

**Summary of Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2021
[Japan GAAP]**

Prepared in accordance with accounting principles generally accepted in Japan
Translated from the original Japanese-language document

August 6, 2020

Daifuku Co., Ltd.

Stock code: 6383, First Section of Tokyo Stock Exchange

URL: www.daifuku.com/jp

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Scheduled date for filing quarterly financial report: August 7, 2020

Scheduled date of commencing dividend payment: -

Quarterly earnings supplementary materials: Yes

Quarterly earnings presentation: Yes (for institutional investors and securities analysts)

Note: Figures are rounded down to the nearest one million yen.

1. Consolidated Financial Results for the First Quarter of Fiscal 2020

(April 1, 2020 - June 30, 2020)

(1) Operating results

(Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of fiscal 2020	113,968	18.5	9,025	40.5	9,877	50.8	7,394	41.4
First quarter of fiscal 2019	96,160	(1.1)	6,423	(24.5)	6,551	(27.0)	5,229	(53.4)

Note: Comprehensive income

First quarter of fiscal 2020: 5,370 million yen 6.9%

First quarter of fiscal 2019: 5,022 million yen (27.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter of fiscal 2020	58.73	—
First quarter of fiscal 2019	41.56	—

(2) Financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
First quarter of fiscal 2020	423,433	237,428	55.0
Fiscal 2019	410,887	237,356	56.7

Reference: Shareholders' equity

First quarter of fiscal 2020: 232,772 million yen

Fiscal 2019: 232,961 million yen

2. Dividends

	Dividend per share				
	Q1-end	Q2-end	Q3-end	FY-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2019	—	30.00	—	45.00	75.00
Fiscal 2020	—				
Fiscal 2020 (forecast)		30.00	—	45.00	75.00

Note: Revisions to the latest dividend forecast: None

3. Consolidated Earnings Forecast for Fiscal 2020

(April 1, 2020 - March 31, 2021)

(Percentage figures denote increases or decreases compared with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	212,000	1.6	16,300	(5.7)	16,900	(4.1)	11,600	(11.9)	92.16
Full-year	460,000	3.7	41,000	1.2	41,800	2.0	29,000	3.3	230.40

Note: Revisions to the latest consolidated financial forecast: None

Notes:

- (1) Changes in significant subsidiaries that affected the scope of consolidation during the first quarter: None
- (2) Adoption of specific accounting methods for preparing the quarterly consolidated financial statements:
None
- (3) Changes in accounting policies, accounting estimates, and restatement
 - 1) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: None
 - 2) Changes in accounting policies other than 1): None
 - 3) Changes in accounting estimates: None
 - 4) Restatement: None
- (4) Number of shares issued (common stock)
 - 1) Number of shares issued including treasury stock at the end of the period
First quarter of fiscal 2020: 126,610,077 shares
Fiscal 2019: 126,610,077 shares
 - 2) Number of treasury stock at the end of the period
First quarter of fiscal 2020: 692,027 shares
Fiscal 2019: 703,806 shares
 - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
First quarter of fiscal 2020: 125,915,408 shares
First quarter of fiscal 2019: 125,824,281 shares

Note: The number of treasury stock at the end of the period includes shares owned by the Board Benefit Trust (BBT) and a trust on behalf of Daifuku employees' shareholding association. The number of treasury stock at the end of the first quarter of the fiscal year ending March 31, 2021 includes 156,100 shares owned by the BBT. The number of treasury stock at the end of the fiscal year ended March 31, 2020 included 159,100 shares owned by the BBT. In addition, the number of treasury stock at the end of the first quarter of the fiscal year ending March 31, 2021 includes 52,700 shares owned by the trust on behalf of Daifuku employees' shareholding association. The number of treasury stock at the end of the fiscal year ended March 31, 2020 included 61,900 shares owned by the trust on behalf of Daifuku employees' shareholding association.

These quarterly consolidated financial statements are not subject to audit through the certified public accountant or an auditing firm.

