

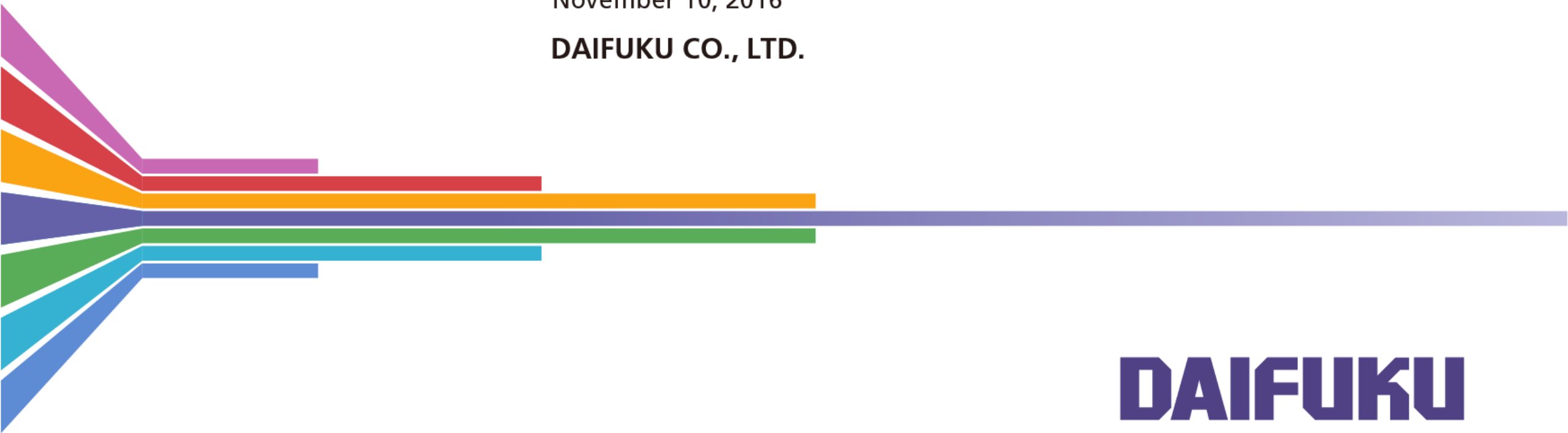
# Consolidated Financial Results

First Half of the Fiscal Year Ending March 31, 2017

(April 1, 2016 - September 30, 2016)

November 10, 2016

**DAIFUKU CO., LTD.**



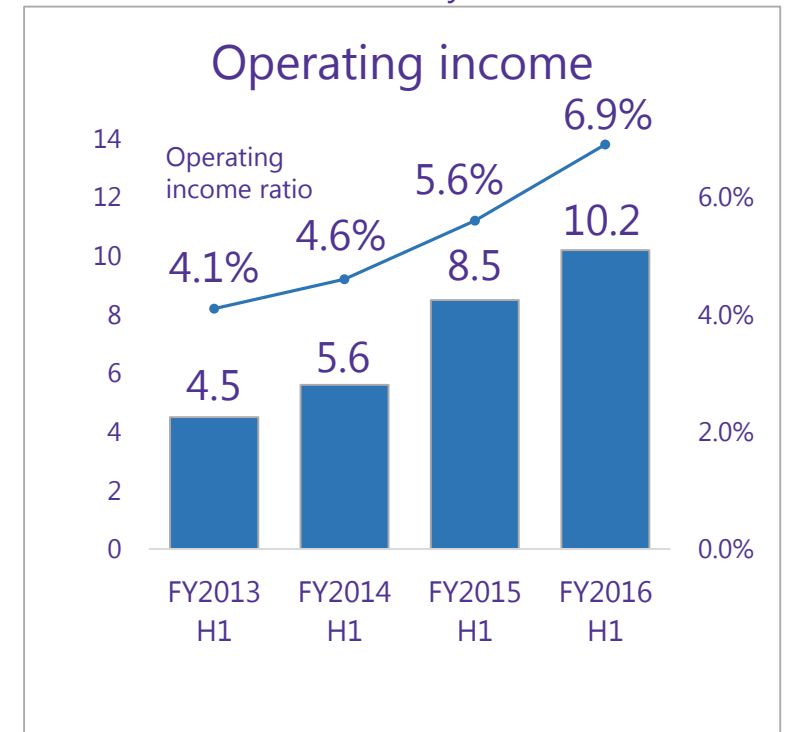
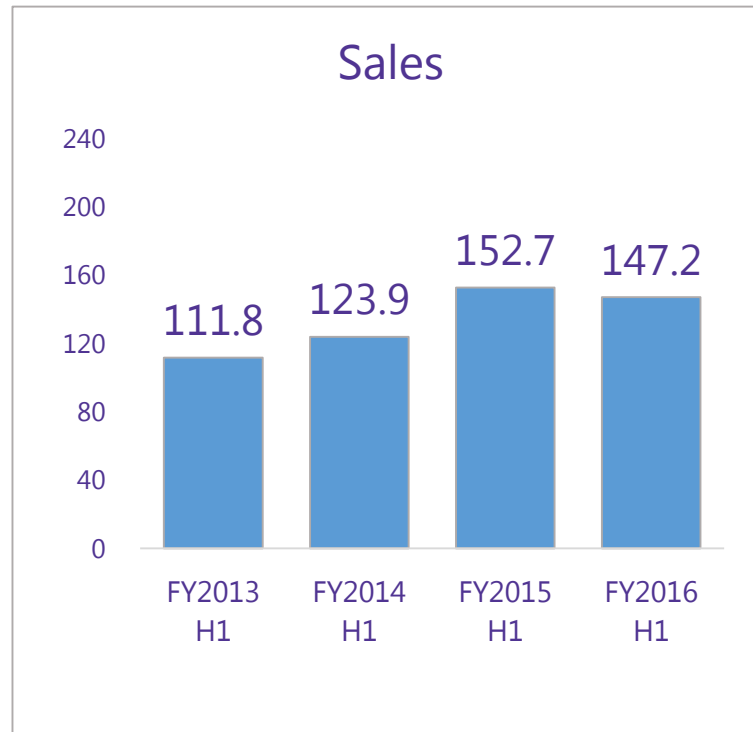
**DAIFUKU**

