

TAIKI-SHA LTD.

Financial Results Material

The Second Quarter of FY2023

November 13,2023

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Sales and the Income reached a Record High

Business environment (Japan)

Capital investment of electronic component manufacturers and automobile manufacturers is ongoing and demand for the renovations in the Tokyo area was steady.

Business environment (Overseas)

Although there is a concern about the slowdown of the global economy, the capital investment of manufacturers continued to be steady.

Orders-received

127.1

Billion yen

(YoY Change
-21.5%)

Sales

130.4

Billion yen

(YoY Change
+52.0%)

Ordinary income

8.1

Billion yen

(YoY Change
+73.9%)

Profit attributable to owners of parent

6.6

Billion yen

(YoY Change
+171.2%)

Exceeded the Forecast in All Items

(JPY bn)	2Q FY2022 Results	2Q FY2023 Results	YoY Change	2Q FY2023 Forecasts	vs. Forecast
Orders-received	162.0	127.1	-34.8	118.0*	9.1
Net-sales of completed construction contracts	85.7	130.4	44.6	127.1	3.3
Ordinary income	4.6	8.1	3.4	6.3	1.8
Ratio	5.4%	6.2%	0.8pt	5.0%	1.3pt
Profit attributable to owners of parent	2.4	6.6	4.1	4.6	2.0
Ratio	2.8%	5.1%	2.2pt	3.6%	1.5pt
EPS	71.79yen	199.51yen	127.71yen	-	-

* Revised at the announcement of the financial result for the First quarter

Exchange rate of main overseas affiliates

(Yen)	① 2Q FY2022	② 2Q FY2023	③ FY2023 Initial Assumptions
US\$	123.18	135.99	128.00
THB	3.64	3.95	3.85
CNY	18.98	19.47	18.80
INR	1.70	1.72	1.57

Exchange rate impact

Impact of exchange rate difference between ① and ②

Sales: 2.5 billion yen/Ordinary income: 0.1 billion yen

Impact of exchange rate difference between ② and ③

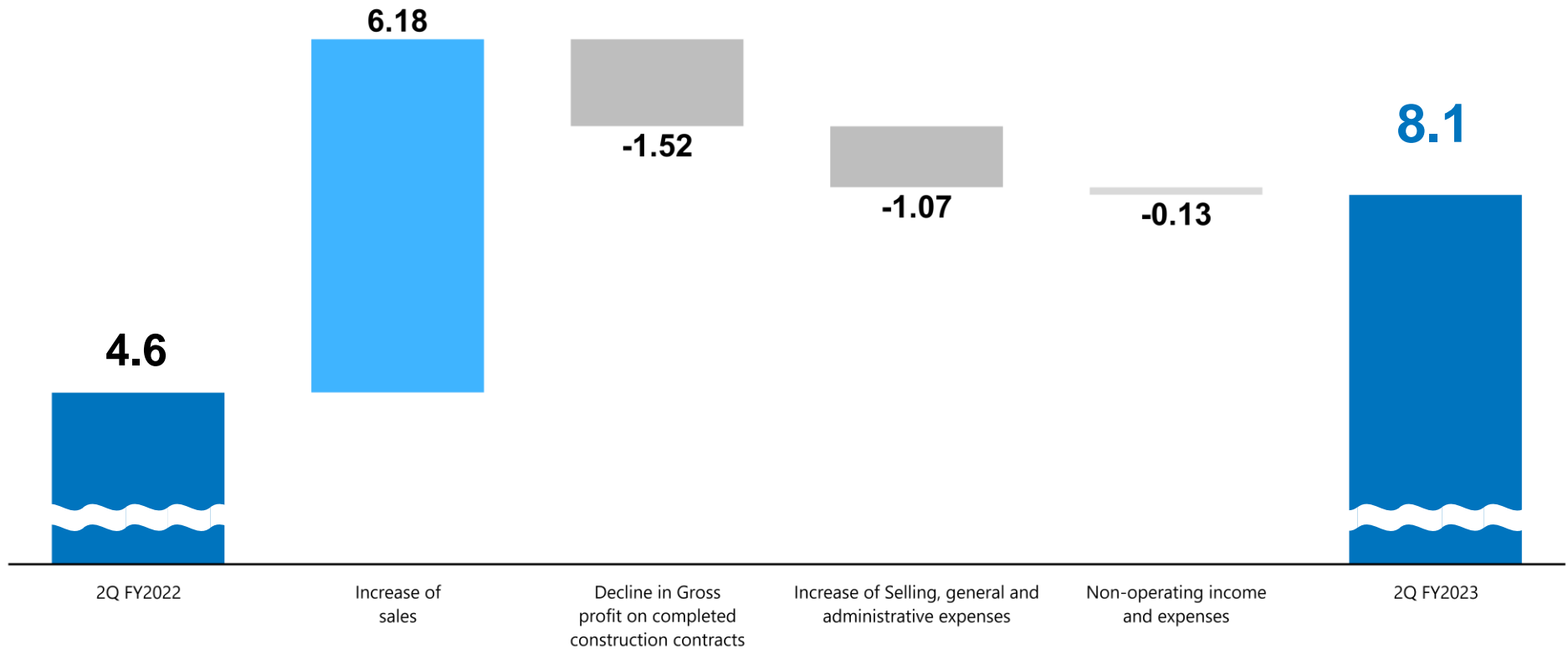
Sales: 2.3 billion yen/Ordinary income: 0.1 billion yen

Increased YoY due to the increase in Sales

Breakdown of fluctuation in Ordinary Income (YoY change)

(JPY bn)

