

# Financial Report for Fiscal Year ended March, 2008

May 15, 2008

The following statements are an English-language translation of the original Japanese-language document.  
(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

Name of company.....Taikisha Ltd.  
Stock Exchange..... Tokyo Part1  
Code No.....1979  
Representative.....Yoshiro Nakaya President  
Contact.....Takashi Sakurai Director and managing officer, administrative management headquarter chief executive  
Tel.....(03)3343 - 1401  
URL.....<http://www.taikisha.co.jp/>  
Scheduled date for general shareholders meeting to be held..... June 27, 2008  
Scheduled date for dividend payment commencement..... June 30, 2008

(Round down to one million yen)

## 1. Consolidated Operating Performance (From April 1, 2007 to March 31, 2008)

### (1) Consolidated Operation Result

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY March 2008	183,034	(7.2)	5,487	94.2	6,503	68.9	1,175	30.4
FY March 2007	197,325	(4.5)	2,826	(23.8)	3,851	(10.4)	901	(52.1)

	Net income per share	Net income per share after potential share adjustment	Return on Equity	Total assets ordinary income ratio	Sales Operating income ratio
	yen	yen	%	%	%
FY March 2008	31.97	-	1.8	4.1	3.0
FY March 2007	24.43	-	1.3	2.3	1.4

(Ref.) Equity method investment gain FY March, 2008 128 million yen  
FY March, 2007 111 million yen

### (2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
FY March 2008	142,024	67,379	44.6	1,723.67
FY March 2007	171,741	71,377	39.5	1,845.87

(Ref.) Equity capital FY March, 2008 63,391 million yen  
FY March, 2007 67,888 million yen

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	million yen	million yen	million yen	million yen
FY March 2008	24,584	(643)	(8,497)	31,937
FY March 2007	(696)	(1,882)	1,946	16,698

## 2. Dividends

(Record date)	Dividend per share			Total dividend payment (annually)	Payout ratio (Consolidated)	Dividends/ shareholder's equity
	At end of interim FY	At end of FY	Total (annually)			
	yen	yen	yen	million yen	%	%
FY March 2007	7.50	22.50	30.00	1,103	122.8	1.6
FY March 2008	15.00	20.00	35.00	1,287	109.5	2.0
FY March 2009 (Projection)	15.00	15.00	30.00		36.8	

(Note) Dividend details at end of FY, March 2008 Ordinary dividend 15.00 yen  
Memorial dividend 5.00 yen

### 3. Forecast of Consolidated Operating Performance at End of March 2009 (From April 1, 2008 to March 31, 2009)

(% indicates increase ratio of full year over previous year and of second quarter over the same quarter in previous year)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Consolidated total in second quarter	79,000	(2.5)	1,500	42.5	1,800	17.7	600	-	16.31
Full year	179,000	(2.2)	6,000	9.3	6,500	0.0	3,000	155.3	81.57

#### 4. Others

- (1) Changes in major subsidiaries during the fiscal year (Changes in subsidiaries that affect consolidated financial results)..... None
- (2) Changes in principle, process and indication method related to creation of consolidated financial report (Matters to be indicated as material changes for creating consolidated financial statements)
- 1) Changes followed by accounting standard amendment..... Yes
  - 2) Changes other than 1) above..... None
- (3) Number of shares issued (common shares)
- 1) Number of shares issued at end of FY (including treasury stocks)
 

FY March 2008	37,982,009 shares
FY March 2007	37,982,009 shares
  - 2) Number of treasury shares at end of FY
 

FY March 2008	1,204,766 shares
FY March 2007	1,203,367 shares

#### (Ref.) Non-consolidated Operation results

##### 1. Non-consolidated Operation results in FY March 2008 (From April 1, 2007 to March 31, 2008)

###### (1) Non-consolidated Operation results

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY March 08	115,475	(13.5)	2,327	-	4,205	119.0	2,156	200.3
FY March 07	133,495	(6.4)	(471)	-	1,920	(30.9)	718	(61.1)

