

TAIKI-SHA LTD.

# Financial Results Material

FY2024(Ended March 31, 2025)

May 15,2025

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## Achieved record-high ordinary income due to improvement in profitability for construction, etc.

### Business environment (Overseas)

Although there is a concern about the slowdown of the global economy, the capital investment of manufacturers continued to be steady.

### Business environment (Japan)

Capital investment associated with electronic component manufacturers, automobile manufacturers, and data center is ongoing, and demand for the renovations in the Tokyo area was steady.

#### Orders-received

**277.4**

Billion yen

YoY Change  
**+5.3%**

#### Sales

**276.2**

Billion yen

YoY Change  
**-5.9%**

#### Ordinary income

**19.9**

Billion yen

YoY Change  
**+0.4%**

#### Profit attributable to owners of parent

**11.0**

Billion yen

YoY Change  
**-29.3%**

## Exceeded forecasts in orders-received and net-sales of completed construction contracts, and ordinary Income

(JPY bn)	FY2023 Results	FY2024 Results	YoY Change	FY2024 Forecasts*2	vs. Forecast
Orders-received	263.5	277.4	13.8	267.0	10.4
Net-sales of completed construction contracts	293.5	276.2	-17.3	269.0	7.2
Ordinary income	19.8	19.9	0.0	18.0	1.9
Ratio	6.8%	7.2%	0.5pt	6.7%	0.5pt
Profit attributable to owners of parent	15.6	11.0	-4.5	12.3	-1.2
Ratio	5.3%	4.0%	-1.3pt	4.6%	-0.6pt
ROE	11.6%	7.6%	-4.0pt	8.4%	-0.8pt
EPS*1	235.97 yen	169.44 yen	-66.53 yen	-	-

\*1 A 2-for-1 share split of common shares was conducted on April 1, 2025. Net income per share was calculated assuming the stock split had been conducted at the beginning of the previous fiscal year.

\*2 Revised at the announcement of the financial result for the third quarter

### Exchange rate of main overseas affiliates

(Yen)	① FY2022	② FY2023
US \$	140.55	151.47
THB	4.04	4.31
CNY	19.81	21.04
INR	1.75	1.81

### Exchange rate impact

Impact of exchange rate difference between  
① and ②

Sales: 7.0 billion yen

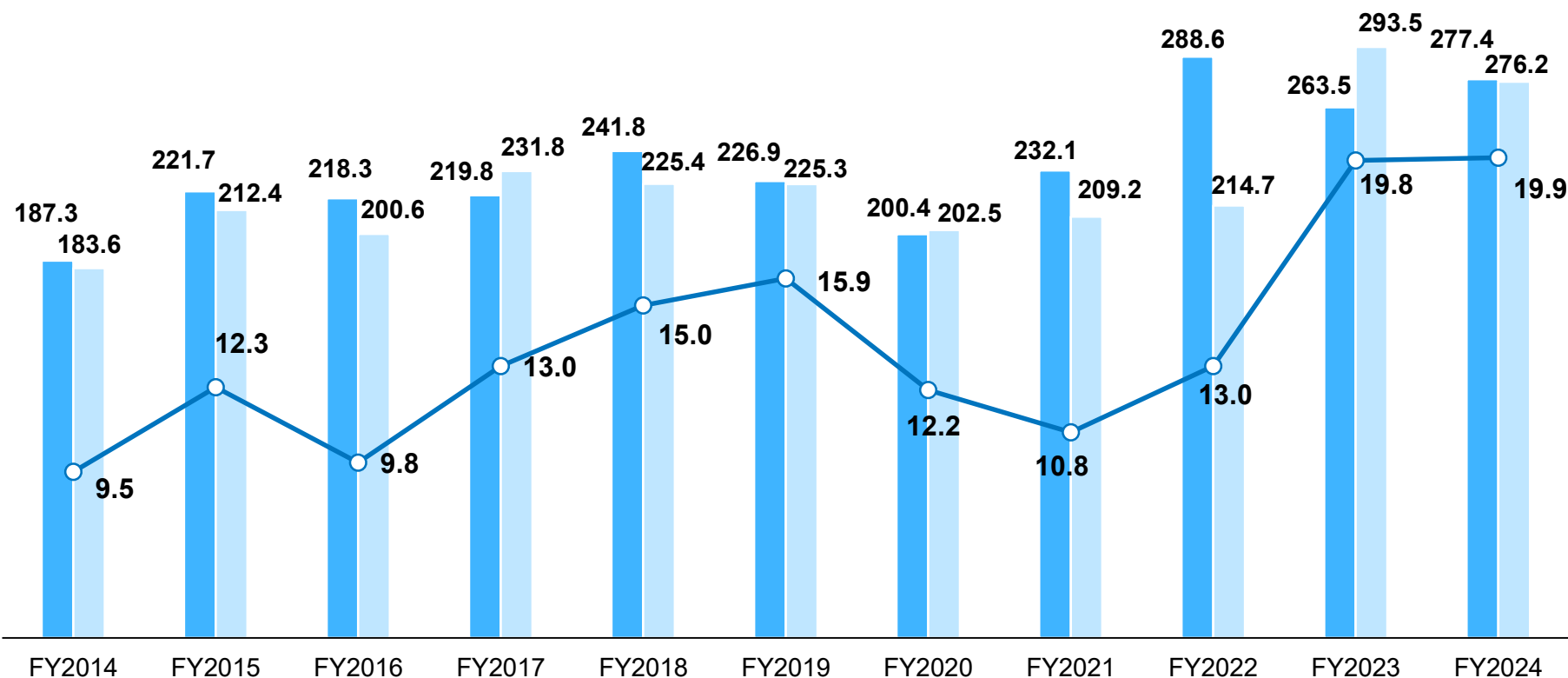
Ordinary income: 0.3 billion yen

## Growth continues despite being affected by external environment

## Trends in Orders-received • Sales • Ordinary income

(JPY bn)

- Orders-received
- Sales
- Ordinary income

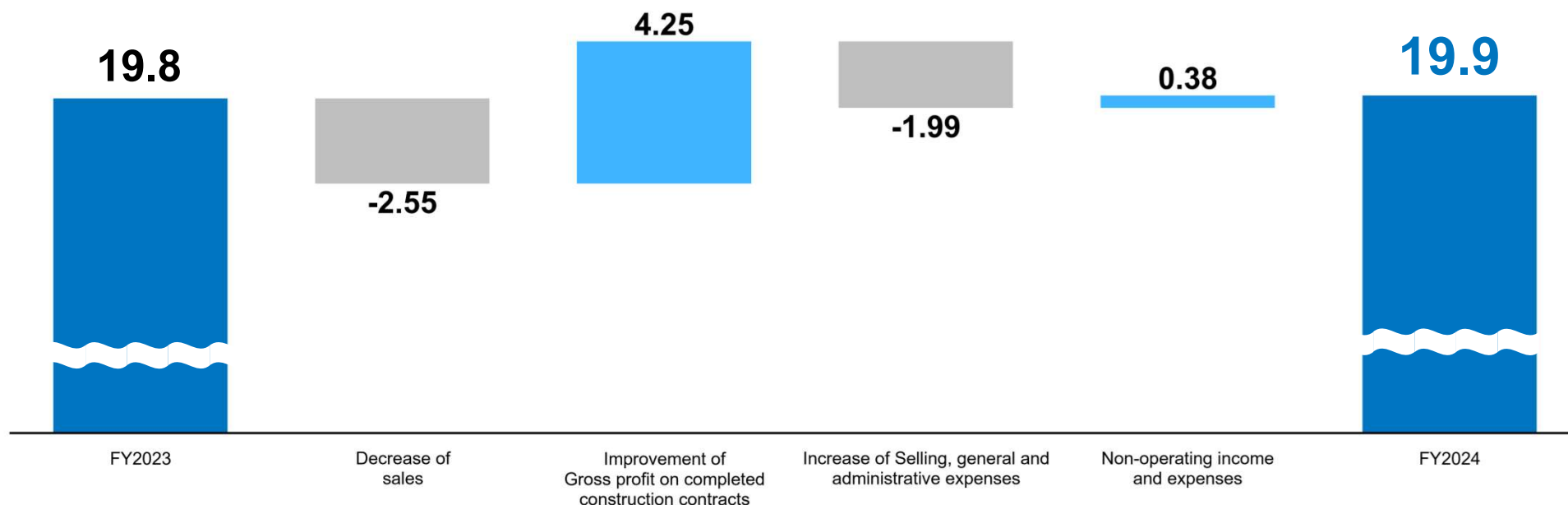


## Maintained record-high ordinary income level due to improved construction profitability

(JPY bn)

### Breakdown of fluctuation in Ordinary Income (YoY change)

- Increase
- Decrease
- Total amount



Although a drop in ordinary income is expected due to an increase in selling, general and administrative expenses primarily related to growth investments, orders-received are expected to reach a record high

### Earnings forecast

(JPY bn)	FY2024 Results	FY2025 Forecasts	YoY Change
Orders-received	277.4	362.0	84.5
Net-sales of completed construction contracts	276.2	279.0	2.7
Operating income	17.9	17.1	-0.8
Ordinary income	19.9	18.2	-1.7
Profit attributable to owners of parent	11.0	12.0	0.9
ROE	7.6%	8.1%	0.5pt

### Exchange rate of main overseas affiliates

(Yen)	FY2024 Results	FY2025 Assumptions
US\$	151.47	146.00
THB	4.31	4.40
CNY	21.04	20.60
INR	1.81	1.74

### Impact of exchange rate fluctuations

Impact of 1% change in all exchange rates on the FY2024 forecast

Sales: 1.4billion yen

Ordinary income: 0.07 billion yen

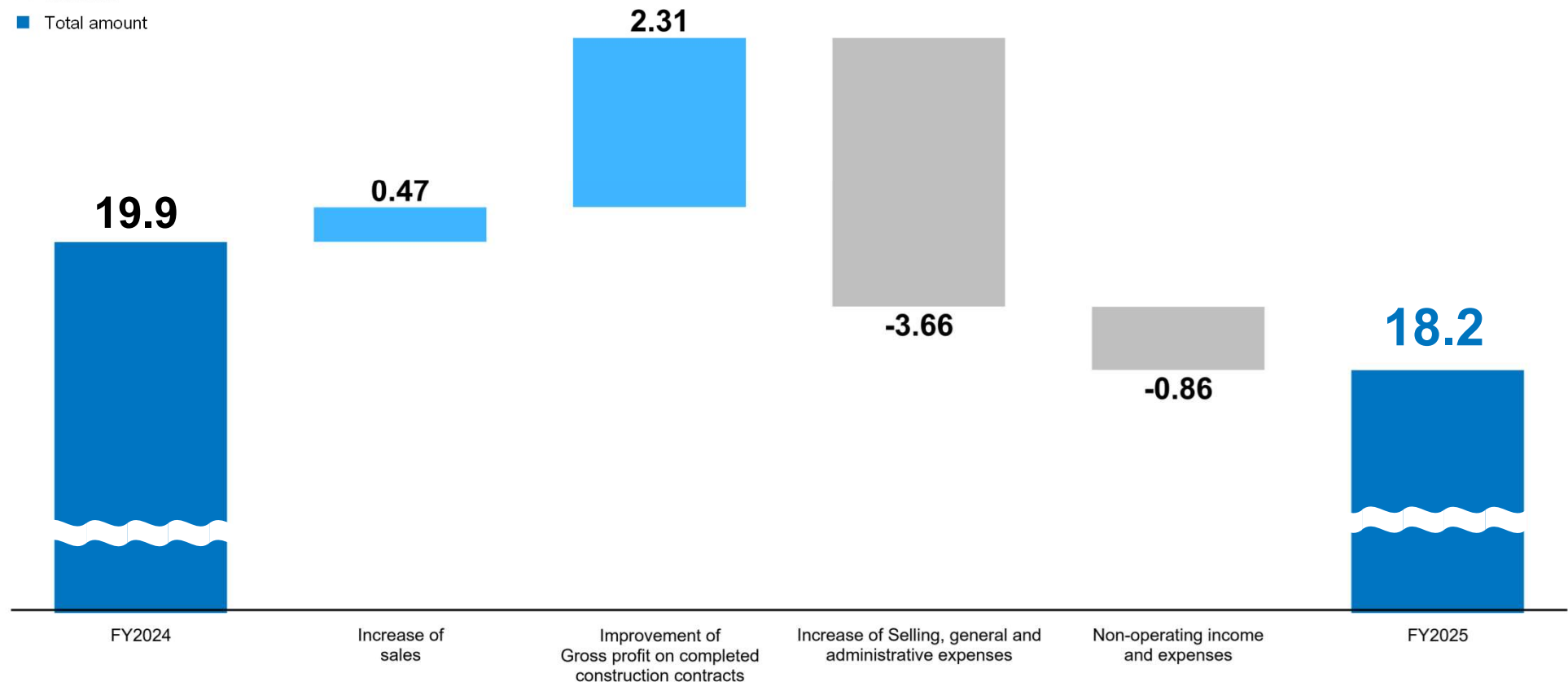


**Income declined due to an increase in selling, general and administrative expenses related to growth investments. With profitability improving, achieve a balance between enhancing profit and implementing growth strategy**

