

# Financial Report for the Fiscal Year ended March 31, 2012

May 15, 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  
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Scheduled date for General shareholders meeting : June 28, 2012  
Scheduled date to commence dividend payments : June 29, 2012  
Scheduled date to submit securities report : June 28, 2012  
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, 2011 through March 31, 2012)

### (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, 2012	189,716	34.4	8,325	53.8	9,033	46.5	4,372	18.1
March 31, 2011	141,160	20.4	5,411	69.7	6,166	66.7	3,703	1.0

(Note) Comprehensive income Year ended March 31, 2012 4,255 million yen 88.2 %  
Year ended March 31, 2011 2,261 million yen (61.1) %

	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, 2012	119.52	—	6.6	6.3	4.4
March 31, 2011	100.73	—	5.8	4.8	3.8

(Note) Equity in earnings of affiliates Year ended March 31, 2012 75 million yen  
Year ended March 31, 2011 82 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, 2012	156,108	69,602	42.9	1,834.99
March 31, 2011	132,698	66,978	48.8	1,762.28

(Note) Shareholders' Equity As of March 31, 2012 66,918 million yen  
As of March 31, 2011 64,796 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, 2012	1,812	(2,336)	(361)	24,627
March 31, 2011	5,869	(5,838)	92	26,035

## 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, 2011	—	15.00	—	15.00	30.00	1,103	29.8	1.7
March 31, 2012	—	15.00	—	20.00	35.00	1,276	29.3	1.9
Year ending March 31, 2013 (Forecast)	—	15.00	—	25.00	40.00	—	—	—

(Note) Detail of Dividends as of March 31, 2013 Ordinary dividend 20.00 Yen  
Commemorative dividend 5.00 Yen

3. Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2013 (April 1, 2012 through March 31, 2013)  
(% 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
Half year	93,000	0.4	3,000	(44.5)	3,400	(41.4)	2,000	(35.3)	54.67
Full year	203,000	7.0	8,000	(3.9)	8,600	(4.8)	5,300	21.2	144.87

4. Others

(1) Changes in major subsidiaries during the period (Changes in subsidiaries that affect consolidated financial results) : None

(2) 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

(3) Number of shares issued (common shares)

- (i) Number of shares issued at end of period (including treasury shares )  
As of March 31, 2012 36,782,009 shares  
As of March 31, 2011 36,782,009 shares
- (ii) Number of treasury shares at end of period  
As of March 31, 2012 313,951 shares  
As of March 31, 2011 13,523 shares
- (iii) Average number of common shares during the period  
Year ended March 31, 2012 36,583,750 shares  
Year ended March 31, 2011 36,768,942 shares

(Reference) Summary of Non-Consolidated Operating Performance

1. Non-Consolidated Operating Performance (April 1, 2011 through March 31, 2012)

(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, 2012	109,205	21.7	2,427	(12.1)	4,891	(0.1)	2,786	(13.3)
March 31, 2011	89,763	18.2	2,762	112.8	4,896	61.3	3,214	60.3

	Net income per share	Net income per share after potential share adjustment
	yen	yen
Year ended		
March 31, 2012	76.15	—
March 31, 2011	87.41	—

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
As of				
March 31, 2012	116,776	61,397	52.6	1,683.60
March 31, 2011	105,489	59,811	56.7	1,626.69

(Note) Shareholders' Equity As of March 31, 2012 61,397 million yen  
As of March 31, 2011 59,811 million yen

3. Non-Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2013 (April 1, 2012 through March 31, 2013)

(% 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
Half year	48,000	(11.5)	300	(89.4)	1,500	(62.3)	1,000	(57.7)	27.33
Full year	109,000	(0.2)	1,400	(42.3)	4,000	(18.2)	2,800	0.5	76.54

