

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2014
[Japan GAAP]

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

August 9, 2013

Daifuku Co., Ltd.

Stock code: 6383, First Section of Tokyo Stock Exchange

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Scheduled date for filing quarterly financial report: August 13, 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 Quarter of Fiscal 2013

(April 1, 2013 - June 30, 2013)

(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 2013	50,368	10.4	1,118	543.7	1,400	-	956	-
First quarter of fiscal 2012	45,615	12.1	173	-	-32	-	-304	-

Note: Comprehensive income

First quarter of fiscal 2013: 4,673 million yen (385.3 %)

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

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter of fiscal 2013	8.65	-
First quarter of fiscal 2012	-2.75	-

(2) Financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
First quarter of fiscal 2013	211,626	89,305	41.2
Fiscal 2012	206,875	85,685	40.4

Reference: Shareholders' equity

First quarter of fiscal 2013: 87,126 million yen

Fiscal 2012: 83,538 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 2012	-	5.00	-	10.00	15.00
Fiscal 2013	-				
Fiscal 2013 (forecast)		5.00	-	10.00	15.00

Note: Revisions to the latest dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2014

(April 1, 2013 - March 31, 2014)

(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	110,000	16.5	3,500	19.9	3,800	55.7	2,300	81.1	20.79
Full-year	225,000	11.2	9,500	18.6	9,000	12.5	5,500	23.9	49.71

Note: Revisions to the latest consolidated financial forecast: Yes

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: None
 - 2) Other changes: None
 - 3) Changes in accounting estimates: None
 - 4) Restatement: None
- (4) Number of shares issued (Common stock)
 - 1) Number of shares issued including treasury stock at the end of the period
First quarter of fiscal 2013: 113,671,494 shares
Fiscal 2012: 113,671,494 shares
 - 2) Number of treasury stock at the end of the period
First quarter of fiscal 2013: 3,026,077 shares
Fiscal 2012: 3,022,663 shares
 - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
First quarter of fiscal 2013: 110,646,373 shares
First quarter of fiscal 2012: 110,654,404 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) "Outlook for the fiscal year ending March 31, 2014."

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) Operating results

During the first quarter of the fiscal year under review, the global economy faced concerns stemming from the weakness of European economies grappling with the Southern European financial crisis as well as from a slowdown in economic growth in China and other emerging countries. In contrast, the U.S. economy remained firm, backed by a revival in private-sector demand, while the Japanese economy also saw a moderate recovery.

The material handling and logistics industry continued to confront a difficult business environment with competitive conditions, although demand for capital investment has been rebounding.

Amid these conditions, the operating results of the Daifuku Group held steady. In systems for manufacturers and distributors, large orders in China, South Korea and Taiwan benefited earnings. In automobile production line systems, the Group did not receive large orders compared to the same period in the previous fiscal year, but brisk inquiries enable more positive expectations going forward. Sales remained firm, underpinned by extensive order backlogs for each industry.

Specifically, the Group received orders of 62,685 million yen, increasing 11.1% from a year earlier, and recorded net sales of 50,368 million yen, up 10.4%.

In terms of profits, the Group's profitability increased significantly, mainly because of the efforts of Daifuku Co., Ltd. to cut costs and the favorable results of subsidiaries in North America and Asia. Consequently, the Group recorded operating income of 1,118 million yen, an improvement of 543.7% from a year earlier. In addition, ordinary income was 1,400 million yen, an increase of 1,433 million yen, influenced by foreign exchange gains resulting from the depreciation of the yen. Net income was 956 million yen, an increase of 1,261 million yen.

Results by segment are as described below. In the following description, net sales denote sales to outside customers, and segment income (loss) is equivalent to net income (loss) for the first quarter of the fiscal year under review. For more details about segments, please see "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 agriculture, food, pharmaceutical manufacturing, and distribution sectors. Concerning demand for systems for non-store retailers, such as online shopping or e-commerce, Daifuku received an order from one of South Korea's online supermarkets for large distribution centers. In small and midsize systems, Daifuku has achieved a sure recovery from the significant decline that followed the 2008 global financial crisis.

