

Consolidated Financial Results

First Half of the Fiscal Year Ending March 31, 2018

(April 1, 2017 - September 30, 2017)

November 10, 2017

DAIFUKU CO., LTD.

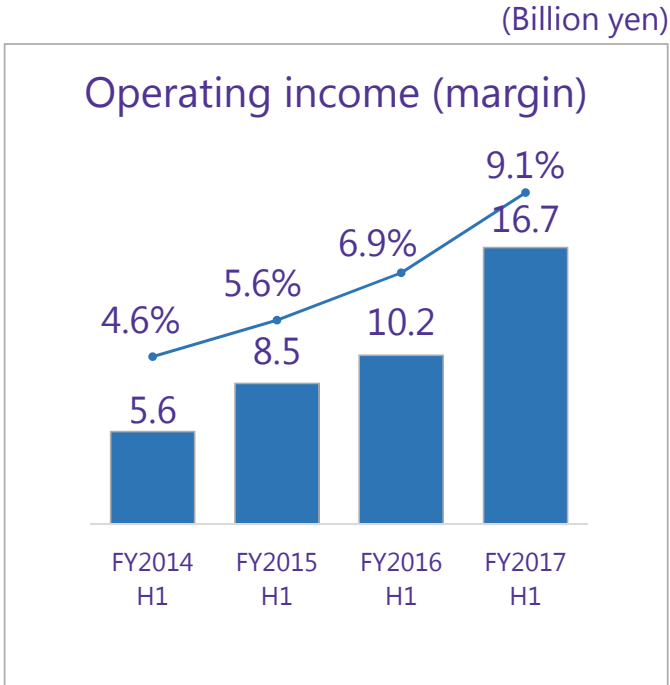
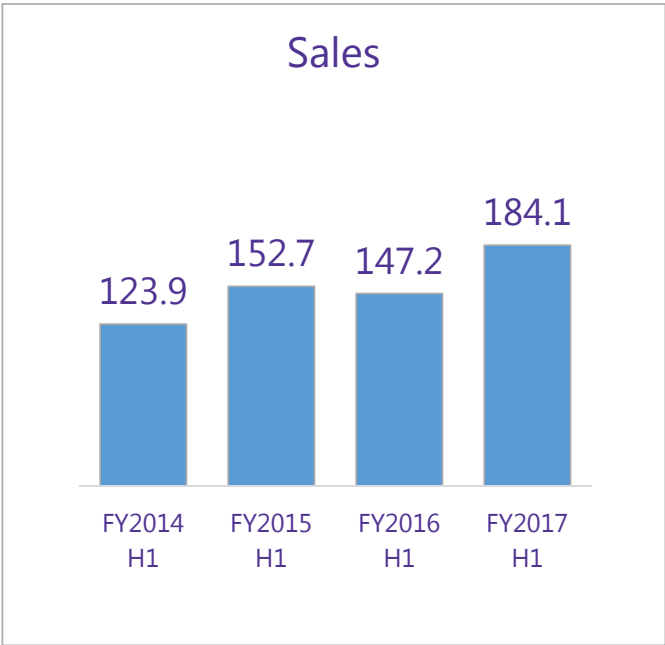
Value Innovation 2020



DAIFUKU
Always an Edge Ahead

Fiscal 2017 Interim Highlights (April 1, 2017 - September 30, 2017)

- ✓ New record highs achieved for interim orders, sales, and operating income
- ✓ Orders:
Benefited from investments in the semiconductor, flat-panel display, and e-commerce sectors.
- ✓ Operating income:
Earnings strength increased significantly, mainly due to increased sales and improved costs of the parent company, Daifuku Co., Ltd.



FY2017 Interim Results (Consolidated)

DAIFUKU

2

(Billion yen)

	FY2016 H1	FY2017 H1 forecast (announced on Aug. 8, 2017)	FY2017 H1 Results	Year-on-year
Orders	143.89	260.0	266.71	85.4%
Net Sales	147.26	187.0	184.15	25.1%
Operating income	10.20	15.0	16.71	63.7%
Ordinary income	10.25	15.6	17.43	70.1%
Net income attributable to shareholders of the parent company	7.07	11.0	12.23	73.0%
Comprehensive income	-0.83	-	13.90	-
Net income per share	58.12 yen	-	100.45 yen	
Exchange rate (per 1 U.S. dollar)	111.81 yen	-	112.12 yen	

