

10-Year Plan 2035: Our Goals for 2035

Be Engineering

for a Sustainable Society

Taikisha is a global engineering company dedicated to social sustainability.



Our definition of “engineering” | The integration of core technologies from various fields to create systems capable of providing essential functions, and the use of those functions to solve problems

To achieve our goals for 2035, we have established two strategic policies: “Innovative Engineering” and “Global Inclusion.”

Strategic Policy 1

Innovative Engineering

By integrating core technologies from various fields, we build dynamic and innovative systems that empower smart, carbon-neutral industries.

Focus on Industry

Taikisha has long provided engineering services for cutting edge industries ranging from electronics and automotive manufacturing to pharmaceuticals and data centers. This experience is the source of our ability to provide unique solutions.

Design, Build & Care

By providing integrated services from design proposals through to construction and after-sales support, we create innovative engineering solutions with enhanced added value.

GX and DX Optimization

We provide solutions by leveraging advanced technology to help our corporate clients accelerate their transformation toward smarter, low-carbon production environments.

The first strategic policy to become a company dedicated to social sustainability is “Innovative Engineering.” In the industries on which we have focused for many years, the trend for carbon neutrality and smart factories will be accelerated going forward. In order to provide optimal solutions for these challenges, we will pursue “Design, Build & Care.”

Strategic Policy 2

Global Inclusion

We collaborate with local communities and leverage regional expertise to drive sustainable progress worldwide. By uniting global perspectives with local action, we create inclusive solutions that benefit industries, societies, people, and the global environment.

Global Network

The result of evolution spanning over 50 years, Taikisha’s global network today consists of 30 affiliates in 20 countries. Built on a foundation of trusting relationships with industries in Japan and overseas, this network gives Taikisha unique strengths backed by *open-mindedness, a challenging spirit, and a commitment to quick responses*.

Global R&D

By taking up the challenge of technological innovation, our five global R&D centers continually enhance our ability to provide engineering solutions to meet the needs of industries around the world.

Global & Local Commitment

Taikisha has built a strong presence in domestic and overseas markets and contributes to the solution of global environmental and social issues through business operations led by skilled engineers with a deep understanding of market needs.

The second strategic policy is “Global Inclusion.” We will shift from our conventional business model, which primarily focuses on contract work, to one that creates new value by providing integrated services, from new technology development and design proposals to construction and after-sales support. In addition, we will further deepen our global networks, which are among Taikisha’s key strengths, by creating ties with local communities. We will also expand our R&D facilities, the source of our technological capabilities, globally and promote co-creation and visualization of our technology at our worldwide locations.

On this occasion, we have also decided to reaffirm our former corporate slogan, of *open-mindedness, a challenging spirit, and a commitment to quick responses*, which was adopted to achieve our management goals. We want to cherish a corporate culture that embraces everything with an open mind and takes on new challenges. Our aim is to embed this culture throughout the Group and link it to the creation of new value.

10-Year Plan 2035: Financial and Non-Financial Targets and Milestones

Increasing Corporate Value

Doubling economic value and enhancing social value

Along with the development of the post-war Japanese economy, Taikisha has expanded its services primarily for the industrial sector, and honed its engineering capabilities in a wide range of areas, including manufacturing. Moreover, we have developed our global business alongside our clients' overseas expansion, establishing global networks rooted in local communities. These are Taikisha's unique strengths and form the foundation that has supported our business performance to date.

In recent years, as society embraces the trend of sustainability, we see an accelerating shift toward green and smart technologies aimed at decarbonization. We recognize that our business must continue to pursue a sustainable

society. To achieve further dramatic growth, we have set our goals for 2035 as "Be Engineering for a Sustainable Society." To make this long-term vision a reality, we have also developed the 10-Year Plan 2035, which outlines our financial and non-financial targets and the milestones for our Medium-Term Business Plan.

On the financial front, we have set targets of achieving over ¥500 billion in net sales of completed construction contracts, a return on equity (ROE) of 12% or higher, and a dividend on equity ratio (DOE) of 5% or higher by the fiscal year ending March 31, 2035. These goals are not just about scale expansion. They demonstrate our commitment to doubling our economic value and boosting corporate value by

emphasizing a balance between capital efficiency and shareholder returns. While ensuring a stable dividend policy, we will also implement share buybacks and reduce cross-shareholdings in phases so that we can meet the expectations of our stakeholders. In our new Medium-Term Business Plan, our capital measures call for implementing share buybacks with an annual scale of ¥5 billion continuously from 2026 to 2028, totaling ¥15 billion over three years. For DOE, we intend to conduct a phased increase starting from 2026, 2029, and 2032, the first year of each plan period, endeavoring to achieve stable and sustainable shareholder returns. In addition, with regard to the cross-shareholdings, we will continuously work to decrease them, setting a target to bring the ratio against net assets to 15% or less by the fiscal year ending March 31, 2028. As for shareholder returns, demonstrating a 10-year dividend commitment is our unique measure, as no other companies have presented such a commitment.

On the non-financial front, we will continue to reduce CO₂ emissions, as we have done under the previous Medium-Term Business Plan, and focus on enhancing our human capital. Regarding the number of employees, our plan is to expand it from 5,267 as of March 31, 2025 to 7,200 by 2035, a decade from now. The greatest asset of an engineering company such as Taikisha is people. Beyond simply increasing headcount, we aim to create an environment where our employees can actively engage globally, and to strengthen the R&D and technological capabilities of the entire group companies. Investment in human capital is the driving force that continuously creates both economic and social value, and represents a crucial pillar of Taikisha's long-term vision. In this way, by balancing financial growth with the creation of non-financial value, we will "double economic value" and "enhance social value" toward 2035, working to further elevate our corporate value.

10-Year Plan 2035 (FY2025–FY2034)												
Medium-Term Business Plan (FY2025–FY2027)						Medium-Term Business Plan (FY2028–FY2030)						
3-year phase of restructuring for transformation Building foundations for growth strategies through growth investment funded by cash flows from domestic business						3-year phase of full-scale investment toward growth Expansion of markets, business domains, and geographical scope through substantial investment in overseas M&A						
Financial indicators	■Target for net sales of completed construction contracts (end of FY2027) FY2024 results: ¥57 billion for non-Japanese customers						■Target for net sales of completed construction contracts (end of FY2030) Core businesses: ¥246 billion Growth businesses: ¥88 billion New businesses: ¥2 billion (Including ¥113 billion for non-Japanese customers)					
	■Target for net sales of completed construction contracts (end of FY2027) FY2024 results: ¥57 billion for non-Japanese customers						■Target for net sales of completed construction contracts (end of FY2030) Core businesses: ¥250 billion Growth businesses: ¥125 billion New businesses: ¥25 billion (Including ¥128 billion for non-Japanese customers)					
	■ROE (end of FY2027)						■ROE (end of FY2030)					
	■Shareholders’ equity ratio:											
	FY2025		FY2026		FY2027		FY2028		FY2029		FY2030	
	■Dividend policy (DOE)						■Dividend policy (DOE)					
	■Share buybacks						■Share buybacks					
■Cross-shareholdings						■Cross-shareholdings						
■CO ₂ emissions (end of FY2027)						■CO ₂ emissions (end of FY2030)						
■Number of employees (end of FY2034)						■Number of employees (end of FY2034)						

Increasing Corporate Value

Double Economic Value

&

Enhance Social Value

10-Year Plan 2035: Financial and Non-Financial Targets and Our Approach to Business Growth

Change the Future with Disruptive Growth
The new leap forward envisioned by the 10-Year Plan 2035

Director, Executive Vice President Corporate Officer, and Chief Executive,
Corporate Planning Headquarters, in charge of Sustainability Promotion

Masanori Nakagawa

What the 10-Year plan means

Under the 10-Year Plan 2035, Taikisha is taking on the challenge of increasing corporate value by doubling economic value and enhancing social value. This plan goes beyond short-term profit targets. Taikisha has also set long-term financial and non-financial goals and milestones toward 2035, leveraging our engineering capabilities and global operations to achieve them. The background of this plan lies in open discussions held off-site, in which all members of the Board of Directors participated. This plan is also the result of discussions conducted over the past six years, and we now see ourselves as finally standing at the starting line of the long-term growth strategy.

