10-Year Plan 2035 (FY2025–FY2034)

TAIKI-SHA

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Our 10-Year Goals for Taikisha in 2035

1.

10-Year Plan 2035 (FY2025–FY2034)

Our Goals for 2035

Taikisha in 2035

Introduction: Taikisha's Strengths

Our unique strengths

Services for Manufacturers, Global Capabilities

Strength ❶ Services for Manufacturers

A leader in system engineering for factories and research facilities for manufacturers and a wide range of other industries

Extensive record of success	Advanced technology/expertise
Excellent customer base	Talented engineers

Strength ❷ Global Capabilities

Global network with deep local roots created through overseas expansion since the 1980s

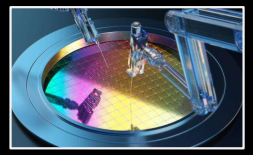
Global network with close local ties	Global talent
Overseas R&D facilities and laboratories	Proven track record with Japanese and non-Japanese companies

Taikisha's unique strengths are key to the realization of our Goals for 2035 and 10-Year Plan.

Be Engineering

for a Sustainable Society

Taikisha is a global engineering company dedicated to social sustainability.






Our definition of “engineering”

The integration of core technologies from various fields to create systems capable of providing essential functions, and the use of those functions to solve problems

Our Goals for 2035

Our Goals for 2035

Be Engineering

for a Sustainable Society

Strategic Policy 1

Innovative Engineering

By integrating of core technologies from various fields,
we build dynamic and innovative systems that empower smart,
carbon-neutral industries.

Strategic Policy 2

Global Inclusion

We collaborate with local communities and leverage
regional expertise to drive sustainable progress worldwide.
By uniting global perspectives with local action,
we create inclusive solutions that benefit industries,
societies, people, and the global environment.

Our Goals for 2035

Be Engineering for a Sustainable Society

Strategic Policy 1

Innovative Engineering

By integrating of core technologies from various fields,
we build dynamic and innovative systems that empower smart, carbon-neutral industries.

Focus on Industry

Taikisha has long provided engineering services for cutting-edge industries ranging from electronics and automotive manufacturing to pharmaceuticals and data centers. This experience is the source of our ability to provide unique solutions.

Design, Build & Care

By providing integrated services from design proposals through to construction and after-care, we create innovative engineering solutions with enhanced added value.

GX and DX Optimization

We provide solutions by leveraging advanced technology to help our corporate clients accelerate their transformation toward smarter, low-carbon production environments.

Be Engineering for a Sustainable Society

Strategic Policy 2

Global Inclusion

We collaborate with local communities and leverage regional expertise to drive sustainable progress worldwide.
By uniting global perspectives with local action, we create inclusive solutions that benefit industries, societies, people, and the global environment.

Global Network

The result of evolution spanning over 50 years, Taikisha's global network today consists of 30 affiliates in 20 countries. Built on a foundation of trusting relationships with industries in Japan and overseas, this network gives Taikisha unique strengths backed by open-mindedness, a challenging spirit, and a commitment to quick responses.

Global R&D

By taking up the challenge of technological innovation, our five global R&D centers continually enhance our ability to provide engineering solutions to meet the needs of industries around the world.

Global & Local Commitment

Taikisha has built a strong presence in domestic and overseas markets and contributes to the solution of global environmental and social issues through business operations led by skilled engineers with a deep understanding of market needs.

10-Year Growth Path to 2035

2. Targets and Milestones

10-Year Plan 2035 (FY2025–FY2034)

Targets for 2035

Targets Under 10-Year Plan 2035 (FY2025–FY2034)

Sharing our high aspirations for Taikisha with all stakeholders

Challenge 500

Net-sales of completed construction contracts

¥500 billion

Target 12% ROE

ROE

12%

Dividend Commitment

DOE

5.0%

Increase Corporate Value

Double economic value and enhance social value

Increase market capitalization and other corporate value indicators.

Help to achieve social goals, including harmony with the natural environment.

Financial/Non-financial Targets and Milestones for 10-Year Plan 2035 (FY2025–FY2034)

10-Year Plan 2035 (FY2025–FY2034)

Medium-Term Business Plan (FY2025–FY2027)

3-year phase of restructuring for transformation

Building foundations for growth strategies through growth investment funded by cash flows from domestic business

Financial indicators

- **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)
  - FY2024 results: ¥57 billion for non-Japanese customers)
- **ROE** (end of FY2027): **10%**
- **Shareholders' equity ratio:** **40% or higher**

2025	2026	2027
Dividend Policy (DOE)		
4.0%	4.0%	4.0%
Share buybacks		
¥5 billion	¥5 billion	¥5 billion

- **Cross-shareholdings:** 15% or less of net assets

Non-financial indicators

- **CO_2 emissions** (end of FY2027): Scope 1, 2: 26% lower; Scope 3: 15% lower (vs. FY2022)

Medium-Term Business Plan (FY2028–FY2030)

3-year phase of full-scale investment toward growth

Expansion of markets, business domains, and geographical scope through substantial investment in overseas M&A

Financial indicators

- **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)
- **ROE** (end of FY2030): **11%**

2028	2029	2030
Dividend Policy (DOE)		
4.5%	4.5%	4.5%

Non-financial indicators

- **CO_2 emissions** (end of FY2030): Scope 1, 2: 42% lower; Scope 3: 25% lower (vs. FY2022)

Medium-Term Business Plan (FY2031–FY2034)

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

Financial indicators

- **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 FY2034): **12% or higher**

