

Consolidated Financial Results

First Three Quarters of the Fiscal Year Ending March 31, 2024

(April 1, 2023–December 31, 2023)

February 8, 2024

DAIFUKU CO., LTD.



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Fiscal 2023 3Qs results

(Billion yen)		YoY
Orders received	448.1	-151.6 -25.3%
Net sales	437.3	+1.7 +0.4%
Operating income	37.0	-3.0 -7.7%
Operating margin	8.5%	-0.7pt

- ✓ Orders received were largely in line with plans, despite the absence of the large increase in orders received in the previous fiscal year due to the impact of foreign exchange rates, and despite a decrease in orders associated mainly with a reactionary fall in cleanroom systems from the orders received ahead of schedule in the previous fiscal year.
- ✓ Sales reached a new record high for the first three quarters of the fiscal year, with strong sales in automotive systems and airport systems, benefiting from accelerating investments in the shift to electric vehicles and a recovery in the number of air passengers, although sales of intralogistics systems and cleanroom systems fell short of the results of a year ago.
- ✓ Operating income exceeded the plan, backed by improved profitability in intralogistics systems in North America mainly due to progress in passing on higher costs associated with soaring raw material and labor costs to prices, as well as increased sales and profitability of automotive systems.

Fiscal 2023 forecast

(Billion yen)		YoY	Change from Nov. 2023
Orders received	630.0	-107.4 -14.6%	—
Net sales	605.0	+3.0 +0.5%	—
Operating income	57.0	-1.8 -3.2%	+2.5
Operating margin	9.4%	-0.4pt	+0.4pt
Net income attributable to shareholders of the parent company	41.5	+0.2 +0.6%	+0.1

- ✓ The full-year income forecast has been revised upward based on the results for the first three quarters exceeding the plan and the outlook for the fourth quarter, despite the impact of one-time costs in some projects in Oceania.
- ✓ Net sales and net income attributable to shareholders of the parent company are expected to reach new record highs.

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Financial Results



Fiscal 2023 3Qs Results (April 1, 2023–December 31, 2023)

(Billion yen)	FY2022 3Qs	FY2023 3Qs	YoY change		FY2023 forecast		FY2022
			Amount	Rate	Announced in Nov. 2023	Revised on Feb. 8, 2024	
Orders received	599.8	448.1	-151.6	-25.3%	630.0	630.0	737.4
Net sales	435.6	437.3	+1.7	+0.4%	605.0	605.0	601.9
Operating income	40.1	37.0	-3.0	-7.7%	54.5	57.0	58.8
Operating margin	9.2%	8.5%	-0.7pt	–	9.0%	9.4%	9.8%
Ordinary income	40.7	39.2	-1.4	-3.5%	55.5	59.5	59.7
Net income attributable to shareholders of the parent company	28.7	27.4	-1.3	-4.6%	40.5	41.5	41.2
Net income per share* (yen)	76.08	73.22	-2.86	-3.8%	108.36	111.03	109.11

Exchange rate (yen)	FY2022 Q3	FY2023 Q3
US dollar	129.48	139.56
Chinese yuan	19.46	19.72
Korean won	0.1011	0.1067

