

# Business Models and Strengths

The Daiken Group makes use of the four strengths of (1) research and development capabilities to pursue the possibilities of sustainable industrial materials and a safe, secure, healthy, and comfortable space; (2) product deployment capabilities to create industrial and building materials having various features; (3) a customer base that has long been built with a wide variety of professional customers; and (4) an integrated system to engage in the development of industrial and building materials as well as the installation work and construction for creating spaces and is committed to sustainable value creation.



## Strength 1 Research and development capabilities

### Pursue the possibilities of sustainable industrial materials and a safe, secure, healthy, and comfortable space

- Daiken Corporation was founded soon after the war with an eye toward the effective use of timber as precious resources and the contribution to society through postwar reconstruction.
- We conduct research and development based on the two ideas of (1) overcoming weaknesses and extracting the beauty of timber and (2) using timber with zero waste as the technology to effectively use timber.
- As the expansion of applications to something other than timber, we have also proceeded with the technological development to apply technology to handle wood fibers and utilize unused mineral resources.
- Furthermore, as the field to make use of materials and technologies we have created, we have been expanding the applications above into research and development to pursue spaces where people can spend the time safely, securely, healthfully, and comfortably.

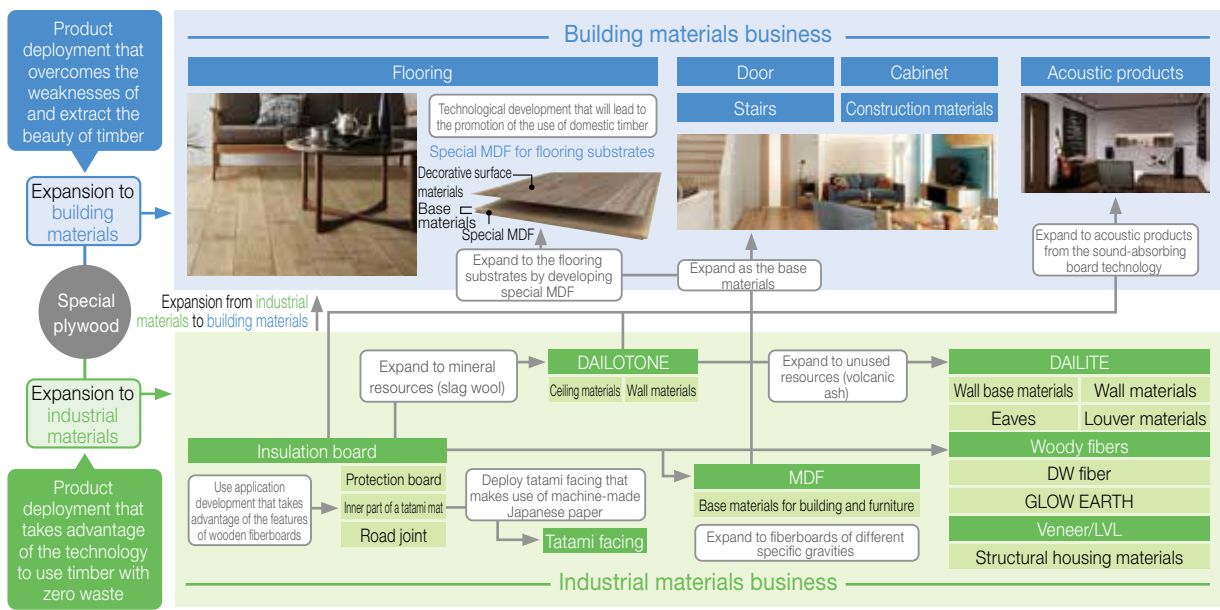


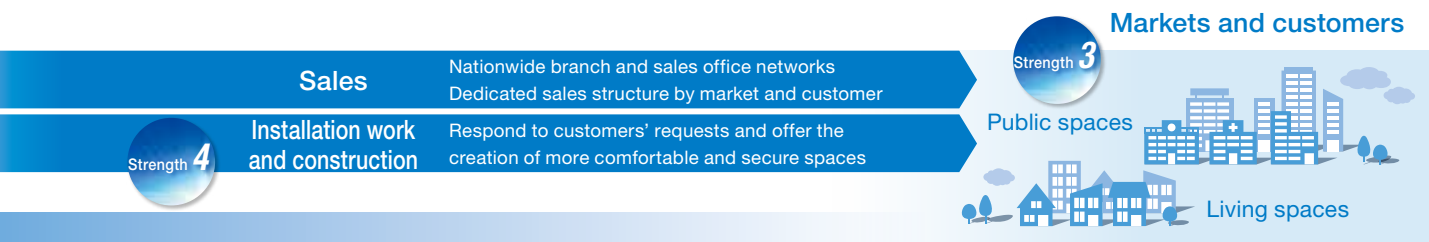
Daiken R&D Center

## Strength 2 Product deployment capabilities

### Create a new standard with functional products

- By utilizing industrial materials that made use of timber, which is a renewable resource, and sustainable resources, such as volcanic ash as an unused resource, the Daiken Group has the capabilities to create a new standard with our products having the functions that make the spaces where people spend their daily lives safe, secure, healthy, and comfortable.
