

Consolidated Financial Results

Fiscal Year Ended March 31, 2017

(April 1, 2016 - March 31, 2017)

May 11, 2017

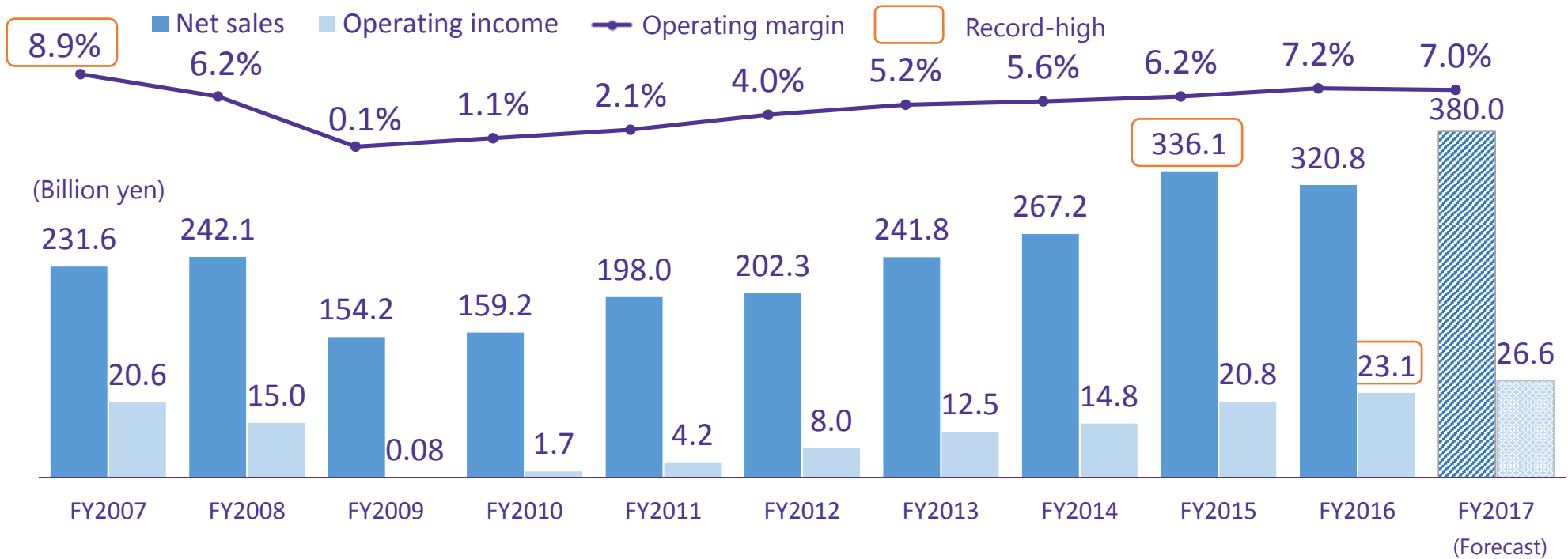
DAIFUKU CO., LTD.



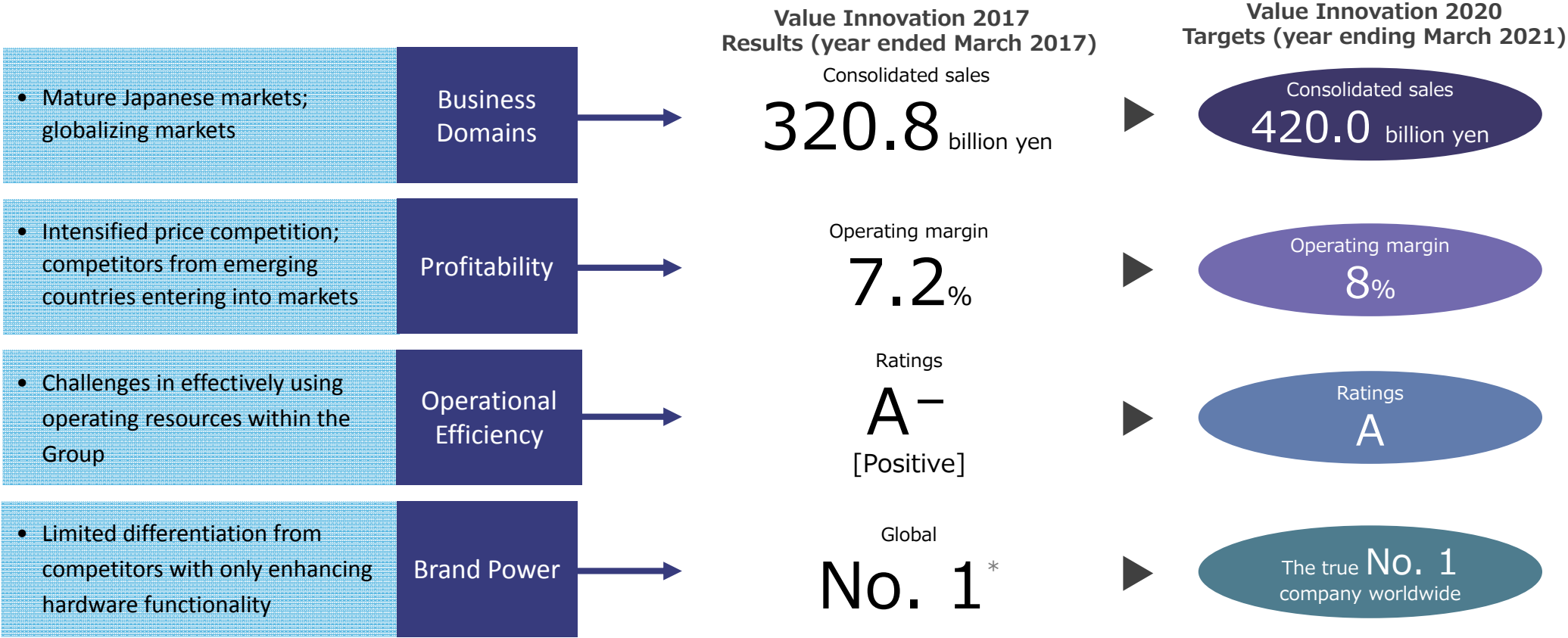
DAIFUKU
Always an Edge Ahead

Fiscal 2016 Highlights (April 1, 2016 - March 31, 2017)

