DAIFUKU

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2012
[Japan GAAP]

Prepared in accordance with accounting principles generally accepted in Japan

Translated from the original Japanese-language document

May 14, 2012

Daifuku Co., Ltd.
Stock code: 6383, First Section of Tokyo Stock Exchange and Osaka Securities Exchange
URL: www.daifuku.co.jp
Representative: Masaki Hojo, President and Co-CEO
Contact: Yoshihisa Kimura, Corporate Officer, Finance and Accounting
Tel: +81-6-6472-1261

Scheduled date of general meeting of shareholders: June 28, 2012
Scheduled date of commencing dividend payment: June 29, 2012
Scheduled date for filing financial statements: June 29, 2012
Earnings supplementary materials: Yes
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 Fiscal 2011
(April 1, 2011 - March 31, 2012)

(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	%
Fiscal 2011	**198,052**	**24.4**	**4,217**	**144.3**	**4,022**	**199.0**	**1,223**	**354.1**
Fiscal 2010	159,263	3.3	1,726	–	1,345	–	269	-73.5

Note: Comprehensive income
Fiscal 2011: 743 million yen (– %)
Fiscal 2010: -1,774 million yen (– %)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal 2011	**11.05**	–	**1.6**	**2.3**	**2.1**
Fiscal 2010	2.43	2.41	0.3	0.8	1.1

Reference: Equity in earnings of affiliates
Fiscal 2011: -13 million yen
Fiscal 2010: 0 million yen

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal 2011	**185,049**	**76,618**	**40.3**	**674.72**
Fiscal 2010	163,388	77,714	46.3	683.39

Reference: Shareholders' equity
Fiscal 2011: 74,661 million yen
Fiscal 2010: 75,625 million yen

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of year
	Million yen	Million yen	Million yen	Million yen
Fiscal 2011	**-5,187**	**-4,039**	**7,709**	**29,438**
Fiscal 2010	11,417	-3,616	-6,056	31,672

2. Dividends

	Dividend per share					Total cash dividends (annual)	Dividends payout (consolidated)	Net assets dividend ratio (consolidated)
	End of Q1	End of Q2	End of Q3	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal 2010	–	5.00	–	10.00	15.00	1,660	616.4	2.1
Fiscal 2011	–	5.00	–	10.00	15.00	1,659	135.7	2.2
Fiscal 2012 (forecast)	–	**5.00**	–	**10.00**	**15.00**		**55.3**	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2013

(April 1, 2012 - March 31, 2013)

(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
Interim	98,000	2.9	1,500	39.7	1,300	88.8	700	–	6.33
Full-year	205,000	3.5	6,000	42.3	5,500	36.7	3,000	145.3	27.11

4. Other Information

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

Logan Teleflex (UK) Ltd.

(2) 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

(3) Number of shares issued (Common stock)
1) Number of shares issued including treasury stock at the end of the period
Fiscal 2011: 113,671,494 shares
Fiscal 2010: 113,671,494 shares
2) Number of treasury stock at the end of the period
Fiscal 2011: 3,016,058 shares
Fiscal 2010: 3,008,514 shares
3) Average number of shares during the period
Fiscal 2011: 110,659,535 shares
Fiscal 2010: 110,671,555 shares

[Reference] Summary of Non-Consolidated Results

Non-Consolidated Financial Results for Fiscal 2011
(April 1, 2011 - March 31, 2012)

(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	%
Fiscal 2011	**132,861**	**19.1**	**344**	**–**	**3,380**	**162.5**	**1,886**	**112.1**
Fiscal 2010	111,542	5.8	-1,678	–	1,287	87.3	889	4.4

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal 2011	**17.05**	**–**
Fiscal 2010	8.04	7.95

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal 2011	**149,858**	**66,837**	**44.6**	**604.02**
Fiscal 2010	129,346	65,842	50.9	594.98

Reference: Shareholders' equity
Fiscal 2011: 66,837 million yen
Fiscal 2010: 65,842 million yen

Audit Status
These consolidated financial statements are exempted from audit requirements as provided in Japan's Financial Instruments and Exchange Act. At the time of disclosure of these statements, the audit for the financial statements under this Act has 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-(1) "Qualitative information relating to consolidated operating results, Outlook for the fiscal year ending March 31, 2013."

Contents

1. Operating and Financial Review

(1) Analysis of operating results

During the fiscal year under review, the global economy faced concerns about financial crisis, raising the specter of recession, mainly linked to the European sovereign debt crisis that began in Greece and the slowdown in the U.S. economy. Some emerging countries, meanwhile, have tightened their monetary policies to control inflation. In the Japanese economy, the outlook has become increasingly uncertain, given the Great East Japan Earthquake, the flooding in Thailand, the record appreciation of the yen, and the weakness in overseas demand. During the fourth quarter of the fiscal year under review, the economy staged a moderate recovery, driven by a rally in export businesses resulting from the weaker yen and a recovery in the U.S. economy. However, the Japanese market has entered the new fiscal year facing an uncertain future in the wake of rising crude oil prices, power shortages caused by shutting down of nuclear power plants, and other factors.

The material handling and logistics industry has continued to confront a difficult business environment, as the pace of recovery in demand remained moderate in Japan, despite demand for restoration from the damage caused by the Great East Japan Earthquake.

In this environment, however, the Daifuku Group's earnings have steadily bounced back from the decline experienced after the 2008 global financial crisis. This rebound is a result of tremendous efforts across the Group, continued from the previous fiscal year.

Orders and sales increased, as the Group responded to rising demand for investment in emerging economies and North America in the automotive sector, met needs for semiconductor miniaturization in the semiconductor sector, and expanded its frameworks through M&A in the airport baggage handling system and car wash machine sectors. As a consequence, the Group received orders of 195,217 million yen, increasing 8.3% from a year earlier, and recorded net sales of 198,052 million yen, a rise of 24.4%. Order backlogs at the end of the fiscal year under review (approximately 90,500 million yen) were slightly lower than the backlogs of the previous fiscal year (approximately 93,400 million yen). However, the Group has made an excellent start in the following fiscal year ending March 31, 2013, receiving orders for large projects for automobile factories in North America that had been postponed from the previous fiscal year.

