

# Financial Report for the Fiscal Year ended March, 2011

May 16, 2011

The following statements are an English-language translation of the original Japanese-language document.  
(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

Name of company·····Taikisha Ltd.

Stock Exchange·····Tokyo Part1

Code No.··········1979

Representative····· Eitaro Uenishi , President and representative Director

Contact·········· Takashi Sakurai , Director and Executive corporate officer, Administrative management headquarters Chief executive

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Scheduled date for General shareholders meeting : June 29, 2011

Scheduled date to commence dividend payments : June 30, 2011

Scheduled date to submit securities report : June 29, 2011

Supplemental materials prepared for financial results : Yes

Earnings announcement for financial results : Yes (for institutional investors and analysts)

(Round down to one million yen)

## 1. Consolidated Operating Performance (April 1, 2010 through March 31, 2011)

### (1) Consolidated operating result

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended								
March 31, 2011	141,160	20.4	5,411	69.7	6,166	66.7	3,703	1.0
March 31, 2010	117,234	(29.9)	3,189	(45.5)	3,699	(44.7)	3,666	19.3

(Note) Comprehensive income Year ended March 31, 2011 2,261 million yen (61.1) %  
Year ended March 31, 2010 5,808 million yen — %

	Net income per share	Net income per share after potential share adjustment	Net Income - Shareholders' Equity Ratio	Ordinary Income - Total Assets Ratio	Operating Income - Net Sales Ratio
	yen	yen	%	%	%
Year ended					
March 31, 2011	100.73	—	5.8	4.8	3.8
March 31, 2010	99.73	—	6.0	3.1	2.7

(Note) Equity in earnings of affiliates Year ended March 31, 2011 82 million yen  
Year ended March 31, 2010 95 million yen

### (2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
As of				
March 31, 2011	132,698	66,978	48.8	1,762.28
March 31, 2010	121,894	66,263	52.3	1,734.49

(Note) Shareholders' Equity As of March 31, 2011 64,796 million yen  
As of March 31, 2010 63,776 million yen

### (3) Consolidated cash flow statement

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Year ended				
March 31, 2011	5,869	(5,838)	92	26,035
March 31, 2010	1,077	2,105	(1,995)	26,752

## 2. Dividends

	Dividend per share					Dividend Paid (Total)	Dividend Payout Ratio (Consolidated)	Dividend - Net Asset Ratio (Consolidated)
	1Q	2Q	3Q	Full year	Total (annually)			
Year ended	yen	yen	yen	yen	yen	million yen	%	%
March 31, 2010	—	15.00	—	15.00	30.00	1,103	30.1	1.8
March 31, 2011	—	15.00	—	15.00	30.00	1,103	29.8	1.7
Year ending March 31, 2012 (Forecast)	—	15.00	—	15.00	30.00		29.8	

### 3. Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2012 (April 1, 2011 through March 31, 2012)

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months	83,000	79.5	2,700	—	2,900	—	1,700	—	46.24
Full year	176,000	24.7	5,900	9.0	6,500	5.4	3,700	(0.1)	100.63

### 4. Others

- (1) Changes in major subsidiaries during the period (Changes in subsidiaries that affect consolidated financial results) : Yes  
 New Consolidated company One Company Name (Tianjin Taikisha Paint Finishing System Ltd.)
- (2) Changes in accounting policies, procedures, and methods of presentation  
 (i) Changes due to revisions to accounting standards : Yes  
 (ii) Changes due to other reasons : None
- (3) Number of shares issued (common shares)  
 (i) Number of shares issued at end of period (including treasury shares )  
     As of March 31, 2011 36,782,009 shares  
     As of March 31, 2010 36,782,009 shares  
 (ii) Number of treasury shares at end of period  
     As of March 31, 2011 13,523 shares  
     As of March 31, 2010 12,594 shares  
 (iii) Average number of common shares during the period  
     Year ended March 31, 2011 36,768,942 shares  
     Year ended March 31, 2010 36,769,645 shares

### (Note) Non-consolidated Operating Performance

#### 1. Non-consolidated Operating Performance (April 1, 2010 through March 31, 2011)

##### (1) Non-consolidated operating result

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2011	89,763	18.2	2,762	112.8	4,896	61.3	3,214	60.3
March 31, 2010	75,971	(27.5)	1,298	(52.9)	3,036	(30.2)	2,005	4.6

	Net income per share	Net income per share after potential share adjustment
Year ended	yen	yen
March 31, 2011	87.41	—
March 31, 2010	54.53	—

##### (2) Non-consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
As of	million yen	million yen	%	yen
March 31, 2011	105,489	59,811	56.7	1,626.69
March 31, 2010	101,855	58,580	57.5	1,593.18

### 2. Non-consolidated Earnings Forecast for Fiscal Year Ending March 31, 2012 (April 1, 2011 through March 31, 2012)

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months	45,500	64.6	200	—	1,100	260.7	800	116.2	21.76
Full year	94,000	4.7	600	(78.3)	2,900	(40.8)	1,900	(40.9)	51.67

#### ※ Notice of status of implementation for audit procedures

This financial report is not subject to audit procedures based upon the Financial Instruments and Exchange Act. Audit procedures for the financial statements in accordance with the financial Instruments and Exchange Act had not been completed as at the time of disclosure of this financial report.

#### ※ Explanation about the proper use of consolidated forecasts and other notes

Data and forward-looking statements disclosed herein are based on information current as of today, and may change depending upon various factors. The data and judgments do not guarantee accomplishment of goals and projections, and may be changed at any time without notice. Consequently, we ask you to use this information at your discretion based upon your own judgment and information you may obtain through other sources. Our company will not be responsible for any damages that result from the use of this information.

