

GP25 2nd Stage

Social issues and needs

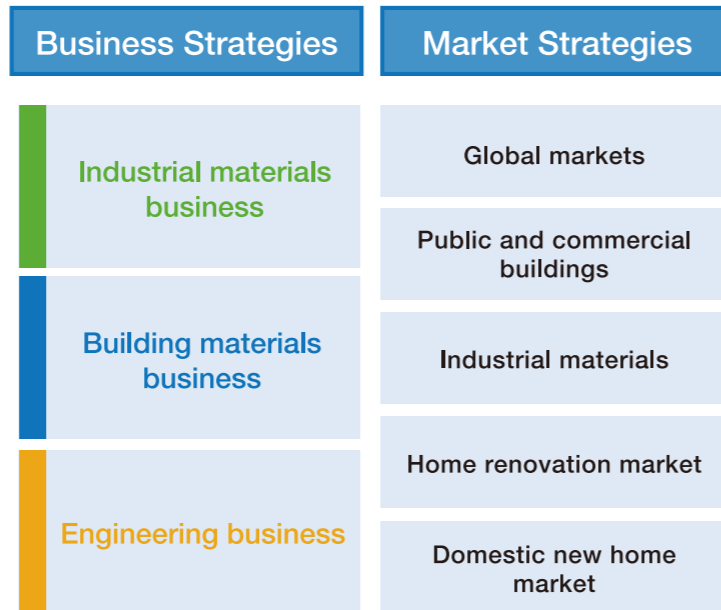
SDGs



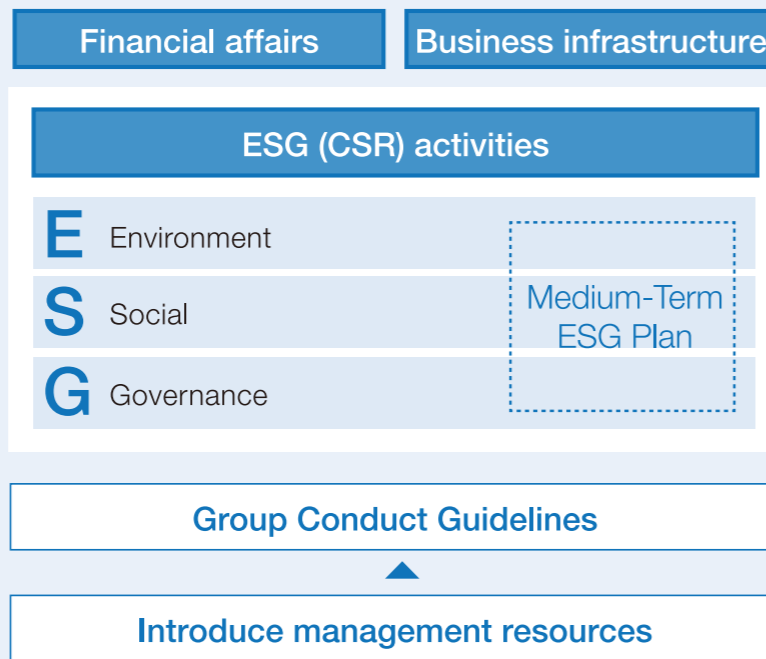
- Realization of low-carbon society
- Building a recycling-oriented society
- Measures for water resources
- Measures for biodiversity
- Conservation of tropical timber
- Decrease in labor force
- Promotion of diversity
- Promotion of workstyle reform
- Development of local communities
- Revitalization of the domestic forest products industry
- Preparation for natural disasters
- Improvement of the safe, secure, healthy, and comfortable living environment
- Response to the super-aging society

Growth strategy and enhancement of the management foundation

I. Accelerating growth strategies



II. Enhancement of the Management Foundation



Creation of economic and social value

Creating shared value (CSV) by Daiken businesses

- Promoting the use of domestic timber
- Recycling of wood resources
- Reduction of CO₂ emissions
- Creating a safe, secure, healthy, and comfortable space
- Effective utilization of unused resources
- Promotion of anti-seismic performance
- Saving construction time and work



R&D Innovation



Strengthen the foundation of value creation

Optimized financial foundation

Firm and flexible business infrastructure

Management foundation enhanced by ESG

Investment to build the foundation for further value creation

Management goals (Fiscal 2022)

Financial indicators

- Net sales 225 billion yen
- Operating profit 12 billion yen
- Operating profit ratio 5.3%
- Profit attributable to owners of parent 7 billion yen
- ROE 10%
- ROA 7%
- Shareholder equity ratio 40%
- Dividend payout ratio 30% or more

Nonfinancial Indicators

- Total CO₂ emissions in Japan (26%)
(Compared to fiscal 2014)
- Total diversity index* +20pt
*Our own indices in which the eight diversity items, such as the female manager ratio, were indexed as compared to fiscal 2019
- Serious quality accidents and violations 0
- Degree of penetration of the group corporate philosophy* +10pt
*Our own indices in which employees' understanding, sharing, and practice of the Group Corporate Philosophy were indexed as compared to fiscal 2018

Achieve the Long-Term Vision GP25