

Financial Report for the Fiscal Year ended March 31, 2021

May 17, 2021

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..... First Section of Tokyo Stock Exchange

Code..... 1979

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

Contact..... Yasushi Nakajima, Director, Executive Corporate Officer, Administrative Management
Headquarters Chief Executive

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Scheduled date for annual general meeting of shareholders : June 29, 2021

Scheduled date to commence dividends payments : June 30, 2021

Scheduled date to submit securities report : June 29, 2021

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, 2020 through March 31, 2021)

(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, 2021	202,548	(10.1)	11,690	(24.3)	12,287	(23.2)	8,279	(9.3)
March 31, 2020	225,378	(0.0)	15,439	10.0	15,991	6.0	9,132	3.3

(Note) Comprehensive income Year ended March 31, 2021 16,748 million yen 208.0 %
Year ended March 31, 2020 5,437 million yen (19.1) %

	Basic earnings per share	Diluted earning 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, 2021	243.03	—	7.2	5.5	5.8
March 31, 2020	268.07	—	8.4	7.3	6.9

(Note) Equity in earnings of affiliates Year ended March 31, 2021 (65) million yen
Year ended March 31, 2020 (74) 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, 2021	228,855	126,311	52.9	3,552.69
March 31, 2020	215,389	112,843	50.2	3,176.25

(Note) Shareholders' Equity As of March 31, 2021 121,033 million yen
As of March 31, 2020 108,209 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, 2021	973	(6,913)	(1,435)	50,670
March 31, 2020	21,386	(877)	(11,475)	58,846

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, 2020	—	30.00	—	70.00	100.00	3,420	37.3	3.1
March 31, 2021	—	30.00	—	60.00	90.00	3,078	37.0	2.7
Year ending March 31, 2022 (Forecast)	—	30.00	—	70.00	100.00		40.6	

(Note) Dividends Paid (Total) for the fiscal year ended March 31, 2020 and March 31, 2021 includes dividends of 13 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, 2022 (April 1, 2021 through March 31, 2022)

(% 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	92,000	12.8	2,300	(27.9)	2,700	(27.3)	1,700	(44.6)	49.89
Full year	218,000	7.6	12,700	8.6	13,500	9.9	8,400	1.5	246.56

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. : None
- (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, 2021 35,082,009 shares
- As of March 31, 2020 35,082,009 shares
- (ii) Number of treasury shares at end of period
- As of March 31, 2021 1,013,823 shares
- As of March 31, 2020 1,013,573 shares
- (iii) Average number of shares during the period
- Year ended March 31, 2021 34,068,329 shares
- Year ended March 31, 2020 34,068,618 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, 2021 and as of March 31, 2020 are 136,400 and 136,400, respectively. The average number of treasury shares owned by the trust for the year ended March 31, 2021 and for the year ended March 31, 2020 are 136,400 and 83,938, respectively.

(Reference) Summary of Non-Consolidated Operating Performance

1. Non-Consolidated Operating Performance (April 1, 2020 through March 31, 2021)

(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, 2021	108,667	(18.1)	6,530	(20.1)	10,690	(5.7)	6,769	(11.5)
March 31, 2020	132,630	6.0	8,171	(4.3)	11,333	(8.2)	7,645	5.2

	Basic earnings per share	Diluted earning per share
Year ended	yen	yen
March 31, 2021	198.69	—
March 31, 2020	224.40	—

(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, 2021	149,439	100,794	67.4	2,958.60
March 31, 2020	145,603	91,588	62.9	2,688.38

(Note) Shareholders' Equity

As of March 31, 2021 100,794 million yen

As of March 31, 2020 91,588 million yen

**2. Non-Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2022
(April 1, 2021 through March 31, 2022)**

(% indicates increase ratio over previous year)

	Sales		Ordinary income		Profit		Basic earnings per share
	million yen	%	million yen	%	million yen	%	yen
Half year	44,900	(2.5)	2,400	(28.3)	1,800	(33.7)	52.83
Full year	109,300	0.6	9,300	(13.0)	7,100	4.9	208.40