Always an Edge Ahead

- Overall: Results progressed almost in line with the interim forecast (146 billion yen for orders, 150 billion yen for sales and 9.5 billion yen for operating income) announced on August 9, 2016.
- Orders: Reflected a decline in the number of large projects for flat-panel display and automobile manufacturers compared with the previous fiscal year.
- Sales: Remained solid based on strong order backlogs.
- Operating income: Benefited considerably from the increased earnings of the U.S. subsidiary.

## Trends in H1 Results

(Billion yen, rounded down)



(Billion yen, rounded down)

	FY2015 H1	FY2016 H1 forecast (announced on Aug. 9, 2016)	FY2016 H1 Results	Year-on-year
Orders	205.75	146.0	<b>143.89</b>	-30.1%
Net Sales	152.79	150.0	<b>147.26</b>	-3.6%
Operating income	8.54	9.5	<b>10.20</b>	19.4%
Ordinary income	9.13	9.4	<b>10.25</b>	12.3%
Net income attributable to shareholders of the parent company	6.18	6.7	<b>7.07</b>	14.3%
Comprehensive income	6.13	-	<b>▲0.83</b>	-
Net income per share	55.78 yen	-	<b>58.12 yen</b>	
Exchange rate (per 1 U.S. dollar)	120.50 yen	-	<b>111.81 yen</b>	

# FY2016 Interim Results by Segment

(Billion yen, rounded down)

	Orders		Net sales		Segment income (Net income attributable to shareholders of the parent company)	
	FY2015 H1	FY2016 H1	FY2015 H1	FY2016 H1	FY2015 H1	FY2016 H1
Daifuku	76.25	<b>77.32</b>	63.39	<b>67.20</b>	4.26	<b>4.12</b>
Contec	7.26	<b>7.88</b>	7.05	<b>7.33</b>	0.23	<b>0.14</b>
Daifuku North America	62.17	<b>28.80</b>	37.78	<b>40.32</b>	0.39	<b>1.99</b>
Daifuku Plusmore	7.11	<b>6.40</b>	6.31	<b>5.61</b>	0.07	<b>0.00</b>
Other	52.94	<b>23.47</b>	35.09	<b>30.06</b>	1.74	<b>0.81</b>
Consolidated adjustment and other	-	-	3.14	<b>-3.27</b>	-0.54	<b>-0.01</b>
<b>Total</b>	205.75	<b>143.89</b>	152.79	<b>147.26</b>	6.18	<b>7.07</b>

# Consolidated Balance Sheets

(Billion yen, rounded down)

	FY2015	FY2016 H1	Change
Current assets	214.32	<b>182.63</b>	-31.69
Cash on hand and in banks	49.18	<b>45.04</b>	-4.14
Notes and accounts receivable	131.29	<b>104.23</b>	-27.05
Inventories	22.09	<b>23.64</b>	+1.54
Other	11.74	<b>9.70</b>	-2.03
Non-current assets	81.73	<b>76.01</b>	-5.71
Property, plant and equipment	32.88	<b>31.64</b>	-1.23
Intangible assets	17.07	<b>14.47</b>	-2.59
Goodwill	11.18	<b>9.33</b>	-1.85
Other	5.89	<b>5.14</b>	-0.74
Investments and other assets	31.77	<b>29.89</b>	-1.88
Total assets	296.05	<b>258.64</b>	-37.40

	FY2015	FY2016 H1	Change
Current liabilities	115.03	<b>92.70</b>	-22.32
Notes and accounts payable	57.96	<b>44.03</b>	-13.92
Short-term borrowings	8.70	<b>16.54</b>	+7.84
Other	48.36	<b>32.11</b>	-16.24
Non-current liabilities	50.90	<b>39.06</b>	-11.84
Long-term borrowings and bonds	32.20	<b>22.77</b>	-9.43
Other	18.70	<b>16.29</b>	-2.41
Total Liabilities	165.93	<b>131.76</b>	-34.17
Shareholders' equity	123.66	<b>128.39</b>	+4.72
Common stock	15.01	<b>15.01</b>	-
Accumulated other comprehensive income	3.38	<b>-4.36</b>	-7.75
Non-controlling interests	3.06	<b>2.85</b>	-0.20
Total net assets	130.11	<b>126.87</b>	-3.23
Total liabilities and net assets	296.05	<b>258.64</b>	-37.40

