

TAIKI-SHA LTD.

Financial Results Material

FY2025(Ended March 31, 2026)

May 15,2026

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Achieved record highs in orders received and ordinary income amid a favorable business environment

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 in semiconductor-related operations, data centers and automobile manufacturing continued, while urban redevelopment demand remained robust.

Orders received

¥351.7 bn

[+26.8% YoY]

Net sales of completed construction contracts

¥286.1 bn

[+3.6% YoY]

Ordinary income

¥24.7 bn

[+24.3% YoY]

Profit attributable to owners of parent

¥15.5 bn

[+41.4% YoY]

Orders received and profit figures exceeded forecasts

(JPY bn)	FY2024 Results	FY2025 Results	YoY Change	FY2025 Forecasts*	vs. Forecast
Orders received	277.4	351.7	74.3	336.5	15.2
Net sales of completed construction contracts	276.2	286.1	9.9	286.7	-0.5
Ordinary income	19.9	24.7	4.8	23.0	1.7
Ratio	7.2%	8.7%	1.4pt	8.0%	0.6pt
Profit attributable to owners of parent	11.0	15.5	4.5	14.4	1.1
Ratio	4.0%	5.5%	1.5pt	5.0%	0.4pt
ROE	7.6%	10.1%	2.5pt	9.5%	0.6pt
EPS	169.44 yen	245.14yen	75.70yen	-	-

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

Exchange rate of main overseas affiliates

(Yen)	① FY2024	② FY2025
US \$	151.47	150.42
THB	4.31	4.57
CNY	21.04	20.94
INR	1.81	1.71

Exchange rate impact

Impact of exchange rate difference between ① and ②

Net Sales: -1.5 billion yen

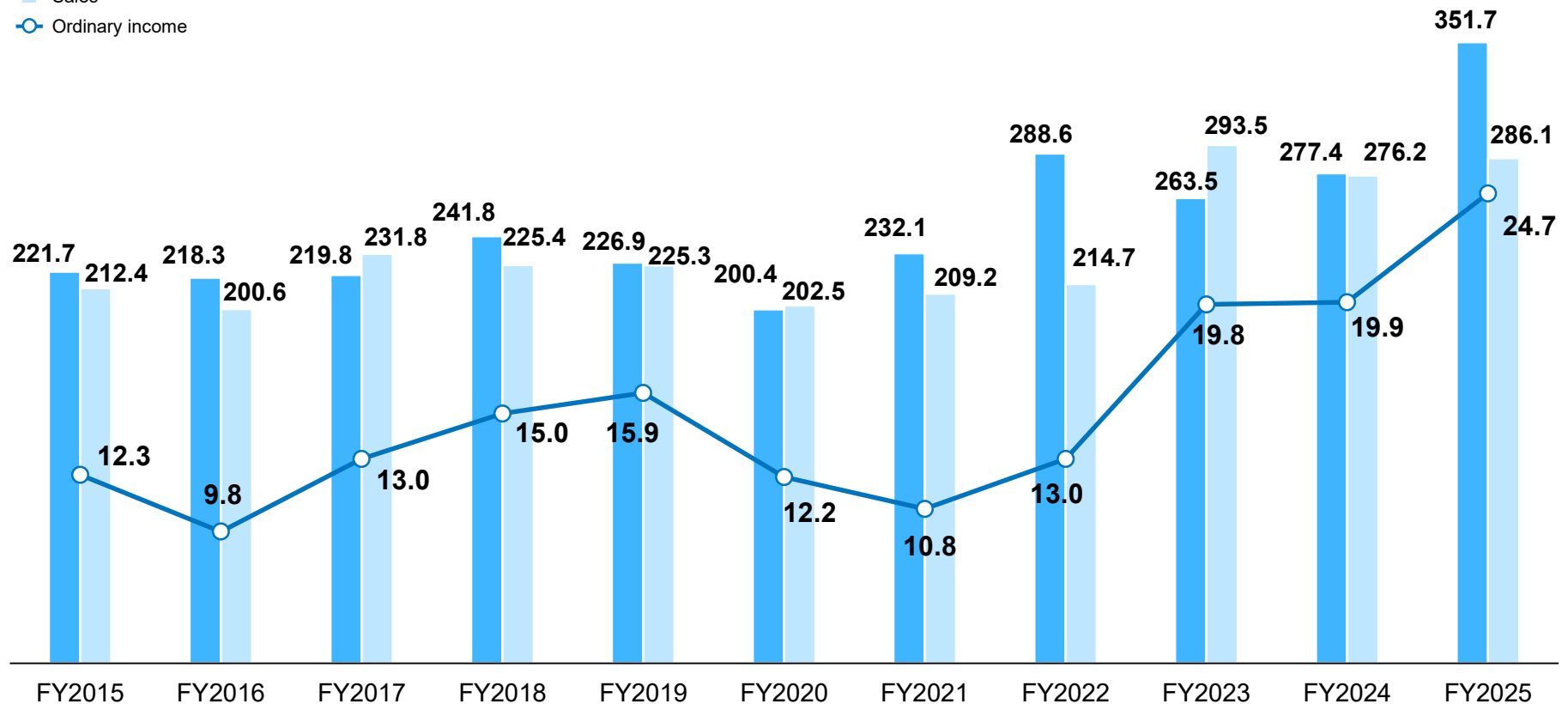
Ordinary income: -0.1 billion yen

Growth continues despite being affected by external environment

■ Trends in Orders received • Net sales of completed construction contracts • Ordinary income

(JPY bn)

- Orders received
- Sales
- Ordinary income

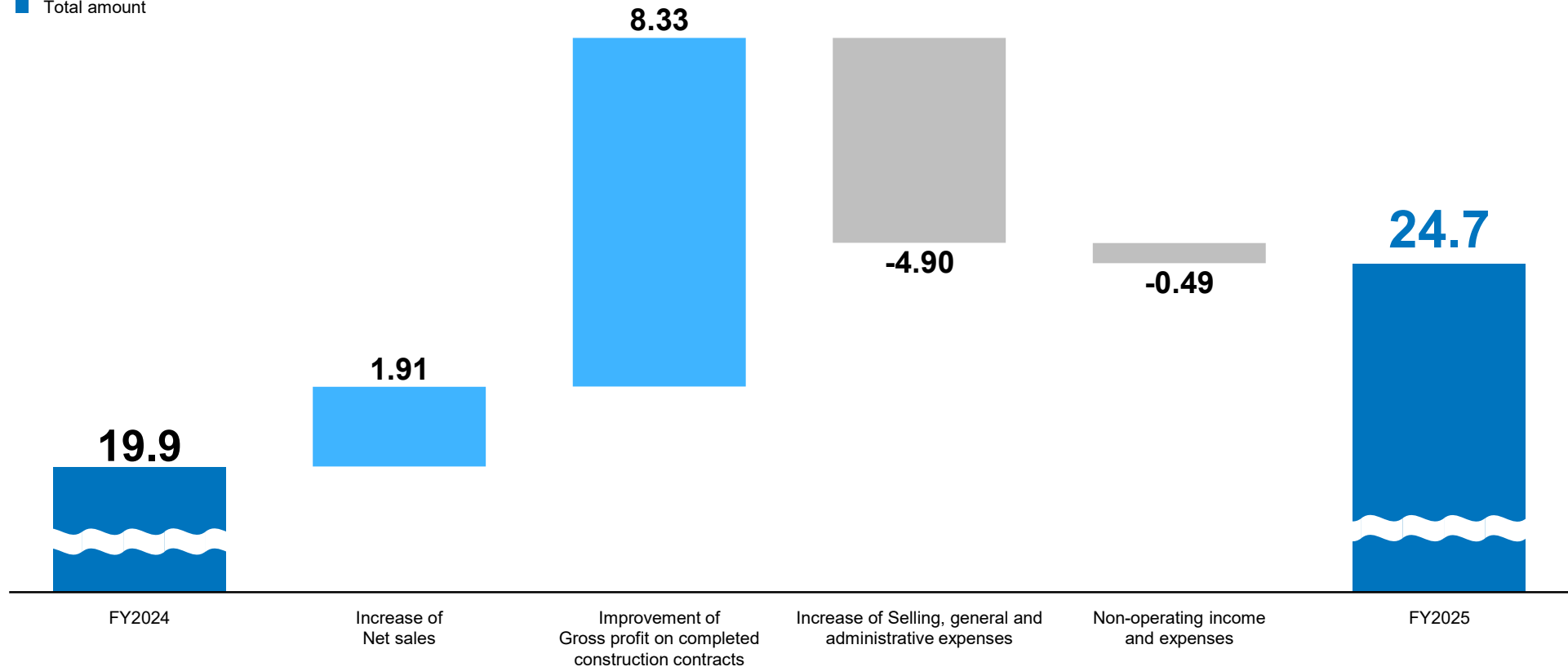


Increased significantly year on year due to higher net sales and improved profitability of construction work

(JPY bn)

Breakdown of fluctuation in Ordinary Income (YoY change)

- Increase
- Decrease
- Total amount



Expecting increases in both net sales and profit, while orders received are expected to remain above 300 billion yen

Earnings forecast

(JPY bn)	FY2025 Results	FY2026 Forecasts	YoY Change	(Reference) FY2027 Targets
Orders received	351.7	330.5	-21.2	296.0
Net sales of completed construction contracts	286.1	307.0	20.8	336.5
Operating income	23.3	23.8	0.4	-
Ordinary income	24.7	25.0	0.2	22.7
Profit attributable to owners of parent	15.5	18.0	2.4	15.8
ROE	10.1%	11.0%	0.9pt	10.3%

Exchange rate of main overseas affiliates

(Yen)	FY2025 Results	FY2026 Assumptions
US\$	150.42	148.00
THB	4.57	4.92
CNY	20.94	20.80
INR	1.71	1.68

Impact of exchange rate fluctuations

Impact of 1% change in all exchange rates on the FY2026 forecast

Net Sales: 1.6 billion yen

Ordinary income: 0.1 billion yen

Remain at the same level

Balancing profit improvement with execution of growth strategies

(JPY bn)

Breakdown of fluctuation in Ordinary Income (YoY change)

- Increase
- Decrease
- Total amount

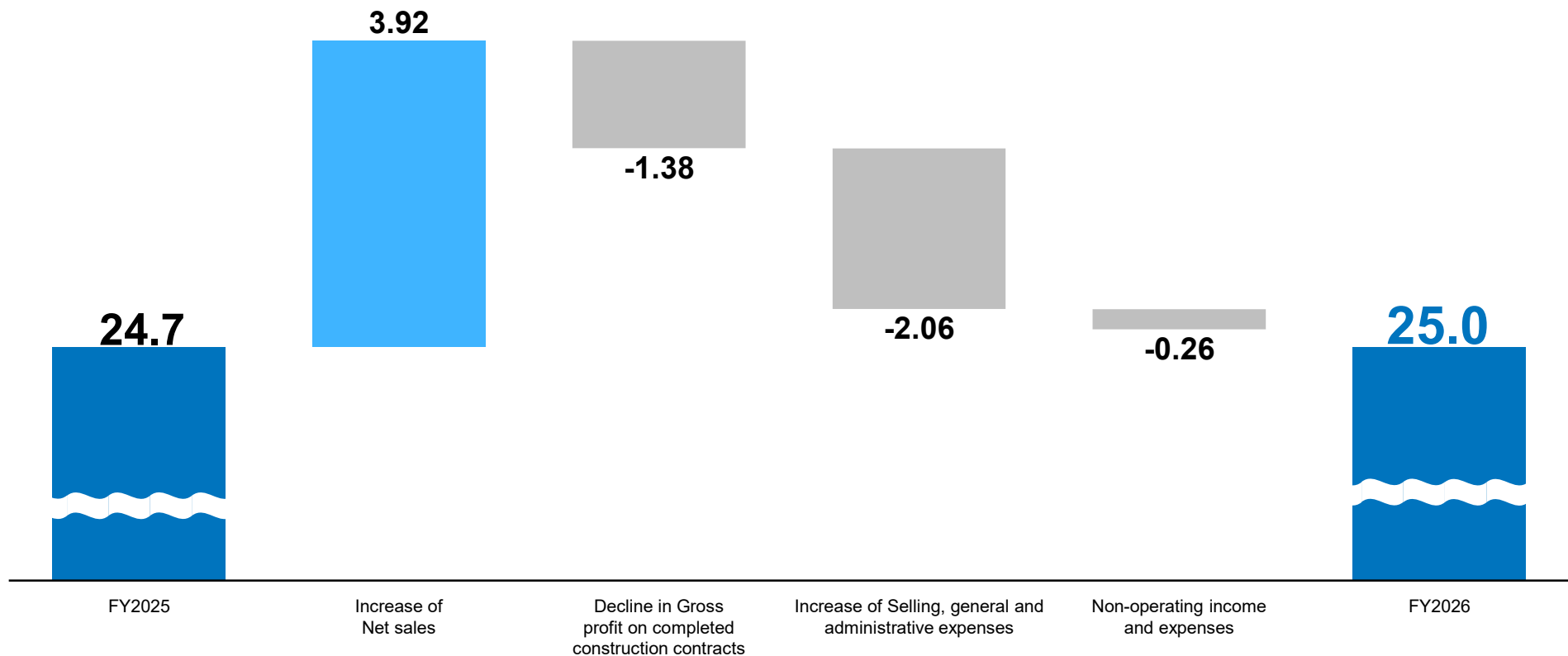


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Increased both in Green Technology and Paint Finishing

(JPY bn)	FY2024 Results	FY2025 Results	YoY Change	FY2025 Forecasts*	vs. Forecast
Orders received	277.4	351.7	74.3	336.5	15.2
Japan	137.2	166.2	29.0	157.4	8.8
Overseas	140.1	185.4	45.3	179.1	6.3
Green Technology	179.1	216.5	37.3	210.0	6.5
Building HVAC	53.7	77.1	23.3	78.0	-0.8
Industrial HVAC	125.4	139.4	14.0	132.0	7.4
Paint Finishing	98.2	135.1	36.9	126.5	8.6

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

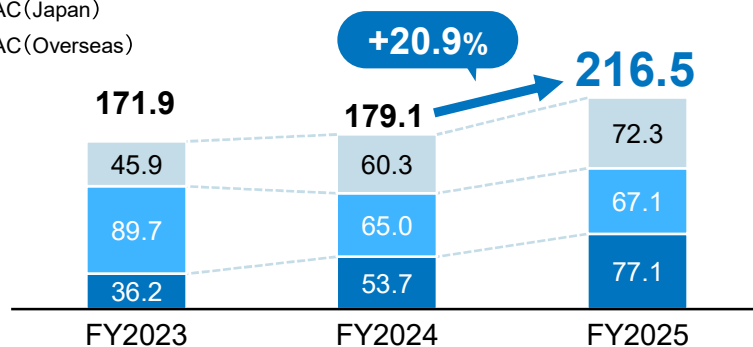
Increased year on year driven by orders received for semiconductor, electrical and electronics, and data center projects

(JPY bn)	FY2024 Results	FY2025 Results	YoY Change	FY2025 Forecasts*	vs. Forecast
Orders received	179.1	216.5	37.3	210.0	6.5
Building HVAC	53.7	77.1	23.3	78.0	-0.8
Industrial HVAC	125.4	139.4	14.0	132.0	7.4
Japan	65.0	67.1	2.1	60.0	7.1
Overseas	60.3	72.3	11.9	72.0	0.3
Overseas ratio	33.7%	33.4%	-0.3pt	34.3%	-0.9pt

