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(Securities code: 6383)

March 11, 2026

(Date of commencement of measures for electronic provision: March 5, 2026)

To shareholders with voting rights:

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

Notice of the 110th Ordinary General Meeting of Shareholders

Dear our shareholders:

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

You are hereby notified that the 110th Ordinary General Meeting of Shareholders of Daifuku Co., Ltd. (hereinafter referred to as the “Company”) will be held for the purposes described below.

In convening this General Meeting of Shareholders (hereinafter referred to as the “Meeting”), the Company has taken electronic provision measures, which provide information contained in the Reference Documents, etc. for the Meeting in electronic format (hereinafter referred to as the “electronic provision measures matters”), and has posted the matters on the Company website as “Notice of the 110th Ordinary General Meeting of Shareholders” and “Electronic Provision Measures Matters for the Notice of the 110th Ordinary General Meeting of Shareholders, Etc. (Matters Omitted from Delivered Documents)” on the Internet.

[The Company website]

<https://www.daifuku.com/ir/stock/shareholders/>

In addition to the website shown above, the Company also has posted the electronic provision measures matters on the website of the Tokyo Stock Exchange (TSE). Please access the TSE website (Listed Company Search), enter the issue name (Daifuku) or the securities code (6383), and click “Search,” and select “Basic information” then “Documents for public inspection/PR information” to check the matters.

[TSE website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

1. Date and Time: Friday, March 27, 2026, at 10:00 a.m. Japan time

2. Place: The Company's headquarters, 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 110th Fiscal Year (January 1, 2025–December 31, 2025), 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 110th Fiscal Year (January 1, 2025–December 31, 2025)

Proposals to be resolved:

Proposal 1: Election of Nine (9) Directors

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

Proposal 3: Revision of Remuneration for Directors

If you are unable to attend the Meeting, please review the attached Reference Documents for the General Meeting of Shareholders and, following the guidance below, exercise your voting rights no later than 5:00 p.m. on Thursday, March 26, 2026, Japan time. A live stream via the Internet will also be available on the day of the Meeting.

Other Matters to be Noted Concerning the General Meeting of Shareholders

Should any amendments occur to the content of this Notice or the electronic provision measures matters, we will post the information before and after the amendment on each website listed on page 1.

Any major changes in the operation of the Meeting will be announced on the Company's website.
<https://www.daifuku.com/jp/>

The "Business Report" and "CEO's Presentation" with Japanese narration will be available on the Company's website below from 10:00 a.m. on Thursday, March 26, 2026, Japan time, the day before the General Meeting of Shareholders, so that you can view them in advance.
<https://www.daifuku.com/jp/ir/stock/shareholders/>

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. Please note that persons other than shareholders who can exercise voting rights, such as companions and proxies who are not shareholders*, will not be permitted to enter. Please come by 10:00 a.m. on Friday, March 27, 2026, Japan time.
* Except for persons accompanying shareholders with physical disabilities.
- **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 5:00 p.m. on Thursday, March 26, 2026, Japan time. If you do not indicate your approval or disapproval for any of the proposals on the Voting Rights Exercise Form that you have returned to the Company, the Company will assume that you have indicated your approval for the proposal.
- **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 5:00 p.m. on Thursday, March 26, 2026, Japan time.

If you have exercised your voting rights both in writing and via the Internet, etc., only the vote via the Internet, etc. shall be deemed effective. If you have exercised your voting rights more than once via the Internet, etc., or both via PC and smartphone, only the last vote shall be deemed effective.

When connection fees charged by Internet service providers, telecommunication fees (call charges) charged by telecommunications carriers, etc. for using the Internet are required, they shall be borne by shareholders.

Top Message



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

I am Tomoaki Terai, who assumed the position of President and CEO on January 1, 2026.

As we deliver the Notice of the 110th Ordinary General Meeting of Shareholders, I would like to offer a brief message.

Under the new management, I will ensure the continuation of the management structure and direction established by former President and CEO Hiroshi Geshiro, and will work to further strengthen our global competitiveness and enhance corporate value toward realizing our vision for 2030 set in the Group's long-term vision, "Driving Innovative Impact 2030." I will act with a sense of speed, and am determined to promote further transformation and the embrace of challenges, in order to advance forward steadily with the entire Group united as one.

I humbly ask that you, our shareholders, will continue to offer your understanding and support.

Tomoaki Terai
President and CEO

Dividend
Year-end Dividend for the 110th Fiscal Year

The Company hereby announces that, the resolution was made at a meeting of the Board of Directors held on February 12, 2026 as follows.

The Company will pay the year-end dividend to shareholders or registered pledgees of shares recorded in the shareholder register as of December 31, 2025 as follows:

1. Year-end dividend: 44 yen per share
2. Date effective and date of commencement of payment: Monday, March 30, 2026

Proposals and References

Proposal 1: Election of Nine (9) Directors

The terms of office of all ten (10) directors will expire at the conclusion of the Meeting. Therefore, the Company proposes the election of nine (9) directors.

Regarding the policy and process of electing nominees for Director, the Company submitted the names of qualified persons who would be able to fulfill the responsibilities entrusted by shareholders to the Advisory Committee, comprised of two (2) representative directors and six (6) outside directors and chaired by one of these outside directors in the 110th fiscal year, based on factors such as their respective personality and insight, and the Board of Directors made a decision on such persons as nominees.

The nominees for Director are as follows. Inside directors contribute to achieving operating performance by leveraging their abundant experience. Outside directors are expected to contribute to improving management transparency and protecting stakeholders' interests based on their experience and expertise in corporate management, finance and accounting, legal affairs and risk management, etc. in other companies.

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 110th fiscal year
1	Hiroshi Geshiro	Reappointed	Representative Director Chairman	100% (16/16 times)
2	Tomoaki Terai	Reappointed	Representative Director President and CEO/COO	100% (16/16 times)
3	Hideaki Takubo	Reappointed	Director Senior Managing Officer Chief Human Resources Officer Corporate Functions Head	100% (16/16 times)
4	Tetsuya Hibi	Reappointed	Director Managing Officer Chief Financial Officer Deputy Corporate Functions Head Finance and Accounting Division Manager	100% (11/11 times)
5	Gideon Franklin	Reappointed Outside Director Independent Officer	Outside Director	100% (16/16 times)
6	Haruyuki Yoshida	Reappointed Outside Director Independent Officer	Outside Director	100% (11/11 times)
7	Yuki Kanzaki	Reappointed Outside Director Independent Officer	Outside Director	100% (11/11 times)
8	Mayumi Hongo	Newly Appointed Outside Director Independent Officer	—	—
9	Asuka Nakamura	Newly Appointed Outside Director Independent Officer	—	—

Notes:

1. A total of 16 (12 regular and 4 extraordinary) Board of Directors meetings were held during the 110th fiscal year. The attendance rates of Mr. Tetsuya Hibi, Mr. Haruyuki Yoshida, and Ms. Yuki Kanzaki cover their attendance at regular and extraordinary Board of Directors meetings held after they assumed office on March 28, 2025.
2. Outside Director Mr. Kaku Kato passed away on October 13, 2025 and retired on the same date. However, the number of outside directors stated is as of the conclusion of the Ordinary General Meeting of Shareholders held on March 28, 2025.

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	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, FA&DA Operations</p> <p>April 2014 Managing Officer General Manager of FA&DA Global Operations</p> <p>April 2015 General Manager of FA&DA Operations</p> <p>June 2015 Director, member of the Board, Managing Officer</p> <p>April 2016 General Manager of the International Division, FA&DA Operations</p> <p>April 2018 Representative Director, President and CEO</p> <p>January 2026 Representative Director, Chairman (to present)</p>	41,700
<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 manufacturers and distributors both within and outside Japan. 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, the improvement of operating performance, and the enhancement of corporate value, and that he plays a key role in strengthening the supervision of the Group management.</p>			
2	Tomoaki Terai (July 13, 1968) Reappointed	<p>April 1994 Joined Daifuku Co., Ltd.</p> <p>April 2011 Director of Daifuku Webb Holding Company (now Daifuku North America, Inc.)</p> <p>April 2015 Chairman of Taiwan Daifuku Co., Ltd.</p> <p>April 2017 General Manager of the Production Division, eFA Operations</p> <p>April 2021 Corporate Officer General Manager of the Production Operations, Cleanroom Division</p> <p>April 2023 Cleanroom Division Manager</p> <p>April 2024 Managing Officer Cleanroom Global Business Head</p> <p>June 2024 Director, member of the Board, Managing Officer</p> <p>January 2025 Representative Director, Executive Vice President and Chief Operating Officer (COO)</p> <p>January 2026 Representative Director, President and CEO/COO (to present)</p>	19,900
<p>[Reason for nomination as Director] Mr. Tomoaki Terai has abundant experience and a good track record in business management concerning the material handling systems for semiconductor factories at the Company and its subsidiaries outside of Japan. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position as he plays a key role in decision making and business execution in Group management as CEO (assumed the office in January 2026) and COO.</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
3	Hideaki Takubo (August 27, 1960) Reappointed	<p>April 1984 Joined Daifuku Co., Ltd.</p> <p>April 2006 Manager of the Secretary's Office</p> <p>April 2013 Director and President of Daifuku (China) Co., Ltd.</p> <p>April 2015 General Manager of the Global Business Development Department, Corporate Business Development Division</p> <p>April 2017 General Manager of the Human Resources and General Affairs Division, Corporate Affairs Operations</p> <p>April 2019 Corporate Officer</p> <p>April 2021 Managing Officer Corporate Functions Head (to present)</p> <p>April 2023 Chief Human Resources Officer (to present)</p> <p>June 2023 Director, member of the Board, Managing Officer</p> <p>January 2025 Director, Senior Managing Officer (to present)</p>	20,600
<p>[Reason for nomination as Director] Mr. Hideaki Takubo has extensive experience and a good track record in the human resources and general affairs, both within and outside Japan. As the Corporate Functions Head, he is responsible for promoting sustainability management, including ESG. 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>			
4	Tetsuya Hibi (June 4, 1964) Reappointed	<p>April 1987 Joined Daifuku Co., Ltd.</p> <p>April 2008 General Manager of the Finance Department, Finance and Accounting Division</p> <p>April 2014 Senior Vice President and CFO of Daifuku Webb Holding Company (now Daifuku North America, Inc.)</p> <p>April 2017 General Manager of the Global Business Development Department, Corporate Business Development Division</p> <p>April 2019 General Manager of the Corporate Business Development Division</p> <p>April 2020 Corporate Officer Finance and Accounting Division Manager (to present)</p> <p>April 2021 Deputy Corporate Functions Head (to present)</p> <p>April 2023 Managing Officer Chief Financial Officer (to present)</p> <p>March 2025 Director, member of the Board, Managing Officer (to present)</p>	30,965
<p>[Reason for nomination as Director] Mr. Tetsuya Hibi has considerable knowledge in accounting and financial fields. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position as he leverages his experience working abroad and has served as Chief Financial Officer since April 2023.</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
5	<p>Gideon Franklin (June 28, 1962) Reappointed</p> <p>Outside Director, Independent Officer</p> <p>Period of service as Outside Director: Two years and nine months</p>	<p>September 1984 Joined Cazenove (now JPMorgan Chase & Co.) October 1986 Joined UBS Phillips & Drew (now UBS AG) January 1993 Director, Schweizerische Bankgesellschaft (Deutschland) AG (now UBS Europe SE) February 1994 Managing Director, Morgan Stanley Group Inc (now Morgan Stanley) January 2004 Outside Director, Culham Prints and Drawings Ltd July 2006 President, Gideon Franklin Limited November 2007 Managing Director, Mizuho International plc August 2013 CEO, Gideon Franklin Limited (to present) June 2019 Outside Director, MCJ Co., Ltd. (to present) April 2021 CEO, Culham Prints and Drawings Ltd (to present) June 2023 Outside Director of Daifuku Co., Ltd. (to present)</p> <p>Significant concurrent positions CEO, Gideon Franklin Limited Outside Director, MCJ Co., Ltd. CEO, Culham Prints and Drawings Ltd</p>	—
	<p>[Reasons for nomination as Outside Director and expected roles to fulfill] Mr. Gideon Franklin has abundant experience and extensive knowledge in corporate management as an analyst, M&A advisor, and management executive in international financial institutions and other organizations. Based on his extensive knowledge on global business management, he offers advice and counsel to enhance the diversity of the Board of Directors and to secure the transparency of management and enhance the monitoring and supervision from an unconventional perspective. In addition, he works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.</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
6	<p>Haruyuki Yoshida (March 27, 1959) Reappointed</p> <p>Outside Director, Independent Officer</p> <p>Period of service as Outside Director: One year</p>	<p>April 1981 Joined Kubota Corporation</p> <p>February 2006 General Manager of Ductile Iron Pipe Production Control, Kubota Corporation</p> <p>April 2008 General Manager of Construction Machinery Division Planning and Sales Promotion Department, Kubota Corporation</p> <p>October 2009 General Manager of Farm and Industrial Machinery Division, Planning and Control Department, Kubota Corporation</p> <p>April 2013 Executive Officer, General Manager of Farm and Machinery International Operations Headquarters, and General Manager of Farm and Utility Machinery Division, Kubota Corporation</p> <p>January 2017 Managing Executive Officer, General Manager of Farm and Industrial Machinery Domain, Strategy and Operations Headquarters, Kubota Corporation</p> <p>January 2019 Senior Managing Executive Officer, Kubota Corporation</p> <p>President and CEO, Kubota Tractor Corporation</p> <p>President and CEO, Kubota North America Corporation</p> <p>January 2022 Advisor, Kubota Corporation</p> <p>June 2023 Outside Director, Okada Aiyon Corporation (to present)</p> <p>June 2024 Outside Director, SUGIMOTO & CO., LTD. (to present)</p> <p>March 2025 Outside Director of Daifuku Co., Ltd. (to present)</p> <p>Significant concurrent positions Outside Director, Okada Aiyon Corporation Outside Director, SUGIMOTO & CO., LTD.</p>	—
	<p>[Reasons for nomination as Outside Director and expected roles to fulfill] Mr. Haruyuki Yoshida has global experience and extensive knowledge as a corporate manager, having served as a corporate officer of a machinery manufacturer and the head of its Group U.S. company for many years. He provides advice and counsel at meetings of the Board of Directors to secure the transparency of management and enhance the monitoring and supervision thereof. In addition, he works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.</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
7	Yuki Kanzaki (April 24, 1963) Reappointed Outside Director, Independent Officer Period of service as Outside Director: One year	<p>March 1992 Joined Kirin Brewery Company, Limited</p> <p>September 2007 Brewing Manager of Tochigi Plant of Production Division, Kirin Brewery Company, Limited</p> <p>October 2013 Deputy General Manager of Alcoholic Beverages Technology Research Institute, Research & Development Division, Kirin Company, Limited</p> <p>March 2015 General Manager of Kobe Plant of Production Division, Kirin Brewery Company, Limited</p> <p>March 2017 Executive Officer, General Manager of Yokohama Plant of Production Division, Kirin Brewery Company, Limited</p> <p>March 2019 Senior Executive Officer, General Manager of Yokohama Plant of Production Division, Kirin Brewery Company, Limited</p> <p>March 2020 Senior Executive Officer, General Manager of Corporate Strategy Department, Kyowa Hakko Bio Co., Ltd.</p> <p>January 2022 President and CEO, Kyowa Hakko Bio Co., Ltd.</p> <p>March 2022 Senior Executive Officer, Kirin Holdings Company, Limited and President and CEO, Kyowa Hakko Bio Co., Ltd.</p> <p>March 2025 Outside Director of Daifuku Co., Ltd. (to present)</p> <p>June 2025 Outside Director, TOYOBO Co., Ltd. (to present)</p> <p>Significant concurrent positions Outside Director, TOYOBO Co., Ltd.</p>	—
	<p>[Reasons for nomination as Outside Director and expected roles to fulfill] Ms. Yuki Kanzaki has served in positions such as an officer of a food and beverage manufacturer and its Group companies. She has consistently worked in <i>monozukuri</i> (workmanship) onsite in the manufacturing industry while playing a primary role in advancing business restoration, structural reform, and the reformation of organizational culture in acquired companies. Based on such abundant experience and knowledge, she provides advice and counsel at meetings of the Board of Directors, not to mention the production departments, to secure the transparency of management and enhance the monitoring and supervision thereof. In addition, she works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.</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
8	<p>Mayumi Hongo Name on family register: Mayumi Watanabe (January 11, 1972) Newly appointed</p> <p>Outside Director, Independent Officer</p>	<p>April 1994 Joined Ministry of Foreign Affairs of Japan July 2008 Joined Mitsubishi Heavy Industries, Ltd. February 2017 Joined Neopharma Japan Co., Ltd. (now KIYAN PHARMA Co., Ltd.) December 2020 Registered as an attorney January 2021 Joined Atsumi & Sakai June 2022 Partner, Atsumi & Sakai January 2026 Senior Partner, Atsumi & Sakai (to present)</p> <p>Significant concurrent positions Senior Partner, Atsumi & Sakai</p>	—
	<p>[Reasons for nomination as Outside Director and expected roles to fulfill] Ms. Mayumi Hongo has leveraged her experience in international negotiations and policy formulation at the Ministry of Foreign Affairs of Japan, as well as business operations, global risk management, and experience working on contracts, etc. for projects requiring a long-term perspective at manufacturing companies. As a lawyer, she is actively involved in areas such as corporate legal affairs, crisis management, compliance, and corporate governance in the legal and governance fields. Although she has not been involved in corporate management, based on such abundant experience and knowledge, the Company has judged that she will be able to appropriately fulfill her duties as an Outside Director of the Company, and would like her to assume this position with the expectation that she provides advice and counsel at meetings of the Board of Directors to secure the transparency of management and enhance the monitoring and supervision thereof. If she assumes office, the Company plans to have her involved in decisions on the nomination and remuneration of officers at the Advisory Committee from an independent and objective perspective.</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
9	<p>Asuka Nakamura (December 15, 1973) Newly appointed</p> <p>Outside Director, Independent Officer</p>	<p>October 1997 Joined Asahi & Co. (now KPMG AZSA LLC) April 2000 Registered as a Certified Public Accountant (CPA) January 2001 Joined PricewaterhouseCoopers (PwC) Financial Advisory Services Company, Ltd. (now PwC Advisory LLC) November 2007 Joined Houlihan Lokey, Inc. January 2012 Joined Tokyo Kyodo Accounting Office October 2013 Joined Ernst & Young ShinNihon LLC Japan (now Ernst & Young ShinNihon LLC) January 2015 Joined KPMG AZSA LLC June 2016 Partner, KPMG AZSA LLC December 2022 President and Representative Director, Asumirai Research Institute, Inc. Corporate Auditor, Mynavi Corporation (to present) June 2023 Outside Director (Member of the Audit and Supervisory Committee), Polaris Holdings Co., Ltd. December 2024 Outside Audit & Supervisory Board Member, KATO SANGYO CO., LTD. (to present) June 2025 Outside Director (Member of the Audit and Supervisory Committee), Fujikura Ltd. (to present)</p> <p>Significant concurrent positions Corporate Auditor, Mynavi Corporation Outside Audit & Supervisory Board Member, KATO SANGYO CO., LTD. Outside Director (Member of the Audit and Supervisory Committee), Fujikura Ltd.</p>	—
<p>[Reasons for nomination as Outside Director and expected roles to fulfill] Ms. Asuka Nakamura has worked as a certified public accountant for many years, and has considerable knowledge in finance and accounting and extensive audit experience. She is actively involved in fields such as accounting audits of listed companies, internal control assessments, support for advancing financial reporting, and assistance with sustainability management issues. Based on such abundant experience and knowledge, the Company would like her to assume this position with the expectation that she provides advice and counsel at meetings of the Board of Directors to secure the transparency of management and enhance the monitoring and supervision thereof. If she assumes office, the Company plans to have her involved in decisions on the nomination and remuneration of officers at the Advisory Committee from an independent and objective perspective.</p>			

