


Green Technology System Business

For more information about the strategies and major initiatives of the Green Technology System Business, see pages 11 through 14 from here: 



The Green Technology System Business uses environmental control technology that comprehensively controls energy, air, and water to create an environment that makes people comfortable and to design and install air-conditioning systems that are optimal for manufacturing.

As an engineering company, we will increase the added value of the entire business through improved technological capabilities and the promotion of globalization.

We aim to steadily increase net sales of completed construction contracts and ordinary income over the three years from FY2025 to FY2027.

Tadashi Sobue
Director, Executive Corporate Officer, Chief General Manager,
Green Technology System Division

Green Technology System Business

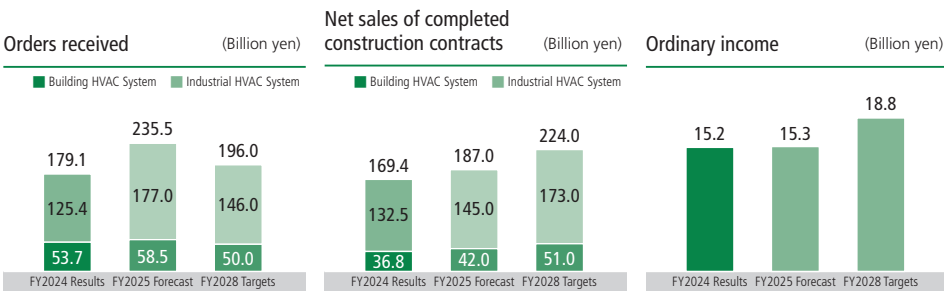
Building HVAC System

Industrial HVAC System

3-year targets (FY2027)

Net sales of completed construction contracts
¥224.0 billion

Ordinary income
¥18.8 billion



Focus for 3-year plan—Building foundations for growth

Market strategy

Maintain and improve our presence in the semiconductor/electronic components markets in Japan and overseas.

Semiconductors: Silicon Island/East Asia strategy

Electronic components: Enhanced support for Japan-based global manufacturers

Regional strategy

Maintain and enhance our presence in priority market areas.

Reinforcement of business base in Japan

Reinforcement of business base in ASEAN

Technology strategy

Contribute to carbon neutrality through the development of GX engineering technology.

Advancement of energy solutions

Enhancement of resource recycling support

Strengthening of compliance with environmental regulations

We aim to increase orders received from ¥179.1 billion in FY2024 to ¥196.0 billion in FY2027, a 9% increase. Additionally, we aim to increase net sales of completed construction contracts from ¥169.4 billion in FY2024 to ¥224.0 billion in FY2027, a 32% increase. Consequently, we have set a target to increase ordinary income from ¥15.2 billion in FY2024 to ¥18.8 billion in FY2027, a 24% increase.


To achieve these targets, we have developed three categories of strategies: market, regional and technology.

Our market strategy aims to maintain and improve our presence in the semiconductor and electronic component markets in Japan and overseas. We will prioritize resources for regions expected to attract intensive semiconductor-related investments, such as Kyushu. We will develop a structure, in collaboration with business partners, capable of handling large projects. Regarding electronic components, we will strengthen our capabilities to serve Japanese global companies, aim to enter the water recycling business by leveraging our wastewater recycling systems, and expand our overseas electrical engineering business. Our regional strategy identifies Japan and ASEAN as priority market areas. In Japan, we will

enhance and optimize human capital and achieve personnel allocation and organizational structures that reflect construction capacity and workloads. We will improve productivity at the design/build stages and also strengthen relationships with business partners. In ASEAN, we will transfer management functions for overseas affiliates from Japan to Singapore to strengthen contact points with global companies. In addition to sharing information, we will develop structures to handle projects based on joint contracting.

Our technology strategy focuses on developing GX engineering technologies. We will enhance energy solutions by broadening the customer base with semiconductor- and battery-related solutions and by enhancing EMS systems with AI. Additionally, we will expand support for resource recycling by entering the water treatment field and developing solvent recovery/purification systems. Furthermore, we will enhance support for environmental compliance through non-combustion treatment of exhaust gases and incorporation of direct air capture (DAC) technology into air conditioning systems.

