

# Consolidated Financial Results

**First Quarter of the Fiscal Year Ending March 31, 2021**

(April 1, 2020 - June 30, 2020)

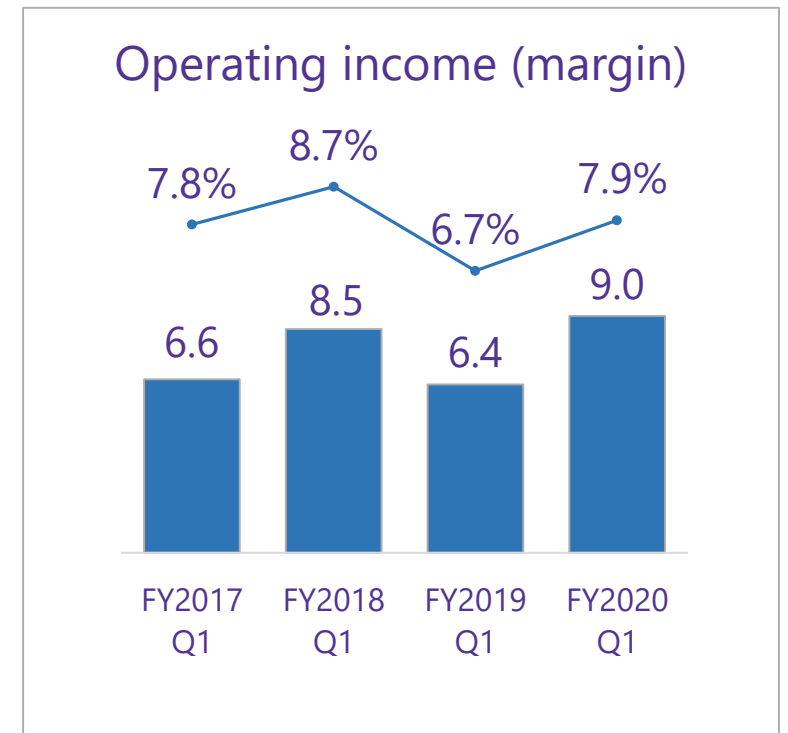
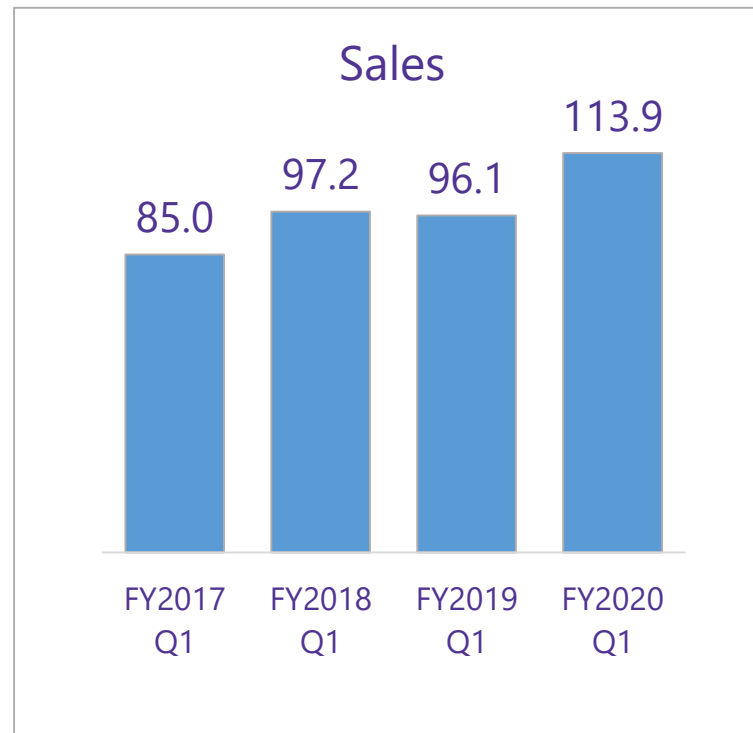
August 6, 2020

**DAIFUKU CO., LTD.**



- ✓ Sales remained favorable, underpinned by an extensive order backlog from the end of fiscal 2019.
- ✓ Operating income reflected the increased sales and improved profitability in systems for manufacturers and distributors in Japan.

(Billion yen)



(Billion yen)

	FY2019 Q1 results	FY2020 Q1 results	Year-on-year
Orders	100.46	<b>104.90</b>	+4.4%
Net sales	96.16	<b>113.96</b>	+18.5%
Operating income	6.42	<b>9.02</b>	+40.5%
Ordinary income	6.55	<b>9.87</b>	+50.8%
Net income attributable to shareholders of the parent company	5.22	<b>7.39</b>	+41.4%
Comprehensive income	5.02	<b>5.37</b>	+6.9%
Net income per share	41.56 yen	<b>58.73 yen</b>	
Exchange rate (per 1 U.S. dollar)	110.30 yen	<b>109.12 yen</b>	

✓ Achieved increased sales and income.

