Environmental Strategies

Initiatives toward the realization of the DAIKEN Global Environmental Vision 2050

We formulated the DAIKEN Global Environmental Vision 2050 in which the DAIKEN Group's attitude for the long-term initiatives, policies, and goals for environmental issues are established in October 2021 and revised it in April 2025. We aim to contribute to the realization of a sustainable society from the three perspectives of the promoting resource recycling, mitigating climate change, and coexisting with nature and will put effort into the resolution of social issues, such as environmental issues.

DAIKEN Global Environmental Vision 2050

Vision

For a future full of smiles

The overall aim of the DAIKEN Group is to realize a sustainable society towards 2050 by promoting resource recycling, mitigating climate change, and coexisting with nature.

Environmental Policy

1 Promotion of resource recycling
—Waste reduction and reuse of resources—

By actively taking advantage of properly managed sustainable forest resources, we can promote forest circulation and help to realize a circular economy of sustainable resource circulation throughout society by reusing resources, material recycling, and thermal recycling, rather than disposal.

2 Mitigation of climate change
—Realization of carbon neutrality—

We will reduce our own greenhouse gas emissions, as well as emissions throughout the entire supply chain. Also, by using sustainable forests and wood resources, we will help to expand carbon storage and contribute to the maintenance and circulation of carbon sinks as we work together with society to achieve carbon neutrality.

3 Coexistence with nature
—Conservation of biodiversity —

In consideration of biodiversity, our objective is to coexist with a sustainable natural environment and preserve ecosystems by contributing to environmental impact reduction, conservation, and restoration.

Long-term goals

1 100% waste recycling

- Promote material recycling and thermal recycling on the premise of cascade use
- Reduction of final disposal of waste in landfills
- Reduce waste through a series of processes from procurement of raw materials to the use and disposal of products
- Promote resource recovery and reuse

2 Net zero greenhouse gas emissions

- Promote energy conservation by improving productivity and efficiency
- Expand the use of renewable energy
- Improvement of product design to reduce CO_2 emissions across the service life of the product
- Expand the use of wood materials and products that store carbon
- Promote reforestation through the active use of materials from managed forests
- Contribute to the maintenance and recycling of CO_2 sinks through afforestation

3 Reduce the impact on the natural environment (Zero deforestation)

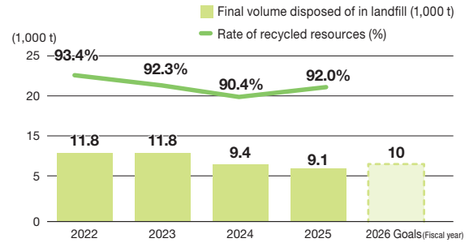
- Promote sustainable timber procurement
- Appropriately manage chemical substances and reduce emissions
- Promote the effective use of water resources
- Reduce the use of plastics derived from fossil fuels
- Promotion of ecosystem conservation and restoration efforts

Promotion of resource recycling —Waste reduction and reuse of resources—

Reduction of final disposal of waste in landfills

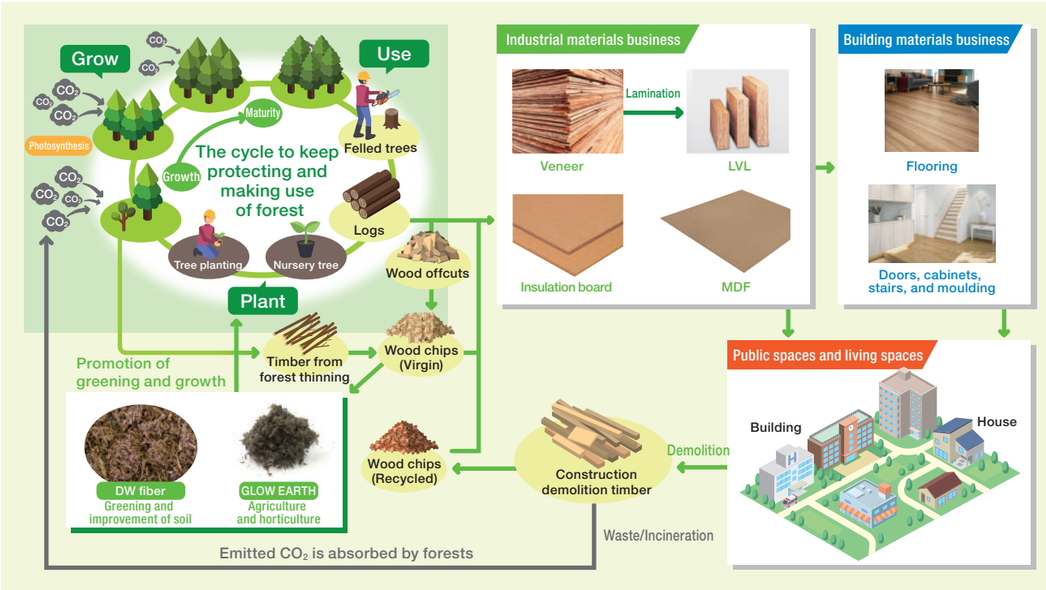
Final volume disposed of in landfill 23.3% reduction
*As compared to fiscal 2022

