

TAIKI-SHA LTD.

Financial Results Material

The First Quarter of FY2023

August 10, 2023

1. Revised forecast of Orders-received for the First Half of FY2023	P.03
2. Financial Summary	P.05
3. Financial Summary by Segment	P.10
4. Financial Statement	P.24
5. Shareholders Returns	P.27

1. Revised forecast of Orders-received for the First Half of FY2023	P.03
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3. Financial Summary by Segment	P.10
4. Financial Statement	P.24
5. Shareholders Returns	P.27

We revise and change the forecast of orders-received for the first half of the fiscal year that we announced on May 15th, 2023, from 102.3 billion yen to 118 billion yen, due to the acquisition of large-scale projects in the Paint Finishing System Division in the first quarter of the current fiscal year.

(JPY bn)	FY2023 Original Forecasts			FY2023 Revised Forecasts			Difference		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Orders-received	102.3	115.7	218.0	118.0	100.0	218.0	15.7	-15.7	-
Green Technology	73.0	80.0	153.0	73.0	80.0	153.0	-	-	-
Paint Finishing	29.3	35.7	65.0	45.0	20.0	65.0	15.7	-15.7	-
Japan	11.0	5.0	16.0	12.0	4.0	16.0	1.0	-1.0	-
Overseas	18.3	30.7	49.0	33.0	16.0	49.0	14.7	-14.7	-

There is no change from the earnings forecast for FY2023 that we announced on May 15th, 2023 in the orders-received, net sales of completed construction contracts, operating income, ordinary income and profit attributable to owners of parent.

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Business environment (Japan)

Capital investment by semiconductor-related and automobile manufacturers continued, and the construction demand for general buildings in urban areas remained steady.

Business environment (Overseas)

While there are concerns about the slowdown of the global economy, capital investment by manufacturers remained steady.

Orders-received

75.2

Billion yen

(QoQ Change
+10.0%)

Sales

56.5

Billion yen

(QoQ Change
+42.1%)

Ordinary income

3.5

Billion yen

(QoQ Change
+113.8%)

Profit attributable to owners of parent

3.5

Billion yen

(QoQ Change
—)

(JPY bn)	1Q FY2022 Results	1Q FY2023 Results	QoQ Change
Orders-received	68.4	75.2	6.8
Net-sales of completed construction contracts	39.8	56.5	16.7
Ordinary income	1.6	3.5	1.8
Ratio	4.2%	6.29%	2.1pt
Profit attributable to owners of parent	0.1	3.5	3.4
Ratio	0.3%	6.32%	6.0pt
EPS	3.40yen	107.57yen	104.17yen

