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(Securities code: 6383)

March 12, 2025

(Date of commencement of measures for electronic provision: March 6, 2025)

To shareholders with voting rights:

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

Notice of the 109th 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 109th 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 109th Ordinary General Meeting of Shareholders" and "Electronic Provision Measures Matters for the Notice of the 109th 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, March 28, 2025, at 10:00 a.m. Japan time

The date of the Meeting does not correspond to the date of the previous ordinary general meeting of shareholders (June 21, 2024) as the Company changed its fiscal year-end from March 31 to December 31 effective from the 109th fiscal year (the current fiscal year).

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 109th Fiscal Year (April 1, 2024–December 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 109th Fiscal Year (April 1, 2024–December 31, 2024)

Proposals to be resolved:

Proposal 1: Election of Eleven (11) Directors

Proposal 2: Revision of the Performance-linked Equity Remuneration Scheme for Directors

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, March 27, 2025, 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 "CEO's Presentation" with Japanese narration will be available on the Company's website below from 10:00 a.m. on Thursday, March 27, 2025, 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, March 28, 2025, 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, March 27, 2025, 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, March 27, 2025, 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: Election of Eleven (11) 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 eleven (11) directors, with an increase of one (1) outside director, to strengthen the management system and ensure diversity.

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 chaired by one of these outside directors in the 109th 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. Inside directors contribute to achieving operating performance by leveraging their abundant experience in charge of their respective business fields. 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 109th fiscal year
1	Hiroshi Geshiro	Reappointed	Representative Director President and Chief Executive Officer (CEO)	100% (13/13 times)
2	Tomoaki Terai	Reappointed	Representative Director Executive Vice President and Chief Operating Officer (COO) Cleanroom Global Business Head	100% (10/10 times)
3	Seiji Sato	Reappointed	Director Senior Managing Officer President and CEO of Daifuku North America, Inc.	100% (13/13 times)
4	Hideaki Takubo	Reappointed	Director Senior Managing Officer Chief Human Resources Officer Corporate Functions Head	100% (13/13 times)
5	Tetsuya Hibi	Newly Appointed	Managing Officer Chief Financial Officer Deputy Corporate Functions Head Finance and Accounting Division Manager	—

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 109th fiscal year
6	Yoshiaki Ozawa	Reappointed Outside Director Independent Officer	Outside Director	100% (13/13 times)
7	Kaku Kato	Reappointed Outside Director Independent Officer	Outside Director	100% (13/13 times)
8	Keiko Kaneko	Reappointed Outside Director	Outside Director	100% (13/13 times)
9	Gideon Franklin	Reappointed Outside Director Independent Officer	Outside Director	100% (13/13 times)
10	Haruyuki Yoshida	Newly Appointed Outside Director Independent Officer	—	—
11	Yuki Kanzaki	Newly Appointed Outside Director Independent Officer	—	—

Note: A total of 13 (9 ordinary and 4 extraordinary) Board of Directors meetings were held during the 109th fiscal year. The attendance rate of Mr. Tomoaki Terai covers his attendance at Board of Directors meetings held after June 21, 2024, the day he 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>	40,100
	<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 term 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	Tomoaki Terai (July 13, 1968) Reappointed	<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</p> <p>April 2023 Cleanroom Division Manager</p> <p>April 2024 Managing Officer Cleanroom Global Business Head (to present)</p> <p>June 2024 Director, member of the Board, Managing Officer</p> <p>January 2025 Representative Director (to present) Executive Vice President and Chief Operating Officer (to present)</p>	19,100
<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 factories at the Company and its non-Japan subsidiaries. He oversees Group-wide business execution as Chief Operating Officer. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position.</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 term 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	Seiji Sato (January 15, 1960) Reappointed	April 1983 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)	130,100
		April 2008 General Manager of the Semiconductor Division, eFA Operations	
June 2010 Director, member of the Board			
June 2011 Managing Officer with an introduction of corporate officer system			
April 2015 General Manager of eFA Global Operations General Manager of eFA Operations			
June 2015 Director, member of the Board, Managing Officer			
April 2020 Cleanroom Global Business Head Cleanroom Division Manager			
April 2023 Director, Senior Managing Officer (to present) President and CEO of Daifuku North America Holding Company (now Daifuku North America, Inc.) (to present)			
Significant concurrent positions President and CEO of Daifuku North America, Inc.			
[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 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.			

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 term 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 Director and 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</p> <p>January 2025 Director, Senior Managing Officer (to present)</p>	20,000
<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 reappointment is approved. The Company plans to renew the insurance contract with the same contents during the term 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	Tetsuya Hibi (June 4, 1964) Newly appointed	<p>April 1987 Joined Daifuku Co., Ltd.</p> <p>April 2008 General Manager of the Finance Department, Finance and Accounting Division</p> <p>April 2014 Senior Vice President and Chief Financial Officer of Daifuku Webb Holding Company (now Daifuku North America, Inc.)</p> <p>April 2017 General Manager of the Global Business Development Department, Corporate Business Development Division</p> <p>April 2019 General Manager of the Corporate Business Development Division</p> <p>April 2020 Corporate Officer Finance and Accounting Division Manager (to present)</p> <p>April 2021 Deputy Corporate Functions Head (to present)</p> <p>April 2023 Managing Officer (to present) Chief Financial Officer (to present)</p>	29,000
<p>[Reason for nomination as Director] Mr. Tetsuya Hibi has considerable knowledge in accounting and financial fields. He serves as the Group Chief Financial Officer by leveraging his experience working abroad. 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 term 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	<p data-bbox="244 840 440 947">Yoshiaki Ozawa (May 31, 1954) Reappointed</p> <p data-bbox="244 992 440 1093">Outside Director, Independent Officer</p> <p data-bbox="244 1137 440 1317">Period of service as Outside Director: Ten years and nine months</p>	<p data-bbox="456 309 1249 376">July 1978 Joined PricewaterhouseCoopers (PwC) Osaka Office</p> <p data-bbox="456 387 1249 454">October 1979 Joined Chuo Accounting Corporation Osaka Office</p> <p data-bbox="456 465 1249 533">August 1982 Registered as a Japanese certified public accountant (CPA)</p> <p data-bbox="456 544 1249 566">October 1985 Worked at Coopers & Lybrand New York Office</p> <p data-bbox="456 577 1249 600">July 1990 Registered as a U.S. CPA</p> <p data-bbox="456 611 1249 678">July 1995 Senior partner, Chuo Shinko Audit Corporation</p> <p data-bbox="456 689 1249 757">July 2005 National director overseeing Japanese clients in the U.S. at the PwC New York Office</p> <p data-bbox="456 768 1249 835">July 2007 Joined PwC Aarata (now PricewaterhouseCoopers Japan LLC)</p> <p data-bbox="456 846 1249 913">January 2008 Senior partner, PwC Aarata (now PricewaterhouseCoopers Japan LLC)</p> <p data-bbox="456 925 1249 992">April 2009 Specially-appointed professor, Kansai University School of Accountancy</p> <p data-bbox="456 1003 1249 1104">April 2012 Professor of Faculty of Business Administration, St. Andrew's University (to present)</p> <p data-bbox="456 1115 1249 1182">September 2012 Left PwC Aarata (now PricewaterhouseCoopers Japan LLC)</p> <p data-bbox="456 1193 1249 1261">June 2014 Outside Director of Daifuku Co., Ltd. (to present)</p> <p data-bbox="456 1272 1249 1339">April 2018 Director of Career Center, St. Andrew's University</p> <p data-bbox="456 1350 1249 1417">June 2018 Outside Audit & Supervisory Board Member, Daido Life Insurance Company (to present)</p> <p data-bbox="456 1429 1249 1507">June 2019 Substitute Director (Audit and Supervisory Committee Member), Sakai Heavy Industries, Ltd.</p> <p data-bbox="456 1518 1249 1585">April 2020 Dean of Graduate School of Business Administration, St. Andrew's University</p> <p data-bbox="456 1597 1249 1664">December 2021 Representative Director, Andrew Partners Co., Ltd.</p> <p data-bbox="456 1675 1249 1742">March 2022 Obtained a PhD in Commerce from Kwansei Gakuin University</p> <p data-bbox="456 1753 1249 1843">October 2024 Visiting Professor of Graduate School of Business, Osaka Metropolitan University (to present)</p>	—

		<p>Significant concurrent positions Professor of Faculty of Business Administration, St. Andrew's University Outside Audit & Supervisory Board Member, Daido Life Insurance Company Visiting Professor of Graduate School of Business, Osaka Metropolitan University</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 26-27). 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>		

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 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.

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>Kaku Kato (October 24, 1954) Reappointed</p> <p>Outside Director, Independent Officer</p> <p>Period of service as Outside Director: Five years and nine months</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>	—
<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 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 for the independence standards stipulated by the Company (pages 26-27). 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 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.

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														
8	<p>Keiko Kaneko (November 11, 1967) Reappointed</p> <p>Outside Director</p> <p>Period of service as Outside Director: Five years and nine months</p>	<table border="0"> <tr> <td>April 1991</td> <td>Joined Mitsubishi Corporation</td> </tr> <tr> <td>April 1999</td> <td>Registered as an attorney Joined Anderson Mori & Tomotsune</td> </tr> <tr> <td>January 2007</td> <td>Partner, Anderson Mori & Tomotsune (to present)</td> </tr> <tr> <td>April 2007</td> <td>Visiting Associate Professor at Graduate School of Law, the University of Tokyo</td> </tr> <tr> <td>November 2012</td> <td>External Statutory Auditor, Fast Retailing Co., Ltd. (to present) Statutory Auditor, UNIQLO Co., Ltd. (to present)</td> </tr> <tr> <td>June 2013</td> <td>External Statutory Auditor, The Asahi Shimbun Company (to present)</td> </tr> <tr> <td>June 2019</td> <td>Outside Director of Daifuku Co., Ltd. (to present)</td> </tr> </table> <p>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>	April 1991	Joined Mitsubishi Corporation	April 1999	Registered as an attorney Joined Anderson Mori & Tomotsune	January 2007	Partner, Anderson Mori & Tomotsune (to present)	April 2007	Visiting Associate Professor at Graduate School of Law, the University of Tokyo	November 2012	External Statutory Auditor, Fast Retailing Co., Ltd. (to present) Statutory Auditor, UNIQLO Co., Ltd. (to present)	June 2013	External Statutory Auditor, The Asahi Shimbun Company (to present)	June 2019	Outside Director of Daifuku Co., Ltd. (to present)	—
	April 1991	Joined Mitsubishi Corporation															
April 1999	Registered as an attorney Joined Anderson Mori & Tomotsune																
January 2007	Partner, Anderson Mori & Tomotsune (to present)																
April 2007	Visiting Associate Professor at Graduate School of Law, the University of Tokyo																
November 2012	External Statutory Auditor, Fast Retailing Co., Ltd. (to present) Statutory Auditor, UNIQLO Co., Ltd. (to present)																
June 2013	External Statutory Auditor, The Asahi Shimbun Company (to present)																
June 2019	Outside Director of Daifuku Co., Ltd. (to present)																
<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 26-27). 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>																	

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 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 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
9	<p>Gideon Franklin (June 28, 1962) Reappointed</p> <p>Outside Director, Independent Officer</p> <p>Period of service as Outside Director: One year and nine months</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>June 2023 Outside Director of Daifuku Co., Ltd. (to present)</p> <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. 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.</p> <p>[Independence] 1. Mr. Gideon Franklin fully satisfies the requirements for the independence standards stipulated by the Company (pages 26-27). 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.</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 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.

