervisory board, for the above reasons we believe that he is capable of properly executing the duties of Outside Member of the Audit & Supervisory Board.</p>	—

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
		<p>In addition, there are no business transactions between him or Aihara Law Office and the Company at present. Despite a delegation agreement between the Company and Mori Hamada & Matsumoto Law Office, with which he had been affiliated until March 2016, he never engaged in any subjects that the Company previously delegated to the law office. Furthermore, the transaction amount between said law office and the Company is insignificantly small, less than 1% of both the annual revenue of the law office and the consolidated net sales of the Company.</p> <p>Accordingly, he satisfies the requirements set forth in the "Independence Standards for Outside Directors and Outside Members of the Audit & Supervisory Board" stipulated by the Company (page 18), and it is therefore determined that his independence from the Company is sufficiently ensured. If he is appointed as originally proposed, the Company intends to designate him as an independent officer as stipulated by the rules of the Tokyo Stock Exchange.</p>	

- (Notes) 1. There are no significant conflicts of interest between the nominee and the Company.
2. If Mr. Aihara is appointed as Outside Member of the Audit & Supervisory Board of the Company as originally proposed, the Company will enter into a limited liability agreement with him to limit the liability for damages to the amount set by law, pursuant to Article 35 of the Company's Articles of Incorporation.

[References]

Independence Standards for Outside Directors and Outside Members of the Audit & Supervisory Board

At Daifuku, outside directors and outside members of the Audit & Supervisory Board are considered independent if they do not fall under any of Articles 1 to 5 below.

Article 1

A person who falls or fell under any of the following in the last three years:

- 1) An officer or employee of a company, etc. that is a key customer of Daifuku or whose key business partner is Daifuku (*1)
- 2) A lawyer who belongs to a law firm that has concluded an advisory contract with Daifuku or its subsidiary and who was actually in charge of legal business for Daifuku, a certified public accountant (or a certified tax accountant) who was an accounting auditor or accounting advisor of Daifuku or its subsidiary, or an employee, partner, or staff member who belongs to an auditing firm (or tax accountant corporation) that is an accounting auditor or accounting advisor of Daifuku or its subsidiary and who was actually in charge of the auditing service for Daifuku
- 3) A lawyer, certified public accountant, or certified tax accountant, if not applicable to the above item 2), who provides specialized services, etc. to Daifuku by receiving a large amount (*2) of money or other assets other than remuneration for an officer, directly from the company
- 4) An officer or employee of the company, etc. that is a major shareholder (*3) of Daifuku

Article 2

An officer or employee of Daifuku's subsidiary or a person who held such a position during the ten years before being appointed as such status

Article 3

An executive board member, or any other person who executes business, of an organization that receives donations or grants exceeding a certain amount (*4) from Daifuku (such as a public interest incorporated foundation, a public interest incorporated association, or a non-profit corporation)

Article 4

The spouse or a relative within the second degree of relationship of a person who falls under any of Articles 1 to 3 above, or a relative living together with such a person

Article 5

A person who does not fall under any of Articles 1 to 4 above, but who is deemed likely to have a virtual conflict of interest with Daifuku due to their relationship with the company

(Notes)

- *1: A customer from whom Daifuku received payment of at least 2% of the amount of Daifuku's annual consolidated net sales in the most recent fiscal year, or a business partner who received payment from Daifuku of at least 2% of the amount of its annual consolidated net sales in the most recent fiscal year
- *2: The annual average for the last three years at 10 million yen or more
- *3: A shareholder with 10% or more of the voting power
- *4: The annual average for the last three years at 10 million yen or more, or 30% of the average total annual expenditure of the organization, whichever is larger

Proposal 3: Introduction of New Compensation Plan for Our Directors

1. Reason and Adequacy of the Proposal

Our company's remuneration for directors is a monthly remuneration and bonus for directors, both of which are decided in consideration of their responsibilities and achievement as well as the secure linkage with the overall business. Recently, we reviewed the remuneration system for directors and decided to introduce the Board Benefit Trust (BBT: hereinafter referred to as "the plan"), which is a new stock compensation plan for our directors and corporate officers excluding our outside directors (hereinafter referred to as "our directors, etc."), directly linked to the business performance.

By introduction of the plan, we aim to further clarify the relativity of the remuneration for our directors, etc., our business performance, and the stock value and to enhance their motivation to contribute to improvement of our business performance in the medium and long term and to boosting corporate value by sharing not only the benefit of rising stock value but also the risks of a decline in stock prices with our shareholders. This proposal is to gain approval of the new stock compensation plan within the scope of the system of remuneration for our directors, (within the annual remuneration of 700 million yen: excluding salaries of employees: hereinafter referred to as the existing remuneration limit) approved at the 90th general meeting of shareholders held on June 29, 2006. We would like to request you to leave the details of the plan entirely up to the board within the framework of the upcoming provision 2.

