

**Consolidated Financial Results**  
**for the First Half of the Fiscal Year Ending March 31, 2018**  
**[Japan GAAP]**

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

November 10, 2017

**Daifuku Co., Ltd.**

Stock code: 6383, First Section of Tokyo Stock Exchange

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Scheduled date for filing quarterly financial report: November 13, 2017

Scheduled date of commencing dividend payment: December 5, 2017

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 2017**

(April 1, 2017 - September 30, 2017)

(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 half of fiscal 2017</b>	<b>184,154</b>	<b>25.1</b>	<b>16,711</b>	<b>63.7</b>	<b>17,437</b>	<b>70.1</b>	<b>12,233</b>	<b>73.0</b>
First half of fiscal 2016	147,264	(3.6)	10,208	19.4	10,253	12.3	7,072	14.3

Note: Comprehensive income

First half of fiscal 2017: 13,909 million yen (—%)

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

	Net income per share	Diluted net income per share
	Yen	Yen
<b>First half of fiscal 2017</b>	<b>100.45</b>	—
First half of fiscal 2016	58.12	—

(2) Financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
<b>First half of fiscal 2017</b>	<b>324,947</b>	<b>152,564</b>	<b>45.9</b>
Fiscal 2016	303,540	142,340	45.8

Reference: Shareholders' equity

First half of fiscal 2017: 149,204 million yen

Fiscal 2016: 139,092 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 2016	—	12.00	—	30.00	42.00
Fiscal 2017	—	25.00			
Fiscal 2017 (forecast)			—	37.00	62.00

Note: Revisions to the latest dividend forecast: Yes

## 3. Consolidated Earnings Forecast for the Fiscal 2017

(April 1, 2017 - March 31, 2018)

(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	410,000	27.8	37,000	60.2	38,000	59.9	26,000	55.3	213.49

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: None
  - 2) Other changes: None
  - 3) Changes in accounting estimates: None
  - 4) Restatement: None
- (4) Number of shares issued (Common stock)
  - 1) Number of shares issued including treasury stock at the end of the period
 

<b>First half of fiscal 2017:</b>	<b>123,610,077 shares</b>
Fiscal 2016:	123,610,077 shares
  - 2) Number of treasury stock at the end of the period
 

<b>First half of fiscal 2017:</b>	<b>1,827,526 shares</b>
Fiscal 2016:	1,827,904 shares
  - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
 

<b>First half of fiscal 2017:</b>	<b>121,783,530 shares</b>
First half of fiscal 2016:	121,687,832 shares

Note: The number of treasury stock at the end of the first half of the fiscal year ending March 31, 2018 includes 87,600 shares owned by the Board Benefit Trust (BBT). The number of treasury stock at the end of the fiscal year ended March 31, 2017 included 90,000 shares owned by the BBT.

These quarterly consolidated financial statements are not subject to quarterly review procedures.

**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, 2018."

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	9
(3) Outlook for the fiscal year ending March 31, 2018	10
<b>2. Consolidated Financial Statements</b>	<b>11</b>
(1) Consolidated balance sheets	11
(2) Consolidated statements of income and comprehensive income	13
(3) Consolidated statements of cash flows	15
(4) Notes on consolidated financial statements	16
<b>Note on going concern assumption</b>	<b>16</b>
<b>Notes when there is a material change in the amount of shareholders equity</b>	<b>16</b>
<b>Segment information</b>	<b>17</b>

## 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 saw signs of recovery gathering momentum in major nations, such as the West and China, while facing concerns stemming from a slowdown in emerging countries. The Japanese economy benefited from a moderate recovery, led by favorable business confidence along with increased capital investment.

The Daifuku Group's mainstay material handling systems have seen rising needs, mainly due to logistics innovation accompanying the growth of e-commerce, industry-wide momentum in automatization, as well as robust demand from the semiconductor and flat-panel display (FPD) sectors with the advance of the Internet of Things (IoT) and high-definition panels.

Amid these economic and business conditions, the operating results of the Daifuku Group showed favorable progress. Orders, sales, and income reached new record highs during the first half of the fiscal year.

Orders were particularly strong, driven by robust capital investment in the semiconductor and FPD sectors in the Asian region, as well as strong needs and projects of increasing scale from e-commerce distribution centers across the globe, together with favorable orders for systems for automobile factories and airports. Daifuku is the unrivaled material handling system provider and integrator, which offers its best solutions to customers in these growing sectors. Its extensive product lineup, ability to provide proposals that promptly respond to customer needs, deploying operations around the world and completing tasks for large projects, as well as its strength in after-sales services are all decisive factors in winning orders.

