

Consolidated Financial Results

Fiscal Year Ended March 31, 2015
(April 1, 2014 – March 31, 2015)



May 14, 2015

- **Orders and sales posted record-highs, which resulted in achieving increased sales and profits for the fifth year in a row.**
- **The systems business for manufacturers and distributors expanded outside of Japan.**
- **The systems business for automobile factories were favorable in both new construction and upgrade projects in North America.**
- **Demand for systems for semiconductor and flat-panel display (FPD) factories was brisk in Asian countries.**
- **Daifuku Co.'s performance benefited earnings.**
- **Contec increased profits, while Daifuku's systems for automobile, semiconductor and FPD factories also increased profits in North America and Asia.**
- **Daifuku revised its four-year business plan, in line with the increased orders and sales.**

FY2014 Results (Consolidated)

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(Billion yen)

	FY2013	FY2014	Year-on-year
Orders	276.83	305.56	10.4%
Net Sales	241.81	267.28	10.5%
Operating income	12.55	14.88	18.5%
Ordinary income	13.19	15.78	19.6%
Net income	7.74	9.81	26.7%
Comprehensive income	17.75	13.59	-23.4%
Net income per share (yen)	69.96	88.59	

FY2014 Results by Segment

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(Billion yen)

	Orders		Net sales		Net income	
	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014
Daifuku	117.35	137.01	110.25	115.06	5.76	7.04
Contec	14.82	15.37	13.37	14.63	0.72	0.84
Daifuku Webb*	75.17	75.72	52.74	76.54	1.68	1.55
Other	69.47	77.45	64.14	64.61	2.97	4.12
Consolidated adjustment and other	-	-	1.30	-3.57	-3.40	-3.75
Total	276.83	305.56	241.81	267.28	7.74	9.81

*Daifuku Webb Holding Company changed company name to Daifuku North America Holding Company in January 2015.

Consolidated Balance Sheets

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(Billion yen)

	FY2012	FY2013	FY2014		FY2012	FY2013	FY2014
Current assets	139.83	170.78	185.04	Current liabilities	93.99	83.71	93.85
Cash on hand and in banks	33.73	52.13	54.20	Notes and accounts payable	36.55	46.88	47.39
Notes and accounts receivable	81.96	89.55	96.05	Short-term borrowings and bonds	34.22	7.01	12.90
Inventories	17.60	20.38	24.53	Other	23.22	29.81	33.55
Other	6.52	8.71	10.24	Non-current liabilities	27.19	66.12	65.63
Non-current assets	67.04	78.74	85.97	Long-term borrowings and bonds	19.16	51.12	47.64
Property, plant and equipment	31.29	34.07	34.67	Other	8.02	15.00	17.99
Intangible assets	9.03	14.85	19.04	Total Liabilities	121.19	149.84	159.49
Goodwill	5.76	10.13	12.90	Shareholders' equity	84.48	90.65	98.46
Other	3.26	4.71	6.14	Accumulated other comprehensive income	-0.94	6.18	9.32
Investments and other assets	26.71	29.81	32.25	Minority interests	2.14	2.84	3.72
Total assets	206.87	249.53	271.01	Total net assets	85.68	99.69	111.52
				Total liabilities and net assets	206.87	249.53	271.01

Consolidated Statements of Cash Flows

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(Billion yen)

	FY2013	FY2014	Change
Cash flows from operating activities	20.44	6.42	-14.02
Cash flows from investing activities	-7.37	-5.97	1.39
Free cash flows	13.07	0.44	-12.62
Cash flows from financing activities	1.04	-0.50	-1.55
Effect of exchange rate change on cash and cash equivalents	3.20	2.17	-1.03
Net increase in cash and cash equivalents	17.32	2.10	-15.21
Cash and cash equivalents, beginning of the year	33.72	51.85	18.12
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	0.80	0.11	-0.68
Cash and cash equivalents, end of the year	51.85	54.08	2.22

Orders and Sales by Industry (Consolidated)

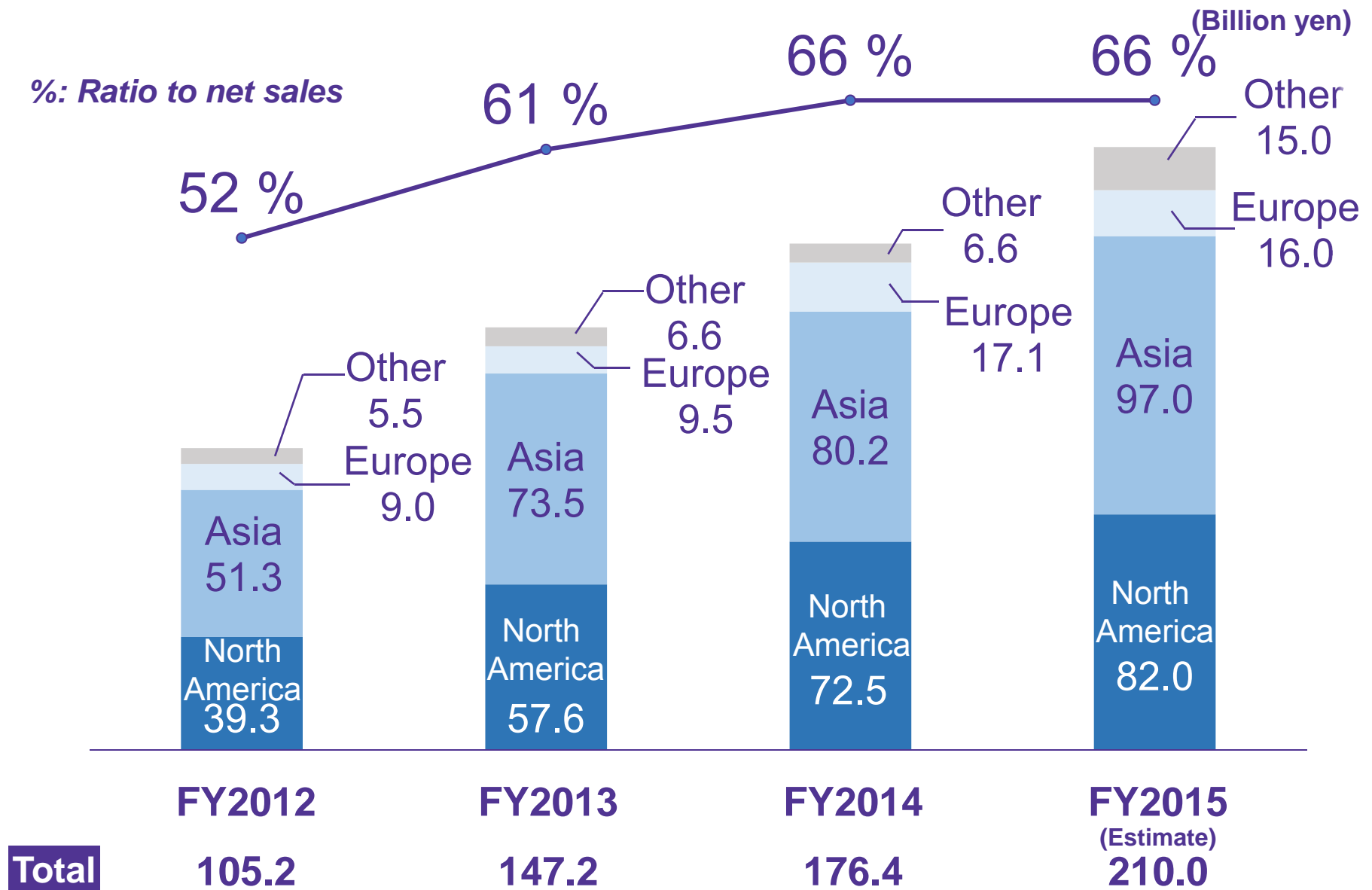
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(Billion yen)

