

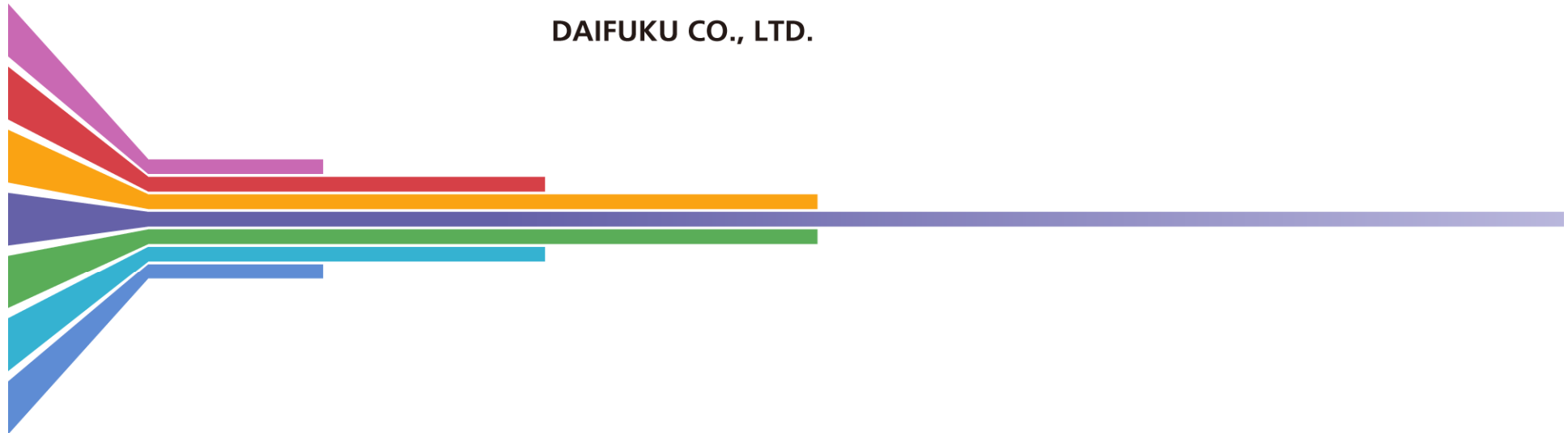
# Consolidated Financial Results

Fiscal Year Ended March 31, 2016

(April 1, 2015 - March 31, 2016)

May 12, 2016

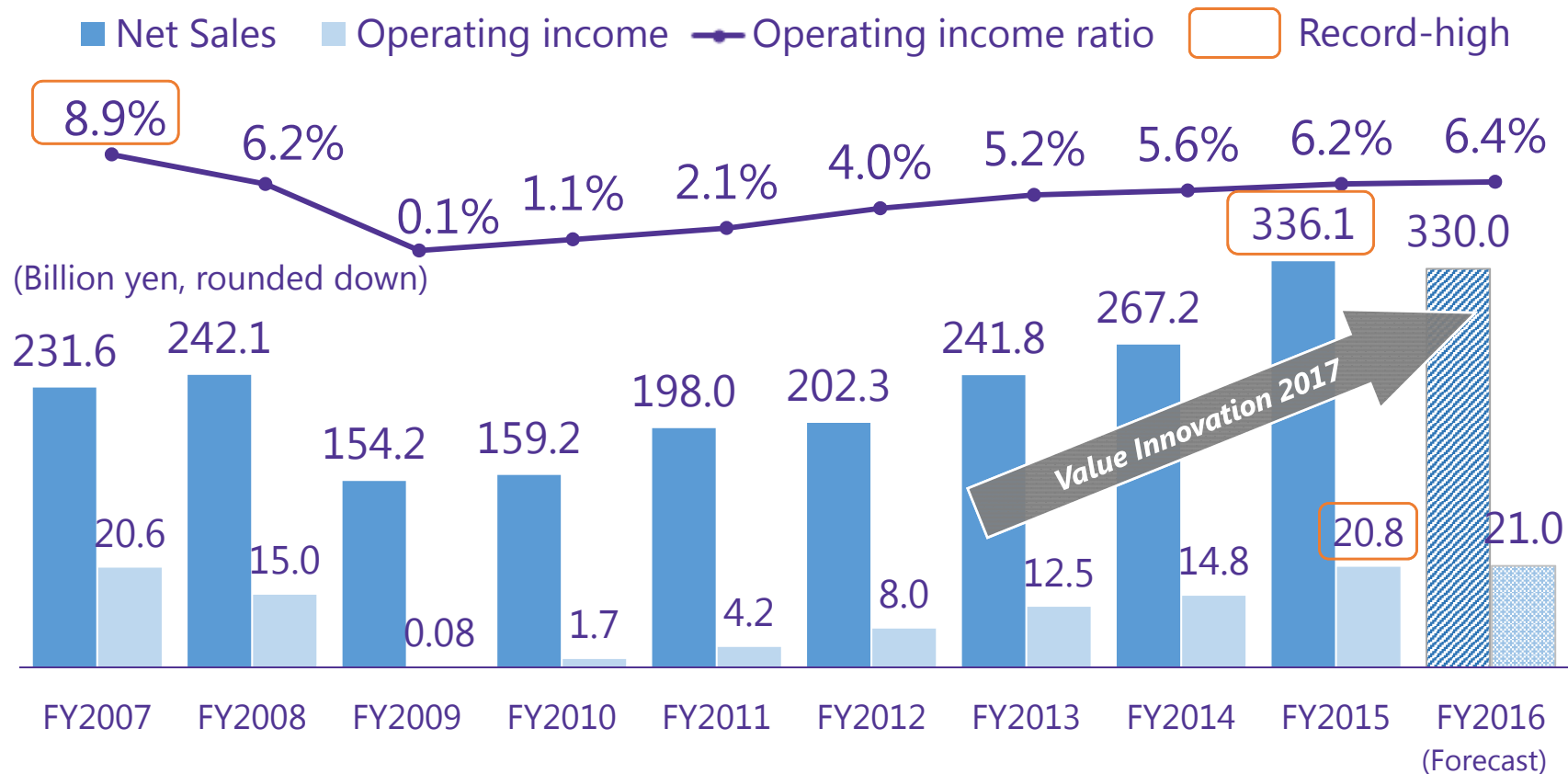
DAIFUKU CO., LTD.



**DAIFUKU**  
Always an Edge Ahead

# Fiscal 2015 Highlights (April 1, 2015 - March 31, 2016)

- Achieved increased sales and profits for the sixth straight year.
- Orders, sales, operating income, ordinary income and net income reached new record highs.



# FY2015 Results (Consolidated)

**DAIFUKU**

**2**

(Billion yen, rounded down)

	FY2014	FY2015	Year-on-year
Orders	305.56	<b>359.42</b>	17.6%
Net sales	267.28	<b>336.18</b>	25.8%
Operating income	14.88	<b>20.87</b>	40.3%
Ordinary income	15.78	<b>21.99</b>	39.4%
Net income*	9.81	<b>13.65</b>	39.2%
Comprehensive income	13.59	<b>7.78</b>	-42.8%
Net income per share (yen)	88.59	<b>118.72</b>	

\*In accordance with the change in accounting standards, net income is changed to "net income attributable to shareholders of the parent company" effective from FY2015.

## Strong order volumes



Distributors and manufacturers

Favorable in Japan, Asia and North America



Semiconductors and FPDs  
Favorable in Japan and Asia



Automakers

Favorable in North America



Airports

received large orders in Europe



## Increased sales

- Daifuku Co., Ltd.
- Subsidiaries for the semiconductor and FPD sectors in Asia



Costs improvements in Daifuku Co., Ltd.



Increased sales and profits

# FY2015 Results by Segment

**DAIFUKU**

4

(Billion yen, rounded down)

	Orders		Net sales		Net income	
	FY2014	FY2015	FY2014	FY2015	FY2014	FY2015
Daifuku	137.01	<b>142.13</b>	115.06	<b>144.98</b>	7.04	<b>8.46</b>
Contec	15.37	<b>14.76</b>	14.63	<b>15.15</b>	0.84	<b>0.58</b>
Daifuku North America *1	75.72	<b>95.71</b>	76.54	<b>77.06</b>	1.55	<b>1.50</b>
Daifuku Plusmore *2	10.34	<b>12.38</b>	10.38	<b>12.28</b>	0.06	<b>0.14</b>
Other	67.11	<b>94.42</b>	54.23	<b>81.79</b>	4.06	<b>3.23</b>
Consolidated adjustment and other	-	-	-3.57	<b>4.89</b>	-3.75	<b>-0.28</b>
<b>Total</b>	<b>305.56</b>	<b>359.42</b>	<b>267.28</b>	<b>336.18</b>	<b>9.81</b>	<b>13.65</b>

\*1 Daifuku North America Holding Company (changed from Daifuku Webb from FY2015)  
Segment income fell following goodwill amortization (40 billion yen) for a U.S. company that joined the Daifuku North America Group.