# 1 Consolidated Financial Statement

## (1) Consolidated Balance Sheet

Millions of yen

	As of March 31, 2010	As of March 31, 2011
<b>Assets</b>		
Current assets		
Cash and deposits	27,320	25,282
Notes receivable, accounts receivable from completed construction contracts and other	43,630	52,381
Short-term investment securities	—	3,000
Costs on uncompleted construction contracts	17,518	17,100
Raw materials and supplies	453	478
Deferred tax assets	1,317	2,505
Other	4,556	3,881
Allowance for doubtful accounts	(306)	(338)
Total current assets	<u>94,489</u>	<u>104,291</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	7,723	7,737
Machinery, vehicles, tools, furniture and fixtures	4,404	4,500
Land	3,371	3,333
Other	317	282
Accumulated depreciation	(8,743)	(9,088)
Total property, plant and equipment	<u>7,071</u>	<u>6,765</u>
Intangible assets	1,473	1,125
Investments and other assets		
Investment securities	16,216	17,915
Deferred tax assets	101	108
Other	3,275	2,583
Allowance for doubtful accounts	(733)	(92)
Total investments and other assets	<u>18,859</u>	<u>20,515</u>
Total noncurrent assets	<u>27,405</u>	<u>28,406</u>
Total assets	<u>121,894</u>	<u>132,698</u>
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	28,052	34,565
Short-term loans payable	1,481	2,714
Income taxes payable	449	2,592
Deferred tax liabilities	13	12
Advances received on uncompleted construction contracts	14,721	14,242
Provision for warranties for completed construction	309	310
Provision for loss on construction contracts	1,089	1,343
Provision for directors' bonuses	37	44
Other	3,730	4,833
Total current liabilities	<u>49,885</u>	<u>60,658</u>
Noncurrent liabilities		
Long-term loans payable	503	568
Deferred tax liabilities	1,511	1,077
Provision for retirement benefits	3,167	3,101
Provision for directors' retirement benefits	204	123
Other	358	191
Total noncurrent liabilities	<u>5,745</u>	<u>5,061</u>
Total liabilities	<u>55,631</u>	<u>65,720</u>

	As of March 31, 2010	As of March 31, 2011
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus	7,297	7,297
Retained earnings	48,936	51,537
Treasury stock	(17)	(18)
Total shareholders' equity	<u>62,671</u>	<u>65,270</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,933	3,060
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustment	(2,828)	(3,533)
Total accumulated other comprehensive income	<u>1,104</u>	<u>(474)</u>
Minority interests	<u>2,487</u>	<u>2,181</u>
Total net assets	<u>66,263</u>	<u>66,978</u>
Total liabilities and net assets	<u>121,894</u>	<u>132,698</u>

## (2) Consolidated Income Statement and Consolidated Statement of Comprehensive Income

## Consolidated Income Statement

Millions of yen

	Year ended March 31	
	2010	2011
	Apr. 1, 2009 - Mar. 31, 2010	Apr. 1, 2010 - Mar. 31, 2011
Net sales of completed construction contracts	117,234	141,160
Cost of sales of completed construction contracts	100,197	121,288
Gross profit on completed construction contracts	17,036	19,872
Selling, general and administrative expenses		
Directors' compensations	713	728
Employees' salaries and allowances	5,690	6,019
Provision for directors' bonuses	37	44
Retirement benefit expenses	793	734
Provision for directors' retirement benefits	24	26
Correspondence and transportation expenses	953	1,072
Provision of allowance for doubtful accounts	108	83
Rents	1,038	1,002
Depreciation	786	810
Other	3,699	3,939
Total selling, general and administrative expenses	13,847	14,460
Operating income	3,189	5,411
Non-operating income		
Interest income	220	189
Dividends income	273	305
Dividends income of insurance	73	93
Real estate rent	158	132
Equity in earnings of affiliates	95	82
Other	168	304
Total non-operating income	989	1,107
Non-operating expenses		
Interest expenses	68	94
Rent expenses on real estates	97	90
Foreign exchange losses	154	63
Provision of allowance for doubtful accounts	92	12
Other	66	91
Total non-operating expenses	479	352
Ordinary income	3,699	6,166
Extraordinary income		
Reversal of allowance for doubtful accounts	95	154
Gain on disposal of noncurrent assets	21	14
Gain on sales of investment securities	9	—
Gain on change in equity	—	5
Gain on negative goodwill	—	172
Surrender value of insurance	6	—
Other	178	—
Total extraordinary income	311	346

Millions of yen

	Year ended March 31	
	2010	2011
	Apr. 1, 2009 - Mar. 31, 2010	Apr. 1, 2010 - Mar. 31, 2011
Extraordinary loss		
Loss on disposal of noncurrent assets	38	20
Impairment loss	18	1
Loss on sales of investment securities	—	31
Loss on valuation of investment securities	31	53
Provision for directors' retirement benefits for prior periods	11	2
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	48
Loss on insurance cancellation	23	0
Bad debts written off	3	—
Total extraordinary losses	126	157
Income before income taxes and minority interests	3,884	6,354
Income taxes-current	1,086	3,309
Income taxes for prior periods	—	159
Income taxes-deferred	(27)	(1,090)
Total income taxes	1,059	2,378
Income before minority interests	—	3,976
Minority interests in income (loss)	(842)	273
Net income	3,666	3,703