Industry	Orders				Sales			
	FY2013		FY2014		FY2013		FY2014	
	Orders	Ratio (%)	Orders	Ratio (%)	Sales	Ratio (%)	Sales	Ratio (%)
Automobile, auto parts	62.64	22.6%	65.39	21.4%	58.94	24.4%	61.30	22.9%
Electronics	64.25	23.2%	79.82	26.1%	59.36	24.5%	64.74	24.2%
Commerce, retail	63.28	22.9%	61.77	20.2%	45.94	19.0%	59.92	22.4%
Transportation, warehousing	12.45	4.5%	17.33	5.7%	8.46	3.5%	11.70	4.4%
Machinery	6.89	2.5%	8.74	2.9%	7.01	2.9%	6.24	2.3%
Chemicals, pharmaceuticals	12.34	4.5%	19.57	6.4%	10.84	4.5%	12.68	4.7%
Food	10.01	3.6%	8.68	2.8%	8.02	3.3%	9.39	3.5%
Iron, steel, nonferrous metals	3.75	1.4%	4.27	1.4%	3.73	1.5%	4.26	1.6%
Precision machinery, printing, office equipment	3.60	1.3%	3.53	1.2%	3.62	1.5%	3.70	1.4%
Airport	25.39	9.2%	25.32	8.3%	20.57	8.5%	18.73	7.0%
Other	12.23	4.3%	11.14	3.6%	15.32	6.4%	14.62	5.6%
Total	276.83	100.0%	305.56	100.0%	241.81	100.0%	267.28	100.0%

Non-Japan Sales (Consolidated)



Non-Japan Sales by Area (Consolidated)

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(Billion yen)

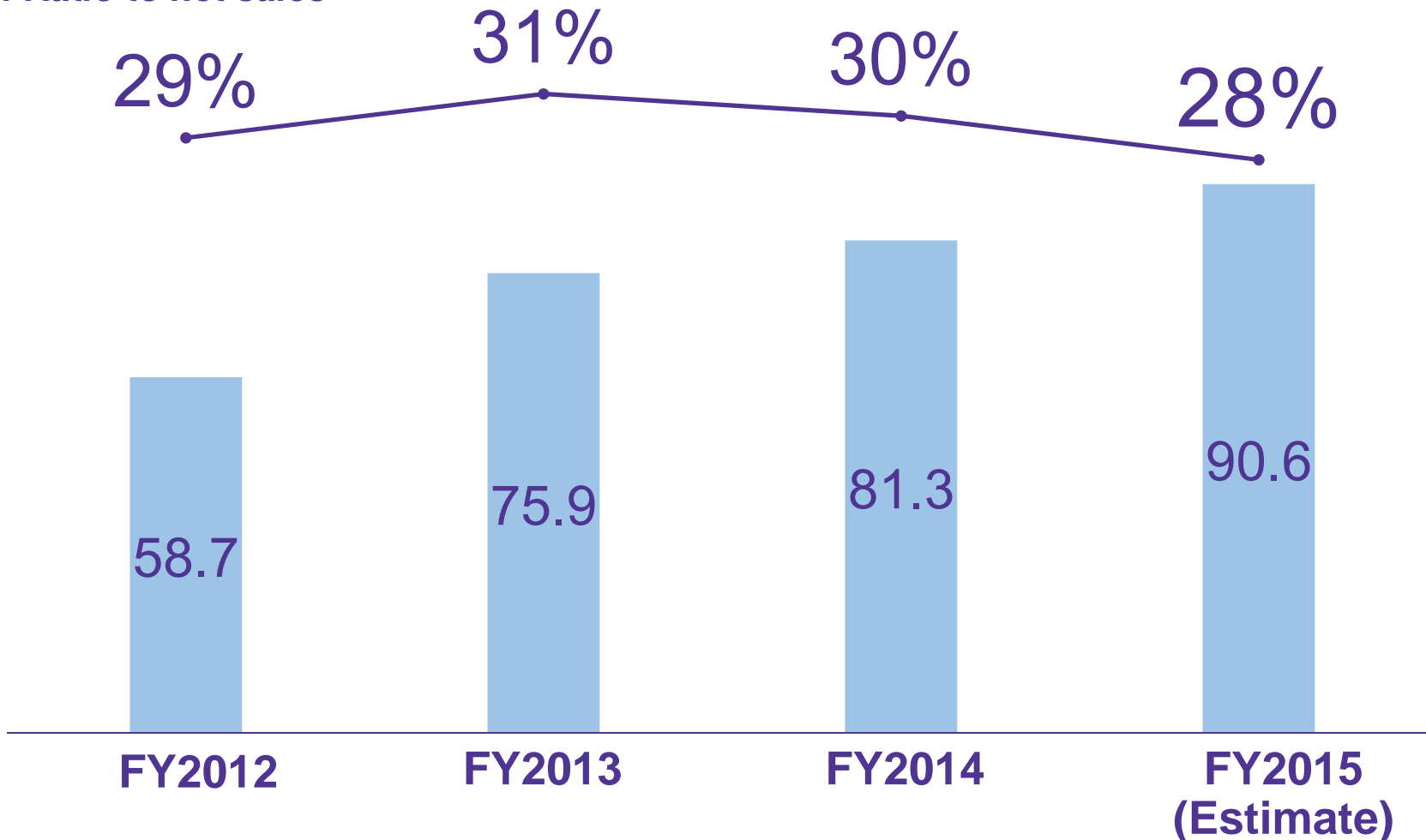
Area	FY2012		FY2013		FY2014	
	Sales	Ratio (%)	Sales	Ratio (%)	Sales	Ratio (%)
North America	39.33	37.4	57.57	39.2	72.51	41.1
Asia	51.36	48.7	73.51	49.9	80.20	45.5
South Korea	14.14	13.4	22.28	15.1	30.53	17.3
China	10.90	10.4	28.36	19.3	30.50	17.3
Taiwan	14.68	13.9	7.71	5.2	6.94	3.9
Thailand	5.31	5.0	7.46	5.1	5.48	3.1
Other	6.33	6.0	7.70	5.2	6.73	3.9
Europe	9.04	8.6	9.54	6.4	17.09	9.6
Latin America	3.88	3.7	4.84	3.3	4.48	2.5
Other	1.67	1.6	1.80	1.2	2.12	1.3
Total	105.28	100.0	147.26	100.0	176.41	100.0