	Net income per share	Net income per share after potential share adjustment
	yen	yen
FY March 08	58.63	-
FY March 07	19.48	-

###### (2) Non-consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
FY March 08	106,178	58,154	54.8	1,581.27
FY March 07	142,168	61,752	43.4	1,679.04

(Ref.) Equity capital      FY March 08      58,154 million yen  
 FY March 07      61,752 million yen

##### 2. Forecast of non-consolidated operation results in FY March 2009 (From April 1, 2008 to March 31, 2009)

(% indicates increase ratio of full year over previous year and of second quarter over the same quarter in previous year)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Consolidated total in second quarter	50,000	6.2	100	-	900	316.7	600	117.4	16.31
Full year	109,000	(5.6)	2,300	(1.2)	4,000	(4.9)	2,500	16.0	67.98

#### \* Explanation and other special notes regarding appropriate look at projection of operating results

Statement regarding future outlook of operation projection in this material is based upon available information and certain prerequisite which our company deems reasonable. Actual results might change due to different factors.

## 4. Consolidated Financial Statement

### (1) Consolidated Balance Sheet

in million yen

Item	Previous year ( Mar. 31, 07 )	Current year ( Mar. 31, 08 )	Increase (decrease)	Item	Previous year ( Mar. 31, 07 )	Current year ( Mar. 31, 08 )	Increase (decrease)
(Assets)				(Liabilities)			
Current assets	132,424	110,780	(21,644)	Current liabilities	90,976	66,827	(24,149)
Cash in hand and at bank	18,499	34,029	15,530	Notes and accounts payable trade	60,920	45,213	(15,707)
Notes and accounts receivable trade	71,505	48,736	(22,769)	Short-term loans	8,482	1,608	(6,874)
Inventories	30,368	21,146	(9,222)	Income taxes payable	1,119	458	(661)
Deferred tax assets	2,486	1,560	(926)	Deferred tax liabilities	14	14	(0)
Others	9,838	5,980	(3,858)	Advances received on uncompleted contracts	12,337	13,429	1,092
Allowance for doubtful accounts	(274)	(673)	(399)	Reserve for warranty costs for completed works	438	694	256
Fixed assets	39,317	31,243	(8,074)	Allowance for losses on construction contracts	1,195	713	(482)
Tangible fixed assets	7,283	7,298	15	Allowance for directors' bonuses	30	40	10
Buildings and structures	7,714	7,824	110	Other current liabilities	6,436	4,654	(1,782)
Machinery, equipment, cars, tools, furniture and fixtures	5,172	4,979	(193)	Fixed assets	9,387	7,816	(1,571)
Land	3,029	3,043	14	Long-term debt, less current portion	95	141	46
Others	230	284	54	Deferred tax liabilities	4,481	3,407	(1,074)
Accumulated depreciation	(8,862)	(8,834)	28	Accrued retirement benefits	4,093	3,617	(476)
Intangible fixed assets	651	1,176	525	Accrued severance benefits to directors and statutory auditors	645	588	(57)
Investments and other assets	31,381	22,769	(8,612)	Other non-current liabilities	71	61	(10)
Investment in securities	27,794	19,498	(8,296)	Total liabilities	100,363	74,644	(25,719)
Deferred tax assets	505	511	6	(Net assets)			
Others	3,253	2,992	(261)	Shareholder's equity	58,580	58,331	(249)
Allowance for doubtful accounts	(171)	(232)	(61)	Capital	6,455	6,455	-
				Capital surplus	7,716	7,716	(0)
				Retained earnings	46,326	46,078	(248)
				Treasury stock	(1,917)	(1,919)	(2)
				Total revaluation and translation adjustments	9,308	5,060	(4,248)
				Net unrealized gains on securities	9,406	5,038	(4,368)
				Unrealized gain (loss) on deferred hedges	(3)	(8)	(5)
				Foreign currency translation adjustments	(94)	30	124
				Minority interests	3,489	3,987	498
				Total net assets	71,377	67,379	(3,998)
Total assets	171,741	142,024	(29,717)	Total net assets and liabilities	171,741	142,024	(29,717)