Consolidated Statement of Comprehensive Income

Millions of yen

	Year ended March 31	
	2010	2011
	Apr. 1, 2009 - Mar. 31, 2010	Apr. 1, 2010 - Mar. 31, 2011
Income before minority interests	—	3,976
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(875)
Deferred gains or losses on hedges	—	(1)
Foreign currency translation adjustment	—	(807)
Share of other comprehensive income of associates accounted for using equity method	—	(32)
Total other comprehensive income	—	(1,715)
Comprehensive income	—	2,261
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	—	2,124
Comprehensive income attributable to minority interests	—	136

## (3) Consolidated Statements of Changes in Net Assets

Millions of yen

	Year ended March 31	
	2010	2011
	Apr. 1, 2009 - Mar. 31, 2010	Apr. 1, 2010 - Mar. 31, 2011
Shareholders' equity		
Capital stock		
Balance at the end of previous period	6,455	6,455
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	6,455	6,455
Capital surplus		
Balance at the end of previous period	7,297	7,297
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	7,297	7,297
Retained earnings		
Balance at the end of previous period	46,372	48,936
Changes of items during the period		
Dividends from surplus	(1,103)	(1,103)
Net income	3,666	3,703
Total changes of items during the period	2,563	2,600
Balance at the end of current period	48,936	51,537
Treasury stock		
Balance at the end of previous period	(15)	(17)
Changes of items during the period		
Purchase of treasury stock	(4)	(1)
Disposal of treasury stock	2	0
Total changes of items during the period	(1)	(1)
Balance at the end of current period	(17)	(18)
Total shareholders' equity		
Balance at the end of previous period	60,109	62,671
Changes of items during the period		
Dividends from surplus	(1,103)	(1,103)
Net income	3,666	3,703
Purchase of treasury stock	(4)	(1)
Disposal of treasury stock	3	0
Total changes of items during the period	2,562	2,599
Balance at the end of current period	62,671	65,270



Millions of yen

	Year ended March 31	
	2010	2011
	Apr. 1, 2009 - Mar. 31, 2010	Apr. 1, 2010 - Mar. 31, 2011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	1,608	3,933
Changes of items during the period		
Net changes of items other than shareholders' equity	2,325	(873)
Total changes of items during the period	2,325	(873)
Balance at the end of current period	3,933	3,060
Deferred gains or losses on hedges		
Balance at the end of previous period	9	(0)
Changes of items during the period		
Net changes of items other than shareholders' equity	(10)	(1)
Total changes of items during the period	(10)	(1)
Balance at the end of current period	(0)	(1)
Foreign currency translation adjustment		
Balance at the end of previous period	(3,258)	(2,828)
Changes of items during the period		
Net changes of items other than shareholders' equity	430	(704)
Total changes of items during the period	430	(704)
Balance at the end of current period	(2,828)	(3,533)
Total accumulated other comprehensive income		
Balance at the end of previous period	(1,640)	1,104
Changes of items during the period		
Net changes of items other than shareholders' equity	2,745	(1,579)
Total changes of items during the period	2,745	(1,579)
Balance at the end of current period	1,104	(474)
Minority interests		
Balance at the end of previous period	2,973	2,487
Changes of items during the period		
Net changes of items other than shareholders' equity	(486)	(305)
Total changes of items during the period	(486)	(305)
Balance at the end of current period	2,487	2,181
Total net assets		
Balance at the end of previous period	61,441	66,263
Changes of items during the period		
Dividends from surplus	(1,103)	(1,103)
Net income	3,666	3,703
Purchase of treasury stock	(4)	(1)
Disposal of treasury stock	3	0
Net changes of items other than shareholders' equity	2,259	(1,884)
Total changes of items during the period	4,821	714
Balance at the end of current period	66,263	66,978

## (4) Consolidated Cash Flow Statement

Millions of yen

	Year ended March 31	
	2010	2011
	Apr. 1, 2009 - Mar. 31, 2010	Apr. 1, 2010 - Mar. 31, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	3,884	6,354
Depreciation and amortization	1,107	1,122
Gain on negative goodwill	—	(172)
Increase (decrease) in allowance for doubtful accounts	91	(602)
Increase (decrease) in provision for retirement benefits	9	(54)
Increase (decrease) in provision for directors' retirement benefits	36	(80)
Increase (decrease) in provision for loss on construction contracts	232	256
Increase (decrease) in provision for warranties for completed construction	(247)	8
Interest and dividends income	(493)	(494)
Interest expenses	68	94
Equity in (earnings) losses of affiliates	(71)	(45)
Loss (gain) on sales of investment securities	(9)	31
Loss (gain) on disposal of noncurrent assets	16	5
Loss (gain) on valuation of investment securities	31	53
Loss on adjustment for changes of accounting standard for asset retirement	—	48
Decrease (increase) in notes and accounts receivable-trade	2,305	(9,277)
Decrease (increase) in inventories	123	270
Decrease (increase) in advances paid	(33)	(134)
Decrease (increase) in non-operating notes receivable	70	73
Decrease (increase) in accounts receivable-other	(115)	110
Increase (decrease) in notes and accounts payable-trade	(5,127)	7,018
Increase (decrease) in advances received on uncompleted construction contracts	2,505	(18)
Increase (decrease) in non-operating notes payable	32	(14)
Increase (decrease) in accrued consumption taxes	(293)	390
Increase (decrease) in deposits received	265	69
Increase (decrease) in accrued expenses	(210)	64
Other, net	(1,588)	1,322
Subtotal	2,593	6,399
Interest and dividends income received	493	494
Interest expenses paid	(67)	(93)
Income taxes paid	(1,941)	(930)
Net cash provided by (used in) operating activities	1,077	5,869

