

Financial Report for the Fiscal Year ended March 31, 2019 (Consolidated)

May 15, 2019

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..... Koji Kato, President and Representative Director

Contact..... Masanori Nakagawa, Director, Managing Corporate Officer, Administrative Management
Headquarters Chief Executive

TEL..... (03) 5338 - 5052

URL..... <https://www.taikisha.co.jp/>

Scheduled date for annual general meeting of shareholders : June 27, 2019

Scheduled date to commence dividends payments : June 28, 2019

Scheduled date to submit securities report : June 27, 2019

Supplemental materials prepared for financial results : Yes

Briefing session of financial results : Yes (for institutional investors and analysts)

(Round down to one million yen)

1. Consolidated Operating Performance (April 1, 2018 through March 31, 2019)

(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	%
Year ended								
March 31, 2019	225,402	(2.8)	14,035	15.2	15,085	15.3	8,841	21.9
March 31, 2018	231,898	15.6	12,180	43.8	13,082	32.9	7,254	15.1

(Note) Comprehensive income Year ended March 31, 2019 6,724 million yen (52.3)%
Year ended March 31, 2018 14,098 million yen 72.5%

	Basic earnings per share	Diluted earning per share	Ratio of Profit to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
	yen	yen	%	%	%
Year ended					
March 31, 2019	259.53	—	8.3	6.9	6.2
March 31, 2018	212.40	—	7.2	6.3	5.3

(Note) Equity in earnings of affiliates Year ended March 31, 2019 (36) million yen
Year ended March 31, 2018 (11) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
As of				
March 31, 2019	223,080	113,649	48.8	3,193.18
March 31, 2018	215,392	110,650	48.8	3,087.51

(Note) Shareholders' Equity As of March 31, 2019 108,787 million yen
As of March 31, 2018 105,188 million yen

※ "Partial amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, revised on February 16, 2018) has been applied from the consolidated fiscal year ending March 31, 2019. To reflect the change in presentation method due to the application, the amounts of consolidated financial position as of March 31, 2018 are revised retroactively.

(3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and cash equivalents at the end of period
	million yen	million yen	million yen	million yen
Year ended				
March 31, 2019	9,159	(2,830)	2,396	49,861
March 31, 2018	9,337	1,390	(885)	42,292

2. Dividends

	Dividends per share					Dividends Paid (Total)	Dividends Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	1Q	2Q	3Q	Year End	Total (annually)			
Year ended	yen	yen	yen	yen	yen	million yen	%	%
March 31, 2018	—	25.00	—	50.00	75.00	2,558	35.3	2.5
March 31, 2019	—	25.00	—	66.00	91.00	3,100	35.1	2.9
Year ending March 31, 2020 (Forecast)	—	30.00	—	70.00	100.00		35.1	

3. Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2020 (April 1, 2019 through March 31, 2020)

(% 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	110,600	11.9	5,900	73.7	6,400	65.1	4,200	361.5	123.28
Full year	239,000	6.0	14,600	4.0	15,300	1.4	9,700	9.7	284.72

4. Others

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries accompanying changes in scope of consolidation) : Yes

Excluded from consolidation: Geico Taikisha Europe Ltd.

Please refer to page 14 "Significant changes in scope of consolidation for the fiscal year ended March 31, 2019" for details.

(2) Changes in accounting policies, changes in accounting estimates and restatements

(i) Changes in accounting policies due to revisions of accounting standards etc. : None

(ii) Changes in accounting policies other than (i) : None

(iii) Changes in accounting estimates : None

(iv) Restatements : None

(3) Number of shares issued (common shares)

(i) Number of shares issued at end of period (including treasury shares)

As of March 31, 2019 35,082,009 shares

As of March 31, 2018 35,082,009 shares

(ii) Number of treasury shares at end of period

As of March 31, 2019 1,013,293 shares

As of March 31, 2018 1,012,999 shares

(iii) Average number of shares during the period

Year ended March 31, 2019 34,068,891 shares

Year ended March 31, 2018 34,154,899 shares

(Reference) Summary of Non-Consolidated Operating Performance

1. Non-Consolidated Operating Performance (April 1, 2018 through March 31, 2019)

(1) Non-Consolidated operating result

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Profit	
Year ended	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2019	125,181	1.3	8,534	(6.9)	12,345	0.2	7,269	(8.0)
March 31, 2018	123,584	17.3	9,168	36.9	12,315	23.2	7,899	8.9

	Basic earnings per share	Diluted earning per share
Year ended	yen	yen
March 31, 2019	213.36	—
March 31, 2018	231.27	—

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
As of	million yen	million yen	%	yen
March 31, 2019	150,685	90,684	60.2	2,661.81
March 31, 2018	145,395	87,377	60.1	2,564.71

(Note) Shareholders' Equity

As of March 31, 2019

90,684 million yen

As of March 31, 2018

87,377 million yen

2. Non-Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2020

(April 1, 2019 through March 31, 2020)

(% indicates increase ratio over previous year)

	Sales		Ordinary income		Profit		Basic earnings per share
	million yen	%	million yen	%	million yen	%	yen
Half year	67,600	17.9	5,000	(13.0)	3,500	211.1	102.73
Full year	135,500	8.2	11,300	(8.5)	8,100	11.4	237.75

※ This financial report is not subject to audit procedures.

