



This is Kiyomizu-dera Temple, the world heritage in Japan where Taikisha Ltd. is based.

FY2021 Financial Results Briefing



May 19, 2022

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Financial Highlights

1. Business environment and Achievements for FY2021
2. Earnings forecast for FY2022

My name is Yasushi Nakajima, Chief Executive, Administrative Management Headquarters.

Now, I would like to present the financial results for FY2021.

First, I would like to present the business environment and our achievements for FY2021, and our earnings forecast for FY2022.

1 Business environment and achievements for FY2021

Business Environment

Japanese market

Investment by manufacturers of electronic components, pharmaceuticals, automobiles, etc. is strong, and construction demand for office building in capital area was also firm.

Overseas market

As uncertainty due to the impact of COVID-19 still continued, manufacturers continued to be cautious about capital investment.

With regard to the market environment for Taikisha Group, in Japanese market, investment by manufacturers of electronic components, pharmaceuticals, automobiles, etc. is strong, and construction demand for office building in capital area was also firm.

In overseas markets, as uncertainty due to the impact of COVID-19 still continued, manufacturers continued to be cautious about capital investment.

1 Business environment and achievements for FY2021

Consolidated performance

(Hundred millions of yen)

	Results A	*Latest expectation B	Difference A-B	Original expectation (Reference)
Orders-received	2,321	2,300	21	2,440
Net sales of completed construction contracts	2,092	2,050	42	2,180
Ordinary income	108	100	8	135
(Ratio)	5.2%	4.9%	0.3%	6.2%
Profit attributable to owners of parent	72	60	12	84
(Ratio)	3.5%	2.9%	0.5%	3.9%

*The earnings forecast was revised in the 2Q

- Amount of orders received, net sales of completed construction contracts, and ordinary income exceeded the revised forecast of full year performance at the time of announcement of the second quarter financial results.
- Profit attributable to owners of parent exceeded the revised forecast, since we proceeded the sale of Cross-Shareholdings as well as the increase of ordinary income.

Under these circumstances, amount of orders received, net sales of completed construction contracts, and ordinary income exceeded the revised forecast of full year performance announced at the time of the first half of FY2021 financial results.

Profit attributable to owners of parent exceeded the revised forecast, since we proceeded the sale of Cross-Shareholdings as well as the increase of ordinary income.

2 Earnings forecast and action FY2022

Earnings forecast

(Hundred millions of yen)

	FY2021 (Results) A	FY2022 (Expectation) B	Difference B-A
Orders-received	2,321	2,150	-171
Net sales of completed construction contracts	2,092	2,125	32
Ordinary income	108	120	11
(Ratio)	5.2%	5.6%	0.5%
Profit attributable to owners of parent	86	86	13
(Ratio)	3.5%	4.0%	0.6%

- Amount of orders received is predicted to decline as the whole Group because of the exclusion of Geico S.p.A from the consolidation. Although the net sales of completed construction contracts is also expected to decline because of the exclusion of Geico S.p.A from the consolidation, it is expected to increase as the whole Group since it will increase in the Green Technology System Division.
- Ordinary income is expected to increase mainly due to an increase in net sales of completed contracts in Green Technology system.
- Profit attributable to owners of parent is expected to increase due to the increase in sales of Green Technology System Division and the sale of Cross-Shareholdings.

This slide shows the earnings forecast for FY2022.

Amount of orders received is expected to decline as the whole Group, due to the exclusion of Geico S.p.A from the consolidation. Although the net sales of completed construction contracts is also expected to decline because of the exclusion of Geico S.p.A from the consolidation, it is expected to increase as the whole Group since it will increase in the Green Technology System Division.

Ordinary income is expected to increase mainly due to the increase of the net sales of completed contracts in Green Technology system.

Profit attributable to owners of parent is expected to increase due to the increase in sales in Ordinary income and the sale of Cross-Shareholdings.

1. Explanation about FY2021

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| ① Highlight of FY2021 | ④ Main projects in Order/ Sales / Carried forward |
| ② Results of
Green Technology System Division | ⑤ Earnings Forecasts for FY2022 |
| ③ Results of
Paint Finishing System Division | ⑥ (Reference) Trends in Shareholder Returns and Total Return Ratio |

1. The mention numerical value is in principle consolidated basis. In the case of non-consolidated basis, it is noted on the title of the page.
2. Achievements numerical value is in principle a business amount of money for the external customers. Only about operating income and ordinary income according to the segment, it becomes the numerical value including the intersegment turnover.
3. The forecasted figures are based on available information as of the date of this announcement. It includes economic trends, intense competition in the industry, market demand, exchange rate, reforms of the tax system and various systems, and various other risks and uncertainties. Therefore, please note that actual results may differ from our expectations.

From this part, I would like to explain about FY2021.

1. Explanation about FY2021

1 Highlight of FY2021

1-①. Orders-received by Division (previous year comparison)

(Hundred millions of yen)

	FY2020	FY2021	Change
Orders-received	2,004	2,321	316
(Japan)	(1,121)	(1,434)	(313)
(Overseas)	(883)	(886)	(3)
Green Technology	1,355	1,589	233
Building HVAC	459	433	-25
Industrial HVAC	896	1,155	259
(Japan)	(508)	(796)	(288)
(Overseas)	(388)	(359)	(△28)
Paint Finishing	649	732	82
(Japan)	(154)	(205)	(50)
(Overseas)	(495)	(526)	(31)

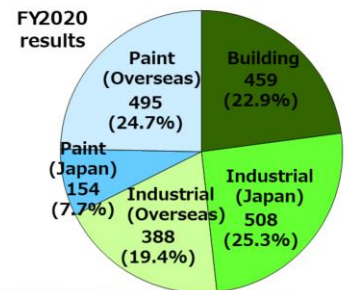
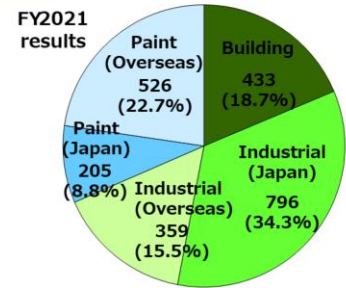
(Green Technology System Division)

- With regard to the Green Technology System Division, in the building HVAC segment, the orders-received in the office buildings market decreased due to the preference of the orders-received in the industrial HVAC market, despite the good market environment.
- In the Japanese market, the orders-received in the industrial HVAC segment increased due to the acceleration of investment in the electrical and electronics field against the backdrop of the global shortage of semiconductors and also the strong capital investment by pharmaceutical manufacturers. In the overseas market, the orders-received in industrial HVAC segment decreased due to the reaction of orders of large-scale projects in Thailand in FY2020.

(Paint Finishing System Division)

- Although the investment was postponed due to the impact of the spread of COVID-19 in FY2020 both in Japan and overseas, the orders-received increased due to a recovery trend in FY2021.

Component



This slide shows the summary of orders-received by division compared to FY2020.

As the whole Group, the orders-received increased by 31.6 billion to 232.1 billion.

With regard to the Green Technology System Division, in the building HVAC segment, the orders-received in the office buildings market decreased due to the preference of the orders-received in the industrial HVAC market, despite the good market environment.

In the Japanese market, the orders-received in the industrial HVAC segment increased due to the acceleration of investment in the electrical and electronics field against the backdrop of the global shortage of semiconductors and also the strong capital investment by pharmaceutical manufacturers. In the overseas market, the orders-received in industrial HVAC segment decreased due to the reaction of orders of large-scale projects in Thailand in FY 2020.

With regard to the Paint Finishing System Division, although the investment was postponed due to the impact of the spread of COVID-19 in FY2020 both in Japan and overseas, the orders-received increased due to a recovery trend in FY2021.

1 Highlight of FY2021

1-②. Orders-received by Division (Expected comparison)

(Hundred millions of yen)

	Results A	*Latest expectation B	Difference A-B	Original expectation (Reference)
Orders-received	2,321	2,300	21	2,440
(Japan)	(1,434)	(1,475)	(△40)	(1,318)
(Overseas)	(886)	(825)	(61)	(1,122)
Green Technology	1,589	1,570	19	1,710
Building HVAC	433	460	-26	444
Industrial HVAC	1,155	1,110	45	1,266
(Japan)	(796)	(788)	(8)	(740)
(Overseas)	(359)	(322)	(37)	(526)
Paint Finishing	732	730	2	730
(Japan)	(205)	(227)	(△21)	(134)
(Overseas)	(526)	(503)	(23)	(596)

*The earnings forecast was revised in the 2Q

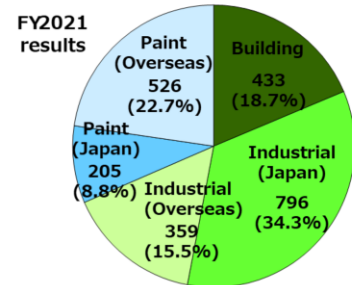
(Green Technology System Division)

- Despite the good market environment, the building HVAC underperformed the revised forecast, because the orders in the industrial HVAC market were prioritized, as mentioned before.
- The industrial segment outperformed the revised forecast both in Japan and overseas due to the fact we were able to secure the orders-received more than expected.

