

CSR Report 2015

DAIFUKU CO., LTD.
www.daifuku.com

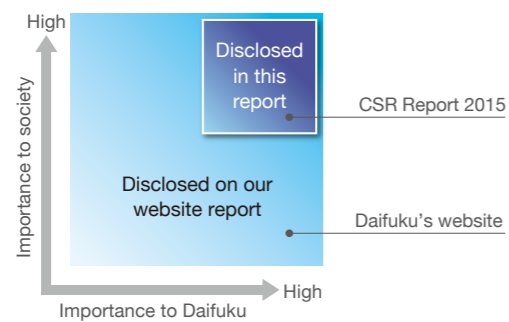


Editorial policy

This report is published once a year in order for Daifuku's stakeholders to understand its approach to and activities toward corporate social responsibility (CSR). We use this report to inform you of the social issues we addressed, as well as our solutions successes. We would like to hear your opinions and thoughts with the aim to further raise the quality of our future CSR activities.

Report scope

The report covers the activities of Daifuku Co., Ltd. and the Daifuku Group.



Reported period

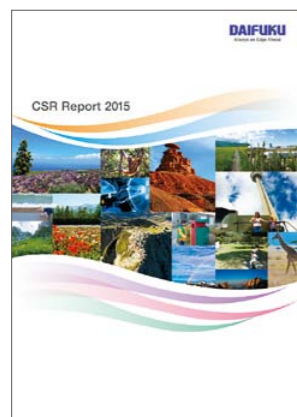
April 2014 - March 2015
* Some content may be from outside the reported period.

Reference guidelines

- United Nations Global Compact
- Global Reporting Initiatives (GRI) G4
- Environmental Reporting Guidelines (2012 Version), Ministry of the Environment Government of Japan

About the cover photos

The photos were selected from the 452 entries submitted to our Global Photo Contest held in 2014 with an environmental theme. The entries were submitted by employees in 16 companies in 8 countries and covered a wide variety of the scenery, people and wild animals in each region.



Contents

Message from the President	2
Daifuku's Businesses	5
CSR Management	7
CSR and Corporate Policies Structure	9
Action Plan and Determining Materiality	11
Special Feature: From Materiality to CSR Action	13
I Provide Quality Products	15
II Strengthen Risk Management	17
III Pursue Safety and Security	19
IV Nurture a Lively Corporate Culture	21
V Contribute to Environmental Conservation	23
Along with All Stakeholders	27
Third-Party Opinion	29
Corporate Data	30

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Message from the President

**Being a forward-looking company
 and solving customer and social issues
 with advanced technology**

Masaki Hojo
 President and CEO

Aiming to evolve into a Value Innovator

In fiscal 2014, the year ended March 31, 2015, the second year of our four-year business plan, we strove to evolve into a Value Innovator and to provide the best solutions to customer and social issues.

In our business we have both made-to-order solutions that respond to specific customer needs and general solutions that are more widely applicable. With both, it is important that we regard customer's issues as our own and quickly provide the systems and products that solve the issues, in addition to developing material handling systems that handle the

diversification of consumption behavior.

Looking at societal trends in Japan, the work force is decreasing, and the spread of e-commerce has led to a serious labor shortage at distribution centers.

To address such trends, we integrate leading edge technologies to develop and provide material handling systems and equipment to respond to needs for automation and sophistication. Specifically, we have developed a robotic system for pharmaceutical distribution centers to solve the problem of handling an extremely large number of items and the temporary storage and sorting system SPDR (pronounced as spider) for automobile production that reduces the need for human labor in parts



logistics. Moreover, we are meeting the global expansion of e-commerce, such as installing in distribution centers for online supermarket shopping in South Korea, contributing to customers and the development of society.

As a result of these efforts, orders received for fiscal 2014 for the Daifuku Group were 305.5 billion yen, a 10.4% increase compared to the previous fiscal year, and net sales were 267.2 billion yen, a 10.5% increase, both of which are new records. Our net sales are now the largest globally as a material handling systems and equipment supplier*.

Based on our business performance, we have revised the final year management target of our four-year business plan. Our

*Source: The U.S. magazine *Modern Materials Handling*, April 2015

Four-year business plan: revision to final year management targets

	Initially planned targets	Revised
Net sales	280 billion yen	340 billion yen
Operating income ratio (amount)	7%	21 billion yen <small>(to surpass the record-high 20.6 billion yen for the fiscal year ended March 31, 2008)</small>
ROE	—	10%
Non-Japan sales ratio to total sales	60%	70%

core businesses of systems for manufacturers and distributors, and those for automobile, semiconductor and flat-panel display factories are steadily advancing. Overseas company acquisition and exchange rate changes caused by the weaker yen have also had an influence, and achieving the originally formulated target a year ahead of schedule is almost a certainty.

In terms of operating income, we will aim to achieve 21 billion yen as a new target, which exceeds the record-high, as a result of assigning priority to increase sales outside of Japan looking forward, despite the operating margin being slightly below the initial planned target. In Japan, we have implemented structural innovation to cut costs significantly with great success. By taking this method into subsidiaries outside Japan, the Group will aim to achieve the final targets of the plan.

Also, we added the new management target of return on equity (ROE) as an indicator to increase in corporate value in response to the recent trend to enhance corporate governance.

Every employee takes part in Daifuku's CSR

Daifuku started an environmental, social and governance (ESG) project for sustainability in 2013. In 2014, we formulated a medium- to long-term policy Daifuku's CSR, which clarifies the direction of our Group, along with concrete measures in the CSR Action Plan. These are not just a top-down policies; they were formulated by younger staff members, and the entire company plays an active role. We wanted each employee to understand the purpose of CSR and be aware of our responsibilities and role in society, so that they could consider what we should do during their daily work. Moreover, we set key performance indicators (KPI) and made the targets more visible this year to

enhance our efforts.

In addition, in 2014, we joined the United Nations Global Compact, which is based on 10 principles in the four areas of human rights, labor, environment and anti-corruption, to show our approach to CSR efforts more clearly in and outside the Company.

Establishing a safety culture and development of eco-friendly products

Since our founding, we have been active in reducing worker burden, increasing customer satisfaction and pursuing consumer convenience through our business operations while always considering people as central to our work. Accordingly, we believe a company's primary social responsibility is towards people, with highest priority placed on ensuring safety to protect lives. We strive to ensure safety during system installations through creating a work environment that makes safety the top priority and nurturing safety awareness. In particular, the site conditions, delivered systems and products are always different, so optimal safety measures must be considered at each site.

The Daifuku Group also strives to reduce environmental impact. As a part of our efforts, we established the Daifuku Eco-Products program, an in-house certification of eco-friendly products, and by enlarging this program, we also contribute to our customers' environmental contribution. In addition, we set up the Daifuku Eco-Action program to encourage our employees' voluntary environmental activities.

Furthermore, we employ and give opportunities regardless of gender and to those with disabilities.

Companies have various characteristics and I believe that a company's CSR should be based on its characteristics. By starting with initiatives for safety or environmental

improvement that are easy for employees to understand, we will have CSR activities become part of our company's culture and bring about a Daifuku-specific CSR.

Creating a new type of logistics to meet changes in social structure

Modern times require the abilities to determine the needs in logistics, select the appropriate from the numerous technology found throughout the world, and integrate them to address the needs. If we hone these traits, I believe that we will be able to become a true Value Innovator. This will require always being alert to changes in the social environment, collecting information on leading edge technology and being ready for what is coming next.

As part of such preparations, to better contribute to customers and society through the internet of things (IoT), we set up the IoT Promotion Department in April 2015.

We are also focusing on creating new business models. By developing a device with the knowledge gained in constructing systems, and then using the device in constructing new systems, we would like to build a continuous cycle that creates higher value.

Furthermore, we will work with top industry players to create new logistics forms in accordance with future society after structural changes. If we collaborate with companies that have high expertise outside our industry, we will be able to create a Logistics Industry 4.0 that is similar in concept to the Industry 4.0, initiated by the German government, to promote advancement in the manufacturing industry.

This is still a work in progress, but we will actively disclose information and receive opinions from people in various positions to use in new initiatives.

Daifuku's Businesses

We have led material handling systems and equipment for almost 80 years and have provided innovative products throughout the world, originating in our desire to fulfill our customer's needs and support the development of society.



For the manufacturing industry

Contributes to manufacturing efficiency by installing leading-edge automated factories



▲ 1965 Prontow
 ▲ 1966 Rackbuild, rack-supported building AS/RS
 Automated storage and retrieval system (AS/RS) for consumer electronics, an innovative warehouse at the start of the mass consumption era
 ▲ 1972 Unit load AS/RS
 ▲ 1973 Bucketrail system



▲ 1982 FA (factory automation) system
 Delivered to the world's most advanced motor factory
 ▲ 1994 Magic Vehicle



▲ 2013 Area Management System
 Controls high speed vehicles with a running speed of 200 m/min

Product development
 2004 Mini load AS/RS running at the world-leading speed of 500 m/min
 2006 Mini load AS/RS Synchronized System
 2008 Mini load AS/RS DUOSYS
 2014 Mini load AS/RS Smart Stacker Quattro

For the distribution industry

From supermarkets to convenience stores and then online shopping; our highly developed logistics systems responds to consumer spending diversification.



