

Consolidated Financial Results

First Three Quarters of the Fiscal Year Ending March 31, 2018

(April 1, 2017 - December 31, 2017)

February 9, 2018

DAIFUKU CO., LTD.

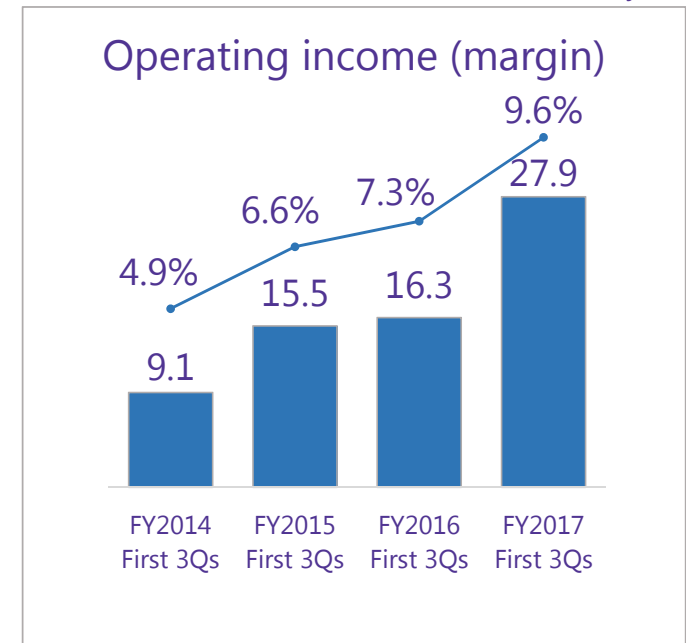
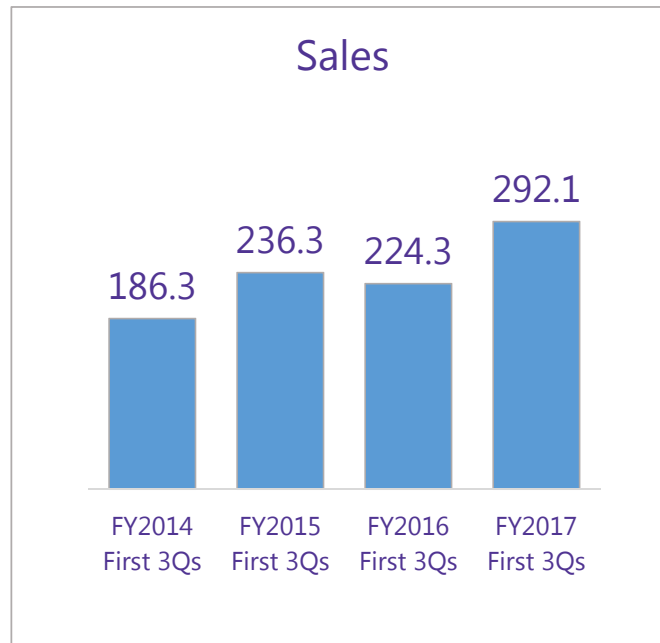
Value Innovation 2020

DAIFUKU

Always an Edge Ahead

Fiscal 2017 First 3Qs Highlights (April 1, 2017 – December 31, 2017)

- ✓ New record highs achieved for orders, sales, and operating income during the first three quarters of the fiscal year.
- ✓ Orders:
Capital investment in the semiconductor and flat-panel displays in East Asia, as well as in the worldwide active e-commerce sectors, contributed.
- ✓ Operating income:
Earnings strength increased significantly, mainly due to increased sales and improved costs at the parent company, Daifuku Co., Ltd.
Income from Group companies in East Asia, which handle systems for the semiconductor and FPD sectors, was also strong.
(Billion yen)



FY2017 First 3Qs Results (Consolidated)

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(Billion yen)

	FY2016 First 3Qs	FY2017 First 3Qs	Year-on-year
Orders	247.06	387.54	56.9%
Net Sales	224.32	292.16	30.2%
Operating income	16.30	27.97	71.6%
Ordinary income	16.60	29.01	74.8%
Net income attributable to shareholders of the parent company	12.20	20.31	66.5%
Comprehensive income	6.06	23.86	293.8%
Net income per share	100.24 yen	166.23 yen	
Exchange rate (per 1 U.S. dollar)	108.85 yen	111.80 yen	

FY2017 First 3Qs Results by Segment

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(Billion yen)

