

## Under the slogan, “Aim to become a global corporate group that creates an optimal environment through unique engineering.” we will actively work on the new medium-term business plan.

We would like to express our sincerest gratitude to our shareholders for their continuous support.

Since we have finished the fiscal year ended March 31, 2020, we will report on the overview.

Regarding the business environment surrounding Taikisha group, in Japanese market, manufacturers of electronic parts were in a correction phase by the influence of the US China trade friction. However, demands remained firm due to the construction investments of office buildings in central Tokyo and investments for equipment by pharmaceutical manufacturers.

On the other hand, regarding overseas market, although demands by manufacturers of electronic parts in Philippines and by manufacturers of automobile in North America remained strong, some automakers postponed capital investment as the world economy slowed down.

Under such circumstances, the orders-received of the whole Group fell below the original expectation because the order for project we had planned to receive was postponed in Paint Finishing System Division.

Also, the sales fell below the original expectation because the order-received of Paint Finishing System Division fell below.

On the other hand, the ordinary income exceeded the original expectation because profitability improved from the original expectation.

Regarding profit attributable to owners of parent, although gain on sales of investment securities was reported as extraordinary income, extraordinary income and losses recorded negative because amortization of goodwill was reported extraordinary losses. Furthermore, income taxes-deferred increased due to reversal of deferred tax assets on overseas affiliates, so the profit attribute to owners of parent fell below the original expectation. In addition, gross profit on completed construction contracts, operating income, ordinary income, and profit attributable to owners of the parent all reached record highs.

The profit attributable to owners of parent fell below the original expectation, however the annual dividend of FY2019 is 100 yen per share according the original expectation. As a result, the dividend payout ratio has become 37.3%.

Last year, we formulated Mid-Term Business Plan for the three-year from FY2019 to FY2021. In the New Mid-Term Business Plan, we have set out a long-term vision to “Aim to become a global corporate group that creates an optimal environment through unique engineering.” With an eye to achieving this vision, each employee of the Taikisha Group will pursue the achievement of the New Mid-Term Business Plan from the perspective of “technology,” “environment,” and “human resources.”

We will continuously exert every possible effort to achieve our management targets to gain the high trust and appreciation of all stakeholders. We appreciate the continued support and guidance of our shareholders and investors in the years to come.

### Koji Kato

President and Representative Director

