

## Philosophy

### Mission

Connecting People, Connecting Technology and Enriching the World.

### Vision

## Next-generation engineering trading firm

Striving to be a business partner that is one step ahead of the times, and that contributes to the growth of customer businesses and the realization of a sustainable society on a global scale by continuously providing value with our company's engineering function as its core.

### Value

#### TRUST

We strive to be a company that is rewarding, respects individuals, and allows them to experience growth, while cooperating with internal and external parties to align our goals with the expectations of our stakeholders and our social responsibilities.

#### GROWTH

We aim to achieve continuous growth through aggressive investment in growth markets and expansion of business domains, while contributing to manufacturing through our unique engineering capabilities.

#### CONTRIBUTION

We contribute to the realization of a sustainable society by actively tackling important social issues through management transparency and continuous improvement of the quality of the company.

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#### Editorial Policy

The DJK Report is created to provide stakeholders with a deeper understanding of the DJK Group's medium- and long-term value creation. The 2023 edition of the report presents a detailed explanation of our approach to human resources, a crucial form of capital for the Group, and our initiatives aimed at being the next-generation engineering trading firm described in our Vision. We hope that this report assists all our stakeholders to gain a better understanding of DJK.

#### Reference Guidelines

International Integrated Reporting Council's (IIRC) "International Integrated Reporting Framework," Ministry of Economy, Trade and Industry's "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation," etc.

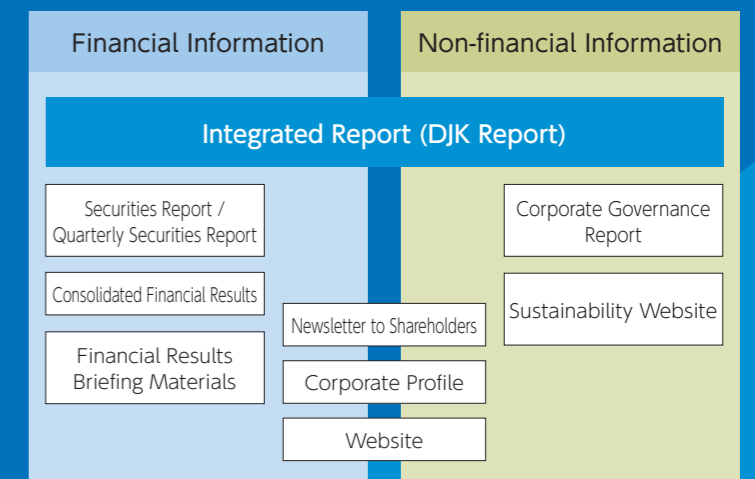
#### Applicable Period

April 1, 2022 to March 31, 2023 (including some information not covered)

#### Applicable Organizations

DAIICHI JITSUGYO CO., LTD. and Japanese and Overseas Group Companies

#### Tool Map



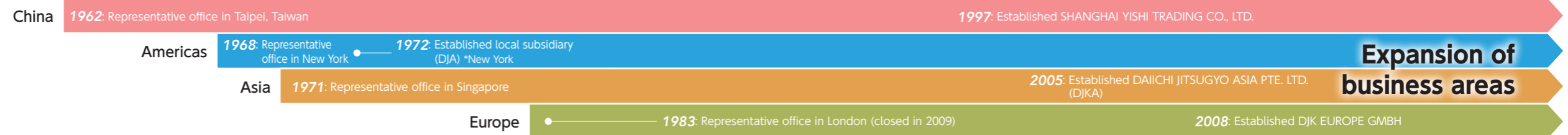
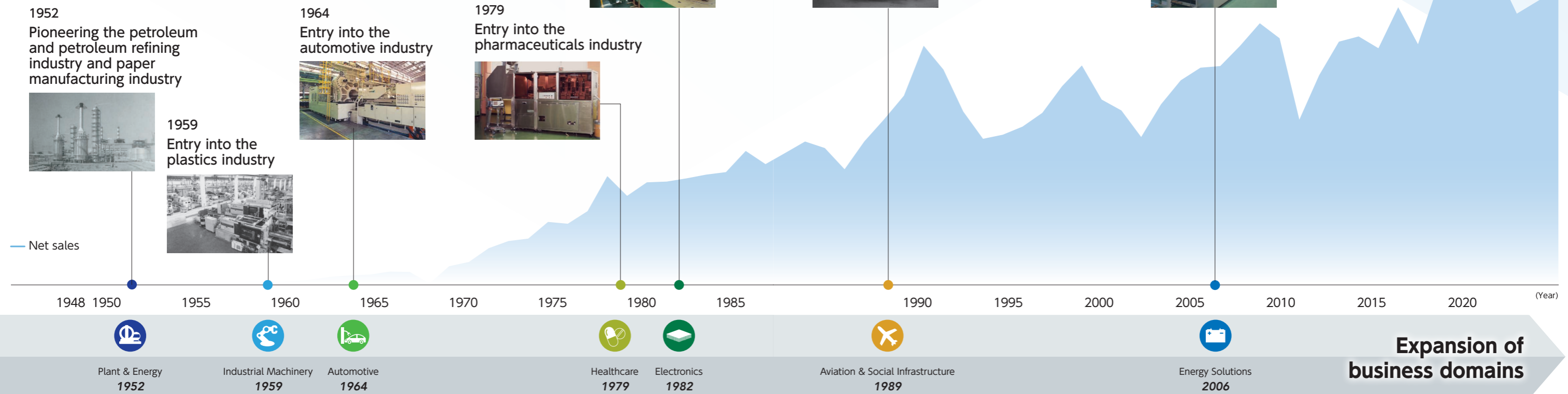
#### Disclaimer regarding forward-looking statements

