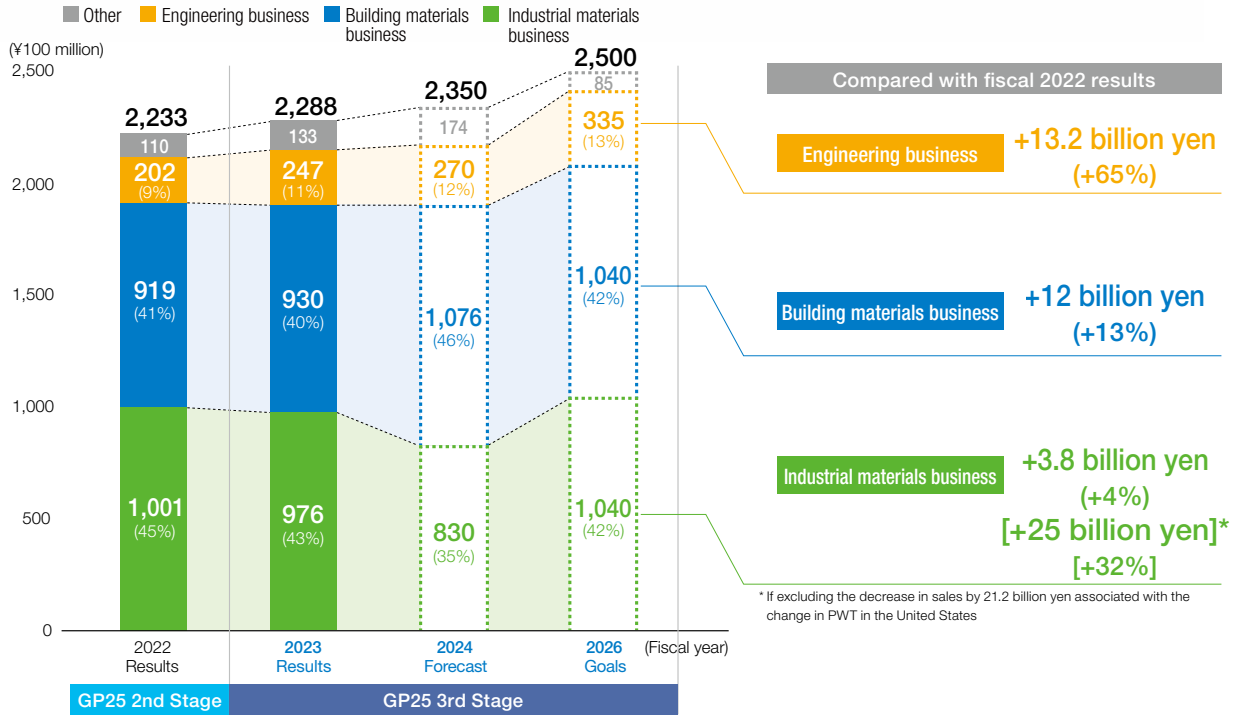


Strategies by Business Segment and Market

Strategies by business segment and progress

Sales results by business and goals



Strategies by business segment

Industrial materials business

- Contribute to the resolution of social issues in the global markets through the development of industrial materials that use sustainable resources and the sales expansion
- Execution of the business structural reform toward the profitability improvement

Value creation

- Utilization development that will expand the possibility of industrial materials and acquisition of alternative demand from the perspective of sustainability
- Enhancement of the appeal of and sales expansion of the products for public and commercial buildings, such as noncombustible products and materials for tatami mats

- With the capital increase aimed at expanding business, PWT, which used to be a consolidated subsidiary, became an equity method affiliate
- Promotion of the business structural reforms in the four group MDF plants
- Promotion of the development of environment-conscious MDF
- Promotion of the new application development of wood materials, such as insulation boards and MDF
- Sales expansion of non-combustible decorative materials made of DAILITE base material, including louver materials and eaves

Building materials business

- 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

- Release of the products that give consideration to the aspect of good hygiene and the products that are ahead of design trends
- Enhancement of the proposals of acoustic products that marked 40th anniversary since the business commencement
- Review of the structure of some product series in terms of the BCP and for efficiency by reducing product numbers
- Enhancement of procurement management with a focus on raw wood materials, such as the launch of the new supplier

Engineering business

- Pursuit of the synergy between the products in the industrial materials and building materials businesses and the construction function
- Expansion of the construction areas that meet the spatial needs in the new normal era