※ 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, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	57,626	52,059
Notes receivable, accounts receivable from completed construction contracts and other	96,726	101,413
Securities	3,500	2,000
Costs on uncompleted construction contracts	3,097	1,816
Raw materials and supplies	358	679
Other	7,979	8,068
Allowance for doubtful accounts	(329)	(649)
Total current assets	168,958	165,387
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,632	8,035
Machinery, vehicles, tools, furniture and fixtures	11,002	11,720
Land	2,038	1,772
Other	703	553
Accumulated depreciation	(11,884)	(11,931)
Total property, plant and equipment	10,493	10,150
Intangible assets		
Goodwill	755	4,084
Customer-related assets	—	1,389
Other	2,824	2,976
Total intangible assets	3,580	8,450
Investments and other assets		
Investment securities	24,388	32,677
Deferred tax assets	655	1,026
Net defined benefit asset	5,181	9,111
Other	2,187	2,100
Allowance for doubtful accounts	(55)	(48)
Total investments and other assets	32,357	44,866
Total non-current assets	46,430	63,468
Total assets	215,389	228,855

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	57,623	52,050
Short-term loans payable	6,460	6,588
Income taxes payable	1,481	1,607
Advances received on uncompleted construction contracts	14,342	14,200
Provision for warranties for completed construction	836	475
Provision for loss on construction contracts	289	403
Provision for directors' bonuses	116	63
Other	12,772	11,528
Total current liabilities	93,924	86,919
Non-current liabilities		
Long-term loans payable	1,952	4,769
Deferred tax liabilities	4,497	8,821
Provision for directors' retirement benefits	51	40
Provision for share-based remuneration for directors	109	171
Net defined benefit liability	1,706	1,507
Other	305	315
Total non-current liabilities	8,622	15,625
Total liabilities	102,546	102,544
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus	5,058	5,058
Retained earnings	90,842	95,701
Treasury shares	(2,593)	(2,594)
Total shareholders' equity	99,762	104,620
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,376	14,237
Deferred gains or losses on hedges	(0)	(3)
Foreign currency translation adjustment	372	(237)
Accumulated remeasurements of defined benefit plans	(302)	2,416
Total accumulated other comprehensive income	8,447	16,412
Non-controlling interests	4,633	5,277
Total net assets	112,843	126,311
Total liabilities and net assets	215,389	228,855

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

	Millions of yen	
	Year ended March 31, 2020 Apr. 1, 2019 - Mar. 31, 2020	Year ended March 31, 2021 Apr. 1, 2020 - Mar. 31, 2021
Net sales of completed construction contracts	225,378	202,548
Cost of sales of completed construction contracts	187,683	168,521
Gross profit on completed construction contracts	37,694	34,027
Selling, general and administrative expenses		
Directors' compensations	894	870
Employees' salaries and allowances	8,911	8,538
Provision for directors' bonuses	116	63
Retirement benefit expenses	534	560
Provision for directors' retirement benefits	15	12
Provision for share-based remuneration for directors	109	61
Correspondence and transportation expenses	1,227	823
Provision of allowance for doubtful accounts	(62)	201
Rents	1,539	1,603
Depreciation	1,947	2,084
Amortization of goodwill	92	638
Other	6,928	6,878
Total selling, general and administrative expenses	22,254	22,336
Operating income	15,439	11,690
Non-operating income		
Interest income	358	291
Dividend income	635	593
Dividend income of insurance	124	145
Real estate rent	109	100
Other	221	483
Total non-operating income	1,450	1,613
Non-operating expenses		
Interest expenses	174	173
Sales discounts	160	101
Rent expenses on real estates	23	27
Foreign exchange losses	385	330
Provision of allowance for doubtful accounts	4	213
Share of loss of entities accounted for using equity method	74	65
Other	75	104
Total non-operating expenses	898	1,016
Ordinary income	15,991	12,287

	Millions of yen	
	Year ended	Year ended
	March 31, 2020	March 31, 2021
	Apr. 1, 2019 - Mar. 31, 2020	Apr. 1, 2020 - Mar. 31, 2021
Extraordinary income		
Gain on disposal of non-current assets	58	618
Gain on sales of investment securities	447	—
Gain on step acquisitions	—	61
Total extraordinary income	506	680
Extraordinary losses		
Loss on disposal of non-current assets	83	425
Impairment loss	97	359
Loss on sales of investment securities	0	—
Loss on valuation of investment securities	0	0
Amortization of goodwill	455	—
Total extraordinary losses	637	784
Profit before income taxes	15,860	12,184
Income taxes-current	4,636	3,755
Income taxes-deferred	1,560	(243)
Total income taxes	6,197	3,512
Profit	9,663	8,671
Profit attributable to non-controlling interests	530	392
Profit attributable to owners of parent	9,132	8,279