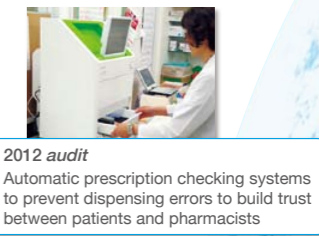
▲ 1976 Sorting Master
 Responds to wave of labor savings in the distribution industry to meet rapid growth in supermarkets



▲ 1986 Digital Pick System



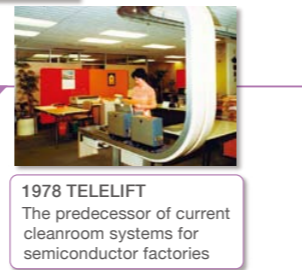
▲ 1999 Quake-absorbing AS/RS
 ▲ 2011 eye-navi
 Pick-to-light system to support the growth of the Co-op individual delivery business



▲ 2012 audit
 Automatic prescription checking systems to prevent dispensing errors to build trust between patients and pharmacists

For semiconductor and flat-panel display manufacturing

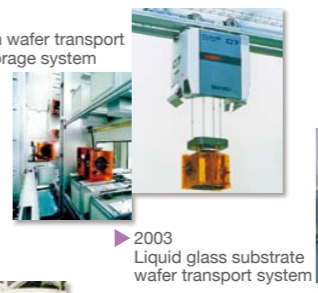
Contributes to the realization of a smart society along side the development of semiconductors and large flat-panel displays



▲ 1978 TELELIFT
 The predecessor of current cleanroom systems for semiconductor factories



▲ 1984 Cleanway, Clean Stacker
 Supports production of semiconductors from its early stages



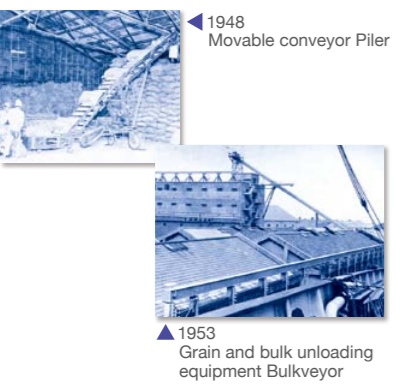
▲ 2003 Liquid glass substrate wafer transport system



▲ 2012 Nitrogen purge system to meet needs for semiconductor miniaturization

Founding era

Supports post war port logistics with the Stacker and the Piler



▲ 1948 Movable conveyor Piler

▲ 1953 Grain and bulk unloading equipment Bulkveyor

For automobile production

Contributes to the systemization of automobile production lines from the start of Japan's motorization period

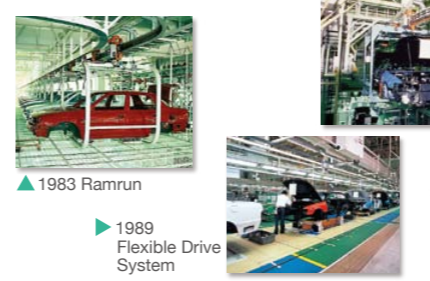


▲ 1957 The first chain conveyor system

▲ 1959 Chain conveyor system
 Delivered to Japan's first passenger automobile factory

▲ 1974 Trolley conveyor
 Used in the major repair of a National Treasure, the Great Buddha Hall of Todai-ji Temple

▲ 1979 Inverted conveyor



▲ 1983 Ramrun
 ▲ 1989 Flexible Drive System



▲ 1993 Ramrun-HID
 Electrified monorail system with non-contact power supply

▲ 2004 E-DIP
 Automobile paint line system



▲ 2014 SPDR
 Parts temporary storage and sortation system

Along with daily life

Provides a comfortable and convenient lifestyle, using its expertise and technology



▲ 1963 Develops the first Japan-made bowling machine. Delivers to the world's biggest bowling center

▲ 1981 Waxmor 303
 Microcomputer installed car wash machine

▲ 1993 Tunnel-type car wash machine Magic Thru

▲ 2007 Enters the airport baggage handling system field

▲ 2007 Gate-type environmentally friendly car wash machine Abient

▲ 2011 Baggage Tray System
 Realizes the world's fastest conveyor speed at 600 m/min

▲ 2013 Drive-through car wash machine Twinfect Force

History of non-Japan affiliates

In 2015, we have 61 affiliates in 22 countries and regions

- 1983 Daifuku U.S.A. Inc. (now Daifuku America Corporation)
- 1986 Daifuku Mechatronics (Singapore) Pte. Ltd.
- 1989 Daifuku Europe Ltd.
- 1991 Daifuku (Thailand) Ltd.
- 1995 Taiwan's Pioneer Automation Co., Ltd. joins the Group
- 2002 Daifuku (Shanghai) Ltd.
- 2003 Daifuku Automation (Tianjin) Co., Ltd.

- 2005 Daifuku Automation (Guangzhou) Co., Ltd.
- 2005 Daifuku Carwash-Machine (Shanghai) Ltd.
- 2005 Taiwan Daifuku Co., Ltd.
- 2005 Jiangsu Daifuku Rixin Automation Co., Ltd.
- 2005 Daifuku India Private Limited
- 2007 U.S.-based Jervis B. Webb Company joins the Group
- 2008 Taiwan Daifuku Co., Ltd. absorbs another Taiwanese affiliate

- 2009 Three affiliates in South Korea integrated into a new affiliate Daifuku Korea Co., Ltd.
- 2010 Six affiliates in China revamped into Daifuku (China) Co., Ltd. and two affiliates (now Daifuku (China) Manufacturing Co., Ltd. and Daifuku (China) Automation Co., Ltd.)
- 2011 Daifuku Webb Holding Company (DWHC) to oversee two affiliates in the U.S.
- 2011 Three of Logan Teleflex group companies joins the Group
- 2012 Capital participation in Austria-based Knapp AG
- 2012 South Korea's Hallim Machinery Co., Ltd. joins the Group

- 2012 U.S.-based ELS Holding Company (now Elite Line Service, Inc.) joins the Group
- 2012 Daifuku (Suzhou) Cleanroom Automation Co., Ltd.
- 2013 Daifuku de México, S.A. de C.V.
- 2013 U.S.-based Wynright Corporation joins the Group
- 2014 Logan Teleflex (UK) Ltd. changes its name to Daifuku Logan Ltd.
- 2014 New Zealand's BCS Group Limited joins the Group
- 2015 DWHC changes its name to Daifuku North America Holding Company

To be trusted by society and people, Daifuku ensures sound management practices and transparency and works as a Group to further promote CSR activities and strengthen corporate governance.

Aiming to raise corporate value to a new level

We at Daifuku contribute to society by supporting our customer's business activities with material handling systems.

From this June, the Corporate Governance Code is applicable to listed companies and we continue to take the necessary measures to comply with the code. In addition, with the aim to fulfill our social responsibilities and achieve sustained growth, we place high importance on adequate disclosure and transparency that complies with the United Nations Global Compact and GRI.

Daifuku's CSR, our medium- to long-term policy, and the concrete measures CSR Action Plan were formulated in 2014 to further our CSR activities. Moreover, this year in accordance with this action plan, we set KPIs that address material aspects and will work as a unified Group to closely verify the various items and improve their content and accuracy.

Mikio Inohara
Executive Vice President
CFO and CRO



We will also continue to focus on healthy growth-driven company management and respond to expectations and trust from all our customers, shareholders, investors, employees and other stakeholders. At the same time, we will endeavor to reduce environmental impact centering on CO₂ reduction throughout the Group, while contributing to society through biodiversity conservation and forest maintenance at key locations.

Corporate Governance

Basic policy

We are fulfilling the sustained growth of our corporate value and the CSR based on the key tenets of its management philosophy: "provide the best solutions to benefit the global markets and the development of society" and "focus on healthy, growth-driven global management under a diverse and positive corporate culture." Corporate governance is the platform supporting the realization of this mission.

Corporate governance structure

Regular meetings of the Board of Directors are held every month, and extraordinary meetings of the Board of Directors are held as necessary. For important management matters, a body comprising all directors, the Management Advisory Meeting, is in place to confer and make recommendations to the Board of Directors. With Audit and Supervisory Board members in attendance, the Meeting also seeks the opinions of external specialists on an as-needed basis.

In addition, with the introduction of the corporate officer system, all directors, corporate officers and full-time Audit and Supervisory Board members attend and take part in deliberations at an Officers Meeting held monthly.

