

Financial Report for the Third Quarter of the Fiscal Year ending March 31, 2012

February 10, 2012

The following statements are an English translation of the original Japanese document.

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

Name of company·····Taikisha Ltd.

Stock Exchange····· First section of Tokyo Stock Exchange

Code No.··········1979

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

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

Tel·········· (03)3343—1401

URL·········· <http://www.taikisha.co.jp/>

Scheduled date to submit Quarterly report : February 14, 2012

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 December 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	%
Nine months ended								
December 31, 2011	138,282	78.5	6,546	—	7,075	—	3,587	—
December 31, 2010	77,472	(7.0)	(90)	—	514	(79.3)	149	(87.4)

(Note) Comprehensive income For nine months ended December 31, 2011 1,421 million yen — %
For nine months ended December 31, 2010 (671) million yen — %

	Net income per share	Net income per share after potential share adjustment
	yen	yen
Nine months ended		
December 31, 2011	97.98	—
December 31, 2010	4.06	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of			
December 31, 2011	145,931	66,782	44.2
March 31, 2011	132,698	66,978	48.8

(Note) Shareholders' Equity As of December 31, 2011 64,521 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	—	15.00	—	—	—
Year ending March 31, 2012 (Forecast)	—	—	—	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
Full year	191,000	35.3	7,800	44.2	8,300	34.6	4,300	16.1	117.43

(Note) Revisions to forecasts of consolidated operating performance: Yes

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 December 31, 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 December 31, 2011 313,638 shares
 - As of March 31, 2011 13,523 shares
 - (iii) Average number of common shares during the period
 - Nine months ended December 31, 2011 36,618,427 shares
 - Nine months ended December 31, 2010 36,769,078 shares

※ Notice of status of implementation for quarterly review procedures

This financial report is not subject to quarterly review procedures based upon the Financial Instruments and Exchange Act. Quarterly review 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 Statements

(1) Consolidated Balance Sheets

Millions of yen

	As of March 31, 2011	As of December 31, 2011
Assets		
Current assets		
Cash and deposits	25,282	16,562
Notes receivable, accounts receivable from completed construction contracts and other	52,381	74,192
Short-term investment securities	3,000	1,502
Costs on uncompleted construction contracts	17,100	13,038
Raw materials and supplies	478	510
Other	6,387	11,410
Allowance for doubtful accounts	(338)	(351)
Total current assets	<u>104,291</u>	<u>116,865</u>
Noncurrent assets		
Property, plant and equipment	6,765	7,113
Intangible assets		
Goodwill	—	2,253
Other	1,125	1,258
Total intangible assets	<u>1,125</u>	<u>3,511</u>
Investments and other assets		
Investment securities	17,915	15,813
Other	2,692	2,849
Allowance for doubtful accounts	(92)	(221)
Total investments and other assets	<u>20,515</u>	<u>18,441</u>
Total noncurrent assets	<u>28,406</u>	<u>29,066</u>
Total assets	<u>132,698</u>	<u>145,931</u>
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	34,565	42,969
Short-term loans payable	2,714	4,117
Income taxes payable	2,592	549
Advances received on uncompleted construction contracts	14,242	16,061
Provision for bonuses	—	841
Provision for warranties for completed construction	310	330
Provision for loss on construction contracts	1,343	2,093
Other	4,889	7,275
Total current liabilities	<u>60,658</u>	<u>74,239</u>
Noncurrent liabilities		
Long-term loans payable	568	1,008
Provision for retirement benefits	3,101	3,087
Provision for directors' retirement benefits	123	123
Other	1,268	689
Total noncurrent liabilities	<u>5,061</u>	<u>4,909</u>
Total liabilities	<u>65,720</u>	<u>79,148</u>

Millions of yen

	As of March 31, 2011	As of December 31, 2011
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus	7,297	7,297
Retained earnings	51,537	54,026
Treasury stock	(18)	(491)
Total shareholders' equity	<u>65,270</u>	<u>67,287</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,060	1,896
Deferred gains or losses on hedges	(1)	31
Foreign currency translation adjustment	(3,533)	(4,693)
Total accumulated other comprehensive income	<u>(474)</u>	<u>(2,765)</u>
Minority interests	<u>2,181</u>	<u>2,261</u>
Total net assets	<u>66,978</u>	<u>66,782</u>
Total liabilities and net assets	<u>132,698</u>	<u>145,931</u>

