

DAIFUKU CO., LTD.

Consolidated Financial Results

for the Year Ended March 31, 2011

May 13, 2011

DAIFUKU
Material Handling and Beyond

- Orders remained strong. Net sales increased slightly.
- Cuts in selling, general, and administrative expenses as well as a recovery in the performance of subsidiaries contributed to earnings, however, net income declined by changes in accounting methodology (asset retirement obligations).
- Received a spring of orders for large-scale projects for flat-panel display factories in China. Sales in China rose threefold year on year.
- Expanded businesses through tie-ups and M&A with peer companies worldwide.

2-1. FY2010 Results (Consolidated)

Operating income recovers substantially.

(Billion yen)	(FY2010)	(FY2009)	(Year-on-year)
Orders	180.2	133.2	(35.3%)
Net Sales	159.2	154.2	(3.3%)
Operating income	1.7	0.08	(1.6)
Ordinary income	1.3	-0.1	(1.4)
Net income	0.2	1.0	(-73.5%)
Comprehensive income	-1.7	2.7	(-4.4)

Net income per share	2.43 yen	9.20 yen
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Note: Figures are rounded down to the nearest 0.1 billion yen

2-2. Comprehensive Income

Daifuku announces financial statements, including comprehensive income for the fiscal year under review. Foreign currency translation adjustments are affected by the strong yen.

(Billion yen)

(FY2010)

(FY2009)

Income before minority interests		0.5	1.0
	Net unrealized gain (loss) on securities	-0.4	0.3
	Deferred gain (loss) on hedges	-0.02	0.02
	Foreign currency translation adjustments	-1.7	1.2
	Share of other comprehensive income of associates accounted for using equity method	-0.01	0.02
Total other comprehensive income		-2.2	1.6
Comprehensive income		-1.7	2.7

2-3. FY2010 Q4 Results (Consolidated, January – March 2011)

Results remain strong.

(Billion yen)	FY2010 Q1 (Apr – Jun 2010)	FY2010 Q2 (Jul – Sep 2010)	FY2010 Q3 (Oct – Dec 2010)	FY2010 Q4 (Jan – Mar 2011)	FY2009 Q4 (Jan – Mar 2010)
Orders	39.0	38.0	50.1	52.9	46.3
Net sales	32.4	41.5	37.7	47.5	48.0
Operating income	-1.2	0.5	0.3	2.1	2.1
Ordinary income	-1.3	0.5	0.03	2.1	2.2
Net income	-1.6	0.4	-0.1	1.5	2.0

Note: Figures are rounded down to the nearest 0.1 billion yen

2-4. FY2010 Results by Segment

Subsidiaries return to profitability ahead of Daifuku.

(Billion yen)

Note: Using the current reporting segments for the same period in the previous fiscal year.

	Net sales		Net income	
	(FY2010)	(FY2009)	(FY2010)	(FY2009)
Daifuku	100.26	91.86	0.88	0.85
Contec	8.58	5.92	0.42	-0.17
Jervis B. Webb	14.12	15.75	0.37	0.26
Daifuku America	6.04	8.36	0.33	0.58
Other	31.52	28.81	0.59	0.26
Consolidated adjustment and other	-1.28	3.50	-2.35	-0.77
Total (Consolidation and elimination)	159.26	154.20	0.26	1.01

Note: Daifuku America closed accounting in December. Its current business period thus refers to the first nine months (April - December).