Disclaimer

The business forecasts contained in this document are based on information available to management at the present time and certain assumptions judged to be rational. As such, actual sales and income may differ from this forecast due to uncertain factors present in the forecast or future changes in business circumstances.

Quarterly earnings supplementary materials are available at the [TDnet](#) and our website: www.daifuku.com/ir

Consolidated Financial Statements

(1) Consolidated balance sheets

(Million yen)

	FY2019 (ended March 31, 2020)	FY2020 Q1 (ended June 30, 2020)
ASSETS		
Current assets:		
Cash on hand and in banks	70,907	89,118
Notes and accounts receivable and unbilled receivables	202,712	191,196
Merchandise and finished goods	6,453	6,916
Costs incurred on uncompleted construction contracts and other	11,169	12,436
Raw materials and supplies	15,720	18,244
Other current assets	13,103	13,494
Allowance for doubtful accounts	(383)	(343)
Total current assets	319,683	331,064
Non-current assets:		
Property, plant and equipment	47,343	47,721
Intangible assets		
Goodwill	4,891	4,872
Other	5,242	5,769
Total intangible assets	10,133	10,641
Investments and other assets		
Other	33,896	34,172
Allowance for doubtful accounts	(169)	(167)
Total investments and other assets	33,727	34,004
Total non-current assets	91,204	92,368
Total assets	410,887	423,433
LIABILITIES		
Current liabilities:		
Notes and accounts payable and construction contracts payable	46,509	43,528
Electronically recorded obligations - operating	22,587	24,073
Short-term borrowings and current portion of long-term borrowings	11,772	21,532
Income taxes payable	2,599	5,022
Advances received on uncompleted construction contracts and other	33,091	33,383
Provision for losses on construction contracts	263	301
Other current liabilities	21,870	23,528
Total current liabilities	138,695	151,370
Non-current liabilities:		
Long-term borrowings	21,645	21,241
Liabilities for retirement benefits	8,082	8,062
Other reserves	330	356
Other non-current liabilities	4,777	4,973
Total non-current liabilities	34,836	34,633
Total liabilities	173,531	186,004

(Million yen)

	FY2019 (ended March 31, 2020)	FY2020 Q1 (ended June 30, 2020)
NET ASSETS		
Shareholders' equity:		
Common stock	31,865	31,865
Capital surplus	21,987	21,988
Retained earnings	179,292	181,168
Treasury stock	(1,430)	(1,370)
Total shareholders' equity	231,714	233,651
Accumulated other comprehensive income:		
Net unrealized gain (loss) on securities	2,716	3,300
Deferred gain (loss) on hedges	(89)	(266)
Foreign currency translation adjustments	1,038	(1,706)
Accumulated adjustments on retirement benefits	(2,419)	(2,206)
Total accumulated other comprehensive income	1,246	(879)
Non-controlling interests:		
	4,394	4,656
Total net assets	237,356	237,428
Total liabilities and net assets	410,887	423,433

(2) Consolidated statements of income and comprehensive income

(Million yen)

	FY2019 Q1 (April 1, 2019 - June 30, 2019)	FY2020 Q1 (April 1, 2020 - June 30, 2020)
Net sales	96,160	113,968
Cost of sales	79,126	94,125
Gross profit	17,034	19,843
Selling, general and administrative expenses:		
Selling expenses	4,269	4,048
General and administrative expenses	6,340	6,769
Total selling, general and administrative expenses	10,610	10,818
Operating income	6,423	9,025
Other income:		
Interest income	151	132
Dividend income	233	224
Foreign exchange gain	—	473
Rent income	54	55
Miscellaneous income	127	149
Total other income	566	1,036
Other expenses:		
Interest expenses	217	149
Foreign exchange loss	171	—
Miscellaneous expenses	50	34
Total other expenses	439	184
Ordinary income	6,551	9,877
Extraordinary income:		
Gain on sales of property, plant and equipment	0	0
Gain on sales of investments in securities	618	—
Total extraordinary income	619	0
Extraordinary loss:		
Loss on disposal or sales of property, plant and equipment	4	21
Total extraordinary loss	4	21
Income before income taxes and non-controlling interests	7,165	9,856
Income taxes - current	1,508	3,673
Income taxes - deferred	263	(1,327)
Total income taxes	1,771	2,346
Net income	5,393	7,510
Net income attributable to:		
Shareholders of the parent company	5,229	7,394
Non-controlling interests	164	116