- Both orders and sales were strong in our major businesses.
- Operating income, ordinary income and net income achieved record highs. The operating margin reached 7%.
- The four-year business plan Value Innovation 2017 management targets, namely operating income of 21 billion yen and ROE of 10% or higher, were achieved. Consolidated sales did not reach the target of 340 billion yen, reflecting the strong yen.



Steadily improving our corporate presence,
we will aim to become the true world No. 1 company through the new medium-term business plan.



*Source: the U.S. magazine *Modern Materials Handling*

FY2016 Results (Consolidated)

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3

(Billion yen, rounded down)

	FY2015	FY2016 forecast announced on February 10	FY2016 results	Year-on-year
Orders	359.42	355.0	356.51	-0.8%
Net sales	336.18	320.0	320.82	-4.6%
Operating income	20.87	22.5	23.09	10.6%
Ordinary income	21.99	23.0	23.76	8.0%
Net income attributable to shareholders of the parent company	13.65	16.5	16.74	22.7%
Comprehensive income	7.78	-	16.04	106.2%
Net income per share	118.72 yen	-	137.58 yen	
Exchange rate (per 1 U.S. dollar)	121.04 yen	-	109.45 yen	

FY2016 Results by Segment

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4

(Billion yen, rounded down)

	Orders		Net sales		Net income	
	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016
Daifuku	142.13	171.17	144.98	145.86	8.46	13.31
Contec	14.76	15.62	15.15	15.45	0.58	0.72
Daifuku North America * ¹	95.71	88.81	77.06	79.06	1.50	3.53
Daifuku Plusmore * ²	12.38	11.32	12.28	11.46	0.14	0.11
Other	94.42	69.58	81.79	68.78	3.23	2.28
Consolidated adjustment and other	-	-	4.89	0.19	-0.28	-3.22
Total	359.42	356.51	336.18	320.82	13.65	16.74

Consolidated Balance Sheets

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5

(Billion yen, rounded down)

	FY2015	FY2016	Change
Current assets	214.32	222.46	8.14
Cash on hand and in banks	49.18	64.80	15.61
Notes and accounts receivable	131.29	124.00	-7.29
Inventories	22.09	22.85	0.76
Other	11.74	10.80	-0.94
Non-current assets	81.73	81.07	-0.65
Property, plant and equipment	32.88	33.58	0.70
Intangible assets	17.07	15.43	-1.64
Goodwill	11.18	9.88	-1.29
Other	5.89	5.54	-0.34
Investments and other assets	31.77	32.05	0.27
Total assets	296.05	303.54	7.48

	FY2015	FY2016	Change
Current liabilities	115.03	126.06	11.03
Notes and accounts payable	57.96	59.11	1.15
Short-term borrowings	8.70	21.64	12.94
Other	48.36	45.30	-3.06
Non-current liabilities	50.90	35.13	-15.77
Long-term borrowings and bonds	32.20	18.12	-14.07
Other	18.70	17.00	-1.69
Total Liabilities	165.93	161.19	-4.73
Shareholders' equity	123.66	136.69	13.02
Common stock	15.01	15.01	-
Accumulated other comprehensive income	3.38	2.39	-0.98
Non-controlling interests	3.06	3.24	0.18
Total net assets	130.11	142.34	12.22
Total liabilities and net assets	296.05	303.54	7.48

Consolidated Statements of Cash Flows

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6

(Billion yen, rounded down)

	FY2015	FY2016	Change
Cash flows from operating activities	7.20	26.68	19.47
Cash flows from investing activities	-2.09	-5.39	-3.29
Free cash flows	5.10	21.28	16.18
Cash flows from financing activities	-8.70	-4.40	4.29
Effect of exchange rate change on cash and cash equivalents	-1.40	-1.17	0.22
Net increase in cash and cash equivalents	-4.99	15.70	20.70
Cash and cash equivalents, beginning of the year	54.08	49.08	-4.99
Cash and cash equivalents, end of the year	49.08	64.79	15.70

