

## A Message from the President & CEO



**Ichiro Uno** Representative Director  
President & CEO

**Strengthening our management base for further advancement.  
We aim to be the next-generation engineering trading firm that provides high-value-added solutions globally.**

### Review of the second year of MT2024

#### Steady progress with the medium-term business plan MT2024 Final year targets achieved ahead of schedule

The Group has formulated the V2030 growth strategy for 2030, and has positioned each three-year period from fiscal 2022 as phases for Creation, Growth, and Advancement. With the aim of achieving net sales of ¥300 billion, the Group is working to create new businesses and strengthen its management base. We are currently promoting our medium-term business plan MT2024, which covers the Creation Phase from 2022 to 2024. During this phase, we are working to build the foundations to become the next-generation engineering trading firm that is responsive to the issues faced by our customers and provides high-value-added solutions.

In the fiscal year ended March 31, 2024, the second year of MT2024, we achieved increased earnings and profit, with net sales and income at every stage, including operating income and profit, hitting all-time highs. In addition, we achieved the targets for the third year of MT2024 ahead of schedule, which was an extremely satisfactory result in both qualitative and quantitative terms.

Among the Group's seven businesses, the three that most significantly drove our performance were the Energy Solutions Business, the Automotive Business, and the Healthcare Business. The Plant & Energy Business, the Industrial Machinery Business, and the Electronics Business also performed strongly. Furthermore, the Aviation & Social Infrastructure Business, which took a downturn due to the impact of the COVID-19 pandemic, made a rapid recovery, and we are optimistic about further growth going forward. Our strong results in the fiscal year ended

March 31, 2024 can be attributed to the successful combination of these seven businesses.

Behind these achievements are the steady advancement of the MT2024 business strategy, as well as efforts to strengthen our engineering capabilities and establish new business models.

For example, in the Energy Solutions Business and the Automotive Business, we took the initiative in securing human resources and conducting reviews of our project management systems so as to be able to respond to the rapidly expanding demand for equipment. In the Healthcare Business, we are working to develop new products and reinforce our engineering capabilities in response to the increased production needs of pharmaceuticals manufacturers, and in the Electronics Business, we are providing LOGITO, in-factory logistics automation solutions, in order to establish new business models in line with the times. We believe that these measures have led to an increase in orders, which in turn has led to increased earnings and profit. Going forward, we hope to continue to develop each of our businesses and achieve further evolution.

### Towards the realization of V2030

#### Aiming to become the next-generation engineering trading firm, we will continue to grow and advance further

Based on the results of the second year of MT2024, in our financial results forecast for the fiscal year ending March 31, 2025, we are targeting net sales of ¥200 billion and operating income of ¥10 billion, the highest figures since the Company's founding.

The target of ¥300 billion in net sales set forth in V2030 was so high that there were concerns even within the Group as to whether it could be achieved. However, our results for the fiscal year ended March



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31, 2024 mean that we are on track to achieve net sales of ¥200 billion, and I feel that the path forward to achieving the V2030 target of net sales of ¥300 billion is starting to take shape. The reason we were able to achieve these results is because we set high goals in V2030, which enabled all officers and employees to work diligently together.

During the past two years of MT2024 aimed at achieving V2030, we established the Engineering Division and the Digital Innovation Center to reinforce engineering and DX, and also established the Enterprise Risk Management Division to strengthen risk management. We have also been working to lay the foundations for growth, including through M&A to create new businesses.

Going forward, we plan to further expand and develop the foundations that we have “created” during the three years of MT2024, and link this to our next medium-term business plan MT2027, which will be our Growth Phase, and then to the subsequent medium-term business plan MT2030, which will be the Advancement Phase. We will continue with these transformations with the aim of becoming the next-generation engineering trading firm.



## MT2024 business strategies for growth (1)

## Strengthening our unique engineering capabilities gained through our products and integrated solutions business model

Under MT2024, we have focused on four themes as business strategies for growth: “strengthening engineering capabilities,” “strategic business investment,” “expansion of business with global companies,” and “progressing digital transformation.” For the Group to become the next-generation engineering trading firm, it is essential that we go

beyond simply selling products and instead make proposals with high added value. To achieve this, “strengthening engineering capabilities” is a particularly important theme.

For the past 76 years since the Company’s founding, the Group has operated as a trading company, focusing on the trading business such as equipment sales. However, in today’s age of high uncertainty, we believe that it will be difficult to achieve sustainable growth through the trading business alone. In order to further grow our business, we must add new value to our existing businesses.

The key phrase to achieve this is “engineering with added technical services.” By not just selling machinery, but by strengthening our engineering capabilities as a trading firm, the Group aims to become the next-generation engineering trading firm through the products and integrated solutions business model that comprehensively addresses customers’ diverse needs and issues, and provides high-value-added solutions, including technical support and project management. As a manufacturing partner, we aim to contribute to the growth of our customers’ businesses and the realization of a sustainable society. Since the description of business varies according to the business, the image of a next-generation engineering trading firm may differ for each, but the core element of providing solutions that meet customer needs and supplying total coordination is widespread throughout the Company.

For example, one recent success story is when the Energy Solutions Business proposed a lithium-ion battery manufacturing process in addition to the delivery of equipment to a leading European chemicals company for the construction of their plant, which was well received by the customer.

If technical services such as the installation, construction, and maintenance related to equipment delivery are considered to be “point” work, then engineering, which covers everything from FS\* in plant creation to process management in plant construction, is work that connects the “points” in order to create “lines” and “surfaces.” Naturally, this is a long-term, large-scale project. We firmly believe that the reason that the Group, a trading company, is able to take on this kind of engineering work, is due to the high level of trust in the engineering capabilities that we have gained through our products and integrated solutions business model.

To further enhance these engineering capabilities, we are implementing a variety of measures under MT2024. One of these is the establishment of a new department within the Engineering Division to comprehensively manage projects, thereby creating a system to provide support to business divisions from the project inquiry stage to quotations, contract signing, and construction completion. For overseas projects, we work alongside the sales team on activities designed to reduce risk, aiming to provide support that is tailored to diversifying business models.

\*FS: Feasibility Study (the prior examination and consideration of whether a project is feasible)

## MT2024 business strategies for growth (2)

## Accelerating strategic business investments to strengthen existing businesses and expand new businesses

Strategic business investment is extremely important for us to provide high-value-added solutions as a next-generation engineering trading firm. In particular, we aim to proactively undertake business investments that will lead to the reinforcement of our existing businesses.

Firstly, in order to strengthen our engineering capabilities, in July 2023 we acquired shares in Wave Engineering Corporation, a company with strengths in simulation engineering, and made it a subsidiary. In July 2024, it merged with DAIICHI ENGINEERING CO., LTD., a former Group company with strengths in hardware design, and was reborn as DJ-WAVE Engineering Co., Ltd. This has enabled us to handle all engineering needs on a one-stop basis.

Furthermore, in March 2024, we invested in MODE, Inc., a U.S. startup company that provides an IoT platform. MODE’s “BizStack” can be integrated with various equipment to visualize equipment, people, and environmental data in real time, accelerating digital transformation at manufacturing sites. By strengthening our collaboration with MODE, we expect to achieve high levels of synergy with the Group’s existing businesses, and believe that we will be able to contribute to the creation of new value at manufacturing sites.

At the same time, we will also need to make growth investments in order to expand our businesses into new areas. One example of a project already underway is our participation in a consortium to build a 50,000kW biomass power plant in Tahara City, Aichi Prefecture. This investment has also led to orders for new equipment. Our intention is to proactively invest in areas where we can expect these types of synergies. In addition, if our strategies align with those of manufacturers of industrial machinery, which have traditionally been our mainstay products, we will also consider establishing a joint venture overseas.

## MT2024 business strategies for growth (3)

## Creating business with a “business domain-based x region-based” to expand transactions with global companies

As part of our business strategy for growth, the Group is expanding its business dealings with global companies. Until now, our overseas business has expanded mainly through business with Japanese companies, but in order to achieve future growth, it

will be important to expand our business dealings with local companies overseas.

In the United States, in light of the strong performance by the Energy Solutions Business and the Automotive Business, we opened offices in Lexington, Kentucky and Austin, Texas in July 2023, and are building a sales and support system that can rapidly respond to customer requests.

In addition, in March 2024, we established DJK ENGINEERING INDIA, a subsidiary material handling systems in India. The Japanese concept of a “trading company” does not exist overseas, and it is difficult for local companies to understand the Group’s business. The subsidiary in India, where particularly significant growth is expected in the future, was established as the result of the idea from a non-Japanese employee that “in order to increase transactions with local companies, it would be better to have a company which also has manufacturing capabilities.” In the future, we plan to use our manufacturing plants as bases to leverage our strengths as a trading company, and provide a wide range of high-value-added services.

A distinctive feature of the Group’s global strategy is that we create business by combining our “business domain-based” with our “region-based.” We respond to customer needs through our seven business pillars, and in some areas, such as India, we also collaborate with each business by communicating from within the area.

Going forward, in order to expand business with local companies overseas, it will be extremely important for us to communicate from each area, and it will be necessary for non-Japanese employees who understand local business practices to create their own business models. In line with this, we are already accepting non-Japanese employees into Japan to provide them with practical experience at a trading company. [▶ p.58 Column](#) and we are also hiring non-Japanese nationals in Japan as experienced employees, promoting efforts to enable diverse human resources to demonstrate their capabilities.

## MT2024 business strategies for growth (4)

## Promoting aggressive digital transformation to become a data-driven company

In order to create an innovative business model as the next-generation engineering trading firm, we need to engage in aggressive digital transformation that goes beyond simply improving productivity. Actively utilizing AI and IoT to further evolve our products and integrated solutions business model and meet the diverse needs of customers is essential for the creation of new businesses.

Based on this concept, the Group formulated the DJK Digital Transformation Vision,

[▶ p.27 Special Feature: DX Strategy](#) and established the



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Digital Innovation Center in April 2023 as a new organization dedicated to promoting DX. We are working on internal reforms and DX education for employees, focusing on the younger generation of digital natives.

In addition, in order to strengthen the management base, we must create a data-driven mechanism that shares and utilizes data across the entire company to create value. An enterprise resource planning (ERP) system is already in operation at domestic Group companies, but we will work on linking the system with each global base to share data at the earliest opportunity, which will lead to business expansion and the reinforcement of Group governance.

### Toward the third year of MT2024 and beyond

#### Striving for optimal allocation of management resources while flexibly responding to changes

We are currently analyzing our business portfolio based on the Group's own indicators, which take into account net sales growth rate and profitability, stability, and growth, in preparation for the formulation of the next medium-term business plan, MT2027. [▶ p.29 Business Segments at a Glance](#). Under MT2024, we will continue to strengthen the three businesses that contribute to our performance: the Energy Solutions Business, Automotive Business, and Healthcare Business, as priority segments, and we have designated the Plant & Energy Business, the Industrial Machinery Business, and the Electronics Business as our fundamental segments. In addition to our conventional businesses for airline and airport companies, the Aviation & Social Infrastructure Business is also discovering the potential for business that leads to disaster relief and social contribution, such as our gratis loan of Double-sided widening multipurpose trailer to disaster-stricken areas following the 2024 Noto Peninsula Earthquake, and we are positioning this business as our anticipated growth. We will continue to strengthen each of our businesses and optimally allocate our management resources while responding to changes in society.

The strength of the Group lies in the fact that our seven businesses complement one another, allowing us to achieve stable business growth even in the midst of drastic changes in the external environment. All three businesses as priority segments were derived from our fundamental segments, and we believe that going forward, creating new businesses using these as the foundation, rather than adhering solely to the existing seven businesses, will lead to the sustainable growth of the Group. Furthermore, the foundations that support our business growth are the strong relationships of trust that we have built over many years with our business partners. To achieve the Group's mission of "Connecting People, Connecting Technology and Enriching the World,"

we will continue to value the relationships of trust with our business partners as assets, and aim to be a company that grows together with these business partners.

### Sustainability management

#### Promoting investment in human capital across the Group

#### Working on strengthening our governance structure

The Group is focusing on investment in human capital, based on the belief that developing human resources who can think and act independently will act as the engine for sustainable business growth. As the Group has expanded in recent years and increasingly hired mid-career recruits, it has become even more important for us to instill the Group's philosophy and code of conduct in all employees. In light of this, in April 2024 we revised our Code of Conduct, which is shared across the entire Group, to serve as a guideline that will act as an anchor for our employees. By changing the awareness of each of our employees and responding to compliance and other social demands while treating one another with respect, we aim to achieve business growth as a company and make a contribution to society.

In addition, although there have been few opportunities in the past to learn about the operations conducted at other departments, going forward we plan to deepen understanding of operations across departments and increase opportunities to share success stories within the Company. By realizing open communication, we will strengthen our proposal capabilities and promote work sharing.

As human resources and projects become more diverse, strengthening corporate governance is also essential for sustainable growth. We aim for diversity among our officers by appointing outside directors with experience in corporate management. The Governance Committee, headed by an outside director, holds active discussions on the nomination and remuneration of the management team and directors, as well as other governance matters. Outside directors offer a wide range of advice, and we believe that the accumulation of such advice will lead to highly transparent management.

As our overseas expansion continues and M&A increases, it will be necessary for us to strengthen governance across the entire Group. In order to achieve system-based monitoring, Group companies in Japan and overseas must work to establish common ERP systems and create management systems that are not completely systems-reliant. With the support of the independent auditor, we will also work to develop human resources capable of corporate management in order to create a system

that can respond reliably to unexpected events and risks identified by the human eye.

