DAIFUKU
Always an Edge Ahead

Consolidated Financial Results

The Fiscal Year Ended March 31, 2021
(April 1, 2020 - March 31, 2021)

May 11, 2021

DAIFUKU CO., LTD.

Contents

Back to contents

Financial Highlights

Fiscal 2020 Highlights (April 1, 2020 – March 31, 2021)

(Billion yen)

	FY2019	FY2020 initial plan	FY2020	Y/Y change	Y/Y rate	Achievement ratio to initial plan
Orders	483.1	480.0	**451.0**	-32.1	-6.6%	94.0%
Sales	443.6	460.0	**473.9**	+30.2	+6.8%	103.0%
Operating income	40.4	41.0	**44.5**	+4.0	+10.0%	108.7%
Ordinary income	40.9	41.8	**45.8**	+4.8	+11.9%	109.7%
Net income attributable to shareholders of the parent company	28.0	29.0	**32.3**	+4.3	+15.4%	111.7%
Comprehensive income	25.6	-	**33.3**	+7.7	+30.1%	-

Net income per share	222.96 yen	-	**257.13 yen**	+34.17 yen

- ✓ Orders mainly reflected delays in business negotiations due to restrictions on both international/domestic movements and working at the office imposed by the COVID-19 pandemic.
- ✓ Achieved increased sales and income. Sales marked a new record high.

Increases and Decreases in Operating Income

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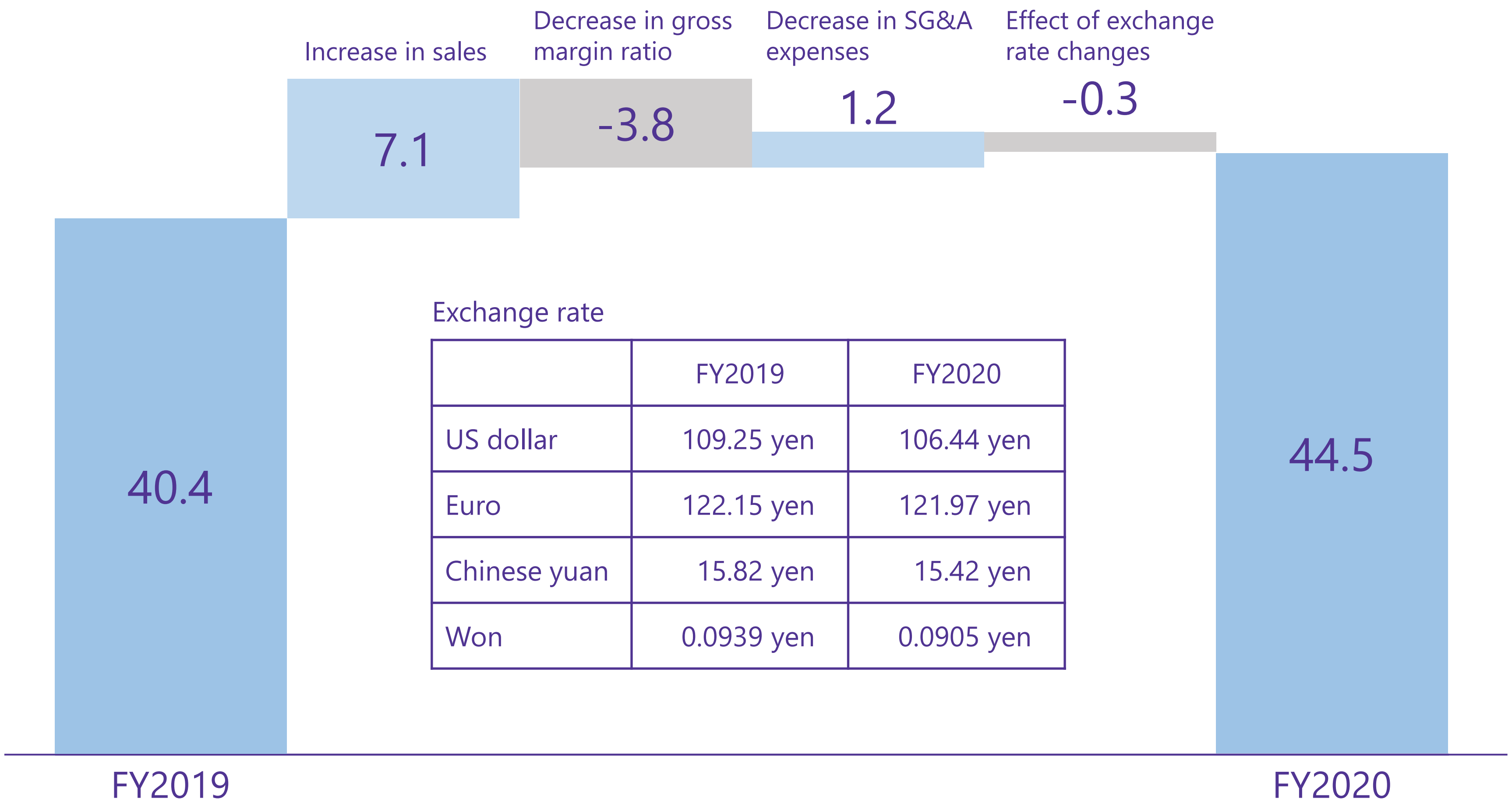
(Billion yen)

[Reference] Effect of exchange
Sales: -6.6 billion yen



Exchange rate

	FY2019	FY2020
US dollar	109.25 yen	106.44 yen
Euro	122.15 yen	121.97 yen
Chinese yuan	15.82 yen	15.42 yen
Won	0.0939 yen	0.0905 yen

Results by Reportable 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	FY2020	Y/Y change	FY2019	FY2020	Y/Y change	FY2019	FY2020	Y/Y change
Daifuku	218.3	**184.1**	-34.2	204.4	**199.3**	-5.0	18.6	**26.0**	+7.3
Contec	16.8	**15.3**	-1.4	16.3	**16.2**	-0.1	1.6	**1.1**	-0.4
Daifuku North America	136.7	**119.4**	-17.3	102.2	**137.1**	+34.8	6.2	**6.0**	-0.2
Clean Factomation	23.8	**31.0**	+7.2	32.6	**30.5**	-2.1	2.5	**2.7**	+0.2
Other	87.4	**101.0**	+13.6	93.9	**89.6**	-4.3	2.5	**2.3**	-0.2
Consolidated adjustment and other	–	**–**	–	-6.0	**0.9**	+7.0	-3.6	**-5.9**	-2.3
Total	483.1	**451.0**	-32.1	443.6	**473.9**	+30.2	28.0	**32.3**	+4.3

- ✓ Daifuku:
  Orders were sluggish in automotive systems and cleanroom systems, while income was boosted by intralogistics systems.
- ✓ Daifuku North America:
  Recorded sales of a large project for automotive systems, the order for which had been received during the previous fiscal year.
- ✓ Clean Factomation:
  Orders were driven by an increase in semiconductor-related demand for data centers.

