

Consolidated Financial Results
for the First Half of the Fiscal Year Ending March 31, 2017
[Japan GAAP]

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

November 10, 2016

Daifuku Co., Ltd.

Stock code: 6383, First Section of Tokyo Stock Exchange

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Scheduled date for filing quarterly financial report: November 11, 2016

Scheduled date of commencing dividend payment: December 6, 2016

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 Half of Fiscal 2016

(April 1, 2016 - September 30, 2016)

(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	%
First half of fiscal 2016	147,264	(3.6)	10,208	19.4	10,253	12.3	7,072	14.3
First half of fiscal 2015	152,791	23.3	8,547	51.5	9,130	48.5	6,184	46.8

Note: Comprehensive income

First half of fiscal 2016: -832 million yen (—%)

First half of fiscal 2015: 6,131 million yen (85.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
First half of fiscal 2016	58.12	—
First half of fiscal 2015	55.78	50.79

(2) Financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
First half of fiscal 2016	258,645	126,879	48.0
Fiscal 2015	296,055	130,116	42.9

Reference: Shareholders' equity

First half of fiscal 2016: 124,022 million yen

Fiscal 2015: 127,052 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 2015	—	10.00	—	20.00	30.00
Fiscal 2016	—	12.00			
Fiscal 2016 (forecast)			—	23.00	35.00

Note: Revisions to the latest dividend forecast: None

Fiscal 2016 dividends breakdown (forecast)

Ordinary dividend: 30 yen

Commemorative dividend: 5 yen (for celebrating our 80th anniversary)

3. Consolidated Earnings Forecast for the Fiscal 2016

(April 1, 2016 - March 31, 2017)

(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	(1.8)	21,000	0.6	21,500	(2.3)	14,500	6.2	119.19

Note: Revisions to the latest consolidated financial forecast: None

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

First half of fiscal 2016: 123,610,077 shares

Fiscal 2015: 123,610,077 shares

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

First half of fiscal 2016: 1,890,314 shares

Fiscal 2015: 1,958,836 shares

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

First half of fiscal 2016: 121,687,832 shares

First half of fiscal 2015: 110,876,535 shares

Note: The number of treasury stock at the end of the first half of the fiscal year ending March 31, 2017 includes 63,900 shares owned by a trust on behalf of Daifuku employees' shareholding association and 90,000 shares owned by the Board Benefit Trust. The number of treasury stock at the end of the fiscal year ended

March 31, 2016 included 133,400 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 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, 2017."

Quarterly earnings supplementary materials are available at the TDnet and our website: www.daifuku.com/ir/financials/results.

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1. Qualitative Information Relating to Quarterly Consolidated Financial Results

(1) Operating results

During the first half of the fiscal year under review, the global economy benefited from a moderate recovery in developed nations, while turmoil in stock and foreign exchange markets triggered by the Brexit decision in Great Britain remained limited. Business confidence in emerging countries remained flat in the wake of a slowdown in economic growth. In Japan, employment and earnings have been firm, although overall business conditions remained challenging.

Material handling systems have growth potential, with logistics-related demand from the e-commerce sector increasing globally and capital investment in Japan gathering momentum as companies seek to solve labor shortages and boost productivity.

The average exchange rate used for transactions within the Daifuku Group during the first half of the fiscal year under review was 111.81 yen to the U.S. dollar, compared with an exchange rate of 120.50 yen for the same period of the previous fiscal year.

Amid these economic and business conditions, the operating results of the Group progressed almost in line with the interim forecast for the fiscal year under review, with 146 billion yen in orders received, 150 billion yen in net sales, 9.5 billion yen in operating income, 9.4 billion yen in ordinary income, and 6.7 billion yen in net income attributable to shareholders of the parent company, announced on August 9, 2016. The interim forecast was revised downward mainly from the orders plan for the fiscal year under review set up at the beginning of the year, which reflected the fact that the order volume for distributor projects grew larger and that, even after unofficially announcing the order, it took time to determine the final specifications so that the order could be posted to results. Delays in posting orders against the initial plan are projected to be offset during the third quarter of the fiscal year under review, and accordingly the orders target of 330 billion yen set at the beginning of the fiscal year under review is expected to be achieved during the year.

Orders reflected a significant decline in the number of large projects for major manufacturers whose capital spending is volatile, such as flat-panel display (FPD) manufacturers in Japan and other East Asian regions and automakers in North America, compared with the same period of the previous fiscal year. In addition, a decline in orders of about 61.9 billion yen included an impact of about 28.6 billion yen from the appreciation of the yen. Of this, the impact of currency movements on orders received during the first half of the fiscal year under review was about 7 billion yen, mainly reflecting the revaluation of order backlogs at the end of the previous fiscal year using the exchange rate adopted for the first half of the fiscal year under review.