Effect of exchange rate changes

Orders received -¥3.5 billion

Orders received during the period: +¥14.6 billion

Change in order backlog at the end of the previous fiscal year: -¥18.2 billion

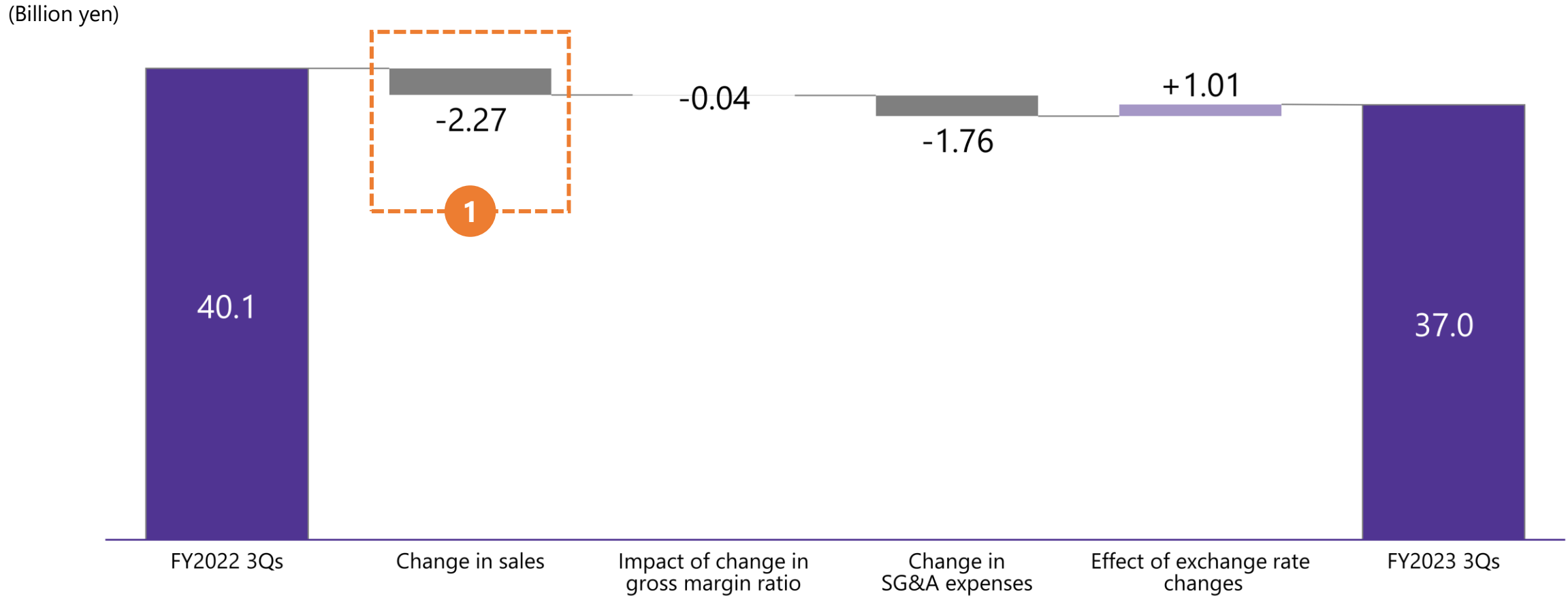
Net sales +¥14.4 billion

Operating income +¥1.0 billion

*The Company conducted a three-for-one split of its common stock effective April 1, 2023. Net income per share is calculated assuming that the stock split had been conducted at the beginning of the fiscal year ended March 31, 2023.

Factors for Change in Operating Income

1 Net sales increased by ¥1.7 billion; however, if the ¥14.4 billion increase in sales due to exchange rate fluctuations is deducted, sales would have decreased.



Results by Reportable Segment

1 Daifuku

Orders declined for intralogistics systems and for cleanroom systems, the latter having seen a significant increase in orders during the previous fiscal year due to advance orders and foreign exchange effects. Sales declined in both intralogistics systems and cleanroom systems.

2 Daifuku North America

Sales were driven by automotive systems and airport systems. Segment income was driven by the increased profitability of intralogistics systems and by the increased sales and profitability of automotive systems.

(Billion yen)	Orders received (Orders from external customers)			Net sales (Sales to external customers)			Segment income (Net income attributable to shareholders of the parent company)		
	FY2022 3Qs	FY2023 3Qs	YoY change	FY2022 3Qs	FY2023 3Qs	YoY change	FY2022 3Qs	FY2023 3Qs	YoY change
1 Daifuku	241.9	160.5	-81.4	177.5	164.8	-12.6	18.5	19.0	+0.5
Contec	15.1	15.3	+0.1	13.2	13.8	+0.5	0.4	0.2	-0.2
2 Daifuku North America	168.3	147.0	-21.3	112.2	132.3	+20.0	5.4	9.7	+4.3
Clean Factomation	40.2	16.5	-23.6	32.0	22.4	-9.5	2.7	1.2	-1.5
Other	134.1	108.7	-25.3	100.5	104.5	+4.0	4.5	1.9	-2.5
Elimination of dividends from affiliates	-	-	-	-	-	-	-2.6	-5.8	-3.1
Other adjustments for consolidation	-	-	-	0.1	-0.7	-0.8	-0.3	0.9	+1.2
Total	599.8	448.1	-151.6	435.6	437.3	+1.7	28.7	27.4	-1.3