## (2) Consolidated Income Statement

in million yen

Items	Previous year (Apr.1,06- Mar.31,07)		Current year (Apr.1,07- Mar.31,08)		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	Increase rate
Revenue	197,325	100.0	183,034	100.0	(14,291)	(7.2)
Cost of sales	180,766	91.6	162,536	88.8	(18,230)	
Gross profit	16,558	8.4	20,497	11.2	3,939	23.8
Selling, general and administrative expenses	13,732	7.0	15,010	8.2	1,278	
Operating income	2,826	1.4	5,487	3.0	2,661	94.2
Other income						
Interest income	354		390		36	
Dividend income	378		408		30	
Insurance premium refunds	149		153		4	
Lease income on real estate	157		143		(14)	
Amortization on negative good-will	2		-		(2)	
Equity in earnings of affiliates	111		128		17	
Foreign exchange appreciation	16		-		(16)	
Other Income	209		134		(75)	
Total	1,379	0.7	1,359	0.7	(20)	
Other expenses						
Interest expense	127		128		1	
Leasing cost of real estate	128		131		3	
Foreign exchange depreciation	-		8		8	
Other expense	97		74		(23)	
Total	354	0.1	342	0.1	(12)	
Ordinary income	3,851	2.0	6,503	3.6	2,652	68.9
Extraordinary profit						
Reversal of allowance for doubtful accounts	106		8		(98)	
Gain on sale of investments in securities	95		61		(34)	
Gain on sale of tangible and intangible assets	1,321		84		(1,237)	
Total	1,523	0.8	154	0.1	(1,369)	
Extraordinary loss						
Loss on disposal of tangible and intangible assets	351		111		(240)	
Loss on revaluation of investments in securities	4		521		517	
Write-down of golf club memberships and other	25		17		(8)	
Provision for prior year retirement benefits	483		-		(483)	
Others	21		5		(16)	
Total	886	0.5	656	0.4	(230)	
Income before income taxes and minority interests	4,488	2.3	6,001	3.3	1,513	33.7
Corporate, residential, and other taxes	2,837		2,362		(475)	
Returns from tax payments for previous year	-		(1,093)		(1,093)	
Corporate tax adjustment	(3)		2,776		2,779	
Total	2,834	1.4	4,046	2.3	1,212	
Minority interests in subsidiaries	752	0.4	779	0.4	27	
Net income	901	0.5	1,175	0.6	274	30.4