Service Sales (Consolidated)

Note: Sales in the service business include maintenance, retrofitting, and remodeling work for products and systems Daifuku delivered.

%: Ratio to net sales

(Billion yen)

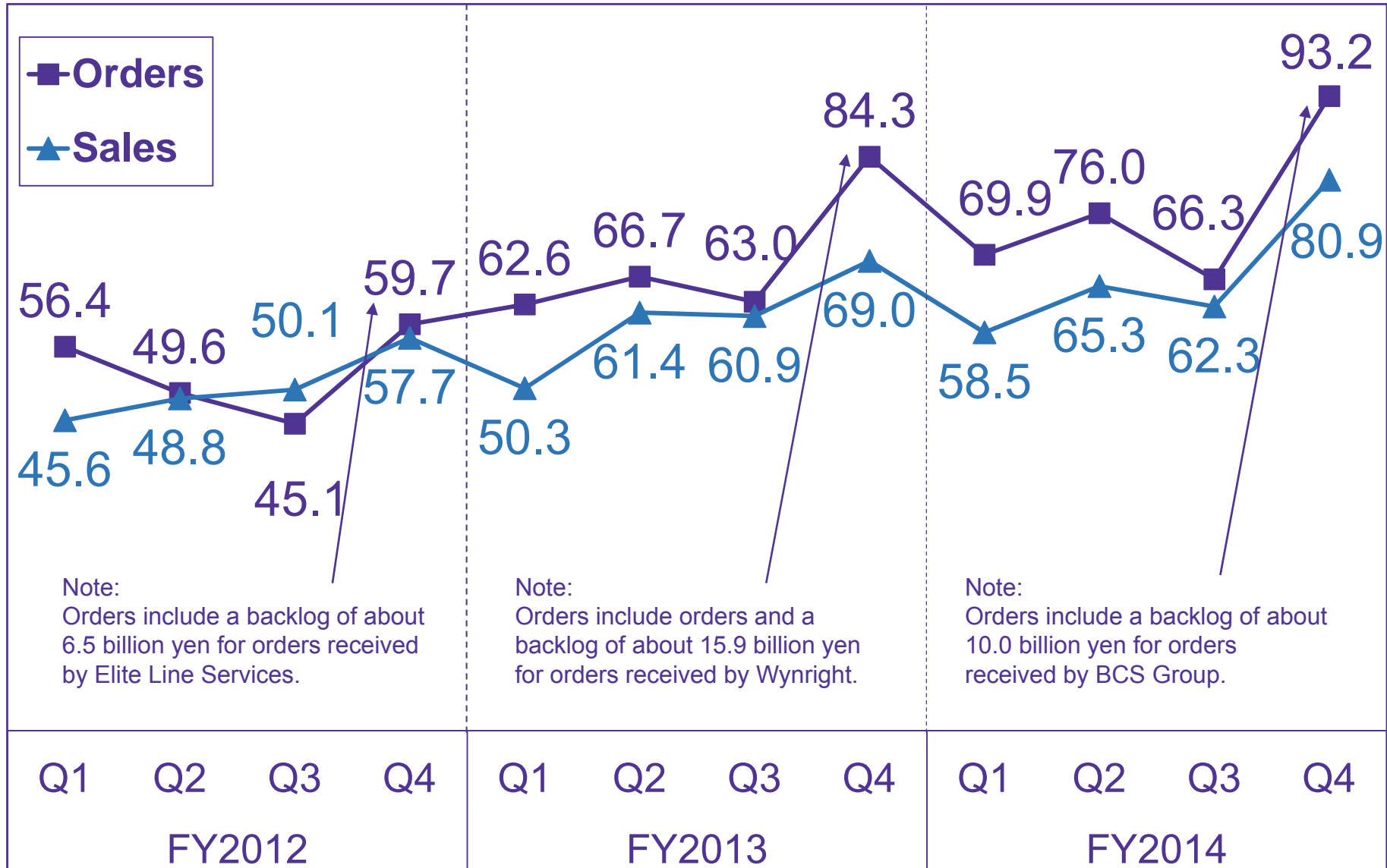


Trends in Quarterly Orders and Sales

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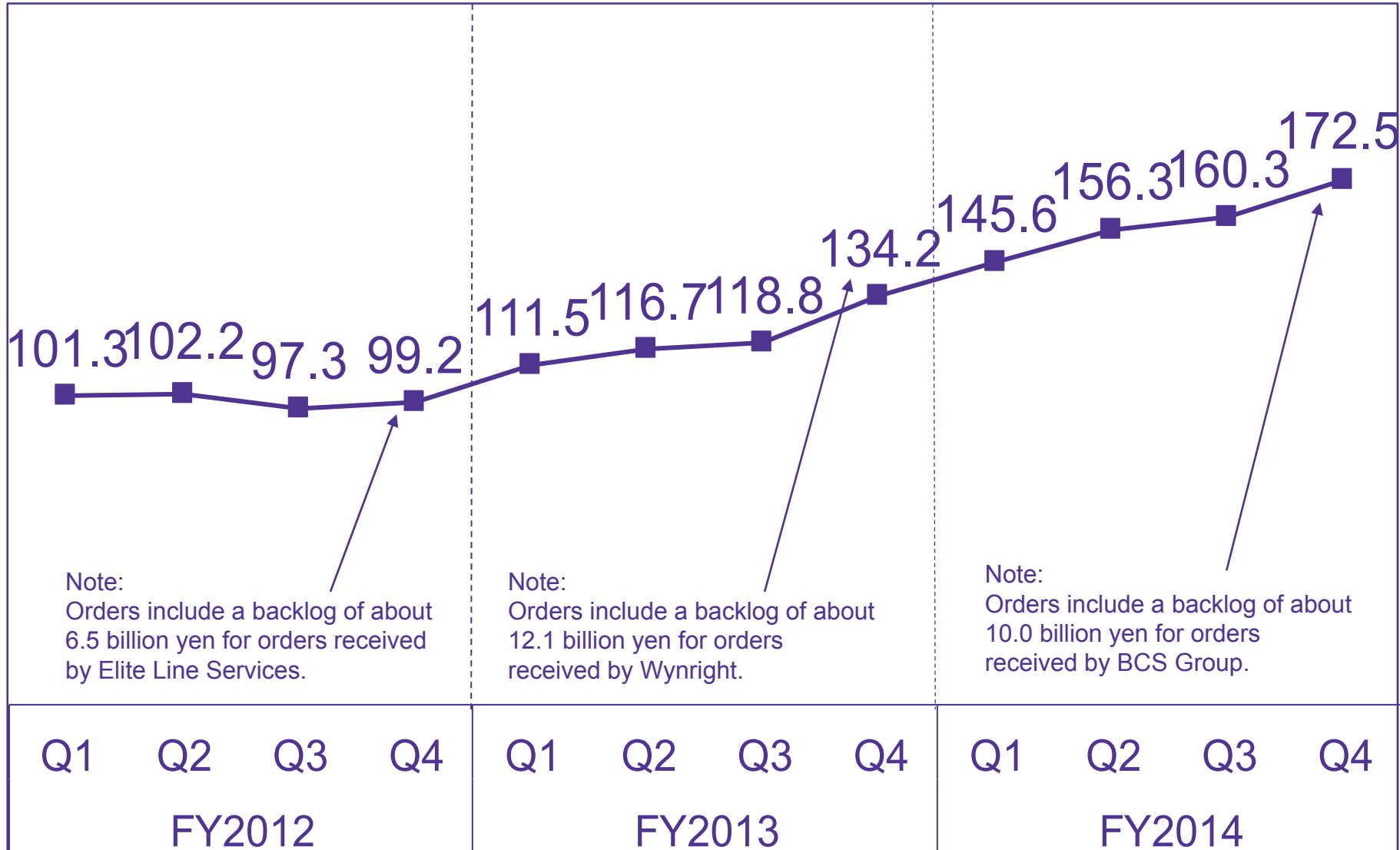
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(Billion yen)



Trends in Order Backlogs

(Billion yen)



FY2015 Forecast (Consolidated)

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(Billion yen)

	FY2014 H1	FY2015 H1	Year-on-year	FY2014	FY2015	Year-on-year
Orders	146.00	200.0	37.0%	305.56	340.0	11.3%
Net Sales	123.92	150.0	21.0%	267.28	320.0	19.7%
Operating income	5.64	7.0	24.1%	14.88	18.0	20.9%
Ordinary income	6.14	7.0	13.8%	15.78	18.2	15.3%
Net income*	4.21	5.0	18.7%	9.81	12.0	22.3%

*In accordance with the change in accounting standards, net income will be revised to “net income attributable to shareholders of the parent company” from FY2015 ending March 2016.

Liabilities, Expenses, Employees (Consolidated) **DAIFUKU**

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Interest-bearing liabilities

(Billion yen)

		FY2012	FY2013	FY2014
	Short-term	34.2	7.0	12.9
	Long-term	19.2	51.1	47.6
	Total	53.4	58.1	60.5
	D/E ratio	0.64	0.60	0.56