\*2 Daifuku Plusmore was added to a reportable segment from FY2015.

# Consolidated Balance Sheets

**DAIFUKU**

**5**

(Billion yen, rounded down)

	FY2014	FY2015	Change		FY2014	FY2015	Change
Current assets	185.04	<b>214.32</b>	29.28	Current liabilities	93.85	<b>115.03</b>	21.17
Cash on hand and in banks	54.20	<b>49.18</b>	-5.01	Notes and accounts payable	47.39	<b>57.96</b>	10.57
Notes and accounts receivable	96.05	<b>131.29</b>	35.23	Short-term borrowings	12.90	<b>8.70</b>	-4.20
Inventories	24.53	<b>22.09</b>	-2.43	Other	33.55	<b>48.36</b>	14.80
Other	10.24	<b>11.74</b>	1.49	Non-current liabilities	65.63	<b>50.90</b>	-14.72
Non-current assets	85.97	<b>81.73</b>	-4.23	Long-term borrowings and bonds	47.64	<b>32.20</b>	-15.44
Property, plant and equipment	34.67	<b>32.88</b>	-1.79	Other	17.99	<b>18.70</b>	0.71
Intangible assets	19.04	<b>17.07</b>	-1.97	Total Liabilities	159.49	<b>165.93</b>	6.44
Goodwill	12.90	<b>11.18</b>	-1.72	Shareholders' equity	98.46	<b>123.66</b>	25.19
Other	6.14	<b>5.89</b>	-0.24	Common stock	8.02	<b>15.01</b>	6.99
Investments and other assets	32.25	<b>31.77</b>	-0.47	Accumulated other comprehensive income	9.32	<b>3.38</b>	-5.94
Total assets	271.01	<b>296.05</b>	25.04	Non-controlling interests	3.72	<b>3.06</b>	-0.66
				Total net assets	111.52	<b>130.11</b>	18.59
				Total liabilities and net assets	271.01	<b>296.05</b>	25.04

# Consolidated Statements of Cash Flows

**DAIFUKU**

**6**

(Billion yen, rounded down)

	FY2014	FY2015	Change
Cash flows from operating activities	6.29	<b>7.20</b>	0.91
Cash flows from investing activities	-5.84	<b>-2.09</b>	3.74
Free cash flows	0.44	<b>5.10</b>	4.65
Cash flows from financing activities	-0.50	<b>-8.70</b>	-8.19
Effect of exchange rate change on cash and cash equivalents	2.17	<b>-1.40</b>	-3.57
Net increase in cash and cash equivalents	2.10	<b>-4.99</b>	-7.10
Cash and cash equivalents, beginning of the year	51.85	<b>54.08</b>	2.22
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	0.11	-	-0.11
Cash and cash equivalents, end of the year	54.08	<b>49.08</b>	-4.99

# Orders and Sales by Industry (Consolidated)

**DAIFUKU**

7

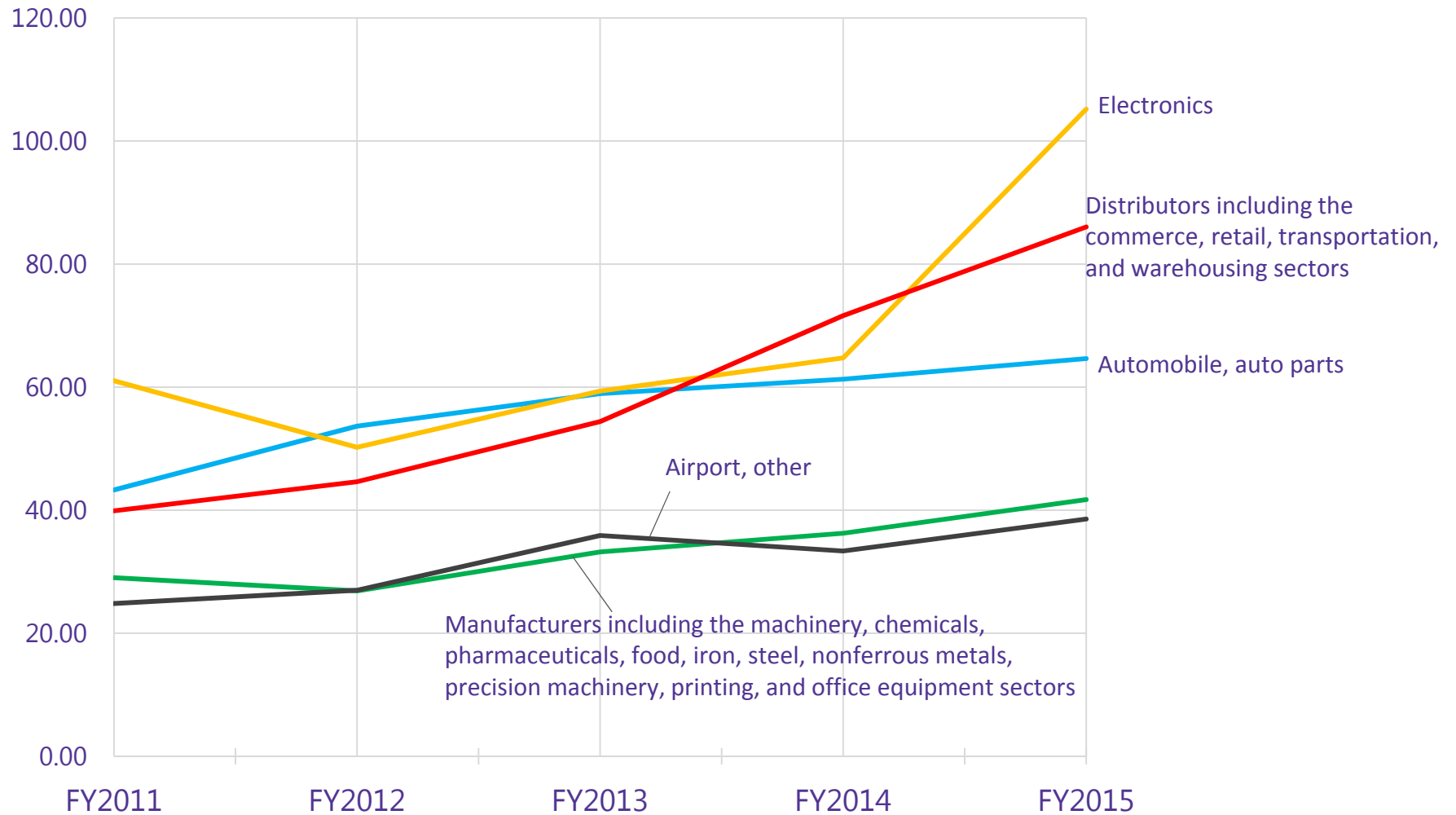
(Billion yen, rounded down)

Industry	Orders				Sales			
	FY2014		FY2015		FY2014		FY2015	
	Orders	Composition	Orders	Composition	Sales	Composition	Sales	Composition
Automobile, auto parts	65.39	21.4%	<b>73.07</b>	<b>20.3%</b>	61.29	22.9%	<b>64.64</b>	<b>19.2%</b>
Electronics	79.81	26.1%	<b>111.74</b>	<b>31.1%</b>	64.74	24.2%	<b>105.18</b>	<b>31.3%</b>
Commerce, retail	61.77	20.2%	<b>60.02</b>	<b>16.7%</b>	59.92	22.4%	<b>64.68</b>	<b>19.2%</b>
Transportation, warehousing	17.32	5.7%	<b>23.75</b>	<b>6.6%</b>	11.69	4.4%	<b>21.35</b>	<b>6.4%</b>
Machinery	8.74	2.9%	<b>9.59</b>	<b>2.7%</b>	6.24	2.3%	<b>9.10</b>	<b>2.7%</b>
Chemicals, pharmaceuticals	19.56	6.4%	<b>14.07</b>	<b>3.9%</b>	12.67	4.7%	<b>15.34</b>	<b>4.6%</b>
Food	8.67	2.8%	<b>14.74</b>	<b>4.1%</b>	9.39	3.5%	<b>9.48</b>	<b>2.8%</b>
Iron, steel, nonferrous metals	4.26	1.4%	<b>4.09</b>	<b>1.1%</b>	4.26	1.6%	<b>3.89</b>	<b>1.2%</b>
Precision machinery, printing, office equipment	3.53	1.2%	<b>4.43</b>	<b>1.2%</b>	3.69	1.4%	<b>3.90</b>	<b>1.2%</b>
Airport	25.32	8.3%	<b>28.81</b>	<b>8.0%</b>	18.73	7.0%	<b>27.66</b>	<b>8.2%</b>
Other	11.14	3.6%	<b>15.06</b>	<b>4.3%</b>	14.62	5.6%	<b>10.90</b>	<b>3.2%</b>
Total	305.56	100.0%	<b>359.42</b>	<b>100.0%</b>	267.28	100.0%	<b>336.18</b>	<b>100.0%</b>



