

Financial Report for the First Quarter ended March, 2012

August 10, 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 to submit Quarterly report : August 12, 2011

Payment date of cash dividends : -

Supplemental materials prepared for quarterly financial results : None

Information meetings arranged related quarterly financial results : None

(Round down to one million yen)

1. Consolidated Operating Performance (April 1, 2011 through June 30, 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	%
Three months ended								
June 30, 2011	37,814	73.4	876	—	1,192	—	490	—
June 30, 2010	21,811	(12.1)	(494)	—	(287)	—	(160)	—

(Note) Comprehensive income For three months ended June 30, 2011 930 million yen — %
For three months ended June 30, 2010 (1,477) million yen — %

	Net income per share	Net income per share after potential share adjustment
	yen	yen
Three months ended		
June 30, 2011	13.35	—
June 30, 2010	(4.37)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio
	million yen	million yen	%
As of			
June 30, 2011	145,770	67,377	44.6
March 31, 2011	132,698	66,978	48.8

(Note) Shareholders' Equity As of June 30, 2011 64,976 million yen
As of March 31, 2011 64,796 million yen

2. Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Full year	Total (annually)
	yen	yen	yen	yen	yen
Year ended					
March 31, 2011	—	15.00	—	15.00	30.00
March 31, 2012	—				
Year ending March 31, 2012 (Forecast)		15.00	—	15.00	30.00

(Note) Revisions to forecasts of dividends : None

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

(Note) Revisions to forecasts of consolidated operating performance: None

4. Others

- (1) Changes in major subsidiaries during the period (Changes in subsidiaries that affect consolidated financial results) : None
- (2) Adoption of particular accounting treatments for quarterly consolidated financial statements : None
- (3) Changes in accounting policies, changes in accounting estimates and restatements
- (i) Changes in accounting policies due to revisions of accounting standards etc. : None
 - (ii) Changes in accounting policies other than (i) : None
 - (iii) Changes in accounting estimates : None
 - (iv) Restatements : None
- (4) Number of shares issued (common shares)
- (i) Number of shares issued at end of period (including treasury shares)
 - As of June 30, 2011 36,782,009 shares
 - As of March 31, 2011 36,782,009 shares
 - (ii) Number of treasury shares at end of period
 - As of June 30, 2011 13,537 shares
 - As of March 31, 2011 13,523 shares
 - (iii) Average number of common shares during the period
 - Three months ended June 30, 2011 36,768,479 shares
 - Three months ended March 31, 2011 36,769,356 shares

※ 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, 2011	As of June 30, 2011
Assets		
Current assets		
Cash and deposits	25,282	19,717
Notes receivable, accounts receivable from completed construction contracts and other	52,381	63,094
Short-term investment securities	3,000	2,499
Costs on uncompleted construction contracts	17,100	18,897
Raw materials and supplies	478	526
Other	6,387	8,717
Allowance for doubtful accounts	(338)	(316)
Total current assets	<u>104,291</u>	<u>113,136</u>
Noncurrent assets		
Property, plant and equipment	6,765	7,210
Intangible assets		
Goodwill	—	2,611
Other	1,125	1,304
Total intangible assets	<u>1,125</u>	<u>3,915</u>
Investments and other assets		
Investment securities	17,915	18,606
Other	2,692	3,033
Allowance for doubtful accounts	(92)	(132)
Total investments and other assets	<u>20,515</u>	<u>21,507</u>
Total noncurrent assets	<u>28,406</u>	<u>32,634</u>
Total assets	<u>132,698</u>	<u>145,770</u>
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	34,565	36,688
Short-term loans payable	2,714	3,317
Income taxes payable	2,592	501
Advances received on uncompleted construction contracts	14,242	24,708
Provision for bonuses	—	41
Provision for warranties for completed construction	310	451
Provision for loss on construction contracts	1,343	2,180
Other	4,889	4,858
Total current liabilities	<u>60,658</u>	<u>72,748</u>
Noncurrent liabilities		
Long-term loans payable	568	813
Provision for retirement benefits	3,101	3,261
Provision for directors' retirement benefits	123	114
Other	1,268	1,455
Total noncurrent liabilities	<u>5,061</u>	<u>5,644</u>
Total liabilities	<u>65,720</u>	<u>78,393</u>