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

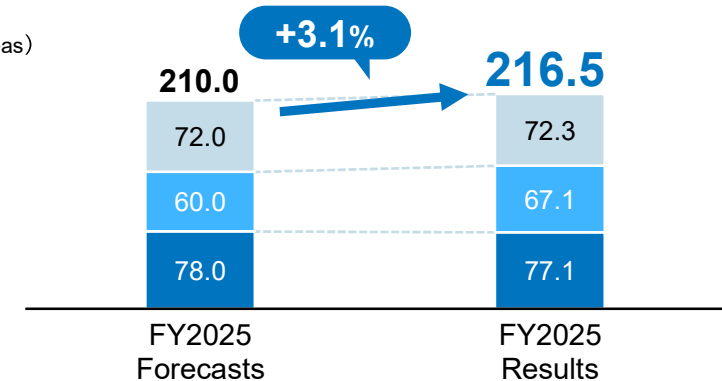
Trend

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



Difference form Forecast

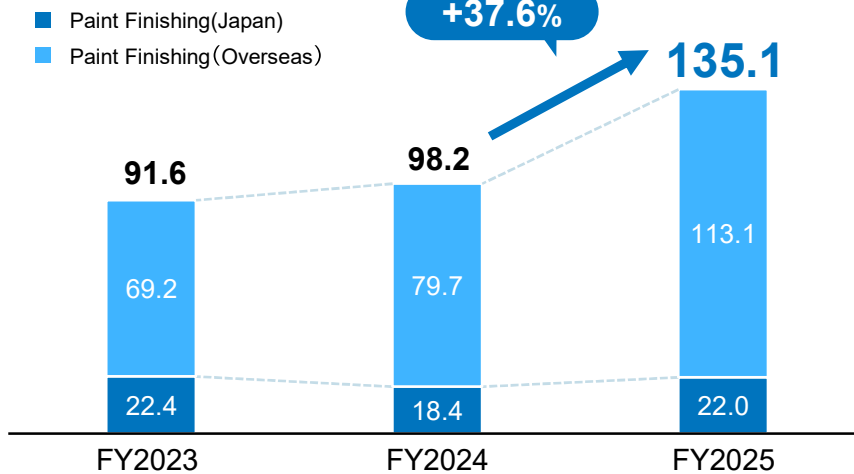
- Building HVAC
- Industrial HVAC(Japan)
- Industrial HVAC(Overseas)



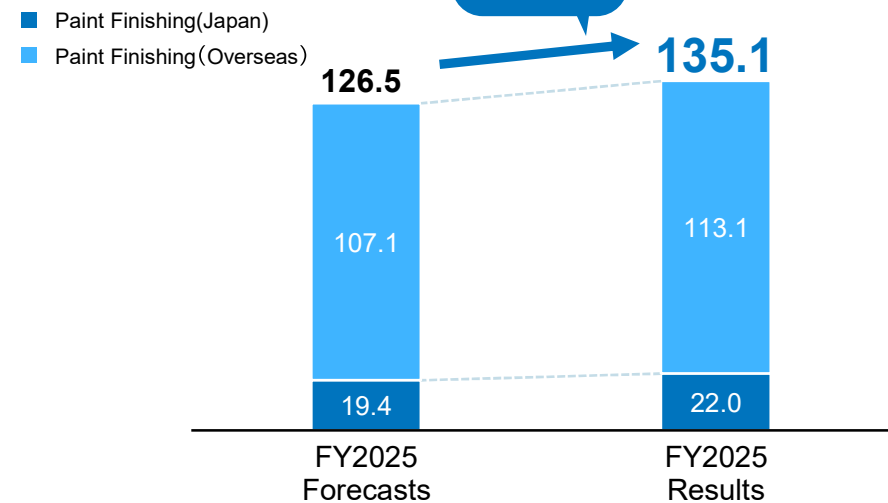
Increased year on year due to orders received for large-scale projects in Japan and overseas

(JPY bn)	FY2024 Results	FY2025 Results	YoY Change	FY2025 Forecasts*	vs. Forecast
Orders received	98.2	135.1	36.9	126.5	8.6
Japan	18.4	22	3.5	19.4	2.6
Overseas	79.7	113.1	33.3	107.1	6.0
Overseas ratio	81.2%	83.7%	2.5pt	84.7%	-1.0pt

Trend



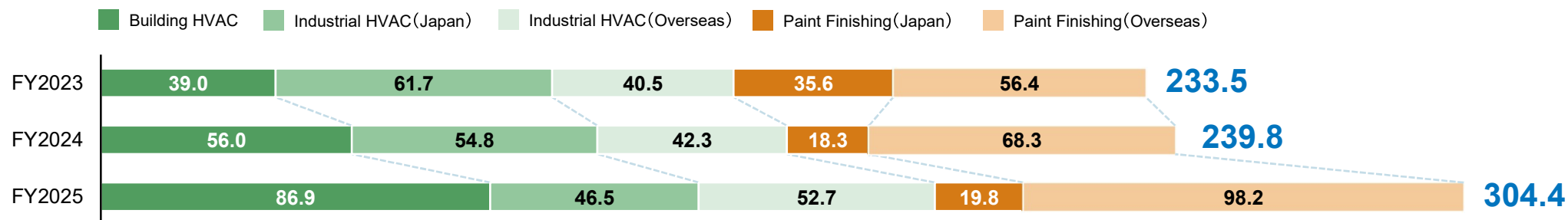
Difference from forecast



Orders received rose significantly, resulting in record-high construction carried-forward

(JPY bn)	FY2023 Results A	FY2024 Results B	FY2025 Results C	Change B-A	Change C-B
Orders received	263.5	277.4	351.7	13.8	74.3
Net sales of completed construction contracts	293.5	276.2	286.1	-17.3	9.9
Construction carried-forward	233.5	239.8	304.4	6.3	64.5
Green Technology	141.4	153.2	186.2	11.8	33.0
Building HVAC	39.0	56.0	86.9	16.9	30.9
Industrial HVAC	102.3	97.2	99.3	-5.1	2.0
Paint Finishing	92.1	86.6	118.1	-5.5	31.4

Breakdown of Construction Carried-Forward



Both Green Technology and Paint Finishing posted profit increases

(JPY bn)	FY2024 Results	FY2025 Results	YoY Change	FY2025 Forecasts*	vs. Forecast
Net sales of completed construction contracts	276.2	286.1	9.9	286.7	-0.5
Japan	144.5	142.0	-2.4	143.6	-1.5
Overseas	131.6	144.0	12.3	143.1	0.9
Green Technology	169.4	183.0	13.6	184.5	-1.4
Building HVAC	36.8	46.1	9.3	47.4	-1.2
Industrial HVAC	132.5	136.8	4.2	137.1	-0.2
Paint Finishing	106.7	103.0	-3.7	102.2	0.8
Ordinary income	19.9	24.7	4.8	23.0	1.7
Ratio	7.2%	8.7%	1.4pt	8.0%	0.6pt
Green Technology	15.2	20.8	5.5	19.1	1.7
Ratio	9.0%	11.4%	2.3pt	10.4%	1.0pt
Paint finishing	4.2	4.3	0.1	4.0	0.3
Ratio	4.0%	4.2%	0.2pt	3.9%	0.3pt

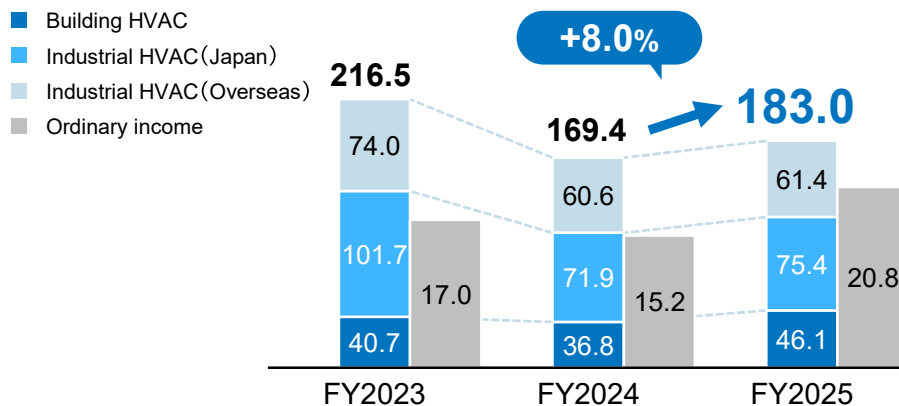
* Revised at the announcement of the financial result for the third quarter

Profit increased due to higher sales and improved profitability in domestic projects

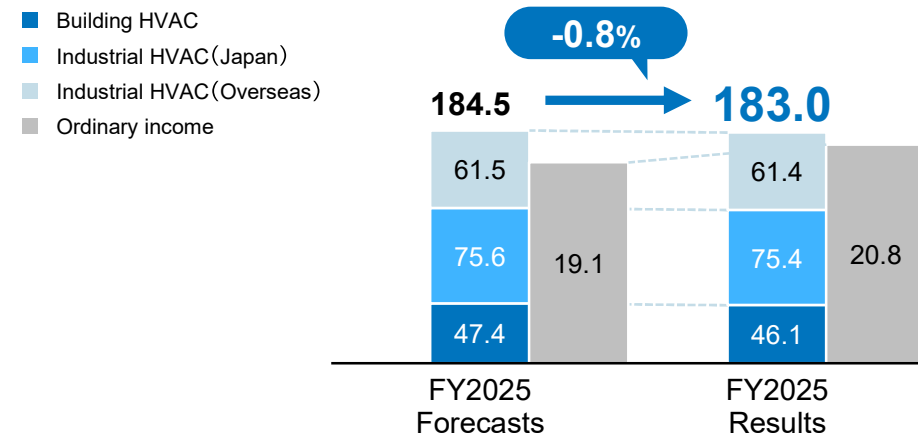
(JPY bn)	FY2024 Results	FY2025 Results	YoY Change	FY2025 Forecasts*	vs. Forecast
Net sales of completed construction contracts	169.4	183.0	13.6	184.5	-1.4
Building HVAC	36.8	46.1	9.3	47.4	-1.2
Industrial HVAC	132.5	136.8	4.2	137.1	-0.2
Japan	71.9	75.4	3.4	75.6	-0.1
Overseas	60.6	61.4	0.8	61.5	-0.0
Overseas ratio	35.8%	33.6%	-2.2pt	33.3%	0.2pt
Ordinary income	15.2	20.8	5.5	19.1	1.7
Ratio	9.0%	11.4%	2.3pt	10.4%	1.0pt

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

Trend



Difference from Forecast

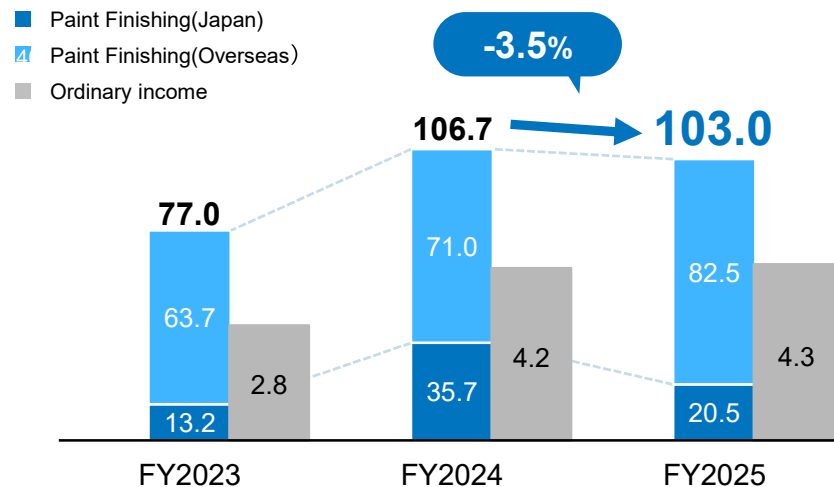


Profit increased due to improved profitability of projects on hand

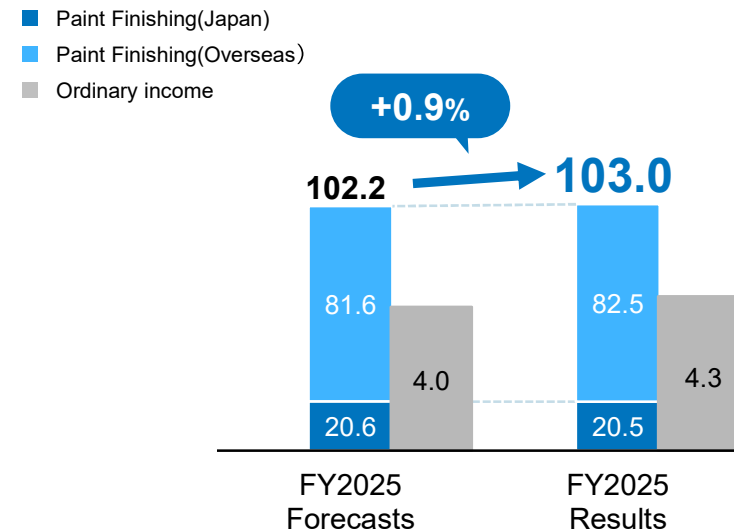
(JPY bn)	FY2024 Results	FY2025 Results	YoY Change	FY2025 Forecasts*	vs. Forecast
Net sales of completed construction contracts	106.7	103.0	-3.7	102.2	0.8
Japan	35.7	20.5	-15.2	20.6	-0.0
Overseas	71.0	82.5	11.5	81.6	0.9
Overseas ratio	66.5%	80.1%	13.6pt	79.8%	0.3pt
Ordinary income	4.2	4.3	0.1	4.0	0.3
Ratio	4.0%	4.2%	0.2pt	3.9%	0.3pt

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

Trend



Difference from Forecast



Orders received expected to increase in Green Technology, and decrease in Paint Finishing

(JPY bn)	FY2025 Results*	FY2026 Forecasts	YoY Change
Orders received	351.7	330.5	-21.2
Japan	166.2	172.4	6.1
Overseas	185.4	158.1	-27.3
Green Technology	214.5	231.0	16.4
Building HVAC	77.1	47.0	-30.1
Industrial HVAC	137.3	184.0	46.6
Paint Finishing	135.1	97.0	-38.1
Other	2.0	2.5	0.4

- Segment classifications will change from FY2026. Accordingly, results for FY2025, have been reclassified and presented based on the new classifications.

Expecting record-high orders received under favorable market conditions

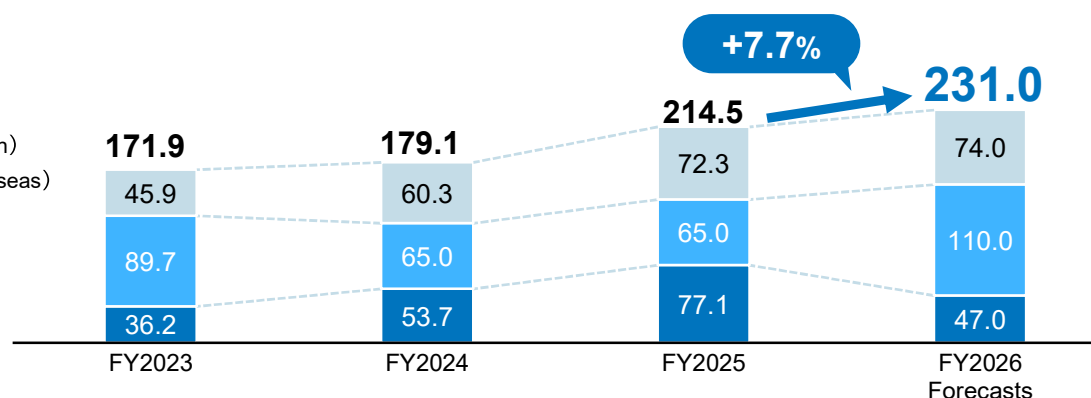
(JPY bn)

	FY2025 Results*1	FY2026 Forecasts	YoY Change
Orders received	214.5	231.0	16.4
Building HVAC	77.1	47.0	-30.1
Industrial HVAC	137.3	184.0	46.6
Japan	65.0	110.0	44.9
Overseas	72.3	74.0	1.6
Overseas ratio	33.7%	32.0%	-1.7pt

*1 Segment classifications will change from FY2026. Accordingly, results for FY2025, have been reclassified and presented based on the new classifications.

