

Medium-Term Business Plan (FY2025–FY2027)



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Our Goals for the First 3-Year Phase of 10-Year Plan 2035 (FY2025–FY2034)

1. **Medium-Term Business Plan (FY2025–FY2027)**

Targets and Cash Allocations Under the 3-Year Plan

Targets for 2028

FY2027 targets based on our Goals for 2035

10-Year Plan 2035 (FY2025–FY2034)

	Medium-Term Business Plan (FY2025–FY2027)			Medium-Term Business Plan (FY2028–FY2030)			Medium-Term Business Plan (FY2031–FY2034)			
Financial indicators	3-year phase of restructuring for transformation Building foundations for growth strategies through growth investment funded by cash flows from domestic business			3-year phase of full-scale investment toward growth Expansion of markets, business domains, and geographical scope through substantial investment in overseas M&A			4-year phase of rapid expansion driven by growth strategy realization and continuing investment Optimization of expanded markets, business domains, and geographical scope, leading to sustainable growth			
	Target for net sales of completed construction contracts (end of FY2027) ¥336 billion Core businesses: ¥246 billion Growth businesses: ¥88 billion New businesses: ¥2 billion (Including ¥113 billion for non-Japanese customers)			Target for net sales of completed construction contracts (end of FY2030) ¥400 billion Core businesses: ¥250 billion Growth businesses: ¥125 billion New businesses: ¥25 billion (Including ¥128 billion for non-Japanese customers)			Target for net sales of completed construction contracts (end of FY2034) Over ¥500 billion Core businesses: ¥270 billion Growth businesses: ¥180 billion New businesses ¥50 billion (Including ¥169 billion for non-Japanese customers)			
	ROE (end of FY2027) 10%			ROE (end of FY2030) 11%			ROE (end of FY2034) 12% or higher			
	Shareholders' equity ratio: 40% or higher									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Non-financial indicators	Dividend Policy (DOE) 4.0% 4.0% 4.0%			Dividend Policy (DOE) 4.5% 4.5% 4.5%			Dividend Policy (DOE) 5.0% 5.0% 5.0% 5.0%			
	Share buybacks ¥5 billion ¥5 billion ¥5 billion						Share buybacks 5.0% or higher			
	Cross-shareholdings 15% or less of net assets									
	CO₂ emissions (end of FY2027) Scope 1, 2: 26% lower Scope 3: 15% lower (vs. FY2022)			CO₂ emissions (end of FY2030) Scope 1, 2: 42% lower Scope 3: 25% lower (vs. FY2022)			CO₂ emissions (end of FY2034) Scope 1, 2: 53% lower Scope 3: 35% lower (vs. FY2022)			
							Number of employees (end of FY2034) 7,200			

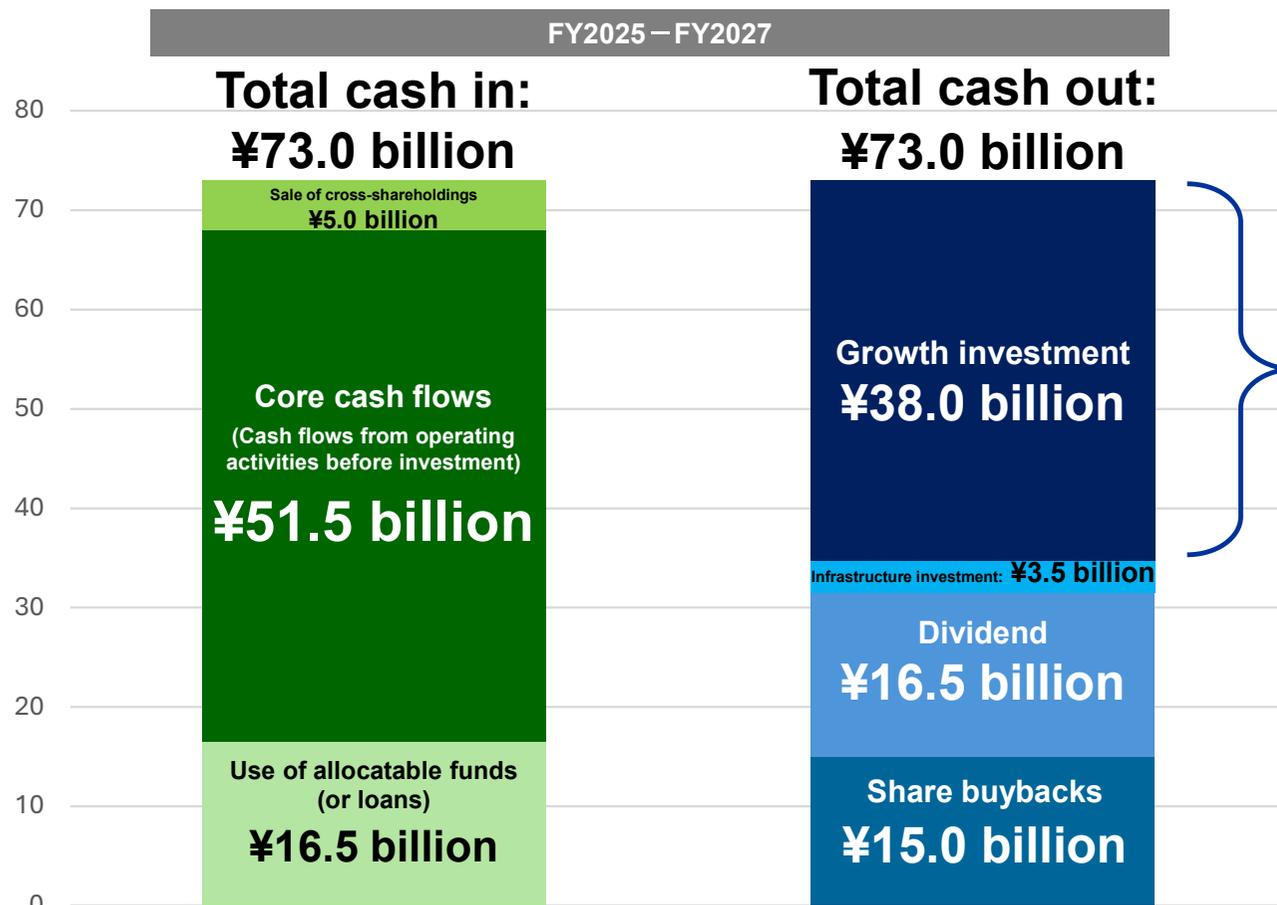
Achievable forecasts on our path to the achievement of the FY2027 targets.