Notes:

1. There are no significant conflicts of interest between the nominees and the Company.
2. Nominees Mr. Gideon Franklin, Mr. Haruyuki Yoshida, and Ms. Yuki Kanzaki fully satisfy the requirements for the independence standards stipulated by the Company (pages 22-23). They have been designated as independent officers as stipulated by the rules of the Tokyo Stock Exchange and such notification has been provided thereto. If they are appointed as originally proposed, they will continue to serve as independent officers. Furthermore, nominees Ms. Mayumi Hongo and Ms. Asuka Nakamura fully satisfy the requirements for the independence standards stipulated by the Company (pages 22-23). If they are appointed as originally proposed, the Company plans to designate them as independent officers as stipulated by the rules of the Tokyo Stock Exchange and provide such notification thereto.
3. There is no business transaction between Gideon Franklin Limited, MCJ Co., Ltd., and Culham Prints and Drawings Ltd, where nominee Mr. Gideon Franklin belongs; and the Company.
4. There is no business transaction between the Company and Okada Aiyon Corporation, where nominee Mr. Haruyuki Yoshida serves as an outside director. While the Company has transactions with SUGIMOTO & CO., LTD., where he serves as an outside director, the amount of transactions is less than 1% of consolidated net sales for both SUGIMOTO & CO., LTD. and the Company. Furthermore, although SUGIMOTO & CO., LTD. holds shares in the Company as a member of the Daifuku Supplier Shareholder Association, its ownership of the voting rights is less than 10%. The Company also has business transactions with Kubota Corporation, to which he belonged until 2022; however, the amount of transactions is less than 1% of consolidated net sales for both Kubota Corporation and the Company.
5. Although the Company has business transactions with Kirin Holdings Company, Limited and Kyowa Hakko Bio Co., Ltd., to which nominee Ms. Yuki Kanzaki belonged until 2024, and TOYOBO Co., Ltd., where she serves as an outside director, the amount of transactions is less than 1% of consolidated net sales for Kirin Holdings Company, Limited, Kyowa Hakko Bio Co., Ltd., TOYOBO Co., Ltd., and the Company.
6. The Company has not concluded an advisory contract with Atsumi & Sakai, to which nominee Ms. Mayumi Hongo belongs. Although the Company outsources individual cases to Atsumi & Sakai, the amount of transactions is less than 1% of consolidated net sales for both Atsumi & Sakai and the Company and the annual average has been less than 10 million yen for the last three fiscal years.
7. Although the Company has business transactions with Mynavi Corporation where nominee Ms. Asuka Nakamura serves as a corporate auditor, KATO SANGYO CO., LTD., where she serves as an outside audit & supervisory board member, and Fujikura Ltd., where she serves as an outside director (member of the audit and supervisory committee), the amount of transactions is less than 1% of consolidated net sales for Mynavi Corporation, KATO SANGYO CO., LTD., Fujikura Ltd., and the Company.
8. Nominees Mr. Hiroshi Geshiro, Mr. Tomoaki Terai, Mr. Hideaki Takubo, Mr. Tetsuya Hibi, Mr. Gideon Franklin, Mr. Haruyuki Yoshida, and Ms. Yuki Kanzaki are currently Directors of the Company. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which includes the nominees as the insured. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered. However, damages, etc. incurred by officers themselves due to their criminal acts such as bribery or intentional illegal conduct are excluded from coverage, thereby ensuring that the appropriate execution of duties by officers, etc. is not compromised. The insurance premiums of the insured (each nominee) are fully borne by the Company. The nominees will continue to be insured by the insurance contract if their reappointments are approved. Nominees Ms. Mayumi Hongo and Ms. Asuka Nakamura will be insured by the insurance contract if their appointments as Outside Directors are approved as originally proposed. The Company plans to renew the insurance contract with the same contents during the terms of office of the nominees.
9. Nominees Mr. Gideon Franklin, Mr. Haruyuki Yoshida, and Ms. Yuki Kanzaki are currently Outside Directors of the Company. The Company has concluded a limited liability agreement with them to limit the liability for damages to the amount set by law, pursuant to Article 28 of the Company's Articles of Incorporation. If they are reappointed, the Company will continue said agreement with them. If nominees Ms. Mayumi Hongo and Ms. Asuka Nakamura are appointed as Outside Directors of the Company as originally proposed, the Company will conclude the limited liability agreement with them.

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

The terms of office of Audit & Supervisory Board members Mr. Tsukasa Saito and Mr. Tsukasa Miyajima will expire at the conclusion of the Meeting. Therefore, the Company 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 submitted the names of qualified persons who would be able to fulfill the responsibilities entrusted by shareholders to the Advisory Committee, based on factors such as their respective personality and insight, and the Board of Directors made a decision on such persons as nominees upon obtaining the consent of the Audit & Supervisory Board.

Moreover, at least one person with appropriate knowledge of finance and accounting shall be appointed Audit & Supervisory Board Member.

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 positions in the Company	Attendance rate at meetings of the Board of Directors and the Audit & Supervisory Board (number of attendance) for the 110th fiscal year
1	Tsukasa Saito	Reappointed	Audit & Supervisory Board Member (full-time)	Meetings of the Board of Directors 100% (16/16 times) Meetings of the Audit & Supervisory Board 100% (9/9 times)
2	Kazuya Oki	Newly Appointed Outside Audit & Supervisory Board Member Independent Officer	—	—

Note: A total of 16 (12 regular and 4 extraordinary) Board of Directors meetings and 9 Audit & Supervisory Board meetings were held during the 110th fiscal year.

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	Tsukasa Saito (March 4, 1964) Reappointed	<p>April 1986 Joined Daifuku Co., Ltd.</p> <p>April 2007 General Manager of the China's Affiliate Management Division</p> <p>April 2010 Director and President of Daifuku (China) Co., Ltd.</p> <p>January 2013 General Manager of the Finance Department, Finance and Accounting Division, Corporate Affairs</p> <p>April 2014 General Manager of the Finance and Accounting Division, Corporate Affairs</p> <p>April 2020 Audit Officer General Manager of the Audit & Supervisory Board Office</p> <p>April 2022 Audit Officer, assigned to the Audit & Supervisory Board</p> <p>June 2022 Audit & Supervisory Board Member (full-time) (to present)</p>	14,400
<p>[Reason for nomination as Audit & Supervisory Board Member] Mr. Tsukasa Saito has extensive practical experience in the finance and accounting unit and possesses considerable knowledge of finance and accounting. He also has abundant experience outside Japan, such as involvement in management at a Chinese subsidiary. He is well-versed in the Group's operations, and offers advice and counsel to further enhance the audit function. The Company reappoints him as a nominee for Audit & Supervisory Board Member based on its judgement that he is qualified for this position.</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
2	Kazuya Oki (April 3, 1961) Newly appointed Outside Audit & Supervisory Board Member Independent Officer	<p>October 1984 Joined Arthur Young Japan (now Ernst & Young ShinNihon LLC)</p> <p>March 1988 Registered as a Certified Public Accountant (CPA)</p> <p>May 1998 Partner, Showa Ota & Co. (now Ernst & Young ShinNihon LLC)</p> <p>August 2006 Board Member, Shin Nihon & Co. (now Ernst & Young ShinNihon LLC)</p> <p>September 2010 Executive Board Member, Ernst & Young ShinNihon LLC</p> <p>July 2014 Senior Executive Board Member, Ernst & Young ShinNihon LLC</p> <p>July 2021 Representative, Oki Kazuya Certified Public Accountant Office (to present)</p> <p>March 2022 Outside Director, OSM International, Inc. (to present)</p> <p>June 2023 Outside Audit & Supervisory Board Member, JGC HOLDINGS CORPORATION (to present)</p>	—
		<p>Significant concurrent positions Representative, Oki Kazuya Certified Public Accountant Office Outside Director, OSM International, Inc. Outside Audit & Supervisory Board Member, JGC HOLDINGS CORPORATION</p>	
<p>[Reasons for nomination as Outside Audit & Supervisory Board Member] Mr. Kazuya Oki has worked in accounting auditing as a certified public accountant for many years, and has high-level specialist knowledge and extensive practical experience in financial accounting, internal control, and risk management. He is actively involved in fields such as audits of various companies including listed companies, internal control assessments, and the strengthening of governance structures. Based on such abundant experience and high-level knowledge, the Company would like him to assume this position with the expectation that he provides advice and counsel to secure the transparency of management and enhance the monitoring and auditing thereof. Although he has not been involved in corporate management other than as an outside director or outside audit and supervisory board member, the Company has judged that he will be able to appropriately fulfill his duties as an Outside Audit & Supervisory Board Member of the Company for the above reasons.</p>			

Notes:

1. There are no significant conflicts of interest between the nominees and the Company.
2. Nominee Mr. Kazuya Oki fully satisfies the requirements for the independence standards stipulated by the Company (pages 22-23). If he is appointed as originally proposed, the Company plans to designate him as an independent officer as stipulated by the rules of the Tokyo Stock Exchange and provide such notification thereto.
3. There is no business transaction between the Company and Oki Kazuya Certified Public Accountant Office, where nominee Mr. Kazuya Oki serves as representative, or OSM International, Inc., where he serves as an outside director. Furthermore, although the Company has business transactions with JGC HOLDINGS CORPORATION, where he serves as an outside audit & supervisory board member, the amount of transactions is less than 1% of consolidated net sales for both JGC HOLDINGS CORPORATION and the Company.
4. Nominee Mr. Tsukasa Saito is currently an Audit & Supervisory Board Member of the Company. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which includes the nominee as the insured. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered. However, damages, etc. incurred by officers themselves due to their criminal acts such as bribery or intentional illegal conduct are excluded from coverage, thereby ensuring that the appropriate execution of duties by officers, etc. is not compromised. The insurance premiums of the insured (nominee) are fully borne by the Company. The nominee will continue to be insured by the insurance contract if his reappointment is approved. Nominee Mr. Kazuya Oki will be insured by the insurance contract if his appointment as an Audit & Supervisory Board Member is approved as originally proposed. The Company plans to renew the insurance contract with the same contents during the terms of office of the nominees.
5. If nominee Mr. Kazuya Oki is appointed as an Outside Audit & Supervisory Board Member of the Company as originally proposed, the Company will conclude 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]

Correspondence to the Corporate Governance Code (skill matrix)

We are considering the best composition of the Board of Directors in terms of expertise, experience, diversity, etc., in consideration of changes in the business environment and the management policies and plans of the Daifuku Group.

If all nominees listed in this Notice are elected as originally proposed, the skill matrix of the Board of Directors will be as shown in the following table.

Skill matrix of the Board of Directors after the conclusion of this ordinary general meeting of shareholders (planned)

Nominee No.	Name	Independence	Expertise/Experience						
			Corporate management	Technology	Finance, accounting	Legal affairs, risk management	Sales, marketing	Global	Environment, society, governance
1	Hiroshi Geshiro		✓			✓		✓	✓
2	Tomoaki Terai		✓	✓			✓	✓	
3	Hideaki Takubo		✓			✓		✓	✓
4	Tetsuya Hibi		✓		✓	✓		✓	
5	Gideon Franklin	✓	✓		✓			✓	
6	Haruyuki Yoshida	✓	✓		✓			✓	
7	Yuki Kanzaki	✓	✓	✓					✓
8	Mayumi Hongo	✓				✓		✓	✓
9	Asuka Nakamura	✓			✓	✓			✓

Notes:

- In Expertise/Experience, up to four skills of individuals are marked with “✓”.
- The above list does not represent all of the knowledge, experience, and abilities of individuals.

[References]

Correspondence to the Corporate Governance Code

The Group has established “Daifuku Group Basic Policy for Corporate Governance.” In addition, the status of efforts for the Corporate Governance Code has been summarized. For details, please see the Company’s website: <http://www.daifuku.com/ir/policy/governance>

The table below shows the main points required by the Corporate Governance Code and the Company’s response status.