In addition, the Group has identified contribution to a sustainable earth as a materiality, and we are working toward a decarbonized society and protection of the natural environment. We have been indirectly contributing to the mitigation of climate change by proposing products that have a low environmental impact for the installation of customers' equipment and the construction of their plants. While continuing these initiatives, going forward we will also proactively consider investment in projects that directly contribute to solving environmental issues in areas where we expect a high level of synergy with existing businesses.

### To our stakeholders

#### Increasing corporate value in both name and reality as we approach our 80th anniversary

The Group's greatest strength is its ability to create new value that is unique to Daiichi Jitsugyo by combining our "business domain-based" with our "region-based." We recognize that in order to make these strengths known to a wide range of stakeholders, it is important that we work to further strengthen our corporate branding going forward. We are confident that by broadly communicating our

technology and capabilities to society in line with our vision of being the next-generation engineering trading firm and continuing to meet customers' expectations, we will grow to become a company that has value in both name and reality.

In addition, as a listed company, the Group aims to maintain ROE of at least 10% and PBR of 1.0x or above in our V2030 growth strategy for 2030 with a management awareness of the cost of capital and the share price. To achieve this, as the Company's top executive, I intend to drive business growth and the sophistication of corporate management, and manage the Company in a way that achieves a good balance between business investment and shareholder returns.

As a company, we are aiming for rapid growth by 2028, our 80th anniversary, in order to achieve our V2030 targets. For this to happen, we need to steadily implement the plans contained in the next medium-term business plan MT2027, which we are currently formulating. If the Group is to achieve sustainable development, it must continue to be a trading company needed in the times. We intend to increase the trust shown in us as the next-generation engineering trading firm that has the proposal capabilities and technical capabilities needed to address diversifying social issues and customer needs, and to meet the expectations of all our stakeholders. I look forward to your continued support.





## Roundtable Discussion between the President and Outside Directors

# We will take on the challenge of reaching the next growth stage through management that incorporates external perspectives.



From the left:

**Namika Yamada**

Outside Director

**Ichiro Uno**

Representative Director  
President & CEO

**Yoshikazu Sakamoto**

Outside Director

**Kazuo Nakayama**

Outside Director

### Recent initiatives to strengthen governance

**Uno** Over the course of our initiatives to strengthen the Group's corporate governance, we have placed importance on risk management from the perspective of preventing trading accidents. To that end, we have been working on increasing the number of in-house technical specialists, including engineers, while also receiving valuable feedback from our outside directors and audit & supervisory board members. Among these initiatives, I feel that the Governance Committee, which was established in 2020, is now functioning more effectively than ever under MT2024.

**Sakamoto** The Governance Committee consists of two internal directors and three outside directors. As an open forum, the Committee holds lively discussions on a wide range of topics related to governance, including

nominations and remuneration, and I think that it is fully fulfilling its third-party monitoring function. I also believe that the Committee takes sufficient time to prepare materials and provide advance explanations so that we, the outside directors, can understand the wide range of topics on the agenda.

In terms of the agendas in recent years, when formulating the Company's philosophy, the Committee gave careful consideration to the founding spirit in the context of the current era, and was able to define the mission, vision, and values in a way that will be applicable for future generations, which was significant.

**Yamada** Daiichi Jitsugyo excels at working together as a team to promote projects based on the spirit of "encouraging successful teamwork," which is one of the Company's corporate principles. However, my impression had been that the Company did not focus as much on ensuring an external understanding of the

Company. Recently, though, it seems that the Company has been focusing on disclosing information by carefully selecting the information necessary for third parties, including outside directors, to better understand its business details and activities. At the Board of Directors meetings, we receive just the amount of carefully selected information to enrich discussions. This year, in particular, we have seen the Company respond very quickly to matters such as the disclosure of information required by external parties and the formulation of regulations, including the updating of the Human Rights Policy and the Code of Conduct.

In addition, since last year, we have been holding regular discussions with the Corporate Strategy Division, with a theme being set for each meeting. I find it extremely useful that these discussions enable me to understand the Company's thinking and its future direction.

**Nakayama** It has been a year since I was appointed as an outside director, and I feel that steady progress is being made in enhancing tangible aspects, such as the Board of Directors and the Governance Committee. On the other hand, given the time constraints, I believe that it will become even more important going forward to enhance the intangible aspects of operations and management, such as how to hold meetings and advance discussions effectively and efficiently. Providing sufficient information in advance and holding discussions with the Corporate Strategy Division are also ways to ensure efficient, in-depth discussions, and I believe that we are currently in the process of enhancing these intangible aspects.

**Uno** The Company is currently at a major turning point in terms of its business model. As part of that consideration, our highly specialized outside directors point out risks from multiple perspectives, including legal and tax perspectives, and it is my opinion that as we move forward with proactive business investment in the future, it will be necessary to deepen strategic discussions with outside directors. To help them gain a deeper understanding of the Group, we will create a system that allows us to all work together, such as by providing a forum for the exchange of opinions with outside directors based on various perspectives.

### Further growth strategies

**Uno** We achieved our third-year targets under MT2024 in the fiscal year ended March 31, 2024, and are currently considering our next medium-term business plan MT2027. We are considering the establishment of themes and other matters, aiming for a three-year period during which we can truly experience the Growth Phase. One of the important themes I am considering is the strengthening of human resources and investment in human capital. In order to address the labor shortage, we need to genuinely utilize diverse human resources, including women and non-Japanese employees, and we must further change people's mindset and create a comfortable working environment.

**Sakamoto** As we move toward MT2027, I feel it is important to strengthen risk management as projects

become larger, more complex, and more sophisticated. I have been pointing out the importance of risk management for some time, but in order to avoid risk, I believe it is necessary to further enhance the functions, personnel composition, and business content of the Enterprise Risk Management Division, as well as to enhance risk management for overseas business and labor management for employees.

Regarding the strengthening of human resources, which the President mentioned, we have implemented major reforms, including a review of the salary system and personnel evaluations, but I think one idea would be to take a more in-depth approach; for example, broadening the scope of new graduate recruitment. When it comes to the active participation of women, I believe it is important to listen to the voices of women in the workplace and consider what type of work will allow women to work sustainably within Daiichi Jitsugyo. Furthermore, in order to develop local businesses overseas, we must employ and train non-Japanese employees who can actively demonstrate our function as a trading company. Since values regarding work differ from country to country and from region to region, it is also necessary to streamline human resources development and evaluation systems.



**Yamada** Our growth strategy contains many themes but it is not enough to just achieve one of them; I believe that they are all organically linked. For example, we have set a target of ¥15.0 billion for strategic business investment over a five-year period, but we are currently considering specific target areas. Meanwhile, we are considering our business portfolio in preparation for MT2027, and our business investment decisions will be made by the business portfolio we are aiming for in the medium to long term. I believe that the two are closely related and that both are extremely important.

Regarding the promotion of female advancement, from the perspective of governance, Ms. Akiko Ono, Outside Audit & Supervisory Board Member, was appointed in June 2024, increasing the number of female outside officers to two, including myself. At the same time, as Director Sakamoto mentioned earlier, I believe that we also need to focus on the Company's core human resources. The other day, I had the opportunity to exchange opinions with a female employee from the sales division. The sales division of a trading company often involves extended business trips both domestically and internationally, and problems can easily arise when employees try to continue working through the various life stages such as marriage, childbirth, and child raising. These issues by no means affect only women, but I think it is important to use women's issues as the starting point to review the workstyles of the Company as a whole, and in doing so to create a comfortable working



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environment where people can work on a long-term basis, regardless of their gender or nationality.

**Nakayama** I believe that the current direction of our growth strategy is extremely well targeted as it involves increasing added value and improving competitiveness and profitability by creating more sophisticated and complex business operations, including through strengthened engineering capabilities and an increase in business investment. However, when implementing changes to business models, we need to take on the challenges of new kinds of risks that we have never experienced before, or risks of a scale that we have never experienced before. There is no need to be unnecessarily afraid of risk, but to manage risks never experienced before requires sufficient preparation. During meetings, I try to be of service to others by utilizing my background in a trading company, which includes pointing out risks and areas of caution in individual projects.

Trading companies that conduct business across borders also need to recruit and develop personnel who are suited to the different working environments of each country. As Director Sakamoto mentioned, job satisfaction varies depending on the culture, so we need to bring on local talent. I don't think there is just one right answer. The only way to achieve this is to keep making efforts and to accumulate experience. Furthermore, for Daiichi Jitsugyo to be chosen as a business partner in the global market requires a wide range of knowledge, including of taxation and legal matters in each country. I believe that we also need to improve and advance our individual capabilities and management systems in order to respond to new risks overseas, including labor disputes.

Additionally, in the case of trading companies, each business segment operates a completely different business, making it difficult to share their experience and know-how with one another. I think we need to draw on all our wisdom, including by using the management department as a point of liaison to share the knowledge of each business throughout the entire Company.



### Initiatives for a succession plan

**Uno** As I mentioned earlier with regard to the importance of human resources, diversity is crucial for the Group to achieve further growth. I believe that increasing the number of colleagues with a variety of knowledge, sharing diverse knowledge, and influencing each other will lead to the creation of new value and growth. The diversification of human resources may

require changes to existing systems, and it is possible that earnings may temporarily decrease or risks may increase. However, if we do not take on challenges, there will be no growth for the next generation. At the same time, it is extremely important that the knowledge and know-how we have gained do not end there, and that we continue to connect and develop them further. I would like to truly realize our mission of "Connecting People, Connecting Technology and Enriching the World." To achieve this, the next generation of leaders will need to understand and utilize the value of diverse human resources, and we recognize that formulating a succession plan will be an important theme going forward. Nomination and remuneration are important themes for the Governance Committee, and last year we established the criteria for selecting the next generation of managers and leaders as "intelligence, energy, and integrity." It is my hope that outside directors will not only assist in the selection of such managers and leaders, but also provide guidance in terms of their training.

**Sakamoto** With regard to the succession plan of the Company, we need to further discuss how outside directors will be involved in selecting the next generation of managers and leaders. Since we, as outside directors, do not have direct contact with each candidate in our day-to-day work, we express our opinions of the human resources selected by executives based on criteria. Therefore, I believe that more in-depth discussion is needed in order to develop leaders who can control organizations globally as well as domestically.

**Yamada** As can be seen from the fact that there was a record number of shareholder proposals this year, I believe that in the future selection of management, it is extremely important that we are able to present shareholders and other stakeholders with rational reasons for our nominations. As Director Sakamoto pointed out, since outside directors do not have the opportunity for close contact with candidates, the criterion for determination is whether the reasons provided by management and executives for their selection are reasonable. I believe that the roles of outside directors are to be involved in the process of selecting the next management and leaders from an external perspective, and to ensure fairness and rationality.

**Nakayama** Succession plans vary depending on factors such as the size and corporate culture of the company, and I believe that they form policies and processes that are appropriate for each company. Based on my experience over the past year, I feel that the current method of having the content and processes of proposals presented by executives at the Governance Committee and meetings of the Board of Directors be determined by these meeting bodies is appropriate for Daiichi Jitsugyo, and is also convincing from an external perspective. On the other hand, when I am not convinced of the content or process of a proposal, I believe that as an outside director I must have the courage to reject that proposal.

In addition, for a company like a trading company that simultaneously develops a variety of business models, it is not just extremely difficult but almost impossible to understand and manage all this in short period of time, so I don't think that it is appropriate to

bring in professional managers from outside the company. I believe that it is appropriate for Daiichi Jitsugyo to select the next generation of management and leaders through a fair process from among the Company's talent pool that has an in-depth understanding of diverse businesses.

### The need for corporate branding

**Uno** I am proud to say that the Company has grown steadily since its founding. However, as Director Yamada pointed out, going forward, we need to communicate even more with our shareholders and ultimately with all our stakeholders, including communication with regard to changes in management. I feel that the Company is not well known among the general public. This affects the market evaluation, business aspects, and recruitment. I think that we will need to consider these issues during the period of our next medium-term business plan. The Group's businesses are diverse, but we recognize the need to work on corporate branding so that the general public becomes aware of our business activities.

**Sakamoto** As stated in its mission, Daiichi Jitsugyo is engaged in the important work of connecting manufacturers and users, and enriching the lives of people around the world. It is important not only to raise awareness of such Daiichi Jitsugyo's business, but also to ensure that employees' families understand their work. Professional PR is important, but I feel that it is also necessary to get the general public interested in a way that makes it easy for them to understand the Company.

**Yamada** Although Daiichi Jitsugyo has many attractive features, I think, for better or worse, that it is seen as a company that is only recognized by those in the know. As President Uno mentioned, it's true that name recognition plays a role when buying stocks or making investments. When I spoke with the General Manager of the Healthcare Business Division recently, I learned that the division handles equipment that inspects the external appearance of commonly known pharmaceuticals, and I thought that one way to help consumers get to know Daiichi Jitsugyo is through such familiar products. I feel that from here on, we need to think about what our external public relations should look like.



**Nakayama** I've known the name Daiichi Jitsugyo since I joined a trading company in 1980, but my impression of the Company has changed completely since becoming an outside director. In addition to its

diversified business, Daiichi Jitsugyo has "business strength." There are times when things don't go well in business, but this is a company with an incredible amount of vitality in the field; a company that minimizes damage and turns it into the next business opportunity. BtoB companies are reluctant to advertise, but as Director Sakamoto mentioned, I think PR activities are important if we are to let families know the value of the Company.

### Towards the further advancement of governance

**Sakamoto** We have made recommendations to date regarding the establishment of management systems, and I feel that these recommendations have been taken seriously and led to proactive improvements and reforms. Going forward, I believe that in order to further develop Daiichi Jitsugyo, we need to have in-depth discussions on risk management, business direction, and human resource development. I hope to continue supporting the Company through comments and suggestions as an outside director.