Exchange rate of main overseas affiliates

(Yen)	① 1Q FY2022	② 1Q FY2023
US \$	117.12	133.26
THB	3.53	3.90
CNY	18.44	19.33
INR	1.68	1.69

Exchange rate impact

Impact of exchange rate difference between ① and ②

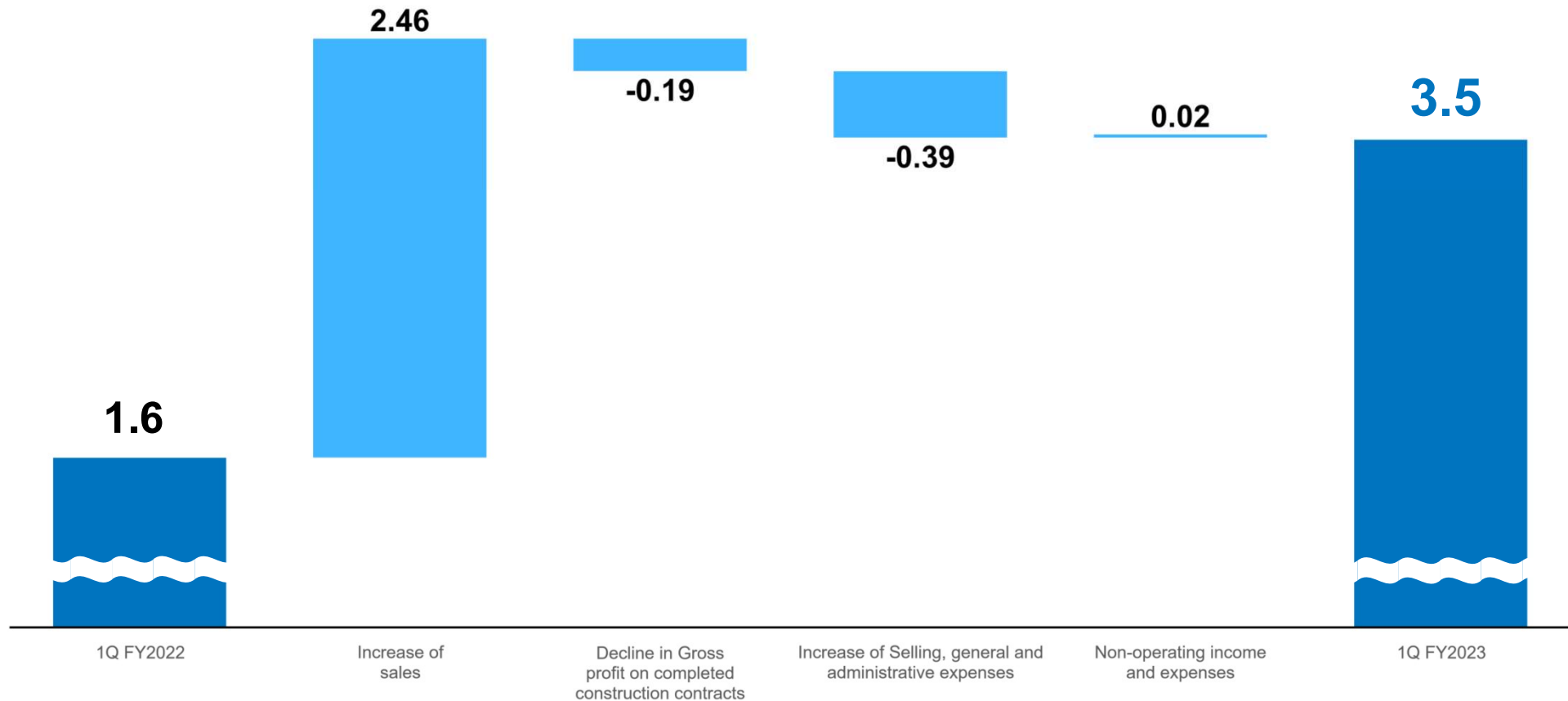
Sales: 1.3 billion yen

Ordinary income: 0.05 billion yen

Breakdown of fluctuation in Ordinary Income (QoQ change)

(JPY bn)

- Increase
- Decrease
- Total amount



Earnings Forecast

(JPY bn)	FY2022 Results					FY2023 Forecasts				
	1Q	2Q	1H	2H	Total	1Q Results	2Q	1H	2H	Total
Orders-received	68.4	93.5	162.0	126.6	288.6	75.2	42.7	118.0*	100.0*	218.0
Net-sales of completed construction contracts	39.8	45.9	85.7	129.0	214.7	56.5	70.5	127.1	127.9	255.0
Operating income	1.4	2.4	3.8	7.7	11.5	3.2	2.4	5.7	7.4	13.1
Ordinary income	1.6	2.9	4.6	8.3	13.0	3.5	2.7	6.3	7.7	14.0
Profit attributable to owners of parent	0.1	2.3	2.4	5.4	7.9	3.5	1.0	4.6	4.7	9.3
ROE					6.3%					7.3%

※ Revised at the announcement of the financial result for the first quarter

Exchange rate of main overseas affiliates

(Yen)	FY2022 Result	FY2023 Assumption
US\$	130.78	128.00
THB	3.73	3.85
CNY	19.39	18.80
INR	1.68	1.57

Impact of exchange rate fluctuations

Impact of 1% change in all exchange rates on the FY2023 forecast

Sales: 1.2 billion yen

Ordinary income: 0.06 billion yen

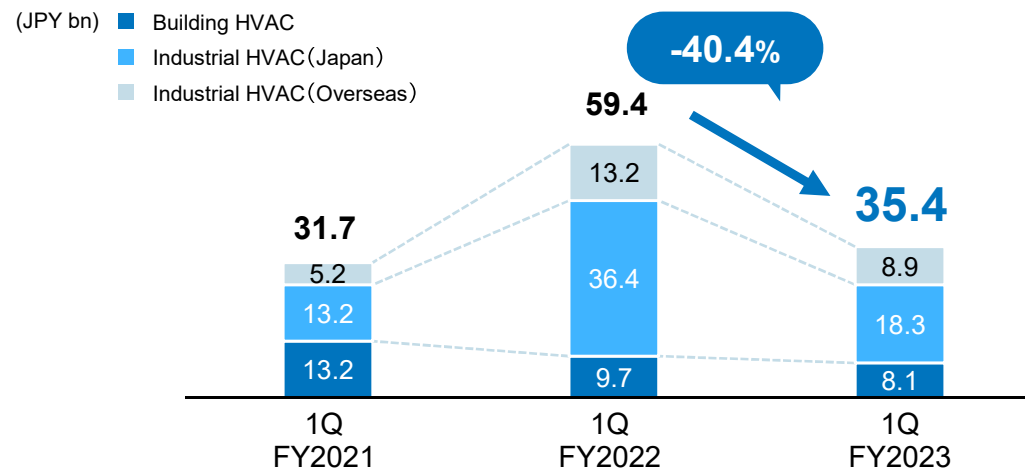
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(JPY bn)

	1Q FY2022 Results	1Q FY2023 Results	QoQ Change
Orders-received	68.4	75.2	6.8
Japan	49.3	37.8	-11.5
Overseas	19.0	37.4	18.4
Green Technology	59.4	35.4	-23.9
Building HVAC	9.7	8.1	-1.6
Industrial HVAC	49.6	27.3	-22.3
Paint Finishing	9.0	39.8	30.8