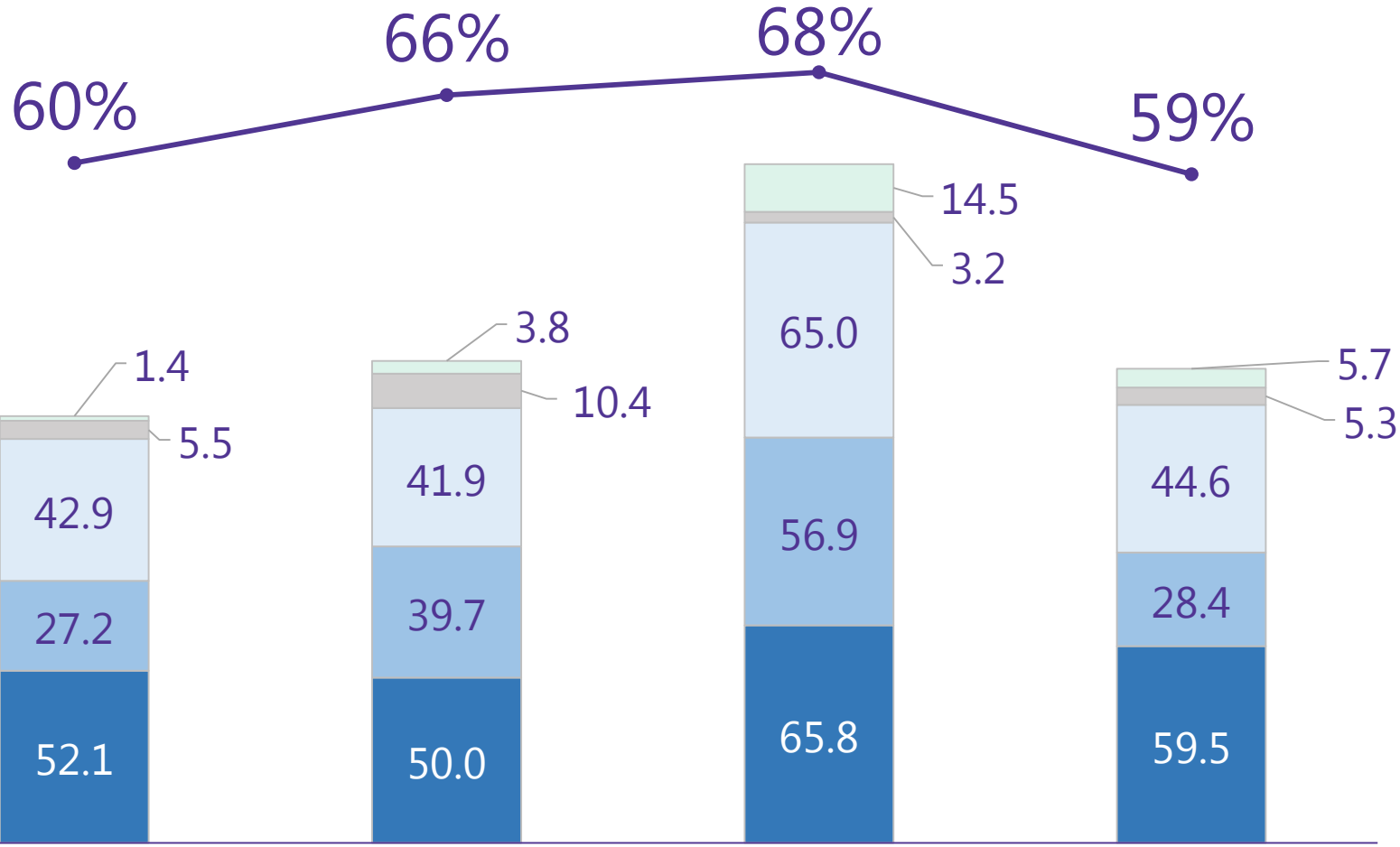
# Orders and Sales by Industry (Consolidated)

(Billion yen, rounded down)

Industry	Orders				Sales			
	FY2015 H1		FY2016 H1		FY2015 H1		FY2016 H1	
	Orders	Composition	Orders	Composition	Sales	Composition	Sales	Composition
Automobile, auto parts	48.12	23.4%	21.77	15.1%	30.38	19.9%	27.29	18.5%
Electronics	65.58	31.9%	46.89	32.6%	44.72	29.3%	43.50	29.5%
Commerce, retail	32.09	15.6%	30.90	21.5%	35.56	23.3%	24.79	16.8%
Transportation, warehousing	12.31	6.0%	7.55	5.3%	8.57	5.6%	10.81	7.3%
Machinery	5.52	2.7%	3.43	2.4%	2.61	1.7%	3.70	2.5%
Chemicals, pharmaceuticals	6.23	3.0%	8.52	5.9%	5.04	3.3%	8.13	5.5%
Food	4.25	2.1%	4.88	3.4%	3.31	2.2%	5.61	3.8%
Iron, steel, nonferrous metals	1.96	1.0%	1.95	1.4%	1.90	1.2%	1.89	1.3%
Precision machinery, printing, office equipment	2.63	1.3%	2.25	1.6%	1.54	1.0%	1.98	1.3%
Airport	17.42	8.5%	9.59	6.7%	12.42	8.1%	14.42	9.8%
Other	9.59	4.5%	6.10	4.1%	6.69	4.4%	5.09	3.7%
<b>Total</b>	<b>205.75</b>	<b>100.0%</b>	<b>143.89</b>	<b>100.0%</b>	<b>152.79</b>	<b>100.0%</b>	<b>147.26</b>	<b>100.0%</b>

