

## Consolidated Financial Results for the First Three Quarters of the Fiscal Year Ending March 31, 2016 [Japan GAAP]

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

February 10, 2016

### Daifuku Co., Ltd.

Stock code: 6383, First Section of Tokyo Stock Exchange

URL: [www.daifuku.com/jp/](http://www.daifuku.com/jp/)

Representative: Masaki Hojo, President and CEO

Contact: Tsukasa Saito, General Manager of Finance & Accounting Division

Tel: +81-6-6472-1261

Scheduled date for filing quarterly financial report: February 15, 2016

Scheduled date of commencing dividend payment: –

Quarterly earnings supplementary materials: Yes

Quarterly 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 Three Quarters of Fiscal 2015

(April 1, 2015 - December 31, 2015)

#### (1) Operating Results

(Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
<b>First 3 quarters of fiscal 2015</b>	<b>236,345</b>	<b>26.9</b>	<b>15,563</b>	<b>69.6</b>	<b>16,565</b>	<b>65.4</b>	<b>10,940</b>	<b>66.5</b>
First 3 quarters of fiscal 2014	186,305	7.8	9,174	0.8	10,013	3.7	6,573	11.4

Note: Comprehensive income

First three quarters of fiscal 2015: 8,820 million yen (-10.9 %)

First three quarters of fiscal 2014: 9,900 million yen (-23.7 %)

	Net income per share	Diluted net income per share
	Yen	Yen
<b>First 3 quarters of fiscal 2015</b>	<b>97.01</b>	<b>91.51</b>
First 3 quarters of fiscal 2014	59.36	53.99

Note: Dilutive shares do not exist at the end of the first three quarters of the fiscal year under review, as the stock acquisition rights of Japanese yen convertible bonds due 2017 were all exercised on December 17, 2015.

#### (2) Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
<b>First 3 quarters of fiscal 2015</b>	<b>290,425</b>	<b>132,698</b>	<b>44.4</b>
Fiscal 2014	271,011	111,521	39.8

Reference: Shareholders' equity

First three quarters of fiscal 2015: 128,986 million yen

Fiscal 2014: 107,797 million yen

## 2. Dividends

	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2014	–	7.00	–	15.00	22.00
Fiscal 2015	–	10.00	–		
<b>Fiscal 2015 (forecast)</b>				<b>20.00</b>	<b>30.00</b>

Note: Revisions to the latest dividend forecast: Yes

## 3. Consolidated Earnings Forecast for the Fiscal 2015

(April 1, 2015- March 31, 2016)

(Percentage figures denote increases or decreases compared with the same period of the previous fiscal year.)

	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	330,000	23.5	20,000	34.4	20,700	31.2	13,000	32.5	115.27

Note: Revisions to the latest consolidated financial forecast: Yes

### Notes:

- (1) Changes in significant subsidiaries that affected the scope of consolidation during the period: 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 standards associated with the revisions of accounting standards: Yes
  - 2) Other changes: None
  - 3) Changes in accounting estimates: None
  - 4) Restatement: None

For more details, please see 2-(1) "Changes in accounting policies, accounting estimates, and restatement."

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

**Third quarter of fiscal 2015: 123,610,077 shares**  
Fiscal 2014: 113,671,494 shares
  - 2) Number of treasury stock at the end of the period
 

**Third quarter of fiscal 2015: 1,984,546 shares**  
Fiscal 2014: 2,853,707 shares
  - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
 

**First three quarters of fiscal 2015: 112,777,824 shares**  
First three quarters of fiscal 2014: 110,724,219 shares

Note: The number of treasury stock at the end of the first three quarters of the fiscal year ending March 31, 2016 includes 159,500 shares owned by a trust on behalf of Daifuku employees' shareholding association. The number of treasury stock at the end of the fiscal year ended March 31, 2015 included 260,600 shares owned by a trust on behalf of Daifuku employees' shareholding association.

**Regarding the status of quarterly review procedures**

These quarterly consolidated financial statements are exempted from quarterly review as provided in Japan's Financial Instruments and Exchange Act. At the time of disclosure of this report, review procedures for these consolidated financial statements pursuant to this Act have not been completed.