- Increase
- Decrease
- Total amount



All items are expected to exceed original forecasts

Earnings Forecast

(JPY Bn)	FY2022 Results			FY2023 New Forecasts*			FY2023 Original forecasts Total	vs. Forecast Total
	1H	2H	Total	1H Results	2H	Total		
Orders-received	162.0	126.6	288.6	127.1	98.3	225.5	218.0	7.5
Net-sales of completed construction contracts	85.7	129.0	214.7	130.4	154.5	285.0	255.0	30.0
Operating income	3.8	7.7	11.5	7.4	7.0	14.5	13.1	1.4
Ordinary income	4.6	8.3	13.0	8.1	7.3	15.5	14.0	1.5
Profit attributable to owners of parent	2.4	5.4	7.9	6.6	3.8	10.5	9.3	1.2
ROE			6.3%			8.2%	7.3%	0.9pt

* The amount of completed construction contracts and profit were revised in accordance with the "Announcement of Revision of Earnings Forecasts for the Fiscal Year ending March 31, 2024" on November 13

Exchange rate of main overseas affiliates

(Yen)	FY2022 Results	① FY2023 New Assumptions	② FY2023 Original Assumptions
US\$	130.78	138.00	128.00
THB	3.73	3.85	3.85
CNY	19.39	18.80	18.80
INR	1.68	1.72	1.57

Impact of exchange rate fluctuations

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

Sales: 1.3 billion yen/Ordinary income: 0.06 billion yen

Impact of exchange rate difference between ① and ②

Sales: 5.3 billion yen/Ordinary income: 0.2 billion yen

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Decreased in the Green Technology and Increased in Paint Finishing

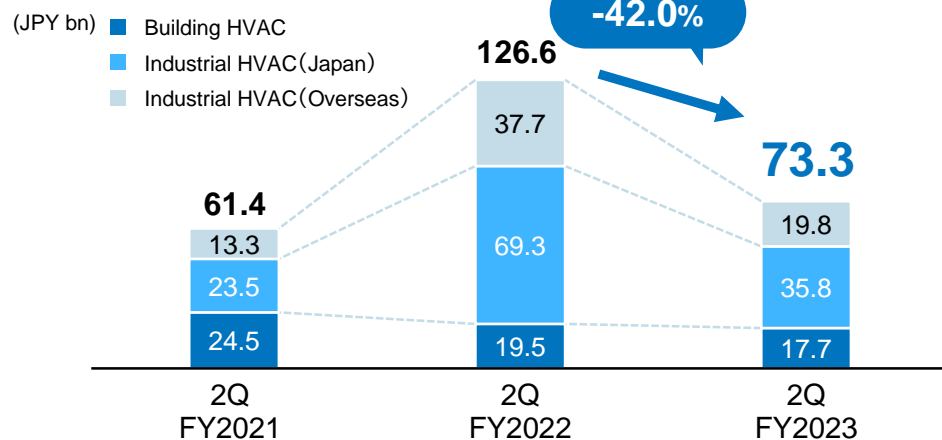
(JPY bn)	2Q FY2022 Results	2Q FY2023 Results	YoY Change	2Q FY2023 Forecasts*	vs. Forecast
Orders-received	162.0	127.1	-34.8	118.0	9.1
Japan	105.0	70.2	-34.8	63.0	7.2
Overseas	56.9	56.9	-0.0	55.0	1.9
Green Technology	126.6	73.3	-53.2	73.0	0.3
Building HVAC	19.5	17.7	-1.8	13.5	4.2
Industrial HVAC	107.0	55.6	-51.3	59.5	-3.8
Paint Finishing	35.4	53.7	18.3	45.0	8.7

* Revised at the announcement of the financial result for the First quarter

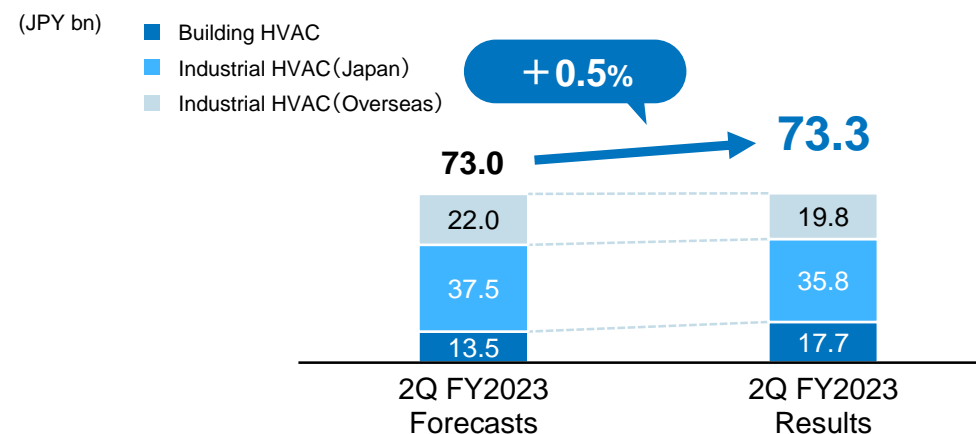
Decreased YoY due to Reactionary Decline from Large-scale projects in Industrial HVAC

(JPY bn)	2Q FY2022 Results	2Q FY2023 Results	YoY Change	2Q FY2023 Forecasts*	vs. Forecast
Orders-received	126.6	73.3	-53.2	73.0	0.3
Building HVAC	19.5	17.7	-1.8	13.5	4.2
Industrial HVAC	107.0	55.6	-51.3	59.5	-3.8
Japan	69.3	35.8	-33.4	37.5	-1.6
Overseas	37.7	19.8	-17.8	22.0	-2.1
Overseas ratio	29.8%	27.0%	-2.8pt	30.1%	-3.1pt

