
Business Report

**Interim Period of the Fiscal Year Ending March 31, 2010
(April – September 2009)**

**November 2009
DAIFUKU CO., LTD.**

1-1. FY2009 Interim Results (Consolidated, April – September)

DAIFUKU

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(Billion yen)	(FY09 H1)	(FY08 H1)	(Year-on-year)
Orders	51.8	149.9	(-65.4%)
Net Sales	73.2	125.8	(-41.8%)
Operating income	-0.78	10.1	(-10.9)
Ordinary income	-0.94	10.1	(-11.1)
Net income	0.04	5.9	(-99.3%)
Net income per share	0.38 yen	52.37 yen	

In the first half of the fiscal year ending March 31, 2010 (the period from April 1, 2009 to September 30, 2009), economic conditions remained severe, reflecting weak consumer spending and a substantial decline in capital investment. Still, the global economy began to show signs of recovering from the severe economic recession that had shaken Japan, the United States, Europe, and the rest of the industrialized world since the fall of 2008.

The Company benefited from brisk sales of factory automation and distribution automation (FA&DA) systems for food and pharmaceutical manufacturers, and for distributors including pharmaceutical wholesalers that are less susceptible to economic downturns. This was outweighed, however, by a massive fall in capital investment, especially in the manufacturing sector, which had severe repercussions for performance.

In profit terms, we recorded an operating loss, reflecting a fall in the capacity utilization at factories associated with reduced sales and orders, tougher competition for orders, and the posting of an operating loss in the Electronics business.

The operating environment surrounding the Daifuku Group remains severe, with sustained repercussions from the significant cutbacks made to capital spending. We consequently revised the full-year financial forecasts that we announced in August 2009.

■ Orders

- **Orders for automobile production line systems and cleanroom transport/storage systems continued to be heavily influenced by decisions to delay or cancel capital spending.**
- **Large-scale orders in the food manufacturers and distribution centers, including pharmaceutical wholesalers, as well as orders in agriculture, were favorable.**
- **In China, orders from the food and pharmaceutical industries have made steady gains, and are set to exceed our initial forecasts.**

■ Sales

- **Sales of factory automation and distribution automation (FA&DA) systems were firm, mainly for major projects for the electronics, food and pharmaceutical industries.**
- **Sales of aftermarket services were firm, thanks in part to large-scale installations in September.**
- **Sales for automobile production line systems and cleanroom transport and storage systems were confronted with adverse factors emerging since the fall of 2008, including a decline in the number of new projects and a decrease in remodeling work on public holidays.**

- **Results were down in the face of sharply reduced capital spending in the manufacturing sector.**

- **Orders from self-service gas stations and car dealerships decreased. However, orders for car wash machines for full-service gas stations have exceeded the target, thanks to replacement investment associated with the Japanese government's support for service stations and the development of a full lineup of environmentally friendly machines.**
- **Both orders and sales of wheelchair lifts for care-provider vehicles enjoyed robust increases.**