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

The 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, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	47,147	52,107
Notes receivable, accounts receivable from completed construction contracts and other	101,947	104,705
Securities	—	1,000
Costs on uncompleted construction contracts	2,120	2,807
Raw materials and supplies	348	396
Other	7,990	8,379
Allowance for doubtful accounts	(539)	(428)
Total current assets	159,015	168,968
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,634	8,179
Machinery, vehicles, tools, furniture and fixtures	9,161	11,077
Land	2,101	2,058
Other	2,034	551
Accumulated depreciation	(11,517)	(11,534)
Total property, plant and equipment	9,414	10,333
Intangible assets		
Goodwill	2,762	1,332
Other	3,364	3,318
Total intangible assets	6,126	4,650
Investments and other assets		
Investment securities	30,724	29,378
Deferred tax assets	2,034	1,847
Net defined benefit asset	6,311	5,912
Other	1,780	2,043
Allowance for doubtful accounts	(14)	(53)
Total investments and other assets	40,836	39,128
Total non-current assets	56,377	54,111
Total assets	215,392	223,080

Millions of yen

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	60,590	55,835
Short-term loans payable	6,730	10,892
Income taxes payable	3,859	2,711
Advances received on uncompleted construction contracts	11,870	14,778
Provision for warranties for completed construction	690	787
Provision for loss on construction contracts	469	407
Provision for directors' bonuses	122	154
Other	9,409	13,225
Total current liabilities	93,742	98,791
Non-current liabilities		
Long-term loans payable	1,606	3,076
Deferred tax liabilities	7,442	5,876
Provision for directors' retirement benefits	64	62
Net defined benefit liability	1,563	1,370
Other	322	250
Total non-current liabilities	11,000	10,638
Total liabilities	104,742	109,430
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus	7,258	7,244
Retained earnings	78,698	84,984
Treasury shares	(2,475)	(2,476)
Total shareholders' equity	89,936	96,208
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,242	11,842
Deferred gains or losses on hedges	3	(0)
Foreign currency translation adjustment	1,141	164
Accumulated remeasurements of defined benefit plans	864	572
Total accumulated other comprehensive income	15,252	12,578
Non-controlling interests	5,461	4,862
Total net assets	110,650	113,649
Total liabilities and net assets	215,392	223,080

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

	Millions of yen	
	Year ended March 31, 2018	Year ended March 31, 2019
	Apr. 1, 2017 - Mar. 31, 2018	Apr. 1, 2018 - Mar. 31, 2019
Net sales of completed construction contracts	231,898	225,402
Cost of sales of completed construction contracts	199,118	189,148
Gross profit on completed construction contracts	<u>32,779</u>	<u>36,254</u>
Selling, general and administrative expenses		
Directors' compensations	853	895
Employees' salaries and allowances	7,966	8,827
Provision for directors' bonuses	122	154
Retirement benefit expenses	699	533
Provision for directors' retirement benefits	14	13
Correspondence and transportation expenses	1,230	1,252
Provision of allowance for doubtful accounts	112	239
Rents	1,479	1,504
Depreciation	1,186	1,825
Amortization of goodwill	365	220
Other	6,568	6,752
Total selling, general and administrative expenses	<u>20,599</u>	<u>22,218</u>
Operating income	<u>12,180</u>	<u>14,035</u>
Non-operating income		
Interest income	389	334
Dividend income	516	606
Dividend income of insurance	176	189
Real estate rent	103	103
Foreign exchange gains	—	75
Reversal of allowance for doubtful accounts	—	1
Other	405	245
Total non-operating income	<u>1,591</u>	<u>1,556</u>
Non-operating expenses		
Interest expenses	221	275
Sales discounts	75	85
Rent expenses on real estates	20	33
Foreign exchange losses	247	—
Provision of allowance for doubtful accounts	0	—
Share of loss of entities accounted for using equity method	11	36
Other	113	74
Total non-operating expenses	<u>689</u>	<u>506</u>
Ordinary income	<u>13,082</u>	<u>15,085</u>

	Millions of yen	
	Year ended	Year ended
	March 31, 2018	March 31, 2019
	Apr. 1, 2017 - Mar. 31, 2018	Apr. 1, 2018 - Mar. 31, 2019
Extraordinary income		
Gain on disposal of non-current assets	59	12
Gain on sales of investment securities	—	855
Total extraordinary income	59	868
Extraordinary losses		
Loss on disposal of non-current assets	65	195
Impairment loss	26	166
Loss on sales of investment securities	—	10
Amortization of goodwill	—	1,245
Total extraordinary losses	91	1,618
Income before income taxes and non-controlling interests	13,050	14,335
Income taxes-current	5,298	5,406
Income taxes-deferred	(1,104)	(664)
Total income taxes	4,193	4,742
Profit	8,856	9,593
Profit attributable to non-controlling interests	1,602	751
Profit attributable to owners of parent	7,254	8,841