Trend



Difference form Forecast



Increased YoY both in Japan and overseas

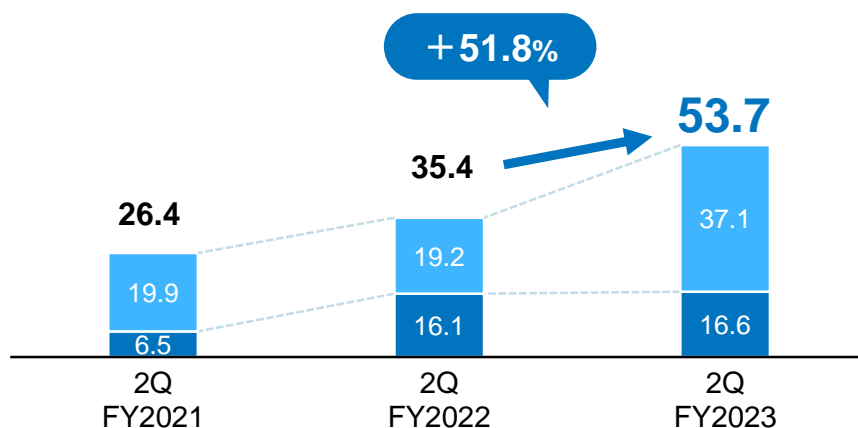
(JPY bn)	FY2022 Results	FY2023 Results	YoY Change	FY2023 Forecasts*	vs. Forecast
Orders-received	35.4	53.7	18.3	45.0	8.7
Japan	16.1	16.6	0.4	12.0	4.6
Overseas	19.2	37.1	17.8	33.0	4.1
Overseas ratio	54.4%	69.0%	14.6pt	73.3%	-4.3pt

* Revised at the announcement of the financial result for the First quarter

Trend

(JPY bn)

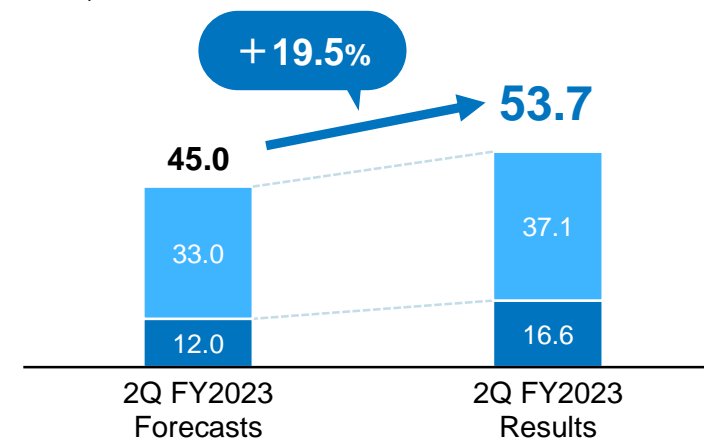
- Paint Finishing(Japan)
- Paint Finishing(Overseas)



Difference form Forecast

(JPY bn)

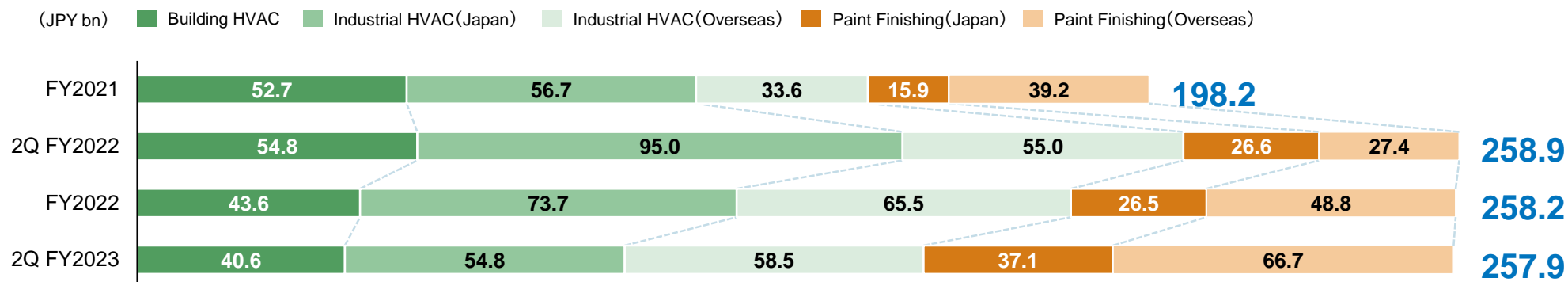
- Paint Finishing(Japan)
- Paint Finishing(Overseas)



The entire company maintains the same level of construction carried-forward due to the increase in the Paint Finishing

(JPY bn)	FY2021 A	2Q FY2022 B	FY2022 C	2Q FY2023 D	Change C-A	Change D-B
Orders-received	232.1	162.0	288.6	127.1	56.5	-34.8
Net-sales of completed construction contracts	209.2	85.7	214.7	130.4	5.5	44.6
Construction carried-forward	198.2	258.9	258.2	257.9	60.0	-1.0
Green Technology	143.1	204.8	182.8	154.0	39.7	-50.7
Building HVAC	52.7	54.8	43.6	40.6	-9.1	-14.1
Industrial HVAC	90.3	150.0	139.2	113.4	48.8	-36.6
Paint Finishing	55.1	54.1	75.4	103.8	20.2	49.7

Breakdown of Construction Carried-Forward



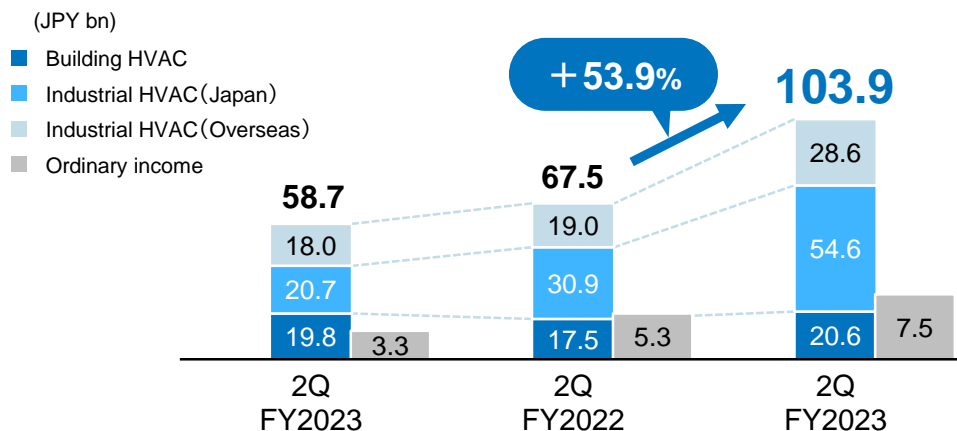
Increased in Sales and Income both in the Green Technology and Paint Finishing