No.	Name (Date of birth)	Career summary and positions in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
10	<p>Haruyuki Yoshida (March 27, 1959) Newly appointed</p> <p>Outside Director, Independent Officer</p>	<p>April 1981 Joined Kubota Corporation</p> <p>February 2006 General Manager of Ductile Iron Pipe Production Control, Kubota Corporation</p> <p>April 2008 General Manager of Construction Machinery Division Planning and Sales Promotion Department, Kubota Corporation</p> <p>October 2009 General Manager of Farm and Industrial Machinery Division, Planning and Control Department, Kubota Corporation</p> <p>April 2013 Executive Officer, General Manager of Farm and Machinery International Operations Headquarters, and General Manager of Farm and Utility Machinery Division, Kubota Corporation</p> <p>January 2017 Managing Executive Officer, General Manager of Farm and Industrial Machinery Domain, Strategy and Operations Headquarters, Kubota Corporation</p> <p>January 2019 Senior Managing Executive Officer, Kubota Corporation President and CEO, Kubota Tractor Corporation President and CEO, Kubota North America Corporation</p> <p>January 2022 Advisor, Kubota Corporation</p> <p>June 2023 Outside Director, Okada Aiyon Corporation (to present)</p> <p>June 2024 Outside Director, SUGIMOTO & CO., LTD. (to present)</p> <p>Significant concurrent positions Outside Director, Okada Aiyon Corporation Outside Director, SUGIMOTO & CO., LTD.</p>	—

	<p>[Reasons for nomination as Outside Director and expected roles to fulfill] Mr. Haruyuki Yoshida has global experience and extensive knowledge as a corporate manager, having served as the corporate officer of Kubota Corporation and the head of its Group U.S. company for many years. The Company would like him to assume this position with the expectation that he provides advice and counsel at meetings of the Board of Directors to secure the transparency of management and enhance the supervision thereof. If he assumes office, the Company plans to have him involved in decisions on the nomination and remuneration of officers at the Advisory Committee from an independent and objective perspective.</p> <p>[Independence] 1. Mr. Haruyuki Yoshida fully satisfies the requirements for the independence standards stipulated by the Company (pages 26-27). There is no business transaction between the Company and Okada Aiyon Corporation, where he serves as an outside director. While the Company has transactions with SUGIMOTO & CO., LTD., where he serves as an outside director, the amount of transactions is less than 1% of consolidated net sales for both SUGIMOTO & CO., LTD. and the Company. Furthermore, although SUGIMOTO & CO., LTD. holds shares in the Company as a member of the Daifuku Supplier Shareholder Association, its ownership of the voting rights is less than 10%. The Company also has business transactions with Kubota Corporation, to which he belonged until 2022; however, the amount of transactions is less than 1% of consolidated net sales for both Kubota Corporation and the Company.</p> 2. If he is appointed as originally proposed, the Company plans to designate him as an independent officer as stipulated by the rules of the Tokyo Stock Exchange and provide such notification thereto.	
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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. 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 his appointment as Outside Director 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. If the nominee is appointed as an Outside Director of the Company as originally proposed, the Company will conclude 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.

No.	Name (Date of birth)	Career summary and positions in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
	<p>Yuki Kanzaki (April 24, 1963) Newly appointed</p> <p>Outside Director, Independent Officer</p>	<p>March 1992 Joined Kirin Brewery Company, Limited September Brewing Manager of Tochigi Plant of 2007 Production Division, Kirin Brewery Company, Limited</p> <p>October 2013 Deputy General Manager of Alcoholic Beverages Technology Research Institute, Research & Development Division, Kirin Company, Limited</p> <p>March 2015 General Manager of Kobe Plant of Production Division, Kirin Brewery Company, Limited</p> <p>March 2017 Executive Officer, General Manager of Yokohama Plant of Production Division, Kirin Brewery Company, Limited</p> <p>March 2019 Senior Executive Officer, General Manager of Yokohama Plant of Production Division, Kirin Brewery Company, Limited</p> <p>March 2020 Senior Executive Officer, General Manager of Corporate Strategy Department, Kyowa Hakko Bio Co., Ltd.</p> <p>January 2022 President and CEO, Kyowa Hakko Bio Co., Ltd. March 2022 Senior Executive Officer, Kirin Holdings Company, Limited and President and CEO, Kyowa Hakko Bio Co., Ltd.</p>	
11		<p>[Reasons for nomination as Outside Director and expected roles to fulfill] Ms. Yuki Kanzaki has served in positions such as an officer of Kirin Holdings Company, Limited and its Group companies. She has consistently worked in <i>monozukuri</i> (workmanship) onsite in the manufacturing industry while playing a primary role in advancing business restoration, structural reform, and the reformation of organizational culture in acquired companies. Based on such abundant experience and knowledge, the Company would like her to assume this position with the expectation that she provides advice and counsel at meetings of the Board of Directors, not to mention the production departments, to secure the transparency of management and enhance the supervision thereof. If she assumes office, the Company plans to have her involved in decisions on the nomination and remuneration of officers at the Advisory Committee from an independent and objective perspective.</p> <p>[Independence] 1. Ms. Yuki Kanzaki fully satisfies the requirements for the independence standards stipulated by the Company (pages 26-27). Although the Company has business transactions with Kirin Holdings Company, Limited and Kyowa Hakko Bio Co., Ltd. to which she belonged until 2024, the amount of transactions is less than 1% of consolidated net sales for Kirin Holdings Company, Limited, Kyowa Hakko Bio Co., Ltd., and the Company. 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.</p>	—

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. 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 Director 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. If the nominee is appointed as an Outside Director 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 28 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 six (6) out of eleven (11) directors (the majority) 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	Tomoaki Terai		✓	✓				✓	
3	Seiji Sato		✓				✓	✓	
4	Hideaki Takubo		✓			✓			✓
5	Tetsuya Hibi		✓		✓			✓	
6	Yoshiaki Ozawa	✓			✓			✓	✓
7	Kaku Kato	✓				✓		✓	✓
8	Keiko Kaneko	✓				✓		✓	✓
9	Gideon Franklin	✓	✓		✓			✓	
10	Haruyuki Yoshida	✓	✓		✓			✓	
11	Yuki Kanzaki	✓	✓	✓					✓

Notes:

- In Expertise/Experience, up to three 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 Basic Policy for Corporate Governance.” In addition, the status of efforts for 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		Time	The Company's response
Enhancing board independence			
Ensure that at least one-third of directors are independent outside directors		Year ended December 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 pages 26-27.)
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
Ensuring diversity in the core human resources of the company			
Women	Number of female managers promoted	Year ended December 31, 2024	40 persons
Foreign nationals	Foreign nationality ratio of regular hires		9.5%
	Number of foreign managers		6 persons
Mid-career professionals	Career recruitment ratio		44.8%
	Career recruitment ratio for assistant managers		41.3%
	Career recruitment ratio for managers		31.4%
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	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
		2024	Established Sustainable Procurement Guidelines
			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
			Switched all electricity used at business sites in Japan to renewable energy sources
Main issues other than the above			

Reduce cross-shareholdings		Number of issues (consolidated)	Amount recorded on consolidated balance sheets	Ratio to consolidated net assets
	As of March 31, 2024	39 issues	16.3 billion yen	4.5%
	As of December 31, 2024	30 issues	12.1 billion yen	3.1%
Promote the use of electronic voting platforms and disclose in English	<p>We use the electronic voting platform.</p> <p>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.</p>			

[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

Proposal 2: Revision of the Performance-linked Equity Remuneration Scheme for Directors

1. Reasons for the Proposal and Justification

At the 100th Ordinary General Meeting of Shareholders held on June 24, 2016, the Company received approval for a proposal (the "Original Resolution") for the introduction of a Board Benefit Trust (BBT) plan (the "Plan") as a performance-linked equity remuneration scheme for the Company's directors (excluding outside directors; hereinafter the same shall apply in this proposal unless otherwise stated) and corporate officers ("Directors, etc."), which has remained in place to date.

The purpose of the Plan is to further clarify the linkage of the remuneration of Directors, etc. with the Company's business performance as well as its stock value, and to motivate Directors, etc. to contribute to enhancing the Company's corporate value in the medium and long term.

This proposal requests approval for a partial revision of the Plan (the "Plan Revision") as described in 2. below. The Company believes that the proposal is appropriate in light of the fact that its purpose is the same as that of the Original Resolution; the Company's Advisory Committee (consisting of five (5) outside directors and two (2) representative directors, and whose chairperson is an outside director) has reported that the Plan Revision is appropriate, taking into account the purpose of the Plan Revision and its effect of providing an incentive for improving the Company's business performance in the medium and long term, etc.; as well as the fact that it is consistent with the policy on determination of remuneration, etc. for individual directors (pages 59-60).

The Company proposes that details following the Plan Revision described in this proposal be left to the discretion of the Board of Directors within the scope of 3. below.

If Proposal 1 "Election of Eleven (11) Directors" is approved as originally proposed, the number of Directors covered by the Plan shall be Five (5).

2. Details of the Plan Revision

(1) Change to the applicable period

Based on a resolution of the 108th Ordinary General Meeting of Shareholders held on June 21, 2024, the Company's fiscal year-end (the last day of the fiscal year) was changed from March 31 to December 31, and the applicable period of the Plan shall be changed accordingly.

(2) Relationship with the total amount of monetary remuneration, etc. for directors

The Original Resolution approved the amount of remuneration, etc. relating to the Plan to be within the scope of the amount of remuneration, etc. for directors approved at the 90th Ordinary General Meeting of Shareholders held on June 29, 2006 (capped at 700 million yen per annum; excluding salaries of employees; hereinafter, the "Monetary Remuneration Limit"). However, in light of the achievement of the four-year business plan aimed at enhancing corporate value, the

impact of fluctuations in the share price on the amount of remuneration for directors, the increase in the number of directors, and the possibility of changes to titles, etc., the amount of remuneration, etc. relating to the Plan shall be amended so as to be treated as a separate limit from the Monetary Remuneration Limit.

3. Details Following the Plan Revision

(1) Overview of the Plan

The Plan is a performance-linked equity remuneration scheme, under which the Company's shares and the monetary payment equivalent to the amount obtained by converting the Company's shares at the market price (the "Company's Shares, etc.") are acquired through a trust (hereinafter a trust set up under the Plan is referred to as the "Trust") using the funds contributed by the Company, and distributed to Directors, etc., through the Trust in accordance with the Company's Officer Stock Benefit Regulations. The Company's Shares, etc., are provided to Directors, etc., in principle, upon their retirement.

(2) Eligible persons under the Plan

Eligible persons under the Plan are the directors (excluding outside directors and Audit & Supervisory Board members) and corporate officers of the Company.