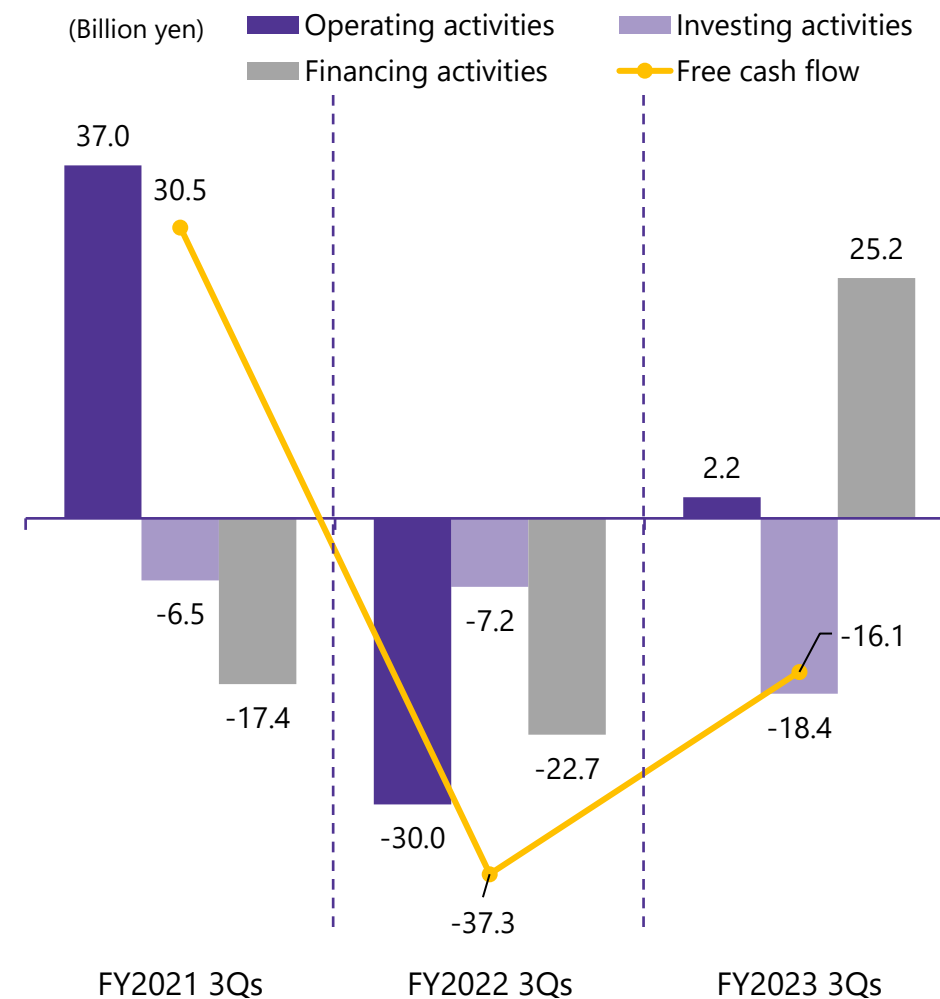
Consolidated Balance Sheets

(Billion yen)	Mar. 31, 2023	Dec. 31, 2023	Change
Current assets	433.1	492.6	+59.4
Cash on hand and in banks	102.7	119.3	+16.5
Notes and accounts receivable	250.0	275.4	+25.4
Inventories	66.0	76.9	+10.8
Other	14.2	20.8	+6.6
Non-current assets	118.4	147.7	+29.3
Property, plant and equipment	65.0	77.3	+12.3
Intangible assets	11.4	10.9	-0.5
Investments and other assets	41.9	59.4	+17.5
Total assets	551.5	640.3	+88.8

(Billion yen)	Mar. 31, 2023	Dec. 31, 2023	Change
Current liabilities	202.8	220.9	+18.1
Notes and accounts payable	94.0	85.0	-9.0
Contract liabilities	63.9	83.5	+19.6
Other	44.8	52.3	+7.4
Non-current liabilities	16.4	77.6	+61.1
Total Liabilities	219.2	298.5	+79.3
Shareholders' equity	308.2	301.7	-6.5
Total net assets	332.3	341.8	+9.4
Total liabilities and net assets	551.5	640.3	+88.8

Consolidated Statements of Cash Flows

(Billion yen)	FY2022 3Qs	FY2023 3Qs	YoY change
Cash flows from operating activities	-30.0	2.2	+32.3
Cash flows from investing activities	-7.2	-18.4	-11.1
Free cash flows	-37.3	-16.1	+21.1
Cash flows from financing activities	-22.7	25.2	+48.0
Cash and cash equivalents at end of period	68.4	117.9	+49.4



Orders and Sales by Destination

1 Japan

Orders for intralogistics systems and cleanroom systems fell short of the strong results recorded in the same period of the previous fiscal year.

3 China

Orders and sales were driven by cleanroom systems for the semiconductor sector.

2 North America

Sales were driven by automotive systems and airport systems.

4 South Korea, Taiwan

Orders and sales fell from the year-ago results, which were bolstered by brisk investment from semiconductor manufacturers.