Statements made in this annual report with respect to DJK's forecasts and business targets that are not historical facts, are forward-looking statements about the future performance of DJK and its consolidated subsidiaries and are based on information currently available. Readers are cautioned that for a variety of reasons actual results could differ significantly from the projections presented in this report.

# Our History of Value Creation

## Evolving Industrial Machinery Supplier

Founded in the midst of a postwar reconstruction, we have steadily continued our non-speculative business of buying and selling machinery, and have achieved growth while earning trust as a sound company. Supporting core industries in Japan has become the foundation of our business as a supplier of industrial machinery, and in recent years, our business domain has expanded to diverse industries. The role we should play in the future goes beyond the framework of a trading company that only sells products. We continue to evolve toward becoming the next-generation engineering trading firm that embodies the concept of a products and integrated solutions business model.



### Establishment (1948)- 1970- 1990- 2010-

**Engaged in core industries to build our business foundation**

Established in August 1948 as a trading company specializing in machinery. Starting with core industries such as shipbuilding, cement, and oil refining, we steadily built up relationships of trust with business partners and banks to solidify our business foundation. In the early 1950s, the Company began trading overseas, and in the latter half of the decade, it entered the plastics industry by beginning to deal in molding and processing machines. By adding a product-oriented approach to our customer-oriented sales approach to expand sales of superior products, we have laid the foundation for sales channels to a wide range of industries. In 1962, we established the Company's first overseas representative office in Taipei, Taiwan, with the cooperation of the local companies with which we traded. We engaged in the sale of machinery to food factories, which were at the height of their prosperity at the time.

**Establishing a service system and accelerating industry expansion**

We expanded our product lineup along with the increase in equipment demand due to rapid economic growth. In 1970, the Company established a subsidiary, Daiichi Machinery Service Co., Ltd. (currently Daiichi Mecha-tech Corporation), to handle everything from equipment installation to after-sales service. At the same time, the Company began handling tablet visual inspection machines, printed circuit board assembly systems, and ground support equipment for airports, successfully entering the pharmaceutical industry, the electronics industry, and the aviation industry. Business expanded with the opening of the D.S.T. Center, which provides technical services and training. In 1972, the Company established a local subsidiary in the United States, mainly engaged in the export of oil drilling equipment. Sales grew thanks to the oil drilling boom in Japan at the time. The focus later shifted to expanding the sales of Japanese products such as industrial robots and molding machines.

**Expanding new business models to meet customer needs**

Since the mid-1990s, the Company has been establishing overseas bases and local subsidiaries to strengthen its support system for the overseas expansion of Japanese manufacturers, including those in the home appliances and digital equipment industries. The first step was our expansion into Shanghai, China, which was to become a massive market, in 1997. In 2005, we expanded into Southeast Asia with the establishment of a local subsidiary in Singapore, and in 2008, we developed our business in Europe with the establishment of a local subsidiary in Germany. We have steadily captured needs for total solutions, establishing a new business model that provides not only equipment installation but also the process from local factory start-up to production support. In the late 2000s, the Company entered the next-generation energy field, which led to solar cells and lithium-ion batteries. This served as a foothold for the expansion into new business domains.

**Expanding domains on the strength of engineering functions**

The Company began full-fledged efforts in the renewable energy field, including the construction of its own solar power plants in the early 2010s. In addition, our business domains continue to expand more broadly, with an increase in large-scale projects involving engineering due to the growing size, complexity, and sophistication of capital investment projects by manufacturing companies. In each of our businesses, we are expanding our products and integrated solutions business model, while accelerating our efforts to realize a sustainable society. We boast 37 overseas bases in 17 countries as of September 30, 2023, and we aim to expand our business relationships, not only with Japanese companies but also with foreign companies.

