ANNUAL REPORT 2009

April 2008 - March 2009

TAIKI-SHA

Our Philosophy and Vision

Corporate Policy: "Customers First"

Customers are broadly interpreted as general society. The spirit of "Customers First" is to obtain ceaseless trust from our customers. For this purpose, we must conscientiously put forth our best effort in all areas of business, based upon the philosophy that behavior of a person or a company will generate benefits and happiness for one's counterpart.

Corporate Philosophy

1. Establishing a company that can perpetually grow and contribute to the society

1) Make efforts to continue growth through increasing added value, and aim to create prosperity for customers and affiliated companies as well as affluent lives for employees

2) Make efforts to create an affluent environment and to advance industrial society, with an aim at making a contribution to society through technology that matches the needs of society

2. Creating an attractive company

1) Aim at creating a motivation-oriented company where the creativity and vitality of each employee will be realized through their work.

2) Aim at creating a company with an organization and corporate culture in which company goals will be achieved through the combined efforts of all employees under a spirit of mutual trust, cooperation, and rationality.

3) Aim at creating a unique company in all areas of company operations, including technology, market, and development of human resources, through amassing the expertise of "energy, air, and water".

Management Vision

We observe the spirit of the law, perform business transactions through free and fair competition, and contribute to customers, clients, shareholders, employees, communities, society, and the global environment through our transparent and highly ethical management values.
Our slogan: "Pure & Fair"- To become a transparent company

Contents

Cautionary statement regarding forward-looking statements

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.

Financial Highlights

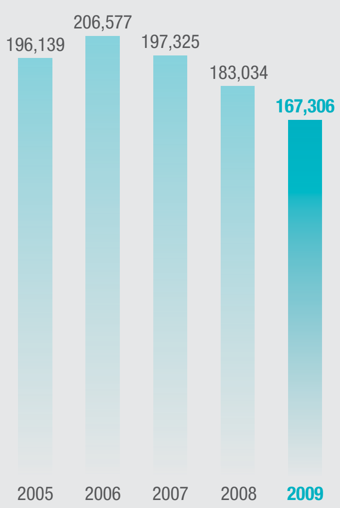
Taikisha Ltd. and Consolidated Subsidiaries

For the years ended March 31, 2009 and 2008

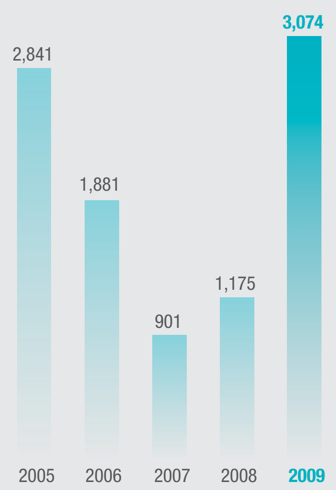
	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
For the year:			
Sales	¥183,034	**¥167,306**	**$1,707,213**
Net income	1,175	**3,074**	**31,369**
Orders received	186,568	**164,738**	**1,681,009**
Orders carried forward	121,614	**113,801**	**1,161,236**
At year-end:			
Total assets	¥142,024	**¥119,483**	**$1,219,218**
Total net assets	67,379	**61,441**	**626,956**
Per share data (¥ and US$):			
Net assets	¥1,723.67	**¥1,590.08**	**$16.22**
Net income	31.97	**83.60**	**0.85**
Cash dividends	35.00	**30.00**	**0.30**

Note: The U.S. dollar amounts are presented solely for convenience and are calculated at the rate of ¥98 to US$1, the approximate rate of exchange prevailing on March 31, 2009.

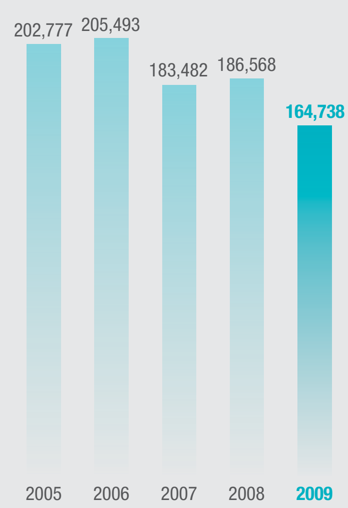
Sales
(Millions of yen)



Net Income
(Millions of yen)



Orders Received
(Millions of yen)



Note: Graphs in this annual report are based on fiscal years ended March 31.

To Our Stakeholders

Message from the President

Four years from now in the year 2013, we will observe our 100th anniversary as a company. We will continue to provide value matched to the times, growing each year as we resist being swept aside by changes in the market.

We are currently experiencing an economic crisis of a magnitude said to happen once every one-hundred years. According to an OECD announcement, global economic growth in 2009 is projected to be the worst since the end of World War II. Economic growth in Japan is expected to underperform that of the United States and the EU, and recovery in Japan is forecast to trail these regions as well. Among the advanced nations affected by this financial crisis, Japan has been identified as having been injured the least in financial terms. The expected delay in the recovery of the Japanese economy is attributed to the heavy reliance on exports—or in other words, the economy of Japan relies heavily on external demand. Worldwide demand during this global recession—particularly consumer sentiment in the United States, has declined precipitously, causing significant damage to Japan's export industries. Economic recovery in Japan is expected to occur during the last half of 2011, and with so many important customers in the auto, electronics, electric appliance and precision instrument export industries, Taikisha expects the business environment to remain difficult over the next three years.

While we are coping with this difficult environment, do not forget that Taikisha is treating this crisis as a unique business opportunity. This global crisis will slow the speed of economic growth over the next several years. But a major discontinuity will be created at the end of this crisis, pushing us quickly into a completely new era. For Taikisha to actively respond to this coming change, we must embrace fundamental structural reform, developing a new framework and new value through our employee resources as a Group. We believe that this crisis is a once-in-a-lifetime opportunity to perfect our strengths as a company. We can use this crisis to build an unassailable support structure, which we can use to survive the era of reorganization expected to occur in the construction and capital equipment industry, securing an even greater share of the market in the process.

Four years from now in the year 2013, we will observe our 100th anniversary as a company. As I mentioned earlier, we believe that the business environment surrounding Taikisha will continue to be difficult for several years to come. To create added value and continue to grow every year, Taikisha must change in response to the environment, and resist being swept aside by changes in the market. It is a continuing contribution to society through value matched to the times, which will allow us to survive the next 100 years.

In addition to our current business, we will look to expand into neighboring business lines and to create new businesses that meet the demands of the next generation. M&A activities, new business alliances and other means for growth are all open for consideration as we take on new challenges.

Our future growth lies in consolidating the total talents, skills and energy of the Taikisha Group. We ask for the continued support and guidance of our customers and all of our stakeholders as we pursue our corporate objectives.

August 2009

Yoshiro Nakaya
President

President Q&A

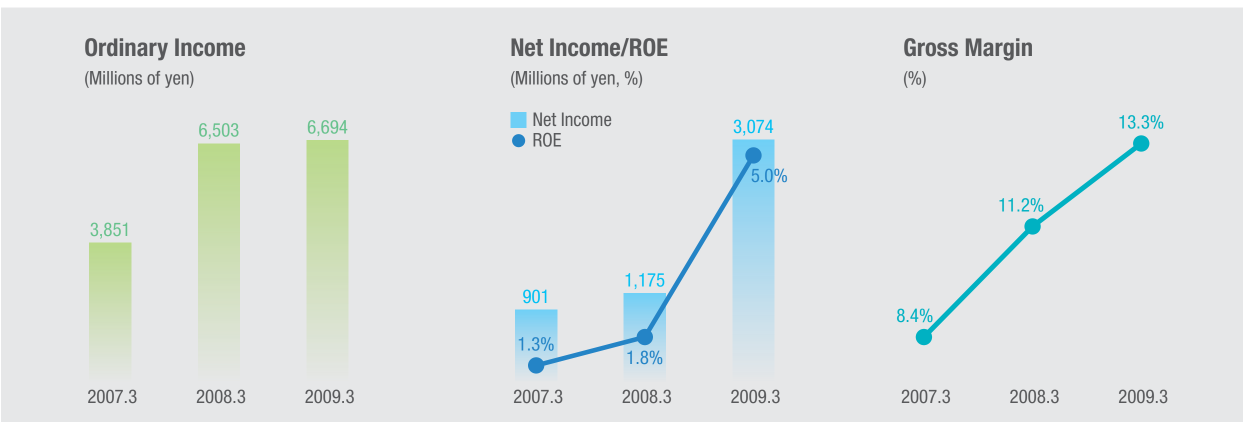
Strategies for Continued Growth

Q1 Please provide an overview of the Taikisha earnings for FY09.

A Despite difficult market conditions, Taikisha accomplished its goals in terms of profitability as the direct result of business process improvements and cost-cutting activities.

Prior to the financial and economic crisis that swept the globe, Taikisha operations had been progressing smoothly, with the Company forecasting favorable earnings results. However, conditions changed drastically with the circumstances that shook the worldwide economy. As a result, the Company did not reach our FY09 targets for orders received and net sales of completed construction contracts. Despite this fact, our efforts over the past two years to restructure our business processes have paid off. Business process improvements and cost "transparency" implemented organization-wide have resulted in improved profitability. The Company has realized gains in gross profit ratio, and has achieved our targets in terms of corporate profits.

Compared to other companies in the same industry, Taikisha has a high ratio of sales to customers in the automotive and electronic device export industries, which are both experiencing a significant negative impact from the current economic crisis. We have experienced similar trends in our overseas business. Under these difficult circumstances, we cannot expect a recovery in the manufacturing industry and capital investment until there is a recovery in global consumer sentiment.



Q2 Given the current economic realities, how will the Company go about strengthening your management foundation?

A Taikisha intends to use its overseas network to drive strategic global expansion, making a significant contribution to environmental impact reduction and energy savings businesses.

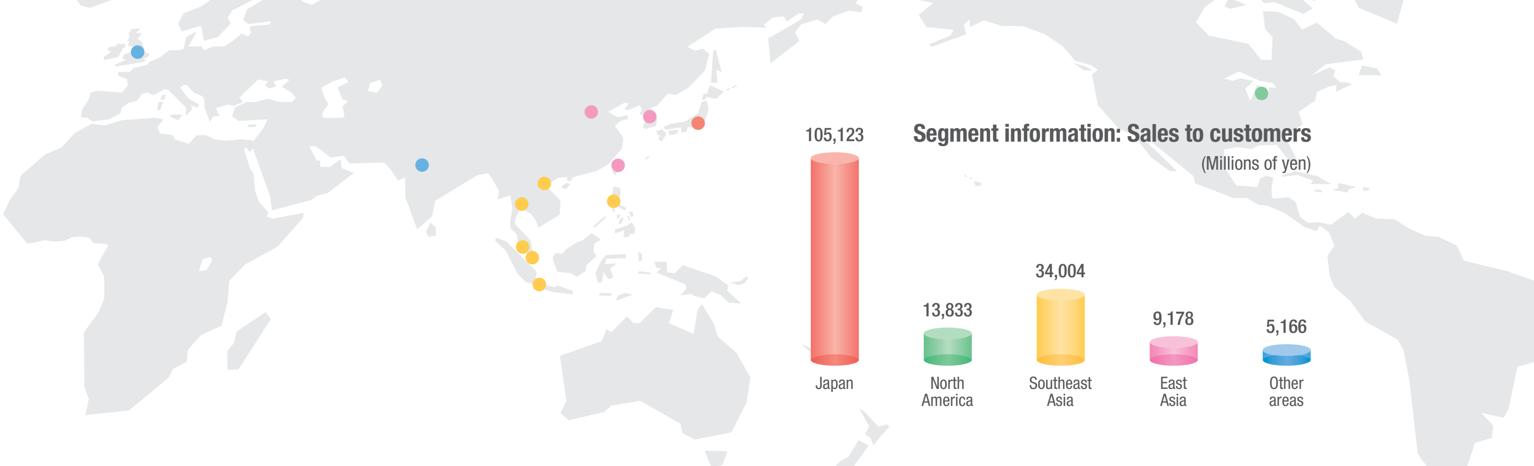
Taikisha intends to take maximum advantage of the overseas network that we have developed over the course of many years, strategically expanding our global business. Despite recent declining growth rates in China, India, South America and Southeast Asia, we expect strong growth in these regions over the mid and long term. Experts have predicted that Asia will represent more than 50% of the global GDP (approximately ¥5,000 trillion) by the 2030s, reaching a level ten times the size of Japan's GDP. This is one of the factors behind our strategic orientation in these areas.

In the Chinese market, we have extended a joint venture contract first executed 15 years ago, increasing our ownership ratio from 51% to 70% in preparation for aggressive expansion.

We have more than 25 years of experience in the Indian market, where we intend to engage in greater technology transfer that will result in deeper local market integration with the objective of winning more orders from Indian corporations.

During the current fiscal year, we will be centralizing the management functions of our operations in Indonesia, Malaysia and the Philippines at our Singapore subsidiary. This will create a structure that can flexibly respond to the local economies in the region. We have high expectations for high growth in Indonesia, which is quickly becoming a major, stable political entity in the area. Growth is also expected in other ASEAN countries.

All around the globe, we see growing momentum behind the creation of low-carbon societies. We see the advent of the low-carbon society as an opportunity to the environmental technologies that we have been developing over the years. We intend to capitalize on this trend, becoming more engaged in the environmental business fields than ever before. Enormous amounts of energy are required to operate HVAC equipment in buildings and factories and paint finishing systems. We believe that we can make a notable contribution in the environmental impact reduction and energy savings businesses with the global movement toward building low-carbon societies.



Q3 What are the objectives of the urgent profit improvement measures that the Company announced in response to the precipitous downturn in the economy?

A The goal of the urgent profit improvement measures is to minimize any short-term effects on earnings, while moving the Company toward a business structure that puts the Taikisha Group in a greater position of competitiveness.

The urgent profit improvement measures were put in place with the objective of enhancing the Company's ability to compete once the economy recovers. The measures should not be interpreted as a negative reaction to a decline in earnings. Rather, the Company enacted these measures in response to the opportunity this environment presents to develop a business structure that will make the entire Taikisha Group more competitive in the market.

In April, we launched the first phase of the plan by focusing on reducing personnel and business expenses. While we have targets for mid- and long-term structural improvements, we also have objectives to minimize the effects of the global economy on short-term earnings.

