

Paint Finishing System Business

In the Paint Finishing System Business, we design and construct automotive paint finishing plants that achieve high coating quality, energy saving, and environmental consciousness. In addition to the paint booth, which is the workspace used for painting, the Company currently boasts No. 1 market share in Japan and No. 2 in the world by predominance as a total engineering company, including pretreatment, electrodepositing lines painting robots, conveyor systems, and paint feeding systems necessary for paint finishing plants.



We will pursue sustainable growth of the Paint Finishing System Business by developing new technologies that stay ahead of changing times and transforming medium- to long-term business portfolio.

Director, Managing Corporate Officer, Chief General Manager, Paint Finishing System Division

Yukinori Hamanaka

Business environment (risks and opportunities)

- In addition to increasing production volume in the four-wheel automobile market, increasing trend in new investments for EVs and additional investments for carbon neutrality
- Increasing opportunities for joint development, technical exchanges and proposals for realization of carbon neutrality
- Increasing need for automation and accelerating smartification of manufacturing lines
- Increasing need for alternative automobile painting technologies and technological innovation in the paint finishing process
- Changes in customers in line with their shift to EVs
- Increasing need for automation in manual work field due to the aging of skilled workers

Strengths

- Technological capabilities to achieve the world's highest-level painting quality, and rich experience as well as profound knowledge and understanding regarding painting technologies
- Advantages of long relationships of mutual trust with customers, mainly Japanese automobile manufacturers, as well as know-how on automotive paint finishing facilities and familiarity with the specifications of each automobile manufacturer
- System integration technology and know-how for industrial robots cultivated from automobile painting processes
- High market share mainly in the Asian market
- One of the few companies in the world that can provide full turnkey support in the construction of paint finishing factories

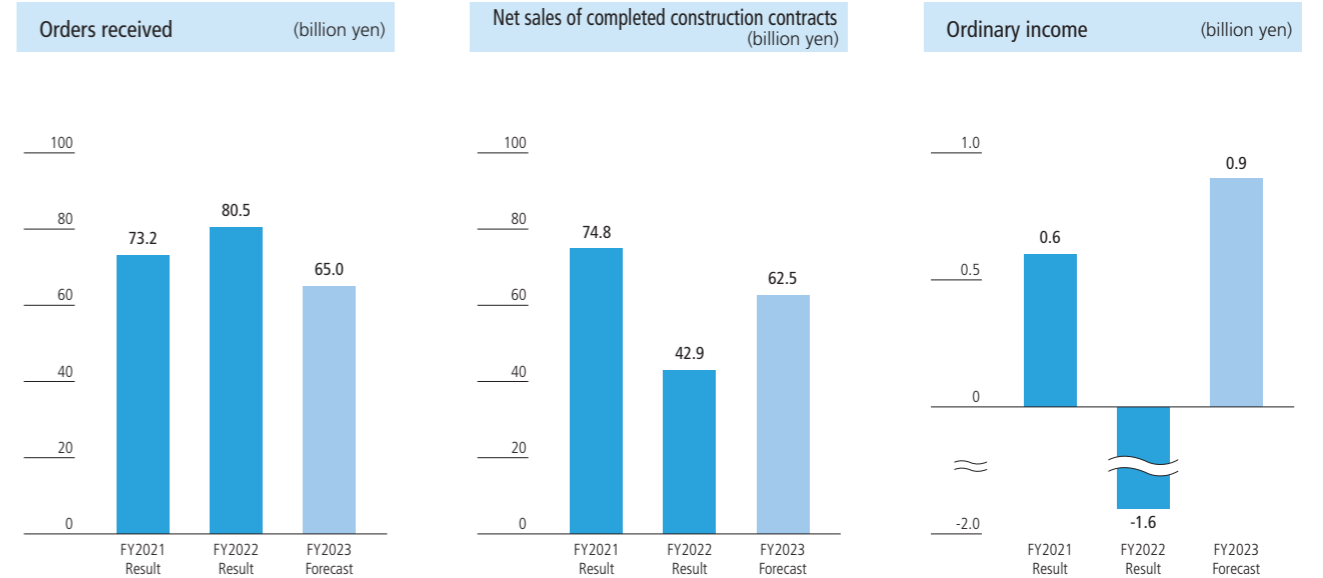
Business environment surrounding Paint Finishing System Division in light of risks and opportunities

The four-wheel automobile market, a core business of the Paint Finishing System Division, is said to be undergoing a once-in-a-century revolution. Thus, the market faces a turning point in an era where various changes can occur drastically. As we enter the era of EVs toward carbon neutrality, OEMs specializing in EV manufacturing are beginning to adopt production technologies based on completely new ideas.

New production technologies change production methods, resulting in fundamental changes in how automobile painting should be. For example, if the production of automobiles by block becomes mainstream, the current way of painting the whole car body may be replaced by the way of painting by part. Even if the traditional painting by parts continues, paint-free "alternative painting" may become a new production technology, instead of the conventional wet painting method of spraying liquid paint.

We believe that dry decoration technology applying films, an alternative painting technology, is compatible with a new way of manufacturing cars and can be a game changer contributing to carbon neutrality, thereby we rush to develop this technology. We want to be elected as long-term business partners and help conserve the global environment with our customers by always staying a step ahead in dealing with these changes in the times and solving issues of customers with new technologies.

Through these efforts, we will cherish our existing customers and raise the share of non-Japanese companies and customers outside the automotive market. To this end, we will strive for sustainable growth, promoting the transformation of medium- to long-term portfolio.



Key strategies	Direction of the Mid-Term Business Plan
<ul style="list-style-type: none"> ■ Expand our automation business by utilizing our robot control technology and know-how ■ Work with partner companies to approach new customers outside the automotive market ■ Formulate and implement regional business strategies 	<p>Establish a firm position at home and abroad</p> <ul style="list-style-type: none"> ■ Make our business domains and customer portfolio well-balanced one ■ Develop non-automotive markets ■ Further attract non-Japanese customers
<ul style="list-style-type: none"> ■ Improve coating efficiency and promote the development of energy-saving technologies ■ Develop and verify equipment with low environmental impact, such as hydrogen fuel burners ■ Promote the development of dry decoration technologies 	<p>Development with an awareness of global social issues</p> <ul style="list-style-type: none"> ■ Contribute to the realization of carbon-neutrality
<ul style="list-style-type: none"> ■ Utilize DX ■ Enhance global education programs, including those for national staff 	<p>Improve business operation systems and productivity</p> <ul style="list-style-type: none"> ■ Contribute to early visualization of customer factories as well as installation of concurrent engineering and smart factories ■ Improve engineering capabilities of the entire Taikisha Group

Taikisha delivered i-Dry Scrubber to the plant of Toyota Motor Manufacturing de Guanajuato (TMMGT)

In December 2022, Taikisha delivered i-Dry Scrubber (a cardboard filter-type booth) that does not use water to a plant in Mexico of TMMGT, an automobile manufacturing subsidiary of Toyota Motor Corporation. This is a dry scrubber system to collect paint mist that is splashed in the booth when painting car bodies through cardboard filters. Installation of this system has contributed to energy saving and reduction of environmental burden.