Region	Orders					Sales				
	FY2022 3Qs		FY2023 3Qs		YoY change	FY2022 3Qs		FY2023 3Qs		YoY change
	(Billion yen)	% of total	(Billion yen)	% of total		(Billion yen)	% of total	(Billion yen)	% of total	
1 Japan	187.0	31.1%	126.3	28.2%	-60.7	144.1	33.1%	140.5	32.1%	-3.6
Non-Japan	412.8	68.9%	321.8	71.8%	-90.9	291.4	66.9%	297.5	67.9%	+6.1
2 North America	158.0	26.3%	166.4	37.1%	+8.4	109.5	25.2%	135.9	31.0%	+26.4
Asia	217.9	36.4%	129.7	29.0%	-88.2	153.9	35.3%	124.5	28.4%	-29.4
3 China	77.6	13.0%	85.2	19.0%	+7.5	44.0	10.1%	54.4	12.4%	+10.4
4 South Korea	51.8	8.6%	20.4	4.6%	-31.3	46.2	10.6%	27.5	6.3%	-18.7
4 Taiwan	61.6	10.3%	6.5	1.5%	-55.0	45.0	10.3%	22.8	5.2%	-22.1
Other Asia	26.8	4.5%	17.4	3.9%	-9.4	18.6	4.3%	19.7	4.5%	+1.0
Europe	13.1	2.2%	14.4	3.2%	+1.3	12.3	2.8%	13.2	3.0%	+0.9
Latin America	8.1	1.4%	4.6	1.0%	-3.5	3.3	0.8%	8.6	2.0%	+5.2
Other	15.5	2.6%	6.6	1.5%	-8.9	12.2	2.8%	15.1	3.5%	+2.8
Subtotal	-	-	-	-	-	435.5	100.0%	438.0	100.0%	+2.5
Consolidated adjustment and other	-	-	-	-	-	0.1	-	-0.7	-	-0.8
Total	599.8	100.0%	448.1	100.0%	-151.6	435.6	-	437.3	-	+1.7

Orders and Sales by Industry

1 Automobile, auto parts, airport
Sales were favorable, underpinned by an extensive order backlog in North America.

3 Commerce, retail
Orders declined from the year-ago results, as e-commerce-related investments in Japan experience a temporary lull.

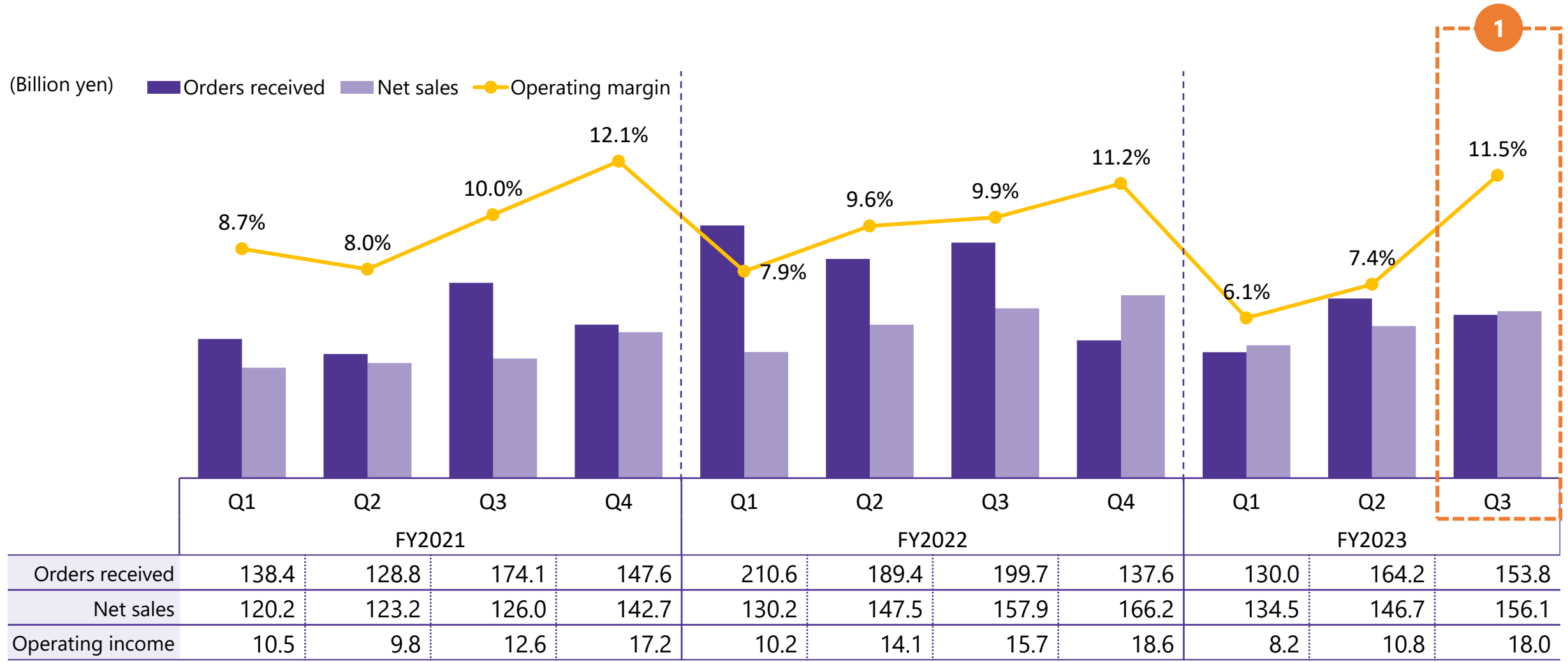
2 Electronics
Orders declined, given a reactionary fall in cleanroom systems attributable to orders received ahead of schedule in the previous fiscal year.

