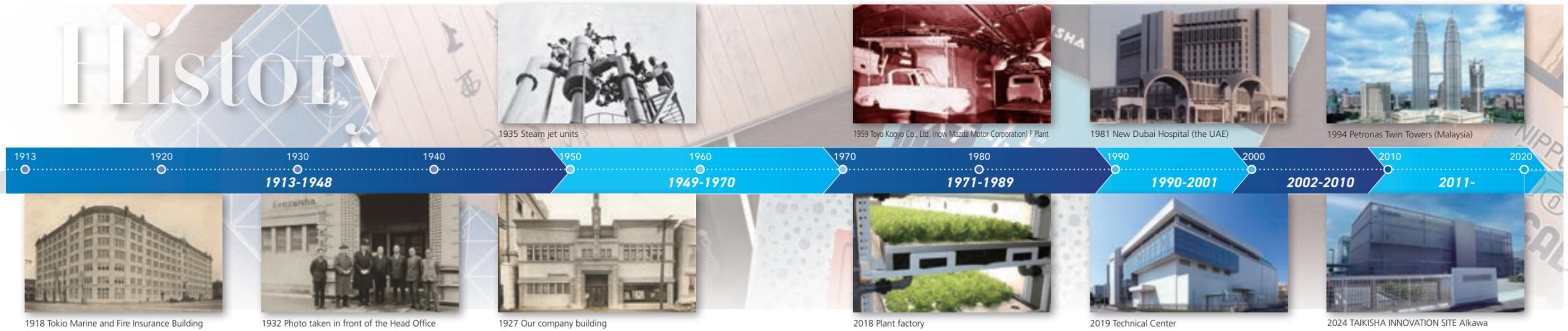


# Value Creation History

111 years since its foundation in 1913, Taikisha Group has evolved into a global company group, employing over 5,000 people. We will keep challenging ourselves while maintaining our global nature and the “Customers First” philosophy inherited since the foundation.

# History



## 1913-1948

### Helps build the foundation of modern Japan

The Company was founded in 1913 as joint-stock company “Kenzaisha,” an affiliated company of L. Leybold Co. GmbH, a German-based machinery importer. At the time of its establishment, Kenzaisha’s principal business activities comprised sales and installation services for building materials imported from Germany. The supply of equipment such as steam heating boilers, however, also required construction work, and consequently, the Company invited a heating work engineer from Germany, seeking to introduce the latest heating technologies.

Tokio Marine and Fire Insurance Building is Japan’s first modern office building completed in 1918 in Marunouchi, Tokyo. Installing the hot water forced circulation system and wastewater treatment tank for this grand architecture enabled Kenzaisha to establish a solid position in the building equipment industry.

Beginning in the 1930s, with the remarkable development of the Japanese spinning mill industry, there was a sharp increase in Kenzaisha’s installation of air-conditioning systems essential to the fine spinning process and the company’s business rapidly expanded. In 1935, Kenzaisha introduced a steam-jet refrigeration system “steam jet units” made in the U.S., subsequently successfully manufacturing its own version of it in Japan.

## 1949-1970

### Expansion of business fields during the period of rapid economic growth

Japan’s manufacturing industries were decimated during World War II. However, in the years after World War II, Japan experienced a flurry of plant constructions for the textile industry and for various other industries such as the camera, film, pharmaceutical and electronics industries. At these plants, HVAC systems that could maintain a high level of air purity were needed to prevent damage to products. In response to such needs, the Company strove to achieve higher technological expertise, delivering precision air-conditioning and cleanroom systems.

The Company began making a full-scale entry into the automobile paint finishing system business in 1953. In 1959, amid the advent of motorization in Japan, it received a turn-key order for the company’s first integrated automobile painting line from Toyo Kogyo Co., Ltd. (now Mazda Motor Corporation). This was a major project and the Company bet its future on that success. The automobile painting business became one of the main pillars of the Company.

## 1971-1989

### Global business development

In 1973, on the occasion of its 60th anniversary, Kenzaisha changed its corporate name to “Taikisha Ltd.,” marking a new start for itself. It happened to coincide with a time when Japan began to face environmental pollution problems such as air pollution. The corporate name Taikisha encapsulates our vision to become “a group of engineers of heat and air” that proactively thinks and acts based on the thinking that “the existence and prosperity of humankind and all other animals always depend on healthy atmosphere (taiki).”

