

Financial Report for the Fiscal Year ended March 31, 2022

May 16, 2022

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..... Koji Kato, President and Representative Director

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Scheduled date for annual general meeting of shareholders : June 29, 2022

Scheduled date to commence dividends payments : June 30, 2022

Scheduled date to submit securities report : June 29, 2022

Supplemental materials prepared for financial results : Yes

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

(Round down to one million yen)

1. Consolidated Operating Performance (April 1, 2021 through March 31, 2022)

(1) Consolidated operating results

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Year ended	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2022	209,261	3.3	9,428	(19.3)	10,818	(12.0)	7,248	(12.5)
March 31, 2021	202,548	(10.1)	11,690	(24.3)	12,287	(23.2)	8,279	(9.3)

(Note) Comprehensive income Year ended March 31, 2022 7,878 million yen (53.0)%
Year ended March 31, 2021 16,748 million yen 208.0%

	Basic earnings per share	Diluted earnings per share	Ratio of Profit to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
Year ended	yen	yen	%	%	%
March 31, 2022	212.69	—	5.9	4.7	4.5
March 31, 2021	243.03	—	7.2	5.5	5.8

(Note) Equity in earnings of affiliates Year ended March 31, 2022 (32) million yen
Year ended March 31, 2021 (65) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
As of	million yen	million yen	%	yen
March 31, 2022	228,159	130,788	54.7	3,658.54
March 31, 2021	228,855	126,311	52.9	3,552.69

(Note) Shareholders' Equity As of March 31, 2022 124,695 million yen
As of March 31, 2021 121,033 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 the end of period
Year ended	million yen	million yen	million yen	million yen
March 31, 2022	(8,544)	(1,071)	6,000	48,791
March 31, 2021	973	(6,913)	(1,435)	50,670

2. Dividends

	Dividends per share					Dividends Paid (Total)	Dividends Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	1Q	2Q	3Q	Year End	Total (annually)			
Year ended	yen	yen	yen	yen	yen	million yen	%	%
March 31, 2021	—	30.00	—	60.00	90.00	3,078	37.0	2.7
March 31, 2022	—	30.00	—	70.00	100.00	3,420	47.0	2.8
Year ending March 31, 2023 (Forecast)	—	50.00	—	71.00	121.00		46.6	

(Note) Dividends Paid (Total) for the fiscal year ended March 31, 2021 and March 31, 2022 includes dividends of 12 million yen and of 12 million yen for treasury shares owned by trust assets of "Board Benefit Trust (BBT)" respectively.

3. Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2023 (April 1, 2022 through March 31, 2023)

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Half year	92,400	(0.0)	3,400	23.0	3,900	9.6	2,400	42.2	70.42
Full year	212,500	1.5	10,800	14.5	12,000	10.9	8,600	18.6	252.36

4. Others

- (1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries accompanying changes in scope of consolidation) : None
- (2) Changes in accounting policies, changes in accounting estimates and restatements
- (i) Changes in accounting policies due to revisions of accounting standards etc. : Yes
- (ii) Changes in accounting policies other than (i) : None
- (iii) Changes in accounting estimates : None
- (iv) Restatements : None
- (3) Number of shares issued (common shares)
- (i) Number of shares issued at end of period (including treasury shares)
- As of March 31, 2022 35,082,009 shares
- As of March 31, 2021 35,082,009 shares
- (ii) Number of treasury shares at end of period
- As of March 31, 2022 998,559 shares
- As of March 31, 2021 1,013,823 shares
- (iii) Average number of shares during the period
- Year ended March 31, 2022 34,078,868 shares
- Year ended March 31, 2021 34,068,329 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 March 31, 2022 and as of March 31, 2021 are 120,700 and 136,400, respectively. The average number of treasury shares owned by the Trust for the year ended March 31, 2022 and for the year ended March 31, 2021 are 125,531 and 136,400, respectively.

(Reference) Summary of Non-Consolidated Operating Performance

1. Non-Consolidated Operating Performance (April 1, 2021 through March 31, 2022)

(1) Non-Consolidated operating result

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Profit	
Year ended	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2022	107,435	(1.1)	5,989	(8.3)	11,323	5.9	7,657	13.1
March 31, 2021	108,667	(18.1)	6,530	(20.1)	10,690	(5.7)	6,769	(11.5)

	Basic earnings per share	Diluted earnings per share
Year ended	yen	yen
March 31, 2022	224.68	—
March 31, 2021	198.69	—

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
As of	million yen	million yen	%	yen
March 31, 2022	148,593	103,110	69.4	3,025.25
March 31, 2021	149,439	100,794	67.4	2,958.60

(Note) Shareholders' Equity

As of March 31, 2022 103,110 million yen

As of March 31, 2021 100,794 million yen

**2. Non-Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2023
(April 1, 2022 through March 31, 2023)**

(% indicates increase ratio over previous year)

	Sales		Ordinary income		Profit		Basic earnings per share
	million yen	%	million yen	%	million yen	%	yen
Half year	55,900	16.9	4,300	7.4	4,400	37.5	129.11
Full year	127,400	18.6	9,500	(16.1)	9,300	21.5	272.90

※ This financial report is not subject to audit procedures.