Main points required by the Corporate Governance Code		Time	The Company’s response		
Enhancing board independence					
Ensure that at least one-third of directors are independent outside directors		Year ended December 31, 2025	55% (6* out of 11)		
Establish a nomination committee and remuneration committee (independent outside directors appointed as the majority of the committee)			Established a voluntary Advisory Committee (nomination/remuneration). The Committee comprising six (6)* outside directors and two (2) representative directors (For independence, please refer to the pages 22-23.)		
Disclose a skill matrix of board members conforming to the Company’s business strategy			Disclosed the skill matrix		
Appoint independent outside directors having managerial experiences at other companies			Appointed three (3) persons		
Ensuring diversity in the core human resources of the company					
Women	Number of female managers promoted	Year ended December 31, 2025	50 persons		
Foreign nationals	Foreign nationality ratio of regular hires		7.9%		
	Number of foreign managers		7 persons		
Mid-career professionals	Career recruitment ratio		45.9%		
	Career recruitment ratio for assistant managers		42.0%		
	Career recruitment ratio for managers		33.0%		
Dealing with sustainability issues					
Enhance the quality and quantity of climate-related disclosure based on international frameworks		2019	Endorsed Task Force on Climate-Related Financial Disclosures (TCFD) recommendations		
		2020	Disclosed information on the impact of climate-related risks and opportunities on business activities, earnings, etc.		
		2023	CO ₂ emissions reduction targets certified by the Science Based Targets initiative		
		2024	Review of disclosures based on TCFD recommendations		
		2025	Disclosure based on TNFD recommendations		
Develop a basic policy for the company’s sustainability initiatives		2021	Announced Daifuku Environmental Vision 2050 (crucial issue areas and goals by 2030)		
		2023	Established Daifuku Group Human Rights Policy		
			Revised Daifuku Environmental Vision 2050		
		2024	Established Sustainable Procurement Guidelines		
			Established Daifuku Group Sustainability Basic Policy		
			Upwardly revised 2030 target for in-house CO ₂ emissions reduction targets (Scope 1 and 2) 50.4% reduction from FY2018 → 60% reduction from FY2018		
Switched all electricity used at business sites in Japan to renewable energy sources					
Main issues other than the above					
Reduce cross-shareholdings			Number of issues (consolidated)	Amount recorded on consolidated balance sheets	Ratio to consolidated net assets
		As of December 31, 2024	30 issues	12.1 billion yen	3.1%
		As of December 31, 2025	26 issues	7.2 billion yen	1.6%
Promote the use of electronic voting platforms and disclose in English		We use the electronic voting platform. We disclose most disclosure documents in English, including timely disclosures, financial announcements, financial presentations, convening notices, annual securities reports, corporate governance reports, and Daifuku Report as integrated reporting.			

* Outside Director Mr. Kaku Kato passed away on October 13, 2025 and retired on the same date. However, the number of outside directors stated is as of the conclusion of the Ordinary General Meeting of Shareholders held on March 28, 2025.

[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) A person who executes business 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 adviser 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 adviser 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 assets other than remuneration for an officer, directly from the company
- 4) An officer or employee of a 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 fiscal years of 10 million yen or more
- *3 A shareholder with 10% or more of the voting rights
- *4 The annual average for the last three years of 10 million yen or more, or 30% of the average total annual expenditure of the organization, whichever is larger

Proposal 3: Revision of Remuneration for Directors

At the 90th Ordinary General Meeting of Shareholders held on June 29, 2006, the Company received approval for a proposal for the total amount of remuneration for directors to be capped at 700 million yen per annum (excluding salaries of employees), which has remained in place to date.

At this time, taking into consideration the expansion of the Company's business since said resolution, the need to secure human resources with exceptional insight and knowledge as required for execution of management strategy, and the need to ensure diversity among directors comprising a global management structure, the Company would like to increase the cap for the total amount of remuneration for directors to 1.5 billion yen per annum (of which 150 million yen would be the cap for outside directors).

Regarding this proposal, we have utilized survey data from external specialist organizations to investigate remuneration levels by comparing them with other companies in the same sector and similarly sized companies. Based on our findings, we have judged that the content of this proposal is necessary and reasonable in light of the content stipulated in the policy on the determination of remuneration, etc. for individual directors (please refer to "Notice of the 110th Ordinary General Meeting of Shareholders / Business Report, 4. Company Officers, [2] Amount of remunerations for directors and Audit & Supervisory Board members"). Furthermore, to ensure objectivity and transparency in the decision-making process, the proposal was determined by the Board of Directors after deliberation by the Advisory Committee for remuneration, in which outside directors constitute a majority, and we have judged it to be appropriate.

Note that there are currently ten (10) directors (of which five (5) are outside directors), but if Proposal 1 "Election of Nine (9) Directors" is approved as originally proposed, the number of directors covered will be nine (9) (of which five (5) will be outside directors).

Furthermore, as before, the total amount of remuneration for directors will not include salaries of employees.

Reference: Relationship with performance-linked equity remuneration scheme (BBT)

Pursuant to a resolution passed at the 109th Ordinary General Meeting of Shareholders held on March 28, 2025, the Company manages the remuneration limit for the performance-linked equity remuneration scheme, the Board Benefit trust (BBT), as a separate limit from the above-mentioned monetary remuneration limit. This revision will only change the monetary remuneration limit.

Business Report

(January 1, 2025–December 31, 2025)

1. Overview of the Daifuku Group

[1] Business progress and results

Consolidation period and comparative information due to the change in fiscal year-end

Effective from the fiscal year ended December 31, 2024, the fiscal year-end (the closing date of the fiscal year) of the Company has been changed from March 31 to December 31 every year. Accordingly, the previous fiscal year, an irregular accounting period, ran for nine months from April 1 to December 31, 2024 for Daifuku Co., Ltd. and its subsidiaries with a fiscal year ending in March, mainly in Japan. Most subsidiaries outside of Japan were consolidated for the 12-month period from January 1 to December 31, 2024. As a reference, comparative information with the same period of the previous year (hereinafter, “prior-year reference period”) is provided, adjusted by adding the results for the three-month period from January 1 to March 31, 2024 of Group companies with a fiscal year ending in March.

During the fiscal year ended December 31, 2025, the global economy generally remained favorable, although uncertainty increased due to the impact of U.S. trade policy and downside risks associated with the sluggish Chinese economy.

Looking at the business environment, for the manufacturing and distribution sectors in Japan and the United States, investment in automation at manufacturing and logistics sites is recovering against the backdrop of labor shortages and substantially higher labor costs. In the semiconductor industry, demand for advanced semiconductor investment including the automation of back-end processes, remains strong, supported by increasing demand for AI applications. In China, investment continues in line with efforts to strengthen and promote domestic production. In the automotive industry, while customers have temporarily delayed investment decisions to assess the impact of tariffs under U.S. trade policy, a high level of investment continued to be planned, mainly in the United States. Meanwhile, demand is continuing for investment in automation at airports to meet the increase in the number of air passengers, particularly in the United States and certain other countries.

In this economic and business environment, during the fiscal year, orders for automotive systems fell short of the prior-year reference period, while orders for intralogistics systems from manufacturers and distributors, cleanroom systems from the semiconductor sectors, and airport systems remained steady.

Sales increased as intralogistics systems and cleanroom systems performed steadily, benefiting from an extensive order backlog from the end of the previous fiscal year.

Specifically, the Group received orders of 672,618 million yen, up 3.0% from the prior-year reference period, and recorded sales of 660,724 million yen, up 2.6%, marking a new record high and surpassing the previous peak recorded in the fiscal year ended March 2024.

Note that, until the previous consolidated fiscal year, the change in order backlog at the end of the most recent period due to exchange rate fluctuations was included in the amount of orders received for that period. However, from the current fiscal year, this amount will no longer be included in the amount of orders received. Orders for the prior-year reference period include the impact of exchange rate fluctuations on the order backlog at the end of the fiscal year ended March 31, 2024 of 24.2 billion yen.

Excluding this impact, the year-on-year change was an increase of 7.0%.

In terms of profits, the profit margin improved and profit increased due to cost reductions achieved through production efficiency improvements and enhanced project management, as well as a focus on securing orders with strong profitability.

Consequently, the Group posted operating income of 100,816 million yen, up 24.4% from the prior-year reference period, and ordinary income of 104,649 million yen, up 24.1%. Net income attributable to shareholders of the parent company was 78,096 million yen, up 21.3%.

Operating income, ordinary income, and net income attributable to shareholders of the parent company all reached new record highs for four years in a row.

Consolidated Operating Results for the Fiscal Year Ended December 31, 2025

Orders received	672,618 million yen	Up 3.0% reference YoY
Net sales	660,724 million yen	Up 2.6% reference YoY
Operating income	100,816 million yen	Up 24.4% reference YoY
Ordinary income	104,649 million yen	Up 24.1% reference YoY
Net income attributable to shareholders of the parent company	78,096 million yen	Up 21.3% reference YoY

Impact and response to U.S. trade policy, etc.

The United States is one of our priority markets, accounting for 169.7 billion yen in net sales and representing a composition ratio of 26% for the fiscal year ended December 31, 2025 (167.7 billion yen and composition ratio of 30% for the previous fiscal year).

While some products and components sourced from outside the United States will be subject to tariffs introduced by the United States, most intralogistics systems, automotive systems, and airport systems are produced in the United States. In addition, cleanroom systems are manufactured in Japan, Taiwan, and South Korea and exported to the United States, with the majority of contracts being with customers as importers. For this reason, tariffs incurred by the Group are extremely limited. However, U.S. trade policy may affect the future investment plans (country, amount, and timing) of our customers, particularly those in the automotive and semiconductor industries. Accordingly, we will continue to strengthen communication with our customers and make optimal proposals that utilize the Group's global network for investment plans, thereby securing orders.

In addition, given that the Group has positioned the United States as a critical market, increasing production capacity for intralogistics systems in that country had become an urgent priority. In October 2025, a new factory was completed and has commenced operations. As a result, production capacity increased to approximately double the previous capacity. We will strive to increase sales and expand our market share in the U.S. market by taking advantage of our strengths in local self-sufficiency, while also expanding our global development capabilities to enable the more timely provision of products and services that meet local needs.

Results by reportable segment

Results by reportable segment are described below. Orders from and sales to external customers are presented as segment orders and sales, and net income attributable to shareholders of the parent company is recorded as segment income.

For Daifuku Co., Ltd. and its subsidiaries with a fiscal year ending in March, mainly in Japan, prior-year reference period is provided for reference.

(1) Daifuku Co., Ltd.

Orders for intralogistics systems and cleanroom systems remained favorable, while automotive systems fell short of the previous fiscal year level (prior-year reference period).

Sales were strong as a whole, underpinned by an extensive order backlog from the end of the previous fiscal year, but fell short of the level recorded in the previous fiscal year (prior-year reference period).

Segment income increased from the previous fiscal year (prior-year reference period) as the profit margin improved due to cost reductions achieved through production efficiency improvements and enhanced project management, as well as a focus on securing orders with strong profitability.

As a result, the Company achieved orders of 226,642 million yen, down 1.8% from the prior-year reference period, sales of 246,560 million yen, down 5.9%, and segment income of 55,611 million yen, up 28.2%.

(2) Contec Co., Ltd. and its subsidiaries (Contec)

Orders and sales increased, driven by steady performance in the medical and social infrastructure sectors in Japan, as well as in the medical sector in North America.

Segment income increased, supported by improved profitability in the Japanese market.

As a result, Contec recorded orders of 18,926 million yen, up 1.1% from the prior-year reference period, sales of 20,235 million yen, up 4.7%, and segment income of 1,118 million yen, up 62.1%.

(3) Daifuku North America, Inc. and its subsidiaries (Daifuku North America)

Orders for automotive systems and cleanroom systems fell short of the previous fiscal year level, while orders for intralogistics systems and airport systems remained favorable.

Sales declined due to the impact of a review of certain operations, despite being solid overall and supported by the order backlog from the end of the previous fiscal year.

Segment income declined due to factors including an increase in tax burden, despite the positive effects of cost reductions from production efficiency improvements and enhanced project management, as well as a continued focus on securing orders with strong profitability.

As a result, Daifuku North America posted orders of 196,191 million yen, up 7.0% from the prior-year reference period, sales of 165,894 million yen, down 3.8%, and segment income of 15,217 million yen, down 6.6%.

(4) Clean Factomation, Inc.

Orders remained steady, driven by the continued strength in demand for advanced semiconductor investments for AI applications.

Sales and segment income increased, underpinned by an order backlog from the end of the previous fiscal year.

As a result, Clean Factomation posted orders of 49,434 million yen, up 55.6% from the prior-year reference period, sales of 37,587 million yen, up 45.2%, and segment income of 3,320 million yen, up 134.8%.

(5) Daifuku (Suzhou) Cleanroom Automation Co., Ltd.

Orders remained favorable, supported by continued investment in China in line with efforts to strengthen and promote domestic semiconductor production.

Sales and segment income fell due to the impact of a decrease in the order backlog from the end of the previous fiscal year.

As a result, Daifuku (Suzhou) Cleanroom Automation recorded orders of 47,039 million yen, up 47.5% from the prior-year reference period, sales of 40,952 million yen, down 23.3%, and segment income of 10,821 million yen, down 11.6%.

(6) Other

The Group has a total of 61 consolidated subsidiaries worldwide. The Other segment includes all consolidated subsidiaries excluding the aforementioned Contec, Daifuku North America, Clean Factomation, and Daifuku (Suzhou) Cleanroom Automation. These companies manufacture, sell, install, and service material handling systems, car wash machines, and other equipment. The status of major subsidiaries is as follows.

Japan subsidiaries

Daifuku Plusmore Co., Ltd. provides car wash machines and related services.

Subsidiaries outside of Japan

The Group has production sites for material handling systems and car wash machines in China, Taiwan, South Korea, Thailand, India, and other regions, which also provide sales, installations, and services, playing a role in creating an optimal local production and procurement framework.

In addition, the Group has subsidiaries in North America, Asia, Europe, and Oceania, which provide sales, installation, and services.

Orders were strong for cleanroom systems, but declined from the previous fiscal year (prior-year reference period). Sales and segment income increased, driven by a strong performance mainly in cleanroom systems, which in turn was underpinned by an extensive order backlog from the end of the previous fiscal year.

As a result, the segment posted orders of 134,383 million yen, down 14.2% from the prior-year reference period, sales of 149,994 million yen, up 41.1%, and segment income of 17,379 million yen, up 303.3%.

[2] Capital investment, etc.

The Group's capital investment during the fiscal year ended December 31, 2025 totaled 33,322 million yen, which included maintenance and upgrades as well as expansion of production facilities of the Company in Japan and expansion of production facilities of subsidiaries outside of Japan in North America and India.

The above-mentioned capital investment was funded by cash on hand and proceeds from the issuance of convertible-bond-type bonds with stock acquisition rights issued in 2023.

[3] Capital procurement

Not applicable.

[4] Challenges to be addressed

(1) Basic management policy

Led by the company creed, “Hini Arata,” which represents our stance of constant daily evolution, and our management philosophy, “Automation that Inspires,” we engage in business activities, aiming to inspire society, deliver prosperity and enhance well-being through our core competence—automated material handling technology. We have established the following set of Corporate Policies, including our Group Code of Conduct, that defines the fundamental principles officers and employees of the Group should follow.

Corporate Policies

Company Creed	
	<p>Today we are doing better than we were yesterday.</p> <p>Tomorrow we will be growing ahead of where we are today.</p>
Management Philosophy	
<p>Automation that Inspires</p> <p>Inspire society, deliver prosperity and enhance well-being through our core competence—automated material handling technology.</p> <p>We will</p> <ol style="list-style-type: none"> 1. strive to realize a sustainable society that minimizes burdens on people and the environment, respects human rights, and encourages responsible manufacturing. 2. work together with customers around the world to create optimal smart logistics solutions that incorporate innovative technologies. 3. ensure a fair and open corporate culture that respects diversity and allows each individual to excel. Further, we will strengthen our fundamental management practices globally to have a high level of transparency. 	
Group Code of Conduct	
<p>Basic Stance</p> <p>We will act in accordance with applicable laws, rules, regulations, social norms and ethics.</p> <p>We will place safety as a major premise in all aspects of our business activities.</p> <p>We will remain committed to the creed of “Hini Arata” as we take on new challenges and make changes for the better.</p>	

(2) Medium- to long-term company management strategy

Outline of Driving Innovative Impact 2030 and four-year business plan for 2027

To achieve a next round of growth and enhancement of corporate value, we have formulated “Driving Innovative Impact 2030,” which is our long-term vision for 2030 (hereinafter referred to as the “2030 Long-Term Vision”), and the “four-year business plan for 2027,” a business plan whose final year is the fiscal year ending December 31, 2027, which also serves as a midpoint of our overall goals for 2030 (hereinafter referred to as the “2027 Plan”). Initiatives are underway for the achievement of these targets.