		FY2025 (forecasts)	FY2027 (targets)
Financial targets	Orders received	¥362.0 billion	¥296.0 billion
	Net sales of completed construction contracts	¥279.0 billion	¥336.5 billion
	Ordinary income	¥18.2 billion	¥22.7 billion
	Profit	¥12.0 billion	¥15.8 billion
	ROE	8.1%	10.3%
	Equity ratio	45% or higher	40% or higher
Policy on shareholder returns	DOE	4.0% (Aimed ROE level 10% × dividend payout ratio 40%)	
	Share buybacks	Shares worth ¥5.0 billion per year	
Cross-shareholdings	Ratio to net assets	15–20%	15% or lower
Non-financial targets	CO ₂ emissions	Scope 1 and 2: 26% reduction Scope 3: 15% reduction (vs. FY2022 levels)	

Cash Allocations Under Medium-Term Business Plan

Same content as on slide 12 of 10-Year Plan 2035

In the first three years of the plan, we will build foundations for rapid growth by combining aggressive growth investment with solid shareholder returns.



Breakdown of growth investment

1. Business growth investment **¥6.5 billion**

Main investment areas:

- > Dry decoration demonstration line
- > R&D, new businesses

2. Capital allocation **¥22.0 billion**

Main investments:

- > Japan: ¥7.0 billion Enhancement of engineering capabilities in Japan
- > North America: ¥7.0 billion Acquiring affiliates in the US
- > India: ¥5.0 billion Business expansion in India
- > Europe: ¥2.0 billion Expansion of European supply chains
- > ASEAN: ¥1.0 billion ASEAN business structure

3. Digital growth investment **¥7.0 billion**

Main investment areas:

- > BIM & DX investment, promotion of AI use
- > Global communication
- > Investment in digitalization of procurement

4. Human capital investment for growth **¥2.5 billion**

Main investment areas:

- > Recruitment of specialist personnel in Japan and overseas
- > Training of personnel with digital skills and the ability to work globally

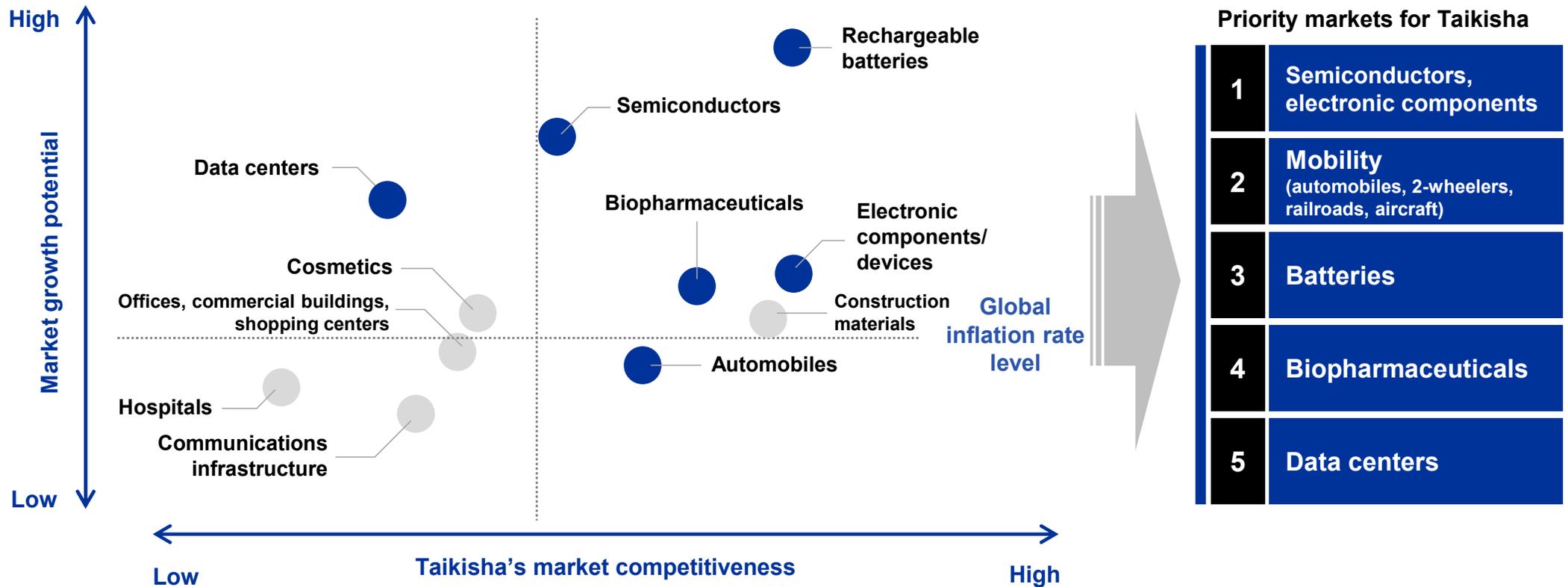
Note: Core cash flows = Profit + Capital expenditures + Depreciation / Amortization of goodwill – Gains from the sale of cross-shareholdings

