

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2011 [Japan GAAP]

August 12, 2010

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: Mikio Inohara, Managing Director and CFO

Tel: +81-6-6472-1261

Scheduled date for filing quarterly financial report: August 12, 2010

Scheduled date of commencing dividend payment: -

Quarterly earnings supplementary materials: Yes

Quarterly earnings presentation: Yes

(Figures are rounded down to the nearest one million yen)

1. Consolidated Financial Results for the First Quarter of Fiscal 2010

(April 1, 2010 - June 30, 2010)

(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 2010	32,429	-15.2	-1,275	-	-1,318	-	-1,624	-
First quarter of fiscal 2009	38,222	-31.8	242	-92.6	187	-94.7	752	-68.2

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter of fiscal 2010	-14.68	-
First quarter of fiscal 2009	6.80	6.69

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
First quarter of fiscal 2010	164,555	78,328	46.3	689.04
Fiscal 2009	165,430	81,295	47.9	716.07

Reference: Shareholders' equity: First quarter of fiscal 2010: 76,260 million yen Fiscal 2009: 79,252 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 2009	-	10.00	-	10.00	20.00
Fiscal 2010	-				
Fiscal 2010 (forecast)		5.00	-	10.00	15.00

Note: Dividend forecast revision during the quarter under review: None

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2011

(April 1, 2010 - March 31, 2011)

(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	77,000	5.1	-1,800	-	-1,900	-	-2,000	-	-18.07
Full-year	170,000	10.2	500	518.9	100	-	-400	-	-3.61

Note: Consolidated financial forecast revision during the quarter under review: Yes

4. Other Information

- (1) Changes in significant subsidiaries that affected the scope of consolidation during the first quarter: None
- (2) Adoption of simplified methods or specific methods for preparing the quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, procedures, presentation methods, and other factors for preparing the quarterly consolidated financial statements
 - 1) Changes associated with the revisions of accounting standards: Yes
 - 2) Other changes: None
- (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 2010:	113,671,494 shares
Fiscal 2009:	113,671,494 shares
 - 2) Number of treasury stock at the end of the period

First quarter of fiscal 2010:	2,994,552 shares
Fiscal 2009:	2,994,194 shares
 - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

First quarter of fiscal 2010:	110,676,749 shares
First quarter of fiscal 2009:	110,684,017 shares

*Regarding the status of quarterly review procedures

At the time of disclosure of these quarterly consolidated financial statements, review procedures under the Financial Instruments and Exchange Act have 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.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	First quarter of FY2010 (Quarter ended June 30, 2010)	FY2009 (Year ended March 31, 2010)
ASSETS		
Current assets:		
Cash on hand and in banks	32,138	31,152
Notes and accounts receivable	44,730	48,083
Merchandise and finished goods	2,328	2,196
Costs on uncompleted contracts	10,045	7,599
Raw materials and supplies	6,733	6,323
Other current assets	13,724	14,004
Allowance for doubtful accounts	(143)	(107)
Total current assets	109,557	109,251
Fixed assets:		
Tangible fixed assets	32,766	33,090
Intangible assets	4,328	4,233
Investments and other assets		
Other	18,199	19,138
Allowance for doubtful accounts	(297)	(285)
Total investments and other assets	17,902	18,853
Total fixed assets	54,997	56,178
Total assets	164,555	165,430
LIABILITIES		
Current liabilities:		
Notes and accounts payable	22,834	21,709
Short-term borrowings	7,376	6,342
Current portion of long-term convertible bonds	3,008	3,008
Income taxes payable	326	570
Provision for losses on contracts	751	531
Other current liabilities	11,030	10,824
Total current liabilities	45,326	42,986

(Million yen)