Subsequent to the first phase, we will be rolling out an improvement proposal system to our domestic Group companies and affiliates beginning in July as part of the second phase of the plan. The activities of this phase will be conducted under the direct management of the Company president. Under the second phase of the plan, we will review each of our business processes across the entire organization from the ground up, looking to improve the quality of our processes, and building an even stronger competitive base. From a long-term perspective, our objective is to enhance our ability to compete after the economic recovery. Performing detailed improvements and restructuring is difficult to accomplish when conditions are normal. Taikisha will take advantage of this crisis to institute fundamental change. My belief is that the ability of a company to compete lies in the level of each individual employee and the quality of each business process.

The successful execution of the urgent profit improvement measures will reconstruct and strengthen the structure of both our domestic entities and the entire Group, including our overseas affiliates. Our goal is to be more competitive than ever overseas, establishing a greater market awareness of the Taikisha brand.

Q4 With an increasingly severe management environment, it would seem that Taikisha is faced with the need to make the most of its strengths. Tell us more about the strengths of the Taikisha Group.

A We believe that the strength of the Taikisha Group is a bed of unique technologies that differentiate us from other companies. We are able to serve our customers overseas by providing these unique technologies.

We believe that the strengths of the Taikisha Group are embodied in our paint finishing system business (one of the largest global supplier) and our ability to utilize an overseas network that we have developed over the course of many years. Taikisha has operational bases in more than 20 countries around the world, and a body of construction projects in more than 60.

Our strength lies in our ability to maximize an overseas network developed over many years. This network allows us to offer unique, differentiated technologies to our customers. The increasing average age of the Japanese population, combined with a low birth rate, has resulted in a contraction of the construction market here. I believe that we can leverage our track record of successes to create growth in the emerging markets that will be growing in the future. Having said that, we still value the stability of the Japanese market.

Q5 Can you address what you see as Taikisha's most important strategies for continued growth over the mid and long term?

A "Globalization" and "organizational strength" are the key concepts behind our strategy for mid- and long-term growth.

The Company views "globalization" and "organizational strength" as vital strategic components in our business. Among these, we believe globalization to be the most important element telling the story of our growth in the future. By reorganizing Group management, and moving away from a centralized, top-down model toward a model of cooperative decision-making, we are creating an organization that is capable of globalization.

At the same time, we are establishing a culture and functional organization that continues to innovate in terms of business model and work flow. Top management has taken a stance of "detailed thinking" and "sending signals." Taikisha offers opportunities for employee education, encouraging growth and creating a system and organization that foster stronger human resources. We are actively engaged in a program of improvement in our human resources, which form the core of our management team.

Taikisha is also looking into strategic business alliances and M&A opportunities as components of a long-term growth strategy that supports the management objectives that underlie our corporate philosophy.

Q6 What is your global business strategy going into the future?

A We are looking toward expansion in the Asian market as our global business strategy.

Taikisha is looking toward expansion in the Asian markets-mainly China and India—as the major component of our global strategy.

As our customers expand globally, we will bring to bear our technological capabilities, offering world-class technologies at low cost. We will grow our Paint Finishing System Division market share through an active approach to both Japanese- and locally-owned auto manufacturers. We will also take steps to aggressively market our Green Technology System Division to other leading global firms in addition to Japanese corporations. Another key component to our global business strategy is fostering employees, including local hires, who can respond to the requirements of international business.

Q7 What environmental initiatives has Taikisha undertaken in the face of global warming and other environmental issues?

A Taikisha is making a contribution to the betterment of society through deeper research into environmental impact reduction and energy-saving technologies as we actively engage in activities that promote environmental conservation.

Taikisha has established a Charter for Environmental Protection/ Basic Environmental Policy, regarding environmental conservation as a major part of our management plans. We have set up an "Environmental Protection Committee," and implement related plans and activities across our entire organization. We have also established an "Environmental Enhancement Committee" within each division as a subsidiary organization. An Environmental Enhancement Committee member in each office participates, while an individual is designated to lead in the continued improvement of day-to-day activities that preserve the environment. More specifically, as a Company, we engage in environmentally conscious/energy saving design, green purchasing, the reduction of construction by-products, the proper disposal of industrial waste and CFC coolants, as well as other activities to reduce the burden on the environment.

Moving forward, we will periodically review and revise our environmental targets, raising the level of our environmental protection activities, and developing/improving energy efficiency, resource conservation, and systems for the removal of harmful emissions. Our contribution to society is our basic policy in the active pursuit of global environmental protection, as we continue to develop systems that incorporate considerations and implementation of high energy efficiency and product lifecycle.

Q8 What is your position regarding shareholder returns and corporate governance?

A We consider and implement policies that we believe to be appropriate for shareholder returns. We continue to pursue the ideal form of governance that will secure the trust of our shareholders.

At Taikisha, we believe that the return of profits to our shareholders through dividends is one of our most important management responsibilities. In our case, we have adopted a compromise that equally emphasizes earnings-based dividends and stable dividends, rather than a simple earnings-based model. To the extent possible, we will continue to return profits to our shareholders through a dividends policy that balances an approach between earnings and stability.

We will continue to repurchase Company stock as we see the opportunities, responding quickly to changes in the management environment, while considering the impact of such actions on the stock market.

Taikisha believes that one of our most important goals is building an unassailable management foundation through the establishment and continuity of corporate governance. We encourage the active and open exchange of opinions among our board of directors, our corporate auditors, our Management meeting, our Management Ethics Committee, and our Corporate Compliance Committee. Taikisha promotes policies that are flexible and practical, including the continued implementation of compliance training. Based on these activities, we believe that corporate governance is functioning soundly at Taikisha. We also believe that we benefit from the opinions of third parties. Thus, we embrace the participation of outside directors, outside corporate auditors, and outside attorneys who are involved in compliance activities at Taikisha, helping to ensure proper corporate governance.

We believe that we must never relax our efforts in the continuing pursuit of an ideal system of corporate governance appropriate to the scope of our company and our business. This system should work to support increasing levels of fair and efficient management, helping us earn and sustain the trust of our shareholders.

Dividend policy

(yen)

	2008.3	2009.3	2010.3 (Forecast)
Interim	15.0	15.0	15.0
Period-End	15.0	15.0	15.0
Commemorative	5.0	—	—
Total	35.0	30.0	30.0

Taikisha at a Glance

Business Overview

Taikisha business operations are conducted through our Green Technology System and Paint Finishing System Divisions.

Both divisions offer clients high-value-added, environmentally friendly engineering services.

Green Technology System Division

The Green Technology System Division consists of an Industrial HVAC business mainly for manufacturing facilities and a Building HVAC business for office buildings and medical centers. The Division operates not only in Japan but also overseas through the company's overseas business network.

In the future, the Green Technology System Division will enhance its eco-friendly businesses, for example, the engineering business for improving product efficiency at plants by designing energy-saving facilities and businesses related to NMP (N-Methylpyrrolidone) solvent recovery with high treatment efficiency and organic exhaust gas treatment systems. The Division also will enhance its profit-earning capability by expanding its operations in the markets in China and Southeast Asia where economic recovery and growth are expected relatively early on.

The Green Technology System Division aims to realize a low-carbon society by continuing to develop unique technology as an engineering company and by refining its "energy solution capability" and "thermal storage technology."

Earnings Overview

	FY08 (Apr. 1, 08 - Mar. 31, 09) (Millions of yen)	Increase (decrease) (%)
Orders received	113,178	(5.8)
Sales	107,859	(12.8)
Orders carried forward	71,088	5.4

Paint Finishing System Division

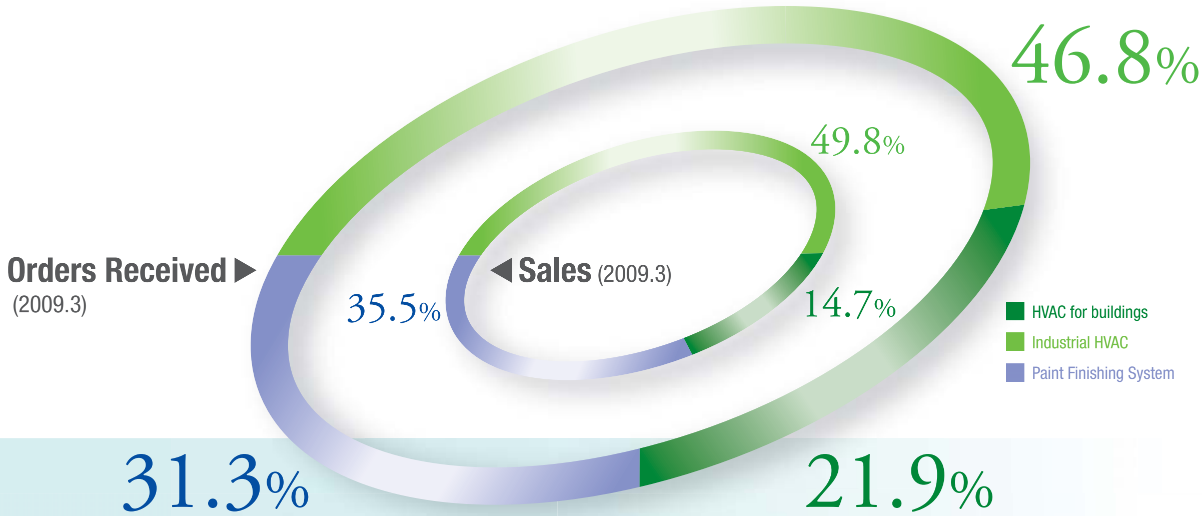
The Paint Finishing System Division conducts business globally by mainly focusing on Japanese and foreign auto manufacturers and is proud of its world-leading market share in the paint finishing plant field.

In addition to making efforts to improve paint quality and painting efficiency for automobiles, the Division is currently focusing on activities aimed at realizing energy savings by reducing energy consumption of entire paint finishing plants and realizing CO_2 and VOC emission reductions in painting processes.

Although recovery of the U.S. market might take several years, we are expecting that the markets in other countries, such as China, India, Russia and Brazil, will grow substantially. The Paint Finishing System Division will aim to secure profits in these markets by increasing the number of orders from locally-owned as well as Japanese auto manufacturers.

Earnings Overview

	FY08 (Apr. 1, 08 - Mar. 31, 09) (Millions of yen)	Increase (decrease) (%)
Orders received	51,560	(22.4)
Sales	59,447	0.1
Orders carried forward	42,712	(21.2)



Showa Shell Solar Co., Ltd.
Second CIS photovoltaic module factory (Miyazaki Pref.)

Hiraka General Hospital (Akita Pref.)

Isuzu Motors Limited Fujisawa Plant (Kanagawa Pref.)

Isuzu Motors Limited Fujisawa Plant (Kanagawa Pref.)

Corporate Social Responsibility

CSR Initiatives

Taikisha Group aims to be trusted and considered a faithful company by a large number of stakeholders, such as employees, customers, clients, and other involved parties.

Corporate Social Responsibility

Based on our corporate philosophy, we strive to contribute to society, win our customers' trust, and comply with laws and ordinances.

We strive to conduct CSR activities to contribute towards creating a sustainable society and global environment by using our technologies to conserve the environment, returning profits to our shareholders and society through our sound business operations, and creating prosperity for customers and clients as well as providing comfortable lives for employees through our constant growth in accordance with our corporate philosophy, "establish a company that can perpetually grow and contribute to society" and "create an appealing company."

In addition, we make every effort to create a corporate culture with a high level of corporate ethics to thoroughly observe the applicable laws and ordinances and to gain our stakeholders' trust as a faithful company.

Corporate Governance

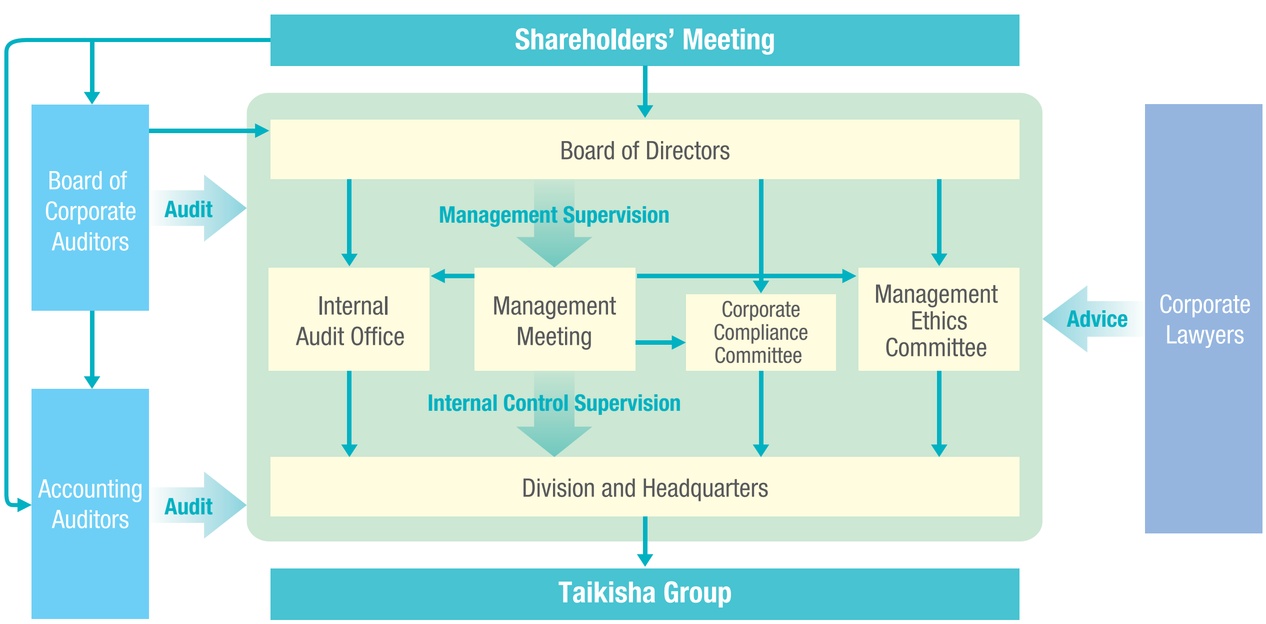
As our basic management principle, Taikisha Group conducts all its business activities with the goal of consistently meeting expectations and winning the trust of a large number of stakeholders, including shareholders, employees, customers, and clients, by recognizing the importance of those stakeholders and by strengthening its corporate management. To realize this idea, we place top priority on the further enhancement of corporate governance in order to improve corporate values and gain the appreciation of society through the observance of all applicable laws and ordinances, promotion of environmental activities, and other efforts, as well as the improvement of our achievements by increasing business efficiency with a long-term perspective.

