

TAIKI-SHA LTD.

Financial Results Material

The Third Quarter of FY2023

February 13, 2024

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Orders received are expected to exceed the previous forecast, as both the Green Technology System Division and the Paint Finishing System Division will secure the orders more than expected.

Sales and the Profit are expected to exceed the previous forecast in all items as announced in the Announcement of Revision of Earnings Forecasts disclosed on February 13th, 2024.

(JPY bn)	FY2023 Revised Forecasts	FY2023 Previous Forecasts*	Difference
	Total	Total	Total
Orders-received	256.0	225.5	30.5
Net-sales of completed construction contracts	294.5	285.0	9.5
Operating income	16.5	14.5	2.0
Ordinary income	18.1	15.5	2.6
Profit attributable to owners of parent	13.3	10.5	2.8

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

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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

185.3

Billion yen

(QoQ Change)
-17.9%

Sales

205.2

Billion yen

(QoQ Change)
+44.6%

Ordinary income

13.2

Billion yen

(QoQ Change)
+55.4%

Profit attributable to owners of parent

10.2

Billion yen

(QoQ Change)
+101.2%

(JPY bn)	1-3Q FY2022 Results	1-3Q FY2023 Results	QoQ Change
Orders-received	225.8	185.3	-40.4
Net-sales of completed construction contracts	141.9	205.2	63.3
Ordinary income	8.5	13.2	4.7
Ratio	6.0%	6.5%	0.4pt
Profit attributable to owners of parent	5.0	10.2	5.1
Ratio	3.6%	5.0%	1.4pt
EPS	149.98yen	308.68yen	158.70yen

Exchange rate of main overseas affiliates

(Yen)	① 3Q FY2022	② 3Q FY2023	③ FY2023 previous Assumptions*
US\$	128.03	138.87	138.00
THB	3.69	4.00	3.85
CNY	19.33	19.65	18.80
INR	1.70	1.73	1.72

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

Exchange rate impact

Impact of exchange rate difference between
① and ②

Sales : 3.7 billion yen / Ordinary income : 0.1 billion yen

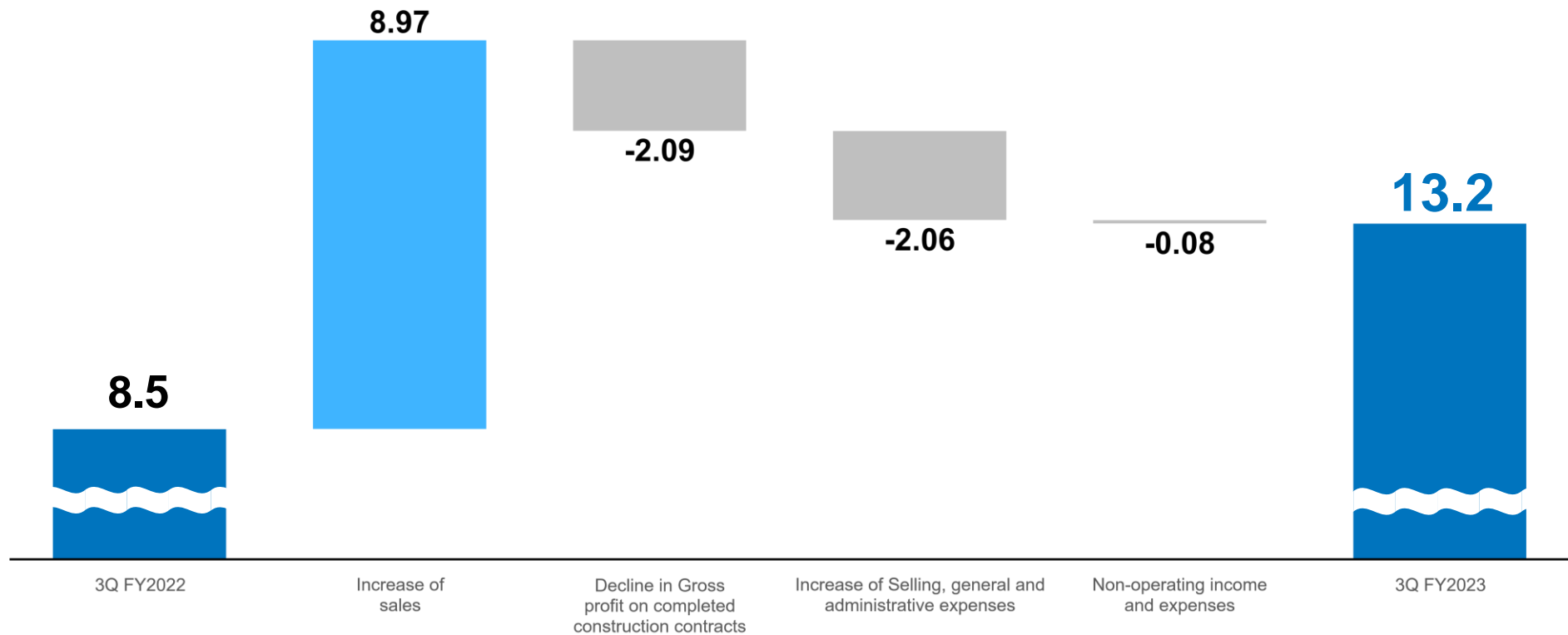
Impact of exchange rate difference between
② and ③