**Disclaimer**

The business forecasts contained in this document are 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 business forecasts, please see 1-(3) "Outlook for the fiscal year ending March 31, 2016."

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

## **Contents**

<b>1. Qualitative Information Relating to Quarterly Consolidated Financial Results</b>	<b>5</b>
(1) Operating results	5
(2) Financial position	8
(3) Outlook for the fiscal year ending March 31, 2016	9
<b>2. Matters Relating to Summary Information (Notes)</b>	<b>10</b>
<b>3. Consolidated Financial Statements</b>	<b>12</b>
(1) Consolidated Balance Sheets	12
(2) Consolidated Statements of Income and Comprehensive Income	14
<b>Note on Going Concern Assumption</b>	16
<b>Notes When There Is a Material Change in the Amount of Shareholders Equity</b>	16
<b>Segment Information</b>	17
<b>Management Changes</b>	20

## **1. Qualitative Information Relating to Quarterly Consolidated Financial Results**

### (1) Operating results

During the first three quarters of the fiscal year under review, the global economy benefited from a moderate recovery in developed nations including the U.S., while facing an increasingly uncertain future in the wake of the slowdown in economic growth in China and other emerging countries, declining prices of oil and other commodities, and increased geopolitical risks. In the Japanese economy, demand for facility upgrades is increasing in the manufacturing sector, while the distribution and service sectors have been enjoying improved business sentiment thanks to stronger e-commerce and inbound consumers.

Daifuku Group's mainstay material handling systems have growth potential, since logistics-related investments from the e-commerce sector are expanding globally, demand for automation and larger facilities is increasing, and capital investment is being used to resolve labor shortages and increase productivity.

Amid these conditions, operating results of the Daifuku Group held steady. Orders received, net sales, and income for the first three quarters of the fiscal year under review all reached new record highs.

Orders remained favorable in major regions and core sectors, such as distribution, food, and pharmaceuticals in Japan, other Asian regions and North America, semiconductors and flat-panel displays (FPD) in Japan and other Asian regions, and automobiles in North America. Sales were positive, underpinned by strong order volumes.

Specifically, the Group received orders of 280,554 million yen, up 32.1% from a year earlier, and recorded net sales of 236,345 million yen, up 26.9%.

Income significantly surpassed the year-ago figure, reflecting the increased profitability generated by increased sales and cost improvements by Daifuku Co., Ltd., and the increased sales of Asian subsidiaries. Consequently, the Group posted operating income of 15,563 million yen, up 69.6% from a year earlier, and ordinary income of 16,565 million yen, up 65.4%. Net income attributable to shareholders of the parent company was 10,940 million yen, up 66.5%.

Results by reportable segment are described below. Orders from and sales to outside customers are described as segment orders and sales, and quarterly net income attributable to shareholders of the parent company is recorded as segment income. For more details about segments, please see "Segment Information" below. Daifuku Plusmore Co., Ltd., which was previously included in Other, was changed to a reportable segment due to its increased quantitative significance from the first quarter.

**Daifuku Co., Ltd.**

In our mainstay systems for manufacturers and distributors, orders for large projects remained steady in the distribution sectors, including e-commerce and supermarkets, and in the warehousing, pharmaceutical, food, and electrical equipment sectors. In systems for semiconductor and FPD factories, orders rose sharply in Japan and in other parts of Asia. In automobile production line systems, orders for services and small upgrade projects remained firm in Japan.

Sales of systems for semiconductor and FPD factories increased significantly. Sales of systems for manufacturers and distributors also rose.

Earnings meanwhile benefited from a stronger production framework, corresponding to rapidly increased orders for systems for semiconductor and FPD factories and further cost improvements in productions and installations of systems for manufacturers and distributors.

As a result, the Company recorded orders of 111,376 million yen, up 19.3% from the previous fiscal year, sales of 99,912 million yen, up 29.2%, and segment income of 7,981 million yen, up 96.9%.