Compliance Information

Taikisha conducts its operations in accordance with its corporate philosophy and Code of Conduct, observes all the laws and ordinances related to its business, and makes every effort to implement fair and sound business practices.

In addition, we have installed a Corporate Compliance Committee, Green Technology System Division Compliance Committee, and Corporate Compliance Department in order to remind all employees to observe the relevant laws and ordinances.

Conceptual Diagram of Corporate Governance



Directors and Auditors

President
Yoshiro Nakaya

Director Executive Vice President
Suguru Kimura

Director Executive Corporate Officer
Takashi Sakurai

Director Executive Corporate Officer
Satoru Kamiyama

Director Managing Corporate Officer
Eitaro Uenishi

Director Managing Corporate Officer
Kiyoshi Hashimoto

Director Managing Corporate Officer
Yusuke Oshida

Director Managing Corporate Officer
Masashi Osada

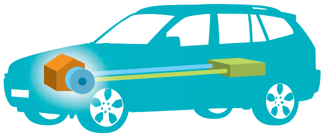
Director
Takeshi Asahara

Corporate Auditors	**Kazunari Motomatsu** **Mitsuo Kobayashi** **Makoto Muneoka**	**Shuuichi Murakami** **Yoshikatsu Nakajima**

(As of June 26, 2009)

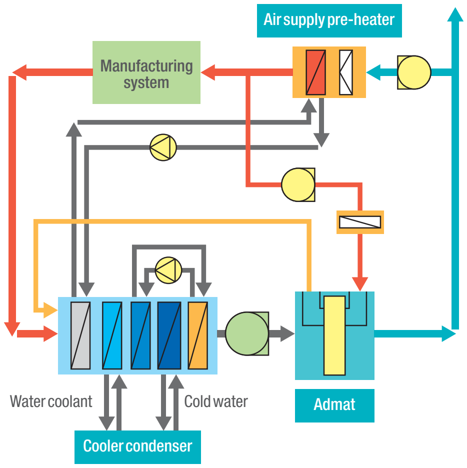
NMP (N-Methyl-2-Pyrrolidone) Recovery System

EVs (electric vehicles) and HEVs (hybrid vehicles) are expected to rapidly gain in popularity as environmentally friendly vehicles. The energy source for these vehicles is a lithium-ion battery that stores electricity.
NMP is indispensable in the production of rechargeable lithium-ion batteries, but gasses which include massive amounts of NMP are emitted in the process of producing the batteries.



Taikisha is proud of its Japan-leading record of practical accomplishments for its NMP Recovery Systems that use our unique technology to recover NMP from gasses.

Taikisha's NMP Recovery System



Characteristics of Taikisha's NMP Recovery System

1. Zero NMP emission in the air because of high NMP recovery efficiency
   → Realizing perfect recycling of gasses
2. Recovery of highly concentrated NMP containing 10% or less moisture
   → Greatly reducing NMP recycling expenses
3. Preheated air supply using recovered heat from gasses
   → Excels in energy savings because of high heat recovery efficiency
4. 20 systems have already been delivered, contributing to environmental preservation
   - NMP recovery → 23,381 t/year
   - NMP emission reduction → 746 t/year
   - CO_2 reduction by heat recovery → 16,545 t/year
   - CO_2 reduction in purification process → 1,258 t/year

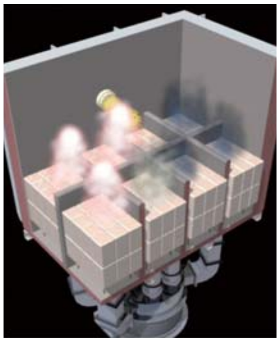
*Above figures are estimates based on the assumption that all 20 systems operate according to specifications.
*CO_2 reduction value in purification process is obtained by comparing with other systems.

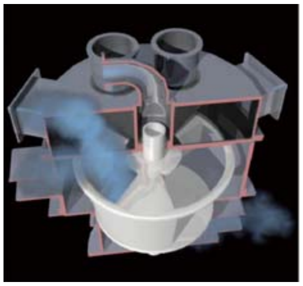
VOC (Volatile Organic Compounds) Treatment & Odor Control System

Regeneration Thermal Oxidizer (RTO)

RTO is a direct combustion exhaust gas treatment system that uses a high efficiency regenerative heat exchanger.
RTO, with thermal recovery efficiency exceeding 95%, minimizes consumption of supplemental fuel even for low-concentration exhaust gas treatment. With high treatment efficiency, exceeding 98%, RTO limits VOC emissions and significantly reduces CO_2 emissions.
In order to meet the requirements of various production lines, Taikisha's lineup includes multiple tower types, such as a two-tower type and a three-tower type, as well as rotary type.


Two-tower type RTO


Rotary RTO
Heat storage tower, combustion chamber


Rotary valve

Financial Section

MANAGEMENT'S DISCUSSION AND ANALYSIS

CONSOLIDATED FIVE-YEAR SUMMARY

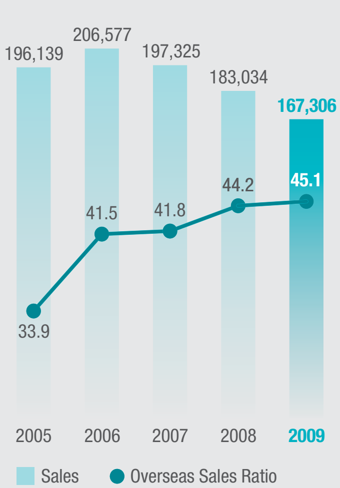
Taikisha Ltd. and its Consolidated Subsidiaries for the years ended March 31, 2005 to 2009

Millions of yen (except per share amounts)

	2005	2006	2007	2008	**2009**
Orders received:	¥202,777	¥205,493	¥183,482	¥186,568	**¥164,738**
Green Technology System Division					
Environmental facilities (HVAC for building)	70,002	45,774	26,247	27,517	**36,053**
Industrial facilities (industrial HVAC)	75,228	85,390	89,479	92,566	**77,124**
Paint Finishing System Division	57,546	74,329	67,755	66,483	**51,560**
Sales	196,139	206,577	197,325	183,034	**167,306**
Green Technology System Division					
Environmental facilities (HVAC for building)	72,251	52,659	40,120	40,535	**24,611**
Industrial facilities (industrial HVAC)	72,005	86,605	95,206	83,118	**83,247**
Paint Finishing System Division	51,882	67,311	61,997	59,380	**59,447**
Net income	2,841	1,881	901	1,175	**3,074**
Total assets	148,930	167,379	171,741	142,024	**119,483**
Total net assets	63,406	68,029	71,377	67,379	**61,441**
Equity ratio (%)	42.6	40.6	39.5	44.6	**48.9**
Return on equity (%)	4.6	2.9	1.3	1.8	**5.0**
Net income per share	75.80	48.43	24.43	31.97	**83.60**
Cash dividends per share	30.00	30.00	30.00	35.00	**30.00**
Net assets per share	¥1,670.64	¥1,823.41	¥1,845.87	¥1,723.67	**¥1,590.08**
Review of the operations of the Company is shown below:					
Orders received:	149,108	139,374	112,143	112,217	**110,898**
Green Technology System Division					
Environmental facilities (HVAC for building)	68,911	43,640	25,529	26,149	**34,722**
Industrial facilities (industrial HVAC)	52,550	55,572	59,528	54,826	**49,331**
Paint Finishing System Division	27,646	40,161	27,085	31,241	**26,843**
Sales	143,224	142,694	133,495	115,475	**104,721**
Green Technology System Division					
Environmental facilities (HVAC for building)	71,180	50,751	39,189	39,199	**23,434**
Industrial facilities (industrial HVAC)	46,380	57,794	64,846	47,707	**53,385**
Paint Finishing System Division	25,663	34,148	29,459	28,567	**27,901**

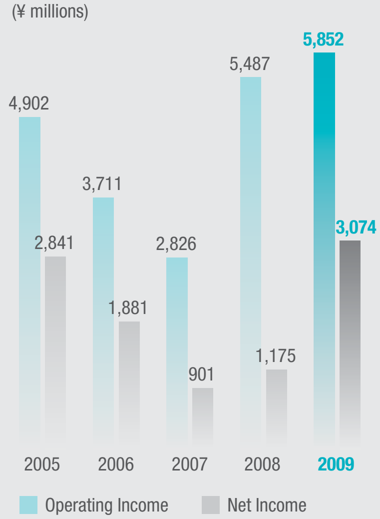
Sales & Overseas Sales Ratio

(¥ millions, %)



Operating Income & Net Income

(¥ millions)



Net Income per Share & Cash Dividends per Share (¥)

Subsidiaries

The Taikisha Group consists of Taikisha Ltd. (the "Company"), 27 subsidiaries, and 4 affiliates. Taikisha, four subsidiaries, and one affiliate are domiciled in Japan. A total of 23 subsidiaries and 3 affiliates are domiciled overseas.

The results for the fiscal year ended March 31, 2009

Earnings Overview

During the current consolidated fiscal year the global economy has experienced a sharp downfall, since financial crisis in the United States adversely affected real economy in various countries and a worldwide recession progressed rapidly during the second half.

In Japan, many industries including key industries such as auto manufactures and electrical machineries, also have been slowing production and conservative about investment in facilities and equipment. Accordingly, the business environment of the company took a sharp turn for the worse.

As a result, consolidated orders received declined to ¥164,738 million, an 11.7% year-on-year decrease.

Orders received recorded by the Green Technology System Division included ¥ 36,053 million (a 31.0% year-on-year increase) in HVAC for building construction under the favor of steady orders including new construction and remodels, and ¥77,124 million (a 16.7% year-on-year decrease) in industrial HVAC construction business suppressed by slow investment of manufacture industry, amounting to a total of ¥113,178 million for the division (a 5.8% year-on-year decrease).

Orders received for the Paint Finishing System Division totaled ¥51,560 million (a 22.4% year-on-year decrease), consisting of ¥12,609 million in domestic market (a 33.2% year-on-year decrease), and ¥38,951 million (an 18.2% year-on-year decrease) in oversea market, both affected by rapidly decreased investment.

Consolidated sales declined to ¥167,306 million, an 8.6% year-on-year decrease. With a decrease in orders carried forward due to an emphasis on profitable orders, and sluggish investment in facilities and equipment after the global financial crisis, Green Technology System Division recorded sales of ¥107,859 million (a 12.8% year-on-year decrease).

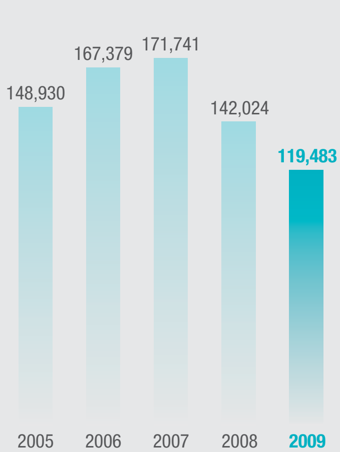
Indicators of Taikisha's financial position are as follows:

(Years ended March 31)

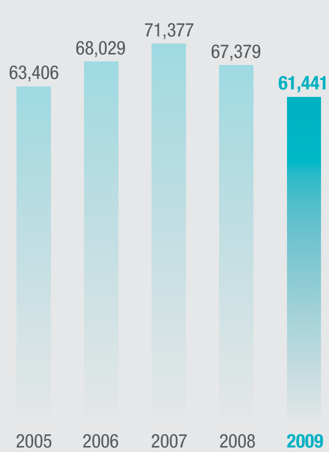
	2005	2006	2007	2008	2009
Equity ratio (%)	42.6	40.6	39.5	44.6	**48.9**
Equity ratio on market value basis (%)	37.9	43.4	28.7	30.8	**32.3**
Debt to cash flow ratio (%)	70.8	—	—	7.1	**110.0**
Interest coverage ratio (Times)	47.8	—	—	197.2	**12.7**

Notes: 1. All indicators are calculated using consolidated formulas according to the standards below:
*Equity ratio: Shareholders' equity and valuation and translation adjustments/Total assets
*Equity ratio on market value basis: Market capitalization/Total assets
*Debt to cash flow ratio: Interest-bearing debt/Operating cash flow
*Interest coverage ratio: Operating cash flow/Interest expenses
2. Market capitalization is calculated by multiplying the closing stock price on the balance sheet date by the number of outstanding shares (excluding treasury stock) at the balance sheet date.
3. For operating cash flow, the Company uses cash flow from operating activities in the consolidated statements of cash flows. Interest-bearing debt includes all debt recorded on the consolidated balance sheets on which the Company pays interest. For interest expenses, the Company uses the amount of interest expenses paid as shown on the consolidated statements of cash flows.

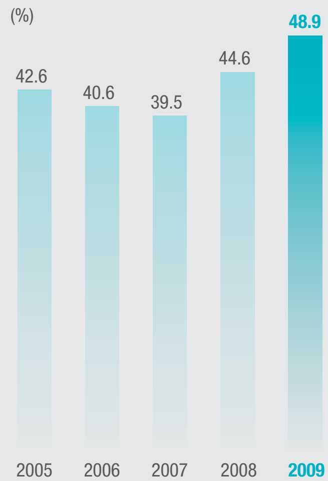
Total Assets
(¥ millions)



Total Net Assets
(¥ millions)



Equity Ratio
(%)



Orders received for the Paint Finishing System Division were affected by suppressed investments of auto manufactures. However, the division had secured substantial amount of orders carried forward which completed in the current fiscal year. Therefore, the Paint Finishing System Division recorded sales of ¥59,447 million, a 0.1% year-on-year increase.

While sales for the current consolidated fiscal year decreased by ¥15,728 million compared to the prior fiscal year, gross profit increased by ¥1,801 million, totaling to ¥22,298 million. This is the result of continuing efforts to avoid unprofitable construction orders for the past several years, as well as cost reduction by improved business process.

With respect to avoidance of unprofitable construction, accurate cost settings under past purchasing records, and proper consideration for appropriateness of orders were implemented consistently to focus on profitable construction orders.

As to improved business process, loss cost which arises from deficiencies in contract was excluded by ensuring exchanges of contract sheets and orders of construction with the customers and suppliers. Moreover, detailed analysis of past purchasing records and efforts toward lower purchasing cost, led to solid accomplishments in further cost reduction. As a result, a gross profit ratio of 13.3% for the current consolidated fiscal year represents a 2.1 point improvement over the prior fiscal year.