■ Japan

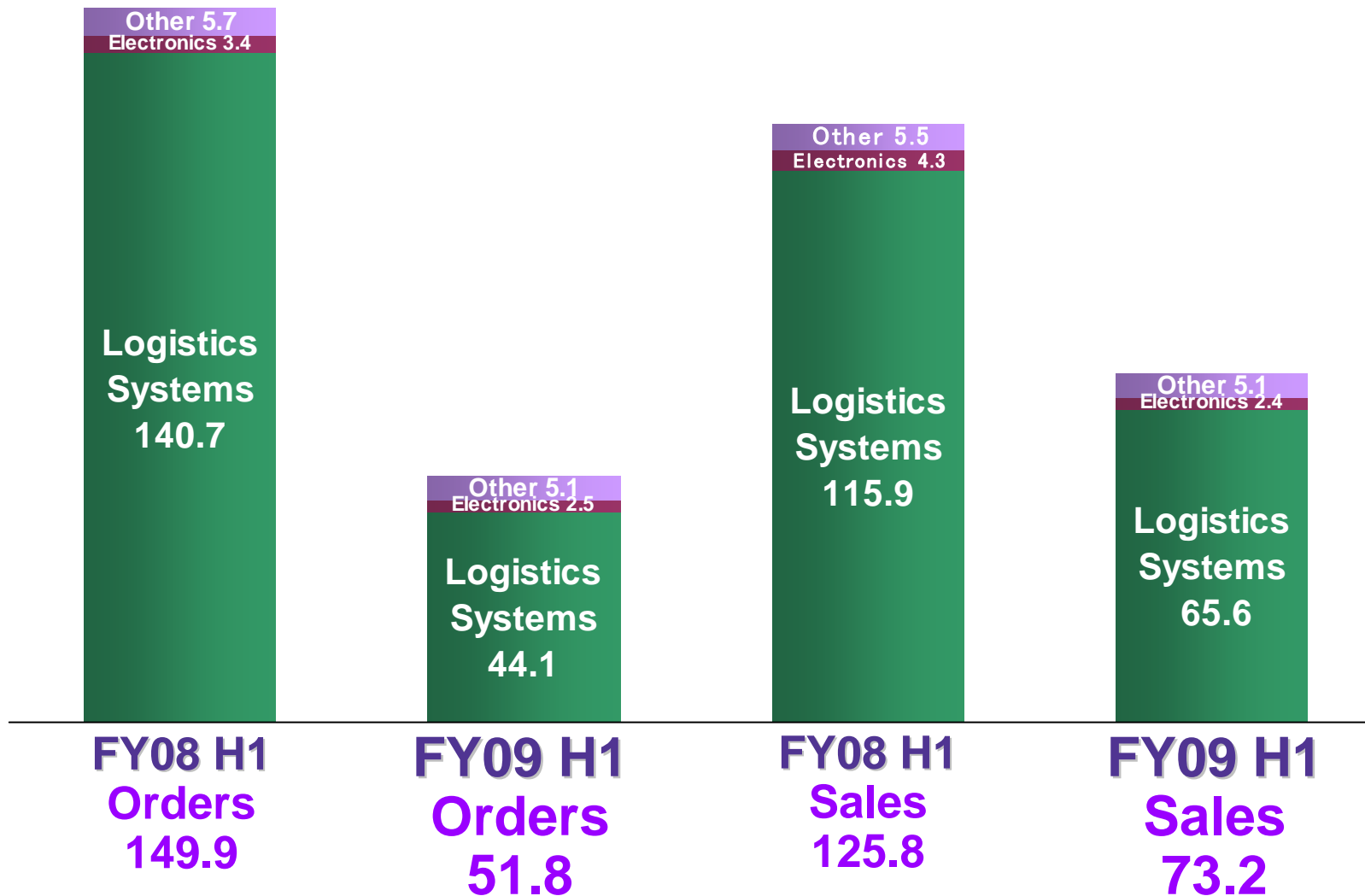
- **Sales for the electronics (except systems for clean rooms), food and pharmaceutical industries were firm.**
- **Results for automobile production line systems and cleanroom transport/storage systems were significantly affected by decisions to delay or cancel capital spending.**

■ Outside Japan

- **Results in all countries and regions faced significant challenges with delays or cancelations in capital spending resulting from the global recession.**
- **Daifuku America posted higher income as a result of its efforts to reduce costs for ongoing projects in North America along with corporate overhead expenses.**
- **In China, orders from the food and pharmaceutical industries increased significantly.**

1-7. Orders and Net sales by Segment (Consolidated, April – September)

(Billion yen)



2-1. Financial Situation—Assets

(Consolidated, April – September)