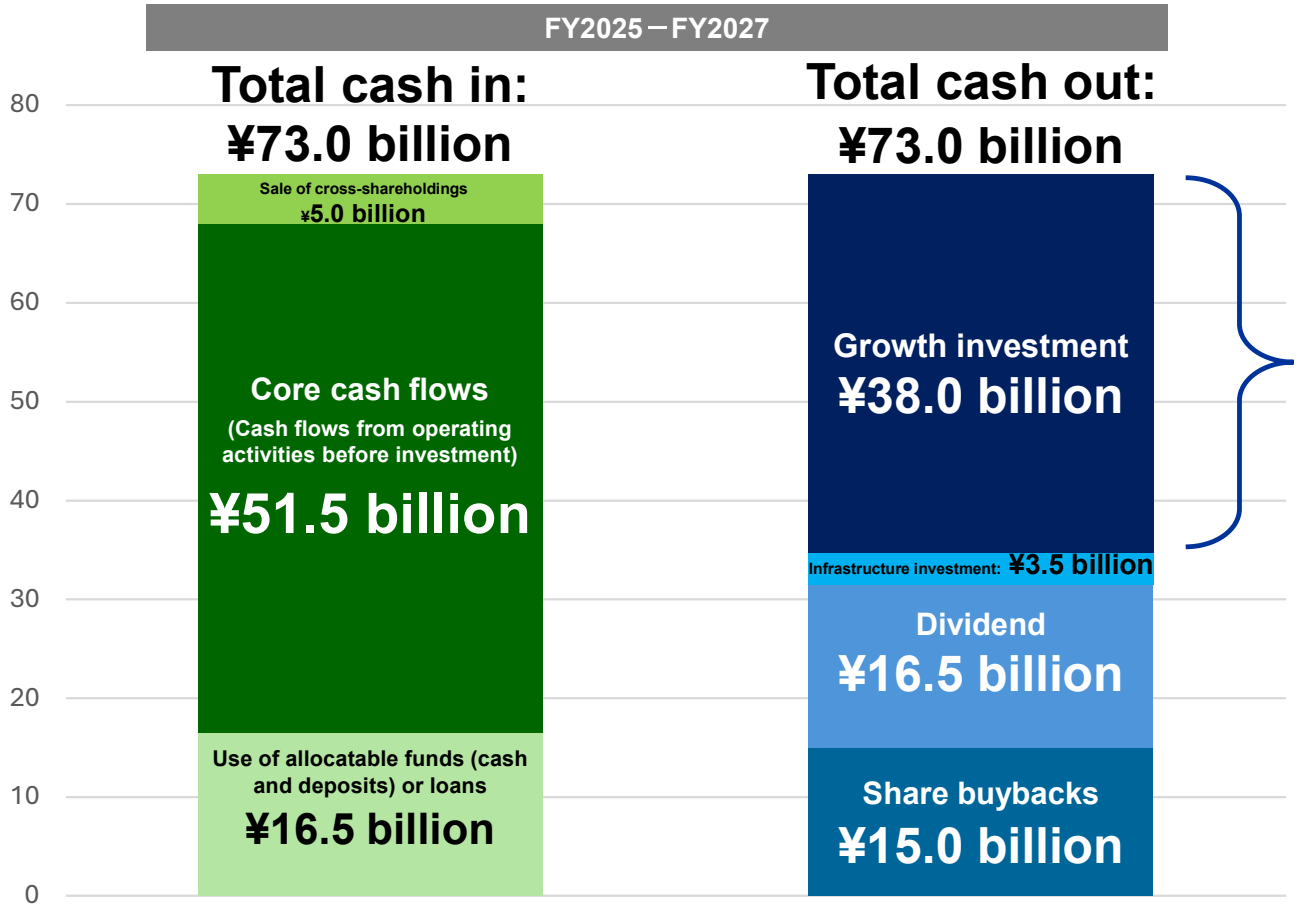
2031	2032	2033	2034
Dividend Policy (DOE)			
5.0%	5.0%	5.0%	5.0% or higher

Non-financial indicators

- **CO_2 emissions** (end of FY2034): Scope 1, 2: 53% lower; Scope 3: 35% lower (vs. FY2022)
- **Number of employees** (end of FY2034): 7,200

Cash Allocations Under Medium-Term Business Plan (FY2025–FY2027)

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



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

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

Our Philosophy on Business Growth

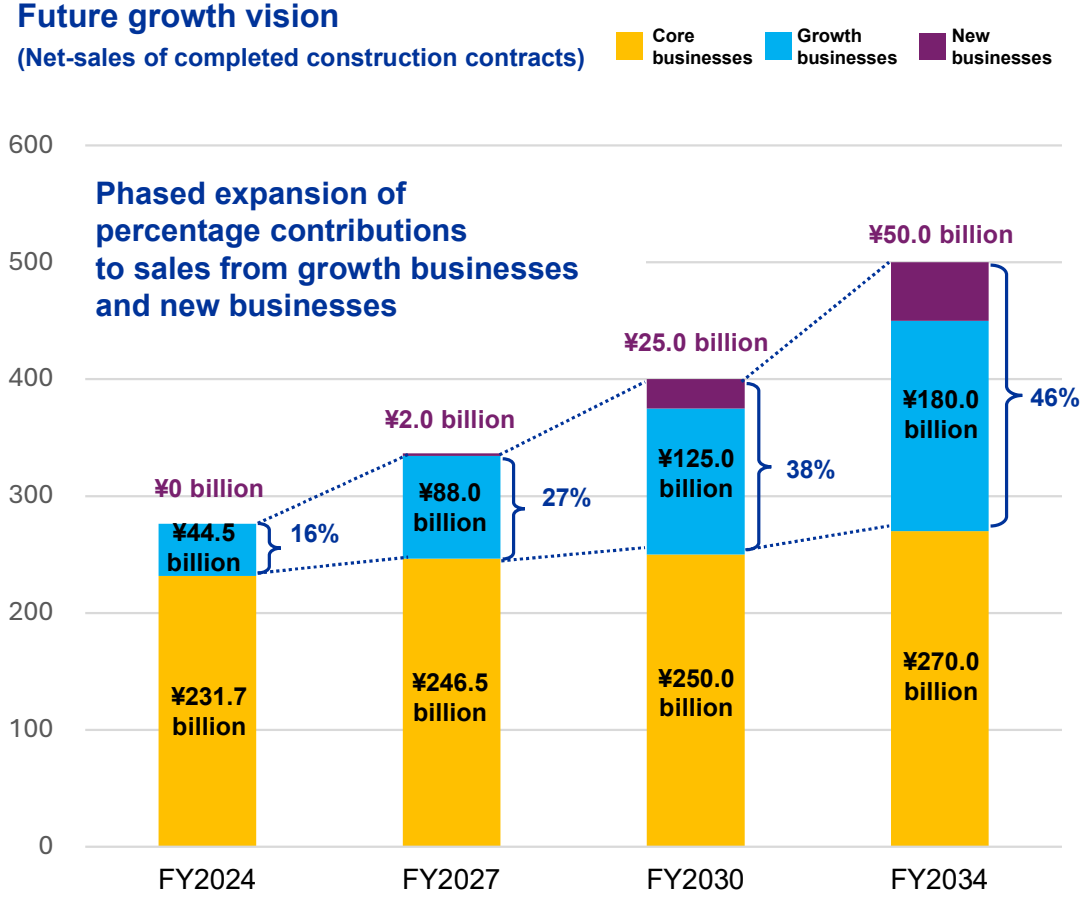
While maintaining steady growth in core businesses, we will pursue rapid and disruptive growth in growth and new businesses.