**Yamada** When a company works on transformation, it is important not only to put its foot on the accelerator but also to hit the brakes, from the perspective of risk management. One of the roles of outside directors is to sometimes act as a brake and create opportunities to reconsider risks from an external perspective, and my hope is to be of some help in promoting change.

**Nakayama** The biggest role of outside directors is to ensure that management is fair and impartial, and that discussions lead to conclusions that are acceptable to all stakeholders. In addition to that, I would also like to contribute to promoting the active participation of women in the workforce going forward. There may be times when affirmative action is necessary to correct disparities, and I hope to help change people's mindsets within the Company through frank discussions with all parties.

**Uno** As we undertake various management initiatives, including preventive risk management and raising employee awareness of risk management, I believe that looking at things only from an internal perspective is not enough. I would like to ask our outside directors to continue offering their opinions from a third-party perspective so that management charts the right path for growth.





## A Message from the CFO

The numerical targets of MT2024 were achieved ahead of schedule. While working to improve capital efficiency, we will focus on generating profits in preparation for our next medium-term business plan MT2027.

**Osamu Fukawa** Director, Managing Executive Officer, CFO

### Evaluation of the second year of the medium-term business plan MT2024, aimed at achieving V2030

In the fiscal year ended March 31, 2024, the second year of MT2024, the Group achieved record highs in net sales and income at every stage, driven by strong performances by the Energy Solutions Business, Automotive Business, and Electronics Business, as well as by robust performances in the Americas and Europe by region. Achieving the highest results since the adoption of the Accounting Standard for Revenue Recognition has given us a strong sense of accomplishment.

We were also able to achieve all the quantitative targets for the final year of MT2024 ahead of schedule by the fiscal year ended March 31, 2024. ROE also reached 10.9%, achieving our target of 10%, thanks to a significant increase in operating income. Furthermore, the fact that we were able to achieve our profit targets even after including one-off expenses related to the relocation of our Osaka and Nagoya branches suggests that the Group's earning power is definitely increasing.

By segment, all business segments except Plant & Energy saw an increase in sales. Although operating income fluctuated among segments, overall operating income increased. The decrease in sales in the Plant & Energy segment was due to a decline in sales of plant equipment and equipment for geothermal development, which had performed strongly in the previous fiscal year, while the decline in operating income was due to the recording of allowance for dealing with malfunctions in binary power generation equipment.

In terms of strategic business investments, in July 2023 we acquired Wave Engineering Corporation, a company with strengths in simulation engineering, and in March 2024 we invested in MODE, Inc., a U.S. startup company, with a view to accelerating DX investments among our client companies in the future.

In addition, we established a subsidiary in India that manufactures material handling systems targeting local companies. The aim is to create a local production, local consumption type of business, where products are manufactured and delivered locally. This new direction for investment is just starting to become apparent.

### Key points of future financial strategies with our sights on the next medium-term business plan MT2027

In the fiscal year ended March 31, 2024, we achieved the quantitative targets set out in MT2024 and maintained a high operating income margin compared to our competitors. Now that we have attained this earning power, I would like to focus on our operating income margin. For the fiscal year ending March 31, 2025, which is the final year of MT2024, we forecast net sales of ¥200.0 billion and operating income of ¥10.0 billion, and we recognize that achieving an operating income margin of 5% will be the next stepping stone to future growth.

Since we are currently discussing the next medium-term business plan MT2027, I feel it is extremely important to decide on what our goals are going to be under the business plan. Until now, the Company has tended to focus on gross profit, but as we now work toward management focus on long-

term value, in addition to short-term profit, the idea that making profits means increasing cash flow is gradually beginning to take hold. Although we are not a company that incurs a lot of expenses as part of our business model, we do invest heavily in human capital. We believe that these costs can be covered by further increasing the top line as a result of recruited and trained personnel performing well, and that if this way of thinking spreads throughout the Company, it will also be easier to adopt management based on ROIC for each business division.

### Approach to cash allocation

Our V2030 growth strategy is a nine-year plan dividend into three-year periods. We are currently in the Creation Phase, and envision growing into the Growth Phase and the Advancement Phase. We believe that this business model has considerable room for further development. Our basic approach is to steadily allocate 30% of consolidated profit to dividends while making appropriate investments for the next Growth Phase.

In addition, although we obtained a long-term issuer rating of A- (stable), we are also conscious of the need to maintain financial soundness. Due to the nature of our business, in addition to the impact from the risk of exchange rate fluctuations, both the Company's receivables and payables on the balance sheet have grown in size in the form of advances received and advance payments to suppliers as each project becomes greater in scale, and if this balance is disrupted, our cash flow will tighten. Investors often point out that we have too much cash, but we believe it is important to retain a certain level of cash depending on the situation in order to respond to the risks that we must take in running our business.

### Growth investments

With regard to strategic business investments, potential investment projects are discussed by the Investment Management Reviewing Committee and we consider these while assessing risks and opportunities. From my perspective, this may seem like conservative decision-making, but for now I would like to prioritize quality over quantity, including when it comes to setting investment limits.

As we approach the final year of V2030, we are considering possible investment projects that will take time to germinate and those that will contribute to our profits in the near future. In terms of investment areas, we are focusing on core and adjacent fields where synergies are likely to be created. [See p.26 for details](#). Since it is difficult to envisage synergies in new fields, they are less likely to come up as possible projects. However, we would like to consider them in view of creating businesses that will help solve social issues, such as climate change, while looking beyond V2030 and into the future.

We continue to invest in human resources by hiring engineers. We call them engineers but they have a wide range of expertise, from those who visit customers and make proposals for equipment to

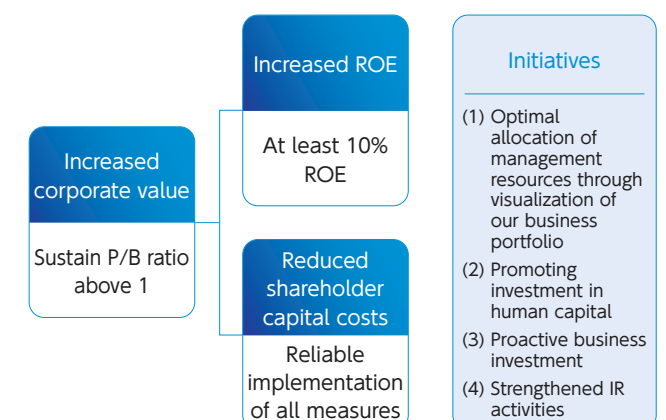
those who perform machinery maintenance. We hire personnel who can make an immediate contribution and they take an active role on site. In addition to active recruitment, we also focus on retaining our employees through measures such as the revision of our personnel evaluation system in 2023 and the enhancement of in-house training. We are also hiring more non-Japanese employees, have established overseas human resources development committees, and are working to expand our training and education systems in Japan. Going forward, we intend to continue making human resources our primary investment.

### Management practices that take into account the cost of capital and the share price

At our business results briefing meeting held in May 2024, we announced the status of our initiative regarding "action to implement management that is conscious of cost of capital and stock price," and we disclosed our shareholder capital costs. We believe that this has created the foundation for dialogue with investors regarding the equity spread between ROE and shareholder capital costs. During the two-year period of MT2024, ROE exceeded our target of 10%. Although this figure exceeds what we consider to be the shareholder capital costs (7-9%), we believe we need to be more aware of equity spread. In order to increase ROE, our basic approach will be to increase our top line through the growth investments I mentioned earlier, while being conscious of improving capital efficiency.

Investors and shareholders often say that they don't really understand the content of our business. The Company handles a wide range of products, from small parts to large equipment, and it is true that our business model is hard to understand, partly due to the fact that prices vary depending on the service provided, even for the same equipment. We believe that having investors and shareholders understand the Company's business will lead to a reduction in our shareholder capital costs, so we will further strengthen our IR activities and promote dialogue with the market.

### Initiatives for increased corporate value



# Growth Strategy / Medium-term Business Plan

## V2030 Growth Strategy (Vision2030)

We have achieved steady growth since our founding through solid corporate management. In light of the recent situation where major changes continue to take place in the social and business environment, we are more keenly aware of the need for a fundamental review of corporate operations and strategic planning from a long-term perspective.

Against this backdrop, we have formulated our V2030 growth strategy for fiscal 2030, based on our strong determination to chart a different growth curve than in the past.

### Basic Strategies

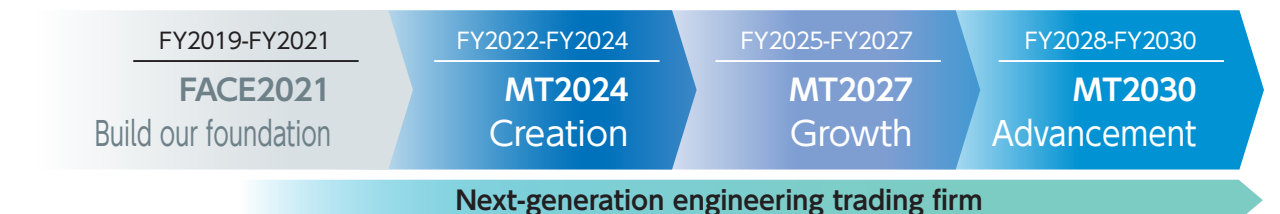
Aggressive investments	● Investments toward business expansion, strengthening, and creation, as well as solutions to social issues
Management focus on long-term value, in addition to short-term profit	● Build management base, for medium- to long-term profitability by improving capital efficiency
Contributing to various stakeholders: Customers, employees, suppliers, communities, and shareholders	● Achieve a sustainable society by addressing our materialities
Shift from product-only sales to products and integrated solutions business model	● Proposals for embedded-services business, and subscriptions models, etc.
Capturing global growth	● Make more business dealings with foreign companies
Promotion of digital transformation	● Significantly improve productivity, and creation of innovative business models

### Investment Strategies

In addition to the seven businesses, we will consider investments from a long-term perspective in adjacent and new fields to expand and strengthen our business, create new markets and businesses, and solve social and environmental issues.

## Medium-term Business Plan MT2024

Backcasting from the V2030 growth strategy, we have positioned each three-year period from fiscal 2022 to fiscal 2030 as a period of Creation, Growth, and Advancement, and formulated a medium-term business plan MT2024 (Creation Phase).



### Quantitative Targets (Consolidated)

(Millions of yen)	MT2024			V2030
	FY2022 Results	FY2023 Results	FY2024 Forecasts	FY2030 Targets
Orders received	244,296	203,986	210,000	—
Net sales	153,674	187,790	200,000	300,000
Operating income	6,717	9,090	10,000	12,500
Ordinary income	7,108	9,004	10,300	—
Profit attributable to owners of parent	6,316	7,461	7,300	—
ROE	10.3%	10.9%	—	10.0%

## Qualitative Targets under Medium-term Business Plan MT2024: Second-year Achievements

### 1 Business strategies for growth

(1) Strengthening engineering capabilities	● Strengthen human resource recruitment and augment engineers ● Establish the dedicated department to comprehensively handle project proposals in the Engineering Division
(2) Strategic business investment	● Acquire Wave Engineering Corporation ● Invest in the U.S. company, MODE, Inc.
(3) Expansion of business with global companies	● Increased trade with companies from Europe and the Americas in the Energy Solutions Business and Industrial Machinery Business
(4) Progressing digital transformation	● Collaborate with consulting companies and implement training for business generation programs

### 2 Strengthening management base

(1) Deepening corporate governance	● Appoint outside directors with corporate management experience, with more active discussion among the Board of Directors and Governance Committee ● Overhaul code of conduct
(2) Strengthening risk management	● Start work on building ERM with full-fledged launch from FY2024
(3) Strengthening financial strategies	● Maintain long-term issuer rating A- (stable) ● Sell off seven issues of cross-shareholdings and reduce by two issues
(4) Strengthening human resources strategies	● Strengthen training/education through deploying non-japanese employees to other sites ● Implement overseas human resources development committees
(5) Promotion of sustainability management	● Issue TCFD report

## Strategic Business Investment

### Basic Policy on Business Investment

- Boost cooperation with investee companies to expand and strengthen existing businesses and create new businesses, investing management resources to enhance profitability
- Pursue more than capital gains, generating synergies through business operations to enhance corporate value

### Domains and Scale of Business Investments

	Allocation of investing budgets 2023-2027	Examples of investments under consideration	
		Core fields	Adjacent fields
Core fields	Plant & Energy, Energy Solutions, Industrial Machinery, Electronics, Automotive, Healthcare, Aviation & Social Infrastructure	Investments to strengthen existing seven segments	Investments to create social values and solve social issues
Adjacent fields	Decarbonized society, 3R-Recycling society, Supply chain, social infrastructure, AI / IoT, Next-generation communication, Medical, safe and secured lives	Investments to create social values and solve social issues	Investments for new business fields and business models
New fields	Investments for new business fields and business models	Investments for new business fields and business models	Investments for new business fields and business models
Total		¥7.0 billion	¥6.0 billion
		¥2.0 billion	¥15.0 billion



# DX Strategy

## DJK Digital Transformation Vision

Leveraging digital technologies to **radically transform the ways employees work and communicate**, and achieve overwhelming productivity, in line with **creating revolutionary business models**, to increase our corporate value

### Business Reform DX

[Defensive DX]

### Business Creation DX

[Aggressive DX]

## A Message from the CDO



### Masatoshi Ueno

Director, Managing  
Executive Officer, CDO

Based on our mission of "Connecting People, Connecting Technology and Enriching the World," we are striving to be a business partner that is one step ahead of the times and that provides value on a global scale with the Company's engineering function as its core. Under the V2030 growth strategy, we aim to chart a different growth curve than we have seen so far, and digital technology is the foundation for the productivity improvements to achieve this.