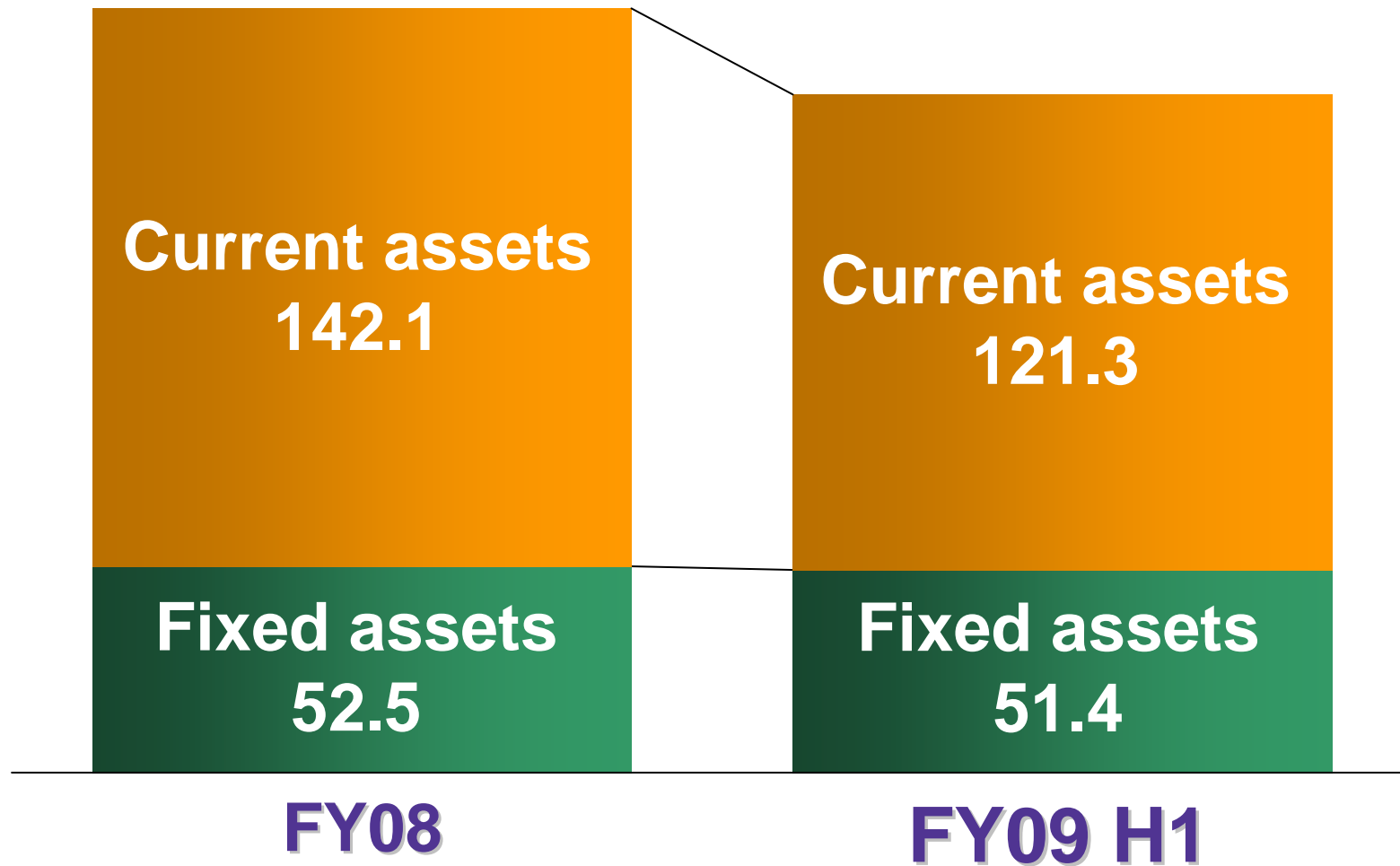
DAIFUKU

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(Billion yen)

