

Third-Party Opinion



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This Integrated Report 2022, the second to be issued after the transition from the CSR Report, does not significantly change the structure of the report, but it is evolving in content in line with the launch of the new Mid-Term Business Plan (from FY2022 to FY2024). In short, the integration of management strategy and sustainability has become even more advanced. In other words, the intention to synchronize the resolution of social issues with growth strategy has become clearer than ever.

In this issue, this message will be developed in each part of the long-term vision consisted of “Innovative Engineering” and “Diversity & Inclusion.” First, the Top Management’s Message explains the implications in detail. The former indicates a broad direction to pursue value creation through creative engineering in energy, air, and water by deepening existing strengths and exploring new fields, and as its foundation, the latter indicates the value of the corporate culture which has been fostered through global business development from the early stage. This is what Taikisha is aiming for over the long term, and at the same time, I feel that these two are an inseparable set that expresses what Taikisha is like, serving as a kind of basso continuo, an underlying philosophy. This long-term vision is then embodied through the three pillars of the basic policy of the new Mid-Term Business Plan. In response to the urgent task of transitioning to become carbon neutral, this report has a clear structure in which it presents Taikisha’s approaches from both their core businesses and the creation of new value, as well as initiatives on human capital, which will serve as the foundation, in conjunction with the digital strategy.

In the next Feature article, it is presented that efforts to explore new areas are already steadily progressing through the “R&D Satellite Plan,” and the transition strategy and technology roadmap for the paint finishing systems toward carbon neutrality are presented in a way that connects further strengthening of the core business and innovation through the “Evolution and Challenges in the Field of Automobile Paint Finishing Systems,” and this provides readers with a more concrete picture of the implications for the long-term vision.

The enhancement of the explanation of materiality analysis was also a success, and this report has smoothly developed the story of value creation. Moreover, the best part of this issue is to stop this flow and move on to the round table discussion with Outside Directors who are responsible for examinations and verifications from an external perspective. Stories of the Company’s value creation is discussed from objective and diverse perspectives of Outside Directors, and the background to the long-term vision is clarified through frank exchanges of views with top management. By placing this article in this order, I found that it had the effect of ensuring a certain degree of objectivity in the subsequent pages about the recognition of strengths by business divisions and the description of business strategies.

On the other hand, to make the best use of the story for value creation developed throughout the report based on the long-term vision, we expect further elaboration of the “Value Creation Process” at the beginning of this report. In particular, I was concerned that the final outcome as an impact was limited to a description of general value and was not well linked to the long-term vision. In addition, I hope that the human capital, which is the foundation of value creation, will further express the characteristics of your company, including KPI. In this regard, it was not what I had expected that the disclosure item focused on “Human Resources” in the last issue was taken a step back and returned to “Social” this year. I am looking forward to further evolution in the future.

In Response to the Third-Party Opinion



Masanori Nakagawa in charge of CSR, Director, Executive Corporate Officer

I would like to express my sincere gratitude to Mr. Takegahara for his valuable and thought-provoking opinions and warm encouragement.

In this second issue of the Integrated Report, we focused on the newly formulated Mid-Term Business Plan and long-term vision and endeavored to convey in a satisfactory manner the connection between the Company’s unique strengths and consistent orientation that have been cultivated over the course of its history from the past to the present, and its management and business strategies for the future. In the future, in accordance with the advice from Mr. Takegahara, we will aim to improve the Integrated Report taking into account the positioning of our long-term vision in the “Value Creation Process” and the disclosure of our policy on human capital, which is the foundation of value creation, in a well-conceived manner.

We would like to ask to continue giving us candid advice and opinions.