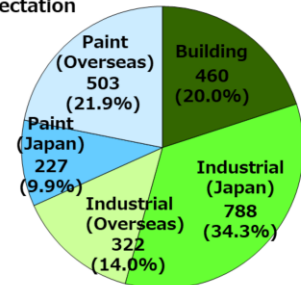
(Paint Finishing System Division)

- The Painting Finishing System Division were able to secure the orders-received as expected, while there was a difference between Japan and overseas.

Component



Latest expectation



This slide shows the summary of orders-received compare to the revised expectation.

The orders-received was 2.1 billion yen higher than the revised forecast at the first half of FY2021 for the whole Group.

With regard to the Green Technology System Division, despite the good market environment, the building HVAC underperformed the revised forecast, because the orders in the industrial HVAC market were prioritized, as mentioned before.

The industrial segment outperformed the revised forecast both in Japan and overseas due to the fact we were able to secure the orders-received more than expected.

The Paint Finishing System Division were able to secure the orders-received as expected, while there was a difference between Japan and overseas.

1 Highlight of FY2021

2-①. Sales by Division (previous year comparison)

(Hundred millions of yen)

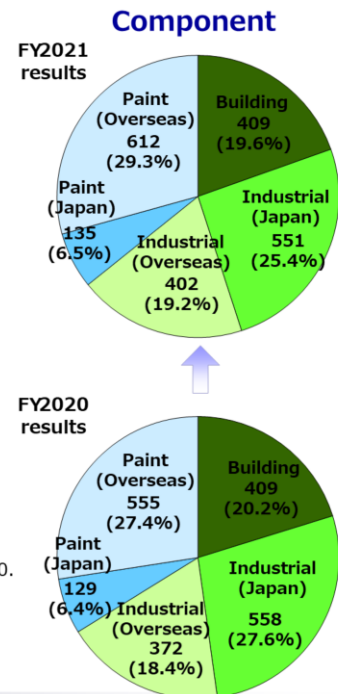
	FY2020	FY2021	Change
Net sales of completed construction contracts	2,025	2,092	67
(Japan)	(1,097)	(1,077)	(Δ20)
(Overseas)	(927)	(1,015)	(87)
Green Technology	1,340	1,343	3
Building HVAC	409	409	0
Industrial HVAC	930	934	3
(Japan)	(558)	(531)	(Δ26)
(Overseas)	(372)	(402)	(29)
Paint Finishing	684	748	63
(Japan)	(129)	(135)	(5)
(Overseas)	(555)	(612)	(57)

(Green Technology System Division)

- In Japanese Industrial HVAC segment, there was a reactionary decline resulted from the great progress of large projects in FY2020 in Japanese Industrial HVAC segment.
- In overseas Industrial HVAC segment, the overall sales was increased because construction delay in overseas due to the impact of COVID-19 has little impact than FY2020.

(Paint Finishing System Division)

- The sales increased both in Japan and overseas due to a number of large-scale projects that were completed FY2021.



This slide shows the summary of sales by division compared to FY2020.

As the whole Group, the sales increased by 6.7 billion to 209.2 billion.

With regard to the Green Technology Division, although there was a reactionary decline resulted from the great progress of large projects in FY2020 in Japanese Industrial HVAC segment, the overall sales was increased because construction delay in overseas due to the impact of COVID-19 has little impact than FY2020.

The Paint Finishing System Division increased both in Japan and overseas due to a number of large-scale projects that were completed FY2021.

1 Highlight of FY2021

2-②.Sales by Division (expected comparison)

(Hundred millions of yen)

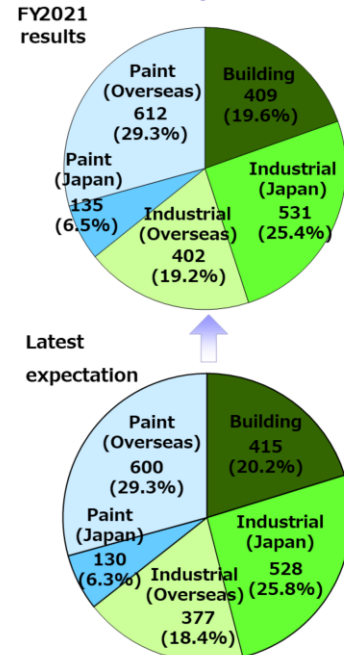
	Results A	*Latest expectation B	Difference A-B	Original expectation (Reference)
Net sales of completed construction contracts	2,092	2,050	42	2,180
(Japan)	(1,077)	(1,073)	(4)	(1,063)
(Overseas)	(1,015)	(977)	(38)	(1,117)
Green Technology	1,343	1,320	23	1,420
Building HVAC	409	415	-5	373
Industrial HVAC	934	905	29	1,047
(Japan)	(531)	(528)	(3)	(561)
(Overseas)	(402)	(377)	(25)	(486)
Paint Finishing	748	730	18	760
(Japan)	(135)	(130)	(5)	(129)
(Overseas)	(612)	(600)	(12)	(631)

*The earnings forecast was revised in the 2Q

(Green Technology System Division・Paint Finishing System Division)

・ Both Divisions secured the net sales of completed construction contracts as expected, while overseas net sales improved due to the impact of exchange in both industrial HVAC segment and Paint Finishing System Division.

Component



This slide shows the summary of sales compared to revised expectation.

The sales were 4.2 billion yen higher than the revised financial result forecast at the First half of FY2021.

Both Divisions secured the net sales of completed construction contracts as expected, while overseas net sales improved due to the impact of exchange in both industrial HVAC segment and Paint Finishing System Division.

1 Highlight of FY2021

3-①. Profit by Division (previous year comparison)

(Hundred millions of yen)

	FY2020	FY2021	Change
Operating income	116	94	-22
(Ratio)	5.8%	4.5%	-1.3%
Green Technology	111	89	-21
(Ratio)	8.3%	6.7%	-1.6%
Paint Finishing	9	5	-3
(Ratio)	1.4%	0.8%	-0.6%
Ordinary income	122	108	-14
(Ratio)	6.1%	5.2%	-0.9%
Green Technology	111	93	-18
(Ratio)	8.3%	6.9%	-1.4%
Paint Finishing	9	6	-2
(Ratio)	1.3%	0.9%	-0.4%

(Green Technology System Division)

· The ordinary income of Green Technology System Division declined due to the decline of the ratio of highly profitable projects compared to FY2020.

(Paint Finishing System Division)

· The ordinary income of Paint Finishing System Division in FY2020 declined due to the dropped ratio of the highly profitable project because of the intensifying competitiveness. In FY2021, although that impact was mitigated, profits declined due to the impact of the deterioration in profitability of European projects that occurred in the first half of FY2021.

This slide shows the summary of profit by division compared to FY2020.

As the whole Group, the ordinary income decreased by 1.4 billion to 10.8 billion.

The ordinary income of Green Technology System Division declined due to the decline of the ratio of highly profitable projects compared to FY2020.

The ordinary income of Paint Finishing System Division in FY2020 declined due to the dropped ratio of the highly profitable project because of the intensifying competitiveness. In FY2021, although that impact was mitigated, profits declined due to the impact of the deterioration in profitability of European projects that occurred in the first half of FY2021.

1 Highlight of FY2021

3-②. Profit by Division (Expected comparison)

(Hundred millions of yen)

	Results A	*Latest expectation B	Difference A-B	Original expectation (Reference)
Operating income	94	90	4	127
(Ratio)	4.5%	4.4%	0.1%	5.8%
Green Technology	89	89	0	106
(Ratio)	6.7%	6.7%	-0.1%	7.5%
Paint Finishing	5	4	1	27
(Ratio)	0.8%	0.5%	0.2%	3.6%
Ordinary income	108	100	8	135
(Ratio)	5.2%	4.9%	0.3%	6.2%
Green Technology	93	90	3	108
(Ratio)	6.9%	6.8%	0.1%	7.6%
Paint Finishing	6	6	0	27
(Ratio)	0.9%	0.8%	0.1%	3.6%

*The earnings forecast was revised in the 2Q

(Paint Finishing System Division)

• The ordinary income of both Green Technology System Division and Paint Finishing System Division landed as expected, but the ordinary income of Headquarters increased due to the impact of general dividends and Foreign exchange gains.

This slide also shows the summary of profit compared to the forecast.

The ordinary income was 0.8 billion yen higher than the revised forecast at the first half of FY2021 for the whole Group.

