

Dialogue between Chief General Managers of  
Green Technology System Business and Paint  
Finishing System Business



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



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

Embodying “Be Engineering” through Collaboration and Co-Creation

Amid rapid changes in the social environment and ongoing technological innovation, along with the changes in the industrial structure, the Green Technology System Division and the Paint Finishing System Division are deepening their partnership while leveraging their strengths built through their respective technologies and past achievements. In this dialogue, the two Chief General Managers reflect on their divisions’ uniqueness and history, and share insights on new value to be created through co-creation and future business development under the banner of our “New Growth Strategy.”

After discussing with a view over the next 10 years

**Sobue:** The two of us, together with President Osada and Executive Vice Presidents Nakajima and Nakagawa, launched the Growth Strategy Council this year, comprising five Executive Directors. Through this council, we are discussing Taikisha’s management issues with a view over the next 10 years.

**Hamanaka:** At the Growth Strategy Council, we have exchanged views, raised issues, and engaged in discussions to explore what kind of value we should deliver as the ideal future state of Taikisha, what kind of transformations are required, and how we should implement them. Regarding the theme of this dialogue, co-creation between the Green Technology Systems Division and the Paint Finishing Systems Division, the Growth Strategy Council shares a common understanding of the issues from a long-term perspective. Recognizing that we are seen by customers as a long-term business partner, we view the sharing of resources for future value delivery as a company-wide transformation involving corporate divisions.

**Sobue:** It’s not simply about having the two divisions collaborate. Advancing coordination between the divisions from a company-wide optimization perspective will be key to realizing the 10-year plan. We can now say that the time has come for the five Executive Directors to engage

in discussions on the shared resource portfolio, including R&D, digital, human capital, and capital, cutting across divisional boundaries.

Until now, the Green Technology Systems Division has operated as a contractor, leveraging its technical expertise in design and construction. Especially overseas, there are many opportunities not only to install air conditioning systems alone, but also to take on full projects that include buildings, electrical equipment, and air conditioning systems. Looking ahead to the next ten years, we believe it is essential to offer one-stop solutions that can meet customer needs both in Japan and overseas, covering everything from planning and design to construction and maintenance. At the same time, we aim to build a division capable of providing total solutions.

**Hamanaka:** From the perspective of the Paint Finishing System Business, advancing GX and DX that are the pillars of the 10-year plan will likely depend on the use of technologies such as digital twins, which will be the keyword. For example, in the automobile industry, there is a trend to use digital twins to reduce the development time for new car models from around three years to two or even one and a half years. To keep pace with this accelerating speed, it is essential to offer solutions that allow us to check the quality in advance by using digital twins without actual painting.

On the other hand, when we look at the challenges our customers face, we see a shortage of human resources and an inability to try new

approaches to achieve carbon neutrality even if they want to. We have stepped in as a game changer by investing in development to commercialize dry decoration, a zero CO<sub>2</sub> emission alternative to spray painting, and our efforts have been well received by customers. If there are no restrictions on development costs that create future value and these costs are allocated as long-term strategic investments covered by the corporate side, we can actively promote development exchanges related to customer needs.

As we aim to become a company that can provide value to customers through one-stop solutions, we will continue to hold discussions at the Growth Strategy Council about Taikisha’s evolution across departments.

Background of business collaboration and expectations for synergies

**Hamanaka:** Taikisha’s business development, centered on the two pillars, the Green Technology System Business and the Paint Finishing System Business, is recognized within the industry as a unique strength not seen in other companies. Looking back, Taikisha originally specialized in air conditioning. However, in response to customer requests to apply our air conditioning expertise to automobile paint finishing plants, we began by providing air conditioning systems for those plants. Over time, it

expanded into other equipment used throughout the painting process and grew to the point where we could get orders as a turnkey project. As our paint finishing operations have expanded into the automobile field, opportunities for collaboration with our original air conditioning business became limited. As a result, we have decided to go on a separate path, which led to the Green Technology System Business and the Paint Finishing System Business becoming the two main pillars.

