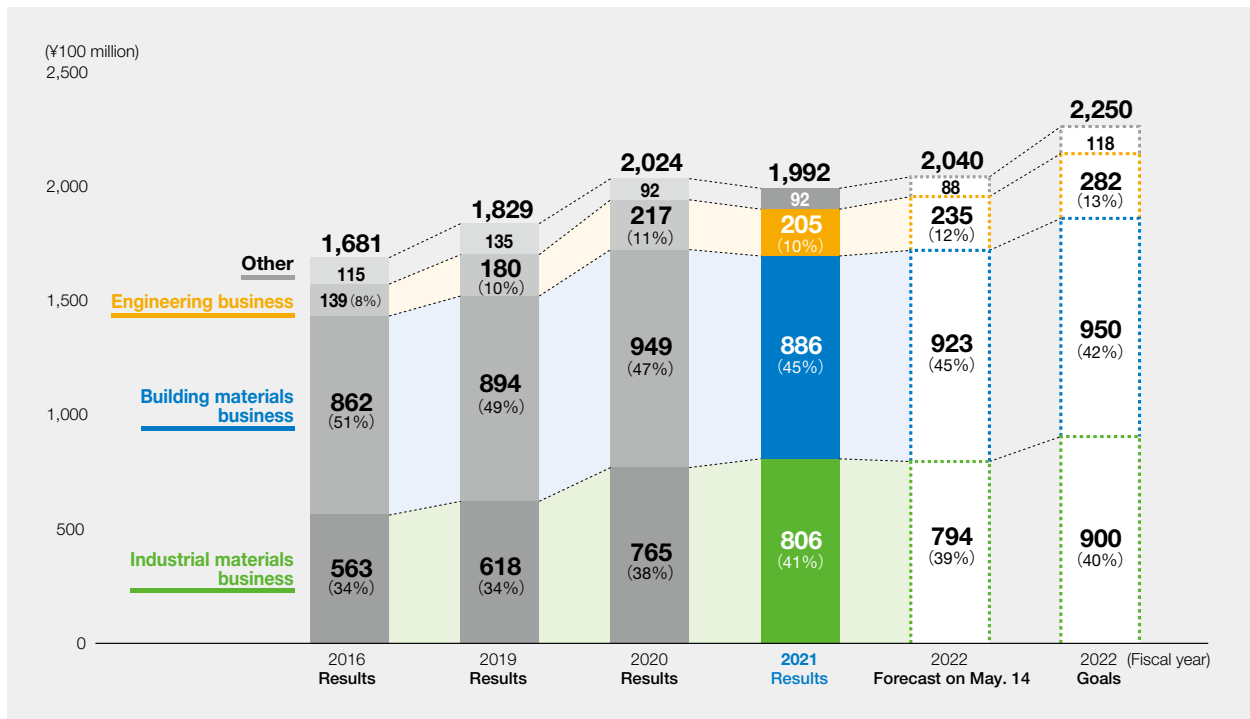


Strategies by Business Segment and Market

Strategies and Progress by Business Segment

Sales by Business



Strategies by Business Segment

Industrial materials business

Globally expand the markets and applications by taking advantage of sustainability and functionality and maximize the fixed asset efficiency

- Invest in the North American wood industrial materials business (LVL/veneer) and expand into the North American market
- Pursue optimization of the production system
- Accelerate application development centering on the resolution of social issues
 - Start the non-combustible business for wood materials
 - Consider commercialization of wood material use for the agricultural and gardening markets
 - Consider commercialization of new wood materials

Building materials business

By taking advantage of the industrial materials business, as well as functional and construction saving-type building materials, increase our share in the housing market and expand in the public and commercial building fields

- Further expand differentiated products that can keep getting chosen
- Expand the product/sales networks by actively utilizing M&A and external resources

Engineering business

Expand the construction domains, areas, and order sources by M&A and cooperating with other companies

