Kyokuto Sanki Co., Ltd.

< Corporate Profile >

Address	190 Higai, Tatsuno-cho, Tatsuno City, Hyogo Prefecture, 679-4195
TEL	0791-62-1771
FAX	0791-62-1895
URL	https://www.kyokuto-sanki.co.jp/
No. of employees	275
Capital	631.11 million yen
Founding	October 1948
Representative	Masaki Koroyasu
Listed	TSE JASDAQ Standard Market (6233)

< Business Overview >

<Professional segment>

Sale of interior construction equipment, such as automatic wallpaper pasting machines, auxiliary materials and related tools, such as interior construction tape, and computer software, etc.

Sales of tatami production equipment such as computerized tatami production systems, related tools and auxiliary materials, and computer software

<Consumer segment>

Sale of interior products, such as special-function tatami mats

Intermediary for tatami and fusuma replacement for regular households

Sales and construction of residential and industrial photovoltaic power generation systems

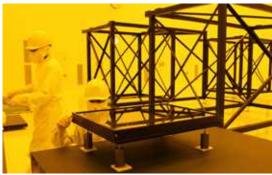
<Industry segment>

Design, development and manufacturing of custom-made industrial equipment based on customer specifications

Sale of kitchen food equipment, such as multi-dispensers (miso soup and dashi extractors)

<TECHNOLOGY>





Japan's first "automatic wallpaper pasting machine" and "computerized tatami production system" releasing craftsmen from heavy labor and allowing them to turn their undivided attention to work that can only be done by human hands

Since Kyokuto Sanki first opened its doors in 1948, it has continued to grow as a manufacturer of tatami production machinery. A major turning point for the company was the development of the first prototype of a remarkable "automatic wallpaper pasting machine" in 1971. However, unlike today's lightweight 34-kg model, the first prototype weighed more than 200 kg. But, after a period of trial and error, Kyokuto Sanki had succeeded in producing 10 lighter machines by the end of the same year, leading to the creation of the AC-1, Japan's first automatic wallpaper pasting machine. This machine has automated the work involved in applying paste to wallpaper, allowing interior decorators to shift their available energy to work that can only be done by human hands (=applying wallpaper to walls), which improved work efficiency, and as a result, succeeded in increasing the amount of wallpaper that could be hung.

In 1981, we developed Japan's first computerized tatami production system, which automated work that had been carried out manually by craftsmen based on intuition and experience, and as a result, made it possible for those inheriting tatami shops to be not only craftsmen, but also corporate managers.

These two products were among the first innovative inventions in Japan, releasing craftsmen from hard labor and allowing them to focus their attention on work that could only be done manually by human hands.

[History of development]

Along with changes in Japanese lifestyles, western-style housing took flight in the 1960s, and wallpaper was increasingly used. However, at that time, the work involved was

labor-intensive because interior craftsmen needed to manually apply glue to the wallpaper using a brush before it could be hung on the wall. In response to a request for a design for a fusuma (paper sliding door) machine in 1970, we started to develop a machine that would automatically apply paste to wallpaper, eventually creating our "automatic wallpaper pasting machine."

Our computerized tatami production system has made it possible to manufacture tatami mats that were traditionally produced manually by craftsmen by manually measuring dimensions and laying out tatami one by one in 1 rin (1/100th) or 0.3 mm units, thereby revolutionizing the tatami production process. We subsequently developed other types of related equipment in quick succession, and succeeded in automating the entire tatami production process, from measuring the dimensions of a room to layout, cutting, sewing and fastening corners.

[Originality]

Our continuous challenge in the world of craftsmen where mechanization can be difficult has provided us with seven core technologies (= special skills) for cutting, measuring, coating and sewing under the concept of automating the handicraft of craftsmen and saving labor that has been in place since our founding. With our belief system of "always being original, even in the face of imitations," we have repeatedly carried out trials based on our own innovating ideas and delivered equipment that accurately meets our customers' needs and seeds and can be adopted on site.