	Orders		Net sales		Segment income (Net income attributable to shareholders of the parent company)	
	FY2016 First 3Qs	FY2017 First 3Qs	FY2016 First 3Qs	FY2017 First 3Qs	FY2016 First 3Qs	FY2017 First 3Qs
Daifuku	124.16	174.19	101.75	132.89	7.23	15.41
Contec	11.69	12.17	11.32	11.28	0.35	0.65
Daifuku North America	54.63	89.79	59.36	74.12	3.31	2.15
Daifuku Plusmore	9.13	8.68	8.91	8.68	0.05	0.06
Other	47.43	102.68	45.50	67.71	1.25	3.23
Consolidated adjustment and other	-	-	-2.53	-2.54	-0.01	-1.22
Total	247.06	387.54	224.32	292.16	12.20	20.31

Consolidated Balance Sheets

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(Billion yen)

	FY2016	FY2017 First 3Qs	Change
Current assets	222.46	277.50	55.04
Cash on hand and in banks	64.80	78.98	14.18
Notes and accounts receivable	124.00	153.75	29.75
Inventories	22.85	30.45	7.59
Other	10.80	14.30	3.50
Non-current assets	81.07	85.11	4.04
Property, plant and equipment	33.58	34.88	1.29
Intangible assets	15.43	14.13	-1.29
Goodwill	9.88	8.99	-0.88
Other	5.54	5.14	-0.40
Investments and other assets	32.05	36.08	4.03
Total assets	303.54	362.62	59.08

	FY2016	FY2017 First 3Qs	Change
Current liabilities	126.06	137.11	11.05
Notes and accounts payable	59.11	67.63	8.51
Short-term borrowings	21.64	13.81	-7.83
Other	45.30	55.67	10.36
Non-current liabilities	35.13	43.58	8.45
Long-term borrowings and bonds	18.12	26.83	8.71
Other	17.00	16.75	-0.25
Total Liabilities	161.19	180.70	19.51
Shareholders' equity	136.69	172.76	36.07
Common stock	15.01	31.86	16.84
Accumulated other comprehensive income	2.39	5.68	3.28
Non-controlling interests	3.24	3.46	0.21
Total net assets	142.34	181.91	39.57
Total liabilities and net assets	303.54	362.62	59.08

Orders and Sales by Industry (Consolidated)

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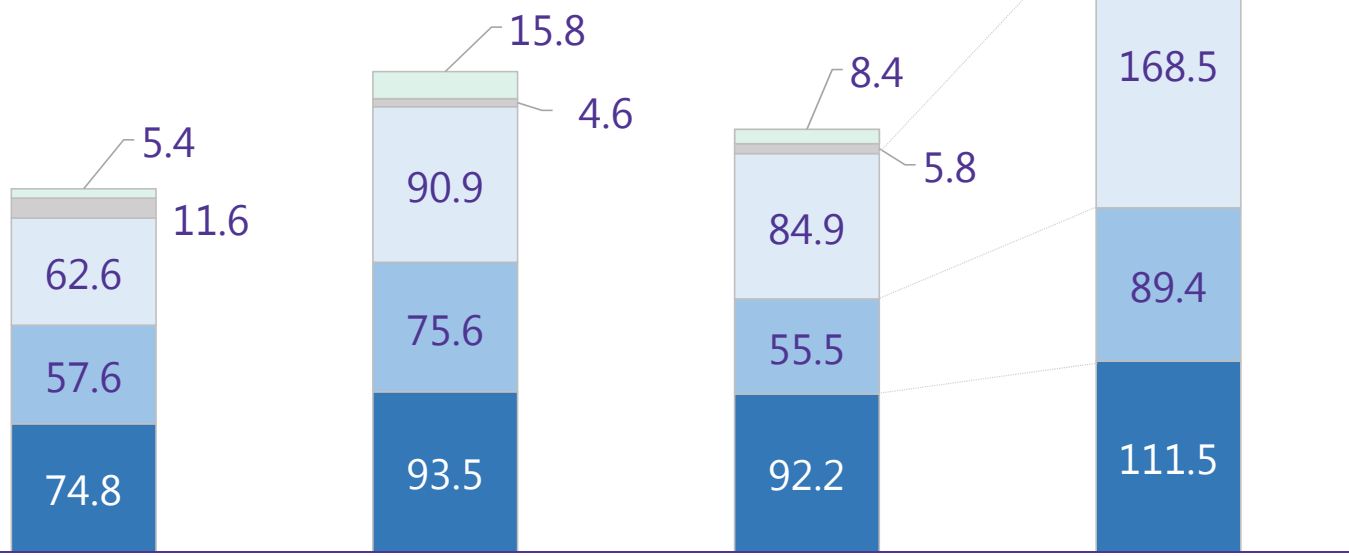
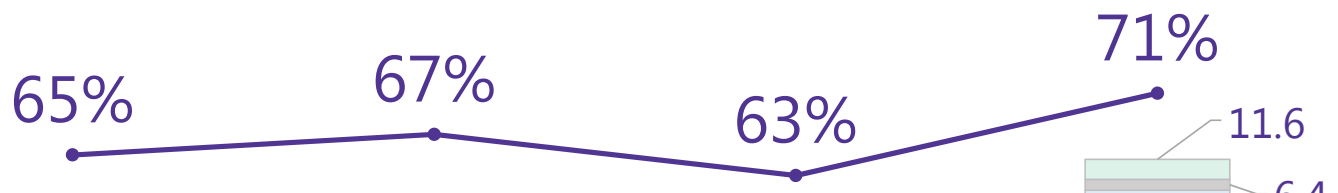
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(Billion yen)