Millions of yen

	Year ended March 31	
	2010	2011
	Apr. 1, 2009 - Mar. 31, 2010	Apr. 1, 2010 - Mar. 31, 2011
Net cash provided by (used in) investing activities		
Payments into time deposits	(378)	(2,766)
Proceeds from withdrawal of time deposits	2,994	2,714
Purchase of short-term investment securities	—	(2,000)
Purchase of property, plant and equipment and intangible assets	(826)	(783)
Proceeds from sales of property, plant and equipment and intangible assets	69	127
Purchase of investment securities	(79)	(4,697)
Proceeds from sales of investment securities	44	583
Proceeds from redemption of investment securities	500	1,000
Purchase of investments in subsidiaries	(0)	(100)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	46	—
Payments of long-term loans receivable	(63)	(76)
Collection of long-term loans receivable	32	89
Purchase of insurance funds	(305)	(58)
Proceeds from maturity of insurance funds	204	37
Other, net	(132)	92
Net cash provided by (used in) investing activities	<u>2,105</u>	<u>(5,838)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(388)	1,391
Proceeds from long-term loans payable	—	209
Repayment of long-term loans payable	(176)	(203)
Repayments of lease obligations	(46)	(49)
Proceeds from stock issuance to minority shareholders	—	69
Net decrease (increase) in treasury stock	(1)	(1)
Cash dividends paid	(1,103)	(1,105)
Cash dividends paid to minority shareholders	(279)	(217)
Net cash provided by (used in) financing activities	<u>(1,995)</u>	<u>92</u>
Effect of exchange rate change on cash and cash equivalents	<u>297</u>	<u>(840)</u>
Net increase (decrease) in cash and cash equivalents	<u>1,485</u>	<u>(717)</u>
Cash and cash equivalents at beginning of period	<u>25,267</u>	<u>26,752</u>
Cash and cash equivalents at end of period	<u>26,752</u>	<u>26,035</u>

(Segment information)

1. Industry segments

The business of the company and its consolidated subsidiaries is construction of facilities, and there is no other segment to be disclosed.

2. Geographical segments

Millions of yen

Year ended March 31, 2010 (Apr. 1, 2009 -Mar. 31, 2010)								
	Japan	North America	Southeast Asia	East Asia	Other areas	Total	Elimination Corporate	Consolidated
Sales and operating income								
Sales								
Sales to customers	77,785	10,256	18,964	7,337	2,890	117,234	—	117,234
Intersegment	1,108	17	34	89	26	1,276	(1,276)	—
Total	78,894	10,273	18,999	7,426	2,916	118,510	(1,276)	117,234
Operating expenses	77,540	9,994	18,550	6,816	2,843	115,745	(1,701)	114,044
Operating income	1,354	278	448	609	73	2,765	424	3,189
Total Assets	104,500	2,860	11,381	5,608	3,238	127,588	(5,693)	121,894

(Note) 1. The countries or the regions are classified depending on geographical proximity.

2. Major countries in the classification, except Japan.

(1) North America ..... USA, Canada

(2) Southeast Asia ..... Singapore, Thailand, Malaysia, Indonesia, Philippines, Vietnam

(3) East Asia ..... China, Taiwan, Korea

(4) Other areas ..... UK, Russia, India

3. "Accounting Standard for Construction Contracts" was adopted effective the 1st quarter of this fiscal year.

As a result, sales in Japan increased by 14,393 million yen and operating income in Japan increased by 1,836 million yen compared with the former method.

3. Overseas sales

Millions of yen

		North America	Southeast Asia	East Asia	Other areas	Total
Year ended March 31, 2010	Overseas sales	8,937	19,992	14,672	7,678	51,281
(Apr.1, 2009 - Mar. 31, 2010)	Total sales					117,234
	Ratio of overseas sales to total sales (%)	7.6	17.1	12.5	6.5	43.7

(Note) 1. The countries or the regions are classified depending on geographical proximity.

2. Major countries in the classification, except Japan.

(1) North America ..... USA, Canada

(2) Southeast Asia ..... Singapore, Thailand, Malaysia, Indonesia, Philippines, Vietnam

(3) East Asia ..... China, Taiwan, Korea

(4) Other areas ..... UK, France, India

3. Overseas sales is revenue made by the Company and its consolidated subsidiaries, except for Japan.

4. "Accounting Standard for Construction Contracts" was adopted effective the 1st quarter of this fiscal year.

As a result, sales in Southeast Asia increased by 35 million yen and sales in East Asia increased by 3,499 million yen and sales in other areas increased by 954 million yen compared with the former method.

4. Sales and profits or losses by reportable segments

Millions of yen

Year ended March 31, 2010 (Apr. 1, 2009 -Mar. 31, 2010)					
	Green Technology System Division	Paint Finishing System Division	Total	Elimination Corporate	Consolidated
Sales and operating income					
Sales					
Sales to customers	77,926	39,308	117,234	—	117,234
Intersegment	3	—	3	(3)	—
Total	77,929	39,308	117,237	(3)	117,234
Segment profit	522	3,071	3,594	105	3,699
Segment assets	59,379	28,847	88,227	33,667	121,894
Other items					
Depreciation Expenses	504	532	1,037	17	1,054
Amortization of negative goodwill	—	—	—	33	33
Interest income	64	151	215	5	220
Interest expenses	21	27	48	19	68
Equity in earnings (losses) of affiliates	(2)	97	95	—	95
Investments in associates accounted for using the equity method	—	353	353	—	353
Increase in tangible and intangible assets	373	240	613	249	863

(Note) 1. The amount of Eliminations/ Corporate is as follows:

(1) Eliminations/ Corporate of Segment profit of 105 million yen includes non-allocatable common costs of 95 million yen and other adjustment of 10 million yen.

Non-allocatable common costs is mainly dividend income etc. those are not attribute to any reporting segments.

