DAIFUKU

Consolidated Financial Results
for the First Three Quarters 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

February 12, 2013

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 CEO
Contact: Yoshihisa Kimura, Corporate Officer, Finance and Accounting
Tel: +81-6-6472-1261
Scheduled date for filing quarterly financial report: February 14, 2013
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 Three Quarters of Fiscal 2012
(April 1, 2012 - December 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	%
First 3 quarters of fiscal 2012	**144,549**	**1.1**	**4,807**	**269.6**	**4,550**	**416.2**	**2,642**	**–**
First 3 quarters of fiscal 2011	142,936	27.9	1,300	–	881	–	-716	–

Note: Comprehensive income
First three quarters of fiscal 2012: 4,378 million yen (– %)
First three quarters of fiscal 2011: -2,468 million yen (– %)

	Net income per share	Diluted net income per share
	Yen	Yen
First 3 quarters of fiscal 2012	**23.88**	**–**
First 3 quarters of fiscal 2011	-6.47	–

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
First 3 quarters of fiscal 2012	**204,884**	**79,383**	**37.7**
Fiscal 2011	185,049	76,618	40.3

Reference: Shareholders' equity
First three quarters of fiscal 2012: 77,299 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	–	**5.00**			
Fiscal 2012 (forecast)			**–**	**10.00**	**15.00**

Note: Revisions to the latest dividend forecast: None

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
Full-year	205,000	3.5	6,300	49.4	5,700	41.7	3,000	145.3	27.11

Note: Revisions to the latest consolidated financial forecast: Yes

Notes:

(1) Changes in significant subsidiaries that affected the scope of consolidation during the period: 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: None
Note: 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
Third 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
Third quarter of fiscal 2012: 3,021,194 shares
Fiscal 2011: 3,016,058 shares
3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
First three quarters of fiscal 2012: 110,652,524 shares
First three quarters of fiscal 2011: 110,660,577 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.

Contents

1. Qualitative Information Relating to Quarterly Consolidated Financial Results

(1) Qualitative information relating to consolidated operating results

During the first three quarters of the fiscal year under review, the global economy faced concerns about the unsolved European sovereign debt crisis, which impacted on economic growth in China and other emerging countries, while the U.S. economy remained firm. The Japanese economy also weakened with a decline in export performance.

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

Despite these operating conditions, the Daifuku Group recorded robust orders for large projects for automobile factories in the United States, Mexico, and Asia, while orders from the e-commerce sector for large distribution centers benefited earnings. Increased sales of systems for automobile factories worldwide and for semiconductor factories in the United States, Taiwan, and South Korea also benefited earnings. Specifically, the Group received orders of 151,284 million yen, increasing 9.1% from a year earlier, and recorded net sales of 144,549 million yen, up 1.1%.

Profits increased, mainly attributable to Daifuku's efforts in exacting and comprehensive project management along with cost cutting for projects during the second and third quarters of the fiscal year under review. Consequently, the Group recorded operating income of 4,807 million yen, improving 269.6% yen from a year earlier, ordinary income of 4,550 million yen, increasing 416.2%, and net income of 2,642 million yen, up 3,359 million yen.

The Group is proactively expanding its business framework. As a significant step forward, Daifuku established its new subsidiary in China during the third quarter of the fiscal year under review. The new cleanroom-focused production facility was built to bolster local production capability in anticipation of the projected increase in the construction of flat-panel display (FPD) and semiconductor factories in China. In January 2013, Daifuku also established a new subsidiary in Mexico, where brisk capital spending on the construction and upgrading of automobile plants has been continuing.

In addition, Daifuku has established "Value Innovation 2017," its new corporate management plan for the upcoming four-year period from April 2013 to March 2017. Based on this plan, it aims to achieve consolidated sales of 280 billion yen and consolidated operating income ratio of 7% in the fiscal year ending March 31, 2017. For more details about the plan, please see the Company's statement separately announced on February 12, 2013.

Results by segment are as described below. Earnings in the first three quarters of the fiscal year under review of each segment are described as segment income (loss). For more details about segments, please refer to “Segment Information” below.

