

Financial Report for the Third Quarter of the Fiscal Year ending March 31, 2013

February 12, 2013

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

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Scheduled date to submit Quarterly report : February 14, 2013

Payment date of cash dividends : -

Supplemental materials prepared for financial results : None

Earnings announcement for financial results : None

(Round down to one million yen)

1. Consolidated Operating Performance (April 1, 2012 through December 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	%
Nine months ended								
December 31, 2012	147,417	6.6	7,472	14.1	8,033	13.5	4,575	27.5
December 31, 2011	138,282	78.5	6,546	—	7,075	—	3,587	—

(Note) Comprehensive income
 Nine months ended December 31, 2012 5,027 million yen 253.8 %
 Nine months ended December 31, 2011 1,421 million yen — %

	Net income per share	Net income per share after potential share adjustment
	yen	yen
Nine months ended		
December 31, 2012	125.89	—
December 31, 2011	97.98	—

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio
	million yen	million yen	%
As of			
December 31, 2012	166,263	72,403	41.9
March 31, 2012	156,108	69,602	42.9

(Note) Shareholders' Equity
 As of December 31, 2012 69,738 million yen
 As of March 31, 2012 66,918 million yen

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	Full year	Total (annually)
Year ended	yen	yen	yen	yen	yen
March 31, 2012	—	15.00	—	20.00	35.00
March 31, 2013	—	15.00	—		
Year ending March 31, 2013 (Forecast)			—	25.00	40.00

(Note) Revisions of dividends forecasts : None

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
Full year	214,000	12.8	8,700	4.5	9,300	3.0	5,700	30.4	156.30

(Note) Revisions of earnings forecasts : 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. : Yes
- (ii) Changes in accounting policies other than (i) : None
- (iii) Changes in accounting estimates : Yes
- (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, 2012 36,782,009 shares
 - As of March 31, 2012 36,782,009 shares
- (ii) Number of treasury shares at end of period
 - As of December 31, 2012 914,249 shares
 - As of March 31, 2012 313,951 shares
- (iii) Average number of common shares during the period
 - Nine months ended December 31, 2012 36,347,956 shares
 - Nine months ended December 31, 2011 36,618,427 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 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, 2012	As of December 31, 2012
Assets		
Current assets		
Cash and deposits	24,450	22,170
Notes receivable, accounts receivable from completed construction contracts and other	75,424	79,650
Short-term investment securities	2,554	5,948
Costs on uncompleted construction contracts	15,220	15,620
Raw materials and supplies	582	745
Other	8,103	12,628
Allowance for doubtful accounts	(179)	(256)
Total current assets	<u>126,155</u>	<u>136,508</u>
Noncurrent assets		
Property, plant and equipment	7,158	7,976
Intangible assets		
Goodwill	2,152	2,059
Other	1,196	1,021
Total intangible assets	<u>3,349</u>	<u>3,080</u>
Investments and other assets		
Investment securities	17,237	16,281
Other	2,386	2,594
Allowance for doubtful accounts	(179)	(177)
Total investments and other assets	<u>19,444</u>	<u>18,698</u>
Total noncurrent assets	<u>29,953</u>	<u>29,755</u>
Total assets	<u>156,108</u>	<u>166,263</u>
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	48,789	43,958
Short-term loans payable	4,176	4,483
Income taxes payable	644	951
Advances received on uncompleted construction contracts	17,766	26,324
Provision for bonuses	—	1,722
Provision for warranties for completed construction	596	596
Provision for loss on construction contracts	2,810	1,163
Provision for directors' bonuses	61	73
Other	6,205	8,909
Total current liabilities	<u>81,050</u>	<u>88,184</u>
Noncurrent liabilities		
Long-term loans payable	924	793
Provision for retirement benefits	3,029	2,812
Provision for directors' retirement benefits	129	128
Other	1,371	1,941
Total noncurrent liabilities	<u>5,455</u>	<u>5,675</u>
Total liabilities	<u>86,506</u>	<u>93,859</u>

Millions of yen

	As of March 31, 2012	As of December 31, 2012
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus	7,297	7,297
Retained earnings	54,810	58,110
Treasury stock	(492)	(1,461)
Total shareholders' equity	<u>68,071</u>	<u>70,401</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,428	3,681
Deferred gains or losses on hedges	26	10
Foreign currency translation adjustment	(4,607)	(4,354)
Total accumulated other comprehensive income	<u>(1,152)</u>	<u>(663)</u>
Minority interests	<u>2,683</u>	<u>2,665</u>
Total net assets	<u>69,602</u>	<u>72,403</u>
Total liabilities and net assets	<u>156,108</u>	<u>166,263</u>