**Contec group** (Contec Co., Ltd. and its affiliates)

Sales of products for the automotive-related sector were firm; however, sales of industrial-use computers and measuring and control boards in Japan declined, mainly attributable to sluggish sales of products for the semiconductor manufacturing equipment and electronic component-related sectors. Sales of solution products, including photovoltaic data measuring systems, were also down, reflecting the impact from environmental changes in the photovoltaic market. In the U.S. market, sales of industrial-use computers for the medical device sector remained favorable.

Income fell on increased purchasing costs along with the depreciation of the yen and higher R&D expenses for new products for the Internet of Things sector.

As a consequence, Contec posted orders of 10,995 million yen, down 6.4% from the previous fiscal year, sales of 10,484 million yen, down 2.1%, and segment income of 355 million yen, down 45.0%.

**Daifuku North America group** (Daifuku North America Holding Company and its affiliates)

In systems for manufacturers and distributors, orders remained firm, bolstered by large projects for the confectionery, online industrial supply, transportation, and other sectors. In addition, sales of automatic guided vehicles for parts supply used at automobile factories were favorable.

In systems for semiconductor manufacturers, business remained firm.

In automobile production line systems, Daifuku North America received multiple large orders for new automobile paint line systems for an American automaker. Projects for Japanese automakers also held steady.

In airport baggage handling systems, order size and profitability for new projects have been recovering.

Profits reflected results for automobile production line systems and semiconductor production line systems. However, earnings were adversely affected by unprofitable projects in systems for distributors and manufacturers, as well as in airport baggage handling systems. Earnings were also affected by the amortization of goodwill associated with a U.S. company that joined the group through M&A, which was reflected in Daifuku North America's results.

As a result, Daifuku North America achieved orders of 79,101 million yen, up 34.3% from the previous fiscal year, sales of 56,548 million yen, down 2.7%, and segment income of 1,003 million yen, down 17.0%.

#### **Daifuku Plusmore Co., Ltd.**

Daifuku Plusmore mainly sells car wash machines and bowling-related products and provides rental roll box pallets in Japan. Sales of car wash machines for car service stations remained steady, underpinned by demand for upgrades of aging machines and subsidies operated by Japan's Agency for Natural Resources and Energy's business stabilization and support operations. Daifuku Plusmore is consequently targeting record annual unit sales.

As a result, Daifuku Plusmore reported orders of 9,978 million yen, up 24.2% from the previous fiscal year, net sales of 9,711 million yen, up 19.9%, and segment income of 175 million yen, up 55.1%.

#### **Other**

The Other segment includes all other Daifuku Group companies, excluding the aforementioned Contec and Daifuku North America group companies and Daifuku Plusmore. The Daifuku Group has 59 consolidated subsidiaries and affiliates in total worldwide.

Outside Japan, major subsidiaries include Daifuku (China) Co., Ltd. in China; Taiwan Daifuku Co., Ltd. in Taiwan; Daifuku Korea Co., Ltd. and Clean Factomation, Inc. in South Korea; and Daifuku (Thailand) Ltd. in Thailand, which primarily sell and manufacture material handling systems and equipment. These companies have boosted exports to markets in other countries and are playing a global role in the optimal local production and procurement framework of the Group.

In China, brisk constructions of FPD factories contribute significantly to orders and sales. Orders and sales of systems for manufacturers and distributors remained steady with projects for the food and

pharmaceutical sectors, as Daifuku's material handling systems are meeting market needs in a phase of a major shift from exporting to domestic demand as well as a move from manufacturing to service-oriented sectors. In automobile production line systems, orders for conveyors and automatic guided vehicles for Euro-American automobile factories remained firm. In addition, three Chinese subsidiaries and affiliates were reorganized effective July 1. Daifuku China and its affiliates are strengthening their production and sales divisions to further expand their businesses.

In Taiwan, business performance improved significantly with large orders for systems for semiconductor and FPD factories and systems for the distribution centers of online stores.

In South Korea, orders from semiconductor manufacturers, upgrading projects for automakers, and sales of car wash machines were steady.

