DAIFUKU

Consolidated Financial Results
for the First Half of the Fiscal Year Ending March 31, 2012
[Japan GAAP]

Prepared in accordance with accounting principles generally accepted in Japan

Translated from the original Japanese-language document

November 10, 2011

Daifuku Co., Ltd.

Stock code: 6383, First Section of Tokyo Stock Exchange and Osaka Securities Exchange

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Scheduled date for filing quarterly financial report: November 14, 2011

Scheduled date of commencing dividend payment: December 9, 2011

Quarterly earnings supplementary materials: Yes

Quarterly earnings presentation: Yes (for institutional investors and securities analysts)

Note: Figures are rounded down to the nearest one million yen.

1. Consolidated Financial Results for the First Half of Fiscal 2011

(April 1, 2011 - September 30, 2011)

(1) Operating Results (Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half of fiscal 2011	**95,237**	**28.8**	**1,073**	**–**	**688**	**–**	**-116**	**–**
First half of fiscal 2010	73,956	0.9	-753	–	-778	–	-1,178	–

Note: Comprehensive income

First half of fiscal 2011: 338 million yen (– %)

First half of fiscal 2010: -3,173 million yen (– %)

	Net income per share	Diluted net income per share
	Yen	Yen
First half of fiscal 2011	**-1.06**	**–**
First half of fiscal 2010	-10.65	–

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
First half of fiscal 2011	**173,019**	**76,799**	**43.3**
Fiscal 2010	163,388	77,714	46.3

Reference: Shareholders' equity

First half of fiscal 2011: 74,925 million yen

Fiscal 2010: 75,625 million yen

2. Dividends

	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2010	–	5.00	–	10.00	15.00
Fiscal 2011	–	**5.00**			
Fiscal 2011 (forecast)			**–**	**10.00**	**15.00**

Note: Revisions to the latest dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2012
(April 1, 2011 - March 31, 2012)

(Percentage figures denote increases or decreases compared with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	195,000	22.4	3,500	102.7	3,000	123.0	800	197.0	7.23

Note: Revisions to the latest consolidated financial forecast: None

4. Other Information

(1) Changes in significant subsidiaries that affected the scope of consolidation during the interim period: Yes

Logan Teleflex (UK) Ltd.

(2) Adoption of specific accounting methods for preparing the quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and restatement
1) Changes in accounting standards associated with the revisions of accounting standards: None
2) Other changes: None
3) Changes in accounting estimates: None
4) Restatement: None

(4) Number of shares issued (Common stock)
1) Number of shares issued including treasury stock at the end of the period
First half of fiscal 2011: 113,671,494 shares
Fiscal 2010: 113,671,494 shares
2) Number of treasury stock at the end of the period
First half of fiscal 2011: 3,011,851 shares
Fiscal 2010: 3,008,514 shares
3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
First half of fiscal 2011: 110,661,467 shares
First half of fiscal 2010: 110,675,502 shares

Regarding the status of quarterly review procedures
The current quarterly consolidated financial statements are exempted from quarterly review as provided in Japan's Financial Instruments and Exchange Act. At the time of disclosure of this report, review procedures for these financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

Disclaimer
The business forecasts contained in this document are based on information available to management at the present time and certain assumptions judged to be rational. As such, actual sales and income may differ from this forecast due to uncertain factors present in the forecast or future changes in business circumstances. For the business forecasts, please see 1-(3) "Qualitative information relating to consolidated earnings forecasts."

Contents

1. Qualitative Information Relating to Quarterly Consolidated Financial Results

(1) Qualitative information relating to consolidated operating results

During the first half of the fiscal year under review, the global economy faced concerns about financial crisis, generally raising the specter of recession, due mainly to turmoil in the financial markets triggered by the sovereign debt crisis in Greece and the slowdown in the U.S. economy. Some emerging countries, meanwhile, have tightened their monetary policies to control inflation. The Japanese economy gradually saw an upturn from the impact of the Great East Japan Earthquake, restoring business confidence. Nonetheless, the outlook has become increasingly uncertain, given the record appreciation of the yen and the doubts clouding foreign demand.