(JPY bn)	2Q FY2022 Results	2Q FY2023 Results	YoY Change	2Q FY2023 Forecasts	vs. Forecast
Net-sales of completed construction contracts	85.7	130.4	44.6	127.1	3.3
Japan	53.9	81.4	27.4	78.3	3.1
Overseas	31.8	48.9	17.1	48.8	0.1
Green Technology	67.5	103.9	36.4	103.0	0.9
Building HVAC	17.5	20.6	3.1	21.0	-0.3
Industrial HVAC	50.0	83.2	33.2	82.0	1.2
Paint Finishing	18.2	26.4	8.2	24.1	2.3
Ordinary income	4.6	8.1	3.4	6.3	1.8
Ratio	5.4%	6.2%	0.8pt	5.0%	1.3pt
Green Technology	5.3	7.5	2.2	6.7	0.8
Ratio	7.9%	7.3%	-0.6pt	6.5%	0.8pt
Paint Finishing	-1.0	0.0	1.0	-0.5	0.5
Ratio	-5.7%	0.2%	5.9pt	-2.1%	2.3pt

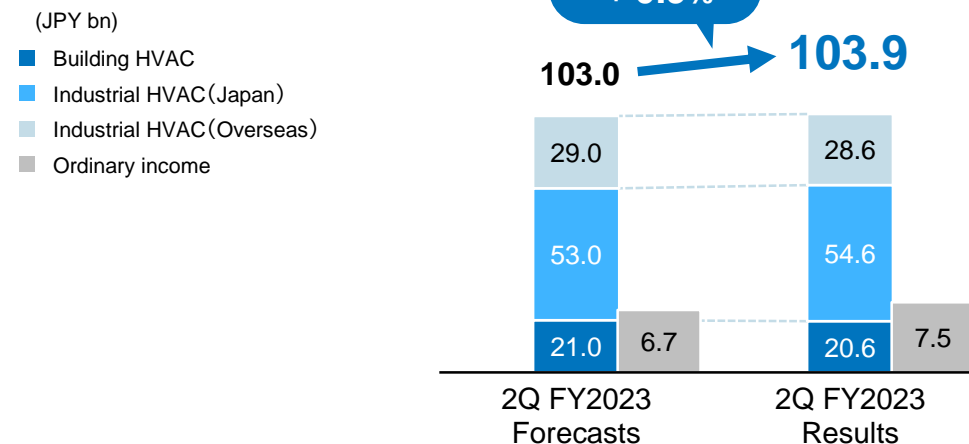
Achieved increase in Sales and Income by the contribution of Industrial HVAC

(JPY bn)	2Q FY2022 Results	2Q FY2023 Results	YoY Change	2Q FY2023 Forecasts	Vs. Forecast
Net-sales of completed construction contracts	67.5	103.9	36.4	103.0	0.9
Building HVAC	17.5	20.6	3.1	21.0	-0.3
Industrial HVAC	50.0	83.2	33.2	82.0	1.2
Japan	30.9	54.6	23.6	53.0	1.6
Overseas	19.0	28.6	9.5	29.0	-0.3
Overseas ratio	28.2%	27.5%	-0.6pt	28.2%	-0.6pt
Ordinary income	5.3	7.5	2.2	6.7	0.8
Ratio	7.9%	7.3%	-0.6pt	6.5%	0.8pt