Consolidated Balance Sheets

(Billion yen)

	FY2019	FY2020	Change
Current assets	319.6	**350.6**	+30.9
Cash on hand and in banks	70.9	**94.1**	+23.2
Notes and accounts receivable	202.7	**211.9**	+9.1
Inventories	33.3	**34.2**	+0.8
Other	12.7	**10.2**	-2.4
Non-current assets	91.2	**94.8**	+3.6
Property, plant and equipment	47.3	**49.5**	+2.2
Intangible assets	10.1	**10.0**	-0.1
Goodwill	4.8	**4.2**	-0.6
Other	5.2	**5.8**	+0.5
Investments and other assets	33.7	**35.2**	+1.5
Total assets	410.8	**445.4**	+34.5

	FY2019	FY2020	Change
Current liabilities	138.6	**149.1**	+10.4
Notes and accounts payable	69.0	**62.9**	-6.1
Short-term borrowings	11.7	**15.5**	+3.7
Other	57.8	**70.7**	+12.8
Non-current liabilities	34.8	**34.2**	-0.5
Long-term borrowings	21.6	**19.6**	-2.0
Other	13.1	**14.6**	+1.4
Total Liabilities	173.5	**183.4**	+9.9
Shareholders' equity	231.7	**255.2**	+23.5
Common stock	31.8	**31.8**	–
Retained earnings	179.2	**202.3**	+23.0
Other	20.5	**21.0**	+0.4
Accumulated other comprehensive income	1.2	**1.7**	+0.5
Non-controlling interests	4.3	**4.9**	+0.5
Total net assets	237.3	**262.0**	+24.6
Total liabilities and net assets	410.8	**445.4**	+34.5

✓ Assets:
Increased ¥34.5 billion
[Factors]
Increase: ¥23.2 billion in cash on hand and in banks, ¥9.1 billion in notes and accounts receivable

✓ Liabilities:
Increased ¥9.9 billion
[Factors]
Increase: ¥7.3 billion in income taxes payable

✓ Net assets:
Increased ¥24.6 billion
[Factors]
Increase: ¥23.0 billion in retained earnings

Consolidated Statements of Cash Flows

(Billion yen)

	FY2019	FY2020	Y/Y change
Cash flows from operating activities	13.7	**38.2**	+24.5
Cash flows from investing activities	-14.7	**-6.6**	+8.1
Free cash flows	-1.0	**31.5**	+32.6
Cash flows from financing activities	-18.3	**-8.3**	+9.9
Effect of exchange rate change on cash and cash equivalents	-0.5	**-0.7**	-0.1
Net increase in cash and cash equivalents	-20.0	**22.4**	+42.4
Cash and cash equivalents, beginning of the year	90.9	**70.8**	-20.0
cash and cash equivalents resulting from change in scope of consolidation	–	**0.7**	+0.7
Cash and cash equivalents, end of the year	70.8	**94.0**	+23.1

- ✓ Cash provided by operating activities: ¥38.2 billion

  [Factors]
  Income before income taxes and non-controlling interests: ¥45.1 billion
  Increase in notes and accounts receivable: -¥10.6 billion

- ✓ Cash used in investing activities: ¥6.6 billion

  [Factors]
  Payments for purchase of property, plant and equipment: -¥7.4 billion

- ✓ Cash used in financing activities: ¥8.3 billion

  [Factors]
  Short-term borrowings: ¥1.7 billion
  Payments of cash dividends: -¥9.4 billion

Orders and Sales by Industry

(Billion yen)

Industry	Orders					Sales				
	FY2019		FY2020		Y/Y change	FY2019		FY2020		Y/Y change
	Orders	Composition	Orders	Composition		Sales	Composition	Sales	Composition	
Automobile, auto parts	89.9	18.6%	**49.0**	**10.9%**	-40.8	68.4	15.4%	**80.1**	**16.9%**	+11.6
Electronics	146.2	30.3%	**129.5**	**28.7%**	-16.6	144.1	32.5%	**137.0**	**28.9%**	-7.1
Commerce, retail	94.5	19.6%	**136.3**	**30.2%**	+41.7	86.2	19.4%	**115.5**	**24.4%**	+29.2
Transportation, warehousing	27.4	5.7%	**23.3**	**5.2%**	-4.1	28.5	6.4%	**23.5**	**5.0%**	-4.9
Machinery	11.1	2.3%	**12.0**	**2.7%**	+0.9	13.5	3.1%	**11.2**	**2.4%**	-2.2
Chemicals, pharmaceuticals	18.4	3.8%	**13.9**	**3.1%**	-4.5	15.3	3.4%	**18.3**	**3.9%**	+3.0
Food	17.0	3.5%	**17.3**	**3.8%**	+0.2	13.1	3.0%	**17.7**	**3.7%**	+4.5
Iron, steel, nonferrous metals	5.4	1.1%	**3.7**	**0.8%**	-1.7	5.3	1.2%	**4.4**	**0.9%**	-0.9
Precision equipment, printing, office equipment	7.6	1.6%	**6.1**	**1.4%**	-1.5	11.4	2.6%	**8.7**	**1.8%**	-2.7
Airport	47.6	9.9%	**46.0**	**10.2%**	-1.6	41.9	9.5%	**41.2**	**8.7%**	-0.7
Other	17.5	3.6%	**13.3**	**3.0%**	-4.1	15.3	3.5%	**15.8**	**3.4%**	+0.4
Total	483.1	100.0%	**451.0**	**100.0%**	-32.1	443.6	100.0%	**473.9**	**100.0%**	+30.2

- ✓ Automobile, auto parts: Recorded sales of a large project, the order for which had been received during the previous fiscal year in North America.
- ✓ Commerce, retail: Orders and sales were driven by systems for the e-commerce sector.

Orders by Destination

(Billion yen)

Region			FY2017 Orders	FY2017 Composition	FY2018 Orders	FY2018 Composition	FY2019 Orders	FY2019 Composition	FY2020 Orders	FY2020 Composition	FY2020 Y/Y change
Japan			145.3	29.8%	174.0	34.6%	170.0	35.2%	**152.5**	**33.8%**	**-17.5**
Non-Japan			342.5	70.2%	329.3	65.4%	313.1	64.8%	**298.5**	**66.2%**	**-14.5**
	North America		107.1	22.0%	111.0	22.0%	140.5	29.1%	**120.5**	**26.7%**	**-20.0**
	Asia		207.3	42.5%	182.2	36.2%	152.1	31.5%	**144.6**	**32.1%**	**-7.5**
		China	115.9	23.8%	88.9	17.7%	58.3	12.1%	**55.2**	**12.2%**	**-3.1**
		Taiwan	12.6	2.6%	27.6	5.5%	42.4	8.8%	**34.0**	**7.6%**	**-8.4**
		South Korea	64.8	13.3%	50.1	10.0%	39.2	8.1%	**45.0**	**10.0%**	**+5.8**
		Other	13.8	2.8%	15.4	3.0%	12.0	2.5%	**10.3**	**2.3%**	**-1.7**
	Europe		10.9	2.2%	14.2	2.8%	9.4	2.0%	**16.2**	**3.6%**	**+6.7**
	Latin America		7.9	1.6%	9.4	1.9%	0.9	0.2%	**2.6**	**0.6%**	**+1.6**
	Other		9.1	1.9%	12.4	2.5%	9.9	2.0%	**14.5**	**3.2%**	**+4.5**
Total			487.9	100.0%	503.3	100.0%	483.1	100.0%	**451.0**	**100.0%**	**-32.1**

✓ Japan:
Orders fell, given a reactionary fall in airport systems, which had benefited from an order for a large project during the previous fiscal year, as well as sluggish orders in automotive systems.