Sales were positive, underpinned by an extensive order backlog.

Specifically, the Group received orders of 266,718 million yen, up 85.4% from the previous fiscal year, and recorded sales of 184,154 million yen, up 25.1%.

Income surpassed the year-ago figure, reflecting significantly increased earnings strength, mainly from higher sales and cost cutting by the parent company, Daifuku Co., Ltd. Consequently, the Group posted operating income of 16,711 million yen, up 63.7% from a year earlier, and ordinary income of 17,437 million yen, up 70.1%. Net income attributable to shareholders of the parent company was 12,233 million yen, up 73.0%.

The average exchange rate used for transactions within the Group during the first half of the fiscal year under review was 112.12 yen to the U.S. dollar, compared with an exchange rate of 111.81 yen for the same period of the previous fiscal year. As a result, sales increased in value by about 600 million yen compared with the year-ago period; however, there was little impact on operating income. The impact of the above on orders received during the first half of the fiscal year under review increased the value of orders by about 300 million yen, and the impact of foreign currency translation differences on the order backlog at the end

of the previous fiscal year and, among other factors, increased the value of orders by about 14,500 million 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.**

Orders were favorable, mainly due to the significant increase in exports in systems for semiconductor and FPD factories in Asia and North America, the increased number of large projects for systems for distributors in Japan, and the Company's highly acclaimed proposals. In automobile production line systems, orders remained firm, mainly for production re-building and development, services and small upgrade projects in Japan.

Sales were positive, underpinned by an extensive order backlog.

Income rose, mainly attributable to the increased sales volume and reduced costs.

As a result, the Company recorded orders of 118,870 million yen, up 53.7% from the previous fiscal year, sales of 82,356 million yen, up 22.5%, and segment income of 9,084 million yen, up 120.4%.

#### **Contec Co., Ltd. and its subsidiaries**

In the Japanese market, sales of IoT devices remained favorable, backed by increased capital investment. In the U.S. market, sales of industrial computers for the medical device sector remained firm.

Income increased in step with enhanced productivity and the increased sales.

As a result, Contec posted orders of 7,648 million yen, down 3.0% from the previous fiscal year, sales of 7,635 million yen, up 4.1%, and segment income of 418 million yen, up 180.5%.

#### **Daifuku North America Holding Company and its subsidiaries and affiliates**

Overall, orders were favorable. In airport technologies, in particular, Daifuku North America won orders for a series of large projects in the first and second quarters. In addition, orders for systems for semiconductor manufacturers significantly surpassed the initial plan. In systems for manufacturers and distributors as well as systems for automobile production lines, orders remained firm.

Sales were steady, underpinned by strong orders.

Income fell, reflecting deteriorated profitability in certain large projects for distributors.

As a result, Daifuku North America achieved orders of 75,593 million yen, up 162.4% from the previous fiscal year, sales of 48,036 million yen, up 19.1%, and segment income of 1,501 million yen, down 24.8%.

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

Daifuku Plusmore mainly provides sales and services for car wash machines in Japan. Sales remained firm, underpinned by favorable sales of machines for car service stations on the back of subsidies from the government and steady demand from the automotive aftermarket sector, such as dealers.

On September 1, the Daifuku Group marked 40 years of production of car wash machines. As ever, Daifuku Plusmore will strive to promptly address market needs and provide its best products and services.

As a result, Daifuku Plusmore reported orders of 6,300 million yen, down 1.6% from the previous fiscal year, sales of 5,554 million yen, down 1.1%, and segment income of 6 million yen, up 376.8%.

#### **Other**

The Daifuku Group has a total of 52 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, while also increasing its exports.

In China, orders and inquiries are brisk from the distribution sector, including e-commerce. In automobile production line systems, Daifuku (China) Automation Co., Ltd. will strengthen ties with its customers, at a time of growing sales of automobiles linked to the rise in the popularity of SUVs and the policy of shifting to eco-friendly electric vehicles. In systems for FPD factories, while demand for OLED is rising, TV panels are growing in size and Daifuku (Suzhou) Cleanroom Automation Co., Ltd. continues to receive strong orders, including large projects.

In Taiwan, while domestic investment in systems for semiconductor and FPD factories appears to be at a standstill, Taiwan Daifuku is seeking potential demand for systems for manufacturers and distributors.