Foundations for a Rapid Growth Trajectory Defined by Backcasting from the 10-Year Goals

2. Medium-Term Business Plan (FY2025–FY2027) Growth Strategies and Key Policies

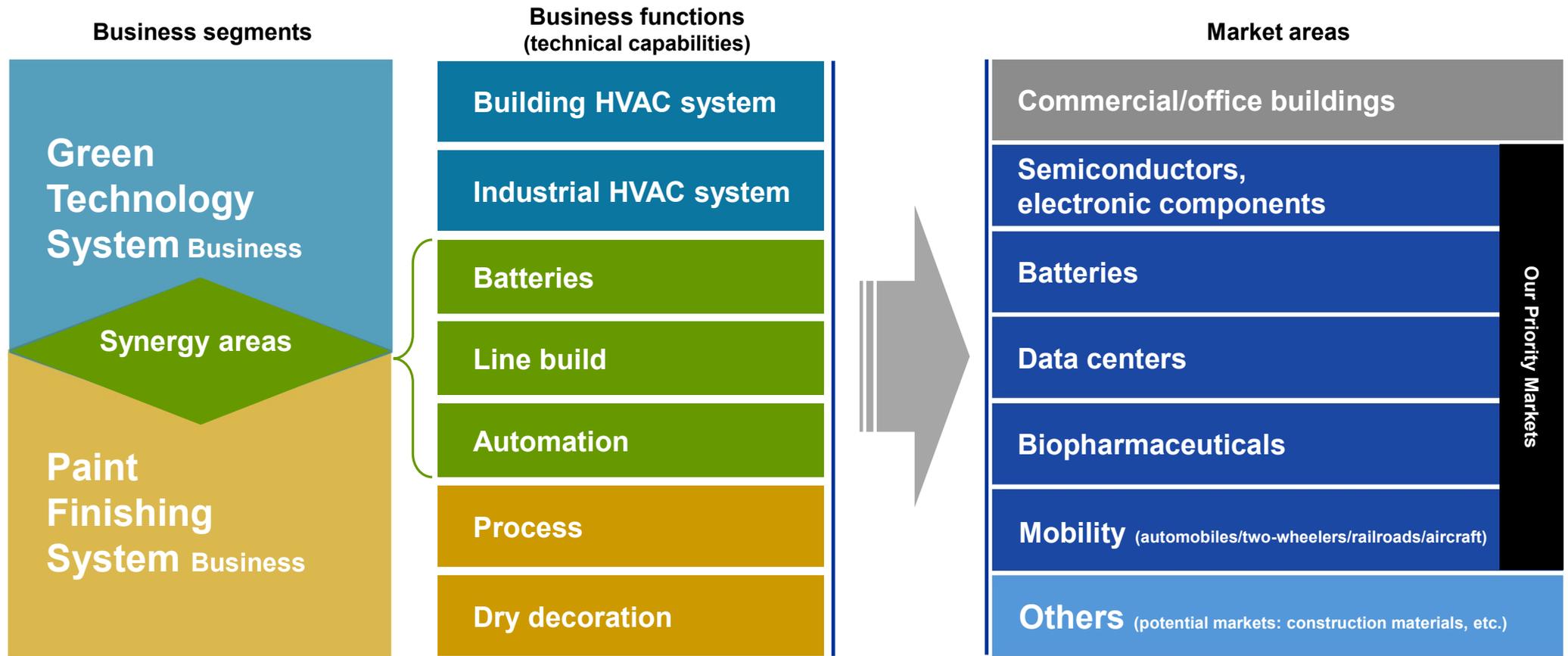
Strategy

Concentrate management resources into global growth industries.
We will target growth industries, such as semiconductors, electronic components, mobility, batteries, biopharmaceuticals, and data centers.



We will target priority markets linked to the Green Technology System Business and Paint Finishing System Business.

The key to growth will be the leveraging of synergies between these areas to create new businesses.