Going forward, we will further clarify our goals through the Growth Strategy Council, while also recognizing our responsibility to clearly explain the progress of the plan to external stakeholders.

Profitability enhancement, growth investment, and capital strategy

The ROE target of 12% or higher as a financial indicator reflects a clear commitment to measuring the results of efforts to strengthen our business foundation. Additionally, this plan marks the first time we have clearly defined our capital allocation approach, significantly increasing the growth investment budget from ¥20.0 billion to ¥38.0 billion

Regarding shareholder returns, we will gradually raise the DOE to at least 5% and actively implement share buybacks to maintain a high level of shareholder returns, thereby further enhancing capital efficiency and shareholder value.

Overall strategy and management plan

In order for Taikisha to become a “global engineering company dedicated to social sustainability” ten years from

now, we have established eight strategic focal points covering the areas of business, technology, human resources, management base, and DX. On the financial side, we aim to double net sales of completed construction contracts by 2035 as we aim for disruptive growth through a three-layered approach consisting of core businesses, growth businesses, and new businesses.

Additionally, from the perspectives of the technology axis, which identifies useful technologies, the regional axis, which determines the regions to focus on, and the customer axis, which decides the target customers, we have set priority markets that go beyond the traditional divisional structure. We will provide the capabilities developed in our core businesses throughout the entire group, create synergies between the two businesses, and actively expand the business while strongly advancing our DX strategy.

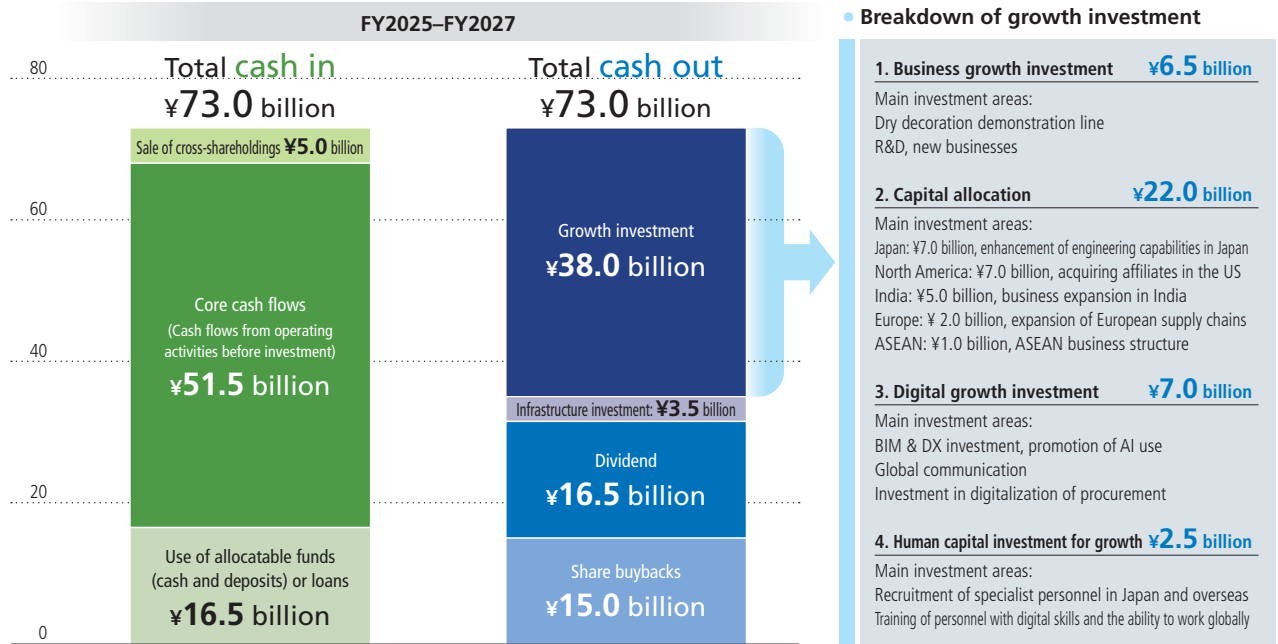
Our commitment towards the future

We are currently promoting the development of a company-wide digital infrastructure on a global scale. By integrating this infrastructure with AI and our intellectual property strategy, we aim to expand the potential of our 10-Year Plan and accelerate its execution. As for this premise, we will leverage our corporate culture, which accepts diversity as a matter of course and has the ability to understand, cooperate, and harmonize with other cultures, as we continue to encourage open and lively discussions.

The 10-Year Plan 2035 is not just about announcing our numerical targets. It is a social commitment formulated under the banner of achieving social goals and the Company's sustainable growth. Taikisha is fully committed to steadily executing the plan while valuing a mindset that embraces challenges without fear of change.

Cash allocation (FY2025–FY2027)

In the first three years of the plan, we will build foundations for rapid growth by combining aggressive growth investment with solid shareholder returns.

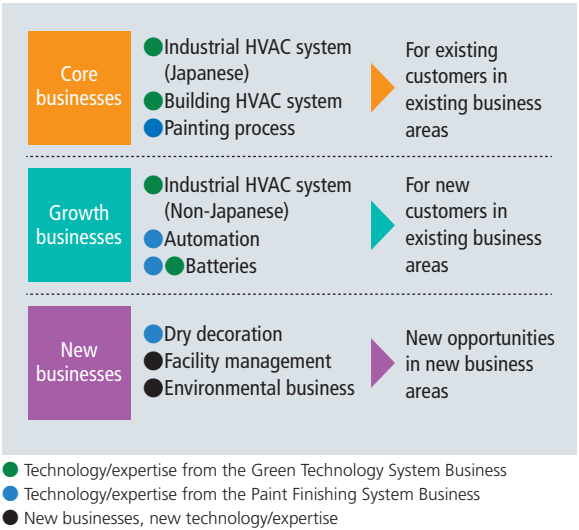


Note: Core cash flows = Profit + Capital expenditures + Depreciation /Amortization of goodwill – Gains on sale of cross-shareholdings

Our approach to business growth

While maintaining steady growth in core businesses , we will pursue rapid and disruptive growth in growth and new businesses.