## About DJK

# DJK Keywords

Many Years of Experience as an Industrial Machinery Supplier

SINCE 1948 Foundation **75** years

## Extensive Network

Number of Overseas Bases  
(As of September 30, 2023)

**37**  
in 17 countries



Number of employees  
(As of March 31, 2023)

Number of overseas employees

Consolidated: **1,319** **412**  
(Non-consolidated: 591)

## Sustainable Growth and Trust

Consolidated net sales  
¥ **153,674** million

Consolidated operating income  
¥ **6,717** million

Proportion of net sales from overseas  
**53.6%**  
(Based on delivery destination)

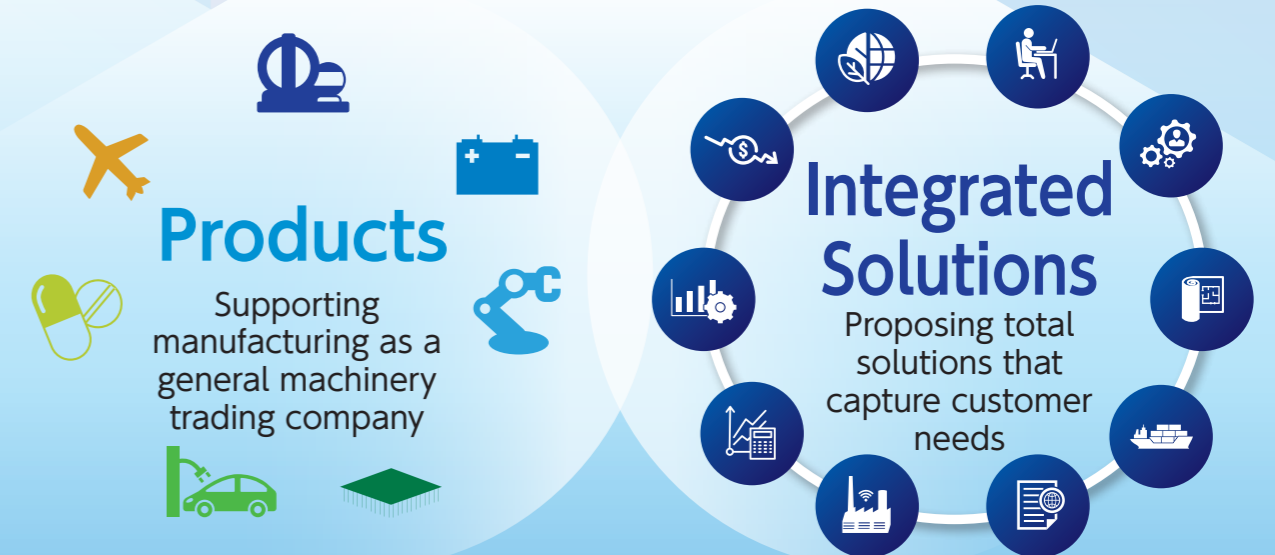
[See p.43 for details](#)

Long-term issuer rating  
(As of September 13, 2023)

(Japan Credit Rating Agency, Ltd. (JCR)) **A-** (Stable)

# Products and Integrated Solutions Business Model

The Company offers total support to customers engaged in manufacturing, from the coordination of multiple pieces of equipment to after-sales follow-up after installation, in order to provide proposals that lead to solutions to problems at production sites. In order to provide optimal solutions, we not only sell equipment (products), but also expand our business to include services (solutions), such as technical support for product manufacturing and engineering that requires expertise, in order to increase added value.