(JPY bn)	1Q FY2022 Results	1Q FY2023 Results	QoQ Change
Orders-received	59.4	35.4	-23.9
Building HVAC	9.7	8.1	-1.6
Industrial HVAC	49.6	27.3	-22.3
Japan	36.4	18.3	-18.0
Overseas	13.2	8.9	-4.2
Overseas ratio	22.3%	25.3%	3.0pt

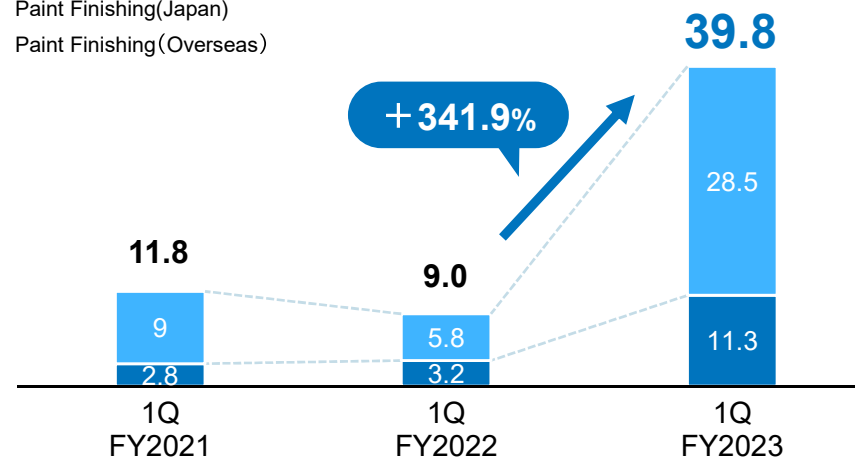
Trend



(JPY bn)	1Q FY2022 Results	1Q FY2023 Results	QoQ Change
Orders-received	9.0	39.8	30.8
Japan	3.2	11.3	8.1
Overseas	5.8	28.5	22.6
Overseas ratio	64.5%	71.5%	7.0pt

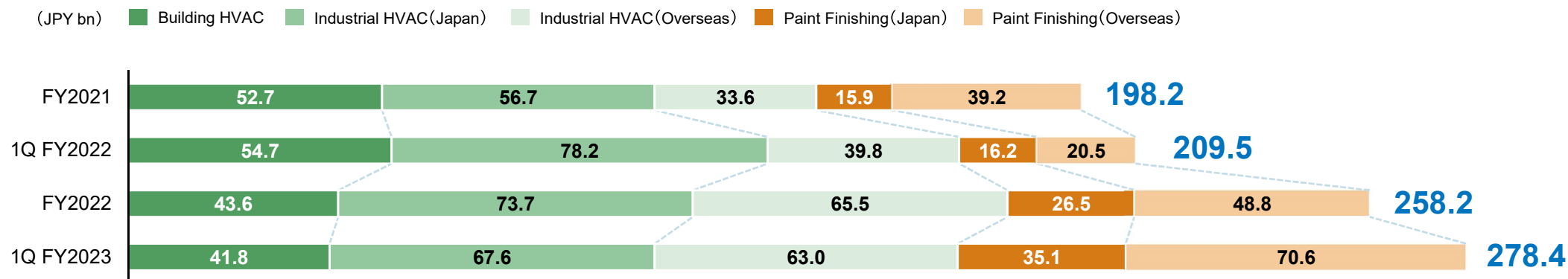
Trend

(JPY bn) ■ Paint Finishing(Japan)
■ Paint Finishing(Overseas)



(JPY bn)	FY2021 A	1Q FY2022 B	FY2022 C	1Q FY2023 D	Change C-A	Change D-B
Orders-received	232.1	68.4	288.6	75.2	56.5	6.8
Net-sales of completed construction contracts	209.2	39.8	214.7	56.5	5.5	16.7
Construction carried-forward	198.2	209.5	258.2	278.4	60.0	68.8
Green Technology	143.1	172.7	182.8	172.5	39.7	-0.1
Building HVAC	52.7	54.7	43.6	41.8	-9.1	-12.8
Industrial HVAC	90.3	118.0	139.2	130.6	48.8	12.6
Paint Finishing	55.1	36.8	75.4	105.8	20.2	69.0