Industry	Orders				Sales			
	FY2016 First 3Qs		FY2017 First 3Qs		FY2016 First 3Qs		FY2017 First 3Qs	
	Orders	Composition	Orders	Composition	Sales	Composition	Sales	Composition
Automobile, auto parts	37.83	15.3%	51.63	13.3%	41.26	18.4%	51.95	17.8%
Electronics	82.97	33.6%	159.91	41.3%	65.48	29.2%	106.95	36.6%
Commerce, retail	51.42	20.8%	72.22	18.6%	36.68	16.4%	54.12	18.5%
Transportation, warehousing	15.70	6.4%	11.81	3.0%	13.90	6.2%	14.28	4.9%
Machinery	5.36	2.2%	6.16	1.6%	5.65	2.5%	4.69	1.6%
Chemicals, pharmaceuticals	11.09	4.5%	10.71	2.8%	15.14	6.7%	10.58	3.6%
Food	13.09	5.3%	5.63	1.5%	8.71	3.9%	8.84	3.0%
Iron, steel, nonferrous metals	2.70	1.1%	3.20	0.8%	2.76	1.2%	2.42	0.8%
Precision machinery, printing, office equipment	3.34	1.4%	6.84	1.8%	3.39	1.5%	3.17	1.1%
Airport	13.04	5.3%	36.27	9.4%	21.01	9.4%	21.22	7.3%
Other	10.48	4.1%	23.12	5.9%	10.29	4.6%	13.89	4.8%
Total	247.06	100.0%	387.54	100.0%	224.32	100.0%	292.16	100.0%

Orders by Region (Consolidated)

(Billion yen)



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

Outside Japan Total

Period	Outside Japan Total
FY2014 First 3Qs	137.4
FY2015 First 3Qs	187.0
FY2016 First 3Qs	154.7
FY2017 First 3Qs	276.0

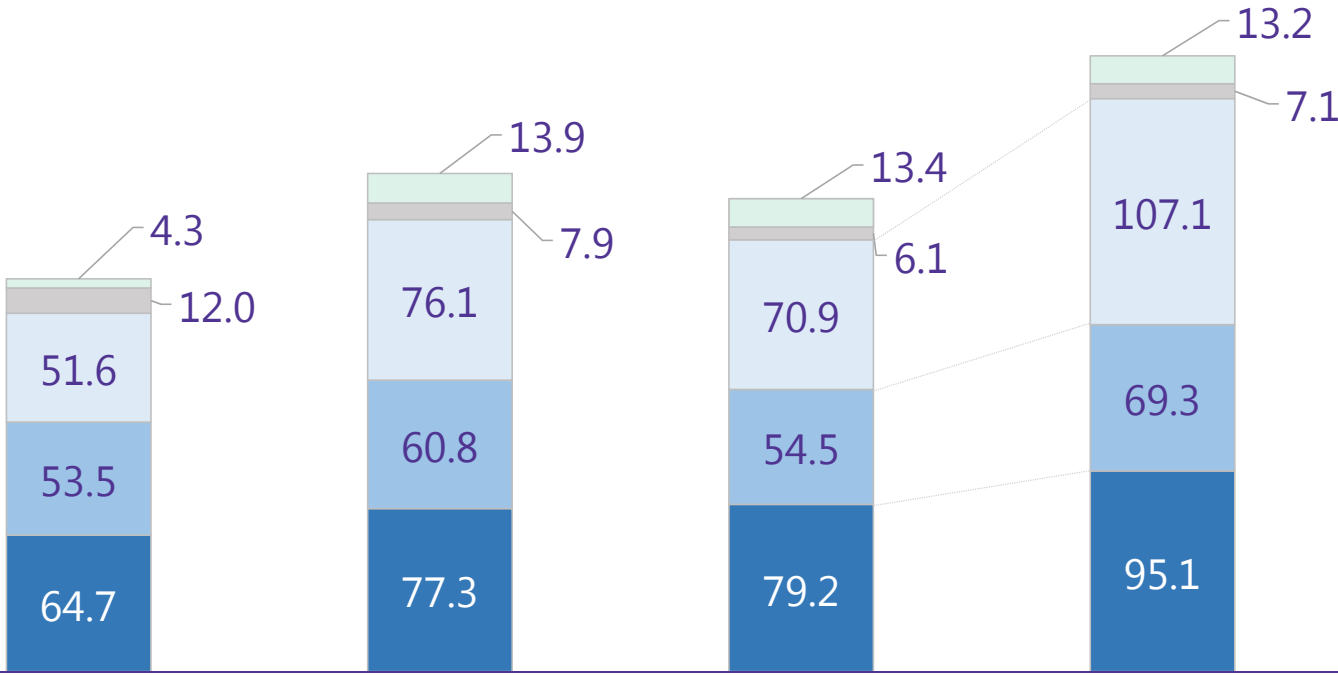
Orders by Region (Consolidated)