※ Explanation about the proper use of consolidated forecasts and other notes

The 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, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	52,059	49,085
Notes receivable, accounts receivable from completed construction contracts and other	101,413	104,956
Securities	2,000	3,000
Costs on uncompleted construction contracts	1,816	1,775
Raw materials and supplies	679	1,007
Other	8,068	9,084
Allowance for doubtful accounts	(649)	(718)
Total current assets	165,387	168,190
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,035	8,389
Machinery, vehicles, tools, furniture and fixtures	11,720	13,756
Land	1,772	1,737
Other	553	639
Accumulated depreciation	(11,931)	(13,279)
Total property, plant and equipment	10,150	11,243
Intangible assets		
Goodwill	4,084	3,966
Customer-related assets	1,389	1,334
Other	2,976	2,081
Total intangible assets	8,450	7,381
Investments and other assets		
Investment securities	32,677	29,605
Deferred tax assets	1,026	520
Net defined benefit asset	9,111	8,909
Other	2,100	2,710
Allowance for doubtful accounts	(48)	(401)
Total investments and other assets	44,866	41,344
Total non-current assets	63,468	59,969
Total assets	228,855	228,159

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	52,050	47,102
Short-term loans payable	6,588	15,535
Income taxes payable	1,607	1,672
Advances received on uncompleted construction contracts	14,200	6,901
Provision for warranties for completed construction	475	714
Provision for loss on construction contracts	403	392
Provision for directors' bonuses	63	43
Other	11,528	9,524
Total current liabilities	86,919	81,886
Non-current liabilities		
Long-term loans payable	4,769	5,605
Deferred tax liabilities	8,821	7,877
Provision for directors' retirement benefits	40	44
Provision for share-based remuneration for directors	171	145
Net defined benefit liability	1,507	1,462
Other	315	349
Total non-current liabilities	15,625	15,484
Total liabilities	102,544	97,371
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus	5,058	5,058
Retained earnings	95,701	99,893
Treasury shares	(2,594)	(2,544)
Total shareholders' equity	104,620	108,862
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,237	11,908
Deferred gains or losses on hedges	(3)	(25)
Foreign currency translation adjustment	(237)	2,017
Accumulated remeasurements of defined benefit plans	2,416	1,932
Total accumulated other comprehensive income	16,412	15,833
Non-controlling interests	5,277	6,092
Total net assets	126,311	130,788
Total liabilities and net assets	228,855	228,159

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

	Millions of yen	
	Year ended March 31, 2021 Apr. 1, 2020 - Mar. 31, 2021	Year ended March 31, 2022 Apr. 1, 2021 - Mar. 31, 2022
Net sales of completed construction contracts	202,548	209,261
Cost of sales of completed construction contracts	168,521	177,646
Gross profit on completed construction contracts	34,027	31,614
Selling, general and administrative expenses		
Directors' compensations	870	931
Employees' salaries and allowances	8,538	8,159
Provision for directors' bonuses	63	43
Retirement benefit expenses	560	390
Provision for directors' retirement benefits	12	11
Provision for share-based remuneration for directors	61	40
Correspondence and transportation expenses	823	902
Provision of allowance for doubtful accounts	201	468
Rents	1,603	1,642
Depreciation	2,084	2,146
Amortization of goodwill	638	414
Other	6,878	7,034
Total selling, general and administrative expenses	22,336	22,186
Operating income	11,690	9,428
Non-operating income		
Interest income	291	259
Dividend income	593	657
Dividend income of insurance	145	159
Real estate rent	100	126
Foreign exchange gains	—	317
Other	483	322
Total non-operating income	1,613	1,841
Non-operating expenses		
Interest expenses	173	303
Sales discounts	101	—
Rent expenses on real estates	27	16
Foreign exchange losses	330	—
Provision of allowance for doubtful accounts	213	0
Share of loss of entities accounted for using equity method	65	32
Other	104	99
Total non-operating expenses	1,016	451
Ordinary income	12,287	10,818

	Millions of yen	
	Year ended	Year ended
	March 31, 2021	March 31, 2022
	Apr. 1, 2020 - Mar. 31, 2021	Apr. 1, 2021 - Mar. 31, 2022
Extraordinary income		
Gain on disposal of non-current assets	618	50
Gain on sales of investment securities	—	1,177
Gain on step acquisitions	61	—
Total extraordinary income	680	1,228
Extraordinary losses		
Loss on disposal of non-current assets	425	45
Impairment loss	359	0
Loss on valuation of investment securities	0	—
Total extraordinary losses	784	45
Profit before income taxes	12,184	12,001
Income taxes-current	3,755	3,179
Income taxes-deferred	(243)	753
Total income taxes	3,512	3,932
Profit	8,671	8,068
Profit attributable to non-controlling interests	392	820
Profit attributable to owners of parent	8,279	7,248

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2022
	Apr. 1, 2020 - Mar. 31, 2021	Apr. 1, 2021 - Mar. 31, 2022
Profit	8,671	8,068
Other comprehensive income		
Valuation difference on available-for-sale securities	5,860	(2,329)
Deferred gains or losses on hedges	(3)	(22)
Foreign currency translation adjustment	(546)	2,547
Remeasurements of defined benefit plans	2,758	(455)
Share of other comprehensive income of entities accounted for using equity method	6	69
Total other comprehensive income	8,076	(190)
Comprehensive income	16,748	7,878
Comprehensive income attributable to :		
Owners of parent	16,245	6,669
Non-controlling interests	503	1,208

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	6,455	5,058	90,842	(2,593)	99,762
Cumulative effects of changes in accounting policies					—
Restated balance	6,455	5,058	90,842	(2,593)	99,762
Changes of items during the period					
Dividends of surplus			(3,420)		(3,420)
Profit attributable to owners of parent			8,279		8,279
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					—
Purchase of shares of consolidated subsidiaries					—
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	4,859	(0)	4,858
Balance at the end of current period	6,455	5,058	95,701	(2,594)	104,620

Millions of yen

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	8,376	(0)	372	(302)	8,447	4,633	112,843
Cumulative effects of changes in accounting policies							—
Restated balance	8,376	(0)	372	(302)	8,447	4,633	112,843
Changes of items during the period							
Dividends of surplus							(3,420)
Profit attributable to owners of parent							8,279
Purchase of treasury shares							(0)
Disposal of treasury shares							—
Purchase of shares of consolidated subsidiaries							—
Net changes of items other than shareholders' equity	5,860	(3)	(610)	2,718	7,965	644	8,609
Total changes of items during the period	5,860	(3)	(610)	2,718	7,965	644	13,468
Balance at the end of current period	14,237	(3)	(237)	2,416	16,412	5,277	126,311

Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	6,455	5,058	95,701	(2,594)	104,620
Cumulative effects of changes in accounting policies			21		21
Restated balance	6,455	5,058	95,723	(2,594)	104,642
Changes of items during the period					
Dividends of surplus			(3,078)		(3,078)
Profit attributable to owners of parent			7,248		7,248
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares				51	51
Purchase of shares of consolidated subsidiaries		(0)			(0)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(0)	4,169	50	4,220
Balance at the end of current period	6,455	5,058	99,893	(2,544)	108,862

Millions of yen

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	14,237	(3)	(237)	2,416	16,412	5,277	126,311
Cumulative effects of changes in accounting policies			(1)		(1)	(15)	4
Restated balance	14,237	(3)	(239)	2,416	16,411	5,261	126,315
Changes of items during the period							
Dividends of surplus							(3,078)
Profit attributable to owners of parent							7,248
Purchase of treasury shares							(1)
Disposal of treasury shares							51
Purchase of shares of consolidated subsidiaries				(0)	(0)		(0)
Net changes of items other than shareholders' equity	(2,329)	(21)	2,256	(484)	(578)	830	251
Total changes of items during the period	(2,329)	(21)	2,256	(484)	(578)	830	4,472
Balance at the end of current period	11,908	(25)	2,017	1,932	15,833	6,092	130,788

(4) Consolidated Statements of Cash Flows

	Millions of yen	
	Year ended	Year ended
	March 31, 2021	March 31, 2022
	Apr. 1, 2020 - Mar. 31, 2021	Apr. 1, 2021 - Mar. 31, 2022
Cash flows from operating activities		
Profit before income taxes	12,184	12,001
Depreciation and amortization	2,362	2,496
Amortization of goodwill	638	414
Increase (decrease) in allowance for doubtful accounts	304	385
Increase (decrease) in provision for warranties for completed construction	(400)	210
Increase (decrease) in provision for loss on construction contracts	114	(16)
Increase (decrease) in provision for directors' retirement benefits	(10)	4
Increase (decrease) in provision for share-based remuneration for directors	61	(25)
Increase (decrease) in net defined benefit asset and liability	(97)	(572)
Interest and dividends income	(884)	(916)
Interest expenses	173	303
Gain on step acquisitions	(61)	—
Share of (profit) loss of entities accounted for using equity method	65	32
Loss (gain) on disposal of non-current assets	(193)	(4)
Loss (gain) on sales of investment securities	—	(1,177)
Loss (gain) on valuation of investment securities	0	—
Decrease (increase) in notes and accounts receivable-trade	(4,096)	(846)
Decrease (increase) in inventories	1,050	(655)
Decrease (increase) in accounts receivable-other	(16)	(238)
Increase (decrease) in notes and accounts payable-trade	(6,558)	(6,473)
Increase (decrease) in advances received on uncompleted construction contracts	(209)	(8,014)
Increase (decrease) in accrued consumption taxes	423	(423)
Increase (decrease) in deposits received	(550)	(69)
Increase (decrease) in accrued expenses	(29)	(196)
Other, net	(622)	(2,398)
Subtotal	3,645	(6,181)
Interest and dividends income received	884	916
Interest expenses paid	(173)	(303)
Income taxes paid	(3,382)	(2,976)
Net cash provided by (used in) operating activities	973	(8,544)

	Millions of yen	
	Year ended	Year ended
	March 31, 2021	March 31, 2022
	Apr. 1, 2020 - Mar. 31, 2021	Apr. 1, 2021 - Mar. 31, 2022
Cash flows from investing activities		
Payments into time deposits	(4,071)	(4,327)
Proceeds from withdrawal of time deposits	3,023	4,433
Purchase of property, plant and equipment and intangible assets	(2,270)	(2,314)
Proceeds from sales of property, plant and equipment and intangible assets	824	151
Purchase of investment securities	(14)	(501)
Proceeds from sales of investment securities	—	1,455
Proceeds from redemption of investment securities	0	0
Purchase of investment in capital of subsidiaries resulting in change in scope of consolidation	(4,290)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	311	—
Payments of long-term loans receivable	(54)	(35)
Collection of long-term loans receivable	49	56
Purchase of insurance funds	(0)	(0)
Proceeds from maturity of insurance funds	1	—
Purchase of long-term prepaid expenses	(20)	(9)
Other, net	(400)	18
Net cash provided by (used in) investing activities	<u>(6,913)</u>	<u>(1,071)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	565	8,389
Proceeds from long-term loans payable	4,601	3,438
Repayment of long-term loans payable	(2,814)	(2,460)
Repayments of lease obligations	(100)	(95)
Net decrease (increase) in treasury shares	(0)	50
Cash dividends paid	(3,418)	(3,078)
Cash dividends paid to non-controlling interests	(267)	(239)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(4)
Net cash provided by (used in) financing activities	<u>(1,435)</u>	<u>6,000</u>
Effect of exchange rate change on cash and cash equivalents	<u>(799)</u>	<u>1,737</u>
Net increase (decrease) in cash and cash equivalents	<u>(8,175)</u>	<u>(1,878)</u>
Cash and cash equivalents at beginning of period	<u>58,846</u>	<u>50,670</u>
Cash and cash equivalents at end of period	<u>50,670</u>	<u>48,791</u>

(Change in accounting policy)

(Application of Accounting Standard for Revenue Recognition, etc.)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as "Revenue Recognition Accounting Standard"), etc. have been applied from the beginning of the consolidated fiscal year. In accordance with the Revenue Recognition Accounting Standard etc., revenue is recognized at the amount expected to be received in exchange for the promised goods or services when the control of the goods or services is transferred to the customer. Regarding construction contracts and so on, as a result of examining the identification of performance obligations and the timing of its satisfaction, revenue recognition method has been changed to recognize revenue over time after the application of the Revenue Recognition Accounting Standard etc., though previously the percentage-of-completion method had been applied for construction contracts for which the completion of a certain percentage of the entire work is reliably recognizable and the completed-contract method had been applied for the other construction contracts.