Driving Innovative Impact 2030

Our 2030 Long-Term Vision encompasses our strong desire to achieve even greater economic and social value by strengthening our initiatives with new future-oriented ideas and trailblazing groundbreaking change for our stakeholders.

Concepts for the formulation

1. From short-term to long-term oriented

We first produced our vision of society and identified issues in the future, and used backcasting to formulate our 2030 Long-Term Vision. Then, we set the 2027 Plan as a midpoint toward 2030.

2. Balancing economic value and social value

We integrated the two, laying out goals that take both business and sustainability perspectives into account, and we formulated measures and roadmaps to achieve them.

2030 Long-Term Vision and management targets for 2027

		2030 Long-Term Vision	Management targets for 2027
Economic value	Consolidated net sales	1 trillion yen	800.0 billion yen
	Operating margin	12.5%*	11.5%*
	ROE	13.0%*	13.0%*
Social value		Using our automated material handling technology, we will - support social infrastructure such as logistics and production sites. - contribute to the resolution of social issues in new areas such as food and the environment.	

* Based on actual results and progress through the fiscal year ended December 31, 2025, we updated the 2030 Long-Term Vision and management targets for 2027 on February 12, 2026. For details, please refer to “Update on the 2030 Long-Term Vision and the 2027 Plan” later in this document.

Priority domains, frameworks, and topics

To achieve the enhancement of economic and social value, we established priority frameworks and topics for the following domains, taking into consideration the challenges from Value Transformation 2023, the previous business plan (April 2021–March 2024), the business environment, and social sustainability, and we are implementing various measures accordingly.

Domains	Frameworks	Priority Topics
Business domains	<ul style="list-style-type: none"> - Evolving existing businesses - Expanding into new areas - Developing next-generation solutions 	Development utilizing advanced technologies including AI
		Expansion of service business
		Development of new domains and creation of new businesses
Operational and business framework domains	- Establishing a system to bolster growth	Investment and platform fortification for innovation creation
	- Revamping overall business operations	Social responsibility in the supply chain
		Pursuit of product quality and product safety
	- Safety reinforcement	Ensure occupational safety and health
	- Eliminating environmental impact	Addressing climate change
		Promoting resource recycling
		Coexisting with nature
	- Strengthening management structure and refining business management	Strengthening governance
		Fulfillment of stakeholder communication
	- Organizational strengthening	Staff recruitment, retention, and training
		Respect for human rights
		Diversity and inclusion
		Improvement of employee engagement

For more information on the 2030 Long-Term Vision and the 2027 Plan, please refer to “Notice of Formulation of Driving Innovative Impact 2030 and Four-Year Business Plan for 2027,” announced on May 10, 2024: http://www.daifuku.com/ir/assets/20240510_03e.pdf

For details about the initiatives for priority topics, please refer to our website: <https://www.daifuku.com/sustainability/management/materiality>

Status of progress for the fiscal year ended December 31, 2025

	Results for the fiscal year ended March 31, 2024, the final fiscal year of the previous business plan	Results for the fiscal year ended December 31, 2025, the second year of the 2027 Plan	Targets for the final fiscal year of the 2027 Plan
Consolidated net sales	611.4 billion yen	660.7 billion yen	800.0 billion yen
Operating margin	10.2%	15.3%	11.5%
ROE	13.2%	18.4%	13.0%

Consolidated net sales reached a record high due to sales underpinned by an extensive order backlog. The operating margin improved significantly, greatly exceeding the target for the final year of the 2027 Plan, thanks to the widespread promotion and entrenchment of production efficiency and cost reduction efforts initiated during the period of the previous business plan, as well as the sophistication of project management and a focus on securing orders with strong profitability. As a result, operating income reached a record high for the fourth consecutive year. ROE also significantly exceeded the target for the final fiscal year of the 2027 Plan as a result of factors such as significant profitability improvements and the enhancement of shareholder returns based on our policy of achieving a consolidated dividend payout ratio of 35% or more for each fiscal year of the 2027 Plan.

Revision of the 2030 Long-Term Vision and the 2027 Plan

Based on the fact that the operating margin and ROE results for the fiscal year ended December 31, 2025 reached levels that significantly exceeded the final year targets of the 2027 Plan, we made updates as follows by revising the targets upward on February 12, 2026.

Revision of the 2030 Long-Term Vision and management targets (economic value)

	2030 Long-Term Vision		Management Targets for 2027	
	Initially planned	Revised targets	Initially planned	Revised targets
Consolidated net sales	1 trillion yen	Unchanged	800.0 billion yen	Unchanged
Operating margin	12.5%	15.0%	11.5%	15.0%
Operating income	125.0 billion yen	150.0 billion yen	92.0 billion yen	120.0 billion yen
ROE	13.0%	17.0%	13.0%	17.0%

For details on the updates to the 2030 Long-Term Vision and the 2027 Plan, please refer to “Notice of Revision of Driving Innovative Impact 2030 and Four-Year Business Plan for 2027,” announced on February 12, 2026.

https://www.daifuku.com/ir/assets/20260212_04e.pdf

Outcome for the fiscal year ended December 31, 2025 and next challenges

Outcome
<ul style="list-style-type: none"> ■ Enhanced our profit structure <ul style="list-style-type: none"> - Widely promoted and entrenched efforts to improve production efficiency and reduce costs - Enhanced profitability at the order-receipt stage - Refined project management ■ Acquired orders that accurately met the needs of the market <ul style="list-style-type: none"> - Achieved order growth for intralogistics systems for amid labor shortages and soaring labor costs - Achieved order growth for cleanroom systems amid an upsurge in demand for generative AI semiconductors and economic security concerns - Achieved order growth for airport systems amid increased airport investments to address growing passenger numbers and labor shortages ■ Implemented strategic investments aimed at strengthening our global production framework <ul style="list-style-type: none"> - Improved productivity through the redevelopment of Shiga Works, our core plant - Increased production capacity in the United States and India, positioned as priority markets ■ Promoted various measures aimed at enhancing human capital <ul style="list-style-type: none"> - Expanded our R&D centers to strengthen advanced technology development - Made investments to raise awareness and enhance brand power
Next challenges
<ul style="list-style-type: none"> ■ Accelerating advanced technology and new business development <ul style="list-style-type: none"> - Expanding the R&D promotion structure - Proactively allocating business resources to AI and robotics - Expanding into new areas such as food and the environment ■ Accelerating the global growth strategies <ul style="list-style-type: none"> - Expanding our presence in priority markets such as the United States and India - Strengthening development capabilities tailored to regional characteristics - Boosting competitiveness with speed by leveraging M&A ■ Enhancing our profit structure <ul style="list-style-type: none"> - Continuing production innovation and cost reduction initiatives - Improving project management accuracy - Revamping operational processes

(3) Management environment

1) Business environment

While Japan faces a shrinking and aging population and escalating labor shortages, labor costs outside of Japan, especially in North America, are rising, and the need for automation and unattended operations at production and logistic sites is expanding globally.

Moreover, demand for semiconductors is increasing dramatically with the diffusion of generative AI, and at the same time, governments are promoting the securing of production infrastructure within their own countries from the perspective of economic security, resulting in accelerating semiconductor investment in various regions.

In the automotive industry, although U.S. trade policy has impacted customer investment decision-making, investment related to xEVs (a generic term for electric vehicles, including BEVs, HEVs, PHEVs, and FCEVs) is expected to continue with the aim of establishing a more flexible production system in response to the mobility revolution.

At airports, where investments in automation have been carried out in stages so far, various issues associated with the increase in the number of air passengers and chronic labor shortages have become apparent, and there is a need for a shift to smart airports.

In view of such business environment, it is certain that expectations for automated material handling technology, the Group's core competence, will continue to rise, and we will strive to steadily seize business opportunities and link them to further growth.

2) Competitive environment

Innovation in advanced technology, as typified by generative AI and robotics, is progressing rapidly, and emerging competitors with specific technological capabilities and products are entering the market. Competitors from China, whose strength lies in low prices, are also on the rise.

In Japan, competition is intensifying as domestic competitors strengthen their proposal capabilities by combining their own products with cutting-edge products from companies outside of Japan.

We will strengthen our development capabilities with an emphasis on next-generation technologies, while focusing on human resources development to improve DX/AI literacy and refine the Group's strength in providing the best systems globally to overcome the fierce competition.

(4) Business and financial issues to address with priority

In the fiscal year ending December 31, 2026, the third year and the halfway point of the 2027 Plan, we plan to address the following as challenges of primary importance.

Accelerating advanced technology and new business development

To continue supplying material handling systems that offer greater productivity, we will accelerate the development of products and services that utilize advanced technologies such as AI and robotics. To achieve this, we will expand our R&D promotion structure, including by establishing new R&D centers in Tokyo and Kyoto. We will proactively invest our management resources to ramp up our development of AI and robotics technologies, which are particularly high priorities.

Furthermore, achieving our 2030 Long-Term Vision goal of 1 trillion yen in consolidated net sales will

require us to go beyond just expanding our existing businesses to also create new business domains. We will pursue growth opportunities by utilizing co-creation with business partners through open innovation, inorganic strategies including M&As, and our internal job posting system. We will also aim to expand value provision that helps resolve social issues in the food and environment areas.

Accelerating the global growth strategies

In the United States and India, our priority markets, we completed investments aimed at increasing our production capacity (United States: approx. 2x, India: approx. 4x) in the fiscal year ended December 31, 2025. Leveraging these investments, we will quickly increase orders and sales to further strengthen our market presence. We will also go a step further than our previous “local self-sufficiency” approach and strengthen our local development capabilities to launch competitive products and services tailored to regional characteristics in a timely manner. Furthermore, we will accelerate our global growth strategies, including the option of utilizing M&As.

Enhancing our profit structure

Our profitability has improved significantly through initiatives in three processes: (1) cost reduction activities through production innovation in manufacturing, (2) the improvement of order profitability through high-value-added proposals, and (3) the enhancement of project management, such as by streamlining on-site construction and carrying out advance verification using 3D simulation. By continuing and entrenching these initiatives, we aim to further improve profitability, which we have already raised to record levels.

We will also utilize AI and DX in our back-office operations to revamp business processes and bolster our overall profit structure.

Comprehensive approach to compliance and full enforcement of safety

We view compliance and safety as the foundations that support all of the Group's business activities, and strive to implement them thoroughly throughout the Group.

(Comprehensive approach to compliance)

We have defined our approach to compliance as complying not only with internal and external rules, such as laws, regulations, and company rules, but also with social norms, and acting with integrity in all aspects of our business activities. We promote sharing values throughout the Group through various types of education and training. Our goal is to continue to live up to the expectations and trust vested in us by society by having each and every member of the Group maintain high ethical standards and continue to act responsibly.

(Full enforcement of "safety-above-all culture*")

In creating a work environment where every employee can maximize their performance, ensuring the life, health, and safety of employees, their families, customers, and business partners is of the utmost priority. We will spread and instill awareness that safety shall not be given a relative priority such as 'first' or 'second,' but it is absolute and exclusive, globally, and will continue to strive to eradicate disasters and unsafe acts across the Group.

* Japanese term, *anzen sen-ichi* (translated into "safety-above-all culture"), is a registered trademark of FURUKAWA CO., LTD.

[5] Trends in assets and income

(1) Trends in Daifuku Group assets and income

(Million yen, unless otherwise specified)

Category	FY2022 (107th fiscal year ended March 31, 2023)	FY2023 (108th fiscal year ended March 31, 2024)	FY2024 (109th fiscal year ended December 31, 2024)	FY2025 (110th fiscal year ended December 31, 2025)
Orders received	737,475	620,312	594,769	672,618
Net sales	601,922	611,477	563,228	660,724
Ordinary income	59,759	64,207	74,498	104,649
Net income attributable to shareholders of the parent company	41,248	45,461	57,086	78,096
Total assets	551,552	646,154	688,707	754,211
Net assets	332,323	358,755	398,424	451,560
Net assets per share (yen)	878.24	966.98	1,082.71	1,228.00
Net income per share (yen)	109.11	121.63	154.21	212.39
Diluted net income per share (yen)	—	118.45	147.11	202.51

Notes:

1. Net income per share is calculated based on the average number of shares during the period.
2. The shares of the Company remaining in the BBT, which are recorded as treasury stock under shareholders' equity, are included in the treasury stock to be deducted in the calculation of net assets per share and net income per share.
3. The Company conducted a three-for-one split of its common stock effective April 1, 2023. Therefore, net assets per share and net income per share are calculated, assuming that the stock split had been conducted at the beginning of the 107th fiscal year.
4. Diluted net income per share is not stated for the 107th fiscal year, as dilutive shares did not exist.
5. The 109th fiscal year was the period of nine months from April 1, 2024 to December 31, 2024 due to the change in the fiscal year-end.

(2) Trends in Daifuku Co., Ltd. assets and income

(Million yen, unless otherwise specified)

Category	FY2022 (107th fiscal year ended March 31, 2023)	FY2023 (108th fiscal year ended March 31, 2024)	FY2024 (109th fiscal year ended December 31, 2024)	FY2025 (110th fiscal year ended December 31, 2025)
Orders received	334,678	246,101	207,092	271,070
Net sales	290,278	274,535	216,785	287,364
Ordinary income	45,543	47,246	34,879	66,613
Net income	34,053	33,223	29,250	55,611
Total assets	349,892	400,580	396,926	433,564
Net assets	244,570	247,446	246,588	275,370
Net assets per share (yen)	646.91	667.60	670.65	748.88
Net income per share (yen)	90.08	88.89	79.02	151.24
Diluted net income per share (yen)	-	86.51	75.24	144.10
Total number of shares issued at end of year (thousand shares)	379,830	379,830	379,830	379,830

Notes:

1. Net income per share is calculated based on the average number of shares during the period.
2. The shares of the Company remaining in the BBT, which are recorded as treasury stock under shareholders' equity, are included in the treasury stock to be deducted in the calculation of net assets per share and net income per share.
3. The Company conducted a three-for-one split of its common stock effective April 1, 2023. Therefore, net assets per share, net income per share, and total number of shares issued at the end of fiscal year are calculated, assuming that the stock split had been conducted at the beginning of the 107th fiscal year.
4. Diluted net income per share is not stated for the 107th fiscal year, as dilutive shares did not exist.
5. The 109th fiscal year was the period of nine months from April 1, 2024 to December 31, 2024 due to the change in the fiscal year-end.

[6] Parent company and significant subsidiaries (as of December 31, 2025)

(1) Parent company
Not applicable

(2) Significant subsidiaries

Company name	Common stock	Daifuku's percentage of voting rights	Principle business
Contec Co., Ltd.	JPY 450 million	100.0%	A company that manufactures and sells computers, peripheral devices, and software and provides after-sales services for them
Daifuku North America, Inc.	USD 2,010	100.0%	A holding company with operating companies that manufacture and sell material handling systems and equipment and provide after-sales services for them
Clean Factomation, Inc.	KRW 3,000 million	100.0%	A company that manufactures and sells cleanroom transport systems and provides after-sales services for them
Daifuku (Suzhou) Cleanroom Automation Co., Ltd.	RMB 122 million	100.0%	A company that manufactures and sells cleanroom transport systems and provides after-sales services for them

Note: The Company has 61 consolidated subsidiaries, including the above-mentioned four companies.

[7] Major business (as of December 31, 2025)

The Group is involved primarily in conveying, storage, sorting, and picking systems and the manufacture and sale of electronic devices, etc. and involved in ancillary operations to this business.

