

Consolidated Financial Results

First Half of the Fiscal Year Ending March 31, 2022

(April 1, 2021 - September 30, 2021)

November 5, 2021

DAIFUKU CO., LTD.



Financial Highlights p. 2

Earnings Forecast p. 15

Topics p. 18

[Back to contents](#)

Financial Highlights



Fiscal 2021 H1 Highlights (April 1, 2021 – September 30, 2021)

(Billion yen)

	FY2020 H1	Revised on August 5, 2021	FY2021 H1	Y/Y change	Y/Y rate
Orders	189.3	270.0	267.2	+77.9	+41.2%
Sales	230.0	240.0	243.4	+13.4	+5.8%
Operating income	19.6	20.5	20.3	+0.6	+3.3%
Ordinary income	20.3	21.1	20.5	+0.1	+1.0%
Net income attributable to shareholders of the parent company	14.7	15.0	13.9	-0.8	-5.5%
Comprehensive income	13.6	—	20.5	+6.8	+50.3%

Net income per share	116.98 yen	119.08 yen	110.46 yen	-6.52 yen
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✓ Orders bounced back significantly, mainly in Japan, from the same period of the previous year when business negotiations were stagnant.

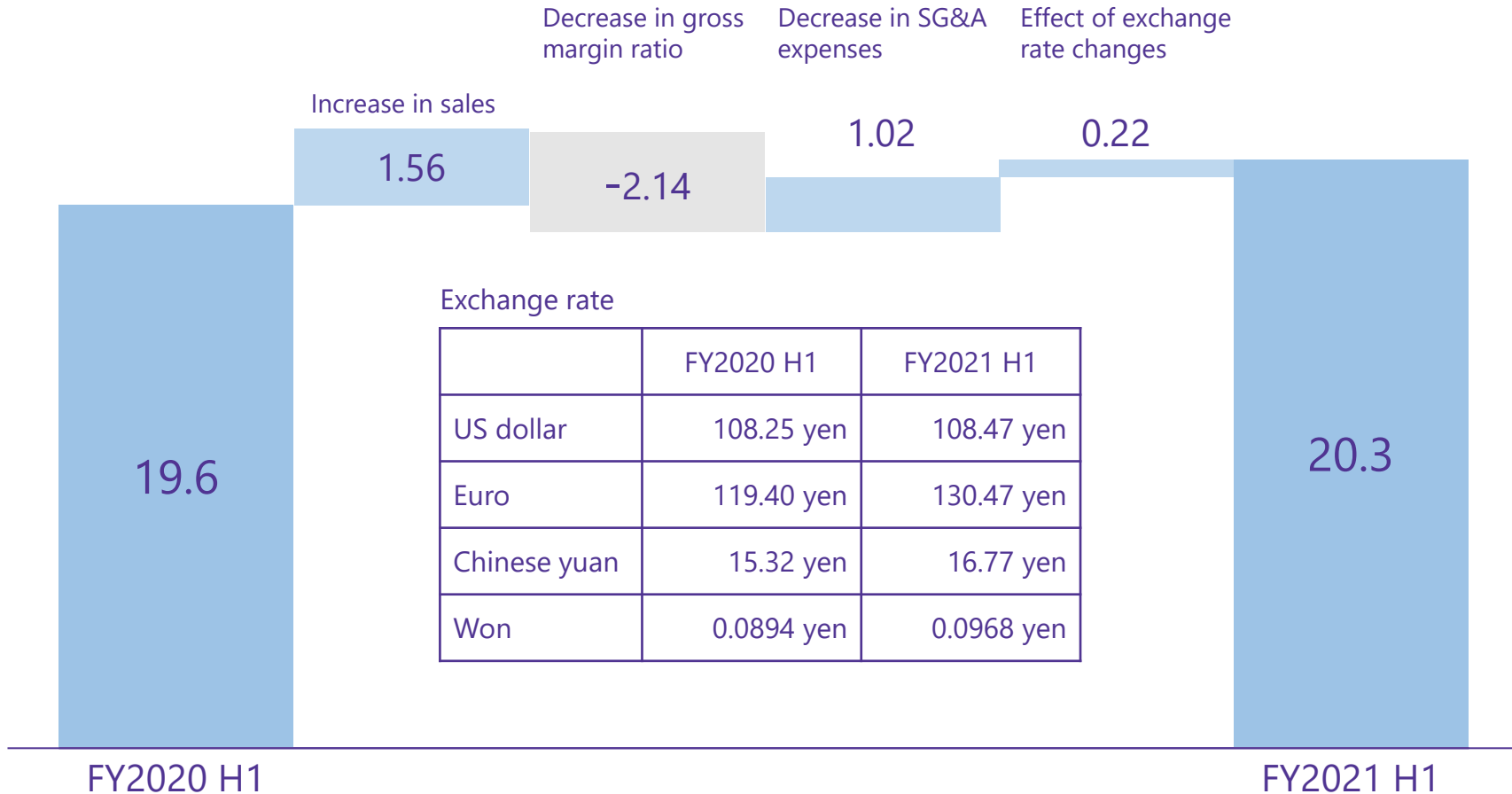
✓ Sales surpassed the level of the same period of the previous year, underpinned by an extensive order backlog.

