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FOR IMMEDIATE RELEASE

August 29, 2023

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### **Notice of the Issuance of**

### **Zero Coupon Convertible Bonds due 2028 and Zero Coupon Convertible Bonds due 2030**

Daifuku Co., Ltd. (the “Company”) hereby announces that, at a meeting of the Board of Directors held on August 29, 2023, it has resolved to issue Zero Coupon Convertible Bonds due 2028 (the “2028 Bonds”) and Zero Coupon Convertible Bonds due 2030 (the “2030 Bonds”, and together with the 2028 Bonds, the “Bonds”) (each being bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*).

### **Background and purposes of the issuance of the Bonds**

With its management philosophy “Automation that Inspires,” the Company group (the “Group”) aims to inspire society, deliver prosperity, and enhance well-being by reforming its customer value proposition based on its “storage,” “transport,” and “sorting and picking” capabilities that have been cultivated through its long history of automated material handling technology.

The Group has formulated and is moving ahead with its three-year mid-term business plan “Value Transformation 2023” for the period from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024. In light of the drastic changes in the environment surrounding the Group, such as the “new normal” and the expanding and diversifying needs for automation on a global scale, the Group aims, under the slogan “DX<sup>2</sup> (DX Squared) = Digital Transformation × Daifuku Transformation,” to not only move ahead with its digital transformation (DX) but also to strive to

This press release is a public announcement upon the Company’s issuance of the Bonds and has not been prepared for the purpose of soliciting investment. Furthermore, the Bonds will not be offered or sold in Japan. In addition, this press release does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, the Bonds or the shares of common stock of the Company issuable upon exercise of the stock acquisition rights (together, the “Securities”) in any jurisdiction (including the United States) in which such offer or solicitation is unlawful. The Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and, may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act; any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Company. No public offering or registration of the Securities is being made in the United States.

transform itself (Daifuku Transformation) under the themes of “business domains,” “profitability,” “operational framework,” and “brand,” thereby contributing to a sustainable society and enhancing corporate value by offering solutions to issues faced by customers and society.

Going forward, the Group believes that it is essential to increase its production capacity and localize production in anticipation of improvement in business performance from a medium- to long-term perspective in order to respond to the expanding and diversifying needs for automation on a global scale. Specifically, the Group believes that capital investment, including the repair and enhancement of production facilities in Japan and overseas, is urgently needed. At the same time, the Group will also aim to achieve a higher level of capital efficiency without being limited by the status quo. As a means of strategic financing that enables the Group to achieve these objectives and taking into account various circumstances, such as the market environment, financing costs, and the impact on existing shareholders, the Company resolved to issue the Bonds, concurrently with a repurchase of the Company's shares.

### **Use of Proceeds**

The net proceeds of the issue of the Bonds are estimated to be approximately 60 billion yen, and are expected to be used primarily as follows:

- I approximately 33.0 billion yen by the end of March 2028, as funds for capital investment for maintenance, upgrades and enhancement of production facilities with respect to, principally, the manufacturing and distribution systems (Intralogistics Business) and the semiconductor and flat panel display production line systems (Cleanroom Business) at the Shiga Works.
- II approximately 7.0 billion yen by the end of March 2025, as funds for capital investment for reinforcement of production facilities in the manufacturing and distribution systems (Intralogistics Business) at factories in the United States and India through investment in and financing to overseas subsidiaries; and
- III approximately 20.0 billion yen will be used by the end of December 2023, as funds for the repurchase of shares of common stock of the Company, with a view to improving capital efficiency and increasing the value per share by reducing the number of shares in issue, as well as for smoothly carrying out fundraising by mitigating the short-term impact on demand and supply for the Company's shares accompanied by the issuance of the Bonds.

In the event that any amount remains after deducting the sum of (I) through (III) above from the total amount of net proceeds of the Bonds, the Company plans to apply it to the use of proceeds set forth in (I) and (II) above by the end of March 2028.

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### Issuance of the 2028 Bonds

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|----|------------------------|--|
| 1. | Securities Offered     | ¥30,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2028 (bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakukentzuki shasai</i> ) |
| 2. | Issue Price            | 102.0%   |
| 3. | Closing Date           | 14 September 2023  |
| 4. | Coupon                 | 0%   |
| 5. | Redemption at Maturity | 100.0%   |

### Issuance of the 2030 Bonds

- |    |                        |  |
|----|------------------------|--|
| 1. | Securities Offered     | ¥30,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2030 (bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakukentzuki shasai</i> ) |
| 2. | Issue Price            | 102.0%   |
| 3. | Closing Date           | 14 September 2023  |
| 4. | Coupon                 | 0%   |
| 5. | Redemption at Maturity | 100.0%   |

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