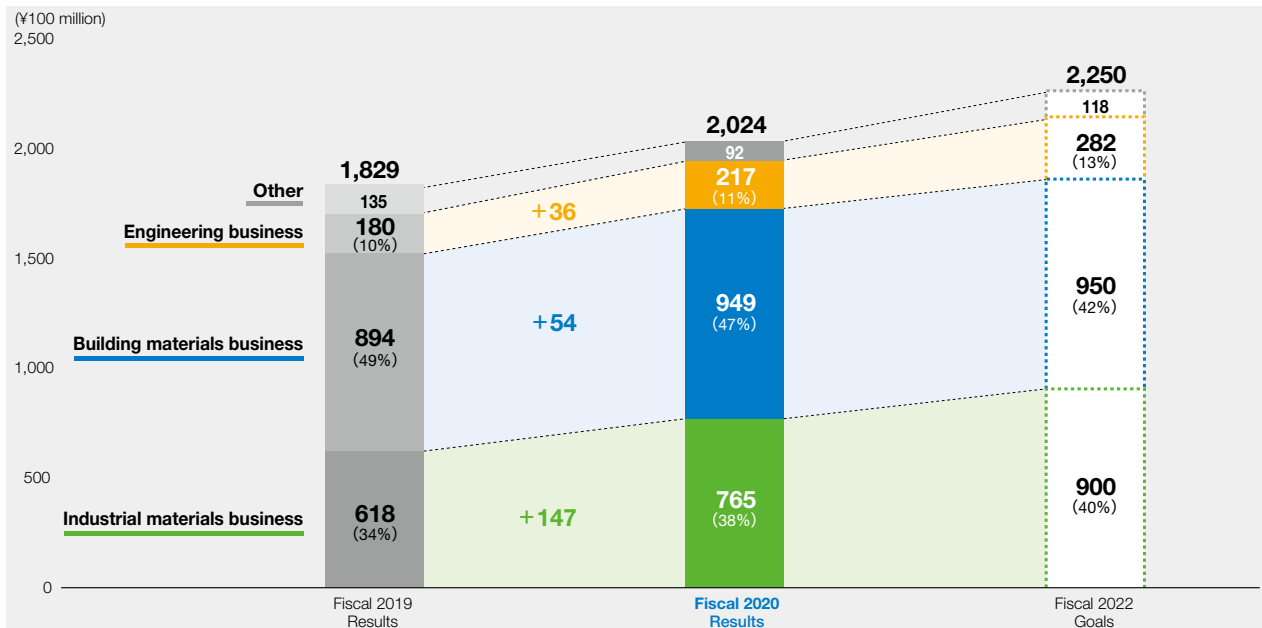


GP25 2nd Stage

I. Accelerating growth strategies

Strategies and Progress by Business Segment

Sales by Business



Strategies by Business Segment

Industrial materials business

Globally expand the markets and applications by taking advantage of sustainability and functionality and maximize the fixed asset efficiency

- Invest in the North American wood industrial materials business (LVL/veneer) and expand into the North American market
- Pursue optimization of the production system
- Accelerate application development centering on the resolution of social issues
 - Start the non-combustible business for wood materials
 - Consider commercialization of wood material use for the agricultural and gardening markets
 - Consider commercialization of new wood materials

Building materials business

By taking advantage of the industrial materials business, as well as functional and construction saving-type building materials, increase our share in the housing market and expand in the public and commercial building fields

- Further expand differentiated products that can keep getting chosen
- Expand the product/sales networks by actively utilizing M&A and external resources

Engineering business

Expand the construction domains, areas, and order sources by M&A and cooperating with other companies

- Expand the construction company's business targeting the priority markets (public and commercial building, remodeling, and renovation)

Progress in Fiscal 2020

- Purchase of the two North American companies that are engaged in the LVL and veneer businesses is complete, and we made the transition to the integration process
- Progress of the cooperation for optimization of production items in the two MDF plants in New Zealand
- Expansion of the production of tatami facings and enhancement of the proposal capabilities by introducing new products
- An increase in the sales of flooring and facility expansion and reinforcement toward productivity improvement
- Enhancement of the capability to propose high design flooring by our unique technology
- Purchased T.O FLOORING CO., LTD., to develop the solid wood flooring business
- Expanded the orders of construction work by cooperating with ITOCHU Corporation Group
- Enhanced renovation work in the Tokyo metropolitan area by purchasing ReformQ Co., Ltd.

Topics

Expanded Non-combustible Products

To improve design in public and commercial facilities, we launched a woodgrain pattern non-combustible louver for interior finishing in August 2019. We further enhanced our proposal capabilities by expanding the product lineup that has the performance required for public and commercial facilities, such as lightweight yet excellent non-combustibility and workability.



