

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending December 31, 2024
[Japan GAAP]

Prepared in accordance with accounting principles generally accepted in Japan
Translated from the original Japanese-language document

August 8, 2024

Daifuku Co., Ltd.

Stock exchange listing: Tokyo

Securities code: 6383

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Scheduled date of commencing dividend payment: —

Earnings supplementary materials: Yes

Earnings presentation: Yes (for institutional investors and securities analysts)

Note: Figures are rounded down to the nearest one million yen.

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024

(April 1, 2024–June 30, 2024)

(1) Operating results

(Percentages indicate year-on-year changes.)

FY	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Ending December 2024 Q1	145,091	7.8	16,404	99.6	17,604	87.1	12,874	79.3
Ended March 2024 Q1	134,552	3.3	8,218	(20.0)	9,410	(10.7)	7,179	23.0

(Note) Comprehensive income

Year ending December 2024 Q1: 21,507 million yen, 134.2%

Year ended March 2024 Q1: 9,184 million yen, (27.2)%

FY	Net income per share	Diluted net income per share
Ending December 2024 Q1	Yen 34.73	Yen 34.24
Ended March 2024 Q1	18.99	—

(2) Financial position

FY	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Ending December 2024 Q1	652,078	370,695	56.8
Ended March 2024	646,154	358,755	55.5

(Reference) Shareholders' equity

Year ending December 2024 Q1: 370,326 million yen

Year ended March 2024: 358,412 million yen

2. Dividends

FY	Dividend per share				
	Q1-end	Q2-end	Q3-end	FY-end	Annual
	Yen	Yen	Yen	Yen	Yen
Ended March 2024	—	14.00	—	26.00	40.00
Ending December 2024	—				
Ending December 2024 (forecast)		20.00	—	20.00	40.00

(Notes) 1. Revisions to the latest dividend forecast: Yes

2. Following the changes to the fiscal year-end, the fiscal year ending December 31, 2024 runs for nine months, from April 1 to December 31, 2024.

3. Following the changes to the fiscal year-end, the record date for the Q2-end (interim) dividend will be September 30, 2024, and for the year-end dividend will be December 31, 2024 for the fiscal year ending December 31, 2024.

3. Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2024

(April 1, 2024–December 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	298,000	5.9	34,000	78.4	35,500	70.4	26,500	86.5	71.49
Full-year	550,000	—	56,000	—	59,000	—	42,000	—	113.30

(Notes) 1. Revisions to the latest consolidated earnings forecast: Yes

2. The fiscal year ending December 31, 2024 is a transitional period to implement the change in the fiscal year-end. Accordingly, year-on-year percentage changes are not shown.

Notes:

- (1) Significant changes in the scope of consolidation during the first quarter: None
- (2) Adoption of specific accounting methods for preparing the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, accounting estimates, and restatement
 - 1) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: None
 - 2) Changes in accounting policies other than 1): Yes
 - 3) Changes in accounting estimates: Yes
 - 4) Restatement: None

(Note)

For details, please see 2-(4) "Notes on quarterly consolidated financial statements (Changes in accounting policies that are difficult to distinguish from a change in accounting estimates)."

(4) Number of shares issued (Common stock)

- 1) Number of shares issued including treasury stock at the end of the period

Year ending December 2024 Q1: 379,830,231 shares

Year ended March 2024: 379,830,231 shares

- 2) Number of treasury stock at the end of the period

Year ending December 2024 Q1: 9,137,050 shares

Year ended March 2024: 9,178,575 shares

- 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Year ending December 2024 Q1: 370,693,335 shares

Year ended March 2024 Q1: 378,055,782 shares

(Notes)

The number of treasury stock at the end of the period includes shares owned by the Board Benefit Trust (BBT). The number of treasury stock at the end of the first quarter of the fiscal year ending December 31, 2024 includes 502,400 shares owned by the BBT. The number of treasury stock at the end of the fiscal year ended March 31, 2024 included 544,400 shares owned by the BBT.

Review of the quarterly consolidated financial statements (Japanese version) by the certified public accountant or an audit firm: Yes (optional)

Disclaimer

The consolidated earnings forecast contained in this document is based on information available to management at the present time and certain assumptions judged to be rational. As such, actual sales and income may differ from this forecast due to uncertain factors present in the forecast or future changes in business circumstances. For the earnings forecast, please see 1-(3) "Outlook."