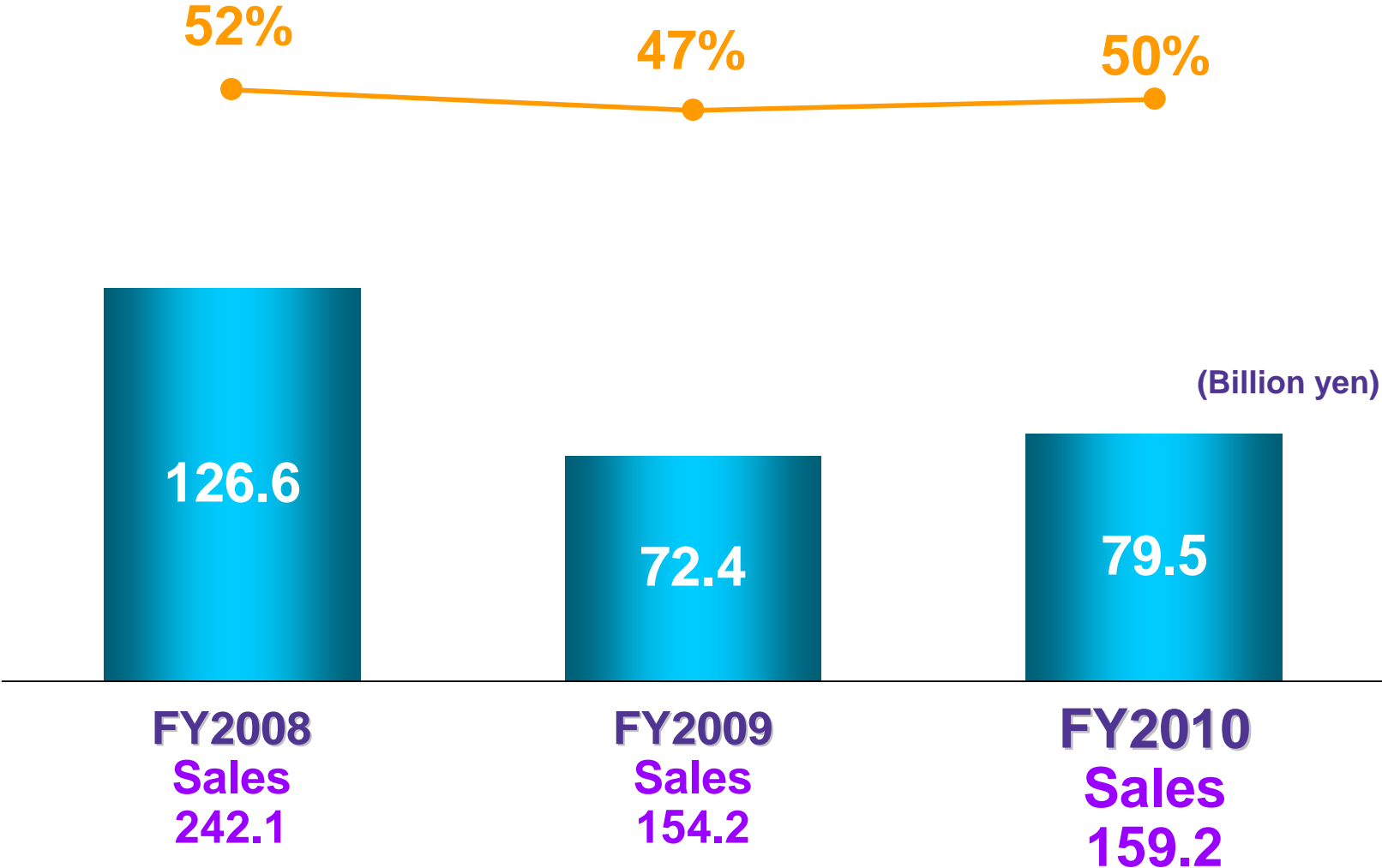
3. Sales of Products and Services

(Billion yen)

	(FY2010)	(FY2009)	(Year-on-year)
Logistics Systems	139.8	137.8	(1.5%)
Electronics	8.5	6.0	(42.0%)
Other	10.7	10.3	(4.5%)
Total	159.2	154.2	(3.3%)

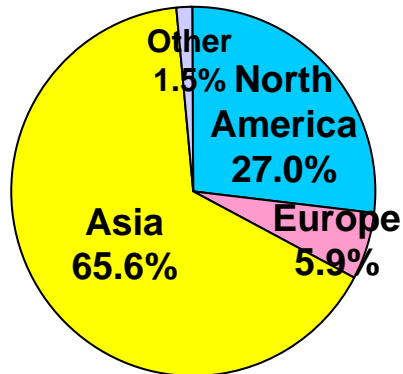
Note: Figures are rounded down to the nearest 0.1 billion yen

4. Trends in Non-Japan Sales Ratio (Consolidated)

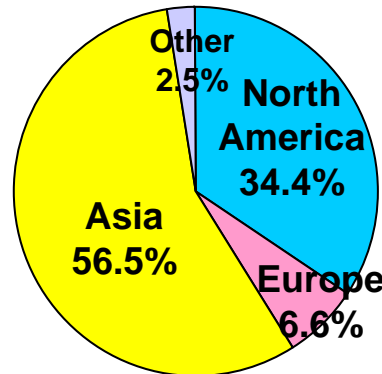


5. Non-Japan Net Sales by Area (Consolidated)

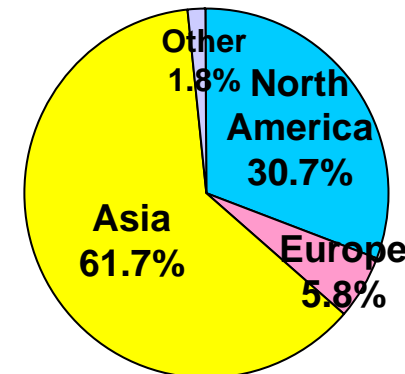
Sales increase rapidly in China.