※ 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 consolidated 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 March 31, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	25,282	24,450
Notes receivable, accounts receivable from completed construction contracts and other	52,381	75,424
Short-term investment securities	3,000	2,554
Costs on uncompleted construction contracts	17,100	15,220
Raw materials and supplies	478	582
Deferred tax assets	2,505	2,540
Other	3,881	5,563
Allowance for doubtful accounts	(338)	(179)
Total current assets	<u>104,291</u>	<u>126,155</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	7,737	7,571
Machinery, vehicles, tools, furniture and fixtures	4,500	5,275
Land	3,333	3,274
Other	282	572
Accumulated depreciation	(9,088)	(9,534)
Total property, plant and equipment	<u>6,765</u>	<u>7,158</u>
Intangible assets		
Goodwill	—	2,152
Other	1,125	1,196
Total intangible assets	<u>1,125</u>	<u>3,349</u>
Investments and other assets		
Investment securities	17,915	17,237
Deferred tax assets	108	122
Other	2,583	2,263
Allowance for doubtful accounts	(92)	(179)
Total investments and other assets	<u>20,515</u>	<u>19,444</u>
Total noncurrent assets	<u>28,406</u>	<u>29,953</u>
Total assets	<u>132,698</u>	<u>156,108</u>

As of March 31, 2011    As of March 31, 2012

Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	34,565	48,789
Short-term loans payable	2,714	4,176
Income taxes payable	2,592	644
Deferred tax liabilities	12	19
Advances received on uncompleted construction contracts	14,242	17,766
Provision for warranties for completed construction	310	596
Provision for loss on construction contracts	1,343	2,810
Provision for directors' bonuses	44	61
Other	4,833	6,186
Total current liabilities	<u>60,658</u>	<u>81,050</u>
Noncurrent liabilities		
Long-term loans payable	568	924
Deferred tax liabilities	1,077	1,059
Provision for retirement benefits	3,101	3,029
Provision for directors' retirement benefits	123	129
Other	191	312
Total noncurrent liabilities	<u>5,061</u>	<u>5,455</u>
Total liabilities	<u>65,720</u>	<u>86,506</u>
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus	7,297	7,297
Retained earnings	51,537	54,810
Treasury stock	(18)	(492)
Total shareholders' equity	<u>65,270</u>	<u>68,071</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,060	3,428
Deferred gains or losses on hedges	(1)	26
Foreign currency translation adjustment	(3,533)	(4,607)
Total accumulated other comprehensive income	<u>(474)</u>	<u>(1,152)</u>
Minority interests	<u>2,181</u>	<u>2,683</u>
Total net assets	<u>66,978</u>	<u>69,602</u>
Total liabilities and net assets	<u>132,698</u>	<u>156,108</u>

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

## Consolidated Income Statements

Millions of yen

	Year ended	
	March 31, 2011	March 31, 2012
	Apr. 1, 2010 - Mar. 31, 2011	Apr. 1, 2011 - Mar. 31, 2012
Net sales of completed construction contracts	141,160	189,716
Cost of sales of completed construction contracts	121,288	165,056
Gross profit on completed construction contracts	19,872	24,660
Selling, general and administrative expenses		
Directors' compensations	728	760
Employees' salaries and allowances	6,019	6,757
Provision for directors' bonuses	44	61
Retirement benefit expenses	734	699
Provision for directors' retirement benefits	26	24
Correspondence and transportation expenses	1,072	1,197
Provision of allowance for doubtful accounts	83	(123)
Rents	1,002	1,158
Depreciation	810	952
Amortization of goodwill	—	92
Other	3,939	4,754
Total selling, general and administrative expenses	14,460	16,335
Operating income	5,411	8,325
Non-operating income		
Interest income	189	261
Dividends income	305	325
Dividends income of insurance	93	123
Real estate rent	132	135
Equity in earnings of affiliates	82	75
Gain on bad debts recovered	—	193
Other	304	225
Total non-operating income	1,107	1,341
Non-operating expenses		
Interest expenses	94	231
Rent expenses on real estates	90	86
Foreign exchange losses	63	99
Provision of allowance for doubtful accounts	12	91
Other	91	124
Total non-operating expenses	352	632
Ordinary income	6,166	9,033