✓ North America:
Orders fell, given a reactionary fall in automotive systems, which had benefited from an order for a large project during the previous fiscal year.

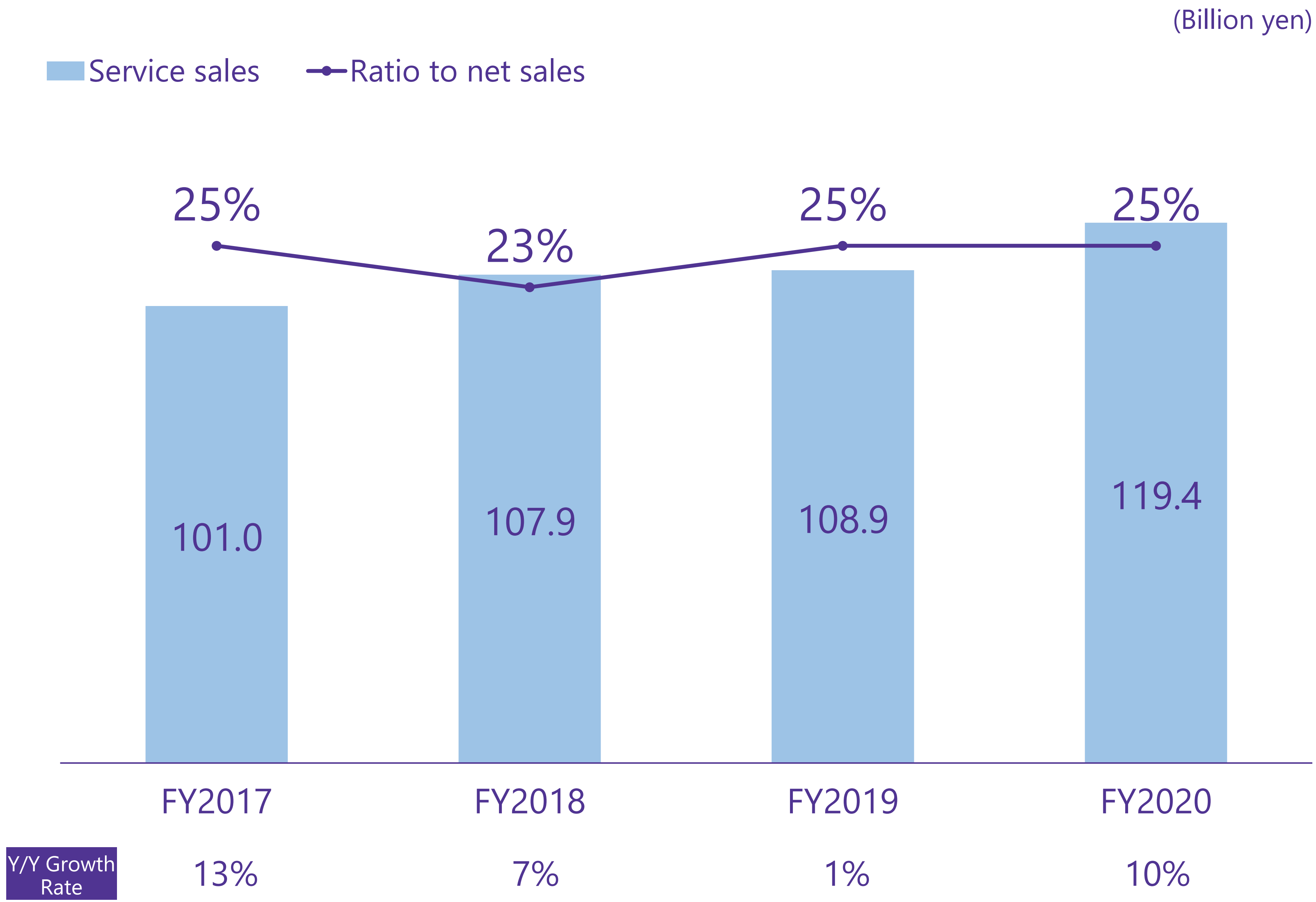
Sales by Destination

(Billion yen)

Region			FY2017		FY2018		FY2019		FY2020		
			Sales	Composition	Sales	Composition	Sales	Composition	Sales	Composition	Y/Y change
Japan			132.4	32.7%	127.6	27.8%	155.0	34.9%	**163.9**	**34.6%**	**+8.9**
Non-Japan			272.4	67.3%	331.8	72.2%	288.6	65.1%	**309.9**	**65.4%**	**+21.2**
	North America		95.5	23.6%	99.1	21.6%	99.6	22.5%	**138.9**	**29.3%**	**+39.2**
	Asia		150.5	37.2%	204.6	44.5%	163.4	36.8%	**144.0**	**30.4%**	**-19.4**
		China	72.5	17.9%	111.3	24.2%	70.2	15.8%	**59.5**	**12.6%**	**-10.6**
		Taiwan	15.5	3.8%	21.1	4.6%	37.1	8.4%	**30.5**	**6.5%**	**-6.5**
		South Korea	50.8	12.6%	56.7	12.3%	43.5	9.8%	**43.3**	**9.2%**	**-0.1**
		Other	11.5	2.9%	15.3	3.4%	12.5	2.8%	**10.4**	**2.1%**	**-2.0**
	Europe		9.6	2.4%	12.8	2.8%	9.2	2.1%	**13.3**	**2.8%**	**+4.1**
	Latin America		6.1	1.5%	6.0	1.3%	6.2	1.4%	**4.1**	**0.9%**	**-2.0**
	Other		10.6	2.6%	9.2	2.0%	9.9	2.3%	**9.3**	**2.0%**	**-0.6**
Total			404.9	100.0%	459.4	100.0%	443.6	100.0%	**473.9**	**100.0%**	**+30.2**