Our Digital Transformation Vision expresses our intention to pursue both defensive DX (business reform DX) and aggressive DX (business creation DX) in order to increase our corporate value. Against this backdrop, ChatGPT

was a trending topic last year, and many companies recognized the potential of generative AI. The Company was also one to quickly establish operational guidelines, and we have held repeated in-house training sessions. This fiscal year, we began operating a secure generative AI service for corporations, and we are expanding its use in business operations. Taking advantage of our strengths at sites, we will focus on shifting to highly efficient business operations that make full use of digital tools and AI, and data-driven decision-making to achieve highly accurate business development.

As we move forward with transforming our companies and business models using digital technologies and AI, it is important that our management strategies and DX are unified. The reason for this is that while a management strategy cannot exist without digital, digital without a management strategy requires the introduction of tools, which results in a waste of resources. In that sense, I believe it is essential to move forward with management strategies and DX strategies in unison.

There are high hopes for the recent growing momentum toward digitalization within the Company and the widespread use of generative AI. I will take the lead within the Company in the drive toward company-wide optimization rather than individual optimization, and we will work to develop an environment where officers and employees can effectively utilize the latest tools, and become a company that streamlines business processes, and improves customer service. Furthermore, we plan to incorporate AI into both our internal business reforms and our customer-oriented business creation, with the aim of extending AI throughout every aspect of the Company. Our slogan will be the "Next-generation engineering trading firm powered by AI."

## DX Promotion System

As an independent general machinery trading company, we are characterized by our ability to respond flexibly to customers and suppliers, and we have a culture that respects the uniqueness of each site. However, this often meant that only the sales and management methods that differed depending on each HQ organization within the Company were respected, and information was dependent on people. As a result, when it came to digital initiatives, each site used the tools they required, and company-wide initiatives were limited. Now that online meetings, webinars, and remote work have become commonplace as the result of the COVID-19 pandemic, the Company experienced a sense of crisis that it would not be able to survive with such a pre-modern operating style, and therefore established the Digital Innovation Center in April 2023 to oversee the entire Company's digital strategy and to select, introduce, and promote the use of digital tools based on system integration and data utilization. We will continue to work on the utilization of digital tools in line with the times, without losing our on-site uniqueness, which is one of our strengths.

## DX Human Resource Training

In order to realize our Digital Transformation Vision, we will simultaneously work to develop the skills of our specialized personnel and to improve the IT skills and literacy of all officers and employees.

Firstly, we will provide training in the latest technologies to specialized personnel, mainly at the Digital Innovation Center, and work closely with sites to acquire skills through practical work and improve the ability to solve problems using digital technology within the Company. In addition, we will systematically implement level- and function-based digital skill improvement programs for all officers and employees, thereby raising the digital utilization capabilities of the entire organization and fostering an innovative corporate culture. With regard to generative AI in particular, we are actively holding workshops with experts as guests and promoting collaborations with leading technology companies. By using generative AI to reform operations and propose new businesses, we will establish our position as the next-generation engineering trading firm that we aspire to be.



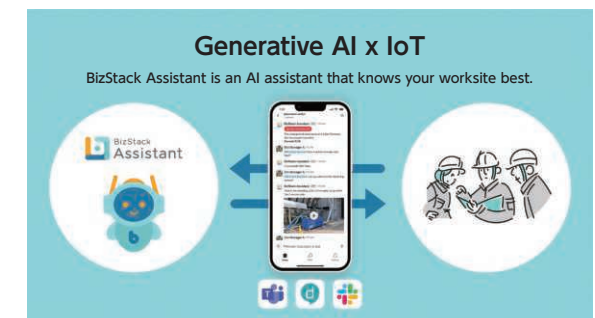
## Initiatives in the Electronics Business

In March 2024, the Company invested in MODE, Inc., a U.S. startup company. MODE, Inc. provides the IoT platform, BizStack.

BizStack uses high-speed time-series database technology to centrally aggregate a variety of sensor data. This enables real-time visualization of equipment, personnel, and environmental data at manufacturing sites, making it possible to understand the status of production plants around the world from the head office. In addition, predictive maintenance and Overall Equipment Effectiveness (OEE) management as well as the visualization of environmental data such as power consumption and CO<sub>2</sub> emissions through the collection and analysis of information on equipment operating quality and production volume can contribute to the realization of SDGs and carbon-neutral management.

The Company has jointly developed a system for electronic component mounting processes using BizStack as a use case in the electronics industry, and have begun offering it to customers.








Mode, Inc. has also developed BizStack Assistant, an AI assistant that reports on the status of worksites in real time obtained through IoT. We have implemented GPT-4o, the latest large-scale language model. Together with MODE, Inc., we will leverage the benefits of generative AI, such as natural language communication and multilingual support, to facilitate communication between global teams, improve the efficiency of daily work, and create new added value.





## Business Segments at a Glance

### 7 Businesses

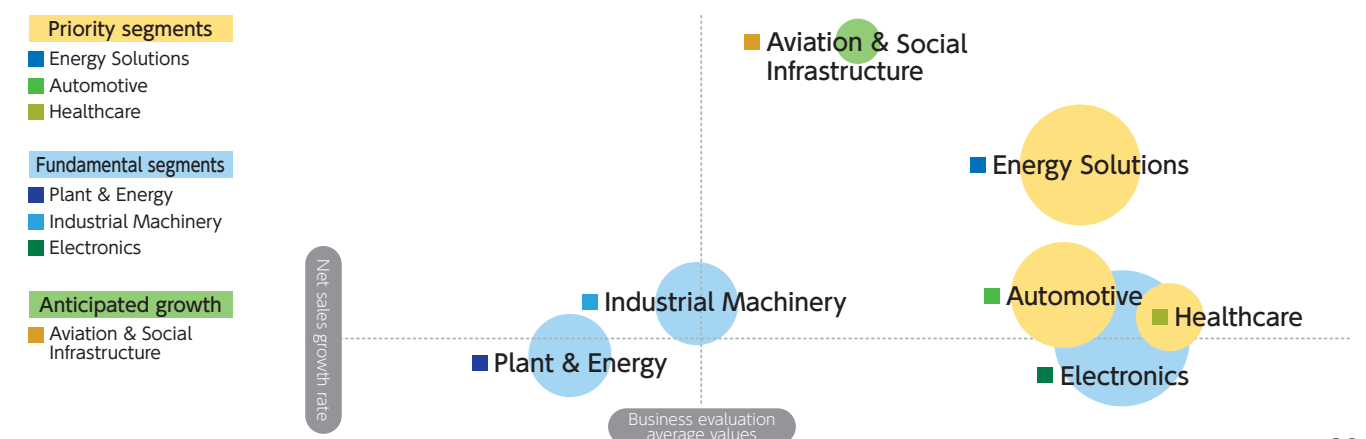
	 <b>Plant &amp; Energy Business</b>	 <b>Energy Solutions Business</b>	 <b>Industrial Machinery Business</b>	 <b>Electronics Business</b>	 <b>Automotive Business</b>	 <b>Healthcare Business</b>	 <b>Aviation &amp; Social Infrastructure Business</b>
<b>Business fields</b>	<ul style="list-style-type: none"> <li>Resources / petroleum / chemicals</li> <li>Papermaking / steelmaking</li> <li>Decarbonization</li> <li>Digital transformation (DX)</li> </ul>	<ul style="list-style-type: none"> <li>Lithium-ion batteries</li> <li>Fuel cells</li> <li>Recycling</li> <li>Next-generation batteries</li> </ul>	<ul style="list-style-type: none"> <li>Home appliances / office automation</li> <li>Food packaging</li> <li>Medical equipment</li> <li>Housing equipment</li> <li>Distribution materials</li> <li>Agriculture (strawberry cultivation seedlings)</li> </ul>	<ul style="list-style-type: none"> <li>Surface mount technology (SMT)</li> <li>Microelectronics</li> <li>Logistics automation solutions, LOGITO</li> </ul>	<ul style="list-style-type: none"> <li>Interior and exterior parts</li> <li>Powertrain</li> <li>Car electronics / ADAS</li> </ul>	<ul style="list-style-type: none"> <li>Pharmaceuticals</li> <li>Cosmetics</li> <li>Food</li> </ul>	<ul style="list-style-type: none"> <li>Aviation</li> <li>Airports</li> <li>Defense and disaster preparedness</li> <li>Customer support (CS)</li> </ul>
<b>Major products</b>	<ul style="list-style-type: none"> <li>Petroleum refinery, chemical, petrochemical and other plant equipment</li> <li>Oil, gas, and geothermal production facilities, well drilling equipment and drilling rig packages</li> <li>Power generation infrastructure and renewable energy-related equipment</li> <li>AI / IoT-related equipment</li> <li>Environmental protection facilities, analysis and measurement equipment, and safety monitoring equipment</li> </ul>	<ul style="list-style-type: none"> <li>Battery materials production equipment</li> <li>Cell electrode manufacturing equipment</li> <li>Cell / module assembly equipment and charge, discharge inspection equipment</li> <li>Powder processing equipment</li> <li>Fuel cell manufacturing equipment</li> <li>Battery recycling equipment</li> </ul>	<ul style="list-style-type: none"> <li>Injection molding machines</li> <li>Extrusion machines</li> <li>Vacuum thermoforming machines</li> <li>Die-casting machines</li> <li>Metal-processing machines</li> <li>Ceramics processing machines</li> <li>Automated assembly equipment</li> <li>Material-handling robot systems</li> <li>Coating / surface decoration equipment</li> <li>3D printing systems for plastic and sand molds</li> <li>Filling and packaging equipment</li> <li>Strawberry seedlings (growing seedlings)</li> </ul>	<ul style="list-style-type: none"> <li>Electronic component mounting-related systems (SMT)</li> <li>SMT peripheral inspection equipment</li> <li>Post-process automation equipment</li> <li>Semiconductor device-related systems</li> <li>Display-related systems</li> <li>Coating and dispensing equipment</li> <li>Laser marking equipment (CO<sub>2</sub>, YAG laser, blue laser)</li> <li>Inspection equipment (visual, X-ray, characteristic)</li> <li>IoT / software</li> <li>Logistics automation solutions, LOGITO</li> </ul>	<ul style="list-style-type: none"> <li>Molding machines</li> <li>Metal-processing machines / plastic-processing machines</li> <li>Coating / surface decoration equipment</li> <li>Automated assembly equipment</li> <li>Inspection equipment</li> <li>Module support equipment</li> <li>IoT-related equipment and devices</li> </ul>	<ul style="list-style-type: none"> <li>Tablet visual inspection systems</li> <li>Tablet ink-jet printing and inspection systems</li> <li>Capsule visual inspection systems</li> <li>Blister lines</li> <li>Sachet packaging lines</li> <li>Other packaging lines</li> <li>Vial filling lines</li> <li>Syringe filling lines</li> <li>Powder filling lines</li> <li>Tablet pressing machines</li> <li>Automatic cell culture systems</li> </ul>	<ul style="list-style-type: none"> <li>Ground support equipment for aircraft</li> <li>Ground support equipment for airports</li> <li>Equipment used in airports</li> <li>Specialized vehicles for disaster relief</li> <li>Equipment to reduce workforce and workload</li> </ul>

## Approach to Business Portfolio

We have categorized the Company's seven business segments by "net sales growth rate" (vertical axis) and our unique index, "business evaluation average values" (horizontal axis), which takes into account profitability, stability, and growth potential.

We have positioned the Automotive Business, Healthcare Business, and Energy Solutions Business as priority segments, the Plant & Energy Business, Industrial Machinery Business, and Electronics Business as fundamental segments, and the Aviation & Social Infrastructure Business as a business in which growth is anticipated.

The environment surrounding the Company will change depending on the era and business fields, but we believe that our seven business segments have a mutually complementary relationship that is one of the Company's strengths. Going forward, based on the premise that our business portfolio involves the maintenance and development of the seven segments, we will continue to consider the optimum allocation of management resources.





## Strategy by Business Segment

# Plant & Energy Business

We provide various equipment and advanced technologies in the plant field. In the energy field, we provide related products for a decarbonized society, with a focus on renewable energy.

### Summary of FY2023

In the energy business, we developed businesses with potential for the future, including those related to drilling rigs and offshore wind power generation. In the petroleum business, we were able to grow sales of explosion-proof products and acquire commercial rights to overseas products in the area of maintenance services, but continued to face challenges in acquiring large-scale projects. In the materials business, we focused on the paper industry, which is transitioning to a bioethanol business, and established a sales expansion system for specific products in the steel industry. In the chemicals business, we focused on overseas projects. In terms of DX products, camera and sensor projects are on the rise due to labor shortages. In the decarbonization business, we focused on the construction of biomass power plants and blue hydrogen and ammonia manufacturing equipment. Additionally, we began full-scale collaboration with DJ-WAVE Engineering Co., Ltd., which has been included in the Group.

Going forward, we will continue to contribute to social issues such as a decarbonized society and labor shortages through this business, and also continue to aim for promoting resilient businesses that achieve sustainable growth and evolution.



**Yuji Shika**  
Executive Officer, General Manager,  
Plant & Energy Business Division

### Review of the Second Year of the Medium-term Business Plan MT2024

#### Business Overview

##### Energy

Successfully received orders in the small drilling rig market by offering a wide range of products, and contributed to a decarbonized society by working on CCS\* and offshore wind power generation projects

\*CCS: Carbon dioxide Capture and Storage

##### Petroleum

Number of negotiations for explosion-proof products and DX items increased, while business for the engineering industry decreased due to postponements of plans for large-scale negotiations

##### Chemicals

Focused on large-scale overseas projects, and continuously considering business investment projects, mainly in Asia

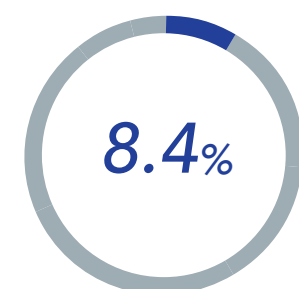
##### Materials

Successfully received orders for FS and FEED services for a large-scale bioethanol production facility construction project in collaboration with DJ-WAVE Engineering Co., Ltd.

