

Consolidated Financial Results

Fiscal Year Ended March 31, 2023

(April 1, 2022 - March 31, 2023)

May 12, 2023

DAIFUKU CO., LTD.



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Financial Highlights



Fiscal 2022 Highlights (April 1, 2022 – March 31, 2023)

(Billion yen)

	FY2021	FY2022	Y/Y change	Y/Y rate
Orders	589.0	737.4	+148.4	+25.2%
Sales	512.2	601.9	+89.6	+17.5%
Operating income	50.2	58.8	+8.6	+17.1%
Operating margin	9.8%	9.8%	—	—
Ordinary income	51.2	59.7	+8.5	+16.6%
Net income attributable to shareholders of the parent company	35.8	41.2	+5.3	+15.0%
Comprehensive income	46.3	53.5	+7.1	+15.5%
Net income per share ^{*1}	94.90 yen	109.11 yen	+14.20 yen	—
ROIC ^{*2}	11.0%	12.6%	+1.6 pts.	
WACC	5.6%	7.3%	+1.7 pts.	

✓ Orders, sales, and income reached new record highs.

✓ (Reference)
As a result of exchange rate movements, orders increased by about 71.3 billion yen, sales by about 41.5 billion yen, and operating income by about 2.2 billion yen, respectively, compared with the previous fiscal year.

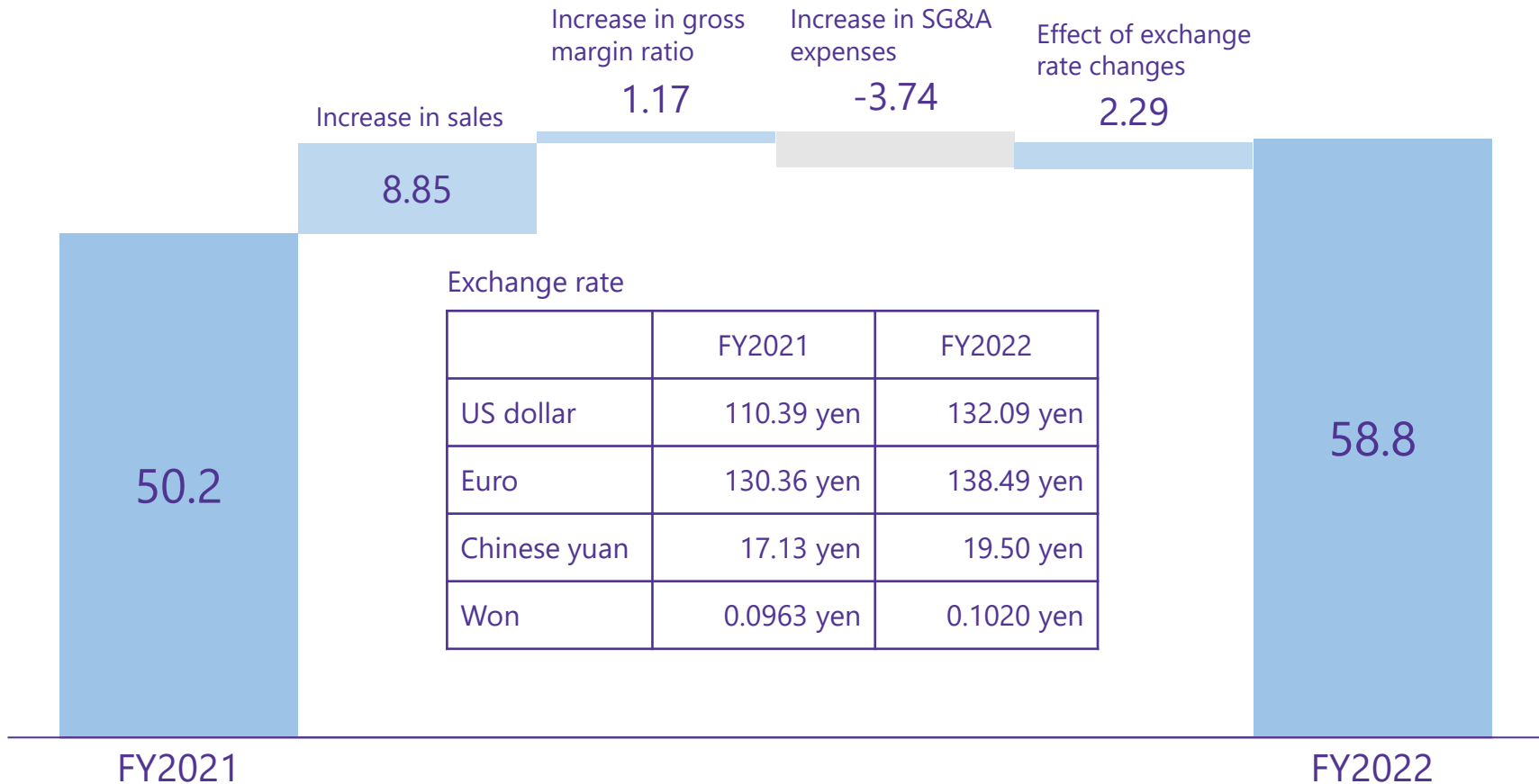
*1 The Company conducted a three-for-one split of its common stock effective April 1, 2023. Net income per share is calculated, assuming that the stock split was conducted at the beginning of the fiscal year ended March 2022.

*2 ROIC = (operating income x (1 – effective tax rate)) / (shareholders' equity + interest-bearing liabilities)

Increase/Decrease in Operating Income

(Billion yen)

[Reference]
 Effect of exchange rate changes
 Orders: +71.3 billion yen
 Sales: +41.5 billion yen



Exchange rate

	FY2021	FY2022
US dollar	110.39 yen	132.09 yen
Euro	130.36 yen	138.49 yen
Chinese yuan	17.13 yen	19.50 yen
Won	0.0963 yen	0.1020 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)		
	FY2021	FY2022	Y/Y change	FY2021	FY2022	Y/Y change	FY2021	FY2022	Y/Y change
Daifuku	262.4	293.1	+30.6	225.0	238.8	+13.7	28.6	34.0	+5.4
Contec	19.6	19.2	-0.3	15.7	18.6	+2.8	1.2	0.9	-0.2
Daifuku North America	135.1	211.0	+75.8	140.4	158.7	+18.2	7.5	6.1	-1.3
Clean Factomation	36.7	48.1	+11.3	28.6	42.6	+14.0	2.0	2.9	+0.8
Other	134.9	165.8	+30.8	104.8	140.9	+36.0	3.7	5.6	+1.9
Consolidated adjustment and other	—	—	—	-2.5	2.0	+4.6	-7.3	-8.5	-1.2
Total	589.0	737.4	+148.4	512.2	601.9	+89.6	35.8	41.2	+5.3

- ✓ Daifuku:
Orders and sales were positive in all businesses.
- ✓ Daifuku North America:
Orders increased in all businesses. Sales were favorable, underpinned by the order backlog from the previous year-end.
- ✓ Clean Factomation:
Orders and sales increased on robust investment by semiconductor manufacturers.