The DAIKEN Group aims to realize a recycling-oriented society and puts effort into recycling waste, such as reusing the defectives generated in the manufacturing process as product raw materials to the extent possible, and using those as fuel for production, if not suitable for raw material itself. Material recycling progressed by utilization as the soil improvement material in fiscal 2025. The final volume disposed of in landfills decreased, and the rate of recycled resources improved as compared to fiscal 2024. We will continuously promote recycling.



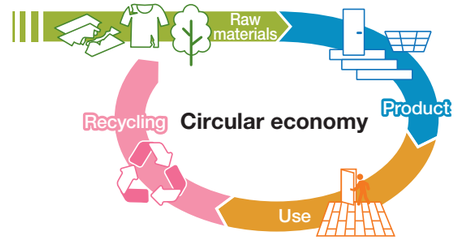
Timber resource recycling

The DAIKEN Group utilizes wood resources, such as construction demolition timber and residual offcuts, and manufactures wooden fiberboards and interior building materials using wooden fiberboards. As timber is a renewable resource that absorbs CO_2 and grows, by using appropriately managed timber and timber from forest thinning and promoting the utilization of timber with no waste, we conduct resource recycling and contribute to a sustainable society.



To realize the circular economy

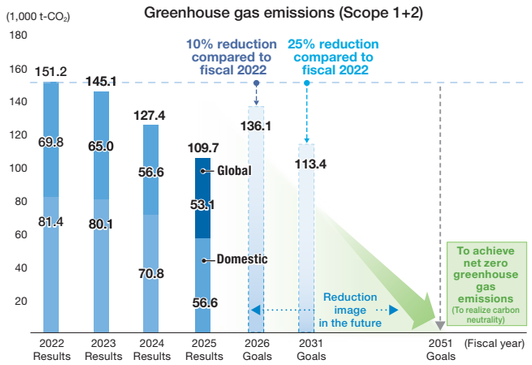
As the effective use of wood resources, we promote the reuse of resources, such as material recycling and thermal recycling. In addition, we view what is currently discarded as resources and aim to realize the circular economy through the effective use, such as recycling.



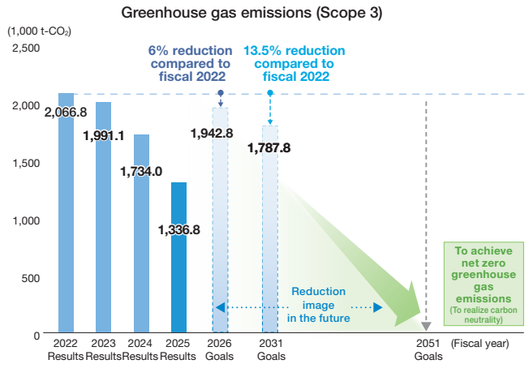
Mitigation of climate change —Realization of carbon neutrality—

Initiatives for the reduction of greenhouse gas emissions

Scope 1+2 27.5% reduction Scope 3 35.3% reduction
*As compared to fiscal 2022



Note 1: Calculated in accordance with the method of calculation in the SBT certification acquisition requirements



Note 1: Calculated in accordance with the method of calculation in the SBT certification acquisition requirements
Note 2: Combined figures of the emissions in Japan and overseas

As the milestones toward the realization of carbon neutrality, the DAIKEN Group has set the greenhouse gas emission reduction goals for fiscal 2026 and fiscal 2031 compared to fiscal 2022. For fiscal 2031, we obtained certification from the Science Based Targets initiative in June 2023 because the goal was science-backed Well Below 2 °C, which is consistent with the levels required by the Paris Agreement. We will continuously work on the utilization of renewable energy and energy-saving activities toward the realization of carbon neutrality and the reduction of emissions through the initiatives for productivity improvement.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

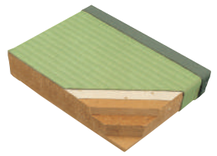
Amount of carbon storage by the wood industrial materials business (IB and MDF) 657,900 t-CO_2

Timber functions to fix CO_2 as carbon after absorbing it during the growth process and to keep storing it by subsequently continuing to use timber as a material. The result of the amount of carbon storage in our wood industrial materials business was 657,900 t-CO_2 in fiscal 2025. On the other hand, our Scope 1+2+3 was approx. 1,447,000 t-CO_2. While increasing the amount of storage, we will proceed with the greenhouse gas emission reduction activities and contribute to a carbon-neutral society by aiming to be the image of the amount of carbon storage exceeding the greenhouse gas emissions.

