

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 2024 edition of the report introduces the Group's DX strategy and examples of initiatives, focuses on human resources, a crucial form of our capital, and features input from employees active in the Group. 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.

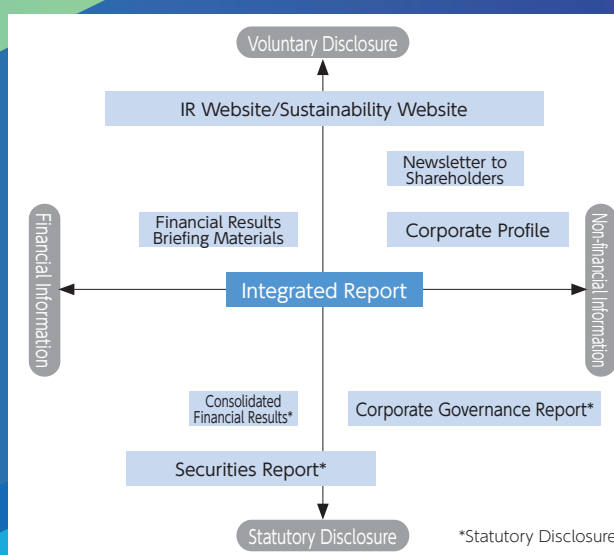
Applicable Period

April 1, 2023 to March 31, 2024 (including some information not covered)

Applicable Organizations

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

Tool Map



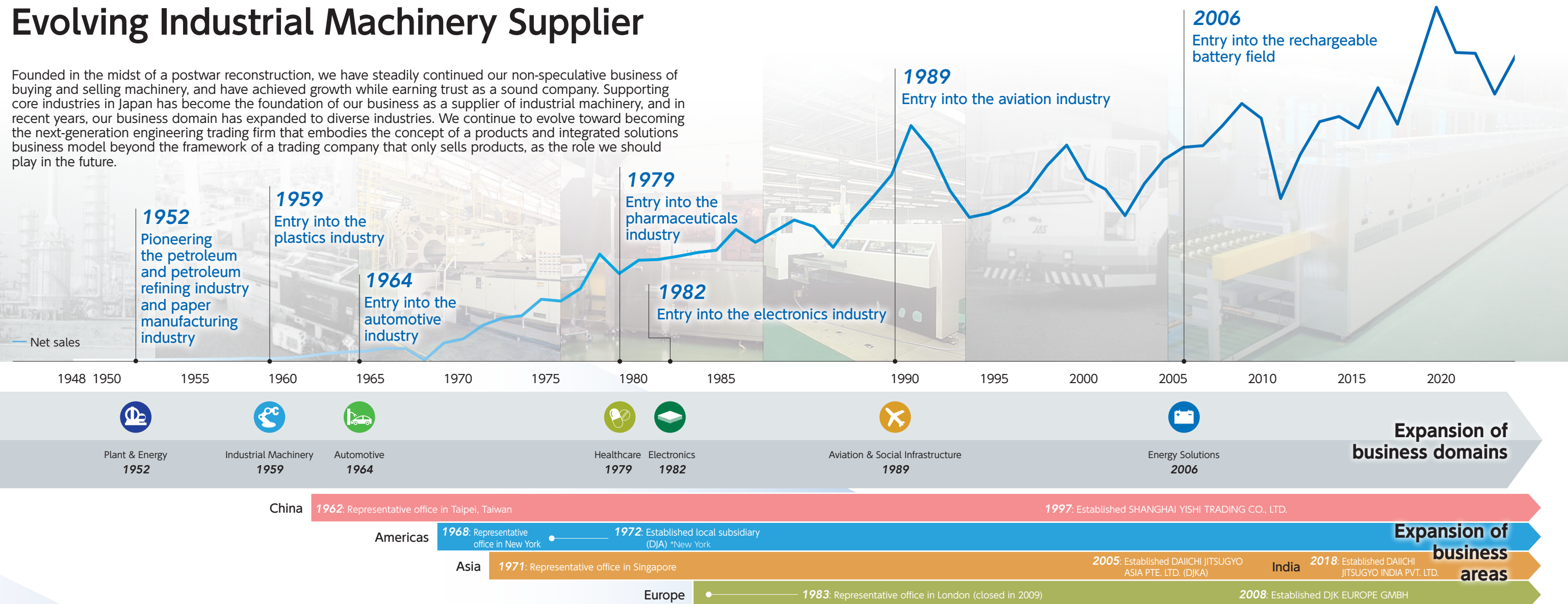
Disclaimer regarding forward-looking statements

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. We continue to evolve toward becoming the next-generation engineering trading firm that embodies the concept of a products and integrated solutions business model beyond the framework of a trading company that only sells products, as the role we should play in the future.



