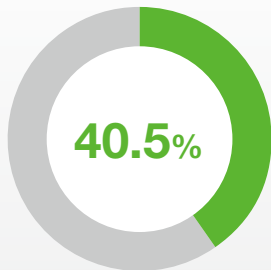


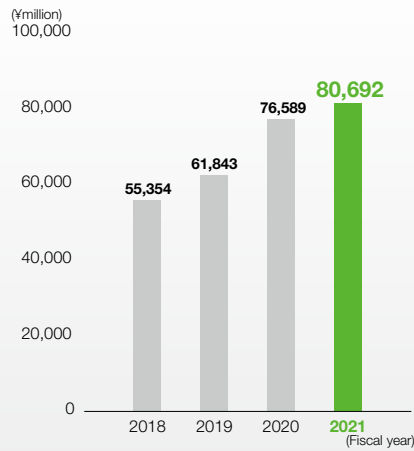
Summary of Businesses

Industrial materials business

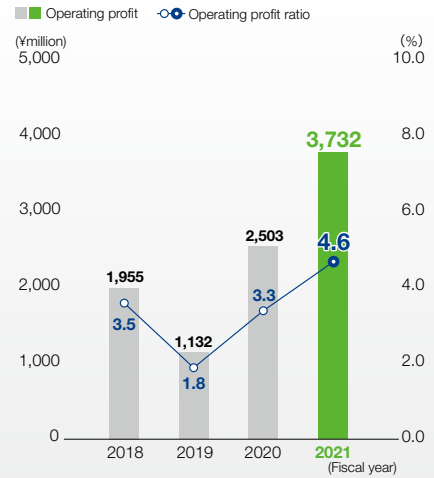
Sales Breakdown by Business Sector



Net sales

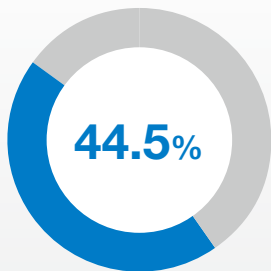


Operating Profit/Operating Profit Ratio

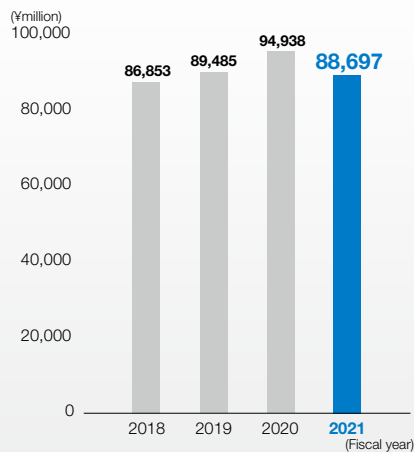


Building materials business

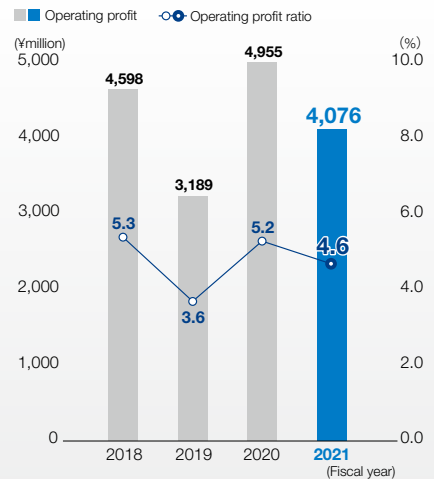
Sales Breakdown by Business Sector



Net sales

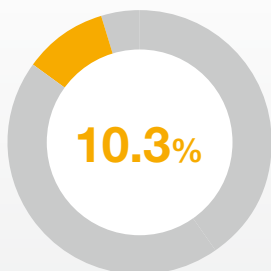


Operating Profit/Operating Profit Ratio

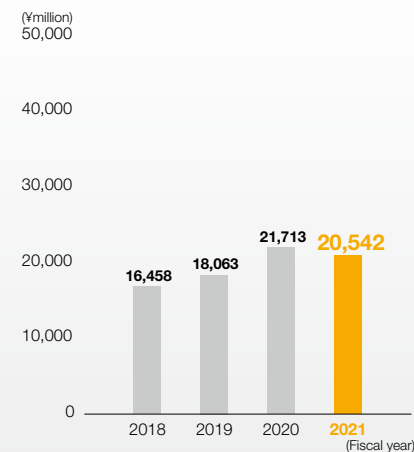


Engineering business

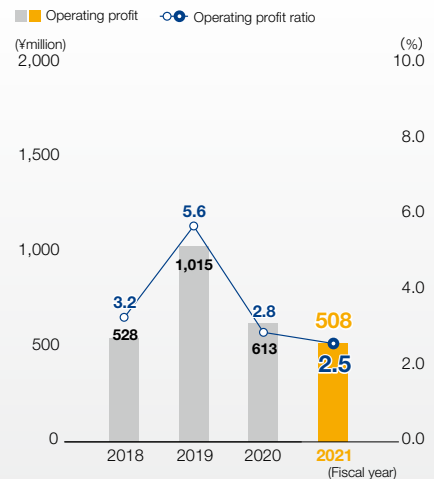
Sales Breakdown by Business Sector



Net sales



Operating Profit/Operating Profit Ratio



*Other Daiken businesses account for 4.7% in addition to the above.

Results in Fiscal 2021

Net sales in the industrial materials business in fiscal 2021 amounted to ¥80.692 billion (up 5.4% year-on-year). In addition to the deteriorated market conditions caused by the US-China trade friction that continued from the first half of the year, we were affected by decreased MDF sales associated with decreased demand at home and abroad due to the influence of the COVID-19 pandemic and the decreased tatami mat orders associated with a sharp deceleration in inbound demand, but because LVL sales in the US were favorable after the second quarter, in addition to the increase due to the inclusion of CIPA's and PWT's performance in the beginning of this period that was included in the consolidated income statements from the second quarter of the previous period, revenues increased by ¥4.103 billion. Regarding operating profit, as we streamlined and reduced costs to respond to the impact of decreased profits due to a decrease in revenues in the products in the existing businesses and strived to stabilize raw wood procurement, and as CIPA's and PWT's profitability improvement due to the recovery of the US housing market after the second quarter contributed, revenues increased by ¥1.228 billion.

Production Plants

Okayama Plant
Takahagi Plant

Subsidiaries part of the Group

Dai-tac Corporation
Aizu Daiken Corporation
Nichinan Daiken 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)

Rankings of the Building Materials and Equipment Manufacturers that the Readers Want to Adopt in 2020 by Nikkei Home Builder



First place in the Inorganic Bearing Surface Category¹

読者を対象に、建材・設備メーカーの製品採用意向等をアンケート調査
2020年12月号

¹ A questionnaire survey for the readers in regard to their intention to adopt building materials and equipment manufacturers' products The December 2020 issue