	As of March 31, 2011	As of June 30, 2011
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus	7,297	7,297
Retained earnings	51,537	51,476
Treasury stock	(18)	(18)
Total shareholders' equity	<u>65,270</u>	<u>65,210</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,060	3,048
Deferred gains or losses on hedges	(1)	(9)
Foreign currency translation adjustment	(3,533)	(3,273)
Total accumulated other comprehensive income	<u>(474)</u>	<u>(233)</u>
Minority interests	<u>2,181</u>	<u>2,400</u>
Total net assets	<u>66,978</u>	<u>67,377</u>
Total liabilities and net assets	<u>132,698</u>	<u>145,770</u>

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

Consolidated Income Statement

Millions of yen

	Three months ended June 30, 2010 Apr. 1, 2010 - Jun. 30, 2010	Three months ended June 30, 2011 Apr. 1, 2011 - Jun. 30, 2011
Net sales of completed construction contracts	21,811	37,814
Cost of sales of completed construction contracts	18,826	33,447
Gross profit on completed construction contracts	2,985	4,367
Selling, general and administrative expenses	3,479	3,490
Operating income (loss)	(494)	876
Non-operating income		
Interest income	41	53
Dividends income	108	122
Real estate rent	28	27
Equity in earnings of affiliates	—	29
Gain on bad debts recovered	—	193
Other	133	27
Total non-operating income	311	453
Non-operating expenses		
Interest expenses	26	40
Rent expenses on real estates	24	17
Foreign exchange losses	31	71
Provision of allowance for doubtful accounts	—	0
Equity in losses of affiliates	13	—
Other	8	7
Total non-operating expenses	104	137
Ordinary income (loss)	(287)	1,192
Extraordinary income		
Reversal of allowance for doubtful accounts	66	—
Gain on disposal of noncurrent assets	10	31
Gain on sales of investment securities	—	0
Gain on change in equity	5	—
Gain on negative goodwill	166	—
Total extraordinary income	248	31
Extraordinary loss		
Loss on disposal of noncurrent assets	0	5
Loss on sales of investment securities	0	—
Loss on valuation of investment securities	51	135
Loss on adjustment for changes of accounting standard for asset retirement obligations	48	—
Total extraordinary losses	100	141
Income (loss) before income taxes and minority interests	(139)	1,083
Income taxes-current	212	502
Income taxes-deferred	(246)	(86)
Total income taxes	(33)	415
Income (loss) before minority interests	(105)	667
Minority interests in income	55	176
Net income (loss)	(160)	490

Consolidated Statements of Comprehensive Income

Millions of yen

	Three months ended June 30, 2010 Apr. 1, 2010 - Jun. 30, 2010	Three months ended June 30, 2011 Apr. 1, 2011 - Jun. 30, 2011
Income (loss) before minority interests	(105)	667
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,500)	(11)
Deferred gains or losses on hedges	(1)	(7)
Foreign currency translation adjustment	128	269
Share of other comprehensive income of associates accounted for using equity method	2	12
Total other comprehensive income	(1,371)	262
Comprehensive income	(1,477)	930
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(1,522)	732
Comprehensive income attributable to minority interests	45	198

(Segment information)

1. Reporting segments

Millions of yen

Three months ended June 30, 2010 (Apr. 1, 2010 -Jun. 30, 2010)					
	Reporting segments		Total	Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division			
Sales					
Sales to customers	14,702	7,108	21,811	—	21,811
Intersegment sales	—	—	—	—	—
Total	14,702	7,108	21,811	—	21,811
Segment profit (loss)	(1,010)	515	(495)	207	(287)

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

Eliminations/ Corporate of Segment profit (loss) of 207 million yen includes non-allocatable common costs of 211 million yen and other adjustment of minus 4 million yen. Non-allocatable common costs is mainly dividends received etc. those are not attribute to any reporting segments.