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2021
	Apr. 1, 2019 - Mar. 31, 2020	Apr. 1, 2020 - Mar. 31, 2021
Profit	9,663	8,671
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,465)	5,860
Deferred gains or losses on hedges	0	(3)
Foreign currency translation adjustment	147	(546)
Remeasurements of defined benefit plans	(891)	2,758
Share of other comprehensive income of entities accounted for using equity method	(16)	6
Total other comprehensive income	(4,225)	8,076
Comprehensive income	5,437	16,748
Comprehensive income attributable to :		
Owners of parent	5,001	16,245
Non-controlling interests	436	503

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2020 (April 1, 2019 through March 31, 2020)

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	7,244	84,984	(2,476)	96,208
Changes of items during the period					
Dividends of surplus			(3,274)		(3,274)
Profit attributable to owners of parent			9,132		9,132
Purchase of treasury shares				(450)	(450)
Disposal of treasury shares		116		333	449
Purchase of shares of consolidated subsidiaries		(2,303)			(2,303)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(2,186)	5,858	(117)	3,553
Balance at the end of current period	6,455	5,058	90,842	(2,593)	99,762

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	11,842	(0)	164	572	12,578	4,862	113,649
Changes of items during the period							
Dividends of surplus							(3,274)
Profit attributable to owners of parent							9,132
Purchase of treasury shares							(450)
Disposal of treasury shares							449
Purchase of shares of consolidated subsidiaries							(2,303)
Net changes of items other than shareholders' equity	(3,465)	0	208	(874)	(4,131)	(229)	(4,360)
Total changes of items during the period	(3,465)	0	208	(874)	(4,131)	(229)	(806)
Balance at the end of current period	8,376	(0)	372	(302)	8,447	4,633	112,843

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
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)
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
Changes of items during the period							
Dividends of surplus							(3,420)
Profit attributable to owners of parent							8,279
Purchase of treasury shares							(0)
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

(4) Consolidated Statements of Cash Flows

	Millions of yen	
	Year ended	Year ended
	March 31, 2020	March 31, 2021
	Apr. 1, 2019 - Mar. 31, 2020	Apr. 1, 2020 - Mar. 31, 2021
Cash flows from operating activities		
Profit before income taxes	15,860	12,184
Depreciation and amortization	2,167	2,362
Amortization of goodwill	548	638
Increase (decrease) in allowance for doubtful accounts	(100)	304
Increase (decrease) in provision for warranties for completed construction	50	(400)
Increase (decrease) in provision for loss on construction contracts	(112)	114
Increase (decrease) in provision for directors' retirement benefits	(11)	(10)
Increase (decrease) in provision for share-based remuneration for directors	109	61
Increase (decrease) in net defined benefit asset and liability	(242)	(97)
Interest and dividends income	(993)	(884)
Interest expenses	174	173
Gain on step acquisitions	—	(61)
Share of (profit) loss of entities accounted for using equity method	74	65
Loss (gain) on disposal of non-current assets	24	(193)
Loss (gain) on sales of investment securities	(447)	—
Loss (gain) on valuation of investment securities	0	0
Decrease (increase) in notes and accounts receivable-trade	7,852	(4,096)
Decrease (increase) in inventories	(311)	1,050
Decrease (increase) in accounts receivable-other	205	(16)
Increase (decrease) in notes and accounts payable-trade	2,054	(6,558)
Increase (decrease) in advances received on uncompleted construction contracts	(193)	(209)
Increase (decrease) in accrued consumption taxes	748	423
Increase (decrease) in deposits received	452	(550)
Increase (decrease) in accrued expenses	(104)	(29)
Other, net	(1,251)	(622)
Subtotal	26,555	3,645
Interest and dividends income received	993	884
Interest expenses paid	(170)	(173)
Income taxes paid	(5,992)	(3,382)
Net cash provided by (used in) operating activities	21,386	973