Given unfavorable business sentiment in ASEAN countries, orders grew at a sluggish pace at subsidiaries in Thailand, Singapore, Indonesia, and Malaysia. In consideration of ASEAN's potential, however, these subsidiaries will continue to strengthen their local operating frameworks, including production, sales and information infrastructure, to receive orders from automobile factories that need to upgrade or replace their facilities, as well as to meet demand for low-temperature logistics in the food and beverage sectors.

Sales reported by BCS Group Limited, which sells airport baggage handling systems in Oceania and Asia, remained firm.

In Europe, service business for systems for manufacturers and distributors remained steady. In addition, Daifuku is conducting structural reforms at Daifuku Logan Ltd., which manufactures and sells airport baggage handling systems. Daifuku Logan is scheduled to receive orders for large projects during the fourth quarter of the fiscal year under review.

Consequently, the segment recorded orders of 69,102 million yen, up 71.3% from the previous fiscal year, sales of 55,081 million yen, up 55.6%, and segment income of 2,610 million yen, up 2.5%.

## (2) Financial position

### **Assets**

Total assets at the end of the first three quarters of the fiscal year under review stood at 290,425 million yen, an increase of 19,413 million yen from the end of the previous fiscal year. The result principally reflected increases of 11,880 million yen in notes and accounts receivable from completed contracts and 7,798 million yen in other current assets such as insufficient charges on uncompleted contracts.

### **Liabilities**

Total liabilities at the end of the first three quarters of the fiscal year under review amounted to 157,726



million yen, a decrease of 1,763 million yen from the end of the previous fiscal year. Primary factors included increases of 5,832 million yen in electronically recorded obligations, 5,910 million yen in other current liabilities such as excess charges for uncompleted construction and advances received, offset by a decrease of 15,093 million yen in the Japanese yen convertible bonds with stock acquisition rights due 2017.

### Net assets

Net assets at the end of the first three quarters of the fiscal year under review were 132,698 million yen, an increase of 21,176 million yen from the end of the previous fiscal year. This was mainly attributable to an increase of 8,163 million yen in retained earnings, as well as increases of 7,455 million yen in capital surplus and 6,992 million yen in paid-in capital or common stock with proceeds from the issuance of new shares following the exercise of stock acquisition rights mentioned above. Daifuku issued convertible bonds with stock acquisition rights in October 2013 as a pillar of the financial strategy described in its current medium-term business plan, aiming to convert the bonds into shares by October 2017. As its stock price has been favorable since then, the Company was able to boost its capital before the maturity date of October 2, 2017.

### (3) Outlook for the fiscal year ending March 31, 2016

The Daifuku Group has revised its earnings forecast for the fiscal year ending March 31, 2016, which was announced on November 10, 2015, as follows. The forecast reflected strong results of the Group, mainly Daifuku Co., Ltd., during the first three quarters of the fiscal year under review, as well as an earnings forecast for the fourth quarter.

As a consequence, the Company will revise its year-end dividend to 20 yen per share, from 15 yen for the fiscal year ending March 31, 2016. This will result in a record annual dividend of 30 yen per share, including the interim dividend already paid. For details, please see the news release "Notice of Revision to Dividend Forecast" separately announced on February 10, 2016.

Revisions to the earnings forecast for the fiscal year ending March 31, 2016  
(April 1, 2015 - March 31, 2016)

	Net sales	Operating income	Ordinary income	Net income attributable to shareholders of the parent company	Net income per share (yen)
Previous forecast (A)	330,000	19,500	20,000	12,500	112.74
Current forecast (B)	330,000	20,000	20,700	13,000	115.27
Change (B - A)	-	500	700	500	-
Rate of change (%)	-	2.6	3.5	4.0	-
Reference: Results for fiscal year ended March 31, 2015	267,284	14,883	15,783	9,810	88.59

(Million yen)

\*Disclaimer

The above forecast represents the judgment of the Company based on information available at the time of this release and contains 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 orders forecast for the fiscal year under review of 360,000 million yen, which was announced on August 11, 2015, remains unchanged.

## **2. Matters Relating to Summary Information (Notes)**

(1) Changes in accounting policies, accounting estimates, and restatement

Changes in significant accounting policies

(Application of accounting standard for business combination, etc.)

