
Business Report

**First Quarter of the Fiscal Year Ending March 31, 2010
(April – June 2009)**

**August 2009
DAIFUKU CO., LTD.**

1-1. FY2009 Q1 Results (Consolidated)

DAIFUKU

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(Billion yen)	(FY09 Q1)	(FY08 Q1)	(Year-on-year)
Orders	20.3	90.6	(-77.5%)
Net Sales	38.2	56.0	(-31.8%)
Operating income	0.24	3.2	(-92.6%)
Ordinary income	0.19	3.5	(-94.7%)
Net income	0.75	2.3	(-68.2%)
Net income per share	6.80 yen	20.93 yen	

Although there is speculation that the global economy is bottoming out, the outlook remains uncertain.

The industry has been hard hit by a sharp fall in capital spending, especially in the manufacturing sector. Orders and net sales of the Group were solid for the distribution industry, but they were affected by spending cutbacks in the manufacturing industry.

Income declined, reflecting a fall in the operating rate at factories given decreases in net sales and orders, intensifying competition, and an operating loss posted in Electronics business.

■ Orders

- **Orders for transport and storage systems for automobile and electronics manufacturers were significantly affected by decisions to delay or cancel capital spending.**
- **Large-scale orders in the pharmaceutical wholesale and distribution industries, as well as orders in agriculture, were favorable.**
- **Daifuku was steadily gaining inquiries from the food, pharmaceuticals, and flat-panel display (FPD) industries in China.**
- **Promising orders in the airport baggage handling (ABH) business were postponed to the second quarter or later. Daifuku will build ABH into one of its core businesses.**

■ Sales

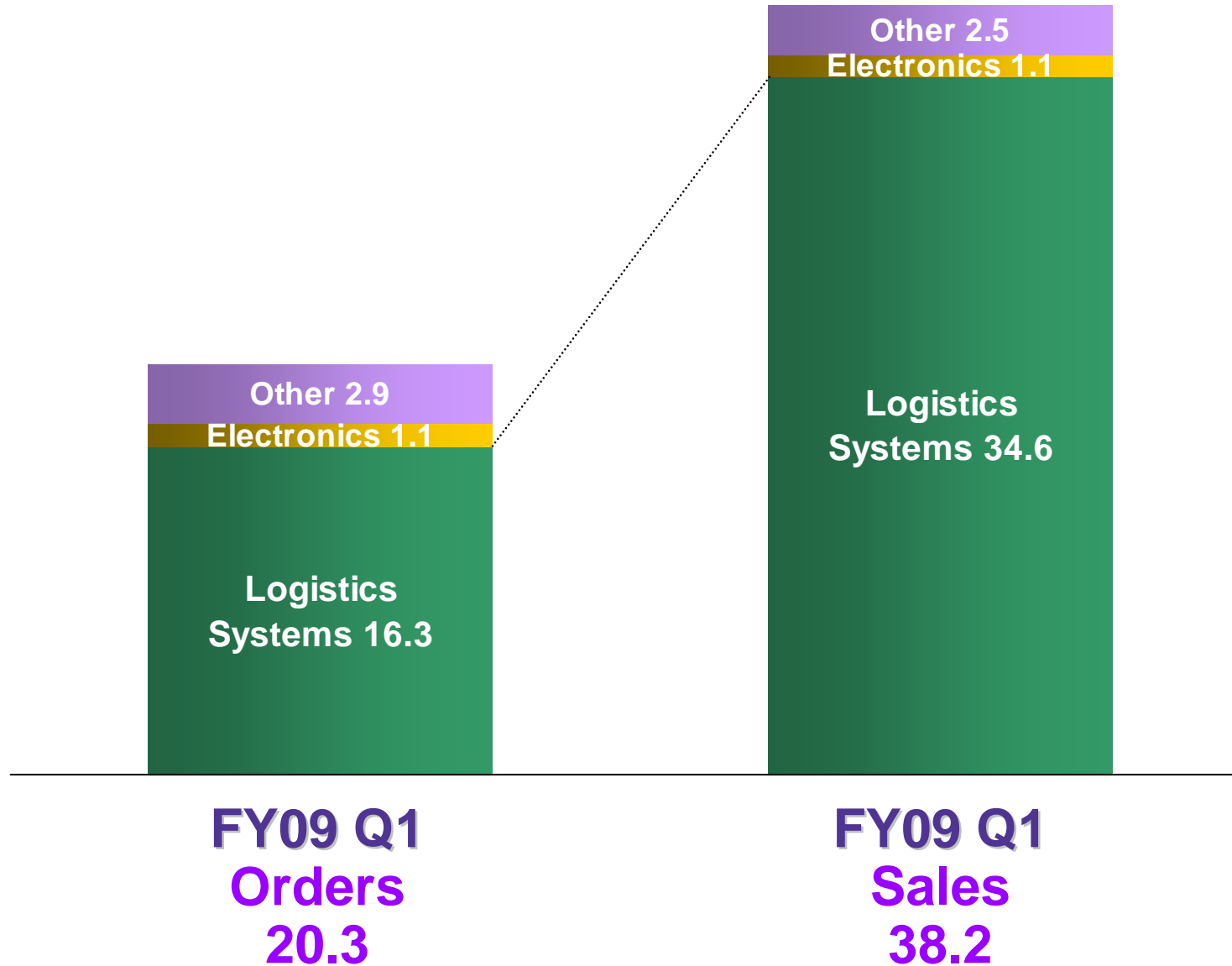
- **Results in the auto and electronics (systems in clean rooms) industry were affected by a downward trend in orders, which are the basis of results, from the latter half of last year. Another factor was the suspension of remodeling planned on consecutive holidays.**
- **Small and midsize projects were affected by the worsening business condition in the general manufacturing and distribution industries. However, sales from major projects for the electronics and food industries were firm. The service business was affected by falling operation rates at customer facilities. However Daifuku took over an automated warehouse-related service division from a competitor.**