Regarding maintenance contracts and so on, as a result of examining the identification of performance obligations and the timing of its satisfaction, revenue recognition method has been changed to recognize revenue over time after the application of the Revenue Recognition Accounting Standard, though previously revenue had been recognized when service is completely rendered.

The progress of satisfaction of performance obligations in revenue recognition over time is measured by the ratio of incurred costs to estimated total costs (input methods). In addition, revenue is recognized by cost recovery method in case incurred costs are expected to be recoverable though the progress of satisfaction of performance obligations cannot be reasonably measured.

In addition, the sales discount recorded as non-operating expenses in the previous consolidated fiscal year is deducted from the net sales of completed construction contracts from this consolidated fiscal year.

The application of the Revenue Recognition Accounting Standard etc. is pursuant to the transitional treatment stipulated in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. The cumulative effect when applying the Revenue Recognition Accounting Standard etc. retrospectively from before the beginning of the consolidated fiscal year is added to or subtracted from the retained earnings at the beginning of the consolidated fiscal year, and thus the Revenue Recognition Accounting Standard etc. have been applied from the beginning balance.

As a result, consolidated net sales of completed construction contracts increased by 208 million yen, consolidated cost of sales of completed construction contracts increased by 200 million yen, gross profit on completed construction contracts and operating income increased by 8 million yen, ordinary income and profit before income taxes increased by 21 million yen respectively. Also, beginning balance of retained earnings increased by 21 million yen, net assets per share increased by 0.77 yen and net income per share increased by 0.63 yen respectively.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as "Fair Value Measurement Accounting Standard") etc., have been applied from the beginning of the consolidated fiscal year. In accordance with the transitional treatment stipulated in the Paragraph 19 of Fair Value Measurement Accounting Standard and stipulated in the Paragraph 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the new accounting policy stipulated by the Fair Value Measurement Accounting Standard, etc. are applied in the future. These applications have no impact on the consolidated financial statements.

(Additional information)

(Effects of the spread of COVID-19)

The future outlook of the world economy and market environment in our group are on a recovery trend due to widespread vaccine rollouts and so on, though they remain highly uncertain because the effects of the COVID-19 still continue due to widespread of new variant of the COVID-19 and so on.

Under these circumstances, accounting estimates for the valuation of fixed assets including goodwill and so on in the consolidated fiscal year are performed based on the assumption that capital investment will recover mainly in North America, Japan, China, India and so on in the future.

(Segment information)

(Application of Accounting Standard for Revenue Recognition, etc.)

As stated under "Change in accounting policy", the Revenue Recognition Accounting Standard, etc. have been applied from the beginning of the consolidated fiscal year. As a result of a change in the method of accounting treatment for revenue recognition, the method of measuring profit or loss in each reportable segment has also been changed accordingly.

Due to this change, compared with traditional method, net sales of completed construction contracts in Green Technology System increased by 92 million yen and segment profit in Green Technology System decreased by 13 million yen respectively. Also, net sales of completed construction contracts in Paint Finishing System increased by 115 million yen and segment profit in Paint Finishing System increased by 35 million yen respectively.

1. Sales, profits or losses, assets, liabilities and other items by reportable segments

Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Sales					
Sales to customers	134,051	68,497	202,548	—	202,548
Intersegment	6	0	7	(7)	—
Total	134,058	68,497	202,555	(7)	202,548
Segment profit	11,192	911	12,103	183	12,287
Segment assets	110,608	67,985	178,593	50,261	228,855
Other items					
Depreciation expenses	863	1,508	2,371	(8)	2,362
Amortization of goodwill	170	467	638	—	638
Interest income	147	147	295	(4)	291
Interest expenses	3	161	165	8	173
Share of loss of entities accounted for using equity method	(0)	(64)	(65)	—	(65)
Investments in associates accounted for using the equity method	13	517	531	—	531
Increase in tangible and intangible assets	5,483	1,693	7,176	383	7,560

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

(1) Eliminations/ Corporate of Segment profit of 183 million yen includes non-allocatable common profits (net amount of common profit and loss) of 184 million yen and other adjustment of minus 0 million yen.

Non-allocatable common profits are mainly general administrative expense, dividends income etc. those are not attributed to any reportable segments.

(2) Eliminations/ Corporate of Segment assets of 50,261 million yen are elimination of receivable and payable etc. of minus 2,797 million yen and non-allocatable common assets those are not allocated to any segments of 53,059 million yen.

Non-allocatable common assets are mainly cash and deposit, securities, property, plant and equipment, intangible assets and net defined benefit asset etc. those are not attributed to any reportable segments.

(3) Eliminations/ Corporate of increase in tangible and intangible assets of 383 million yen are building and structure, machinery, equipment, vehicles, tools, furniture and fixtures and software etc. those are not attributed to any reportable segments.

(4) The allocation method of assets for reportable segments is different from that of related sales and expenses.

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

Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Sales					
Sales to customers	134,393	74,867	209,261	—	209,261
Intersegment	6	14	20	(20)	—
Total	134,399	74,882	209,282	(20)	209,261
Segment profit	9,302	667	9,969	849	10,818
Segment assets	109,420	70,719	180,139	48,019	228,159
Other items					
Depreciation expenses	1,052	1,461	2,513	(17)	2,496
Amortization of goodwill	362	52	414	—	414
Interest income	108	154	263	(4)	259
Interest expenses	3	294	298	5	303
Share of loss of entities accounted for using equity method	(7)	(25)	(32)	—	(32)
Investments in associates accounted for using the equity method	—	559	559	—	559
Increase in tangible and intangible assets	1,210	900	2,111	212	2,324

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

(1) Eliminations/ Corporate of Segment profit of 849 million yen includes non-allocatable common profits (net amount of common profit and loss) of 849 million yen and other adjustment of 0 million yen.

Non-allocatable common profits are mainly general administrative expense, dividends income etc. those are not attributed to any reportable segments.

(2) Eliminations/ Corporate of Segment assets of 48,019 million yen are elimination of receivable and payable etc. of minus 3,312 million yen and non-allocatable common assets those are not allocated to any segments of 51,332 million yen.