# Results by Segment

(Billion yen)

	Orders (Orders from outside customers)		Net sales (Sales to outside customers)		Segment income (Net income attributable to shareholders of the parent company)	
	FY2019 Q1	FY2020 Q1	FY2019 Q1	FY2020 Q1	FY2019 Q1	FY2020 Q1
Daifuku	52.39	<b>33.87</b>	40.18	<b>50.60</b>	2.32	<b>4.56</b>
Contec	5.28	<b>4.15</b>	3.42	<b>3.97</b>	0.38	<b>0.32</b>
Daifuku North America	18.43	<b>24.45</b>	21.94	<b>33.98</b>	1.34	<b>1.24</b>
Clean Factomation	7.63	<b>12.38</b>	8.01	<b>7.24</b>	0.98	<b>1.19</b>
Other	16.72	<b>30.03</b>	22.38	<b>17.11</b>	0.41	<b>0.40</b>
Consolidated adjustment and other	-	-	0.19	<b>1.04</b>	-0.21	<b>-0.34</b>
<b>Total</b>	100.46	<b>104.90</b>	96.16	<b>113.96</b>	5.22	<b>7.39</b>

✓ Daifuku:  
Income benefited from increased profitability from systems for manufacturers and distributors.

✓ Daifuku North America:  
Orders benefited from systems for the e-commerce sector. Sales were driven by systems for automobile production lines.

# Consolidated Balance Sheets

(Billion yen)

	FY2019	FY2020 Q1	Change
Current assets	319.68	<b>331.06</b>	11.38
Cash on hand and in banks	70.90	<b>89.11</b>	18.21
Notes and accounts receivable	202.71	<b>191.19</b>	-11.51
Inventories	33.34	<b>37.59</b>	4.25
Other	12.71	<b>13.15</b>	0.43
Non-current assets	91.20	<b>92.36</b>	1.16
Property, plant and equipment	47.34	<b>47.72</b>	0.37
Intangible assets	10.13	<b>10.64</b>	0.50
Goodwill	4.89	<b>4.87</b>	-0.01
Other	5.24	<b>5.76</b>	0.52
Investments and other assets	33.72	<b>34.00</b>	0.27
<b>Total assets</b>	<b>410.88</b>	<b>423.43</b>	<b>12.54</b>

	FY2019	FY2020 Q1	Change
Current liabilities	138.69	<b>151.37</b>	12.67
Notes and accounts payable	69.09	<b>67.60</b>	-1.49
Short-term borrowings	11.77	<b>21.53</b>	9.75
Other	57.82	<b>62.23</b>	4.41
Non-current liabilities	34.83	<b>34.63</b>	-0.20
Long-term borrowings	21.64	<b>21.24</b>	-0.40
Other	13.19	<b>13.39</b>	0.20
<b>Total Liabilities</b>	<b>173.53</b>	<b>186.00</b>	<b>12.47</b>
Shareholders' equity	231.71	<b>233.65</b>	1.93
Common stock	31.86	<b>31.86</b>	—
Retained earnings	179.29	<b>181.16</b>	1.87
Other	20.55	<b>20.61</b>	0.05
Accumulated other comprehensive income	1.24	<b>-0.87</b>	-2.12
Non-controlling interests	4.39	<b>4.65</b>	0.26
<b>Total net assets</b>	<b>237.35</b>	<b>237.42</b>	<b>0.07</b>
<b>Total liabilities and net assets</b>	<b>410.88</b>	<b>423.43</b>	<b>12.54</b>

✓ Total assets:  
Increased by ¥12.5 billion  
[Main factors]  
Increase: ¥18.2 billion in cash on hand and in banks

✓ Liabilities:  
Increased by ¥12.4 billion  
[Main factors]  
Increase: ¥9.7 billion in short-term borrowings, ¥2.4 billion in income taxes payable

# Consolidated Orders and Sales by Industry

(Billion yen)