4 Food
Orders were received for large projects in North America.

Industry	Orders					Sales				
	FY2022 3Qs		FY2023 3Qs		YoY change	FY2022 3Qs		FY2023 3Qs		YoY change
	(Billion yen)	% of total	(Billion yen)	% of total		(Billion yen)	% of total	(Billion yen)	% of total	
1 Automobile, auto parts	64.0	10.7%	55.6	12.4%	-8.3	43.8	10.1%	56.4	12.9%	+12.6
2 Electronics	239.9	40.0%	138.6	30.9%	-101.2	159.3	36.6%	144.2	32.9%	-15.0
3 Commerce, retail	163.8	27.3%	105.2	23.5%	-58.6	120.8	27.7%	110.8	25.3%	-9.9
Transportation, warehousing	18.2	3.1%	19.7	4.4%	+1.4	22.6	5.2%	16.4	3.8%	-6.2
Machinery	8.3	1.4%	9.7	2.2%	+1.3	8.2	1.9%	7.5	1.7%	-0.6
Chemicals, pharmaceuticals	26.1	4.4%	19.8	4.4%	-6.2	16.0	3.7%	18.2	4.2%	+2.2
4 Food	13.4	2.2%	36.3	8.1%	+22.9	10.7	2.5%	12.8	2.9%	+2.0
Iron, steel, nonferrous metals	3.6	0.6%	5.1	1.1%	+1.4	3.3	0.8%	3.9	0.9%	+0.5
Precision equipment, printing, office equipment	5.2	0.9%	2.9	0.7%	-2.3	4.2	1.0%	3.0	0.7%	-1.2
Airport	41.8	7.0%	38.6	8.6%	-3.2	32.9	7.6%	47.0	10.7%	+14.1
Other	15.1	2.4%	16.3	3.7%	+1.2	13.3	2.9%	17.2	4.0%	+3.8
Subtotal	-	-	-	-	-	435.5	100.0%	438.0	100.0%	+2.5
Consolidated adjustment and other	-	-	-	-	-	0.1	-	-0.7	-	-0.8
Total	599.8	100.0%	448.1	100.0%	-151.6	435.6	-	437.3	-	+1.7