FY2017 Interim Results by Segment

DAIFUKU

3

(Billion yen)

	Orders		Net sales		Segment income (Net income attributable to shareholders of the parent company)	
	FY2016 H1	FY2017 H1	FY2016 H1	FY2017 H1	FY2016 H1	FY2017 H1
Daifuku	77.32	118.87	67.20	82.35	4.12	9.08
Contec	7.88	7.64	7.33	7.63	0.14	0.41
Daifuku North America	28.80	75.59	40.32	48.03	1.99	1.50
Daifuku Plusmore	6.40	6.30	5.61	5.55	0.00	0.00
Other	23.47	58.30	30.06	41.22	0.81	1.38
Consolidated adjustment and other	-	-	-3.27	-0.64	-0.01	-0.15
Total	143.89	266.71	147.26	184.15	7.07	12.23

Consolidated Balance Sheets

DAIFUKU

4

(Billion yen)

	FY2016	FY2017 H1	Change
Current assets	222.46	241.51	19.04
Cash on hand and in banks	64.80	61.98	-2.82
Notes and accounts receivable	124.00	138.78	14.77
Inventories	22.85	28.00	5.15
Other	10.80	12.73	1.93
Non-current assets	81.07	83.43	2.36
Property, plant and equipment	33.58	34.82	1.23
Intangible assets	15.43	14.47	-0.95
Goodwill	9.88	9.20	-0.67
Other	5.54	5.26	-0.27
Investments and other assets	32.05	34.14	2.08
Total assets	303.54	324.94	21.40

	FY2016	FY2017 H1	Change
Current liabilities	126.06	128.86	2.80
Notes and accounts payable	59.11	64.44	5.32
Short-term borrowings	21.64	12.67	-8.97
Other	45.30	51.75	6.45
Non-current liabilities	35.13	43.51	8.38
Long-term borrowings and bonds	18.12	27.17	9.04
Other	17.00	16.34	-0.66
Total Liabilities	161.19	172.38	11.18
Shareholders' equity	136.69	145.26	8.57
Common stock	15.01	15.01	-
Accumulated other comprehensive income	2.39	3.93	1.53
Non-controlling interests	3.24	3.36	0.11
Total net assets	142.34	152.56	10.22
Total liabilities and net assets	303.54	324.94	21.40

Orders and Sales by Industry (Consolidated)

DAIFUKU

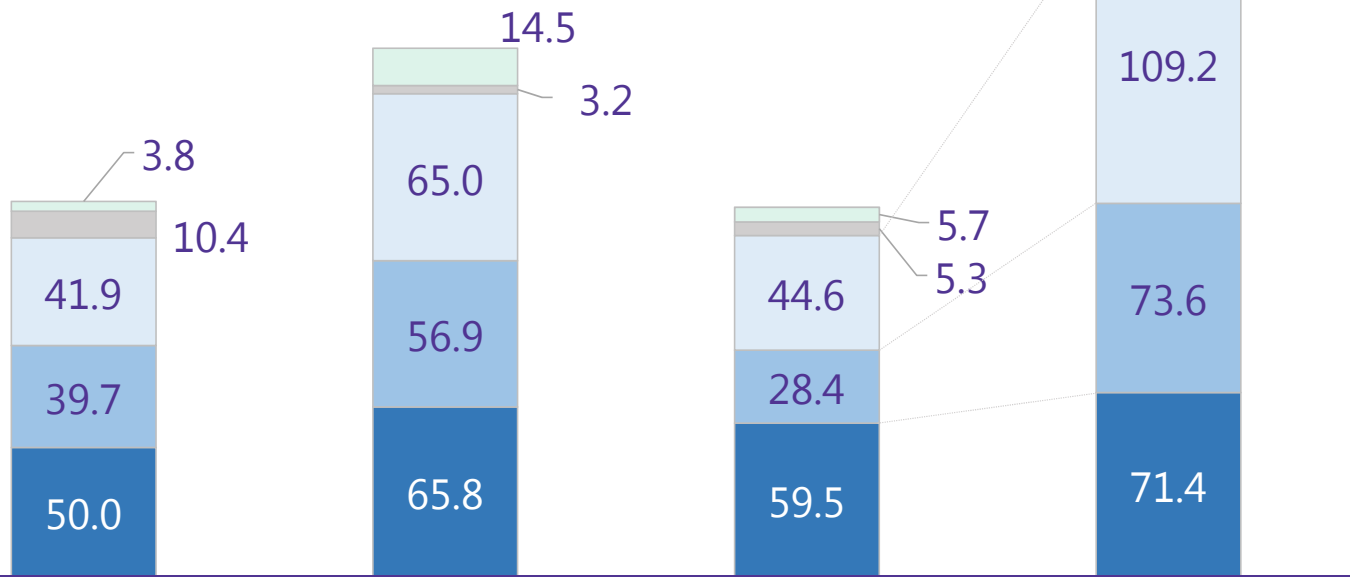
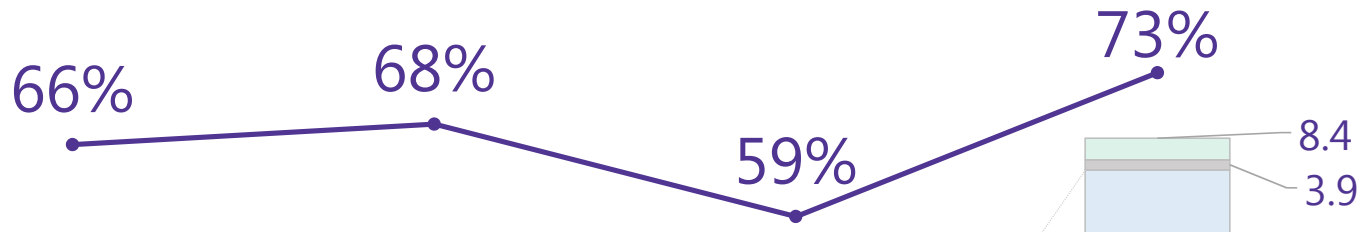
5