Earnings supplementary materials are available at the [TDnet](#) and our website: www.daifuku.com/ir

Contents

1. Qualitative Information Relating to Quarterly Consolidated Financial Results	5
(1) Operating results	5
(2) Financial position	7
(3) Outlook for the fiscal year ending March 31, 2024	8
2. Consolidated Financial Statements	10
(1) Consolidated balance sheets	10
(2) Consolidated statements of income and comprehensive income	12
(3) Consolidated statements of cash flows	14
(4) Notes on quarterly consolidated financial statements	15
Going concern assumption	15
Material changes in the amount of shareholders' equity	15
Changes in accounting policies	15
Changes in accounting policies that are difficult to distinguish from a change in accounting estimates	15
Additional information	15
Segment information	16
Revenue recognition	18

1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Operating results

During the first quarter of the fiscal year (from April 1, 2024 to June 30, 2024), the global economy generally remained favorable, despite downside risks associated with continued high interest rate levels in the West and the sluggish Chinese economy.

In terms of the business environment surrounding the Daifuku Group, while e-commerce-related investment in North America and Japan is in a temporary stagnation phase in the distribution sector, investment in the manufacturing sector has been active. In the semiconductor industry, legacy semiconductor investment in China continues at a high level, while logic and memory semiconductor investment, which had been weak, is on the road to recovery. In the automotive industry, investment in xEVs (a generic term for electric vehicles, including BEVs, HEVs, PHEVs, and FCEVs) continues at a high level. In addition, investment in automation at airports has grown in line with the recovery in the number of air passengers.

In this economic and business environment, during the first quarter of the fiscal year, orders for intralogistics systems from manufacturers and distributors, cleanroom systems from the semiconductor and flat-panel display sectors, and airport systems remained strong; however, orders for automotive systems were almost on a par with the same period of the previous year.

Sales increased in intralogistics systems, cleanroom systems, and airport systems, which benefited from an extensive order backlog at the end of the previous fiscal year, while sales declined slightly in automotive systems.

Specifically, the Group received orders of 183,646 million yen, up 41.2% from the same period of the previous fiscal year, and recorded sales of 145,091 million yen, up 7.8%.

Income increased significantly in all business areas, mainly reflecting drastically improved profitability in cleanroom systems due to the increased number of highly profitable projects combined with cost reduction efforts, as well as progress in revising prices to keep pace with higher costs in line with soaring raw material and labor expenses.

Consequently, the Group posted operating income of 16,404 million yen, up 99.6% from the same period of the previous fiscal year, and ordinary income of 17,604 million yen, up 87.1%. Net income attributable to shareholders of the parent company was 12,874 million yen, up 79.3%.

Sales, operating income, ordinary income, and net income attributable to shareholders of the parent company reached new record highs for the first quarter of the fiscal year.

The average exchange rates used for transactions during the first quarter of the fiscal year were 149.89 yen to the U.S. dollar (133.45 yen in the year-ago period), 20.75 yen to the Chinese yuan (19.43 yen), and 0.1121 yen to the Korean won (0.1041 yen). As a result of exchange rate fluctuations, orders increased in value by about 26.2 billion yen, sales by about 7.6 billion yen, and operating income by about 0.7 billion yen, compared with the year-ago period.

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 more details about reportable segments, please see the "Segment information" below.

Daifuku (Suzhou) Cleanroom Automation Co., Ltd., which was previously included in Other, has been changed to a reportable segment due to its increased quantitative significance since the previous fiscal year. Accordingly, the segment information of the first quarter of the previous fiscal year has been prepared based on the current reportable segments.

Of the Group, most non-Japan subsidiaries close their books on December 31; accordingly, their status during the period from January 1 to March 31, 2024 is shown.

Daifuku Co., Ltd. (Daifuku)

Orders for intralogistics systems increased; however, orders for cleanroom systems and automotive systems fell short of the results of a year ago.

Sales were favorable in all business areas, underpinned by an extensive order backlog from the end of the previous fiscal year.

Segment income increased, mainly reflecting increased sales and progress in revising prices to keep pace with higher costs in line with soaring raw material and labor expenses, as well as an increased number of highly profitable projects and cost reduction efforts.

As a result, the Company recorded orders of 55.0 billion yen, up 3.8% from the same period of the previous fiscal year, sales of 57,319 million yen, up 12.8%, and segment income of 10,505 million yen, up 38.9%.

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

Orders decreased in both the Japanese and U.S. markets, mainly reflecting customers' inventory adjustments. Meanwhile, sales and segment income remained almost flat.