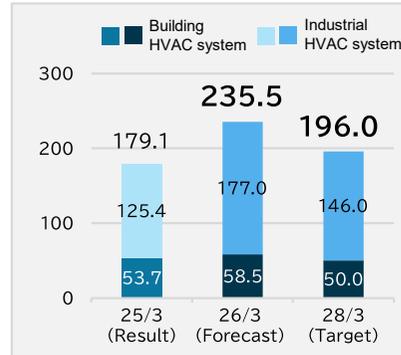
Green Technology System Business: Growth Strategies

Green Technology System Business

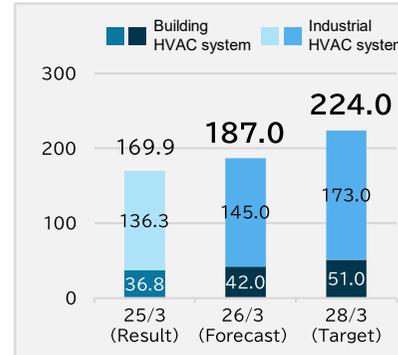
Building HVAC system

Industrial HVAC system

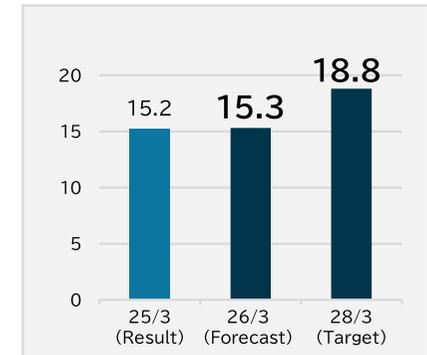
Orders-received (¥ billion)



Net sales of completed construction contracts (¥ billion)



Ordinary income (¥ billion)



Focus for 3-year plan—Building foundations for growth

Market strategy

Maintain and improve our presence in the semiconductor/electronic components markets in Japan and overseas.

Semiconductors: Silicon Island/East Asia strategy

Electronic components: Enhanced support for Japan-based global manufacturers

Regional strategy

Maintain and enhance our presence in priority market areas.

Reinforcement of business base in Japan

Reinforcement of business base in ASEAN

Technology strategy

Contribute to carbon neutrality through the development of GX engineering technology.

Advancement of energy solutions

Enhancement of resource recycling support

Strengthening of compliance with environmental regulations

3-year targets (FY2027)

Net-sales of completed construction contracts: **¥224.0 billion**

Ordinary income: **¥18.8 billion**

Foundations for Growth

Maintaining and strengthening our presence in the semiconductor and electronic components market (Japan and overseas)

Semiconductors: Silicon Island/East Asia strategy

■ Enhanced support for projects based on a strong local presence

Prioritized deployment of human resources to regions likely to attract intensive semiconductor-related investment (e.g., Kyushu)

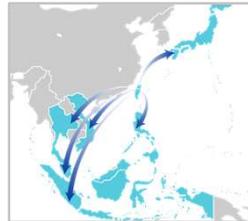
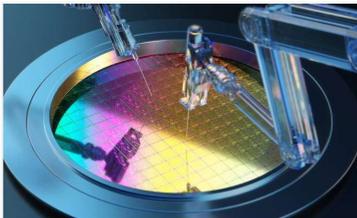
Development of a structure, including partner companies, capable of handling large projects

■ Strengthening of organizational structure in ASEAN as a target market for semiconductor-related investment

Development of capacity to handle large-scale projects in anticipation of manufacturing base diversification by global semiconductor manufacturers, including Taiwanese companies (see Page 12)

■ Provision of high-end solutions (e.g., precision air conditioning)

Commercialization of technologies and provision of design/build services for industrial facilities requiring precise controls, such as Ultra-precise Temperature Control Chambers



Electronic components: Enhanced support for Japan-based global manufacturers

■ Entry into the water treatment business

Proposal of wastewater recycling systems to comply with regulations in various countries

■ Expansion of the energy management business

Creation of a one-stop AI-based system covering energy-saving for air conditioning and heat sources, safe operation, management, maintenance, and support

■ Expansion of the overseas electrical engineering business

Creation of a turn-key solution proposal system integrated with electrical facility engineering



Foundations for Growth

Maintaining and enhancing our presence in key market areas

Strengthening our business base in Japan

■ Expand and optimize human capital

Train highly qualified engineers in the industrial HVAC system field, allocate personnel and build organizational structures that reflect construction capacity and workloads.

■ Improve productivity at the design/build stages (See Page 13)

- Strengthen the product management organization.
- Use BIM-centered initiatives to improve operations (design, process charts).
- Convert buildings and equipment into factory products (unitization/modularization) through joint businesses with the Taikisha Partners Group (TPG-fab).
- Develop logistics systems for large-scale projects.

■ Strengthen relationships with partner companies

- Build enhanced win-win relationships and share project information with the Taikisha Partners Group (TPG).
- Improve the administrative efficiency of partner companies through the Taikisha Partners Operation System (TPOS).

Strengthening our business base in ASEAN

■ Establish the ASEAN Management Dept. in Singapore

Shift HQ functions for overseas operations from Japan to Singapore and strengthen contact points with global companies.

■ Strengthen cooperative structures across ASEAN affiliates (Global Operational Diversity)

Share human resources as well as information and develop structures to handle projects based on joint contracting.

■ Establish bases to visualize our technological capabilities

Establish Innovation Gates as bases for strengthening customer relationships through technology promotions in Hanoi, Bangkok, and Singapore.

■ Establish global design & build standards

Roll out design/build platforms established in Japan to our ASEAN affiliates in order to achieve consistent operational efficiency and technological quality.