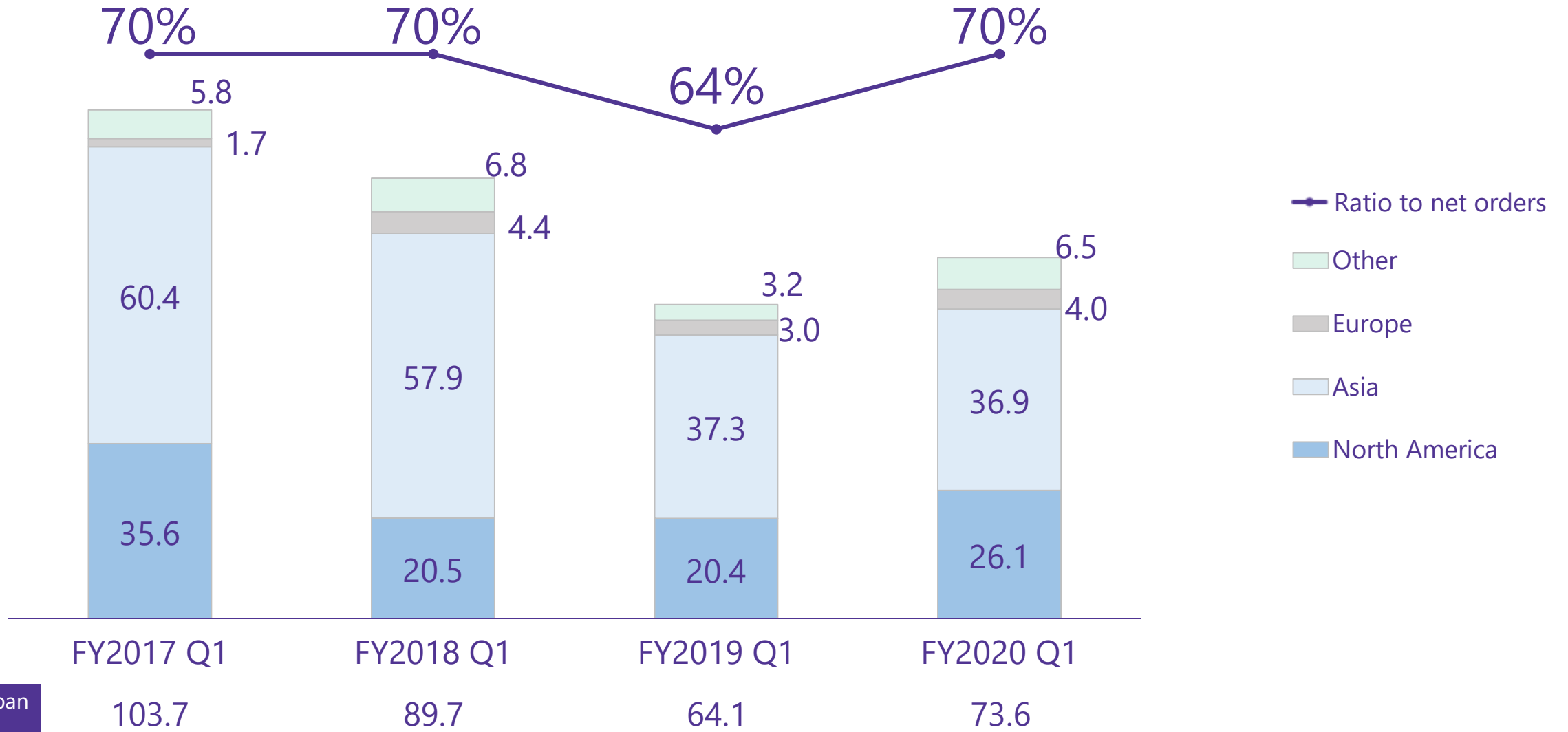
Industry	Orders				Sales			
	FY2019 Q1		FY2020 Q1		FY2019 Q1		FY2020 Q1	
	Orders	Composition	Orders	Composition	Sales	Composition	Sales	Composition
Automobile, auto parts	13.05	13.0%	<b>15.13</b>	<b>14.4%</b>	12.80	13.3%	<b>18.49</b>	<b>16.2%</b>
Electronics	36.81	36.6%	<b>31.32</b>	<b>29.9%</b>	37.11	38.6%	<b>33.33</b>	<b>29.3%</b>
Commerce, retail	16.88	16.8%	<b>27.71</b>	<b>26.4%</b>	16.37	17.0%	<b>25.57</b>	<b>22.4%</b>
Transportation, warehousing	8.20	8.2%	<b>6.34</b>	<b>6.0%</b>	7.18	7.5%	<b>5.56</b>	<b>4.9%</b>
Machinery	2.56	2.6%	<b>2.40</b>	<b>2.3%</b>	2.61	2.7%	<b>3.93</b>	<b>3.5%</b>
Chemicals, pharmaceuticals	5.09	5.1%	<b>3.25</b>	<b>3.1%</b>	2.83	2.9%	<b>4.35</b>	<b>3.8%</b>
Food	2.81	2.8%	<b>2.57</b>	<b>2.5%</b>	1.79	1.9%	<b>6.20</b>	<b>5.4%</b>
Iron, steel, nonferrous metals	1.34	1.3%	<b>1.23</b>	<b>1.2%</b>	1.10	1.2%	<b>0.73</b>	<b>0.6%</b>
Precision equipment, printing, office equipment	1.62	1.6%	<b>1.25</b>	<b>1.2%</b>	2.14	2.2%	<b>1.99</b>	<b>1.7%</b>
Airport	8.98	8.9%	<b>10.54</b>	<b>10.1%</b>	8.95	9.3%	<b>10.48</b>	<b>9.2%</b>
Other	3.09	3.1%	<b>3.12</b>	<b>2.9%</b>	3.23	3.4%	<b>3.28</b>	<b>3.0%</b>
<b>Total</b>	100.46	100.0%	<b>104.90</b>	<b>100.0%</b>	96.16	100.0%	<b>113.96</b>	<b>100.0%</b>

✓ Orders and sales were favorable, driven by systems for the e-commerce sector.

