

# Value Creation Process

Taikisha's Mission Statement "Customers First" refers to the spirit of earning the ongoing trust of stakeholders (society in general). Since the foundation of Taikisha in 1913, this guiding principle has underpinned its efforts and was formulated anew in 1970 as the "Customers First" Mission Statement. Based on this mission statement, Taikisha will continue to create new value for others while striving to achieve its sustainable growth.

## Environment surrounding Taikisha

### ● Business opportunities

- Response to climate change
- Efficient use of resources and energy
- Development of industries and technological innovation
- Contribution to creating sustainable cities and communities
- Use of IoT/AI and technological innovations toward automation

### ● Risk factors

- Fluctuations in private-sector capital investment
- Risks involved in overseas business operations
- Risks involved in intensified price competition
- Fluctuations in material prices
- Natural disasters/accidents

### ● Internal issues

- Work style reform and human resource development
- Building a solid governance system
- Optimum quality control
- Stakeholder engagement

## Capital invested

### Financial capital



### Manufactured capital



### Human capital



### Intellectual capital



### Social/relationship capital



### Natural capital



Optimal allocation of capital invested

## Business activities

### Creating an optimal through unique

Green Technology System Business

Environment-responsive Technologies

107 years of trust since foundation

Provider of solutions and ingenuity

Capitalize on opportunities through

### Value chain

Technology development and design

Order receiving

### CSR activities that support sustainable growth

Address internal issues based on our Materiality

Governance

Quality

P29-30

P33-40

P55-56

## environment engineering

### Paint Finishing System Business

P09-10

One and only painting business

Overseas operations spanning 8 decades

Solid global network

business and manage risk factors

Procurement Construction Operation, management and after-sales services

Environment

P41-52

Labor practices

P57-60

## Provision of value

### Financial capital

- Maintain a solid financial foundation
  - Net assets of 112.8 billion yen
  - Equity ratio of 50.2%

### Manufactured capital

- Respond to clients' needs by leveraging R&D facilities
  - Capital investment of 2.2 billion yen
  - 5 R&D facilities in Japan and overseas

### Human capital

- Generate customer satisfaction
- Advancement of overseas local staff
  - Ratio of overseas employees: 65%
- Variety of education and training

### Intellectual capital

- Hand down technology to the next generation
- Enhance technological platforms using IT tools
- Accumulate technologies and know-how overseas
  - Accumulated overseas affiliates' sales of 2.1 trillion yen

### Social/relationship capital

- Maintain a solid global network
  - 37 affiliates in Japan and overseas
- Abundant transactions
  - 1,408 clients and 1,795 subcontractors

### Natural capital

- Reduce environmental impact
- Efficiently utilize resources/energy
- Use "air," a natural resource



## Practicing "Customers First"

At Taikisha, "Customers" are broadly interpreted as all stakeholders surrounding the company. By practicing the Mission Statement "Customers First" through its businesses, Taikisha will seek to generate benefits and happiness for all such stakeholders.

FY2019 results except for accumulated amount

For Taikisha's specific "value creation" initiatives, please see the special features on P.23-28. >>>>

P23

Value Creation Feature

1

### Environmentally conscious technology

Providing unique technology based on expertise in energy saving and automobile paint finishing

**Contributing to Environmental Development with Exhaust Air Processing Technologies (RTO)**

P25

Value Creation Feature

2

### Solid global network

Technological and innovation initiatives through global alliances

**Initiatives at Geico S.p.A., Italy**

P27

Value Creation Feature

3

### Environment creation technology

Technology supporting automobile development

**Environment Test Room**