

Priority Topics and KPIs in the Daifuku Group Four-Year Business Plan for 2027

Daifuku Co., Ltd.
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Framework	Priority Topic	KPI (Key Performance Indicator)	Scope	Target			
				FY2024	FY2025	FY2026	FY2027
Evolving existing businesses, expanding into new areas, developing next-generation solutions	Development utilizing advanced technologies including AI	Introduction of cutting-edge technology to products and services	Global	<ul style="list-style-type: none"> Improve system efficiency and energy-saving performance using AI and battery technologies Establish predictive maintenance using AI and IoT technologies 			
	Expansion of service business	Service sales	Global	150 billion yen	160 billion yen	175 billion yen	190 billion yen
	Development of new domains and creation of new businesses	Penetration into new markets and new business areas; commercialization of new products	Global	<ul style="list-style-type: none"> Develop systems for new areas Cultivate new customers and expand business areas globally Develop next-generation solutions 			
Establishing a system to bolster growth	Investment and platform fortification for innovation creation	Investment in areas of growth ^{*1}	Global	<ul style="list-style-type: none"> Invest approximately 160 billion yen (cumulative total for FY2024–FY2027) 			
		Cultivation of human resources proficient in AI and other digital skills		<ul style="list-style-type: none"> Implement company-wide training, including e-learning (rolled out incrementally to all employees) Cultivate data scientists and other specialized human resources (cumulative total for FY2024–2027: 180 people) 			
		Promotion of industry-government-academia collaboration, M&A, alliances, etc.		<ul style="list-style-type: none"> Continue consideration of M&A and alliances Carry out development through joint research and collaboration with universities and companies 			
Revamping overall business operations	Social responsibility in the supply chain	Strengthening of supply chain management	Global	<ul style="list-style-type: none"> Japan: identify supplier risks and implement audits Group companies outside of Japan: conduct visits, assess conditions, and address risks 			
	Pursuit of product quality and product safety	Number of serious accidents ^{*2} related to product and system safety	Global	0 occurrences	0 occurrences	0 occurrences	0 occurrences
Safety reinforcement	Ensure occupational safety and health	Frequency rate: Japan (outside of Japan) ^{*3}	Global	0.261 (0.6)	0.261 (0.5)	0.174 (0.4)	0.172 (0.3)
		Severity rate: Japan (outside of Japan) ^{*3}		0.006 (0.020)	0.004 (0.016)	0.003 (0.013)	0.001 (0.011)
		Number of serious accidents ^{*3, *4}		0 occurrences	0 occurrences	0 occurrences	0 occurrences
Eliminating environmental impact	Addressing climate change	Daifuku CO ₂ emissions reduction rate (compared to FY2018) (Scopes 1 + 2)	Global	51%	52%	53%	54%
		Percentage of electricity derived from renewable energy sources		60%	66%	72%	78%
		Reduction rate of CO ₂ emissions from purchased goods and services ^{*5} (Scope 3 Category 1)		<ul style="list-style-type: none"> Expand and disseminate CO₂ emission reduction programs^{*6} throughout the supply chain 			
		Reduction rate of CO ₂ emissions from the use of sold products ^{*5} (Scope 3 Category 11)		<ul style="list-style-type: none"> Improve energy-saving performance of products and systems 			
	Promoting resource recycling	Landfill disposal rate	Global	Domestic: less than 1% Outside of Japan: less than 5%	Domestic: less than 1% Outside of Japan: less than 5%	Domestic: less than 1% Outside of Japan: less than 4%	Domestic: less than 1% Outside of Japan: less than 3%
		Reduction rate of waste emissions per unit sales ^{*7} (compared to FY2023)		4%	7%	11%	14%
		Reduction rate of water consumption per unit sales ^{*8} (compared to FY2018)		40%	44%	47%	50%
Coexisting with nature	Rate of implementation of biodiversity conservation activities at major sites ^{*9}	Global	10%	50%	70%	90%	
	Global expansion of Sustainability Action ^{*10}		<ul style="list-style-type: none"> Expand and raise awareness of the program 				
Strengthening management structure and refining business management	Strengthening governance	Improvement of the effectiveness of the Board of Directors	Daifuku Co., Ltd.	<ul style="list-style-type: none"> Conduct evaluations of the effectiveness of the Board of Directors and address issues 			