Non-allocatable common assets are mainly cash and deposit, securities, property, plant and equipment, intangible assets and net defined benefit asset etc. those are not attributed to any reportable segments.

(3) Eliminations/ Corporate of increase in tangible and intangible assets of 212 million yen are building and structure, machinery, equipment, vehicles, tools, furniture and fixtures and software etc. those are not attributed to any reportable segments.

(4) The allocation method of assets for reportable segments is different from that of related sales and expenses.

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

2. Sales by regions

Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)

Millions of yen

Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other South East Asia	China	Other East Asia			
109,757	19,697	16,267	19,072	13,319	2,649	5,488	16,296	202,548

Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)

Millions of yen

Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other South East Asia	China	Other East Asia			
107,708	17,347	17,106	19,765	14,416	2,605	11,456	18,855	209,261

3. Property, plant and equipment

As of March 31, 2021

Millions of yen

Japan	Thailand	Indonesia	China	India	Italy	Other	Total
4,758	515	208	506	1,794	1,818	548	10,150

As of March 31, 2022

Millions of yen

Japan	Thailand	Indonesia	China	India	Italy	Other	Total
5,249	490	205	491	1,994	2,300	512	11,243

4. Impairment loss of the non-current assets by reportable segments

Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Impairment loss	156	—	156	202	359

(Note) Eliminations/ Corporate is generated from impairment loss of idle assets.

Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Impairment loss	—	—	—	0	0

(Note) Eliminations/ Corporate is generated from impairment loss of idle assets.

5. Amortization of goodwill and the unamortized balance by reportable segments

As of March 31, 2021

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Balance as of March 31, 2021	3,419	665	4,084	—	4,084

(Note) Amortization of goodwill is omitted because this information is already disclosed in "Sales, profits or losses, assets, liabilities and other items by reportable segments".

As of March 31, 2022

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Balance as of March 31, 2022	3,282	684	3,966	—	3,966

(Note) Amortization of goodwill is omitted because this information is already disclosed in "Sales, profits or losses, assets, liabilities and other items by reportable segments".

(Significant subsequent events)

(Change in Consolidated Subsidiaries)

On April 19, 2022, the Company entered into a contract to transfer a portion of its shares in Geico S.p.A. ("Geico") and the transfer has been completed on April 20, 2022.

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 ("Geico Group") have been excluded from the scope of consolidation.

1. Reasons for the Share transfer

Since 2011, the Company has acquired 51.0% of Geico's outstanding shares and has been working to complement and strengthen the technological and market strengths of the two companies through the capital alliance with Geico.

Because of the continuing pandemic situation caused by the COVID-19 and the conflict between Russia and Ukraine which is expected to affect the capital investment of European automakers and cause a sharp rise in price of resource, materials and equipment, the Paint Finishing System business of the Company focuses on the automobile market in regions other than Europe in external collaboration with Geico and expands automation business areas other than the automobile market in order to improve medium- to long-term business value.

Given the above background and in accordance with the purpose of the Corporate Governance Code, the Company has decided to reduce the shareholding ratio in Geico from 51.0% to 14.5% from the view of focusing on capital efficiency.

2. Overview of consolidated subsidiary to be changed

(1) Company name	Geico S.p.A.
(2) Location	Cinisello Balsamo, Milan, Italy
(3) Representative & title	Daryush Arabnia, President and Chairman
(4) Description of business	Design and construction of paint finishing systems and plants for the automotive industry
(5) Capita	EUR 3,627,000 (JPY 423 million)
(6) Date of establishment	December 1963
(7) Major shareholders & ratio of shareholding	Taikisha Ltd. 51% Gecofin S.p.A. 49%

3. Overview of the counterparty of the Share Transfer

(1) Company name	Gecofin S.p.A.
(2) Location	Cinisello Balsamo, Milan, Italy

4. Schedule of the Share Transfer

(1) Date of Board of Directors resolution	April 19, 2022
(2) Contract date	April 19, 2022

5. Future outlook

As the result of this share transfer, though the Geico Group will be excluded from the scope of consolidation, the Company will maintain its global business Alliance with Geico and continue to collaborate on a project basis.

The impact on financial results is currently being aggregated.

2 Non-consolidated Financial Statements

(1) Balance Sheets (Non-consolidated)

Millions of yen

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	19,308	22,145
Notes receivable-trade	302	258
Electronically recorded monetary claims	1,855	2,046
Accounts receivable from completed construction contracts	62,691	60,373
Securities	2,000	3,000
Costs on uncompleted construction contracts	448	36
Raw materials and supplies	135	183
Prepaid expenses	359	393
Accounts receivable-other	2,409	3,006
Other	1,384	1,497
Allowance for doubtful accounts	(234)	(238)
Total current assets	90,660	92,702
Non-current assets		
Property, plant and equipment		
Buildings	4,532	4,204
Accumulated depreciation	(2,149)	(1,966)
Buildings, net	2,383	2,237
Structures	109	108
Accumulated depreciation	(76)	(79)
Structures, net	32	29
Machinery and equipment	1,011	1,010
Accumulated depreciation	(692)	(733)
Machinery and equipment, net	318	276
Vehicles	1	1
Accumulated depreciation	(0)	(0)
Vehicles, net	0	0
Tools, furniture and fixtures	801	812
Accumulated depreciation	(637)	(695)
Tools, furniture and fixtures, net	164	117
Land	1,105	1,039
Construction in progress	79	58
Total property, plant and equipment	4,085	3,758
Intangible assets		
Leasehold right	0	0
Software	1,337	870
Other	1	0
Total intangible assets	1,339	872