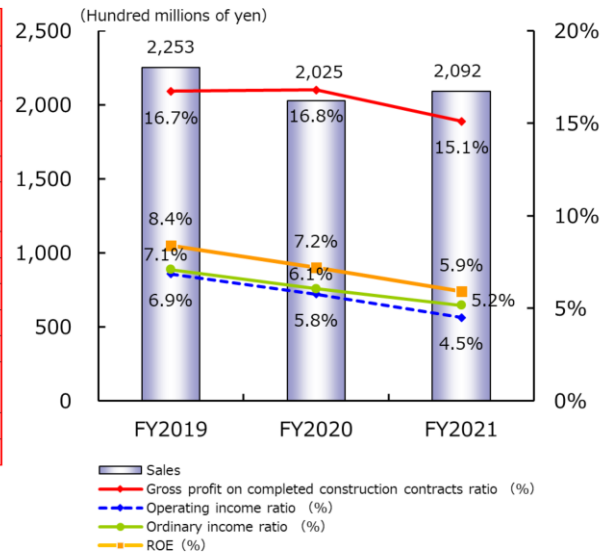
The ordinary income of both Green Technology System Division and Paint Finishing System Division landed as expected, but the ordinary income of Headquarters increased due to the impact of general dividends and Foreign exchange gains.

1 Highlight of FY2021

4. Consolidated Income Statement

(Hundred millions of yen)

	FY2019	FY2020	FY2021
Net sales of completed construction contracts	2,253	2,025	2,092
Gross profit on completed construction contracts	376	340	316
(Ratio)	16.7%	16.8%	15.1%
Selling, general and administrative expenses	222	223	221
(Ratio)	9.9%	11.0%	10.6%
Operating income	154	116	94
(Ratio)	6.9%	5.8%	4.5%
Ordinary income	159	122	108
(Ratio)	7.1%	6.1%	5.2%
Profit attributable to owners of parent	91	82	72
(Ratio)	4.1%	4.1%	3.5%
ROE	8.4%	7.2%	5.9%

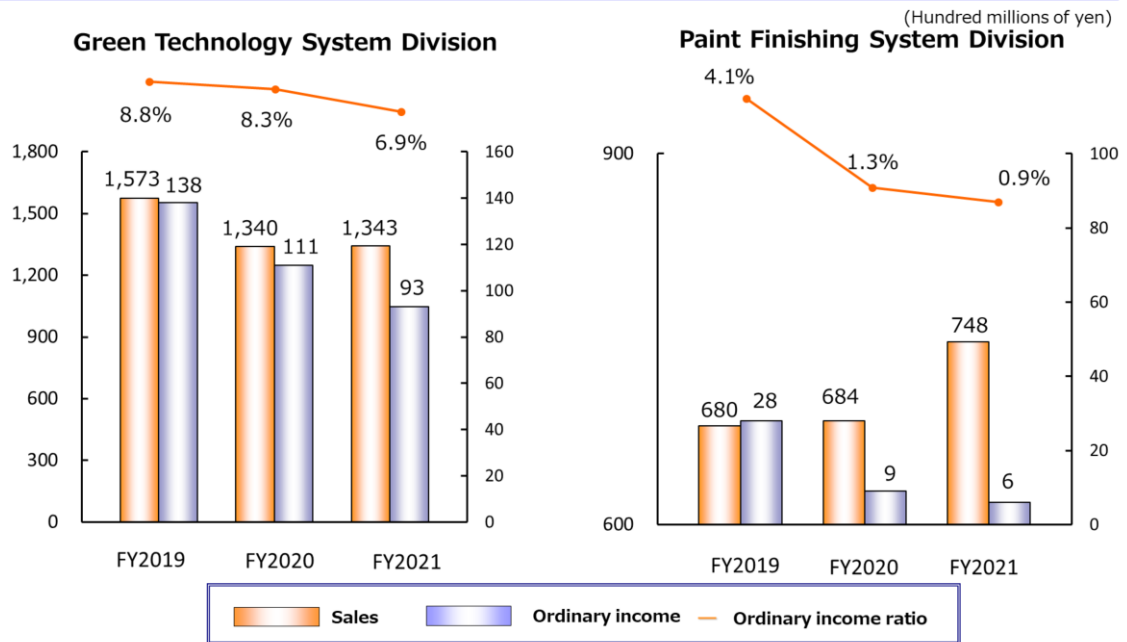


This slide shows the income data for the past three fiscal years.

Profit attributable to owners of parent decreased by 1.0 billion to 7.2 billion yen from FY2020 mainly due to the impact of deteriorating profitability of European projects.

1 Highlight of FY2021

5. Net sales of completed construction contracts / ordinary income by Division

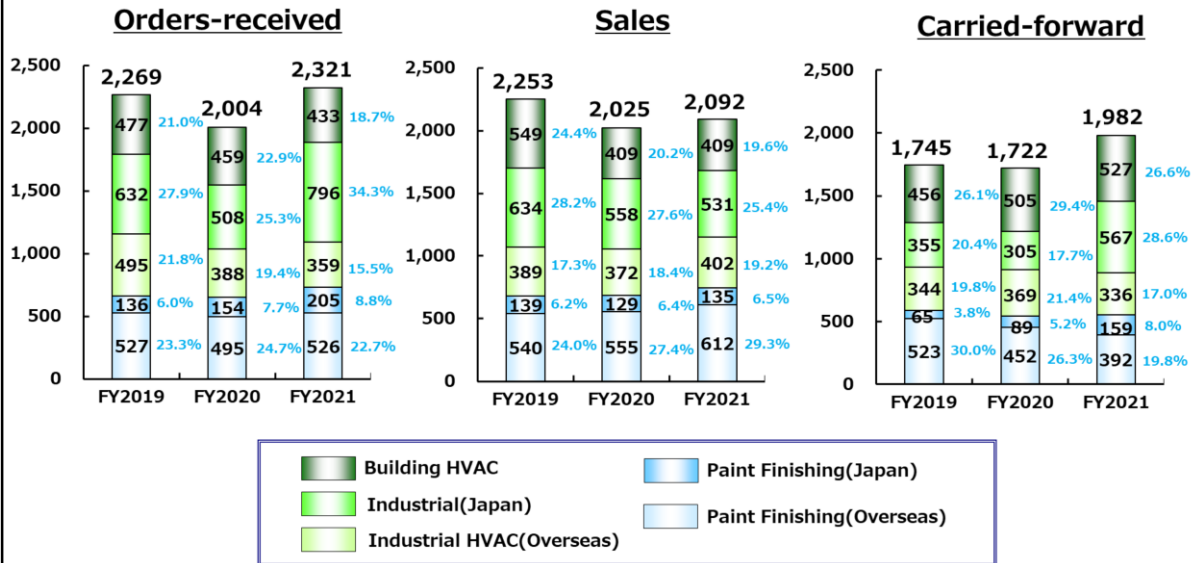


This slide shows the graphs of the net sales of completed construction contracts and ordinary income by division.

1 Highlight of FY2021

6. Orders-received / Net sales of completed construction contracts / Construction carried-forward

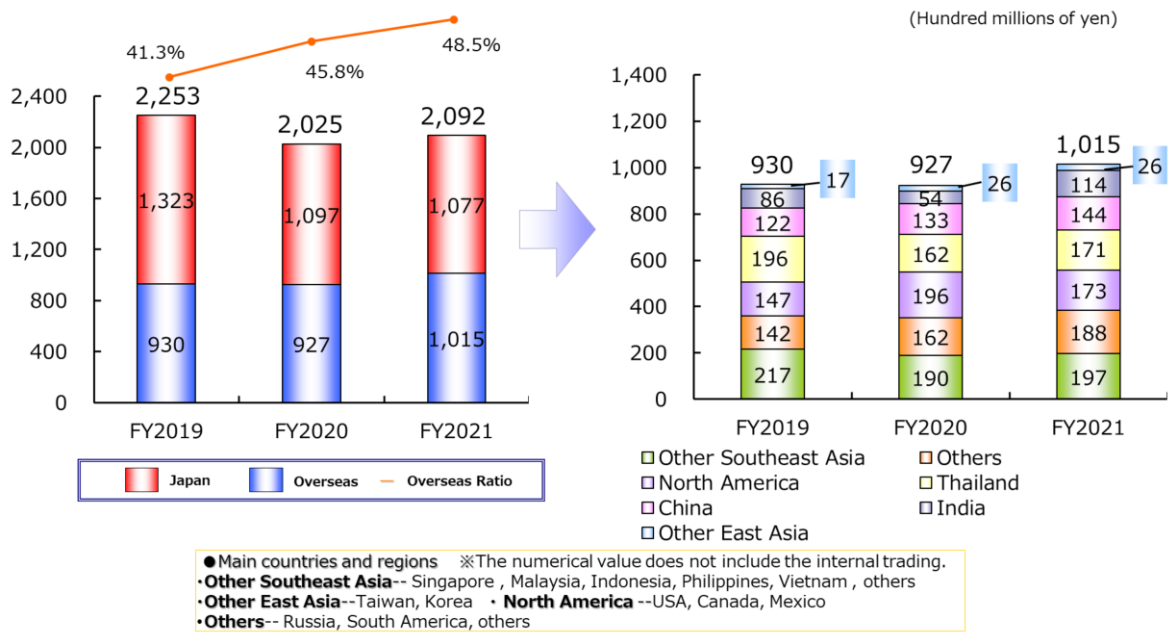
(Hundred millions of yen)



This slide shows the breakdown of Orders-received, Net sales of completed construction contracts and Construction carried-forward by division.

