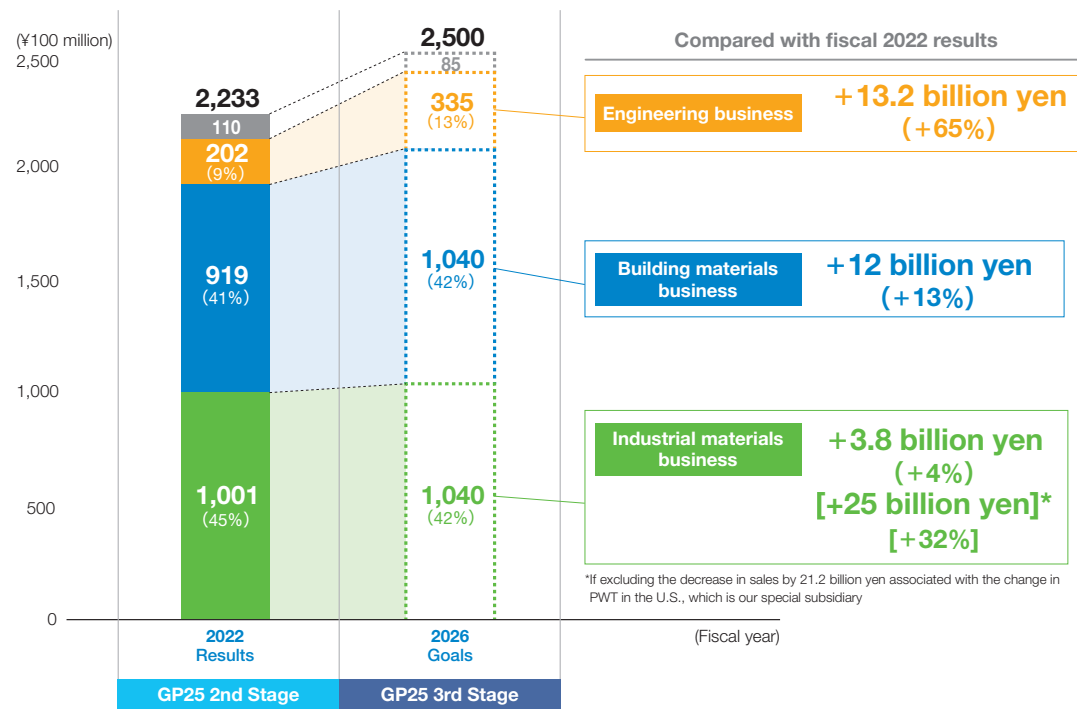


**Strategies by Business and Sales Goals**



**GP25 3rd Stage (FY 2023–2026)**

**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

**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

**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

**Transformation of Business Activities**

- Optimization of the production system by enhancing cooperation in the group

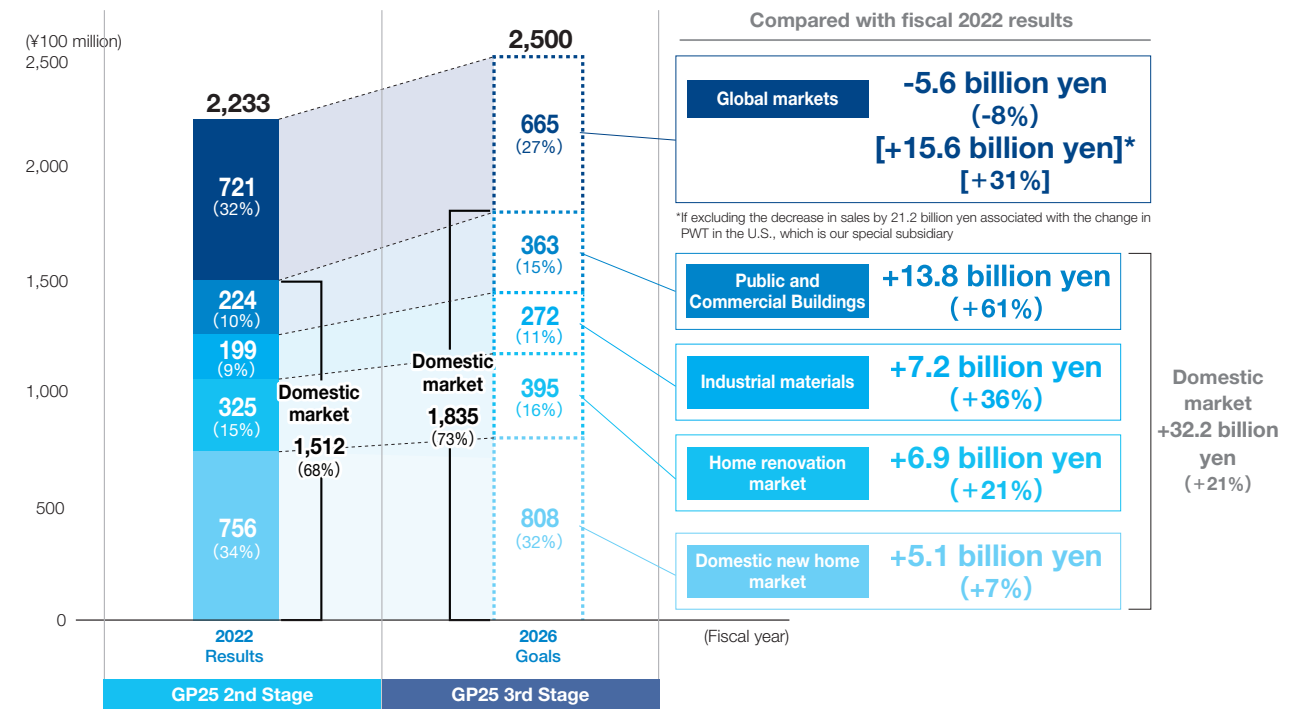
- Optimization of the business portfolio through ROIC by business
- Pursuit of sustainability of raw materials
- Reduction of greenhouse gas emissions in the supply chain
- Reduction and recycling of waste in production and sales, and after sales (Circular economy)