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

Millions of yen

	Nine months ended December 31, 2010 Apr. 1, 2010 - Dec. 31, 2010	Nine months ended December 31, 2011 Apr. 1, 2011 - Dec. 31, 2011
Net sales of completed construction contracts	77,472	138,282
Cost of sales of completed construction contracts	67,142	119,939
Gross profit on completed construction contracts	10,329	18,342
Selling, general and administrative expenses	10,420	11,796
Operating income (loss)	(90)	6,546
Non-operating income		
Interest income	139	205
Dividends income	228	263
Dividends income of insurance	93	123
Real estate rent	95	91
Equity in earnings of affiliates	61	35
Gain on bad debts recovered	—	193
Other	227	129
Total non-operating income	846	1,043
Non-operating expenses		
Interest expenses	65	163
Rent expenses on real estates	68	64
Foreign exchange losses	38	120
Provision of allowance for doubtful accounts	—	95
Other	68	70
Total non-operating expenses	241	514
Ordinary income	514	7,075
Extraordinary income		
Reversal of allowance for doubtful accounts	166	—
Gain on disposal of noncurrent assets	13	34
Gain on sales of investment securities	—	12
Gain on change in equity	5	—
Gain on negative goodwill	172	—
Other	—	2
Total extraordinary income	358	49
Extraordinary loss		
Loss on disposal of noncurrent assets	12	33
Loss on sales of investment securities	26	—
Loss on valuation of investment securities	46	207
Loss on adjustment for changes of accounting standard for asset retirement obligations	48	—
Other	3	3
Total extraordinary losses	137	244
Income before income taxes and minority interests	734	6,880
Income taxes-current	1,219	1,769
Income taxes for prior periods	159	—
Income taxes-deferred	(1,005)	1,178
Total income taxes	373	2,948
Income before minority interests	361	3,932
Minority interests in income	211	344
Net income	149	3,587

Consolidated Statements of Comprehensive Income

Millions of yen

	Nine months ended December 31, 2010 Apr. 1, 2010 - Dec. 31, 2010	Nine months ended December 31, 2011 Apr. 1, 2011 - Dec. 31, 2011
Income before minority interests	361	3,932
Other comprehensive income		
Valuation difference on available-for-sale securities	(446)	(1,164)
Deferred gains or losses on hedges	3	32
Foreign currency translation adjustment	(563)	(1,372)
Share of other comprehensive income of associates accounted for using equity method	(25)	(6)
Total other comprehensive income	(1,032)	(2,510)
Comprehensive income	(671)	1,421
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(762)	1,296
Comprehensive income attributable to minority interests	91	124

(Segment information)

1. Reporting segments

Millions of yen

Nine months ended December 31, 2010 (Apr. 1, 2010 - Dec. 31, 2010)					
	Reporting segments		Total	Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division			
Sales					
Sales to customers	56,416	21,055	77,472	—	77,472
Intersegment sales	1	29	31	(31)	—
Total	56,418	21,085	77,503	(31)	77,472
Segment profit (loss)	(1,075)	1,360	285	228	514

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

Eliminations/ Corporate of Segment profit (loss) of 228 million yen includes non-allocatable common costs of 249 million yen and other adjustment of minus 21 million yen. Non-allocatable common costs are 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

Nine months ended December 31, 2011 (Apr. 1, 2011 - Dec. 31, 2011)					
	Reporting segments		Total	Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division			
Sales					
Sales to customers	93,378	44,904	138,282	—	138,282
Intersegment sales	3	26	29	(29)	—
Total	93,381	44,930	138,312	(29)	138,282
Segment profit (loss)	3,156	3,702	6,858	216	7,075

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

Eliminations/ Corporate of Segment profit (loss) of 216 million yen includes non-allocatable common costs of 205 million yen and other adjustment of 11 million yen. Non-allocatable common costs are 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 its two subsidiaries had become consolidated subsidiaries of Taikisha Ltd. Furthermore Geico S. p. A. newly established Geico Painting Equipment Manufacture (Suzhou) co., Ltd. and "Geico Russia" LLC. As a result, assets in the Paint Finishing System Division increased by 7,670 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 its two subsidiaries had become consolidated subsidiaries of Taikisha Ltd. As a result, goodwill in the Paint Finishing System Division increased by 2,253 million yen in the current quarter.

(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			Nine months ended December 31, 2010		Nine months ended December 31, 2011		Increase (decrease)	
			(Apr. 1, 2010 - Dec. 31, 2010)		(Apr. 1, 2011 - Dec. 31, 2011)			
			Amounts	%	Amounts	%	Amounts	%
Orders-received construction during this period	Green Technology System Division	HVAC for buildings	24,230	22.5 %	23,607	17.2 %	(623)	(2.6) %
		Industrial HVAC	56,472	52.4	64,502	47.1	8,030	14.2
		Total	80,703	74.9	88,109	64.3	7,406	9.2
		[Overseas]	[32,117]	[29.8]	[33,258]	[24.3]	[1,141]	[3.6]
	Paint Finishing System Division	27,051	25.1	48,942	35.7	21,891	80.9	
		[Overseas]	[24,330]	[22.6]	[39,746]	[29.0]	[15,416]	[63.4]
	Total	107,754	100.0	137,051	100.0	29,297	27.2	
	[Overseas]	[56,447]	[52.4]	[73,005]	[53.3]	[16,558]	[29.3]	
Sales of construction during this period	Green Technology System Division	HVAC for buildings	18,086	23.3	32,728	23.7	14,642	81.0
		Industrial HVAC	38,329	49.5	60,649	43.8	22,320	58.2
		Total	56,416	72.8	93,378	67.5	36,962	65.5
		[Overseas]	[21,112]	[27.3]	[28,792]	[20.8]	[7,680]	[36.4]
	Paint Finishing System Division	21,055	27.2	44,904	32.5	23,849	113.3	
		[Overseas]	[18,044]	[23.2]	[41,731]	[30.2]	[23,687]	[131.3]
	Total	77,472	100.0	138,282	100.0	60,810	78.5	
	[Overseas]	[39,156]	[50.5]	[70,524]	[51.0]	[31,368]	[80.1]	
Construction carried forward	Green Technology System Division	HVAC for buildings	50,802	36.1	36,957	26.7	(13,845)	(27.3)
		Industrial HVAC	49,958	35.6	41,916	30.2	(8,042)	(16.1)
		Total	100,760	71.7	78,874	56.9	(21,886)	(21.7)
		[Overseas]	[21,221]	[15.1]	[24,994]	[18.0]	[3,773]	[17.8]
	Paint Finishing System Division	39,816	28.3	59,859	43.1	20,043	50.3	
		[Overseas]	[33,576]	[23.9]	[53,098]	[38.3]	[19,522]	[58.1]
	Total	140,577	100.0	138,734	100.0	(1,843)	(1.3)	
	[Overseas]	[54,798]	[39.0]	[78,093]	[56.3]	[23,295]	[42.5]	