FY2008



FY2009

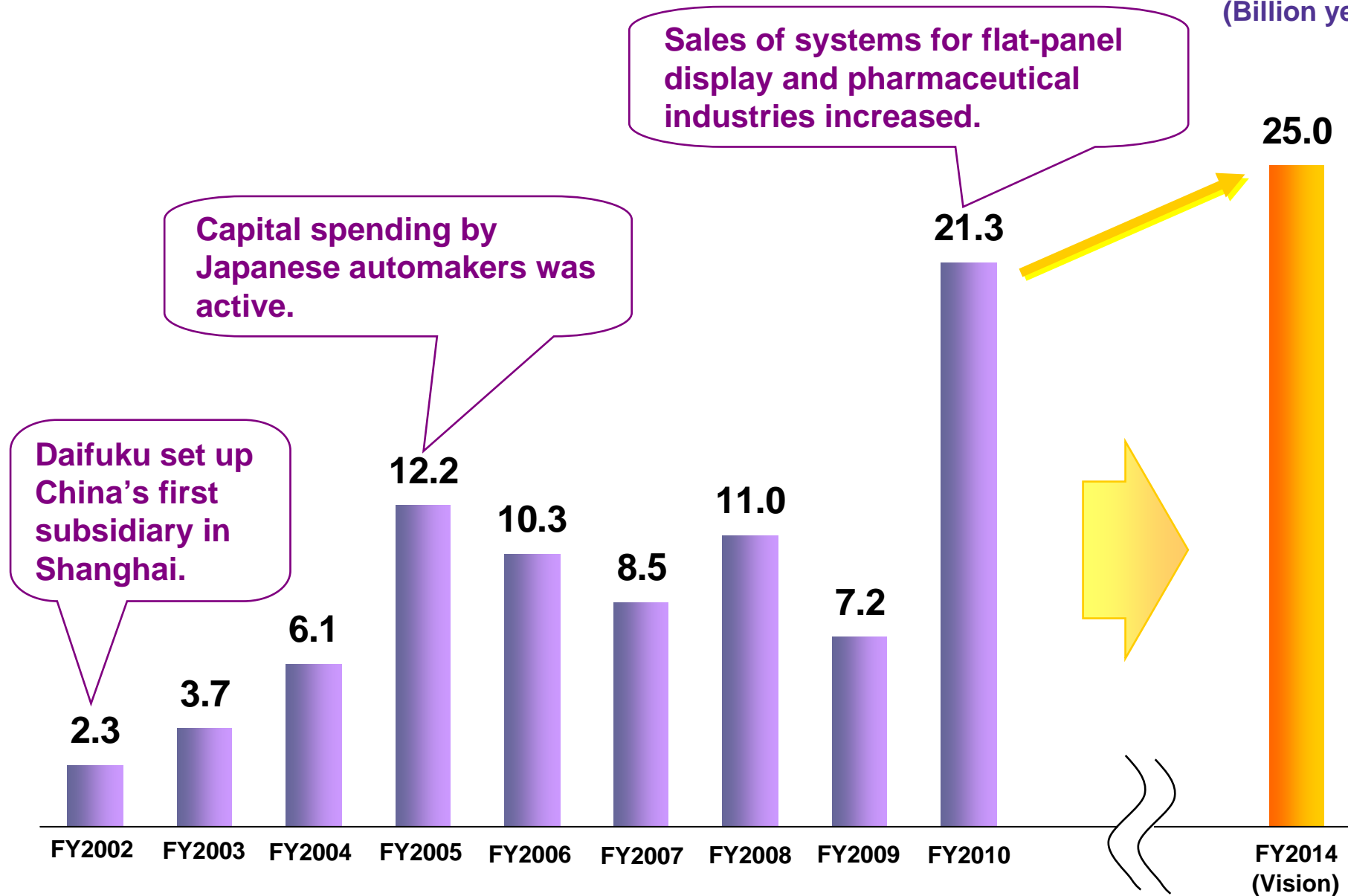


FY2010 (Billion yen)

Area	Country	FY2008		FY2009		FY2010	
		Sales	Ratio (%)	Sales	Ratio (%)	Sales	Ratio (%)
North America		34.13	27.0	24.92	34.4	24.46	30.7
Asia		83.09	65.6	41.00	56.5	49.05	61.7
	China	10.99	8.7	7.23	10.0	21.34	26.8
	South Korea	30.16	23.8	11.04	15.2	13.98	17.6
	Taiwan	35.55	28.1	17.70	24.4	9.21	11.6
	Other	6.39	5.0	5.03	6.9	4.52	5.7
Europe		7.68	5.9	4.70	6.6	4.56	5.8
Other		1.74	1.5	1.85	2.5	1.48	1.8
Total		126.65	100.0	72.47	100.0	79.55	100.0

6. Sales in China (Consolidated)

(Billion yen)



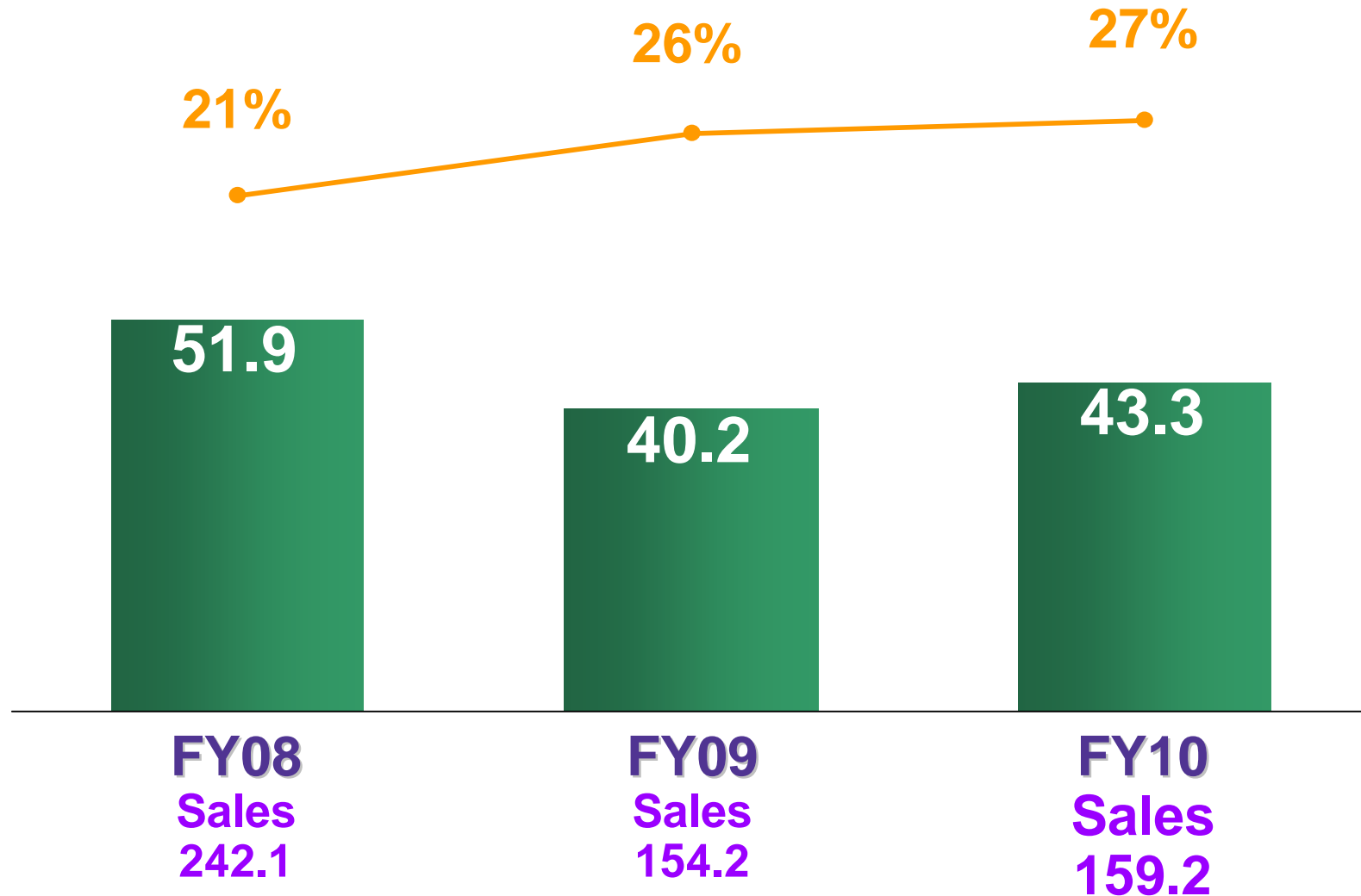
7. Trends in Service Business (Consolidated Sales) **DAIFUKU**

