

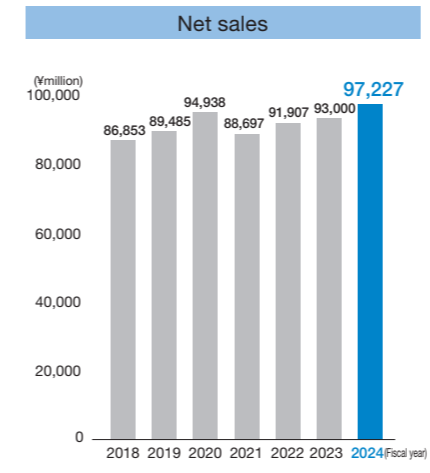
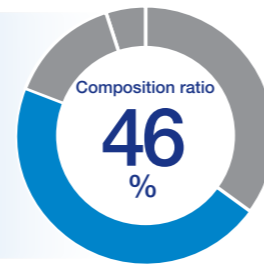
# Three Businesses Use Strengths

## Building Materials Business

Developing and providing building materials best suited for the interior of various buildings

The Daiken Group offers building materials that form spaces focusing on safety, peace of mind, health, and comfort to be used for housing, public spaces, and commercial facilities.

Sales composition ratio



Details of the major business	
Production factories	● Inami factory..... Manufacturing of interior doors/fixture components/special decorative board
	● Mie factory..... Manufacturing of wood flooring/floor heating for general housing
Subsidiaries part of the Group	● Daifit Co., Ltd. .... Manufacturing of soundproof direct flooring and direct flooring used in heavy load areas for general housing
	● Dai-wood Corporation..... Manufacturing of WPC flooring/moulding for entrances
	● Setouchi Kakoh Co., Ltd..... Manufacturing of wood flooring/floor heating for general housing
	● Toyama Juki Co., Ltd..... Manufacturing of entrance cabinets/integrated storage furniture/moulding
	● DAIKEN (Shanghai) Corporation (China)..... Manufacturing of integrated storage furniture
	● PT. DAIKEN DHARMA INDONESIA (Indonesia)..... Manufacturing of interior doors

	Flooring	Door	Cabinet	Acoustic products
For houses	<b>A flooring of ultimate beauty</b> A lineup that is particular about surface texture and that offers scratch resistance, long-lasting beauty, good design, high function, and high performance	<b>Great range of design and variations</b> Interior door that is highly functional and easy to use and can be coordinated flexibly	<b>Solution for storage improvement</b> A complete lineup of cabinets equipped with abundant storage capacity that is space-saving and offers other features to fit individual spaces	<b>Space for enjoying sound</b> A complete lineup to meet the sound environment and sound quality needs of a variety of venues, including home theaters, musical instrument practice rooms, and audio rooms

	A flooring for heavy load areas	Functional door suitable for facility applications	Cabinets inspired by consideration to users	Creating a comfortable sound environment
For public spaces and commercial facilities	A complete line of flooring that can be used in heavy load areas, including those made of natural wood resistant to damage, sound-proofing materials, and those that reduce the impact when a person falls	Interior doors with particular functionality for nursing homes, kindergartens, childcare facilities, medical facilities, and stores	Cabinets mitigate the various risks to users for comfort during use	A complete lineup suitable for sound-proofing, echo reduction, and other specific purposes

**Strategies by business segment**

- Expansion of the functional building materials that meet the user needs in the new normal era and enhancement of the proposal capabilities
- Improvement of profitability by improving productivity using digital technology and operational efficiency

**Value creation**

- Promotion of the development of functional building materials that create "Safe, secure, healthy, and comfortable spaces for everyone"
- Enhancement of the solution proposals that use functional building materials through the performance measurement and evaluation of spaces, such as the sound environment and thermal environment

- Proposals for products with the aseismic performance that are committed to the rise of the awareness of disaster prevention
- Sales expansion of products that contribute to the improvement of Quality of Life
- Cost reduction by renewing part of the product series
- Development/launch of sustainable products by open innovation

**Toshinori Kamimoto**  
Operating Officer, Division Manager of the Interior Products Business Department

**Masaru Morikawa**  
Operating Officer, Division Manager of the Home Furnishings Business Department

The Interior Products Business Department primarily focuses on producing and supplying flooring, one of the main product lines in our building materials business. In FY 2024, with a significant decline in new housing starts, we put priority on the need to develop new products tailored for public and commercial facilities. OA floors and tile flooring are commonly used in these spaces today, and wood flooring has seen limited adoption. However, awareness is growing that wood can enhance well-being through its comfort and hedonic value, driving an increase in demand for wood finishes in office and commercial interiors. We have also seen success in our wood flooring products made from locally sourced timber in Japan. Over the past eight years, these products have been adopted in 102 facilities across 30 prefectures, in public and commercial spaces. These flooring solutions are well appreciated not only for supporting local forestry industries but also for fostering a sense of connection between users and the facilities. To meet the rising demand for wood in interior, we are committed to developing new products while focusing on enhancing the spatial value that wood brings. As part of our environmental commitment, we are dedicated to creating sustainable products with reduced environmental impact. This includes the active use of eco-friendly materials, such as MDF and insulation boards for flooring bases, and bio-based materials for decorative surfaces. We are also working to minimize the use of petrochemical-based raw materials in our manufacturing processes. Moving forward, we will continue to develop our flooring business with a focus on both sustainability and enhancing the value of the spaces we create.

The Home Furnishings Business Department produces a wide range of products, including doors, fittings, storage solutions, and stair components for residential, public, and commercial facilities. In FY 2024, we faced significant challenges due to soaring costs for imported raw materials, driven by global inflation and sharp exchange rate fluctuations. To address these pressures, we reviewed product specifications and streamlined our procurement processes to better adapt to the evolving business environment. Looking ahead to FY 2025, we must also address the so-called "2024 problem" where stricter overtime regulations in Japan's logistics industry will come into effect. These regulations will particularly affect the transportation of building materials, which are cumbersome and costly to transport due to their size and weight. To ensure stable product supply to our customers, we are focusing on reducing the logistical burden by pre-sorting delivery destinations at the time of factory shipment and reducing the product weight. Additionally, optimizing packaging to increase loading efficiency and improving delivery processes will support our efforts toward sustainable management. Moving forward, we aim to build an optimal supply chain that accounts for product logistics. One of the Home Furnishings Business Department's greatest strengths is our ability to combine existing materials and technologies to create entirely new value. Our ability to accommodate custom orders with millimeter-level precision and to deliver products quickly have earned us the trust of a diverse customer base, from homeowners to operators of public and commercial facilities. Since these are products that people interact with daily, we remain dedicated to delivering high-quality, functional solutions that enhance the comfort and quality of life for end users.

**First place in the composite flooring category**

A questionnaire survey for the readers in regard to their intention to adopt building materials and equipment manufacturers' products  
The November 23, 2023 issue

**First place in the home interior door category**

A questionnaire survey for the readers in regard to their intention to adopt building materials and equipment manufacturers' products  
The November 23, 2023 issue

Domestic flooring share  
**No.1**  
(Estimated by our company)