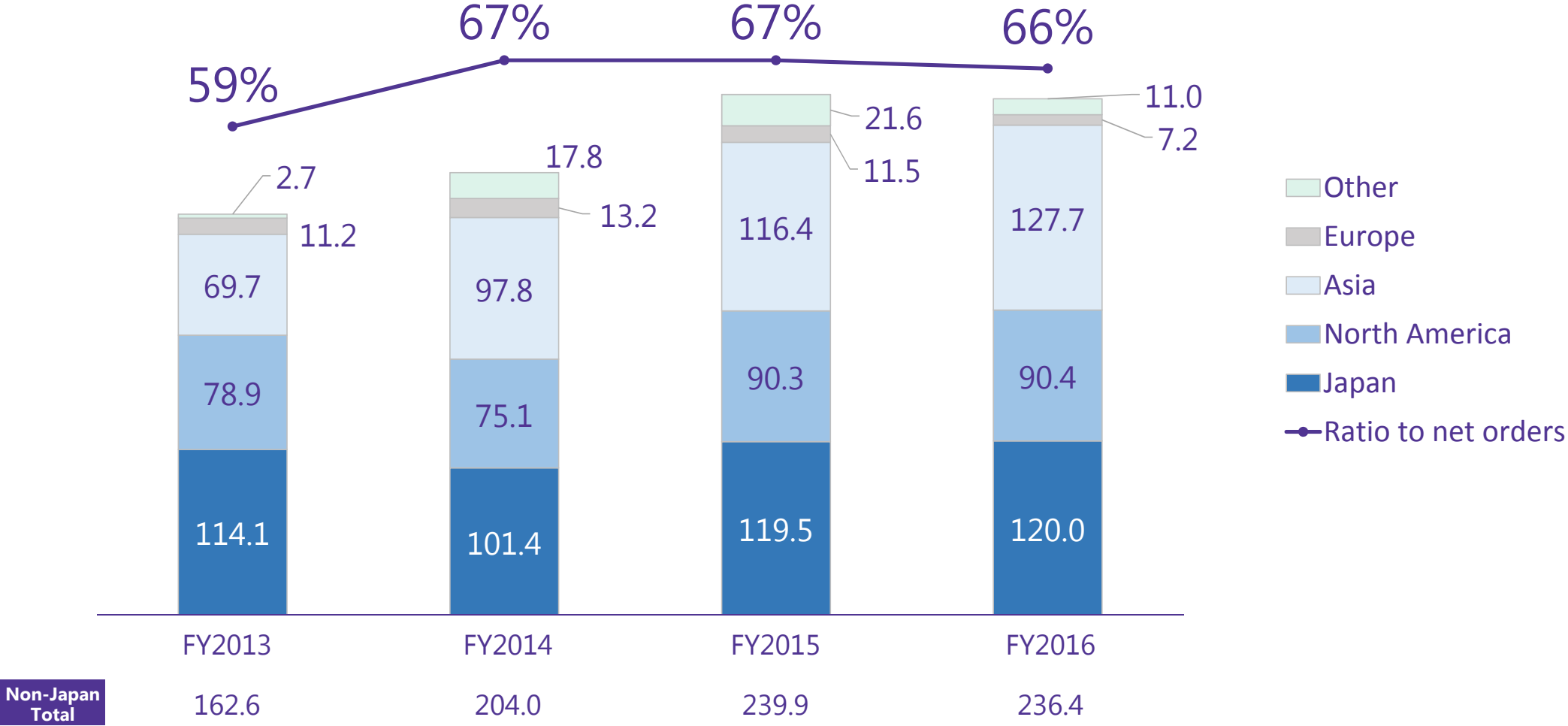
Orders and Sales by Industry (Consolidated)

(Billion yen, rounded down)

Industry	Orders				Sales			
	FY2015		FY2016		FY2015		FY2016	
	Orders	Composition	Orders	Composition	Sales	Composition	Sales	Composition
Automobile, auto parts	73.07	20.3%	61.87	17.4%	64.64	19.2%	60.41	18.8%
Electronics	111.74	31.1%	120.50	33.8%	105.18	31.3%	98.84	30.8%
Commerce, retail	60.02	16.7%	62.69	17.6%	64.68	19.2%	53.59	16.7%
Transportation, warehousing	23.75	6.6%	21.75	6.1%	21.35	6.4%	19.35	6.0%
Machinery	9.59	2.7%	7.08	2.0%	9.10	2.7%	7.68	2.4%
Chemicals, pharmaceuticals	14.07	3.9%	15.51	4.4%	15.34	4.6%	17.47	5.4%
Food	14.74	4.1%	15.62	4.4%	9.48	2.8%	12.47	3.9%
Iron, steel, nonferrous metals	4.09	1.1%	3.21	0.9%	3.89	1.2%	3.85	1.2%
Precision machinery, printing, office equipment	4.43	1.2%	4.26	1.2%	3.90	1.2%	4.78	1.5%
Airport	28.81	8.0%	31.54	8.8%	27.66	8.2%	28.31	8.8%
Other	15.06	4.3%	12.43	3.4%	10.90	3.2%	14.00	4.5%
Total	359.42	100.0%	356.51	100.0%	336.18	100.0%	320.82	100.0%

Orders by Region (Consolidated)

(Billion yen, rounded down)