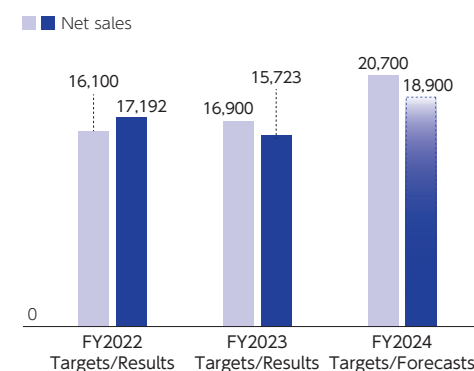
##### Decarbonization

Achieved sales of various biomass fuels. Started expanding NAS battery-related products and further collaborated with partner companies in rare metal-free storage battery-related development

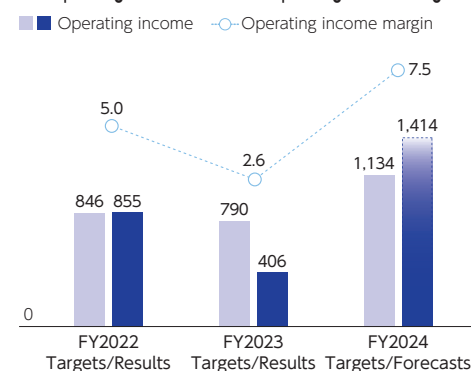
#### Net sales composition



#### Net sales (Millions of yen)



#### Operating income (Millions of yen) / Operating income margin (%)



### Strengths

- Solution proposals based on our wealth of experience and knowledge since our founding, and support for companies expanding overseas by utilizing our global network
- High level of experience in renewable energies, including solar power plant operations and biomass power plants, and ability to propose equipment
- Newly established total solution framework for factory and plant construction, from FS and FEED to EPC and equipment supply
- Product lineup that contributes to on-site problem solving and technical succession utilizing DX (AI & IoT) technology

### TOPICS

#### The birth of DJ-WAVE Engineering: Taking on the challenge of a decarbonized society

DJ-WAVE Engineering made a brand new start in July 2024 following the merger of Wave Engineering Corporation, which undertakes FS and FEED services mainly in simulation engineering, and DAIICHI ENGINEERING CO., LTD., which handles EPC work. The merger allows us as the Group to seamlessly provide one-stop services for process simulation, basic design (PFD\* creation / utility summary / equipment sizing, etc.), cost estimations, process performance evaluations / cost evaluations, and EPC, thereby contributing to reductions in customers' review times and project costs.

In the EPC business, we had focused on environmental themes such as exhaust gas and waste liquid treatment for the petroleum, chemical, energy, and steel industries. However, since the merger, we are now receiving numerous requests from a variety of industries related to important themes that are directly linked to the social issue of decarbonization.

\*PFD: Process Flow Diagram  
Process flow diagram provides a clear understanding of the entire process.

Specific themes include the following:

- 1) Hydrogen production project-related
  - Modeling and simulation of water electrolysis equipment
  - Hydrogenation reactor design
  - Process model construction
- 2) CO<sub>2</sub> capture from the atmosphere
- 3) Synthetic methane production from wood-based waste

In this business, the entire Group will work together to realize a decarbonized society.



DJ-WAVE Engineering

**More from Less, Challenge to the Next**

### Initiatives in V2030 and MT2024

Energy	Petroleum	Chemicals	Materials	Decarbonization
<ul style="list-style-type: none"> <li>• Ongoing efforts in geo-thermal development and binary power generation business using waste heat</li> <li>• Developing low-carbon projects in Asian markets using the JCM system</li> </ul>	<ul style="list-style-type: none"> <li>• Energy transition initiatives for decarbonization</li> <li>• Active proposals for smart security and DX (AI &amp; IoT)</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in new products, new processes, and automation themes in the laboratory through proactive approach to the R&amp;D department</li> <li>• Developing foreign companies' customers targeting Asian markets</li> </ul>	<ul style="list-style-type: none"> <li>• Proactive and bold approach to the biomass fuel business</li> <li>• Accelerating initiatives for bioethanol and SAF businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Developing demand for low-carbon ammonia and taking on the challenge of green ammonia</li> <li>• Expansion of development of own renewable energy sources and development of rare metal-free storage batteries</li> </ul>





## Energy Solutions Business

In the rechargeable battery field, we mainly provide lithium-ion battery (LIB) manufacturing-related equipment, as well as solutions for next-generation energy such as fuel cells, solar power, and storage batteries.

### Summary of FY2023

This business segment operates based on its three portfolios: material-related equipment, cell manufacturing equipment (electrodes, assembly), and charging and discharging equipment.

Material-related equipment is expanding globally, mainly in Europe and the United States. We are also receiving strong inquiries for cell manufacturing equipment and charging and discharging equipment from Japanese companies as well as from companies in Europe and the United States. Until now, equipment manufacturers have had issues with production capacity and working force, but they are now working to expand production capacity by building new plants and increasing staff.

In terms of engineering, we are steadily increasing the number of engineers, and with a diverse team of people who can speak English, Chinese, Korean, and other languages, systems have been put in place for us to provide total solutions globally. New businesses are progressing smoothly, including an order received for a pilot line for all-solid-state batteries. We are also focusing on the recycling business, and are working on rare metal recovery and solvents recovery plants.

The battery-related business is expected to further grow. Our aim is to establish our position as the next-generation engineering trading firm by understanding the needs of the times and strengthening our engineering capabilities.



**Daijiro Kodama**

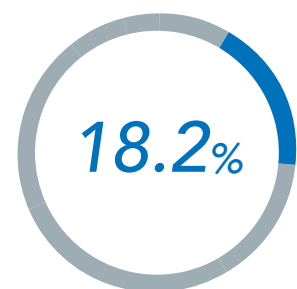
Executive Officer, General Manager,  
Energy Solutions Business Division

### Review of the Second Year of the Medium-term Business Plan MT2024

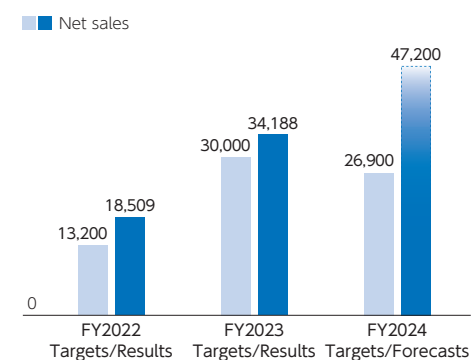
#### Business Overview

- Battery-related business experienced a sharp decline in investment by Chinese companies and a slowdown in the growth of EVs around the world; however, hybrid and other vehicles grew, resulting in gradual growth overall
- Development of new products and new businesses is progressing steadily
- To strengthen engineering capabilities, made efforts to solve the labor shortage by significantly increasing the numbers of engineers and partner companies
- Established a project management system and further strengthened document management and quality control, etc.

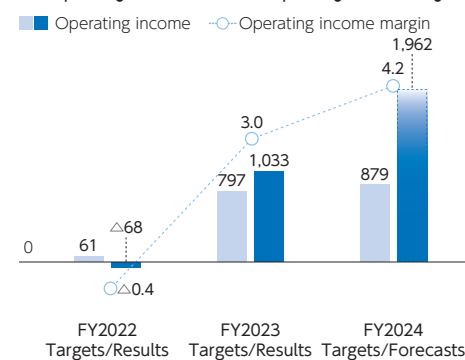
#### Net sales composition



#### Net sales (Millions of yen)



#### Operating income (Millions of yen) / Operating income margin (%)



### Strengths

- Covering a wide range of fields from materials to battery manufacturing (upstream to downstream of the production process)
- Offering solutions based on a wealth of achievements and experience gained over the years
- Partnerships with industry-leading manufacturers in Japan and overseas
- Project management by the Engineering Department

### TOPICS

#### (1) Energy Solutions Business Division launched its own website

<https://dj-energy.com/>

We launched a website dedicated to this business.

Inquiries are received from customers both in Japan and overseas.

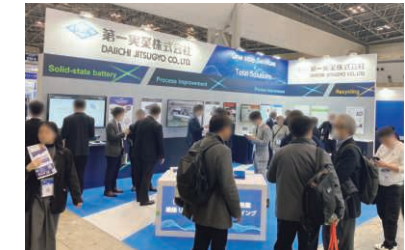


#### (3) Participating in domestic and international battery exhibitions

We participated in exhibitions in three countries: Japan, and in Americas and Europe respectively, focusing on new products.



Battery Show Europe (Stuttgart, Germany)



Battery Japan International Rechargeable Battery Expo (Tokyo)

#### (2) Participating in the Battery Association for Supply Chain (BASC)

We will strive to ensure that our battery-related business initiatives both in Japan and overseas are beneficial to the Association.



### Initiatives in V2030 and MT2024

Charging and discharging equipment	Cell manufacturing equipment	Material-related equipment	Engineering	New business
<ul style="list-style-type: none"> <li>Promotion of projects coordinated by the Company</li> <li>Cost reduction by manufacturing at the delivery location, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Package proposals to customers</li> <li>Development of next-generation equipment and cultivation of manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>Powder engineering by the Company</li> <li>Manufacture of equipment in a locally complete manner in collaboration with partner companies</li> </ul>	<ul style="list-style-type: none"> <li>Coordination of projects led by the Company</li> <li>Launch of overseas vendors by the Engineering Department</li> </ul>	<ul style="list-style-type: none"> <li>Sales of materials related to fuel cells and LIBs</li> <li>Development of all-solid-state battery manufacturing-related equipment and cultivation of equipment manufacturers</li> </ul>





# Industrial Machinery Business

We provide production equipment, raw materials, and other products mainly related to automated assembly machines and surface treatment in a wide range of fields, including home appliances, housing equipment, food packaging, medical, motorcycles, and construction machinery.

## Summary of FY2023

Despite winning orders for large injection molding machines, we faced issues with sales of vacuum thermoforming machines overseas. We received inquiries for extrusion machines from new materials businesses and foreign companies but were unable to secure any orders. In the medical business, the postponement of a major project affected business results. In the agricultural business, we established a nationwide sales network and are developing the Group's bases for growing seedlings. In additive manufacturing, we are adding new products and expanding business negotiations. In the automated machines-related business, sales of automation equipment to chemicals manufacturers remained strong. In new businesses, the number of products that reduce the environmental impact is increasing, and the number of proposals is growing.

The external environment, including exchange rates and energy prices, is changing dramatically, and it is difficult to determine the factors that influence capital investment decisions. However, we are strengthening our activities in global areas to avoid missing out on investment opportunities.



**Kenji Murabe**

Executive Officer, General Manager,  
Industrial Machinery Business Division

## Review of the Second Year of the Medium-term Business Plan MT2024

### Business Overview

#### Molding machines

In injection and extrusion machines, efforts to utilize DX lagged behind, and work is underway to share customer information. For vacuum, reconsidered effective utilization and operation of demo equipment (China and Mexico) to expand sales.

#### Medical

Built a track record in automation equipment for European and American medical equipment manufacturers, and promoted horizontal expansion within those countries and to other companies. Automation is a growing theme, but low-cost Chinese machinery manufacturers are on the rise.

#### Strawberry seedlings

Despite the establishment of an in-vitro seedling production system, further efforts are needed to raise awareness.

#### Additive manufacturing

Active participation in exhibitions led to increased business negotiations. Enhance sales, service, and supply systems going forward.

#### New business

Lineup of eco-friendly plastics, materials, and related equipment gradually expanding.