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

Millions of yen

Three months ended June 30, 2011 (Apr. 1, 2011 -Jun. 30, 2011)					
	Reporting segments		Total	Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division			
Sales					
Sales to customers	24,888	12,925	37,814	—	37,814
Intersegment sales	3	1	4	(4)	—
Total	24,891	12,927	37,819	(4)	37,814
Segment profit (loss)	(95)	1,165	1,070	122	1,192

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

Eliminations/ Corporate of Segment profit (loss) of 122 million yen includes non-allocatable common costs of 107 million yen and other adjustment of 14 million yen. Non-allocatable common costs is mainly dividends received etc. those are not attribute to any reporting segments.

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

(i) Information on assets by reporting segments

Compared with previous year end, assets by reporting segments in the current quarter fluctuated significantly. The reason is as follows. In the Paint Finishing System Division, Taikisha Ltd. acquired the shares of Geico S. p. A. With this acquisition, Geico S. p. A. and it's two subsidiaries had become consolidated subsidiaries of Taikisha Ltd. As a result, assets in the Paint Finishing System Division increased by 7,452 million yen.

(ii) Information on impairment loss of fixed assets or goodwill etc. by reporting segments
(Important fluctuation of Goodwill)

In the Paint Finishing System Division, Taikisha Ltd. acquired the shares of Geico S. p. A. With this acquisition, Geico S. p. A. and it's two subsidiaries had become consolidated subsidiaries of Taikisha Ltd. As a result, goodwill in the Paint Finishing System Division increased by 2,611 million yen in the current quarter.

2. Sales by region

Millions of yen

Three months ended June 30, 2010 (Apr. 1, 2010 -Jun. 31, 2010)								
Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other South East Asia	China	Other East Asia			
10,547	383	2,918	2,632	3,367	317	1,240	404	21,811

Millions of yen

Three months ended June 30, 2011 (Apr. 1, 2011 -Jun. 30, 2011)								
Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other South East Asia	China	Other East Asia			
17,085	2,100	4,931	3,818	3,971	376	3,171	2,358	37,814

(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			Three months ended June 30, 2010		Three months ended June 30, 2011		Increase (decrease)	
			(Apr. 1, 2010 - Jun. 30, 2010)		(Apr. 1, 2011 - Jun. 30, 2011)			
			Amounts	%	Amounts	%	Amounts	%
Orders-received construction during this period	Green Technology System Division	HVAC for buildings	6,596	20.7 %	8,627	22.8 %	2,031	30.8 %
		Industrial HVAC	17,744	55.5	20,293	53.5	2,549	14.4
		Total	24,340	76.2	28,920	76.3	4,580	18.8
		[Overseas]	[10,128]	[31.7]	[9,467]	[25.0]	[(661)]	[(6.5)]
	Paint Finishing System Division	7,622	23.8	8,997	23.7	1,375	18.0	
		[Overseas]	[6,733]	[21.1]	[7,742]	[20.4]	[1,009]	[15.0]
	Total	31,963	100.0	37,917	100.0	5,954	18.6	
	[Overseas]	[16,862]	[52.8]	[17,210]	[45.4]	[348]	[2.1]	
Sales of construction during this period	Green Technology System Division	HVAC for buildings	4,506	20.7	7,130	18.9	2,624	58.2
		Industrial HVAC	10,196	46.7	17,757	46.9	7,561	74.2
		Total	14,702	67.4	24,888	65.8	10,186	69.3
		[Overseas]	[5,481]	[25.1]	[8,617]	[22.8]	[3,136]	[57.2]
	Paint Finishing System Division	7,108	32.6	12,925	34.2	5,817	81.8	
		[Overseas]	[5,782]	[26.5]	[12,110]	[32.0]	[6,328]	[109.4]
	Total	21,811	100.0	37,814	100.0	16,003	73.4	
	[Overseas]	[11,264]	[51.6]	[20,728]	[54.8]	[9,464]	[84.0]	
Construction carried forward	Green Technology System Division	HVAC for buildings	46,747	38.6	47,575	33.7	828	1.8
		Industrial HVAC	39,449	32.6	40,885	29.0	1,436	3.6
		Total	86,196	71.2	88,461	62.7	2,265	2.6
		[Overseas]	[14,922]	[12.3]	[21,663]	[15.4]	[6,741]	[45.2]
	Paint Finishing System Division	34,794	28.8	52,731	37.3	17,937	51.6	
		[Overseas]	[28,727]	[23.8]	[51,554]	[36.5]	[22,827]	[79.5]
	Total	120,991	100.0	141,193	100.0	20,202	16.7	
	[Overseas]	[43,649]	[36.1]	[73,218]	[51.9]	[29,569]	[67.7]	