(Billion yen)

Industry	Orders				Sales			
	FY2016 H1		FY2017 H1		FY2016 H1		FY2017 H1	
	Orders	Composition	Orders	Composition	Sales	Composition	Sales	Composition
Automobile, auto parts	21.77	15.1%	36.21	13.6%	27.29	18.5%	34.41	18.7%
Electronics	46.89	32.6%	108.27	40.6%	43.50	29.5%	65.73	35.7%
Commerce, retail	30.90	21.5%	42.19	15.8%	24.79	16.8%	34.68	18.8%
Transportation, warehousing	7.55	5.3%	8.23	3.1%	10.81	7.3%	9.60	5.2%
Machinery	3.43	2.4%	3.05	1.1%	3.70	2.5%	3.12	1.7%
Chemicals, pharmaceuticals	8.52	5.9%	7.13	2.7%	8.13	5.5%	7.00	3.8%
Food	4.88	3.4%	5.81	2.2%	5.61	3.8%	6.34	3.4%
Iron, steel, nonferrous metals	1.95	1.4%	2.39	0.9%	1.89	1.3%	1.60	0.9%
Precision machinery, printing, office equipment	2.25	1.6%	4.61	1.7%	1.98	1.3%	2.18	1.2%
Airport	9.59	6.7%	30.10	11.3%	14.42	9.8%	13.58	7.4%
Other	6.10	4.1%	18.69	7.0%	5.09	3.7%	5.86	3.2%
Total	143.89	100.0%	266.71	100.0%	147.26	100.0%	184.15	100.0%

Orders by Region (Consolidated)

(Billion yen)