Consolidated Balance Sheets

(Billion yen)

	March 31, 2022	March 31, 2023	Change
Current assets	381.3	433.1	+51.8
Cash on hand and in banks	118.7	102.7	-16.0
Notes and accounts receivable	208.9	250.0	+41.1
Inventories	41.2	66.0	+24.8
Other	12.3	14.2	+1.8
Non-current assets	102.0	118.4	+16.3
Property, plant and equipment	55.2	65.0	+9.8
Intangible assets	10.7	11.4	+0.7
Goodwill	3.9	3.8	-0.1
Other	6.7	7.6	+0.8
Investments and other assets	36.0	41.9	+5.8
Total assets	483.3	551.5	+68.2

	March 31, 2022	March 31, 2023	Change
Current liabilities	173.6	202.8	+29.1
Notes and accounts payable	76.1	94.0	+17.9
Short-term borrowings	22.4	10.3	-12.0
Other	75.0	98.3	+23.3
Non-current liabilities	17.6	16.4	-1.2
Long-term borrowings	3.9	1.1	-2.8
Other	13.7	15.3	+1.6
Total Liabilities	191.2	219.2	+27.9
Shareholders' equity	279.2	308.2	+28.9
Common stock	31.8	31.8	—
Retained earnings	227.6	256.8	+29.2
Other	19.7	19.4	-0.2
Accumulated other comprehensive income	11.5	23.7	+12.2
Non-controlling interests	1.2	0.2	-0.9
Total net assets	292.0	332.3	+40.2
Total liabilities and net assets	483.3	551.5	+68.2

✓ Total assets:
Increased ¥68.2 billion
[Factors]
Increase: ¥41.1 billion in notes and accounts receivable, ¥24.8 billion in inventories
Decrease: -¥16.0 billion in cash on hand and in banks

✓ Liabilities:
Increased ¥27.9 billion
[Factors]
Increase: ¥17.9 billion in notes and accounts payable, ¥23.2 billion in contract liabilities
Decrease: -¥14.8 billion in short-term borrowings and long-term borrowings (combined total)

✓ Net assets:
Increased ¥40.2 billion
[Factors]
Increase: ¥29.2 billion in retained earnings, ¥11.6 billion in foreign currency translation adjustments

Consolidated Statements of Cash Flows

(Billion yen)

	FY2021	FY2022	Y/Y change
Cash flows from operating activities	56.6	20.0	-36.6
Cash flows from investing activities	-9.8	-11.8	-2.0
Free cash flows	46.8	8.1	-38.7
Cash flows from financing activities	-27.5	-30.1	-2.6
Effect of exchange rate change on cash and cash equivalents	4.8	5.7	+0.8
Net increase in cash and cash equivalents	24.1	-16.2	-40.4
Cash and cash equivalents at beginning of year	94.0	118.6	+24.5
Cash and cash equivalents resulting from change in scope of consolidation	0.4	—	-0.4
Cash and cash equivalents at end of year	118.6	102.3	-16.2

✓ Cash provided by operating activities: ¥20.0 billion

[Factors]
Income before income taxes: ¥55.0 billion
Increase in notes and accounts receivables and contract assets: -¥31.6 billion

✓ Cash used in investing activities: ¥11.8 billion

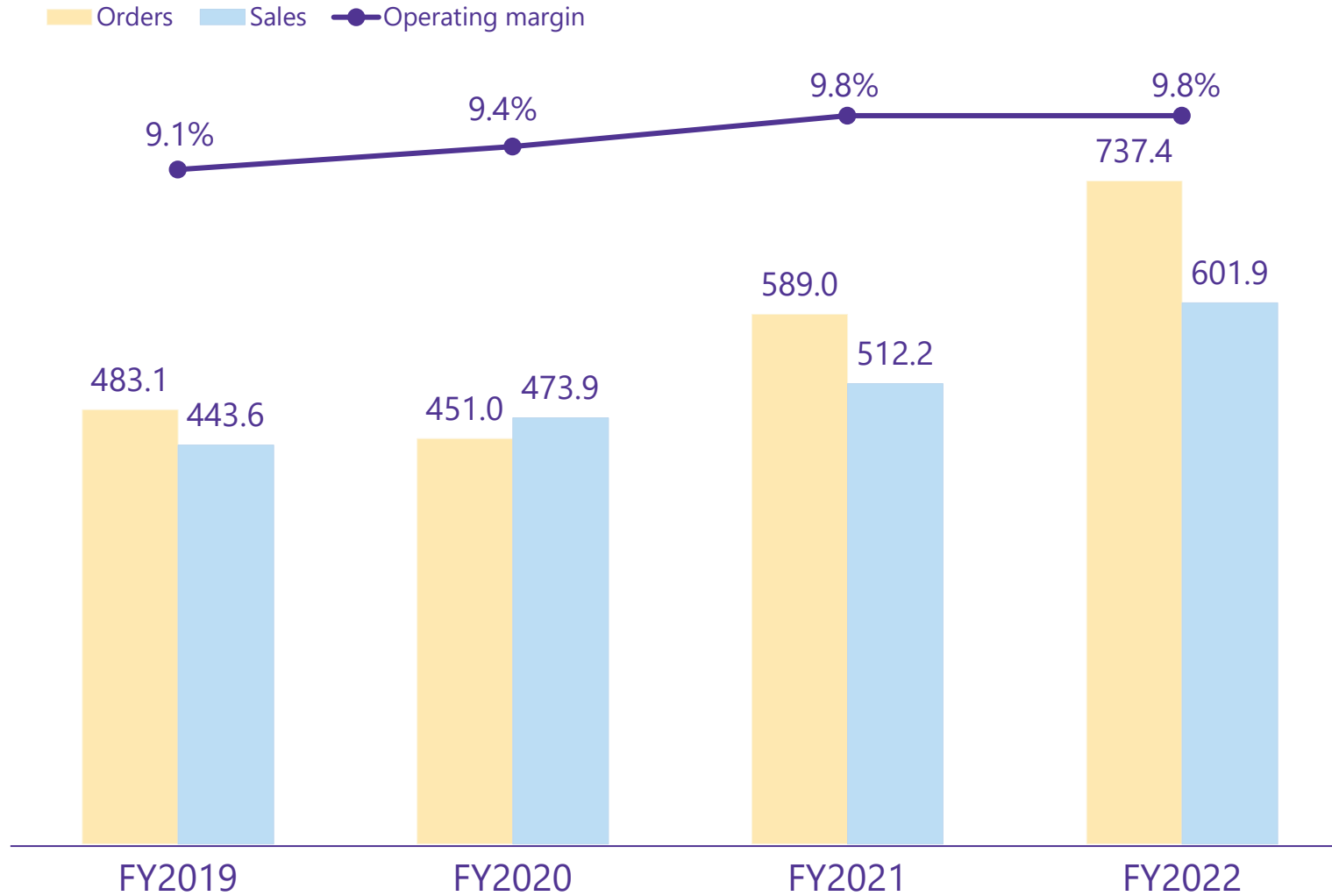
[Factors]
Payments for purchase of property, plant and equipment: -¥13.7 billion

