April 26, 2019

Announcement of Revision of Earnings Forecasts for the Fiscal Year ended March 31, 2019

Based on recent trends in business performance, Taikisha Ltd. (the "Company") has revised its consolidated and non-consolidated earnings forecasts for the fiscal year ended March 31, 2019 (April 1, 2018 through March 31, 2019), which were announced on November 12, 2018.

1. Revision of the earnings forecasts

(1) Consolidated earnings forecasts for the fiscal year ended March 31, 2019 (April 1, 2018 through March 31, 2019)

	Sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A) (Announced on November 12, 2018)	million yen 220,000	million yen 12,300	million yen 13,000	million yen 6,200	yen 181.98
Revised forecast (B)	225,000	14,000	15,000	8,800	258.30
Change in amount (B - A)	5,000	1,700	2,000	2,600	―
Percentage of change (%)	2.3	13.8	15.4	41.9	―
<Reference> Results for the same period of last year	231,898	12,180	13,082	7,254	212.40

(2) Non-consolidated earnings forecasts for the fiscal year ended March 31, 2019 (April 1, 2018 through March 31, 2019)

	Sales	Ordinary income	Profit	Basic earnings per share
Previous forecast (A) (Announced on November 12, 2018)	million yen 122,000	million yen 11,800	million yen 5,300	yen 155.57
Revised forecast (B)	125,000	12,300	7,200	211.34
Change in amount (B - A)	3,000	500	1,900	―
Percentage of change (%)	2.5	4.2	35.8	―
<Reference> Results for the same period of last year	123,584	12,315	7,899	231.27

2. Reasons for the Revision

As "Recognition of Extraordinary Loss and Revision of Earnings Forecasts" which was announced on October 24, 2018, the Company had recognized extraordinary losses in both non-consolidated and consolidated results. This is because results in Geico S.p.A ("Geico") overseas consolidated subsidiary of the Company and J-CO America Corporation consolidated subsidiary of Geico had been significantly lower than their target due to decrease in profitability of US's large-scale projects etc. Hence, the Company had recognized impairment loss on shares of Geico in the non-consolidated results, and had recognized one-time amortization of goodwill related to Geico in the consolidated results. Thereafter, since estimated results of these companies have been improved compared to the earnings forecasts announced on November 12, 2018, the Company revaluated its shares of these companies. As a result, extraordinary losses are expected to decrease due to decrease in impairment loss on shares of subsidiary in the non-consolidated results by nearly 800 million yen and decrease in amortization of goodwill in the consolidated results by nearly 600 million yen.

Regarding non-consolidated earnings forecasts, as a result of strengthening of construction response capability, sales increased due to the volume of construction exceeded compared to the last announcement. As for profits, ordinary income is expected to increase due to the improvement in profitability. In addition to above, profit is expected to increase due to decrease in impairment loss of subsidiary and gain on sales of cross-shareholdings, etc.

Regarding consolidated earnings forecasts, sales, operating income, and ordinary income are expected to increase due to the improvement in results of non-consolidated as well as overseas consolidated subsidiaries. In addition to above, profit attributable to owners of parent is expected to increase due to decrease in amortization of goodwill etc.

(Note)

The above-mentioned earnings forecasts are based on information available as of the date of this announcement. Actual results may differ from the forecasts due to various factors.