## (4) Consolidated Cash Flow Statement

in million yen

Items	Previous year (Apr. 1, 06-Mar. 31, 07)	Current year (Apr.1, 07-Mar. 31, 08)
<b>Cash flow from operating activities</b>		
Income before income taxes and minority interests	4,488	6,001
Depreciation and amortization	805	1,009
Increase in allowance for doubtful accounts	9	438
Increase in accrued retirement benefits	973	(542)
Increase (decrease) in accrued severance benefits to directors and statutory auditors	38	(56)
Increase in allowance for losses on construction contracts	614	(554)
Increase in reserve for warranty costs for completed works	212	191
Interest and dividend income	(733)	(798)
Interest expense	127	128
Equity in earnings of affiliates	(111)	(128)
Gain on sale of investments in securities	(95)	(61)
Gain on sale of tangible and intangible assets	(1,321)	(84)
Loss on disposal of tangible and intangible assets	351	111
Loss on revaluation of investments in securities	4	521
Write-down of golf club memberships and other	25	17
Decrease (increase) in notes and accounts receivable trade	3,761	22,916
Decrease (increase) in inventories	1,023	9,253
Decrease (increase) in accounts due from joint venture partners, etc.	(4,887)	3,965
Decrease in notes receivable other	81	(0)
Decrease in accounts receivable other	120	259
Increase (decrease) in notes and accounts payable trade	(5,608)	(16,288)
Increase in advances received on uncompleted contracts	183	1,241
Increase (decrease) in notes payable other	1,114	(1,132)
Increase (decrease) in accrued consumption taxes	386	147
Increase (decrease) in deposits received	460	(1,012)
Increase (decrease) in accrued expenses	(293)	494
Other	(276)	(214)
Subtotal	1,455	25,822
Interest and dividend income received	736	790
Interest expense paid	(130)	(124)
Income taxes paid	(2,758)	(1,904)
Net cash used in operating activities	(696)	24,584
<b>Cash flows from investing activities</b>		
Increase in time deposits	(1,800)	(2,091)
Maturity of time deposits	209	1,800
Purchase of tangible and intangible assets	(1,216)	(1,744)
Proceeds from sale of tangible and intangible assets	1,839	159
Purchase of investments in securities	(1,244)	(996)
Proceeds from sale of investments in securities	652	1,861
Increase in long-term loans receivable	(335)	(29)
Proceeds from collections of long-term loans receivable	27	305
Contribution to insurance reserve fund	(9)	(6)
Withdrawals from insurance reserve fund	236	110
Other	(241)	(11)
Net cash provided by (used in) investing activities	(1,882)	(643)
<b>Cash flows from financing activities</b>		
Increase in short-term loans, net	4,419	(6,664)
Proceeds from long-term debt	-	200
Repayment of long-term debt	(317)	(320)
Repurchase of treasury stock	(705)	(2)
Issuance of treasury stock	0	0
Cash dividends paid	(1,114)	(1,379)
Cash dividends paid to minority interests	(335)	(331)
Net cash provided by (used in) financing activities	1,946	(8,497)
Effect of exchange rate changes on cash and cash equivalents	426	(204)
Net decrease in cash and cash equivalents	(206)	15,239
Cash and cash equivalents at beginning of year	16,904	16,698
Cash and cash equivalents at end of year	16,698	31,937

(Segment information)

1. Industry segments

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

2. Geographical segments

in million yen

Previous fiscal year (Apr.1,06– Mar.31,07)								
	Japan	North America	Southeast Asia	East Asia	Other areas	Total	minations/Corporate	Consolidated
Sales and operating income (loss)								
Sales								
Sales to customers	133,449	10,837	28,359	13,867	10,811	197,325	—	197,325
Intersegment	3,572	24	972	169	66	4,804	(4,804)	—
Total	137,021	10,861	29,331	14,037	10,878	202,129	(4,804)	197,325
Operating expenses	136,991	11,093	27,701	13,751	9,887	199,425	(4,926)	194,499
Operating income (loss)	29	(231)	1,629	285	990	2,704	121	2,826
Assets	145,463	4,301	15,749	6,892	7,057	179,464	(7,722)	171,741

(Note) 1. The countries or the regions are classified depending on geographical proximity.

2. Major countries in the classification, except Japan.

- (1) North America       ..... USA, Canada  
 (2) Southeast Asia       ..... Singapore, Thailand, Malaysia, Indonesia, Philippines, Vietnam  
 (3) East Asia           ..... China, Taiwan, Korea  
 (4) Other areas         ..... UK, India

3. The Company has changed the accounting procedure for directors' bonuses since this fiscal year, as described in the fundamental information used for creating consolidated financial statements. As a result of this change in accounting policy, operating expenses increased by ¥30 million, and operating profits decreased by ¥30 million in Japan.

in million yen

Current fiscal year (Apr.1,07–Mar.31,08)								
	Japan	North America	Southeast Asia	East Asia	Other areas	Total	minations/Corporate	Consolidated
Sales and operating income (loss)								
Sales								
Sales to customers	113,819	8,719	34,038	12,123	14,333	183,034	—	183,034
Intersegment	5,087	51	103	71	293	5,606	(5,606)	—
Total	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

(Note) 1. The countries or the regions are classified depending on geographical proximity.