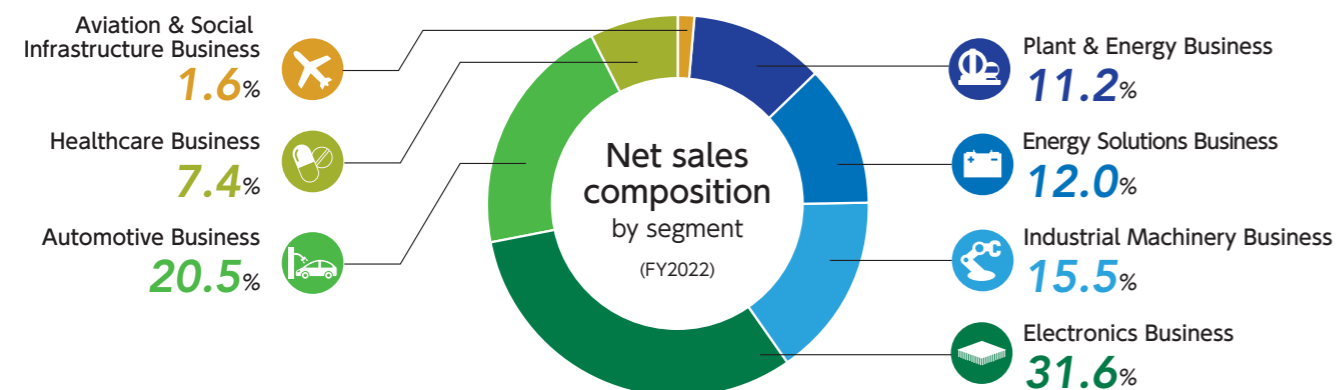


We make full use of our global network to uncover valuable products from markets around the world and present flexible proposals. From general-purpose machinery to custom-made products tailored to meet customer needs, we offer an extensive range of industrial machinery and equipment for manufacturing.

We contribute to solving customer issues such as productivity improvement, environmental support, and cost reduction by providing high-value-added technological solutions. In addition to our extensive manufacturing know-how and cutting-edge information, we use optimal services (integrated solutions) to achieve better production sites for our customers.