✓ Cash used in financing activities: ¥30.1 billion

[Factors]
Payment of cash dividends: -¥11.9 billion
Repayment of long-term borrowings: -¥15.9 billion

Orders, Sales, and Operating Margin

(Billion yen)



Orders by Destination

(Billion yen)

Region	FY2019		FY2020		FY2021		FY2022		Y/Y change
	Orders	Composition	Orders	Composition	Orders	Composition	Orders	Composition	
Japan	170.0	35.2%	152.5	33.8%	220.5	37.4%	231.4	31.4%	+10.9
Non-Japan	313.1	64.8%	298.5	66.2%	368.5	62.6%	506.0	68.6%	+137.4
North America	140.5	29.1%	120.5	26.7%	131.1	22.3%	200.5	27.2%	+69.3
Asia	152.1	31.5%	144.6	32.1%	204.6	34.8%	255.3	34.6%	+50.6
China	58.3	12.1%	55.2	12.2%	63.1	10.7%	94.2	12.8%	+31.0
South Korea	39.2	8.1%	45.0	10.0%	57.8	9.8%	60.7	8.2%	+2.9
Taiwan	42.4	8.8%	34.0	7.6%	56.5	9.6%	68.4	9.3%	+11.8
Other	12.0	2.5%	10.3	2.3%	27.1	4.6%	31.8	4.3%	+4.7
Europe	9.4	2.0%	16.2	3.6%	17.6	3.0%	15.6	2.1%	-1.9
Latin America	0.9	0.2%	2.6	0.6%	3.0	0.5%	12.6	1.7%	+9.6
Other	9.9	2.0%	14.5	3.2%	12.0	2.0%	21.7	3.0%	+9.7
Total	483.1	100.0%	451.0	100.0%	589.0	100.0%	737.4	100.0%	+148.4

✓ North America:
Orders increased in all businesses. In particular, orders for automotive systems and airport systems remained strong.

✓ Asia:
Orders were driven by cleanroom systems.

Sales by Destination

(Billion yen)

Region	FY2019		FY2020		FY2021		FY2022		Y/Y change
	Sales	Composition	Sales	Composition	Sales	Composition	Sales	Composition	
Japan	155.0	34.9%	163.9	34.6%	182.7	35.5%	197.2	32.9%	+14.4
Non-Japan	288.6	65.1%	309.9	65.4%	332.0	64.5%	402.5	67.1%	+70.4
North America	99.6	22.5%	138.9	29.3%	136.7	26.6%	152.1	25.4%	+15.4
Asia	163.4	36.8%	144.0	30.4%	164.3	31.8%	210.2	35.1%	+45.9
China	70.2	15.8%	59.5	12.6%	57.2	11.1%	60.8	10.2%	+3.6
South Korea	43.5	9.8%	43.3	9.2%	46.5	9.0%	60.0	10.0%	+13.5
Taiwan	37.1	8.4%	30.5	6.5%	49.0	9.5%	58.7	9.8%	+9.6
Other	12.5	2.8%	10.4	2.1%	11.4	2.2%	30.5	5.1%	+19.0
Europe	9.2	2.1%	13.3	2.8%	15.8	3.1%	17.2	2.9%	+1.4
Latin America	6.2	1.4%	4.1	0.9%	5.2	1.0%	6.2	1.0%	+1.0
Other	9.9	2.3%	9.3	2.0%	9.9	2.0%	16.6	2.7%	+6.6
Subtotal	–	–	–	–	514.8	100.0%	599.8	100.0%	+84.9
Consolidated adjustment and other	–	–	–	–	-2.5	–	2.0	–	+4.6
Total	443.6	100.0%	473.9	100.0%	512.2	–	601.9	–	+89.6

✓ Japan, Asia:
Sales were driven by cleanroom systems.

✓ North America:
Sales were positive, underpinned by the order backlog from the previous year-end.

Orders by Industry

(Billion yen)

Industry	FY2019		FY2020		FY2021		FY2022		Y/Y change
	Orders	Composition	Orders	Composition	Orders	Composition	Orders	Composition	
Automobile, auto parts	89.9	18.6%	49.0	10.9%	57.5	9.8%	89.7	12.2%	+32.2
Electronics	146.2	30.3%	129.5	28.7%	233.4	39.6%	271.4	36.8%	+37.9
Commerce, retail	94.5	19.6%	136.3	30.2%	156.9	26.6%	187.9	25.5%	+31.0
Transportation, warehousing	27.4	5.7%	23.3	5.2%	30.6	5.2%	28.8	3.9%	-1.8
Machinery	11.1	2.3%	12.0	2.7%	8.0	1.4%	11.5	1.6%	+3.5
Chemicals, pharmaceuticals	18.4	3.8%	13.9	3.1%	22.2	3.8%	33.0	4.5%	+10.8
Food	17.0	3.5%	17.3	3.8%	16.1	2.7%	17.2	2.3%	+1.0
Iron, steel, nonferrous metals	5.4	1.1%	3.7	0.8%	5.2	0.9%	5.4	0.7%	+0.2
Precision equipment, printing, office equipment	7.6	1.6%	6.1	1.4%	5.4	0.9%	6.1	0.8%	+0.6
Airport	47.6	9.9%	46.0	10.2%	33.2	5.7%	62.3	8.4%	+29.0
Other	17.5	3.6%	13.3	3.0%	20.0	3.4%	23.7	3.3%	+3.6
Total	483.1	100.0%	451.0	100.0%	589.0	100.0%	737.4	100.0%	+148.4

✓ Automobile, auto parts; airport: Orders increased significantly in North America.