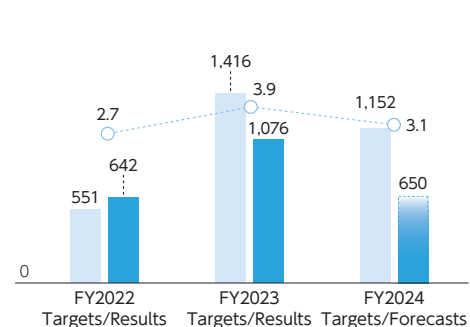
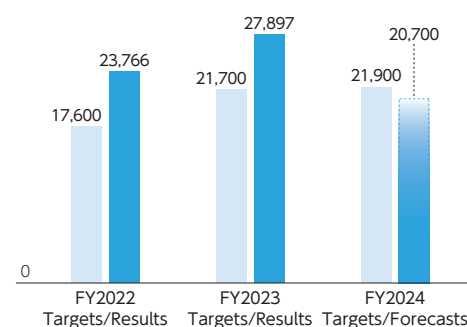
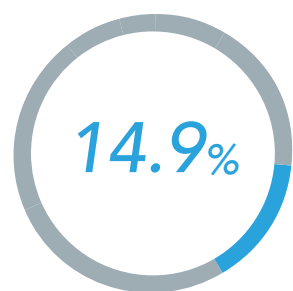
### Net sales composition

### Net sales (Millions of yen)

■ Net sales

### Operating income (Millions of yen) / Operating income margin (%)

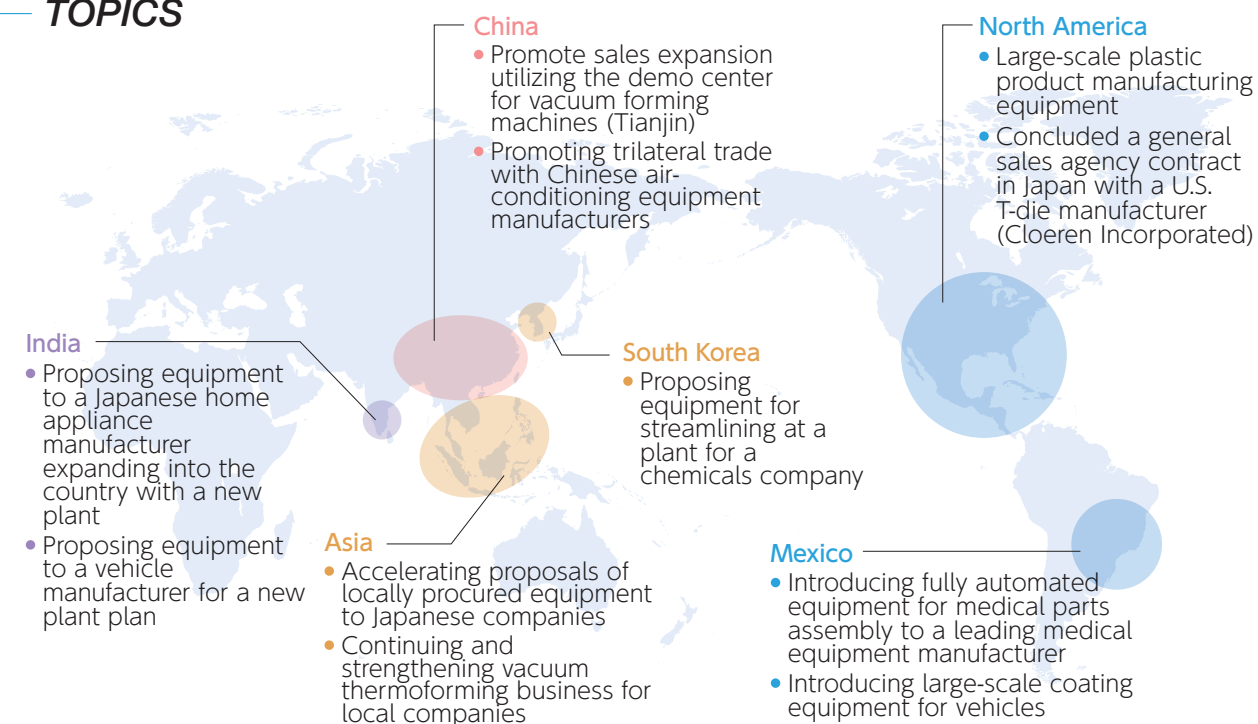
■ Operating income ○ Operating income margin



## Strengths

- One Window Total Solution: an organization capable of engineering facilities from upstream to downstream
- Proposing environmentally friendly equipment and materials that incorporate our experience in a wide range of industries and the latest trends (energy-saving diagnostics, detoxification tower equipment, powder coating, marine biodegradable plastics, etc.)
- Global sales network with a team of engineers

## TOPICS



## Initiatives in V2030 and MT2024



### Molding machines

- Extrusion/Injection: promote efficient sales expansion by making full use of DX
- Vacuum: strengthen overseas sales with demo equipment and manufacturing and sales of molded products



### Medical

- Acquire know-how, products, and commercial rights that can be sold turnkey
- North and Central America: capture capital investment for automated manufacturing by Western medical device manufacturers
- China and Asia: expand business mainly in sales of syringe manufacturing equipment



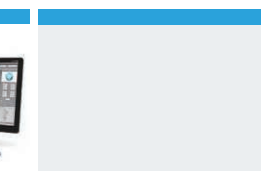
### Strawberry seedlings

- Balancing production system and sales at Daiichi Jitsugyo Berries Farm (Moroyama, Saitama)
- Establishment of a system for cultivation of Japanese varieties in Mexico



### Additive manufacturing

- Utilize demo equipment to expand sales to all DJK Group customers
- Increase presence in the industry by providing not only machinery, materials, and sales, but also manufacturing services



### New business

- Recycling business, handling of environmentally friendly products, and taking on the challenge of manufacturing





# Electronics Business

In the field of digital electronics-related manufacturing, we mainly provide various types of equipment such as electronic component mounting lines, semiconductor and LCD module assembly equipment, and peripheral equipment.

## Summary of FY2023

The electronic component mounting equipment business is benefiting from steady orders on the domestic market from leading in-vehicle-related manufacturers and mid-size EMS companies. Overseas, demand has decreased due to the economic slowdown in China, and investment by Japanese companies in South Asia has been sluggish. However, development in North Africa, a new area into which European and Chinese companies are entering, is progressing. In the LOGITO business, orders are increasing, mainly for smart racks used for the storage and management of mounted components, and we are promoting further product packaging. With regard to in-factory logistics and automated warehouses, large-scale investment plans are beginning to emerge in the medical and food industries, among others. In the field of factory DX, we have invested in MODE, Inc. in the U.S., and are deepening our collaboration. In the semiconductor business, we won orders for overseas products through new initiatives aimed at major Japanese and overseas companies in Japan. Overseas, the market is expected to recover in the second half of FY2024.

In the mounting industry, the incorporation of edge AI devices into smartphones and PCs is expected to spread rapidly going forward, stimulating replacement demand and leading to a recovery in capital investment. The semiconductor business is expected to continue to see strong capital investment in Japan, and the LOGITO business, an area we are focusing on, is also beginning to achieve results, leading to expectations for further growth.



**Keiji Yamamoto**

Executive Officer, General Manager,  
Electronics Business Division

## Review of the Second Year of the Medium-term Business Plan MT2024

### Business Overview

#### Electronic component mounting equipment business

In Japan, steadily captured leading in-vehicle-related and EMS customers  
Overseas, developed new customers in the in-vehicle- and energy-related fields  
Issues: In Japan, developing areas with low capture rates, such as Hokuriku, and overseas, capturing device-related customers due to delays in new model development

#### LOGITO business

Orders for mounted component management increased due to the laboratory opening  
Investment in MODE, Inc. in the U.S. accelerated the

appeal of factory DX  
Issues: Large-scale investment plans for logistics solutions increased but customers are taking longer to formalize budgets and define requirements

#### Semiconductor business

Began handling overseas products with a track record in the industry, and won multiple orders from leading domestic semiconductor companies. Demand for semiconductors for generative AI, automobiles, and communications expected to grow but the supply and demand balance projected to normalize after the second half of FY2024

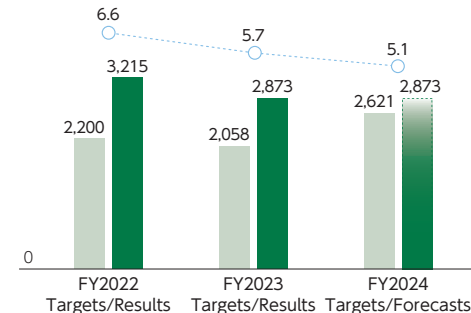
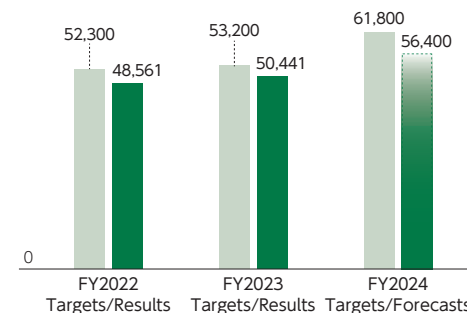
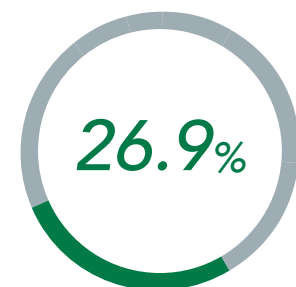
### Net sales composition

Net sales (Millions of yen)

Net sales

Operating income (Millions of yen) / Operating income margin (%)

Operating income — Operating income margin



## Strengths

- Proposing total solutions to reform manufacturing processes with its state-of-the-art technology, equipment, and experience both in Japan and overseas, mainly for electronic component mounting-related systems, electronic device systems, and automation equipment
- In response to the global environment for the electronics industry undergoing changes, we support our customers' global expansion, not only by providing equipment but also through our experienced and reliable global support and the provision of accurate information
- Our global trading company functions and reliable technical capabilities enable us to discover and propose outstanding overseas manufacturers to help our customers with the challenges they face with smart factory creation and factory DX

## TOPICS

### Invested in MODE, Inc. (MODE), a U.S. startup company

Combining the company's IoT platform BizStack, which accelerates on-site DX, with various equipment will enable us to achieve the visualization of manufacturing sites and contribute to the promotion of DX. As the next-generation engineering trading firm and a business partner that is one step ahead of the times, we will also contribute to the development of various industries, leading to further growth for the Group and increased corporate value.

MODE provides services specializing in IoT platforms and operates out of two bases, one in Silicon Valley in the U.S. and the other in Tokyo. BizStack, which was developed by MODE, provides total IoT services from collection to storage and utilization of data obtained from devices, vehicles, robots, industrial appliances, etc. We have been working with MODE since 2022 on the development of specialized original software for manufacturing sites. By strengthening our collaboration with MODE through investment, and as a solutions provider that responds to

global needs with a focus on seven businesses, we will promote DX at manufacturing sites and the creation of new value while increasing the value of hardware by providing high-value-added systems both in Japan and overseas.

MODE is also strengthening the development of BizAssistant, which applies generative AI technology and combines it with BizStack to monitor, process, and analyze data obtained from equipment and IoT sensors in real time and report on on-site conditions. BizAssistant provides a service that is compatible with various chat tools, and allows users to understand the situation of sites in natural language as if having an assistant, even in an environment that lacks a PC. Going forward, we will also implement AI camera integration and BizAssistant to our systems, and contribute to the development of a sustainable society through the basic strategies of our V2030 growth strategy, which are "shift from product-only sales to products and integrated solutions business model" and "promotion of digital transformation."

## Initiatives in V2030 and MT2024



### Electronic component mounting equipment business

- Capturing equipment demand as Chinese companies expand into the South Asia-Europe region



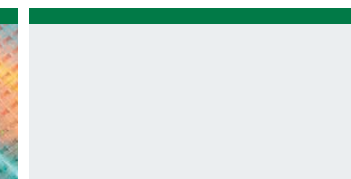
### LOGITO

- Expanding sales of smart logistics systems from Japanese mother factories to overseas factories
- Expanding services outside the electronics industry through collaboration with other business segments



### Semiconductor business

- Increasing the number of employees in Greater China and strengthening the sales expansion system
- Expansion of sales rights for leading production equipment in China, South Korea, and Taiwan, and receipt of orders



### New business

- Establishment of LOGITO consortium using the laboratory\*

\*Established in June 2023.





# Automotive Business

We provide plastic material forming equipment, processing machines, assembly and inspection equipment, and other equipment for the manufacturing processes of automotive body parts, electric powertrains, and automotive electrical components. In recent years, we have been focusing on reducing CO<sub>2</sub> emissions in the manufacturing process and creating smart factories.

## Summary of FY2023

In the carbon neutral-related market, aging large-scale hydraulic injection molding machines are being replaced by energy-saving electric models. The decision to invest in the shift to BEVs continues to be delayed due to sluggish sales. However, we are developing new products for HEV-related e-Axles and power semiconductors that are essential for inverter voltage control, and have begun to receive orders for verification machines and others, which we believe will contribute to future market expansion.

Thermal management products, which are new to the Company, are useful for improving the functionality of electrification products and will lead to improved electricity costs for BEVs. We are beginning to see results in this field, including the development of new products and new orders, and it is expected to become a promising market once BEV sales take off. Although it will take time for fully autonomous driving to become widespread, we will continue to contribute to creating a safer society by mass producing safety products such as cameras and millimeter waves that are effective in reducing traffic accidents and collisions.



