

FY2024 Targets and Results

Themes	Materiality	Key Performance Indicators (KPIs)	Targets and Results		
			Scope	FY2024 Targets	FY2024 Results
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	•Improve system efficiency and energy-saving performance using AI and battery technologies •Establish predictive maintenance using AI and IoT technologies	•Developed and delivered XY-picking robots •Continued to develop a predictive maintenance system utilizing AI •Developed an environmentally friendly storage system by making effective use of regenerative energy •Improved transport efficiency through AI-driven operation control •Made proposals for next-generation assembly lines for EV production plants •Developed new devices incorporating image recognition technology •Provided transport systems equipped with high-efficiency motors •Started developing an automatic baggage loading machine for aircraft containers •Started basic development of a car wash machine that utilizes image recognition technology
	Expansion of service business	Service sales	Global	150.0 billion yen	149.7 billion yen
	Development of new domains and creation of new businesses	Penetration into new markets and new business areas; commercialization of new products	Global	•Develop systems for new areas •Cultivate new customers and expand business areas globally •Develop next-generation solutions	•Continued development of picking robots and automated guided vehicles •Made proposals for further automation solutions for refrigerated warehouses •Expanded the scope of target processes for rechargeable battery and semiconductor manufacturing, and made proposals for automation solutions •Provided automation solutions for back-end processes in semiconductor manufacturing, such as wafer stacking and direct bonding •Developed solutions for cargo transportation and transfer utilizing various forms of mobility •Constructed transport and automation equipment for next-generation car manufacturing •Delivered TSA (*1) certified Smart Security Lanes to airports in North America •Started delivery of digital airport systems to the Japanese market •Delivered products for airport systems to the African market •Launched and received orders for interior cleaning equipment for garbage trucks
Establishing a system to bolster growth	Investment and platform fortification for innovation creation	Investments in areas of growth (*2)	Global	•Invest approximately 160 billion yen (cumulative total from FY2024 to FY2027)	•Invested in areas of growth: 26.4 billion yen
		Cultivation of human resources proficient in AI and other digital skills	Global	•Implement Group-wide training, including e-learning (rolled out incrementally to all employees) •Cultivate data scientists and other specialized human resources (cumulative total from FY2024 to FY2027: 180 people)	•Implemented an e-learning course on AI and DX, with 2,400 employees having begun (the course is being rolled out over three terms; 800 employees have completed the course so far) •Implemented a training program for data scientists and data engineers with 62 participants (rolled out in Shiga, Tokyo, and Osaka; 13 participants in Shiga completed the program)
		Promotion of industry-government-academia collaboration, M&A, alliances, etc.	Global	•Continue consideration of M&A and alliances •Carry out development through joint research and collaboration with universities and companies	•Considered and conducted research and development on next-generation technologies with multiple universities, research institutes, and companies •Participated in the Semiconductor Assembly Test Automation and Standardization Research Association (SATAS)
Revamping overall business operations	Social responsibility in the supply chain	Strengthening of supply chain management	Global	•Japan: identify supplier risks and implement audits •Group companies outside of Japan: conduct visits, assess conditions, and address risks	•Conducted a questionnaire for 66 domestic suppliers based on the Sustainable Procurement Guidelines and audited them based on the results •Visited four global Group companies (in South Korea and Taiwan) to conduct interviews on procurement
	Pursuit of product quality and product safety	Number of serious accidents (*3) related to product and system safety	Global	0 occurrences	0 occurrences
Safety reinforcement	Ensure occupational safety and health	Frequency rate: Japan (outside of Japan) (*4)	Global	0.261 (0.6)	0.460 (0.7)
		Severity rate: Japan (outside of Japan) (*4)	Global	0.006 (0.020)	0.026 (0.009)
		Number of serious accidents (*4), (*5)	Global	0 occurrences	1 occurrence
Eliminating environmental impact	Addressing climate change	Daifuku CO ₂ emissions reduction rate (compared to FY2018) (Scopes 1 + 2)	Global	51%	56.4%
		Percentage of electricity derived from renewable energy sources	Global	60%	66.6%
		Reduction rate of CO ₂ emissions from purchased goods and services (*6) (Scope 3 Category 1)	Global	•Expand and disseminate CO ₂ emissions reduction programs (*7) throughout the supply chain	•Held online briefings aimed at reducing CO ₂ emissions for 150 major suppliers in Japan and started collecting CO ₂ emissions data from suppliers
		Reduction rate of CO ₂ emissions from the use of sold products (*6) (Scope 3 Category 11)	Global	•Improve energy-saving performance of products and systems	•Implemented LCAs (Life Cycle Assessments) for all new product and system development •Considered methods to investigate the status of introduction of renewable energy sources at customer sites
	Promoting resource recycling	Landfill disposal rate	Global	Domestic: less than 1% Outside of Japan: less than 5%	Domestic: 0.9% Outside of Japan: 8.7%
		Reduction rate of waste emissions per unit sales (*8) (compared to FY2023)	Global	4%	6.8%
		Reduction rate of water consumption per unit sales (*9) (compared to FY2018)	Global	40%	37.6%
	Coexisting with nature	Rate of implementation of biodiversity conservation activities at major sites (*10)	Global	10%	36.4%
		Global expansion of Sustainability Action (*11)	Global	•Expand and raise awareness of the program	•Held two types of events to raise environmental awareness at all Group sites with a total of 557 participants