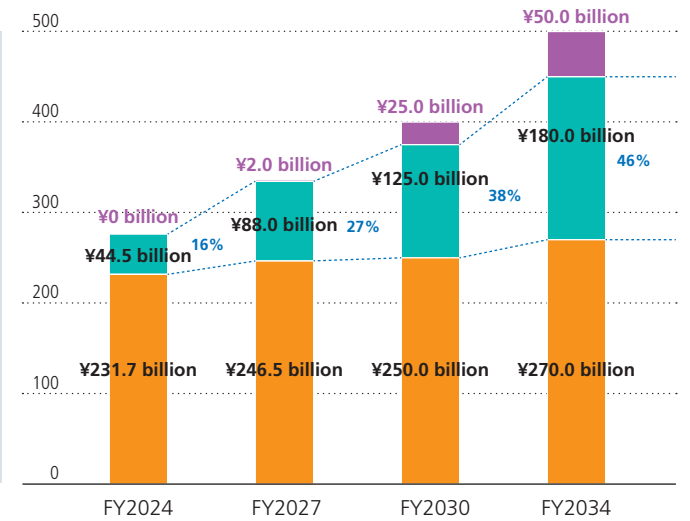
Strategic reclassification of business domains into core, growth, and new areas



Future growth vision (Net sales of completed construction contracts)

Core businesses Growth businesses New businesses

Phased expansion of percentage contributions to sales from growth businesses and new businesses

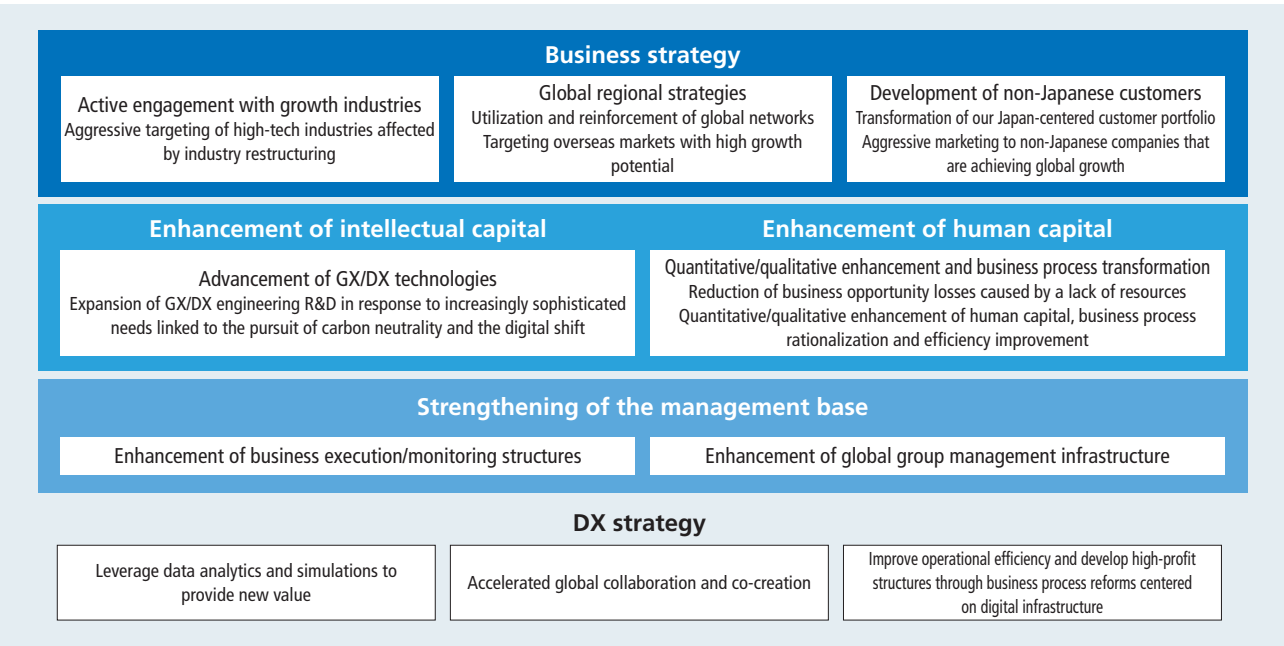


10-Year Plan 2035: Eight Strategic Focal Points

Changing the Future with People and Technology

Eight key focal points for sustainable growth

To realize our goal for 2035, “Be Engineering for a Sustainable Society,” we have established eight strategic focal points: “Active engagement with growth industries,” “Global regional strategies,” “Development of non-Japanese customers,” “Enhancement of intellectual capital and human capital,” “Enhancement of business execution structure and governance,” and “DX promotion.” We aim to achieve a long-term, sustainable enhancement in both economic and social value.



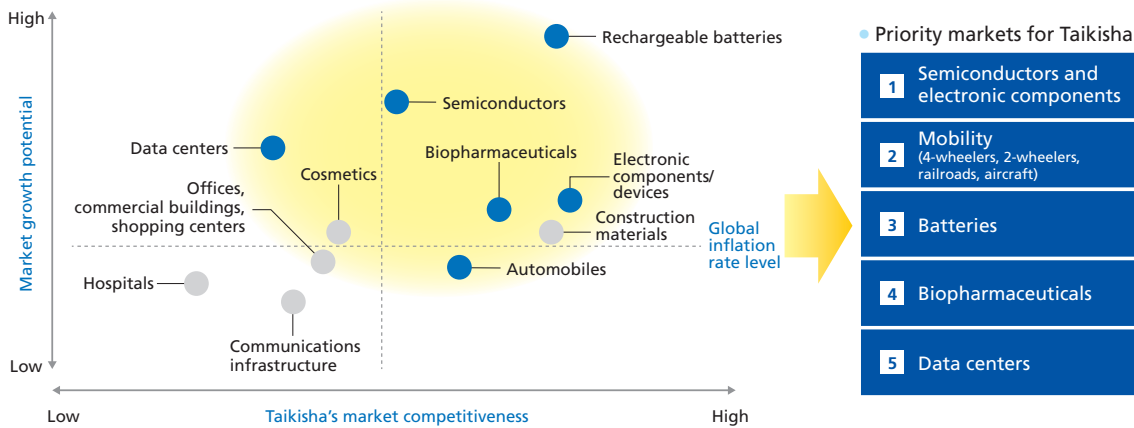
10-Year Plan 2035: Business Strategy

Capturing growth industries to accelerate sustainable growth

Based on our growth potential and competitive advantages, we have positioned five areas as our priority markets: (1) semiconductors and electronic components, (2) mobility, (3) batteries, (4) biotechnology and pharmaceuticals, and (5) data centers. As we look to address social challenges and anticipate industrial transformation, we will provide optimal solutions that leverage our unique strengths for each market, aiming for sustainable growth.

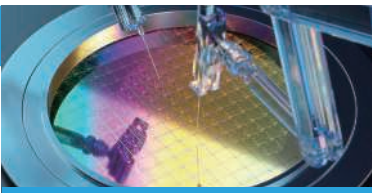
Concentrate management resources into global growth industries.

We will target growth industries, such as semiconductors, electronic components, mobility, batteries, biotechnology and pharmaceuticals, and data centers.



10-Year Plan 2035: Business Strategy

Our Priority Market (1) Semiconductors and Electronic Components



Environmental requirements in production facilities are becoming increasingly sophisticated in step with rising semiconductor demand due to a full-scale shift to the IoT/AI society.

The semiconductor and electronic component sector has become a growth market with remarkable demand expansion anticipated, driven by the advancement of IoT and AI. Leveraging our long-cultivated expertise in green and smart factory technologies, we will strengthen our integrated technology offerings—from design and construction to after-sales support—to assist cutting-edge manufacturing sites. This will enable Taikisha to achieve sustainable growth and create new business opportunities.

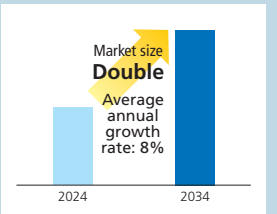
Basic strategic policy

- Customer axis:** Capture demand driven by the expansion of investment by global Japanese and non-Japanese companies due to the spread of the IoT and generative AI.
- Regional axis:** Focus on East Asia, especially Taiwan, as well as expansion into the US and Indian markets, and engagement with the Silicon Island Strategy in Japan.
- Technology axis:** Provide advanced energy solutions and mini-environments (ultra-precise temperature control). Provide water recycling technology.