Trend



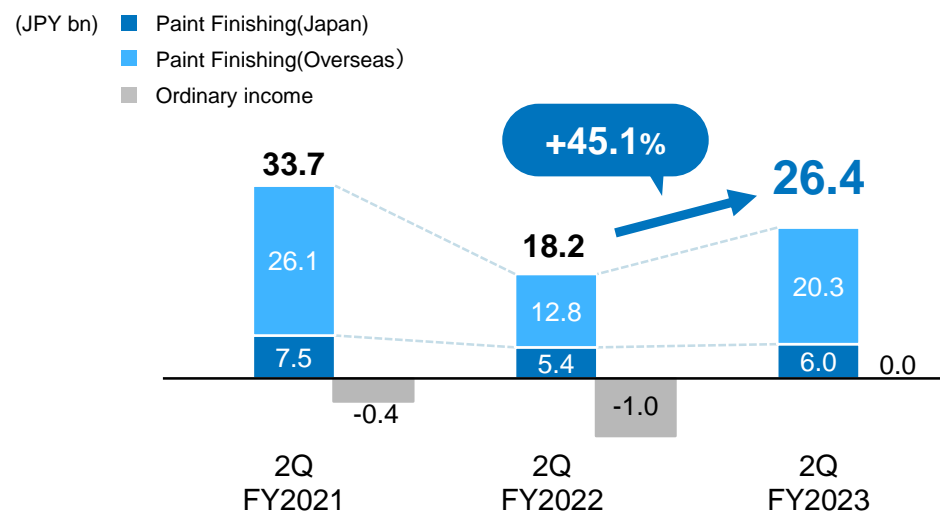
Difference from Forecast



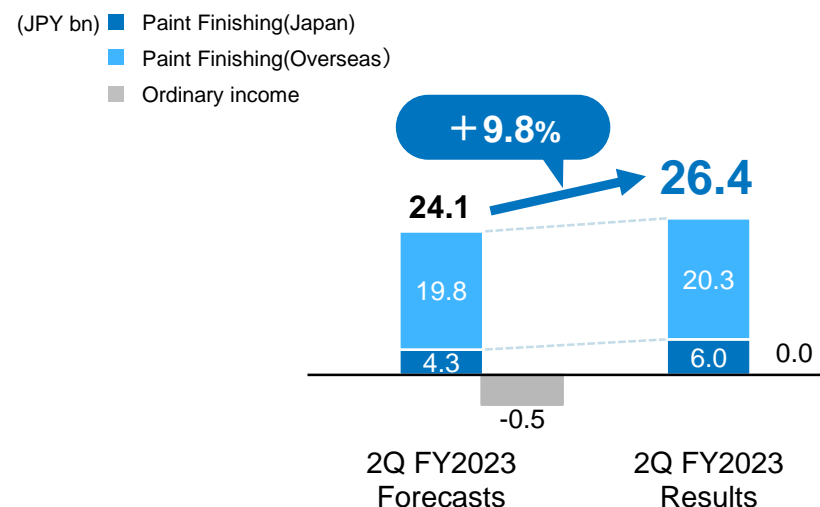
Achieved increase in Sales and Income by the contribution of overseas Converted from the Ordinary loss to Ordinary income

(JPY bn)	2Q FY2022 Results	2Q FY2023 Results	YoY Change	2Q FY2023 Forecasts	Vs. Forecast
Net-sales of completed construction contracts	18.2	26.4	8.2	24.1	2.3
Japan	5.4	6.0	0.6	4.3	1.7
Overseas	12.8	20.3	7.5	19.8	0.5
Overseas ratio	70.2%	77.0%	6.7pt	82.2%	-5.2pt
Ordinary income	-1.0	0.0	1.0	-0.5	0.5
Ratio	-5.7%	0.2%	5.9pt	-2.1%	2.3pt

Trend



Difference from Forecast



Expect to decrease both in Green Technology And the Paint Finishing

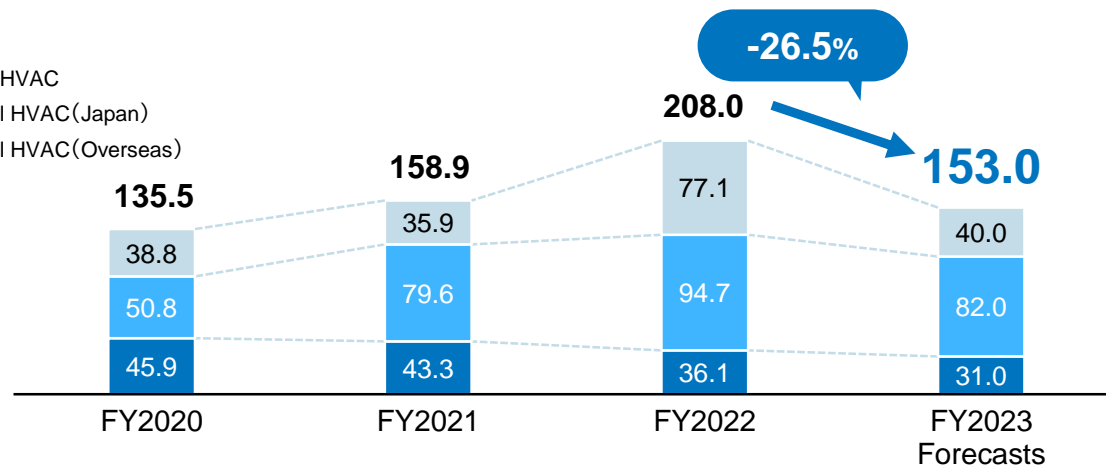
(JPY bn)	FY2022 Results			FY2023 New Forecasts			FY2023 Original forecasts Total	vs. Forecast Total
	1H	2H	Total	1H Results	2H	Total		
Orders-received	162.0	126.6	288.6	127.1	98.3	225.5	218.0	7.5
Japan	105.0	47.6	152.7	70.2	61.7	132.0	124.0	8.0
Overseas	56.9	78.9	135.9	56.9	36.5	93.5	94.0	-0.5
Green Technology	126.6	81.4	208.0	73.3	79.6	153.0	153.0	-
Building HVAC	19.5	16.6	36.1	17.7	13.2	31.0	23.0	8.0
Industrial HVAC	107.0	64.8	171.8	55.6	66.3	122.0	130.0	-8.0
Paint Finishing	35.4	45.1	80.5	53.7	18.7	72.5	65.0	7.5

Orders are expected to be in line with original forecasts

(JPY bn)	FY2022 Results			FY2023 New Forecasts			FY2023 Original forecasts Total	vs. Forecast Total
	1H	2H	Total	1H Results	2H	Total		
Orders-received	126.6	81.4	208.0	73.3	79.6	153.0	153.0	-
Building HVAC	19.5	16.6	36.1	17.7	13.2	31.0	23.0	8.0
Industrial HVAC	107.0	64.8	171.8	55.6	66.3	122.0	130.0	-8.0
Japan	69.3	25.4	94.7	35.8	46.1	82.0	85.0	-3.0
Overseas	37.7	39.4	77.1	19.8	20.1	40.0	45.0	-5.0
Overseas ratio	29.8%	48.4%	37.1%	27.0%	25.4%	26.1%	29.4%	-3.3pt