The material handling and logistics industry continually confronted a difficult business environment, as the pace of recovery in demand remained moderate in Japan, despite demand for restoring the earthquake damage.

In these circumstances, the Daifuku Group has generally recorded a recovery in orders and sales, owing to an upturn in capital spending in the automotive sector, especially in emerging economies, and the positive effect in M&A in the airport baggage handling system and car wash machine sectors. As a result, the Group received orders of 93,204 million yen, increasing 20.9% from a year earlier, and recorded net sales of 95,237 million yen, up 28.8%.

In terms of profits, while business volumes were recovering and the performance of the service business was firm, the Group's profitability was affected by factors that arose as a result of our proactive approach to global projects requiring more efficient product development, as well as a decrease in profits at the sales division of Contec Co., Ltd., a Daifuku subsidiary. Consequently, the Group recorded operating income of 1,073 million yen, improving 1,826 million yen from a year earlier. Meanwhile, mainly reflecting foreign exchange losses resulting from the appreciation of the yen, ordinary income was 688 million yen, improving 1,467 million yen. The Group also recorded a net loss of 116 million yen, improving 1,061 million yen from a year ago, attributable to an increased extraordinary loss resulting from market valuation losses on stockholdings. Regarding the market valuation method for the stock holding, securities traded on securities exchanges were valued at lower of cost or market. Accordingly, this extraordinary loss may be reversed depending on stock price movements at the end of the current fiscal year.

These consolidated figures include the performance of the airport baggage handling business operated by Logan Teleflex (UK) Ltd., Logan Teleflex (France) S.A., and Logan Teleflex, Inc. (hereinafter collectively referred as "Logan"), all shares in which the Group acquired on April 2011. The Group's orders include a backlog of approximately 6,000 million yen for orders received by Logan as of March 31, 2011.

In its three-year business plan, "Material Handling and Beyond," the Group indicated that its key challenges were to create new products, identify new markets, and launch new businesses for the future. In airport baggage handling system business, the Daifuku Group developed a fast and gentle "Baggage Tray System" with world-leading speeds of 600 meters per minute. The Group will offer an integrated baggage handling system that combines the new system and tilt tray sorters with its industry-leading, high-density automated storage systems. Working together with Logan and Daifuku's affiliate Jervis B. Webb Company, the Group will expand and identify airport markets.

Results by segment are as described below. From the first quarter of the fiscal year under review, the segment classification has been changed as follows, because the Group established Daifuku Webb Holding Company on January 1, 2011 to amalgamate and strengthen the North American business by placing Jervis B. Webb and Daifuku America Corporation under its control.

Formerly: Daifuku Co., Ltd., Contec Co., Ltd., Jervis B. Webb Company, Daifuku America Corporation, and Other

From the current fiscal year:

Daifuku Co., Ltd., Contec Co., Ltd., Daifuku Webb Holding Company, and Other

Earnings in the six months under review of each company above are written as segment net income (loss). For more details about segments, please refer to "Segment Information" below.

Daifuku Co., Ltd.

<Orders>

In material handling systems, orders for storage, transport, sorting, and picking systems for large projects remained solid in the food and pharmaceutical manufacturing, pharmaceutical wholesaling, agriculture, and distribution industries. In addition, Daifuku received orders from new factories for lithium-ion batteries. Outside Japan, orders in these sectors have increased on a year-on-year basis. Daifuku also received orders for distribution centers in South Korea and Russia during the first half of the fiscal year under review.

In systems for semiconductor factories, orders for projects in South Korea and North America remained steady. In systems for flat-panel display factories, demand has shifted from existing large systems for TVs to small and midsize systems for smartphones and other mobile devices.

