

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 [Japan GAAP]

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

May 14, 2015

Daifuku Co., Ltd.

Stock code: 6383, First Section of Tokyo Stock Exchange

URL: www.daifuku.co.jp

Representative: Masaki Hojo, President and CEO

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Scheduled date of general meeting of shareholders: June 26, 2015

Scheduled date of commencing dividend payment: June 29, 2015

Scheduled date for filing financial statements: June 29, 2015

Earnings supplementary materials: Yes

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 Fiscal Year Ended March 31, 2015

(April 1, 2014 - March 31, 2015)

(1) Operating results

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2014	267,284	10.5	14,883	18.5	15,783	19.6	9,810	26.7
Fiscal 2013	241,811	19.5	12,556	56.8	13,191	64.9	7,740	74.4

Note: Comprehensive income

Fiscal 2014: 13,599 million yen (-23.4 %)

Fiscal 2013: 17,752 million yen (60.7 %)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal 2014	88.59	80.60	9.6	6.1	5.6
Fiscal 2013	69.96	66.67	8.6	5.8	5.2

Reference: Equity in earnings of non-consolidated subsidiaries and affiliates during period

Fiscal 2014: 113 million yen

Fiscal 2013: 69 million yen

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal 2014	271,011	111,521	39.8	972.75
Fiscal 2013	249,531	99,690	38.8	875.14

Reference: Shareholders' equity

Fiscal 2014: 107,797 million yen

Fiscal 2013: 96,842 million yen

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of year
	Million yen	Million yen	Million yen	Million yen
Fiscal 2014	6,425	-5,977	-509	54,081
Fiscal 2013	20,447	-7,372	1,045	51,852

2. Dividends

	Dividend per share					Total cash dividends (annual)	Dividends payout (consolidated)	Net assets dividend ratio (consolidated)
	End of Q1	End of Q2	End of Q3	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal 2013	—	5.00	—	13.00	18.00	1,997	25.7	2.2
Fiscal 2014	—	7.00	—	15.00	22.00	2,443	24.8	2.4
Fiscal 2015 (forecast)	—	10.00	—	15.00	25.00		23.1	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2016

(April 1, 2015- March 31, 2016)

(Figures in percentage denote the year-on-year change from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable shareholders of the parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	150,000	21.0	7,000	24.1	7,000	13.8	5,000	18.7	45.15
Full-year	320,000	19.7	18,000	20.9	18,200	15.3	12,000	22.3	108.36

Notes:

(1) Changes in significant subsidiaries that affected the scope of consolidation during the fiscal year: None

(2) Changes in accounting policies, accounting estimates, and restatement

1) Changes in accounting standards associated with the revisions of accounting standards: Yes

2) Other changes: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of shares issued (Common stock)

1) Number of shares issued including treasury stock at the end of the period

Fiscal 2014: **113,671,494 shares**

Fiscal 2013: 113,671,494 shares

2) Number of treasury stock at the end of the period

Fiscal 2014: **2,853,707 shares**

Fiscal 2013: 3,012,390 shares

3) Average number of shares during the period

Fiscal 2014: **110,746,022 shares**

Fiscal 2013: 110,645,879 shares

Note: Common stock in the consolidated financial statements includes the shares owned by Daifuku employees' shareholding association through E-Ship, stated as treasury stock. Accordingly, with respect to the Company's shares owned by the Daifuku employees' shareholding association, 260,600 shares are included in above "2) Number of treasury stock at the end of the period" and 334,408 shares are deducted from above "3) Average number of shares during the period."

Audit status

These consolidated financial statements are exempted from audit requirements as provided in Japan's Financial Instruments and Exchange Act. At the time of disclosure of these statements, the audit for the financial statements under this Act has not been completed.

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.

Earnings supplementary materials are available at our website: www.daifuku.com.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	FY2013 (Year ended March 31, 2014)	FY2014 (Year ended March 31, 2015)
ASSETS		
Current assets:		
Cash on hand and in banks	52,132	54,202
Notes and accounts receivable and unbilled receivables	74,217	76,645
Costs and estimated earnings in excess of billings on uncompleted contracts	15,334	19,414
Merchandise and finished goods	3,307	3,561
Costs incurred on uncompleted construction contracts and other	6,599	8,990
Raw materials and supplies	10,475	11,980
Deferred income taxes	3,502	2,810
Other current assets	5,349	7,574
Allowance for doubtful accounts	(137)	(137)
Total current assets	170,781	185,041
Non-current assets:		
Property, plant and equipment		
Net buildings and structures	14,618	14,754
Net machinery and vehicles	3,457	3,507
Net tools and fixtures	1,409	1,830
Land	11,801	12,018
Other, net	2,788	2,562
Total property, plant and equipment	34,075	34,673
Intangible assets		
Software	1,944	3,100
Goodwill	10,139	12,905
Other	2,772	3,040
Total intangible assets	14,856	19,045
Investments and other assets		
Investments in securities	20,628	21,728
Long-term loans	142	125
Net defined benefit assets	268	643
Deferred income taxes	5,800	6,130
Other	3,109	3,752
Allowance for doubtful accounts	(131)	(129)
Total investments and other assets	29,817	32,251
Total non-current assets	78,749	85,970
Total assets	249,531	271,011