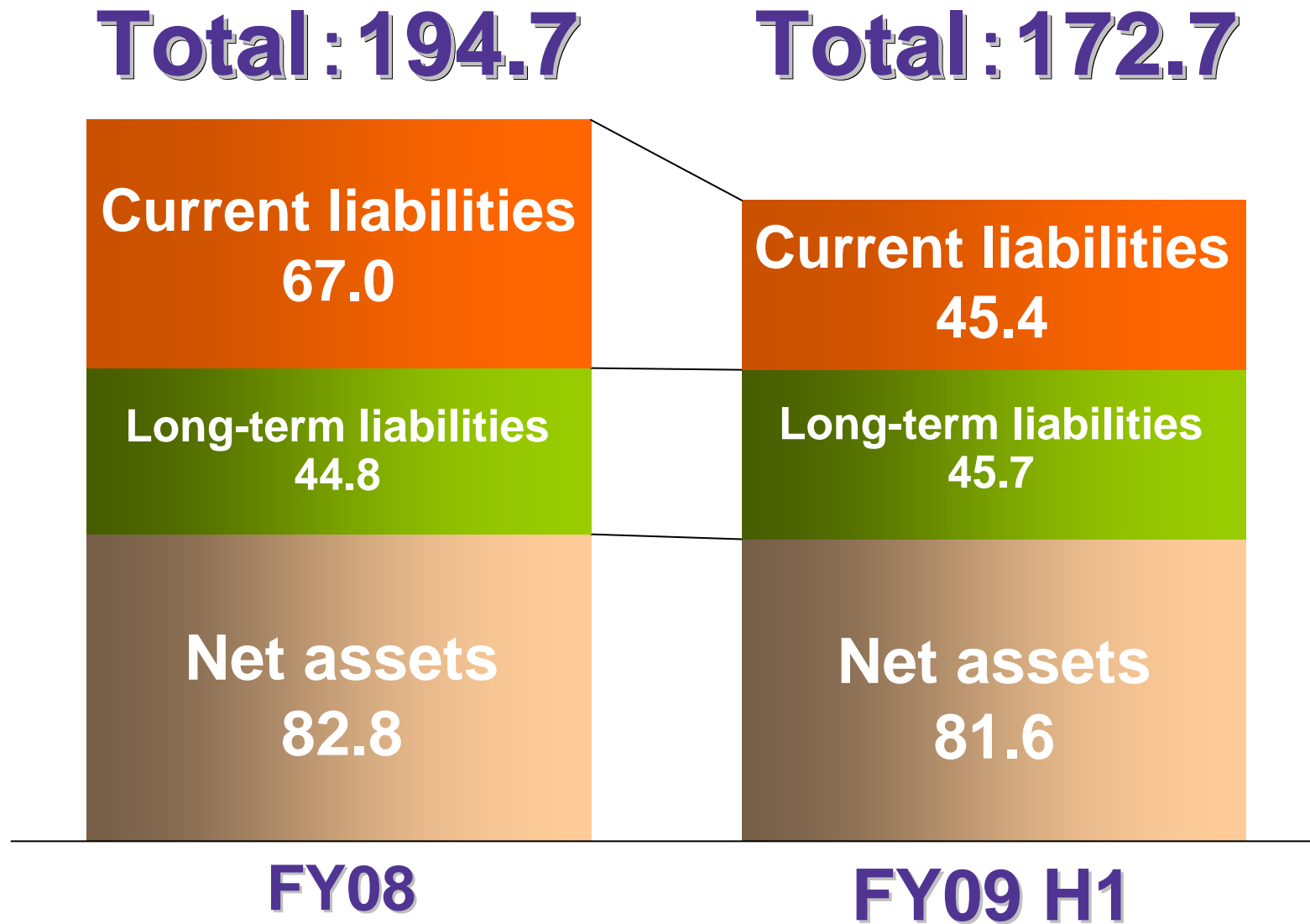
Total: 194.7

Total: 172.7



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

(Billion yen)



Cash and cash equivalents at end of FY2009 Interim

29.0 billion yen (up 46.8% yen year on year)

■ **Cash Flows from Operating Activities**

Cash generated of 6.4 billion yen

(up 12.6 billion yen year on year)