In terms of profits, the Group maintained the upward momentum of its operating income, aided by the recovery in business volumes and the firm performance of the service business. It also benefited from strong sales in the fourth quarter of the fiscal year under review. Ordinary income was influenced by factors that arose as a result of foreign exchange losses resulting from the appreciation of the yen, market valuation losses on stockholdings due to an overall decline in stock value, and the reversal of deferred tax assets under the revised corporation tax law. Nonetheless, it unexpectedly outperformed the forecast due to the depreciation of the yen and a rise in stock value over the end of the fiscal year under review. As a result, the Group recorded operating income of 4,217 million yen (improving 144.3% from a year earlier) and ordinary income of 4,022 million yen (improving

199.0%). It also recorded net income of 1,223 million yen (up 354.1%).

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

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. The change reflects the fact that the Group established Daifuku Webb Holding Company on January 1, 2011 to amalgamate and strengthen the North American business by placing Jervis B. Webb Company 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

Sales to outside customers from each company above is described as segment income, and the net income of each company above is written as segment income. For more details about segments, please refer to “Segment Information” below.

Daifuku Co., Ltd.

<Orders>

Orders for storage, transport, sorting, and picking systems for large projects remained solid in the food, pharmaceutical manufacturing, pharmaceutical wholesaling, agriculture, and distribution industries. Outside Japan, orders in these sectors have increased on a year-on-year basis. During the fiscal year under review, Daifuku received orders for projects mainly in South Korea, Russia, Indonesia, and Spain. The Company plans to increase orders received for non-Japanese projects, mainly in North America and China during the following fiscal year. In small and midsize systems, demand has been generated by restoration from the damage caused by the Great East Japan Earthquake, although the impact of flagging demand in the automotive and electronics sectors persisted.

In systems for semiconductor factories, orders for nitrogen purge stockers, which meet needs for semiconductor miniaturization for projects in South Korea and North America, held steady. In systems for flat-panel display factories, demand shifted from existing production line systems for large flat-panel TVs to systems for small and midsize panels for smartphones and other mobile devices. In the future, demand for systems for high definition panels and thinner glass panels is expected, mainly in China.

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.

Daifuku also won orders for large projects in Japan and Mexico. Thanks to more focused development efforts, it also received orders for new conveyor systems for automobile assembly and paint lines.

<Sales>

Sales of storage, transport, sorting, and picking systems for large projects to a broad range of industries centered on food, pharmaceuticals, pharmaceutical wholesalers, distribution, and agriculture remained firm. Sales for semiconductor factories in South Korea and North America also remained solid. In systems for flat-panel display factories, Daifuku posted sales for 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 sales for projects in Brazil, Thailand, China, Indonesia, and India. In addition, holiday installations in May, August, and the New Year season contributed to the stronger sales performance. It also benefited from the rapid completion of the Thai flooding restoration project.

In car wash machines, sales sustained a strong performance from the beginning of the fiscal year under review, thanks to the successful acquisition of a competitor’s car wash equipment business. The positive result was also attributable to brisk demand for equipment replacement in the filling station industry and rising orders in the car dealer sector. In wheelchair lifts for care-provider vehicles, unit volume and sales reached record levels, with large orders received in line with the recovery in automobile production and demand for reconstruction for care facilities after the Great East Japan Earthquake.

<Income>

Operating income moved into the black on a non-consolidated basis. Thanks to the results of subsidiaries in Japan and abroad, the Group’s operating income remained in the black on a consolidated basis, although Daifuku posted operating losses on a non-consolidated basis for the fiscal years ended March 31, 2010 and 2011. During the fiscal year under review, strong sales in the fourth quarter, cost cutting, and royalties from its subsidiaries contributed to Daifuku’s earnings. Profits were influenced by factors that arose as a result of foreign exchange losses resulting from the appreciation of the yen, market valuation losses on stockholdings due to an overall decline in stock value, and the reversal of deferred tax assets under the revised corporation tax law, but outperformed the forecast because of the depreciation of the yen and a rise in stock value at the end of the fiscal year under review. Dividend income from subsidiaries also contributed to the improved profit result.

As a result, Daifuku received orders of 111,875 million yen, up 4.3% from the previous fiscal year, net sales of 114,613 million yen, up 14.3%, and segment income of 1,886 million yen, up 112.1%.

Contec Co., Ltd.

- Electronic devices and components

In computer extension boards and related devices, results were influenced by the shrinking automobile production activities triggered by the Great East Japan Earthquake. In contrast, sales of products for manufacturing equipment and inspection and measuring instruments remained solid throughout the fiscal year under review. In industrial-use personal computers and related devices, in spite of difficulties in parts procurement created by the devastating earthquake and the Thai flooding, results were backed by efforts to expand sales into non-manufacturing markets and increased investment plans. In networking equipment, sales of wireless LAN products for public and store facilities remained buoyant.

- Solutions and services

At the beginning of the fiscal year under review, sales of power remote monitoring systems were robust, while sales of photovoltaic data measuring systems remained flat, given a delay in orders because renewable energy purchase values had not yet been determined.

- System products

Contec made efforts to develop the high-growth Chinese market. Sales of systems for the automotive-related sector in Japan did not recover.

As a consequence, Contec recorded orders of 8,350 million yen, down 1.3% from the previous fiscal year, net sales of 8,161 million yen, down 4.9%, and segment income of 68 million yen, down 83.9%.

Over the next fiscal year, Contec will aim to increase sales in non-Japanese markets, by continuing its efforts to boost sales in the fields with strong future growth potential, as well as developing globally competitive pricing with improved delivery time and strengthening its frameworks for product development and engineering.

Daifuku Webb Holding Company

Daifuku Webb Holding oversees Daifuku's North American business, with Jervis B. Webb and Daifuku America under its control, and focuses on ensuring that the two entities make effective use of their resources. This segment is improving the efficiency of the production and service 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. It has already completed integration of some business operations and will continue to expand coordination efforts.

Orders for systems for automobile production line systems and systems for the semiconductor sector remained strong. Meanwhile, orders for airport baggage handling systems were influenced by delays in contract procedures and the determination of manufacturers. In automobile production line systems, capital spending in the Americas became brisk, which contributed to the results. In systems for the semiconductor sector, 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 semiconductor components for computer servers. In systems for the automotive and food sectors, aggressive marketing activities for the automatic guided cart SmartCart were successful.

Sales of systems for the automotive and related sectors and the semiconductor sector increased significantly. North America's economy is expected to recover and the segment's overall orders and sales can be expected in the following fiscal year.