Millions of yen

	Year ended March 31, 2011 Apr. 1, 2010 - Mar. 31, 2011	Year ended March 31, 2012 Apr. 1, 2011 - Mar. 31, 2012
Extraordinary income		
Reversal of allowance for doubtful accounts	154	—
Gain on disposal of noncurrent assets	14	43
Gain on sales of investment securities	—	12
Gain on liquidation of subsidiaries and affiliates	—	15
Gain on change in equity	5	—
Gain on negative goodwill	172	—
Surrender value of insurance	—	2
Total extraordinary income	<u>346</u>	<u>73</u>
Extraordinary loss		
Loss on disposal of noncurrent assets	20	59
Impairment loss	1	130
Loss on sales of investment securities	31	—
Loss on valuation of investment securities	53	145
Provision for directors' retirement benefits for prior periods	2	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	48	—
Loss on insurance cancellation	0	—
Total extraordinary losses	<u>157</u>	<u>335</u>
Income before income taxes and minority interests	<u>6,354</u>	<u>8,771</u>
Income taxes-current	3,309	3,398
Income taxes for prior periods	159	—
Income taxes-deferred	(1,090)	275
Total income taxes	<u>2,378</u>	<u>3,673</u>
Income before minority interests	<u>3,976</u>	<u>5,097</u>
Minority interests in income	273	725
Net income	<u>3,703</u>	<u>4,372</u>

Consolidated Statements of Comprehensive Income

Millions of yen

	Year ended March 31, 2011 <small>Apr. 1, 2010 - Mar. 31, 2011</small>	Year ended March 31, 2012 <small>Apr. 1, 2011 - Mar. 31, 2012</small>
Income before minority interests	3,976	5,097
Other comprehensive income		
Valuation difference on available-for-sale securities	(875)	367
Deferred gains or losses on hedges	(1)	28
Foreign currency translation adjustment	(807)	(1,239)
Share of other comprehensive income of associates accounted for using equity method	(32)	1
Total other comprehensive income	<u>(1,715)</u>	<u>(842)</u>
Comprehensive income	<u>2,261</u>	<u>4,255</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,124	3,694
Comprehensive income attributable to minority interests	136	561

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

Millions of yen

	Year ended March 31, 2011 Apr. 1, 2010 - Mar. 31, 2011	Year ended March 31, 2012 Apr. 1, 2011 - Mar. 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current 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 beginning of current 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 beginning of current period	48,936	51,537
Changes of items during the period		
Dividends from surplus	(1,103)	(1,098)
Net income	3,703	4,372
Total changes of items during the period	2,600	3,273
Balance at the end of current period	51,537	54,810
Treasury stock		
Balance at the beginning of current period	(17)	(18)
Changes of items during the period		
Purchase of treasury stock	(1)	(473)
Disposal of treasury stock	0	0
Total changes of items during the period	(1)	(473)
Balance at the end of current period	(18)	(492)
Total shareholders' equity		
Balance at the beginning of current period	62,671	65,270
Changes of items during the period		
Dividends from surplus	(1,103)	(1,098)
Net income	3,703	4,372
Purchase of treasury stock	(1)	(473)
Disposal of treasury stock	0	0
Total changes of items during the period	2,599	2,800
Balance at the end of current period	65,270	68,071