1 Highlight of FY2021

7. Overseas net sales of completed construction contract by Region



This slide shows the overseas net sales of completed construction contract by Region.

The left graph shows the breakdown of sales in Japan and overseas and the ratio of sales in overseas.

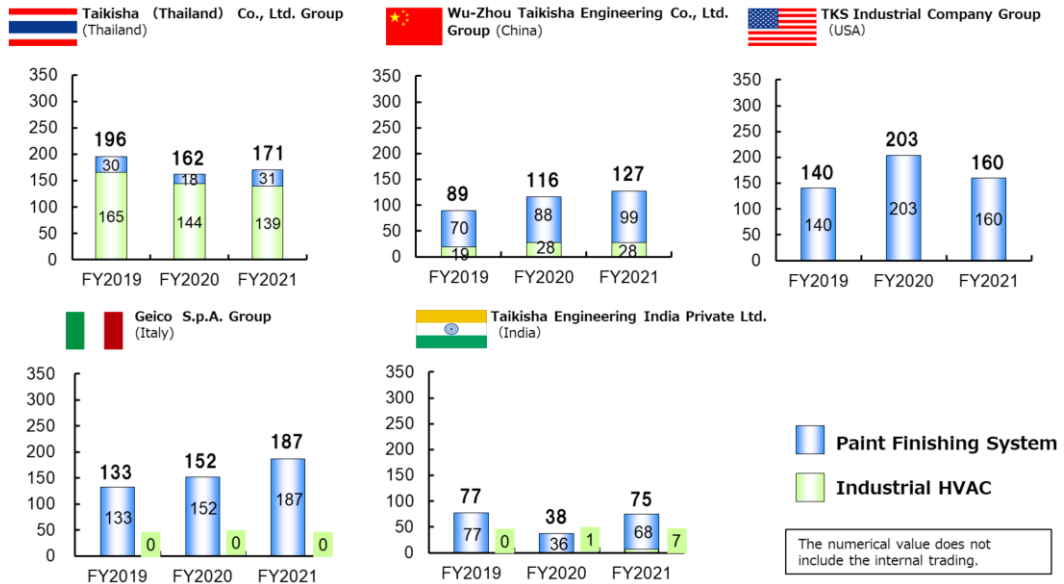
The right graph shows the breakdown of overseas net sales of completed construction contracts by Region.

For the FY2021 sales, the overseas ratio indicated by the orange polygon line increased by 2.7% from 45.8% in FY2020 to 48.5% along with the increase in overseas.

1 Highlight of FY2021

8 Sales of five main overseas companies

(Hundred millions of yen)



This slide shows the sales of five main overseas companies.

In subsidiary in North America, the sales decreased due to the reactionary decline resulted from the progress of large-scale projects in FY2020. The sales of Geico S.p.A. in Italy increased due to the steady progress of large-scale projects, and the sales of Taikisha Engineering India Private Ltd. in India increased because the recovery from the impact of COVID-19 has progressed.

1 Highlight of FY2021

9. Consolidated Balance Sheet

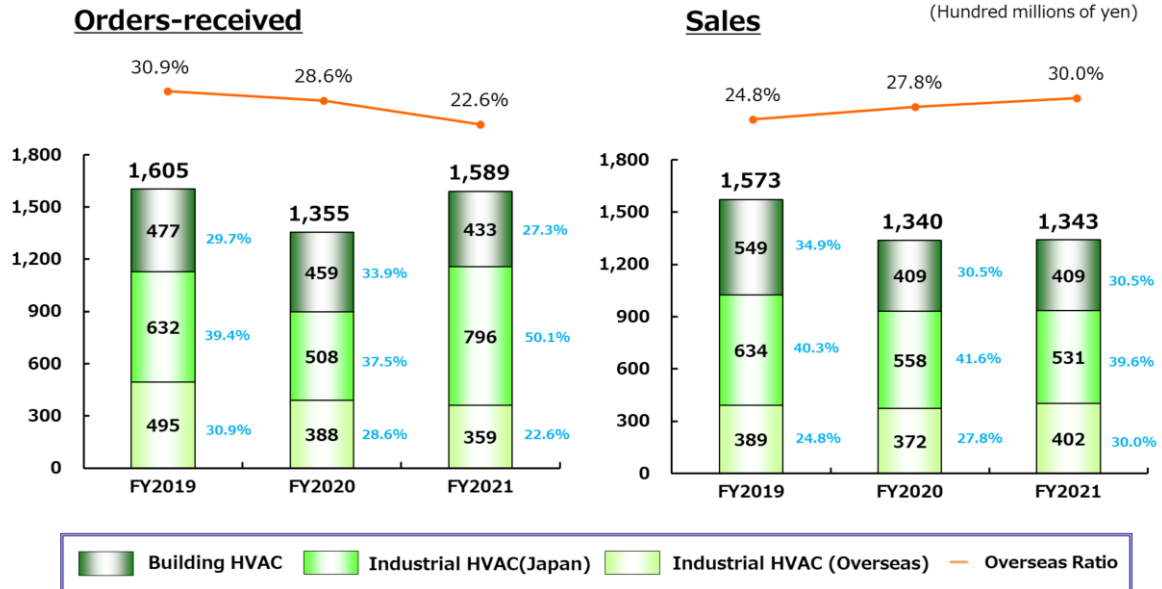
(Hundred millions of yen)

	FY2020	FY2021	Change		FY2020	FY2021	Change
Current assets	1,653	1,681	28	Current liabilities	869	818	-50
Cash and deposits	520	490	-29	Notes payable, accounts payable for construction contracts and other	520	471	-49
Notes receivable, Accounts receivable from completed construction contracts and other	1,014	1,049	35	Advances received on uncompleted construction contracts	142	69	-72
Securities	20	30	10	Provision for loss on construction contracts	4	3	-0
Costs on uncompleted construction contracts·Raw materials and supplies	24	27	2	Other	202	274	72
Other intangible assets	80	90	10	Non-current liabilities	156	154	-1
Allowance for doubtful accounts	-6	-7	-0	Total liabilities	1,025	973	-51
Non-current assets	634	599	-34	Total net assets	1,263	1,307	44
Property, plant and equipment	101	112	10	Capital stock	64	64	0
Goodwill	40	39	-1	Capital surplus	50	50	0
Other intangible assets	43	34	-9	Retained earnings	957	998	41
Investment securities	326	296	-30	Treasury shares, at cost	-25	-25	0
Deferred tax assets	10	5	-5	Valuation difference on available-for-sale securities	142	119	-23
Other	112	116	4	Deferred gains or losses on hedges	-0	-0	-0
Allowance for doubtful accounts	-0	-4	-3	Foreign currency translation adjustment	-2	20	22
Total assets	2,288	2,281	-6	Accumulated remeasurements of defined benefit plans	24	19	-4
				Non-controlling interests	52	60	8
				Total liabilities and net assets	2,288	2,281	-6

This slide shows the consolidated balance sheet.

2 Results of Green Technology System Division

1. Orders-received / Net sales of completed construction contracts



From this slide, we would like to explain the results of the Green Technology System Division.

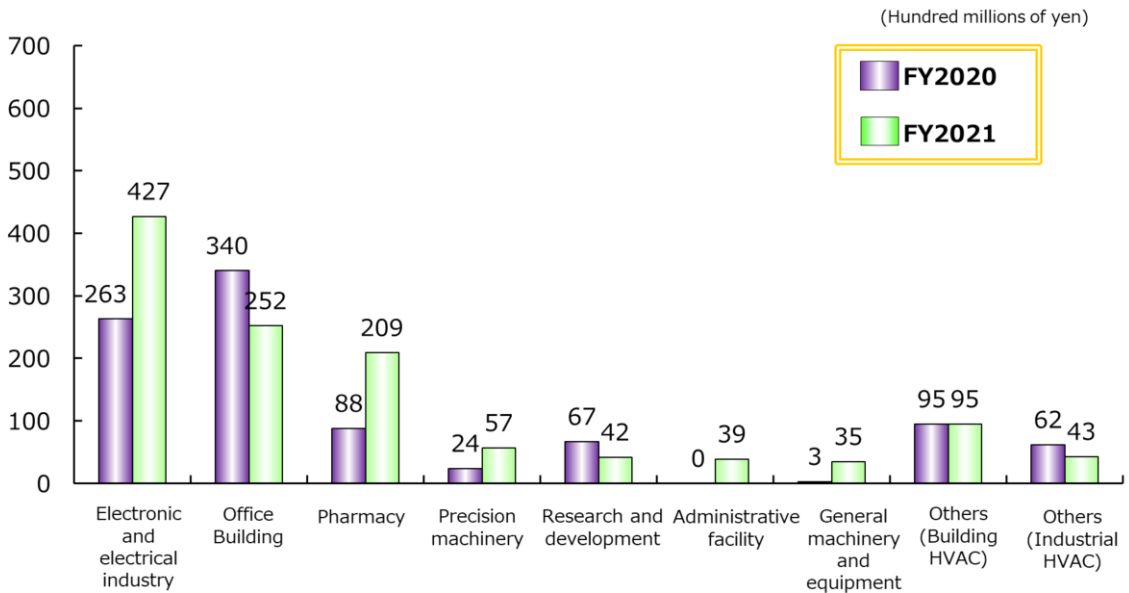
The left graph shows the trend of orders-received, and the right graph shows the trend of sales by business category.