✓ Operating income was driven by intralogistics systems in Japan.

Increases and Decreases in Operating Income

(Billion yen)

[Reference] Effect of exchange
Sales: +4.7 billion yen



Results by Reportable Segment

(Billion yen)

	Orders (Orders from external customers)			Net sales (Sales to external customers)			Segment income (Net income attributable to shareholders of the parent company)		
	FY2020 H1	FY2021 H1	Y/Y change	FY2020 H1	FY2021 H1	Y/Y change	FY2020 H1	FY2021 H1	Y/Y change
Daifuku	81.2	130.0	+48.8	99.9	107.1	+7.1	9.7	10.6	+0.9
Contec	7.6	9.8	+2.1	7.8	7.1	-0.6	0.5	0.6	+0.0
Daifuku North America	37.8	50.3	+12.4	67.8	66.2	-1.6	2.7	2.5	-0.2
Clean Factomation	21.6	18.5	-3.1	13.8	17.1	+3.3	2.0	1.6	-0.3
Other	40.8	58.5	+17.6	39.3	46.2	+6.9	1.0	-0.2	-1.2
Consolidated adjustment and other	—	—	—	1.1	-0.6	-1.7	-1.4	-1.3	+0.0
Total	189.3	267.2	+77.9	230.0	243.4	+13.4	14.7	13.9	-0.8

✓ Daifuku:
Remained favorable in each business.

✓ Daifuku North America:
Orders were strong in intralogistics systems and cleanroom systems for the semiconductor sector. Sales fell, given a reactionary fall in automotive systems, which had benefited from sales for a large project during the previous fiscal year.

✓ Clean Factomation:
Orders fell short of the level of the same period of the previous fiscal year, when they were driven by increased demand for semiconductors for data centers. Sales were favorable, underpinned by the order backlog.

Consolidated Balance Sheets

(Billion yen)

	March 31, 2021	September 30, 2021	Change
Current assets	350.6	363.3	+12.7
Cash on hand and in banks	94.1	108.5	+14.3
Notes and accounts receivables	211.9	205.8	-6.0
Inventories	36.3	39.2	+2.9
Other	8.1	9.6	+1.4
Non-current assets	94.8	97.0	+2.1
Property, plant and equipment	49.5	52.3	+2.8
Intangible assets	10.0	9.9	-0.0
Goodwill	4.2	4.1	-0.0
Other	5.8	5.8	+0.0
Investments and other assets	35.2	34.6	-0.6
Total assets	445.4	460.3	+14.9

	March 31, 2021	September 30, 2021	Change
Current liabilities	149.1	159.5	+10.4
Notes and accounts payable	63.9	72.3	+8.4
Short-term borrowings	15.5	20.5	+4.9
Other	69.6	66.7	-2.9
Non-current liabilities	34.2	24.4	-9.7
Long-term borrowings	19.6	10.4	-9.2
Other	14.6	14.0	-0.5
Total Liabilities	183.4	184.0	+0.6
Shareholders' equity	255.2	262.9	+7.7
Common stock	31.8	31.8	-
Retained earnings	202.3	210.0	+7.6
Other	21.0	21.0	+0.0
Accumulated other comprehensive income	1.7	8.0	+6.2
Non-controlling interests	4.9	5.3	+0.3
Total net assets	262.0	276.3	+14.2
Total liabilities and net assets	445.4	460.3	+14.9

- ✓ **Assets:**
Increased ¥14.9 billion
[Factors]
Increase: ¥14.3 billion in cash on hand and in banks
Decrease: ¥6.0 billion in notes and accounts receivables
- ✓ **Liabilities:**
Increased ¥0.6 billion
[Factors]
Increase: ¥8.4 billion in notes and accounts payable
Decrease: ¥4.2 billion in short-term borrowings and long-term borrowings
- ✓ **Net assets:**
Increased ¥14.2 billion
[Factors]
Increase: ¥7.6 billion in retained earnings

Consolidated Statements of Cash Flows

(Billion yen)

	FY2020 H1	FY2021 H1	Y/Y change
Cash flows from operating activities	12.2	27.4	+15.1
Cash flows from investing activities	-4.2	-4.3	-0.0
Free cash flows	8.0	23.1	+15.1
Cash flows from financing activities	7.3	-12.1	-19.5
Effect of exchange rate change on cash and cash equivalents	-1.7	2.9	+4.7
Net increase in cash and cash equivalents	13.6	13.9	+0.3
Cash and cash equivalents, beginning of the year	70.8	94.0	+23.1
Cash and cash equivalents resulting from change in scope of consolidation	0.7	0.4	-0.3
Cash and cash equivalents, end of the year	85.2	108.4	+23.1