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

Outside Japan Total

FY2014 H1 95.9 FY2015 H1 139.9 FY2016 H1 84.2 FY2017 H1 195.2

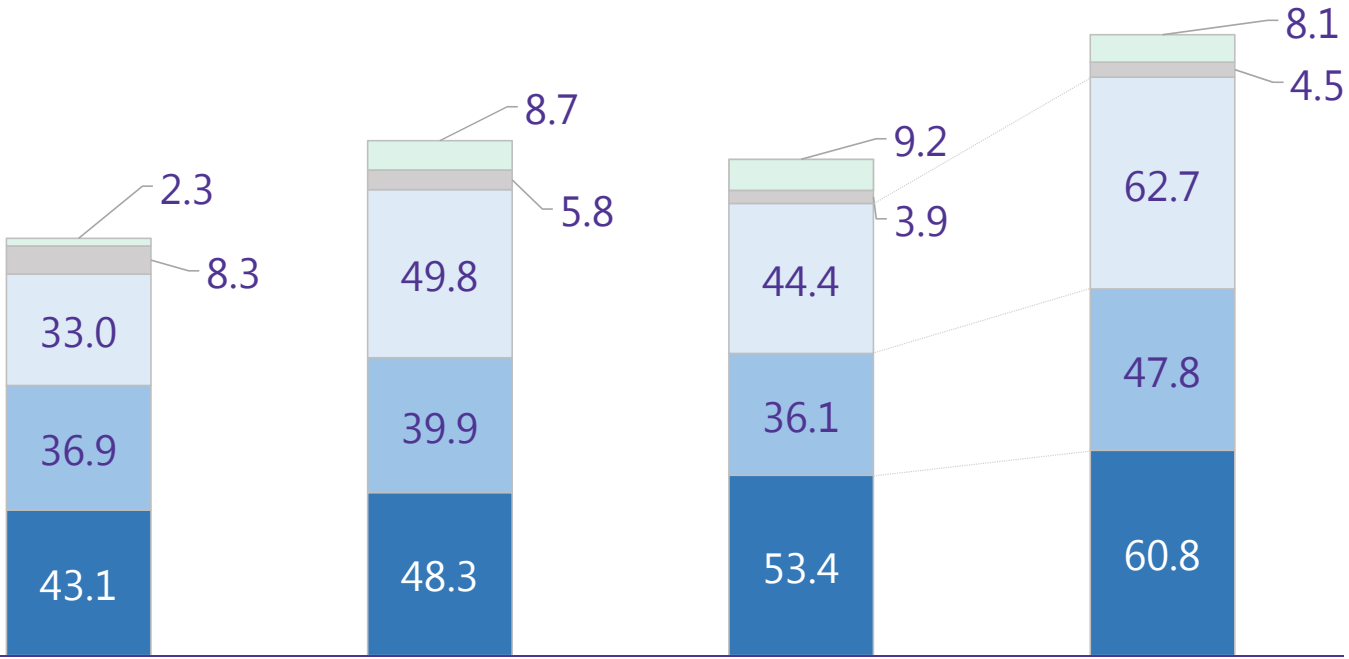
Orders by Region (Consolidated)

(Billion yen)

Region	FY2014 H1		FY2015 H1		FY2016 H1		FY2017 H1	
	Orders	Composition	Orders	Composition	Orders	Composition	Orders	Composition
Japan	50.09	34.3%	65.81	32.0%	59.59	41.4%	71.47	26.8%
North America	39.73	27.2%	56.96	27.7%	28.47	19.8%	73.62	27.6%
Asia	41.95	28.8%	65.09	31.6%	44.69	31.1%	109.24	41.0%
China	14.68	10.1%	29.92	14.5%	20.07	14.0%	66.19	24.8%
South Korea	18.98	13.0%	20.15	9.8%	12.18	8.5%	28.38	10.7%
Taiwan	2.30	1.6%	8.87	4.3%	8.95	6.2%	9.58	3.6%
Other	5.99	4.1%	6.14	3.0%	3.48	2.4%	5.07	1.9%
Europe	10.41	7.1%	3.28	1.6%	5.38	3.7%	3.90	1.5%
Latin America	2.70	1.8%	7.33	3.6%	1.10	0.8%	3.06	1.1%
Other	1.10	0.8%	7.25	3.5%	4.62	3.2%	5.40	2.0%
Total	146.00	100.0%	205.75	100.0%	143.89	100.0%	266.71	100.0%

Sales by Region (Consolidated)

(Billion yen)



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

Outside Japan Total

Period	Outside Japan Total
FY2014 H1	80.7
FY2015 H1	104.4
FY2016 H1	93.7
FY2017 H1	123.3

