

Glossary

Term	Description
Internal carbon pricing	The internal carbon price set in a company. A mechanism to promote investments in and countermeasures for low carbon, such as the reductions in carbon dioxide emissions, the incentive for the promotion of energy saving, refreshing awareness in a company, and the policy for investment decision-making.
Circular economy	Economic activities to create added value through servitization while minimizing resource input and consumption and effectively using stocks, in addition to the initiatives for the conventional 3Rs (Reduce, Reuse, and Recycle) (Circular economy). This is to aim for maximization of the value of resources and products, minimizing resource consumption, and inhibiting the generation of waste.
Thermal recycling	It is to not only simply conduct waste incineration processing but collect and use energy generated at the time of incineration. The Daiken Group uses wood chips, which cannot be used as product raw materials, and offcuts and wood power generated in the working process as fuel for woody biomass boilers as the necessary heat source in the manufacturing process.
Sustainability transformation (SX)	The strategic policy for companies to place emphasis on Sustainability in the environment with growing uncertainties, to simultaneously pursue the company's profitability and ESG (environment, society, and governance), to transform the concept of management and the concept of a dialogue with investors. This was recommended in the Study Group on Approaches to Making More Substantial the Dialogues for Creation of Sustainable Corporate Value by the Ministry of Economy, Trade and Industry in August 2020.
Cellulose nanofibers (CNF)	Fibers made by thinning cellulose, which is a type of prime constituent of cell walls extracted from timber, to the width of about 15 nanometers (nanometer is one millionth of a millimeter). The abbreviation for Cellulose Nano Fiber, which is also called CNF.
Solution proposal	The words are often used in the sense of resolving a customer's issue by combining the existing products or creating a program other than the product. Product development tailored to the needs, instead of only the existing products, for trouble that a customer has and proposals for spaces that utilize simulations aimed at the environmental improvement for the spaces are such proposals.
Veneer	A thin plate of timber (thin plate with thickness of 2-4 mm: veneer) cut in manner of rotary cutting of a log. It is used for manufacturing LVL and plywood as well as decorative surface materials for furniture and building materials.
New normal	It refers to the state where there is a huge change occurred in society, conditions cannot be returned to the previous state before the change occurred, and new common sense is established (new normal). The Daiken Group positioned the responses to new normal, such as the changes in society, lifestyles, and consciousness, in and after 2020 on the background of the worldwide spread of COVID-19 as materiality, User Needs in the New Normal Era.
Presenteeism	The state where an employee is not absent and it does not appear in managing attendance, but productivity decreased for health reasons. In promoting health management, the Daiken Group has set the Presenteeism Loss Rate as one of the ESG goals as the index to measure the effect of each measure.
Material recycling	It is to collect waste generated from used products and production processes, process it in a way that it can be easily used, and use it as a material or raw material for new products. Based on the idea of the pursuit of using timber as a material to the extent possible, the Daiken Group uses wood chips from offcuts and demolished houses as primary raw materials for MDF and insulation boards that are the primary products.
Lauan wood (Natural Tropical Species)	Natural hardwood timber in Southeast Asia. It has high workability and is used for plywood, substrate of furniture.
CSV	The abbreviation for Creating Shared Value. An approach to create both the economic value and social value by the company responding to social needs (resolution of social issues). It is the concept advocated by Professor Michael Porter who is an American management scholar. The Daiken Group defined it as finding solutions to social issues through the provision of common values capitalizing on Daiken's uniqueness and has been enhancing it to increase the linkage with the growth strategy.
LVL	The abbreviation for Laminated Veneer Lumber. A fabricated wood product manufactured by laminating veneers cut from a log all parallelized in the fiber direction and gluing them together. It is used for posts and beams of houses, frame materials for furniture, staircase sets, and frames/substrates of doors.
MDF	The abbreviation for Medium Density Fiberboard. Wooden fiberboard using residual wood offcuts for main raw material and pressed into a board. It is used for flooring substrates, substrates of doors, cabinets, and furniture.
WPC Processing Technology	WPC = The abbreviation for Wood Plastics Combination. Our unique technology to harden wood tissues by injecting plastics into and filling the tissues. By processing surface wood for flooring, it demonstrates strength against dents and scratches.