✓ Cash provided by operating activities: ¥27.4 billion
 [Factors]
 Income before income taxes and non-controlling interests: ¥20.4 billion
 Decrease in notes and accounts receivables and contract assets: ¥12.2 billion

✓ Cash used in investing activities: ¥4.3 billion
 [Factors]
 Payments for purchase of property, plant and equipment: ¥4.3 billion

✓ Cash used in financing activities: ¥12.1 billion
 [Factors]
 Repayment of short-term borrowings: ¥5.0 billion
 Payments of cash dividends: ¥6.3 billion

Orders and Sales by Destination

(Billion yen)

Region	Orders					Sales				
	FY2020 H1		FY2021 H1		Y/Y change	FY2020 H1		FY2021 H1		Y/Y change
	Orders	Composition	Orders	Composition		Sales	Composition	Sales	Composition	
Japan	68.7	36.3%	111.0	41.6%	+42.3	80.4	35.0%	87.6	35.9%	+7.1
Non-Japan	120.5	63.7%	156.1	58.4%	+35.6	149.5	65.0%	156.3	64.1%	+6.8
North America	40.6	21.5%	45.5	17.1%	+4.9	70.9	30.9%	64.0	26.2%	-6.9
Asia	67.0	35.4%	85.9	32.2%	+18.8	65.9	28.7%	76.5	31.3%	+10.5
China	24.4	12.9%	28.5	10.7%	+4.1	26.4	11.5%	23.9	9.8%	-2.4
South Korea	29.7	15.7%	27.0	10.1%	-2.7	18.7	8.2%	25.5	10.5%	+6.7
Taiwan	8.7	4.6%	23.9	9.0%	+15.2	15.8	6.9%	22.3	9.1%	+6.4
Other	4.0	2.1%	6.3	2.4%	+2.2	4.8	2.1%	4.6	1.9%	-0.1
Europe	5.6	3.0%	12.0	4.5%	+6.4	5.8	2.5%	8.4	3.5%	+2.6
Latin America	0.9	0.5%	2.0	0.8%	+1.1	1.3	0.6%	2.5	1.0%	+1.1
Other	6.2	3.3%	10.4	3.8%	+4.1	5.3	2.3%	4.8	2.1%	-0.5
Subtotal	—	—	—	—	—	230.0	100.0%	244.0	100.0%	+14.0
Consolidated adjustment and other*	—	—	—	—	—	—	—	-0.6	—	-0.6
Total	189.3	100.0%	267.2	100.0%	+77.9	230.0	—	243.4	—	+13.4

✓ Japan:
Orders and sales were driven by intralogistics systems.

✓ North America:
Sales fell, given a reactionary fall in automotive systems, which had benefited from sales for a large project during the previous fiscal year.

✓ Taiwan:
Orders were strong in cleanroom systems.

* The contents of the table have been partially changed due to the application of accounting standards related to revenue recognition.

Orders and Sales by Industry

(Billion yen)

Industry	Orders					Sales				
	FY2020 H1		FY2021 H1		Y/Y change	FY2020 H1		FY2021 H1		Y/Y change
	Orders	Composition	Orders	Composition		Sales	Composition	Sales	Composition	
Automobile, auto parts	23.9	12.7%	32.4	12.1%	+8.4	39.2	17.1%	27.7	11.4%	-11.4
Electronics	62.1	32.8%	86.5	32.4%	+24.4	64.3	28.0%	72.0	29.5%	+7.6
Commerce, retail	46.3	24.5%	83.7	31.3%	+37.3	57.9	25.2%	78.1	32.0%	+20.2
Transportation, warehousing	11.7	6.2%	16.8	6.3%	+5.0	10.5	4.6%	13.9	5.7%	+3.3
Machinery	3.4	1.8%	5.5	2.1%	+2.1	6.6	2.9%	4.5	1.9%	-2.0
Chemicals, pharmaceuticals	6.3	3.4%	10.2	3.8%	+3.8	8.9	3.9%	7.7	3.2%	-1.1
Food	10.2	5.4%	7.0	2.6%	-3.2	11.0	4.8%	9.6	3.9%	-1.4
Iron, steel, nonferrous metals	2.1	1.1%	2.5	1.0%	+0.4	1.7	0.8%	1.4	0.6%	-0.2
Precision equipment, printing, office equipment	3.1	1.6%	2.8	1.1%	-0.2	4.1	1.8%	3.0	1.3%	-1.0
Airport	13.5	7.1%	9.5	3.6%	-3.9	19.0	8.3%	19.5	8.0%	+0.4
Other	6.2	3.4%	9.8	3.7%	+3.5	6.2	2.6%	6.1	2.5%	-0.1
Subtotal	—	—	—	—	—	230.0	100.0%	244.0	100.0%	+14.0
Consolidated adjustment and other*	—	—	—	—	—	—	—	-0.6	—	-0.6
Total	189.3	100.0%	267.2	100.0%	+77.9	230.0	—	243.4	—	+13.4

✓ Automobile, auto parts:
Orders bounced back from the same period of the previous year when business negotiations were stagnant. Sales fell, given a reactionary fall from the previous fiscal year, when results benefited from sales for a large project.