Our major products include the following:

Category	Key products	
Transport/Conveying	Conveyor systems	Chain conveyor systems, Flexible Drive System, Conveying Flow System
	Electrified monorail systems	RAMRUN, Space Carrier, Cleanway
	Conveyor system auxiliary equipment	Engine test systems, other automated equipment
	Automated guided vehicles	FA Vehicle, FA Cart, Sorting Transfer Vehicle, Sorting Transfer Robot L
Sorting/Picking	Airport technologies	Baggage Tray System, Tilt Tray Sorter, belt conveyor systems, Self Bag Drop System, Mobile Inspection Table
	Sorting systems	Surfing Sorter, Cross-belt Sorter, Sorting Transfer Robot S
Storage	Picking systems	Pick-to-light systems, eye-navi
	Automated warehouse systems	Rackbuil System, Unit Load AS/RS, Mini Load AS/RS, Shuttle Rack-M, Clean Stocker
	Mobile racks, flow racks	Mobile Rack, Shuttle Rack-L
Electronics	Rotating racks	Vertical Carrousel
Electronics	Interface boards, industrial computers, network related equipment, energy saving and environment related solutions	
Car wash machines related	Car wash machines, car wash related products	

[8] Major sales offices and factories (as of December 31, 2025)

Daifuku Co., Ltd.

Name	Location	Name	Location
Headquarters	Osaka, Osaka	Shiga Works (factory)	Gamo-gun, Shiga
Komaki Works	Komaki, Aichi	Tokyo Branch	Minato-ku, Tokyo
Hokkaido Branch	Sapporo, Hokkaido	Tohoku Branch	Sendai, Miyagi
Niigata Branch	Niigata, Niigata	Kitakanto Branch	Soka, Saitama
Fujisawa Branch	Fujisawa, Kanagawa	Nagoya Branch	Komaki, Aichi
Shizuoka Branch	Shizuoka, Shizuoka	Hokuriku Branch	Kanazawa, Ishikawa
Tokai Branch	Toyota, Aichi	Osaka Branch	Osaka, Osaka
Chugoku Branch	Aki-gun, Hiroshima	Kyushu Branch	Tosu, Saga

Subsidiaries in Japan

Company name	Location
Contec Co., Ltd.	Osaka, Osaka
Daifuku Plusmore Co., Ltd.	Kawasaki, Kanagawa

Subsidiaries outside Japan

Company name	Location
Daifuku North America, Inc.	U.S.A.
Daifuku Canada Inc.	Canada
Clean Factomation, Inc.	South Korea
Daifuku Korea Co., Ltd.	South Korea
Daifuku Europe GmbH	Germany
Daifuku (Thailand) Limited	Thailand
Daifuku Mechatronics (Singapore) Pte. Ltd.	Singapore
Daifuku Oceania Limited	New Zealand
Daifuku Intralogistics India Private Limited	India
Daifuku (China) Co., Ltd.	China
Daifuku (China) Automation Co., Ltd.	China
Daifuku (China) Manufacturing Co., Ltd.	China
Daifuku (Suzhou) Cleanroom Automation Co., Ltd.	China
Taiwan Daifuku Co., Ltd.	Taiwan

[9] Employees (as of December 31, 2025)

(1) Daifuku Group

Number of employees: 11,417

(2) Daifuku Co., Ltd.

Category	Male	Female	Total or average
Employees	3,310	548	3,858
(YoY change)	(+130)	(+37)	(+167)
Average age (years old)	41.3	43.2	41.6
Average years of service	14.9	13.5	14.7

Notes:

1. The above data does not include 148 employees on secondment (140 males, 8 females).
2. The above data includes two employees (1 male, 1 female) seconded to the Company from other companies.
3. In addition to the above-mentioned employees, we employ 228 temporary employees (average number of employees during the period).
4. We cannot obtain birth dates and other information of some employees at branches outside Japan. Thus, they are

excluded from the population for the calculation of average age.

[10] Major lenders (as of December 31, 2025)

There are no borrowings from major lenders.

2. Status of Shares (as of December 31, 2025)

[1] Total number of shares authorized to be issued: 750,000,000

[2] Total number of shares issued: 379,830,231 (including 11,684,573 shares of treasury stock)

[3] Number of shareholders: 32,924

Note: The number of shareholders decreased by 2,282 compared to the end of the previous fiscal year.

[4] Major shareholders

Shareholder name	Number of shares held (thousand shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	52,354	14.2
Custody Bank of Japan, Ltd. (Trust Account)	31,761	8.6
STATE STREET BANK AND TRUST COMPANY 505025	9,896	2.7
Mizuho Bank, Ltd.	9,265	2.5
Daifuku Supplier Shareholder Association	8,717	2.4
Nippon Life Insurance Company	8,237	2.2
STATE STREET BANK AND TRUST COMPANY 505038	6,749	1.8
BNYM AS AGT/CLTS 10 PERCENT	6,685	1.8
Chuo-Nittochi Co., Ltd.	6,674	1.8
STATE STREET BANK AND TRUST COMPANY 505001	6,517	1.8

Note: The Company holds 11,684,573 shares of treasury stock, but the shareholding ratio is calculated after deducting treasury stock. The treasury stock does not include the 435,700 shares of the Company that were stipulated to be held by the Custody Bank of Japan, Ltd. (Trust Account E) when the BBT was introduced.

[5] Status of the Company shares presented to directors (excluding outside directors) and corporate officers of the Company for the execution of duties during fiscal 2025

The equity remuneration delivered during fiscal 2025 is outlined below.

Category	Number of shares	Number of target recipients
Directors (excluding outside directors)	16,100 shares	1 person
Corporate officers	9,000 shares	2 persons
Total	25,100 shares	3 persons

Notes:

1. Delivered through the BBT.

2. We have established a practice of providing corporate officers with equity remuneration when they reach the retirement age of 60 years.

[6] Other important matters relating to shares

Based on the resolution passed at the 100th Ordinary General Meeting of Shareholders held on June 24, 2016 and the Board of Directors meeting that followed, the Company introduced BBT plan as performance-linked equity remuneration scheme for directors and corporate officers (excluding outside directors) to motivate them to contribute to improving the Company's business performance in the medium to long term and boosting corporate value.

3. Company Share Warrants, etc.

[1] Share warrants granted to directors and Audit & Supervisory Board members on the final day of fiscal 2025 in recognition of their execution of duties

Not applicable.

[2] Share warrants granted to employees, etc., during fiscal 2025 in recognition of the execution of duties

Not applicable.

[3] Other important matters relating to share warrants, etc.

The outline of the stock acquisition rights attached to the Zero Coupon Convertible Bonds due 2028 and the Zero Coupon Convertible Bonds due 2030 issued pursuant to the resolution of the Board of Directors meeting held on August 29, 2023 is as follows.

	Zero Coupon Convertible Bonds due 2028	Zero Coupon Convertible Bonds due 2030
Date of resolution on issuance	August 29, 2023	
Number of stock acquisition rights	3,000	3,000
Class and number of shares to be issued	The number of shares to be issued upon exercise of the stock acquisition rights shall be determined by dividing the total face value of the bonds pertaining to the claims for the exercise by the conversion price.	
Details and amount of assets to be contributed upon exercise of stock acquisition rights	Upon exercise of each stock acquisition right, the bonds pertaining to such stock acquisition right shall be contributed, and the value of such bonds shall be the same as the face value.	
Conversion price	The conversion price may be revised or adjusted under certain conditions. (Note)	
Exercise period	From September 28, 2023 to August 31, 2028	From September 28, 2023 to August 30, 2030
Balance of bonds with stock acquisition rights	30,000 million yen	30,000 million yen

Note: In line with the increase in dividends from surplus, the conversion prices of the bonds were adjusted as follows, pursuant to the clause for conversion price adjustment of these Zero Coupon Convertible Bonds.

(Resolution of the Board of Directors meeting held on February 12, 2026)

-Zero Coupon Convertible Bonds due 2028: from 3,514.6 yen to 3,485.5 yen per share

-Zero Coupon Convertible Bonds due 2030: from 3,448.1 yen to 3,419.6 yen per share

(Resolution of the Board of Directors meeting held on February 14, 2025)

-Zero Coupon Convertible Bonds due 2028: from 3,534.7 yen to 3,514.6 yen per share

-Zero Coupon Convertible Bonds due 2030: from 3,467.8 yen to 3,448.1 yen per share

(Resolution of the Board of Directors meeting held on May 10, 2024)

-Zero Coupon Convertible Bonds due 2028: from 3,538 yen to 3,534.7 yen per share

-Zero Coupon Convertible Bonds due 2030: from 3,471 yen to 3,467.8 yen per share

The initial conversion prices of these bonds were as follows:

-Zero Coupon Convertible Bonds due 2028: 3,538 yen per share

-Zero Coupon Convertible Bonds due 2030: 3,471 yen per share

4. Company Officers

[1] Names of directors and Audit & Supervisory Board members (as of December 31, 2025)

Position in the Company	Name	Duties, significant concurrent positions
Representative Director President and CEO	Hiroshi Geshiro	—
Representative Director Executive Vice President and COO	Tomoaki Terai	Cleanroom Global Business Head
Director Senior Managing Officer	Seiji Sato	President and CEO of Daifuku North America, Inc.
Director Senior Managing Officer	Hideaki Takubo	Chief Human Resources Officer Corporate Functions Head
Director Managing Officer	Tetsuya Hibi	Chief Financial Officer Deputy Corporate Functions Head Finance and Accounting Division Manager
Director	Yoshiaki Ozawa	Outside Audit & Supervisory Board Member, Daido Life Insurance Company Visiting Professor of Graduate School of Business, Osaka Metropolitan University
Director	Keiko Kaneko	Partner, Anderson Mori & Tomotsune External Statutory Auditor, Fast Retailing Co., Ltd. Statutory Auditor, UNIQLO Co., Ltd.
Director	Gideon Franklin	CEO, Gideon Franklin Limited Outside Director, MCJ Co., Ltd. CEO, Culham Prints and Drawings Ltd
Director	Haruyuki Yoshida	Outside Director, Okada Aiyon Corporation Outside Director, SUGIMOTO & CO., LTD.
Director	Yuki Kanzaki	Outside Director, TOYOBO CO., LTD.
Audit & Supervisory Board Member (full-time)	Tsukasa Saito	—
Audit & Supervisory Board Member	Tsukasa Miyajima	Professor of Law, Asahi University and its Graduate School Outside Director, Hulic Co., Ltd., Chairman of the Board of Directors Outside Director, Dai Nippon Printing Co., Ltd. Audit & Supervisory Board Member (outside), Mikuni Corporation
Audit & Supervisory Board Member	Nobuo Wada	—
Audit & Supervisory Board Member	Eiko Hakoda	Outside Director (Member of Audit and Supervisory Committee), SPARX Group Co., Ltd. Outside Corporate Auditor, SPARX Asset Management Co., Ltd. Outside Director, The Prudential Life Insurance Company, Ltd. Special Counsel, Gaien Partners

Notes:

1. Directors Tetsuya Hibi, Haruyuki Yoshida and Yuki Kanzaki were newly elected and appointed at the 109th Ordinary General Meeting of Shareholders held on March 28, 2025.
2. Directors Hiroshi Nobuta and Mineo Sakai resigned from office due to the expiration of the term of office at the conclusion of the 109th Ordinary General Meeting of Shareholders held on March 28, 2025. Additionally, Director Kaku Kato resigned from the office on October 13, 2025, due to his passing.
3. Audit & Supervisory Board member Tsukasa Saito has extensive practical experience in the finance and accounting unit and possesses considerable knowledge of finance and accounting.
4. The following 16 people are corporate officers (excluding those who are concurrently appointed as directors) and audit officers of the Company.

Senior Managing Officers: Yasuhisa Mishina, Takaya Uemoto, and Takuya Gondoh

Managing Officers: Akihiko Nishimura, Norihito Toriya, and Atsushi Sonoda

Corporate Officers: Hiroaki Kita, Seiji Yamamoto, Tsutomu Maeda, Hirobumi Akiba, Masayuki Izutsu, Takafumi Tanaka, Junji Yano, Kazuyoshi Nishiyama, and Satoru Otani

Audit Officer: Toshikatsu Takahashi

5. Five (5) Directors Yoshiaki Ozawa, Keiko Kaneko, Gideon Franklin, Haruyuki Yoshida, and Yuki Kanzaki are from outside the Company.
6. Three (3) Audit & Supervisory Board members Tsukasa Miyajima, Nobuo Wada, and Eiko Hakoda are from outside the Company.
7. Seven (7) officers, Directors Yoshiaki Ozawa, Gideon Franklin, Haruyuki Yoshida, Yuki Kanzaki and Audit & Supervisory Board members Tsukasa Miyajima, Nobuo Wada, and Eiko Hakoda have been designated and notified as independent officers in accordance with the rules of the Tokyo Stock Exchange.
8. The duties of directors have been changed in line with the organizational reforms implemented on January 1, 2026.

Position/Duties in the Company	Name
Representative Director Chairman	Hiroshi Geshiro
Representative Director President and CEO/COO	Tomoaki Terai
Director and Adviser	Seiji Sato

9. C-suite roles

Chief Executive Officer

Chief Operating Officer

Chief Financial Officer

Chief Human Resources Officer

Chief Information Officer

Chief Production Officer

Chief Technology Officer

[Reference]**Corporate officers and audit officers who do not concurrently serve as directors (as of January 1, 2026)**

Corporate Officers

Job title	Name
Senior Managing Officer Chief Production Officer Chief Information Officer General Manager of Shiga Works Production Innovation Division Manager	Yasuhisa Mishina
Senior Managing Officer Airport Global Business Head	Takaya Uemoto
Senior Managing Officer Chief Technology Officer Business Innovation Division Manager	Takuya Gondoh
Managing Officer President and CEO of Daifuku North America, Inc.	Akihiko Nishimura
Managing Officer Intralogistics Global Business Head Intralogistics Division Manager	Norihito Toriya
Managing Officer Cleanroom Global Business Head Cleanroom Division Manager General Manager of Komaki Works	Atsushi Sonoda
Managing Officer Automotive Global Business Head Automotive Division Manager	Tsutomu Maeda
Managing Officer General Manager of Installation and Service Operations, Intralogistics Division Safety and Health Management Division Manager	Seiji Yamamoto
Managing Officer Corporate Communications Division Manager	Hirobumi Akiba
Corporate Officer Airport Division Manager General Manager of Airport Operations, Airport Division Deputy Safety and Health Management Division Manager	Masayuki Izutsu
Corporate Officer Auto Wash Global Business Head Auto Wash Division Manager President of Daifuku Plusmore Co., Ltd.	Takafumi Tanaka
Corporate Officer General Manager of Production Operations, Intralogistics Division	Junji Yano
Corporate Officer Electronics Global Business Head President and CEO of Contec Co., Ltd.	Kazuyoshi Nishiyama
Corporate Officer General Manager of Business Promotion Operations, Automotive Division	Satoru Otani
Corporate Officer Chairman of Daifuku Intralogistics America Corporation General Manager of Global Strategy Operations, Intralogistics Division	Fumiaki Tatemi
Corporate Officer Human Resources and General Affairs Division Manager	Masaaki Yano
Corporate Officer General Manager of Sales Operations, Intralogistics Division	Chikashi Nakamura
Corporate Officer General Manager of Production Operations, Cleanroom Division	Kouji Katori

Audit Officer

Job title	Name
Audit Officer General Manager of Audit & Supervisory Board Office	Toshikatsu Takahashi

[2] Amount of remunerations for directors and Audit & Supervisory Board members

(1) Matters relating to remuneration, etc.