Establishment (1948)–

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.

03 DAIICHI JITSUGYO CO., LTD.

1970–

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.

1990–

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.

2010–

Shifting from a region-based to a business-based system to meet diverse needs

The Company constructed its own solar power plants and began full-fledged efforts in the renewable energy field in the early 2010s. In 2015, we shifted our business organization from a region-based to a business-based system, enabling us to quickly respond to a diverse range of needs. By combining the know-how we have developed in each region with each business while also maintaining the benefits of local characteristics closely tied to specific business partners, we were able to develop proactive sales strategies with a strong sense of purpose. In addition, in order to deepen our presence in the vast Indian market, we established a local subsidiary in India in 2018. As the automotive industry undergoes a rapid transformation toward autonomous driving and electrification, we set up our Automotive Business as a separate unit in 2019 and established a system that allows us to provide total solutions for automotive parts production processes. We expanded our business beyond product-only sales to create added value.

2020–

Toward the realization of "Connecting People, Connecting Technology and Enriching the World."

In 2020, the Company changed the name of its Pharmaceuticals Business to Healthcare Business with the aim of expanding the business into a wide range of fields, including health foods, cosmetics, and regenerative medicine. In 2021, against the backdrop of increasing demand for lithium-ion battery manufacturing-related equipment, we established the Energy Solutions Business as an independent business. As the times changed dramatically, we reexamined our raison d'être and mission for the future, and formulated our philosophy in 2022. Based on our mission of "Connecting People, Connecting Technology and Enriching the World," and our vision of becoming the "next-generation engineering trading firm," we are working to strengthen our engineering functions and expand our products and integrated solutions business model. In 2023, we established the Engineering Division to strengthen our organization in order to respond to the increase in large-scale projects involving engineering and meet even higher technical demands due to the increasing scale, complexity, and sophistication of capital investment projects by our customers.

DJK Keywords

Many Years of Experience as an Industrial Machinery Supplier

SINCE 1948 Foundation **76** years

Sustainable Growth and Trust

> See pp.75-76 for details

Consolidated net sales

¥**187,790** million

Proportion of net sales from overseas

48.2%
(Based on delivery destination)

Consolidated operating income

¥**9,090** million

Long-term issuer rating
(As of September 10, 2024)
(Japan Credit Rating Agency, Ltd. (JCR))

A- (Stable)

Capital Supporting Growth

The capital that supports our growth is the very strength that we have built up since our founding. We aim to strengthen this capital and realize our long-term vision.

Human and intellectual capital

- Diverse human resources supporting our growth strategy

Number of employees (As of March 31, 2024)	Number of overseas employees	Technical specialists
Consolidated: 1,402	436	486

Organizational capital

- Extensive network

Number of overseas bases (As of September 30, 2024)

35 in 17 countries

- Manufacturing and service subsidiaries

2 manufacturing subsidiaries

2 service subsidiaries

- A dedicated organization to strengthen our engineering functions

> See p.15 for details

Social and relationship capital

- Trust gained over many years
- Strong partnership

Customers

Approx. **3,900**

Suppliers

Approx. **4,700**

Financial capital

- Stable financial base

Total assets

¥**193.8** billion

Shareholders' equity

¥**73.3** billion

Shareholders' equity ratio

37.8%

Products and Integrated Solutions Business Model

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.