Expenses and employees

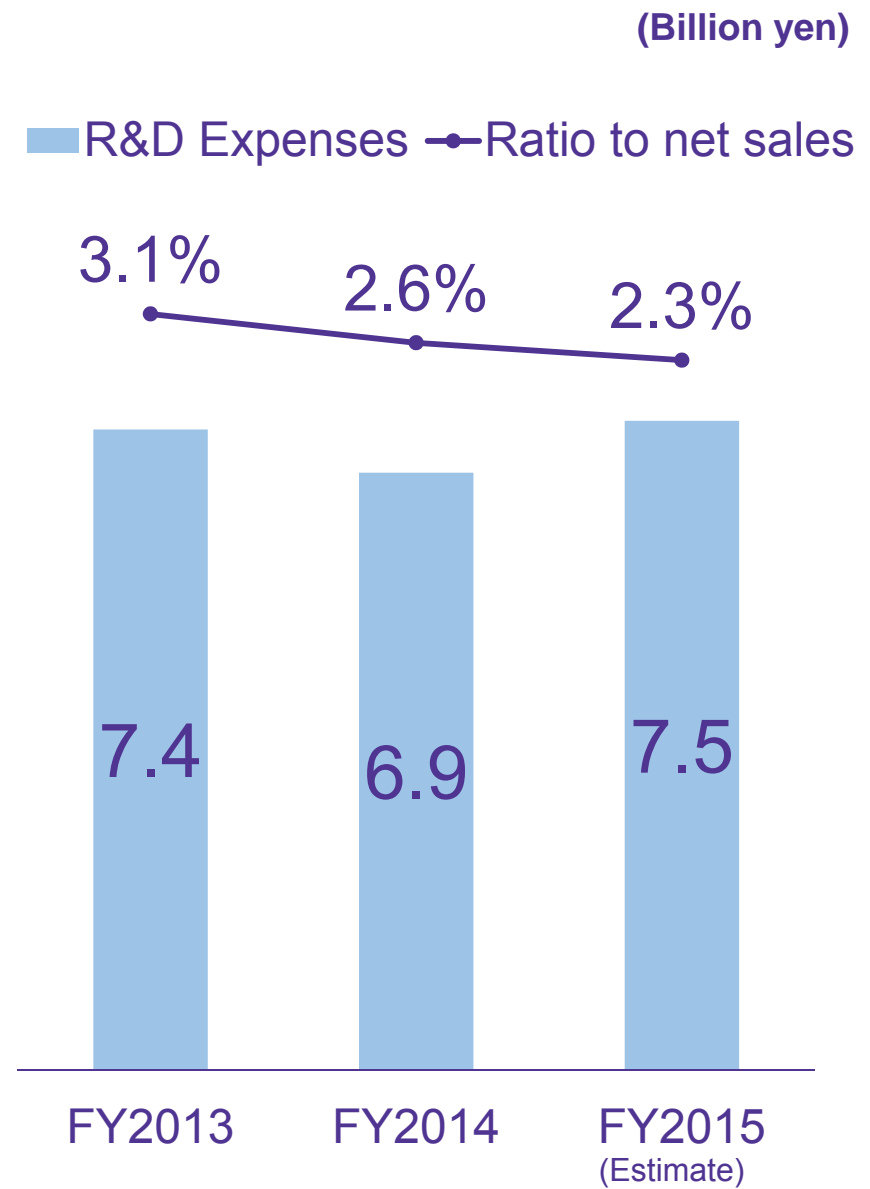
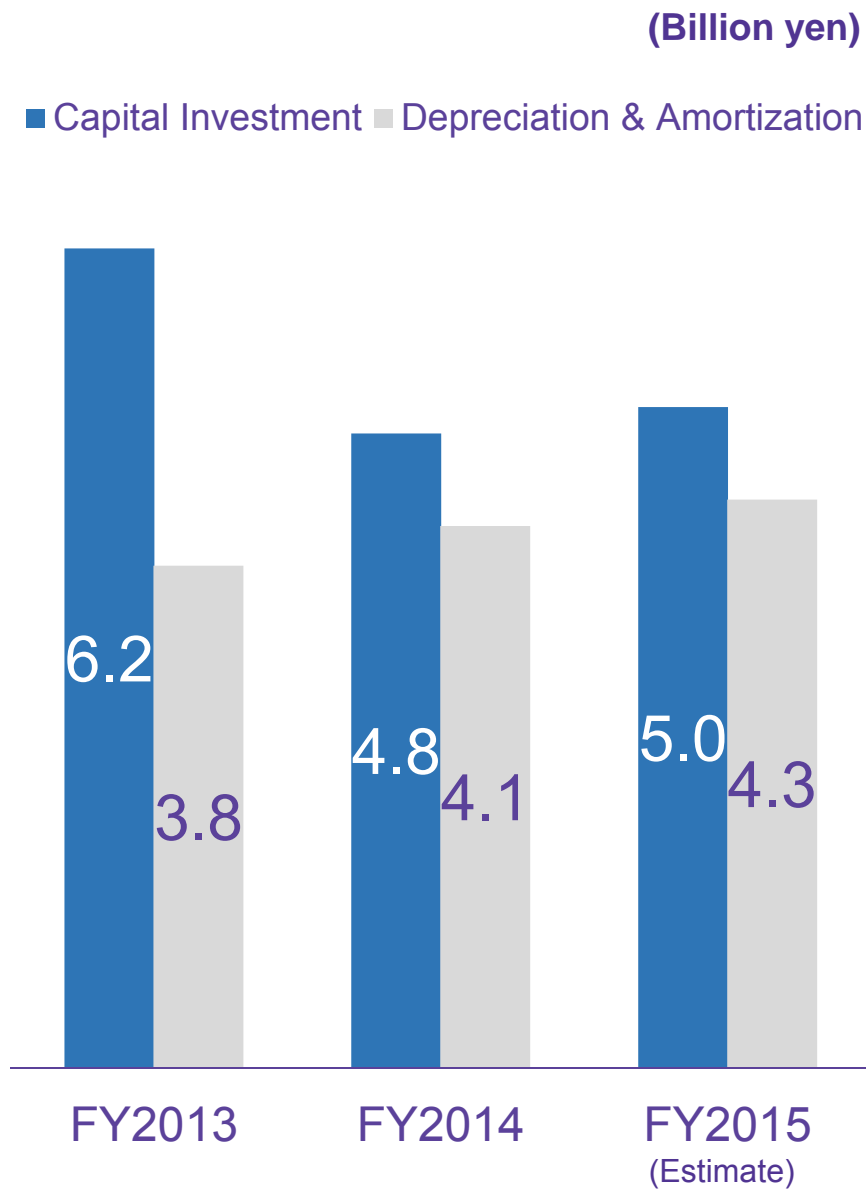
	Fixed cost	66.7	80.6	83.2
	Personnel expenses	45.2	50.5	59.2
	Employees (of which global affiliate staff)	6,678 (3,742)	7,349 (4,379)	7,746 (4,760)