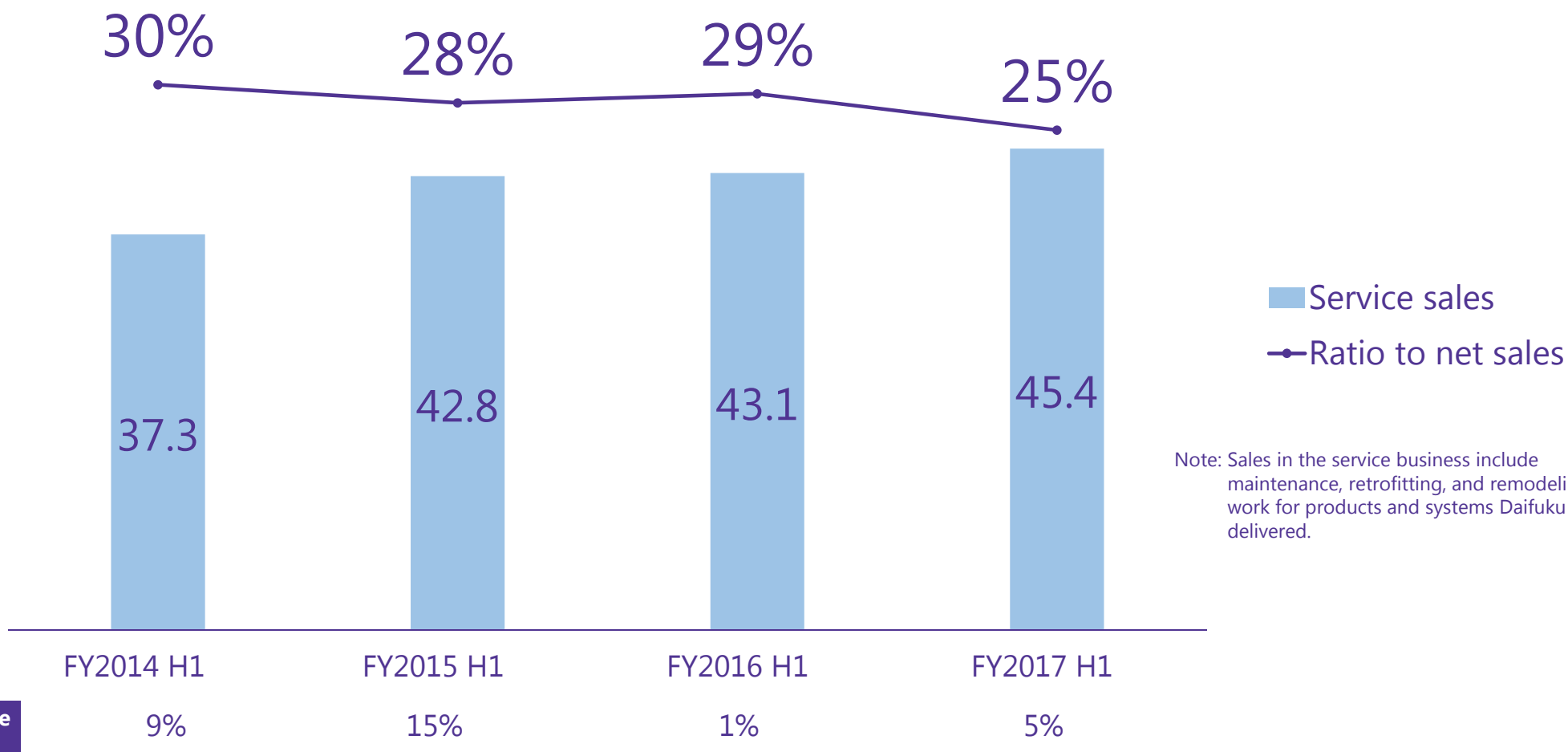
Sales by Region (Consolidated)

(Billion yen)

Region	FY2014 H1		FY2015 H1		FY2016 H1		FY2017 H1	
	Sales	Composition	Sales	Composition	Sales	Composition	Sales	Composition
Japan	43.16	34.8%	48.38	31.7%	53.49	36.3%	60.85	33.0%
North America	36.98	29.8%	39.97	26.2%	36.12	24.5%	47.89	26.0%
Asia	33.07	26.7%	49.88	32.6%	44.42	30.2%	62.74	34.1%
China	12.72	10.3%	15.15	9.9%	13.70	9.3%	25.87	14.1%
South Korea	12.17	9.8%	17.85	11.7%	13.23	9.0%	23.59	12.8%
Taiwan	2.00	1.6%	11.21	7.3%	12.40	8.4%	9.02	4.9%
Other	6.16	5.0%	5.66	3.7%	5.07	3.5%	4.24	2.3%
Europe	8.39	6.8%	5.82	3.8%	3.92	2.7%	4.50	2.4%
Latin America	1.10	0.9%	1.68	1.1%	1.53	1.0%	3.05	1.7%
Other	1.20	1.0%	7.02	4.6%	7.75	5.3%	5.10	2.8%
Total	123.92	100.0%	152.79	100.0%	147.26	100.0%	184.15	100.0%