# Sales by Industry (Consolidated)

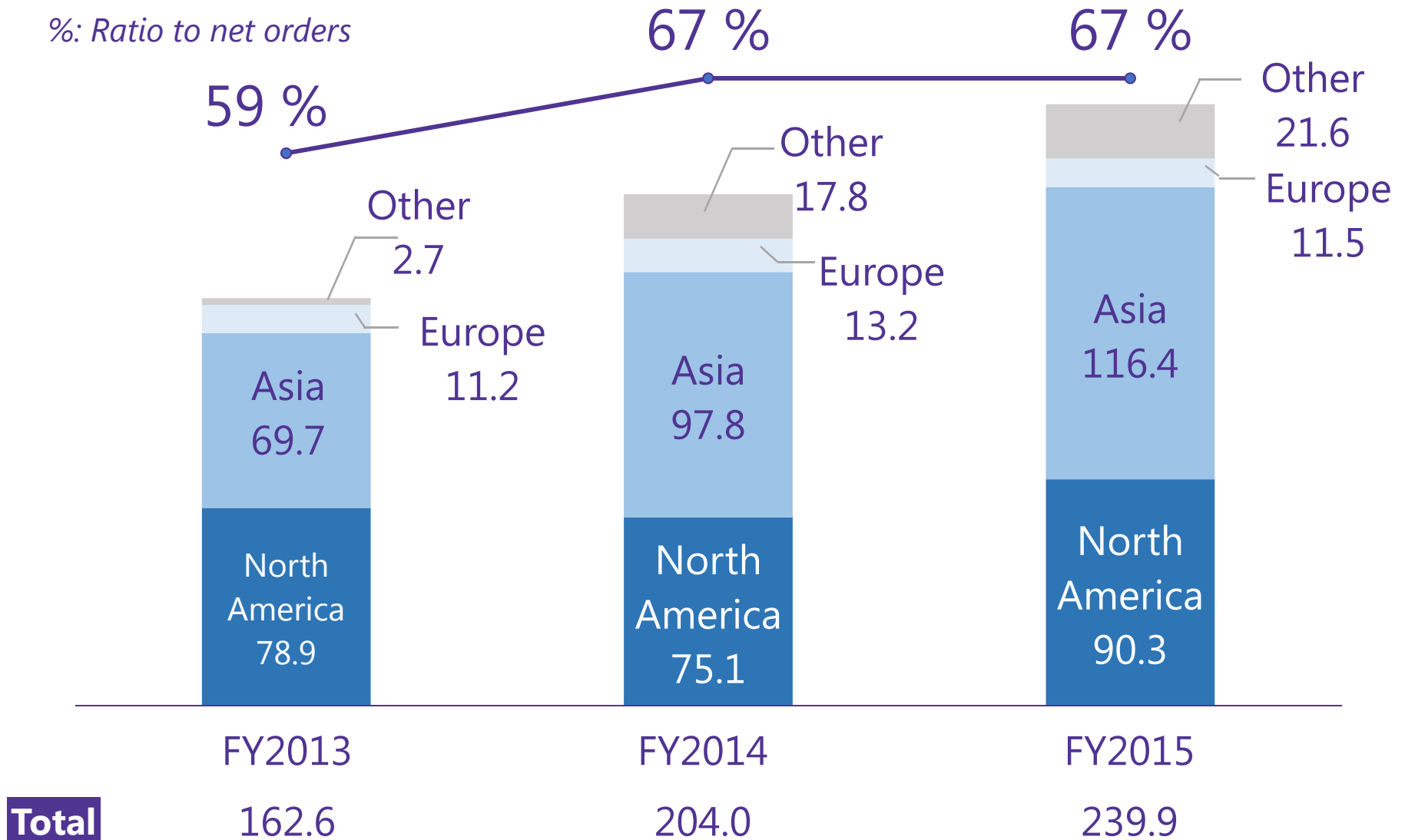
(Billion yen)



# Non-Japan Orders (Consolidated)

(Billion yen, rounded down)

#: Ratio to net orders



# Non-Japan Orders by Region (Consolidated)

DAIFUKU

10

(Billion yen, rounded down)

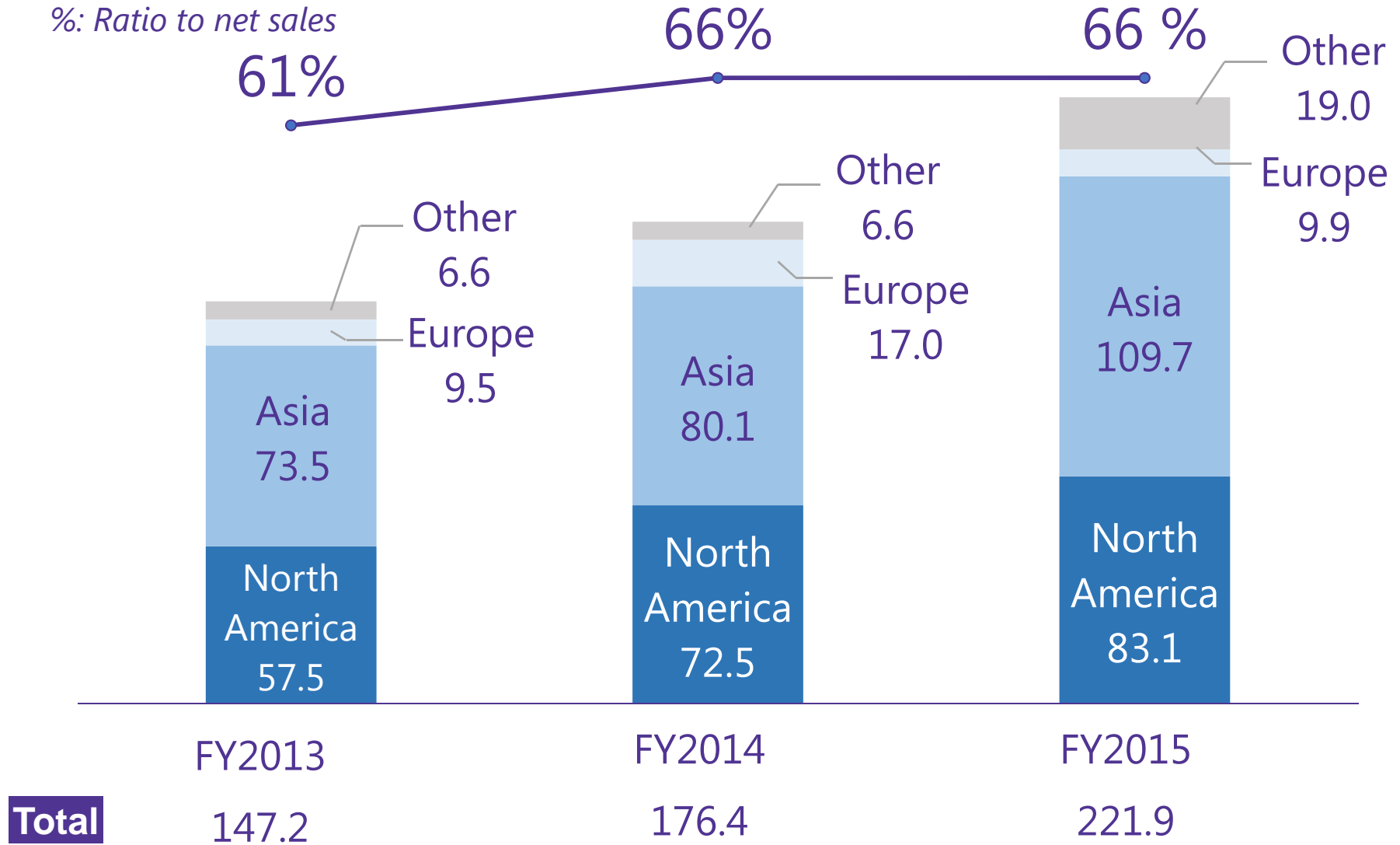
Region	FY2013		FY2014		FY2015	
	Orders	Composition	Orders	Composition	Orders	Composition
North America	78.93	48.5%	75.18	36.8%	<b>90.31</b>	<b>37.6%</b>
Asia	69.74	42.9%	97.89	48.0%	<b>116.42</b>	<b>48.6%</b>
China	32.05	19.7%	28.93	14.2%	<b>43.93</b>	<b>18.3%</b>
South Korea	20.37	12.5%	39.81	19.5%	<b>33.01</b>	<b>13.8%</b>
Taiwan	3.20	2.0%	17.32	8.5%	<b>27.54</b>	<b>11.5%</b>
Other	14.10	8.7%	11.82	5.8%	<b>11.92</b>	<b>5.0%</b>
Europe	11.25	6.9%	13.20	6.5%	<b>11.52</b>	<b>4.8%</b>
Latin America	1.10	0.7%	4.11	2.0%	<b>7.31</b>	<b>3.0%</b>
Other	1.63	1.0%	13.70	6.7%	<b>14.33</b>	<b>6.0%</b>
<b>Total</b>	<b>162.67</b>	<b>100.0%</b>	<b>204.09</b>	<b>100.0%</b>	<b>239.91</b>	<b>100.0%</b>

\*Orders in Oceania increased principally due to the consolidation of BCS Group, which handles airport technologies, in the FY2015 results.

