

Consolidated Financial Results

First Three Quarters of the Fiscal Year Ending March 31, 2019

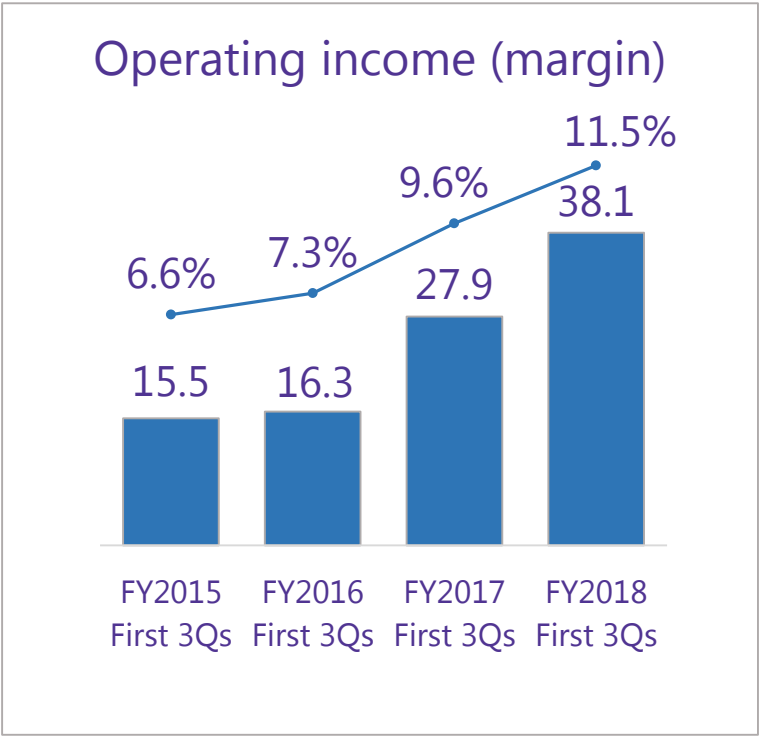
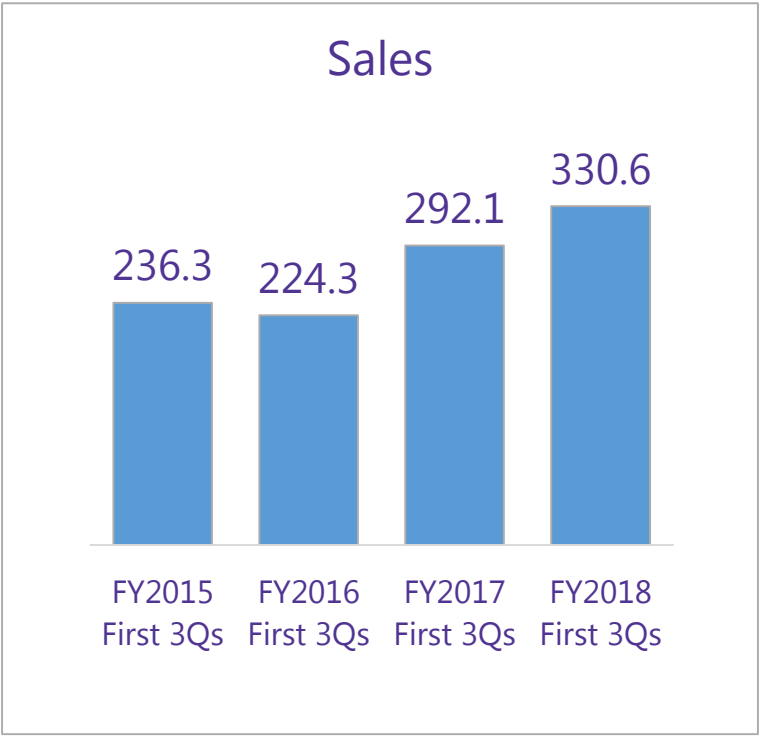
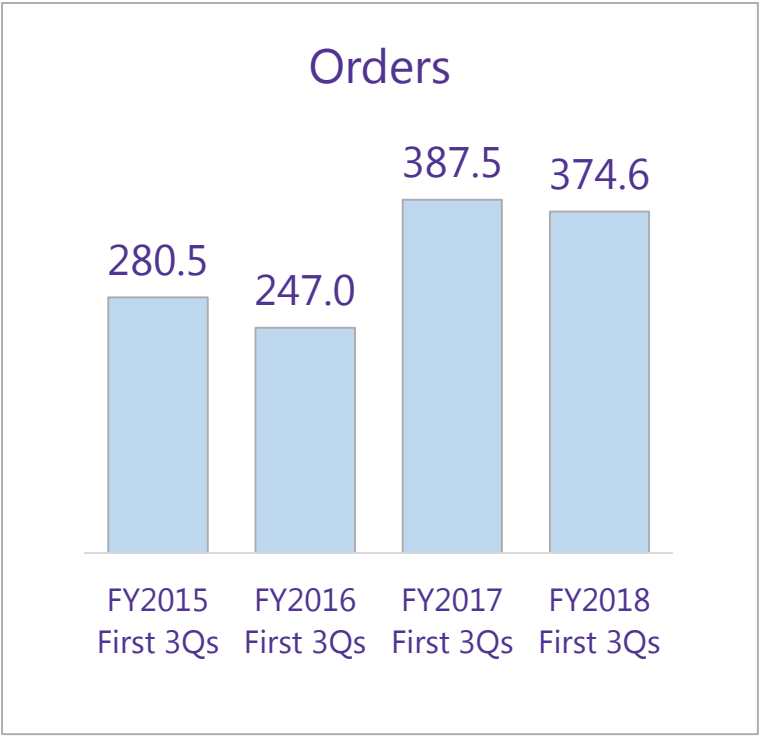
(April 1, 2018 - December 31, 2018)