# Orders by Region (Consolidated)

(Billion yen, rounded down)



Outside Japan Total

FY2013 H1  
77.2

FY2014 H1  
95.9

FY2015 H1  
139.9

FY2016 H1  
84.2

# Orders by Region (Consolidated)

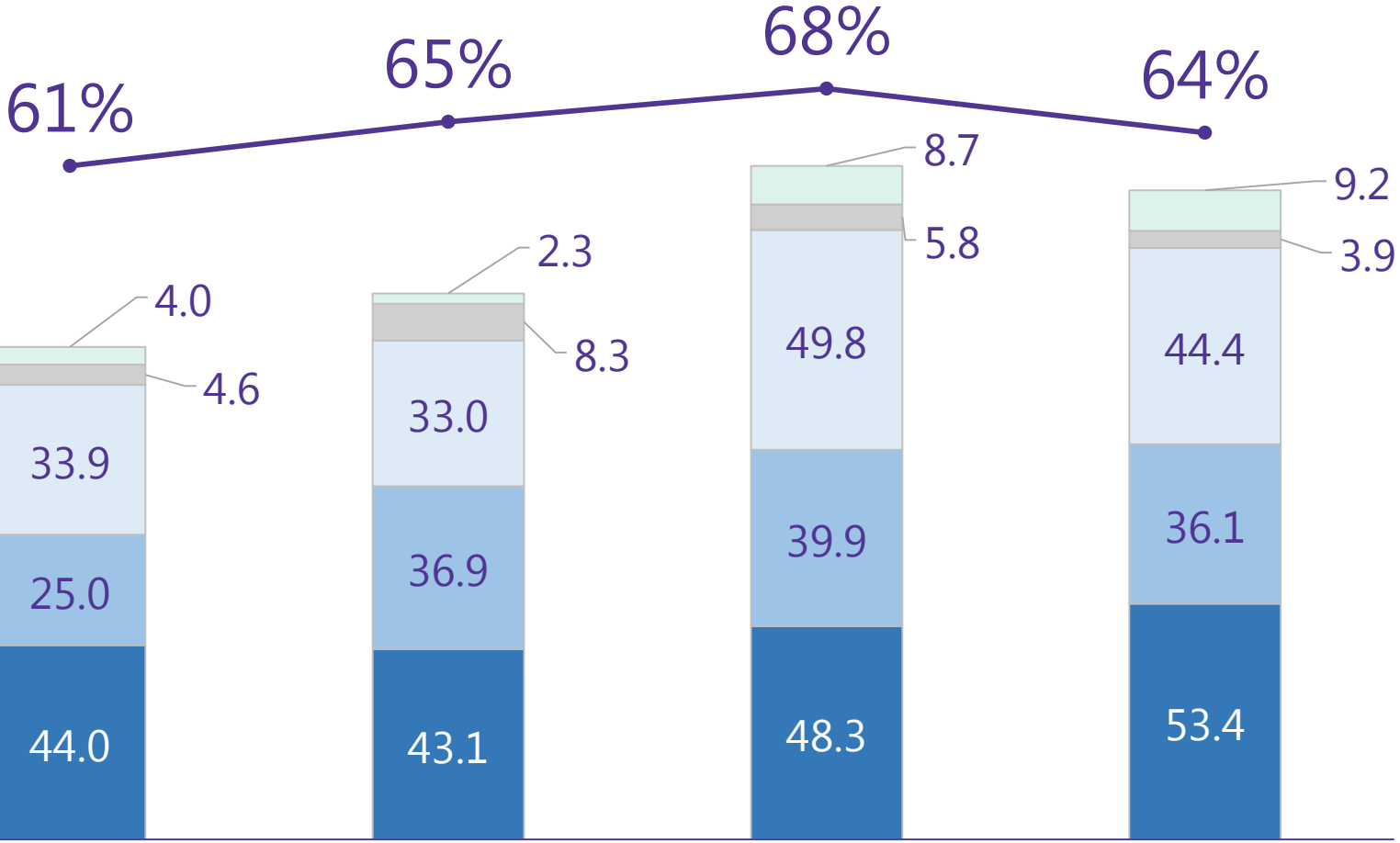
(Billion yen, rounded down)