Enhance added value through our products and integrated solutions business model

# Seven Businesses That Meet Diverse Needs



## Unique Engineering Functions

Total Coordination

Establishment of new plants

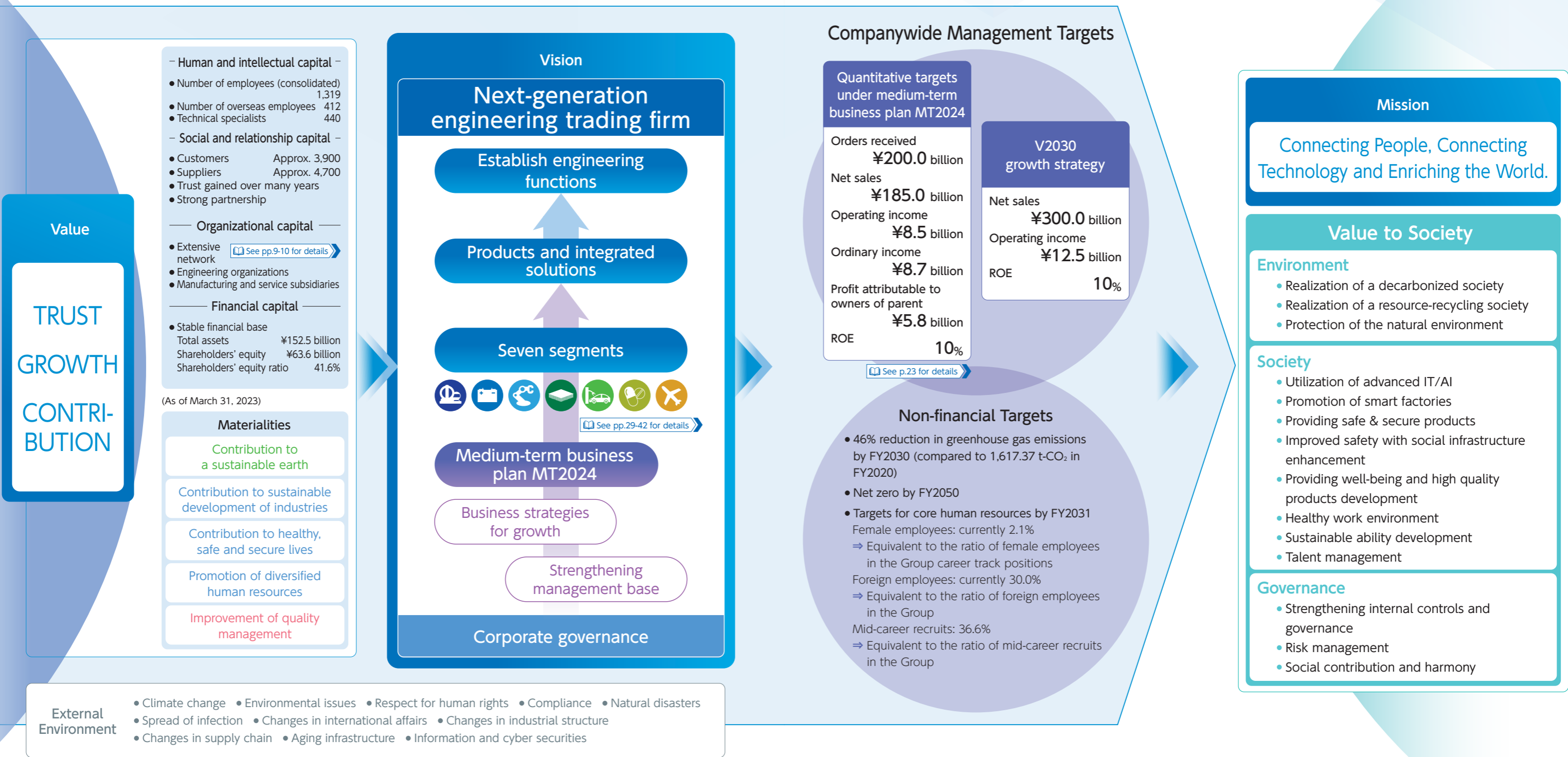
Project management

Response to diverse needs

# Value Creation Process

The Group has identified materialities to solve social issues and is developing its operations around seven businesses based on a growth strategy as a supplier of industrial machinery in Japan and overseas, leveraging the business foundation it has developed over its more than 70-year history.

Our goal is to “Connect People, Connect Technology and Enrich the World” by creating environmental and social value through the provision of proposals that make use of advanced technology and services to meet diversifying needs.

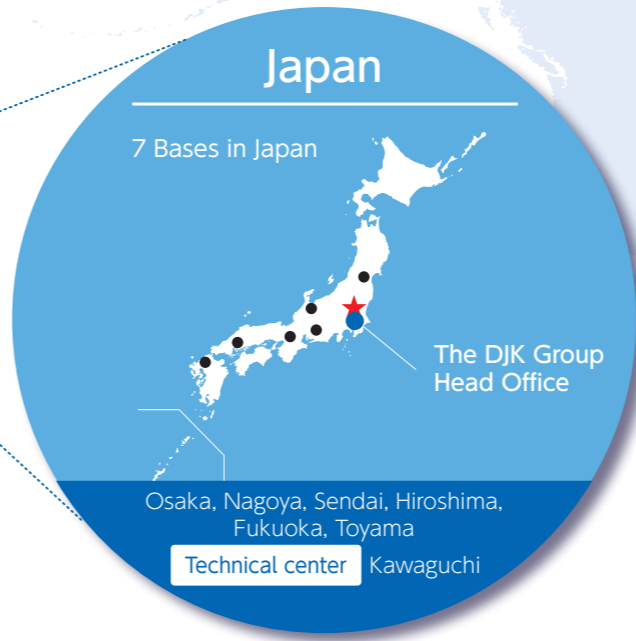
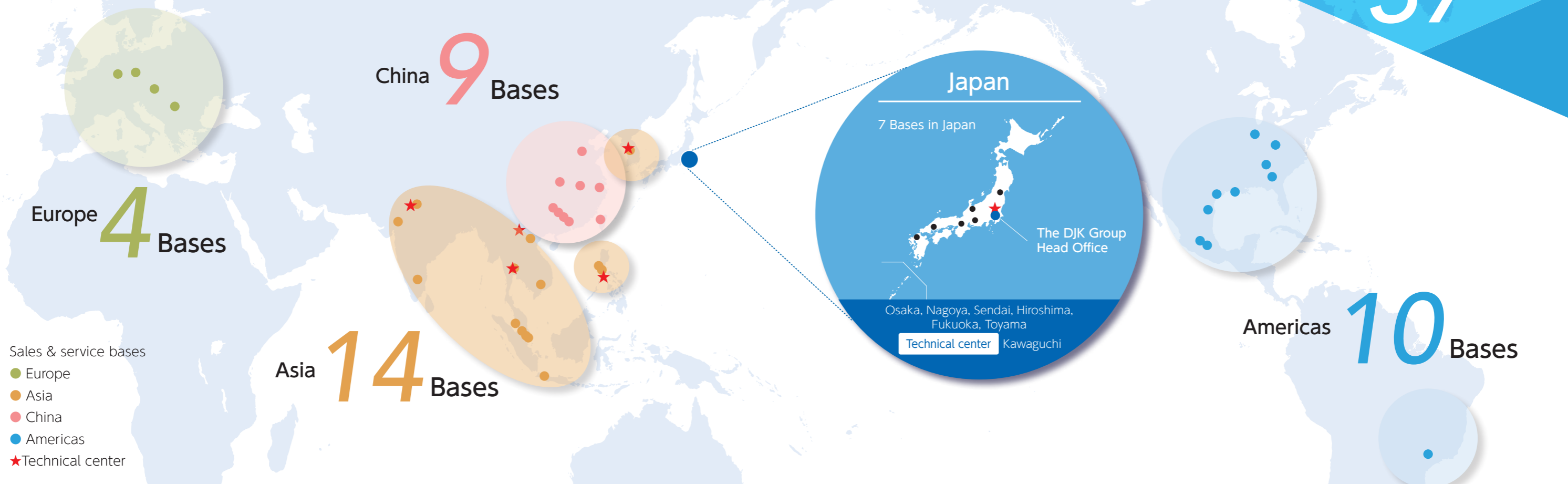