Service Sales (Consolidated)

(Billion yen)



FY2017 Forecast (Consolidated)

DAIFUKU

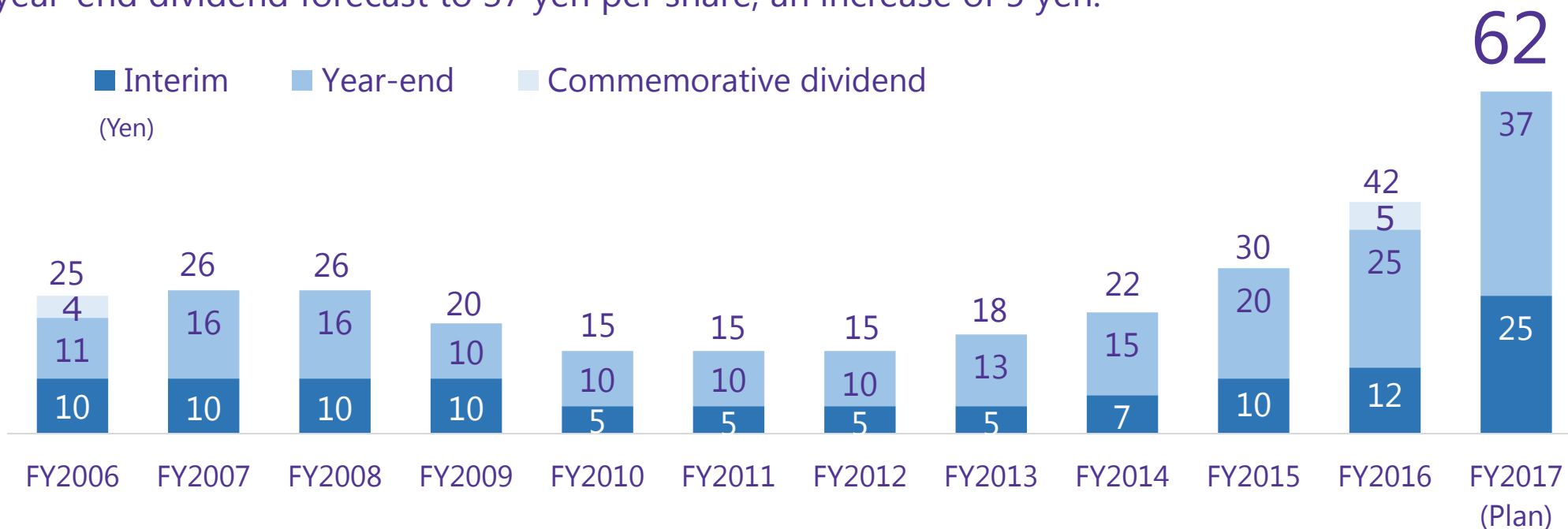
11

(Billion yen)

	FY2016	FY2017 (Forecast)				Year-on-year
		Announced on May 11, 2017	Announced on August 8, 2017	Revised on November 10, 2017		
Orders	356.5	390.0	440.0	490.0	37.4%	
Net sales	320.8	380.0	395.0	410.0	27.8%	
Operating income	23.0	26.6	30.0	37.0	60.2%	
Ordinary income	23.7	27.4	31.0	38.0	59.9%	
Net income attributable to shareholders of the parent company	16.7	19.0	21.0	26.0	55.3%	
Dividend (Of which, interim)	42 yen (12 yen)	47 yen (15 yen)	52 yen (20 yen)	62 yen (25 yen)	47.6%	