✓ Systems for airports reflected the absence of any significant impact from the COVID-19 pandemic.

# Non-Japan Orders (Consolidated)

(Billion yen)



Non-Japan Total

# Orders by Region (Consolidated)

(Billion yen)

Region	FY2017 Q1		FY2018 Q1		FY2019 Q1		FY2020 Q1	
	Orders	Composition	Orders	Composition	Orders	Composition	Orders	Composition
Japan	44.86	30.2%	39.38	30.5%	36.32	36.2%	<b>31.22</b>	<b>29.8%</b>
Non-Japan	103.70	69.8%	89.78	69.5%	64.14	63.8%	<b>73.68</b>	<b>70.2%</b>
North America	35.67	24.0%	20.56	15.9%	20.41	20.3%	<b>26.19</b>	<b>25.0%</b>
Asia	60.41	40.7%	57.93	44.9%	37.38	37.2%	<b>36.90</b>	<b>35.1%</b>
China	34.15	23.0%	25.31	19.6%	15.25	15.2%	<b>10.48</b>	<b>10.0%</b>
Taiwan	5.16	3.5%	8.34	6.5%	7.67	7.6%	<b>4.14</b>	<b>3.9%</b>
South Korea	19.03	12.8%	20.14	15.6%	12.04	12.0%	<b>19.34</b>	<b>18.4%</b>
Other	2.05	1.4%	4.13	3.2%	2.41	2.4%	<b>2.92</b>	<b>2.8%</b>
Europe	1.76	1.2%	4.41	3.4%	3.07	3.1%	<b>4.04</b>	<b>3.9%</b>
Latin America	1.98	1.3%	5.11	4.0%	0.41	0.4%	<b>0.53</b>	<b>0.5%</b>
Other	3.86	2.6%	1.75	1.3%	2.84	2.8%	<b>5.99</b>	<b>5.7%</b>
Total	148.57	100.0%	129.17	100.0%	100.46	100.0%	<b>104.90</b>	<b>100.0%</b>

✓ Japan:  
New project orders experienced slower growth.

✓ North America:  
Orders from the e-commerce sector remained strong.

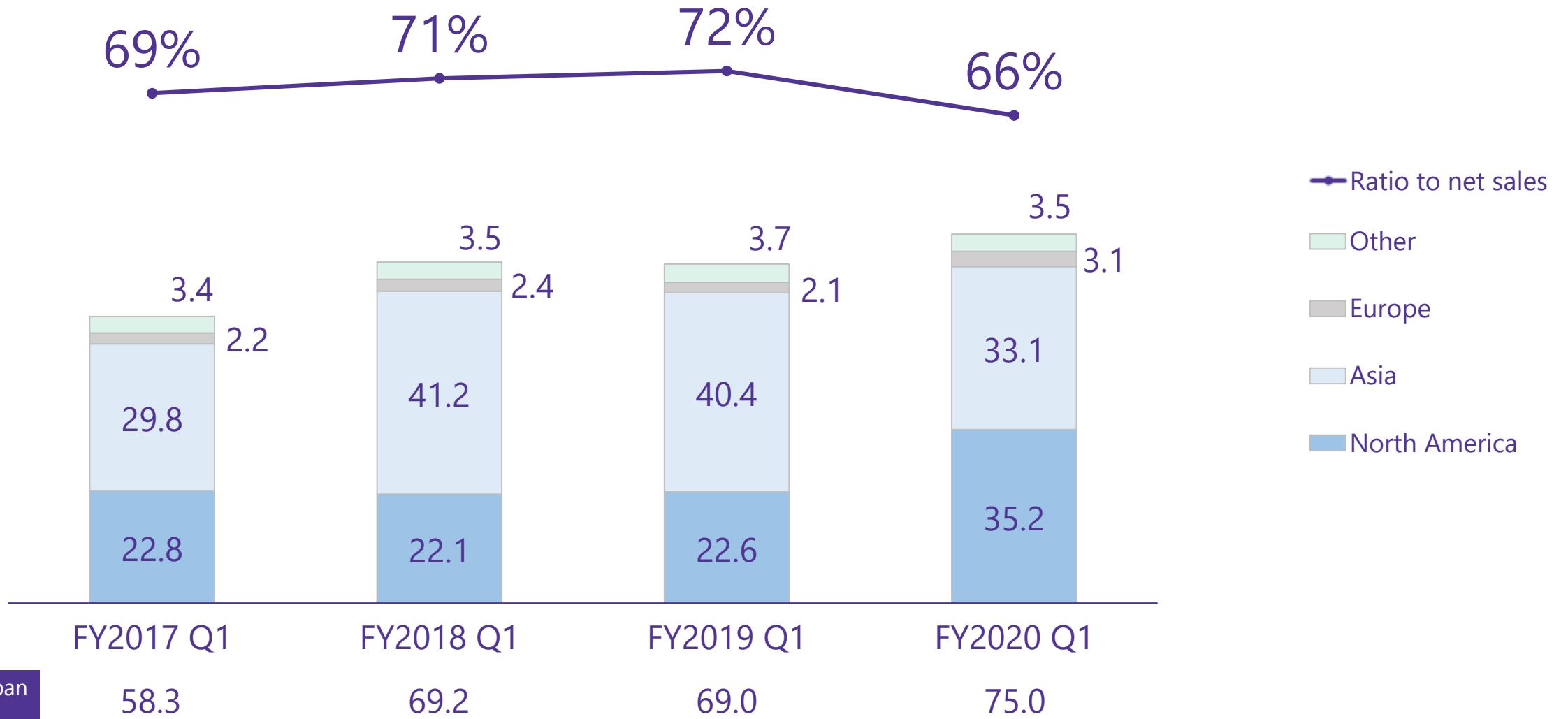
✓ China:  
Orders were affected by the COVID-19 pandemic.

