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(Securities code: 6383)

June 5, 2024

(Date of commencement of measures for electronic provision: May 30, 2024)

To shareholders with voting rights:

Hiroshi Geshiro
President and CEO
Daifuku Co., Ltd.
3-2-11 Mitejima, Nishiyodogawa-ku
Osaka, Japan

Notice of the 108th Ordinary General Meeting of Shareholders

Dear our shareholders:

We would like to express our appreciation for your continued support and patronage.

You are hereby notified that the 108th Ordinary General Meeting of Shareholders of Daifuku Co., Ltd. (hereinafter referred to as the "Company") will be held for the purposes described below.

In convening this General Meeting of Shareholders (hereinafter referred to as the "Meeting"), the Company has taken electronic provision measures, which provide information contained in the Reference Documents, etc. for the Meeting in electronic format (hereinafter referred to as the "electronic provision measures matters"), and has posted the matters on the Company website as "Notice of the 108th Ordinary General Meeting of Shareholders" and "Electronic Provision Measures Matters for the Notice of the 108th Ordinary General Meeting of Shareholders, Etc. (Matters Omitted from Delivered Documents)" on the Internet.

[The Company website]

<https://www.daifuku.com/ir/stock/shareholders/>

In addition to the website shown above, the Company also has posted the electronic provision measures matters on the website of the Tokyo Stock Exchange (TSE). Please access the TSE website (Listed Company Search), enter the issue name (Daifuku) or the securities code (6383), and click "Search," and select "Basic information" then "Documents for public inspection/PR information" to check the matters.

[TSE website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

1. Date and Time: Friday, June 21, 2024, at 10:00 a.m. Japan time

2. Place: The Company's headquarters, 3-2-11 Mitejima, Nishiyodogawa-ku, Osaka, Japan

3. Meeting Agenda

Matters to be reported:

1. The Business Report, the Consolidated Financial Statements for the Company's 108th Fiscal Year (April 1, 2023–March 31, 2024) and the results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
2. Non-Consolidated Financial Statements for the Company's 108th Fiscal Year (April 1, 2023–March 31, 2024)

Proposals to be resolved:

Proposal 1: Partial Amendments to the Articles of Incorporation

Proposal 2: Election of Ten (10) Directors

Proposal 3: Election of One (1) Audit & Supervisory Board Member

If you are unable to attend the Meeting, please review the attached Reference Documents for the General Meeting of Shareholders and, following the guidance below, exercise your voting rights no later than 5:00 p.m. on Thursday, June 20, 2024, Japan time. A live stream via the Internet will also be available on the day of the Meeting.

Other Matters to be Noted Concerning the General Meeting of Shareholders

If you do not indicate your approval or disapproval for any of the proposals on the Voting Rights Exercise Form that you have returned to the Company, the Company will assume that you have indicated your approval for the proposal.

Should any amendments occur to the content of this Notice or the electronic provision measures matters, we will post the information before and after the amendment on each website listed on page 1.

Any major changes in the operation of the Meeting will be announced on the Company's website. <https://www.daifuku.com/jp/>

The "Business Report" and "President's Presentation" with narration will be available on the Company's website below from 1:00 p.m. on Thursday, June 20, 2024, Japan time the day before the General Meeting of Shareholders, so that you can view them in advance.

<https://www.daifuku.com/jp/ir/stock/shareholders/>

Guidance on the Exercise of Voting Rights

- **Attending the Meeting**
When attending the Meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. To save paper resources, you are kindly requested to bring this Notice. Please come by 10:00 a.m. on Friday, June 21, 2024, Japan time.
- **Exercise of voting rights in writing**
Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it by mail so that it arrives no later than 5:00 p.m. on Thursday, June 20, 2024, Japan time.
- **Exercise of voting rights via the Internet, etc.**
If you choose to exercise your voting rights via the Internet, etc., please exercise your voting rights no later than 5:00 p.m. on Thursday, June 20, 2024, Japan time.

If you have exercised your voting rights both in writing and via the Internet, etc., only the vote via the Internet, etc. shall be deemed effective. If you have exercised your voting rights more than once via the Internet, etc., or both via PC and smartphone, only the last vote shall be deemed effective.

When connection fees charged by Internet service providers, telecommunication fees (call charges) charged by telecommunications carriers, etc. for using the Internet are required, they shall be borne by shareholders.

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

[1] Reasons for the amendment

The Company's fiscal year is set to be from April 1 of each year to March 31 of the following year. To match the calendar year, which the Company's non-Japan consolidated subsidiaries apply, thereby enhancing the efficiency of its global business operations and the transparency of its management through timely and appropriate disclosure of management information, the Company would like to change its fiscal year to a period from January 1 to December 31 every year and proposes necessary amendments to Articles 12, 13, 37 and 39 of its current Articles of Incorporation.

In addition, the Company will establish supplementary provisions as a transitional measure, as the 109th fiscal year will be a period of nine months from April 1, 2024 to December 31, 2024 in line with the change of the fiscal year.

[2] Details of the amendment

Details are as follows. Amended sections are underlined.

Current	Proposed amendments
<p>Article 12 (Record Date)</p> <p>The Company shall treat the shareholders recorded in the register of shareholders as of <u>March</u> 31 every year as the shareholders who are entitled to exercise their rights at the ordinary general meeting of shareholders for the corresponding year.</p>	<p>Article 12 (Record Date)</p> <p>The Company shall treat the shareholders recorded in the register of shareholders as of <u>December</u> 31 every year as the shareholders who are entitled to exercise their rights at the ordinary general meeting of shareholders for the corresponding year.</p>
<p>Article 13 (Timing of Convocation)</p> <p>The ordinary general meeting of shareholders shall be convened <u>in June</u> every year.</p>	<p>Article 13 (Timing of Convocation)</p> <p>The ordinary general meeting of shareholders shall be convened <u>within three months from January 1</u> every year.</p>
Article 14 to Article 36 (Omitted)	Article 14 to Article 36 (Unchanged)
<p>Article 37 (Fiscal Year)</p> <p>The fiscal year of the Company shall <u>commence on April 1 of every year and end on March 31 of the following year.</u></p>	<p>Article 37 (Fiscal Year)</p> <p>The fiscal year of the Company shall <u>be a one-year period commencing on January 1 and ending on December 31 of every year.</u></p>
Article 38 (Omitted)	Article 38 (Unchanged)
<p>Article 39 (Record Date for Dividends from Surplus)</p> <p>A surplus may be distributed as dividends at year-end and at the interim to shareholders or registered pledgees recorded in the register of shareholders as of <u>March</u> 31 and <u>September</u> 30 of each year, respectively.</p>	<p>Article 39 (Record Date for Dividends from Surplus)</p> <p>A surplus may be distributed as dividends at year-end and at the interim to shareholders or registered pledgees recorded in the register of shareholders as of <u>December</u> 31 and <u>June</u> 30 of each year, respectively.</p>
(Newly established)	<p><u>(Supplementary provisions)</u></p> <p><u>Article 1</u></p> <p><u>Notwithstanding the provisions of Article 37 (Fiscal Year), the 109th fiscal year that starts from April 1, 2024 shall be a period of nine months to December 31, 2024.</u></p>

Current	Proposed amendments
	<p><u>Article 2</u> <u>Notwithstanding the provisions of Article 39 (Record Date for Dividends from Surplus), the record date for the interim dividend for the 109th fiscal year shall be September 30, 2024.</u></p> <p><u>Article 3</u> <u>The supplementary provisions shall be deleted upon the completion of the 109th fiscal year.</u></p>

Proposal 2: Election of Ten (10) Directors

The terms of office of all ten (10) directors will expire at the conclusion of the Meeting. The Company therefore proposes the election of ten (10) directors.

Regarding the policy and process of electing nominees for Director, the Company submits the names of qualified persons who would be able to fulfill the duties and responsibilities to the Advisory Committee, comprised of one (1) representative director and five (5) outside directors and was chaired by one of these outside directors in the 108th fiscal year, as those who could assume the fiduciary responsibility entrusted by the shareholders in view of their respective personality and insight, and the Board of Directors made final decision on such persons as nominees.

The nominees for Director are as follows. Five (5) inside directors contribute to achieving operating performance by leveraging their abundant experience in charge of their respective business fields. Five (5) outside directors contribute to improving management transparency and protecting stakeholders' interests based on their experience and expertise in corporate management, finance and accounting, legal affairs and risk management, etc., in other companies.

Nominee No.	Name		Current positions and major duties in the Company	Attendance rate at meetings of the Board of Directors (number of attendance) for the fiscal year ended March 31, 2024
1	Hiroshi Geshiro	Reappointed	Representative Director President and Chief Executive Officer (CEO)	100% (16/16 times)
2	Seiji Sato	Reappointed	Director Senior Managing Officer President and CEO of Daifuku North America, Inc.	100% (16/16 times)
3	Hiroshi Nobuta	Reappointed	Director Managing Officer Intralogistics Global Business Head	100% (16/16 times)
4	Hideaki Takubo	Reappointed	Director Managing Officer Chief Human Resources Officer Corporate Functions Head	100% (11/11 times)

Nominee No.	Name		Current positions and major duties in the Company	Attendance rate at meetings of the Board of Directors (number of attendance) for the fiscal year ended March 31, 2024
5	Tomoaki Terai	Newly Appointed	Managing Officer Cleanroom Global Business Head	—
6	Yoshiaki Ozawa	Reappointed Outside Director Independent Officer	Outside Director	100% (16/16 times)
7	Mineo Sakai	Reappointed Outside Director Independent Officer	Outside Director	100% (16/16 times)
8	Kaku Kato	Reappointed Outside Director Independent Officer	Outside Director	100% (16/16 times)
9	Keiko Kaneko	Reappointed Outside Director	Outside Director	100% (16/16 times)
10	Gideon Franklin	Reappointed Outside Director Independent Officer	Outside Director	100% (11/11 times)

Note: A total of 16 (12 ordinary and 4 extraordinary) Board of Directors meetings were held during the fiscal year ended March 31, 2024. Attendance rates of Mr. Hideaki Takubo and Mr. Gideon Franklin cover their attendance at Board of Directors meetings held after June 23, 2023, the day they assumed the office.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
1	Hiroshi Geshiro (June 13, 1958) Reappointed	<p>April 1983 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>April 2012 Corporate Officer General Manager of the Sales Division, FA&DA Operations</p> <p>April 2014 Managing Officer General Manager of FA&DA Global Operations</p> <p>April 2015 General Manager of FA&DA Operations</p> <p>June 2015 Director, member of the board, Managing Officer</p> <p>April 2016 General Manager of the International Division, FA&DA Operations</p> <p>April 2018 Representative Director (to present) President and CEO (to present)</p>	38,600
	<p>[Reason for nomination as Director] Mr. Hiroshi Geshiro has abundant experience and a good track record in the field of mainstay material handling systems for manufacturers and distributors in Japan and overseas. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position as he endeavors to realize the Group strategy toward further business growth and the improvement of operating performance and that he plays a key role in the decision making in the Group management.</p>		

Notes:

1. There are no significant conflicts of interest between the nominee and the Company.
2. The nominee is currently Director of the Company. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which includes the nominee as the insured. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered. The insurance premiums of the insured are fully borne by the Company. The nominee will continue to be insured by the insurance contract if his reappointment is approved. The Company plans to renew the insurance contract with the same contents during the terms of office of the nominee.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
2	Seiji Sato (January 15, 1960) Reappointed	<p>April 1983 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>April 2008 General Manager of the Semiconductor Division, eFA Operations</p> <p>June 2010 Director, member of the board</p> <p>June 2011 Managing Officer with an introduction of corporate officer system</p> <p>April 2015 General Manager of eFA Global Operations General Manager of eFA Operations</p> <p>June 2015 Director, member of the board, Managing Officer</p> <p>April 2020 Cleanroom Global Business Head Cleanroom Division Manager</p> <p>April 2023 Director, Senior Managing Officer (to present) President and CEO of Daifuku North America Holding Company (now Daifuku North America, Inc.) (to present)</p> <p>Significant concurrent positions President and CEO of Daifuku North America, Inc.</p>	129,600
	<p>[Reason for nomination as Director] Mr. Seiji Sato has abundant experience and a good track record in business management concerning the material handling systems for semiconductor and flat-panel display factories in Japan and overseas. Since April 2023, he has been serving as President and CEO of a subsidiary in North America. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.</p>		

Notes:

1. There are no significant conflicts of interest between the nominee and the Company.
2. The nominee is currently Director of the Company. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which includes the nominee as the insured. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered. The insurance premiums of the insured are fully borne by the Company. The nominee will continue to be insured by the insurance contract if his reappointment is approved. The Company plans to renew the insurance contract with the same contents during the terms of office of the nominee.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
3	Hiroshi Nobuta (March 1, 1960) Reappointed	<p>April 1982 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>April 2007 General Manager of the Engineering Department, Production Division, FA&DA Operations</p> <p>April 2012 Corporate Officer General Manager of the Project Management Division, FA&DA Operations</p> <p>April 2013 Corporate Officer Executive Vice President of Daifuku North America Holding Company (now Daifuku North America, Inc.)</p> <p>April 2019 Managing Officer General Manager of the International Division, FA&DA Operations</p> <p>April 2020 Intralogistics Division Manager General Manager of the International Operations, Intralogistics Division</p> <p>April 2021 Intralogistics Global Business Head (to present)</p> <p>June 2021 Director, member of the board, Managing Officer (to present)</p>	25,200
<p>[Reason for nomination as Director] Mr. Hiroshi Nobuta has abundant experience and a good track record in the field of material handling systems for manufacturers and distributors centered on engineering at the Company and its non-Japan subsidiaries. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.</p>			

Notes:

1. There are no significant conflicts of interest between the nominee and the Company.
2. The nominee is currently Director of the Company. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which includes the nominee as the insured. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered. The insurance premiums of the insured are fully borne by the Company. The nominee will continue to be insured by the insurance contract if his reappointment is approved. The Company plans to renew the insurance contract with the same contents during the terms of office of the nominee.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
4	Hideaki Takubo (August 27, 1960) Reappointed	<p>April 1984 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>April 2006 Manager of the Secretary's Office</p> <p>April 2013 President of Daifuku (China) Co., Ltd.</p> <p>April 2015 General Manager of the Global Business Development Department, Corporate Business Development Division</p> <p>April 2017 General Manager of the Human Resources and General Affairs Division, Corporate Affairs Operations</p> <p>April 2019 Corporate Officer</p> <p>April 2021 Managing Officer Corporate Functions Head (to present)</p> <p>April 2023 Chief Human Resources Officer (to present)</p> <p>June 2023 Director, member of the board, Managing Officer (to present)</p>	19,400
<p>[Reason for nomination as Director] Mr. Hideaki Takubo has extensive experience and a good track record in the human resources and general affairs, both in Japan and overseas. As the Corporate Functions Head, he is responsible for promoting sustainability management, including ESG (environment, society, governance). The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.</p>			

Notes:

1. There are no significant conflicts of interest between the nominee and the Company.
2. The nominee is currently Director of the Company. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which includes the nominee as the insured. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered. The insurance premiums of the insured are fully borne by the Company. The nominee will continue to be insured by the insurance contract if his appointment is approved. The Company plans to renew the insurance contract with the same contents during the terms of office of the nominee.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
5	Tomoaki Terai (July 13, 1968) Newly Appointed	<p>April 1994 Joined Daifuku Co., Ltd.</p> <p>April 2011 Director of Daifuku Webb Holding Company (now Daifuku North America, Inc.)</p> <p>April 2015 Chairman of Taiwan Daifuku Co., Ltd.</p> <p>April 2017 General Manager of the Production Division, eFA Operations</p> <p>April 2021 Corporate Officer General Manager of the Production Operations, Cleanroom Division (to present)</p> <p>April 2023 Corporate Officer Cleanroom Division Manager (to present)</p> <p>April 2024 Managing Officer (to present) Cleanroom Global Business Head (to present)</p>	3,000
<p>[Reason for nomination as Director] Mr. Tomoaki Terai has abundant experience and a good track record in business management concerning the material handling systems for semiconductor and flat-panel display factories at the Company and its non-Japan subsidiaries. The Company appoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.</p>			

Notes:

1. There are no significant conflicts of interest between the nominee and the Company.
2. The nominee is currently Corporate Officer of the Company. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which includes the nominee as the insured. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered. The insurance premiums of the insured are fully borne by the Company. The nominee will continue to be insured by the insurance contract if his appointment is approved. The Company plans to renew the insurance contract with the same contents during the terms of office of the nominee.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
6	Yoshiaki Ozawa (May 31, 1954) Reappointed Outside Director, Independent Officer Period of service as Outside Director: Ten (10) years	<p>July 1978 Joined PricewaterhouseCoopers (PwC) Osaka Office</p> <p>October 1979 Joined Chuo Accounting Corporation Osaka Office</p> <p>August 1982 Registered as a Japanese certified public accountant (CPA)</p> <p>October 1985 Worked at Coopers & Lybrand New York Office</p> <p>July 1990 Registered as a U.S. CPA (New York)</p> <p>July 1995 Senior partner, Chuo Shinko Audit Corporation</p> <p>July 2005 National director overseeing Japanese clients in the U.S. at the PwC New York Office</p> <p>July 2007 Joined PwC Aarata (now PricewaterhouseCoopers Japan LLC)</p> <p>January 2008 Senior partner, PwC Aarata</p> <p>April 2009 Specially-appointed professor, Kansai University School of Accountancy</p> <p>April 2012 Professor of Faculty of Business Administration, St. Andrew's University (to present)</p> <p>September 2012 Left PwC Aarata</p> <p>June 2014 Outside Director of Daifuku Co., Ltd. (to present)</p> <p>April 2018 Director of Career Center, St. Andrew's University</p> <p>June 2018 Outside Audit & Supervisory Board Member, Daido Life Insurance Company (to present)</p> <p>June 2019 Substitute Director (Audit and Supervisory Committee Member), Sakai Heavy Industries, Ltd.</p> <p>April 2020 Dean of Graduate School of Business Administration, St. Andrew's University</p> <p>December 2021 Representative Director, Andrew Partners Co., Ltd. (to present)</p> <p>March 2022 Obtained a PhD in Commerce from Kwansei Gakuin University</p> <p>Significant concurrent positions Professor of Faculty of Business Administration, St. Andrew's University Outside Audit & Supervisory Board Member, Daido Life Insurance Company Representative Director, Andrew Partners Co., Ltd.</p>	—

	<p>[Reasons for nomination as Outside Director and expected roles to fulfill] Mr. Yoshiaki Ozawa has considerable knowledge in financial and accounting matters and teaches accounting as a university professor by leveraging his experience working abroad. At meetings of the Board of Directors, he offers professional advice and counsel to secure the transparency of management and enhance the supervision thereof based on his abundant experience and extensive knowledge, as well as to help us promote globalization of the Daifuku Group. In addition, he works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.</p> <p>[Independence] 1. Mr. Yoshiaki Ozawa fully satisfies the requirements for the independence standards stipulated by the Company (pages 27-28). He once served as a representative partner of PricewaterhouseCoopers Aarata (now PricewaterhouseCoopers Japan LLC)—the Accounting Auditor of the Company, but since he resigned from said audit firm in September 2012, there have been no business transactions between him and the Company. 2. The Company designated him as an independent officer as stipulated by the rules of the Tokyo Stock Exchange and provided such notification thereto. If he is reappointed as originally proposed, he will remain an independent officer.</p>	
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Notes:

1. There are no significant conflicts of interest between the nominee and the Company.
2. The nominee is currently Outside Director of the Company. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which includes the nominee as the insured. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered. The insurance premiums of the insured are fully borne by the Company. The nominee will continue to be insured by the insurance contract if his reappointment is approved. The Company plans to renew the insurance contract with the same contents during the terms of office of the nominee.
3. As the nominee is currently Outside Director of the Company, the Company has a limited liability agreement with him to limit the liability for damages to the amount set by law, pursuant to Article 28 of the Company's Articles of Incorporation. If he is reappointed, the Company will continue said agreement with him.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
7	<p>Mineo Sakai (May 13, 1951) Reappointed</p> <p>Outside Director, Independent Officer</p> <p>Period of service as Outside Director: Six (6) years</p>	<p>April 1974 Joined Kanematsu-Gosho, Ltd. (now Kanematsu Corporation)</p> <p>April 1997 General Manager of Finance Department, Kanematsu Corporation</p> <p>April 2004 Corporate Officer, General Manager of the Finance and Accounting Department, Kanematsu Corporation</p> <p>June 2004 Director, member of the board, of Kanematsu Electronics Ltd.</p> <p>June 2005 Managing Director, Kanematsu Electronics Ltd.</p> <p>April 2008 Executive Vice President, Kanematsu Electronics Ltd.</p> <p>April 2014 Chairman, Kanematsu Electronics Ltd.</p> <p>April 2016 Chairman and CEO, Kanematsu Electronics Ltd.</p> <p>April 2018 Director and Senior Adviser, Kanematsu Electronics Ltd.</p> <p>April 2018 Audit & Supervisory Board Member, KEL Technical Service Ltd.</p> <p>April 2018 Audit & Supervisory Board Member, Nippon Office Systems Ltd.</p> <p>April 2018 Audit & Supervisory Board Member, i-NOS Corporation</p> <p>June 2018 Outside Director of Daifuku Co., Ltd. (to present)</p> <p>June 2019 Adviser, Kanematsu Electronics Ltd.</p>	—

	<p>[Reasons for nomination as Outside Director and expected roles to fulfill] Mr. Mineo Sakai has abundant experience and extensive knowledge in corporation management that he has cultivated through the positions as the Chairman and CEO of an IT company. At meetings of the Board of Directors, he offers advice and counsel to secure the transparency of management and enhance the supervision thereof based on his abundant experience and extensive knowledge. In addition, he works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.</p> <p>[Independence]</p> <ol style="list-style-type: none"> 1. Mr. Mineo Sakai fully satisfies the requirements for the independence standards stipulated by the Company (pages 27-28). Although there are transactions concerning information and communications between Kanematsu Electronics Ltd., where he belonged, and the Company, the amount of the transactions is less than 1% of the consolidated net sales of either company. In addition, neither the Company nor Kanematsu Electronics Ltd. holds the stocks of its counterpart. Although Kanematsu Electronics Ltd. is a listed subsidiary of Kanematsu Corporation, transactions between the Company and Kanematsu Corporation are also insignificantly small, and all shares of Kanematsu Corporation held by the Company were sold in fiscal 2020. 2. The Company designated him as an independent officer as stipulated by the rules of the Tokyo Stock Exchange and provided such notification thereto. If he is reappointed as originally proposed, he will remain an independent officer. 	
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Notes:

1. There are no significant conflicts of interest between the nominee and the Company.
2. The nominee is currently Outside Director of the Company. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which includes the nominee as the insured. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered. The insurance premiums of the insured are fully borne by the Company. The nominee will continue to be insured by the insurance contract if his reappointment is approved. The Company plans to renew the insurance contract with the same contents during the terms of office of the nominee.
3. As the nominee is currently Outside Director of the Company, the Company has a limited liability agreement with him to limit the liability for damages to the amount set by law, pursuant to Article 28 of the Company's Articles of Incorporation. If he is reappointed, the Company will continue said agreement with him.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
	<p>Kaku Kato (October 24, 1954) Reappointed</p> <p>Outside Director, Independent Officer</p> <p>Period of service as Outside Director: Five (5) years</p>	<p>April 1978 Joined Mitsui & Co., Ltd.</p> <p>April 2008 General Manager of Legal Division, Mitsui & Co., Ltd.</p> <p>April 2011 Associate Officer; General Manager of Legal Division, Mitsui & Co., Ltd.</p> <p>April 2012 Managing Officer; General Manager of Internal Auditing Division, Mitsui & Co., Ltd.</p> <p>April 2015 Executive Officer; Chief Compliance Officer (CCO) and in charge of Corporate Governance, Health, Safety and Environment (HSE), Mitsui Oil Exploration Co., Ltd.</p> <p>June 2016 Managing Executive Officer; CCO and in charge of Corporate Governance, Human Resources & General Affairs, HSE, Mitsui Oil Exploration Co., Ltd.</p> <p>June 2018 Adviser, Mitsui Oil Exploration Co., Ltd.</p> <p>June 2019 Outside Director of Daifuku Co., Ltd. (to present)</p> <p>April 2020 Visiting Professor of Faculty of Law and Politics, Rikkyo University</p>	
8		<p>[Reasons for nomination as Outside Director and expected roles to fulfill] Mr. Kaku Kato has abundant experience and extensive knowledge in corporate management, particularly in the fields of safety and ESG (environment, society, governance) as well as compliance and internal control, cultivated through the positions as executive officer at a trading company and an energy-related company. At meetings of the Board of Directors, he offers advice and counsel to secure the transparency of management and enhance the supervision thereof largely from the viewpoint of corporate legal affairs. In addition, he works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.</p> <p>[Independence] 1. Mr. Kaku Kato fully satisfies the requirements set forth in the "Independence standards for outside directors and outside members of the Audit & Supervisory Board" stipulated by the Company (pages 27-28). Accordingly, the Company determined that his independence from the Company is sufficiently ensured. 2. The Company designated him as an independent officer as stipulated by the rules of the Tokyo Stock Exchange and provided such notification thereto. If he is reappointed as originally proposed, he will remain an independent officer.</p>	—

Notes:

1. There are no significant conflicts of interest between the nominee and the Company.
2. The nominee is currently Outside Director of the Company. The Company has concluded a directors

and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which includes the nominee as the insured. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered. The insurance premiums of the insured are fully borne by the Company. The nominee will continue to be insured by the insurance contract if his reappointment is approved. The Company plans to renew the insurance contract with the same contents during the terms of office of the nominee.

3. As the nominee is currently Outside Director of the Company, the Company has a limited liability agreement with him to limit the liability for damages to the amount set by law, pursuant to Article 28 of the Company's Articles of Incorporation. If he is reappointed, the Company will continue said agreement with him.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
9	Keiko Kaneko (November 11, 1967) Reappointed Outside Director Period of service as Outside Director: Five (5) years	April 1991 Joined Mitsubishi Corporation April 1999 Registered as an attorney, belonging to Daini Tokyo Bar Association April 1999 Joined Anderson Mori & Tomotsune January 2007 Partner, Anderson Mori & Tomotsune (to present) April 2007 Visiting Associate Professor of Graduate School of Law, the University of Tokyo November External Statutory Auditor, Fast Retailing Co., 2012 Ltd. (to present) November Statutory Auditor, UNIQLO Co., Ltd. (to 2012 present) June 2013 External Statutory Auditor, The Asahi Shimbun Company (to present) June 2019 Outside Director of Daifuku Co., Ltd. (to present) Significant concurrent positions Partner, Anderson Mori & Tomotsune External Statutory Auditor, Fast Retailing Co., Ltd. Statutory Auditor, UNIQLO Co., Ltd. External Statutory Auditor, The Asahi Shimbun Company	—

	<p>[Reasons for nomination as Outside Director and expected roles to fulfill] Ms. Keiko Kaneko has experienced working at a trading company and as an associate professor at a graduate school. As a lawyer, she is actively involved in areas such as business acquisition, transactions and management of business enterprises, and regulations in the field of natural resources. At meetings of the Board of Directors, she offers advice and counsel to secure the transparency of management and enhance the supervision thereof from her professional viewpoint. In addition, she works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.</p> <p>[Independence] 1. Ms. Keiko Kaneko fully satisfies the requirements for the independence standards stipulated by the Company (pages 27-28). Although the Company may outsource individual cases to Anderson Mori & Tomotsune where she belongs, there is no advisory contract and the amount of the transactions is less than 1% of the consolidated net sales of either company. 2. In line with the policy of Anderson Mori & Tomotsune, the Company will not designate her as an independent officer as stipulated by the rules of the Tokyo Stock Exchange. However, she fully satisfies the requirements for independent officers stipulated by the Tokyo Stock Exchange and the independence standards stipulated by the Company. Accordingly, the Company determined that her independence from the Company is sufficiently ensured.</p>	
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Notes:

1. There are no significant conflicts of interest between the nominee and the Company.
2. The nominee is currently Outside Director of the Company. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which includes the nominee as the insured. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered. The insurance premiums of the insured are fully borne by the Company. The nominee will continue to be insured by the insurance contract if her reappointment is approved. The Company plans to renew the insurance contract with the same contents during the terms of office of the nominee.
3. As the nominee is currently Outside Director of the Company, the Company has a limited liability agreement with her to limit the liability for damages to the amount set by law, pursuant to Article 28 of the Company's Articles of Incorporation. If she is reappointed, the Company will continue said agreement with her.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
10	<p>Gideon Franklin (June 28, 1962) Reappointed</p> <p>Outside Director, Independent Officer</p> <p>Period of service as Outside Director: One (1) year</p>	<p>September 1984 Joined Cazenove (now JPMorgan Chase & Co.)</p> <p>October 1986 Joined UBS Phillips & Drew (now UBS AG)</p> <p>January 1993 Director, Schweizerische Bankgesellschaft (Deutschland) AG (now UBS Europe SE)</p> <p>February 1994 Managing Director, Morgan Stanley Group Inc (now Morgan Stanley)</p> <p>January 2004 Outside Director, Culham Prints and Drawings Ltd</p> <p>July 2006 President, Gideon Franklin Limited</p> <p>November 2007 Managing Director, Mizuho International plc</p> <p>August 2013 CEO, Gideon Franklin Limited (to present)</p> <p>June 2019 Outside Director, MCJ Co., Ltd. (to present)</p> <p>April 2021 CEO, Culham Prints and Drawings Ltd (to present)</p> <p>March 2022 Outside Director, UMI Technology Holdings PLC</p> <p>June 2023 Outside Director of Daifuku Co., Ltd. (to present)</p> <hr/> <p>Significant concurrent positions CEO, Gideon Franklin Limited Outside Director, MCJ Co., Ltd. CEO, Culham Prints and Drawings Ltd</p>	—

	<p>[Reasons for nomination as Outside Director and expected roles to fulfill] Mr. Gideon Franklin has abundant experience and extensive knowledge in corporate management as an analyst, M&A advisor, and management executive in international financial institutions and other organizations. He provides advice and recommendations based on his extensive knowledge on global business management, to enhance the diversity of the Board of Directors and to secure the transparency of management and enhance the supervision from an unconventional perspective. In addition, he works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.</p> <p>[Independence]</p> <ol style="list-style-type: none"> 1. Mr. Gideon Franklin fully satisfies the requirements for the independence standards stipulated by the Company (pages 27-28). There is no business transaction between Gideon Franklin Limited, MCJ Co., Ltd., and Culham Prints and Drawings Ltd, where he belongs; and the Company. 2. The Company designated him as an independent officer as stipulated by the rules of the Tokyo Stock Exchange and provided such notification thereto. If he is reappointed as originally proposed, he will remain an independent officer. 	
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Notes:

1. There are no significant conflicts of interest between the nominee and the Company.
2. The nominee is currently Outside Director of the Company. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered. The insurance premiums of the insured are fully borne by the Company. The nominee will continue to be insured by the insurance contract if his reappointment is approved as originally proposed. The Company plans to renew the insurance contract with the same contents during the term of office of the nominee.
3. As the nominee is currently Outside Director of the Company, the Company has a limited liability agreement with him to limit the liability for damages to the amount set by law, pursuant to Article 28 of the Company's Articles of Incorporation. If he is reappointed, the Company will continue said agreement with him.

Proposals and References

Proposal 3: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Ryosuke Aihara will expire at the conclusion of the Meeting. The Company therefore proposes the election of one (1) Audit & Supervisory Board Member.

Regarding the policy and process of electing nominees for Audit & Supervisory Board Member, the Company submits the names of qualified persons who would be able to fulfill the duties and responsibilities to the Advisory Committee as those who could assume the fiduciary responsibility entrusted by the shareholders, and the Board of Directors appoints such persons as nominees upon obtaining the consent of the Audit & Supervisory Board. Moreover, at least one person with appropriate knowledge of finance and accounting shall be appointed Audit & Supervisory Board Member. This proposal has already gained the consent of the Audit & Supervisory Board.