Daifuku Co., Ltd.

<Orders>

In mainstay storage, transport, sorting, and picking systems for manufacturers and distributors, orders for large projects remained solid, mainly in the distribution sector, which includes e-commerce, agriculture, food, pharmaceutical manufacturing, pharmaceutical wholesaling, and lithium-ion battery industries. Orders were also firm in small and midsize systems and material handling equipment. Orders from outside Japan, such as Thailand, Indonesia, and China are also increasing.

In systems for semiconductor factories, orders in North America, South Korea, and Taiwan held steady. In systems for FPD factories, Daifuku expects to receive orders in the next fiscal year, mainly from China, given delays in contract procedures.

Orders for automobile production line systems were robust in emerging countries such as Mexico, Thailand, Indonesia, and Brazil. In addition, orders were brisk for holiday installation work around the New Year period in Japan.

<Sales>

In storage, transport, sorting, and picking systems for manufacturers and distributors, sales for large projects in the pharmaceutical manufacturing, pharmaceutical wholesalers, distribution, agriculture, and food sectors in Japan remained firm.

Sales of systems for semiconductor factories in North America, South Korea, and Taiwan also remained strong.

With respect to automobile production line systems, sales were favorable, helped by large projects for automobile factories in Japan and holiday installations in May and August in the service business.

In car wash machines, sales increased, attributable to strong markets in the filling station and car aftermarket sectors, and driven especially by the car dealer sector. Sales of wheelchair lifts for care-provider vehicles primarily reflected demand for model changes of vehicles to be installed with this equipment, with the acceleration in population aging as the backdrop.

<Income>

In terms of profits, an increase in operating income―which was generated by selling storage, transport, sorting, and picking systems for manufacturers and distributors, and automobile production line systems—benefited earnings.

As a result, Daifuku recorded orders of 81,294 million yen, down 0.1% from the previous fiscal year, sales of 78,315 million yen, down 5.3%, and segment income of 1,856 million yen, increasing 3,013 million yen.

Contec Co., Ltd.

In electronic devices and solutions, sales rose in photovoltaic data measuring systems, backed by the promotion of Japan's renewable energy buyback program, despite being influenced by decreased investment in production facilities. In addition, Contec is expanding into medical and care markets. Accordingly, inquiries have been rising significantly in medical solutions using PCs to be embedded into medical devices and bedside terminals.

In system products, performance remained weak, influenced by a sluggish recovery in sales of mainstay systems for the automotive sector. Contec aims to expand sales into new fields, such as the logistics systems sector, by collaborating with its business partners.

As a consequence, Contec posted orders of 6,747 million yen, up 9.4% from the previous fiscal year, sales of 6,148 million yen, up 6.9%, and a segment loss of 73 million yen, increasing 162 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. It focuses on making effective use of operating resources, as well as cutting costs and integrating the operation of the two entities.

In terms of orders, Daifuku Webb won large orders from one of the Detroit Three automakers for automobile production line systems during the first quarter of its fiscal year (January-March 2012), and steadily received orders from Japanese automakers for their facility upgrades, propelled by brisk capital spending in the North American automotive industry.

In systems for semiconductor factories, orders were favorable, particularly for nitrogen purge stockers, as capital spending increased.

Sales for SmartCarts, Daifuku Webb's automatic guided carts, were strong, especially to the food & beverage, automotive and automobile component industries. Daifuku Webb also received an order from a U.S.-based aluminum manufacturer for super heavyweight SmartCarts that transport 68 tons.

Sales remained favorable, underpinned by extensive order backlogs for each industry above. Daifuku Webb's expansion of its Ohio Plant, which was completed in June 2012, has led to increased production volumes and operating efficiency, benefiting its earnings.

In airport baggage handling systems, orders and sales were affected by delays in the projected construction of new airports and intensifying competition in North America due to the decline of European markets. Daifuku Webb completed the acquisition of Elite Line Services, LLC, a U.S. company that provides operation and maintenance services for airport facility equipment, in November 2012 and will include the company in the scope of consolidation in the fourth quarter of the fiscal year under review. Accordingly, full-year orders are projected to increase.

