

# Financial Report for the First Quarter of the Fiscal Year ending March 31, 2016

August 7, 2015

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····· Satoru Kamiyama, President and Representative Director

Contact·········· Koji Kato, Director and Executive Corporate Officer, Administrative Management Headquarters  
Chief Executive

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Scheduled date to submit Quarterly report : August 14, 2015

Scheduled date to commence dividend payments : —

Supplemental materials prepared for financial results : None

Briefing session of financial results : None

(Round down to one million yen)

## 1. Consolidated Operating Performance (April 1, 2015 through June 30, 2015)

### (1) Consolidated operating results

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended								
June 30, 2015	41,064	4.9	1,563	100.4	1,797	88.2	980	46.5
June 30, 2014	39,162	(7.0)	780	(36.8)	955	(36.9)	669	66.0

(Note) Comprehensive income Three months ended June 30, 2015 1,786 million yen — %  
Three months ended June 30, 2014 68 million yen (98.0) %

	Basic earnings per share	Diluted earnings per share
	yen	yen
Three months ended		
June 30, 2015	28.08	—
June 30, 2014	19.00	—

### (2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio
	million yen	million yen	%
As of			
June 30, 2015	177,698	97,947	52.5
March 31, 2015	188,283	99,669	50.4

(Note) Shareholders' Equity As of June 30, 2015 93,241 million yen  
As of March 31, 2015 94,832 million yen

## 2. Dividends

	Dividend per share				
	1Q	2Q	3Q	Year End	Total (annually)
Year ended	yen	yen	yen	yen	yen
March 31, 2015	—	20.00	—	32.00	52.00
March 31, 2016	—	—	—	—	—
Year ending March 31, 2016 (Forecast)	—	25.00	—	25.00	50.00

## 3. Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2016

(April 1, 2015 through March 31, 2016)

(% 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	8.1	2,500	5.2	3,000	5.2	1,600	45.40
Full year	205,000	11.6	9,700	11.9	10,600	10.7	5,700	161.73

#### 4. Others

- (1) Changes in significant subsidiaries during the period  
(Changes in specified subsidiaries accompanying changes in scope of consolidation) : None
- (2) Adoption of particular accounting treatments for quarterly consolidated financial statements : None
- (3) Changes in accounting policies, changes in accounting estimates and restatements
- (i) Changes in accounting policies due to revisions of accounting standards etc. : Yes
  - (ii) Changes in accounting policies other than (i) : None
  - (iii) Changes in accounting estimates : None
  - (iv) Restatements : None
- (4) Number of shares issued (common shares)
- (i) Number of shares issued at end of period (including treasury shares)
    - As of June 30, 2015 36,782,009 shares
    - As of March 31, 2015 36,782,009 shares
  - (ii) Number of treasury shares at end of period
    - As of June 30, 2015 2,218,623 shares
    - As of March 31, 2015 1,538,406 shares
  - (iii) Average number of shares during the period
    - Three months ended June 30, 2015 34,903,486 shares
    - Three months ended June 30, 2014 35,244,842 shares

※ Notice of status of implementation for quarterly review procedures  
This financial report is not subject to quarterly review procedures based upon the Financial Instruments and Exchange Act.

Quarterly review procedures for the consolidated financial statements in accordance with the Financial Instruments and Exchange Act have not been completed as at the time of disclosure of this financial report.