The nominee for Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Career summary and positions in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
Eiko Hakoda (May 25, 1957) Newly appointed Outside Audit & Supervisory Board Member Independent Officer	April 1992 Registered as an attorney, belonging to Daini Tokyo Bar Association Joined Hamada & Matsumoto (now Mori Hamada & Matsumoto)	—
	January 2005 Partner, Mori Hamada & Matsumoto	
	June 2019 Outside Corporate Auditor, KITO Corporation	
	June 2022 Outside Director (Member of Audit and Supervisory Committee), SPARX Group Co., Ltd. (to present)	
	June 2022 Outside Corporate Auditor of SPARX Asset Management Co., Ltd. (to present)	
	December 2022 Outside Member of Audit and Supervisory Board, CMIC HOLDINGS Co., Ltd. (to present)	
	January 2023 Senior Counsel, Mori Hamada & Matsumoto	
	July 2023 Outside Director, The Prudential Life Insurance Company, Ltd. (to present) January 2024 Special Counsel, Gaien Partners (to present)	
Significant concurrent positions Outside Director (Member of Audit and Supervisory Committee), SPARX Group Co., Ltd. Outside Corporate Auditor, SPARX Asset Management Co., Ltd. Outside Member of Audit and Supervisory Board, CMIC HOLDINGS Co., Ltd. Outside Director, The Prudential Life Insurance Company, Ltd. Special Counsel, Gaien Partners		

[Reasons for nomination as Outside Audit & Supervisory Board Member and expected roles to fulfill]

Ms. Eiko Hakoda has long been engaged in global business as a lawyer and has a proven track record and a high level of expertise in finance, international commerce, and corporate governance. The Company would like her to assume this position in expectation of obtaining advice and counsel from her abundant experience and extensive knowledge to secure the transparency of management and enhance the functions of management supervision and auditing. Although she has not been involved in corporate management in any way other than serving as an outside director or an outside member of the Audit & Supervisory Board, for the above reasons we believe that she is capable of properly executing the duties of Outside Audit & Supervisory Board Member.

[Independence]

1. Ms. Eiko Hakoda fully satisfies the requirements for the independence standards stipulated by the Company (pages 27-28). There is no business transaction between Gaien Partners to which she belongs, SPARX Group Co., Ltd., CMIC HOLDINGS Co., Ltd., and The Prudential Life Insurance Company, Ltd. where she serves as outside officer; and the Company. Although SPARX Asset Management Co., Ltd. holds the Company's shares, its ownership of the voting rights is less than 10%. Although the Company has a delegation contractual relationship with Mori Hamada & Matsumoto, to which she belonged until December 2023, she was never involved in the Company's delegation matters, and the amount of transactions between the Company and Mori Hamada & Matsumoto is less than 1% of both the firm's annual revenue and the Company's consolidated net sales.
2. If she is appointed as originally proposed, the Company plans to designate her as an independent officer as stipulated by the rules of the Tokyo Stock Exchange and provide such notification thereto.

Notes:

1. There are no significant conflicts of interest between the nominee and the Company.
2. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which includes the nominee as the insured. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered. The insurance premiums of the insured are fully borne by the Company. The nominee will be insured by the insurance contract if her appointment as Outside Audit & Supervisory Board Member is approved. The Company plans to renew the insurance contract with the same contents during the term of office of the nominee.
3. If the nominee is appointed as an outside member of the Audit & Supervisory Board of the Company as originally proposed, the Company will conclude a limited liability agreement with her to limit the liability for damages to the amount set by law, pursuant to Article 36 of the Company's Articles of Incorporation.

[References]

Correspondence to the Corporate Governance Code (skill matrix)

We are considering the best composition of the Board of Directors in terms of expertise, experience, diversity, etc., in consideration of changes in the business environment and the management policies and plans of the Daifuku Group.

If all nominees listed in this Notice are elected as originally proposed, the skill matrix of the Board of Directors will be as shown in the following table, and it is planned for five (5) out of ten (10) directors (50%) to be outside directors who are independent of management.

Skill matrix of the Board of Directors after the conclusion of this ordinary general meeting of shareholders (planned)

Nominee No.	Name	Independence	Expertise/Experience						
			Corporate management	Technology	Finance, Accounting	Legal affairs, risk management	Sales, marketing	Global	Environment, society, governance
1	Hiroshi Geshiro		✓			✓	✓	✓	✓
2	Seiji Sato		✓				✓	✓	
3	Hiroshi Nobuta		✓	✓				✓	
4	Hideaki Takubo		✓		✓	✓		✓	✓
5	Tomoaki Terai		✓	✓			✓	✓	
6	Yoshiaki Ozawa	✓			✓			✓	✓
7	Mineo Sakai	✓	✓		✓			✓	✓
8	Kaku Kato	✓	✓			✓		✓	✓
9	Keiko Kaneko	✓				✓		✓	✓
10	Gideon Franklin	✓	✓		✓			✓	✓

Notes:

- In Expertise/Experience, up to five skills of individuals are marked with "✓".
- The above list does not represent all of the knowledge, experience, and abilities of individuals.

[References]

Correspondence to the Corporate Governance Code

The Group has established “Daifuku Group’s Basic Policy for Corporate Governance.” In addition, the status of efforts for all 83 items of the Corporate Governance Code has been summarized. For details, please see the Company’s website:

www.daifuku.com/ir/policy/governance

The table below shows the main points required by the Corporate Governance Code and the Company’s response status.

Main points required by the Corporate Governance Code	The Company’s Response	
Enhancing board independence		
Ensure that at least one-third of directors are independent outside directors	Year ended March 31, 2024	50% (5 out of 10)
Establish a nomination committee and remuneration committee (independent outside directors appointed as the majority of the committee)		Established a voluntary Advisory Committee (nomination/remuneration). The Committee comprising five (5) outside directors and one (1) representative director (For independence, please refer to the following page.)
Disclose a skill matrix of board members conforming to the Company’s business strategy		Disclosed the skill matrix
Appoint independent outside directors having managerial experiences at other companies		Appointed three (3) persons
Dealing with sustainability issues		
Enhance the quality and quantity of climate-related disclosure based on international frameworks	2019	Endorsed Task Force on Climate-Related Financial Disclosures (TCFD) recommendations
	2020	Disclosed information on the impact of climate-related risks and opportunities on business activities, earnings, etc.
	2023	CO ₂ emissions reduction targets certified by The Science Based Targets initiative
	2024 To be disclosed	Review of disclosures based on TCFD recommendations
Develop a basic policy for the company’s sustainability initiatives	2021	Announced Daifuku Environmental Vision 2050 (crucial issue areas and goals by 2030)
		Established Daifuku Group Human Rights Policy
	2023	Revised Daifuku Environmental Vision 2050
		Established Sustainable Procurement Guidelines
2024	Established Daifuku Group Sustainability Basic Policy	
	Upwardly revised 2030 target for in-house CO ₂ emissions reduction targets (Scope 1 and 2) 50.4% reduction from FY2018 → 60% reduction from FY2018	
Main issues other than the above		
Promote the use of electronic voting platforms and disclose in English	We use the electronic voting platform. We disclose most disclosure documents in English, including timely disclosures, financial announcements, financial presentations, convening notices, annual securities reports, corporate governance reports, and Daifuku Report as integrated reporting.	

Main points required by the Corporate Governance Code	The Company's Response
Reduce cross-shareholdings	As of March 31, 2024: Number of issues (consolidated): 40 issues Amount recorded on consolidated balance sheets: 16.3 billion yen Ratio to consolidated net assets: 4.5%
	(Reference) As of March 31, 2023: Number of issues (consolidated): 47 issues Amount recorded on consolidated balance sheets: 11.8 billion yen Ratio to consolidated net assets: 3.6%

		Time	Goals and results
Ensure diversity in the core human resources of the company			
Women	Goal for promoting female managers	Year ending December 31, 2024	41 persons
	Result of promoting female managers		41 persons
Foreign nationals	Foreign nationality ratio of regular hires	As of April 1, 2024	9.5%
	Number of foreign managers		6 persons
Mid-career professionals	Career recruitment ratio		44.2%
	Career recruitment ratio for assistant managers		42.1%
	Career recruitment ratio for managers	32.2%	

Note: Subject to the approval of Proposal 1, the fiscal year-end (the closing date of the fiscal year) will be changed from March 31 to December 31 beginning with the 109th fiscal year (fiscal 2024).

[References]

Independence standards for outside directors and outside members of the Audit & Supervisory Board

At Daifuku, outside directors and outside members of the Audit & Supervisory Board are considered independent if they do not fall under any of Articles 1 to 5 below.

Article 1

A person who falls or fell under any of the following in the last three years:

- 1) A person who executes business of a company, etc. that is a key customer of Daifuku or whose key business partner is Daifuku (*1)
- 2) A lawyer who belongs to a law firm that has concluded an advisory contract with Daifuku or its subsidiary and who was actually in charge of legal business for Daifuku, a certified public accountant (or a certified tax accountant) who was an accounting auditor or accounting adviser of Daifuku or its subsidiary, or an employee, partner, or staff member who belongs to an auditing firm (or tax accountant corporation) that is an accounting auditor or accounting adviser of Daifuku or its subsidiary and who was actually in charge of the auditing service for Daifuku
- 3) A lawyer, certified public accountant, or certified tax accountant, if not applicable to the above item 2, who provides specialized services, etc. to Daifuku by receiving a large amount (*2) of money or assets other than remuneration for an officer, directly from the company
- 4) An officer or employee of a company, etc. that is a major shareholder (*3) of Daifuku

Article 2

An officer or employee of Daifuku's subsidiary or a person who held such a position during the ten years before being appointed as such status

Article 3

An executive board member or any other person who executes business of an organization that receives donations or grants exceeding a certain amount (*4) from Daifuku (such as a public interest incorporated foundation, a public interest incorporated association, or a non-profit corporation)

Article 4

The spouse or a relative within the second degree of relationship of a person who falls under any of Articles 1 to 3 above, or a relative living together with such a person

Article 5

A person who does not fall under any of Articles 1 to 4 above, but who is deemed likely to have a virtual conflict of interest with Daifuku due to their relationship with the company

(Notes)

- *1: A customer from whom Daifuku received payment of at least 2% of the amount of Daifuku's annual consolidated net sales in the most recent fiscal year, or a business partner who received payment from Daifuku of at least 2% of the amount of its annual consolidated net sales in the most recent fiscal year
- *2: The annual average for the last three years of 10 million yen or more
- *3: A shareholder with 10% or more of the voting rights
- *4: The annual average for the last three years of 10 million yen or more, or 30% of the average total annual expenditure of the organization, whichever is larger

Business Report

(April 1, 2023–March 31, 2024)

1. Overview of the Daifuku Group

[1] Business progress and results

During the fiscal year (from April 1, 2023 to March 31, 2024), the global economy generally remained favorable, despite a slowdown in the Chinese economy and concerns of an economic slowdown due to monetary tightening in Europe and the United States.

The business environment surrounding the Group has seen accelerating capital spending associated with the shift to xEVs (a generic term for electric vehicles, including BEVs, HEVs, PHEVs, and FCEVs) in the automotive industry. In addition, investment in automation at airports has grown in line with the recovery in the number of air passengers. Over the past several years, while investment in e-commerce, which had been robust in North America and Japan, has been experiencing a temporary lull, capital spending in the manufacturing sector has been recovering. In the semiconductor industry, investment in legacy semiconductors in China continued at a high level, and signs of recovery are seen in investment in logic and memory semiconductors, which had been weak.

In this economic and business environment, orders received by the Group were almost in line with the initial plan announced at the beginning of the fiscal year, despite a reactionary fall in orders for cleanroom systems for semiconductor and flat-panel display production lines from the orders received ahead of schedule in the previous fiscal year.

Sales were strong in automotive systems and airport systems, benefiting from an extensive order backlog from the end of the previous fiscal year, while sales of intralogistics systems for manufacturers and distributors and cleanroom systems fell short of the results of a year ago.

Specifically, the Group received orders of 620,312 million yen, down 15.9% from the same period of the previous fiscal year, and recorded sales of 611,477 million yen, up 1.6%.

Overall, income significantly exceeded the initial plan. In intralogistics systems, profitability improved in North America, mainly reflecting progress in revising prices in line with higher costs due to soaring raw material and labor expenses. In cleanroom systems, profitability improved due to cost reduction efforts, despite the impact of lower sales. In automotive systems, profitability increased along with increased sales. Meanwhile, profitability declined in airport systems, mainly reflecting soaring raw material and labor costs and one-time costs recorded for certain projects in Oceania.

Consequently, the Group posted operating income of 62,079 million yen, up 5.5% from the previous fiscal year, and ordinary income of 64,207 million yen, up 7.4%. Net income attributable to shareholders of the parent company was 45,461 million yen, up 10.2%. Sales, operating income, ordinary income, and net income attributable to shareholders of the parent company reached new record highs for the second consecutive year.

Consolidated Operating Results for the Fiscal Year Ended March 31, 2024

Orders received	620,312 million yen	Down 15.9% year-on-year
Net sales	611,477 million yen	Up 1.6% year-on-year
Operating income	62,079 million yen	Up 5.5% year-on-year
Ordinary income	64,207 million yen	Up 7.4% year-on-year
Net income attributable to shareholders of the parent company	45,461 million yen	Up 10.2% year-on-year

[Results by reportable segment]

Results by reportable segment are described below. Orders from and sales to external customers are presented as segment orders and sales, and net income attributable to shareholders of the parent company is recorded as segment income.

Daifuku (Suzhou) Cleanroom Automation Co., Ltd., which was previously included in Other, was changed to a reportable segment due to its increased quantitative significance from the fiscal year ended March 31, 2024. Reportable segments for the previous fiscal year have been prepared based on the current reportable segments, accordingly.

Of the Group, Japanese companies such as Daifuku Co., Ltd. and Contec Co., Ltd. close their books on March 31. Most non-Japan subsidiaries close their books on December 31; accordingly, their status during the period from January to December 2023 is shown.

(1) Daifuku Co., Ltd.

Orders declined for intralogistics systems, where investment in e-commerce is experiencing a temporary lull, and for cleanroom systems, after a significant increase in the previous fiscal year due to advance orders and foreign exchange effects.

Sales were strong for automotive systems but declined for intralogistics systems and cleanroom systems.

Segment income was affected by lower sales of intralogistics systems, despite increased sales of automotive systems and an increase in dividends from affiliates.

As a result, Daifuku recorded orders of 213,633 million yen, down 27.1% from the same period of the previous fiscal year, sales of 238,877 million yen, up 0.0%, and segment income of 33,223 million yen, down 2.4%.

(2) Contec Co., Ltd. and its subsidiaries

In the Japanese market, sales were favorable, mainly to manufacturers. In the North American market, however, sales remained flat due to continued inventory adjustments in the mainstay medical device sector.

Segment income fell, due to write-downs for inventory optimization.

As a result, Contec posted orders of 19,742 million yen, up 2.3% from the same period of the

previous fiscal year, sales of 19,080 million yen, up 2.6%, and segment income of 891 million yen, down 9.8%.

(3) Daifuku North America, Inc.* and its subsidiaries

Orders for intralogistics systems remained strong, including large projects, while orders for airport systems declined from the year-ago results.

Sales remained favorable in all areas, underpinned by an extensive order backlog from the end of the previous fiscal year.

Segment income increased significantly, mainly reflecting increased sales overall and progress in revising prices to keep pace with higher costs associated with soaring raw material and labor expenses in intralogistics systems and automotive systems.

As a result, Daifuku North America achieved orders of 202,061 million yen, down 4.3% from the same period of the previous year, sales of 175,795 million yen, up 10.7%, and segment income of 11,108 million yen, up 79.6%.

* Effective January 1, 2024, Daifuku North America Holding Company changed its name to Daifuku North America, Inc.

(4) Clean Factomation, Inc.

Orders fell significantly from the year-ago results, when they had been bolstered by brisk investment from semiconductor manufacturers. Sales also declined. Segment income fell, along with the decrease in sales.

As a result, Clean Factomation posted orders of 24,822 million yen, down 48.5% from the same period of the previous fiscal year, sales of 30,637 million yen, down 28.2%, and segment income of 1,888 million yen, down 36.2%.

(5) Daifuku (Suzhou) Cleanroom Automation Co., Ltd.

Daifuku (Suzhou) Cleanroom Automation provides cleanroom transport systems mainly to semiconductor manufacturers in China.

Orders, sales, and segment income exceeded the year-ago results, as investment in legacy semiconductors continued at a high level from the previous fiscal year.

As a result, Daifuku (Suzhou) Cleanroom Automation posted orders of 46,674 million yen, up 14.8% from the same period of the previous fiscal year, sales of 30,083 million yen, up 19.7%, and segment income of 5,493 million yen, up 181.3%.

(6) Other

The Group has a total of 67 consolidated subsidiaries worldwide. The Other segment includes all consolidated subsidiaries excluding the aforementioned Contec, Daifuku North America, Clean Factomation, and Daifuku (Suzhou) Cleanroom Automation. These companies manufacture, sell, install, and service material handling systems, car wash machines, and other equipment. The status of major subsidiaries is as follows.

Japan subsidiaries

Daifuku Plusmore Co., Ltd. provides car wash machines and related services. Sales volumes remained favorable due to the government subsidy policies for customers, which continued from the previous fiscal year.