As a result, Contec posted orders of 4,459 million yen, down 24.2% from the same period of the previous fiscal year, sales of 4,561 million yen, down 2.3%, and segment income of 278 million yen, down 1.0%.

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

Orders increased significantly, mainly due to the strong performance in all business areas, particularly in intralogistics systems and airport systems.

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

As a result, Daifuku North America achieved orders of 73,143 million yen, up 148.9% from the same period of the previous fiscal year, sales of 44,736 million yen, up 4.2%, and segment income of 2,562 million yen, up 19.6%.

Clean Factomation, Inc. (Clean Factomation)

Orders increased significantly from the weak performance of the same period of the previous year. Sales were generally favorable.

Segment income was lower than the year-ago results, mainly due to the recording of sales from large projects with relatively low profitability.

As a result, Clean Factomation posted orders of 7,027 million yen, up 118.5% from the same period of the previous fiscal year, sales of 6,303 million yen, up 7.2%, and segment income of 343 million yen, down 44.2%.

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

Orders were backed by continued investment in legacy semiconductors at a high level.

Sales and segment income surpassed significantly the year-ago results, underpinned by an extensive order backlog from the end of the previous fiscal year.

As a result, Daifuku (Suzhou) Cleanroom Automation posted orders of 16,559 million yen, up 31.2% from the same period of the previous fiscal year, sales of 10,058 million yen, up 186.8%, and segment income of 2,693 million yen, up 449.0%.

Other

The Group has a total of 66 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.

Non-Japan subsidiaries

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 the regions of North and Central America, Asia, Europe, and Oceania, which provide sales, installations and services.

Orders for intralogistics systems and automotive systems remained favorable. Sales and segment income were almost in line with the initial plan, underpinned by an order backlog from the end of the previous fiscal year.

As a result, the segment reported orders of 27,455 million yen, up 6.0% from the same period of the previous fiscal year, sales of 21,631 million yen, down 20.3%, and segment income of 354 million yen, down 9.7%.

(2) Financial position

Assets, liabilities and net assets

Assets at the end of the fiscal year under review stood at 652,078 million yen, an increase of 5,923 million yen from the end of the previous fiscal year. The result principally reflected increases of 2,345 million yen in prepaid expenses included in other current assets; 1,970 million yen in accounts receivable; 1,546 million yen in property, plant and equipment; and 2,172 million yen in deferred tax assets included in investments and other assets, offsetting a decrease of 4,016 million yen in notes receivable, accounts receivable from completed construction contracts and other, and contract assets.

Liabilities at the end of the previous fiscal year under review amounted to 281,382 million yen, a decrease of 6,017 million yen from the end of the previous fiscal year. Primary factors included decreases of 10,977 million

yen in notes and accounts payable and construction contracts payable and 3,762 million yen in income taxes payable, offsetting an increase of 7,524 million yen in contract liabilities.

Net assets at the end of the fiscal year under review were 370,695 million yen, an increase of 11,940 million yen from the end of the previous fiscal year. This was mainly attributable to increases of 3,223 million yen in retained earnings and 8,598 million yen in foreign currency translation adjustments.

Cash flows

Cash and cash equivalents during the first quarter of the fiscal year increased 2,938 million yen from the end of the previous fiscal year, to 139,384 million yen.

Cash flows from operating activities

Cash provided by operating activities totaled 9,583 million yen (33 million yen in cash used in the year-ago period). This was mainly attributable to a decrease of 15,522 million yen in notes and accounts payable, and 8,388 million yen in income taxes paid; partially offset by 17,050 million yen in income before income taxes, a decrease of 9,987 million yen in notes and accounts receivables and contract assets, and an increase of 4,407 million yen in contract liabilities.

Cash flows from investing activities

Cash provided by investing activities was 744 million yen (3,429 million yen in cash used in the year-ago period). This was mainly attributable to outlays of 2,362 million yen for the payments for purchase of property, plant and equipment, partially offset by 3,211 million yen of proceeds from refund of time deposits.

Cash flows from financing activities

Cash used in financing activities was 12,154 million yen (3,637 million yen in cash used in the year-ago period). Primary factors mainly included a decrease in short-term borrowings of 2,291 million yen and an outlay of 9,493 million yen for the payments of cash dividends.

(3) Outlook

In light of recent business performance trends, Daifuku Co., Ltd. has revised its interim and full-year earnings forecasts for the fiscal year ending December 31, 2024, which was announced on May 10, 2024, as follows.