As a result, Daifuku Webb Holding recorded orders of 25,770 million yen, down 14.1% from the previous fiscal year, net sales of 28,273 million yen, up 40.2%, and segment income of 1,121 million yen, up 57.5%.

Other

The Other segment includes all Daifuku Group companies, with the exception of the three companies described separately above. The Group has 44 consolidated subsidiaries across the globe. Major Japanese subsidiaries in this segment are Daifuku Logistic Technology Co., Ltd. (merged into Daifuku Co., Ltd. in April 2012), 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, where it has production facilities, 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 remained strong, particularly at non-Japanese subsidiaries in Asia. Global collaboration among subsidiaries has gathered momentum. In December 2011, Clean Factomation won an award from South Korean government for the exporting business that earned more than 30 million U.S. dollars a year, resulting in contributing to the country.

In China, which has become the world's largest auto market in terms of both automobile sales and production, sales of systems for automobile factories remained strong. Meanwhile, investment momentum picked up in the form of plans for product distribution centers covering the vast Chinese nation. In addition, demand rose in baggage handling systems for new airports in small and midsize cities. This segment is consequently stepping up its efforts to increase orders. In Taiwan, sales of systems for small and midsize panel production lines and for semiconductor factories were brisk. In South Korea, sales of products for semiconductor and automobile factories were favorable.

In Thailand, the segment has responded to inquiries from ASEAN countries, taking advantage of its ability to service the automotive industry across the Asia-Pacific region. With respect to the flooding, Daifuku Thailand did not sustain serious damage to its production facilities in Thailand. We participated in restoration work for customer facilities affected by the floods, dispatching our support team from Japan for local production and services. Restoration was ultimately completed in an impressively short period, and we earned high marks from our customers.

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

As a result, the segment recorded orders of 49,219 million yen, up 42.6% from the previous fiscal year, net sales of 45,019 million yen, up 42.8%, and segment income of 1,698 million yen, up 184.3%. As noted, segment orders include a backlog of approximately 6,000 million yen for orders received by Logan Teleflex, which were included in the scope of consolidation on April 1, 2011.

Outlook for the fiscal year ending March 31, 2013

In April 2010, Daifuku launched a three-year business plan, *Material Handling and Beyond*, with the aim of achieving net sales of 220 billion yen and operating income of 11 billion yen for the fiscal year ending March 31, 2013. During the first year of the plan, the impact of the 2008 global financial crisis remained strong. In the next fiscal year, results began to recover, and in the final year ending March 31, 2013, we are striving to sustain growth in revenue and earnings, although the targets described above are likely to remain elusive.

The factors for severe conditions surrounding orders and sales are mainly attributable to sweeping changes in industrial structures, including a decline in demand for flat-panel display TV production, as well as customer budget restraints accompanying the shifting of manufacturing bases to emerging countries. In addition, we expect there to be no way of escaping a fall in large projects for constructing new distribution centers in Japan, since demand is decreasing in the pharmaceutical wholesaling sector. If the yen continues to remain strong, a decline in the results of non-Japanese subsidiaries will be inevitable at the time of closing on a consolidated basis.

Despite the challenging circumstances, the Daifuku Group achieved an increase in earnings, reflecting the positive effect in M&A with competitors in Japan and overseas to expand the overall operating framework of the Group. We will continue to pursue the benefits of collaboration within the Group to help boost both quality and volume.

In terms of quality (profits), we have faced external factors, such as intensified competition and growing competition in emerging markets. Meanwhile, we have confronted other factors in growth strategies generated from challenges for large projects outside Japan with inadequate infrastructure for procurement and installation and aggressive development in new markets, even accepting a certain degree of risk.

“Challenges to address,” below, describes possible improvement plans for these factors. Given the initiatives above, the Group has made the following results forecast for the fiscal year ending March 31, 2013:

Consolidated financial forecast for the fiscal year ending March 31, 2013

Orders received	210 billion yen	(Up 7.6% year on year)
Net sales	205 billion yen	(Up 3.5% year on year)
Operating income	6 billion yen	(Up 42.3% year on year)
Ordinary income	5.5 billion yen	(Up 36.7% year on year)
Net income	3 billion yen	(Up 145.3% year on year)

The financial forecast above represents the judgment of the Company based on information presently available. Actual results may differ from the forecast due to various uncertainties, including economic and competitive conditions worldwide as well as various risk factors.

(2) Analysis of financial position

Assets, liabilities and net assets

Total assets at the end of the fiscal year under review were 185,049 million yen, an increase of 21,660 million yen year on year. This result was attributable mainly to an increase of 21,408 million yen in notes and accounts receivable from completed contracts from the end of previous fiscal year.

Total liabilities at the end of the fiscal year under review were 108,431 million yen, an increase of 22,757 million yen year on year. Primary factors included an increase of 7,185 million yen in notes payable and accounts payable for contracts from the end of the previous fiscal year, as well as an increase of 10,098 million yen in interest-bearing liabilities.

Net assets at the end of the fiscal year under review were 76,618 million yen, a decline of 1,096 million yen year on year. The primary factors included a decline of 436 million yen in retained earnings because of the payment of dividends, as well as a decline of 523 million yen in total other comprehensive income due to securities owned and foreign currency translation adjustments.

Cash flows

Cash and cash equivalents at the end of the fiscal year under review decreased 2,234 million yen from the end of the previous fiscal year, to 29,438 million yen (compared with 31,672 million yen in the same period of the previous fiscal year).

Cash flows from operating activities

Cash used in operating activities totaled 5,187 million yen (compared with cash provided of 11,417 million yen in the same period of the previous fiscal year). This primarily reflects an increase of 20,969 million yen in notes and accounts receivable, offsetting an increase of 6,763 million yen in notes and accounts payable and the depreciation of 3,612 million yen.

Cash flows from investing activities

Cash used in investing activities was 4,039 million yen (compared with cash used of 3,616 million yen in the same period of the previous fiscal year). Major activities included an outlay of 2,293 million yen for the acquisition of fixed assets and 715 million yen for the acquisition of investment securities.

Cash flows from financing activities

Cash provided by financing activities was 7,709 million yen (compared with cash used of 6,056 million yen in the same period of the previous fiscal year). The major factors were an increase of 9,360 million yen in short-term borrowings provided as operating capital, despite of dividend payment of 1,658 million yen.

