

Consolidated Financial Results
for the First Half 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

November 8, 2024

Daifuku Co., Ltd.

Stock exchange listing: Tokyo

Securities code: 6383

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Scheduled date for filling semiannual financial report: November 11, 2024

Scheduled date of commencing dividend payment: December 5, 2024

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 Half of the Fiscal Year Ending December 31, 2024

(April 1, 2024–September 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 H1	302,621	7.6	38,144	100.1	38,186	83.3	29,712	109.2
Ended March 2024 H1	281,267	1.3	19,060	(22.1)	20,838	(16.3)	14,206	(16.5)

(Note) Comprehensive income

Year ending December 2024 H1: 45,226 million yen, 67.3%

Year ended March 2024 H1: 27,033 million yen, (21.5)%

FY	Net income per share	Diluted net income per share
	Yen	Yen
Ending December 2024 H1	80.15	76.43
Ended March 2024 H1	37.69	37.60

(2) Financial position

FY	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Ending December 2024 Q2	689,559	394,475	57.1
Ended March 2024	646,154	358,755	55.5

(Reference) Shareholders' equity

Year ending December 2024 Q2: 394,055 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	—	23.00			
Ending December 2024 (forecast)			—	24.00	47.00

(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 is 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
Full-year	550,000	-	64,000	-	66,000	-	48,500	-	131.12

(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.

3. At a meeting of the Board of Directors held on November 8, 2024, the Company resolved to repurchase its own shares. Net income per share in the consolidated earnings forecast above is prepared, taking the effect of the repurchases of shares into account.

Notes:

- (1) Significant changes in the scope of consolidation during the first half: None
- (2) Adoption of specific accounting methods for preparing the interim 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
- (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 Q2: 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 Q2: 9,106,788 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 H1: 370,708,392 shares
Year ended March 2024 H1: 376,882,049 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 held by the BBT was 471,900 shares at the end of the first half of the fiscal year ending December 31, 2024, and 544,400 shares at the end of the fiscal year ended March 31, 2024.

These interim consolidated financial statements are not subject to audit through the certified public accountant or an audit firm.

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

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1. Qualitative Information on Consolidated Financial Results for the First Half

(1) Operating results

During the first half of the fiscal year (from April 1, 2024 to September 30, 2024), the global economy remained generally favorable, despite downside risks associated with the sluggish Chinese economy and concerns about a slowdown in the U.S. economy.

In terms of the business environment, logistics-related investment in Japan is on the road to recovery. In the semiconductor industry, while legacy semiconductor investment in China continues at a high level, investment in certain advanced semiconductors is recovering with increased demand for AI applications. In addition, investment in automation in the back-end processes of semiconductor manufacturing has become apparent. In the automotive industry, investment in xEVs (a generic term for electric vehicles, including BEVs, HEVs, PHEVs, and FCEVs) continues at a high level. Investment in automation at airports has also grown in line with the recovery in the number of air passengers.

In this economic and business environment, during the first half of the fiscal year, orders increased year on year, with significant growth in airport systems in North America and favorable growth in intralogistics systems for manufacturers and distributors, cleanroom systems for the semiconductor sector, and automotive systems.

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.

Specifically, the Daifuku Group received orders of 333,922 million yen, up 13.5% from the same period of the previous fiscal year, and recorded sales of 302,621 million yen, up 7.6%.

In terms of profits, the operating margin improved in intralogistics systems, cleanroom systems, automotive systems, and airport systems, mainly reflecting progress in revising prices to keep pace with higher costs associated with rising raw material and labor expenses.

Consequently, the Group posted operating income of 38,144 million yen, up 100.1% from the same period of the previous fiscal year, and ordinary income of 38,186 million yen, up 83.3%. Net income attributable to shareholders of the parent company was 29,712 million yen, up 109.2%.

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

The average exchange rates used for transactions during the first half of the fiscal year were 154.08 yen to the U.S. dollar (136.54 yen in the year-ago period), 21.26 yen to the Chinese yuan (19.55 yen), and 0.1133 yen to the Korean won (0.1047 yen). As a result of exchange rate fluctuations, orders increased in value by about 37.9 billion yen, sales by about 16.3 billion yen, and operating income by about 1.8 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 "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 half of the previous fiscal year has been created 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 June 30, 2024 is shown.