2. Major countries in the classification, except Japan.

- (1) North America       ..... USA, Canada  
 (2) Southeast Asia       ..... Singapore, Thailand, Malaysia, Indonesia, Philippines, Vietnam  
 (3) East Asia           ..... China, Taiwan, Korea  
 (4) Other areas         ..... UK, India

3. Overseas sales

in million yen

Fiscal year		North America	Southeast Asia	East Asia	Other areas	Total
Previous fiscal year (Apr.1,06– Mar.31,07)	Overseas sales	8,202	33,360	18,139	22,855	82,557
	Total sales					197,325
	Ratio of overseas sales to total sales (%)	4.1	16.9	9.2	11.6	41.8
Current fiscal year (Apr.1,07–Mar.31,08)	Overseas sales	8,286	36,121	14,566	22,012	80,986
	Total sales					183,034
	Ratio of overseas sales to total sales (%)	4.5	19.7	8.0	12.0	44.2

(Note) 1. The countries or the regions are classified depending on geographical proximity.

2. Major countries in the classification, except Japan.

- (1) North America       ..... USA, Canada  
 (2) Southeast Asia       ..... Singapore, Thailand, Malaysia, Indonesia, Philippines, Vietnam  
 (3) East Asia           ..... China, Taiwan, Korea  
 (4) Other areas         ..... Previous fiscal year: UK, Russia, Iraq, India, Brazil, South Africa  
                                   Current fiscal year: UK, Russia, India, Hungary

3. Overseas sales is revenue made by the Company and its consolidated subsidiaries, except for Japan.

(2) Statement for orders-received during this period, sales of construction during this period, and sales of construction carried forward by each division (consolidated)

in million yen

Division		Previous year (Apr.1,06- Mar.31,07)		Current year (Apr.1,07-Mar.31,08)		Increase (decrease)			
		Amounts	%	Amounts	%	Amounts	%		
Orders-received construction during this period	Green Technology System Division	HVAC for buildings	26,247	14.3 %	27,517	14.8 %	1,270	4.8 %	
		Industrial HVAC	89,479	48.8	92,566	49.6	3,087	3.4	
		Total	115,727	63.1	120,084	64.4	4,357	3.8	
		[Overseas]	[ 33,434 ]	[ 18.2 ]	[ 40,022 ]	[ 21.5 ]	[ 6,588 ]	[ 19.7 ]	
	Paint Finishing System Division		67,755	36.9	66,483	35.6	(1,272)	(1.9)	
		[Overseas]	[ 51,328 ]	[ 28.0 ]	[ 47,610 ]	[ 25.5 ]	[ (3,718) ]	[ (7.2) ]	
	Total		183,482	100.0	186,568	100.0	3,086	1.7	
		[Overseas]	[ 84,763 ]	[ 46.2 ]	[ 87,632 ]	[ 47.0 ]	[ 2,869 ]	[ 3.4 ]	
	Sales of construction during this period	Green Technology System Division	HVAC for buildings	40,120	20.3	40,535	22.2	415	1.0
			Industrial HVAC	95,206	48.3	83,118	45.4	(12,088)	(12.7)
Total			135,327	68.6	123,653	67.6	(11,674)	(8.6)	
[Overseas]			[ 35,833 ]	[ 18.1 ]	[ 37,126 ]	[ 20.2 ]	[ 1,293 ]	[ 3.6 ]	
Paint Finishing System Division			61,997	31.4	59,380	32.4	(2,617)	(4.2)	
		[Overseas]	[ 46,723 ]	[ 23.7 ]	[ 43,860 ]	[ 24.0 ]	[ (2,863) ]	[ (6.1) ]	
Total			197,325	100.0	183,034	100.0	(14,291)	(7.2)	
		[Overseas]	[ 82,557 ]	[ 41.8 ]	[ 80,986 ]	[ 44.2 ]	[ (1,571) ]	[ (1.9) ]	
Sales of construction carried forward		Green Technology System Division	HVAC for buildings	38,057	33.0	25,040	20.6	(13,017)	(34.2)
			Industrial HVAC	31,413	27.3	42,388	34.8	10,975	34.9
	Total		69,471	60.3	67,429	55.4	(2,042)	(2.9)	
	[Overseas]		[ 12,029 ]	[ 10.5 ]	[ 16,451 ]	[ 13.5 ]	[ 4,422 ]	[ 36.8 ]	
	Paint Finishing System Division		45,687	39.7	54,185	44.6	8,498	18.6	
		[Overseas]	[ 35,829 ]	[ 31.1 ]	[ 40,974 ]	[ 33.7 ]	[ 5,145 ]	[ 14.4 ]	
	Total		115,158	100.0	121,614	100.0	6,456	5.6	
		[Overseas]	[ 47,858 ]	[ 41.6 ]	[ 57,425 ]	[ 47.2 ]	[ 9,567 ]	[ 20.0 ]	