The orders-received increased in Japan and decreased in overseas, and the overseas ratio declined.

The net sales of completed construction contracts increased in overseas and decreased in Japan, and the overseas ratio increased.

2 Results of Green Technology System Division

2. Order of the market classification (Non-consolidated)



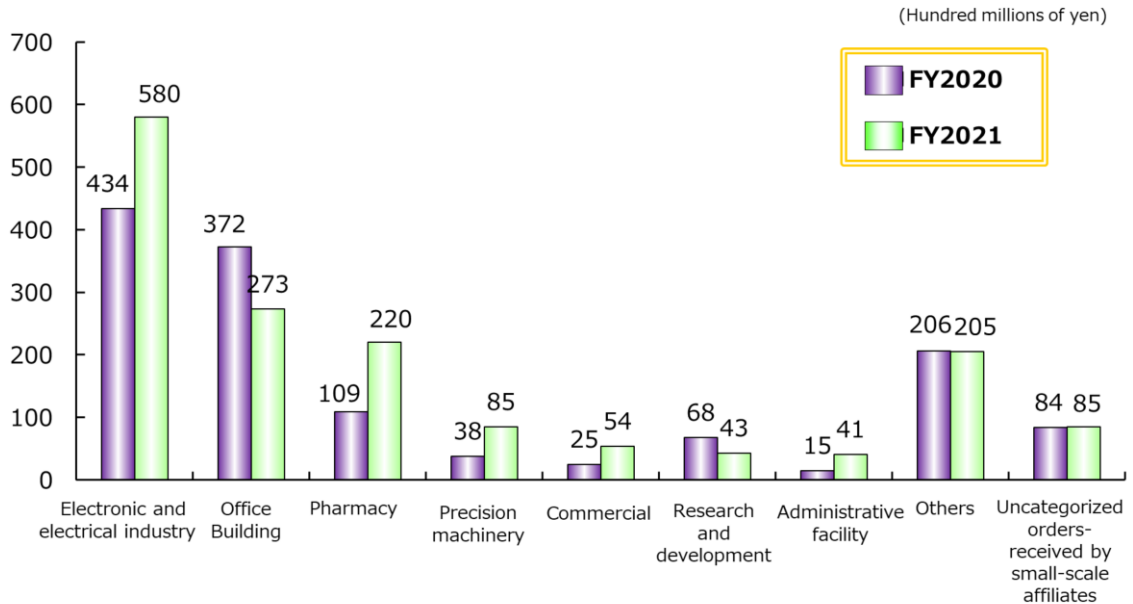
This slide shows the non-consolidated orders-received by market categories.

The orders-received in the electrical and electronics market and pharmacy market increased significantly due to the vigorous new capital investment.

On the other hand, as mentioned earlier, the orders-received in the office buildings market decreased despite the good market environment because the orders in the industrial HVAC market were prioritized.

2 Results of Green Technology System Division

3. Order of the market classification (Consolidated)



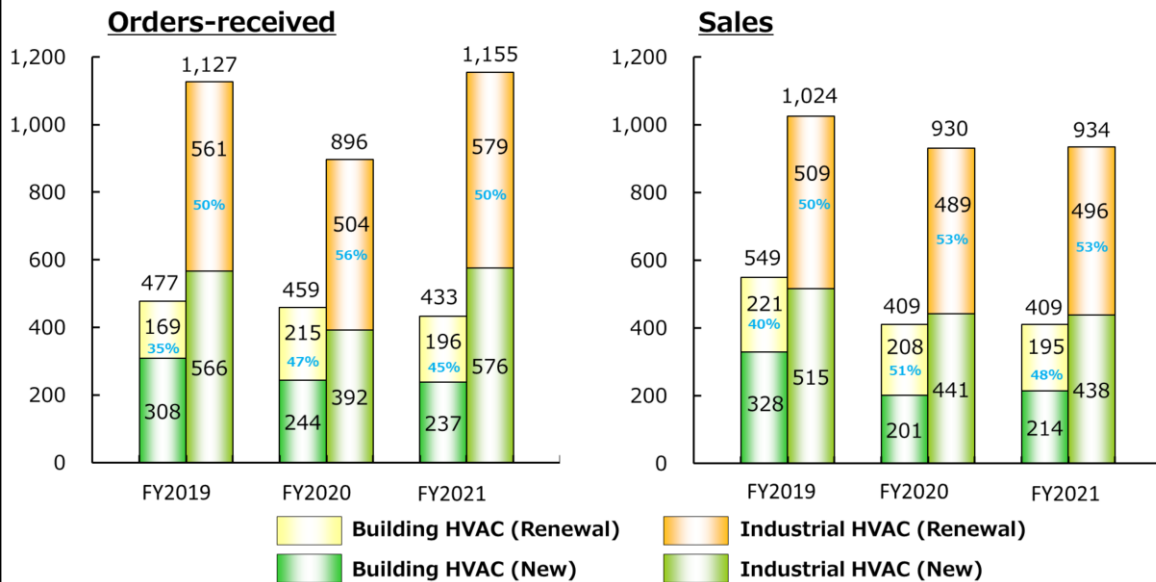
This slide shows the consolidated orders-received of the Green Technology System Division by market categories.

As mentioned in the non-consolidated orders-received by market categories slide, the orders received in the electrical and electronics market and pharmacy market increased along with the vigorousness of the domestic capital investment.

2 Results of Green Technology System Division

4. Renewal construction (Consolidated)

(Hundred millions of yen)
(%:Renewal Ratio)

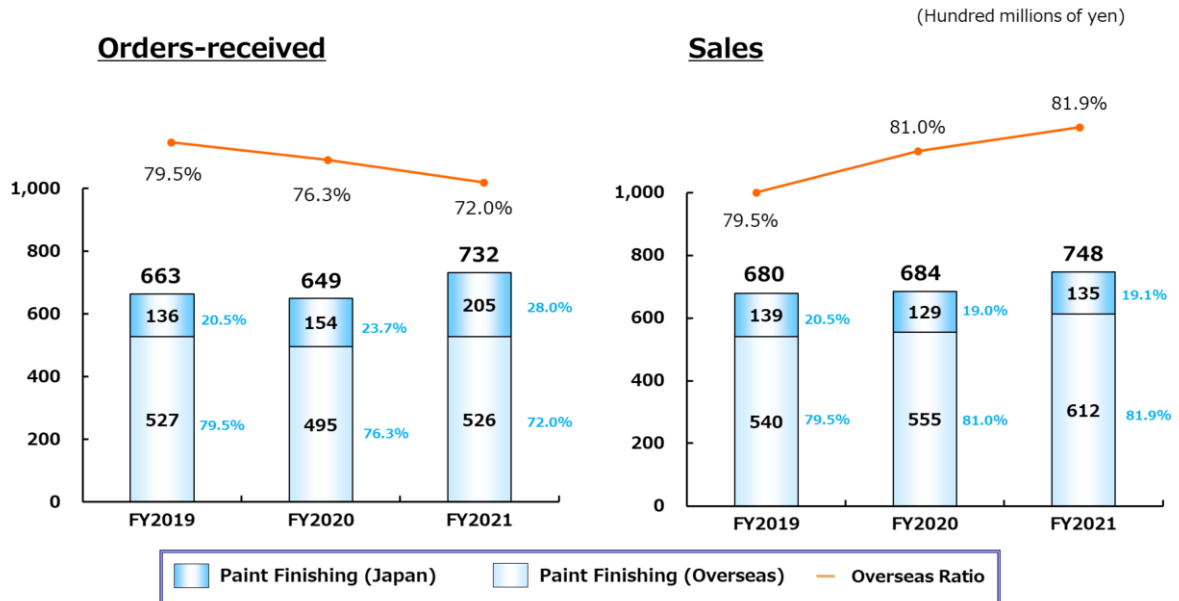


This slide shows the trend of renewal construction projects.

Although the orders received of renewal construction projects in the Industrial HVAC segment increased in FY2021 due to the orders for large-scale renewal projects from the electrical and electronics manufacturers, the ratio of renewal construction projects decreased due to the increase of large-scale new construction projects.