The purpose of introduction of the plan is mainly described above. We believe that this is fair and adequate.

In case the proposal #1 (election of 10 directors) is approved and adopted at this general meeting of shareholders, the number of directors to be covered by the plan becomes 8, excluding 2 outside directors.

2. Essential Features of Stock Compensation Plan

(1) Briefing of the plan

The plan is a stock compensation plan directly linked to our business performance by acquiring our stock through the trust using the funds that we contribute (hereinafter referred to as "the trust") and providing remuneration for our directors, etc., through the trust, in accordance with the regulations of stock compensation for our officers. The remuneration is the monies equivalent to the amount obtained by converting the company's shares at a market price as of the retirement date (hereinafter referred to as "our stock"). As a general rule, our stocks are provided for our directors, etc., upon retirement.

(2) Beneficiaries of the plan

The beneficiaries of the plan are our directors and corporate officers (excluding our outside

directors and our audit & supervisory board members).

(3) Period of the trust

The period of the trust is from August 2016 (planned) through the termination of the trust. (The termination of the trust shall not be specified. The trust is deemed to continue as long as the plan is not terminated. The plan shall be terminated, when our stock is delisted or when the regulation of stock compensation is abolished.)

(4) Money trust amount and number of shares to be acquired by the trust

Provided that the proposal is approved, we establish the trust by entrusting money for the trust's acquiring the number of shares estimated on a reasonable basis for granting our stock for the certain period time in advance, along the lines with the upcoming provisions (6) and (7). As prescribed in the upcoming provision (5), the trust acquires our stock using the funds that we contribute.

Specifically, we establish the trust when the trust is established as described in the above provision (3) by funding the money necessary for the subsequent three fiscal years from the fiscal year ending at the end of March 2017 through the fiscal year ending at the end of March 2019 (hereinafter referred to as "the original trust period"). The upper limit of granting points to our directors, etc., based on the plan is 140,000 points in total for the three fiscal years (including 80,000 points for directors), as prescribed in the upcoming provision (6). Therefore, we contribute funds which are estimated to be necessary on a rational basis for acquiring 140,000 shares (including 80,000 shares for directors) in consideration of the most recent closing price of our common stock at the Tokyo Stock Exchange. For reference, if the closing stock price 1,981 yen of May 11, 2016, is applied, the necessary fund described in the above becomes about 278 million yen.

After the original trust period is over and until the plan is terminated, we will establish the additional trust by entrusting money for the trust's acquiring the number of shares estimated on a reasonable basis for granting our stock in advance, along the lines with the upcoming provisions (6) and (7), as in the same way as when we newly established the trust.

(5) Acquisition method and upper limit of our stock

The stock is acquired by the trust using the fund described in the above provision (4) through the stock market or by way of taking up our treasury stock. In the original trust period after the establishment without delay, up to 140,000 shares (including 80,000 shares for directors) shall be acquired. The details of the acquisition method of the trust shall be notified later soon after the decision is made.

(6) Calculation method and upper Limit of number of shares to be compensated to our directors,

etc.

Our directors, etc., are granted the points at our board meeting after discussions at the advisory committee meeting, depending on his/her contributions and the business performance of each fiscal year. In addition, the level of achievement of the business target specified in the medium-term business plan in the final fiscal year of the medium-term business plan becomes a basis for the judgement. (We have the Advisory Committee to deliberate on the nomination and/or appointment of candidates of management team members and the remuneration of management. The Advisory Committee consists of our representative directors and our outside directors; one of our outside directors serves as the chairman.)

The upper limit of granting points to our directors, etc., based on the plan is 140,000 points in total for the three fiscal years (including 80,000 points for directors), which is equivalent to 140,000 shares (our common stock including 80,000 shares for directors). This has been decided in consideration of the current level of remuneration for our officers, the trend of the number of our directors, etc., and the future prospects in a comprehensive manner. We believe that this is fair and adequate.

The points granted to our directors, etc., are converted to our common stock in granting shares as prescribed in the upcoming provision (7): one point shall be converted to one share. (However, in case of stock split, allotment of stock without contribution or reverse stock split, our stock shall be adjusted on a rational basis in accordance with the conversion rate, after it is resolved at the general meeting of shareholders.)

(7) Timing of stock compensations and conformity to the existing remuneration limit

Our directors, etc., who have beneficiary rights in conformity with the regulation of stock compensation are entitled to receive stock compensation based on the points described in the above provision (6), provided that they have finished the specific procedure to establish the beneficiary rights at the retirement. However, if our directors, etc., satisfy the requirements otherwise prescribed in the regulation of stock compensation in addition to the requirements for beneficiaries, with regard to the certain proportion of points which are given to those our directors, etc., monies equivalent to the amount obtained by converting the company's shares at a market price as of the retirement date are granted in lieu of granting the company's shares. For this case, our stock of the trust may be sold for granting monies.