## (4) Consolidated Cash Flow Statement

Millions of yen

	Year ended March 31, 2011 Apr. 1, 2010 - Mar. 31, 2011	Year ended March 31, 2012 Apr. 1, 2011 - Mar. 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	6,354	8,771
Depreciation and amortization	1,122	1,239
Amortization of goodwill	—	92
Gain on negative goodwill	(172)	—
Increase (decrease) in allowance for doubtful accounts	(602)	(89)
Increase (decrease) in provision for retirement benefits	(54)	(204)
Increase (decrease) in provision for directors' retirement benefits	(80)	5
Increase (decrease) in provision for loss on construction contracts	256	1,481
Increase (decrease) in provision for warranties for completed construction	8	265
Interest and dividends income	(494)	(587)
Interest expenses	94	231
Equity in (earnings) losses of affiliates	(45)	(43)
Loss (gain) on sales of investment securities	31	(12)
Loss (gain) on disposal of noncurrent assets	5	16
Loss (gain) on valuation of investment securities	53	145
Loss on adjustment for changes of accounting standard for asset retirement for asset retirement obligations	48	—
Decrease (increase) in notes and accounts receivable-trade	(9,277)	(23,126)
Decrease (increase) in inventories	270	2,388
Decrease (increase) in advances paid	(134)	(0)
Decrease (increase) in non-operating notes receivable	73	(200)
Decrease (increase) in accounts receivable-other	110	10
Increase (decrease) in notes and accounts payable-trade	7,018	13,387
Increase (decrease) in advances received on uncompleted construction contracts	(18)	2,919
Increase (decrease) in non-operating notes payable	(14)	121
Increase (decrease) in accrued consumption taxes	390	(919)
Increase (decrease) in deposits received	69	191
Increase (decrease) in accrued expenses	64	310
Other, net	1,322	418
Subtotal	<u>6,399</u>	<u>6,812</u>
Interest and dividends income received	494	587
Interest expenses paid	(93)	(229)
Income taxes paid	(930)	(5,357)
Net cash provided by (used in) operating activities	<u>5,869</u>	<u>1,812</u>

Millions of yen

	Year ended March 31, 2011 Apr. 1, 2010 - Mar. 31, 2011	Year ended March 31, 2012 Apr. 1, 2011 - Mar. 31, 2012
Net cash provided by (used in) investing activities		
Payments into time deposits	(2,766)	(1,980)
Proceeds from withdrawal of time deposits	2,714	2,000
Purchase of short-term investment securities	(2,000)	(999)
Proceeds from redemption of securities	—	2,499
Purchase of property, plant and equipment and intangible assets	(783)	(1,398)
Proceeds from sales of property, plant and equipment and intangible assets	127	162
Purchase of investment securities	(4,697)	(1,418)
Proceeds from sales of investment securities	583	638
Proceeds from redemption of investment securities	1,000	—
Purchase of investments in subsidiaries	(100)	—
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(1,807)
Payments of long-term loans receivable	(76)	(83)
Collection of long-term loans receivable	89	43
Purchase of insurance funds	(58)	(27)
Proceeds from maturity of insurance funds	37	12
Other, net	92	20
Net cash provided by (used in) investing activities	<u>(5,838)</u>	<u>(2,336)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,391	1,361
Proceeds from long-term loans payable	209	362
Repayment of long-term loans payable	(203)	(278)
Repayments of lease obligations	(49)	(55)
Proceeds from stock issuance to minority shareholders	69	24
Net decrease (increase) in treasury stock	(1)	(473)
Cash dividends paid	(1,105)	(1,094)
Cash dividends paid to minority shareholders	(217)	(208)
Net cash provided by (used in) financing activities	<u>92</u>	<u>(361)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(840)</u>	<u>(522)</u>
Net increase (decrease) in cash and cash equivalents	<u>(717)</u>	<u>(1,407)</u>
Cash and cash equivalents at beginning of period	<u>26,752</u>	<u>26,035</u>
Cash and cash equivalents at end of period	<u>26,035</u>	<u>24,627</u>





6. Amortization of goodwill and the unamortized balance by reporting segments

There is no applicable information in the previous year.

Millions of yen

Year ended March 31, 2012 (Apr. 1, 2011 - Mar. 31, 2012)					
	Green Technology System Division	Paint Finishing System Division	Total	Elimination Corporate	Consolidated
Balance as of March 31, 2012	—	2,152	2,152	—	2,152

(Note) Amortization of goodwill is omitted because this information is already disclosed in "Sales and profits or losses by reportable segments".