Results in Fiscal 2021

Net sales in the building materials business in fiscal 2021 amounted to ¥88.697 billion (down 6.6% year-on-year). We had an increase in net sales as we included T.O FLOORING CO., LTD.'s (products) performance in the beginning of this period that was included from the third quarter in the previous period, in addition to the increase in adoption of doors and sound products for public and commercial buildings, but because of the downturn associated with the consumption tax increase that lasted until the second quarter coupled with the impact of the COVID-19 pandemic, sales of flooring and doors for new homes and renovations decreased, and revenues decreased by ¥6.241 billion. Regarding operating profit, although we strived for streamlining and cost reductions, we could not absorb the impact of decreased profits due to a decrease in revenues, and revenues decreased by ¥878 million.

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)

Rankings of the Building Materials and Equipment Manufacturers that Readers Want to Adopt in 2020 by Nikkei Architecture



First place in the Composite Flooring Category²

読者を対象に、建材・設備メーカーの製品採用意向等をアンケート調査
2020年11月26日号



First place in the Home Interior Door Category²

読者を対象に、建材・設備メーカーの製品採用意向等をアンケート調査
2020年11月26日号

²We also won the first place in the Composite Flooring Category in the Rankings of the Building Materials and Equipment Manufacturers 2020 in the December 2020 issue of the *Nikkei Homebuilder*.

² A questionnaire survey for the readers in regard to their intention to adopt building materials and equipment manufacturers' products The November 26, 2020 issue

Results in Fiscal 2021

Net sales in the engineering business in fiscal 2021 amounted to ¥20.542 billion (down 5.4% year-on-year). In addition to an increase due to the inclusion of ReformQ Co., Ltd. and T.O FLOORING CO., LTD.'s performance (construction work) from the beginning of this period that was included in the consolidated income statement after the second quarter of the previous period, we also had an increase due to the fact that apartment renovation in the Tokyo metropolitan area was favorable; however, because of the decreased demand for interior projects for buildings and offices, revenues decreased by ¥1.17 billion. Regarding operating profit, although apartment renovation sales increased and profitability improved, the impact of decreased sales of interior projects for buildings and offices was significant, our revenues decreased by ¥104 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)