- **Sales plummeted year on year on slumping capital spending.**
- **Daifuku took steps to build relations with new customers, introducing small and power-saving products and focusing on proposal-based business. The Company also has aggressively marketed its products to growth fields such as photovoltaic measurement systems.**

- **Orders for car wash machines exceeded the target set at the beginning of the fiscal year, thanks to replacement investment associated with the Japanese government's support for service stations. Daifuku will differentiate itself from competitors by developing a full lineup of environmentally friendly machines.**
- **Demand for wheelchair lifts for care-provider vehicles was firm, unaffected by the business conditions. In this market, demand exceeding the plan and actual demand in the preceding fiscal year.**

1-7. Orders and Net sales by Segment (Consolidated) **DAIFUKU**

(Billion yen)

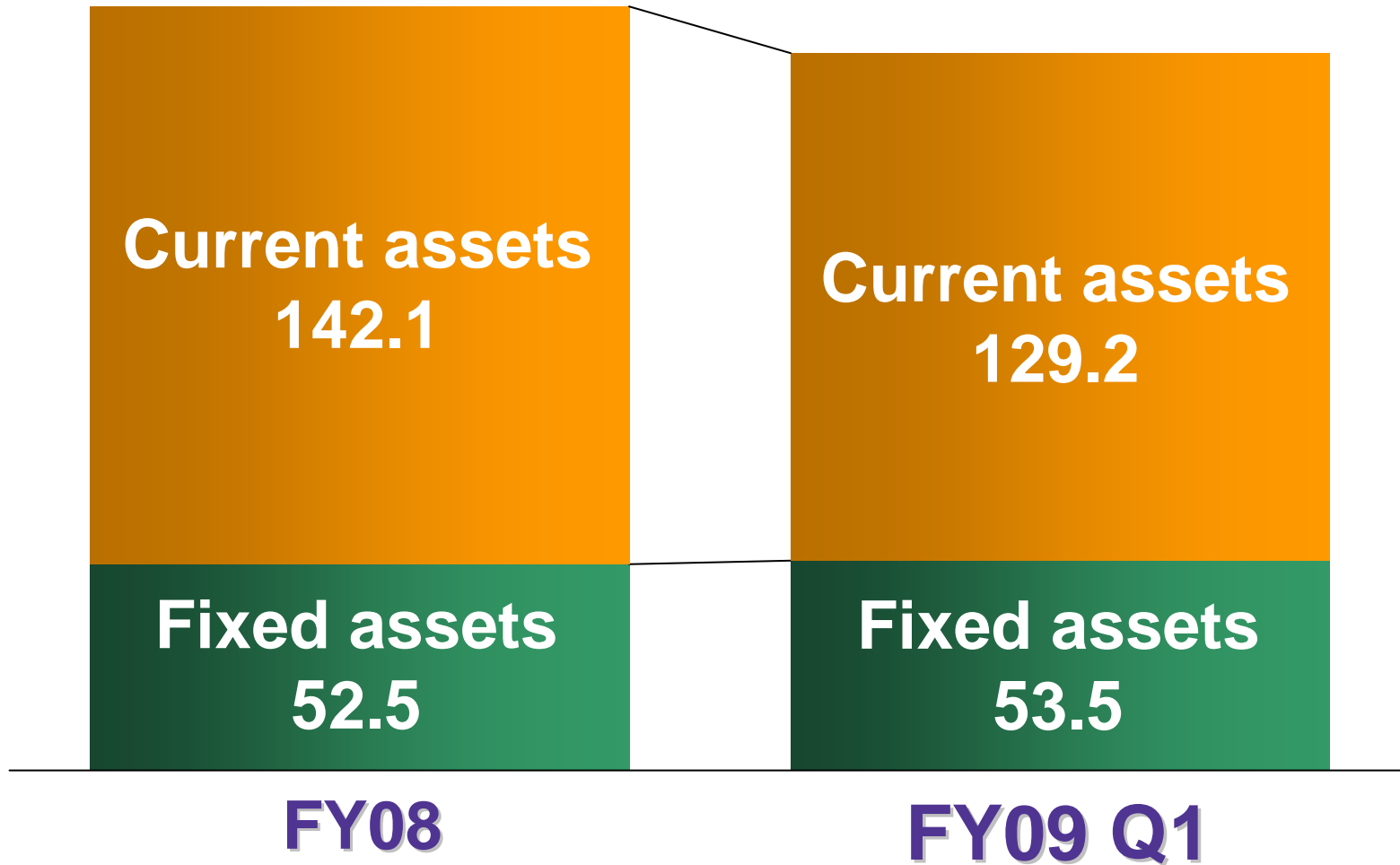


2-1. Financial Situation — Assets (Consolidated) **DAIFUKU**

(Billion yen)