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Note: Sales in the service business include maintenance, retrofitting, and remodeling work for products and systems Daifuku delivered

Aftermarket Sales / Net sales (%)

(Billion yen)



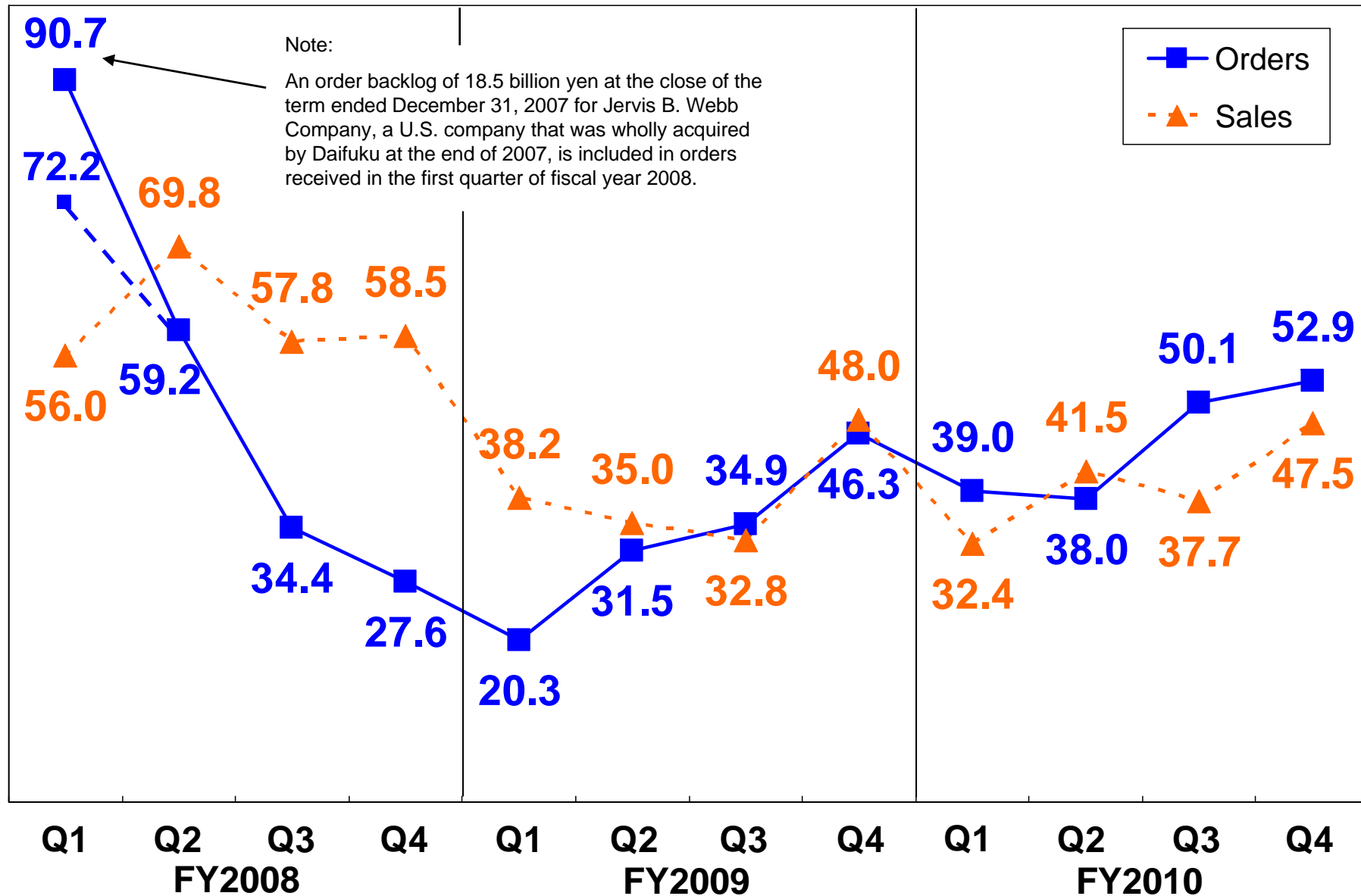
8. Orders and Net Sales by Industry (Consolidated)

(Billion yen)

Industry	Orders				Net Sales			
	FY2010		FY2009		FY2010		FY2009	
	Orders	Ratio (%)	Orders	Ratio (%)	Sales	Ratio (%)	Sales	Ratio (%)
Automobile and Auto Parts	36.85	20.4%	22.14	16.6%	25.04	15.7%	23.72	15.4%
Electronics	57.60	32.0%	35.98	27.0%	53.35	33.5%	45.67	29.6%
Commerce and Retailing	26.15	14.5%	29.17	21.9%	30.67	19.3%	28.02	18.2%
Transportation and Warehousing	9.59	5.3%	6.13	4.6%	7.35	4.6%	9.21	6.0%
Machinery	4.45	2.5%	3.19	2.4%	3.76	2.4%	6.42	4.2%
Chemicals and Pharmaceuticals	7.70	4.3%	7.88	5.9%	7.91	5.0%	6.44	4.2%
Foods	6.56	3.6%	8.97	6.7%	6.83	4.3%	7.32	4.8%
Steel and Metal	3.64	2.0%	2.85	2.1%	3.38	2.1%	2.87	1.9%
Precision Machinery, Printing and Office Equipment	2.62	1.5%	2.67	2.0%	3.00	1.9%	3.42	2.2%
Airport	10.76	6.0%	6.86	5.2%	8.42	5.3%	10.46	6.8%
Other	14.32	7.9%	7.37	5.6%	9.55	5.9%	10.66	6.7%
Total	180.24	100.0%	133.21	100.0%	159.26	100.0%	154.21	100.0%