(2) Eliminations/ Corporate of Segment assets of 33,667 million yen is elimination of receivable and payable etc. of -2,030 million yen and non-allocatable common assets that is not allocated to any segments of 35,698 million yen. Non-allocatable common assets is mainly cash and deposit, tangible fixed assets, investment securities and deferred tax assets etc. those are not attribute to any reporting segments.

(3) Eliminations/ Corporate of Increase in tangible and intangible assets of 249 million yen is mainly buildings and accompanying facilities etc. in headquarters.

2. Segment profit (loss) were adjusted in the ordinary income of the consolidated income statement.

Millions of yen

Year ended March 31, 2011 (Apr. 1, 2010 -Mar. 31, 2011)					
	Green Technology System Division	Paint Finishing System Division	Total	Elimination Corporate	Consolidated
Sales and operating income					
Sales					
Sales to customers	103,125	38,034	141,160	—	141,160
Intersegment	4	75	79	(79)	—
Total	103,130	38,109	141,240	(79)	141,160
Segment profit	2,219	3,494	5,714	451	6,166
Segment assets	69,667	26,646	96,314	36,383	132,698
Other items					
Depreciation Expenses	519	528	1,047	19	1,067
Interest income	58	105	163	25	189
Interest expenses	36	36	73	20	94
Equity in earnings (losses) of affiliates	—	82	82	—	82
Investments in associates accounted for using the equity method	—	366	366	—	366
Increase in tangible and intangible assets	199	316	516	175	692

(Note) 1. The amount of Eliminations/ Corporate is as follows:

(1) Eliminations/ Corporate of Segment profit of 451 million yen includes non-allocatable common costs of 471 million yen and other adjustment of -20 million yen.

Non-allocatable common costs is mainly dividend income etc. those are not attribute to any reporting segments.

(2) Eliminations/ Corporate of Segment assets of 36,383 million yen is elimination of receivable and payable etc. of -2,409 million yen and non-allocatable common assets that is not allocated to any segments of 38,793 million yen. Non-allocatable common assets is mainly cash and deposit, tangible fixed assets, investment securities and deferred tax assets etc. those are not attribute to any reporting segments.

(3) Eliminations/ Corporate of Increase in tangible and intangible assets of 175 million yen is mainly buildings and accompanying facilities etc. in headquarters.

2. Segment profit (loss) were adjusted in the ordinary income of the consolidated income statement.

(Additional Information)

From this accounting period, the Company adapted "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17 issued on March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 issued on March 21, 2008) .

## 5. Sales by region

Millions of yen

Year ended March 31, 2011 (Apr. 1, 2010 -Mar. 31, 2011)								
Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other south east Asia	China	Other east Asia			
78,539	1,916	15,849	13,183	20,765	1,472	5,454	3,979	141,160

(Note) Sales is classified to the countries or regions based on their customer's location.

## 6. Tangible fixed assets by region

Millions of yen

Year ended March 31, 2011 (Apr. 1, 2010 -Mar. 31, 2011)					
Japan	Thailand	Indonesia	India	Other	Total
5,292	492	322	511	147	6,765

## 2 Non-consolidated Financial Statement

### (1) Balance Sheet

Millions of yen

	As of March 31, 2010	As of March 31, 2011
<b>Assets</b>		
Current assets		
Cash and deposits	17,238	14,490
Notes receivable-trade	1,078	960
Accounts receivable from completed construction contracts	33,636	36,775
Short-term investment securities	—	3,000
Costs on uncompleted construction contracts	16,951	15,067
Raw materials and supplies	179	172
Short-term loans receivable	321	531
Prepaid expenses	240	259
Deferred tax assets	1,146	2,346
Other	2,091	1,672
Allowance for doubtful accounts	(257)	(304)
Total current assets	<u>72,628</u>	<u>74,972</u>
Noncurrent assets		
Property, plant and equipment		
Buildings	6,040	6,056
Accumulated depreciation	(4,225)	(4,316)
Buildings, net	<u>1,815</u>	<u>1,740</u>
Structures	266	263
Accumulated depreciation	(235)	(235)
Structures, net	<u>31</u>	<u>28</u>
Machinery and equipment	756	777
Accumulated depreciation	(647)	(691)
Machinery and equipment, net	<u>108</u>	<u>86</u>
Vehicles	15	12
Accumulated depreciation	(14)	(11)
Vehicles, net	<u>1</u>	<u>0</u>
Tools, furniture and fixtures	816	847
Accumulated depreciation	(634)	(701)
Tools, furniture and fixtures, net	<u>182</u>	<u>146</u>
Land	2,482	2,461
Lease assets	64	64
Accumulated depreciation	(21)	(36)
Lease assets, net	<u>42</u>	<u>27</u>
Construction in progress	4	1
Total property, plant and equipment	<u>4,667</u>	<u>4,491</u>
Intangible assets		
Leasehold right	0	0
Software	1,356	1,016
Other	21	20
Total intangible assets	<u>1,378</u>	<u>1,036</u>

