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Upon reviewing the Integrated Report 2024, what struck me was the clear articulation of the value creation story, which skillfully combined various strategic moves aimed at the next Mid-Term Plan with steady progress in line with the Long-term Vision. In order to convey a sense of progress toward future goals, while in the midst of formulating the next plan—when working out a new sense of direction is difficult—it is essential to present a strong, consistent message along with scrupulous structural adjustments that seamlessly integrate tangible current achievements with future outlooks.

President Osada's top message presents these things in a straightforward manner. This time, the main themes are dialogue and communication. President Osada discusses the multifaceted role of communication in the growth strategy, including promoting the sharing of advanced technical knowledge, and increasing the cohesion and motivation of group employees, while addressing the advanced and diversified environmental technology needs of customers working towards decarbonization, and leveraging the autonomy of overseas bases cultivated as a global company. The Round Table Discussion with Outside Directors expands on the top message, further delving into the topic of communication. Incorporating diverse perspectives from outside directors, it was a substantial discussion that highlighted the essential issues faced in "creating mechanisms to enhance engineering capabilities."

As one reads through the report, one notes that communication remains the overarching theme, which is masterfully linked into various forthcoming developments to be featured in the next mid-term business plan. In the previous year's top message, President Osada focused on the group's strengths in "design and engineering capabilities and "global expansion," emphasizing the importance of intangible assets such as human and intellectual capital in strengthening these areas over the long term. This time, the theme can be seen as the concretization of strategies to leverage intangible assets. This consistency can be said to be characteristic of Taikisha's reports.

The consistent message also helps to weave the various achievements presented in the latter part of the activity report into a single narrative, rather than treating them as separate topics. Achievements such as managing major equipment for the construction of semiconductor giant TSMC's Japanese factory, leading to the operation of the new Research and Development Center for the Green Technology System Business and collaboration with the headquarters R&D satellite, are interesting topics on their own. So are feats such as establishing systems for the practical application of dry decoration technology in the painting systems business. However, in the context of communication aimed at strengthening "design and engineering capabilities" and "global expansion," these initiatives are interconnected, enhancing the clarity and depth of Taikisha's value creation story.

Moreover, this series of achievements is linked to the groundwork for the future, indicating the direction of the upcoming mid-term plan. Such developments that raise expectations are commendable. The establishment of the new Business Development Headquarters, focused on global business growth; the expansion of the Green Technology System Business into the semiconductor sector, incorporating experience from TSMC; the advanced technical R&D of the painting division, which employs dry decoration technology; and the utilization of digital technologies across all businesses—all these represent steady progress aligned with the Company's long-term vision while strongly signaling future developments. I look forward to seeing further developments in this report when it is complete.

In Response to the Third-Party Opinion



Masanori Nakagawa, Director, Executive Corporate Officer in charge of Sustainability Promotion

I am deeply grateful to Mr. Takegahara for the insightful opinions and warm encouragement he offers each time.

This fourth issue of the Integrated Report, marking the second year of the president's tenure and the development of the next Mid-Term Business Plan, focuses on conveying our efforts and intentions to stretch further and find additional growth potential while steadily progressing toward the realization of our Long-term Vision. We believe that in order to have a clear vision of how we want Taikisha Group to be, and work as a unified whole to achieve it, it is essential to engage in deep dialogue to align our efforts. To this end, we also strive to foster open and unrestricted global communication to integrate diversity.

Going forward, we aim to further refine this approach to create a medium through which value creation stories emerge from specific initiatives on the ground.

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