Sales were positive, underpinned by extensive order backlogs. Specifically, the Group received orders of 143,890 million yen, down 30.1% from a year earlier, and recorded net sales of 147,264 million yen, down 3.6%. The appreciation of the yen was also a factor, lowering the sales figure by about 7.5 billion yen.

Income surpassed the year-ago figure, reflecting the significantly increased profitability at U.S. subsidiaries, increased profitability and cost cutting by the parent company, Daifuku Co., Ltd., and the return to profitability of a European subsidiary, which sells systems used in airports. Consequently, the Group posted operating income of 10,208 million yen, up 19.4% from a year earlier, and ordinary income of 10,253 million yen, up 12.3%. Net income attributable to shareholders of the parent company was 7,072 million yen, up 14.3%. The appreciation of the yen was also a factor, lowering operating income by about 0.5 billion yen.

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 Co., Ltd.

In our mainstay systems for manufacturers and distributors, orders for large projects remained firm in the distribution sectors, including e-commerce and co-ops, and in the pharmaceutical and frozen-food sectors. Orders for retrofitting projects were also steady. In automobile production line systems, orders for services and small upgrade projects remained firm in Japan. In systems for FPD factories, orders remained high during the second quarter of the fiscal year under review, mainly due to increased demand for larger FPD and OLED, particularly in China, and sales bounced back to the level of last year. Income fell slightly, principally due to vigorous investment in R&D, despite the benefits of increased sales and cost cutting.

As a result, the Company recorded orders of 77,327 million yen, up 1.4% from the previous fiscal year, sales of 67,205 million yen, up 6.0%, and segment income of 4,122 million yen, down 3.4%.

Contec Co., Ltd. and its subsidiaries

In industrial computers, sales of electronics in Japan increased as sales of products for the semiconductor production equipment-related market remained strong. In the U.S. market, sales of industrial computers for the medical device sector held steady from the previous fiscal year, despite the impact from the appreciation of the yen. Income benefited from the increased sales but ultimately declined from the previous fiscal year, reflecting the posting of extraordinary income (gain on sales of investments in securities) last year.

As a result, Contec posted orders of 7,884 million yen, up 8.6% from the previous fiscal year, net sales of 7,334 million yen, up 4.0%, and segment income of 149 million yen, down 37.9%.

Daifuku North America Holding Company and its subsidiaries and affiliates

Daifuku North America obtained few orders for huge projects like the multiple projects involving automobile production line systems for Detroit's Big Three automakers it posted in the same period of the previous fiscal year. In automobile production line systems, however, orders for the expansion and/or

upgrade of existing line systems remained firm, and orders for automatic guide carts used for parts logistics were favorable. In systems for manufacturers and distributors, delays in confirmation timing on large projects for the distribution and food sectors had a considerable impact on orders. However, Daifuku North America is set to benefit from demand in growth fields, such as e-commerce.

In systems for semiconductor manufacturers, Daifuku North America has seen brisk capital spending in line with the evolution of IoT (Internet of Things). In airport technologies, factors including increased air travel are helping turn business around, and Daifuku North America appears set for further growth.

Sales increased steadily on the strength of an extensive order backlog. Income increased in addition to the increased sales, with significant profitability due to the improved earnings in airport technologies.

As a result, Daifuku North America achieved orders of 28,802 million yen, down 53.7% from the previous fiscal year, net sales of 40,323 million yen, up 6.7%, and segment income of 1,996 million yen, up 399.8%.

Daifuku Plusmore Co., Ltd.

Daifuku Plusmore mainly sells car wash machines and bowling-related products and provides rental roll box pallets in Japan. In its mainstay car wash machines, sales remained favorable during the second half of the fiscal year under review, underpinned by the introduction of subsidies from the government, although the number of unit sales for car service stations grew at a sluggish pace during the first quarter.

As a consequence, Daifuku Plusmore reported orders of 6,403 million yen, down 9.9% from the previous fiscal year, net sales of 5,614 million yen, down 11.1%, and segment income of 1 million yen, down 98.3%.

Other

The Daifuku Group has a total of 55 consolidated subsidiaries and affiliates worldwide. The Other segment includes all other Group companies, excluding the aforementioned Contec and its subsidiaries, Daifuku North America and its subsidiaries and affiliates, and Daifuku Plusmore.