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

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

# 1 Consolidated Financial Statements

## (1) Consolidated Balance Sheets

Millions of yen

	As of March 31, 2014	As of June 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	43,819	36,895
Notes receivable, accounts receivable from completed construction contracts and other	78,607	71,778
Securities	4,500	5,500
Costs on uncompleted construction contracts	3,109	3,417
Raw materials and supplies	332	452
Other	11,198	11,692
Allowance for doubtful accounts	(546)	(542)
Total current assets	141,022	129,192
Non-current assets		
Property, plant and equipment	8,043	7,910
Intangible assets		
Goodwill	3,481	3,141
Other	1,165	1,237
Total intangible assets	4,647	4,378
Investments and other assets		
Investment securities	26,385	27,717
Net defined benefit asset	4,810	5,460
Other	3,512	3,176
Allowance for doubtful accounts	(136)	(137)
Total investments and other assets	34,571	36,217
Total non-current assets	47,261	48,506
Total assets	188,283	177,698
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	45,693	37,640
Short-term loans payable	9,892	10,147
Income taxes payable	1,416	220
Advances received on uncompleted construction contracts	11,438	12,629
Provision for bonuses	—	265
Provision for warranties for completed construction	710	660
Provision for loss on construction contracts	298	223
Provision for directors' bonuses	88	—
Provision for loss on Anti-Monopoly Act	207	120
Other	8,314	6,592
Total current liabilities	78,060	68,501
Non-current liabilities		
Long-term loans payable	536	481
Provision for directors' retirement benefits	89	93
Reserve for loss on dissolution of employees' pension fund	251	275
Net defined benefit liability	1,551	1,573
Other	8,125	8,826
Total non-current liabilities	10,553	11,249
Total liabilities	88,614	79,751

Millions of yen

	As of March 31, 2014	As of June 30, 2015
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus	7,344	7,344
Retained earnings	68,851	68,703
Treasury shares	(2,919)	(5,126)
Total shareholders' equity	79,731	77,376
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,577	11,529
Deferred gains or losses on hedges	(5)	(31)
Foreign currency translation adjustment	3,742	3,303
Remeasurements of defined benefit plans	786	1,063
Total accumulated other comprehensive income	15,100	15,864
Non-controlling interests	4,837	4,705
Total net assets	99,669	97,947
Total liabilities and net assets	188,283	177,698

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

	Millions of yen	
	Three months ended June 30, 2014	Three months ended June 30, 2015
	Apr. 1, 2014 - Jun. 30, 2014	Apr. 1, 2015 - Jun. 30, 2015
Net sales of completed construction contracts	39,162	41,064
Cost of sales of completed construction contracts	34,217	34,931
Gross profit on completed construction contracts	4,944	6,133
Selling, general and administrative expenses	4,163	4,570
Operating income	780	1,563
Non-operating income		
Interest income	118	125
Dividend income	121	147
Real estate rent	34	22
Foreign exchange gains	—	29
Reversal of allowance for doubtful accounts	5	—
Other	66	45
Total non-operating income	345	370
Non-operating expenses		
Interest expenses	58	37
Rent expenses on real estates	7	4
Foreign exchange losses	33	—
Provision of allowance for doubtful accounts	—	0
Share of loss of entities accounted for using equity method	37	42
Other	34	50
Total non-operating expenses	171	136
Ordinary income	955	1,797
Extraordinary income		
Gain on disposal of non-current assets	1	1
Gain on sales of investment securities	—	22
Reversal of provision for loss on Anti-Monopoly Act	—	87
Total extraordinary income	1	111
Extraordinary loss		
Loss on disposal of non-current assets	1	0
Loss on sales of investment securities	—	0
Loss on valuation of investment securities	0	0
Provision of reserve for loss on dissolution of employees' pension fund	—	23
Total extraordinary losses	2	24
Income before income taxes and non-controlling interests	954	1,883
Income taxes-current	592	374
Income taxes-deferred	(328)	363
Total income taxes	264	737
Profit	690	1,145
Profit attributable to non-controlling interests	20	165
Profit attributable to owners of parent	669	980

## Consolidated Statements of Comprehensive Income

	Millions of yen	
	Three months ended June 30, 2014	Three months ended June 30, 2015
	Apr. 1, 2014 - Jun. 30, 2014	Apr. 1, 2015 - Jun. 30, 2015
Profit	690	1,145
Other comprehensive income		
Valuation difference on available-for-sale securities	135	952
Deferred gains or losses on hedges	21	(25)
Foreign currency translation adjustment	(705)	(563)
Remeasurements of defined benefit plans	(43)	277
Share of other comprehensive income of entities accounted for using equity method	(28)	0
Total other comprehensive income	(621)	640
Comprehensive income	68	1,786
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	217	1,744
Comprehensive income attributable to non-controlling interests	(149)	41

(Segment information)

Sales and profits or losses by reportable segments

Three months ended June 30, 2014 (Apr. 1, 2014 - Jun. 30, 2014)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Sales					
Sales to customers	24,187	14,974	39,162	—	39,162
Intersegment	4	30	34	(34)	—
Total	24,191	15,004	39,196	(34)	39,162
Segment profit	443	328	771	183	955

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

Eliminations/ Corporate of Segment profit of 183 million yen includes non-allocatable common costs of 185 million yen and other adjustment of -1 million yen.