(Billion yen)

Region	FY2014 First 3Qs		FY2015 First 3Qs		FY2016 First 3Qs		FY2017 First 3Qs	
	Orders	Composition	Orders	Composition	Orders	Composition	Orders	Composition
Japan	74.88	35.3%	93.54	33.3%	92.29	37.4%	111.51	28.8%
North America	57.67	27.1%	75.62	27.0%	55.56	22.5%	89.41	23.1%
Asia	62.68	29.5%	90.90	32.4%	84.90	34.4%	168.52	43.5%
China	18.00	8.5%	35.99	12.8%	32.96	13.4%	99.16	25.6%
South Korea	30.33	14.3%	27.84	9.9%	26.18	10.6%	49.01	12.6%
Taiwan	5.83	2.7%	17.59	6.3%	18.06	7.3%	10.70	2.8%
Other	8.50	4.0%	9.47	3.4%	7.69	3.1%	9.63	2.5%
Europe	11.65	5.5%	4.63	1.7%	5.81	2.3%	6.47	1.6%
Latin America	3.12	1.5%	5.31	1.9%	1.61	0.6%	4.34	1.1%
Other	2.31	1.1%	10.52	3.7%	6.86	2.8%	7.27	1.9%
Total	212.33	100.0%	280.55	100.0%	247.06	100.0%	387.54	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 First 3Qs	121.5
FY2015 First 3Qs	158.9
FY2016 First 3Qs	145.0
FY2017 First 3Qs	196.9

Sales by Region (Consolidated)

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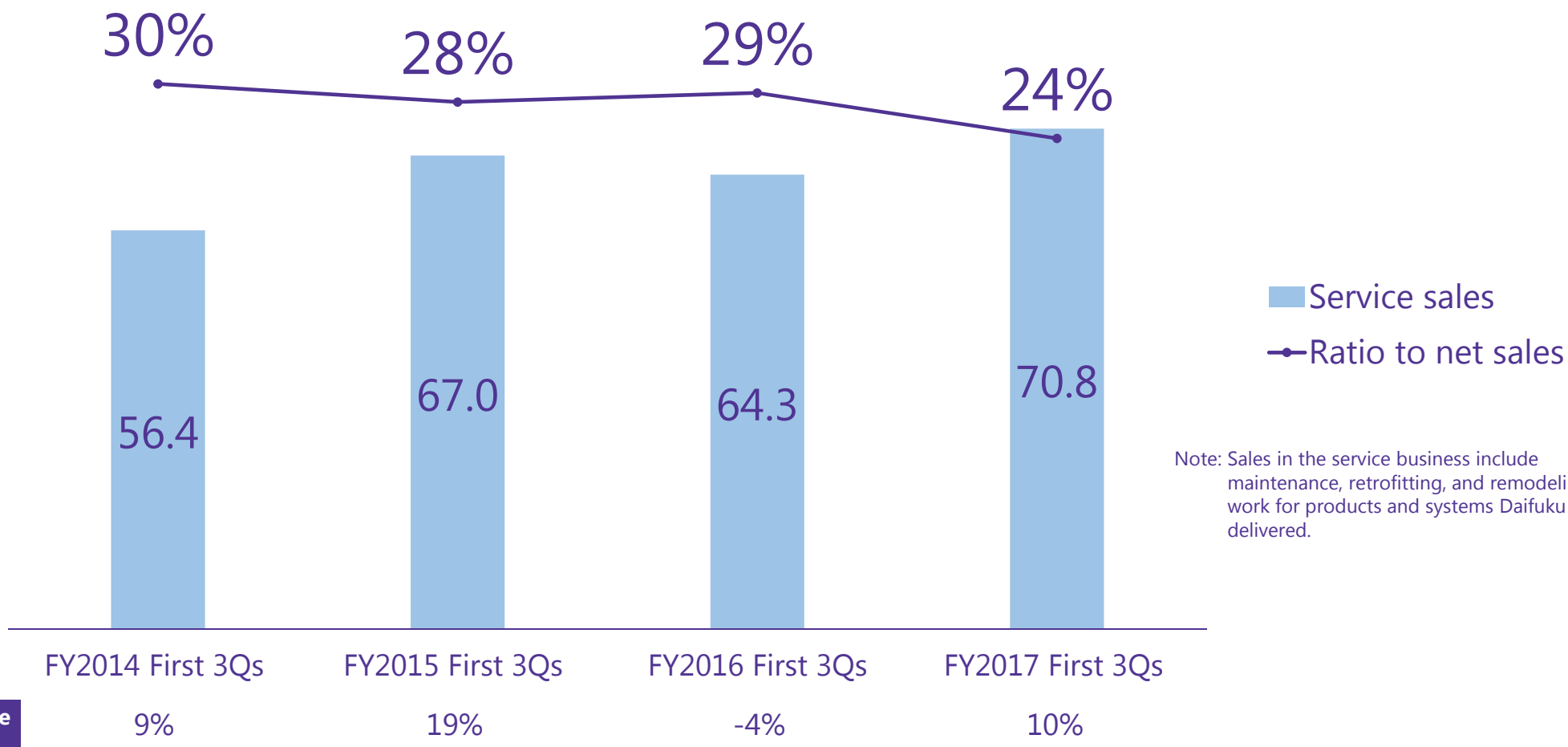
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(Billion yen)