✓ Electronics: Orders reflected the continued robust investment of semiconductor manufacturers in Asia.

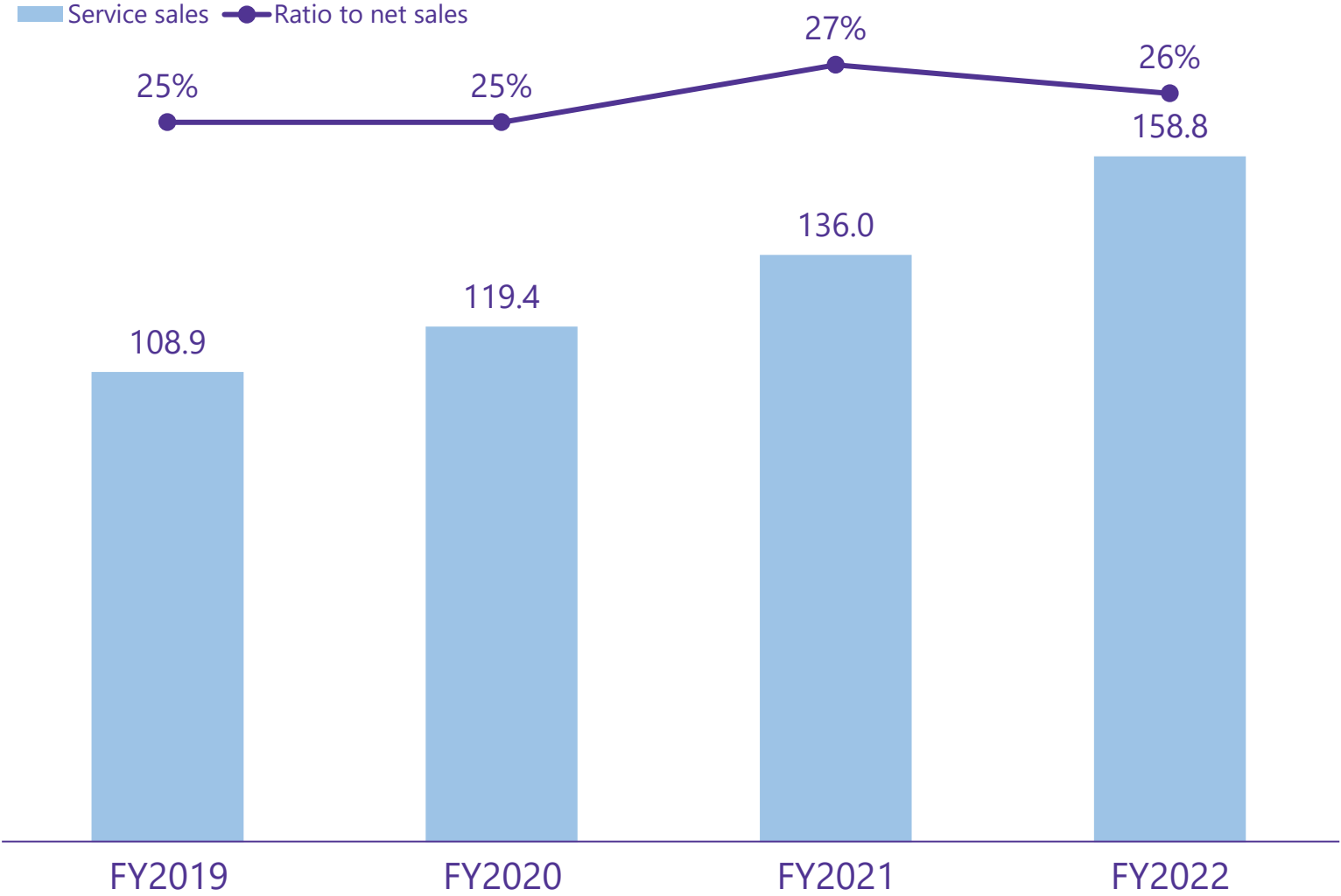
Sales by Industry

(Billion yen)

Industry	FY2019		FY2020		FY2021		FY2022		Y/Y change
	Sales	Composition	Sales	Composition	Sales	Composition	Sales	Composition	
Automobile, auto parts	68.4	15.4%	80.1	16.9%	59.0	11.5%	65.4	10.9%	+6.4
Electronics	144.1	32.5%	137.0	28.9%	151.3	29.4%	215.7	36.0%	+64.3
Commerce, retail	86.2	19.4%	115.5	24.4%	155.1	30.1%	160.9	26.8%	+5.7
Transportation, warehousing	28.5	6.4%	23.5	5.0%	32.8	6.4%	30.4	5.1%	-2.4
Machinery	13.5	3.1%	11.2	2.4%	11.5	2.2%	10.3	1.7%	-1.2
Chemicals, pharmaceuticals	15.3	3.4%	18.3	3.9%	17.6	3.4%	24.6	4.1%	+7.0
Food	13.1	3.0%	17.7	3.7%	20.0	3.9%	15.7	2.6%	-4.3
Iron, steel, nonferrous metals	5.3	1.2%	4.4	0.9%	3.5	0.7%	4.8	0.8%	+1.2
Precision equipment, printing, office equipment	11.4	2.6%	8.7	1.8%	6.2	1.2%	6.4	1.1%	+0.1
Airport	41.9	9.5%	41.2	8.7%	43.7	8.5%	46.1	7.7%	+2.4
Other	15.3	3.5%	15.8	3.4%	13.6	2.7%	19.0	3.2%	+5.4
Subtotal	443.6	100.0%	473.9	100.0%	514.8	100.0%	599.8	100.0%	+84.9
Consolidated adjustment and other	—	—	—	—	-2.5	—	2.0	—	+4.6
Total	443.6	—	473.9	—	512.2	—	601.9	—	+89.6

- ✓ Electronics: Sales reflected the continued robust investment of semiconductor manufacturers in Asia.