Trend*2

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

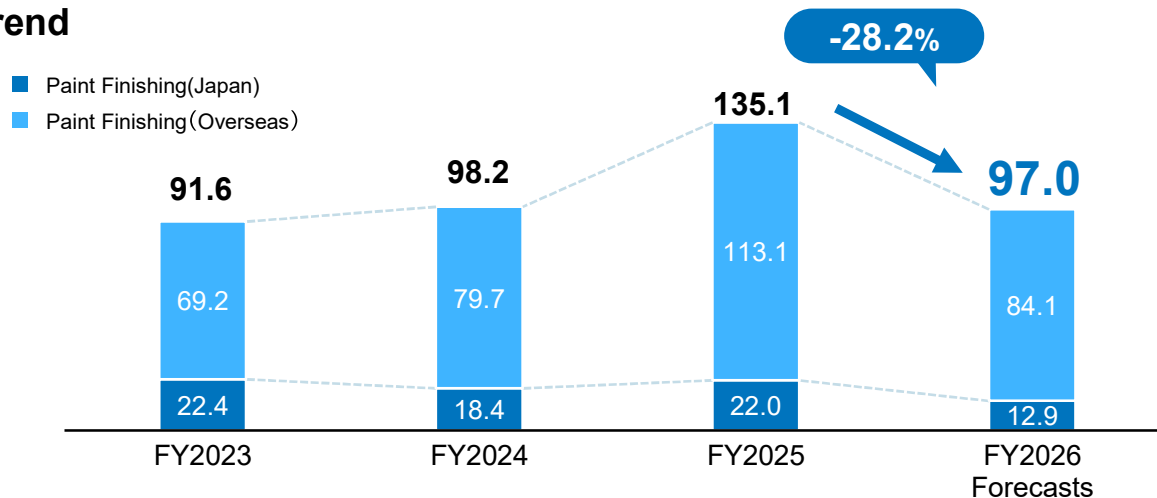


*2 Figures for FY2023 and FY2024 are those before the segment classification change.

Despite a pullback from prior large-scale projects, maintaining orders received exceeding 90 billion yen for the fourth consecutive FY

(JPY bn)	FY2025 Results	FY2026 Forecasts	YoY Change
Orders received	135.1	97.0	-38.1
Japan	22.0	12.9	-9.1
Overseas	113.1	84.1	-29.0
Overseas ratio	83.7%	86.7%	3.0pt

Trend



Green Technology expected to achieve higher net sales and profit, while Paint Finishing expected to achieve higher net sales but lower profit

(JPY bn)	FY2025 Results*	FY2026 Forecasts	YoY Change
Net sales of completed construction contracts	286.1	307.0	20.8
Japan	142.0	140.1	-1.9
Overseas	144.0	166.9	22.8
Green Technology	181.2	195.0	13.7
Building HVAC	46.1	44.0	-2.1
Industrial HVAC	135.0	151.0	15.9
Paint Finishing	103.0	110.0	6.9
Other	1.7	2.0	0.2
Ordinary income	24.7	25.0	0.2
Ratio	8.7%	8.1%	-0.5pt
Green Technology	21.0	21.8	0.7
Ratio	11.6%	11.2%	-0.4pt
Paint Finishing	4.3	4.2	-0.1
Ratio	4.2%	3.8%	-0.4pt
Other	-0.2	-0.7	-0.4
Ratio	-13.4%	-35.0%	-21.6pt

* Segment classifications will change from FY2026. Accordingly, results for FY2025, have been reclassified and presented based on the new classifications.

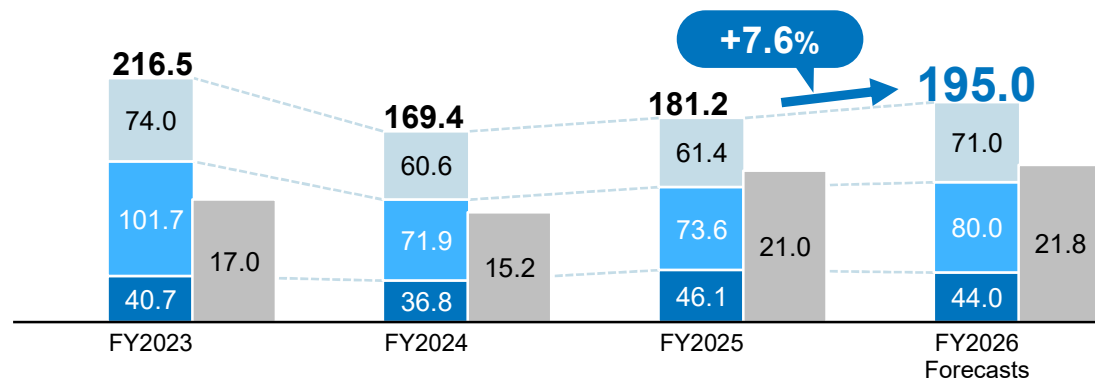
Expected to achieve record-high ordinary income for the second consecutive FY

(JPY bn)	FY2025 Results*1	FY2026 Forecasts	YoY Change
Net sales of completed construction contracts	181.2	195.0	13.7
Building HVAC	46.1	44.0	-2.1
Industrial HVAC	135.0	151.0	15.9
Japan	73.6	80.0	6.3
Overseas	61.4	71.0	9.5
Overseas ratio	33.9%	36.4%	2.5pt
Ordinary income	21.0	21.8	0.7
Ratio	11.6%	11.2%	-0.4pt

*1 Segment classifications will change from FY2026. Accordingly, results for FY2025, have been reclassified and presented based on the new classifications.

Trend ※2

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



Expected to maintain ordinary income above ¥4.0 billion for the third consecutive FY

(JPY bn)

	FY2025 Results	FY2026 Forecasts	YoY Change
Net sales of completed construction contracts	103.0	110.0	6.9
Japan	20.5	14.1	-6.4
Overseas	82.5	95.9	13.3
Overseas ratio	80.1%	87.2%	7.1pt
Ordinary income	4.3	4.2	-0.1
Ratio	4.2%	3.8%	-0.4pt

Trend

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

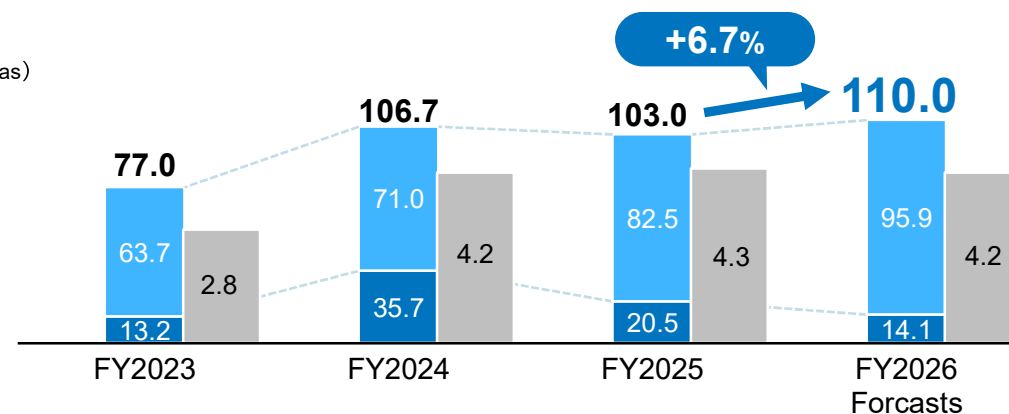
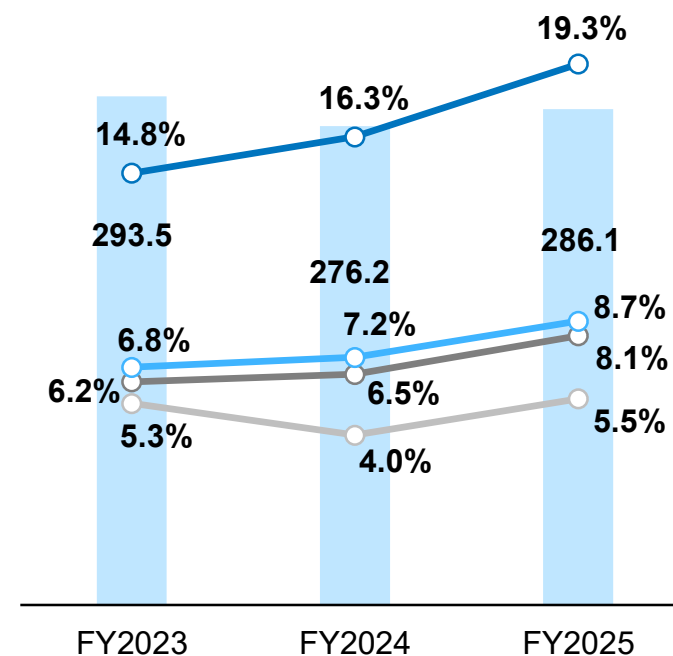


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(JPY bn)	FY2023	FY2024	FY2025
Net sales of completed construction contracts	293.5	276.2	286.1
Gross profit on completed construction contracts	43.3	45.0	55.2
Ratio	14.8%	16.3%	19.3%
Operating income	18.2	17.9	23.3
Ratio	6.2%	6.5%	8.1%
Ordinary income	19.8	19.9	24.7
Ratio	6.8%	7.2%	8.7%
Profit attributable to owners of parent	15.6	11.0	15.5
Ratio	5.3%	4.0%	5.5%
ROE	11.6%	7.6%	10.1%



- Net sales of completed construction contracts
- Gross profit on completed construction contracts ratio
- Operating income ratio
- Ordinary income ratio
- Net income ratio

(JPY bn)

Subject	FY 2024	FY 2025	YoY Change
Current assets	210.9	217.3	6.4
Cash and deposits	47.5	90.6	43.1
Notes receivable, accounts receivable from completed construction contracts and other	151.9	112.8	-39.0
Costs on uncompleted construction contracts · Raw materials and supplies	3.4	3.4	0.0
Other	9.2	11.7	2.4
Allowance for doubtful accounts	-1.2	-1.3	-0.1
Non-current assets	57.5	69.4	11.9
Property, plant and equipment	13.7	13.5	-0.1
Goodwill	0.7	0.9	0.2
Other intangible assets	1.2	1.3	0.1
Investment securities	26.3	32.9	6.6
Deferred tax assets	0.8	0.9	0.0
Other	14.7	19.8	5.0
Allowance for doubtful accounts	-0.1	-0.1	-0.0
Total assets	268.4	286.8	18.3

Subject	FY 2024	FY 2025	YoY Change
Current liabilities	101.0	102.1	1.1
Notes payable, accounts payable for construction contracts and other	49.5	44.0	-5.5
Short-term loans payable	13.2	1.2	-11.9
Advances received on uncompleted construction contracts	19.6	27.4	7.7
Provision for loss on construction contracts	0.3	0.7	0.3
Other	18.2	28.6	10.4
Non-current liabilities	10.9	14.4	3.5
Total liabilities	111.9	116.5	4.6
Net assets	156.4	170.2	13.7
Capital stock	6.4	6.4	-
Capital surplus	3.7	3.6	-0.0
Retained earnings	118.2	119.7	1.4
Treasury shares	-4.9	-1.0	3.9
Valuation difference on available-for-sale securities	11.6	16.5	4.9
Deferred gains or losses on hedges	-0.0	0.0	0.0
Foreign currency translation adjustment	10.3	11.3	0.9
Accumulated remeasurements of defined benefit plans	2.4	4.1	1.7
Non-controlling interests	8.4	9.2	0.8
Total liabilities and net assets	268.4	286.8	18.3

Operating activities CF: Positive due to factors such as an increase in profit and a decrease in notes and accounts receivable - trade

Financing activities CF: Negative due to factors such as a decrease in short-term loans payable

Cash and cash equivalents at the end of period

(JPY bn)

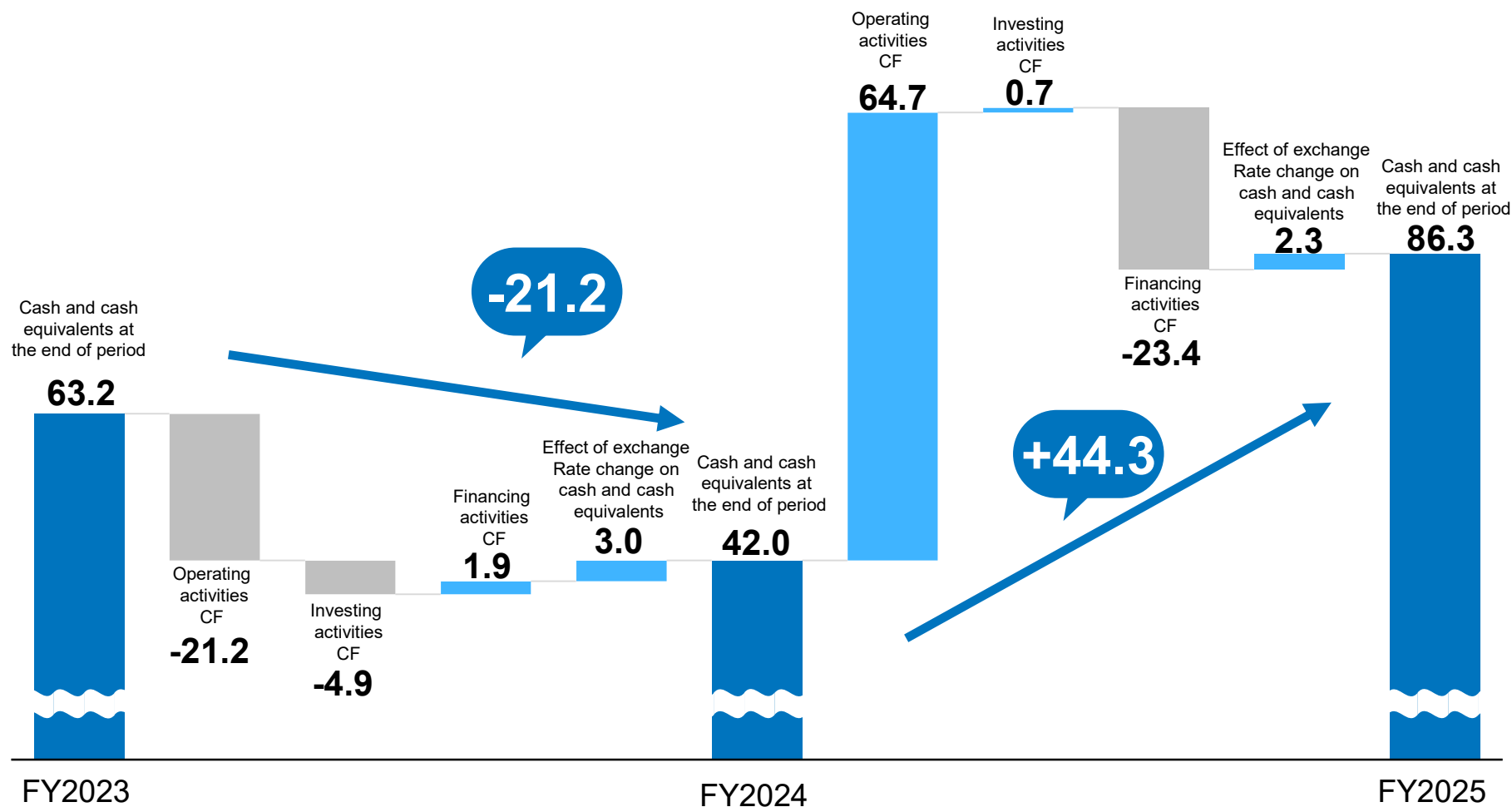


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The ROE level moved upward along with continuous profit growth during the Medium-Term Business Plan period