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Year ended	Year ended
	March 31, 2018	March 31, 2019
	Apr. 1, 2017 - Mar. 31, 2018	Apr. 1, 2018 - Mar. 31, 2019
Profit	8,856	9,593
Other comprehensive income		
Valuation difference on available-for-sale securities	3,273	(1,400)
Deferred gains or losses on hedges	219	(2)
Foreign currency translation adjustment	840	(1,127)
Remeasurements of defined benefit plans	888	(293)
Share of other comprehensive income of entities accounted for using equity method	20	(44)
Total other comprehensive income	5,241	(2,868)
Comprehensive income	14,098	6,724
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,326	6,168
Comprehensive income attributable to non-controlling interests	1,772	555

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	6,455	7,305	77,945	(6,128)	85,577
Changes of items during the period					
Dividends of surplus			(2,394)		(2,394)
Profit attributable to owners of parent			7,254		7,254
Purchase of treasury shares				(501)	(501)
Retirement of treasury shares		(47)	(4,106)	4,154	—
Purchase of shares of consolidated subsidiaries		3			3
Sales of shares of consolidated subsidiaries		(3)			(3)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(47)	752	3,653	4,358
Balance at the end of current period	6,455	7,258	78,698	(2,475)	89,936

Millions of yen

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	9,969	(111)	349	(31)	10,175	4,431	100,184
Changes of items during the period							
Dividends of surplus							(2,394)
Profit attributable to owners of parent							7,254
Purchase of treasury shares							(501)
Retirement of treasury shares							—
Purchase of shares of consolidated subsidiaries							3
Sales of shares of consolidated subsidiaries							(3)
Net changes of items other than shareholders' equity	3,273	114	792	896	5,076	1,030	6,106
Total changes of items during the period	3,273	114	792	896	5,076	1,030	10,465
Balance at the end of current period	13,242	3	1,141	864	15,252	5,461	110,650

Year ended March 31, 2019 (April 1, 2018 through March 31, 2019)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	6,455	7,258	78,698	(2,475)	89,936
Changes of items during the period					
Dividends of surplus			(2,555)		(2,555)
Profit attributable to owners of parent			8,841		8,841
Purchase of treasury shares				(0)	(0)
Retirement of treasury shares					—
Purchase of shares of consolidated subsidiaries		(13)			(13)
Sales of shares of consolidated subsidiaries					—
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(13)	6,286	(0)	6,272
Balance at the end of current period	6,455	7,244	84,984	(2,476)	96,208

Millions of yen

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	13,242	3	1,141	864	15,252	5,461	110,650
Changes of items during the period							
Dividends of surplus							(2,555)
Profit attributable to owners of parent							8,841
Purchase of treasury shares							(0)
Retirement of treasury shares							—
Purchase of shares of consolidated subsidiaries							(13)
Sales of shares of consolidated subsidiaries							—
Net changes of items other than shareholders' equity	(1,400)	(4)	(977)	(291)	(2,673)	(599)	(3,272)
Total changes of items during the period	(1,400)	(4)	(977)	(291)	(2,673)	(599)	2,999
Balance at the end of current period	11,842	(0)	164	572	12,578	4,862	113,649

(4) Consolidated Statements of Cash Flows

	Millions of yen	
	Year ended March 31, 2018	Year ended March 31, 2019
	Apr. 1, 2017 - Mar. 31, 2018	Apr. 1, 2018 - Mar. 31, 2019
Cash flows from operating activities		
Income before income taxes and non-controlling interests	13,050	14,335
Depreciation and amortization	1,398	2,030
Amortization of goodwill	365	1,466
Increase (decrease) in allowance for doubtful accounts	36	(48)
Increase (decrease) in provision for warranties for completed construction	(287)	124
Increase (decrease) in provision for loss on construction contracts	(306)	(55)
Increase (decrease) in provision for directors' retirement benefits	14	(1)
Increase (decrease) in net defined benefit asset and liability	(36)	(205)
Interest and dividends income	(906)	(941)
Interest expenses	221	275
Share of (profit) loss of entities accounted for using equity method	24	44
Loss (gain) on disposal of non-current assets	5	182
Loss (gain) on sales of investment securities	—	(845)
Decrease (increase) in notes and accounts receivable-trade	394	(4,101)
Decrease (increase) in inventories	(82)	(849)
Decrease (increase) in accounts receivable-other	74	(235)
Increase (decrease) in notes and accounts payable-trade	4,367	(3,614)
Increase (decrease) in advances received on uncompleted construction contracts	(4,059)	3,480
Increase (decrease) in accrued consumption taxes	(2,367)	255
Increase (decrease) in deposits received	17	229
Increase (decrease) in accrued expenses	545	87
Other, net	(639)	3,682
Subtotal	11,832	15,292
Interest and dividends income received	906	941
Interest expenses paid	(221)	(279)
Income taxes paid	(3,179)	(6,795)
Net cash provided by (used in) operating activities	9,337	9,159