(Billion yen)



✓ Y/Y change: +¥22.8 billion
(Y/Y rate: +16.8%)

Liabilities, Fixed Cost, Employees (Consolidated)

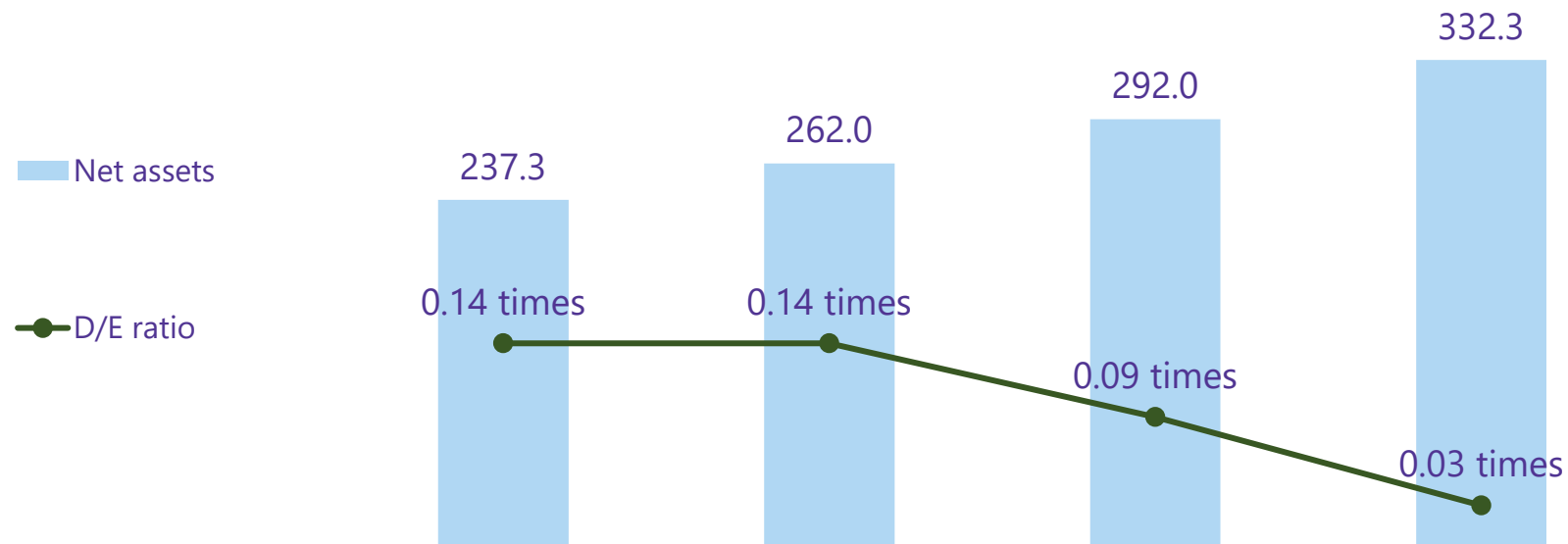
(Billion yen)

	FY2019	FY2020	FY2021	FY2022	Y/Y change
Short-term	11.7	15.5	22.4	10.3	-12.0
Long-term	21.6	19.6	3.9	1.1	-2.8
Total	33.4	35.1	26.3	11.4	-14.8
D/E ratio* (times)	0.14	0.14	0.09	0.03	—
Fixed cost	117.6	117.4	119.7	138.6	+18.8
Personnel expenses	80.2	83.1	88.1	100.4	+12.3
Employees (year-end)	10,863	11,697	12,436	13,020	+584
Outside Japan	7,312	8,045	8,643	9,059	+416

*Debt-Equity ratio = interest-bearing liabilities / shareholders' equity (year-end)

(Billion yen)

✓ Net assets: Favorable growth



	FY2019	FY2020	FY2021	FY2022
ROE*	12.4%	13.2%	13.1%	13.2%
1) Return on sales	6.32%	6.83%	7.00%	6.85%
2) Total asset turnover (times)	1.08	1.11	1.10	1.16
3) Financial leverage (times)	1.76	1.73	1.66	1.66

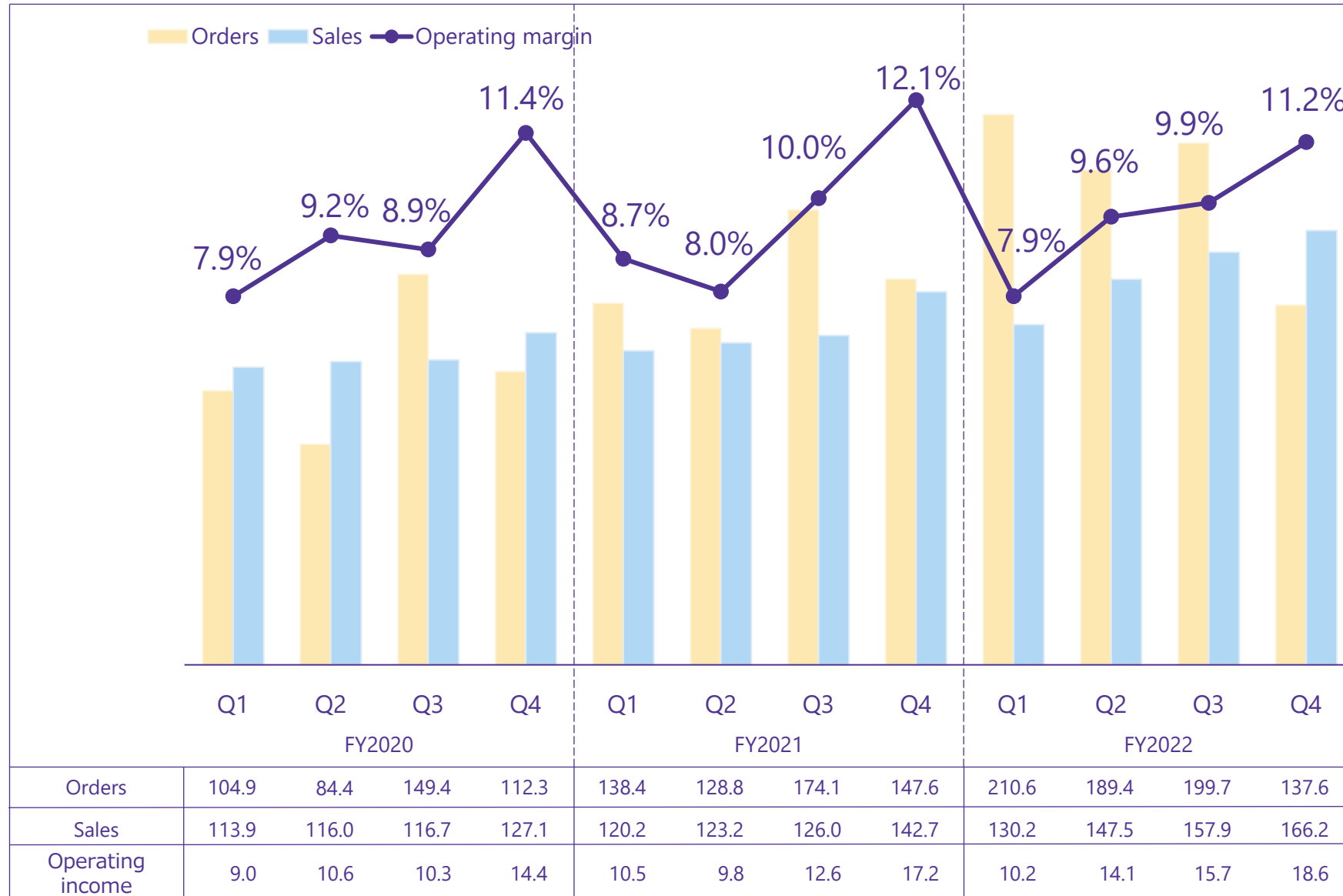
✓ ROE: Secure 10% or higher (three-year business plan target)