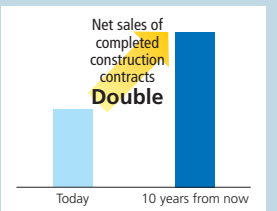
Roadmap for achieving targets

Medium-Term Business Plan (FY2025–FY2027)	Medium-Term Business Plan (FY2028–FY2030)	Medium-Term Business Plan (FY2031–FY2034)
■ Strengthening of our business base in Japan ■ Enhancement of capacity to support investment by Japanese global companies ■ Expansion into the manufacturing equipment field	■ Expansion of orders from non-Japanese customers in Taiwan ■ Entry into the US and Indian markets	■ Expansion into the US and Indian markets

Market growth potential



Growth outlook



Our Priority Market (2) Mobility (4-wheelers, 2-wheelers, railroads, aircraft)



The automotive industry is going through a once-in-century transition. Production is being transformed by the shift to EVs and SDVs, while GX has become an urgent priority.

In the mobility market, rapid transformation is underway across a wide range of areas, driven by the acceleration of electrification and carbon neutrality initiatives. Taikisha makes full use of its paint finishing systems and factory automation expertise to achieve efficient and low-environmental-impact production processes and to support next-generation development. Moreover, we will enhance our global response capabilities to establish a solid position in the international, competitive environment.

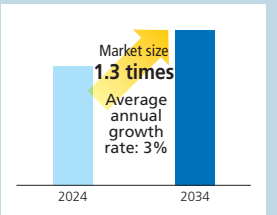
Basic strategic policy

- Customer axis:** Respond to the production transformation caused by the shift from ICE vehicles to EVs and SDVs.
- Regional axis:** Take up new challenges in the European market, as well as the US and India.
- Technology axis:** Focus on GX technology and the impact of dry decoration technology

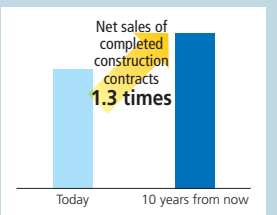
Roadmap for achieving targets

Medium-Term Business Plan (FY2025–FY2027)	Medium-Term Business Plan (FY2028–FY2030)	Medium-Term Business Plan (FY2031–FY2034)
■ Creation of a dry decoration demonstration line	■ Stable operations in Europe, further expansion in North America and India ■ Customization of dry decoration	■ Expansion of business domains in Europe ■ Introduction of dry decoration in mobility markets other than 4-wheelers

Market growth potential



Growth outlook



10-Year Plan 2035: Business Strategy

Our Priority Market (3) Batteries

The shift to EVs is an important step toward the decarbonization in the mobility sector. Batteries hold the key to the early adoption of this technology. The evolution of battery technology will create a brighter future for the global environment.



In the battery market, which is essential for realizing a decarbonized society, Taikisha will deploy technologies that support the optimization of manufacturing processes and the improvement of production efficiency, aiming to balance stable supply with technological innovation and promoting the widespread adoption of EVs. We will also respond flexibly to market changes by establishing a system capable of handling next-generation battery manufacturing.

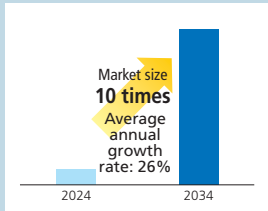
Basic strategic policy

- Customer axis:** Demand for automotive batteries is growing with the shift to EVs.
- Regional axis:** Start through co-creation with Japanese manufacturers in Japan and North America.
- Technology axis:** Apply smart technology on construction sites through new modularization concepts encompassing all aspects from production line equipment and thermal power sources to plant buildings.

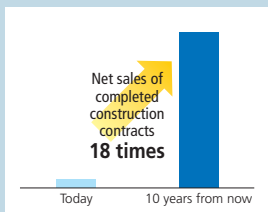
Roadmap for achieving targets

Medium-Term Business Plan (FY2025–FY2027)	Medium-Term Business Plan (FY2028–FY2030)	Medium-Term Business Plan (FY2031–FY2034)
■ Expansion of business domains to include ancillary and heat/power supply engineering for battery plants in North America	■ Expansion into other business domains, such as solvent recovery and dry rooms ■ Battery manufacturing equipment installation contracting	■ Evolution as a one-stop solutions provider producing manufacturing equipment in-house

Market growth potential



Growth outlook



Our Priority Market (4) Biopharmaceuticals

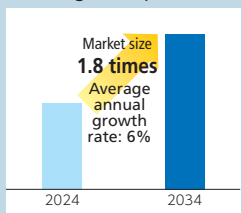
Global engineering support to meet the increasingly sophisticated needs of innovative pharmaceutical manufacturing process.

In the biotechnology and pharmaceuticals sector, Taikisha provides its technologies in air conditioning control and environmental management to establish safe and highly reliable production systems. Looking ahead, we will create an environment where we can accommodate future advances in new drug development.

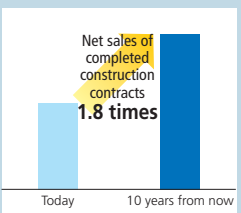
Basic strategic policy

- Customer axis:** Mainly non-Japanese global companies, including American/European companies and local companies in ASEAN
- Regional axis:** Japan, as well as ASEAN, India, and North America
- Technology axis:** Room pressure control technology, decontamination technology, measurement support, GMP/production facility knowledge

Market growth potential



Growth outlook



Our Priority Market (5) Data Centers

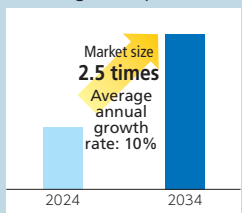
Support for the expansion of data centers in step with the spread of generative AI.

In the data center market, where demand is expanding, we will provide solutions that support efficient and stable operation by means of our air conditioning and energy-saving technologies. Going forward, we will also introduce advanced technologies capable of handling next-generation, large-scale facilities.

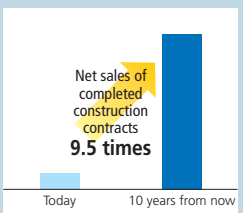
Basic strategic policy

- Customer axis:** Pursuit of globally active customers, approaches to mega-cloud companies
- Regional axis:** Expansion from Japan to ASEAN and India
- Technology axis:** Support for smart facilities through the unitization/modularization of buildings and equipment, development of new cooling methods

Market growth potential



Growth outlook



10-Year Plan 2035: Regional Strategy

Strengthening our domestic foundation and taking a leap forward globally. Opening up markets through co-creation and technology.

While securing stable revenue in the domestic market, Taikisha will pursue expansion in overseas markets with high growth potential. By promoting further business development rooted in local communities and expanding our global R&D center networks, we will enhance

competitiveness through co-creation with clients and the visualization of our technologies. Furthermore, we will establish structures to meet the unique needs of each region, thereby achieving sustainable growth on a global scale.