Foundations for Growth

Further improvement of productivity at the design/build stages

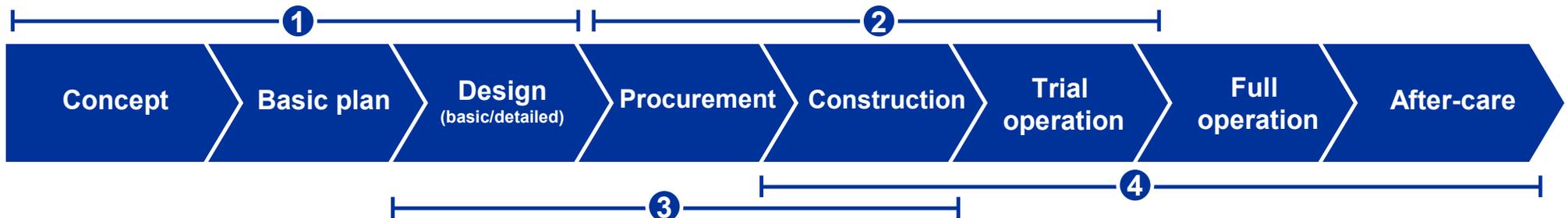
Strengthening our business base in Japan

1 Strengthening the product management organization

- Company-wide roll-out of support for construction planning from the design stage by specialized units (front-loading)
- Use of BIM to improve design/process management efficiency

2 Logistics enhancement

- Centralization of logistics bases and creation of materials/equipment management IT systems
- Optimization of conveyance/inventory management through visualization of inward/output movements of materials/equipment



3 Construction process reform through unitization/modularization of construction equipment

- Reduction of construction lead times and standardization of build quality through construction equipment unitization/modularization
- Joint initiatives with Taikisha Partners Group (TPG) members (TPG-Fab)

4 Use of BIM data to manage and maintain process progress and yields

- Remote management through digital twinning
- Frontline progress management using robots and drones
- Remote predictive maintenance

Foundations for Growth

Creating a path to carbon neutrality through the development of GX engineering technology

Enhanced energy solutions

■ **Mini-environmental control**

(Expansion of areas of use for Ultra-precise Temperature Control Chamber)

Broaden the customer base by extending solutions beyond semiconductor and battery-related customers.

■ **Linkage of controls to production equipment**
(minimization of system operation)

Control and optimize airflows through timely monitoring of and feedback from production equipment operations.

■ **EMS system enhancement (AI, failure prediction)**

Use AI control of operational/maintenance/support processes to reduce environmental loads.

■ **Use of natural energy**

Use knowledge gained through monitoring and automated control of the use of natural energy at the Taikisha Innovation Site Aikawa (TISA) to provide feedback to customers

Expanded support for resource recycling

■ **Entry into water treatment field**

(For semiconductors and electronic components)

Proposal of wastewater recycling solutions, including water recirculation systems, to meet industrial water needs, in collaboration with partners.

■ **Development of solvent recovery/purification systems**

(solvents for NMP/solid-state batteries)

Develop integrated solvent recovery/recycling systems as key drivers for the expansion of the EV battery market.

Enhanced support for environmental compliance

■ **Non-combustion treatment of exhaust gases** (electrification, gas recycling)

Develop clean equipment capable of using bio-fuels and hydrogen fuels instead of gas combustion.

■ **Incorporation of direct air capture (DAC) technology into air conditioning systems**

(use of captured CO₂)

Contribute to the achievement of zero emission targets by improving interior environments through the recovery of low concentrations of CO₂ for use in agriculture, forestry, and fisheries.



Paint Finishing System Business: Growth Strategies

Paint Finishing System Business

Process

Automation

Line build

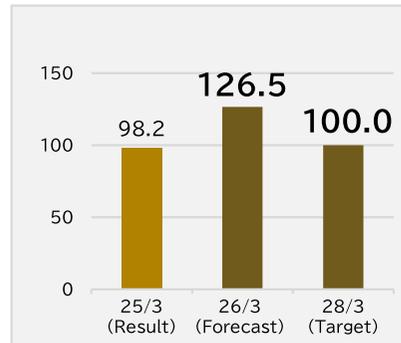
Dry decoration

3-year targets (FY2027)

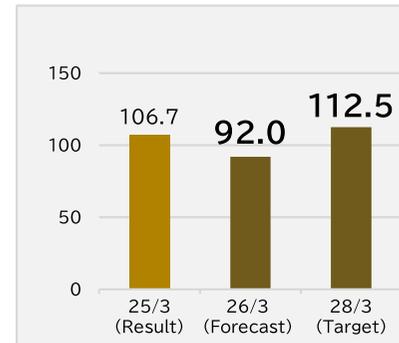
Net-sales of completed construction contracts: **¥112.5 billion**

Ordinary income: **¥4.5 billion**

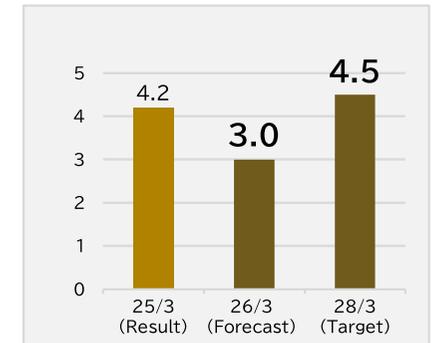
Orders-received (¥ billion)



Net sales of completed construction contracts (¥ billion)



Ordinary income (¥ billion)



Focus for 3-year plan—Building foundations for growth

Market strategy

Maintain and enhance our presence in automotive markets.