In systems for semiconductor factories, orders fell compared to the previous fiscal year when major capital investment plans were implemented. In systems for flat-panel display (FPD) factories, where capital investment was slow, orders increased, especially in China.

In automobile production line systems, inquiries for projects in North America, China, and Southeast Asian countries were brisk.

<Sales>

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

Sales of systems for semiconductor factories in South Korea, North America, and Taiwan also remained solid. In systems for FPD factories, projects in China began to contribute to sales.

Sales of automobile production line systems were favorable, backed by an increase in small upgrading projects in Japan as well as extensive order backlogs.

In car wash machines, sales in the service station sector sustained the strong performance from the previous fiscal year. Sales in the car aftermarket sector are increasing steadily, with brisk demand in the car dealer market.

In other lifestyle products, sales of wheelchair lifts for care-provider vehicles firmly reflected demographic aging.

<Income>

Segment income returned to positive territory. This rebound was a result of Daifuku's continued efforts in cost cutting from the previous fiscal year.

As a result, Daifuku recorded orders of 26,301 million yen, down 3.9% from the previous fiscal year, net sales of 24,645 million yen, up 1.9%, and segment income of 675 million yen, an increase of 891 million yen.

Contec Group (Contec Co., Ltd. and its subsidiaries)

In electronic devices and system products, sales declined from the previous fiscal year, with capital spending in Japanese companies remaining flat, leaving expectations of economic recovery.

Sales of photovoltaic data measuring systems remained favorable. Currently, orders for projects in the

mega-solar (large-scale solar power) segment are firm. Contec aims to enhance marketing activities to acquire more orders for such projects.

As a consequence, Contec posted orders of 3,656 million yen, up 83.0% from the previous fiscal year, net sales of 2,626 million yen, up 44.3%, and a segment loss of 181 million yen, a decrease of 76 million yen.

Daifuku Webb Group (Daifuku Webb Holding Company and its subsidiaries and affiliates)

Daifuku Webb Holding Company oversees Daifuku's North American business, with Daifuku America Corporation, Jervis B. Webb Company and ELS Holding Company, the parent company of Elite Line Services, LLC, under its control. It also focuses on making effective use of the operating resources of the entities in North America.

Daifuku Webb saw no large orders compared to the same period in the previous fiscal year, although sales remained firm. In addition, segment income improved, mainly attributable to its efforts in exacting and comprehensive project management.

In automobile production line systems, orders from Japanese automakers for upgrading projects were favorable, driven by a recovery in demand in North America. In systems for the semiconductor sector, Daifuku Webb steadily won orders for nitrogen purge stockers. Meanwhile, orders for systems for Japanese general manufacturers increased.

In airport baggage handling systems, the consolidation of ELS, which provides airport operation and maintenance services, benefited earnings. Some large orders for airports are expected in the latter half of the fiscal year under review.

As a result, Daifuku Webb achieved orders of 11,123 million yen, down 29.0% from the previous fiscal year, net sales of 11,315 million yen, up 59.1%, and segment income of 222 million yen, an increase of 212 million yen.

Other

This segment consists of all Daifuku Group consolidated subsidiaries other than the three above. The Group has 49 consolidated subsidiaries across the globe. Major Japanese subsidiaries in this segment include Daifuku Plusmore Co., Ltd., which sells car wash machines and bowling-related products.

Outside Japan, major subsidiaries include Daifuku (China) Co., Ltd., Daifuku Korea Co., Ltd. and Clean Factomation, Inc. in South Korea, Taiwan Daifuku Co., Ltd., and Daifuku (Thailand) Ltd., which primarily manufacture and sell material handling systems and equipment. These companies have been

increasing exports to overseas markets, playing a role in the optimal global production and procurement systems of the Group.

Business performance remained strong, particularly at subsidiaries in Asia.

In China, Daifuku China posted favorable orders mainly from the food, beverage, pharmaceutical manufacturing, paper, and distribution sectors, backed by brisk capital investment from local and the Western companies. With regard to systems for the FPD and semiconductor sectors, the factory of Daifuku (Suzhou) Cleanroom Automation Co., Ltd., which was established to accommodate the expansion of customers' production, began its operations in March 2013 and became a consolidated subsidiary of the Daifuku Group in the first quarter of the fiscal year under review. In systems for the automotive sector, exports to the Americas and Asian countries increased, in addition to sales in China, taking advantage of cost competitiveness.

