

Financial Report for the First Quarter of the Fiscal Year ending March 31, 2014

August 9, 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..... Satoru Kamiyama, 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 14, 2013
Scheduled date to commence dividend payments : —
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, 2013 through June 30, 2013)

(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, 2013	42,104	(7.0)	1,235	(51.2)	1,514	(42.1)	403	(69.8)
June 30, 2012	45,294	19.8	2,531	188.9	2,613	119.2	1,336	172.7

(Note) Comprehensive income Three months ended June 30, 2013 3,419 million yen 143.2 %
Three months ended June 30, 2012 1,406 million yen 51.2 %

	Net income per share	Net income per share after potential share adjustment
	yen	yen
Three months ended		
June 30, 2013	11.18	—
June 30, 2012	36.64	—

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio
	million yen	million yen	%
As of			
June 30, 2013	156,531	80,273	49.1
March 31, 2013	163,014	78,537	46.2

(Note) Shareholders' Equity As of June 30, 2013 76,908 million yen
As of March 31, 2013 75,237 million yen

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	Full year	Total (annually)
Year ended	yen	yen	yen	yen	yen
March 31, 2013	—	15.00	—	35.00	50.00
March 31, 2014	—	—	—	—	—
Year ending March 31, 2014 (Forecast)	—	20.00	—	25.00	45.00

(Note) Revisions to forecasts of dividends : None

3. Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2014 (April 1, 2013 through March 31, 2014)

(% 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	99,000	4.4	4,300	(21.3)	4,700	(20.4)	2,700	(8.6)	74.45
Full year	215,000	(0.5)	9,400	(4.2)	10,000	(6.8)	5,700	(8.1)	157.18

(Note) Revisions to forecasts of earnings : 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 stock)

(i) Number of shares issued at end of period (including treasury stock)

As of June 30, 2013 36,782,009 shares

As of March 31, 2013 36,782,009 shares

(ii) Number of shares of treasury stock at end of period

As of June 30, 2013 734,661 shares

As of March 31, 2013 734,367 shares

(iii) Average number of shares of common stock during the period

Three months ended June 30, 2013 36,047,505 shares

Three months ended June 30, 2012 36,468,058 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, 2013	As of June 30, 2013
Assets		
Current assets		
Cash and deposits	30,131	30,210
Notes receivable, accounts receivable from completed construction contracts and other	81,950	73,982
Securities	7,004	5,499
Costs on uncompleted construction contracts	1,754	2,564
Raw materials and supplies	762	746
Other	8,673	10,456
Allowance for doubtful accounts	(300)	(373)
Total current assets	<u>129,976</u>	<u>123,086</u>
Noncurrent assets		
Property, plant and equipment	8,494	8,198
Intangible assets		
Goodwill	2,325	2,412
Other	984	976
Total intangible assets	<u>3,309</u>	<u>3,388</u>
Investments and other assets		
Investment securities	18,171	18,851
Other	3,232	3,130
Allowance for doubtful accounts	(169)	(124)
Total investments and other assets	<u>21,233</u>	<u>21,858</u>
Total noncurrent assets	<u>33,037</u>	<u>33,445</u>
Total assets	<u>163,014</u>	<u>156,531</u>
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	47,451	38,192
Short-term loans payable	4,425	5,113
Income taxes payable	749	742
Advances received on uncompleted construction contracts	13,539	15,115
Provision for bonuses	—	97
Provision for warranties for completed construction	927	950
Provision for loss on construction contracts	1,680	1,895
Provision for directors' bonuses	96	—
Other	8,854	7,038
Total current liabilities	<u>77,724</u>	<u>69,146</u>
Noncurrent liabilities		
Long-term loans payable	770	578
Provision for retirement benefits	2,838	2,712
Provision for directors' retirement benefits	133	123
Other	3,010	3,697
Total noncurrent liabilities	<u>6,752</u>	<u>7,112</u>
Total liabilities	<u>84,476</u>	<u>76,258</u>

Millions of yen

	As of March 31, 2013	As of June 30, 2013
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus	7,344	7,344
Retained earnings	59,735	58,877
Treasury stock	(1,173)	(1,174)
Total shareholders' equity	<u>72,361</u>	<u>71,502</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,245	6,051
Deferred gains or losses on hedges	(11)	5
Foreign currency translation adjustment	(2,358)	(650)
Total accumulated other comprehensive income	<u>2,875</u>	<u>5,405</u>
Minority interests	<u>3,300</u>	<u>3,365</u>
Total net assets	<u>78,537</u>	<u>80,273</u>
Total liabilities and net assets	<u>163,014</u>	<u>156,531</u>