In automobile production line systems, performance lagged after the 2008 global financial crisis, but orders for projects in North America and emerging countries have been recovering in the fiscal year under review. Japanese automakers have focused on developing eco-friendly vehicles featuring advanced technologies and have made considerable progress. Daifuku won orders for large-scale projects in Japan, Indonesia, and India during the first half of the fiscal year under review. Orders for large projects in Japan and Mexico are expected from the second half.

<Sales>

Sales of storage, transport, sorting, and picking systems for large projects in a number of industries, centering on food, pharmaceuticals, pharmaceutical wholesalers, distribution, lithium-ion batteries, and agriculture, remained firm. Sales of small and midsize systems continued to be influenced by weak demand.

Sales for semiconductor factories in South Korea and North America remained solid. In systems for flat-panel display factories, Daifuku posted sales of projects in Japan and Taiwan.

With respect to automobile production line systems, sales easily surpassed the results of the previous fiscal year, mainly attributable to an increase in automobile productions in Brazil, Thailand, and China. In addition, holiday installations in May and August contributed to improve sales.

In car wash machines, sales remained strong, thanks to the successful acquisition of a competitor’s car wash equipment business. This was also attributable to a recovery in demand, which was postponed because of the earthquake. In wheelchair lifts for care-provider vehicles, unit volume and sales exceeded the initial plan, with large orders received in line with the recovery in automobile production after the Great East Japan Earthquake.

<Income>

Profits were influenced by factors that arose as a result of our proactive approach to global projects requiring more efficient product development, foreign exchange losses resulting from the appreciation of the yen, and market valuation losses on stockholdings due to overall decline in stock value.

As a result, the Company recorded orders of 50,425 million yen, up 7.5% from the previous fiscal year, sales of 55,936 million yen, increasing 20.9%, and a segment loss of 802 million yen, increasing 260 million yen.

Contec Co., Ltd.

In electronic devices and components, sales of computer extension boards and related devices remained flat, influenced by weaker capital spending in the manufacturing sector due to the power shortages and the sharp appreciation of the yen. Meanwhile, sales for non-manufacturing sectors, such as store facilities and public transportation systems, remained solid.

In solutions and services, sales of photovoltaic related systems rose in September or subsequent months, after Japan passed a renewable energy bill.

In system products, performance remained weak, given decreasing investments in automobile production facilities in Japan. Accordingly, Contec is proactively identifying new markets and marketing in China where capital investment is increasing.

As a result, Contec posted orders of 4,118 million yen, down 3.2% from the previous fiscal year, sales of 3,783 million yen, down 9.6%, and a segment loss of 208 million yen, deteriorating 468 million yen.

Daifuku Webb Holding Company

Daifuku Webb Holding oversees Daifuku's North American business, with Daifuku America and Webb under its control, and focuses on ensuring that the two entities make effective use of their resources. This segment is improving productivity and creating more specialized production frameworks between the two companies, sharing information and know-how in engineering and project management, and streamlining enterprise resource planning systems, other backbone information systems, and personnel/finance management systems for both companies.

In the North American market, orders for airport baggage handling systems remained slow, although bids for large projects are projected in the second half of the fiscal year under review. Orders for automobile production line systems remained strong, thanks to the recovery in automobile sales in North America and growing markets in Latin America. In addition, the segment has received a significant number of inquiries for small and midsize automated warehouse systems from the automotive-related sector. In systems for semiconductor factories, the segment steadily won orders for projects to upgrade equipment such as nitrogen purge stockers and to meet needs for semiconductor miniaturization, reflecting rising demand for mobile terminal devices and semiconductors components for computer servers.

Sales and profits remained steady, with increased orders for systems for automobile production lines and other automotive sector applications, as well as for semiconductor factories. This was also attributable to the improved production framework at two affiliates, demonstrating the benefits of collaboration.

As a result, the segment achieved orders of 8,310 million yen, down 37.6% from the previous fiscal year, sales of 14,032 million yen, up 35.0%, and a segment income of 476 million yen, up 17.1%.