	First quarter of FY2010 (Quarter ended June 30, 2010)	FY2009 (Year ended March 31, 2010)
Long-term liabilities:		
Bonds	10,000	10,000
Long-term borrowings	25,166	25,944
Provision for retirement benefits	1,954	1,713
Asset retirement obligations	503	-
Other long-term liabilities	3,275	3,490
Total long-term liabilities	40,900	41,148
Total liabilities	86,226	84,135
NET ASSETS		
Shareholders' equity:		
Common stock	8,024	8,024
Capital surplus	9,028	9,028
Retained earnings	66,478	69,210
Treasury stock	(2,410)	(2,410)
Total shareholders' equity	81,121	83,852
Valuation and translation adjustments:		
Net unrealized gain (loss) on securities	(655)	(6)
Deferred gain (loss) on hedges	10	(6)
Foreign currency translation adjustments	(4,215)	(4,586)
Total valuation and translation adjustments	(4,860)	(4,600)
Minority interests:	2,067	2,042
Total net assets	78,328	81,295
Total liabilities and net assets	164,555	165,430

(2) Consolidated Statements of Income

(Million yen)

	FY2009 Q1 (April 1, 2009 – June 30, 2009)	FY2010 Q1 (April 1, 2010 - June 30, 2010)
Net sales	38,222	32,429
Cost of sales	31,407	27,312
Gross profit	6,815	5,117
Selling, general and administrative expenses:		
Selling expenses	3,253	3,252
General and administrative expenses	3,318	3,140
Total selling, general and administrative expenses	6,572	6,392
Operating income	242	(1,275)
Non-operating income:		
Interest income	29	26
Dividend income	58	115
Other	224	232
Total non-operating income	312	374
Non-operating expenses:		
Interest expenses	256	202
Foreign exchange loss	101	213
Other	9	2
Total non-operating expenses	367	417
Ordinary income (loss)	187	(1,318)
Extraordinary income:		
Reversal of allowance for doubtful accounts	117	35
Other	42	0
Total extraordinary income	159	36
Extraordinary loss:		
Loss on sales of fixed assets	5	4
Loss on retirement of fixed assets	0	5
Loss on adjustment for changes in accounting standard for asset retirement obligations	—	500
Other	2	37
Total extraordinary loss	8	548
Income (loss) before income taxes and minority interests	339	(1,830)
Income taxes - current	685	234
Income taxes - deferred	(971)	(470)
Total income taxes	(285)	(236)
Loss before minority interests	—	(1,594)
Minority interests in income (loss)	(128)	30
Net income (loss)	752	(1,624)

(3) Consolidated Statements of Cash Flows

(Million yen)

	FY2009 Q1 (April 1, 2009 – June 30, 2009)	FY2010 Q1 (April 1, 2010 - June 30, 2010)
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	339	(1,830)
Depreciation	916	877
Interest and dividend income	△87	(142)
Interest expenses	256	202
Decrease (increase) in notes and accounts receivable	2,818	3,294
Decrease (increase) in inventories	5,371	(3,007)
Increase (decrease) in notes and accounts payable	(8,832)	1,057
Increase (decrease) in advances received on uncompleted contracts	(895)	(473)
Loss on adjustment for changes in accounting standard for asset retirement obligations	—	500
Other	1,856	2,361
Subtotal	1,743	2,840
Interest and dividend income received	85	141
Interest expenses paid	(185)	(80)
Income taxes paid	(1,609)	(724)
Other proceeds	255	85
Net cash provided by (used in) operating activities	289	2,262
Cash flows from investing activities:		
Proceeds from refund of time deposits	293	—
Payments for purchase of fixed assets	(289)	(305)
Proceeds from sales of fixed assets	0	3
Payments for purchase of investments in securities	(4)	(4)
Payments for transfer of business	(200)	(2)
Other	102	(3)
Net cash provided by (used in) investing activities	(96)	(311)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	1,168	196
Proceeds from long-term borrowings	2,553	3
Repayment of long-term borrowings	(5,022)	—
Payments of cash dividends	(1,773)	(1,108)
Other	(65)	(32)
Net cash provided by (used in) financing activities	(3,138)	(940)
Effect of exchange rate change on cash and cash equivalents	291	(26)
Net increase (decrease) in cash and cash equivalents	(2,653)	984
Cash and cash equivalents at beginning of period	27,902	31,101
Cash and cash equivalents at end of period	25,248	32,085