In South Korea, orders for systems for semiconductor factories are strong, reflecting active demand in the semiconductor sector. In addition, along with increased demand for tunnel-type car wash machines, Hallim Machinery Co., Ltd. relocated its factory to enhance productivity.

In ASEAN countries and India, capital investment in systems for manufacturers, including the food, miscellaneous daily goods, and pharmaceutical sectors, is rising. In particular, demand from the frozen-

food sector is growing rapidly. Group companies operating in each region will strive to meet these needs, and Daifuku Thailand will strengthen its production of automated warehouses and other material handling systems to supply to these regions.

New Zealand-based BCS Group Limited is enhancing its global airport technology business by collaborating with other Group companies.

During the first half of the fiscal year under review, as a result of the strong capital investment in the semiconductor and FPD sectors in East Asia, the segment recorded orders of 58,306 million yen, up 148.4% from the previous fiscal year, sales of 41,220 million yen, up 37.1%, and segment income of 1,383 million yen, up 70.0%.



## (2) Financial position

### **Assets**

Total assets at the end of the first half of the fiscal year under review stood at 324,947 million yen, an increase of 21,407 million yen from the end of the previous fiscal year. The result principally reflected an increase of 14,776 million yen in notes and accounts receivable and unbilled receivables.

### **Liabilities**

Total liabilities at the end of the first half of the fiscal year under review amounted to 172,383 million yen, an increase of 11,183 million yen from the end of the previous fiscal year. Primary factors included increases of 4,144 million yen in notes and accounts payable for contracts and 4,017 million yen in advances received on uncompleted contracts.

### **Net assets**

Net assets at the end of the first half of the fiscal year under review were 152,564 million yen, a rise of 10,223 million yen from the end of the previous fiscal year. This was mainly attributable to an increase of 8,576 million yen in retained earnings.

### **Cash flows**

Cash and cash equivalents at the end of the first half of the fiscal year under review increased 17,850 million yen year on year, to 61,973 million yen.

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

#### **Cash flows from operating activities**

Cash provided by operating activities totaled 3,727 million yen, a decrease in cash of 1,540 million yen from a year ago. This primarily reflects 17,453 million yen in income before income taxes and an increase of 5,650 million yen in notes and accounts payable, offsetting increases of 15,636 million yen in notes and accounts receivable and 5,346 million yen in inventories.

#### **Cash flows from investing activities**

Cash used in investing activities was 2,829 million yen, an increase in cash of 146 million yen from a year ago. Major factors included an outlay of 2,910 million yen for the purchase of property, plant and equipment.

#### **Cash flows from financing activities**

Cash used in financing activities was 3,633 million yen, a decrease in cash of 514 million yen from a year ago, mainly attributable to payment of cash dividends of 3,651 million yen.

(3) Outlook for the fiscal year ending March 31, 2018

Daifuku Co., Ltd. has revised its full-year earnings forecast for the fiscal year ending March 31, 2018, which was announced on August 8, 2017 as follows. The Group's results for the first half of the fiscal year under review were favorable; in particular, all income items surpassed the figures announced on August 8, 2017. Sales and income are projected to increase during the second half of the fiscal year under review, backed by favorable orders from FPD and semiconductor factories in the Asian regions and distributors in Japan. In terms of profits, significantly increased production volumes for the worldwide market at the Group's mainstay Shiga Works, along with improved productivity, are contributing to the improved performance of not only Daifuku Co., Ltd. but the overall Daifuku Group.

Given the favorable results, Daifuku has revised its interim dividend forecast for the fiscal year ending March 31, 2018 to 25 yen per share, an increase of 5 yen, based on a resolution made at the Board of Directors meeting held on November 10, 2017. In addition, the Company has revised its year-end dividend forecast to 37 yen per share, an increase of 5 yen. Accordingly, the annual dividend per share is projected to be 62 yen, a new record high. For details, please see the news release "Notice of Increased Interim Dividend and Revision to Annual Dividend Forecast" separately announced on November 10, 2017.

**Revisions to the full-year earnings forecast for the fiscal year ending March 31, 2018**

(April 1, 2017 - March 31, 2018)

	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
Previous forecast (A)	395,000	30,000	31,000	21,000	172.44
Current forecast (B)	410,000	37,000	38,000	26,000	213.49
Change (B – A)	15,000	7,000	7,000	5,000	—
Rate of change (%)	3.8%	23.3%	22.6%	23.8%	—
Reference: Results for fiscal year ended March 31, 2017	320,825	23,099	23,760	16,746	137.58

The above forecast values are our projections based on information available at the time of this release and contain various uncertainties. Actual results may differ materially from forecast values due to factors such as changes in the business performance of the Company.