Domestic markets	Overseas markets		
Strategies for Japan <ul style="list-style-type: none">Semiconductor-related strategyBattery market strategyPursuit of new construction methods, profitability enhancement 	Strategies for Asia (East Asia/ASEAN/India) <ul style="list-style-type: none">Leveraging the Taiwan office to capture semiconductor-related demandSupport for Japanese companies with global operationsCreation of order processing and construction systems to support non-Japanese companies with global operations 	Strategies for North America <ul style="list-style-type: none">Leveraging existing affiliates to expand into the industrial air conditioning fieldCapture of semiconductor-related investments 	Strategies for Europe <ul style="list-style-type: none">Leveraging quality capabilities refined through projects for Japanese customers to develop European automobile-related customersExpansion into industrial air conditioning businessCapture of advanced environmental technology 

Enhancement of organizational structures to support regional strategies

Establishment of intermediate holding companies and regional headquarters	Introduction of Group Corporate Officer System	Creation of global common IT systems infrastructure
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Topics

East Asia Semiconductor Strategy

East Asia is the world's largest semiconductor production base and a vital market where demand is expected to continue expanding going forward. By strengthening its production systems rooted in local communities and providing advanced technologies such as cleanrooms and energy-saving equipment, Taikisha will enhance the stability and efficiency of semiconductor manufacturing, contributing to the sustainable development of the industry. In addition, we will build trust by flexibly responding to the industrial policies of each government.

Looking ahead 10 years: Our Goals for 2035

- We will evolve as an engineering company capable of supporting capital investment by semiconductor-related companies in Japan and Asia.
- We will build our presence in Taiwan and ASEAN, which have clusters of advanced semiconductor firms.

Strategic policies

- Approach semiconductor-related companies in Japan
- Pursue business with Taiwanese semiconductor firms through our office there
- Provide turnkey solutions, such as design/build proposals and water treatment



*GMP: Good Manufacturing Practice

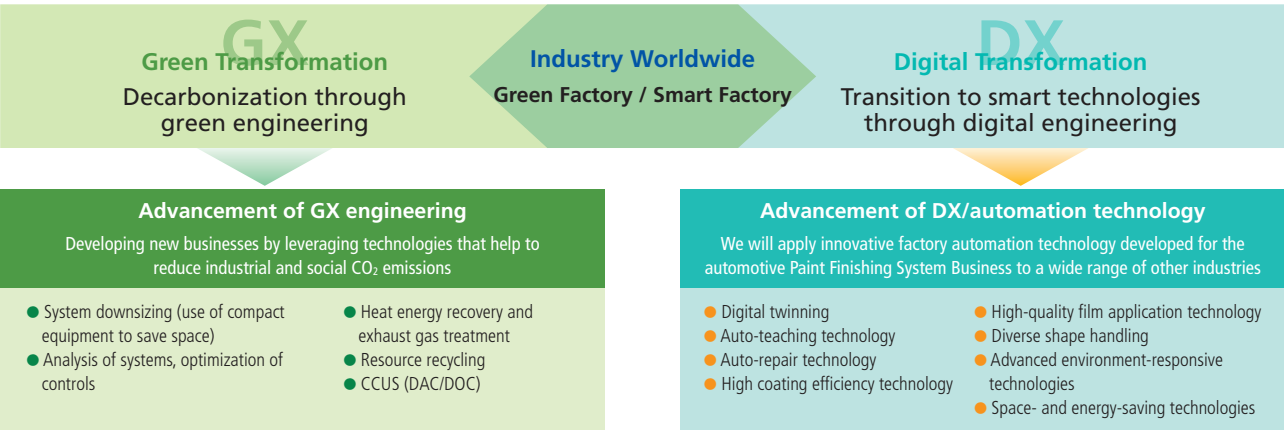
10-Year Plan 2035: Intellectual Property Strategy (Technology Strategy)

Leveraging green and smart technologies (GX and DX)

Engineering solutions for realizing a sustainable production environment

Taikisha will achieve sustainable industrial innovation by driving both GX and DX. In our efforts to strengthen GX, we aim to reduce CO₂ emissions and create new businesses by making systems more compact and optimizing their controls, among other measures. At the same time, we will promote DX and apply innovative factory automation technology we have developed for the automotive paint finishing system business to a wide range of other industries.

Leveraging green and smart technologies to support industrial innovation

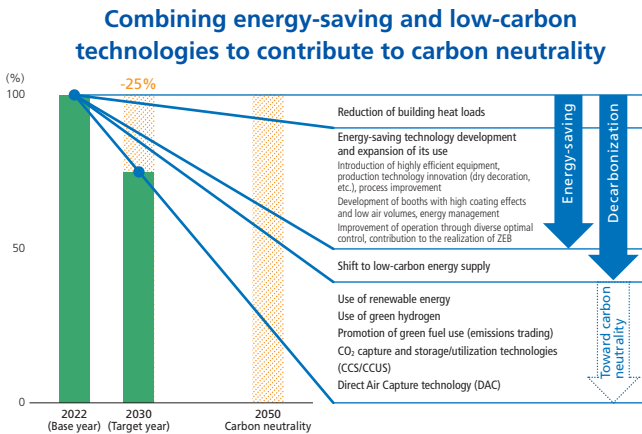


Creating a major decarbonization impact through GX engineering

Taikisha has created a CO₂ emissions reduction roadmap, setting 2022 as the base year and 2030 as the target year. Our medium-term initiatives for energy saving and decarbonization include reducing building heat loads, developing and expanding the use of energy-saving technologies, and shifting to low-carbon energy supply.

Moreover, we have set long-term initiatives to achieve carbon neutrality by 2050, such as using renewable energy and green hydrogen, and improving CO₂ recovery technologies.

Together with these initiatives, we will also pursue supply chain decarbonization, accelerating our environmental efforts to achieve the goals of the roadmap.



Using high-potential seed technologies to create business opportunities

In the Paint Finishing System Business, Taikisha will aim to develop new markets based on two core axes: automation and dry decoration technologies, both of which we have cultivated through our engineering work at automobile plants.

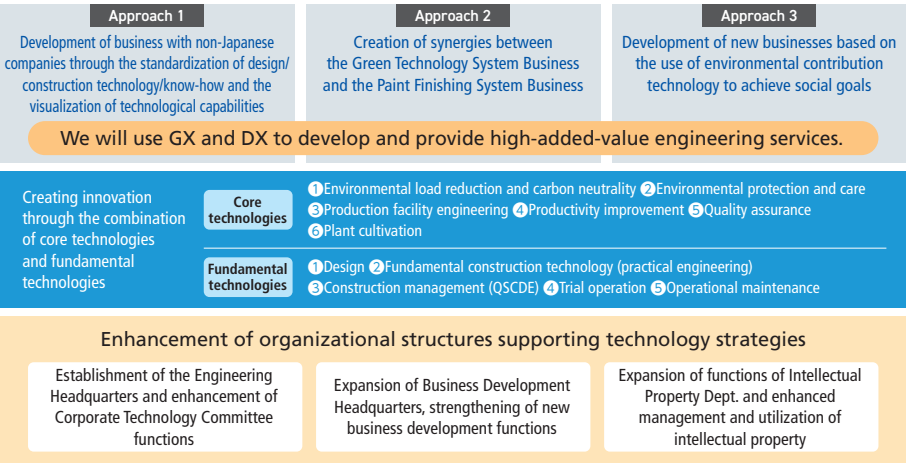
In the automation technology domain, we will promote the smartification of various industries, including the automation of high-mix, low-volume production sites, by utilizing digital twin and auto-teaching technologies, etc. In the dry decoration technology domain, we will begin expanding into other industries and innovating production processes by leveraging our high-quality film application and advanced environmentally friendly technologies.



Towards higher value-added engineering technology: three approaches

Expanding the potential of engineering technology and making advanced use of our cultivated skills

Taikisha will differentiate itself from competitors by standardizing its design and construction technologies and visualizing technical capabilities, thereby developing non-Japanese companies. Moreover, while utilizing the synergies between our Green Technology System and Paint Finishing System businesses, we will create new businesses based on the use of environmental contribution technology to achieve social goals. In each of these initiatives, we will also use GX and DX to develop and provide high-added-value engineering services.