Sales are favorable in Japan and overseas, underpinned by an extensive order backlog from the end of the previous fiscal year. Income is meanwhile expected to exceed the previous forecast, mainly due to progress in revising prices to keep pace with higher costs in line with soaring raw material and labor expenses and the effects of cost reductions, as well as the progress of highly profitable projects ahead of schedule.

Given the above condition, the Company has revised its dividend forecast by increasing its interim dividend by 1 yen per share and year-end dividend by 2 yen per share for the fiscal year ending December 31, 2024. For details, please see the news release "Notice of Revisions to Earnings Forecast and Dividend Forecast" separately announced on August 8, 2024.

Effective with the resolution passed at the 108th Ordinary General Meeting of Shareholders held on June 21, 2024, the fiscal year-end (the closing date of the fiscal year) of the Group has been changed from March 31 every year to December 31 every year. Accordingly, the fiscal year ending December 31, 2024, a transitional period to implement the change in the fiscal year-end, will run 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 non-Japan subsidiaries are consolidated for the 12-month period from January 1 to December 31, 2024.

Revisions to the interim earnings forecast for the fiscal year ending December 31, 2024

(April 1, 2024 - September 30, 2024)

	Net sales	Operating income	Ordinary income	Net income attributable to shareholders of the parent company	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	294,000	26,300	27,000	20,000	53.96
Current forecast (B)	298,000	34,000	35,500	26,500	71.49
Change (B – A)	4,000	7,700	8,500	6,500	–
Rate of change (%)	1.4	29.3	31.5	32.5	–
Reference: Interim results for the fiscal year ended March 31, 2024	281,267	19,060	20,838	14,206	37.69

Revisions to the full-year earnings forecast for the fiscal year ending December 31, 2024

(April 1, 2024 - December 31, 2024)

	Net sales	Operating income	Ordinary income	Net income attributable to shareholders of the parent company	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	550,000	52,000	53,500	39,000	105.22
Current forecast (B)	550,000	56,000	59,000	42,000	113.30
Change (B – A)	–	4,000	5,500	3,000	–
Rate of change (%)	–	7.7	10.3	7.7	–

(Notes)

The above forecast values are our projections based on information available at the time of this release and contain various uncertainties. Actual results may differ materially from forecast values due to factors such as changes in the business performance of the Company.

The full-year results for the fiscal year ended March 31, 2024 are not shown, as the fiscal year ending December 31, 2024 is a transitional period to implement the change in the fiscal year-end.

Orders are expected to be 340,000 million yen (up 0.6%) compared with the interim forecast of 338,000 million yen announced on May 10, 2024, and 590,000 million yen (up 2.6%) compared with the full-year forecast of 575,000 million yen announced the same day.

2. Quarterly consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Million yen)

	FY2023 (as of March 31, 2024)	FY2024 Q1 (as of June 30, 2024)
ASSETS		
Current assets		
Cash on hand and in banks	142,044	143,249
Notes receivable, accounts receivable from completed construction contracts and other, and contract assets	271,633	267,616
Merchandise and finished goods	9,291	9,836
Costs incurred on uncompleted construction contracts and other	14,144	14,601
Raw materials and supplies	43,060	43,944
Other	17,473	21,188
Allowance for doubtful accounts	(1,219)	(1,176)
Total current assets	496,426	499,260
Non-current assets		
Property, plant and equipment	77,451	78,998
Intangible assets		
Goodwill	3,299	3,300
Other	8,828	8,902
Total intangible assets	12,128	12,203
Investments and other assets		
Other	60,148	61,616
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	60,148	61,616
Total non-current assets	149,728	152,817
Total assets	646,154	652,078

(Million yen)

	FY2023 (as of March 31, 2024)	FY2024 Q1 (as of June 30, 2024)
LIABILITIES		
Current liabilities		
Notes and accounts payable and construction contracts payable	61,154	50,176
Electronically recorded obligations - operating	19,421	17,661
Short-term borrowings and current portion of long-term borrowings	9,428	7,261
Income taxes payable	9,532	5,770
Contract liabilities	79,576	87,100
Provision for bonuses	1,817	3,930
Provision for losses on construction contracts	853	1,227
Other	29,607	32,228
Total current liabilities	211,392	205,358
Non-current liabilities		
Convertible-bond-type bonds with stock acquisition rights	61,088	61,036
Long-term borrowings	100	100
Liabilities for retirement benefits	6,784	6,929
Other provisions	551	547
Other	7,483	7,410
Total non-current liabilities	76,007	76,024
Total liabilities	287,399	281,382
NET ASSETS		
Shareholders' equity		
Common stock	31,865	31,865
Capital surplus	20,490	20,490
Retained earnings	288,311	291,535
Treasury stock	(20,944)	(20,860)
Total shareholders' equity	319,723	323,030
Accumulated other comprehensive income		
Net unrealized gain (loss) on securities	7,874	8,096
Deferred gain (loss) on hedges	(145)	(239)
Foreign currency translation adjustments	28,519	37,117
Accumulated adjustments on retirement benefits	2,440	2,320
Total accumulated other comprehensive income	38,688	47,295
Non-controlling interests	342	369
Total net assets	358,755	370,695
Total liabilities and net assets	646,154	652,078