(JPY bn)

### Breakdown of fluctuation in Ordinary Income (YoY change)

- Increase
- Decrease
- Total amount



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## Increased both in Green Technology and Paint Finishing

	FY2023 Results	FY2024 Results	YoY Change	FY2024 Forecasts*	vs. Forecast
(JPY bn)					
<b>Orders-received</b>	263.5	<b>277.4</b>	13.8	267.0	10.4
Japan	148.4	<b>137.2</b>	-11.1	132.5	4.7
Overseas	115.1	<b>140.1</b>	25.0	134.5	5.6
<b>Green Technology</b>	171.9	<b>179.1</b>	7.2	175.0	4.1
Building HVAC	36.2	<b>53.7</b>	17.5	52.5	1.2
Industrial HVAC	135.6	<b>125.4</b>	-10.2	122.5	2.9
<b>Paint Finishing</b>	91.6	<b>98.2</b>	6.5	92.0	6.2

\* Revised at the announcement of the financial result for the third quarter

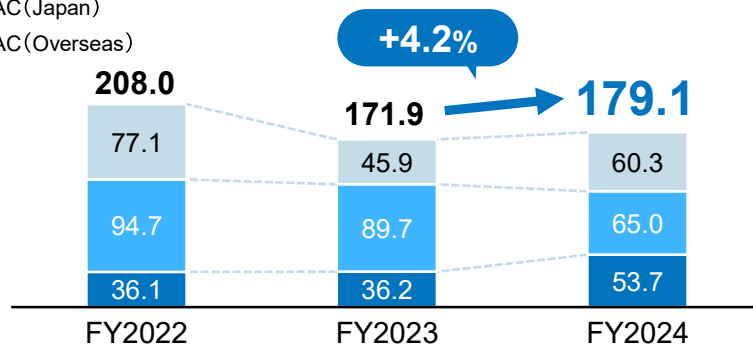
## Achieved YoY growth, driven by data center projects in Japan and overseas orders in the electrical and electronics field

(JPY bn)	FY2023 Results	FY2024 Results	YoY Change	FY2024 Forecasts*	vs. Forecast
<b>Orders-received</b>	171.9	<b>179.1</b>	7.2	175.0	4.1
Building HVAC	36.2	<b>53.7</b>	17.5	52.5	1.2
Industrial HVAC	135.6	<b>125.4</b>	-10.2	122.5	2.9
Japan	89.7	<b>65.0</b>	-24.7	62.5	2.5
Overseas	45.9	<b>60.3</b>	14.4	60.0	0.3
Overseas ratio	26.7%	<b>33.7%</b>	7.0pt	34.3%	-0.6pt

\* Revised at the announcement of the financial result for the third quarter

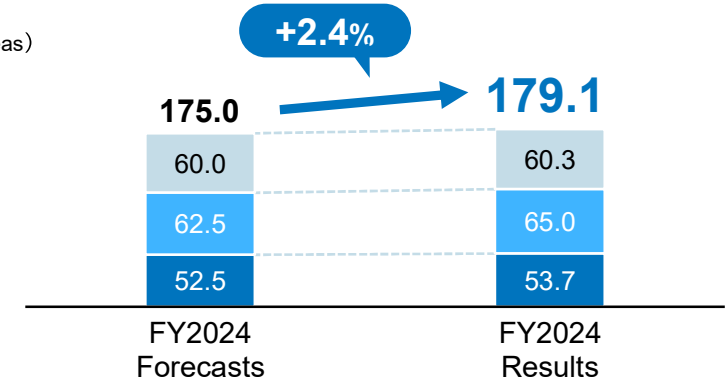
### Trend

- Building HVAC
- Industrial HVAC(Japan)
- Industrial HVAC(Overseas)



### Difference form Forecast

- Building HVAC
- Industrial HVAC(Japan)
- Industrial HVAC(Overseas)



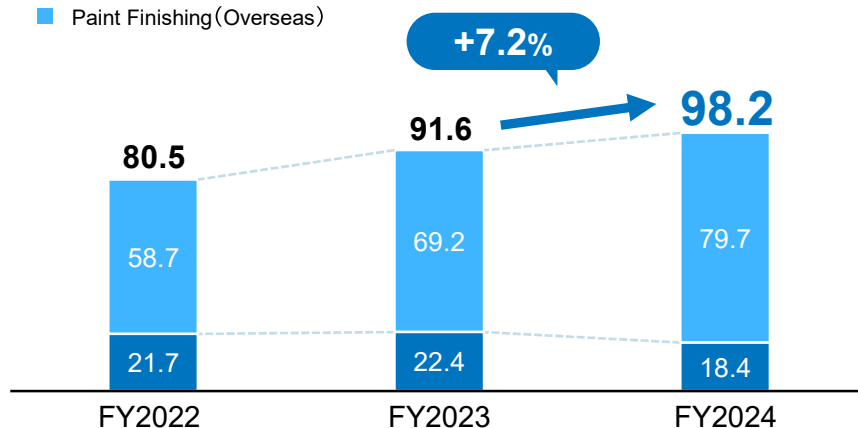
## Despite a decline in Japan, orders-received increased YoY overseas, especially in India

(JPY bn)	FY2023 Results	FY2024 Results	YoY Change	FY2024 Forecasts*	vs. Forecast
<b>Orders-received</b>	91.6	<b>98.2</b>	6.5	92.0	6.2
Japan	22.4	<b>18.4</b>	-3.9	17.5	0.9
Overseas	69.2	<b>79.7</b>	10.5	74.5	5.2
Overseas ratio	75.5%	<b>81.2%</b>	5.7pt	81.0%	0.2pt

\* Revised at the announcement of the financial result for the third quarter

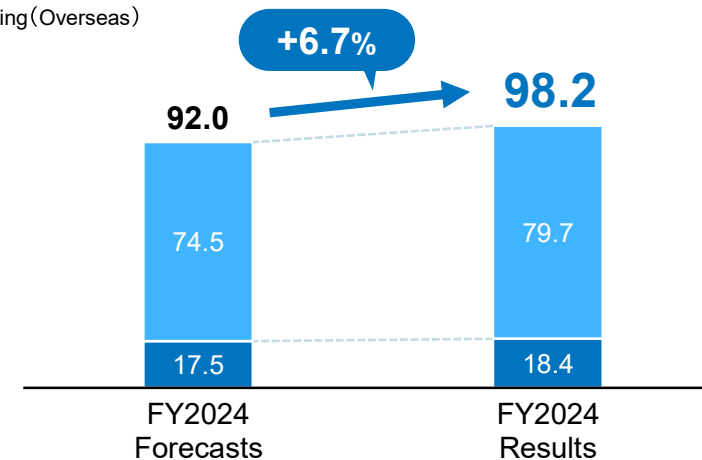
### Trend

- Paint Finishing(Japan)
- Paint Finishing(Overseas)



### Difference from forecast

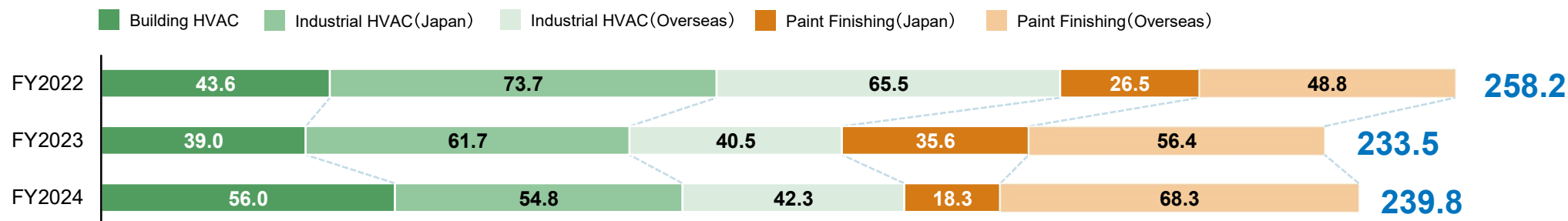
- Paint Finishing(Japan)
- Paint Finishing(Overseas)



## Maintained construction carried-forward at the same level as the previous fiscal year

(JPY bn)	FY2022 Results A	FY2023 Results B	FY2024 Results C	Change B – A	Change C – B
Orders-received	288.6	263.5	277.4	-25.1	13.8
Net-sales of completed construction contracts	214.7	293.5	276.2	78.7	-17.3
<b>Construction carried-forward</b>	<b>258.2</b>	<b>233.5</b>	<b>239.8</b>	<b>-24.7</b>	<b>6.3</b>
<b>Green Technology</b>	<b>182.8</b>	<b>141.4</b>	<b>153.2</b>	<b>-41.4</b>	<b>11.8</b>
Building HVAC	<b>43.6</b>	<b>39.0</b>	<b>56.0</b>	<b>-4.5</b>	<b>16.9</b>
Industrial HVAC	<b>139.2</b>	<b>102.3</b>	<b>97.2</b>	<b>-36.9</b>	<b>-5.1</b>
<b>Paint Finishing</b>	<b>75.4</b>	<b>92.1</b>	<b>86.6</b>	<b>16.7</b>	<b>-5.5</b>

### Breakdown of Construction Carried-Forward



Maintained the same level as in the previous fiscal year due to improved profit margin in the Green Technology and increased sales and income in the Paint Finishing

(JPY bn)	FY2023 Results	FY2024 Results	YoY Change	FY2024 Forecasts*	vs. Forecast
<b>Net-sales of completed construction contracts</b>	293.5	<b>276.2</b>	-17.3	269.0	7.2
Japan	155.7	<b>144.5</b>	-11.1	145.3	-0.7
Overseas	137.7	<b>131.6</b>	-6.1	123.7	7.9
<b>Green Technology</b>	216.5	<b>169.4</b>	-47.0	169.0	0.4
Building HVAC	40.7	<b>36.8</b>	-3.9	37.0	-0.1
Industrial HVAC	175.7	<b>132.5</b>	-43.1	132.0	0.5
<b>Paint Finishing</b>	77.0	<b>106.7</b>	29.7	100.0	6.7
<b>Ordinary income</b>	19.8	<b>19.9</b>	0.0	18.0	1.9
Ratio	6.8%	<b>7.2%</b>	0.5pt	6.7%	0.5pt
<b>Green Technology</b>	17.0	<b>15.2</b>	-1.7	13.6	1.6
Ratio	7.9%	<b>9.0%</b>	1.2pt	8.0%	1.0pt
<b>Paint finishing</b>	2.8	<b>4.2</b>	1.4	4.1	0.1
Ratio	3.6%	<b>4.0%</b>	0.3pt	4.1%	-0.1pt

\* Revised at the announcement of the financial result for the third quarter

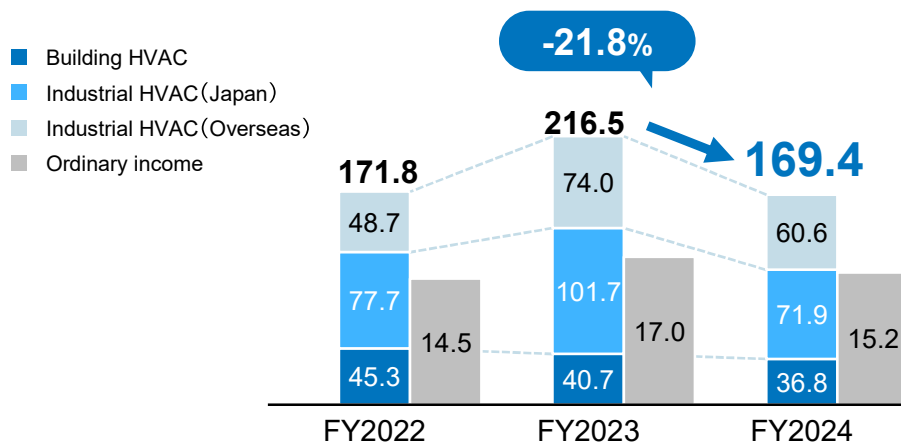
## Decreased sales and income due to absence of large projects