Type of remuneration		Payment criteria				Payment method	
Basic remuneration (fixed)		Determined according to positions and roles				Monthly Monetary remuneration	
Performance-linked remuneration (variable)*1	Short-term assessment	Method of calculation of bonus resources [Total bonus resources = Consolidated net income x (1.5±0.06) %]		Non-financial indicators (1) Zero serious accidents: ±0.03% (Positive evaluation only if the target is achieved for five consecutive years.) (2) CO ₂ emissions reduction rate (progress rate toward 2030 target and initiatives in a single year) ±0.03%		Annually Monetary remuneration	
		Financial indicator 1.5% of consolidated net income					
		Description					By type
		Basic component	Quantitative evaluation	Consolidated net income	Calculated according to positions and roles		50%
		Performance-linked evaluation component	Quantitative evaluation	Growth potential (rate of increase of consolidated net sales)	Growth potential: Rate of increase of consolidated net sales compared to the previous fiscal year Profitability: Margin (business evaluation coefficient) Rate of improvement of margin compared to the previous fiscal year		30%
	Profitability (margin)						
		Qualitative evaluation	Roles and contributions	Calculated based on roles and contributions concerning medium- to long-term targets and strategic challenges	20%		
	Medium- to long-term assessment	Points to be granted are determined by calculating the points according to positions and roles and the scores based on the target achievement rates (margin target achievement rate + income amount target achievement rate).		Description		By type	Annually Stock compensation
		Target achievement rate for each fiscal year	Financial indicator	Consolidated net income	Rate of achievement of the initial plan: (Margin target achievement rate + income amount target achievement rate) / 2	100%	
		Points to be granted are determined by calculating the points according to positions and roles and the scores based on the target achievement rates (number of items) for management target items of the business plan announced before the end of the previous fiscal year.		Description		By type	Upon completion of the business plan Stock compensation
Three- or four-year business plans achievement rate		Financial indicators*2	Consolidated net sales	800.0 billion yen	Unchanged	25%	
			Consolidated operating margin	11.5%	15.0%	25%	
	ROE [Each fiscal year]		13.0%	17.0%	25%		
	Non-financial indicators	ESG indicators	(1) MSCI ESG Rating: AA or higher (2) FTSE: Continued inclusion in FTSE4Good Index (3) A- or higher score for climate change from CDP (4) CO ₂ emissions reduction rate: 54.0% (Achievement rate against the target for the final year of the four-year business plan for 2027)		25%		

*1 Outside directors and outside members of Audit & Supervisory Board members are not eligible for payment of performance-linked remuneration (variable).

*2 Taking into consideration the results and progress through the fiscal year ended December 31, 2025, we updated the 2030 Vision and management targets for 2027 on February 12, 2026. For details, please refer to “1. Overview of the Daifuku Group [4] Challenges to be addressed, Update on the 2030 Long-Term Vision and the 2027 Plan”

below. In addition, as for the financial indicators for the BBT, since the four-year business plan has been revised, the calculation will be made by totaling the number of items achieved during the periods before and after the revision.

1) Basic remuneration

Basic remuneration is determined based on fixed remuneration for executive remuneration by position. Basic remuneration is paid monthly in consideration of the levels paid by other companies and based on a comprehensive consideration of qualification, position, and performance of the Company.

2) Performance-linked remuneration—bonus

Bonuses are short-term performance-linked remuneration for directors and take the form of monetary remuneration to be paid at a fixed time each fiscal year, in accordance with the evaluation of performance for each fiscal year. Bonuses are calculated by setting the amount of total resources linked to consolidated net income and ESG indicators (safety and the environment) for each fiscal year, and by determining the amount to be allocated to each individual based on two factors: the basic component determined by qualification and job title, and the component of individual performance evaluated based on quantitative indicators (growth rate of net sales and margin) and qualitative indicators (such as roles and initiatives for sustainable growth). The allocation ratio is 50% basic component and 50% performance-linked evaluation component.

Consolidated net income, growth rate of net sales, margin, and improvement rate of margin are used as indicators for calculating bonuses to ensure consistency with the achievement of the Group's management targets and to raise awareness of improving short-term performance. In addition, ESG-related indicators (achievement of occupational safety and CO₂ emissions reduction targets) are used to clarify that efforts related to sustainability issues are reflected in remuneration as Company performance.

The results of our quantitative indicators such as net sales for the fiscal year ended December 31, 2025, are as shown in “1. Overview of the Daifuku Group [5] Trends in assets and income (1) Trends in Daifuku Group assets and income.” For the fiscal year ended December 31, 2025, in terms of ESG-related indicators for safety and the environment, the number of serious accidents and the rate of progress toward the 2030 CO₂ emissions reduction rate target met expectations.

3) Performance-linked remuneration—non-monetary remuneration, “BBT”

The BBT (medium- to long-term performance-linked equity remuneration), a performance-linked non-monetary remuneration scheme, grants points equivalent to stocks based on performance and ESG initiatives during each fiscal year and the three- or four-year business plan period. Directors are paid Company shares and money according to accumulated points at the time of retirement. The scheme aims to further clarify the linkage of directors' remuneration and the Company's business performance as well as its stock value, which enables directors to share the benefit of increase in stock value and the risk of decrease in stock value with shareholders. By doing so, it is expected to raise awareness in directors to contribute to boosting corporate value in the medium and long terms.

(Composition and calculation method)

Points granted = Standard points × achievement coefficient (0.0 to 1.0)

Under this system, eligible officers are granted points calculated by multiplying standard points set for each qualification and position by coefficients between 0.0 and 1.0 (four levels) determined

based on the degree of achievement of each business year target and the three- or four-year business plan targets. The Company's shares and money are paid according to the accumulated points at the time of retirement.

(Target achievement evaluation indicators)

Target achievement is determined based on the following indicators. These indicators are chosen from the perspective of consistency with the achievement of the Group's management targets.

Degree of achievement of each fiscal year targets

- Degree of achievement of planned consolidated net income amount
- Degree of achievement of planned consolidated net income margin

The results of the consolidated net income indicators for the fiscal year ended December 31, 2025, are as shown in "1. Overview of the Daifuku Group [5] Trends in assets and income (1) Trends in Daifuku Group assets and income."

Degree of achievement of three- or four-year business plan targets

- Degree of achievement of financial targets (consolidated net sales, consolidated operating margin, ROE) in the three- or four-year business plan
- Degree of achievement of ESG target indicators in the three- or four-year business plan

By incorporating the degree of achievement of the three- or four-year business plan into evaluation indicators, we aim to incentivize officers to achieve medium- and long-term management goals. In addition to conventional financial indicators, we also use external evaluations from three major ESG rating agencies (MSCI, FTSE, CDP) and the CO₂ emissions reduction rate (Scope 1 and 2, compared to the fiscal year ended March 31, 2019) as ESG-related evaluation indicators, from the perspective of evaluating our commitment to further advancing sustainability management. The targets for consolidated net sales and ESG indicators for the final year of the 2027 Plan, which are financial indicators, are as stated in the payment criteria in "(1) Matters relating to remuneration, etc." above. However, as the 2027 Plan is still ongoing for the fiscal year ended December 31, 2025, there are no actual results regarding the degree of achievement of the business plan targets.

(2) Matters relating to the policy on determination of remuneration, etc. for individual directors and Audit & Supervisory Board members

How we determine the policy and overview of the policy

The policy on remuneration, etc. for directors, including the policy on the determination of remuneration, etc. for individual directors (hereinafter, "Determination Policy"), is determined by the Board of Directors as follows, based on deliberations and reporting by the Advisory Committee.

The Company's basic policy on remuneration for directors is to establish a remuneration system that effectively incentivizes sustainable growth and medium- to long-term enhancement of corporate value for the Group. Remuneration levels for individual directors are determined to appropriately reflect their respective roles and performance. Specifically, the remuneration for directors consists of basic remuneration (fixed remuneration), a bonus (monetary remuneration in the form of short-term performance-linked remuneration that is fluctuated based on performance), and BBT. Outside directors are not eligible for bonuses and BBT from the standpoint of their roles and independence.

The annual remuneration for each director, including the amounts of basic remuneration and bonuses, and points awarded under the BBT, is determined by a resolution of the Board of Directors based on deliberations and reporting by the Advisory Committee.

The Advisory Committee for remuneration is chaired by an outside director and the majority of members are outside directors. The Committee deliberates on the structure and levels of directors' remuneration and reports to the Board of Directors, thereby contributing to securing transparency and fairness in the remuneration determination process. For more information on the Advisory Committee, please refer to "(4) Reasons why the Board of Directors determined that directors' remuneration is in line with the policy."

Furthermore, the Company's basic policy is to pay remuneration to Audit & Supervisory Board members in accordance with the internal rules established with the agreement of Audit & Supervisory Board members. The annual remuneration amount for Audit & Supervisory Board members each fiscal year is determined through discussions among the Audit & Supervisory Board members. In light of their duties, Audit & Supervisory Board members are not eligible for bonuses or BBT, and are paid only basic remuneration.

(3) Matters relating to determination on remuneration, etc. for officers by resolutions of the General Meeting of Shareholders

At the Ordinary General Meeting of Shareholders held on June 29, 2006, the Company determined that the total amount of remuneration for directors should be capped at 700 million yen per annum and the total amount of remuneration for Audit & Supervisory Board members should be capped at 110 million yen per annum. As of the conclusion of the resolution, the Company had eighteen (18) directors and five (5) Audit & Supervisory Board members.

At the Ordinary General Meeting of Shareholders held on June 24, 2016, the Company introduced BBT and resolved that the total number of points granted to directors and corporate officers for three fiscal years be up to 140,000 points (out of which 80,000 points are for directors, and out of 140,000 shares of the Company's common stock, 80,000 shares are for directors) (hereinafter referred to as the "Original Resolution"). The Company had ten (10) directors when the Original Resolution was made at such Meeting. Excluding two (2) outside directors, eight (8) directors were covered by the BBT scheme. (The Company conducted a three-for-one split of its common stock effective April 1, 2023. The number of shares of common stock shown above is the number of shares before the stock split.)

In the Original Resolution, remuneration for directors based on the BBT was within the Monetary Remuneration Limit, but at the Ordinary General Meeting of Shareholders held on March 28, 2025, it was resolved to treat the remuneration as a separate limit from the Monetary Remuneration Limit, and, in conjunction with the change in fiscal year-end from March 31 to December 31, to change the applicable period for the BBT. The Company had eleven (11) directors when the resolution was made at such Meeting. Excluding six (6) outside directors, five (5) directors were covered by the BBT scheme.

(4) Reasons why the Board of Directors determined that directors' remuneration is in line with the policy

For the fiscal year ended December 31, 2025, the Advisory Committee consisted of all six (6) outside directors (one (1) of whom served as chairperson) and two (2) representative directors, and held four meetings (in January, October, November and December 2025) of the Advisory Committee for remuneration. The Board of Directors confirmed that the deliberations and reporting by the Advisory Committee were conducted in accordance with the Determination Policy described in (2) above, and based on the reporting, determined the content of individual remuneration for each

director for the fiscal year ended December 31, 2025. For this reason, the Board of Directors judged that the content of remuneration for individual directors for the fiscal year ended December 31, 2025 was consistent with the Determination Policy. Outside Director Kaku Kato passed away on October 13, 2025, and resigned from the office of director effective the same day.

(5) Remuneration, etc. for officers for the fiscal year ended December 31, 2025

Total amount of remuneration, etc. for, and number of, directors and Audit & Supervisory Board members

Type of officer	Total remuneration (million yen)	Total remuneration, etc. by type (million yen)			Number of target officers
		Basic remuneration	Performance-linked remuneration		
			Bonus	Non-monetary remuneration (BBT)	
Directors (of which, number of outside directors)	799 (83)	334 (83)	365 (-)	99 (-)	13 (7)
Audit & Supervisory Board members (of which, number of outside members)	77 (40)	77 (40)	- (-)	- (-)	4 (3)

(6) Other important matters relating to determination of remuneration, etc. for individual directors, besides the above-mentioned matters

With respect to BBT before the vesting of rights among directors' remuneration, for the purpose of ensuring sound management, the Company has established internal regulations stipulating that, in the event of certain circumstances concerning directors, such director may not acquire the right to receive benefits of BBT upon resolution of the Board of Directors (Malus clause).

[3] Outside officers

(1) Directors

1) Significant concurrent positions and Daifuku's relationship with those organizations

Category	Name	Organization offering concurrent position	Concurrent position
Outside director	Yoshiaki Ozawa	Daido Life Insurance Company	Outside Audit & Supervisory Board Member
		Graduate School of Business, Osaka Metropolitan University	Visiting Professor
Outside director	Kaku Kato	–	–
Outside director	Keiko Kaneko	Anderson Mori & Tomotsune	Partner
		Fast Retailing Co., Ltd.	External Statutory Auditor
		UNIQLO Co., Ltd.	Statutory Auditor
Outside director	Gideon Franklin	Gideon Franklin Limited	CEO
		MCJ Co., Ltd.	Outside Director
		Culham Prints and Drawings Ltd	CEO
Outside director	Haruyuki Yoshida	Okada Aiyon Corporation	Outside Director
		SUGIMOTO & CO., LTD.	Outside Director
Outside director	Yuki Kanzaki	TOYOBO CO., LTD.	Outside Director

Notes:

1. The Company has no dealings or other relationship with Osaka Metropolitan University where Director Yoshiaki Ozawa serves as a visiting professor.
2. Director Kaku Kato resigned from the office on October 13, 2025, due to his passing.
3. While the Company may outsource individual cases to Anderson Mori & Tomotsune where Director Keiko Kaneko serves as a partner, the two parties have not signed any consulting agreement and the value of any transactions is less than 1% of consolidated net sales for both parties.
4. The Company has no dealings or other relationship with Gideon Franklin Limited or Culham Prints and Drawings Ltd where Director Gideon Franklin serves as CEO.

2) Main activities

Name	Attendance (Number of times attended)	Summary of remarks made and duties performed in relation to expected roles
Yoshiaki Ozawa	Board meeting Regular 12/12 Extraordinary 4/4 Advisory Committee 8/8	Mr. Yoshiaki Ozawa has considerable knowledge in financial and accounting matters and teaches accounting as a university professor by leveraging his experience working abroad. At meetings of the Board of Directors, he offers professional advice and counsel to secure the transparency of management and enhance the monitoring and supervision thereof based on his abundant experience and extensive knowledge, as well as to help promote the globalization of the Group. In addition, he works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.

Name	Attendance (Number of times attended)	Summary of remarks made and duties performed in relation to expected roles
Kaku Kato	Board meeting Regular 9/9 Extraordinary 3/3 Advisory Committee 4/4	Mr. Kaku Kato had abundant experience and extensive knowledge in corporate management, particularly in the fields of safety and ESG as well as compliance and internal control, cultivated through the positions as executive officer at a trading company and an energy-related company. Until his resignation due to his passing, he offered advice and counsel at meetings of the Board of Directors to secure the transparency of management and enhance the monitoring and supervision thereof largely from the viewpoint of corporate legal affairs. In addition, he worked to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.
Keiko Kaneko	Board meeting Regular 12/12 Extraordinary 4/4 Advisory Committee 8/8	Ms. Keiko Kaneko has experienced working at a trading company and as an associate professor at a graduate school. As a lawyer, she is actively involved in areas such as business acquisition, transactions and management of business enterprises, and regulations in the field of natural resources. At meetings of the Board of Directors, she offers advice and counsel to secure the transparency of management and enhance the monitoring and supervision thereof from her professional viewpoint. In addition, she works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.
Gideon Franklin	Board meeting Regular 12/12 Extraordinary 4/4 Advisory Committee 8/8	Mr. Gideon Franklin has abundant experience and extensive knowledge in corporate management as an analyst, M&A advisor, and management executive in international financial institutions and other organizations. Based on his extensive knowledge on global business management, he offers advice and counsel to enhance the diversity of the Board of Directors and to secure the transparency of management and enhance the monitoring and supervision from an unconventional perspective. In addition, he works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.
Haruyuki Yoshida	Board meeting Regular 9/9 Extraordinary 2/2 Advisory Committee 6/6	Mr. Haruyuki Yoshida has global experience and extensive knowledge as a corporate manager, having served as the corporate officer of a machinery manufacturer and the head of its group U.S. company. He offers advice and counsel at meetings of the Board of Directors to secure the transparency of management and enhance the monitoring and supervision thereof. In addition, he works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.

Name	Attendance (Number of times attended)	Summary of remarks made and duties performed in relation to expected roles
Yuki Kanzaki	Board meeting Regular 9/9 Extraordinary 2/2 Advisory Committee 6/6	Ms. Yuki Kanzaki has served in positions such as an officer of a food and beverage manufacturer and its group companies. She has consistently worked in <i>monozukuri</i> (workmanship) onsite in the manufacturing industry while playing a primary role in advancing business restoration, structural reform, and the reformation of organizational culture in acquired companies. Based on such abundant experience and knowledge, she offers advice and counsel at meetings of the Board of Directors, not to mention the production departments, to secure the transparency of management and enhance the monitoring and supervision thereof. In addition, she works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.