Note As for the conversion of "sales of construction carried forward" in overseas consolidated subsidiaries, increases or decreases due to exchange rate fluctuations in this fiscal year have been amended in "sales of construction carried forward".

"Sales of construction carried forward" after amendment in this fiscal year is as follows:

Green Technology System Division					
HVAC for buildings	38,057	million yen			
Industrial HVAC	32,939		[overseas	13,555	million yen]
Sub total	70,997		[overseas	13,555	]
Paint Finishing System Divisi	47,082		[overseas	37,224	)
Total	118,079		[overseas	50,779	)

## 5 Financial Statement (non-consolidated)

### (1) Balance Sheet

in million yen

Items	Previous year (Mar. 31, 07)	Current year (Mar. 31, 08)	Increase (decrease)	Item	Previous year (Mar. 31, 07)	Current year (Mar. 31, 08)	Increase (decrease)
(Assets)				(Liabilities)			
Current assets	101,743	73,914	(27,829)	Current liabilities	72,016	42,807	(29,209)
Cash in hand and at bank	6,908	19,150	12,242	Notes payable	9,474	6,033	(3,441)
Notes receivable	4,186	1,709	(2,477)	Construction accounts payable	42,764	27,400	(15,364)
Accounts receivable	53,121	28,576	(24,545)	Short-term loans	7,075	2,103	(4,972)
Expenses for incomplete projects	27,026	19,102	(7,924)	Accounts payable	346	686	340
Inventories	237	243	6	Income taxes payable	465	27	(438)
Short-term loans receivable	222	255	33	Accrued expenses	540	689	149
Prepaid expenses	235	268	33	Advances received on incomplete projects	6,582	3,964	(2,618)
Deferred tax assets	2,366	1,011	(1,355)	Deposit received	1,691	630	(1,061)
Advance payment	5,960	1,913	(4,047)	Deferred revenue	2	2	0
Other current assets	1,501	1,751	250	Reserve for warranty costs for completed works	437	597	160
Allowance for doubtful accounts	(23)	(70)	(47)	Allowance for losses on construction contracts	1,195	320	(875)
Fixed assets	40,424	32,264	(8,160)	Bonus-to-directors allowance	25	36	11
Tangible fixed assets	5,183	5,062	(121)	Other current liabilities	1,416	315	(1,101)
Buildings	6,174	6,125	(49)	Non-current liabilities	8,398	5,216	(3,182)
Structures	261	264	3	Long-term loans	92	136	44
Machinery and equipment	727	733	6	Deferred tax liabilities	4,480	1,814	(2,666)
Cars	64	38	(26)	Accrued retirement benefits	3,300	2,819	(481)
Tools, furniture and fixtures	769	821	52	Accrued severance benefits to directors and statutory auditors	515	437	(78)
Land	2,557	2,533	(24)	Other non-current liabilities	9	9	0
Accumulated depreciation	(5,371)	(5,453)	(82)	Total liabilities	80,415	48,023	(32,392)
Intangible fixed assets	637	1,131	494	(Net assets)			
Lease right	6	2	(4)	Shareholders' equity	52,349	53,124	775
Software	562	1,084	522	Common stock	6,455	6,455	-
Others	68	44	(24)	Capital surplus	7,716	7,716	(0)
Investments and other assets	34,604	26,070	(8,534)	Capital reserve	7,297	7,297	-
Investment in securities	27,277	18,984	(8,293)	Other capital surplus	419	419	(0)
Stocks of affiliates	5,350	5,765	415	Retained earnings	40,095	40,872	777