(3) Trust period

The trust period is from August 2016 until the termination of the Trust. (No specific termination date has been set for the trust period, and the Trust shall continue for the duration of the Plan. The Plan shall be terminated for reasons such as the delisting of the Company's stock or the abolition of the Company's Officer Stock Benefit Regulations.)

(4) Trust amount

The Company shall continue the Plan for three fiscal years from the fiscal year ending December 31, 2025 to the fiscal year ending December 31, 2027 (hereinafter, this three-year period is referred to as the "Initial Applicable Period," and the Initial Applicable Period and each of the three-fiscal-year periods beginning after the completion of the Initial Applicable Period is referred to as the "Applicable Period"), and for each subsequent Applicable Period. Furthermore, at the beginning of the trust period, based on the Original Resolution, the Company established the Trust by contributing the funds for the Trust to acquire the Company's shares in order to provide the Company's Shares, etc. to the Directors, etc. of the Company for the three fiscal years from the fiscal year ended March 31, 2017 to the fiscal year ended March 31, 2019, and subsequently made additional monetary contributions to the Trust in November 2019 and November 2023. The Trust shall continue to exist as a trust based on the Plan following the revision pursuant to the resolution of this proposal.

In addition, until the Plan is terminated, the Company shall, in principle, reasonably estimate the

number of shares required to make grants to Directors, etc. in accordance with the Plan for each Applicable Period, and shall make additional contributions to the Trust to the extent deemed necessary in order for the Trust to make acquisitions in advance. However, when making such additional contributions, in the event that there are Company's shares remaining in the trust assets (excluding the Company's shares equivalent to the number of points granted to Directors, etc. for each Applicable Period up to the immediately preceding period that have not yet been granted to Directors, etc.) and money (the "Remaining Shares, etc."), the Remaining Shares, etc. shall be used as funds for payment under the Plan for subsequent Applicable Periods, and the amount of the additional contribution shall be calculated taking into account the Remaining Shares, etc. In the event that the Company decides to make an additional contribution, this shall be disclosed in a timely and appropriate manner.

(5) Method and number of Company's shares to be acquired by the Trust

The Trust shall acquire the Company's shares through the stock exchange or by underwriting the disposition of the Company's treasury stock, using the funds contributed under (4) above.

The maximum number of points to be granted to Directors, etc. shall be 140,000 points for each Applicable Period, as stated in (6) below. Therefore, the maximum number of the Company's shares acquired by the Trust for each Applicable Period shall be 420,000 shares (the Company conducted a three-for-one split of its common stock effective April 1, 2023). Details of the acquisition of the Company's shares by the Trust will be disclosed in a timely and appropriate manner.

(6) Maximum number of the Company's Shares, etc. to be granted to Directors, etc.

Following deliberation by the Advisory Committee, Directors, etc. shall be granted points each fiscal year at the Board of Directors meeting in accordance with their titles and the achievement of Company targets, etc., for each fiscal year. In addition, for the final fiscal year of the business plan established by the Company, points shall be granted at the Board of Directors meeting following deliberation by the Advisory Committee in accordance with the achievement of management targets in the business plan. The total number of points granted to Directors, etc. in each Applicable Period shall be capped at 140,000 points (including 80,000 points for directors). This was determined by comprehensively taking into consideration factors such as the current payment levels of executive remuneration, trends in the number of Directors, etc., and future prospects, and is deemed to be appropriate.

The points to be granted to Directors, etc. shall be converted into three common shares of the Company per point when the Company's Shares, etc. are granted as described in (7) below (however, in the event that a stock split, allotment of stock without contribution, or reverse stock split of the Company's shares is conducted after this proposal is approved, the conversion ratio shall be reasonably adjusted according to such ratios, etc.).

In addition, the ratio of 2,400 voting rights pertaining to shares equivalent to the maximum number of points granted to directors for each Applicable Period to the 3,679,727 voting rights pertaining to the total number of shares issued (as of December 31, 2024) is approximately 0.07%.

The number of points for Directors, etc. that forms the standard for the granting of the Company's Shares, etc. in (7) below shall, in principle, be the number of points granted to said Directors, etc. as of the time of their retirement (hereinafter, the points calculated in this manner shall be referred to as the "Confirmed Number of Points").

(7) Specific calculation method for the granting of the Company's Shares, etc. and the amount of remuneration, etc.

In the event that Directors, etc. retire and meet the beneficiary requirements stipulated in the Officer Stock Benefit Regulations, Directors, etc. shall, by completing the prescribed beneficiary determination procedures, be granted a number of the Company's shares by the Trust following their retirement corresponding to the Confirmed Number of Points determined in accordance with (6) above. However, if the requirements stipulated in the Officer Stock Benefit Regulations are met, a certain portion shall be granted in cash in lieu of the Company's shares in an amount equivalent to the market price of the Company's shares. In order to provide cash, the Trust may sell the Company's shares.

Even if Directors, etc. have been granted points, said Directors, etc. will not be entitled to receive the granting of shares if they are dismissed at a General Meeting of Shareholders, if they resign due to certain misconduct during their term of office, or if they commit inappropriate acts that harm the Company during their term of office.

The amount of remuneration, etc. received by directors shall be based on the amount calculated by multiplying the total number of points granted to directors at the time of the granting of points by the conversion ratio of 3, and then multiplying the result by the book value per share of the Company's shares held by the Trust (however, in the event of a stock split, allotment of stock without contribution, or reverse stock split, etc., reasonable adjustments shall be made in accordance with such ratios, etc.). In addition, in the event that money is exceptionally paid in accordance with the provisions of the Officer Stock Benefit Regulations and it is deemed appropriate, that amount shall be added to the total amount.

(8) Exercise of voting rights

Voting rights pertaining to the Company's shares held in the Trust account shall not be exercised uniformly based on instructions from the trust administrator. The adoption of this method is intended to ensure neutrality with respect to the management of the Company with regard to the

exercise of voting rights pertaining to the Company's shares held in the Trust account.

(9) Handling of dividends

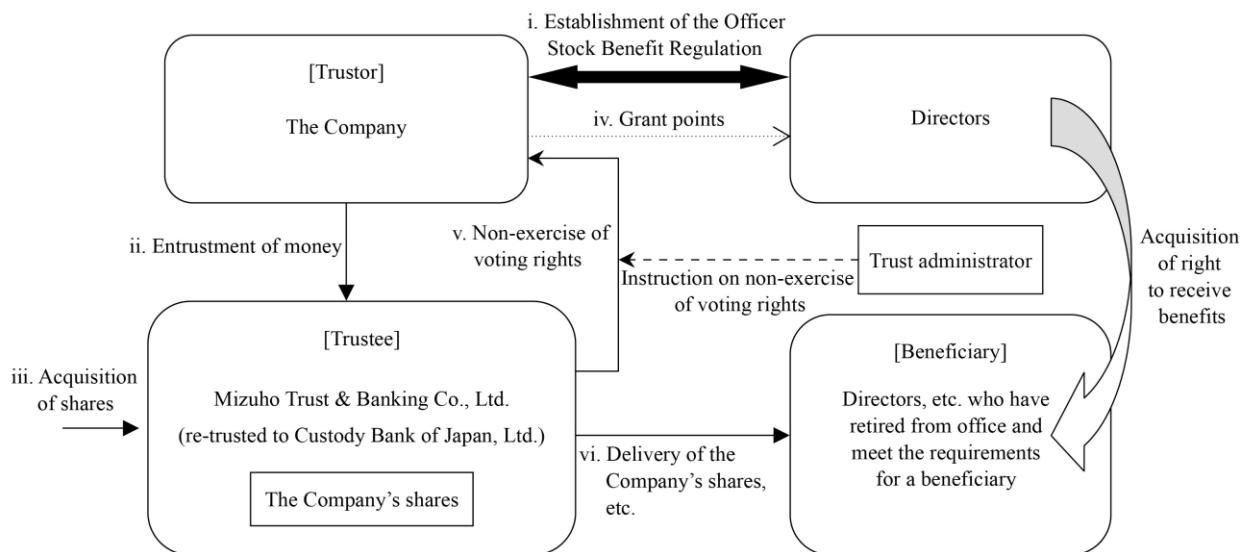
Dividends pertaining to the Company's shares held in the Trust account shall be received by the Trust and used to cover the acquisition cost of the Company's shares and the trustee's trust fees for the Trust. In the event that the Trust is terminated, any remaining dividends in the Trust shall be paid to Directors, etc. in office at the time in proportion to the number of points held by each Director, etc. in accordance with the provisions of the Officer Stock Benefit Regulations.

(10) Treatment upon the termination of the Trust

The Trust shall be terminated in the occurrence of events such as the delisting of the Company's shares or the abolition of the Officer Stock Benefit Regulations.

Of the remaining assets in the Trust at the time of the termination of the Trust, the Company plans to acquire all of the Company's shares without contribution and cancel them by resolution of the Board of Directors. Of the remaining assets in the Trust at the time of the termination of the Trust, any money remaining after deducting the amount to be granted to Directors, etc. pursuant to (9) above shall be granted to the Company.

Reference: Scheme of the Plan



- (i) The Company establishes the Officer Stock Benefit Regulations within the framework approved with regard to this proposal.
- (ii) The Company entrusts money within the amount approved for this proposal.
- (iii) Using the money entrusted under "ii," the Trust acquires the Company's shares either from stock exchange market or by underwriting the disposition of the Company's treasury stock.
- (iv) The Company grants points to Directors, etc., based on the Company's Officer Stock Benefit Regulations.
- (v) In accordance with the instructions from the independent trust administrator, the Trust does not exercise the voting rights attached to the Company's shares in the Trust's account.
- (vi) The Trust distributes the Company's shares to retired Directors, etc., who meet the beneficiary requirements set forth in the Officer Stock Benefit Regulations (the "Beneficiaries"), based on the points granted to them. Provided, however, if the Directors, etc., meet the requirements stipulated in the Officer Stock Benefit Regulations, the Trust shall provide a certain portion of the points in cash in an amount equivalent to the market price of the Company's shares.

Business Report

(April 1, 2024–December 31, 2024)

1. Overview of the Daifuku Group

[1] Business progress and results

Effective with the resolution passed at the 108th Ordinary General Meeting of Shareholders held on June 21, 2024, the fiscal year-end (the closing date of the fiscal year) of the Company has been changed from March 31 to December 31 every year. Accordingly, the fiscal year ended December 31, 2024, an irregular accounting period to implement the change in the fiscal year-end, ran for nine months from April 1 to December 31, 2024 for Daifuku Co., Ltd. and its subsidiaries with a fiscal year ending in March, mainly in Japan. Most non-Japan subsidiaries are consolidated for the 12-month period from January 1 to December 31, 2024. As a reference, comparative information with the same period of the previous year is provided, adjusted to be the same as the current consolidated fiscal year.

During the fiscal year (from April 1, 2024 to December 31, 2024), the global economy remained generally favorable, despite downside risks associated with the sluggish Chinese economy and concerns about a slowdown in the U.S. economy.