In line with shift overseas of Japanese corporate clients, Taikisha expanded new affiliates worldwide, starting with an affiliate in Thailand. While accumulating experience in overseas work, Taikisha expanded its customer base to include not only Japanese companies but also local and Western ones.

The Company’s 60th anniversary coincided with the Yom Kippur War. With the first oil crisis resulting from crude oil supply reductions and a subsequent second oil crisis in 1979, “energy efficiency” became a common challenge for the whole industry. In the 1980s, Japanese automobile manufacturers accelerated their expansion in the U.S. Taikisha received an order for the first phase of plant construction work from Honda of America Manufacturing and an order for a robot painting system from Nissan Motor Manufacturing Corporation USA. In June 1981, the Company established an affiliate company in the U.S. While dealing with the further expansion of automobile companies into the North American markets, Taikisha also received painting plant construction work orders from America’s big three auto manufacturers (General Motors, Ford Motor Company, and Chrysler).

After the oil crisis, the Japanese construction industry experienced a period of depression where large-scale public investments were postponed or suspended. However, in the Middle East, with an abundance of oil dollars, infrastructure investments flourished. Taikisha received equipment work orders for plants and hospitals from Iran, Iraq, and the UAE.

## 1990-2001

### Advent of the IT era

The 1990s was an era characterized by a rapid spread of information technology as consumers began to widely use the Internet and mobile phones. Taikisha, with its leading-edge know-how in cleanroom design and construction, participated in projects to construct manufacturing plants for semiconductors, hard disks and capacitors, a set of devices serving as the backbone of IT hardware. This allowed the Company to gain higher recognition in the electronic components industry.

During this period, the building air-conditioning system sector in Japan saw an increase in construction of telecom-related facilities as well as redevelopment and construction of high-rise buildings mainly in urban areas. Taikisha was involved in many such projects as well as proactively capturing overseas construction demand, utilizing the global network it established. The Company also engaged in air-conditioning system projects for buildings that became landmarks such as the Petronas Twin Tower in Malaysia.

## 2002-2010

### Capitalizing on the Group’s comprehensive capability

Development of information technology has reduced geographical constraints in terms of information communication and increased the speed of information processing. Driven by the progress of globalization, it has become a norm in many industries to conduct borderless investment and collaboration. The Group has seen an increase in the number of cases where projects are solved comprehensively as affiliates complement each other in purchasing operations and human resources regularly.

## 2011-

### Looking into the future

In FY2011 (April 2011–March 2012), economic activity in the Japanese market stagnated as a result of the effect from the Great East Japan Earthquake, but orders continued to increase in overseas markets, particularly in emerging market countries. In FY2011, consolidated overseas sales reached 51.3% of the total as a result of active international development leveraging its global network, one of its strengths. It was the first time in the Company’s history that overseas sales accounted for more than half of the total.

Now, the pace of globalization continues to accelerate. We seek to conduct activities with the aim of creating local ties while collaborating with other Taikisha Group companies in neighboring countries. In response to the needs of society and clients, the Group will be actively engaged in new fields such as the plant factory business.

From the time of its establishment, the Company has been conscious of foreign countries, inviting German engineers and introducing advanced Western technologies. Since its early days, the Taikisha Group has found its way into overseas markets and actively captured overseas demand. As a result, the Group has steadily fostered a culture that accepts diversity as a matter of course, has the ability to understand, cooperate, and harmonize with other cultures, and can tolerate trial and error. One representation of such idea is that many national staff are working at overseas affiliates. For the Company, technological competitiveness and the ability to innovate are the source of corporate competitiveness and customer satisfaction, also serving as the driving force for creating new businesses. Historically, the Company’s strength lies in its pursuit-based solutions cultivated by serving the high requirements from customers. As described above, we recognize that our corporate culture, which can be said to be the characteristics and strengths that have been handed down over many years, is a vital foundation for being an innovative company, a company that realizes transformation and growth, and a company that maximizes the use of diverse human resources and knowledge.