Millions of yen

	As of March 31, 2021	As of March 31, 2022
Investments and other assets		
Investment securities	32,136	29,033
Shares of subsidiaries and associates	14,432	14,454
Investments in capital	0	0
Long-term loans receivable	—	390
Long-term loans receivable from employees	4	3
Lease and guarantee deposits	1,265	1,253
Long-term prepaid expenses	7	2
Prepaid pension cost	5,502	6,116
Claims provable in bankruptcy, claims provable in rehabilitation and other	0	—
Other	9	9
Allowance for doubtful accounts	(4)	(3)
Total investments and other assets	53,354	51,260
Total non-current assets	58,778	55,890
Total assets	149,439	148,593
Liabilities		
Current liabilities		
Notes payable-trade	4,693	2,304
Electronically recorded obligations - operating	13,018	13,620
Accounts payable for construction contracts	12,581	11,533
Short-term loans payable	2,357	2,522
Accounts payable-other	6,123	4,116
Accrued expenses	611	521
Income taxes payable	1,022	971
Advances received on uncompleted construction contracts	890	1,228
Deposits received	245	253
Unearned revenue	6	6
Provision for warranties for completed construction	184	203
Provision for loss on construction contracts	193	321
Provision for directors' bonuses	61	40
Provision for business restructuring	—	2,461
Other	746	524
Total current liabilities	42,737	40,629
Non-current liabilities		
Long-term loans payable	176	100
Deferred tax liabilities	5,391	4,377
Provision for retirement benefits	97	114
Provision for share-based remuneration for directors	171	145
Other	71	115
Total non-current liabilities	5,907	4,852
Total liabilities	48,645	45,482

	As of March 31, 2021	As of March 31, 2022
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus		
Legal capital surplus	7,297	7,297
Other capital surplus	116	116
Total capital surpluses	7,413	7,413
Retained earnings		
Legal retained earnings	1,613	1,613
Other retained earnings		
Reserve for reduction entry	0	0
Reserve for investment on information technology	1,560	1,280
General reserve	35,720	35,720
Retained earnings brought forward	36,391	41,288
Total retained earnings	75,285	79,902
Treasury shares	(2,594)	(2,544)
Total shareholders' equity	86,559	91,227
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,237	11,908
Deferred gains or losses on hedges	(3)	(24)
Total valuation and translation adjustments	14,234	11,883
Total net assets	100,794	103,110
Total liabilities and net assets	149,439	148,593

(2) Income Statements (Non-consolidated)

	Millions of yen	
	Year ended	Year ended
	March 31, 2021 Apr. 1, 2020 - Mar. 31, 2021	March 31, 2022 Apr. 1, 2021 - Mar. 31, 2022
Net sales of completed construction contracts	108,667	107,435
Cost of sales of completed construction contracts	88,998	88,835
Gross profit on completed construction contracts	19,668	18,599
Selling, general and administrative expenses		
Directors' compensations	399	359
Employees' salaries and allowances	6,039	5,560
Provision for directors' bonuses	61	40
Retirement benefit expenses	385	211
Provision for share-based remuneration for directors	61	40
Legal welfare expenses	843	844
Welfare expenses	362	344
Repair and maintenance	123	123
Stationery expenses	460	511
Correspondence and transportation expenses	459	477
Power utilities expenses	45	50
Research study expenses	377	339
Advertising expenses	148	107
Provision of allowance for doubtful accounts	0	4
Entertainment expenses	25	32
Donation	5	4
Rents	974	894
Depreciation	860	837
Taxes and dues	457	434
Insurance expenses	40	42
Miscellaneous expenses	1,006	1,350
Total selling, general and administrative expenses	13,138	12,610
Operating income	6,530	5,989
Non-operating income		
Interest income	0	2
Interest on securities	0	0
Dividends income	2,799	3,586
Dividends income of insurance	145	157
Real estate rent	169	195
Foreign exchange gains	81	138
Technical advisory fee	1,359	1,249
Other	33	97
Total non-operating income	4,590	5,428
Non-operating expenses		
Interest expenses	14	12
Sales discounts	101	—
Rent expenses on real estates	48	35
Provision of allowance for doubtful accounts	213	0
Other	52	47
Total non-operating expenses	430	95
Ordinary income	10,690	11,323

	Millions of yen	
	Year ended	Year ended
	March 31, 2021	March 31, 2022
	Apr. 1, 2020 - Mar. 31, 2021	Apr. 1, 2021 - Mar. 31, 2022
Extraordinary income		
Gain on disposal of non-current assets	592	0
Gain on sales of investment securities	—	1,177
Total extraordinary income	592	1,178
Extraordinary losses		
Loss on disposal of non-current assets	420	42
Impairment loss	353	0
Loss on valuation of shares of subsidiaries and associates	729	62
Business restructuring expenses	—	2,461
Total extraordinary losses	1,502	2,566
Income before income taxes	9,779	9,935
Income taxes-current	2,530	2,303
Income taxes-deferred	480	(25)
Total income taxes	3,010	2,278
Profit	6,769	7,657

(3) Statements of Changes in Net Assets (Non-consolidated)

Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)

Millions of yen

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings		
						Reserve for reduction entry	Reserve for investment on information technology	General reserve
Balance at the beginning of current period	6,455	7,297	116	7,413	1,613	0	1,840	35,720
Cumulative effects of changes in accounting policies								
Restated balance	6,455	7,297	116	7,413	1,613	0	1,840	35,720
Changes of items during the period								
Provision of reserve for investment on information technology							200	
Reversal of reserve for investment on information technology							(480)	
Dividends of surplus								
Profit								
Purchase of treasury shares								
Disposal of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	—	—	—	—	(280)	—
Balance at the end of current period	6,455	7,297	116	7,413	1,613	0	1,560	35,720