Total: 194.7

Total: 182.7

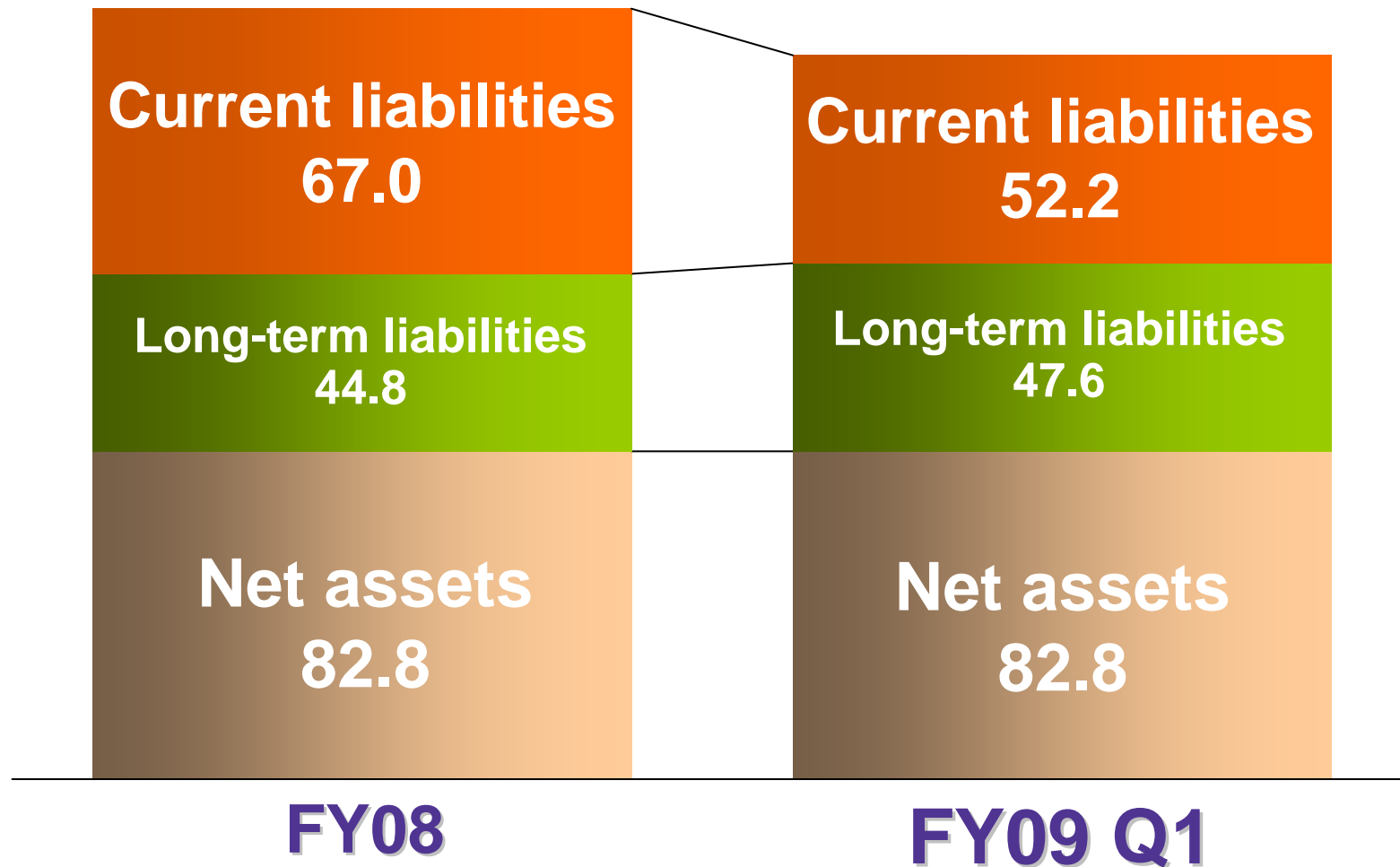


2-2. Financial Situation – Liabilities & Net Assets (Consolidated)

(Billion yen)

Total: 194.7

Total: 182.7



Cash and cash equivalents at end of FY2009 Q1

25.2 billion yen (down 9.0 billion yen year on year)

Cash Flows from Operating Activities

Cash inflow of 0.28 billion yen

(down 1.6 billion yen year on year)

Cash Flows from Investing Activities

Cash outflow of 0.09 billion yen

(up 1.1 billion yen year on year)

Cash Flows from Financing Activities

Cash outflow of 3.13 billion yen

(down 6.2 billion yen year on year)

3. FY2009 Interim Estimates (Consolidated, Apr-Sep 2009)

(Billion yen)	(FY09 Interim)	(Announced on May 18, 2009)	(Year-on-year)
Orders	57	77	(-62.0%)
Net Sales	74	77	(-41.2%)
Operating income	-1.5	-0.5	
Ordinary income	-1.9	-0.8	
Net income	-0.9	0	
Net income per share	-8.13 yen		

4. FY2009 Estimates (Consolidated)

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(Billion yen)	(FY09)	(Announced on May 18, 2009)	(Year-on-year)
Orders	160	160	(-24.5%)
Net Sales	165	170	(-31.9%)
Operating income	1	3	(-93.3%)
Ordinary income	0.4	2.4	(-97.3%)
Net income	0.6	2	(-92.4%)
Net income per share	5.42 yen	18.07 yen	

■ FA&DA Market Strength in China

With a recovery in domestic demand supported by Chinese government action, our sustained efforts to expand our presence has produced a steady increase in inquiries from the food, pharmaceutical, and electronics (flat-panel display) industries in China.