# Non-Japan Sales (Consolidated)

(Billion yen, rounded down)

%: Ratio to net sales



# Non-Japan Sales by Region (Consolidated)

**DAIFUKU**

**12**

(Billion yen, rounded down)

Region	FY2013		FY2014		FY2015	
	Sales	Composition	Sales	Composition	Sales	Composition
North America	57.56	39.2%	72.51	41.1%	<b>83.17</b>	<b>37.6%</b>
Asia	73.51	49.9%	80.19	45.5%	<b>109.79</b>	<b>49.5%</b>
China	28.35	19.3%	30.50	17.3%	<b>39.58</b>	<b>17.9%</b>
South Korea	22.28	15.1%	30.53	17.3%	<b>34.45</b>	<b>15.6%</b>
Taiwan	7.70	5.2%	6.94	3.9%	<b>23.37</b>	<b>10.5%</b>
Thailand	7.46	5.1%	5.48	3.1%	<b>3.99</b>	<b>1.8%</b>
Other	7.70	5.2%	6.73	3.9%	<b>8.37</b>	<b>3.7%</b>
Europe	9.54	6.4%	17.09	9.6%	<b>9.92</b>	<b>4.4%</b>
Latin America	4.83	3.3%	4.48	2.5%	<b>2.70</b>	<b>1.2%</b>
Other *	1.80	1.2%	2.12	1.3%	<b>16.36</b>	<b>7.3%</b>
<b>Total</b>	<b>147.26</b>	<b>100.0%</b>	<b>176.40</b>	<b>100.0%</b>	<b>221.96</b>	<b>100.0%</b>

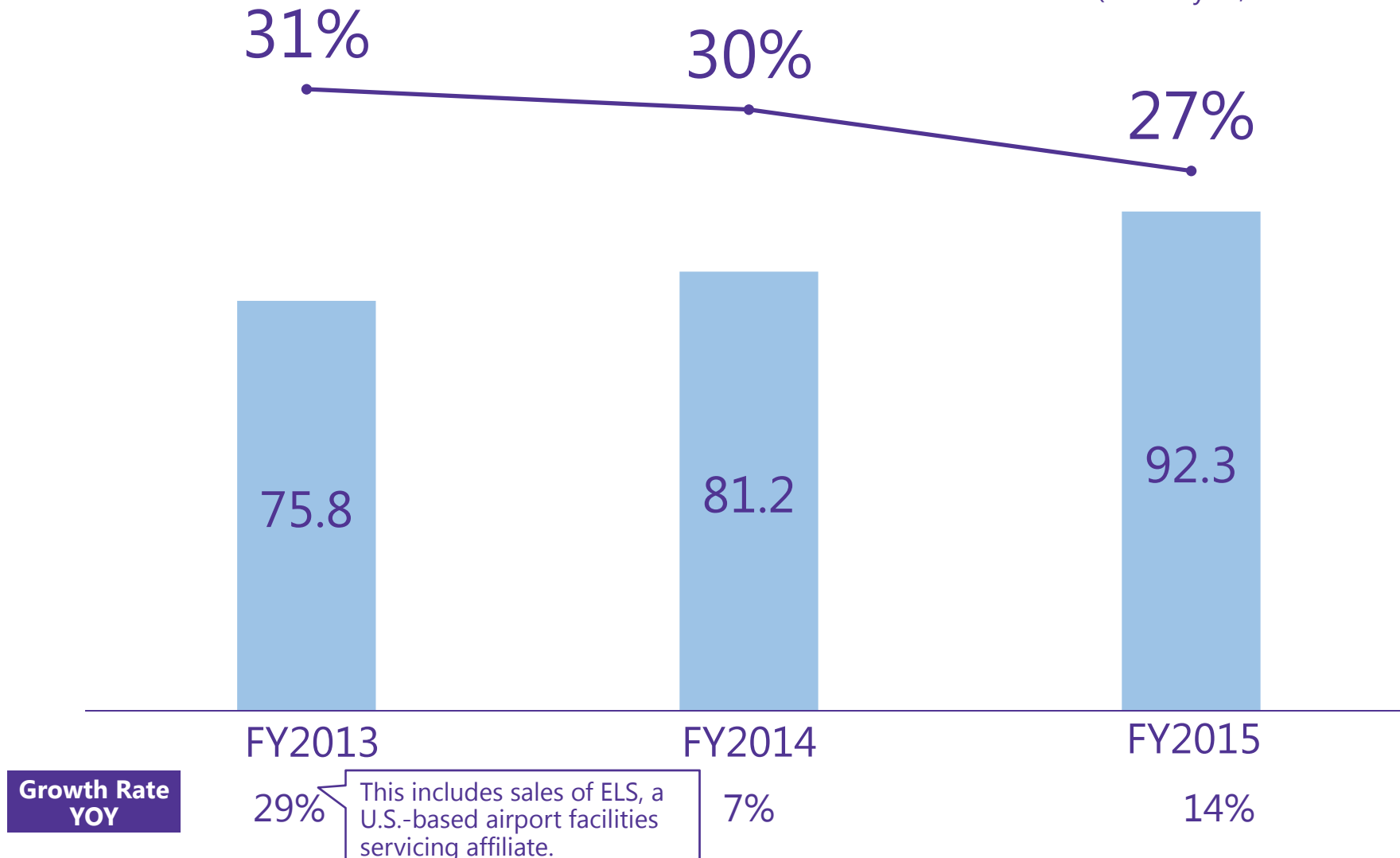
\*Sales in Oceania increased, principally due to the consolidation of BCS Group, which provide systems and technologies for airports, in the FY2015 results.

