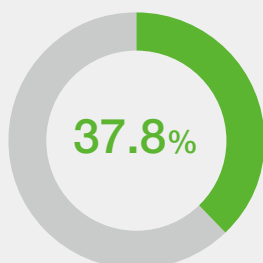


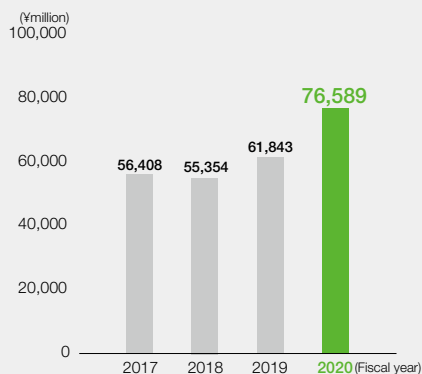
Summary by Business

Industrial materials business

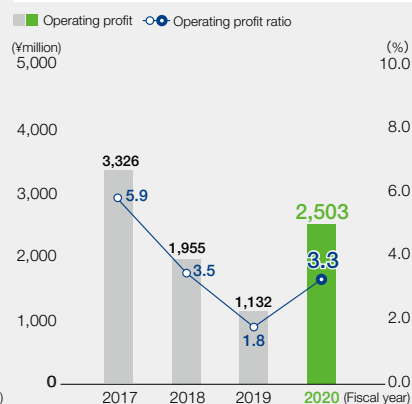
Sales Breakdown by Business Sector



Net sales

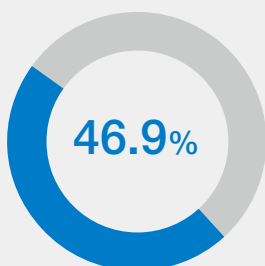


Operating Profit/Operating Profit Ratio

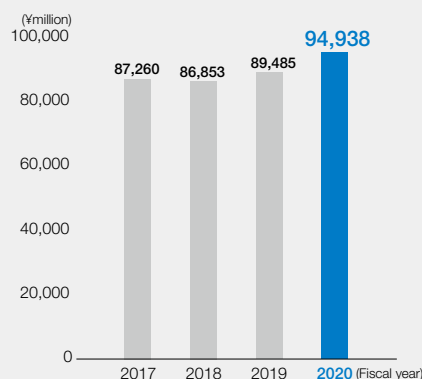


Building materials business

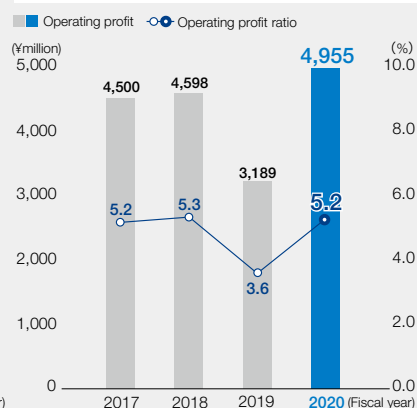
Sales Breakdown by Business Sector



Net sales

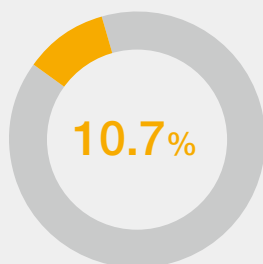


Operating Profit/Operating Profit Ratio

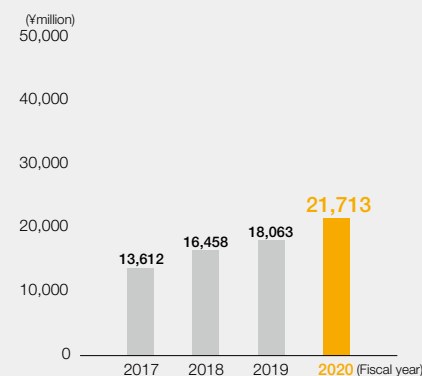


Engineering business

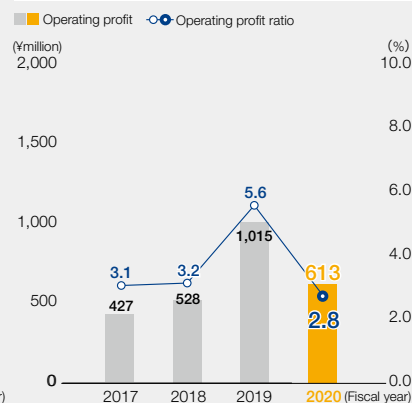
Sales Breakdown by Business Sector



Net sales



Operating Profit/Operating Profit Ratio



*Other Daiken businesses account for 4.6% in addition to the above.

Results in Fiscal 2020

Net sales in the industrial materials business in fiscal 2020 amounted to ¥76.589 billion (up 23.8% year-on-year). Although we struggled to sell MDF because of sluggish demand in Asia, our revenues increased by ¥14.745 billion because sales of tatami facings were good and CIPA Lumber Co. Ltd., and PACIFIC WOODTECH CORPORATION in North America that work in the LVL and veneer businesses were included in the scope of consolidation.

Regarding operating profit, we were affected by the profit drop due to the intensified competition in the MDF market, but because of streamlining, cost reductions, passing on part of the rising costs to selling prices, and the above-mentioned new consolidation, profits increased by ¥1.371 billion.

Production Plants

Okayama Plant
Takahagi Plant

Subsidiaries part of the Group

Dai-tac Corporation
Aizu Daiken Corporation
Nichinan Daiken Co., Ltd.
C&H Co., Ltd.
Eco Techno Co., Ltd.
DAIKEN NEW ZEALAND LIMITED (New Zealand)
DAIKEN SOUTHLAND LIMITED (New Zealand)
DAIKEN SARAWAK SDN. BHD. (Malaysia)
DAIKEN MIRI SDN. BHD. (Malaysia)
CIPA Lumber Co., Ltd. (Canada)
PACIFIC WOODTECH CORPORATION (USA)

Results in Fiscal 2020