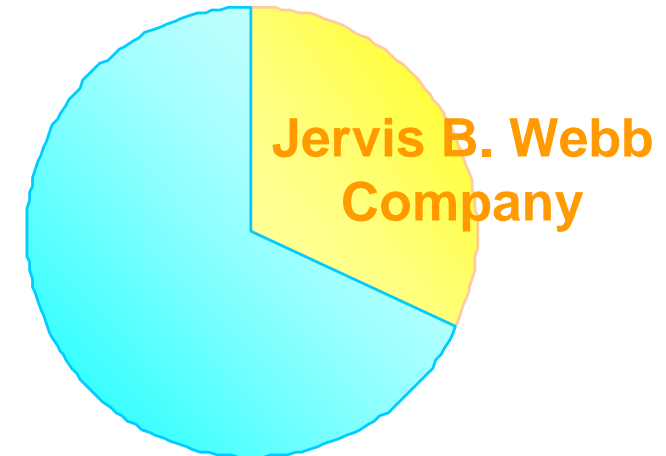
Ongoing project for 21
stacker crane installation
for a major supplements
manufacturer

■ Bolstering the ABH business

Daifuku is developing a new core business area, which takes advantage of its affiliate Jervis B. Webb's airport baggage handling (ABH) systems. We anticipate sustained demand, given U.S. policies in response to the recession and ongoing improvements to airport security improvement.



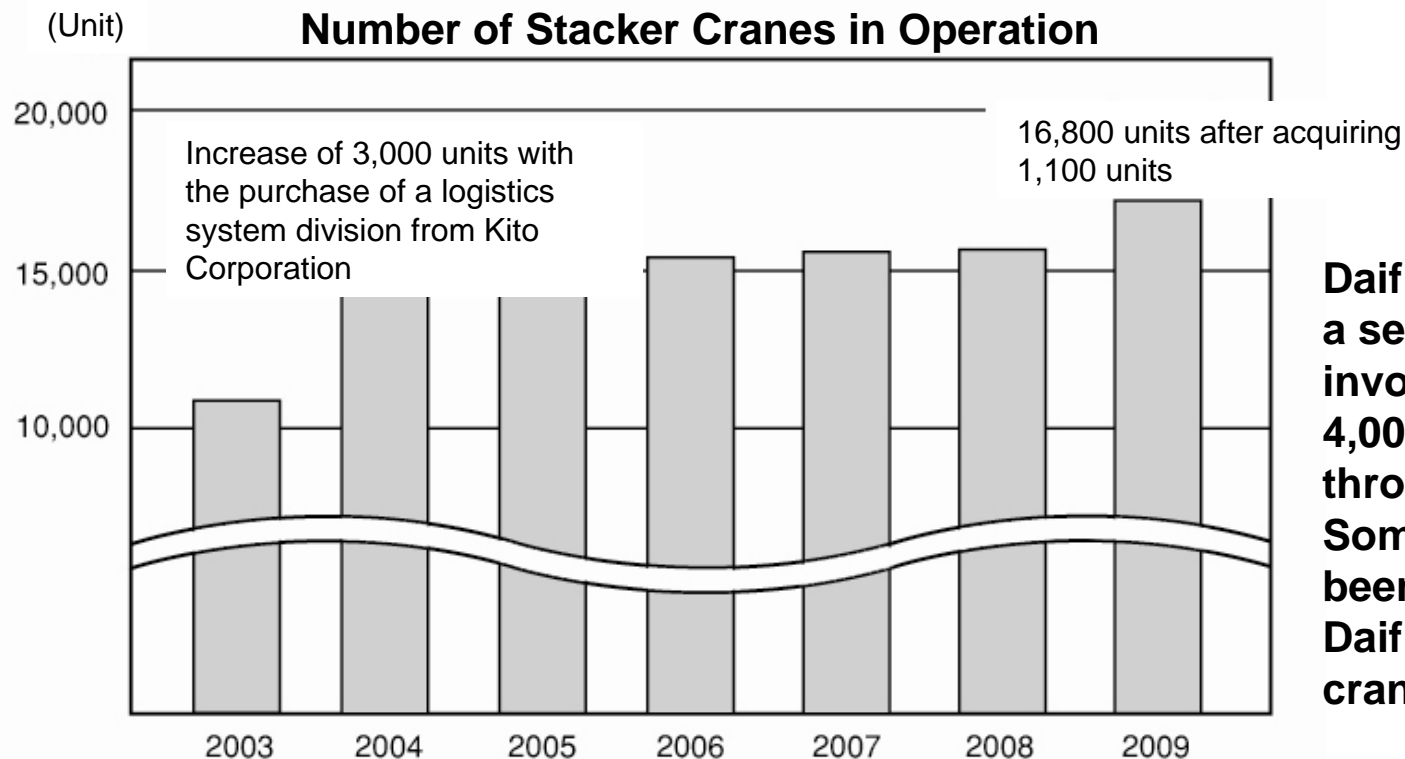
Baggage claim area



Jervis B. Webb accounts for around one third of North American market.