✓ South Korea:  
Orders recovered compared to the year-ago period.



# Non-Japan Sales (Consolidated)

(Billion yen)



Non-Japan Total

# Sales by Region (Consolidated)

(Billion yen)

Region	FY2017 Q1		FY2018 Q1		FY2019 Q1		FY2020 Q1	
	Sales	Composition	Sales	Composition	Sales	Composition	Sales	Composition
Japan	26.74	31.4%	28.01	28.8%	27.12	28.2%	<b>38.87</b>	<b>34.1%</b>
Non-Japan	58.31	68.6%	69.26	71.2%	69.03	71.8%	<b>75.09</b>	<b>65.9%</b>
North America	22.81	26.8%	22.11	22.7%	22.62	23.5%	<b>35.22</b>	<b>30.9%</b>
Asia	29.82	35.1%	41.20	42.4%	40.47	42.1%	<b>33.16</b>	<b>29.1%</b>
China	11.09	13.1%	22.79	23.4%	18.89	19.7%	<b>11.92</b>	<b>10.5%</b>
Taiwan	4.24	5.0%	1.44	1.5%	8.22	8.5%	<b>9.83</b>	<b>8.6%</b>
South Korea	12.17	14.3%	13.21	13.6%	10.34	10.8%	<b>8.85</b>	<b>7.8%</b>
Other	2.31	2.7%	3.74	3.9%	3.00	3.1%	<b>2.55</b>	<b>2.2%</b>
Europe	2.24	2.6%	2.40	2.5%	2.14	2.2%	<b>3.12</b>	<b>2.7%</b>
Latin America	1.14	1.3%	1.40	1.4%	1.22	1.3%	<b>0.61</b>	<b>0.5%</b>
Other	2.29	2.8%	2.12	2.2%	2.57	2.7%	<b>2.96</b>	<b>2.7%</b>
<b>Total</b>	<b>85.06</b>	<b>100.0%</b>	<b>97.27</b>	<b>100%</b>	<b>96.16</b>	<b>100.0%</b>	<b>113.96</b>	<b>100.0%</b>

✓ Japan and North America:  
Sales remained favorable.