Based on the plan, the remuneration for our directors is equal to the book value per share multiplied by the total points at the time when the points are granted. (However, in case of stock split, allotment of stock without contribution or reverse stock split, our stock shall be adjusted on a rational basis in accordance with the conversion rate.) When it is approved as adequate that a benefit is paid exceptionally in accordance with the rules of the regulation of stock compensations, the said benefit amount is added to the regular one; the aggregate

amount shall be under the existing remuneration limit.

(8) Voting rights of stock of the trust

The voting rights of stock within the account of the trust shall not be executed, in accordance with the direction of the trust administrator, without exception. This rule is intended to maintain neutrality in our business management, in terms of execution of voting rights of the company's stocks within the account of the trust.

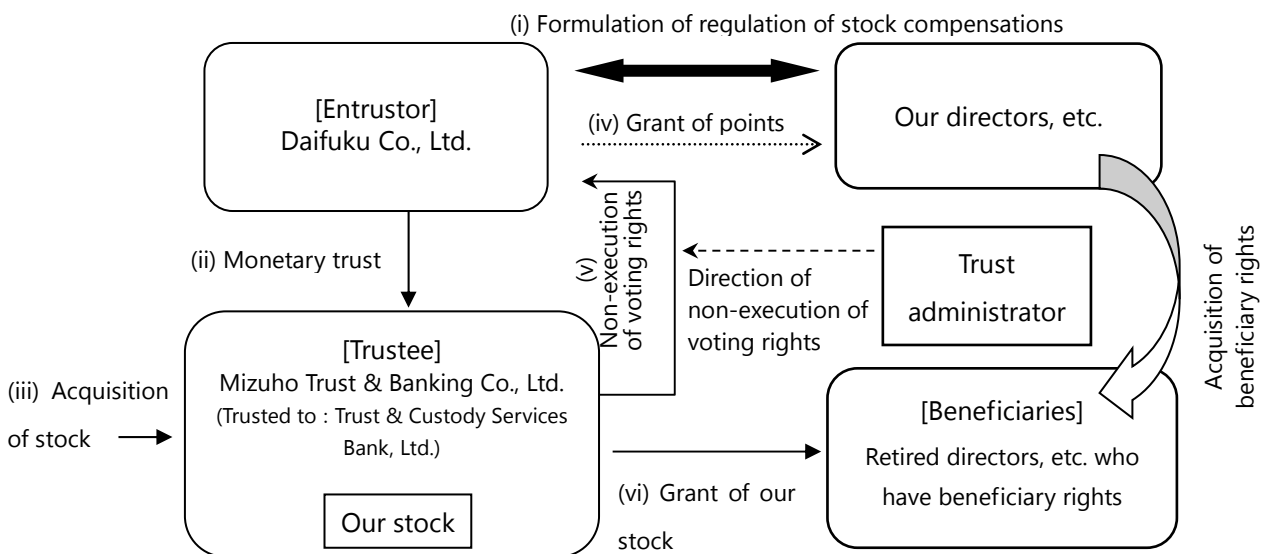
(9) Dividends of stock

The dividends of the stock of the trust are distributed to the trust and used for acquisition of the stock or stock compensation to trustees pertaining to the trust. When the trust is terminated, the dividends remaining in the trust shall be distributed to our directors, etc., in proportion to their points in office at the time.

(10) Termination of the trust

The trust shall be terminated when our stock is delisted, when the regulation of stock compensation is abolished, or due to other reasons. Our stock in the remaining asset of the trust as of the termination of the trust is wholly transferred to our company without remuneration, finally to be cancelled by a resolution of the board. The cash equivalents in the remaining asset of the trust at the time of termination of the trust are transferred to our company, after the portion of stock compensation to our directors, etc., is deducted, as mentioned in the above provision (9).

<Scheme of the Plan>



- (i) We formulate the regulation of stock compensation in the scope of the approval at the general meeting of shareholders after the resolution on the officers' remuneration of the plan at the general meeting of shareholders.
- (ii) We entrust the money in the scope of the resolution at the general meeting of shareholders mentioned in (i).
- (iii) The money entrusted as mentioned in (ii) is used by the trust for acquisition of our stock through the stock market or by way of taking up the disposition of our treasury stock.
- (iv) We grant the points to our directors, etc., based on the regulation of stock compensation.
- (v) In conformity to the direction of the independent trust administrator, the voting rights of the stock within the account of the trust shall not be executed by the trust.
- (vi) The retired our directors, etc. who have beneficiary rights in accordance with the regulation of stock compensation (hereinafter referred to as "the beneficiaries") are granted our stocks equivalent to their points by the trust. However, if our directors, etc., satisfy the requirements otherwise prescribed in the regulation of stock compensation, with regard to the certain proportion of points which are given to those our directors, etc., monies equivalent to the amount obtained by converting the company's shares at a market price as of the retirement date are granted in lieu of granting the company's shares.