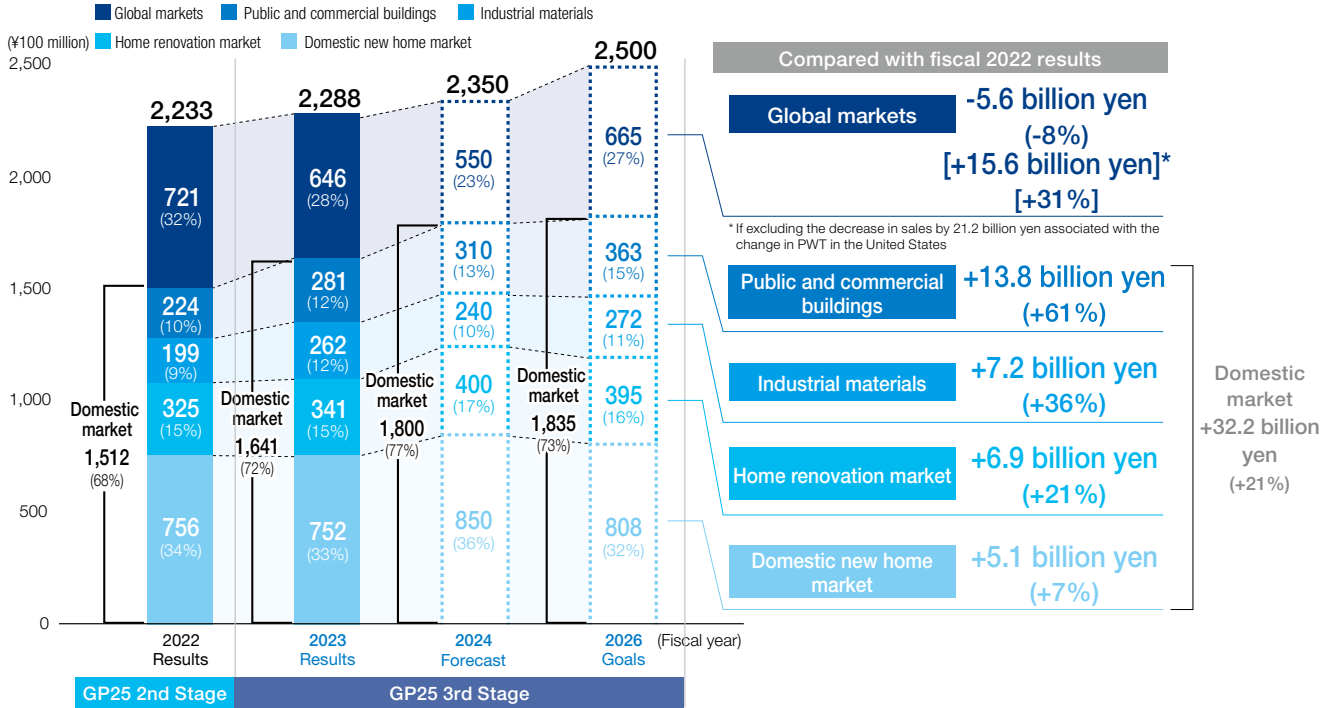
Value creation

- To provide new spatial value by improving the sound and thermal environments that take advantage of the group's product appeal, we will proceed with the expansion of the construction areas and the improvement of our technological capabilities and enhance our integrated order-taking system for industrial materials and construction
- Support for the development of construction techniques and product development incorporating the short construction period and saving construction time and work by using our construction network

- Expansion of the sale of and increased profitability of apartment renovation business in the Tokyo metropolitan area
- Expansion of orders for interior projects by resuming various redevelopment projects with a focus on the large metropolitan areas
- Expansion of orders for soundproofing and orders from kindergartens and childcare facilities in order to increase profitability

Strategies by market and progress

Sales results by market and goals



Strategies by market

Global	<h3>Global markets</h3> <p>Accelerate the further exploration of the global markets through penetration of industrial material and building material products that use sustainable resources</p>	<ul style="list-style-type: none"> Timely MDF selling price pass-through in response to soaring costs Implementation of the market survey toward the deployment of new wood industrial materials for the North American market Expansion of the Indonesian plant-made door sales channels in the European market Promotion of the initiatives toward the stable procurement of wood materials
Domestic	<h3>Public and commercial buildings</h3> <p>Growth acceleration by expanding and improving functional building materials that meet user needs in the new normal era and by enhancing proposal capabilities</p>	<ul style="list-style-type: none"> Promotion of the development of new products through co-creation with other companies and new proposal methods Acquisition of touch points with customers utilizing digital tools, inside sales, proposal meetings, etc. Enhancement of the proposals by functional products, such as noncombustible, acoustic products, tatami materials, and flooring using local materials Expansion of orders for interior projects for office buildings etc. Planning of well-being working environments and spaces that pursue workers' health and comfort
Domestic	<h3>Industrial materials</h3> <p>Exploration of new markets and new areas by developing new industrial materials with the advantages of sustainability and environmental burden reduction</p>	<ul style="list-style-type: none"> Expansion and reinforcement of manufacturing facilities associated with the expansion of adoption of wood culture medium GLOW EARTH for the agriculture and horticulture markets Launch of the vegetable garden system business in which vegetables can be easily grown on the roof of buildings Expansion of the handling of new products (plywood made of plantation timber, LVS, etc.)
Domestic	<h3>Home renovation market</h3> <p>Expand and improve functional building materials that meet the user needs in the new normal era and establish and penetrate the construction technique models that meet demand for the condominium renovation construction, such as the short construction period, saving construction time and work, and waste reduction</p>	<ul style="list-style-type: none"> Development of the products that stylishly produce spaces and are ahead of design trends Expansion of the apartment renovation and renovation work in the Tokyo metropolitan area Enhancement of the renovation proposals from the lifestyle perspective that utilize the website and showrooms Introduction of manufacturing facilities for flooring exclusively for renovations and launching products
Domestic	<h3>Domestic new home market</h3> <p>Development of differentiated products that promptly meet user needs and an increase in the share by enhancing proposals in order to minimize the impact of shrinking of the market Improvement of the efficient proposals and order-taking system that effectively uses digital technology</p>	<ul style="list-style-type: none"> Enhancement of the proposals for products and spaces corresponding to the change in user needs Enhancement of the ability to disseminate information utilizing digital tools Sales expansion of DAILOTONE healthy and comfortable ceiling materials by the proposals from the perspective of functionality Recovery from the impact of door delivery delays and a limitation on part of the orders for flooring