Paint Finishing System Business

For more information about the strategies and major initiatives of the Paint Finishing System Business, see pages 16 and 17 from here: 



The Paint Finishing System Business has evolved based on the core technologies cultivated in the HVAC system business, such as exhaust treatment and airflow control.

With over 50 years of track record in the automotive industry, where the highest level of painting quality is required, we hold the top market share in Japan and the second-highest market share globally. In recent years, we have also expanded into the aircraft and railway car industries. Over the three years from FY2025 to FY2027, we aim for further growth through synergies achieved by allocating management resources to the prioritized sectors, collaborating with overseas Group companies, and developing new technologies that stay ahead of changing times.

Yukinori Hamanaka
Director, Executive Corporate Officer, Chief General Manager,
Paint Finishing System Division

Paint Finishing System Business

Process

Automation

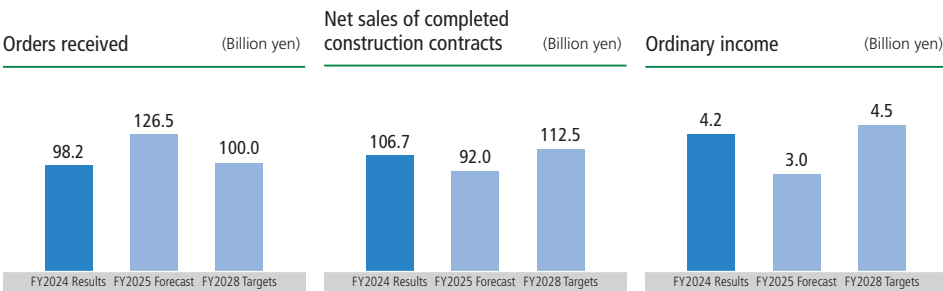
Line build

Dry decoration

3-year targets (FY2027)

Net sales of completed construction contracts
¥112.5 billion

Ordinary income
¥4.5 billion



Focus for 3-year plan—Building foundations for dramatic growth

Market strategy

Maintain and enhance our presence in automotive markets

Green factory technologies: Implementation of dry decoration

Smart factory technologies: Advancement of automation

Expansion of European customer portfolio

Create business opportunities in non-automotive markets

Use of painting technology in other industries

Development of smart industrial HVAC systems

We aim to increase net sales of completed construction contracts from ¥106.7 billion in FY2024 to ¥112.5 billion in FY2027, a 5% increase. Consequently, we have set a target to increase ordinary income from ¥4.2 billion in FY2024 to ¥4.5 billion in FY2027, a 7% increase.

The following summarizes our market strategies to achieve these targets: maintaining and enhancing our presence in automotive markets and creating business opportunities in non-automotive markets.

In automotive markets, we will implement three major initiatives: green factory technologies, smart factory technologies, and the expansion of the European customer portfolio. In terms of green factory technologies, we will verify customers' required specifications in our laboratories and implement production lines capable of extremely high-quality performance. Then, we will establish mass production technology using dry decoration, thereby enabling proactive marketing to automotive OEMs. Regarding smart factory technologies, we will leverage our track record in realizing and evaluating advanced concepts in the paint/coating field to expand our business domains to inspection, polishing, and

material handling. To expand our European customer portfolio, we will create optimal order processing systems across entire supply chains and expand areas in which we have in-house production capabilities.

In non-automotive markets, we will approach not only railway cars and aircraft, but also other manufacturing industries. To enable the use of our painting technology in other industries, we will contribute to smart factory technology for low-volume production and pursue marketing opportunities to leverage our coating and decoration technologies. Furthermore, we will further pursue providing integrated services ranging from environmental technology developed through the HVAC business to consulting and after-sales support. By realizing smart factories across all industries, we aim to expand our market share.