Set the target ROE level at 11%, and revised the dividend policy



(JPY bn)		FY2025 Results	FY2026 Forecasts	FY2027 target	FY2030 target	FY2034 target	
Financial targets	Orders received	351.7	330.5	296.0	-	-	
	Net sales of completed construction projects	286.1	307.0	336.5	400.0	More than 500.0	
	Ordinary income	24.7	25.0	22.7	-	-	
	Profit attributable to owners of parent	15.5	18.0	15.8	-	-	
	ROE	10.1%	11.0%	10.3%	11.0%	12% or higher	
	DOE	4.5% (4.0%)	4.5% (4.0%)	4.5% (4.0%)	4.5%	5.0% or higher	
	Share buybacks	5.0	5.0	5.0	-	-	
	Ratio of cross-shareholdings to net assets	21.1%	15%-20%	15% or lower	-	-	
Non-financial targets	CO ₂ emissions (versus FY2022)	Scope 1・2	-	-	26% reduction (as of end-FY2027)	42% reduction (as of end-FY2030)	53% reduction (as of end-FY2034)
		Scope 3	-	-	15% reduction (as of end-FY2027)	25% reduction (as of end-FY2030)	35% reduction (as of end-FY2034)

Affected by the stock price increase, the ratio of net assets as of the end of March 2026 stood at 21.1%
 Increased the sales of cross-shareholdings to achieve a ratio to net assets of 15% or lower as of the
 end of March 2028

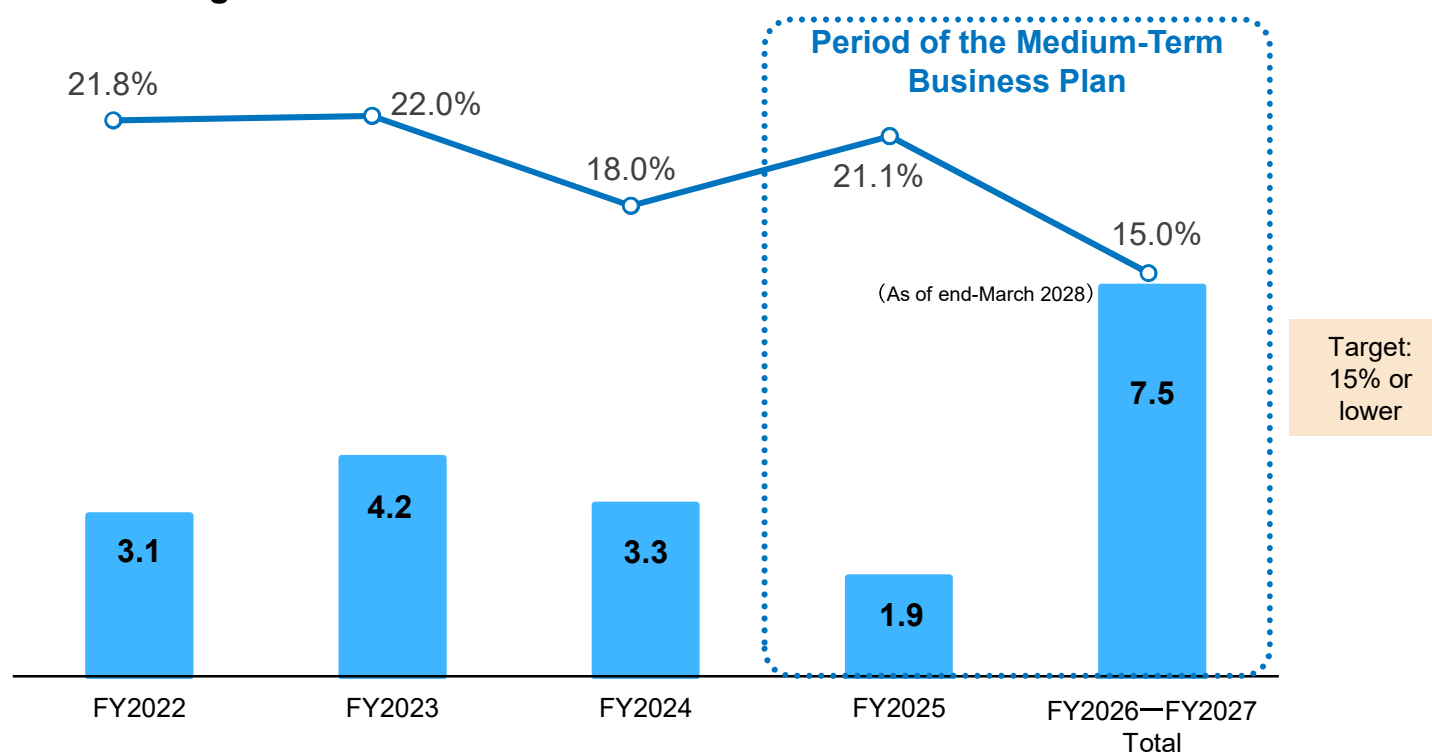
	Period of the previous Medium-Term Business Plan Results			Period of the Medium-Term Business Plan		
	FY2022	FY2023	FY2024	FY2025 (Results)	FY2026 – FY2027 (Plan)	FY2025 – FY2027
Proceeds from sale	¥3.1 billion	¥4.2 billion	¥3.3 billion	¥1.9 billion	¥7.5 billion	¥9.5 billion (5.0billion yen)
Ratio to net assets	21.8%	22.0%	18.0%	21.1%	15% or lower	—

※ The figure in red indicate the revised target, while the figure in parentheses represent the target as of May 2025

Trend in cross-shareholdings

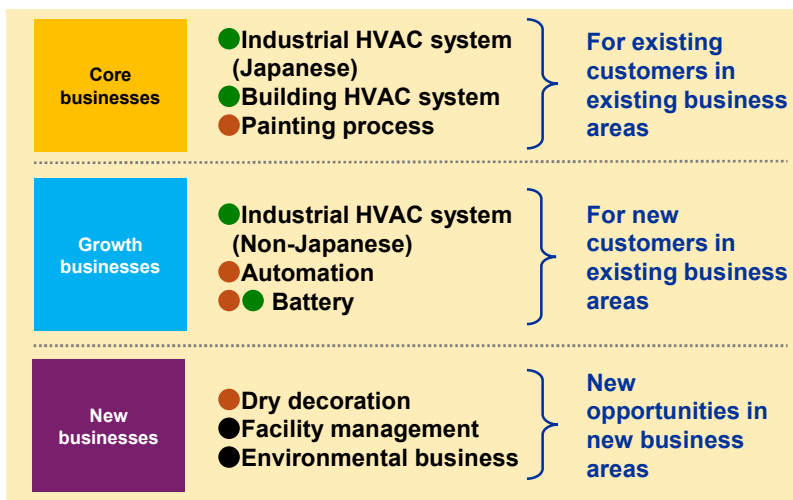
(JPY bn)

- Proceeds from sale
- Ratio to net assets



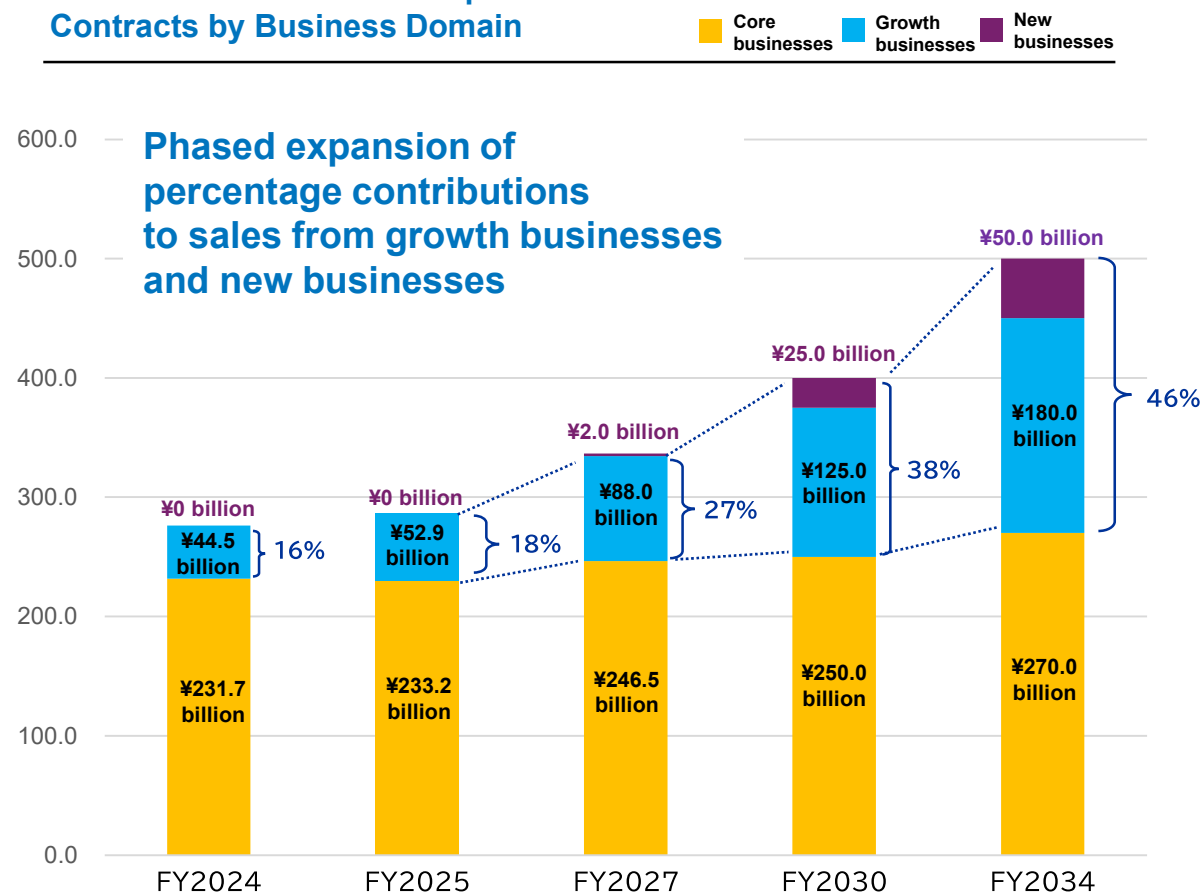
Growth businesses expanded driven by non-Japanese data center projects

Strategic reclassification of business domains into core, growth, and new areas



- Technology/expertise from the Green Technology System Business
- Technology/expertise from the Paint Finishing System Business
- New businesses, new technology/expertise

Trends in Net Sales of Completed Construction Contracts by Business Domain



Invested a total of ¥3.1 billion in FY2025

	Main Achievement until FY2025	FY2025 Results	FY2026 – FY2027
Business growth investment	<ul style="list-style-type: none"> Invested in research and development related to the dry decoration system and carbon-neutral initiatives in the Paint Finishing System Business. Expanded cleanroom panel production capacity by the Indian consolidated subsidiary, Nicomac Taikisha Clean Rooms Private Limited. 	¥1.2 billion	¥5.2 billion
Capital allocation	<ul style="list-style-type: none"> Encore Automation LLC, our North American group company, executed an M&A transaction with a North American automation company. Strengthened human resources, technological capabilities and customer base. 	¥0.7 billion	¥21.2 billion
Digital growth investment	<ul style="list-style-type: none"> Carried out development and operational testing of on-site DX applications, including building information modeling (BIM). Developed a unified platform to realize an efficient communication environment across group companies (under construction). 	¥0.8 billion	¥6.1 billion
Human capital investment for growth	<ul style="list-style-type: none"> Implemented DX literacy training programs for employees in Japan. Operated the overseas trainee system aimed at accelerating the development of talent capable of leading global business expansion. Implemented training programs to develop next-generation leaders in Japan and overseas. 	¥0.2 billion	¥2.2 billion

**Medium-Term Business Plan
Three years total**

¥38.0 billion

Core Strategies Under 10-Year Plan 2035 (FY2025–FY2034)

Basic Policies Based on 10-Year Plan 2035

1	Business strategy	<p>I. Active expansion into growth industries</p> <ul style="list-style-type: none"> • Aggressive targeting of high-tech industries affected by industry restructuring 	<ul style="list-style-type: none"> • Concentrate management resources on industries with global growth potential, with a focus on the key markets of “semiconductors & electronic components,” “mobility,” “batteries,” “biopharmaceuticals,” and “data centers” • Aim to become an engineering company that supports capital investments of global semiconductor-related companies in Japan and across Asia • Create new value by leveraging technological synergies between Green Technology System and Paint Finishing System and integrating the engineering technologies of the two core businesses
		<p>II. Global regional strategies</p> <ul style="list-style-type: none"> • Utilization and reinforcement of global networks • Targeting overseas markets with high growth potential 	<ul style="list-style-type: none"> • Leverage our management resources, including seed technologies and overseas business operations, to strengthen our business presence in new industries in North America, India, Europe, and other markets • Aim for significant growth in high-potential overseas markets, while achieving solid results in the stable and profitable Japanese market
		<p>III. Development of non-Japanese customers</p> <ul style="list-style-type: none"> • Transformation of our Japan-centered customer portfolio • Aggressive marketing to non-Japanese companies that are achieving global growth 	<ul style="list-style-type: none"> • Aim to visualize Taikisha’s “technical capabilities”, allowing them to be seen, heard, and experienced, turn our unique technologies and expertise into global standards, and develop business with non-Japanese companies
2	Enhancement of intellectual capital	<p>IV. Advancement of GX/DX technologies</p> <ul style="list-style-type: none"> • Expansion of GX/DX engineering R&D in response to increasingly sophisticated needs linked to the pursuit of carbon neutrality and the digital shift 	<ul style="list-style-type: none"> ■ Advance “GX engineering technologies” / Deepen and explore the potential of engineering capabilities • Develop new businesses that utilize new technologies that contribute to CO₂ reduction in industries and society • Develop new social-issue-solving businesses that leverage environmentally beneficial technologies. Take on the challenge of developing a “third business pillar,” following Green Technology System and Paint Finishing System ■ Advance “DX and automation technologies” / Invest management resources in DX • Expand the advanced factory automation (FA) technologies cultivated in the Paint Finishing System Business for automobiles to a wide range of industrial fields • Discover new business opportunities by leveraging high-potential seed technologies • Positioning the DX strategy at the core of our growth strategy, continuously invest management resources, accumulate information consolidated through BIM into a platform, and enable diversification of technologies to meet the needs of non-Japanese customers that drive the DX strategy in parallel
3	Enhancement of human capital	<p>V. Quantitative/qualitative enhancement and business process transformation</p> <ul style="list-style-type: none"> • Reduction of business opportunity losses caused by a lack of resources • Quantitative/qualitative enhancement of human capital, business process rationalization and efficiency improvement 	<ul style="list-style-type: none"> ■ Introduce global human capital portfolio management and strengthen global engineering capabilities • Position global human capital at the core as a “source of competitiveness” and, based on human capital portfolio management, aim to secure the personnel needed to support our growth strategy • Promote management strategies that leverage our own intellectual property and intangible assets, strengthening engineering capabilities and global response capabilities through borderless recruitment and development of talent
4	Strengthening the management base	<p>VI. Enhancement of business execution/monitoring structures</p>	<ul style="list-style-type: none"> ■ Establish a “business execution and monitoring structures” and enhance global governance ■ Enhance the group-wide risk management system to increase social value • Promote corporate and business management with an awareness of capital costs, striving to enhance corporate value • Establish a framework to maintain stable and efficient financial management, as well as adequate equity for sound and efficient management ■ Enhance compliance awareness and reduce ESG-related risks • Promote and strengthen activities to instill and enhance compliance awareness across all levels of the organization, aiming to ensuring compliance with laws and regulations related to business operations and enhancement of morale • Strengthen measures to prevent recurrence and future compliance violations of regulatory compliance both in Japan and overseas • Commit to responsible corporate management that respects human rights not only within our group’s employees but across the entire supply chain
		<p>VII. Enhancement of global group management infrastructure</p>	<ul style="list-style-type: none"> ■ Enhance global safety awareness and pursue technical quality chosen by customers • In project safety and health, improve personnel awareness and optimize process management to strengthen the foundation of business activities. In addition, pursue specifications tailored to customer needs and optimize the balance between technical quality and customer satisfaction
5	DX Strategy	<p>VIII. Leverage data analytics and simulations to provide new value</p> <ul style="list-style-type: none"> • Promotion of cross-border collaboration and co-creation among overseas offices, and operational streamlining and establishment of a high-profit structure through business process reform centered on digital platforms 	<ul style="list-style-type: none"> ■ Leverage digital technologies and global collaboration to create new value • Create and deliver new value across the entire Taikisha Group through offering new value leveraging data analysis and simulation, promoting cross-border collaboration and co-creation among overseas offices, and implementing business process reforms centered on digital platforms for operational efficiency and high profitability

Conducted cross-border order intake and construction activities across ASEAN bases

Established a Regional Strategy Department to accelerate and strengthen global strategy execution

Achievements

- Obtained repeat orders from a pharmaceutical manufacturer in multiple countries through cross-base sales activities
- Established a project structure for a large-scale data center project ordered by a hyperscaler by mobilizing construction personnel across ASEAN bases



Regional Strategy Dept.