Green factory technologies: Implementation of dry decoration

Smart factory technologies: Advancement of automation

Expansion of European customer portfolio

Create business opportunities in non-automotive markets.

Use of painting technology in other industries

Development of smart industrial HVAC systems

Foundations for Growth

Maintaining and expanding our presence in automotive markets

Green factory technologies: Implementation of dry decoration

■ Expansion of demonstration line and establishment of working lines

Verify customers' required specifications in our laboratories and implement working lines capable of extremely high-quality performance.

■ Proactive marketing to automotive OEMs

Establish dry decoration as a new mass-production technology for automobiles.



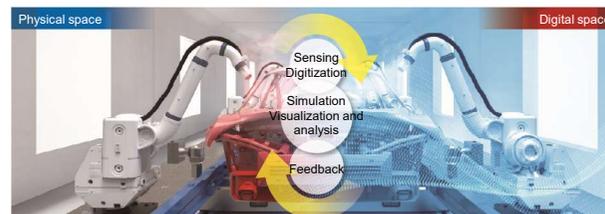
Smart factory technologies: Advancement of automation

■ Accumulating automation technology outside of the paint/coating area

Leverage our track record in realizing and evaluating advanced concepts in the paint/coating field to expand from paint/coating technology to inspection, polishing, and material handling.

■ Digital twinning

Digital twinning is a core tool for DX in manufacturing operations. It brings dramatic improvements in planning, development, implementation, and enhancement through feedback from digital and real spaces.



Expansion of European customer portfolio

■ Expansion of track record and improvement of recognition

Expand our presence in Europe by winning orders for large-scale projects.

■ Strengthening and expansion of our operating structure in Europe

(Supply chain collaboration, creation of alliances)

Create optimal order processing systems across entire supply chains and expand areas in which we have in-house production capabilities.

■ Proposing technology to meet European environmental regulations

Learn about cutting-edge environmental needs and solutions and achieve global expansion in the long-term future through business expansion in Europe, which is a leader in environmental policy.



Foundations for Growth

Creating business opportunities in non-automotive markets (railroads, aircraft, other manufacturing)

Use of painting technology in other industries

■ Smart factories capable of high-mix, low-volume production

Make major contributions to smart factory technology for high-mix, low-volume manufacturing through auto-teaching technology (i-ART).

■ Exploration of the dry decoration market

Pursue marketing opportunities in coating and decoration markets, as well as automotive painting.



Development of smart industrial HVAC systems

■ Use of digital twinning technology to provide integrated services from consulting to after-maintenance

- Use technology and know-how accumulated through automotive coating operations to contribute to smart factory development in all industries that need coating and decoration.
- Use environmental technology developed through the HVAC business (including specialized air conditioning) to provide one-stop solutions for optimized manufacturing environments.

■ Proposal of GHG reduction solutions as part of factory operation consulting

Offer technology to achieve customers' GHG reduction targets, and visualize reductions achieved using that technology.



Synergies between the Green Technology System Business and Paint Finishing System Business

Foundations for Growth

We will create new value through the convergence of engineering technologies from our two core businesses.

Green Technology System Business

- Dry rooms
- Solvent recovery
- Heat/power supply technologies
- Clean room equipment installation

Technology synergies

Paint Finishing System Business

- E-coating technology for in-vehicle cases
- Airtight and waterproof sealing technology
- Conveyance technology
- Material handling robot technology

Offering new production line development technologies in response to growing demand for battery plant construction

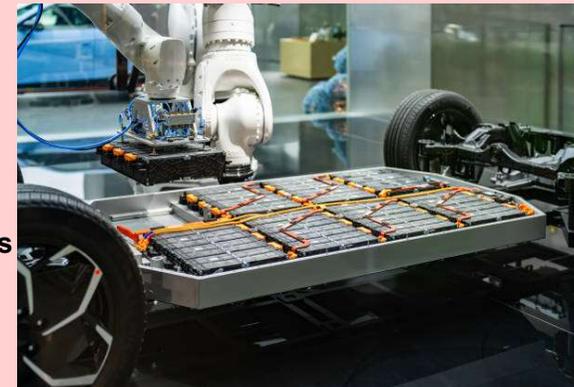
■ Expansion of support for EV battery plants, primarily through our US affiliates

Use experience, know-how, and human resources from our Green Technology System Business in Japan at our affiliates in the United States. Expand the scope of contracting activities to encompass heat source supply and our proprietary technologies, including solvent recovery and dry rooms. Begin to prepare for a role as a one-stop solution manufacturer.

■ Proposal of production line modularization as a method of reducing project timeline and costs

Expand into the battery market through the convergence of design/build methods developed by our two business divisions for other industries.

- Create mini-environments in special-purpose environmental areas, such as dry rooms, and modularize heat/power supply areas.
- Shorten project timeline through the modularization of equipment, including manufacturing and material handling equipments.



New business development

Reinforcement of Business Development Headquarters

Four business development perspectives

1. Market research
2. Technology surveys
3. Business companies
4. R&D

Foundations for Growth

We will create a unified structure capable of integrating all tasks from surveys and R&D to operations and business development. We will advance toward our medium- to long-term business creation goals by further strengthening inter-process linkage.

