

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 [Japan GAAP]

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

May 10, 2019

Daifuku Co., Ltd.

Stock code: 6383, First Section of Tokyo Stock Exchange

URL: www.daifuku.com/jp

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Scheduled date of general meeting of shareholders: June 21, 2019

Scheduled date of commencing dividend payment: June 24, 2019

Scheduled date for filing financial statements: June 24, 2019

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 Fiscal 2018

(April 1, 2018 - March 31, 2019)

(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	%
Fiscal 2018	459,486	13.5	54,681	37.0	55,842	35.9	39,567	36.4
Fiscal 2017	404,925	26.2	39,924	72.8	41,105	73.0	29,008	73.2

Note: Comprehensive income

Fiscal 2018: 40,800 million yen (22.0 %)

Fiscal 2017: 33,433 million yen (108.4 %)

	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 2018	314.54	—	19.5	14.3	11.9
Fiscal 2017	235.62	—	17.7	12.2	9.9

Reference: Equity in earnings of affiliates during the period

Fiscal 2018: 172 million yen

Fiscal 2017: 734 million yen

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal 2018	409,982	222,885	53.3	1,738.20
Fiscal 2017	373,013	191,474	50.4	1,493.69

Reference: Shareholders' equity

Fiscal 2018: 218,689 million yen

Fiscal 2017: 187,878 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 2018	8,559	5,937	(6,893)	90,903
Fiscal 2017	11,497	(5,600)	13,444	85,152

2. Dividends

	Dividend per share					Total cash dividends (annual)	Dividends payout (consolidated)	Net assets dividend ratio (consolidated)
	Q1-end	Q2-end	Q3-end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal 2017	—	25.00	—	45.00	70.00	8,710	29.7	5.3
Fiscal 2018	—	30.00	—	60.00	90.00	11,338	28.6	5.6
Fiscal 2019 (forecast)	—	30.00	—	60.00	90.00		—	

3. Consolidated Earnings Forecast for the Fiscal 2019

(April 1, 2019- March 31, 2020)

(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 to shareholders of the parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	230,000	9.2	23,000	(0.5)	23,400	(1.5)	16,300	(25.2)	129.58
Full-year	480,000	4.5	52,800	(3.4)	53,500	(4.2)	38,200	(3.5)	303.67

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 2018:	126,610,077 shares
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Fiscal 2017:	126,610,077 shares
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2) Number of treasury stock at the end of the period

Fiscal 2018:	795,986 shares
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Fiscal 2017:	828,727 shares
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3) Average number of shares during the period

Fiscal 2018:	125,794,780 shares
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Fiscal 2017:	123,115,953 shares
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Note: For the number of shares, which is the basis for the calculation of net income per share, please see "Per Share Information" on page 37. The number of treasury stock at the end of the fiscal year ended March 31, 2019 included 75,300 shares owned by the Board Benefit Trust (BBT). The number of treasury stock at the end of the fiscal year ended March 31, 2018 included 87,600 shares owned by the BBT. In addition, the number of treasury stock at the end of the fiscal year ended March 31, 2019 includes 149,400 shares owned by a trust on behalf of Daifuku employees' shareholding association.

These consolidated financial statements are not subject to audit through the certified public accountant or audit company.

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 the [TDnet](#) and our website: www.daifuku.com/ir.

Consolidated Financial Statements

(1) Consolidated balance sheets

(Million yen)

	FY2017 (Year ended March 31, 2018)	FY2018 (Year ended March 31, 2019)
ASSETS		
Current assets:		
Cash on hand and in banks	85,160	90,916
Notes and accounts receivable and unbilled receivables	163,101	191,867
Merchandise and finished goods	5,084	5,497
Costs incurred on uncompleted construction contracts and other	10,657	14,074
Raw materials and supplies	11,296	14,634
Other current assets	10,915	9,475
Allowance for doubtful accounts	(128)	(226)
Total current assets	286,088	326,239
Non-current assets:		
Property, plant and equipment		
Buildings and structures, net	15,091	15,041
Machinery and vehicles, net	4,411	4,379
Tools and fixtures, net	1,768	1,915
Land	11,800	12,162
Other, net	2,179	3,522
Total property, plant and equipment	35,252	37,020
Intangible assets		
Software	3,208	3,425
Goodwill	8,794	7,561
Other	2,035	1,473
Total intangible assets	14,037	12,460
Investments and other assets		
Investments in securities	23,976	15,341
Long-term loans	140	145
Assets for retirement benefits	3,967	4,932
Deferred tax assets	6,367	10,529
Other	3,319	3,510
Allowance for doubtful accounts	(136)	(198)
Total investments and other assets	37,635	34,262
Total non-current assets	86,925	83,742
Total assets	373,013	409,982

(Million yen)