The Company has also revised its full-year orders forecast of 440,000 million yen to 490,000 million yen, up 11.4% for the fiscal year ending March 31, 2018.

## 2. Consolidated Financial Statements

### (1) Consolidated balance sheets

(Million yen)

	FY2016 (Year ended March 31, 2017)	First half of FY2017 (Period ended September 30, 2017)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash on hand and in banks	64,802	61,981
Notes and accounts receivable and unbilled receivables	124,005	138,782
Merchandise and finished goods	4,910	4,650
Costs incurred on uncompleted construction contracts and other	8,860	12,772
Raw materials and supplies	9,086	10,586
Other current assets	10,919	12,848
Allowance for doubtful accounts	(116)	(109)
Total current assets	222,468	241,510
<b>Non-current assets:</b>		
<b>Property, plant and equipment</b>		
	33,586	34,823
<b>Intangible assets</b>		
Goodwill	9,882	9,204
Other	5,548	5,268
Total intangible assets	15,430	14,473
<b>Investments and other assets</b>		
Other	32,187	34,271
Allowance for doubtful accounts	(132)	(130)
Total investments and other assets	32,054	34,140
Total non-current assets	81,071	83,437
Total assets	303,540	324,947
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable and construction contracts payable	40,311	44,456
Electronically recorded obligations - operating	18,806	19,984
Short-term borrowings	21,647	12,670
Income taxes payable	1,239	5,316
Advances received on uncompleted construction contracts and other	26,313	30,330
Provision for losses on construction contracts	863	728
Other current liabilities	16,885	15,380
Total current liabilities	126,067	128,867
<b>Non-current liabilities:</b>		
Bonds	2,700	2,700
Long-term borrowings	15,422	24,470
Liabilities for retirement benefits	13,486	12,923
Other non-current liabilities	3,522	3,421
Total non-current liabilities	35,132	43,515
Total liabilities	161,199	172,383

(Million yen)

	FY2016 (Year ended March 31, 2017)	First half of FY2017 (Period ended September 30, 2017)
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Common stock	15,016	15,016
Capital surplus	15,915	15,915
Retained earnings	107,349	115,926
Treasury stock	(1,586)	(1,589)
Total shareholders' equity	136,694	145,268
<b>Accumulated other comprehensive income:</b>		
Net unrealized gain on securities	4,290	5,350
Deferred gain (loss) on hedges	(5)	(65)
Foreign currency translation adjustments	5,102	5,027
Accumulated adjustments on retirement benefits	(6,989)	(6,375)
Total accumulated other comprehensive income	2,398	3,935
<b>Non-controlling interests:</b>	3,247	3,360
Total net assets	142,340	152,564
Total liabilities and net assets	303,540	324,947

## (2) Consolidated statements of income and comprehensive income

(Million yen)

	FY2016 H1 (April 1, 2016 - September 30, 2016)	FY2017 H1 (April 1, 2017 - September 30, 2017)
<b>Net sales</b>	147,264	184,154
<b>Cost of sales</b>	116,602	147,254
Gross profit	30,661	36,900
<b>Selling, general and administrative expenses:</b>		
Selling expenses	8,014	8,859
General and administrative expenses	12,439	11,329
Total selling, general and administrative expenses	20,453	20,188
Operating income	10,208	16,711
<b>Other income:</b>		
Interest income	84	89
Dividend income	207	214
Equity in earnings of affiliates	283	272
Foreign exchange gain	—	146
Rent income	117	117
Miscellaneous income	141	110
Total other income	833	950
<b>Other expenses:</b>		
Interest expenses	222	172
Foreign exchange loss	474	—
Miscellaneous expenses	90	51
Total other expenses	788	224
Ordinary income	10,253	17,437
<b>Extraordinary income:</b>		
Gain on liquidation of affiliates	27	—
Gain on transfer of business	—	43
Other	33	16
Total extraordinary income	60	60
<b>Extraordinary loss:</b>		
Loss on disposal or sales of property, plant and equipment	75	43
Other	10	1
Total extraordinary loss	86	44
Income before income taxes	10,228	17,453
Income taxes - current	2,936	5,269
Income taxes - deferred	158	(197)
<b>Total income taxes</b>	3,095	5,071
Net income	7,133	12,381
Net income attributable to:		
Shareholders of the parent company	7,072	12,233
Non-controlling interests	61	148