■ Daifuku Takes Over Competitor's Service Business

Daifuku has taken over a service division involving approx. 1,100 automated warehouse stacker cranes, resulting in an increase of customers.

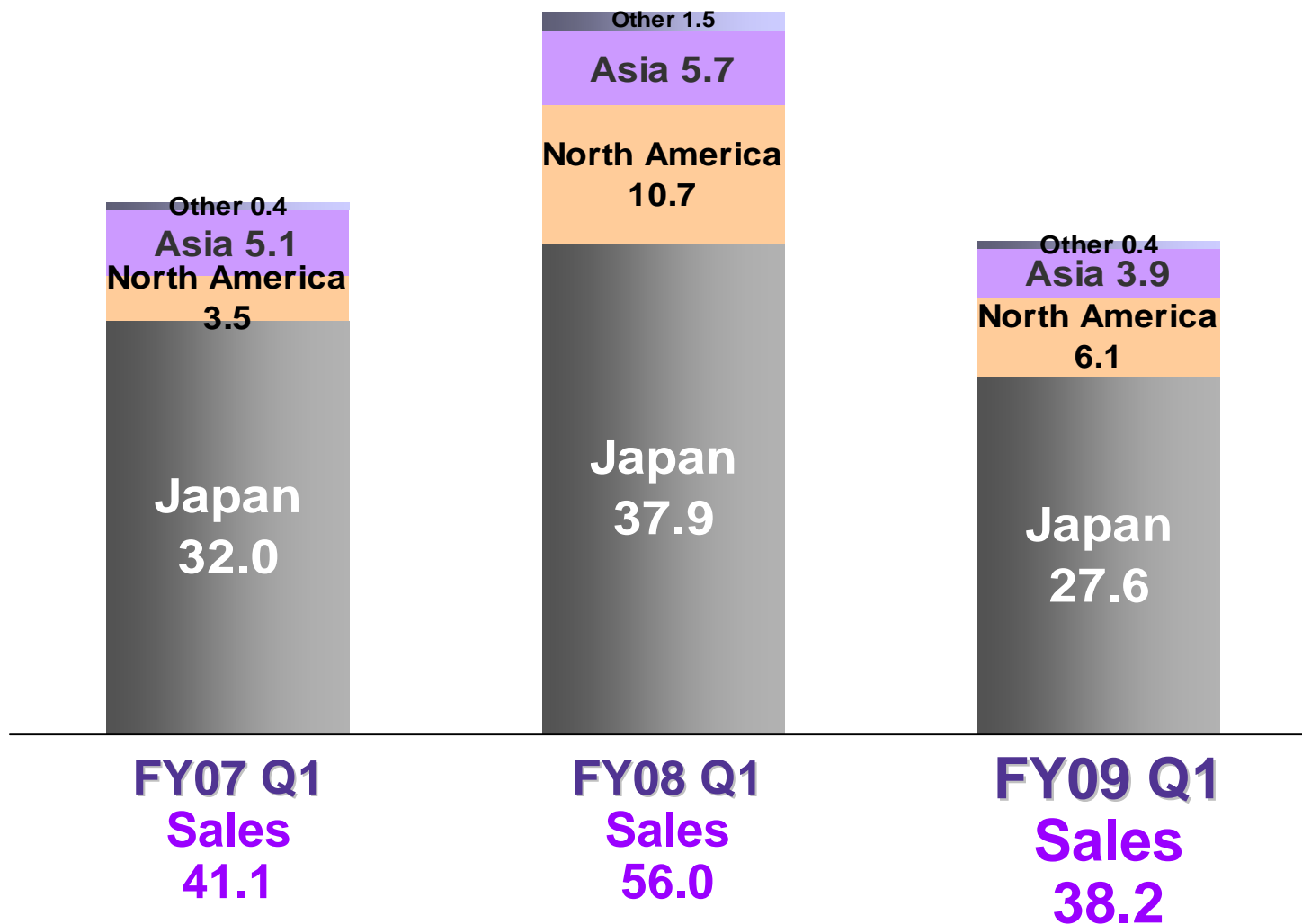


Daifuku has acquired a service business involving more than 4,000 stacker cranes through M&A. Some have already been replaced with Daifuku's stacker cranes.