3 Results of Paint Finishing System Division

1. Orders-received / Net sales of completed construction contracts



From this slide, I would like to explain the results of the Paint Finishing System Division.

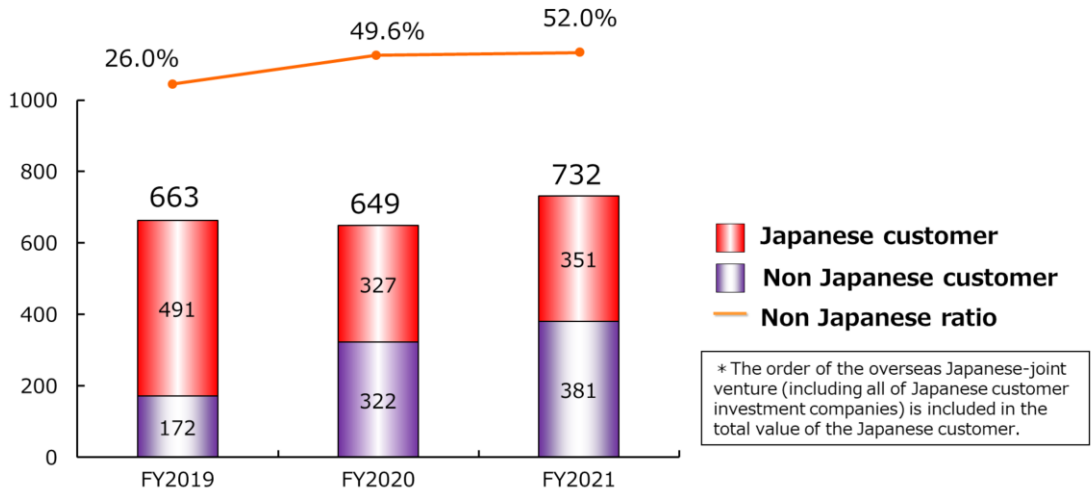
The Orders-received increased both in Japan and overseas compared to FY2020, but the overseas ratio declined because the extend of the large increase in Japan.

The net sales of completed construction increased both in Japan and overseas compared to FY2020, but the overseas ratio increased because of the large increase in overseas.

3 Results of Paint Finishing System Division

2. Order ratio from non Japanese customers

(Hundred millions of yen)



This slide shows the ratio of the orders-received from non-Japanese automobile manufacturers.

In FY2021, non Japanese customer ratio increased due to the receipt of large orders from non Japanese customers in Europe and Southeast Asia.

4 Main projects in Order / Sales / Carried forward
1. Order project more than 1 billion yen

Number of cases over 1 billion yen / construction, market classification				
<p>Orders- received</p> <p>38 projects</p> <p>1,077 hundred millions of yen</p>	<p>Japan</p> <p>652 hundred millions of yen</p>	<p>23 projects</p>	Office building	5
			Administrative facility	2
			Culture, entertainment	1
			Commercial	1
			Electronic and electrical industry	5
			Pharmacy	5
			Precision machinery	1
			General machinery and equipment	1
			Research and development	1
			Automobile	1
	<p>Overseas</p> <p>425 hundred millions of yen</p>	<p>15 projects</p>	Office building	1
			Commercial	1
			Electronic and electrical industry	3
			Automobile	10

Slide 26 to 28 show the summary of the number of orders-received, sales and carried forward projects of 1 billion yen or more. Please refer to them.

4 Main projects in Order / Sales / Carried forward

2. Sales project more than 1 billion yen

Number of cases over 1 billion yen / construction, market classification				
<p>Sales</p> <p>30 projects</p> <p>625 hundred millions of yen</p>	<p>Japan</p> <p>264 hundred millions of yen</p>	<p>16 projects</p>	Office building	4
			Culture, entertainment	1
			Accommodation	1
			Medical and social welfare	1
			Commercial	1
			Research and development	2
			Pharmacy	2
			Food, fishery	1
			Electronic and electrical industry	1
			General machinery and equipment	1
	Automobile parts	1		
	<p>Overseas</p> <p>361 hundred millions of yen</p>	<p>14 projects</p>	Electronic and electrical industry	1
			Automobile	11
			Railway	1
Truck			1	

4 Main projects in Order / Sales / Carried forward
3. Carried forward project more than 1 billion yen

Number of cases over 1 billions yen / construction, market classification				Planned project to be completed in FY2022	
<p>Carried forward</p> <p>46 Projects</p> <p>1,262 hundred millions of yen</p>	<p>Japan</p> <p>828 hundred millions of yen</p>	<p>31 projects</p>	Office building	14	2
			Administrative facility	3	-
			Electronic and electrical industry	5	2
			Pharmacy	4	2
			Precision machinery	1	-
			Research and development	1	1
			General machinery and equipment	1	1
			Automobile	1	-
			Other	1	-
	<p>Overseas</p> <p>433 hundred millions of yen</p>	<p>15 projects</p>	Office building	2	1
			Commercial	1	-
			Electronic and electrical industry	3	-
			Automobile	9	2

5 Earnings Forecasts for FY2022

Earnings Forecasts by Division

(Hundred millions of yen)

	FY2020			FY2021			FY2022								
	Green Technology	Paint Finishing	Total	Green Technology	Paint Finishing	Total	Green Technology			Paint Finishing			Total		
							H1(E)	H2(E)	Total(E)	H1(E)	H2(E)	Total(E)	H1(E)	H2(E)	Total(E)
Orders	1,355	649	2,004	1,589	732	2,321	910	690	1,600	223	327	550	1,133	1,017	2,150
Sales	1,340	684	2,025	1,343	748	2,092	710	840	1,550	214	361	575	924	1,201	2,125
Operating income	111	9	116	89	5	94	47	58	105	-10	21	11	34	74	108
(ratio)	8.3%	1.4%	5.8%	6.7%	0.8%	4.5%	6.6%	6.9%	6.8%	-4.7%	5.8%	1.9%	3.7%	6.2%	5.1%
Ordinary income	111	9	122	93	6	108	48	60	108	-10	22	12	39	81	120
(ratio)	8.3%	1.3%	6.1%	6.9%	0.9%	5.2%	6.8%	7.1%	7.0%	-4.7%	6.1%	2.1%	4.2%	6.7%	5.6%
Net income	-	-	82	-	-	72	-	-	-	-	-	-	24	62	86
(ratio)	-	-	4.1%	-	-	3.5%	-	-	-	-	-	-	2.6%	5.2%	4.0%

① FY2020 Results : 1US\$=¥106.68, 1€=¥122.01, 1THB=¥3.42

② FY2021 Results : 1US\$=¥109.86, 1€=¥130.10, 1THB=¥3.44

③ FY2022 Estimation : 1US\$=¥120, 1€=¥132, 1THB=¥3.58

Effects of foreign exchange differences between ① and ② on
Sales : 45 hundred millions of yen, Ordinary income : 0.7 hundred millions of yen

※ Influence for the earnings forecasts for FY2022 when all exchange rates fluctuate by 1% is;
Orders/Sales : Approximately 10 hundred millions of yen, Ordinary income : Approximately 0.4 hundred millions of yen

From this slide, we would like to explain the earnings forecasts for FY2022.

This slide shows the earnings forecasts by divisions.

Please check the assumed exchange rates shown below the slide.

Please refer to the effect of exchange rate differences also shown below the slide at the same time.

(Hundred millions of yen)

	FY2021 (Results) A			FY2022 (Expectation) B			Difference B-A		
	H1	H2	Total	H1(E)	H2(E)	Total(E)	H1(E)	H2(E)	Total(E)
Orders-received	879	1,441	2,321	1,133	1,017	2,150	253	-424	-171
(Japan)	(546)	(888)	(1,434)	(686)	(544)	(1,232)	(139)	(△344)	(△202)
(Overseas)	(333)	(553)	(886)	(447)	(473)	(920)	(113)	(△80)	(33)
Green Technology	614	974	1,589	910	690	1,600	295	-284	10
Building HVAC	245	187	433	130	200	330	-115	12	-103
Industrial HVAC	368	786	1,155	780	490	1,270	411	-296	114
(Japan)	(235)	(561)	(796)	(499)	(239)	(738)	(263)	(△322)	(△58)
(Overseas)	(133)	(225)	(359)	(281)	(251)	(532)	(147)	(25)	(172)
Paint Finishing	264	467	732	223	327	550	-41	-140	-182
(Japan)	(65)	(139)	(205)	(57)	(105)	(162)	(△8)	(△34)	(△43)
(Overseas)	(199)	(327)	(526)	(166)	(222)	(388)	(△33)	(△105)	(△138)

(Green Technology System Division)

- Construction is expected to remain firm over the long term.
- In the industrial HVAC field, new capital investment is expected to continue in Japan by electrical and electronics manufacturers and pharmaceutical manufacturers. In overseas, new capital investment including semiconductor-related is expected-which had been postponed due to the impact of the spread of COVID-19.
- Although the domestic market is active, orders received in Japan is expected to decline as the volume of work on hand increases. In overseas on the other hand, we anticipate orders for large scale projects including those related to semiconductors; therefore, orders received is expected to increase.