February 8, 2019

DAIFUKU CO., LTD.

- ✓ Orders: Maintained high levels, driven by large projects for semiconductor factories and distributors
- ✓ Sales: Remained positive with enhanced production capacity in anticipation of robust demand
- ✓ Operating income:
Increased, reflecting growing earnings strength from higher sales by the parent company Daifuku Co., Ltd., as well as favorable earnings of a subsidiary in East Asia

(Billion yen)



FY2018 First 3Qs Results (Consolidated)

(Billion yen)

	FY2017 first 3Qs	FY2018 first 3Qs	Year-on-year
Orders	387.54	374.68	-3.3%
Net sales	292.16	330.65	13.2%
Operating income	27.97	38.10	36.2%
Ordinary income	29.01	39.03	34.5%
Net income attributable to shareholders of the parent company	20.31	32.69	60.9%
Comprehensive income	23.86	30.66	28.5%

Net income per share	166.23 yen	259.93 yen
Exchange rate (per 1 U.S. dollar)	111.80 yen	109.64 yen

✓ Sales and income reached new record highs during the first 3Qs of FY2018.

✓ Extraordinary income included about 6.9 billion yen from the sale of shares of equity-method affiliate Knapp AG during Q1.

Results by Reportable Segment

(Billion yen)

	Orders (Orders from outside customers)		Net sales (Sales to outside customers)		Segment income (Net income attributable to shareholders of the parent company)	
	FY2017 first 3Qs	FY2018 first 3Qs	FY2017 first 3Qs	FY2018 first 3Qs	FY2017 first 3Qs	FY2018 first 3Qs
Daifuku	174.19	175.03	132.89	144.10	15.41	24.43
Contec	12.17	12.60	11.28	12.27	0.65	0.98
Daifuku North America	89.79	88.15	74.12	68.24	2.15	3.59
Clean Factomation*	24.01	28.84	15.90	26.28	1.23	2.20
Daifuku Plusmore	8.68	8.87	8.68	8.79	0.06	0.12
Other	78.67	61.16	51.81	68.31	2.00	3.50
Consolidated adjustment and other	-	-	-2.54	2.64	-1.22	-2.15
Total	387.54	374.68	292.16	330.65	20.31	32.69

✓ Daifuku:
Received an order for its first-ever airport baggage handling system in Japan. Income increased significantly due to increased sales and improved costs.

✓ Daifuku North America:
Reflected delays in receiving orders and in the progress of projects. Income improved.

✓ Clean Factomation*:
Results remained strong.

*Clean Factomation, Inc., Daifuku's wholly owned subsidiary in South Korea, mainly provides cleanroom transport systems to the country's semiconductor manufacturers.

Consolidated Balance Sheets

(Billion yen)

	FY2017	FY2018 Q3	Change
Current assets	286.08	330.25	44.17
Cash on hand and in banks	85.16	103.53	18.37
Notes and accounts receivable	163.10	174.92	11.82
Inventories	27.03	39.80	12.76
Other	10.78	11.99	1.21
Non-current assets	86.92	81.56	-5.36
Property, plant and equipment	35.25	36.35	1.09
Intangible assets	14.03	13.27	-0.76
Goodwill	8.79	7.94	-0.84
Other	5.24	5.33	0.08
Investments and other assets	37.63	31.93	-5.69
Total assets	373.01	411.82	38.80

	FY2017	FY2018 Q3	Change
Current liabilities	148.78	170.58	21.79
Notes and accounts payable	69.27	79.22	9.94
Short-term borrowings and bonds	19.96	28.96	9.00
Other	59.54	62.39	2.85
Non-current liabilities	32.74	28.59	-4.15
Long-term borrowings and bonds	18.00	18.04	0.04
Other	14.74	10.54	-4.20
Total Liabilities	181.53	199.17	17.63
Shareholders' equity	181.45	204.74	23.28
Common stock	31.86	31.86	-
Retained earnings	129.65	152.91	23.25
Other	19.93	19.96	0.03
Accumulated other comprehensive income	6.42	3.86	-2.55
Non-controlling interests	3.59	4.03	0.44
Total net assets	191.47	212.64	21.17
Total liabilities and net assets	373.01	411.82	38.80

✓ Total assets:
Increased by 38.8 billion yen
[Main factors]
Increases in cash on hand and in banks and notes and accounts receivable and unbilled receivables

