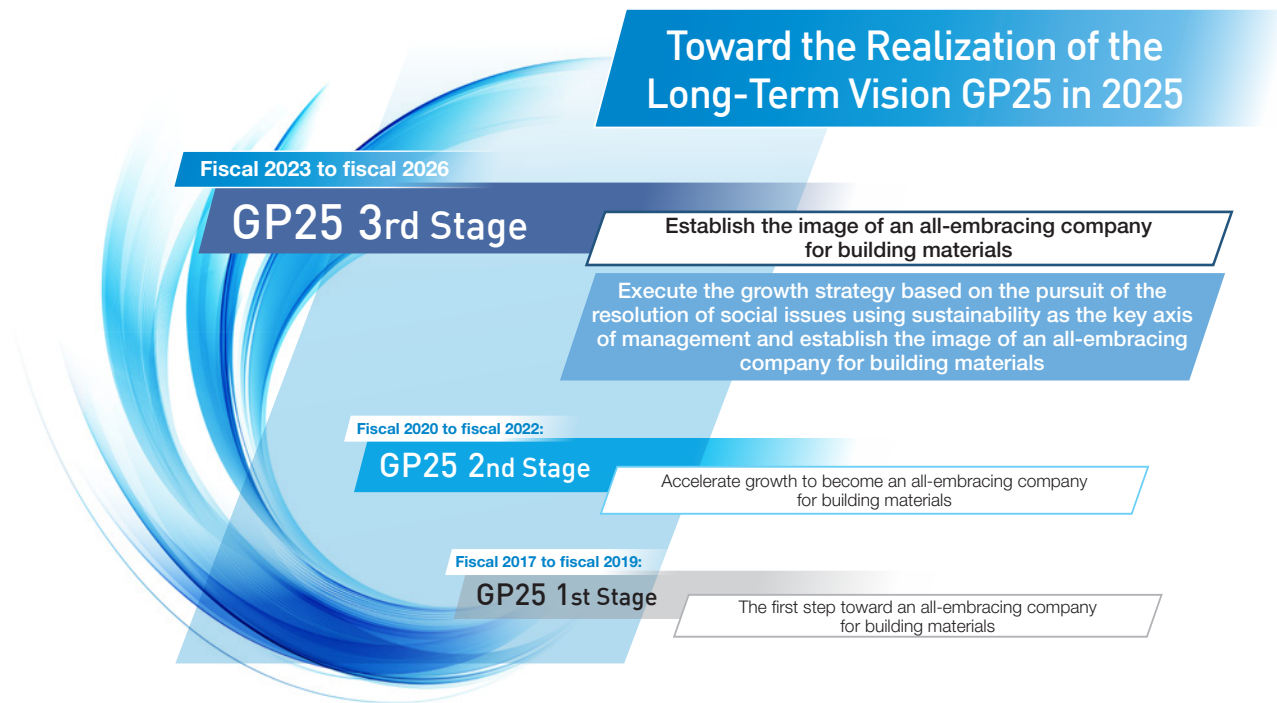


The New Medium-Term Management Plan GP25 3rd Stage

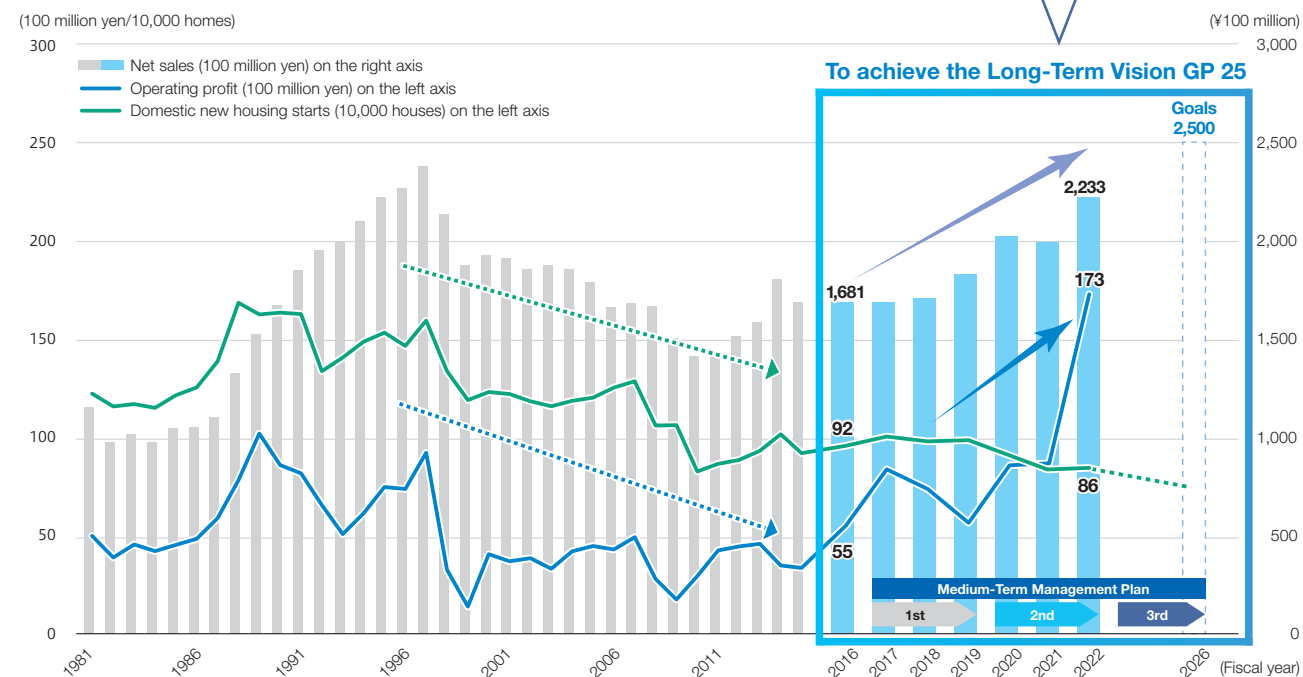
Positioning of the New Medium-Term Management Plan



