

March 27, 2008

Announcement Regarding the Transfer and Dissolution of Our Consolidated Subsidiary's Business

Taikisha Ltd. today announces that it has adopted a resolution for the transfer of business of our consolidated subsidiary, N.J.AXIVANE CO., LTD. (hereinafter referred to as NJA) and for the subsequent dissolution of the same company at the board of directors meeting held on March 27, 2008.

1. Reasons for the Transfer of Business

NJA has been engaged in designing, manufacturing, and sales of various types of industrial fans as a member of Taikisha Group; however, NJA has been struggling financially with excessive liabilities since the fiscal term ending in March 2007, and our company thus determined, in view of the current circumstances, that NJA would not be able to improve its income and expense balances. Our company has therefore decided to transfer NJA's business to TANIYAMA CO., LTD. (hereinafter referred to as Taniyama) in order to continue maintenance for the industrial fans previously sold by NJA, and to ensure the continued employment of its employees.

Taniyama will be our equity method investee after this transfer of business. In addition, NJA plans to hold an extraordinary shareholders' meeting in early June of 2008, and will adopt a resolution for its dissolution.

2. Overview of the Subsidiary Subject to the Transfer of Business

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| (1) Company name: | N.J.AXIVANE CO.,LTD. |
| (2) Representative: | President Junji Morino |
| (3) Company address: | 3-24 Ikagamidorimachi, Hirakata City, Osaka |
| (4) Date of foundation: | June 1, 1971 |
| (5) Main operations: | Design, manufacturing, and sales of various types of industrial fans |
| (6) End of fiscal year: | March 31 |
| (7) Number of employees: | 25 |
| (8) Capital stock: | 40,000,000 yen |
| (9) Shareholder composition: | Taikisha Ltd. owns 100% of its shares |
| (10) Change in performance results of the company in recent fiscal years (in thousand-yen) | |

	March FY 2006	March FY 2007
Sales	484,988	626,126
Operating loss	-77,353	-19,115
Ordinary loss	-81,323	-28,440
Net deficit	-104,917	-23,605
Total assets	464,844	406,355
Net assets	21,369	-2,318

(11) Assets and liabilities to be transferred, and the amount concerned:

The expected amount of assets to be transferred is 110,000,000 yen.

3. Overview of the Transferee

- (1) Company name: TANIYAMA CO,LTD.
- (2) Representative: President Toshio Ando
- (3) Company address: 18 Kitahatsushimacho, Amagasaki City, Hyogo
- (4) Date of foundation: April 2, 2001
- (5) Main operations: Design, manufacturing, and sales of various types of industrial fans
- (6) Capital stock: 100,000,000 yen
- (7) Relationship with Taikisha Ltd.: Sales of various types of industrial fans
Currently, Taikisha's consolidated subsidiary holds 16.1% of the total number of shares issued.
After this transfer of business, Taikisha Group will hold 35.2% of the total number of shares issued.

4. Date of transfer

- March 27, 2008: Adoption of a resolution by the Taikisha Board of Directors
- June 1, 2008: Transfer of business (scheduled)
- Early June 2008: Dissolution (scheduled)
- Late August 2008: Completion of liquidation (scheduled)

5. Future Prospects

Impact of the transfer of business and dissolution of NJA, as stated above, on our company's quarterly profits for the fiscal year ending in March 2009 and for the entire fiscal year (Consolidated, Non-consolidated) will be minor.