

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2013
[Japan GAAP]

Prepared in accordance with accounting principles generally accepted in Japan
Translated from the original Japanese-language document

August 8, 2012

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: August 10, 2012

Scheduled date of commencing dividend payment: -

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 Quarter of Fiscal 2012

(April 1, 2012 - June 30, 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	%
First quarter of fiscal 2012	45,615	12.1	173	-	-32	-	-304	-
First quarter of fiscal 2011	40,676	25.4	-321	-	-347	-	-540	-

Note: Comprehensive income

First quarter of fiscal 2012: 962 million yen (65.3 %)

First quarter of fiscal 2011: 582 million yen (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter of fiscal 2012	-2.75	-
First quarter of fiscal 2011	-4.88	-

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
First quarter of fiscal 2012	186,869	76,457	39.9
Fiscal 2011	185,049	76,618	40.3

Reference: Shareholders' equity

First quarter of fiscal 2012: 74,491 million yen

Fiscal 2011: 74,661 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 2011	-	5.00	-	10.00	15.00
Fiscal 2012	-	-	-	-	-
Fiscal 2012 (forecast)	-	5.00	-	10.00	15.00

Note: Revisions to the latest dividend forecast: None

3. Consolidated Financial 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

Note: Revisions to the latest consolidated financial forecast: None

Notes:

- (1) Changes in significant subsidiaries that affected the scope of consolidation during the first quarter: None
- (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: Yes
 - 2) Other changes: None
 - 3) Changes in accounting estimates: Yes
 - 4) Restatement: NoneNote: For more details, please see 2-(1) “Changes in accounting policies, accounting estimates, and restatement.”
- (4) Number of shares issued (Common stock)
 - 1) Number of shares issued including treasury stock at the end of the period
First quarter of fiscal 2012: 113,671,494 shares
Fiscal 2011: 113,671,494 shares
 - 2) Number of treasury stock at the end of the period
First quarter of fiscal 2012: 3,017,107 shares
Fiscal 2011: 3,016,058 shares
 - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
First quarter of fiscal 2012: 110,654,404 shares
First quarter of fiscal 2011: 110,662,453 shares

Regarding the status of quarterly review procedures

These 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 this 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.”

Quarterly earnings supplementary materials are available at the [TDnet](#) and our website: www.daifuku.com.

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1. Qualitative Information Relating to Quarterly Consolidated Financial Results

(1) Qualitative information relating to consolidated operating results

During the first quarter of the fiscal year under review, the global economy faced a prolonged period of turmoil triggered by the European sovereign debt crisis and a slowdown in the economic recovery in the United States and emerging countries. The Japanese economy meanwhile remained favorable, led by domestic demand.

The material handling and logistics industry has consistently confronted a difficult earnings environment, mainly attributable to the downturn in capital spending in client industries and intensified competition worldwide, despite signs of post-disaster reconstruction demand in Japan.

Despite these operating conditions, the Daifuku Group sustained growth in earnings. This was mainly attributable to orders for large projects for automobile factories in the United States and Mexico and advanced capital spending of U.S.-based semiconductor manufacturers. Increased sales of systems for semiconductor factories and for Thailand's automobile plants also benefited earnings.

Specifically, the Group received orders of 56,439 million yen, increasing 15.7% from a year earlier, and recorded net sales of 45,615 million yen, up 12.1%.

In terms of profits, the Group's profitability was aided by an increase in overall business volume, including systems for automobile factories, a firm performance in the service business, a recovery in Daifuku Co., Ltd.'s earnings, and favorable results at Asian subsidiaries. As a result, the Group recorded operating income of 173 million yen (improving 495 million yen from a year earlier), but posted an ordinary loss of 32 million yen (improving 314 million yen), influenced by factors including foreign exchange losses resulting from the appreciation of the yen. In addition, the Group recorded a net loss of 304 million yen (up 236 million yen), owing to corporate tax incurred at non-Japanese affiliates and the influence of the application of tax effect accounting.