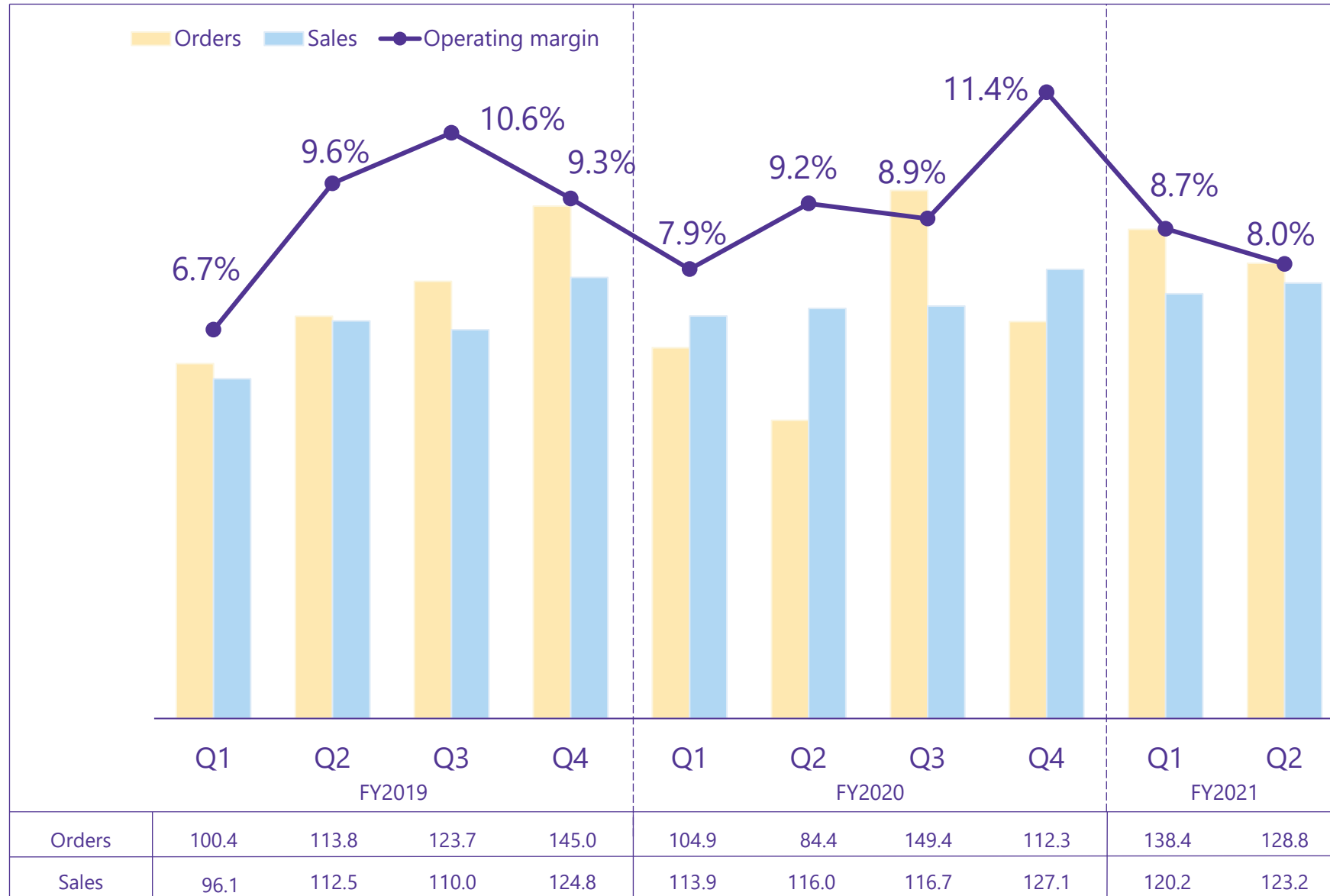
✓ Electronics:
Daifuku Group received large orders from the semiconductor sector. Sales benefited from orders received during the previous fiscal year.

✓ Commerce, retail:
Orders and sales were driven by systems for the e-commerce sector in Japan and North America.

* The contents of the table have been partially changed due to the application of accounting standards related to revenue recognition.