However, while the Green Technology System Business has a broad base across many fields that require air conditioning, the Paint Finishing System Business is primarily centered on paint finishing plants for automobile manufacturers, which limits opportunities for future expansion. Recognizing this issue has led us to a co-creation concept of combining industrial HVAC for manufacturing with the automation technology developed by the Paint Finishing System Business. With this concept, we can provide one-stop solutions to customers and expand the portfolios of both businesses.

**Sobue:** As Mr. Hamanaka mentioned, the Green Technology System Business has a broad scope, covering not only the building HVAC system sector but also a wide range of the industrial HVAC system sector, including semiconductors and electronic components, pharmaceuticals, data centers, and food processing. However, it is quite challenging to pursue deep specialization and fully cultivate opportunities in each of

these sectors; rather, we have focused on broadening our scope and enhancing versatility as an equipment manufacturer. On the other hand, the Paint Finishing System Business has advanced in research for robot and conveyance technologies. By leveraging that specialized expertise, we aim to approach more industrial HVAC customers and further enhance the value Taikisha delivers.

In the Green Technology System Business, even for customers in the industrial HVAC sector, business is generally conducted with facility or maintenance departments. In contrast, in the Paint Finishing System Business, manufacturing departments directly engage with customers. By having the Green Technology System Business provide the facilities that support those manufacturing departments, we can expect to build a stronger relationship between the two businesses.

**Hamanaka:** The Paint Finishing System Division experienced fluctuations in performance due to its heavy reliance on large-scale projects, which became the starting point for recognizing the issues. Operating with a very narrow portfolio focused on the four-wheel sector of Japanese automobile manufacturers, any downturn in the customer industries or market can directly lead to a deterioration in our business performance. This situation forced the division to take a more diversified business approach. As a result, we turned our attention to EV batteries and developed equipment that applies waterproofing and rustproofing to battery cases using our existing paint finishing system technology. This effort resulted in winning orders from Japanese automobile manufacturers.

**Sobue:** Meanwhile, the manufacturing process for EV batteries requires a range of advanced environmental technologies, which fall within the domain of the Green Technology System Business. Stepping aside from the Paint Finishing System Division’s work on equipment for EV battery cases, as Mr. Hamanaka just explained, we have also received orders from the battery industry such as the dry room that enables ultra-low humidity and the recovery system for a special solvent called NMP. In other words, both divisions had been working separately on EV batteries. However, since the end users are automobile manufacturers, we recognized that we need to collaborate with each other to provide one-stop solutions to customers so we can create a pillar that can become a major source of profit. This understanding led us to initiate collaboration with the Paint Finishing System Division.

**Hamanaka:** Until now, collaboration across departments has been

challenging within Taikisha’s recent corporate culture, which represents our divisional structure. However, the EV battery project is progressing smoothly, partly because it arose from a market necessity. President Osada, who has experience in both divisions, is personally taking efforts to break down organizational barriers.

**Sobue:** Additionally, the Digital Strategy Committee, led by the Engineering Headquarters and Information Systems Department, which were newly established this April, is now in full swing with its activities. Currently, we are focused on building a company-wide DX infrastructure that crosses divisional boundaries, as well as accumulating and sharing databases. Moving forward, the key will be on how we can connect these efforts to improve productivity.

**Hamanaka:** That’s true. Since we are aiming to share databases company-wide, we should collaborate toward creating technological innovations and work together to deliver results.

Strengths of business collaboration in priority markets

**Hamanaka:** We believe automobile manufacturers will shift away from outsourcing EV battery production to the battery industry and instead begin producing batteries in-house. In fact, in 2025, a battery plant established by a Japanese automobile manufacturer in North America started operating. When approaching such customers, we have a significant advantage, with a proven track record in both environmental technologies for battery manufacturing processes and battery cases. In addition, the global development of the Paint Finishing System Business and the collaboration structure in North America are strengths that set us apart from other companies.