Sales : 1.8 billion yen / Ordinary income : 0.04 billion yen

Breakdown of fluctuation in Ordinary Income (QoQ change)

(JPY bn)

- Increase
- Decrease
- Total amount



Earnings Forecast

(JPY bn)	FY2022 Results					FY2023 Forecasts				
	1H	3Q	4Q	2H	Total	1H Results	3Q Results	4Q	2H ^{※1}	Total ^{※1}
Orders-received	162.0	63.7	62.8	126.6	288.6	127.1	58.1	70.6	128.8	256.0
Net-sales of completed construction contracts	85.7	56.1	72.8	129.0	214.7	130.4	74.8	89.2	164.0	294.5
Operating income	3.8	3.4	4.2	7.7	11.5	7.4	4.6	4.3	9.0	16.5
Ordinary income	4.6	3.9	4.4	8.3	13.0	8.1	5.1	4.8	9.9	18.1
Profit attributable to owners of parent	2.4	2.6	2.8	5.4	7.9	6.6	3.5	3.0	6.6	13.3
ROE					6.3%					10.1%

※1 Revised at the announcement of the financial result for the third quarter

Exchange rate of main overseas affiliates

	FY2022 Results	^① FY2023 New Assumptions	^② FY2023 previous Assumptions ^{※2}
US\$	130.78	140.55	138.00
THB	3.73	4.04	3.85
CNY	19.39	19.81	18.80
INR	1.68	1.73	1.72

※2 Revised at the announcement of the financial result for the second quarter

Impact of exchange rate fluctuations

Impact of exchange rate difference between **①** and **②**

Sales: 4.1 billion yen

Ordinary income: 0.1 billion yen

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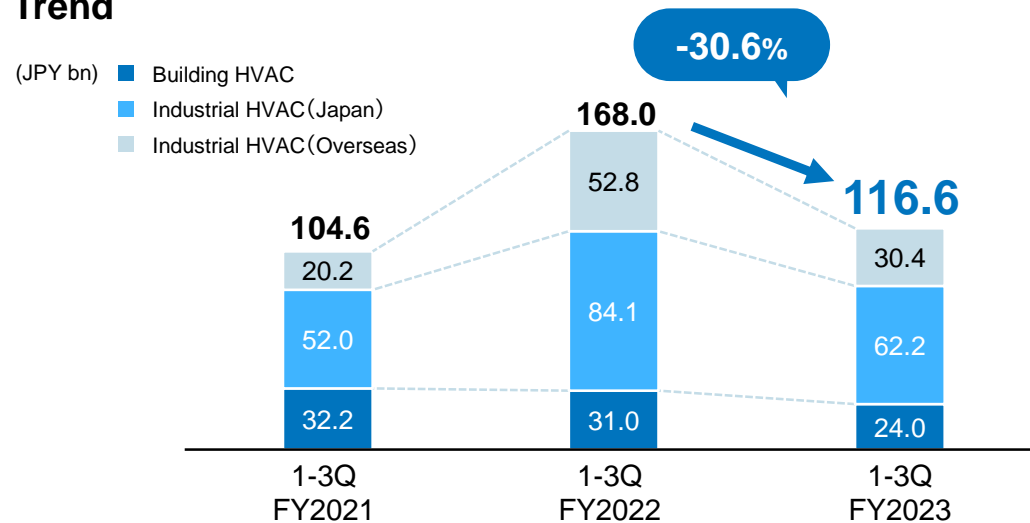
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(JPY bn)

	1-3Q FY2022 Results	1-3Q FY2023 Results	QoQ Change
Orders-received	225.8	185.3	-40.4
Japan	134.4	106.0	-28.3
Overseas	91.4	79.3	-12.0
Green Technology	168.0	116.6	-51.3
Building HVAC	31.0	24.0	-6.9
Industrial HVAC	137.0	92.6	-44.3
Paint Finishing	57.7	68.6	10.9