**Hajime Fujii**

Executive Officer, General Manager,  
Automotive Business Division

## Review of the Second Year of the Medium-term Business Plan MT2024

### Business Overview

#### Vehicle body area

Based on strengths in sales of injection molding machines, launched a new coating-free technology (in-mold coating) that contributes to reduced CO<sub>2</sub> emissions, and won orders for verification machines

#### large-scale projects

For electrification products, started selling transfer molding machines for fixing magnets in stator cores and laser welding machines for electrodes, focusing on sales of automated assembly machines

#### Driver area

Large-scale giga-casting projects, which have brought about a reduction in the number of working hours required for vehicle body assembly and a reduction in costs, significantly improved our reputation as an engineering trading firm and will lead to inquiries for the next

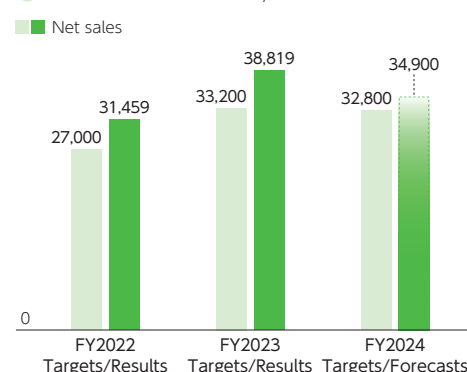
#### Device area

Development of metal processing equipment is an urgent task to expand our presence in the brake and steering markets  
Surveyed overseas manufacturers and developed products offering price advantages

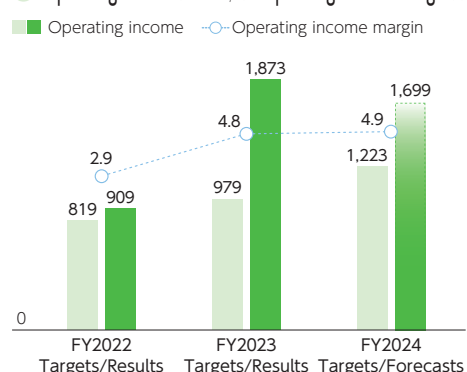
### Net sales composition



### Net sales (Millions of yen)



### Operating income (Millions of yen) / Operating income margin (%)

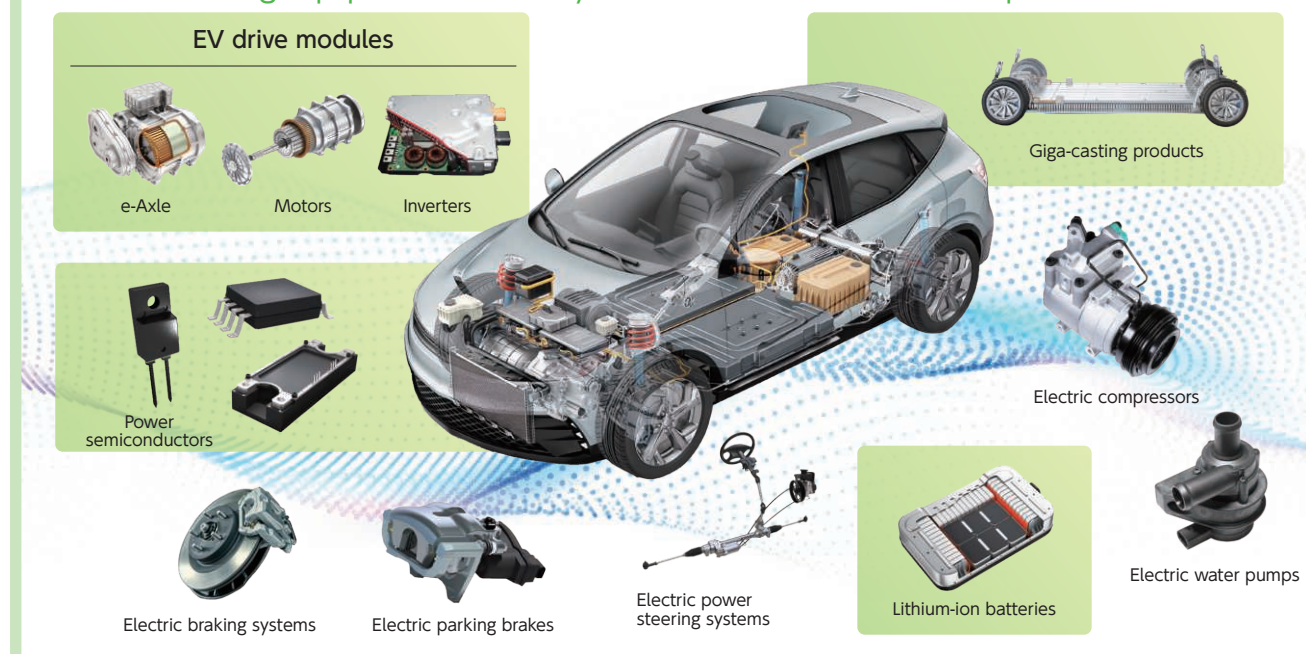


## Strengths

- Promotion of highly specialized projects in the fields of vehicle bodies, drives, and devices
- Technical support through our extensive experience in engineering, including for capital investment in machinery, control, assembly, and painting
- A track record of transactions on a global scale with OEMs and mega-suppliers leading the automotive industry
- Presence of reliable business partners

## TOPICS

We provide leading automakers and components manufacturers with the manufacturing equipment necessary to manufacture core EV components.



## Initiatives in V2030 and MT2024



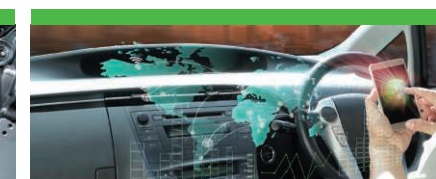
### Vehicle body area

- Flexible vehicle body assembly process
- Initiatives for next-generation vehicle interior space items
- Adaptation to multi-materials for vehicle body weight reduction
- Capturing demand for renewal of large injection molding machines (from hydraulic to electric) in line with the promotion of carbon neutrality



### Driver area

- Drive motors: enhance engineering functions in the manufacturing process
- Inverters: strengthen proposals for all inverter processes, including thermal management
- Batteries: initiatives related to batteries manufactured by the automotive industry
- Initiatives for essential products associated with electrification (e.g., electric compressors and water pumps)



### Device area

- Autonomous driving: develop commercial products targeting related products
- In-vehicle semiconductors: initiatives in semiconductor front-end processes, where demand is increasing due to electrification and autonomous driving
- Thermal management: initiatives for thermal management, which will become important with electrification (in cooperation with the driver area)





# Healthcare Business

We are engaged in a range of activities in the healthcare field, from the sale of tablet visual inspection machines, packaging machines, and other production equipment to production line engineering and product development.

## Summary of FY2023

Although we achieved our sales target for the Daiichi Jitsugyo Viswill business, which centers on tablet visual inspection systems and tablet ink-jet printing and inspection systems, intensifying technological innovation and price competition have transformed the business environment into an unprecedentedly difficult situation. There is no end to this situation, and it is expected that changes will continue to accelerate in the future. In these difficult circumstances, product development, including new models and new functions, is the source of competitiveness for this business. We consider the further acceleration of development as a challenge for the organization as a whole, and will continue to build a system for early market launches.

Furthermore, in the field of engineering, which has been our focus in recent years, we have won orders for several large-scale projects. In the future, we plan to utilize our track record in the pharmaceutical industry to expand into other industries and processes that require high quality, such as health foods, cosmetics, and life sciences.



**Katsuhisa Kouzuki**  
Executive Officer, General Manager,  
Healthcare Business Division

## Review of the Second Year of the Medium-term Business Plan MT2024

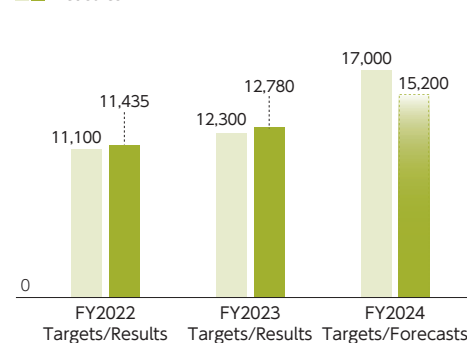
### Business Overview

- Tablet visual inspection systems and tablet ink-jet printing and inspection systems, which are the main products of Daiichi Jitsugyo Viswill business, achieved their sales targets. Other product development projects delayed or suspended, and efforts made to speed things up by changing structures and methods.
- In terms of after-sales service, responses required longer times due to staff shortages. Along with recruiting human resources, updated our service content to improve profitability.
- In engineering, won orders for multiple large-scale projects. Expansion into other industries is still underway; therefore, focused on developing the three fields of health foods, cosmetics, and life sciences.

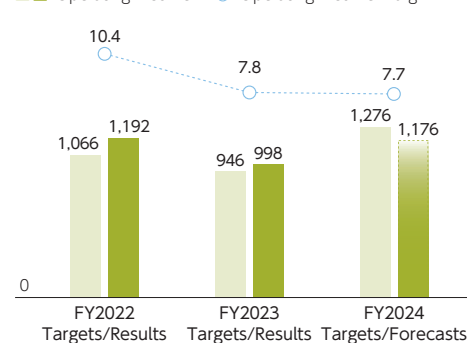
### Net sales composition



### Net sales (Millions of yen)



### Operating income (Millions of yen) / Operating income margin (%)



## Strengths

- Development, manufacturing, sales, and after-sales service are all provided by the DJK Group
- Maintained the top share of the tablet visual inspection system industry for more than 40 years
- Solid customer base as a basis for development and sales in the healthcare area
- Engineering system specializing in equipment (surveys and proposals on everything from the combination of each process to operational methods)

## TOPICS

### Plant engineering to become a new business pillar

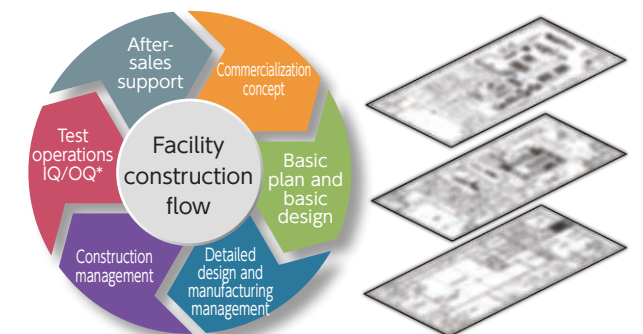
In recent years, we have focused on production line engineering aimed at receiving orders on a production line basis, and have built up a steady track record.

The engineering capabilities of this business are widely recognized within the pharmaceutical industry, and as a result, in FY2023 we entered large-scale plant engineering, which involves receiving orders for all of a factory's production equipment and production lines as a single order, and have won orders for multiple projects.

Engineering functions generally include Engineering, Procurement, and Construction (EPC), but by reflecting our original after-sales service policy, which is to remain with the customer until the delivered equipment is discarded, into our design work, we have demonstrated strengths not found in other companies in terms of the planning, implementation, and support of validation work, commissioning (performance verification), and qualification (product guarantees), particularly in the pharmaceutical industry.

This strength can be applied not only to the pharmaceutical industry but also to the healthcare industry in general. As a result, the target industries of plant engineering are expanding to include the health food, cosmetics, and life science industries, and it is becoming a new pillar of this business.

We bring facility plans to embodiment, with particular focus on the engineering of production facilities.



\*IQ: Installation Qualification. Verifying and documenting that installed or modified equipment or systems conform to the approved design and manufacturer's requirements.  
OQ: Operational Qualification. Verifying and documenting that installed or modified systems operate as intended within the expected operating range.

## Initiatives in V2030 and MT2024



### Daiichi Jitsugyo Viswill business

- Expansion of inspection target area (other industries/products for other processes)
- Utilize inspection information as an asset and develop new business (AI inspection, etc.)
- Overseas market development



### Engineering

- Planning and proposal of production lines that dramatically improve productivity and quality
- Development of business from sales of individual packaging machines to packaging line coordination through planning and proposal of both sales and maintenance services
- Developing new industries, new processes, and new commercial rights through the application of previous planning and proposals
- Expansion of digital platform business through DX elements
- Entry into the field of in-factory logistics



### Life sciences

- Development of new processes in the field of regenerative medicine
- Investment in equipment and technology development in line with the proliferation of new modalities
- Expansion into European and U.S. markets



## Strategy by Business Segment



# Aviation & Social Infrastructure Business

In the aviation and airport field, we mainly provide ground support equipment for aircraft and various related equipment, and in the disaster preparedness field, we mainly provide specialized vehicles and various related equipment.

## Summary of FY2023

In airport and aviation support equipment, inquiries increased and orders were strong, despite the weaker yen and a transportation accident. Sales of disaster-prevention equipment remained steady, and we were able to establish a track record in the power infrastructure field. We also began development of several new items. In the defense field, sales of hybrid airport chemical fire engines and other products remained steady due to increased defense budgets. In terms of other infrastructure facilities, we are working on new projects for railways. We also succeeded in acquiring new commercial rights, including to LED lighting for public facilities, and are actively promoting sales activities.

FY2023 saw steady progress in existing businesses, as well as progress in various new initiatives.



**Kei Yasuhira**

General Manager,  
Aviation & Social Infrastructure Division

## Review of the Second Year of the Medium-term Business Plan MT2024

### Business Overview

#### Airports and aviation

Worked to provide high-value-added, highly efficient items and services, including workload and workforce-reducing, energy-saving, and electrification equipment, and received positive feedback from the market

#### Disaster preparedness and defense

Proposed more efficient items and achieved some success, and currently working on various new projects

Delivered disaster response vehicles to electric power companies and Ministry of Land, Infrastructure, Transport and Tourism

#### Customer Support

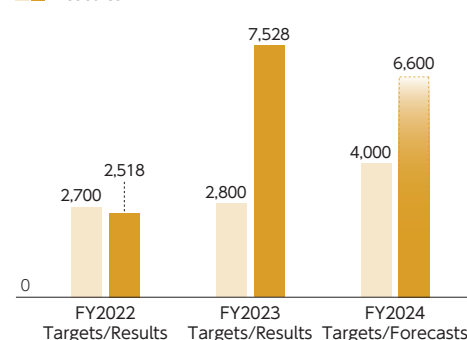
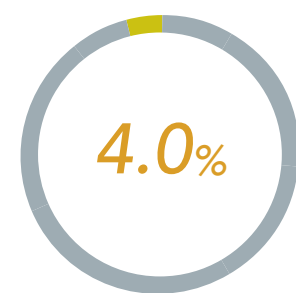
Achieved significant results by providing and proposing paid services. In addition, working to provide services proactively utilizing IoT/ICT, and striving to utilize AI to further increase the value of services in the future

#### New business

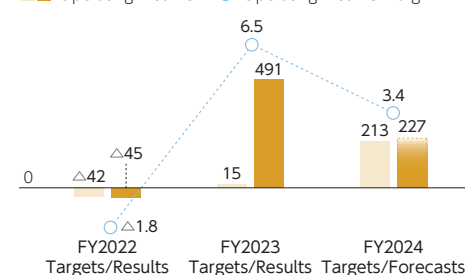
Currently providing subscription services, and management functions and systems, and developing proposal activities for infrastructure facilities for roads, railways, and other areas

### Net sales composition

Net sales (Millions of yen)



Operating income (Millions of yen) / Operating income margin (%)