In terms of the business environment, logistics-related investment in Japan is on the road to recovery against the backdrop of 2024 logistics problem. In the semiconductor industry, while legacy semiconductor investment in China continues at a high level, investment in certain advanced semiconductors is recovering with increased demand for AI applications. In addition, investment in automation in the back-end processes of semiconductor manufacturing has been emerging. In the automotive industry, investment in production lines to enable mixed production of gasoline-powered vehicles and xEVs (a generic term for electric vehicles, including BEVs, HEVs, PHEVs, and FCEVs) continues at a high level. Investment in automation at airports has also grown, mainly in North America, in line with the recovery in the number of air passengers.

In this economic and business environment, orders remained favorable during the fiscal year, mainly in cleanroom systems for the semiconductor sector in Asia and airport systems in North America.

Sales were strong against the initial plan, underpinned by an extensive order backlog from the end of the previous fiscal year.

Specifically, the Group received orders of 594,769 million yen, up 5.8% from the same period the previous fiscal year after adjustment, and recorded sales of 563,228 million yen, up 6.1%.

In terms of profits, the operating margin increased significantly as a result of efforts to reduce costs, such as increasing production efficiency, which have been underway since the previous business plan. An increase in sales of cleanroom systems for legacy semiconductors in China also boosted the operating margin.

Consequently, the Group posted operating income of 71,546 million yen, up 36.3% from the same period the previous fiscal year, and ordinary income of 74,498 million yen, up 37.0%. Net

income attributable to shareholders of the parent company was 57,086 million yen, up 50.6%.

Operating income, ordinary income and net income attributable to shareholders of the parent company reached new record highs for three years in a row, despite reflecting the irregular 9-month period in Japan.

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

Orders received	594,769 million yen	Up 5.8% adjusted YoY
Net sales	563,228 million yen	Up 6.1% adjusted YoY
Operating income	71,546 million yen	Up 36.3% adjusted YoY
Ordinary income	74,498 million yen	Up 37.0% adjusted YoY
Net income attributable to shareholders of the parent company	57,086 million yen	Up 50.6% adjusted YoY

[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.

Of the Group, most non-Japan subsidiaries close their books on December 31; accordingly, their status during the period from January 1 to December 31, 2024 is shown.

For Daifuku Co., Ltd. and its subsidiaries with a fiscal year ending in March, mainly in Japan, comparative information with the same period of the previous year is provided for reference.

(1) Daifuku Co., Ltd.

Orders remained favorable, mainly in cleanroom systems.

Sales were favorable as a whole, underpinned by an extensive order backlog from the end of the previous fiscal year.

Segment income increased significantly as a result of efforts to reduce costs, such as increasing production efficiency. An increase in sales of cleanroom systems for legacy semiconductors in China also boosted the operating margin.

As a result, the Company recorded orders of 177,770 million yen, up 10.7% from the same period of the previous fiscal year after adjustment, sales of 188,097 million yen, up 14.1%, and segment income of 29,250 million yen, up 53.3%.

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

Orders decreased in both the Japanese and overseas markets, mainly reflecting customers' inventory adjustments. On the other hand, sales increased, backed by increased sales in North America mainly due to the impact of exchange rate fluctuations.

Segment income fell, reflecting lower sales in Japan.

As a result, Contec posted orders of 17,213 million yen, down 5.2% from the same period of the previous fiscal year after adjustment, sales of 16,982 million yen, up 2.0%, and segment income of 269 million yen, down 58.0%.

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

Orders were strong for airport systems but declined from the previous fiscal year's results in intralogistics systems and cleanroom systems.

Sales was generally favorable compared to the initial plan, underpinned by an extensive order backlog from the end of the previous fiscal year.

Segment income increased in intralogistics systems and automotive systems, the result of efforts to reduce costs, such as increasing in production efficiency.

As a result, Daifuku North America achieved orders of 183,305 million yen, down 9.3% from the same period of the previous fiscal year, sales of 172,484 million yen, down 1.9%, and segment income of 16,286 million yen, up 46.6%.

(4) Clean Factomation, Inc.

Orders have been on the road to recovery from the previous year when they were slow, while sales and segment income remained weak.

As a result, Clean Factomation posted orders of 31,761 million yen, up 28.0% from the same period of the previous fiscal year, sales of 25,886 million yen, down 15.5%, and segment income of 1,414 million yen, down 25.1%.

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

Orders were impacted by a reactionary fall from the previous fiscal year when they were strong, but were backed by continued significant investment in legacy semiconductors.

Sales and segment income remained favorable, underpinned by an extensive order backlog from the end of the previous fiscal year.

As a result, Daifuku (Suzhou) Cleanroom Automation posted orders of 31,895 million yen, down 31.7% from the same period of the previous year, sales of 53,379 million yen, up 77.4%, and segment income of 12,243 million yen, up 122.9%.

(6) Other

The Group has a total of 66 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.

Non-Japan subsidiaries

The Group has production sites for material handling systems and car wash machines 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 North America, Asia, Europe, and Oceania, which provide sales, installation, and services.

Orders remained strong, mainly in cleanroom systems for the semiconductor sector. Sales were almost in line with the initial plan, underpinned by an order backlog from the end of the previous fiscal year. Segment income increased significantly from the previous fiscal year when one-time costs were recorded for a project in Oceania.

As a result, the segment reported orders of 152,823 million yen, up 39.3% from the same period the previous fiscal year after adjustment, sales of 102,152 million yen, down 11.0%, and segment income of 4,051 million yen, up 274.4%.

[2] Capital investment, etc.

The Group's capital investment during the fiscal year ended December 31, 2024 totaled 15,532 million yen, which included maintenance and upgrades as well as expansion of production facilities of the Company in Japan and expansion of production facilities of non-Japan subsidiaries in North America and India.

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 during the previous fiscal year.

[3] Capital procurement


Not applicable.

[4] Challenges to be addressed

(1) Basic management policy

Led by the company creed, "Hini Arata," which represents our stance of constant daily evolution, and our management philosophy, "Automation that Inspires," we engage in business activities, aiming to inspire society, deliver prosperity and enhance well-being through our core competence—automated material handling technology. We have established the following set of Corporate Policies, including our Group Code of Conduct, that defines the fundamental principles officers and employees of the Group should follow.

Corporate Policies

Company Creed	
	<p>Today we are doing better than we were yesterday.</p> <p>Tomorrow we will be growing ahead of where we are today.</p>
Management Philosophy	
<p>Automation that Inspires</p> <p>Inspire society, deliver prosperity and enhance well-being through our core competence—automated material handling technology.</p> <p>We will</p> <ol style="list-style-type: none"> 1. strive to realize a sustainable society that minimizes burdens on people and the environment, respects human rights, and encourages responsible manufacturing. 2. work together with customers around the world to create optimal smart logistics solutions that incorporate innovative technologies. 3. ensure a fair and open corporate culture that respects diversity and allows each individual to excel. Further, we will strengthen our fundamental management practices globally to have a high level of transparency. 	
Group Code of Conduct	
<p>Basic Stance</p> <p>We will act in accordance with applicable laws, rules, regulations, social norms and ethics.</p> <p>We will place safety as a major premise in all aspects of our business activities.</p> <p>We will remain committed to the creed of "Hini Arata" as we take on new challenges and make changes for the better.</p>	

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

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 (hereinafter referred to as the "2030 Long-term Vision"), and the "four-year business plan for 2027," a business plan whose final year is the fiscal year ending December 31, 2027, which also serves as a midpoint of our overall goals for 2030 (hereinafter referred to as the "2027 Plan"). Initiatives are underway for the achievement of these targets.

Driving Innovative Impact 2030

Our 2030 Long-term Vision 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 2030 Long-term Vision. Then, we set the 2027 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 net 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 - 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, frameworks, and topics

To achieve the enhancement of economic and social value, we established priority frameworks and topics for the following domains, taking into consideration the challenges from Value Transformation 2023, the previous business plan (April 2021–March 2024), the business environment, and social sustainability, and we are implementing various measures accordingly.

Domains	Frameworks	Priority Topics
Business domains	- Evolving existing businesses	Development utilizing advanced technologies including AI
	- Expanding into new areas	Expansion of service business
	- Developing next-generation solutions	Development of new domains and creation of new businesses
Operational and business framework domains	- Establishing a system to bolster growth	Investment and platform fortification for innovation creation
	- Revamping overall business operations	Social responsibility in the supply chain
		Pursuit of product quality and product safety
	- Safety reinforcement	Ensure occupational safety and health
	- Eliminating environmental impact	Addressing climate change
		Promoting resource recycling
		Coexisting with nature
	- Strengthening management structure and refining business management	Strengthening governance
		Fulfillment of stakeholder communication
	- Organizational strengthening	Staff recruitment, retention, and training
		Respect for human rights
		Diversity and inclusion
		Improvement of employee engagement

For more information on the 2030 Long-term Vision and the 2027 Plan, please refer to “Notice of Formulation of Driving Innovative Impact 2030 and Four-Year Business Plan for 2027,” announced on May 10, 2024: www.daifuku.com/ir/assets/20240510_03e.pdf

For details about the initiatives for priority topics, please refer to our website: www.daifuku.com/sustainability/management/materiality

Status of progress for the fiscal year ended December 31, 2024

	Initial forecasts for the fiscal year ended December 31, 2024	Results for the fiscal year ended December 31, 2024	Targets for the final fiscal year of the 2027 Plan
Consolidated net sales	550.0 billion yen	563.2 billion yen	800.0 billion yen
Operating margin	9.5%	12.7%	11.5%
ROE	-	15.1%	13.0%

Consolidated net sales exceeded initial forecasts due to sales underpinned by an extensive order backlog. Operating margin greatly exceeded initial forecasts, as income benefited from cost reduction efforts such as production efficiency improvements initiated during the period of the previous business plan, and sales in legacy semiconductors in China also increased. ROE also exceeded the target for the final fiscal year of the 2027 Plan, as a result of factors such as significant profitability improvements and the purchase of 10.0 billion yen in treasury stock in order to improve our capital efficiency, despite the irregular nine-month accounting period within Japan.

Outcome for the fiscal year ended December 31, 2024 and next challenges

Outcome
<ul style="list-style-type: none"> - Improved profitability through cost reduction efforts such as production efficiency improvements - Acquired orders that accurately met the needs of the market, such as increases in generative AI semiconductor-related investment and investment demand for production lines in conjunction with the shift from gasoline-powered vehicles to xEVs - Carried out capital investments in Japan, the United States, and India with the aim of realizing our growth strategies - Appointed a new Representative Director and COO to build our next-generation management structure
Next challenges
<ul style="list-style-type: none"> - Further improving profitability through more sophisticated project management outside of Japan - Steadily implementing our global growth strategies, including M&As - Responding to trade policies in the United States - Fleshing out newly created business domains - Accelerating development utilizing advanced technologies - Expanding human capital such as DX/AI human resources

(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, and the need for automation and unattended operations at production and logistic 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 the securing of production infrastructure within their own countries from the perspective of economic security, resulting in accelerating semiconductor investment in various regions.

In the automotive industry, which is in the midst of a mobility revolution, investment related to xEVs is expected to continue, with the aim of establishing a more flexible production system.