As a result, Daifuku Webb achieved orders of 28,891 million yen, up 122.3% from the previous fiscal year, sales of 25,426 million yen, up 22.6%, and segment income of 459 million yen, down 36.0%.

Other

The “Other” segment is an operating segment comprising subsidiaries that are not in reportable segments. Among Daifuku’s Japanese subsidiaries, two were merged into Daifuku Co., Ltd. and one was transferred to the Contec Group in April 2012.

Major Japanese subsidiaries in this segment include Daifuku Plusmore Co., Ltd., which provides sales and services of car wash machines and bowling equipment.

Outside Japan, major subsidiaries include Daifuku (China) Co., Ltd., Daifuku Korea Co., Ltd., Clean Factomation, Inc. in South Korea, Taiwan Daifuku Co., Ltd., Daifuku (Thailand) Ltd., and Logan Teleflex (UK) Ltd., which primarily sell and manufacture material handling systems and equipment. These companies have been increasing exports to overseas markets, playing a global role in the optimal local production and procurement systems of the Group. Daifuku’s Southeast Asian subsidiaries are experiencing particularly significant sales increases.

Daifuku China has improved its production framework for automobile production line systems. Its export production for Japanese and the U.S. automakers is increasing rapidly and it is also steadily following Japanese automakers onsite to keep pace with the customer’s capital spending. In addition, the company posted an order from the major condiment manufacturer for a large unit load AS/RS. Inquiries from the food, retail, and machinery parts industries for large systems with advanced technologies are increasing.

In Taiwan, orders for large systems used in semiconductor factories balanced the decreased investment in systems for FPD factories. In addition, Taiwan Daifuku received an order for logistics systems from a major sales company for electronics products.

In South Korea, sales of systems for semiconductor factories were healthy. Orders and sales for automobile production line systems were also favorable, rising to new record highs, mainly thanks to brisk capital spending by automakers. Daifuku Korea completed a new building that houses its new main office and R&D center, and began its operation in December 2012. The company will further focus its efforts on improving its personnel development and enhancing its technical skills. In addition, its car-wash division moved to Hallim Machinery Co., Ltd., South Korea's leading car wash equipment manufacturer, of which Daifuku acquired all shares in August 2012, for the integration and restructuring of operating resources in the nation. Hallim Machinery is scheduled to be included in the scope of consolidation in the next fiscal year starting April 2013.

The Thai automotive industry has become the auto hub of the Asia-Pacific region and is establishing a growing presence as a key gateway for exports to Japan. In addition, with orders for large automated warehouse systems in the food and other sectors, Daifuku Thailand expects to achieve record orders and sales.

Logan Teleflex (UK) Co., Ltd. and Logan Teleflex (France) S.A.S. are striving to receive orders for airport baggage handling systems in Europe and Africa.

In Europe, Daifuku has held a stake in Austria-based logistics systems manufacturer Knapp AG since October 2010, aiming to strengthen its businesses in the region. Daifuku has continued to increase its capital participation so that it held 30% of Knapp's shares in July 2012, resulting in the company becoming an equity-method affiliate of the Group.

Consequently, the segment received orders of 34,350 million yen, down 9.8% from the previous fiscal year, sales of 33,367 million yen, down 0.7%, and posted segment income of 1,323 million yen, down 13.4%.

(2) Qualitative information relating to consolidated financial position

Assets

Total assets at the end of the first three quarters of the fiscal year under review stood at 204,884 million yen, an increase of 19,835 million yen from the end of the previous fiscal year. This result was attributable mainly to an increase of 9,383 million yen in cash on hand and in banks resulting from the collection of notes and accounts receivable and an increase in notes and accounts payable, as well as increases of 4,150 million yen in other current assets such as insufficient charges on uncompleted contracts and 6,001 million yen in investments and other assets including additional capital participation in Knapp AG.

Liabilities

Total liabilities amounted to 125,501 million yen, an increase of 17,070 million yen from the end of the previous fiscal year, principally reflecting increases of 2,909 million yen in notes and accounts payable for contracts, 6,591 million yen in interest-bearing liabilities and 6,440 million yen in other current liabilities such as excess charges for uncompleted constructions and advances received.