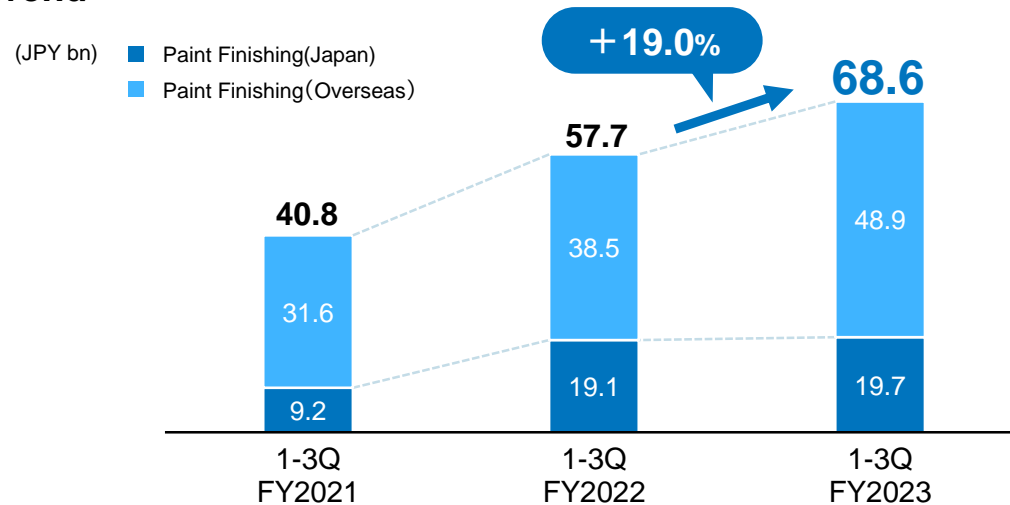
(JPY bn)	1-3Q FY2022 Results	1-3Q FY2023 Results	QoQ Change
Orders-received	168.0	116.6	-51.3
Building HVAC	31.0	24.0	-6.9
Industrial HVAC	137.0	92.6	-44.3
Japan	84.1	62.2	-21.9
Overseas	52.8	30.4	-22.4
Overseas ratio	31.4%	26.1%	-5.4pt

Trend



(JPY bn)	1-3Q FY2022 Results	1-3Q FY2023 Results	QoQ Change
Orders-received	57.7	68.6	10.9
Japan	19.1	19.7	0.6
Overseas	38.5	48.9	10.3
Overseas ratio	66.8%	71.2%	4.4pt

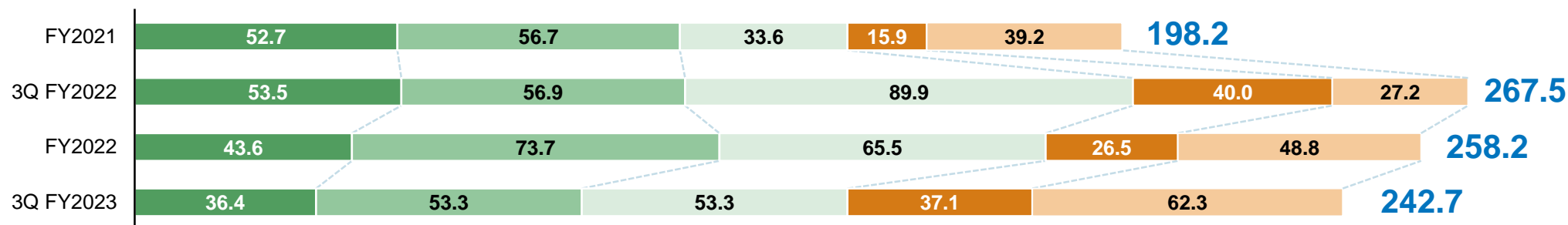
Trend



(JPY bn)	FY2021 A	3Q FY2022 B	FY2022 C	3Q FY2023 D	Change C-A	Change D-B
Orders-received	232.1	225.8	288.6	185.3	56.5	-40.4
Net-sales of completed construction contracts	209.2	141.9	214.7	205.2	5.5	63.3
Construction carried-forward	198.2	267.5	258.2	242.7	60.0	-24.8
Green Technology	143.1	200.3	182.8	143.1	39.7	-57.1
Building HVAC	52.7	53.5	43.6	36.4	-9.1	-17.0
Industrial HVAC	90.3	146.8	139.2	106.7	48.8	-40.1
Paint Finishing	55.1	67.2	75.4	99.5	20.2	32.2

Breakdown of Construction Carried-Forward

(JPY bn) ■ Building HVAC ■ Industrial HVAC(Japan) ■ Industrial HVAC(Overseas) ■ Paint Finishing(Japan) ■ Paint Finishing(Overseas)