### The improvement in construction profitability led to a smaller profit decline

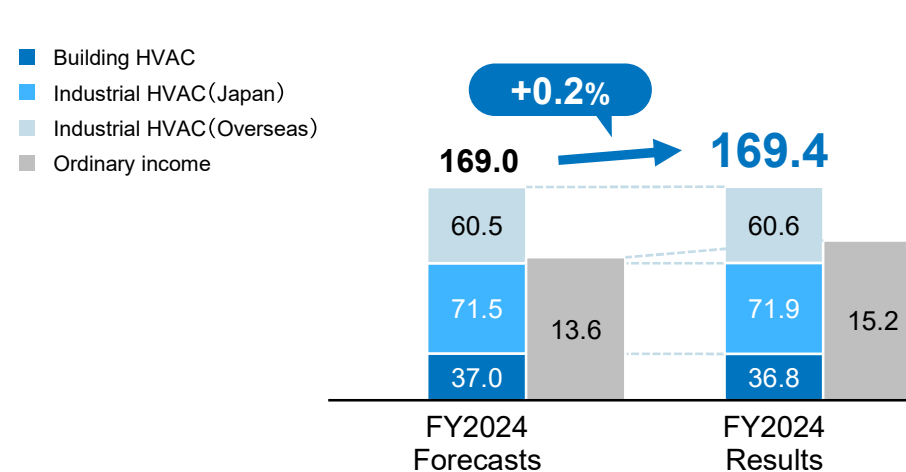
(JPY bn)	FY2023 Results	FY2024 Results	YoY Change	FY2024 Forecasts*	vs. Forecast
<b>Net-sales of completed construction contracts</b>	216.5	<b>169.4</b>	-47.0	169.0	0.4
Building HVAC	40.7	<b>36.8</b>	-3.9	37.0	-0.1
Industrial HVAC	175.7	<b>132.5</b>	-43.1	132.0	0.5
Japan	101.7	<b>71.9</b>	-29.7	71.5	0.4
Overseas	74.0	<b>60.6</b>	-13.3	60.5	0.1
Overseas ratio	34.2%	<b>35.8%</b>	1.6pt	35.8%	0.0pt
<b>Ordinary income</b>	17.0	<b>15.2</b>	-1.7	13.6	1.6
Ratio	7.9%	<b>9.0%</b>	1.2pt	8.0%	1.0pt

\* Revised at the announcement of the financial result for the third quarter

#### Trend



#### Difference from Forecast



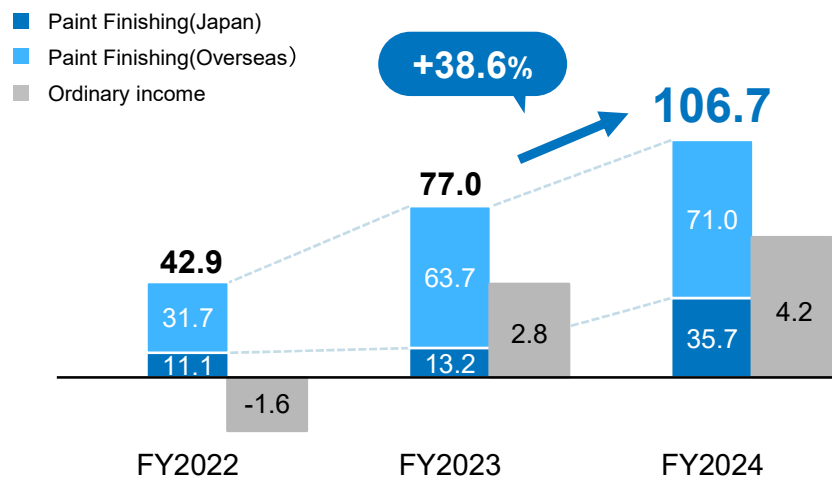


## Increased in sales and income both in Japan and overseas due to increased sales

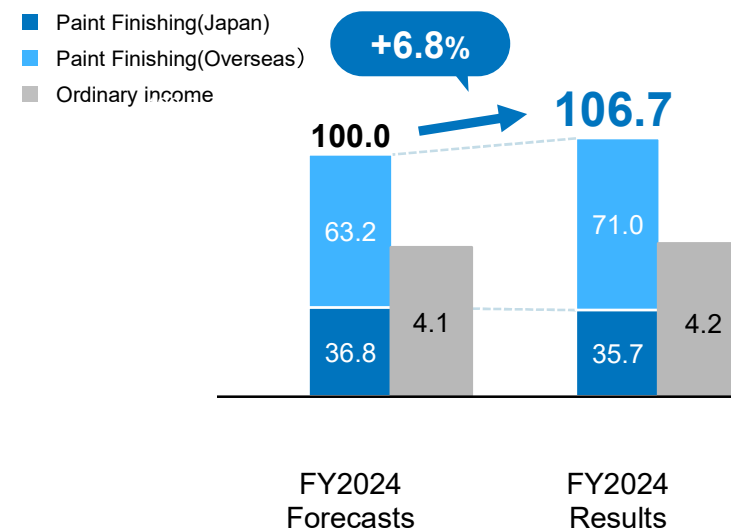
(JPY bn)	FY2023 Results	FY2024 Results	YoY Change	FY2024 Forecasts*	vs. Forecast
<b>Net-sales of completed construction contracts</b>	77.0	<b>106.7</b>	29.7	100.0	6.7
Japan	13.2	<b>35.7</b>	22.5	36.8	-1.0
Overseas	63.7	<b>71.0</b>	7.2	63.2	7.8
Overseas ratio	82.8%	<b>66.5%</b>	-16.3pt	63.2%	3.3pt
<b>Ordinary income</b>	2.8	<b>4.2</b>	1.4	4.1	0.1
Ratio	3.6%	<b>4.0%</b>	0.3pt	4.1%	-0.1pt

\* Revised at the announcement of the financial result for the third quarter

### Trend



### Difference from Forecast



## Expect to increase both in Green Technology and Paint Finishing

(JPY bn)	FY2024 Results	FY2025 Forecasts	YoY Change
<b>Orders-received</b>	277.4	<b>362.0</b>	84.5
Japan	137.2	<b>182.9</b>	45.6
Overseas	140.1	<b>179.1</b>	38.9
<b>Green Technology</b>	179.1	<b>235.5</b>	56.3
Building HVAC	53.7	<b>58.5</b>	4.7
Industrial HVAC	125.4	<b>177.0</b>	51.5
<b>Paint Finishing</b>	98.2	<b>126.5</b>	28.2

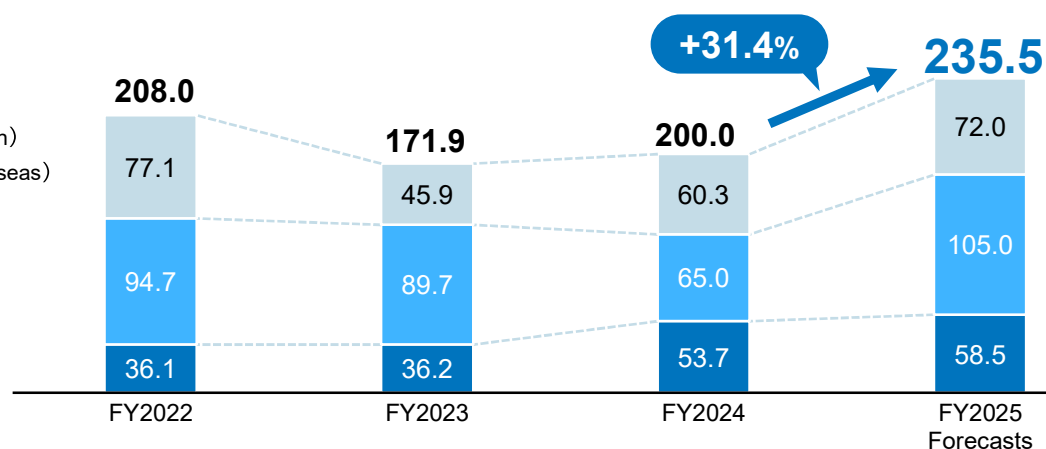
## Expecting record-high orders-received under favorable market conditions

(JPY bn)

	FY2024 Results	FY2025 Forecasts	YoY Change
<b>Orders-received</b>	179.1	<b>235.5</b>	56.3
Building HVAC	53.7	<b>58.5</b>	4.7
Industrial HVAC	125.4	<b>177.0</b>	51.5
Japan	65.0	<b>105.0</b>	39.9
Overseas	60.3	<b>72.0</b>	11.6
Overseas ratio	33.7%	<b>30.6%</b>	-3.1pt

### Trend

- Building HVAC
- Industrial HVAC(Japan)
- Industrial HVAC(Overseas)



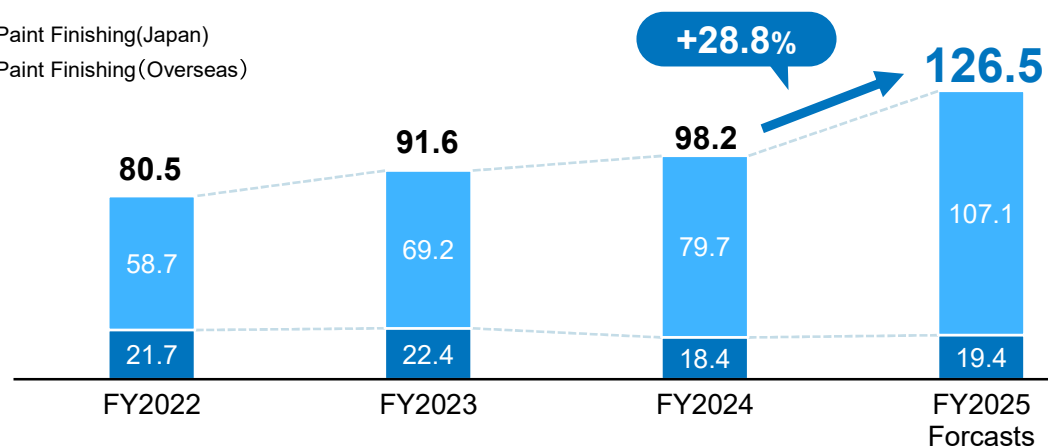
## Record-high orders-received are expected

(JPY bn)

	FY2024 Results	FY2025 Forecasts	YoY Change
<b>Orders-received</b>	98.2	<b>126.5</b>	28.2
Japan	18.4	<b>19.4</b>	0.9
Overseas	79.7	<b>107.1</b>	27.3
Overseas ratio	81.2%	<b>84.7%</b>	3.4pt

### Trend

- Paint Finishing(Japan)
- Paint Finishing(Overseas)



## Expect increase in sales and income in the Green Technology but decrease in sales and income in the Paint Finishing

(JPY bn)

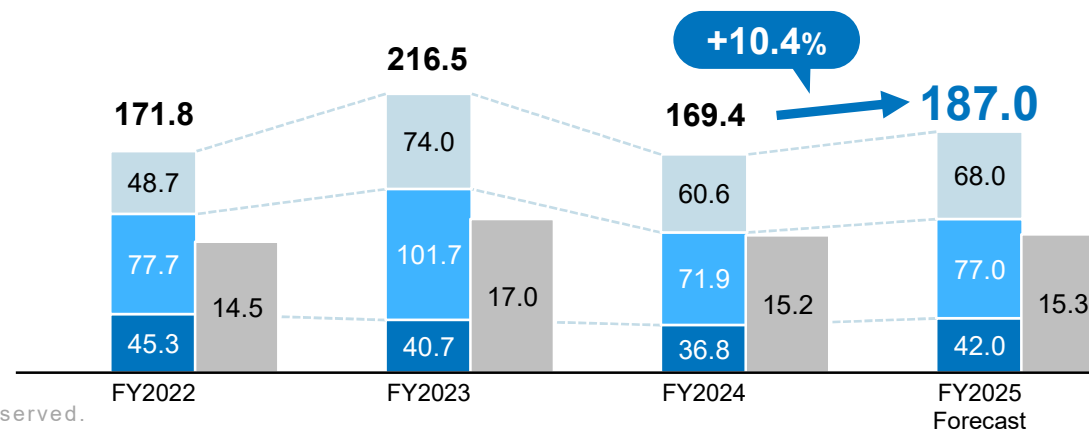
	FY2024 Results	FY2025 Forecasts	YoY Change
<b>Net-sales of completed construction contracts</b>	276.2	<b>279.0</b>	2.7
Japan	144.5	<b>139.3</b>	-5.2
Overseas	131.6	<b>139.7</b>	8.0
<b>Green Technology</b>	169.4	<b>187.0</b>	17.5
Building HVAC	36.8	<b>42.0</b>	5.1
Industrial HVAC	132.5	<b>145.0</b>	12.4
<b>Paint Finishing</b>	106.7	<b>92.0</b>	-14.7
<b>Ordinary income</b>	19.9	<b>18.2</b>	-1.7
Ratio	7.2%	<b>6.5%</b>	-0.7pt
<b>Green Technology</b>	15.2	<b>15.3</b>	0.0
Ratio	9.0%	<b>8.2%</b>	-0.8pt
<b>Paint Finishing</b>	4.2	<b>3.0</b>	-1.2
Ratio	4.0%	<b>3.3%</b>	-0.7pt