✓ Liabilities:
Increased by 17.6 billion yen
[Main factors]
Increases in advances received on uncompleted construction contracts and other, short-term borrowings, and in notes and accounts payable and construction contracts payable

✓ Net assets:
Increased by 21.1 billion yen
[Main factors]
An increase of 23.2 billion yen in retained earnings

Orders and Sales by Industry (Consolidated)

(Billion yen)

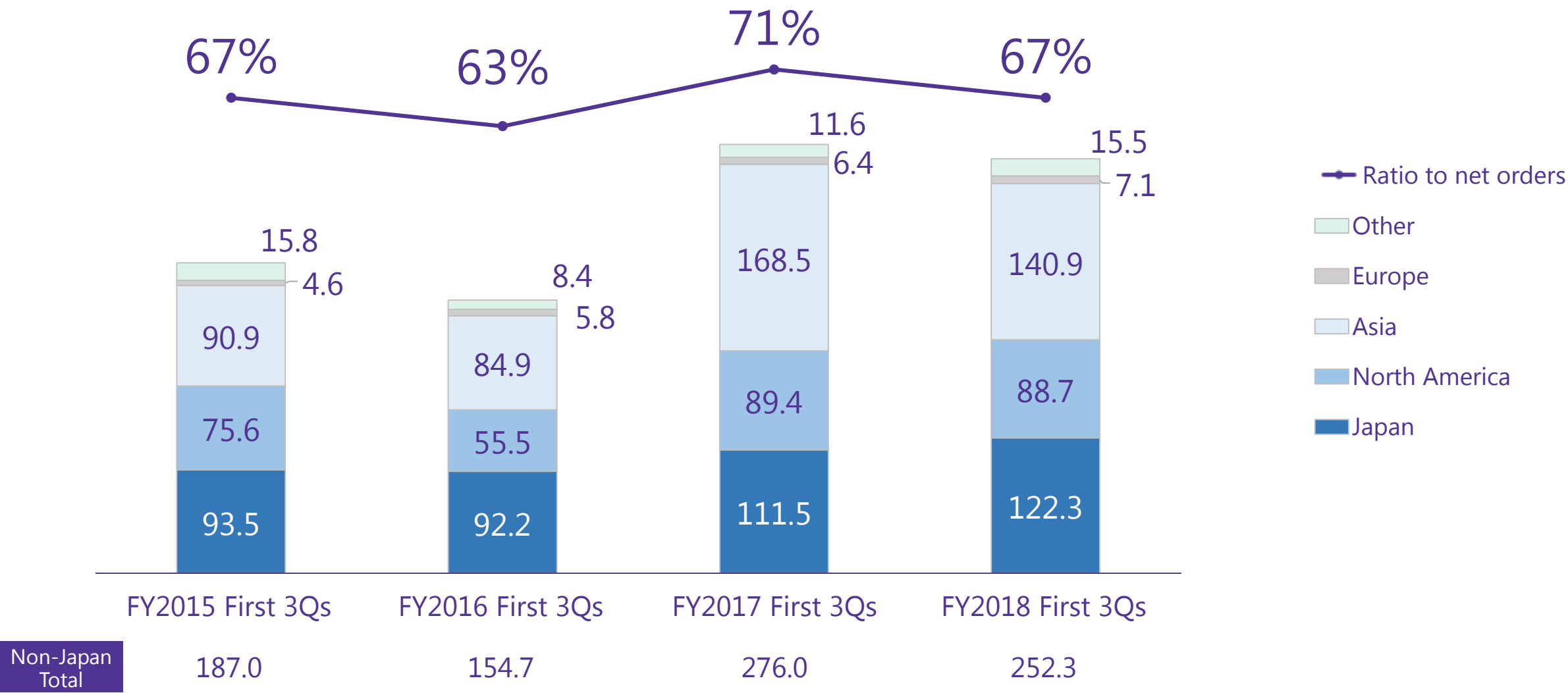
Industry	Orders				Sales			
	FY2017 first 3Qs		FY2018 first 3Qs		FY2017 first 3Qs		FY2018 first 3Qs	
	Orders	Composition	Orders	Composition	Sales	Composition	Sales	Composition
Automobile, auto parts	51.63	13.3%	52.29	14.0%	51.95	17.8%	46.91	14.2%
Electronics	159.91	41.3%	133.94	35.7%	106.95	36.6%	143.27	43.3%
Commerce, retail	72.22	18.6%	59.44	15.9%	54.12	18.5%	51.75	15.7%
Transportation, warehousing	11.81	3.0%	30.18	8.1%	14.28	4.9%	18.49	5.6%
Machinery	6.16	1.6%	10.81	2.9%	4.69	1.6%	6.40	1.9%
Chemicals, pharmaceuticals	10.71	2.8%	10.58	2.8%	10.58	3.6%	10.05	3.0%
Food	5.63	1.5%	9.32	2.5%	8.84	3.0%	8.66	2.6%
Iron, steel, nonferrous metals	3.20	0.8%	4.81	1.3%	2.42	0.8%	2.84	0.9%
Precision equipment, printing, office equipment	6.84	1.8%	10.41	2.8%	3.17	1.1%	4.26	1.3%
Airport	36.27	9.4%	39.64	10.6%	21.22	7.3%	24.89	7.5%
Other	23.12	5.9%	13.22	3.4%	13.89	4.8%	13.10	4.0%
Total	387.54	100.0%	374.68	100.0%	292.16	100.0%	330.65	100.0%

✓ Orders from the transportation, warehousing, machinery, food, precision equipment, printing, and office equipment sectors remained favorable.