	Millions of yen	
	Year ended	Year ended
	March 31, 2018	March 31, 2019
	Apr. 1, 2017 - Mar. 31, 2018	Apr. 1, 2018 - Mar. 31, 2019
Cash flows from investing activities		
Payments into time deposits	(5,544)	(4,718)
Proceeds from withdrawal of time deposits	11,324	6,092
Purchase of property, plant and equipment and intangible assets	(3,832)	(4,140)
Proceeds from sales of property, plant and equipment and intangible assets	43	31
Purchase of investment securities	(498)	(1,000)
Proceeds from sales of investment securities	50	1,089
Proceeds from redemption of investment securities	2	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(260)	—
Contingent consideration payments for shares of subsidiaries	—	(132)
Payments of long-term loans receivable	(40)	(59)
Collection of long-term loans receivable	64	36
Purchase of insurance funds	(0)	(0)
Proceeds from maturity of insurance funds	1	—
Purchase of long-term prepaid expenses	(12)	(23)
Other, net	95	(4)
Net cash provided by (used in) investing activities	1,390	(2,830)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,275	3,727
Proceeds from long-term loans payable	1,599	3,626
Repayment of long-term loans payable	(881)	(1,361)
Repayments of lease obligations	(37)	(39)
Net decrease (increase) in treasury shares	(501)	(0)
Cash dividends paid	(2,393)	(2,554)
Cash dividends paid to non-controlling interests	(955)	(815)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	7	—
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(185)
Net cash provided by (used in) financing activities	(885)	2,396
Effect of exchange rate change on cash and cash equivalents	776	(1,157)
Net increase (decrease) in cash and cash equivalents	10,620	7,568
Cash and cash equivalents at beginning of period	31,672	42,292
Cash and cash equivalents at end of period	42,292	49,861

(Segment information)

1. Sales, profits or losses, assets, liabilities and other items by reportable segments

Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Sales					
Sales to customers	139,938	91,960	231,898	—	231,898
Intersegment	10	69	79	(79)	—
Total	139,948	92,029	231,977	(79)	231,898
Segment profit	11,885	1,160	13,045	36	13,082
Segment assets	103,966	70,890	174,856	42,124	216,980
Other items					
Depreciation expenses	411	989	1,400	(2)	1,398
Amortization of goodwill	161	204	365	—	365
Interest income	128	267	395	(6)	389
Interest expenses	18	192	211	10	221
Share of loss of entities accounted for using equity method	—	(11)	(11)	—	(11)
Investments in associates accounted for using the equity method	—	725	725	—	725
Increase in tangible and intangible assets	233	2,585	2,818	1,094	3,913

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

(1) Eliminations/ Corporate of Segment profit of 36 million yen includes non-allocatable common profits (net amount of common profit and loss) of 35 million yen and other adjustment of 1 million yen.

Non-allocatable common costs are mainly general administrative expense, dividends income etc. those are not attributed to any reportable segments.

(2) Eliminations/ Corporate of Segment assets of 42,124 million yen are elimination of receivable and payable etc. of minus 2,559 million yen and non-allocatable common assets those are not allocated to any segments of 44,684 million yen.

Non-allocatable common assets are mainly cash and deposit, property, plant and equipment, intangible assets and net defined benefit asset etc. those are not attributed to any reportable segments.

(3) Eliminations/ Corporate of increase in tangible and intangible assets of 1,094 million yen are building and structure, machinery, equipment, vehicles, tools, furniture and fixtures and software etc. those are not attributed to any reportable segments.

(4) The allocation method of assets for reportable segments is different from that of related sales and expenses.

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

Year ended March 31, 2019 (April 1, 2018 through March 31, 2019)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Sales					
Sales to customers	149,164	76,238	225,402	—	225,402
Intersegment	—	7	7	(7)	—
Total	149,164	76,245	225,409	(7)	225,402
Segment profit	13,567	1,676	15,244	(159)	15,085
Segment assets	101,036	76,009	177,046	46,033	223,080
Other items					
Depreciation expenses	781	1,299	2,080	(50)	2,030
Amortization of goodwill	—	1,466	1,466	—	1,466
Interest income	151	190	341	(6)	334
Interest expenses	8	246	254	20	275
Share of loss of entities accounted for using equity method	—	(36)	(36)	—	(36)
Investments in associates accounted for using the equity method	—	634	634	—	634
Increase in tangible and intangible assets	186	2,897	3,083	473	3,557

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

(1) Eliminations/ Corporate of Segment profit of minus 159 million yen includes non-allocatable common profits (net amount of common profit and loss) of minus 158 million yen and other adjustment of minus 1 million yen.