The Company applied the Accounting Standard for Business Combination (ASBJ Statement No. 21; September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22; September 13, 2013), and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7; September 13, 2013) and others from the first quarter. Differences caused by changes in the Company's holdings in subsidiaries that remain under its control are recorded as capital surplus, and expenses related to acquisition are now recorded as expenses for the fiscal year in which the acquisition occurred. Regarding business combinations conducted after the beginning of the first quarter, revisions to the purchase price allocation following the determination of provisional accounting methods are now reflected in the quarterly consolidated financial statements for the quarter in which the business combination occurred. In addition, the quarterly net income and other statements have been changed accordingly, and minority interests have been changed to non-controlling interests. To reflect these changes, the Company has revised the financial statements for the first three quarters of the previous fiscal term and the previous fiscal year.

The Accounting Standard for Business Combination and other standards are applied in accordance with the transitional treatment provided in Article 58-2 (4) of the Accounting Standard for Business Combination, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Article 57-4 (4) of the Accounting Standard for Business Divestitures, and are applied from the beginning of the first quarter onwards.

This change has no impact on the consolidated financial statements for the first three quarters of the fiscal year under review.

(Application of Practical Solution on Accounting for Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

The Company applied the Practical Solution on Accounting for Unification of Accounting Policies Applied

to Foreign Subsidiaries for Consolidated Financial Statements (PITF No. 18; March 26, 2015) from the first quarter. In accordance with the transitional treatment provided in the PITF, the goodwill that the Company's overseas subsidiary Daifuku North America Holding Company group elected to amortize in accordance with the FASB Accounting Standards Codification Topic 350 Intangibles—Goodwill and other as amended in January 2014 was amortized based on the remaining useful life of the goodwill stated in the consolidated financial statements.

This change has no impact on the consolidated financial statements for the first three quarters of the fiscal year under review.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Million yen)

	FY2014 (Year ended March 31, 2015)	First three quarters of FY2015 (Period ended December 31, 2015)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash on hand and in banks	54,202	54,156
Notes and accounts receivable and unbilled receivables	76,645	88,526
Merchandise and finished goods	3,561	3,966
Costs incurred on uncompleted construction contracts and other	8,990	11,991
Raw materials and supplies	11,980	12,103
Other current assets	29,798	37,597
Allowance for doubtful accounts	(137)	(150)
Total current assets	185,041	208,191
<b>Non-current assets:</b>		
<b>Property, plant and equipment</b>		
	34,673	32,612
<b>Intangible assets</b>		
Goodwill	12,905	11,158
Other	6,140	5,612
Total intangible assets	19,045	16,770
<b>Investments and other assets</b>		
Other	32,380	32,977
Allowance for doubtful accounts	(129)	(127)
Total investments and other assets	32,251	32,850
Total non-current assets	85,970	82,233
Total assets	271,011	290,425
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable and construction contracts payable	36,568	37,355
Electronically recorded obligations - operating	10,827	16,660
Short-term borrowings	12,904	12,345
Income taxes payable	1,210	4,326
Provision for losses on construction contracts	505	562
Other current liabilities	31,837	37,748
Total current liabilities	93,853	108,997
<b>Non-current liabilities:</b>		
Bonds	2,700	2,700
Bonds with stock acquisition rights	15,093	-
Long-term borrowings	29,849	29,898
Liabilities for retirement benefits	12,142	11,700
Other non-current liabilities	5,851	4,430
Total non-current liabilities	65,636	48,729
Total liabilities	159,490	157,726

(Million yen)

	FY2014 (Year ended March 31, 2015)	First three quarters of FY2015 (Period ended December 31, 2015)
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Common stock	8,024	15,016
Capital surplus	9,239	16,694
Retained earnings	83,626	91,789
Treasury stock	(2,419)	(1,674)
Total shareholders' equity	98,469	121,825
<b>Accumulated other comprehensive income:</b>		
Net unrealized gain on securities	4,639	5,104
Deferred gain (loss) on hedges	(72)	(8)
Foreign currency translation adjustments	10,542	7,534
Accumulated adjustments on retirement benefits	(5,781)	(5,469)
Total accumulated other comprehensive income	9,327	7,160
<b>Non-controlling interests:</b>		
	3,723	3,712
Total net assets	111,521	132,698
Total liabilities and net assets	271,011	290,425