Non-Japan subsidiaries

The Group has production sites for material handling systems in China, Taiwan, South Korea, Thailand, India, and other regions, which also provide sales, installations, and services, playing a role in creating an optimal local production and procurement framework.

In addition, the Group has subsidiaries in the regions of North and Central America, Asia, Europe, and Oceania, which provide sales, installations and services. Orders declined, given a reactionary fall in cleanroom systems in Asia, mainly attributable to orders received ahead of schedule in the previous fiscal year. Sales were generally favorable, underpinned by an order backlog from the end of the previous fiscal year.

Segment income was impacted significantly by one-time costs in certain projects in Oceania.

As a result, the segment reported orders of 113,377 million yen, down 9.4% from the same period of the previous fiscal year, sales of 118,698 million yen, up 2.5%, and segment income of 895 million yen, down 75.7%.

[2] Capital investment, etc.

The Group's capital investment during the fiscal year ended March 31, 2024 totaled 21,410 million yen, which included maintenance and upgrades as well as expansion of production facilities of Daifuku Co., Ltd. in Japan and expansion of production facilities of non-Japan subsidiaries in North America, China, and South Korea.

The above-mentioned capital investment was funded by cash on hand and proceeds from the issuance of convertible-bond-type bonds with stock acquisition rights.

[3] Capital procurement

The Company raised 61.2 billion yen through the issuance of convertible-bond-type bonds with stock acquisition rights on September 14, 2023.

[4] Challenges to be addressed

(1) Basic management policy

To meet the needs of the times such as changes in the business environment and social environment, digital transformation, and sustainability management, we revised our management philosophy to "Automation that Inspires" on October 1, 2021. We aim to inspire society and enhance well-being through our core competence—automated material handling technology—while transforming the value we provide to customers with our established material handling technologies for storage, transport, sortation, and picking.

(2) Medium- to long-term company management strategy

<Review of Value Transformation 2023 (April 2021–March 2024)>

Under the three-year business plan Value Transformation 2023 whose final year was the fiscal year ended March 31, 2024, despite the impact of the COVID-19 pandemic, the results for the first fiscal year were generally strong, representing solid progress toward the achievement of

the initial management targets (consolidated sales of 540.0 billion yen, operating margin of 10.5%, return on equity (ROE) of 10% or higher for each fiscal year, and consolidated dividend payout ratio of 30% or more on a three-year average). In the second year of the plan, we revised the target for consolidated sales to 600.0 billion yen.

From the fiscal year ended March 31, 2023 onward, increased costs associated with rising raw materials and labor expenses significantly impacted profits. We focused on improving profitability by revising prices to keep pace with higher costs and promoting cost reduction through the standardization of products, the reduction of the number of parts, and the shortening of installation periods.

As a result, we achieved the management targets for both consolidated sales and ROE for the fiscal year ended March 31, 2024. Operating income, ordinary income, and net income attributable to shareholders of the parent company reached new record highs for second consecutive year in the fiscal year ended March 31, 2023 and the fiscal year ended March 31, 2024. Operating margin for the fiscal year ended March 31, 2024 slightly fell short of the target.

The consolidated dividend payout ratio was 32.7% on a three-year average, achieving the target of 30% or more on a three-year average. The objective status, major outcome and next challenges are stated below.

Objective status

	Results for the fiscal year ended March 31, 2022	Results for the fiscal year ended March 31, 2023	Results for the fiscal year ended March 31, 2024	Value Transformation 2023 targets
Consolidated sales	512.2 billion yen	601.9 billion yen	611.4 billion yen	600.0 billion yen (Initial target: 540.0 billion yen)
Operating margin	9.8%	9.8%	10.2%	10.5%
ROE	13.1%	13.2%	13.2%	10% or higher
Consolidated dividend payout ratio	31.6%	33.6%	32.9%	30% or more on a three-year average
	32.7% on a three-year average			

Outcome and next challenges

Outcome
<ul style="list-style-type: none"> - Increased production capacity mainly in North America, China, and South Korea to increase orders and sales, and increased profitability by improving productivity and in-house production ratio. - Reduced the impact of rising material and labor costs by standardizing products, reducing the number of components, shortening installation periods, and reducing other costs. - Established new C-suite roles to strengthen the management system across the Daifuku Group. - Promoted the introduction of renewable energy sources, in addition the Scope 1+2 CO₂ emissions rate in fiscal 2023 is expected to be reduced by 46% that of fiscal 2018.

Next challenges
<ul style="list-style-type: none"> - Improving profitability through more sophisticated project management outside of Japan. - Strengthening competitiveness by accelerating the introduction of cutting-edge technologies and creating new businesses. - Expanding investment in human capital to secure and develop human resources and enhancing human resource management capabilities. - Improving capital efficiency and cash flows by refining business management.

Outline of Driving Innovative Impact 2030 and four-year business plan for 2027

To achieve a next round of growth and enhancement of corporate value, we have formulated "Driving Innovative Impact 2030," which is our long-term vision for 2030, and the "four-year business plan for 2027" (hereinafter referred to as the "new business plan") whose final year is the fiscal year ending December 31, 2027, a midpoint of our overall goals for 2030.

Driving Innovative Impact 2030

Our long-term vision for 2030 encompasses our strong desire to achieve even greater economic and social value by strengthening our initiatives with new future-oriented ideas and trailblazing groundbreaking change for our stakeholders.

Concepts for the formulation

1. From short-term to long-term oriented

We first produced our vision of society and identified issues in the future, and used backcasting to formulate our long-term vision, Driving Innovative Impact 2030. Then, we set the new business plan as a midpoint toward 2030.

2. Balancing economic value and social value

We integrated the two, laying out goals that take both business and sustainability perspectives into account, and we formulated measures and roadmaps to achieve them.

2030 Vision and management targets for 2027

		2030 Vision	Targets for 2027
Economic value	Consolidated sales	1 trillion yen	800.0 billion yen
	Operating margin	12.5%	11.5%
	ROE	13.0%	13.0%
Social value		Using our automated material handling technology, we will <ul style="list-style-type: none"> - support social infrastructure such as logistics and production sites. - contribute to the resolution of social issues in new areas such as food and the environment. 	

Priority domains and frameworks

To realize economic and social value, we established priority frameworks for the following domains, taking into consideration the challenges from Value Transformation 2023 plan, the business environment, and social sustainability, and we will implement various measures.

Domains	Frameworks
Business domains	<ul style="list-style-type: none">- Evolving existing businesses- Expanding into new areas- Developing next-generation solutions
Business & operational framework domains	<ul style="list-style-type: none">- Establishing a system to bolster growth- Financial strategies to bolster our business- Revamping overall business operations- Strengthening management structure, refining business management- Organizational strengthening- Eliminating environmental impact- Safety reinforcement

For details about the long-term vision and the new business plan, please refer to "Notice of Formulation of Driving Innovative Impact 2030 and Four-Year Business Plan for 2027," announced on May 10, 2024 or our website: www.daifuku.com/ir/assets/20240510_03e.pdf

(3) Management environment

1) Business environment

While Japan faces a shrinking population and escalating labor shortages due to the 2024 logistics problem, labor costs outside of Japan, especially in North America, are rising rapidly, and the need for automation and unattended operations at logistics and production sites is expanding globally.

Moreover, demand for semiconductors is increasing dramatically with the diffusion of generative AI, and at the same time, governments are promoting capital investment within their own countries from the perspective of economic security, resulting in accelerating semiconductor investment in various regions.

As governments around the world set CO₂ emissions reduction targets, investment related to xEVs (the generic term for electric vehicles, including BEVs, HEVs, PHEVs, and FCEVs) is expected to continue for the time being.

At airports, where only limited investment in automation has been made so far, various issues associated with chronic labor shortages have become apparent, and there is a need for a shift to smart airports.

In view of such business environment, it is certain that expectations for automated material handling technology, the Group's core competence, will continue to rise, and we will strive to steadily seize business opportunities and link them to further growth.

2) Competitive environment

Innovation in advanced technology, as typified by generative AI, is progressing rapidly, and emerging competitors with specific technological capabilities and products are entering the market. Competitors from China, whose strength lies in low prices, are also on the rise.

In Japan, competition is intensifying as domestic competitors strengthen their proposal capabilities by combining their own products with cutting-edge products from non-Japan companies.

We will strengthen our development capabilities with an emphasis on next-generation technologies, while focusing on human resources development to improve DX/AI literacy and refine the Group's strength in providing the best systems globally to overcome the fierce competition.

(4) Business and financial issues to address with priority

Regarding the business portfolio that forms the basis of the new business plan, we aim for continuous corporate development with our six businesses, comprising the four core businesses, (i) intralogistics systems, (ii) cleanroom systems, (iii) automotive systems, and (iv) airport systems, plus (v) auto wash business, and (vi) electronics as before.

In the fiscal year ended March 31, 2024, to increase profitability through structural reforms of the entire Group, we

- reviewed business framework and took on the challenge of new businesses;
- enhanced profitability through structural reforms of non-Japan subsidiaries; and
- continued development of advanced technology and new business solutions and promotion of DX (digital transformation).

While promoting "local self-sufficiency," that is, procurement and manufacturing of products and systems close to customers, in Japan a project is underway to renovate Shiga Works (to maintain, upgrade, and expand production facilities, mainly centering on intralogistics systems and cleanroom systems) over a period of about five years.

In intralogistics systems, we are building a new manufacturing plant at Daifuku Intralogistics India Private Limited in India and an additional plant at Daifuku Intralogistics America Corporation in North America, which will be about the same scale as the existing plant.

In cleanroom systems, a new plant started operation at Daifuku (Suzhou) Cleanroom Automation Co., Ltd. in China. In addition, in South Korea, production capacity increased by refurbishment of the plant at Clean Factomation, Inc.

Meanwhile, we embarked on drastic structural reforms in automotive systems at Daifuku (China) Automation Co., Ltd. in China, where the market environment has been changing drastically, and in airport systems at Daifuku Oceania Limited in Oceania, which recorded a one-time cost due to deficiency of project management in the fiscal year ended March 2024.

In addition, all non-Japan subsidiaries are implementing improvement plans to achieve an operating margin of 10% or higher as soon as possible, and some of them are already showing positive results.

Development of new businesses and advanced technology is also an important theme for expanding business domains. In April 2024, we established the Business Innovation Division, an organization dedicated to expanding the Group's business domains, headed by the Chief Technology Officer, directly under the president and CEO. By strengthening development

capabilities with an emphasis on next-generation technologies and promoting open innovation, we will enhance the development of growth-driving cutting-edge technologies, while creating new businesses to increase corporate value. We will also strengthen initiatives to develop personnel with expertise in DX/AI.

Also, sustainability, compliance, corporate governance, and safety continue to be important issues.

1) Sustainability management

As companies play an increasingly important role in achieving a sustainable society, they are required to work on a global level more than ever before, especially in setting and assessing global decarbonization targets and promoting diversity. The Group established the Sustainability Committee, chaired by CEO, in April 2020 as an organization to promote sustainability management, and its efforts have been reported to the Board of Directors as appropriate. The committee has been reorganized into the Sustainability Management Committee and its subordinate Sustainability Promotion Committee. The Sustainability Management Committee will discuss important management strategies and confirm the progress and results of plans to achieve greater sophistication of management, while the Sustainability Promotion Committee will promote Group-wide initiatives, etc. based on management strategies.

In November 2022, Shiga Works, the Group's largest core factory, switched all electricity used within the Works, to renewable energy sources including mega solar power. Group companies have also been introducing renewable energy sources. As a result, early achievement of the Group's Scope 1 and 2 CO₂ emissions reduction target for 2030 (50.4% reduction compared to fiscal 2018) set in the Daifuku Environmental Vision 2050 is in sight. In line with the formulation of our long-term vision, Driving Innovative Impact 2030, we upwardly revised the CO₂ emissions reduction target for 2030 to a 60% reduction, accordingly.

For investment in human capital, we established a Group human resources management platform and are striving to develop and promote expert personnel who meet the characteristics of each business from a global and diverse perspective.

2) Comprehensive approach to compliance, strengthening of the Group's governance

Compliance remains a prerequisite for all business activities. Rather than being satisfied with just following the law, through education and training, we will thoroughly ensure and instill the idea that the present and the future of the Group rest on high ethical standards and responsible behaviors of each one of us, on a global basis. We will continue to focus on transforming our business structure based on the assumption that fraud may occur.

Regarding corporate governance, five (5) out of ten (10) directors have been elected as outside directors in the fiscal year ended March 31, 2024. With individuals with experience in corporate management; specialists in finance, accounting, and the law; those with experience outside of Japan; and the appointment of women and a foreign national, diversity of the Board of Directors is ensured.

3) Full enforcement of "safety-above-all culture*"

In creating a work environment where every employee can maximize their performance, ensuring the life, health, and safety of employees, their families, customers, and business partners is of the utmost priority. We will spread and instill awareness that safety shall not be given a relative priority such as 'first' or 'second,' but it is absolute and exclusive, globally, and will continue to strive to eradicate disasters and unsafe acts across the Group.

*Japanese term, *anzen sen-ichi*, (translated into "safety-above-all-culture") is a registered trademark of FURUKAWA CO., LTD.

[5] Trends in assets and income

(1) Trends in Daifuku Group assets and income

(Million yen, unless otherwise specified)

Category	FY2020 (105th fiscal year ended March 31, 2021)	FY2021 (106th fiscal year ended March 31, 2022)	FY2022 (107th fiscal year ended March 31, 2023)	FY2023 (108th fiscal year ended March 31, 2024)
Orders received	451,065	589,069	737,475	620,312
Net sales	473,902	512,268	601,922	611,477
Ordinary income	45,846	51,253	59,759	64,207
Net income attributable to shareholders of the parent company	32,390	35,877	41,248	45,461
Total assets	445,456	483,322	551,552	646,154
Net assets	262,012	292,059	332,323	358,755
Net assets per share (yen)	680.02	769.13	878.24	966.98
Net income per share (yen)	85.71	94.90	109.11	121.63
Diluted net income per share (yen)	-	-	-	118.45

Notes:

1. Net income per share is calculated based on the average number of shares during the period.
2. Since the Board Benefit Trust (BBT) was introduced in fiscal 2016, shares in the Company held by the Custody Bank of Japan, Ltd. (Trust Account E) have been recorded under the number of treasury stocks, which are not included in the calculation of net assets per share and net income per share.
3. The Company conducted a three-for-one split of its common stock effective April 1, 2023. Net assets per share and net income per share are calculated, assuming that the stock split had been conducted at the beginning of the 105th fiscal year.
4. Diluted net income per share is not stated for the 105th, 106th, and 107th fiscal years, as dilutive shares did not exist.

(2) Trends in Daifuku Co., Ltd. assets and income

(Million yen, unless otherwise specified)

Category	FY2020 (105th fiscal year ended March 31, 2021)	FY2021 (106th fiscal year ended March 31, 2022)	FY2022 (107th fiscal year ended March 31, 2023)	FY2023 (108th fiscal year ended March 31, 2024)
Orders received	225,436	321,592	334,678	246,101
Net sales	239,592	266,460	290,278	274,535
Ordinary income	36,811	39,831	45,543	47,246
Net income	26,039	28,652	34,053	33,223
Total assets	301,560	330,068	349,892	400,580
Net assets	204,574	221,919	244,570	247,446
Net assets per share (yen)	541.18	587.01	646.91	667.60
Net income per share (yen)	68.91	75.79	90.08	88.89
Diluted net income per share (yen)	-	-	-	86.51
Total number of shares issued at end of year (thousand shares)	379,830	379,830	379,830	379,830

Notes:

1. Net income per share is calculated based on the average number of shares during the period.
2. Since the BBT was introduced in fiscal 2016, shares in the Company held by the Custody Bank of Japan, Ltd. (Trust Account E) have been recorded under the number of treasury stocks, which are not included in the calculation of net assets per share and net income per share.
3. The Company conducted a three-for-one split of its common stock effective April 1, 2023. Therefore, net assets per share, net income per share, and total number of shares issued at the end of fiscal year are calculated, assuming that the stock split had been conducted at the beginning of the 105th fiscal year.
4. Diluted net income per share is not stated for the 105th, 106th, and 107th fiscal years, as dilutive shares did not exist.