		Dissemination of management philosophy and strategies	Global	<ul style="list-style-type: none"> Continue to implement awareness activities for officers and employees 			
		Ensuring compliance		<ul style="list-style-type: none"> Implement education and training on key compliance risks 			
		Implementation of countermeasures against major risks		<ul style="list-style-type: none"> Implement risk assessments and monitoring Collect information on risk indicators, including emerging risks, and analyze their impact Review crisis management systems and strengthen emergency response capabilities 			
	Fulfillment of stakeholder communication	Number of dialogue meetings held with shareholders and investors (non-unique)	Global	More than 900 companies	More than 1,200 companies	More than 1,200 companies	More than 1,200 companies
Enhancement of communication with stakeholders		<ul style="list-style-type: none"> Enhance information disclosure (financial and non-financial) Ascertain management issues through dialogue with stakeholders Implement measures to increase brand awareness across a broad spectrum Actively participate in social contribution activities 					
Maintenance and improvement of evaluations from external rating agencies		<ul style="list-style-type: none"> CDP climate change: A- or higher Continue as a constituent in FTSE4Good MSCI ESG rating: AA or higher 					
Organizational strengthening	Staff recruitment, retention, and training	Rate of sufficiency of number of prospective successors for key positions	Global	<ul style="list-style-type: none"> Develop a pool of human resources (visualize experience and skills) Prospective successor sufficiency rate of 100% by FY2027 (FY2023: 68%) 			
		Compounding of the human resources system in response to securement of specialized human resources	Daifuku Co., Ltd.	<ul style="list-style-type: none"> Consider and implement new systems and measures (compensation, work systems, work locations, and recruitment measures for highly specialized personnel) Improve adopted systems 			
	Respect for human rights	Establishment of a human rights due diligence system	Global	<ul style="list-style-type: none"> Implement the human rights due diligence PDCA cycle Implement risk assessments within and outside of Japan Build grievance mechanisms 			
		Implementation of human rights training		<ul style="list-style-type: none"> Establish education and training systems on human rights Develop educational content for Group employees 			
	Diversity and inclusion	Number of female managers (ratio)	Daifuku Co., Ltd.	<ul style="list-style-type: none"> 60 female managers (7.6%) by FY2027 (FY2023: 32 (4.3%)) 			
		Creation of an environment where diverse personnel can work effectively		<ul style="list-style-type: none"> Promote internal awareness of diversity Create a work environment considerate of minorities 			
	Improvement of employee engagement	Engagement survey score	Global	Score above the national average in each respective country	–	Japan: exceed 60% positive responses Outside of Japan: Score above the national average in each respective country	–
Implementation of engagement survey and issue response		<ul style="list-style-type: none"> Identify issues from survey results and implement countermeasures 					

*1 Capital investment, R&D expenses, investment in human capital, etc.

*2 Accidents caused by the malfunction of our products or systems leading to death or serious illness and/or injury during operations (injury and/or illness requiring 30 or more days of treatment)

*3 Calculations include installation contractors

*4 Accidents resulting in death or permanent injury during work at Daifuku

*5 For Scope 3 Category 1 and Category 11, pursue qualitative targets with the aim of a 30% reduction (compared to FY2018) by FY2030

*6 Daifuku's own framework on efforts (sharing of goals and supporting measures to reduce emissions, etc.) to reduce CO₂ emissions at suppliers

*7 Waste generated (tons) divided by net sales (100 million yen)

*8 Water consumption (1,000 m³) divided by net sales (100 million yen)

*9 Sites with 100 or more employees

*10 Daifuku's unique program for sustainability awareness and training