

Taikisha Group's Mid-Term Business Plan (from FY2019 to FY2021)

Philosophy Scheme

Mission Statement "Customers First"

We refer "Customers" to society in general. Our mission statement "Customers First" refers to the spirit of earning the ongoing trust of "Customers." In order to achieve this, we as a company and as individuals act in a way to generate benefits and happiness for all our customers, and on our conscience, we are committed to do our best in every aspect.

Corporate Philosophy

1 Establish a company which can continuously grow and contribute to society

- 1) We strive to grow continuously by enhancing our added values; thereby, bringing prosperity to our customers and business partners as well as to our employees.
- 2) We strive to create rich environment and evolve the industrial society through our engineering expertise that meets the needs of the society, in order to achieve our ultimate objective to contribute to the society.

2 Establish an attractive company

- 1) We aim to be a motivation-oriented company where the employees can demonstrate creativity and vitality through their work responsibilities.
- 2) We aim to be a company having the corporate culture in which all employees work in close cooperation to achieve the goals of the company, with the spirits of mutual trust, collaboration and rationality.
- 3) Through the expansion of our expertise in "Energy, Air, and Water," we aim to become a unique company in all aspects of corporate management, including engineering, marketing, and human resource development.

Mid-term Business Plan—Basic Policy, Direction and Strategies

Basic Policy	Direction	Strategies
<p>Solidify the Company's position in the global market</p> <p>Increase competitiveness and profitability and aim to solidify the Company's position in the Japanese and overseas building equipment industries.</p>	<p>Reinforce business base</p> <p>Enhance competitiveness</p> <p>Improve profitability</p>	<ul style="list-style-type: none"> ● Build a well-balanced business portfolio: Respond to changes in the environment and economic fluctuations ● Enhance added value: Energy-saving-, cost-saving- and environment-responsive technology and automation technology, etc. ● Upgrade and utilize laboratories: Reinforce technological development capabilities and strengthen proposal capabilities through the visualization of technology ● Make priority allocations of management resources into the growth markets. ● Enhance productivity: Improve and propagate onsite construction methods and business processes and utilize IT, etc.
<p>Strengthen initiatives for the future</p> <p>Look ahead to future changes in the market environment and promote the development of systems and structures that will turn those changes into business opportunities.</p>	<p>Expand business domains</p> <p>Environment response</p>	<ul style="list-style-type: none"> ● Deepen existing major business domains ● Expand new businesses: The plant factory business, the automatic painting business for large vehicles other than automobiles and other businesses ● Reinforce capabilities to solve clients' environmental issues: Reduction of greenhouse gas emissions and environmentally hazardous substances by leveraging the technological expertise cultivated in the HVAC business
<p>Build an attractive company and establish a solid management base</p> <p>Reinforce human resource strategies that will make the Company more attractive and the corporate governance structure which will increase society's trust in the Company.</p>	<p>Human resource strategies</p> <p>Governance</p>	<ul style="list-style-type: none"> ● Secure human resources: Measures to make the Company more attractive including the enhancement of systems to enable flexible work styles, improvement of benefits and reduction of working hours ● Firmly establish the Career Planning Scheme: Raise the capabilities and enhance the motivation of employees ● Reinforce corporate governance: Reinforcement of the management oversight functions of the Board of Directors and capital cost-conscious management ● Reinforce the internal control systems both in Japan and overseas

Long-term Vision

“Aim to become a global corporate group that creates an optimal environment through unique engineering”

Technology

Aim to become an engineering group that meets the diverse needs of clients through energy-, air- and water-based technology.

Environment

Solve clients' environmental issues with innovative solution technology and contribute to passing on the rich global environment to future generations.

Human Resources

Respect individual creativity and diversity, and value the corporate culture which allows employees to experience one's growth and the joy of working.

Results of the Fiscal Year Ended March 2021 (examples)

- Secure stable suppliers and business partners
- Maintain a sound financial base

- Utilize IoT/AI: Promote the development of new solutions
- Enhance the company's presence through stepped-up PR

- Reinforce the project management structure

- Expand business areas into new countries
- Promote alliance with overseas group companies: Reinforce capabilities to respond to the needs of overseas clients

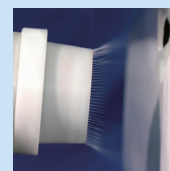
- Respond to social needs such as SDGs- and ESG-related needs through business operations: Pursue these areas as new business opportunities

- Reinforce human capital and organizational capabilities through the utilization of diverse human resources
- Secure employees in line with the situation of each overseas group company

- Improve the global risk management system: Legal risks, information security, compliance, etc.

1. Realization of automatic paint system designed to achieve a 100% coating efficiency

The Company jointly developed “i-ESTA100TE” with TOYOTA AUTO BODY CO., LTD. “i-ESTA100TE” is an electrostatic automatic painting system that uses electrostatic force to atomize the paint. The painting system achieved difficult-to-achieve 100% transfer efficiency, enabling simplification of the paint booth, saving energy and reducing environmental burden.



2. Further expansion of the plant factory business and construction of our first mass production factory.

In September 2021, the Company shipped the first load of lettuce from its own mass production factory. The Company aims to build a new brand as a comprehensive agricultural company engaged in construction of plants to production and sales of vegetables.



3. Adoption of telework system and recognition under the “2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program” (White 500)

➡ Telework P.55 ➡ Health Management P.56

We will continuously promote these measures to make the Company more attractive including the enhancement of the systems to enable flexible work styles, as well as the improvement of benefits and reduction of working hours.



Numerical Targets

Targets for the fiscal year ending March 2022

Orders received	Net sales of completed construction contracts	Ordinary income	Profit attributable to owners of parent	Return on equity (ROE)	Investment plan
265 billion yen	260 billion yen	16 billion yen	10 billion yen	8% or higher	20 billion yen

We will aim for return on equity (ROE) exceeding capital costs and strive to increase corporate value.