Non-allocatable common profits are mainly general administrative expense, dividends income etc. those are not attributed to any reportable segments.

(2) Eliminations/ Corporate of Segment assets of 46,033 million yen are elimination of receivable and payable etc. of minus 2,783 million yen and non-allocatable common assets those are not allocated to any segments of 48,816 million yen.

Non-allocatable common assets are mainly cash and deposit, property, plant and equipment, intangible assets and net defined benefit asset etc. those are not attributed to any reportable segments.

(3) Eliminations/ Corporate of increase in tangible and intangible assets of 473 million yen are building and structure, machinery, equipment, vehicles, tools, furniture and fixtures and software etc. those are not attributed to any reportable segments.

(4) The allocation method of assets for reportable segments is different from that of related sales and expenses.

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

2. Sales by regions

Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)

Millions of yen

Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other South East Asia	China	Other East Asia			
115,728	41,982	20,056	22,478	11,089	2,354	8,110	10,097	231,898

Year ended March 31, 2019 (April 1, 2018 through March 31, 2019)

Millions of yen

Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other South East Asia	China	Other East Asia			
119,266	19,543	25,126	19,559	14,230	1,669	8,881	17,125	225,402

3. Property, plant and equipment

As of March 31, 2018

Millions of yen

Japan	Thailand	Indonesia	China	India	Italy	Other	Total
3,389	511	247	815	1,821	2,388	241	9,414

As of March 31, 2019

Millions of yen

Japan	Thailand	Indonesia	China	India	Italy	Other	Total
4,523	447	204	676	1,775	2,467	237	10,333

4. Impairment loss of the non-current assets by reportable segments

Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Impairment loss	—	—	—	26	26

(Note) Eliminations/ Corporate is generated from impairment loss of expected to be removed assets and idle assets.

Year ended March 31, 2019 (April 1, 2018 through March 31, 2019)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Impairment loss	20	—	20	146	166

(Note) Eliminations/ Corporate is generated from impairment loss of expected to be removed assets and idle assets.

5. Amortization of goodwill and the unamortized balance by reportable segments

As of March 31, 2018

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Balance as of March 31, 2018	—	2,762	2,762	—	2,762

(Note) Amortization of goodwill is omitted because this information is already disclosed in "Sales, profits or losses, assets, liabilities and other items by reportable segments".

As of March 31, 2019

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Balance as of March 31, 2019	—	1,332	1,332	—	1,332

(Note) Amortization of goodwill is omitted because this information is already disclosed in "Sales, profits or losses, assets, liabilities and other items by reportable segments".

(Significant changes in scope of consolidation for the fiscal year ended March 31, 2019)

During the consolidated fiscal year ended March 31, 2019, Geico S.p.A., a consolidated subsidiary of Taikisha Ltd., merged Geico Taikisha Europe Ltd., a consolidated subsidiary of Geico S.p.A. As a result of the merger, Geico Taikisha Europe Ltd. was dissolved and excluded from the scope of consolidation.

(Additional information)

"Partial amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, revised on February 16, 2018), has been applied from the beginning of the consolidated fiscal year ended March 31, 2019. Deferred tax assets are recorded in the "Investments and other assets" and deferred tax liabilities are recorded in the "Non-current liabilities".

2 Non-consolidated Financial Statements

(1) Balance Sheets (Non-consolidated)

Millions of yen

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	16,010	22,008
Notes receivable-trade	414	610
Electronically recorded monetary claims	3,363	3,222
Accounts receivable from completed construction contracts	70,840	69,582
Securities	—	1,000
Costs on uncompleted construction contracts	342	328
Raw materials and supplies	148	157
Prepaid expenses	313	330
Accounts receivable-other	1,420	1,382
Other	1,074	836
Allowance for doubtful accounts	—	(75)
Total current assets	93,929	99,382
Non-current assets		
Property, plant and equipment		
Buildings	4,785	5,312
Accumulated depreciation	(3,547)	(3,103)
Buildings, net	1,238	2,208
Structures	149	180
Accumulated depreciation	(137)	(132)
Structures, net	11	47
Machinery and equipment	675	1,112
Accumulated depreciation	(601)	(612)
Machinery and equipment, net	74	499
Vehicles	0	0
Accumulated depreciation	(0)	(0)
Vehicles, net	0	0
Tools, furniture and fixtures	843	888
Accumulated depreciation	(685)	(701)
Tools, furniture and fixtures, net	157	186
Land	1,437	1,408
Lease assets	4	—
Accumulated depreciation	(4)	—
Lease assets, net	0	—
Construction in progress	299	11
Total property, plant and equipment	3,219	4,362
Intangible assets		
Leasehold right	0	0
Software	2,836	2,426
Other	1	1
Total intangible assets	2,838	2,428