<Reference> Changes in cash flow indicators

	FY ended March 2008	FY ended March 2009	FY ended March 2010	FY ended March 2011	FY ended March 2012
Equity ratio (%)	38.0	40.9	47.9	46.3	40.3
Equity ratio based on market capitalization (%)	64.9	30.0	49.2	40.9	28.7
Ratio of interest-bearing liabilities to cash flows (Year)	1.6	–	2.2	3.6	–
Interest coverage ratio (Times)	48.1	–	21.1	14.1	–

Equity ratio: Shareholders' equity/Total assets

Equity ratio based on market capitalization: Market capitalization of shares/Total assets

Ratio of interest-bearing liabilities to cash flows: Interest-bearing liabilities/Cash flows

Interest coverage ratio: Cash flows/Interest paid

(Note 1) The above indicators are calculated based on the figures in the consolidated financial statements.

(Note 2) Market capitalization is calculated based on the number of shares issued excluding treasury stock.

(Note 3) Operating cash flows are used for cash flows.

(Note 4) Interest-bearing liabilities are all liabilities recorded in the consolidated balance sheets that pay interest.

(3) Basic policy for dividends for the fiscal year under review and the next fiscal year

Daifuku regards the return of profits to shareholders as its most important management task and adopts a performance-based policy for dividends from surpluses based on consolidated net income, with the aim of achieving additional profit distribution to shareholders. We appropriate the remaining surplus to internal reserves for future growth.

For the fiscal year under review, Daifuku paid an interim dividend of 5 yen per share, and the Board of Directors decided to pay a year-end dividend of 10 yen per share at a meeting held on May 14, 2012, making an annual dividend 15 yen per share. With respect to dividends for the next fiscal year ending March 31, 2013, the Company plans to pay an annual dividend of 15 yen per share (an interim dividend of 5 yen per share and a year-end dividend of 10 yen), taking the results for the fiscal year under review and the current business environment into comprehensive consideration.

In addition, Daifuku has introduced a shareholder special benefit program, which offers discounts at more than 300 bowling alleys nationwide to which it has delivered its products and equipment.

(4) Other matters to report

i) In October 2011, Daifuku commenced sales of a new baggage handling system, called Baggage Tray System, for airports. The system features precise handling and tracking by transporting bags on individual trays and runs at up to 600 meters per minute. Daifuku will expand and identify markets centering on large international hub airports, offering integrated baggage handling systems that combine the new system and tilt tray sorters with its industry-leading, high-density automated storage systems.

ii) In December 2011, the First Global Leadership Training Program was held, inviting persons playing significant roles in their respective subsidiaries to Japan. The program was extensive, featuring study sessions for global business development and production frameworks, and customer site tours. In addition, in April 2012, an American national was appointed corporate officer for the first time at Daifuku. The Company will continue to develop personnel who can play an active role at global operations.

iii) In December 2011, Daifuku and Hitachi Plant Technologies, Ltd. reached an agreement for the transfer of Hitachi Plant Technologies' cleanroom material handling system after-sales service business for the electronics sector to Daifuku. A contract for the transfer has been signed. With this transfer, Daifuku will bolster its cleanroom material handling system business across the globe while maintaining stable operations of the equipment Hitachi Plant Technologies delivered mainly in Japan and building business relationships with new customers. In April 2012, Daifuku officially took over the business and began operation.

iv) In February 2012, the Board of Directors decided to introduce a shareholder special benefit program. To shareholders recorded in the shareholder registry at the end of every March or who hold more than 500 shares of the Company, Daifuku will offer coupons, once a year, redeemable at more than 300 bowling alleys nationwide to which Daifuku has delivered its products and equipment. Daifuku appreciates the support of its shareholders and will strive to make its company more attractive to investors, aiming to maintain or increase the number of shareholders who hold shares over the medium and long terms. We will send the coupons after the General Meeting of Shareholders held on June 28, 2012.

v) In March 2012, Daifuku became the first material handling systems manufacturer to be rated under the disaster preparedness rating program of the Development Bank of Japan (DBJ), resulting in the Company obtaining a loan from DBJ. The DBJ financing program highly evaluated the Company's corporate disaster preparedness and business continuity efforts, the establishment of a business continuity plan (BCP) promotion division, developing command structures in emergency, and timely and accurately disclosing these information through financial statements and corporate social responsibility (CSR) reports.

2. Management Policy

(1) Basic management policy

In the three-year business plan, *Material Handling and Beyond,* which was announced in November 2009 and runs for a three-year period from April 2010 to March 2013, Daifuku adopted the following management philosophy and basic management policy:

Management philosophy

1. Contribute to the development of industry by supplying quality material handling systems, equipment and electronic devices to the global market.
2. Focus on healthy, growth driven management that values profitability.
3. Create a corporate culture that respects the personality and individuality of each employee.

Basic management policy

1. Contribute to the development of the material handling industry as a leader with consistent technological innovation.
2. Comply with the laws and social standards of each country and enhance internal controls and risk management systems across the Company.
3. Emphasize environment and safety in corporate activities to fulfill our social responsibility.
4. Further strengthen our financial integrity and ensure the credibility of financial reporting, as we prepare to build our International Financial Reporting Standards oriented systems.
5. Create a corporate entity which responds to changes efficiently and that is overseen by fair and objective policies worthy of a global corporation.

(2) Target management indicators and medium- and long-term management strategies

In its three-year business plan, *Material Handling and Beyond*, the Company views the three years as a period for establishing the business foundations for the Group, enabling it to continue growing in a sustainable manner into the future, in light of the difficult operating environment following the 2008 global financial crisis.

Specifically, Daifuku has set as management targets for the fiscal year ending March 31, 2013 consolidated net sales of 220 billion yen and operating income of 11 billion yen, and targets consolidated net sales of 250 billion yen and an operating income margin equal to 10% of net sales in the fiscal year ending March 31, 2015 as the specific outcome of the business plan. We estimate that we will be unlikely to achieve the goals for the fiscal year ending March 31, 2013, given the severe changes in industrial structures including a decrease in demand for systems for large flat-panel TV production, which have had a significant impact on our earnings. Still, we will make every effort to achieve rapid progress under the next new medium-term management plan, which will be announced after the first half of the following fiscal year ending March 31, 2013.