Strategic reclassification of business domains into core, growth, and new areas

Core businesses	●Industrial HVAC system (Japanese) ●Building HVAC system ●Painting process	For existing customers in existing business areas
Growth businesses	●Industrial HVAC system (Non-Japanese) ●Automation ●● Battery	For new customers in existing business areas
New businesses	●Dry decoration ●Facility management ●Environmental business	New opportunities in new business areas

● Technology/expertise from the Green Technology System Business
● Technology/expertise from the Paint Finishing System Business
● New businesses, new technology/expertise

Future growth vision
(Net-sales of completed construction contracts)



Overcoming Challenges on the Path to Success for Our Growth Strategies

Strategic Focus

10-Year Plan 2035 (FY2025–FY2034)

3. Growth Strategy Focal Points

Core Strategies Under 10-Year Plan 2035 (FY2025–FY2034)

Evolution as a global engineering company capable of supporting sustainable social development

Eight strategic focal points for Taikisha

Business strategy

Active expansion into growth industries
Aggressive targeting of high-tech industries affected by industry restructuring

Global regional strategies
Utilization and reinforcement of global networks
Targeting overseas markets with high growth potential

Development of non-Japanese customers
Transformation of our Japan-centered customer portfolio
Aggressive marketing to non-Japanese companies that are achieving global growth

Enhancement of intellectual capital

Advancement of GX/DX technologies
Expansion of GX/DX engineering R&D in response to increasingly sophisticated needs linked to the pursuit of carbon neutrality and the digital shift

Enhancement of human capital

Quantitative/qualitative enhancement and business process transformation
Reduction of business opportunity losses caused by a lack of resources
Quantitative/qualitative enhancement of human capital, business process rationalization and efficiency improvement

Strengthening the management base

Enhancement of business execution/monitoring structures

Enhancement of global group management infrastructure

DX strategy

Leverage data analytics and simulations to provide new value

Accelerated global collaboration and co-creation

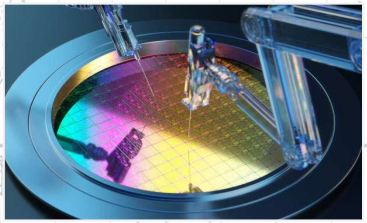
Improve operational efficiency and develop high-profit structures through business process reforms centered on digital infrastructure

Engineering services to support global industrial innovation

Active engagement with growth industries

Our priority markets are semiconductors, electronic components, mobility, batteries, biopharmaceuticals, and data centers





Global regional strategies

The technologies that people need, where they need them

We will leverage our management resources, including seed technologies and overseas business operations, to strengthen our business presence in new industries in North America, India, Europe, and other markets.

Development of non-Japanese customers

Leveraging our advanced technologies to bring value to non-Japanese customers

We will visualize and disseminate Taikisha's technical capabilities and turn our unique technologies and expertise into global standards through global deployment.

Leveraging green and smart technologies to support industrial innovation

Green Transformation

Decarbonization through green engineering

Industry Worldwide

Green Factory / Smart Factory

Digital Transformation

Transition to smart technologies through digital engineering

Advancement of GX engineering

Developing new businesses by leveraging technologies that help to reduce industrial and social CO_2 emissions

- System downsizing (use of compact equipment to save space)
- Analysis of systems, optimization of controls
- Heat energy/exhaust treatment
- Resource recycling
- CCUS (DAC/DOC)

Advancement of DX/automation technology

We will apply innovative factory automation technology developed for the automotive Paint Finishing System Business to a wide range of other industries

- Digital twinning
- Auto-teaching technology
- Auto-repair technology
- High-efficiency painting technology
- High-quality film coating technology
- Diverse shape handling
- Advanced environment-responsive technologies
- Space- and energy-saving technologies

Enhancing our responsiveness to rapidly expanding business opportunities

Human capital enhancement (quantitative, qualitative) and business process rationalization/efficiency improvement

Enhancement of human capital and resources (quantitative/qualitative expansion)

Expansion of our pool of:

- **Executive and management personnel**
- **People capable of working globally**
- **Senior expert engineers**
- **End-to-end solutions experts (design/build & after-care)**

Creation of working environments that generate innovation and excitement

⇒Shift from passive to active mindsets

Business process rationalization/ efficiency improvement

- DX-based business process engineering
  Application of DX to engineering through the **introduction of BIM (Building Information Modeling)**
- Establishment of business processes as **ancillary engineering for production facilities**
- Expansion of scope of **construction equipment unitization/modularization**
- Extension of **design/construction platform** to include overseas affiliates

Building structures capable of realizing sustainable growth and enhancing corporate value

Development of systems/structures to support growth strategies

Strengthening the management base 1
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

Strengthening the management base 2
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 effectiveness of boards of directors of affiliated companies
- Future establishment of intermediate holding companies and regional HQs

Our DX strategy is based on three parallel actions and the continuous allocation of management resources to the BIM/DX stage.

Action ❶		Action ❷		Action ❸
Leverage data analytics and simulations to provide new value		**Accelerated global collaboration and co-creation**		**Improve operational efficiency and develop high-profit structures through business process reforms centered on digital infrastructure**
Accumulate knowledge through engineering projects for global high-tech companies. Bring new value into the world by contributing to carbon neutrality and the introduction of smart factory technology.		Build global platforms. Create structures that support global cooperation among R&D facilities and project collaboration.		Accelerate the transition to digital integrated management. Develop platforms and implement automation and optimal cost management.

DX Digital Transformation

Achieving Dramatic Growth—Taikisha's Advantages and Specific Strategies and Tactics

Strategies & Tactics

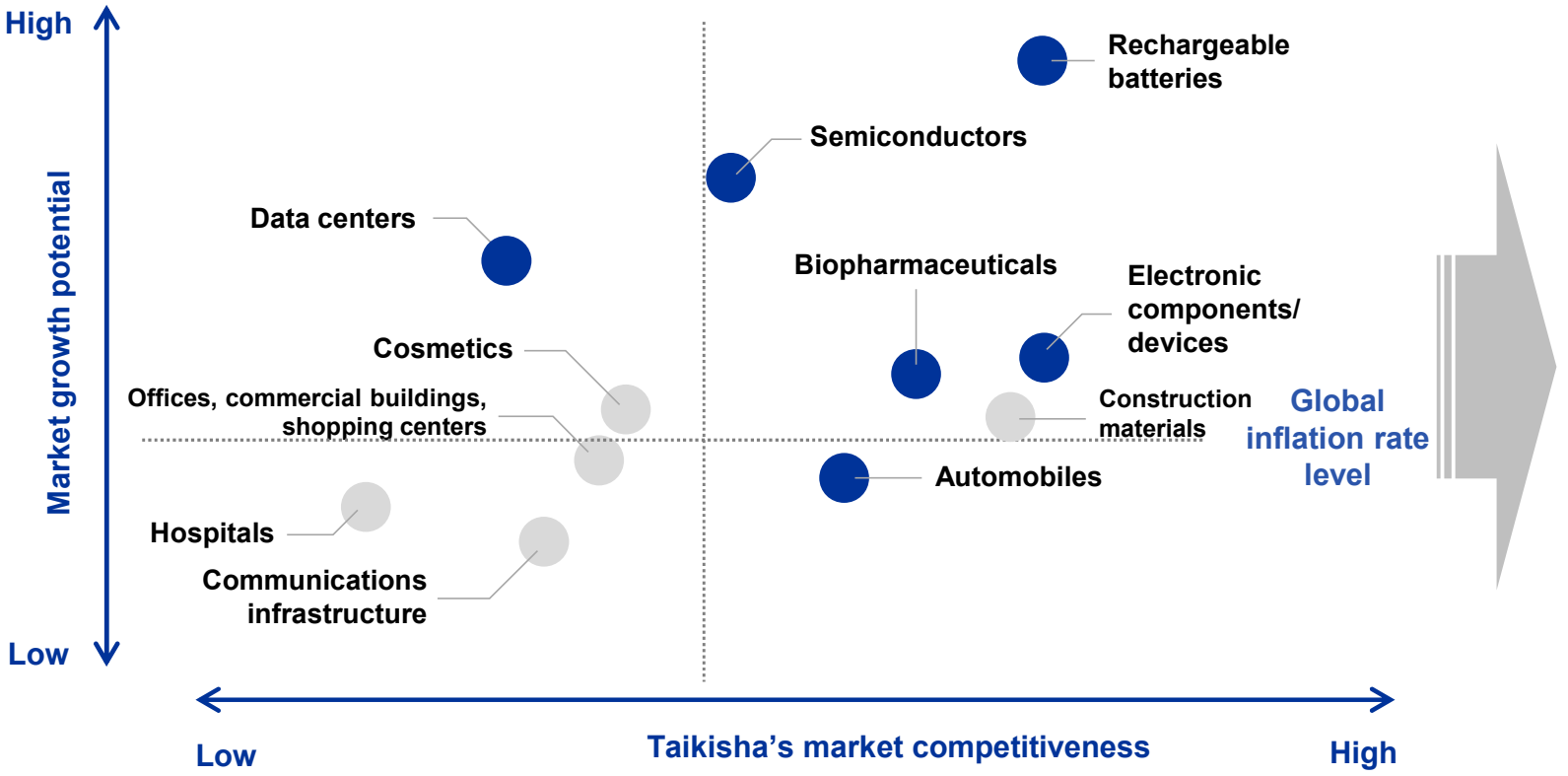
10-Year Plan 2035 (FY2025–FY2034)