(Paint Finishing System Division)

- Although the situation in Ukraine is affecting capital investment by European manufacturers, the demand is expected to remain firm since the capital renewal investment in North America and Japan, and investment for increasing production in China and India are anticipated. Although the market is firm, orders are expected to decline due to the deconsolidation of Geico S.p.A.

This slide shows the breakdown of orders-received by divisions. The orders-received of the whole Group for FY2022 is expected to decrease by 17.1 billion yen to 215 billion yen.

As for the outlook for the market environment, although the construction demand in the building HVAC field may moderately shrink for the time being, we expect it will remain firm over the long term, since the needs for the reconstruction and renewal of buildings with old earthquake resistance standard and the redevelopment will persist.

In the industrial HVAC field, new capital investment is expected to continue in Japan by electrical and electronics manufacturers and pharmaceutical manufacturers. In overseas, new capital investment including semiconductor-related is expected-which had been postponed due to the impact of the spread of COVID-19.

As mentioned previously, although the domestic market is active, orders received in Japan is expected to decline as the volume of work on hand increases. In overseas on the other hand, we anticipate orders for large scale projects including those related to semiconductors; therefore, orders received is expected to increase.

In Paint Finishing System Division, although the situation in Ukraine is affecting capital investment for European manufacturers, the demand is expected to remain firm since the capital renewal investment in North America and Japan, and investment for increasing production in China and India are anticipated. Although the market is firm, orders are expected to decline due to the deconsolidation of Geico S.p.A.

5 Earnings Forecasts for FY2022

Sales

(Hundred millions of yen)

	FY2021 (Results) A			FY2022 (Expectation) B			Difference B-A		
	H1	H2	Total	H1(E)	H2(E)	Total(E)	H1(E)	H2(E)	Total(E)
Net sales of completed construction contracts	924	1,168	2,092	924	1,201	2,125	0	32	32
(Japan)	(481)	(595)	(1,077)	(553)	(705)	(1,258)	(71)	(109)	(180)
(Overseas)	(442)	(572)	(1,015)	(371)	(496)	(867)	(△71)	(△76)	(△148)
Green Technology	587	756	1,343	710	840	1,550	122	83	206
Building HVAC	198	210	409	178	222	400	-20	11	-9
Industrial HVAC	388	545	934	532	618	1,150	143	72	215
(Japan)	(207)	(324)	(531)	(321)	(367)	(688)	(113)	(42)	(156)
(Overseas)	(180)	(221)	(402)	(211)	(251)	(462)	(30)	(29)	(59)
Paint Finishing	337	411	748	214	361	575	-123	-50	-173
(Japan)	(75)	(60)	(135)	(54)	(116)	(170)	(△21)	(55)	(34)
(Overseas)	(261)	(351)	(612)	(160)	(245)	(405)	(△101)	(△106)	(△207)

(Green Technology System Division)

·The sales of Industrial HVAC in Japan and overseas is expected to increase due to the progress of large project.

(Paint Finishing System Division)

·The sales is expected to decline due to the deconsolidation of Geico S.p.A.

This slide shows the breakdown of sales by division. The sales of the whole Group for FY2022 is expected to increase by 3.2 billion yen to 212.5 billion yen.

In Green Technology System Division, the sales of Industrial HVAC in Japan and overseas is expected to increase due to the progress of large project.

In Paint Finishing System Division, the sales is expected to decline due to the deconsolidation of Geico S.p.A.

5 Earnings Forecasts for FY2022

Profit

(Hundred millions of yen)

	FY2021 (Results) A			FY2022 (Expectation) B			Difference B-A		
	H1	H2	Total	H1(E)	H2(E)	Total(E)	H1(E)	H2(E)	Total(E)
Ordinary income	35	72	108	39	81	120	3	8	11
(Ratio)	3.9%	6.2%	5.2%	4.2%	6.7%	5.6%	0.4%	0.5%	0.5%
Green Technology	33	59	93	48	60	108	14	0	14
(Ratio)	5.7%	7.9%	6.9%	6.8%	7.1%	7.0%	1.0%	-0.7%	0.0%
Paint Finishing	-4	10	6	-10	22	12	-5	11	5
(Ratio)	-1.2%	2.6%	0.9%	-4.7%	6.1%	2.1%	-3.5%	3.5%	1.2%
Profit attributable to owners of parent	16	55	72	24	62	86	7	6	13
(Ratio)	1.8%	4.8%	3.5%	2.6%	5.2%	4.0%	0.8%	0.4%	0.6%

【Ordinary income】

(Green Technology System Division)

The ordinary income of Green Technology System Division is expected to increase due to the increase of net sales of completed construction contracts in industrial HVAC division.

(Paint Finishing System Division)

The ordinary income of Paint Finishing System Division is expected to increase due to the elimination of the impact of worsening profitability of European projects in FY2021.

This slide shows the ordinary income and the profit attributable to owners of parent.

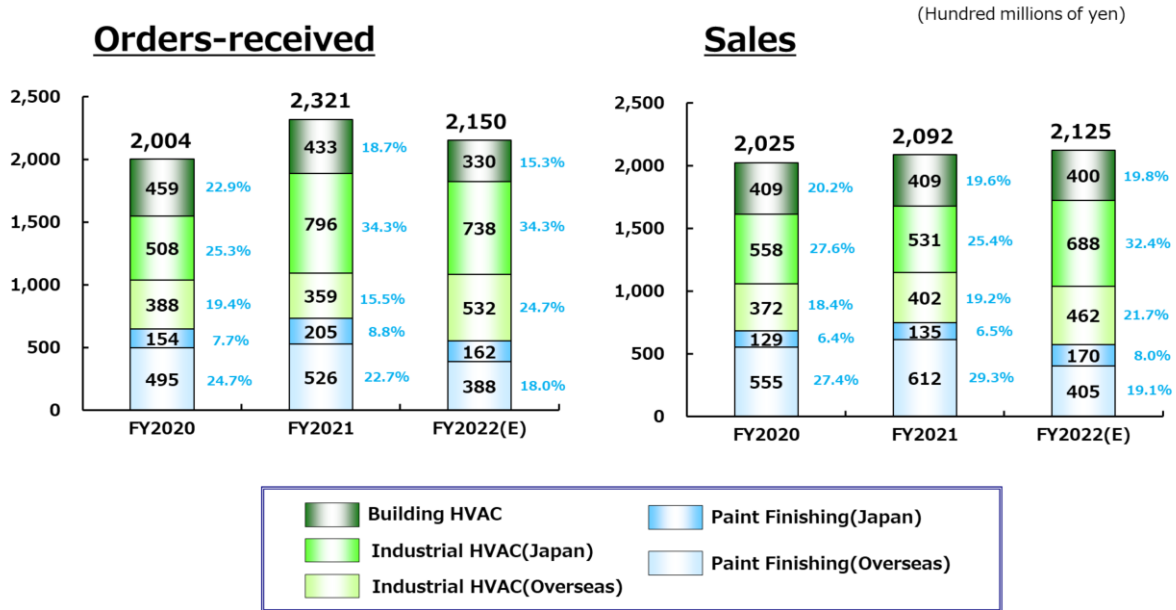
The ordinary income is expected to increase by 1.1 billion yen to 12.0 billion yen.

The ordinary income of Green Technology System Division is expected to increase due to the increase of net sales of completed construction contracts in industrial HVAC division.

The ordinary income of Paint Finishing System Division is expected to increase due to the elimination of the impact of worsening profitability of European projects in FY2021.

5 Earnings Forecasts for FY2022

Earnings Forecasts by Division

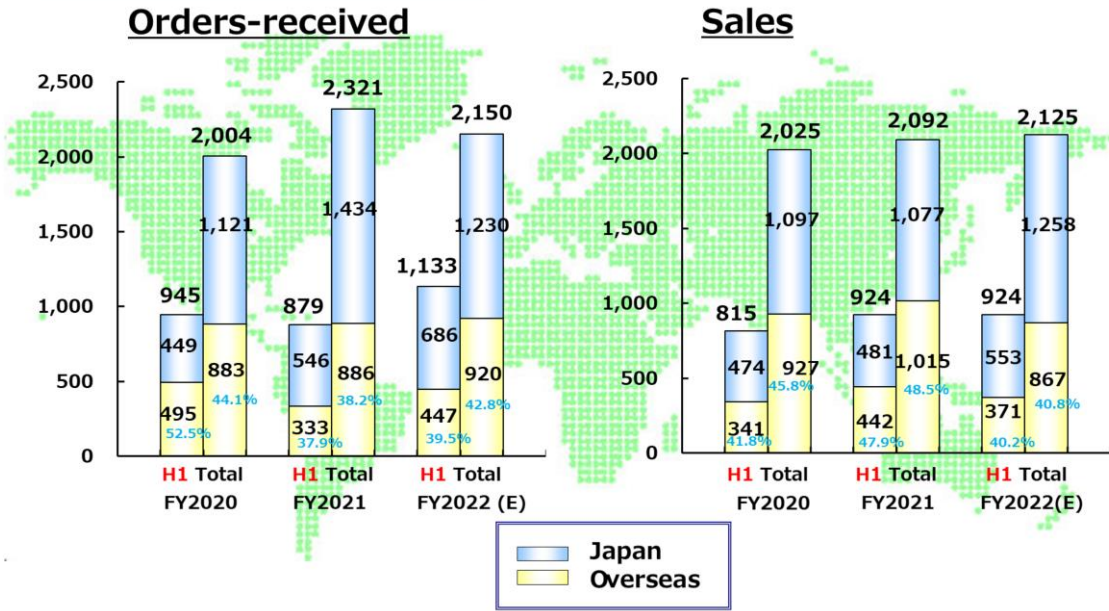


Slide 33 to 36 shows the earnings forecasts for orders-received and the sales of the whole Group and each division.