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

Millions of yen

	Nine months ended December 31, 2011 <small>Apr. 1, 2011 - Dec. 31, 2011</small>	Nine months ended December 31, 2012 <small>Apr. 1, 2012 - Dec. 31, 2012</small>
Net sales of completed construction contracts	138,282	147,417
Cost of sales of completed construction contracts	119,939	127,174
Gross profit on completed construction contracts	18,342	20,242
Selling, general and administrative expenses	11,796	12,770
Operating income	6,546	7,472
Non-operating income		
Interest income	205	193
Dividends income	263	267
Dividends income of insurance	123	121
Real estate rent	91	83
Reversal of allowance for doubtful accounts	—	16
Equity in earnings of affiliates	35	—
Gain on bad debts recovered	193	—
Other	129	212
Total non-operating income	1,043	894
Non-operating expenses		
Interest expenses	163	148
Rent expenses on real estates	64	59
Foreign exchange losses	120	42
Provision of allowance for doubtful accounts	95	—
Equity in losses of affiliates	—	29
Other	70	53
Total non-operating expenses	514	334
Ordinary income	7,075	8,033
Extraordinary income		
Gain on disposal of noncurrent assets	34	54
Gain on sales of investment securities	27	255
Other	2	0
Total extraordinary income	64	310
Extraordinary loss		
Loss on disposal of noncurrent assets	33	15
Loss on sales of investment securities	14	157
Loss on valuation of investment securities	207	39
Loss on change in equity	—	227
Other	3	31
Total extraordinary losses	259	471
Income before income taxes and minority interests	6,880	7,872
Income taxes-current	1,769	2,203
Income taxes-deferred	1,178	998
Total income taxes	2,948	3,202
Income before minority interests	3,932	4,669
Minority interests in income	344	94
Net income	3,587	4,575

Consolidated Statements of Comprehensive Income

Millions of yen

	Nine months ended December 31, 2011 <small>Apr. 1, 2011 - Dec. 31, 2011</small>	Nine months ended December 31, 2012 <small>Apr. 1, 2012 - Dec. 31, 2012</small>
Income before minority interests	3,932	4,669
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,164)	253
Deferred gains or losses on hedges	32	(16)
Foreign currency translation adjustment	(1,372)	118
Share of other comprehensive income of associates accounted for using equity method	(6)	2
Total other comprehensive income	<u>(2,510)</u>	<u>357</u>
Comprehensive income	<u>1,421</u>	<u>5,027</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,296	5,065
Comprehensive income attributable to minority interests	124	(37)

(Segment information)

Sales and profits or losses by reportable segments

Millions of yen

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

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

- (1) Eliminations/ Corporate of Segment profit of ¥216 million includes non-allocatable common profit (net amount of common profit and loss) of ¥205 million and other adjustment of ¥11 million. Non-allocatable common profit is mainly dividend income etc. those are not attribute to any reportable segments.
2. Segment profit were adjusted in the ordinary income of the consolidated income statement.

(i) Information on assets by reportable segments

Compared with previous year end, assets by reportable 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. In addition, Geico Painting Equipment Manufacture (Suzhou) Co.,Ltd. and "Geico Russia"LLC were newly established. As a result, assets in the Paint Finishing System Division increased by ¥7,670 million.

(ii) Information on impairment loss of fixed assets or goodwill etc. by reportable 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 in the current quarter.

Millions of yen

Nine months ended December 31, 2012 (Apr. 1, 2012 - Dec. 31, 2012)					
	Green Technology System Division	Paint Finishing System Division	Total	Eliminations Corporate	Consolidated
Sales					
Sales to customers	90,101	57,315	147,417	—	147,417
Intersegment	7	3	11	(11)	—
Total	90,108	57,319	147,428	(11)	147,417
Segment profit	4,300	3,505	7,806	227	8,033

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

- (1) Eliminations/ Corporate of Segment profit of ¥227 million includes non-allocatable common profit (net amount of common profit and loss) of ¥220 million and other adjustment of ¥6 million. Non-allocatable common profit is mainly dividend income etc. those are not attribute to any reportable segments.
2. Segment profit were adjusted in the ordinary income of the consolidated income statement.

(i) Information on assets and impairment loss of fixed assets or goodwill etc. by reportable segments : None