Growth trajectory targeted in the Long-Term Vision GP25

While a decrease in domestic new housing starts is expected in the future, we will aim at expanding the global market, public and commercial buildings, and the home renovation market that we position as the priority markets, in addition to the increase in our share in the new home market. By proactively investing our management resources in these priority markets, we will proceed with the reform to become a company that will keep growing even in the situation of decreased domestic new housing starts.

To become a company that will keep growing even in the situation of decreased domestic new housing starts



Basic Policy

I. Execution of the Growth Strategy ~Key to the Resolution of Social Issues (CSV)~

Contribution to a Recycling-Oriented Society

Accelerate the development of industrial materials using wood resources and waste where recycling is managed and the deployment to the global market through utilization development

Satisfaction of User Needs in the New Normal Era

For user needs that seek for further improved safety, security, health, and comfort in all kinds of spaces, enhance our solution proposal capabilities that take advantage of having diverse products (industrial materials and building materials), the spatial evaluation and analytical functions, and the construction function

II. Enhancement of the Management Foundation with Sustainability as the Key Axis

Human Resource Foundation

- Creating the workplace environment and culture where diverse human resources can be active
- Human resource development that supports the growth and can respond to changes
- Establishment of the system and mechanism that admire and support challenges
- Building of the balanced human resource foundation

Business Foundation

- Simultaneous pursuit of the reduction of environmental burden and risk management in the supply chain
- Restructure firm and flexible business infrastructure
- Optimization of the business portfolio (Selection and concentration)
- Ensuring quality, which is the source of provided value
- Offensive/defensive digital strategy
- Building of an efficient and optimal logistics system

Financial Foundation

- Aggressive investments for growth
- Building of the solid financial foundation that supports growth

Governance

- Impartial and highly transparent management that supports the improvement of corporate value
- Improvement of the stakeholder engagement by enhancing the dissemination of information and improving dialogues

Management Goals

I. Execution of the Growth Strategy

	Benchmark Fiscal 2016 Results	GP25 1st Stage Fiscal 2019 Results	GP25 2nd Stage Fiscal 2022 Results	GP25 3rd Stage Fiscal 2026 Goals	Increase/Decrease	
					As compared to 2nd Stage Result	As compared to Benchmark
Net sales	1,681	1,829	2,233	2,500	+266	+818
Domestic market	1,579	1,637	1,512	1,835	+322	+255
Global markets	102	192	721	665	(56)	+562
Operating profit	55	57	173	150	(23)	+94
Operating profit ratio	3.3%	3.1%	7.8%	6%	(1.8pt)	+2.7pt
Profit attributable to owners of parent	39	44	78	100	+21	+60

II. Enhancement of the Management Foundation

Financial Indicators			Fiscal 2026 Goals		Nonfinancial Indicators			Fiscal 2026 Goals	
Capital efficiency	ROE		10% or more		E	Total greenhouse gas emissions in Japan and overseas ¹	(10%)		
	ROIC		8% or more			Total diversity index 3rd Stage ²	+30pt		
Financial soundness	Shareholder equity ratio		40% or more		S	Serious quality incident/violation ³	0		
	Debt equity ratio		0.5 times or less			Employee satisfaction ⁴	60pt		
Shareholder return	Dividend payout ratio		35%		G	Serious compliance violations ³	0		
	Dividend on equity ratio		3.5%						

¹ Scope1+2 as compared to fiscal 2022

² Our unique indices that indexed diversity-related items, such as the female manager ratio, compared with FY 2022. Seven items concerning the calculation method have been reset as the Diversity Composite Index 3rd Stage in the medium-term management plan GP25 3rd Stage in FY 2023

³ During the Medium-Term Management Plan period

⁴ Our own indices in which employees' actual feeling for satisfaction / job satisfaction in the workplace were indexed