

Financial Report for the Second Quarter ended March, 2010

November 9, 2009

The following statements are an English-language translation of the original Japanese-language document.
(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

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Stock Exchange·····Tokyo Part1

Code No.··········1979

Representative·····Yoshiro Nakaya ,President and representative Director

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Scheduled date to submit Quarterly report·········· November 13, 2009

Scheduled date for dividend payment commencement········December 4, 2009

(Round down to one million yen)

1. Consolidated Operating Performance (April 1, 2009 through September 30, 2009)

(1) Consolidated Operation Result

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY09 2Q	53,198	(36.5)	1,180	(58.4)	1,309	(61.8)	786	(47.0)
FY08 2Q	83,790	-	2,836	-	3,423	-	1,482	-

	Net income per share	Net income per share after potential share adjustment
	yen	yen
FY09 2Q	21.39	—
FY08 2Q	40.32	—

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
FY09 2Q	115,009	64,176	52.8	1,652.67
FY08	119,483	61,441	48.9	1,590.08

(Ref.) Equity capital FY09 2Q 60,769 million yen
FY08 58,468 million yen

2. Dividends

(Record date)	Dividend per share				
	1Q	2Q	3Q	At the end of FY	Total (annually)
FY08	yen —	yen 15.00	yen —	yen 15.00	yen 30.00
FY09	—	15.00			
FY09 (Forecast)			—	15.00	30.00

(Note) Whether the dividend forecast for the quarter under review has been revised: None

3. Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2010 (April 1, 2009 through March 31, 2010)

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	115,000	(31.3)	1,530	(73.9)	1,800	(73.1)	1,400	(54.5)	38.08

(Note) Whether the forecast for consolidated operating performance for the quarter under review has been revised: Yes

4. Others

- (1) Changes in major subsidiaries during the quarter (Changes in subsidiaries that affect consolidated financial results) : None
- (2) Simplified accounting process or accounting process specific to Consolidated Quarterly Financial Statements : Yes
- (3) Changes in principles, procedures, and presentation method of accounting related to compilation of consolidated quarterly financial statements (Description of changes in important items that comprise the basic foundation in the compilation of consolidated quarterly financial statements)
- ① Changes attendant with revisions in accounting principles: Yes
- ② Other changes aside from ① above : None

(4) Number of shares issued (common shares)

① Number of shares issued at end of FY (including treasury shares)

FY09 2Q 36,782,009 shares

FY08 36,782,009 shares

② Number of treasury shares at end of FY

FY09 2Q 11,562 shares

FY08 11,248 shares

③ Average number of common shares during the period

FY09 2Q 36,769,362 shares

FY08 2Q 36,776,613 shares

※ Cautionary statement regarding forward-looking statements

Data and forward-looking statements disclosed herein are based on information current as of today, and may change depending upon various factors. The data and judgments do not guarantee accomplishment of goals and projections, and may be changed at any time without notice. Consequently, we ask you to use this information at your discretion based upon your own judgment and information you may obtain through other sources. Our company will not be responsible for any damages that result from the use of this information.

(Revision of Earnings Forecast)

Our group business environment is unpredictable situation after the third quarter. Because, though economic situation partly recovering, forecast is still uncertain and there are concerns about further competitions and slow recovery of capital investment. About full-year forecast, in spite of these circumstances, thanks to thoroughgoing profitability of order-received and efforts to reduce cost of construction and other expenses, earnings forecast is expected to exceed the previous forecast which were announced on May 15, 2009, therefore we revised its earnings forecasts.

In addition, our sales of completed construction contracts, construction facility industry that is our main business, tend to be high for the second and fourth quarter. Meanwhile, because fixed costs arise continuously, profit for the first and third quarter tend to be low in comparison with other quarters.

Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2010 (April 1 through March 31, 2010)

	Sales	Operating income	Ordinary income	Net income	Net income per share
	million yen	million yen	million yen	million yen	million yen
Previous Forecast (A) (Announced on May 15, 2009)	125,000	490	1,000	380	10.33
Revised Forecast (B)	115,000	1,530	1,800	1,400	38.08
Change in amount(B - A)	(10,000)	1,040	800	1,020	-
Change rate (%)	(8.0)	212.2	80.0	268.4	-

1 Consolidated Financial Statement
(1) Consolidated Balance Sheet

Millions of yen

	FY09 2Q (Sep. 30, 09)	FY08 4Q (Mar. 31, 09)
Assets		
Current assets		
Cash and deposits	30,932	28,305
Notes receivable, accounts receivable from completed construction contracts and other	31,691	44,995
Costs on uncompleted construction contracts	18,299	17,386
Raw materials and supplies	524	393
Other	7,297	5,011
Allowance for doubtful accounts	(158)	(257)
Total current assets	<u>88,586</u>	<u>95,834</u>
Noncurrent assets		
Property, plant and equipment	7,242	6,524
Intangible assets	1,483	1,469
Investments and other assets		
Investment securities	15,189	12,921
Other	3,241	3,415
Allowance for doubtful accounts	(734)	(682)
Total investments and other assets	<u>17,696</u>	<u>15,654</u>
Total noncurrent assets	<u>26,422</u>	<u>23,648</u>
Total assets	<u>115,009</u>	<u>119,483</u>
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	22,468	32,953
Short-term loans payable	1,879	1,626
Income taxes payable	355	1,145
Advances received on uncompleted construction contracts	15,325	12,037
Provision for bonuses	221	-
Provision for warranties for completed construction	475	556
Provision for loss on construction contracts	796	850
Other	3,561	4,636
Total current liabilities	<u>45,084</u>	<u>53,807</u>
Noncurrent liabilities		
Long-term loans payable	577	65
Provision for retirement benefits	3,153	3,051
Provision for directors' retirement benefits	178	168
Other	1,838	949
Total noncurrent liabilities	<u>5,748</u>	<u>4,234</u>
Total liabilities	<u>50,832</u>	<u>58,041</u>
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus	7,297	7,297
Retained earnings	46,607	46,372
Treasury stock	(16)	(15)
Total shareholders' equity	<u>60,344</u>	<u>60,109</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,040	1,608
Deferred gains or losses on hedges	21	9
Foreign currency translation adjustment	(2,636)	(3,258)
Total valuation and translation adjustments	<u>425</u>	<u>(1,640)</u>
Minority interests	3,407	2,973
Total net assets	<u>64,176</u>	<u>61,441</u>
Total liabilities and net assets	<u>115,009</u>	<u>119,483</u>

(2) Consolidated Income Statement

Millions of yen

	FY08 2Q (Apr.1, 08 - Sep. 30, 08)	FY09 2Q (Apr.1, 09 - Sep. 30, 09)
Net sales of completed construction contracts	83,790	53,198
Cost of sales of completed construction contracts	73,392	45,541
Gross profit on completed construction contracts	10,398	7,656
Selling, general and administrative expenses	7,561	6,476
Operating income	2,836	1,180
Non-operating income		
Interest income	177	90
Dividends income	215	162
Dividends income of insurance	168	72
Real estate rent	75	65
Equity in earnings of affiliates	28	47
Foreign exchange gains	67	-
Other	93	98
Total non-operating income	826	535
Non-operating expenses		
Interest expenses	43	34
Rent expenses on real estates	80	64
Foreign exchange losses	-	187
Dividends distribution tax	37	1
Provision of allowance for doubtful accounts	-	90
Other	78	25
Total non-operating expenses	240	405
Ordinary income	3,423	1,309
Extraordinary income		
Reversal of allowance for doubtful accounts	131	149
Gain on sales of investment securities	5	9
Gain on disposal of noncurrent assets	13	14
Reversal of provision for directors' retirement benefits	22	-
Other	-	179
Total extraordinary income	172	352
Extraordinary loss		
Loss on disposal of noncurrent assets	27	3
Loss on valuation of investment securities	548	-
Appropriation of employees' bonus and welfare reserve	41	-
Other	-	23
Total extraordinary losses	616	26
Income before income taxes and minority interests	2,979	1,635
Income taxes-current	1,657	349
Income taxes-deferred	(364)	300
Total income taxes	1,293	649
Minority interests in income	203	199
Net income	1,482	786