*ROE = net income / shareholders' equity (average of beginning and end of year) × 100

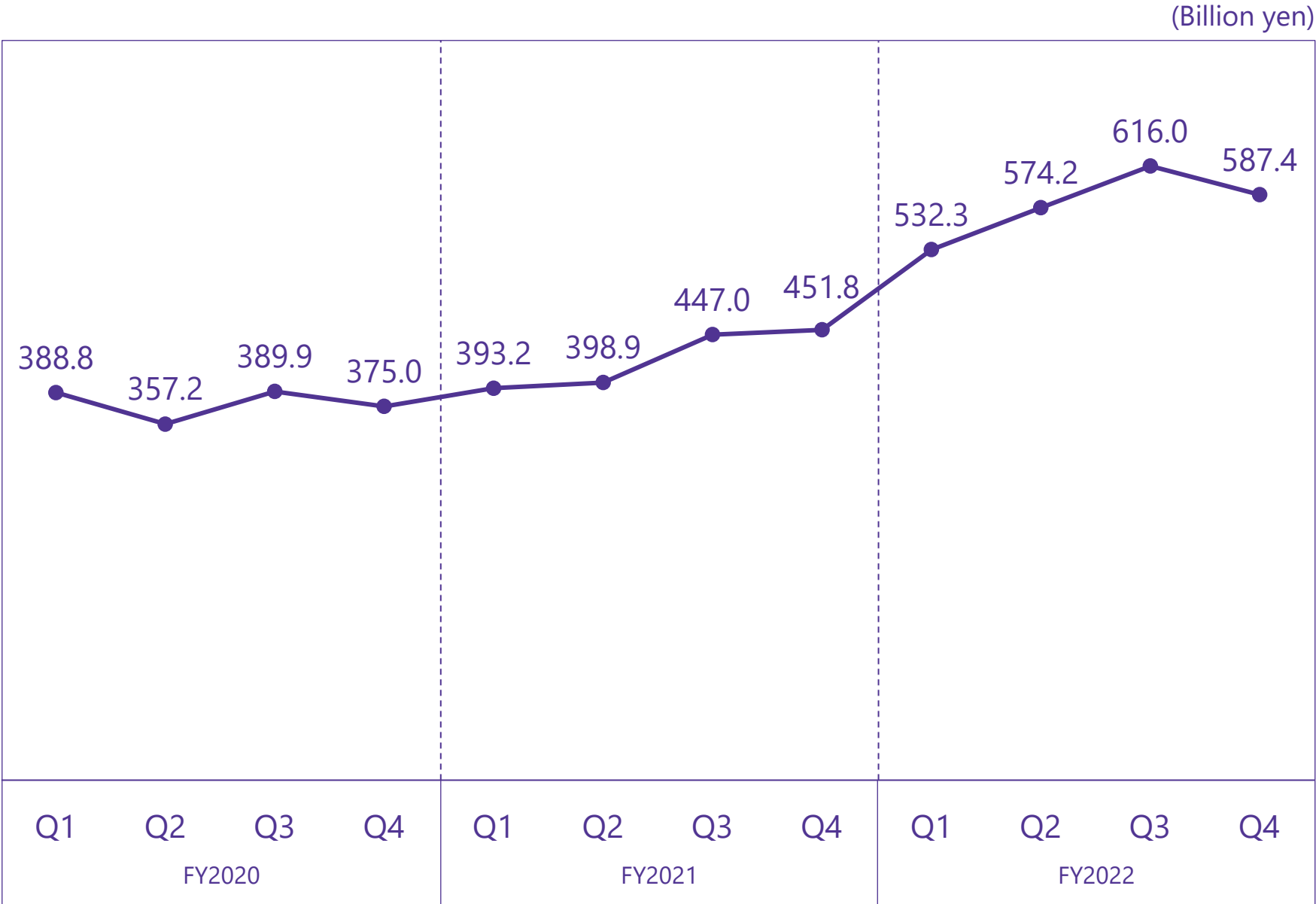
$$= 1) \text{ Return on sales} \times 2) \text{ Total asset turnover} \times 3) \text{ Financial leverage} = \frac{\text{Net income}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Total assets (average of beginning and end of year)}} \times \frac{\text{Total assets (end of year)}}{\text{Equity (end of year)}}$$

Quarterly Orders, Sales, and Operating Margin

(Billion yen)