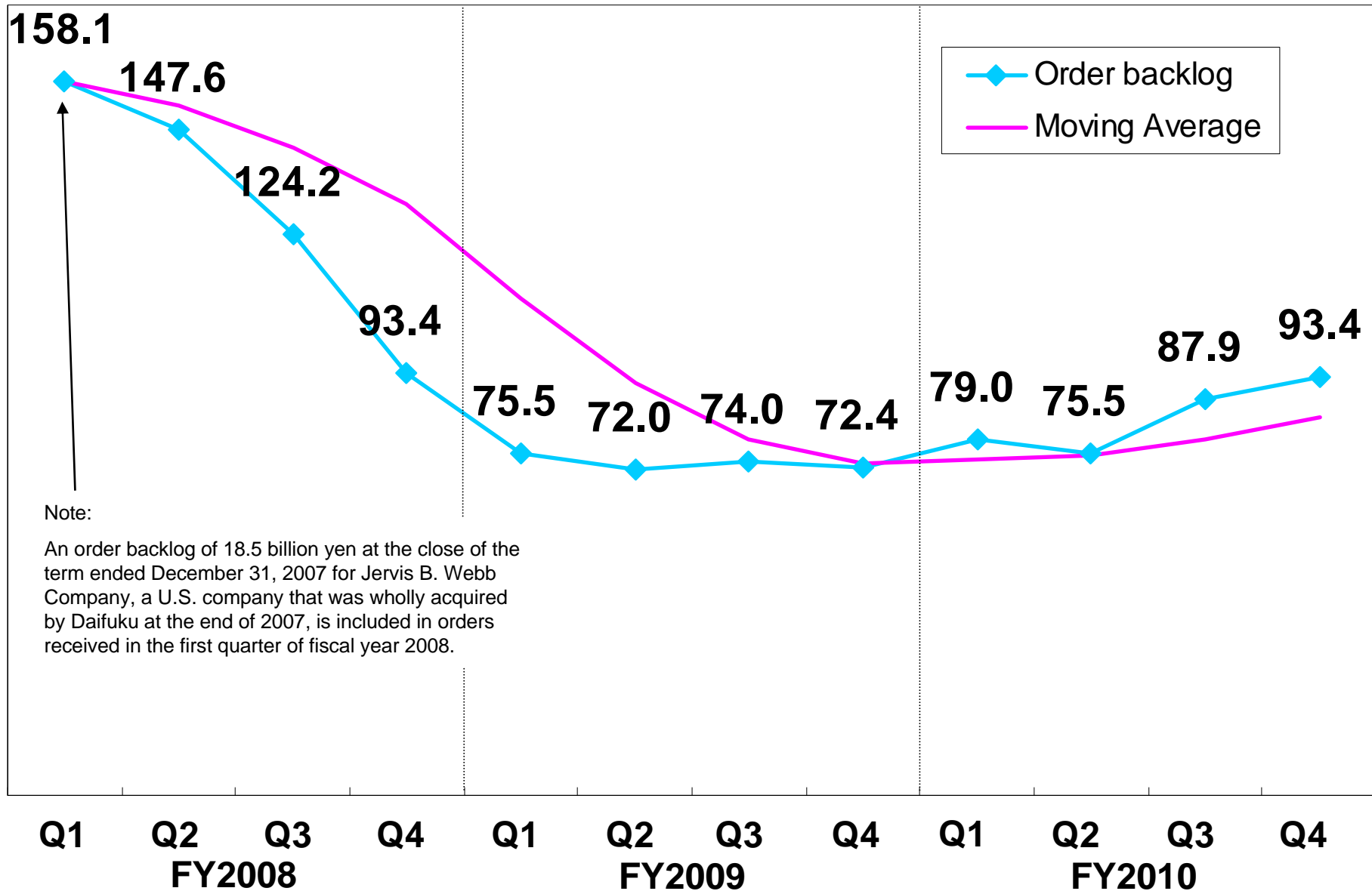
9. Trends in Quarterly Orders and Sales

(Billion yen)



10. Trends in Order Backlogs

(Billion yen)



Respond quickly and flexibly to market changes to rebuild sales and reach the goal set in the Three-Year Business Plan

- **Focus on developing new products and markets.**
- **Increase production and procurement worldwide.**
- **Expand the service business to return to profitability.**
- **Develop human resources to strengthen global business and affiliates.**

12. FY2011 Interim Estimates (Consolidated, Apr-Sep 2011)

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	(FY2011 H1)	(FY2010 H1)	(Billion yen) (Year-on-year)
Orders	100.0	77.0	(35.2%)
Net Sales	90.0	73.9	(21.7%)
Operating income	0.7	-0.7	(1.4)
Ordinary income	0.4	-0.7	(1.1)
Net income	-0.3	-1.1	(0.7)