Region	FY2013 H1		FY2014 H1		FY2015 H1		FY2016 H1	
	Orders	Composition	Orders	Composition	Orders	Composition	Orders	Composition
Japan	52.14	40.3%	50.09	34.3%	65.81	32.0%	<b>59.59</b>	<b>41.4%</b>
North America	27.23	21.0%	39.73	27.2%	56.96	27.7%	<b>28.47</b>	<b>19.8%</b>
Asia	42.94	33.2%	41.95	28.8%	65.09	31.6%	<b>44.69</b>	<b>31.1%</b>
China	18.72	14.5%	14.68	10.1%	29.92	14.5%	<b>20.07</b>	<b>14.0%</b>
South Korea	11.64	9.0%	18.98	13.0%	20.15	9.8%	<b>12.18</b>	<b>8.5%</b>
Taiwan	3.79	2.9%	2.30	1.6%	8.87	4.3%	<b>8.95</b>	<b>6.2%</b>
Other	8.77	6.8%	5.99	4.1%	6.14	3.0%	<b>3.48</b>	<b>2.4%</b>
Europe	5.58	4.3%	10.41	7.1%	3.28	1.6%	<b>5.38</b>	<b>3.7%</b>
Latin America	0.77	0.6%	2.70	1.8%	7.33	3.6%	<b>1.10</b>	<b>0.8%</b>
Other	0.71	0.6%	1.10	0.8%	7.25	3.5%	<b>4.62</b>	<b>3.2%</b>
Total	129.39	100.0%	146.00	100.0%	205.75	100.0%	<b>143.89</b>	<b>100.0%</b>



# Sales by Region (Consolidated)

(Billion yen, rounded down)



Outside Japan Total

FY2013 H1

67.7

FY2014 H1

80.7

FY2015 H1

104.4

FY2016 H1

93.7

- Other
- Europe
- Asia
- North America
- Japan
- Ratio to net sales

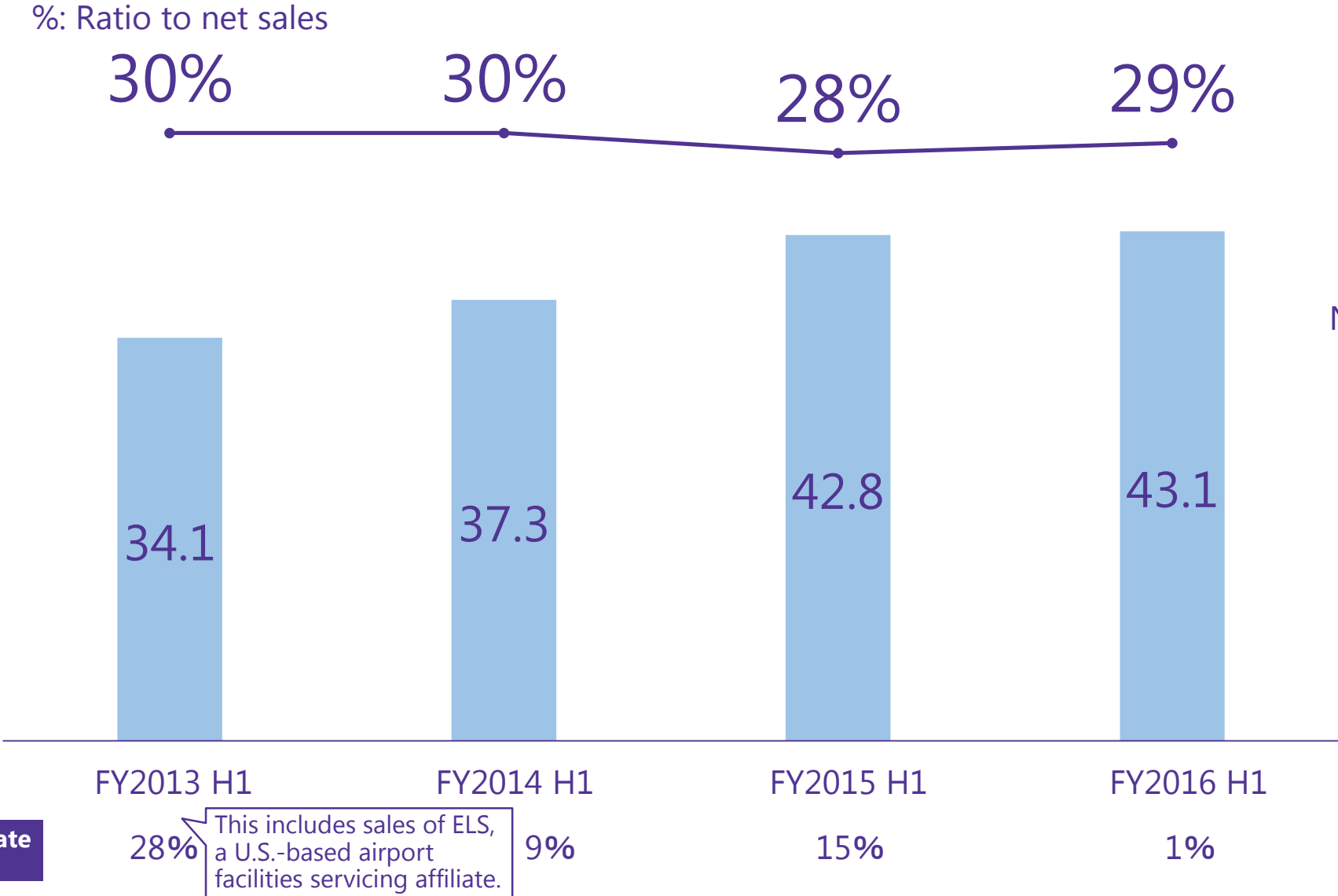
# Sales by Region (Consolidated)