# Service Sales (Consolidated)

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

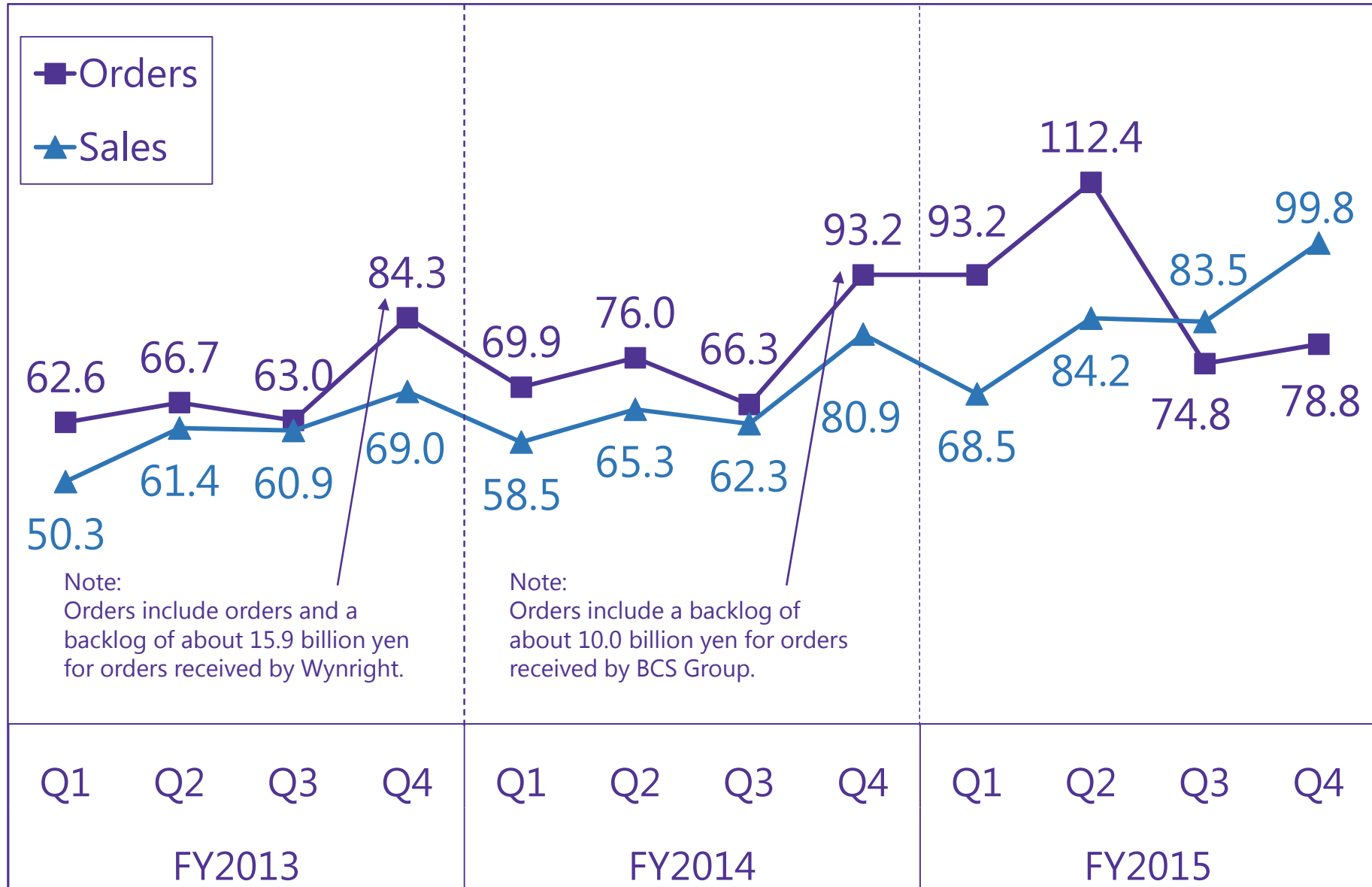
∴ Ratio to net sales

(Billion yen, rounded down)



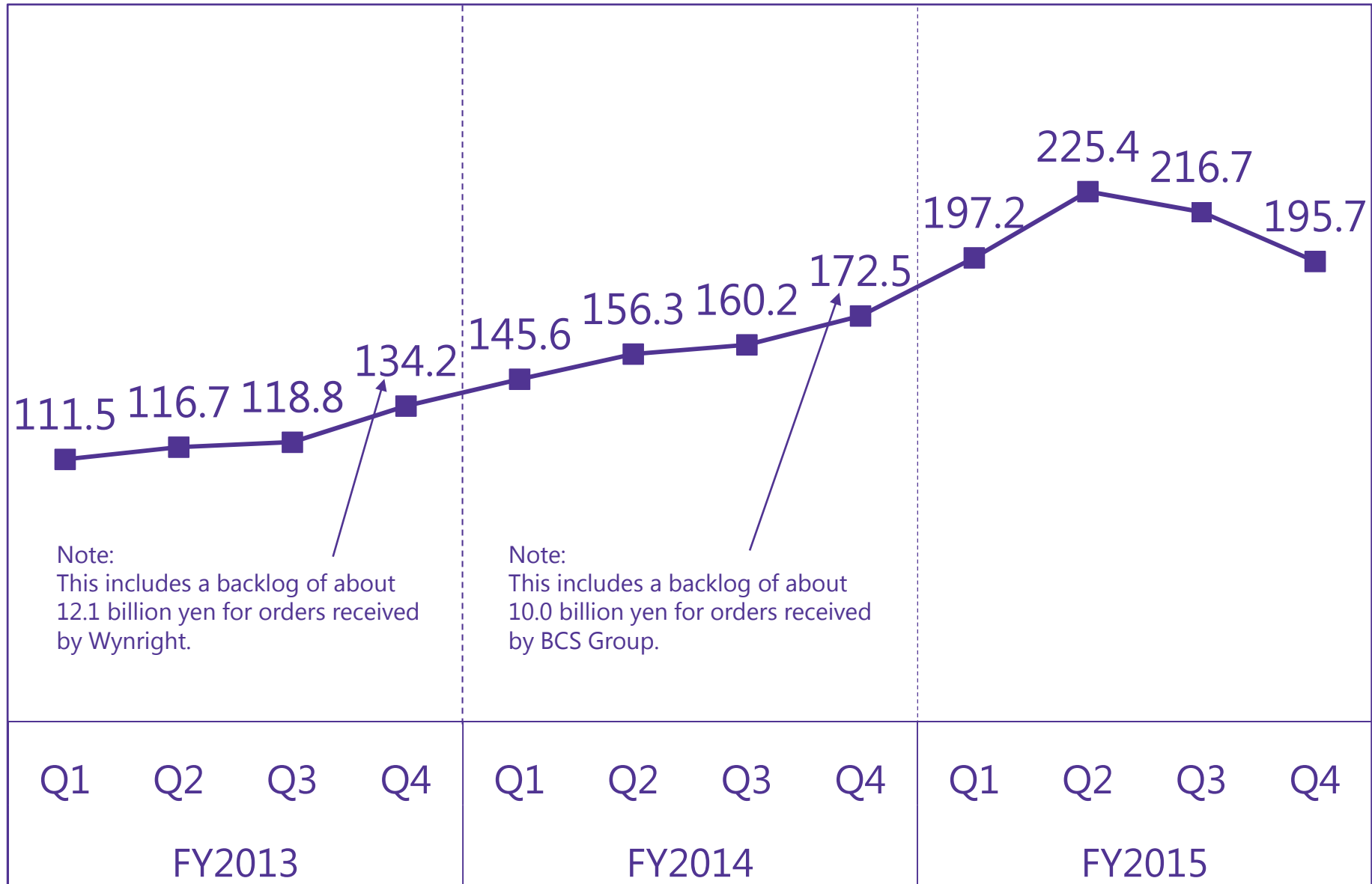
# Quarterly Orders and Sales

(Billion yen, rounded down)



# Order Backlogs

(Billion yen, rounded down)





# FY2016 Forecast (Consolidated)

**DAIFUKU**

**16**

(Billion yen, rounded down)

	FY2015 H1	FY2016 H1	Year-on-year	FY2015	FY2016	Year-on-year
Orders	205.75	<b>165.0</b>	-19.8%	359.42	<b>330.0</b>	-8.2%
Net sales	152.79	<b>154.0</b>	0.8%	336.18	<b>330.0</b>	-1.8%
Operating income	8.54	<b>9.7</b>	13.5%	20.87	<b>21.0</b>	0.6%
Ordinary income	9.13	<b>9.8</b>	7.3%	21.99	<b>21.5</b>	-2.3%
Net income*	6.18	<b>7.0</b>	13.2%	13.65	<b>14.5</b>	6.2%

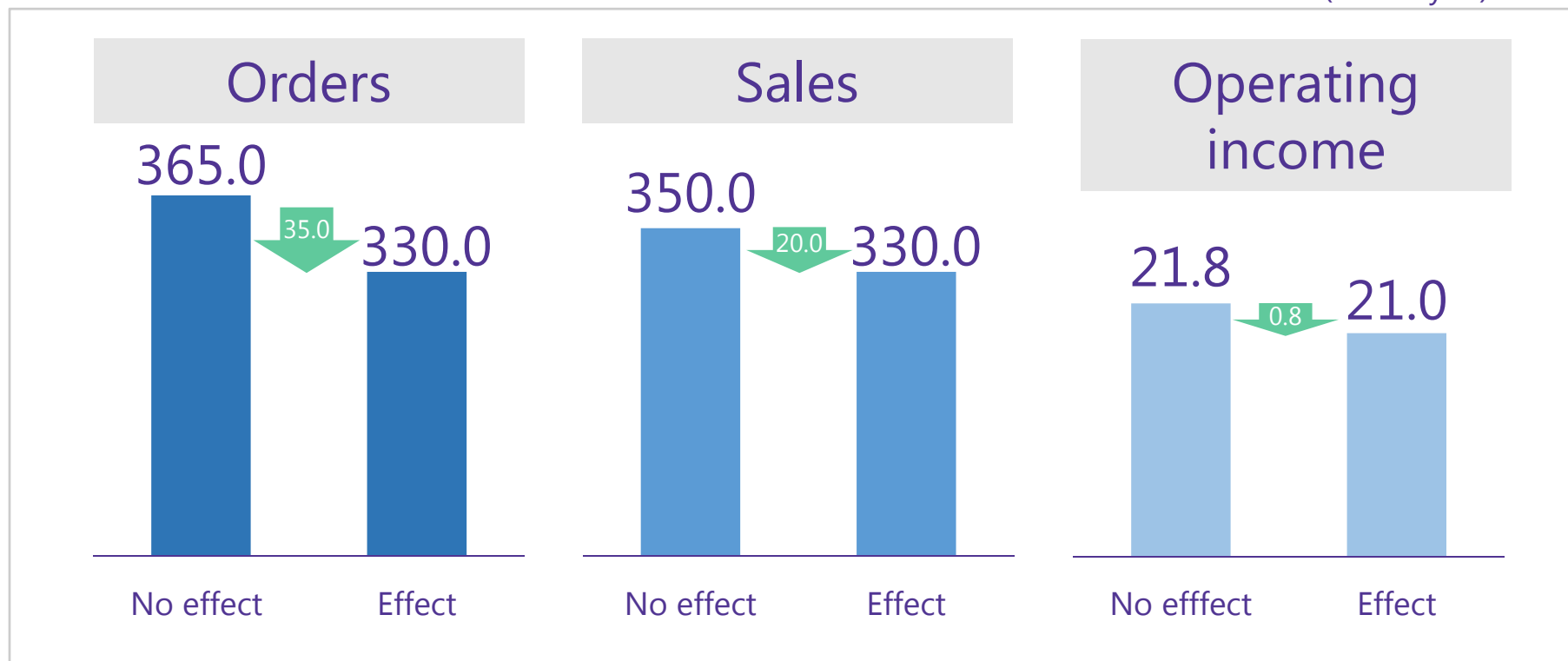
\*In accordance with the change in accounting standards, net income is changed to "net income attributable to shareholders of the parent company" effective from FY2015.