D/E ratio = interest-bearing liabilities / shareholders' equity

Financial Standing (Consolidated)

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Basic Policy for Dividend Payments

1. FY2014 ended March 2015: 22 yen* per share

*7 yen interim dividend + 15 yen year-end dividend

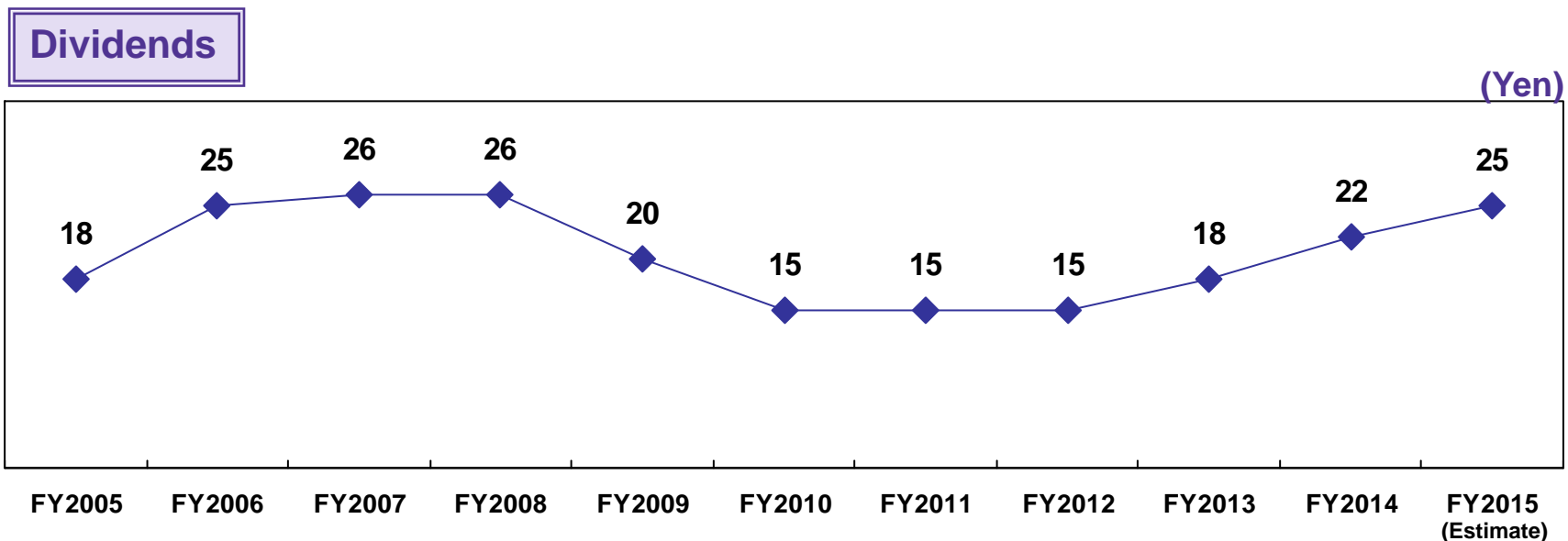
(increased by 4 yen from the previous year, dividend payout ratio of 24.8%)

2. FY2015 ending March 2016: 25 yen* per share (estimate)

*10 yen interim dividend + 15 yen year-end dividend


3. Dividend payment policy in the four-year business plan

Aiming for stable or higher dividends per share and a medium- to long-term dividend payout ratio of 30%



**Progress in the Four-Year Business Plan
“Value Innovation 2017” and
review of management targets
for the final year**

Review of Management Targets

	FY2016 Targets (as of February 2013)		FY2016 Targets (After revision in May 2015)
Net sales	280 billion yen		340 billion yen
Operating margin (Operating income)	7%		21 billion yen
ROE	-		10%
Dividend payout ratio	30%		30%
Non-Japan sales ratio	60%		70%
Service sales ratio	Over 25%		Over 25%

- Sales: Projected to be achieved one year earlier than planned. The final numerical target for the final fiscal year has been revised upward accordingly.
- Operating income: Aimed at surpassing the record high, in line with the increased sales. (20.6 billion yen for the fiscal year ended March 2008.)
- ROE: Added the numerical target as a management indicator to increase corporate value.

Factors behind the business plan revision

Factors in the business conditions	Factors for Daifuku
<ul style="list-style-type: none"> • Spread of Abenomics effects • Sharp yen rate (\$1: 80 yen ⇒119 yen) • Recovery among main advanced countries • Accelerating manufacturing and distribution for consumers in emerging countries in Asia and other countries • Expanding global e-commerce business • Creating new systems with the Internet of Things, increased demand for electronic devices and high-definition FPD • Globalization of tougher competition in the market 	<ul style="list-style-type: none"> • Increased non-Japan sales through proactive M&A (backed by the depreciation of the yen) • Stable cost-cutting efforts through “structural innovation” • Sustainable growth in service business

Issues

Increased profitability	Strengthening corporate governance
<ul style="list-style-type: none"> • Develop and identify new products, business, and markets • Increase profitability of non-Japanese subsidiaries • Improve global structural innovation 	<ul style="list-style-type: none"> • Management with investors’ view • Promoting diversity

