

Financial Report for the Second Quarter of the Fiscal Year ending March 31, 2024

November 13, 2023

The following statements are an English translation of the original Japanese document.

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

Name of company... Taikisha Ltd.

Stock Exchange..... Tokyo Stock Exchange

Code..... 1979

Representative..... Masashi Osada, President and Representative Director

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Scheduled date to submit Quarterly report : November 14, 2023

Scheduled date to commence dividend payments : November 30, 2023

Supplemental materials prepared for financial results : Yes

Briefing session of financial results : Yes (for instituted investors and analysts)

(Round down to one million yen)

1. Consolidated Operating Performance (April 1, 2023 through September 30, 2023)

(1) Consolidated operating results (Cumulative)

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended								
September 30, 2023	130,411	52.0	7,427	93.0	8,101	73.9	6,626	171.2
September 30, 2022	85,779	(7.2)	3,847	39.2	4,657	30.9	2,443	44.8

(Note) Comprehensive income Six months ended September 30, 2023 11,866 million yen 152.1 %
Six months ended September 30, 2022 4,706 million yen 40.6 %

	Profit attributable to owners of parent per share	Profit attributable to owners of parent per share (Diluted)
Six months ended	yen	yen
September 30, 2023	199.51	—
September 30, 2022	71.79	—

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio
As of	million yen	million yen	%
September 30, 2023	256,028	140,968	52.5
March 31, 2023	237,105	131,992	53.1

(Note) Shareholders' Equity As of September 30, 2023 134,288 million yen
As of March 31, 2023 125,791 million yen

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	Year End	Total (annually)
Year ended	yen	yen	yen	yen	yen
March 31, 2023	—	50.00	—	71.00	121.00
March 31, 2024	—	50.00			
Year ending March 31, 2024 (Forecast)			—	77.00	127.00

(Note) Revisions to forecast of dividends : None

3. Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2024 (April 1, 2023 through March 31, 2024)

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	285,000	32.7	14,500	25.5	15,500	19.2	10,500	32.6	316.10

(Note) Revisions to forecast of earnings : Yes

4. Others

- (1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries accompanying changes in scope of consolidation) : None
- (2) Adoption of particular accounting treatments for quarterly consolidated financial statements : None
- (3) Changes in accounting policies, changes in accounting estimates and restatements
- (i) Changes in accounting policies due to revisions of accounting standards etc. : None
 - (ii) Changes in accounting policies other than (i) : None
 - (iii) Changes in accounting estimates : None
 - (iv) Restatements : None
- (4) Number of shares issued (common shares)
- (i) Number of shares issued at end of period (including treasury shares)
 - As of September 30, 2023 33,582,009 shares
 - As of March 31, 2023 33,582,009 shares
 - (ii) Number of treasury shares at end of period
 - As of September 30, 2023 450,751 shares
 - As of March 31, 2023 380,689 shares
 - (iii) Average number of shares during the period
 - Six months ended September 30, 2023 33,216,944 shares
 - Six months ended September 30, 2022 34,037,349 shares

(Note) The Company has introduced the "Board Benefit Trust (BBT)" as its performance-linked and share-based compensation plan and its own shares remaining in the Trust are included as treasury shares. The number of treasury shares owned by the trust as of September 30, 2023 and as of March 31, 2023 are 149,500 and 120,700, respectively. The average number of treasury shares owned by the trust for six months ended September 30, 2023 and for six months ended September 30, 2022 are 148,529 and 120,700, respectively.

- ※ Notice of status of implementation for quarterly review procedures
This financial report is not subject to quarterly review procedures by certified public accountants or auditing firms.
- ※ Explanation about the proper use of consolidated forecasts and other notes
Data and forward-looking statements disclosed herein are based on current information as of today, and may change depending upon various factors. The data and assumptions do not mean guaranteeing accomplishment of goals and projections, and may be changed at any time without notice. Consequently, the Company ask you to use this information at your discretion based upon your own judgment and information you may obtain through other sources. The company will not be liable for any damages that result from the use of this information.