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

In the fiscal year ending December 31, 2025, the second year of the 2027 Plan, we plan to address the following as challenges of primary importance.

Further improving profitability through more sophisticated project management outside of Japan

To achieve the sustained growth and high profitability set forth in the 2030 Long-term Vision, it is important that we further improve profitability outside of Japan. Since the period of the previous business plan, we have been reviewing all processes, such as procurement and production, taking into consideration the characteristics of individual regions, and working to

reduce costs. While these efforts have begun producing results in some areas, primarily in North America, there is still room for further improvement in some non-Japan subsidiaries. We will therefore steadily implement cost reduction plans for individual non-Japan subsidiaries. Furthermore, as the projects we are receiving orders for are growing in scale, and the project periods are becoming longer, project management outside Japan is becoming increasingly important. We will establish systems that will enable us to assess the progress of ongoing projects in real time and achieve a higher level of project management.

Steadily implementing our global growth strategies, including M&As

For overseas business expansion, which we have positioned as a growth driver, we are expanding the plants to double their production capacity at Daifuku Intralogistics America Corporation, a production site for intralogistics systems in the United States, while also working to rapidly start up Daifuku Intralogistics India Private Limited, a production site in India whose construction is scheduled to be completed in April 2025. Furthermore, we will accelerate our growth strategies, taking into consideration the potential for M&As.

Responding to trade policies in the United States

There is a need to keep a close eye on the impact that the trade policies in the United States, which is primarily focused on raising tariffs, will have on customer investment trends. In particular, for the automobile and semiconductor industries, there is a possibility that investment plans in various countries will be revised. We will deepen our communications with customers and work to provide optimized proposals in the event of plan revisions.

Our basic strategy is “local self-sufficiency,” that is, procurement and manufacturing close to customers. We will promote “local self-sufficiency” in every country, including the United States, and create a system that is not affected by trade policies.

Fleshing out newly created business domains

Achieving our 2030 Long-term Vision target of 1 trillion yen in consolidated net sales will require us to go beyond just expanding our existing businesses to also create new business domains. To accomplish this, we will pursue growth opportunities by utilizing initiatives such as open innovation in joint creation activities with new partners, inorganic strategies including M&As, and our internal job posting system for new businesses. Our 2030 Long-term Vision designates areas such as food and the environment as new areas for challenges, and we will aim to provide value that helps resolve social issues in these areas.

Accelerating development utilizing advanced technologies

To continue supplying material handling systems that offer greater productivity, it is vital that we develop products and services that utilize advanced technologies such as generative AI. In addition to the efforts by each of our business units, we will accelerate our efforts led by the Business Innovation Division, which is responsible for the technology development across the Group’s business units and its application to new businesses. As our future vision of material handling, we aim to achieve complete automation of logistics by 2030.

Expanding human capital such as DX/AI human resources

In the area of material handling, our strengths lie in our capability to provide integrated services ranging from customer consultation to technology development, manufacturing, engineering, and after-sales services. To continue to provide high added value in each of these processes, it is essential that we recruit and develop human resources with highly specialized

skills. In particular, technology development using advanced technologies such as AI, and the expansion and reinforcement of our human resources in after-sales services, who take on the role of building long-term relationships of trust with customers, are important elements for maintaining and enhancing our competitiveness. We will also carry out comprehensive measures to further expand our human capital, such as rebuilding various systems and increasing employee engagement.

Comprehensive approach to compliance and full enforcement of safety

We view compliance and safety as the foundations that support all of the Group's business activities, and strive to implement them thoroughly throughout the Group.

(Comprehensive approach to compliance)

We have defined our approach to compliance as complying not only with internal and external rules, such as laws, regulations, and company rules, but also with social norms, and acting with integrity in all aspects of our business activities. We promote sharing values throughout the Group through various types of education and training. Our goal is to continue to live up to the expectations and trust vested in us by society by having each and every member of the Group maintain high ethical standards and continue to act responsibly.

(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	FY2021 (106th fiscal year ended March 31, 2022)	FY2022 (107th fiscal year ended March 31, 2023)	FY2023 (108th fiscal year ended March 31, 2024)	FY2024 (109th fiscal year ended December 31, 2024)
Orders received	589,069	737,475	620,312	594,769
Net sales	512,268	601,922	611,477	563,228
Ordinary income	51,253	59,759	64,207	74,498
Net income attributable to shareholders of the parent company	35,877	41,248	45,461	57,086
Total assets	483,322	551,552	646,154	688,707
Net assets	292,059	332,323	358,755	398,424
Net assets per share (yen)	769.13	878.24	966.98	1,082.71
Net income per share (yen)	94.90	109.11	121.63	154.21
Diluted net income per share (yen)	-	-	118.45	147.11

Notes:

1. Net income per share is calculated based on the average number of shares during the period.
2. The shares of the Company remaining in the BBT, which are recorded as treasury stock under shareholders' equity, are included in the treasury stock to be deducted 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 and net income per share are calculated, assuming that the stock split had been conducted at the beginning of the 106th fiscal year.
4. Diluted net income per share is not stated for the 106th and 107th fiscal years, as dilutive shares did not exist.
5. The 109th fiscal year was the period of nine months from April 1, 2024 to December 31, 2024 due to the change in the fiscal year-end.

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

(Million yen, unless otherwise specified)

Category	FY2021 (106th fiscal year ended March 31, 2022)	FY2022 (107th fiscal year ended March 31, 2023)	FY2023 (108th fiscal year ended March 31, 2024)	FY2024 (109th fiscal year ended December 31, 2024)
Orders received	321,592	334,678	246,101	207,092
Net sales	266,460	290,278	274,535	216,785
Ordinary income	39,831	45,543	47,246	34,879
Net income	28,652	34,053	33,223	29,250
Total assets	330,068	349,892	400,580	396,926
Net assets	221,919	244,570	247,446	246,588
Net assets per share (yen)	587.01	646.91	667.60	670.65
Net income per share (yen)	75.79	90.08	88.89	79.02
Diluted net income per share (yen)	-	-	86.51	75.24
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. The shares of the Company remaining in the BBT, which are recorded as treasury stock under shareholders' equity, are included in the treasury stock to be deducted 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 106th fiscal year.
4. Diluted net income per share is not stated for the 106th and 107th fiscal years, as dilutive shares did not exist.
5. The 109th fiscal year was the period of nine months from April 1, 2024 to December 31, 2024 due to the change in the fiscal year-end.

[6] Parent company and significant subsidiaries (as of December 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 66 consolidated subsidiaries, including the above-mentioned four companies.

[7] Major business (as of December 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	Chain conveyor systems, Flexible Drive System, Conveying Flow System
	Electrified monorail systems	RAMRUN, Space Carrier, Cleanway
	Conveyor system auxiliary equipment	Engine test systems, other automated equipment
	Automatic guided vehicles	FA Vehicle, FA Cart, Sorting Transfer Vehicle, Sorting Transfer Robot
Sorting/Picking	Airport technologies	Baggage Tray System, Tilt Tray Sorter, belt conveyor systems, Self Bag Drop System, Mobile Inspection Table
	Sorting systems	Surfing Sorter, Surfing Sorter Mini, Cross-belt Sorter
Storage	Picking systems	Pick-to-light systems
	Automated warehouse systems	Rackbuil System, Unit Load AS/RS, Mini Load AS/RS, Shuttle Rack-M, Clean Stocker
	Mobile racks, flow racks	Mobile Rack, Shuttle Rack-L
Electronics	Rotating racks	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 December 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 December 31, 2024)**(1) Daifuku Group**

Number of employees: 11,042

Note: Due primarily to factors such as the contraction of our business in the United States during the fiscal year ended December 31, 2024, the total number of Group employees decreased by 2,029 to 11,042 compared to the end of the previous fiscal year.

(2) Daifuku Co., Ltd.

Category	Male	Female	Total or average
Employees	3,180	511	3,691
(YoY change)	(+113)	(+69)	(+182)
Average age (years old)	41.3	43.3	41.6
Average years of service	14.9	13.7	14.7

Notes:

- The above data does not include 140 employees on secondment (131 males, 9 females).
- The above data includes two (2) employees (1 male, 1 female) seconded to the Company from other companies.
- In addition to the above-mentioned employees, we employ 263 temporary employees (average number of

employees during the period).

4. 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 December 31, 2024)

Lender	Amount borrowed (million yen)
Mizuho Bank, Ltd.	1,897
MUFG Bank, Ltd.	378
Sumitomo Mitsui Banking Corporation	61

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

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

[2] Total number of shares issued: 379,830,231 (including 11,683,412 shares of treasury stock)

[3] Number of shareholders: 35,206

Note: The number of shareholders increased by 4,605 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)	52,835	14.4
Custody Bank of Japan, Ltd. (Trust Account)	32,490	8.8
STATE STREET BANK AND TRUST COMPANY 505025	12,895	3.5
Mizuho Bank, Ltd.	9,265	2.5
Daifuku Supplier Shareholder Association	8,675	2.4
Nippon Life Insurance Company	8,237	2.2
STATE STREET BANK WEST CLIENT - TREATY 505234	7,132	1.9
Chuo-Nittochi Co., Ltd.	6,698	1.8
Sumitomo Mitsui Banking Corporation	6,121	1.7
STATE STREET BANK AND TRUST COMPANY 505001	5,794	1.6

Note: The Company holds 11,683,412 shares of treasury stock, but the shareholding ratio is calculated after deducting treasury stock. The treasury stock does not include the 462,200 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 2024

The equity remuneration delivered during fiscal 2024 is outlined below.

Category	Number of shares	Number of target recipients
Directors (excluding outside directors)	20,500 shares	1 person
Corporate officers	40,500 shares	5 persons
Total	61,000 shares	6 persons

Notes:

1. Delivered through the BBT.
2. We have established a practice of providing corporate officers with equity remuneration when they reach the retirement age of 60 years.

[6] Other important matters relating to 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 performance-linked equity remuneration 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.
- (2) At a meeting of the Board of Directors held on November 8, 2024, the Company resolved to purchase its treasury stock during the period from November 11, 2024 to December 31, 2024, up to 5,000,000 shares and 10,000 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 purchase of its treasury stock was completed on December 23, 2024 on a contractual basis.

Repurchase period	From November 11, 2024 to December 23, 2024 (contractual basis)
Number of shares repurchased	3,048,000 shares
Total repurchase price	9,999 million yen
Repurchase method	Market purchase 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 2024 in recognition of their execution of duties

Not applicable.

[2] Share warrants granted to employees, etc., during fiscal 2024 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	The conversion price may be revised or adjusted under certain conditions. (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, the conversion prices of the bonds were adjusted as follows, pursuant to the clause for conversion price adjustment of these Zero Coupon Convertible Bonds.