Unknown/undeveloped areas (technologies, industries, regions)

Areas in which we can apply existing technologies and leverage synergies with existing businesses

Environmental/energy-related areas, including DAC*1, in which we can contribute to the solution of social issues

New areas emerging from the convergence of our technologies with smart technologies, such as automation and AI

New geographical frontiers for our existing businesses

Convergence of diverse technologies through internal and external networks

Exploration of customer needs and social needs, joint development activities based on collaboration between TISA* and other development bases/laboratories

Increased cooperation/collaboration with universities, research institutes, and business partners in Japan and overseas

Use of VC/CVC to discover new seeds, start of collaboration with start-ups

Enhancement of business development infrastructure

- Creation of growth models based on guidelines that include process management and exit criteria
- Recruitment of talent capable of driving technology commercialization, training through accelerator programs, etc.
- Establishment of a competitive advantage through the creation of intellectual property
- Fostering a culture and developing internal systems that accept challenges and build on failures

*1 DAC Direct Air Capture
 *2 TISA Taikisha Innovation Site Alkawa

Initiatives to Strengthen Our Management Base and Support Our Growth Strategies

Capital & Governance

Medium-Term Business Plan (FY2025–FY2027)

3.

Development of Systems and Structures to Support Growth Strategies

Strengthening Business Promotion/Monitoring and Global Management Structures

Systems to drive sustainable growth and enhance corporate value Developing systems and structures to support our growth strategies

Enhancement of business execution/monitoring structures

- Establishment of the **Growth Strategy Council**
- Establishment of the **Digital Innovation Committee (governance side)** and further strengthening of the functions of the **Digital Strategy Committee (executive side)**
- Introduction of the **Group Corporate Officer System**
- Introduction of a **new management accounting system** to facilitate growth investment
- Functional enhancement of the **Sustainability Promotion Committee** and the **Business Investment Committee**
- Group-wide extension of **ROIC management**

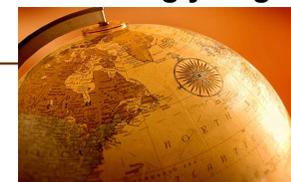


Enhancement of global group management infrastructure

- Introduction of **common global IT systems infrastructure**
- Enhancement of **IT governance structures**
- Establishment of the **ASEAN Regional Management Dept.**
- Improvement of the effectiveness of **boards of directors of affiliates**
- Start of study concerning the future establishment of **intermediate holding companies and regional HQs**

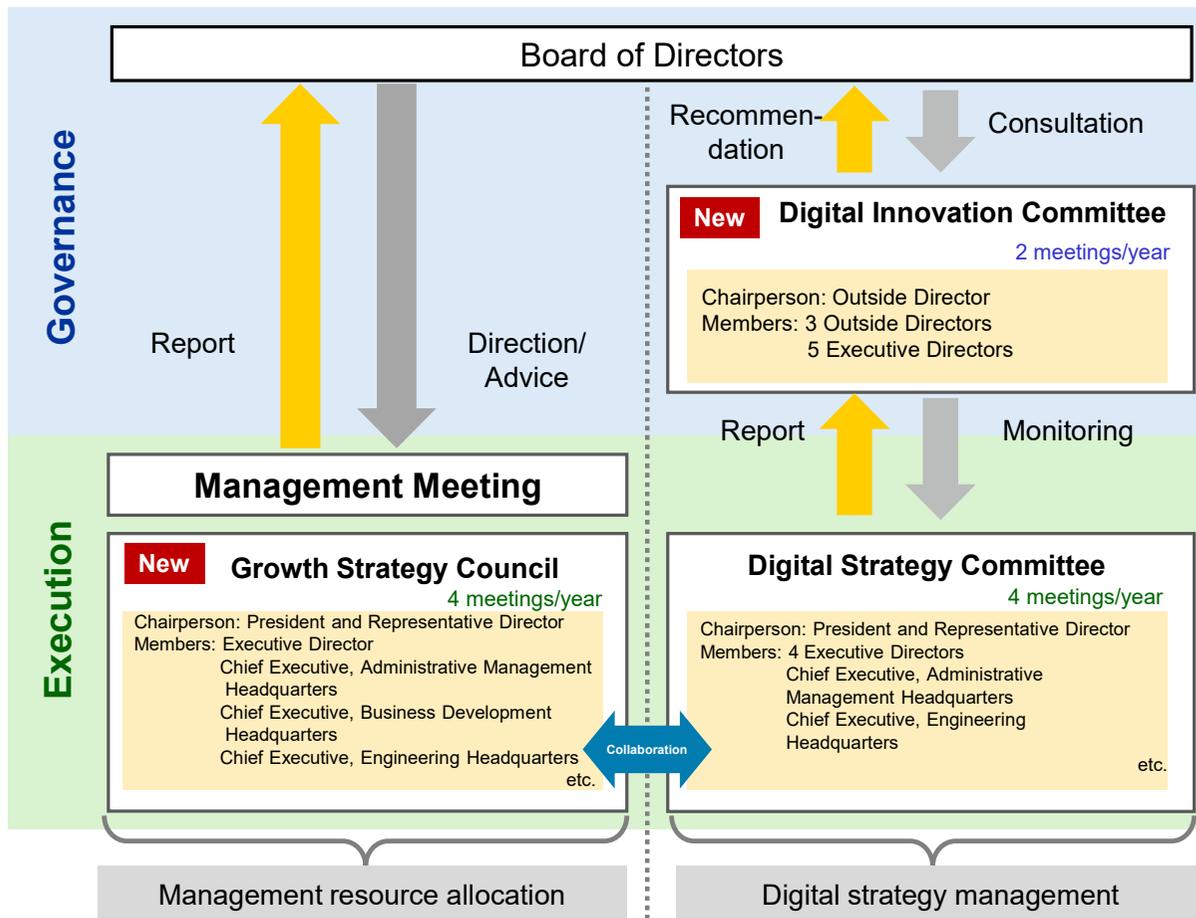
Creation of global human capital portfolio management system