4. Strategies and Tactics

Market Strategy: Analysis of Priority Markets

Concentrate management resources into global growth industries.

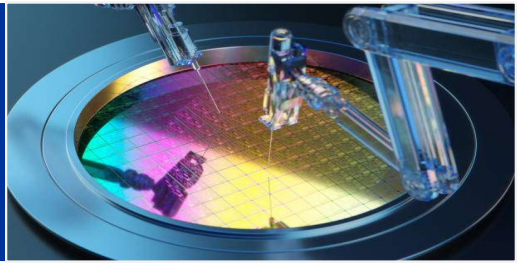
We will target growth industries, such as semiconductors, electronic components, mobility, batteries, biopharmaceuticals, and data centers.



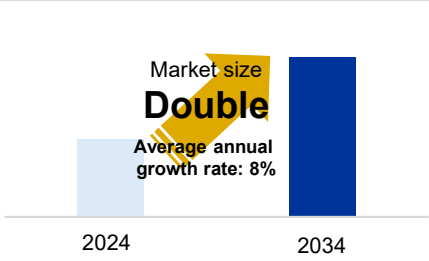
Priority markets for Taikisha

1	Semiconductors, electronic components
2	Mobility (automobiles, 2-wheelers, railroads, aircraft)
3	Batteries
4	Biopharmaceuticals
5	Data centers

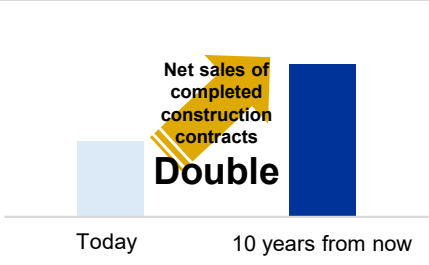
Environmental requirements in production facilities are becoming increasingly sophisticated in step with rising semiconductor demand due to a full-scale shift to the IoT/AI society.



Market growth potential



Growth outlook



Basic strategic policy

Customer-axis	**Capture demand driven by the expansion of investment by global Japanese and non-Japanese companies due to spread of the IoT and generative AI.**
Regional axis	**Focus on East Asia, especially Taiwan, as well as expansion into the US and Indian markets, and engagement with the Silicon Island Strategy in Japan.**
Technology axis	**Provide advanced energy solutions and mini-environments (ultra-precise temperature control). Provide water recycling technology.**

Roadmap for achieving targets

Medium-Term Business Plan (FY2025–FY2027)	Medium-Term Business Plan (FY2028–FY2030)	Medium-Term Business Plan (FY2031–FY2034)
■ Strengthening our business base in Japan. ■ Enhancement of capacity to support investment by Japanese global companies. ■ Expansion into the manufacturing equipment field.	■ Expansion of orders from non-Japanese customers in Taiwan ■ Entry into the US and Indian markets.	■ Expansion into the US and Indian markets.

Key Strategies

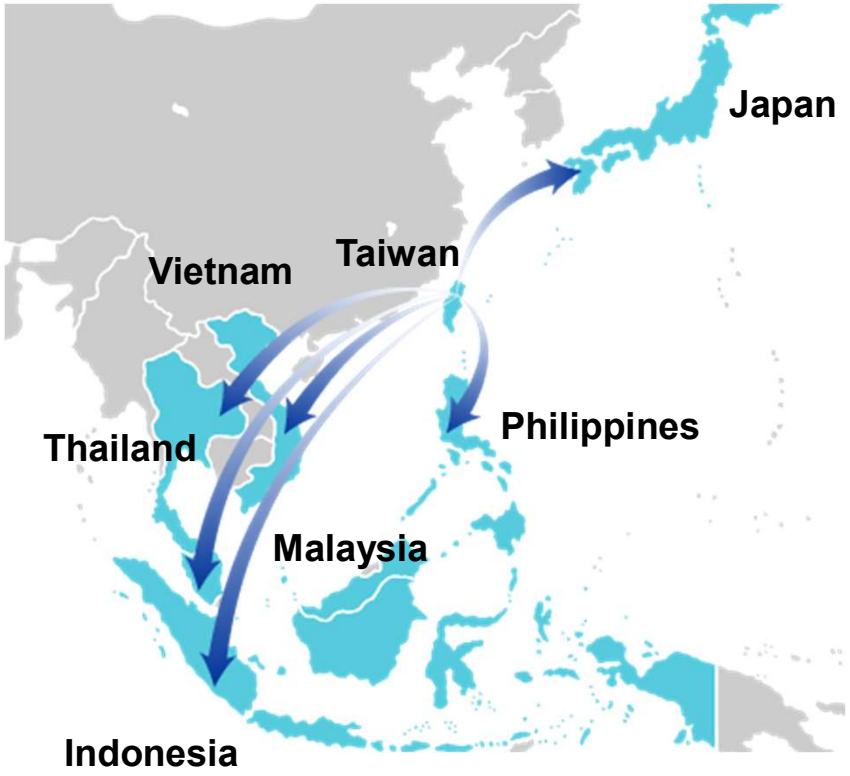
East Asia Semiconductor Strategy

Looking ahead 10 years: Our Goals for 2035

- We will evolve as an engineering company capable of supporting capital investment by semiconductor-related companies in Japan and Asia.
- We will build our presence in Taiwan and ASEAN, which have clusters of advanced semiconductor firms.