Quarterly Orders Received, Net Sales, and Operating Margin

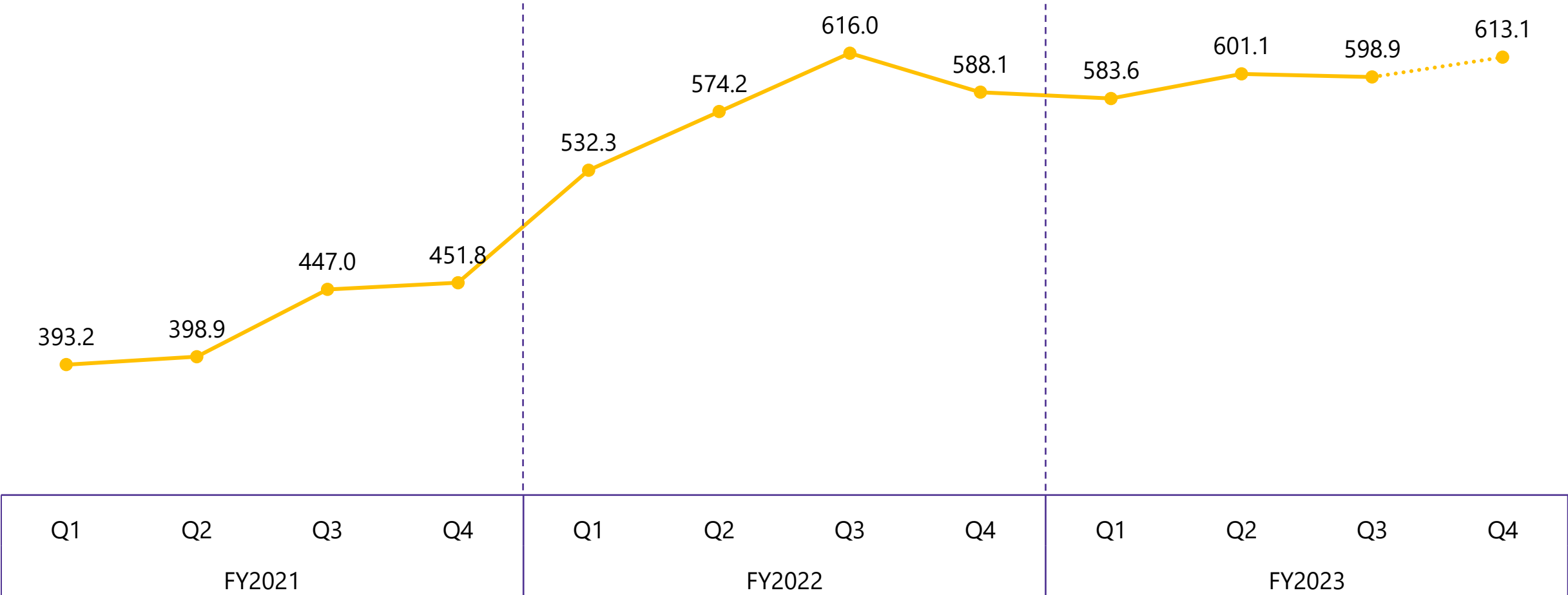
1 Profitability improved, mainly due to progress in passing on higher costs associated with soaring raw material and labor costs to prices in intralogistics systems in Japan and North America, progress on highly profitable projects of cleanroom systems, and increased sales of automotive systems.



Quarterly Order Backlogs

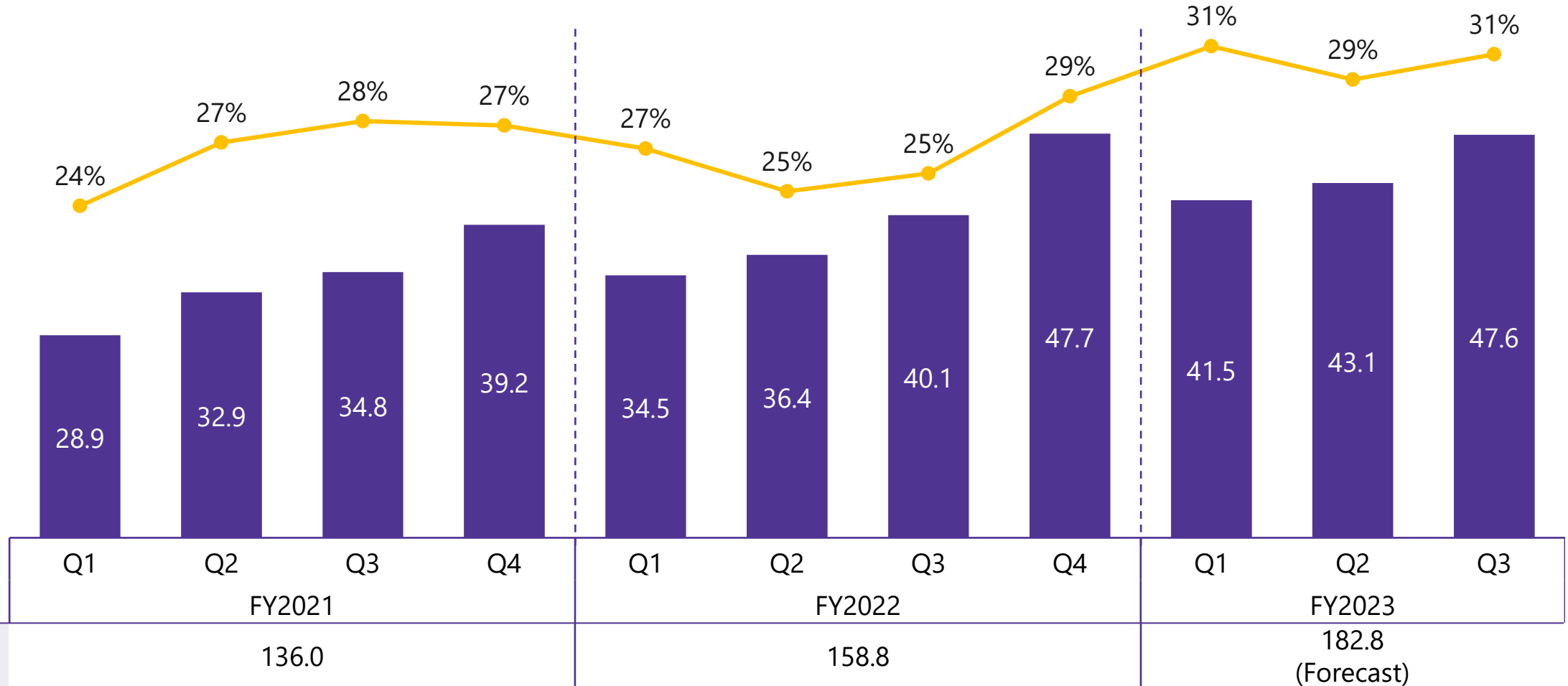
Order backlogs remain high, attributable to orders received ahead of schedule in the previous fiscal year.