7. Gain on negative goodwill by reporting segments

In the previous year, Taikisha Ltd. additionally purchased the stocks of three subsidiaries such as San Esu Industry Co., Ltd. Therefore, Taikisha Ltd. recognized gain on negative goodwill of 172 million yen. This negative goodwill is not allocated to any reporting segments because this negative goodwill have no relation with any reporting segments.

There is no applicable information in the fiscal year.







As of March 31, 2011    As of March 31, 2012

	As of March 31, 2011	As of March 31, 2012
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus		
Legal capital surplus	7,297	7,297
Other capital surplus	0	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	8	7
Reserve for investment on information technology	1,000	1,200
General reserve	35,720	35,720
Retained earnings brought forward	4,679	6,168
Total retained earnings	<u>43,022</u>	<u>44,709</u>
Treasury stock	<u>(18)</u>	<u>(492)</u>
Total shareholders' equity	<u>56,755</u>	<u>57,969</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,064	3,431
Deferred gains or losses on hedges	(9)	(3)
Total valuation and translation adjustments	<u>3,055</u>	<u>3,427</u>
Total net assets	<u>59,811</u>	<u>61,397</u>
Total liabilities and net assets	<u>105,489</u>	<u>116,776</u>

## (2) Income Statements

Millions of yen

	Year ended March 31, 2011 Apr. 1, 2010 - Mar. 31, 2011	Year ended March 31, 2012 Apr. 1, 2011 - Mar. 31, 2012
Net sales of completed construction contracts	89,763	109,205
Cost of sales of completed construction contracts	76,431	95,726
Gross profit on completed construction contracts	13,331	13,479
Selling, general and administrative expenses		
Directors' compensations	373	391
Employees' salaries and allowances	4,583	4,913
Provision for directors' bonuses	44	60
Retirement benefit expenses	687	610
Legal welfare expenses	573	632
Welfare expenses	301	277
Repair and maintenance	142	172
Stationery expenses	355	390
Correspondence and transportation expenses	588	614
Power utilities expenses	72	73
Research study expenses	274	291
Advertising expenses	93	78
Provision of allowance for doubtful accounts	—	(178)
Entertainment expenses	103	122
Contribution	28	29
Rents	738	811
Depreciation	611	591
Taxes and dues	185	180
Insurance expenses	14	14
Miscellaneous expenses	795	974
Total selling, general and administrative expenses	10,569	11,051
Operating income	2,762	2,427
Non-operating income		
Interest income	10	8
Interest on securities	21	49
Dividends income	1,367	1,558
Dividends income of insurance	93	123
Real estate rent	262	221
Technical advisory fee	430	632
Gain on bad debts recovered	—	193
Other	175	30
Total non-operating income	2,361	2,818
Non-operating expenses		
Interest expenses	27	36
Rent expenses on real estates	90	86
Foreign exchange losses	50	112
Provision of allowance for doubtful accounts	—	87
Other	58	31
Total non-operating expenses	227	354
Ordinary income	4,896	4,891

Millions of yen

	Year ended March 31, 2011 Apr. 1, 2010 - Mar. 31, 2011	Year ended March 31, 2012 Apr. 1, 2011 - Mar. 31, 2012
Extraordinary income		
Reversal of allowance for doubtful accounts	35	—
Gain on disposal of noncurrent assets	11	37
Gain on sales of investment securities	—	17
Gain on liquidation of subsidiaries and affiliates	—	15
Surrender value of insurance	—	2
Total extraordinary income	46	72
Extraordinary loss		
Loss on disposal of noncurrent assets	16	52
Impairment loss	1	130
Loss on valuation of stocks of subsidiaries and affiliates	19	—
Loss on sales of investment securities	26	—
Loss on valuation of investment securities	53	145
Loss on adjustment for changes of accounting standard for asset retirement obligations	47	—
Loss on insurance cancellation	0	—
Total extraordinary losses	165	327
Income before income taxes	4,777	4,636
Income taxes-current	2,514	1,510
Income taxes for prior periods	159	—
Income taxes-deferred	(1,110)	339
Total income taxes	1,563	1,850
Net income	3,214	2,786