Daifuku Co., Ltd.

Orders increased year on year, with significant growth in cleanroom systems.

Sales were strong as a whole, 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 associated with rising raw material and labor expenses.

As a result, the Company recorded orders of 105,385 million yen, up 2.9% from the same period of the previous fiscal year, sales of 121,477 million yen, up 17.5%, and segment income of 17,670 million yen, up 40.8%.

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

Orders decreased in both the Japanese and overseas markets, mainly reflecting customers' inventory adjustments. On the other hand, sales increased, backed by increased sales outside Japan mainly due to the impact of exchange rate fluctuations.

Segment income fell, reflecting lower sales in Japan.

As a result, Contec posted orders of 9,676 million yen, down 11.4% from the same period of the previous fiscal year, sales of 9,275 million yen, up 4.1%, and segment income of 362 million yen, down 34.0%.

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

Orders increased significantly, mainly due to the strong performance in airport systems.

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

As a result, Daifuku North America achieved orders of 116,815 million yen, up 29.1% from the same period of the previous fiscal year, sales of 86,415 million yen, down 1.9%, and segment income of 6,135 million yen, up 16.8%.

Clean Factomation, Inc.

Orders have been on the road to recovery from the previous year when they were slow, while sales were lower than the year-ago results.

Segment income increased, mainly due to the recording of sales from projects with relatively high profitability.

As a result, Clean Factomation posted orders of 12,372 million yen, up 1.2% from the same period of the previous fiscal year, sales of 12,973 million yen, down 11.2%, and segment income of 925 million yen, up 23.6%.

Daifuku (Suzhou) Cleanroom Automation Co., Ltd.

Orders were lower than the year-ago results, but were backed by continued significant investment in legacy semiconductors.

Sales and segment income significantly surpassed 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 25,225 million yen, down 17.5% from the same period of the previous year, sales of 25,223 million yen, up 143.0%, and segment income of 7,006 million yen, up 330.8%.

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 North America, Asia, Europe, and Oceania, which provide sales, installation, and services.

Orders remained strong, mainly in cleanroom systems. 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 64,446 million yen, up 35.2% from the same period the previous fiscal year, sales of 46,470 million yen, down 15.2%, and segment income of 1,987 million yen, an increase of 3.7 billion yen.

(2) Financial position

Assets, liabilities and net assets

Assets stood at 689,559 million yen, an increase of 43,404 million yen from the end of the previous fiscal year. The result principally reflected increases of 57,715 million yen in cash on hand and in banks; 6,340 million yen in property, plant and equipment; and 4,913 million yen in advanced payments included in other current assets, offsetting a decrease of 29,075 million yen in notes receivable, accounts receivable from completed construction contracts and other, and contract assets.

Liabilities amounted to 295,084 million yen, an increase of 7,684 million yen from the end of the previous fiscal year. Primary factors included an increase of 17,443 million yen in contract liabilities, offsetting decreases of 5,891 million yen in notes and accounts payable and construction contracts payable and 6,277 million yen in short-term borrowings.

Net assets were 394,475 million yen, an increase of 35,720 million yen from the end of the previous fiscal year. This was mainly attributable to increases of 20,061 million yen in retained earnings and 17,584 million yen in foreign currency translation adjustments, despite a decrease of 2,069 million yen in net unrealized gain on securities.

Cash flows

Cash and cash equivalents during the first half of the fiscal year increased 60,999 million yen from the end of the previous fiscal year, to 197,445 million yen.

Cash flows from operating activities

Cash provided by operating activities totaled 68,038 million yen (1,419 million yen in cash provided in the year-ago period). The result principally reflected a decrease of 12,284 million yen in notes and accounts payable, partially offset by 38,547 million yen in income before income taxes and a decrease of 41,685 million yen in notes and accounts receivables and contract assets.

Cash flows from investing activities

Cash provided by investing activities was 676 million yen (12,295 million yen in cash used in the year-ago period). This was mainly attributable to 5,481 million yen in payments for purchase of property, plant and equipment, partially offset by 5,153 million yen in proceeds from refund of time deposits and 1,611 million yen in proceeds from sales of investments in securities.