Selling, general and administrative expenses totaled ¥16,446 million, a ¥1,436 million increase over the prior fiscal year, mainly due to increased personnel costs. However, operating income totaled ¥5,852 million, a ¥365 million increase over the prior fiscal year, because the increase in gross profit exceeded the increase in selling, general and administrative expenses.

Cash Flows

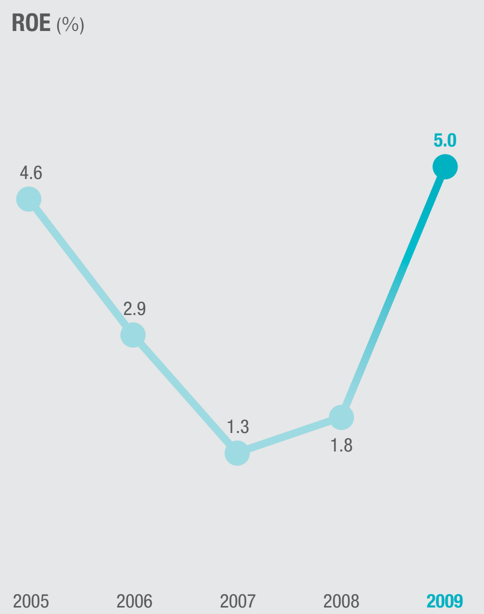
Cash flows from operating activities during the current consolidated fiscal year increased by ¥1,537 million; however, cash flows from investing activities and cash flows from financing activities decreased ¥4,021 million and ¥1,526 million, respectively. As a result, the ending balance of cash and cash equivalents for the current consolidated fiscal year decreased by ¥6,670 million over the prior fiscal year, amounting to ¥25,267 million.

The primary reason of the increase in cash flows from operating activities for the current consolidated fiscal year was a decrease in inventories of ¥3,004 million, a decrease in advances paid of ¥1,846 million, and income before income taxes and minority interests of ¥5,694 million.

The primary reason reducing cash and cash equivalents was a decrease in notes and accounts payable-trade of ¥9,378 million.

The decrease in cash flows from investing activities was primarily due to payment into time deposits of ¥3,681 million, and purchase of property, plant and equipment and intangible assets totaling ¥1,377 million, proceeds from withdrawal of time deposits in the amount of ¥1,728 million was the main sources of increased cash.

The primary reason of the decrease of cash flows from financing activities was a cash dividends paid of ¥1,575 million.



Financial Condition

Assets

As of March 31, 2009, total assets decreased ¥22,541 million from the prior fiscal year to ¥119,483 million. The principal factors were decreased in investment securities, notes receivable, accounts receivable from completed construction contracts and other.

Liabilities

As of March 31, 2009, total liabilities decreased ¥16,603 million from the prior fiscal year to ¥58,041 million. The principal factors were decreased in notes payable, accounts payable for construction contracts and other.

Net Assets

As of March 31, 2009, total net assets totaled ¥61,441 million. Minority interests decreased ¥1,014 million from the prior fiscal year to ¥2,973 million.

Risk Factors

The following Taikisha Group issues have the potential to significantly affect investor decisions. Note that the items below include forward-looking statements. Such statements are judgments by management as of March 31, 2009.

Seasonal Fluctuation in Business Results

In accounting for sales of completed construction contracts, the Taikisha Group uses the completed-contract method in Japan and primarily uses the percentage-of-completion method overseas. Completion of construction contracts in Japan is concentrated in the second half of the fiscal year, and consequently, the level of completed construction contracts and profits in the first half of the fiscal year tends to be considerably lower than it in the second half.

Construction Defect Liability

The Taikisha Group concludes warranty contracts with customers guaranteeing construction against defects for a fixed period of time after completion of construction. The Taikisha Group provides for a reserve for warranty costs for completed works to cover repair costs in connection with these warranties, based on past experience. However, these repair costs could potentially exceed the balance of the reserve.

Overseas Business Risk

Unforeseen laws and regulations, political instability, economic fluctuations and other factors in overseas where the Taikisha Group operates could affect business results. For contract payments paid and cash received for orders in connection with foreign currency denominated contracts, the Taikisha Group uses forward foreign exchange contracts and other instruments to hedge currency risk to the maximum extent possible. However, exchange rate fluctuations could expose the Taikisha Group to currency risk. In addition, exchange rates could affect the Taikisha Group's business results, because the financial statements of consolidated overseas subsidiaries are translated into Japanese yen in preparing the consolidated financial statements.

Accounts Receivable Collection Risk

The Taikisha Group comprehensively manages customer credit. However, construction billings may become uncollectible due to factors such as customer insolvency, which could affect Taikisha Group's business results.

Orders Received Below-costs Due to Price Competition

The intense competition in the construction business creates the possibility that orders received are sometimes below cost. In such cases, the Taikisha Group works to reduce costs to minimize the impact on profits. However, reduction of profits due to such orders could affect the Taikisha Group's business results.

Changes in Material Prices

A sharp rise in material prices when the Taikisha Group procures construction materials could affect business results if the Taikisha Group is unable to reflect the higher prices to orders received.

Changes in Private Capital Investment

Continued strong capital investment among automobile manufacturers and IT-related companies, which are major Taikisha Group customers, has resulted in increases in orders received by the Taikisha Group. However, a rapid drop in private capital investment in the future could affect Taikisha Group's business results.

Asset Ownership Risk

The Taikisha Group owns real estates, securities and other assets related to its business activities, and changes in the market value of these assets could affect Taikisha Group's business results.

Disasters and Accidents

The occurrence of unforeseen events such as natural disasters or accidents could affect Taikisha Group's business results.

Legal Risk

Taikisha Group is working in concert to ensure assiduous management of legal and regulatory compliance. However, any violation of laws or regulations by a director or employee of Taikisha Group could lead to results such as restrictions on the Taikisha Group's business activities, increased costs or reduced sales, which could affect Taikisha Group's business results.

CONSOLIDATED BALANCE SHEETS

Taikisha Ltd. and its Consolidated Subsidiaries

As of March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
Assets	2008	**2009**	**2009**
Current assets:			
Cash and deposits (Notes 3 and 7)	¥34,029	**¥28,305**	**$288,832**
Notes receivable, accounts receivable from completed construction contracts and other	48,736	**44,995**	**459,140**
Costs on uncompleted construction contracts, raw materials and supplies (Note 6)	21,146	**—**	**—**
Costs on uncompleted construction contracts (Note 6)	—	**17,386**	**177,408**
Raw materials and supplies (Note 6)	—	**393**	**4,015**
Deferred tax assets (Note 13)	1,560	**1,709**	**17,442**
Advances paid	1,906	**—**	**—**
Other	4,074	**3,302**	**33,695**
Allowance for doubtful accounts	(673)	**(257)**	**(2,628)**
Total current assets	110,780	**95,834**	**977,906**
Property, plant and equipment:			
Land	3,043	**2,863**	**29,219**
Buildings and structures	7,824	**7,427**	**75,787**
Machinery, equipment, vehicles, tools, furniture and fixtures	4,979	**4,053**	**41,357**
Other	284	**241**	**2,459**
	16,132	**14,584**	**148,823**
Accumulated depreciation	(8,834)	**(8,060)**	**(82,251)**
Property, plant and equipment, net	7,298	**6,524**	**66,572**
Intangible assets:			
Intangible assets, net	1,176	**1,469**	**14,999**
Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliates	330	**443**	**4,525**
Investment securities (Notes 4 and 7)	19,167	**12,478**	**127,328**
Deferred tax assets (Note 13)	511	**182**	**1,861**
Other	2,992	**3,232**	**32,989**
Allowance for doubtful accounts	(232)	**(682)**	**(6,964)**
Total investments and other assets	22,769	**15,654**	**159,739**
Total assets	¥142,024	**¥119,483**	**$1,219,218**

The accompanying notes are an integral part of these financial statements.

Liabilities and Net Assets	Millions of yen 2008	Millions of yen 2009	Thousands of U.S. dollars 2009
Current liabilities:			
Short-term loans payable (Note 8)	¥1,475	**¥1,555**	**$15,873**
Current portion of long-term loans payable (Note 8)	132	**70**	**722**
Notes payable, accounts payable for construction contracts and other	45,213	**32,953**	**336,258**
Advances received on uncompleted construction contracts	13,429	**12,037**	**122,836**
Income taxes payable	458	**1,145**	**11,693**
Deferred tax liabilities (Note 13)	14	**15**	**158**
Provision for warranties for completed construction	694	**556**	**5,680**
Provision for loss on construction contracts	713	**850**	**8,677**
Provision for directors' bonuses	40	**45**	**464**
Other	4,654	**4,575**	**46,688**
Total current liabilities	66,827	**53,807**	**549,053**
Noncurrent liabilities:			
Long-term loans payable, less current portion (Note 8)	141	**65**	**666**
Provision for retirement benefits (Note 9)	3,617	**3,051**	**31,139**
Provision for directors' retirement benefits	588	**168**	**1,716**
Deferred tax liabilities (Note 13)	3,407	**530**	**5,418**
Other	61	**418**	**4,268**
Total noncurrent liabilities	7,816	**4,234**	**43,208**
Total liabilities	74,644	**58,041**	**592,261**
Net assets:			
Shareholders' equity (Notes 14 and 18):			
Common stock			
Authorized: 100,000,000 shares			
Issued: 36,782,009 shares	¥6,455	**¥6,455**	**$65,869**
Capital surplus	7,716	**7,297**	**74,461**
Retained earnings	46,078	**46,372**	**473,190**
Treasury stock, at cost — 11,248 shares	(1,919)	**(15)**	**(160)**
Total shareholders' equity	58,331	**60,109**	**613,361**
Valuation and translation adjustments:			
Valuation difference on available-for-sale securities	5,038	**1,608**	**16,409**
Deferred gains or losses on hedges	(8)	**9**	**99**
Foreign currency translation adjustment	30	**(3,258)**	**(33,253)**
Total valuation and translation adjustments	5,060	**(1,640)**	**(16,744)**
Minority interests	3,987	**2,973**	**30,339**
Total net assets	67,379	**61,441**	**626,956**
Total liabilities and net assets	¥142,024	**¥119,483**	**$1,219,218**

	Yen 2008	Yen 2009	U.S. dollars 2009
Per share data (Note 14):			
Net assets	¥1,723.67	**¥1,590.08**	**$16.22**
Basis of calculation	Millions of yen		
Total net assets	¥67,379	**¥61,441**	
Amount to be deducted	3,987	**2,973**	
(Minority interests)	(3,987)	**(2,973)**	
Net assets corresponding to common stock	63,391	**58,468**	
Number of shares of common stock as of the year-end (thousands)	36,777	**36,770**	

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF INCOME

Taikisha Ltd. and its Consolidated Subsidiaries

For the years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Net sales of completed construction contracts	¥183,034	**¥167,306**	**$1,707,213**
Cost of sales of completed construction contracts	162,536	**145,008**	**1,479,675**
Gross profit on completed construction contracts	20,497	**22,298**	**227,538**
Selling, general and administrative expenses (Note 12)	15,010	**16,446**	**167,819**
Operating income	5,487	**5,852**	**59,718**
Other income (expenses):			
Interest and dividends income	798	**706**	**7,212**
Interest expenses	(128)	**(123)**	**(1,255)**
Dividends income of insurance	153	**171**	**1,751**
Real estates rent	143	**160**	**1,636**
Rent expenses on real estates	(131)	**(131)**	**(1,345)**
Gain on disposal of noncurrent assets (Note 10)	84	**20**	**209**
Loss on disposal of noncurrent assets (Note 10)	(111)	**(52)**	**(537)**
Loss on valuation of investment securities	(521)	**(1,363)**	**(13,912)**
Equity in earnings of affiliates	128	**78**	**800**
Reversal of allowance for doubtful accounts	8	**442**	**4,519**
Other income	196	**220**	**2,249**
Other expense	(106)	**(288)**	**(2,941)**
Other income, net	514	**(158)**	**(1,614)**
Income before income taxes and minority interests	6,001	**5,694**	**58,103**
Income taxes (Note 13):			
Current	1,269	**2,450**	**25,000**
Deferred	2,776	**(527)**	**(5,385)**
Minority interests in income	(779)	**(697)**	**(7,119)**
Net income	¥1,175	**¥3,074**	**$31,369**

	Yen		U.S. dollars
Per share data (Note 14):			
Net income	¥31.97	**¥83.60**	**$0.85**
Basis of calculation	Millions of yen		
Net income	¥1,175	**¥3,074**	
Net income available to common stockholders	1,175	**3,074**	
Average number of shares of common stock (thousands)	36,777	**36,774**	
Cash dividends	¥35.00	**¥30.00**	**$0.30**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Taikisha Ltd. and its Consolidated Subsidiaries

For the year ended March 31, 2008

Millions of yen

	Shareholders' equity					Valuation and translation adjustments				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Minority interests	Total net assets
Balance as of March 31, 2007	¥6,455	¥7,716	¥46,326	¥(1,917)	¥58,580	¥9,406	¥(3)	¥(94)	¥3,489	¥71,377
Changes of items during the period										
Dividends from surplus			(1,379)		(1,379)					(1,379)
Net income			1,175		1,175					1,175
Purchase of treasury stock				(2)	(2)					(2)
Disposal of treasury stock		(0)		0	0					0
Reserve for staff incentives and welfare funds by foreign subsidiaries			(24)		(24)					(24)
Tax payment due to dividends paid by foreign subsidiaries			(19)		(19)					(19)
Net changes of items other than shareholders' equity						(4,367)	(5)	125	498	(3,748)
Total changes of items during the period	—	(0)	(247)	(2)	(249)	(4,367)	(5)	125	498	(3,998)
Balance as of March 31, 2008	¥6,455	¥7,716	¥46,078	¥(1,919)	¥58,331	¥5,038	¥(8)	¥30	¥3,987	¥67,379