- An impact from currency exchange is projected in the FY2016 earnings forecast, including projected decreases of 35 billion yen in orders, 20 billion yen in sales, and 0.8 billion yen in operating income.

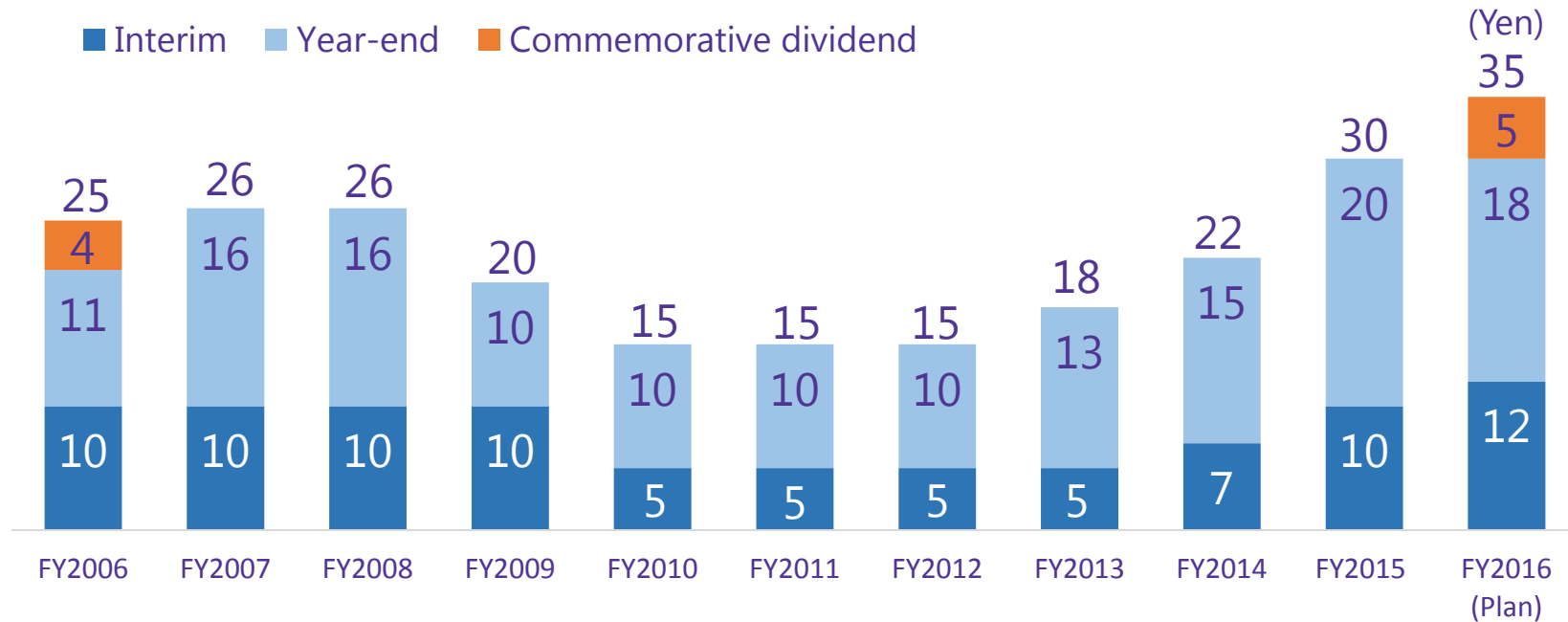
Exchange rate

	FY2015	FY2016 (Plan)
US dollar	121.04 yen	110.00 yen

(Billion yen)



- FY2015 ended March 2016: 30 yen per share**  
 (an increase of 8 yen from the previous year, dividend payout ratio of 25.3%)  
 10 yen interim dividend + 20 yen year-end dividend
- FY2016 ending March 2017: 35 yen\* per share (planned)**  
 (an increase of 5 yen from the previous year, dividend payout ratio of 29.4%)  
 12 yen interim dividend + 18 yen year-end dividend  
 plus a commemorative dividend of 5 yen for celebrating our 80th anniversary



# Liabilities, Expenses, Employees (Consolidated)

**DAIFUKU**

**19**

## Interest-bearing liabilities

(Billion yen, rounded down)

		FY2013	FY2014	FY2015
	Short-term	7.0	12.9	<b>8.7</b>
	Long-term	51.1	47.6	<b>32.2</b>
Total		58.1	60.5	<b>40.9</b>
D/E ratio		0.60	0.56	<b>0.32</b>

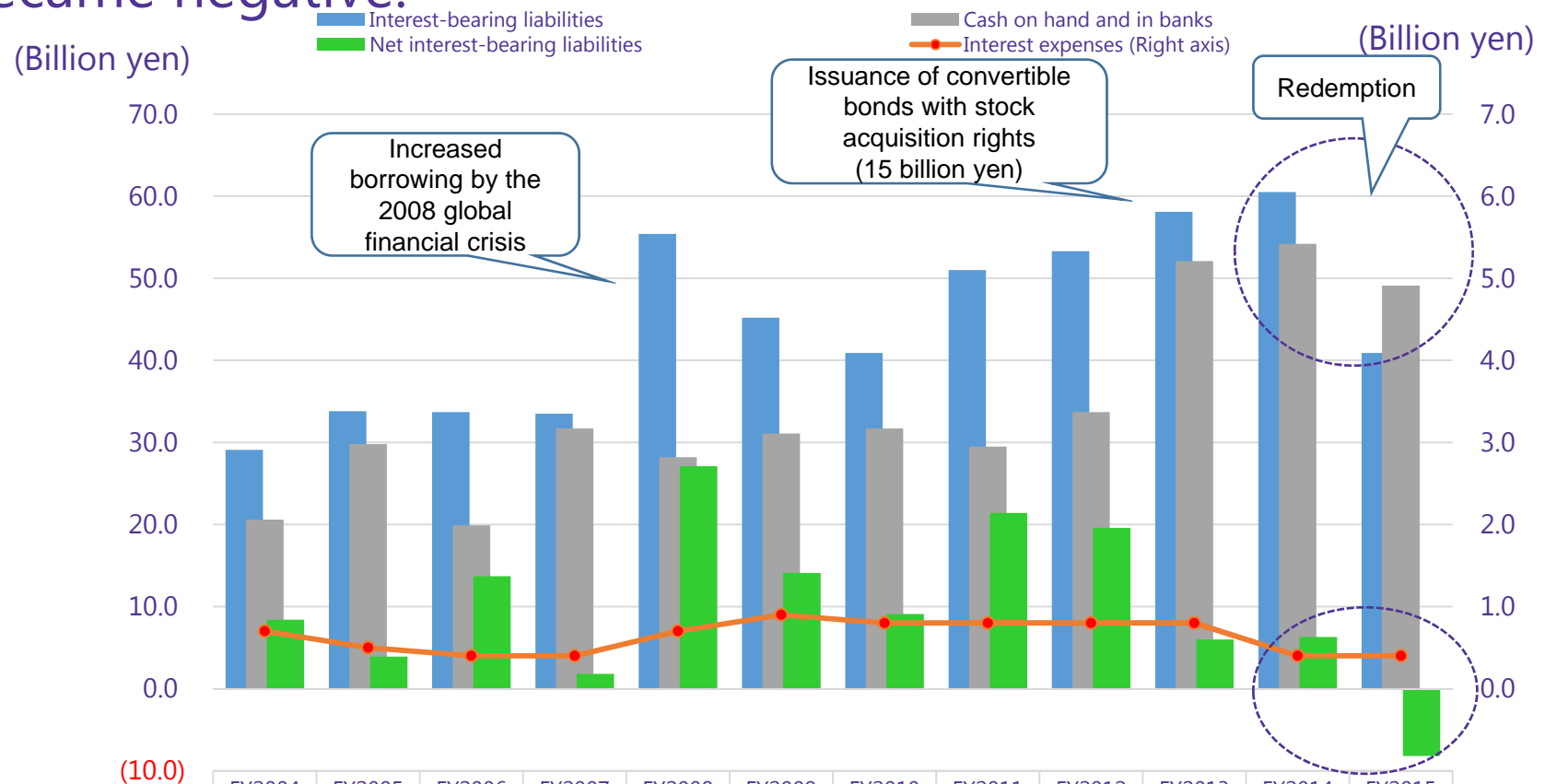
## Expenses and employees

Fixed cost	80.5	83.1	<b>97.3</b>
Personnel expenses	50.5	59.2	<b>64.6</b>
Employees (of which global affiliate staff)	7,349 (4,379)	7,746 (4,760)	<b>7,835 (4,758)</b>

D/E ratio = interest-bearing liabilities / shareholders' equity (end of year)

# Interest-Bearing Liabilities and Cash

- Interest-bearing liabilities decreased with the redemption of convertible bonds, and net interest-bearing liabilities became negative.