Cash flows from financing activities

Cash used in financing activities was 16,975 million yen (32,347 million yen in cash provided in the year-ago period). Primary factors included a decrease in short-term borrowings of 6,563 million yen and an outlay of 9,642 million yen for the payments of cash dividends.

(3) Outlook

In light of recent business performance trends, the Company has revised upward its consolidated full-year earnings forecast for the fiscal year ending December 31, 2024, which was announced on August 8, 2024, as follows.

Sales are progressing as planned, 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 improved profitability along with the progress in revising prices to keep pace with higher costs associated with rising raw material and labor expenses.

Given the above, the Company has decided to increase its Q2-end (interim) dividend by 3 yen per share from the forecast previously announced for the fiscal year ending December 31, 2024, which was resolved at a meeting of the Board of Directors held on November 8, 2024. The Company has also revised its year-end dividend forecast, increasing it 4 yen per share. For details, please see the news release "Notice of Revisions to Full-Year Earnings Forecast, Interim Dividend, and Year-End Dividend Forecast" separately announced on November 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 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	56,000	59,000	42,000	113.30
Current forecast (B)	550,000	64,000	66,000	48,500	131.12
Change (B – A)	–	8,000	7,000	6,500	–
Rate of change (%)	–	14.3	11.9	15.5	–

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.

The full-year orders forecast remains unchanged to be 590,000 million yen as announced on August 8, 2024.

2. Interim Consolidated Financial Statements

(1) Interim consolidated balance sheets

(Million yen)

	FY2023 (as of March 31, 2024)	FY2024 Q2 (as of September 30, 2024)
ASSETS		
Current assets		
Cash on hand and in banks	142,044	199,760
Notes receivable, accounts receivable from completed construction contracts and other, and contract assets	271,633	242,557
Merchandise and finished goods	9,291	10,024
Costs incurred on uncompleted construction contracts and other	14,144	14,918
Raw materials and supplies	43,060	41,600
Other	17,473	21,817
Allowance for doubtful accounts	(1,219)	(791)
Total current assets	496,426	529,887
Non-current assets		
Property, plant and equipment	77,451	83,791
Intangible assets		
Goodwill	3,299	3,286
Other	8,828	9,252
Total intangible assets	12,128	12,538
Investments and other assets		
Other	60,148	63,342
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	60,148	63,341
Total non-current assets	149,728	159,672
Total assets	646,154	689,559

(Million yen)

	FY2023 (as of March 31, 2024)	FY2024 Q2 (as of September 30, 2024)
LIABILITIES		
Current liabilities		
Notes and accounts payable and construction contracts payable	61,154	55,262
Electronically recorded obligations - operating	19,421	19,177
Short-term borrowings and current portion of long-term borrowings	9,428	3,150
Income taxes payable	9,532	9,401
Contract liabilities	79,576	97,019
Provision for bonuses	1,817	8,103
Provision for losses on construction contracts	853	1,041
Other	29,607	24,558
Total current liabilities	211,392	217,715
Non-current liabilities		
Convertible-bond-type bonds with stock acquisition rights	61,088	60,985
Long-term borrowings	100	100
Liabilities for retirement benefits	6,784	6,709
Other provisions	551	525
Other	7,483	9,048
Total non-current liabilities	76,007	77,368
Total liabilities	287,399	295,084
NET ASSETS		
Shareholders' equity		
Common stock	31,865	31,865
Capital surplus	20,490	20,490
Retained earnings	288,311	308,373
Treasury stock	(20,944)	(20,799)
Total shareholders' equity	319,723	339,929
Accumulated other comprehensive income		
Net unrealized gain (loss) on securities	7,874	5,804
Deferred gain (loss) on hedges	(145)	13
Foreign currency translation adjustments	28,519	46,104
Accumulated adjustments on retirement benefits	2,440	2,203
Total accumulated other comprehensive income	38,688	54,125
Non-controlling interests	342	419
Total net assets	358,755	394,475
Total liabilities and net assets	646,154	689,559

(2) Interim consolidated statements of income and comprehensive income

(Million yen)