	As of March 31, 2010	As of March 31, 2011
Investments and other assets		
Investment securities	15,681	17,034
Stocks of subsidiaries and affiliates	5,713	6,188
Investments in capital	1	1
Long-term loans receivable	165	144
Long-term loans receivable from employees	31	26
Claims provable in bankruptcy, claims provable in rehabilitation and other	601	36
Long-term prepaid expenses	12	36
Lease and guarantee deposits	1,276	1,153
Insurance funds	366	435
Other	41	0
Allowance for doubtful accounts	(681)	(69)
Allowance for investment loss	(30)	—
Total investments and other assets	<u>23,179</u>	<u>24,987</u>
Total noncurrent assets	<u>29,226</u>	<u>30,516</u>
Total assets	<u>101,855</u>	<u>105,489</u>
Liabilities		
Current liabilities		
Notes payable-trade	4,298	5,686
Accounts payable for construction contracts	19,055	20,014
Short-term loans payable	2,031	2,079
Lease obligations	16	16
Accounts payable-other	1,544	2,027
Accrued expenses	236	301
Income taxes payable	—	2,224
Advances received on uncompleted construction contracts	10,280	7,704
Deposits received	587	617
Unearned revenue	3	3
Provision for warranties for completed construction	218	244
Provision for loss on construction contracts	938	1,279
Provision for directors' bonuses	36	44
Other	74	51
Total current liabilities	<u>39,322</u>	<u>42,295</u>
Noncurrent liabilities		
Long-term loans payable	—	114
Lease obligations	28	12
Deferred tax liabilities	1,025	577
Provision for retirement benefits	2,644	2,562
Other	253	115
Total noncurrent liabilities	<u>3,952</u>	<u>3,382</u>
Total liabilities	<u>43,275</u>	<u>45,677</u>



	As of March 31, 2010	As of March 31, 2011
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus		
Legal capital surplus	7,297	7,297
Other capital surplus	—	0
Total capital surpluses	<u>7,297</u>	<u>7,297</u>
Retained earnings		
Legal retained earnings	1,613	1,613
Other retained earnings		
Reserve for reduction entry	13	8
Reserve for investment on information technology	800	1,000
General reserve	35,720	35,720
Retained earnings brought forward	<u>2,763</u>	<u>4,679</u>
Total retained earnings	<u>40,911</u>	<u>43,022</u>
Treasury stock	<u>(17)</u>	<u>(18)</u>
Total shareholders' equity	<u>54,646</u>	<u>56,755</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,934	3,064
Deferred gains or losses on hedges	<u>(0)</u>	<u>(9)</u>
Total valuation and translation adjustments	<u>3,933</u>	<u>3,055</u>
Total net assets	<u>58,580</u>	<u>59,811</u>
Total liabilities and net assets	<u>101,855</u>	<u>105,489</u>

## (2) Income Statement

Millions of yen

	Year ended March 31	
	2010	2011
	Apr. 1, 2009 - Mar. 31, 2010	Apr. 1, 2010 - Mar. 31, 2011
Net sales of completed construction contracts	75,971	89,763
Cost of sales of completed construction contracts	64,605	76,431
Gross profit on completed construction contracts	11,365	13,331
Selling, general and administrative expenses		
Directors' compensations	342	373
Employees' salaries and allowances	4,275	4,583
Provision for directors' bonuses	36	44
Retirement benefit expenses	745	687
Legal welfare expenses	518	573
Welfare expenses	295	301
Repair and maintenance	152	142
Stationery expenses	346	355
Correspondence and transportation expenses	529	588
Power utilities expenses	66	72
Research study expenses	218	274
Advertising expenses	75	93
Provision of allowance for doubtful accounts	79	—
Entertainment expenses	86	103
Contribution	8	28
Rents	781	738
Depreciation	599	611
Taxes and dues	160	185
Insurance expenses	22	14
Miscellaneous expenses	725	795
Total selling, general and administrative expenses	10,066	10,569
Operating income	1,298	2,762
Non-operating income		
Interest income	6	10
Interest on securities	4	21
Dividends income	1,260	1,367
Dividends income of insurance	73	93
Real estate rent	275	262
Technical advisory fee	395	430
Other	50	175
Total non-operating income	2,066	2,361
Non-operating expenses		
Interest expenses	25	27
Rent expenses on real estates	97	90
Foreign exchange losses	80	50
Provision of allowance for doubtful accounts	92	—
Other	33	58
Total non-operating expenses	329	227
Ordinary income	3,036	4,896

Millions of yen

	Year ended March 31	
	2010	2011
	Apr. 1, 2009 - Mar. 31, 2010	Apr. 1, 2010 - Mar. 31, 2011
Extraordinary income		
Reversal of allowance for doubtful accounts	—	35
Gain on disposal of noncurrent assets	14	11
Reversal of allowance for investment loss	3	—
Surrender value of insurance	6	—
Total extraordinary income	<u>24</u>	<u>46</u>
Extraordinary loss		
Loss on disposal of noncurrent assets	36	16
Impairment loss	18	1
Loss on valuation of stocks of subsidiaries and affiliates	105	19
Loss on sales of investment securities	—	26
Loss on valuation of investment securities	31	53
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	47
Loss on insurance cancellation	23	0
Bad debts written off	3	—
Total extraordinary losses	<u>219</u>	<u>165</u>
Income before income taxes	<u>2,842</u>	<u>4,777</u>
Income taxes-current	494	2,514
Income taxes for prior periods	—	159
Income taxes-deferred	342	(1,110)
Total income taxes	<u>837</u>	<u>1,563</u>
Net income	<u>2,005</u>	<u>3,214</u>

