Taikisha Group Mid-Term Business Plan FY2022 - FY2024



Long-term Vision

Mission Statement

"Customers First"

Corporate Philosophy

Establish a company which can continuously grow and contribute to the society Establish an attractive company

Innovative Engineering

Diversity & Inclusion

Contribute to a Sustainable Society through Innovative **Engineering of Energy, Air and Water**

Innovative Engineering for a Sustainable Society- with energy, air and water -

2 Become an Inclusive Global Company by Leveraging Diverse Human Resources and Knowledge

Diversity & Inclusion as a Global Company

Strategies of the Mid-Term Business Plan to Achieve the Long-term Vision

Review the existing business portfolio from the perspectives of "capital efficiency," "consistency with long-term strategies," and "affiliated company governance," to transform into a leaner business structure that can create added value in the long term

Business Strategies • Shift the focus from an emphasis on business expansion to improving the quality of engineering and enhancing profitability and productivity Proactively take on challenges in unexplored business domains

Rebalance global area strategies

Initiatives

Management

Financial Strategies

Accumulation of know-how and intellectual property for industrial air conditioning for electrical and electronics, pharmaceuticals, etc.

• Proactively making technology proposals to customers and uncovering seeds through collaboration between sales and development divisions

Contributing to the transformation of customers' production technologies through technological development to achieve carbon neutrality

Open a new R&D Center to promote the development of innovative technologies through integration with academic institutions and startups

Structure that continues to meet the technical needs of customers and projects, and developing professionals

• Create a system where we can strengthen the relationships and grow together with suppliers

Business development rooted in the local communities by utilizing overseas networks

Remote and automated onsite operations through digitalization of business processes

Reaching out to new customers outside the automotive market through collaboration with partners

Promote management strategies that leverage our own intellectual property and intangible assets

• Establish R&D Satellites with easy access to promote proactive identification of customer needs

Identifying customer needs and joint development by utilizing new Research and Development Center and R&D Satellite

Base

- Further strengthen investments in human capital, intellectual property, R&D, and DX, as "capital = source of competitiveness"
- Leverage the diversity of Taikisha Group's human resources by further fostering a free and open corporate culture • Further enhance total return ratio through commitment to ensuring stable dividends and
- purchasing treasury shares Disclose target values and timing of achievement of reducing cross-shareholdings

Basic Policy and Direction of the Mid-Term Business Plan / Initiatives

Further strengthen core businesses

Continuously create added value through pursuit-based problem solving, which is one of our strengths

Basic Policy

Challenge to create new value

Create innovation and expand business domains by integrating our own technologies with external knowledge

Strengthen management base that supports transformation and growth

Undertake initiatives with a focus on human capital, digital strategies, and governance to transform our business structure

Direction

Green Technology System **Business**

Business development that continues to create added valu

Strengthen Taikisha, the Technology Company

Improve business operatio systems and productivity

Paint Finishing System **Business**

home and abroad Development with an awarenes of global social issues

Establish a firm position at

Improve business operation systems and productivity

Development from the customers' perspective

Open innovation

Horizontal deployment of technologies that are our strength

Develop and secure human capital

Strengthen the Group governance

Develop new businesses

Digital strategies to provide

manufacturing industry

Designing global educational programs

 Create a business in a niche field by equipment integrating HVAC business with

business

Automation • Focus on robot control technology to develop non-automotive markets such as automated sanding equipment

business

Plant factory • Establish a brand through plant construction and aggressive market development for production and sales of factory vegetables

Creating an organizational culture that fosters innovation

Decarbonizing business initiatives to achieve carbon neutrality

Establishing a development structure linked to overseas bases

Digitalization and DX of business operations to improve ease of work

Business process reform to eliminate forcing, waste, and inconsistency

Diversification of technologies to meet the needs of non-Japanese customers

Optimizing human resources by reviewing the project management structure

Improve employee engagement
Systematic development of human resource value

Improving productivity through onsite digitalization and DX
Establishing a global IT and DX structure

Digital integration for R&D and new business creation

Business portfolio management in light of capital costs

Enhancing the effectiveness of the board of directors and auditing functions of affiliated companies

Pursue new businesses by utilizing intellectual property and integrating with external knowledge through R&D

Quantitative Management Targets

Financial Targets

Quantitative targets for the Ordersreceived

2,360 hundred million Net sales of completed construction

2,380 Ordinary income hundred million

hundred million

Profit attributable to owners of parent

hundred million (ROE)

Return on equity

7.2%

growth

Three years of

hundred million

Dividend policy

Dividend on equity ratio (DOE)

3.2%

Non-financial **Targets**

CO₂ emissions from business activities (Scope 1 and 2)



46% reduction by 2030 (compared with FY2015 results)