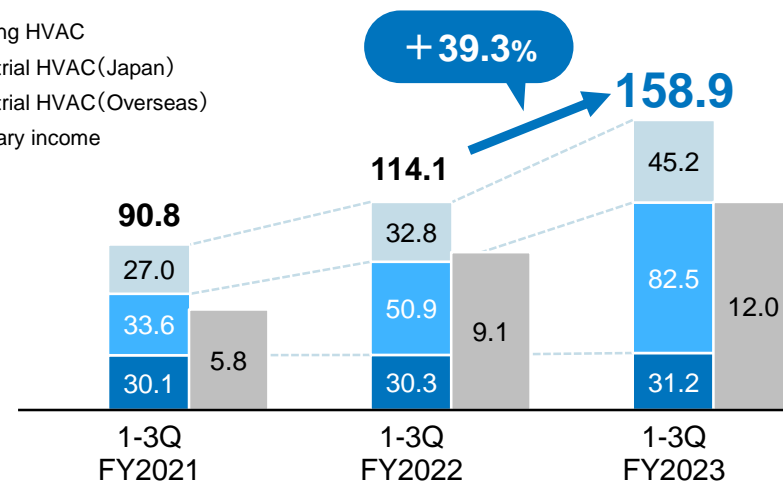


(JPY bn)	1-3Q FY2022 Results	1-3Q FY2023 Results	QoQ Change
Net-sales of completed construction contracts	141.9	205.2	63.3
Japan	89.1	122.9	33.7
Overseas	52.8	82.3	29.5
Green Technology	114.1	158.9	44.8
Building HVAC	30.3	31.2	0.8
Industrial HVAC	83.8	127.7	43.9
Paint Finishing	27.8	46.3	18.4
Ordinary income	8.5	13.2	4.7
Ratio	6.0%	6.5%	0.4pt
Green Technology	9.1	12.0	2.8
Ratio	8.0%	7.6%	-0.5pt
Paint Finishing	-1.2	0.8	2.1
Ratio	-4.5%	1.8%	6.3pt

(JPY bn)	1-3Q FY2022 Results	1-3Q FY2023 Results	QoQ Change
Net-sales of completed construction contracts	114.1	158.9	44.8
Building HVAC	30.3	31.2	0.8
Industrial HVAC	83.8	127.7	43.9
Japan	50.9	82.5	31.5
Overseas	32.8	45.2	12.3
Overseas ratio	28.8%	28.4%	-0.3pt
Ordinary income	9.1	12.0	2.8
Ratio	8.0%	7.6%	-0.5pt

Trend

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

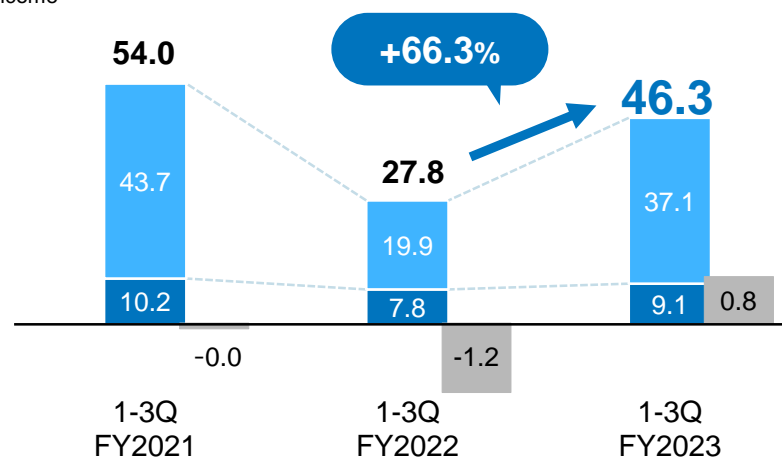


(JPY bn)	1-3Q FY2022 Results	1-3Q FY2023 Results	QoQ Change
Net-sales of completed construction contracts	27.8	46.3	18.4
Japan	7.8	9.1	1.2
Overseas	19.9	37.1	17.1
Overseas ratio	71.8%	80.3%	8.5pt
Ordinary income	-1.2	0.8	2.1
Ratio	-4.5%	1.8%	6.3pt

Trend

(JPY bn)

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



(JPY bn)	FY2022 Results					FY2023 Forecasts				
	1H	3Q	4Q	2H	Total	1H Results	3Q Results	4Q	2H*	Total*
Orders-received	162.0	63.7	62.8	126.6	288.6	127.1	58.1	70.6	128.8	256.0
Japan	105.0	29.3	18.3	47.6	152.7	70.2	35.8	36.6	72.4	142.7
Overseas	56.9	34.4	44.5	78.9	135.9	56.9	22.3	33.9	56.3	113.3
Green Technology	126.6	41.4	40.0	81.4	208.0	73.3	43.2	50.3	93.6	167.0
Building HVAC	19.5	11.4	5.1	16.6	36.1	17.7	6.3	8.9	15.2	33.0
Industrial HVAC	107.0	29.9	34.8	64.8	171.8	55.6	36.9	41.3	78.3	134.0
Paint Finishing	35.4	22.3	22.8	45.1	80.5	53.7	14.8	20.3	35.2	89.0