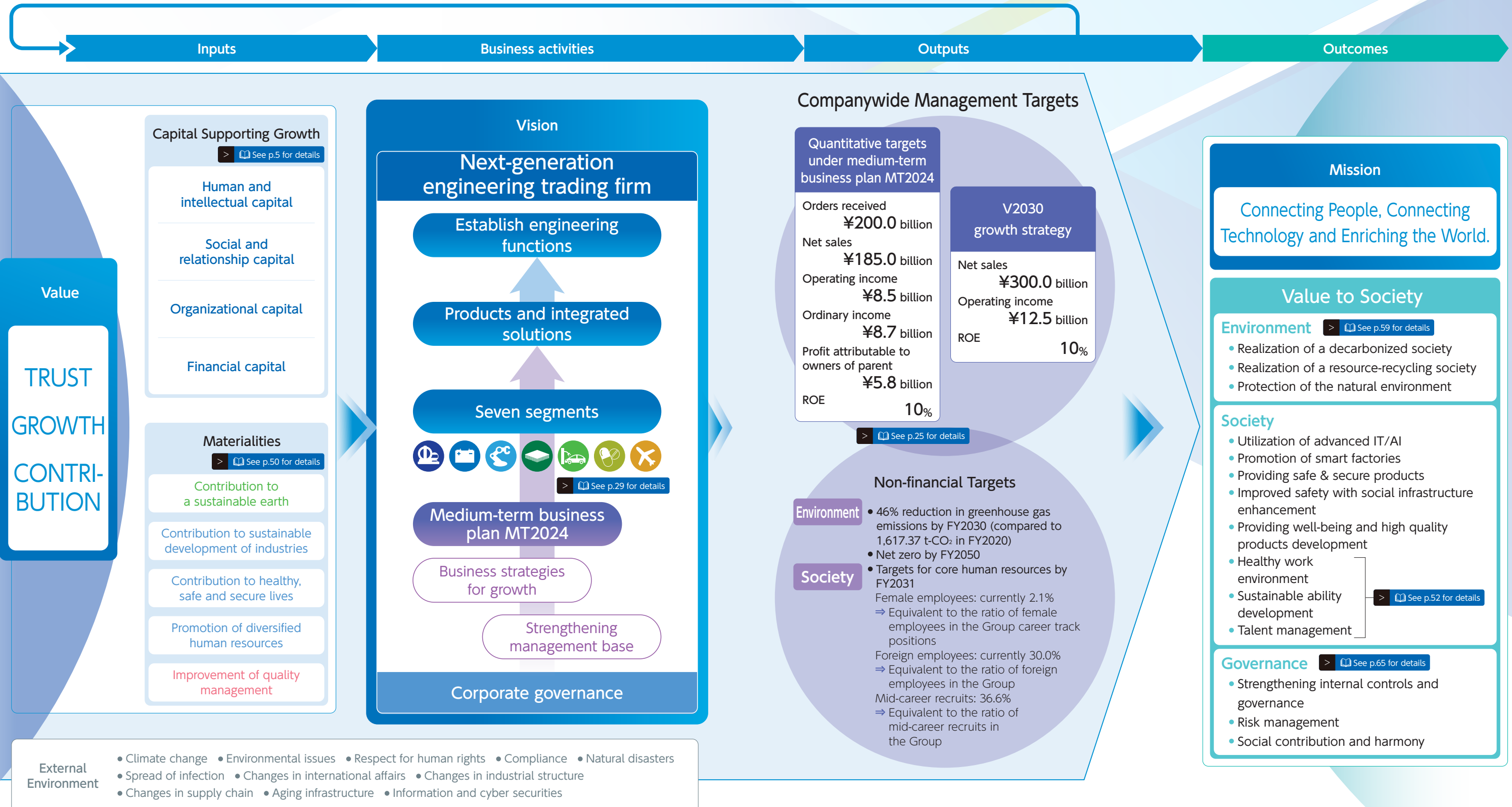
Products and Integrated Solutions Business Model



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.