[6] Parent company and significant subsidiaries (as of March 31, 2024)

(1) Parent company

Not applicable

(2) Significant subsidiaries

Company name	Capital	Daifuku's percentage of voting rights	Principle business
Contec Co., Ltd.	450 million yen	100.0%	A company that manufactures and sells computers, peripheral devices, and software and provides after-sales services for them
Daifuku North America, Inc.	2,010 USD	100.0%	A holding company with operating companies that manufacture and sell material handling systems and equipment and provide after-sales services for them
Clean Factomation, Inc.	3,000 million KRW	100.0%	A company that manufactures and sells cleanroom transport systems and provides after-sales services for them
Daifuku (Suzhou) Cleanroom Automation Co., Ltd.	122 million RMB	100.0%	A company that manufactures and sells cleanroom transport systems and provides after-sales services for them

Note: The Company has 67 consolidated subsidiaries, including the above-mentioned four companies.

Daifuku North America, Inc. was renamed from Daifuku North America Holding Company on January 1, 2024.

[7] Major business (as of March 31, 2024)

The Group is involved primarily in conveying, storage, sorting, and picking systems and the manufacture and sale of electronic devices, etc. and involved in ancillary operations to this business. Our major products include the following:

Category	Key products	
Transport/Conveying	Conveyor systems Electrified monorail systems Conveyor system auxiliary equipment Automatic guided vehicles Airport technologies	Chain conveyor systems, Flexible Drive System, Conveying Flow System RAMRUN, Space Carrier, Cleanway Engine test systems, other automated equipment FA Vehicle, FA Cart, Sorting Transfer Vehicle, Sorting Transfer Robot Baggage Tray System, Tilt Tray Sorter, belt conveyor systems, Self Bag Drop System, Mobile Inspection Table
Sorting/Picking	Sorting systems Picking systems	Surfing Sorter, Surfing Sorter Mini, Cross-belt Sorter Pick-to-light systems
Storage	Automated warehouse systems Mobile racks, flow racks Rotating racks	Rackbuil System, Unit Load AS/RS, Mini Load AS/RS, Shuttle Rack-M, Clean Stocker Mobile Rack, Shuttle Rack-L Vertical Carrousel
Electronics	Interface boards, industrial computers, network related equipment, energy saving and environment related solutions	
Car wash machines related	Car wash machines, car wash related products	

[8] Major sales offices and factories (as of March 31, 2024)

Daifuku Co., Ltd.

Name	Location	Name	Location
Headquarters	Osaka, Osaka	Shiga Works (factory)	Gamo-gun, Shiga
Komaki Works	Komaki, Aichi	Tokyo Branch	Minato-ku, Tokyo
Hokkaido Branch	Sapporo, Hokkaido	Tohoku Branch	Sendai, Miyagi
Niigata Branch	Niigata, Niigata	Kitakanto Branch	Soka, Saitama
Fujisawa Branch	Fujisawa, Kanagawa	Nagoya Branch	Komaki, Aichi
Shizuoka Branch	Shizuoka, Shizuoka	Hokuriku Branch	Kanazawa, Ishikawa
Tokai Branch	Toyota, Aichi	Osaka Branch	Osaka, Osaka
Chugoku Branch	Aki-gun, Hiroshima	Kyushu Branch	Tosu, Saga

Subsidiaries in Japan

Company name	Location
Contec Co., Ltd.	Osaka, Osaka
Daifuku Plusmore Co., Ltd.	Kawasaki, Kanagawa

Subsidiaries outside Japan

Company name	Location
Daifuku North America, Inc.	U.S.A.
Daifuku Europe GmbH	Germany
Daifuku Mechatronics (Singapore) Pte. Ltd.	Singapore
Daifuku Canada Inc.	Canada
Taiwan Daifuku Co., Ltd.	Taiwan
Daifuku (Thailand) Limited	Thailand
Daifuku Korea Co., Ltd.	South Korea
Clean Factomation, Inc.	South Korea
Daifuku (China) Co., Ltd.	China
Daifuku (Suzhou) Cleanroom Automation Co., Ltd.	China
Daifuku Oceania Limited	New Zealand
Daifuku Intralogistics India Private Limited	India

[9] Employees (as of March 31, 2024)

(1) Daifuku Group

Number of employees: 13,071

(2) Daifuku Co., Ltd.

Category	Male	Female	Total or average
Employees	3,067	442	3,509
(YoY change)	(+112)	(+22)	(+134)
Average age (years old)	41.1	42.4	41.3
Average years of service	15.4	14.5	15.3

Notes:

- The above data does not include 132 employees on secondment (124 males, 8 females).
- The above data includes ten (10) employees (7 males, 3 females) seconded to the Company from other companies.
- In addition to the above-mentioned employees, we employ 335 temporary employees (average number of employees during the period).
- We cannot obtain birth dates and other information of some employees at overseas branches. Thus, they are excluded from the population for the calculation of average age.

[10] Major lenders (as of March 31, 2024)

Lender	Amount borrowed (million yen)
Mizuho Bank, Ltd.	7,858
Sumitomo Mitsui Banking Corporation	291
MUFG Bank, Ltd.	278

2. Status of Shares (as of March 31, 2024)

[1] Total number of shares authorized to be issued: 750,000,000

[2] Total number of shares issued: 379,830,231 (including 8,634,175 treasury shares)

[3] Number of shareholders: 30,601

Notes:

1. The Company amended Article 6 of its Articles of Incorporation on April 1, 2023 pursuant to the provisions of Article 184, Paragraph 2 of the Companies Act, and accordingly the total number of shares authorized to be issued has increased by 500,000,000 to 750,000,000.
2. Based on the resolution at the Board of Directors meeting held on February 9, 2023, the Company conducted a three-for-one split of its common stock effective April 1, 2023. As a result, the total number of shares issued increased by 253,220,154 shares to 379,830,231 shares.
3. The number of shareholders increased by 2,547 compared to the end of the previous fiscal year.

[4] Major shareholders

Shareholder name	Number of shares held (thousand shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	51,967	14.0
Custody Bank of Japan, Ltd. (Trust Account)	30,565	8.2
Mizuho Bank, Ltd.	9,265	2.5
Daifuku Supplier Shareholder Association	8,689	2.3
Nippon Life Insurance Company	8,237	2.2
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	7,825	2.1
Sumitomo Mitsui Banking Corporation	7,651	2.1
STATE STREET BANK AND TRUST COMPANY 505025	7,462	2.0
STATE STREET BANK WEST CLIENT - TREATY 505234	7,010	1.9
NORTHERN TRUST CO. (AVFC) SUB A/C AMERICAN CLIENTS	6,822	1.8

Note: The Company holds 8,634,175 shares of treasury stock, but the shareholding ratio is calculated after deducting treasury stock. The treasury stock does not include the 544,400 shares of the Company that were stipulated to be held by the Custody Bank of Japan, Ltd. (Trust Account E) when the BBT was introduced.

[5] Status of the Company shares presented to directors (excluding outside directors) and corporate officers of the Company for the execution of duties during fiscal 2023

The equity compensation delivered during fiscal 2023 is outlined below.

Category	Number of shares	Number of target recipients
Directors (excluding outside directors)	28,100 shares	1 person
Corporate officers	– shares	– person
Total	28,100 shares	1 person

- Notes:
1. Delivered through the BBT.
 2. We have established a practice of providing corporate officers with equity compensation when they reach the retirement age of 60 years.
 3. There was no provision to a corporate officer who does not also serve as a director.

[6] Other important matters relating shares

- (1) Based on the resolution passed at the 100th Ordinary General Meeting of Shareholders held on June 24, 2016 and the Board of Directors meeting that followed, the Company introduced BBT plan as equity compensation scheme for directors and corporate officers (excluding outside directors) to motivate them to contribute to improving the Company's business performance in the medium to long term and boosting corporate value. At a meeting of the Board of Directors held on November 8, 2023, the Company resolved to make an additional monetary contribution to the Trust to continue the plan and disposed of 270,000 shares of treasury stock with a total amount of 712,935,000 yen through third-party allotment on November 24, 2023. The number of shares held by Custody Bank of Japan, Ltd. (Trust Account E) as of March 31, 2024 was 544,400 shares.
- (2) At a meeting of the Board of Directors held on August 29, 2023, the Company resolved to repurchase its own shares during the period from August 30, 2023 to December 31, 2023, up to 10,000,000 shares and 20,000 million yen in total, in accordance with the provisions of Article 156 of the Companies Act, as applied pursuant to the provisions of Article 165, paragraph 3 of the said Act. The repurchase of its own shares was completed on October 5, 2023 on a contractual basis.

Repurchase period	From August 30, 2023 to October 5, 2023 (contractual basis)
Number of shares repurchased	7,439,800 shares
Total repurchase price	19,999 million yen
Repurchase method	Market purchase (including an off-auction share repurchase transaction) on the Tokyo Stock Exchange

3. Company Share Warrants, etc.

[1] Share warrants granted to directors and Audit & Supervisory Board members on the final day of fiscal 2023 in recognition of their execution of duties

Not applicable.

[2] Share warrants granted to employees, etc., during fiscal 2023 in recognition of the execution of duties

Not applicable.

[3] Other important matters relating to share warrants, etc.

The outline of the stock acquisition rights attached to the Zero Coupon Convertible Bonds due 2028 and the Zero Coupon Convertible Bonds due 2030 issued pursuant to the resolution of the Board of Directors meeting held on August 29, 2023 is as follows.

	Zero Coupon Convertible Bonds due 2028	Zero Coupon Convertible Bonds due 2030
Date of resolution on issuance	August 29, 2023	
Number of stock acquisition rights	3,000	3,000
Class and number of shares to be issued	The number of shares to be issued upon exercise of the stock acquisition rights shall be determined by dividing the total face value of the bonds pertaining to the claims for the exercise by the conversion price.	
Details and amount of assets to be contributed upon exercise of stock acquisition rights	Upon exercise of each stock acquisition right, the bonds pertaining to such stock acquisition right shall be contributed, and the value of such bonds shall be the same as the face value.	
Conversion price	3,538 yen per share (Note)	3,471 yen per share (Note)
Exercise period	From September 28, 2023 to August 31, 2028	From September 28, 2023 to August 30, 2030
Balance of bonds with stock acquisition rights	30,000 million yen	30,000 million yen

Note: In line with the increase in dividends from surplus approved by the Board of Directors on May 10, 2024, the conversion prices of the bonds were adjusted as follows, pursuant to the clause for conversion price adjustment of these Zero Coupon Convertible Bonds.

Zero Coupon Convertible Bonds due 2028: from 3,538 yen to 3,534.7 yen per share

Zero Coupon Convertible Bonds due 2030: from 3,471 yen to 3,467.8 yen per share

4. Company Officers

[1] Names of directors and Audit & Supervisory Board members (as of March 31, 2024)

Position in the Company	Name	Duties, significant concurrent positions
Representative Director President and CEO	Hiroshi Geshiro	Overall management
Director Senior Managing Officer	Seiji Sato	Cleanroom Global Business Head President and CEO of Daifuku North America, Inc.
Director Managing Officer	Toshiaki Hayashi	General Manager of Shiga Works Safety and Health Management Division Manager
Director Managing Officer	Hiroshi Nobuta	Intralogistics Global Business Head
Director Managing Officer	Hideaki Takubo	Chief Human Resources Officer Corporate Functions Head
Director	Yoshiaki Ozawa	Professor of Faculty of Business Administration, St. Andrew's University Outside Audit & Supervisory Board Member, Daido Life Insurance Company Representative Director, Andrew Partners Co., Ltd.
Director	Mineo Sakai	—
Director	Kaku Kato	—
Director	Keiko Kaneko	Partner, Anderson Mori & Tomotsune External Statutory Auditor, Fast Retailing Co., Ltd. Statutory Auditor, UNIQLO Co., Ltd. External Statutory Auditor, The Asahi Shimbun Company
Director	Gideon Franklin	CEO, Gideon Franklin Limited Outside Director, MCJ Co., Ltd. CEO, Culham Prints and Drawings Ltd Outside Director, UMI Technology Holdings PLC
Audit & Supervisory Board Member (full-time)	Tsukasa Saito	—
Audit & Supervisory Board Member	Ryosuke Aihara	Representative, Aihara Law Office
Audit & Supervisory Board Member	Tsukasa Miyajima	Professor of Law, Asahi University and its Graduate School Outside Director, Hulic Co., Ltd., Chairman of the Board of Directors Outside Director, Dai Nippon Printing Co., Ltd. Audit & Supervisory Board Member (outside), Mikuni Corporation
Audit & Supervisory Board Member	Nobuo Wada	—

Notes:

- Directors Hideaki Takubo and Gideon Franklin were newly elected and appointed at the 107th Ordinary General Meeting of Shareholders held on June 23, 2023.
- Director Shuichi Honda resigned from office at the conclusion of the 107th Ordinary General Meeting of Shareholders held on June 23, 2023.
- Audit & Supervisory Board member Tsukasa Saito has extensive practical experience in the finance and accounting unit and possesses considerable knowledge of finance and accounting.
- The following 15 people are corporate officers (excluding those who are concurrently appointed as directors) and audit officers of the Company.
Senior Managing Officer: Yasuhisa Mishina
Managing Officers: Akihiko Kishida, Yoshiyuki Horiba, Takaya Uemoto, Takuya Gondoh, Akihiko Nishimura,

Norihito Toriya, and Tetsuya Hibi

Corporate Officers: Hiroaki Kita, Seiji Yamamoto, Tsutomu Maeda, Tomoaki Terai, Atsushi Sonoda, and Hirobumi Akiba

Audit Officer: Toshikatsu Takahashi

5. Five (5) Directors Yoshiaki Ozawa, Mineo Sakai, Kaku Kato, Keiko Kaneko, and Gideon Franklin are from outside the Company.
6. Three (3) Audit & Supervisory Board members Ryosuke Aihara, Tsukasa Miyajima, and Nobuo Wada are from outside the Company.
7. Seven (7) officers, Directors Yoshiaki Ozawa, Mineo Sakai, Kaku Kato, and Gideon Franklin and Audit & Supervisory Board members Ryosuke Aihara, Tsukasa Miyajima, and Nobuo Wada have been designated and notified as independent officers in accordance with the rules of the Tokyo Stock Exchange.
8. Director Gideon Franklin resigned from office of outside director of UMI Technology Holdings PLC on April 29, 2024.
9. The duties of directors have been changed in line with the organizational reforms implemented on April 1, 2024.

Position/Duties in the Company	Name
Director, Senior Managing Officer President and CEO of Daifuku North America, Inc.	Seiji Sato
Director and Advisor	Toshiaki Hayashi

10. C-suite roles

Chief Executive Officer

Chief Financial Officer

Chief Human Resources Officer

Chief Information Officer

Chief Production Officer

Chief Technology Officer

[Reference]**Corporate officers and audit officers who do not concurrently serve as directors (as of April 1, 2024)**

Corporate Officers

Job title	Name
Senior Managing Officer Chief Production Officer Chief Information Officer General Manager of Shiga Works Production Innovation Division Manager DX Division Manager	Yasuhisa Mishina
Managing Officer Automotive and Airport Global Business Head Airport Division Manager	Takaya Uemoto
Managing Officer Chief Technology Officer Business Innovation Division Manager	Takuya Gondoh
Managing Officer Deputy Automotive and Airport Global Business Head Automotive Division Manager	Akihiko Nishimura
Managing Officer Intralogistics Division Manager	Norihito Toriya
Managing Officer Chief Financial Officer Deputy Corporate Functions Head Finance and Accounting Division Manager	Tetsuya Hibi
Managing Officer Cleanroom Global Business Head Cleanroom Division Manager General Manager of Production Operations, Cleanroom Division	Tomoaki Terai
Corporate Officer Chairman of Daifuku Oceania Limited	Hiroaki Kita
Corporate Officer General Manager of Installation and Service Operations, Intralogistics Division Safety and Health Management Division Manager	Seiji Yamamoto
Corporate Officer General Manager of Sales and Service Business Operations, Automotive Division Deputy Safety and Health Management Division Manager	Tsutomu Maeda
Corporate Officer Deputy Cleanroom Division Manager General Manager of Sales Operations, Cleanroom Division General Manager of Komaki Works	Atsushi Sonoda
Corporate Officer Corporate Communications Division Manager	Hirobumi Akiba
Corporate Officer General Manager of Airport Operations, Airport Division	Masayuki Izutsu
Corporate Officer Auto Wash Global Business Head Auto Wash Division Manager General Manager of Production Operations, Auto Wash Division President of Daifuku Plusmore Co., Ltd.	Takafumi Tanaka
Corporate Officer General Manager of Production Operations, Intralogistics Division	Junji Yano

Corporate Officer Electronics Global Business Head President and CEO of Contec Co., Ltd.	Kazuyoshi Nishiyama
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Audit Officer

Job Title	Name
Audit Officer General Manager of Audit & Supervisory Board Office	Toshikatsu Takahashi

[2] Amount of remunerations for directors and Audit & Supervisory Board members

(1) Compensation, etc.