Two outside directors provide insightful advice and recommendations to the Board of Directors based on their abundant experience and extensive knowledge in international trade laws, corporate legal affairs, finance, and accounting.

Internal control system

The Internal Audit Department supports the building of internal control systems, mainly for ensuring reliable financial reporting, by assessing risks in various business activities. In addition, internal inspectors, who were appointed from non-Internal Audit departments, conducts Plan-Do-Check-Act cycles by evaluating the internal control developments and operational effectiveness.

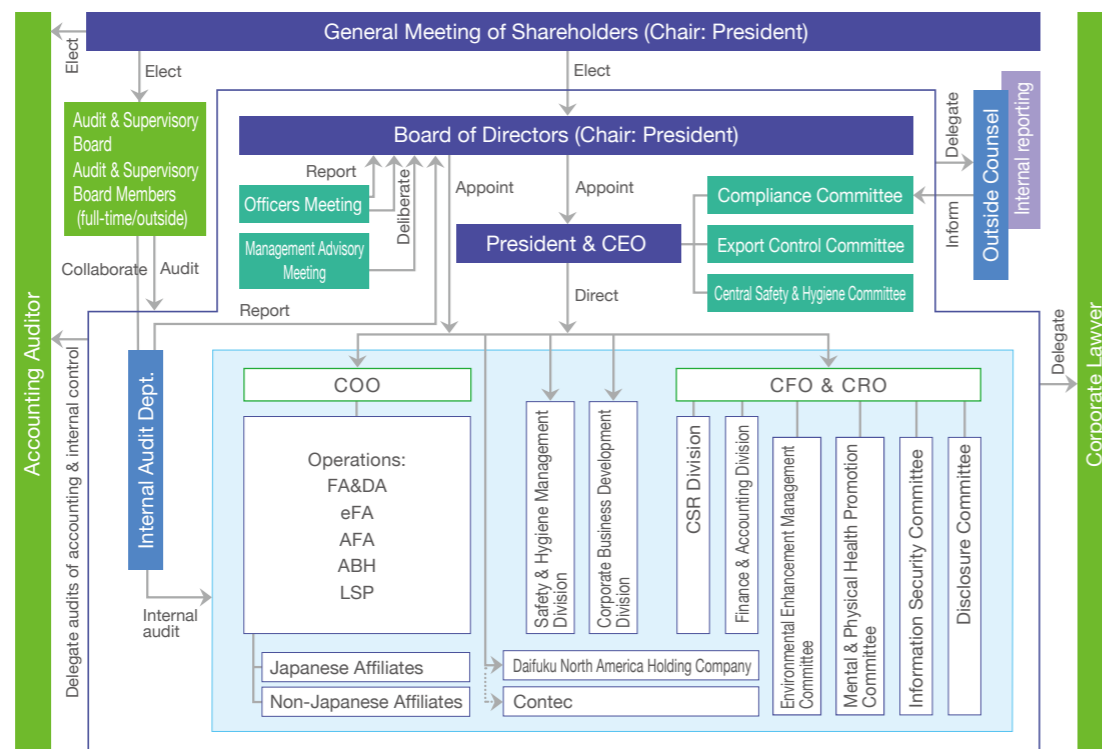
Compliance

The Compliance Committee comprised of all directors has been established, with the President acting as chairman, to supervise legal compliance, fairness and ethics in corporate activities. As part of our efforts, we hold training sessions companywide to raise awareness of compliance in all of our employees. In addition, as a countermeasure against the global risk of violating laws, we have established basic company rules to comply with competition and bribery laws.

Risk management

To develop an appropriate risk management system to address anticipated risks that have a significant impact on the Group's businesses, the executive vice president acts as Chief Risk Officer (CRO) and develops and executes countermeasures. We have taken steps to address significant risks, such as earthquakes, floods, and fire, and in addition, to enhance companywide Business Continuity Management (BCM), the risk management structure has been documented.

Corporate Governance Structure



Promoting Environmental Management

The Environment Enhancement Management Committee has been established to promote an environmental management strategy.

To fulfill our environmental responsibilities to the next generation as a member of global society, we have formulated our Environmental Vision 2020 stating the Group's vision and are

striving to achieve these targets. Moreover, with the basic policies in the Corporate Code of Conduct as our guideline, we stipulate that we will actively contribute to communities as a good corporate citizen. We disseminate these policies to all associates who are involved in our business activities.

The Daifuku Group believes that the basic principles of CSR are to build a symbiotic relationship with its stakeholders and to practice its Corporate Policies Structure through its corporate activities.

Daifuku's CSR



In addition to undertaking CSR activities throughout the Group, we have formulated our medium- to long-term policy, Daifuku's CSR, and concrete measures in our CSR Action Plan; having clearly laid out a vision, we are further promoting CSR activities and aim to comply with social demand for disclosure of non-financial information in accordance with the Global Reporting Initiative (GRI) G4 international guidelines.

Daifuku's CSR

- A comprehensive and long-term policy that concisely captures our views on CSR
- Specifies the six initiatives and declares the implementation of our Corporate Policies Structure in corporate activities as we coexist with our stakeholders

CSR Action Plan

(Refer to page 12)

- A plan that sets medium-term targets in line with the six initiatives and defines concrete initiatives
- Discloses details and results of initiatives for each fiscal year in the CSR report and website

Corporate Policies Structure

Company Creed



Hini Arata

Today we are doing better than we were yesterday.
Tomorrow we will be growing ahead of where we are today.

Management Philosophy

1. Provide the best solutions to benefit the global markets and the development of society.
2. Focus on healthy, growth-driven global management under a diverse and positive corporate culture.

Brand Proposition

Value Innovator

We aim to evolve into a top-class Value Innovator that provides the best solutions for customers by capitalizing on our experience and technologies we have accumulated as a comprehensive manufacturer and integrator of material handling systems.

Brand Message

Always an Edge Ahead

The brand message conveys our desire to create and provide best solutions to give customers a competitive edge. It also symbolizes our flexible and outstanding workforce, possessing both expertise and a commitment to taking on new challenges and making changes for the better.

To improve brand and CSR awareness

We distribute a booklet, our brand, which expresses our convictions towards the Daifuku brand, our Company Creed, Management Philosophy, and Corporate Code of Conduct, to all employees. The booklet has nine language versions, Japanese, English, Chinese (simplified and traditional), Korean, Thai, German, French, and Spanish.

We have also created a Company Creed panel, and a panel that summarizes our Management Philosophy, Brand Proposition and Brand Message. They have been posted at all Group locations to raise overall Group awareness.



Action Plan and Determining Materiality

In accordance with international guidelines, laws and regulations such as the United Nations Global Compact (UNGC) and GRI, the Daifuku Group has considered various social issues in light of our own management challenges

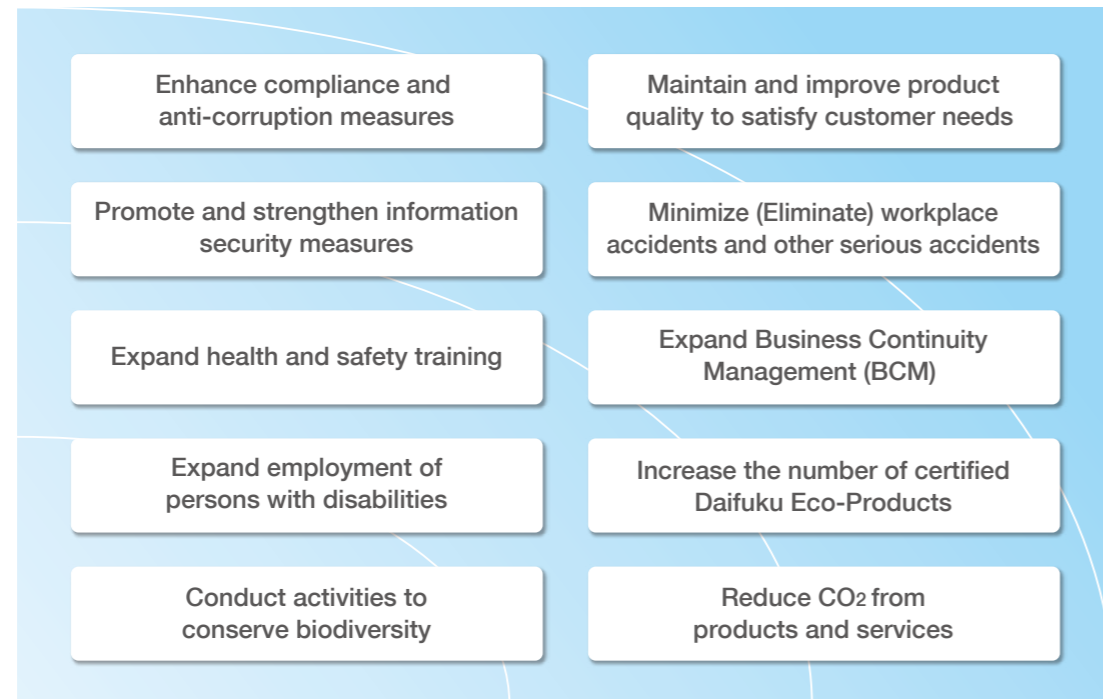
and specified material aspects*1.

