

FOR IMMEDIATE RELEASE

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Notice about Introduction of Board Benefit Trust (BBT)

This is to notify you that we resolved at the Board of Directors held today to introduce the Board Benefit Trust (BBT: hereinafter referred to as "the plan"), which is a new stock compensation plan for our directors and corporate officers excluding our outside directors (hereinafter referred to as "our directors, etc.") and to discuss the plan at the 100th Ordinary General Meeting of Shareholders to be held on June 24, 2016 (hereinafter referred to as "the general meeting of shareholders") as follows:

1. Background and Purpose of Introduction

Our board of directors decided to introduce the plan, provided that our shareholders approve it, for the purpose of further clarifying the relativity of the remuneration for our directors, etc., our business performance, and the stock value and enhancing their motivation to contribute to the improvement of our business performance in the medium and long term and to boosting corporate value by sharing not only the benefit of rising stock value but also the risks of a decline in stock prices. Therefore, we resolved to discuss the plan at the general meeting of shareholders.

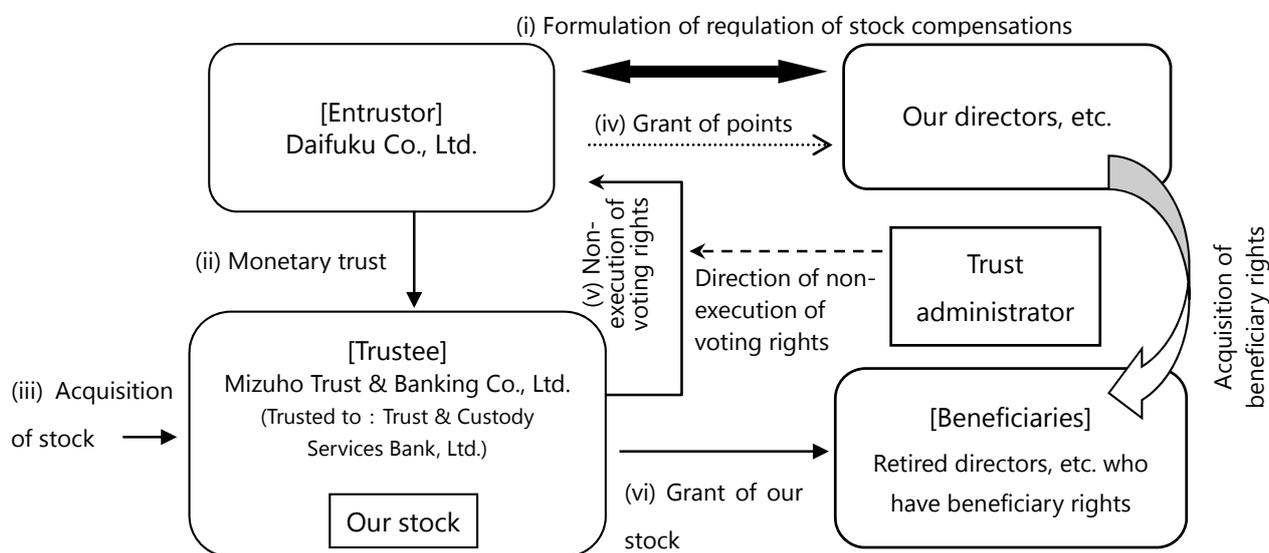
2. Outline of the Plan

(1) Briefing of the plan

The plan is a stock compensation plan directly linked to our business performance by acquiring our stock through the trust using the funds that we contribute (hereinafter referred to as "the trust") and providing remuneration for our directors, etc., through the trust, in accordance with the regulations of stock compensation for our officers. The remuneration is the monies equivalent to the amount obtained by converting the company's shares at a market price as of the retirement date (hereinafter referred to as "our stock"). As

a general rule, our stocks are provided for our directors, etc., upon retirement.

<Scheme of the Plan>



- (i) We formulate the regulation of stock compensation in the scope of the approval at the general meeting of shareholders after the resolution on the officers' remuneration of the plan at the general meeting of shareholders.
- (ii) We entrust the money in the scope of the resolution at the general meeting of shareholders mentioned in (i).
- (iii) The money entrusted as mentioned in (ii) is used by the trust for acquisition of our stock through the stock market or by way of taking up the disposition of our treasury stock.
- (iv) We grant the points to our directors, etc., based on the regulation of stock compensation.
- (v) In conformity to the direction of the independent trust administrator, the voting rights of the stock within the account of the trust shall not be executed by the trust.
- (vi) The retired our directors, etc. who have beneficiary rights in accordance with the regulation of stock compensation (hereinafter referred to as "the beneficiaries") are granted our stocks equivalent to their points by the trust. However, if our directors, etc., satisfy the requirements otherwise prescribed in the regulation of stock compensation, with regard to the certain proportion of points which are given to those our directors, etc., monies equivalent to the amount obtained by converting the company's shares at a market price as of the retirement date are granted in lieu of granting the company's shares.

(2) Beneficiaries of the plan

The beneficiaries of the plan are our directors and corporate officers (excluding our outside directors and our audit & supervisory board members).

(3) Period of the trust

The period of the trust is from August 2016 (planned) through the termination of the trust. (The termination of the trust shall not be specified. The trust is deemed to continue as long as the plan is not terminated. The plan shall be terminated, when our stock is delisted or when the regulation of stock compensation is abolished.)