(Resolution of the Board of Directors meeting held on February 14, 2025)

- Zero Coupon Convertible Bonds due 2028: from 3,534.7 yen to 3,514.6 yen per share
- Zero Coupon Convertible Bonds due 2030: from 3,467.8 yen to 3,448.1 yen per share

(Resolution of the Board of Directors meeting held on May 10, 2024)

- 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

The initial conversion prices of these bonds were as follows:

- Zero Coupon Convertible Bonds due 2028: 3,538 yen per share
- Zero Coupon Convertible Bonds due 2030: 3,471 yen per share

4. Company Officers

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

Position in the Company	Name	Duties, significant concurrent positions
Representative Director President and CEO	Hiroshi Geshiro	—
Director Senior Managing Officer	Seiji Sato	President and CEO of Daifuku North America, Inc.
Director Managing Officer	Hiroshi Nobuta	Intralogistics Global Business Head
Director Managing Officer	Hideaki Takubo	Chief Human Resources Officer Corporate Functions Head
Director Managing Officer	Tomoaki Terai	Cleanroom Global Business Head Cleanroom Division Manager
Director	Yoshiaki Ozawa	Professor of Faculty of Business Administration, St. Andrew's University Outside Audit & Supervisory Board Member, Daido Life Insurance Company Visiting Professor of Graduate School of Business, Osaka Metropolitan University
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
Audit & Supervisory Board Member (full-time)	Tsukasa Saito	—
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	—
Audit & Supervisory Board Member	Eiko Hakoda	Outside Director (Member of Audit and Supervisory Committee), SPARX Group Co., Ltd. Outside Corporate Auditor, SPARX Asset Management Co., Ltd. Outside Director, The Prudential Life Insurance Company, Ltd. Special Counsel, Gaien Partners

Notes:

1. Director Tomoaki Terai and Audit & Supervisory Board member Eiko Hakoda were newly elected and appointed at the 108th Ordinary General Meeting of Shareholders held on June 21, 2024.
2. Director Toshiaki Hayashi and Audit & Supervisory Board member Ryosuke Aihara resigned from office due to the expiration of the term of office at the conclusion of the 108th Ordinary General Meeting of Shareholders held on June 21, 2024.
3. Audit & Supervisory Board member Tsukasa Saito has extensive practical experience in the finance and

accounting unit and possesses considerable knowledge of finance and accounting.

4. The following 16 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: Takaya Uemoto, Takuya Gondoh, Akihiko Nishimura, Norihito Toriya, and Tetsuya Hibi

Corporate Officers: Hiroaki Kita, Seiji Yamamoto, Tsutomu Maeda, Atsushi Sonoda, Hirobumi Akiba, Masayuki Izutsu, Takafumi Tanaka, Junji Yano, and Kazuyoshi Nishiyama

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 Tsukasa Miyajima, Nobuo Wada, and Eiko Hakoda are from outside the Company.
7. Seven (7) officers, Directors Yoshiaki Ozawa, Mineo Sakai, Kaku Kato, and Gideon Franklin and Audit & Supervisory Board members Tsukasa Miyajima, Nobuo Wada, and Eiko Hakoda have been designated and notified as independent officers in accordance with the rules of the Tokyo Stock Exchange.
8. The duties of directors have been changed in line with the organizational reforms implemented on January 1, 2025.

Position/Duties in the Company	Name
Representative Director Executive Vice President and Chief Operating Officer Cleanroom Global Business Head	Tomoaki Terai
Director Senior Managing Officer Chief Human Resources Officer Corporate Functions Head	Hideaki Takubo
Director and Adviser	Hiroshi Nobuta

9. C-suite roles

Chief Executive Officer

Chief Operating 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 January 1, 2025)**

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
Senior Managing Officer Automotive and Airport Global Business Head	Takaya Uemoto
Senior Managing Officer Chief Technology Officer Business Innovation Division Manager	Takuya Gondoh
Managing Officer Deputy Automotive and Airport Global Business Head	Akihiko Nishimura
Managing Officer Intralogistics Global Business Head Intralogistics Division Manager	Norihito Toriya
Managing Officer Chief Financial Officer Deputy Corporate Functions Head Finance and Accounting Division Manager	Tetsuya Hibi
Managing Officer Cleanroom Division Manager General Manager of Komaki Works	Atsushi Sonoda
Corporate Officer Deputy Airport Division Manager President of Daifuku Airport Technologies Japan Co., Ltd. President of Scarabee Aviation Group - Japan Co., Ltd.	Hiroaki Kita
Corporate Officer General Manager of Installation and Service Operations, Intralogistics Division Safety and Health Management Division Manager	Seiji Yamamoto
Corporate Officer Automotive Division Manager Deputy Safety and Health Management Division Manager	Tsutomu Maeda
Corporate Officer Corporate Communications Division Manager	Hirobumi Akiba
Corporate Officer Airport Division Manager General Manager of Airport Operations, Airport Division	Masayuki Izutsu
Corporate Officer Auto Wash Global Business Head Auto Wash Division Manager 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
Corporate Officer General Manager of Business Promotion Operations, Automotive Division	Satoru Otani

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) Matters relating to remuneration, etc.

Type of remuneration		Payment criteria				Payment method	
Basic remuneration (fixed)		Determined according to positions and roles				Monthly Monetary remuneration	
Performance-linked remuneration (variable)*	Short-term assessment	Method of calculation of bonus resources [Total bonus resources = Consolidated net income x (1.5±0.06) %]					Annually Monetary remuneration
		Financial indicator 1.5% of consolidated net income		Non-financial indicators (1) Zero serious accidents: ±0.03% (Positive evaluation only if the target is achieved for five consecutive years.) (2) CO ₂ emissions reduction rate (progress rate toward 2030 target and initiatives in a single year) ±0.03%			
		Description				By type	
		Basic component	Quantitative evaluation	Consolidated net income	Calculated according to positions and roles	50%	
		Performance-linked evaluation component	Quantitative evaluation	Growth potential (rate of increase of consolidated net sales)	Growth potential: Rate of increase of consolidated net sales compared to the previous fiscal year Profitability: Margin (business evaluation coefficient) Rate of improvement of margin compared to the previous fiscal year	30%	
				Profitability (margin)			
		Qualitative evaluation	Roles and contributions	Calculated based on roles and contributions concerning medium- to long-term targets and strategic challenges	20%		
	Medium- to long-term assessment	Points to be granted are determined by calculating the points according to positions and roles and the scores based on the target achievement rates (margin target achievement rate + income amount target achievement rate).					Annually Stock compensation
		Description				By type	
		Target achievement rate for each fiscal year	Financial indicator	Consolidated net income	Rate of achievement of the initial plan [(Margin target achievement rate + income amount target achievement rate) / 2]	100%	
Points to be granted are determined by calculating the points according to positions and roles and the scores based on the target achievement rates (number of items) for management target items of the business plan announced before the end of the previous fiscal year.				Upon completion of the business plan Stock compensation			
Description							
Three- or four-year business plans achievement rate		Financial indicators	Consolidated net sales		800.0 billion yen	25%	
	Consolidated operating margin		11.5%		25%		
	ROE (each fiscal year)		13.0%	25%			
	Non-financial indicators	ESG indicators	(1) MSCI ESG Rating: AA or higher (2) Continued inclusion in FTSE4Good Index (3) A- or higher score for climate change from CDP (4) CO ₂ emissions reduction rate: 54.0% (Achievement rate against the target for the final year of the four-year business plan for 2027)	25%			

* Outside directors and outside members of Audit & Supervisory Board members are not eligible for payment of performance-linked remuneration (variable).

1) Basic remuneration

Basic remuneration is determined based on fixed remuneration for executive remuneration by position. Basic remuneration is paid monthly in consideration of the levels paid by other companies and based on a comprehensive consideration of qualification, position, and performance of the Company.

2) Performance-linked remuneration—bonus

Bonuses are short-term performance-linked remuneration for directors and take the form of monetary remuneration to be paid at a fixed time each fiscal year, in accordance with the evaluation of performance for each fiscal year. Bonuses are calculated by setting the amount of total resources linked to consolidated net income and ESG indicators (safety and the environment) for each fiscal year, and by determining the amount to be allocated to each individual based on two factors: the basic component determined by qualification and job title, and the component of individual performance evaluated based on quantitative indicators (growth rate of net sales and margin) and qualitative indicators (such as roles and initiatives for sustainable growth). The allocation ratio is 50% basic component and 50% performance-linked evaluation component.

Consolidated net income, growth rate of net sales, margin, and improvement rate of margin are used as indicators for calculating bonuses to ensure consistency with the achievement of the Group's management targets and to raise awareness of improving short-term performance. In addition, ESG-related indicators (achievement of occupational safety and CO₂ emissions reduction targets) are used to clarify that efforts related to sustainability issues are reflected in remuneration as Company performance.

The results of our quantitative indicators such as net sales for the fiscal year ended December 31, 2024, are as shown in "1. Overview of the Daifuku Group [5] Trends in assets and income (1) Trends in Daifuku Group assets and income." For the fiscal year ended December 31, 2024, in terms of ESG-related indicators for safety and the environment, the number of serious accidents was below the target, while the rate of progress toward the 2030 CO₂ emissions reduction rate target met expectations.

3) Performance-linked remuneration—non-monetary remuneration, "BBT"

The BBT (medium- to long-term performance-linked equity remuneration), a performance-linked non-monetary remuneration scheme, grants points equivalent to stocks based on performance and ESG initiatives during each fiscal year and the three- or four-year business plan period. Directors are paid Company shares and money according to accumulated points at the time of retirement. The scheme aims to further clarify the linkage of directors' remuneration and the Company's business performance as well as its stock value, which enables directors 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 raise awareness in directors to contribute to boosting corporate value in the medium and long terms.

(Composition and calculation method)

Points granted = Standard points × achievement coefficient (0.0 to 1.0)

Under this system, eligible officers are granted points calculated by multiplying standard points set for each qualification and 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 shares and money are paid according to the accumulated points at the time of retirement.

(Target achievement evaluation indicators)

Target achievement is determined based on the following indicators. These indicators are chosen from the perspective of consistency with the achievement of the Group's management targets.

Degree of achievement of each fiscal year targets

- Degree of achievement of planned consolidated net income amount
- Degree of achievement of planned consolidated net income margin

The results of the consolidated net income indicators for the fiscal year ended December 31, 2024, are as shown in "1. Overview of the Daifuku Group [5] Trends in assets and income (1) Trends in Daifuku Group assets and income."

Degree of achievement of three- or four-year business plan targets

- Degree of achievement of financial targets (consolidated net sales, consolidated operating margin, ROE) in the three- or four-year business plan
- Degree of achievement of ESG target indicators in the three- or four-year business plan

By incorporating the degree of achievement of the three- or four-year business plan into evaluation indicators, we aim to incentivize officers to achieve medium- and long-term management goals. In addition to conventional financial indicators, we also use external evaluations from three major ESG rating agencies (MSCI, FTSE, CDP) and the CO₂ emissions reduction rate (Scope 1 and 2, compared to the fiscal year ended March 31, 2019) as ESG-related evaluation indicators, from the perspective of evaluating our commitment to further advancing sustainability management. The targets for consolidated net sales and ESG indicators for the final year of the 2027 Plan, which are financial indicators, are as stated in the payment criteria in "(1) Matters relating to remuneration, etc." above. However, as the 2027 Plan is still ongoing for the fiscal year ended December 31, 2024, there are no actual results regarding the degree of achievement of the business plan targets.