Region	FY2014 First 3Qs		FY2015 First 3Qs		FY2016 First 3Qs		FY2017 First 3Qs	
	Sales	Composition	Sales	Composition	Sales	Composition	Sales	Composition
Japan	64.73	34.7%	77.38	32.8%	79.23	35.3%	95.16	32.6%
North America	53.58	28.8%	60.82	25.7%	54.55	24.3%	69.38	23.7%
Asia	51.60	27.7%	76.17	32.2%	70.99	31.7%	107.18	36.7%
China	20.92	11.2%	25.27	10.7%	22.32	10.0%	48.51	16.6%
South Korea	18.21	9.8%	26.70	11.3%	21.96	9.8%	38.68	13.3%
Taiwan	3.79	2.0%	15.59	6.6%	19.44	8.7%	13.19	4.5%
Other	8.66	4.6%	8.60	3.6%	7.26	3.2%	6.79	2.3%
Europe	12.03	6.5%	7.98	3.4%	6.12	2.7%	7.15	2.4%
Latin America	2.59	1.4%	2.20	0.9%	2.89	1.3%	4.93	1.7%
Other	1.74	0.9%	11.76	5.0%	10.51	4.7%	8.33	2.9%
Total	186.30	100.0%	236.34	100.0%	224.32	100.0%	292.16	100.0%

Service Sales (Consolidated)

(Billion yen)



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

Growth Rate
YOY

FY2017 Forecast (Consolidated)

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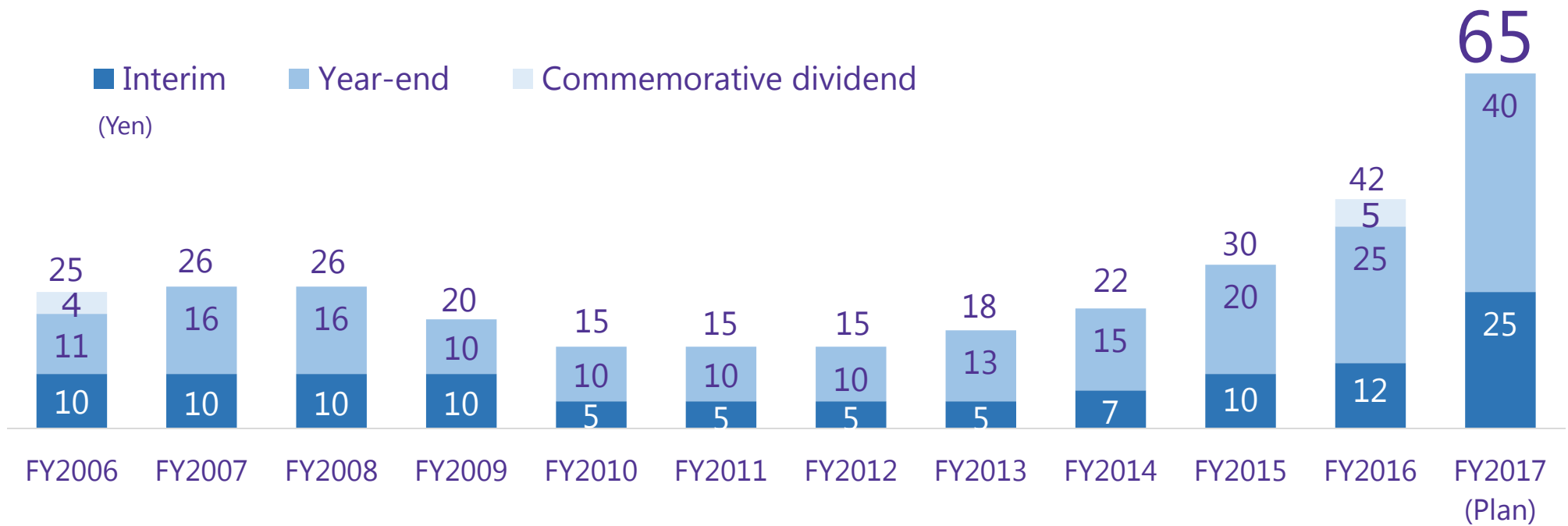
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(Billion yen)