Breakdown of Construction Carried-Forward

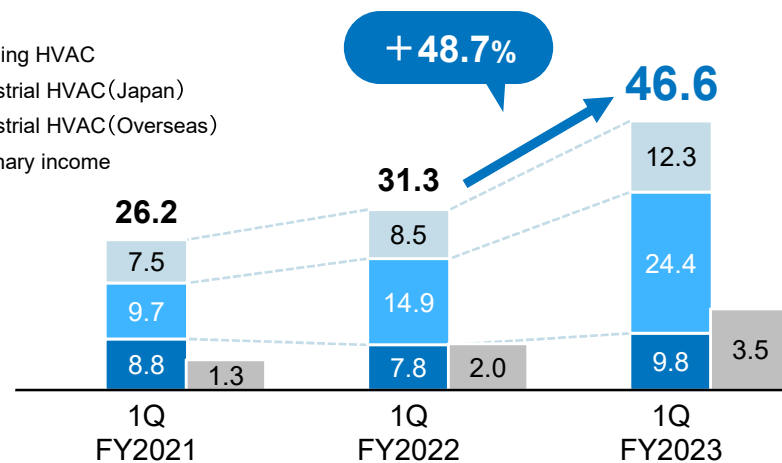


(JPY bn)	1Q FY2022 Results	1Q FY2023 Results	QoQ Change
Net-sales of completed construction contracts	39.8	56.5	16.7
Japan	25.6	37.0	11.3
Overseas	14.1	19.5	5.4
Green Technology	31.3	46.6	15.2
Building HVAC	7.8	9.8	2.0
Industrial HVAC	23.5	36.7	13.2
Paint Finishing	8.4	9.9	1.5
Ordinary income	1.6	3.5	1.8
Ratio	4.2%	6.3%	2.1pt
Green Technology	2.0	3.5	1.5
Ratio	6.4%	7.7%	1.3pt
Paint Finishing	-0.6	-0.3	0.2
Ratio	-7.9%	-3.8%	4.1pt

(JPY bn)	1Q FY2022 Results	1Q FY2023 Results	QoQ Change
Net-sales of completed construction contracts	31.3	46.6	15.2
Building HVAC	7.8	9.8	2.0
Industrial HVAC	23.5	36.7	13.2
Japan	14.9	24.4	9.4
Overseas	8.5	12.3	3.7
Overseas ratio	27.4%	26.4%	-0.9pt
Ordinary income	2.0	3.5	1.5
Ratio	6.4%	7.7%	1.3pt

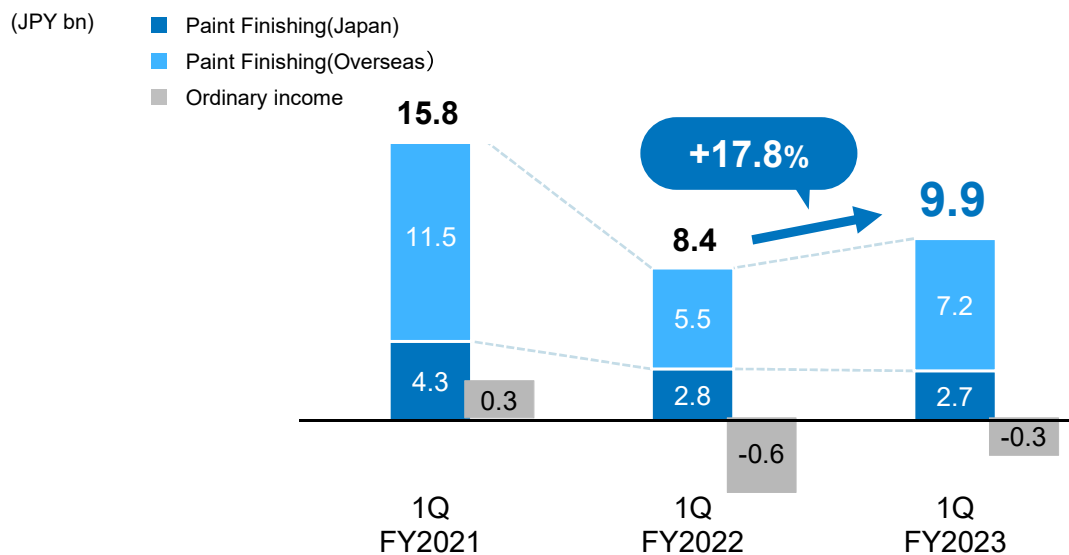
Trend

- (JPY bn)
- Building HVAC
 - Industrial HVAC(Japan)
 - Industrial HVAC(Overseas)
 - Ordinary income



(JPY bn)	1Q FY2022 Results	1Q FY2023 Results	QoQ Change
Net-sales of completed construction contracts	8.4	9.9	1.5
Japan	2.8	2.7	-0.1
Overseas	5.5	7.2	1.6
Overseas ratio	66.0%	72.8%	6.8pt
Ordinary income	-0.6	-0.3	0.2
Ratio	-7.9%	-3.8%	4.1pt

Trend



(JPY bn)	FY2022 Results					FY2023 Forecasts				
	1Q	2Q	1H	2H	Total	1Q Results	2Q	1H*	2H*	Total
Orders-received	68.4	93.5	162.0	126.6	288.6	75.2	42.7	118.0	100.0	218.0
Japan	49.3	55.6	105.0	47.6	152.7	37.8	25.1	63.0	61.0	124.0
Overseas	19.0	37.9	56.9	78.9	135.9	37.4	17.5	55.0	39.0	94.0
Green Technology	59.4	67.1	126.6	81.4	208.0	35.4	37.5	73.0	80.0	153.0
Building HVAC	9.7	9.8	19.5	16.6	36.1	8.1	5.3	13.5	9.5	23.0
Industrial HVAC	49.6	57.3	107.0	64.8	171.8	27.3	32.1	59.5	70.5	130.0
Paint Finishing	9.0	26.4	35.4	45.1	80.5	39.8	5.1	45.0	20.0	65.0