Despite an anticipated increase in sales, ordinary income is expected to remain at the same level as in FY2024, due to the rise in selling, general and administrative expenses, primarily driven by growth investments

(JPY bn)	FY2024 Results	FY2025 Forecasts	YoY Change
<b>Net sales of completed construction contracts</b>	169.4	187.0	17.5
Building HVAC	36.8	42.0	5.1
Industrial HVAC	132.5	145.0	12.4
Japan	71.9	77.0	5.0
Overseas	60.6	68.0	7.3
Overseas ratio	35.8%	36.4%	0.6pt
<b>Ordinary income</b>	15.2	15.3	0.0
Ratio	9.0%	8.2%	-0.8pt

### Trend

- Building HVAC
- Industrial HVAC(Japan)
- Industrial HVAC(Overseas)
- Ordinary income



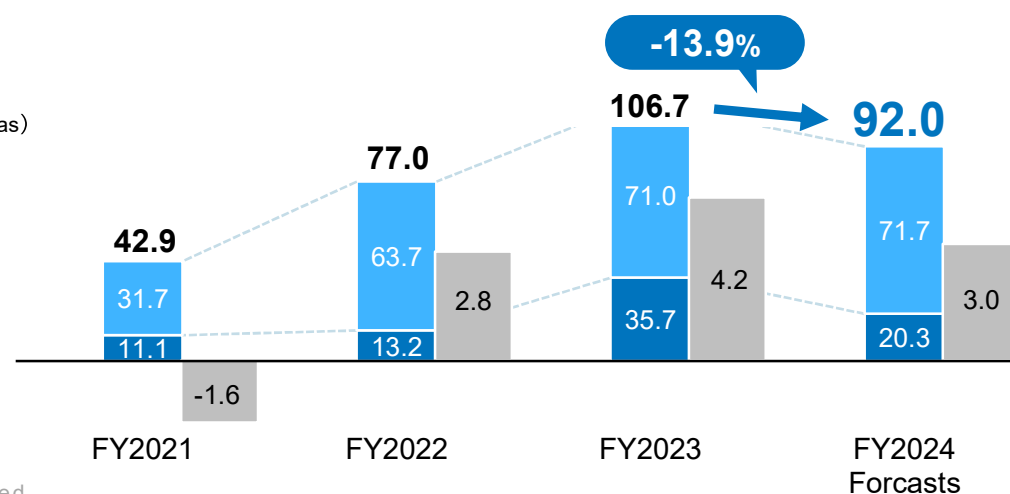
Anticipating a decline in income primarily due to a fall in sales and a rise in selling, general and administrative expenses centered on growth investments

(JPY bn)

	FY2024 Results	FY2025 Forecasts	YoY Change
<b>Net sales of completed construction contracts</b>	106.7	<b>92.0</b>	-14.7
Japan	35.7	<b>20.3</b>	-15.4
Overseas	71.0	<b>71.7</b>	0.6
Overseas ratio	66.5%	<b>77.9%</b>	11.4pt
<b>Ordinary income</b>	4.2	<b>3.0</b>	-1.2
Ratio	4.0%	<b>3.3%</b>	-0.7pt

### Trend

- Paint Finishing(Japan)
- Paint Finishing(Overseas)
- Ordinary income

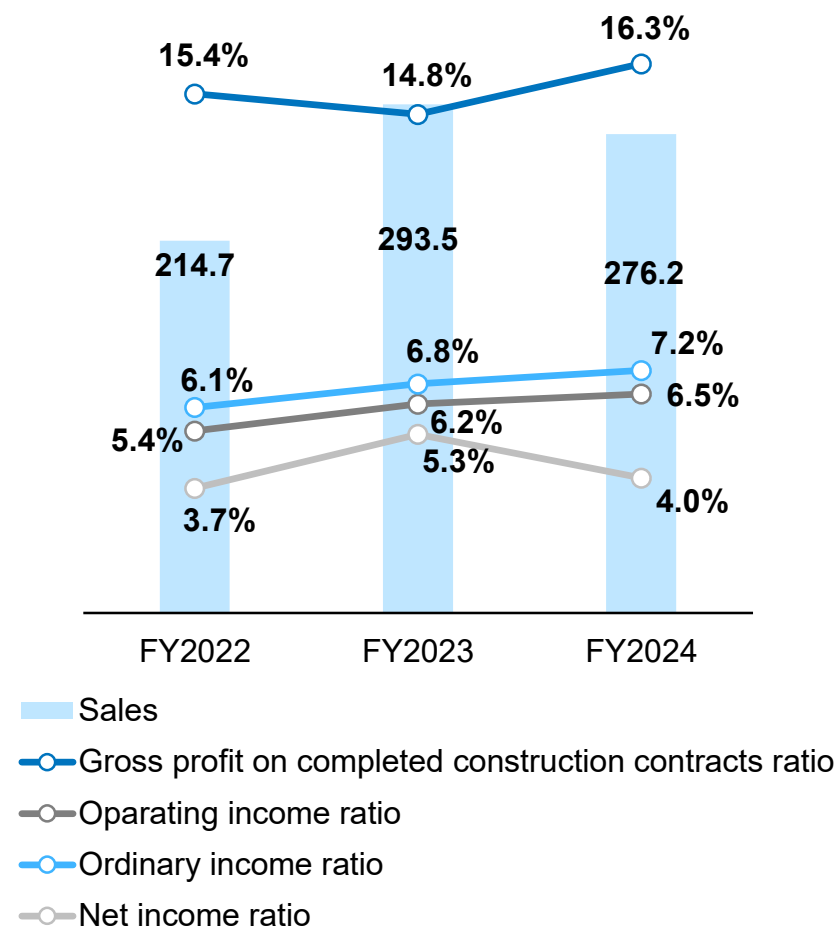


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(JPY bn)	FY2022	FY2023	FY2024
Net-sales of completed construction contracts	214.7	293.5	276.2
Gross profit on completed construction contracts	33.0	43.3	45.0
Ratio	15.4%	14.8%	16.3%
Operating income	11.5	18.2	17.9
Ratio	5.4%	6.2%	6.5%
Ordinary income	13.0	19.8	19.9
Ratio	6.1%	6.8%	7.2%
Profit attributable to owners of parent	7.9	15.6	11.0
Ratio	3.7%	5.3%	4.0%
ROE	6.3%	11.6%	7.6%



(JPY bn)

Subject	FY 2023	FY 2024	YoY Change
<b>Current assets</b>	203.3	<b>210.9</b>	7.5
Cash and deposits	55.4	<b>47.5</b>	-7.9
Notes receivable, accounts receivable from completed construction contracts and other	125.3	<b>151.9</b>	26.5
Securities	9.0	-	-9.0
Costs on uncompleted construction contracts · Raw materials and supplies	3.3	<b>3.4</b>	0.0
Other	11.2	<b>9.2</b>	-1.9
Allowance for doubtful accounts	-1.0	<b>-1.2</b>	-0.2
<b>Non-current assets</b>	63.1	<b>57.5</b>	-5.6
Property, plant and equipment	11.6	<b>13.7</b>	2.0
Goodwill	3.5	<b>0.7</b>	-2.8
Other intangible assets	2.4	<b>1.2</b>	-1.1
Investment securities	30.8	<b>26.3</b>	-4.5
Deferred tax assets	0.8	<b>0.8</b>	-0.0
Other	14.4	<b>14.7</b>	0.3
Allowance for doubtful accounts	-0.7	<b>-0.1</b>	0.6
<b>Total assets</b>	266.4	<b>268.4</b>	1.9

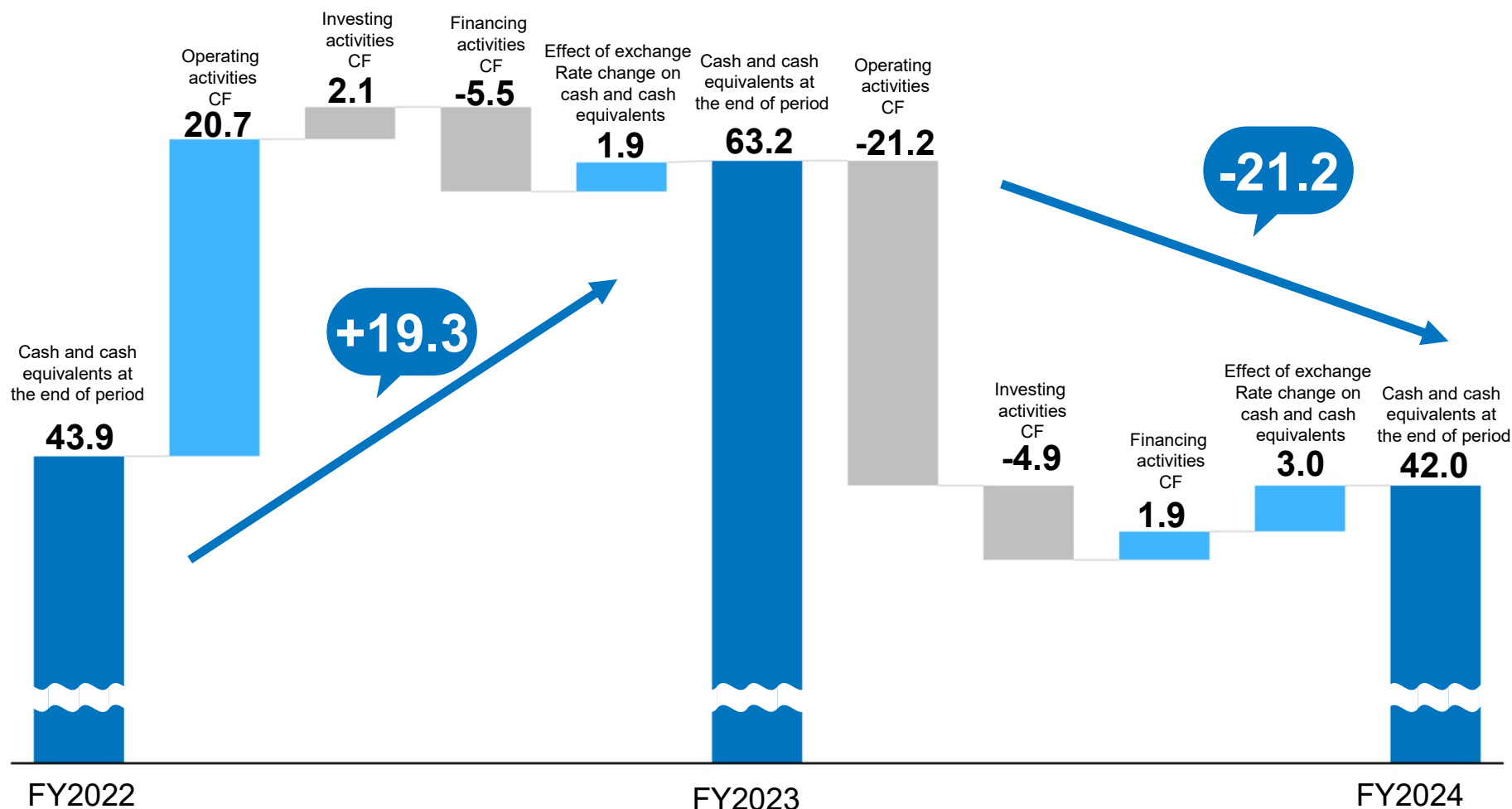
Subject	FY 2023	FY 2024	YoY Change
<b>Current liabilities</b>	103.5	<b>101.0</b>	-2.4
Notes payable, accounts payable for construction contracts and other	64.8	<b>49.5</b>	-15.2
Short-term loans payable	3.7	<b>13.2</b>	9.4
Advances received on uncompleted construction contracts	13.8	<b>19.6</b>	5.7
Provision for loss on construction contracts	0.3	<b>0.3</b>	-0.0
Other	20.6	<b>18.2</b>	-2.4
<b>Non-current liabilities</b>	11.4	<b>10.9</b>	-0.4
<b>Total liabilities</b>	114.9	<b>111.9</b>	-2.9
<b>Net assets</b>	151.5	<b>156.4</b>	4.9
Capital stock	6.4	<b>6.4</b>	-
Capital surplus	3.6	<b>3.7</b>	0.1
Retained earnings	111.8	<b>118.2</b>	6.4
Treasury shares	-2.9	<b>-4.9</b>	-2.0
Valuation difference on available-for-sale securities	14.3	<b>11.6</b>	-2.6
Deferred gains or losses on hedges	-0.0	<b>-0.0</b>	0.0
Foreign currency translation adjustment	7.7	<b>10.3</b>	2.6
Accumulated remeasurements of defined benefit plans	2.9	<b>2.4</b>	-0.5
Non-controlling interests	7.5	<b>8.4</b>	0.9
<b>Total liabilities and net assets</b>	266.4	<b>268.4</b>	1.9