In Taiwan, large orders from the paper sector benefited earnings, as well as orders from the semiconductor sector.

In South Korea, capital investment for semiconductor factories is expected to be brisk in the future. In automobile production line systems, Daifuku Korea is responding to the needs of local automakers for domestic factory upgrades and demand for their production in China. In addition, Hallim Machinery Co., Ltd., a car wash machine manufacturer that joined the Group in the previous fiscal year, became a consolidated subsidiary in the first quarter of the fiscal year under review.

In Thailand and Indonesia, Daifuku Thailand maintained production at full capacity, thanks to continued brisk capital investment in Japanese automakers. In addition, inquiries from the food sector for automated warehouse systems increased.

In Europe and Africa, Logan Teleflex (UK) Ltd. and Logan Teleflex (France) S.A.S. have been seeking orders for airport baggage handling systems.

Consequently, the segment recorded orders of 21,602 million yen, up 89.5% from the previous fiscal year, net sales of 12,965 million yen, up 14.4%, and segment income of 691 million yen, up 19.8%.

(2) Financial position

Assets

Total assets at the end of the first quarter of the fiscal year under review stood at 211,626 million yen, an increase of 4,751 million yen from the end of the previous fiscal year. This result principally reflected increases of 3,477 million yen in cash on hand and in banks and 2,125 million yen in costs incurred on uncompleted construction contracts and other.

Liabilities

Total liabilities amounted to 122,321 million yen, an increase of 1,131 million yen from the end of the previous fiscal year. Primary factors included a decrease of 1,721 million yen in notes and accounts payable and construction contracts payable, increases of 613 million yen in non-current liabilities, including the provision for retirement benefits, and 1,778 million yen in other current liabilities such as excess charges for uncompleted construction and advances received.

Net assets

Net assets were 89,305 million yen, a rise of 3,619 million yen from the end of the previous fiscal year. This was mainly attributable to an increase of 3,670 million yen in total accumulated other comprehensive income due to securities owned and foreign currency translation adjustments.

(3) Outlook for the fiscal year ending March 31, 2014

Daifuku has revised its interim and full-year earnings forecasts for the fiscal year ending March 31, 2014 that were announced on May 14, 2013. For details, please see the Notice of Revisions to Earnings Forecast, which was separately announced on August 9, 2013.

2. Matters Relating to Summary Information (Notes)

Not applicable

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	FY2012 (Year ended March 31, 2013)	First quarter of FY2013 (Quarter ended June 30, 2013)
ASSETS		
Current assets:		
Cash on hand and in banks	33,735	37,212
Notes and accounts receivable and unbilled receivables	68,826	62,927
Merchandise and finished goods	3,368	3,772
Costs incurred on uncompleted construction contracts and other	5,751	7,877
Raw materials and supplies	8,484	8,955
Other current assets	19,769	22,900
Allowance for doubtful accounts	(105)	(112)
Total current assets	139,831	143,532
Non-current assets:		
Property, plant and equipment	31,297	32,014
Intangible assets		
Goodwill	5,768	6,835
Other	3,266	3,224
Total intangible assets	9,035	10,059
Investments and other assets		
Other	26,860	26,171
Allowance for doubtful accounts	(148)	(151)
Total investments and other assets	26,711	26,020
Total non-current assets	67,044	68,093
Total assets	206,875	211,626
LIABILITIES		
Current liabilities:		
Notes and accounts payable and construction contracts payable	36,553	34,832
Short-term borrowings and current portion of long-term borrowings	28,221	28,691
Current portion of bonds	6,000	6,000
Income taxes payable	1,416	1,577
Provision for losses on construction contracts	739	569
Other current liabilities	21,066	22,845
Total current liabilities	93,998	94,516
Non-current liabilities:		
Long-term borrowings	19,163	19,130
Provision for retirement benefits	4,712	5,109
Other non-current liabilities	3,315	3,564
Total non-current liabilities	27,191	27,805
Total liabilities	121,190	122,321

(Million yen)