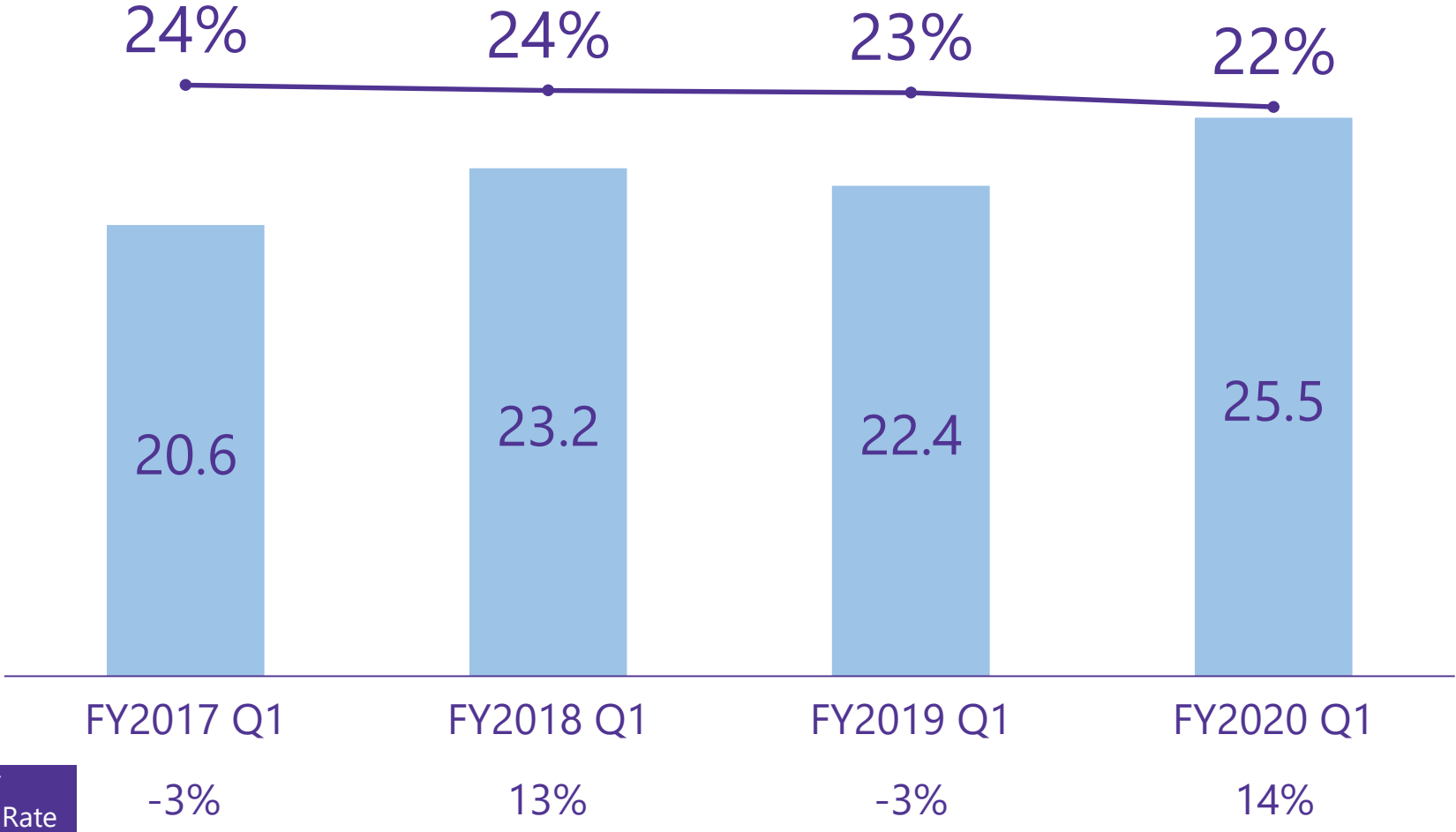
✓ China:  
Sales were affected by the  
COVID-19 pandemic.

✓ South Korea:  
Sales were affected by decreased  
orders during the previous fiscal  
year.

# Service Sales (Consolidated)

(Billion yen)

∶ Ratio to net sales



✓ Sales remained almost flat.