(3) Challenges to address

Material Handling and Beyond, the title of our new three-year business plan, communicates Daifuku's resolve in pursuing materials handling as its core operation. It also expresses Daifuku's intention to explore new fields that relate to materials handling operations and to "continue developing new products, markets and businesses for the future, correctly anticipating changes in operating conditions." Specifically, we believe that this is the most important challenge if we are to expand the scope of business. For this reason, we will go beyond conventional boundaries by pursuing the following five initiatives:

1. Enter new markets
   We will aim to take our business to a new level across the globe.

2. Create new products and systems
   We will provide customers with products and systems that meet local needs with satisfactory prices and functions for customers to seek growth in new high-growth markets such as India and China.

3. Develop new production methods
   We will continue to step up the ratios of local procurement and production in products and systems that are delivered to global customers by revising Group production methods. To that end, we will promote staff living in each country and train them to operate effectively in the global market.

4. Build new global partnerships
   The products and systems of the Company are not finished goods when they are shipped from factories but become completed products when they are combined with goods locally procured or manufactured, installed, and adjusted. We will build ties with partners that are able to manufacture and install high quality products and provide services in new markets such as China and India. We will also seek to improve the level of our existing partners.

5. Launch new businesses
   We will depict a future growth path not just by developing new business ourselves, but also by launching business through alliances and friendly M&A. As a manufacturing company, we will also seek certain fields other than material handling (storage, transport, sorting, and picking), to which we will be able to apply the technologies, human resources, and networks specific to Daifuku.

In the fiscal year ending March 31, 2013, Daifuku will focus on the following four objectives:

[Upcoming challenges]

We have adopted a basic policy for the fiscal year ending March 31, 2013 called "Building the foundation for sustainable growth in the global market and driving the development of the material-handling industry worldwide."

In April 2012, the Daifuku Group has for the first time ranked top in sales among global material handling suppliers, which was announced by the U.S. magazine Modern Materials Handling. This was a reflection of foreign exchange trends, which finally enabled us to catch up with a German material handling manufacturer.

In reality, to be the true top material handling company and industry leader, we have a number of clear challenges to address, such as identifying new markets, developing new products, expanding global production and procurement frameworks, upgrading service business, and developing personnel with global business capabilities.

In the fiscal year ending March 31, 2013, we will improve our management as below, particularly at three stages of a project: responding to inquiries, progress after orders received, and handover. Our aim is to increase profitability. In addition, as a measure for creating new added-value, we will seek to expand service business selections and make active use of information and communication technology (ICT).

i) Refining our focus – Upgrading marketing functions

As we expand markets worldwide, we are increasingly taking on projects in areas where we have no subsidiaries or other foothold. Accordingly, we need to be comprehensive in our marketing activities, including the collection of customer information. Specifically, it is vital to study and review each project from every possible perspective. It is necessary to closely analyze business risks and individual user conditions, including contract conditions, local business partner capabilities, customer standards, languages, and payment conditions, classifying markets and deciding whether or not to proceed with the business. We will focus our corporate resources on the market to be addressed.

ii) Improving productivity and cutting costs

For the fiscal year under review, the Group posted a gross margin of 16%. We will endeavor to cut costs at factories and reduce problems exposed after delivery. In addition, returning to the basics of cash flow-focused management, we will strive to improve payment conditions, including receipts, in advance.

iii) Restructuring project progress management

In recent years, the number of projects in new markets and large projects outside Japan has been increasing. To ensure profitability, managing the progress of these projects becomes essential. We have formed a specialized division to rebuild the overall framework within the Group. Through the division, we will control costs, quality, process, and every other process, ranging from receipt of orders to handover.

[Enhancing corporate governance]

Daifuku will appoint a new outside director to be approved at the General Meeting of Shareholders held on June 28, 2012. The candidate Mr. Noboru Kashiwagi, who has worked outside Japan for a trading company and has been a university professor, specializes in corporate legal affairs and international laws. With effective advice, we expect to strengthen overall corporate governance framework across the Group. In addition, we reduced the number of directors by four, along with the introduction of the corporate officer system during the fiscal year under review. We will reduce the number of directors by an additional three, to 10 in total. We will also accelerate management decision-making through the establishment of this consultative body, as well as further revitalize the Board of Directors by promoting more rigorous deliberation.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	FY2010 (Year ended March 31, 2011)	FY2011 (Year ended March 31, 2012)
ASSETS		
Current assets:		
Cash on hand and in banks	31,749	29,577
Notes and accounts receivable	47,268	68,676
Insufficient charges on uncompleted contracts	5,831	10,481
Merchandise and finished goods	2,776	2,523
Costs on uncompleted contracts	7,682	5,427
Raw materials and supplies	6,672	7,593
Deferred income taxes	2,069	1,613
Other current assets	3,298	4,160
Allowance for doubtful accounts	(129)	(112)
Total current assets	107,218	129,942
Fixed assets:		
Tangible fixed assets		
Net buildings and structures	15,181	14,242
Net machinery and vehicles	2,830	2,512
Net tools and fixtures	849	780
Land	11,478	11,597
Other, net	1,241	1,298
Total tangible fixed assets	31,580	30,430
Intangible assets		
Software	2,630	2,330
Goodwill	2,229	2,258
Other	185	284
Total intangible assets	5,045	4,874
Investments and other assets		
Investments in securities	9,106	10,342
Long-term loans	445	368
Deferred income taxes	5,799	5,267
Other	4,453	4,018
Allowance for doubtful accounts	(260)	(194)
Total investments and other assets	19,543	19,802
Total fixed assets	56,170	55,107
Total assets	163,388	185,049

(Million yen)