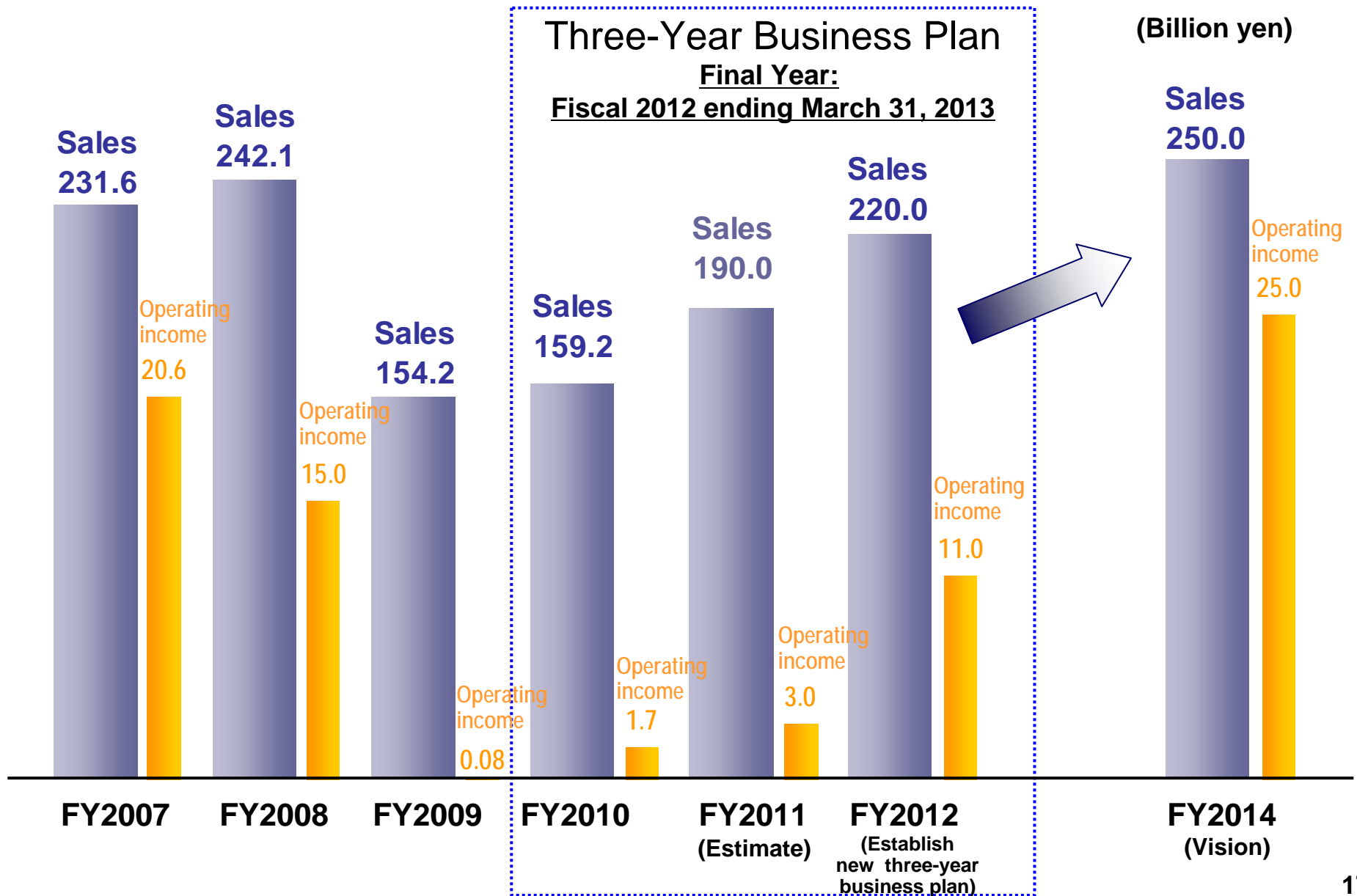
13. FY2011 Estimates (Consolidated)

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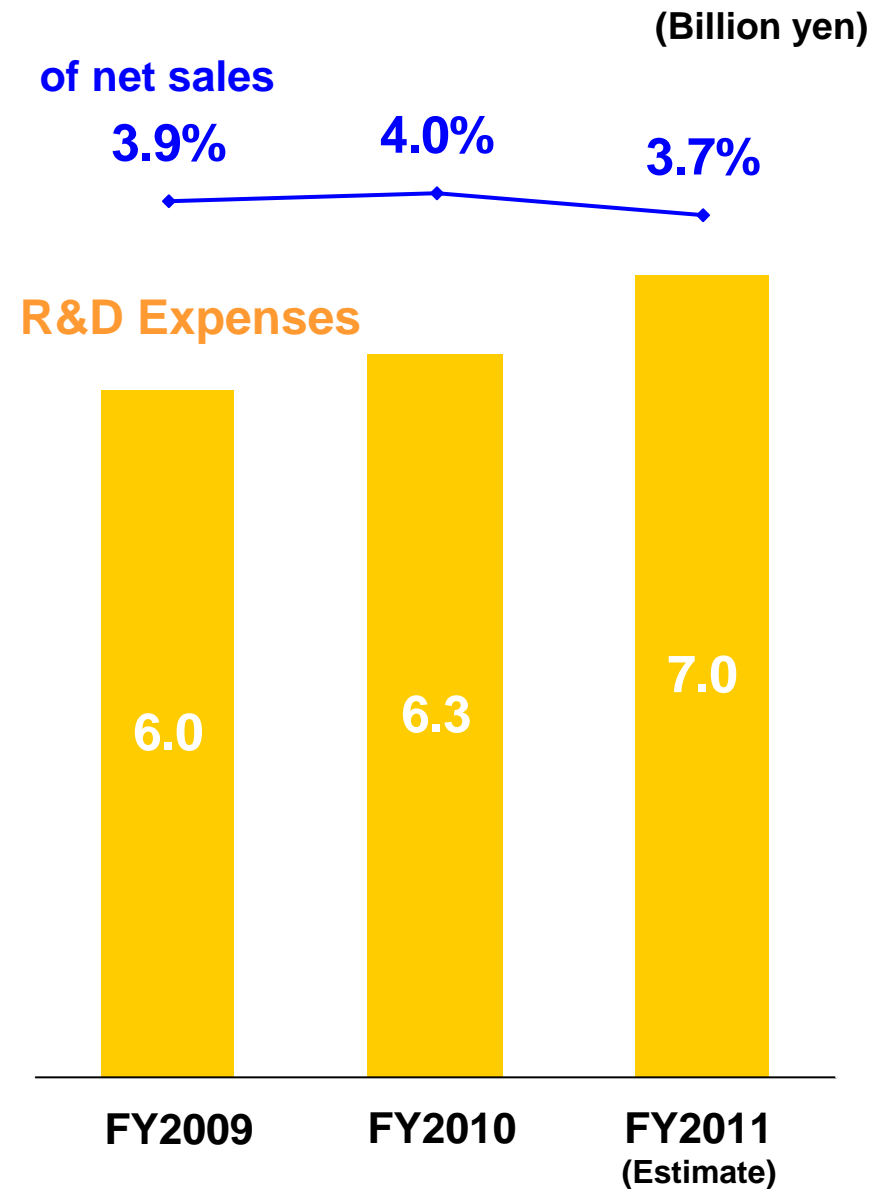
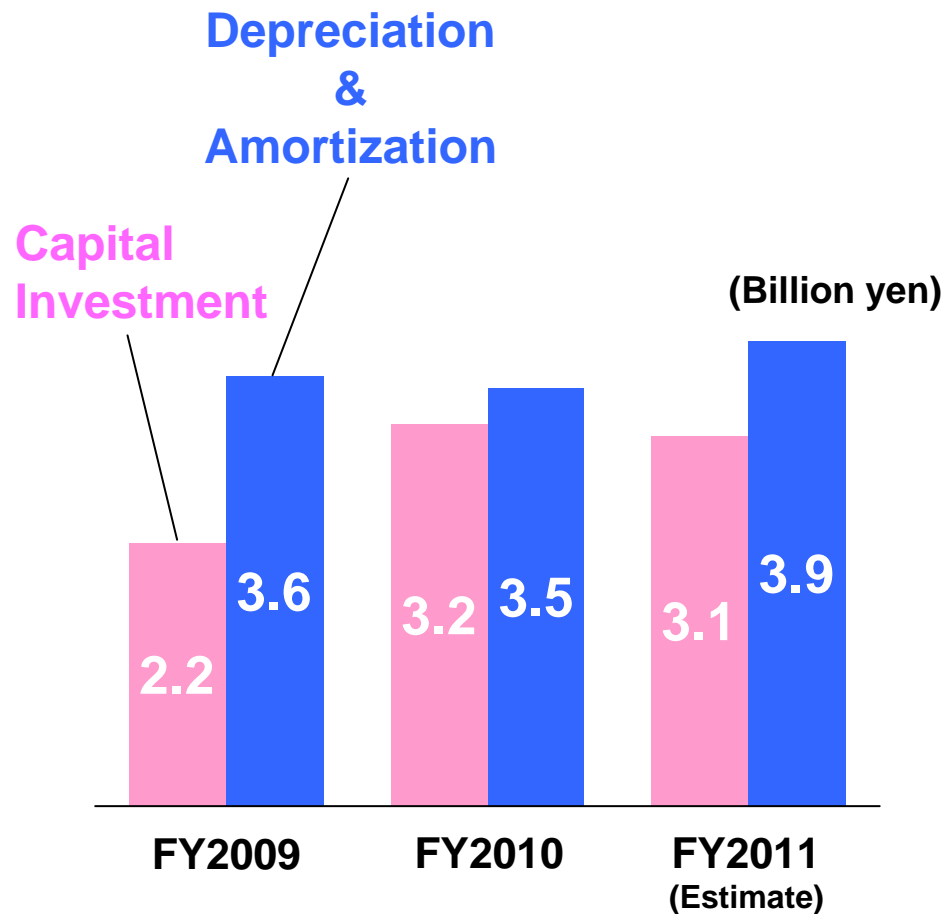
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	(FY2011)	(FY2010)	(Billion yen) (Year-on-year)
Orders	200.0	180.2	(10.9%)
Net Sales	190.0	159.2	(19.3%)
Operating income	3.0	1.7	(73.8%)
Ordinary income	2.5	1.3	(85.8%)
Net income	0.8	0.2	(197.0%)