(4) Money trust amount and number of shares to be acquired by the trust

Provided that introduction of the plan is approved at the general meeting of shareholders, we establish the trust by entrusting money for the trust's acquiring the number of shares estimated on a reasonable basis for granting our stock for the certain period time in advance, along the lines with the upcoming provisions (6) and (7). As prescribed in the upcoming provision (5), the trust acquires our stock using the funds that we contribute.

Specifically, we establish the trust when the trust is established as described in the above provision (3) by funding the money necessary for the subsequent three fiscal years from the fiscal year ending at the end of March 2017 through the fiscal year ending at the end of March 2019 (hereinafter referred to as "the original trust period"). The upper limit of granting points to our directors, etc., based on the plan is 140,000 points in total for the three fiscal years (including 80,000 points for directors), as prescribed in the upcoming provision (6). Therefore, we contribute funds which are estimated to be necessary on a rational basis for acquiring 140,000 shares (including 80,000 shares for directors) in consideration of the most recent closing price of our common stock at the Tokyo Stock Exchange. For reference, if the closing stock price 1,981 yen of May 11, 2016, is applied, the necessary fund described in the above becomes about 278 million yen.

After the original trust period is over and until the plan is terminated, we will establish the additional trust by entrusting money for the trust's acquiring the number of shares estimated on a reasonable basis for granting our stock in advance, along the lines with the upcoming provisions (6) and (7), as in the same way as when we newly established the trust. In case we establish the additional trust, we will disclose this matter on a timely basis in the proper way.

(5) Acquisition method and upper limit of our stock

The stock is acquired by the trust using the fund described in the above provision (4) through the stock market or by way of taking up our treasury stock. In the original trust period after the establishment without delay, up to 140,000 shares (including 80,000 shares for directors) shall be acquired. The details of the acquisition method of the trust shall be notified later soon after the decision is made.

- (6) Calculation method and upper limit of number of shares to be compensated to our directors, etc.

Our directors, etc., are granted the points at our board meeting after discussions at the advisory committee meeting, depending on his/her contributions and the business performance of each fiscal year. In addition, the level of achievement of the business target specified in the medium-term business plan in the final fiscal year of the medium-term business plan becomes a basis for the judgement. (We have the Advisory Committee to deliberate on the nomination and/or appointment of candidates of management team members and the remuneration of management. The Advisory Committee consists of our representative directors and our outside directors; one of our outside directors serves as the chairman.)

The upper limit of granting points to our directors, etc., based on the plan is 140,000 points in total for the three fiscal years (including 80,000 points for directors), which is equivalent to 140,000 shares (our common stock). This has been decided in consideration of the current level of remuneration for our officers, the trend of the number of our directors, etc., and the future prospects in a comprehensive manner. We believe that this is fair and adequate.

The points granted to our directors, etc., are converted to our common stock in granting shares as prescribed in the upcoming provision (7): one point shall be converted to one share. (However, in case of stock split, allotment of stock without contribution or reverse stock split, our stock shall be adjusted on a rational basis in accordance with the conversion rate, after it is resolved at the general meeting of shareholders.)

- (7) Timing of stock compensation

Our directors, etc., who have beneficiary rights in conformity with the regulation of stock compensation are entitled to receive stock compensation based on the points described in the above provision (6), provided that they have finished the specific procedure to establish the beneficiary rights at the retirement. However, if our directors, etc., satisfy the requirements otherwise prescribed in the regulation of stock compensation in addition to the requirements

for beneficiaries, with regard to the certain proportion of points which are given to those our directors, etc., monies equivalent to the amount obtained by converting the company's shares at a market price as of the retirement date are granted in lieu of granting the company's shares. For this case, our stock of the trust may be sold for granting monies.

(8) Voting rights of stock of the trust

The voting rights of stock within the account of the trust shall not be executed, in accordance with the direction of the trust administrator, without exception. This rule is intended to maintain neutrality in our business management, in terms of execution of voting rights of the company's stocks within the account of the trust.

(9) Dividends of stock

The dividends of the stock of the trust are distributed to the trust and used for acquisition of the stock or stock compensation to trustees pertaining to the trust. When the trust is terminated, the dividends remaining in the trust shall be distributed to our directors, etc., in proportion to their points in office at the time.

(10) Termination of the trust

The trust shall be terminated when our stock is delisted, when the regulation of stock compensation is abolished, or due to other reasons. Our stock in the remaining asset of the trust as of the termination of the trust is wholly transferred to our company without remuneration, finally to be cancelled by a resolution of the board. The cash equivalents in the remaining asset of the trust at the time of termination of the trust are transferred to our company, after the portion of stock compensation to our directors, etc., is deducted, as mentioned in the above provision (9).

[Summary of the Trust]

- (i) Name: Board Benefit Trust (BBT)
- (ii) Entrustor: Daifuku Co., Ltd.
- (iii) Trustee: Mizuho Trust & Banking Co., Ltd. (Trusted to: Trust & Custody Services Bank, Ltd.)
- (iv) Beneficiaries: Retired directors, etc. who have beneficiary rights in accordance with the regulation of stock compensation
- (v) Trust administrator: We plan to appoint a completely independent person who has no stake with our company.
- (vi) Trust type: Trust of cash equivalents other than monetary trust (Non-beneficiary trust)
- (vii) Contract day of the trust: August, 2016 (planned)

(viii) Monetary trust day: August, 2016 (planned)

(ix) Trust period: From August 2016 (planned) through the termination of the trust. (The termination of the trust shall not be specified. The trust is deemed to continue as long as the plan is not terminated.)

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