Other

The Other segment includes all Daifuku Group companies with the exception of the aforementioned three companies. The Group has 44 consolidated subsidiaries located across the globe. Major Japanese subsidiaries in this segment are Daifuku Logistic Technology Co., Ltd., which provides sales and other services of material handling systems and equipment, and Daifuku Plusmore Co., Ltd., which provides sales and services of car wash machines and bowling equipment. Outside Japan, the Company has major subsidiaries such as Daifuku (China) Co., Ltd. in China, Daifuku Korea Co., Ltd. and Clean Factomation, Inc. in South Korea, Taiwan Daifuku Co., Ltd. in Taiwan, and Daifuku (Thailand) Ltd. in Thailand. These subsidiaries primarily sell and manufacture material handling systems and equipment.

Business performance was generally recovering, particularly at non-Japanese subsidiaries in Asia. In China, which has become the world’s largest auto market in terms of both automobile sales and production, sales of automobile production line systems remained strong. Meanwhile, investment momentum picked up in the form of plans for product distribution centers covering the vast nation. In addition, demand rose in baggage handling systems for new airports in small and midsize cities. This segment will consequently step up its efforts to increase orders. In Taiwan, sales of systems for small and midsize panel production lines and semiconductor factories were brisk. In South Korea, sales of products for semiconductor factories were favorable. In Thailand, the segment has responded to inquiries from ASEAN countries, taking advantage of its ability to service for automotive industry in the entire Asia-Pacific region.

Logan, which joined the Group from the fiscal year under review, won an additional order for large projects for airport baggage handling systems in China.

As a result, the segment recorded orders of 30,350 million yen, up 108.2% from the previous fiscal year, sales of 21,012 million yen, up 39.4%, and a segment income of 944 million yen, up 74.0%. As noted, segment orders include a backlog of approximately 6,000 million yen for orders received by Logan, which were included in the scope of consolidation on April 1, 2011.

(2) Qualitative information relating to consolidated financial position

Assets

Total assets at the end of the first half of the fiscal year under review stood at 173,019 million yen, an increase of

9,630 million yen from the end of the previous fiscal year. This result was attributable mainly to an increase of 10,729 million yen in notes and accounts receivable from completed contracts.

Liabilities

Total liabilities amounted to 96,219 million yen, an increase of 10,545 million yen from the end of the previous fiscal year, principally reflecting increases of 7,417 million yen in notes and accounts payable for contracts and 824 million yen in other current liabilities such as excess charges for uncompleted constructions and advances received.

Net assets

Net assets were 76,799 million yen, a fall of 915 million yen from the end of the previous fiscal year. The primary factors included a decline of 1,223 million yen in retained earnings because of the payment of dividends, as well as an increase of 524 million yen in total other comprehensive income due to securities owned and foreign currency translation adjustments.

Cash flow

Cash and cash equivalents at the end of the first half of the fiscal year under review decreased 8,746 million yen year on year, to 23,696 million yen.

Individual cash flows in the first half of the fiscal year under review and contributing factors are as follows:

(i) Cash flows from operating activities

Cash used in operating activities totaled 5,758 million yen, a decrease of 11,922 million yen from the same period a year ago, primarily reflecting increases of 9,545 million yen in notes and accounts receivable and 2,695 million yen in inventories, offsetting an increase of 6,350 million yen in notes and accounts payable.

(ii) Cash flows from investing activities

Cash used in investing activities was 1,765 million yen, a decrease in cash of 413 million yen from a year ago. The major factors were an outlay of 565 million yen for the purchase of shares in subsidiaries that affected the scope of consolidation and 837 million yen for the purchase of fixed assets.

(iii) Cash flows from financing activities

Cash used in financing activities was 639 million yen, an increase in cash of 1,929 million yen year on year, attributable mainly to dividend payments of 1,103 million yen, as well as a net increase of 560 million yen in interest-bearing liabilities.