## (3) Statements of Changes in Net Assets

Millions of yen

	Year ended March 31, 2011 Apr. 1, 2010 - Mar. 31, 2011	Year ended March 31, 2012 Apr. 1, 2011 - Mar. 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current 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 beginning of current 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 beginning of current period	—	0
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	0	0
Total capital surplus		
Balance at the beginning of current 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		
Legal retained earnings		
Balance at the beginning of current 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 beginning of current period	13	8
Changes of items during the period		
Reversal of reserve for reduction entry	(5)	(0)
Total changes of items during the period	(5)	(0)
Balance at the end of current period	8	7
Reserve for investment on information technology		
Balance at the end of previous period	800	1,000
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	1,000	1,200
General reserve		
Balance at the beginning of current 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, 2011 Apr. 1, 2010 - Mar. 31, 2011	Year ended March 31, 2012 Apr. 1, 2011 - Mar. 31, 2012
Retained earnings brought forward		
Balance at the beginning of current period	2,763	4,679
Changes of items during the period		
Reversal of reserve for reduction entry	5	0
Reserve for investment on information technology	(200)	(200)
Dividends from surplus	(1,103)	(1,098)
Net income	3,214	2,786
Total changes of items during the period	1,916	1,488
Balance at the end of current period	4,679	6,168
Total retained earnings		
Balance at the beginning of current period	40,911	43,022
Changes of items during the period		
Reversal of reserve for reduction entry	—	—
Reserve for investment on information technology	—	—
Dividends from surplus	(1,103)	(1,098)
Net income	3,214	2,786
Total changes of items during the period	2,110	1,687
Balance at the end of current period	43,022	44,709
Treasury stock		
Balance at the beginning of current period	(17)	(18)
Changes of items during the period		
Purchase of treasury stock	(1)	(473)
Disposal of treasury stock	0	0
Total changes of items during the period	(1)	(473)
Balance at the end of current period	(18)	(492)
Total shareholders' equity		
Balance at the beginning of current period	54,646	56,755
Changes of items during the period		
Dividends from surplus	(1,103)	(1,098)
Net income	3,214	2,786
Purchase of treasury stock	(1)	(473)
Disposal of treasury stock	0	0
Total changes of items during the period	2,109	1,213
Balance at the end of current period	56,755	57,969
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	3,934	3,064
Changes of items during the period		
Net changes of items other than shareholders' equity	(869)	367
Total changes of items during the period	(869)	367
Balance at the end of current period	3,064	3,431
Deferred gains or losses on hedges		
Balance at the beginning of current period	(0)	(9)
Changes of items during the period		
Net changes of items other than shareholders' equity	(9)	5
Total changes of items during the period	(9)	5
Balance at the end of current period	(9)	(3)
Total valuation and translation adjustments		
Balance at the beginning of current period	3,933	3,055
Changes of items during the period		
Net changes of items other than shareholders' equity	(878)	372
Total changes of items during the period	(878)	372
Balance at the end of current period	3,055	3,427

Millions of yen

	Year ended March 31, 2011 <small>Apr. 1, 2010 - Mar. 31, 2011</small>	Year ended March 31, 2012 <small>Apr. 1, 2011 - Mar. 31, 2012</small>
<b>Total net assets</b>		
Balance at the beginning of current period	58,580	59,811
Changes of items during the period		
Dividends from surplus	(1,103)	(1,098)
Net income	3,214	2,786
Purchase of treasury stock	(1)	(473)
Disposal of treasury stock	0	0
Net changes of items other than shareholders' equity	(878)	372
Total changes of items during the period	<u>1,230</u>	<u>1,586</u>
Balance at the end of current period	<u>59,811</u>	<u>61,397</u>