Disclosed the amount of carbon storage in units of a product

In part of our major products using wood materials, we disclosed the amount of carbon storage (CO_2 equivalent) contained in each product.

'ieria' floor standard
Amount of carbon storage:
Approx. 12 kg-CO_2
*Per 1 m²



DAIKEN tatami mat Sukoyaka-kun
(Sukoyaka tatami mat core 2000ECO)
Amount of carbon storage:
Approx. 30 kg-CO_2
*Per tatami mat

'ieria' single swing door 00 design
Amount of carbon storage:
Approx. 35 kg-CO_2
*Per one set of the door/frame (Size: 755 in width/2,033 in height)

Acquired SuMPO EPD for part of our flooring products

For the eight main flooring products, we acquired SuMPO EPD, which is an environmental product declaration label. We implemented third-party verification and disclosed quantitative environmental information.

SuMPO EPD JAPAN

*EPD: The abbreviation for Environmental Product Declaration. It conforms to the ISO and is a framework to calculate and disclose a product's environmental information in a highly transparent manner. (SuMPO is an EPD management organization in Japan)

Communication Tough II DW, flooring that acquired the EPD

Coexistence with nature —Conservation of biodiversity—

Toward the sustainable timber procurement

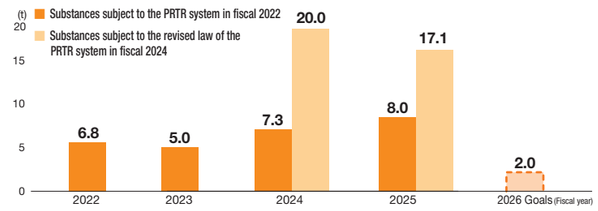
DAIKEN SARAWAK's afforestation site acquired PEFC-FM certification

Toward the realization of the stable procurement of wood materials, we have been planting acacia trees in Sarawak, Malaysia, since 2002. In March 2025, the afforestation site (broad-leaved forest) owned by DSK, which is a consolidated subsidiary, acquired PEFC-FM certification. This certification is one of the forest certifications that evaluates and certifies that forest management is conducted in accordance with the standards and indices for sustainable forests. DSK manufactures hardwood MDF that offers excellent water resistance, and the DAIKEN Group can now domestically supply certified MDF made from certified hardwood for the first time in Japan. By establishing the certified hardwood MDF production system ahead of other companies, we, as the leading company of MDF and wood flooring in Japan, will heighten the momentum toward the use of certified materials in the flooring industry in the future and further contribute to the realization of a sustainable society.

Reduce the amount of chemical substance release

Substances subject to the PRTR system 17.4% increase
*As compared to fiscal 2022

Trends in the release/transfer amount of the substances subject to the PRTR system



The DAIKEN Group has been working to grasp and reduce the amount of release and volume of transfer concerning the substances subject to the PRTR system. The amounts have been on an increasing trend as a subsidiary newly joined in fiscal 2024 but consideration of alternative products has completed, and the amounts are expected to decrease in fiscal 2026. We will continually put effort into the reduction of other target substances and promote the reduction of environmental burden in the entire group.

To reduce the environmental burden through the change to the aqueous adhesive

At the wood composite flooring production factory, we installed the additional aqueous adhesive application equipment.
Regarding the products for which the polyurethane adhesive was conventionally used, we will switch to the aqueous adhesive to the extent possible and work on the production of environment-conscious products.

Pickup

Implemented the visiting class on the environment at an elementary school

For the purpose of fostering an awareness of and interest on the environment, we gave a class on forest preservation and utilization of timber at an elementary school in Tokyo. Under the theme of forests and trees that are habitats for living creatures, we explained the significance of the utilization of timber in that cutting down trees as maintenance of the forest and using the cut trees will lead to protecting the forest, and held a workshop for the students to stick wood chips onto a drawing paper and create a habitat for living creatures and created the opportunity for them to have an interest in nature and creatures.