6-1. References

Net Sales by Area (Consolidated)

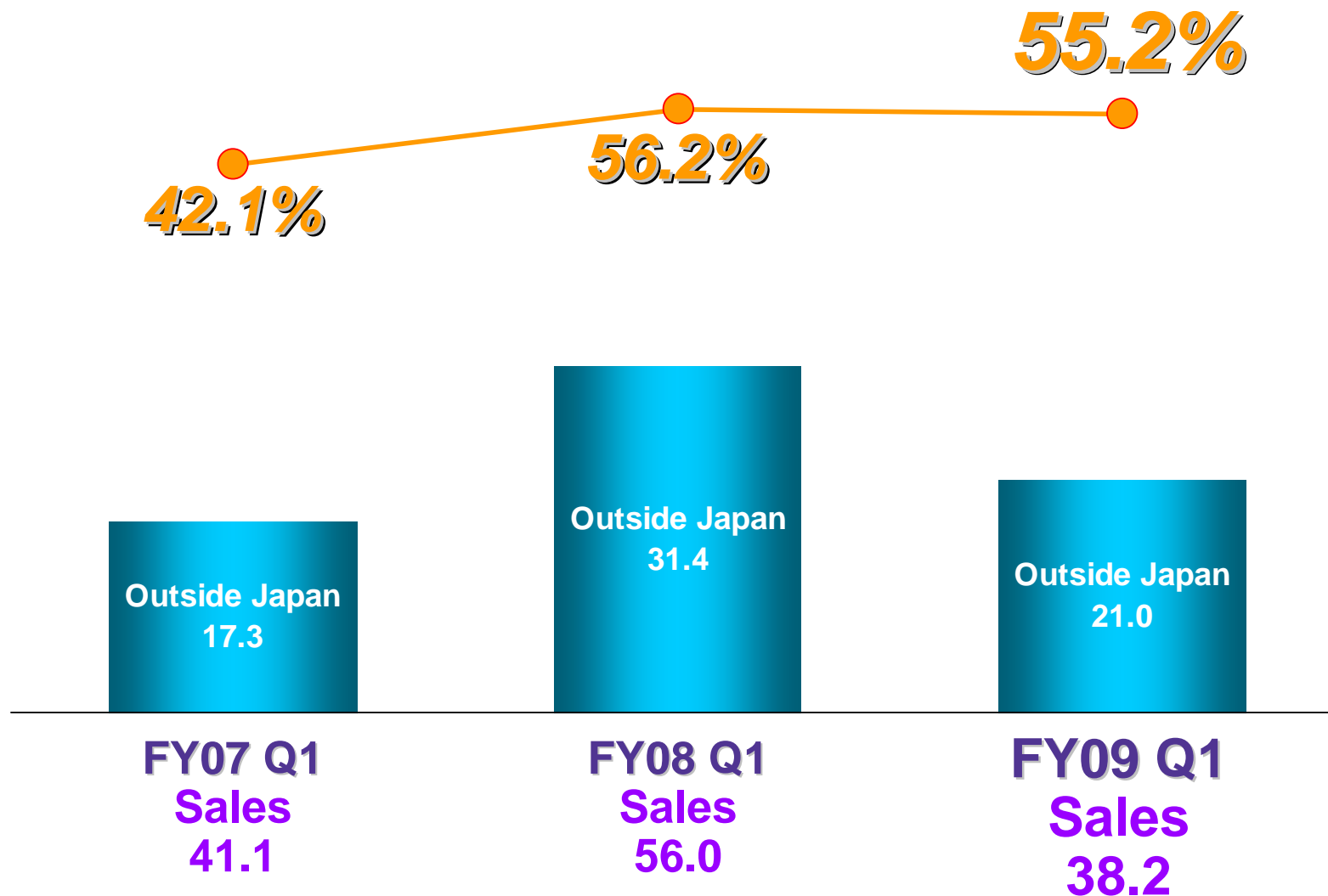
(Billion yen)



6-2. References

Non-Japan Sales Ratio (Consolidated)

(Billion yen)



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. Moreover, there are other factors that may adversely affect the Company's performance.