## (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, 2011 (Apr. 1, 2010 - Mar. 31, 2011)		Year ended March 31, 2012 (Apr. 1, 2011 - Mar. 31, 2012)		Increase (decrease)	
			Amounts	%	Amounts	%	Amounts	%
Orders-received during this period	Green Technology System Division	HVAC for buildings	32,278	19.5 %	33,268	17.0 %	990	3.1 %
		Industrial HVAC	79,416	47.9	86,817	44.5	7,401	9.3
		Total	111,695	67.4	120,085	61.5	8,390	7.5
		[Overseas]	[ 45,037 ]	[ 27.2 ]	[ 48,082 ]	[ 24.6 ]	[ 3,045 ]	[ 6.8 ]
	Paint Finishing System Division	53,943	32.6	75,182	38.5	21,239	39.4	
	[Overseas]	[ 50,498 ]	[ 30.5 ]	[ 62,680 ]	[ 32.1 ]	[ 12,182 ]	[ 24.1 ]	
Total	165,638	100.0	195,268	100.0	29,630	17.9		
[Overseas]	[ 95,536 ]	[ 57.7 ]	[ 110,762 ]	[ 56.7 ]	[ 15,226 ]	[ 15.9 ]		
Sales of construction during this period	Green Technology System Division	HVAC for buildings	30,857	21.9	42,233	22.2	11,376	36.9
		Industrial HVAC	72,268	51.2	84,943	44.8	12,675	17.5
		Total	103,125	73.1	127,176	67.0	24,051	23.3
		[Overseas]	[ 33,825 ]	[ 24.0 ]	[ 39,601 ]	[ 20.9 ]	[ 5,776 ]	[ 17.1 ]
	Paint Finishing System Division	38,034	26.9	62,540	33.0	24,506	64.4	
	[Overseas]	[ 28,795 ]	[ 20.4 ]	[ 57,767 ]	[ 30.4 ]	[ 28,972 ]	[ 100.6 ]	
Total	141,160	100.0	189,716	100.0	48,556	34.4		
[Overseas]	[ 62,621 ]	[ 44.4 ]	[ 97,369 ]	[ 51.3 ]	[ 34,748 ]	[ 55.5 ]		
Construction carried forward	Green Technology System Division	HVAC for buildings	46,079	34.3	37,113	25.6	(8,966)	(19.5)
		Industrial HVAC	38,863	28.9	39,699	27.4	836	2.2
		Total	84,942	63.2	76,813	53.0	(8,129)	(9.6)
		[Overseas]	[ 21,327 ]	[ 15.9 ]	[ 28,770 ]	[ 19.9 ]	[ 7,443 ]	[ 34.9 ]
	Paint Finishing System Division	49,452	36.8	68,006	47.0	18,554	37.5	
	[Overseas]	[ 48,716 ]	[ 36.2 ]	[ 59,540 ]	[ 41.1 ]	[ 10,824 ]	[ 22.2 ]	
Total	134,395	100.0	144,819	100.0	10,424	7.8		
[Overseas]	[ 70,044 ]	[ 52.1 ]	[ 88,310 ]	[ 61.0 ]	[ 18,266 ]	[ 26.1 ]		

- (Note) 1. The amounts of orders received, sales of construction, and construction carried forward are the transacted amount with external customers.
2. In the fiscal year, there is 3 million yen difference between the sales of construction of 127,176 million yen and total sales of 127,180 in the segment information by the Green Technology System Division.  
There is 36 million yen difference between the sales of construction of 62,540 million yen and total sales of 62,576 in the segment information by Paint Finishing System Division.  
Above differences are due to intersegment sales.
3. In the previous year, there is 4 million yen difference between the sales of construction of 103,125 million yen and total sales of 103,130 in the segment information by the Green Technology System Division.  
There is 75 million yen difference between the sales of construction of 38,034 million yen and total sales of 38,109 in the segment information by Paint Finishing System Division.  
Above differences are due to intersegment sales.