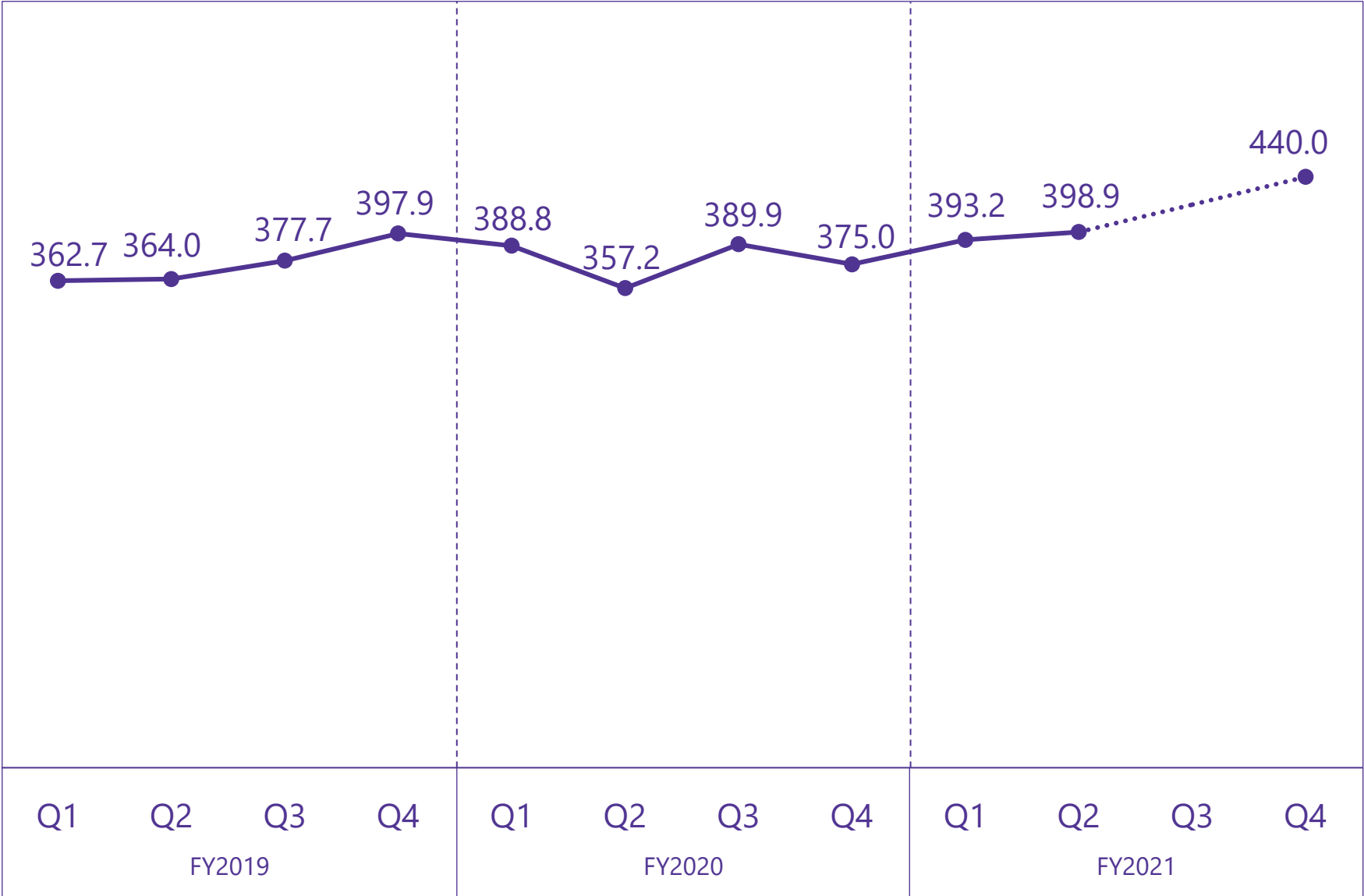
Quarterly Orders, Sales and Operating Margin

(Billion yen)