The global development of the Green Technology System Business has been mainly focused in Southeast Asia, while the Paint Finishing System Business is mainly focused in Europe and North America. When collaborating on activities to get orders for one-stop solutions, we are leveraging the Paint Finishing System Business’s network in Europe and North America to support the global expansion of the Green Technology System Business. This approach can allow us to make proposals not only to Japanese customers but also to non-Japanese customers.

**Sobue:** We are currently exploring ways to achieve more compact and modularized battery plants, aiming to deliver benefits such as reduced

We will drive innovation in GX and DX to take on challenges held by customers and deliver optimal solutions that go beyond business boundaries.



energy consumption, mini-environmental control (formation of a localized clean environment), and shorter delivery times. We are working on this initiative as a collaboration that combines the technologies of both divisions. As the number of battery plants continues to grow rapidly, we plan to develop a package for smart factories based on this initiative and differentiate ourselves from competitors by leveraging the complementary strengths of both divisions.

This kind of coordination in the battery business can be seen as the first step toward realizing “Innovative Engineering,” one of the strategic policies outlined in the 10-year plan.

**Hamanaka:** In Japan’s construction industry, labor is highly specialized. When it comes to buildings, a general contractor constructs the main building, while other contractors build elevators, air conditioning, electrical systems, and more, according to their expertise. This division of labor is mostly done in Japan. If we look globally, providing a one-stop solution is more common. From that perspective, competitors who operate mainly in Japan are dealing with challenges of meeting the needs of overseas customers. However, we’ve developed globally for a long time, so we see this as a key differentiating strength.

The Green Technology System Business has overwhelming strengths in construction capabilities and the construction management structure, which have earned us getting orders repeatedly. However, unless we are an engineering company, we cannot enter the upstream side of our customers. Meanwhile, in the Paint Finishing System Business, all opportunities start with design competitions. Without having strong design capabilities, we cannot beat our competitors. As such, balancing resource allocation between design and construction with limited human resources remains a constant challenge. This structure of collaboration and division of labor that complements both issues is a major strength in realizing our growth strategy, and we believe it will serve as a stepping stone to becoming a global engineering company.

Challenges and outlook for the evolution of the value proposition

**Hamanaka:** The Medium-Term Business Plan lists three business functions (technical capabilities) in the synergy areas between the Paint

Finishing System Business and the Green Technology System Business, which are battery, line build, and automation. Among these, line build comes from the fusion of the specialized environmental technology provided by the Green Technology System Business and the automation technology of the Paint Finishing System Business. Japanese manufacturers tend to handle most of their work in-house, but in Europe and the US, outsourcing is the norm, and strong demand for line builds is expected. It is important to enhance our capabilities so that we can provide line build services not only to automobile manufacturers but also to other industries.

**Sobue:** The management issue I am very conscious of is that we have reached a stage where we must seriously work on expanding our business to non-Japanese manufacturers as we pursue global development. For Japanese manufacturers, the Green Technology System Business has been involved from the planning stage of property design and construction through to after-sales support and maintenance, and this track record has served as a stepping stone to global development. However, with non-Japanese manufacturers, it remains difficult to participate from the planning stage, and there is still a need to improve Taikisha’s recognition and reputation as a company, as well as to build trusting relationships. We aim to overcome this barrier and become an engineering company that can provide all services from design to maintenance. When it comes to strengthening communication, working together with the Paint Finishing System Business is extremely valuable.

**Hamanaka:** By 2035, ten years from now, we want to become an engineering company that can face increasingly complex social and customer challenges and provide optimal solutions. Collaborating between both divisions and sharing resources across departments are means to that end and not the goal itself. We seek to evolve into a corporate group that embodies the vision of “Be Engineering” and to boldly take on ambitious challenges to create new value.

**Sobue:** Exactly. As a comprehensive engineering company, we will work to earn the trust and meet the expectations of our customers globally and contribute to the realization of a sustainable society. To achieve this, all employees of the Group will embody the spirit of “Be Engineering” and embrace challenges without fear of change.

We will share resources from a company-wide optimization perspective to design a sustainable future.