Millions of yen

	As of March 31, 2018	As of March 31, 2019
Investments and other assets		
Investment securities	29,988	28,734
Shares of subsidiaries and associates	9,228	9,423
Investments in capital	0	0
Long-term loans receivable	0	—
Long-term loans receivable from employees	6	7
Lease and guarantee deposits	1,244	1,263
Long-term prepaid expenses	84	40
Prepaid pension cost	4,857	5,044
Claims provable in bankruptcy, claims provable in rehabilitation and other	1	0
Other	3	3
Allowance for doubtful accounts	(7)	(5)
Total investments and other assets	45,407	44,512
Total non-current assets	51,465	51,302
Total assets	145,395	150,685
Liabilities		
Current liabilities		
Notes payable-trade	7,353	6,572
Electronically recorded obligations - operating	17,202	16,013
Accounts payable for construction contracts	15,158	14,097
Short-term loans payable	2,726	6,644
Accounts payable-other	4,929	6,794
Accrued expenses	628	707
Income taxes payable	2,889	2,425
Advances received on uncompleted construction contracts	907	1,442
Deposits received	223	315
Unearned revenue	6	6
Provision for warranties for completed construction	183	250
Provision for loss on construction contracts	178	133
Provision for directors' bonuses	112	140
Other	—	369
Total current liabilities	52,500	55,913
Non-current liabilities		
Long-term loans payable	140	100
Deferred tax liabilities	5,255	3,841
Provision for retirement benefits	107	131
Other	14	14
Total non-current liabilities	5,517	4,087
Total liabilities	58,017	60,000

Millions of yen

	As of March 31, 2018	As of March 31, 2019
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus		
Legal capital surplus	7,297	7,297
Total capital surpluses	7,297	7,297
Retained earnings		
Legal retained earnings	1,613	1,613
Other retained earnings		
Reserve for reduction entry	0	0
Reserve for investment on information technology	2,400	2,120
General reserve	35,720	35,720
Retained earnings brought forward	23,119	28,112
Total retained earnings	62,852	67,566
Treasury shares	(2,475)	(2,476)
Total shareholders' equity	74,129	78,842
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	13,242	11,842
Deferred gains or losses on hedges	4	(0)
Total valuation and translation adjustments	13,247	11,841
Total net assets	87,377	90,684
Total liabilities and net assets	145,395	150,685

(2) Income Statements (Non-consolidated)

	Millions of yen	
	Year ended	Year ended
	March 31, 2018	March 31, 2019
	Apr. 1, 2017 - Mar. 31, 2018	Apr. 1, 2018 - Mar. 31, 2019
Net sales of completed construction contracts	123,584	125,181
Cost of sales of completed construction contracts	102,143	102,994
Gross profit on completed construction contracts	<u>21,441</u>	<u>22,187</u>
Selling, general and administrative expenses		
Directors' compensations	392	409
Employees' salaries and allowances	5,666	6,422
Provision for directors' bonuses	112	140
Retirement benefit expenses	503	364
Legal welfare expenses	852	871
Welfare expenses	355	348
Repair and maintenance	177	180
Stationery expenses	406	435
Correspondence and transportation expenses	666	664
Power utilities expenses	57	53
Research study expenses	292	265
Advertising expenses	120	110
Provision of allowance for doubtful accounts	—	75
Entertainment expenses	101	101
Donation	8	5
Rents	856	898
Depreciation	332	840
Taxes and dues	461	528
Insurance expenses	19	17
Miscellaneous expenses	889	917
Total selling, general and administrative expenses	<u>12,273</u>	<u>13,652</u>
Operating income	<u>9,168</u>	<u>8,534</u>
Non-operating income		
Interest income	1	0
Interest on securities	0	0
Dividends income	1,637	2,250
Dividends income of insurance	176	189
Real estate rent	170	168
Technical advisory fee	1,345	1,415
Reversal of allowance for doubtful accounts	1	1
Other	29	26
Total non-operating income	<u>3,362</u>	<u>4,051</u>
Non-operating expenses		
Interest expenses	17	28
Sales discounts	75	85
Rent expenses on real estates	47	57
Foreign exchange losses	38	49
Other	37	19
Total non-operating expenses	<u>215</u>	<u>240</u>
Ordinary income	<u>12,315</u>	<u>12,345</u>

	Millions of yen	
	Year ended	Year ended
	March 31, 2018 Apr. 1, 2017 - Mar. 31, 2018	March 31, 2019 Apr. 1, 2018 - Mar. 31, 2019
Extraordinary income		
Gain on disposal of non-current assets	7	—
Gain on sales of investment securities	—	855
Gain on sales of shares of subsidiaries and associates	6	—
Total extraordinary income	13	855
Extraordinary losses		
Loss on disposal of non-current assets	40	193
Impairment loss	26	146
Loss on sales of investment securities	—	10
Loss on valuation of shares of subsidiaries and associates	754	2,065
Total extraordinary losses	821	2,416
Income before income taxes	11,507	10,785
Income taxes-current	3,919	4,316
Income taxes-deferred	(310)	(799)
Total income taxes	3,608	3,516
Profit	7,899	7,269