Net sales in the building materials business in fiscal 2020 amounted to ¥94.938 billion (up 6.1% year-on-year). Our revenues increased by ¥5.453 billion for the following reasons: 1) We focused on the sales of products that could differentiate us from other companies in the domestic housing market. 2) We enhanced proposals for products with functions required by facilities, which led to an increase in sales of all interior building materials. 3) T.O FLOORING CO., LTD., was included in the scope of consolidation.

Regarding operating profit, as a result of striving to secure profits, such as streamlining, cost reductions, and passing on part of the rising logistics costs to selling prices, in addition to the increase in net sales, profits increased by ¥1.766 billion.

Production Plants

Inami Plant
Mie Plant

Subsidiaries part of the Group

Daifit Co., Ltd.
Dai-wood Corporation
Setouchi Kakoh Co., Ltd.
Toyama Juki Co., Ltd.
T.O FLOORING CO., LTD.
DAIKEN Industries (Ningbo) Corporation (China)
DAIKEN (Shanghai) Corporation (China)
PT. DAIKEN DHARMA INDONESIA (Indonesia)

Results in Fiscal 2020

Net sales in the engineering business in fiscal 2020 amounted to ¥21.713 billion (up 20.2% year-on-year). While interior work demand for buildings and apartment buildings in the Tokyo metropolitan area was good, we proceeded with the expansion of the construction areas and ReformQ Co., Ltd., and T.O FLOORING CO., LTD., were included in the scope of consolidation, and revenues increased.

Regarding operating profit, although we achieved increased profit by the above-mentioned new consolidation, the profit ratio declined because of the surge in labor costs caused by the shortage of skilled craftsmen, and profits decreased by ¥402 million.

Subsidiaries part of the Group

DAIKEN ENGINEERING CORPORATION
Koukou Sangyo Corporation
Sankei Corporation
DAIKEN HOME & SERVICE CORPORATION
Smileup Corporation
ReformQ Co., Ltd.
PAC SYSTEM Co., Ltd.
T.O FLOORING CO., LTD. (construction)