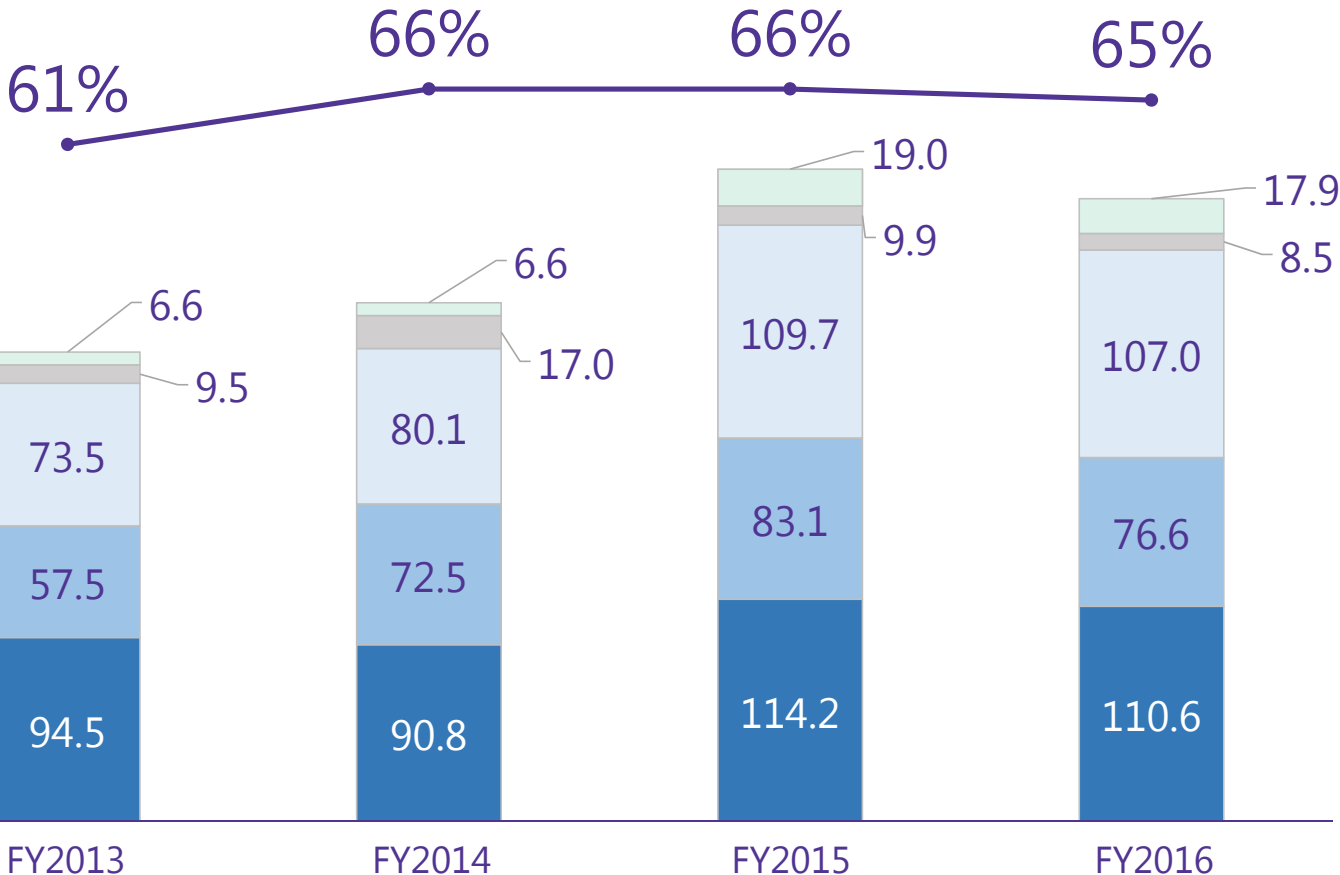
Orders by Region (Consolidated)

(Billion yen, rounded down)

Region	FY2013		FY2014		FY2015		FY2016		
	Orders	Composition	Orders	Composition	Orders	Composition	Orders	Composition	
Japan	114.15	41.2%	101.46	33.2%	119.51	33.3%	120.03	33.7%	
North America	78.93	28.5%	75.18	24.6%	90.31	25.1%	90.46	25.5%	
Asia		69.74	25.2%	97.89	32.1%	116.42	32.4%	127.77	35.8%
	China	32.05	11.5%	28.93	9.5%	43.93	12.2%	55.36	15.5%
	South Korea	20.37	7.4%	39.81	13.0%	33.01	9.2%	35.03	9.8%
	Taiwan	3.20	1.2%	17.32	5.7%	27.54	7.7%	25.10	7.0%
	Other	14.10	5.1%	11.82	3.9%	11.92	3.3%	12.26	3.5%
Europe	11.25	4.1%	13.20	4.3%	11.52	3.2%	7.23	2.0%	
Latin America	1.10	0.4%	4.11	1.3%	7.31	2.0%	2.65	0.7%	
Other	1.63	0.6%	13.70	4.5%	14.33	4.0%	8.36	2.3%	
Total	276.83	100.0%	305.56	100.0%	359.42	100.0%	356.51	100.0%	

Sales by Region (Consolidated)

(Billion yen, rounded down)



**Non-Japan
Total**

FY2013

147.2

FY2014

176.4

FY2015

221.9

FY2016

210.1

Sales by Region (Consolidated)

(Billion yen, rounded down)

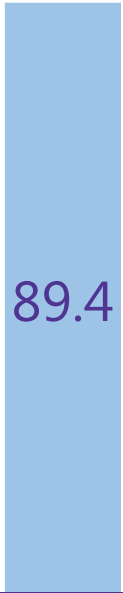
Region	FY2013		FY2014		FY2015		FY2016		
	Sales	Composition	Sales	Composition	Sales	Composition	Sales	Composition	
Japan	94.54	39.1%	90.87	34.0%	114.21	34.0%	110.67	34.5%	
North America	57.56	23.8%	72.51	27.1%	83.17	24.7%	76.62	23.9%	
Asia		73.51	30.4%	80.19	30.0%	109.79	32.7%	107.00	33.3%
	China	28.35	11.7%	30.50	11.4%	39.58	11.8%	36.86	11.5%
	South Korea	22.28	9.2%	30.53	11.4%	34.45	10.2%	32.27	10.0%
	Taiwan	7.70	3.2%	6.94	2.6%	23.37	7.0%	27.84	8.7%
	Other	15.16	6.3%	12.21	4.6%	12.37	3.7%	10.02	3.1%
Europe	9.54	3.9%	17.09	6.4%	9.92	3.0%	8.57	2.7%	
Latin America	4.83	2.0%	4.48	1.7%	2.70	0.8%	4.09	1.3%	
Other	1.80	0.7%	2.12	0.8%	16.35	4.9%	13.84	4.3%	
Total	241.81	100.0%	267.28	100.0%	336.18	100.0%	320.82	100.0%	

Service Sales (Consolidated)

(Billion yen, rounded down)

#: Ratio to net sales

31% 30% 27% 28%



FY2013

FY2014

FY2015

FY2016

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

**Growth Rate
YOY**

29%

This includes sales of ELS, a U.S.-based airport facilities servicing affiliate.