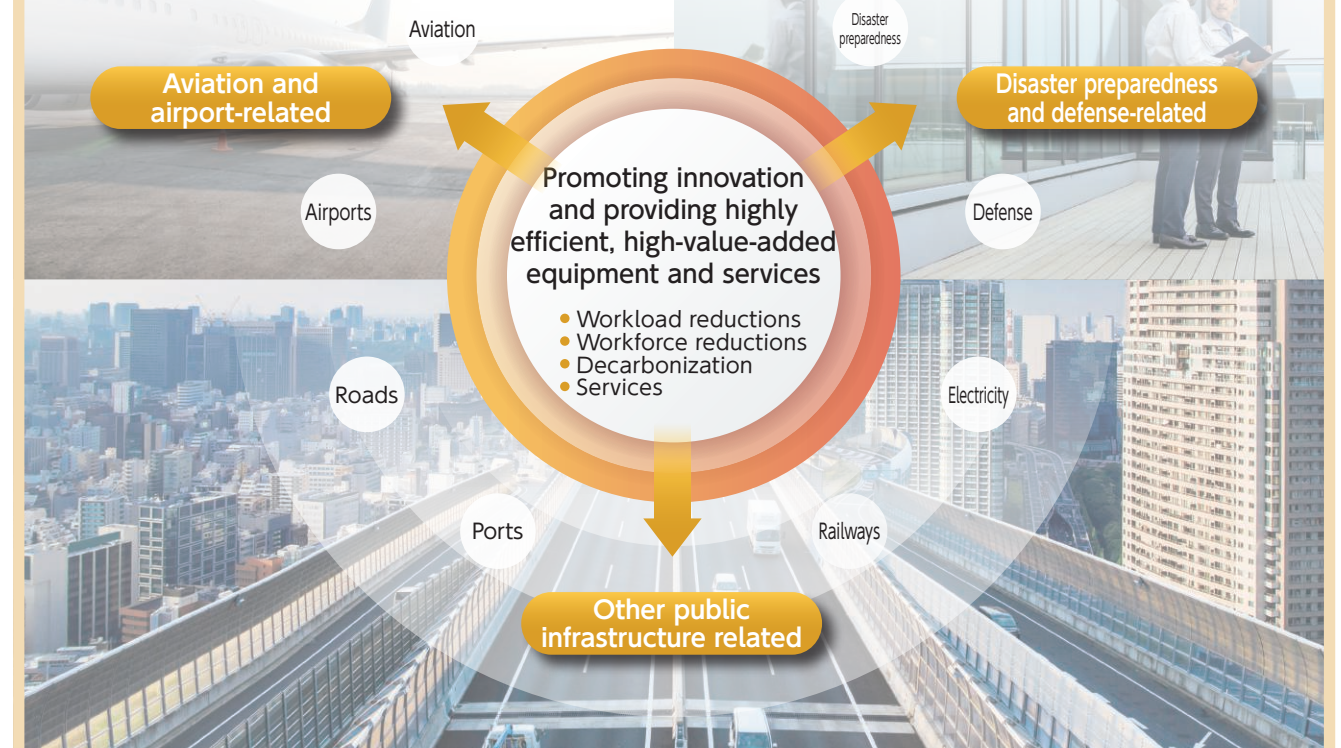


## Strengths

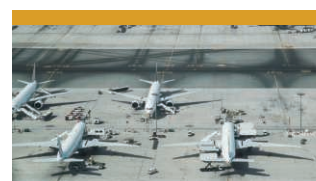
- High recognition in the aviation industry and strong customer base
- Extensive track record for delivery in government projects
- Strong business partners and their networks
- Knowledge accumulated through many years of experience by our in-house service department

## TOPICS

As an important supporter of public infrastructure, including aviation, we support people's safe and secure lives, contribute to the realization of a sustainable society, and aim to be the only one of its kind.



## Initiatives in V2030 and MT2024



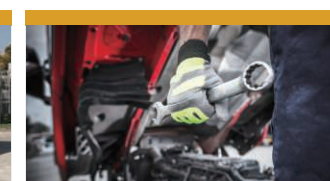
### Airports and aviation

- Aggressive development of new products such as workload and workforce-reducing, unmanned, and automated items
- Adding high value to existing items and adding new functions
- Provision of high value-added services



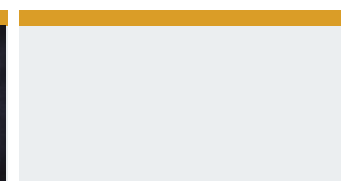
### Disaster preparedness

- Nationwide expansion of equipment for general road use
- Expansion of security-related equipment to other industries



### Customer support (CS)

- Investment in failure diagnosis AI systems
- Proposal for ground support equipment equipped with image recognition AI system and deployment in other specialized vehicles



### New business

- Implementation of feasibility study of wind power generation and proposal of smart energy storage system



# Overview by Region

## China

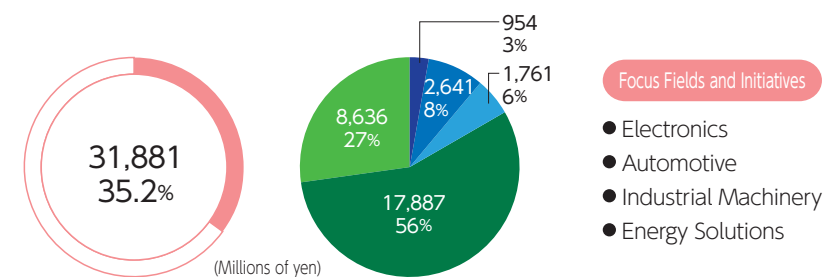
### Summary of FY2023

Despite a decline in consumption, the Electronics Business achieved success through transactions with major companies and orders for in-vehicle-related products. We are also beginning to establish a system to accommodate the relocation of production bases to Southeast Asia, Mexico, and India. The Automotive Business experienced a slowdown in its business performance due to sluggish sales of Japanese automobiles, but the Industrial Machinery Business saw strong sales of vacuum thermoforming machines and other products. In the Plant & Energy Business, sales of environmentally friendly equipment are a key issue. In the Energy Solutions Business, increased exports of China-made battery manufacturing equipment contributed to business performance.

**Kanji Kubota** President, SHANGHAI YISHI TRADING CO., LTD.  
(Senior Executive Officer, DAIICHI JITSUGYO CO., LTD.)

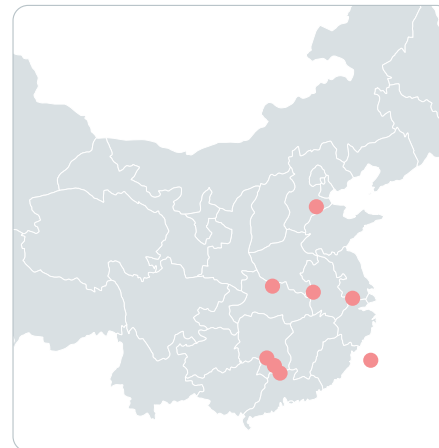
### Focus Fields and Initiatives

As business dealings with Japanese companies decline, we will continue with the measures to expand business with Chinese companies set out in MT2024, while also focusing on efforts to expand exports of high-quality Chinese equipment featuring advanced technological innovations. In terms of new business, we will promote activities to build a track record in environment-related equipment and in the medical and pharmaceutical industries, which have large markets.



#### Focus Fields and Initiatives

- Electronics
- Automotive
- Industrial Machinery
- Energy Solutions



## Americas

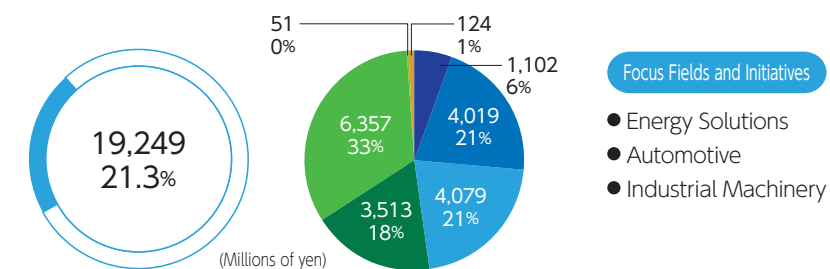
### Summary of FY2023

The Plant & Energy Business struggled due to sluggish large-scale capital investments by Japanese chemical customers. In the Energy Solutions Business, a project for a customer in Texas made a significant contribution to sales. In the Industrial Machinery Business, a large-scale project in Mexico remained steady, contributing to business performance. In the Automotive Business, orders received for products related to drives and devices expanded in line with the shift to EVs in the United States. In the Electronics Business, orders from in-vehicle-related and EMS companies in the North American market, including new customers, were strong.

**Keisuke Nishii** President, DAIICHI JITSUGYO (AMERICA), INC.  
(Executive Officer, DAIICHI JITSUGYO CO., LTD.)

### Focus Fields and Initiatives

This fiscal year, in the Automotive Business, we launched large-scale EV-related equipment for which we had already received orders, and began business with the Big 3 major U.S. automakers. We expect to see increased sales both in the Energy Solutions Business as the result of local installation support for a large-scale project related to lithium-ion battery manufacturing, and in the Industrial Machinery Business due to the delivery of automated assembly lines for medical equipment. We will also begin sales of life science-related equipment in North America.



#### Focus Fields and Initiatives

- Energy Solutions
- Automotive
- Industrial Machinery



## Asia

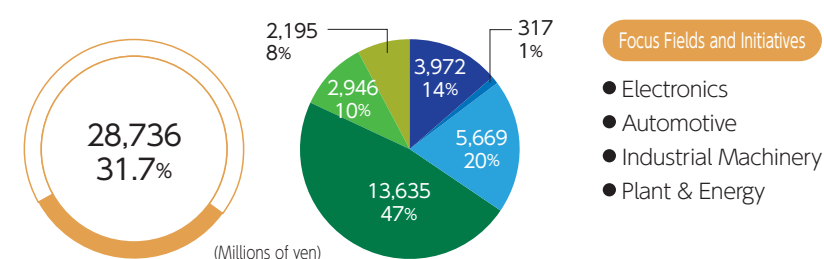
### Summary of FY2023

In the Electronics Business, sales of our mainstay electronic component mounting equipment-related products were sluggish due to global production adjustments, but orders received for products related to smart factories and LOGITO increased. In the Industrial Machinery and Automotive Businesses, orders received increased significantly due to proactive investment to increase production capacity at automobile and motorcycle-related companies, particularly in India. In the Plant & Energy Business, the number of projects decreased due to the slowdown in the Chinese economy; however, orders received increased for renewable energy projects, such as solar power generation, and for decarbonization projects.

**Masao Hiwatari** Managing Director, DAIICHI JITSUGYO ASIA PTE. LTD.  
(Executive Officer, DAIICHI JITSUGYO CO., LTD.)

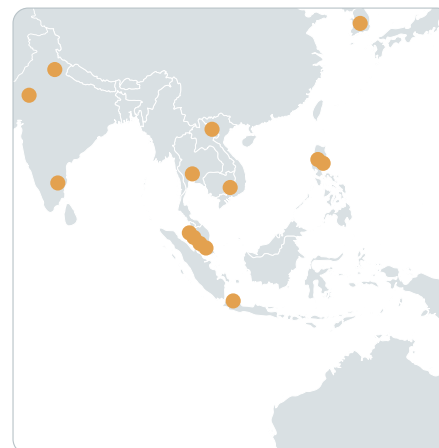
### Focus Fields and Initiatives

We are expanding our bases and increasing our workforce to meet the robust demand for equipment in the Indian market. We are also aiming to further expand our business in India through the establishment of a new manufacturing subsidiary. Although the ASEAN market is sluggish due to a delayed recovery in consumer demand and a slowdown in the Chinese economy, we aim to achieve our MT2024 plans by focusing on automobiles, motorcycles, AI-related products, semiconductors, renewable energy, and healthcare.



#### Focus Fields and Initiatives

- Electronics
- Automotive
- Industrial Machinery
- Plant & Energy



## Europe

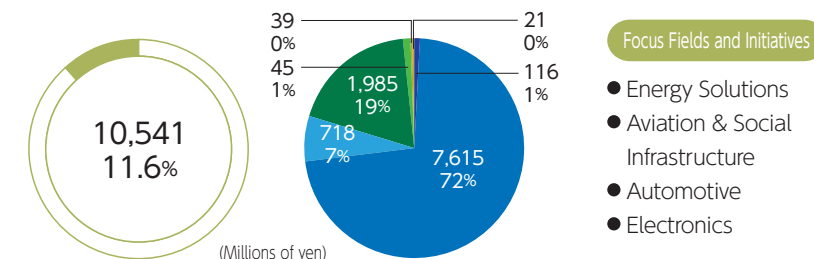
### Summary of FY2023

In the Plant & Energy Business, we received orders for large-scale projects but developing core products remains an issue. In the Energy Solutions Business, we aim to expand the business scale by acquiring new commercial rights, despite the lack of large-scale projects. In the Industrial Machinery Business, we received our first order related to air conditioning equipment. The Electronics Business received its first order in North Africa and is aiming to expand into further areas. In the Aviation & Social Infrastructure Business, we received multiple orders from airlines for ground support equipment for aircraft.

**Iraka Aoki** Managing Director, DIJ EUROPE GMBH

### Focus Fields and Initiatives

This fiscal year, we will focus on utility investment projects, which are performing well even in the battery industry, which has hit a plateau, and on expanding our solar power generation-related business, for which the Plant & Energy Business received its first order. In addition, with regard to our long-term goal of expanding business with local companies overseas, we will continue to implement the measures we have been promoting, with particular focus on upgrading our infrastructure and promoting education to improve employee skills.



#### Focus Fields and Initiatives

- Energy Solutions
- Aviation & Social Infrastructure
- Automotive
- Electronics