	FY2023 H1 (April 1, 2023– September 30, 2023)	FY2024 H1 (April 1, 2024– September 30, 2024)
Net sales	281,267	302,621
Cost of sales	235,328	234,565
Gross profit	45,938	68,055
Selling, general and administrative expenses		
Selling expenses	9,218	9,303
General and administrative expenses	17,659	20,606
Total selling, general and administrative expenses	26,878	29,910
Operating income	19,060	38,144
Other income		
Interest income	807	1,457
Dividend income	233	235
Rental income	137	110
Other	906	219
Total other income	2,084	2,022
Other expenses		
Interest expenses	158	187
Interest expenses on bonds	(9)	(102)
Foreign exchange losses	—	1,833
Other	156	63
Total other expenses	306	1,981
Ordinary income	20,838	38,186
Extraordinary income		
Gain on sales of investments in securities	122	1,088
Other	75	12
Total extraordinary income	198	1,101
Extraordinary loss		
Loss on disposal or sales of property, plant and equipment	126	174
Extra retirement payments	78	534
Settlement payments	528	—
Other	1	32
Total extraordinary loss	734	740
Income before income taxes	20,302	38,547
Income taxes - current	9,742	13,395
Income taxes - deferred	(3,645)	(4,603)
Total income taxes	6,096	8,792
Net income	14,205	29,755
Net income (loss) attributable to:		
Shareholders of the parent company	14,206	29,712
Non-controlling interests	(0)	42

(Million yen)

	FY2023 H1 (April 1, 2023– September 30, 2023)	FY2024 H1 (April 1, 2024– September 30, 2024)
Other comprehensive income		
Net unrealized gain (loss) on securities	2,373	(2,069)
Deferred gain (loss) on hedges	(494)	158
Foreign currency translation adjustments	10,931	17,619
Retirement benefits reserves adjustments	84	(237)
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	(66)	—
Total other comprehensive income (loss)	12,827	15,471
Comprehensive income	27,033	45,226
Comprehensive income (loss) attributable to:		
Shareholders of the parent company	27,000	45,149
Non-controlling interests	32	77

(3) Interim consolidated statements of cash flows

(Million yen)

	FY2023 H1 (April 1, 2023– September 30, 2023)	FY2024 H1 (April 1, 2024– September 30, 2024)
Cash flows from operating activities		
Income before income taxes	20,302	38,547
Depreciation	4,489	4,632
Interest and dividend income	(1,041)	(1,692)
Interest expenses	158	187
Interest expenses on bonds	(9)	(102)
Decrease (increase) in notes and accounts receivable and contract assets	(533)	41,685
Decrease (increase) in inventories	(7,595)	2,351
Increase (decrease) in notes and accounts payable	(19,025)	(12,284)
Increase (decrease) in contract liabilities	18,210	10,195
Other	(3,477)	(5,121)
Subtotal	11,478	78,397
Interest and dividend received	986	1,700
Interest paid	(155)	(190)
Income taxes refund (paid)	(11,051)	(11,521)
Other	160	(347)
Net cash provided by (used in) operating activities	1,419	68,038
Cash flows from investing activities		
Investments in time deposits	(81)	(1,608)
Proceeds from refund of time deposits	—	5,153
Payments for purchase of property, plant and equipment	(6,874)	(5,481)
Proceeds from sales of property, plant and equipment	22	231
Proceeds from sales of investments in securities	198	1,611
Proceeds from redemption of investments in securities	—	900
Payments for purchase of investments in securities	(5,917)	(11)
Other	355	(119)
Net cash provided by (used in) investing activities	(12,295)	676
Cash flows from financing activities		
Increase (decrease) in short-term borrowings, net	190	(6,563)
Proceeds from issuance of convertible-bond-type bonds with stock acquisition rights	61,082	—
Payments for purchase of treasury stock	(19,211)	(2)
Payments of cash dividends	(8,820)	(9,642)
Other	(895)	(766)
Net cash provided by (used in) financing activities	32,347	(16,975)
Effect of exchange rate change on cash and cash equivalents	5,038	9,260
Net increase (decrease) in cash and cash equivalents	26,510	60,999
Cash and cash equivalents at beginning of the period	102,389	136,445
Cash and cash equivalents at end of the period	128,899	197,445

(4) Notes on interim 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 beginning of the first half ended September 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 half ended September 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 beginning of the first half ended September 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, effective from the beginning with the first half ended September 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 half ended September 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 H1 (April 1, 2023–September 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	103,358	8,914	88,079	14,605	10,378	225,336	54,790	280,127
Intersegment sales or transfers	18,697	7,372	294	1,594	786	28,745	4,630	33,376
Total	122,055	16,286	88,374	16,200	11,165	254,082	59,421	313,503
Segment income (loss)	12,550	549	5,253	749	1,626	20,728	(1,713)	19,014