Net assets

Net assets were 79,383 million yen, a rise of 2,765 million yen from the end of the previous fiscal year. The primary factors included an increase of 1,657 million yen in total other comprehensive income due to securities owned and foreign currency translation adjustments, as well as an increase of 982 million yen in retained earnings.

(3) Qualitative information relating to consolidated earnings forecasts

Daifuku has revised its full-year earnings forecast for the fiscal year ending March 31, 2013, which was announced on May 14, 2012, specifically changing its operating income forecast from 6,000 million yen to 6,300 million yen and its ordinary income forecast from 5,500 million yen to 5,700 million yen.

2. Matters Relating to Summary Information (Notes)

(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 or after April 1, 2012 of the Company and its domestic subsidiaries is computed principally based on the revised law.

The effect of this change on earnings for the first three quarters 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 three quarters of FY2012 (Period ended December 31, 2012)
ASSETS		
Current assets:		
Cash on hand and in banks	29,577	38,960
Notes and accounts receivable	68,676	63,151
Merchandise and finished goods	2,523	3,675
Costs on uncompleted contracts	5,427	8,031
Raw materials and supplies	7,593	8,416
Other current assets	16,255	20,406
Allowance for doubtful accounts	(112)	(115)
Total current assets	129,942	142,527
Fixed assets:		
Tangible fixed assets	30,430	30,340
Intangible assets		
Goodwill	2,258	3,974
Other	2,615	2,238
Total intangible assets	4,874	6,213
Investments and other assets		
Other	19,997	25,953
Allowance for doubtful accounts	(194)	(149)
Total investments and other assets	19,802	25,803
Total fixed assets	55,107	62,357
Total assets	185,049	204,884
LIABILITIES		
Current liabilities:		
Notes and accounts payable	33,070	35,980
Short-term borrowings	13,861	14,123
Current portion of long-term bonds	4,000	4,000
Income taxes payable	783	1,271
Provision for losses on contracts	804	570
Other current liabilities	15,479	21,919
Total current liabilities	67,998	77,865
Long-term liabilities:		
Bonds	6,000	6,000
Long-term borrowings	27,149	33,478
Provision for retirement benefits	3,318	4,874
Other long-term liabilities	3,963	3,283
Total long-term liabilities	40,432	47,635
Total liabilities	108,431	125,501

(Million yen)

	FY2011 (Year ended March 31, 2012)	First three quarters of FY2012 (Period ended December 31, 2012)
NET ASSETS		
Shareholders' equity:		
Common stock	8,024	8,024
Capital surplus	9,028	9,028
Retained earnings	67,382	68,365
Treasury stock	(2,421)	(2,423)
Total shareholders' equity	82,013	82,994
Accumulated other comprehensive income:		
Net unrealized gain (loss) on securities	247	652
Deferred gain (loss) on hedges	11	(62)
Foreign currency translation adjustments	(7,611)	(6,284)
Total accumulated other comprehensive income	(7,352)	(5,694)
Minority interests:	1,956	2,083
Total net assets	76,618	79,383
Total liabilities and net assets	185,049	204,884

(2) Consolidated Statements of Income and Comprehensive Income

(Million yen)

	FY2011 First 3Qs (April 1, 2011 – December 31, 2011)	FY2012 First 3Qs (April 1, 2012 – December 31, 2012)
Net sales	142,936	144,549
Cost of sales	120,714	118,027
Gross profit	22,222	26,521
Selling, general and administrative expenses:		
Selling expenses	10,730	10,733
General and administrative expenses	10,191	10,979
Total selling, general and administrative expenses	20,921	21,713
Operating income	1,300	4,807
Non-operating income:		
Interest income	93	68
Dividend income	230	240
Rental income	175	170
Other	175	187
Total non-operating income	675	666
Non-operating expenses:		
Interest expenses	637	671
Foreign exchange loss	359	88
Other	98	165
Total non-operating expenses	1,095	924
Ordinary income	881	4,550
Extraordinary income:		
Gain on sales of fixed assets	0	4
Other	–	3
Total extraordinary income	0	7
Extraordinary loss:		
Loss on disposal and sales of fixed assets	59	109
Loss on valuation of investments in securities	983	–
Other	50	25
Total extraordinary loss	1,093	135
Income (loss) before income taxes and minority interests	(211)	4,423
Income taxes - current	1,157	1,882
Income taxes - deferred	(587)	(114)
Total income taxes	570	1,768
Income (loss) before minority interests	(781)	2,654
Minority interests in net income (loss)	(64)	12
Net income (loss)	(716)	2,642