(3) Qualitative information relating to consolidated earnings forecasts

Daifuku has not revised its full-year earnings forecasts for the fiscal year ending March 31, 2012, announced on August 10, 2011.

2. Matters relating Summary (and other) information

(1) Changes in significant subsidiaries that affected the scope of consolidation during the interim period:

During the first quarter of the fiscal year under review, Daifuku Co., Ltd. acquired all shares of Logan Teleflex (UK) Ltd., headquartered in the United Kingdom, and Logan Teleflex (France) S.A., headquartered in France. Accordingly, the results of these companies are included in the scope of consolidation from the first quarter of the fiscal year under review. Among these subsidiaries, Logan Teleflex (UK) Ltd. is designated as a significant consolidated subsidiary.

During the first quarter of the fiscal year under review, Jervis B. Webb Company, a wholly owned subsidiary of Daifuku Co., Ltd. that closes its accounts on December 31, acquired all shares of Logan Teleflex, Inc. headquartered in the United States. Accordingly, the results of Logan Teleflex, Inc. are included in the scope of consolidation from the second quarter of the fiscal year under review.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	FY2010 (Year ended March 31, 2011)	First half of FY2011 (Period ended September 30, 2011)
ASSETS		
Current assets:		
Cash on hand and in banks	31,749	23,749
Notes and accounts receivable	47,268	57,997
Merchandise and finished goods	2,776	2,839
Costs on uncompleted contracts	7,682	10,033
Raw materials and supplies	6,672	7,400
Other current assets	11,199	15,988
Allowance for doubtful accounts	(129)	(135)
Total current assets	107,218	117,873
Fixed assets:		
Tangible fixed assets	31,580	31,235
Intangible assets		
Goodwill	2,229	2,450
Other	2,816	2,560
Total intangible assets	5,045	5,011
Investments and other assets		
Other	19,804	19,157
Allowance for doubtful accounts	(260)	(259)
Total investments and other assets	19,543	18,898
Total fixed assets	56,170	55,146
Total assets	163,388	173,019
LIABILITIES		
Current liabilities:		
Notes and accounts payable	25,876	33,293
Short-term borrowings	2,826	3,163
Income taxes payable	788	787
Provision for losses on contracts	673	882
Other current liabilities	11,144	11,968
Total current liabilities	41,309	50,095
Long-term liabilities:		
Bonds	10,000	10,000
Long-term borrowings	28,085	28,969
Provision for retirement benefits	2,015	2,885
Other long-term liabilities	4,263	4,269
Total long-term liabilities	44,364	46,124
Total liabilities	85,674	96,219

(Million yen)

	FY2010 (Year ended March 31, 2011)	First half of FY2011 (Period ended September 30, 2011)
NET ASSETS		
Shareholders' equity:		
Common stock	8,024	8,024
Capital surplus	9,028	9,028
Retained earnings	67,819	66,595
Treasury stock	(2,417)	(2,419)
Total shareholders' equity	82,454	81,228
Accumulated other comprehensive income:		
Net unrealized gain (loss) on securities	(482)	(343)
Deferred gain (loss) on hedges	(32)	72
Foreign currency translation adjustments	(6,313)	(6,032)
Total accumulated other comprehensive income	(6,828)	(6,303)
Minority interests:	2,088	1,874
Total net assets	77,714	76,799
Total liabilities and net assets	163,388	173,019

(2) Consolidated Statements of Income and Comprehensive Income

(Million yen)