Order Backlogs



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Earnings Forecast



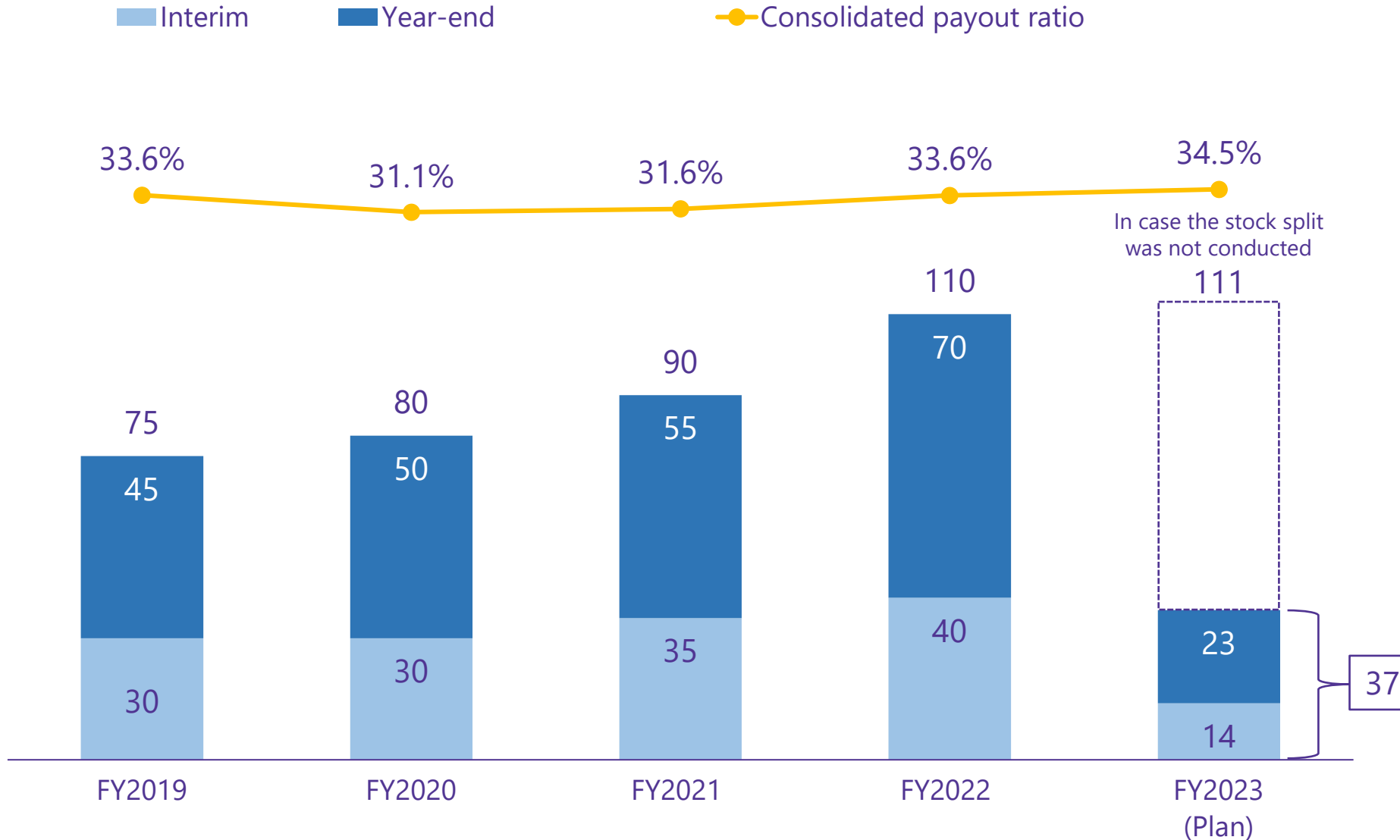
Fiscal 2023 Forecast (Consolidated)

(Billion yen)

	FY2022 H1	FY2023			FY2022	FY2023		
		H1 (Forecast)	Y/Y change	Y/Y rate		FY (Forecast)	Y/Y change	Y/Y rate
Orders	400.1	325.0	-75.1	-18.8%	737.4	630.0	-107.4	-14.6%
Net sales	277.7	285.0	+7.2	+2.6%	601.9	605.0	+3.0	+0.5%
Operating income	24.4	23.0	-1.4	-6.0%	58.8	54.5	-4.3	-7.4%
Operating margin	8.8%	8.1%	-0.7 pts.	—	9.8%	9.0%	-0.8 pts.	—
Ordinary income	24.8	23.5	-1.3	-5.6%	59.7	55.5	-4.2	-7.1%
Net income attributable to shareholders of the parent company	17.0	16.5	-0.5	-3.0%	41.2	40.5	-0.7	-1.8%
Net income per share *	45.00 yen	43.64 yen	-1.36 yen	—	109.11 yen	107.13 yen	-1.98 yen	—

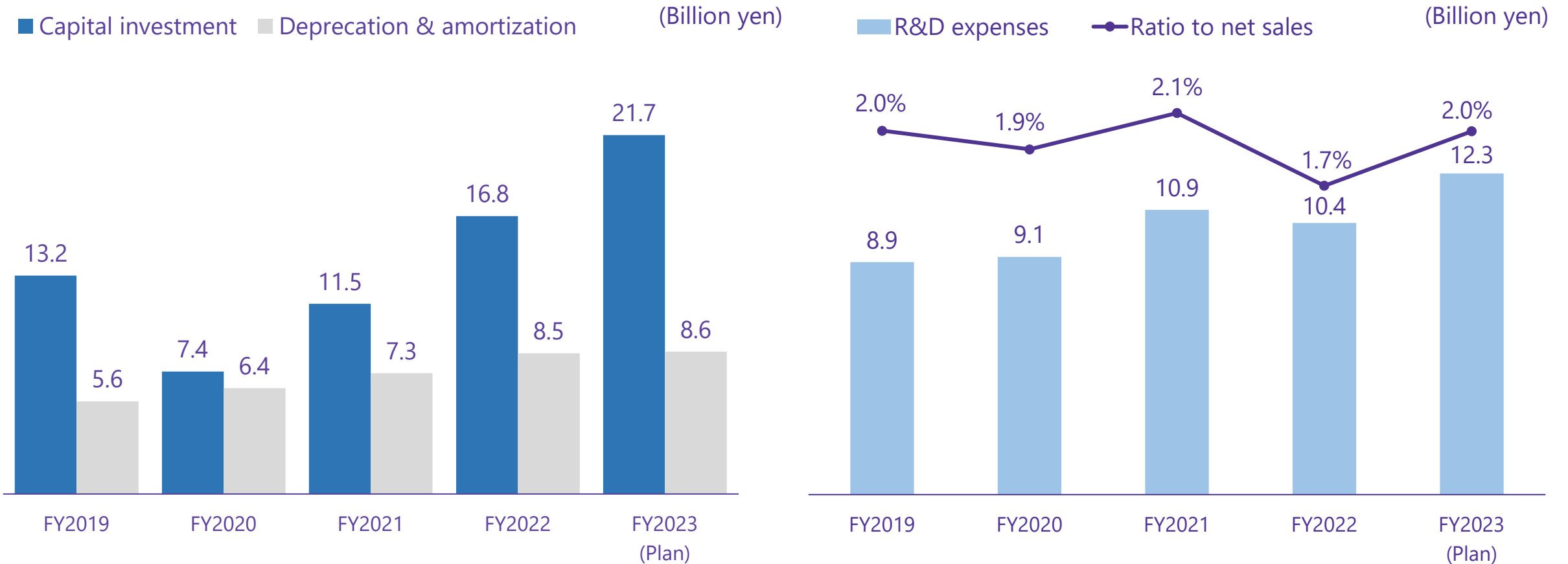
*The Company conducted a three-for-one split of its common stock effective April 1, 2023. Net income per share is calculated, assuming that the stock split was conducted at the beginning of the fiscal year ended March 2023.