Standardization and visualization of engineering technology

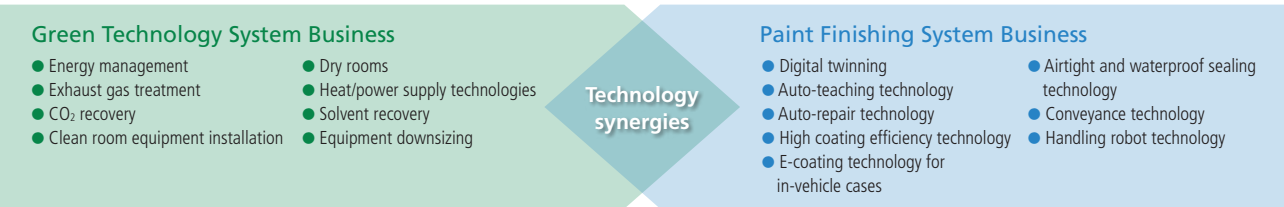
Taikisha is promoting the standardization of its design/construction technology know-how and the visualization of its technological capabilities. To achieve the technology standardization, we will innovate our operational management systems and convert procedures and technical know-how into explicit knowledge by utilizing BIM and digital tools, thereby establishing "Taikisha Standards," our technical standard specifications. We will also leverage our technological capabilities as an organization to pursue open innovation through co-creation with academic institutions and other companies. Moreover, we will open innovation facilities at our bases around the world and, through opportunities to experience our technologies and their visualization, make development themes and needs visible.



Creation of synergies between the Green Technology System Business and the Paint Finishing System Business

By integrating the technologies cultivated in the Green Technology System Business, as represented by energy management, exhaust gas treatment, and CO₂ recovery, with the expertise accumulated in the Paint Finishing System Business, including e-coating technology for in-vehicle cases, airtight and waterproof sealing technology, and high coating efficiency technology, we will provide new value to a wide range of industries.

These technology synergies between our two core businesses will enable the integrated provision of production environment and production line technologies and allow us to offer proposals for smart technology solutions, including optimized automation systems for conveyance, etc., and robotics technology for industrial customers.



Development of new businesses to achieve social goals

We will take up the challenge of developing a third core business alongside the Green Technology System Business and Paint Finishing System Business. In the area of heat energy recovery and exhaust gas treatment, Taikisha will contribute to environmental protection by utilizing untapped heat energy generated in the industrial sector and expanding its exhaust gas treatment technology. In the area of water treatment plants, we will realize practical water treatment and recycling technologies for manufacturing plants, contributing to the circular economy. In the CCUS domain, we will pursue technologies to recover CO₂ from the air and sea, aiming to contribute to carbon negativity.



10-Year Plan 2035: Human Resource Strategy

Global human capital portfolio management system and expanding engineering capabilities

Employees are the ones who will realize the 10-Year Plan. Expanding human capital to become an engineering company that will leap forward globally

Representative Director, Executive Vice President Corporate Officer in charge of Administrative Management Headquarters and Engineering Headquarters

Yasushi Nakajima

■ Establishment of the value creation foundation and the basic philosophy on human capital

Human capital management is understood as valuing employees and managing them by firmly linking the Mission Statement and Corporate Philosophy with the medium- to long-term strategy. Based on this understanding, we first established the value creation foundation and the basic philosophy on human capital to ensure that leveraging human resources as our greatest form of capital leads to the realization of our Mission Statement and Corporate Philosophy.

The value creation foundation defines the basic philosophy, commitments, and guidelines for realization across four themes that serve as the essential premise for continuing our business, which are safety, quality, environment, and human capital. We will share a foundational understanding across all employees, build a common understanding, and aim for further advancement across the entire Group.

In addition, this time we have articulated our approach to human capital, which underpins our management vision and business vision, as a commitment to society and our employees, and codified it as the basic philosophy in relation to human capital. In establishing these principles, we conducted interviews with Executive Directors, including President Osada. As guidelines for implementation, we have established policies for recruitment and development as well as evaluation and compensation in the human resource development field, and DE&I as well as well-being and engagement in the workplace culture development field.

We want our employees to acquire expertise and strengths with a broad perspective to maximize their own and their team's capabilities. Also, we expect that actively taking on challenges will generate innovation and lead to the creation of an exciting corporate culture.

■ Human resource strategy for realizing the Long-term Vision and 10-Year Plan

As for the human resource strategy for realizing the Long-Term Vision and 10-Year Plan, we have prioritized positioning global human capital as a core source of competitiveness and having the human capital portfolio play a core role in qualitatively and quantitatively expanding career professionals who support growth. A major difference from the past human resource strategy is the commitment to the global rollout of human capital portfolio management, considering the linkage with the management strategy.

The target for net sales of completed construction contracts for 2035 set in the 10-Year Plan is about twice the current level, and even considering productivity improvements, including digital transformation, under conventional plans we are far from the desired quality and quantity of human resources. Going forward, we believe the key to expanding

human capital lies not only in increasing recruitment numbers but also in the early development of career builders, encompassing young to mid-career employees. In particular, it is urgent to continuously and systematically produce global leaders who can respond to the ever-changing business environment and lead transformation. We will further develop the executive development program already started in Japan as a Group-wide initiative.

■ Designing the global human capital portfolio

In introducing global human capital portfolio management as a core element of our human resource strategy, we have categorized the human resource profiles that will realize our goals into four groups and defined them as our human capital portfolio (see the diagram in the middle of page 42). To achieve the goals set forth in the 10-Year Plan, we have set specific targets for the required number of employees and quality of human capital by backcasting from 2035.

A key focus in promoting management will be to first classify young to mid-career employees as career building talent. We will divide them into phases such as the accumulation period for knowledge and insight, the practice period, and the establishment period, and develop them accordingly. In addition to providing long-term career support and educational opportunities, we will promote early development through careful attention to changes in the environment, individual growth, and personal values.

Also, raising the engagement level of employees, including local staff, is an important element. To become a global company that integrates diverse talent and where each employee respects one another, we will strengthen our domestic human capital database, establish new platforms overseas, and collaborate with them to build a global human capital database.

Starting this fiscal year, we established the ASEAN Regional Management Department in Singapore as an organization with functions for business divisions, overseas affiliates, and corporate divisions. With this new department at the center, overseas subsidiaries and local staff will communicate with each other to explore effective ways to operate the database.

■ Career development support system

Based on recent issues revealed through internal surveys, such as insufficient career development support systems and a lack of follow-up and educational opportunities for long-term career growth, we are revising our framework to allow employees to proactively declare their desired goals and challenges from a medium- to long-term perspective and share them with the company, creating a work environment where diverse talent can succeed.

In this new system, the first stage covers the first ten years after joining the company, during which employees systematically acquire knowledge, experience, and skills based on a career path model.

In the second stage, employees will set the four professional career profiles as their goals, independently design the knowledge and experience they need, and act proactively.

Furthermore, in the third stage, while achieving growth as a career professional remains the premise, we will allow for flexible adjustments in response to changes in the environment or personal values. We will also strengthen the interview process and support structures at each stage to ensure that every employee can take ownership of their career and grow autonomously.

■ To pass on engineering capabilities

At the Company, the age group of employees with technical expertise is high, and veteran personnel are expected to decline rapidly over the next ten years. The passing on of engineering capabilities and human resource development is an urgent issue for the continuation of our business.