※ Revised at the announcement of the financial result for the first quarter

(JPY bn)	FY2022 Results					FY2023 Forecasts				
	1Q	2Q	1H	2H	Total	1Q Results	2Q	1H	2H	Total
Orders-received	59.4	67.1	126.6	81.4	208.0	35.4	37.5	73.0	80.0	153.0
Building HVAC	9.7	9.8	19.5	16.6	36.1	8.1	5.3	13.5	9.5	23.0
Industrial HVAC	49.6	57.3	107.0	64.8	171.8	27.3	32.1	59.5	70.5	130.0
Japan	36.4	32.8	69.3	25.4	94.7	18.3	19.1	37.5	47.5	85.0
Overseas	13.2	24.4	37.7	39.4	77.1	8.9	13.0	22.0	23.0	45.0
Overseas ratio	22.3%	36.4%	29.8%	48.4%	37.1%	25.3%	34.7%	30.1%	28.8%	29.4%

(JPY bn)	FY2022 Results					FY2023 Forecasts				
	1Q	2Q	1H	2H	Total	1Q Results	2Q	1H※	2H※	Total
Orders-received	9.0	26.4	35.4	45.1	80.5	39.8	5.1	45.0	20.0	65.0
Japan	3.2	12.9	16.1	5.6	21.7	11.3	0.6	12.0	4.0	16.0
Overseas	5.8	13.4	19.2	39.5	58.7	28.5	4.4	33.0	16.0	49.0
Overseas ratio	64.5%	50.9%	54.4%	87.6%	73.0%	71.5%	87.4%	73.3%	80.0%	75.4%

※ Revised at the announcement of the financial result for the first quarter

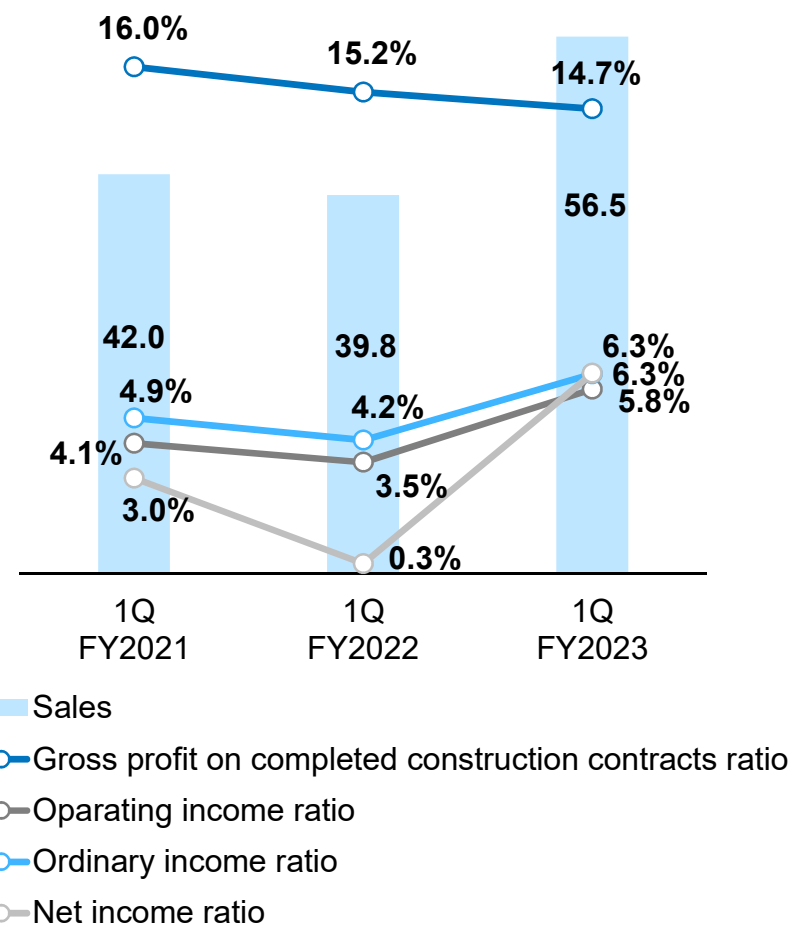
(JPY bn)	FY2022 Results					FY2023 Forecasts				
	1Q	2Q	1H	2H	Total	1Q Results	2Q	1H	2H	Total
Net-sales of completed construction contracts	39.8	45.9	85.7	129.0	214.7	56.5	70.5	127.1	127.9	255.0
Japan	25.6	28.2	53.9	80.2	134.2	37.0	41.2	78.3	57.3	135.6
Overseas	14.1	17.6	31.8	48.7	80.5	19.5	29.2	48.8	70.6	119.4
Green Technology	31.3	36.1	67.5	104.2	171.8	46.6	56.3	103.0	89.5	192.5
Building HVAC	7.8	9.7	17.5	27.8	45.3	9.8	11.1	21.0	12.0	33.0
Industrial HVAC	23.5	26.4	50.0	76.4	126.4	36.7	45.2	82.0	77.5	159.5
Paint Finishing	8.4	9.7	18.2	24.7	42.9	9.9	14.1	24.1	38.4	62.5
Ordinary income	1.6	2.9	4.6	8.3	13.0	3.5	2.7	6.3	7.7	14.0
Ratio	4.2%	6.5%	5.4%	6.5%	6.1%	6.3%	3.9%	5.0%	6.0%	5.5%
Green Technology	2.0	3.3	5.3	9.2	14.5	3.5	3.1	6.7	6.5	13.2
Ratio	6.4%	9.2%	7.9%	8.9%	8.5%	7.7%	5.5%	6.5%	7.3%	6.9%
Paint Finishing	-0.6	-0.3	-1.0	-0.5	-1.6	-0.3	-0.1	-0.5	1.4	0.9
Ratio	-7.9%	-3.8%	-5.7%	-2.3%	-3.7%	-3.8%	-0.8%	-2.1%	3.6%	1.4%