	FY2017 (Year ended March 31, 2018)	FY2018 (Year ended March 31, 2019)
LIABILITIES		
Current liabilities:		
Notes and accounts payable and construction contracts payable	46,450	47,883
Electronically recorded obligations – operating	22,826	23,915
Short-term borrowings and current portion of long-term borrowings	17,267	19,431
Current portion of bonds	2,700	—
Income taxes payable	10,360	13,388
Advances received on uncompleted construction contracts and other	28,298	29,245
Provision for losses on construction contracts	562	317
Other current liabilities	20,322	21,779
Total current liabilities	148,789	155,961
Non-current liabilities:		
Long-term borrowings	18,000	20,569
Deferred tax liabilities	531	485
Liabilities for retirement benefits	11,656	7,459
Other non-current liabilities	2,562	2,620
Total non-current liabilities	32,749	31,135
Total liabilities	181,539	187,097
NET ASSETS		
Shareholders' equity:		
Common stock	31,865	31,865
Capital surplus	20,717	21,518
Retained earnings	129,654	162,722
Treasury stock	(782)	(1,449)
Total shareholders' equity	181,454	214,656
Accumulated other comprehensive income:		
Net unrealized gain (loss) on securities	5,358	4,554
Deferred gain (loss) on hedges	34	(20)
Foreign currency translation adjustments	6,360	2,003
Accumulated adjustments on retirement benefits	(5,328)	(2,505)
Total accumulated other comprehensive income	6,424	4,032
Non-controlling interests:	3,595	4,195
Total net assets	191,474	222,885
Total liabilities and net assets	373,013	409,982

(2) Consolidated statements of income and comprehensive income

(Million yen)

	FY2017 (April 1, 2017 - March 31, 2018)	FY2018 (April 1, 2018 - March 31, 2019)
Net sales	404,925	459,486
Cost of sales	321,836	358,230
Gross profit	83,089	101,255
Selling, general and administrative expenses:		
Selling expenses	18,336	18,878
General and administrative expenses	24,828	27,696
Total selling, general and administrative expenses	43,164	46,574
Operating income	39,924	54,681
Other income:		
Interest income	223	547
Dividend income	388	417
Equity in earnings of affiliates	734	172
Land and house rental revenue	241	243
Miscellaneous income	303	456
Total other income	1,891	1,836
Other expenses:		
Interest expenses	373	469
Other	337	206
Total other expenses	711	675
Ordinary income	41,105	55,842
Extraordinary income:		
Gain on sales of property, plant and equipment	96	27
Gain on sales of shares in affiliates	—	6,948
Other	45	523
Total extraordinary income	141	7,499
Extraordinary loss:		
Retirement benefit expenses	—	6,897
Loss on sales of property, plant and equipment	46	92
Loss on disposal of property, plant and equipment	135	215
Impairment loss	—	807
Other	5	—
Total extraordinary loss	187	8,012
Income before income taxes and minority interests	41,059	55,329
Income taxes - current	11,675	20,218
Income taxes - deferred	28	(5,077)
Total income taxes	11,704	15,140
Net income	29,355	40,188
Net income attributable to:		
Shareholders of the parent company	29,008	39,567
Non-controlling interests	346	620

(Million yen)

	FY2017 (April 1, 2017 - March 31, 2018)	FY2018 (April 1, 2018 - March 31, 2019)
Other comprehensive income		
Net unrealized gain (loss) on securities	1,097	(693)
Deferred gain (loss) on hedges	26	(55)
Foreign currency translation adjustments	1,154	(3,321)
Adjustments on retirement benefits	1,701	5,760
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	97	(1,078)
Total other comprehensive income (loss)	4,078	611
Comprehensive income:	33,433	40,800
Comprehensive income attributable to:		
Shareholders of the parent company	33,034	40,116
Non-controlling interests	399	683

(3) Consolidated statements of changes in net assets
FY2017 (April 1, 2017 - March 31, 2018)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	15,016	15,915	107,349	(1,586)	136,694
Cumulative effects of changes in accounting policies					
Restated balance	15,016	15,915	107,349	(1,586)	136,694
Changes of items during the period					
Cash dividends			(6,702)		(6,702)
Issuance of new shares	16,849				16,849
Net income attributable to shareholders of the parent company			29,008		29,008
Purchase of treasury stock				(15)	(15)
Disposal of treasury stock		4,802		819	5,621
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(0)			(0)
Net changes of items other than shareholders' equity					
Total changes of items during the period	16,849	4,802	22,305	803	44,760
Balance at the end of the period	31,865	20,717	129,654	(782)	181,454