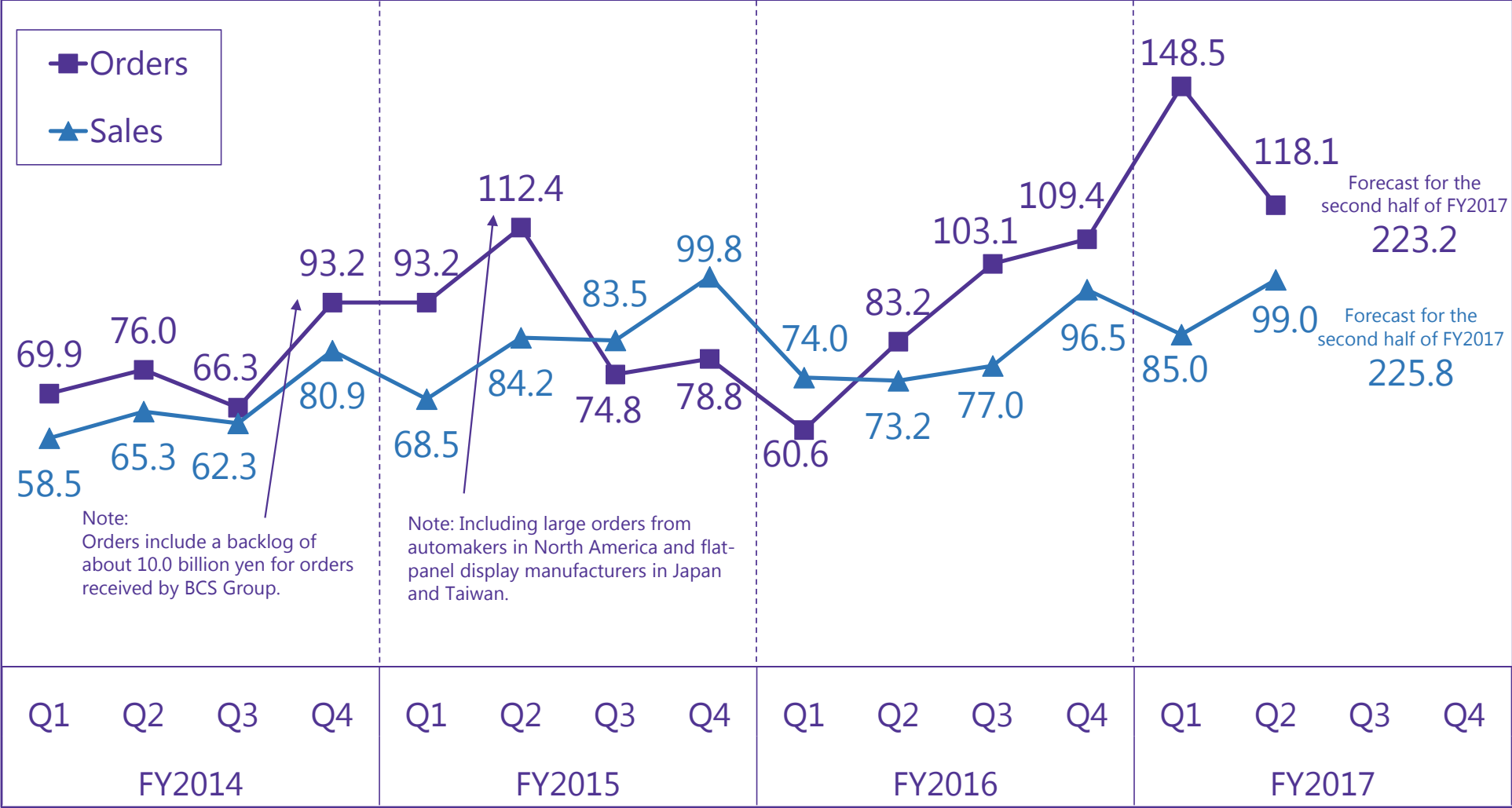
Annual dividend forecast to 62 yen, a new record high

Daifuku has decided to pay an interim dividend of 25 yen, an increase of 5 yen from the forecast announced on August 8, 2017, based on the FY2017 earnings forecast and a dividend policy that targets a consolidated payout ratio of 30%. In addition, the Company has revised its year-end dividend forecast to 37 yen per share, an increase of 5 yen.