	Millions of yen	
	Year ended	Year ended
	March 31, 2020	March 31, 2021
	Apr. 1, 2019 - Mar. 31, 2020	Apr. 1, 2020 - Mar. 31, 2021
Cash flows from investing activities		
Payments into time deposits	(3,199)	(4,071)
Proceeds from withdrawal of time deposits	4,067	3,023
Purchase of property, plant and equipment and intangible assets	(2,086)	(2,270)
Proceeds from sales of property, plant and equipment and intangible assets	44	824
Purchase of investment securities	(5)	(14)
Proceeds from sales of investment securities	499	—
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
Contingent consideration payments for shares of subsidiaries	(131)	—
Payments of long-term loans receivable	(61)	(54)
Collection of long-term loans receivable	50	49
Purchase of insurance funds	(0)	(0)
Proceeds from maturity of insurance funds	—	1
Purchase of long-term prepaid expenses	(19)	(20)
Other, net	(37)	(400)
Net cash provided by (used in) investing activities	<u>(877)</u>	<u>(6,913)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(4,959)	565
Proceeds from long-term loans payable	1,378	4,601
Repayment of long-term loans payable	(1,569)	(2,814)
Repayments of lease obligations	(62)	(100)
Repayments to non-controlling shareholders	(133)	—
Net decrease (increase) in treasury shares	(0)	(0)
Cash dividends paid	(3,273)	(3,418)
Cash dividends paid to non-controlling interests	(536)	(267)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(2,316)	—
Net cash provided by (used in) financing activities	<u>(11,475)</u>	<u>(1,435)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(48)</u>	<u>(799)</u>
Net increase (decrease) in cash and cash equivalents	<u>8,985</u>	<u>(8,175)</u>
Cash and cash equivalents at beginning of period	<u>49,861</u>	<u>58,846</u>
Cash and cash equivalents at end of period	<u>58,846</u>	<u>50,670</u>

(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 financial supports by each country and so on, though they remain uncertain because it is difficult to estimate when the COVID-19 is expected to be convergent and how much it impacts on domestic and foreign economy.

Under these circumstances, accounting estimates for the valuation of fixed assets including goodwill and so on are performed based on the assumption that capital investment will recover compared to the fiscal year ended March 2021 mainly in North America, Europe and China where overseas affiliates are located.

(Segment information)

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

Year ended March 31, 2020 (April 1, 2019 through March 31, 2020)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Sales					
Sales to customers	157,374	68,003	225,378	—	225,378
Intersegment	3	3	6	(6)	—
Total	157,378	68,006	225,384	(6)	225,378
Segment profit	13,893	2,814	16,708	(716)	15,991
Segment assets	94,453	64,595	159,048	56,341	215,389
Other items					
Depreciation expenses	739	1,447	2,187	(19)	2,167
Amortization of goodwill	—	548	548	—	548
Interest income	175	187	363	(5)	358
Interest expenses	1	155	157	17	174
Share of loss of entities accounted for using equity method	—	(74)	(74)	—	(74)
Investments in associates accounted for using the equity method	—	545	545	—	545
Increase in tangible and intangible assets	510	1,038	1,548	701	2,250

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

(1) Eliminations/ Corporate of Segment profit of minus 716 million yen includes non-allocatable common profits (net amount of common profit and loss) of minus 720 million yen and other adjustment of 3 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 56,341 million yen are elimination of receivable and payable etc. of minus 2,742 million yen and non-allocatable common assets those are not allocated to any segments of 59,083 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 701 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, 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		
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.

2. Sales by regions

Year ended March 31, 2020 (April 1, 2019 through March 31, 2020)

Millions of yen

Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other South East Asia	China	Other East Asia			
132,348	14,707	19,619	21,727	12,252	1,759	8,698	14,263	225,378

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

3. Property, plant and equipment

As of March 31, 2020

Millions of yen

Japan	Thailand	Indonesia	China	India	Italy	Other	Total
5,047	484	216	577	1,560	2,114	491	10,493

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

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

Year ended March 31, 2020 (April 1, 2019 through March 31, 2020)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Impairment loss	0	97	97	0	97

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

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.

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

As of March 31, 2020

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Balance as of March 31, 2020	—	755	755	—	755

(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, 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".