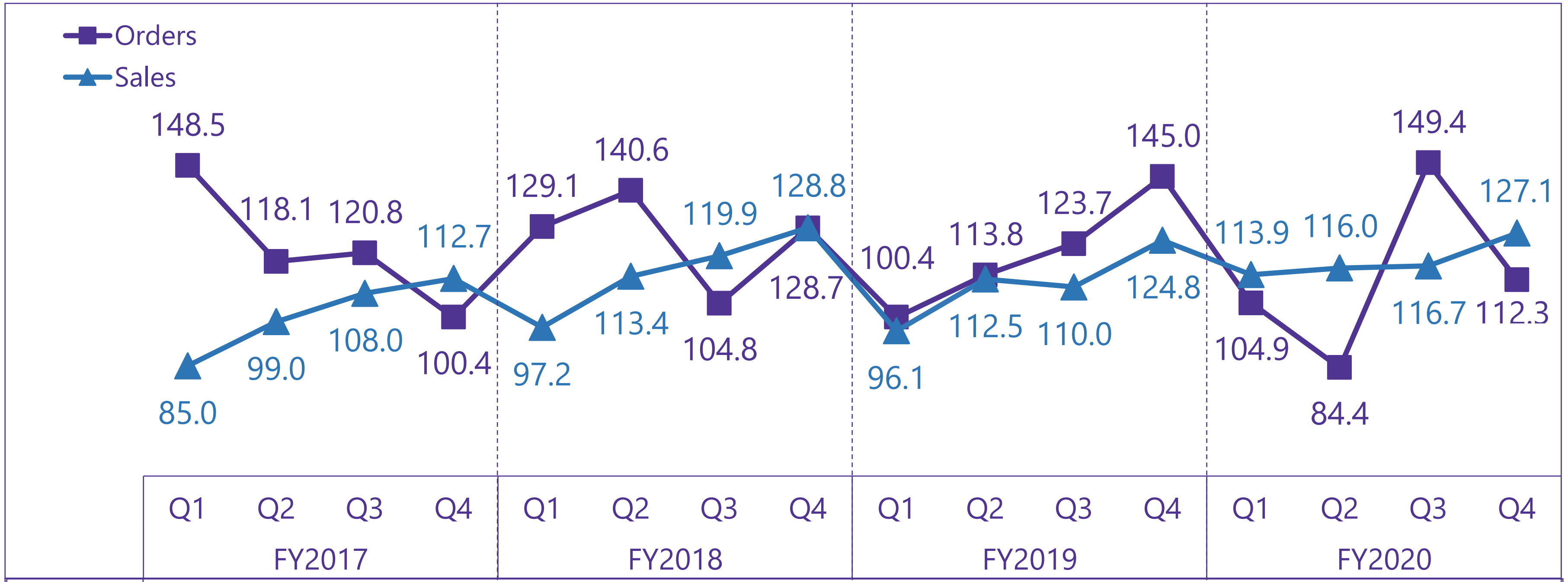
- ✓ North America:
  Sales were driven by automotive systems and intralogistics systems.
- ✓ Asia:
  Sales of cleanroom systems fell.

Service Sales

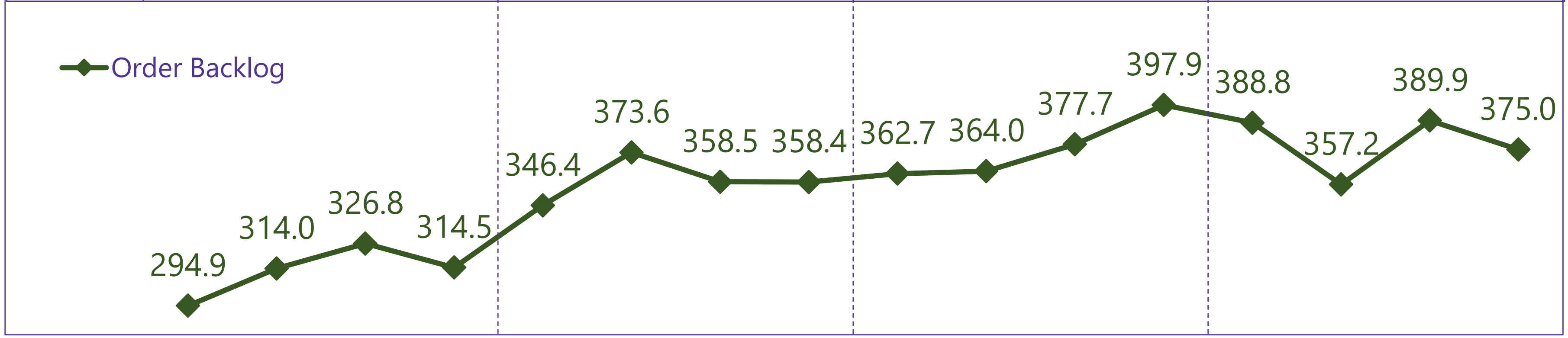


Quarterly Orders, Sales and Order Backlogs (Consolidated)

(Billion yen)



	FY2017	FY2018	FY2019	FY2020
Orders	487.9	503.3	483.1	451.0
Sales	404.9	459.4	443.6	473.9



✓ FY2021 (Forecast)

Orders: 520.0

Sales: 500.0

Liabilities, Fixed Cost, Employees (Consolidated)

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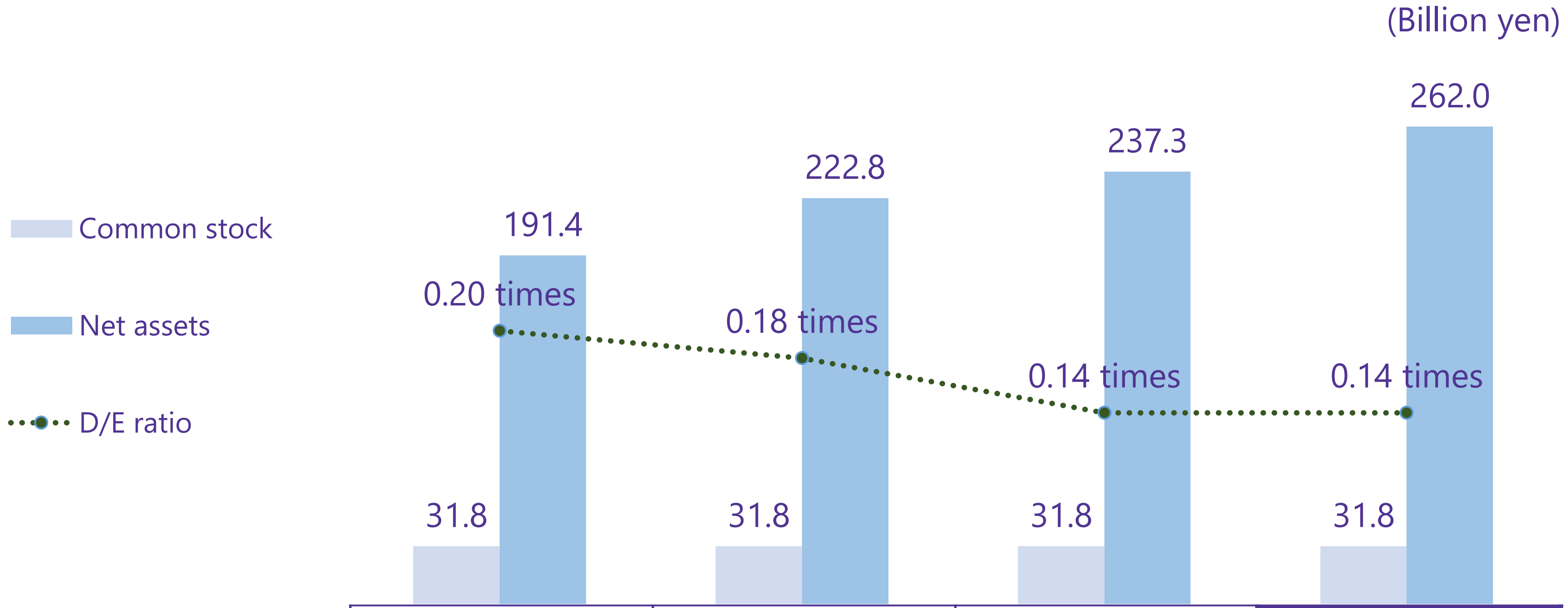
(Billion yen)