## (3) Statements of Changes in Net Assets

Millions of yen

	Year ended March 31	
	2010	2011
	Apr. 1, 2009 - Mar. 31, 2010	Apr. 1, 2010 - Mar. 31, 2011
Shareholders' equity		
Capital stock		
Balance at the end of previous period	6,455	6,455
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	6,455	6,455
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	7,297	7,297
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	7,297	7,297
Other capital surplus		
Balance at the end of previous period	—	—
Changes of items during the period		
Disposal of treasury stock	—	0
Total changes of items during the period	—	0
Balance at the end of current period	—	0
Total capital surplus		
Balance at the end of previous period	7,297	7,297
Changes of items during the period		
Disposal of treasury stock	—	0
Total changes of items during the period	—	0
Balance at the end of current period	7,297	7,297
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	1,613	1,613
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	1,613	1,613
Other retained earnings		
Reserve for reduction entry		
Balance at the end of previous period	19	13
Changes of items during the period		
Reversal of reserve for reduction entry	(5)	(5)
Total changes of items during the period	(5)	(5)
Balance at the end of current period	13	8
Reserve for investment on information technology		
Balance at the end of previous period	600	800
Changes of items during the period		
Reserve of reserve for investment on information technology	200	200
Total changes of items during the period	200	200
Balance at the end of current period	800	1,000
General reserve		
Balance at the end of previous period	35,720	35,720
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	35,720	35,720

Millions of yen

	Year ended March 31	
	2010	2011
	Apr. 1, 2009 - Mar. 31, 2010	Apr. 1, 2010 - Mar. 31, 2011
Retained earnings brought forward		
Balance at the end of previous period	2,056	2,763
Changes of items during the period		
Reversal of reserve for reduction entry	5	5
Reserve for investment on information technology	(200)	(200)
Dividends from surplus	(1,103)	(1,103)
Net income	2,005	3,214
Total changes of items during the period	706	1,916
Balance at the end of current period	2,763	4,679
Total retained earnings		
Balance at the end of previous period	40,009	40,911
Changes of items during the period		
Reversal of reserve for reduction entry	—	—
Reserve for investment on information technology	—	—
Dividends from surplus	(1,103)	(1,103)
Net income	2,005	3,214
Total changes of items during the period	901	2,110
Balance at the end of current period	40,911	43,022
Treasury stock		
Balance at the end of previous period	(15)	(17)
Changes of items during the period		
Purchase of treasury stock	(1)	(1)
Disposal of treasury stock	—	0
Total changes of items during the period	(1)	(1)
Balance at the end of current period	(17)	(18)
Total shareholders' equity		
Balance at the end of previous period	53,746	54,646
Changes of items during the period		
Dividends from surplus	(1,103)	(1,103)
Net income	2,005	3,214
Purchase of treasury stock	(1)	(1)
Disposal of treasury stock	—	0
Total changes of items during the period	900	2,109
Balance at the end of current period	54,646	56,755
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	1,609	3,934
Changes of items during the period		
Net changes of items other than shareholders' equity	2,324	(869)
Total changes of items during the period	2,324	(869)
Balance at the end of current period	3,934	3,064
Deferred gains or losses on hedges		
Balance at the end of previous period	9	(0)
Changes of items during the period		
Net changes of items other than shareholders' equity	(10)	(9)
Total changes of items during the period	(10)	(9)
Balance at the end of current period	(0)	(9)
Total valuation and translation adjustments		
Balance at the end of previous period	1,619	3,933
Changes of items during the period		
Net changes of items other than shareholders' equity	2,314	(878)
Total changes of items during the period	2,314	(878)
Balance at the end of current period	3,933	3,055

Millions of yen

	Year ended March 31	
	2010	2011
	Apr. 1, 2009 - Mar. 31, 2010	Apr. 1, 2010 - Mar. 31, 2011
Total net assets		
Balance at the end of previous period	55,365	58,580
Changes of items during the period		
Dividends from surplus	(1,103)	(1,103)
Net income	2,005	3,214
Purchase of treasury stock	(1)	(1)
Disposal of treasury stock	—	0
Net changes of items other than shareholders' equity	2,314	(878)
Total changes of items during the period	3,214	1,230
Balance at the end of current period	58,580	59,811

## (Supplementary information)

## 1. Statement for orders-received during this period, sales of construction during this period, and sales of construction carried forward by each division (consolidated)

Millions of yen

Division			Year ended March 31, 2010 (Apr. 1, 2009 - Mar. 31, 2010)		Year ended March 31, 2011 (Apr. 1, 2010 - Mar. 31, 2011)		Increase (decrease)	
			Amounts	%	Amounts	%	Amounts	%
Orders-received construction during this period	Green Technology System Division	HVAC for buildings	34,980	29.5 %	32,278	19.5 %	(2,702)	(7.7) %
		Industrial HVAC	50,383	42.4	79,416	47.9	29,033	57.6
		Total	85,363	71.9	111,695	67.4	26,332	30.8
		[Overseas]	[ 21,032 ]	[ 17.7 ]	[ 45,037 ]	[ 27.2 ]	[ 24,005 ]	[ 114.1 ]
	Paint Finishing System Division	33,303	28.1	53,943	32.6	20,640	62.0	
	[Overseas]	[ 27,756 ]	[ 23.4 ]	[ 50,498 ]	[ 30.5 ]	[ 22,742 ]	[ 81.9 ]	
Total	118,667	100.0	165,638	100.0	46,971	39.6		
[Overseas]	[ 48,789 ]	[ 41.1 ]	[ 95,536 ]	[ 57.7 ]	[ 46,747 ]	[ 95.8 ]		
Sales of construction during this period	Green Technology System Division	HVAC for buildings	26,804	22.9	30,857	21.9	4,053	15.1
		Industrial HVAC	51,121	43.6	72,268	51.2	21,147	41.4
		Total	77,926	66.5	103,125	73.1	25,199	32.3
		[Overseas]	[ 20,326 ]	[ 17.3 ]	[ 33,825 ]	[ 24.0 ]	[ 13,499 ]	[ 66.4 ]
	Paint Finishing System Division	39,307	33.5	38,034	26.9	(1,273)	(3.2)	
	[Overseas]	[ 30,955 ]	[ 26.4 ]	[ 28,795 ]	[ 20.4 ]	[ (2,160) ]	[ (7.0) ]	
Total	117,234	100.0	141,160	100.0	23,926	20.4		
[Overseas]	[ 51,281 ]	[ 43.7 ]	[ 62,621 ]	[ 44.4 ]	[ 11,340 ]	[ 22.1 ]		
Construction carried forward	Green Technology System Division	HVAC for buildings	44,658	40.3	46,079	34.3	1,421	3.2
		Industrial HVAC	31,752	28.6	38,863	28.9	7,111	22.4
		Total	76,410	68.9	84,942	63.2	8,532	11.2
		[Overseas]	[ 10,111 ]	[ 9.1 ]	[ 21,327 ]	[ 15.9 ]	[ 11,216 ]	[ 110.9 ]
	Paint Finishing System Division	34,491	31.1	49,452	36.8	14,961	43.4	
	[Overseas]	[ 27,961 ]	[ 25.2 ]	[ 48,716 ]	[ 36.2 ]	[ 20,755 ]	[ 74.2 ]	
Total	110,902	100.0	134,395	100.0	23,493	21.2		
[Overseas]	[ 38,073 ]	[ 34.3 ]	[ 70,044 ]	[ 52.1 ]	[ 31,971 ]	[ 84.0 ]		