(Billion yen, rounded down)

Region	FY2013 H1		FY2014 H1		FY2015 H1		FY2016 H1	
	Sales	Composition	Sales	Composition	Sales	Composition	Sales	Composition
Japan	44.07	39.4%	43.16	34.8%	48.38	31.7%	<b>53.49</b>	<b>36.3%</b>
North America	25.09	22.4%	36.98	29.8%	39.97	26.2%	<b>36.12</b>	<b>24.5%</b>
Asia	33.95	30.4%	33.07	26.7%	49.88	32.6%	<b>44.42</b>	<b>30.2%</b>
China	11.49	10.3%	12.72	10.3%	15.15	9.9%	<b>13.70</b>	<b>9.3%</b>
South Korea	9.92	8.9%	12.17	9.8%	17.85	11.7%	<b>13.23</b>	<b>9.0%</b>
Taiwan	4.69	4.2%	2.00	1.6%	11.21	7.3%	<b>12.40</b>	<b>8.4%</b>
Other	7.84	7.0%	6.16	5.0%	5.66	3.7%	<b>5.07</b>	<b>3.5%</b>
Europe	4.67	4.2%	8.39	6.8%	5.82	3.8%	<b>3.92</b>	<b>2.7%</b>
Latin America	3.52	3.1%	1.10	0.9%	1.68	1.1%	<b>1.53</b>	<b>1.0%</b>
Other	0.53	0.5%	1.20	1.0%	7.02	4.6%	<b>7.75</b>	<b>5.3%</b>
Total	111.85	100.0%	123.92	100.0%	152.79	100.0%	<b>147.26</b>	<b>100.0%</b>

# Service Sales (Consolidated)

(Billion yen, rounded down)