Taikisha Ltd. and its Consolidated Subsidiaries

For the year ended March 31, 2009

Millions of yen

	Shareholders' equity					Valuation and translation adjustments				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Minority interests	Total net assets
Balance as of March 31, 2008	¥6,455	¥7,716	¥46,078	¥(1,919)	¥58,331	¥5,038	¥(8)	¥30	¥3,987	¥67,379
Changes of items during the period										
Dividends from surplus			(1,287)		(1,287)					(1,287)
Net income			3,074		3,074					3,074
Purchase of treasury stock				(11)	(11)					(11)
Disposal of treasury stock		(0)	(0)	3	2					2
Retirement of treasury stock		(419)	(1,492)	1,912	—					—
Net changes of items other than shareholders' equity						(3,430)	18	(3,289)	(1,014)	(7,716)
Total changes of items during the period	—	(419)	293	1,904	1,778	(3,430)	18	(3,289)	(1,014)	(5,937)
Balance as of March 31, 2009	¥6,455	¥7,297	¥46,372	¥(15)	¥60,109	¥1,608	¥9	¥(3,258)	¥2,973	¥61,441
Thousands of U.S. dollars										
Balance as of March 31, 2008	$65,869	$78,742	$470,192	$(19,589)	$595,214	$51,412	$(86)	$314	$40,692	$687,547
Changes of items during the period										
Dividends from surplus			(13,134)		(13,134)					(13,134)
Net income			31,369		31,369					31,369
Purchase of treasury stock				(115)	(115)					(115)
Disposal of treasury stock		(0)	(6)	33	26					26
Retirement of treasury stock		(4,281)	(15,230)	19,511	—					—
Net changes of items other than shareholders' equity						(35,002)	186	(33,568)	(10,353)	(78,737)
Total changes of items during the period	—	(4,281)	2,998	19,429	18,146	(35,002)	186	(33,568)	(10,353)	(60,591)
Balance as of March 31, 2009	$65,869	$74,461	$473,190	$(160)	$613,361	$16,409	$99	$(33,253)	$30,339	$626,956

CONSOLIDATED STATEMENTS OF CASH FLOWS

Taikisha Ltd. and its Consolidated Subsidiaries

For the years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Cash provided by (used in) operating activities:			
Income before income taxes and minority interests	¥6,001	**¥5,694**	**$58,103**
Depreciation and amortization	1,009	**1,055**	**10,772**
Increase (decrease) in allowance for doubtful accounts	438	**204**	**2,084**
Increase (decrease) in provision for retirement benefits	(542)	**(389)**	**(3,972)**
Increase (decrease) in provision for directors' retirement benefits	(56)	**(88)**	**(904)**
Increase (decrease) in provision for loss on construction contracts	(554)	**206**	**2,102**
Increase (decrease) in provision for warranties for completed construction	191	**(121)**	**(1,244)**
Interest and dividends income	(798)	**(706)**	**(7,212)**
Interest expenses	128	**123**	**1,255**
Equity in losses (earnings) of affiliates	(128)	**(78)**	**(800)**
Loss (gain) on sales of investment securities	(61)	**12**	**131**
Loss (gain) on disposal of property, plant and equipment and intangible assets	27	**32**	**328**
Loss (gain) on valuation of investment securities	521	**1,363**	**13,912**
Loss on valuation of golf club memberships	17	**—**	**—**
Decrease (increase) in notes and accounts receivable — trade	22,916	**(699)**	**(7,138)**
Decrease (increase) in inventories	9,253	**3,004**	**30,653**
Decrease (increase) in advances paid	3,965	**1,846**	**18,837**
Decrease (increase) in non-operating notes receivable	0	**(143)**	**(1,466)**
Decrease (increase) in accounts receivable-other	259	**76**	**775**
Increase (decrease) in notes and accounts payable-trade	(16,288)	**(9,378)**	**(95,696)**
Increase (decrease) in advances received on uncompleted construction contracts	1,241	**320**	**3,266**
Increase (decrease) in advances notes payable	(1,132)	**(155)**	**(1,588)**
Increase (decrease) in accrued consumption taxes	147	**(411)**	**(4,201)**
Increase (decrease) in deposits received	(1,012)	**(270)**	**(2,756)**
Increase (decrease) in accrued expenses	494	**(601)**	**(6,136)**
Other, net	(214)	**1,736**	**17,714**
Sub total	25,822	**2,628**	**26,821**
Interest and dividends income received	790	**706**	**7,212**
Interest expenses paid	(124)	**(120)**	**(1,232)**
Income taxes refund	1,008	**—**	**—**
Income taxes paid	(2,913)	**(1,676)**	**(17,111)**
Net cash provided by (used in) operating activities	24,584	**1,537**	**15,690**
Cash provided by (used in) investing activities:			
Payments into time deposits	(2,091)	**(3,681)**	**(37,567)**
Proceeds from withdrawal of time deposits	1,800	**1,728**	**17,641**
Purchase of property, plant and equipment and intangible assets	(1,744)	**(1,377)**	**(14,059)**
Proceeds from sales of property, plant and equipment and intangible assets	159	**245**	**2,506**
Purchase of investment securities	(996)	**(991)**	**(10,113)**
Proceeds from sales of investment securities	1,861	**423**	**4,324**
Purchase of investments in subsidiaries	—	**(273)**	**(2,792)**
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	**(13)**	**(134)**
Payments of long-term loans receivable	(29)	**(214)**	**(2,188)**
Collection of long-term loans receivable	305	**59**	**608**
Purchase of insurance funds	(6)	**(12)**	**(132)**
Proceeds from maturity of insurance funds	110	**156**	**1,598**
Other, net	(11)	**(70)**	**(723)**
Net cash provided by (used in) investing activities	(643)	**(4,021)**	**(41,031)**
Cash provided by (used in) financing activities:			
Net increase (decrease) in short-term loans payable	(6,664)	**219**	**2,236**
Proceeds from long-term loans payable	200	**—**	**—**
Repayment of long-term loans payable	(320)	**(132)**	**(1,355)**
Repayments of lease obligations	—	**(29)**	**(296)**
Net decrease (increase) in treasury stock	—	**(8)**	**(88)**
Repurchase of treasury stock	(2)	**—**	**—**
Proceeds from sales of treasury stock	0	**—**	**—**
Cash dividends paid	(1,379)	**(1,287)**	**(13,134)**
Cash dividends paid to minority shareholders	(331)	**(288)**	**(2,939)**
Net cash provided by (used in) financing activities	(8,497)	**(1,526)**	**(15,578)**
Effect of exchange rate changes on cash and cash equivalents	(204)	**(2,660)**	**(27,145)**
Net increase (decrease) in cash and cash equivalents	15,239	**(6,670)**	**(68,065)**
Cash and cash equivalents at the beginning of period	16,698	**31,937**	**325,895**
Cash and cash equivalents at the end of period (Note 3)	¥31,937	**¥25,267**	**$257,830**

The accompanying notes are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Taikisha Ltd. and its Consolidated Subsidiaries

For the years ended March 31, 2009 and 2008

1. Basis of presenting consolidated financial statements

The accompanying consolidated financial statements of Taikisha Ltd. (the "Company") and its consolidated subsidiaries (collectively the "Companies") are prepared from the consolidated financial statements which have been filed with the Director of Kanto Finance Bureau as required by the Financial Instruments and Exchange Act in Japan, and are prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. In preparing these consolidated financial statements, however, certain reclassifications have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, the accompanying notes include certain information which is not required under generally accepted accounting principles in Japan but which is presented herein as additional information.

The consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than Japan.

The U.S. dollar amounts included herein are presented solely for the convenience of the reader and are calculated at the approximate rate of exchange prevailing at March 31, 2009 of ¥98 to US$1.0. The U.S. dollar amounts should not be construed as a representation that Japanese yen have been, or could be converted into U.S. dollars at the prevailing rate.

Figures are rounded down to the nearest million yen and thousand U.S. dollars.

2. Summary of significant accounting policies

(1) Basis of consolidation

The consolidated financial statements include the accounts of Taikisha Ltd. and all significant subsidiaries listed below:

Foreign subsidiaries

TKS Industrial Company
Taikisha Canada Inc. (subsidiary of TKS Industrial Company)
Taikisha de Mexico, S.A. de C.V. (subsidiary of TKS Industrial Company)
Taikisha do Brasil Ltda. (subsidiary of TKS Industrial Company)
Taikisha (Singapore) Pte. Ltd.
Taikisha (Thailand) Co., Ltd.
Taikisha Trading (Thailand) Co., Ltd. (subsidiary of Taikisha (Thailand) Co., Ltd.)
Thaiken Maintenance & Service Co., Ltd. (subsidiary of Taikisha (Thailand) Co., Ltd.)
Token Interior & Design Co., Ltd. (subsidiary of Taikisha (Thailand) Co., Ltd.)
TKA Co., Ltd. (subsidiary of Taikisha (Thailand) Co., Ltd.)
Taikisha Engineering (M) Sdn. Bhd.
P.T. Taikisha Indonesia Engineering
P.T. Taikisha Manufacturing Indonesia
Taikisha Philippines Inc.
Taikisha Vietnam Engineering Inc.
Wuzhou Taikisha Engineering Co., Ltd.
Beijing Wuzhou Taikisha Equipment Co., Ltd.
(subsidiary of Wuzhou Taikisha Engineering Co., Ltd)
Taikisha Hong Kong Limited
Taikisha (Taiwan) Ltd.
Taikisha Korea Ltd.
Taikisha Europe Ltd.
Taikisha Engineering India Ltd.

Domestic subsidiaries

San Esu Industry Co., Ltd.
Nippon Noise Control Ltd.
Tokyo Taikisha Service Ltd.
Custom-Ace Ltd.

The following unconsolidated subsidiary would have no material effect on the consolidated financial statements of the Companies and is therefore excluded from consolidation.

Unconsolidated subsidiary

Taikisha Espana S.A.

Investments in the following affiliates are accounted for by the equity method of accounting:

Foreign affiliates

Shanghai Dongbo-Taiki Conveyor System Manufacturing Co., Ltd.
Tianjin Dongchun-Taiki Metal Finishing & Conveyor System Manufacturing Co., Ltd.

Domestic affiliates

Taniyama Co., Ltd.

Investments in unconsolidated subsidiaries and affiliates not accounted for by the equity method are stated at cost due to their immaterial effect on the consolidated financial statements of the Companies.

Unconsolidated subsidiaries and affiliates whose investments are not accounted for by the equity method

Taikisha Espana S.A.
Makiansia Engineering (M) Sdn. Bhd.

All domestic consolidated subsidiaries as well as Taikisha Engineering India Ltd., have a fiscal year ending on March 31, which is the same as the fiscal year of the Company. The other foreign consolidated subsidiaries have a fiscal year ending on December 31. For those foreign subsidiaries with a fiscal year ended December 31, certain adjustments have been made, where appropriate, in preparing the consolidated financial statements to reflect material transactions which might have taken place between their fiscal year end and March 31.

The full portion of the assets and liabilities of the subsidiaries is marked to fair value as of the acquisition of control.

Since the excess of the cost over the underlying net equity of investments in consolidated subsidiaries at their acquisition dates is immaterial, it is amortized when occurred.

(2) Sales recognition

The Company, four domestic subsidiaries use the completed-contract method of accounting.

TKS Industrial Company, Taikisha Canada Inc., Taikisha de Mexico, S.A. de C.V., Taikisha (Singapore) Pte. Ltd., Taikisha (Thailand) Co., Ltd., Taikisha Trading (Thailand) Co., Ltd., Thaiken Maintenance & Service Co., Ltd., Token Interior & Design Co., Ltd., TKA Co., Ltd., P.T. Taikisha Indonesia Engineering, P.T. Taikisha Manufacturing Indonesia, Taikisha Philippines Inc., Taikisha Vietnam Engineering Inc., Taikisha Hong Kong Limited,

Taikisha Europe Ltd. and Taikisha Engineering India Ltd. use the percentage- of-completion method of accounting. In this case, sales are recognized based on the estimated percentage of completion of each project. The percentage-of-completion is developed using costs incurred as compared to total estimated costs for each project (cost-to-cost method).

Taikisha Engineering (M) Sdn. Bhd., Wuzhou Taikisha Engineering Co., Ltd., Beijing Wuzhou Taikisha Equipment Co., Ltd., Taikisha (Taiwan) Ltd., Taikisha Korea Ltd. and Taikisha do Brasil Ltda. use both the completed-contract and the percentage-of-completion methods of accounting.

(3) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash in hand, bank deposits able to be withdrawn on demand and short-term investments with an original maturity of three months or less and which represent a minor risk of fluctuation in value.

(4) Investments in securities
Securities issued by unconsolidated subsidiaries and affiliates are stated at cost, determined by the moving average method.
Investments in securities are classified into three categories: 1) trading securities, 2) held-to-maturity debt securities, and 3) other securities. These categories are treated differently for the purposes of measuring and accounting for changes in fair value. The Companies hold only 3) other securities.
Other securities for which market quotations are available are stated at fair value based on market prices at the end of fiscal year.
Net unrealized gains or losses on these securities are reported as a separate item in net assets at net-of-tax amount. The cost of securities sold is stated at cost, determined by the moving average method.
Other securities for which market quotations are unavailable are stated at cost, determined by the moving average method.

(5) Derivatives
Derivative instruments are recognized as either assets or liabilities at their respective fair values at the date of contract, and gains and losses arising from changes in fair value are recognized in earnings in the corresponding fiscal period. If certain hedging criteria are met, such gains and losses are deferred and accounted for as assets or liabilities.

(6) Hedge accounting
Gains or losses arising from changes in the fair value of the derivatives designated as “hedging instruments” are deferred as a component of revaluation and translation adjustment in net assets and included in net profit or loss in the same period during which the gains and losses on the underlying hedged items or transactions are recognized.

The derivatives designated as hedging instruments by the Company are forward exchange contracts. The underlying hedged items are trade accounts receivable and payable.

As permitted under the accounting principles generally accepted in Japan, when forward foreign exchange contracts meet certain conditions for hedge accounting, accounts receivable and payable covered by these contracts are translated using the contract rates of these forward foreign exchange contracts.

The unrealized gains or losses on the accounts receivable and payable resulting from the difference between the spot foreign exchange rate and contract rate are deferred and amortized over the term of the contract.

The Company has a policy of utilizing the above hedging instruments in order to reduce the Company’s exposure to the risk of foreign exchange rate fluctuation. Thus, the Company’s purchases of the hedging instruments are limited to, at maximum, the amounts of the underlying hedged items.

The Company omits evaluations for effectiveness of its hedging activities.

(7) Inventories
The cost method (the amounts stated in the balance sheets are calculated by writing down the book values based on lower profitability) is used as a valuation standard.

Starting with the fiscal year under review, the Company applies the "Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan (ASBJ) Statement No. 9, announced on July 5, 2006.)