	FY2010 (Year ended March 31, 2011)	FY2011 (Year ended March 31, 2012)
LIABILITIES		
Current liabilities:		
Notes and accounts payable	25,885	33,070
Short-term borrowings	2,826	13,861
Current portion of long-term bonds	–	4,000
Income taxes payable	788	783
Deferred income taxes	7	8
Provision for losses on contracts	673	804
Other current liabilities	11,127	15,470
Total current liabilities	41,309	67,998
Long-term liabilities:		
Bonds	10,000	6,000
Long-term borrowings	28,085	27,149
Deferred income taxes	1,182	1,009
Provision for retirement benefits	2,015	3,318
Negative goodwill	419	359
Other long-term liabilities	2,661	2,594
Total long-term liabilities	44,364	40,432
Total liabilities	85,674	108,431
NET ASSETS		
Shareholders' equity:		
Common stock	8,024	8,024
Capital surplus	9,028	9,028
Retained earnings	67,819	67,382
Treasury stock	(2,417)	(2,421)
Total shareholders' equity	82,454	82,013
Accumulated other comprehensive income:		
Net unrealized gain (loss) on securities	(482)	247
Deferred gain (loss) on hedges	(32)	11
Foreign currency translation adjustments	(6,313)	(7,611)
Total accumulated other comprehensive income	(6,828)	(7,352)
Minority interests:	2,088	1,956
Total net assets	77,714	76,618
Total liabilities and net assets	163,388	185,049

(2) Consolidated Statements of Income and Comprehensive Income

(Million yen)

	FY2010 (April 1, 2010 - March 31, 2011)	FY2011 (April 1, 2011 - March 31, 2012)
Net sales	159,263	198,052
Cost of sales	131,639	165,505
Gross profit	27,623	32,546
Selling, general and administrative expenses:		
Selling expenses	13,615	14,698
General and administrative expenses	12,281	13,630
Total selling, general and administrative expenses	25,897	28,328
Operating income	1,726	4,217
Non-operating income:		
Interest income	120	100
Dividend income	180	235
Amortization of negative goodwill	59	59
Land and house rental revenue	204	228
Other	444	248
Total non-operating income	1,009	872
Non-operating expenses:		
Interest expenses	804	858
Foreign exchange loss	422	70
Other	163	138
Total non-operating expenses	1,390	1,067
Ordinary income	1,345	4,022
Extraordinary income:		
Gain on sales of fixed assets	10	3
Reversal of allowance for doubtful accounts	44	–
Other	4	1
Total extraordinary income	58	4
Extraordinary loss:		
Loss on sales of fixed assets	50	23
Loss on retirement of fixed assets	27	105
Loss on valuation of investments in securities	68	718
Loss on adjustment for changes in accounting standard for asset retirement obligations	500	–
Other	53	51
Total extraordinary loss	701	898
Income before income taxes and minority interests	703	3,129
Income taxes - current	1,157	1,540
Income taxes - deferred	(957)	300
Total income taxes	200	1,840
Income before minority interests	503	1,288
Minority interests in net income	233	65
Net income	269	1,233

(Million yen)

	FY2010 (April 1, 2010 - March 31, 2011)	FY2011 (April 1, 2011 - March 31, 2012)
Minority interests in net income	233	65
Income before minority interests	503	1,288
Other comprehensive income		
Net unrealized gain (loss) on securities	(477)	731
Deferred gain (loss) on hedges	(26)	43
Foreign currency translation adjustments	(1,754)	(1,285)
Share of other comprehensive income of associates accounted for using equity method	(18)	(34)
Total other comprehensive income	(2,277)	(545)
Comprehensive income:	(1,774)	743
Comprehensive income attributable to:		
Owners of the parent	(1,959)	699
Minority interests	184	44

(3) Consolidated Statements of Changes in Net Assets

(Million yen)

	FY2010 (April 1, 2010 - March 31, 2011)	FY2011 (April 1, 2011 - March 31, 2012)
Shareholders' equity:		
Common stock		
Balance at the beginning of current period	8,024	8,024
Balance at the end of current period	8,024	8,024
Capital surplus		
Balance at the beginning of current period	9,028	9,028
Changes of items during the period		
Disposal of treasury stock	(0)	(0)
Total changes of items during the period	(0)	(0)
Balance at the end of current period	9,028	9,028
Retained earnings		
Balance at the beginning of current period	69,210	67,819
Changes of items during the period		
Dividends from surplus	(1,660)	(1,659)
Net income	269	1,223
Total changes of items during the period	(1,390)	(436)
Balance at the end of current period	67,819	67,382
Treasury stock		
Balance at the beginning of current period	(2,410)	(2,417)
Changes of items during the period		
Purchase of treasury stock	(8)	(3)
Disposal of treasury stock	0	0
Total changes of items during the period	(7)	(3)
Balance at the end of current period	(2,417)	(2,421)
Total shareholders' equity		
Balance at the beginning of current period	83,852	82,454
Changes of items during the period		
Dividends from surplus	(1,660)	(1,659)
Net income	269	1,223
Purchase of treasury stock	(8)	(3)
Disposal of treasury stock	0	0
Total changes of items during the period	(1,398)	(440)
Balance at the end of current period	82,454	82,013
Accumulated other comprehensive income:		
Net unrealized gain (loss) on securities		
Balance at the beginning of current period	(6)	(482)
Changes of items during the period		
Net changes of items other than shareholders' equity	(475)	730
Total changes of items during the period	(475)	730
Balance at the end of current period	(482)	247
Deferred gain (loss) on hedges		
Balance at the beginning of current period	(6)	(32)
Changes of items during the period		
Net changes of items other than shareholders' equity	(26)	43
Total changes of items during the period	(26)	43
Balance at the end of current period	(32)	11

(Million yen)

	FY2010 (April 1, 2010 - March 31, 2011)	FY2011 (April 1, 2011 - March 31, 2012)
Foreign currency translation adjustments		
Balance at the beginning of current period	(4,586)	(6,313)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,726)	(1,298)
Total changes of items during the period	(1,726)	(1,298)
Balance at the end of current period	(6,313)	(7,611)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(4,600)	(6,828)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,228)	(523)
Total changes of items during the period	(2,228)	(523)
Balance at the end of current period	(6,828)	(7,352)
Minority interests		
Balance at the beginning of current period	2,042	2,088
Changes of items during the period		
Net changes of items other than shareholders' equity	46	(132)
Total changes of items during the period	46	(132)
Balance at the end of current period	2,088	1,956
Total net assets		
Balance at the beginning of current period	81,295	77,714
Changes of items during the period		
Dividends from surplus	(1,660)	(1,659)
Net income	269	1,223
Purchase of treasury stock	(8)	(3)
Disposal of treasury stock	0	0
Net changes of items other than shareholders' equity	(2,181)	(656)
Total changes of items during the period	(3,580)	(1,096)
Balance at the end of current period	77,714	76,618

(4) Consolidated Statement of Cash Flows

(Million yen)