14. Progress in Three-Year Business Plan



15. Financial Standing (Consolidated)



16. Liabilities, Expenses, Employees (Consolidated) **DAIFUKU**

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Interest-bearing liabilities

(Billion yen)

		FY08	FY09	FY10
	Short-term	15.9	9.4	2.8
	Long-term	39.5	35.9	38.1
Total		55.4	45.3	40.9

Expenses and employees

(Billion yen)

		FY08	FY09	FY10
Fixed cost		72.9	58.2	59.7
	Personnel expenses	41.9	36.3	36.8
Employees		5,660	5,395	5,209

17. Basic Policy for Dividends

- 1. Performance-based policy for dividends adopted in FY2004 ended March 2005

Dividend payout ratio: 20-30% of consolidated net income

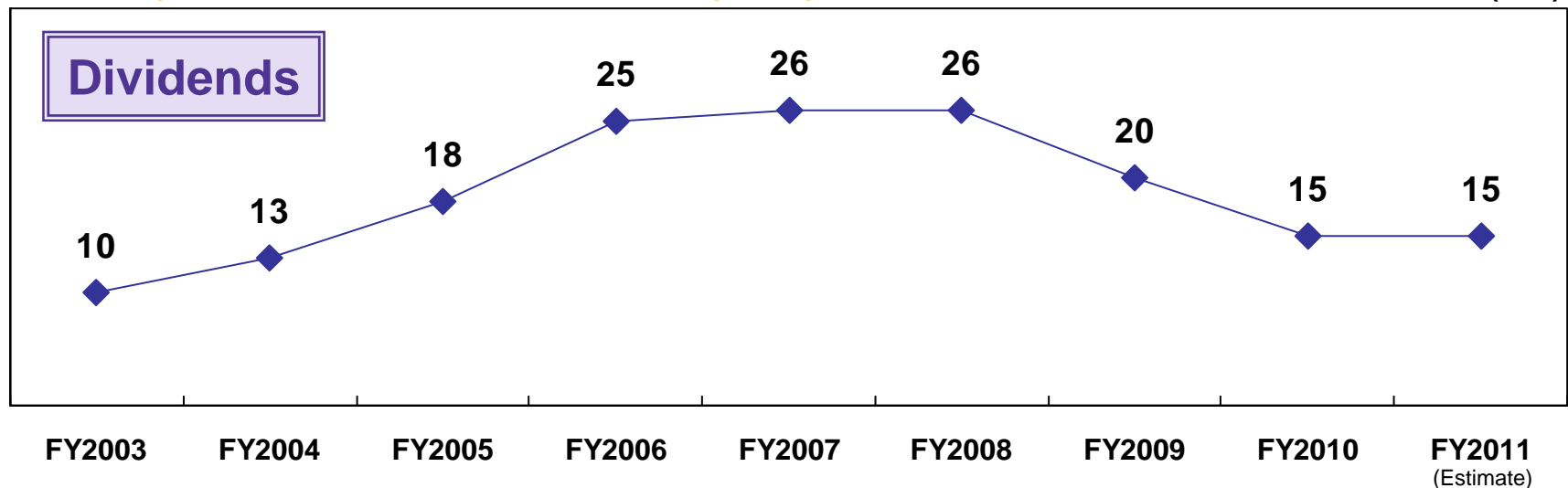
- 2. FY2010 ended March 2011: **15 yen*** per share