(JPY bn)	FY2022 Results					FY2023 Forecasts				
	1Q	2Q	1H	2H	Total	1Q Results	2Q	1H	2H	Total
Net-sales of completed construction contracts	31.3	36.1	67.5	104.2	171.8	46.6	56.3	103.0	89.5	192.5
Building HVAC	7.8	9.7	17.5	27.8	45.3	9.8	11.1	21.0	12.0	33.0
Industrial HVAC	23.5	26.4	50.0	76.4	126.4	36.7	45.2	82.0	77.5	159.5
Japan	14.9	16.0	30.9	46.7	77.7	24.4	28.5	53.0	36.5	89.5
Overseas	8.5	10.4	19.0	29.7	48.7	12.3	16.6	29.0	41.0	70.0
Overseas ratio	27.4%	28.9%	28.2%	28.5%	28.4%	26.4%	29.6%	28.2%	45.8%	36.4%
Ordinary income	2.0	3.3	5.3	9.2	14.5	3.5	3.1	6.7	6.5	13.2
Ratio	6.4%	9.2%	7.9%	8.9%	8.5%	7.7%	5.5%	6.5%	7.3%	6.9%

(JPY bn)	FY2022 Results					FY2023 Forecasts				
	1Q	2Q	1H	2H	Total	1Q Results	2Q	1H	2H	Total
Net-sales of completed construction contracts	8.4	9.7	18.2	24.7	42.9	9.9	14.1	24.1	38.4	62.5
Japan	2.8	2.5	5.4	5.7	11.1	2.7	1.5	4.3	8.8	13.1
Overseas	5.5	7.2	12.8	18.9	31.7	7.2	12.5	19.8	29.6	49.4
Overseas ratio	66.0%	73.9%	70.2%	76.8%	74.0%	72.8%	88.7%	82.2%	77.1%	79.0%
Ordinary income	-0.6	-0.3	-1.0	-0.5	-1.6	-0.3	-0.1	-0.5	1.4	0.9
Ratio	-7.9%	-3.8%	-5.7%	-2.3%	-3.7%	-3.8%	-0.8%	-2.1%	3.6%	1.4%

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(JPY bn)	1Q FY2021	1Q FY2022	1Q FY2023
Net-sales of completed construction contracts	42.0	39.8	56.5
Gross profit on completed construction contracts	6.7	6.0	8.3
Ratio	16.0%	15.2%	14.7%
Operating income	1.7	1.4	3.2
Ratio	4.1%	3.5%	5.8%
Ordinary income	2.0	1.6	3.5
Ratio	4.9%	4.2%	6.3%
Profit attributable to owners of parent	1.2	0.1	3.5
Ratio	3.0%	0.3%	6.3%



(JPY bn)	Subject	FY2022	1Q FY2023	YoY Change
	Current assets	184.4	185.8	1.4
	Cash and deposits	46.9	49.1	2.1
	Notes receivable, accounts receivable from completed construction contracts and other	124.2	112.1	-12.0
	Securities	-	5.0	5.0
	Costs on uncompleted construction contracts · Raw materials and supplies	3.1	3.5	0.3
	Other	10.7	16.5	5.8
	Allowance for doubtful accounts	-0.6	-0.5	0.0
	Non-current assets	52.6	54.8	2.1
	Property, plant and equipment	8.5	9.0	0.4
	Goodwill	3.6	3.7	0.1
	Other intangible assets	2.2	2.4	0.1
	Investment securities	26.4	27.4	0.9
	Deferred tax assets	0.5	0.5	-0.0
	Other	11.5	12.0	0.5
	Allowance for doubtful accounts	-0.5	-0.5	-0.0
	Total assets	237.1	240.6	3.5

Subject	FY2022	1Q FY2023	YoY Change
Current liabilities	95.9	94.2	-1.6
Notes payable, accounts payable for construction contracts and other	55.4	50.6	-4.8
Advances received on uncompleted construction contracts	23.3	27.5	4.2
Provision for loss on construction contracts	0.3	0.2	-0.0
Other	16.8	15.8	-1.0
Non-current liabilities	9.1	10.6	1.4
Total liabilities	105.1	104.9	-0.1
Net assets	131.9	135.7	3.7
Capital stock	6.4	6.4	-
Capital surplus	3.5	3.6	0.0
Retained earnings	100.2	101.5	1.2
Treasury shares	-1.1	-1.0	0.1
Valuation difference on available-for-sale securities	10.5	11.5	1.0
Deferred gains or losses on hedges	-0.0	-0.0	-0.0
Foreign currency translation adjustment	4.7	6.0	1.2
Accumulated remeasurements of defined benefit plans	1.4	1.4	0.0
Non-controlling interests	6.2	6.3	0.1
Total liabilities and net assets	237.1	240.6	3.5