(Million yen)

	FY2016 H1 (April 1, 2016 - September 30, 2016)	FY2017 H1 (April 1, 2017 - September 30, 2017)
<b>Other comprehensive income</b>		
Net unrealized gain (loss) on securities	(26)	1,076
Deferred gain (loss) on hedges	(43)	(68)
Foreign currency translation adjustments	(8,444)	(800)
Retirement benefits reserves adjustment	1,333	626
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	(783)	693
Total other comprehensive income (loss)	(7,965)	1,527
<b>Comprehensive income (loss):</b>	(832)	13,909
Comprehensive income (loss) attributable to:		
Shareholders of the parent company	(680)	13,770
Non-controlling interests	(151)	138

## (3) Consolidated statements of cash flows

(Million yen)

	FY2016 H1 (April 1, 2016 - September 30, 2016)	FY2017 H1 (April 1, 2017 - September 30, 2017)
<b>Cash flows from operating activities:</b>		
Income before income taxes	10,228	17,453
Depreciation	2,077	2,105
Interest and dividend income	(291)	(303)
Interest expenses	222	172
Decrease (increase) in notes and accounts receivable	19,443	(15,636)
Decrease (increase) in inventories	(2,869)	(5,346)
Increase (decrease) in notes and accounts payable	(9,896)	5,650
Increase (decrease) in advances received on uncompleted contracts	502	139
Other	(8,009)	301
Sub total	11,407	4,535
Interest and dividend income received	290	303
Interest expenses paid	(212)	(174)
Income taxes refund (paid)	(6,390)	(1,111)
Other, net	172	174
Net cash provided by (used in) operating activities	5,267	3,727
<b>Cash flows from investing activities:</b>		
Investments in time deposits	(947)	(0)
Proceeds from refund of time deposits	68	3
Payments for purchase of property, plant and equipment	(2,063)	(2,910)
Proceeds from sales of property, plant and equipment	165	71
Payments for purchase of investments in securities	(12)	(12)
Other, net	(186)	19
Net cash provided by (used in) investing activities	(2,976)	(2,829)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings, net	(377)	404
Proceeds from long-term borrowings	128	9,300
Repayment of long-term borrowings	(322)	(9,552)
Payments for purchase of treasury stock	(182)	(8)
Payments of cash dividends	(2,423)	(3,651)
Other, net	59	(125)
Net cash provided by (used in) financing activities	(3,118)	(3,633)
<b>Effect of exchange rate change on cash and cash equivalents</b>	(4,134)	(81)
<b>Net increase (decrease) in cash and cash equivalents</b>	(4,961)	(2,817)
<b>Cash and cash equivalents at beginning of period</b>	49,084	64,790
<b>Cash and cash equivalents at end of period</b>	44,122	61,973

(4) Notes on consolidated financial statements

**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, 2017 (from April 1, 2016 to September 30, 2016)

1. Information relating to the amounts of net sales and income (loss) 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 segment 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 segment 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

II. The first half of the fiscal year ending March 31, 2018 (from April 1, 2017 to September 30, 2017)

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

(Million yen)

	Reportable segment					Other*	Total
	Daifuku	Contec	Daifuku North America	Daifuku Plusmore	Total		
Net sales							
Sales to outside customers	82,356	7,635	48,036	5,554	143,583	41,220	184,804
Intersegment sales or transfers	18,109	5,007	157	0	23,275	6,436	29,711
Total	100,466	12,643	48,194	5,555	166,858	47,657	214,516
Segment income	9,084	418	1,501	6	11,009	1,383	12,392

\* "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 segment total	166,858
Net sales classified in "Other"	47,657
Elimination of intersegment transactions	(29,711)
Consolidation adjustments to net sales under the percentage-of-completion method	43
Other adjustments for consolidation	(693)
Net sales in quarterly consolidated financial statements	184,154

Segment income	(Million yen)
Reportable segment total	11,009
Segment income classified in "Other"	1,383
Elimination of cash dividends from affiliates	(264)
Consolidation adjustments to net sales under the percentage-of-completion method	143
Other adjustments for consolidation	(38)
Net income attributable to shareholders of the parent company in quarterly consolidated financial statements	12,233