Millions of yen

	Shareholders' equity				Valuation and translation adjustments			Total Net assets
	Retained earnings		Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Other retained earnings	Total Retained earnings						
	Retained earnings brought forward							
Balance at the beginning of current period	32,763	71,937	(2,593)	83,212	8,376	(0)	8,376	91,588
Cumulative effects of changes in accounting policies		—		—				—
Restated balance	32,763	71,937	(2,593)	83,212	8,376	(0)	8,376	91,588
Changes of items during the period								
Provision of reserve for investment on information technology	(200)	—		—				—
Reversal of reserve for investment on information technology	480	—		—				—
Dividends of surplus	(3,420)	(3,420)		(3,420)				(3,420)
Profit	6,769	6,769		6,769				6,769
Purchase of treasury shares			(0)	(0)				(0)
Disposal of treasury shares				—				—
Net changes of items other than shareholders' equity					5,860	(3)	5,857	5,857
Total changes of items during the period	3,628	3,348	(0)	3,347	5,860	(3)	5,857	9,205
Balance at the end of current period	36,391	75,285	(2,594)	86,559	14,237	(3)	14,234	100,794

Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)

Millions of yen

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings		
						Reserve for reduction entry	Reserve for investment on information technology	General reserve
Balance at the beginning of current period	6,455	7,297	116	7,413	1,613	0	1,560	35,720
Cumulative effects of changes in accounting policies								
Restated balance	6,455	7,297	116	7,413	1,613	0	1,560	35,720
Changes of items during the period								
Provision of reserve for investment on information technology							200	
Reversal of reserve for investment on information technology							(480)	
Dividends of surplus								
Profit								
Purchase of treasury shares								
Disposal of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	—	—	—	—	(280)	—
Balance at the end of current period	6,455	7,297	116	7,413	1,613	0	1,280	35,720

Millions of yen

	Shareholders' equity				Valuation and translation adjustments			Total Net assets
	Retained earnings		Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Other retained earnings	Total Retained earnings						
	Retained earnings brought forward	earnings						
Balance at the beginning of current period	36,391	75,285	(2,594)	86,559	14,237	(3)	14,234	100,794
Cumulative effects of changes in accounting policies	38	38		38				38
Restated balance	36,430	75,324	(2,594)	86,598	14,237	(3)	14,234	100,832
Changes of items during the period								
Provision of reserve for investment on information technology	(200)	—		—				—
Reversal of reserve for investment on information technology	480	—		—				—
Dividends of surplus	(3,078)	(3,078)		(3,078)				(3,078)
Profit	7,657	7,657		7,657				7,657
Purchase of treasury shares			(1)	(1)				(1)
Disposal of treasury shares			51	51				51
Net changes of items other than shareholders' equity					(2,329)	(21)	(2,350)	(2,350)
Total changes of items during the period	4,858	4,578	50	4,628	(2,329)	(21)	(2,350)	2,278
Balance at the end of current period	41,288	79,902	(2,544)	91,227	11,908	(24)	11,883	103,110

(Change in accounting policy)

(Application of Accounting Standard for Revenue Recognition, etc.)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as "Revenue Recognition Accounting Standard"), etc. have been applied from the beginning of the fiscal year. In accordance with the Revenue Recognition Accounting Standard etc., revenue is recognized at the amount expected to be received in exchange for the promised goods or services when the control of the goods or services is transferred to the customer. Regarding construction contracts and so on, as a result of examining the identification of performance obligations and the timing of its satisfaction, revenue recognition method has been changed to recognize revenue over time after the application of the Revenue Recognition Accounting Standard etc., though previously the percentage-of-completion method had been applied for construction contracts for which the completion of a certain percentage of the entire work is reliably recognizable and the completed-contract method had been applied for the other construction contracts.

Regarding maintenance contracts and so on, as a result of examining the identification of performance obligations and the timing of its satisfaction, revenue recognition method has been changed to recognize revenue over time after the application of the Revenue Recognition Accounting Standard, though previously revenue had been recognized when service is completely rendered.

The progress of satisfaction of performance obligations in revenue recognition over time is measured by the ratio of incurred costs to estimated total costs (input methods). In addition, revenue is recognized by cost recovery method in case incurred costs are expected to be recoverable though the progress of satisfaction of performance obligations cannot be reasonably measured.

In addition, the sales discount recorded as non-operating expenses in the previous fiscal year is deducted from the net sales of completed construction contracts from this fiscal year.

The application of the Revenue Recognition Accounting Standard etc. is pursuant to the transitional treatment stipulated in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. The cumulative effect when applying the Revenue Recognition Accounting Standard etc. retrospectively from before the beginning of the fiscal year is added to or subtracted from the retained earnings at the beginning of the fiscal year, and thus the Revenue Recognition Accounting Standard etc. have been applied from the beginning balance.

As a result, net sales of completed construction contracts increased by 173 million yen, cost of sales of completed construction contracts increased by 200 million yen, gross profit on completed construction contracts and operating income decreased by 27 million yen, ordinary income and profit before income taxes decreased by 13 million yen respectively. Also, beginning balance of retained earnings increased by 38 million yen, net assets per share increased by 0.74 yen and net income per share decreased by 0.40 yen respectively.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as "Fair Value Measurement Accounting Standard") etc., have been applied from the beginning of the fiscal year. In accordance with the transitional treatment stipulated in the Paragraph 19 of Fair Value Measurement Accounting Standard and stipulated in the Paragraph 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the new accounting policy stipulated by the Fair Value Measurement Accounting Standard, etc. are applied in the future. These applications have no impact on the financial statements.

(Additional information)

(Effects of the spread of COVID-19)

The future outlook of the world economy and market environment for the Company are on a recovery trend due to widespread vaccine rollouts and so on, though they remain highly uncertain because the effects of the COVID-19 still continue due to widespread of new variant of the COVID-19 and so on.

Under these circumstances, accounting estimates for the valuation of shares of subsidiaries and associates and so on in the fiscal year are performed based on the assumption that capital investment will recover mainly in North America, Japan, China, India and so on in the future.