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Strengthening management structure and refining business management	Strengthening governance	Improvement of the effectiveness of the Board of Directors	Daifuku Co., Ltd	・Conduct evaluations of the effectiveness of the Board of Directors and address issues	・Implemented initiatives to refine the business management by the Board of Directors (held review meetings on capital cost management, promoted initiatives for the application of IFRS, etc.) ・For the development of prospective successors for the CEO and other positions, we enhanced training for officers and executives in accordance with management strategies, and we intensively discussed succession plans for the CEO and other positions at the Advisory Committee
		Dissemination of management philosophy and strategies	Global	・Continue to implement awareness activities for officers and employees	・Conducted e-learning on the long-term vision and four-year business plan for all employees within and outside of Japan ・Expanded video content and delivered messages from C-suite roles
		Ensuring compliance	Global	・Implement education and training on key compliance risks	・Held lectures on business-to-business transactions and customer harassment during the Compliance Awareness Month ・Implemented compliance training (total of 15 sessions, including three video training sessions) tailored to the needs of various ranks ・Established an organizational structure to promote compliance
		Implementation of countermeasures against major risks	Global	・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	・Conducted management interviews, discussed recognized critical risks (themes: cybersecurity, human resource-related risks, etc.) at the Risk Management Committee, and determined how to address them ・Began refining each risk item and formulating potential scenarios ・Discussed BCM and BCP at the Risk Management Committee again and began consideration of restructuring the crisis management systems
	Fulfillment of stakeholder communication	Number of dialogue meetings held with shareholders and investors (non-unique)	Global	More than 900 companies	1,190 companies
		Enhancement of communication with stakeholders	Global	・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	・Promoted our growth story aimed at realizing our long-term vision through the Daifuku Report and other media ・Continuously created engagement opportunities by holding IR events for shareholders and institutional investors within and outside of Japan ・Ran YouTube ads to raise awareness among young people ・Promoted our business and philosophy via TV commercials and advertisements in newspapers and on trains ・Promoted our brand by participating in exhibitions such as Logis-Tech Tokyo ・Held press conferences to spread awareness through the media ・Continued to donate used clothing and books and conducted cleanup activities in the areas surrounding our business sites
		Maintenance and improvement of evaluations from external rating agencies	Global	・CDP climate change: A- or higher ・Continue as a constituent in FTSE4Good ・MSCI ESG rating: AA or higher	・Received an A rating (the highest rating) for climate change from CDP ・Continued to be included in FTSE4Good ・Achieved an AA rating in the MSCI ESG Rating
Organizational strengthening	Staff recruitment, retention, and training	Rate of sufficiency of number of prospective successors for key positions	Global	・Develop a pool of human resources (visualize experience and skills) ・Prospective successor sufficiency rate of 100% by FY2027 (FY2023: 68%)	・Considered items and methods for collecting experience and skills (begin collecting from FY2025) ・Group’s Human Resources Committee: held twice; Global Business Human Resources Committee: held 11 times ・Prospective successor sufficiency rate for key positions: 73%
		Compounding of the human resources system in response to securement of specialized human resources	Daifuku Co., Ltd.	・Consider and implement new systems and measures (compensation, work systems, work locations, and recruitment measures for highly specialized personnel) ・Improve adopted systems	・Formed a project to establish a new base for securing technical personnel ・Began consideration of a region-specific employee system for certain job categories
	Respect for human rights	Establishment of a human rights due diligence system	Global	・Implement the human rights due diligence PDCA cycle ・Implement risk assessments within and outside of Japan ・Build grievance mechanisms	・Continued to investigate the employment status of foreign national workers (technical intern trainees, specified skilled workers) in the supply chain ・Conducted impact assessments on three suppliers in Japan ・Launched the Grievance Mechanism Introduction Project under the Sustainability Promotion Committee to consider the introduction of a grievance mechanism system
		Implementation of human rights training	Global	・Establish education and training systems on human rights ・Develop educational content for Group employees	・Held lectures and conducted group work on human rights and harassment in rank-based training in Japan ・Considered content for Group human rights training
	Diversity and inclusion	Number of female managers (ratio)	Daifuku Co., Ltd.	・60 female managers (7.6%) by FY2027	40 female managers (5.4%)
		Creation of an environment where diverse personnel can work effectively	Daifuku Co., Ltd.	・Promote internal awareness of diversity ・Create a work environment considerate of minorities	・Received the two-star Eruboshi certification (level two) from the Ministry of Health, Labour and Welfare as a company that promotes women’s participation and advancement in the workplace ・The D&I Subcommittee and Labor-Management Expert Committee identified a need for childcare-related improvements, and we plan to revise our systems in accordance with amendments to the Child Care and Family Care Leave Act (April 2025)
	Improvement of employee engagement	Engagement survey score	Global	・Score above the national average in each respective country	In Japan ・Job satisfaction 56% (Japan average 58%) ・Ease of work 51% (Japan average 58%)
		Implementation of engagement survey and issue response	Global	・Identify issues from survey results and implement countermeasures	・Visited subsidiaries outside of Japan that conducted surveys in the previous fiscal year and followed up on the measures implemented (13 companies)

※1 : Transportation Security Administration

※2 : Capital investment, R&D expenses, investment in human capital, etc.

※3 : Accidents caused by the malfunction of Daifuku's 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)

※4 : Calculations include installation contractors

※5 : Accidents resulting in death or permanent injury during work at Daifuku

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

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

※8 : Waste generated (tons) divided by net sales (100 million yen)

※9 : Water consumption (1,000 m3) divided by net sales (100 million yen)

※10 : Sites with 100 or more employees

※11 : Daifuku’s unique program for sustainability awareness and training