Asean Strategy Office

Approach to global companies through collaboration across the ASEAN region

East Asia Strategy Office

Approach to semiconductor-related companies centered on Japan and Taiwan

India Strategy Office

Expansion of order intake capabilities by leveraging bases of HVAC, paint finishing, and panel businesses

North America Strategy Office

Development of HVAC business by leveraging the bases of the Paint Finishing System Business

Domestic Strategy Office

Enhancement of productivity through collaboration across departments and with business partners

Expand European bases and strengthen the automation domain

Secured a mega-scale project in Europe

- Secured an order in Europe for a project worth several hundred million euros
- Advanced the project through our global resources, including Taikisha Deutschland GmbH (Germany), established in 2024
- Scheduled for completion in FY2028
- Scheduled to continue to expand European bases

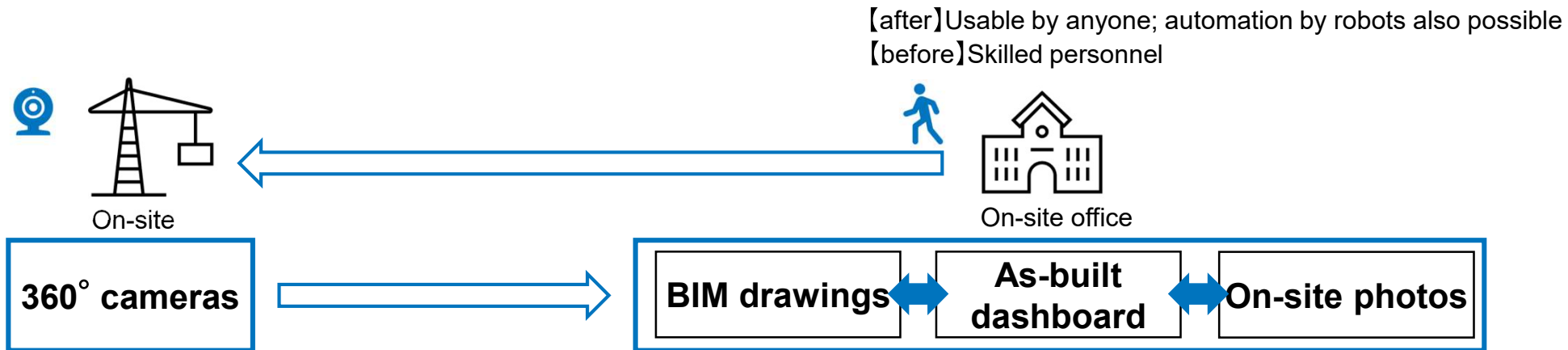


Automation

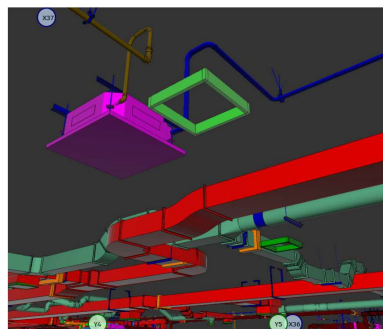
- Executed an M&A transaction in North America involving an automation company with strong ties to the Detroit Three in the U.S.
- Secured a mid-sized automation project from the Detroit Three



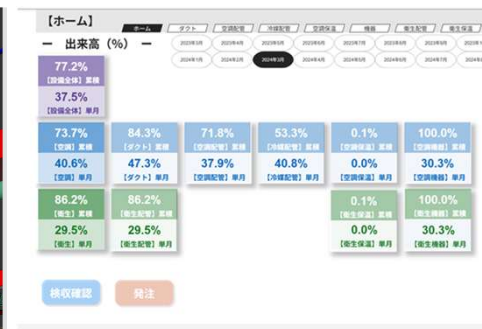
To enhance on-site productivity, we are working on new off-site construction management which integrates on-site work processes and timelines into BIMxD



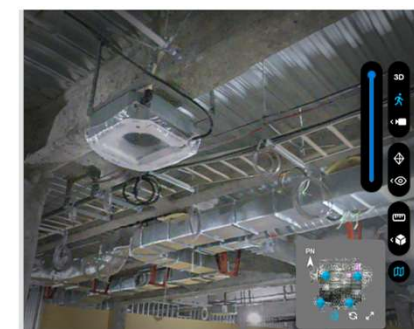
- BIM drawings are created from images captured with 360° cameras
- Daily changes in camera images are automatically analyzed to capture as-built status and reflected in the dashboard
- Locations of equipment in the construction sites are searchable with camera images
- Material information for completed sections can be confirmed through BIM
- Various construction-related information can be accessed off-site.



BIM drawings



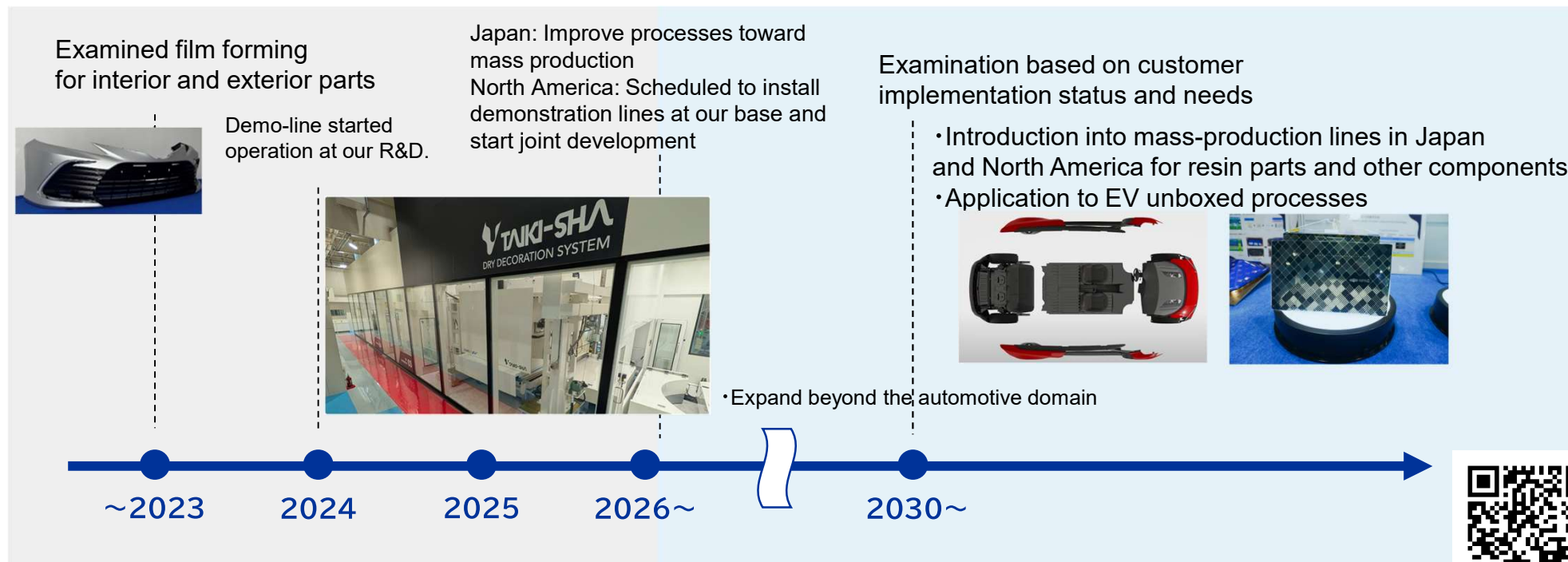
As-built dashboard



On-site photos

Verification with domestic four-wheel vehicle OEMs
on our demonstration lines has largely been completed

Address challenges toward mass production and examine introducing test lines
at customer production sites



For more details of the dry decoration system.

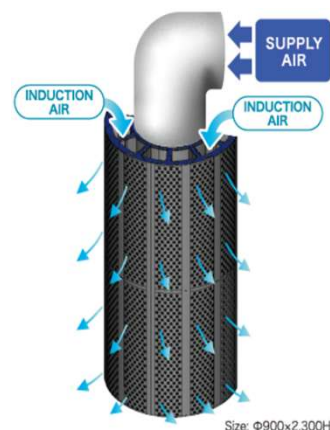
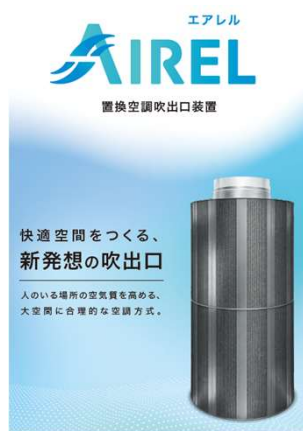
Dry Decoration System for Building Materials

- Leveraging its advantage of reducing paint finishing and drying processes, the system is being applied to building material siding
- Collaboration with building material film manufacturers



Develop air-conditioning units that meet needs for carbon neutrality and improved workplace environments

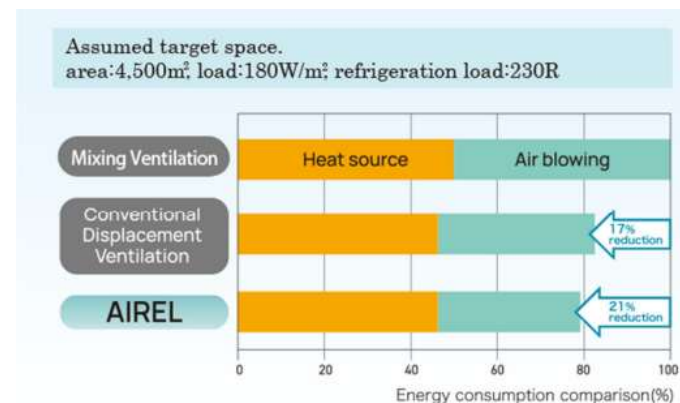
Displacement Ventilation Diffuser (AIREL)



- An air-conditioning system that maintains indoor environments while achieving both worker comfort and energy efficiency
- Compared with typical mixed air-conditioning systems, our system reduces energy consumption by approximately 20% by suppressing drafts*1 and reducing required airflow*2
- We will expand its application to high-heat production plants and large-space facilities, aiming for future application to cleanrooms, etc.

*1 Cold airflow that causes discomfort when it hits the human body

*2 Based on company simulations



FOLLOAS

FOLLOAS



Conceptual image of application



- Air outlet system that tracks human movement using image recognition technology
- Effective for heat mitigation in large spaces where whole-space or zoned air conditioning is difficult
- Sales result: 149 units (electronic component factories, automobile assembly plants, warehouses, etc.)

Core Strategies Under 10-Year Plan 2035 (FY2025–FY2034)

Achievements and Key Ongoing Initiatives During the Medium-Term Business Plan Period

1	Business strategy	<p>I . Active expansion into growth industries</p> <ul style="list-style-type: none"> • Aggressive targeting of high-tech industries affected by industry restructuring 	<ul style="list-style-type: none"> • Promoted relationship-building with customers in growth industries such as semiconductors, batteries, and pharmaceutical. • Engaged in mutual personnel exchange and technical collaboration in the battery field, a synergy area between business units, and participated in the activities of the Battery Association for Supply Chain (BASC). Conducted research and assessment for expansion into the Indian market. • Currently conducting on-site quality verification for four-wheel vehicle customers on the demonstration line of the dry decoration system. Began collaboration with a film manufacturer on building material films using the dry decoration process.
		<p>II . Global regional strategies</p> <ul style="list-style-type: none"> • Utilization and reinforcement of global networks • Targeting overseas markets with high growth potential 	<ul style="list-style-type: none"> • Enhanced cleanroom panel production capacity through our consolidated Indian subsidiary, Nicomac Taikisha Clean Rooms Private Limited, and promoted HVAC business within India. • Encore Automation LLC, our North American group company, executed an M&A transaction with a North American automation company. Strengthened human resources, technological capabilities and customer base. • Expanded membership in the business partner organization TPG (Taikisha Partners Group), and provided recruitment support. 1,528 member companies, and recruitment support provided to 15 companies. An incentive program is being designed. • Promoted unitization of construction as part of product management activities.
		<p>III . Development of non-Japanese customers</p> <ul style="list-style-type: none"> • Transformation of our Japan-centered customer portfolio • Aggressive marketing to non-Japanese companies that are achieving global growth 	<ul style="list-style-type: none"> • Established a framework for the East Asia semiconductor strategy centered on Taiwan, joining industry associations and implementing outreach initiatives. • Established the Regional Strategy Department in line with region-specific strategies. • Established the ASEAN Management Dept. in Singapore. Built a cross-border sales structure across ASEAN. Acquired repeat orders across multiple countries. • Strengthened collaboration among global development bases to meet the needs of non-Japanese and new customers.
2	Enhancement of intellectual capital	<p>IV . Advancement of GX/DX technologies</p> <ul style="list-style-type: none"> • Expansion of GX/DX engineering R&D in response to increasingly sophisticated needs linked to the pursuit of carbon neutrality and the digital shift 	<ul style="list-style-type: none"> • Established a framework to expand production capacity of Ultra Precise Temperature Control Chamber^{*1}. *1 An equipment that provides a production environment for manufacturing semiconductors, and ultra-precise processing, measurement and testing. • Established a framework to promote the Energy Management System (EMS) and developed an air-conditioning management system that integrates AI with proprietary control technologies. Currently implementing and testing the system at customer facilities. • Continued to provide engineering proposals optimized for customer manufacturing processes, alongside CO₂ reduction proposals for projects involving design. • NEDO's Moonshot Research and Development Program on "Direct Air Capture (DAC)," which directly captures CO₂ from the atmosphere, is underway.