5 Earnings Forecasts for FY2022

Total (Japan/Overseas)

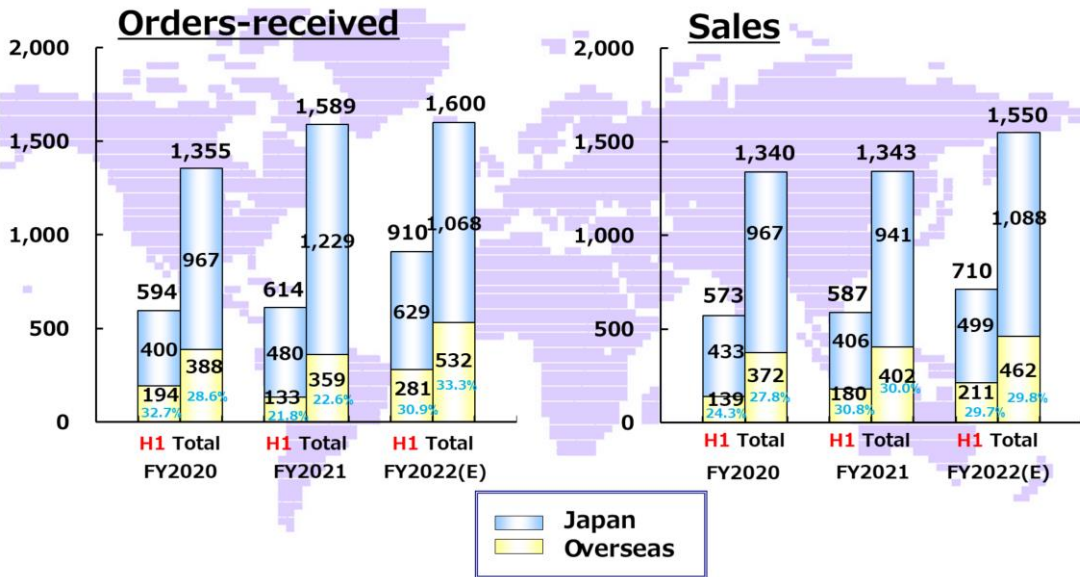
(Hundred millions of yen)
(%: Overseas ratio)



5 Earnings Forecasts for FY2022

Green Technology System Division (Japan/Overseas)

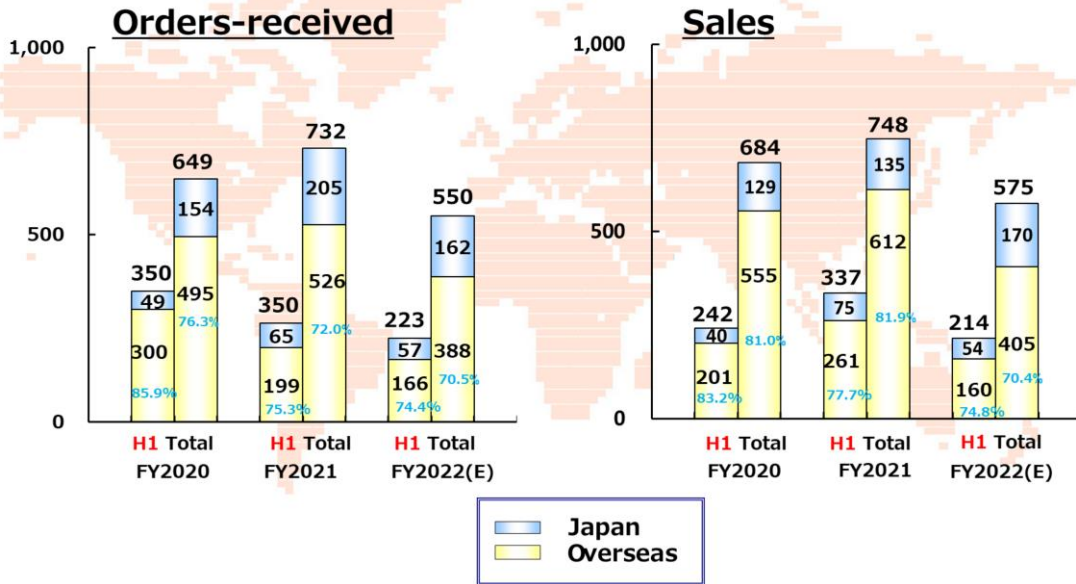
(Hundred millions of yen)
(%: Overseas ratio)



5 Earnings Forecasts for FY2022

Paint Finishing System Division (Japan/Overseas)

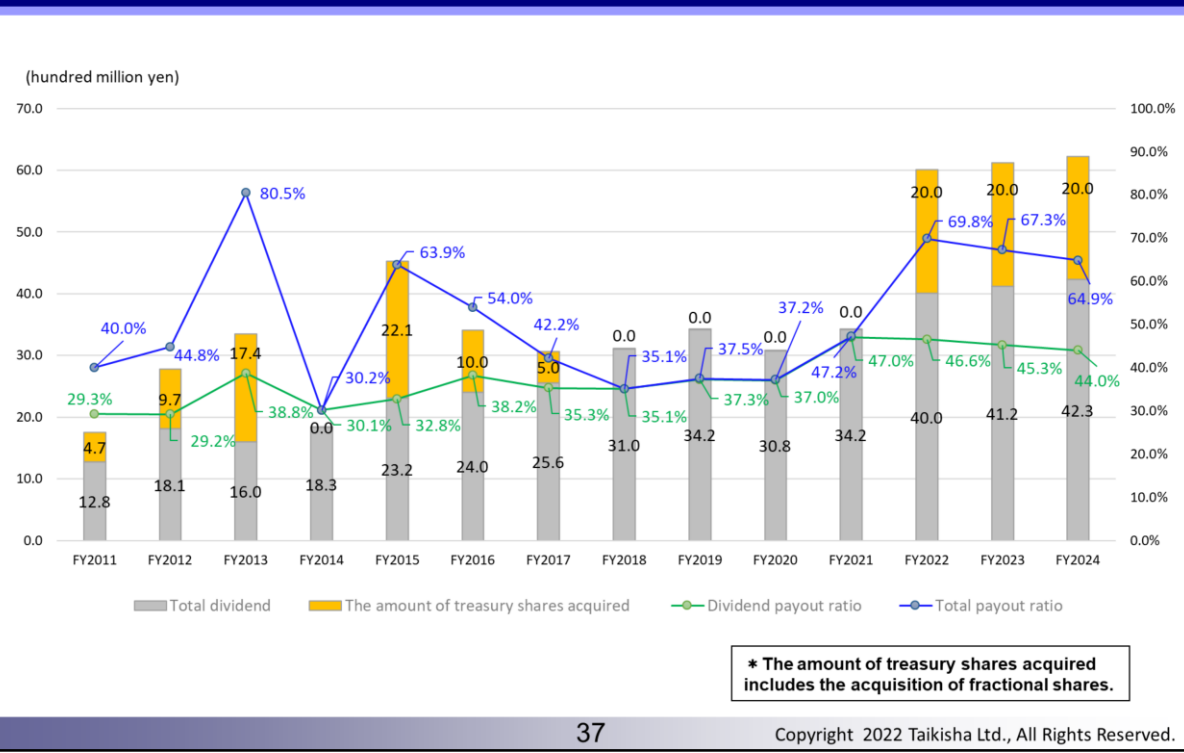
(Hundred millions of yen)
(%: Overseas ratio)



That's all our report on the earnings forecasts.

6

(Reference) to the Trends in Shareholder Returns and Total Return Ratio



Lastly, for your reference, there are Trends in Shareholder Returns and Total Return Ratio.

That concludes our explanation.

Thank you very much for your attention.

Precaution about Forward Perspective

The data and future prospect in this material is based on the judgment on the announcement date and the available information. They are possible to change by various kinds of factors and can not guarantee the achievement of goals and future performance. This information is subject to change without notice.

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