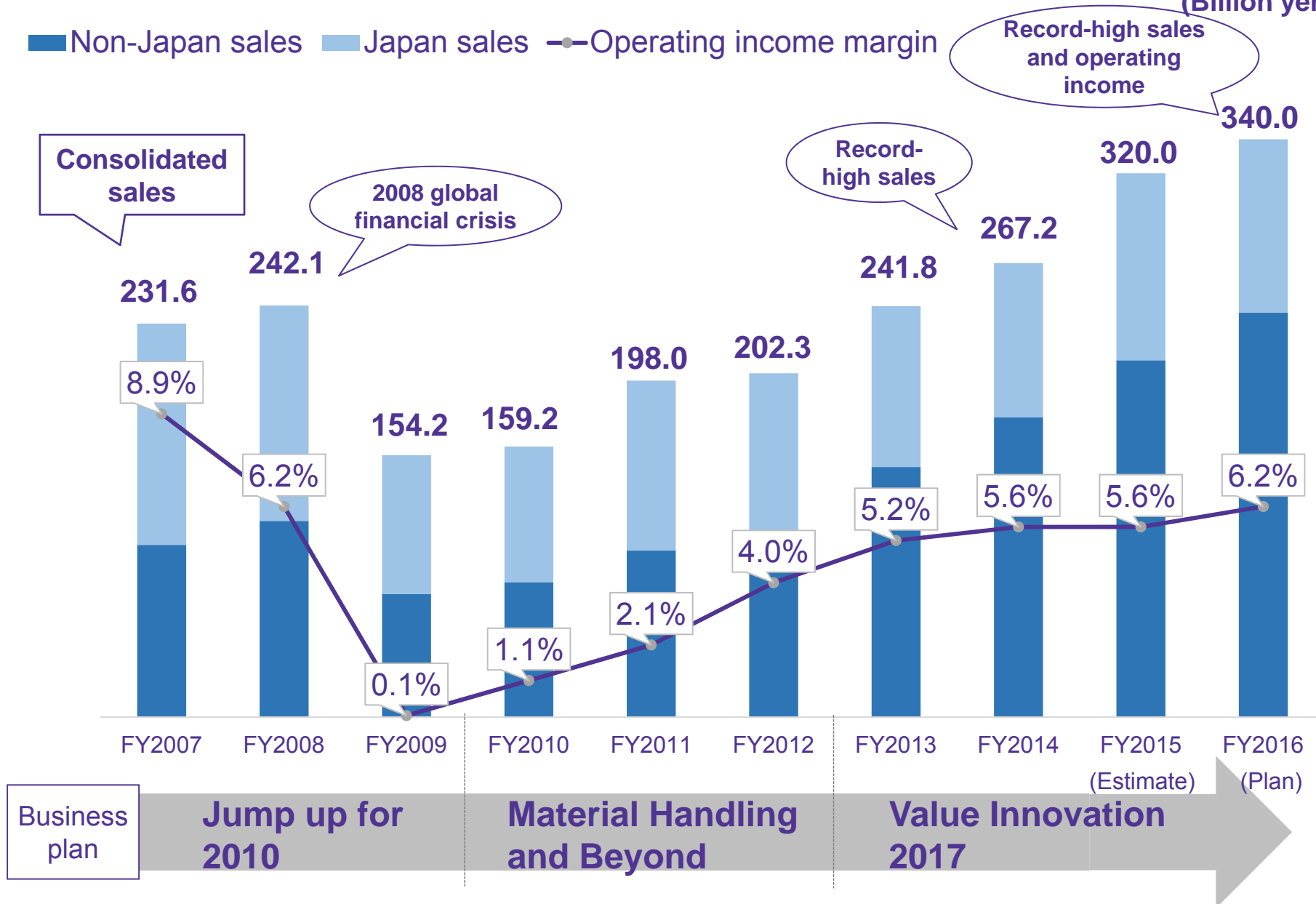
Trends in the four-year business plan

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(Billion yen)