Name	Basic remuneration	Performance-linked remuneration	
		Bonus	Non-monetary remuneration, "Board Benefit Trust (BBT)"
Target recipients	All officers	Inside directors and Audit & Supervisory Board member (full-time)	Inside directors
Indicator for performance-linked remuneration	—	The remuneration is funded by a certain proportion of consolidated net income for each year and determined based on the recipient's qualifications and position and the results of quantitative and qualitative assessments of the area for which the recipient is responsible.	<ul style="list-style-type: none"> - Degree of achievement in each fiscal year: Degree of achievement of performance targets (consolidated net income amount and margin) - Degree of achievement of Value Transformation 2023 plan: Achievement of targets for consolidated net sales, consolidated operating income, ROE, etc. in the Value Transformation 2023 (April 2021– March 2024)

1) Basic remuneration

Basic remuneration is determined based on fixed remuneration for executive remuneration by position. The remuneration level is determined based on a comprehensive consideration of qualifications, position, and company performance.

2) Performance-linked remuneration—Bonus

Bonuses, which serve as short-term performance-linked remuneration for directors, are funded by a certain proportion of consolidated net income for each fiscal year, allocated as a basic component that corresponds to an officer's qualifications and position and an evaluation component that reflect performance, and distributed once a year at a fixed time. We selected consolidated net income as the indicator for determining bonuses because it depicts the result of unified efforts made by all officers and employees. When calculating bonuses, we determine the "basic component factor" based on qualification and job title, and the "performance-linked evaluation component factor" based on quantitative (profit growth) and qualitative aspects. In terms of the method of calculations, the basic component constitutes approximately 80% of the allocation and the performance-linked evaluation component constitutes approximately 20%. The performance-linked evaluation component is calculated based on an evaluation of individual performance. The actual results for consolidated net income, a bonus indicator, are described in 1. [5] (1) Trends in Daifuku Group assets and income above.

3) Performance-linked remuneration—non-monetary remuneration, “BBT”

The BBT, a performance-linked equity remuneration scheme, is a system to further clarify the linkage of the officers’ remuneration and the Company’s business performance as well as its stock value, which enables officers to share the benefit of increase in stock value and the risk of decrease in stock value with shareholders. By doing so, it is expected to motivate officers to contribute to boosting corporate value in the medium and long term. Under this system, eligible officers are granted points calculated by multiplying standard points set for each position by coefficients between 0.0 and 1.0 (four levels) determined based on the degree of achievement of each business year target and the three- or four-year business plan targets. The Company’s stocks and money are paid according to the accumulated points at the time of retirement. The degree of achievement in a fiscal year is calculated based on the ratios of the consolidated net income amount and margin to the initial targets in the fiscal year. The degree of achievement in the three- or four-year business plan is calculated based on the latest management targets (including consolidated net sales, consolidated operating margin, ROE targets) announced by the end of the previous fiscal year. We selected the degree of achievement in the business plan as the indicator for determining the BBT because it depicts medium- and long-term business results. We also selected the degree of achievement of consolidated net income amount and margin for the same reason as that of selecting the performance indicator for bonuses. For the fiscal year ended March 31, 2024, the consolidated net income amount and margin were calculated based on the initial schedule and the expected value announced in February 2024, and they achieved the initial schedule. Regarding the degree of achievement of the management targets in the three-year business plan, the targets for consolidated net sales and ROE were achieved but consolidated operating margin was slightly lower than the target.

(2) Matters relating to the policy on determination of remuneration, etc. for individual directors

1) How we determine the policy

The Company has established the policy on determination of remuneration, etc. for individual directors by a resolution of the Board of Directors through consideration and reporting by the Advisory Committee that is chaired by an outside director and consists of three or more members including one or more representative directors and one or more outside directors, and most members are outside directors to enhance the transparency and fairness of judgement. Details of the policy are stipulated in related internal rules approved by a resolution at a Board of Directors meeting.

2) Overview of the policy

- The annual amount of remuneration for directors is set to be 700 million yen or less. The basic policy is to pay remuneration for directors in accordance with related internal rules stipulating remuneration standards determined by resolution of the Board of Directors so that the level of remuneration is appropriate for the roles and duties of directors. Specifically, the remuneration for directors consists of basic remuneration (fixed remuneration), a bonus (short-term performance-linked remuneration that is fluctuated based on performance), and medium- to long-term performance-linked equity remuneration, BBT. The ratio of each remuneration is not fixed because the link between the Company’s results and stock value is reflected in remuneration. The Company determines the ratio, taking into consideration the levels at other companies based on

survey by an external professional body and reports from the Advisory Committee. Outside directors are not eligible for bonuses and BBT from the standpoint of their functions and independence.

- To determine annual remuneration for directors, the total amount of basic remuneration and bonuses is resolved at a Board of Directors meeting following verification by the Advisory Committee whether it is reasonable based on levels at other comparable companies and through deliberations and reporting by the Advisory Committee. For the fiscal year ended March 31, 2024, the Advisory Committee for remuneration consisted of all five (5) outside directors and one (1) representative director, and met six times in April, September, October, November 2023, and January and March 2024.

(3) Matters relating to determination on remuneration, etc. for officers by resolutions of the General Meeting of Shareholders

At the Ordinary General Meeting of Shareholders held on June 29, 2006, the Company determined that the total amount of remuneration for directors should be capped at 700 million yen per annum and the total amount of remuneration for Audit & Supervisory Board members should be capped at 110 million yen per annum. As of the conclusion of the resolution, the Company had eighteen (18) directors and five (5) Audit & Supervisory Board members.

At the Ordinary General Meeting of Shareholders held on June 24, 2016, the Company introduced BBT and resolved that the total number of points granted to directors and corporate officers for three fiscal years be up to 140,000 points (out of which 80,000 points are for directors, and out of 140,000 shares of the Company's common stock, 80,000 shares are for directors). The Company had ten (10) directors when the resolution was made at such Meeting. Excluding two (2) outside directors, eight (8) directors were covered by the BBT scheme.

(4) Matters relating to the delegation of authority regarding determination of remuneration, etc. for individual directors

President and CEO Hiroshi Geshiro has been delegated to determine the amount of remuneration for individual directors for the fiscal year ended March 31, 2024 in accordance with related internal rules. The delegated authority includes determining the monthly allocation of basic remuneration for each director and the allocation of the performance-linked remuneration (bonus and BBT) based on the evaluation of performance for each director. The authority has been delegated to the President and CEO because the President and CEO is in the most suitable position for evaluating each director's roles and responsibilities while maintaining an overview of results for the entire Company.

To ensure that the delegated authority is exercised properly, the President and CEO determines the amount of remuneration for each director in line with the opinions of the Advisory Committee. The Board of Directors judged the details of individual remuneration, etc., for directors were in line with the policy on determination of remuneration, etc. for individual directors because the President and CEO determined the details of remuneration, etc., respecting the Advisory Committee's opinion deliberated in line with the policy described in "2) Overview of the policy" above.

(5) Remuneration, etc. for officers for the fiscal year ended March 31, 2024

Total amount of remuneration, etc., for, and number of, directors and Audit & Supervisory Board members

Type of officer	Total remuneration (Million yen)	Total remuneration, etc. by type (Million yen)			Number of target officers
		Basic remuneration	Performance-linked remuneration		
			Bonus	Non-monetary remuneration (BBT)	
Directors (of which, number of outside directors)	560 (71)	250 (71)	237 (-)	72 (-)	11 (5)
Audit & Supervisory Board members (of which, number of outside members)	79 (34)	55 (34)	24 (-)	- (-)	4 (3)

(6) Overview of the details and method for determining Audit & Supervisory Board members' remuneration

By unanimous agreement of all Audit & Supervisory Board members at the time of enactment of the Internal Rules on Executive Remuneration and Bonus for Officers, the remuneration of Audit & Supervisory Board members is capped at the annual remuneration total for Audit & Supervisory Board members of 110 million yen approved at the general meeting of shareholders held on June 29, 2006. The basic policy is to pay remuneration in accordance with the Internal Rules on Executive Remuneration and Bonus for Officers, which determine the remuneration standards established by all Audit & Supervisory Board members at the time of enactment of the rules. In addition, remuneration for Audit & Supervisory Board members is determined in consultation with the Audit & Supervisory Board each business year. Outside members of the Audit & Supervisory Board shall only receive basic remuneration in view of their duties.

(7) Other important matters relating determination of remuneration, etc. for individual directors, besides the above-mentioned matters

For the purpose of ensuring sound management, in accordance with relevant internal regulations, the Company stipulates that in the event of certain circumstances concerning directors, they may not acquire the right to receive the benefits of BBT before they become vested, by resolution of the Board of Directors (Malus clause).

[3] Outside officers

(1) Directors

1) Significant concurrent positions and Daifuku's relationship with those organizations

Category	Name	Organization offering concurrent position	Concurrent position
Outside director	Yoshiaki Ozawa	Faculty of Business Administration, St. Andrew's University	Professor
		Daido Life Insurance Company	Outside Audit & Supervisory Board Member
		Andrew Partners Co., Ltd.	Representative Director
Outside director	Mineo Sakai	–	–
Outside director	Kaku Kato	–	–
Outside director	Keiko Kaneko	Anderson Mori & Tomotsune	Partner
		Fast Retailing Co., Ltd.	External Statutory Auditor
		UNIQLO Co., Ltd.	Statutory Auditor
		The Asahi Shimbun Company	External Statutory Auditor
Outside director	Gideon Franklin	Gideon Franklin Limited	CEO
		MCJ Co., Ltd.	Outside Director
		Culham Prints and Drawings Ltd	CEO
		UMI Technology Holdings PLC	Outside Director

Notes:

- Daifuku has no dealings or other relationship with St. Andrew's University where director Yoshiaki Ozawa works as a professor, or Andrew Partners Co., Ltd. where Mr. Ozawa is Representative Director.
- While Daifuku may outsource individual cases to Anderson Mori & Tomotsune, of which Company director Keiko Kaneko is a partner, the two parties have not signed any consulting agreement and the value of any transactions is less than 1% of consolidated sales for both parties.
- Daifuku has no dealings or other relationship with Gideon Franklin Limited or Culham Prints and Drawings Ltd where director Gideon Franklin serves as CEO. Director Gideon Franklin resigned from office of Outside Director of UMI Technology Holdings PLC on April 29, 2024.

2) Main activities

Name	Attendance (Number of times attended)	Summary of remarks made and duties performed in relation to expected roles
Yoshiaki Ozawa	Board meeting Ordinary 12/12 Extraordinary 4/4 Advisory Committee 9/9	Mr. Yoshiaki Ozawa has considerable knowledge in financial and accounting matters and teaches accounting as a university professor by leveraging his experience working abroad. At meetings of the Board of Directors, he offers professional advice and counsel to secure the transparency of management and enhance the supervision thereof based on his abundant experience and extensive knowledge, as well as to help promote the globalization of the Daifuku Group. In addition, he works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.

Name	Attendance (Number of times attended)	Summary of remarks made and duties performed in relation to expected roles
Mineo Sakai	Board meeting Ordinary 12/12 Extraordinary 4/4 Advisory Committee 9/9	Mr. Mineo Sakai has abundant experience and extensive knowledge in corporate management that he has cultivated through his positions as the Chairman and CEO of an IT company, etc. At meetings of the Board of Directors, he offers advice and counsel to secure the transparency of management and enhance the supervision thereof based on his abundant experience and extensive knowledge. In addition, he works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.
Kaku Kato	Board meeting Ordinary 12/12 Extraordinary 4/4 Advisory Committee 9/9	Mr. Kaku Kato has abundant experience and extensive knowledge in corporate management, particularly in the fields of safety and ESG as well as compliance and internal control cultivated through his experience serving as executive officer at a trading company and an energy-related company. At meetings of the Board of Directors, he offers advice and counsel largely from a corporate legal affairs perspective to secure the transparency of management and enhance the supervision thereof from the viewpoint of corporate legal affairs. In addition, he works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.
Keiko Kaneko	Board meeting Ordinary 12/12 Extraordinary 4/4 Advisory Committee 9/9	Ms. Keiko Kaneko has experienced working at a trading company and as an associate professor of a graduate school. As a lawyer, she is actively involved in areas such as business acquisition, transactions and management of business enterprises, and regulations in the field of natural resources. At meetings of the Board of Directors, she offers advice and counsel to secure the transparency of management and enhance the supervision thereof from her professional viewpoint. In addition, she works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.
Gideon Franklin	Board meeting Ordinary 9/9 Extraordinary 2/2 Advisory Committee 7/7	Mr. Gideon Franklin has abundant experience and extensive knowledge in corporate management as an analyst, M&A advisor, and management executive in international financial institutions and other organizations. Based on his extensive knowledge on global business management, he offers advice and counsel to enhance the diversity of the Board of Directors and to secure the transparency of management and enhance the supervision from an unconventional perspective. In addition, he works to supervise the management team at Advisory Committee meetings, mainly reflecting the evaluation of corporate performance and other results in the nomination and remuneration for officers from an independent and objective perspective.

Note: Mr. Gideon Franklin's attendance rate covers his attendance at ordinary and extraordinary Board of Directors meetings held after June 23, 2023, the day he assumed the office.

(2) Audit & Supervisory Board members

1) Significant concurrent positions and Daifuku's relationship with those organizations

Category	Name	Organization offering concurrent position	Concurrent position
Audit & Supervisory Board Member (outside)	Ryosuke Aihara	Aihara Law Office	Representative
Audit & Supervisory Board Member (outside)	Tsukasa Miyajima	Law, Asahi University and its Graduate School	Professor
		Hulic Co., Ltd.	Outside Director Chairman of the Board of Directors
		Dai Nippon Printing Co., Ltd.	Outside Director
		Mikuni Corporation	Audit & Supervisory Board Member (outside)
Audit & Supervisory Board Member (outside)	Nobuo Wada	-	-

- Notes: 1. Daifuku has no dealings or other relationship with Aihara Law Office of which Audit & Supervisory Board member Ryosuke Aihara serves as representative.
2. Daifuku has no dealings or other relationship with Asahi University where Audit & Supervisory Board member Tsukasa Miyajima serves as professor.

2) Attendance and remarks at Board of Directors and Audit & Supervisory Board meetings

Name	Attendance (Number of times attended)	Summary of remarks made
Ryosuke Aihara	Board meeting Ordinary 12/12 Extraordinary 4/4 Audit & Supervisory Board meeting Ordinary 8/8	Mr. Ryosuke Aihara extends advice and recommendations to Board of Directors meetings and Audit & Supervisory Board meetings when required based on his abundant experience and deep insight to secure the transparency of management and enhance the supervision thereof by professing opinions primarily from his professional standpoint as a lawyer.
Tsukasa Miyajima	Board meeting Ordinary 12/12 Extraordinary 3/4 Audit & Supervisory Board meeting Ordinary 8/8	As a university professor specializing in law, Mr. Tsukasa Miyajima extends advice and recommendations to Board of Directors meetings and Audit & Supervisory Board meetings when required based on his abundant experience and deep insight to secure the transparency of management and enhance the supervision thereof by professing opinions primarily from his professional standpoint as an academic and legal expert.
Nobuo Wada	Board meeting Ordinary 12/12 Extraordinary 4/4 Audit & Supervisory Board meeting Ordinary 8/8	As a longtime professor of condensed matter physics, Mr. Nobuo Wada extends advice and recommendations to Board of Directors meetings and Audit & Supervisory Board meetings when required based on his abundant experience and deep insight to secure the transparency of management and enhance the supervision thereof by professing opinions on a wide range of science and technology topics from his professional standpoint as an experienced academic.

(3) Content and overview of limited liability agreement

The Company has concluded limited liability agreements with its outside directors and outside members of the Audit & Supervisory Board to limit the liability for damages to the amount set by laws and regulations, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act as well as the provisions of Articles 28 (Limited Liability Agreements for Outside Directors) and 36 (Limited Liability Agreements for Outside Audit & Supervisory Board Members) of the Company's Articles of Incorporation.

5. Liability Insurance Contracts for Company Officers

The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. Under the insurance contract, damages and legal fees, etc. incurred by the insured as a result of claims for damages arising from any acts (including inaction) committed in the insured's capacity as officer, etc. of a business enterprise shall be covered. However, any damage to officers themselves who intentionally committed criminal acts such as bribery or other illegal acts will not be compensated to ensure the appropriateness of officers' execution of duties is not compromised. The persons covered under this insurance contract are Company directors, Audit & Supervisory Board members, corporate officers, audit officers, and officers serving at domestic subsidiary companies. The insurance premiums for all insured persons are paid by the Company and the individual domestic subsidiaries concerned.