	FY2010 (April 1, 2010 - March 31, 2011)	FY2011 (April 1, 2011 - March 31, 2012)
Cash flows from operating activities:		
Income before income taxes and minority interests	703	3,219
Depreciation	3,577	3,612
Loss on adjustment for changes in accounting standard for asset retirement obligations	500	–
Amortization of goodwill	238	343
Amortization of negative goodwill	(59)	(59)
Interest and dividend income	(300)	(336)
Interest expenses	804	858
Loss (gain) on disposal or sales of fixed assets	78	128
Loss (gain) on valuation of investments in securities	68	718
Decrease (increase) in notes and accounts receivable	(591)	(20,969)
Decrease (increase) in inventories	(1,469)	1,826
Increase (decrease) in notes and accounts payable	4,994	6,763
Increase (decrease) in advances received on uncompleted contracts	(492)	2,173
Other	3,162	(1,927)
Subtotal	11,215	(3,738)
Interest and dividend income received	294	333
Interest expenses paid	(808)	(860)
Income taxes refund (paid)	343	(1,177)
Other	372	255
Net cash provided by (used in) operating activities	11,417	(5,187)
Cash flows from investing activities:		
Payments for purchase of stock of subsidiaries that affected the scope of consolidation	–	(565)
Investments in time deposits	(740)	(135)
Proceeds from refund of time deposits	714	66
Payments for purchase of fixed assets	(1,594)	(2,293)
Proceeds from sales of fixed assets	374	53
Payments for purchase of investments in securities	(1,558)	(715)
Payments for purchase of stock of affiliates	(13)	(184)
Collection of loans receivable	2	3
Payments for transfer of business	(799)	(270)
Other	(1)	3
Net cash provided by (used in) investing activities	(3,616)	(4,039)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	(1,131)	9,360
Proceeds from long-term borrowings	3,021	1,108
Repayment of long-term borrowings	(3,042)	(899)
Redemption of convertible bonds	(3,008)	–
Payments for purchase of treasury stock	(8)	(3)
Payments of cash dividends	(1,658)	(1,658)
Other	(228)	(198)
Net cash provided by (used in) financing activities	(6,056)	7,709
Effect of exchange rate change on cash and cash equivalents	(1,172)	(717)
Net increase (decrease) in cash and cash equivalents	571	(2,234)
Cash and cash equivalents, beginning of the year	31,101	31,672

(Million yen)

	FY2010 (April 1, 2010 - March 31, 2011)	FY2011 (April 1, 2011 - March 31, 2012)
Cash and cash equivalents, end of the year	31,672	29,438

Note on Going Concern Assumption

Not applicable

Changes in Presentation of Consolidated Financial Statements

[Consolidated Balance Sheets]

The item “Insufficient charges on uncompleted contracts” that was included in “Other current assets” for the previous fiscal year has been stated independently for the fiscal year under review due to an increase in its significance. To reflect this change, the consolidated financial statements for the previous fiscal year have been recalculated.

As a result, 9,129 million yen in “Other current assets” stated in the consolidated balance sheets for the fiscal year ended March 31, 2011 has been divided into 5,831 million yen in “Insufficient charges on uncompleted contracts” and 3,298 million yen in “Other current assets.”

[Consolidated Statements of Income]

The item “Loss on valuation of investments in securities” that was included in “Other” under the “Extraordinary loss” for the previous fiscal year has been stated independently for the fiscal year under review due to an increase in its significance. To reflect this change, the consolidated financial statements for the previous fiscal year have been recalculated.

As a result, 121 million yen in “Other” under “Extraordinary loss” stated in the consolidated statements of income and comprehensive income for the fiscal year ended March 31, 2011 has been divided into 68 million yen in “Loss on valuation of investments in securities” and 53 million yen in “Other.”

[Consolidated Statements of Cash Flows]

The item “Loss (gain) on valuation of investments in securities” that was included in “Other” under “Cash flows from operating activities” for the previous fiscal year has been stated independently for the fiscal year under review due to an increase in its significance. To reflect this change, the consolidated statements for the previous fiscal year have been recalculated.

As a result, 3,231 million yen in “Other” under “Cash flows from operating activities” stated in the consolidated statements of cash flows for the fiscal year ended March 31, 2011 has been divided into 68 million yen in “Loss (gain) on valuation of investments in securities” and 3,162 million yen in “Other.”

Additional Information

1) Effective from the consolidated fiscal year under review, the Company applied the Accounting Standard for Accounting Changes and Error Corrections (ASBJ statement No. 24, December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, December 4, 2009).

2) Changes in Deferred Tax Assets and Liabilities due to Changes in Effective Statutory Tax Rates
Following the introduction on December 2, 2011 of the “Law for Partial Revision of the Income Tax Act, etc., to Construct a Tax System Addressing Changes in the Socio-Economic Structure” and the “Act on Special Measures for Securing Necessary Financial Resources to Implement Measures for the Restoration of the Damages Following the Great East Japan Earthquake,” the effective statutory tax rates used to calculate deferred tax assets and liabilities have been changed for the fiscal years beginning on or after April 1, 2012.

Until March 31, 2012: 41.0%
From April 1, 2012 to March 31, 2015: 38.0%
On and after April 1, 2015: 35.6%

As a consequence, these changes in effective statutory tax rates led to a 671 million yen decrease in net deferred tax assets, a 12 million yen increase in net unrealized gain (loss) on securities, and a 683 million yen increase in income taxes – deferred posted for the fiscal year under review.

Segment Information

1. Overview of reportable segments

   The reportable segments comprise components for which discrete financial information is available and which the Board of Directors review regularly to determine the allocation of management resources and assess the operating results.

   The Daifuku Group manufactures and sells material handling systems, car wash machines, industrial personal computers, interface boards, and other equipment in Japan and overseas. Each company within the Group conducts manufacturing and sales activities based on its roles as an independent management unit.

   There are three reportable segments: Daifuku Co., Ltd., the core company dealing in material handling systems and equipment and car wash machines; Contec Co., Ltd., the core company for the manufacture and sale of industrial personal computers, interface boards, and other equipment in Japan and overseas; and Daifuku Webb Holding Company.