1 Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	46,988	54,071
Notes receivable, accounts receivable from completed construction contracts and other	124,236	114,097
Securities	—	8,000
Costs on uncompleted construction contracts	2,346	1,809
Raw materials and supplies	843	1,003
Other	10,721	21,806
Allowance for doubtful accounts	(668)	(654)
Total current assets	184,467	200,134
Non-current assets		
Property, plant and equipment	8,557	9,538
Intangible assets		
Goodwill	3,640	3,762
Customer-related assets	1,184	1,220
Other	1,104	1,140
Total intangible assets	5,929	6,123
Investments and other assets		
Investment securities	26,487	28,159
Deferred tax assets	582	553
Net defined benefit asset	8,595	8,853
Other	2,993	2,946
Allowance for doubtful accounts	(507)	(280)
Total investments and other assets	38,152	40,232
Total non-current assets	52,638	55,894
Total assets	237,105	256,028
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	55,472	60,462
Short-term loans payable	2,942	3,516
Income taxes payable	1,772	1,778
Advances received on uncompleted construction contracts	23,306	21,971
Provision for bonuses	—	3,005
Provision for warranties for completed construction	614	517
Provision for loss on construction contracts	300	221
Provision for directors' bonuses	71	21
Other	11,460	12,489
Total current liabilities	95,940	103,984
Non-current liabilities		
Long-term loans payable	98	202
Deferred tax liabilities	7,034	8,719
Provision for directors' retirement benefits	56	34
Provision for share awards	—	0
Provision for share awards for directors	212	120
Net defined benefit liability	1,343	1,444
Other	427	553
Total non-current liabilities	9,172	11,075
Total liabilities	105,112	115,060

	Millions of yen	
	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus	3,540	3,620
Retained earnings	100,296	104,557
Treasury shares	(1,158)	(1,636)
Total shareholders' equity	109,133	112,996
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,535	12,212
Deferred gains or losses on hedges	(63)	(107)
Foreign currency translation adjustment	4,779	7,837
Accumulated remeasurements of defined benefit plans	1,405	1,349
Total accumulated other comprehensive income	16,657	21,291
Non-controlling interests	6,201	6,679
Total net assets	131,992	140,968
Total liabilities and net assets	237,105	256,028

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

	Millions of yen	
	Six months ended September 30, 2022 Apr. 1, 2022 - Sep. 30, 2022	Six months ended September 30, 2023 Apr. 1, 2023 - Sep. 30, 2023
Net sales of completed construction contracts	85,779	130,411
Cost of sales of completed construction contracts	72,372	112,353
Gross profit on completed construction contracts	13,407	18,058
Selling, general and administrative expenses	9,559	10,631
Operating income	3,847	7,427
Non-operating income		
Interest income	104	378
Dividend income	364	352
Dividend income of insurance	178	188
Real estate rent	59	44
Foreign exchange gains	31	—
Share of profit of entities accounted for using equity method	—	15
Other	259	173
Total non-operating income	999	1,154
Non-operating expenses		
Interest expenses	68	104
Rent expenses on real estates	7	6
Foreign exchange losses	—	354
Provision of allowance for doubtful accounts	5	0
Share of loss of entities accounted for using equity method	84	—
Other	22	15
Total non-operating expenses	188	480
Ordinary income	4,657	8,101
Extraordinary income		
Gain on disposal of non-current assets	8	10
Gain on sale of investment securities	1,450	1,924
Gain on sale of shares of subsidiaries and associates	881	—
Total extraordinary income	2,341	1,934
Extraordinary losses		
Loss on disposal of non-current assets	35	5
Impairment loss	0	0
Business restructuring expenses	2,461	—
Loss on valuation of investment securities	—	0
Total extraordinary losses	2,497	5
Profit before income taxes	4,502	10,031
Income taxes-current	918	2,090
Income taxes-deferred	908	1,159
Total income taxes	1,827	3,249
Profit	2,675	6,781
Profit attributable to non-controlling interests	231	154
Profit attributable to owners of parent	2,443	6,626