✓ Sales were driven by the electronics sector.

Orders by Region (Consolidated)

(Billion yen)



Orders by Region (Consolidated)

(Billion yen)

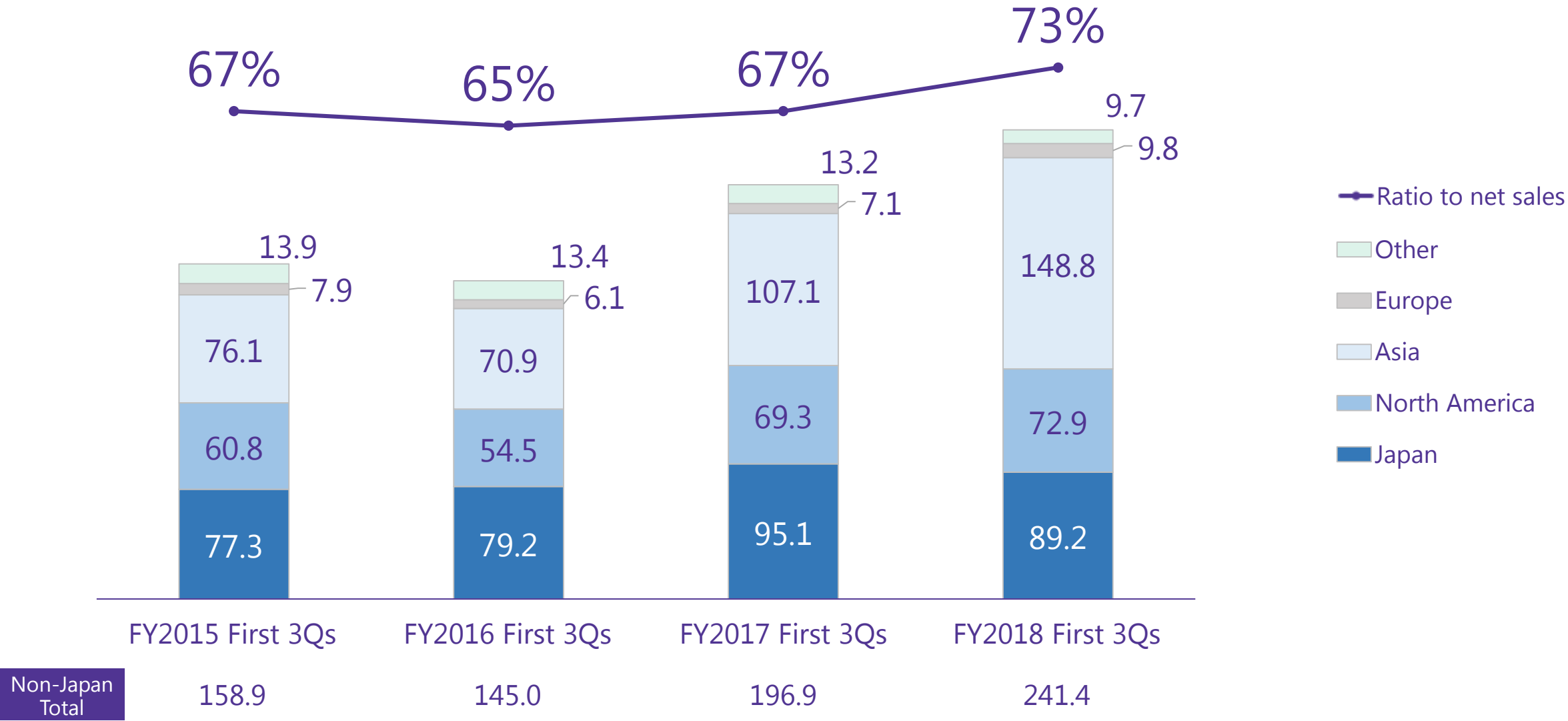
Region	FY2015 first 3Qs		FY2016 first 3Qs		FY2017 first 3Qs		FY2018 first 3Qs	
	Orders	Composition	Orders	Composition	Orders	Composition	Orders	Composition
Japan	93.54	33.3%	92.29	37.4%	111.51	28.8%	122.32	32.6%
Non-Japan	187.01	66.7%	154.77	62.6%	276.03	71.2%	252.36	67.4%
North America	75.62	27.0%	55.56	22.5%	89.41	23.1%	88.72	23.7%
Asia	90.90	32.4%	84.90	34.4%	168.52	43.5%	140.97	37.6%
China	35.99	12.8%	32.96	13.4%	99.16	25.6%	68.32	18.2%
South Korea	27.84	9.9%	26.18	10.6%	49.01	12.6%	38.40	10.3%
Taiwan	17.59	6.3%	18.06	7.3%	10.70	2.8%	22.57	6.0%
Other	9.47	3.4%	7.69	3.1%	9.63	2.5%	11.67	3.1%
Europe	4.63	1.7%	5.81	2.3%	6.47	1.6%	7.11	1.9%
Latin America	5.31	1.9%	1.61	0.6%	4.34	1.1%	8.33	2.2%
Other	10.52	3.7%	6.86	2.8%	7.27	1.9%	7.21	2.0%
Total	280.55	100.0%	247.06	100.0%	387.54	100.0%	374.68	100.0%

✓ Orders from Japan drove overall performance.

