

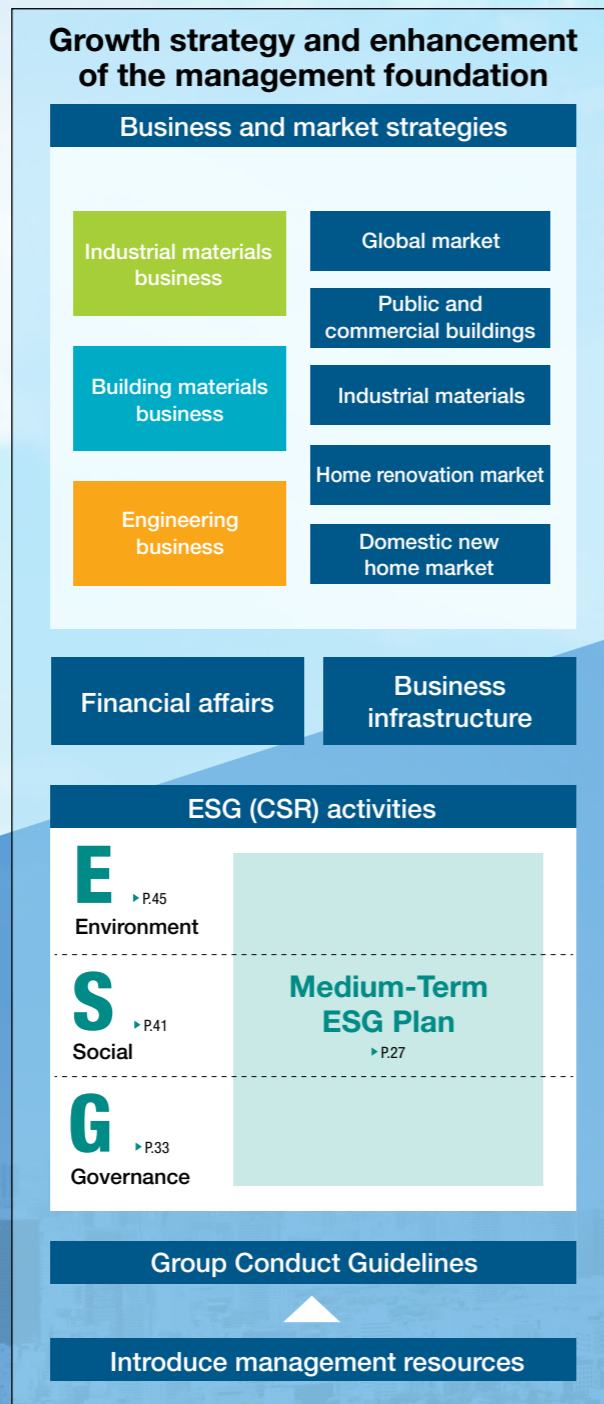
Process of Creating Value

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 Sustainable Development Goals (SDGs) through business activities that make use of our unique strengths. The Group also united CSR activities based on Environment, Social, and Governance (ESG) to make our businesses robust.

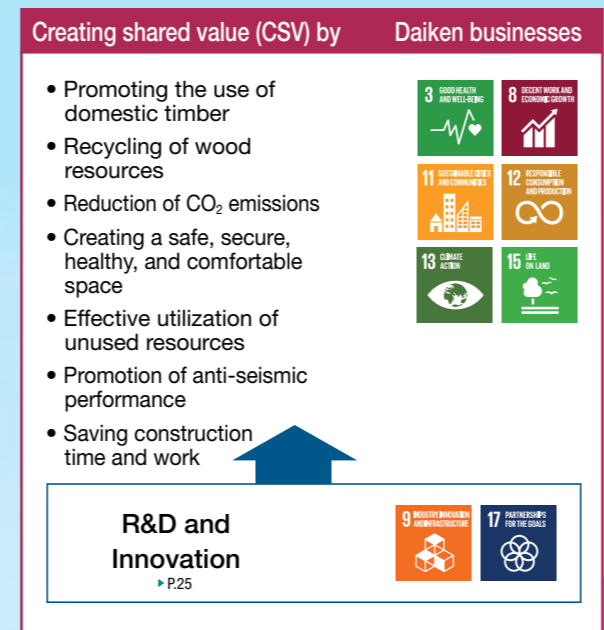
Social issues and needs



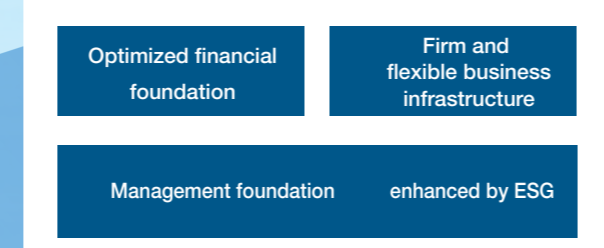
- Realization of low-carbon society
- Building a recycling-oriented society
- Measures for water resources
- Measures for biodiversity
- Conservation of tropical timber
- Decrease in labor force
- Promotion of diversity
- Promotion of workstyle reform
- Development of local communities
- Revitalization of the domestic forest products industry
- Preparation for natural disasters
- Improvement of the safe, secure, healthy, and comfortable living environment
- Response to the super-aging society



Creation of economic and social value



Strengthen the foundation of value creation



Management goals

Financial indicators	
• Net sales	225 billion yen
• Operating profit	12 billion yen
• Operating profit ratio	5.3%
• Profit attributable to owners of parent	7 billion yen
• ROE	10%
• ROA	7%
• Shareholder equity ratio	40%
• Dividend payout ratio	30% or more

Nonfinancial indicators	
• Total CO ₂ emissions in Japan (compared to fiscal 2014)	(26%)
• Total diversity index*	+20pt
• Serious quality accidents and violations	0
*Our own indices in which the eight diversity items, such as the female manager ratio, were indexed as compared to fiscal 2019	
• Degree of penetration of the +10pt Group Corporate Philosophy*	
*Our own indices in which employees' understanding, sharing, and practice of the group corporate philosophy were indexed as compared to fiscal 2018	



GP25 2nd Stage

Investment to build the foundation for further value creation

- * SDGs
- 1 No poverty
 - 2 Zero hunger
 - 3 Good health and well-being
 - 4 Quality education
 - 5 Gender equality
 - 6 Clean water and sanitation
 - 7 Affordable and clean energy
 - 8 Decent work and economic growth
 - 9 Industry, innovation and infrastructure
 - 10 Reduced inequalities
 - 11 Sustainable cities and communities
 - 12 Responsible consumption and production
 - 13 Climate action
 - 14 Life below water
 - 15 Life on land
 - 16 Peace, justice and strong institutions
 - 17 Partnerships for achieving the goals