Core Strategies Under 10-Year Plan 2035 (FY2025–FY2034)

Achievements and Key Ongoing Initiatives During the Medium-Term Business Plan Period

<p>3 Enhancement of human capital</p>	<p>V. Quantitative/qualitative enhancement and business process transformation</p> <ul style="list-style-type: none"> Reduction of business opportunity losses caused by a lack of resources Quantitative/qualitative enhancement of human capital, business process rationalization and efficiency improvement 	<ul style="list-style-type: none"> Promoted the development of global talents through conducting global training programs. Visualized the human capital portfolio in line with 10-Year Plan 2035 to promote strategic personnel placement. Conducted training programs for female managerial candidates to promote leadership diversity. Started operation of a career development support program based on issues identified through a pulse survey conducted in the first half. Also examining measures to promote the program.
<p>4 Strengthening the management base</p>	<p>VI. Enhancement of business execution/monitoring structures</p>	<ul style="list-style-type: none"> Established the Growth Strategy Council outlined in 10-Year Plan 2035 and began discussions aimed at achieving the 10-year plan. Formulated ROIC targets by business unit and base, and carried out initiatives to ensure their adoption. Obtained a new credit rating of “A (Stable)” from Japan Credit Rating Agency, Ltd.
	<p>VII. Enhancement of global group management infrastructure</p>	<ul style="list-style-type: none"> Currently building a global management base that centralizes group-wide management information and enables forecasting and simulation.
<p>5 DX strategy</p>	<p>VIII. Leverage data analytics and simulations to provide new value</p> <ul style="list-style-type: none"> Promotion of cross-border collaboration and co-creation among overseas offices, and operational streamlining and establishment of a high-profit structure through business process reform centered on digital platforms 	<ul style="list-style-type: none"> Carried out operational testing of on-site DX applications, including BIM, in actual projects. Currently conducting tests to build a BIM platform. Applied simulation technologies to the dry decoration system and paint drying system.

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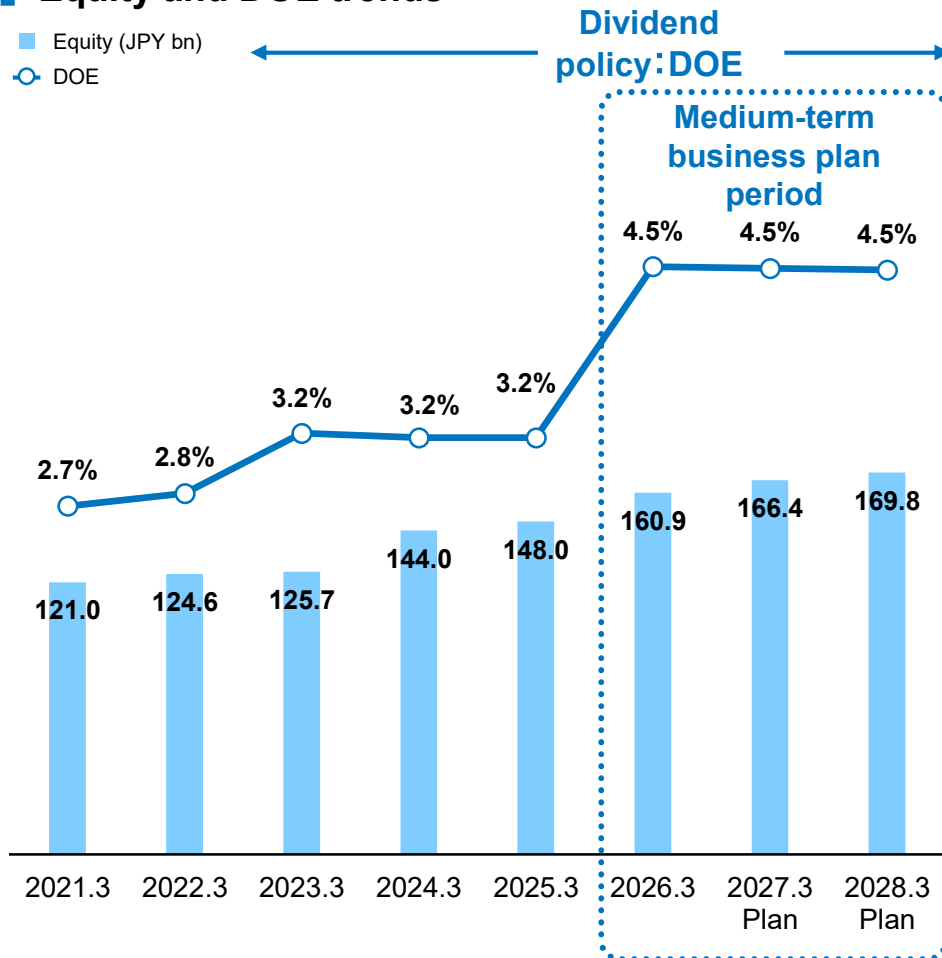
1. Financial Summary	P.03
2. Financial Summary by Segment	P.10
3. Financial Statement	P.24
4. Progress of Medium-Term Business Plan (FY2025~FY2027)	P.28
5. Shareholders Returns	P.41
6. Appendix	P.44

【 Dividend policy 】 Taikisha will implement stable dividends targeting a consolidated dividend on equity ratio (DOE) of 4.5% (ratio revision)

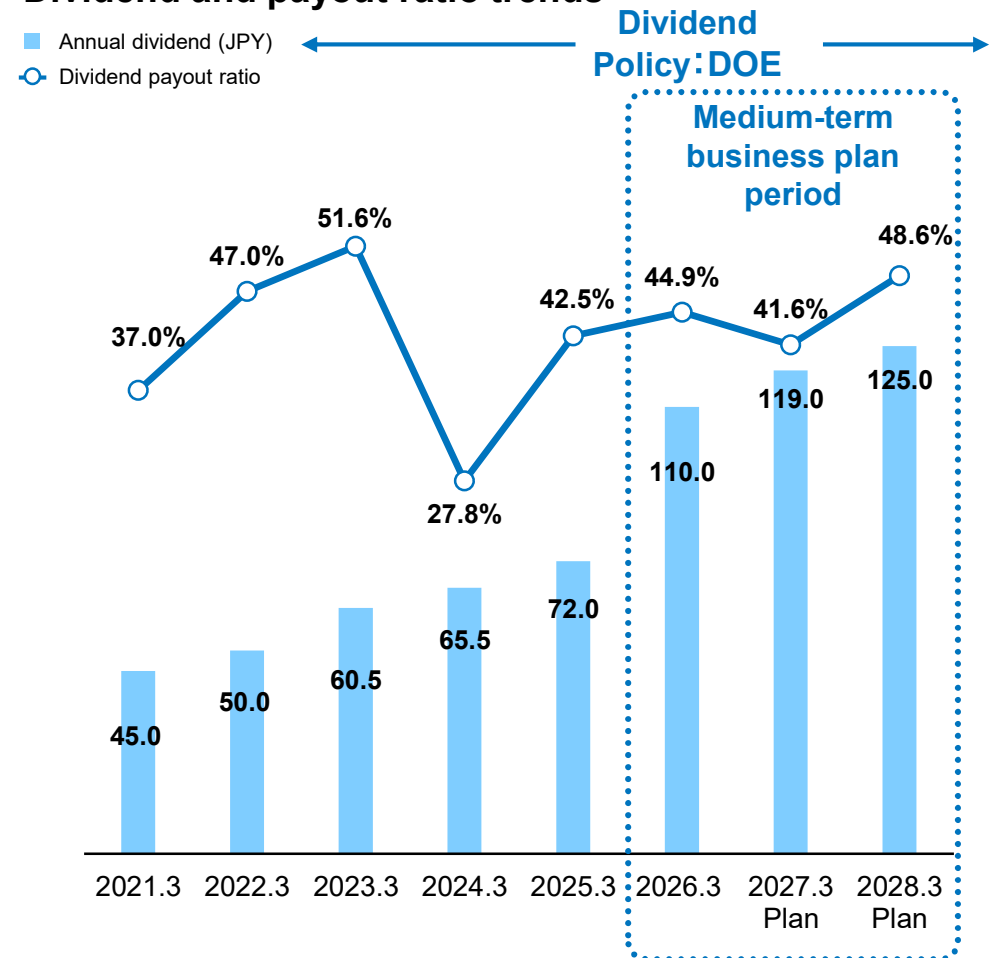
$$\text{DOE } 4.5\% = \text{Targeted ROE level } 11\% \times \text{Payout ratio } 40\%$$

FY2025 dividend proposed to increase from JPY94 to JPY110
 FY2026 dividend planned to increase to JPY119

Equity and DOE trends



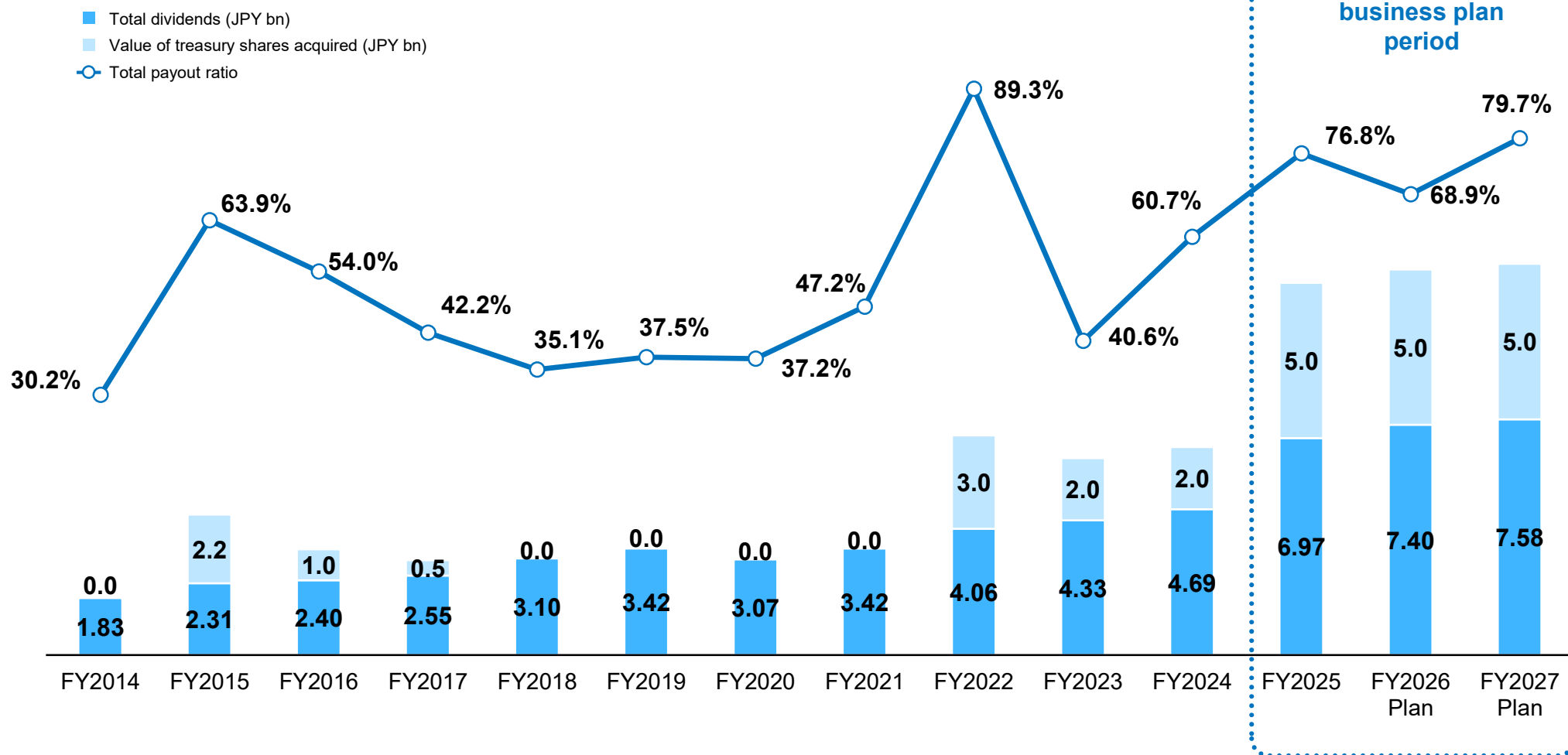
Dividend and payout ratio trends



【 Policy for treasury share acquisition 】

To improve capital efficiency and realize flexible financial policies, Taikisha plans to acquire JPY5 billion in treasury shares per year during the period of its medium-term business plan.

Shareholder returns and total payout ratio



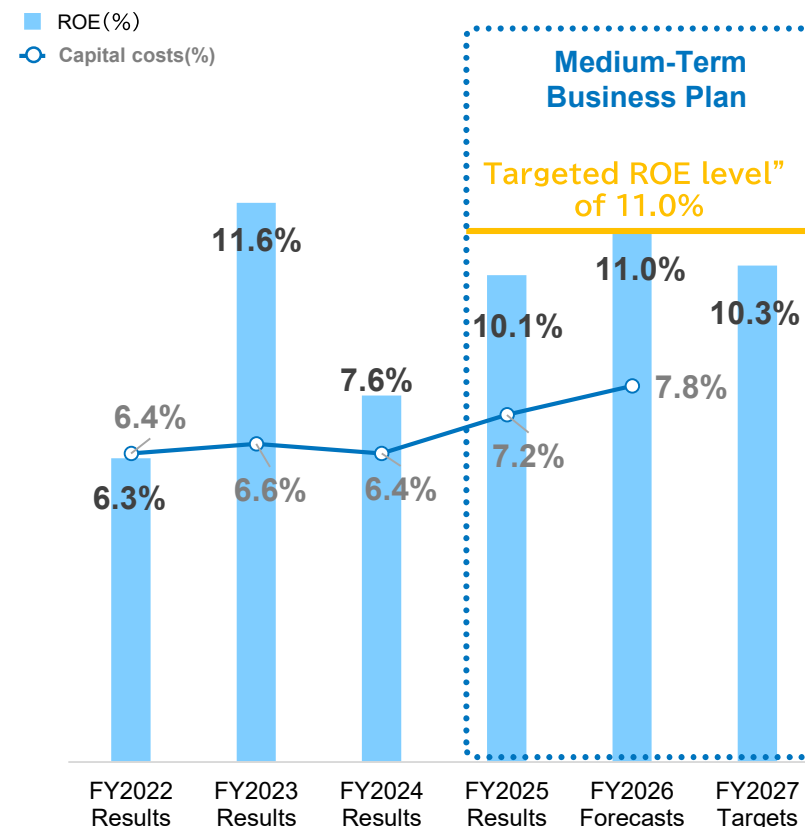
*The value of treasury shares includes shares less than one unit.