✓ In North America, large projects for airports contributed to orders. In China, Q3 orders for flat-panel display factories fell.

Sales by Region (Consolidated)

(Billion yen)



Sales by Region (Consolidated)

(Billion yen)

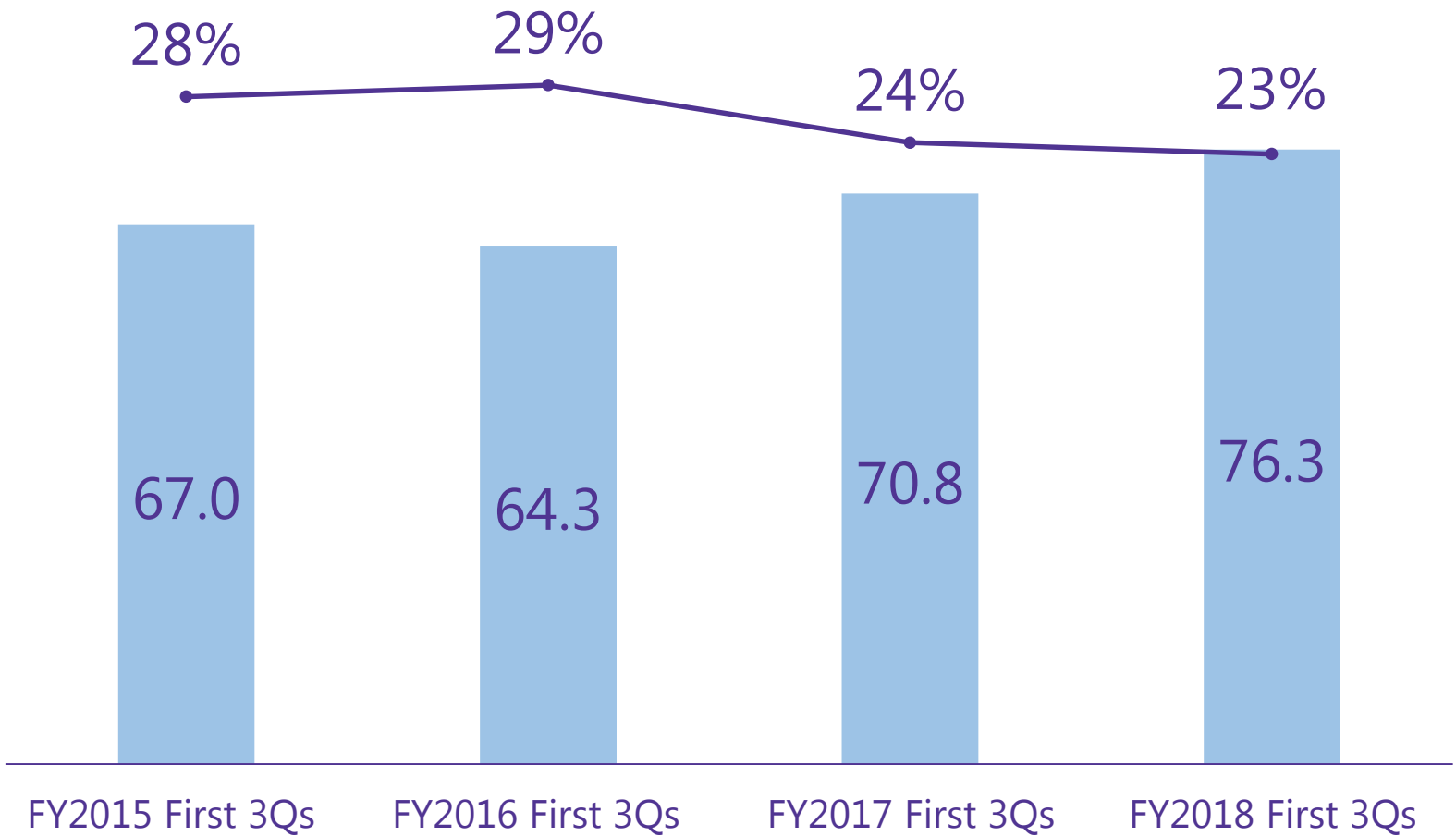
Region	FY2015 first 3Qs		FY2016 first 3Qs		FY2017 first 3Qs		FY2018 first 3Qs	
	Sales	Composition	Sales	Composition	Sales	Composition	Sales	Composition
Japan	77.38	32.8%	79.23	35.3%	95.16	32.6%	89.24	27.0%
Non-Japan	158.96	67.2%	145.08	64.7%	196.99	67.4%	241.40	73.0%
North America	60.82	25.7%	54.55	24.3%	69.38	23.7%	72.94	22.1%
Asia	76.17	32.2%	70.99	31.7%	107.18	36.7%	148.87	45.0%
China	25.27	10.7%	22.32	10.0%	48.51	16.6%	80.06	24.2%
South Korea	26.70	11.3%	21.96	9.8%	38.68	13.3%	43.94	13.3%
Taiwan	15.59	6.6%	19.44	8.7%	13.19	4.5%	14.42	4.4%
Other	8.60	3.6%	7.26	3.2%	6.79	2.3%	10.44	3.1%
Europe	7.98	3.4%	6.12	2.7%	7.15	2.4%	9.80	3.0%
Latin America	2.20	0.9%	2.89	1.3%	4.93	1.7%	3.75	1.1%
Other	11.76	5.0%	10.51	4.7%	8.33	2.9%	6.03	1.8%
Total	236.34	100.0%	224.32	100.0%	292.16	100.0%	330.65	100.0%