Results by segment are as described below. Earnings in the first quarter of the fiscal year under review of each company above are described as segment income (loss). For more details about segments, please see "Segment Information" below.

Daifuku Co., Ltd.

<Orders>

Orders for our mainstay storage, transport, sorting, and picking systems for large projects remained solid in the agriculture, food, pharmaceutical manufacturing, pharmaceutical wholesaling, and distribution sectors. In addition, orders and inquiries have been increasing for small and midsize systems in line with restoration work, which is in full swing, reflecting our prompt action for recovery in the immediate wake of the March 2011 Great East Japan Earthquake.

In systems for semiconductor factories, orders in North America, South Korea, and Taiwan held steady,

given a strong rise in capital expenditure programs at major manufacturers. In systems for flat-panel display factories, vendors and suppliers are projected to be determined this fall or later, mainly in China.

In automobile production line systems, orders are brisk in Mexico and Thailand, followed by proactive inquiries in Indonesia.

<Sales>

Sales of storage, transport, sorting, and picking systems for large projects to sectors centered on pharmaceutical wholesalers, distribution, agriculture, food, and pharmaceutical manufacturing remained firm.

Sales for semiconductor factories in South Korea, North America, and Taiwan also remained solid.

With respect to automobile production line systems, sales were favorable, owing to the commencement of large projects in Japan. In addition, holiday installations in May boosted sales in the service business.

In car wash machines, sales sustained their strong performance from the previous fiscal year ended March 31, 2012, attributable to brisk demand for equipment replacement in the filling station industry and rising orders in the car dealer sector associated with a rise in demand for eco-friendly cars. Sales of wheelchair lifts for care-provider vehicles primarily reflected demand for model changes of vehicles to be installed with this equipment.

<Income>

In terms of profits, operating income sustained positive, however the segment's net income was impacted by foreign exchange losses reflecting the appreciation of the yen and market valuation losses on stockholdings caused by an overall decline in stock values.

As a result, Daifuku recorded orders of 27,364 million yen, down 2.3% from the previous fiscal year, sales of 24,184 million yen, up 3.0%, and a segment loss of 216 million yen, increasing 741 million yen.

Contec Co., Ltd.

In electronic devices and solutions, results were influenced by decreasing investments in Japan in line with concerns about summer power shortages. However, inquiries for photovoltaic data measuring systems are rising significantly, following the start of a renewable energy buy-back program in July 2012. Going forward, Contec will aim to increase orders in this field.

In system products, performance remained weak, influenced by a sluggish recovery in sales of mainstay systems for the automotive sector in Japan. Nonetheless, opportunities to present systems to non-automotive sectors are increasing following the addition of Daifuku Software Development Co., Ltd. (now Contec Software Development Co., Ltd.) to the Contec Group.

As a consequence, Contec posted orders of 1,998 million yen, up 0.7% from the previous fiscal year, sales of 1,820 million yen, down 0.6%, and a segment loss of 104 million yen, increasing 1 million yen.

Daifuku Webb Holding Company

Daifuku Webb Holding Company, which closes its accounts on December 31, oversees Daifuku's North American business, with Daifuku America Corporation and Jervis B. Webb Company under its control, and focuses on ensuring that the two entities make effective use of their resources.

Orders increased markedly from the previous fiscal year, backed by orders from the Detroit Three automakers for large projects for automobile production line systems, advanced capital spending for systems for semiconductor factories, and systems for ice cream factories.

In airport baggage handling systems, the segment received large orders for services in Canada. Orders for large U.S. projects, which had generally been delayed, were finally received in April 2012.

Sales of systems for the automotive, semiconductor, and airport sectors achieved strong results. With completion of Daifuku's Ohio plant expansion in June, the segment's performance looking ahead is expected to contribute to earnings.