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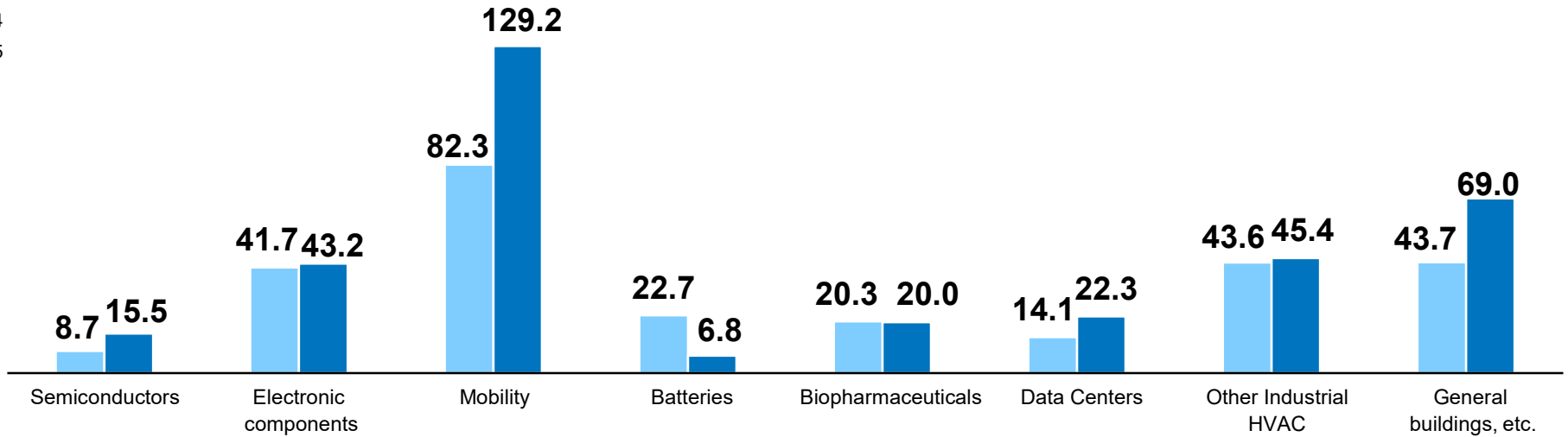
Current Situation Analysis		<ul style="list-style-type: none"> Set Return On Equity (ROE) as an important management index. Expect ROE of 11.0% for FY2026. Calculated the cost of shareholders' equity based on the CAPM model. It stands at 7.8% for FY2026. ROE has been above the cost of shareholder's equity, except during the period of the COVID-19 pandemic. 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 necessary to iron out the difference between our perceptions and the market's views. The PBR for FY2025 exceeded 1×, and it is still more than 1×. Recognizing the need to maintain PBR of at least 1× and further improve capital efficiency.
Target		<ul style="list-style-type: none"> For the Medium-Term Business Plan for FY2025 through FY2027, <u>we have raised the target ROE from the initial 10.0% to 11.0%.</u>
Initiatives	Management index	<ul style="list-style-type: none"> Formulated ROIC targets by business unit and base, and carried out initiatives to ensure their adoption.
	Appropriate allocation of management resources	<ul style="list-style-type: none"> Regarding business investments such as M&A, introduced a mechanism for decision-making on acceptability that takes capital costs into account. Promote growth investments (38.0 billion yen) and shareholder returns based on the cash allocation policy of the current Medium-Term Business Plan. Reduce cross-shareholdings (Planning to conduct sales worth 9.5 billion yen during the current Medium-Term Business Plan period). Formulated and implemented policies to improve capital efficiency, including reviewing business portfolios and cash allocation.
	Shareholder Returns	<ul style="list-style-type: none"> Ensure stable dividends (DOE of 4.5% from FY2025, with a planned increase to 5.0% from FY2031). Flexibly purchase and retire treasury shares in order to improve capital efficiency and promptly implement financial policies (Planning purchases worth 15 billion yen during the current Medium-Term Business Plan period).
	IR	<ul style="list-style-type: none"> Continuously have proactive dialogue with investors and feedback to management. Improve measures for IR to strengthen engagement with investors.
	Sustainable growth	<ul style="list-style-type: none"> Established a Sustainability Committee, chaired by an Outside Director, to regularly review and monitor progress on GHG reduction targets, human rights due diligence, sustainable procurement initiatives, and responses to external evaluations. Enhance the disclosure of non-financial information based on international disclosure frameworks.

Trend in ROE

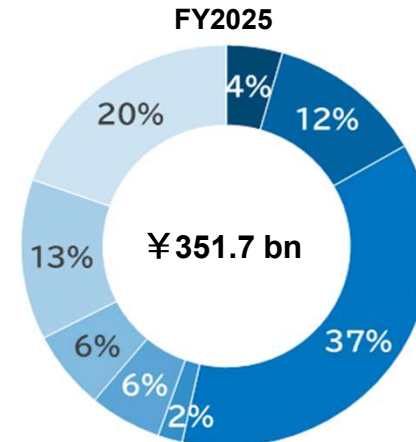
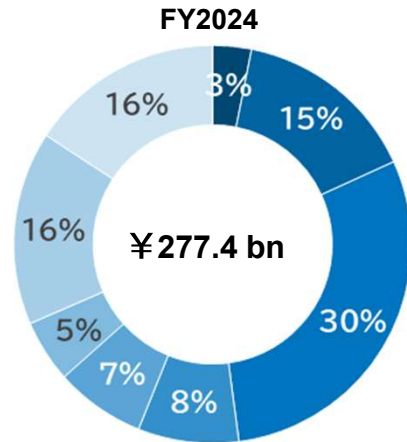


Orders received

(JPY bn) ■ FY2024 ■ FY2025



* Mobility: automobiles, 2-wheelers, railroads, aircraft, others

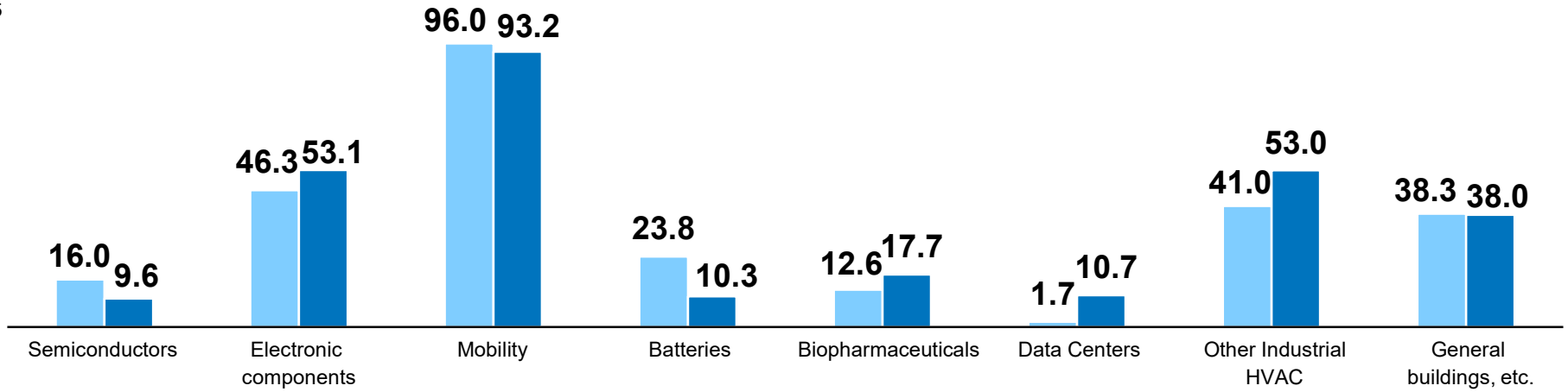


- Semiconductors
- Electronic components
- Mobility
- Batteries
- Biopharmaceuticals
- Data Centers
- Other Industrial HVAC
- General buildings, etc.

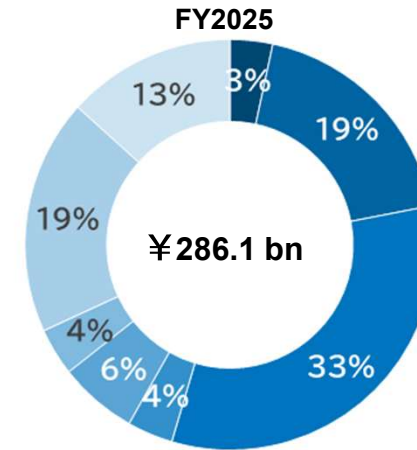
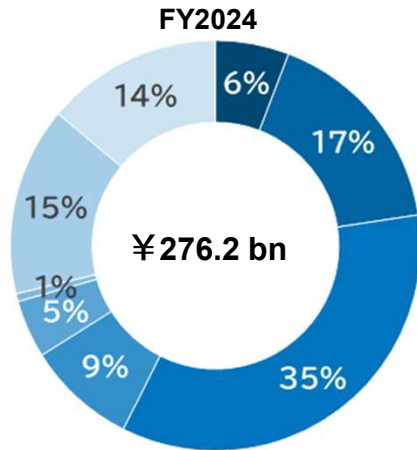
- Semiconductors
- Electronic components
- Mobility
- Batteries
- Biopharmaceuticals
- Data Centers
- Other Industrial HVAC
- General buildings, etc.

Net sales

(JPY bn) ■ FY2024 ■ FY2025



* Mobility: automobiles, 2-wheelers, railroads, aircraft, others

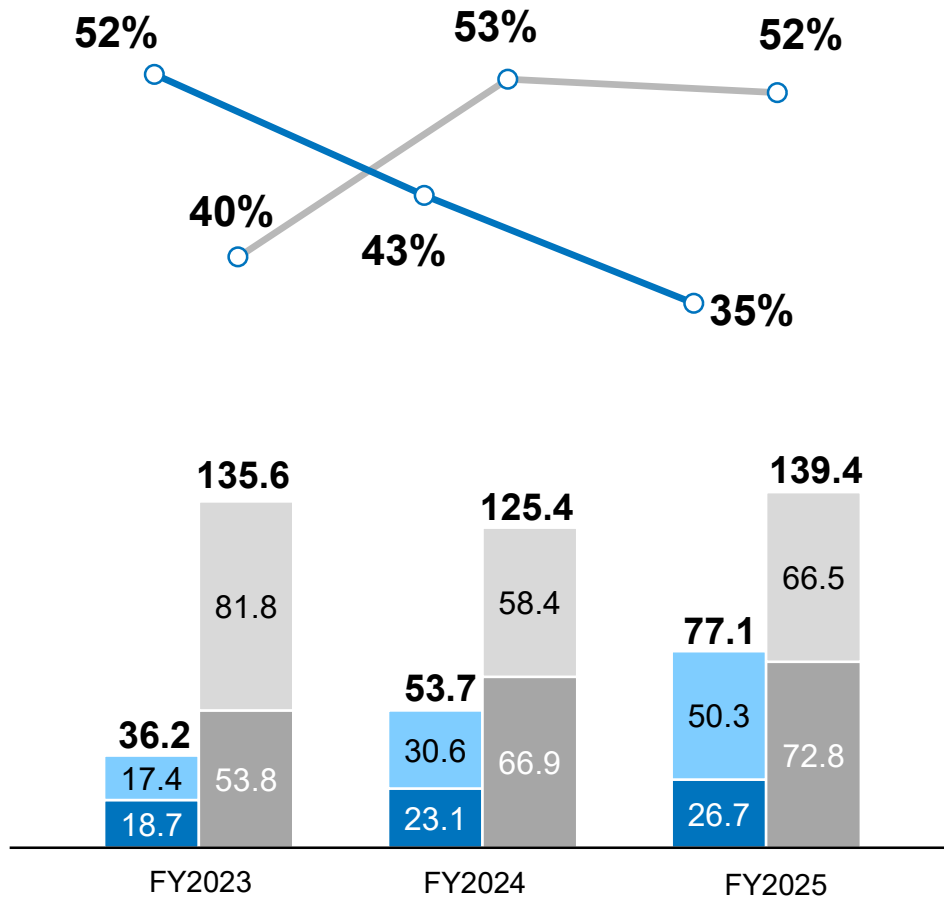


■ Semiconductors ■ Electronic components ■ Mobility ■ Batteries
■ Biopharmaceuticals ■ Data Centers ■ Other Industrial HVAC ■ General buildings, etc.

■ Semiconductors ■ Electronic components ■ Mobility ■ Batteries
■ Biopharmaceuticals ■ Data Centers ■ Other Industrial HVAC ■ General buildings, etc.

Orders received

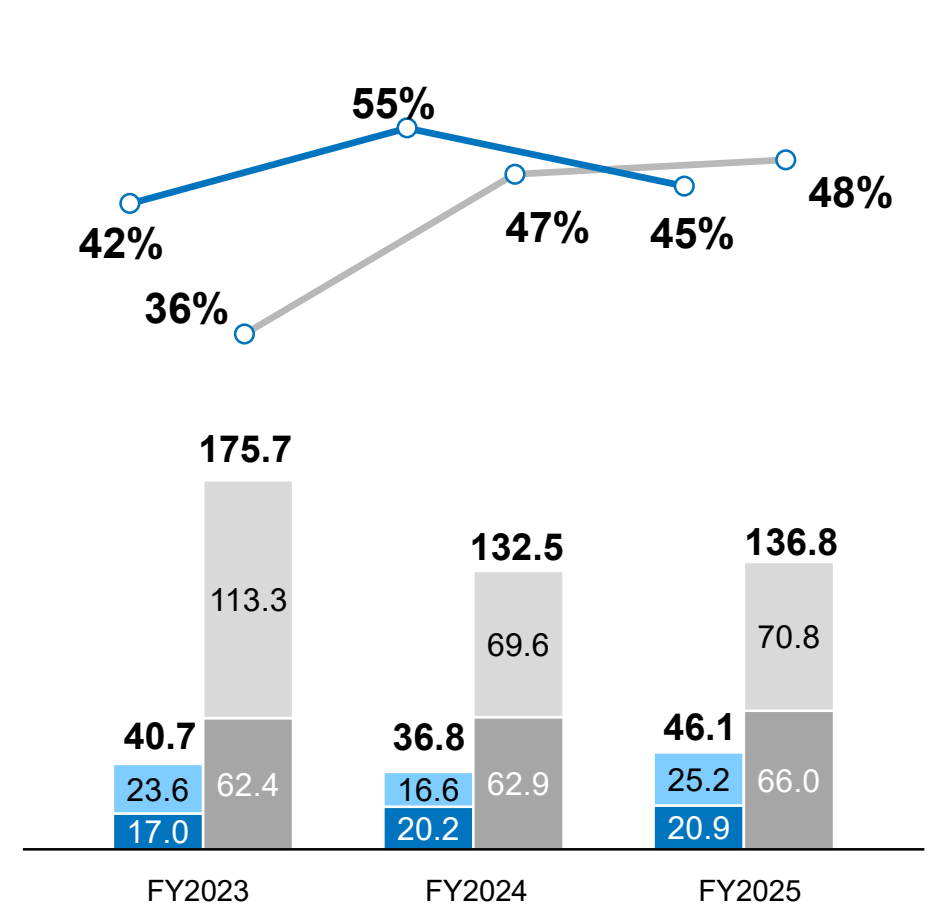
- Building HVAC(renovation)
- Building HVAC(new construction)
- Building HVAC renovation ratio
- Industrial HVAC(renovation)
- Industrial HVAC(new construction)
- Industrial HVAC renovation ratio



Net Sales

(JPY bn)

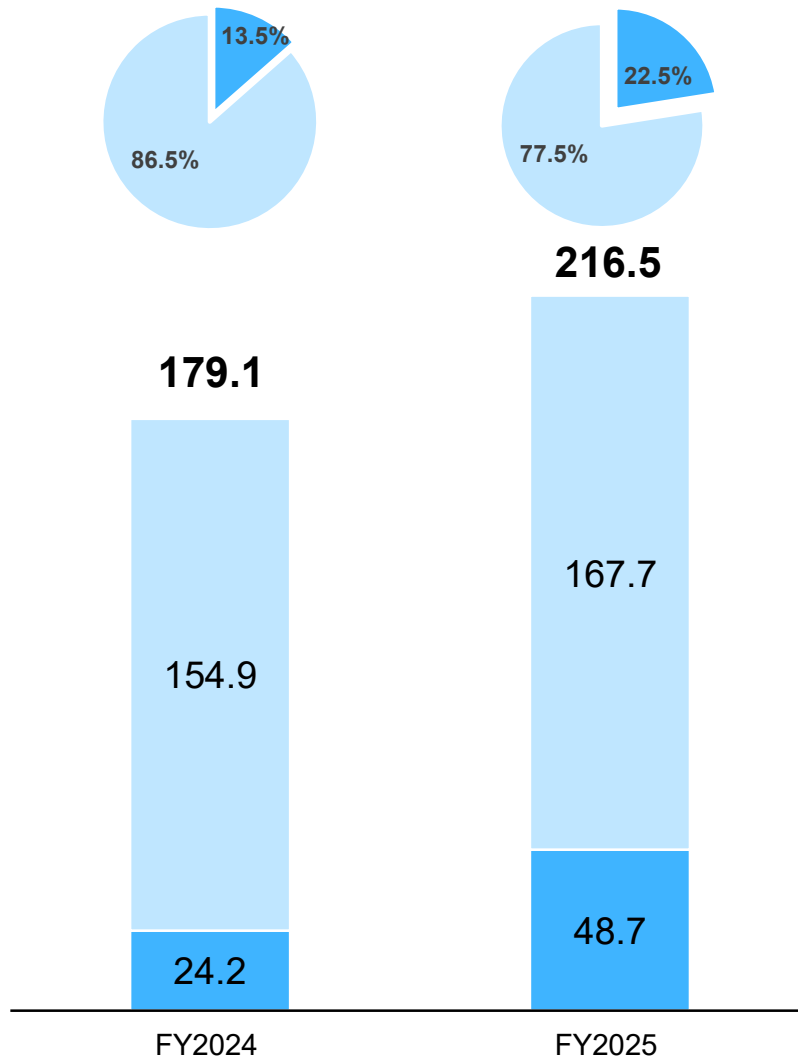
- Building HVAC(renovation)
- Building HVAC(new construction)
- Building HVAC renovation ratio
- Industrial HVAC(renovation)
- Industrial HVAC(new construction)
- Industrial HVAC renovation ratio