(2) Quarterly consolidated statements of income and comprehensive income

(Million yen)

	FY2023 Q1 (April 1, 2023–June 30, 2023)	FY2024 Q1 (April 1, 2024–June 30, 2024)
Net sales	134,552	145,091
Cost of sales	113,009	113,549
Gross profit	21,543	31,541
Selling, general and administrative expenses		
Selling expenses	4,517	4,499
General and administrative expenses	8,806	10,638
Total selling, general and administrative expenses	13,324	15,137
Operating income	8,218	16,404
Other income		
Interest income	399	704
Dividend income	218	224
Foreign exchange gains	519	167
Rental income	68	57
Other	78	134
Total other income	1,283	1,289
Other expenses		
Interest expenses	60	108
Interest on bonds	—	(51)
Other	32	31
Total other expenses	92	89
Ordinary income	9,410	17,604
Extraordinary income		
Gain on sales of property, plant and equipment	3	5
Other	39	1
Total extraordinary income	42	6
Extraordinary loss		
Extra retirement payments	—	512
Other	72	48
Total extraordinary loss	72	560
Income before income taxes	9,380	17,050
Income taxes - current	5,317	5,655
Income taxes - deferred	(3,117)	(1,492)
Total income taxes	2,199	4,162
Net income	7,180	12,888
Net income (loss) attributable to:		
Shareholders of the parent company	7,179	12,874
Non-controlling interests	1	13

(Million yen)

	FY2023 Q1 (April 1, 2023–June 30, 2023)	FY2024 Q1 (April 1, 2024–June 30, 2024)
Other comprehensive income		
Net unrealized gain (loss) on securities	1,342	221
Deferred gain (loss) on hedges	(472)	(93)
Foreign currency translation adjustments	1,076	8,610
Retirement benefits reserves adjustments	50	(119)
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	8	–
Total other comprehensive income (loss)	2,004	8,619
Comprehensive income	9,184	21,507
Comprehensive income (loss) attributable to:		
Shareholders of the parent company	9,174	21,481
Non-controlling interests	10	26

(3) Quarterly consolidated statements of cash flows

(Million yen)

	FY2023 Q1 (April 1, 2023–June 30, 2023)	FY2024 Q1 (April 1, 2024–June 30, 2024)
Cash flows from operating activities		
Income before income taxes	9,380	17,050
Depreciation	2,190	2,703
Interest and dividend income	(617)	(929)
Interest expenses	60	108
Interest on bonds	—	(51)
Decrease (increase) in notes and accounts receivables and contract assets	(1,239)	9,987
Decrease (increase) in inventories	(6,499)	(774)
Increase (decrease) in notes and accounts payables	(11,703)	(15,522)
Increase (decrease) in contract liabilities	8,207	4,407
Other	4,918	592
Subtotal	4,697	17,571
Interest and dividend received	608	918
Interest paid	(75)	(107)
Income taxes refund (paid)	(5,363)	(8,388)
Other	99	(411)
Net cash provided by (used in) operating activities	(33)	9,583
Cash flows from investing activities		
Investments in time deposits	(11)	(1,209)
Proceeds from refund of time deposits	—	3,211
Payments for purchase of property, plant and equipment	(3,447)	(2,362)
Proceeds from sales of property, plant and equipment	27	218
Proceeds from sales of investments in securities	56	—
Proceeds from redemption of investments in securities	—	900
Payments for purchase of investments in securities	(8)	(6)
Other	(45)	(6)
Net cash provided by (used in) investing activities	(3,429)	744
Cash flows from financing activities		
Increase (decrease) in short-term borrowings, net	5,502	(2,291)
Payments for purchase of treasury stock	(1)	(1)
Payments of cash dividends	(8,677)	(9,493)
Other	(460)	(368)
Net cash provided by (used in) financing activities	(3,637)	(12,154)
Effect of exchange rate change on cash and cash equivalents	744	4,765
Net increase (decrease) in cash and cash equivalents	(6,356)	2,938
Cash and cash equivalents at beginning of period	102,389	136,445
Cash and cash equivalents at end of period	96,033	139,384