- With the technology cultivated in special plywood, which is the business at the time of the establishment of the company, we developed industrial materials that made use of wood and mineral resources and by using these industrial materials as base materials, we have been expanding into the deployment of building materials with increased added value.
- These product deployment capabilities have become our response capabilities, leading to the sustainability of our business.



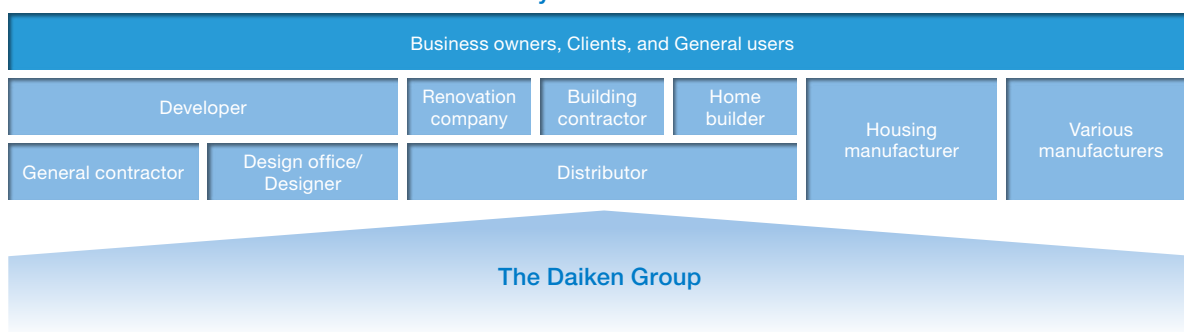


**Strength 3**  
 Customer base

**Relationships of trust with professional customers**

- The Daikden Group has built relationships of trust with a wide variety of professional customers ranging from the housing and construction industries to various manufacturers through long standing dealings.
- By not only reflecting such needs and information obtained from customers in the initiatives for daily improvements, such as quality and usability, but also feeding back to the development of next industrial and building materials and R&D, we continue to provide new value.

**Key customers**



**Strength 4**  
 Integrated system

**Engaging in the development, installation, and construction of industrial and building materials**

- Industrial and building materials do not function as is and the installation work and construction are required in order for them to deliver performance.
- Daikden not only sells products, such as industrial and building materials, but is engaged in the installation work, construction, and creation of spaces in the three domains of interior projects for office buildings and public facilities, home renovation work, and apartment renovation by cooperating with the group companies engaged in the installation work and construction.
- By consistently engaging in the industrial and building materials located in the upstream part as well as the installation work and construction to create spaces, our entire value chain can provide value.
- We link the needs obtained in the installation work and construction sites with the development of labor-friendly type products and techniques.