Orders received

(JPY bn)

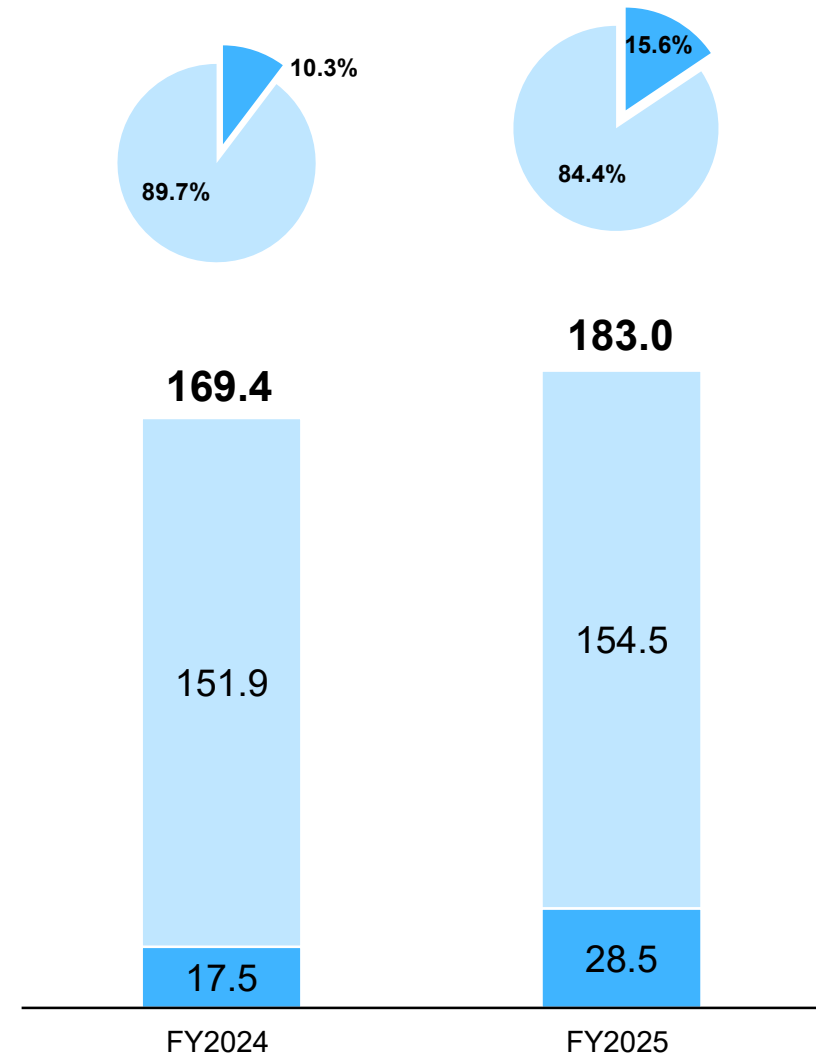
- Japanese customer
- Non Japanese customer



Net Sales

(JPY bn)

- Japanese customer
- Non Japanese customer

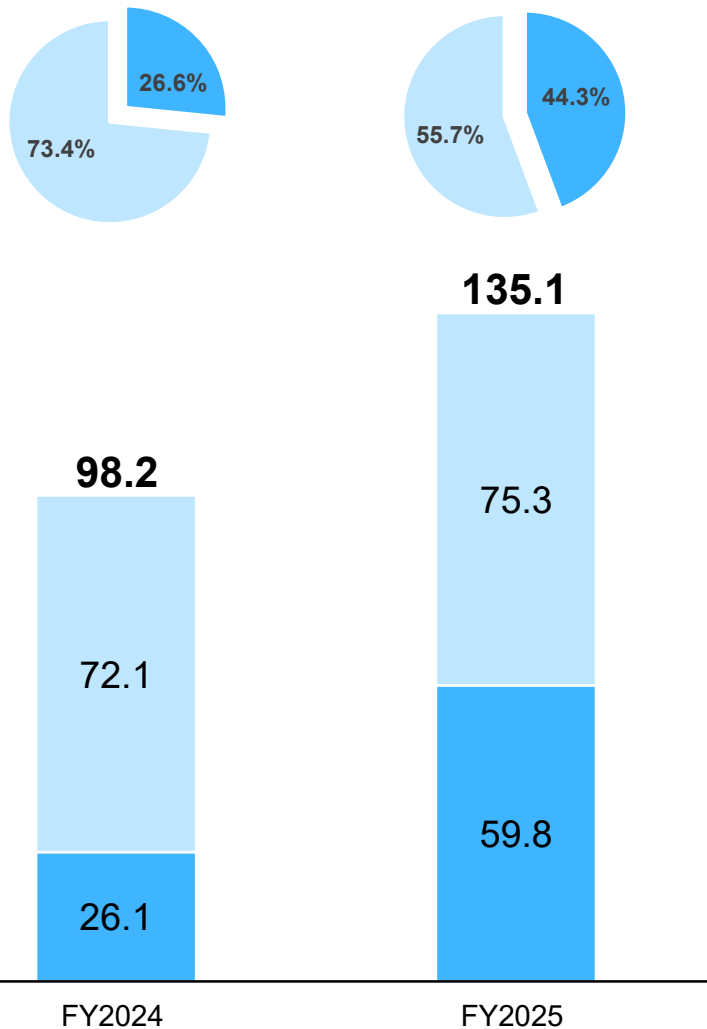


* The orders and sales of the overseas Japanese-joint venture (including all of Japanese customer investment companies) are included in the total value of the Japanese customer

Orders received

(JPY bn)

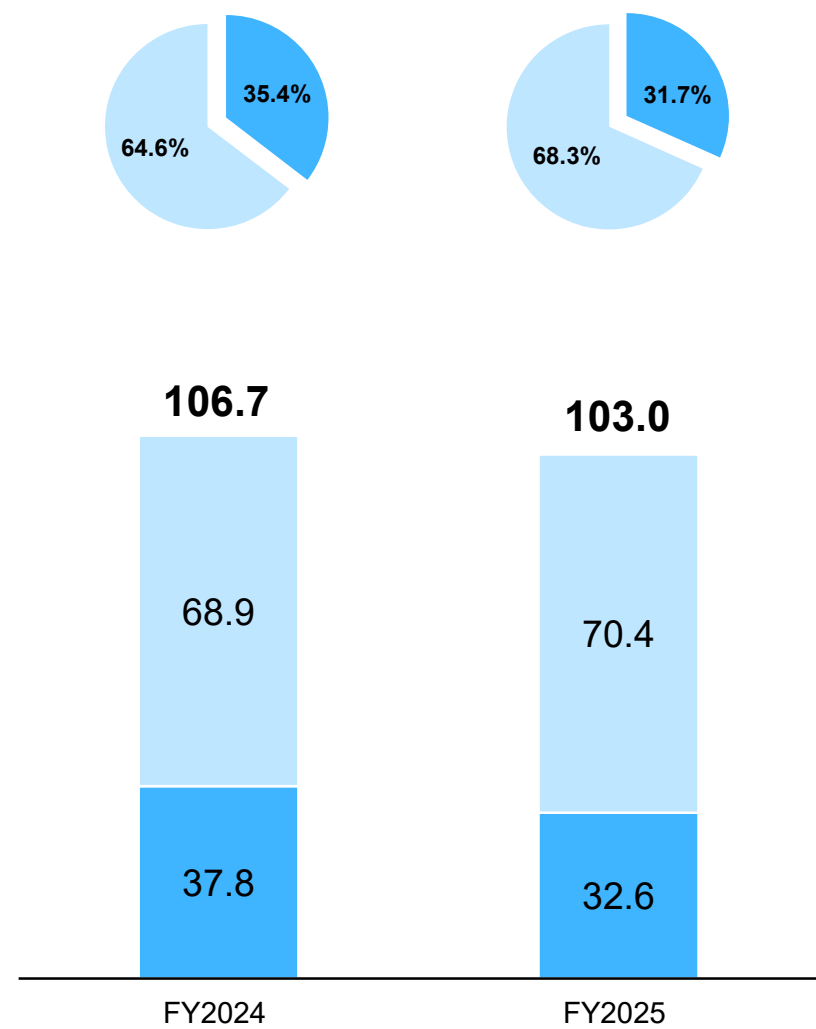
- Japanese customer
- Non Japanese customer



Net Sales

(JPY bn)

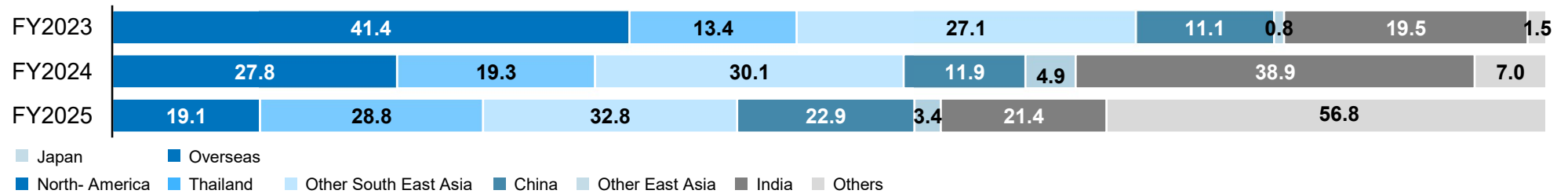
- Japanese customer
- Non Japanese customer



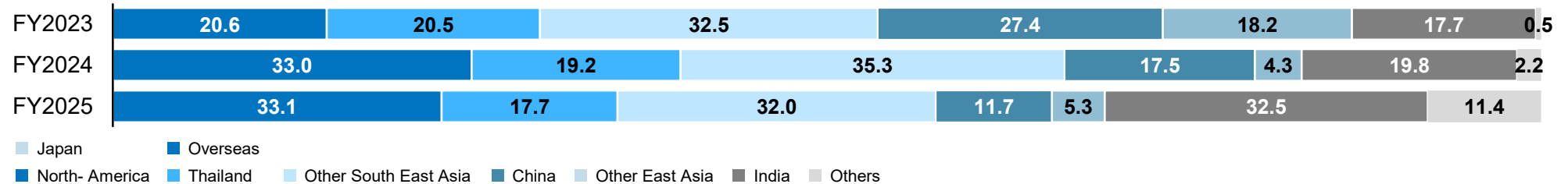
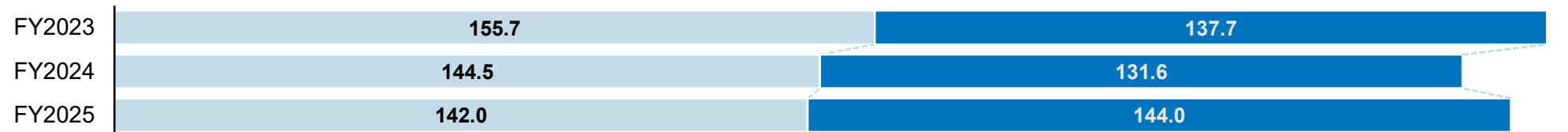
* The orders and sales of the overseas Japanese-joint venture (including all of Japanese customer investment companies) are included in the total value of the Japanese customer

(JPY bn)

Orders received



Net Sales



* The numerical value does not include the internal trading.

* Major countries and regions:

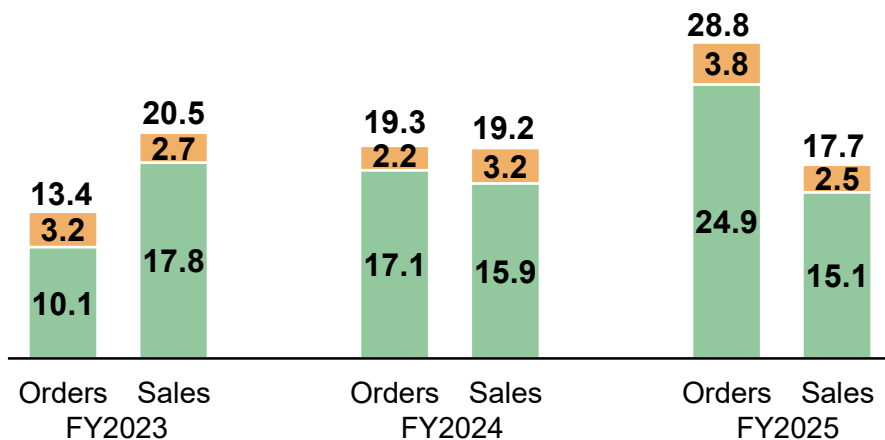
• **Southeast Asia:** Singapore, Malaysia, Indonesia, Philippines, Vietnam, others. • **East Asia:** Taiwan, Korea • **North America:** U.S.A., Canada, Mexico • **Others:** EU, South America, others

Orders Received and Sales of overseas main four affiliates

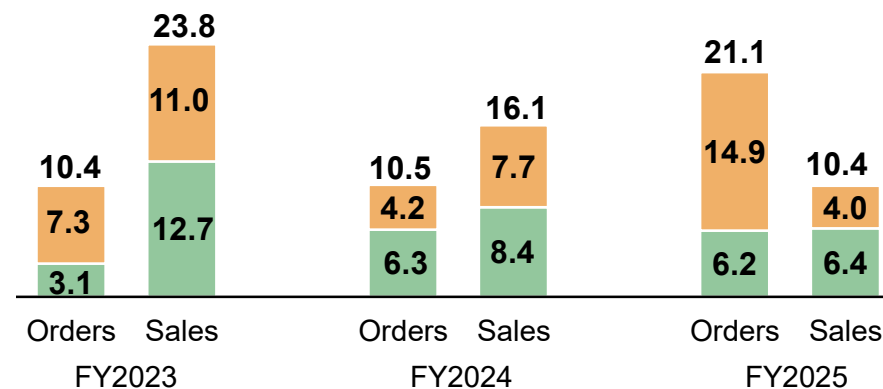
(JPY bn)

Industrial HVAC Paint Finishing System

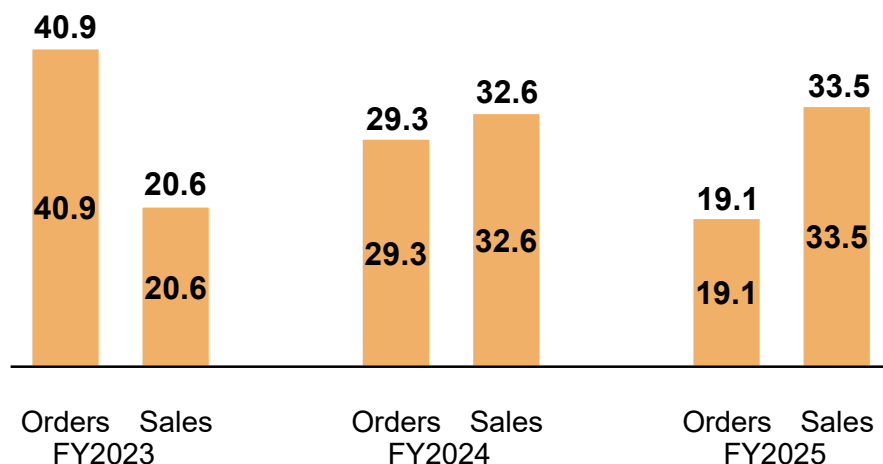
Taikisha (Thailand) Co., Ltd. (Thailand) Group



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

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