4. Regarding foreign exchange translation of sales of construction carried forward from previous year in foreign subsidiaries, fluctuation amount because of foreign exchange is adjusted in the beginning balance of sales of construction carried forward. In addition, Taikisha Ltd. acquired the shares of Geico S. p. A. in the fiscal year. With this acquisition, Geico S. p. A. had become consolidated subsidiary of Taikisha Ltd. Therefore sales of construction carried forward of Geico S. p. A. is included in the sales of construction carried forward of Taikisha Ltd.  
Beginning balance of sales of construction carried forward after adjustment in the fiscal year is as follows.

Green Technology System Division

HVAC for buildings	46,079	million yen		
Industrial HVAC	37,825	[ overseas	20,289	million yen ]
Sub total	83,904	[ overseas	20,289	]
Paint Finishing System Division	55,363	[ overseas	54,628	]
Total	139,268	[ overseas	74,917	]

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)

Division			Millions of yen					
			Year ended March 31, 2011 (Apr. 1, 2010 - Mar. 31, 2011)		Year ended March 31, 2012 (Apr. 1, 2011 - Mar. 31, 2012)		Increase (decrease)	
			Amounts	%	Amounts	%	Amounts	%
Orders-received during this period	Green Technology System Division	HVAC for buildings	30,950	36.7 %	31,736	31.0 %	786	2.5 %
		Industrial HVAC	34,695	41.1	38,305	37.5	3,610	10.4
		Total	65,646	77.8	70,041	68.5	4,395	6.7
		[Overseas]	[ 1,809 ]	[ 2.1 ]	[ 933 ]	[ 0.9 ]	[ (876) ]	[ (48.4) ]
	Paint Finishing System Division	18,703	22.2	32,206	31.5	13,503	72.2	
[Overseas]	[ 16,315 ]	[ 19.3 ]	[ 21,183 ]	[ 20.7 ]	[ 4,868 ]	[ 29.8 ]		
Total	84,349	100.0	102,248	100.0	17,899	21.2		
[Overseas]	[ 18,125 ]	[ 21.4 ]	[ 22,117 ]	[ 21.6 ]	[ 3,992 ]	[ 22.0 ]		
Sales of construction during this period	Green Technology System Division	HVAC for buildings	29,557	32.9	40,947	37.5	11,390	38.5
		Industrial HVAC	38,553	43.0	45,091	41.3	6,538	17.0
		Total	68,111	75.9	86,039	78.8	17,928	26.3
		[Overseas]	[ 1,419 ]	[ 1.6 ]	[ 1,120 ]	[ 1.0 ]	[ (299) ]	[ (21.1) ]
	Paint Finishing System Division	21,651	24.1	23,166	21.2	1,515	7.0	
[Overseas]	[ 13,172 ]	[ 14.7 ]	[ 19,930 ]	[ 18.3 ]	[ 6,758 ]	[ 51.3 ]		
Total	89,763	100.0	109,205	100.0	19,442	21.7		
[Overseas]	[ 14,591 ]	[ 16.3 ]	[ 21,050 ]	[ 19.3 ]	[ 6,459 ]	[ 44.3 ]		
Construction carried forward	Green Technology System Division	HVAC for buildings	45,972	61.1	36,760	53.9	(9,212)	(20.0)
		Industrial HVAC	17,785	23.7	10,999	16.1	(6,786)	(38.2)
		Total	63,757	84.8	47,760	70.0	(15,997)	(25.1)
		[Overseas]	[ 559 ]	[ 0.7 ]	[ 373 ]	[ 0.5 ]	[ (186) ]	[ (33.3) ]
	Paint Finishing System Division	11,445	15.2	20,486	30.0	9,041	79.0	
[Overseas]	[ 11,094 ]	[ 14.8 ]	[ 12,347 ]	[ 18.1 ]	[ 1,253 ]	[ 11.3 ]		
Total	75,203	100.0	68,247	100.0	(6,956)	(9.2)		
[Overseas]	[ 11,654 ]	[ 15.5 ]	[ 12,720 ]	[ 18.6 ]	[ 1,066 ]	[ 9.1 ]		