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 manufacture and sell material handling systems and equipment. Each of these companies plays a global role in optimizing the local production and procurement framework of the Group.

In China, since the economic structure has been shifting from exporting to domestic demand, with a concurrent move from manufacturing to service-oriented sectors, demand for material handling systems is rising rapidly in the food, pharmaceutical, and distribution sectors. In systems for FPD factories, demand for OLED is rising, in addition to demand for larger FPD. In automobile production line systems, investments in Japanese auto factories, which had been put on hold, restarted and orders are expected

in the next fiscal year.

In Taiwan, the FPD factory-related business is slowing, while large projects for semiconductor factories are active.

In South Korea, orders for systems for FPD and semiconductor factories declined significantly compared with the same period of the previous fiscal year, but are expected to rebound during the fiscal year under review. In systems for automobile factories in South Korea, orders were influenced by the peaking of automobile production. Meanwhile, demand from the distribution sector is increasing, where Daifuku Korea has been focusing on marketing and obtaining orders.

In ASEAN countries, business performance has been strongly affected by the sluggish growth in the automobile industry in Thailand. In Indonesia, demand for frozen foods and daily commodities is rising and a rally is being seen along with developments in local sales frameworks. In India, inquiries for systems for manufacturers and distributors are robust, and Daifuku India opened a new office in Mumbai.

BCS Group Limited, which handles systems and technologies for airports in Oceania and Asia, is expanding sales in North America, in cooperation with other Daifuku Group companies. BCS is scheduled to post orders for a project in Canada during the third quarter.

During the first half of the fiscal year under review, as a result of the strong impact from shifts in capital investment in the semiconductor and FPD sectors in East Asia, the segment recorded orders of 23,472 million yen, down 55.7% from the previous fiscal year, net sales of 30,065 million yen, down 14.3%, and segment income of 813 million yen, down 53.3%.

(2) Financial position

Assets

Total assets at the end of the first half of the fiscal year under review stood at 258,645 million yen, a decrease of 37,409 million yen from the end of the previous fiscal year. The result principally reflected decreases of 17,168 million yen in notes and accounts receivable from completed contracts and 11,943 million yen in other current assets such as insufficient charges on uncompleted contracts.

Liabilities

Total liabilities amounted to 131,766 million yen, a decrease of 34,172 million yen from the end of the previous fiscal year. Primary factors included decreases of 12,215 million yen in other current liabilities such as excess charges for uncompleted construction and advances received and 11,576 million yen in notes and accounts payable for contracts.

Net assets

Net assets were 126,879 million yen, a fall of 3,237 million yen from the end of the previous fiscal year. This was mainly attributable to an increase of 4,636 million yen in retained earnings, as well as a decrease of

7,753 million yen in total other comprehensive income due to foreign currency translation adjustments.

Cash flows

Cash and cash equivalents at the end of the first half of the fiscal year under review decreased 13,781 million yen year on year, to 44,122 million yen.

Individual cash flows during the first half of the fiscal year under review and contributing factors are as follows:

Cash flows from operating activities

Cash provided by operating activities totaled 5,267 million yen, a decrease in cash of 1,502 million yen from a year ago. This primarily reflects a decrease of 12,152 million yen in notes and accounts receivable and income before income taxes of 10,228 million yen, offsetting decreases of 9,896 million yen in notes and accounts payable and 6,390 million yen in income taxes paid.

Cash flows from investing activities

Cash used in investing activities was 2,976 million yen, a decrease in cash of 2,484 million yen from a year ago. Major factors included an outlay of 2,063 million yen for the purchase of property, plant and equipment.

Cash flows from financing activities

Cash used in financing activities was 3,118 million yen, a decrease in cash of 531 million yen from a year ago, mainly attributable to dividend payments of 2,423 million yen.

(3) Outlook for the fiscal year ending March 31, 2017

The Daifuku Group has not revised its full-year earnings forecast for the fiscal year ending March 31, 2017, which was announced on May 12, 2016.

2. Matters Relating to Summary Information (Notes)

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

Changes in significant accounting policies

Following the revision of the Corporation Tax Act, the Group applies the Practical Solution on a change in depreciation method due to Tax Reform 2016 (ASBJ PITF No. 32; June 17, 2016) in the first quarter of the fiscal year under review and has changed the depreciation method for the facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method. The impact of this change is immaterial.

(2) Additional information

Starting the first half of the fiscal year under review, the Group is applying the Revised Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26; March 28, 2016).