**Operating activities CF:** Negative due to an increase in notes and accounts receivable-trade and a decrease in notes and accounts payable-trade

**Financing activities CF:** Positive due to factors such as an increase in short-term loans payable

## Cash and cash equivalents at the end of period



(JPY bn)



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## Achieved the aim in five years' time (FY2026) set in the previous Mid-Term Business Plan

	 <b>Mid-Term Business Plan Period</b>			 <b>What Taikisha group is aiming for in 5years</b>
(JPY bn)				
Previous Mid-Term Business Plan targets	FY2022	FY2023	FY2024	FY2026
Orders-received	215.0	223.0	236.0	270.0
Net-sales of completed construction contracts	212.5	223.5	238.0	265.0
Ordinary income	12.0	13.5	15.0	16.5
Profit attributable to owners of parent	8.6	9.1	9.6	
ROE	6.8%	7.0%	7.2%	
Results	FY2022	FY2023	FY2024	
Orders-received	288.6	263.5	277.4	
Net-sales of completed construction contracts	214.7	293.5	276.2	
Ordinary income	13.0	19.8	19.9	
Profit attributable to owners of parent	7.9	15.6	11.0	
ROE	6.3%	11.6%	7.6%	

## Generally implemented as planned

<b>Shareholder Returns</b>	<ul style="list-style-type: none"><li>• Maintained a DOE of 3.2%, ensuring stable dividend payouts.</li><li>• Acquired a total of 7.0 billion yen's worth of treasury shares, exceeding the initial plan by 1.0 billion yen.</li></ul>
<b>Cross-Shareholdings</b>	<ul style="list-style-type: none"><li>• Despite the failure to achieve the target ratio to net assets of below 20% by the second year of the Mid-Term Business Plan period due to rising stock prices, it was achieved in FY2024. (FY2024 results: 18.0%)</li></ul>
<b>Non-Financial Targets</b>	<ul style="list-style-type: none"><li>• The Company's greenhouse gas emissions reduction targets were certified as science based targets by SBTi, an international initiative. The reduction efforts are continued.</li></ul>

## Invested 15.8 billion yen in total

### Fell short of the initial plan of 20.0 billion yen due to slower-than-expected progress in M&A deals

	Main Achievement	Mid-Term Business Plan Period Results	Mid-Term Business Plan Period Plan
Business-related investments	<ul style="list-style-type: none"> <li>Additional investment and plant investment by Nicomac Taikisha Clean Rooms Private Limited, a consolidated subsidiary in India</li> <li>Established a consolidated subsidiary “Taikisha Deutschland GmbH” in Germany in July</li> </ul>	<b>5.7 billion yen</b>	
Capital and human resources investments	<ul style="list-style-type: none"> <li>Construction-site DX operational verification costs such as BIM</li> <li>Preparation cost of global basic operations system</li> <li>Human resource development through various training programs, including management candidate development programs</li> </ul>	<b>3.4 billion yen</b>	<b>20.0 billion yen</b>
Technology development investments	<ul style="list-style-type: none"> <li>Opened a new Research and Development Center (TISA) and an R&amp;D satellite (TIGS) for the Green Technology System Division.</li> <li>Made investments in research and development for carbon neutrality, including the dry decoration system in the Paint Finishing System Division</li> </ul>	<b>6.7 billion yen</b>	
		<b>Three years total 15.8 billion yen</b>	

## Use the surplus of 4.1 billion yen as allocatable funds for the new Mid-Term Business Plan

## For long-term value-added creation, implemented initiatives to transition to a lean business structure

	Main results.	Ongoing issues
<b>1. Further strengthen core business</b>	<ul style="list-style-type: none"> <li>• Newly established the “Product Management Dept.” to front-load on-site operations, and promoted on-site workload reduction through operational process reforms, BIM promotion, talent development, and expanded on-site support.</li> <li>• In order to expand into the European market, Established a consolidated subsidiary “Taikisha Deutschland GmbH” in Germany.</li> </ul>	<p>Green Technology System Division</p> <ul style="list-style-type: none"> <li>• Expansion of engineering capabilities in Japan</li> <li>• Deepening of open innovation</li> <li>• Expansion of the customer portfolio (Expansion of non-Japanese customer base)</li> </ul>
<b>2. Challenge to create new value</b>	<ul style="list-style-type: none"> <li>• Started operations at the new Research and Development Center (TISA) and the R&amp;D satellite (TIGS). Continuing to provide technical proposals to customers both in Japan and overseas.</li> <li>• Completed installation of a demonstration line for the dry decoration system at an R&amp;D facility in Japan. Currently responding to prototyping requests, related commissioned work, etc. with the aim of early adoption by automakers.</li> </ul>	
<b>3. Strengthen management base that supports transformation and growth</b>	<ul style="list-style-type: none"> <li>• Formulated a policy as the Taikisha Group to strengthen its human capital. Strengthened new graduate and mid-career recruitment, and completed the launch of an overseas trainee system aimed at accelerating the development of global talent.</li> <li>• Established the Digital Strategy Committee. Continued implementing various initiatives to promote the DX strategy.</li> <li>• Promoted capital cost-conscious management by introducing a management index (ROIC), which evaluates capital efficiency by business, and implementing a decision-making mechanism on acceptability regarding business investments such as M&amp;A that takes capital costs into account.</li> </ul>	<p>Paint Finishing System Division</p> <ul style="list-style-type: none"> <li>• Expansion of the customer base in the European market</li> <li>• Support for customers’ transition to carbon neutrality</li> <li>• Expansion of the business portfolio</li> </ul>



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**【Dividend policy】** We will implement steady dividends targeting a consolidated dividend on equity ratio (DOE) of 4.0% (ratio revision effective from FY2025)