	FY2012 (Year ended March 31, 2013)	First quarter of FY2013 (Quarter ended June 30, 2013)
NET ASSETS		
Shareholders' equity:		
Common stock	8,024	8,024
Capital surplus	9,028	9,028
Retained earnings	69,859	69,779
Treasury stock	(2,424)	(2,427)
Total shareholders' equity	84,486	84,404
Accumulated other comprehensive income:		
Net unrealized gain on securities	1,809	2,490
Deferred gain (loss) on hedges	(14)	(3)
Foreign currency translation adjustments	(2,743)	234
Total accumulated other comprehensive income	(948)	2,721
Minority interests:	2,147	2,178
Total net assets	85,685	89,305
Total liabilities and net assets	206,875	211,626

(2) Consolidated Statements of Income and Comprehensive Income

(Million yen)

	FY2012 Q1 (April 1, 2012 - June 30, 2012)	FY2013 Q1 (April 1, 2013 - June 30, 2013)
Net sales	45,615	50,368
Cost of sales	38,302	41,264
Gross profit	7,312	9,104
Selling, general and administrative expenses:		
Selling expenses	3,579	3,741
General and administrative expenses	3,558	4,244
Total selling, general and administrative expenses	7,138	7,985
Operating income	173	1,118
Other income:		
Interest income	18	54
Dividend income	141	127
Foreign exchange gain	-	164
Rental income	58	57
Other	53	91
Total other income	272	495
Other expenses:		
Interest expenses	217	198
Foreign exchange loss	174	-
Miscellaneous expenses	87	15
Total other expenses	478	213
Ordinary income (loss)	(32)	1,400
Extraordinary income:		
Other	2	0
Total extraordinary income	2	0
Extraordinary loss:		
Loss on disposal and sales of property, plant and equipment	35	9
Loss on valuation of investments in securities	54	2
Loss on sales of shares in affiliates	-	3
Other	4	0
Total extraordinary loss	95	14
Income (loss) before income taxes and minority interests	(125)	1,386
Income taxes - current	482	1,560
Income taxes - deferred	(292)	(1,078)
Total income taxes	190	482
Income (loss) before minority interests	(315)	904
Minority interests in net income (loss)	(11)	(52)
Net income (loss)	(304)	956

(Million yen)

	FY2012 Q1 (April 1, 2012 - June 30, 2012)	FY2013 Q1 (April 1, 2013 - June 30, 2013)
Minority interests in net income (loss)	(11)	(52)
Income (loss) before minority interests	(315)	904
Other comprehensive income		
Net unrealized gain (loss) on securities	(404)	692
Deferred gain (loss) on hedges	12	(2)
Foreign currency translation adjustments	1,643	2,645
Share of other comprehensive income of affiliates accounted for by the equity method	26	434
Total other comprehensive income	1,278	3,769
Comprehensive income:	962	4,673
Comprehensive income attributable to:		
Shareholders of the parent company	937	4,627
Minority interests	25	45

Note on Going Concern Assumption

Not applicable

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

Not applicable

Segment Information

I. The first quarter of the previous fiscal year ended 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	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

* “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)

Net 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

Segment 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 non-current assets by reportable segment

Not applicable

II. The first quarter of the fiscal year ending March 31, 2014 (from April 1, 2013 to June 30, 2013)

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	24,645	2,626	11,315	38,587	12,965	51,553
Inter-segment sales or transfers	4,702	1,664	776	7,143	2,368	9,511
Total	29,348	4,291	12,091	45,731	15,334	61,065
Segment income (loss)	675	(181)	222	716	691	1,408

* “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)

Net Sales	(Million yen)
Reportable segment total	45,731
Net sales classified in “Other”	15,334
Elimination of inter-segment transactions	(9,511)
Adjustment for consolidation of sales on the percentage-of-completion basis	(547)
Other adjustments for consolidation	(637)
Net sales in quarterly consolidated financial statements	50,368

Segment Income	(Million yen)
Reportable segment total	716
Net income classified in “Other”	691
Elimination of dividends from affiliates	(49)
Adjustment for consolidation of sales on the percentage-of-completion basis	(108)
Other adjustments for consolidation	(293)
Net income in quarterly consolidated financial statements	956

3. Information relating to loss on impairment of non-current assets by reportable segment

Not applicable