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

(JPY bn)	FY2022 Results					FY2023 Forecasts				
	1H	3Q	4Q	2H	Total	1H Results	3Q Results	4Q	2H*	Total*
Orders-received	126.6	41.4	40.0	81.4	208.0	73.3	43.2	50.3	93.6	167.0
Building HVAC	19.5	11.4	5.1	16.6	36.1	17.7	6.3	8.9	15.2	33.0
Industrial HVAC	107.0	29.9	34.8	64.8	171.8	55.6	36.9	41.3	78.3	134.0
Japan	69.3	14.8	10.5	25.4	94.7	35.8	26.3	26.2	52.6	88.5
Overseas	37.7	15.1	24.3	39.4	77.1	19.8	10.6	15.0	25.6	45.5
Overseas ratio	29.8%	36.5%	60.8%	48.4%	37.1%	27.0%	24.5%	30.0%	27.4%	27.2%

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

(JPY bn)	FY2022 Results					FY2023 Forecasts				
	1H	3Q	4Q	2H	Total	1H Results	3Q Results	4H	2H*	Total*
Orders-received	35.4	22.3	22.8	45.1	80.5	53.7	14.8	20.3	35.2	89.0
Japan	16.1	3.0	2.6	5.6	21.7	16.6	3.1	1.4	4.5	21.2
Overseas	19.2	19.3	20.2	39.5	58.7	37.1	11.7	18.8	30.6	67.8
Overseas ratio	54.4%	86.5%	88.5%	87.6%	73.0%	69.0%	79.1%	93.0%	87.1%	76.2%

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

(JPY bn)	FY2022 Results					FY2023 Forecasts				
	1H	3Q	4Q	2H	Total	1H Results	3Q Results	4Q	2H [※]	Total [※]
Net-sales of completed construction contracts	85.7	56.1	72.8	129.0	214.7	130.4	74.8	89.2	164.0	294.5
Japan	53.9	35.2	45.0	80.2	134.2	81.4	41.4	33.3	74.8	156.3
Overseas	31.8	20.9	27.7	48.7	80.5	48.9	33.3	55.8	89.2	138.2
Green Technology	67.5	46.5	57.7	104.2	171.8	103.9	55.0	58.0	113.0	217.0
Building HVAC	17.5	12.7	15.0	27.8	45.3	20.6	10.5	9.2	19.8	40.5
Industrial HVAC	50.0	33.8	42.6	76.4	126.4	83.2	44.4	48.7	93.2	176.5
Paint Finishing	18.2	9.6	15.0	24.7	42.9	26.4	19.8	31.1	51.0	77.5
Ordinary income	4.6	3.9	4.4	8.3	13.0	8.1	5.1	4.8	9.9	18.1
Ratio	5.4%	6.9%	6.1%	6.5%	6.1%	6.2%	6.9%	5.4%	6.1%	6.1%
Green Technology	5.3	3.8	5.4	9.2	14.5	7.5	4.4	3.9	8.4	16.0
Ratio	7.9%	8.3%	9.4%	8.9%	8.5%	7.3%	8.1%	6.8%	7.4%	7.4%
Paint Finishing	-1.0	-0.2	-0.3	-0.5	-1.6	0.0	0.7	1.3	2.1	2.2
Ratio	-5.7%	-2.2%	-2.3%	-2.3%	-3.7%	0.2%	4.0%	4.3%	4.2%	2.8%

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

(JPY bn)	FY2022 Results					FY2023 Forecasts				
	1H	3Q	4Q	2H	Total	1H Results	3Q Results	4H	2H*	Total*
Net-sales of completed construction contracts	67.5	46.5	57.7	104.2	171.8	103.9	55.0	58.0	113.0	217.0
Building HVAC	17.5	12.7	15.0	27.8	45.3	20.6	10.5	9.2	19.8	40.5
Industrial HVAC	50.0	33.8	42.6	76.4	126.4	83.2	44.4	48.7	93.2	176.5
Japan	30.9	20.0	26.7	46.7	77.7	54.6	27.8	19.4	47.3	102.0
Overseas	19.0	13.8	15.9	29.7	48.7	28.6	16.5	29.2	45.8	74.5
Overseas ratio	28.2%	29.6%	27.6%	28.5%	28.4%	27.5%	30.2%	50.5%	40.6%	34.3%
Ordinary income	5.3	3.8	5.4	9.2	14.5	7.5	4.4	3.9	8.4	16.0
Ratio	7.9%	8.3%	9.4%	8.9%	8.5%	7.3%	8.1%	6.8%	7.4%	7.4%