DOE  
4.0%

=

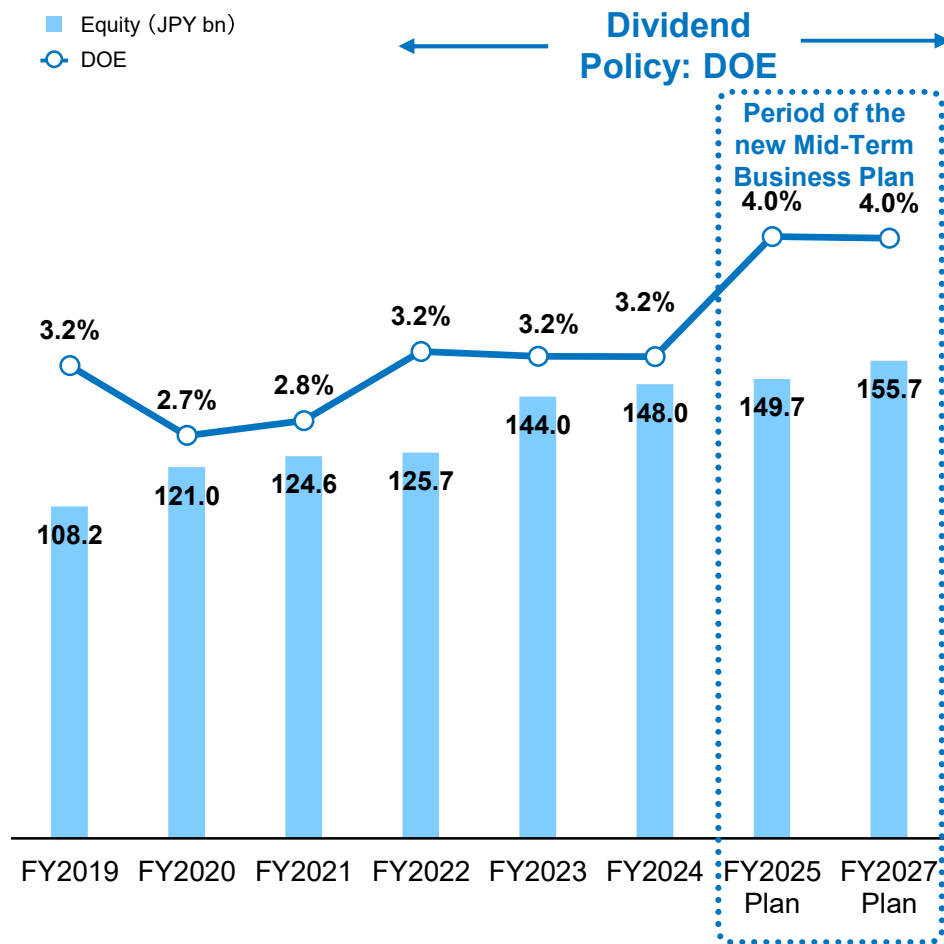
Aimed ROE level  
10%

×

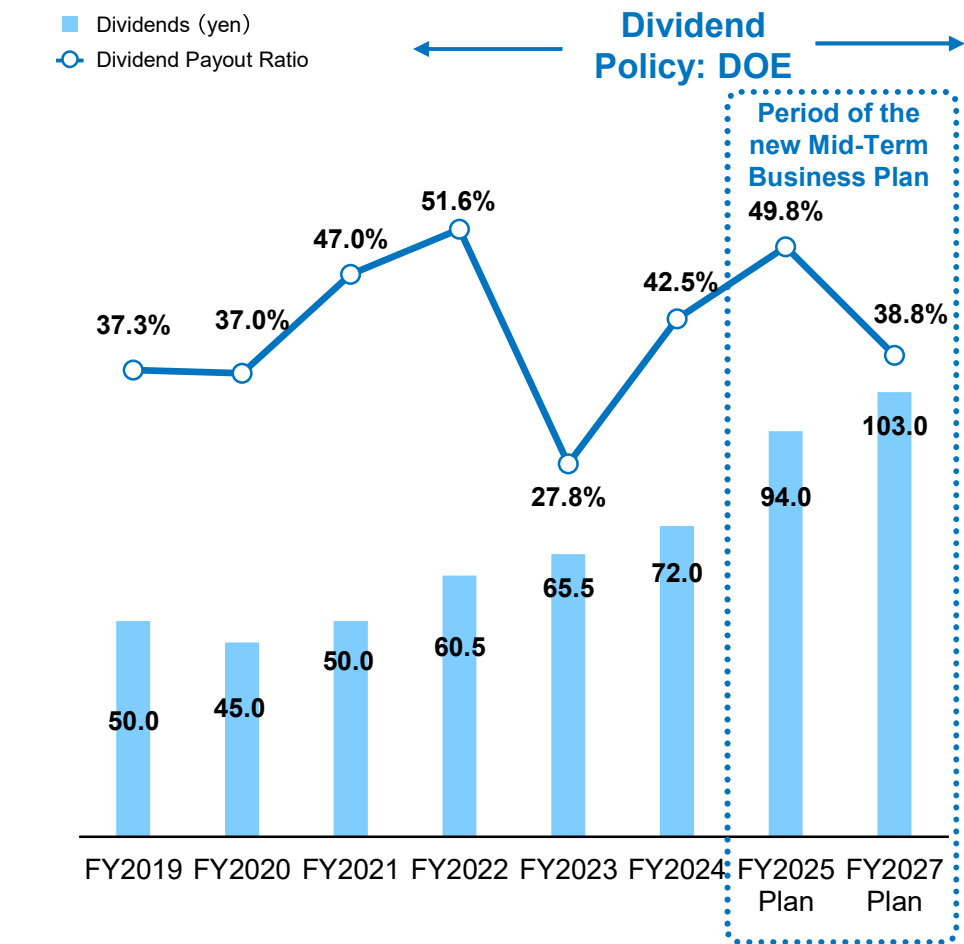
Dividend  
payout ratio  
40%

Dividend for FY2025 will be increased to 94 yen

Trend in Equity and DOE



Trend in Dividends and Dividend Payout Ratio



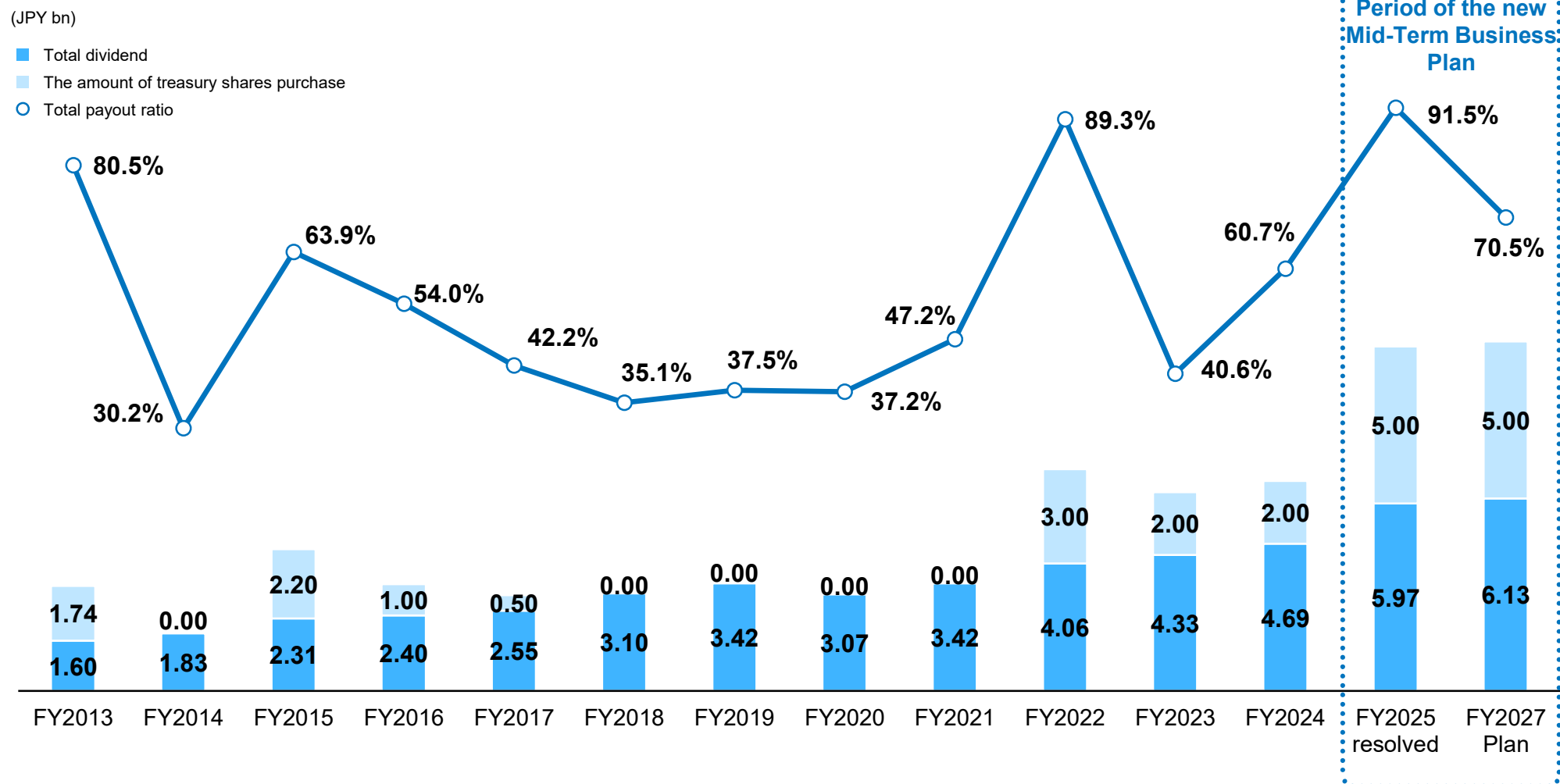
※A 2-for-1 share split of common shares was conducted on April 1, 2025. Annual dividend amounts before the fiscal year ended March 31, 2025, was calculated assuming that the stock split had been conducted.

## 【Policy for purchase of treasury shares】

We plan to acquire treasury shares worth 5 billion yen per year over the period of the new Mid-Term Business Plan, starting from FY2025, in order to improve capital efficiency and promptly implement financial policies

(In FY2025, the Board of Directors has already passed a resolution on May 15th to repurchase 5 billion yen's worth of treasury shares.)

## Shareholder returns and Total Payout ratio



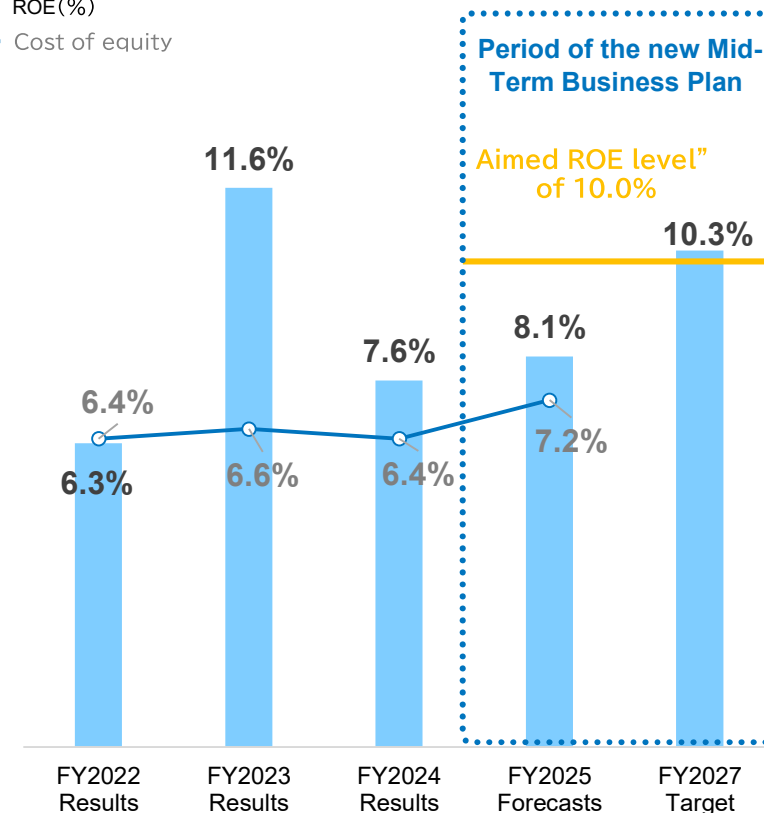
\* The amount of treasury shares includes the acquisition of fractional shares.

# Toward the Realization of Management That Is Conscious of Capital Costs and Stock Prices

Current Situation Analysis		<ul style="list-style-type: none"> <li>Set Return On Equity (ROE) as an important management index Expect <b>ROE of 8.1%</b> for FY2025</li> <li>Calculate the cost of shareholder's equity using the CAPM model It is <b>7.2% for the FY2025</b></li> <li>ROE has been <b>above the cost of shareholder's equity</b>, except during the period of the COVID-19 pandemic</li> <li>However, we recognize that the cost of shareholder's equity calculated by the Company is the minimum level expected by investors, and that it is <b>necessary to iron out the difference between our perceptions and the market's views</b></li> <li>The PBR for FY2024 <b>exceeded 1×, and it is still more than 1×</b> Recognizing the need to maintain PBR of at least 1× and further improve capital efficiency</li> </ul>
Target		<ul style="list-style-type: none"> <li>Set the <b>"aimed ROE level" of 10.0%</b> in the current Mid-Term Business Plan for FY2025 to FY2027</li> </ul>
Initiatives	Management index	<ul style="list-style-type: none"> <li><b>Introduced management index that measures the return on invested capital (ROIC)</b> by each division</li> </ul>
	Appropriate allocation of management resources	<ul style="list-style-type: none"> <li>Regarding business investments such as M&amp;A, introduced a mechanism for decision-making on acceptability that takes capital costs into account</li> <li><b>Promote growth investments (38.0 billion yen) and shareholder returns</b> based on the cash allocation policy of the current Mid-Term Business Plan</li> <li>Reduce cross-shareholdings (<b>planning a 5-billion-yen sale during the period of the new Mid-Term Business Plan</b>)</li> <li>Formulate and operate policies to improve capital efficiency, such as business portfolio review and cash allocation, etc.</li> </ul>
	Shareholder Returns	<ul style="list-style-type: none"> <li>Implement steady dividends (Planned phased increase in DOE levels: 4.0% from FY2025, 4.5% from FY2028, and 5.0% from FY2031)</li> <li>Flexibly purchase and retire treasury shares in order to improve capital efficiency and promptly implement financial policies (<b>Planning a 15-billion-yen purchase during the period of the new Mid-Term Business Plan</b>)</li> </ul>
	IR	<ul style="list-style-type: none"> <li>Continuously have proactive dialogue with investors and feedback to management</li> <li>Improve measures for IR to strengthen engagement with investors</li> </ul>
	Sustainable growth	<ul style="list-style-type: none"> <li>Established the Sustainable Committee, which is chaired by an Outside Director, in February 2024 Promote initiatives for carbon neutrality, human capital and diversity</li> <li>Enhance disclosure for non-financial information</li> </ul>

## Trend in ROE

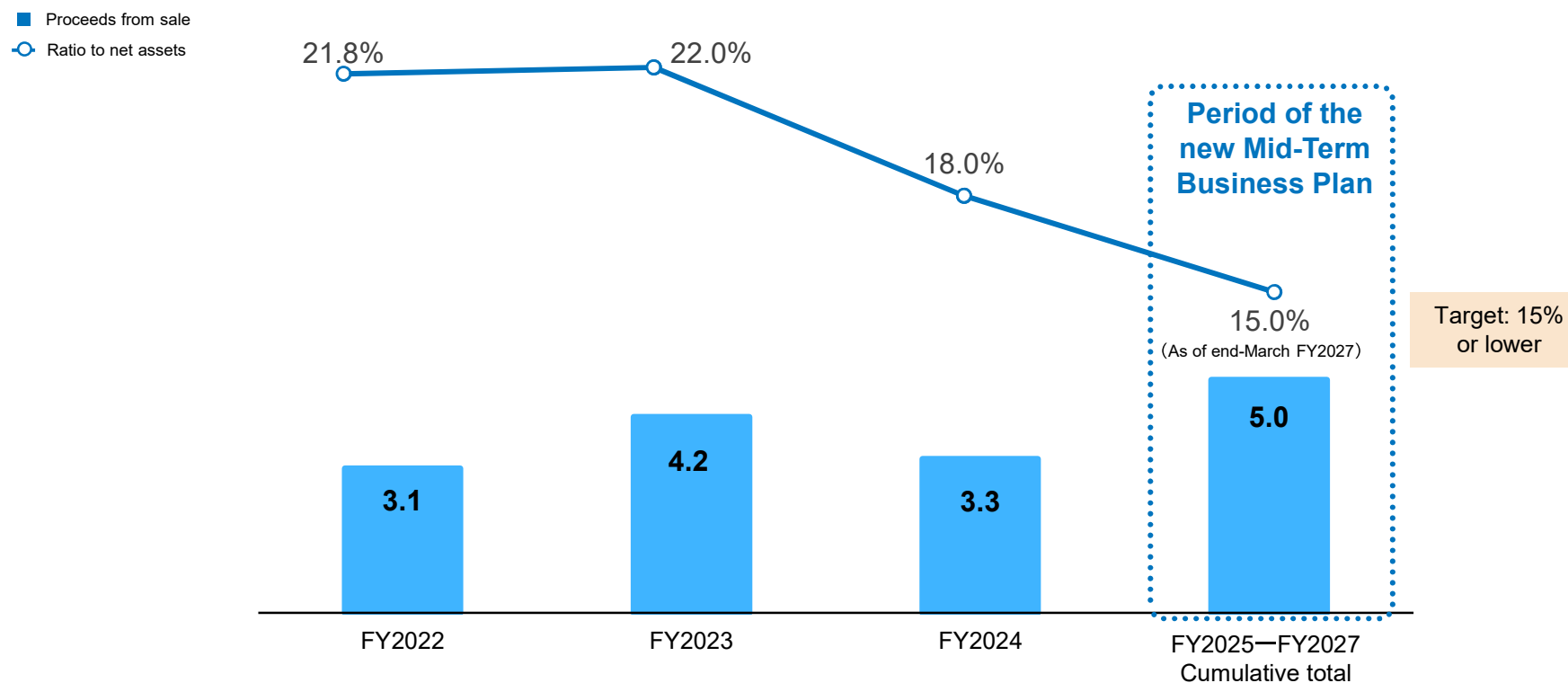
■ ROE(%)  
○ Cost of equity



	Period of the previous Mid-Term Business Plan Results			Period of the new Mid-Term Business Plan
	FY2022	FY2023	FY2024	FY2025 – FY2027
Proceeds from sale	3.1 billion yen	4.2 billion yen	3.3 billion yen	Cumulative total of 5.0 billion yen
Ratio to net assets	21.8%	22.0%	18.0%	15% or lower (As of end-March FY2027)