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

Millions of yen

	Three months ended June 30, 2012 Apr. 1, 2012 - Jun. 30, 2012	Three months ended June 30, 2013 Apr. 1, 2013 - Jun. 30, 2013
Net sales of completed construction contracts	45,294	42,104
Cost of sales of completed construction contracts	38,981	36,641
Gross profit on completed construction contracts	6,313	5,462
Selling, general and administrative expenses	3,782	4,227
Operating income	2,531	1,235
Non-operating income		
Interest income	64	85
Dividends income	118	106
Real estate rent	25	33
Foreign exchange gains	—	68
Reversal of allowance for doubtful accounts	5	5
Equity in earnings of affiliates	—	24
Other	106	103
Total non-operating income	321	427
Non-operating expenses		
Interest expenses	72	54
Rent expenses on real estates	19	17
Foreign exchange losses	133	—
Equity in losses of affiliates	3	—
Other	9	76
Total non-operating expenses	238	148
Ordinary income	2,613	1,514
Extraordinary income		
Gain on disposal of noncurrent assets	23	6
Gain on sales of investment securities	—	53
Total extraordinary income	23	60
Extraordinary loss		
Loss on disposal of noncurrent assets	9	26
Loss on valuation of investment securities	52	—
Loss on sales of stocks of subsidiaries and affiliates	—	73
Total extraordinary losses	62	100
Income before income taxes and minority interests	2,574	1,474
Income taxes-current	661	841
Income taxes-deferred	490	(97)
Total income taxes	1,151	743
Income before minority interests	1,422	730
Minority interests in income	86	327
Net income	1,336	403

Consolidated Statements of Comprehensive Income

Millions of yen

	Three months ended June 30, 2012 Apr. 1, 2012 - Jun. 30, 2012	Three months ended June 30, 2013 Apr. 1, 2013 - Jun. 30, 2013
Income before minority interests	1,422	730
Other comprehensive income		
Valuation difference on available-for-sale securities	(893)	805
Deferred gains or losses on hedges	(34)	22
Foreign currency translation adjustment	886	1,817
Share of other comprehensive income of associates accounted for using equity method	24	43
Total other comprehensive income	(16)	2,688
Comprehensive income	1,406	3,419
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,289	2,933
Comprehensive income attributable to minority interests	117	486

(Segment information)

1. Sales and profits or losses by reportable segments

Millions of yen

Three months ended June 30, 2012 (Apr. 1, 2012 - Jun. 30, 2012)					
	Green Technology System Division	Paint Finishing System Division	Total	Eliminations/ Corporate	Consolidated
Sales					
Sales to customers	26,197	19,097	45,294	—	45,294
Intersegment	4	3	8	(8)	—
Total	26,202	19,101	45,303	(8)	45,294
Segment profit	1,156	1,375	2,531	81	2,613

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

(1) Eliminations/ Corporate of Segment profit of ¥81 million includes non-allocatable common costs of ¥85 million and other adjustment of minus ¥4 million.

Non-allocatable common costs 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.

Millions of yen

Three months ended June 30, 2013 (Apr. 1, 2013 - Jun. 30, 2013)					
	Green Technology System Division	Paint Finishing System Division	Total	Eliminations/ Corporate	Consolidated
Sales					
Sales to customers	26,904	15,200	42,104	—	42,104
Intersegment	0	35	35	(35)	—
Total	26,904	15,235	42,140	(35)	42,104
Segment profit	1,185	292	1,478	35	1,514

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

(1) Eliminations/ Corporate of Segment profit of ¥35 million includes non-allocatable common costs of ¥41 million and other adjustment of minus ¥5 million.

Non-allocatable common costs 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.

(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, 2012		Three months ended June 30, 2013		Increase (decrease)	
			(Apr. 1, 2012 - Jun. 30, 2012)		(Apr. 1, 2013 - Jun. 30, 2013)			
			Amounts	%	Amounts	%	Amounts	%
Orders-received during this period	Green Technology System Division	HVAC for buildings	11,171	20.6	17,547	38.6	6,376	57.1
		Industrial HVAC	21,724	40.1	20,276	44.6	(1,448)	(6.7)
		Total	32,895	60.7	37,823	83.2	4,928	15.0
		[Overseas]	[14,426]	[26.6]	[13,129]	[28.9]	[(1,297)]	[(9.0)]
	Paint Finishing System Division	21,312	39.3	7,649	16.8	(13,663)	(64.1)	
		[Overseas]	[19,983]	[36.9]	[6,147]	[13.5]	[(13,836)]	[(69.2)]
	Total	54,207	100.0	45,473	100.0	(8,734)	(16.1)	
	[Overseas]	[34,409]	[63.5]	[19,276]	[42.4]	[(15,133)]	[(44.0)]	
Sales of construction during this period	Green Technology System Division	HVAC for buildings	6,403	14.1	4,894	11.6	(1,509)	(23.6)
		Industrial HVAC	19,793	43.7	22,009	52.3	2,216	11.2
		Total	26,197	57.8	26,904	63.9	707	2.7
		[Overseas]	[12,563]	[27.7]	[15,934]	[37.9]	[3,371]	[26.8]
	Paint Finishing System Division	19,097	42.2	15,200	36.1	(3,897)	(20.4)	
		[Overseas]	[15,632]	[34.5]	[13,954]	[33.1]	[(1,678)]	[(10.7)]
	Total	45,294	100.0	42,104	100.0	(3,190)	(7.0)	
	[Overseas]	[28,195]	[62.2]	[29,889]	[71.0]	[1,694]	[6.0]	
Construction carried forward	Green Technology System Division	HVAC for buildings	41,881	27.5	40,678	29.4	(1,203)	(2.9)
		Industrial HVAC	41,314	27.1	38,484	27.8	(2,830)	(6.8)
		Total	83,196	54.6	79,162	57.2	(4,034)	(4.8)
		[Overseas]	[30,318]	[19.9]	[27,781]	[20.1]	[(2,537)]	[(8.4)]
	Paint Finishing System Division	69,058	45.4	59,139	42.8	(9,919)	(14.4)	
		[Overseas]	[62,727]	[41.2]	[57,472]	[41.5]	[(5,255)]	[(8.4)]
	Total	152,254	100.0	138,302	100.0	(13,952)	(9.2)	
	[Overseas]	[93,046]	[61.1]	[85,254]	[61.6]	[(7,792)]	[(8.4)]	