	FY2016	FY2017 (Forecast)					Year-on-year
		Announced on May 11, 2017	Announced on August 8, 2017	Announced on November 10, 2017	Revised on February 9, 2018		
Orders	356.5	390.0	440.0	490.0	490.0	37.4%	
Net sales	320.8	380.0	395.0	410.0	410.0	27.8%	
Operating income	23.0	26.6	30.0	37.0	39.0	68.8%	
Ordinary income	23.7	27.4	31.0	38.0	40.0	68.3%	
Net income attributable to shareholders of the parent company	16.7	19.0	21.0	26.0	27.0	61.2%	
Dividend (Of which, interim)	42 yen (12 yen)	47 yen (15 yen)	52 yen (20 yen)	62 yen (25 yen)	65 yen (25 yen)	54.8%	

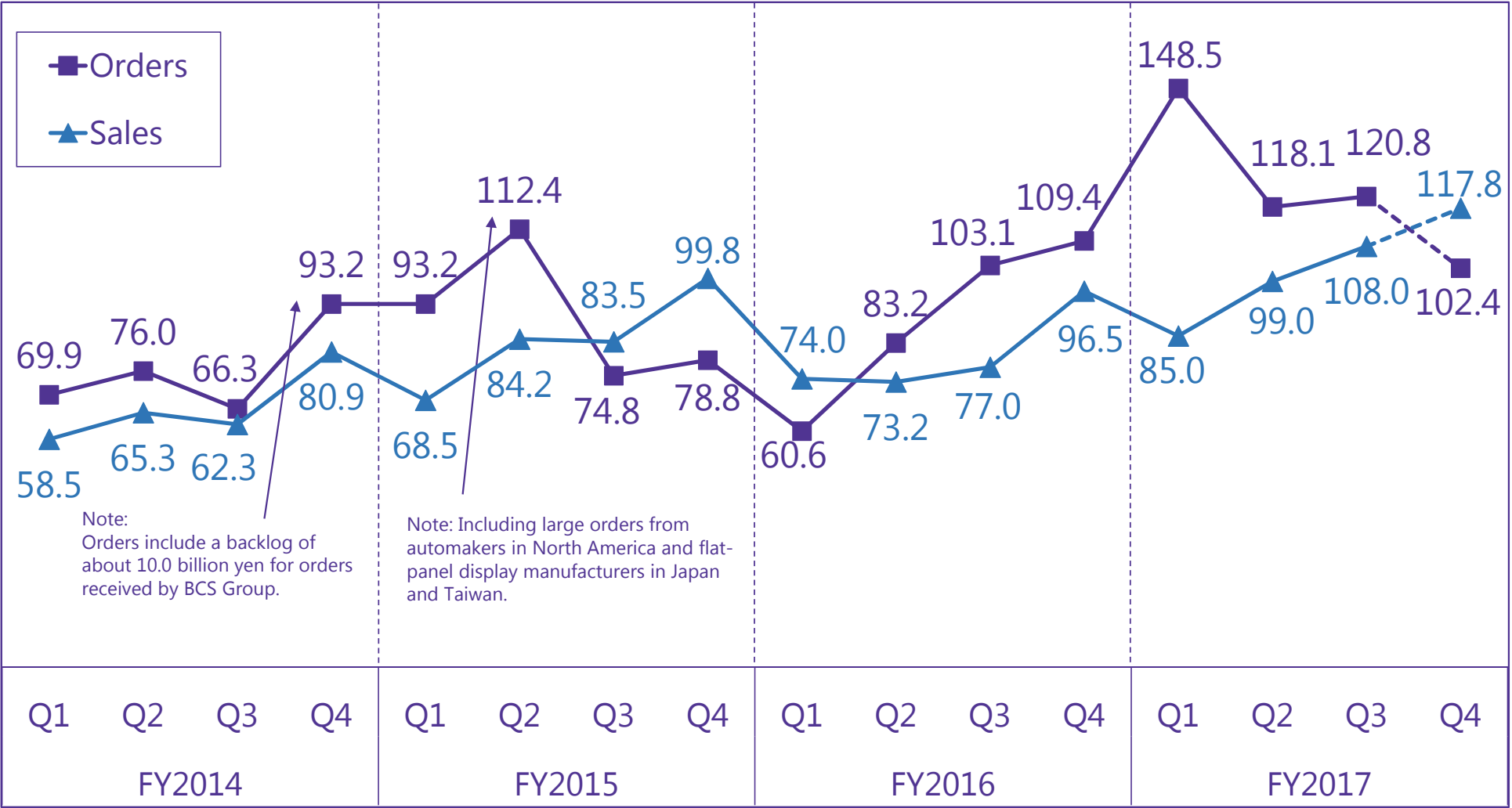
Annual dividend forecast to be 65 yen, a new record high