## Trend in cross-shareholdings

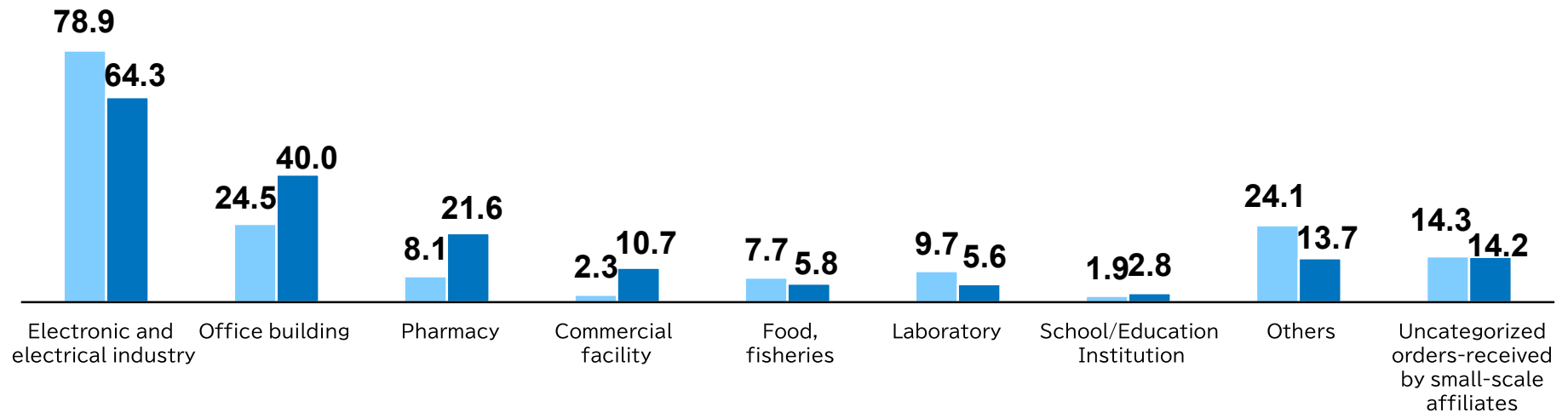
(JPY bn)



## Orders-received

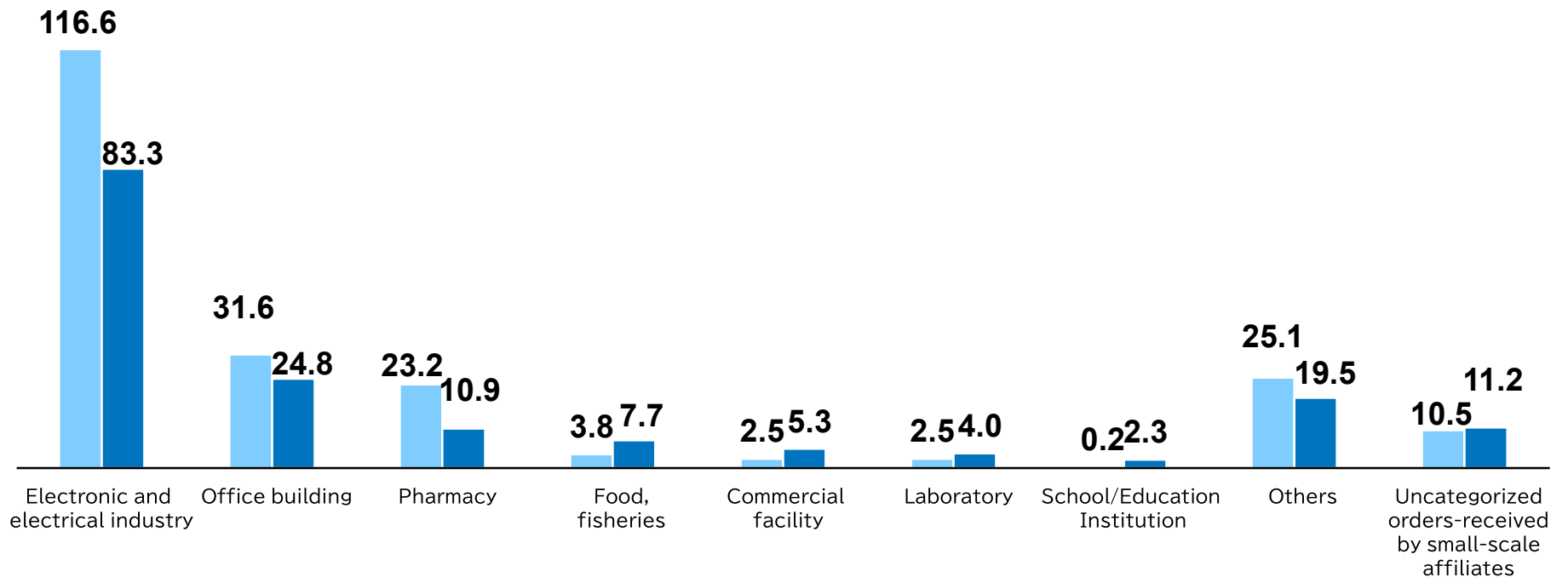
(JPY bn)

■ FY2023  
■ FY2024



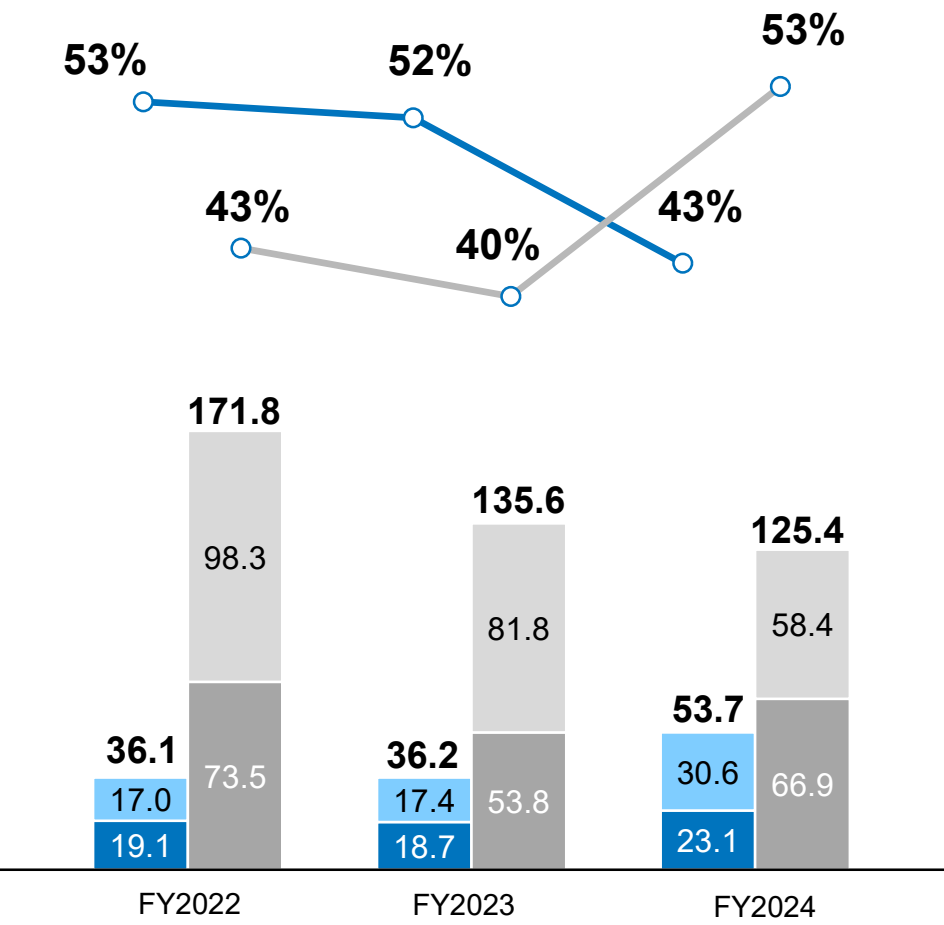
## Sales

■ FY2023  
■ FY2024



Orders-received

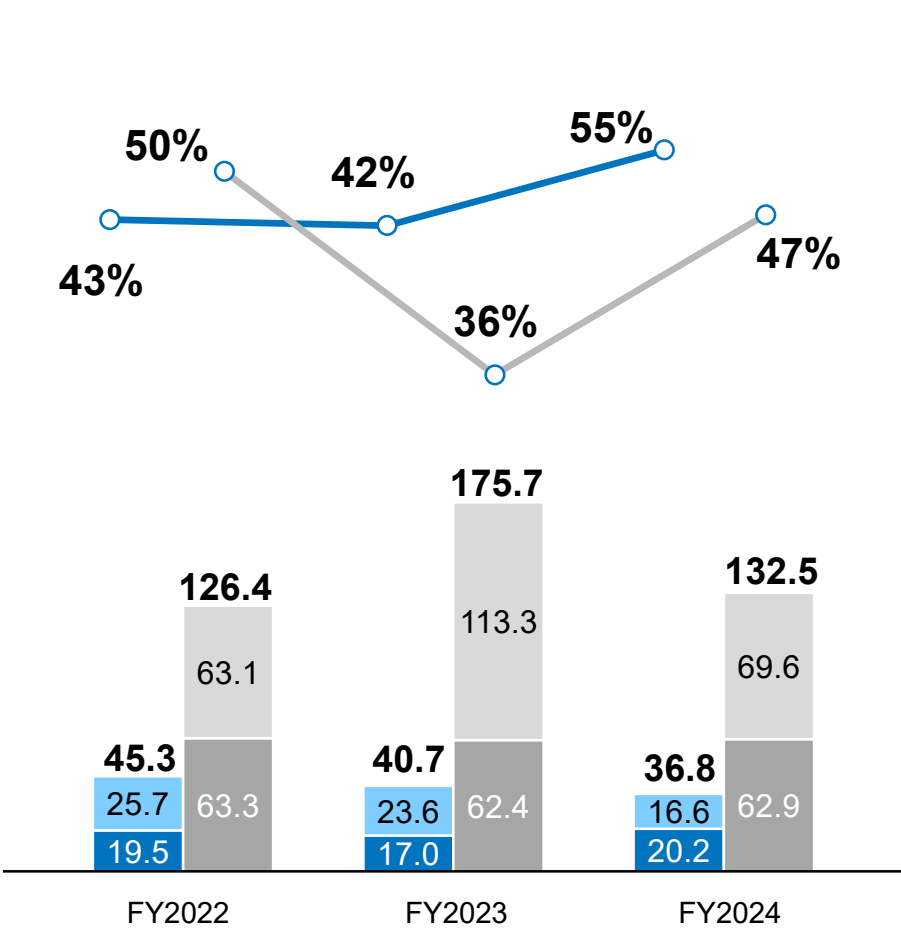
- Building HVAC(renovation)
- Building HVAC(new construction)
- Building HVAC renovation ratio
- Industrial HVAC(renovation)
- Industrial HVAC(new construction)
- Industrial HVAC renovation ratio



Sales

(JPY bn)

- Building HVAC(renovation)
- Building HVAC(new construction)
- Building HVAC renovation ratio
- Industrial HVAC(renovation)
- Industrial HVAC(new construction)
- Industrial HVAC renovation ratio



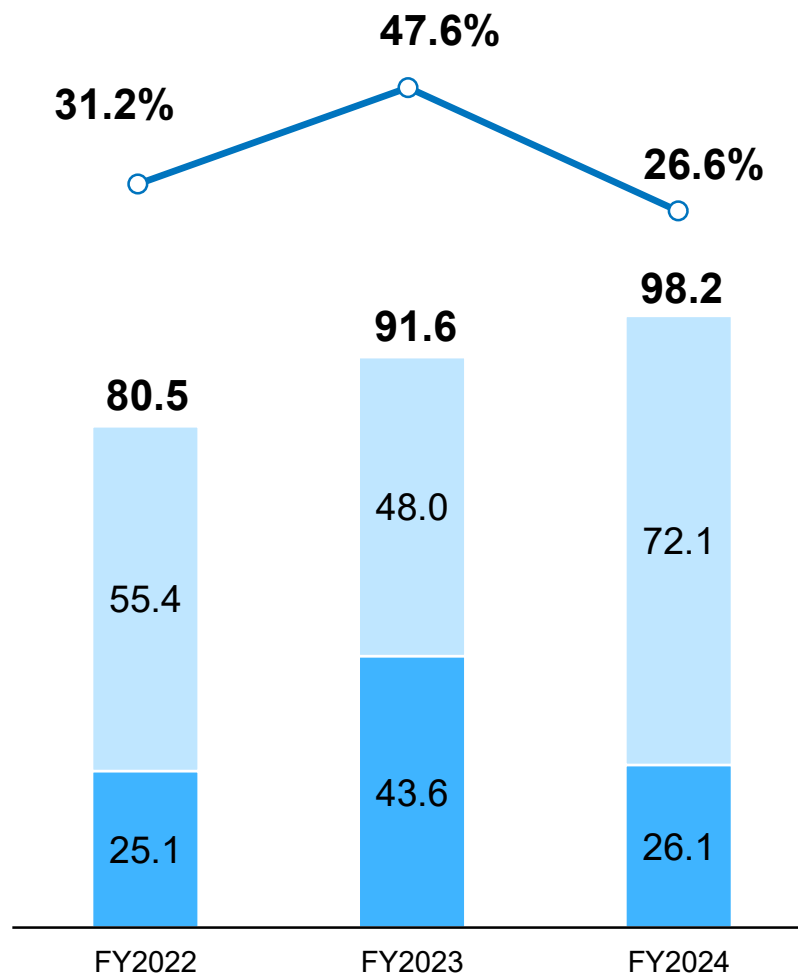
# Paint Finishing System Division

## Ratio of Orders-Received and Sales from non Japanese customers

(JPY bn)