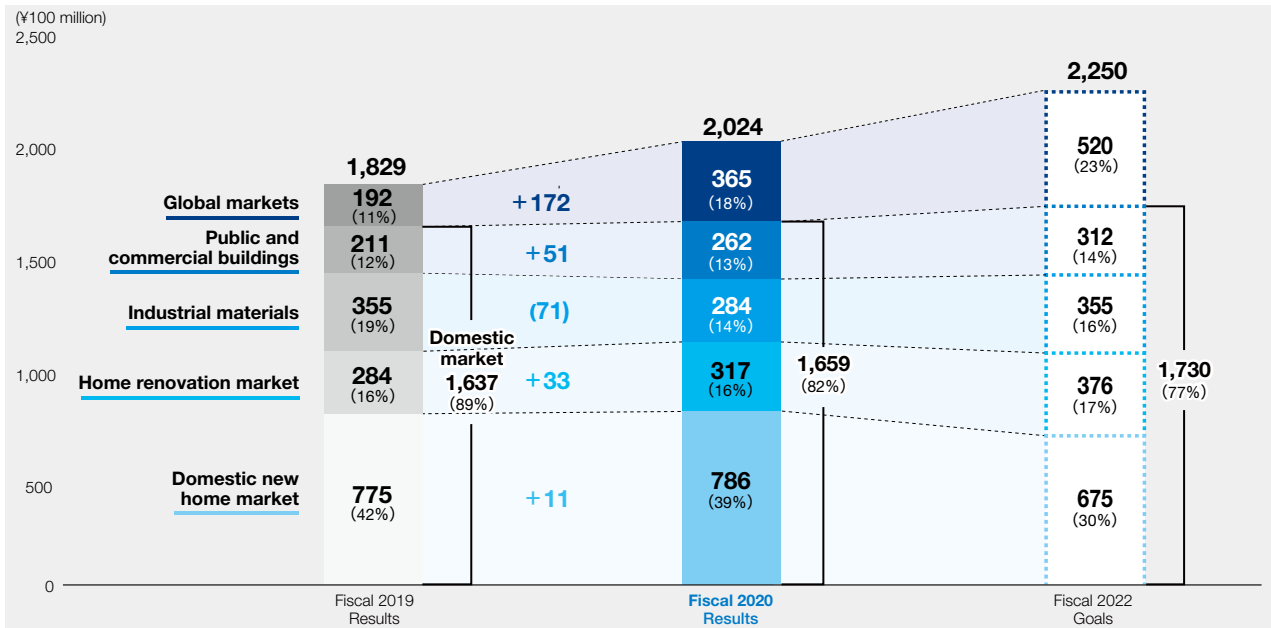
Equipment Expansion and Reinforcement in the Decorative Sheet Laminating Process at the Mie Plant

In December 2019, to improve productivity at the Mie plant that produces flooring that is the flagship product in building materials business, we implemented the equipment expansion and reinforcement for the decorative sheet lamination process. With this capital investment, the entire plant's laminating production capacity has doubled and further efficient production has become possible.



Strategies and Progress by Market

Sales by Market



Strategies by Market

Market	Strategies	Progress in Fiscal 2020
Global	<p>Global markets</p> <p>Accelerate global expansion with a focus on the industrial materials business through aggressive investments</p> <ul style="list-style-type: none"> Invest in the North American wood industrial materials business (LVL/veneer) and expand into the North American market Continuously expand wood materials with a focus on MDF Put the Chinese and Indonesian building materials businesses on a path toward stable growth and shift to the growth strategy 	<p>Progress in Fiscal 2020</p> <ul style="list-style-type: none"> Purchase of the two North American companies is complete, and we started development to expand into the North American market with LVL Enhancement of the sales structure for MDF to be sold in North America and China Door sales expansion in the plant in Indonesia due to the increase in exports to the UK <p>▶ P29</p>
	<p>Public and commercial buildings</p> <p>Expand investments including M&A and accelerate growth</p> <ul style="list-style-type: none"> Expand the product lineup (The medical field will be the new focused target) Improve infrastructure for the expansion of the markets, such as logistics, correspondence of drawing, and the sales structure Expand the product and sales networks, including cooperation with other companies and M&A 	<ul style="list-style-type: none"> Expanded the product series by facility and function, such as non-combustible and sound products for medical facilities and offices Enhancement of the responses to special orders for the <i>Omoiyari</i> series, such as the doors for elderly facilities, kindergartens, and childcare facilities Started activities to take orders for solid wood flooring at educational facilities centering on T.O FLOORING CO., LTD. <p>▶ P31</p>
	<p>Industrial materials</p> <p>Cover the decrease in these for housing with application development and expand industrial materials business</p> <ul style="list-style-type: none"> Focus on application development for the new markets and fields Promote the development of and search the applications of new materials and R&D products 	<ul style="list-style-type: none"> Enhancement of the organizational structure for new material utilization development Promotion of the market development for the agricultural and gardening markets
	<p>Home renovation market</p> <p>Expand in the renovation market from a perspective of development of functional products and methods</p> <ul style="list-style-type: none"> Expand the renovated properties and renovation work in the Tokyo metropolitan area Focus on the expansion of the products for renovation, such as construction savings and waste savings 	<ul style="list-style-type: none"> Expansion of the apartment renovation business in the Tokyo metropolitan area Expansion of the sale of interior building materials, such as flooring, by enhancing cooperation with specialized remodeling companies <p>▶ P33</p>
Domestic	<p>Domestic new home market</p> <p>Restructure the sales structure in response to changes in the market and customer needs, and increase our share</p> <ul style="list-style-type: none"> Continuously enhance the products and proposals from the perspective of functionality, such as soundproofing and construction work saving Enhance the collaborative system with key distribution companies as well as a system to make proposal to key customers 	<ul style="list-style-type: none"> An increase in adopting soundproof building materials for houses for rent Expansion of orders for interior building materials among builders