2 Non-consolidated Financial Statements

(1) Balance Sheets (Non-consolidated)

Millions of yen

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	29,459	19,308
Notes receivable-trade	459	302
Electronically recorded monetary claims	1,916	1,855
Accounts receivable from completed construction contracts	59,528	62,691
Securities	3,500	2,000
Costs on uncompleted construction contracts	511	448
Raw materials and supplies	142	135
Prepaid expenses	378	359
Accounts receivable-other	1,923	2,409
Other	1,316	1,384
Allowance for doubtful accounts	(19)	(234)
Total current assets	99,117	90,660
Non-current assets		
Property, plant and equipment		
Buildings	5,364	4,532
Accumulated depreciation	(3,152)	(2,149)
Buildings, net	2,212	2,383
Structures	179	109
Accumulated depreciation	(135)	(76)
Structures, net	43	32
Machinery and equipment	1,039	1,011
Accumulated depreciation	(646)	(692)
Machinery and equipment, net	392	318
Vehicles	0	1
Accumulated depreciation	(0)	(0)
Vehicles, net	0	0
Tools, furniture and fixtures	808	801
Accumulated depreciation	(630)	(637)
Tools, furniture and fixtures, net	178	164
Land	1,408	1,105
Construction in progress	201	79
Total property, plant and equipment	4,436	4,085
Intangible assets		
Leasehold right	0	0
Software	1,877	1,337
Other	1	1
Total intangible assets	1,878	1,339

Millions of yen

	As of March 31, 2020	As of March 31, 2021
Investments and other assets		
Investment securities	23,833	32,136
Shares of subsidiaries and associates	9,681	14,432
Investments in capital	0	0
Long-term loans receivable from employees	4	4
Lease and guarantee deposits	1,262	1,265
Long-term prepaid expenses	8	7
Prepaid pension cost	5,374	5,502
Claims provable in bankruptcy, claims provable in rehabilitation and other	0	0
Other	9	9
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	40,170	53,354
Total non-current assets	46,486	58,778
Total assets	145,603	149,439
Liabilities		
Current liabilities		
Notes payable-trade	6,234	4,693
Electronically recorded obligations - operating	15,747	13,018
Accounts payable for construction contracts	14,358	12,581
Short-term loans payable	2,433	2,357
Accounts payable-other	7,180	6,123
Accrued expenses	685	611
Income taxes payable	1,101	1,022
Advances received on uncompleted construction contracts	1,513	890
Deposits received	761	245
Unearned revenue	5	6
Provision for warranties for completed construction	258	184
Provision for loss on construction contracts	133	193
Provision for directors' bonuses	109	61
Other	589	746
Total current liabilities	51,113	42,737
Non-current liabilities		
Long-term loans payable	164	176
Deferred tax liabilities	2,471	5,391
Provision for retirement benefits	120	97
Provision for share-based remuneration for directors	109	171
Other	35	71
Total non-current liabilities	2,901	5,907
Total liabilities	54,014	48,645

	As of March 31, 2020	As of March 31, 2021
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	1,840	1,560
General reserve	35,720	35,720
Retained earnings brought forward	32,763	36,391
Total retained earnings	71,937	75,285
Treasury shares	(2,593)	(2,594)
Total shareholders' equity	83,212	86,559
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,376	14,237
Deferred gains or losses on hedges	(0)	(3)
Total valuation and translation adjustments	8,376	14,234
Total net assets	91,588	100,794
Total liabilities and net assets	145,603	149,439

(2) Income Statements (Non-consolidated)

	Millions of yen	
	Year ended	Year ended
	March 31, 2020 Apr. 1, 2019 - Mar. 31, 2020	March 31, 2021 Apr. 1, 2020 - Mar. 31, 2021
Net sales of completed construction contracts	132,630	108,667
Cost of sales of completed construction contracts	110,663	88,998
Gross profit on completed construction contracts	<u>21,966</u>	<u>19,668</u>
Selling, general and administrative expenses		
Directors' compensations	414	399
Employees' salaries and allowances	6,494	6,039
Provision for directors' bonuses	109	61
Retirement benefit expenses	322	385
Provision for share-based remuneration for directors	109	61
Legal welfare expenses	878	843
Welfare expenses	347	362
Repair and maintenance	171	123
Stationery expenses	481	460
Correspondence and transportation expenses	645	459
Power utilities expenses	48	45
Research study expenses	332	377
Advertising expenses	105	148
Provision of allowance for doubtful accounts	(48)	0
Entertainment expenses	98	25
Donation	5	5
Rents	931	974
Depreciation	886	860
Taxes and dues	485	457
Insurance expenses	28	40
Miscellaneous expenses	946	1,006
Total selling, general and administrative expenses	<u>13,795</u>	<u>13,138</u>
Operating income	<u>8,171</u>	<u>6,530</u>
Non-operating income		
Interest income	0	0
Interest on securities	0	0
Dividends income	2,139	2,799
Dividends income of insurance	123	145
Real estate rent	164	169
Foreign exchange gains	—	81
Technical advisory fee	1,272	1,359
Reversal of allowance for doubtful accounts	1	—
Other	58	33
Total non-operating income	<u>3,760</u>	<u>4,590</u>
Non-operating expenses		
Interest expenses	23	14
Sales discounts	160	101
Rent expenses on real estates	48	48
Foreign exchange losses	334	—
Provision of allowance for doubtful accounts	—	213
Other	31	52
Total non-operating expenses	<u>598</u>	<u>430</u>
Ordinary income	<u>11,333</u>	<u>10,690</u>

