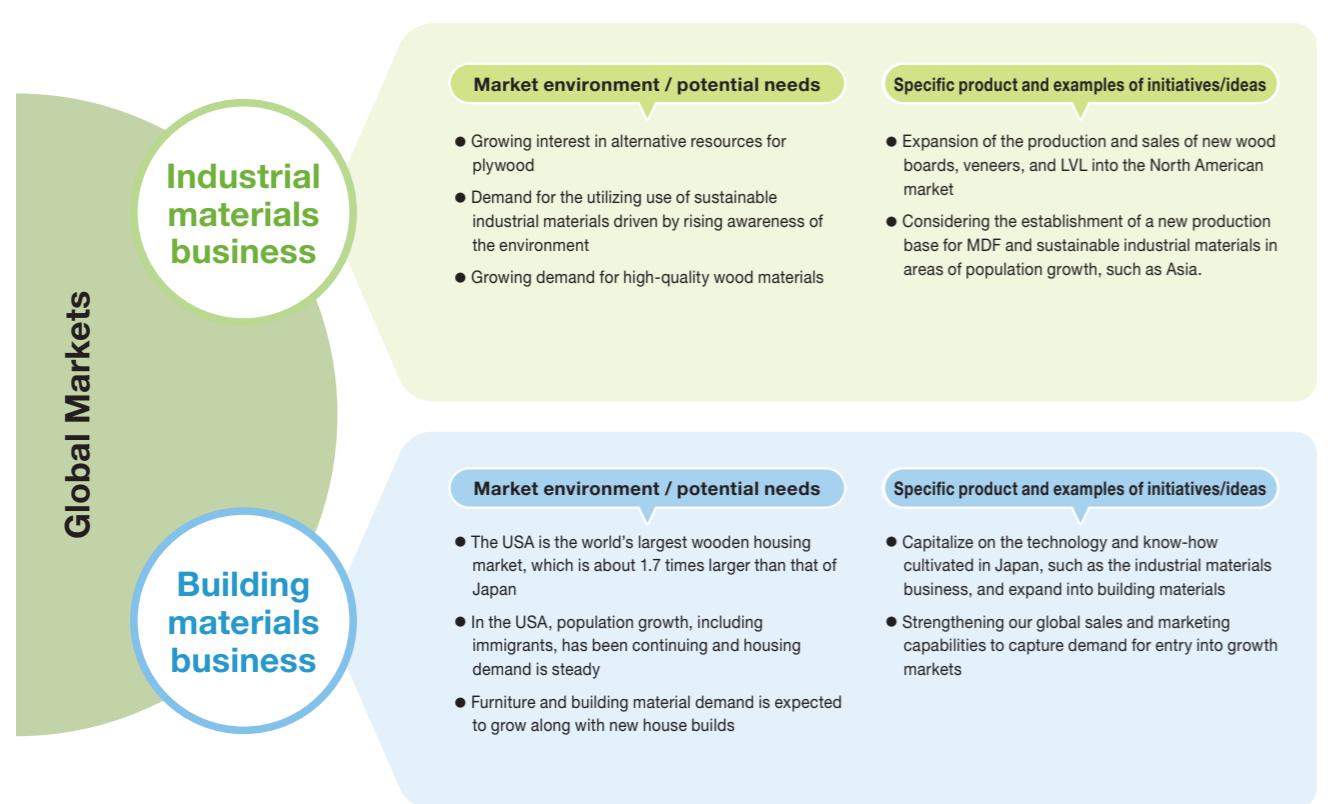


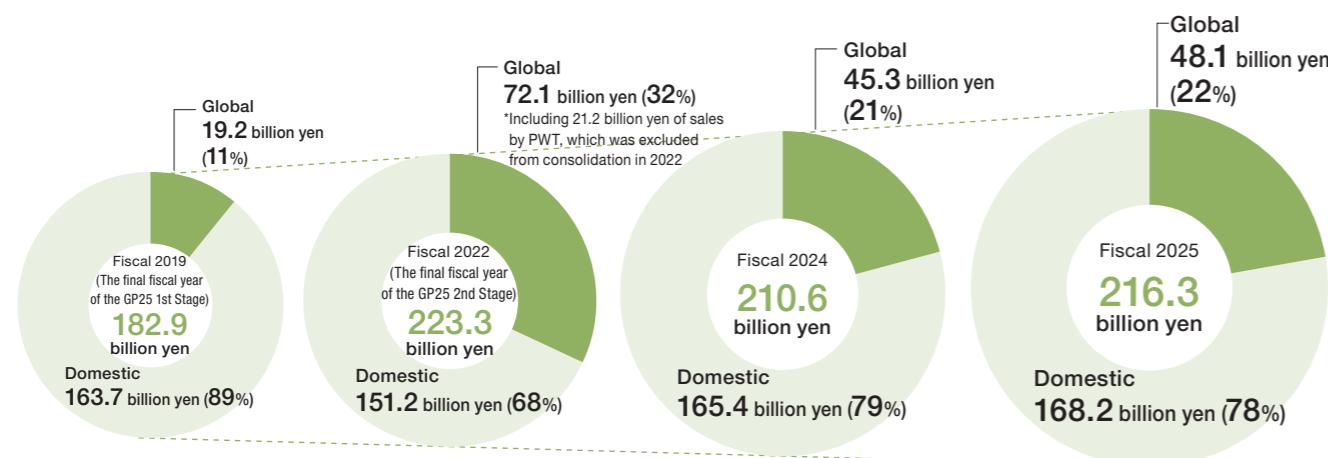
### Acceleration of global expansion using sustainable materials as our strength

In addition to the sales of MDF produced in Malaysia and New Zealand, the global market for industrial materials expands into the production and sale of wood materials with a focus on veneers, LVL, and melamine faced chipboards in Canada and the USA. In addition, we will expand the building materials business into the global markets by utilizing industrial materials.

#### Business x market growth strategy



#### Trends in domestic/global sales ratios



### Voice of an Executive

The International Business Strategy Department mainly handles the management of overseas bases. I am in charge of the qualitative areas of quality control, new product development, certifications, and safety. We also work as a bridge linking the head office and overseas bases. When we request tasks from overseas representatives and locally hired staff, we always make a point of plainness. Especially in non-face-to-face communication, such as e-mail and Web conferences, what we mean may not be correctly understood by others. Careful explanations and frequent daily contacts are the keys to accurate communication. All members involved in global business have aligned their directions and established a relationship of trust to work as one.

Our department changed its name in April 2025 and increased the number of personnel. Our role has expanded from the work of providing conventional support to enhanced quantitative

management and internal control. We plan to undertake more strategic functions in the coming years. To this end, it is essential to develop human resources who can autonomously play an active role at overseas bases not only in managerial tasks in Japan. Through the Global Management Human Resources Development Program, which started this term, we hope to help more employees deepen their understanding of global markets and bases, thereby contributing to the further development of global business.

**Kazuki Sakamoto**  
International Business  
Strategy Department  
Leader



more multifaceted global business. Because of the time difference, adjusting the time for communication and meetings is sometimes difficult. However, I find it extremely fulfilling to contribute to sales increases in the global markets with my proposals for developing new sales channels.