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

Y/Y  
Growth Rate

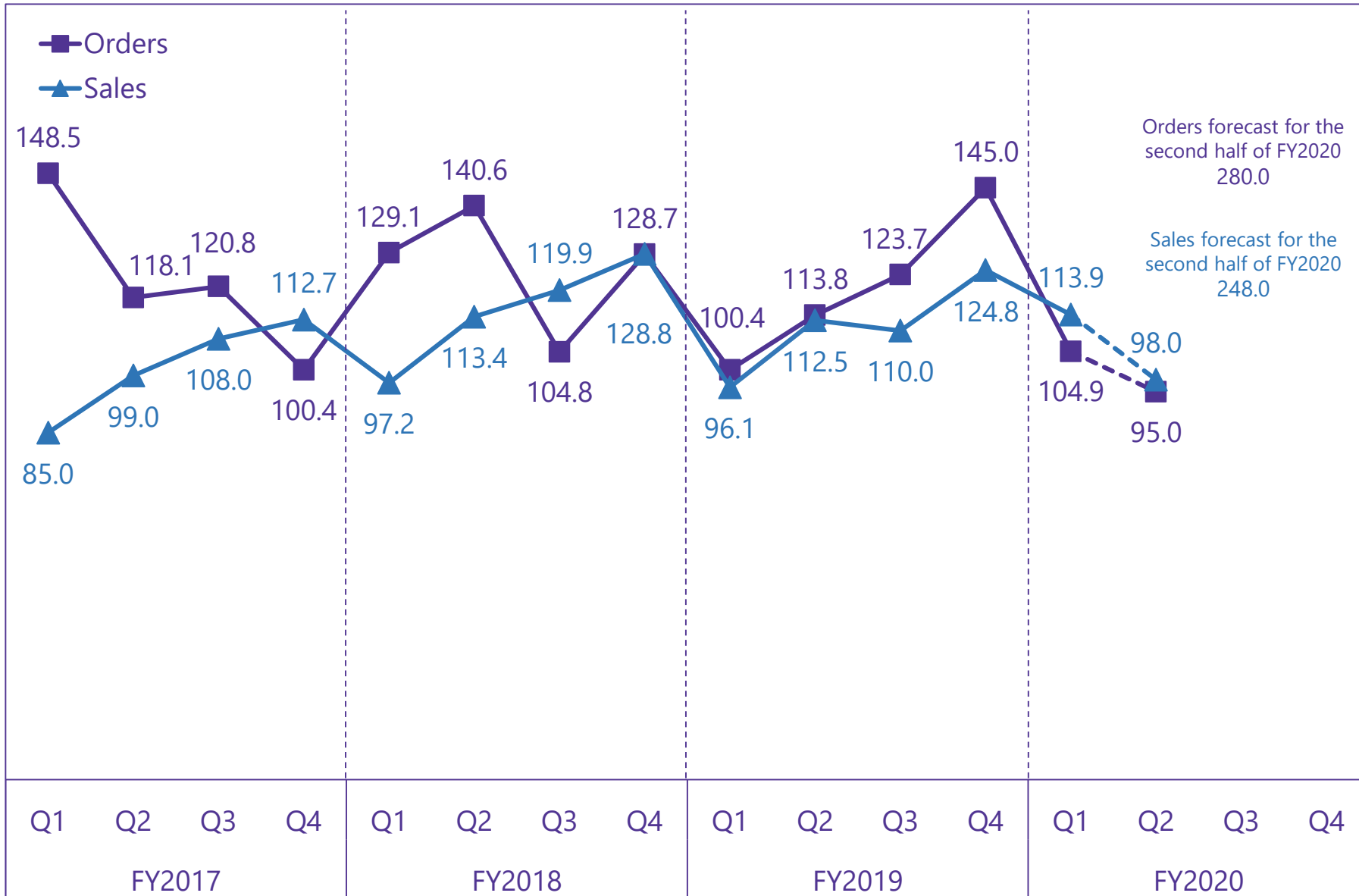
(Billion yen)

	FY2019 H1	FY2020 H1 (Forecast)			FY2019	FY2020	
		Announced on May 12, 2020	Revised on August 6, 2020	Year-on- year		Forecast	Year-on- year
Orders	214.32	240.00	<b>200.00</b>	-6.7%	483.18	<b>480.00</b>	-0.7%
Net sales	208.73	212.00	<b>212.00</b>	+1.6%	443.69	<b>460.00</b>	+3.7%
Operating income	17.28	16.30	<b>16.30</b>	-5.7%	40.49	<b>41.00</b>	+1.2%
Ordinary income	17.61	16.90	<b>16.90</b>	-4.1%	40.97	<b>41.80</b>	+2.0%
Net income attributable to shareholders of the parent company	13.16	11.60	<b>11.60</b>	-11.9%	28.06	<b>29.00</b>	+3.3%
Net income per share	104.65 yen	92.16 yen	<b>92.16 yen</b>	—	222.96 yen	<b>230.40 yen</b>	—

- ✓ The FY2020 H1 orders forecast has been revised downward. Other remains unchanged.