✓ The non-Japan sales ratio to total sales exceeded 70% for the first time for the quarter.

✓ The sales growth rate year on year in Asia exceeded 30%.

✓ In particular, sales increased significantly in China.

%: Ratio to net sales (Billion yen)



✓ The service sales amount increased solidly. The increase in total sales exceeded the service sales growth.

Y/Y
Growth Rate

19%
-4%
Impact from the appreciation of the yen

Note: Sales in the service business include maintenance, retrofitting, and remodeling work for products and systems Daifuku delivered.

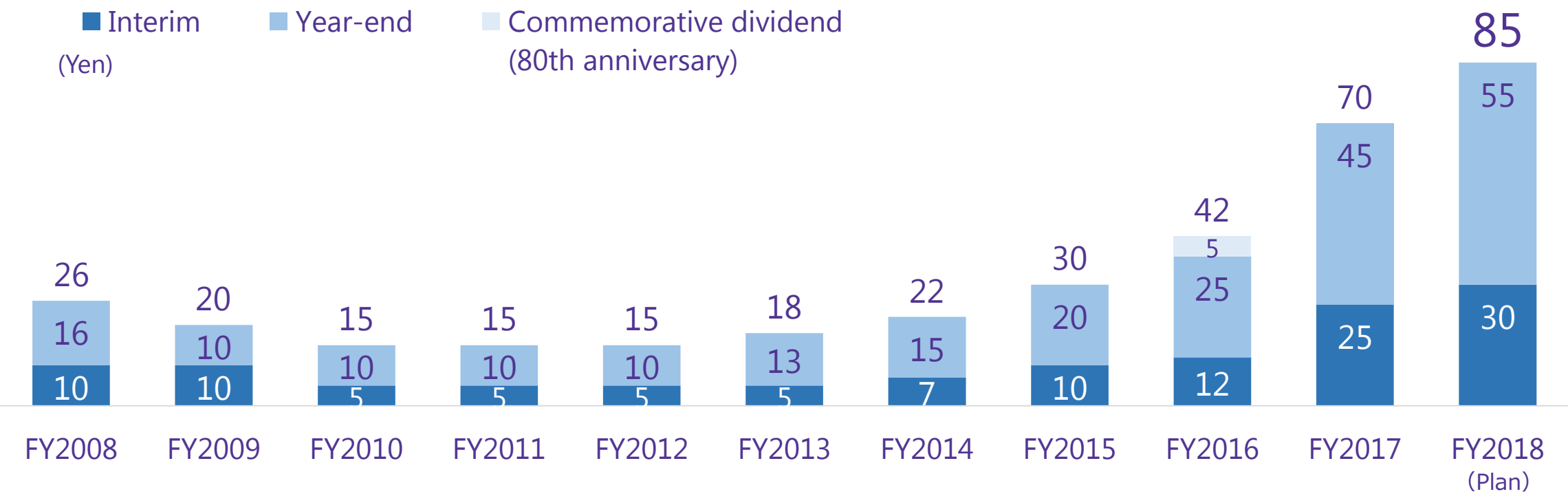
(Billion yen)

	FY2017	FY2018 (Forecast)				
		Announced on May 11, 2018	Announced on August 8, 2018	Announced on November 9, 2018	Revised on February 8, 2019	Year-on- year
Orders	487.97	490.0	510.0	530.0	515.0	5.5%
Net sales	404.92	460.0	470.0	470.0	460.0	13.6%
Operating income	39.92	46.0	48.0	52.0	53.0	32.7%
Ordinary income	41.10	46.7	48.7	52.9	54.2	31.9%
Net income attributable to shareholders of the parent company	29.00	31.5	32.5	35.0	37.0	27.6%
Net income per share	235.62 yen	250.44 yen	258.38 yen	278.25 yen	294.14 yen	–