I will further promote the global expansion of the company by accurately grasping market trends and offering product proposals that suit each region.

**Daiki Hatakeyama**  
Overseas Sales  
Department  
Singapore Branch



### Voice of an Executive

For expansion of the scale of global business as announced in the ongoing long-term vision GP25, the International Business Headquarters has proactively invested in North America as the largest wood housing market. While the North American market has steadily grown, the MDF business, which had long been the core of global business, faces the urgent requirement of improving profitability, which has declined because of sluggish global demand, the sharp rise in variable costs, fluctuations in the exchange rate, and other external conditions. We are promoting reform through the collaboration of manufacturing and sales to fundamentally review the business structure through the restructuring of sales strategies and systems based on data analysis, cross-cutting cost optimization projects, the introduction of AI inspection systems, the development of eco-friendly products, and proactively introducing new technologies. DAIKEN North America Ltd. (DNAL), which was consolidated in July 2024, is preparing for the production of a new wood board "DIO woodcore", which was uniquely developed by the R&D

Center, for release in the spring of 2026. "DIO woodcore" will become the new material to replace plywood and help to drive the expansion of the market in North America as a product that guarantees performance equivalent to tropical plywood using sustainable wood resources.

We will steadily implement these key initiatives while enhancing the foundation of global business through the Human Resource Management Promotion Project to develop global human resources of the next generation, thereby leading to the successful kickoff of the next long-term vision TryAngle 2035.

**Kei Ito**  
Executive Officer  
General Manager of the  
International Business  
Headquarters



## Expansion through MDF

With the system of four factories in the two countries of Malaysia and New Zealand, we are engaged in the production of MDF for which wood offcuts from timber are effectively used. By leveraging the unique characteristics of tree species and the manufacturing process, we will promote the distribution of products having new added value and the further expansion of the sales channels in global markets.