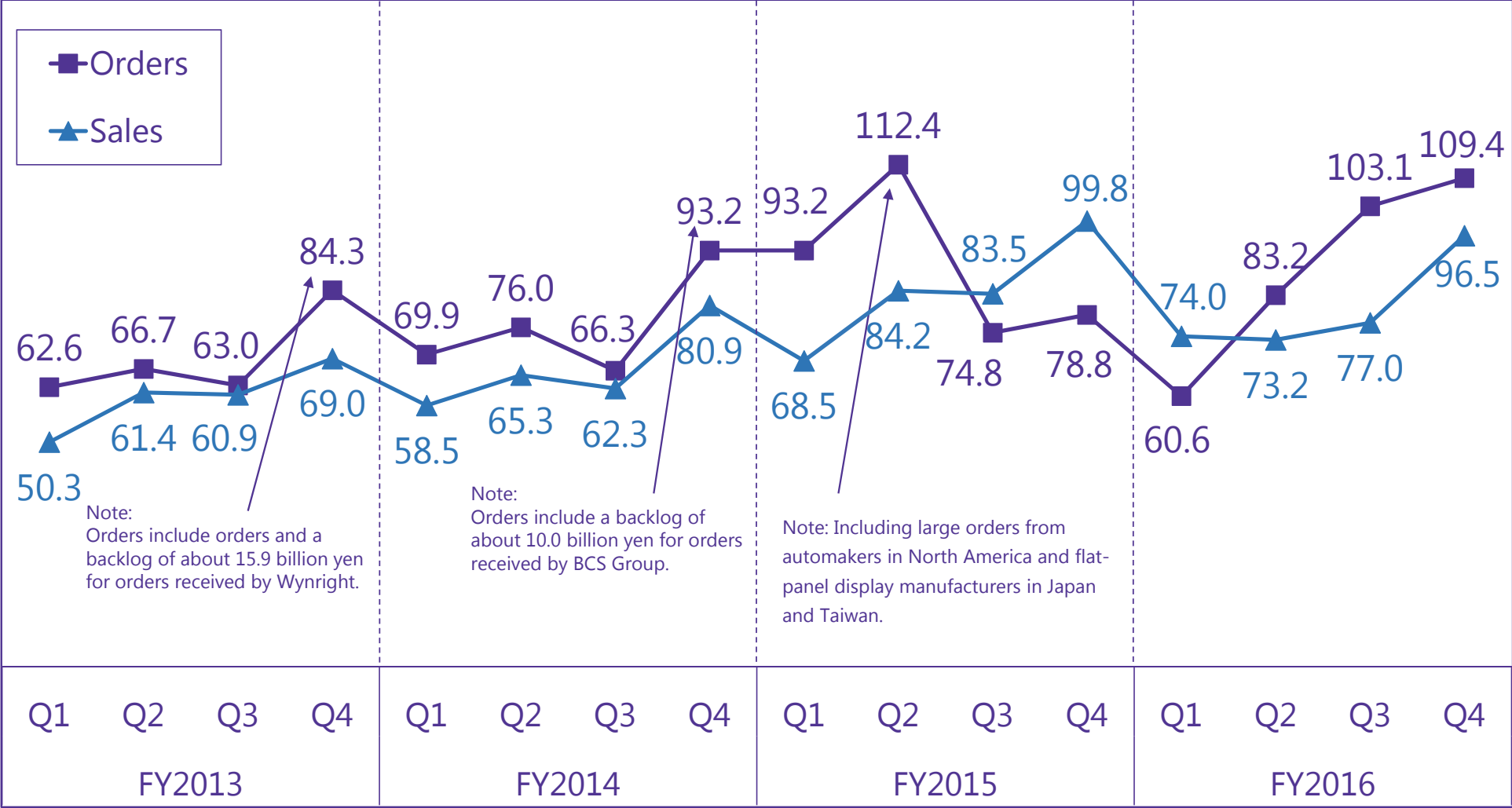
7%

14%

-3%

Quarterly Orders and Sales

(Billion yen, rounded down)



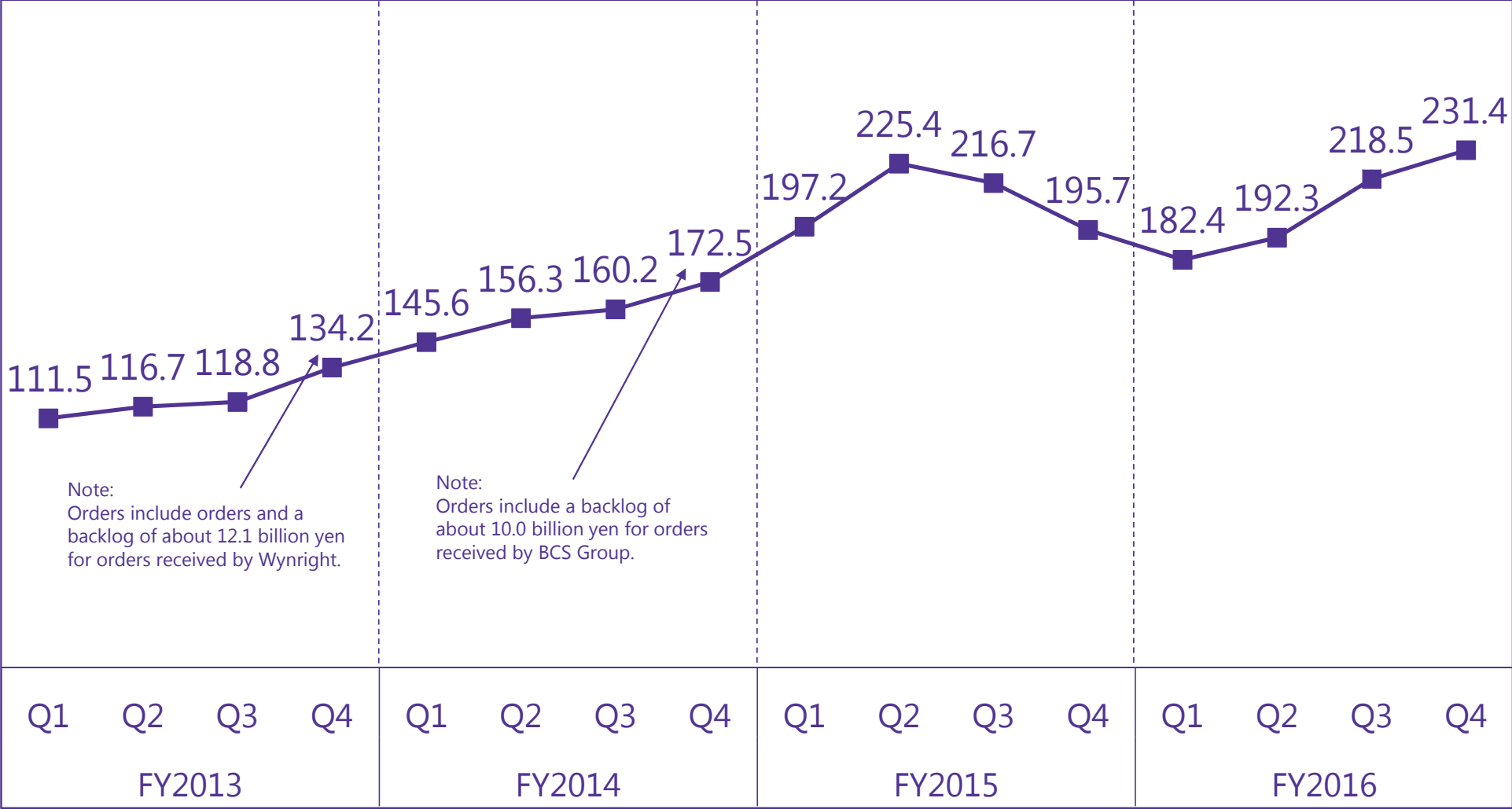
Note:
Orders include orders and a backlog of about 15.9 billion yen for orders received by Wynright.

