

R&D Satellite Plan

Opportunity for innovation in central Tokyo

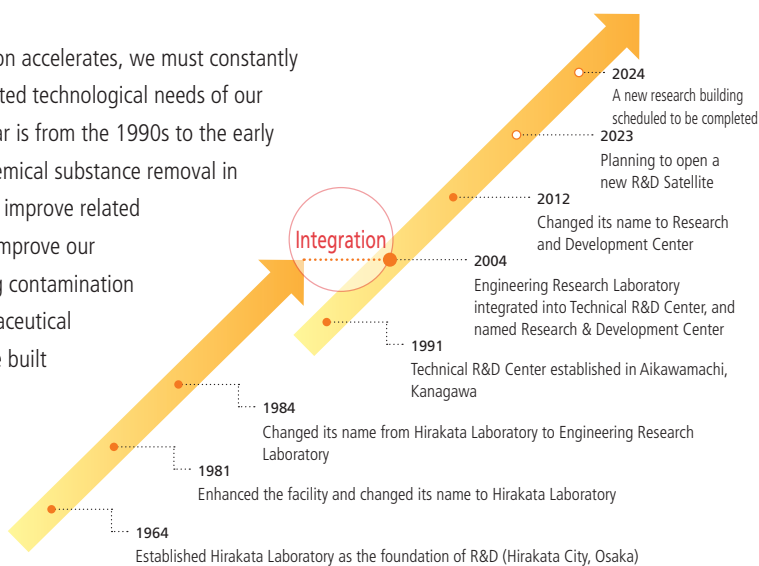
At the Company, the Research and Development Center plays an important role as a place that greatly contributes to the realization of the long-term vision (see pages 21 and 22) newly set in 2022 as our ideal state for 10 years from now, and the realization of "Strengthen Taikisha, the Technology Company".

With the aim of widening the contact point for value co-creation with customers and other external parties, we are moving ahead with plans to establish some of its functions in central Tokyo (Shinjuku-ku, Tokyo), where it is accessible. We aim to provide visitors with a place that inspires them to learn more about Taikisha's technology, to collaborate with Taikisha, and to actually experience our technology.

History of Taikisha Research and Development Center

Since establishing the Hirakata Laboratory (later, changed its name to Engineering Research Laboratory) in Osaka Prefecture in 1964, the Company has continued to conduct R&D on air conditioning, painting, and pollution control equipment, and has produced many original products. In consideration of the balance between the market and research facilities, it became necessary to establish a large research institute in the Kanto region. Therefore, in 1991, we established Technical R&D Center in Kanagawa Prefecture, and later, we integrated the Engineering Research Laboratory and the Technical R&D Center.

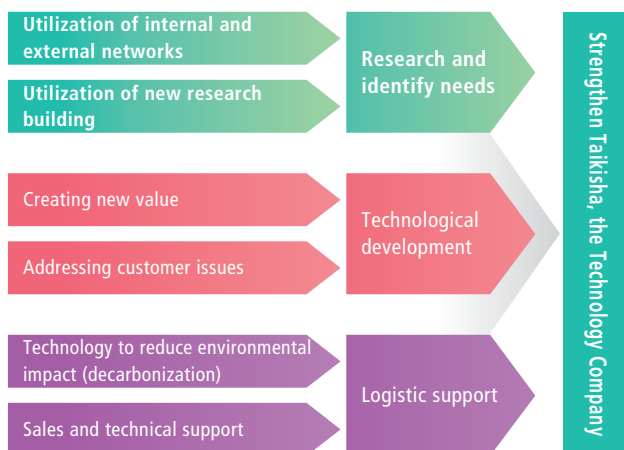
As the speed of social change and technological innovation accelerates, we must constantly improve our technologies to meet the increasingly sophisticated technological needs of our customers. One example of the progress we have made so far is from the 1990s to the early 2000s. In response to the demand for ultra-clean air and chemical substance removal in cleanrooms for semiconductor manufacturing, we worked to improve related technologies. In addition, we have been working to further improve our technology for preventing contamination, such as alternating contamination between rooms, and related technologies required in pharmaceutical cleanrooms. As a place to share these technologies, we have built a showroom in our R&D facilities, which we use to solve technical problems in customers' equipment, predict design results, verify various systems, and so on, to earn customers' trust and assure quality.