Notes:

1. The attendance rate of Director Mr. Kaku Kato covers his attendance at regular and extraordinary Board of Directors meetings and Advisory Committee meetings held until his retirement due to passing on October 13, 2025. The attendance rates of Directors Mr. Haruyuki Yoshida and Ms. Yuki Kanzaki cover their attendance at regular and extraordinary Board of Directors meetings and Advisory Committee meetings held after March 28, 2025, the day they assumed office.
2. Advisory Committee meetings comprised four nomination committee meetings and four remuneration committee meetings.

(2) Audit & Supervisory Board members

1) Significant concurrent positions and Daifuku's relationship with those organizations

Category	Name	Organization offering concurrent position	Concurrent position
Audit & Supervisory Board Member (outside)	Tsukasa Miyajima	Law, Asahi University and its Graduate School	Professor
		Hulic Co., Ltd.	Outside Director Chairperson of the Board of Directors
		Dai Nippon Printing Co., Ltd.	Outside Director
		Mikuni Corporation	Audit & Supervisory Board Member (outside)
Audit & Supervisory Board Member (outside)	Nobuo Wada	–	–
Audit & Supervisory Board Member (outside)	Eiko Hakoda	SPARX Group Co., Ltd.	Outside Director (Member of Audit and Supervisory Committee)
		SPARX Asset Management Co., Ltd.	Outside Corporate Auditor
		The Prudential Life Insurance Company, Ltd.	Outside Director
		Gaien Partners	Special Counsel

Note: The Company has no dealings or other relationship with Asahi University where Audit & Supervisory Board member Mr. Tsukasa Miyajima serves as a professor.

2) Attendance and remarks at Board of Directors and Audit & Supervisory Board meetings

Name	Attendance (Number of times attended)	Summary of remarks made
Tsukasa Miyajima	Board meeting Regular 12/12 Extraordinary 4/4 Audit & Supervisory Board meeting Regular 9/9	Mr. Tsukasa Miyajima is a university professor specializing in law. He offers advice and counsel to Board of Directors meetings and Audit & Supervisory Board meetings when required based on his abundant experience and deep insight to secure the transparency of management and enhance the functions of management monitoring and auditing thereof by professing opinions primarily from his professional standpoint as an academic and legal expert.
Nobuo Wada	Board meeting Regular 12/12 Extraordinary 4/4 Audit & Supervisory Board meeting Regular 9/9	Mr. Nobuo Wada has long been a professor of condensed matter physics at the university. He offers advice and counsel to Board of Directors meetings and Audit & Supervisory Board meetings when required based on his abundant experience and deep insight to secure the transparency of management and enhance the functions of management monitoring and auditing thereof by professing opinions on a wide range of science and technology topics primarily from his professional standpoint as an experienced academic.
Eiko Hakoda	Board meeting Regular 12/12 Extraordinary 4/4 Audit & Supervisory Board meeting Regular 8/9	Ms. Eiko Hakoda is a lawyer and has a proven track record and a high level of expertise in finance, international commerce, and corporate governance through her engagement in global business for many years. She offers advice and counsel to Board of Directors meetings and Audit & Supervisory Board meetings when required based on her wide-ranging, abundant experience and deep insight to secure the transparency of management and enhance the functions of management monitoring and auditing thereof.

(3) Content and overview of limited liability agreement

The Company has concluded limited liability agreements with its outside directors and outside members of the Audit & Supervisory Board to limit the liability for damages to the amount set by laws and regulations, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act as well as the provisions of Articles 28 (Limited Liability Agreements for Outside Directors) and 36 (Limited Liability Agreements for Outside Audit & Supervisory Board Members) of the Company's Articles of Incorporation.

5. Matters Relating to Liability Insurance Contracts for Company Officers

The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered.

However, any damage to officers themselves who intentionally committed criminal acts such as bribery or other illegal acts will not be compensated to ensure the appropriateness of officers' execution of duties is not compromised. The persons covered under this insurance contract are the Company's directors, Audit & Supervisory Board members, corporate officers, audit officers, employees in management positions, as well as directors, Audit & Supervisory Board members, and corporate officers serving at Japanese subsidiaries. The insurance premiums for all insured persons are paid by the Company and the individual Japanese subsidiaries concerned.

6. Accounting Auditor

[1] Accounting auditor's name

PricewaterhouseCoopers Japan LLC

[2] Accounting auditor's remuneration, etc. for fiscal 2025

Type of remuneration	Amount of remuneration, etc.
1. Remuneration as the accounting auditor for fiscal 2025	122 million yen
2. Total amount of money to be paid by the Company and its subsidiaries in terms of owed monetary totals and other property gains	137 million yen

Notes:

1. The Audit & Supervisory Board acts in accordance with Article 399, Paragraph 1 of the Companies Act regarding the amount of remuneration, etc. to be extended to the accounting auditor after confirming and examining the contents of the accounting auditor's audit plan, the timing, and results of the previous fiscal year's audit plan, past trends for auditing remuneration for the Company and other companies, and the level of performance of duties by the accounting auditor.
2. Given that the amount of accounting auditor remuneration in contact between the Company and the accounting auditor is not categorized into auditing based on the Companies Act and auditing based on the Financial Instruments and Exchange Act, we have displayed these totals in the above-listed table. Additionally, the table also includes remuneration for English financial statements.

[3] Audits of consolidated subsidiaries

Of the Company's significant subsidiaries, subsidiaries located outside of Japan are audited by certified public accountants or auditing firms other than PricewaterhouseCoopers Japan LLC.

[4] Description of non-audit services

Not applicable.

[5] Policy on determination of dismissal or non-reappointment of accounting auditor

Having gained the consent of all members, the Audit & Supervisory Board shall dismiss the accounting auditor if it is found to fall under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act. If such an event occurs, the members selected by the Audit & Supervisory Board will explain the details of the decision to the first general meeting of shareholders to be held following the dismissal.

The Audit & Supervisory Board can also decide a proposal for submission to the general meeting of shareholders to dismiss or not reappoint an accounting auditor if, as a result of a comprehensive evaluation based on the Company's evaluation standards for accounting auditors, it is deemed necessary to change the accounting auditor due to any factors that might hinder the accounting auditor's ability to execute its duties or to further enhance the appropriateness of the audit. The Board of Directors shall submit the proposal to the general meeting of shareholders based on that decision.

7. Overview of Systems to Ensure Appropriateness of Business Operations and Its Operational Status

The content of decisions taken by the Board of Directors regarding internal control systems to ensure the appropriateness of business operations along with an outline of their operational status is listed below.

Systems to ensure appropriateness of business operations, etc.

[1] System to ensure that the performance of duties by directors and employees complies with laws and regulations and the Articles of Incorporation of the Company

- (1) Directors shall take the lead in observing the Group Code of Conduct (hereinafter referred to as the “Code”), which aims for compliance with laws and regulations, the Articles of Incorporation of the Company, the internal rules and regulations, and social norms, and strive to achieve a thorough understanding of the Code within the Company.
- (2) The Company shall ensure compliance with laws and regulations in its corporate activities and raise and improve awareness of fairness and morality, by setting the Compliance Committee consisting of all directors and corporate officers.
- (3) The Audit Division, which is independent of the Company’s lines of business execution, shall conduct audits of the status of adherence to laws and regulations, the Articles of Incorporation of the Company and the internal rules and regulations.
- (4) The Company shall develop and operate a whistleblowing system for the early detection of risks associated with corporate activities and the prevention of material problems.
- (5) In addition to the above, the Company shall establish and operate various committees for the purpose of solving important issues within the Group in a cross-organizational manner.

[2] System to store and manage information related to the execution of duties by directors

The Company shall properly store and manage the minutes of general shareholders’ meetings and meetings of the Board of Directors, records, and other information related to the execution of duties by directors in accordance with the Document Management Rules and other internal rules and regulations.

[3] Rules and regulations, and other systems for managing the risk of losses

- (1) For the timely and appropriate control of risks that may affect the achievement of management goals of the Group, the Company shall develop policies, regulations, and systems, while the Risk Management Committee shall promote overall risk management activities for significant risks that affect corporate activities.
- (2) The Company shall develop a business continuity plan (BCP) promotion system in preparation for an emergency, implement preventive measures, education, training, etc., and promote regular inspections under the plan and correction of deficiencies.
- (3) The Company shall establish regulations on information security that stipulate the system necessary for maintenance and management of information security, functions and authorities of organizations to promote information security and handling methods of information assets, thereby protecting information assets owned by the Group.

[4] System to ensure the efficient execution of duties by directors

- (1) The Board of Directors shall formulate management goals, business plans, and other managerial policies of the entire Group to be shared by officers and employees and seek to instill them throughout the Group.
- (2) The Company shall introduce a corporate officer system. Management functions shall be separated into two, the management decision-making and supervision functions of the Board of Directors and the business execution functions of corporate officers. Corporate officers shall formulate specific

goals and measures for their own units in light of the management goals determined by the Board of Directors and execute operations to achieve those goals.

[5] System to ensure the appropriateness of business operations of the Group comprising the Company and its subsidiaries

- (1) In accordance with the Code shared by the Group, officers and employees of the Group shall comply with relevant laws, the Articles of Incorporation of the Company, internal regulations, and social norms to act with integrity.
- (2) In accordance with the Group Governance Rules, the Company shall appoint officers in charge of subsidiaries and ensure the appropriateness of the business operations of the entire Group by providing instructions and advice through these officers on all aspects of the management of its subsidiaries across the globe.
- (3) Standing in a position that is independent from the business execution lines, the Audit Division shall conduct audits of the appropriateness of the status of development and operation of internal control systems in the Group.
- (4) In accordance with laws and regulations, the Company and the entire Group shall take a resolute attitude toward anti-social forces and groups that threaten the order and safety of civil society. In addition, the Company shall strive to develop and disseminate anti-bribery regulations, etc., in response to compliance risk on a global level.

[6] Matters related to employees who should assist with the duties of the Audit & Supervisory Board members, matters related to the independence of the employees from the directors, and matters related to ensuring the effectiveness of instructions issued to the employees

- (1) The Company shall establish an Audit & Supervisory Board Office staffed with employees assigned to assist with the duties of Audit & Supervisory Board members.
- (2) The Company shall respect the opinions of Audit & Supervisory Board members when making personnel decisions relating to the Audit & Supervisory Board Office and the Audit Division. The Company also shall consider the independence of the Audit & Supervisory Board Office as part of its endeavor to ensure the effectiveness of instructions given to Audit & Supervisory Board Office employees.

[7] System to enable directors and employees of the Company and its subsidiaries to submit reports to Audit & Supervisory Board members, and a system to ensure any person who has submitted a report is not treated disadvantageously as a result

- (1) Directors and employees, etc. of the Company and its subsidiaries shall report the following matters to the Audit & Supervisory Board members:
 1. Matters that may cause significant damage to the Group
 2. Important matters pertaining to business circumstances on a monthly basis
 3. Important matters relating to the status of internal audits and risk management
 4. Serious violations of laws or the Articles of Incorporation of the Company
 5. Other significant compliance-related matters
- (2) The Group shall not take any adverse actions against directors, employees, etc. who reported to the Audit & Supervisory Board members on the grounds that they provided information to the said members.
- (3) Members of the Audit & Supervisory Board, the Audit & Supervisory Board Office, and the Audit Division shall attend meetings of the Board of Directors of subsidiaries and other major meetings to collect information and ensure the effectiveness of audits.

[8] Other systems to ensure the effective execution of audits by Audit & Supervisory Board members

- (1) In accordance with auditing standards of the Audit & Supervisory Board, Audit & Supervisory Board members shall hold regular opinion exchange forums with the representative directors and outside directors on important audit issues, etc.
- (2) Audit & Supervisory Board members shall receive regular reports on audit plans and results from the Audit Division and request investigations, as necessary.
- (3) Audit & Supervisory Board members shall direct the Audit & Supervisory Board Office to enhance the effectiveness of audits and ensure the smooth execution of audit duties.
- (4) Audit & Supervisory Board members and the Audit & Supervisory Board shall meet regularly with the accounting auditor to maintain close contact and conduct effective and efficient audits.
- (5) The Audit & Supervisory Board may request the Company to make advance payment or reimbursement of expenses required for conducting audits, including the use of legal and accounting specialists.

Overview of operational status of the internal control systems

[1] Initiatives for compliance

- (1) The Compliance Committee, which is chaired by the President and CEO and consists of all directors and corporate officers, takes the lead in our efforts to investigate and respond to compliance incidents, deliberates measures for preventing reoccurrences, and ensures a thorough understanding throughout the Group. During the fiscal year ended December 31, 2025, the Compliance Committee engaged in focused discussions regarding issues such as improving the effectiveness of the whistleblowing system at a global level, and strove to strengthen the compliance of the entire Group.
- (2) We conduct ongoing compliance training tailored to individual ranks and job categories. The training aims to promote the widespread implementation of the Code, which indicates the manner of actions to be taken by the Group's officers and employees; promote the widespread use of the Compliance Guidebook, which clearly explains the Code; provide more knowledge to officers and employees about legal matters related to their business duties; and heighten their compliance awareness. Furthermore, we designate every October as compliance awareness month, and conduct company-wide compliance awareness-raising activities. In the fiscal year ended December 31, 2025, we carried out awareness-raising activities on the topic of fundamentals of Competition Law.

[2] Initiatives for risk management

The Risk Management Committee, which is chaired by Representative Director, Executive Vice President and consists of directors and corporate officers, takes the lead in our periodic Group-wide risk assessment efforts. For critical risks that would significantly affect the Group's corporate activities, the Risk Management Committee decides on a response policy, and the Group implements necessary measures accordingly, striving to minimize the likelihood of risks manifesting and the damages that may result if they do manifest. In the fiscal year ended December 31, 2025, the Risk Management Committee met three times and discussed various matters, primarily on identifying severe risks, and reinforcing business continuity management.

[3] Initiatives for the execution of duties by directors and Group governance

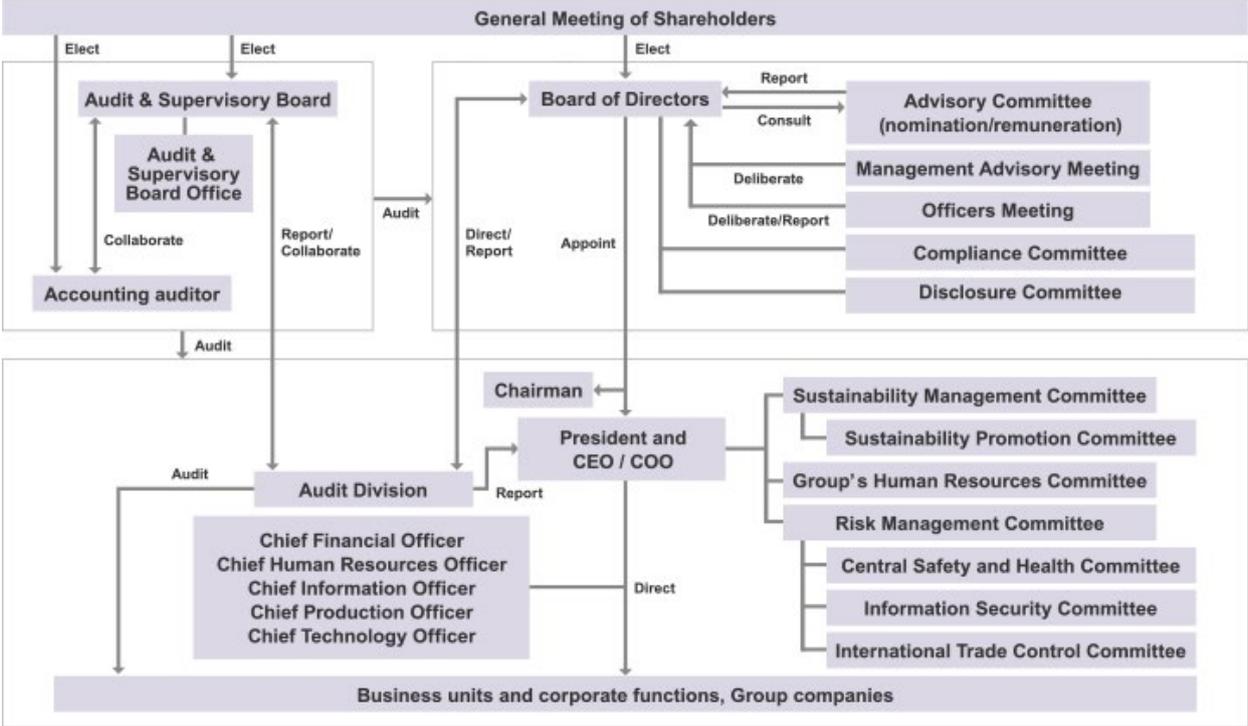
- (1) We formulated our long-term vision, Driving Innovative Impact 2030, and our 2027 Plan as the midpoint of this long-term vision, and we are working toward achieving the targets set out therein. We defined priority topics to work on and set KPIs to measure our level of achievement. These were

- linked to the targets and key initiatives of individual business units, and we strive to implement those initiatives. Furthermore, we periodically share messages from the CEO and use training and other tools to share our direction throughout the Group and promote its widespread implementation.
- (2) We established various internal rules, narrowed down the agenda items to be discussed at meetings of the Board of Directors, and appropriately delegated decision-making authority to those in charge of executive functions. At the same time, we introduced C-suite roles responsible for Group-wide management of functional areas such as human resources, technology development, production, information, and finance to strengthen governance and speed up decision-making.
 - (3) Board of Directors meeting minutes, approval documents, and other documents are retained and managed appropriately in accordance with the Company's internal rules related to document management.