Note:
Orders include a backlog of about 10.0 billion yen for orders received by BCS Group.

Note: Including large orders from automakers in North America and flat-panel display manufacturers in Japan and Taiwan.

Order Backlogs

(Billion yen, rounded down)



FY2017 Forecast (Consolidated)

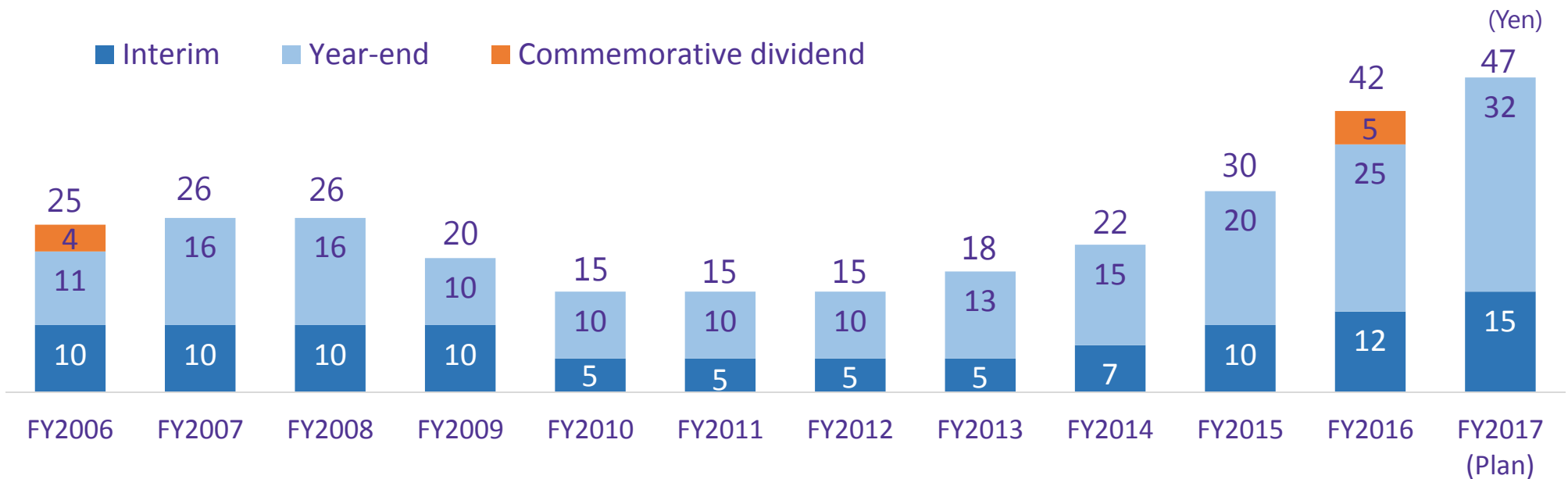
(Billion yen, rounded down)

	FY2016 H1	FY2017 H1	Year-on-year	FY2016	FY2017	Year-on-year
Orders	143.89	210.0	45.9%	356.51	390.0	9.4%
Net sales	147.26	180.0	22.2%	320.82	380.0	18.4%
Operating income	10.20	12.6	23.4%	23.09	26.6	15.2%
Ordinary income	10.25	12.9	25.8%	23.76	27.4	15.3%
Net income attributable to shareholders of the parent company	7.07	9.0	27.3%	16.74	19.0	13.5%

Basic Policy for Dividend

Increasing dividend for the 5th consecutive fiscal year

- FY2016 ended March 2017: 42 yen per share (an increase of 12 yen from the previous year, dividend payout ratio of 30.5%)
12 yen interim dividend + 25 yen year-end dividend plus a commemorative dividend of 5 yen for celebrating our 80th anniversary
- FY2017 ended March 2018: Scheduled to pay 47 yen per share for the annual dividend (an increase of 5 yen from the previous year, dividend payout ratio of 30.1%)
15 yen interim dividend + 32 yen year-end dividend



Liabilities, Expenses, Employees (Consolidated)