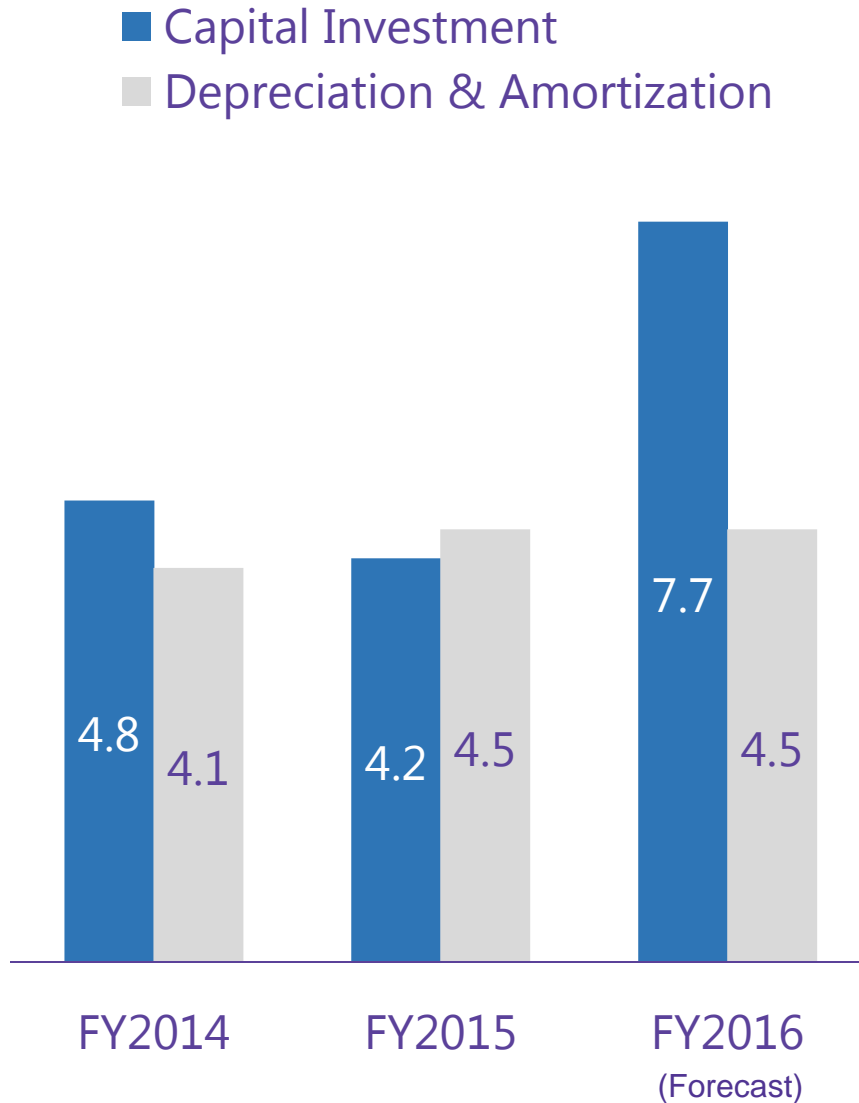


(10.0)

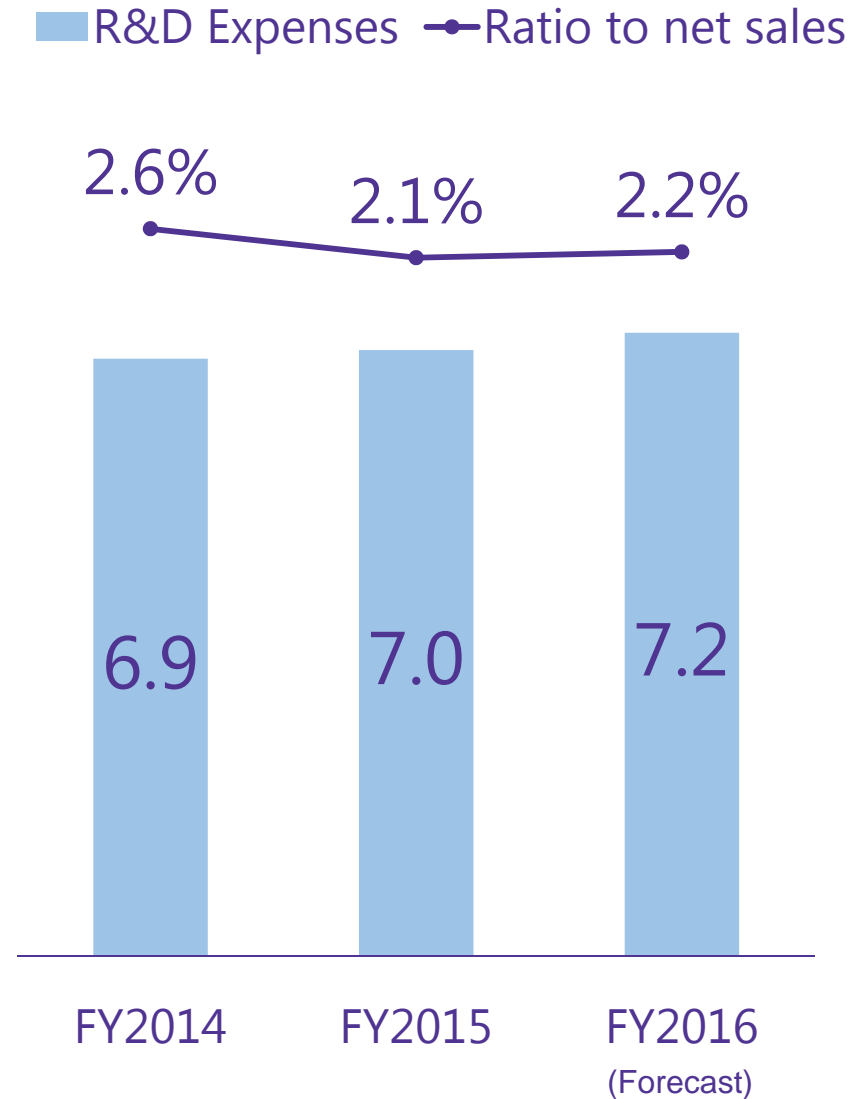
	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Interest-bearing liabilities	29.1	33.8	33.7	33.5	55.4	45.2	40.9	51.0	53.3	58.1	60.5	40.9
Cash on hand and in banks	20.6	29.8	19.9	31.7	28.2	31.1	31.7	29.5	33.7	52.1	54.2	49.1
Net interest-bearing liabilities	8.4	3.9	13.7	1.8	27.1	14.1	9.1	21.4	19.6	6.0	6.3	(8.2)
Interest expenses (Right axis)	0.7	0.5	0.4	0.4	0.7	0.9	0.8	0.8	0.8	0.8	0.4	0.4