(Million yen)

	FY2011 First 3Qs (April 1, 2011 – December 31, 2011)	FY2012 First 3Qs (April 1, 2012 – December 31, 2012)
Minority interests in net income (loss)	(64)	12
Income (loss) before minority interests	(781)	2,654
Other comprehensive income		
Net unrealized gain (loss) on securities	(98)	406
Deferred gain (loss) on hedges	52	(61)
Foreign currency translation adjustments	(1,620)	678
Share of other comprehensive income of associates accounted for using equity method	(21)	700
Total other comprehensive income	(1,687)	1,723
Comprehensive income:	(2,468)	4,378
Comprehensive income attributable to:		
Shareholders of the parent company	(2,373)	4,300
Minority interests	(95)	77

Notes on Going Concern Assumption

The first three quarters of the fiscal year ending March 31, 2013 (from April 1, 2012 to December 31, 2012)

Not applicable

Segment Information

I. The first three quarters of the previous fiscal year ended March 31, 2012 (from April 1, 2011 to December 31, 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	Total		
Net sales						
Sales to outside customers	82,702	5,750	20,741	109,195	33,597	142,793
Inter-segment sales or transfers	11,806	5,892	625	18,324	10,900	29,225
Total	94,508	11,642	21,367	127,519	44,498	172,018
Segment net income (loss)	(1,157)	(236)	717	(676)	1,527	851

* "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	127,519
Net sales classified in "Other"	44,498
Elimination of inter-segment transactions	(29,225)
Adjustment for consolidation of sales on the percentage-of-completion basis	(421)
Other adjustments for consolidation	565
Net sales in quarterly consolidated financial statements	142,936

Income	(Million yen)
Reportable segment total	(676)
Segment income classified in "Other"	1,527
Elimination of dividends from affiliates	(1,058)
Adjustment for consolidation of sales on the percentage-of-completion basis	(15)
Other adjustments for consolidation	(493)
Net income (loss) in quarterly consolidated financial statements	(716)

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

Not applicable

II. The first three quarters of the fiscal year ending March 31, 2013 (from April 1, 2012 to December 31, 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	Total		
Net sales						
Sales to outside customers	78,315	6,148	25,426	109,890	33,367	143,258
Inter-segment sales or transfers	18,297	6,471	304	25,073	8,341	33,415
Total	96,612	12,620	25,731	134,963	41,709	176,673
Segment income (loss)	1,856	(73)	459	2,241	1,323	3,564

* "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 reconsideration)

Sales	(Million yen)
Reportable segment total	134,963
Net sales classified in "Other"	41,709
Elimination of inter-segment transactions	(33,415)
Adjustment for consolidation of sales on the percentage-of-completion basis	1,979
Other adjustments for consolidation	(688)
Net sales in quarterly consolidated financial statements	144,549

Income	(Million yen)
Reportable segment total	2,241
Segment income classified in "Other"	1,323
Elimination of dividends from affiliates	(243)
Adjustment for consolidation of sales on the percentage-of-completion basis	(213)
Other adjustments for consolidation	(464)
Net income in quarterly consolidated financial statements	2,642

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

(Significant changes in goodwill)

Regarding the segment of Contec Co., Ltd., Contec acquired the shares of DTx Inc. during the third quarter of the fiscal year under review and included the company in its scope of consolidation as a subsidiary. This is reflected in an increase of 1,509 million yen in goodwill during the third quarter of the fiscal year under review.

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

The first three quarters of the fiscal year ending March 31, 2013 (from April 1, 2012 to December 31, 2012)

Not applicable