Strategic policies

- Approach semiconductor-related companies in Japan
- Pursue business with Taiwanese semiconductor firms through our office there.
- Provide turnkey solutions, such as design/build proposals and water treatment



Market Strategy 2 Mobility (4-Wheelers, 2-Wheelers, Railroads, Aircraft)

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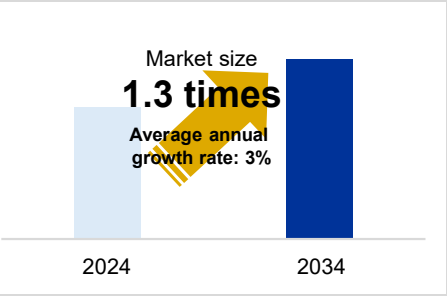
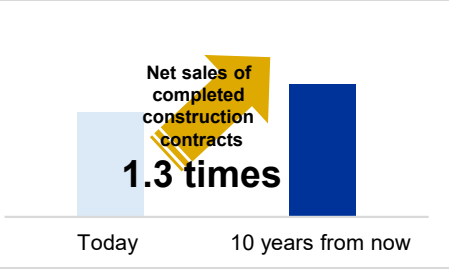
The automotive industry is going through a once-in-century transition. Production is being transformed by the shift to EVs and SDVs, while GX has become an urgent priority.

Market growth potential



Growth outlook



Basic strategic policy

Customer-axis	**Respond to the production transformation caused by the shift from ICE vehicles to EVs and SDVs.**
Regional axis	**Take up new challenges in the European market, as well as the US and India.**
Technology axis	**Focus on GX technology and the impact of dry decoration technology.**

Roadmap for achieving targets

Medium-Term Business Plan (FY2025–FY2027)	Medium-Term Business Plan (FY2028–FY2030)	Medium-Term Business Plan (FY2031–FY2034)
■ Creation of a dry decoration demonstration line	■ Stable operations in Europe, further expansion in North America and India ■ Customization of dry decoration	■ Expansion of business domains in Europe ■ Introduction of dry decoration in mobility markets other than 4-wheelers

EV: Electric Vehicle SDV：Software Defined Vehicle

Key Strategies

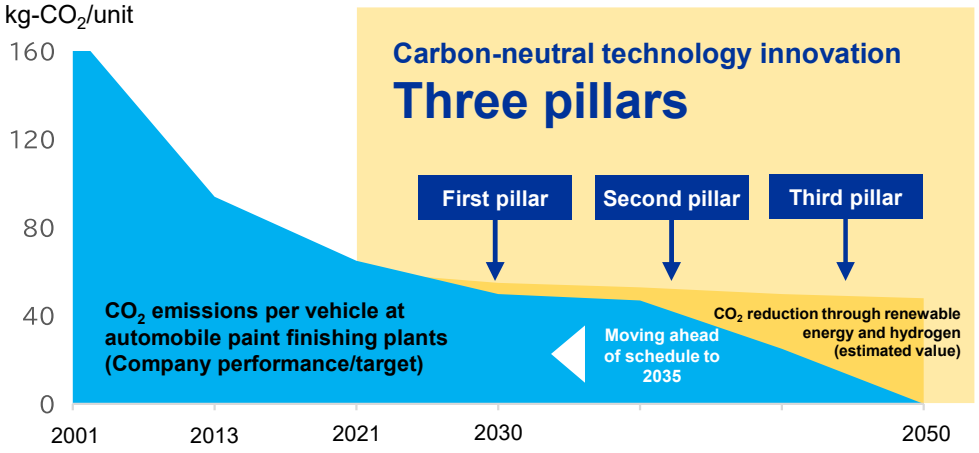
Support the GX transition in the mobility sector through GX engineering.

【First pillar】Streamlining painting process by implementing energy-saving measures

【Second pillar】Response to the energy transition

【Third pillar】Development of alternative painting technologies

The Company's carbon neutrality goals and basic policy



Key GX technology for automobile manufacturing
Maximize the decarbonization impact of dry decoration technology.

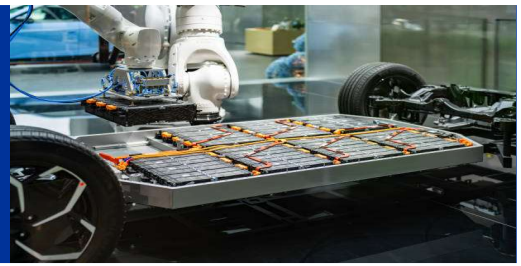
75% reduction in CO_2 emissions during automobile production (emissions from production facilities)

- Painting processes are a major source of CO_2 emissions during automobile production. Existing paint spraying processes consume large amounts of energy.
- Instead of spraying paint, dry decoration technology involves the application of films. This contributes significantly to decarbonization by reducing CO_2 emissions from production facilities by 75%.
- In addition to the automotive industry, dry decoration technology also has potential uses in non-mobility industries.

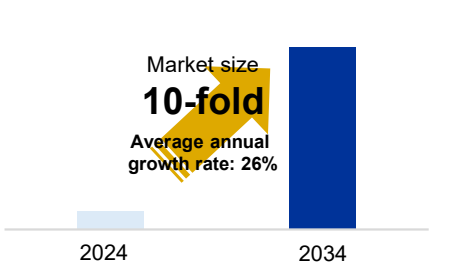
Looking ahead 10 years: Our Goals for 2035

- As a pioneer of the dry decoration business for 4-wheelers, we will lead industry efforts to make this the mainstream method.
- We will expand the technology into mobility markets other than 4-wheelers and other industrial markets.

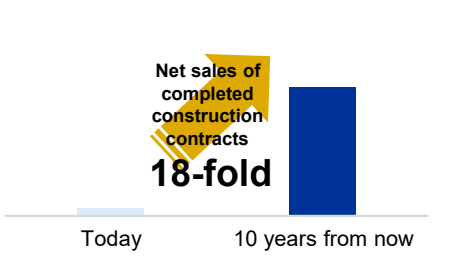
The shift to EVs is an important step toward the decarbonization of the mobility sector. Batteries hold the key to the early adoption of this technology. The evolution of battery technology will create a brighter future for the global environment.



Market growth potential



Growth outlook



Basic strategic policy

Customer-axis	**Demand for automotive batteries is growing with the shift to EVs.**
Regional axis	**Start through co-creation with Japanese manufacturers in Japan and North America.**
Technology axis	**Apply smart technology on construction sites through new modularization concepts encompassing all aspects from production line equipment and thermal power sources to plant buildings.**

Roadmap for achieving targets

Medium-Term Business Plan (FY2025–FY2027)	Medium-Term Business Plan (FY2028–FY2030)	Medium-Term Business Plan (FY2031–FY2034)
■ Expansion of business domains to include ancillary and heat/power supply engineering for battery plants in North America	■ Expansion into other business domains, such as solvent recovery and dry rooms ■ Battery manufacturing equipment installation contracting	■ Evolution as a one-stop solutions provider producing manufacturing equipment in-house

Key Strategies

We will pursue synergies between our Green Technology System Business and Paint Finishing System Business.

Create new value through the convergence of engineering technologies from our two core business areas.