(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, 2011		Nine months ended December 31, 2012		Increase (decrease)	
			(Apr. 1, 2011 - Dec. 31, 2011)		(Apr. 1, 2011 - Dec. 31, 2012)			
			Amounts	%	Amounts	%	Amounts	%
Orders-received during this period	Green Technology System Division	HVAC for buildings	23,607	17.2 %	28,733	20.0 %	5,126	21.7 %
		Industrial HVAC	64,502	47.1	70,008	48.9	5,506	8.5
		Total	88,109	64.3	98,741	68.9	10,632	12.1
		[Overseas]	[33,258]	[24.3]	[43,845]	[30.6]	[10,587]	[31.8]
	Paint Finishing System Division	48,942	35.7	44,548	31.1	(4,394)	(9.0)	
	[Overseas]	[39,746]	[29.0]	[41,204]	[28.8]	[1,458]	[3.7]	
Total	137,051	100.0	143,289	100.0	6,238	4.6		
[Overseas]	[73,005]	[53.3]	[85,050]	[59.4]	[12,045]	[16.5]		
Sales of construction during this period	Green Technology System Division	HVAC for buildings	32,728	23.7	25,887	17.6	(6,841)	(20.9)
		Industrial HVAC	60,649	43.8	64,213	43.5	3,564	5.9
		Total	93,378	67.5	90,101	61.1	(3,277)	(3.5)
		[Overseas]	[28,792]	[20.8]	[40,149]	[27.2]	[11,357]	[39.4]
	Paint Finishing System Division	44,904	32.5	57,315	38.9	12,411	27.6	
	[Overseas]	[41,731]	[30.2]	[46,970]	[31.9]	[5,239]	[12.6]	
Total	138,282	100.0	147,417	100.0	9,135	6.6		
[Overseas]	[70,524]	[51.0]	[87,120]	[59.1]	[16,596]	[23.5]		
Construction carried forward	Green Technology System Division	HVAC for buildings	36,957	26.7	39,959	28.9	3,002	8.1
		Industrial HVAC	41,916	30.2	45,066	32.5	3,150	7.5
		Total	78,874	56.9	85,026	61.4	6,152	7.8
		[Overseas]	[24,994]	[18.0]	[32,039]	[23.2]	[7,045]	[28.2]
	Paint Finishing System Division	59,859	43.1	53,421	38.6	(6,438)	(10.8)	
	[Overseas]	[53,098]	[38.3]	[51,956]	[37.5]	[(1,142)]	[(2.2)]	
Total	138,734	100.0	138,447	100.0	(287)	(0.2)		
[Overseas]	[78,093]	[56.3]	[83,995]	[60.7]	[5,902]	[7.6]		

(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 ¥7 million difference between the sales of construction of ¥90,101 million and total sales of ¥90,108 million in the segment information by the Green Technology System Division.

There is ¥3 million difference between the sales of construction of ¥57,315 million and total sales of ¥57,319 in the segment information by Paint Finishing System Division.

Above differences are due to intersegment sales.

3. In the previous year, there is ¥3 million difference between the sales of construction of ¥93,378 million and total sales of ¥93,381 million in the segment information by the Green Technology System Division.

There is ¥26 million difference between the sales of construction of ¥44,904 million and total sales of ¥44,930 million 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, 2011		Nine months ended December 31, 2012		Increase (decrease)	
			(Apr. 1, 2011 - Dec. 31, 2011)		(Apr. 1, 2011 - Dec. 31, 2012)			
			Amounts	%	Amounts	%	Amounts	%
Orders-received during this period	Green Technology System Division	HVAC for buildings	22,324	28.3 %	27,529	41.2 %	5,205	23.3 %
		Industrial HVAC	30,708	39.0	26,094	39.0	(4,614)	(15.0)
		Total	53,032	67.3	53,623	80.2	591	1.1
		[Overseas]	[588]	[0.7]	[1,090]	[1.6]	[502]	[85.4]
	Paint Finishing System Division	25,756	32.7	13,210	19.8	(12,546)	(48.7)	
	[Overseas]	[17,565]	[22.3]	[10,794]	[16.2]	[(6,771)]	[(38.5)]	
Total	78,789	100.0	66,834	100.0	(11,955)	(15.2)		
[Overseas]	[18,153]	[23.0]	[11,885]	[17.8]	[(6,268)]	[(34.5)]		
Sales of construction during this period	Green Technology System Division	HVAC for buildings	31,888	40.2	24,720	35.6	(7,168)	(22.5)
		Industrial HVAC	31,507	39.7	23,810	34.2	(7,697)	(24.4)
		Total	63,396	79.9	48,531	69.8	(14,865)	(23.4)
		[Overseas]	[698]	[0.9]	[883]	[1.3]	[185]	[26.5]
	Paint Finishing System Division	15,958	20.1	20,957	30.2	4,999	31.3	
	[Overseas]	[14,098]	[17.8]	[11,723]	[16.9]	[(2,375)]	[(16.8)]	
Total	79,354	100.0	69,488	100.0	(9,866)	(12.4)		
[Overseas]	[14,797]	[18.7]	[12,607]	[18.2]	[(2,190)]	[(14.8)]		
Construction carried forward	Green Technology System Division	HVAC for buildings	36,407	48.8	39,569	60.3	3,162	8.7
		Industrial HVAC	16,986	22.7	13,283	20.3	(3,703)	(21.8)
		Total	53,393	71.5	52,852	80.6	(541)	(1.0)
		[Overseas]	[448]	[0.6]	[580]	[0.9]	[132]	[29.5]
	Paint Finishing System Division	21,243	28.5	12,740	19.4	(8,503)	(40.0)	
	[Overseas]	[14,561]	[19.5]	[11,418]	[17.4]	[(3,143)]	[(21.6)]	
Total	74,637	100.0	65,592	100.0	(9,045)	(12.1)		
[Overseas]	[15,009]	[20.1]	[11,998]	[18.3]	[(3,011)]	[(20.1)]		

3. Sales by region

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

Millions of yen

Nine months ended December 31, 2012 (Apr. 1, 2012 - Dec. 31, 2012)								
Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other South East Asia	China	Other East Asia			
60,296	8,857	28,182	18,147	18,633	1,716	3,732	7,850	147,417