Functions of the Research and Development Center

The Company's R&D facilities have three functions.

- 1) Research and identify needs**
Research and identify customer needs through internal and external networks, utilization of the Research and Development Center, collaboration with academic institutions and customers, etc.
- 2) Technological development**
Addressing issues of the clients, providing new value to society, and creating new value through open innovation
- 3) Logistic support**
Support for the realization of decarbonization through the provision of technologies to reduce environmental impact, and sales support utilizing the Research and Development Center and IoT



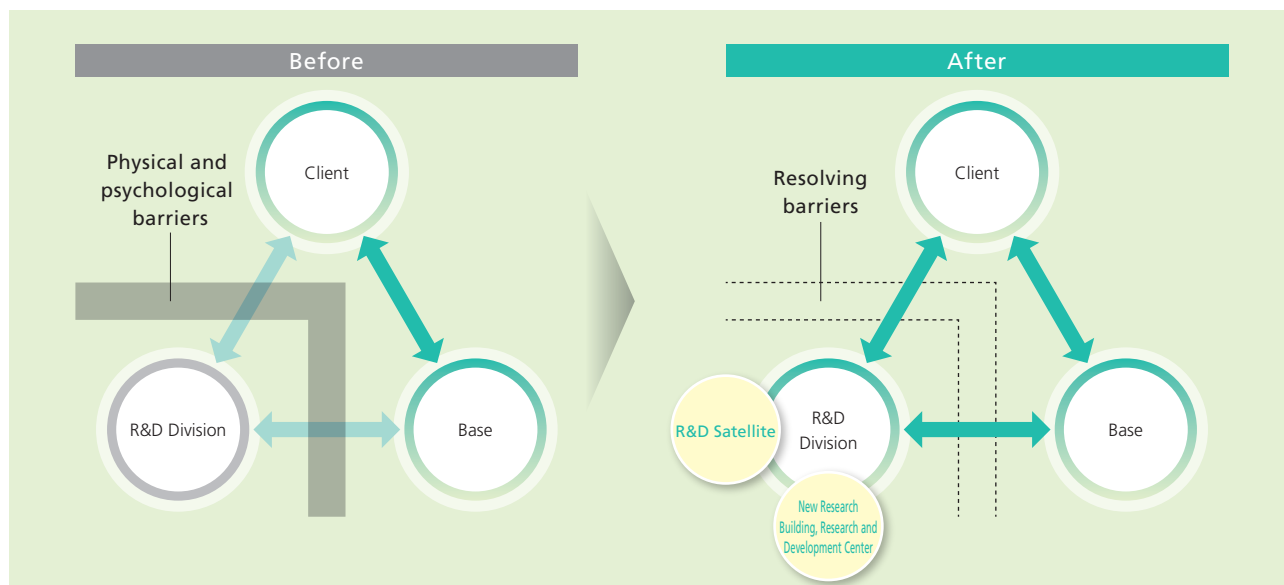
Background and objectives of establishing R&D Satellite

In addition to "Further strengthen core businesses," the Company's new Mid-Term Business Plan sets forth "Challenge to create new value" as its basic policy. In order to create innovation and expand business domains, it is essential to integrate our existing technologies and know-how with external knowledge.

The Company has been making direct visits to customers to introduce its technologies, but the fact is that customers' bases and the Company's bases are often far from each other, limiting opportunities for introduction. In addition, although it is desirable to connect a customer's base with the Company's Research and Development Center and exchange opinions while actually seeing our proposed technology, we found it difficult to develop a sense of unity with customers due to the inconvenience of the existing facilities. As a facility to solve these issues, we are currently establishing an R&D Satellite (tentative name: TAIKISHA INNOVATION GATE Shinjuku, scheduled to open in January 2023).

The R&D Satellite, located in central Tokyo, has the advantage of being more accessible to customers and other outsiders compared to the Research and Development Center. We hope that the R&D Satellite will serve as a place for people to gain a better understanding of the Company and its technologies and to create opportunities for innovation.

Vision of R&D Satellite



A place open to everyone, removing physical and psychological barriers
A place connected to various bases in the Company, including the Research and Development Center (entrance)

- Realize new insights through casual communication with customers, understand customer issues, and link them to new development themes
- Pursue the next round of innovation by integrating solutions held by customers and those held by the Company (accelerate innovation through collaborative creation)



Image of R&D Satellite