Daifuku has decided to pay a year-end dividend of 40 yen per share, an increase of 3 yen from the forecast announced on November 10, 2017, based on the FY2017 earnings forecast and a dividend policy that targets a consolidated payout ratio of 30%.



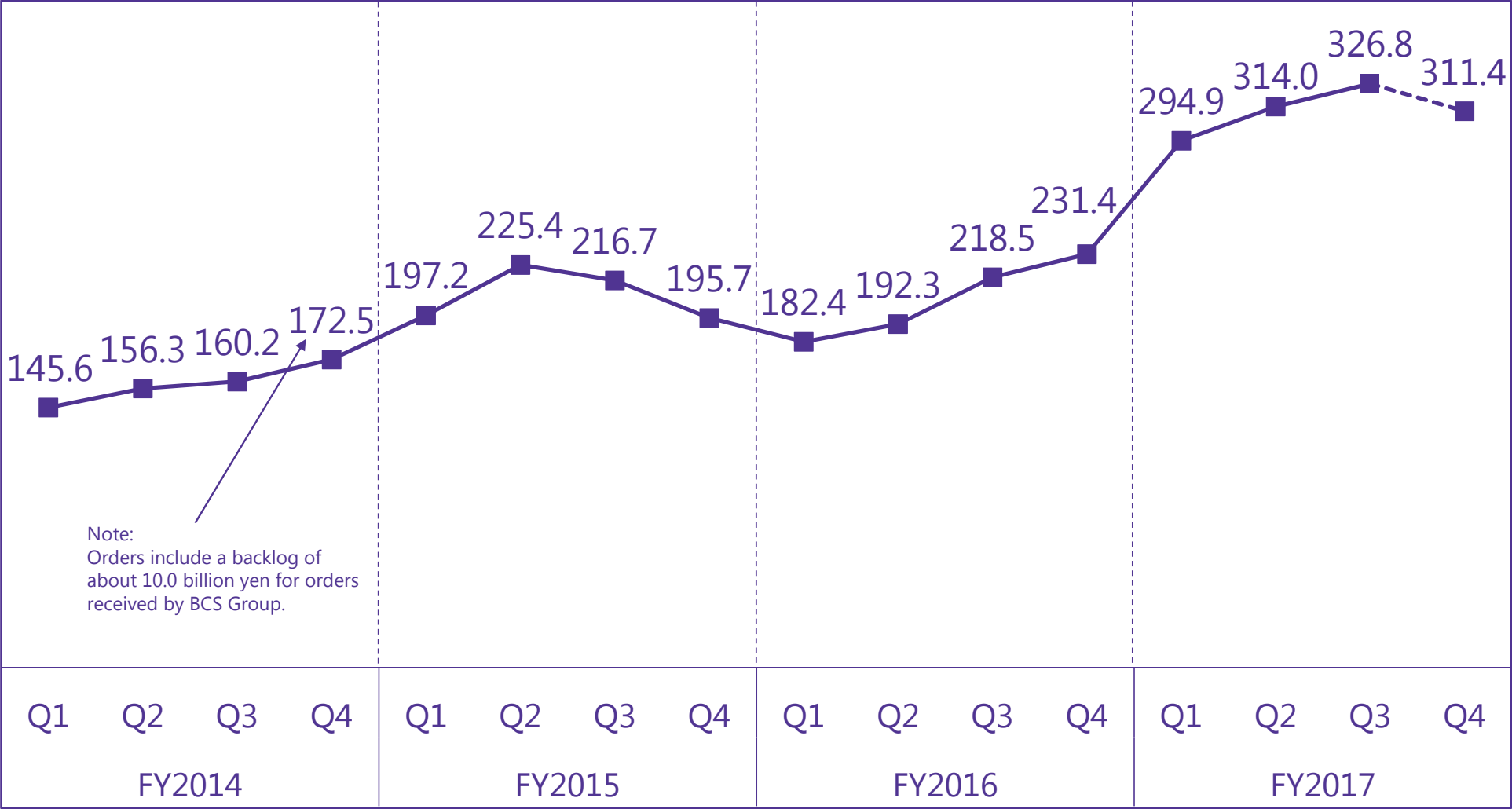
Quarterly Orders and Sales

(Billion yen)