(4) Notes on quarterly consolidated financial statements

Going concern assumption

Not applicable

Material changes in the amount of shareholders' equity

Not applicable

Changes in accounting policies

Method of significant hedge accounting

The Group previously accounted for forward exchange contracts as deferred hedges and as allocated hedges. Effective from the first quarter ended June 30, 2024, however, it has changed to a method whereby the Company measures the exchange contracts at fair value at quarter-end and valuation differences are treated as income or losses for the period. The purpose of this change is to more appropriately reflect the status of derivative transactions in the consolidated financial statements. The change in accounting policies has not been applied retrospectively because its impact on prior periods is insignificant. The impact of the above change on earnings for the first quarter ended June 30, 2024 is also insignificant.

Changes in accounting policies that are difficult to distinguish from a change in accounting estimates

Changes in depreciation method and useful life of non-current assets

Until the previous fiscal year, the Company and its Japanese consolidated subsidiaries principally used the declining-balance method, while its non-Japan consolidated subsidiaries used the straight-line method. Effective from the first quarter ended June 30, 2024, the Company and its Japanese consolidated subsidiaries have changed to the straight-line method for all property, plants and equipment.

The Group examined the use of its non-current assets in conjunction with the formulation of its capital investment plan in the four-year business plan for 2027 and recognized that the use of each business asset is expected to be stable over its useful life. As a consequence, the Company has determined that using the straight-line method as the depreciation method for property, plant and equipment (excluding leased assets) is more appropriate for periodic accounting.

In addition, the Company and its consolidated subsidiaries have reviewed the actual use of their property, plant and equipment and intangible assets and, beginning with the first quarter ended June 30, 2024, have changed the useful lives of some of their property, plant and equipment and intangible assets to match their actual use.

The impact of the above change on earnings for the first quarter ended June 30, 2024 is insignificant.

Additional information

Change in fiscal year-end

Effective with the resolution passed at the 108th Ordinary General Meeting of Shareholders held on June 21, 2024, the fiscal year-end (the closing date of the fiscal year) of the Group has been changed from March 31 every year to December 31 every year. Accordingly, the fiscal year ending December 31, 2024, a transitional period to implement the change in the fiscal year-end, will run for nine months from April 1 to December 31, 2024 for Daifuku Co., Ltd. and its subsidiaries with a fiscal year previously ended in March, mainly in Japan. Most non-Japan subsidiaries are consolidated for the 12-month period from January 1 to December 31, 2024.

Segment information

FY2023 Q1 (April 1, 2023–June 30, 2023)

1. Information on the amount of sales and income or losses by reportable segment

(Million yen)

	Reportable segments						Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Daifuku (Suzhou) Cleanroom Automation	Subtotal		
Net sales								
Sales to external customers	50,818	4,669	42,947	5,883	3,506	107,824	27,138	134,963
Intersegment sales or transfers	9,600	3,278	109	857	328	14,174	1,794	15,969
Total	60,418	7,947	43,056	6,740	3,835	121,999	28,933	150,932
Segment income (loss)	7,565	280	2,142	615	490	11,094	392	11,487

* The "Other" segment is an operating segment comprising subsidiaries that are not included in the reportable segments.

2. Differences between total amounts of net sales and income (loss) for reportable segments and the reported amount in the quarterly consolidated financial statements of income and comprehensive income and main details of the difference (matters relating to reconciliation)

(Million yen)

Net sales	
Reportable segments total	121,999
Segment net sales classified in "Other"	28,933
Elimination of intersegment transactions	(15,969)
Other adjustments for consolidation	(410)
Net sales in consolidated financial statements	134,552

(Million yen)

Income	
Reportable segments total	11,094
Segment income classified in "Other"	392
Elimination of dividends from affiliates	(4,441)
Other adjustments for consolidation	133
Net income attributable to shareholders of the parent company in consolidated financial statements	7,179

FY2024 Q1 (April 1, 2024–June 30, 2024)

1. Information on the amount of sales and income or losses by reportable segment

(Million yen)

	Reportable segments						Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Daifuku (Suzhou) Cleanroom Automation	Subtotal		
Net sales								
Sales to external customers	57,319	4,561	44,736	6,303	10,058	122,980	21,631	144,612
Intersegment sales or transfers	8,383	760	464	1,281	201	11,092	3,425	14,518
Total	65,703	5,322	45,201	7,585	10,260	134,072	25,057	159,130
Segment income (loss)	10,505	278	2,562	343	2,693	16,383	354	16,737

* The "Other" segment is an operating segment comprising subsidiaries that are not included in the reportable segments.