(8) Allowance for doubtful accounts
To provide for expected credit losses, a general allowance for doubtful accounts is established based on historical default rates for losses. A specific allowance for doubtful accounts is established on an individual account basis to recognize the risk of credit losses on individual receivables.

(9) Provision for warranties for completed construction
The Companies recognize a provision for warranties for completed construction based on past experience rates.

(10) Provision for loss on construction contracts
The Company provides a provision for loss on construction contracts, which are probable to result in and can be reasonably estimated with respect to total estimated construction cost over construction price among construction contracts in progress.

(11) Provision for directors' bonuses
In preparation for future bonus payments to directors, the estimated amount of payments for the current period is recorded.

(12) Property, plant, equipment and depreciation
Property, plant and equipment are stated at cost. Accumulated depreciation is principally computed using the declining-balance method.

Depreciation is computed by certain foreign subsidiaries using the straight-line method based on the estimated useful lives of the assets.

(13) Provision for retirement benefits
The Companies accrue an allowance for employees’ retirement benefits, which is provided for in an amount equal to the difference between retirement benefit obligations and plan assets, less the unrecognized balance of actuarial differences, at the end of fiscal year.

Unrecognized actuarial differences are amortized using the straight-line method over 10 years from the year following that in which they arise. Their balances are ¥4,221 million (US$43,037 thousand) and ¥2,624 million as of March 31, 2009 and 2008, respectively.

Unrecognized prior service costs (reduction in liability) are amortized using the straight-line method over 10 years. The balances of unrecognized prior service costs are ¥2,145 million (US$21,887 thousand) and ¥2,439 million as of March 31, 2009 and 2008, respectively.

The Company and certain of its domestic subsidiaries have retirement plans of the integrated establishment agency type which are governed by the regulations of the Japanese Welfare Pension Insurance Law.

Plan assets at the end of the fiscal year calculated based on the proportion of the funded amounts are ¥7,465 million (US$76,179 thousand) and ¥9,965 million as of March 31, 2009 and 2008, respectively.

(14) Provision for directors' retirement benefits
The Company's domestic subsidiaries recognize liabilities for accrued severance benefits to directors and statutory auditors at 100 percent of the amount required by the Company’s domestic subsidiaries policies for severance benefits on the consolidated balance sheets.

It was approved by the shareholders' meeting on June 27th 2008 that the Company abolished this policies and will pay its liabilities to directors and statutory auditors when they retire.

(15) Accounting for leases
Until the year ended March 31, 2008, non-transfer-ownership finance leases were permitted to be accounted for in the same manner as operating leases.

In the year ended March 31, 2009, non-transfer-ownership finance leases are to be capitalized in accordance with ASBJ statement No.13 "Accounting Standard for Lease Transactions" issued on March 30, 2007. However, the lease transactions entered into contracts on and before March 31, 2008 are continuously accounted for in the same manner as operating leases.

The effect of this change on consolidated operating income and income before income taxes and minority interests for the year ended March 31, 2009, is insignificant.

Depreciation expenses are computed by the straight-line method considering lease period to be useful life and scrap value to be zero.

(16) Research and development and computer software
Research and development expenditure is charged to income when incurred. Expenditure relating to computer software developed for internal use is charged to income when incurred, except when it contributes to the generation of

income or to future cost savings. Such expenditure is capitalized as an asset and is amortized using the straight-line method over its estimated useful life of 5 years.

(17) Income taxes

Income taxes payable is calculated based on taxable income for the period.

Deferred income taxes are determined using the asset and liability approach, whereby deferred tax assets and liabilities are recognized in respect of temporary differences between the tax basis of assets and liabilities and those as reported in the consolidated financial statements.

(18) Accounting for consumption tax

Transactions are recorded at amounts exclusive of consumption tax.

(19) Appropriation of retained earnings

Appropriation of retained earnings is accounted for and reflected in the accompanying consolidated financial statements when approved by the shareholders.

(20) Change in accounting policies

"Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statement" (ASBJ Practical Issues Task Force No.18, May 17, 2006) is applied from the fiscal year ended March 31, 2009 and necessary modifications have been made for consolidation.
As a result, compared to previous methods, operating income increased ¥162 million and income before income taxes and minority interests increased ¥88 million and net income increased ¥73 million.

3. Cash and cash equivalents

Cash and cash equivalents consist of:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Cash and deposits	¥34,029	**¥28,305**	**$288,832**
Time deposits with deposit terms of over 3 months	(2,091)	**(3,038)**	**(31,002)**
Cash and cash equivalents	¥31,937	**¥25,267**	**$257,830**

4. Investments in securities

Investments in securities at March 31, 2009 and 2008 are as follows:

(1) Other securities for which market quotations are available

	Millions of yen 2008		
	Cost	Fair value	Unrealized gain (loss)
Securities whose fair value exceeds their cost:			
Stocks	¥6,728	¥15,714	¥8,985
Total	¥6,728	¥15,714	¥8,985

	Millions of yen 2008		
	Cost	Fair value	Unrealized gain (loss)
Securities whose cost exceeds their fair value:			
Stocks	¥2,774	¥2,222	¥(551)
Bonds and debentures	500	445	(54)
Total	¥3,274	¥2,668	¥(606)

	Millions of yen **2009**		
	Cost	Fair value	Unrealized gain (loss)
Securities whose fair value exceeds their cost:			
Stocks	**¥5,557**	**¥8,919**	**¥3,361**
Total	**¥5,557**	**¥8,919**	**¥3,361**

	Millions of yen **2009**		
	Cost	Fair value	Unrealized gain (loss)
Securities whose cost exceeds their fair value:			
Stocks	**¥3,067**	**¥2,420**	**¥(647)**
Bonds and debentures	**500**	**440**	**(59)**
Total	**¥3,567**	**¥2,860**	**¥(707)**

	Thousands of U.S. dollars **2009**		
	Cost	Fair value	Unrealized gain (loss)
Securities whose fair value exceeds their cost:			
Stocks	**$56,713**	**$91,015**	**$34,302**
Total	**$56,713**	**$91,015**	**$34,302**

	Thousands of U.S. dollars **2009**		
	Cost	Fair value	Unrealized gain (loss)
Securities whose cost exceeds their fair value:			
Stocks	**$31,302**	**$24,698**	**$(6,603)**
Bonds and debentures	**5,102**	**4,490**	**(611)**
Total	**$36,404**	**$29,189**	**$(7,215)**

The Company's policies require the Company to write down securities whose market value falls 50% or more below the cost at the end of the year, or whose market value falls 30% or more below the cost over one year, as long as there is no evidence to indicate that the current price will be recovered to the carrying value within one year. The Company recorded an impairment loss of ¥1,357 million and ¥521 million for the years ended March 31, 2009 and 2008 respectively.

(2) Other securities sold in the years ended March 31, 2009 and 2008

Millions of yen 2008		
Proceeds	Gain on sale	Losses on sale
¥1,861	¥61	¥—

Millions of yen **2009**		
Proceeds	Gain on sale	Losses on sale
¥423	**¥9**	**¥22**

Thousands of U.S. dollars **2009**		
Proceeds	Gain on sale	Losses on sale
$4,324	**$101**	**$232**

(3) Details and book value of securities for which market quotations are unavailable.

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Other securities			
Unlisted stocks	¥625	**¥608**	**$6,209**
Investment trusts	69	**17**	**175**
Bonds and debentures denominated in foreign currencies	89	**72**	**738**

(4) Repayment schedule of other securities with maturity

	Millions of yen			
	2008			
	Within one year	One to five years	Five to ten years	More than ten years
Bonds and debentures	¥—	¥66	¥23	¥445

	Millions of yen			
	2009			
	Within one year	One to five years	Five to ten years	More than ten years
Bonds and debentures	¥28	¥20	¥462	¥—

	Thousands of U.S. dollars			
	2009			
	Within one year	One to five years	Five to ten years	More than ten years
Bonds and debentures	$295	$212	$4,722	$—

5. Derivatives and hedging activities

Derivative transactions utilized by the Companies are forward currency exchange contracts.

The Companies use forward currency exchange contracts to hedge against the exchange rate risk associated with monetary receivables and payables denominated in foreign currencies.

The Companies keep a control environment which includes policies and procedures for risk assessment and for the approval, reporting and monitoring of transactions involving derivative financial instruments. The Companies do not hold or issue derivative financial instruments for trading purposes.

The Companies are exposed to certain market risks arising from their forward exchange contracts. The Companies are also exposed to the risk of credit loss in the event of non-performance by the counterparties to the forward exchange contracts. However, the Companies do not anticipate non-performance by any of these counterparties all of whom are financial institutions with high credit ratings.

Fair value of derivative financial instruments

The aggregate amounts contracted to be paid or received and the fair values of derivative financial instruments of the Companies as of March 31, 2009 and 2008 are as follows:

Currency-related derivatives

	Millions of yen		
	2008		
	Contract amount	Fair value	Unrealized gain (loss)
Forward exchange contracts:			
Buy			
Yen	¥183	¥186	¥2
U.S. dollars	47	46	(0)
Singapore dollars	10	10	(0)
Euros	3	3	0
Sell			
New Taiwan dollars	3	4	(0)
Total	—	—	¥1

	Millions of yen		
	2009		
	Contract amount	Fair value	Unrealized gain (loss)
Forward exchange contracts:			
Buy			
Yen	¥56	¥57	¥1
U.S. dollars	31	32	0
Singapore dollars	0	0	0
Sell			
U.S. dollars	27	26	0
Total	—	—	¥2

	Thousands of U.S. dollars		
	2009		
	Contract amount	Fair value	Unrealized gain (loss)
Forward exchange contracts:			
Buy			
Yen	$571	$587	$15
U.S. dollars	326	334	7
Singapore dollars	5	5	0
Sell			
U.S. dollars	275	272	3
Total	—	—	$26

6. Inventories

Inventories as of March 31, 2009 and 2008 consist of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Costs on uncompleted construction contracts	¥20,601	¥17,386	$177,408
Raw materials and supplies	544	393	4,015
Total	¥21,146	¥17,779	$181,423

7. Pledged assets

Assets pledged as collateral as of March 31, 2009 and 2008 are as follows:

		Millions of yen		Thousands of U.S. dollars
Pledged assets	Liabilities covered by Pledged assets	2008	2009	2009
Cash and deposits	Deposits as security for dealings by subsidiaries and affiliates	¥32	¥32	$331
	Loans by subsidiaries and affiliates	—	296	3,029
Investment securities	Loans by invested company	2	2	20
	Loans by subsidiaries and affiliates	232	—	—
Machinery, equipment, vehicles, tools, furniture, and fixtures	Loans by subsidiaries and affiliates	¥13	¥2	$20

8. Short-term loans payable and long-term loans payable

Annual average interest rates applicable to short-term loans outstanding as of March 31, 2009 and 2008 are 1.900% and 2.145%, respectively.

Short-term loans outstanding during the years ended March 31, 2009 and 2008 are ¥1,555 million (US$15,873 thousand) and ¥1,475 million, respectively.

Long-term loans payable as of March 31, 2009 and 2008 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Long-term debt without collateral	¥274	¥136	$1,388
Less: Current portion	(132)	(70)	(722)
Long-term debt, less current portion	¥141	¥65	$666

The aggregate annual maturities of lease obligations as of March 31, 2009 are as follows:

	Millions of yen	Thousands of U.S. dollars
Year ending March 31,		
2010	¥36	$368
2011 and thereafter	69	712
Total	¥105	$1,080

The aggregate annual maturities of long-term loans payable (excluding current portion) as of March 31, 2009 are as follows:

	Millions of yen	Thousands of U.S. dollars
Year ending March 31,		
2010	¥—	$—
2011	65	666
Total	¥65	$666

9. Retirement benefit plan

The Company and its domestic subsidiaries adopt three defined benefit retirement plans which consist of plans that are governed by the regulations of the Japanese Welfare Pension Insurance Law, outside funded retirement benefit plans and lump-sum retirement payment plans. Most overseas subsidiaries adopt defined contribution pension plans and others adopt defined benefit pension plans.

The provision for retirement benefits as of March 31, 2009 and 2008 are analyzed as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Projected benefit obligations	¥(18,601)	¥(18,690)	$(190,724)
Pension assets (*)	14,799	13,563	138,399
Sub total	(3,802)	(5,127)	(52,324)
Unrecognized actuarial differences (*)	2,624	4,221	43,073
Unrecognized prior service costs	(2,439)	(2,145)	(21,887)
Provision for retirement benefits	¥(3,617)	¥(3,051)	$(31,139)

Notes: 1. Items marked with an asterisk (*) include amounts related to a portion of contributions to a retirement benefit trust.
2. The Company and certain domestic subsidiaries have retirement plans of the integrated establishment agency type which are governed by the regulations of the Japanese Welfare Pension Insurance Law. Plan assets calculated based on the proportion of the funded amounts are ¥7,465million (US$76,179 thousand) and ¥9,965 million for years ended March 31, 2009 and 2008, respectively.
3. Certain domestic and overseas subsidiaries which have lump-sum retirement payment plans adopt the simplified method of calculating the accrued retirement benefits.

Multi-employer pension plans as of March 31, 2009 and 2008 are as follows:
Fund status

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Pension assets	¥51,729	¥43,761	$446,540
Retirement benefit obligations based on the financial calculations	54,929	57,487	586,602
Balance	¥(3,200)	¥(13,726)	$(140,061)

Notes: 1. The main factor contributing to the balance as of March 31, 2009 is the difference between ¥7,085 million of past service costs and a capital fund deficit of ¥6,641 million.
2. Main factors of balance as of March 31, 2008, are the difference between ¥7,376 million of past service costs and ¥4,176 million of capital base.
3. Undepreciated past service costs are amortized over 17 years.
4. The contribution ratios of Taikisha Group in the multi-employer pension plans are 22.63% and 22.62% for the years ended March 31, 2009 and 2008, respectively.

Net retirement benefit expenses related to retirement benefits for the years ended March 31, 2009 and 2008 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Service costs	¥756	¥852	$8,696
Interest cost	367	355	3,630
Expected return on plan assets	(374)	(332)	(3,395)
Amortization of unrecognized actuarial differences	391	624	6,368
Amortization of prior service costs	(294)	(294)	(3,007)
Contribution to Defined Contribution Plan	—	26	268
Net retirement benefit expenses	¥846	¥1,231	$12,561

Service costs include pension expense calculated by using the simplification method and amounts paid to welfare pension funds.