Determining materiality



Materiality

After mapping the results from both Daifuku's and the stakeholders' points of view, aspects that were considered important by both were designated as material and top priority.



The material aspects of the Action Plan and KPI results and targets

The color coded items show material aspects and Daifuku's actions and efforts.

Initiative	FY2015 plans and targets	KPI	FY2015 targets	FY2014 results (reference)	Disclosure		
					CSR report	Website	
Provide high quality products and services	Improve product quality and services	Maintain and improve product quality to satisfy customer needs	4,000	3,942	I P15	●	
		Reduce product defects	52 in the Group	30			
		Improve customer satisfaction by ensuring a full support structure	—	—			
Strengthen risk management	Strengthen the risk management structure	Promote and strengthen information security measures	Once	—	III P17	●	
		Expand Business Continuity Management (BCM)	Twice	—			
	Enhance compliance and anti-corruption measures	Risk assessment execution rate	100%	97%			
		Number of safety confirmation training sessions	4 times or more a year	4 times a year			
Enhance corporate governance	Enhance transparency and monitoring of management	Completed	—	—	●		
Nurture relationships of trust with our suppliers	Promote CSR procurement in the supply chain	Form partnerships with suppliers and share information on CSR	—	—	—	●	
		Construct mechanisms and ensure policies concerning fair procurement are kept	—	—	—	●	
Respect for human dignity (human rights, labor practices, safety, health)	Protect human rights	Determine current considerations for human rights throughout the Group	—	—	—	●	
		Ensure knowledge throughout the Group of in-house policies on human rights	—	—	—	●	
	Develop workplace environments that are easy to work in	Conduct surveys of employee awareness	—	—	—	●	
		Promote work-life balance	—	—	—	●	
	Promote diversity	Expand employment of persons with disabilities	Employment rate of persons with disabilities	2.0%	1.8%	IV P21	●
		Employment of the elderly	—	—	—	—	●
		Facilitate an environment of gender equality	—	—	—	—	●
		Promote global human resources	—	—	—	—	●
	Ensure health management and safety of our employees and those of our partner companies	Expand health and safety training	Number of people receiving training at the Anzen-Taikan Dojo	940 persons	—	III P19	●
		Minimize (Eliminate) workplace accidents and other serious accidents	Severity rate	0.01	0.08		
Frequency rate			0.6	1.05			
Build a global safety and hygiene management framework		—	—	—	●		
Personnel training	Promote mental and physical health	—	—	—	●		
	Foster global business leaders	—	—	—	●		
Create good relations with communities	Encourage communication and activities that contribute to society	Formulate a policy for social contributions of the Group	—	—	—	●	
		Conduct regular dialog with nearby communities	—	—	—	●	
Contribute to the environment through corporate activities	Promote environmentally friendly business operations	Minimize environmental impact through energy and resource savings	—	—	—	●	
		Conduct activities to conserve biodiversity	Conduct conservation activities at the Shiga Works	Conduct conservation work at Yui no Mori forest	Care for Yui no Mori	V P24	●
		Promote green procurement in the supply chain	—	—	—	●	
	Increase the number of eco-friendly products and services	Increase the number of certified Daifuku Eco-Products	Number of certified Eco-Products	28 or more	21	V P23	●
		Reduce CO ₂ from products and services	Contribute to CO ₂ reduction ³	45,165t-CO ₂	25,694t-CO ₂	V P26	●
Enhance the foundations for environmental management	Foster an environmental mindset in employees through training	Build a global environmental management structure	—	—	—	●	
		—	—	—	—	●	

*1. Materiality: Issues that should have highest priority as they considerably affect environment, society and governance or stakeholder's evaluation and decision making
*2. KPI: Key Performance Indicator, a quantitative performance evaluation index that measures target achievement

*3. CO₂ reduction contribution: The CO₂ reduction amount equals the amount of CO₂ in 2020 emitted by all the Daifuku products and services in society subtracted from the amount of CO₂ emitted by products and services in the base year of fiscal 2005.

Daifuku takes action as a unified Group.

Every Daifuku Group employee undertakes CSR activities for specified material aspects. We will introduce the activity results from five aspects: providing high quality products, strengthening risk management, pursuing safety and security, nurture a lively corporate culture and contributing to environmental conservation.

The image features a large aerial photograph of the Shiga Works facility, showing multiple large industrial buildings, parking lots, and surrounding greenery. A grid is overlaid on the image, with five horizontal bars extending from the right side. Each bar is numbered I through V and contains a small representative image and a text label. The bars are: I (orange) 'Provide Quality Products' with a forklift image; II (blue) 'Strengthen Risk Management' with a group photo; III (purple) 'Pursue Safety and Security' with a safety meeting image; IV (pink) 'Nurture a Lively Corporate Culture' with a woman in a uniform image; V (green) 'Contribute to Environmental Conservation' with a warehouse image.

I Provide Quality Products

II Strengthen Risk Management

III Pursue Safety and Security

IV Nurture a Lively Corporate Culture

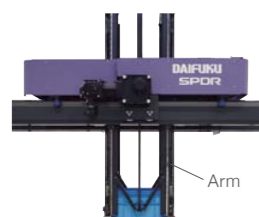
V Contribute to Environmental Conservation

Shiga Works, the world's largest logistics production site with 11 factories spread out over about 1.2 million square meters

I Daifuku contributes to solving customer and social problems by providing quality products, technology and services.

Temporary storage and sorting system that changes parts logistics

SPDR



One case transfer



Multiple case transfer

The inspiration to automate in available space with operations as they are

Automobile production is composed of many processes before the vehicle is completed, starting with press and molding. To ensure higher quality and improved productivity, production technology and automation are continuing to progress. Meanwhile, human labor was often needed to receive parts from suppliers, temporarily store, and deliver according to the production schedules.

Factors blocking automation were the wide variety of case shapes and sizes for storing parts as cases could not be standardized. Also, newly required space and late deliveries if operations had to be stopped were drawbacks for rack type automated systems.

In December 2014, Daifuku launched the SPDR with the concept of automating while keeping storage space and load dimensions as they are. Its strong points are the elimination of racks, minimization of fixed parts, and the use of existing floor space to stack cases. In

addition, in emergencies, operators can retrieve parts manually.

Moreover, the arm that grasps the cases uses our unique technology, which makes it possible to handle different sizes and store and retrieve stacked cases as well.

SPDR makes parts logistics efficient and helps reduce heavy labor.

Comment

The unique mechanism of the arm unit that securely holds a wide range of case sizes was the key to the SPDR development.

Kazuki Ogawa

Product Development Department Automotive Factory Automation (AFA)



Comment

Discussions are held for improvement and creative thinking, and we are focused on creating a workplace where anyone can make suggestions.

Takamasa Suzuki

Assistant Manager Manufacturing Department Factory & Distribution Automation (FA&DA)



Employee teamwork initiatives evolve into total optimization

An employee team comprising three to seven people work to improve quality and reduce costs, and at the same time learn how to work together as a team. For example, in the FA&DA Operations, targets for failure cost reduction through quality and work efficiency improvement are set by each team, with their declaration toward accomplishing the targets posted in the workplace.

Not only are the number of proposals important, there is also a seven-step rating of a proposal's content. This consideration leads to better quality in the following activities. Furthermore, interdepartmental improvement projects are launched between production, design and procurement departments, expanding the scope of the activities toward total optimization.

The scale of employee teamwork initiatives expanded to include headquarter divisions, and 3,942 improvement proposals were submitted in Japan. Also, the initiatives expanded to include Group companies around the world. The Taiwan and South Korean teams received the special award at a presentation event where teams selected from around the Group announced their results.

Daifuku's manufacturing aims to be the industry's No.1

A work process training video created from an improvement proposal reduced production and instruction time



Quality products come from a clean workplace

Our attitude of pursuing products that will satisfy customers is apparent in every part of the workplace. In FA&DA Operations, on Monday, all staff clean together before starting work. In addition, now that factory tours and joint inspections are increasing, workplaces are cleaned and organized to be presentable at all times, and our staff warmly greet visitors. We are promoting visibility in the workplace, from setting up posters that clarify manufacturing flow and content to posting notices that clearly list certificated employees.



Heartily welcoming visitors

The origin for these activities is our manufacturing staff's powerful resolve to create quality products that benefit customers and society.



Action Plan KPI

Improvement proposals

FY2014 results **3,942** ▶ Target **4,000**
A total of 3,942 improvement proposals were submitted throughout the Group to improve manufacturing.

Recipients of Safety Assessor certification

FY2014 results **30** ▶ Target **52**
A Safety Assessor is a person who has knowledge and skills for machinery and equipment safety.