(Million yen)

	FY2019 Q1 (April 1, 2019 - June 30, 2019)	FY2020 Q1 (April 1, 2020 - June 30, 2020)
Other comprehensive income		
Net unrealized gain (loss) on securities	(811)	585
Deferred gain (loss) on hedges	56	(177)
Foreign currency translation adjustments	301	(2,759)
Adjustments on retirement benefits	75	217
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	5	(6)
Total other comprehensive income (loss)	(371)	(2,140)
Comprehensive income:	5,022	5,370
Comprehensive income (loss) attributable to:		
Shareholders of the parent company	5,031	5,269
Non-controlling interests	(8)	101

(3) Notes on consolidated financial statements

Notes on going concern assumption

Not applicable

Notes for a material change in the amount of shareholders' equity

Not applicable

Segment information

I. The first quarter of the previous fiscal year ended March 31, 2020 (from April 1, 2019 to June 30, 2019)

1. Information relating to the amounts of net sales and income (loss) by reportable segment

(Million yen)

	Reportable segment					Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Total		
Net sales							
Sales to outside customers	40,188	3,428	21,944	8,011	73,572	22,389	95,961
Intersegment sales or transfers	10,562	2,353	187	1,633	14,736	2,983	17,720
Total	50,750	5,781	22,131	9,645	88,309	25,372	113,682
Segment income (loss)	2,320	380	1,346	983	5,030	414	5,445

* "Other" represents an operating segment comprising subsidiaries that are not included in reportable segments.

2. Differences between total amounts of net sales and income (loss) of reportable segments and those in quarterly consolidated statements of income and comprehensive income and details thereof (matters relating to difference reconciliation)

(Million yen)

Net sales	
Reportable segment total	88,309
Net sales classified in "Other"	25,372
Elimination of intersegment transactions	(17,720)
Other adjustments for consolidation	198
Net sales in quarterly consolidated financial statements	96,160

(Million yen)

Segment income	
Reportable segment total	5,030
Segment income classified in "Other"	414
Elimination of cash dividends from affiliates	(117)
Other adjustments for consolidation	(98)
Net income attributable to shareholders of the parent company in quarterly consolidated financial statements	5,229

II. The first quarter of the fiscal year ending March 31, 2021 (from April 1, 2020 to June 30, 2020)

1. Information relating to the amounts of net sales and income (loss) by reportable segment

(Million yen)

	Reportable segment					Other*	Total
	Daifuku	Contec	Daifuku North America	Clean Factomation	Total		
Net sales							
Sales to outside customers	50,608	3,972	33,982	7,241	95,805	17,117	112,922
Intersegment sales or transfers	7,635	2,693	65	567	10,961	3,127	14,089
Total	58,244	6,665	34,048	7,808	106,767	20,244	127,011
Segment income (loss)	4,564	328	1,248	1,192	7,333	403	7,737

* "Other" represents an operating segment comprising subsidiaries that are not included in reportable segments.

2. Differences between total amounts of net sales and income (loss) of reportable segments and those in quarterly consolidated statements of income and comprehensive income and details thereof (matters relating to difference reconciliation)

(Million yen)

Net sales	
Reportable segment total	106,767
Net sales classified in "Other"	20,244
Elimination of intersegment transactions	(14,089)
Other adjustments for consolidation	1,045
Net sales in quarterly consolidated financial statements	113,968

(Million yen)

Segment income	
Reportable segment total	7,333
Segment income classified in "Other"	403
Elimination of cash dividends from affiliates	(238)
Other adjustments for consolidation	(104)
Net income attributable to shareholders of the parent company in quarterly consolidated financial statements	7,394