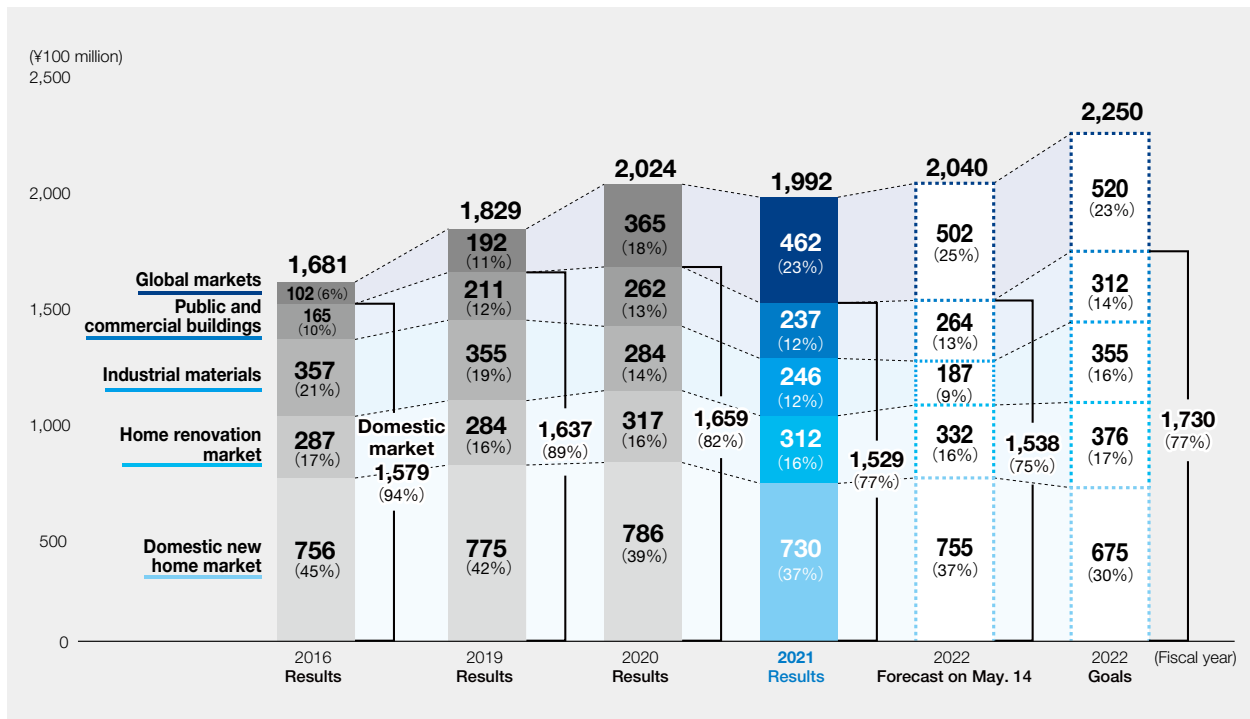
- Expand the construction company's business targeting the priority markets (public and commercial building, remodeling, and renovation)

Progress in Fiscal 2021

- Improvement of profitability by the stable supply through enhanced cooperation of the two North American companies and by expanding the sales of the products with high added value, such as antiseptic LVL and high-strength LVL
 - Expansion of the use application of MDF made of 100% plantation acacia timber into building materials
 - Expansion of the non-combustible product lineup of Dai-Lite base materials
 - Establishment of a preparation room toward the consideration of commercialization of the new wooden boards
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- An increase in our share of flooring centering on high design products that are our unique technology
 - Expansion of the product lineup having an antiviral function of BIOTASK
 - Introduction of new products that correspond to changing lifestyles during the COVID-19 crisis
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- Expansion of the sale of and increased profitability of apartment renovation business in the Tokyo metropolitan area
 - An increase in orders for renovation work in line with the market recovery after the 2Q
 - Expanded the orders of construction work by cooperating with ITOCHU Corporation Group

Strategies and Progress by Market

Sales by Market



Strategies by Market

Market	Strategy	Progress in Fiscal 2021
Global	Global markets Accelerate global expansion with a focus on the industrial materials business through aggressive investments <ul style="list-style-type: none"> Invest in the North American wood industrial materials business (LVL/veneer) and expand into the North American market Continuously expand wood materials with a focus on MDF Put the Chinese and Indonesian building materials businesses on a path toward stable growth and shift to the growth strategy 	<ul style="list-style-type: none"> Expansion centered on LVL in the US housing market that continues to be favorable Expansion of the MDF sales channels for overseas countries An increase in door sales in the Indonesian plant due to the growth in demand from the UK P37-38
	Public and commercial buildings Expand investments, including M&A, and accelerate growth <ul style="list-style-type: none"> Expand the product lineup (The medical field will be the new focused target) Improve infrastructure for the expansion of the markets, such as logistics, correspondence of drawing, and the sales structure Expand the product and sales networks, including cooperation with other companies and M&A 	<ul style="list-style-type: none"> An increase in the number of adoption of doors for elderly facilities, medical facilities, and offices Enhancement of the proposals with functional products, such as non-combustible, the antiviral function, and improvement of the sound environment Enhancement of the contact points with customers using the web tools P39-40
	Industrial materials Cover the decrease in these for housing with application development and expand industrial materials business <ul style="list-style-type: none"> Focus on application development for the new markets and fields Promote the development of and search the applications of new materials and R&D products 	<ul style="list-style-type: none"> Launch of GLOW EARTH, the wood culture medium for the agriculture and horticulture markets Expansion of the adoption of the soil improvement additive DW fiber Development of the new wooden board
	Home renovation market Expand in the renovation market from a perspective of development of functional products and methods <ul style="list-style-type: none"> Expand the renovated properties and renovation work in the Tokyo metropolitan area Focus on the expansion of the products for renovation, such as construction savings and waste savings 	<ul style="list-style-type: none"> Development of labor-saving type products toward the reduction of the renovation work time Enhancement of proposals for specialized remodeling companies Expansion of the apartment renovation and renovation work in the Tokyo metropolitan area P41-42
	Domestic new home market Restructure the sales structure in response to changes in the market and customer needs, and increase our share <ul style="list-style-type: none"> Continuously enhance the products and proposals from the perspective of functionality, such as soundproofing and construction work saving Enhance the collaborative system with key distribution companies as well as a system to make proposal to key customers 	<ul style="list-style-type: none"> Expansion of sales to builders targeting first-time home buyers that are increasing their presence in the market Promotion of the use of domestic base materials for flooring Expansion of the adoption of non-combustible wall materials with deeply carved designs