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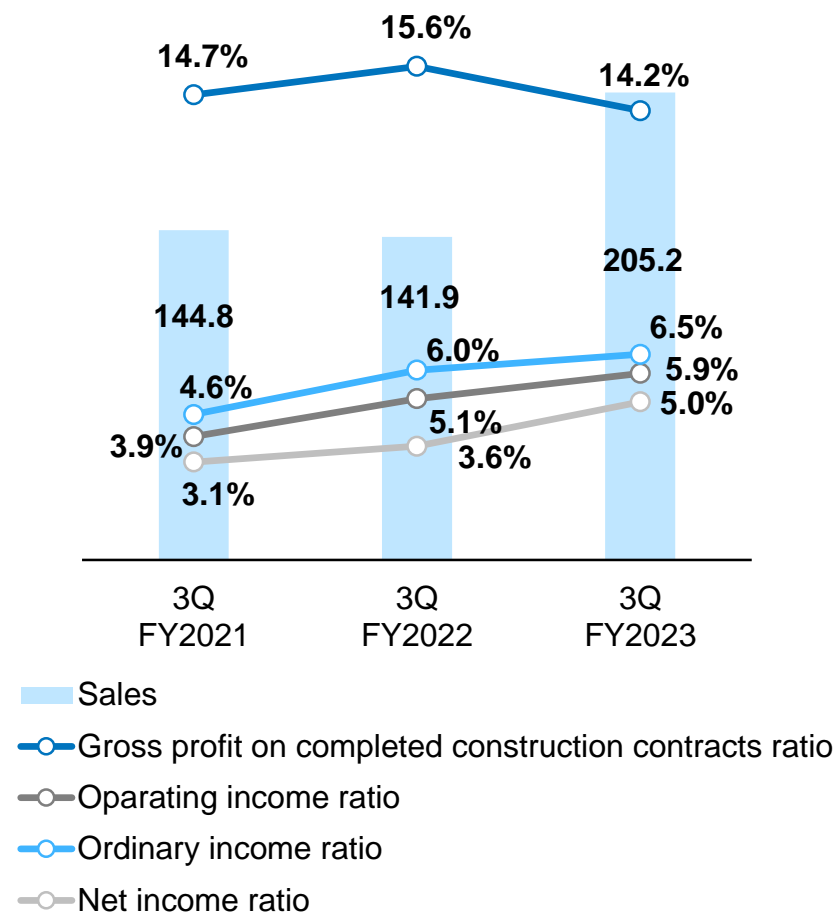
(JPY bn)	FY2022 Results					FY2023 Forecasts				
	1H	3Q	4Q	2H	Total	1H Results	3Q Results	4Q	2H*	Total*
Net-sales of completed construction contracts	18.2	9.6	15.0	24.7	42.9	26.4	19.8	31.1	51.0	77.5
Japan	5.4	2.4	3.2	5.7	11.1	6.0	3.0	4.6	7.7	13.8
Overseas	12.8	7.1	11.7	18.9	31.7	20.3	16.7	26.5	43.3	63.7
Overseas ratio	70.2%	74.8%	78.1%	76.8%	74.0%	77.0%	84.6%	85.1%	84.9%	82.2%
Ordinary income	-1.0	-0.2	-0.3	-0.5	-1.6	0.0	0.7	1.3	2.1	2.2
Ratio	-5.7%	-2.2%	-2.3%	-2.3%	-3.7%	0.2%	4.0%	4.3%	4.2%	2.8%

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(JPY bn)	1-3Q FY2021	1-3Q FY2022	1-3Q FY2023
Net-sales of completed construction contracts	144.8	141.9	205.2
Gross profit on completed construction contracts	21.2	22.2	29.0
Ratio	14.7%	15.6%	14.2%
Operating income	5.5	7.3	12.1
Ratio	3.9%	5.1%	5.9%
Ordinary income	6.6	8.5	13.2
Ratio	4.6%	6.0%	6.5%
Profit attributable to owners of parent	4.4	5.0	10.2
Ratio	3.1%	3.6%	5.0%



(JPY bn)	Subject	FY2022	3Q FY2023	YoY Change
	Current assets	184.4	207.9	23.4
	Cash and deposits	46.9	54.7	7.7
	Notes receivable, accounts receivable from completed construction contracts and other	124.2	119.3	-4.8
	Securities	-	5.0	5.0
	Costs on uncompleted construction contracts · Raw materials and supplies	3.1	3.2	0.0
	Other	10.7	26.4	15.7
	Allowance for doubtful accounts	-0.6	-0.8	-0.1
	Non-current assets	52.6	57.2	4.6
	Property, plant and equipment	8.5	10.3	1.7
	Goodwill	3.6	3.5	-0.1
	Other intangible assets	2.2	2.2	-0.0
	Investment securities	26.4	28.9	2.4
	Deferred tax assets	0.5	0.7	0.1
	Other	11.5	12.0	0.4
	Allowance for doubtful accounts	-0.5	-0.5	-0.0
	Total assets	237.1	265.2	28.1