As a result, Daifuku Webb Holding achieved orders of 15,678 million yen, up 460.5% from the previous fiscal year, sales of 7,111 million yen, up 18.0%, and segment income of 10 million yen, down 91.4%.

Other

The Other segment includes all Daifuku Group companies, with the exception of the three companies described separately above. The Group has 43 consolidated subsidiaries across the globe. Major Japanese subsidiaries in this segment include Daifuku Plusmore Co., Ltd., which provides sales and services of car wash machines and bowling equipment. In April 2012, two Japanese subsidiaries were integrated into Daifuku Co., Ltd. and one subsidiary was transferred to the Contec Group.

Outside Japan, major subsidiaries include 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, which primarily sell and manufacture material handling systems and equipment. These companies have been increasing exports to overseas markets, taking part in the optimal global production and procurement systems of the Group.

Business performance has been improving, particularly at non-Japanese subsidiaries in Asia. In China, inquiries are brisk in the automotive, food, beverage, pharmaceuticals, and distribution sectors. In addition, orders for flat-panel display factories are projected in the second half of the fiscal year under review. In Taiwan, the segment has focused on increasing orders and sales of large systems for semiconductor

factories.

In South Korea, sales of systems for semiconductor factories are healthy. Orders for automobile production line systems are also favorable, mainly thanks to brisk capital spending in South Korea and other markets by South Korea's automobile manufacturers. In addition, since Daifuku has already reached an agreement to acquire all shares in South Korea's leading car wash equipment manufacturer, the segment will expand its business targeting markets in ASEAN and Western countries as well as South Korea. (The proposed acquisition is currently being reviewed by the Korea Fair Trade Commission.)

In Thailand, sales of restoration projects for facilities damaged by the flooding were posted. Thai automotive industry has become the auto hub of the Asia-Pacific region and is increasing its presence as a key gateway for exports to Japan. In addition, with a rise in brisk needs for automated warehouse systems in the food and other sectors, Daifuku Thailand expects to achieve record business volume.

Logan Teleflex (UK) Co., Ltd. strives to receive orders for airport baggage handling systems in Europe and Africa.

As a result, the segment received orders of 11,398 million yen, down 28.8% from the previous fiscal year, sales of 11,333 million yen, up 26.6%, and posted segment income of 576 million yen, up 31.5%.

(2) Qualitative information relating to consolidated financial position

Assets

Total assets at the end of the first quarter of the fiscal year under review stood at 186,869 million yen, an increase of 1,820 million yen from the end of the previous fiscal year. This result was primarily attributable to an increase of 1,655 million yen in notes and accounts receivable from completed contracts.

Liabilities

Total liabilities amounted to 110,412 million yen, an increase of 1,981 million yen from the end of the previous fiscal year, principally reflecting decreases of 671 million yen in notes and accounts payable for contracts and 2,341 million yen in short-term borrowings, as well as an increase of 4,616 million yen in other current liabilities such as excess charges for uncompleted constructions and advances received.

Net assets

Net assets were 76,457 million yen, a fall of 161 million yen from the end of the previous fiscal year. The primary factors included declines of 1,410 million yen in retained earnings because of the payment of dividends, as well as an increase of 1,241 million yen in total other comprehensive income due to securities owned and foreign currency translation adjustments.

(3) Qualitative information relating to consolidated earnings forecasts

The Daifuku Group has not revised its interim and full-year earnings forecasts for the fiscal year ending March 31, 2013, which were announced on May 14, 2012.

2. Matters relating Summary (and Notes) information

(1) Changes in accounting policies, accounting estimates, and restatement:

(Changes in accounting policies, which is difficult to distinguish from a change in accounting estimates)

Effective from the first quarter of the fiscal year under review, in accordance with revisions to Japan's corporation tax law, the depreciation of tangible fixed assets acquired on April 1, 2012 or later of the Company and its domestic subsidiaries is computed principally on the revised law.