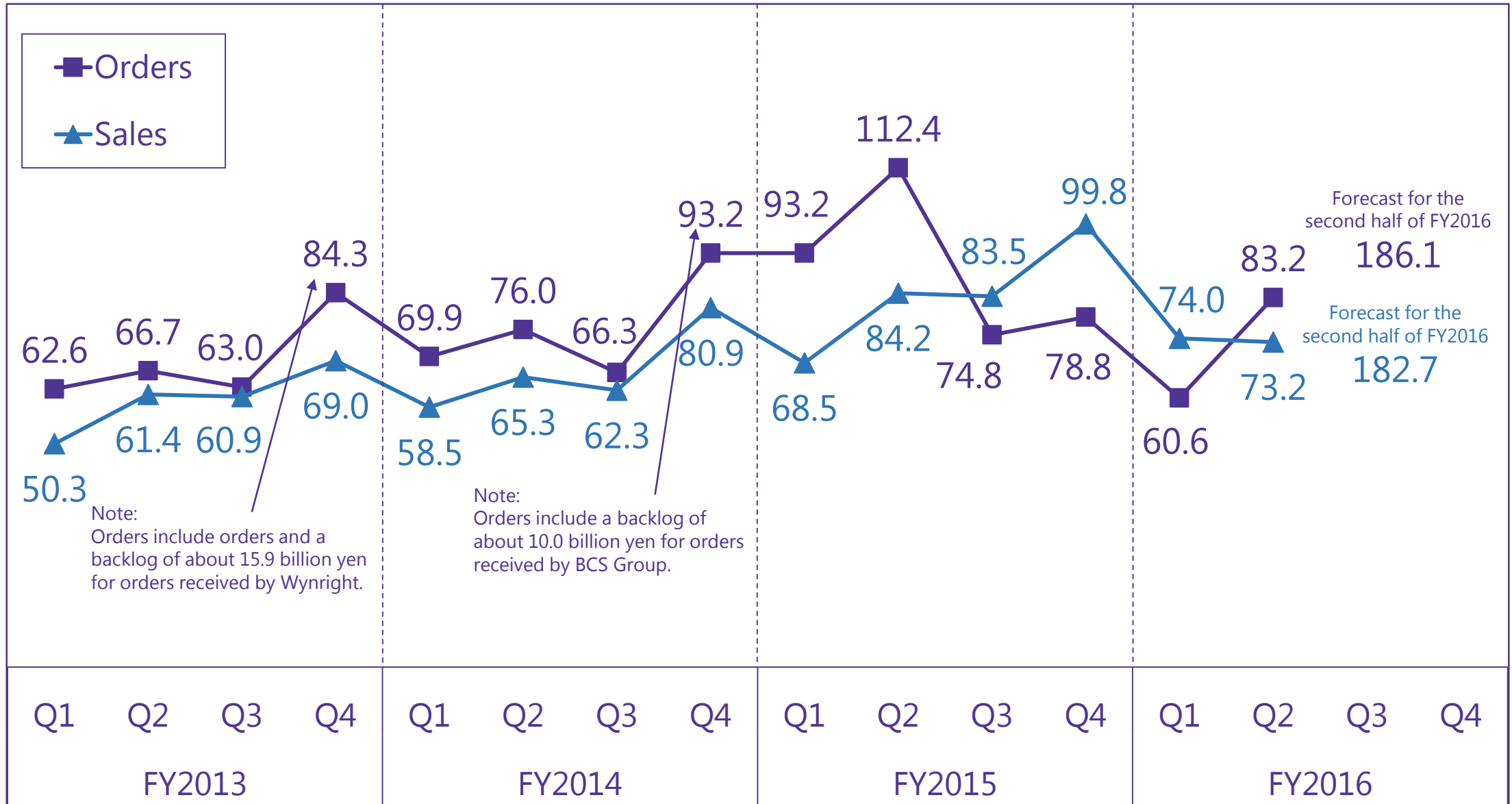


Note: Sales in the service business include maintenance, retrofitting, and remodeling work for products and systems Daifuku delivered.

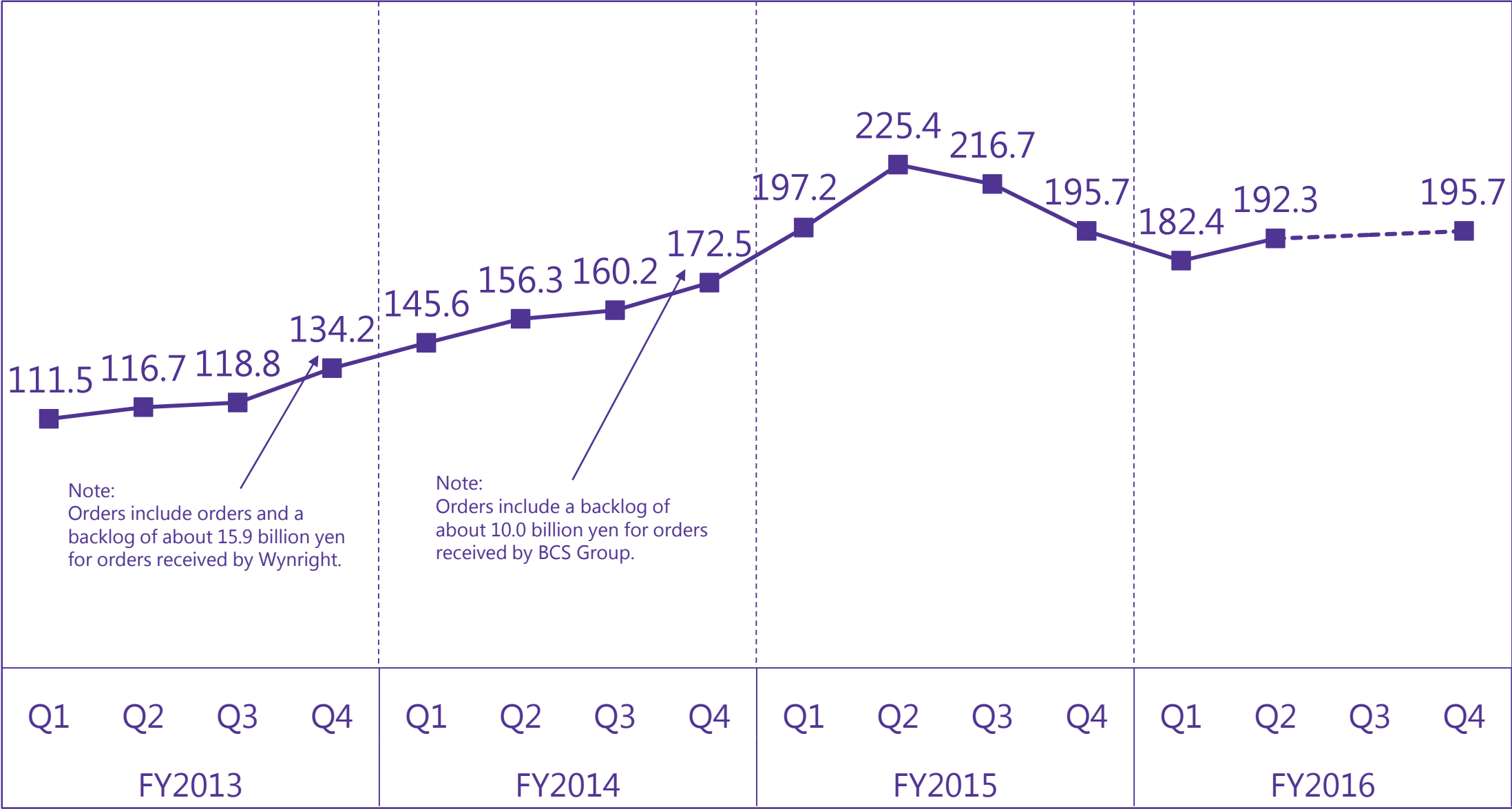
**Growth Rate  
YOY**

# Quarterly Orders and Sales

(Billion yen, rounded down)



(Billion yen, rounded down)



## ■ R&I updates rating outlook

Rating and Investment Information, Inc. (R&I) updated the issuer rating outlook on October 19, 2016.