Subject	FY2022	3Q FY2023	YoY Change
Current liabilities	95.9	111.5	15.5
Notes payable, accounts payable for construction contracts and other	55.4	62.3	6.8
Advances received on uncompleted construction contracts	23.3	20.1	-3.1
Provision for loss on construction contracts	0.3	0.1	-0.1
Other	16.8	28.8	12.0
Non-current liabilities	9.1	11.0	1.9
Total liabilities	105.1	122.6	17.4
Net assets	131.9	142.5	10.6
Capital stock	6.4	6.4	-
Capital surplus	3.5	3.6	0.0
Retained earnings	100.2	106.4	6.1
Treasury shares	-1.1	-2.8	-1.7
Valuation difference on available-for-sale securities	10.5	12.7	2.2
Deferred gains or losses on hedges	-0.0	-0.0	-0.0
Foreign currency translation adjustment	4.7	7.8	3.0
Accumulated remeasurements of defined benefit plans	1.4	1.4	0.0
Non-controlling interests	6.2	6.9	0.7
Total liabilities and net assets	237.1	265.2	28.1

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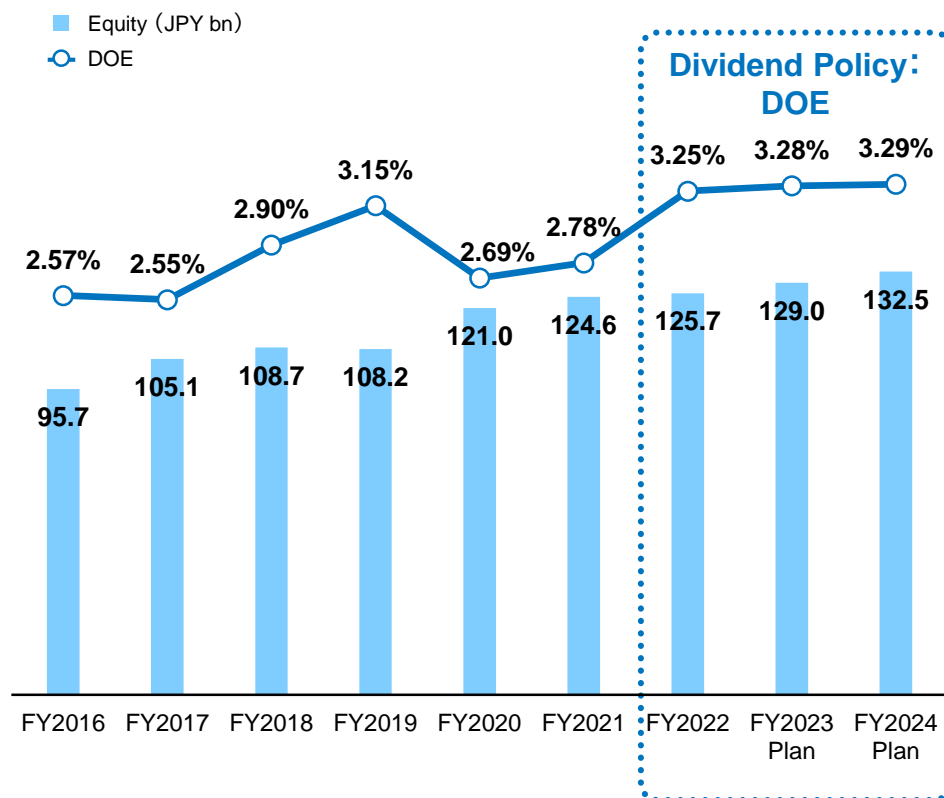
Dividends are expected to increase as planned during the period of the Mid-Term Business Plan

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

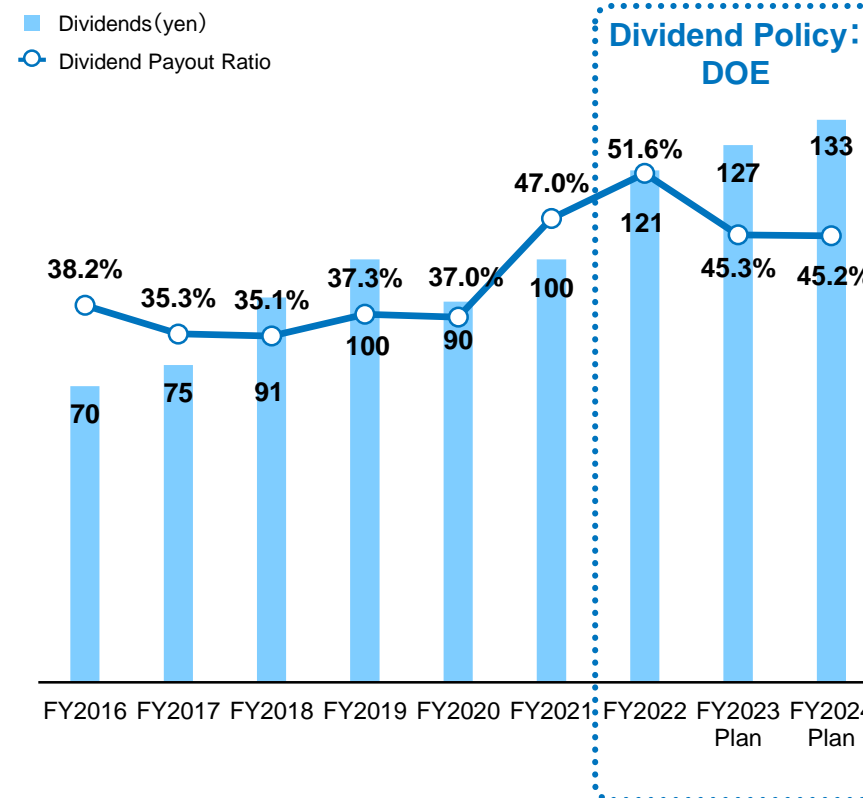
$$\text{DOE } 3.2\% = \text{Aimed ROE level } 8.0\% \times \text{Dividend payout ratio } 40\%$$