6. Accounting Auditor

[1] Accounting Auditor's name

PricewaterhouseCoopers Japan LLC

PricewaterhouseCoopers Aarata LLC, from which the Company had been receiving audit certification, merged with PricewaterhouseCoopers Kyoto and changed its name to PricewaterhouseCoopers Japan LLC as of December 1, 2023.

[2] Accounting Auditor's compensation, etc., for the fiscal year ended March 31, 2024

Type of remuneration	Amount of remuneration, etc.
1. Remuneration as the accounting auditor for fiscal 2023	101 million yen
2. Total amount of money to be paid by the Company and its subsidiaries in terms of owed monetary totals and other property gains	173 million yen

Notes: 1. The Audit & Supervisory Board acts in accordance with Article 399, Paragraph 1 of the Companies Act regarding the amount of remuneration, etc., to be extended to the accounting auditor after confirming and examining the contents of the accounting auditor's audit plan, the timing, and results of the previous fiscal year's audit plan, past trends for auditing remuneration for the Company and other companies, and the level of performance of duties by the accounting auditor.

2. Given that the amount of accounting auditor remuneration in contact between the Company and the accounting auditor is not categorized into auditing based on the Companies Act and auditing based on the Financial Instruments and Exchange Act, we have displayed these totals in the above-listed table.

[3] Audits of consolidated subsidiaries

Of the Company's significant subsidiaries, subsidiaries located outside of Japan are audited by certified public accountants or auditing firms other than PricewaterhouseCoopers Japan LLC.

[4] Description of non-audit services

Advice on the application of International Financial Reporting Standards (IFRS)

The advisory services for the application of IFRS were completed in December 2023.

[5] Policy on determination of dismissal or non-reappointment of accounting auditor

Having gained the consent of all members, the Audit & Supervisory Board shall dismiss the accounting auditor if it is found to fall under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act. If such an event occurs, the members selected by the Audit & Supervisory Board will explain the details of the decision to the first general meeting of shareholders to be held following the dismissal.

The Audit & Supervisory Board can also decide a proposal for submission to the general meeting of shareholders to dismiss or not reappoint an accounting auditor if, as a result of a comprehensive evaluation based on the Company's evaluation standards for accounting auditors, it is deemed necessary to change the accounting auditor due to any factors that might hinder the accounting auditor's ability to execute its duties or to further enhance the

appropriateness of the audit. The Board of Directors shall submit the proposal to the general meeting of shareholders based on that decision.

7. Overview of Systems to Ensure the Appropriateness of Business Affairs and Its Operational Status

The content of decisions taken by the Board of Directors regarding internal control systems to ensure the appropriateness of business operations along with an outline of their operational status is listed below.

System to ensure appropriateness of business operations, etc.	Overview of operational status
[1] System to ensure that the performance of duties by directors and employees complies with laws and regulations and the Articles of Incorporation of the Company	
<p>1) Directors shall take the lead in observing the Group Code of Conduct (hereinafter referred to as the "Code"), which aims for compliance with laws and regulations, the Articles of Incorporation of the Company, the internal rules and regulations, and social norms, and strive to achieve a thorough understanding of the Code within the Company.</p> <p>2) The Company shall ensure compliance with laws and regulations in its corporate activities and raise and improve awareness of fairness and morality, by setting the Compliance Committee consisting of all directors and corporate officers.</p>	<p>1) We have prepared the Compliance Guidebook (hereinafter referred to as the "Guidebook") that clearly explains the Code in several languages and made it accessible, with the aim of ensuring that all officers and employees of the Group across the globe are fully aware of the Code. The Guidebook also explains the Group's approach to compliance as well as specific cases. It contains a message from the top management that compliance refers not only to legal compliance but also social norms and other ethical issues. We make various efforts such as providing training to instill the approach in all officers and employees.</p> <p>2) In the fiscal year ended March 31, 2024, as compliance-related activities, we distributed content on the theme of respecting human rights to raise awareness throughout the Group. Also, we delivered e-learning programs that included questions reviewing the content of the past three years, mainly on anti-bribery and antitrust laws. In addition, in October, the month for compliance awareness, we introduced case studies of misconduct and solicited entries for compliance <i>senryu</i> poems under the theme of preventing misconduct to raise and instill compliance awareness at the individual level.</p>

System to ensure appropriateness of business operations, etc.	Overview of operational status
<p>3) The Audit Division, which is independent of the Company's lines of business execution, shall conduct audits of the status of adherence to laws and regulations, the Articles of Incorporation of the Company and the internal rules and regulations.</p> <p>4) The Company shall develop and operate a whistleblowing system for the early detection of risks associated with corporate activities and the prevention of material problems.</p> <p>5) In addition to the above, the Company shall establish and operate various committees for the purpose of solving important issues within the Group in a cross-organizational manner.</p>	<p>3) In internal audits, the Audit Division coordinates with the Audit & Supervisory Board members to objectively verify and assess the status of compliance with laws and regulations, the Articles of Incorporation of the Company, internal rules and regulations, and the acceptance of risk, and it provides instruction and advice to the audited units.</p> <p>4) Our whistleblowing system accepts reports via two routes, with internal and external contact points (of which, the external contact point is independent from the Company). The system's main features include the ability to submit reports anonymously and to report in eight (8) different languages from different sites around the world. We also operate a personnel consultation office that accepts consultations on personnel matters, in addition to the whistleblowing system. We continue activities to promote the use of the system by making efforts such as preparation of posters.</p> <p>5) We have committee organizations to promote company-wide efforts. We operate the Compliance Committee, the Disclosure Committee, the Sustainability Committee, and the Risk Management Committee, all chaired by CEO, to resolve issues with agility. The Risk Management Committee determines how to address significant risks that affect the achievement of the Group's management goals and manages the progress of addressing the risks.</p>

[2] System to store and manage information related to the execution of duties by directors	
The Company shall properly store and manage the minutes of general shareholders' meetings and meetings of the Board of Directors, records, and other information related to the execution of duties by directors in accordance with the Document Management Rules and other internal rules and regulations.	We store and manage documents including electromagnetic records together with related materials in accordance with the Document Management Rules and other internal rules and regulations.
[3] Rules and regulations, and other systems for managing the risk of losses	
<p>1) For the timely and appropriate control of risks that may affect the achievement of management goals of the Group, the Company shall develop policies, regulations, and systems, while the Risk Management Committee shall promote overall risk management activities for significant risks that affect corporate activities.</p> <p>2) The Company shall develop a business continuity plan (BCP) promotion system in preparation for an emergency, implement preventive measures, education, training, etc., and promotes regular inspections under the plan and correction of deficiencies.</p>	<p>1) The Risk Management Committee, chaired by CEO, comprises global business heads, division managers, and responsible persons of the Safety and Health Management Division, Corporate Functions unit and other units. In the fiscal year ended March 31, 2024, we conducted company-wide risk assessment and the committee newly selected important risks that may affect the achievement of the Group's management goals. The committee met five (5) times and actively discussed how to address significant risks concerning management and challenges regarding such risks.</p> <p>2) Material handling systems are indispensable for daily lives and economic activities as social infrastructure. If the facilities delivered to our customers are damaged in the event of a natural disaster or other incidents, we respond to such damage as soon as possible by taking measures for promptly restoring the facilities. We have formulated the BCP and operate it to quickly respond to customers even though our sites were affected. Also, we regularly conduct first-response drills to raise awareness of business continuity and make it set the first response in place.</p>

<p>3) The Company shall establish regulations on information security that stipulate the system necessary for maintenance and management of information security, functions and authorities of organizations to promote the information security and handling methods of information assets, thereby protecting information assets owned by the Group.</p>	<p>3) The Information Security Committee takes the lead in appropriately operating the rules and regulations on information security. To raise awareness of security issues, we conduct e-learning programs for officers and employees as well as targeted email training.</p>
<p>[4] System to ensure the efficient execution of duties by directors</p>	
<p>1) The Board of Directors shall formulate management goals, business plans, and other managerial policies of the entire Group to be shared by officers and employees and seek to instill them throughout the Group.</p> <p>2) The Company shall introduce a corporate officer system. Management functions shall be separated into two: the management decision-making and supervision functions of the Board of Directors and the business execution functions of corporate officers. Corporate officers shall formulate specific goals and measures for their own units in light of the management goals determined by the Board of Directors and execute operations to achieve those goals.</p>	<p>1) The Board of Directors discussed how to instill broad awareness of and achieve the Group's three- or four-year business plans and had discussion on the new four-year business plan announced in May. In addition, CEO explains management policies through internal newsletters and videos transmitted on the Company intranet for the entire Group worldwide. As part of measures to enhance stakeholder engagement, in the fiscal year ended March 31, 2024, we held <i>Kurumaza</i> round table meetings for employees to dialogue with CEO, launched in the fiscal year ended March 31, 2023, at four locations in Japan.</p> <p>2) We appropriately operated this system by narrowing down the agenda items to be discussed at meetings of the Board of Directors and by delegating certain decision-making authority to those in charge of executive functions, based on the Rules of the Board of Directors and the Rules on the Delegation of Authority. We introduced C-suite roles to strengthen governance and speed up decision-making by delegating authority of CEO and clarifying the division of responsibilities after the delegation.</p>

[5] System to ensure the appropriateness of business operations of the Group comprising the Company and its subsidiaries

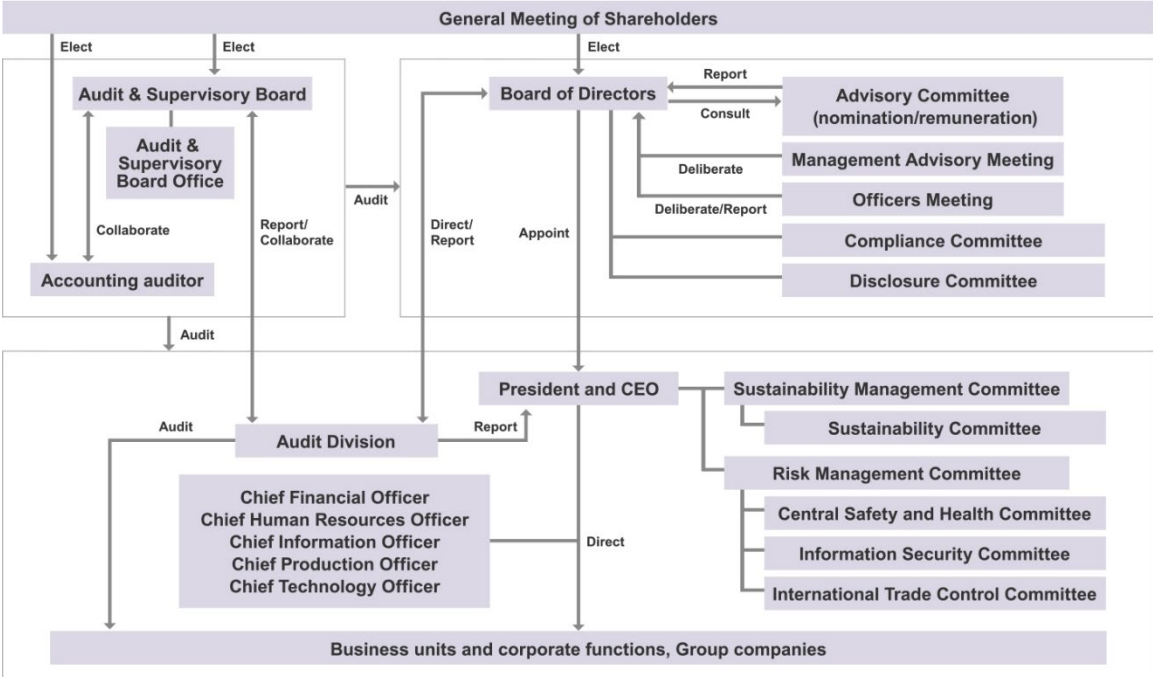
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|---|---|
| <p>1) In accordance with the Code shared by the Group, officers and employees of the Group shall comply with relevant laws, the Articles of Incorporation of the Company, internal regulations, and social norms to act with integrity.</p> <p>2) In accordance with the Group Governance Rules, the Company shall appoint officers in charge of subsidiaries and ensure the appropriateness of the business operations of the entire Group by providing instructions, and advice through these officers on all aspects of the management of its subsidiaries across the globe.</p> <p>3) Standing in a position that is independent from the business execution lines, the Audit Division shall conduct audits of the appropriateness of the status of development and operation of internal control systems in the Group.</p> | <p>1) We have prepared the Guidebook that explains contents of the Code in an easy-to-understand manner to make officers and employees understand and comply.</p> <p>2) Based on the Group Governance Rules that clarifies the governance system of the entire Group, officers responsible for each subsidiary make swift and decisive decisions and executions at these subsidiaries while maintaining an appropriate level of supervision and control by the Board of Directors, to ensure the appropriateness of business operations.</p> <p>3) In internal audits to ensure the appropriateness of Group's business operations, the Audit Division objectively verifies and assesses the status of development and operation of an internal control system, and it provides instruction and advice to the audited units while coordinating with the internal audit units, Audit & Supervisory Board members and an audit firm of each Group company. In the fiscal year ended March 31, 2024, we continued to improve the efficiency of operations overall by using digitalization, i.e., remote audits and digitization of vouchers.</p> |
|---|---|

<p>4) In accordance with laws and regulations, the Company and the entire Group shall take a resolute attitude toward anti-social forces and groups that threaten the order and safety of civil society. In addition, the Company shall strive to develop and disseminate anti-bribery regulations, etc. in response to compliance risk on a global level.</p>	<p>4) The Group has established policies for responding to organized crime groupings and other anti-social forces in the Group Code of Conduct, and it ensures that all Group officers and employees are fully aware of those policies. In terms of anti-bribery measures, we have developed Group regulations concerning entertainment, gifts, etc. applicable to the entire Group. In Japan, we have established a point of contact for consultation regarding the provision or receipt of entertainment and gifts. In addition, the Group implements systematic initiatives. For example, the Group's expense reimbursement system incorporates a system in which the legal unit checks the applications, if any applications with risk of bribery are submitted, such as when the other party's country has strict laws and regulations, or when the other party is a public official. The Group is committed to strengthening its anti-corruption efforts by engaging in sound and transparent transactions across the entire Group.</p>
<p>[6] Matters related to employees who should assist with the duties of the Audit & Supervisory Board members, matters related to the independence of the employees from the directors, and matters related to ensuring the effectiveness of instructions issued to the employees</p>	
<p>1) The Company shall establish an Audit & Supervisory Board Office staffed with employees assigned to assist with the duties of Audit & Supervisory Board members.</p> <p>2) The Company shall respect the opinion of Audit & Supervisory Board members when making personnel decisions relating to the Audit & Supervisory Board Office and the Audit Division. The Company also shall consider the independence of the Audit & Supervisory Board Office as part of its endeavor to ensure the effectiveness of instructions given to Audit & Supervisory Board Office employees.</p>	<p>1) To enhance the effectiveness of audits conducted by Audit & Supervisory Board members, we have established the Audit & Supervisory Board Office to assist with the duties of Audit & Supervisory Board members.</p> <p>2) In addition to the Audit Division, which operates independently from the business execution line, accounting and legal units under the Corporate Functions play an auxiliary role in assisting the performance of Audit & Supervisory Board members' duties as part of our drive to enhance our auditing functions.</p>

<p>[7] System to enable directors and employees of the Company and its subsidiaries to submit reports to Audit & Supervisory Board members, and a system to ensure any person who has submitted a report is not treated disadvantageously as a result</p>	
<p>1) Directors and employees, etc. of the Company and its subsidiaries shall report the following matters to the Audit & Supervisory Board members:</p> <ol style="list-style-type: none"> 1. Matters that may cause significant damage to the Group 2. Important matters pertaining to business circumstances on a monthly basis 3. Important matters relating to the status of internal audits and risk management 4. Serious violations of laws or the Articles of Incorporation of the Company 5. Other significant compliance-related matters <p>2) The Group shall not take any adverse actions against directors, employees, etc. who reported to the Audit & Supervisory Board members on the grounds that they provided information to the said members.</p> <p>3) Members of the Audit & Supervisory Board, the Audit & Supervisory Board Office, and the Audit Division shall attend meetings of the Board of Directors of subsidiaries and other major meetings to collect information and ensure the effectiveness of audits.</p>	<p>1) If directors or employees of the Company and its subsidiaries discover any of the matters listed on the left, such matters will be reported to the Audit & Supervisory Board members by the person who discovered the facts or the person in charge to whom the facts were reported.</p> <p>2) We respond appropriately to any reports or information provided to Audit & Supervisory Board members based on our commitment to protect the providers of information.</p> <p>3) Members of the Audit & Supervisory Board, the Audit & Supervisory Board Office, and the Audit Division shall participate in the meetings listed on the left, receive reports from directors or employees, etc. of subsidiaries, and voice opinions, as necessary.</p>
<p>[8] Other systems to ensure the effective execution of audits by Audit & Supervisory Board members</p>	
<p>1) In accordance with auditing standards of the Audit & Supervisory Board members, Audit & Supervisory Board members shall hold regular opinion exchange forums with the representative directors and outside directors on important audit issues, etc.</p>	<p>1) The Audit & Supervisory Board held meetings with representative directors and outside directors on important auditing issues three times during the fiscal year ended March 31, 2024 to deepen mutual recognition of the issues in question.</p>