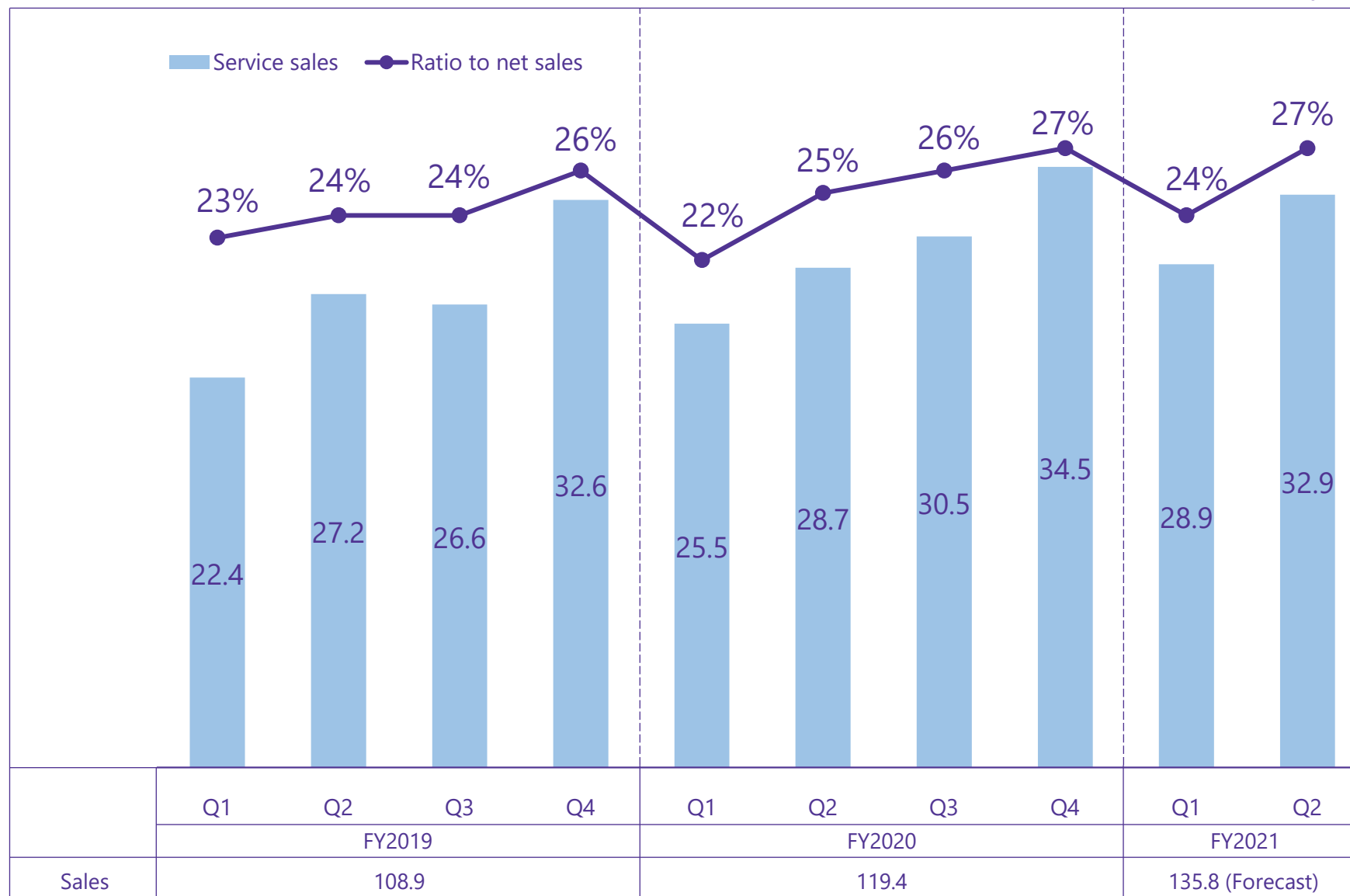


Order Backlogs

(Billion yen)



(Billion yen)



Orders by Industry

(Billion yen)

Industry	FY2019				FY2020				FY2021			
	Q1	Q2	Q3	Q4	Q1	Q2 (a)	Q3	Q4	Q1	Q2 (b)	Composition	Y/Y Change (b-a)
Automobile, auto parts	13.0	15.2	46.9	14.6	15.1	8.8	11.1	13.9	15.3	17.0	13.2%	+8.1
Electronics	36.8	43.1	28.4	37.8	31.3	30.8	34.8	32.5	44.9	41.6	32.3%	+10.8
Commerce, retail	16.8	22.1	16.8	38.6	27.7	18.6	57.7	32.2	40.1	43.5	33.8%	+24.8
Transportation, warehousing	8.2	8.5	4.2	6.5	6.3	5.4	2.9	8.6	12.5	4.2	3.3%	-1.1
Machinery	2.5	3.6	2.1	2.7	2.4	0.9	2.2	6.3	1.5	3.9	3.1%	+2.9
Chemicals, pharmaceuticals	5.0	3.8	5.2	4.2	3.2	3.1	3.6	3.9	4.3	5.8	4.5%	+2.7
Food	2.8	6.3	1.4	6.3	2.5	7.7	3.8	3.1	4.8	2.2	1.7%	-5.4
Iron, steel, nonferrous metals	1.3	1.6	1.7	0.6	1.2	0.9	0.8	0.7	1.6	0.9	0.7%	-0.0
Precision equipment, printing, office equipment	1.6	0.9	1.2	3.7	1.2	1.8	1.2	1.7	1.1	1.7	1.3%	-0.1
Airport	8.9	4.1	11.4	23.0	10.5	2.9	26.9	5.6	7.7	1.7	1.4%	-1.1
Other	3.0	4.0	3.9	6.4	3.1	3.0	3.9	3.1	3.9	5.8	4.7%	+2.7
Total	100.4	113.8	123.7	145.0	104.9	84.4	149.4	112.3	138.4	128.8	100.0%	+44.4