To develop employees with strong engineering capabilities, it is important to learn the theory from design through construction, trial operation, and handover; practice it at actual sites; and gain successful

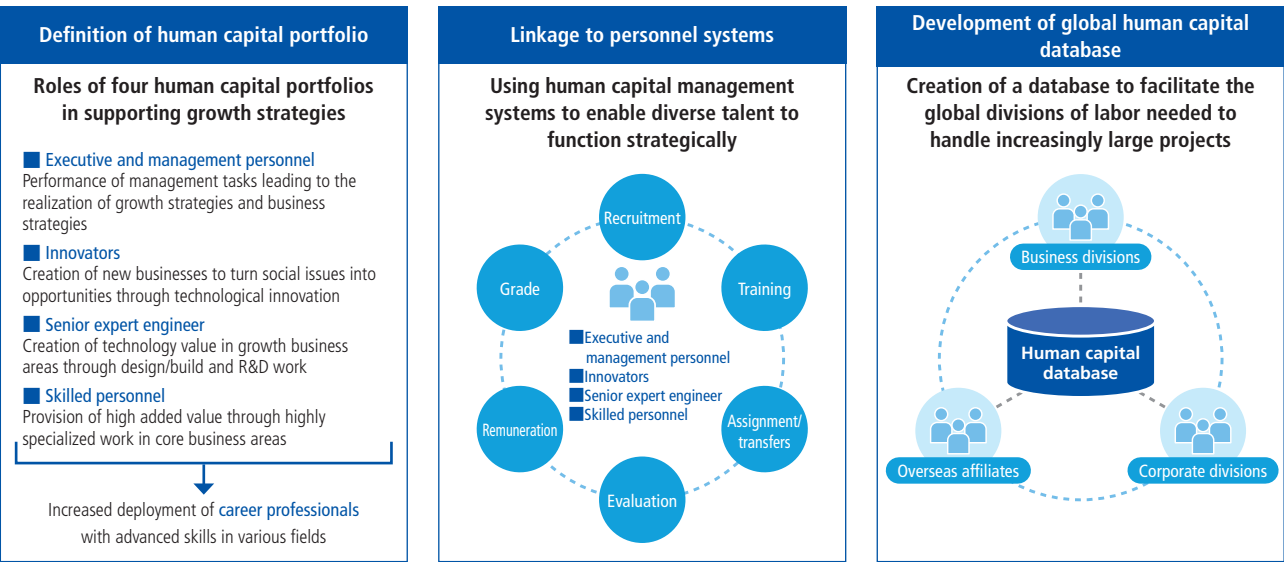
experiences. To achieve this, we will enable employees to track their proficiency based on technology record sheets in which they self-evaluate their knowledge, experience, technical capabilities, and management capabilities, and to execute development plans toward improving the level of proficiency. Furthermore, to cultivate advanced expertise in specific fields or domains, employees must learn knowledge and techniques directly related to production through trial and error, earn the trust of customers, and develop into human resources capable of solving increasingly complex challenges.

On the other hand, regarding the engineering capabilities of innovators and senior expert engineers, we believe it is necessary to visualize the skills possessed by top talent and to implement initiatives such as establishing a new specialized training institute.

Currently, for our overseas local staff, we provide opportunities to study in Japan, targeting management executives and technical professionals. By having these trainees take back and apply the skills and know-how acquired through educational training and on-site experience to their home countries, further accumulation and passing on of engineering capabilities overseas will also become possible. Based on such experience, we expect that in the future local staff will also participate in the management of the Group as Group Corporate Officers.

Introduction of global human capital portfolio management

Position global human capital as a core source of competitiveness and enhance the human resources that support our growth strategies based on human capital portfolio management



Expanding global engineering capabilities

We will expand our engineering and global response capabilities through borderless recruitment and training.

Expanding engineering capabilities			Enhancement of global response capabilities		
<p>■ Enhanced administration of the certification program for leading senior expert engineers</p> <p>We will identify and differentiate top technical specialists in each field (persons with exceptional skills and achievements).</p> <p>■ Enhancement of training for end-to-end solutions experts (design-build & after-sales support)</p> <p>We will train technical personnel capable of handling all design, building, and after-sales support processes.</p> <p>■ Establishment of new specialized training institute</p> <p>We will train specialists in particular fields, such as semiconductors and pharmaceutical manufacturing.</p>			<p>■ Borderless deployment of Japanese personnel</p> <p>① Early experience of overseas work, including participation in the overseas trainee system</p> <p>② Experience as overseas affiliate managers</p> <p>③ Candidates for senior management/CEO</p> <p>.....</p> <p>■ Executive training for local staff</p> <p>① Early selection</p> <p>② Management participation</p> <p>③ Global experience in Japan/overseas affiliates</p> <p>*Future participation in group management as group corporate officers</p>		
KPI	Career professionals, including senior expert engineers	1,780 by 2035 (1,200 in 2025)	KPI	Global personnel with management experience at overseas affiliates	350 by 2035 (100 in 2025)

10-Year Plan 2035: DX Strategy

Digital shift in Taikisha’s business model

Transitioning from labor-intensive to capital-intensive business

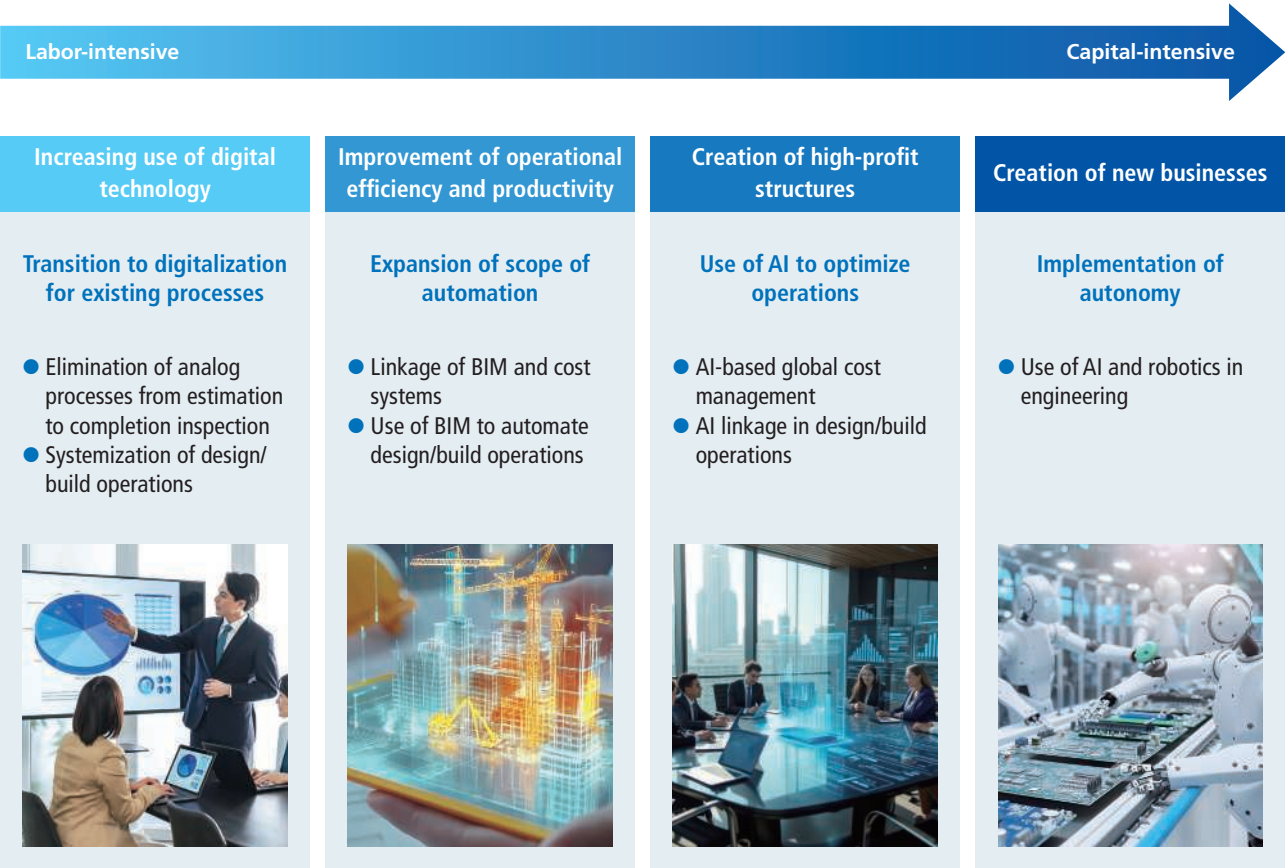
Building BIM-centered DX infrastructure for higher value-added and more creative work