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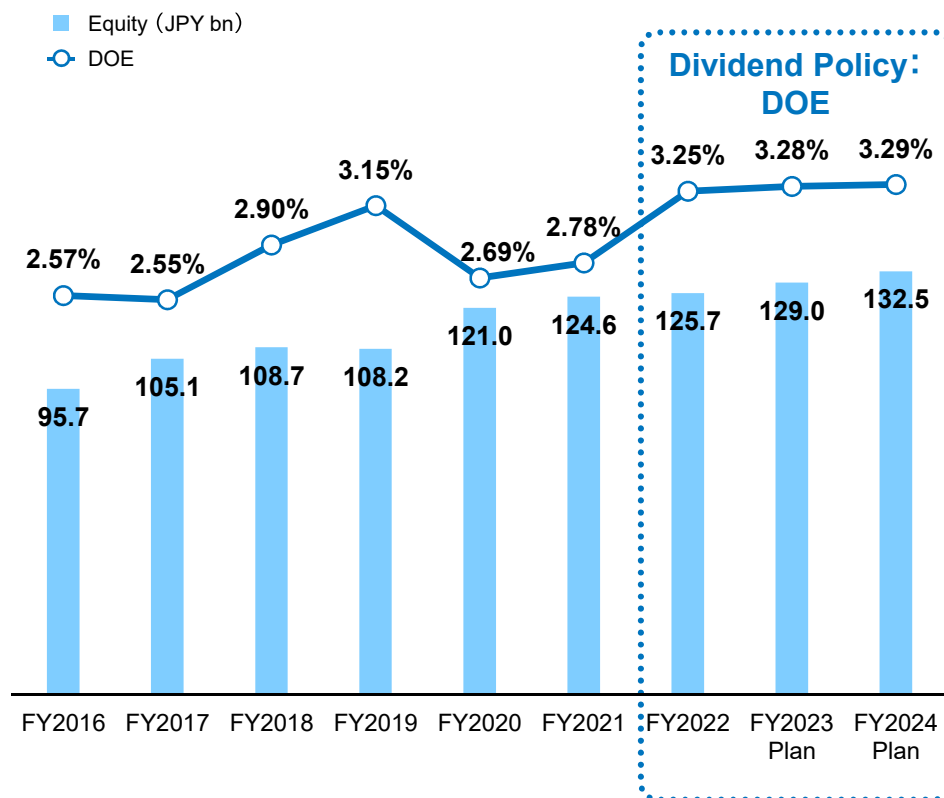
Dividends are expected to increase as planned during the period of the Mid-Term Business Plan

【Dividend policy】 We will implement steady dividends targeting a consolidated dividend on equity ratio(DOE) of 3.2%

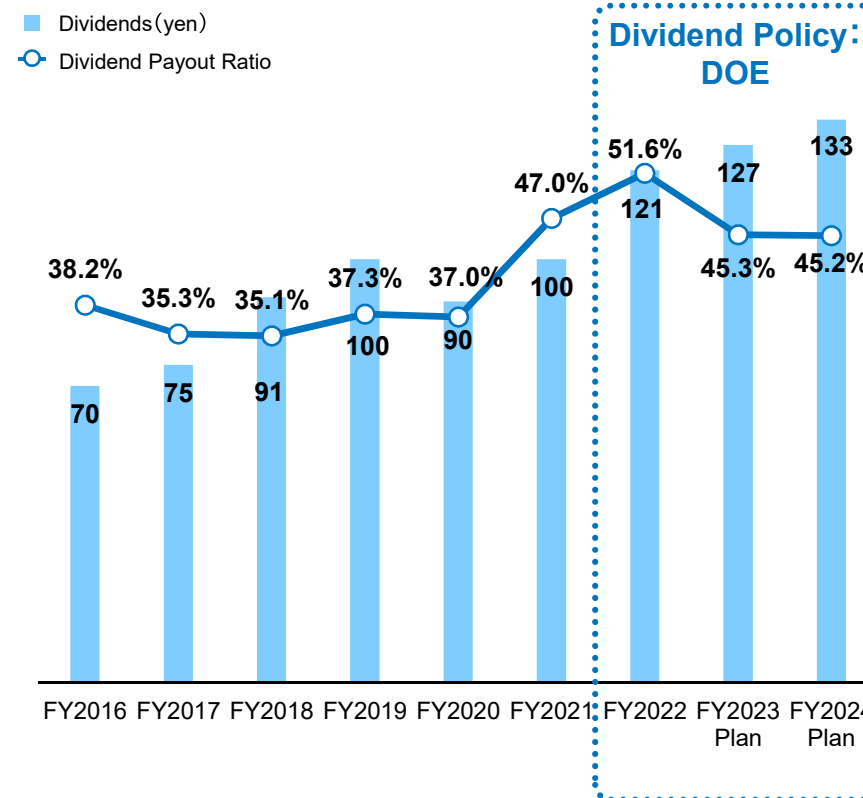
$$\text{DOE } 3.2\% = \text{Aimed ROE level } 8.0\% \times \text{Dividend payout ratio } 40\%$$