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Six months ended September 30, 2022 <small>Apr. 1, 2022 - Sep. 30, 2022</small>	Six months ended September 30, 2023 <small>Apr. 1, 2023 - Sep. 30, 2023</small>
Profit	2,675	6,781
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,955)	1,677
Deferred gains or losses on hedges	(67)	(44)
Foreign currency translation adjustment	4,533	3,476
Remeasurements of defined benefit plans	(545)	(52)
Share of other comprehensive income of entities accounted for using equity method	66	29
Total other comprehensive income	2,031	5,085
Comprehensive income	4,706	11,866
Comprehensive income attributable to :		
Owners of parent	3,873	11,261
Non-controlling interests	833	605

(3) Consolidated Statements of Cash Flows

	Millions of yen	
	Six months ended September 30, 2022 Apr. 1, 2022 - Sep.30, 2022	Six months ended September 30, 2023 Apr. 1, 2023 - Sep.30, 2023
Cash flows from operating activities		
Profit before income taxes	4,502	10,031
Depreciation and amortization	986	715
Amortization of goodwill	231	237
Increase (decrease) in allowance for doubtful accounts	19	(294)
Increase (decrease) in provision for loss on construction contracts	(174)	(83)
Increase (decrease) in provision for directors' retirement benefits	5	(22)
Increase (decrease) in provision for share awards	—	0
Increase (decrease) in provision for share awards for directors (and other officers)	—	(91)
Increase (decrease) in net defined benefit asset and liability	(233)	(356)
Interest and dividends income	(469)	(731)
Interest expenses	68	104
Loss (gain) on disposal of non-current assets	26	(5)
Loss (gain) on sales of securities	(1,450)	(1,924)
Loss (gain) on valuation of investment securities	—	0
Loss (gain) on sale of shares of subsidiaries and associates	(881)	—
Business restructuring expenses	2,461	—
Decrease (increase) in notes and accounts receivable-trade	6,016	12,598
Decrease (increase) in inventories	(206)	495
Decrease (increase) in accounts receivable-other	0	47
Increase (decrease) in notes and accounts payable-trade	(8,977)	3,881
Increase (decrease) in advances received on uncompleted construction contracts	3,581	(2,805)
Increase (decrease) in accrued consumption taxes	(482)	(779)
Increase (decrease) in deposits received	(4)	(305)
Increase (decrease) in accrued expenses	(327)	(296)
Other, net	(6,288)	(5,590)
Subtotal	<u>(1,595)</u>	<u>14,823</u>
Interest and dividends income received	469	736
Interest expenses paid	(68)	(106)
Income taxes paid	(2,303)	(1,776)
Payments for business restructuring expenses	(2,461)	—
Net cash provided by (used in) operating activities	<u>(5,959)</u>	<u>13,677</u>