## (2) Consolidated Statements of Income and Comprehensive Income

(Million yen)

	FY2014 First 3Qs (April 1, 2014 - December 31, 2014)	FY2015 First 3Qs (April 1, 2015 - December 31, 2015)
<b>Net sales</b>	186,305	236,345
<b>Cost of sales</b>	150,357	190,181
Gross profit	35,948	46,164
<b>Selling, general and administrative expenses:</b>		
Selling expenses	12,953	13,653
General and administrative expenses	13,820	16,947
Total selling, general and administrative expenses	26,773	30,601
Operating income	9,174	15,563
<b>Other income:</b>		
Interest income	116	140
Dividend income	297	355
Equity in earnings of affiliates	111	337
Foreign exchange gain	150	183
Rental income	131	170
Refunded foreign taxes	168	-
Miscellaneous income	259	278
Total other income	1,234	1,466
<b>Other expenses:</b>		
Interest expenses	346	371
Miscellaneous expenses	49	92
Total other expenses	396	463
Ordinary income	10,013	16,565
<b>Extraordinary income:</b>		
Gain on sales of property, plant and equipment	160	168
Gain on sales of investments in securities	300	374
Other	9	1
Total extraordinary income	471	544
<b>Extraordinary loss:</b>		
Loss on disposal and sales of property, plant and equipment	75	569
Impairment loss	-	452
Loss on liquidation of subsidiaries and associates	157	-
Special retirement benefit	65	116
Other	6	8
Total extraordinary loss	305	1,146
Income before income taxes	10,179	15,963
Income taxes - current	2,851	5,730
Income taxes - deferred	491	(887)
<b>Total income taxes</b>	3,343	4,843
Net income	6,835	11,120
Net income attributable to:		
Shareholders of the parent company	6,573	10,940
Non-controlling interests	262	179

(Million yen)

	FY2014 First 3Qs (April 1, 2014 - December 31, 2014)	FY2015 First 3Qs (April 1, 2015 - December 31, 2015)
<b>Other comprehensive income</b>		
Net unrealized gain on securities	1,046	418
Deferred gain (loss) on hedges	(41)	44
Foreign currency translation adjustments	1,876	(3,152)
Adjustments on retirement benefits	(35)	319
Share of other comprehensive income of affiliates accounted for by the equity method	219	70
Total other comprehensive income (loss)	3,064	(2,299)
<b>Comprehensive income:</b>	9,900	8,820
Comprehensive income attributable to:		
Shareholders of the parent company	9,588	8,773
Non-controlling interests	311	46

**Note on Going Concern Assumption**

Not applicable

**Notes When There Is a Material Change in the Amount of Shareholders Equity**

During the first three quarters of the fiscal year under review, the stock acquisition rights of Japanese yen convertible bonds due 2017 were exercised on December 17, 2015, and the issuance of new shares and disposal of treasury stock were implemented. Accordingly, the Company's paid-in capital or common stock increased by 6,992 million yen, capital surplus increased by 7,455 million yen, and treasury stock decreased by 621 million yen. As a result, paid-in capital was 15,016 million yen, capital surplus was 16,694 million yen, and treasury stock was 1,674 million yen at the end of the first three quarters of the fiscal year under review.



## Segment Information

I. The first three quarters of the previous fiscal year ended March 31, 2015 (from April 1, 2014 to December 31, 2014)

1. Information relating to the amounts of net sales and income by reportable segment

(Million yen)

	Reportable segment					Other*	Total
	Daifuku	Contec	Daifuku North America	Daifuku Plusmore	Total		
Net sales							
Sales to outside customers	77,347	10,709	58,101	8,099	154,257	35,408	189,666
Intersegment sales or transfers	15,718	5,749	208	19	21,696	11,863	33,559
Total	93,066	16,459	58,310	8,118	175,954	47,272	223,226
Segment income	4,053	646	1,208	112	6,021	2,547	8,568

\* "Other" represents an operating segment comprising subsidiaries that are not in reportable segments.