Green Technology System Business

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

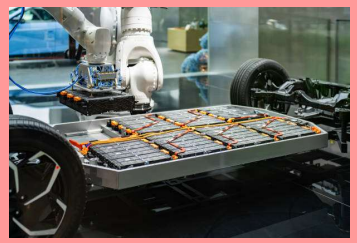
Technology synergies

Paint Finishing System Business

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

Technology synergies in the Battery Business

- Integrated provision of production environment technology and production line technology
- Proposal of optimized automation systems, including conveyance and material handling
- Provision of energy- and material-saving technologies
- Proposal of methods to speed up and standardize plant construction (establishment of total modularization method)

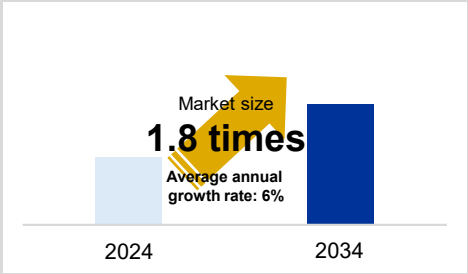


Market Strategy

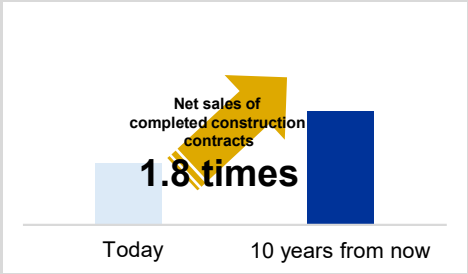
4 Biopharmaceuticals

Global engineering support to meet the increasingly sophisticated needs of innovative pharmaceutical manufacturing process .

Market growth potential



Growth image



Basic strategic policy

Customer axis: Mainly non-Japanese global companies, including American/European companies and local companies in ASEAN

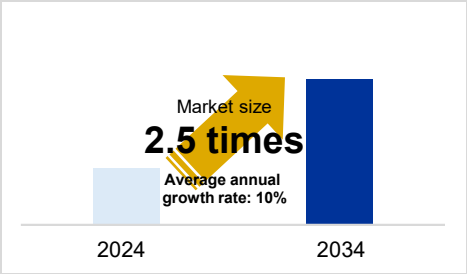
Regional axis: Japan, as well as ASEAN, India, and North America

Technology axis: Room pressure control technology, decontamination technology, measurement support, GMP/production facility knowledge

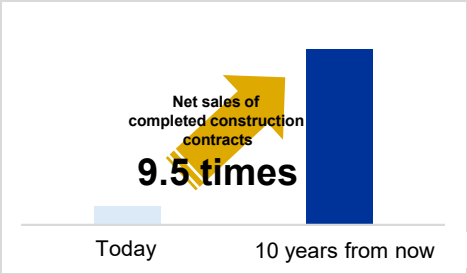
5 Data Center

Support for the expansion of data centers in step with the spread of generative AI.

Market growth potential



Growth image



Basic strategic policy

Customer axis: Pursuit of globally active customers, approaches to mega-cloud companies

Regional axis: Expansion from Japan to ASEAN and India

Technology axis: Support for smart facilities through the unitization/modularization of buildings and equipments, development of new cooling methods

Technology Strategy: GX, DX, and Three Approaches

Deepening and exploring the potential of engineering technology

We will assess our accumulated technology and develop more sophisticated uses.

Approach 1	Approach 2	Approach 3
Development of business with non-Japanese companies through the standardization of design/build technology/know-how and the visualization of technological capabilities	Creation of synergies between the Green Technology System Business and the Paint Finishing System Business	Development of new businesses based on the use of environmental contribution technology to achieve social goals

We will use GX and DX to develop and provide high-added-value engineering services.

Creating innovation through the combination of core technologies and fundamental technologies

Core technologies	❶ Environmental load reduction/carbon neutrality ❷ Environmental protection and care ❸ Production facility engineering ❹ Productivity improvement ❺ Quality assurance ❻ Plant cultivation
Fundamental technologies	❶ Design ❷ Fundamental construction technology (practical engineering) ❸ Construction management (QSCDE) ❹ Trial operation ❺ Operational maintenance

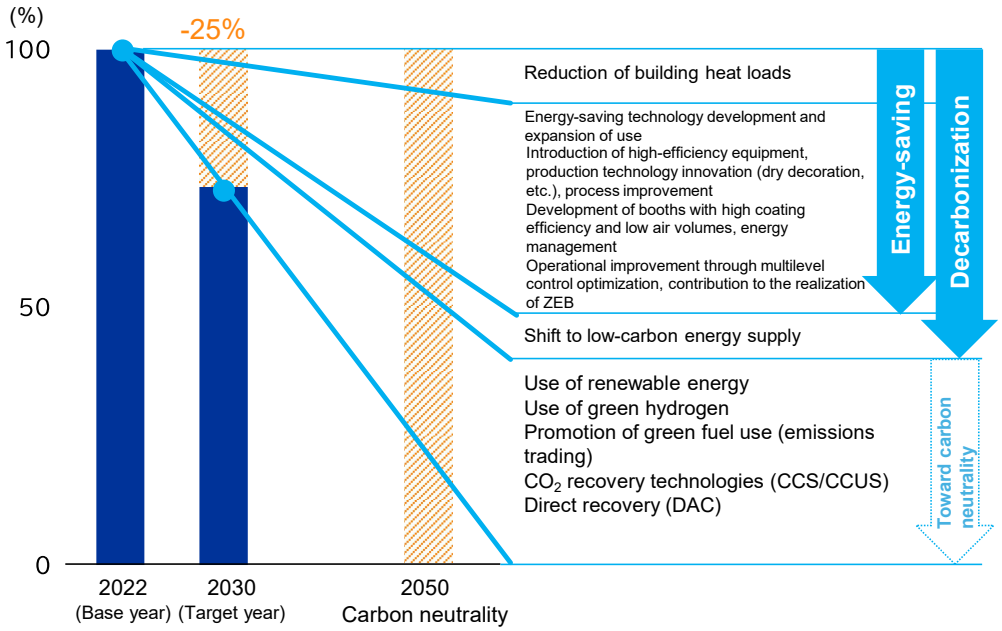
Enhancement of organizational structures supporting technology strategies

- **Establishment of the Engineering Headquarters and enhancement of Corporate Technology Committee functions**
- **Expansion of Business Development Headquarters, strengthening of new business development functions**
- **Expansion of functions of Intellectual Property Dept. and enhanced management/utilization of intellectual property**

GX engineering will have a major decarbonization impact.

Initiatives based on CO_2 emissions reduction roadmap

Combining energy-saving and low-carbon technologies to contribute to carbon neutrality



Supply chain decarbonization

Supporting smart factories from the planning/design stage through to operations/ maintenance.

System planning/ design stage

System operation/ maintenance stage

■Downsizing
- Creation of energy-saving systems tailored to production equipment operating conditions, while maintaining a safe, high-quality environment
- Creation of mini-environments

■Adapting to new technologies
- Using new technologies to update customer's production environments

■Operational management using digital/AI technology
- AI-based real-time data analysis and rapid reflection in supply chains
- Optimization of system controls to reduce environmental loads during operations, maintenance, and support.

Technology Strategy: Using DX/Automation Technologies

Using high-potential seed technologies to create business opportunities

We will use Paint Finishing System Business technology developed to meet the needs of automobile manufacturers to open up new markets in other areas.