Trend

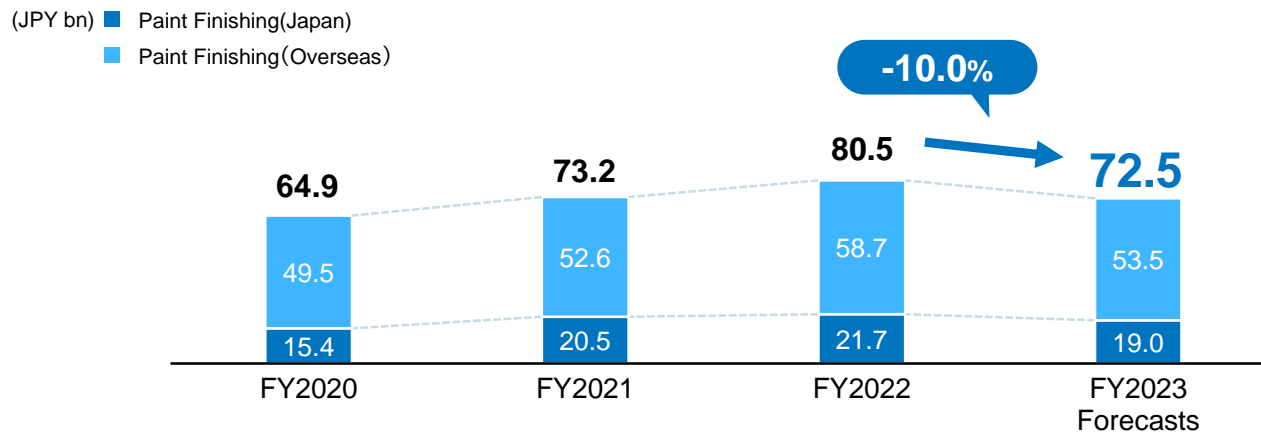
- (JPY bn) ■ Building HVAC
- Industrial HVAC(Japan)
- Industrial HVAC(Overseas)



Expect to exceed the original forecasts by securing more orders than expected

(JPY bn)	FY2022 Results			FY2023 New Forecasts			FY2023 Original forecasts	vs. Forecast
	1H	2H	Total	1H Results	2H	Total	Total	Total
Orders-received	35.4	45.1	80.5	53.7	18.7	72.5	65.0	7.5
Japan	16.1	5.6	21.7	16.6	2.3	19.0	16.0	3.0
Overseas	19.2	39.5	58.7	37.1	16.3	53.5	49.0	4.5
Overseas ratio	54.4%	87.6%	73.0%	69.0%	87.6%	73.8%	75.4%	-1.6pt

Trend



Expect Increase in Sales and decrease in Income in the Green Technology, and Increase in Sales and Income in the Paint Finishing

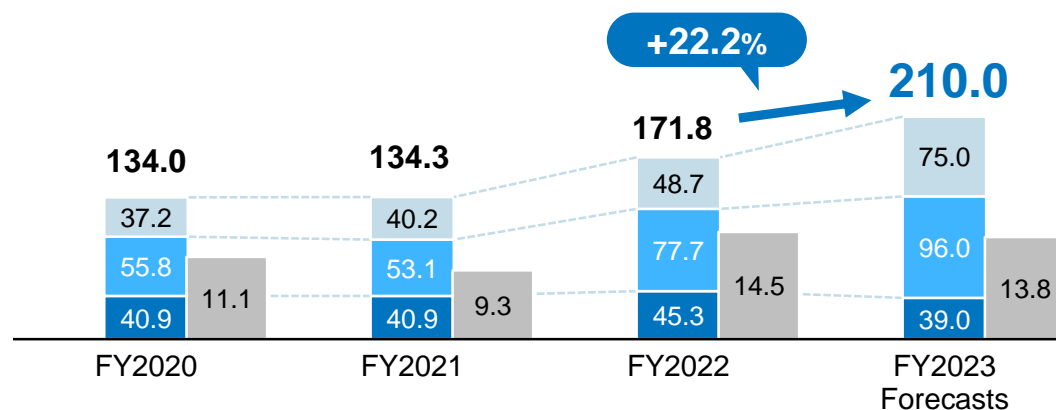
	FY2022 Results			FY2023 New Forecasts			FY2023 Original forecasts Total	vs. Forecast Total
	1H	2H	Total	1H Results	2H	Total		
(JPY bn)								
Net-sales of completed construction contracts	85.7	129.0	214.7	130.4	154.5	285.0	255.0	30.0
Japan	53.9	80.2	134.2	81.4	66.6	148.1	135.6	12.5
Overseas	31.8	48.7	80.5	48.9	87.9	136.9	119.4	17.5
Green Technology	67.5	104.2	171.8	103.9	106.0	210.0	192.5	17.5
Building HVAC	17.5	27.8	45.3	20.6	18.3	39.0	33.0	6.0
Industrial HVAC	50.0	76.4	126.4	83.2	87.7	171.0	159.5	11.5
Paint Finishing	18.2	24.7	42.9	26.4	48.5	75.0	62.5	12.5
Ordinary income	4.6	8.3	13.0	8.1	7.3	15.5	14.0	1.5
Ratio	5.4%	6.5%	6.1%	6.2%	4.8%	5.4%	5.5%	-0.1pt
Green Technology	5.3	9.2	14.5	7.5	6.2	13.8	13.2	0.6
Ratio	7.9%	8.9%	8.5%	7.3%	5.9%	6.6%	6.9%	-0.3pt
Paint Finishing	-1.0	-0.5	-1.6	0.0	1.8	1.9	0.9	1.0
Ratio	-5.7%	-2.3%	-3.7%	0.2%	3.8%	2.5%	1.4%	1.1pt

Both Sales and Income are expected to exceed the original forecasts due to the progress of constructions more than expected

(JPY bn)	FY2022 Results			FY2023 New Forecasts			FY2023 Original forecasts Total	vs. Forecast Total
	1H	2H	Total	1H Results	2H	Total		
Net-sales of completed construction contracts	67.5	104.2	171.8	103.9	106.0	210.0	192.5	17.5
Building HVAC	17.5	27.8	45.3	20.6	18.3	39.0	33.0	6.0
Industrial HVAC	50.0	76.4	126.4	83.2	87.7	171.0	159.5	11.5
Japan	30.9	46.7	77.7	54.6	41.3	96.0	89.5	6.5
Overseas	19.0	29.7	48.7	28.6	46.3	75.0	70.0	5.0
Overseas ratio	28.2%	28.5%	28.4%	27.5%	43.7%	35.7%	36.4%	-0.6pt
Ordinary income	5.3	9.2	14.5	7.5	6.2	13.8	13.2	0.6
Ratio	7.9%	8.9%	8.5%	7.3%	5.9%	6.6%	6.9%	-0.3pt