	Millions of yen	
	Year ended	Year ended
	March 31, 2020	March 31, 2021
	Apr. 1, 2019 - Mar. 31, 2020	Apr. 1, 2020 - Mar. 31, 2021
Extraordinary income		
Gain on disposal of non-current assets	—	592
Gain on sales of investment securities	447	—
Total extraordinary income	447	592
Extraordinary losses		
Loss on disposal of non-current assets	72	420
Impairment loss	0	353
Loss on valuation of investment securities	0	—
Loss on valuation of shares of subsidiaries and associates	851	729
Total extraordinary losses	924	1,502
Income before income taxes	10,856	9,779
Income taxes-current	3,198	2,530
Income taxes-deferred	13	480
Total income taxes	3,211	3,010
Profit	7,645	6,769

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

Year ended March 31, 2020 (April 1, 2019 through March 31, 2020)

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	—	7,297	1,613	0	2,120	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			116	116				
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	116	116	—	—	(280)	—
Balance at the end of current period	6,455	7,297	116	7,413	1,613	0	1,840	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	28,112	67,566	(2,476)	78,842	11,842	(0)	11,841	90,684
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	(3,274)	(3,274)		(3,274)				(3,274)
Profit	7,645	7,645		7,645				7,645
Purchase of treasury shares			(450)	(450)				(450)
Disposal of treasury shares			333	449				449
Net changes of items other than shareholders' equity					(3,465)	0	(3,464)	(3,464)
Total changes of items during the period	4,650	4,370	(117)	4,369	(3,465)	0	(3,464)	904
Balance at the end of current period	32,763	71,937	(2,593)	83,212	8,376	(0)	8,376	91,588

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
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								
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
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)
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

(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 financial supports by each country and so on, though they remain uncertain because it is difficult to estimate when the COVID-19 is expected to be convergent and how much it impacts on domestic and foreign economy.

Under these circumstances, accounting estimate for the valuation of shares of subsidiaries and associates and so on are performed based on the assumption that capital investment will recover compared to the fiscal year ended March 2021 mainly in North America, Europe and China where overseas affiliates are located.

(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, 2020 (Apr. 1, 2019 - Mar. 31, 2020)		Year ended March 31, 2021 (Apr. 1, 2020 - Mar. 31, 2021)		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Orders-received						
Green Technology System Division						
HVAC for buildings	47,755	21.0	45,910	22.9	(1,844)	(3.9)
Industrial HVAC	112,767	49.7	89,607	44.7	(23,160)	(20.5)
Total	160,522	70.7	135,518	67.6	(25,004)	(15.6)
[Overseas]	[49,527]	[21.8]	[38,800]	[19.4]	[(10,727)]	[(21.7)]
Paint Finishing System Division	66,387	29.3	64,951	32.4	(1,436)	(2.2)
[Overseas]	[52,784]	[23.3]	[49,528]	[24.7]	[(3,256)]	[(6.2)]
Total	226,909	100.0	200,469	100.0	(26,440)	(11.7)
[Overseas]	[102,312]	[45.1]	[88,328]	[44.1]	[(13,983)]	[(13.7)]
Net sales of completed construction contracts						
Green Technology System Division						
HVAC for buildings	54,963	24.4	40,952	20.2	(14,011)	(25.5)
Industrial HVAC	102,411	45.4	93,099	46.0	(9,312)	(9.1)
Total	157,374	69.8	134,051	66.2	(23,323)	(14.8)
[Overseas]	[38,964]	[17.3]	[37,290]	[18.4]	[(1,674)]	[(4.3)]
Paint Finishing System Division	68,003	30.2	68,497	33.8	493	0.7
[Overseas]	[54,064]	[24.0]	[55,500]	[27.4]	[1,436]	[2.7]
Total	225,378	100.0	202,548	100.0	(22,829)	(10.1)
[Overseas]	[93,029]	[41.3]	[92,791]	[45.8]	[(237)]	[(0.3)]
Construction carried forward						
Green Technology System Division						
HVAC for buildings	45,605	26.1	50,563	29.3	4,958	10.9
Industrial HVAC	70,034	40.1	67,477	39.2	(2,557)	(3.7)
Total	115,639	66.2	118,041	68.5	2,401	2.1
[Overseas]	[34,495]	[19.8]	[36,939]	[21.4]	[2,444]	[7.1]
Paint Finishing System Division	58,922	33.8	54,189	31.5	(4,732)	(8.0)
[Overseas]	[52,370]	[30.0]	[45,212]	[26.3]	[(7,158)]	[(13.7)]
Total	174,562	100.0	172,231	100.0	(2,330)	(1.3)
[Overseas]	[86,865]	[49.8]	[82,151]	[47.7]	[(4,713)]	[(5.4)]