	Millions of yen	
	Six months ended September 30, 2022 Apr. 1, 2022 - Sep.30, 2022	Six months ended September 30, 2023 Apr. 1, 2023 - Sep.30, 2023
Cash flows from investing activities		
Payments into time deposits	(1,934)	(3,564)
Proceeds from withdrawal of time deposits	1,992	3,142
Purchase of securities	—	(3,000)
Purchase of property, plant and equipment and intangible assets	(1,072)	(1,107)
Proceeds from sales of property, plant and equipment and intangible assets	40	18
Purchase of investment securities	(0)	(0)
Proceeds from sales of investment securities	2,376	2,573
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(2,248)	—
Payments of long-term loans receivable	(23)	(36)
Collection of long-term loans receivable	28	46
Purchase of insurance funds	(0)	—
Proceeds from maturity of insurance funds	—	1
Other, net	(14)	(340)
Net cash provided by (used in) investing activities	<u>(856)</u>	<u>(2,267)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(137)	336
Proceeds from long-term loans payable	1	201
Repayment of long-term loans payable	(103)	(73)
Repayments of lease obligations	(53)	(64)
Net decrease (increase) in treasury shares	(711)	(398)
Cash dividends paid	(2,388)	(2,365)
Cash dividends paid to non-controlling interests	(304)	(23)
Net cash provided by (used in) financing activities	<u>(3,696)</u>	<u>(2,386)</u>
Effect of exchange rate change on cash and cash equivalents	<u>2,585</u>	<u>2,369</u>
Net increase (decrease) in cash and cash equivalents	<u>(7,926)</u>	<u>11,394</u>
Cash and cash equivalents at beginning of period	<u>48,791</u>	<u>43,946</u>
Cash and cash equivalents at end of period	<u>40,864</u>	<u>55,340</u>

(Additional information)

(Acquisition of treasury shares)

Taikisha("the Company") announced that its Board of Directors held on August 10, 2023 had resolved regarding acquisition of treasury shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the terms pursuant to the provisions of Paragraph 3, Article 165 of the same Act, and the status is as follows.

1. Reason for acquisition

To enhance shareholder returns and to increase capital efficiency as well as to enable the Company to implement a flexible capital strategy in response to changes in the business environment.

2. Details of acquisition

(1) Type of shares to be acquired	Common shares of the Company
(2) Total number of shares that can be acquired	Up to 700,000 shares (2.09% of total number of issued shares of the Company (excluding treasury shares))
(3) Total price of shares to be acquired	Up to 2,000 million yen
(4) Period of acquisition	From August 14, 2023 to February 29, 2024
(5) Method of acquisition	Purchase on the Tokyo Stock Exchange through a trust bank

3. Status of acquisition

By the method described above, the Company has acquired 145,000 common shares of the Company at 667 million yen as of September 30, 2023.

(Segment information)

Six months ended September 30, 2022 (April 1, 2022 - September 30, 2022)

1. Sales and profits or losses by reportable segments

Millions of yen

	Reportable segments			Eliminations/ Corporate	Amount recorded in the consolidated financial statements
	Green Technology System Division	Paint Finishing System Division	Total		
Sales					
Sales to customers	67,545	18,234	85,779	—	85,779
Intersegment	1	1	2	(2)	—
Total	67,546	18,235	85,782	(2)	85,779
Segment profit (loss)	5,335	(1,037)	4,297	360	4,657

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

Eliminations/ Corporate of Segment profit (loss) of 360 million yen includes non-allocatable common profits (net amount of common profit and loss) of 360 million yen and other adjustments of minus 0 million yen.

Non-allocatable common profit and loss are mainly general and administrative expenses and dividend income etc. those are not attributed to any reportable segments.

2. Segment profit (loss) is adjusted in the ordinary income of the consolidated income statement.

2. Information about assets for each reportable segment

In the consolidated cumulative first quarter, the Company transferred a portion of the shares of Geico S.p.A. ("Geico"), which was a consolidated subsidiary until the previous fiscal year.

With this share transfer, Geico and its consolidated subsidiaries, J-CO America Corporation, J-CO Mexico, S. de R.L. de C.V., Geico Brasil Ltda. Geico Paint Shop India Private Limited, Geico Painting System (Suzhou) Co., Ltd, "Geico Russia" LLC, Geico Taikisha GmbH, Geico Taikisha Controls d.o.o. and Process Solution Partner Rus LLC were excluded from the scope of consolidation.

Mainly due to this reason, segment assets in the Paint Finishing System Division decreased by 25,667 million yen in the consolidated cumulative second quarter compared with the previous consolidated fiscal year.

3. Impairment loss on non-current assets or goodwill etc. by reportable segment

Not applicable.