(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 ¥0 million difference between the sales of construction of ¥26,904 million and total sales of ¥26,904 million in the segment information by the Green Technology System Division.

There is ¥35 million difference between the sales of construction of ¥15,200 and total sales of ¥15,235 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 difference between the sales of construction of ¥26,197 million and total sales of ¥26,202 million in the segment information by the Green Technology System Division.

There is ¥3 million difference between the sales of construction of ¥19,097 million and total sales of ¥19,101 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			Three months ended June 30, 2012 (Apr. 1, 2012 - Jun. 30, 2012)		Three months ended June 30, 2013 (Apr. 1, 2013 - Jun. 30, 2013)		Increase (decrease)	
			Amounts	%	Amounts	%	Amounts	%
Orders-received during this period	Green Technology System Division	HVAC for buildings	10,687	48.0	17,064	59.5	6,377	59.7
		Industrial HVAC	7,187	32.3	7,361	25.6	174	2.4
		Total	17,875	80.3	24,426	85.1	6,551	36.6
		[Overseas]	[288]	[1.3]	[248]	[0.9]	[(40)]	[(13.9)]
	Paint Finishing System Division	4,375	19.7	4,267	14.9	(108)	(2.5)	
		[Overseas]	[3,515]	[15.8]	[3,189]	[11.1]	[(326)]	[(9.3)]
	Total	22,250	100.0	28,693	100.0	6,443	29.0	
	[Overseas]	[3,803]	[17.1]	[3,438]	[12.0]	[(365)]	[(9.6)]	
Sales of construction during this period	Green Technology System Division	HVAC for buildings	6,064	29.6	4,582	28.0	(1,482)	(24.4)
		Industrial HVAC	7,130	34.9	6,263	38.2	(867)	(12.2)
		Total	13,194	64.5	10,846	66.2	(2,348)	(17.8)
		[Overseas]	[248]	[1.2]	[223]	[1.4]	[(25)]	[(10.1)]
	Paint Finishing System Division	7,268	35.5	5,549	33.8	(1,719)	(23.7)	
		[Overseas]	[4,101]	[20.0]	[4,627]	[28.2]	[526]	[12.8]
	Total	20,463	100.0	16,395	100.0	(4,068)	(19.9)	
	[Overseas]	[4,349]	[21.2]	[4,851]	[29.6]	[502]	[11.5]	
Construction carried forward	Green Technology System Division	HVAC for buildings	41,383	59.1	40,387	65.4	(996)	(2.4)
		Industrial HVAC	11,056	15.8	11,135	18.1	79	0.7
		Total	52,440	74.9	51,523	83.5	(917)	(1.7)
		[Overseas]	[413]	[0.6]	[451]	[0.7]	[38]	[9.2]
	Paint Finishing System Division	17,593	25.1	10,194	16.5	(7,399)	(42.1)	
		[Overseas]	[11,760]	[16.8]	[8,870]	[14.4]	[(2,890)]	[(24.6)]
	Total	70,034	100.0	61,718	100.0	(8,316)	(11.9)	
	[Overseas]	[12,174]	[17.4]	[9,322]	[15.1]	[(2,852)]	[(23.4)]	

2. Sales by regions

Millions of yen

Three months ended June 30, 2012 (Apr. 1, 2012 - Jun. 30, 2012)								
Japan	North America	Southeast Asia		East Asia		India	Other	Total
		Thailand	Other South-east Asia	China	Other East Asia			
17,098	3,260	11,135	4,828	5,580	384	731	2,274	45,294

Millions of yen

Three months ended June 30, 2013 (Apr. 1, 2013 - Jun. 30, 2013)								
Japan	North America	Southeast Asia		East Asia		India	Other	Total
		Thailand	Other South-east Asia	China	Other East Asia			
12,215	2,893	10,331	7,439	4,366	102	2,490	2,263	42,104