	FY2010 H1 (April 1, 2010 – September 30, 2010)	FY2011 H1 (April 1, 2011 – September 30, 2011)
Net sales	73,956	95,237
Cost of sales	61,633	80,452
Gross profit	12,322	14,785
Selling, general and administrative expenses:		
Selling expenses	6,765	7,113
General and administrative expenses	6,311	6,599
Total selling, general and administrative expenses	13,076	13,712
Operating income (loss)	(753)	1,073
Non-operating income:		
Interest income	56	73
Dividend income	120	150
Rental income	106	107
Other	302	121
Total non-operating income	585	452
Non-operating expenses:		
Interest expenses	404	411
Foreign exchange loss	130	397
Other	75	28
Total non-operating expenses	611	837
Ordinary income (loss)	(778)	688
Extraordinary income:		
Reversal of allowance for doubtful accounts	35	–
Other	6	0
Total extraordinary income	42	0
Extraordinary loss:		
Loss on disposal and sales of fixed assets	20	27
Loss on valuation of investments in securities	36	909
Loss on adjustment for changes in accounting standard for asset retirement obligations	500	–
Other	2	49
Total extraordinary loss	559	986
Income (loss) before income taxes and minority interests	(1,296)	(297)
Income taxes - current	569	756
Income taxes - deferred	(810)	(859)
Total income taxes	(240)	(102)
Income (loss) before minority interests	(1,055)	(195)
Minority interests in income (loss)	123	(78)
Net loss	(1,178)	(116)

(Million yen)

	FY2010 H1 (April 1, 2010 – September 30, 2010)	FY2011 H1 (April 1, 2011 – September 30, 2011)
Minority interests in net income (loss)	123	(78)
Income (loss) before minority interests	(1,055)	(195)
Other comprehensive income		
Net unrealized gain (loss) on securities	(823)	133
Deferred gain (loss) on hedges	13	104
Foreign currency translation adjustments	(1,300)	297
Share of other comprehensive income of associates accounted for using equity method	(8)	(1)
Total other comprehensive income	(2,118)	533
Comprehensive income:	(3,173)	338
Comprehensive income attributable to:		
Owners of the parent	(3,259)	407
Minority interests	86	(69)

(3) Consolidated Statement of Cash Flows

(Million yen)

	FY2010 H1 (April 1, 2010 – September 30, 2010)	FY2011 H1 (April 1, 2011 – September 30, 2011)
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	(1,296)	(297)
Depreciation	1,778	1,713
Interest and dividend income	(176)	(223)
Interest expenses	404	411
(Increase) decrease in notes and accounts receivable	(2,351)	(9,545)
(Increase) decrease in inventories	(3,021)	(2,695)
Increase (decrease) in notes and accounts payable	5,127	6,350
Increase (decrease) in advances received on uncompleted contracts	128	1,004
Loss on adjustment for changes in accounting standard for asset retirement obligations	500	–
Other	4,106	(2,120)
Subtotal	5,201	(5,402)
Interest and dividend income received	175	221
Interest expenses paid	(336)	(416)
Income taxes refund (paid)	936	(241)
Other proceeds	186	79
Net cash provided by (used in) operating activities	6,163	(5,758)
Cash flows from investing activities:		
Investments in time deposits	(743)	(0)
Proceeds from refund of time deposits	0	24
Payments for purchase of fixed assets	(613)	(837)
Proceeds from sales of fixed assets	14	33
Payments for purchase of investments in securities	(8)	(78)
Payments for purchase of stock of subsidiaries	–	(184)
Payments for purchase of stock of subsidiaries that affected the scope of consolidation	–	(565)
Payments for transfer of business	(2)	(160)
Other	0	3
Net cash used in investing activities	(1,352)	(1,765)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	(1,396)	414
Proceeds from long-term borrowings	6	1,007
Repayment of long-term borrowings	(25)	(861)
Payments for purchase of treasury stock	(2)	(1)
Payments of cash dividends	(1,104)	(1,103)
Other	(45)	(94)
Net cash used in financing activities	(2,568)	(639)
Effect of exchange rate change on cash and cash equivalents	(900)	187
Net increase (decrease) in cash and cash equivalents	1,342	(7,975)
Cash and cash equivalents at beginning of period	31,101	31,672
Cash and cash equivalents at end of period	32,443	23,696

Note on Going Concern Assumption

Not applicable

Additional Information

From the first quarter of the consolidated fiscal year under review, the Company adopted the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ No. 24, December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009).