* 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 interim 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	254,082
Segment net sales classified in "Other"	59,421
Elimination of intersegment transactions	(33,376)
Other adjustments for consolidation	1,139
Net sales in consolidated financial statements	281,267

(Million yen)

Income	
Reportable segments total	20,728
Segment income classified in "Other"	(1,713)
Elimination of dividends from affiliates	(4,575)
Other adjustments for consolidation	(233)
Net income attributable to shareholders of the parent company in consolidated financial statements	14,206

FY2024 H1 (April 1, 2024–September 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	121,477	9,275	86,415	12,973	25,223	255,364	46,470	301,835
Intersegment sales or transfers	18,155	1,931	1,281	2,482	372	24,223	6,441	30,665
Total	139,633	11,206	87,696	15,456	25,595	279,588	52,912	332,500
Segment income (loss)	17,670	362	6,135	925	7,006	32,100	1,987	34,087

* 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 interim 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	279,588
Segment net sales classified in "Other"	52,912
Elimination of intersegment transactions	(30,665)
Other adjustments for consolidation	785
Net sales in consolidated financial statements	302,621

(Million yen)

Income	
Reportable segments total	32,100
Segment income classified in "Other"	1,987
Elimination of dividends from affiliates	(3,917)
Other adjustments for consolidation	(457)
Net income attributable to shareholders of the parent company in consolidated financial statements	29,712

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 half 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 H1 (April 1, 2023–September 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	10,335	45	16,308	—	—	26,688	8,606	35,294
Electronics	39,360	637	11,275	14,605	10,378	76,257	17,237	93,495
Commerce, retail	22,388	4,442	34,759	—	—	61,589	10,712	72,302
Transportation, warehousing	5,335	47	1,392	—	—	6,775	3,004	9,779
Machinery	3,420	423	98	—	—	3,942	647	4,590
Chemicals, pharmaceuticals	8,022	2,411	76	—	—	10,510	1,585	12,096
Food	3,665	0	1,454	—	—	5,120	2,418	7,538
Iron, steel, nonferrous metals	2,616	7	7	—	—	2,631	124	2,756
Precision equipment, printing, office equipment	1,130	603	3	—	—	1,737	249	1,986
Airport	1,580	162	20,050	—	—	21,793	8,519	30,312
Other	5,502	132	2,653	—	—	8,288	1,686	9,974
Sales to external customers	103,358	8,914	88,079	14,605	10,378	225,336	54,790	280,127
Other adjustments for consolidation	—	—	—	—	—	—	—	1,139
Net sales in consolidated financial statements	—	—	—	—	—	—	—	281,267

* 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	77,305	5,620	—	—	—	82,926	7,729	90,655
Non-Japan	26,052	3,293	88,079	14,605	10,378	142,409	47,061	189,471
North America	2,229	2,667	77,971	4,264	—	87,132	1,848	88,981
Asia	21,130	439	1,637	10,341	10,378	43,927	34,274	78,202
China	13,661	225	73	609	10,378	24,948	7,385	32,334
South Korea	2,361	22	—	9,731	—	12,116	3,880	15,996
Taiwan	2,594	51	—	—	—	2,645	13,530	16,175
Other	2,513	140	1,563	—	—	4,217	9,478	13,696
Europe	359	171	4,376	—	—	4,908	3,902	8,810
Latin America	1,136	14	3,016	—	—	4,167	1,355	5,522
Other	1,196	—	1,078	—	—	2,274	5,679	7,953
Sales to external customers	103,358	8,914	88,079	14,605	10,378	225,336	54,790	280,127
Other adjustments for consolidation	—	—	—	—	—	—	—	1,139
Net sales in consolidated financial statements	—	—	—	—	—	—	—	281,267

* 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	23,117	6,210	7,960	430	513	38,233	13,872	52,106
Performance obligations satisfied over time	80,240	2,703	80,119	14,174	9,864	187,103	40,918	228,021
Sales to external customers	103,358	8,914	88,079	14,605	10,378	225,336	54,790	280,127
Other adjustments for consolidation	—	—	—	—	—	—	—	1,139
Net sales in consolidated financial statements	—	—	—	—	—	—	—	281,267