3. Consolidated Financial Statements

(1) Consolidated balance sheets

(Million yen)

	FY2015 (Year ended March 31, 2016)	First half of FY2016 (Period ended September 30, 2016)
ASSETS		
Current assets:		
Cash on hand and in banks	49,187	45,042
Notes and accounts receivable and unbilled receivables	103,264	86,096
Merchandise and finished goods	3,629	3,793
Costs incurred on uncompleted construction contracts and other	7,092	8,808
Raw materials and supplies	11,370	11,038
Other current assets	39,926	27,982
Allowance for doubtful accounts	(146)	(132)
Total current assets	214,324	182,630
Non-current assets:		
Property, plant and equipment		
	32,881	31,641
Intangible assets		
Goodwill	11,181	9,330
Other	5,891	5,148
Total intangible assets	17,072	14,478
Investments and other assets		
Other	31,901	30,034
Allowance for doubtful accounts	(125)	(138)
Total investments and other assets	31,776	29,895
Total non-current assets	81,731	76,015
Total assets	296,055	258,645
LIABILITIES		
Current liabilities:		
Notes and accounts payable and construction contracts payable	40,696	29,119
Electronically recorded obligations - operating	17,270	14,919
Short-term borrowings	8,702	16,545
Income taxes payable	5,919	2,175
Provision for losses on construction contracts	971	686
Other current liabilities	41,471	29,256
Total current liabilities	115,031	92,703
Non-current liabilities:		
Bonds	2,700	2,700
Long-term borrowings	29,501	20,070
Liabilities for retirement benefits	14,500	12,818
Other non-current liabilities	4,205	3,474
Total non-current liabilities	50,907	39,063
Total liabilities	165,938	131,766

(Million yen)

	FY2015 (Year ended March 31, 2016)	First half of FY2016 (Period ended September 30, 2016)
NET ASSETS		
Shareholders' equity:		
Common stock	15,016	15,016
Capital surplus	15,794	15,902
Retained earnings	94,501	99,137
Treasury stock	(1,642)	(1,663)
Total shareholders' equity	123,669	128,392
Accumulated other comprehensive income:		
Net unrealized gain on securities	3,206	3,159
Deferred gain (loss) on hedges	22	(22)
Foreign currency translation adjustments	7,730	(1,248)
Accumulated adjustments on retirement benefits	(7,576)	(6,257)
Total accumulated other comprehensive income	3,383	(4,369)
Non-controlling interests:	3,063	2,856
Total net assets	130,116	126,879
Total liabilities and net assets	296,055	258,645

(2) Consolidated statements of income and comprehensive income

(Million yen)

	FY2015 H1 (April 1, 2015 - September 30, 2015)	FY2016 H1 (April 1, 2016 - September 30, 2016)
Net sales	152,791	147,264
Cost of sales	124,299	116,602
Gross profit	28,492	30,661
Selling, general and administrative expenses:		
Selling expenses	9,151	8,014
General and administrative expenses	10,793	12,439
Total selling, general and administrative expenses	19,945	20,453
Operating income	8,547	10,208
Other income:		
Interest income	97	84
Dividend income	202	207
Equity in earnings of affiliates	218	283
Rental income	112	117
Miscellaneous income	262	141
Total other income	893	833
Other expenses:		
Interest expenses	250	222
Foreign exchange loss	—	474
Miscellaneous expenses	60	90
Total other expenses	310	788
Ordinary income	9,130	10,253
Extraordinary income:		
Gain on liquidation of affiliates	—	27
Gain on sales of property, plant and equipment	166	33
Gain on sales of investments in securities	374	—
Other	1	—
Total extraordinary income	542	60
Extraordinary loss:		
Loss on disposal or sales of property, plant and equipment	414	75
Impairment loss	449	—
Other	19	10
Total extraordinary loss	883	86
Income before income taxes	8,788	10,228
Income taxes - current	2,923	2,936
Income taxes - deferred	(430)	158
Total income taxes	2,492	3,095
Net income	6,295	7,133
Net income attributable to:		
Shareholders of the parent company	6,184	7,072
Non-controlling interests	111	61

(Million yen)

	FY2015 H1 (April 1, 2015 - September 30, 2015)	FY2016 H1 (April 1, 2016 - September 30, 2016)
Other comprehensive income:		
Net unrealized loss on securities	(504)	(26)
Deferred gain (loss) on hedges	66	(43)
Foreign currency translation adjustments	(22)	(8,444)
Adjustments on retirement benefits	67	1,333
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	229	(783)
Total other comprehensive income (loss)	(164)	(7,965)
Comprehensive income (loss)	6,131	(832)
Comprehensive income (loss) attributable to:		
Shareholders of the parent company	6,076	(680)
Non-controlling interests	54	(151)