Strengthen Risk Management

II Business risks are becoming increasingly diverse and complex. We endeavor to understand, analyze, and develop countermeasures and abatement for Groupwide risks.



Comment

We check stockpiles periodically and donate items that are close to their sell-by date to local municipalities or NPOs.

Tetsuya Nitta
Associate Manager
BCP Promotion Department

Toward an even more effective BCP prepared for emergencies



Survival Handbook

1,700 employees participates in our first large-scale training

The Daifuku Group has formulated a business continuity plan (BCP), placing human life as top priority, to minimize business asset damage during emergencies and to make operational continuity and early recovery possible.

To increase the effectiveness of the BCP, in fiscal 2014, we upgraded disaster equipment and held training sessions and drills on crises management and disaster prevention. At the Shiga Works, we simulated a large scale earthquake and did role-play training with 1,700 employees for the first time. Moreover, we held several BCP seminars with about 400 employees at different sites to raise awareness of BCP and distributed our Survival Handbook of initial actions to take in earthquakes and other disasters to all employees. We are also continuing training on a safety confirmation



Role-play training for large-scale disasters

system that uses personal computers and smartphones.

Construct a resilient global corporate culture

For Group companies around the world, in addition to surveys, we hold onsite sessions to better understand the likely risks. Also, based on information from on-site managers, we distribute safety news to management and related departments to encourage communication.

We will strengthen BCP activities of the entire Group and construct a global corporate culture that is resilient in emergencies.



Comment

We use external security assessments, verify the results of the countermeasures and continually increase our security level.

Yasunori Kawase
Associate Manager
Information System Department

Protecting personal and confidential information

Preparing for highly sophisticated threats

Threats to information security are becoming ever more sophisticated. At Daifuku, we continually strengthen and improve the guidelines and regulations for information asset management and use, including our information security policy. Also, we use e-learning to educate all employees on information security.

In addition, we use outside agencies for security assessments, verify computer performance, detect known and new malware and implement security log monitoring to prevent infection. We have also been doing training for employees yearly from fiscal 2012 to

prevent targeted email attacks and strengthen protection of information assets from cyber-attacks.

Furthermore, we have distributed posters on information management to Group companies worldwide to build awareness. We are also improving and standardizing our IT infrastructure, all the while striving to understand each country's laws and regulations related to security and countermeasure levels at each location. With these as a base, we plan to formulate a common Group Security Guideline in fiscal 2015.



We have distributed posters on information management to global worksites

Strengthen compliance efforts globally

Measures toward legal risks

At Daifuku, in accordance with our Corporate Code of Conduct, we ensure legal compliance, fairness and ethics. In fiscal 2014, we especially focused on measures for global legal risk. In May, we established detailed regulations to comply with competition and anti-corruption laws, with additional detailed regulations established in China. The President sent a message to the entire Group to emphasize its importance, and training sessions for management and sales were held 16 times at major sites for about 500 managers.

We also visited Group companies in 10 countries and regions and exchanged

Comment

We enhance training sessions through interactive communications to foster individual awareness.

Satoko Nakajima
Associate Manager
Legal Department



information with on-site managers.

From here on, we will create a compilation of concrete examples related to compliance and build an awareness improvement program linked to other departments.



Action Plan KPI

Risk assessment execution rate

FY2014 results **97%** ▶ Target **100%**

To determine latent workplace risks and hazards, we distributed a survey sheet to 30 departments around the world receiving 29 replies.

Safety confirmation training sessions

FY2014 results **4 times a year** ▶ Target **4 times or more a year**

We simulated earthquakes and other disasters four times on a safety confirmation system using personal computers and smartphones.



Ensuring employee health and safety is the foundation of corporate activities. Safety management activities are promoted by all Group companies and suppliers.



Building a global safety structure, aiming for zero workplace accidents



Safety declarations posted at the Shiga Anzen-Taikan Dojo

Raising everyone's safety awareness

With the global increase in staff as the proximate cause, the number of workplace accidents has increased in recent years, and in fiscal 2013 there was a serious accident. As Daifuku's longstanding safety culture would be impaired if this were to continue, with "Safety is the foundation of corporate sustainability and supersedes everything" as our slogan, we revamped our safety management structure.

In April 2014, the Safety and Hygiene Management Division was newly organized and directly overseen by the President. Moreover, a safety committee was setup in the procurement departments, in addition to those already in production and installation departments, to strengthen our preparedness.

As workplace accidents are mostly caused by human error, increasing worker safety awareness is critical. To upgrade safety education focused on the individual, a new Anzen-Taikan Dojo, Daifuku's hands-on safety training facility, was established in Shiga Works.

Comment

The key to preventing workplace accidents is avoiding human error. We will continue to nurture as many safety-conscious people as we can.

Kunihiko Toba
Safety Promotion Department



Simulating being caught in a roller



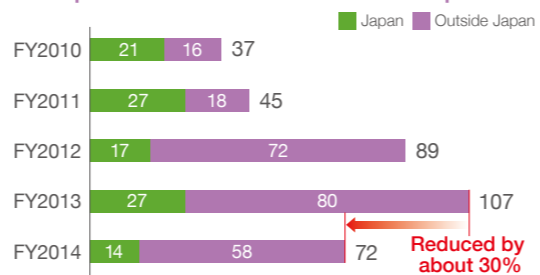
Simulating falling using a safety harness

The curriculum simulates actual dangers to ingrain safety skills. We plan to have partner companies take this training as well.

Moreover, executives, including the President, did safety patrols, and joint patrols between operations were conducted, leading to a decrease in workplace accidents.

We will also place importance on increasing safety awareness, promoting safety activities and conducting safety education and training.

Workplace accidents within the Group



Patrolling inside the Shiga Works



The President (right) leading a safety patrol of the installation worksite



Confirming the important check points before the patrol

Establishing a consistent safety management structure that includes partner companies

A safety management structure was created by establishing Cooperative Safety Committees consisting of partner companies of the installation, production and procurement divisions. Information has been actively shared, including steps on preventing industrial accidents, safety assessment guidance and other matters related to safety. Moreover, we have worked together with partner companies to mutually point out important safety issues and develop safety activities.

We also visited the factories of each supplier to give advice on safety management planning and 5S activities. Management from major suppliers were invited to a seminar held in November. We presented on accidents and countermeasures, calling for the cooperation of partners to realize zero accidents.

We will strive to ensure an even better safety culture with our business partners.

Expanding Daifuku's safety culture globally

The safety management index, measured by the frequency rate of accidents and the severity rate, has been introduced at Group companies worldwide to make the current situation of accidents easy to see. In fiscal 2014, we focused on safety education and ensuring that the safety policy is widely known. At P.T. Daifuku Indonesia, safety training were held in July and November, starting with the basics of safety and the role of the supervisor, and then continuing on with practical content. At Daifuku (Suzhou) Cleanroom Automation, a safety training session was held in July, including employees from business partners. They discussed workplace and traffic accidents and measures to heighten their safety awareness.

In February 2015, we held a global safety conference with Group company executives to explain the Group's safety initiatives and stress the importance of safety management.



Safety training (left: Indonesia, right: Suzhou, China)



Action Plan KPI

People receiving training at the Anzen-Taikan Dojo in Shiga Works

FY2014 results **705** ▶ Target **940**

Anzen-Taikan Dojo is a facility where accidents can be simulated.

*The Osaka headquarters Anzen-Taikan Dojo is scheduled to close in December 2015.

Accident frequency rate

FY2014 results **1.05** ▶ Target **0.6**

Accident severity rate

FY2014 results **0.08** ▶ Target **0.01**

The frequency rate is the number of deaths and injuries in a workplace or in a company per one million hours. The severity rate is the aggregate worker days lost per 1,000 work hours.

IV Nurturing a lively corporate culture where all employees can bring out the most of their personal qualities and abilities in their work



Comment

We strive to create an environment that encourages employees to have and independently achieve their goals.

Toshie Terashima
Business Service Group
General Affairs Department

Creating a workplace where every employee can fully realize their strengths

Widening the scope of work activities

We employ persons with disabilities as part of our efforts to realize a society without boundaries. While raising awareness within the Company, we hold site tours for students and their guardians from high schools for the disabled and employ interns with disabilities.

In addition to grounds work and cleaning, the 20 persons with disabilities presently employed in the Business Service Group have widened the scope of their work to doing assembly in the production division. They also participate in employee teamwork initiatives for workplace



improvement. Their work scope is steadily widening, and their excellent contributions have received commendations.

Looking ahead, we will consider restructuring the salary table and instituting an evaluation system and a full time work system as measures to expand employment of such persons and create a rewarding work environment.



Toward a gender equal workplace

Supporting both work and childcare

Many female employees have an active role at Daifuku, such as at the full-scale demonstration center Hini Arata Kan, one of the largest in the world, where 11 of our female employees guide visitors from around the world. They introduce Daifuku's businesses and wide variety of products in Japanese, English and Chinese to deepen visitors understanding of the newest logistics technology. They strive to hone their knowledge and spirit of hospitality as they appeal the DAIFUKU brand globally using their language skills.