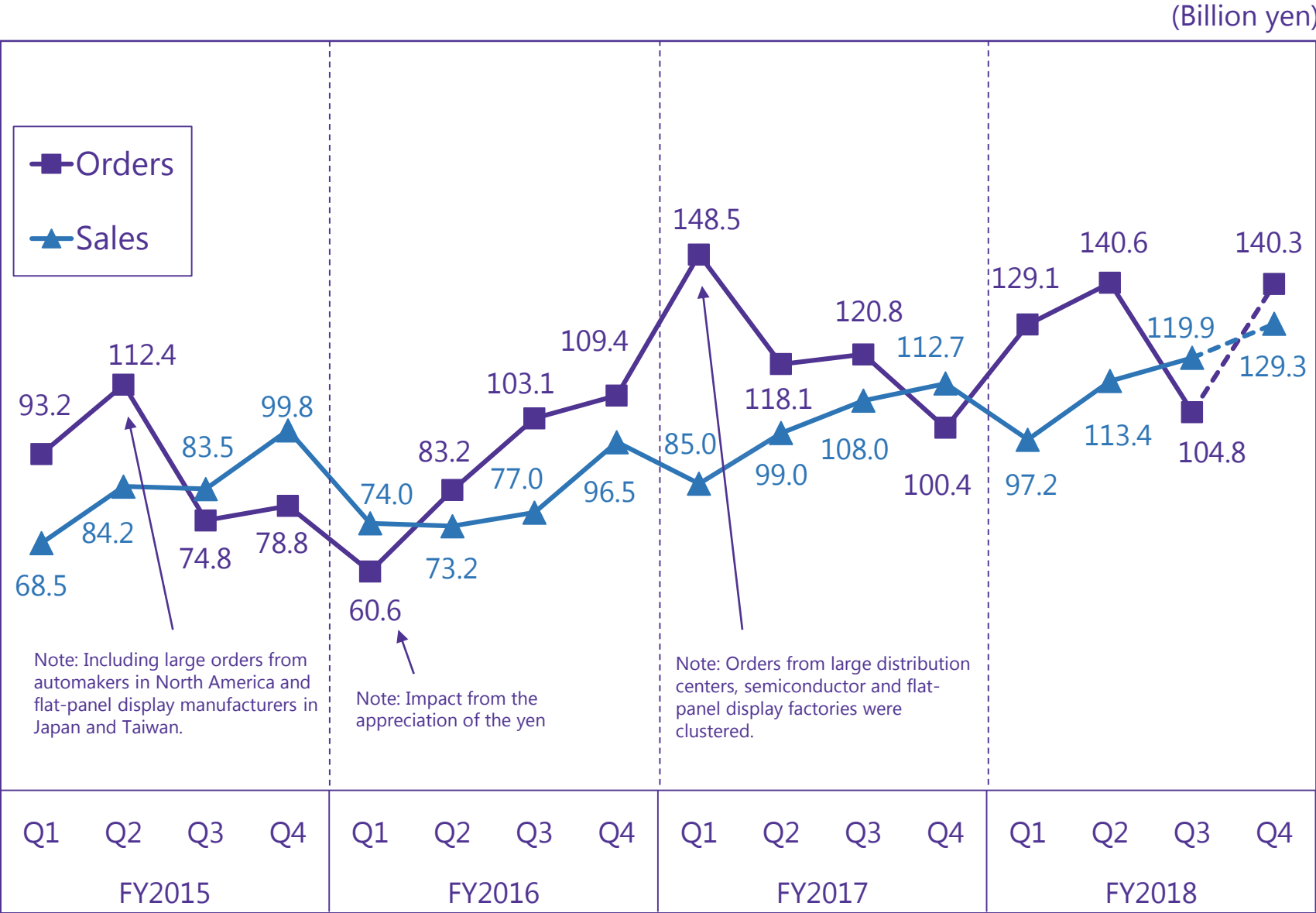
- ✓ Each income item was revised upward.
- ✓ An extraordinary loss of 7.3 billion yen is expected to be recorded, and net income is projected to decrease by about 5.1 billion yen, following the buyout of part of the pension program of a non-Japanese subsidiary.