Assumptions used in calculation of the above information are as follows:

	2008	2009
Method of attributing the projected benefits to periods of service	straight-line basis	straight-line basis
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	2.5%	2.5%
Amortization of unrecognized actuarial differences	10 years	10 years
Amortization of prior service costs	10 years	10 years

10. Gain (loss) on disposal of noncurrent assets

(1) Gain on disposal of noncurrent assets includes the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Buildings and structures	¥29	¥—	$—
Machinery, equipment, vehicles, tools, furniture and fixtures	40	8	89
Long-term deposits	10	11	120
Other	3	—	—
Total	¥84	¥20	$209

(2) Loss on disposal of noncurrent assets includes the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Buildings and structures	¥51	¥15	$158
Machinery, equipment, vehicles, tools, furniture and fixtures	23	18	192
Land	13	10	108
Long-term deposits	3	1	15
Other	19	6	62
Total	¥111	¥52	$537

11. Leases

(The non-transfer-ownership finance lease as lessee which entered into a contract on and before March 31, 2008.)

The following pro forma amounts represent the acquisition costs, (including the interest portion thereon) accumulated depreciation and net book value of the leased assets as of March 31, 2009 and 2008, which would have been reflected in the consolidated balance sheets if these leased assets are capitalized:

	Millions of yen		
March 31, 2008			
	Acquisition cost	Accumulated depreciation	Balance
Tools and furniture	¥422	¥268	¥153
Machinery	355	109	246
Other	95	62	32
Total	¥872	¥440	¥432

March 31, 2009	Millions of yen			Thousands of U.S. dollars
	Acquisition cost	Accumulated depreciation	Net book value	Net book value
Tools and furniture	**¥239**	**¥179**	**¥59**	**$611**
Machinery	**336**	**137**	**199**	**2,033**
Other	**55**	**40**	**15**	**155**
Total	**¥632**	**¥357**	**¥274**	**$2,800**

The amount of outstanding future lease payments (including the interest portion thereon) as of March 31, 2009 and 2008 for the finance leases accounted for in the same manner as operating leases are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Due within one year	¥156	**¥78**	**$799**
Due over one year	275	**196**	**2,000**
Total	¥432	**¥274**	**$2,800**

Total lease payments are ¥149 million (US$1,529 thousand) and ¥163 million for the years ended March 31, 2009 and 2008, respectively.
Pro forma depreciation expenses computed using the straight-line method are ¥149 million (US$1,529 thousand) and ¥163 million for the years ended March 31, 2009 and 2008, respectively.

The amount of outstanding future lease payments under non-cancelable operating leases as of March 31, 2009 and 2008 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Due within one year	¥87	**¥106**	**$1,083**
Due over one year	210	**143**	**1,459**
Total	¥298	**¥249**	**$2,543**

12. Selling, general and administrative expenses

(1) Selling, general and administrative expenses for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Compensations to directors and statutory auditors	¥612	**¥645**	**$6,590**
Salaries and wages	5,907	**6,291**	**64,203**
Provision for directors' bonuses	40	**45**	**464**
Retirement benefit expenses	458	**564**	**5,762**
Provision for directors' retirement benefits	71	**29**	**303**
Communication and transportation expenses	1,284	**1,292**	**13,192**
Provision for allowance for doubtful accounts	453	**668**	**6,821**
Bad debt loss	45	**—**	**—**
Rents	1,025	**1,042**	**10,633**
Depreciation	618	**712**	**7,268**
Amount written off of consolidated goodwill	—	**108**	**1,107**
Other	4,492	**5,044**	**51,472**
Total	¥15,010	**¥16,446**	**$167,819**

(2) Research and development expense

Research and development expense included in selling, general and administrative expenses was ¥829 million (US$8,459 thousand) and ¥850 million for the years ended March 31, 2009 and 2008, respectively.

13. Income taxes

The statutory effective tax rate used for calculating deferred tax assets and liabilities for the years ended March 31, 2009 and 2008 was 40.69%.
The significant components of deferred tax assets and liabilities of at March 31, 2009 and 2008 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Deferred tax assets:			
Allowance for doubtful accounts	¥222	**¥216**	**$2,214**
Provision for loss on construction contracts	274	**335**	**3,422**
Provision for retirement benefits	1,394	**1,194**	**12,187**
Employee pension trust, investment securities	268	**278**	**2,845**
Provision for directors' retirement benefits	239	**68**	**698**
Accrued enterprise taxes	37	**101**	**1,040**
Accrued bonuses	376	**671**	**6,855**
Costs on uncompleted construction contracts	209	**215**	**2,194**
Valuation of investment securities	514	**337**	**3,444**
Write-down of golf club memberships and other	230	**155**	**1,583**
Valuation difference on available-for-sale securities	222	**278**	**2,844**
Deficit carried forward	435	**419**	**4,282**
Foreign tax credit carried forward	148	**135**	**1,381**
Other	501	**901**	**9,194**
Sub total	5,074	**5,310**	**54,188**
Valuation allowance	(1,227)	**(1,647)**	**(16,809)**
Total deferred tax assets	3,846	**3,663**	**37,379**
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	(3,564)	**(1,324)**	**(13,514)**
Reserve for reduction entry of noncurrent assets	(26)	**(13)**	**(133)**
Retained earnings of consolidated foreign subsidiaries	(1,592)	**(941)**	**(9,605)**
Other	(14)	**(39)**	**(399)**
Total deferred tax liabilities	(5,196)	**(2,317)**	**(23,652)**
Net deferred tax assets (or liabilities)	¥(1,349)	**¥1,345**	**$13,727**

The reconciliation between the statutory effective tax rate and the actual effective tax rate after the application of tax effect accounting as of March 31, 2009 and 2008 is as follows:

	2008	2009
Statutory effective tax rate	40.69%	**40.69%**
Adjustments for:		
Permanent differences:		
Entertainment expenses	1.57	**2.07**
Dividend income	(1.84)	**(2.04)**
Equalization of inhabitants taxes	1.12	**1.29**
Valuation allowance:		
Net operating losses carried forward	(0.15)	**3.20**
Foreign tax credit carried forward	(1.79)	**2.71**
Loss on valuation of investment securities	3.05	**(3.10)**
Write-down of golf club memberships and other	0.17	**(1.29)**
Other	1.70	**3.66**
Taxation on intercompany dividends	6.06	**6.38**
Lower income tax rates applicable to income in certain foreign countries	(5.42)	**(6.07)**
Special tax reduction	(1.03)	**(0.80)**
Indirect foreign tax credit	(2.84)	**(2.19)**
Retained earnings of consolidated foreign subsidiaries	26.53	**(11.43)**
Other	(0.40)	**0.68**
Actual effective tax rate after the application of tax effect accounting	67.42%	**33.76%**

14. Net assets and per share data

Under the Corporate Law of Japan (the "Law"), the lower of 50% of the proceeds from issuance of new shares, or of the par value thereof, is permitted to be transferred to the "Capital surplus" account. The Law provides that an amount equivalent to at least 10% of the cash dividends paid with respect to each fiscal period be appropriated to the earned reserve account in retained earnings until the legal reserve equals 25% of common stock. Under the Law, the Company is allowed to repurchase its own shares.

Treasury stocks are stated at cost in net assets in the consolidated balance sheets.

In accordance with the Law, proposed appropriations of retained earnings have not been reflected in the financial statements at the end of each fiscal year. However, dividends per share shown in the consolidated statements of income have been presented on an accrual basis and include, in each fiscal year ended March 31, dividends approved after March 31, but applicable to the year then ended.

Net income per share is based on the weighted average number of common shares outstanding during each year. The Financial Instruments and Exchange Act in Japan requires the disclosure of net income per share adjusted for dilution (assuming full conversion of all convertible debentures of the Company outstanding with related reduction in interest expense and exercise of all warrants), if any. However, since no convertible bonds and warrants were issued by the Company, there is no dilutive effect on net income per share.

15. Contingent liabilities

Contingent liabilities as of March 31, 2009 and 2008 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Liabilities for guarantee to			
Taniyama Co., Ltd.	¥—	**¥20**	**$213**
Employees	50	**46**	**471**
Total	¥50	**¥67**	**$684**

For efficient procurement of the operating funds, the Company has lending commitment contracts with four dealings banks. Lending commitment amounts are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Total amount of lending commitment	¥5,000	**¥5,000**	**$51,020**
Borrowing execution balance	0	**0**	**0**
Balance	¥5,000	**¥5,000**	**$51,020**

16. Segment information

Segment information by industry, geographic area and overseas sales of the Company and its consolidated subsidiaries for the years ended March 31, 2009 and 2008 is as follows:

(1) Industry segments

As the Company and its consolidated subsidiaries operate as one equipment construction industry segment, information by industry segment is not presented.

(2) Geographical segments

Segment information by geographic area for the years ended March 31, 2009 and 2008 is summarized as follows:

Millions of yen

2008	Japan	North America	Southeast Asia	East Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Sales to customers	¥113,819	¥8,719	¥34,038	¥12,123	¥14,333	¥183,034	¥—	¥183,034
Intersegment sales	5,087	51	103	71	293	5,606	(5,606)	—
Total sales	118,906	8,770	34,141	12,194	14,626	188,641	(5,606)	183,034
Operating expenses	115,997	9,189	32,851	11,604	13,415	183,058	(5,511)	177,547
Operating income (loss)	2,909	(418)	1,290	590	1,211	5,582	(95)	5,487
Assets	¥109,345	¥11,786	¥15,611	¥5,065	¥7,068	¥148,877	¥(6,853)	¥142,024

Notes: 1. The classification of country and geographical segment is made according to geographical distances.
2. Major Countries/ Regions Outside Japan (1) North America...United States, Canada (2) Southeast Asia..Singapore, Thailand, Malaysia, Indonesia, Philippines, Vietnam (3) East Asia...China, Taiwan, Korea (4) Other Regions...United Kingdom, India
3. Along with the revision of the corporation tax law, the Company changes the method of depreciation based on the corporation tax law. Tangible fixed assets acquired after April 1, 2007 are revised. After depreciation ends up to the residual value, it will be depreciated by straight-line method within five years. As a result of the application of this standard, there is little influence to operating income.

Millions of yen

	2009							
	Japan	North America	Southeast Asia	East Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Sales to customers	¥105,123	¥13,833	¥34,004	¥9,178	¥5,166	¥167,306	¥—	¥167,306
Intersegment sales	2,890	15	108	188	54	3,256	(3,256)	—
Total sales	108,013	13,849	34,112	9,367	5,221	170,563	(3,256)	167,306
Operating expenses	104,739	14,037	32,295	8,788	5,287	165,149	(3,695)	161,454
Operating income (loss)	3,273	(188)	1,817	578	(66)	5,414	438	5,852
Assets	¥99,400	¥5,303	¥12,368	¥5,234	¥3,595	¥125,902	¥(6,418)	¥119,483

Notes: 1. The classification of country and geographical segment is made according to geographical distances.
2. Major Countries/ Regions Outside Japan (1) North America...United States, Canada (2) Southeast Asia..Singapore, Thailand, Malaysia, Indonesia, Philippines, Vietnam
(3) East Asia...China, Taiwan, Korea (4) Other Regions...United Kingdom, India
3. Effective from the year ended March 31, 2008, the Company applied the Practical Solution on Unification of Accounting "Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force No.18 issued on May 17, 2006 by the Accounting Standards Board of Japan). As a result of the application of this standard, Southeast Asia's operating expenses decreased by 227 million yen, same area's operating income increased by 227 million yen. East Asia's operating expenses decreased by 64 million yen, same area's operating income increased by 64 million yen.

Thousands of U.S. dollars

	2009							
	Japan	North America	Southeast Asia	East Asia	Other areas	Total	Eliminations/ Corporate	Consolidated
Sales to customers	$1,072,687	$141,158	$346,984	$93,662	$52,720	$1,707,213	$—	$1,707,213
Intersegment sales	29,492	162	1,104	1,920	555	33,234	(33,234)	—
Total sales	1,102,179	141,321	348,088	95,582	53,276	1,740,447	(33,234)	1,707,213
Operating expenses	1,068,773	143,242	329,546	89,682	53,955	1,685,199	(37,704)	1,647,495
Operating income (loss)	33,406	(1,921)	18,542	5,899	(679)	55,247	4,470	59,718
Assets	$1,014,291	$54,114	$126,204	$53,414	$36,691	$1,284,716	$(65,498)	$1,219,218

(3) Overseas sales

Overseas sales, which consisted of export sales by the Company and its domestic consolidated subsidiaries and overseas sales of overseas consolidated subsidiaries, for the years ended March 31, 2009 and 2008 are summarized as follows:

Millions of yen

	2008				
	North America	Southeast Asia	East Asia	Other areas	Total
Overseas sales	¥8,286	¥36,121	¥14,566	¥22,012	¥80,986
Consolidated sales					183,034
Ratio of overseas sales to consolidated sales (%)	4.5	19.7	8.0	12.0	44.2

Notes: 1. The classification of country and geographical segment is made according to geographical distances.
2. Major Countries/Regions Outside Japan
(1) North America...United States, Canada (2) Southeast Asia..Singapore, Thailand, Malaysia, Indonesia, Philippines, Vietnam
(3) East Asia...China, Taiwan, Korea (4) Other Regions...United Kingdom, Russia, India, Hungary

Millions of yen

	2009				
	North America	Southeast Asia	East Asia	Other areas	Total
Overseas sales	¥13,927	¥36,054	¥14,229	¥11,253	¥75,465
Consolidated sales					167,306
Ratio of overseas sales to consolidated sales (%)	8.3	21.6	8.5	6.7	45.1

Notes: 1. The classification of country and geographical segment is made according to geographical distances.
2. Major Countries/Regions Outside Japan
(1) North America...United States, Canada (2) Southeast Asia..Singapore, Thailand, Malaysia, Indonesia, Philippines, Vietnam
(3) East Asia...China, Taiwan, Korea (4) Other Regions...United Kingdom, India, Hungary, Brazil, Argentina

Thousands of U.S. dollars

	2009				
	North America	Southeast Asia	East Asia	Other areas	Total
Overseas sales	$142,116	$367,907	$145,196	$114,835	$770,056
Consolidated sales					$1,707,213

17. Related party transactions

There are no material related party transactions for the years ended March 31, 2009 and 2008.