(Supplementary information)

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

Millions of yen

	Year ended March 31, 2021 (Apr. 1, 2020 - Mar. 31, 2021)		Year ended March 31, 2022 (Apr. 1, 2021 - Mar. 31, 2022)		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Orders-received						
Green Technology System Division						
HVAC for buildings	45,910	22.9	43,329	18.7	(2,581)	(5.6)
Industrial HVAC	89,607	44.7	115,588	49.8	25,981	29.0
Total	135,518	67.6	158,917	68.5	23,399	17.3
[Overseas]	[38,800]	[19.4]	[35,964]	[15.5]	[(2,835)]	[(7.3)]
Paint Finishing System Division	64,951	32.4	73,202	31.5	8,251	12.7
[Overseas]	[49,528]	[24.7]	[52,686]	[22.7]	[3,158]	[6.4]
Total	200,469	100.0	232,120	100.0	31,651	15.8
[Overseas]	[88,328]	[44.1]	[88,650]	[38.2]	[322]	[0.4]
Net sales of completed construction contracts						
Green Technology System Division						
HVAC for buildings	40,952	20.2	40,978	19.6	26	0.1
Industrial HVAC	93,099	46.0	93,414	44.6	315	0.3
Total	134,051	66.2	134,393	64.2	341	0.3
[Overseas]	[37,290]	[18.4]	[40,255]	[19.2]	[2,964]	[8.0]
Paint Finishing System Division	68,497	33.8	74,867	35.8	6,370	9.3
[Overseas]	[55,500]	[27.4]	[61,297]	[29.3]	[5,796]	[10.4]
Total	202,548	100.0	209,261	100.0	6,712	3.3
[Overseas]	[92,791]	[45.8]	[101,552]	[48.5]	[8,761]	[9.4]
Construction carried forward						
Green Technology System Division						
HVAC for buildings	50,563	29.3	52,777	26.6	2,214	4.4
Industrial HVAC	67,477	39.2	90,388	45.6	22,910	34.0
Total	118,041	68.5	143,166	72.2	25,125	21.3
[Overseas]	[36,939]	[21.4]	[33,672]	[17.0]	[(3,266)]	[(8.8)]
Paint Finishing System Division	54,189	31.5	55,123	27.8	933	1.7
[Overseas]	[45,212]	[26.3]	[39,218]	[19.8]	[(5,993)]	[(13.3)]
Total	172,231	100.0	198,289	100.0	26,058	15.1
[Overseas]	[82,151]	[47.7]	[72,891]	[36.8]	[(9,260)]	[(11.3)]

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

2. In the previous consolidated fiscal year, there is 6 million yen difference between net sales of completed construction contracts of 134,051 million yen and total sales of 134,058 million yen in the segment information by the Green Technology System Division.

There is 0 million yen difference between net sales of completed construction contracts of 68,497 million yen and total sales of 68,497 million yen in the segment information by Paint Finishing System Division.

Above differences are due to intersegment sales.

3. In the consolidated fiscal year, there is 6 million yen difference between net sales of completed construction contracts of 134,393 million yen and total sales of 134,399 million yen in the segment information by the Green Technology System Division.

There is 14 million yen difference between net sales of completed construction contracts of 74,867 million yen and total sales of 74,882 million yen in the segment information by Paint Finishing System Division.

Above differences are due to intersegment sales.

4.Regarding foreign exchange translation of contracts carried forward from previous year in foreign subsidiaries, fluctuation amount because of foreign exchange is adjusted in the beginning balance of construction contracts carried forward.

Beginning balance of construction contracts brought forward after adjustment in the fiscal year is as follows.

Green Technology System Division

HVAC for buildings	50,427 million yen		
Industrial HVAC	68,215 million yen	[overseas	37,964 million yen]
Sub total	118,642 million yen	[overseas	37,964 million yen]
Paint Finishing System Division	56,789 million yen	[overseas	47,829 million yen]
Total	175,431 million yen	[overseas	85,793 million yen]

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

Millions of yen

	Year ended March 31, 2021 (Apr. 1, 2020 - Mar. 31, 2021)		Year ended March 31, 2022 (Apr. 1, 2021 - Mar. 31, 2022)		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Orders-received						
Green Technology System Division						
HVAC for buildings	43,610	38.9	40,766	28.1	(2,843)	(6.5)
Industrial HVAC	50,949	45.5	79,619	54.8	28,669	56.3
Total	94,559	84.4	120,385	82.9	25,825	27.3
[Overseas]	[282]	[0.3]	[148]	[0.1]	[(133)]	[(47.5)]
Paint Finishing System Division	17,512	15.6	24,893	17.1	7,380	42.1
[Overseas]	[3,995]	[3.6]	[6,029]	[4.2]	[2,033]	[50.9]
Total	112,072	100.0	145,278	100.0	33,206	29.6
[Overseas]	[4,277]	[3.9]	[6,177]	[4.3]	[1,899]	[44.4]
Net sales of completed construction contracts						
Green Technology System Division						
HVAC for buildings	37,797	34.8	38,301	35.7	504	1.3
Industrial HVAC	55,995	51.5	53,341	49.6	(2,653)	(4.7)
Total	93,793	86.3	91,643	85.3	(2,149)	(2.3)
[Overseas]	[311]	[0.3]	[317]	[0.3]	[6]	[2.1]
Paint Finishing System Division	14,874	13.7	15,791	14.7	917	6.2
[Overseas]	[3,706]	[3.4]	[4,177]	[3.9]	[470]	[12.7]
Total	108,667	100.0	107,435	100.0	(1,231)	(1.1)
[Overseas]	[4,018]	[3.7]	[4,494]	[4.2]	[476]	[11.9]
Construction carried forward						
Green Technology System Division						
HVAC for buildings	49,736	54.2	52,068	40.3	2,332	4.7
Industrial HVAC	30,686	33.5	56,679	43.9	25,992	84.7
Total	80,423	87.7	108,748	84.2	28,325	35.2
[Overseas]	[172]	[0.2]	[2]	[0.0]	[(169)]	[(98.6)]
Paint Finishing System Division	11,278	12.3	20,352	15.8	9,074	80.5
[Overseas]	[3,189]	[3.5]	[5,025]	[3.9]	[1,836]	[57.6]
Total	91,701	100.0	129,100	100.0	37,399	40.8
[Overseas]	[3,361]	[3.7]	[5,027]	[3.9]	[1,666]	[49.6]