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17

Interest-bearing liabilities

(Billion yen, rounded down)

	FY2013	FY2014	FY2015	FY2016
Short-term	7.0	12.9	8.7	21.6
Long-term	51.1	47.6	32.2	18.1
Total	58.1	60.5	40.9	39.7
D/E ratio	0.60	0.56	0.32	0.29

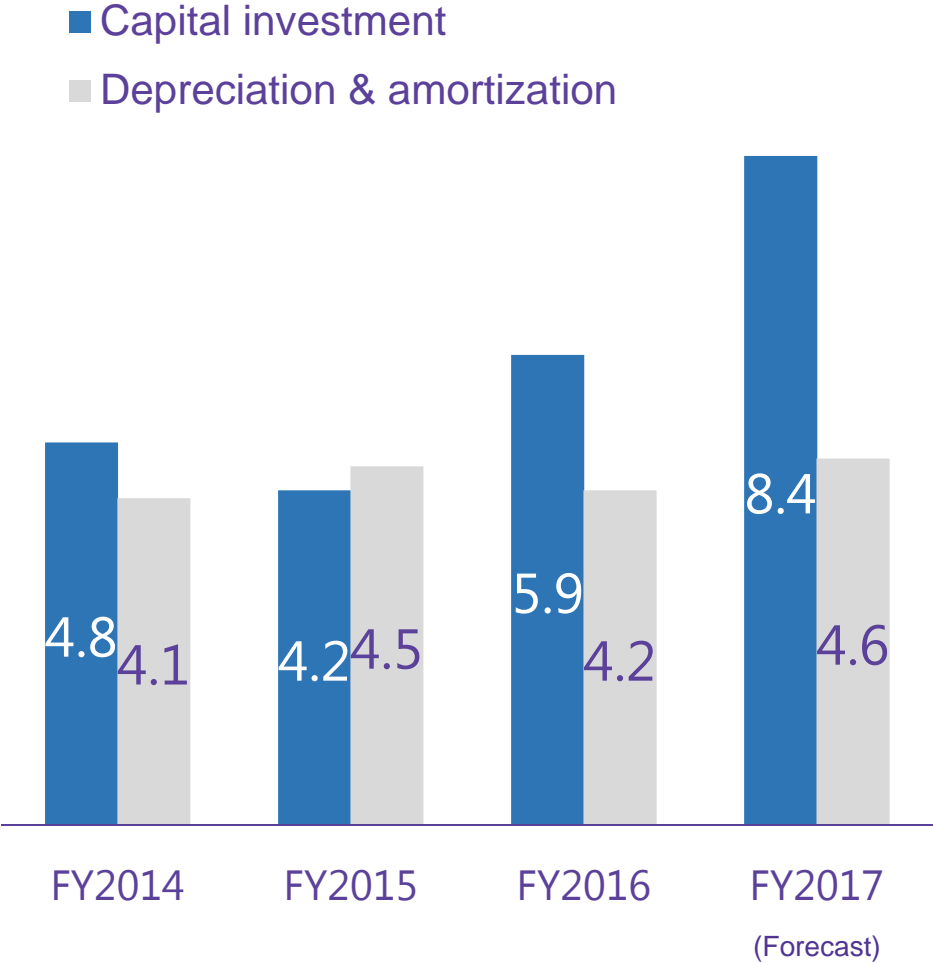
Expenses and employees

Fixed cost	80.5	83.1	97.3	93.4
Personnel expenses	50.5	59.2	64.6	64.9
Employees (of which global affiliate staff)	7,349 (4,379)	7,746 (4,760)	7,835 (4,758)	8,689 (5,536)

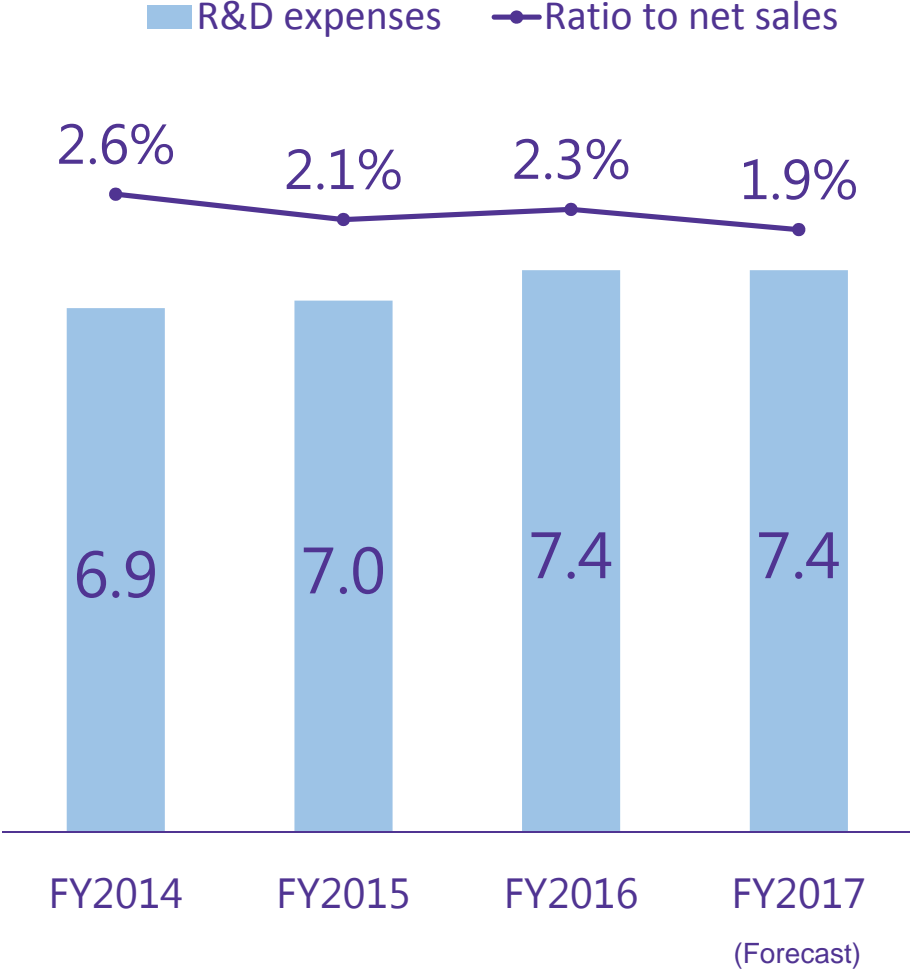
D/E ratio = interest-bearing liabilities / shareholders' equity (end of year)