Accumulation of wide-ranging technologies and know-how through engineering work in automobile plants as part of the Paint Finishing System Business

Automation technologies/ know-how

- Digital twinning
- Auto-teaching
- Auto-repair
- High coating efficiency

Creating new business opportunities

- Development of business based on painting automation for high-mix, low-volume production
- Proposal of smart technologies, including robotics, to industrial customers

Dry decoration technologies/ know-how

- High-quality film application technology
- Adaptable to multiple types/formats
- Advanced environmental protection
- Space- and energy-saving

Creating new business opportunities

- Use of the automotive industry, which has high quality requirements, as a stepping-stone for expansion into other industries
- Proposal of optimal technologies for high-added-value designs
- Production process innovation, proposal of new manufacturing concepts

Keys to developing non-Japanese customers: Standardization of design/build know-how, visualization of technological capabilities

Standardization of design/construction know-how

Conversion of tacit knowledge into explicit knowledge

Standardization of working processes and construction technology know-how through the development of innovative operational management systems to improve quality stability at all sites and for all staff

Global dissemination of explicit knowledge

Use of digital tools and smart devices to disseminate this know-how as global standards and facilitate its use

Elevation to Taikisha proprietary standards

Standardization of business processes and use of BIM data to enable customization proposals to any customer, based on accumulated know-how encapsulated in Taikisha Standards

Visualization of technological capabilities

Open innovation at research facilities

Co-creation at Taikisha Innovation Site AIkawa

Installation of dry decoration line at Zama Technical Center

Facilities that provide audiovisual experiences of our technology

Visualization and verification of customer needs on a global basis through the establishment of laboratories in ASEAN, India, North America, and Europe

Enhancement of facilities to allow our technologies to be experienced remotely through the networking of research facilities

Creating new value through the convergence of technologies from our two core businesses

Green Technology System Business

- Energy management
- Exhaust gas treatment
- CO_2 recovery
- Clean room equipment installation
- Dry rooms
- Heat/power supply technologies
- Solvent recovery
- Equipment downsizing

Technology synergies

Paint Finishing System Business

- Digital twinning
- Auto-teaching technology
- Auto-repair technology
- High coating efficiency technology
- E-coating technology for in-vehicle cases
- Airtight and waterproof sealing technology
- Conveyance technology
- Handling robot technology

Technology synergies for various industries

Industry Worldwide

Green Factory / Smart Factory

- Integrated provision of production environment technology and production line technology
- Proposal of optimized automation systems, including conveyance and material handling
- Development of business based on painting automation for high-mix, low-volume production
- Proposal of smart technology solutions, including robotics, to industrial customers

Create new businesses to solve environmental and social issues.

We will take up the challenge of developing a third core business alongside the Green Technology System Business and Paint Finishing System Business.

Processing of heat energy and exhaust gases

We will contribute to the energy transition and the prevention of global warming through the utilization of unused heat energy produced during industrial operations.

We will help to protect the global environment by enhancing our exhaust gas treatment technologies for markets and regions subject to tighter environmental regulations, and by developing new solvent recovery and recycling technologies.

Contributing to the circular economy

We will take up the challenge of developing practical water treatment and recycling technologies for factories, including metal organic frameworks (MOFs) and covalent organic frameworks (COFs).

Carbon Capture, Utilization, and Storage (CCUS)

We will contribute to the achievement of carbon negativity by pursuing advances in direct air capture and direct ocean capture.

Regional Strategy: Domestic and Overseas Strategies

Targeting rapid growth in high-growth overseas markets while achieving robust results backed by stable profitability in the Japanese market

Domestic Markets

Strategies for Japan

- Semiconductor-related strategy
- Battery market strategy
- Pursuit of new construction methods, profitability enhancement

Overseas Markets

Strategies for Asia (East Asia/ASEAN/India)

- Leveraging the Taiwan office to capture semiconductor-related demand
- Support for Japanese companies with global operations
- Creation of order processing and construction systems to support non-Japanese companies with global operations

Strategies for North America

- Leveraging existing affiliates to expand into the industrial air conditioning field
- Capture of semiconductor-related investments

Strategies for Europe

- Leveraging quality capabilities refined through projects for Japanese customers to develop European automobile-related customers
- Expansion into industrial air conditioning business
- Capture of advanced environmental technology

Enhancement of organizational structures to support regional strategies

Establishment of intermediate holding companies and regional headquarters	Introduction of Group Corporate Officer System	Creation of global common IT systems infrastructure

Prioritized Investment Leading to Cash-Flow Expansion over a 10-Year Timeframe

10-Year Plan 2035 (FY2025–FY2034)

5. Strategic Investment for Growth (DX & Human Capital)

DX & Human Capital

Transitioning from labor-intensive to capital-intensive business

We will build BIM-centered DX infrastructure. AI and robotics will be used to aggregate traditional operations, allowing human capital to be redeployed to creative work with enhanced added value.

Labor-intensive → Capital-intensive

Increasing use of digital technology	Improvement of operational efficiency and productivity	Creation of high-profit structures	Creation of new businesses
Transition to digitalization for existing processes ■ Elimination of analog processes from estimation to completion inspections ■ Systemization of design/build operations	**Expansion of scope of automation** ■ Linkage of BIM and cost systems ■ Use of BIM to automate design/build operations	**Use of AI to optimize operations** ■ AI-based global cost management ■ AI linkage in design/build operations	**Implementation of autonomy** ■ Use of AI and robotics in engineering