- Restructuring and optimization of the production bases centered on logistics

- Efficiency of business activities that use digital technology

- Improvement of order-taking and construction contract volume per person that uses human resource development and digital technology

**Strategies by Market and Sales Goals**



**GP25 3rd Stage (FY 2023–2026)**

**Strategies by Market**

**Global markets**

Accelerate the further exploration of the global markets through penetration of industrial material and building material products that use sustainable resources

- Stable supply of sustainable industrial materials for the North American market and investment of management resources to deploy business in new markets
- Fully use and expand our production and sales channel in the Asia/Oceania region and enhance the industrial material and building material supply system for the areas of demand, such as North America, China, and Europe
- Accelerate the shift to managed and sustainable wood resources (certified materials and plantation timber) in procuring raw wood materials and focus on the development and penetration of the industrial materials that use such resources
- Human resource development to accelerate the expansion into the global markets and enhancement of the marketing capabilities to determine new markets and targets

**Public and commercial buildings**

Growth acceleration by expanding and improving functional building materials that meet user needs in the new normal era and by enhancing proposal capabilities

- Expansion and improvement of the functional building materials that create safe, secure, healthy, and comfortable spaces in order to respond to the user needs associated with the penetration of new lifestyles, purchasing styles, and work styles
- Focus on solution proposals that use functional building materials through the performance measurement and evaluation of spaces
- Marketing activities by co-creation activities and agile development
- Improvement of the integrated order-taking system for industrial materials and construction toward the provision of new spatial value by improving the sound environment and thermal environment
- Efficiency of sales activities and enhancement of proposal capabilities that use the digital methods

**Industrial materials**

Exploration of new markets and new areas by developing new industrial materials with the advantages of sustainability and environmental burden reduction

- Challenge a new market and a new area, such as agriculture, by making knowledge on wood materials into a strength
- Accelerate co-creation activities with diverse companies not only in R&D but also in all kinds of business activities
- An increase in the share of housing use and expansion of industrial use by using industrial materials using sustainable resources as a weapon
- Expansion of the use that will solve customers' issues by taking advantage of diverse industrial materials using sustainable resources as raw materials, products, and functions

**Home renovation market**

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

- Improvement of the functional building materials that create safe, secure, healthy, and comfortable spaces to meet the needs of clients associated with the penetration of new lifestyles
- Expand the products specifically for the market by developing construction techniques and products for condominium renovations and enhancing proposals
- Enhancement of the supply system, including logistics, in the renovation market and enhancement of cooperation with TDY and prioritized distribution
- Supply of the purchased and reselling properties in response to the expansion of demand for housing in the Tokyo metropolitan area and expansion and improvement of the renovation construction system

**Domestic new home market**

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

- Development of key items that meet the new clients' needs in the new normal era and enhancement of proposals
- Efficiency of the sales and order-taking system by introducing digital technology and outsourcing
- Assured order taking and supply by restructuring the sales structure according to demand