Six months ended September 30, 2023 (April 1, 2023 - September 30, 2023)

1. Sales and profits or losses by reportable segments

Millions of yen

	Reportable segments			Eliminations/ Corporate	Amount recorded in the consolidated financial statements
	Green Technology System Division	Paint Finishing System Division	Total		
Sales					
Sales to customers	103,956	26,455	130,411	—	130,411
Intersegment	7	—	7	(7)	—
Total	103,963	26,455	130,418	(7)	130,411
Segment profit	7,583	61	7,645	456	8,101

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

Eliminations/ Corporate of Segment profit of 456 million yen includes non-allocatable common profits (net amount of common profit and loss) of 457 million yen and other adjustments of minus 0 million yen.

Non-allocatable common profit and loss are mainly general and administrative expenses and dividend income etc. those are not attributed to any reportable segments.

2. Segment profit is adjusted in the ordinary income of the consolidated income statement.

2. Impairment loss on non-current assets or goodwill etc. by reportable segment

Not applicable.

2 Non-consolidated Financial Statements

(Non-consolidated Financial Statements have been prepared voluntarily in accordance with Ordinance on Quarterly Financial Statements, etc.)

(1) Balance Sheets (Non-consolidated)

	Millions of yen	
	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	13,068	16,376
Notes receivable, accounts receivable from completed construction contracts and other	94,965	83,196
Securities	—	8,000
Costs on uncompleted construction contracts	32	93
Raw materials and supplies	236	329
Other	3,620	12,283
Allowance for doubtful accounts	(288)	(278)
Total current assets	111,635	120,000
Non-current assets		
Property, plant and equipment	4,018	4,408
Intangible assets	1,024	1,045
Investments and other assets		
Investment securities	25,883	27,510
Shares of subsidiaries and associates	15,895	15,901
Prepaid pension cost	6,713	7,043
Other	1,792	1,909
Allowance for doubtful accounts	(212)	(201)
Total investments and other assets	50,073	52,162
Total non-current assets	55,115	57,616
Total assets	166,751	177,617
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	41,192	44,592
Short-term loans payable	2,101	2,157
Income taxes payable	1,343	1,408
Advances received on uncompleted construction contracts	6,106	1,959
Provision for bonuses	—	2,878
Provision for warranties for completed construction	168	152
Provision for loss on construction contracts	131	153
Provision for directors' bonuses	67	21
Other	7,745	9,884
Total current liabilities	58,857	63,207
Non-current liabilities		
Long-term loans payable	96	200
Deferred tax liabilities	4,137	5,600
Provision for share awards	—	0
Provision for share awards for directors	212	120
Provision for retirement benefits	137	145
Other	160	175
Total non-current liabilities	4,743	6,243
Total liabilities	63,600	69,450

	Millions of yen	
	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus	7,297	7,376
Retained earnings	80,084	83,866
Treasury shares	(1,158)	(1,636)
Total shareholders' equity	92,678	96,061
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,535	12,212
Deferred gains or losses on hedges	(63)	(107)
Total valuation and translation adjustments	10,472	12,105
Total net assets	103,151	108,166
Total liabilities and net assets	166,751	177,617

(2) Income Statements (Non-consolidated)