(3) Statements of Changes in Net Assets (Non-consolidated)

Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)

Millions of yen

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings		
						Reserve for reduction entry	Reserve for investment on information technology	General reserve
Balance at the beginning of current period	6,455	7,297	47	7,344	1,613	0	2,200	35,720
Changes of items during the period								
Provision of reserve for investment on information technology							200	
Reversal of reserve for investment on information technology								
Dividends of surplus								
Profit								
Purchase of treasury shares								
Retirement of treasury shares			(47)	(47)				
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	(47)	(47)	—	—	200	—
Balance at the end of current period	6,455	7,297	—	7,297	1,613	0	2,400	35,720

Millions of yen

	Shareholders' equity				Valuation and translation adjustments			Total Net assets
	Retained earnings		Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Other retained earnings	Total Retained earnings						
	Retained earnings brought forward							
Balance at the beginning of current period	21,921	61,455	(6,128)	69,126	9,969	3	9,972	79,098
Changes of items during the period								
Provision of reserve for investment on information technology	(200)	—		—				—
Reversal of reserve for investment on information technology		—		—				—
Dividends of surplus	(2,394)	(2,394)		(2,394)				(2,394)
Profit	7,899	7,899		7,899				7,899
Purchase of treasury shares			(501)	(501)				(501)
Retirement of treasury shares	(4,106)	(4,106)	4,154	—				—
Net changes of items other than shareholders' equity					3,273	1	3,275	3,275
Total changes of items during the period	1,197	1,397	3,653	5,003	3,273	1	3,275	8,278
Balance at the end of current period	23,119	62,852	(2,475)	74,129	13,242	4	13,247	87,377

Year ended March 31, 2019 (April 1, 2018 through March 31, 2019)

Millions of yen

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings		
						Reserve for reduction entry	Reserve for investment on information technology	General reserve
Balance at the beginning of current period	6,455	7,297	—	7,297	1,613	0	2,400	35,720
Changes of items during the period								
Provision of reserve for investment on information technology							200	
Reversal of reserve for investment on information technology							(480)	
Dividends of surplus								
Profit								
Purchase of treasury shares								
Retirement of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	—	—	—	—	(280)	—
Balance at the end of current period	6,455	7,297	—	7,297	1,613	0	2,120	35,720

Millions of yen

	Shareholders' equity				Valuation and translation adjustments			Total Net assets
	Retained earnings		Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Other retained earnings	Total Retained earnings						
	Retained earnings brought forward							
Balance at the beginning of current period	23,119	62,852	(2,475)	74,129	13,242	4	13,247	87,377
Changes of items during the period								
Provision of reserve for investment on information technology	(200)	—		—				—
Reversal of reserve for investment on information technology	480	—		—				—
Dividends of surplus	(2,555)	(2,555)		(2,555)				(2,555)
Profit	7,269	7,269		7,269				7,269
Purchase of treasury shares			(0)	(0)				(0)
Retirement of treasury shares				—				—
Net changes of items other than shareholders' equity					(1,400)	(5)	(1,405)	(1,405)
Total changes of items during the period	4,993	4,713	(0)	4,712	(1,400)	(5)	(1,405)	3,307
Balance at the end of current period	28,112	67,566	(2,476)	78,842	11,842	(0)	11,841	90,684

(Supplementary information)

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

Millions of yen

	Year ended March 31, 2018 (Apr. 1, 2017 - Mar. 31, 2018)		Year ended March 31, 2019 (Apr. 1, 2018 - Mar. 31, 2019)		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Orders-received						
Green Technology System Division						
HVAC for buildings	43,612	19.8	46,731	19.3	3,119	7.2
Industrial HVAC	103,898	47.3	111,856	46.3	7,958	7.7
Total	147,511	67.1	158,588	65.6	11,077	7.5
[Overseas]	[40,543]	[18.4]	[42,385]	[17.5]	[1,842]	[4.5]
Paint Finishing System Division	72,333	32.9	83,300	34.4	10,967	15.2
[Overseas]	[61,033]	[27.8]	[69,627]	[28.8]	[8,594]	[14.1]
Total	219,844	100.0	241,889	100.0	22,045	10.0
[Overseas]	[101,577]	[46.2]	[112,013]	[46.3]	[10,436]	[10.3]
Net sales of completed construction contracts						
Green Technology System Division						
HVAC for buildings	45,845	19.7	46,158	20.5	313	0.7
Industrial HVAC	94,093	40.6	103,005	45.7	8,912	9.5
Total	139,938	60.3	149,164	66.2	9,226	6.6
[Overseas]	[37,192]	[16.0]	[41,614]	[18.5]	[4,422]	[11.9]
Paint Finishing System Division	91,960	39.7	76,238	33.8	(15,722)	(17.1)
[Overseas]	[78,977]	[34.1]	[64,522]	[28.6]	[(14,455)]	[(18.3)]
Total	231,898	100.0	225,402	100.0	(6,496)	(2.8)
[Overseas]	[116,170]	[50.1]	[106,136]	[47.1]	[(10,034)]	[(8.6)]
Construction carried forward						
Green Technology System Division						
HVAC for buildings	52,239	32.8	52,813	30.1	574	1.1
Industrial HVAC	50,720	31.9	59,767	34.0	9,047	17.8
Total	102,960	64.7	112,580	64.1	9,620	9.3
[Overseas]	[23,053]	[14.5]	[24,021]	[13.7]	[968]	[4.2]
Paint Finishing System Division	56,281	35.3	63,082	35.9	6,801	12.1
[Overseas]	[51,351]	[32.2]	[56,194]	[32.0]	[4,843]	[9.4]
Total	159,242	100.0	175,663	100.0	16,421	10.3
[Overseas]	[74,404]	[46.7]	[80,215]	[45.7]	[5,811]	[7.8]