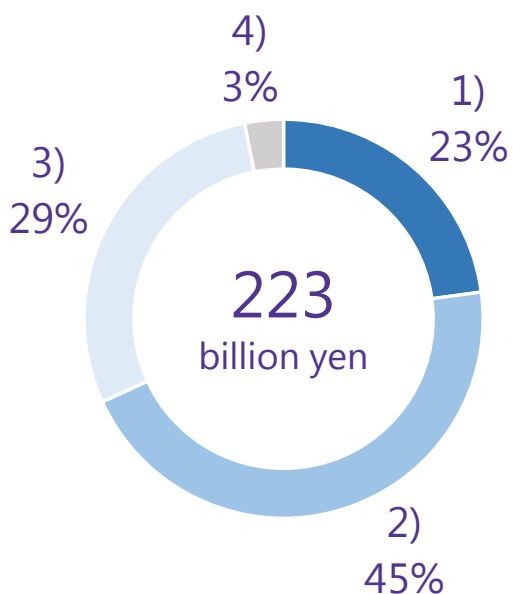


Order Backlogs

(Billion yen)



Capital investment of 22.3 billion yen with the issuing of new shares and the disposal of treasury stock (December 2017)



	Details	Purpose	Amount (billion yen)	Completed
1)	Headquarters	Construction of a new office building and capital investment	5.1	September 2020
2)	Shiga Works and other	Manufacturing facilities and other	10.1	March 2021
3)	Daifuku North America	Plant construction and manufacturing facilities, etc.	6.4	March 2021
4)	Other	Repayment of borrowings	0.7	-

*1 We will construct a new office building in metropolitan Osaka, where it is easier to attract human resources, with the aim to strengthen the design and the software departments, which are the source of competitiveness.

*2 Appropriating mainly for plant construction at Wynright Corporation, we will improve profitability by proceeding with in-house production.

Capital Policy

Background:

Daifuku had more interest-bearing debt than cash and deposits on a non-consolidated basis.

→ Selected capital increase rather than borrowing.

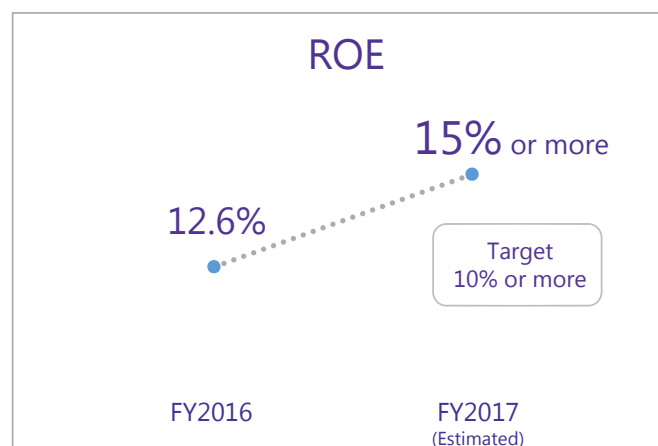
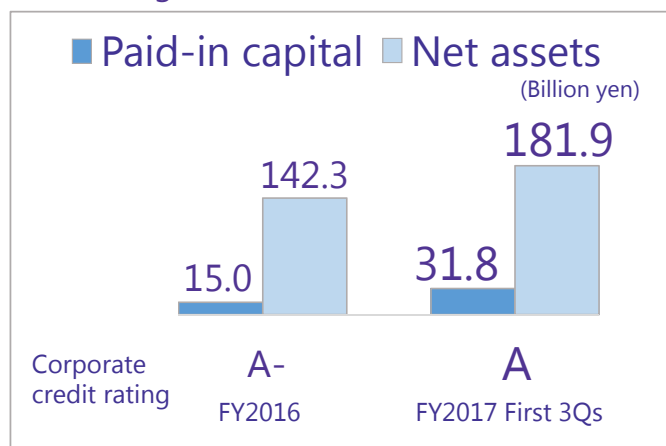
Policy:

Mobilized financing and investment according to the balance sheet of each Group company

Improve the corporate credit rating by increasing own funds.

Raise ROE by improving the profit margin.

Market capitalization tripled in a year. Exceeded 1 trillion yen in Jan 2018 for the first time.



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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.