2. Differences between total amounts of net sales and income (loss) for reportable segments and the reported amount in the quarterly consolidated financial statements of income and comprehensive income and main details of the difference (matters relating to reconciliation)

(Million yen)

Net sales	
Reportable segments total	134,072
Segment net sales classified in "Other"	25,057
Elimination of intersegment transactions	(14,518)
Other adjustments for consolidation	479
Net sales in consolidated financial statements	145,091

(Million yen)

Income	
Reportable segments total	16,383
Segment income classified in "Other"	354
Elimination of dividends from affiliates	(3,917)
Other adjustments for consolidation	54
Net income attributable to shareholders of the parent company in consolidated financial statements	12,874

3. Changes to reportable segments

Daifuku (Suzhou) Cleanroom Automation Co., Ltd., which was previously included in Other, was changed to a reportable segment due to its increased quantitative significance during the fiscal year ended March 31, 2024. Accordingly, the segment information of the first quarter of the fiscal year ended March 31, 2024 has been prepared based on the current reportable segments.

Furthermore, effective January 1, 2024, Daifuku North America Holding Company changed its name to Daifuku North America, Inc.

Revenue recognition

Information of disaggregated revenue from contracts with customers

FY2023 Q1 (April 1, 2023–June 30, 2023)

1. Disaggregation information by industry

(Million yen)

	Reportable segments						Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Daifuku (Suzhou) Cleanroom Automation	Subtotal		
Automobile, auto parts	4,871	22	7,819	—	—	12,712	3,436	16,149
Electronics	19,076	448	6,127	5,883	3,506	35,042	9,938	44,981
Commerce, retail	11,619	2,419	17,317	—	—	31,355	4,927	36,283
Transportation, warehousing	2,527	28	801	—	—	3,357	1,501	4,859
Machinery	1,451	180	36	—	—	1,667	372	2,040
Chemicals, pharmaceuticals	4,228	1,074	66	—	—	5,370	788	6,158
Food	1,468	—	498	—	—	1,966	893	2,859
Iron, steel, nonferrous metals	1,160	3	3	—	—	1,167	104	1,272
Precision equipment, printing, office equipment	645	312	1	—	—	959	206	1,165
Airport	1,275	123	8,782	—	—	10,181	4,062	14,243
Other	2,494	55	1,492	—	—	4,042	906	4,949
Sales to external customers	50,818	4,669	42,947	5,883	3,506	107,824	27,138	134,963
Other adjustments for consolidation	—	—	—	—	—	—	—	(410)
Net sales in consolidated financial statements	—	—	—	—	—	—	—	134,552

* The "Other" segment is an operating segment comprising subsidiaries that are not included in the reportable segments.

2. Disaggregation information by destination

(Million yen)

	Reportable segments						Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Daifuku (Suzhou) Cleanroom Automation	Subtotal		
Japan	38,874	3,017	—	—	—	41,892	3,159	45,051
Non-Japan	11,944	1,651	42,947	5,883	3,506	65,932	23,979	89,911
North America	1,683	1,346	38,105	—	—	41,134	950	42,084
Asia	8,533	221	1,067	5,883	3,506	19,211	18,067	37,279
China	5,230	99	63	372	3,506	9,272	4,012	13,284
South Korea	809	12	—	5,510	—	6,333	1,444	7,778
Taiwan	1,818	41	—	—	—	1,860	7,160	9,020
Other	674	67	1,003	—	—	1,745	5,449	7,195
Europe	80	70	2,363	—	—	2,515	2,046	4,561
Latin America	1,007	13	1,012	—	—	2,033	122	2,156
Other	639	—	398	—	—	1,037	2,792	3,829
Sales to external customers	50,818	4,669	42,947	5,883	3,506	107,824	27,138	134,963
Other adjustments for consolidation	—	—	—	—	—	—	—	(410)
Net sales in consolidated financial statements	—	—	—	—	—	—	—	134,552

* The "Other" segment is an operating segment comprising subsidiaries that are not included in the reportable segments.