Investment in affiliates	433	-	(443)	Earned reserve	1,613	1,613	-
Long-term loans receivable	10	10	(0)	Other retained earnings	38,481	39,258	777
Long-term loans receivable to employees	22	30	8	Reserve for deferred income tax	41	38	(3)
Long-term loans receivable to affiliates	314	31	(283)	Reserve for investment on information technology	200	400	200
Bankruptcy claims, reorganization claims, etc.	130	132	2	General reserve	35,720	35,720	-
Long-term advance payment expense	13	9	(4)	Net earned surplus forwarded	2,520	3,100	580
Long-term deposits	1,122	1,291	169	Treasury stock	(1,917)	(1,919)	(2)
Insurance reserve fund	500	394	(106)	Revaluation and translation adjustments	9,402	5,029	(4,373)
Others	52	47	(5)	Net unrealized gains on securities	9,406	5,038	(4,368)
Allowance for bad debts	(131)	(132)	(1)	Unrealized gain (loss) on deferred hedges	(3)	(8)	(5)
Allowance reserve for investment loss	(494)	(494)	-	Total net assets	61,752	58,154	(3,598)
Total assets	142,168	106,178	(35,990)	Total net assets and liabilities	142,168	106,178	(35,990)

## (2) Income Statement (non-consolidated)

in million yen

Items	Previous year (Apr.1,06- Mar.31,07)		Current year (Apr.1,07-Mar.31,08)		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Revenue	133,495	100.0	115,475	100.0	(18,020)	(13.5)
Cost of sales	124,302	93.1	102,850	89.1	(21,452)	
Gross profit	9,193	6.9	12,624	10.9	3,431	37.3
Selling, general, and administrative expenses	9,664	7.3	10,296	8.9	632	
Operating income or loss	(471)	(0.4)	2,327	2.0	2,798	-
Other income						
Interest income	16		11		(5)	
Dividend income	1,754		1,285		(469)	
Insurance premium refunds	149		153		4	
Lease income on real estate	300		290		(10)	
Income from technical guidance	275		321		46	
Other income	89		69		(20)	
Total	2,586	1.9	2,131	1.8	(455)	
Other expenses						
Interest expense	51		78		27	
Leasing cost of real estate	103		97		(6)	
Foreign exchange depreciation	7		54		47	
Other expense	31		22		(9)	
Total	194	0.1	253	0.2	59	
Ordinary income	1,920	1.4	4,205	3.6	2,285	119.0
Extraordinary profit						
Reversal of allowance for doubtful accounts	104		-		(104)	
Gain on sale of investments in securities	0		4		4	
Gain on sale of tangible and intangible assets	1,294		14		(1,280)	
Total	1,398	1.1	18	0.1	(1,380)	
Extraordinary loss						
Loss on disposal of tangible and intangible assets	346		102		(244)	
Valuation loss on affiliate stocks	39		19		(20)	
Loss on revaluation of investments in securities	4		521		517	
Write-down of golf club memberships and other	25		17		(8)	
Provision of the reserve for investment loss	494		-		(494)	
Total	910	0.7	661	0.6	(249)	
Income before income taxes and minority interests	2,408	1.8	3,563	3.1	1,155	48.0
Corporate, residential, and other taxes	1,619		903		(716)	
Returns from tax payments for previous year	-		(1,093)		(1,093)	
Corporate tax adjustment	70		1,596		1,526	
Total	1,689	1.3	1,407	1.2	(282)	
Net income	718	0.5	2,156	1.9	1,438	200.3