Sales by Industry

(Billion yen)

Industry	FY2019				FY2020				FY2021			
	Q1	Q2	Q3	Q4	Q1	Q2 (a)	Q3	Q4	Q1	Q2 (b)	Composition	Y/Y Change (b-a)
Automobile, auto parts	12.8	16.3	15.5	23.7	18.4	20.7	21.5	19.3	13.7	13.9	11.4%	-6.7
Electronics	37.1	41.7	35.1	30.1	33.3	31.0	34.2	38.3	40.0	31.9	25.9%	+0.9
Commerce, retail	16.3	21.1	23.3	25.3	25.5	32.3	26.2	31.3	37.2	40.9	33.2%	+8.6
Transportation, warehousing	7.1	6.3	7.0	7.9	5.5	4.9	6.1	6.8	6.0	7.8	6.4%	+2.9
Machinery	2.6	2.8	3.8	4.1	3.9	2.6	2.4	2.2	2.0	2.4	2.0%	-0.2
Chemicals, pharmaceuticals	2.8	4.2	3.1	5.0	4.3	4.6	4.7	4.5	3.9	3.8	3.1%	-0.7
Food	1.7	2.5	3.8	4.9	6.2	4.8	3.3	3.3	3.0	6.5	5.3%	+1.6
Iron, steel, nonferrous metals	1.1	1.5	1.2	1.4	0.7	1.0	1.2	1.4	0.5	0.9	0.7%	-0.0
Precision equipment, printing, office equipment	2.1	2.5	3.1	3.5	1.9	2.1	2.5	2.0	1.5	1.4	1.2%	-0.6
Airport	8.9	9.3	9.8	13.8	10.4	8.5	10.5	11.6	9.5	9.9	8.1%	+1.3
Other	3.2	3.9	3.7	4.4	3.2	3.0	3.7	5.8	2.8	3.3	2.7%	+0.3
Subtotal	96.1	112.5	110.0	124.8	113.9	116.0	116.7	127.1	120.7	123.2	100.0%	+7.2
Consolidated adjustment and other	—	—	—	—	—	—	—	—	-0.5	-0.0	—	-0.0
Total	96.1	112.5	110.0	124.8	113.9	116.0	116.7	127.1	120.2	123.2	—	+7.1

[Back to contents](#)