# Financial Standing (Consolidated)

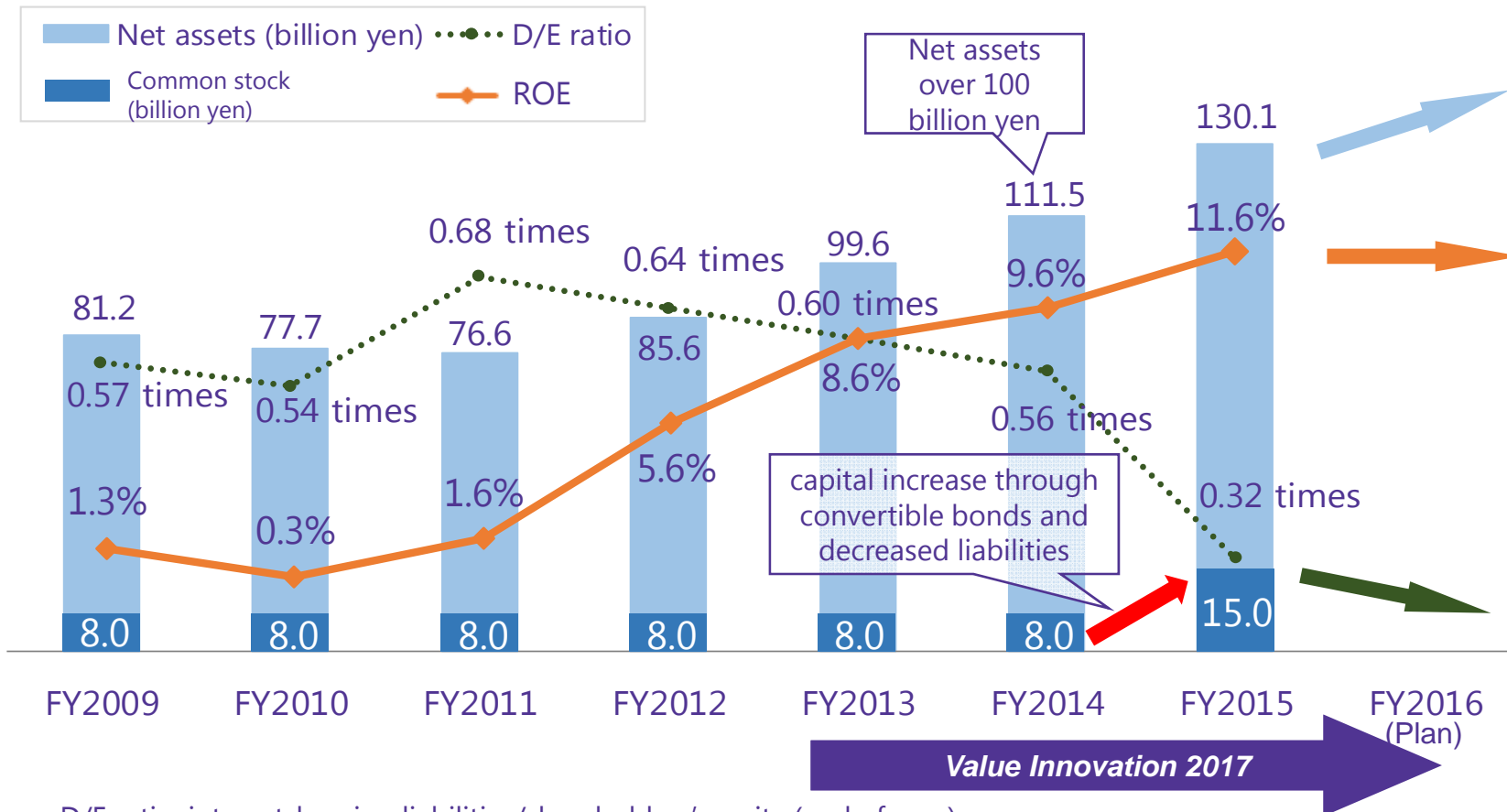
(Billion yen, rounded down)



(Billion yen, rounded down)



- Maintain A rating and improve ← strengthen our financial integrity:  
capital increase through convertible bonds  
keep ROE at 10%, D/E ratio at 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 (end of year)  
 ROE: net income/shareholders' equity (average of beginning and end of year) × 100

- Improving return on sales (profitability)
- Improving total asset turnover (efficiency)
- Aiming to maintain ROE of 10% or more.

	FY2011	FY2012	FY2013	FY2014	FY2015
ROE <sup>*1</sup>	1.6%	5.6%	8.6%	9.6%	<b>11.6%</b>
1) Return on sales	0.62%	2.19%	3.20%	3.67%	<b>4.06%</b>
2) Total asset turnover (times) <sup>*2</sup>	1.14	1.03	1.06	1.03	<b>1.19</b>
3) Financial leverage (times) <sup>*3</sup>	2.48	2.48	2.58	2.51	<b>2.33</b>

\*1 ROE = 1) Return on sales × 2) Total asset turnover × 3) Financial leverage

\*2 Total asset turnover = Sales / Total assets (average of beginning and end of year)

\*3 Financial leverage = Total assets (end of year) / Equity (end of year)



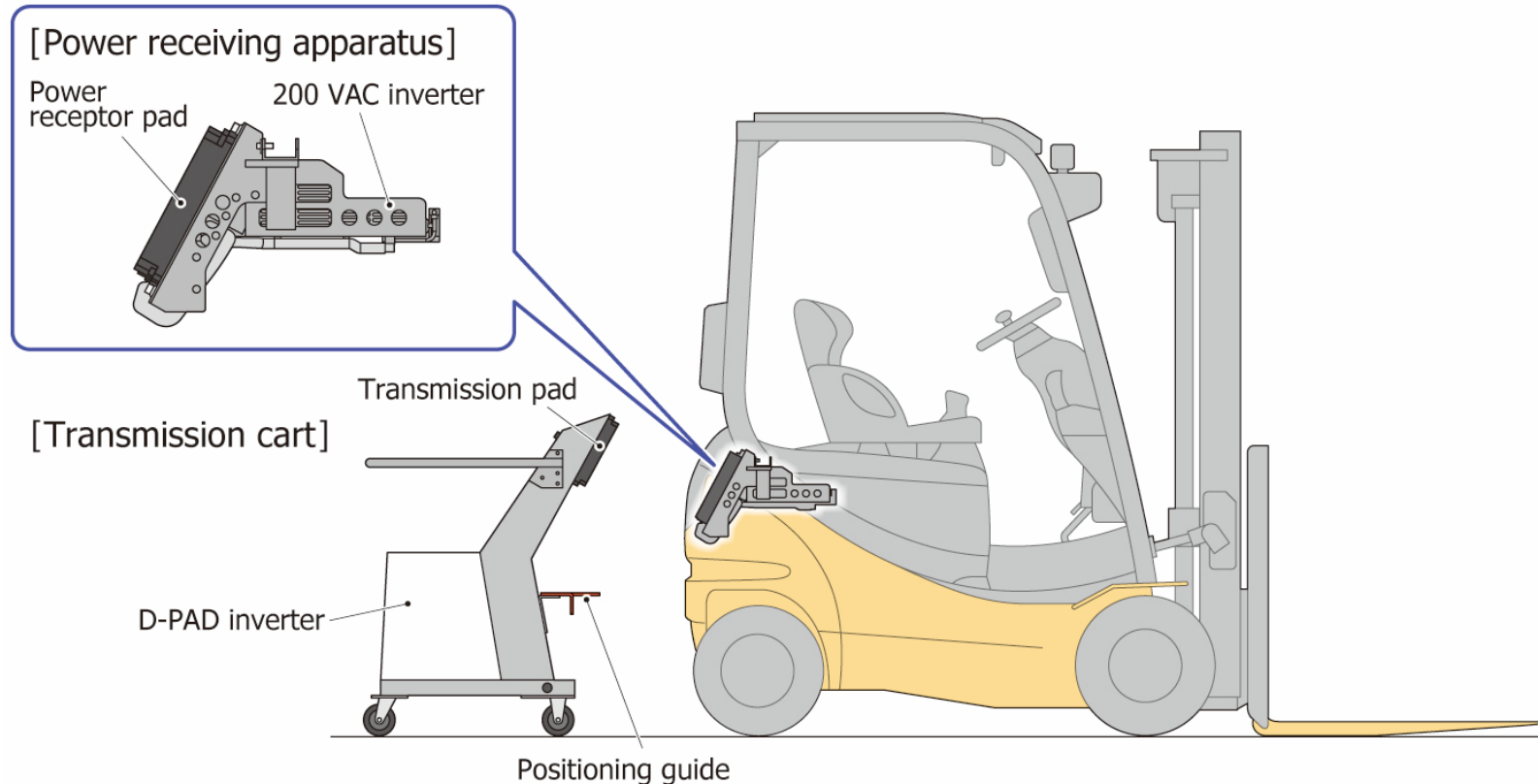
- Daifuku Corporate Governance Guideline established

Daifuku Group will implement the PDCA (plan-do-check-act) cycle and enhance efficiency continuously.

- The remuneration system for in-house directors and corporate officers is scheduled to change.

Daifuku will introduce the Board Benefit Trust system as performance-linked remuneration. This will be determined by the approval of shareholders at the ordinary general meeting of shareholders held in June 2016.

- Introducing the world's first wireless battery charging D-PAD for electric forklifts, as a product of our device business.



# DAIFUKU

**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.