(2) Matters relating to the policy on determination of remuneration, etc. for individual directors and Audit & Supervisory Board members

How we determine the policy and overview of the policy

The policy on remuneration, etc. for directors, including the policy on the determination of remuneration, etc. for individual directors (hereinafter, "Determination Policy"), is determined by the Board of Directors as follows, based on deliberations and reporting by the Advisory Committee.

The Company's basic policy on remuneration for directors is to establish a remuneration system that effectively incentivizes sustainable growth and medium- to long-term enhancement of corporate value for the Group. Remuneration levels for individual directors are determined to appropriately reflect their respective roles and performance. Specifically, the remuneration for directors consists of basic remuneration (fixed remuneration), a bonus (monetary remuneration in the form of short-term performance-linked remuneration that is fluctuated based on performance), and BBT. Outside directors are not eligible for bonuses and BBT from the standpoint of their roles and independence.

The annual remuneration for each director, including the amounts of basic remuneration and bonuses, and points awarded under the BBT, is determined by a resolution of the Board of Directors based on deliberations and reporting by the Advisory Committee.

The Advisory Committee for remuneration is chaired by an outside director and the majority of members are outside directors. The Committee deliberates on the structure and levels of directors' remuneration and reports to the Board of Directors, thereby contributing to securing transparency and fairness in the remuneration determination process. For more information on the Advisory Committee, please refer to "(4) Reasons why the Board of Directors determined that directors' remuneration is in line with the policy."

Furthermore, the Company's basic policy is to pay remuneration to Audit & Supervisory Board members in accordance with the internal rules established with the agreement of Audit & Supervisory Board members. The annual remuneration amount for Audit & Supervisory Board members each fiscal year is determined through discussions among the Audit & Supervisory Board members. In light of their duties, Audit & Supervisory Board members are not eligible for bonuses or BBT, and are paid only basic remuneration.

(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. (The Company conducted a three-for-one split of its common stock effective April 1, 2023. The number of shares of common stock shown above is the number of shares before the stock split.)

(4) Reasons why the Board of Directors determined that directors' remuneration is in line with the policy

For the fiscal year ended December 31, 2024, the Advisory Committee consisted of all five (5) outside directors (one (1) of whom served as chairperson) and one (1) representative director, and held two meetings (in April and December 2024) of the Advisory Committee for remuneration. The Board of Directors confirmed that the deliberations and reporting by the Advisory Committee were conducted in accordance with the Determination Policy described in (2) above, and based on the reporting, determined the content of individual remuneration for each director for the fiscal year ended December 31, 2024. For this reason, the Board of Directors judged that the content of remuneration for individual directors for the fiscal year ended December 31, 2024 was consistent with the

Determination Policy.

(5) Remuneration, etc. for officers for the fiscal year ended December 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)	554 (56)	229 (56)	284 (-)	40 (-)	11 (5)
Audit & Supervisory Board members (of which, number of outside members)	54 (27)	54 (27)	- (-)	- (-)	5 (4)

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

With respect to BBT before the vesting of rights among directors' remuneration, for the purpose of ensuring sound management, the Company has established internal regulations stipulating that, in the event of certain circumstances concerning directors, such director may not acquire the right to receive benefits of BBT upon 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
		Graduate School of Business, Osaka Metropolitan University	Visiting Professor
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

Notes:

1. Daifuku has no dealings or other relationship with St. Andrew's University where director Yoshiaki Ozawa works as a professor, or Osaka Metropolitan University where he works as a visiting professor.
2. 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 net sales for both parties.
3. Daifuku has no dealings or other relationship with Gideon Franklin Limited or Culham Prints and Drawings Ltd where director Gideon Franklin serves as CEO. He was also serving as an outside director of UMI Technology Holdings PLC until April 29, 2024, but he resigned from office of the company on the same date.

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 9/9 Extraordinary 4/4 Advisory Committee 7/7	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 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 9/9 Extraordinary 4/4 Advisory Committee 7/7	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 9/9 Extraordinary 4/4 Advisory Committee 7/7	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 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.
Keiko Kaneko	Board meeting Ordinary 9/9 Extraordinary 4/4 Advisory Committee 7/7	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 4/4 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.

(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)	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	-	-
Audit & Supervisory Board Member (outside)	Eiko Hakoda	SPARX Group Co., Ltd.	Outside Director (Member of Audit and Supervisory Committee)
		SPARX Asset Management Co., Ltd.	Outside Corporate Auditor
		The Prudential Life Insurance Company, Ltd.	Outside Director
		Gaien Partners	Special Counsel

Note: 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
Tsukasa Miyajima	Board meeting Ordinary 9/9 Extraordinary 3/4 Audit & Supervisory Board meeting Ordinary 6/6	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 9/9 Extraordinary 4/4 Audit & Supervisory Board meeting Ordinary 6/6	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.
Eiko Hakoda	Board meeting Ordinary 6/6 Extraordinary 2/2 Audit & Supervisory Board meeting Ordinary 4/4	Ms. Eiko Hakoda is a lawyer and has a proven track record and a high level of expertise in finance, international commerce, and corporate governance through her engagement in global business for many years. She extends advice and recommendations to Board of Directors meetings and Audit & Supervisory Board meetings when required based on her wide-ranging, abundant experience and deep insight to secure the transparency of management and enhance the supervision thereof.

Note: Audit & Supervisory Board member Eiko Hakoda's attendance rate covers her attendance at ordinary and extraordinary Board of Directors meetings and Audit & Supervisory Board meetings held after June 21, 2024, the day she assumed the office.

(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. Matters Relating to 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 the Company's directors, Audit & Supervisory Board members, corporate officers and audit officers, and directors, Audit & Supervisory Board members and corporate officers serving at Japanese subsidiaries. The insurance premiums for all insured persons are paid by the Company and the individual Japanese subsidiaries concerned.

6. Accounting Auditor

[1] Accounting auditor's name

PricewaterhouseCoopers Japan LLC

[2] Accounting auditor's remuneration, etc. for the fiscal year ended December 31, 2024

Type of remuneration	Amount of remuneration, etc.
1. Remuneration as the accounting auditor for fiscal 2024	107 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	130 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

Not applicable.

[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 Appropriateness of Business Operations 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.

Systems to ensure appropriateness of business operations, etc.

[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

- (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.
- (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.
- (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.
- (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.
- (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.

[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.

[3] Rules and regulations, and other systems for managing the risk of losses

- (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.
- (2) The Company shall develop a business continuity plan (BCP) promotion system in preparation for an emergency, implement preventive measures, education, training, etc., and promote regular inspections under the plan and correction of deficiencies.
- (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 information security and handling methods of information assets, thereby protecting information assets owned by the Group.

[4] System to ensure the efficient execution of duties by directors

- (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.

(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.

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

- (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.
- (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.
- (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.
- (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.

[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

- (1) The Company shall establish an Audit & Supervisory Board Office staffed with employees assigned to assist with the duties of Audit & Supervisory Board members.
- (2) The Company shall respect the opinions 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.

[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

- (1) Directors and employees, etc. of the Company and its subsidiaries shall report the following matters to the Audit & Supervisory Board members:
 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

- (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.
- (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.

[8] Other systems to ensure the effective execution of audits by Audit & Supervisory Board members

- (1) In accordance with auditing standards of the Audit & Supervisory Board, Audit & Supervisory Board members shall hold regular opinion exchange forums with the representative director and outside directors on important audit issues, etc.
- (2) Audit & Supervisory Board members shall receive regular reports on audit plans and results from the Audit Division and request investigations, as necessary.
- (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.
- (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.
- (5) The Audit & Supervisory Board may request the Company to make advance payment or reimbursement of expenses required for conducting audits, including the use of legal and accounting specialists.

Overview of operational status of the internal control systems

[1] Initiatives for compliance

- (1) The Compliance Committee, which is chaired by the President and CEO and consists of all directors and corporate officers, takes the lead in our efforts to investigate and respond to compliance incidents, deliberates measures for preventing reoccurrences, and ensures a thorough understanding throughout the Group. During the fiscal year ended December 31, 2024, the Compliance Committee engaged in focused discussions regarding issues such as compliance by non-Japan subsidiaries, and strove to strengthen the compliance of the entire Group.
- (2) We conduct ongoing compliance training tailored to individual ranks and job categories. The training aims to promote the widespread implementation of the Code, which indicates the manner of actions to be taken by the Group's officers and employees; promote the widespread use of the Compliance Guidebook, which clearly explains the Code; provide more knowledge to officers and employees about legal matters related to their business duties; and heighten their compliance awareness. Furthermore, we designate every October as compliance awareness month, and conduct company-wide compliance awareness-raising activities. In the fiscal year ended December 31, 2024, we carried out awareness-raising activities on the topic of customer harassment.

[2] Initiatives for risk management

The Risk Management Committee, which is chaired by the President and CEO and consists of directors and corporate officers, takes the lead in our periodic Group-wide risk assessment efforts. For critical risks that would significantly affect the Group's corporate activities, the Risk Management Committee decides on a response policy, and the Group implements necessary measures accordingly, striving to minimize the likelihood of risks

manifesting and the damages that may result if they do manifest. In the fiscal year ended December 31, 2024, the Risk Management Committee met three times and discussed various matters, primarily on dealing with human resource risks and cyber security risks, and reinforcing business continuity management.