   In addition to the manufacturing and sale of material handling systems and equipment and car wash machines in Japan as the core company of the Group, Daifuku Co., Ltd. develops and supplies key components to companies around the world. Overseas subsidiaries assemble material handling system components supplied by Daifuku Co., Ltd. with locally manufactured or purchased materials, sell the products and perform installation work as well as after-sales services. Daifuku Webb Holding Company is a U.S. subsidiary that is responsible for key business activities, primarily in North America where sales volume is significant. It manufactures and sells leading airport baggage handling systems on its own as part of material handling systems.

2. Method of calculating the amount of net sales, profits or losses, assets, liabilities and other items by reportable segment

   The accounting methods of the reported business segments are the same as those stated in the “Significant items regarding the preparation of consolidated financial statement.” Inter-segment sales or transfers are determined based on the prevailing market price.

3. Information on the amount of net sales, profits or losses, assets, liabilities and other items by reportable segment

Consolidated fiscal year under review (April 1, 2011 - March 31, 2012)

(Million yen)

	Reportable Segments				Other*	Total
	Daifuku	Contec	Daifuku Webb Holding	Total		
Net sales						
Sales to outside customers	114,613	8,161	28,273	151,049	45,019	196,068
Inter-segment sales or transfers	18,247	8,313	795	27,357	14,851	42,208
Total	132,861	16,475	29,069	178,406	59,871	238,277
Segment income	1,886	68	1,121	3,076	1,698	4,775
Segment assets	149,858	14,370	18,135	182,364	40,885	223,249
Segment liabilities	83,021	9,158	16,740	108,919	22,334	131,253
Other						
Depreciation	2,653	254	198	3,106	507	3,613
Amortization of goodwill	32	–	–	32	116	149
Interest income	34	1	5	41	120	161
Interest expenses	745	60	42	848	71	919
Equity in earnings of non-consolidated subsidiaries and affiliates	–	–	-56	-56	–	-56
Extraordinary income	0	–	121	122	15	137
(Gain on sales of fixed assets)	(0)	(–)	(121)	(122)	(1)	(123)
Extraordinary loss	771	17	3	793	90	883
(Loss on valuation of investments in securities)	(718)	(–)	(–)	(718)	(–)	(718)
Income tax expenses	723	97	314	1,135	650	1,786
Investments in equity-method affiliates	–	–	99	99	139	239
Increase in tangible and intangible fixed assets	1,255	325	289	1,870	571	2,441

*Note: “Other” represents an operating segment comprising Japanese and overseas subsidiaries that are not in reportable segments.

4. Differences between total amounts for reportable segments and the reported amount in the consolidated financial statements and main details of the differences (matters relating to difference reconsideration)

(Million yen)

Sales	Fiscal Year Ended March 31, 2012
Reportable segment total	178,406
Net sales classified in “Other”	59,871
Elimination of inter-segment transactions	-42,208
Adjustment for consolidation of sales on the percentage-of-completion basis	1,339
Other adjustment for consolidation	643
Net sales in consolidated financial statements	198,052

(Million yen)

Segment Income	Fiscal Year Ended March 31, 2012
Reportable segment total	3,076
Segment income classified in “Other”	1,698
Elimination of dividends from affiliates	-3,098
Other adjustment for consolidation	-454
Net income in consolidated financial statements	1,223

(Million yen)

Segment Assets	Fiscal Year Ended March 31, 2012
Reportable segment total	182,364
Segment assets classified in “Other”	40,885
Elimination of investment securities in affiliates in consolidation process	-19,576
Elimination of intercompany receivables	-19,455
Other adjustment for consolidation	832
Net sales in consolidated financial statements	185,049

(Million yen)

Liabilities	Fiscal Year Ended March 31, 2012
Reportable segment total	108,919
Segment income classified in “Other”	22,334
Elimination of intercompany receivables	-19,455
Other adjustments for consolidation	-3,367
Total assets in consolidated financial statements	108,431

(Million yen)

Other	Reportable segment total	Other	Adjustment	Consolidated total
Depreciation	3,106	507	-0	3,612
Amortization of goodwill	32	116	194	343
Interest income	41	120	-61	100
Amortization of negative goodwill	–	–	59	59
Interest expenses	848	71	-61	858
Equity in earnings of non-consolidated subsidiaries and affiliates	-56	–	42	-13
Extraordinary income	122	15	-132	4
(Gain on sales of fixed assets)	(122)	(1)	(-120)	(3)
Extraordinary loss	793	90	14	898
(Loss on valuation of investments in securities)	(718)	(–)	(–)	(718)
Income tax expenses	1,135	650	54	1,840
Investments in equity-method affiliates	99	139	69	308
Increase in tangible and intangible fixed assets	1,870	571	-47	2,393

Related information

Consolidated fiscal year under review (From April 1, 2011 to March 31, 2012)

1. Information by product and service

(Million yen)

	Logistics Systems	Electronics	Other	Total
Sales to outside customers	175,060	8,161	14,829	198,052

2. Information by region

Net sales

(Million yen)

Japan	Americas	Other	Total
99,963	26,507	71,581	198,052

Note: Net sales are classified into countries or regions based on the location of customers.

Per Share Information

(Yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net assets per share	683.39	674.72
Net income per share	2.43	11.05
Diluted net income per share	2.41	–

Note:

1. Diluted net income per share for the fiscal year under review is not shown herein as there exist no dilutive shares.

2. The basis for the calculation of net income per share and diluted net income per share is as shown in the table below.

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net income per share		
Net income (million yen)	269	1,223
Amount not attributable to common shareholders (million yen)	–	–
Net income attributable to common stock (million yen)	269	1,223
Average number of common shares during the period (thousand shares)	110,671	110,659
Diluted net income per share		
Adjusted amount of net income (million yen)	–	–
(Of which, interest expenses (after subtracting the amount corresponding to taxes) (million yen))	(–)	(–)
Number of common shares increased (thousand shares)	1,159	—
(Of which, convertible bonds with equity warrant (thousand shares))	(1,159)	(–)
Dilutive shares not included in the calculation of diluted net income per share	–	

3. The basis for the calculation of net assets per share is as shown in the table below.

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Total net assets (million yen)	77,714	76,618
Amount to subtract from total net assets (million yen)	2,088	1,956
(Of which, minority interests)	(2,088)	(1,956)
Net assets at the end of the period attributable to common stock (million yen)	75,625	74,661
Number of common shares at the end of the period used for the calculation of net assets per share (thousand shares)	110,662	110,655

Major Subsequent Events

Not applicable