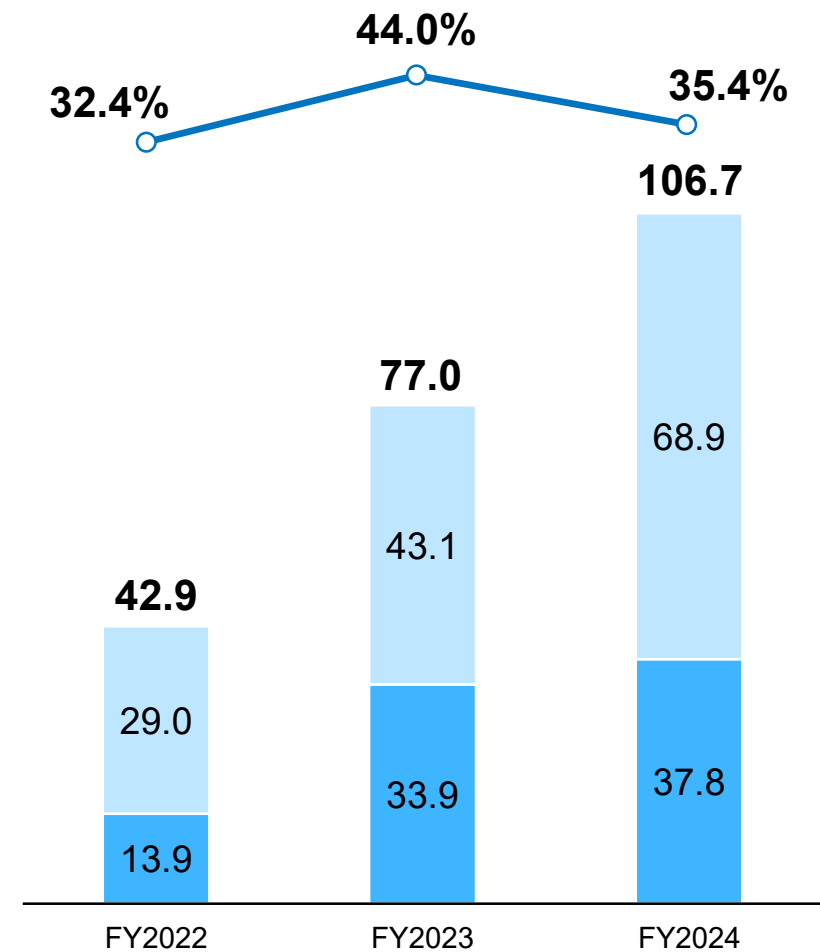
### Orders-received

- Japanese customer
- Non Japanese customer
- Non Japanese customer ratio



### Sales

- Japanese customer
- Non Japanese customer
- Non Japanese customer ratio

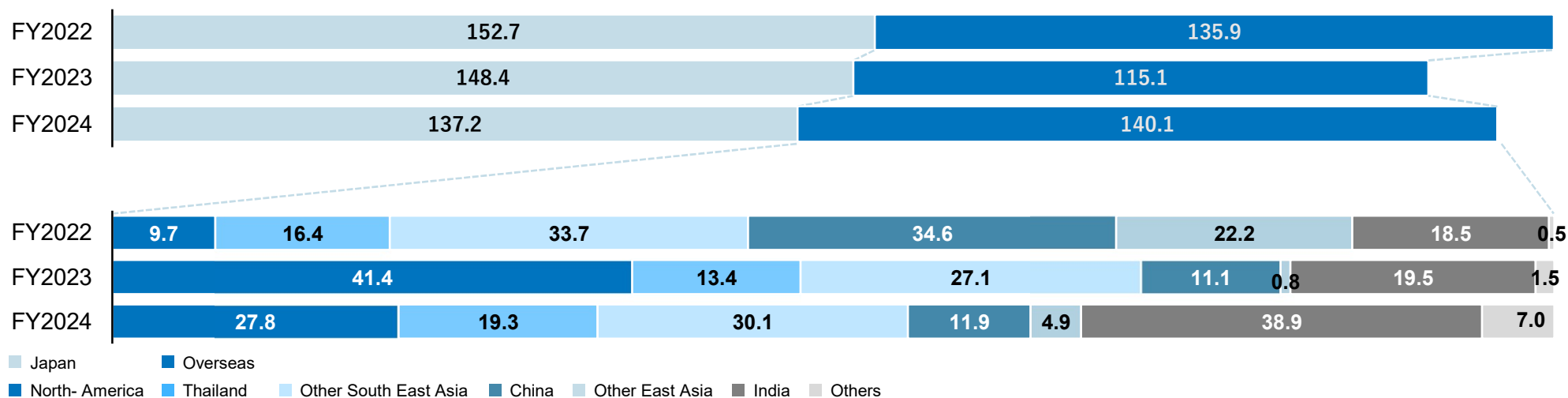


\* The orders and sales of the overseas Japanese-joint venture(including all of Japanese customer investment companies) are included in the total value of the Japanese customer

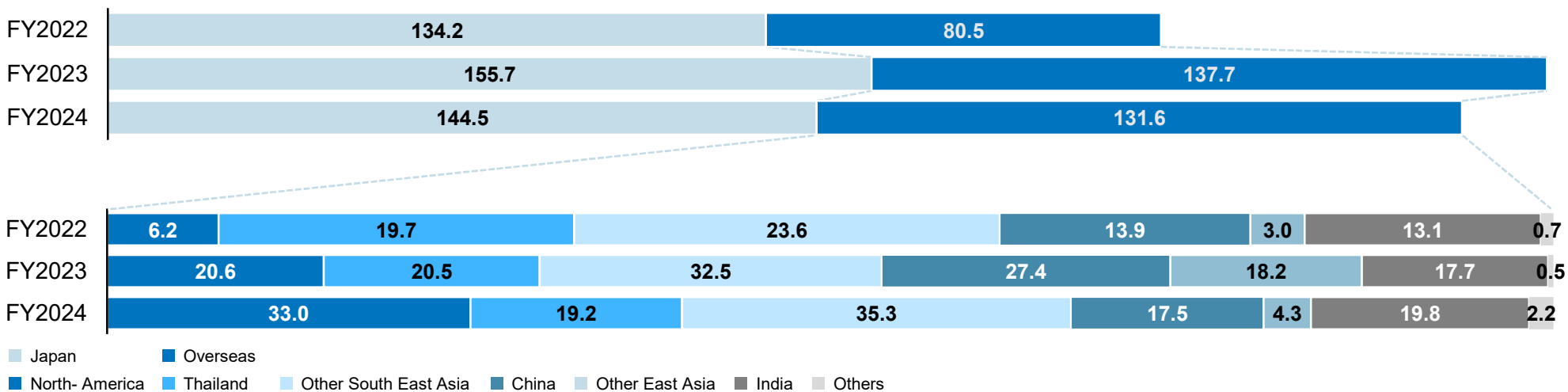


(JPY bn)

## Orders-received



## Sales



\* The numerical value does not include the internal trading.

\* Major countries and regions:

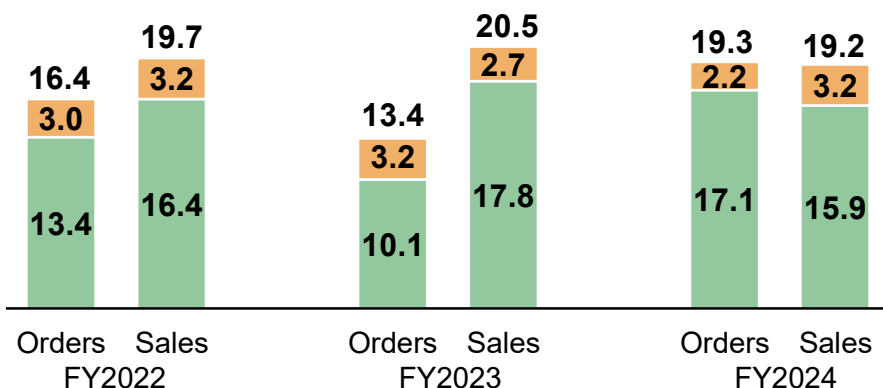
• **Southeast Asia:** Singapore, Malaysia, Indonesia, Philippines, Vietnam, others. • **East Asia:** Taiwan, Korea • **North America:** U.S.A., Canada, Mexico • **Others:** EU, South America, others

# Orders-Received and Sales of overseas main four companies

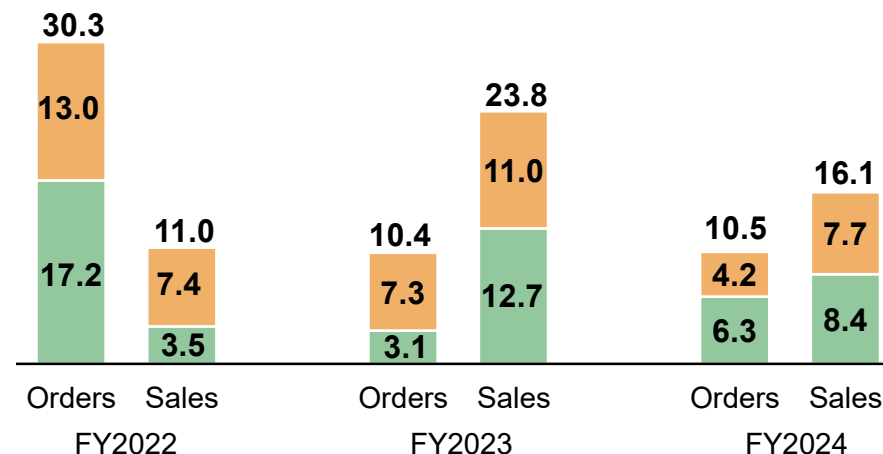
(JPY bn)

Industrial HVAC Paint Finishing System

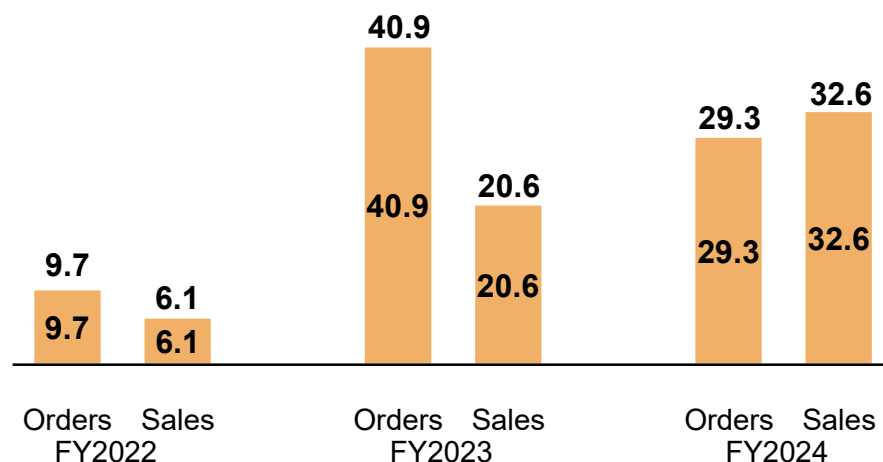
## Taikisha (Thailand) Co., Ltd. (Thailand)Group



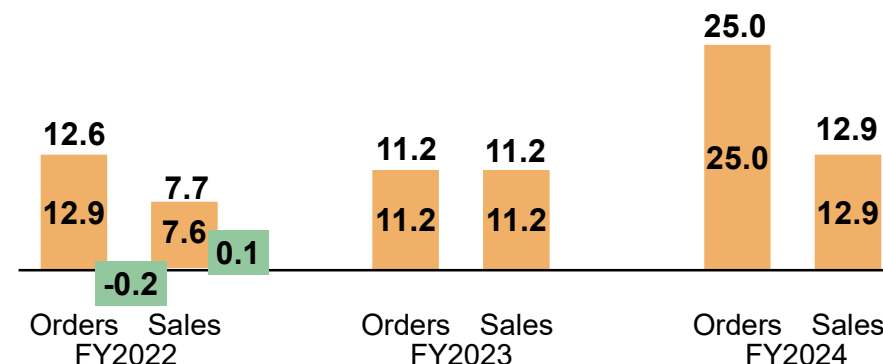
## Wu-Zhou Taikisha Engineering Co., Ltd. (China)



## Taikisha USA, Inc. (U.S.A)Group



## Taikisha Engineering India Private Ltd. (India)



\* The numerical value does not include the internal trading

## Precaution about Forward Perspective

The data and future prospection in this material is based on the judgement on the announcement date and the available information.

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