# Global Network

We are pursuing our global strategy through our global four-region network. In July 2023, we opened two bases in the United States (the Kentucky Office and the Austin Office). We have established a sales structure that enables us to provide comprehensive support for companies engaged in business overseas and respond swiftly to all our customers' local needs through our network of 37 overseas bases (as of September 30, 2023).

[p.75: Group Companies, p.76: Corporate Data](#)

Number of Overseas Bases  
**37**



**Europe**

Regional headquarters

**DJK EUROPE GMBH**

Frankfurt, Prague, Budapest, Sofia

**Asia**

Regional headquarters

**DAIICHI JITSUGYO ASIA PTE. LTD.**

Singapore, Kuala Lumpur, Johor Bahru, Penang, Bangkok, Jakarta, Hanoi, Ho Chi Minh City, Manila, Laguna, New Delhi, Bangalore, Ahmedabad, Seoul

Technical center Bangkok, Hanoi, Laguna, New Delhi, Seoul

**China**

Regional headquarters

**SHANGHAI YISHI TRADING CO., LTD.**

Shanghai, Tianjin, Suzhou, Wuhan, Guangzhou, Shenzhen, Nansha, Hong Kong, Taipei

**Americas**

Regional headquarters

**DAIICHI JITSUGYO (AMERICA), INC.**

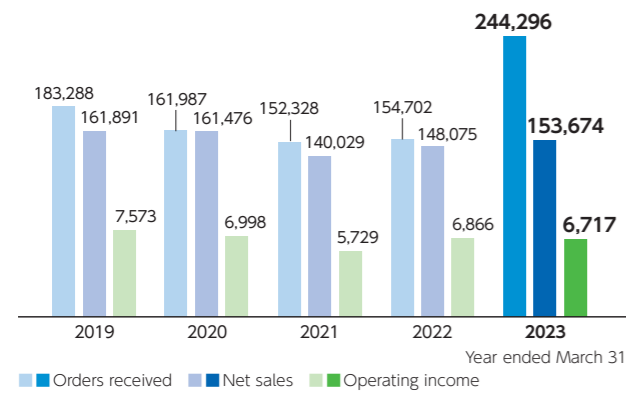
Chicago, Houston, Knoxville, Ohio, Kentucky, Austin, Queretaro, Monterrey, Leon, Sao Paulo

[See pp.43-44 for details](#)

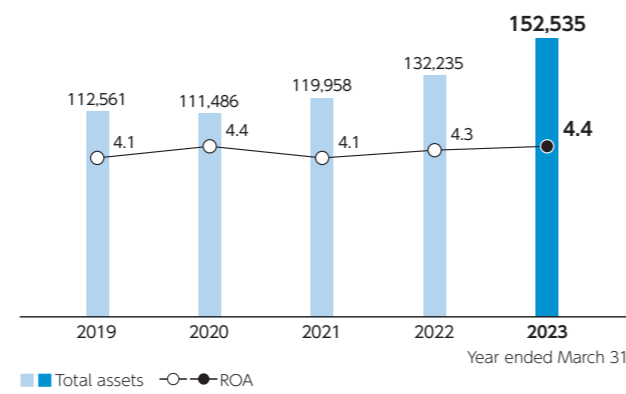
# Financial and Non-financial Highlights

## Consolidated Financial Highlights

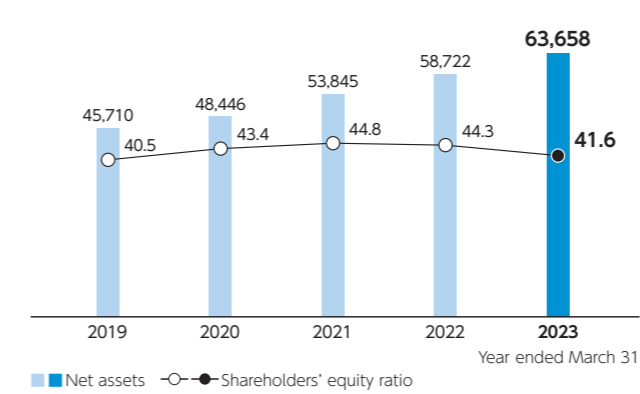
Orders received / Net sales / Operating income (Millions of yen)