In addition, use of the childcare leave system



Comment

I would like to become even more fluent in Chinese to introduce Daifuku's technologically advanced and safe products.

Mikiko Wada
Operation Group, Hini Arata Kan

Comment

As many staff can balance career and family, I believe the workplace is pleasing, rewarding, and gives us opportunities to learn new skills.

Shuri Miura
Operation Group, Hini Arata Kan

is encouraged. This system was started in 1992, and almost all staff who have used it have returned to work. Also, the proportion of female managers companywide is increasing year by year. Based on yearly employee awareness surveys, we are extracting and endeavoring to solve issues hindering female employees' motivation and careers.



Accelerating the training of global human resources

Systemizing training for young staff, executive candidates and business leaders

The Daifuku Group, aiming for the global education of human resources, is accelerating efforts for both globalization of human resources within Japan and training of staff hired locally at our companies worldwide.

Since 2005, we have provided young staff with opportunities for language training and established a program for on-the-job training at Group companies worldwide for them. Since



2011, we have also implemented a program to improve the business skills of executive candidates at Group companies outside of Japan. In addition, we started the Daifuku Japan Business Trainee Program for training the business leaders of Group companies around the world from fiscal 2015.



Action Plan KPI

Employment rate of persons with disabilities

FY2014 results **1.8%** ▶ Target **2.0%**

At Daifuku, employment is based on skill, suitability and ambition.

V We strive to reduce our environmental impact and conserve biodiversity through our products as one of our themes towards developing a sustainable society.



AS/RS for long objects added as a Daifuku Eco-Product



Reduction in overall system weight saves energy and resources

Automated storage and retrieval system (AS/RS) for long objects, which was certificated as one of Daifuku's Eco-Products, uses dedicated pallets that store steel beams and timber as long as six meters with the push-pull type transfer, reducing energy consumption by 42% compared to conventional systems. This AS/RS also greatly improves storage efficiency.

Comment from a customer

Yuichi Taguchi
Nishio Branch
Manager
Sakuma Special Steel
Co., Ltd.

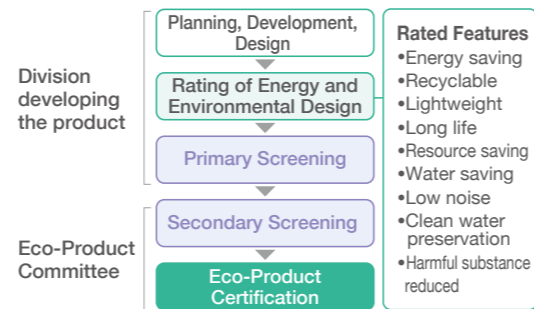


We are very satisfied with the new AS/RS, as it stores what took five in the past and reduces overall system cost, space and required energy. Another advantage of the system is its safety, as the increased level of automation created a safer workplace environment for staff.

To develop and widely provide eco-friendly products and services

We operate an Eco-Products certification program for evaluating and certificating the environmental performance of products according to in-house standards. We only certify products that meet standards for saving energy and resources, and preventing pollution. In fiscal 2014, seven products were added and the aggregate amount is 21 products.

Eco-Product certification process



Comparison with conventional models (when 220 pallets are stored)

	Conventional	Long-object AS/RS
Energy saving (electricity consumption)	150.8Wh	86.8Wh 42% reduction
High storage rate (installation area)	330m ²	155m ² 53% reduction



The path through Yui no Mori where nature in Shiga Works can be fully enjoyed



The Nature Study Pond where research and analysis for protecting aquatic creatures are performed

Kicking off the Yui Project to conserve biodiversity

In 2014, we gave the name Yui (Japanese word meaning "bring together") Project to our efforts to conserve biodiversity. The Yui Project aims to bring together "water with greenery, nature with people and person to person" to protect nature within the Shiga Works. In the first year, we created the Yui no Mori forest, a place to bring nature and people together. We are also having success with the conservation of the rare



Japanese clouded salamander larva

Japanese clouded salamander found on the site, while creating an opportunity for employees and visitors to get together.



Environmental activities posters (Japanese, English and Chinese)



Globalization of environmental activities

In fiscal 2014 Daifuku began the annual Environmental Activities Award to motivate workplace self-initiatives. This award is given for group activities in the workplace, in addition to individuals who participate in local and other environmental activities.

Daifuku (Suzhou) Cleanroom Automation

received the award for activities started on their own initiative. This activity raised environmental awareness by using a part of its grounds as a vegetable garden and improving separation of waste. Moreover, this awareness has spread to suppliers and is now a widespread activity.



Helping improve the water quality of Lake Biwa by cutting reeds



Non-native fish species fishing to protect Lake Biwa's ecosystem



Eco-points were used to install guidance signboard at the Lake Biwa Museum



Hini Arata Kan shuttle buses run on fuel made from recycled cooking oil. Eco-points were used for their carbon offsetting

We support our employees' self-initiated environmental contributions

Daifuku Eco-Action program

The Daifuku Eco-Action program gives points for environmental activities that employees can exchange for primarily environmentally related rewards.

This system is not just standard environmental activities education, but also promotes self-initiative. In fiscal 2014, a total of 2,566 employees participated in Eco-Action activities, greatly exceeding the target. The Global Photo Contest that included staff at Group companies worldwide had 452 entries.

The eco-points of employees were converted into a monetary amount and used for a donation to the Lake Biwa Museum and for a carbon offsetting of all CO₂ emitted by the demonstration center Hini Arata Kan.

From here on, we will plan events and projects that can be undertaken throughout the entire Group to help improve unity.

Eco-Actions events
Non-native species fishing festival
Environmental household budgeting
Passing the Environmental Specialists Certification test
Environmental volunteer and discussion meetings (individual participation)
Competitive Community Cleanup
Declaration to use personal chopsticks
Reed cutting, and other activities

Fiscal 2014 environmental action plans and results

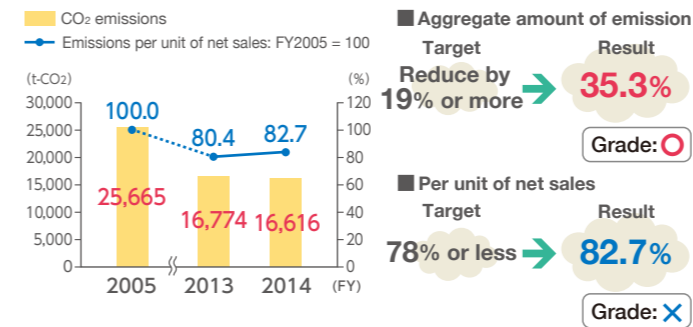
Evaluation standards ○: Achieved ✕: Not achieved

Promoting environmental-conscious business operations

Global warming countermeasures

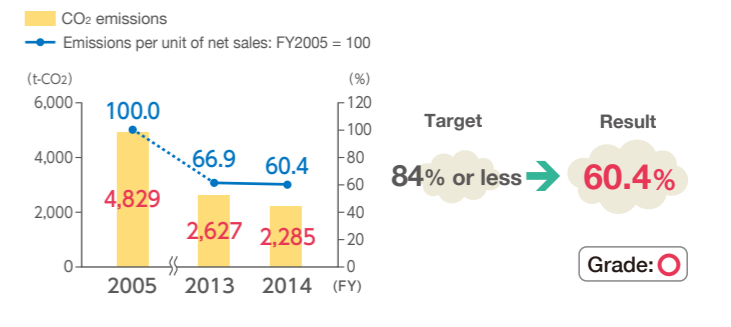
[Carbon dioxide (CO₂) emissions from business activities]

Scope: Japan (factories and offices) / control index: units of CO₂ emissions compared to FY2005



[CO₂ emissions from transportation]

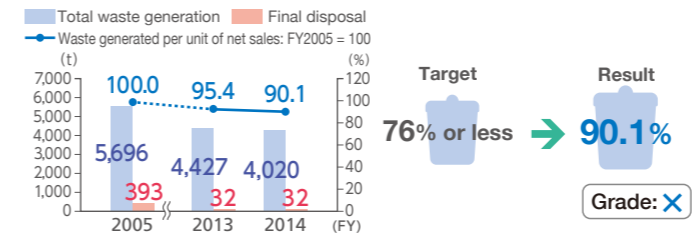
Scope: Japan (product transport) / control index: units of CO₂ emissions compared to FY2005



Resource saving

[Waste generation]

Scope: Japan (factories and offices) / control index: units of waste generated compared to FY2005



[Waste recycling rate]