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

2. In the previous consolidated fiscal year, there is 10 million yen difference between net sales of completed construction contracts of 139,938 million yen and total sales of 139,948 million yen in the segment information by the Green Technology System Division.

There is 69 million yen difference between net sales of completed construction contracts of 91,960 million yen and total sales of 92,029 million yen in the segment information by Paint Finishing System Division.

Above differences are due to intersegment sales.

3. In the consolidated 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 7 million yen difference between net sales of completed construction contracts of 76,238 million yen and total sales of 76,245 million yen in the segment information by Paint Finishing System Division.

Above differences are due to intersegment sales.

4.Regarding foreign exchange translation of contracts carried forward from previous year in foreign subsidiaries, fluctuation amount because of foreign exchange is adjusted in the beginning balance of construction contracts carried forward.

Green Technology System Division

HVAC for buildings	52,239 million yen		
Industrial HVAC	50,916 million yen	[overseas	23,249 million yen]
Sub total	103,156 million yen	[overseas	23,249 million yen]
Paint Finishing System Division	56,019 million yen	[overseas	51,089 million yen]
Total	159,176 million yen	[overseas	74,338 million yen]

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

Millions of yen

	Year ended March 31, 2018 (Apr. 1, 2017 - Mar. 31, 2018)		Year ended March 31, 2019 (Apr. 1, 2018 - Mar. 31, 2019)		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Orders-received						
Green Technology System Division						
HVAC for buildings	41,610	33.1	43,365	32.2	1,755	4.2
Industrial HVAC	63,306	50.4	69,510	51.5	6,204	9.8
Total	104,917	83.5	112,875	83.7	7,958	7.6
[Overseas]	[300]	[0.2]	[112]	[0.1]	[(188)]	[(62.7)]
Paint Finishing System Division	20,786	16.5	21,924	16.3	1,138	5.5
[Overseas]	[12,078]	[9.6]	[10,849]	[8.0]	[(1,229)]	[(10.2)]
Total	125,703	100.0	134,799	100.0	9,096	7.2
[Overseas]	[12,378]	[9.8]	[10,962]	[8.1]	[(1,416)]	[(11.4)]
Net sales of completed construction contracts						
Green Technology System Division						
HVAC for buildings	43,875	35.5	42,964	34.3	(911)	(2.1)
Industrial HVAC	56,901	46.0	61,418	49.1	4,517	7.9
Total	100,777	81.5	104,383	83.4	3,606	3.6
[Overseas]	[321]	[0.3]	[125]	[0.1]	[(196)]	[(61.1)]
Paint Finishing System Division	22,807	18.5	20,798	16.6	(2,009)	(8.8)
[Overseas]	[12,006]	[9.7]	[11,138]	[8.9]	[(868)]	[(7.2)]
Total	123,584	100.0	125,181	100.0	1,597	1.3
[Overseas]	[12,327]	[10.0]	[11,264]	[9.0]	[(1,063)]	[(8.6)]
Construction carried forward						
Green Technology System Division						
HVAC for buildings	51,737	58.5	52,138	53.2	401	0.8
Industrial HVAC	27,654	31.2	35,745	36.4	8,091	29.3
Total	79,391	89.7	87,884	89.6	8,493	10.7
[Overseas]	[20]	[0.0]	[6]	[0.0]	[(14)]	[(70.0)]
Paint Finishing System Division	9,072	10.3	10,198	10.4	1,126	12.4
[Overseas]	[4,785]	[5.4]	[4,497]	[4.6]	[(288)]	[(6.0)]
Total	88,464	100.0	98,082	100.0	9,618	10.9
[Overseas]	[4,806]	[5.4]	[4,504]	[4.6]	[(302)]	[(6.3)]