(3) Consolidated Cash Flow Statement

Millions of yen

	FY08 2Q (Apr.1, 08 - Sep. 30, 08)	FY09 2Q (Apr.1, 09 - Sep. 30, 09)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,979	1,635
Depreciation and amortization	511	521
Increase (decrease) in allowance for doubtful accounts	(86)	(60)
Increase (decrease) in provision for retirement benefits	(117)	(7)
Increase (decrease) in provision for directors' retirement benefits	(75)	10
Increase (decrease) in provision for loss on construction contracts	395	(61)
Interest and dividends income	(393)	(252)
Interest expenses	43	34
Loss (gain) on sales of investment securities	(5)	(9)
Loss (gain) on disposal of property, plant and equipment and intangible assets	13	(10)
Loss (gain) on valuation of investment securities	548	-
Decrease (increase) in notes and accounts receivable-trade	(7,921)	14,345
Decrease (increase) in inventories	(1,400)	(702)
Decrease (increase) in advances paid	1,448	(3)
Decrease (increase) in accounts receivable-other	(167)	15
Increase (decrease) in notes and accounts payable-trade	(5,095)	(11,617)
Increase (decrease) in advances received on uncompleted construction contracts	(1,840)	2,986
Increase (decrease) in accrued consumption taxes	(112)	(103)
Increase (decrease) in deposits received	(375)	147
Increase (decrease) in accrued expenses	(513)	(323)
Other, net	(1,788)	(2,433)
Subtotal	<u>(13,953)</u>	<u>4,112</u>
Interest and dividends income received	401	252
Interest expenses paid	(42)	(34)
Income taxes paid	(619)	(1,129)
Net cash provided by (used in) operating activities	<u>(14,214)</u>	<u>3,200</u>
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,945)	(140)
Proceeds from withdrawal of time deposits	1,840	2,823
Purchase of property, plant and equipment and intangible assets	(820)	(529)
Proceeds from sales of property, plant and equipment and intangible assets	99	64
Purchase of investment securities	(729)	(48)
Proceeds from sales of investment securities	464	42
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	46
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(13)	-
Payments of long-term loans receivable	(15)	(18)
Collection of long-term loans receivable	47	12
Purchase of insurance funds	(3)	(93)
Proceeds from maturity of insurance funds	51	128
Other, net	(36)	32
Net cash provided by (used in) investing activities	<u>(1,060)</u>	<u>2,319</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	187	(8)
Repayment of long-term loans payable	(110)	(70)
Repayments of lease obligations	-	(24)
Net decrease (increase) in treasury stock	-	(0)
Purchase of treasury stock	(2)	-
Proceeds from sales of treasury stock	0	-
Cash dividends paid	(735)	(551)
Cash dividends paid to minority shareholders	(288)	(262)
Net cash provided by (used in) financing activities	<u>(949)</u>	<u>(918)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(915)</u>	<u>589</u>
Net increase (decrease) in cash and cash equivalents	<u>(17,139)</u>	<u>5,190</u>
Cash and cash equivalents at beginning of period	<u>31,937</u>	<u>25,267</u>
Cash and cash equivalents at end of period	<u>14,797</u>	<u>30,458</u>

(Segment information)

1. Industry segments

At the Company and its consolidated subsidiaries operate as one equipment construction industry segment, information by industry segment is not presented.

2. Geographical segments

Millions of yen

	FY08 2Q (Apr.1,08 - Sep.30,08)							Eliminations Corporate	Consolidated
	Japan	North America	Southeast Asia	East Asia	Other areas	Total			
Sales and operating income (loss)									
Sales									
Sales to customers	52,170	7,564	18,008	3,528	2,518	83,790	-	83,790	
Intersegment	1,500	7	64	8	5	1,585	(1,585)	-	
Total	53,671	7,571	18,072	3,536	2,524	85,376	(1,585)	83,790	
Operating income (loss)	2,177	(234)	902	94	(344)	2,594	242	2,836	

(Note) 1. The countries or the regions are classified depending on geographical proximity.