Scope: Japan (factories and offices) / control index: recycling rate of waste



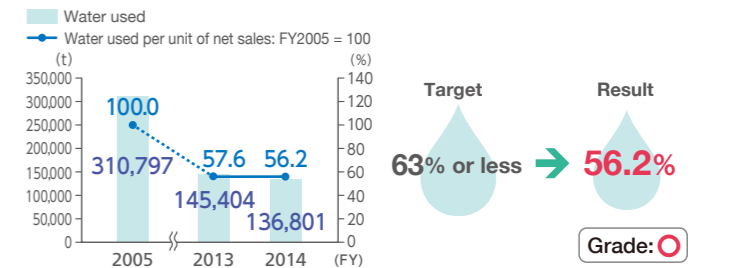
Conserving biodiversity

Scope: Japan (factories and offices)



[Water used]

Scope: Japan (factories and offices) / control index: units of water used compared to FY2005



Green procurement

Scope: Japan (factories and offices)



Expand eco-friendly products and services

Certification of Daifuku Eco-Products Scope: Global



Contribution to CO₂ reduction Scope: Global

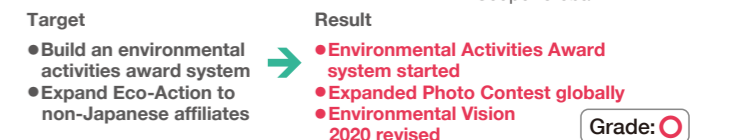


Enhancing the foundations for environmental management

Environmental education Scope: Global



Environmental management structure Scope: Global



*Detailed data is given on the website: www.daifuku.com/csr/environment/index.html

We continuously communicate with stakeholders in various scenes.

Customers

1 No. 1 sales in the world

The yearly survey titled Top 20 System Suppliers conducted by the U.S.-based magazine *Modern Materials Handling*, ranked Daifuku as world No.1 in sales in the material handling industry for 2014.

2 At the 16th AUTO-ID System Awards, our product "eye-navi" was a joint winner with Co-op Tohoku of the Outstanding Performance Award, hosted by Japan Automatic Identification Systems Association.

3 At the 6th Robot Awards, hosted by the Ministry of Economy, Trade and Industry and The Japan Machinery Federation, Daifuku received the Outstanding Performance Award along with Toho Pharmaceutical Co., Ltd. and two partner companies for a pharmaceuticals distribution center advancement robot system.

4 Daifuku China, Daifuku China Manufacturing, and Daifuku China Automation received an Outstanding Supplier Award from Chery Jaguar Land Rover Automotive Company Ltd.

2014 rank	Company	Worldwide 2014 revenue (million USD)	Headquarters
1	Daifuku	2,536 ^{*1}	Japan
2	Schaefer	2,487	Germany
3	Dematic	1,600	U.S.A.
4	Murata Machinery	1,100	Japan
5	Vanderlande	1,051	Netherlands
6	Mecalux	952	Spain
7	Beumer	902	Germany
8	Fives	721	France
9	Swisslog	712	Switzerland
10	Intelligrated	627	U.S.A.
11	Knapp ^{*2}	620	Austria
12	Kardex	556	Switzerland
13	TGW	525	Austria
14	Grenzebach	477	Germany
15	Witron	340	Germany
16	viastore systems	207	Germany
17	System Logistics	174	Italy
18	Egemin Automation	170	Belgium
19	Bastian Solutions	168	U.S.A.
20	Savoye	138	France

*1. Calculated from the earnings forecast announced in the third quarter for the fiscal year ended March 31, 2015, and average exchange rates during the fiscal year
 *2. Knapp became Daifuku's equity-method affiliate in July 2012.
 Source: *Modern Materials Handling*, April 2015



Employees

1 Our U.S. subsidiary Daifuku Webb Holding Company's contributions to promoting labor in Michigan State were highly evaluated and the company received the 2014 Prosperity Award from the Michigan Works! Association, the state's labor development organization.

2 We invited employee families on our 19th tour at the comprehensive demo center Hini Arata Kan.

3 Daifuku Webb Holding Company held a Town Hall Meeting for the 3rd time at Farmington Hills, Michigan, U.S.A. It was broadcasted live over the Internet to employees in all offices nationwide to strengthen the Group's organizational cohesion.

4 Our Mental and Physical Health Promotion Committee brought the foremost soma trainer, Katsumi Koba, to the Tokyo Head Office to give a talk on healthy living.

Communities

1 Our products "eye-navi" and Jungle Cart won the Grand Prize at the 24th Japan MH Prize hosted by the Japan Material Handling Society.

2 Daifuku was awarded the Environmental Management Award by the Environmental Conservation Association of Shiga Prefecture.

3 We participated in an activity to sprinkle water for cooling held by the Minato Eco-Conscious Consortium in the HAMASITE open space in Minato City, where our Tokyo Head Office is located.

4 The continuance of the Tokyo Head Office lifesaving lectures was highly evaluated, receiving a letter of appreciation from the Tokyo Fire Department.

5 We held a Gate Ball Meet as part of our contribution to local activities.

6 Our Group company Wynright Corporation won the 2014 Green Supply Chain Award for energy saving and cost reduction in products.

7 For greening and biodiversity conservation, Shiga Works received the 2014 Commendation as a Greening Excellence Plant from the Director of Kansai Bureau of Economy, Trade and Industry, Ministry of Economy, Trade and Industry.

8 We concluded an agreement with Hino Town in Shiga Prefecture to use our Shiga Works as a temporary evacuation site for neighborhood residents in case of disaster.

9 Daifuku China received an Innovative Product Award from Soo56, China's largest logistics search engine website.

10 We participated in a Competitive Community Cleanup Rally, sponsored by the Minato Eco-Conscious Consortium in the Shimbashi Station SL Square, Minato City.

11 We donated 21,500 bottled storage water to an incorporated NPO in Hino Town, Shiga Prefecture.

12 We participated in maintenance and cleanup activities at Shakunage-kei (Rhododendron Gorge), a nationally recognized natural monument.



Business Partners

1 Our Group company Elite Line Services, Inc. received the Gold Excellence Award from iCIMS Company.

2 We held the 2015 Management and Production Trends Presentation, inviting 162 major business partners, ranging from manufacturers, trading companies to those involved in processing, installation, servicing, design, and software development.

3 Under a supplier recognition program, we have the Supplier Quality Development (S.Q.D.) Award system to commend outstanding goods-related suppliers every year. This year, we selected six companies for individual awards and category awards.



Individual awards:
 Nissin Sangyo Co., Ltd.
 Fukada Kogyo Co., Ltd.
 Tokuken Corporation
 Asagami Corporation
 Category awards:
 Daishin Seiko K.K.
 Marukichi Industry Co., Ltd.

Shareholders and Investors

1 We invited our shareholders to tour the Hini Arata Kan. It was the 7th such event, with a total of 153 people participating. The visitors enjoyed seeing our latest logistics systems and equipment in the showroom.

2 We exhibited at an Individual Investors Fair 2014, hosted by a Nomura Group company, at the Tokyo International Forum. We communicated with 600 individual investors, appealing our growth potential in the industry.

3 We also presented at the 2015 Tokyo Stock Exchange's trade fair for individual investors at the Tokyo International Forum, appealing our growth potential of businesses and the progress of our four-year business plan.

4 We hold results briefing every quarter specifically for analysts and institutional investors.





Keisuke Takegahara
General Manager,
Environmental Initiative and
Corporate Social
Responsibility-Support
Department,
Development Bank of Japan Inc.

Born in Shizuoka Prefecture in 1966. Graduated from the Faculty of Law, Hitotsubashi University, in 1989, and joined the Development Bank of Japan (now the Development Bank of Japan Inc.). Posted to Frankfurt in 1995. After working at the Research Department and the Policy Planning Department, was appointed to be director of the CSR Support Office in the Business Development Department in 2009, leading to the current position from May 2011.

The CSR Report 2015, by looking back at the non-financial aspects of your development as a Value Innovator, spectacularly realized in fiscal 2014 by being No. 1 in net sales of material handling systems and equipment globally, is very successful in describing the diverse elements that comprise your strengths.