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

2. There is 3 million yen difference between the consolidated accounting period of 24,888 million yen and segment information of 24,891 in the sales by construction of Green Technology System Division.

There is 1 million yen difference between the consolidated accounting period of 12,925 million yen and segment information of 12,927 in the sales by construction of Paint Finishing System Division.

Above differences are due to intersegment sales.

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			Three months ended June 30, 2010 (Apr. 1, 2010 - Jun. 30, 2010)		Three months ended June 30, 2011 (Apr. 1, 2011 - Jun. 30, 2011)		Increase (decrease)	
			Amounts	%	Amounts	%	Amounts	%
Orders-received construction during this period	Green Technology System Division	HVAC for buildings	6,270	38.2 %	8,207	34.1 %	1,937	30.9 %
		Industrial HVAC	7,468	45.5	10,614	44.2	3,146	42.1
		Total	13,739	83.7	18,822	78.3	5,083	37.0
		[Overseas]	[291]	[1.7]	[178]	[0.8]	[(113)]	[(38.8)]
	Paint Finishing System Division	2,684	16.3	5,201	21.7	2,517	93.8	
	[Overseas]	[2,096]	[12.8]	[4,528]	[18.8]	[2,432]	[116.0]	
Total	16,423	100.0	24,023	100.0	7,600	46.3		
[Overseas]	[2,388]	[14.5]	[4,706]	[19.6]	[2,318]	[97.1]		
Sales of construction during this period	Green Technology System Division	HVAC for buildings	4,270	33.4	6,869	33.7	2,599	60.9
		Industrial HVAC	4,590	35.9	9,000	44.2	4,410	96.1
		Total	8,860	69.3	15,869	77.9	7,009	79.1
		[Overseas]	[160]	[1.3]	[159]	[0.8]	[(1)]	[(0.6)]
	Paint Finishing System Division	3,931	30.7	4,495	22.1	564	14.3	
	[Overseas]	[2,718]	[21.2]	[4,042]	[19.8]	[1,324]	[48.7]	
Total	12,792	100.0	20,365	100.0	7,573	59.2		
[Overseas]	[2,879]	[22.5]	[4,202]	[20.6]	[1,323]	[46.0]		
Construction carried forward	Green Technology System Division	HVAC for buildings	46,579	55.3	47,310	60.0	731	1.6
		Industrial HVAC	24,547	29.1	19,399	24.6	(5,148)	(21.0)
		Total	71,126	84.4	66,709	84.6	(4,417)	(6.2)
		[Overseas]	[300]	[0.4]	[578]	[0.7]	[278]	[92.7]
	Paint Finishing System Division	13,121	15.6	12,150	15.4	(971)	(7.4)	
	[Overseas]	[7,329]	[8.7]	[11,580]	[14.7]	[4,251]	[58.0]	
Total	84,248	100.0	78,860	100.0	(5,388)	(6.4)		
[Overseas]	[7,629]	[9.1]	[12,158]	[15.4]	[4,529]	[59.4]		