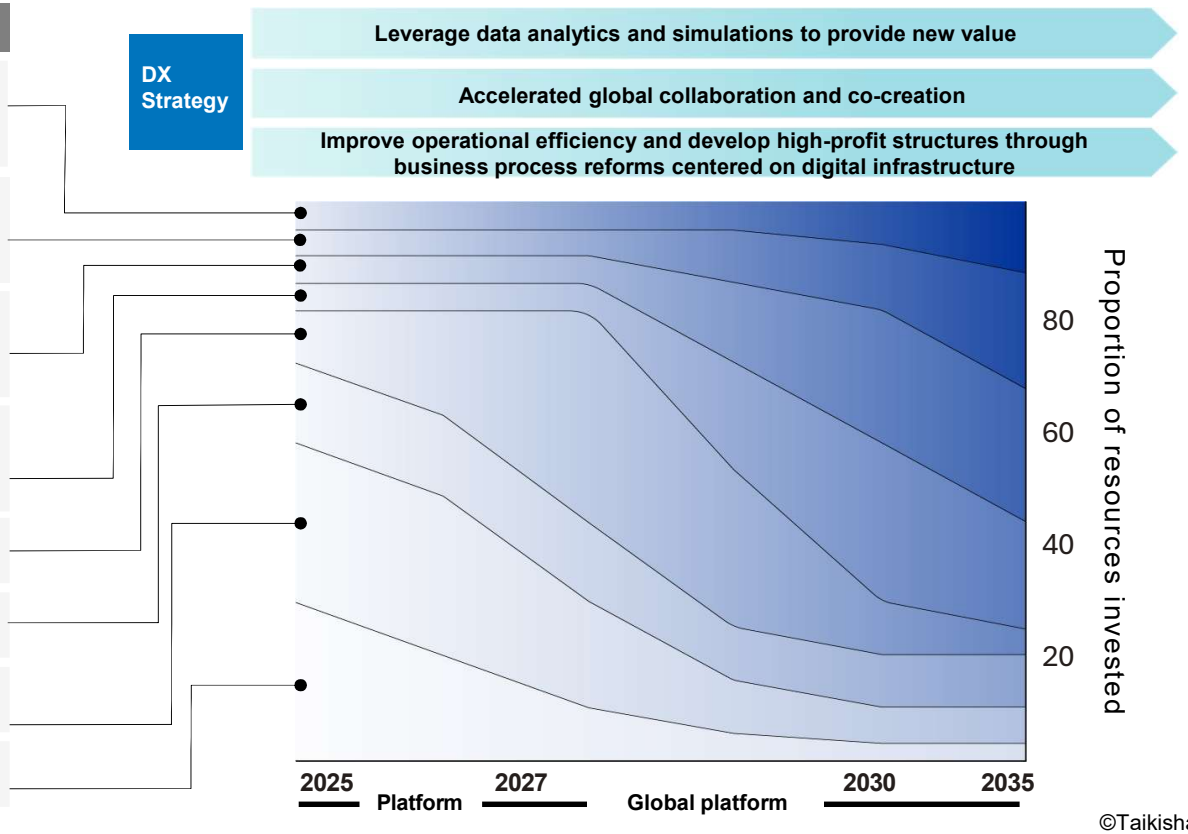
DX Strategy: Commitment of Management Resources to DX

Positioning of DX as the core of our growth strategy —continuous investment of management resources

Accumulation of data gathered using BIM on a platform, simultaneous execution of DX strategy

Proportions of management resources used at each BIM/DX stage

BIM/stage axis (D)		
9D	**Autonomy, robotics**	Creation of new technologies and provision of differentiated value through the linkage of information accumulated at Stages 2D through 8D with next-generation technologies, such as AI and robotics
8D	**Safety, maintenance/management**	Improvement of construction site safety through a shift to unmanned operations, provision of new value through the accumulation and analysis of customer data relating to the operating status of facilities
7D	**Co-creation**	Creation of new value with customers through the use of digital twinning to support and automate construction and line setup, as well as through data sharing
6D	**Sustainability**	Realization of a low-carbon society through energy analysis, GX, GHG visualization, and recycling technologies
5D	**Cost**	Cost management optimization through the linkage of BIM with cost databases at each overseas affiliate
4D	**Time**	Visualization, analysis, and automation of process planning, human resource allocation planning, and equipment/material flows
3D	**BIM**	Start of development and roll-out of BIM infrastructure, a common data environment, and a platform
2D	**Reform**	Acceleration of the transition from analog work processes to digital integrated management.



Human Capital Expansion: Introduction of Global Human Capital Portfolio Management

We regard global human capital as a core source of competitiveness. Human capital portfolio management will play a core role in the enhancement of our human capital to support our growth strategies.

Definition of human capital portfolio

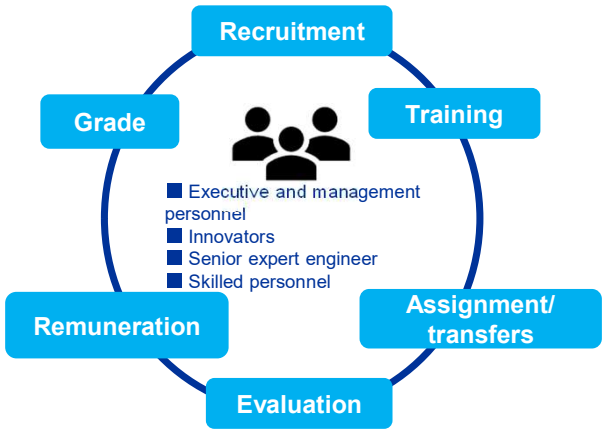
Roles of four human capital portfolios in supporting growth strategies

- **Executive and management personnel**
  Performance of management tasks leading to the realization of growth strategies and business strategies
- **Innovators**
  Creation of new businesses to turn social issues into opportunities through technological innovation
- **Senior expert engineers**
  Creation of technology value in growth businesses and areas through design/build and R&D work
- **Skilled personnel**
  Provision of added value through highly specialized work in core business areas

→ Increased deployment of **career professionals** with advanced skills in various fields

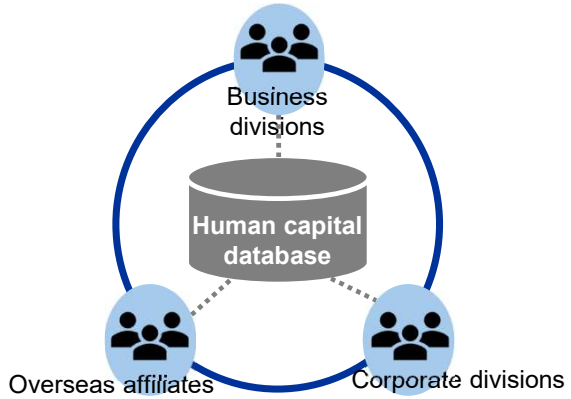
Linkage to personnel systems

Using human capital management systems to enable diverse talent to function strategically



Development of global human capital database

Creation of a database to facilitate the global divisions of labor needed to handle increasingly large projects



Promotion of DE& I

Evaluation

Enablement, engagement → Training → **Motivation toward challenges** → Support → **Accumulation of diverse experience**

- **Enablement, engagement**: Create a culture that respects and acknowledges differences
- **Motivation toward challenges**: Build organizations and systems where each employee can actively challenge themselves
- **Accumulation of diverse experience**: Mechanisms to recognize those who take on new challenges and encourage reflection on experiences

We will expand our engineering and global response capabilities through borderless recruitment and training.

Expanding engineering capabilities

■ **Enhanced administration of the certification program for leading senior expert engineers**
We will identify and differentiate top technical specialists in each field (persons with exceptional skills and achievements).

■ **Enhancement of training for end-to-end solutions experts (design/build & after-care)**
We will train technical personnel capable of handling all design, building, and after-care processes.

■ **Establishment of new specialized training institute**
We will train specialists in particular fields, such as semiconductors and pharmaceutical manufacturing.

KPI		
	Career professionals, including senior expert engineers	**1,780 by 2035** (1,200 in 2025)

Enhancement of global response capabilities

■ **Borderless deployment of Japanese personnel**

❶ Early experience of overseas work, including participation in the overseas trainee system
❷ Experience as overseas affiliate managers
❸ Candidates for senior management/CEO

■ **Executive training for national staff**

❶ Early selection
❷ Management participation
❸ Global experience in Japan/overseas affiliates

Future participation in group management as group corporate officers

KPI		
	Persons with global skills based on management experience at overseas affiliates	**350 by 2035** (100 in 2025)

Precaution about Forward Perspective

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