	FY2017	FY2018	FY2019	FY2020	Y/Y change
Short-term	19.9	19.4	11.7	**15.5**	+3.7
Long-term	18.0	20.5	21.6	**19.6**	-2.0
Total	37.9	40.0	33.4	**35.1**	+1.7
D/E ratio* (times)	0.20	0.18	0.14	**0.14**	–
Fixed cost	107.7	119.3	117.6	**117.4**	-0.1
Personnel expenses	73.0	76.8	80.2	**83.1**	+2.8
Employees (year-end)	9,193	9,857	10,863	**11,697**	+834
Outside Japan	5,936	6,459	7,312	**8,045**	+733

*Debt-Equity ratio = interest-bearing liabilities / shareholders' equity (year-end)

Financial Condition



	FY2017	FY2018	FY2019	FY2020
ROE*	17.7%	19.5%	12.4%	**13.2%**
1) Return on sales	7.16%	8.61%	6.32%	**6.83%**
2) Total asset turnover (times)	1.20	1.17	1.08	**1.11**
3) Financial leverage (times)	1.99	1.87	1.76	**1.73**

- ✓ Net assets: Favorable growth
- ✓ D/E ratio: Favorable level at below 0.2
- ✓ ROE: Secure 10% or higher (medium-term business plan target)

*ROE = net income / shareholders' equity (average of beginning and end of year) × 100

= 1) Return on sales × 2) Total asset turnover × 3) Financial leverage = $\frac{\text{Net income}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Total assets (average of beginning and end of year)}} \times \frac{\text{Total assets (end of year)}}{\text{Equity (end of year)}}$

Back to contents

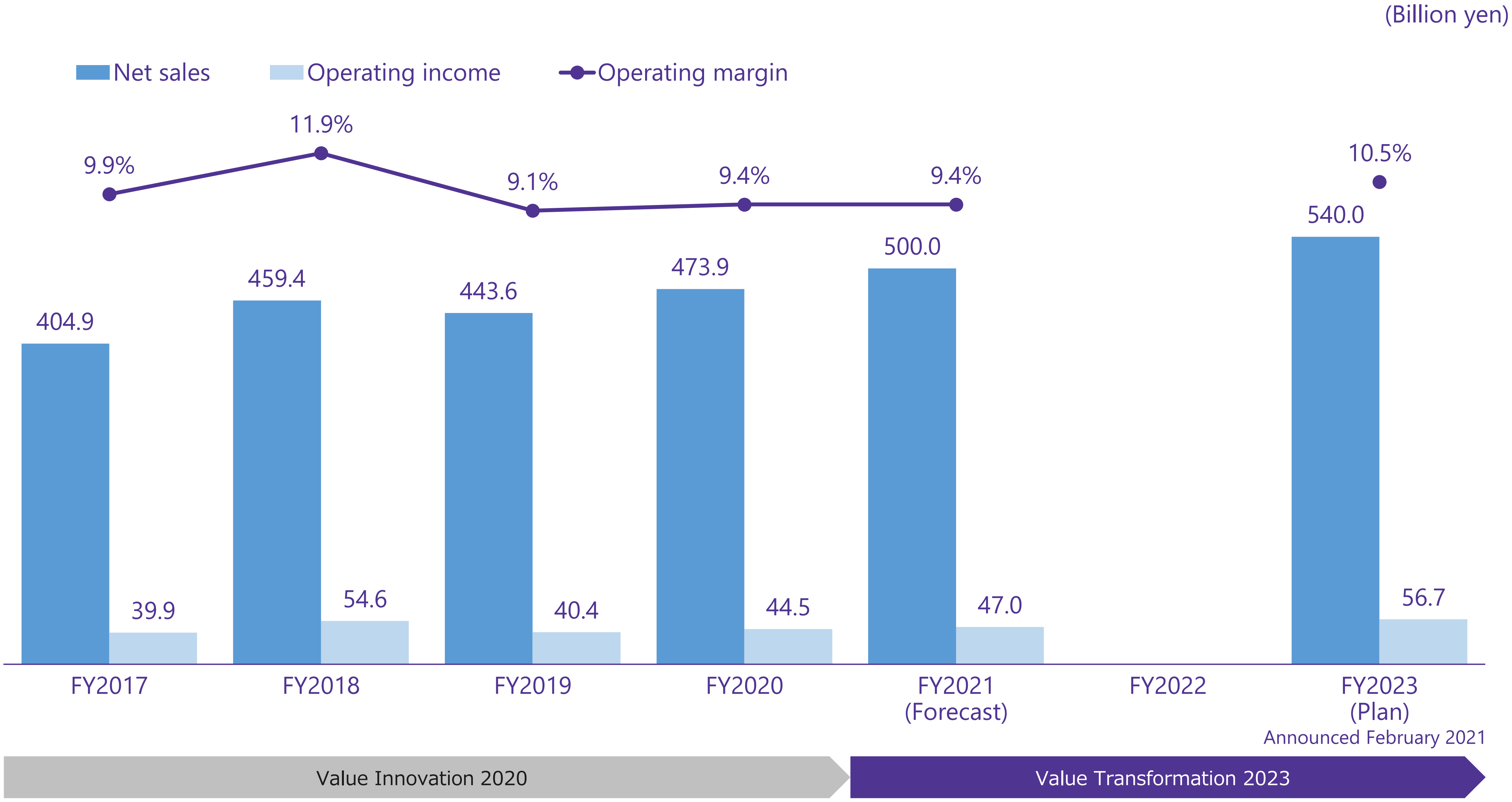
Earnings Forecast

Fiscal 2021 Forecast (Consolidated)