- Development of **human capital data base for overseas affiliates** to facilitate the international divisions of labor needed to handle increasingly large-scale projects



Strengthening Structures to Support Management Resource Allocation and Digital Strategy Management

Enhancement of Management Resource Allocation Strategy and Digital Strategy Governance



Management resource allocation

- Growth Strategy Council New**
 Coordinated formulation and execution of group-level strategic policies relating to business, functions, financial management, and capital, etc., from the perspective of optimizing group-allocations of management resources, progress monitoring
 —Indication of matters for deliberation—
 - Company-wide dividend policies (DOE level, annual dividend amount)
 - Company-wide capital policies (share buybacks, stock splits, etc.)
 - Business portfolio policy (cash and capital allocations)
 - Acceleration of business investment plans and growth strategies through human capital investment, recruitment, training, etc.

Digital strategy management

- Digital Innovation Committee New**
 An advisory committee focused on digital strategy—Monitoring of the execution of digital strategies by the Digital Strategy Committee from an independent, objective perspective, oversight to ensure reliable strategy execution and accountability
- Digital Strategy Committee**
Execution of digital strategy by five subcommittees specializing in the following areas:
 - (1) Company-wide BIM
 - (2) Global communications
 - (3) IT governance, information security
 - (4) Proactive utilization of AI
 - (5) Electronic procurement

Development of structures and systems to strengthen global governance and enable sustainable growth investment

Introduction of the Group Corporate Officer system

We will enable top national managers (CEOs) of overseas affiliates to participate in group management through promotion to Taikisha headquarters as Group Corporate Officers.



The roles of Group Corporate Officers will include the following:

- Top national managers (CEOs) of overseas affiliates will independently propose strategic directions for the Group's global strategies based on local business environments.
- They will energize communication between national staff, including employees in local affiliates, and head office.

Introduction of a new management accounting system to facilitate growth investment

We plan to introduce a new management accounting system designed to enhance investment incentives for the development of new markets and technologies and digital growth investment, etc., so that growth investment can be maintained without affecting short-term business performance.

Introduction of common global IT systems infrastructure

We will develop common global IT systems infrastructure and progressively introduce it at overseas affiliates.

—Expected benefits—

- Flexible approach to future global business expansion and entry into new markets
- Visualization and integration of information, leading to standardized and more efficient business processes and stronger governance
- Enhancement of global human resource management and global procurement, etc.

Development of systems and IT infrastructure for the realization of human capital portfolio management

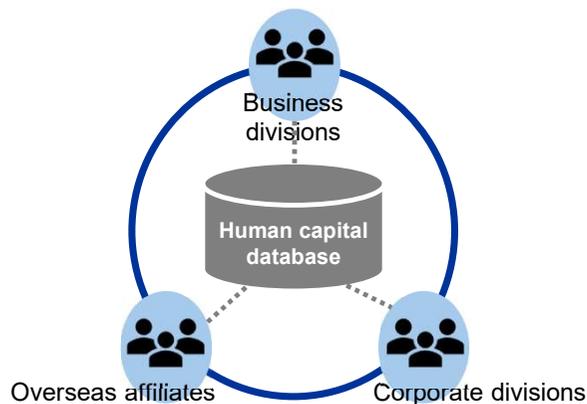
■ Development and administration of human capital database for overseas affiliates

➢ Development of management and implementation structures and data infrastructure to support the realization of human capital portfolio management

➢ Visualization and management using technology record sheets

➢ Further enhancement of human resource systems and data, effective administration through collaboration among business divisions, corporate units, and the global organization

➢ Commencement of development of human capital databases for global affiliates, starting with ASEAN



■ Recruitment policies for overseas markets

- New graduate recruitment—
- Use of scholarship programs and partnerships with technology-focused universities to facilitate recruitment of foreign nationals
- Mid-career recruitment—
- Use of scouting and referrals to recruit executive candidates and specialists with extensive knowledge of industries and technologies

■ Development/implementation of human resource development systems for overseas markets

- Early training of local management candidates, especially for Asian markets, through the newly established ASEAN Management Division
- Human resource development based on specific requirements for individual countries

■ Development of attractive evaluation and remuneration systems

- Creation of evaluation and remuneration systems to attract people with diverse nationalities, backgrounds, and experience

■ Staff retention through the improvement of loyalty and engagement

- Dissemination of our core philosophy in relation to human capital, including personnel at overseas affiliates
- Visualization of employee satisfaction and engagement levels and issues through surveys, implementation of countermeasures

Precaution about Forward Perspective

The data and future prospecting 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.

We therefore recommend that you use this information with checking and confirming other information as well. Taikisha assumes no responsibility whatsoever for any damages resulting from the use of this material.

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