(3) Statement for orders-received during this period, sales of construction during this period, and sales of construction carried forward by each division (non-consolidated)

in million yen

Division			Previous year (Apr.1,06- Mar.31,07)		Current year (Apr.1,07-Mar.31,08)		Increase (decrease)	
			Amounts	%	Amounts	%	Amounts	%
Orders-received construction during this period	Green Technology System Division	HVAC for buildings	25,529	22.8 %	26,149	23.3 %	620	2.4 %
		Industrial HVAC	59,528	53.1	54,826	48.9	(4,702)	(7.9)
		Total	85,057	75.9	80,975	72.2	(4,082)	(4.8)
		[Overseas]	[ 4,092 ]	[ 3.6 ]	[ 3,100 ]	[ 2.8 ]	[ (992) ]	[ (24.2) ]
	Paint Finishing System Division	27,085	24.1	31,241	27.8	4,156	15.3	
		[Overseas]	[ 12,669 ]	[ 11.3 ]	[ 13,809 ]	[ 12.3 ]	[ 1,140 ]	[ 9.0 ]
		Total	112,143	100.0	112,217	100.0	74	0.1
	[Overseas]	[ 16,762 ]	[ 14.9 ]	[ 16,910 ]	[ 15.1 ]	[ 148 ]	[ 0.9 ]	
Sales of construction during this period	Green Technology System Division	HVAC for buildings	39,189	29.3	39,199	34.0	10	0.0
		Industrial HVAC	64,846	48.6	47,707	41.3	(17,139)	(26.4)
		Total	104,036	77.9	86,907	75.3	(17,129)	(16.5)
		[Overseas]	[ 6,211 ]	[ 4.7 ]	[ 2,538 ]	[ 2.2 ]	[ (3,673) ]	[ (59.1) ]
	Paint Finishing System Division	29,459	22.1	28,567	24.7	(892)	(3.0)	
		[Overseas]	[ 16,038 ]	[ 12.0 ]	[ 14,314 ]	[ 12.4 ]	[ (1,724) ]	[ (10.7) ]
		Total	133,495	100.0	115,475	100.0	(18,020)	(13.5)
	[Overseas]	[ 22,249 ]	[ 16.7 ]	[ 16,853 ]	[ 14.6 ]	[ (5,396) ]	[ (24.3) ]	
Sales of construction carried forward	Green Technology System Division	HVAC for buildings	38,133	50.6	25,082	34.8	(13,051)	(34.2)
		Industrial HVAC	20,289	26.9	27,407	38.0	7,118	35.1
		Total	58,423	77.5	52,490	72.8	(5,933)	(10.2)
		[Overseas]	[ 1,027 ]	[ 1.4 ]	[ 1,588 ]	[ 2.2 ]	[ 561 ]	[ 54.6 ]
	Paint Finishing System Division	16,973	22.5	19,648	27.2	2,675	15.8	
		[Overseas]	[ 7,430 ]	[ 9.8 ]	[ 6,925 ]	[ 9.6 ]	[ (505) ]	[ (6.8) ]
		Total	75,396	100.0	72,138	100.0	(3,258)	(4.3)
	[Overseas]	[ 8,458 ]	[ 11.2 ]	[ 8,514 ]	[ 11.8 ]	[ 56 ]	[ 0.7 ]	