(Billion yen)



Service sales saw steady growth, reaching ¥132.3 billion for the first three quarters of the current fiscal year.

(Billion yen) ■ Service sales ● Ratio to net sales



Quarterly Orders Received by Industry

(Billion yen) Industry	FY2021				FY2022				FY2023				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3 (a)	Q4	Q1	Q2	Q3 (b)	% of total	YoY change (b-a)
Automobile, auto parts	15.3	17.0	13.0	12.0	18.0	22.4	23.5	25.7	19.5	19.0	17.0	11.1%	-6.4
Electronics	44.9	41.6	75.3	71.5	98.4	87.2	54.2	31.4	40.6	58.2	39.7	25.8%	-14.4
Commerce, retail	40.1	43.5	47.3	25.9	50.3	34.1	79.3	24.0	22.2	27.1	55.7	36.2%	-23.5
Transportation, warehousing	12.5	4.2	8.7	5.0	5.4	6.2	6.5	10.5	6.8	6.3	6.4	4.2%	-0.1
Machinery	1.5	3.9	0.8	1.6	4.2	2.2	1.8	3.2	2.3	2.9	4.4	2.9%	+2.5
Chemicals, pharmaceuticals	4.3	5.8	5.3	6.6	11.4	8.9	5.6	6.9	8.0	6.7	5.0	3.3%	-0.6
Food	4.8	2.2	2.1	7.0	3.1	3.6	6.6	3.8	6.8	24.1	5.3	3.5%	-1.2
Iron, steel, nonferrous metals	1.6	0.9	0.9	1.6	1.5	0.9	1.1	1.7	2.2	1.3	1.5	1.0%	+0.4
Precision equipment, printing, office equipment	1.1	1.7	1.2	1.3	2.4	1.9	0.7	0.8	0.9	0.9	1.0	0.7%	+0.2
Airport	7.7	1.7	16.0	7.6	10.9	19.5	11.3	20.4	13.5	12.2	12.8	8.3%	+1.4
Other	3.9	5.8	3.2	7.0	4.5	1.8	8.6	8.6	6.7	5.0	4.5	3.0%	-4.0
Total	138.4	128.8	174.1	147.6	210.6	189.4	199.7	137.6	130.0	164.2	153.8	100.0%	-45.8