# Quarterly Orders and Sales (Consolidated)

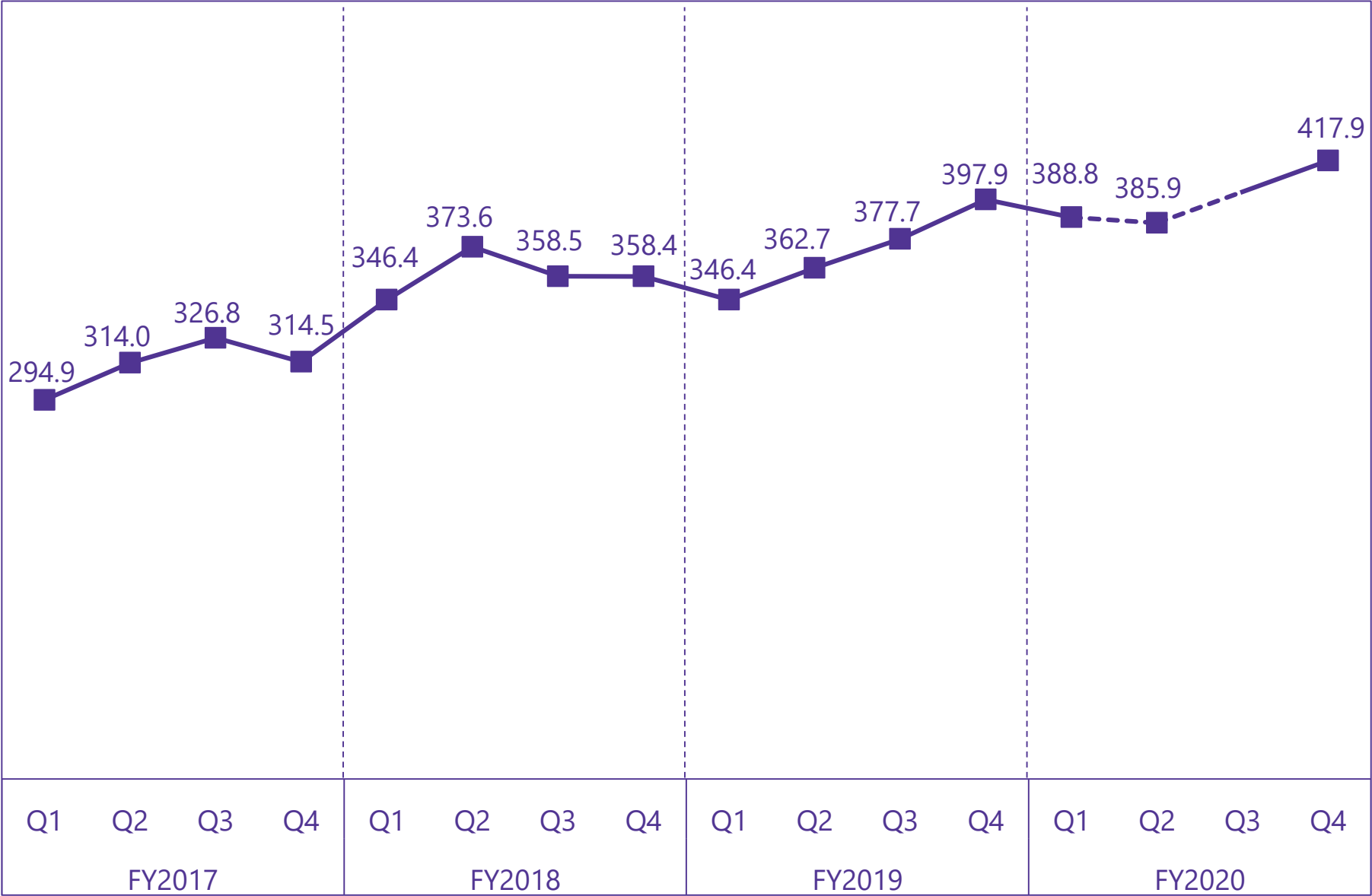
(Billion yen)



- ✓ Orders are likely to be influenced by a number of delays and postponements during the second quarter but will recover in the second half of FY2020.

# Order Backlogs (Consolidated)

(Billion yen)



✓ Order backlogs remained at a high level.

- ✓ Many of the systems the Daifuku Group provides are positioned as “essential businesses” that build infrastructure indispensable for social activities. Taking appropriate steps against the COVID-19 pandemic, the Group continued its business activities.
- ✓ Some business activities were affected by the COVID-19 pandemic, which included delays in the timing of receiving orders, due to restrictions on international/domestic movement and working at the office, as well as the suspension of operations.
  - Japan: Our mainstay production site experienced no impact from COVID-19. In procurement, we placed priority on meeting deadlines and ensuring no interruptions in customer system operations.
  - U.S.A.: Systems for automobile production lines: Installations and services were suspended due to customer factory shutdowns. Systems for semiconductor factories, distributors and airports: Installations and services continued for many customers.
  - China: In general, progress were sluggish.
  - South Korea: Since factory operations were not suspended, we experienced relatively little impact.
  - Other: Taiwan and Thailand: Factory operations continued.  
India and other countries in ASEAN, Europe and Oceania: Progress was delayed in general.

We analyzed the impact of climate change on our operations with two scenarios for a rise in temperature. In both cases, while business costs will increase, we expect growth in demand for our products and services that exceeds the above negative impact.

Rise in temperature in the 21st century	Envisioned risk	Envisioned opportunity
Greenhouse gases are emitted around the world without significant change  <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"><b>Rising by 4 degrees Celsius</b></div>	<ul style="list-style-type: none"> <li>➤ Delays in incoming and outgoing products, damage to production equipment and shutdowns of our factories due to increased incidence of typhoons, heavy rains, flooding, etc.</li> <li>➤ Risk of employees experiencing heat stroke in factories and other facilities, associated with high temperatures</li> </ul>	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"><b>Increase in demand for products and services</b></div> <ul style="list-style-type: none"> <li>➤ Expansion of cold chain and e-commerce markets</li> <li>➤ Growing demand for labor savings</li> <li>➤ Increase in demand from customers for contributions to reducing CO<sub>2</sub> emissions</li> </ul>
Rapidly tightened regulations related to greenhouse gas emissions  <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"><b>Rising by 1.5 degrees Celsius</b></div>	<ul style="list-style-type: none"> <li>➤ Increase in procurement and operating costs due to carbon tax, etc.</li> </ul>	

For details, please refer to our website:





# 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.