Non-allocatable common costs is mainly dividend income etc. those are not attributed to any reportable segments.

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

Three months ended June 30, 2015 (Apr. 1, 2015 - Jun. 30, 2015)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Sales					
Sales to customers	26,891	14,173	41,064	—	41,064
Intersegment	—	—	—	—	—
Total	26,891	14,173	41,064	—	41,064
Segment profit	1,301	288	1,590	206	1,797

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

Eliminations/ Corporate of Segment profit of 206 million yen includes non-allocatable common costs of 202 million yen and other adjustment of 3 million yen.

Non-allocatable common costs is mainly dividend income etc. those are not attributed to any reportable segments.

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

## (Supplementary information)

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

Millions of yen

	Three months ended June 30, 2014 (Apr. 1, 2014 - Jun. 30, 2014)		Three months ended June 30, 2015 (Apr. 1, 2015 - Jun. 30, 2015)		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Orders-received						
Green Technology System Division						
HVAC for buildings	10,292	24.0	9,972	15.8	(320)	(3.1)
Industrial HVAC	19,286	44.9	25,120	39.9	5,834	30.2
Total	29,579	68.9	35,092	55.7	5,513	18.6
[Overseas]	[ 9,797 ]	[ 22.8 ]	[ 11,039 ]	[ 17.5 ]	[ 1,242 ]	[ 12.7 ]
Paint Finishing System Division	13,367	31.1	27,855	44.3	14,488	108.4
[Overseas]	[ 9,915 ]	[ 23.1 ]	[ 25,532 ]	[ 40.6 ]	[ 15,617 ]	[ 157.5 ]
Total	42,947	100.0	62,948	100.0	20,001	46.6
[Overseas]	[ 19,712 ]	[ 45.9 ]	[ 36,572 ]	[ 58.1 ]	[ 16,860 ]	[ 85.5 ]
Net sales of completed construction contracts						
Green Technology System Division						
HVAC for buildings	9,643	24.6	7,203	17.5	(2,440)	(25.3)
Industrial HVAC	14,544	37.2	19,687	48.0	5,143	35.4
Total	24,187	61.8	26,891	65.5	2,704	11.2
[Overseas]	[ 8,937 ]	[ 22.8 ]	[ 12,207 ]	[ 29.7 ]	[ 3,270 ]	[ 36.6 ]
Paint Finishing System Division	14,974	38.2	14,173	34.5	(801)	(5.3)
[Overseas]	[ 13,270 ]	[ 33.9 ]	[ 12,409 ]	[ 30.2 ]	[ (861) ]	[ (6.5) ]
Total	39,162	100.0	41,064	100.0	1,902	4.9
[Overseas]	[ 22,208 ]	[ 56.7 ]	[ 24,617 ]	[ 59.9 ]	[ 2,409 ]	[ 10.8 ]
Construction carried forward						
Green Technology System Division						
HVAC for buildings	46,062	31.2	52,249	29.7	6,187	13.4
Industrial HVAC	39,800	27.0	50,054	28.4	10,254	25.8
Total	85,862	58.2	102,303	58.1	16,441	19.1
[Overseas]	[ 26,502 ]	[ 18.0 ]	[ 30,898 ]	[ 17.5 ]	[ 4,396 ]	[ 16.6 ]
Paint Finishing System Division	61,783	41.8	73,715	41.9	11,932	19.3
[Overseas]	[ 57,482 ]	[ 38.9 ]	[ 66,175 ]	[ 37.6 ]	[ 8,693 ]	[ 15.1 ]
Total	147,646	100.0	176,019	100.0	28,373	19.2
[Overseas]	[ 83,984 ]	[ 56.9 ]	[ 97,074 ]	[ 55.1 ]	[ 13,090 ]	[ 15.6 ]

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

2. In the previous year, there is 4 million yen difference between net sales of completed construction contracts of 24,187 million yen and total sales of 24,191 million yen in the segment information by the Green Technology System Division.