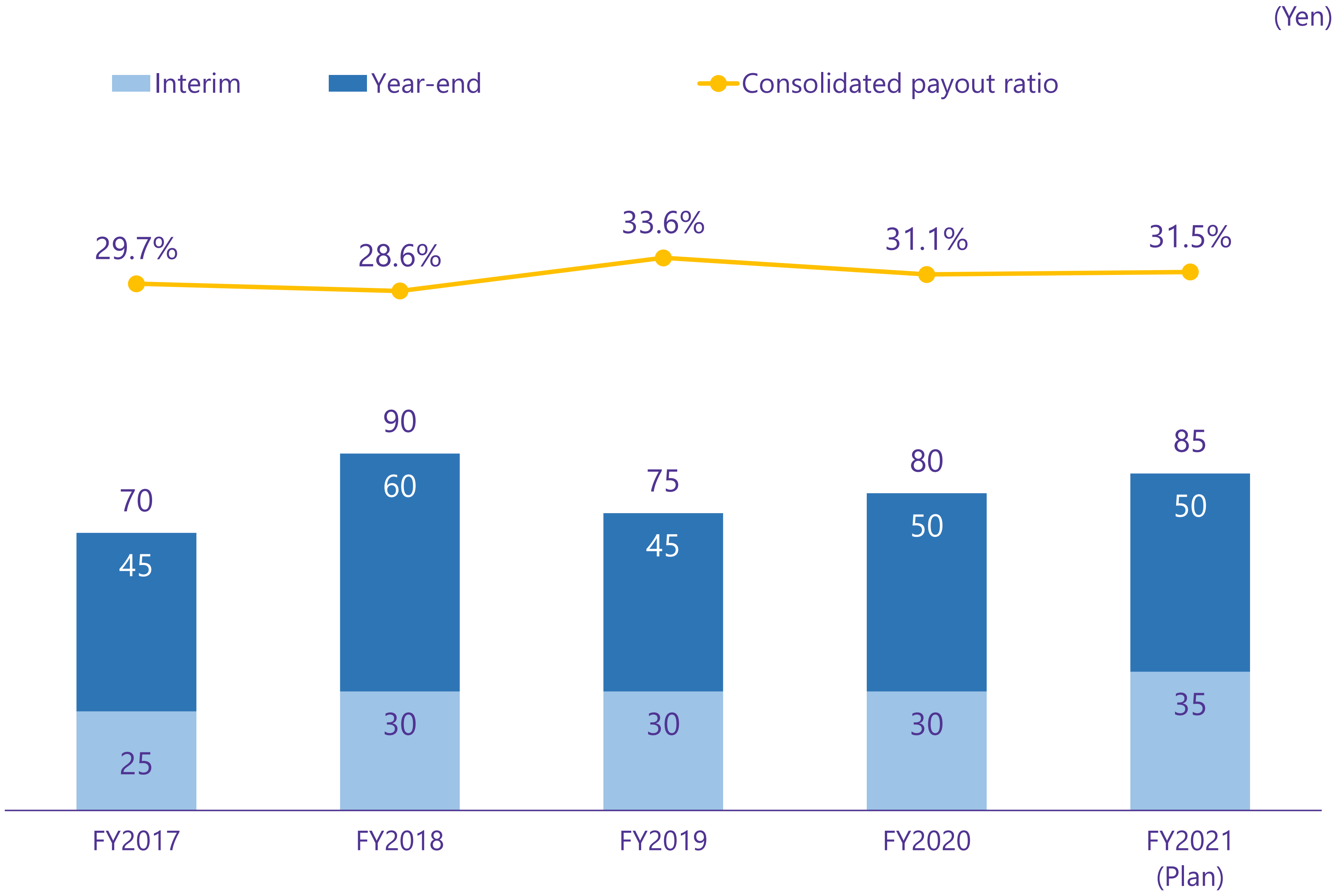
(Billion yen)

	FY2020 H1	FY2021			FY2020	FY2021		
		H1 (Forecast)	Y/Y change	Y/Y rate		FY (Forecast)	Y/Y change	Y/Y rate
Orders	189.3	**290.0**	**+100.6**	**+53.2%**	451.0	**520.0**	**+68.9**	**+15.3%**
Net sales	230.0	**240.0**	**+9.9**	**+4.3%**	473.9	**500.0**	**+26.0**	**+5.5%**
Operating income	19.6	**20.5**	**+0.8**	**+4.2%**	44.5	**47.0**	**+2.4**	**+5.5%**
Ordinary income	20.3	**21.1**	**+0.7**	**+3.7%**	45.8	**47.9**	**+2.0**	**+4.5%**
Net income attributable to shareholders of the parent company	14.7	**15.0**	**+0.2**	**+1.8%**	32.3	**34.0**	**+1.6**	**+5.0%**
Net income per share	116.98 yen	**119.08 yen**	**+2.10 yen**	-	257.13 yen	**269.91 yen**	**+12.78 yen**	-