[3] Initiatives for the execution of duties by directors and Group governance

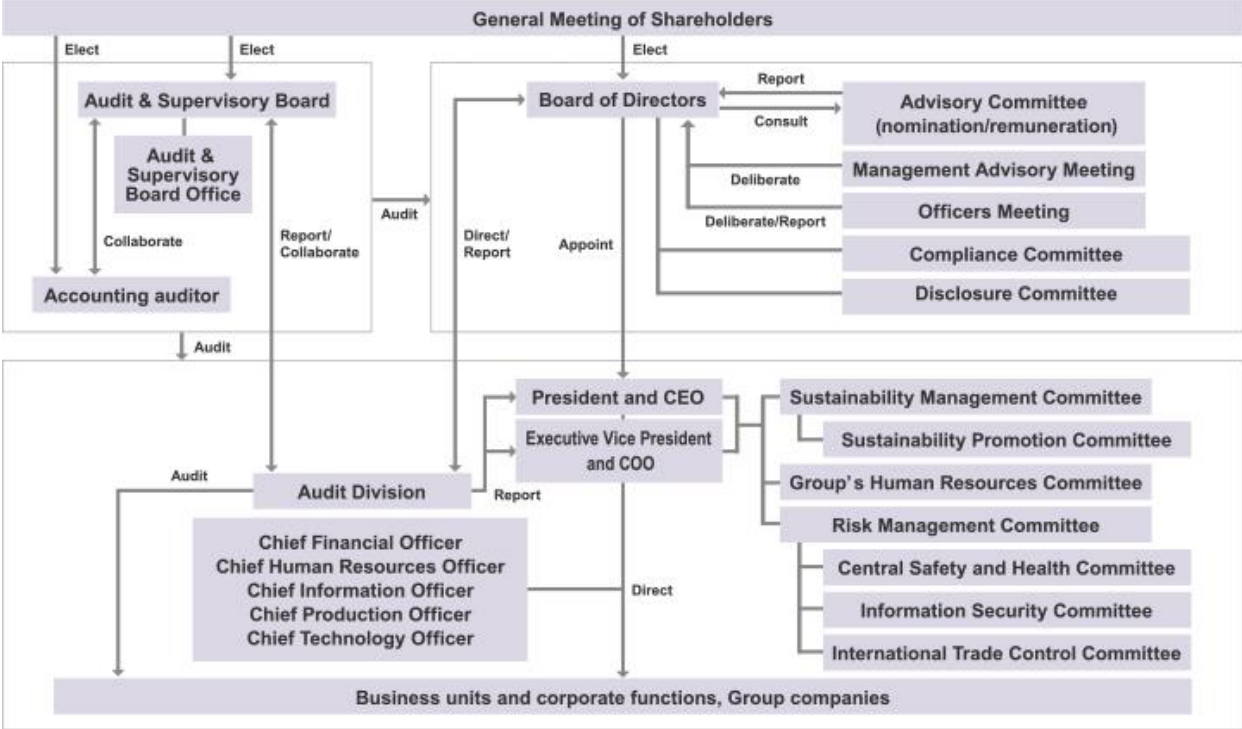
- (1) We formulated our long-term vision, Driving Innovative Impact 2030, and our 2027 Plan as the midpoint of this long-term vision, and we began working toward achieving the targets set out therein. We defined priority topics to work on and set KPIs to measure our level of achievement. These were linked to the targets and key initiatives of individual business units, and we strive to implement those initiatives. Furthermore, we periodically share messages from the CEO and use training and other tools to share our direction throughout the Group and promote its widespread implementation.
- (2) We established various internal rules, narrowed down the agenda items to be discussed at meetings of the Board of Directors, and delegated certain decision-making authority to those in charge of executive functions. At the same time, we introduced C-suite roles responsible for Group-wide management of functional areas such as human resources, technology development, production, information, and finance to strengthen governance and speed up decision-making.
- (3) Board of Directors meeting minutes, approval documents, and other documents are retained and managed appropriately in accordance with the Company's internal rules related to document management.

[4] Initiatives for audits

Audit & Supervisory Board members perform audits based on audit plans created by the Audit & Supervisory Board, and confirm the state of operations of the Company's internal control systems by attending important meetings such as Board of Directors meetings, officers meetings, and Compliance Committee meetings; regularly sharing their opinions with the representative director and outside directors; interviewing managers from business units; and conducting other activities. Furthermore, they improve the effectiveness of audits by coordinating closely with an audit unit which conducts internal audits independently from the Company's lines of business execution, the accounting auditor, legal and compliance units, and other related departments.

Staff members are assigned to assist with the duties of Audit & Supervisory Board members to further improve the effectiveness of their auditing.

Corporate Governance System



Updated in January 2025

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.

In the four-year business plan for 2027 that started in April 2024, the Company aims to achieve a consolidated dividend payout ratio of 35% or more for each fiscal year.

For the fiscal year ended December 31, 2024, the Company paid an interim dividend of 23 yen per share, and at a meeting held on February 14, 2025 the Board of Directors passed a resolution to pay a year-end dividend of 32 yen per share, for an annual dividend of 55 yen per share. This represents a consolidated dividend payout ratio of 35.7%.

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 109th 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 December 31, 2024 as follows:

1. Year-end dividend: 32 yen per share
2. Date effective and date of commencement of payment: Monday, March 31, 2025

The document pertaining to the payment of year-end dividend will be sent to the registered address on March 28, 2025.

Consolidated Balance Sheets

(As of December 31, 2024)

(Million yen)

Item	Amount	Item	Amount
(ASSETS)	688,707	(LIABILITIES)	290,282
Current assets	531,584	Current liabilities	214,244
Cash on hand and in banks	221,521	Notes and accounts payable and construction contracts payable	61,292
Notes receivable, accounts receivable from completed construction contracts and other, and contract assets	224,847	Electronically recorded obligations - operating	20,466
Merchandise and finished goods	9,729	Short-term borrowings and current portion of long-term borrowings	2,337
Costs incurred on uncompleted construction contracts and other	16,477	Income taxes payable	5,548
Raw materials and supplies	36,738	Contract liabilities	85,010
Other	24,157	Provision for bonuses	12,605
Allowance for doubtful accounts	(1,888)	Provision for losses on construction contracts	666
Non-current assets	157,122	Other	26,316
Property, plant and equipment	85,775	Non-current liabilities	76,037
Buildings and structures, net	33,147	Convertible-bond-type bonds with stock acquisition rights	60,933
Machinery and vehicles	14,759	Long-term borrowings	100
Tools and fixtures, net	4,203	Deferred tax liabilities	715
Land	13,583	Liabilities for retirement benefits	6,616
Construction in progress	13,779	Other provisions	601
Other, net	6,303	Other	7,069
Intangible assets	12,362	(NET ASSETS)	398,424
Software	7,653	Shareholders' equity	348,767
Goodwill	2,786	Common stock	31,865
Other	1,922	Capital surplus	20,473
Investments and other assets	58,984	Retained earnings	327,210
Investments in securities	13,484	Treasury stock	(30,781)
Long-term loans	78	Accumulated other comprehensive income	49,326
Assets for retirement benefits	13,511	Net unrealized gain (loss) on securities	5,777
Deferred tax assets	27,500	Deferred gain (loss) on hedges	(127)
Other	4,409	Foreign currency translation adjustments	41,965
Allowance for doubtful accounts	(0)	Accumulated adjustments on retirement benefits	1,712
		Non-controlling interests	330
Total	688,707	Total	688,707

Consolidated Statements of Income

(April 1, 2024–December 31, 2024)

(Million yen)

Net sales		563,228
Cost of sales		438,467
Gross profit		124,760
Selling, general and administrative expenses		53,214
Operating income		71,546
Other income		
Interest income	2,947	
Dividend income	407	
Land and house rental revenue	180	
Other	475	4,010
Other expenses		
Interest expenses	325	
Interest expenses on bonds	(154)	
Foreign exchange losses	746	
Other	141	1,058
Ordinary income		74,498
Extraordinary income		
Gain on sales of property, plant and equipment	242	
Gain on sales of investments in securities	2,653	
Other	1	2,898
Extraordinary loss		
Loss on sales of property, plant and equipment	160	
Loss on disposal of property, plant and equipment	253	
Impairment loss	676	
Compensation expenses	518	
Extra retirement payments	1,248	
Other	50	2,908
Income before income taxes		74,488
Income taxes - current	23,296	
Income taxes - deferred	(5,973)	17,322
Net income		57,165
Non-controlling interests		78
Net income attributable to shareholders of the parent company		57,086

Non-Consolidated Balance Sheets

(As of December 31, 2024)

Daifuku Co., Ltd.

(Million yen)

Item	Amount	Item	Amount
(ASSETS)	396,926	(LIABILITIES)	150,337
Current assets	264,529	Current liabilities	82,940
Cash on hand and in banks	82,232	Electronically recorded obligations - operating	19,944
Notes receivable	439	Accounts payable - trade	17,343
Electronically recorded monetary claims - operating	6,757	Construction contracts payable	1,549
Accounts receivable from completed construction contracts and contract assets	106,639	Short-term borrowings	2,997
Accounts receivable	18,414	Lease liabilities	419
Merchandise and finished goods	40	Accounts payable - other	3,725
Costs incurred on uncompleted construction contracts and other	10,826	Accrued expenses	3,728
Raw materials and supplies	21,427	Income taxes payable	3,073
Prepaid expenses	1,085	Contract liabilities	17,288
Accounts receivable - other	3,686	Provision for bonuses	10,606
Short-term loans receivable	31	Provision for losses on construction contracts	206
Short-term loans receivable from affiliates	6,673	Other	2,056
Other	6,493	Non-current liabilities	67,397
Allowance for doubtful accounts	(218)	Convertible-bond-type bonds with stock acquisition rights	60,933
Non-current assets	132,397	Long-term borrowings	100
Property, plant and equipment	36,252	Lease liabilities	1,028
Buildings	11,128	Long-term accounts payable - other	118
Structures	1,122	Provision for retirement benefits	4,509
Machinery and equipment	5,670	Other provisions	434
Vehicles	11	Other	273
Tools and fixtures	1,209		
Land	7,461	(NET ASSETS)	246,588
Leased assets	1,447	Shareholders' equity	241,003
Construction in progress	8,201	Common stock	31,865
Intangible assets	4,860	Capital surplus	22,969
Software	4,575	Legal capital surplus	8,998
Software in progress	284	Other capital surplus	13,970
Other	0	Retained earnings	216,949
Investments and other assets	91,283	Legal retained earnings	112
Investments in securities	13,087	Other retained earnings	216,837
Shares in affiliates	54,443	Reserve for dividends	7,000
Investments in capital of affiliates	6,225	Reserve for tax purpose reduction entry of non-current assets	281
Long-term loans	84	General reserve	30,000
Long-term prepaid expenses	159	Retained earnings brought forward	179,555
Deferred tax assets	7,610	Treasury stock	(30,781)
Prepaid pension costs	7,997	Valuation and translation adjustments	5,585
Leasehold and guarantee deposits	927	Net unrealized gain (loss) on securities	5,737
Other	745	Deferred gain (loss) on hedges	(152)
Total	396,926	Total	396,926

Non-Consolidated Statements of Income

(April 1, 2024–December 31, 2024)

Daifuku Co., Ltd.

(Million yen)

Net sales		216,785
Cost of sales		168,753
Gross profit		48,031
Selling, general and administrative expenses		18,510
Operating income		29,520
Other income		
Interest income	370	
Dividend income	5,423	
Land and house rental revenue	120	
Other	115	6,030
Other expenses		
Interest expenses	33	
Interest expenses on bonds	(154)	
Foreign exchange losses	737	
Other	55	671
Ordinary income		34,879
Extraordinary income		
Gain on sales of investments in securities	2,653	
Other	3	2,657
Extraordinary loss		
Loss on disposal or sales of property, plant and equipment	235	
Other	6	241
Income before income taxes		37,294
Income taxes - current	8,603	
Income taxes - deferred	(558)	8,044
Net income		29,250

Independent Auditor's Report
(English Translation*)

February 25, 2025

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, 2024 to December 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 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 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 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 consolidated 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. The original was prepared in Japanese. All possible care has been taken to ensure that the translation is an accurate representation of the original, however, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over the translated version.

Independent Auditor's Report
(English Translation*)

February 25, 2025

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 109th fiscal year from April 1, 2024 to December 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. The original was prepared in Japanese. All possible care has been taken to ensure that the translation is an accurate representation of the original, however, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over the translated version.

Audit Report

In regard to the directors' performance of their duties for the 109th fiscal year from April 1, 2024 to December 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.

February 26, 2025

Audit & Supervisory Board, Daifuku Co., Ltd.
Tsukasa Saito
Audit & Supervisory Board Member (full-time)
Tsukasa Miyajima
Audit & Supervisory Board Member (outside)
Nobuo Wada
Audit & Supervisory Board Member (outside)
Eiko Hakoda
Audit & Supervisory Board Member (outside)