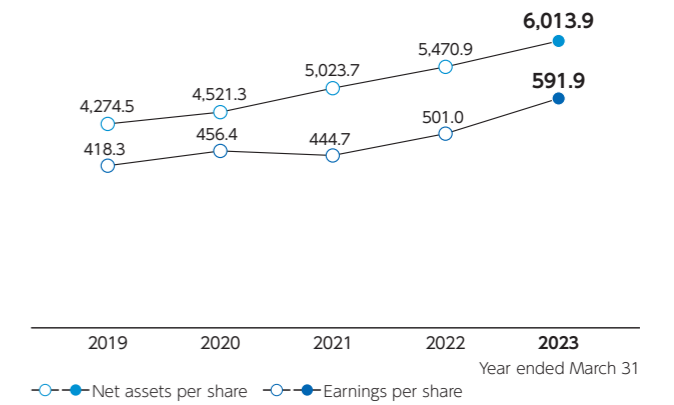
Total assets (Millions of yen) / ROA<sup>\*1</sup> (%)



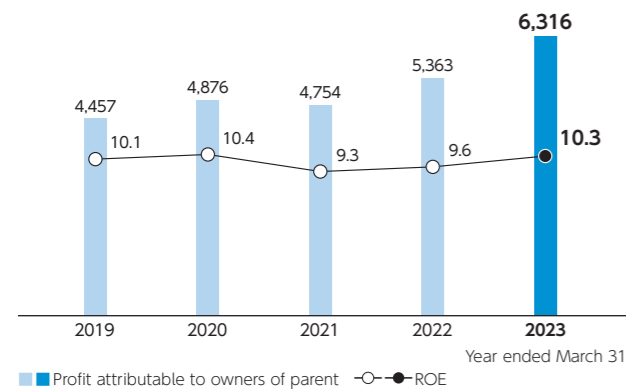
Net assets (Millions of yen) / Shareholders' equity ratio (%)



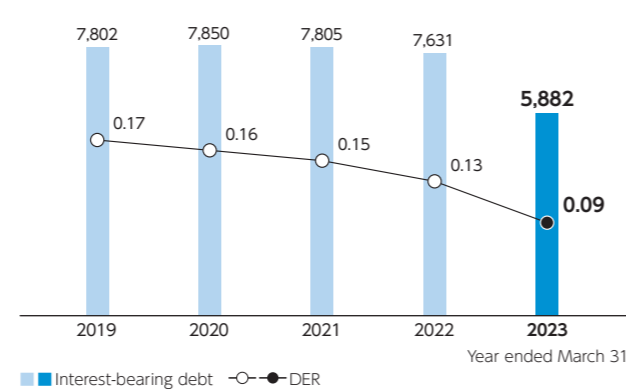
Net assets per share / Earnings per share (yen)



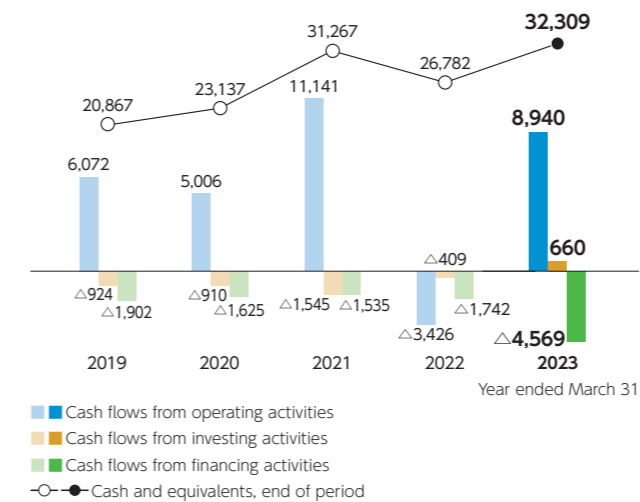
Profit attributable to owners of parent (Millions of yen) / ROE<sup>\*2</sup> (%)



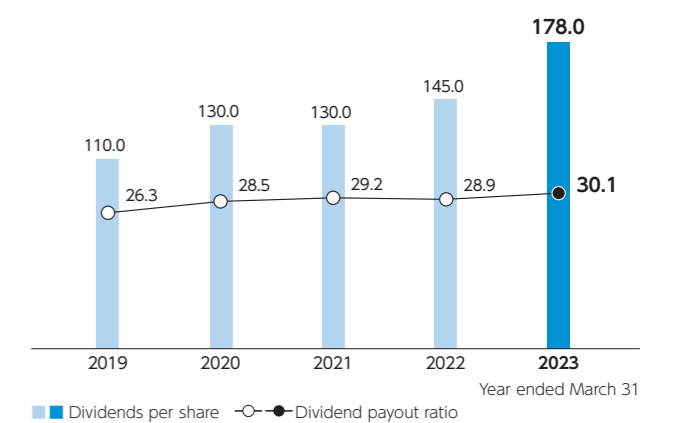
Interest-bearing debt (Millions of yen) / DER<sup>\*3</sup> (times)