(Yen)



- ✓ For the fiscal year ended March 31, 2023, the Company will pay a year-end dividend of 70 yen per share, up 5 yen from the initial plan.
- ✓ The Company conducted a three-for-one split of its common stock effective April 1, 2023. The dividend forecast for the fiscal year ending March 31, 2024 takes into account the effect of the stock split.

Capital Investment, Depreciation, R&D Expenses (Consolidated)



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Topics






We have revised the Daifuku Environmental Vision 2050 (hereafter the “Vision”), which was announced in February 2021. This revision further clarifies the Daifuku Group’s goal by dictating the aim to realize a world where material handling systems operate with zero environmental impact by 2050. Regarding the crucial issue areas, we have incorporated a perspective on natural capital to the existing Vision and established three themes: addressing climate change, promoting resource recycling, and coexisting with nature.

We have set our CO₂ emission reduction target to the 1.5°C global warming limit required by the Paris Agreement, and we have submitted these targets to the Science Based Targets initiative (SBTi). We aim to receive approval from the SBTi by the end of fiscal 2023.

Details: Daifuku Sustainability Site www.daifuku.com/sustainability/environment/management

Environmental Goals for 2030

Crucial Issue Areas	Key Performance Indicators	Targets
 Addressing Climate Change	Daifuku CO ₂ emissions (Scopes 1 + 2)	50.4% reduction (compared to FY2018)
	CO ₂ emissions from purchased goods and services (Scope 3 Category 1)	30% reduction* ¹ (compared to FY2018)
	CO ₂ emissions from the use of sold products (Scope 3 Category 11)	
 Promoting Resource Recycling	Landfill disposal rate	Less than 1%
	Water use intensity* ²	30% reduction (compared to FY2018)
 Coexisting with Nature	Rate of implementation of biodiversity conservation activities at major sites* ³	100%
	Sustainability Action* ⁴ total annual number of participants	30,000 people

*1 Scope 3 Category 1 and Category 11 combined target

*2 Water consumption (1,000 m³) divided by net sales (100 million yen)

*3 Sites with 100 or more employees

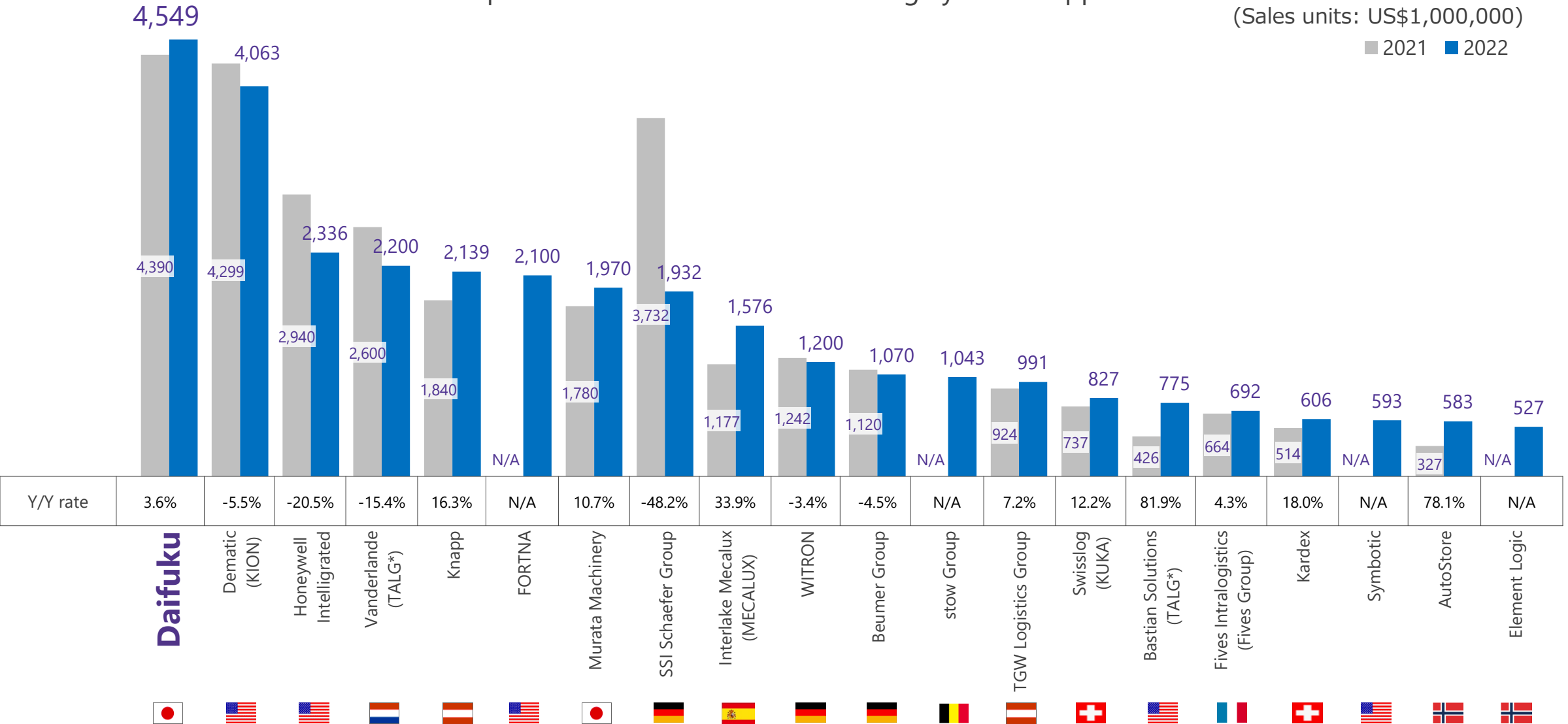
*4 Daifuku’s unique program for sustainability awareness and training

Daifuku Remains No. 1 in Global Sales for the 9th Straight Year

Top 20 Worldwide Materials Handling Systems Suppliers 2022

(Sales units: US\$1,000,000)

■ 2021 ■ 2022



*TALG: Toyota Advanced Logistics Group

(Source: Modern Materials Handling - May 2023)

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.