■ Non-Japan sales ■ Japan sales —●— Operating income margin

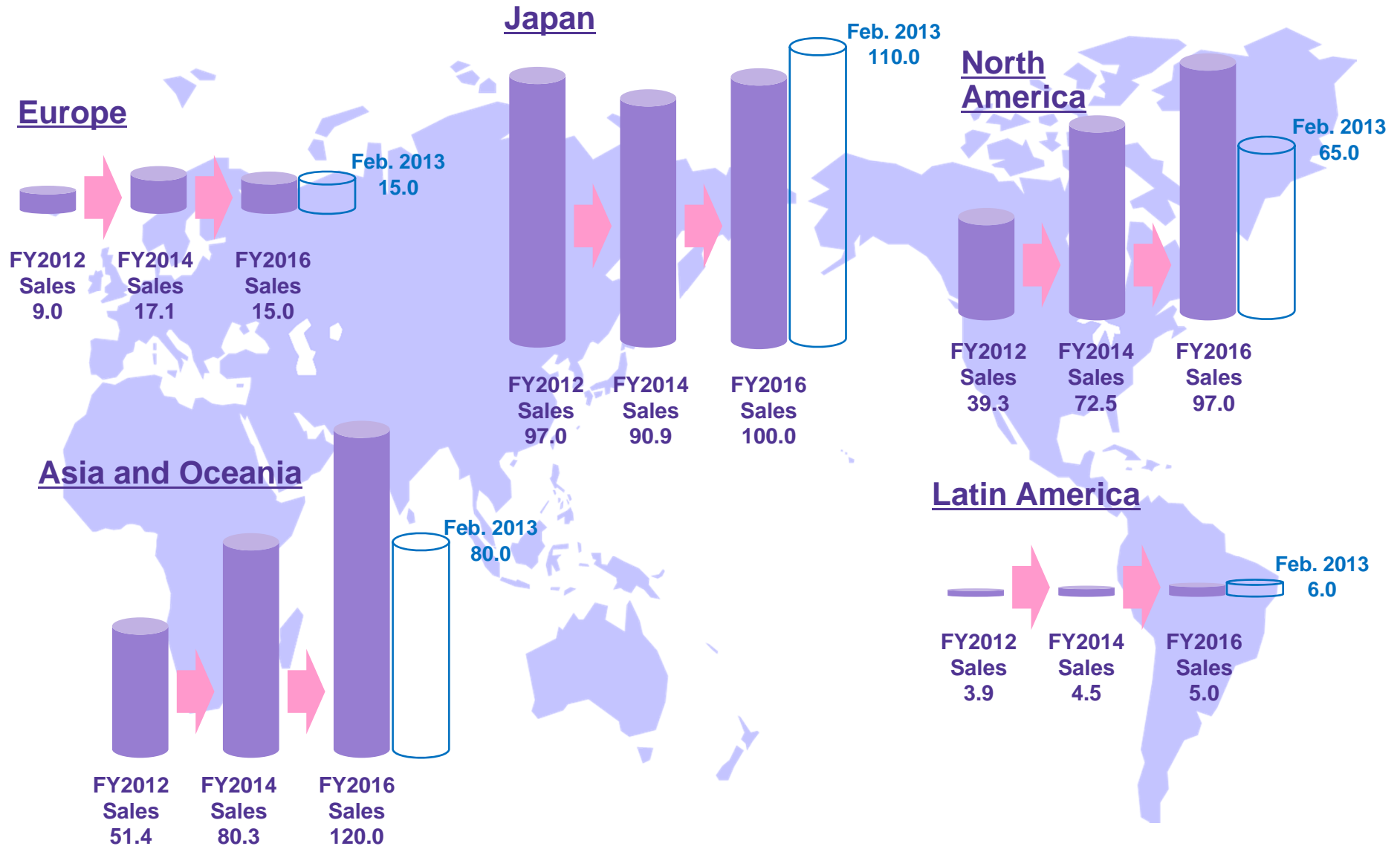


Targets for Non-Japan Sales by Area (Consolidated)

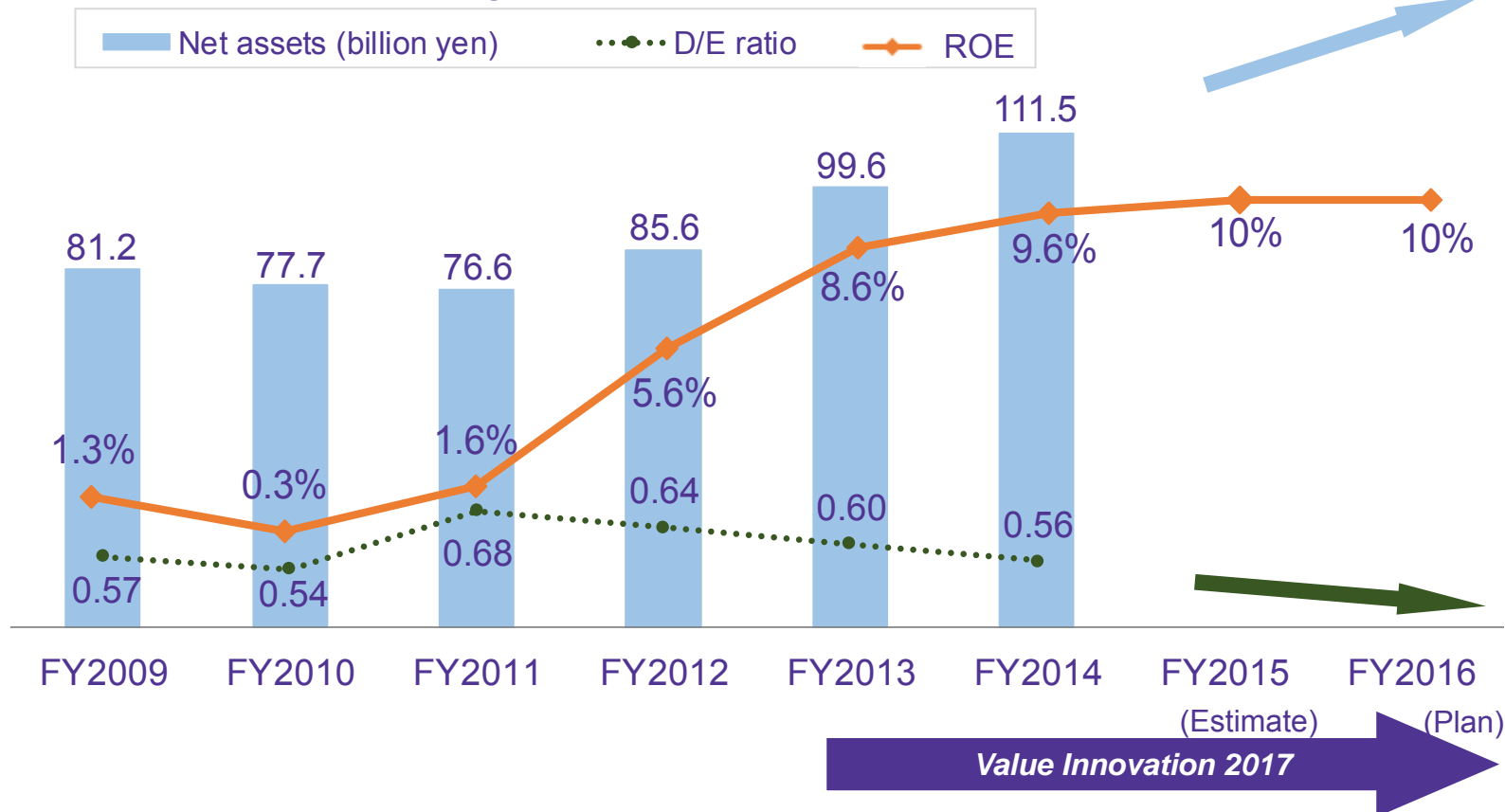
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(Billion yen)



- Maintain A rating and improve ← strengthen our financial integrity: capital increase through convertible bonds
ROE 10%, D/E ratio 0.5 or lower
- Aim for the JPX-Nikkei Index 400 ← Enhance the ROE three-year average, three-year cumulative operating income and market capitalization



D/E ratio: interest-bearing liabilities/shareholders' equity

ROE: net income/shareholders' equity (average of beginning and end of year) × 100

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Always an Edge Ahead

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 Company'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/or plagues. Moreover, there are other factors that may adversely affect the Company's performance.