- (Note) 1. The amounts of orders received, sales of construction, and construction carried forward are the transacted amount with external customers.
2. In this quarter, there is 3 million yen difference between the sales of construction of 93,378 million yen and total sales of 93,381 in the segment information by the Green Technology System Division.
There is 26 million yen difference between the sales of construction of 44,904 million yen and total sales of 44,930 in the segment information by Paint Finishing System Division.
Above differences are due to intersegment sales.
3. In the previous quarter, there is 1 million yen difference between the sales of construction of 56,416 million yen and total sales of 56,418 in the segment information by the Green Technology System Division.
There is 29 million yen difference between the sales of construction of 21,055 million yen and total sales of 21,085 in the segment information by 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			Nine months ended December 31, 2010		Nine months ended December 31, 2011		Increase (decrease)	
			(Apr. 1, 2010 - Dec. 31, 2010)		(Apr. 1, 2011 - Dec. 31, 2011)			
			Amounts	%	Amounts	%	Amounts	%
Orders-received construction during this period	Green Technology System Division	HVAC for buildings	23,373	39.4 %	22,324	28.3 %	(1,049)	(4.5) %
		Industrial HVAC	24,391	41.1	30,708	39.0	6,317	25.9
		Total	47,765	80.5	53,032	67.3	5,267	11.0
		[Overseas]	[1,241]	[2.1]	[588]	[0.7]	[(653)]	[(52.6)]
	Paint Finishing System Division	11,586	19.5	25,756	32.7	14,170	122.3	
	[Overseas]	[9,972]	[16.8]	[17,565]	[22.3]	[7,593]	[76.1]	
Total	59,352	100.0	78,789	100.0	19,437	32.7		
[Overseas]	[11,214]	[18.9]	[18,153]	[23.0]	[6,939]	[61.9]		
Sales of construction during this period	Green Technology System Division	HVAC for buildings	17,234	37.7	31,888	40.2	14,654	85.0
		Industrial HVAC	17,472	38.2	31,507	39.7	14,035	80.3
		Total	34,706	75.9	63,396	79.9	28,690	82.7
		[Overseas]	[1,177]	[2.6]	[698]	[0.9]	[(479)]	[(40.7)]
	Paint Finishing System Division	11,033	24.1	15,958	20.1	4,925	44.6	
	[Overseas]	[8,562]	[18.7]	[14,098]	[17.8]	[5,536]	[64.7]	
Total	45,739	100.0	79,354	100.0	33,615	73.5		
[Overseas]	[9,740]	[21.3]	[14,797]	[18.7]	[5,057]	[51.9]		
Construction carried forward	Green Technology System Division	HVAC for buildings	50,718	53.8	36,407	48.8	(14,311)	(28.2)
		Industrial HVAC	28,563	30.3	16,986	22.7	(11,577)	(40.5)
		Total	79,281	84.1	53,393	71.5	(25,888)	(32.7)
		[Overseas]	[232]	[0.2]	[448]	[0.6]	[216]	[93.1]
	Paint Finishing System Division	14,947	15.9	21,243	28.5	6,296	42.1	
	[Overseas]	[9,361]	[10.0]	[14,561]	[19.5]	[5,200]	[55.5]	
Total	94,229	100.0	74,637	100.0	(19,592)	(20.8)		
[Overseas]	[9,593]	[10.2]	[15,009]	[20.1]	[5,416]	[56.5]		

3. Sales by regions

Millions of yen

Nine months ended December 31, 2010 (Apr. 1, 2010 - Dec. 31, 2010)								
Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other South East Asia	China	Other East Asia			
38,315	890	11,443	8,457	12,142	980	3,470	1,771	77,472

Millions of yen

Nine months ended December 31, 2011 (Apr. 1, 2011 - Dec. 31, 2011)								
Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other South East Asia	China	Other East Asia			
67,758	7,005	18,103	11,002	13,655	2,871	9,271	8,615	138,282