FY2018 annual dividend to be 85 yen, a new record high

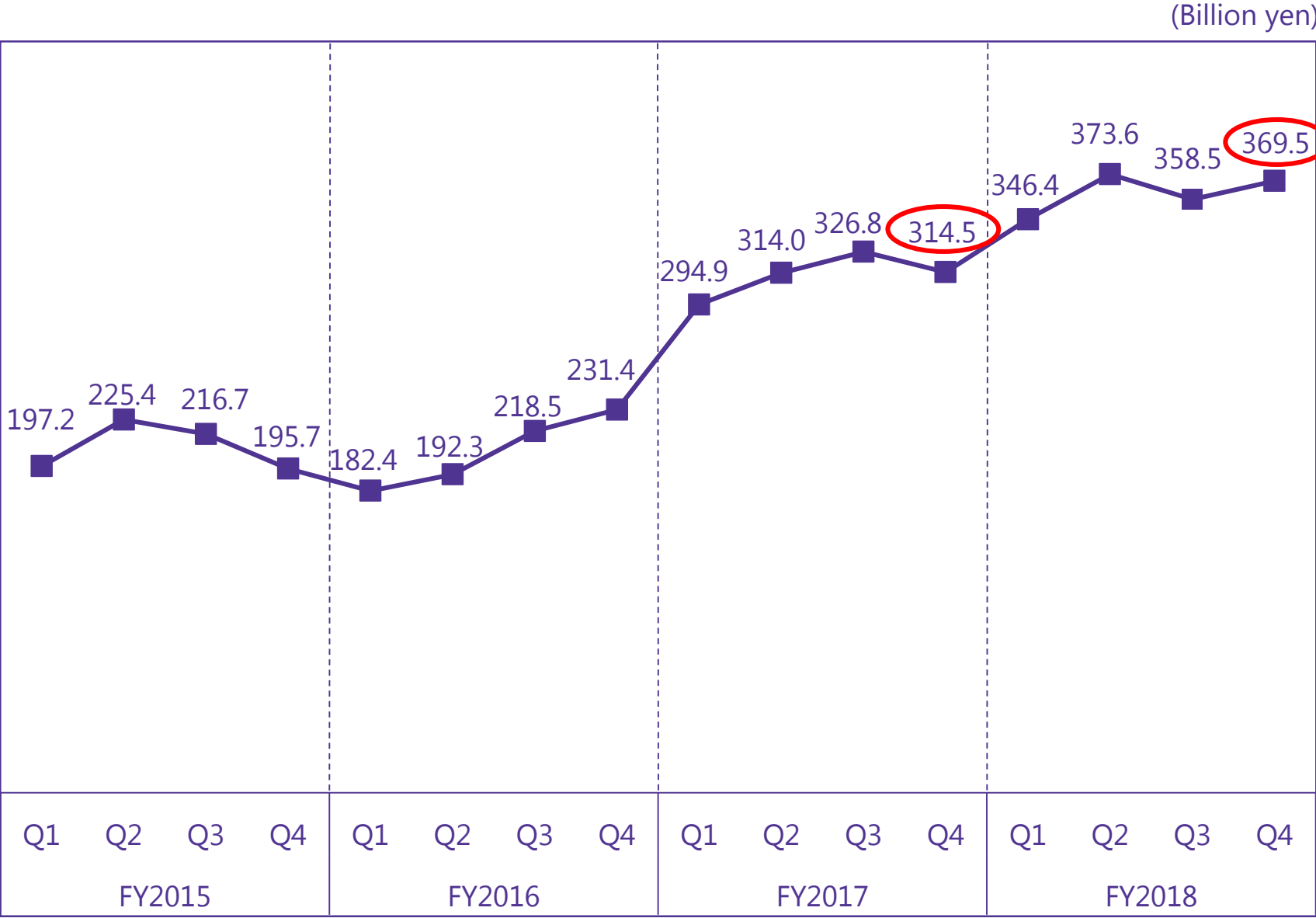
Daifuku has decided to pay a year-end dividend of 55 yen, an increase of 5 yen from the forecast announced on November 9, 2018, based on its the dividend policy that targets a consolidated payout ratio of 30%. Accordingly, the annual dividend per share is projected to be 85 yen.



Quarterly Orders and Sales (Consolidated)



- ✓ Q3 sales posted a new record high.
- ✓ Also, Q4 sales are projected to reach a new record high.



✓ The backlog at the end of FY2018 is projected at 369.5 billion yen, an increase of 55.0 billion yen year on year.

Daifuku to install its first-ever baggage handling system in Japan

- ✓ Daifuku received an order for its baggage handling system from New Chitose Airport Terminal Building Co., Ltd.
- ✓ Non-Japanese subsidiaries have delivered the system to more than 500 airports outside of Japan.
- ✓ Airport upgrade and expansion demand is becoming brisk ahead of the 2020 Tokyo Olympics. Daifuku will continue seeking projects in Japan accordingly.



Baggage handling systems

Introducing an employee shareholding incentive plan through a trust

- ✓ Daifuku introduced the plan for the second time, starting in December 2018. Among the treasury stock held by the Company, 171,800 shares were placed in the trust.
- ✓ The Company aims to provide an incentive for its employees to help enhance its corporate value over the medium to long term, to expand employee benefits and welfare, and to encourage the continuous development of the Company by boosting employees' morale through their capital participation as shareholders.

The 2018 global warming prevention activity award

- ✓ Daifuku's efforts in global warming prevention and environmental contribution were acclaimed by Japan's Ministry of the Environment.



DAIFUKU

Always an Edge Ahead

Cautionary Statement with Respect to Forward-Looking Statements

The strategies, beliefs and plans related to future business performance as described in this document are not established facts. They are business prospects based on the assumptions and beliefs of the management team judging from the most current information, and therefore, these prospects are subject to potential risks and uncertainties. Due to various crucial factors, actual results may differ materially from these forward-looking statements. These crucial factors that may adversely affect performance include 1) consumer trends and economic conditions in the Daifuku Group's operating environment; 2) the effect of yen exchange rates on sales, assets and liabilities denominated in U.S. dollars and other currencies; 3) the tightening of laws and regulations regarding safety and other matters that may lead to higher costs or sales restrictions; and 4) the impact of natural disasters and intentional threats, war, acts of terrorism, strikes, and plagues. Moreover, there are other factors that may adversely affect the Group's performance.