Cash flows (Millions of yen)

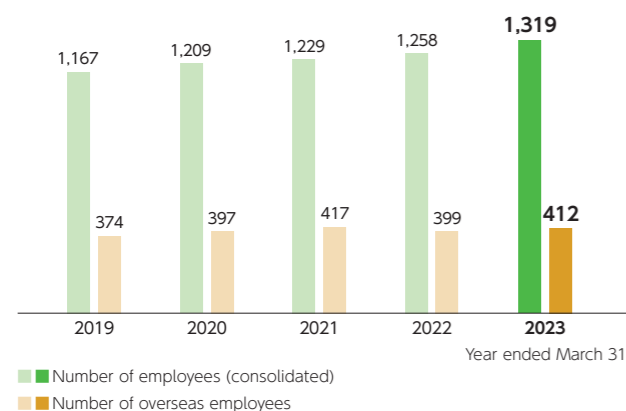


Dividends per share (yen) / Dividend payout ratio (%)

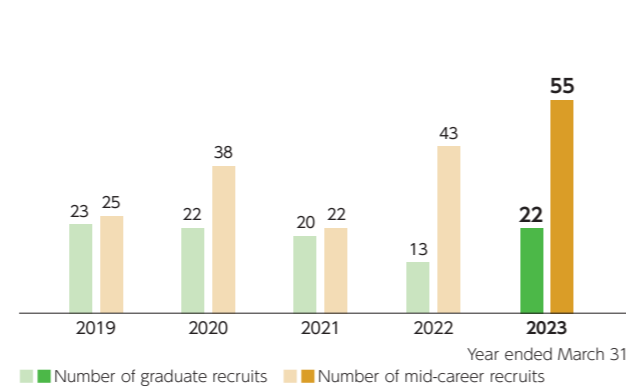


## Non-financial Highlights

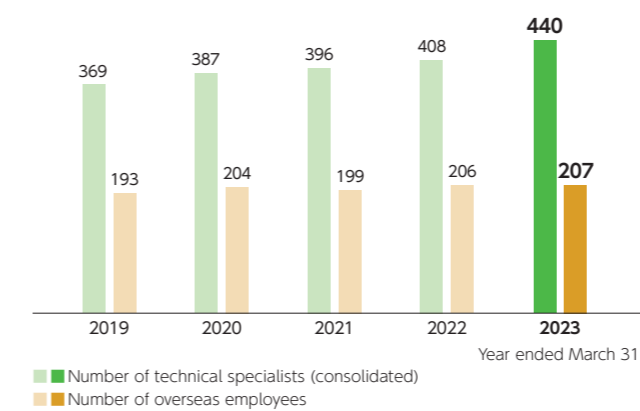
Number of employees (consolidated) / Number of overseas employees (persons)



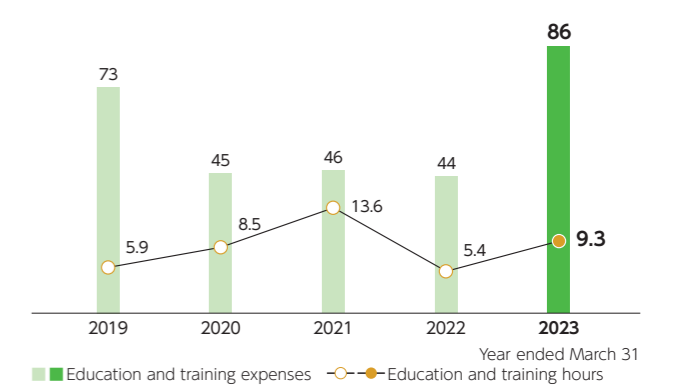
Number of graduate recruits / Number of mid-career recruits (persons) (non-consolidated)



Number of technical specialists (consolidated), including number of overseas employees (persons)



Education and training expenses<sup>\*4</sup> (¥1,000/person) / Education and training hours<sup>\*4</sup> (hours/person) (non-consolidated)



\*4 Education and training expenses and education and training hours are limited to those organized by the Personnel Department, but other education and training programs are also provided by each organization.