Taikisha aims to transition its business model from a labor-intensive business, where profits are generated by investing a significant amount of human resources and time, to a capital-intensive business that enhances efficiency and profitability through investments mainly in digital infrastructure. We have established the following policies for building DX infrastructure centered on BIM, which is a key element of this process.

First, we will eliminate analog processes from estimation to completion inspections and systematize design/build operations and other existing processes so as to promote company-wide utilization of digital technology. At the same time, by advancing the linkage of BIM and various cost management systems, we will realize the smartification of

design/build operations and expand the scope of automation. This is expected to significantly improve operational efficiency and productivity. Also, by using AI in global cost management and design/build operations, we will be able to reduce conventional costs and create high-profit structures. Additionally, in the engineering field, we will proactively use AI and robotics to introduce and expand systems for autonomy, as well as take on the challenge of creating new businesses.

Through these initiatives, we will achieve sustainable growth and enhanced competitiveness, demonstrating a solid presence even in a rapidly changing market environment.



Positioning of DX as the core of our growth strategy—continuous investment of management resources

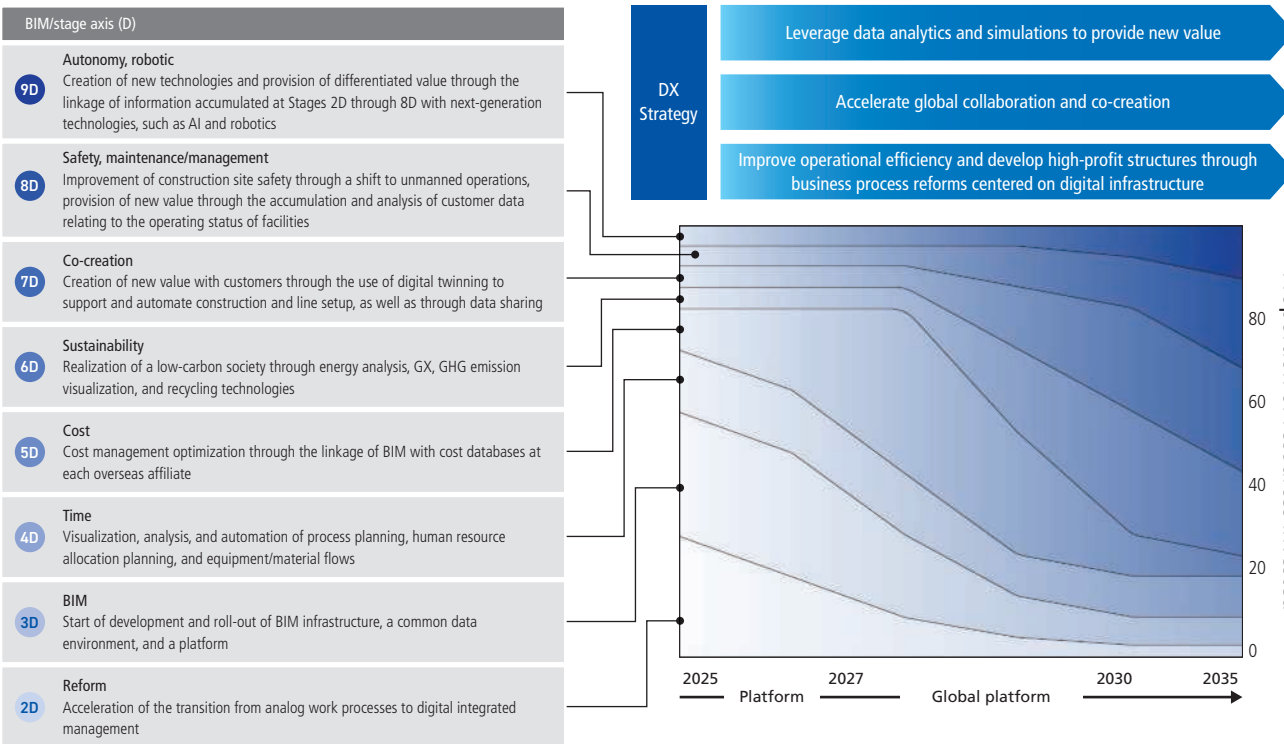
Accumulating data gathered through BIM on a platform and making advanced use of it for DX

With DX strategy positioned as the core of our growth strategies, we will progressively shift the priority of resource investments from 2025 through 2035.

During the first phase, our plan is to focus on establishing BIM infrastructure and transitioning from analog work processes to digital integrated management. During this period, we will create new value and improve operational efficiency by leveraging data analysis and simulations for process planning, human resource allocation, and material flows. Next, we are planning to simultaneously promote the enhancement of cost management and increase the proportion of resources invested in

sustainability. We will also expand the common infrastructure built in Japan to a global platform, promoting collaboration and co-creation among our overseas affiliates. Moreover, towards 2035, our vision is to expand autonomy through AI and robotics, promote co-creation with overseas companies using digital twins, and enhance safety and maintenance/management by shifting to unmanned operations at construction sites. Through these initiatives, we will drive business process reforms centered on our digital infrastructure to achieve sustainable growth and strengthen our competitiveness.

Proportions of management resources used at each BIM/DX stage



Accelerating DX and global collaboration in the Paint Finishing System Business Acquisition of BSI Kitemark™ certification for BMI

In April 2025, Taikisha acquired BSI Kitemark™ certification for BIM^{*1} under ISO 19650-1 and ISO 19650-2, both of which are international information management standards for BIM, for its Paint Finishing System Division projects.

The certification demonstrates that the Company's information management system conforms to international standards related to project management using BIM. The acquisition of this certification will mean a great deal for Taikisha's Paint Finishing System Business in terms of further sophisticating project management on a global scale.

Using BIM can enhance accuracy and speed in information-sharing and consensus-building among stakeholders, and help run projects more sustainably and efficiently, which will, in turn, lead to ensuring consistent good quality from design to construction and operation. It will also make it possible for us to transform the expertise and skills that have been accumulated on an individual basis into formalized, sharable knowledge. This will support the transfer of knowledge to future generations and contribute to enhancing overall productivity.

^{*1}: BIM, which stands for Building Information Modeling, is an information management method that supports all the processes of design, construction, and operation by creating 3D building shape information on a computer and adding information on building attributes, such as the specifications and performance of each part; the names, purposes, and finishing of rooms; and cost information.