2. Differences between total amounts of net sales and income (loss) of reportable segments and those in quarterly consolidated statements of income and comprehensive income and details thereof (matters relating to difference reconciliation)

Net sales	(Million yen)
Reportable segment total	175,954
Net sales classified in "Other"	47,272
Elimination of inter-segment transactions	(33,559)
Consolidation adjustments to net sales under the percentage-of-completion method	(2,751)
Other adjustments for consolidation	(609)
Net sales in quarterly consolidated financial statements	186,305

Segment income	(Million yen)
Reportable segment total	6,021
Segment income classified in "Other"	2,547
Elimination of dividends from affiliates	(622)
Consolidation adjustments to net sales under the percentage-of-completion method	(149)
Other adjustments for consolidation	(1,223)
Net income attributable to shareholders of the parent company in quarterly consolidated financial statements	6,573

II. The first three quarters of the fiscal year ending March 31, 2016 (from April 1, 2015 to December 31, 2015)

1. Information relating to the amounts of net sales and income by reportable segment

(Million yen)

	Reportable segment					Other*	Total
	Daifuku	Contec	Daifuku North America	Daifuku Plusmore	Total		
Net sales							
Sales to outside customers	99,912	10,484	56,548	9,711	176,657	55,081	231,738
Intersegment sales or transfers	20,573	6,648	350	20	27,592	12,196	39,788
Total	120,485	17,132	56,898	9,731	204,249	67,277	271,527
Segment income	7,981	355	1,003	175	9,515	2,610	12,125

\* "Other" represents an operating segment comprising subsidiaries that are not in reportable segments.

2. Differences between total amounts of net sales and income (loss) of reportable segments and those in quarterly consolidated statements of income and comprehensive income and details thereof (matters relating to difference reconsideration)

Net sales	(Million yen)
Reportable segment total	204,249
Net sales classified in "Other"	67,277
Elimination of inter-segment transactions	(39,788)
Consolidation adjustments to net sales under the percentage-of-completion method	4,446
Other adjustments for consolidation	160
Net sales in quarterly consolidated financial statements	236,345

Segment income	(Million yen)
Reportable segment total	9,515
Segment income classified in "Other"	2,610
Elimination of dividends from affiliates	(386)
Consolidation adjustments to net sales under the percentage-of-completion method	128
Other adjustments for consolidation	(926)
Net income attributable to shareholders of the parent company in quarterly consolidated financial statements	10,940

### 3. Changes to reportable segments

Daifuku Plusmore Co., Ltd., which was previously included in Other, was changed to a reportable segment due to its increased quantitative significance from the first quarter under review. In addition, Daifuku Webb Holding Company changed its name to Daifuku North America Holding Company in January 2015. Because of these changes, the reportable segments were changed as follows.

Formerly: Daifuku Co., Ltd.

Contec group (Contec Co., Ltd. and its affiliates)

Daifuku Webb group (Daifuku Webb Holding Company and its affiliates)

From fiscal 2015: Daifuku Co., Ltd.

Contec group (Contec Co., Ltd. and its affiliates)

Daifuku North America group (Daifuku North America Holding Company and its affiliates)

Daifuku Plusmore Co., Ltd.

The segment information of the first three quarters of the previous fiscal year is based on the new reportable segments.

## **Management Changes**

Effective April 1, 2016

(1) Changes in representative directors

Not applicable

(2) Promoted to corporate officers

### **Takuya Gondo**

New: Corporate Officer

General Manager of Engineering Division, FA&DA Operations

Current: Deputy General Manager of Production Division, FA&DA Operations

General Manager of Engineering Department under the Production Division

### **Yasuhisa Mishina**

New: Corporate Officer

Deputy General Manager of Production Division, FA&DA Operations

Current: Deputy General Manager of Production Division, FA&DA Operations

General Manager of Design Department under the Production Division

### **Hiroaki Kita**

New: Corporate Officer

Chairman of Daifuku (China) Manufacturing Co., Ltd.

Current: Chairman of Daifuku (China) Manufacturing Co., Ltd.