	Millions of yen	
	Six months ended	Six months ended
	September 30, 2022	September 30, 2023
	Apr. 1, 2022 - Sep. 30, 2022	Apr. 1, 2023 - Sep. 30, 2023
Net sales of completed construction contracts	53,468	81,388
Cost of sales of completed construction contracts	44,177	69,858
Gross profit on completed construction contracts	9,291	11,529
Selling, general and administrative expenses	6,243	6,987
Operating income	3,048	4,541
Non-operating income		
Interest income	2	3
Dividends income	957	1,111
Real estate rent	94	79
Foreign exchange gains	60	—
Technical advisory fee	535	730
Other	189	205
Total non-operating income	1,839	2,131
Non-operating expenses		
Interest expenses	8	13
Rent expenses on real estates	17	16
Foreign exchange losses	—	25
Provision of allowance for doubtful accounts	5	0
Other	9	9
Total non-operating expenses	40	64
Ordinary income	4,846	6,608
Extraordinary income		
Gain on sale of investment securities	1,450	1,924
Gain on sale of shares of subsidiaries and associates	0	—
Reversal of allowance for doubtful accounts for subsidiaries and associates	—	18
Total extraordinary income	1,450	1,942
Extraordinary loss		
Loss on disposal of non-current assets	33	4
Impairment loss	0	0
Loss on valuation of investment securities	—	0
Loss on valuation of shares of subsidiaries and associates	—	4
Total extraordinary losses	33	8
Income before income taxes	6,264	8,542
Income taxes-current	585	1,511
Income taxes-deferred	1,113	884
Total income taxes	1,699	2,395
Profit	4,565	6,147

(Supplementary information)

1. Statement for orders-received during this period, net sales of completed construction contracts during this period, and construction carried forward by division (consolidated)

Millions of yen

	Six months ended September 30, 2022 (Apr. 1, 2022 - Sep. 30, 2022)		Six months ended September 30, 2023 (Apr. 1, 2023 - Sep. 30, 2023)		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
	Orders-received					
Green Technology System Division						
Building HVAC	19,574	12.1	17,729	13.9	(1,844)	(9.4)
Industrial HVAC	107,027	66.0	55,669	43.8	(51,357)	(48.0)
Total	126,601	78.1	73,399	57.7	(53,202)	(42.0)
[Overseas]	[37,718]	[23.3]	[19,818]	[15.6]	[(17,899)]	[(47.5)]
Paint Finishing System Division	35,441	21.9	53,796	42.3	18,355	51.8
[Overseas]	[19,267]	[11.9]	[37,124]	[29.2]	[17,857]	[92.7]
Total	162,043	100.0	127,196	100.0	(34,846)	(21.5)
[Overseas]	[56,985]	[35.2]	[56,943]	[44.8]	[(41)]	[(0.1)]
Net sales of completed construction contracts						
Green Technology System Division						
Building HVAC	17,536	20.4	20,658	15.8	3,121	17.8
Industrial HVAC	50,009	58.3	83,297	63.9	33,288	66.6
Total	67,545	78.7	103,956	79.7	36,410	53.9
[Overseas]	[19,034]	[22.2]	[28,625]	[22.0]	[9,590]	[50.4]
Paint Finishing System Division	18,234	21.3	26,455	20.3	8,220	45.1
[Overseas]	[12,806]	[14.9]	[20,363]	[15.6]	[7,556]	[59.0]
Total	85,779	100.0	130,411	100.0	44,631	52.0
[Overseas]	[31,841]	[37.1]	[48,989]	[37.6]	[17,147]	[53.9]
Construction carried forward						
Green Technology System Division						
Building HVAC	54,816	21.2	40,682	15.8	(14,133)	(25.8)
Industrial HVAC	150,055	57.9	113,410	44.0	(36,645)	(24.4)
Total	204,871	79.1	154,092	59.8	(50,778)	(24.8)
[Overseas]	[55,005]	[21.2]	[58,511]	[22.7]	[3,505]	[6.4]
Paint Finishing System Division	54,117	20.9	103,846	40.2	49,729	91.9
[Overseas]	[27,466]	[10.6]	[66,722]	[25.9]	[39,256]	[142.9]
Total	258,989	100.0	257,939	100.0	(1,049)	(0.4)
[Overseas]	[82,471]	[31.8]	[125,233]	[48.6]	[42,762]	[51.9]

(Note) 1. The amounts of orders received, net sales of completed construction contracts, and carried forward are the transacted amount with external customers.

2. In the previous consolidated cumulative second quarter, there is 1 million yen difference between net sales of completed construction contracts of 67,545 million yen and total sales of 67,546 million yen in the segment information by the Green Technology System Division.