### Product characteristics

#### Malaysia

##### Tree species: Hardwood, TEKWOOD

###### Excellent dimensional stability

Since changes in dimensions is minimal and is resistant to warping even at high temperature/high humidity, it is widely used for cabinets and fittings.

###### Excellent water resistance

Since swelling when absorbed water or moisture is minimal, it can be used for window frames (sash window frames) and floor base boards, which require water resistance and moisture resistance.

###### Utilization of unused resources and stable procurement of raw materials

In addition to the utilization of unused resources, such as offcuts from lumber/plywood factories, we promote the use of plantation timber (acacia).



#### New Zealand

##### Tree species: Softwood, CUSTOMWOOD/DSL MDF

###### Light-colored surface that minimal impact on surface finishing

It is characterized by minimal impact on the decorative surface even if laminating a sheet where the base material can be seen through.

###### Smooth surface

The surface, utilizing long wood fibers, is smooth and suitable for lamination and painting.

###### Utilization of unused resources and stable procurement of raw materials

New Zealand, where the factory is located, is rich in softwood plantations, and by using these softwood as the main raw materials, we sustainably procure raw materials.



### Production base

#### DAIKEN SARAWAK SDN. BHD.

Founded: May 1994

Location: Bintulu, Sarawak, Malaysia

Annual production capacity: 120,000 m<sup>3</sup>



#### DAIKEN NEW ZEALAND LIMITED

Founded: 1976

→ Purchased the company in February 2009

Location: Rangiora, Canterbury, New Zealand

Annual production capacity: 110,000 m<sup>3</sup>



#### DAIKEN MIRI SDN. BHD.

Founded: September 1996  
→ Purchased the company in February 2005

Location: Miri, Sarawak, Malaysia

Annual production capacity: 120,000 m<sup>3</sup>



#### DAIKEN SOUTHLAND LIMITED

Founded: November 1993  
→ Purchased the company in April 2018

Location: Gore, Southland, New Zealand

Annual production capacity: 200,000 m<sup>3</sup>



### Tree planting activity in Malaysia

Toward the realization of sustainable procurement of wood materials, we started acacia tree planting in Sarawak, Malaysia, in 2002, and the cumulative afforestation area is 10,500 ha or more. We will proceed with plantation timber growth and management and the expansion of afforestation sites.



Nursery

### Expansion to building materials

#### PT. DAIKEN DHARMA INDONESIA

Founded: 2015  
Location: Surabaya, East Java Province, Java, Republic of Indonesia  
Business description: Manufacturing of housing equipment



## Expansion of wood-based materials in North America

### Production base

#### DAIKEN North America Ltd.

Founded: 2024

Location: Huntsville, Ontario, Canada

Business description: Manufacturing and sales of melamine faced chipboards



#### CIPA Lumber Co., Ltd.

Founded: 1968

Location: Delta, British Columbia, Canada

Business description: Veneer manufacturer



#### Pacific Woodtech Corporation

Founded: 1998

Location: Burlington, Washington, the U.S.A.

Business description: Structural LVL and Wood I-Joist manufacturing



### Initiatives toward the commercialization of the new wood boards

While shrinking of the domestic housing market is expected because of the declining birthrate, the DAIKEN Group has positioned North America, which is the world's largest wooden housing market, as the prioritized strategic area and has been promoting the expansion of the overseas wood industrial materials business. Acquisition of DNAL was aimed at expanding the product lineup following MDF and LVL, and "DIO woodcore", which is a new wood board that is currently under development, is expected to contribute "local production for local consumption" style of product development by utilizing sustainable local materials.

In addition to the manufacture of existing melamine faced chipboards, DNAL is planning to utilize the factory as development and manufacturing base for the high-performance, sustainable wood board "DIO woodcore" and aims to start production in April 2026. They have already completed the development of the prototype, and currently, they are steadily proceeding with the preparations toward commercialization.

"DIO woodcore" is a wood board equipped with high strength, stiffness, and smoothness that is an alternative to plywood and is a regionally circular type of environmentally conscious product made from Canadian grown timber. In April 2024, it was exhibited for the first time as a flooring material at the NWFA Expo held in the US where it received high praise.

With a view to expanding into diverse applications, such as a base material for flooring, they will proceed expansion, mass production and a market launch framework.



Running a booth at the NWFA Expo



An image of using "DIO woodcore" for the flooring substrate