Dividend for FY2023 will be increased to 127 yen

Trend in Equity and DOE



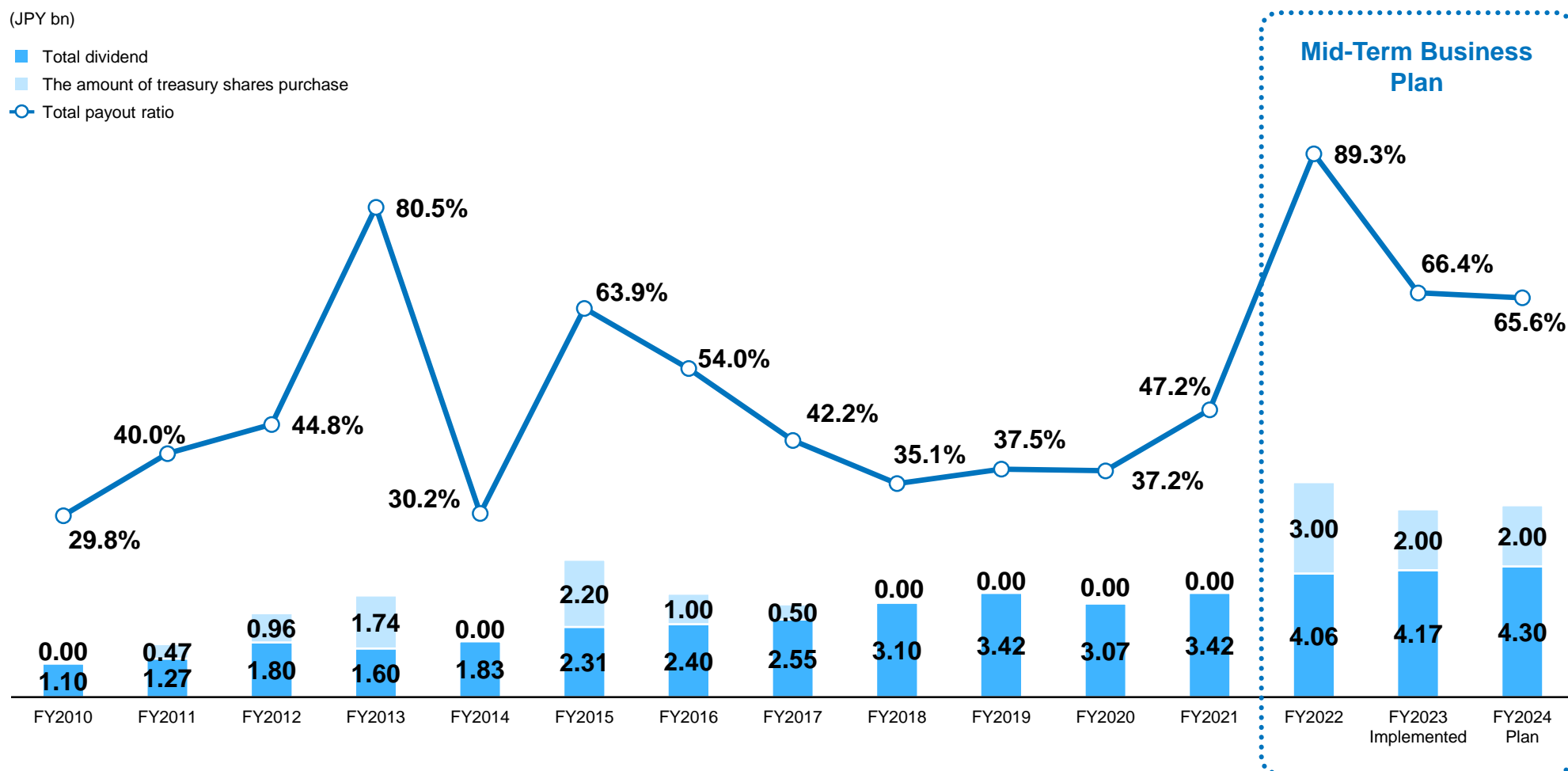
Trend in Dividends and Dividend Payout Ratio



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. (Implemented 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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