(Million yen)

	FY2013 (Year ended March 31, 2014)	FY2014 (Year ended March 31, 2015)
LIABILITIES		
Current liabilities:		
Notes and accounts payable and construction contracts payable	36,818	36,568
Electronically recorded obligations - operating	10,061	10,827
Short-term borrowings	7,014	12,904
Income taxes payable	3,991	1,210
Provision for losses on construction contracts	275	505
Other current liabilities	25,548	31,837
Total current liabilities	83,711	93,853
Non-current liabilities:		
Bonds	2,700	2,700
Bonds with stock acquisition rights	15,131	15,093
Long-term borrowings	33,298	29,849
Deferred income taxes	1,410	1,580
Net defined benefit liabilities	8,681	12,142
Negative goodwill	239	179
Other non-current liabilities	4,667	4,091
Total non-current liabilities	66,129	65,636
Total liabilities	149,840	159,490
NET ASSETS		
Shareholders' equity:		
Common stock	8,024	8,024
Capital surplus	9,239	9,239
Retained earnings	76,009	83,626
Treasury stock	(2,620)	(2,419)
Total shareholders' equity	90,652	98,469
Accumulated other comprehensive income:		
Net unrealized gain on securities	3,102	4,639
Deferred gain (loss) on hedges	(29)	(72)
Foreign currency translation adjustments	5,310	10,542
Remeasurements of defined benefit plans	(2,194)	(5,781)
Total accumulated other comprehensive income	6,189	9,327
Minority interests:	2,848	3,723
Total net assets	99,690	111,521
Total liabilities and net assets	249,531	271,011

(2) Consolidated Statements of Income and Comprehensive Income

(Million yen)

	FY2013 (April 1, 2013 - March 31, 2014)	FY2014 (April 1, 2014 - March 31, 2015)
Net sales	241,811	267,284
Cost of sales	194,974	215,641
Gross profit	46,836	51,642
Selling, general and administrative expenses:		
Selling expenses	16,716	17,729
General and administrative expenses	17,562	19,029
Total selling, general and administrative expenses	34,279	36,759
Operating income	12,556	14,883
Other income:		
Interest income	215	169
Dividend income	261	304
Foreign exchange gain	468	177
Amortization of negative goodwill	59	59
Land and house rental revenue	226	173
Refunded foreign taxes	—	168
Other	394	416
Total other income	1,626	1,470
Other expenses:		
Interest expenses	810	463
Other	181	107
Total other expenses	991	570
Ordinary income	13,191	15,783
Extraordinary income:		
Gain on sales of property, plant and equipment	6	167
Gain on sales of investments in securities	—	300
Other	—	9
Total extraordinary income	6	477
Extraordinary loss:		
Loss on sales of property, plant and equipment	393	36
Loss on disposal of property, plant and equipment	68	138
Impairment loss	370	457
Loss on sales of shares in affiliates	148	—
Loss on liquidation of subsidiaries and associates	—	160
Special retirement benefit	—	125
Other	80	130
Total extraordinary loss	1,060	1,049
Income before income taxes and minority interests	12,137	15,211
Income taxes - current	5,634	3,139
Income taxes - deferred	(1,545)	1,904
Total income taxes	4,088	5,043
Income before minority interests	8,048	10,168
Minority interests in net income	308	357
Net income	7,740	9,810

(Million yen)

	FY2013 (April 1, 2013 - March 31, 2014)	FY2014 (April 1, 2014 - March 31, 2015)
Minority interests in net income	308	357
Income before minority interests	8,048	10,168
Other comprehensive income		
Net unrealized gain on securities	1,417	1,541
Deferred gain (loss) on hedges	(23)	(6)
Foreign currency translation adjustments	7,193	5,959
Adjustments on retirement benefits	—	(3,500)
Share of other comprehensive income of affiliates accounted for by the equity method	1,115	(562)
Total other comprehensive income	9,703	3,431
Comprehensive income:	17,752	13,599
Comprehensive income attributable to:		
Shareholders of the parent company	17,073	12,948
Minority interests	679	650

(3) Consolidated Statements of Changes in Net Assets
FY2013 (April 1, 2013 - March 31, 2014)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	8,024	9,028	69,859	(2,424)	84,486
Cumulative effects of changes in accounting policies					
Restated balance	8,024	9,028	69,859	(2,424)	84,486
Changes of items during the period					
Dividends from surplus			(1,659)		(1,659)
Net income			7,740		7,740
Purchase of treasury stock				(594)	(594)
Disposal of treasury stock		210		398	609
Decrease due to acquisition of shares in a subsidiary			69		69
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	210	6,150	(196)	6,165
Balance at the end of the period	8,024	9,239	76,009	(2,620)	90,652