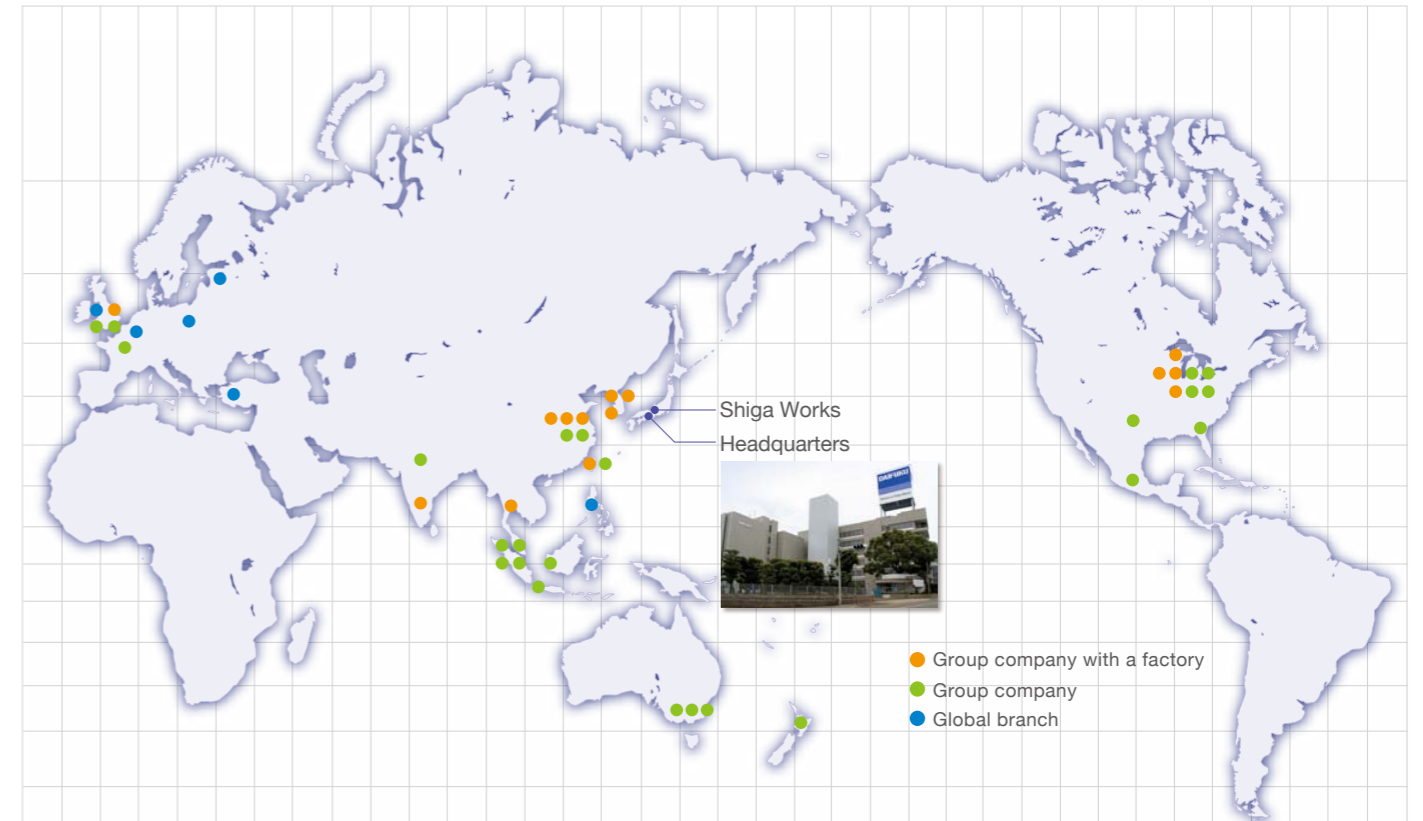
As for how the information is presented, the layout is the opposite from the previous year, with an overview of the CSR management structure first shown, with individual themes following. This change may be due to the systemization of CSR management being largely completed in fiscal 2014 as well as Daifuku's CSR and the concrete measures in the CSR Action Plan being formulated as the result of the ESG project started in fiscal 2013. By using a solid framework of introducing the general overview before entering detailed discussions, the CSR management you are aiming for and your activities are easy to understand.

Moreover, the report clearly showed your ability to quickly meet the demands of the times by joining the United Nations Global Compact and making ROE a management target to strengthen corporate governance. The new orientation shown by instituting the concept of materiality and setting Key Performance Indicators (KPI) to comply with the GRI guidelines was striking. Ten aspects from the CSR Action Plan that were

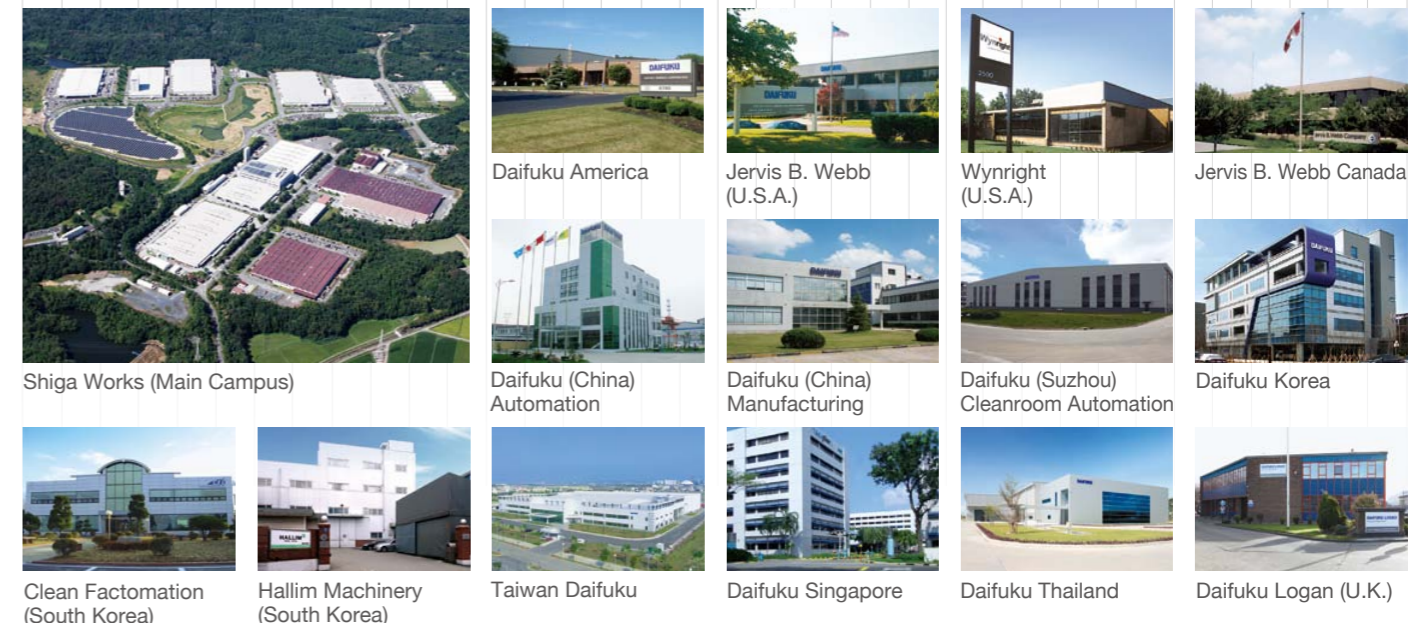
considered especially important were extracted, and KPIs were set to confirm them. Setting these numerical targets is a big step toward making your efforts visible.

A variety of activities based on the CSR Action Plan are reported as individual themes, and the entire report clearly conveys your approach of contributing to society through your business operations with high levels of technology. What I was especially impressed by was how you reconfirmed that the core of Daifuku's CSR is always people by nurturing a corporate culture where all employees can work energetically and safely, and by providing information on employee training. A good example of this is the AS/RS for long objects that was added as an Eco-Products. This system not only increased productivity, it also created a safer workplace, as confirmed by the customer's comment.

The report is very appropriate for Daifuku and embodies how CSR should be based on the characteristics of a company, as stated in the Message from the President. I expect that the reporting structure established in this issue will enhance content even more in the future. The newly added list of KPI results and targets should function as a chart to show the step by step progress of your efforts. I am looking forward to further progress such as adding KPI that include stakeholders' viewpoints and are more focused on outcomes.



Global production sites of the Daifuku Group



Response to the third-party opinion



Yoshihisa Ichinose
Corporate Officer
General Manager of
CSR Division

Mr. Takegahara, I am most grateful for your opinion.

When we formulated the CSR Action Plan as a concrete measure for our CSR activities, we specified materialities and set KPIs for each one. In the CSR Report 2015, we set forth five themes to match the materialities. In particular, "Pursue Safety and Security" and "Nurture a Lively Corporate Culture" introduce our efforts from a new aspect.

The improved visibility of our activities through the setting of numerical KPI targets and providing various information were highly evaluated. We will continue to undertake Plan-Do-Check-Act cycles to improve and intensify these efforts. We will continue our CSR endeavors while responding to changes in the social environment outside the company and taking into account the viewpoints of our stakeholders as suggested.

Corporate name: Daifuku Co., Ltd.
Headquarters: 3-2-11 Mitejima, Nishiyodogawa-ku
Osaka 555-0012 JAPAN
Established: May 20, 1937
Paid-in capital: 8,024 million yen (as of March 31, 2015)
Stock exchange listing: First Section of Tokyo Stock Exchange

Representative: Masaki Hojo, President and CEO
Employees: 7,746
(consolidated / as of March 31, 2015)
Consolidated net sales: 267,284 million yen
(fiscal year ended March 31, 2015)
Non-Japan sales ratio: 66%
Group companies: 61 (9 in Japan and 52 overseas)