3. Disaggregation information by timing of revenue recognition

(Million yen)

	Reportable segments						Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Daifuku (Suzhou) Cleanroom Automation	Subtotal		
Performance obligations satisfied at a point in time	10,590	3,340	3,681	264	195	18,073	6,188	24,262
Performance obligations satisfied over time	40,227	1,328	39,265	5,618	3,310	89,750	20,950	110,701
Sales to external customers	50,818	4,669	42,947	5,883	3,506	107,824	27,138	134,963
Other adjustments for consolidation	—	—	—	—	—	—	—	(410)
Net sales in consolidated financial statements	—	—	—	—	—	—	—	134,552

* The "Other" segment is an operating segment comprising subsidiaries that are not included in the reportable segments.

FY2024 Q1 (April 1, 2024–June 30, 2024)

1. Disaggregation information by industry

(Million yen)

	Reportable segments						Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Daifuku (Suzhou) Cleanroom Automation	Subtotal		
Automobile, auto parts	7,283	33	5,053	—	—	12,370	4,085	16,455
Electronics	23,491	279	4,501	6,303	10,058	44,634	3,703	48,338
Commerce, retail	9,781	1,960	17,348	—	—	29,089	4,548	33,638
Transportation, warehousing	4,072	18	915	—	—	5,006	2,032	7,039
Machinery	1,583	144	34	—	—	1,762	498	2,260
Chemicals, pharmaceuticals	3,998	1,561	1	—	—	5,561	306	5,867
Food	2,236	0	3,479	—	—	5,716	577	6,293
Iron, steel, nonferrous metals	1,117	2	12	—	—	1,132	57	1,190
Precision equipment, printing, office equipment	595	399	1	—	—	996	136	1,133
Airport	700	124	11,599	—	—	12,423	5,162	17,586
Other	2,459	37	1,788	—	—	4,285	523	4,808
Sales to external customers	57,319	4,561	44,736	6,303	10,058	122,980	21,631	144,612
Other adjustments for consolidation	—	—	—	—	—	—	—	479
Net sales in consolidated financial statements	—	—	—	—	—	—	—	145,091

* The "Other" segment is an operating segment comprising subsidiaries that are not included in the reportable segments.

2. Disaggregation information by destination

(Million yen)

	Reportable segments						Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Daifuku (Suzhou) Cleanroom Automation	Subtotal		
Japan	37,627	2,472	—	—	—	40,100	3,027	43,127
Non-Japan	19,692	2,089	44,736	6,303	10,058	82,880	18,604	101,484
North America	1,428	1,661	41,852	490	—	45,432	1,929	47,362
Asia	16,708	311	524	5,812	10,058	33,415	10,866	44,281
China	12,405	221	7	92	9,898	22,624	2,272	24,897
South Korea	794	14	—	5,720	—	6,530	1,962	8,493
Taiwan	1,888	11	—	—	160	2,060	3,102	5,162
Other	1,619	63	516	—	—	2,200	3,528	5,728
Europe	578	116	1,606	—	—	2,301	1,922	4,223
Latin America	120	0	481	—	—	601	788	1,389
Other	856	—	272	—	—	1,129	3,098	4,227
Sales to external customers	57,319	4,561	44,736	6,303	10,058	122,980	21,631	144,612
Other adjustments for consolidation	—	—	—	—	—	—	—	479
Net sales in consolidated financial statements	—	—	—	—	—	—	—	145,091

* The "Other" segment is an operating segment comprising subsidiaries that are not included in the reportable segments.

3. Disaggregation information by timing of revenue recognition

(Million yen)

	Reportable segments						Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Daifuku (Suzhou) Cleanroom Automation	Subtotal		
Performance obligations satisfied at a point in time	11,567	2,795	3,443	232	341	18,380	6,334	24,714
Performance obligations satisfied over time	45,752	1,766	41,293	6,071	9,717	104,600	15,297	119,897
Sales to external customers	57,319	4,561	44,736	6,303	10,058	122,980	21,631	144,612
Other adjustments for consolidation	—	—	—	—	—	—	—	479
Net sales in consolidated financial statements	—	—	—	—	—	—	—	145,091

* The "Other" segment is an operating segment comprising subsidiaries that are not included in the reportable segments.

4. Changes to reportable segments

Daifuku (Suzhou) Cleanroom Automation Co., Ltd., which was previously included in Other, was changed to a reportable segment due to its increased quantitative significance during the fiscal year ended March 31, 2024. Accordingly, the segment information of the first quarter of the fiscal year ended March 31, 2024 has been prepared based on the current reportable segments.

Furthermore, effective January 1, 2024, Daifuku North America Holding Company changed its name to Daifuku North America, Inc.