The result from this change on earnings for the first quarter of the fiscal year under review is not significant.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	FY2011 (Year ended March 31, 2012)	First quarter of FY2012 (Quarter ended June 30, 2012)
ASSETS		
Current assets:		
Cash on hand and in banks	29,577	24,353
Notes and accounts receivable	68,676	70,332
Merchandise and finished goods	2,523	3,603
Costs on uncompleted contracts	5,427	6,451
Raw materials and supplies	7,593	8,193
Other current assets	16,255	17,897
Allowance for doubtful accounts	(112)	(107)
Total current assets	129,942	130,723
Fixed assets:		
Tangible fixed assets	30,430	30,772
Intangible assets		
Goodwill	2,258	2,848
Other	2,615	2,516
Total intangible assets	4,874	5,365
Investments and other assets		
Other	19,997	20,200
Allowance for doubtful accounts	(194)	(192)
Total investments and other assets	19,802	20,007
Total fixed assets	55,107	56,145
Total assets	185,049	186,869
LIABILITIES		
Current liabilities:		
Notes and accounts payable	33,070	32,398
Short-term borrowings	13,861	11,519
Current portion of long-term bonds	4,000	4,000
Income taxes payable	783	606
Provision for losses on contracts	804	541
Other current liabilities	15,479	20,096
Total current liabilities	67,998	69,163
Long-term liabilities:		
Bonds	6,000	6,000
Long-term borrowings	27,149	27,144
Provision for retirement benefits	3,318	4,082
Other long-term liabilities	3,963	4,021
Total long-term liabilities	40,432	41,249
Total liabilities	108,431	110,412

(Million yen)

	FY2011 (Year ended March 31, 2012)	First quarter of FY2012 (Quarter ended June 30, 2012)
NET ASSETS		
Shareholders' equity:		
Common stock	8,024	8,024
Capital surplus	9,028	9,028
Retained earnings	67,382	65,971
Treasury stock	(2,421)	(2,421)
Total shareholders' equity	82,013	80,602
Accumulated other comprehensive income:		
Net unrealized gain (loss) on securities	247	(153)
Deferred gain (loss) on hedges	11	23
Foreign currency translation adjustments	(7,611)	(5,980)
Total accumulated other comprehensive income	(7,352)	(6,110)
Minority interests:	1,956	1,965
Total net assets	76,618	76,457
Total liabilities and net assets	185,049	186,869

(2) Consolidated Statements of Income and Comprehensive Income

(Million yen)

	FY2011 Q1 (April 1, 2011 - June 30, 2011)	FY2012 Q1 (April 1, 2012 - June 30, 2012)
Net sales	40,676	45,615
Cost of sales	34,458	38,302
Gross profit	6,217	7,312
Selling, general and administrative expenses:		
Selling expenses	3,499	3,579
General and administrative expenses	3,040	3,558
Total selling, general and administrative expenses	6,539	7,138
Operating income (loss)	(321)	173
Non-operating income:		
Interest income	35	18
Dividend income	139	141
Rental income	57	58
Other	70	53
Total non-operating income	302	272
Non-operating expenses:		
Interest expenses	196	217
Foreign exchange loss	123	174
Other	8	87
Total non-operating expenses	329	478
Ordinary income (loss)	(347)	(32)
Extraordinary income:		
Reversal of allowance for doubtful accounts	10	-
Other	0	2
Total extraordinary income	10	2
Extraordinary loss:		
Loss on disposal and sales of fixed assets	15	35
Loss on valuation of investments in securities	788	54
Other	43	4
Total extraordinary loss	847	95
Income (loss) before income taxes and minority interests	(1,185)	(125)
Income taxes - current	325	482
Income taxes - deferred	(928)	(292)
Total income taxes	(603)	190
Income (loss) before minority interests	(581)	(315)
Minority interests in net income (loss)	(41)	(11)
Net income (loss)	(540)	(304)