Trend

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



Both Sales and income are expected to exceed the original forecasts due to the construction progress more than expected

(JPY bn)	FY2022 Results			FY2023 New Forecasts			FY2023 Original forecasts Total	vs. Forecast Total
	1H	2H	Total	1H Results	2H	Total		
Net sales of completed construction contracts	18.2	24.7	42.9	26.4	48.5	75.0	62.5	12.5
Japan	5.4	5.7	11.1	6.0	7.0	13.1	13.1	-
Overseas	12.8	18.9	31.7	20.3	41.5	61.9	49.4	12.5
Overseas ratio	70.2%	76.8%	74.0%	77.0%	85.6%	82.5%	79.0%	3.5pt
Ordinary income	-1.0	-0.5	-1.6	0.0	1.8	1.9	0.9	1.0
Ratio	-5.7%	-2.3%	-3.7%	0.2%	3.8%	2.5%	1.4%	1.1pt

Trend

(JPY bn)

- Paint Finishing(Japan)
- Paint Finishing(Overseas)
- Ordinary income

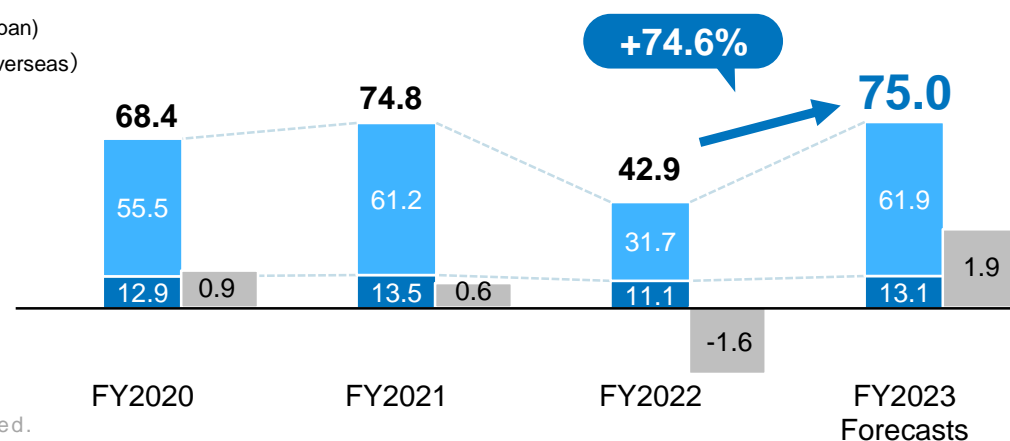
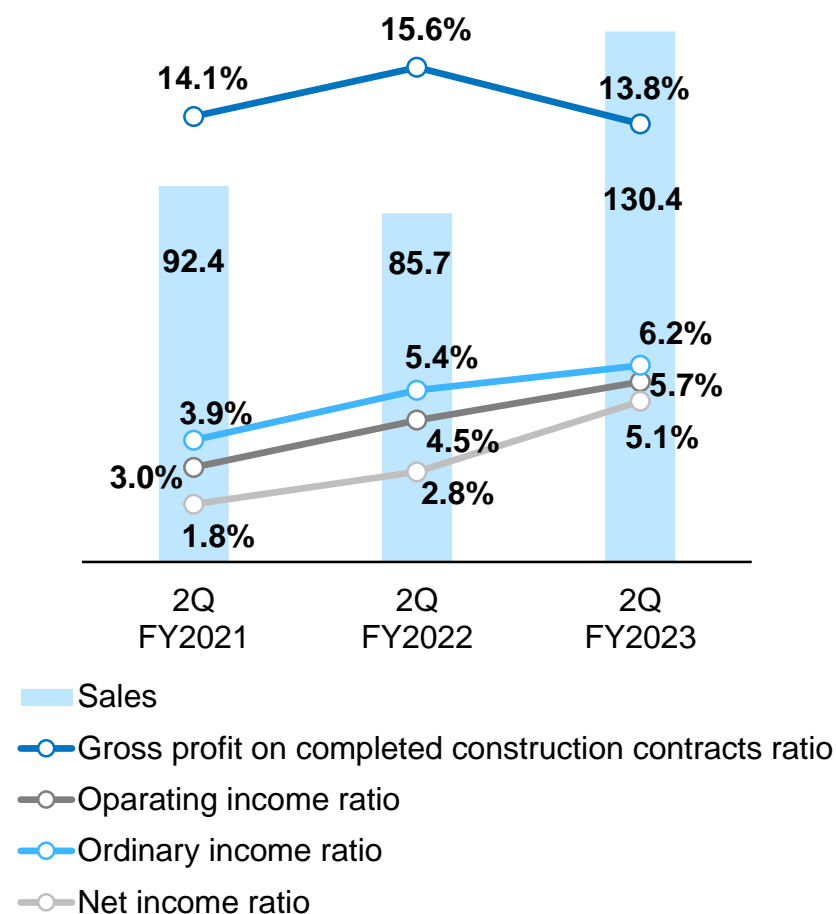


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(JPY bn)	2Q FY2021	2Q FY2022	2Q FY2023
Net-sales of completed construction contracts	92.4	85.7	130.4
Gross profit on completed construction contracts	13.0	13.4	18.0
Ratio	14.1%	15.6%	13.8%
Operating income	2.7	3.8	7.4
Ratio	3.0%	4.5%	5.7%
Ordinary income	3.5	4.6	8.1
Ratio	3.9%	5.4%	6.2%
Profit attributable to owners of parent	1.6	2.4	6.6
Ratio	1.8%	2.8%	5.1%