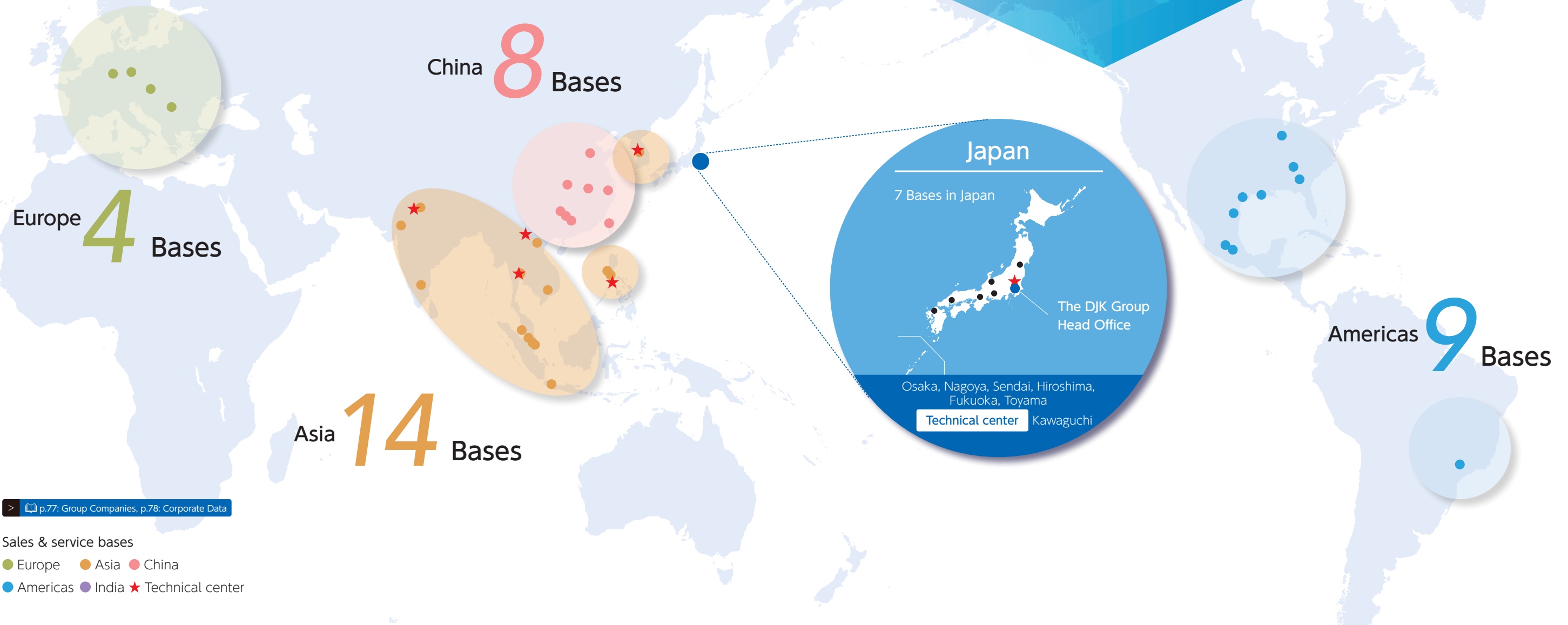
Our goal is to “Connect People, Connect Technology and Enrich the World” by creating environmental and social value through the provision of proposals that make use of advanced technology and services to meet diversifying needs.



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 35 overseas bases (as of September 30, 2024).

Number of Overseas Bases

35



Europe

Frankfurt
Prague
Budapest
Sofia

Asia

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

Technical center Bangkok, Hanoi, Laguna, Seoul

India

New Delhi, Bangalore, Ahmedabad

Technical center New Delhi

China

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

Americas

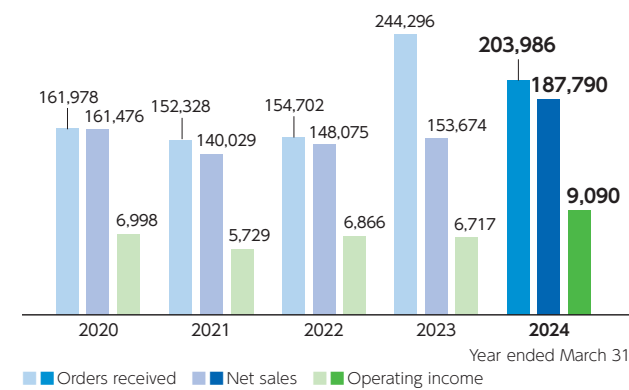
Chicago, Houston, Austin
Knoxville, Kentucky
Queretaro, Monterrey, Leon
Sao Paulo

> See p.45 for details

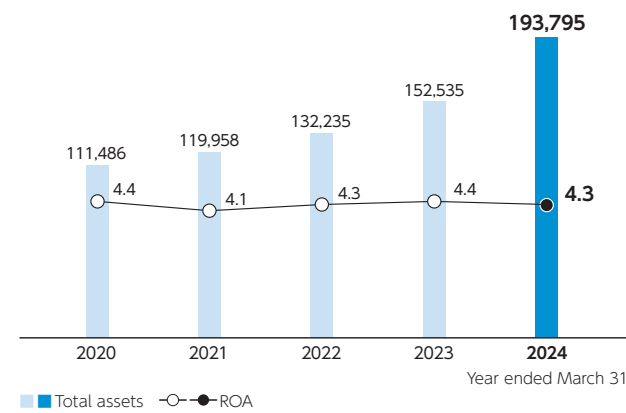
Financial and Non-financial Highlights

Consolidated Financial Highlights

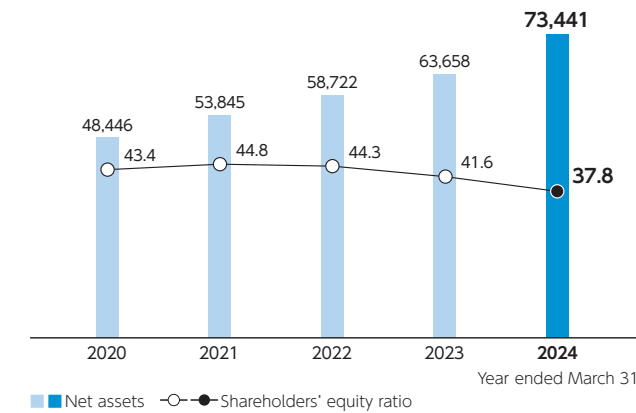
Orders received / Net sales / Operating income
(Millions of yen)