2. Major countries in the classification, except Japan.

- (1) North America ••••• USA, Canada
(2) Southeast Asia ••••• Singapore, Thailand, Malaysia, Indonesia, Philippines, Vietnam
(3) East Asia ••••• China, Taiwan, Korea
(4) Other areas ••••• UK, India

Millions of yen

	FY09 2Q (Apr.1,09 - Sep.30,09)							Eliminations Corporate	Consolidated
	Japan	North America	Southeast Asia	East Asia	Other areas	Total			
Sales and operating income (loss)									
Sales									
Sales to customers	33,277	5,921	8,933	3,445	1,619	53,198	-	53,198	
Intersegment	475	11	28	51	11	578	(578)	-	
Total	33,753	5,933	8,961	3,496	1,631	53,776	(578)	53,198	
Operating income (loss)	322	(66)	212	268	261	997	182	1,180	

(Note) 1. The countries or the regions are classified depending on geographical proximity.

2. Major countries in the classification, except Japan.

- (1) North America ••••• USA, Canada
(2) Southeast Asia ••••• Singapore, Thailand, Malaysia, Indonesia, Philippines, Vietnam
(3) East Asia ••••• China, Taiwan, Korea
(4) Other areas ••••• UK, India

3. "Accounting Standard for Construction Contracts" was adopted effective the 1st quarter of this fiscal year.

As a result, sales from Japan increased by 3,269 million yen and operating income from Japan increased by 377 million yen from what had been if the former method was used.

3. Overseas sales

Millions of yen

		North America	Southeast Asia	East Asia	Other areas	Total
FY09 2Q (Apr.1,09 - Sep.30,09)	Overseas sales	5,610	9,789	6,950	3,267	25,618
	Total sales					53,198
	Ratio of overseas sales to total sales (%)	10.6	18.4	13.1	6.1	48.2
FY08 2Q (Apr.1,08 - Sep.30,08)	Overseas sales	7,221	18,960	6,873	4,102	37,158
	Total sales					83,790
	Ratio of overseas sales to total sales (%)	8.6	22.6	8.2	4.9	44.3

(Note) 1. The countries or the regions are classified depending on geographical proximity.

2. Major countries in the classification, except Japan.

- (1) North America ••••• USA, Canada
(2) Southeast Asia ••••• Singapore, Thailand, Malaysia, Indonesia, Philippines, Vietnam
(3) East Asia ••••• China, Taiwan, Korea
(4) Other areas ••••• Previous fiscal year: UK, France, Hungary, India
 Current fiscal year: UK, India

3. Overseas sales is revenue made by the Company and its consolidated subsidiaries, except for Japan.

(Supplementary information)

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

Millions of yen

Division			FY08 2Q		FY09 2Q		Increase (decrease)	
			(Apr.1,08 - Sep.30,08)		(Apr.1,09 - Sep.30,09)			
			Amounts	%	Amounts	%	Amounts	%
Orders-received construction during this period	Green Technology System Division	HVAC for buildings	14,466	13.9 %	16,833	30.2 %	2,367	16.4 %
		Industrial HVAC	44,752	43.0	27,364	49.2	(17,388)	(38.9)
		Total	59,219	56.9	44,197	79.4	(15,022)	(25.4)
		[Overseas]	[18,521]	[17.8]	[12,461]	[22.4]	[(6,060)]	[(32.7)]
	Paint Finishing System Division	44,945	43.1	11,478	20.6	(33,467)	(74.5)	
	[Overseas]	[27,039]	[25.9]	[8,845]	[15.9]	[(18,194)]	[(67.3)]	
Total	104,165	100.0	55,675	100.0	(48,490)	(46.6)		
[Overseas]	[45,560]	[43.7]	[21,306]	[38.3]	[(24,254)]	[(53.2)]		
Sales of construction during this period	Green Technology System Division	HVAC for buildings	9,789	11.7	12,057	22.6	2,268	23.2
		Industrial HVAC	39,121	46.7	20,674	38.9	(18,447)	(47.2)
		Total	48,910	58.4	32,732	61.5	(16,178)	(33.1)
		[Overseas]	[15,681]	[18.7]	[9,317]	[17.5]	[(6,364)]	[(40.6)]
	Paint Finishing System Division	34,879	41.6	20,465	38.5	(14,414)	(41.3)	
	[Overseas]	[21,477]	[25.6]	[16,300]	[30.7]	[(5,177)]	[(24.1)]	
Total	83,790	100.0	53,198	100.0	(30,592)	(36.5)		
[Overseas]	[37,158]	[44.3]	[25,618]	[48.2]	[(11,540)]	[(31.1)]		