Process of Creating Value

The Daiken Group aims for the realization of a sustainable society and the creation of economic and social value by contributing to solving social issues, such as the Sustainable Development Goals (SDGs), through business activities that make use of our unique strengths.



Six capitals

Source of value creation

Financial foundation

Shareholders' equity: 74 billion yen Interest-bearing debts: 29.7 billion yen

Production system

Capital investments: 3.9 billion yen Production base: 19 bases

Research and development

R&D center

R&D expenses: 1.7 billion yen

Human resource

Consolidated number of employees: 3,56

Customer base

A wide variety of customers ranging from the housing and construction industries to various manufacturers

Natural resources

Usage of wood materials (1,000 t)
Domestic: 214 Global: 1,391
Total energy input (1,000 GJ)
Domestic: 2,559 Global: 4,633
Water resource input (1,000 m³)
Domestic: 1,838 Global: 927

*Fiscal 2023

Business models and strengths P.23-24 Strength 4 Integrated system Engaging in the development, **Businesses and market** strategies that connect our strengths to value creation Strength 3 Global markets Customer base Industrial materials business Public and commercial buildings Building materials Strength 2 Industrial materials business Product deployment capabilities Home renovation market Engineering Domestic new home market Strength 1 Strategies by business segment Research and and market development capabilities P.39-40 sustainable industrial materials and a safe, secure, healthy, and comfortable space

Human resource strategies

Business foundation

Financial strategies

Governance

Sustainability Basic Policy/Group Conduct Guidelines

Input management resources

Long-Term Vision GP25 ▶P.33-34

DAIKEN Global Environmental Vision 2050

Goal Achieve the vision of the **Group Corporate Philosophy**

Medium-Term Management Plan GP25 3rd Stage (Fiscal 2023-2026) P.37-38

Materiality

- Realization of a Resource-Recycling and Recycle-Oriented Society
- User Needs in the New Normal Era
- Working and Job Satisfaction
- P.25-26

Offering of products that use strengths

► P.15-20

Industrial materials business

Make full use of wood and mineral resources and offer a variety of functional materials

MDF	Veneer/LVL
Insulation board	Tatami facing
DAILITE	DAILOTONE

Building materials business

Offer high-performance building materials that form spaces focusing on safety, peace of mind, health, and comfort

Flooring	Acoustic products
Door	Cabinet
Stairs	Construction materials

Engineering business

Interior construction for public spaces, commercial facilities, and houses to create spaces that optimize the performance of industrial and building materials

Interior projects for buildings and offices

Home renovation

Apartment renovation

Creation of economic and social value

Creating Shared Value (CSV) by Daiken Businesses

► P.27-32

Contribution to carbon neutrality by utilizing wood resources

02 Promotion the use of domestic timber

Effective utilization of unused resources

Creating a safe, secure, healthy, and comfortable space

Development of labor saving type products and techniques

Fiscal 2023

Financial outcomes

Net sales: 228.8 billion yen Operating profit: 9.8 billion yen EBITDA*: 16.8 billion ven

Profit attributable to owners of parent:

10.3 billion yen

ROE: 12.9% Total dividend: 2.8 billion yen Dividend payout ratio: 27.8% *Operating profit + Depreciation + Depreciation of goodwill

Nonfinancial outcomes

Amount of carbon fixation by the wood industrial materials business: 739,000 t-CO₂/year

Utilization of domestic timber for flooring substrates:

Total greenhouse gas emissions in Japan and overseas (Compared to fiscal 2022): (4.0%)

45%