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gain (loss) 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	4,290	(5)	5,102	(6,989)	2,398	3,247	142,340
Cumulative effects of changes in accounting policies							
Restated balance	4,290	(5)	5,102	(6,989)	2,398	3,247	142,340
Changes of items during the period							
Cash dividends							(6,702)
Issuance of new shares							16,849
Net income attributable to shareholders of the parent company							29,008
Purchase of treasury stock							(15)
Disposal of treasury stock							5,621
Change in treasury shares of parent arising from transactions with non-controlling shareholders							(0)
Net changes of items other than shareholders' equity	1,067	39	1,258	1,660	4,025	347	4,373
Total changes of items during the period	1,067	39	1,258	1,660	4,025	347	49,133
Balance at the end of the period	5,358	34	6,360	(5,328)	6,424	3,595	191,474

FY2018 (April 1, 2018 - March 31, 2019)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	31,865	20,717	129,654	(782)	181,454
Cumulative effects of changes in accounting policies	—	—	2,940	—	2,940
Restated balance	31,865	20,717	132,595	(782)	184,394
Changes of items during the period					
Cash dividends			(9,440)		(9,440)
Issuance of new shares	—				—
Net income attributable to shareholders of the parent company			39,567		39,567
Purchase of treasury stock				(957)	(957)
Disposal of treasury stock		804		290	1,094
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(3)			(3)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	800	30,127	(666)	30,261
Balance at the end of the period	31,865	21,518	162,722	(1,449)	214,656

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gain (loss) 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	5,358	34	6,360	(5,328)	6,424	3,595	191,474
Cumulative effects of changes in accounting policies				(2,940)	(2,940)		
Restated balance	5,358	34	6,360	(8,268)	3,484	3,595	191,474
Changes of items during the period							
Cash dividends							(9,440)
Issuance of new shares							—
Net income attributable to shareholders of the parent company							39,567
Purchase of treasury stock							(957)
Disposal of treasury stock							1,094
Change in treasury shares of parent arising from transactions with non-controlling shareholders							(3)
Net changes of items other than shareholders' equity	(-803)	(54)	(4,356)	5,763	548	600	1,148
Total changes of items during the period	(-803)	(54)	(4,356)	5,763	548	600	31,410
Balance at the end of the period	4,554	(20)	2,003	(2,505)	4,032	4,195	222,885

(4) Consolidated statements of cash flows

(Million yen)

	FY2017 (April 1, 2017 - March 31, 2018)	FY2018 (April 1, 2018 - March 31, 2019)
Cash flows from operating activities:		
Income before income taxes	41,059	55,329
Depreciation	4,419	4,598
Impairment loss	—	807
Retirement benefit expenses	—	6,897
Loss (gain) on sales of shares in affiliates	—	(6,948)
Amortization of goodwill	943	927
Amortization of negative goodwill	(59)	—
Interest and dividend income	(612)	(964)
Interest expenses	373	469
(Loss) gain on disposal or sales of property, plant and equipment	82	281
Decrease (increase) in notes and accounts receivable	(37,923)	(32,172)
Decrease (increase) in inventories	(4,155)	(7,509)
Increase (decrease) in notes and accounts payable	9,464	4,052
Increase (decrease) in advances received on uncompleted construction contracts	(4,462)	4,279
Other, net	5,275	(6,371)
Subtotal	14,403	23,674
Interest and dividend income received	610	964
Interest paid	(372)	(423)
Income taxes refund (paid)	(3,493)	(16,278)
Other, net	350	622
Net cash provided by (used in) operating activities	11,497	8,559
Cash flows from investing activities:		
Investments in time deposits	(0)	(4)
Proceeds from refund of time deposits	3	—
Payments for purchase of property, plant and equipment	(6,417)	(7,744)
Proceeds from sales of property, plant and equipment	740	102
Payments for purchase of investments in securities	(24)	(33)
Collection of loans receivable	10	6
Proceeds from sales of shares in affiliates	—	13,223
Other, net	88	387
Net cash provided by (used in) investing activities	(5,600)	5,937

(Million yen)

	FY2017 (April 1, 2017 - March 31, 2018)	FY2018 (April 1, 2018 - March 31, 2019)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	(1,400)	12,844
Proceeds from long-term borrowings	15,100	5,188
Repayments of long-term borrowings	(15,605)	(12,639)
Redemption of bonds	—	(2,700)
Proceeds from issuance of shares	16,697	—
Proceeds from disposal of treasury stock	5,621	1,088
Payments for purchase of treasury stock	(15)	(957)
Payments of cash dividends	(6,695)	(9,428)
Other, net	(256)	(290)
Net cash provided by (used in) financing activities	13,444	(6,893)
Effect of exchange rate change on cash and cash equivalents	1,018	(1,851)
Net increase (decrease) in cash and cash equivalents	20,361	5,751
Cash and cash equivalents at beginning of year	64,790	85,152
Cash and cash equivalents at end of year	85,152	90,903