	Accumulated other comprehensive income					Minority interests	Total net assets
	Net unrealized gain on securities	Deferred gain (loss) on hedges	Foreign currency translation adjustments	Accumulated adjustments on retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the period	1,809	(14)	(2,743)	–	(948)	2,147	85,685
Cumulative effects of changes in accounting policies							
Restated balance	1,809	(14)	(2,743)	–	(948)	2,147	85,685
Changes of items during the period							
Dividends from surplus							(1,659)
Net income							7,740
Purchase of treasury stock							(594)
Disposal of treasury stock							609
Decrease due to acquisition of shares in a subsidiary							69
Net changes of items other than shareholders' equity	1,293	(14)	8,053	(2,194)	7,138	700	7,839
Total changes of items during the period	1,293	(14)	8,053	(2,194)	7,138	700	14,004
Balance at the end of the period	3,102	(29)	5,310	(2,194)	6,189	2,848	99,690

FY2014 (April 1, 2014 - March 31, 2015)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	8,024	9,239	76,009	(2,620)	90,652
Cumulative effects of changes in accounting policies			28		28
Restated balance	8,024	9,239	76,038	(2,620)	90,680
Changes of items during the period					
Dividends from surplus			(2,221)		(2,221)
Net income			9,810		9,810
Purchase of treasury stock				(5)	(5)
Disposal of treasury stock		0		206	206
Decrease due to acquisition of shares in a subsidiary			(1)		(1)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	7,587	201	7,789
Balance at the end of the period	8,024	9,239	83,626	(2,419)	98,469

	Accumulated other comprehensive income					Minority interests	Total net assets
	Net unrealized gain on securities	Deferred gain (loss) on hedges	Foreign currency translation adjustments	Accumulated adjustments on retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the period	3,102	(29)	5,310	(2,194)	6,189	2,848	99,690
Cumulative effects of changes in accounting policies							28
Restated balance	3,102	(29)	5,310	(2,194)	6,189	2,848	99,718
Changes of items during the period							
Dividends from surplus							(2,221)
Net income							9,810
Purchase of treasury stock							(5)
Disposal of treasury stock							206
Decrease due to acquisition of shares in a subsidiary							(1)
Net changes of items other than shareholders' equity	1,536	(42)	5,231	(3,587)	3,138	875	4,013
Total changes of items during the period	1,536	(42)	5,231	(3,587)	3,138	875	11,802
Balance at the end of the period	4,639	(72)	10,542	(5,781)	9,327	3,723	111,521

(4) Consolidated Statements of Cash Flows

(Million yen)

	FY2013 (April 1, 2013 - March 31, 2014)	FY2014 (April 1, 2014 - March 31, 2015)
Cash flows from operating activities:		
Income before income taxes and minority interests	12,137	15,211
Depreciation	3,821	4,157
Impairment loss	370	457
Amortization of goodwill	743	914
Amortization of negative goodwill	(59)	(59)
Interest and dividend income	(476)	(474)
Interest expenses	810	463
Loss on disposal or sales of property, plant and equipment	455	7
Decrease in notes and accounts receivable	1,747	2,624
Decrease (increase) in inventories	(310)	(2,686)
Increase in notes and accounts payable	4,821	(3,657)
Increase in advances received on uncompleted contracts	324	(645)
Other	(683)	(3,185)
Subtotal	23,701	13,127
Interest and dividend income received	478	473
Interest expenses paid	(856)	(486)
Income taxes refund (paid)	(3,163)	(6,891)
Other	286	202
Net cash provided by operating activities	20,447	6,425
Cash flows from investing activities:		
Payments for acquisition of shares in newly consolidated subsidiaries	(4,202)	(3,140)
Investments in time deposits	(409)	(91)
Proceeds from refund of time deposits	389	263
Payments for purchase of non-current assets	(3,155)	(3,666)
Proceeds from sales of non-current assets	425	253
Payments for purchase of investments in securities	(321)	(227)
Payments for acquisition of shares in affiliates	(293)	(121)
Collection of loans receivable	3	4
Other	190	748
Net cash used in investing activities	(7,372)	(5,977)

(Million yen)

	FY2013 (April 1, 2013 - March 31, 2014)	FY2014 (April 1, 2014 - March 31, 2015)
Cash flows from financing activities:		
(Decrease) Increase in short-term borrowings, net	755	834
Proceeds from long-term borrowings	14,360	1,512
Repayment of long-term borrowings	(24,071)	(592)
Proceeds from issuance of bonds with stock acquisition rights	15,150	—
Proceeds from issuance of bonds	2,700	—
Redemption of bonds	(6,000)	—
Proceeds from disposal of treasury stock	610	206
Payments for purchase of treasury stock	(594)	(5)
Payments of cash dividends	(1,656)	(2,218)
Other	(209)	(245)
Net cash provided by financing activities	1,045	(509)
Effect of exchange rate change on cash and cash equivalents	3,201	2,170
Net increase in cash and cash equivalents	17,320	2,109
Cash and cash equivalents, beginning of the year	33,722	51,852
Increase in cash and cash equivalents resulting from change of scope of consolidation	808	119
Cash and cash equivalents, end of the year	51,852	54,081