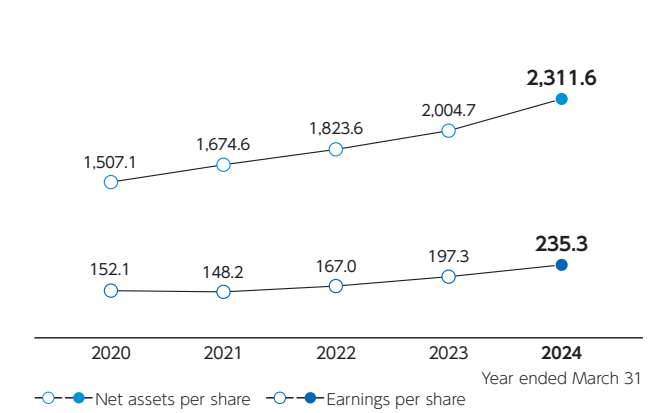
Total assets (Millions of yen) / ROA^{*1} (%)



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

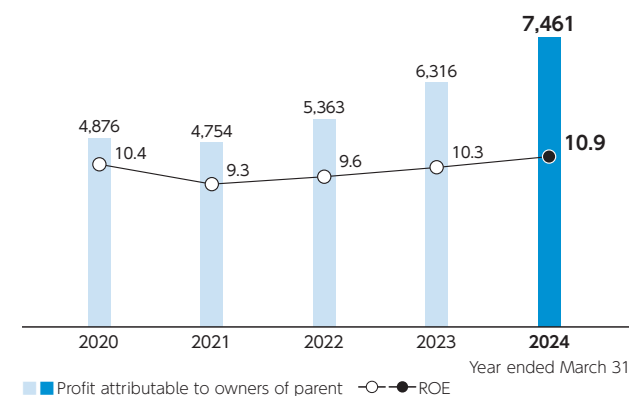


Net assets per share / Earnings per share (yen)



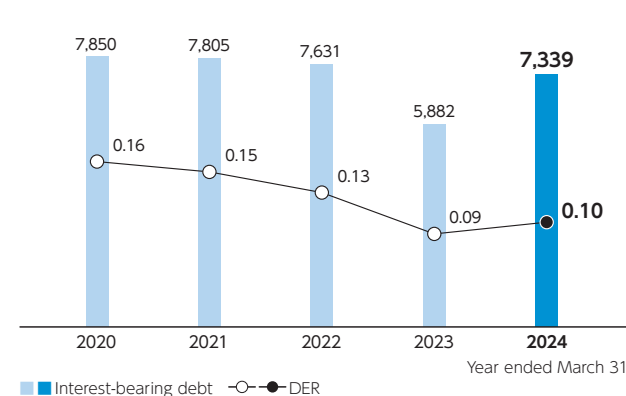
*The Company conducted a 3-for-1 stock split of common shares on October 1, 2023. The figures shown indicate adjusted figures for previous years.

Profit attributable to owners of parent (Millions of yen) /
ROE^{*2} (%)

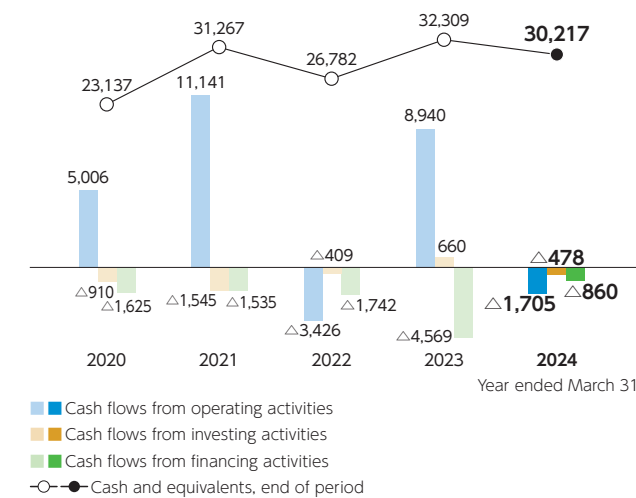


*1 ROA (Return On Assets) *2 ROE (Return On Equity) *3 DER (Debt to Equity Ratio)