There is 1 million yen difference between net sales of completed construction contracts of 18,234 million yen and total sales of 18,235 million yen in the segment information by the Paint Finishing System Division.

Above differences are due to intersegment sales.

3. In the consolidated cumulative second quarter, there is 7 million yen difference between net sales of completed construction contracts of 103,956 million yen and total sales of 103,963 million yen in the segment information by the Green Technology System Division.

There is no difference between net sales of completed construction contracts and total sales in the segment information by the Paint Finishing System Division.

2. Statement for orders-received during this period, net sales of completed construction contracts during this period, and construction carried forward by division (Non-consolidated)

Millions of yen

	Six months ended September 30, 2022 (Apr. 1, 2022 - Sep. 30, 2022)		Six months ended September 30, 2023 (Apr. 1, 2023 -Sep. 30, 2023)		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Orders-received						
Green Technology System Division						
Building HVAC	16,588	16.0	14,513	20.7	(2,075)	(12.5)
Industrial HVAC	69,458	66.9	36,285	51.7	(33,172)	(47.8)
Total	86,046	82.9	50,798	72.4	(35,247)	(41.0)
[Overseas]	[246]	[0.2]	[623]	[0.9]	[376]	[152.7]
Paint Finishing System Division	17,748	17.1	19,340	27.6	1,592	9.0
[Overseas]	[2,116]	[2.1]	[3,449]	[4.9]	[1,332]	[63.0]
Total	103,795	100.0	70,139	100.0	(33,655)	(32.4)
[Overseas]	[2,363]	[2.3]	[4,073]	[5.8]	[1,709]	[72.3]
Net sales of completed construction contracts						
Green Technology System Division						
Building HVAC	16,571	31.0	19,228	23.6	2,657	16.0
Industrial HVAC	30,920	57.8	54,684	67.2	23,763	76.9
Total	47,492	88.8	73,912	90.8	26,420	55.6
[Overseas]	[48]	[0.1]	[192]	[0.2]	[143]	[295.5]
Paint Finishing System Division	5,976	11.2	7,475	9.2	1,498	25.1
[Overseas]	[1,375]	[2.6]	[2,028]	[2.5]	[653]	[47.5]
Total	53,468	100.0	81,388	100.0	27,919	52.2
[Overseas]	[1,424]	[2.7]	[2,221]	[2.7]	[796]	[55.9]
Construction carried forward						
Green Technology System Division						
Building HVAC	52,086	29.0	37,879	27.3	(14,206)	(27.3)
Industrial HVAC	95,216	53.1	55,794	40.3	(39,422)	(41.4)
Total	147,302	82.1	93,674	67.6	(53,628)	(36.4)
[Overseas]	[200]	[0.1]	[909]	[0.7]	[709]	[353.7]
Paint Finishing System Division	32,124	17.9	44,823	32.4	12,698	39.5
[Overseas]	[5,766]	[3.2]	[8,365]	[6.0]	[2,598]	[45.1]
Total	179,426	100.0	138,497	100.0	(40,929)	(22.8)
[Overseas]	[5,967]	[3.3]	[9,275]	[6.7]	[3,307]	[55.4]

3. Sales by regions

Six months ended September 30, 2022 (April 1, 2022 - September 30, 2022)

Millions of yen

Japan	North America	Southeast Asia		East Asia		India	Other	Total
		Thailand	Other Southeast Asia	China	Other East Asia			
53,938	3,467	7,134	9,702	4,740	676	5,729	390	85,779

Six months ended September 30, 2023 (April 1, 2023 - September 30, 2023)

Millions of yen

Japan	North America	Southeast Asia		East Asia		India	Other	Total
		Thailand	Other Southeast Asia	China	Other East Asia			
81,422	5,098	8,636	15,104	7,405	6,556	5,896	291	130,411