Quarterly Net Sales by industry

(Billion yen) Industry	FY2021				FY2022				FY2023				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3 (a)	Q4	Q1	Q2	Q3 (b)	% of total	YoY change (b-a)
Automobile, auto parts	13.7	13.9	15.0	16.2	11.5	14.7	17.5	21.6	16.1	19.1	21.1	13.4%	+3.5
Electronics	40.0	31.9	35.7	43.6	43.2	52.6	63.4	56.4	44.9	48.5	50.8	32.2%	-12.6
Commerce, retail	37.2	40.9	34.1	42.7	41.6	40.4	38.7	40.0	36.2	36.0	38.5	24.4%	-0.1
Transportation, warehousing	6.0	7.8	9.0	9.9	8.2	7.7	6.6	7.7	4.8	4.9	6.6	4.2%	+0.0
Machinery	2.0	2.4	3.1	3.8	2.9	3.0	2.1	2.1	2.0	2.5	2.9	1.9%	+0.7
Chemicals, pharmaceuticals	3.9	3.8	4.0	5.8	4.2	5.7	6.0	8.6	6.1	5.9	6.1	3.9%	+0.1
Food	3.0	6.5	4.7	5.7	3.1	3.3	4.2	5.0	2.8	4.6	5.2	3.3%	+1.0
Iron, steel, nonferrous metals	0.5	0.9	0.8	1.2	0.7	1.1	1.4	1.4	1.2	1.4	1.1	0.8%	-0.2
Precision equipment, printing, office equipment	1.5	1.4	1.4	1.7	1.1	1.6	1.5	2.1	1.1	0.8	1.1	0.7%	-0.4
Airport	9.5	9.9	14.2	10.0	9.1	11.3	12.4	13.2	14.2	16.0	16.7	10.6%	+4.3
Other	2.8	3.3	4.0	3.3	4.3	4.8	4.2	5.7	4.9	5.0	7.2	4.6%	+3.0
Subtotal	120.7	123.2	126.3	144.4	130.3	146.7	158.4	164.2	134.9	145.1	157.9	100.0%	-0.4
Consolidated adjustment and other	-0.5	-0.0	-0.3	-1.6	-0.1	0.7	-0.5	1.9	-0.4	1.5	-1.8	-	-1.3
Total	120.2	123.2	126.0	142.7	130.2	147.5	157.9	166.2	134.5	146.7	156.1	-	-1.7

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Topics



Second high-rise testing facility built at Shiga Works

Daifuku has started operational testing of its newest high-speed, high-rise automated warehouse stacker cranes in its new high-rise testing facility at its core production site, Shiga Works.

In 2006, the Company's Intralogistics business constructed its first high-rise testing facility at Shiga Works, where it has been developing and testing stacker cranes up to 30 meters in height. The second facility has been built to provide the necessary overhead space for testing of the Company's latest 40-meter-class stacker cranes.

New high-rise testing facility outline

Location	1225 Nakazaiji, Hino-cho, Gamo-gun, Shiga, Japan (Shiga Works)
Area	Approx. 1,300 m ² (Approx. 83 m by 15.5 m)
Height	Approx. 52 m
Investment amount	Approx. 1.4 billion yen
Start of operation	November 2023



CO₂ reduction targets receive SBTi approval

The CO₂ emissions reduction targets established in the Daifuku Environmental Vision 2050 have been recognized as near-term science-based targets in accordance with the Paris Agreement and have received official approval from the Science Based Targets initiative (SBTi)*1.



The Daifuku Environmental Vision 2050 (revised in May 2023) identifies addressing climate change as one of our crucial issue areas, and we are taking initiatives such as introducing renewable energy at each of our locations and reducing CO₂ emissions associated with procurement and the operation of our products.

CO₂ emission reduction targets established in the Daifuku Environmental Vision 2050

KPIs (Key Performance Indicators)	Targets for 2030
Daifuku CO ₂ emissions (Scopes 1+2)	50.4% reduction compared to FY2018 (1.5°C aligned)
CO ₂ emissions from purchased goods and services (Scope 3 Category 1)	30% reduction*2 compared to FY2018 (well-below 2°C aligned)
CO ₂ emissions from the use of sold products (Scope 3 Category 11)	

Related Information

- Daifuku Environmental Vision 2050
www.daifuku.com/sustainability/environment/management/#sec02
- The Daifuku Group’s initiatives regarding climate change
www.daifuku.com/sustainability/environment/climate-change
- Science Based Targets initiative website
sciencebasedtargets.org

*1 The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Approval is awarded to companies that are recognized as having set science-based targets in alignment with the criteria established by the Paris Agreement.

*2 Scope 3 Category 1 and Category 11 combined target.



Cautionary Statement with Respect to Forward-Looking Statements

The strategies, beliefs and plans related to future business performance as described in this document are not established facts. They are business prospects based on the assumptions and beliefs of the management team judging from the most current information, and therefore, these prospects are subject to potential risks and uncertainties. Due to various crucial factors, actual results may differ materially from these forward-looking statements. These crucial factors that may adversely affect performance include 1) consumer trends and economic conditions in the Daifuku Group's operating environment; 2) the effect of yen exchange rates on sales, assets and liabilities denominated in U.S. dollars and other currencies; 3) the tightening of laws and regulations regarding safety and other matters that may lead to higher costs or sales restrictions; and 4) the impact of natural disasters and intentional threats, war, acts of terrorism, strikes, and plagues. Moreover, there are other factors that may adversely affect the Group's performance.