Financial Performance



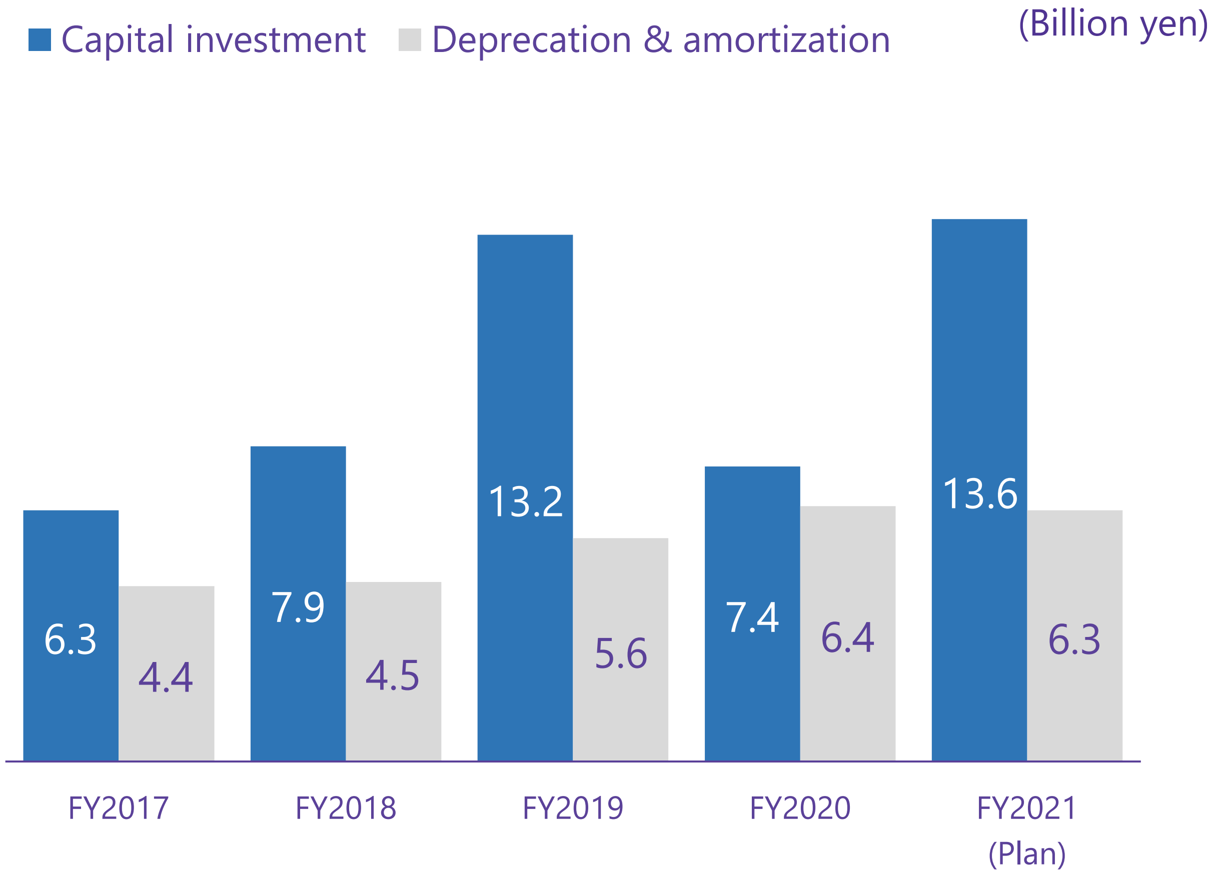
Dividends

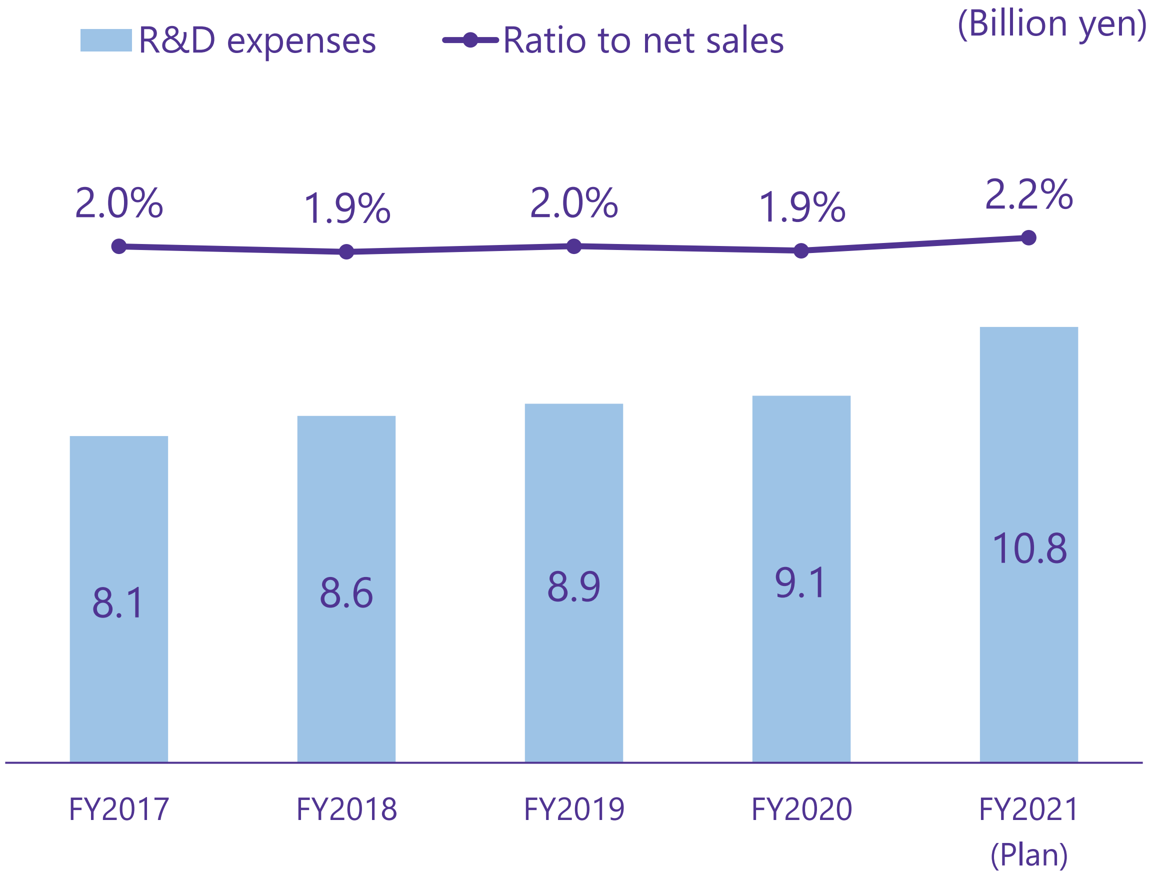


- ✓ Kept the consolidated dividend payout ratio at roughly 30% in every fiscal year. A consolidated dividend payout ratio of 30.8% was maintained on a four-year (FY2017-FY2020) average during the previous medium-term business plan.

Capital Investment, Depreciation, R&D Expenses (Consolidated)

- ✓ Invested in maintaining and retrofitting production facilities at factories in Japan and North America.
- ✓ Depreciation has remained mostly at the same level.





Back to contents

Medium-Term Business Plan

Review of *Value Innovation 2020*

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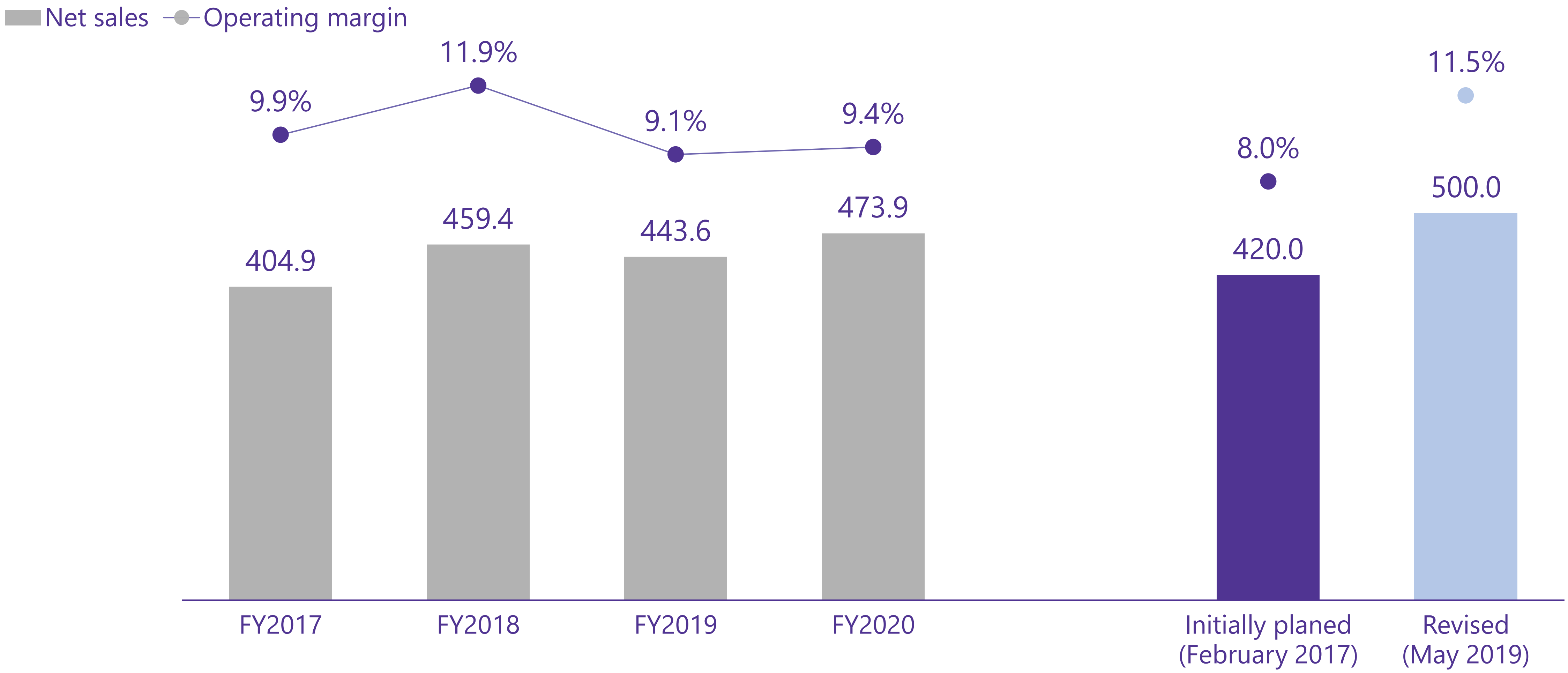