There is 30 million yen difference between net sales of completed construction contracts of 14,974 million yen and total sales of 15,004 million yen in the segment information by the Paint Finishing System Division.

Above differences are due to intersegment sales.

3. In the fiscal year, there is no difference between net sales of completed construction contracts and total sales in the segment information by the Green Technology System Division.

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



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

Millions of yen

	Three months ended June 30, 2014 (Apr. 1, 2014 - Jun. 30, 2014)		Three months ended June 30, 2015 (Apr. 1, 2015 - Jun. 30, 2015)		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Orders-received						
Green Technology System Division						
HVAC for buildings	9,585	38.4	9,394	25.3	(191)	(2.0)
Industrial HVAC	9,523	38.2	14,195	38.2	4,672	49.1
Total	19,109	76.6	23,589	63.5	4,480	23.4
[Overseas]	[ 59 ]	[ 0.3 ]	[ 149 ]	[ 0.4 ]	[ 90 ]	[ 152.5 ]
Paint Finishing System Division	5,841	23.4	13,532	36.5	7,691	131.7
[Overseas]	[ 2,652 ]	[ 10.6 ]	[ 11,679 ]	[ 31.5 ]	[ 9,027 ]	[ 340.4 ]
Total	24,951	100.0	37,121	100.0	12,170	48.8
[Overseas]	[ 2,711 ]	[ 10.9 ]	[ 11,828 ]	[ 31.9 ]	[ 9,117 ]	[ 336.3 ]
Net sales of completed construction contracts						
Green Technology System Division						
HVAC for buildings	9,289	49.2	6,867	38.1	(2,422)	(26.1)
Industrial HVAC	5,674	30.1	7,549	41.8	1,875	33.0
Total	14,964	79.3	14,417	79.9	(547)	(3.7)
[Overseas]	[ 81 ]	[ 0.4 ]	[ 92 ]	[ 0.5 ]	[ 11 ]	[ 13.6 ]
Paint Finishing System Division	3,916	20.7	3,623	20.1	(293)	(7.5)
[Overseas]	[ 2,429 ]	[ 12.9 ]	[ 2,240 ]	[ 12.4 ]	[ (189) ]	[ (7.8) ]
Total	18,880	100.0	18,041	100.0	(839)	(4.4)
[Overseas]	[ 2,510 ]	[ 13.3 ]	[ 2,332 ]	[ 12.9 ]	[ (178) ]	[ (7.1) ]
Construction carried forward						
Green Technology System Division						
HVAC for buildings	45,146	61.1	51,679	55.0	6,533	14.5
Industrial HVAC	13,325	18.1	19,218	20.4	5,893	44.2
Total	58,471	79.2	70,897	75.4	12,426	21.3
[Overseas]	[ 40 ]	[ 0.1 ]	[ 78 ]	[ 0.1 ]	[ 38 ]	[ 95.0 ]
Paint Finishing System Division	15,396	20.8	23,161	24.6	7,765	50.4
[Overseas]	[ 11,415 ]	[ 15.4 ]	[ 16,068 ]	[ 17.1 ]	[ 4,653 ]	[ 40.8 ]
Total	73,867	100.0	94,059	100.0	20,192	27.3
[Overseas]	[ 11,456 ]	[ 15.5 ]	[ 16,147 ]	[ 17.2 ]	[ 4,691 ]	[ 40.9 ]

### 3. Sales by regions

Three months ended June 30, 2014 (Apr. 1, 2014 - Jun. 30, 2014)

Millions of yen

Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other South East Asia	China	Other East Asia			
16,953	1,306	4,672	7,273	4,348	368	352	3,885	39,162

Three months ended June 30, 2015 (Apr. 1, 2015 - Jun. 30, 2015)

Millions of yen

Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other South East Asia	China	Other East Asia			
16,447	1,875	9,882	5,479	2,168	168	1,318	3,725	41,064