

April 18, 2008

Announcement Regarding Additional Investment in Our Company's Sub-subsidiary  
(an associated equity method investee company) in China.

Our consolidated subsidiary, WuZhou Taikisha Engineering Co., Ltd. (hereinafter referred to as WTL) has been engaged in the construction of industrial HVAC systems and paint finishing plants in the Chinese market. WTL adopted a resolution at the Board of Directors meeting held on April 18, 2008, to additionally invest in WTL's equity method investee, Beijing WuZhou Taikisha Equipment Co., Ltd. (hereinafter referred to as WTE) to make WTE a wholly-owned subsidiary of WTL. Consequently, WTE became Taikisha's consolidated sub-subsidiary. The details are as follows.

1. Reason for additional investment

WTL and the Chinese company WuZhou Engineering Design and Research Institute made a 20% and an 80% investment, respectively, in order to establish WTE in 2002 for the purpose of selling equipment supplied by WTL. Since China's entry in the WTO enabled foreign companies to increase investment in the private business sector, we have decided to make WTE a wholly-owned subsidiary of WTL for further strengthening of the relationship with the Taikisha Group.

2. Overview of our consolidated subsidiary, WTL, and newly consolidated sub-subsidiary, WTE

	WTL	WTE
1. Company name	WuZhou Taikisha Engineering Co., Ltd.	Beijing WuZhou Taikisha Equipment Co., Ltd.
2. Representative	Hikaru Kimura	Wang Xinli
3. Address of headquarters	Beijing, People's Republic of China	Beijing, People's Republic of China
4. Date of foundation	March 14, 1994	December 9, 2002
5. Business description	Design, construction, and installation of paint finishing plants, industrial HVAC systems, and environmental protection systems; import and export of relevant machinery	Sales of products related to paint finishing, air industrial HVAC, and environmental protection systems
6. End of fiscal year	December 31	December 31

7. Number of employees	104	10
8. Capital stock	US\$6,200,000 (approximately JPY626 million) *	RMB800,000 (approximately JPY11 million) *
9. Ratio of shareholders' equity to the investee company or to the total investment amount	Taikisha Ltd.: 51% WuZhou Engineering Design and Research Institute: 49%	WuZhou Engineering Design and Research Institute: 80% WuZhou Taikisha Engineering Co., Ltd.: 20%

\* Numbers shown in parentheses were calculated based on the following exchange rates:

US\$1 = JPY101, RMB1 = JPY14

### 3. WTE's business figures for the fiscal year ending December 2007

Sales: RMB91,895,000 (approximately JPY1.286 billion)

Net assets: RMB1,514,000 (approximately JPY21 million)

Numbers shown in parentheses were calculated based on the following exchange rates:

RMB1 = JPY14

### 4. Overview of the company, from which WTL acquired WTE's equity

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|-------------------------------------|---|
| (1) Company name                    | WuZhou Engineering Design and Research Institute  |
| (2) Representative                  | Yu Yaming   |
| (3) Address of headquarters         | Beijing, People's Republic of China   |
| (4) Business description            | Construction design, consulting, management and supervisory operations                  |
| (5) Relationship with Taikisha Ltd. | Making a 49% investment in and dispatching directors to our consolidated subsidiary WTL |

### 5. Ratio of equity held by our company and the consolidated subsidiary WTL to the total investment amount before and after the equity transfer:

Ratio of equity held by our company

(Before transfer) 0%                      (After transfer) 0%

Ratio of equity held by our consolidated subsidiary

(Before transfer) 20%                      (After transfer) 100%

### 6. Schedule

April 18, 2008	Adoption of a resolution by WTL's board of directors' meeting
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Late April 2008	Scheduled date of equity transfer
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## 7. Future prospects

As stated above, the impact of this matter on our company's consolidated performance will be minor.