ROE	17.7%	19.5%	12.4%	13.2%		10% or higher	10% or higher
Consolidated payout ratio	29.7%	28.6%	33.6%	31.1%	Four-year average 30.8%	30%	30%

Review of *Value Innovation 2020*

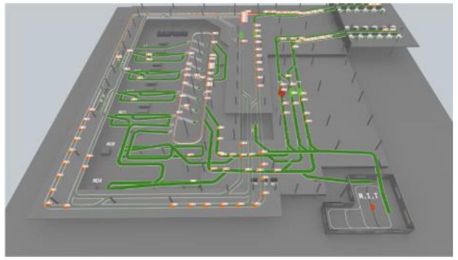
	Core Policies	Outcome	Next Challenge
Business Domains ・Establishing new core business ・Strengthening existing businesses ・Identifying new business	Provide smart logistics for customers	Enabled the visualization of system maintenance data by employing IoT technologies. By expanding efforts toward the creation of systems that will not stop working—or will quickly recover if they do—the Group is providing systems that can be considered an element of social infrastructure.	Use evolving ICT and AI and digital technologies to develop and provide price-competitive products that will drive next-generation logistics globally.
Profitability ・Enhancing product value ・Increasing productivity ・Reinforcing production framework	Establish Airport Technologies business as the fourth core business	Orders received in FY2020 doubled compared to FY2016 and have grown to a level comparable to the Automotive business, thereby cementing the Airport business as the Group's fourth core business.	Improve profitability and expand the Airport business from hardware-focused solutions to include software that supports smart airport operations.
Operational Efficiency ・Accelerating localization ・Promoting integrated management ・Effective use of human resources	Pursue best combination of localization and globalization	Localized production by building new factories in the U.S., China and Thailand. Further, implemented organizational realignment in the U.S. and established an integrated management system across the Group.	Enhance employee engagement worldwide and create a global corporate culture.
Brand Power ・Innovating value provided ・Changing employee perception ・Enhancing corporate value			

Topics of *Value Innovation 2020*

Core Policies

Provide smart logistics for customers

Develops 3D software package, Sym3, across the Daifuku Group
With these technologies, development and testing are possible without physically making anything, the current status of operations can be confirmed without being on site, and predictions and preventive measures are made based on accumulated data. It also became possible to enhance quality and shorten time in all processes from development to maintenance.



Establish Airport Technologies business as the fourth core business

Supplies Self Baggage Drops to Japan Airlines (photo: Haneda Airport)
Increasingly adopted at airports around the world, Self Baggage Drops enable passengers to check-in their own baggage by following the on-screen instructions, which greatly reduces queuing time compared to conventional manned check-in counters.

Pursue best combination of localization and globalization

Builds Wynright's new manufacturing complex
A new production site, called Daifuku Intralogistics North America Works, which consolidated the company's conveyor manufacturing and machining factories, is expanding its product lineup, by increasing production of conventional products and starting production of main products that had been exported from Japan. The Works, which has boosted production capacity to 1.5 times that of its predecessor facilities, is well placed to meet increased demand.

Formulates the Daifuku Environmental Vision 2050
Daifuku Group has formulated its Environmental Vision 2050, a complete revision of the previous environmental vision, for the establishment of a sustainable society. We have set a goal to create material handling systems with zero environmental impact by 2050 and established targets for each issue area to meet by 2030.

Period of the new business plan (April 2021 – March 2024)

While the previous business plan was formulated to address a four-year period, the period of this business plan is three years to enable a quicker response to drastic change in the social, environmental and business climates surrounding the Company.

Concept

1. Transformation of the value provided through DX^2

DX^2 (DX Squared) = Digital Transformation x Daifuku Transformation

The Group will transform the value provided to its customers and other stakeholders through the promotion of Digital Transformation (DX) and of the transformation of the Daifuku Group itself (Daifuku Transformation).

2. Creation of new value in the new normal

The goal of the Group is to continue to stride forward in a society that demands the creation of new value, leveraging its flexible, creative ability to create ideas free from precedent and its power to execute its plans to transform existing frameworks.

3. Towards realizing a sustainable society

From the perspective of promoting efforts for ESG (environment, society and governance), sustainability, and related endeavors, the Group positions its three-year business plan and Sustainability Action Plan* as the two wheels of its business strategy. The Group will implement these plans to contribute to the achievement of the Sustainable Development Goals (SDGs) of the United Nations.

*The Group formulated Sustainability Action Plan in April 2021.

For details, see our website: www.daifuku.com/ir/policy/plan

Themes of *Value Transformation 2023*

Current Business Environment		Themes and Business Strategy	
Market Trends Global expansion of e-commerce Diversified automation needs	Business Domains	1. Accelerating globalization Strategically invest in the global market 2. Strengthening existing business Create next-generation business models	3. Developing new business Invest in promising new domains
Business Environment Progress of DX (Digital Transformation) Rising competition in emerging markets	Profitability	1. Enhancing product value Transform value provided through cutting-edge technologies 2. Increasing productivity Strengthen international price competitiveness	3. Reinforcing production framework Promote innovation in *monozukuri* (manufacturing) through digitalization
Operating Environment Increase in non-Japan Group companies through M&A Review of analog business processes and acceleration of digitalization	Operating Framework	1. Rebuilding Group management Strengthen Group governance 2. Transforming business operations Increase efficiency and add value from a customer-oriented perspective	3. Reforming personnel systems Adopt diverse human capital management systems
Social Environment Strengthening of stakeholder engagement Fulfillment of corporate social responsibility through business activities	Brand	1. Innovating value provided Provide smart logistics through TOP* innovation 2. Creating social value Strengthen framework consistent with our role as a company responsible for social infrastructure	3. Transforming internal perceptions Create a global corporate culture

* TOP: Time, Occasion, Place

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.