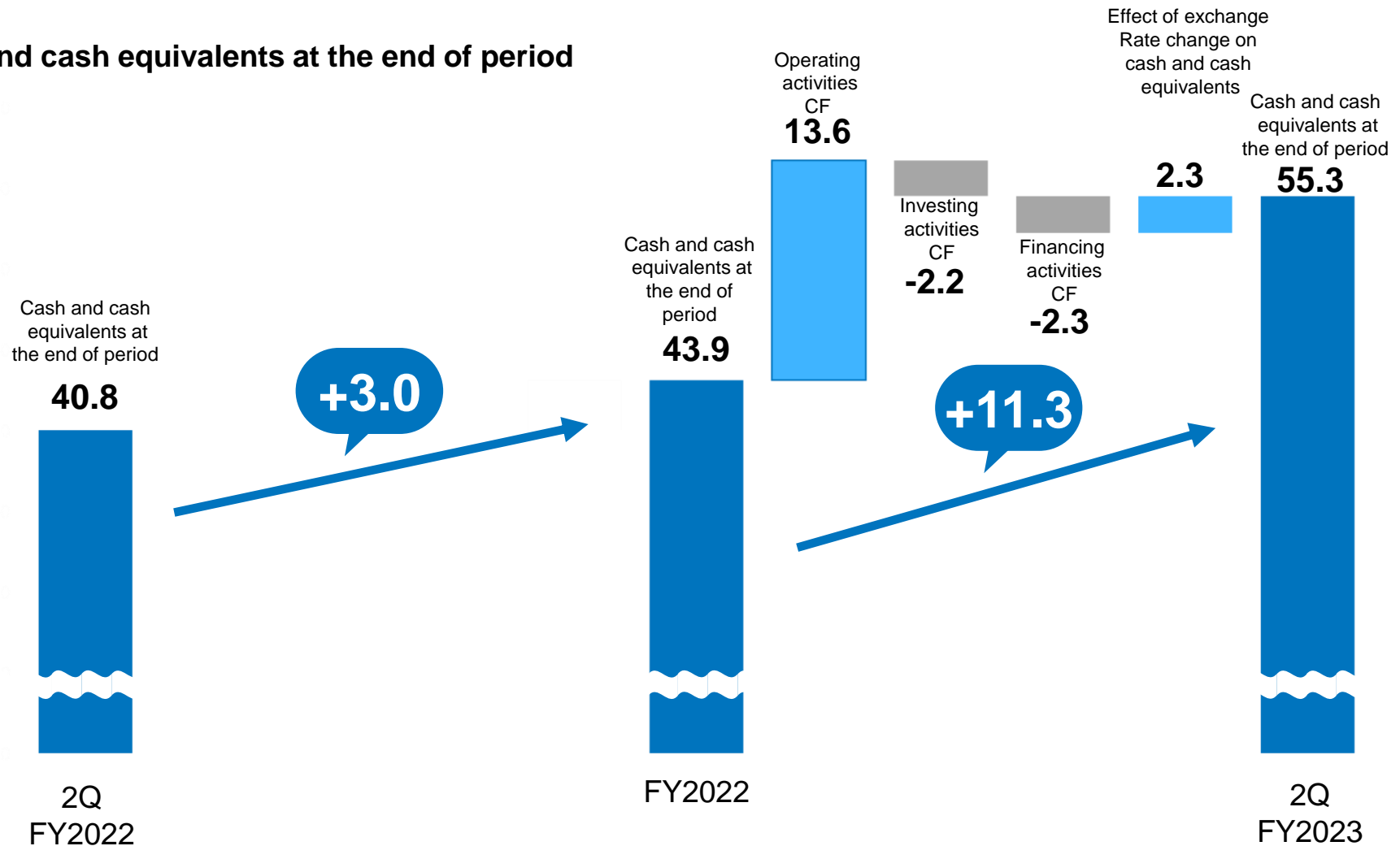
(JPY bn)	Subject	FY2022	2Q FY2023	YoY Change
	Current assets	184.4	200.1	15.6
	Cash and deposits	46.9	54.0	7.0
	Notes receivable, accounts receivable from completed construction contracts and other	124.2	114.0	-10.1
	Securities	0.0	8.0	8.0
	Costs on uncompleted construction contracts · Raw materials and supplies	3.1	2.8	-0.3
	Other	10.7	21.8	11.0
	Allowance for doubtful accounts	-0.6	-0.6	0.0
	Non-current assets	52.6	55.8	3.2
	Property, plant and equipment	8.5	9.5	0.9
	Goodwill	3.6	3.7	0.1
	Other intangible assets	2.2	2.3	0.0
	Investment securities	26.4	28.1	1.6
	Deferred tax assets	0.5	0.5	-0.0
	Other	11.5	11.7	0.2
	Allowance for doubtful accounts	-0.5	-0.2	0.2
	Total assets	237.1	256.0	18.9

Subject	FY2022	2Q FY2023	YoY Change
Current liabilities	95.9	103.9	8.0
Notes payable, accounts payable for construction contracts and other	55.4	60.4	4.9
Advances received on uncompleted construction contracts	23.3	21.9	-1.3
Provision for loss on construction contracts	0.3	0.2	-0.0
Other	16.8	21.3	4.4
Non-current liabilities	9.1	11.0	1.9
Total liabilities	105.1	115.0	9.9
Net assets	131.9	140.9	8.9
Capital stock	6.4	6.4	-
Capital surplus	3.5	3.6	0.0
Retained earnings	100.2	104.5	4.2
Treasury shares	-1.1	-1.6	-0.4
Valuation difference on available-for-sale securities	10.5	12.2	1.6
Deferred gains or losses on hedges	-0.0	-0.1	-0.0
Foreign currency translation adjustment	4.7	7.8	3.0
Accumulated remeasurements of defined benefit plans	1.4	1.3	-0.0
Non-controlling interests	6.2	6.6	0.4
Total liabilities and net assets	237.1	256.0	18.9

Operating activities CF: Positive mainly due to the decrease in receivable-trade

Cash and cash equivalents at the end of period

(JPY bn)



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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