<p>2) Audit & Supervisory Board members shall receive regular reports on audit plans and results from the Audit Division and request that the Department conduct investigations, as necessary.</p> <p>3) Audit & Supervisory Board members shall direct the Audit & Supervisory Board Office to enhance the effectiveness of audits and ensure the smooth execution of audit duties.</p> <p>4) Audit & Supervisory Board members and the Audit & Supervisory Board shall meet regularly with the accounting auditor to maintain close contact and conduct effective and efficient audits.</p> <p>5) The Audit & Supervisory Board may request that the Company make advance payment or reimbursement of expenses required for conducting audits, including the use of legal and accounting specialists.</p>	<p>2) Full-time Audit & Supervisory Board members attend regular auditors' meetings held by the Audit Division, etc., and share information on received reports on audit plans and results from the Audit Division.</p> <p>3) The Audit & Supervisory Board Office, under the direction of Audit & Supervisory Board members, assists with audit duties and conducts business relating to the Audit & Supervisory Board. It also strives to improve the effectiveness of audits conducted by Audit & Supervisory Board members by obtaining more information from the Audit Division and other employees as well as subsidiaries.</p> <p>4) The Audit & Supervisory Board deepens cooperation by holding periodic meetings for the accounting auditor to convey its audit plans and the quality of audits and for quarterly reviews and year-end reports on audit results, as well as special meetings when required.</p> <p>5) When Audit & Supervisory Board members request the Company to cover any costs relating to the conducting of audits, the Company pays those expenses requested by Audit & Supervisory Board members in full.</p>
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Corporate Governance System



Updated in April 2024

8. Dividend Payments from Surplus, etc.

The Company regards the return of profits to shareholders as its most important management task and adopts a performance-based policy for cash dividends based on consolidated net income. The Company appropriates the remaining surplus to internal reserves for future growth.

As part of its Value Transformation 2023 three-year business plan that began in April 2021, the Company has aimed to increase corporate value by investing in growth and to achieve a consolidated payout ratio of 30% or more on a three-year average.

For the fiscal year ended March 31, 2024, the Company paid a Q2-end dividend of 14 yen per share, and at a meeting held on May 10, 2024 the Board of Directors passed a resolution to pay a year-end dividend of 26 yen per share, for an annual dividend of 40 yen per share. This represents a consolidated dividend payout ratio of 32.9%, and the three-year average was 32.7%, achieving the target of the Value Transformation 2023 plan.

To flexibly pay dividends from surplus, the Articles of Incorporation of the Company stipulate that the Board of Directors may determine the dividend to be paid from surplus without requiring a resolution from the General Meeting of Shareholders regarding matters stipulated in Article 459, Paragraph 1 of the Companies Act (the provision of articles of incorporation that permits the Board of Directors to decide dividends payments from surplus), except when otherwise provided for in separate laws or regulations.

Payment of the year-end dividend for the 108th fiscal year

The Company will pay the year-end dividend to shareholders or registered pledgees of shares recorded in the last shareholder register as of March 31, 2024 as follows:

1. Year-end dividend: 26 yen per share
2. Date effective and date of commencement of payment: Monday, June 24, 2024

The document pertaining to the payment of year-end dividend will be sent to the registered address on June 21, 2024.

Consolidated Balance Sheets

(As of March 31, 2024)

(Million yen)

Item	Amount	Item	Amount
(ASSETS)	646,154	(LIABILITIES)	287,399
Current assets	496,426	Current liabilities	211,392
Cash on hand and in banks	142,044	Notes and accounts payable and construction contracts payable	61,154
Notes receivable, accounts receivable from completed construction contracts and other, and contract assets	271,633	Electronically recorded obligations - operating	19,421
Merchandise and finished goods	9,291	Short-term borrowings and current portion of long-term borrowings	9,428
Costs incurred on uncompleted construction contracts and other	14,144	Income taxes payable	9,532
Raw materials and supplies	43,060	Contract liabilities	79,576
Other	17,473	Provision for losses on construction contracts	853
Allowance for doubtful accounts	(1,219)	Other	31,424
Non-current assets	149,728	Non-current liabilities	76,007
Property, plant and equipment	77,451	Convertible-bond-type bonds with stock acquisition rights	61,088
Buildings and structures, net	33,851	Long-term borrowings	100
Machinery and vehicles	12,678	Deferred tax liabilities	679
Tools and fixtures, net	3,783	Liabilities for retirement benefits	6,784
Land	13,636	Other reserves	551
Other, net	13,500	Other	6,804
Intangible assets	12,128	(NET ASSETS)	358,755
Software	6,914	Shareholders' equity	319,723
Goodwill	3,299	Common stock	31,865
Other	1,913	Capital surplus	20,490
Investments and other assets	60,148	Retained earnings	288,311
Investments in securities	23,517	Treasury stock	(20,944)
Long-term loans	64	Accumulated other comprehensive income	38,688
Assets for retirement benefits	13,325	Net unrealized gain (loss) on securities	7,874
Deferred tax assets	18,898	Deferred gain (loss) on hedges	(145)
Other	4,342	Foreign currency translation adjustments	28,519
Allowance for doubtful accounts	(0)	Accumulated adjustments on retirement benefits	2,440
		Non-controlling interests	342
Total	646,154	Total	646,154

Consolidated Statements of Income

(April 1, 2023–March 31, 2024)

(Million yen)

Net sales		611,477
Cost of sales		494,848
Gross profit		116,628
Selling, general and administrative expenses		54,549
Operating income		62,079
Other income		
Interest income	1,682	
Dividend income	429	
Land and house rental revenue	262	
Other	423	2,798
Other expenses		
Interest expenses	411	
Interest on bonds	(111)	
Bonds issuance costs	117	
Foreign exchange losses	149	
Other	103	670
Ordinary income		64,207
Extraordinary income		
Gain on sales of property, plant and equipment	29	
Gain on sales of investments in securities	1,258	
Other	73	1,361
Extraordinary loss		
Loss on sales of property, plant and equipment	22	
Loss on disposal of property, plant and equipment	702	
Impairment loss	699	
Settlement payments	546	
Other	310	2,281
Income before income taxes		63,287
Income taxes - current	22,982	
Income taxes - deferred	(5,167)	17,815
Net income		45,472
Non-controlling interests		11
Net income attributable to shareholders of the parent company		45,461

Non-Consolidated Balance Sheets

(As of March 31, 2024)

Daifuku Co., Ltd.

(Million yen)

Item	Amount	Item	Amount
(ASSETS)	400,580	(LIABILITIES)	153,133
Current assets	266,647	Current liabilities	86,297
Cash on hand and in banks	59,571	Electronically recorded obligations - operating	17,749
Notes receivable	669	Accounts payable - trade	19,595
Electronically recorded monetary claims - operating	6,686	Construction contracts payable	2,407
Accounts receivable from completed construction contracts and contract assets	134,422	Short-term borrowings	2,500
Accounts receivable	18,734	Current portion of long-term borrowings	1,000
Merchandise and finished goods	45	Lease liabilities	159
Costs incurred on uncompleted construction contracts and other	8,096	Accounts payable - other	2,241
Raw materials and supplies	24,467	Accrued expenses	9,477
Prepaid expenses	1,464	Income taxes payable	6,832
Accounts receivable - other	3,009	Contract liabilities	23,407
Short-term loans receivable	25	Provision for losses on construction contracts	115
Short-term loans receivable from affiliates	8,280	Other	810
Other	1,644	Non-current liabilities	66,836
Allowance for doubtful accounts	(471)	Convertible-bond-type bonds with stock acquisition rights	61,088
Non-current assets	133,933	Long-term borrowings	100
Property, plant and equipment	32,678	Lease liabilities	404
Buildings	11,830	Long-term accounts payable - other	16
Structures	1,232	Provision for retirement benefits	4,459
Machinery and equipment	4,926	Other reserves	499
Vehicles	11	Other	268
Tools and fixtures	908	(NET ASSETS)	247,446
Land	7,539	Shareholders' equity	239,778
Leased assets	563	Common stock	31,865
Construction in progress	5,665	Capital surplus	22,969
Intangible assets	4,178	Legal capital surplus	8,998
Software	4,035	Other capital surplus	13,970
Software in progress	142	Retained earnings	205,888
Other	0	Legal retained earnings	112
Investments and other assets	97,077	Other retained earnings	205,775
Investments in securities	23,151	Reserve for dividends	7,000
Shares in affiliates	51,460	Reserve for tax purpose reduction entry of non-current assets	284
Investments in capital of affiliates	6,225	General reserve	30,000
Long-term loans	66	Retained earnings brought forward	168,490
Long-term loans receivable from affiliates	904	Treasury stock	(20,944)
Long-term prepaid expenses	363	Valuation and translation adjustments	7,668
Deferred tax assets	6,164	Net unrealized gain (loss) on securities	7,813
Prepaid pension costs	7,171	Deferred gain (loss) on hedges	(145)
Leasehold and guarantee deposits	906		
Other	662		
Total	400,580	Total	400,580

Non-Consolidated Statements of Income

(April 1, 2023–March 31, 2024)

Daifuku Co., Ltd.

(Million yen)

Net sales		274,535
Cost of sales		220,775
Gross profit		53,759
Selling, general and administrative expenses		21,004
Operating income		32,755
Other income		
Interest income	324	
Dividend income	13,586	
Foreign exchange gains	387	
Land and house rental revenue	188	
Other	92	14,579
Other expenses		
Interest expenses	53	
Interest on bonds	(111)	
Bonds issuance costs	117	
Other	29	88
Ordinary income		47,246
Extraordinary income		
Gain on sales of investments in securities	1,258	
Other	0	1,258
Extraordinary loss		
Impairment losses	568	
Loss on disposal or sales of property, plant and equipment	448	
Loss on valuation of shares in affiliates	3,996	
Other	1	5,015
Income before income taxes		43,489
Income taxes - current	11,607	
Income taxes - deferred	(1,341)	10,265
Net income		33,223

Independent Auditor's Report
(English Translation*)

May 21, 2024

To the Board of Directors of Daifuku Co., Ltd.

PricewaterhouseCoopers Japan LLC
Osaka office

Kengo Yamamoto, CPA
Designated limited liability Partner
Engagement Partner

Kazuyuki Kitano CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 444 (4) of the Companies Act of Japan, the accompanying consolidated financial statements, which comprise the consolidated balance sheet, consolidated profit and loss statement, consolidated statement of changes in net assets and notes to the consolidated financial statements of Daifuku Co., Ltd. and its subsidiaries (hereinafter referred to as the "Group") for the consolidated fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and its consolidated financial performance for the period covered by the consolidated financial statements in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report. Management is responsible for the preparation and disclosure of the other information. In addition, those charged with governance are responsible for overseeing the directors' execution of their duties in designing and operating the reporting process over the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or to remain alert for whether there are the indications that the other information appears to be materially misstated beyond such material inconsistencies.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Those charged with governance are responsible for overseeing the directors' execution of their duties in designing and operating the Group's consolidated financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit and other matters required by auditing standards.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

* Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Independent Auditor's Report
(English Translation*)

May 21, 2024

To the Board of Directors of Daifuku Co., Ltd.

PricewaterhouseCoopers Japan LLC
Osaka office

Kengo Yamamoto, CPA
Designated limited liability Partner
Engagement Partner

Kazuyuki Kitano, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the accompanying financial statements, which comprise the balance sheet, profit and loss statement, statement of changes in net assets and notes to the financial statements, and the supplementary schedules of Daifuku Co., Ltd. (hereinafter referred to as the "Company") for the 108th fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and its financial performance for the period covered by the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and the supplementary schedules in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, those charged with governance are responsible for overseeing the directors' execution of their duties in designing and operating the reporting process over the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or to remain alert for whether there are the indications that the other information appears to be materially misstated beyond such material inconsistencies.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and the Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Those charged with governance are responsible for overseeing the directors' execution of their duties in designing and operating the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements and the supplementary schedules are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit and other matters required by auditing standards.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

* Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Audit Report

In regard to the directors' performance of their duties for the 108th fiscal year from April 1, 2023 to March 31, 2024, the Audit & Supervisory Board has prepared this Audit Report as the unanimous opinion of the Audit & Supervisory Board members resulting from deliberations based on the audit reports prepared by each Audit & Supervisory Board member and reports as follows.

1. Method and contents of Audits by the Audit & Supervisory Board members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board determined the audit policies and audit plan, etc., and received reports from each Audit & Supervisory Board member regarding the implementation status and results of their audits, in addition to which it received reports from the directors, etc., and the accounting auditor regarding the status of the performance of their duties and requested explanations, as necessary.
- (2) In compliance with the Audit & Supervisory Board member audit standards established by the Audit & Supervisory Board and in accordance with the audit policies and audit plan, etc., each Audit & Supervisory Board member communicated with the directors, the Audit Division, and other employees, etc., endeavored to gather information and develop the audit environment and conducted audits using the following methods.
 - (i) The Audit & Supervisory Board members attended meetings of the Board of Directors and other important meetings, received reports from directors and employees, etc., regarding the status of the performance of their duties, requested explanations as necessary, viewed important decision-making documents, etc., and inspected the status of operations and assets at the headquarters and main business locations. Additionally, in regard to subsidiaries, the Audit & Supervisory Board members communicated and exchanged information with the directors and Audit & Supervisory Board members, etc., of subsidiaries and received reports on business from subsidiaries, as necessary.
 - (ii) In regard to the content of resolutions of the Board of Directors regarding the development of systems to ensure that the directors' performance of their duties complies with laws, regulations, and the Articles of Incorporation and other systems provided for in Article 100, Paragraph (1) and Paragraph (3) of the Ordinance for Enforcement of the Companies Act as systems necessary to ensure the appropriateness of operations of the corporate group composed of a stock company and its subsidiaries, as well as the systems developed pursuant to those resolutions (i.e., internal control systems) stated in the Business Report, the Audit & Supervisory Board members periodically received reports from directors and employees, etc., regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto.
 - (iii) The Audit & Supervisory Board members oversaw and verified whether the accounting auditor maintained an independent position and conducted an appropriate audit, received reports from the accounting auditor on the status of the performance of its duties, and requested explanations, as necessary. Additionally, the Audit & Supervisory Board members received notification from the accounting auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council), etc., it had developed systems to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations, as necessary.

Using the methods above, the Audit & Supervisory Board examined the Business Report, the supplementary schedules thereto, the financial statements (i.e., the balance sheets, statements of income, statements of changes in net assets, and explanatory notes to financial statements), the supplementary schedules to the financial statements, and the consolidated financial statements (i.e.,

the consolidated balance sheets, consolidated statements of income, consolidated statements of changes in net assets, and explanatory notes to consolidated financial statements) for the fiscal year.

2. Audit results

(1) Results of audit of Business Report, etc.

- (i) We find that the Business Report and the supplementary schedules thereto accurately present the status of the company in accordance with laws, regulations, and the Articles of Incorporation.
- (ii) We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the Articles of Incorporation in relation to the directors' performance of their duties.
- (iii) We find the content of the resolutions of the Board of Directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the Business Report or the directors' performance of their duties relating to the internal control systems.

(2) Results of audit of financial statements and supplementary schedules thereto

We find the methods and results of the audit by the accounting auditor, PricewaterhouseCoopers Japan LLC, to be reasonable.

(3) Results of audit of consolidated financial statements

We find the methods and results of the audit by the accounting auditor, PricewaterhouseCoopers Japan LLC, to be reasonable.

May 22, 2024

Audit & Supervisory Board, Daifuku Co., Ltd.

Tsukasa Saito

Audit & Supervisory Board Member (full-time)

Ryosuke Aihara

Audit & Supervisory Board Member (outside)

Tsukasa Miyajima

Audit & Supervisory Board Member (outside)

Nobuo Wada

Audit & Supervisory Board Member (outside)