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

FY2024 H1 (April 1, 2024–September 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	14,233	46	14,612	—	—	28,893	9,250	38,143
Electronics	49,718	461	8,788	12,973	25,223	97,165	7,712	104,877
Commerce, retail	20,566	4,133	28,553	—	—	53,253	10,592	63,846
Transportation, warehousing	8,703	40	2,187	—	—	10,931	4,007	14,939
Machinery	4,314	370	63	—	—	4,748	907	5,655
Chemicals, pharmaceuticals	9,377	3,086	6	—	—	12,470	1,127	13,598
Food	4,180	0	6,854	—	—	11,034	1,030	12,065
Iron, steel, nonferrous metals	2,331	2	14	—	—	2,349	74	2,423
Precision equipment, printing, office equipment	1,559	748	2	—	—	2,310	298	2,608
Airport	1,198	317	19,092	—	—	20,607	10,030	30,638
Other	5,294	68	6,238	—	—	11,601	1,438	13,039
Sales to external customers	121,477	9,275	86,415	12,973	25,223	255,364	46,470	301,835
Other adjustments for consolidation	—	—	—	—	—	—	—	785
Net sales in consolidated financial statements	—	—	—	—	—	—	—	302,621

* 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	80,998	5,014	445	—	—	86,458	6,828	93,287
Non-Japan	40,479	4,260	85,970	12,973	25,223	168,906	39,642	208,548
North America	1,885	3,354	79,201	539	—	84,981	3,693	88,675
Asia	36,065	654	872	12,434	25,223	75,249	24,569	99,818
China	26,532	440	15	225	24,979	52,194	5,656	57,851
South Korea	605	50	—	12,209	—	12,865	4,704	17,570
Taiwan	6,347	54	—	—	243	6,645	6,662	13,307
Other	2,579	108	856	—	—	3,544	7,545	11,089
Europe	964	251	2,916	—	—	4,132	3,443	7,575
Latin America	276	0	2,073	—	—	2,350	1,270	3,620
Other	1,287	—	905	—	—	2,193	6,665	8,858
Sales to external customers	121,477	9,275	86,415	12,973	25,223	255,364	46,470	301,835
Other adjustments for consolidation	—	—	—	—	—	—	—	785
Net sales in consolidated financial statements	—	—	—	—	—	—	—	302,621

* 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	26,289	5,635	7,270	449	789	40,434	14,494	54,928
Performance obligations satisfied over time	95,187	3,639	79,144	12,524	24,434	214,930	31,976	246,907
Sales to external customers	121,477	9,275	86,415	12,973	25,223	255,364	46,470	301,835
Other adjustments for consolidation	—	—	—	—	—	—	—	785
Net sales in consolidated financial statements	—	—	—	—	—	—	—	302,621

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

Major subsequent events

Acquisition of treasury stock

At a meeting of the Board of Directors held on November 8, 2024, the Company resolved matters pertaining to the repurchase of its own shares in accordance with the provisions of the Articles of Incorporation under Article 156 of the Companies Act, as applied pursuant to the provisions of Article 165, paragraph 3 thereof.

1. Reasons for the repurchase of shares

To improve capital efficiency, further enhance shareholder return, and increase the value per share by reducing the number of shares outstanding

2. Details of the matters related to the repurchase of shares

(1) Class of shares to be repurchased: Common stock

(2) Total number of shares that may be repurchased:

5,000,000 shares (maximum)

(approximately 1.35% of the issued shares, excluding treasury stock, as of October 31, 2024)

(3) Total repurchase price of shares to be repurchased: 10.0 billion yen (maximum)

(4) Repurchase period: From November 11, 2024 to and including December 31, 2024

(5) Repurchase method: Market purchase on the Tokyo Stock Exchange

Note:

All or part of the planned repurchase may not be executed, dependent on market conditions and other matters.

(Reference)

Holding of treasury stock as of October 31, 2024

Total number of issued shares (excluding treasury stock): 370,733,143 shares

Number of treasury stock: 9,097,088 shares

Note:

The Company's shares held by the Board Benefit Trust (BBT) introduced by the Company are included in the number of treasury stock.