[Future developments]

In 1997, our tatami business division launched a proposal to restructure tatami shops by super-modernizing production with the introduction of a computerized tatami production system and improving sales capabilities with consulting and guidance. To date, a number of tatami shops around the country have put structural reforms into place and continue to lead the industry even today. Our interior business division is also hard at work responding to customers' concerns at worksites to quickly develop new products. In the future, we will continue to promote these activities to contribute to the development of the industry and local communities.

<TOPICS>



Listed on the TSE JASDAQ Standard Market

In August 2018, Kyokuto Sanki received approval to be listed on the Tokyo Stock Exchange JASDAQ Standard Market, and was listed in September 2018. Capital from the market is used to expand factories and improve equipment and facilities to further develop our business activities.



Selected as a "Driving Company for the Regional Future"

In December 2017, Kyokuto Sanki was selected as a "Driving Company for the Regional Future" by the Ministry of Economy, Trade and Industry in recognition of our company's achievement in creating higher added value and generating an economic ripple effect in the region by using local features. In the future, we will continue to carry out activities that live up to this honor.

Start of tatami replacement services with Duskin Co., Ltd.

We signed a contract with Duskin Co., Ltd. as a new entity to provide a tatami replacement service, an area in which we have been engaged in over the years, and started service on October 21, 2019. We are looking forward to utilizing the past experiences and know-how of both companies to develop new markets.

< Corporate History >

October 1948 Founding of Tatsuno Gear Works by Chozo Koroyasu in Tatsuno City,

Hyogo Prefecture

February 1966 Change of company name to Kyokuto Sanki Co., Ltd.

September 1966 Opening of Tokyo Agency Office (currently Tokyo Branch Office and Tokyo

Sales Office)

April 1967 Opening of No. 2 Plant (now Shimada Training Center)

October 1969 Appointment of Chozo Koroyasu as President

November 1976 Opening of Tohoku Agency Office (currently Tohoku Sales Office)

May 1979 Opening of No. 3 Plant (now Kamioka Plant)

November 1979 Opening of Kyushu Sales Office March 1980 Opening of Osaka Sales Office

April 1980 Designation as a streamlined SME model factory

November 1983 Opening of Issai Plant

March 1984 Opening of Sapporo Sales Office
July 1984 Opening of Nagoya Sales Office

April 1985 Presentation of the Director-General of Science and Technology Agency

Award to Akira Koroyasu

May 1986 Opening of Kita-Kanto Sales Office

May 1987 Presentation of the Yellow Ribbon Medal to Akira Koroyasu

October 1987 Opening of Yokohama Sales Office
October 1988 Opening of Nishi-Nihon Sales Office

December 1989 Completion of current head office building

March 1990 Publication of Far East News (now Monthly Kyokuto)

September 1998 Organization of ceremony for 50th anniversary since founding

May 1999 Acquisition of ISO9001 certification

October 1999 Appointment of Masaki Koroyasu as President & CEO

April 2004 Establishment of precision machinery assembly plant (ISO class 8

equivalent clean room) in Issai Plant

July 2008	Establishment of No. 2 Hi-tech Plant in Kamioka Plant	
November 2008	Establishment of photovoltaic power generation and all-electric	
	showroom at head office	
November 2009	Establishment of 1,000-class high-tech assembly plant (ISO class 6	
	equivalent clean room) in Kamioka Plant	
August 2011	Acquisition of ISO14001 certification	
July 2013	Start of operation of mega-solar power generation plant (Mikazuki	
	Sunshine Park)	
April 2014	Opening of wallpaper pasting machine museum and photovoltaic power	
	generation/all-electric showroom in head office	
December 2017	Selection as a Driving Company for the Regional Future by the Ministry of	
	Economy, Trade and Industry	
September 2018	Listing on TSE JASDAQ Standard Market	
	March 2019 Organization of ceremony to mark 70 years since	
	founding	
December 2019	Selection as a Hyogo Only One Company	