■ **Cash Flows from Investing Activities**

Cash used of 1.2 billion yen

(up 1.0 billion yen year on year)

■ **Cash Flows from Financing Activities**

Cash used of 4.6 billion yen

(down 2.9 billion yen year on year)

3. FY2009 Estimates (Consolidated)

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(Billion yen)	(FY09)	(Announced on August 12, 2009)	(Year-on-year)
Orders	140	160	(-34.0%)
Net sales	157	165	(-35.2%)
Operating income	-0.5	1	(-15.5)
Ordinary income	-1.0	0.4	(-15.8)
Net income	0.3	0.6	(-96.2%)
Net income per share	2.71 yen	5.42 yen	

■ A New Plant Completed in Thailand

On July 1, Daifuku Thailand completed its new plant in the Pinthong Industrial Park, Chonburi Province. With the existing Chonburi Plant, Daifuku Thailand will now operate with a stronger production system for the Asian market.

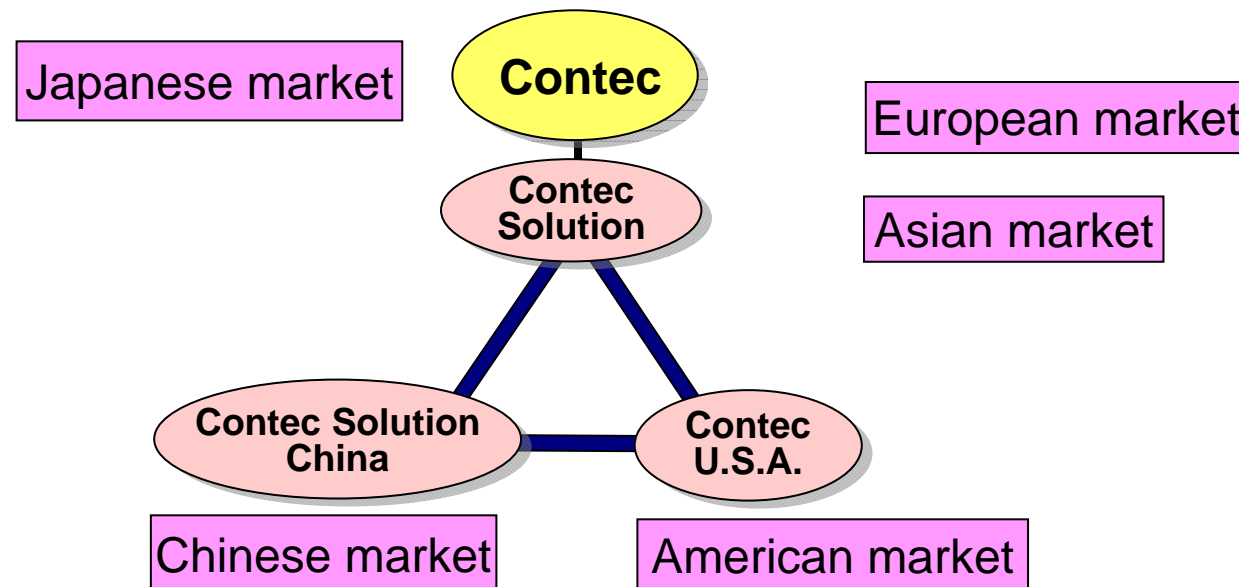


New Pinthong Plant

■ Contec Establishes Its Sales Affiliate in China

Daifuku's subsidiary Contec Co., Ltd., which handles electronic devices, established an affiliate called Contec Solution China Corporation in Shanghai. Contec Solution China aims to bolster sales and marketing activities by restructuring its operations in China.

[Global Sales System Restructuring]



■ Daifuku Releases New Non-Rail Mobile Rack

Compared to conventional models, truck traveling accuracy is vastly improved. The new rack also allows for easier installation, relocation and removal work. Daifuku aims to expand sales in the distribution and Third Party Logistics fields.