[4] Initiatives for audits

Audit & Supervisory Board members perform audits based on audit plans created by the Audit & Supervisory Board, and confirm the state of operations of the Company's internal control systems by attending important meetings such as Board of Directors meetings, officers meetings, and Compliance Committee meetings; regularly sharing their opinions with the representative directors and outside directors; interviewing managers from business units; and conducting other activities. Furthermore, they improve the effectiveness of audits by coordinating closely with an audit unit which conducts internal audits independently from the Company's lines of business execution, the accounting auditor, legal and compliance units, and other related departments. We assign staff members to assist with the duties of Audit & Supervisory Board members to further improve the effectiveness of their auditing.

Corporate Governance System



Updated in January 2026

8. Dividend Payments from Surplus, etc.

The Company regards the return of profits to shareholders as one of its most important management tasks and adopts a performance-based policy regarding cash dividends based on consolidated net income. After dividends, the Company appropriates the remaining surplus to internal reserves to be used as investment funds for future growth.

In the four-year business plan for 2027 that started in April 2024, the Company aims to achieve a consolidated dividend payout ratio of 35% or more for each fiscal year.

For the fiscal year ended December 31, 2025, the Company paid an interim dividend of 34 yen per share, and at a meeting held on February 12, 2026 the Board of Directors passed a resolution to pay a year-end dividend of 44 yen per share, resulting in an annual dividend of 78 yen per share. This represents a consolidated dividend payout ratio of 36.7%.

To flexibly pay dividends from surplus, the Articles of Incorporation of the Company stipulate that the Board of Directors may determine the dividend to be paid from surplus without requiring a resolution from the General Meeting of Shareholders regarding matters stipulated in Article 459, Paragraph 1 of the Companies Act (the provision of articles of incorporation that permits the Board of Directors to decide dividends payments from surplus), except when otherwise provided for in separate laws or regulations.

Consolidated Balance Sheets

(As of December 31, 2025)

(Million yen)

Item	Amount	Item	Amount
(ASSETS)	754,211	(LIABILITIES)	302,650
Current assets	583,765	Current liabilities	227,180
Cash on hand and in banks	261,252	Notes and accounts payable and construction contracts payable	66,839
Notes receivable, accounts receivable from completed construction contracts and other, and contract assets	238,936	Electronically recorded obligations - operating	15,984
Merchandise and finished goods	10,799	Short-term borrowings	652
Costs incurred on uncompleted construction contracts and other	21,876	Income taxes payable	15,427
Raw materials and supplies	31,383	Contract liabilities	74,179
Other	21,548	Provision for bonuses	16,792
Allowance for doubtful accounts	(2,032)	Provision for losses on construction contracts	177
Non-current assets	170,446	Other	37,127
Property, plant and equipment	108,078	Non-current liabilities	75,470
Buildings and structures, net	56,776	Convertible-bond-type bonds with stock acquisition rights	60,728
Machinery and vehicles, net	18,792	Deferred tax liabilities	507
Tools and fixtures, net	5,842	Liabilities for retirement benefits	6,029
Land	13,560	Other provisions	660
Construction in progress	5,915	Other	7,545
Other, net	7,192	(NET ASSETS)	451,560
Intangible assets	12,954	Shareholders' equity	402,555
Software	9,325	Common stock	31,865
Goodwill	1,943	Capital surplus	20,414
Other	1,685	Retained earnings	381,009
Investments and other assets	49,414	Treasury stock	(30,732)
Investments in securities	7,268	Accumulated other comprehensive income	48,991
Long-term loans	120	Net unrealized gain (loss) on securities	3,257
Assets for retirement benefits	17,006	Deferred gain (loss) on hedges	(223)
Deferred tax assets	20,585	Foreign currency translation adjustments	43,783
Other	4,435	Accumulated adjustments on retirement benefits	2,174
Allowance for doubtful accounts	(0)	Non-controlling interests	13
Total	754,211	Total	754,211

Consolidated Statements of Income

(January 1, 2025–December 31, 2025)

(Million yen)

Net sales		660,724
Cost of sales		499,073
Gross profit		161,651
Selling, general and administrative expenses		60,835
Operating income		100,816
Other income		
Interest income	3,117	
Dividend income	314	
Subsidy income	626	
Land and house rental revenue	223	
Other	422	4,703
Other expenses		
Interest expenses	275	
Interest expenses on bonds	(205)	
Foreign exchange losses	490	
Tax for prior periods	262	
Other	48	870
Ordinary income		104,649
Extraordinary income		
Gain on sales of property, plant and equipment	31	
Gain on sales of investments in securities	4,347	
Insurance claim income	909	
Gain on termination of retirement benefit plan	697	
Other	24	6,010
Extraordinary loss		
Loss on sales of property, plant and equipment	0	
Loss on disposal of property, plant and equipment	362	
Compensation payments	599	
Extra retirement payments	92	
Other	26	1,082
Income before income taxes		109,578
Income taxes - current	24,547	
Income taxes - deferred	6,929	31,477
Net income		78,100
Non-controlling interests		4
Net income attributable to shareholders of the parent company		78,096

Non-Consolidated Balance Sheets

(As of December 31, 2025)

Daifuku Co., Ltd.

(Million yen)

Item	Amount	Item	Amount
(ASSETS)	433,564	(LIABILITIES)	158,194
Current assets	284,726	Current liabilities	91,236
Cash on hand and in banks	105,164	Electronically recorded obligations - operating	15,509
Notes receivable	295	Accounts payable - trade	15,035
Electronically recorded monetary claims - operating	8,275	Construction contracts payable	1,224
Accounts receivable from completed construction contracts and contract assets	105,838	Short-term borrowings	4,403
Accounts receivable	19,692	Current portion of long-term borrowings	100
Merchandise and finished goods	40	Lease liabilities	113
Costs incurred on uncompleted construction contracts and other	13,910	Accounts payable - other	11,303
Raw materials and supplies	18,315	Accrued expenses	4,362
Prepaid expenses	1,814	Income taxes payable	9,907
Accounts receivable - other	3,224	Contract liabilities	11,579
Short-term loans receivable	46	Provision for bonuses	13,610
Short-term loans receivable from affiliates	6,359	Provision for losses on construction contracts	51
Other	1,964	Other	4,035
Allowance for doubtful accounts	(215)	Non-current liabilities	66,958
Non-current assets	148,838	Convertible-bond-type bonds with stock acquisition rights	60,728
Property, plant and equipment	53,713	Lease liabilities	962
Buildings	28,257	Long-term accounts payable - other	106
Structures	1,647	Provision for retirement benefits	4,273
Machinery and equipment	8,732	Other provisions	544
Vehicles	7	Other	342
Tools and fixtures	2,427		
Land	7,461	(NET ASSETS)	275,370
Leased assets	1,076	Shareholders' equity	272,366
Construction in progress	4,103	Common stock	31,865
Intangible assets	6,166	Capital surplus	22,969
Software	5,893	Legal capital surplus	8,998
Software in progress	170	Other capital surplus	13,970
Other	102	Retained earnings	248,263
Investments and other assets	88,958	Legal retained earnings	112
Investments in securities	6,840	Other retained earnings	248,151
Shares in affiliates	54,817	Reserve for dividends	7,000
Investments in capital of affiliates	6,225	Reserve for tax purpose reduction entry of non-current assets	277
Long-term loans	127	General reserve	30,000
Long-term prepaid expenses	229	Retained earnings brought forward	210,874
Deferred tax assets	9,784	Treasury stock	(30,732)
Prepaid pension costs	9,157	Valuation and translation adjustments	3,004
Leasehold and guarantee deposits	1,146	Net unrealized gain (loss) on securities	3,201
Other	630	Deferred gain (loss) on hedges	(196)
Allowance for doubtful accounts	(0)		
Total	433,564	Total	433,564

Non-Consolidated Statements of Income

(January 1, 2025–December 31, 2025)

Daifuku Co., Ltd.

(Million yen)

Net sales		287,364
Cost of sales		220,545
Gross profit		66,819
Selling, general and administrative expenses		25,977
Operating income		40,841
Other income		
Interest income	443	
Dividend income	24,694	
Foreign exchange gains	326	
Land and house rental revenue	160	
Other	157	25,783
Other expenses		
Interest expenses	63	
Interest expenses on bonds	(205)	
Tax for prior periods	149	
Other	4	11
Ordinary income		66,613
Extraordinary income		
Gain on sales of investments in securities	4,347	
Other	1	4,348
Extraordinary loss		
Loss on disposal of property, plant and equipment	332	332
Income before income taxes		70,629
Income taxes - current	16,105	
Income taxes - deferred	(1,086)	15,018
Net income		55,611

Independent Auditor's Report
(English Translation*)

February 24, 2026

To the Board of Directors of Daifuku Co., Ltd.

PricewaterhouseCoopers Japan LLC
Osaka office

Kengo Yamamoto, CPA
Designated limited liability Partner
Engagement Partner

Masahisa Kinoshita, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 444 (4) of the Companies Act of Japan, the accompanying consolidated financial statements, which comprise the consolidated balance sheet, consolidated profit and loss statement, consolidated statement of changes in net assets and notes to the consolidated financial statements of Daifuku Co., Ltd. and its subsidiaries (hereinafter referred to as the "Group") for the consolidated fiscal year from January 1, 2025 to December 31, 2025.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and its consolidated financial performance for the period covered by the consolidated financial statements in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to audits of consolidated financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, those charged with governance are responsible for overseeing the directors' execution of their duties in designing and operating the reporting process over the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or to remain alert for whether there are the indications that the other information appears to be materially misstated beyond such material inconsistencies.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Those charged with governance are responsible for overseeing the directors' execution of their duties in designing and operating the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit and other matters required by auditing standards.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

*** Notes to the Readers of Independent Auditor's Report**

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader. The original was prepared in Japanese. All possible care has been taken to ensure that the translation is an accurate representation of the original, however, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over the translated version.

Independent Auditor's Report
(English Translation*)

February 24, 2026

To the Board of Directors of Daifuku Co., Ltd.

PricewaterhouseCoopers Japan LLC
Osaka office

Kengo Yamamoto, CPA
Designated limited liability Partner
Engagement Partner

Masahisa Kinoshita, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the accompanying financial statements, which comprise the balance sheet, profit and loss statement, statement of changes in net assets and notes to the financial statements, and the supplementary schedules of Daifuku Co., Ltd. (hereinafter referred to as the "Company") for the 110th fiscal year from January 1, 2025 to December 31, 2025.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and its financial performance for the period covered by the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to audits of financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, those charged with governance are responsible for overseeing the directors' execution of their duties in designing and operating the reporting process over the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or to remain alert for whether there are the indications that the other information appears to be materially misstated beyond such material inconsistencies.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and the Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Those charged with governance are responsible for overseeing the directors' execution of their duties in designing and operating the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements and the supplementary schedules are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit and other matters required by auditing standards.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

* Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader. The original was prepared in Japanese. All possible care has been taken to ensure that the translation is an accurate representation of the original, however, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over the translated version.

Audit Report

In regard to the directors' performance of their duties for the 110th fiscal year from January 1, 2025 to December 31, 2025, the Audit & Supervisory Board has prepared this Audit Report as the unanimous opinion of the Audit & Supervisory Board members resulting from deliberations based on the audit reports prepared by each Audit & Supervisory Board member and reports as follows.

1. Method and contents of Audits by the Audit & Supervisory Board members and the Audit & Supervisory Board
 - (1) The Audit & Supervisory Board determined the audit policies and audit plan, etc., and received reports from each Audit & Supervisory Board member regarding the implementation status and results of their audits, in addition to which it received reports from the directors, etc., and the accounting auditor regarding the status of the performance of their duties and requested explanations, as necessary.
 - (2) In compliance with the Audit & Supervisory Board member audit standards established by the Audit & Supervisory Board and in accordance with the audit policies and audit plan, etc., each Audit & Supervisory Board member communicated with the directors, the Audit Division, and other employees, etc., endeavored to gather information and develop the audit environment and conducted audits using the following methods.
 - (i) The Audit & Supervisory Board members attended meetings of the Board of Directors and other important meetings, received reports from directors and employees, etc., regarding the status of the performance of their duties, requested explanations as necessary, viewed important decision-making documents, etc., and inspected the status of operations and assets at the headquarters and main business locations. Additionally, in regard to subsidiaries, the Audit & Supervisory Board members communicated and exchanged information with the directors and Audit & Supervisory Board members, etc., of subsidiaries and received reports on business from subsidiaries, as necessary.
 - (ii) In regard to the content of resolutions of the Board of Directors regarding the development of systems to ensure that the directors' performance of their duties complies with laws, regulations, and the Articles of Incorporation and other systems provided for in Article 100, Paragraph (1) and Paragraph (3) of the Ordinance for Enforcement of the Companies Act as systems necessary to ensure the appropriateness of operations of the corporate group composed of a stock company and its subsidiaries, as well as the systems developed pursuant to those resolutions (i.e., internal control systems) stated in the Business Report, the Audit & Supervisory Board members periodically received reports from directors and employees, etc., regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto.
 - (iii) The Audit & Supervisory Board members oversaw and verified whether the accounting auditor maintained an independent position and conducted an appropriate audit, received reports from the accounting auditor on the status of the performance of its duties, and requested explanations, as necessary. Additionally, the Audit & Supervisory Board members received notification from the accounting auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council), etc., it had developed systems to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations, as necessary.

Using the methods above, the Audit & Supervisory Board examined the Business Report, the supplementary schedules thereto, the financial statements (i.e., the balance sheets, statements of income, statements of changes in net assets, and explanatory notes to financial statements), the supplementary schedules to the financial statements, and the consolidated financial statements (i.e., the consolidated balance sheets, consolidated statements of income, consolidated statements of changes in net assets, and explanatory notes to consolidated financial statements) for the fiscal year.

2. Audit results

- (1) Results of audit of Business Report, etc.
 - (i) We find that the Business Report and the supplementary schedules thereto accurately present the status of the company in accordance with laws, regulations, and the Articles of Incorporation.
 - (ii) We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the Articles of Incorporation in relation to the directors' performance of their duties.
 - (iii) We find the content of the resolutions of the Board of Directors regarding internal control systems

to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the Business Report or the directors' performance of their duties relating to the internal control systems.

- (2) Results of audit of financial statements and supplementary schedules thereto
We find the methods and results of the audit by the accounting auditor, PricewaterhouseCoopers Japan LLC, to be reasonable.
- (3) Results of audit of consolidated financial statements
We find the methods and results of the audit by the accounting auditor, PricewaterhouseCoopers Japan LLC, to be reasonable.

February 25, 2026

Audit & Supervisory Board, Daifuku Co., Ltd.
Tsukasa Saito
Audit & Supervisory Board Member (full-time)
Tsukasa Miyajima
Audit & Supervisory Board Member (outside)
Nobuo Wada
Audit & Supervisory Board Member (outside)
Eiko Hakoda
Audit & Supervisory Board Member (outside)