Financial Standing (Consolidated)

(Billion yen, rounded down)



(Billion yen, rounded down)



- Daifuku selected as Health and Productivity Excellent Company 2017 (White 500) by METI*

This reflected our strategic initiatives for health management of employees from a business management perspective.

- Daifuku achieves the top rank in the DBJ** Business Continuity Management Ratings

The entire Daifuku Group was recognized for its risk management promotion, its alternative plan for a production system emergency, and initiative to mitigate business continuity risk in its supply chains.



Daifuku received a loan from DBJ based on the DBJ BCM ratings in February 2017. The ratings results included an evaluation with the comment, "Efforts to consider business continuity are outstanding."

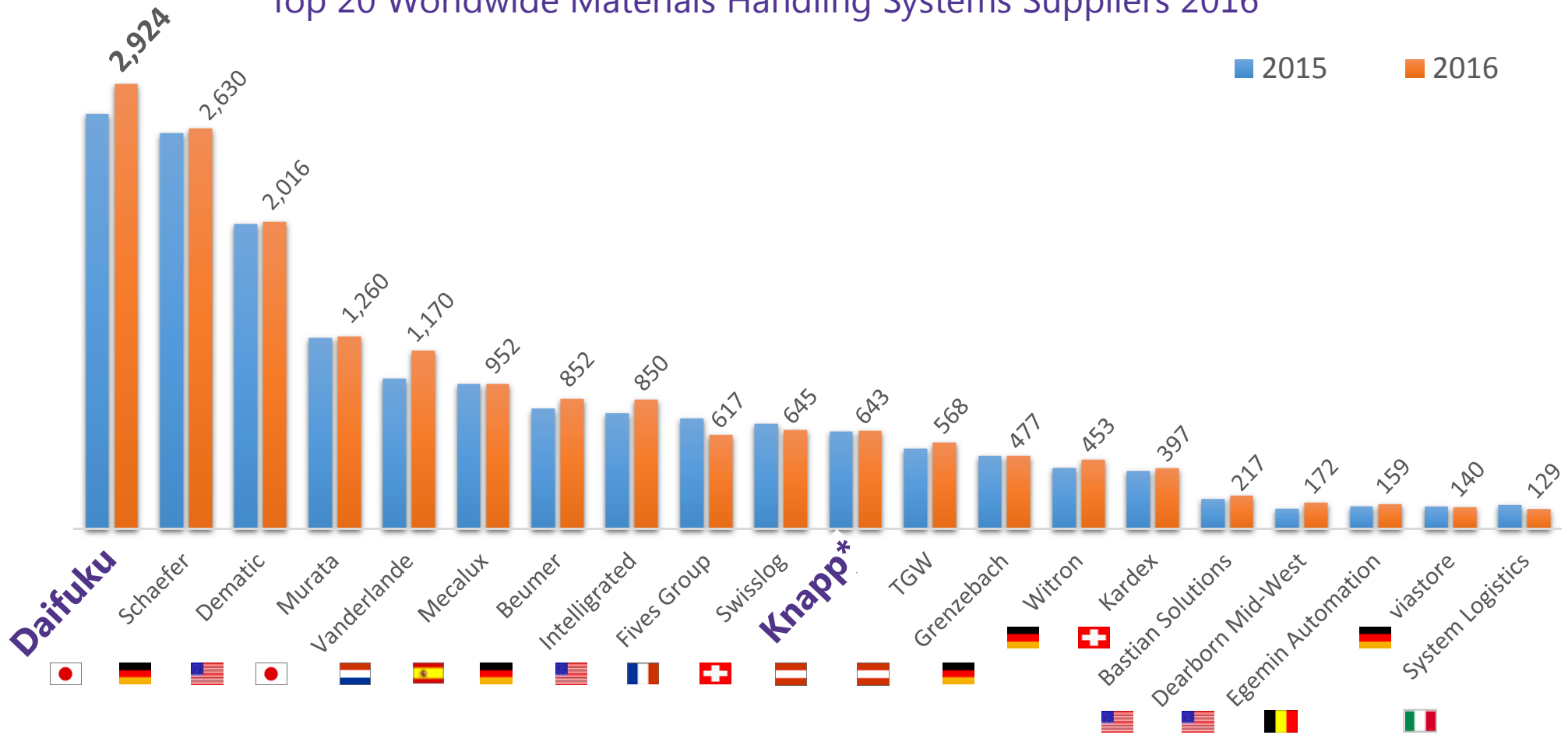
*METI: Japan's Ministry of Economy, Trade and Industry

**DBJ: The Development Bank of Japan

[Topic] Daifuku Ranked First in Global Sales for the Third Straight Year

Top 20 Worldwide Materials Handling Systems Suppliers 2016

(Sales units: US\$1,000,000)



*Knapp became Daifuku's equity-method affiliate in July 2012
 (Source: Modern Materials Handling - May 2017 www.mmh.com/article/top_20_worldwide_materials_handling_systems_suppliers_2017)

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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 Daifuku Group'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 plagues. Moreover, there are other factors that may adversely affect the Group's performance.