

[Translation]

May 15, 2013

Announcement of Mid-Term Business Plan

Taikisha Ltd. announced its 3-year plan of Taikisha Group for the fiscal year ending March 2014 to the fiscal year ending March 2016.

This plan outlines our basic policies and business goals in order to respond to the changing society both in domestic and overseas and continuously advance our group.

Under our Corporate Policy, “Customers First,” our group will expand our business globally by utilizing our environment-responsive technologies for “energy, air, and water,” and make the utmost effort to achieve our business goals and meet the expectations of our shareholders and stakeholders. We would like to ask for your support and patronage in the future.

Outline of Mid-Term Business Plan

I. Philosophy and Vision

Corporate Policy

"Customers First"

Corporate Philosophy

1. Establishing a company that can perpetually grow and contribute to the society.
2. Creating an attractive company.

Management Vision

We observe the spirit of the law, perform business transactions through free and fair competition, and contribute to customers, clients, shareholders, employees, communities, society, and the global environment through our transparent and highly ethical management values.

Our slogan: "Pure & Fair" - To become a transparent company.

II. Basic Policy

1. Establish a management base that enables us to respond quickly to the changing social demands (in terms of economy environment and social value) and conduct sustainable corporate activities.
 - 1) We will improve our management system and strengthen the whole group's corporate governance from a global standpoint.
 - 2) We will create organizations that adapt to the changing market environment in a flexible and timely manner, and reorganize them according to functions and roles assigned within the entire group.
 - 3) We place our emphasis on growing markets as well as related or new businesses to expand our business scope and increase added values.
2. Improve our corporate value and contribute to all stakeholders.
 - 1) As a company that conducts the environment related business, we will make an effort to improve environmental value of our customers and to conserve the global environment with our eco-friendly technologies for CO2 reduction and prevention of environmental pollution.

- 2) We will conduct business operations that are attractive to our shareholders by improving capital efficiency in both existing and new business areas while aiming to enhance corporate value and maintain stable dividends.
- 3) We will provide safe and reliable technologies and attractive services at optimal prices in order to meet customers' expectations and ensure their continued confidence.
- 4) We will work to consistently improve our operational processes in order to realize high-quality stable operations by eliminating unfruitful, uneven, and heavy-handed methods.
- 5) We will support and develop our human resources with a high degree of professionalism and a broad view in order to ensure our corporate advantage and to be create attractive company.

III. Mid-Term Business Goals of Our Group (consolidated)

Target figures for each fiscal year in this plan (consolidated) are as follows:

(in billion yen)

	FY March 2014 (Target)	FY March 2015 (Target)	FY March 2016 (Target)
Orders-Received	229	225	232
Net Sales	215	222	228
Operating Income	9.4	9.9	10.6
Ordinary Income	10.0	10.4	11.1
Net Income	5.7	6.0	6.4

(Exchange rate: 1US\$=97JPY, 1Euro=126JPY, 1Baht=3.3JPY)

IV. Measures to Achieve Business Goals

1. Green Technology System Business

1) Improve Our Schemes for Growing Overseas Markets

We will develop schemes that help us newly enter emerging markets with high future growth potential such as India and Eastern Europe while we allocate our management resources preferentially in rapidly growing Southeast Asia markets.

We will put our energy into strengthening corporate governance in places including our overseas affiliated companies to smoothly respond to the increased construction volume.

2) Improve Domestic Businesses

We will take steps to increase the number of orders received for building and industrial air-conditioning system renovations and pursue proposed activities to promote expanding maintenance businesses.

We will establish high quality services from a lifecycle standpoint (new constructions, maintenance, and renovations) based on feedback from our customers, utilizing our unique know-how, such as IT construction and prefabrication technologies.

We are working to establish and offer energy-saving systems that respond to global environmental issues or increases in energy costs and that minimize environmental impact.

3) Enhance Productivity and Realize Optimal Cost

Regardless of whether in Japan or abroad, we will stabilize IT-based operational processes and improve engineering training programs for employees to further enhance productivity.

We will improve our competitiveness by carrying out cost-reduction measures based on

shared procurement information and planning optimal costs.

4) Start New Businesses

Our business expansion will continue in new areas with products and services that respond to market needs such as "TAIKIGREEN FARM, employing only artificial lights," "Hydrogen peroxide-based decontamination system," and "test environments to reproduce various conditions."

2. Paint Finishing System Business

1) Respond to Global Markets and Realize Optimal Cost

We will allocate our management resources preferentially in markets with high growth potential, including China and India, and create competitive organizations. In anticipation of upcoming and intensifying competition for orders, we will ensure the implementation of cost-reduction measures in order to realize optimal costs and establish global-scale procurement systems.

2) Expand Business Areas

We will expand related areas, including paint equipment, paint circular systems, conveyer systems in order to improve our level of customer service. Additionally, we aim to strengthen our engineering capabilities so that we can provide comprehensive design solutions for paint finishing plants by advancing accumulation of technology and know-how for related technology of automobile paint finishing plant.

3) Make Intensive Efforts to Increase Orders Received

We set our focus on achieving more orders from American and European car manufacturers.

3. Strengthen Our Management Base

- 1) Aim to develop organizations which respond flexibly to business globalization and changes in market environments
 1. All of our departments and each division within our headquarters will work to build organizations which respond more efficiently to the globalization of our business.
 2. We will review and implement the reorganization of companies within the Group in order to respond appropriately to changes in the domestic and overseas market.

- 2) Strengthen Human Resource Development
 1. We will support and promote skill development among our employees by improving and reinforcing the framework and training system for career development.
 2. We will globally develop human resources, including locally-hired employees, in order to deal with overseas operations and positively support the development of business around the world, and further strengthen the governance of overseas affiliated companies.

- 3) Carry Out Strategic Investments to Reinforce the Business Base

We will carry out strategic investments in the development of human resources, research and development, IT system development in order to achieve continuous growth and strengthen our business base.