(Million yen)

	FY2011 Q1 (April 1, 2011 - June 30, 2011)	FY2012 Q1 (April 1, 2012 - June 30, 2012)
Minority interests in net income (loss)	(41)	(11)
Income (loss) before minority interests	(581)	(315)
Other comprehensive income		
Net unrealized gain (loss) on securities	490	(404)
Deferred gain (loss) on hedges	32	12
Foreign currency translation adjustments	638	1,643
Share of other comprehensive income of associates accounted for using equity method	2	26
Total other comprehensive income	1,164	1,278
Comprehensive income:	582	962
Comprehensive income attributable to:		
Shareholders of the parent company	604	937
Minority interests	(22)	25

Note on Going Concern Assumption

The first quarter of the fiscal year ending March 31, 2013 (from April 1, 2012 to June 30, 2012)

Not applicable

Segment Information

I. The first quarter of the previous fiscal year ended March 31, 2012 (from April 1, 2011 to June 30, 2011)

1. Information relating to the amounts of net sales and income (loss) by reportable segment

(Million yen)

	Reportable Segment				Other*	Total
	Daifuku	Contec	Daifuku Webb Holding	Total		
Net sales						
Sales to outside customers	23,475	1,830	6,024	31,331	8,950	40,281
Inter-segment sales or transfers	4,107	2,076	384	6,568	2,783	9,351
Total	27,583	3,907	6,409	37,899	11,733	49,633
Segment income (loss)	(957)	(106)	120	(943)	438	(505)

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

2. Differences between total amounts of net sales and income (loss) of reportable segments and those in quarterly consolidated statements of income and comprehensive income and details thereof (matters relating to difference reconciliation)

Sales	(Million yen)
Reportable segment total	37,899
Net sales classified in "Other"	11,733
Elimination of inter-segment transactions	(9,351)
Adjustment for consolidation of sales on the percentage-of-completion basis	480
Other adjustments for consolidation	(85)
Net sales in quarterly consolidated financial statements	40,676

Income	(Million yen)
Reportable segment total	(943)
Net income classified in "Other"	438
Elimination of dividends from affiliates	(251)
Adjustment for consolidation of sales on the percentage-of-completion basis	6
Other adjustments for consolidation	209
Net income (loss) in quarterly consolidated financial statements	(540)

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

Not applicable

II. The first quarter of the fiscal year ending March 31, 2013 (from April 1, 2012 to June 30, 2012)

1. Information relating to the amounts of net sales and income (loss) by reportable segment

(Million yen)

	Reportable Segment				Other*	Total
	Daifuku	Contec	Daifuku Webb Holding	Total		
Net sales						
Sales to outside customers	24,184	1,820	7,111	33,117	11,333	44,451
Inter-segment sales or transfers	6,800	2,109	61	8,971	2,357	11,328
Total	30,984	3,930	7,173	42,088	13,691	55,779
Segment income (loss)	(216)	(104)	10	(310)	576	265

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

2. Differences between total amounts of net sales and income (loss) of reportable segments and those in quarterly consolidated statements of income and comprehensive income and details thereof (matters relating to difference reconciliation)

Sales	(Million yen)
Reportable segment total	42,088
Net sales classified in "Other"	13,691
Elimination of inter-segment transactions	(11,328)
Adjustment for consolidation of sales on the percentage-of-completion basis	1,359
Other adjustments for consolidation	(195)
Net sales in quarterly consolidated financial statements	45,615

Income	(Million yen)
Reportable segment total	(310)
Net income classified in "Other"	576
Elimination of dividends from affiliates	(132)
Adjustment for consolidation of sales on the percentage-of-completion basis	(238)
Other adjustments for consolidation	(199)
Net income (loss) in quarterly consolidated financial statements	(304)

3. 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 quarter of the fiscal year ending March 31, 2013 (from April 1, 2012 to June 30, 2012)

Not applicable