Dividend for FY2023 will be increased to 127 yen

Trend in Equity and DOE



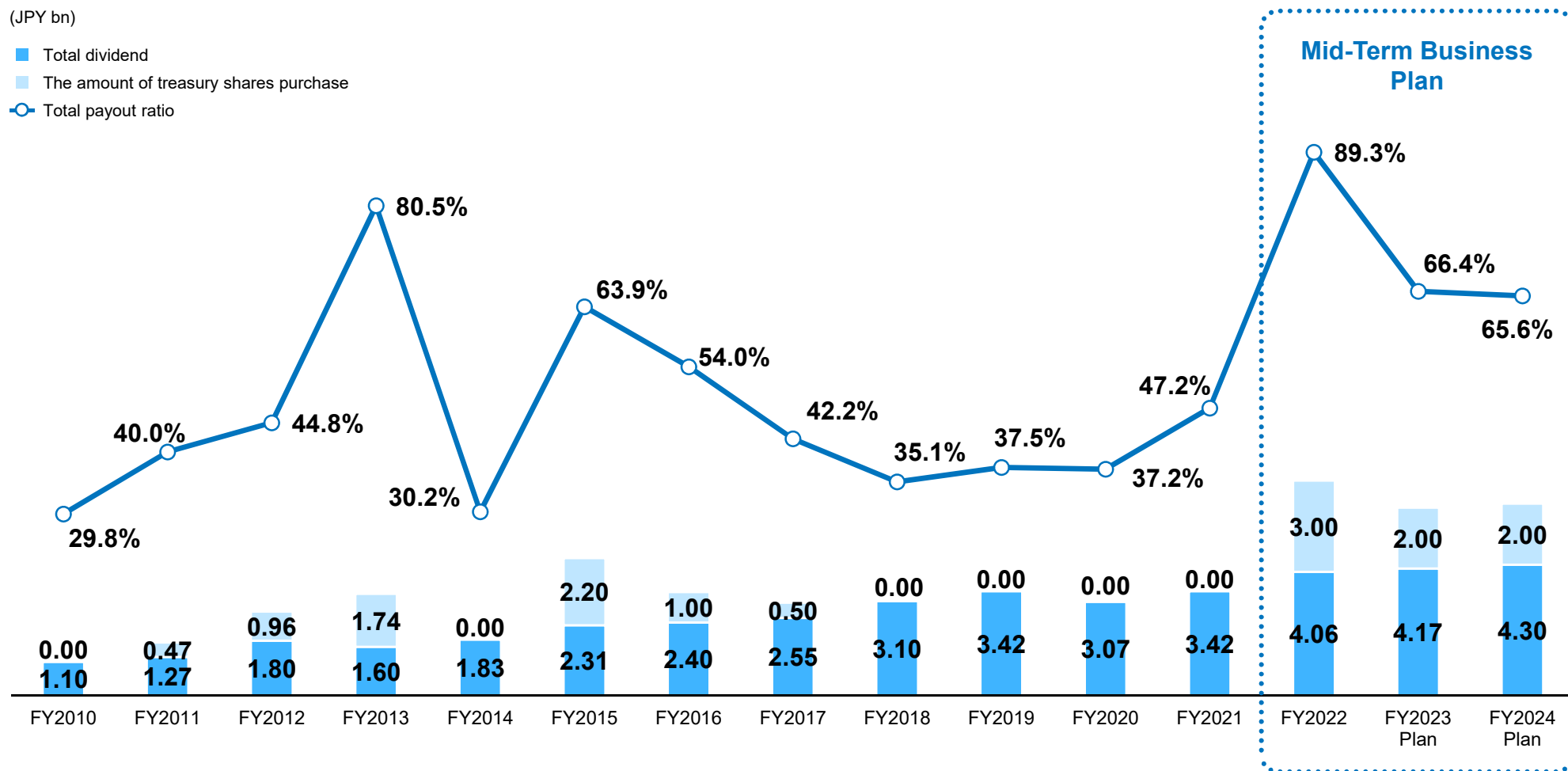
Trend in Dividends and Dividend Payout Ratio



Aim the higher level of shareholder returns by the collaboration of dividends and purchase of treasury shares

【Policy for purchase of treasury shares】 We will flexibly purchase and retire treasury shares in order to improve capital efficiency and promptly implement financial policies. The new Mid-Term Business Plan includes purchase of treasury shares of roughly 2 billion yen per year. (Resolved 2 billion yen for FY2023)

Shareholder returns and Total Payout ratio



* The amount of treasury shares includes the acquisition of fractional shares.

Precaution about Forward Perspective

The data and future prospection in this material is based on the judgement 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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