(3) Consolidated statements of cash flows

(Million yen)

	FY2015 H1 (April 1, 2015 - September 30, 2015)	FY2016 H1 (April 1, 2016 - September 30, 2016)
Cash flows from operating activities:		
Income before income taxes	8,788	10,228
Depreciation	2,225	2,077
Interest and dividend income	(299)	(291)
Interest expenses	250	222
Decrease (increase) in notes and accounts receivable	(9,510)	12,152
Decrease (increase) in inventories	(2,245)	(2,869)
Increase (decrease) in notes and accounts payable	7,202	(9,896)
Increase (decrease) in advances received on uncompleted contracts	6,886	502
Other	(6,178)	(718)
Sub total	7,119	11,407
Interest and dividend income received	299	290
Interest expenses paid	(252)	(212)
Income taxes refund (paid)	(614)	(6,390)
Other proceeds	217	172
Net cash provided by operating activities	6,770	5,267
Cash flows from investing activities:		
Investments in time deposits	—	(947)
Proceeds from refund of time deposit	76	68
Payments for purchase of property, plant and equipment	(1,327)	(2,063)
Proceeds from sales of property, plant and equipment	145	165
Payments for purchase of investments in securities	(11)	(12)
Other proceeds	625	(186)
Net cash used in investing activities	(491)	(2,976)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	(588)	(377)
Proceeds from long-term borrowings	602	128
Repayment of long-term borrowings	(874)	(322)
Payments for purchase of treasury stock	(3)	(182)
Payments of cash dividends	(1,665)	(2,423)
Other	(57)	59
Net cash provided by (used in) financing activities	(2,587)	(3,118)
Effect of exchange rate change on cash and cash equivalents	132	(4,134)
Net increase (decrease) in cash and cash equivalents	3,823	(4,961)
Cash and cash equivalents at beginning of period	54,081	49,084
Cash and cash equivalents at end of period	57,904	44,122

Note on Going Concern Assumption

Not applicable

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

Not applicable

Segment Information

I. The first half of the previous fiscal year ended March 31, 2016 (from April 1, 2015 to September 30, 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	63,391	7,050	37,789	6,317	114,549	35,095	149,644
Intersegment sales or transfers	12,444	4,800	263	13	17,521	7,433	24,954
Total	75,835	11,851	38,052	6,331	132,070	42,528	174,598
Segment income	4,267	239	399	76	4,982	1,742	6,725

* "Other" represents an operating segment comprising subsidiaries that are not included 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 segments total	132,070
Net sales classified in "Other"	42,528
Elimination of intersegment transactions	(24,954)
Consolidation adjustments to net sales under the percentage-of-completion method	2,699
Other adjustments for consolidation	447
Net sales in quarterly consolidated financial statements	152,791

Segment income	(Million yen)
Reportable segments total	4,982
Segment income classified in "Other"	1,742
Elimination of cash dividends from affiliates	(172)
Consolidation adjustments to net sales under the percentage-of-completion method	146
Other adjustments for consolidation	(514)
Net income attributable to shareholders of the parent company in quarterly consolidated financial statements	6,184

II. The first half of the fiscal year ending March 31, 2017 (from April 1, 2016 to September 30, 2016)

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	67,205	7,334	40,323	5,614	120,478	30,065	150,544
Intersegment sales or transfers	12,880	3,502	176	10	16,569	7,177	23,747
Total	80,086	10,837	40,500	5,624	137,048	37,243	174,292
Segment income	4,122	149	1,996	1	6,269	813	7,082

* "Other" represents an operating segment comprising subsidiaries that are not included 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 segments total	137,048
Net sales classified in "Other"	37,243
Elimination of intersegment transactions	(23,747)
Consolidation adjustments to net sales under the percentage-of-completion method	(2,970)
Other adjustments for consolidation	(309)
Net sales in quarterly consolidated financial statements	147,264

Segment income	(Million yen)
Reportable segments total	6,269
Segment income classified in "Other"	813
Elimination of cash dividends from affiliates	(72)
Consolidation adjustments to net sales under the percentage-of-completion method	(147)
Other adjustments for consolidation	209
Net income attributable to shareholders of the parent company in quarterly consolidated financial statements	7,072