(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 3 million yen difference between net sales of completed construction contracts of 157,374 million yen and total sales of 157,378 million yen in the segment information by the Green Technology System Division.

There is 3 million yen difference between net sales of completed construction contracts of 68,003 million yen and total sales of 68,006 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 134,051 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.

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.

In this consolidated fiscal year, construction contracts of Nicomac Clean Rooms Far East LLP (currently, Nicomac Taikisha Clean Rooms Private Limited) is included in the beginning balance of construction contracts because this company is included in the scope of consolidation.

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

Green Technology System Division

HVAC for buildings	45,605 million yen		
Industrial HVAC	70,969 million yen	[overseas	35,430 million yen]
Sub total	116,574 million yen	[overseas	35,430 million yen]
Paint Finishing System Division	57,736 million yen	[overseas	51,184 million yen]
Total	174,310 million yen	[overseas	86,614 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, 2020 (Apr. 1, 2019 - Mar. 31, 2020)		Year ended March 31, 2021 (Apr. 1, 2020 - Mar. 31, 2021)		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Orders-received						
Green Technology System Division						
HVAC for buildings	43,932	35.8	43,610	38.9	(322)	(0.7)
Industrial HVAC	63,546	51.7	50,949	45.5	(12,597)	(19.8)
Total	107,479	87.5	94,559	84.4	(12,920)	(12.0)
[Overseas]	[406]	[0.3]	[282]	[0.3]	[(124)]	[(30.6)]
Paint Finishing System Division	15,365	12.5	17,512	15.6	2,147	14.0
[Overseas]	[5,033]	[4.1]	[3,995]	[3.6]	[(1,038)]	[(20.6)]
Total	122,844	100.0	112,072	100.0	(10,772)	(8.8)
[Overseas]	[5,440]	[4.4]	[4,277]	[3.9]	[(1,162)]	[(21.4)]
Net sales of completed construction contracts						
Green Technology System Division						
HVAC for buildings	52,147	39.3	37,797	34.8	(14,349)	(27.5)
Industrial HVAC	63,559	47.9	55,995	51.5	(7,564)	(11.9)
Total	115,707	87.2	93,793	86.3	(21,914)	(18.9)
[Overseas]	[211]	[0.2]	[311]	[0.3]	[99]	[47.0]
Paint Finishing System Division	16,923	12.8	14,874	13.7	(2,049)	(12.1)
[Overseas]	[6,630]	[5.0]	[3,706]	[3.4]	[(2,923)]	[(44.1)]
Total	132,630	100.0	108,667	100.0	(23,963)	(18.1)
[Overseas]	[6,842]	[5.2]	[4,018]	[3.7]	[(2,824)]	[(41.3)]
Construction carried forward						
Green Technology System Division						
HVAC for buildings	43,924	49.7	49,736	54.2	5,812	13.2
Industrial HVAC	35,732	40.5	30,686	33.5	(5,046)	(14.1)
Total	79,656	90.2	80,423	87.7	766	1.0
[Overseas]	[201]	[0.2]	[172]	[0.2]	[(29)]	[(14.5)]
Paint Finishing System Division	8,639	9.8	11,278	12.3	2,638	30.5
[Overseas]	[2,900]	[3.3]	[3,189]	[3.5]	[288]	[10.0]
Total	88,296	100.0	91,701	100.0	3,404	3.9
[Overseas]	[3,102]	[3.5]	[3,361]	[3.7]	[259]	[8.4]