Segment Information

I. The first half of the previous consolidated fiscal year ended March 31, 2011

(from April 1, 2010 to September 30, 2010)

1. Information relating to the amounts of net sales and income or losses by reportable segment

(Million yen)

	Reportable Segments				Other*	Total
	Daifuku	Contec	Daifuku Webb Holding	Total		
Net sales						
Sales to outside customers	46,276	4,186	10,391	60,855	15,076	75,931
Inter-segment sales or transfers	4,850	3,512	490	8,852	4,750	13,603
Total	51,127	7,698	10,882	69,708	19,827	89,535
Segment net income (loss)	(1,063)	260	406	(396)	542	146

Note: "Other" represents an operating segment comprising Japanese and overseas subsidiaries that are not in the reportable segments.

2. Differences between total amounts of net sales and income or losses of reportable segments and those in quarterly consolidated statements of income and comprehensive income and details thereof

(matters relating to difference reconsideration)

Sales	(Million yen)
Reportable segment total	69,708
Net sales classified in "Other"	19,827
Elimination of inter-segment transactions	(13,603)
Adjustment for consolidation of sales on the percentage-of-completion basis	(2,219)
Other adjustments for consolidation	243
Net sales in quarterly consolidated financial statements	73,956

Income	(Million yen)
Reportable segment total	(396)
Net income classified in "Other"	542
Elimination of dividends from affiliates	(934)
Other adjustments for consolidation	(390)
Net loss in quarterly consolidated financial statements	(1,178)

3. Information relating to loss on impairment of fixed assets by reportable segment

Not applicable

II. The first half of the consolidated fiscal year ending March 31, 2012

(from April 1, 2011 to September 30, 2011)

1. Information relating to the amounts of net sales and income or losses by reportable segment

(Million yen)

	Reportable Segments				Other*	Total
	Daifuku	Contec	Daifuku Webb Holding	Total		
Net sales						
Sales to outside customers	55,936	3,783	14,032	73,752	21,012	94,764
Inter-segment sales or transfers	8,298	4,259	571	13,129	7,474	20,603
Total	64,234	8,042	14,603	86,881	28,487	115,368
Segment net income (loss)	(802)	(208)	476	(534)	944	409

Note: "Other" represents an operating segment comprising Japanese and overseas subsidiaries that are not in the reportable segments.

2. Differences between total amounts of net sales and income or losses of reportable segments and those in quarterly consolidated statements of income and comprehensive income and details thereof

(matters relating to difference reconsideration)

Sales	(Million yen)
Reportable segment total	86,881
Net sales classified in "Other"	28,487
Elimination of inter-segment transactions	(20,603)
Adjustment for consolidation of sales on the percentage-of-completion basis	322
Other adjustments for consolidation	150
Net sales in quarterly consolidated financial statements	95,237

Income	(Million yen)
Reportable segment total	(534)
Net income classified in "Other"	944
Elimination of dividends from affiliates	(251)
Other adjustments for consolidation	(274)
Net loss in quarterly consolidated financial statements	(116)

3. Changes to reportable segments

The Group established Daifuku Webb Holding Company on January 1, 2011 to amalgamate and strengthen the North American business by placing Daifuku America Corporation and Jervis B. Webb Company under its control. Accordingly, Daifuku's segment classifications were changed in the first quarter of fiscal 2011 as follows:

Formerly: Daifuku Co., Ltd.
Contec Co., Ltd.
Jervis B. Webb Company
Daifuku America Corporation

From the fiscal year under review:
Daifuku Co., Ltd.
Contec Co., Ltd.
Daifuku Webb Holding Company

The segment information of the first half of the previous fiscal year was created based on the current reportable segments.

4. Information relating to loss on impairment of fixed assets by reportable segment

Not applicable

Notes When There Is a Material Change in the Amount of Shareholders Equity

The first half of the fiscal year ending March 31, 2012 (from April 1, 2011 to September 30, 2011)

Not applicable