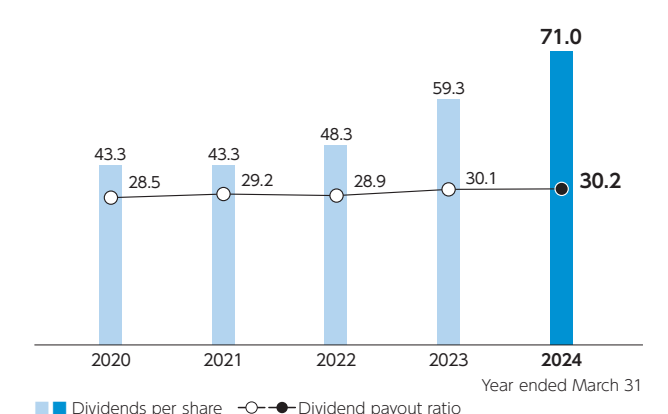
Interest-bearing debt (Millions of yen) / DER^{*3} (times)



Cash flows (Millions of yen)



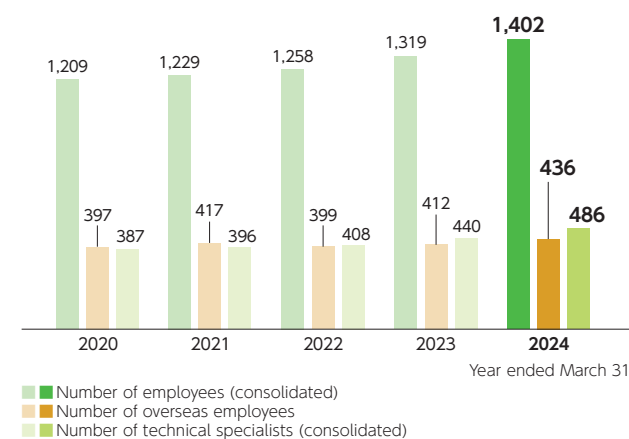
Dividends per share (yen) / Dividend payout ratio (%)



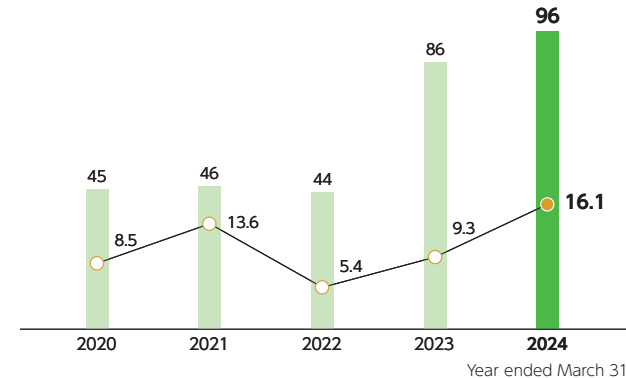
*The Company conducted a 3-for-1 stock split of common shares on October 1, 2023. The figures shown indicate adjusted figures for previous years.

Non-financial Highlights

Number of employees / Number of overseas employees /
Number of technical specialists (persons)

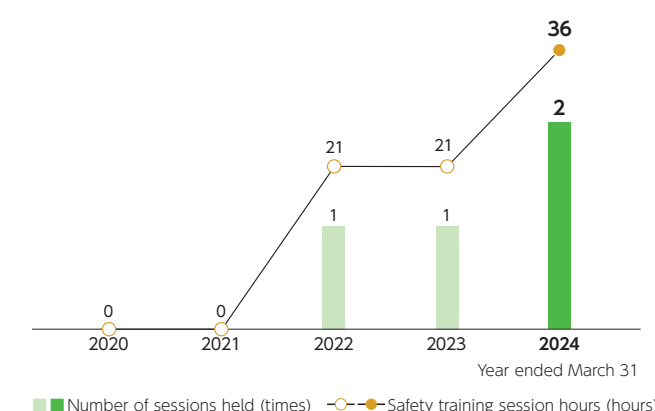


Education and training expenses^{*4} (¥1,000/person) /
Education and training hours^{*4} (hours/person) (non-consolidated)



*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.

Number of safety training sessions (times) /
Safety training session hours (hours) (non-consolidated)



Ratio of female employees in management positions
(%) (non-consolidated)