18. Subsequent events

(1) The following appropriations of retained earnings were approved at the shareholders' meeting held on June 26, 2009:

	Millions of yen	Thousands of U.S. dollars
Appropriations of retained earnings:		
Cash dividends paid	¥551	$5,629

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of Taikisha Ltd.,

We have audited the accompanying consolidated balance sheet of Taikisha Ltd. and its consolidated subsidiaries as of March 31, 2009, and the related consolidated statements of income, changes in net assets, and cash flows for the year then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Taikisha Ltd. and its consolidated subsidiaries as of March 31, 2009, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 1 to the accompanying consolidated financial statements.

A&A Partners

A&A Partners

Tokyo, Japan

June 26, 2009

Corporate Directory (As of July 1, 2009)

Location of bases	Foundation
1 Taikisha Ltd. 25th Floor Shinjuku-Sumitomo Bldg., 2-6-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo, 163-0225, Japan Tel: 81-3-3344-1851 Fax: 81-3-3342-5590	1913
2 San Esu Industry Co., Ltd. 3-24 Ikaga Midori-machi, Hirakata-shi, Osaka, 573-0067, Japan Tel: 81-72-845-0128 Fax: 81-72-845-1660	1976
3 Nippon Noise Control Ltd. 7th Floor Lego Bldg., 2-22-8, Yanagibashi, Taito-ku, Tokyo, 111-0052, Japan Tel: 81-3-5822-3691 Fax: 81-3-5822-3692	1986
4 Tokyo Taikisha Service Ltd. 4th Floor Nishi-Shinjuku Sato Bldg., 7-9-16, Nishi-Shinjuku, Shinjuku-ku, Tokyo, 160-0023, Japan Tel: 81-3-5925-3575 Fax: 81-3-5925-3578	2000
5 Custom Ace Co., Ltd. 1-7-10, Shingashi, Itabashi-ku, Tokyo, 175-0081, Japan Tel: 81-3-3935-8843 Fax: 81-3-3932-0470	1989
6 Taniyama Co, Ltd. 18 Kitahatsusimacho, Amagasaki-shi, Hyogo, 660-0834, Japan Tel: 81-6-4868-3530 Fax: 81-6-4868-3672	1907

Location of bases	Foundation
7 TKS Industrial Company 901 Tower Drive, Suite 250, Troy, Michigan 48098-2817, U.S.A. Tel: 1-248-786-5000 Fax: 1-248-786-5001	1981
8 Taikisha Canada Inc. 901 Tower Drive, Suite 250, Troy, Michigan 48098-2817, U.S.A. Tel: 1-248-786-5000 Fax: 1-248-786-5001	1985
9 Taikisha de Mexico, S. A. de C.V. Homero No. 407, Piso 7, Col. Chapultepec Morales, 11570 Mexico D. F., Mexico Tel: 52-55-5203-2130, 2276 Fax: 52-55-5250-6178	1990
10 Taikisha do Brasil Ltda. Rua Apeninos, 930-Conj. 161-16 Andar Paraiso CEP 04104-020 S.P. Brasil Tel: 55-11-5572-5414 Fax: 55-11-5575-6125	1996
11 Taikisha (Singapore) Pte. Ltd. 151 Chin Swee Road, #01-46 Manhattan House, Singapore 169876 Tel: 65-6223-9928 Fax: 65-6223-9328	1985
12 Taikisha (Thailand) Co., Ltd. 6th Floor, Thaniya Bldg., 62 Silom Road, Bangkok 10500, Thailand Tel: 66-2-236-8055 Fax: 66-2-236-3502	1971
13 Taikisha Trading (Thailand) Co., Ltd. 6th Floor, Thaniya Bldg., 62 Silom Road, Bangkok 10500, Thailand Tel: 66-2-236-8055 Fax: 66-2-236-3502	1983

Location of bases	Foundation
14 **Thaiken Maintenance & Service Co., Ltd.** 445 Moo 17, Thepharak Rd., T. Bangsaothong Sub District Bangsaothong Samutprakarn 10540, Thailand Tel: 66-2-705-8744 Fax: 66-2-705-8748	1990
15 **Token Interior & Design Co., Ltd.** 9th Floor, Thaniya Bldg., 62 Silom Road, Bangkok 10500, Thailand Tel: 66-2-236-9103 Fax: 66-2-236-0119	1986
16 **TKA Co., Ltd.** 445 Moo 17, Bangna-Trad Rd, Km. 23, Tambol Bangsaothong, Kingamphur Bangsaothong, Samutprakarn, 10540, Thailand Tel: 66-2-705-8363 Fax: 66-2-705-8993	1991
17 **Taikisha Engineering (M) Sdn.Bhd.** Suite 20.2, 20th Floor, Bangunan MAS, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia Tel: 60-3-2161-5711 Fax: 60-3-2161-9644	1989
18 **P.T. Taikisha Indonesia Engineering** 6th Floor, New Summitmas Bldg. Jl. Jend. Sudirman Kav. 61-62, Jakarta Selatan, 12190, Indonesia Tel: 62-21-522-6420 Fax: 62-21-520-2516	1990
19 **P.T. Taikisha Manufacturing Indonesia** Jl. Permata V Lot EE-5, Kawasan Industri KIIC, Karawang 41361, West-Java, Indonesia Tel: 62-21-8911-4831 Fax: 62-21-8911-4833	2004
20 **Taikisha Philippines Inc.** 5th Floor, Golden Rock Bldg., No.168 Salcedo St., Legaspi Village, Makati City, 1229, Philippines Tel: 63-2-818-1707 Fax: 63-2-816-1516	1995

Location of bases	Foundation
21 **Taikisha Vietnam Engineering Inc.** Room 303, 3rd Floor, Thang Long Bldg., 105 Lang Ha St., Dong Da District, Hanoi, Vietnam Tel: 84-4-3562-2750 Fax: 84-4-3562-2751	1998
22 **Wuzhou Taikisha Engineering Co., Ltd.** #1110, Beijing Fortune Bldg., #5 Dong San Huan Bei Lu, Chaoyang District, Beijing 100004, China Tel: 86-10-6590-8251 Fax: 86-10-6590-8257	1994
23 **Beijing Wuzhou Taikisha Equipment Co., Ltd.** #1110, Beijing Fortune Bldg., #5 Dong San Huan Bei Lu, Chaoyang District, Beijing 100004, China Tel: 86-10-6590-8251 Fax: 86-10-6590-8257	2002
24 **Taikisha (Taiwan) Ltd.** No. 337, Sec. 1, 4th Floor, Sheng Yang Bldg., Tung Hwa S. Rd., 10685 Taipei, Taiwan, R.O.C. Tel: 886-2-2706-4327 Fax: 886-2-2706-4328	1989
25 **Taikisha Korea Ltd.** #209, 14-11, Daeha Bldg., Yoido-Dong, Youngdeungpo-Gu, Seoul, 150-010, Korea Tel: 82-2-783-0270 Fax: 82-2-783-0274	1992
26 **Taikisha Europe Ltd.** 5th Floor, Delta View, 2309 Coventry Road, Sheldon, Birmingham B26 3PG, U.K. Tel: 44-121-700-1140 Fax: 44-121-742-4035	1989
27 **Taikisha Engineering India Ltd.** Plot No. 404, Udyog Vihar, Phase-IV, Gurgaon-122 001, Haryana, India Tel: 91-124-234-8246 Fax: 91-124-234-8247	1995

Corporate Information

CORPORATE DATA

Corporate Name:
Taikisha Ltd.

Head Office:
25th Floor Shinjuku-Sumitomo Bldg.,
2-6-1, Nishi-Shinjuku, Shinjuku-ku,
Tokyo, 163-0225, Japan
Tel: 81-3-3344-1851
Fax: 81-3-3342-5590

Established:
April 10, 1913

Sales:
¥167,306 million
(Consolidated: year ended March 2009)

Number of Employees:
3,669 (Consolidated:as of March 2009)

ABS Quality Evaluations, Inc. ★ Management System Certification ★

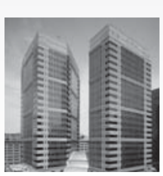
ISO Certification Obtained

ISO 9001

- Green Technology System Division, Paint Finishing System Division
- TKS Industrial Company
- Taikisha (Singapore) Pte. Ltd.
- Taikisha (Thailand) Co., Ltd.
- Taikisha Engineering (M) Sdn. Bhd.
- P.T. Taikisha Indonesia Engineering
- Taikisha Philippines Inc.
- Wuzhou Taikisha Engineering Co., Ltd.
- Taikisha (Taiwan) Ltd.
- Taikisha Europe Ltd.
- Taikisha Engineering India Ltd.

ISO 14001

- Green Technology System Division, Paint Finishing System Division
- TKS Industrial Company
- Taikisha (Thailand) Co.,Ltd.
- Taikisha Europe Ltd.



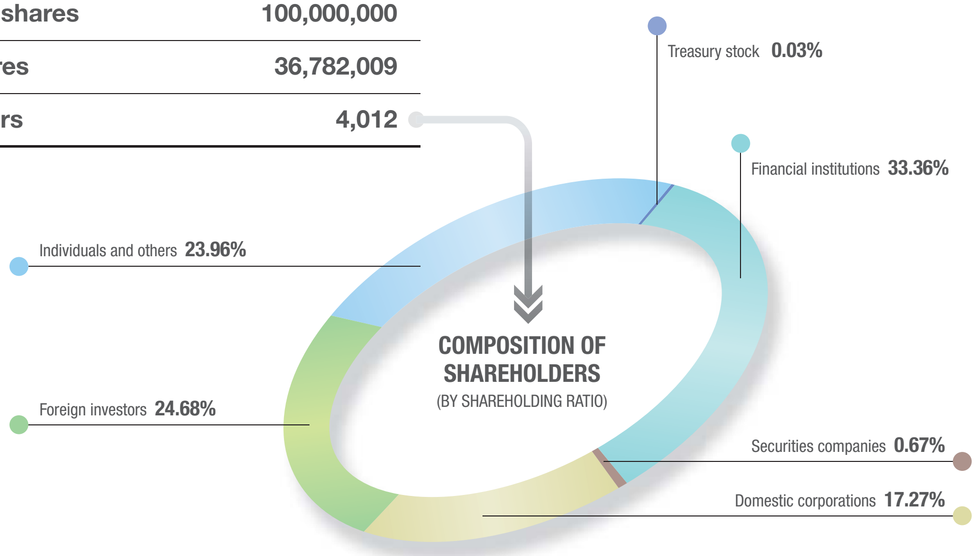
HISTORY

1913	Kenzaisha (former name of Taikisha Ltd.) founded
1949	Joint stock company, Kenzaisha dissolved and Kenzaisha Co., Ltd. established
1971	N.J. Axivane Co., Ltd. established Thai Kenzaisha Co., Ltd. established in Bangkok
1973	Company name changed to Taikisha Ltd.
1976	San Esu Industry Co., Ltd. established
1980	Shares listed on the First Section of the Tokyo Stock Exchange
1981	TKS Industrial Company established in U.S.A.
1983	Thai Kenzai Trading Co., Ltd. established in Bangkok
1985	Branch office opens in Singapore Taikisha Canada Inc. established in Toronto
1986	Nippon Noise Control Ltd. established
1987	Taikisha España S.A. established in Madrid
1989	Taikisha (Taiwan) Ltd. established in Taipei Custom-Ace Ltd. established Taikisha Engineering (M) Sdn. Bhd. established in Kuala Lumpur, Malaysia Branch office opens in Melbourne, Australia
1990	P.T. Taikisha Indonesia Engineering established in Jakarta Taikisha de Mexico, S.A. de C.V. established in Mexico City
1992	Taikisha Korea Ltd. established in Seoul, Korea (formerly Donki TEC Ltd. established in 1992)
1994	Wuzhou Taikisha Engineering Co., Ltd. established in Beijing, China
1995	Taikisha Engineering India Ltd. established in New Delhi Taikisha Philippines Inc. established in Manila Taikisha Argentina S.A. established in Buenos Aires Representative office opens in Ho Chi Minh City, Vietnam
1996	Taikisha do Brasil Ltda. established in São Paulo, Brazil
1997	Representative office opens in Hong Kong Taikisha Europe Ltd. established in Birmingham, U.K. (formerly Taikisha UK Ltd. established in 1989)
1998	Taikisha Vietnam Engineering Inc. established in Hanoi Branch office opens in Yangon, Myanmar
1999	Branch office of Taikisha Europe opens in Valenciennes, France
2000	Tokyo Taikisha Service Ltd. established (formerly Atmos Service Ltd. established in 1987) Taikisha Hong Kong Limited established
2001	Thai Kenzaisha Co. Ltd. renamed Taikisha (Thailand) Co., Ltd. Thai Kenzai Trading Co., Ltd. renamed Taikisha Trading (Thailand) Co., Ltd.
2003	Company reorganized into three division structure
2004	Singapore branch office closed. Subsidiary Taikisha (Singapore) Pte. Ltd. established R&D facilities integrated as Research and Development Center in Kanagawa prefecture P.T. Taikisha Manufacturing Indonesia established Taikisha Argentina S.A. liquidated
2006	Established the company-wide Compliance Committee and the Compliance Division
2007	Reorganized businesses into two division structure comprising the Green Technology System Division and the Paint Finishing Division
2009	Taniyama Co. Ltd. has become a subsidiary through additional acquisition of shares. Established radiation related business alliance with Tokyo Nuclear Services Co., Ltd.

Since 1913

Investor Information (As of March 31, 2009)

Authorized number of shares	100,000,000
Issued number of shares	36,782,009
Number of shareholders	4,012



Major Shareholders (top10 companies and individuals)

Shareholder's Name	Ratio of shareholding	
	Number of share held (in thousands)	Ratio of shareholder voting rights (%)
Northern Trust Company (AVFC) Sub-account American Client	2,667	7.26
Kenzaisha Ltd.	2,000	5.45
National Federation of Agricultural Co-operative Associations (ZEN-NOH)	1,797	4.89
Japan Trustee Services Bank, Ltd. (trust account 4G)	1,642	4.47
Japan Trustee Services Bank, Ltd. (trust account)	1,498	4.08
Keiji Uenishi	1,401	3.82
Nippon Life Insurance Company	1,202	3.27
Ruriko Uenishi	1,089	2.97
The Master Trust Bank of Japan, Ltd. (trust account)	1,051	2.86
Dai ni Kenzaisha Ltd.	1,000	2.72

Note: In the Number of Shares Held above, amounts are rounded down to the nearest 1,000 shares.

Taikisha Global Site
(http://www.taikisha-group.com/)
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Taikisha Japanese Site
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