**5 yen interim dividend + 10 yen year-end dividend*

Average dividend payout ratio (From FY2004 to FY2010): approximately 34%

- 3. FY2011 ending March 2012 (estimate) : **15 yen*** (maintained) per share

**5 yen interim dividend + 10 yen year-end dividend*



■ Business Tie-Up and M&A

- **Daifuku Forms Business Tie-Up with Knapp AG, Austria (October 2010)**
To increase market share in Europe and Latin America and bolster the piece-picking systems business
- **Daifuku Acquires Competitor's Car Wash Business (January 2011)**
To improve earnings by lowering costs through mass production and service business expansion
- **M&A with Logan Teleflex (April 2011)**
To expand the airport baggage handling business in Europe and China
- **U.S. Holding Company Established (January 2011)**
To oversee Daifuku America Corporation and Jervis B. Webb Company, aiming to boost business efficiency and improve customer service

■ **Corporate Bond Rating Maintained (July 2010)**

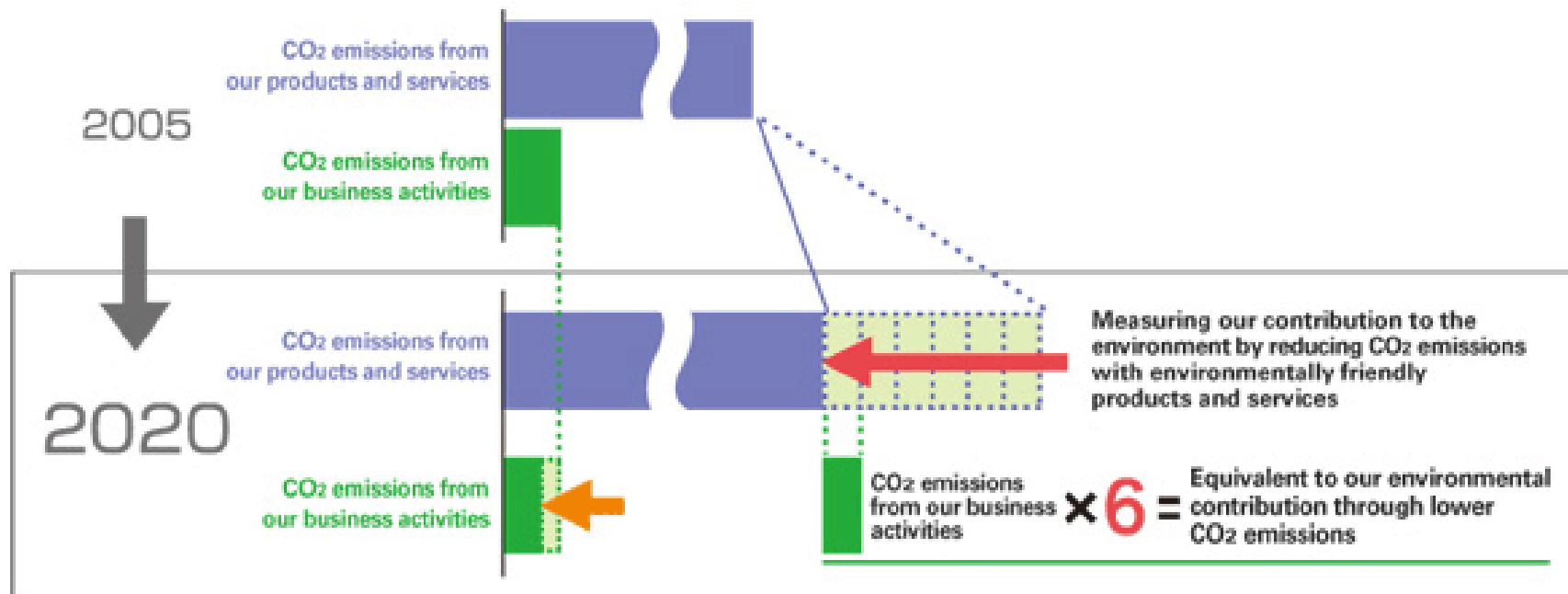
Receiving a favorable evaluation of its strong financial foundation, Daifuku maintained an A minus (A-) rating for its corporate bonds, with its short-term bond rating unchanged at “a-1” as well. Both ratings are from the Rating and Investment Information, Inc.

■ **Daifuku Wins Intel’s PQS Award (April 2011)**

Daifuku received Intel Corporation’s Preferred Quality Supplier (PQS) award for the second consecutive year and the sixth time overall.

■ Established Environmental Vision 2020 (April 2011)

Daifuku sets environmental goals to achieve by fiscal 2020. We aim to cut CO₂ emissions from our business activities to a sixth, while introducing more environmentally friendly products and services.



- **Shiga works, Daifuku's main manufacturing facilities, were not affected by the March 11 earthquake.**
- **Daifuku moved quickly to undertake recovery work for customers affected by the earthquake and is now engaged in reconstruction.**
- **Daifuku aims to minimize the impact of the earthquake on the Daifuku Group in terms of trouble in procurement, power shortages, etc.**

Cautionary Statement with Respect to Forward-Looking Statements

The strategies, beliefs and plans related to future business performance as described in this document are not established facts. They are business prospects based on the assumptions and beliefs of the management team judging from the most current information, and therefore, these prospects are subject to potential risks and uncertainties. Due to various crucial factors, actual results may differ substantially from these forward-looking statements. These crucial factors that may adversely affect performance include 1) consumer trends and economic conditions in the Company's operating environment, 2) the effect of yen exchange rates on sales, assets and liabilities denominated in U.S. dollars and other currencies and 3) the tightening of laws and regulations regarding safety and other matters that may lead to higher costs or sales restrictions, 4) the impact of natural disasters and intentional threats, war, acts of terrorism, strikes, plagues. Moreover, there are other factors that may adversely affect the Company's performance.