(Note) 1. The amounts of orders received, sales of construction, and construction carried forward are the transacted amount with external customer.

2. There is 4 million yen difference between the consolidated accounting period of 103,125 million yen and segment information of 103,130 in the sales by construction of Green Technology System Division.

There is 75 million yen difference between the consolidated accounting period of 38,034 million yen and segment information of 38,109 in the sales by construction of Paint Finishing System Division.

Above differences are due to intersegment sales.

3. Regarding foreign exchange translation of sales of construction carried forward from last year in foreign subsidiaries, fluctuation amount because of foreign exchange is adjusted in the beginning balance of sales of construction carried forward. Sales of construction carried forward after amendment in this fiscal year is as follows.

Green Technology System Division			
HVAC for buildings	44,658	million yen	
Industrial HVAC	31,715	[ overseas	10,115 million yen ]
Sub total	76,373	[ overseas	10,115 ]
Paint Finishing System Division	33,543	[ overseas	27,013 ]
Total	109,917	[ overseas	37,129 ]

2. Statement for orders-received during this period, sales of construction during this period, and sales of construction carried forward by each division (Non-consolidated)

Millions of yen

Division			Year ended March 31, 2010 (Apr. 1, 2009 - Mar. 31, 2010)		Year ended March 31, 2011 (Apr. 1, 2010 - Mar. 31, 2011)		Increase (decrease)	
			Amounts	%	Amounts	%	Amounts	%
Orders-received construction during this period	Green Technology System Division	HVAC for buildings	33,994	43.4 %	30,950	36.7 %	(3,044)	(9.0) %
		Industrial HVAC	29,246	37.4	34,695	41.1	5,449	18.6
		Total	63,240	80.8	65,646	77.8	2,406	3.8
		[Overseas]	[ 560 ]	[ 0.7 ]	[ 1,809 ]	[ 2.1 ]	[ 1,249 ]	[ 223.0 ]
	Paint Finishing System Division	15,032	19.2	18,703	22.2	3,671	24.4	
	[Overseas]	[ 10,132 ]	[ 13.0 ]	[ 16,315 ]	[ 19.3 ]	[ 6,183 ]	[ 61.0 ]	
Total	78,272	100.0	84,349	100.0	6,077	7.8		
[Overseas]	[ 10,693 ]	[ 13.7 ]	[ 18,125 ]	[ 21.4 ]	[ 7,432 ]	[ 69.5 ]		
Sales of construction during this period	Green Technology System Division	HVAC for buildings	25,786	33.9	29,557	32.9	3,771	14.6
		Industrial HVAC	30,956	40.8	38,553	43.0	7,597	24.5
		Total	56,743	74.7	68,111	75.9	11,368	20.0
		[Overseas]	[ 943 ]	[ 1.2 ]	[ 1,419 ]	[ 1.6 ]	[ 476 ]	[ 50.5 ]
	Paint Finishing System Division	19,228	25.3	21,651	24.1	2,423	12.6	
	[Overseas]	[ 11,979 ]	[ 15.8 ]	[ 13,172 ]	[ 14.7 ]	[ 1,193 ]	[ 10.0 ]	
Total	75,971	100.0	89,763	100.0	13,792	18.2		
[Overseas]	[ 12,922 ]	[ 17.0 ]	[ 14,591 ]	[ 16.3 ]	[ 1,669 ]	[ 12.9 ]		
Construction carried forward	Green Technology System Division	HVAC for buildings	44,579	55.3	45,972	61.1	1,393	3.1
		Industrial HVAC	21,643	26.8	17,785	23.7	(3,858)	(17.8)
		Total	66,223	82.1	63,757	84.8	(2,466)	(3.7)
		[Overseas]	[ 168 ]	[ 0.2 ]	[ 559 ]	[ 0.7 ]	[ 391 ]	[ 232.7 ]
	Paint Finishing System Division	14,394	17.9	11,445	15.2	(2,949)	(20.5)	
	[Overseas]	[ 7,951 ]	[ 9.9 ]	[ 11,094 ]	[ 14.8 ]	[ 3,143 ]	[ 39.5 ]	
Total	80,617	100.0	75,203	100.0	(5,414)	(6.7)		
[Overseas]	[ 8,120 ]	[ 10.1 ]	[ 11,654 ]	[ 15.5 ]	[ 3,534 ]	[ 43.5 ]		