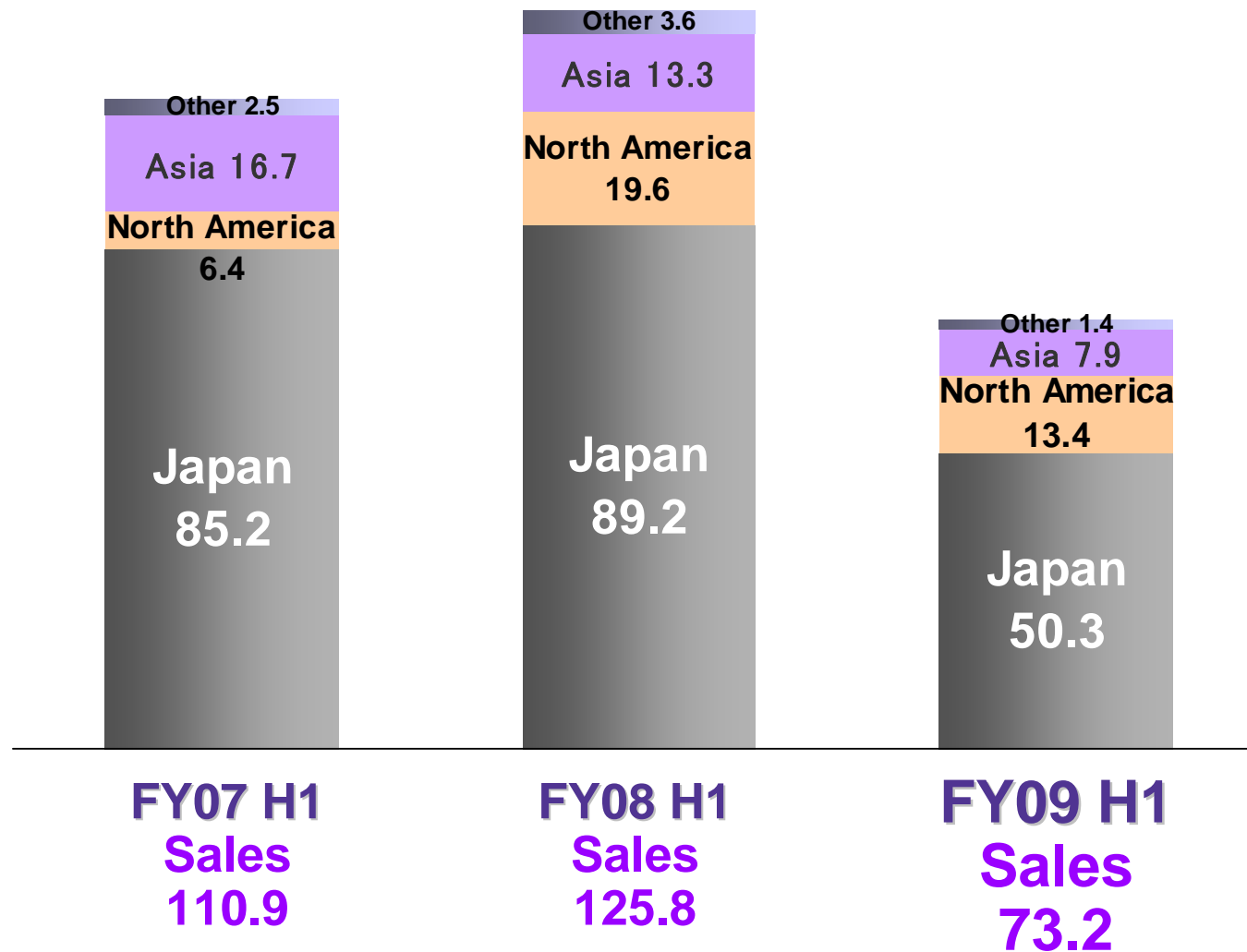


The first new mobile rack installed in a warehouse

5. References

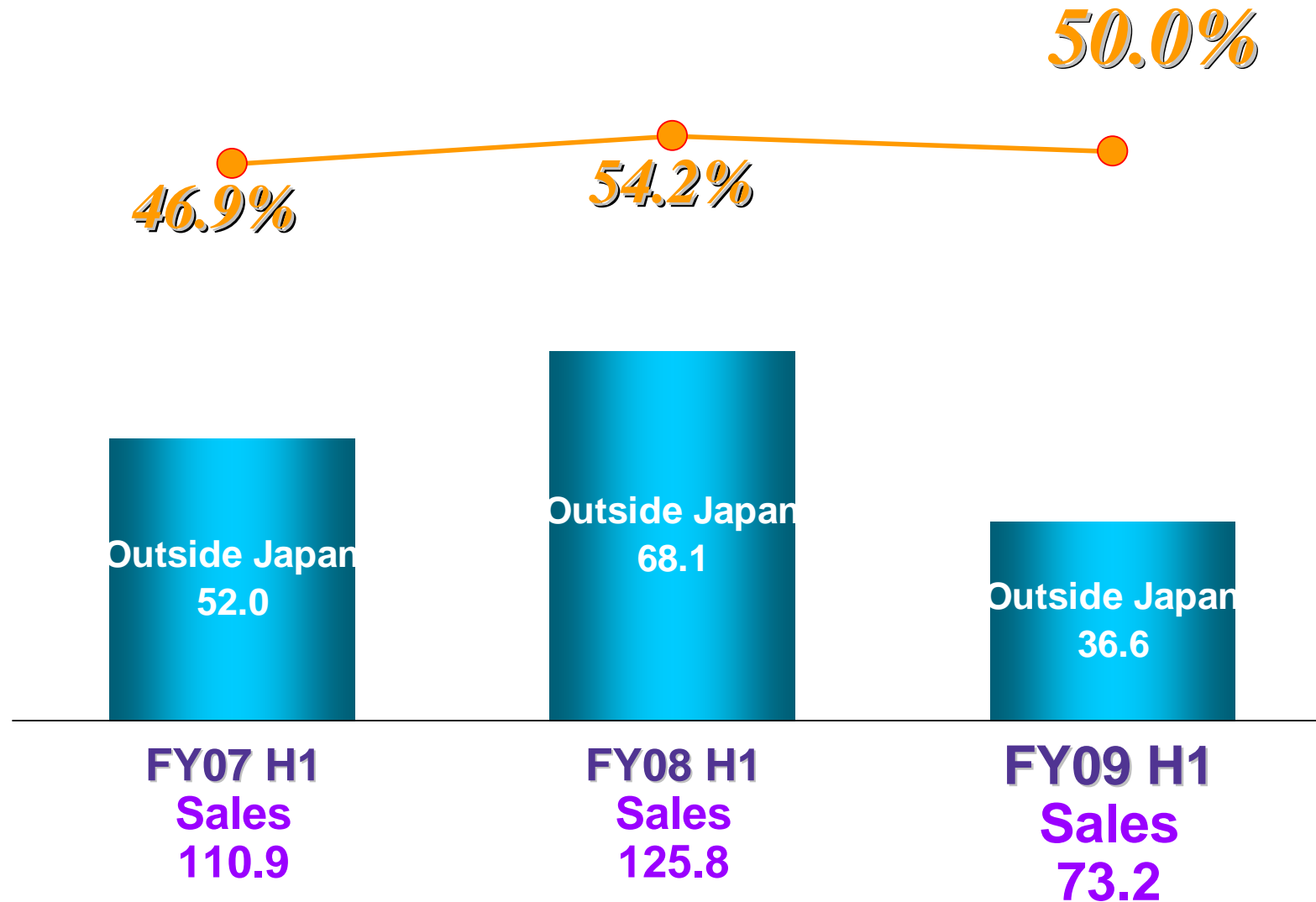
Net Sales by Area (Consolidated, April – September)

(Billion yen)



5. References

Non-Japan Sales Ratio (Consolidated, April – September) (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.