Daifuku was recognized for its rising level of operating income and its improving financial foundation. The rating outlook turned positive.

Issuer: Daifuku Co., Ltd.

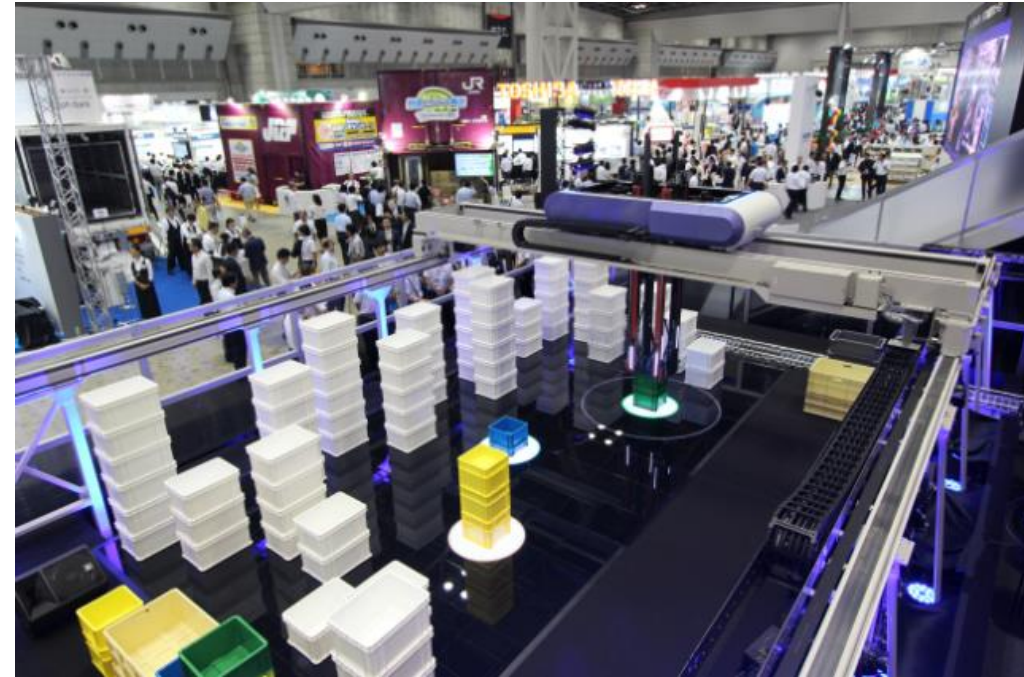
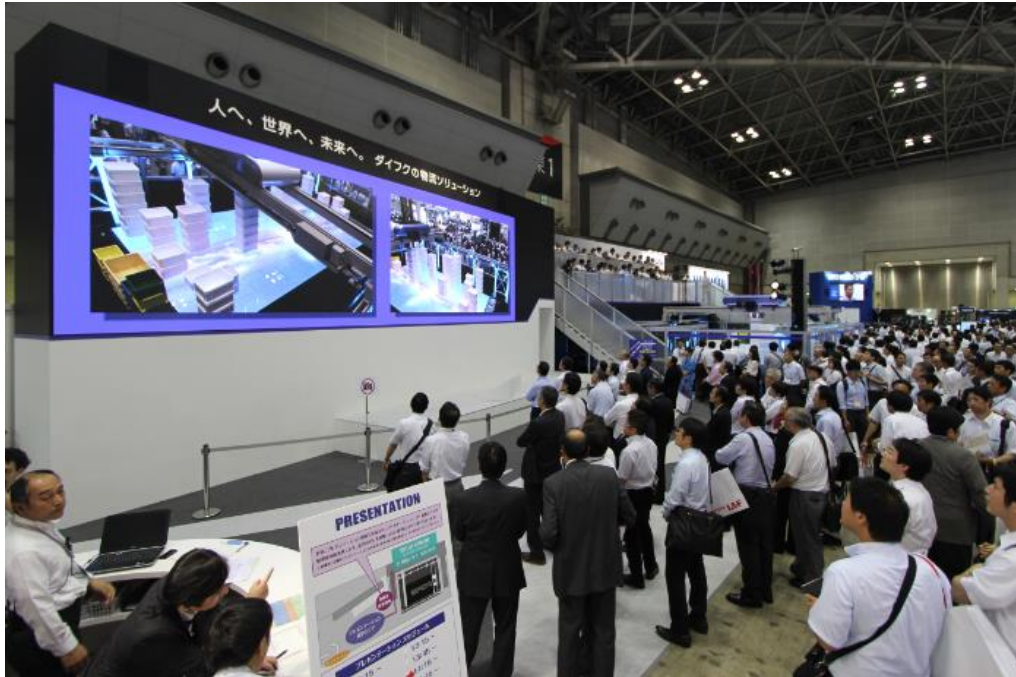
Rating: A-, affirmed

Rating outlook: Positive, changed from Stable

Commercial paper: a-1, affirmed

## ■ Logis-Tech Tokyo 2016

Daifuku exhibited the SPDR, which can pick various types and sizes of parts cases for auto parts logistics. We also received a high level of interest from the food and other sectors.



# 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.