

# Value Creation by Businesses

The Daiken Group delivers value to society by operating businesses that utilize our unique industrial materials and technologies to respond to a variety of social issues and needs.

## 01 Promotion of the use of domestic wood



Japan is one of the world's most forested countries with about two-thirds of the land covered in forest. Therefore, domestic wood should be more actively used in order to foster healthy forests that fulfill various needs such as absorbing CO<sub>2</sub> and prevention of landslide disasters. The Japanese government is aiming to increase wood self-sufficiency to 50% by 2025.

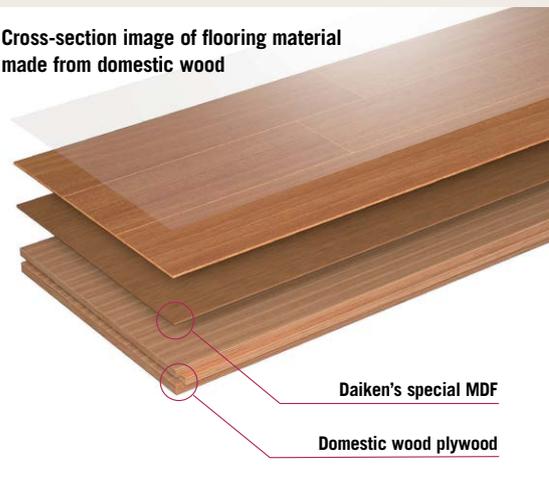
### Daiken's strengths and value creation

Daiken developed flooring base materials using our expertise as the world's largest manufacturer of flooring materials and Daiken's own MDF technologies that give rise to excellent water resistance and surface smoothness. After the development, we made many improvements in materials, and it increased the utilization of domestic wood to about 30% in fiscal 2018 from about 4% in fiscal 2015. We continue to develop products to bring out the charms of domestic wood in order to promote further leverage.

#### Utilization of domestic wood for flooring materials



Cross-section image of flooring material made from domestic wood



## 02 Creating a safe space to live together with the elderly



Japanese society is more rapidly aging than other developed countries and becoming a super-aging society with one in four people aged 65 or over. It is expected that the elderly population will reach about 40% in 2060. There is also concern about social problems with old people providing care for old people. So, the living environment of the future must be safe, secure, healthy, and comfortable.

### Daiken's strengths and value creation

Daiken is committed to manufacturing from the perspective of all users, including elderly people, their families, and caregivers. We developed more products based on our ideas and technologies proven through our work and in accordance with universal designs. We have comprehensive product lines for residential homes that are considerate of nursing needs and home care. Daiken pursues the creation of excellent and pleasant spaces using products that are safe, secure, and functional for peoples' lives.

Product variations of the Omoiyari (Caring) series



## 03 Upgrading Japan's earthquake protection



Japan has been devastated by earthquakes many times, including the Great Hanshin-Awaji Earthquake and the Great East Japan Earthquake. Large earthquakes, such as the Tokyo Metropolitan earthquake and the Nankai trough earthquake, are predicted with high probability to occur in the near future, and the Japanese government has set a target for earthquake resistance ratios and promotes the upgrading of houses and buildings.

### Daiken's strengths and value creation

Daiken developed Dai-Lite, the world's first new industrial material using an untapped resource, Shirasu (volcanic ash) as the major raw material. It has all of the performance required for an inorganic bearing surface, such as lightweight, high strength, high durability, fireproof, and workability, that could not be realized with conventional inorganic materials. Dai-Lite is being installed more often as it is the best brand of inorganic bearing surface for wood-frame housing. Consequently, it is contributing to the improvement of the anti-seismic performance of Japanese houses. It also strengthens the earthquake resistance of existing houses to promote further upgrading of the housing stock.

**Number of households installing Dai-Lite (cumulative)**

Approx.

**800,000**



## 04 Reduction of CO<sub>2</sub> emissions by recycling of wood resources



Considering the adoption of two closely linked SDGs and the Paris Climate Agreement, the crucial challenge for the world is to create a recycling-oriented society that effectively uses limited resources and promote measures against the climate change associated with global warming.

### Daiken's strengths and value creation

The Daiken Group manufactures industrial materials that utilize wood resources, including MDF, which uses wood offcuts as raw materials and insulation boards re-using wood discarded or used as fuel. Wood is a valuable resource that would be sustainable if replanted after logging unlike other resources. It can be used as a material for a long period of time by recycling for re-use, and it enables the reduction of waste as well as continuing to fix carbon, which leads to the reduction of CO<sub>2</sub> emissions. We will continue to pursue the possibility of recycling wood resources and contribute to the building of a recycling society as well as the prevention of global warming.

**The amount of carbon fixation by MDF and insulation board**

**749,000**  
t-CO<sub>2</sub>/year