Earnings Forecast

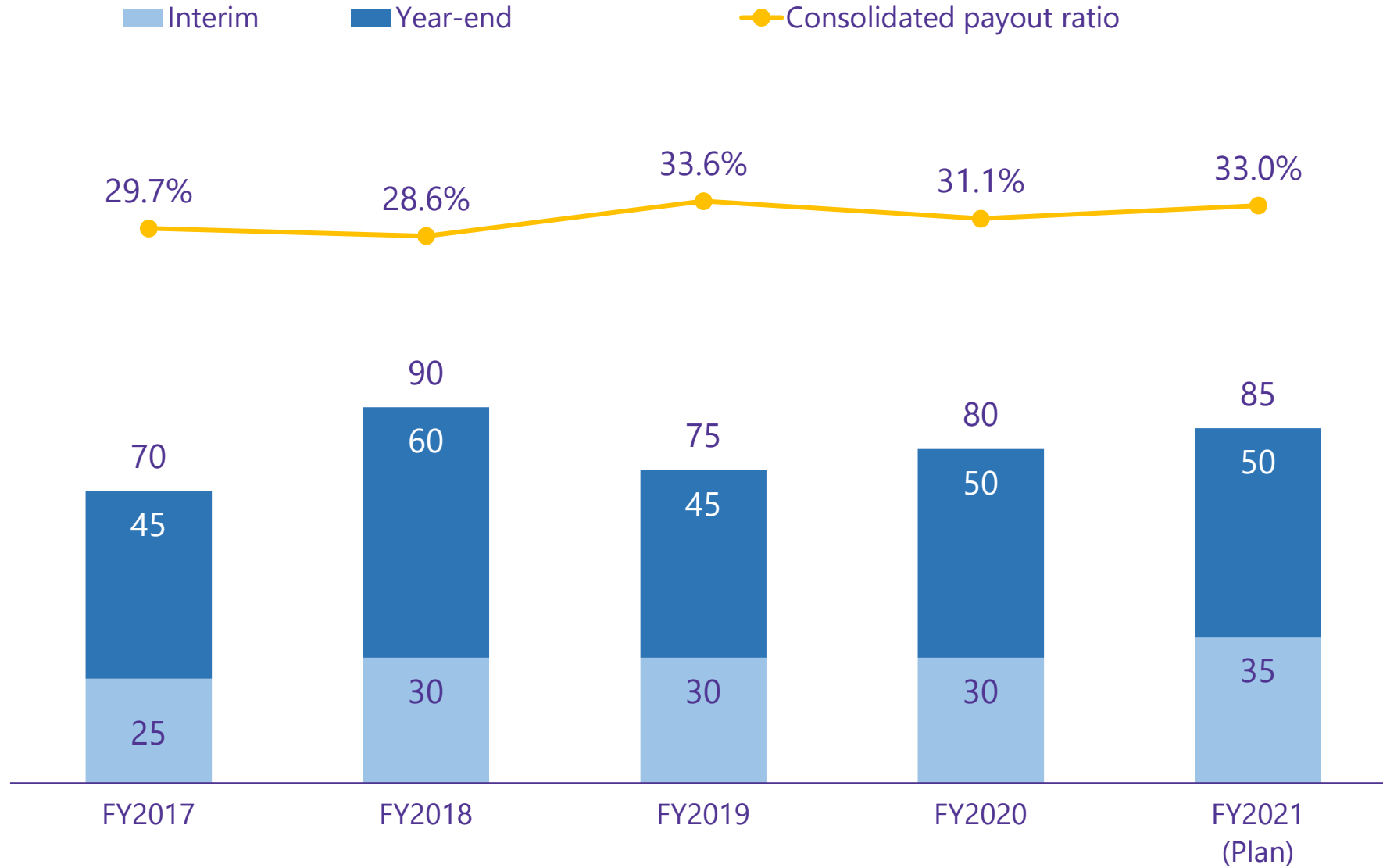


(Billion yen)

	FY2020	FY2021 (Forecast)			
		Announced on May 11, 2021	Revised on August 5, 2021 (a)	Revised on November 5, 2021 (b)	Change (b-a)
Orders	451.0	520.0	525.0	565.0	+40.0
Net sales	473.9	500.0	500.0	500.0	—
Operating income	44.5	47.0	47.0	45.0	-2.0
Ordinary income	45.8	47.9	47.9	46.0	-1.9
Net income attributable to shareholders of the parent company	32.3	34.0	34.0	32.5	-1.5
Net income per share	257.13 yen	269.91 yen	269.91 yen	257.90 yen	-12.01 yen

Dividends

(Yen)



[Back to contents](#)

Topics



Daifuku Group revises its management philosophy

We revised our management philosophy in October 2021. The new management philosophy, "Automation that Inspires," expresses our determination to create a sustainable society that enhances well-being, minimizes burdens on the environment and respects human rights, through our core competence—automated material handling technology. In line with this development, we also changed our brand message to "Automation that Inspires."

<New management philosophy>

Automation that Inspires

Inspire society, deliver prosperity and enhance well-being through our core competence—automated material handling technology.

We will

- 1) strive to realize a sustainable society that minimizes burdens on people and environment, respects human rights, and encourages responsible manufacturing.
- 2) work together with customers around the world to create optimal smart logistics solutions that incorporate innovative technologies.
- 3) ensure a fair and open corporate culture that respects diversity and allows each individual to excel. Further, we will strengthen our fundamental management practices globally to have a high level of transparency.

<Daifuku logo and new brand message>

DAIFUKU
Automation that Inspires

Daifuku Group formulates its human rights policy



In October 2021, we formulated the Daifuku Group Human Rights Policy, which was created in accordance with the United Nations Guiding Principles on Business and Human Rights. We recognize that respect for human rights is one of the most important responsibilities we have in achieving the sustainable growth of our business and organization. With that recognition, we will continue to contribute to building a sustainable society by ensuring that our employees and business partners understand and comply with this policy.

Basic Stance on Human Rights

Since our founding, the Daifuku Group has faced the changing needs and challenges of society in the spirit of our corporate creed: Hini Arata.

Our management philosophy (“Automation that Inspires”) expresses our resolve to use materials handling-based technology that moves things to help foster a society in which people can live richer lives. Furthermore, we declare our commitment to respecting human rights in our management philosophy and Group Code of Conduct, and strive to create an environment where each and every employee can maximize their potential.

We recognize that respect for human rights is one of our most important responsibilities in terms of the sustainable growth of our business and organization, and we will fulfill this responsibility by minimizing any possible negative impact on human rights occurring through our business activities.

This policy sets out the Group's approach to human rights in the course of its business activities, and applies to all officers and employees of the Group. We expect our business partners, including those in our supply chain, to understand this policy and put it into practice, and we will work together with them to promote respect for human rights. To achieve this, we have established an internal system in which the president and CEO of Daifuku Co., Ltd. bears responsibility for human rights, and will carry out ongoing efforts.

DAIFUKU

Automation that Inspires

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.