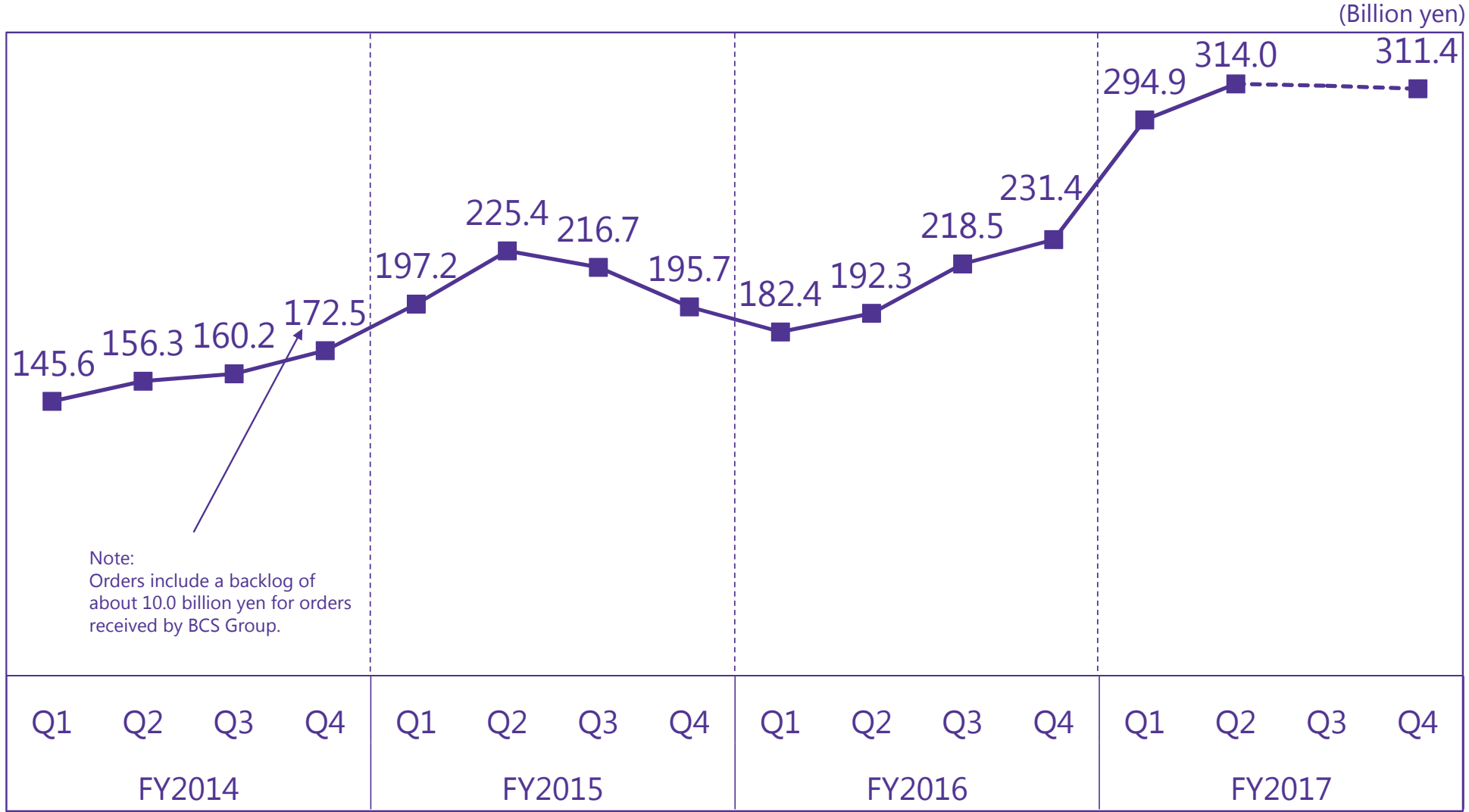


Quarterly Orders and Sales

(Billion yen)



Order Backlogs



Daifuku's corporate credit rating upgraded for the first time in a decade

On October 23, 2017, Rating and Investment Information, Inc. upgraded Daifuku's corporate credit rating, the first upgrade to the company's rating since 2007.

	Previously	Change
Issuer Rating	A- (single A minus)	A (single A)
Rating Outlook	Positive	Stable

	Issue Limit (100 million yen)	Support	Rating
Commercial Paper	200	Unsecured	a-1 (affirmed)

Our news release:

<http://www.daifuku.com/~media/daifukucom/company/news/2017/20171023.pdf?la=en-global>

Daifuku North America relocates its head office and holds an opening ceremony attended by the Governor of Michigan

In October 2017, Daifuku North America Holding Company moved its main office, with the aim of expanding its business. At the opening ceremony, Michigan Governor Rick Snyder expressed his thanks for Daifuku's notable contributions to the development of the manufacturing industry in Michigan, and his hopes for the future.



Employees: 338

Shiga Works recognized with a Green Factory Award from the METI* Bureau

In November 2017, Shiga Works received the captioned award, in recognition of its proactive promotion of greening and its positive contribution to the improvement of living environments in the surrounding area. *METI: Japan's Minister of Economy, Trade and Industry



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 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.